

Corporate Office

6797 N. High Street, Suite 325 Columbus, OH 43085 tel 614.431.3332 fax 614.431.3376 www.crownappraisal.com

Sandalwood Terrace

23 N.W. WAS STREET OFFICE AS A COUNTY OF THE PROPERTY OF T

Sandalwood Terrace

23 4th Street NW 31-unit apartment complex Ludowici, 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).



Corporate Office

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April 11, 2017

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

Re: Sandalwood Terrace 23 4th Street NW Ludowici, 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.

| Competitive Rent Comparable Unit C | Conclusions (CRCU) | | | |
|--|--------------------------------|-----------------------------|-----------------------------|-----------------------------|
| As-is CRCU Prospective (Renovated) CRCU | Value 1 rents Value 4 rents | 1 Bed, 1 Bath 550 615 | 2 Bed, 1 Bath 575 640 | 2 Bed, 1 Bath 580 645 |
| Value Opinions | | | Date of Value | <u>Value</u> |
| Value 1 - as conventional or unre | stricted | | January 25, 2017 | \$1,520,000 |
| Value 2-RD - subject to restricted ren | ts | | January 25, 2017 | \$715,000 |
| Value 3 - prospective, subject to restricted rents | | | February 1, 2019 | \$1,165,000 |
| Value 4 - prospective, as conventional or unrestricted | | | February 1, 2019 | \$1,910,000 |
| Value 5 - Interest Credit Subsidy Value from assuming the existing 515 Loan) | | | December 22, 2017 | \$435,000 |
| Value 5 - Interest Credit Subsidy Value (New 538 Loan) | | | February 1, 2019 | \$110,000 |
| Value 6 - LIHTC Value | | | February 1, 2019 | \$685,407 |
| Value 6 - State Tax Credit Value | | | February 1, 2019 | \$311,549 |
| Value 7 - Insurable Value | | | February 1, 2019 | \$1,704,311 |
| Value 8 - Land Value | | | January 25, 2017 | \$43,400 |

Debi Martin April 11, 2017 Page Two

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

Andrew J. Moye, MAI, AI-GRS

Principal

AJM Enclosure

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Executive Summary

Subject Real Estate Identification: The subject is known as Sandalwood Terrace and has an address of 23 4th Street NW in Ludowici, Georgia. The complex operates as a Class C, subsidized income, age restricted (62+) property. Sandalwood Terrace is on the west side of 4th Street NW about 3/4 mile northwest of downtown Ludowici. The property is in Long County. Ludowici is in southeast Georgia.

The subject improvements include a 31-unit apartment complex (housed in 7 single-story buildings). The property includes one and two bedroom units. The improvements were built in 1994. The property is in average physical and functional condition. The 31 units total 21,473 sf. The property is currently 100% occupied. The subject site is ± 3.950 acres.

Existing Use of Real Estate: Apartment Complex

Highest and Best Use: Intensive Residential (current use)

Parcel Number/Legal Description: L02 073 / 23 NW 4TH ST

Zoning: C-2 General Commercial District

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:

| | | 1 Bed, 1 Bath | 2 Bed, 1 Bath | 2 Bed, 1 Bath |
|--|------------------|---------------|-----------------------|------------------------------|
| As-is CRCU | Value 1 rents | 550 | 2 Bed, 1 Batti 575 | <u>2 Bed, 1 Balli</u> 580 |
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| Value 6 - State Tax Credit Value | | | February 1, 2019 | \$311,549 |
| Value 7 - Insurable Value | February 1, 2019 | \$1,704,311 | | |
| Value 8 - Land Value | | | January 25, 2017 | \$43,400 |

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 Sandalwood Terrace. 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 | 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). |
|------------|--|
| | 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. |
| | 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. |
| | 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". |
| | Comment: market-based rent, market-based vacancy, market-based operating expenses, market-based overall rate used. |
| Value 2-RD | Market Value, within 7 CFR Part 3560.752(b)(1)(ii). |
| | Note – this value opinion must consider all existing restrictions and prohibitions including Restrictive-Use Provisions (RUPs). |
| | 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. |
| | 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)". |
| | Comment: basic rent, historic vacancy, historic expenses, market-based overall rate (with recognition of "safeness" of RA units) used. |
| Value 3 | Prospective Market Value, Subject To Restricted Rents within 7 CFR Part 3560.752(b)(1)(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. |
| | 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. |
| | 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". |

| | 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. |
|---------|--|
| Value 4 | 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. Note – this value opinion is based upon a highest and best use analysis as-if not |
| | encumbered by USDA program provisions. |
| | 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. |
| | 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". |
| | Comment: market-based rent, market-based vacancy, market-based operating expenses, market-based overall rate used. |
| 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 <u>The Dictionary of Real Estate Appraisal</u> 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: <u>Uniform Standards of Professional Appraisal Practice (USPAP)</u>

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: <u>Uniform Standards of Professional Appraisal Practice (USPAP)</u>

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 Sandalwood Terrace and has an address of 23 4th Street NW in Ludowici, Georgia. The property is a 31-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 1994. 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 \$966,833. 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 west side of 4th Street NW about 3/4 mile northwest of downtown Ludowici. The property is in Long County. Ludowici is in southeast Georgia. Ludowici 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) -

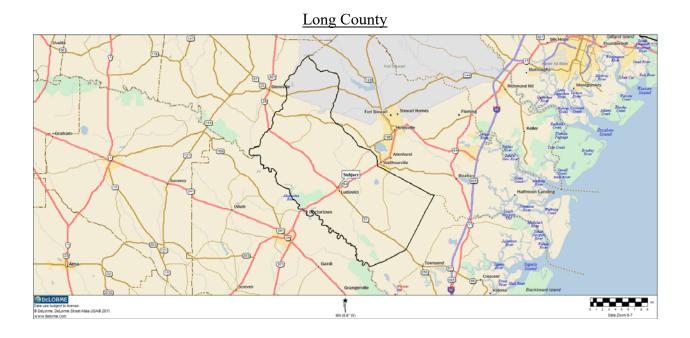
Refers to the minimum age of at least one of the residents of a unit. Depending upon the specific nature of a given program, the typical minimum age limit is within the 55 to 65 range.

Based on the above, the complex operates as a Class C, restricted income, age restricted (62+) property.

City Overview

Ludowici is located in Long County, in the state of Georgia. As defined by the U.S. Office of Management and Budget, and used by the U.S. Census Bureau for statistical purposes only, Long County is included within the Hinesville MSA. Long County is located in southeast Georgia. The city of Ludowici is about 50 miles southwest of Savannah, Georgia, 100 miles north of Jacksonville, Florida, 110 miles northeast of Valdosta, Georgia, and 50 miles southeast of Vidalia, Georgia. The maps below show the subject's location within the state of Georgia, Long County and Ludowici. The aerial below locates the property relative to downtown Ludowici.

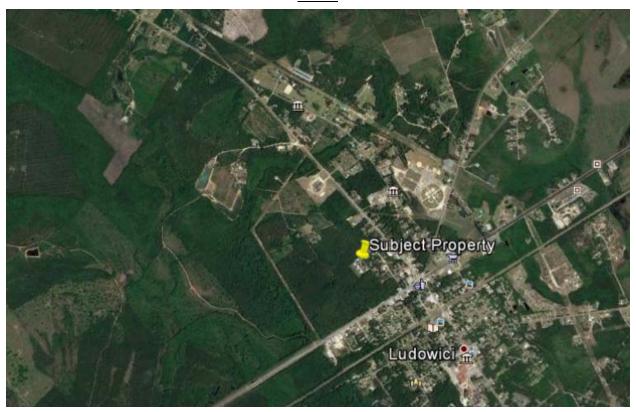




Ludowici



<u>Aerial</u>



Physical Boundaries

Ludowici is roughly bordered by Hall Road NE to the north, Old Macon Darien Road SE to the east, Smiley Road to the south, and Johnstown Circle NW to the west.

Road Infrastructure

There are several highways that serve Ludowici; US 25, US 84, and SR 57. US 25 is a north-south highway with a northern terminus in Covington, Kentucky and a southern terminus in Brunswick, Georgia. The highway travels in a northwest-southeast direction as it enters Ludowici, and a northeast-southwest direction as it exits Ludowici US 84 is an east-west highway with an eastern terminus in Midway, Georgia, and a western terminus in Pagosa Springs, Colorado. It travels in a northeast-southwest direction through Ludowici, exiting the town to the southwest concurrently with US 25. SR 57 is a northwest-southeast highway, connecting the eastern part of the Macon, Georgia area at its northwest terminus to the Eulonia, Georgia area at its southeast terminus. It enters Ludowici from the northwest concurrently with US 25 and continues independently, exiting the town to the southeast.

US 84 is the main southwest-northeast commercial corridor in Ludowici and SR 57 is the main northwest-southeast corridor.

Population

The Ludowici population according to the 2000 census was 1,459. In 2010, the population was 1,703 (an increase of 1.6% compounded annual growth or CAG). In 2016 population estimation is 1,905 (an increase of 1.9% CAG from 2010). The population is expected to increase by 1.6% CAG by 2021 to 2,059.

<u>History</u>

Ludowici began in the 1840s as a stop of the Atlantic and Gulf Railroad known as "Four and a Half." It was incorporated as Ludowici in 1905. It was named after German entrepreneur Carl Ludowici and his family, who built a plant for the Ludowici Roofing Tile Co. and contributed to the construction of a new high school in the town. At its peak the Ludowici Dixie Plant, as it was called, employed many residents of Long County and conducted business throughout much of Georgia and Florida. 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

Land uses and development in Ludowici consist of single-family residential properties, multi-family properties, retail properties, institutional uses (churches, schools, parkland), and industrial. US 84 is the southwest-northeast commercial corridor in Ludowici. Uses along US 84 are a mix of national and local tenants. Uses along US 84 include Dairy Queen, a public playground, Royal Inn, Southern Hardware, Flash Foods gas station, Heritage Bank, Parker's Gas Station, Subway, and Long Auto Parts.

Immediate (Adjacent) Land Uses

North: To the north of the subject is vacant land.

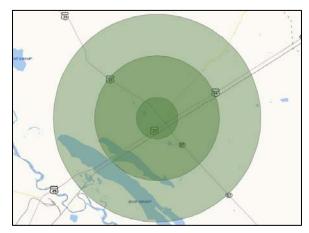
East: To the east of the subject is single-family residential.

South: To the south of the subject is vacant land.

West: To the west of the subject is vacant land.

Market Area Demographic Profile

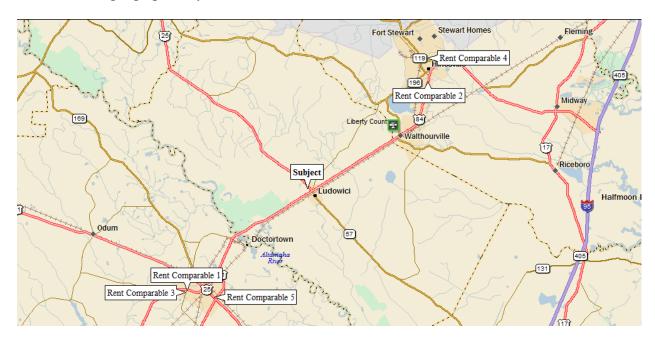
The chart below shows demographic data for the subject market for a number of identified areas. The map depicts the areas covered.



| | Lud | owici | | | R | adius fro | m subjec | t | | | Lo | ng |
|---------------------------------|----------|--------|----------|--------|---|-----------|----------|---|----------|--------|----------|--------|
| | City | CAG | 1 Mile | CAG | | 3 Mile | | | 5 Mile | CAG | County | CAG |
| Population | | | | | | | | | | | | |
| 2000 | 1,459 | | 1,041 | | | 2,498 | | | 3,170 | | 10,303 | |
| 2010 | 1,703 | 1.6% | 1,182 | 1.3% | | 2,954 | 1.7% | | 4,475 | 3.5% | 14,464 | 3.5% |
| 2016 est. | 1,905 | 1.9% | 1,336 | 2.1% | | 3,384 | 2.3% | | 5,352 | 3.0% | 17,937 | 3.7% |
| 2021 proj. | 2,059 | 1.6% | 1,439 | 1.5% | | 3,667 | 1.6% | | 5,871 | 1.9% | 19,905 | 2.1% |
| Median Age | 32.50 | | 33.10 | | | 33.00 | | | 32.30 | | 32.30 | |
| Average Age | 34.90 | | 35.80 | | | 35.10 | | | 34.20 | | 33.80 | |
| Households | | | | | | | | | | | | |
| 2000 | 531 | | 379 | | | 899 | | | 1,133 | | 3,574 | |
| 2010 | 627 | 1.7% | 439 | 1.5% | | 1,066 | 1.7% | | 1,585 | 3.4% | 5,023 | 3.5% |
| 2016 est. | 717 | 2.3% | 505 | 2.4% | | 1,254 | 2.7% | | 1,922 | 3.3% | 6,330 | 3.9% |
| 2021 proj | 784 | 1.8% | 550 | 1.7% | | 1,377 | 1.9% | | 2,121 | 2.0% | 7,071 | 2.2% |
| Average Household Size | | | | | | | | | | | | |
| 2000 | 2.75 | | 2.75 | | | 2.78 | | | 2.80 | | 2.88 | |
| 2010 | 2.72 | -0.1% | 2.70 | -0.2% | | 2.77 | 0.0% | | 2.82 | 0.1% | 2.88 | 0.0% |
| 2016 est. | 2.66 | -0.4% | 2.65 | -0.3% | | 2.70 | -0.4% | | 2.79 | -0.2% | 2.83 | -0.3% |
| 2021 proj | 2.63 | -0.2% | 2.62 | -0.2% | | 2.66 | -0.3% | | 2.77 | -0.1% | 2.82 | -0.1% |
| Owner Occupied (est.) | 396 | 55.23% | 276 | 54.64% | | 722 | 57.55% | | 1,137 | 59.19% | 4,107 | 64.88% |
| Renter Occupied (est.) | 321 | 44.77% | 229 | 45.36% | | 532 | 42.45% | | 784 | 40.81% | 2,223 | 35.12% |
| Est. Household Income | | | | | | | | | | | | |
| \$0-\$14,999 | 15.76% | | 15.77% | | | 15.42% | | | 15.02% | | 13.24% | |
| \$15,000-\$24,999 | 10.60% | | 9.90% | | | 10.92% | | | 11.49% | | 10.65% | |
| \$25,000-\$34,999 | 13.95% | | 13.75% | | | 14.27% | | | 13.54% | | 12.97% | |
| \$35,000-\$49,999 | 17.02% | | 17.55% | | | 16.65% | | | 17.15% | | 17.16% | |
| \$50,000-74,999 | 19.25% | | 19.65% | | | 18.25% | | | 19.06% | | 20.38% | |
| \$75,000-\$99,000 | 14.78% | | 14.77% | | | 14.83% | | | 14.39% | | 16.00% | |
| \$100,000 + | 8.65% | | 8.61% | | | 9.65% | | | 9.35% | | 9.61% | |
| | 100.0% | | 100.0% | | | 100.0% | | | 100.0% | | 100.0% | _ |
| Average Household Income (est.) | \$50,227 | | \$50,447 | | | \$51,102 | | | \$50,933 | | \$53,255 | |
| Median Household Income (est.) | \$43,545 | ; | \$44,046 | | | \$43,457 | | | \$43,700 | | \$46,492 | |

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.



General Data

Property Name: Georgia Pines Apts Property Address: 1460 Sunset Blvd City: Jesup County: Wayne MSA: Not in a MSA State: GA Zip: 31545 Renter Segmentation: General Market Rate Rent Structure:



Property Data

| | | Bedrooms | Baths | <u>Type</u> | Size (rsf) | Units | Rent | Rent/rsf |
|-------------------------------|--------------|----------|-------|-------------|------------|-------|-------|----------|
| Year Built: | 1990 | 1 | 1.0 | Garden | 650 | 19 | \$465 | \$0.72 |
| Size (Number of Units): | 20 | 2 | 2.0 | Garden | 860 | 1 | \$500 | \$0.58 |
| Site Size (acres): | 2.050 | | | | | | | |
| Density (units/acre): | 9.8 | | | | | | | |
| Occ. At Time Of Survey: 95.0% | | | | | | | | |
| Floors: | 1 | | | | | | | |
| Property Design: | Single Story | | | | | | | |

Landlord Paid Utilities

Exterior:

| | | | C 11111110 |
|---|----------|---|------------|
| N | Cable | N | Sewer |
| N | Electric | N | Trash |
| - | Gas | N | Water |

Tenant Paid Utilities

| Y | Cable | Y | Sewer |
|----|----------|---|-------|
| Y | Electric | Y | Trash |
| ۱. | Gas | Y | Water |

Unit Amenities

Brick

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

Complex Amenities

| N | Pool | Y | Laundry |
|-----|-------------|---|--------------|
| N | Clubhouse | N | Det. Garages |
| N ' | Tennis | N | Cov. Storage |
| Ν. | 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

Georgia Pines Apartments is located just south of US 84/SR 38 on the west side of Sunset Blvd about 1.5 miles southwest of downtown Jesup. Typical lease term is 1 year. Shorter lease terms are available with management consent. There is minimal turnover.

Property Contact: Tabitha (912) 427-6028

General Data

| Property Name: | Lexford at Link Terrace |
|----------------------|-------------------------|
| Property Address: | 110 Link St |
| City: | Hinesville |
| County: | Liberty |
| MSA: | Hinesville |
| State: | GA |
| Zip: | 31313 |
| Renter Segmentation: | General |
| Rent Structure: | Market Rate |
| | |



Property Data

| 1 Toperty Data | | | | | | | | |
|-------------------------|--------------|---------|---------|-------------|------------|-------|-------|----------|
| | | Bedroom | s Baths | <u>Type</u> | Size (rsf) | Units | Rent | Rent/rsf |
| Year Built: | 1985 | 0 | 1.0 | Garden | 288 | 6 | \$590 | \$2.05 |
| Size (Number of Units): | 54 | 1 | 1.0 | Garden | 576 | 38 | \$730 | \$1.27 |
| Rentable Size (rsf): | 32,256 | 2 | 1.0 | Garden | 864 | 7 | \$847 | \$0.98 |
| | | 2 | 2.0 | Garden | 864 | 3 | \$857 | \$0.99 |
| Occ. At Time Of Survey | 7:94.4% | | | | | | | |
| Floors: | 1 | | | | | | | |
| Property Design: | Single Story | | | | | | | |
| Exterior: | Siding | | | | | | | |

Landlord Paid Utilities

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

Tenant Paid Utilities

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

Unit Amenities

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

Complex Amenities

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

Other Comments

The property is situated just west of US-84, east of MacArthur Drive (South Main Street), and a mile south of the Hinesville CBD. Hinesville is the county seat of Liberty County, which is located on the eastern border of the state towards the south. Air conditioning is from window units. Typical lease term is 1 year. Shorter lease terms are available with management consent. There is minimal turnover.

Property Contact: Robin (912) 368-3555

General Data

| Property Name: | Pinewood Village Apts |
|----------------------|-----------------------|
| Property Address: | 1258 Sunset Blvd |
| City: | Jesup |
| County: | Wayne |
| MSA: | Not in a MSA |
| State: | GA |
| Zip: | 31545 |
| Renter Segmentation: | General |
| Rent Structure: | Market Rate |
| | |



Property Data

| | Bedroom | s Baths | <u>Type</u> | Size (rsf) | <u>Units</u> | Rent | Rent/rsf |
|---------|---|---|--|---|---|---|---|
| 1983 | 0 | 1.0 | Garden | 250 | 7 | \$350 | \$1.40 |
| 64 | 1 | 1.0 | Garden | 576 | 44 | \$450 | \$0.78 |
| 46,594 | 2 | 1.0 | Garden | 864 | 10 | \$550 | \$0.37 |
| | 2 | 2.0 | Garden | 864 | 3 | \$550 | \$0.37 |
| 4.430 | | | | | | | |
| 14.4 | | | | | | | |
| :75.0% | | | | | | | |
| 1 | | | | | | | |
| Walk Up | | | | | | | |
| | 64 46,594 4.430 14.4 775.0% | 1983 0 64 1 46,594 2 2 4.430 14.4 7:75.0% | 64 46,594 2 1.0 2 2.0 4.430 14.4 775.0% 1 | 1983 0 1.0 Garden 64 1 1.0 Garden 46,594 2 1.0 Garden 2 2.0 Garden 4.430 14.4 7:75.0% 1 | 1983 0 1.0 Garden 250 64 1 1.0 Garden 576 46,594 2 1.0 Garden 864 2 2.0 Garden 864 4.430 14.4 7:75.0% | 1983 0 1.0 Garden 250 7 64 1 1.0 Garden 576 44 46,594 2 1.0 Garden 864 10 2 2.0 Garden 864 3 4.430 14.4 ::75.0% 1 | 1983 0 1.0 Garden 250 7 \$350 64 1 1.0 Garden 576 44 \$450 46,594 2 1.0 Garden 864 10 \$550 2 2.0 Garden 864 3 \$550 4.430 14.4 7:75.0% |

Landlord Paid Utilities

Exterior:

| | Cable | | |
|---|----------|---|-------|
| | Electric | Y | Trash |
| - | Gas | Y | Water |

Tenant Paid Utilities

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

Unit Amenities

Combination

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

Complex Amenities

| Complex Amenii | ies |
|----------------|----------------|
| 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

Pinewood Village Apartments is located just south of US 84/SR 38 on the west side of Sunset Blvd, about 1.5 miles southwest of downtown Jesup. Typical lease term is 1 year. Shorter lease terms are available with management consent. There is minimal turnover.

Property Contact: Kim (912) 427-4515

General Data

Property Name: Stewart Way Apts Property Address: 302 W. Geneal Stewart Way City: Hinesville County: Liberty MSA: Hinesville State: GA Zip: 31313 Renter Segmentation: General Rent Structure: Market Rate



Property Data

| | | Bedroom | s <u>Baths</u> | <u>Type</u> | Size (rsf | <u>Units</u> | Rent | Rent/rsf |
|-------------------------|--------------|---------|----------------|-------------|-----------|--------------|-------|----------|
| Year Built: | 1987 | 0 | 1.0 | Garden | 288 | 36 | \$580 | \$2.01 |
| Size (Number of Units): | 191 | 1 | 1.0 | Garden | 576 | 129 | \$710 | \$1.23 |
| Rentable Size (rsf): | 107,136 | 2 | 1.0 | Garden | 864 | 9 | \$804 | \$0.93 |
| | | 2 | 2.0 | Garden | 864 | 17 | \$824 | \$0.95 |
| Occ. At Time Of Survey | :84.0% | | | | | | | |
| Floors: | 1 | | | | | | | |
| Property Design: | Single Story | | | | | | | |
| Exterior: | Siding | | | | | | | |

Landlord Paid Utilities

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

Tenant 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 |
| | Dishwasher | | 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 |

| C | ompiex Ameniti | es | |
|---|----------------|----|--------------|
| N | Pool | Y | Laundry |
| N | Clubhouse | N | Det. Garages |
| N | Tennis | Y | Cov. Storage |
| N | Jacuzzi | N | Open Storage |
| N | Fit. Center | N | Car Wash |
| N | Lake | N | Elevators |
| N | Gated | N | Playground |
| N | Bus. Center | N | Racquetball |

Other Comments

The property is located along General Stewart Way (SR 38C) less than a mile west of US 84, east of SR 119, and north of downtown Hinesville. Hinesville is the county seat of Liberty County. All utilities are landlord paid, though tenants do pay a portion of their water bill in addition to their rent according to the type of unit they rent. Tenants in studio apartments pay an additional \$22, tenants in one bedroom apartments pay an additional \$28, and tenants in two bedroom apartments pay an additional \$35.

Property Contact: Whitney (912) 368-3777

General Data

Property Name: Gazebo Apts Property Address: 970, 980, and 990 E Cherry St City: County: Wayne MSA: Not in a MSA State: GA Zip: 31546 Renter Segmentation: General Rent Structure: Market Rate



Property Data

Year Built: Bedrooms Baths Type Size (rsf) Units Rent Rent/rsf 2 1.0 Garden 900 12 \$495 \$0.53

Size (Number of Units): 12 Rentable Size (rsf): 10,800 Occ. At Time Of Survey: 83.3%

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

Complex Amenities

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

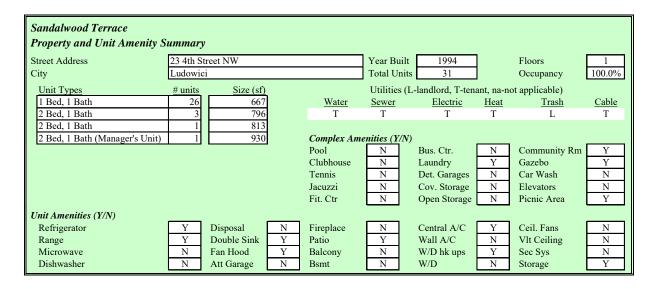
Other Comments

Gazebo Apartments consists of 3 two-story buildings built in 1975 and renovated in 2001. The property is along US 25 (Cherry Street) just north of its intersection with US 301 and less is than a mile southeast of downtown Jesup. Jesup is the county seat of Wayne County located in the southeastern portion of the state. Typical lease term is 1 year. Shorter lease terms are available with management consent. There is minimal turnover.

Property Contact: Kyle (912) 427-3746

Analysis

Sandalwood Terrace: The subject has 31-units, was built in 1994, and is in average physical and functional condition. It is more fully described and discussed in the <u>Property Description</u> section of the report. It is summarized below.



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

| | | Unit Siz | ze | Adj. Monthly | Rent | Rent/s | f |
|---------|--|----------|------------|--------------|----------------|----------|------------------|
| As-Is | I Bed, I Bath Sandalwood Terrace Comparable Properties | 576 - | 667 650 | \$458 - | \$550 \$713 | \$0.76 - | \$0.82 \$1.24 |
| | average of comparables | | 595 | | \$552 | | \$0.93 |
| | 2 Bed, 1 Bath | | | | | | |
| As-Is | Sandalwood Terrace | | 796 | | \$575 | | \$0.72 |
| Ą. | Comparable Properties | 860 - | 900 | \$487 - | \$793 | \$0.55 - | \$0.92 |
| | average of comparables | | 870 | | \$575 | | \$0.6 |
| | 2 Bed, 1 Bath | | | | | | |
| As-Is | Sandalwood Terrace | | 813 | | \$580 | | \$0.7 |
| Ä | Comparable Properties | 860 - | 900 | \$491 - | \$797 | \$0.55 - | \$0.92 |
| | average of comparables | | 870 | | \$579 | | \$0.6 |
| | 1 Bed, 1 Bath | | | | | | |
| As Ren. | Sandalwood Terrace | | 667 | | \$615 | | \$0.92 |
| As] | Comparable Properties | 576 - | 650 | \$523 - | \$778 | \$0.86 - | \$1.3 |
| | average of comparables | | 595 | | \$617 | | \$1.04 |
| | 2 Bed, 1 Bath | | | | | | |
| en. | Sandalwood Terrace | | 796 | | \$640 | | \$0.80 |
| As Ren. | Comparable Properties | 860 - | 900 | \$552 - | \$858 | \$0.62 - | \$0.99 |
| , | average of comparables | | 870 | | \$640 | | \$0.74 |
| | 2 Bed, 1 Bath | | | | | | |
| en. | Sandalwood Terrace | | 813 | | \$645 | | \$0.79 |
| As Ren. | Comparable Properties | 860 - | 900 | \$556 - | \$862 | \$0.63 - | \$1.0 |
| 7 | average of comparables | | 870 | | \$644 | | \$0.7 |

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 (667 sf)

The subject is comprised of 26 of these units. Comparable properties from the area are used to develop the unrenovated rent conclusion.

| Constitute Control C | Name Address | <u>Subject</u> Sandalwood Terrace 23 4th Street NW | Rent 1 Georgia Pines Apts 1460 Sunset Blvd | <u>Rent 2</u> Lexford at Link Terrace 110 Link St | Rent 3 Pinewood Village Apts 1258 Sunset Blvd | Rent 4 Stewart Way Apts 302 W. Geneal Stewart Way |
|---|-------------------------|--|--|---|---|---|
| Address 23 4th Street NW Ludowici 1460 Sunset Bled Jesup 110 Link Sx Hinesville 1258 Sunset Bled Jesup Superior 302 W. Geneal Stewart War Proplation Popolation 1,905 10,022 34,103 10,022 34,103 Superior -510 Superior -520 Superior -520 Superior -520 Superior -520 Superior -520 Superior -520 Superior -520 Superior -520 Superior | • | | \$465 | \$730 | \$450 | |
| City Ludowici Jesup Hinesville Jesup Hinesville Population 1,905 10,022 34,103 10,022 34,103 Superior Superior Superior Superior Superior Superior -510 -520 -510 -520 Tear Built 1994 1990 1985 1983 1987 Condition/Street Appeal | | 23 4th Street NW | 1460 Sunset Blvd | 110 Link St | 1258 Sunset Blvd | 302 W. Geneal Stewart Way |
| Superior Sumilar Inferior | | | | | | |
| Section Sect | Population | 1,905 | 10,022 | 34,103 | 10,022 | 34,103 |
| Year Built | | | Superior | Superior | Superior | Superior |
| Condition/Street Appeal | | | -\$10 | -\$20 | -\$10 | -\$20 |
| So S5 S5 S5 S5 S5 S5 S5 | Year Built | 1994 | 1990 | 1985 | 1983 | 1987 |
| Unit Size (qf) 667 650 576 576 576 576 Inferior | Condition/Street Appeal | | Similar | Inferior | Inferior | Inferior |
| Inferior | | | \$0 | \$5 | \$5 | \$5 |
| S3 | Unit Size (sf) | 667 | 650 | 576 | 576 | 576 |
| $\begin{array}{c ccccccccccccccccccccccccccccccccccc$ | | | Inferior | Inferior | Inferior | Inferior |
| $ \begin{array}{c ccccccccccccccccccccccccccccccccccc$ | | | \$3 | \$18 | \$18 | \$18 |
| So So So So So So So So | Bedrooms | 1 | 1 | 1 | 1 | 1 |
| $ \begin{array}{c ccccccccccccccccccccccccccccccccccc$ | | | Similar | Similar | Similar | Similar |
| Similar Simi | | | \$0 | \$0 | \$0 | \$0 |
| So So So So So So So So | Bathrooms | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| Heat Tenant Ten | | | Similar | Similar | Similar | Similar |
| Heat | | | \$0 | \$0 | \$0 | \$0 |
| Electric | Utilities (who pays?) | | | | | |
| $ \begin{array}{c ccccccccccccccccccccccccccccccccccc$ | | | | | | |
| Sewer Tenant Tenant Landlord Superior Super | | | | | | |
| Trash | | | | | | |
| Cable Tenant Tenant Inferior Tenant Superior Tenant Superior Tenant Superior Superior Superior Ref, Range, DW, Storage, M/D HU, Disp, A/C, W/D HU, Disp, A/C, W/D HU, Disp, A/C, W/D HU, Disp, A/C, W/D HU, Patio, VIt Ceil, Ceil Fan Patio, Sec Sys Patio, VIt Ceil, Ceil Fan Superior Patio, VIt Ceil, Ceil Fan Superior Superior Superior Superior Superior Superior Superior Superior Superior Superior Superior Superior Superior < | | | | | | |
| $Inferior \\ S5 \\ -\$20 \\ -\$20 \\ -\$20 \\ -\$20 \\ -\$20 \\ -\$20 \\ -\$20 \\ -\$20 \\ -\$167$ Unit Amenities $Ref, Range, A/C, Patio, \\ W/D HU, Storage, \\ W/D HU, Storage \\ W/D HU, Storage \\ -A/C \\ -Bisp, Win A/C, W/D HU, \\ Patio, VIt Ceil, Ceil Fan \\ -\$15 \\ -\$15 \\ -\$15 \\ -\$15 \\ -\$5 \\ -\$20 \\ -\$$ | | | | | | |
| S5 -\$20 -\$167 Wint Amenities Ref, Range, A/C, Patio, W/D HU, Storage W/D HU, Storage Ref, Range, A/C W/D HU, Storage A/C Disp, Win A/C, W/D HU, Patio, VIt Ceil, Ceil Fan Superior S15 -\$15 -\$5 -\$20 Complex Amenities Laundry, Comm Rm, Gazebo, Picnic Area Inferior S15 S15 S15 S20 S15 Concessions None None None None None None None None | Cable | Tenant | | | | |
| Unit Amenities Ref, Range, A/C, Patio, W/D HU, Storage Ref, Range, DW, Storage, Disp, Win A/C, W/D HU, Patio, VIt Ceil, Ceil Fan Superior S15 | | | • | • | • | • |
| WD HU, Storage | | | \$5 | | -\$20 | |
| Patio, Vlt Ceil, Ceil Fan Patio, Sec Sys Patio, Vlt Ceil, Ceil Fan Superior Superio | Unit Amenities | _ | | | | |
| Inferior Superior Superior Superior Superior Superior S15 -\$15 -\$5 -\$20 | | W/D HU, Storage | A/C | - · · · · · · · · · · · · · · · · · · · | | • |
| S15 | | | | | | |
| Complex Amenities Laundry, Comm Rm, Laundry Laundry Laundry None Laundry Gazebo, Picnic Area Inferior Inferior Inferior Inferior \$15 \$15 \$20 \$15 Concessions None None None None \$0 \$0 \$0 \$0 Net Adjustment \$28 \$-\$17 \$8 \$-\$169 | | | • | - | - | * |
| Gazebo, Picnic Area Inferior Inferior Inferior Inferior S15 S15 S20 S15 S20 S15 S20 S15 S20 | | | | | | |
| \$15 \$15 \$20 \$15 | Complex Amenities | • | Laundry | Laundry | None | Laundry |
| Concessions None None None None None \$0 \$0 \$0 \$0 \$0 Net Adjustment \$28 -\$17 \$8 -\$169 | | | • | • | • | • |
| \$0 \$0 \$0 \$0 Net Adjustment \$28 -\$17 \$8 -\$169 | | | \$15 | \$15 | \$20 | \$15 |
| Net Adjustment <u>\$28</u> <u>-\$17</u> <u>\$8</u> <u>-\$169</u> | Concessions | None | | | None | |
| | | | \$0 | \$0 | \$0 | \$0 |
| Adjusted Rent \$493 \$713 \$458 \$541 | Net Adjustment | | <u>\$28</u> | <u>-\$17</u> | <u>\$8</u> | <u>-\$169</u> |
| | Adjusted Rent | | \$493 | \$713 | \$458 | \$541 |

The comparables range in size from 576 sf to 650 sf. After making the adjustments considered appropriate, the rent range is \$458 to \$713. Central tendencies are \$552 (average) and \$517 (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 \$550/month is concluded to be appropriate.

As Renovated Market Rent, 1 br-1 ba (667 sf)

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

| Name Address | <u>Subject</u> Sandalwood Terrace 23 4th Street NW | Rent 1 Georgia Pines Apts 1460 Sunset Blvd | Rent 2 Lexford at Link Terrace 110 Link St | Rent 3 Pinewood Village Apts 1258 Sunset Blvd | Rent 4 Stewart Way Apts 302 W. Geneal Stewart Way |
|-------------------------|--|--|--|---|---|
| Unadjusted Rent | 23 4th Street IVW | \$465 | \$730 | \$450 | \$710 |
| Location | | | | | |
| Address | 23 4th Street NW | 1460 Sunset Blvd | 110 Link St | 1258 Sunset Blvd | 302 W. Geneal Stewart Way |
| City | Ludowici | Jesup | Hinesville | Jesup | Hinesville |
| Population | 1,905 | 10,022 | 34,103 | 10,022 | 34,103 |
| | | Superior -\$10 | Superior -\$20 | Superior -\$10 | Superior -\$20 |
| Year Built | 1994/2019R | 1990 | 1985 | 1983 | 1987 |
| Condition/Street Appeal | | Inferior | Inferior | Inferior | Inferior |
| | | \$50 | \$55 | \$55 | \$55 |
| Unit Size (sf) | 667 | 650 | 576 | 576 | 576 |
| | | Inferior | Inferior | Inferior | Inferior |
| | | \$3 | \$18 | \$18 | \$18 |
| Bedrooms | 1 | 1 | 1 | 1 | 1 |
| | | Similar | Similar | Similar | Similar |
| | | \$0 | \$0 | \$0 | \$0 |
| Bathrooms | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| | | Similar | Similar | Similar | Similar |
| | | \$0 | \$0 | \$0 | \$0 |
| Utilities (who pays?) | | | | | |
| Heat | Tenant | Tenant | Tenant | Tenant | Landlord |
| Electric | Tenant | Tenant | Tenant | Tenant | Landlord |
| Water | Tenant | Tenant | Landlord | Landlord | Landlord |
| Sewer | Tenant | Tenant | Landlord | Landlord | Landlord |
| Trash | Landlord | Tenant | Landlord | Landlord | Landlord |
| Cable | Tenant | Tenant | Tenant | Tenant | Landlord |
| | | Inferior \$5 | Superior -\$20 | Superior -\$20 | Superior -\$167 |
| Unit Amenities | Ref, Range, A/C, Patio, W/D HU, Storage, | Ref, Range, A/C | Ref, Range, DW, Storage, Disp, Win A/C, W/D HU, | Ref, Range, Disp, A/C, W/D HU, | Ref, Range, DW, Storage, Disp, A/C, W/D HU, |
| | Micro | A/C | Patio, Vlt Ceil, Ceil Fan | Patio, Sec Sys | Patio, Vlt Ceil, Ceil Fan |
| | 111070 | Inferior | Superior | Similar | Superior |
| | | \$20 | -\$10 | \$0 | -\$15 |
| Complex Amenities | Laundry, Comm Rm, Gazebo, Picnic Area, Pavilion, Computer Rm | Laundry | Laundry | None | Laundry |
| | | Inferior \$25 | Inferior \$25 | Inferior \$30 | Inferior \$25 |
| Concessions | None | None \$0 | None \$0 | None \$0 | None \$0 |
| Net Adjustment | | <u>\$93</u> | <u>\$48</u> | <u>\$73</u> | <u>-\$104</u> |
| Adjusted Rent | | \$558 | \$778 | \$523 | \$606 |
| Market Rent Conclusion | \$615 | | | | |

The comparables range in size from 576 sf to 650 sf. After making the adjustments considered appropriate, the rent range is \$523 to \$778. Central tendencies are \$617 (average) and \$582 (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 \$615/month is concluded to be appropriate.

Unrenovated Market Rent, 2 br-1 ba (796 sf)

The subject is comprised of 3 of these units. Comparable properties from the area are used to develop the unrenovated rent conclusion.

| | 6.11 | D 12 | n : 2 | D : 2 | n : i | D : 7 |
|--------------------------|--|------------------------------|--------------------------------|------------------------------|---------------------------|----------------------------|
| Name | <u>Subject</u> Sandalwood Terrace | Rent 1 Georgia Pines Apts | Rent 2 Lexford at Link Terrace | Rent 3 Pinewood Village Apts | Rent 4 Stewart Way Apts | Rent 5 Gazebo Apts |
| Address | 23 4th Street NW | 1460 Sunset Blvd | 110 Link St | 1258 Sunset Blvd | 302 W. Geneal Stewart Way | 970, 980, and 990 E Cherry |
| Unadjusted Rent | 23 4th Street NW | \$500 | \$847 | \$550 | \$804 | \$495 |
| * | | \$500 | 3047 | 9000 | 3004 | Q+3J |
| ocation Address | 23 4th Street NW | 1460 Sunset Blvd | 110 Link St | 1258 Sunset Blvd | 202 W. Ganad Stawart Way | 970, 980, and 990 E Cherry |
| City | Ludowici | Jesup | Hinesville | Jesup | Hinesville | Jesup |
| Population | 1.905 | 10,022 | 34.103 | 10,022 | 34.103 | 10,022 |
| Population | 1,903 | Superior | Superior | Superior | Superior | Superior |
| | | -\$10 | -\$20 | -\$10 | -\$20 | -\$10 |
| Year Built | 1994 | 1990 | 1985 | 1983 | 1987 | 1975, R-2001 |
| Condition/Street Appeal | 1554 | Similar | Inferior | Inferior | Inferior | Superior |
| Conditions of eet 21pped | | \$0 | \$5 | \$5 | \$5 | -\$5 |
| Init Size (sf) | 796 | 860 | 864 | 864 | 864 | 900 |
| | .50 | Superior | Superior | Superior | Superior | Superior |
| | | -\$13 | -\$14 | -\$14 | -\$14 | -\$21 |
| 'edrooms | 2 | 2 | 2 | 2 | 2 | 2 |
| 54.00% | - | Similar | Similar | Similar | Similar | Similar |
| | | \$0 | \$0 | \$0 | \$0 | \$0 |
| athrooms | 1.0 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| | | Superior | Similar | Similar | Similar | Similar |
| | | -\$25 | \$0 | \$0 | \$0 | \$0 |
| Itilities (who pays?) | | | | | | |
| Heat | Tenant | Tenant | Tenant | Tenant | Landlord | Tenant |
| Electric | Tenant | Tenant | Tenant | Tenant | Landlord | Tenant |
| Water | Tenant | Tenant | Landlord | Landlord | Landlord | Tenant |
| Sewer | Tenant | Tenant | Landlord | Landlord | Landlord | Tenant |
| Trash | Landlord | Tenant | Landlord | Landlord | Landlord | Tenant |
| Cable | Tenant | Tenant | Tenant | Tenant | Landlord | Tenant |
| | | Inferior | Superior | Superior | Superior | Inferior |
| | | \$5 | -\$25 | -\$25 | -\$190 | \$5 |
| Init Amenities | Ref, Range, A/C, Patio, | Ref, Range, | Ref, Range, DW, Storage, | Ref, Range, Disp, | Ref, Range, DW, Storage, | Ref, Range, A/C, |
| | W/D HU, Storage | A/C | Disp, Win A/C, W/D HU, | A/C, W/D HU , | Disp, A/C, W/D HU, | W/D~HU |
| | | | Patio, Vlt Ceil, Ceil Fan | Patio, Sec Sys | Patio, Vlt Ceil, Ceil Fan | |
| | | Inferior | Superior | Superior | Superior | Inferior |
| | | \$15 | -\$15 | -\$5 | -\$20 | \$10 |
| omplex Amenities | Laundry, Comm Rm, Gazebo, Picnic Area | Laundry | Laundry | None | Laundry | None |
| | | Inferior | Inferior | Inferior | Inferior | Inferior |
| | | \$15 | \$15 | \$20 | \$15 | \$20 |
| Concessions | None | None | None | None | None | None |
| | | \$0 | \$0 | \$0 | \$0 | \$0 |
| Vet Adjustment | | <u>-\$13</u> | <u>-\$54</u> | <u>-\$29</u> | <u>-\$224</u> | <u>-\$1</u> |
| Adjusted Rent | | \$487 | \$793 | \$521 | \$580 | \$494 |
| Market Rent Conclusion | \$575 | | | | | |

The comparables range in size from 860 sf to 900 sf. After making the adjustments considered appropriate, the rent range is \$487 to \$793. Central tendencies are \$575 (average) and \$521 (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 \$575/month is concluded to be appropriate.

As Renovated Market Rent, 2 br-1 ba (796 sf)

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

| Name | <u>Subject</u> Sandalwood Terrace | Rent 1 Georgia Pines Apts | Rent 2 Lexford at Link Terrace | Rent 3 Pinewood Village Apts | Rent 4 Stewart Way Apts | <u>Rent 5</u> Gazebo Apts |
|----------------------------|--|------------------------------|-----------------------------------|------------------------------|------------------------------------|--|
| Address Unadjusted Rent | 23 4th Street NW | 1460 Sunset Blvd \$500 | 110 Link St \$847 | 1258 Sunset Blvd \$550 | 302 W. Geneal Stewart Way \$804 | 970, 980, and 990 E Cherry \$ \$495 |
| Location | | | | | | |
| Address | 23 4th Street NW | 1460 Sunset Blvd | 110 Link St | 1258 Sunset Blvd | 302 W. Geneal Stewart Way | |
| City | Ludowici | Jesup | Hinesville | Jesup | Hinesville | Jesup |
| Population | 1,905 | 10,022 | 34,103 | 10,022 | 34,103 | 10,022 |
| | | Superior | Superior | Superior | Superior | Superior |
| | | -\$10 | -\$20 | -\$10 | -\$20 | -\$10 |
| Year Built | 1994/2019R | 1990 | 1985 | 1983 | 1987 | 1975, R-2001 |
| Condition/Street Appeal | | Inferior | Inferior | Inferior | Inferior | Inferior |
| | | \$50 | \$55 | \$55 | \$55 | \$45 |
| Init Size (sf) | 796 | 860 | 864 | 864 | 864 | 900 |
| (-0/) | | Superior | Superior | Superior | Superior | Superior |
| | | -\$13 | -\$14 | -\$14 | -\$14 | -\$21 |
| edrooms | 2 | 2 | 2 | 2 | 2 | 2 |
| earooms | 2 | Similar | Similar | Similar | Similar | Similar |
| | | \$0 | \$0 | \$0 | \$0 | \$0 |
| | | | | | | |
| athrooms | 1.0 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| | | Superior | Similar | Similar | Similar | Similar |
| | | -\$25 | \$0 | \$0 | \$0 | \$0 |
| Itilities (who pays?) | | | | | | |
| Heat | Tenant | Tenant | Tenant | Tenant | Landlord | Tenant |
| Electric | Tenant | Tenant | Tenant | Tenant | Landlord | Tenant |
| Water | Tenant | Tenant | Landlord | Landlord | Landlord | Tenant |
| Sewer | Tenant | Tenant | Landlord | Landlord | Landlord | Tenant |
| Trash | Landlord | Tenant | Landlord | Landlord | Landlord | Tenant |
| Cable | Tenant | Tenant | Tenant | Tenant | Landlord | Tenant |
| | | Inferior \$5 | Superior -\$25 | Superior -\$25 | Superior -\$190 | Inferior \$5 |
| | | \$3 | -\$25 | -\$25 | -3190 | \$3 |
| Init Amenities | Ref, Range, A/C, Patio, | Ref, Range, | Ref, Range, DW, Storage, | Ref, Range, Disp, | Ref, Range, DW, Storage, | Ref, Range, A/C , |
| | W/D HU, Storage, | A/C | Disp, Win A/C, W/D HU, | A/C, W/D HU , | Disp, A/C, W/D HU, | W/D~HU |
| | Micro | | Patio, Vlt Ceil, Ceil Fan | Patio, Sec Sys | Patio, Vlt Ceil, Ceil Fan | |
| | | Inferior | Superior | Similar | Superior | Inferior |
| | | \$20 | -\$10 | \$0 | -\$15 | \$15 |
| Complex Amenities | Laundry, Comm Rm, Gazebo, Picnic Area, Pavilion, Computer Rm | Laundry | Laundry | None | Laundry | None |
| | | Inferior | Inferior | Inferior | Inferior | Inferior |
| | | \$25 | \$25 | \$30 | \$25 | \$30 |
| Concessions | None | None | None | None | None | None |
| | | \$0 | \$0 | \$0 | \$0 | \$0 |
| Tak A diagencens | | | | | | |
| Vet Adjustment | | <u>\$52</u> | <u>\$11</u> | <u>\$36</u> | <u>-\$159</u> | <u>\$64</u> |
| Adjusted Rent | | \$552 | \$858 | \$586 | \$645 | \$559 |
| Market Rent Conclusion | \$640 | | | | | |

The comparables range in size from 860 sf to 900 sf. After making the adjustments considered appropriate, the rent range is \$552 to \$858. Central tendencies are \$640 (average) and \$586 (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 \$640/month is concluded to be appropriate.

Unrenovated Market Rent, 2 br-1 ba (813 sf)

The subject is comprised of 1 of these units. Comparable properties from the area are used to develop the unrenovated rent conclusion.

| Name Address | Subject Sandalwood Terrace 23 4th Street NW | Rent 1 Georgia Pines Apts 1460 Sunset Blvd | Rent 2 Lexford at Link Terrace 110 Link St | Rent 3 Pinewood Village Apts 1258 Sunset Blvd | | Rent 5 Gazebo Apts 970, 980, and 990 E Cherry 5 |
|-------------------------|---|--|--|---|--|---|
| Unadjusted Rent | | \$500 | \$847 | \$550 | \$804 | \$495 |
| Location Address | 23 4th Street NW | 1460 Sunset Blvd | 110 Link St | 1258 Sunset Blvd | 302 W. Geneal Stewart Way | 970, 980, and 990 E Cherry |
| City | Ludowici | Jesup | Hinesville | Jesup | Hinesville | Jesup |
| Population | 1,905 | 10,022 | 34,103 | 10,022 | 34,103 | 10.022 |
| | -, | Superior -\$10 | Superior -\$20 | Superior -\$10 | Superior -\$20 | Superior -\$10 |
| Year Built | 1994 | 1990 | 1985 | 1983 | 1987 | 1975, R-2001 |
| Condition/Street Appeal | | Similar | Inferior | Inferior | Inferior | Superior |
| | | \$0 | \$5 | \$5 | \$5 | -\$5 |
| Unit Size (sf) | 813 | 860 | 864 | 864 | 864 | 900 |
| | | Superior | Superior | Superior | Superior | Superior |
| | | -\$9 | -\$10 | -\$10 | -\$10 | -\$17 |
| Bedrooms | 2 | 2 | 2 | 2 | 2 | 2 |
| | | Similar | Similar | Similar | Similar | Similar |
| | | \$0 | \$0 | \$0 | \$0 | \$0 |
| Bathrooms | 1.0 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| | | Superior | Similar | Similar | Similar | Similar |
| | | -\$25 | \$0 | \$0 | \$0 | \$0 |
| Utilities (who pays?) | | | | | | |
| Heat | Tenant | Tenant | Tenant | Tenant | Landlord | Tenant |
| Electric | Tenant | Tenant | Tenant | Tenant | Landlord | Tenant |
| Water | Tenant | Tenant | Landlord | Landlord | Landlord | Tenant |
| Sewer Trash | Tenant Landlord | Tenant Tenant | Landlord Landlord | Landlord Landlord | Landlord Landlord | Tenant Tenant |
| Cable | Landiord Tenant | Tenant Tenant | Landiord Tenant | Tenant | Landlord Landlord | Tenant Tenant |
| Cable | 1 enant | Inferior | Superior | Superior | Superior | I enant Inferior |
| | | \$5 | -\$25 | -\$25 | -\$190 | S5 |
| Unit Amenities | Ref, Range, A/C, Patio, W/D HU, Storage | Ref, Range, A/C | Ref, Range, DW, Storage, Disp, Win A/C, W/D HU, | Ref, Range, Disp, A/C, W/D HU, | Ref, Range, DW, Storage, Disp, A/C, W/D HU, | Ref, Range, A/C, W/D HU |
| | 112 110, 510, 480 | | Patio, Vlt Ceil, Ceil Fan | Patio, Sec Sys | Patio, Vlt Ceil, Ceil Fan | ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, |
| | | Inferior | Superior | Superior | Superior | Inferior |
| | | \$15 | -\$15 | -\$5 | -\$20 | \$10 |
| Complex Amenities | Laundry, Comm Rm, Gazebo, Picnic Area | Laundry | Laundry | None | Laundry | None |
| | | Inferior \$15 | Inferior \$15 | Inferior \$20 | Inferior \$15 | Inferior \$20 |
| | | | | | | |
| Concessions | None | None \$0 | None \$0 | None \$0 | None \$0 | None \$0 |
| Net Adjustment | | <u>-\$9</u> | <u>-\$50</u> | <u>-\$25</u> | <u>-\$220</u> | <u>\$3</u> |
| Adjusted Rent | | \$491 | \$797 | \$525 | \$584 | \$498 |
| Market Rent Conclusion | \$580 | \neg | | | | |

The comparables range in size from 860 sf to 900 sf. After making the adjustments considered appropriate, the rent range is \$491 to \$797. Central tendencies are \$579 (average) and \$525 (median). No one property stands out as being more comparable than another – no one comparable is physically close, and all were adjusted. A point value near the mid-point is reasonable. An as-is market rent of \$580/month is concluded to be appropriate.

As Renovated Market Rent, 2 br-1 ba (813 sf)

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

| Renovated | | | | | | |
|-------------------------|--|--|--|---|---|---|
| Name Address | <u>Subject</u> Sandalwood Terrace 23 4th Street NW | Rent 1 Georgia Pines Apts 1460 Sunset Blvd | Rent 2 Lexford at Link Terrace 110 Link St | Rent 3 Pinewood Village Apts 1258 Sunset Blvd | Rent 4 Stewart Way Apts 302 W. Geneal Stewart Way | Rent 5 Gazebo Apts 970, 980, and 990 E Cherry S |
| Unadjusted Rent | | \$500 | \$847 | \$550 | \$804 | \$495 |
| ocation Address | 23 4th Street NW | 1460 Sunset Blvd | 110 Link St | 1258 Sunset Blvd | 302 W. Geneal Stewart Way | 970, 980, and 990 E Cherry |
| City | Ludowici | Jesup | Hinesville | Jesup | Hinesville | Jesup |
| Population | 1,905 | 10,022 | 34,103 | 10,022 | 34,103 | 10,022 |
| | | Superior -\$10 | Superior -\$20 | Superior -\$10 | Superior -\$20 | Superior -\$10 |
| Year Built | 1994/2019R | 1990 | 1985 | 1983 | 1987 | 1975, R-2001 |
| Condition/Street Appeal | | Inferior \$50 | Inferior \$55 | Inferior \$55 | Inferior \$55 | Inferior \$45 |
| Init Size (sf) | 813 | 860 | 864 | 864 | 864 | 900 |
| | | Superior | Superior | Superior | Superior | Superior |
| | | -\$9 | -\$10 | -\$10 | -\$10 | -\$17 |
| Bedrooms | 2 | 2 | 2 | 2 | 2 | 2 |
| | | Similar | Similar | Similar | Similar | Similar |
| | | 0 | 0 | 0 | 0 | 0 |
| Bathrooms | 1.0 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| | | Superior | Similar | Similar | Similar | Similar |
| | | -\$25 | \$0 | \$0 | \$0 | \$0 |
| Itilities (who pays?) | | | | | | |
| Heat | Tenant | Tenant | Tenant | Tenant | Landlord | Tenant |
| Electric | Tenant | Tenant | Tenant | Tenant | Landlord | Tenant |
| Water | Tenant | Tenant | Landlord | Landlord | Landlord | Tenant |
| Sewer | Tenant | Tenant | Landlord | Landlord | Landlord | Tenant |
| Trash | Landlord | Tenant | Landlord | Landlord | Landlord | Tenant |
| Cable | Tenant | Tenant | Tenant | Tenant | Landlord | Tenant |
| | | Inferior \$5 | Superior -\$25 | Superior -\$25 | Superior -\$190 | Inferior \$5 |
| Init Amenities | Ref, Range, A/C, Patio, W/D HU, Storage, | Ref, Range, A/C | Ref, Range, DW, Storage, Disp, Win A/C, W/D HU, | Ref, Range, Disp, A/C, W/D HU, | Ref, Range, DW, Storage, Disp, A/C, W/D HU, | Ref, Range, A/C, W/D HU |
| | Micro | 220 | Patio, Vlt Ceil, Ceil Fan | Patio, Sec Sys | Patio, Vlt Ceil, Ceil Fan | W.D.110 |
| | 11107 | Inferior | Superior | Similar | Superior | Inferior |
| | | \$20 | -\$10 | \$0 | -\$15 | \$15 |
| Complex Amenities | Laundry, Comm Rm, Gazebo, Picnic Area, Pavilion, Computer Rm | Laundry | Laundry | None | Laundry | None |
| | | Inferior \$25 | Inferior \$25 | Inferior \$30 | Inferior \$25 | Inferior \$30 |
| Concessions | None | None \$0 | None \$0 | None \$0 | None \$0 | None \$0 |
| Net Adjustment | | <u>\$56</u> | <u>\$15</u> | <u>\$40</u> | <u>-\$155</u> | \$68 |
| djusted Rent | | \$556 | \$862 | \$590 | \$649 | \$563 |
| Market Rent Conclusion | \$645 | 7 | | | | |

The comparables range in size from 860 sf to 900 sf. After making the adjustments considered appropriate, the rent range is \$556 to \$862. Central tendencies are \$644 (average) and \$590 (median). No one property stands out as being more comparable than another — no one comparable is physically close, and all were adjusted. A point value near the mid-point is reasonable. An as-renovated market rent of \$645/month is concluded to be appropriate.

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 75.0%-95.0%.

| Apartment Vacancy Sandalwood Terrace | | | | |
|---|--|-------------|--------|---------|
| <u>Name</u> | <u>Location</u> | Total Units | Occ. | Vacancy |
| Sandalwood Terrace | 23 4th Street NW | 31 | 100.0% | |
| Georgia Pines Apts | 1460 Sunset Blvd | 20 | 95.0% | 5.0% |
| Lexford at Link Terrace | 110 Link St | 54 | 94.4% | 5.6% |
| Pinewood Village Apts | 1258 Sunset Blvd | 64 | 75.0% | 25.0% |
| Stewart Way Apts | 302 W. Geneal Stewart Way | 191 | 84.0% | 16.0% |
| Gazebo Apts | 970, 980, and 990 E Cherry St | 12 | 83.3% | 16.7% |
| | Minimum | | 75.0% | 5.0% |
| | Maximum | | 95.0% | 25.0% |
| | Totals and average (excluding subject) | 341 | 84.6% | 15.4% |
| 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 Sandalwood Terrace has been low. When inspected, there were no vacant units.

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

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

Value 1, as conventional or unrestricted -5%

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

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

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

Property Description

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

General Location

The subject is located on the west side of 4th Street NW about 3/4 mile northwest of downtown Ludowici. The property is in Long County. Ludowici is located in southeast Georgia. The property has an address of 23 4th Street NW, Ludowici, 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 4th Street NW. 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 Sandalwood Terrace of Ludowici L.P. The current owner purchased the property in 1992 and subsequently developed the property in 1994. The subject has not been sold during the past three years. The property is part of a portfolio of apartment properties in Georgia that are to transfer ownership in the near term. While the sale price is in the final stages of negotiation, the price is expected to be about \$966,833. 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 \$36,491 per unit, or about \$1,131,232. 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 2 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, asbestoscontaining 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

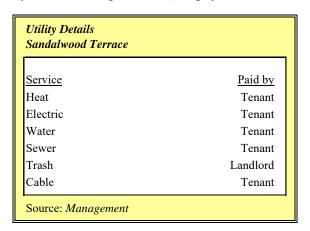
According to FEMA's flood insurance rate map community panel number 13183C0250D, dated May 5, 2014, the subject is located in Zone X500. Zone X500 is identified as being located in a 500-year flood plain.

Zoning

The property is zoned C-2: General Commercial District. 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):



Improvements

The subject improvements include a 31-unit apartment complex (housed in 7 single-story buildings). The improvements were initially developed in 1994.

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

Each unit has a living room/living area, kitchen, one 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. Each unit includes a washer/dryer hook-up.

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

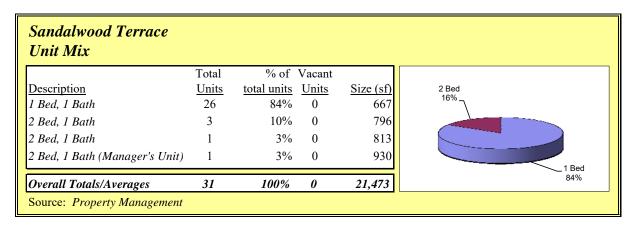
Each unit has an individual forced air furnace. The units have central air conditioning. The units have battery powered and hard wired smoke alarms.

Property amenities include a laundry room, community room, picnic area, and gazebo. 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 1994 and renovated periodically over time. The property has been maintained on an as needed basis.

The total building size is 22,930 sf. This is the sum of the apartment units (1 Bedroom - 667 sf/unit * 26 units - 17,342 sf plus 2 Bedroom - 796 sf/unit * 3 units - 2,388 sf plus 2 Bedroom - 813 sf/unit * 1 unit - 813 sf plus 2 Bedroom (Manager's Unit) - 930 sf/unit * 1 unit - 930 sf) plus the office/laundry/maintenance/community room (1,457 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 \$36,491 per unit, or about \$1,131,232.

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 15 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. With the exception of the as-is market rent (CRCU) conclusion for the two bedroom units, all as-is and as-renovated rent conclusions are above the maximum LIHTC rent figure.

| Sandalwood Terrace Rent Parameters | | | | | | | | | | | | | |
|---------------------------------------|-------|-------|--------|-----------|-----------|-----------|-------|-------|-------|----------|-------|-------|--------------|
| | Total | % of | Vacant | % of | | Total | Basic | Note | Gross | Utility | Net | | CRCU |
| | Units | total | Units | unit type | Size (sf) | Size (sf) | Rent | Rent | LIHTC | Costs | LIHTC | As-Is | As-Renovated |
| 1 Bed, 1 Bath | 26 | 84% | 0 | 0% | 667 | 17,342 | \$431 | \$581 | \$585 | \$104 | \$481 | \$550 | \$615 |
| 2 Bed, 1 Bath | 3 | 10% | 0 | 0% | 796 | 2,388 | \$457 | \$621 | \$702 | \$124 | \$578 | \$575 | \$640 |
| 2 Bed, 1 Bath | 1 | 3% | 0 | 0% | 813 | 813 | \$457 | \$621 | \$702 | \$124 | \$578 | \$580 | \$645 |
| 2 Bed, 1 Bath (Manager's Unit) | 1 | 3% | 0 | 0% | 930 | 930 | | | No | n-Revenu | ie | No | n-Revenue |
| Overall Totals/Averages | 31 | 100% | 0 | 0% | 693 | 21,473 | | | | | | | |
| Source: Property Management | | | | | | | | | | | | | |

Operating History

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

| Sandalwood Terrace Operating History | | | | 31 | units | | | | | |
|--|--|---|---|--|--|--|--|--|--|--|
| Revenue Apartment Rental Income | 2013 140,515 | Per Unit 4,533 | 2014 145,116 | Per Unit 4,681 | 2015 148,360 | Per Unit 4,786 | 2016 Budget 143,208 | Per Unit 4,620 | 2017 Budget 152,508 | Per Unit 4,920 |
| Plus: Other Income | 1,839 | 59 | 4,673 | 151 | 1,006 | 32 | 700 | 23 | 800 | 26 |
| Effective Gross Income | 142,355 | 4,592 | 149,789 | 4,832 | 149,366 | 4,818 | 143,908 | 4,642 | 153,308 | 4,945 |
| Operating Expenses Real Estate Taxes Insurance Repairs & Maintenance General & Administrative Management Fees Utilities Electric Water/Sewer Total Utilities | 12,508 4,811 28,613 10,871 15,442 6,436 1,474 7,910 | 403 155 923 351 498 208 48 255 | 9,721 6,956 19,543 11,264 15,753 4,816 1,463 6,279 | 314 224 630 363 508 155 <u>47</u> 203 | 10,907 7,420 17,842 12,873 16,514 4,910 1,570 6,481 | 352 239 576 415 533 158 <u>51</u> 209 | 10,749 8,178 19,075 11,220 16,920 5,490 1,680 7,170 | 347 264 615 362 546 177 <u>54</u> 231 | 10,537 9,217 24,664 12,003 17,640 5,040 1,944 6,984 | 340 297 796 387 569 163 <u>63</u> 225 |
| Payroll Marketing Total Expenses operating expense ratio | 16,315 <u>775</u> 97,246 | 526 25 3,137 68.3% | 26,462 <u>342</u> 96,320 | 854 <u>11</u> 3,107 64.3% | 28,005 <u>169</u> 100,212 | 903 <u>5</u> 3,233 67.1% | 31,926 450 105,688 | 1,030 15 3,409 73.4% | 33,306 450 114,800 | 1,074 <u>15</u> 3,703 74.9 % |
| Net Operating Income | 45,109 | 1,455 | 53,468 | 1,725 | 49,154 | 1,586 | 38,220 | 1,233 | 38,508 | 1,242 |

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

*Value 2-RD*Market value, subject to restricted 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.

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.

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 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.

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 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

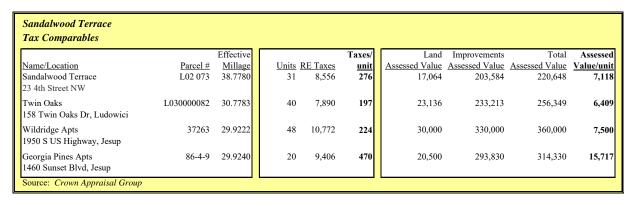
The chart below shows the tax details. The assessor's land and improvement values are shown for informational purposes only. Actual land sales are used in order to develop the value of the subject's site while <u>Marshall Valuation</u> service has been used to develop the replacement cost of the improvements.

| Real Estate Taxes Sandalwood Terrace | | |
|---|----------------|----------|
| Parcel Number | | L02 073 |
| | Appraised | Assessed |
| Land | \$42,660 | \$17,064 |
| Improvements | <u>508,961</u> | 203,584 |
| Total | 551,621 | 220,648 |
| Real Estate Taxes | | \$8,556 |
| Taxes/unit | | \$276 |
| Source: County Auditor | | |

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

| Real Estate T Sandalwood | • | | | |
|-----------------------------|--|--|--------|----------|
| | Auditors Appraised Values | Assessed Values | Annual | Tax |
| Year | <u>Land</u> <u>Building</u> <u>Total</u> | <u>Land</u> <u>Building</u> <u>Total</u> | Taxes | Rate |
| 2016 | 42,660 508,961 551,621 | 17,064 203,584 220,648 | 8,556 | 38.77801 |
| 2015 | 42,660 508,961 551,621 | 17,064 203,584 220,648 | 8,787 | 39.82302 |
| 2014 | 42,660 508,961 551,621 | 17,064 203,584 220,648 | 8,541 | 38.71093 |
| 2013 | 42,660 635,214 677,874 | 17,064 254,086 271,150 | 10,401 | 38.36002 |

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.



Highest and Best Use

Highest and best use is defined in <u>The Appraisal of Real Estate</u>, 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.

| Initial Test of Financial FeasibilityValue 3, prospective, subject to restricted rents\$1,165,000Value 2-RD, as-is, subject to restricted rents\$715,000Incremental difference\$450,000Renovation Cost\$1,131,232Benefit (cost) of renovating before consideration of other benefits-\$681,232Other BenefitsValue 5Interest Credit Subsidy Value from assuming the existing 515 Loan)\$435,000Value 6LIHTC Value\$685,407Value of additional benefits of renovation\$1,120,407 | ndalwood Terrace | |
|--|--|-------------|
| Value 2-RD, as-is, subject to restricted rents Incremental difference \$450,000 Renovation Cost \$1,131,232 Benefit (cost) of renovating before consideration of other benefits -\$681,232 Other Benefits Value 5 Interest Credit Subsidy Value from assuming the existing 515 Loan) \$435,000 Value 6 LIHTC Value \$685,407 | Initial Test of Financial Feasibility | |
| Renovation Cost \$450,000 Renovation Cost \$1,131,232 Benefit (cost) of renovating before consideration of other benefits -\$681,232 Other Benefits Value 5 Interest Credit Subsidy Value from assuming the existing 515 Loan) Value 6 LIHTC Value \$435,000 | Value 3, prospective, subject to restricted rents | \$1,165,000 |
| Renovation Cost Benefit (cost) of renovating before consideration of other benefits Other Benefits Value 5 Interest Credit Subsidy Value from assuming the existing 515 Loan) Value 6 LIHTC Value \$\frac{\$\\$81,131,232}{\$\\$685,407}\$ | Value 2-RD, as-is, subject to restricted rents | \$715,000 |
| Benefit (cost) of renovating <i>before</i> consideration of other benefits Other Benefits Value 5 Interest Credit Subsidy Value from assuming the existing 515 Loan) Value 6 LIHTC Value \$685,407 | Incremental difference | \$450,000 |
| Other BenefitsValue 5Interest Credit Subsidy Value from assuming the existing 515 Loan)\$435,000Value 6LIHTC Value\$685,407 | Renovation Cost | \$1,131,232 |
| Value 5Interest Credit Subsidy Value from assuming the existing 515 Loan)\$435,000Value 6LIHTC Value\$685,407 | Benefit (cost) of renovating before consideration of other benefits | -\$681,232 |
| Value 6 LIHTC Value \$685,407 | Other Benefits | |
| | Value 5 Interest Credit Subsidy Value from assuming the existing 515 Loan) | \$435,000 |
| Value of additional benefits of renovation \$1,120,407 | Value 6 LIHTC Value | \$685,407 |
| | Value of additional benefits of renovation | \$1,120,407 |

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.

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

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 Sandalwood Terrace, 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

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

| Sandalwood Terrace Base Rent Revenue | | | | | ú | is conveni | tional or u | Value 1 vrestricted |
|---|--------------|--------------|--------------|------------|------------|------------|-------------|------------------------|
| | Total | % of | Size | Total | | Market | Rent | |
| | <u>Units</u> | <u>total</u> | <u>(rsf)</u> | <u>rsf</u> | Rent/Month | Rent/sf | Monthly | <u>Yearly</u> |
| 1 Bed, 1 Bath | 26 | 84% | 667 | 17,342 | \$550 | \$0.82 | \$14,300 | \$171,600 |
| 2 Bed, 1 Bath | 3 | 10% | 796 | 2,388 | \$575 | 0.72 | 1,725 | 20,700 |
| 2 Bed, 1 Bath | 1 | 3% | 813 | 813 | \$580 | 0.71 | 580 | 6,960 |
| 2 Bed, 1 Bath (Manager's Unit) | 1 | 3% | 930 | 930 | | Non-Re | venue | |
| Overall Totals/Averages | 31 | 100% | 693 | 21,473 | 536 | 0.77 | 16,605 | 199,260 |
| Source: Crown Appraisal Group | | | | | | | | |

<u>Vacancy</u> – Stabilized vacancy has been discussed in the <u>Market Area Overview</u> 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 \$25/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 Comparal Sandalwood Terrace | oles | | | | | | | | | |
|--|---------|-----------|---------|--------|-------|-------|-------|-------|-------|-------|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| Units | 49 | 51 | 51 | 55 | 18 | 20 | 55 | 55 | 55 | 24 |
| Year | 2015 | 2015 | 2015 | 2015 | 2015 | 2015 | 2015 | 2015 | 2015 | 2015 |
| Per Unit Basis | | | | | | | | | | |
| Real Estate Taxes | 300 | 227 | 125 | 197 | 432 | 393 | 341 | 197 | 171 | 213 |
| Insurance | 209 | 166 | 499 | 274 | 154 | 222 | 189 | 274 | 400 | 296 |
| Repairs and Maintenance | 599 | 472 | 791 | 345 | 1,198 | 778 | 976 | 345 | 319 | 735 |
| General and Administrative | 329 | 253 | 242 | 259 | 527 | 368 | 283 | 259 | 211 | 306 |
| Management Fees | 533 | 528 | 506 | 540 | 524 | 520 | 500 | 540 | 529 | 337 |
| Utilities | | | | | | | | | | |
| Electric | 110 | 98 | 155 | 122 | 111 | 190 | 162 | 122 | 108 | 95 |
| Water/Sewer | 936 | <u>24</u> | 20 | 556 | 46 | 42 | 35 | 556 | 556 | 6 |
| Total Utilities | 1,046 | 122 | 175 | 679 | 156 | 232 | 197 | 679 | 664 | 101 |
| Payroll | 923 | 1,096 | 457 | 900 | 636 | 1,066 | 1,245 | 900 | 955 | 1,331 |
| Marketing | 2 | 1 | 9 | 2 | 23 | 4 | 0 | 2 | 2 | 2 |
| Total | 3,941 | 2,865 | 2,803 | 3,196 | 3,649 | 3,582 | 3,731 | 3,196 | 3,251 | 3,321 |
| Per Unit Basis | | | | | | | | | | |
| Category | Minimum | Maximum | Average | Median | | | | | | |
| Real Estate Taxes | 125 | 432 | 260 | 220 | | | | | | |
| Insurance | 154 | 499 | 269 | 248 | | | | | | |
| Repairs and Maintenance | 319 | 1,198 | 656 | 667 | | | | | | |
| General and Administrative | 211 | 527 | 303 | 271 | | | | | | |
| Management Fees | 337 | 540 | 506 | 526 | | | | | | |
| Utilities | | | | | | | | | | |
| Electric | 95 | 190 | 127 | 116 | | | | | | |
| Water/Sewer | 6 | 936 | 278 | 44 | | | | | | |
| Total Utilities | 101 | 1,046 | 405 | 215 | | | | | | |
| Payroll | 457 | 1,331 | 951 | 939 | | | | | | |
| | 0 | 23 | 4 | 2 | | | | | | |
| Marketing | 0 | 23 | | | | | | | | |

| | ood Terrace g Expense Esti | mates | | | | | as con | ventional or | unrestricted as-is |
|----------------|-------------------------------|-------------|--------------|----------|-------|-------------|---------------------------------------|--------------|-----------------------|
| Real Estate T | axes | | | | | | | | |
| Source | Compara | bles | 2013 | 2014 | 2015 | 2016 Budget | 2017 Budget | Pro Forma | Amount |
| Cost/unit | 220 med | 260 avg | g 403 | 314 | 352 | 347 | 340 | 276 | \$8,556 |
| Insurance | | | | | | • | | | |
| Source | Compara | bles | 2013 | 2014 | 2015 | 2016 Budget | 2017 Budget | Pro Forma | Amount |
| Cost/unit | 248 med | 269 avg | g 155 | 224 | 239 | 264 | 297 | 267 | \$8,285 |
| Repairs & M | aintenance | | • | • | | | | | |
| Source | Compara | bles | 2013 | 2014 | 2015 | 2016 Budget | 2017 Budget | Pro Forma | Amount |
| Cost/unit | 667 med | 656 avg | 923 | 630 | 576 | 615 | 796 | 525 | \$16,275 |
| General & A | dministrative | | | | | | | | |
| Source | Compara | bles | 2013 | 2014 | 2015 | 2016 Budget | 2017 Budget | Pro Forma | Amount |
| Cost/unit | 271 med | 303 av | g 351 | 363 | 415 | 362 | 387 | 275 | \$8,525 |
| Management | | | • | • | | • | - | | |
| Source | Compara | bles | 2013 | 2014 | 2015 | 2016 Budget | 2017 Budget | Pro Forma | Amount |
| Cost/unit | 526 med | 506 av | 498 | 508 | 533 | 546 | 569 | 307 | \$9,504 |
| Electric Utili | ties | | | | | | | | |
| Source | Compara | bles | 2013 | 2014 | 2015 | 2016 Budget | 2017 Budget | Pro Forma | Amount |
| Cost/unit | 116 med | 127 av | g 208 | 155 | 158 | 177 | 163 | 158 | \$4,898 |
| Water & Sew | /er | | - | • | • | | | | |
| Source | Compara | bles | 2013 | 2014 | 2015 | 2016 Budget | 2017 Budget | Pro Forma | Amount |
| Cost/unit | 44 med | 278 av | g 48 | 47 | 51 | 54 | 63 | 51 | \$1,581 |
| Total Utilitie | S | | • | • | | • | | | |
| Source | Compara | bles | 2013 | 2014 | 2015 | 2016 Budget | 2017 Budget | Pro Forma | Amount |
| Cost/unit | 215 med | 405 av | 255 | 203 | 209 | 231 | 225 | 209 | \$6,479 |
| Payroll | | | | | | • | | | |
| Source | Compara | bles | 2013 | 2014 | 2015 | 2016 Budget | 2017 Budget | Pro Forma | Amount |
| Cost/unit | 939 med | 951 avg | 526 | 854 | 903 | 1,030 | 1,074 | 700 | \$21,700 |
| Marketing | • | , | • | • | | • | · · · · · · · · · · · · · · · · · · · | | |
| Source | Compara | bles | 2013 | 2014 | 2015 | 2016 Budget | 2017 Budget | Pro Forma | Amount |
| Cost/unit | 2 med | 4 avg | g 25 | 11 | 5 | 15 | 15 | 15 | \$465 |
| Total Operati | ing Expenses (incl | luding cons | ideration of | Reserve) | • | • | | | |
| Source | Compara | | 2013 | 2014 | 2015 | 2016 Budget | 2017 Budget | Pro Forma | Amount |
| Cost/unit | 3,286 med 3 | 3,353 av | 3,137 | 3,107 | 3,233 | 3,409 | 3,703 | 2,824 | \$87,538 |
| ,, | roperty Manageme | . , | , -, -· | , | -, | -, | -,, | -,~- | 40.,200 |

| Sandalwood Terrace Operating Expense Estin | mates | | Value 1 as conventional or unrestricted |
|---|------------------|-----------------------------|---|
| Operating Expense Real Estate Taxes | Cost/unit 276 | <u> </u> | Discussion Based on the current real estate taxes of the subject as reported by the county. |
| Insurance | 267 | | Based on historic with support from market. |
| Repairs & Maintenance | 525 | | Below historic; property would not be as well maintained if it were to be operated as a market rate one. |
| General & Administrative | 275 | | 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 | 158 51 | Electric Water and sewer | Based on historic with support from market. 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. |

<u>Total Operating Expenses</u> – 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.

| | | Appraisal | | | 2012 | Year End Historical | | | | | |
|----------------------------|----------|-----------|-------|-------|-----------|---------------------|-----------|------------|-------------|----------|--|
| | Low | High | Avg. | Med. | 2013 | 2014 | 2015 20 | 016 Budget | 2017 Budget | Pro Form | |
| Real Estate Taxes | 125 | 432 | 260 | 220 | 403 | 314 | 352 | 347 | 340 | 27 | |
| Insurance | 154 | 499 | 269 | 248 | 155 | 224 | 239 | 264 | 297 | 26 | |
| Repairs and Maintenance | 319 | 1,198 | 656 | 667 | 923 | 630 | 576 | 615 | 796 | 52 | |
| General and Administrative | 211 | 527 | 303 | 271 | 351 | 363 | 415 | 362 | 387 | 27 | |
| Management Fees | 337 | 540 | 506 | 526 | 498 | 508 | 533 | 546 | 569 | 30 | |
| Utilities | | | | | | | | | | | |
| Electric | 95 | 190 | 127 | 116 | 208 | 155 | 158 | 177 | 163 | 15 | |
| Water/Sewer | <u>6</u> | 936 | 278 | 44 | <u>48</u> | <u>47</u> | <u>51</u> | <u>54</u> | <u>63</u> | 5 | |
| Total Utilities | 101 | 1,046 | 405 | 215 | 255 | 203 | 209 | 231 | 225 | 20 | |
| Payroll | 457 | 1,331 | 951 | 939 | 526 | 854 | 903 | 1,030 | 1,074 | 70 | |
| Marketing | 0 | 23 | 4 | 2 | 25 | 11 | 5 | 15 | 15 | 1 | |
| Reserve | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | 25 | |
| Total Operating Expenses | 2,803 | 3,941 | 3,353 | 3,286 | 3,137 | 3,107 | 3,233 | 3,409 | 3,703 | 2,82 | |

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 Statem | ent | | as conven | itional or u | nrestricted |
|-----------------------------------|-----|------|--------------|--------------|---------------|
| Sandalwood Terrace | | | | | Value 1 |
| | | | 31 | units | |
| | | | % of EGI | Per Unit | Amount |
| Potential Rental Revenue | | | 104.8% | \$6,428 | \$199,260 |
| Less: Vacancy and Collection Loss | s @ | 5.0% | <u>-5.2%</u> | <u>-321</u> | <u>-9,963</u> |
| Effective Rent | | | 99.6% | 6,106 | 189,297 |
| Plus Other Revenue: | | | | | |
| Other Income | | | 0.4% | 25 | 775 |
| Effective Gross Income | | | 100.0% | 6,131 | 190,072 |
| Less: Operating Expenses | | | | ĺ | |
| Real Estate Taxes | | | 4.5% | 276 | 8,556 |
| Insurance | | | 4.4% | 267 | 8,285 |
| Repairs and Maintenance | | | 8.6% | 525 | 16,275 |
| General and Administrative | | | 4.5% | 275 | 8,525 |
| Management Fees | @ | 5.0% | 5.0% | 307 | 9,504 |
| Utilities | | | | | |
| Electric | | | 2.6% | 158 | |
| Water/Sewer | | | 0.8% | <u>51</u> | |
| Total Utilities | | | 3.4% | 209 | 6,479 |
| Payroll | | | 11.4% | 700 | 21,700 |
| Marketing | | | 0.2% | 15 | 465 |
| Reserve | | | <u>4.1%</u> | <u>250</u> | 7,750 |
| Total Operating Expenses | | | 46.1% | 2,824 | 87,538 |
| | | | 53.9% | 3,308 | 102,534 |

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 <u>Sales Comparison Approach</u> 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 Rate | es | | | | | |
|---|---------------------|---------------------------|--------------------|---------------------------|-----------------------------|--------------|
| Name/Location Douglas Pines Apts Douglas, GA | Sale Date Oct-16 | <u>Year Built</u> 1987 | <u>Units</u> 48 | Sale Price F 1,925,100 | <u>Price/Unit</u> 40,106 | OAR 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 Gro | ир | | | | | |

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

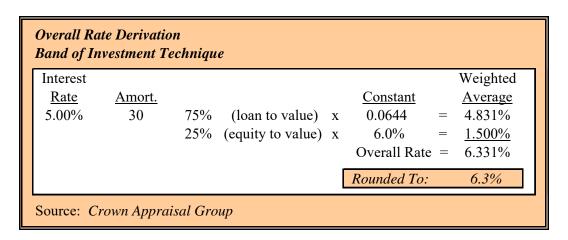
The debt coverage ratio technique places emphasis on lender requirements while inherently providing for a reasonable equity return. Rather than developing an explicit equity dividend, the equity position is left with a residual dividend return. This has good applicability for properties such as the subject.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

| e Derivation ge Ratio Techn | nique | | | |
|--------------------------------|------------------------------------|---|---|---|
| Term of Mtg. | Mtg. Constant | Loan to Value | <u>DCR</u> | OAR |
| 30 | 0.0644 | 70.0% | 1.25 | 5.64% |
| 30 | 0.0644 | 75.0% | 1.20 | 5.80% |
| 30 | 0.0663 | 70.0% | 1.25 | 5.80% |
| 30 | 0.0663 | 75.0% | 1.20 | 5.96% |
| 30 | 0.0681 | 70.0% | 1.25 | 5.96% |
| 30 | 0.0681 | 75.0% | 1.20 | 6.13% |
| | | rounded to | 5.6% | - 6.1% |
| | Term of Mtg. 30 30 30 30 30 30 30 | ge Ratio Technique Term of Mtg. Mtg. Constant 30 0.0644 30 0.0644 30 0.0663 30 0.0663 30 0.0681 | ge Ratio Technique Term of Mtg. Mtg. Constant Loan to Value 30 0.0644 70.0% 30 0.0644 75.0% 30 0.0663 70.0% 30 0.0663 75.0% 30 0.0681 70.0% 30 0.0681 75.0% | ge Ratio Technique Term of Mtg. Mtg. Constant Loan to Value DCR 30 0.0644 70.0% 1.25 30 0.0644 75.0% 1.20 30 0.0663 70.0% 1.25 30 0.0663 75.0% 1.20 30 0.0681 70.0% 1.25 30 0.0681 75.0% 1.20 |

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:



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.

| Pro Forma Technique Value Conclusion Valu | |
|---|---------------------------------|
| Sandalwood Terrace | as conventional or unrestricted |
| Net Operating Income | \$102,534 |
| Overall Capitalization Rate | 6.75% |
| Value Conclusion | 1,519,015 |
| Rounded To: | \$1,520,000 |
| Source: Crown Appraisal Group | |

Value 2-RD, subject to restricted rents

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

Base Rent

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

| Sandalwood Terrace Base Rent Revenue | | | | | | subj | V ect to restr | alue 2-RD |
|---|--------------|--------------|--------------|------------|------------|---------|-------------------|---------------|
| | Total | % of | Size | Total | | Basic | Rent | |
| | <u>Units</u> | <u>total</u> | <u>(rsf)</u> | <u>rsf</u> | Rent/Month | Rent/sf | Monthly | <u>Yearly</u> |
| 1 Bed, 1 Bath | 26 | 84% | 667 | 17,342 | \$431 | \$0.65 | \$11,206 | \$134,472 |
| 2 Bed, 1 Bath | 3 | 10% | 796 | 2,388 | \$457 | 0.57 | 1,371 | 16,452 |
| 2 Bed, 1 Bath | 1 | 3% | 813 | 813 | \$457 | 0.56 | 457 | 5,484 |
| 2 Bed, 1 Bath (Manager's Unit) | 1 | 3% | 930 | 930 | | Non-Re | evenue | |
| Overall Totals/Averages | 31 | 100% | 693 | 21,473 | 420 | 0.61 | 13,034 | 156,408 |
| 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.

| Sandalwood Terrace Operating Expense Estin | nates | | Value 2-RD subject to restricted rents |
|---|------------------|-----------------------------|---|
| Operating Expense Real Estate Taxes | Cost/unit 276 | <u>t</u> | Discussion Based on the current real estate taxes of the subject as reported by the county. |
| Insurance | 267 | | Based on historic with support from market. |
| Repairs & Maintenance | 625 | | Near the recent historic figures with the recognition that some of the historic amounts have some costs better categorized as capital expenditures. |
| General & Administrative | 375 | | Based on historic. |
| Management | 49.00 | | Based on cost per occupied door per month. |
| Utilities | 158 51 | Electric Water and sewer | Based on historic with support from market. Based on historic with support from market. |
| Payroll | 900 | | Based on historic. |
| Marketing | 15 | | Based on historic. |
| Reserve | 350 | | Based on market participant attitudes. |

The pro forma is shown below.

| Pro Forma Operating Statement Sandalwood Terrace | | | Value 2-RD as-is |
|--|--------------|-------------|---------------------|
| Sunutinooti Terruce | 31 | units | us-13 |
| | % of EGI | Per Unit | Amount |
| Potential Rental Revenue | 102.6% | \$5,045 | \$156,408 |
| Less: Vacancy and Collection Loss @ 3.0% | <u>-3.1%</u> | <u>-151</u> | <u>-4,692</u> |
| Effective Rent | 99.5% | 4,894 | 151,716 |
| Plus Other Revenue: | | | |
| Other Income | 0.5% | 25 | 775 |
| Effective Gross Income | 100.0% | 4,919 | 152,491 |
| Less: Operating Expenses | | | |
| Real Estate Taxes | 5.6% | 276 | 8,556 |
| Insurance | 5.4% | 267 | 8,285 |
| Repairs and Maintenance | 12.7% | 625 | 19,375 |
| General and Administrative | 7.6% | 375 | 11,625 |
| Management Fees | 11.6% | 570 | 17,681 |
| Utilities | | | |
| Electric | 3.2% | 158 | |
| Water/Sewer | 1.0% | <u>51</u> | |
| Total Utilities | 4.2% | 209 | 6,479 |
| Payroll | 18.3% | 900 | 27,900 |
| Marketing | 0.3% | 15 | 465 |
| Reserve | <u>7.1%</u> | <u>350</u> | 10,850 |
| Total Operating Expenses | 72.9% | 3,588 | 111,216 |
| Net Operating Income | 27.1% | 1,331 | 41,275 |

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 Capitalizati Sandalwood Terrac | | Value 2-RD | | |
|---|--------------|--------------|------------|---------------|
| Lease | # of | % of | Selected | Weighted |
| <u>Guarantor</u> | <u>Units</u> | <u>Total</u> | <u>OAR</u> | Rate |
| Tenant | 1 | 3.2% | 6.75% | 0.218% |
| Rental Assistance | <u>30</u> | <u>96.8%</u> | 5.75% | <u>5.565%</u> |
| Total | 31 | 100.0% | | 5.782% |
| | | Indic | ated OAR | 5.78% |
| Source: Crown Apprai | sal Group | | | |

| Pro Forma Technique Value Conclusion Sandalwood Terrace | Value 2-RD subject to restricted rents |
|---|--|
| Net Operating Income | \$41,275 |
| Overall Capitalization Rate Value Conclusion | 5.78% 713,817 |
| Rounded To: | \$715,000 |
| Source: Crown Appraisal Group | |

Sales Comparison Approach

Value 1, as conventional or unrestricted

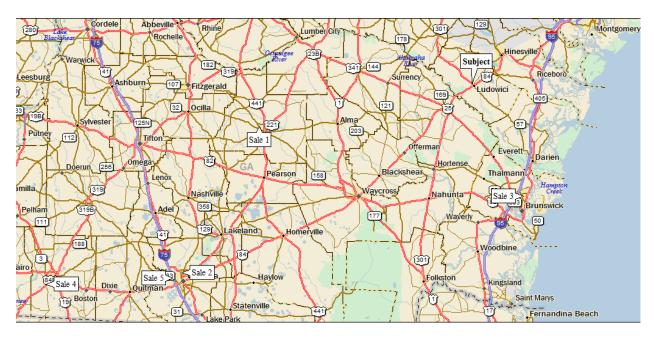
The sales comparison approach is based upon the theory that an informed purchaser will pay no more for a property than the cost of acquiring an equally desirable substitute property. The principle of substitution confirms that the maximum value of a property is set by the cost of acquisition of an equally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

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

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

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

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



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> | Per Unit | Per rsf | % of EGI |
|--------------------|-----------------------|----------------------------|--------------|----------|---------|----------|
| 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 | G LAKE APTS.PH I | | | | |
| Buyer (Grantee): | Bpp Douglas Pines Llc | | | | | |
| Seller (Grantor): | Reef Properties Of G | eorgia Llc | | | | |

Property Data

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

Landlord Paid Utilities

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

Tenant Paid Utilities

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

Unit Amenities

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

Complex Amenities

| | 1 | | |
|---|-------------|---|--------------|
| Y | Pool | N | Laundry |
| N | Clubhouse | N | Det. Garages |
| N | Tennis | N | Cov. Storage |
| N | Jacuzzi | N | Open Storage |
| N | Fit. Center | N | Car Wash |
| Y | Lake | N | Elevators |
| N | Gated | N | Playground |
| N | Bus. Center | N | Racquetball |

Other Comments

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

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> | Per Unit | Per rsf | % of EGI |
|--------------------|---------------------|----------------------------|--------------|----------|---------|----------|
| 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 | N APTS | | | | |
| Buyer (Grantee): | Magnolia Mission P | artners LLC | | | | |
| Seller (Grantor): | Valdosta Associates | LTD | | | | |

Property Data

| | | Bedrooms | Baths | <u>Type</u> | Size (rsf) |
|-----------------------|----------|----------|--------------|-------------|------------|
| Year Built: | 1976 | 1 | 1.0 | Garden | 890 |
| Size (Number of Uni | ts): 150 | 2 | 2.0 | Garden | 1,213 |
| Rentable Size (rsf): | 188,716 | 2 | 2.5 | Townhouse | 1,125 |
| Gross Size (gsf): | 200,000 | 3 | 2.5 | 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 | Y |
|------------|---------|---|
| N Electric | Y Trash | Y |
| N Gas | N Water | N |
| | , | |

Tenant Paid Utilities

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

Unit Amenities

| Y Refrigerator | N Fireplace |
|--------------------|--------------------|
| Y Range | Y Balcony/Patio |
| 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

| | 7 | | |
|---|-------------|---|--------------|
| Y | Pool | N | Laundry |
| Y | Clubhouse | N | Det. Garages |
| Y | Tennis | N | Cov. Storage |
| Ν | Jacuzzi | N | Open Storage |
| Y | Fit. Center | Y | Car Wash |
| N | Lake | N | Elevators |
| N | Gated | Y | Playground |
| Ν | Bus. Center | N | Racquetball |

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.

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 |
| i | |



Sale and Economic Data

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

Property Data

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

Landlord Paid Utilities

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

Tenant Paid Utilities

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

Unit Amenities

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

Complex Amenities

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

Other Comments

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

General Data

| D | |
|----------------------|------------------------|
| 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> | Per Unit | Per rsf | % of EGI |
|--------------------|---------------------|----------------------------|--------------|----------|---------|----------|
| 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 BYPAS | S @ SUNSET DR/Ashley Park | K | | | |
| Buyer (Grantee): | Young America Prope | erty, LLC | | | | |
| Seller (Grantor): | Ashley Park Llc | | | | | |

Property Data

| | _ | Bedrooms | Baths | <u>Type</u> | Size (rsf) | <u>Units</u> |
|------------------------|-------------|----------|-------|-------------|----------------|--------------|
| Year Built: | 2013 | 1 | 1.0 | Garden | 644 | 6 |
| Size (Number of Uni | ts): 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 Utilitie | Unit Ameni | ties | · | Comp | olex Amenities | |

Landlord Paid Utilities

| Y Sewer |
|---------|
| Y Trash |
| Y Water |
| |

Tenant Paid Utilities

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

| 37 D C' | NI E' 1 |
|--------------------|--------------------|
| 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

| | | ompl | lex 1 | Amenities |
|---|----|------|------------|-----------|
| ı | NI | Dar | . 1 | 1/ |

| | mpress raments | ••• | |
|---|----------------|-----|--------------|
| 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.

Y Security Systems

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> | Per Unit | Per rsf | % of EGI |
|--------------------|-----------------------|----------------------------|--------------|----------|---------|----------|
| 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 TR | ACT 1 | | | | |
| Buyer (Grantee): | Hi-lo Investments Llc | | | | | |
| Seller (Grantor): | Benton Properties Inc | | | | | |

Property Data

| | | <u>Bedrooms</u> | Baths | <u>Type</u> | Size (rsf) | <u>Units</u> |
|-----------------------|-------------|-----------------|--------------|-------------|------------|--------------|
| Year Built: | 1989 | 0 | 1.0 | Garden | 360 | 20 |
| Size (Number of Uni | ts): 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 Laund | ry |
|---|-------------|----------|---------|
| N | Clubhouse | N Det. G | arages |
| N | Tennis | N Cov. S | torage |
| N | Jacuzzi | N Open | Storage |
| N | Fit. Center | N Car W | ash |
| N | Lake | N Elevat | ors |
| N | Gated | N Playgr | ound |
| N | Bus. Center | N Racqu | etball |

Other Comments

The Gables of St Augustine is located on the northeast side of N Saint Augustine Rd west od 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.

| Sandalwood Terrace Improved Sales | | | | | | Valu as conventional or unrestric |
|--|--------------------|-----------------------|--------------------|---------------------|-------------------|--------------------------------------|
| Sale | Subject | 1 | 2 | 3 | 4 | 5 |
| Jame | Sandalwood Terrace | Douglas Pines Apts | | | | The Gables of St Augustin |
| ocation | 23 4th Street NW | 820 Bowens Mill Rd SE | • | 5801 Altama Ave | | 1415 N Saint Augustine R |
| City or Township | Ludowici | Douglas | Valdosta | Brunswick | Thomasville | Valdosta |
| County | Long | Coffee | Lowndes | Glynn | Thomas | Lowndes |
| MSA | Hinesville | Not in a MSA | Valdosta | Brunswick | Not in a MSA | Valdosta |
| Date of Sale | 111110511110 | October-16 | September-15 | July-16 | October-16 | May-15 |
| | | | \$7,000,000 | • | \$8,000,000 | |
| Sale Price | 31 | \$1,925,100 48 | \$7,000,000 150 | \$6,300,000 108 | \$8,000,000 84 | \$4,000,000 |
| Building Size (units) | 22,930 | 41,280 | 188,716 | 126,240 | 90,090 | 144 |
| Building Size (inc. community) Sale Price/Unit | 22,930 | \$40,106 | \$46,667 | -, - | \$95,238 | 106,728 |
| Sale Price/sf | | \$46.64 | \$37.09 | \$58,333 \$49.90 | \$88.80 | \$27,778 \$37.48 |
| Year Built | 1994 | 1987 | 1976 | \$49.90 1972 | 2013 | 1989 |
| Site Size | 3.950 | 7.590 | 12.000 | 10.220 | 25.610 | 26.990 |
| Coverage | 13% | 12% | 36% | 28% | 8% | 26.990 9% |
| Average Unit Size (sf) | 740 | 860 | 1,258 | 1,169 | 1,073 | 741 |
| Units per Acre | 7.8 | 6.3 | 1,238 | 1,169 | 3.3 | 5.3 |
| • | | 0.3 | 14.7 | 10.0 | ر. ر | J.J |
| EGI/unit | \$6,131 | | | | | |
| EGIM | 00.5 | | | | | |
| Expenses/Unit | \$2,824 | | | | | |
| NOI/unit | \$3,308 | \$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 | Fee Simple | Similar | Similar | Similar | Similar | Similar |
| | | 0% | 0% | 0% | 0% | 0% |
| Financing Terms | Market | Similar | Similar | Similar | Similar | Similar |
| I maneing Terms | 112011001 | 0% | 0% | 0% | 0% | 0% |
| G 11:1 CG 1 | | | | | | |
| Conditions of Sale | Arm's Length | Similar | Similar | Similar | Similar | Similar |
| | | 0% | 0% | 0% | 0% | 0% |
| Market Conditions | Current | Similar | Similar | Similar | Similar | Similar |
| | | <u>0%</u> | 0% | <u>0%</u> | 0% | <u>0%</u> |
| Total Sale Adjustments | | 0% | 0% | 0% | 0% | 0% |
| Adjusted Price per Unit | | \$40,106 | \$46,667 | \$58,333 | \$95,238 | \$27,778 |
| | | φτο,100 | φ40,007 | ψ30,333 | φ>3,230 | Ψ27,770 |
| Property Adjustments | 22 44 6 | 020 D 1611 D 16E | 422 G 11 D 1 | 5001 11: 1 | 1 1 11 12 1 21 | 1415310 1 |
| Location | 23 4th Street NW | 820 Bowens Mill Rd SE | | 5801 Altama Ave | | 1415 N Saint Augustine R |
| | Ludowici | Douglas | Valdosta | Brunswick | Thomasville | Valdosta |
| D. L.C. | Long | Coffee | Lowndes | Glynn | Thomas | Lowndes |
| Population | 1,905 | 12,002 | 55,754 | 15,133 | 18,413 | 55,754 |
| Comparison to subject | | Superior | Superior | Superior | Superior | Superior |
| | | -10% | -25% | -10% | -10% | -25% |
| Physical | | | | | | |
| Avg. Unit Size | 740 | 860 | 1,258 | 1,169 | 1,073 | 741 |
| Comparison to subject | | Superior | Superior | Superior | Superior | Similar |
| | | -5% | -25% | -20% | -15% | 0% |
| Age | 1994 | 1987 | 1976 | 1972 | 2013 | 1989 |
| Quality/Condition | Average | Below Average | Below Average | Below Average | Good | Below Average |
| Comparison to subject | | Inferior | Inferior | Inferior | Superior | Inferior |
| _omparison to subject | | 5% | 10% | 10% | <u>-10%</u> | 5% |
| Total Property Adjustments | | - 10% | -40% | -20% | -35% | - 20 % |
| Value Indication per Unit | | | | | | |
| | | \$36,096 | \$28,000 | \$46,667 | \$61,905 | \$22,222 |

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) - 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 - 10%. This results in a value indication of \$36,096/unit for Sandalwood Terrace.

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 -40%. This results in a value indication of \$28,000/unit for Sandalwood Terrace.

The Reserve at Altama (Comparable 3) - The comparable has a superior (better) general location at the time of sale when compared to the subject, and the comparable is adjusted downward. 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 Sandalwood Terrace.

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

The Gables of St Augustine (Comparable 5) - The comparable has a superior (better) general location at the time of sale when compared to the subject, and the comparable is adjusted downward. At the time of sale, the general physical aspects of the comparable (such as age and quality/condition attributes) were inferior to the subject, and an adjustment is made. Combined, the adjustments total - 20%. This results in a value indication of \$22,222/unit for Sandalwood Terrace.

All of the sales were given credence when determining the value via this approach. This approach is used only as support for the primary approach, and the value conclusion reflects a hypothetical condition. This value indication is concluded to as representative of the property's value as if operated under the hypothetical conventional, market rate scenario. A value conclusion of \$39,000/unit is selected to represent the market value as of the date of valuation. This indicates an aggregate value of \$1,210,000. The following summarizes the projections of value via the sales comparison approach.

| Sales Comparison Approach Summary Sandalwood Terrace | as conve | entional o | Value 1 or unrestricted |
|---|----------|------------|----------------------------|
| Unadjusted Value Range Per Unit | 27,778 | - | 95,238 |
| Indicated Value Range (rounded) | 900,000 | - | 3,000,000 |
| Adjusted Value Range Per Unit | 22,222 | - | 61,905 |
| Indicated Value Range (rounded) | 700,000 | - | 1,900,000 |
| Average, Median (adjusted) | 38,978 | | 36,096 |
| Indicated Value (rounded) | | 1,210,00 | 00 |
| Value per Unit | | 39,00 | 00 /unit |
| Source: Crown Appraisal Group | | | |

Prospective Market Value

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

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

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

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

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

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

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

Pro Forma Capitalization

<u>Base Rent Revenue</u> – 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.

| Sandalwood Terrace Base Rent Revenue | | | | | | | subj | p ect to restr | Value 3 rospective icted rents |
|---|------------|--------------|--------------|--------------|------------|------------|---------|-------------------|--------------------------------------|
| | Rent | Total | % of | Size | Total | | Marke | t Rent | |
| | Constraint | <u>Units</u> | <u>total</u> | <u>(rsf)</u> | <u>rsf</u> | Rent/Month | Rent/sf | Monthly | <u>Yearly</u> |
| 1 Bed, 1 Bath | LIHTC | 26 | 84% | 667 | 17,342 | 481 | \$0.72 | \$12,506 | \$150,072 |
| 2 Bed, 1 Bath | LIHTC | 3 | 10% | 796 | 2,388 | 578 | \$0.73 | \$1,734 | 20,808 |
| 2 Bed, 1 Bath | LIHTC | 1 | 3% | 813 | 813 | 578 | \$0.71 | \$578 | 6,936 |
| 2 Bed, 1 Bath (Manager's Unit) | | 1 | 3% | 930 | 930 | | Non-Re | evenue | |
| Overall Totals/Averages | | 31 | 100% | 693 | 21,473 | 478 | 0.69 | 14,818 | 177,816 |
| Source: Crown Appraisal Group | | | | | | | | | |

<u>Vacancy</u> – Stabilized vacancy has been discussed in the <u>Market Area Overview</u> 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 \$25/unit. This is a net income line item component, with vacancy inherently considered.

<u>Operating Expenses</u> – 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.

| andalwood Terrace Operating Expense Estin | nates | | Value 3 prospective subject to restricted rents |
|--|------------------|-----------------------------|---|
| Operating Expense Real Estate Taxes | Cost/unit 304 | | Discussion Based on the current real estate taxes of the subject as reported by the county, and increased to reflect the renovations |
| Insurance | 267 | | Based on historic with support from market |
| Repairs & Maintenance | 525 | | Lower end of the historic range reflecting the renovation |
| General & Administrative | 375 | | Based on historic |
| Management | 49.00 | | Based on cost per occupied door per month |
| Utilities | 158 51 | Electric Water and sewer | Based on historic with support from market Based on historic with support from market |
| Payroll | 800 | | Near the lower end of historic range reflecting the renovation |
| Marketing | 15 | | Based on historic |
| Reserve | 350 | | Based on market participant attitudes recognizing the renovation |

 $\underline{\text{Total Operating Expenses}}$ – The chart below compares historical and market derived operating expense data with the pro forma.

| | | | | | | | | | | subject to r | estr | icted rents |
|----------------------------|------------------------------|-------|-------|-------|---|---------------------|-------|-----------|-------------|--------------|------|-------------|
| | Crown Appraisal Group Survey | | | | П | Year End Historical | | | | | | Subjec |
| | Low | High | Avg. | Med. | L | 2013 | 2014 | 2015 | 2016 Budget | 2017 Budget | L | Pro Forma |
| Real Estate Taxes | 125 | 432 | 260 | 220 | | 403 | 314 | 352 | 347 | 340 | П | 304 |
| Insurance | 154 | 499 | 269 | 248 | | 155 | 224 | 239 | 264 | 297 | | 267 |
| Repairs and Maintenance | 319 | 1,198 | 656 | 667 | | 923 | 630 | 576 | 615 | 796 | | 525 |
| General and Administrative | 211 | 527 | 303 | 271 | | 351 | 363 | 415 | 362 | 387 | | 375 |
| Management Fees Utilities | 337 | 540 | 506 | 526 | | 498 | 508 | 533 | 546 | 569 | | 570 |
| Electric | 95 | 190 | 127 | 116 | | 208 | 155 | 158 | 177 | 163 | | 158 |
| Water/Sewer | <u>6</u> | 936 | 278 | 44 | | 48 | 47 | <u>51</u> | <u>54</u> | <u>63</u> | | <u>5</u> 1 |
| Total Utilities | 101 | 1,046 | 405 | 215 | | 255 | 203 | 209 | 231 | 225 | | 209 |
| Payroll | 457 | 1,331 | 951 | 939 | | 526 | 854 | 903 | 1,030 | 1,074 | | 800 |
| Marketing | 0 | 23 | 4 | 2 | | 25 | 11 | 5 | 15 | 15 | | 15 |
| Reserve | n/a | n/a | n/a | n/a | | n/a | n/a | n/a | n/a | n/a | | 350 |
| Total Operating Expenses | 2,803 | 3,941 | 3,353 | 3,286 | | 3,137 | 3,107 | 3,233 | 3,409 | 3,703 | | 3,415 |

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 | subject to restricted rents | | | | |
|--|-----------------------------|-------------|-------|-------------------------|--|
| Sandalwood Terrace | | 21 | : • | prospective Walter 2 | |
| | | 31 | units | Value 3 | |
| | % of EGI | Per Unit | | <u>Amount</u> | |
| Potential Rental Revenue | 102.6% | \$5,736 | | \$177,816 | |
| Less: Vacancy and Collection Loss @ 3.0% | <u>-3.1%</u> | <u>-172</u> | | <u>-5,334</u> | |
| Effective Rent | 99.6% | 5,564 | | 172,482 | |
| Plus Other Revenue: | | | | | |
| Other Income | 0.4% | 25 | | 775 | |
| Effective Gross Income | 100.0% | 5,589 | | 173,257 | |
| Less: Operating Expenses | | | | | |
| Real Estate Taxes | 5.4% | 304 | | 9,412 | |
| Insurance | 4.8% | 267 | | 8,285 | |
| Repairs and Maintenance | 9.4% | 525 | | 16,275 | |
| General and Administrative | 6.7% | 375 | | 11,625 | |
| Management Fees | 10.2% | 570 | | 17,681 | |
| Utilities | | | | | |
| Electric | 2.8% | 158 | 4,898 | | |
| Water/Sewer | 0.9% | <u>51</u> | 1,581 | | |
| Total Utilities | 3.7% | 209 | | 6,479 | |
| Payroll | 14.3% | 800 | | 24,800 | |
| Marketing | 0.3% | 15 | | 465 | |
| Reserve | 6.3% | 350 | | 10,850 | |
| Total Operating Expenses | 61.1% | 3,415 | | 105,872 | |
| Net Operating Income | 38.9% | 2,174 | | 67,385 | |
| 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 Capitalizat | ion Rate S | | bject to rest | Value 3 prospective ricted rents |
|----------------------|--------------|--------------|---------------|----------------------------------|
| Lease | # of | % of | Selected | Weighted |
| <u>Guarantor</u> | <u>Units</u> | <u>Total</u> | <u>OAR</u> | Rate |
| Tenant | 1 | 3.2% | 6.75% | 0.218% |
| Rental Assistance | <u>30</u> | 96.8% | 5.75% | <u>5.565%</u> |
| Total | 31 | 100.0% | | 5.782% |
| | | Indic | ated OAR | 5.78% |
| Source: Crown Apprai | isal Group | | | |

Recognizing that about 97% of the units have RA, an overall rate of 5.78% 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 Sandalwood Terrace | Value 3 prospective subject to restricted rents |
|---|---|
| Net Operating Income Overall Capitalization Rate Value Conclusion | \$67,385 <u>5.78%</u> 1,165,373 |
| Rounded To: Source: Crown Appraisal Group | \$1,165,000 |

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.

| andalwood Terrace Operating Expense Estin | nates | | Value 4 prospective as conventional or unrestricted |
|--|------------------|-----------------------------|---|
| Operating Expense Real Estate Taxes | Cost/unit 304 | | Discussion Based on the current real estate taxes of the subject as reported by the county, and increased to reflect the renovations. |
| Insurance | 267 | | Based on historic with support from market. |
| Repairs & Maintenance | 425 | | 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 | 275 | | 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 | 158 51 | Electric Water and sewer | Based on historic with support from market. Based on historic with support from market. |
| 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.

| Sandalwood Terrace Base Rent Revenue | | | | | a | s conveni | | Value 4 prospective prestricted |
|---|--------------|-------|--------------|------------|------------|-----------|----------|---------------------------------------|
| | Total | % of | Size | Total | | Marke | et Rent | |
| | Units | total | <u>(rsf)</u> | <u>rsf</u> | Rent/Month | Rent/sf | Monthly | <u>Yearly</u> |
| 1 Bed, 1 Bath | 26 | 84% | 667 | 17,342 | \$615 | \$0.92 | \$15,990 | \$191,880 |
| 2 Bed, 1 Bath | 3 | 10% | 796 | 2,388 | \$640 | 0.80 | 1,920 | 23,040 |
| 2 Bed, 1 Bath | 1 | 3% | 813 | 813 | \$645 | 0.79 | 645 | 7,740 |
| 2 Bed, 1 Bath (Manager's Unit) | 1 | 3% | 930 | 930 | | Non-Re | evenue | |
| Overall Totals/Averages | 31 | 100% | 693 | 21,473 | 599 | 0.86 | 18,555 | 222,660 |
| Source: Crown Appraisal Group | | | | | | | | |

| Pro Forma Operating Statement | | | | p | prospective |
|-------------------------------------|------|--------------|-------------|--------------|-------------|
| Sandalwood Terrace | | | as conve | ntional or u | ırestricted |
| | | 31 | units | | Value 4 |
| | | % of EGI | Per Unit | | Amount |
| Potential Rental Revenue | | 104.9% | \$7,183 | | \$222,660 |
| Less: Vacancy and Collection Loss @ | 5.0% | <u>-5.2%</u> | <u>-359</u> | | -11,133 |
| Effective Rent | | 99.6% | 6,823 | | 211,527 |
| Plus Other Revenue: | | | | | |
| Other Income | | 0.4% | 25 | | 775 |
| Effective Gross Income | | 100.0% | 6,848 | | 212,302 |
| Less: Operating Expenses | | | | | |
| Real Estate Taxes | | 4.4% | 304 | | 9,412 |
| Insurance | | 3.9% | 267 | | 8,285 |
| Repairs and Maintenance | | 6.2% | 425 | | 13,175 |
| General and Administrative | | 4.0% | 275 | | 8,525 |
| Management Fees | | 5.0% | 342 | | 10,615 |
| Utilities | | | | | |
| Electric | | 2.3% | 158 | 4,898 | |
| Water/Sewer | | 0.7% | <u>51</u> | 1,581 | |
| Total Utilities | | 3.1% | 209 | | 6,479 |
| Payroll | | 8.8% | 600 | | 18,600 |
| Marketing | | 0.2% | 15 | | 465 |
| Reserve | | 3.7% | <u>250</u> | | 7,750 |
| Total Operating Expenses | | 39.2% | 2,687 | | 83,306 |
| Net Operating Income | | 60.8% | 4,161 | | 128,996 |

| Pro Forma Technique Value Conclusion Sandalwood Terrace | Value 4 prospective |
|--|---------------------------------|
| | as conventional or unrestricted |
| Net Operating Income | \$128,996 |
| Overall Capitalization Rate | <u>6.75%</u> |
| Value Conclusion | 1,911,058 |
| Rounded To: | \$1,910,000 |
| 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:

- o Comparable land sales are typically analyzed and adjusted to provide an estimate of the subject's site as if vacant.
- o 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.
- o The depreciated replacement cost opinion is then added to the land value projected for the subject site.
- o 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 <u>The Appraisal of Real Estate</u>, 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 multifamily developments and had discussion with many developers of those properties. In major MSA locations, developers are willing to pay \$10,000 per unit to \$15,000 per unit for sites to develop multifamily. For smaller MSAs, land costs are somewhat less. In rural settings, the appraiser has observed and developers have indicated prices of \pm \$1,000 up to \pm \$8,000 per unit. The range is understandably large due to the variables inherent in the specific attributes of the particular site in question.

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



| | | | | | | | Sale | # of | Sale | Location | Adjusted | | | | |
|------|-----------|---|----------------|-----------|-------------|-----------|--------|-------|------------|------------|------------|--|------------------------------------|----------------|----------------------|
| Sale | County | Location | City | Sale Date | Sale Price | Size (ac) | | Units | Price'unit | Adjustment | Price/unit | Buyer | Seller | Identification | Commer |
| 1 | Houston | 725 SR 96 | Warner Robins | Nov-16 | \$ 75,000 | 12.450 S | 6.024 | 72 | \$ 1,042 | -10% | \$ 938 | The Laser Investment Group LLC | Sandia East II Apartments Inc. | 0W0980159000 | Multi-Fam |
| 2 | Whitfield | 3432 Dug Gap Rd SW | Dalton | Nov-16 | \$ 200,000 | 22.950 \$ | 8,715 | | | | | All Environmental Services, LLC | Jeannette S Longley | 13-103-03-000 | Commerc |
| 3 | Hall | 5941 Lights Ferry Rd | Flowery Branch | Oct-16 | \$ 882,000 | 18.680 S | 47,216 | | | | | Southern Heritage Hm Bldrs LLC | McGowan Family Farming Partnership | 08118 001004A | Multi-Family Commerc |
| 4 | Glynn | 5999 SR 99 | Brunswick | Aug-16 | \$ 280,000 | 26.000 S | 10,769 | | | | | LWD Properties LLC | Ameris Bank | 03-23259 | Multi-Family Commer |
| 5 | Baldwin | 1963 N Jefferson St | Milledgeville | Aug-16 | \$ 93,000 | 11.000 S | 8,455 | | | | | Dan Tomlin | First American Bank & Trust | 088 003 | Multi-Family Commer |
| 6 | Hall | 2380 Spring Rd | Gainesville | Aug-16 | \$ 645,000 | 10.120 S | 63,735 | 101 | \$ 6,386 | -10% | \$ 5,748 | Spring Road Group LLC | Henry B Humphries | 08005 000042 | Multi-Family Commer |
| 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-Far |
| 8 | Lumpkin | Rock House Rd | Dahlonega | Dec-15 | \$ 115,000 | 14.450 S | 7,958 | | | | | William Manson | RAD Enterprises (| 78-000-158-000 | Multi-Far |
| 9 | Jackson | 915 Bill Wright Rd | Pendergrass | Nov-15 | \$ 90,000 | 15.000 S | 6,000 | | | | | CBD Investments LLC | Rocio Woody Altmann | 078-029 | Multi-Family Commer |
| 10 | Jackson | 970 State St | Commerce | Sep-15 | \$ 350,000 | 12.000 S | 29,167 | 48 | \$ 7,292 | -5% | \$ 6,927 | Mason Manor LP | Olympia Construction Inc. | 009-007C | Multi-Far |
| 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-Far |
| 12 | Hall | 5108 Mountain View Pky | Lula | Aug-15 | \$ 250,325 | 29.450 S | 8,500 | | | | | William N Turk | Dac Enterprises Inc. | 09-0053-00-009 | Multi-Family Commer |
| 13 | Bulloch | 1881 S&S Railroad Bed Rd | Statesboro | May-15 | \$ 579,000 | 38.600 S | 15,000 | 176 | \$ 3,290 | -25% | \$ 2,467 | Beacon Place Statesboro LLC | N/A | 107 000005 007 | Multi-Far |
| 14 | Catoosa | Summer Breeze & Sunny Ln | Summerville | Apr-15 | \$ 325,000 | 7.030 S | 46,230 | 72 | \$ 4,514 | 0% | \$ 4,514 | Summer Breeze Park LP | Johnny Coots & Dan Bradford | 0023A080 | Multi-Family Commer |
| 15 | Houston | 316 Brantley Rd | Warner Robins | Dec-14 | \$ 280,000 | 5.500 S | 50,909 | | | | | Brandey MPH LLC | Georgia A Oliver | 0C0260081000 | Multi-Family Comme |
| 16 | Walker | Chickamauga Ave | Rossville | Oct-14 | \$ 28,600 | 15.390 S | 1,858 | | | | | Daniel Burt | Stein Construction Co., Inc. | 2005-034 | Multi-Family/Commer |
| 17 | Franklin | SWQ Commerce Rd & Cross Roads Ln | Carnesville | Oct-14 | \$ 55,000 | 17.610 S | 3,123 | | | | | Judy H Clay | CBNA-GA LLC | 028-043 | Multi-Family Commer |
| 18 | Hall | 1263 McEver Rd | Gainesville | Sep-14 | \$ 600,000 | 33.320 S | 18,007 | | | | | America's Home Place, Inc. | Benjamin M Smith | 8-00015-09-008 | Multi-Family/Commer |
| 19 | Bulloch | 350 Rucker Ln | Statesboro | Jul-14 | \$1,823,000 | 24,060 S | 75,769 | 237 | \$ 7,692 | -25% | \$ 5,769 | The Hamptons Statesboro LLC | Rucker Holdings LLC? | 4852000004 000 | Multi-Far |
| 20 | Troup | West St | Forest Park | Apr-14 | \$ 515,400 | 8.590 \$ | 60,000 | 80 | \$ 6,443 | -25% | \$ 4,832 | Forest Mill Apartments, LP | West Point Village, LLC | 094-4C-007-088 | Multi-Fa |
| 21 | Troup | 911 N Greenwood St | Lagrange | Apr-14 | \$ 175,000 | 7.900 S | 22,152 | | | | | Knight LLC | Margaret Ann Maglin | 0611A009013A | Multi-Family Commer |
| 22 | Cherokee | 30 Laurel Canyon Village Cir | Canton | Mar-14 | \$2,162,000 | 50.550 S | 42,770 | 350 | \$ 6,177 | -10% | \$ 5,559 | Lifestyle at Laurel Canyon LLC | Laurel Canyon GP LLC | 14-0135-0001 | Multi-Family Of |
| 23 | Jackson | NWQ Mt Olive Rd & Harden Orchard Rd | Commerce | Mar-14 | \$ 77,000 | 26.130 S | 2,947 | | | | | KRM Properties, LLC | CBNA-GA LLC | 020 009K | Multi-Family/Commer |
| 24 | Houston | 1131 S Houston Lake Rd | Warner Robins | Feb-14 | \$ 145,000 | 13.370 S | 10,845 | | | | | KKLN Properties LLC | State Bank & Trust | 0W1060 017000 | Multi-Family Commer |
| 25 | Stephens | Turner Rd | Eastanollee | Feb-14 | \$ 37,600 | 28.800 S | 1,306 | | | | | | Chomper Real Estate, LLC | 045B-053 | Multi-Family Commer |
| 26 | Carroll | 1321 Vovvom Rd | Carroliton | Jul-13 | \$ 495,000 | 14.780 S | 33,491 | 120 | \$ 4,125 | -10% | \$ 3,713 | Haven Campus Communities - Carrolton LLC | Yves R Hentzien | C08-0330227 | Multi-Family Commer |
| 27 | Colquitt | 2001 Tallokas Pointe Rd | Moultrie | May-13 | \$ 325,000 | 9.130 S | 35,597 | 68 | \$ 4,779 | 0% | \$ 4,779 | Talloukas Pointe Apartments LP | Lynn W Lasseter | C046 113 | Multi-Family Commer |
| 28 | Houston | 200 Crestview Church Rd | Warner Robins | Nov-12 | \$1,120,000 | 28.000 S | 40,000 | 224 | \$ 5,000 | -10% | \$ 4,500 | Asbury Parke Associates LLC | Houston Heathcare Properties Inc. | 0W1200 101000 | Multi-Family Commer |
| 29 | Dawson | 2201 Perimeter Rd | Dawsonville | Jul-12 | \$ 488,000 | 15.520 S | 31,443 | 72 | \$ 6,778 | -10% | \$ 6,100 | Farmington Woods LP | Daniel Louis Centofanti | 93041 | Multi-Far |
| 30 | Wayne | 1401 S 1st St | Jesup | May-12 | \$ 284,200 | 11.660 S | 24,374 | 44 | \$ 6,459 | -10% | \$ 5,813 | Maria Senior Gardens LP | South Rincon Development Assoc | 86A-9-1 | Multi-Far |
| 31 | Thomas | 1 Ashley Park PI | Thomasville | Mar-12 | \$ 293,750 | 25.610 S | 11,470 | 84 | \$ 3,497 | 0% | \$ 3,497 | Ashley Park LLC | H & M Investment Group LLC | 056 TH 022 N | Multi-Far |
| | | | - 22 | | | | | | 77.7.7.7.7 | | | | | | |
| | | | minimum | Mar-12 5 | 28,600 | | 1,306 | 44 | \$ 1,042 | | \$ 938 | | | | |
| | | | median | Oct-14 3 | 293,750 | 15.00 S | | | \$ 6,177 | | \$ 4,832 | | | | |
| | | | average | | | | 27,375 | | \$ 5,583 | | \$ 4,857 | | | | |
| | | | maximum | Nov-16 5 | 2,162,000 | 50.55 S | 75,769 | 350 | \$ 10,275 | | \$ 7,706 | | | | |

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 \$42,660 or \$1,376/unit. This is between the low to middle of the range from the comparable land sales. There is justification for using a value near the auditor's value conclusion, as the comparable land sales supports this figure.

A point value of \$1,400/unit is estimated for the subject land. This indicates an aggregate value of \$43,400 as of the date of valuation. This value is near the auditor's land value and between the low to middle of the range of the comparable sales.

Improvement Valuation

The <u>Marshall Valuation</u> 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.

| Improvement Value Sandalwood Terrace | | | | | sul | | Value 3 prospective ricted rents |
|---|--------|------------|------------|-------------|---------------|-----------|--|
| | Square | Unadjusted | Current | Local | Total | Adjusted | Total |
| | feet | Cost/sf | Multiplier | Multiplier | Multiplier | Cost/sf | Cost |
| Multiple Residences, Sec. 12, Average/Good, Class D | 21,473 | 84.55 | 1.04 | 0.86 | 0.89 | 75.62 | 1,623,821 |
| Additional buildings | 1,457 | 84.55 | 1.04 | 0.86 | 0.89 | 75.62 | 110,181 |
| | | | | Total (| Cost Estimate | | 1,734,001 |
| | | | | Less: | Depreciation | | |
| | | | | I | Effective Age | 5 | |
| | | | | E | conomic Life | <u>60</u> | |
| | | | | | Depreciation | 8.3% | |
| | | | | Total | Depreciation | | 144,500 |
| | | | | Impro | ovement Cost | | 1,589,501 |
| | | | Imp | rovement Co | st (rounded) | | 1,590,000 |
| 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 \$1,734,001.

<u>Depreciation/Obsolescence Estimates for Improvements</u>

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 \$144,500. 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 <u>The Appraisal of Real Estate</u>, 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 <u>Reconciliation and Final Value Opinion</u> 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.

| Cost Approach Summary Sandalwood Terrace | land value cost approach total | Value 8 Value 3 |
|---|-----------------------------------|-----------------------|
| Land Value Depreciated Improvement Cost Cost Approach Value Estimate (rounded) before entrepreneurial incentive | | \$43,400 1,590,000 |
| Cost Approach Value Estimate (rounded) before entrepreneurial incentive | | 1,635,000 |
| Source: Crown Appraisal Group | | _ |

Reconciliation and Final Value Opinion

The purpose of this assignment is to develop and report an opinion of value for Sandalwood Terrace. 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 andalwood Terrace | Conclusions | | | |
|---|---------------------------------|-----------------------------|-----------------------------|---------------------------------|
| | Value 1 | Value 2-RD | Value 3 prospective | Value 4 prospective |
| | as conventional or unrestricted | subject to restricted rents | subject to restricted rents | as conventional or unrestricted |
| Income Capitalization Approach | 1,520,000 | 715,000 | 1,165,000 | 1,910,000 |
| Sales Comparison Approach | 1,210,000 | n/a | n/a | n/a |
| Cost Approach before entrepreneurial incentive | n/a | n/a | 1,635,000 | n/a |

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:

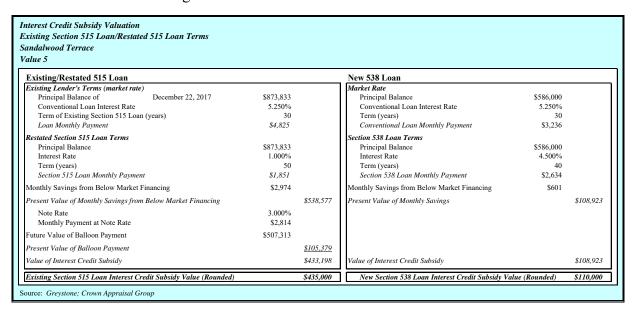
| Value Opinions | Date of Value | <u>Value</u> |
|--|------------------|--------------|
| Value 1 - as conventional or unrestricted | January 25, 2017 | \$1,520,000 |
| Value 2-RD - subject to restricted rents | January 25, 2017 | \$715,000 |
| Value 3 - prospective, subject to restricted rents | February 1, 2019 | \$1,165,000 |
| Value 4 - prospective, as conventional or unrestricted | February 1, 2019 | \$1,910,000 |

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:



LIHTC Value Opinion

Value 6

An annual LIHTC of \$69,240 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 \$692,400. 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 \$0.99 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, \$0.99 per tax credit. The value is shown below.

| LIHTC Analysis | Sandalwood Terrace Value 6 |
|---|---------------------------------|
| Period Annual Tax Credits Years Total Tax Credits Total Pricing | 69,240 10 692,400 0.99 |
| | Value of Tax Credits 685,407 |
| Source: Crown Appraisal Group | |

State Tax Credits

An annual state tax credit of \$69,240 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 \$692,400. 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.

| State Tax Credit Analysis | Sandalwood Terrace Value 6 |
|---|---------------------------------|
| Period Annual Tax Credits Years Total Tax Credits Total Pricing | 69,240 10 692,400 0.45 |
| | Value of Tax Credits 311,549 |
| Source: Crown Appraisal Group | |

Insurable Value Opinion Value 7

The insurable value opinion is shown below. The insurable value opinion is based on <u>Marshall Valuation Service</u> 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.

| Property Name | | | | Sandalwood Terrace |
|---------------------------------|----------|-------------|-----------------|-------------------------|
| Street Address | | | | 23 4th Street NW |
| City, County, State, Zip | | | Ludowici, Lon | g County, Georgia 31316 |
| Base Cost | | | · | |
| Main Structure/sf | | | | 84.55 |
| Sprinkler/sf | | | | 0.00 |
| Other/sf | | | | 0.00 |
| Adjustments and/or Multipliers | 1.04 cu | irrent cost | 0.86 local cost | 0.89 |
| Total Base Cost per square foot | | | | 75.62 |
| Building Area square footage | | | | 22,930 |
| Total Replacement Cost New | | | | 1,734,001 |
| Exclusions | per sf | percent | | |
| Excavations | 0.00 | 0.0% | | 0 |
| Foundations | 2.65 | 3.5% | | 60,690 |
| Site Work | 0.00 | 0.0% | | 0 |
| Site Improvements | 0.00 | 0.0% | | 0 |
| Architect's Fees | 0.00 | 0.0% | | 0 |
| Underground Piping | 0.00 | 0.0% | | <u>0</u> |
| Total Exclusions | 2.65 | 3.5% | | 60,690 |
| Inclusions | per unit | units | | |
| Applicance Packages | 750 | 31 | | 23,250 |
| Patios/Balconies | 250 | 31 | | <u>7,750</u> |
| Total Inclusions | | | | 31,000 |
| Concluded Insurable Value | | | | |
| Total Replacement Cost New | | | | 1,734,001 |
| Less Total Exclusions | | | | 60,690 |
| Plus Total Inclusions | | | | <u>31,000</u> |
| Concluded Insurable Value | | | | 1,704,311 |

Certification

Andrew J. Moye

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

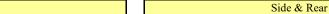
- the statements of fact contained in this report are true and correct.
- the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present 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















Form RD 1944-29 (Rev. 4-97)

United States Department Of Agriculture Rural Housing Service

FORM APPROVED OMB NO. 0575-0033

PROJECT WORKSHEET FOR CREDIT AND RENTAL ASSISTANCE

(SERVICING OFFICE USE ONLY) 1. Date Received in the Servicing Office: PART I 2. Borrower Name: 3. Case Number: 4. Project Number: 5. Location of Project: 6. Report for the month of: 7. Kind of Loan: 8. Plan of Operation: RRH Full Profit Plan II RCH Plan I Plan II RA LH Section 8* Plan RA Direct RRH Plan II (w/Sec. 8) 12. Total Due: RENTAL ASSISTANCE 9. Loan No.: 10. Loan Paymt.: 11. Overage/ Surcharge: 18. RA Agreement Number(s): 19. No. of Units Receiving **RA This Month:** 13. Late Fees: 20 . Obligation Balance Brought Forward: Total 14. Payment Due: 15. Less 21 . Rental Assistance Requested this month: #21 Net 16. Payment Due: 22 . Remaining Obligation Balance : 17. Net Payment Remitted: Use Only for Projects 23. Section 8 Units x 24. 25. with New Construction HUD Rent Section 8 Units when 26. Section 8 Units x: 27. 28. HUD rent exceeds note RHS Note Rate Rent rate rent . 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 providers; "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. | 31. — |
|--------------------------------|--|
| Date | 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.

Project Worksheet for Interest Credit and Rental Assistance Part II Effective Date:

| 1. Apt. No. | 2. Type | 3. Nbr. In Unit | 4. Initial Occu- pancy Date | 5. Cert. Exp. Date | 6. Leased To: | 7. Basic Rent | 8. Note Rate Rent | 9. HUD Rent | 10. GTC | 11. Utility Allowance | 12. NTC | 13. Amt.Due Tenant to Cover Util | 14. Rental Assistance Due Borrower | 15. Overage and/or Sur- charge |
|-------------------|------------|--------------------------|---|-----------------------------|------------------|---------------------|----------------------------|-------------------|------------|-----------------------------|------------|--|--|--|
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| | | - | | | TOTALS | | | | | | 16. | | 17. | 18. |

Total Assigned R/A Units

Maximum Number of R/A Units

Available Number of R/A Units

Project Worksheet for Interest Credit and Rental Assistance Part II Effective Date:

| 1. Apt. No. | 2. Type | 3. Nbr. In Unit | 4. Initial Occu- pancy Date | 5. Cert. Exp. Date | 6. Leased To: | 7. Basic Rent | 8. Note Rate Rent | 9. HUD Rent | 10. GTC | 11. Utility Allowance | 12. NTC | 13. Amt.Due Tenant to Cover Util | 14. Rental Assistance Due Borrower | 15. Overage and/or Sur- charge |
|-------------------|------------|--------------------------|---|-----------------------------|------------------|---------------------|----------------------------|-------------------|------------|-----------------------------|------------|--|--|--|
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| | <u> </u> | | I | I | TOTALS | <u> </u> | I | | | I | 16. | | 17. | 18. |

Total Assigned R/A Units

Maximum Number of R/A Units

Available Number of R/A Units

| Si | ANDALWOOD TER | RRACE: HIST | ORICAL OPE | RATING EXPE | NSES | | |
|-----------------------------------|---------------|-------------|-------------|-------------|-------------|-------------|----------------|
| | 2012 Actual | 2013A | 2014 Actual | 2015 Actual | 2016 Actual | 2016 Budget | Post Rehab Pro |
| Maintenance & Repairs | | | | | (YTD) | | Forma |
| R & M Payroll | - | 903.75 | 11,478.41 | 11,232.38 | - | 12,385.75 | 12,758.00 |
| R & M Supply | - | 8,718.93 | 7,177.00 | 9,027.30 | - | 7,153.33 | 4,514.00 |
| R & M Contract | - | 3,025.17 | 780.95 | 132.63 | - | 100.00 | 657.00 |
| Decorating / TO Painting | - | 4,952.17 | 1,847.70 | 1,363.33 | - | 1,000.00 | 1,361.00 |
| Snow Removal | - | - | - | - | - | - | - |
| Elevator Maintenance | - | - | - | - | - | - | - |
| Grounds | - | 253.17 | 336.91 | 509.65 | - | 633.33 | 633.00 |
| Services / Extermination | - | 3,661.43 | 2,045.97 | 3,439.51 | - | 4,160.00 | 3,440.00 |
| Capital Improvements (Operations) | - | 5,216.02 | 4,167.99 | - | - | - | 500.00 |
| Other - R&M Expenses (DESCRIBE) | - | - | - | - | - | - | - |
| Subtotal | - | 26,730.64 | 27,834.93 | 25,704.80 | - | 25,432.42 | 23,863.00 |
| Utilities | | | | | | | |
| Electricity | - | 6,436.43 | 4,816.03 | 4,910.41 | - | 5,513.33 | 5,513.00 |
| Water | - | 724.75 | 721.43 | 772.01 | - | 840.00 | 996.00 |
| Sewer | - | 749.06 | 741.59 | 798.41 | - | 840.00 | 996.00 |
| Fuel | - | 391.18 | 326.99 | 438.17 | - | 600.00 | 650.00 |
| Trash Removal | - | 2,395.00 | 2,859.73 | 2,931.47 | - | 3,180.00 | 3,290.00 |
| Other - Utilities (DESCRIBE) | - | - | - | - | - | - | - |
| Subtotal | - | 10,696.42 | 9,465.77 | 9,850.47 | - | 10,973.33 | 11,445.00 |
| Administrative | | | | | | | |
| Site Management Payroll | - | 13,008.64 | 12,277.13 | 12,317.75 | - | 14,681.33 | 15,803.00 |
| Management Fee | - | 15,441.50 | 15,753.00 | 16,514.00 | - | 16,920.00 | 17,640.00 |
| Accounting | - | 5,500.00 | 5,500.00 | 6,075.00 | - | 7,700.00 | 6,075.00 |
| Audit | - | - | - | - | - | - | - |
| Legal | - | - | 240.00 | (160.00) | - | 66.67 | 67.00 |
| Advertising | - | 775.44 | 342.18 | 169.49 | - | 400.00 | 400.00 |
| Telephone | - | 1,680.75 | 1,746.04 | 1,634.57 | - | 1,740.00 | 1,740.00 |
| Office Supplies | - | 1,470.46 | 1,925.28 | 3,708.51 | - | 2,126.67 | 2,300.00 |
| Office Furniture & Equipment | - | - | 31.44 | - | - | - | - |
| Training | - | - | 416.50 | 405.00 | - | 466.67 | 467.00 |
| Health Insurance & Other Benefits | - | 50.00 | - | 827.37 | - | 1,370.16 | 1,369.00 |
| Payroll Taxes | - | 1,456.55 | 2,349.17 | 2,370.86 | - | 2,700.97 | 2,646.00 |
| Workman's Compensation | - | 896.55 | 357.26 | 1,256.97 | - | 676.15 | 1,257.00 |
| Other - Administrative (DESCRIBE) | _ | 1,024.45 | 904.00 | 849.42 | _ | 1,026.67 | 1,027.00 |
| Subtotal | - | 41,304.34 | 41,842.00 | 45,968.94 | | 49,875.28 | 50,791.00 |
| Taxes & Insurance | | 11,001101 | , | 75,75511 | | , | 53,11111 |
| Real Estate Taxes | - | 10,401.32 | 8,541.49 | 10,527.32 | - | 10,249.20 | 10,527.00 |
| Special Assessments | _ | 2,106.43 | 1,179.29 | 380.10 | _ | 533.33 | 425.00 |
| Misc Taxes, Licenses & Permits | _ | 1,195.62 | 500.80 | 360.53 | _ | 486.67 | 487.00 |
| Property & Liability Insurance | _ | 4,811.00 | 6,956.00 | 7,420.13 | _ | 8,086.10 | 9,217.00 |
| Fidelity Coverage Insurance | _ | - | - | | - | - | - |
| Other - Insurance (DESCRIBE) | _ | _ | _ | _ | _ | | _ |
| Subtotal | - | 18,514.37 | 17,177.58 | 18,688.08 | | 19,355.30 | 20,656.00 |
| TOTAL OPERATING EXPENSES | - | 97,245.77 | 96,320.28 | 100,212.29 | - | 105,636.33 | 106,755.00 |

| | SANDALWOOD TER | RACE: HISTO | RICAL OPER | RATING STATE | EMENT | |
|----------------------------------|----------------|-------------|-------------|--------------|-------------|-------------|
| | 2012 Actual | 2013A | 2014 Actual | 2015 Actual | 2016 Actual | 2016 Budget |
| | | | | | (YTD) | |
| 1. Rental Income | - | 45,575.30 | 46,237.00 | 53,911.00 | - | 71,208.00 |
| 2. RHS Rental Assist. Received | - | 94,940.00 | 98,879.00 | 94,449.00 | - | 72,000.00 |
| 3. Application Fees | - | 421.00 | 255.00 | 120.00 | - | - |
| 4. Laundry and Vending Income | - | 205.25 | 346.50 | 620.00 | - | 660.00 |
| 5. Interest Income | - | 45.80 | 38.35 | 23.93 | - | 24.00 |
| 6. Tenant Charges | - | 1,213.00 | 4,044.91 | 265.96 | - | 53.33 |
| 7. Other - Project Sources | - | - | 26.25 | - | - | - |
| 8. Less (Vcncy @ Cntgncy Allw) | - | - | - | - | - | - |
| 9. Less (Agncy Aprvd Incentv) | - | - | | - | - | - |
| 10. Sub-Ttl [(1 thru 7) - (8@9)] | - | 142,400.35 | 149,827.01 | 149,389.89 | - | 143,945.33 |
| 11. Cash - Non Project | - | - | - | - | - | - |
| 12. Authorized Loan (Non-RHS) | - | - | - | - | - | - |
| 13. Transfer From Reserve | - | 11,017.48 | 5,909.17 | - | - | 21,966.67 |
| 14. Sub-Total (11 thru 13) | - | 11,017.48 | 5,909.17 | - | - | 21,966.67 |
| 15. Total Cash Sources (10+14) | - | 153,417.83 | 155,736.18 | 149,389.89 | - | 165,912.00 |
| 16. Total O&M Exp (From Part II) | - | 97,245.77 | 96,320.28 | 100,212.29 | - | 105,636.33 |
| 17. RHS Debt Payment | - | 25,195.68 | 25,195.68 | 16,527.72 | - | 25,195.68 |
| 18. RHS Payment (Overage) | - | - | - | 97.00 | - | - |
| 19. RHS Payment (Late Fee) | - | - | - | - | - | - |
| 20. Reductn In Prior Yr Pybles | - | - | - | - | - | - |
| 21. Tenant Utility Payments | - | 160.00 | 291.00 | (17.00) | - | - |
| 22. Transfer to Reserve | | 15,172.66 | 17,099.45 | - | - | - |
| 23. RTN Owner / NP Asset Mgt Fee | - | 2,448.00 | 2,448.00 | 750.00 | - | 3,264.00 |
| 24. Sub-Total (16 thru 23) | - | 140,222.11 | 141,354.41 | 117,570.01 | - | 134,096.01 |
| 25. Authzd Debt Pymnt (NonRHS) | - | - | - | - | - | - |
| 26. Capital Budget (III 4-6) | - | 11,017.48 | 5,909.17 | - | - | 21,966.67 |
| 27. Miscellaneous | - | (5,223.27) | (7,206.00) | - | - | - |
| 28. Sub-Total (25 thru 27) | - | 5,794.21 | (1,296.83) | - | - | 21,966.67 |
| 29. Total Cash Uses (24+28) | - | 146,016.32 | 140,057.58 | 117,570.01 | - | 156,062.68 |
| 30. Net (Deficit) (15-29) | <u> </u> | 7,401.51 | 15,678.60 | 31,819.88 | | 9,849.32 |
| 31. Beginning Cash Balance | - | 42,752.00 | 45,284.24 | - | - | - |
| 32. Accrual To Cash Adjustment | - | (4,869.27) | (5,374.83) | - | - | - |
| 33. Ending Cash Balance | | 45,284.24 | 55,588.01 | 31,819.88 | | 9,849.32 |





December 29, 2015

HALLMARK MANAGEMENT, INC 3111 Paces Mill Road Suite A-250 Atlanta, GA 30339-5704

RE: Sandalwood Terrace of Ludowici Ltd.

The following information is enclosed for the 2016 budget year:

__x__ Form RD 3560-7, "Multiple Family Housing Budget" approved.

__x__ Rent/Utility allowance- increase approval letter.

__x__ Approved Management Certification, Form RD 3560-13.

____ Approved renewal of Servicing Workout Plan (SWP)

The following items are noted:

- 1. The reserve account appears to be on track.
- 2. The property appears to be well maintained.
- 3. Management Fee will be \$47.00 POU/Month

Should you have any questions regarding the above documents, please advise.

Sincerely,

WANDA F. HYNKO

Area Specialist

For: Ricky P. Sweat, Area Director

USDA, Rural Development

Warda J. Ryslo

Enclosures



December 29, 2015

HALLMARK MANAGEMENT, INC 3111 Paces Mill Road Suite A-250 Atlanta, GA 30339-5704

Re: NOTICE OF APPROVED RENT (OCCUPANCY CHARGE) AND UTILTIY ALLOWANCE CHANGE

You are hereby notified that Rural Development has reviewed the request for a change in shelter costs for the <u>Sandalwood Terrace of Ludowici, Ltd.</u> project(s), and considered all justifications provided by project management [and comments provided by tenants]. The Rural Development has approved the following rent (occupancy charge) and/or utility allowance rates listed below. The changes for all units will become effective on <u>January 1, 2016</u> or later effective date in accordance with state or local laws.

The approved changes are as follows:

| Unit Size | | ent Rent ancy Charge) | Approved Rent (Occupancy Charge) | | | |
|-----------|-------|--------------------------|----------------------------------|--------------|--|--|
| | Basic | Note Rate | Basic | Note Rate | | |
| 1-Bedroom | \$411 | \$561 | \$411 | \$561 | | |
| 2-Bedroom | \$437 | \$601 | \$437 | \$601 | | |

The approved utility allowance changes are as follows:

| Unit Size | Present Utility | Approved Utility |
|-----------|-----------------|------------------|
| | Allowance | Allowance |
| 1-Bedroom | \$94 | \$94 |
| 2-Bedroom | \$115 | \$115 |

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

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

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

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

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

You must inform the tenants (members) of their right to request an explanation of the rate and utility allowance change approval decision within 45 days of the date of this notice by writing to (RICKY P. SWEAT, AD., USDA/RD, DOUGLAS SERVICE CENTER, 703 EAST WARD STREET, DOUGLAS, GA 31533-0311, (912) 384-4811). All tenants (members) are required to pay the changed amount of rent (occupancy charge) as indicated in the notice of approval.

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

Sincerely,

WANDA F. HYNKO, Area Specialist

For: Ricky P. Sweat, Area Director

Wanda J. Rysko

USDA/Rural Development

Proposed Budget

Date:

1.2/30/201

5 Page: 1 of 9

| Project Name: | SANDALWOOD TERRACE |
|-----------------------------|-----------------------------------|
| Borrower Name: | SANDALWOOD TERRACE OF LUDOWICI LP |
| Borrower ID and Project No: | 707954998 01-2 |
| Date of Operation: | 02/16/1995 |

| Loan/Transfer Amount: | |
|-----------------------|------------|
| Note Rate Payment: | |
| IC Payment: | \$2,099.64 |

| Reporting Period X Annual Quarterly Monthly | Budget Type Initial X Regular Report Rent Change SMR Other Servicing | Project Rental Type Family X Blderly Congregate Group Home Mixed LH | Profit Type Full Profit X Limited Prof Non-Profit |
|--|--|--|--|
| I hereby request | units of RA. Current numb | er of RA units 30 . | |
| The following ut master metered: | ilities are | Borrower Accounting Method | .] |

Proposed Budget

Date: 12/30/201

Page:

2 of 9

Project Name: SANDALWOOD TERRACE

Borrower Name: SANDALWOOD TERRACE OF LUDOWICI LP

Borr ID: 707954998

Classification: A Fiscal Year: 2016 Version: 01/01/2016 APPROVED

Totals: By Project Analyzed: Y

| Item | Current | | Proposed | |
|--------------------------------|----------------------|---|----------------------|---------------------------------------|
| Effective Dates: | Budget 01/01/2015 | Actual 01/01/2015 | Budget 01/01/2016 | Comment |
| Ending Dates: | 12/31/2015 | 12/31/2015 | 12/31/2016 | |
| | | | 40,01,000 | |
| PART I - CASH FLOW STATEMENT | ,,,,, | *************************************** | | |
| Operational Cash Sources | **** | | | |
| 1. Rental Income | 149,208.00 | | 149,208.00 | |
| 2. RHS Rental Assist. Received | | | | |
| 3. Application Fee Received | | | | |
| 4. Laundry And Vending | 360.00 | | 660.00 | |
| 5. Interest Income | 54.00 | | 24.00 | |
| 6. Tenant Charges | 1,140.00 | | 40.00 | |
| 7. Other - Project Sources | 0,00 | | 0,00 | APP FEES |
| 8. Less (Voncy @ Cntgncy Allw) | -6,000.00 | | -6,000.00 | |
| 9. Less (Agncy Aprvd Incentv) | 0.00 | | 0.00 | |
| 10. Sub-Ttl [(1 thru 7)-(8@9)] | 144,762.00 | | 143,932,00 | |
| Non-Operational Cash Sources | 1 | | | |
| 11. Cash - Non Project | 0.00 | | 0.00 | |
| 12. Authorized Loan (Non-RHS) | 0.00 | | 0,00 | |
| 13. Transfer From Reserve | 18,900.00 | | 17,625.00 | |
| 14. Sub-Total (11 thru 13) | 18,900.00 | | 17,625.00 | |
| 15. Total Cash Sources (10+14) | 163,662.00 | | 161,557.00 | |
| Operational Cash Uses | <u> </u> | | 202,037.00 | |
| 16. Ttl O@M Exp (From Part II) | 106,518.98 | | 105,688.42 | |
| 17. RHS Debt Payment | 25,195.68 | | 25,195,68 | |
| 18. RHS Payment (Overage) | | | 25,125.00 | |
| 19. RHS Payment (Late Fee) | | | | |
| 20. Reductn In Prior Yr Pybles | | | | |
| 21. Tenant Utility Payments | - | | | |
| 22. Transfer to Reserve | 9,870.00 | | 9,870.00 | , |
| 23. RTN Owner/NP Asset Ngt Fee | 2,448.00 | | 2,448.00 | |
| 24. Sub-Total (16 thru 23) | 144,032.66 | | 143,202,10 | |
| Non-Operational Cash Uses | 1 | | 2.57.2V2.1V | |
| 25. Authzd Debt Pymnt (NonRHS) | 0.00 | | 0.00 | |
| 26, Capital Budget (III 4-6) | 18,900,00 | | 17,625.00 | |
| 27. Miscellaneous | 0.00 | | 0.00 | |
| 28. Sub-Total (25 thru 27) | 18,900.00 | | 17,625.00 | ···· |
| 29. Total Cash Uses (24+28) | 162,932.66 | | 160.827.10 | |
| 30. Net (Deficit) (15-29) | 729.34 | | 729.90 | |
| Cash Balance | 122,34 | | 129,90 | |
| 31. Beginning Cash Balance | 50,719.00 | | 45 555 54 | |
| 32. Accrual To Cash Adjustment | 20,119.00 | | 43,889.00 | |
| 33. Ending Cash Bal (30+31+32) | 51,448.34 | | 44 610 00 | · · · · · · · · · · · · · · · · · · · |
| TOTAL (DVTDITTO) | 31,440.34 | | 44,618.90 | |

Proposed Budget

Date:

12/30/201

Page:

5 3 of 9

| Classification: A Fiscal Ye | 702.0 | n: 01/01/2016 APPRO | 100000 | By Project Analyzed: Y |
|--------------------------------|----------------------|---------------------|----------------------|------------------------------|
| Item | Current | | Proposed | |
| Effective Dates: | Budget 01/01/2015 | Actual 01/01/2015 | Budget 01/01/2016 | Comment |
| Ending Dates: | 12/31/2015 | 12/31/2015 | 12/31/2016 | |
| | 1 | | 1 1070 17 10 10 | |
| PART II - OGM EXPENSE SCHEDULE | | | | |
| 1. Maint, @ Repairs Payroll | 12,657.82 | I so e e | 12,416.71 | |
| 2. Maint. @ Repairs Supply | 5,750.00 | | <u> </u> | |
| 3. Maint. @ Repairs Contract | 150.00 | | 6,980.00 | |
| 4. Painting | 2,100.00 | | | |
| 5. Snow Removal | 0,00 | | 900,00 | |
| 6. Elevator Maint./Contract | 0.00 | | 0.00 | |
| 7. Grounds | 400.00 | | 0.00 | |
| 8. Services | 3,435,00 | | 500.00 | |
| 9. Cptl Bgt (Part V operating) | 3,220.00 | | 3,490.00 | |
| 10. Other Operating Expenses | 0.00 | | 3,425.00 | |
| 11. Sub-Ttl O@M (1 thru 10) | 27,712.82 | | 0.00 | |
| 12. Electricity | 5,400.00 | | 27,861.71 | |
| 13. Water | 792.00 | | 5,490.00 | |
| 14. Sewer | 792.00 | | 840,00 | |
| 15. Fuel (Oil/Coal/Gas) | 400.00 | | 840.00 | |
| 16. Garbage @ Trash Removal | | | 450.00 | |
| 17. Other Utilities | 3,300.00 | | 3,1,80.00 | |
| 18. Sub-Ttl Util. (12 thru 17) | 0,00 | | 0,00 | |
| 19. Site Management Payroll | 10,684.00 | | 10,800.00 | |
| 20. Management Fee | 14,511.66 | | 14,693,25 | |
| 21. Project Auditing Expense | 16,560,00 | | 16,920.00 | |
| 22. Proj. Bookkeeping/Accuting | 5,775.00 | | 5,775.00 | |
| 23. Legal Expenses | 0.00 | | 0.00 | |
| | 50.00 | | 50.00 | |
| 24. Advertising | 450.00 | | 450,00 | |
| 25. Phone @ Answering Service | 1,860.00 | | 1,740.00 | |
| 26. Office Supplies | 1,995.00 | | 2,050.00 | |
| 37. Office Furniture @ Equip. | 0.00 | | 0.00 | |
| 8. Training Expense | 350.00 | | 350.00 | |
| 9. Hlth Ins. @ Other Benefits | 300.00 | | 1,570.16 | |
| 0. Payroll Taxes | 2,623.81 | | 2,566.01 | |
| 1. Workmans Compensation | 740.61 | | 680.10 | |
| 2. Other Admin.Expenses | 960.00 | | 890.00 | MILEAGE, BANK CHG, CREDIT CH |
| 3. Sub-Ttl Admin (19 thru 32) | 46,176.08 | | 47,734.52 | |
| 4. Real Estate Taxes | 12,481.58 | | 10,249.20 | |
| 5. Special Assessments | 500.00 | | 500.00 | |
| 6. Othr Taxes, Lonses, Permts | 490.00 | | 365.00 | BUSINESS + SOFTWARE LIC |
| 7. Property @ Liability Ins. | 8,474.50 | | 8,177.99 | |
| 8. Fidelity Coverage Ins. | 0.00 | | 0.00 | |
| 9. Other Insurance | 0.00 | | 0.00 | |
| 0. Sub-Ttl Tx/In (34 thru 39) | 21,946.08 | | 19,292,19 | |
| 1. Ttl O@M Exps (11+18+33+40) | 106,518.98 | | 105,688.42 | |

Proposed Budget

Date: 1

12/30/201

Page: 4 o

| Project Name: SANDALWOOD TERRACE Borrower Name: SANDALWOOD TERRACE Classification: A Fiscal Year | OF LUDOWICI LP | n: 01 | Sta Borr ID: 70795 /01/2016 APPRO | 4998 Pri Nhr. 01 | g Office; 606 County: 91 -2 Paid Code: Active / Project Analyzed: Y |
|--|---|--|---|---------------------------------------|---|
| Item | Current | Π | | Proposed | |
| Effective Dates: | Budget 01/01/2015 | 017 | Actual 01/2015 | Budget 01/01/2016 | Comment |
| Ending Dates: | 12/31/2015 | I | 31/2015 | 12/31/2016 | |
| PART III - ACCT BUDGET/STATUS | *************************************** | ······································ | · | | |
| Reserve Account | | ···· | | · · · · · · · · · · · · · · · · · · · | · · · · · · · · · · · · · · · · · · · |
| 1.Beginning Balance | 61,158.10 | | | 74,928.87 | |
| 2. Transfer to Reserve | 9,870.00 | | | 9,870.00 | |
| Transfer From Reserve | | 1 approximation | | | *************************************** |
| 3. Operating Deficit | 0.00 | | | 0.00 | |
| 4. Cptl Bgt (Part V reserve) | 18,900.00 | | | 17,625.00 | |
| 5. Building @ Equip Repair | 0.00 | | | 0.00 | |
| 6. Othr Non-Operating Expenses | 0.00 | | | 0.00 | |
| 7. Total (3 thru 6) | 18,900.00 | | | 17,625.00 | |
| 8. Ending Balance [(1+2)-7)] | 52,128.10 | | | 67,173.87 | |
| General Operating Account | | | | <u> </u> | |
| Beginning Balance | | | | | . , , , , , , , , , , , , , , , , , , , |
| Ending Balance | | | | | |
| Real Estate Tax And Ins Escrow | | (and construct an | | | |
| Beginning Balance | | | | | |
| Ending Balance | | | | | |
| Tenant Security Deposit Acct | | researche. | em acom atau desartad calles agus I | | VA. |
| Beginning Balance | | | | | |
| Ending Balance | | | | | |
| Number of Applicants on Waiting Lis | r. T | 0 1 | Dogowy North | Dan D-3 | |
| Number of Applicants Needing RA | ~ | - ' | Reserve Acct. Amount Ahead/ | | 14,283.3 |
| × * · · · · · · · · · · · · · · · · · · | | - [| mioune mieau/i | 3GIIAIM | 61,560.5 |

Proposed Budget

Date: 12/30/201

Page:

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Project Name: SANDALWOOD TERRACE
BORYOWER Name: SANDALWOOD TERRACE OF LUDOWICI LP
BORY ID: 707954998
Prj Nbr: 01-2 Paid Code: Active
Classification: A Fiscal Year: 2016 Version: 01/01/2016 APPROVED
Totals: By Project Analyzed: Y

| PART 1 | V RE | NT SCI | EDULI | 3 | | 7., | *************************************** | · · · · · · · · · · · · · · · · · · · | | | | |
|------------------|------|--------|-------|--------|-----------|--|---|---------------------------------------|---------------------------------|---------|-----|---------------------------------------|
| A. Ct | RREN | T APP | ROVED | RENTS/ | UTILITY A | LLOWANCE: | 01/01/2015 | | | | | · · · · · · · · · · · · · · · · · · · |
| Unit Description | | | | | | ************************************** | Rental Rates | | Potential Income From Each Rate | | | Otility |
| Туре | Size | e HC | Rev | Unit | Number | Basic | Note | HUD | Basic | Note | HUD | Allowance |
| N | 2 | A11. | | | 4 | 437 | 601. | 0 | 20,976 | 28,848 | 0 | 115 |
| N | 1 | All | | | 26 | 411 | 561 | 0 | 128,232 | 175,032 | 0 | 94 |
| | | | | | | | CURRENT RE | NT TOTALS | 149,208 | 203,880 | 0 | |

| effec | rive d | ATE OF | RENTS | /UTILITY A | LLOWANCE: 01/01/ | 2015 | · · · · · · · · · · · · · · · · · · · | | | |
|-------|--------|--------|---------|---|------------------|------|---------------------------------------|-------|-------|-------------|
| | Un | it Des | criptic | n | Utility Types | | | | ····· | |
| Туре | Size | HC | Rev | Unit | Elect | Gas | Sewer | Trash | Other | Total Allow |
| N | 2 | All | | 110000000000000000000000000000000000000 | 82 | 0 | 14 | 0 | 0 | 115 |
| N | 1, | All | | | 65 | 0 | 12 | 0 | 0 | 94 |

| B. PR | OPOSE | D CH | ANGE (| OF RENT | rs/urility | ALLOWANCE | : 01/01/20 | 16 | | | | | |
|-------|------------------|------|--------|---------|------------|--------------|------------|-------------|---------------------------------|---------|-----|-----------|--|
| | Unit Description | | | | | Rental Rates | | | Potential Income From Each Rate | | | Utility | |
| Туре | Size | HC | Rev | Unit | Number | Basic | Note | HUD | Basic | Note | HUD | Allowance | |
| N | 2 | A1.1 | | | 4 | 437 | 601 | 0 | 20,976 | 28,848 | Ö | 115 | |
| N | 1 | A11 | | | 26 | 411 | 561 | 0 | 128,232 | 175,032 | 0 | 94 | |
| | | | | | | | PROPOSED | RENT TOTALS | 149,208 | 203,880 | 0 | | |

| | EFFECTIVE DATE OF RENTS/UTILITY ALLOWANCE: 01/01/2016 | | | | | | | | | | | |
|------|---|--------|---------|------|---------------|-----|-------|-------|---|-------------|--|--|
| | Un: | it Des | criptic | on | Utility Types | | | | • | | | |
| Туре | Size | HC | Rev | Unit | Elect | Gas | Sewer | Trash | Other | Total Allow | | |
| N | 2 | All | | | 84 | 0 | 1.3 | 0 | 0 | 115 | | |
| N | 1 | λ11 | | | 66 | 0 | 12 | 0 | 0 | 94 | | |

Proposed Budget

Date: 12/30/201

Page: 6 of 9

Project Name: SANDALWOOD TERRACE
Borrower Name: SANDALWOOD TERRACE OF LUDOWICI LP
Borr ID: 707954998
Prj Nbr: 01-2 Paid Code: Active
Classification: A Fiscal Year: 2016 Version: 01/01/2016 APPROVED Totals: By Project Analyzed: Y

| | dal Year: 2016 | version: Oi) | 01/2016 APPRO | VED TOTAL | s: By Projec | t Analyze | d: Y |
|----------------------------------|-----------------------|-----------------|---------------------------------------|--|----------------------|--------------------|---|
| Item | Proposed | Proposed | Actual | Proposed | Actual | Actual | Total |
| | Number Units/Items | From Reserve | From Reserve | From | From | Total | Actual |
| Effective Dates: | 01/01/2015 | 01/01/2016 | 01/01/2015 | Operating 01/01/2016 | Operating 01/01/2015 | Cost 01/01/2015 | Units/Items 01/01/2015 |
| Ending Dates: | 12/31/2015 | | 12/31/2015 | | 12/31/2015 | 12/31/2015 | 12/31/2015 |
| ANNUAL CAPITAL BUDGET | | | ļ | ., | | | |
| Appliances | | | | | | | |
| Appliances - Range | | T | | | | | |
| Appliances - Refrigerator | 3 | 450.00 | 0.00 | 450.00 | 0,00 | 0.00 | 0 |
| Appliances - Range Hood | 2 | 675.00 | 0.00 | 675.00 | 0.00 | 0.00 | 0 |
| Appliances - Washers @ | 0 2 | 0.00 | 0.00 | 0,00 | 0.00 | 0.00 | 0 |
| Dryers | | 1,350.00 | 0.00 | 750.00 | 0.00 | 0.00 | 0 |
| Appliances - Other | 0 | 0.00 | 0.00 | 0.00 | 0.00 | 0,00 | 0 |
| Carpet and Vinyl | | | | · · · · · · · · · · · · · · · · · · · | I | -l | I |
| Carpet @ Vinyl - 1 Br. | 4 | 3,800.00 | 0.00 | 0.00 | 0.00 | 0,00 | 0 |
| Carpet @ Vinyl - 2 Br. | 4 | 4,650.00 | 0.00 | 0.00 | 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 | | | | ······································ | | | <u> </u> |
| 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 | ő |
| Cabinets - Other | 0 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0 |
| Doors | | | | | | | L |
| Doors - Exterior | 4 | 0.00 | 0.00 | 500.00 | 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 | | | · · · · · · · · · · · · · · · · · · · | | | | I |
| 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 | | | <u></u> | ······································ | | 1 | , |
| Heat @ Air - Heating | 0 | 0.00 | 0,00 | 0.00 | 0.00 | 0.00 | 0 |
| Heat @ Air - Air Conditioning | 2 | 5,800.00 | 0.00 | 0.00 | 0.00 | 0,00 | O |
| Heat @ Air - Other | 0 | 0.00 | 0,00 | 0,00 | 0.00 | 0,00 | |
| Plumbing | | | | 0.00 | 0.00 | 0.00 | 0 |
| Plumbing - Water Heater | 3 | 700.00 | 0.00 | 350.00 | 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 | | | | | | 0.00 | |
| Major Electrical - Detail | 0 1 | 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 | | I | 1 | | | 1 | |
| Structures - Windows | 0 [| 0.00 | 0.001 | 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 | ō | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0 |
| Painting Structures - Other | 0 | . 0.00 | | | | | |
| | <u>v</u> | 0.00 | 0,00 | 0.00 | 0.00 | 0.00 | 0 |

Date:

12/30/201

Proposed Budget

Page:

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| Project Name: SANDALWOOD TERRACE | Grant and | | |
|---|--------------|---|---------------|
| BOYPOMAY Name . Campardoon manns on | State: 10 | Servicing Office: 6 | 06 County: 91 |
| DOLL 1 | D: 707954998 | Pri Nbr: 01-2 Paid | Code: Active |
| Classification: A Fiscal Year: 2016 Version: 01/01/20 | 16 ADDDOUGD | , | _ |
| 1000 100011 01/01/20 | IO MPPROVED | Totals: By Project | Analyzed: Y |
| T | | | |
| | | | |

| Effective Dates: 01/0 Ending Dates: 01/0 Ending Dates: 12/3 Paving Paving - Asphalt Paving - Concrete Paving - Seal and Stripe Paving - Other Landscape and Grounds Lndscp@Grnds - Landscaping Lndscp@Grnds - Lawn Equipment Lndscp@Grnds - Fencin | roposed Number ts/Items 1/2015 1/2015 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 | Proposed From Reserve 01/01/2016 0.00 0.00 0.00 | Actual From Reserve 01/01/2015 12/31/2015 0.00 0.00 0.00 0.00 0.00 | Proposed From Operating 01/01/2016 0.00 0.00 | Actual From Operating 01/01/2015 12/31/2015 0.00 0.00 | Actual Total Cost 01/01/2015 12/31/2015 0.00 0.00 | Total Actual Units/Items 01/01/2015 12/31/2015 |
|---|---|---|--|---|---|---|--|
| Effective Dates: 01/0 Ending Dates: 12/3 Paving Paving - Asphalt Paving - Concrete Paving - Seal and Stripe Paving - Other Landscape and Grounds Lndscp@Grnds - Landscaping Lndscp@Grnds - Lawn Equipment Lndscp@Grnds - Fencin | 0 0 0 0 | 0.00 0.00 0.00 0.00 | Reserve 01/01/2015 12/31/2015 0.00 0.00 | Operating 01/01/2016 0.00 0.00 | Operating 01/01/2015 12/31/2015 | Cost 01/01/2015 12/31/2015 0.00 | Units/Items 01/01/2015 12/31/2015 |
| Ending Dates: 12/3 Paving Paving - Asphalt Paving - Concrete Paving - Seal and Stripe Paving - Other Landscape and Grounds Lindscp@Grnds - Landscaping Lindscp@Grnds - Lawn Equipment Lindscp@Grnds - Fencin | 0 0 0 | 0.00 0.00 0.00 0.00 | 01/01/2015 12/31/2015 0.00 0.00 | 0.00 | 0.00 | 01/01/2015 12/31/2015 | 01/01/2015 12/31/2015 |
| Paving Paving - Asphalt Paving - Concrete Paving - Seal and Stripe Paving - Other Landscape and Grounds Lindscp@Grnds - Landscaping Lindscp@Grnds - Lawn Equipment Lindscp@Grnds - Fencin | 0 0 0 0 | 0.00 0.00 0.00 0.00 | 0.00 0.00 0.00 | 0.00 | 0.00 | 0.00 | 12/31/2015 |
| Paving - Asphalt Paving - Concrete Paving - Seal and Stripe Paving - Other Landscape and Grounds Lindscape and Grounds Lindscape - Landscaping Lindscape Grids - Lawn Equipment Lindscape Grids - Fencin | 0 0 0 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| Paving - Asphalt Paving - Concrete Paving - Seal and Stripe Paving - Other Landscape and Grounds Lindscape and Grounds Lindscape - Landscaping Lindscape Grids - Lawn Equipment Lindscape Grids - Fencin | 0 0 0 | 0.00 | 0.00 | 0.00 | | | 0 |
| Paving - Concrete Paving - Seal and Stripe Paving - Other Landscape and Grounds Lndscp@Grnds - Landscaping Lndscp@Grnds - Lawn Equipment Lndscp@Grnds - Fencin | 0 0 0 | 0.00 | 0.00 | 0.00 | | | 0 |
| Paving - Seal and Stripe Paving - Other Landscape and Grounds Lndscp@Grnds - Landscaping Lndscp@Grnds - Lawn Equipment Lndscp@Grnds - Fencin | 0 0 | 0.00 | 0,00 | 0.00 | | | , , |
| Paving - Other Landscape and Grounds Lindscp@Grnds - Landscaping Lindscp@Grnds - Lawn Equipment Lindscp@Grnds - Fencin | 0 | 0.00 | 0,00 | | 0.00 | | |
| Landscape and Grounds Lindscp@Grnds - Landscaping Lindscp@Grnds - Lawn Equipment Lindscp@Grnds - Fencin | 0 | 0.00 | | | 0.00 | 0.00 | 0 |
| Lndscp@Grnds - Landscaping Lndscp@Grnds - Lawn Equipment Lndscp@Grnds - Fencin | · | | | 0.00 | 0.00 | 0.00 | 0 |
| Lndscp@Grnds - Lawn Equipment Lndscp@Grnds - Fencin | · | | 1, | L | 0.00 | 0.00 | 0 |
| Equipment Lndscp@Grnds - Fencin | ^ | 0.00 | 0,00 | 0.00 | 0.00 | 0,00 | 0 |
| Lndscp@Grnds - Fencin | U | 0,00 | 0.00 | 0.00 | 0.00 | 0.00 | 0 |
| | Ô | 0.00 | 0.00 | | | | <u> </u> |
| indroneCondo Deservicio | | | | 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 | | | | · · · · · · · · · · · · · · · · · · · | | I | |
| Accessibility Features - Detail | 0 | 0.00 | 0.00 | 700.00 | 0.00 | 0.00 | 0 |
| Accessibility Features - Other | Ò | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0 |
| Automation Equipment | | | | | · | | |
| Automation EquipSite 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 EquipOther | 0 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0 |
| Other | | | | | | l | |
| List: ? | 0 | 0,00 | 0.00 | 0.00 | 0.00 | 0,00 | |
| List: ? | 0 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0 |
| List: ? | 0 | 0.00 | 0.00 | 0.00 | 0.00 | | |
| Total Capital Expenses | | | 1 | | 0.00 | 0.00 | 0 |

Proposed Budget

Date:

12/30/201

Page: 8 of 9

Project Name: SANDALWOOD TERRACE State: 10 Servicing Office: 606 County: 91
Borrower Name: SANDALWOOD TERRACE OF LUDOWICI LP Borr ID: 707954998 Prj Nbr: 01-2 Paid Code: Active
Classification: A Fiscal Year: 2016 Version: 01/01/2016 APPROVED Totals: By Project Analyzed: Y

Part VI - SIGNATURES, DATES AND COMMENTS

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

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

| 10/07/2015 (Date Submitted) | HALLMARK GROUP REAL ESTATE (Management Agency) | MA202860 (MA#) |
|--------------------------------|--|-------------------|
| (Date) | (Signature of Borrower or Borrower's Representative) | |
| all a M | (Title) | |
| Agency Approval (R) | Mo, The Decidest | (Date) /5 |

Report: FIN1000

Multi-Family Information System (MFIS)

Proposed Budger

Date:

12/30/201

Page:

9 of 9

Project Name: SANDALWOOD TERRACE
BOTTOWER Name: SANDALWOOD TERRACE OF LUDOWICI LP
BOTT ID: 707954998
Classification: A Fiscal Year: 2016 Version: 01/01/2016 APPROVED Totals: By Project Analyzed: Y

SPVS Comment: Batched/ II 092515/ II 110515

Narrative:

BUDGET NARRATIVE PROJECT NAME Sandalwood Terrace Apartments BORROWER NAME Sandalwood Terrace of Ludowici, Ltd. BORROWER ID AND PROJECT NO 10-910-707954998 01-2 (Sandalwood Terrace is a 31 unit elderly community located in Ludowici, Georgia. In 2015 it has been maintaining a 98% average occupancy. The propertyhas not experienced any unexpected maintenance issues. Of the property remains incompliance and has no outstanding findings that have not been addressed by themanagement company. Of this time, the property is financially sound and has not experienced any changes that would contribute to any financial difficulties. Nadministrative Expenses exceed 23% of the gross rents due to expenses for payroll taxes, office supplies and telephone expense. The costs are necessary t carryout 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. Other has been a change in Other Income doto Laundry income has increased do to the increase of tenants using the laundry facilities. Interest income has decreased do to less interest being earned and tenant charges have decreased do to less turn over and the need to forfeit security deposits and charge for damage charges. Other property has not experienced carpets, vinyl, stoves, etc. on an as neededbasis. It is expected the following will be replaced in 2016 - \$17,000 paid from the reserve account includes replacing 1 refrigerator, 1 stackable dryer, 1 stove, 2 HVAC units, two lBR carpets, two 2BR carpets and two 1BR vinyl floor, two 2BR vinyl floor, and 2 water heaters. The \$3,425.00 paid from the operating account includes replacing 1 stove, 2 refrigerator, 1 washer, 1 water heaters. The \$3,425.00 paid from the operating account includes capable to be the story.



December 14, 2016

HALLMARK MANAGEMENT, INC 3111 Paces Mill Road Suite A-250 Atlanta, GA 30339-5704

RE: Sandalwood Terrace of Ludowici Ltd.

The following information is enclosed for the 2017 budget year:

- __x_ Form RD 3560-7, "Multiple Family Housing Budget" approved.
- __x__ Rent/Utility allowance- increase approval letter.
- __x__ Approved Management Certification, Form RD 3560-13.
- _____ Approved renewal of Servicing Workout Plan (SWP)

The following items are noted:

- 1. The reserve account appears to be on track.
- 2. The property appears to be well maintained.
- 3. Management Fee will be \$49.00 POU/Month

Should you have any questions regarding the above documents, please advise.

Sincerely,

WANDA F. HYNKO

Area Specialist

For: Jeanmarie F. DeLoach, Acting Area Director

USDA, Rural Development

Warda S. Ryslo

Enclosures



December 14, 2016

HALLMARK MANAGEMENT, INC 3111 Paces Mill Road Suite A-250 Atlanta, GA 30339-5704

Re: NOTICE OF APPROVED RENT (OCCUPANCY CHARGE) AND UTILTIY ALLOWANCE CHANGE

You are hereby notified that Rural Development has reviewed the request for a change in shelter costs for the <u>Sandalwood Terrace of Ludowici, Ltd.</u> project(s), and considered all justifications provided by project management [and comments provided by tenants]. The Rural Development has approved the following rent (occupancy charge) and/or utility allowance rates listed below. The changes for all units will become effective on <u>January 1, 2017</u> or later effective date in accordance with state or local laws.

The approved changes are as follows:

| Unit Size | | ent Rent ancy Charge) | Approved Rent (Occupancy Charge) | | |
|-----------|-------|--------------------------|----------------------------------|-----------|--|
| | Basic | Note Rate | Basic | Note Rate | |
| 1-Bedroom | \$411 | \$561 | \$431 | \$581 | |
| 2-Bedroom | \$437 | \$601 | \$457 | \$621 | |

The approved utility allowance changes are as follows:

| Unit Size | Present Utility | Approved Utility |
|-----------|-----------------|------------------|
| | Allowance | Allowance |
| 1-Bedroom | \$94 | \$104 |
| 2-Bedroom | \$115 | \$124 |

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

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

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

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

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

You must inform the tenants (members) of their right to request an explanation of the rate and utility allowance change approval decision within 45 days of the date of this notice by writing to (<u>JEANMARIE F. DELOACH, ACTING A.D., USDA/RD, DOUGLAS SERVICE CENTER, 703 EAST WARD STREET, DOUGLAS, GA 31533-0311, (912) 384-4811).</u> All tenants (members) are required to pay the changed amount of rent (occupancy charge) as indicated in the notice of approval.

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

Sincerely,

WANDA F. HYNKO, Area Specialist

For: Jeanmarie F. DeLoach, Acting Area Director

USDA/Rural Development

Wanda J. Rynko

Proposed Budget

Date:

11/10/303

Page:

e: 1 of

| Project Name: | SANDALWOOD TERRACE |
|-----------------------------|-----------------------------------|
| Borrower Name: | SANDALWOOD TERRACE OF LUDOWICI LP |
| Borrower ID and Project No: | 707954998 01-2 |
| Date of Operation: | 02/16/1995 |

| | Loan/Transfer Amount: | | |
|---|-----------------------|------------|--|
| | Note Rate Payment: | | |
| L | IC Payment: | \$2,099.64 | |

| | LC Payment: | \$2,099.64 | |
|---|--|--|--|
| Reporting Period X Annual Quarterly Monthly | Budget Type InitialRegular ReportX Rent ChangeSMROther Servicing | Project Rental Type Family X Elderly Congregate Group Home Mixed LH | Profit Type Full Profit X Limited Profit Non-Profit |
| I hereby request | units of RA. Current n | umber of RA units 30 . | |
| The following master meter Gas X Elect X Water X Sewer Trash Other | ricity | Borrower Accounting Method Cash Accrual | |

Proposed Budget

Date:

1/10/201

Page: 2 of

Project Name: SANDALWOOD TERRACE

Borrower Name: SANDALWOOD TERRACE OF LUDOWICI LP

Classification: C

Fiscal Year: 2017 Version: 01/01/2017 TRANSMITD

Totals: By Project Analyzed: N

| Item | Current | 2-47 | Proposed | |
|---------------------------------|--|--|--|---|
| Effective Dates: | Budget 01/01/2016 | Actual 01/01/2016 | Budget 01/01/2017 | Comment |
| Ending Dates: | 12/31/2016 | 12/31/2016 | 12/31/2017 | |
| | | <u> </u> | 1 | 1 |
| PART I - CASH FLOW STATEMENT | | | | |
| Operational Cash Sources | | ************************************** | | |
| 1. Rental Income | 149,208.00 | | 156,408.00 | ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, |
| 2. RHS Rental Assist. Received | | | | |
| 3. Application Fee Received | | | | |
| 4. Laundry And Vending | 660.00 | | 660.00 | |
| 5. Interest Income | 24.00 | Section 1 | 22.00 | |
| 6. Tenant Charges | 40.00 | | 140.00 | |
| 7. Other - Project Sources . | 0.00 | | 0.00 | APP FEE |
| 8. Less (Vency @ Cntgney Allw) | -6,000.00 | | -3,900.00 | |
| 9, Less (Agncy Aprvd Incentv) | 0.00 | | 0.00 | |
| 10. Sub-Ttl [(3. thru 7)-(8@9)] | 143,932.00 | | 153,330.00 | |
| Non-Operational Cash Sources | | | | |
| 11. Cash - Non Project | 0.00 | | 0.00 | |
| 12. Authorized Loan (Non-RHS) | 0.00 | | 0.00 | |
| 13. Transfer From Reserve | 17,625.00 | | 22,051.00 | |
| 14. Sub-Total (11 thru 13) | 17,625.00 | | 22,051.00 | |
| 15. Total Cash Sources (10+14) | 161,557.00 | | 175,381.00 | |
| Operational Cash Uses | | | | |
| 16. Ttl O@M Exp (From Part II) | 105,688.42 | | 114,800.17 | |
| 17. RHS Debt Payment | 25,195,68 | | 25,195.68 | |
| 18. RHS Payment (Overage) | | | | |
| 19. RHS Payment (Late Fee) | | | | |
| 20. Reductn In Prior Yr Pybles | | | | |
| 21. Tenant Utility Payments | | | | |
| 22. Transfer to Reserve | 9,870.00 | | 9,870.00 | |
| 23. RTN Owner/NP Asset Mgt Fee | 2,448.00 | | 2,448.00 | |
| 24. Sub-Total (16 thru 23) | 143,202.10 | | 152,313.85 | |
| Non-Operational Cash Uses | | | | |
| 25. Authzd Debt Pymnt (NonRHS) | 0.00 | | 0.00 | |
| 26. Capital Budget (III 4-6) | 17,625.00 | | 22,051,00 | |
| 27. Miscellaneous | 0.00 | | 0.00 | |
| 28. Sub-Total (25 thru 27) | 17,625.00 | | 22,051.00 | |
| 29. Total Cash Uses (24+28) | 160,827.10 | | 174,364,85 | |
| 30. Net (Deficit) (15-29) | 729.90 | | 1,016.15 | |
| Cash Balance | ······································ | | ************************************** | |
| 31. Beginning Cash Balance | 43,889.00 | | 15,274.00 | |
| 32. Accrual To Cash Adjustment | | | | |
| 33. Ending Cash Bal (30+31+32) | 44,618.90 | | 16,290.15 | |

Proposed Budget

Date:

11/10/201

Page:

6 3 of 9

Project Name: SANDALWOOD TERRACE

Borrower Name: SANDALWOOD TERRACE OF LUDOWICI LP

Borr ID: 707954998 Prj Nbr: 01-2 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 | 12,416.71 | | 13,008.45 | |
| 2. Maint. @ Repairs Supply | 6,980.00 | | 9,975.00 | |
| 3. Maint, @ Repairs Contract | 150.00 | | 350.00 | *************************************** |
| 4. Painting | 900.00 | | 2,232.00 | |
| 5. Snow Removal | 0.00 | | \ 0.00 | |
| 6. Elevator Maint./Contract | 0.00 | | 0.00 | |
| 7. Grounds | 500.00 | | 1,600.00 | |
| 8. Services | 3,490.00 | | 3,175.00 | · · · · · · · · · · · · · · · · · · · |
| 9. Cptl Bgt(Part V operating) | 3,425.00 | | 3,390.00 | |
| 10. Other Operating Expenses | 0.00 | | 0.00 | |
| 11. Sub-Ttl O@M (1 thru 10) | 27,861.71 | | 33,730.45 | |
| 12. Electricity | 5,490.00 | | 5,040.00 | |
| 13. Water | 840.00 | | 996.00 | |
| 14. Sewer | 840.00 | | 948.00 | |
| 15. Fuel (Oil/Coal/Gas) | 450.00 | | 652.00 | |
| 16. Garbage @ Trash Removal | 3,180.00 | | 3,290.00 | |
| 17. Other Utilities | 0.00 | | 0.00 | |
| 18. Sub-Ttl Util. (12 thru 17) | 10,800.00 | | 10,926.00 | *************************************** |
| 19. Site Management Payroll | 14,693.25 | | 15,342.71 | |
| 20. Management Fee | 16,920.00 | | 17,640.00 | |
| 21. Project Auditing Expense | 5,775.00 | | 6,063.75 | |
| 22. Proj. Bookkeeping/Acceting | 0.00 | | 0.00 | |
| 23. Legal Expenses | 50.00 | | 50.00 | Note that the same of the same |
| 24. Advertising | 450.00 | | 450.00 | |
| 25. Phone @ Answering Service | 1,740.00 | | 2,118.00 | |
| 26. Office Supplies | 2,050.00 | | 2,155.00 | |
| 27. Office Furniture @ Equip. | 0.00 | | 0.00 | *************************************** |
| 28. Training Expense | 350.00 | | 425.00 | |
| 29. Hlth Ins. @ Other Benefits | 1,570.16 | | 1,369.08 | |
| 30. Payroll Taxes | 2,566.01 | | 2,645,66 | |
| 31. Workmans Compensation | 680.10 | | 939,69 | |
| 32. Other Admin, Expenses | 890.00 | | 816.00 | MILEAGE, BANK CHG, CREDIT |
| 33, Sub-Ttl Admin (19 thru 32) | 47,734.52 | | 50,014.89 | CHECK |
| 34. Real Estate Taxes | 10,249.20 | | 10,112.24 | |
| 35. Special Assessments | 500.00 | | 425.00 | |
| 36. Othr Taxes, Lonses, Permits | 365.00 | | 375.00 | BUSINESS SOFTWARE LIC |
| 37. Property @ Liability Ins. | 8,177.99 | | 9,216.59 | |
| 38. Fidelity Coverage Ins. | 0.00 | | 0.00 | |
| 39. Other Insurance | 0.00 | | 0.00 | |
| 40. Sub-Ttl Tx/In (34 thru 39) | 19,292.19 | | 20,128.83 | |
| 41. Ttl 0@M Exps (11+18+33+40) | 105,688.42 | | 114,800.17 | |

Proposed Budget

Date:

11/10/201

Page:

| Borrower Name: SANDALWOOD TERRACK Classification: C Fiscal Ye | ar: 2017 Version | Borr ID: 7079 n: 01/01/2017 TRAN | 54998 Prj Nbr: 01- SMITD Totals: By | |
|--|---|--|---|--|
| Item | Current Budget | Actual | Proposed Budget | Connect |
| Effective Dates: | 01/01/2016 | 01/01/2016 | 01/01/2017 | Comment |
| Ending Dates: | 12/31/2016 | 12/31/2016 | 12/31/2017 | |
| PART III - ACCT BUDGET/STATUS | | - | | |
| Reserve Account | | | | |
| 1.Beginning Balance | 74,928.87 | | 87,540.91 | |
| 2. Transfer to Reserve | 9,870.00 | | 9,870.00 | (a) (a) (b) (a) (a) (a) (a) (a) (a) (a) (a) (a) (a |
| Transfer From Reserve | | I service and the service and | <u> </u> | |
| 3. Operating Deficit | 0.00 | | 0.00 | |
| 4. Cptl Bgt (Part V reserve) | 17,625.00 | | 22,051.00 | |
| 5. Building @ Equip Repair | 0.00 | | 0.00 | |
| 6. Othr Non-Operating Expenses | 0.00 | | 0.00 | |
| 7. Total (3 thru 6) | 17,625.00 | | 22,051.00 | |
| 8. Ending Balance [(1+2)-7)] | 67,173.87 | | 75,359.91 | *************************************** |
| General Operating Account | · | The second secon | 191 | |
| Beginning Balance | | | | |
| Ending Balance | | | | |
| Real Estate Tex And Ins Escrow | Production and production and and and | | | |
| Beginning Balance | | | | |
| Ending Balance | | | | |
| Tenant Security Deposit Acct | Konnectoring and an arrangement of the second | | -dizor-zor-zor-zor-zor-zor-zor-zor-zor-z | |
| Beginning Balance | | | | |
| Ending Balance | | | N 1990 S | |
| Number of Applicants on Waiting L | ist | 0 Reserve Acct | . Req. Balance | 1.3,353 |
| Number of Applicants Needing RA | | Amount Ahead | | 80,650 |

Proposed Budget

Date:

11/10/201

Page:

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Project Name: SANDALWOOD TERRACE
Borrower Name: SANDALWOOD TERRACE OF LUDOWICI LP
Classification: C
Fiscal Year: 2017 Version: 01/01/2017 TRANSMITD
Servicing Office: 606 County: 91
Project Name: Sandalwood Terrace
Project Name: Sandalwood Terrace
Project Name: Sandalwood Office: 606 County: 91
Project Name: Sandalwood Terrace
Pr

PART IV RENT SCHEDULE

| A. | CURRENT | APPROVED | RENTS/UTILITY | Y A | LLOWANCE | 01/01/2016 |
|----|---------|----------|---------------|-----|----------|------------|
|----|---------|----------|---------------|-----|----------|------------|

| - | υ | nit E | escri | ption | ···· | | Rental Rate | · | Dotential | . Income From | Rach Rate | Utility |
|------|------|-------|-------|---------|--------|-------|-------------|------------|-----------|---------------|-----------|-----------|
| Туре | Size | HC | Rev | Unit | Number | Basic | Note | HUD | Basic | Note | | Allowance |
| N | 2 | All | | ******* | 4 | 437 | 601 | 0 | 20,976 | 28,848 | 0 | 115 |
| N | 1 | All | | | 26 | 411 | 561 | 0 | 128,232 | 175,032 | 0 | 94 |
| | | | | | | | CURRENT R | ENT TOTALS | 149,208 | 203,880 | 0 | |

| EFFECTIVE | DATE | op | RENTS/ | UTILITY | ALLOWANCE: | 01/01/2016 | |
|-----------|------|----|--------|---------|------------|------------|--|
| | | | | | | | |

| | Un: | it Des | oriptio | | Utility Types | · · · · · · · · · · · · · · · · · · · | | | ****************************** | |
|---|------|--------|---------|------|---------------|---------------------------------------|-------|-------|--------------------------------|-------------|
| , | Size | HC | | Unit | Elect | Gas | Sewer | Trash | Other | Total Allow |
| N | 2 | All | | | 84 | Ó | 13 | Ö | 0 | 115 |
| N | 1 | All | | | 66 | 0 | 12 | 0 | Ó | 94 |

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

| | U | nit D | escri. | ption | | *************************************** | Rental Rate | ès | Potential | Income From | Each Rate | Utility |
|------|------|-------|--------|-------------|--------|---|-------------|-------------|-----------|-------------|-----------|-----------|
| Type | Size | HC | Rev | Unit | Number | Basic | Note | HUD | Basic | Note | HUD | Allowance |
| N | 2 | All | | | 4 | 457 | 621 | O | 21,936 | 29,808 | 0 | 1.24 |
| N | 1. | All | | | 26 | 431 | 581 | 0 | 134,472 | 181,272 | 0 | 104 |
| 7 | | | | *********** | | | | RENT TOTALS | 156,408 | 211,080 | 0 | |

| - 1 | 73 73 73 FD / Vert ** \$ 7 FF | **** | ~ ** | Market A from the second | | ! ! |
|-----|-------------------------------|------|------|--------------------------|-----------|------------|
| - 1 | LPPECTIVE | DATE | C) · | RENTS/UTILITY | ALLOWANCE | 01/01/2019 |
| | | | | | | |

| | Unit Description | | | | Utility Types | | | | | |
|------|------------------|-----|-----|------|---------------|-----|-------|-------|-------|-------------|
| Туре | Size | HC | Rev | Unit | Elect | Gas | Sewer | Trash | Other | Total Allow |
| N | 2 | All | | | 92 | Ó | 1.6 | 0 | 0 | 124 |
| N | 1 | All | | | 74 | 0 | 15 | 0 | 0 | 104 |

Proposed Budget

Date: 11/10/201

Page:

6 6 of 9

Project Name: SANDALWOOD TERRACE

Borrower Name: SANDALWOOD TERRACE OF LUDOWICI LP

Borr ID: 707954998

Prj Nbr: 01-2

Paid Code: Active
Classification: C

Fiscal Year: 2017 Version: 01/01/2017 TRANSMITD

Totals: By Project

Analyzed: N

| Item | Proposed Number | Proposed From | Actual From | Proposed From | Actual From | Actual Total | Total Actual |
|----------------------------------|--|---|--------------------------|--|---|--------------------------|--------------------------|
| Effective Dates: | Units/Items 01/01/2016 | Reserve 01/01/2017 | Reserve | Operating | Operating | Cost | Units/Items |
| Ending Dates: | 12/31/2016 | 01/01/2017 | 01/01/2016 12/31/2016 | 01/01/2017 | 01/01/2016 12/31/2016 | 01/01/2016 12/31/2016 | 01/01/2016 12/31/2016 |
| ANNUAL CAPITAL BUDGET | | | | | | | |
| Appliances | | ******************************* | | | *************************************** | | ···· |
| Appliances - Range | 2 | 445.00 | 0.00 | 446.00 | 0.00 | 0.00 | 0 |
| Appliances - Refrigerator | 2 | 635.00 | 0.00 | 635,00 | 0.00 | 0.00 | 0 |
| Appliances - Range Hood | 0 | 0.00 | 0,00 | 0.00 | 0,00 | 0,00 | 0 |
| Appliances - Washers @ Dryers | 4 | 3,528.00 | 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 | · · · · · · · · · · · · · · · · · · · | | I | 1 | 4,, | | J,_,_, |
| Carpet @ Vinyl - 1 Br. | 4 | 3,224.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0 |
| Carpet @ Vinyl - 2 Br. | 4 | 3,682.00 | 0.00 | 0.00 | 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 | ō |
| Cabinets | ······································ | | | ······································ | | .3 | |
| Cabinets - Kitchens | . 1 | 1,069.00 | 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 | | *************************************** | | L | | | <u> </u> |
| Doors - Exterior | 0 | 0.00 | . 0.00 | 0.00 | 0.00 | 0.00 | 0 |
| Doors - Interior | Ō | 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 | | | | <u> </u> | | | I |
| Window Coverings - Detail | 0 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | Ö |
| Window Coverings - Other | 0 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0 |
| Heat and Air Conditioning | | *************************************** | | Transfer State Sta | L | | I |
| Heat @ Air - Heating | 0 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0 |
| Heat @ Air - Air | 1. | 3,350,00 | 0.00 | 0.00 | 0.00 | 0.00 | ō |
| Conditioning Heat @ Air - Other | 0 | 0.00 | 0.00 | 0.00 | 0,00 | 0.00 | 0 |
| Plumbing | | | 0.00 | 0.00 | 0.00 | 0.00 | |
| Plumbing - Water Heater | 3 | 618.00 | 0,00 | 309.00 | 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 | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0 |
| Major Electrical | | | | I | 1 | .1 | L |
| 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 | | | | | L | 1 | L |
| 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 | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0 |
| Structures - Siding | 0 | 0.00 | 0,00 | 0.00 | 0.00 | 0.00 | 0 |
| _ 1 | 0 | 0.00 | 0,00 | 0.00 | 0.00 | 0.00 | 0 |
| Structures - Exterior | v , | | | | | | |

Proposed Budget

Date:

1/10/201

Page:

7 of 9

| Project Name: SANDALWOOD TE Borrower Name: SANDALWOOD T Classification: C Pis | ERRACE OF LUDOWI | | Sta Borr ID: 70795 01/2017 TRANS | 54998 Prj Ni | rvicing Offic or: 01-2 P ls: By Projec | aid Code: Ac | tive |
|---|-----------------------------|---------------------------------------|--|-------------------------------|--|-------------------------|--------------------------------|
| 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 | · · · · · · · · · · · · · · · · · · · | 01/01/2016 | 01/01/2017 | | 01/01/2016 | 01/01/2016 |

| 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 | | | ` | | 1 | | |
| Paving - Asphalt | 0 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0 |
| Paving - Concrete | 0 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0 |
| Paving - Seal and Stripe | 0 | 0.00 | 0.00 | 0.00 | 0.00 | 0,00 | 0 |
| Paving - Other | 0 | 0,00 | 0.00 | 0.00 | 0.00 | 0.00 | 0 |
| Landscape and Grounds | ······································ | l | L | <u> </u> | · | | 1, |
| Lndscp@Grnds - Landscaping | 0 | 0,00 | 0.00 | 0.00 | 0.00 | 0.00 | T 0 |
| Lndscp@Grnds - Lawn Equipment | 0 | 5,500.00 | 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 | | | · · · · · · · · · · · · · · · · · · · | | | ······································ | 1 |
| 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 EquipSite Mngt. | 0 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0 |
| Automation EquipCommon Area | 0 | 0,00 | 0.00 | 0.00 | 0.00 | 0.00 | 0 |
| Automation EquipOther | 0 | 0.00 | , 0.00 | 0.00 | 0.00 | 0.00 | . 0 |
| Other . | | | | | | ····· | ······ |
| List: ? | 0 | 0.00 | 0,00 | 0,00 | 0.00 | 0,00 | 0 |
| List: ? | Ó | 0.00 | 0,00 | 2,000.00 | 0.00 | 0.00 | 0 |
| List: ? | 0 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0 |
| Total Capital Expenses | 0 | 22,051.00 | 0.00 | 3,390.00 | 0.00 | 0.00 | 0 |

Report: FIN1000

Multi-Family Information System (MFIS)

Proposed Budget

State: 10 Servicing Office: 606 County: 91

11/10/201

Project Name: SANDALWOOD TERRACE Borrower Name: SANDALWOOD TERRACE OF LUDOWICI LP Borr ID: 707954998 Prj Nbr; 01-2 Paid Code: Active Fiscal Year: 2017 Version: 01/01/2017 TRANSMITD Totals: By Project

Part VI - SIGNATURES, DATES AND COMMENTS

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 Warning 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.

| (Date Submitted) | HALLMARK GROUP REAL ESTATE (Management Agency) | MA202860 (MA#) |
|---------------------|--|-------------------|
| | | |
| 10 | | |
| (Date) | (Signature of Borrower's Representative) | |
| | | |
| | (04.1.1.) | |
| | (Title) | |
| Handa S | Hinko accaspicalist | 12/14/16 |
| Agency Approval (Ru | ral Defelopment Approval Official): | (Date) |

Report: FIN1000

Multi-Family Information System (MFIS)

Proposed Budget

PROJECT NAME Sandalwood Terrace Apartments BORROWER NAME Sandalwood Terrace of Ludowici, Ltd.

2 refrigerator, 1 stove, 2 carpets,

Date:

1/10/201

Page:

2 vinvl

9 of: 9

Project Name: SANDALWOOD TERRACE

Borrower Name: SANDALWOOD TERRACE OF LUDOWICI LP

Borr ID: 707954998

Prj Nbr: 01-2 Paid Code: Active
Classification: C Fiscal Year: 2017 Version: 01/01/2017 TRANSMITD Totals: By Project Analyzed: N

BORROWER ID AND PROJECT NO 10-910-707954998 01-2 "Sandalwood Terrace is a 31 unit elderly community located in Ludowici, Georgia. In 2016 it has been maintaining a 98% average occupancy. The propertyhas not experienced any unexpected maintenance issues. The property remains incompliance and has no outstanding findings that have not been addressed by themanagement company. The this time, the property is financially sound and has not experienced any changes that would contribute to any financial difficulties. Administrative Expenses exceed 23% of the gross rents due to expenses for payroll taxes, office supplies and telephone expense. 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. The property has experienced changes in project expenses or cash sources that exceed the 10% tolerance threshold. Maintenance and Operating exceeds 10%

due to increased repairs, 3 year painting schedule & pine straw. We will continue to replace carpets, vinyl, stoves, etc. on anas needed basis. It is expected the following will be replaced in 2017 - \$22,051 paid from the reserve account includes replacing 1 refrigerator, 2 stackable dryer, 2 Washers 1 stove, 1 HVAC units, two 1BR carpets, two 2BR carpets and two1BR vinyl floor, two 2BR vinyl floor, hawn mower, 1 set of kitchen cabinets, and 2 water heaters. The \$3.390 paid from the overally account includes replacing 1 about 2 profileration 1 mounts.

The \$3,390 paid from the operating account includes replacing 1 stove, 2 refrigerator, 1 water heaters, and firestops. Replacements for 2018 thru 2020 are as follows 2018 2 refrigerators, 2 stove, 3 carpets, 2

floors, 2 HVAC units, 6 screen doors and 2 water heaters. 2019 floors, 2 HVAC units, 4 screen doors and 2 water heat

SPVS Comment: Batched/ II 092016

Narrative:
BUDGET NARRATIVE

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

| ffective Date (xx-xx-20xx): 01-01-2017 | · |
|--|--|
| roject Name: Sandalwood Terrace of Ludowici L.P. | Borrower Case# /Project ID: |
| 0-091-707954998 City/State: | Ludowici, GA |
| cting on behalf of Sandalwood Terrace of Ludowici L.P. | |
| lallmark Management, Inc. , the management agent (Agent) | , make the following certifications and agreements to the |
| nited States Department of Agriculture regarding management of the above | project. |
| We certify that: We will comply with Rural Development requirements and contract o to the Borrower in return for awarding the management contract to the future. | bligations, and agree that no payments have been made Agent, and that no such payments will be made in the |
| b. We have executed or will execute, within 30 days a management agree provides that the Agent will manage the project for the term and for the described below. Changes in the management fee will be implemented requirements. | e Per Unit Per Month (PUPM) management fee |
| (1) Term of Agreement (xx-xx-20xx through xx-xx-20xx); (2) Fees: | 01-01-2017 until nullified |
| a) Tous. a) PUPM fee as specified in HB-2-3560, Attachmen (applied to revenue producing occupied units only | |
| b) PUPM fee is below the PUPM fee specified in HI specified above (applied to revenue producing on Fee Amount: \$ | 3-2-3560, Attachment 3-F, as revised, for the term cupied units only) |
| Add-On Fees as specified in HB-2-3560, Check a (applied to all revenue producing units regardless) | |
| ☐ Management of properties with | 15 units or less. |
| | ocated on different noncontiguous parcels of |
| land (i.e. across town or in anoth | • |
| ☐ Management of properties in a r☐ Troubled properties with worko | |
| c. We will disburse management fees from project income only after: | at plant and not management only. |
| (1) We have submitted this certification to Rural Development: | |
| (2) Rural Development has approved the Agent to manage this proje | |
| d. We understand that no fees may be earned or paid after Rural Develope. If Rural Development notifies me of a management fee above that liste | |
| within 30 days of the notice either: | ed in 115-2-3300; Attachment 3-r the Agent win |
| (1) Reduce the compensation to an amount Rural Development deter | rmines to be reasonable and |
| (2) Require the Agent to refund to the project all excessive fees colle | ected, or |
| (3) Appeal the decision and abide by the results of the appeal proces 30 days after the date of the decision letter on the appeal. | is, making any required reductions and relunds within |
| We will select and admit tenants, compute tenant rents and assistance payontract administrative responsibilities in accordance with HB-2-3560 and R | |
| ording to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a p ssx it displays a valid OMB control number. The valid OMB control number for this information rmation collection is estimated to average 30 minutes per response, including the time for reviev | collection is 0575-0189. The time required to complete this |

3. We agree to:

- a. Comply with this project's Mortgage and Promissory Note, and Loan Agreement/Resolution or Workout Agreement.
- 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.
- Exert reasonable effort to maximize project income and to take advantage of discounts, rebates and similar money-saving techniques.
- 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 ioss. 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. M 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, 1, 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.
 - c. 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
- 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
 - 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: Sandalwood Terrace of Ludowici L.P.

Hallmark Group Services of Georgia, LLC.

Name/Title: By: Martin H. Petersen, Managing Member

Signature:

Date: 9/26/2016

By Management Agent: Hallmark Management, Inc.

Name/Title: Norine Lewis, Vice President

Signature:

Date: 9/26/2016

By Servicing Official:

Name/Title: Wanda F. Hynko, Area Specialist Signature: Clanda A. Rynko

12/14/16

Form RD 1924-13 (Rev. 12-98)

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL DEVELOPMENT

FORM APPROVED OMB No. 0575-0042

ESTIMATE AND CERTIFICATE OF ACTUAL COST

| This form is to be used by the contractor and borrower to estimate the cost construction and total PROJECT NUMBER (Borrower ID Number) development cocertify the actual cost of project construction and development. | CONTRACTOR LOCATION to existing regulations of the United States of America acting through the Rural Development in order to induce the Government to provide that inducement, the following certifications are made: | |
|---|---|---|
| BORROWER/OWNER-BUILDER | CONTRACTOR | |
| NAME OF PROJECT | LOCATION | |
| This certificate is made pursuant to existing regulations of the United States of Amer or extend assistance. As part of that inducement, the following certifications are made | | the Rural Development in order to induce the Government to provide |
| Check and Complete Applicable Box: A. ESTIMATE | | |
| as given to me by the subcontractors or payees named, as general contractor or owner-bui specifications accepted, signed and dated by the Rural Development State Director of Rur 20 As borrower or owner-builder for the development of the project described abocolumn are true and correct as computed by me or as given to me by the subcontractors of Rural Development, I agree to furnish a certification of actual cost. The estimate and the festimates and certifications. B. ACTUAL COST I certify that the actual cost of labor, materials, and necessary services for the construction | Ider for the develoral Development or ove, I certify that the payees named. Sufinal certification was of the physical in | opment of the project described above, as determined from the plans and in the State Directors's delegated representative, on |
| deduction of all rebates, adjustments, or discounts made or to be made to the undersigned other legal or business entity in which the undersigned borrower or general contractor, or interest, is as represented herein. The deduction of such rebates, adjustments, or discounts final estimated amount. I further certify that all soft costs associated with construction of | any of their memb from actual hard | pers, stockholders, officers, directors, beneficiaries, or partners hold any costs will not be used to increase builder's profit over and above the |
| According to the Paperwork Reduction Act of J 995, an agency may not conductor sponsor, and a person is not OMB control number for this information collection is 0575-0042. The time required to complete this informat searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the | t required to respond to tion collection is estima e collection of informat | o a collection of information unless it displays a valid OMB control number The valid ted to average 2 hours per response, including the time for reviewing instructions, tion. |

| % Diff. Est. Actual | Exceed 15% | Justification Attached? |
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|------|-----|-------------------------------------|-----------|------|---------------------------|-------|--------------------------------|-----|
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| 11 | | Concrete | | | | | | |
| 2 | 4 | Masonry | | | | | | |
| 3 | 5 | Metals | | | | | | |
| 4 | | Rough Carpentry | | | | | | |
| 5 | | Finish Carpentry | | | | | | |
| 6 | 7 | Waterproofing | | | | | | _ |
| 7 | 7 | Insulation | | | | | | |
| 8 | 7 | Roofing | | | | | | |
| 9 | | 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 | | Lawns and Planting | | | | | | |
| 35 | 2 | Unusual On-Site Conditions | | | | | | |
| 36 | 1 | 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 | | | | | | |

| | CONTRA | CTOR'S AND BORROWER'S ES | STIMATE AND CE | RTIFICATE OF AC | TUAL COST | . 490 |
|------|---------------------------------|--------------------------|----------------|---------------------------|-----------|--------------------------------|
| 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 | | | | ļ | | |
| 58 | Total Development Cost | | | | | |

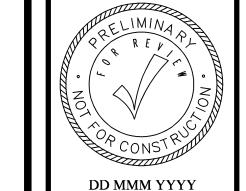
"Whoever, in any matter, with the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations; or makes or uses any false 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.

| | | ITEMIZED BREAKDOWN - ESTIM | ATED COSTS | _ | | |
|--|--|-------------------------------|----------------------------------|----------------------------------|--|--|
| CONTRACTOR'S GENERAL REQUIREMENTS (Job Overhead) | | CONTRACTOR'S GENERAL OVERHEAD | | OTHER FEES - PAID BY CONTRACTOR | | |
| ITEM | \$ \$ | . | \$ | ITEM | \$ | |
| | \$ | | \$ \$ \$ \$ \$ \$ | | | |
| TOTAL (Line 39) | \$ | TOTAL (Line 4 | 0) \$ | TOTAL (| Line 41) \$ | |
| CONTRACTOR'S GENERAL REC | CONTRACTOR'S GENERAL REQUIREMENTS (Job Overhead) | | . OVERHEAD | OTHER FEEDS - PAID BY CONTRACTOR | | |
| ITEM | ************************************** | ITEM | \$ | | \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ | |
| TOTAL (Line 39) | \$ | TOTAL (Line 40 | D) \$ | TOTAL (| Line 41) \$ | |
| | | | | F | orm RD 1924-13 (Rev. 12-98) | |

| The undersigned hereby certifies that: (check as appropriate) | |
|--|---|
| There has not been and is not now any identity of interest between or among the born equipment lessor, or payee on the other (including any of their members, officers, di | rower and/or general contractor on the one hand and any subcontractor, material supplier, rectors, beneficiaries, or partners). |
| Attached to and made part of this certificate is a signed statement fully describing any rebates of reducing cost, and all amounts shown above as "to be paid in cash" will be so paid | |
| ESTIMATES: | |
| Date | Date |
| Lines I through 44 (Name of Contractor) | Lines 44 through 58 (Name of Mortgagor) |
| By:(Signatur | By:(Signature) |
| Title: | |
| ACTUAL | |
| Date | Date |
| Lines I through 44 (Name of Contractor) | Lines 44 through 58 (Name of Mortgagor) |
| By:(Signature | By:(Signature) |
| Title: | Title: |

IDALWOOD TERRACE RENUV.



Georgia

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XX XXX XXXX REVISIONS

Ludowici, PROJECT INFORMATION INDEX TO DRAWINGS COVER SHEET SITE DATA

SITE ZONING: EXISTING TO REMAIN

SITE DENSITY: EXISTING TO REMAIN

RENTAL UNITS (23) FHA 1-BR UNITS; BY TYPE: (1) FHA 1-BR-B UNIT;

NO. & MIX OF (26) 1-BR UNITS

OTAL BUILDING 22,830 SF (GROSS)

TOTAL ACTUAL |BLDG. A = 2,287 SF;

AREA: BLDG. B = 4,002 SF;

BLDG. C = 2,668 SF;BLDG. D = 4,002 SF;BLDG. E = 3,184 SF;BLDG. F = 4,002 SF; BLDG. G = 2,668 SF

UNITS: (4) 2-BR UNITS;

SITE SIZE: EXISTING TO REMAIN

BY BUILDING: BLDG. B = (6) FHA 1-BR UNITS;

(1) UFAS 1-BR UNIT;

(1) AUDIO/VISUAL 1-BR UNIT; (3) FHA 2-BR UNITS; (1) UFAS 2-BR UNIT;

(1) 2-BR-MGR (MANAGER'S) **DWELLING UNIT** (25) FHA 1-BR UNITS @ 667 SF = 16,675 SF; AREA: (1) UFAS 1-BR UNIT @ 667 SF = 667 SF;

NON-DWELLING 1,457 SF (OFFICE/LAUNDRY/MAINT. BUILDING)

1) TYP. 2-BR-MGR UNIT (MANAGER'S)

(3) FHA 2-BR UNITS @ 796 SF = 2,388 SF; 1) UFAS 2-BR UNIT @ 813 SF = 813 SF; (1) 2-BR-MGR UNIT @ 830 SF = 830 SF 21,373 TOTAL SE DWELLING AREA

NO. OF PARKING (49) TYPICAL + (3) ACC. + (1) VAN ACC.= (53) TOTAL

BLDG. C = (3) FHA 1-BR UNITS, (1) UFAS 1-BR UNIT;

|BLDG.E = (3) FHA 2-BR UNITS, (1) UFAS 2-BR UNIT;

BLDG. G = (3) FHA 1-BR UNITS, (1) FHA 1-BR-B UNIT

BLDG. D = (5) FHA 1-BR UNITS, (1) AUDIO/VISUAL 1-BR UNIT;

RENTAL UNITS |BLDG. A = (1) 2-BR-MGR UNIT (MANAGER'S)

|BLDG.F = (6)FHA 1-BR UNITS;

BUILDING DATA

ARCHITECTURAL SITE PLAN BUILDING PLANS BUILDING PLANS

> 1-BR AND 1-BR-B DEMO & RENO PLANS 2-BR DEMO & RENO PLANS

OFFICE/LAUNDRY/MAINT. DEMO & RENO PLANS

EXTERIOR ELEVATIONS

PROJECT LOCATION MAP

SITE: 65 Twin Oaks Ludowici, GA 31316

SIGNATURE AREAS

ARCHITECT'S JOB NO. 3443

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 DATE: **OWNER:** DATE: CONTRACTOR: DATE:

PM: ZW

NOTE: PROJECT FIRST OCCUPIED AFTER

MARCH 13, 1991. FAIR HOUSING APPLIES

DEPENDANT ACCURACY.

-PRELIMINARY NOT FOR CONSTRUCTION, RECORDING PURPOSES OR IMPLEMENTATION

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

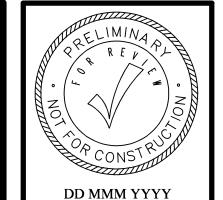
THE ACCURACY. CONTRACTORS SHALL PERFORM INDEPENDENT FIELD VERIFICATION FOR SITUATIONAL

PLAN SET NO.

REVIEW SET

DATE:

PROJECT FIRST OCCUPIED AFTER MARCH 13, 1991. FAIR HOUSING APPLIES.



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

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

. SIDEWALK SHALL NOT EXCEED 5% (I'-0" IN 20'-0") SLOPE WITH A 2% (I'-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.

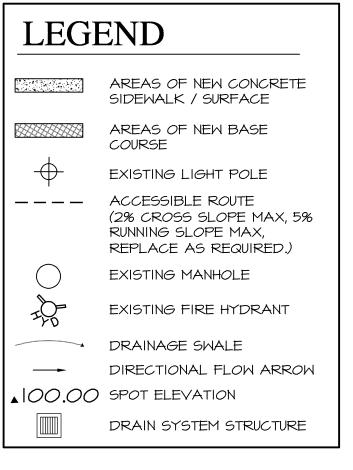
2. PARKING AREAS AND ACCESSIBLE SPACES AND ACCESS AISLES SHALL NOT EXCEED A 2% (I'-O" IN 50'-O") SLOPE IN ANY DIRECTION. OTHER PORTIONS OF THE ACCESSIBLE ROUTE SHALL NOT EXCEED A 5% (I'-O" IN 20'-O") LONGITUDINAL SLOPE NOR A 2% (I'-O" IN 50'-O") CROSS-SLOPE.

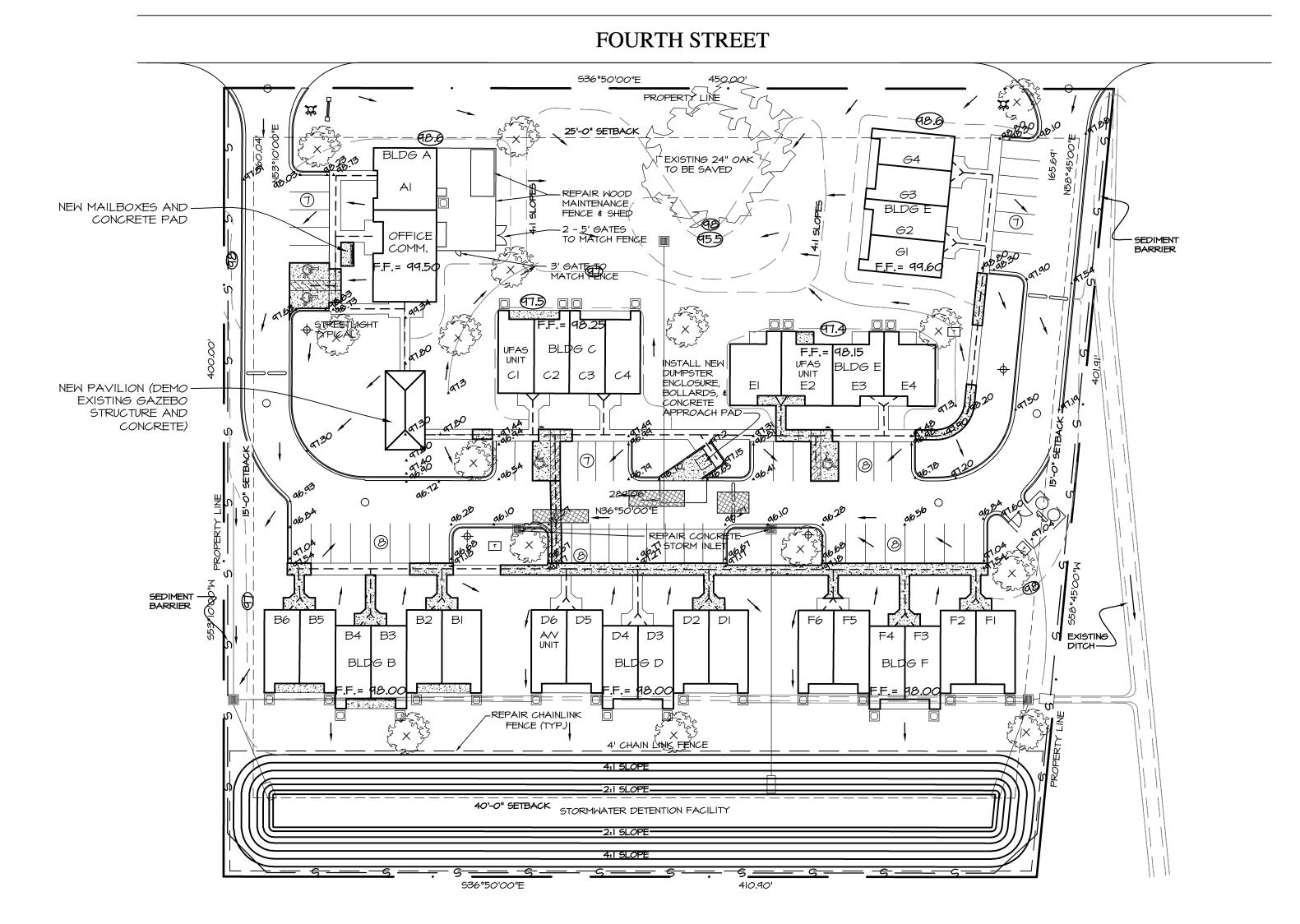
POLLUTION / EROSION **CONTROL NOTES:**

- DUST ON SITE SHALL BE CONTROLLED. THE USE OF MOTOR OILS AND OTHER PETROLEUM BASED OR TOXIC LIQUIDS FOR DUST SUPPRESSION OPERATIONS IS PROHIBITED.
- 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.
- 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
- CONTRACTOR SHALL PROTECT ALL EXISTING ON-SITE STORMWATER INLET STRUCTURES AND SWALES A THROUGHOUT THE CONSTRUCTION PHASE WITH TEMPORARY STORMWATER SEDIMENT COLLECTION BAGS ON ALL INLET SIDES OR SEDIMENT BARRICADE AT PROPERTY LINE WHERE SWALES 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.
- 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.
- 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.
- 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
- CONFLICTING AND / OR UNFORESEEN FIELD CONDITIONS SHALL BE BROUGHT TO THE ATTENTION OF THE GENERAL CONTRACTOR - WHO SHALL NOTIFY THE ARCHITECT IMMEDIATELY FOR RESOLUTION PRIOR TO PROCEEDING.

SITE UTILITY NOTES

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





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



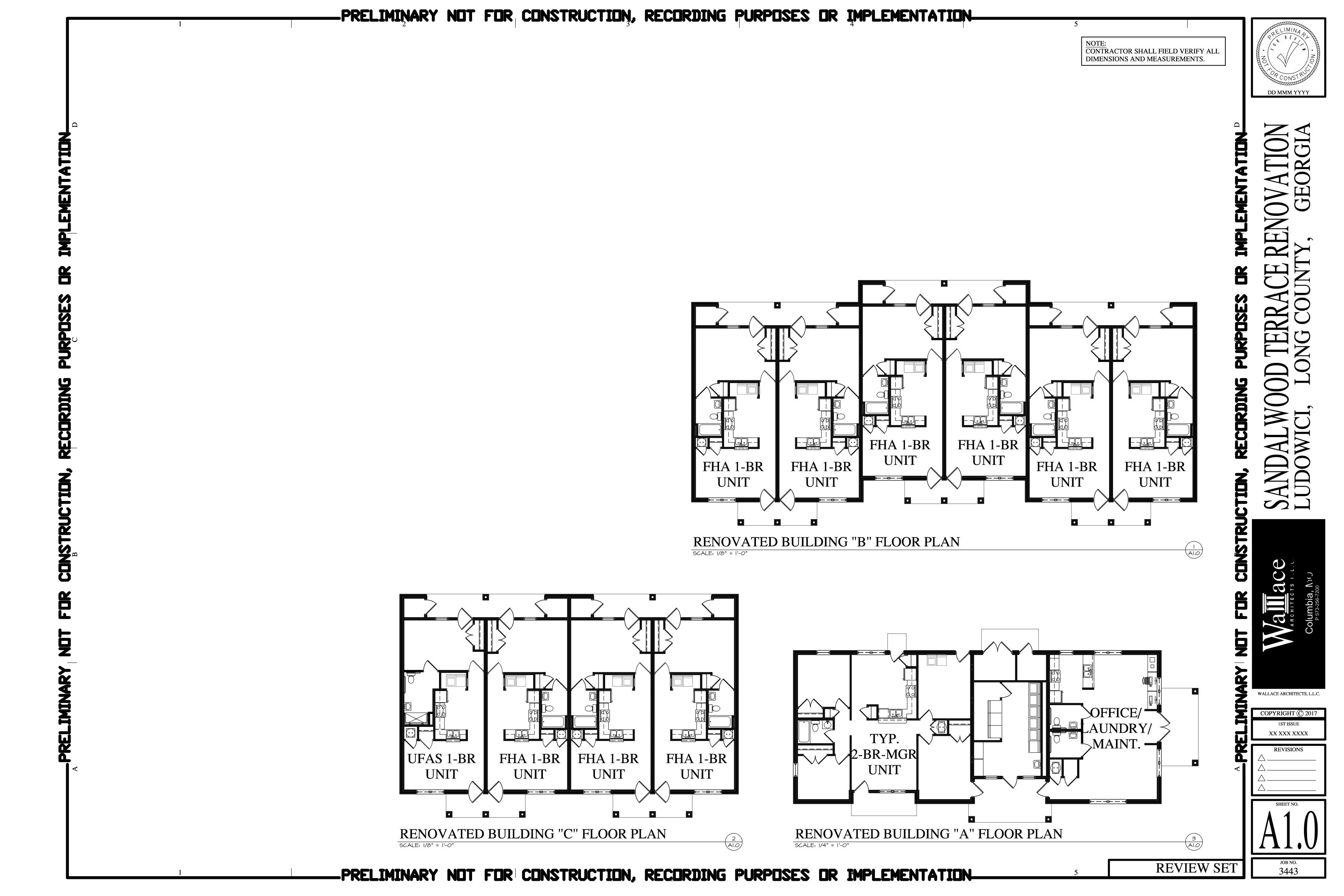
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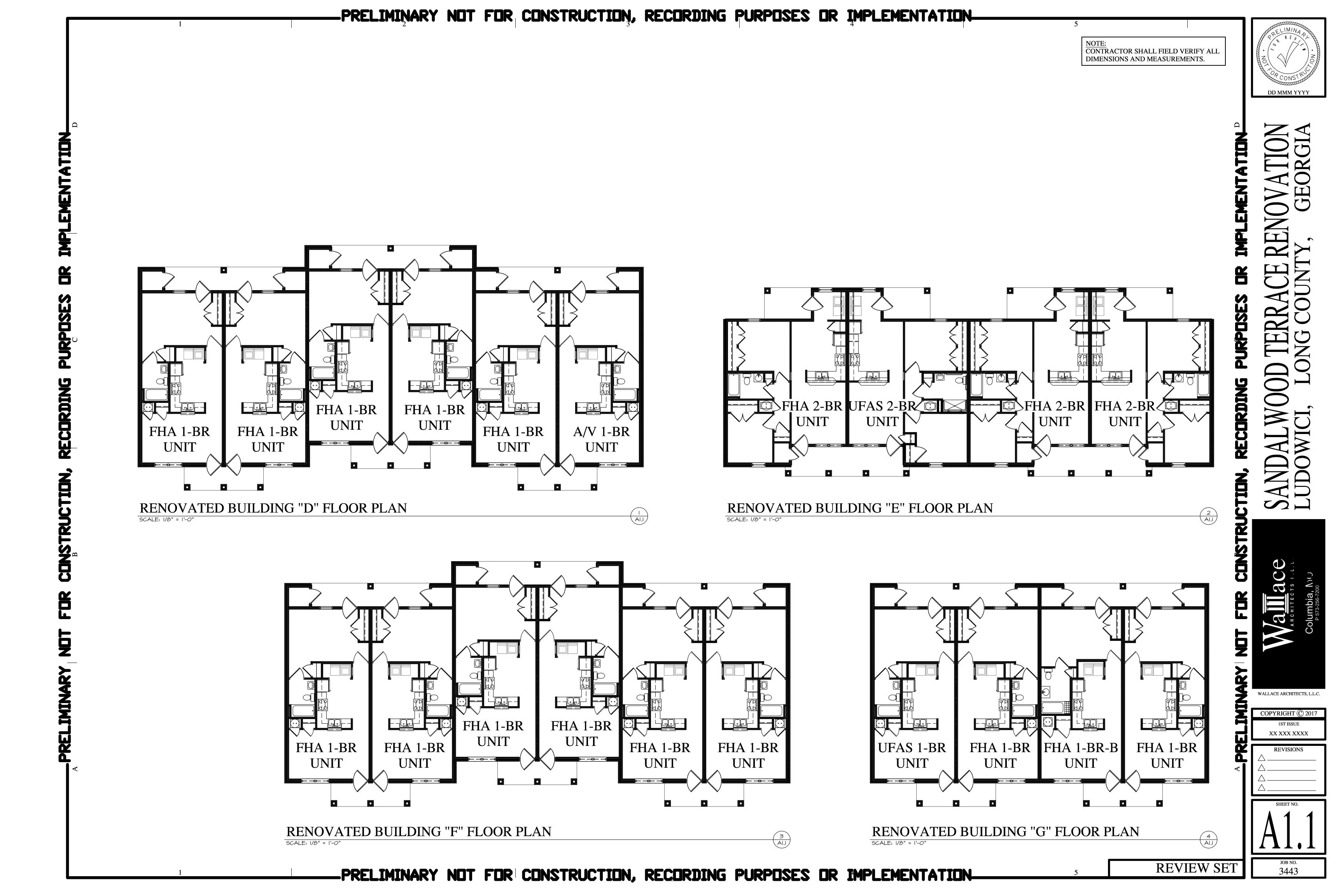


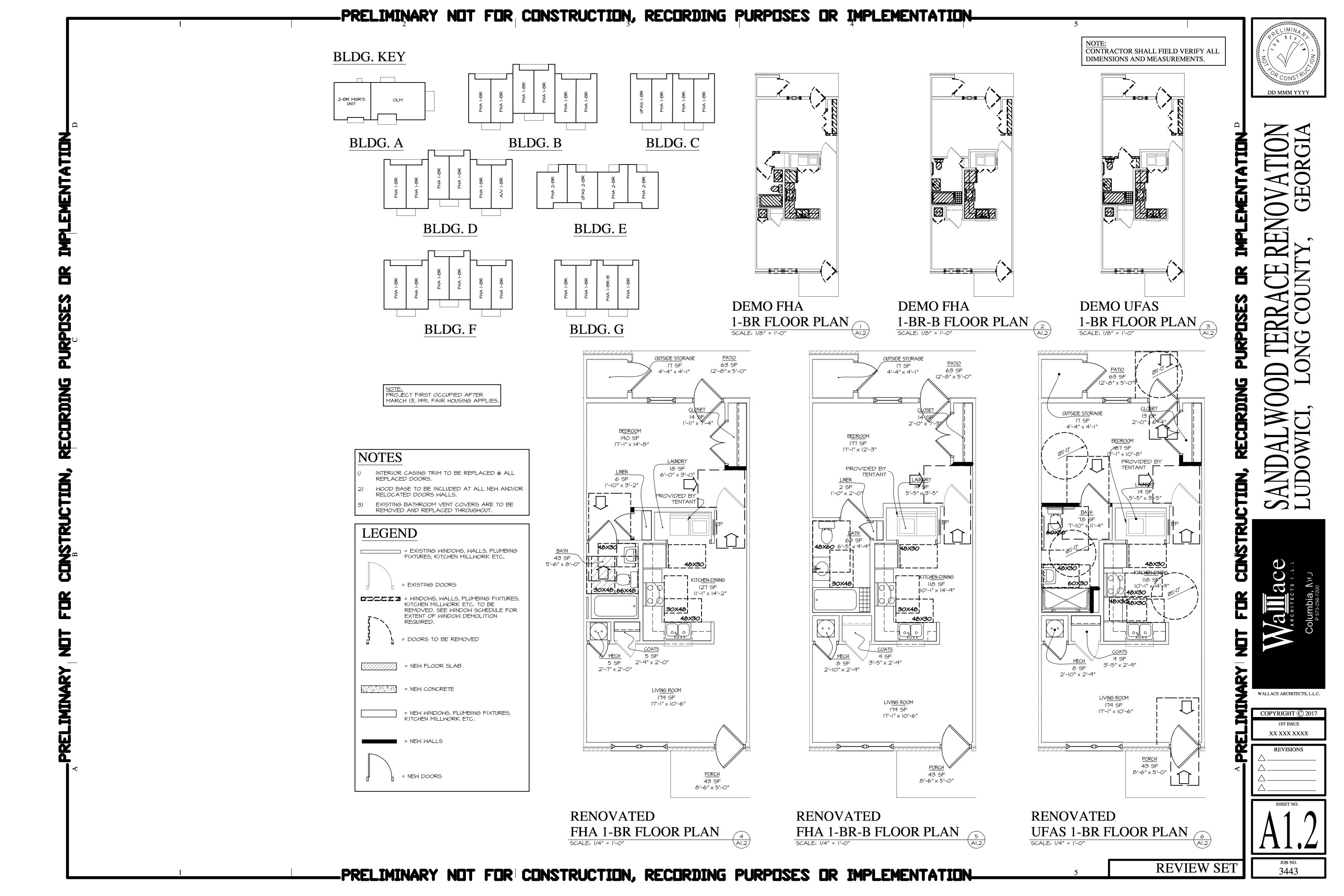
WALLACE ARCHITECTS, L.L.C.

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REVISIONS

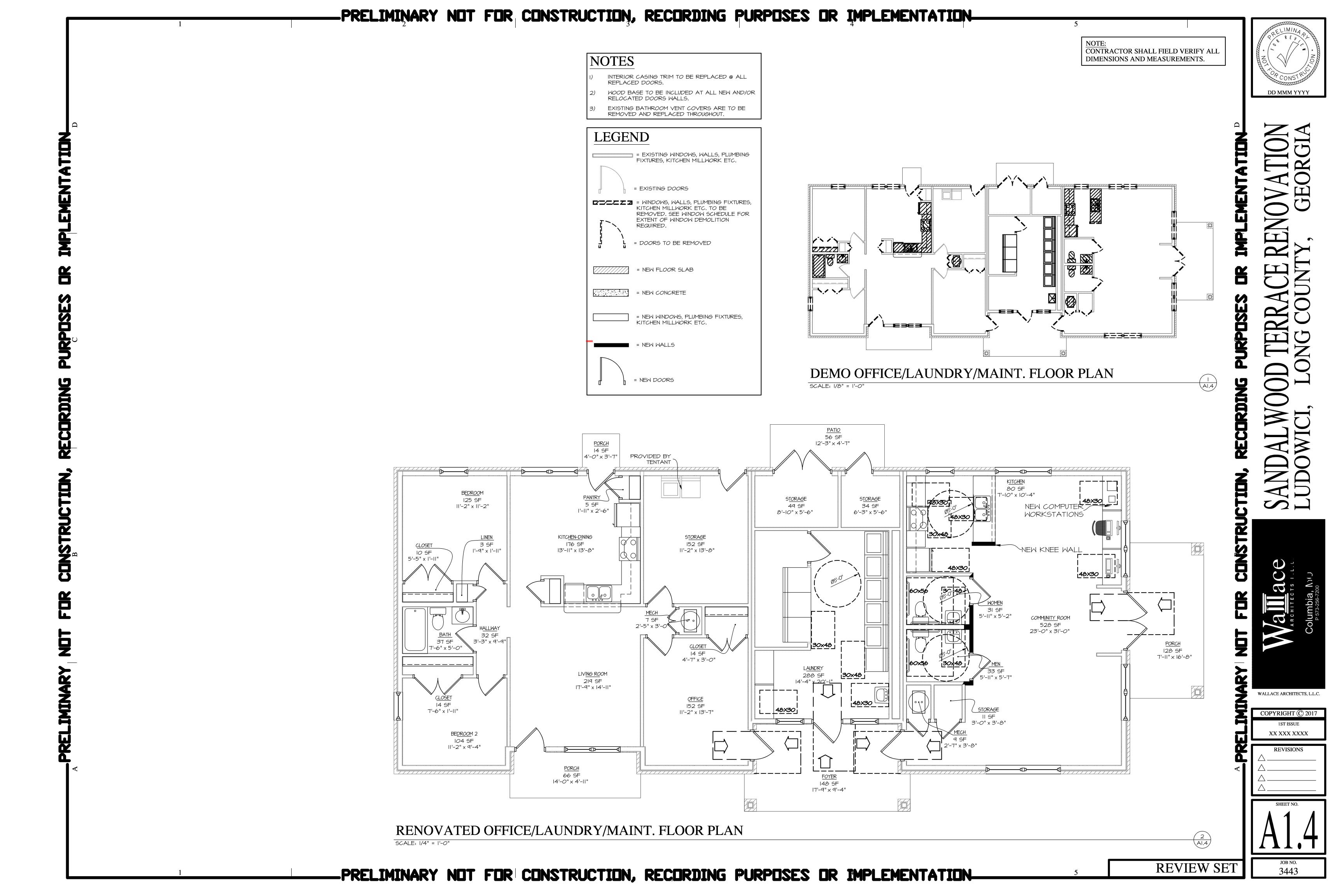


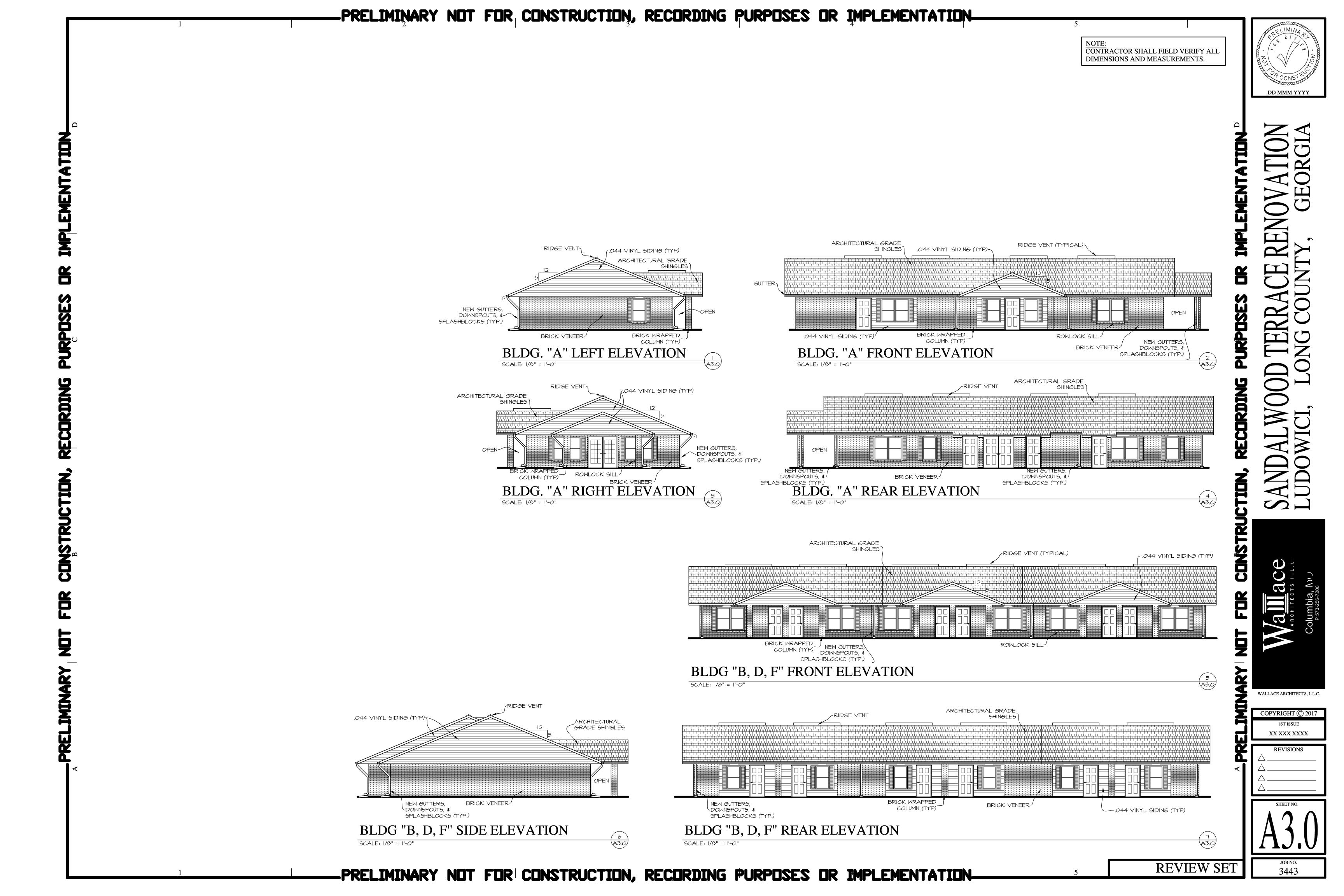


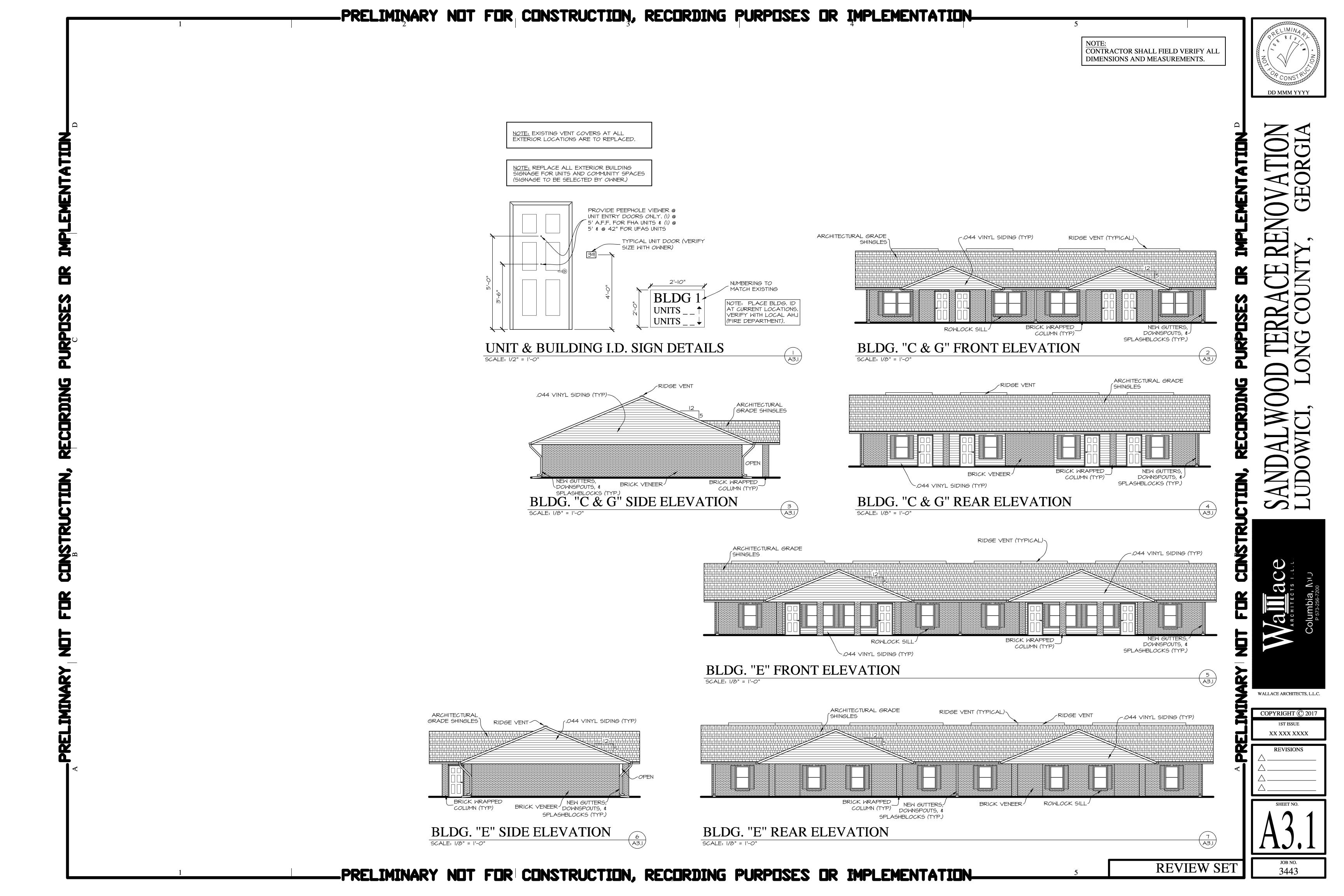


-PRELIMINARY NOT FOR CONSTRUCTION, RECORDING PURPOSES OR IMPLEMENTATION CONTRACTOR SHALL FIELD VERIFY ALL DIMENSIONS AND MEASUREMENTS. DD MMM YYYY DEMO FHA DEMO FOR CONVERTED NOTE: PROJECT FIRST OCCUPIED AFTER MARCH 13, 1991. FAIR HOUSING APPLIES 2-BR FLOOR PLAN

SCALE: 1/8" = 1'-0" UFAS 2-BR FLOOR PLAN PROVIDED BY TENTANT PROVIDED BY TENTANT NOTES INTERIOR CASING TRIM TO BE REPLACED @ ALL EXISTING BATHROOM VENT COVERS ARE TO BE 10'-0"×6'-8" REMOVED AND REPLACED THROUGHOUT. **LEGEND** 40 SF = EXISTING WINDOWS, WALLS, PLUMBING FIXTURES, KITCHEN MILLWORK ETC. 5 SF 6'-9" x 5'-11" 2'-3" x 2'-3" KITC<u>HEN-DI</u>NING BEDROOM 123 SF 148 SF 21 SF 116 SF ||-0" x ||2'-8" ||-||" x ||0'-7" ||'-0" × |0'-7" | |-||" × |0'-7" = EXISTING DOORS KITC<u>HEN-DI</u>NING = WINDOWS, WALLS, PLUMBING FIXTURES, KITCHEN MILLWORK ETC. TO BE 141 SF 48X30 11'-7" x 13'-5" REMOVED. SEE WINDOW SCHEDULE FOR 60 SF 9'-3" x 8'-3" EXTENT OF WINDOW DEMOLITION 51 SF 9'-7" x 5'-5" = DOORS TO BE REMOVED 32 SF = NEW FLOOR SLAB = NEW CONCRETE H<u>ALLWAY</u> 36 SF = NEW WINDOWS, PLUMBING FIXTURES, KITCHEN MILLWORK ETC. LIV<u>ING RO</u>OM 156 SF 11'-7" x 13'-7" |56 SF ||'-7" x |3'-7" 3'-9" x 10'-4" \ WALLACE ARCHITECTS, L.L.C. 7 5F 123 5F 2'-11" x 2'-5" 13'-3" x 10'-6" NEW WALLS COPYRIGHT © 2017 16 SF 7 SF 6'-4" x 2'-5" **1ST ISSUE** 3'-4" x I'-II" XX XXX XXXX BE<u>DROOM</u> 2 100 SF = NEW DOORS REVISIONS 9'-7" x 10'-6" <u>PORCH</u> 52 SF ||'-||"×4'-4" <u>PORCH</u> 52 SF 13 SF 3'-2" x 4'-2" RENOVATED CONVERTED FHA 2-BR FLOOR PLAN UFAS 2-BR FLOOR PLAN 4 Al.3 SCALE: 1/4" = 1'-0" SCALE: 1/4" = 1'-0" **REVIEW SET** 3443 -PRELIMINARY NOT FOR CONSTRUCTION, RECORDING PURPOSES OR IMPLEMENTATION







FOURTH STREET 450.00' S36°50'00" E PROPERTY LINE EXISTING 24" OAK -2 x 5'-0" GATES TO MATCH FENCE UF2) -3'-0" GATE TO MATCH FENCE L-2/ 45.00' $\Delta = 90'00'00'' - R = 50.00'$ 80.00' R = 50.00' T = 45.35'L = 78.54' CL = 70.71' CB = S08'10'00"W L = 73.67' CL = 67.18' CB = N79'02'30"W S36°50'00"E (SP-) 51.50' 110.00' 25.00" S36'50'00" E 410.90' S36°50'00" ARCHITECTURAL SITE PLAN SCALE: 1"=40'-0 NO REQUIRED SETBACKS LEGAL DESCRIPTION ALL THAT CERTAIN TRACT OR PARCEL OF LAND SITUATE, LYING AND BEING IN THE 24TH G.M. DISTRICT OF LONG COUNTY, GEORGIA AND IN THE CITY OF LUDOWICI CONTAINING 3.95 ACRES, MORE OR LESS, AND BOUNDED AS FOLLOWS: NORTH, SOUTH AND WEST BY LANDS OF FRANK PINKSTON; AND EAST BY FOURTH STREET. STARTING AT THE INTERSECTION OF THE CENTERLINE OF 5TH STREET AND THE WESTERLY RIGHT-OF-WAY OF 4TH STREET AND RUNNING S 36?50'00"E A DISTANCE OF 79.89 FEET ALONG THE RIGHT-OF-WAY OF 4TH STREET TO THE POINT OF BEGINNING; THENCE, S 36'50'00"E A DISTANCE OF 450 FEET TO AN IRON PIN; THENCE, S 58'45'00"W A DISTANCE OF 401.91 FEET TO AN IRON

PIN: THENCE, N 36'50'00"W A DISTANCE OF 410.90

DISTANCE OF 400 FEET TO AN IRON PIN BEING THE

FEET TO AN IRON PIN; THENCE, N 53'10'00"E A

LEGAL DESCRIPTION BASED ON A BOUNDARY AND TOPOGRAPHIC SURVEY PERFROMED BY STATEWIDE

SURVEYING COMPANY, DOUGLAS, GEORGIA,

CARLTON EVANS, GEORGIA REGISTYERED LAND

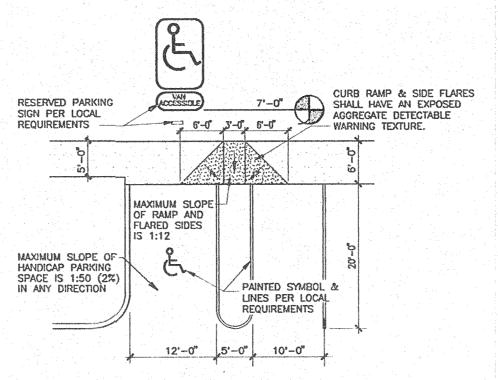
POINT OF BEGINNING.

SURVEYOR No. 1747.

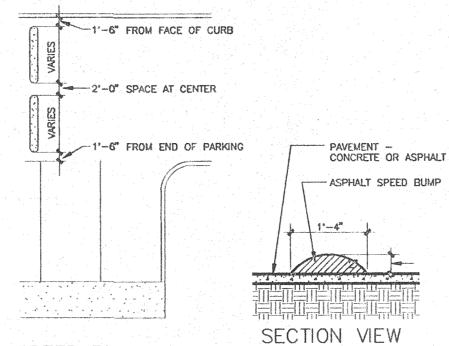
SURVEY NOTE

RECORD DRAWING: 13 February 1995

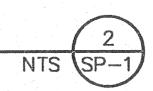
CONTRACTOR AND GIVEN TO THE ARCHITECT. THE ARCHITECT ASSUMES NO RESPONSIBILITY FOR THE ACCURACY OF THIS "RECORD DRAWING".



UNIVERSAL HANDICAPPED PARKING DETAIL NTS SP-1



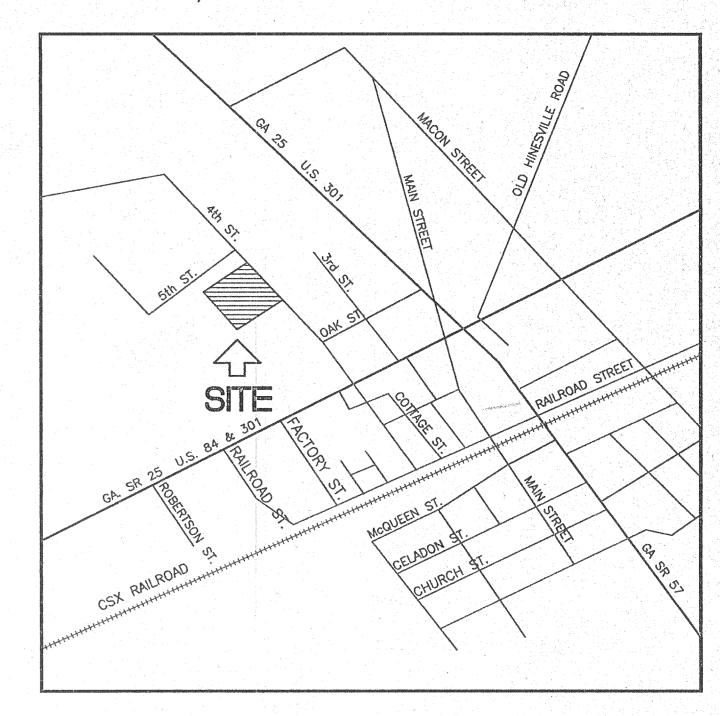
SPEED BUMP DETAIL



CONTENTS OF SET

- Architectural Site Plan, Site Location Map, Building Type Summary and Parking Detail.
- Water and Sewer Site Plan
- Off-Site Water and Sewer Plan. Sanitary Sewer Plan and Profiles
- Water and Sewer Details. Lift Station Detail.
- Paving, Grading, and Drainage Site Plan Paving, Grading, and Drainage Details
- One Bedroom Unit Architectural, Mechanical and Electrical Plans; Riser Diagrams and Interior
- Elevations; and Electrical Fixture Schedule. One Bedroom Unit - Four-Plex - Foundation and Roof Framing Plans: Exterior Elevation; Slab and Roof
- One Bedroom Unit Six-Plex Foundation and Roof Framing Plans: Exterior Elevation; Slab and Roof
- Two Bedroom Unit Architectural, Mechanical and Electrical Plans; Riser Diagrams and Interior
- Two Bedroom Unit Six-Plex Foundation and Roof Framing Plans; Exterior Elevations; Slab and Roof
- Building Wall Sections and Details. Finish, Door and Window Schedules; Door and
- Window Construction Details: Miscellaneous Details. Miscellaneous Details.
- Office, Laundry and Manager's Apartment— Architectural, Mechanical and Electrical Plans; Riser
- Diagrams and Interior Elevations. Office, Laundry and Manager's Apartment Foundation
- and Roof Framing Plans; Exterior Elevations. Office, Laundry and Manager's Apartment Building
- Wall Sections And Details. Office, Laundry and Manager's Apartment Building
- Wall Sections And Details. Office, Laundry and Manager's Apartment Building
- Miscellaneous Details.
- Site Landscape Plan, Building Landscape Plans,
- Planting Schedule. Miscellaneous Site Details. Gazebo Details.
- Panelboard Schedules, Riser Diagrams, Electrical Load Calculations.

LUDOWICI, GEORGIA



LOCATION MAP



| BUILDING TYPE SUMMARY | | | | | | | | | | |
|-------------------------|-----------------|-----------------|---|----------------|-----------------------|----------------|----------------------|--|--|--|
| BUILDING DESIGNATION | 1-BR ELDERLY | 2-BR ELDERLY | ** S.F./ UNIT | APTS/ BLDG. | *** S.F./ BLDG. | NO.OF BLDG. | *** TOTAL S.F. | | | |
| 1* | | · · | 834 | 1 | 2,392 | | 2,392 | | | |
| 3,7 | 8 | | 637 | 4 | 2,648 | 2 | 5,296 | | | |
| 2,4,6 | 18 | | 637 | 6 | 3,972 | 3 | 11,916 | | | |
| 5 | | 4 | 795 | 4 | 3,260 | 1 | 3,260 | | | |
| | | | - | | | | | | | |
| TOTALS | 26 | 5* | graan mannenga an ean-anne um kondigiellän data billen eilä elektriste data billen. | | | 7 | 22,864 | | | |

TOTAL RENTAL UNITS REQUIRED PARKING SPACES = TOTAL PARKING SPACES

=31*

* INCLUDES MANAGER'S APT. $31 \times 1.5 = 46.5$ ** CONDITIONED AREA ***GROSS ENCLOSED AREA

DEFINITIONS

H.C. UNIT: ANSI Standard Accessible Units. See Handicapped Unit Plans.

NOTE: All other units are handicap accessible as defined in the FAIR HOUSING AMENDMENT ACT OF 1988.

(INCLUDES STORAGE)

1924 STATEMENT

I, Lewis Brown Jr., being a licensed architect in the State of Georgia, hereby certify that I have reviewed the drawings and specifications dated ________, prepared by LEWIS BROWN JR., ARCHITECT and related to the development of SANDALWOOD TERRACE, LUDOWICI, GEORGIA.

Based upon this examination, to the best of my knowledge and belief, these documents conform to the:

- 1. 1991 Edition of the STANDARD BUILDING CODE 2. 1991 Edition of the STANDARD PLUMBING CODE 1991 Edition of the STANDARD MECHANICAL CODE 4. 1990 Edition of the NATIONAL ELECTRICAL CODE
- designated as the development standard for the project. I further understand that false certification and failure to comply may result in suspension or disbarment from participation in future government programs.

LEWIS BROWN JR., ARCHITECT

5. FMHA development standards;

GENERAL NOTES 1. UNLESS OTHERWISE NOTED, ALL BUILDING

- DIMENSIONS ARE TO THE EDGE OF SLAB. 2. ALL ROADWAY DIMENSIONS ARE TO THE FACE OF GUTTER.
- 3. SIDEWALKS ADJACENT TO PARKING ARE 6 FEET WIDE; ALL OTHERS ARE 5 FEET WIDE (UNLESS OTHERWISE NOTED).
- 4. PARKING SPACES ARE 10' x 20'; H.C. SPACES ARE 17' x 20'.
- 5. PAINT HANDICAPPED SYMBOL ON PAVEMENT AT HANDICAPPED STALLS.
- 6. ALL ANGLED DUMPSTER PADS SHALL BE ROTATED A MAXIMUM OF 35 DEGREES FROM THE ROADWAY CURB.

LEWIS

5700 SOUTHWEST 34TH STREET **SUITE 1307**

GAINESVILLE, FLORIDA 32608 (904) 372–1378

Ludowici, Georgia

for SANDALWOOD OF LUDOWICI

Douglas, Georgia

PROJECT NO .: 90064

CONSTRUCTION

DOCUMENT

DRAFTSPERSON(S): PAUL SLAYTON

ARCHITECT'S PROJECT NO.: 90064 DATE: 2 JULY 1993

REVISED DATE:

DATE CHECKED: 27 July 93

ARCHITECTURAL SITE PLAN

RECORD DRAWING: 13 February

1995



LEWIS BROWN JRANHEU

5700 SOUTHWEST 34TH STREET SUITE 1307 GAINESVILLE, FLORIDA 32608 (904) 372–1378

SANDALWOOD

Ludowici, Georgia

SANDALWOOD OF LUDOWICI, L.P. Douglas, Georgia

CONSTRUCTION DOCUMENT

DRAFTSPERSON(S):

CIVILS PROJECT NO.:93-57 MAY 7, 1993

REVISED DATE:

JULY 14, 1993

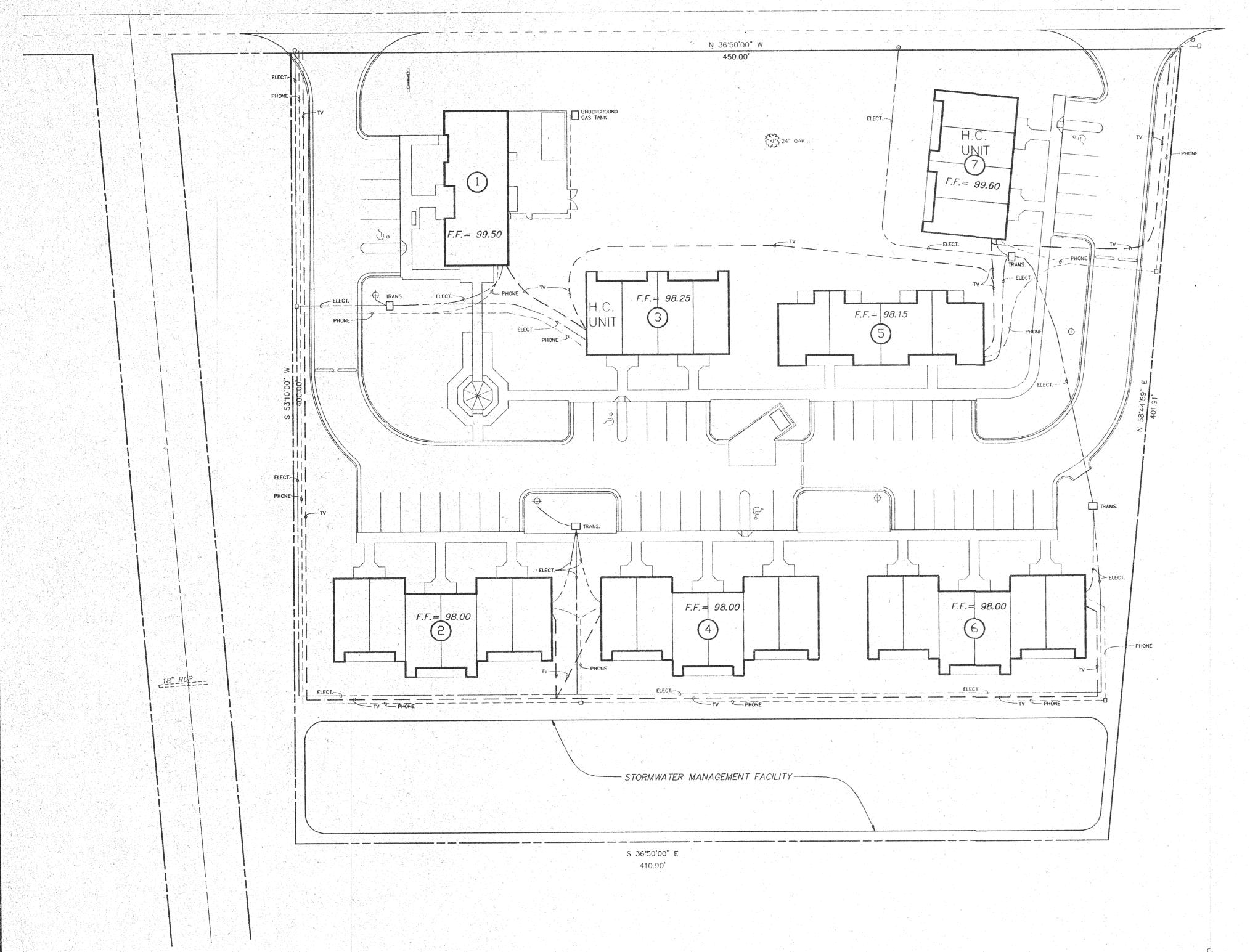
AUG 4, 1993

SEPT 30, 1993 FEB 8, 1995

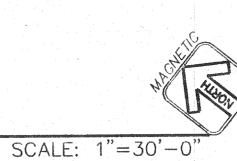
PLANS CHECKED BY R.CAUSSEAUX, PE DATE CHECKED: JULY 26 1993

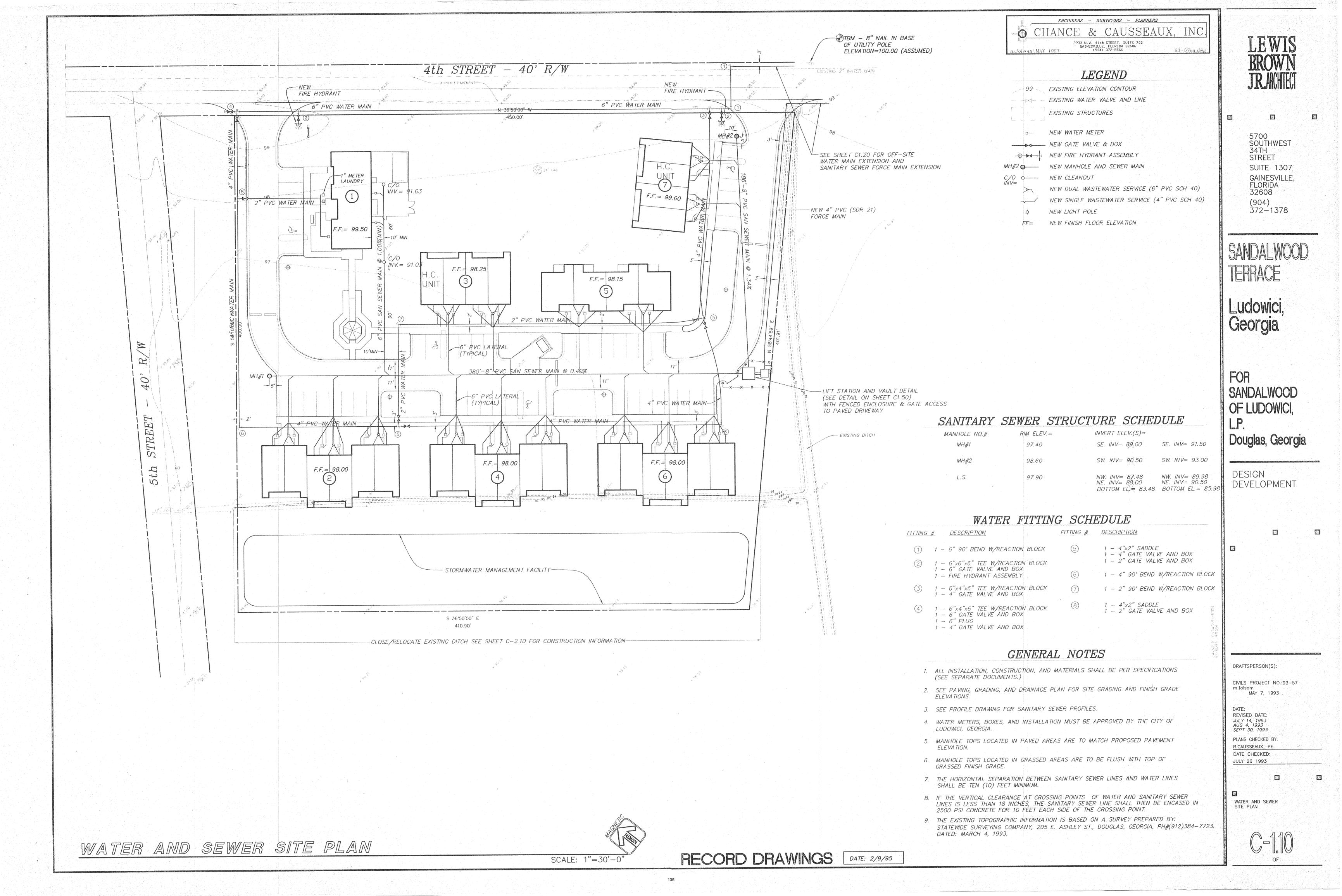
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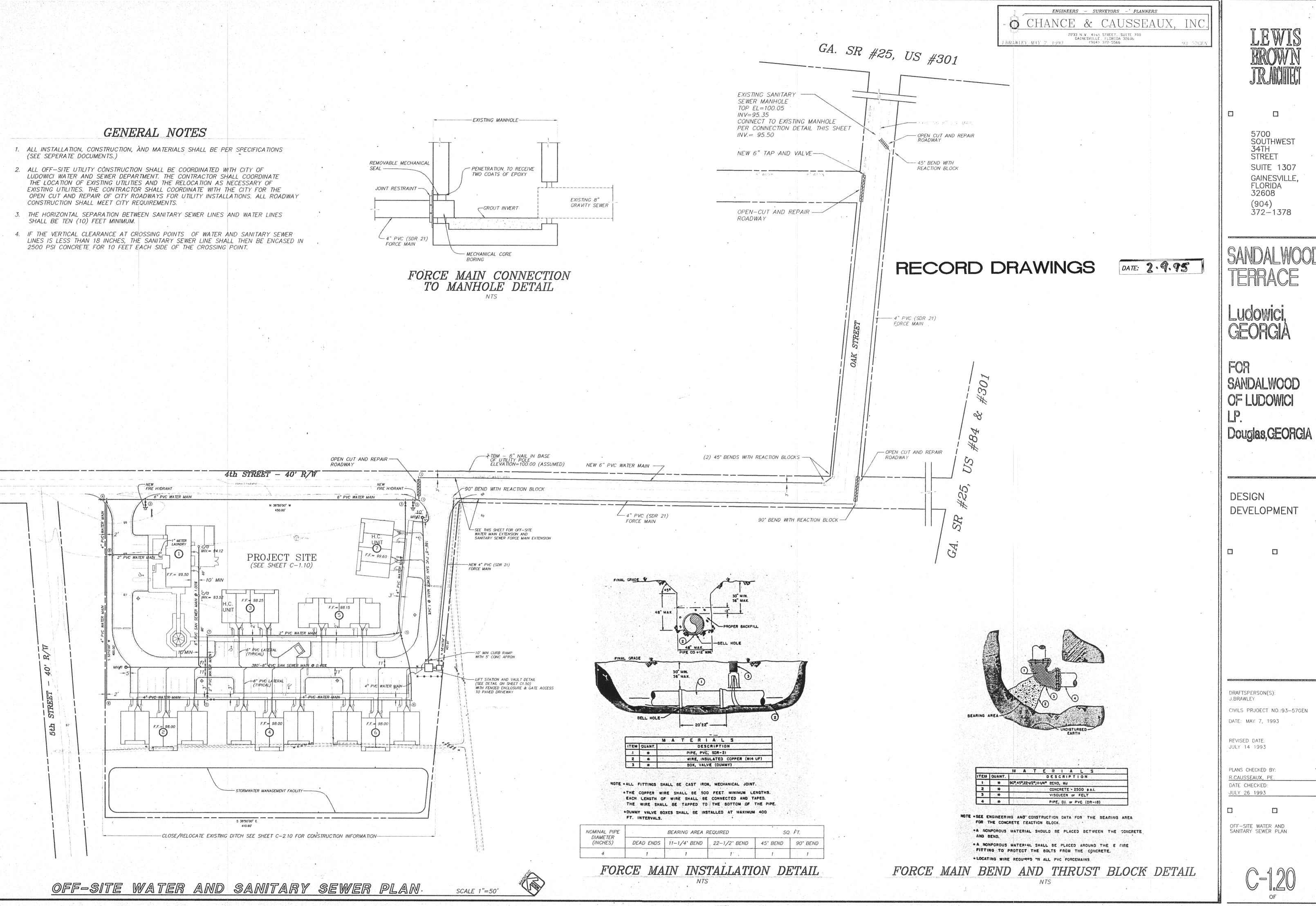
SITE UTILITIES PLAN

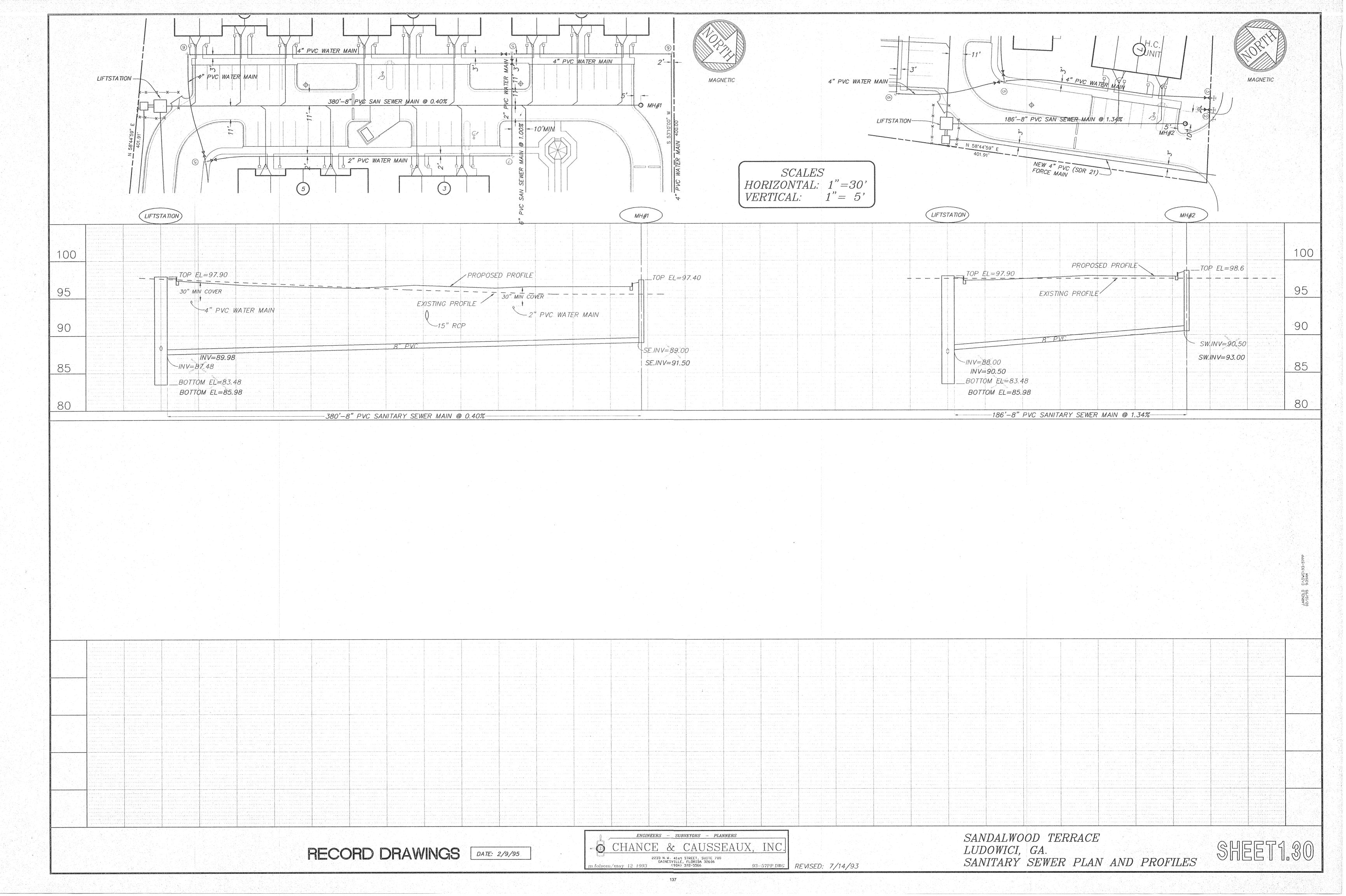


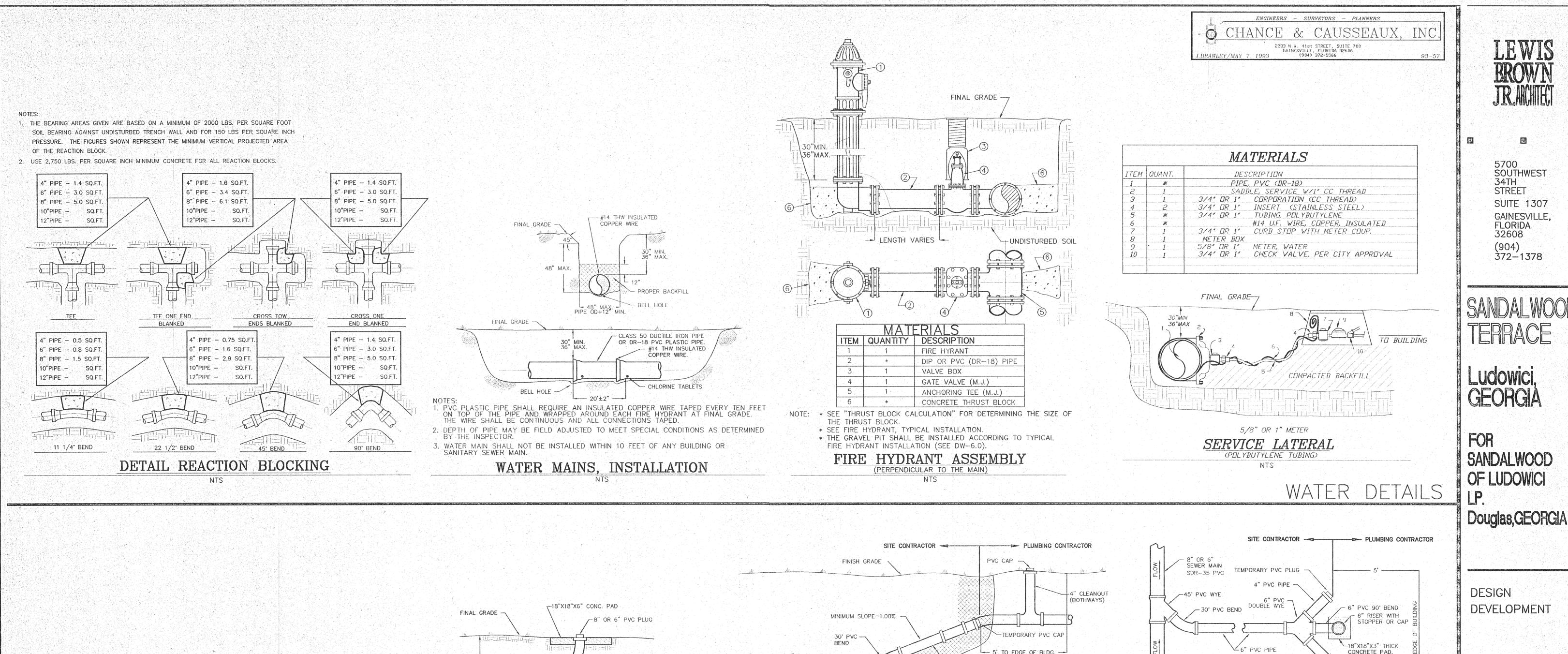
AS-BUILT SITE UTILITIES PLAN

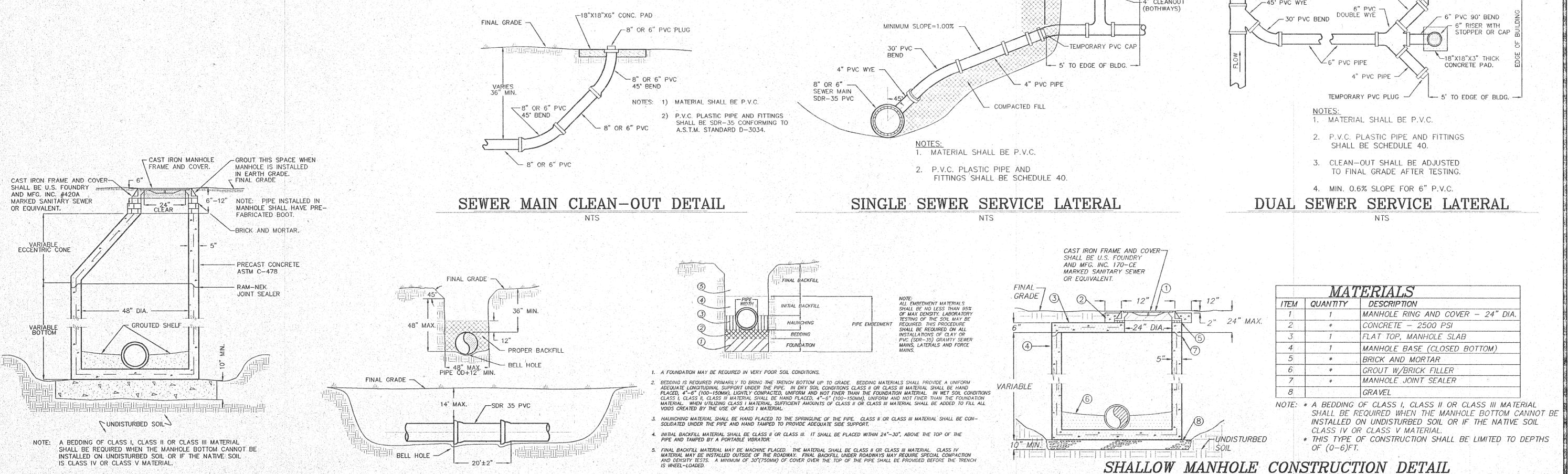












SOUTHWEST 34TH STREET **SUITE 1307** GAINESVILLE **FLORIDA** 32608 (904)372-1378

SANDALWOOD OF LUDOWIC

DESIGN DEVELOPMENT

DRAFTSPERSON(S): m.folsom

CIVILS PRIOECT NO.:93-57WS DATE: MAY 7, 1993

REVISED DATE:

MAY 7, 1993

PLANS CHECKED BY R.CAUSSEAUX, F DATE CHECKED:

WATER AND SEWER

DETAIL SHEET

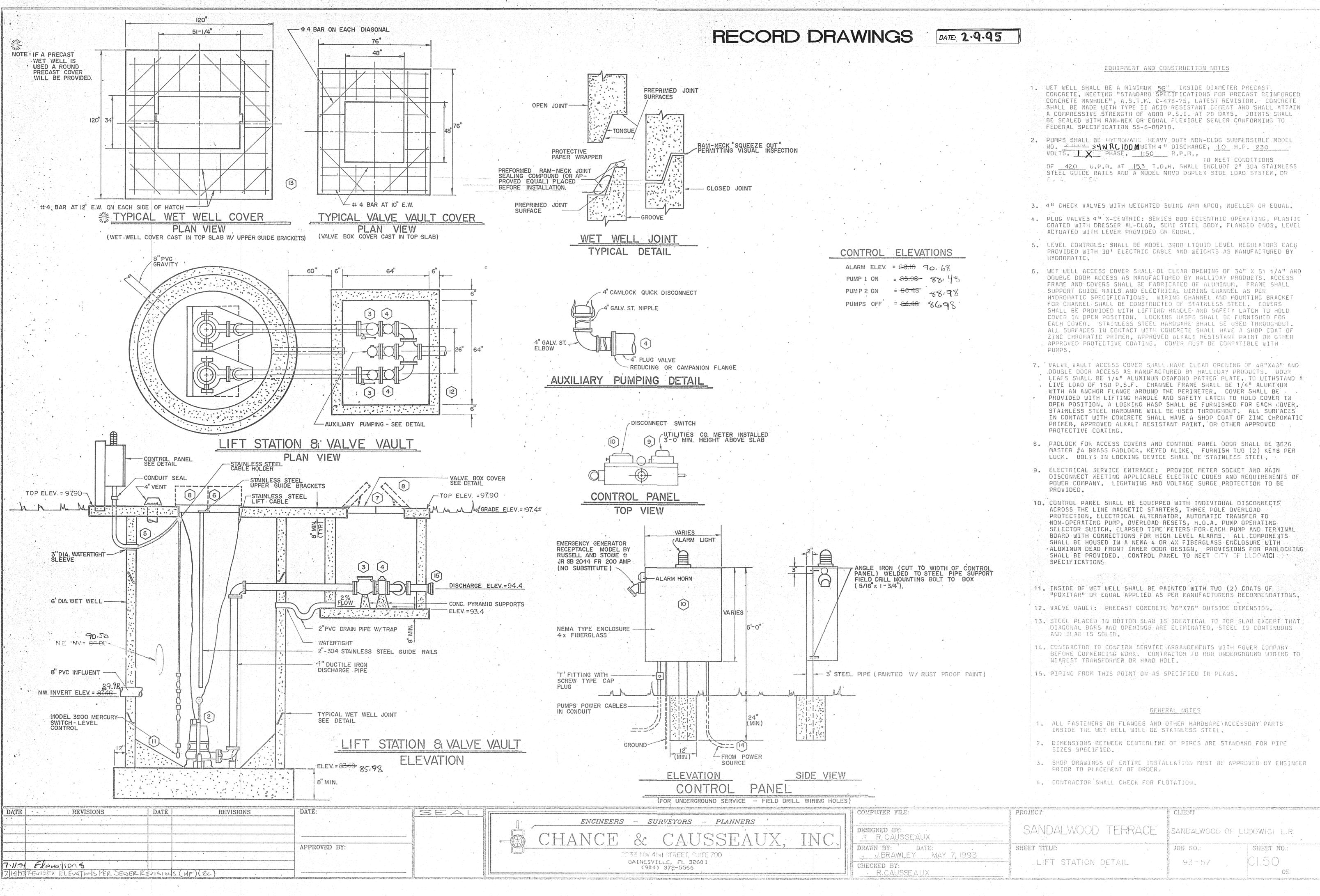
DATE: 2.9.95 SEWER DETAILS

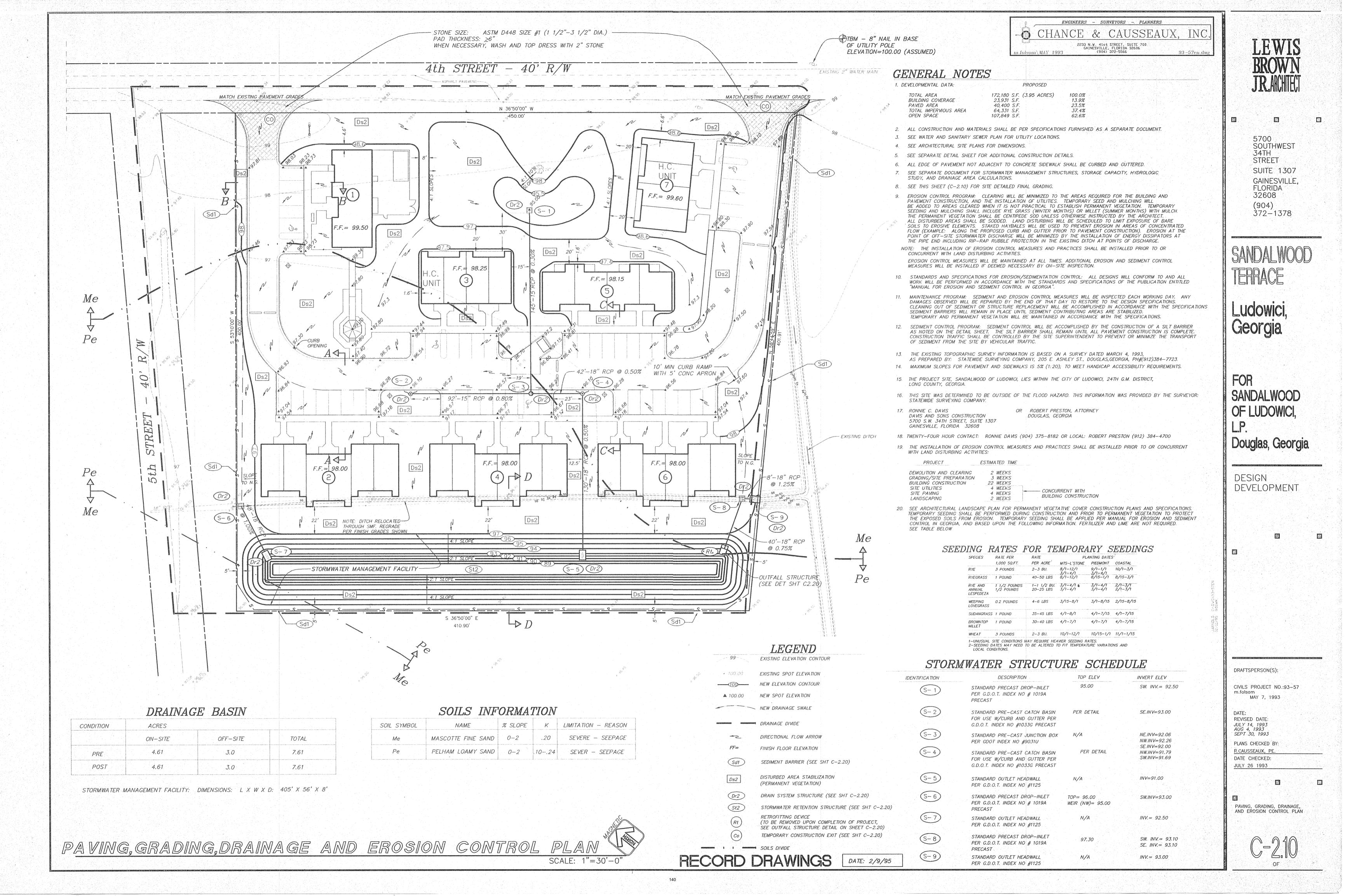
RECORD DRAWINGS

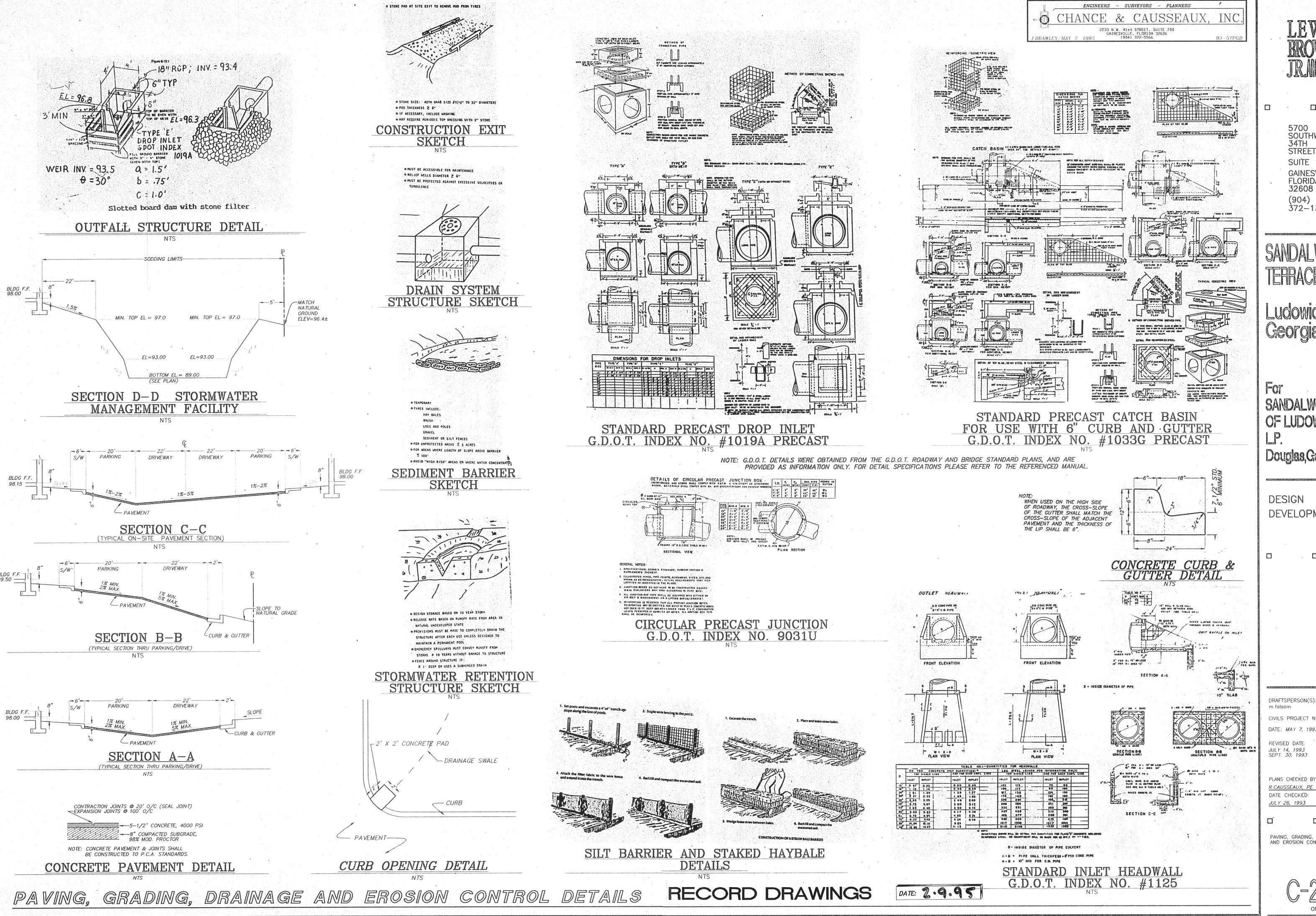
BACKFILLING REQUIREMENTS

STANDARD MANHOLE CONSTRUCTION

SANITARY SEWER, INSTALLATION







5700 SOUTHWEST STREET **SUITE 1307** GAINESVILLE, **FLORIDA** 32608

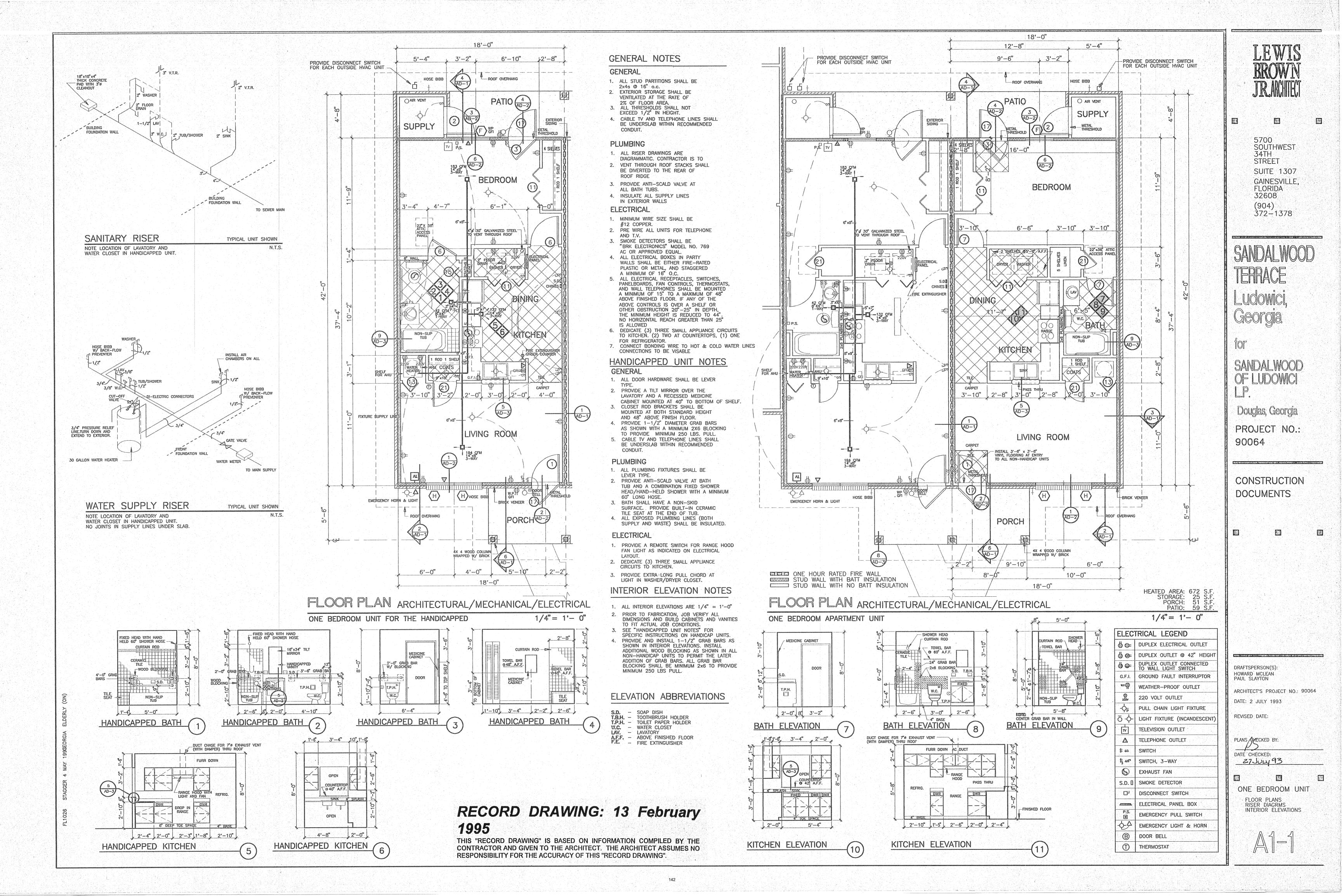
SANDALWOOD Douglas, Georgia

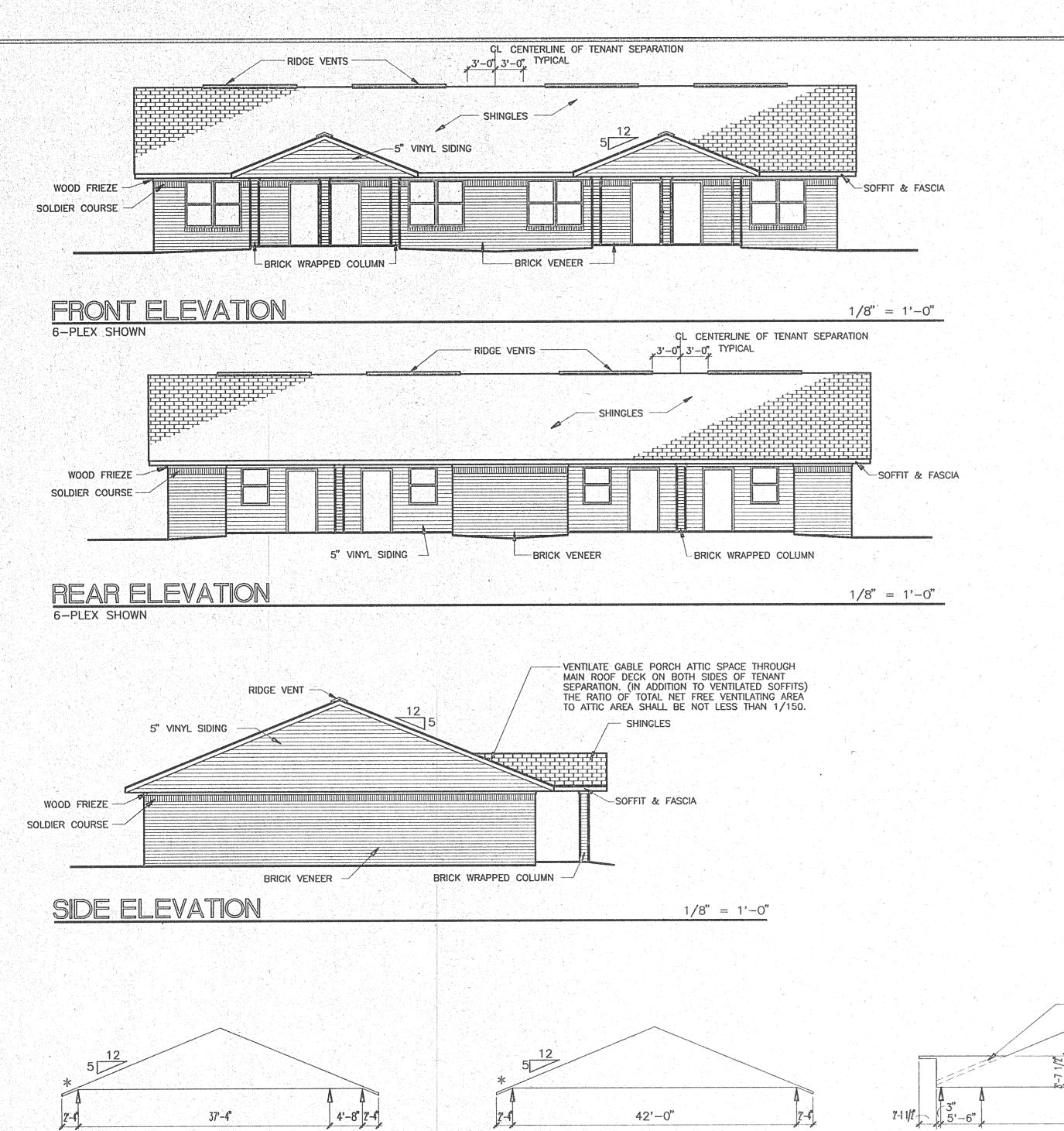
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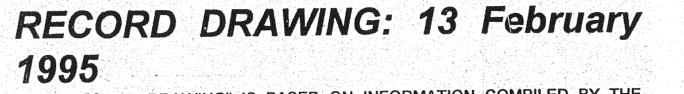
CIVILS PROJECT NO.: 93-57 DATE: MAY 7, 1993 REVISED DATE:

PLANS CHECKED BY R.CAUSSEAUX, PE DATE CHECKED:

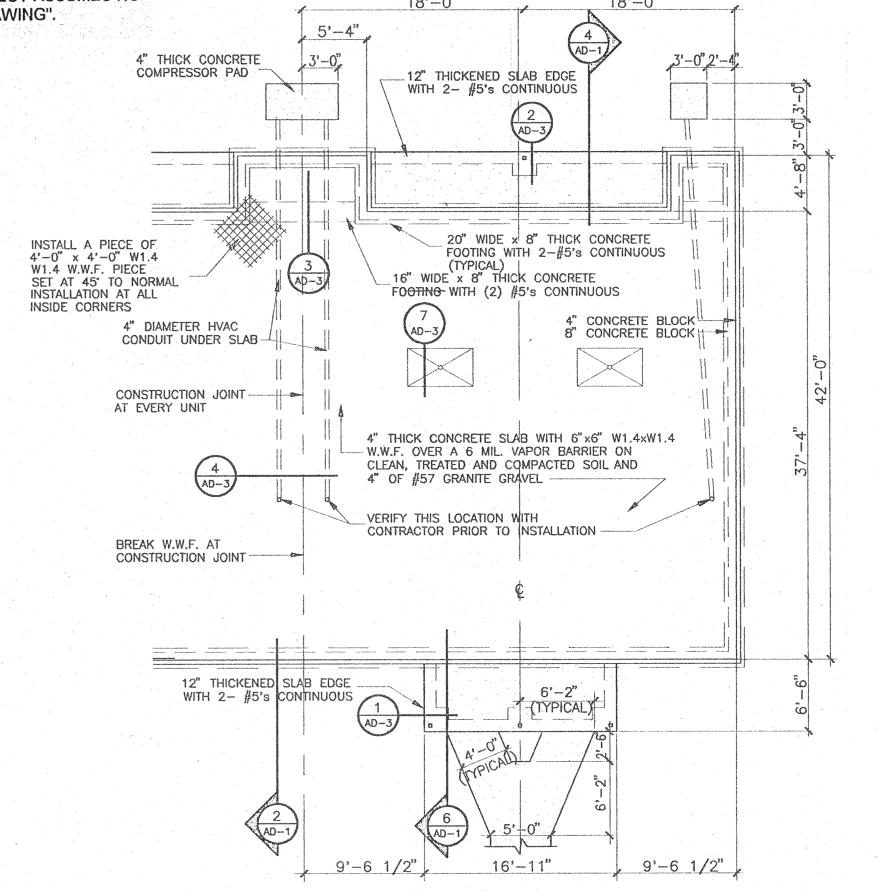
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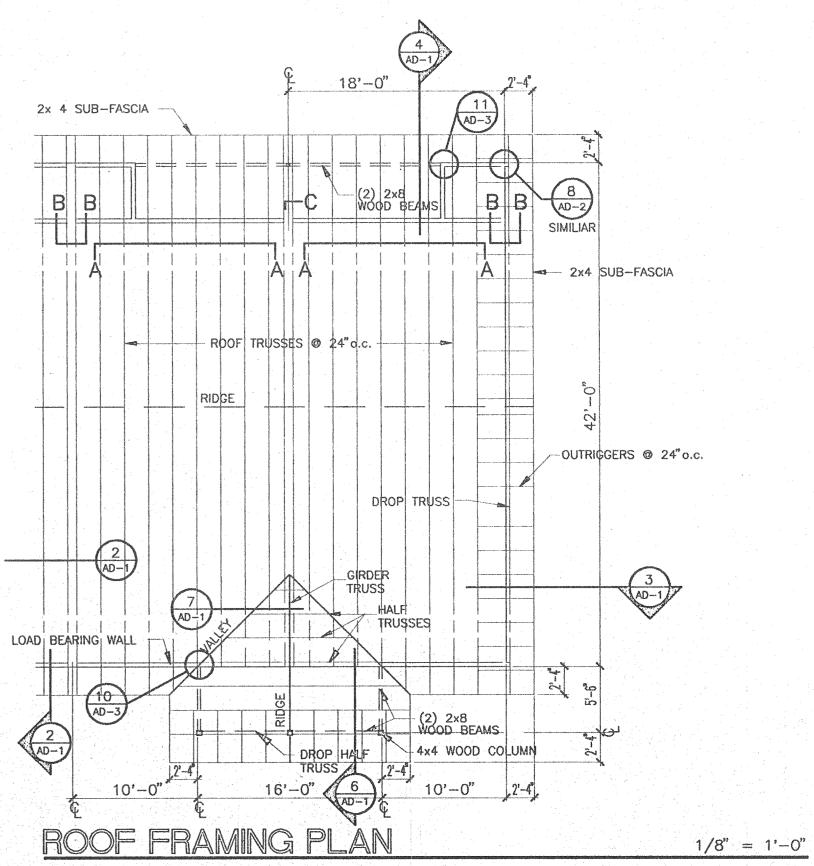


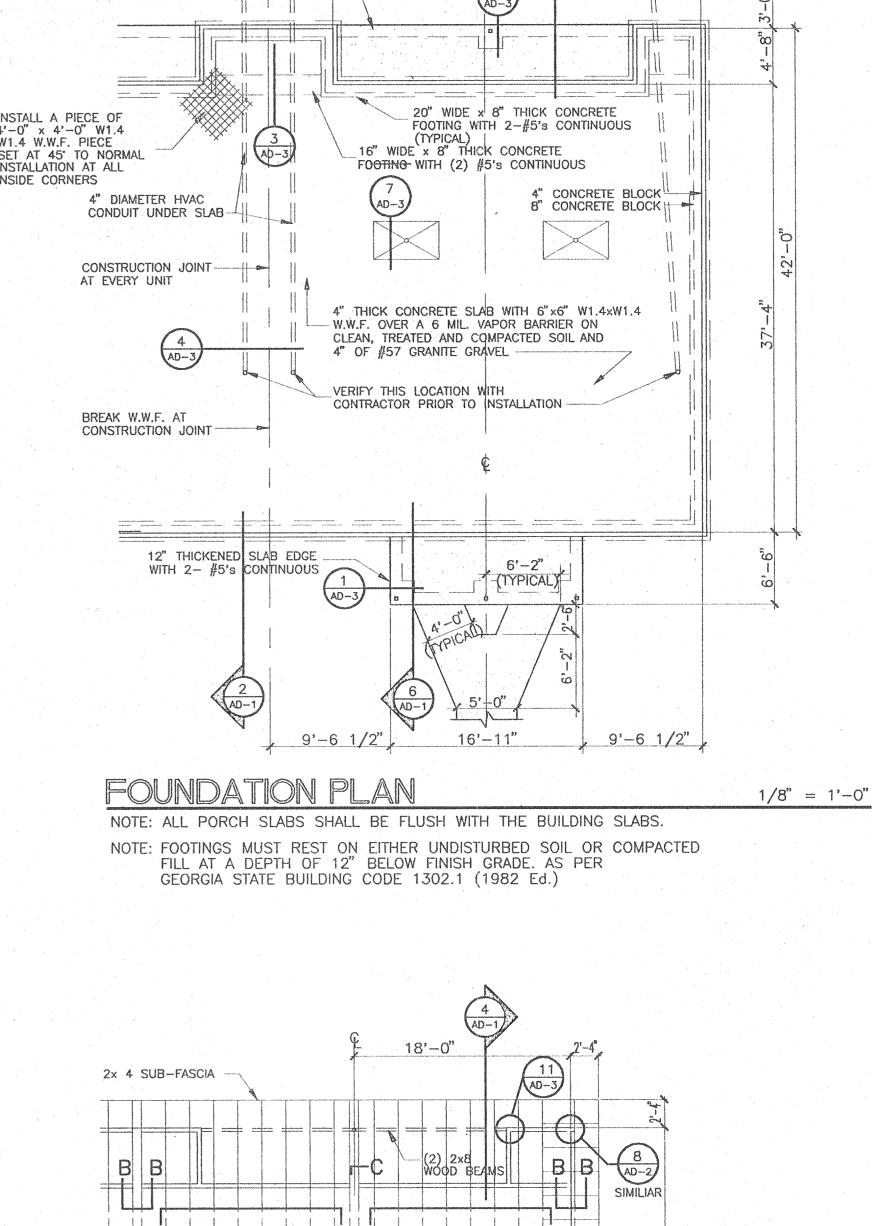


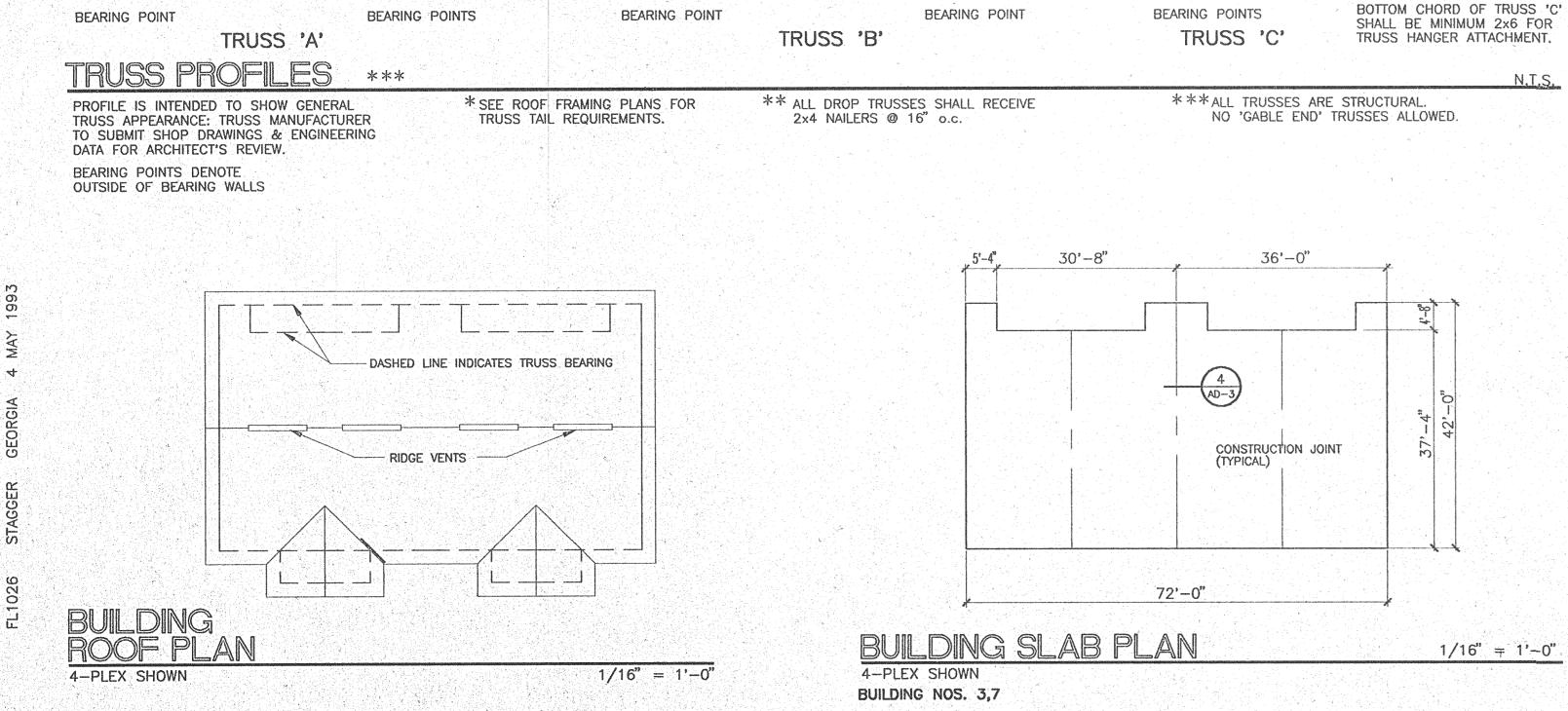


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ONE BEDROOM UNIT

EXTERIOR ELEVATIONS

FOUNDATION PLAN ROOF FRAMING PLAN

TRUSS PROFILES SLAB PLAN

ARCHITECT'S PROJECT NO.: 90064

DRAFTSPERSON(S): HOWARD MCLEAN PAUL SLAYTON

DATE: 2 JULY 1993

REVISED DATE:

PLANS CHECKED BY:

27 July 93

DATE CHECKED:

5700

34TH STREET

SOUTHWEST

SUITE 1307

GAINESVILLE,

372-1378

FLORIDA

32608

Douglas, Georgia

PROJECT NO .:

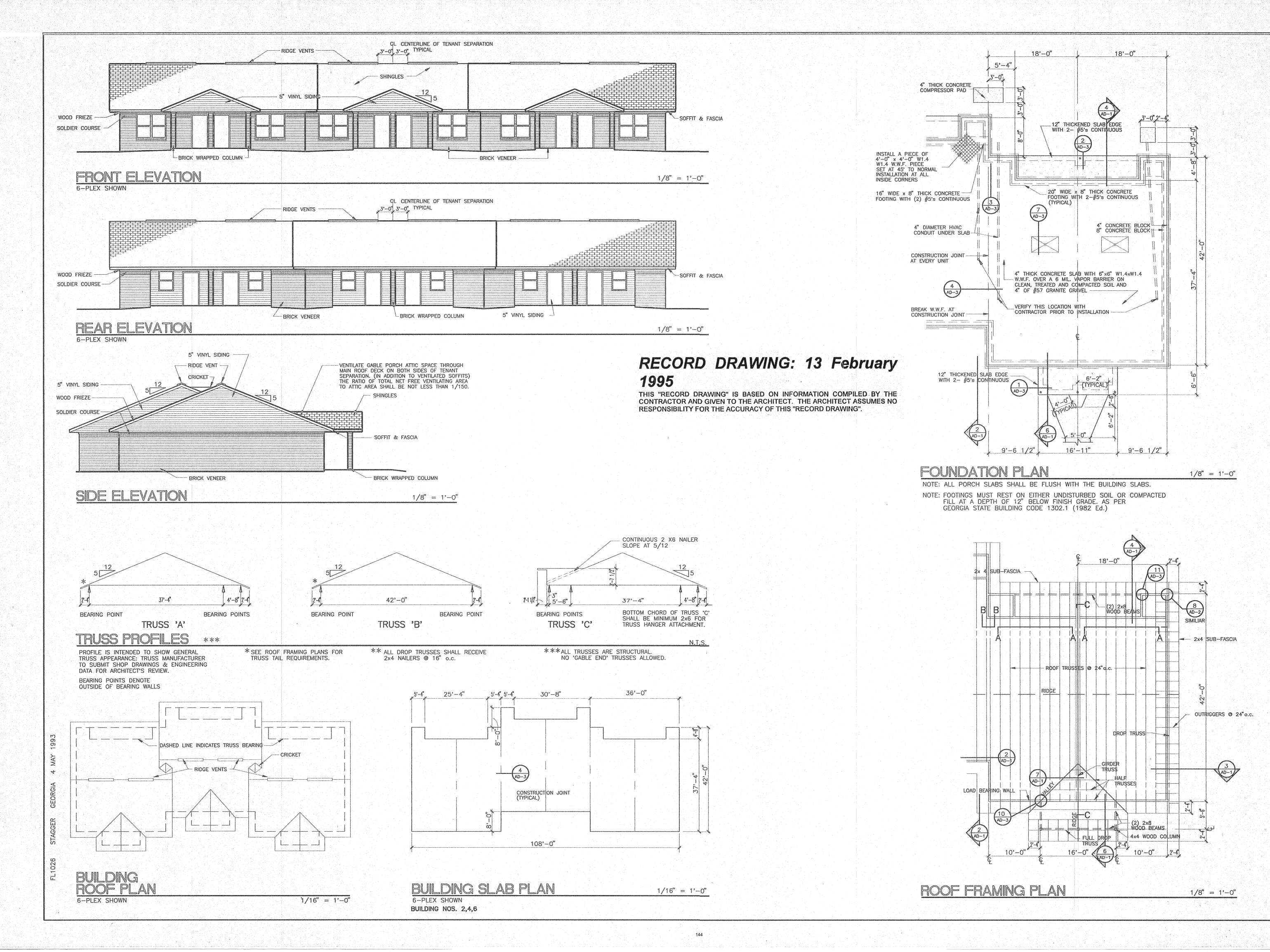
CONSTRUCTION

DOCUMENT

90064

CONTINUOUS 2 X6 NAILER SLOPE AT 5/12

37'-4"



LEWIS BROWN JRANHET

Ø

5700 SOUTHWEST 34TH STREET SUITE 1307 GAINESVILLE, FLORIDA 32608 (904) 372-1378

SANDALWOOD
TERRACE
Ludowici,
Georgia

Tr'

SANDALWOOD OF LUDOWICI L.P.

Douglas, Georgia

PROJECT NO.: 90064

CONSTRUCTION DOCUMENT

70

DRAFTSPERSON(S): HOWARD MCLEAN PAUL SLAYTON

ARCHITECT'S PROJECT NO.: 90064 DATE: 2 JULY 1993

REVISED DATE:

PLANS CHECKED BY:

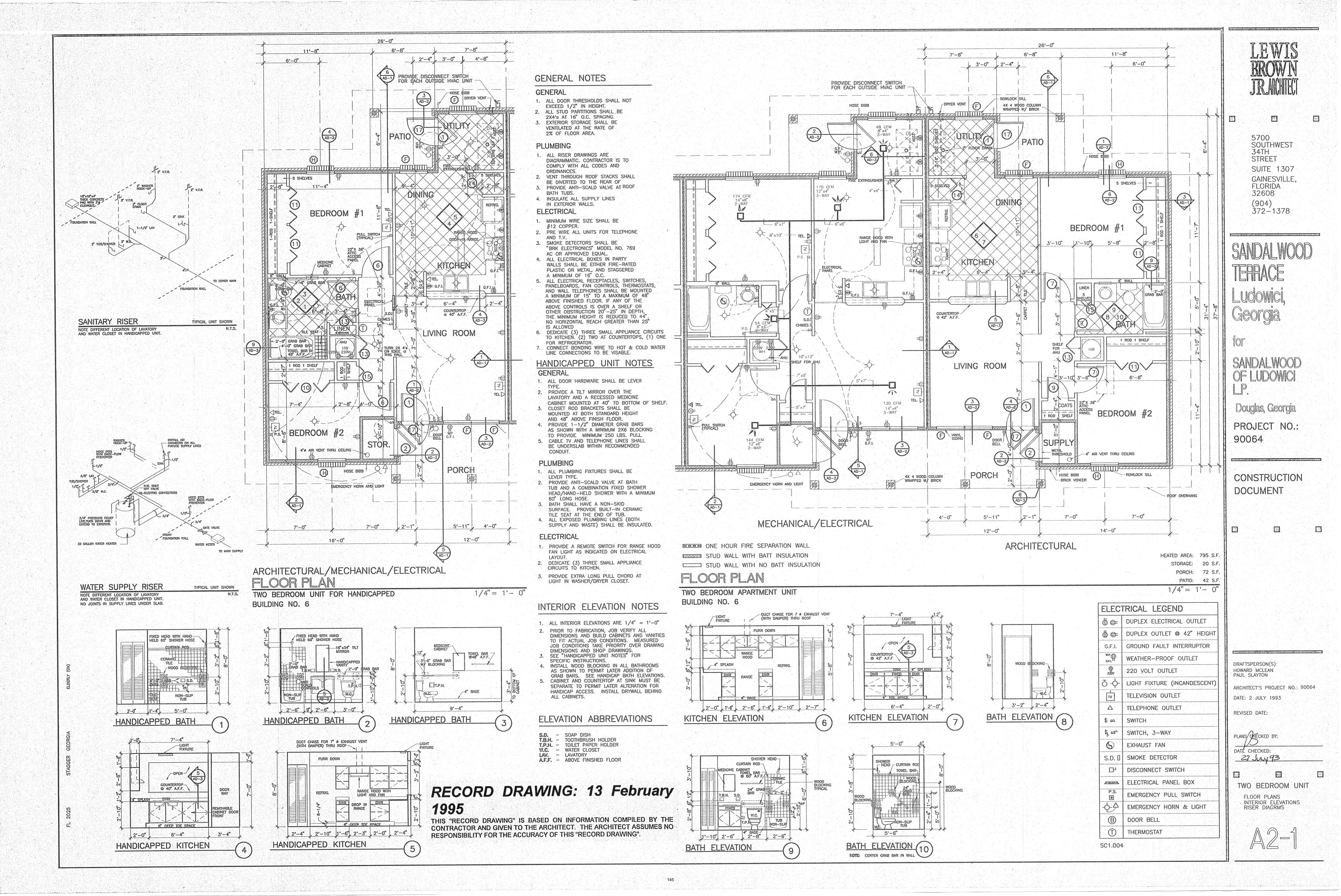
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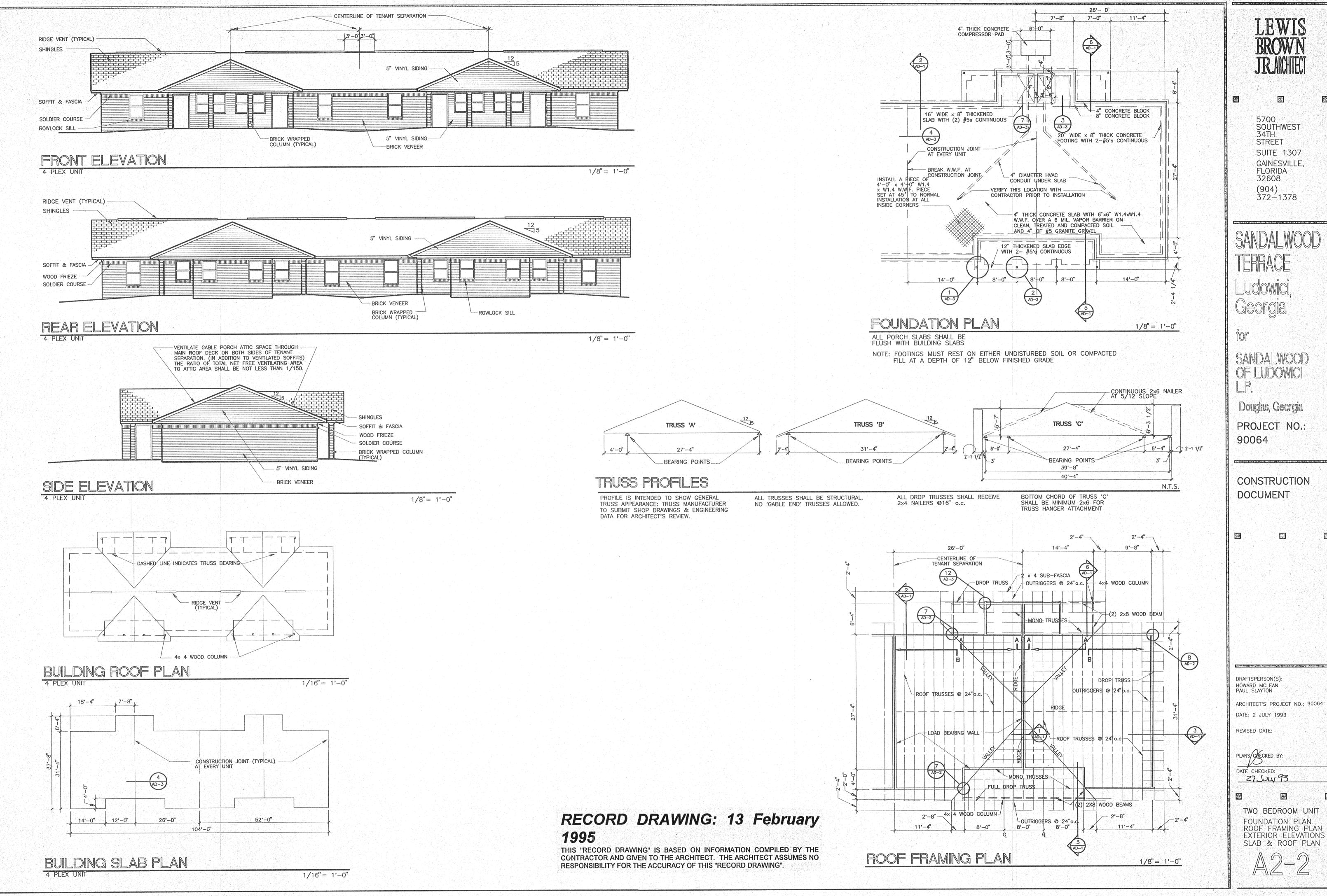
27 JULY 93

ONE BEDROOM UNIT

EXTERIOR ELEVATIONS
FOUNDATION PLAN
ROOF FRAMING PLAN
TRUSS PROFILES
SLAB PLAN

A1-3





SOUTHWEST **SUITE 1307** GAINESVILLE, FLORIDA

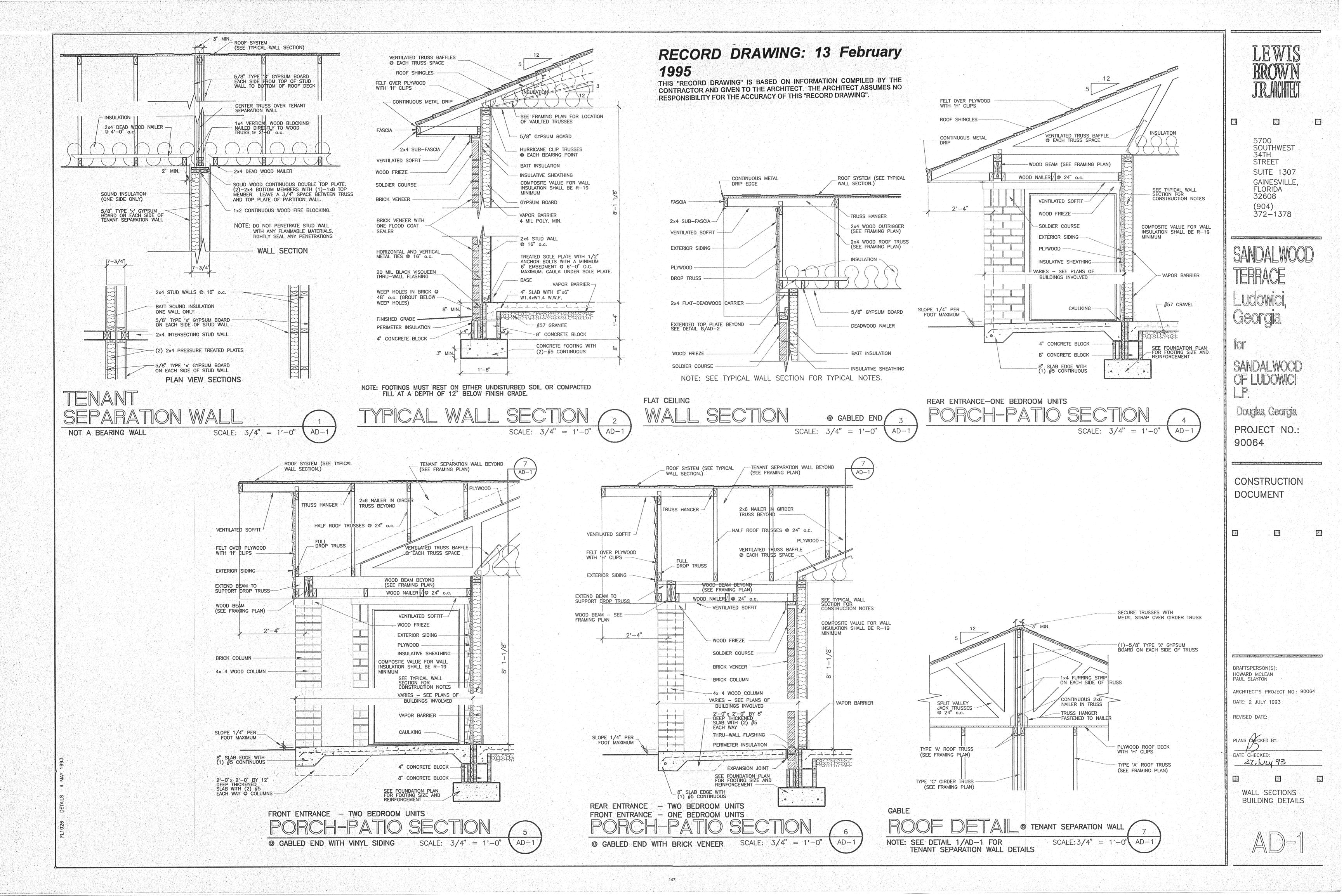
Douglas, Georgia

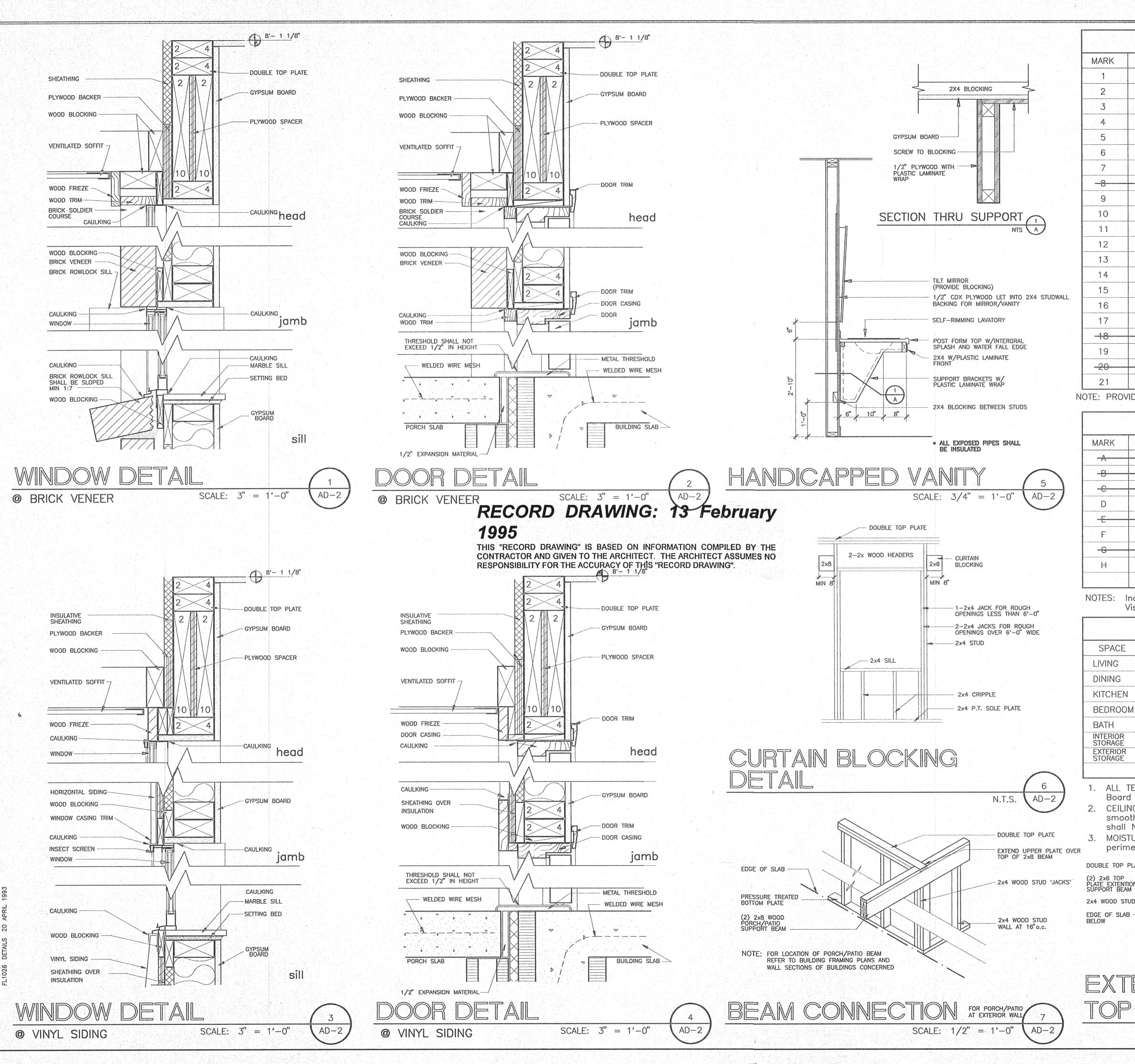
PROJECT NO.:

CONSTRUCTION

ARCHITECT'S PROJECT NO.: 90064 DATE: 2 JULY 1993

FOUNDATION PLAN ROOF FRAMING PLAN EXTERIOR ELEVATIONS SLAB & ROOF PLAN





| MARK | SIZE | R SCHEDULE DISCRIPTION |
|---|---|---|
| 1 | $3^{\circ} \times 6^{8} \times 1 - 3/4$ " | METAL: 6 Panel Insulated |
| 2 | $3^{0} \times 6^{8} \times 1 - 3/4$ " | METAL: Flush Insulated |
| 3 | $3^{\circ} \times 6^{8} \times 1 - 3/4$ " | METAL: 9 Lite Colonial |
| 4 | $2^8 \times 6^8 \times 1 - 3/4$ " | METAL: 9 Lite Colonial |
| 5 | $6^{\circ} \times 6^{8} \times 1 - 3/4$ " | METAL: Flush Insulated (Pair) |
| 6 | $3^{\circ} \times 6^{8} \times 1 - 3/8$ " | WOOD: Hollow Core |
| 7 | 2^{10} x 6^8 x $1-3/8$ " | WOOD: Hollow Core |
| *************************************** | $-2^8 \times 6^8 \times 1 3/8$ " | WOOD: Hollow Core |
| 9 | $2^6 \times 6^8 \times 1 - 3/8$ " | WOOD: Hollow Core |
| 10 | 5° × 68 | METAL: Bi-fold Louvered (4 Panel) |
| 11 | 4° x 6 ⁸ | METAL: Bi-fold Louvered (4 Panel) |
| 12 | 3° × 68 | METAL: Bi-fold Louvered (4 Panel) |
| 13 | 2 ⁶ x 6 ⁸ | METAL: Bi-fold Louvered |
| 14 | 2° x 6 ⁸ | METAL: Bi-fold Louvered |
| 15 | 1 ⁶ × 6 ⁸ | METAL: Bi-fold Louvered |
| 16 | 6° × 68 | METAL: Insulated French Single Lite (Pair |
| 17 | $3^{\circ} \times 6^{8} \times 1 - 1/4$ " | ALUMINUM: Screen Door |
| -18 | $\frac{2^8 \times 6^8 \times 1}{1/4}$ | ALUMINUM: Screen Door |
| 19 | $2^8 \times 6^8 \times 1 - 3/4$ " | 45 Minute "C" Label Fire Rated Door |
| 20 | $2^{10} \times 6^8 \times 1 3/8$ " | WOOD: Soild core |
| 21 | $2^{\circ} \times 6^{8} \times 1 - 3/8$ " | WOOD: Hollow Core |

NOTE: PROVIDE WOOD TRIMMED CASED OPENINGS FOR ALL BI-FOLD DOORS.

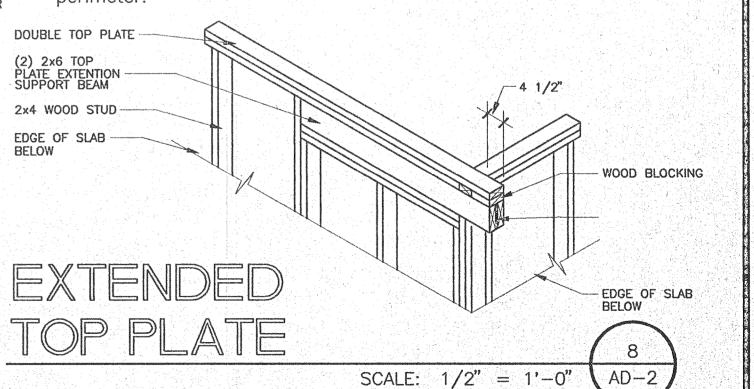
| | e e | | |
|--|---------------------------------|-----------------------|---|
| | W | NDOW SCHEDUL | E |
| MARK | SIZE | DISCRIPTION | |
| | 20, 20 | ALUMINUM: Single Hung | |
| | 2° × 3° | ALUMINUM: Single Hung | |
| | 20× 40 | ALUMINUM: Single Hung | |
| D | 2 ⁸ x 5 ⁰ | ALUMINUM: Single Hung | |
| Excellent Section of the Section of | 30× 30 | ALUMINUM: Single Hung | |
| American construction of the construction of t | 3° × 4° | ALUMINUM: Single Hung | |
| ··· C | 30× 44 | ALUMINUM: Single Hung | |
| hand the second | 3°x 5° | ALUMINUM: Single Hung | |
| чашения споторов потородовать допросотойно соород пот отнер подостольного доподостольного доподосто | | | |

NOTES: Include insect screen for all windows.

Visqueen wrap heads, jambs and sills of all windows.

| | FINISH | H SCHE | DULE | |
|---------------------|----------------------|--------|----------------------|----------------------|
| SPACE | FLOOR | BASE | WALLS | CEILING |
| LIVING | Carpet | Wood | 1/2" Gypsum Board | 1/2" Gypsum Board |
| DINING | Vinyl Tile | Wood | 1/2" Gypsum Board | 1/2" Gypsum Board |
| KITCHEN | Vinyl Tile | Wood | 1/2" Gypsum Board | 1/2" Gypsum Board |
| BEDROOM | Carpet | Wood | 1/2" Gypsum Board | 1/2" Gypsum Board |
| BATH | Vinyl Tile | Wood | 1/2" Gypsum Board | 1/2" Gypsum Board |
| INTERIOR STORAGE | Vinyl Tile | Wood | 1/2" Gypsum Board | 1/2" Gypsum Board |
| EXTERIOR STORAGE | Finished Concrete | Wood | 1/2" Gypsum Board | 1/2" Gypsum Board |
| | | | | |

- ALL TENANT SEPARATION WALLS shall have 5/8" Type "X" Gypsum Board on both sides.
- 2. CEILINGS AND WALLS IN KITCHENS AND BATHROOMS shall be a smooth, enameled, grease resistant, washable finish. Spray finish shall NOT be used.
- MOISTURE RESISTANT GYPSUM BOARD shall be used around tub wall perimeter.



LEWIS BROWN JRAKHET

5700 SOUTHWEST 34TH STREET SUITE 1307 GAINESVILLE, FLORIDA 32608 (904) 372-1378

CONTROL OF THE PROPERTY OF THE

SANDALWOO TERRACE Ludowici, Georgia

for

SANDALWOOD OF LUDOWICI L.P.

Douglas, Georgia

PROJECT NO.: 90064

CONSTRUCTION DOCUMENT

(8)

DRAFTSPERSON(S): HOWARD MCLEAN PAUL SLAYTON

ARCHITECT'S PROJECT NO.: 90064

DATE: 2 JULY 1993

REVISED DATE:

PLANS CHECKED BY:

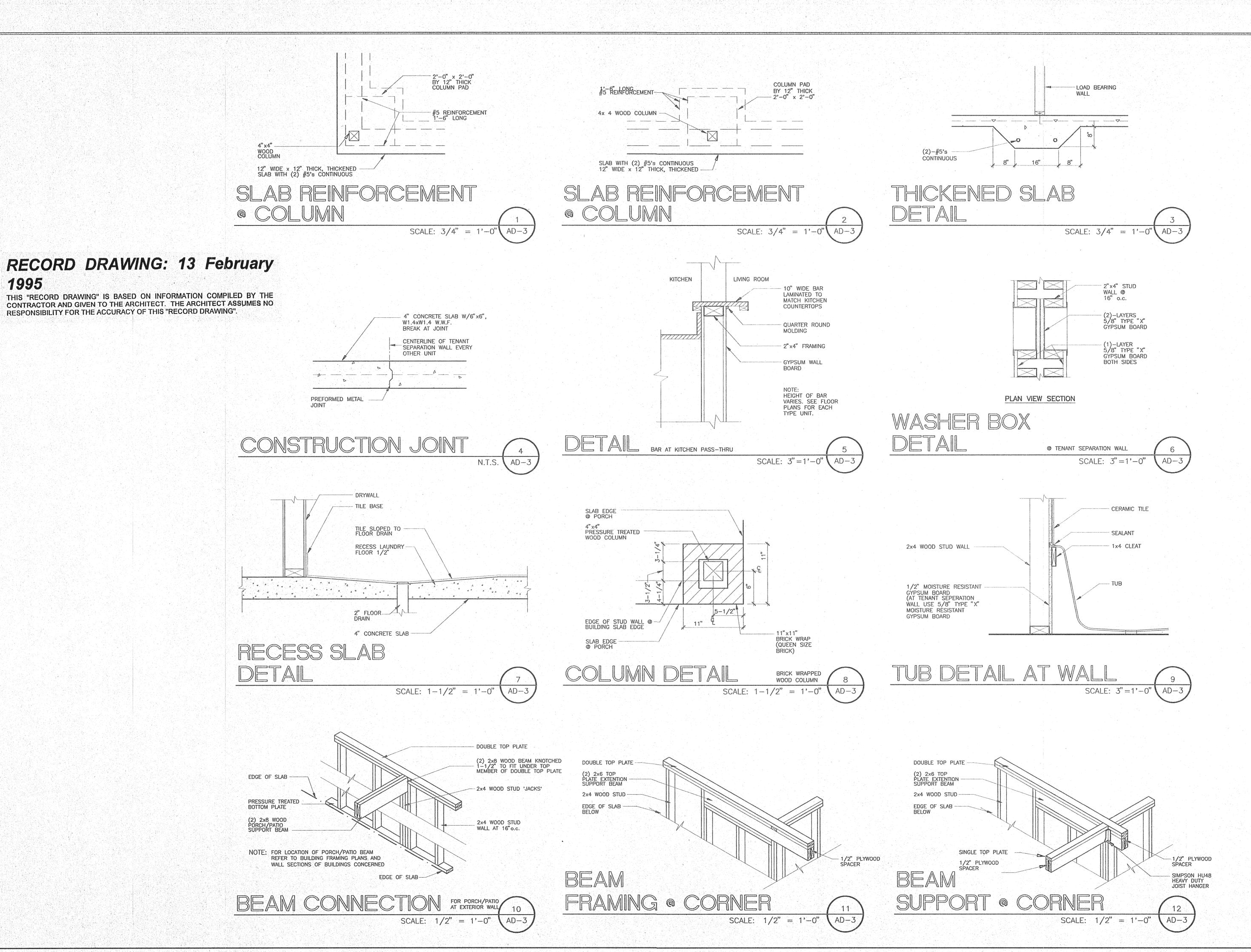
DATE CHECKED:

27 JULY 93

OPENING DETAILS
DOOR SCHEDULE
WINDOW SCHEDULE
FINISH SCHEDULE
MISCELLANEOUS DETAILS

A M

AD-2



1995

LEWIS

5700 SOUTHWEST 34TH STREET **SUITE 1307** GAINESVILLE, FLORIDA 32608 (904) 372-1378

SANDALWOOD OF LUDOWCI

Douglas, Georgia

PROJECT NO .: 90064

> CONSTRUCTION DOCUMENT

HOWARD MCLEAN

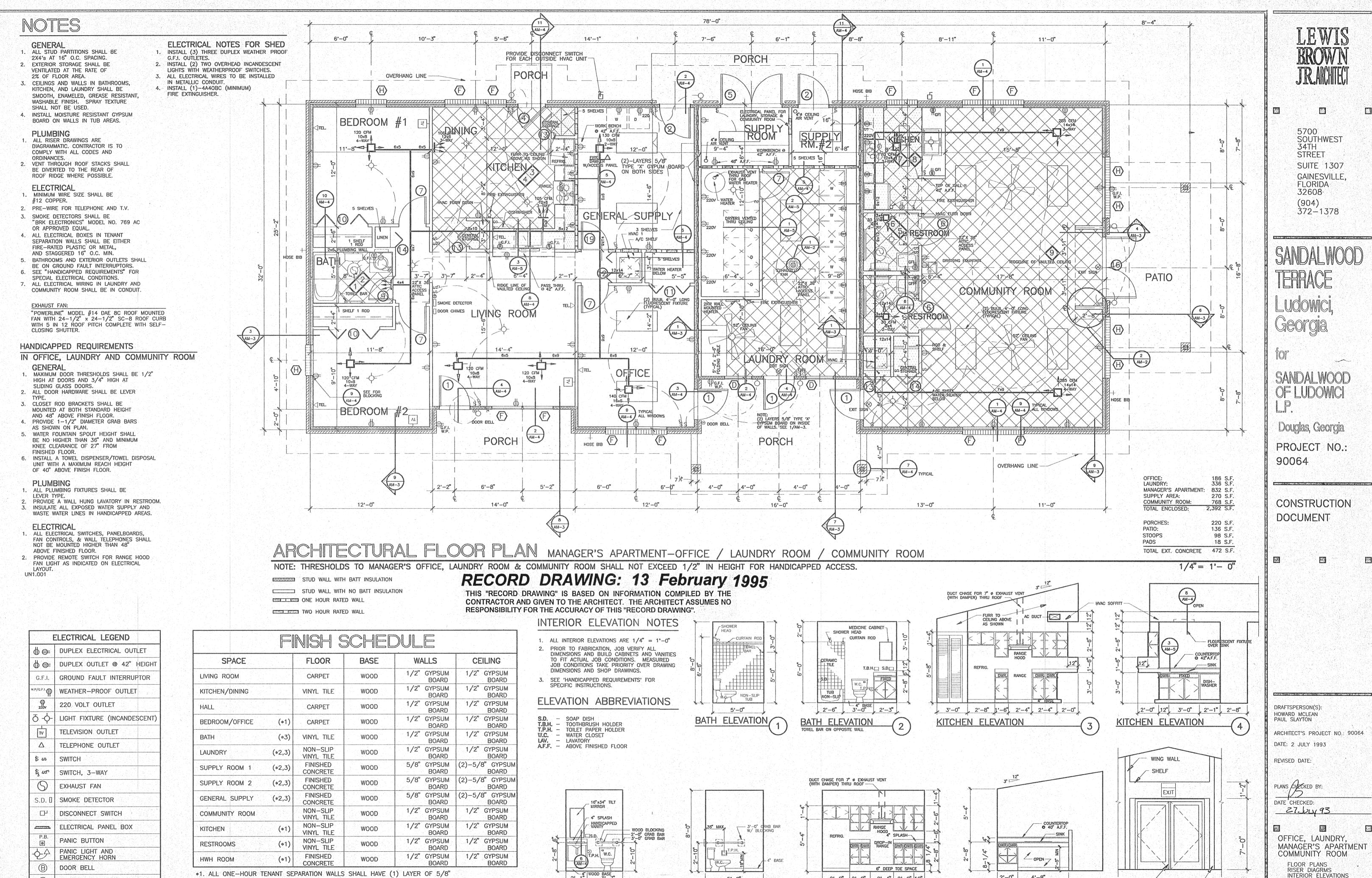
ARCHITECT'S PROJECT NO.: 90064 DATE: 2 JULY 1993

REVISED DATE:

PAUL SLAYTON

PLANS CHECKED BY: DATE CHECKED: 27 July 93

MISCELLANEOUS DETAILS



2'-8" 2'-0" 2'-4" 2'-0" 12"

HANDICAPPED KITCHEN

5'-8"

4'-8"

HANDICAPPED KITCHEN 8

FRENCH DOORS

COMMUNITY ROOM

FINISH SCHEDULE

SC1.004

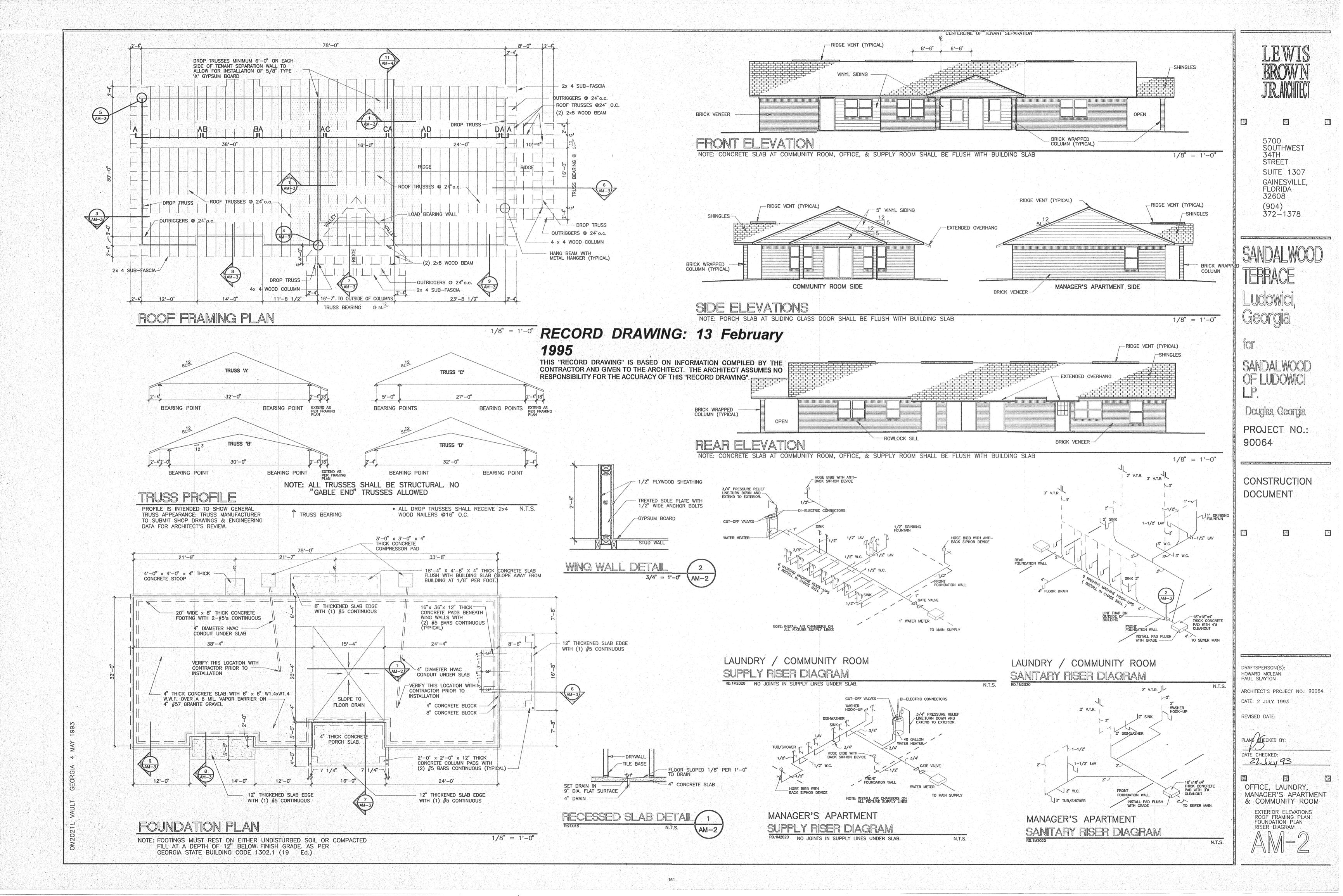
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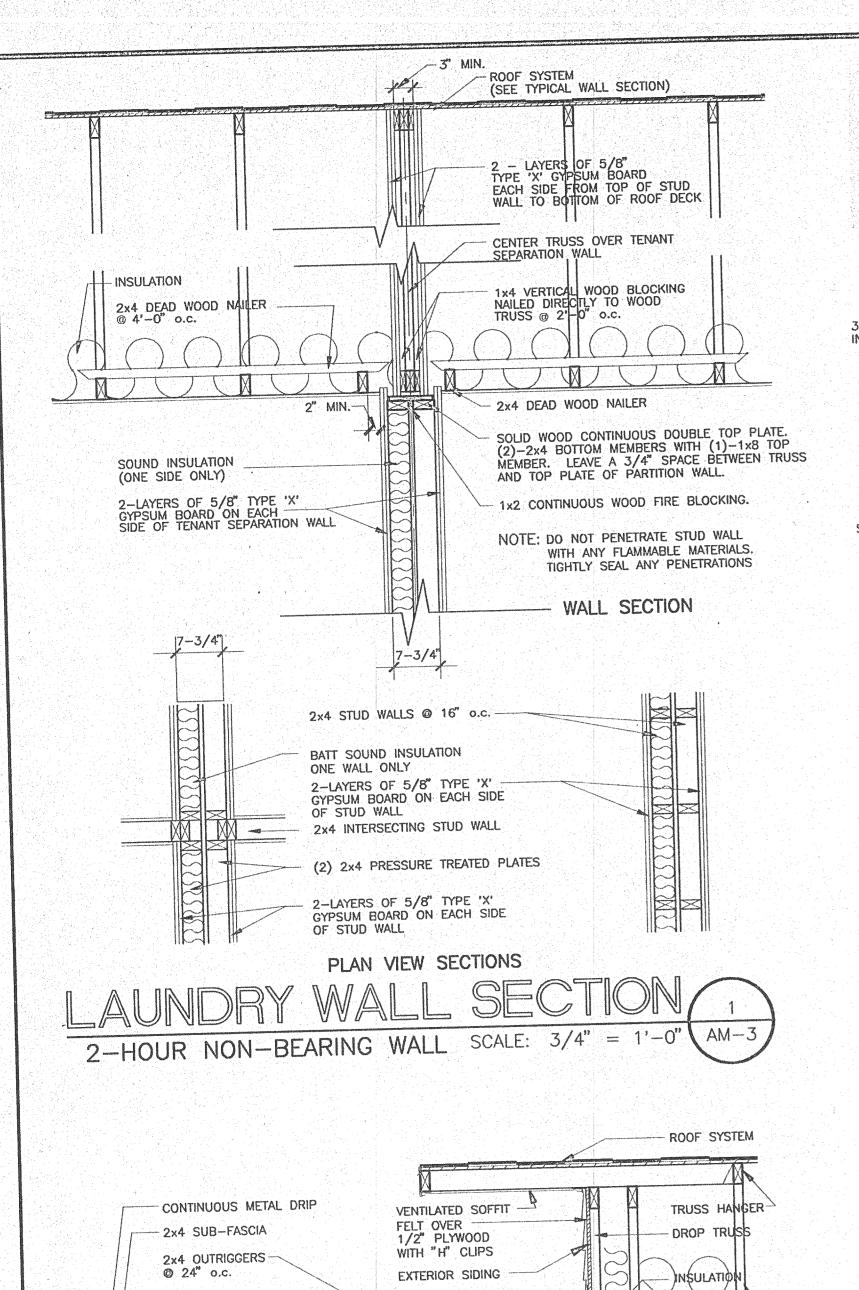
TYPE 'X' GYPSUM BOARD ON BOTH SIDES. SEE DETAIL 1/AM-3

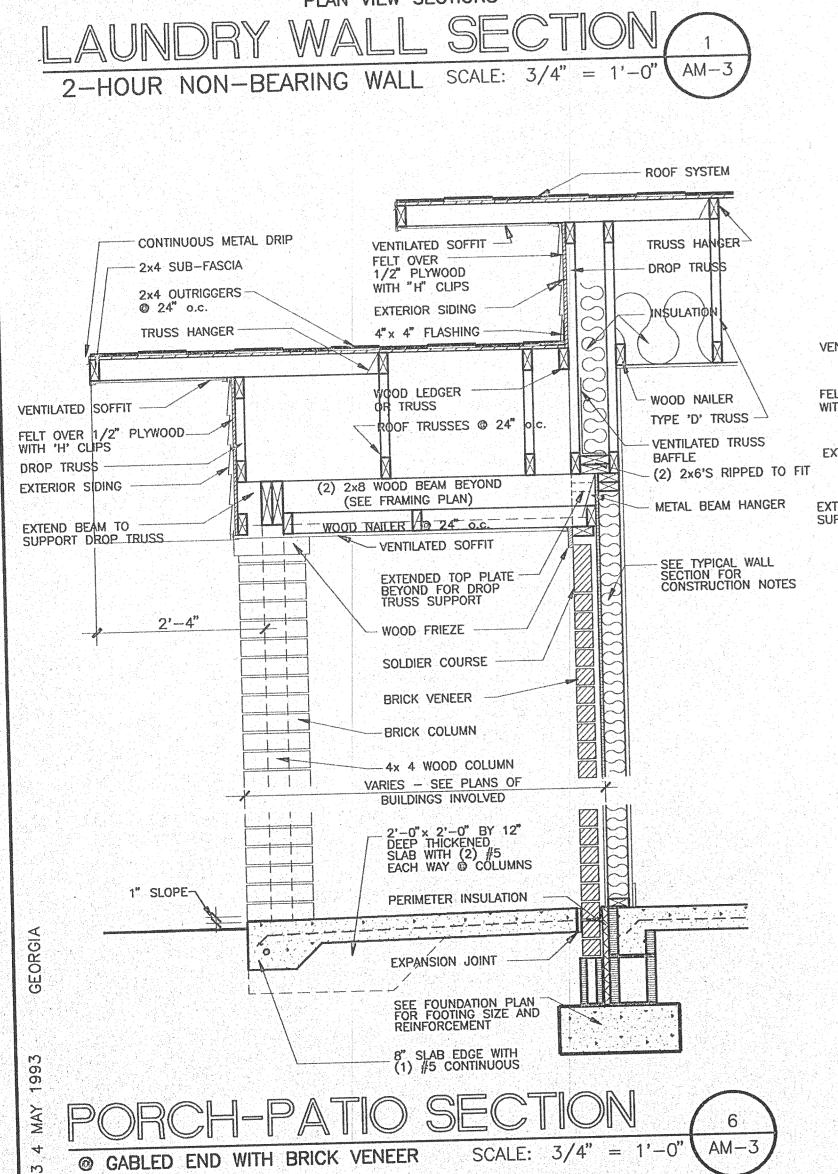
TYPE 'X' GYPSUM BOARD ON BOTH SIDES. SEE DETAIL 7/AM-5

*3. 6'-0" CERAMIC TILE WAINSCOT AROUND TUB.

*2. ALL TWO-HOUR TENANT SEPARATION WALLS SHALL HAVE (2) LAYERS OF 5/8"

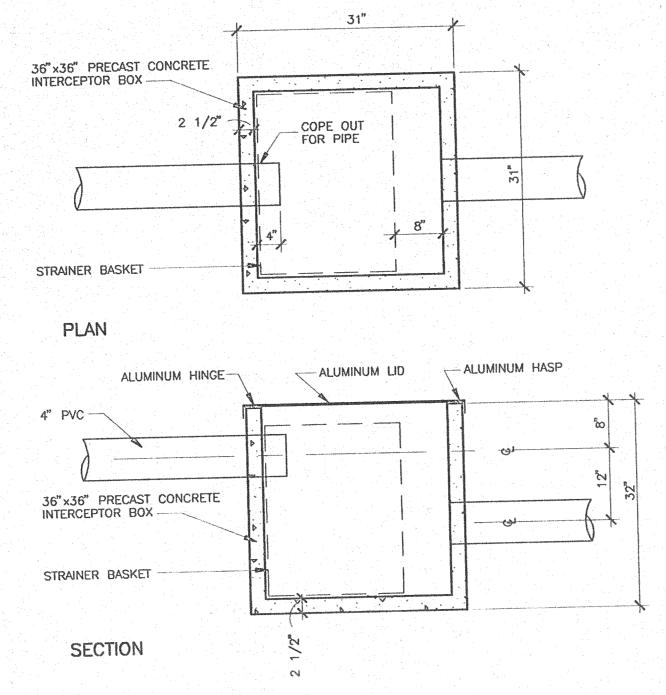






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TRAP DETAIL

DROP TRUSS 5/8" GYPSUM BOARD DEADWOOD NAILER-VAPOR BARRIER WOOD FRIEZE BATT INSULATION INSULATIVE SHEATHING 2x4 STUD WALL @ 16" o.c. BRICK VENEER -VAPOR BARRIER 4" SLAB WITH 6" x6" W1.4xW1.4 W.W.F. 8" CONCRETE BLOCK-SEE TYPICAL WALL SECTION FOR FOOTING REINFORCEMENT

NOTE: FOOTINGS MUST REST ON EITHER UNDISTURBED SOIL OR COMPACTED

ROOF SYSTEM (SEE TYPICAL -

WALL SECTION.)

TRUSS HANGER -

INSULATION

2x4 WOOD OUTRIGGER (SEE FRAMING PLAN)

2x4 WOOD ROOF TRUSS -(SEE FRAMING PLAN)

NOTE: SEE TYPICAL WALL SECTION FOR TYPICAL NOTES. @ GABLED END SCALE: 3/4" = 1'-0"AM-3

FASCIA

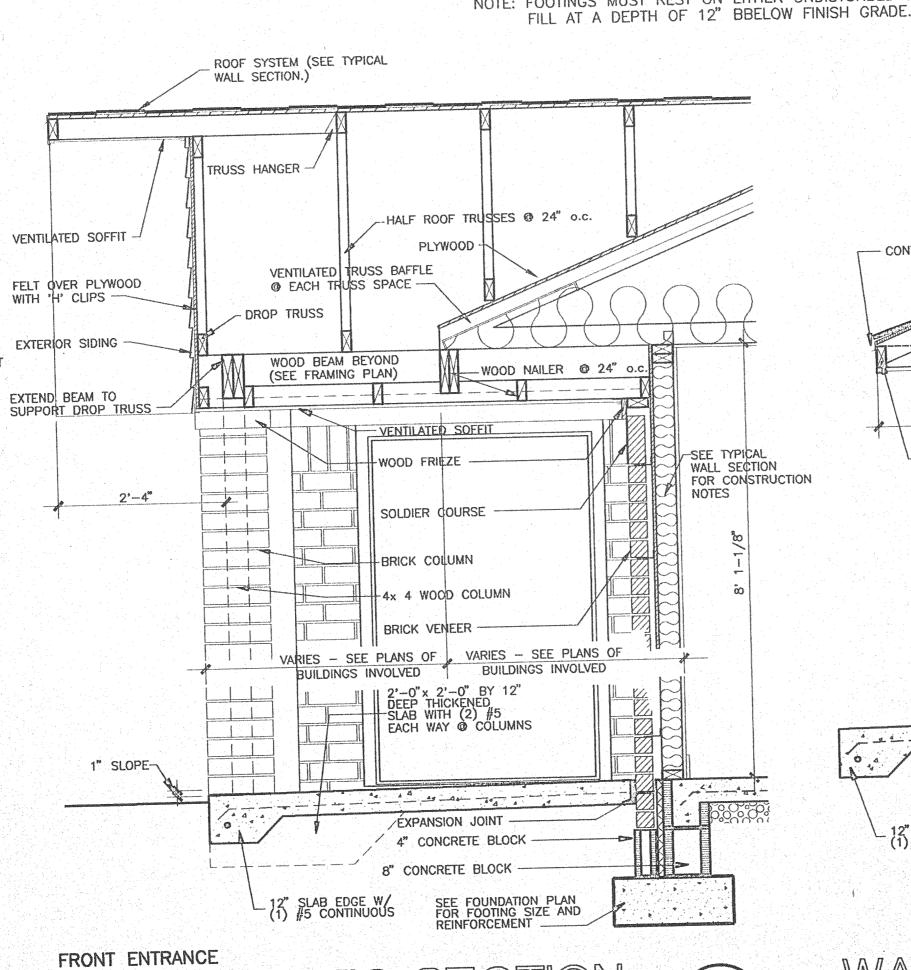
- EXTERIOR SIDING

PLYWOOD

CONTINUOUS METAL DRIP EDGE DOUBLE TOP PLATE (2) 2x6 TOP PLATE EXTENTION SUPPORT BEAM 2x4 SUB-FASCIA 2x4 WOOD STUD-VENTILATED SOFFIT EDGE OF SLAB SINGLE TOP PLATE 1/2" PLYWOOD 1/2" PLYWOOD SIMPSON HU48 HEAVY DUTY 2x4 FLAT-DEADWOOD CARRIER JOIST HANGER BEAM EXTENDED TOP PLATE BEYOND SUPPORT @ CORNER SEE DETAIL 5/AM-3 SCALE: 1/2" = 1'-0"SOLDIER COURSE DOUBLE TOP PLATE -(2) 2x6 TOP PLATE EXTENTION SUPPORT BEAM 2x4 WOOD STUD WEEP HOLES IN BRICK @ 48" o.c. (GROUT BELOW EDGE OF SLAB WEEP HOLES) BELOW WOOD BLOCKING PERIMETER INSULATION PLYWOOD SPACER 4" CONCRETE BLOCK

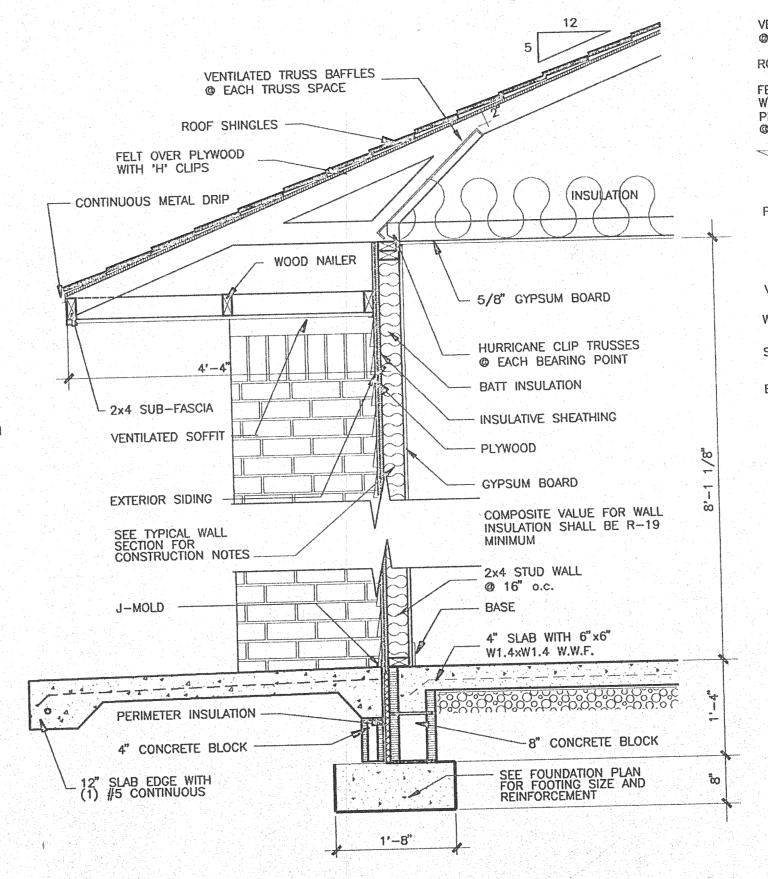
FOR LENGTH OF TOP PLATE EXTENTION REFER TO BUILDING FRAMING PLANS AND WALL SECTIONS OF BUILDINGS CONCERNED

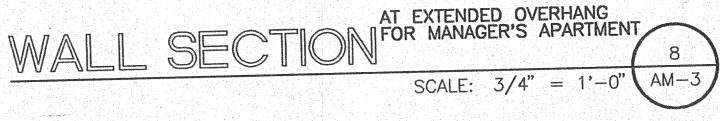
SCALE: 1/2" = 1'-0" λ AM-3VENTILATED TRUSS BAFFLES

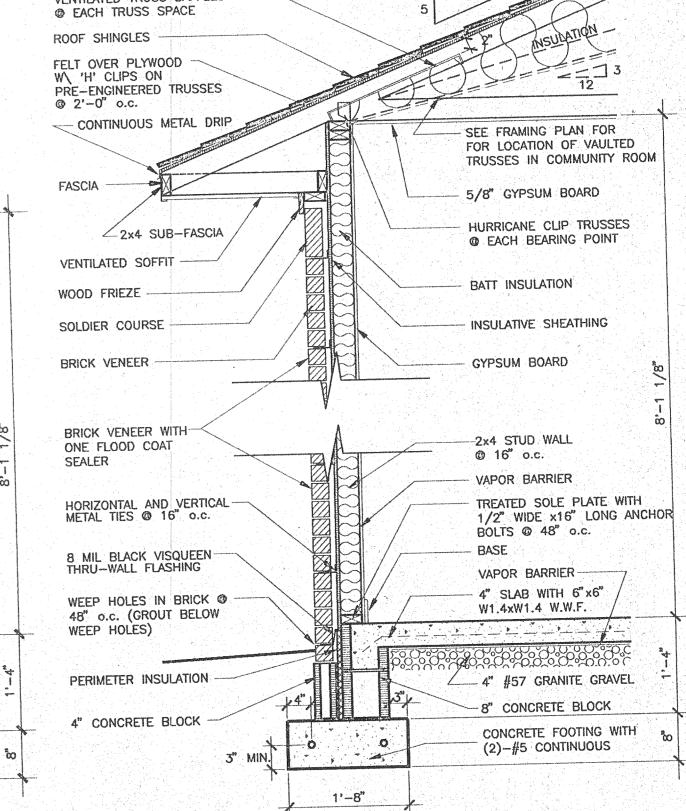


@ GABLED END WITH VINYL SIDING

SCALE: 3/4" = 1'-0"







AM-3SCALE: 3/4" = 1'-0"

LEWIS

5700 SOUTHWEST 34TH STREET **SUITE 1307** GAINESVILLE, FLORIDA 32608 (904)372-1378

EDGE OF SLAB

Douglas, Georgia PROJECT NO .: 90064

CONSTRUCTION DOCUMENT

DRAFTSPERSON(S) HOWARD MCLEAN PAUL SLAYTON

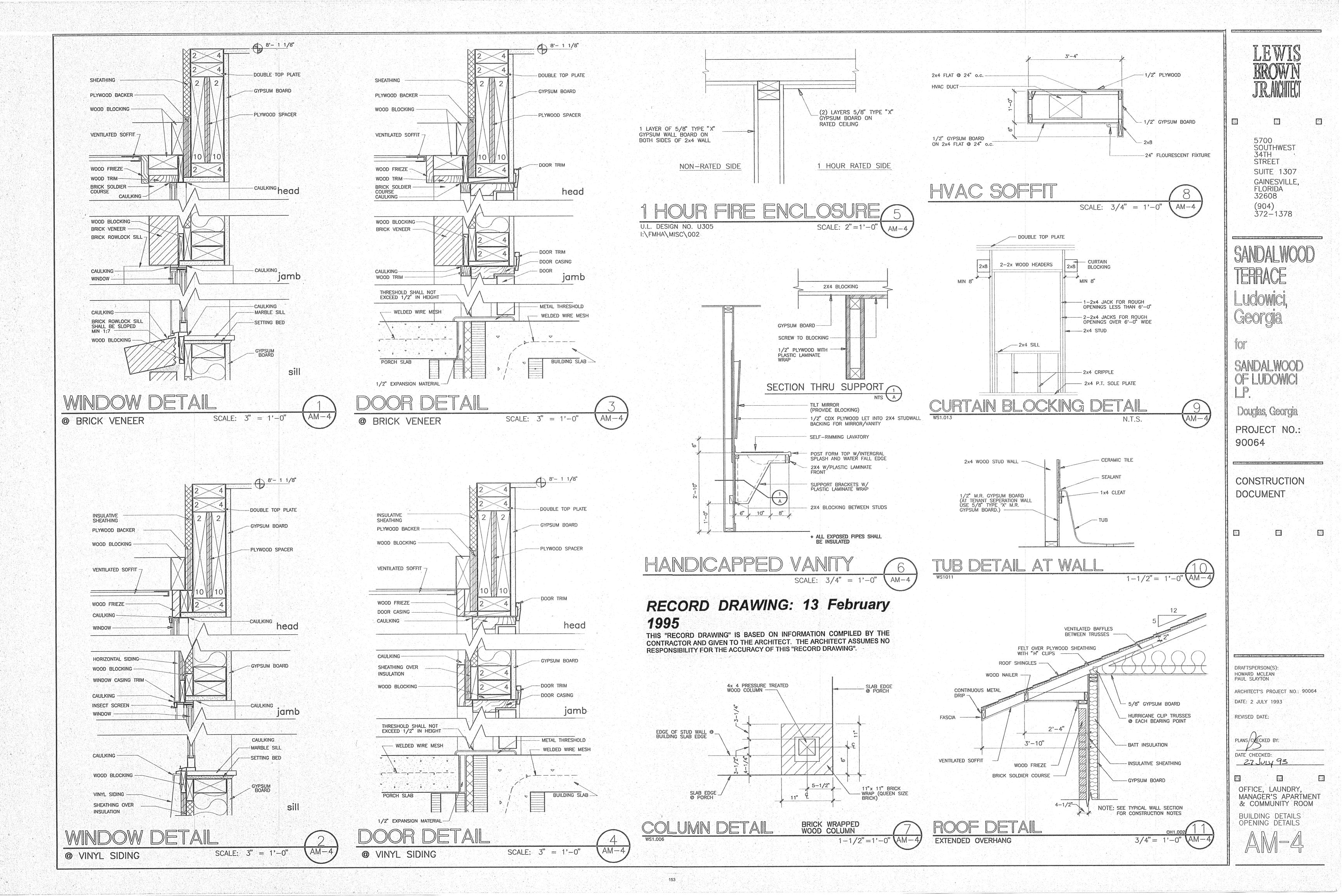
ARCHITECT'S PROJECT NO.: 90064 DATE: 2 JULY 1993 REVISED DATE:

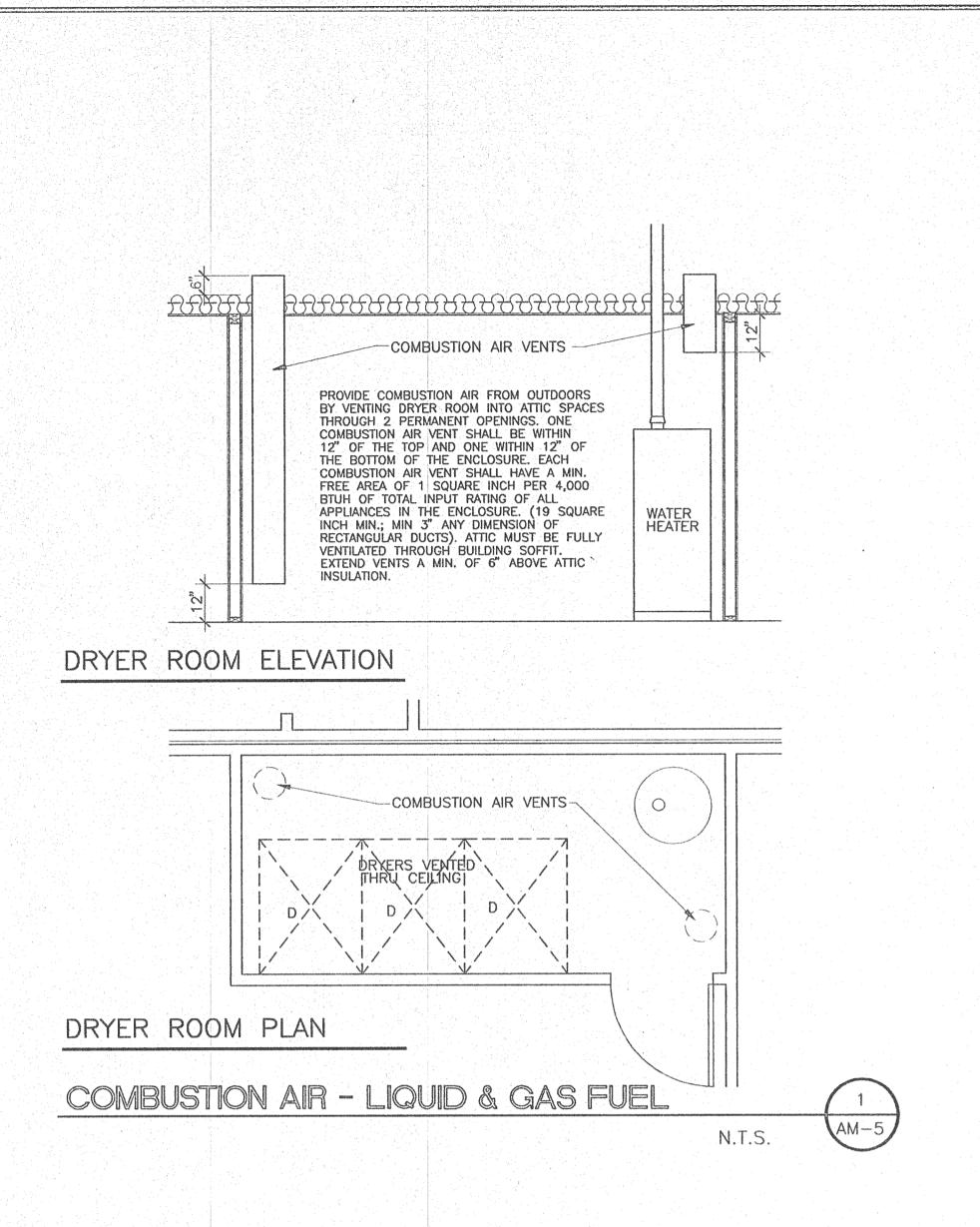
PLANS/CHECKED BY: DATE CHECKED: 27 July 93

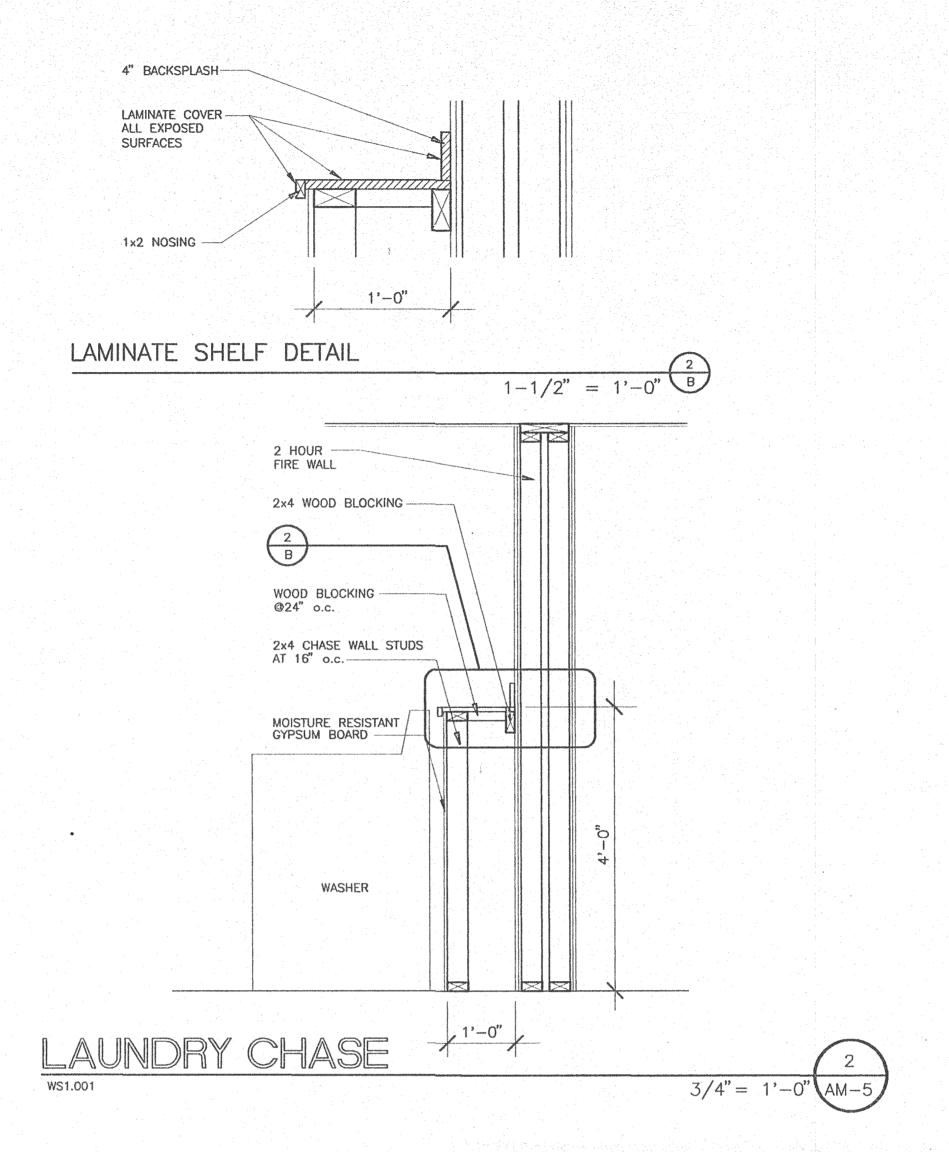
OFFICE, LAUNDRY, MANAGER'S APARTMENT & COMMUNITY ROOM

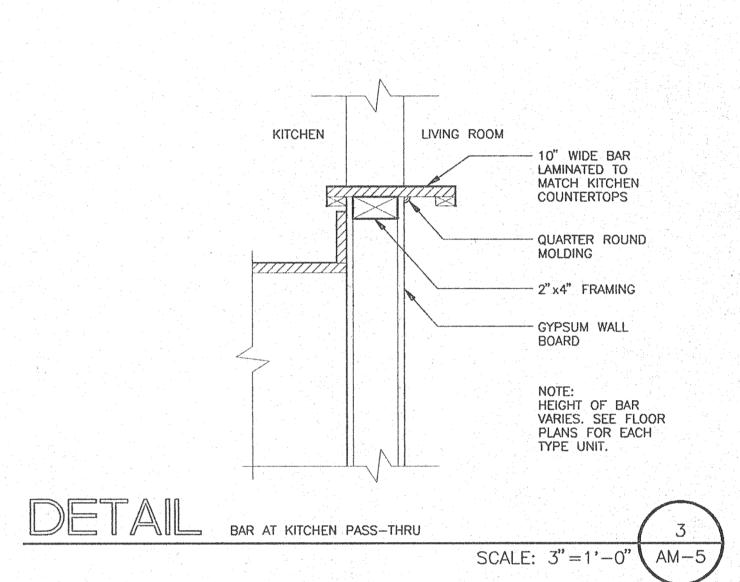
WALL SECTIONS BUILDING DETAILS

SCALE: $3/4" = 1'-0" \setminus AM-3$









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LEWIS BROWN JRAKHIET

5700 SOUTHWEST 34TH STREET SUITE 1307 GAINESVILLE, FLORIDA 32608 (904) 372-1378

SANDALWOO TERRACE Ludowici, Georgia

for

SANDALWOOD OF LUDOWCI L.P.

Douglas, Georgia PROJECT NO.: 90064

CONSTRUCTION

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DRAFTSPERSON(S): HOWARD MCLEAN PAUL SLAYTON

ARCHITECT'S PROJECT NO.: 90064

DATE: 2 JULY 1993

PLANS OFFICKED BY:

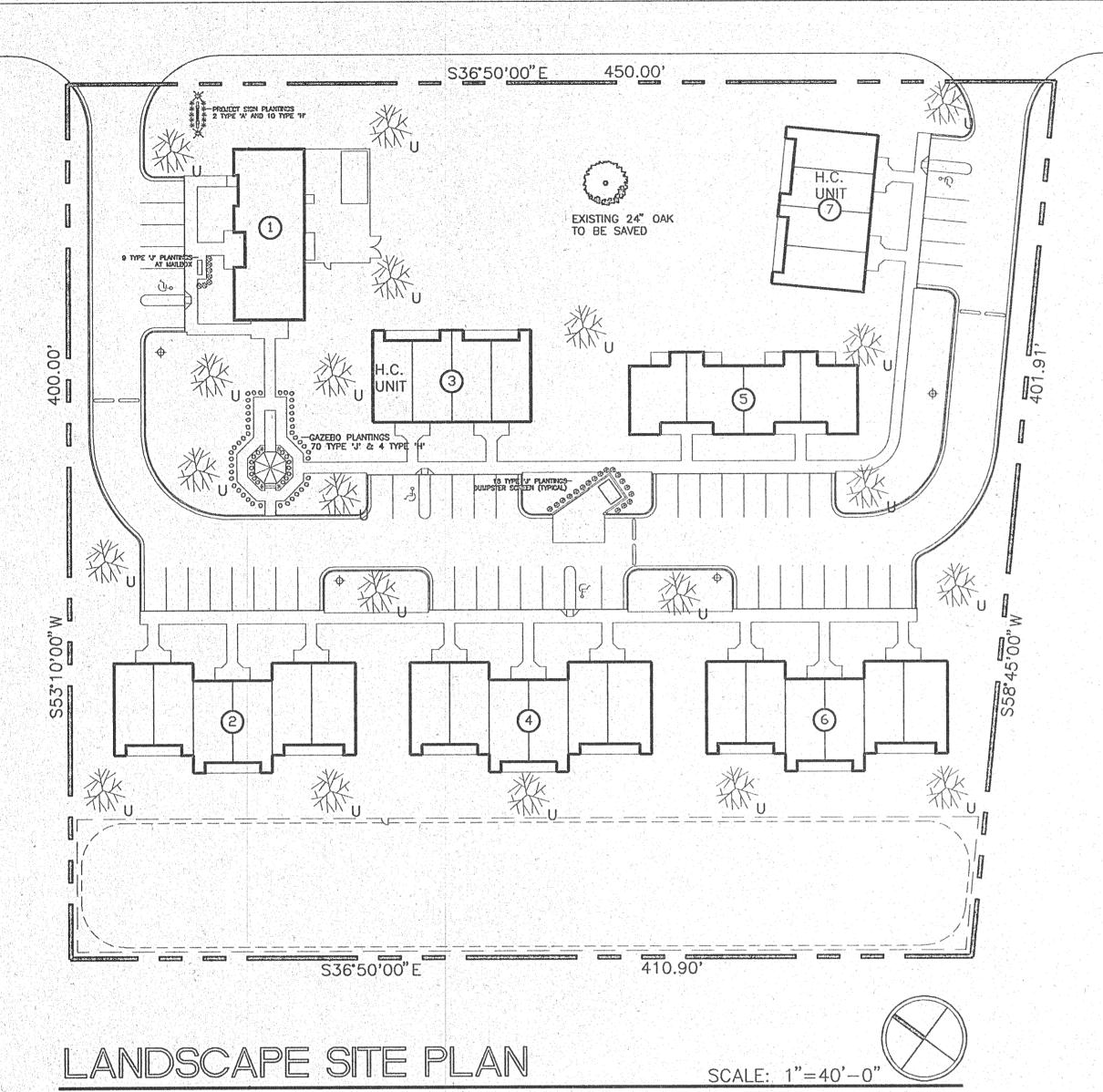
REVISED DATE:

DATE CHECKED:
27 July 93

OFFICE, LAUNDRY & MANAGER'S APARTMENT

MISCELLANEOUS DETAILS

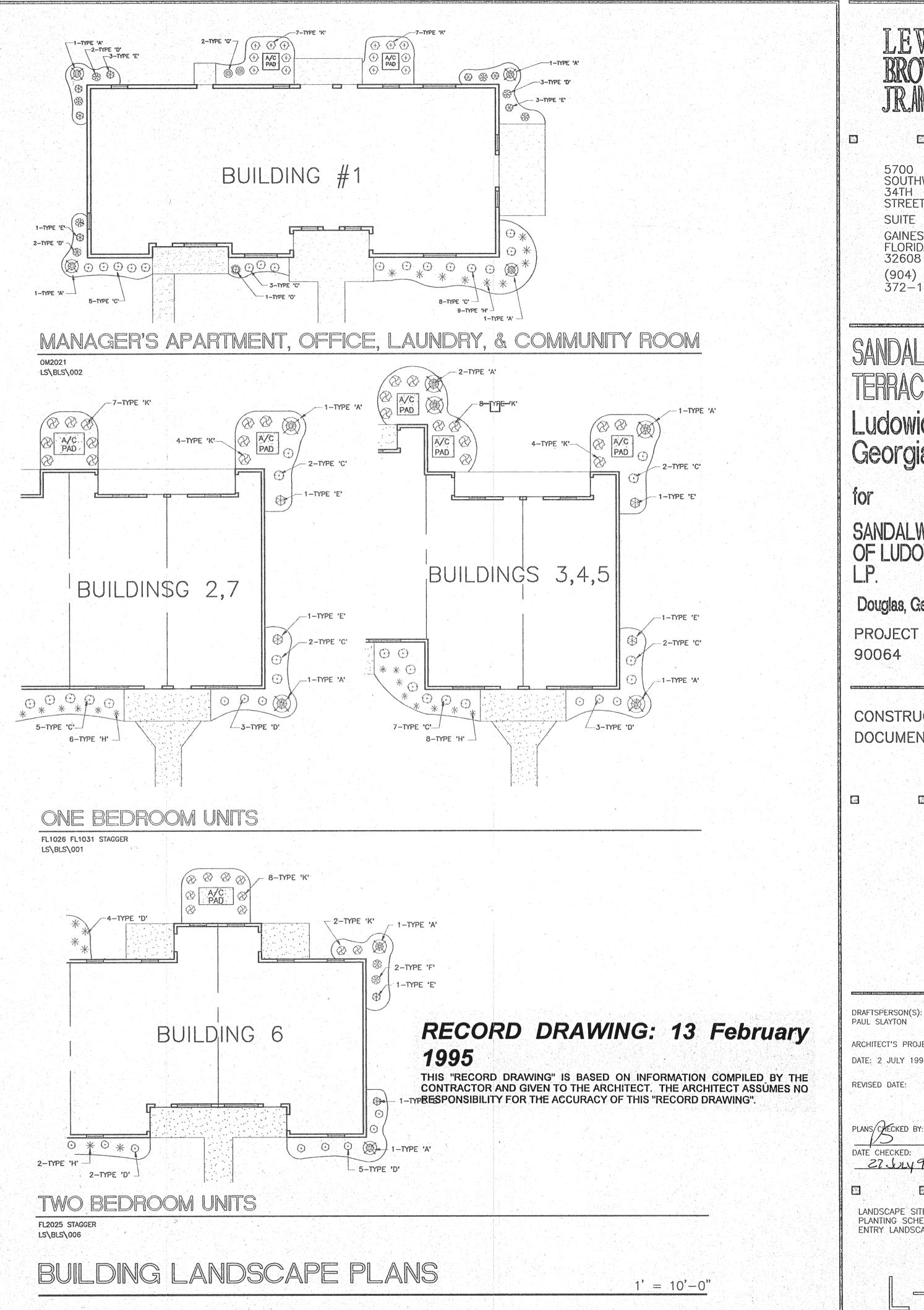
AM-5



NO REQUIRED SETBACKS

PLANTING SCHEDULE

| | | | | | PLAN | TINGS P | ER BUIL | DING | | SIT | E PI | _AN | TINGS | PER | RIMETER | PLANTIN | NGS | ТОТА | |
|--|----------------------------------|----------|--|------|-------|---------|--|---|---------------------------------|------------|---------------|---------|--------------|---------------|--|-------------|---------------------------------------|--|------------------|
| | SHRUBS & GRO | | rpanesconnocurrence controller | | | 2,7 | 3,4,5 | 6 | | PS [| os Gz | МВ | RA IL | NORTH SIDE | EAST SIDE | WEST | SOUTH | PLANTIN | |
| SYMBOL | BOTANICAL NAME | SIZE | COMMON NAME | | | | BY THE STATE OF TH | togh neg ne conducted to the channel and conducted in the | NAMES AND POST OFFICE ASSESSED. | | | | | | L | | | Leveronamientemetrien | negwoods (|
| (3) | CORTADERIA SELLOANA | 3'-4' | PAMPAS GRASS | (L) | 4 | 4 | 8 | 4 | Α | 2 | | 3 | | **** | | 500mg | enna . | 42 | A |
| | JUNIPERUS CHINESSIS | 18"-24" | HETZI JUNIPER | (M) | | | 4844 | | В | | - | | | **** | operi 🚗 i st | - | doese | - | E |
| \odot | SPIREA PRUNIFOLIA | 18"-24" | BRIDAL WREATH SPIREA | (M) | 16 | 18 | 22 | and. | C | estroit. | **** | **** | 9495 | p=1000 | | | | 118 | 0 |
| 0 | PODOCARPUS MACROPHYLLA | 3'-4' | PODOCARPUS | (L) | 7 | , 6 | 6 | 22 | D | BM# | **** | | NINN STORM | Asser | 8484 | - | | 59 | C |
| 8 | NANDINA DOMESTICA | 16"-24" | NANDINA | (M) | 7 | 4 | 4 | 4 | E | | *** | nester. | , | **** | | | | 31 | E |
| 器 | VIBURNUM RHYTIDOPHYLLUM | 16"-24" | LEATHERLEAF VIBURNUM | (M) | | emse 4 | | 4 | F | | | elese | | - | **** | | | 4 | F |
| <u></u> | ILLICIUM ANISATUM | 18"-24" | JAPANESE ANISE | (M) | 2 | | **** | - | G | - Standard | | ***** | ***** | , saute | MANAGE | | Mur | 2 | (|
| $\widetilde{*}$ | JUNIPERUS SQUAMATA | 12"-16" | PARSONI JUNIPER | (S) | 9 | 12 | 16 | 4 | Н | 10 | - 4 | *** | - | | 2465 | | Shoulder . | 99 | H |
| \Diamond | RHODODENDRON SIMSII | 18"-24" | 시작으로 하다가 하고 화학을 하는데, 고양속으로 유리를 모았다. | (M) | | - | | rises) | | **** | **** | serve. | | | 7 | 1000 | - | | - |
| Ä | LIGUSTRUM SININSIS | 16"24" | VARI. LIGUSTRUM | (S) | | - | Social | ems | J | | - 70 | 9 | M044 M444 | *** | | | entires E | 115 | |
| Ø | LIGUSTRUM JAPONICUM | 18"-24" | WAXLEAF LIGUSTRUM | (M) | 14 | 15 | 24 | 20 | K | | 36 - | | wanger steam | **** | - | 4484 | - | 136 | - |
| Θ | JUNIPERUS VIRGINIANA | 3'-4' | SKYROCKET JUNIPER | (L) | | | | | L | - | Annie 1814 | | - | | **** | | | _ | 1 |
| Ă | RHODODENDRON OBTUSUM | 18"-24" | CORAL BELL AZALEA | (M) | **** | NAMES . | 10000 | BM08 | М | | Second Second | - | | anest . | MANUFACTURE TO SERVICE AND ADDRESS OF THE PARTY OF THE PA | | · · · · · · · · · · · · · · · · · · · | | 1 |
| ŏ. | ILEX CORNUTA | 30" –36" | CHINESE HOLLY | (L) | | | | **** | N | | | ėm. | - | | | _ | | | 1 |
| Ŭ. | ILEX CORNUTA ROTUNDA | 18"-24" | 그런 16 프로그램 그 보는 이 경기를 모르게 되었다. 15 시간 기계를 받는 것이 없다. | (M) | | | *** | | 0 | 1400 | | | August Marco | 19500 | _ | - | · · | 1 | 10 |
| ** | LIRIOPE MUSCARI | 12" | BIG BLUE LIRIOPE | (S) | | | | **** | р | | | | | | | | | | F |
| (O) | VINCA MINOR | 12" | COMMON PERIWINKLE | (S) | | **** | | | 0 | 40094 | | | | | | | | | 0 |
| Shrift | JUNIPERUS CONFERTA | 18"-24" | [마일: No. 18: 18: 18: 18: 18: 18: 18: 18: 18: 18: | (M) | | | | | R | | | **** | | www. | | _ | | | R |
| 3 mile | LAGERSTROEMIA INDICA | 3'-4' | CREPE MYRTLE (SHRUB) | | | | | Wares . | s | | | where V | | | en jagen | gaves. | | | 1 5 |
| X | PHOTINA FRAZERII | 3'-4' | RED TIP | | | | | | T | - | Surer Name | | | 89848 | | 2 (m.) | element of the second | | |
| Θ | TREES | | , | (L) | | | | | | | | | | | | | | | |
| ₩. | QUERCUS VIRGINIANA | 4'-6' | LIVE OAK | | | • | | *** | U | | Street, Store | | - 20 | | | **** | | 20 | L |
| 祭u 祭v 祭w X | QUERCUS LAURIFOLIA | 4'-6' | LAUREL OAK | | - | - | - | | V | | | | | | - | - | - | • | 1 |
| * | LAGERSTROEMIA INDICA | 4'-6' | CREPE MYRTLE | | ene . | | | | W | | 100mm 100mm | - | | - | | - | weeks. | • | |
| ₩.W | CORNUS FLORIDA | 4'-6' | DOGWOOD | | | **** | | - | X | | | entra 1 | anges | | , | | **** | _ |) |
| BREVIATIONS | 생기들은 사람이 있었다고 하면하는 것으로 가장하다 하셨다. | | | | | | | | | | | | | | | | | ************************************** | nederode endo |
| - PROJECT | r SIGN | | TOTAL PLANTI | INGS | 60 | 118 | 240 | 58 | | 12 | 36 74 | 9 | - 20 | - | ••• | | Name . | 627 | |
| DUMPSTIGAZEBOMAILBOX | | | | | | | | | | | | T | ОТА | L PRO | DJECT | PLAN | TINGS | : 627 | 7 |
| - RETENTIC | N AREA | | | | | | | | | | | | | | | | | | Armelinarisation |



LEWIS

5700 SOUTHWEST 34TH STREET

SUITE 1307 GAINESVILLE, FLORIDA 32608 (904) 372-1378

SANDALWOOD TERRACE

Ludowici, Georgia

for

SANDALWOOD OF LUDOWICI

Douglas, Georgia

PROJECT NO .: 90064

CONSTRUCTION DOCUMENT

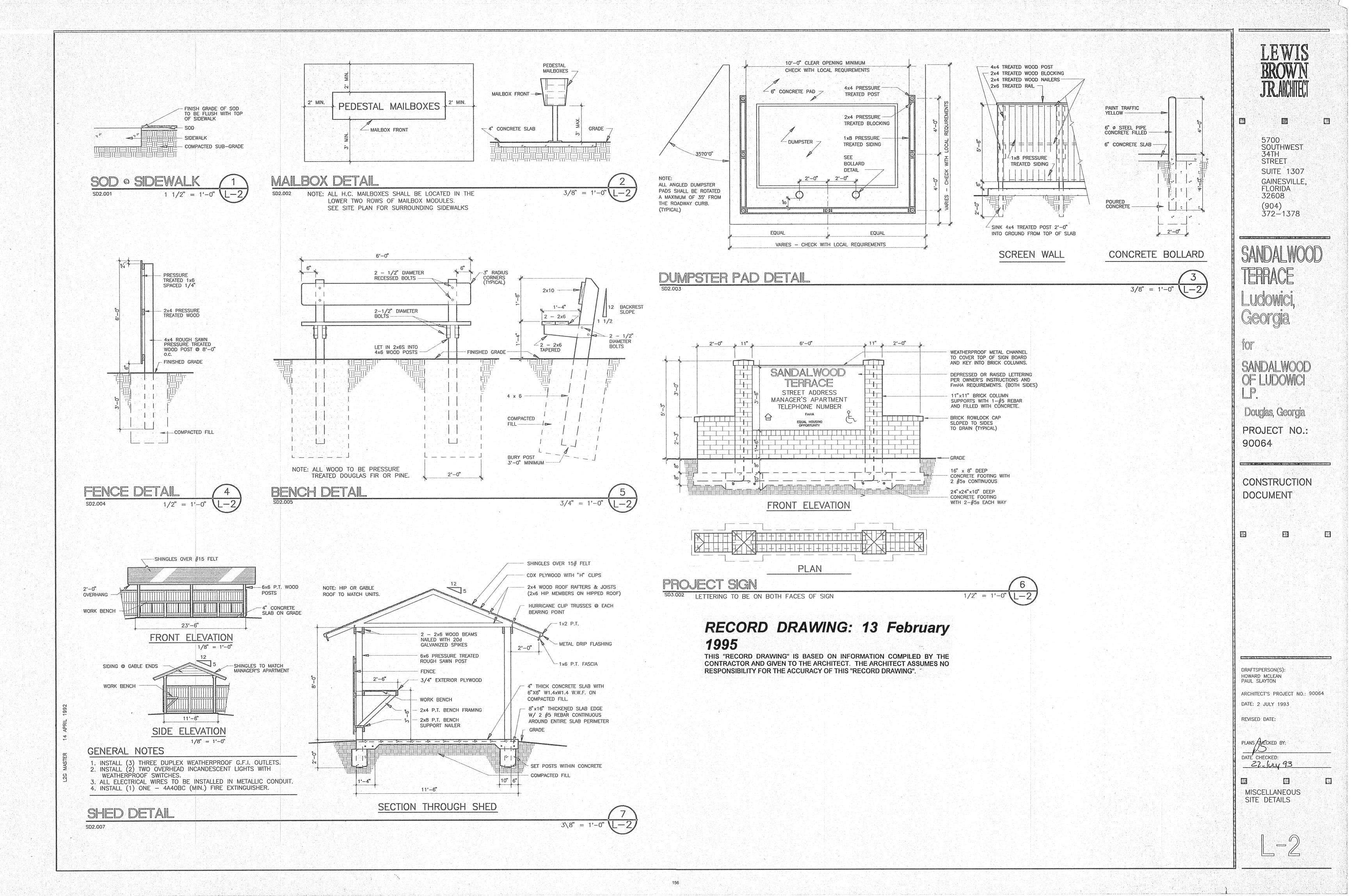
ARCHITECT'S PROJECT NO.: 90064 DATE: 2 JULY 1993

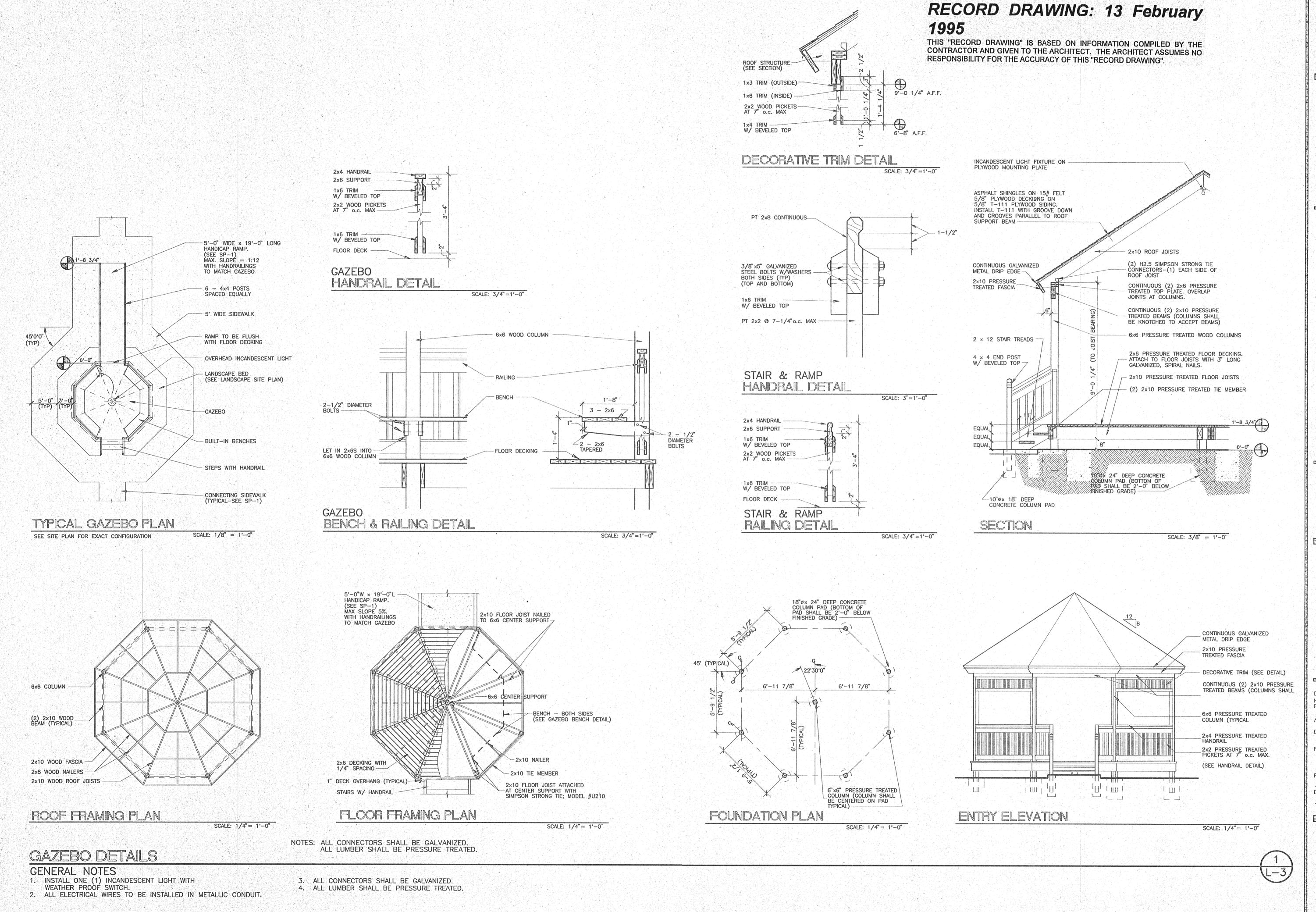
REVISED DATE:

PLANS CHECKED BY: DATE CHECKED: 27 July 93

LANDSCAPE SITE PLAN PLANTING SCHEDULE ENTRY LANDSCAPING DETAIL

C





LEWIS BROWN JRACHIEI

5700 SOUTHWEST 34TH STREET SUITE 1307 GAINESVILLE, FLORIDA

32608 (904) 372–1378 SANDALWOOD

SANDALWOUL TERRACE Ludowici, Georgia

or .

SANDALWOOD OF LUDOWCI L.P.

Douglas, Georgia

PROJECT NO.: 90064

CONSTRUCTION

13

DRAFTSPERSON(S):
HOWARD MCLEAN
PAUL SLAYTON

ARCHITECT'S PROJECT NO.: 90064 DATE: 2 JULY 1993

REVISED DATE:

PLANS THECKED BY:

DATE CHECKED: 27 JULY 93

GAZEBO

L-3

RECORD DRAWING: 13 February 1995

THIS "RECORD DRAWING" IS BASED ON INFORMATION COMPILED BY THE CONTRACTOR AND GIVEN TO THE ARCHITECT. THE ARCHITECT ASSUMES NO

EL1\FL1026 RESPONSIBILITY FOR THE ACCURACY OF THIS "RECORD DRAWING". PANELBOARD SCHEDULE ONE BEDROOM APARTMENT VOLTAGE: 120/240 PHASE: 1 MAIN: LUG ONLY AMP: 125 PANELBOARD: A WIRE: 3 MANUFACTURER: SQUARE D MODEL: QO LOAD CENTER MOUNTING: RECESSED BRANCH BKR.AMP.INTERRUPTING CAP.SYM.(RMS): 10,000 MAIN BKR.AMP.INTERRUPTING CAP.SYM.(RMS): 10,000 CKT.BKR. | EQUIPMENT PROTECTED CKT. | EQUIPMENT PROTECTED CKT.BKR. PHASE LOADS POLE TRIP PHASE PHASE LIGHTS AND FANS 1 20 9 12 | 50 | RANGE 1 20 34 RECEPTACLES 8 1 20 8 30 WATER HEATER (5.5 KW) 6 RECEPTACLES 20 RECEPTACLES 60 A/C UNIT w/10 KW 10 1 20 3 RECEPTACLES 12 20 12.5 45 -- ELEC. HEAT WASHER 14 2 | 30 | 21 13 DRYER 20 A/C COND. UNIT 16 (OUTSIDE) 21 18 17 SPACE ONLY SPACE ONLY 20 19 | SPACE ONLY SPACE ONLY 24

153

158.5

TOTAL NO. OF POLES - 20

EL1\0M2023

CONNECTED LOAD

ELECTRICAL LOAD SUMMARY

5.2 KVA 1.5 KVA 5.0 KVA 8.0 KVA

5.2 KVA 1.5 KVA 5.0 KVA 8.0 KVA 4.5 KVA

5.8 KVA 1.5 KVA 5.0 KVA 8.0 KVA 4.5 KVA

LTG AND SMALL APP. WASHER DRYER RANGE

29.7 KVA x 4 UNITS =118.8 KVA REF. NEC 220.32 118.8 KVA **0**45% = 53.3 KVA

53,500 VA/240 VOLTS = 222.9 AMPERES

ELECTRICAL LOAD SUMMARY

LTG AND SMALL APP.
WASHER
DRYER
RANGE
WATER HEATER

29.7 KVA x 6 UNITS =178,2 KVA REF. NEC 220.32 178.2 KVA 44% = 78.4 KVA

78,400 VA/240 VOLTS = 326.7 AMPERES

ELECTRICAL LOAD SUMMARY

30.3 KVA × 4 UNITS =121.2 KVA REF. NEC 220.32 121.2 KVA Q45% = 54.6 KVA 54.600 VA/240 VOLTS = 227.5 AMPERES

LTG AND SMALL APP. WASHER DRYER RANGE WATER HEATER

LECTIC HEAT

120/240 VOLT 10 3W

SQUARE D #QOC40UF

PVC CONDUI

120/240 VOLT 1 Ø 3W FOUR ONE BEDROOM APARTMENTS

PANELBOARD "A" (4) SQUARE D "QOC24UF FOR ONE BEDROOM APARTMENTS

SINGLE LINE RISER DIAGRAM - BUILDING 1

SINGLE LINE RISER DIAGRAM - BUILDINGS 3.7

120/240 VOLT 1 Ø 3W SIX ONE REDROOM APARTMENTS

SINGLE LINE RISER DIAGRAM - BUILDINGS 2,4,6

FOUR TWO BEDROOM APARTMENTS

PANELBOARD "B" (8) CAT SQUARE D #QOC24UF FOR TWO BEDROOM APTS.

2P 100A CIRCUIT BREAKER

FOR UNUSED POSITION

METER CENTER 120/240 VOLT CATALOG No.GE TMM 6320-R WITH COVER PLATE TMCB20B

POWER Co. METER (TYPICAL)

4-2P 100A CIRCUIT BREAKERS

POWER Co. METER (TYPICAL)

METER CENTER 120/240 VOLT CATALOG No. SQUARE D #662R

POWER Co. METER (TYPICAL)

4-2P. 100A CIRCUIT BREAKERS

METER CENTER 120/240 VOLT CATALOG No. SQUARE D #MP662R

W/ POWER CO. CABLE TO TRANSFORMER

4" SCHEDULE 40 PVC

W/ POWER CO. CABLE TO TRANSFORMER

4" SCHEDULE 40 PVC W/ POWER CO. CABLE TO TRANSFORMER

METER CENTER 120/240 VOLT CATALOG No. SQUARE D #MP642R

LAUNDRY AND COMMUNITY ROOM

POWER CO. METER (TYPICAL) --- (

WEATHERPROOF

1-#4 GROUND -

2P 300A CIRCUIT BREAKER -

5/8" x 8'-0" COPPERCIAD DRIVEN

2-#2 THWN CU. 2-#4 THWN CU. 1 1/4" PVC CONDUIT

2-#2 THWN CU. 2-#4 THWN CU. 1 1/4" PVC CONDUIT

WEATHERPROOF

2-#2 THWN CU. 2-#4 THWN CU. 1 1/4" PVC CONDUIT

5/8" x 8'-0" COPPERCLAD DRIVEN GROUND ROD

WEATHERPROOF

1-#1/0 GROUND -

SINGLE LINE RISER DIAGRAM - BUILDING 5

1-#1/0 GROUND -

WEATHERPROOF

1-#1/0 GROUND

| 7 RECEPTACLES 1 20 8 23 | | | Aur genominsprackels van en helm Parked en Parke | | | | alected and a state of the sector | | DULE | | | |
|---|--------------------|--|--|--|--------------------|--|--|--|--|------------------------|--|-----------|
| MOUNTING: RECESSED MANUFACTURER: SQUARE D MODEL: QO LOAD MAIN BKR.AMP.INTERRUPTING CAP.SYM.(RMS): 10,000 BRANCH BKR.AMP.INTERRUPTING CAP.SYM.(RMS) CAP.SYM.(RMS): 10,000 CKT.BKR. EQUIPMENT PROTE CKT.BKR. PHASE POLE TRIP CWIPMENT PROTE CKT.BKR. PHASE POLE TRIP CWIPMENT PROTE CWIPME | ****************** | | n diseasure processors de la company de la c | chronic parameters in the state of the state | WINDOWS CONTRACTOR | NATIONAL CHICAGONI NATIONAL PROPERTY AND | THE REAL PROPERTY AND ADDRESS OF THE PARTY AND | transferance production of the second | THE RESERVE OF THE PARTY OF THE | | | |
| MAIN BKR.AMP.INTERRUPTING CAP.SYM.(RMS): 10,000 BRANCH BKR.AMP.INTERRUPTING CAP.SYM.(RICKT. EQUIPMENT PROTECTED CKT.BKR. PHASE LOADS CKT.BKR. EQUIPMENT PROTECTED CKT.BKR. PHASE POLE TRIP PHASE PHASE POLE TRIP PHASE PHASE POLE TRIP PHASE P | | | | | | | | | | | | |
| NO. POLE TRIP PHASE PHASE PHASE POLE TRIP 1 LIGHTS 1 20 9 34 2 2 50 RANGE 3 LIGHTS 1 20 9 34 5 RECEPTACLES 1 20 9 23 2 3 0 WATER HEATER (5 7 RECEPTACLES 1 20 5 45 2 60 A/C UNIT w/10 K 11 RECEPTACLES 1 20 5 45 2 60 A/C UNIT w/10 K 11 RECEPTACLES 1 20 6 45 ELEC. HEAT 13 RECEPTACLES 1 20 6 18 2 35 A/C COND. UNIT 15 RECEPTACLES 1 20 6 6 8 (OUTSIDE) 17 RECEPTACLES 1 20 6 6 18 SPACE ONLY 19 SPACE ONLY 1 SPACE ONLY 21 SPACE ONLY 1 SPACE ONLY 22 SPACE ONLY 1 SPACE ONLY 23 SPACE ONLY 1 SPACE ONLY 25 27 29 31 31 33 33 35 35 35 35 35 35 35 35 35 35 35 | MOU MAIN | NTING: RECESSED BKR.AMP.INTERRUPTING CAP.S | M YM.(RM: | ANUF. S): <u>10</u> | ACTUI),000 | RER:_ | SQUAI BR | RE D | BKR.AI | MP.INTE | MODEL: QO LOAD CENTE RRUPTING CAP.SYM.(RMS): 10 | ₹ ,000 |
| NO. POLE TRIP PHASE PHASE POLE TRIP 1 LIGHTS 1 20 9 34 2 2 50 RANGE 3 LIGHTS 1 20 9 34 5 RECEPTACLES 1 20 9 23 2 3 0 WATER HEATER (5 7 RECEPTACLES 1 20 5 45 2 60 A/C UNIT w/10 K 11 RECEPTACLES 1 20 5 45 2 60 A/C UNIT w/10 K 11 RECEPTACLES 1 20 6 45 ELEC. HEAT 13 RECEPTACLES 1 20 6 18 2 35 A/C COND. UNIT 15 RECEPTACLES 1 20 6 6 8 (OUTSIDE) 17 RECEPTACLES 1 20 6 6 18 (OUTSIDE) 18 SPACE ONLY 1 SPACE ONLY 21 SPACE ONLY 1 SPACE ONLY 23 SPACE ONLY 1 SPACE ONLY 25 27 29 31 33 33 33 35 | CKT. | EQUIPMENT PROTECTED | CKT. | BKR. | Р | HASE | LOAI |)S | CKT. | BKR. | EQUIPMENT PROTECTED | CKT. |
| 1 LIGHTS 1 20 9 34 2 50 RANGE 3 LIGHTS 1 20 9 34 - 5 RECEPTACLES 1 20 9 23 2 30 WATER HEATER (5 7 RECEPTACLES 1 20 8 23 - 9 RECEPTACLES 1 20 5 45 2 60 A/C UNIT w/10 k 11 RECEPTACLES 1 20 6 45 - ELEC. HEAT 13 RECEPTACLES 1 20 6 18 - (OUTSIDE) 15 RECEPTACLES 1 20 6 6 18 - (OUTSIDE) 17 RECEPTACLES 1 20 6 6 1 20 DISHWASHER 19 SPACE ONLY 1 SPACE ONLY 1 SPACE ONLY 23 SPACE ONLY 1 </td <td>5 9 1 1 1 1</td> <td></td> <td></td> <td>Parameter and the same of the</td> <td>·</td> <td>Annual Section Section 1997</td> <td>The second second second</td> <td></td> <td>-</td> <td>*</td> <td></td> <td>NO.</td> | 5 9 1 1 1 1 | | | Parameter and the same of the | · | Annual Section Section 1997 | The second second second | | - | * | | NO. |
| 5 RECEPTACLES 1 20 9 23 2 30 WATER HEATER (5 7 RECEPTACLES 1 20 8 23 - - - - 9 RECEPTACLES 1 20 5 45 2 60 A/C UNIT w/10 k 11 RECEPTACLES 1 20 6 45 - - ELEC. HEAT 13 RECEPTACLES 1 20 6 18 2 35 A/C COND. UNIT 15 RECEPTACLES 1 20 6 18 - - (OUTSIDE) 17 RECEPTACLES 1 20 6 6 1 20 DISHWASHER 19 SPACE ONLY 1 - 1 - SPACE ONLY 21 SPACE ONLY 1 - 1 - SPACE ONLY 25 31 3 - - - - SPACE ONLY | 1 | LIGHTS | 1 | 20 | 9 | 34 | | | 2 | 50 | RANGE | 2 |
| 7 RECEPTACLES 1 20 8 23 | 3 | LIGHTS | 1 | 20 | | | 9 | 34 | | | | 4 |
| 9 RECEPTACLES 1 20 5 45 2 60 A/C UNIT w/10 kg 11 RECEPTACLES 1 20 6 45 - - ELEC. HEAT 13 RECEPTACLES 1 20 6 18 2 35 A/C COND. UNIT 15 RECEPTACLES 1 20 6 18 - - (OUTSIDE) 17 RECEPTACLES 1 20 6 6 1 20 DISHWASHER 19 SPACE ONLY 1 - SPACE ONLY 1 - SPACE ONLY 21 SPACE ONLY 1 - SPACE ONLY 1 - SPACE ONLY 25 27 -< | 5 | RECEPTACLES | 1 | 20 | 9 | 23 | | $ \leftarrow $ | 2 | 30 | WATER HEATER (5.5 KW) | 6 |
| 11 RECEPTACLES 1 20 6 45 - - ELEC. HEAT 13 RECEPTACLES 1 20 6 18 - - (OUTSIDE) 15 RECEPTACLES 1 20 6 18 - - (OUTSIDE) 17 RECEPTACLES 1 20 6 6 1 20 DISHWASHER 19 SPACE ONLY 1 - SPACE ONLY 21 SPACE ONLY 1 - SPACE ONLY 23 SPACE ONLY 1 - SPACE ONLY 25 - - - - SPACE ONLY 29 - - - - - - - 31 - | 7 | RECEPTACLES | 1 | 20 | | < | 8 | 23 | | SAMPLIN SERVICE | | 8 |
| 13 RECEPTACLES 1 20 6 18 2 35 A/C COND. UNIT 15 RECEPTACLES 1 20 6 18 - - (OUTSIDE) 17 RECEPTACLES 1 20 6 6 1 20 DISHWASHER 19 SPACE ONLY 1 SPACE ONLY 1 SPACE ONLY 21 SPACE ONLY 1 1 SPACE ONLY 23 SPACE ONLY 1 1 SPACE ONLY 25 SPACE ONLY 29 31 | 9 | RECEPTACLES | 1 | 20 | 5 | 45 | | < | 2 | 60 | A/C UNIT w/10 KW | 10 |
| 15 RECEPTACLES 1 20 6 18 - - (OUTSIDE) 17 RECEPTACLES 1 20 6 6 1 20 DISHWASHER 19 SPACE ONLY 1 SPACE ONLY 21 SPACE ONLY 1 SPACE ONLY 23 SPACE ONLY 1 SPACE ONLY 25 1 SPACE ONLY 27 <td>11</td> <td>RECEPTACLES</td> <td>1</td> <td>20</td> <td></td> <td>\leq</td> <td>6</td> <td>45</td> <td>aphysical</td> <td>agazona dalimisir</td> <td>ELEC. HEAT</td> <td>12</td> | 11 | RECEPTACLES | 1 | 20 | | \leq | 6 | 45 | aphysical | agazona dalimisir | ELEC. HEAT | 12 |
| 17 RECEPTACLES 1 20 6 6 1 20 DISHWASHER 19 SPACE ONLY 1 SPACE ONLY 21 SPACE ONLY 1 SPACE ONLY 23 SPACE ONLY 1 SPACE ONLY 25 SPACE ONLY 27 SPACE ONLY 29 SPACE ONLY 31 < | 13 | RECEPTACLES | 1.1 | 20 | 6 | 18 | | < | 2 | 35 | A/C COND. UNIT | 14 |
| 19 SPACE ONLY 21 SPACE ONLY 23 SPACE ONLY 25 27 29 31 31 33 35 | 15 | RECEPTACLES | 1 | 20 | | \leq | 6 | 18 | | | (OUTSIDE) | 16 |
| 21 SPACE ONLY 23 SPACE ONLY 1 SPACE ONLY 25 SPACE ONLY 29 SPACE ONLY 31 SPACE ONLY 33 SPACE ONLY | 17 | RECEPTACLES | 1 | 20 | 6 | 6 | | \leq | 1 | 20 | DISHWASHER | 18 |
| 23 SPACE ONLY 1 SPACE ONLY 25 SPACE ONLY 27 < | 19 | SPACE ONLY | 1 | | | \leq | | | 1 | | SPACE ONLY | 20 |
| 25 27 29 31 33 35 | 21 | SPACE ONLY | 1. | 6000 MONT | | Talkers Talkers | | \leq | 1 | | SPACE ONLY | 22 |
| 27 29 31 33 35 | 23 | SPACE ONLY | 1 | | | \leq | | | | #********************* | SPACE ONLY | 24 |
| 29 31 33 35 | 25 | | | | | | | \leq | | | | 26 |
| 31 33 35 | 27 | | | 100 | | \leq | | | | | | 28 |
| 33 35 > | 29 | | | 1000 | | | | | | | | 30 |
| 35 | 31 | | | | | | 1344,5 | | | | | 32 |
| | 33 | | | | | | | \leq | | | | 34 |
| 370 4 1 1 2 2 3 4 4 5 4 5 5 6 6 4 2 3 1 2 2 3 4 5 5 6 5 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 | 35 | | | | | | | | 3.5 ************************************ | | | 36 |
| | 37 | | | | | No. | | \leq | | | | 38 |
| 39% 01 1 0 1 0 1 0 1 0 1 0 1 0 1 0 1 0 1 0 | 39 | | | (taki) | | \leq | The same | | | | | 40 |
| 41 41 42 43 43 43 44 43 44 44 44 44 44 44 44 44 | 41 | | | | | | | \leq | | | | 42 |

| ONE BEDROOM APARTMENT | FL1026 | TWO BEDROOM APARTMENT FL 2 | 2025 |
|---|---------------------|---|------------|
| | | | |
| 672 S.F. @ 3 VOLT-AMPERES 2-20 AMP APPLIANCE OUTLETS | 2.0 KVA | 795 S.F. @ 3 VOLT-AMPERES 2.4 2-20 AMP APPLIANCE OUTLETS | KVA |
| @ 1500 V.A. EACH | 3.0 KVA | | KVA |
| WASHER-1 @ 1500 VOLT-AMPERE | ES 1.5 KVA | WASHER-1 @ 1500 VOLT-AMPERES 1.5 | KVA |
| DRYER-1 @ 5000 VOLT-AMPERES | | | KVA |
| RANGE | 8.0 KVA | 그 가능하다 하게 하게 하면 적 적 점점, 가게 그렇다 어린 이 이 것 같습니다. 그렇게 뭐라고 하는 것이 되는 것이 되는 것 같다. 이 프로그램 | KVA KVA |
| WATER HEATER | 5.5 KVA 25.0 KVA | | KVA |
| FIRST 10 KVA @ 100% | 10.0 KVA | FIRST 10 KVA @ 100% 10.0 | KVA |
| REMAINDER @ 40% | 6.0 KVA | REMAINDER @ 40% 6.2 | |
| TOTAL OF OTHER LOAD | 16.0 KVA | 그는 그는 그는 사람들은 그는 점에 가득하다 함께 가는 집에 가는 것이 하는 것이 하는 것이 하는 것이 하는 것이 없는 것이 없는 것이 없다. | KVA |
| 10.8 KVA OF HEAT @ 65% | 7.0 KVA | | KVA |
| TOTAL LOAD | 23.0 KVA | TOTAL LOAD 23.2 | KVA |
| CALCULATED LOAD FOR SERVICE S 23.0 KVA = 23,000 VOLT-AMPER | | CALCULATED LOAD FOR SERVICE SIZE 23.2 KVA = 23,200 VOLT-AMPERES | |

23,200 VA/240 VOLTS = 96.7 AMPERES

EL1/FL2025

| | | | PANI | ELBO | DARE |) S(| CHEC | DULE | | | |
|---------------------|--|----------------------|--|--|--|--|----------------------|---------------|--|--|-----------------|
| | | | TWC | BED | ROOM | A APA | RTME | NT | | | |
| PANE MOU MAIN | ELBOARD: B VOLTAGE: NTING: RECESSED BKR.AMP.INTERRUPTING CAP.S | 120/2 М Үм.(RM | 40 ANUF/ S):_10 | PH ACTUF ,000 | ASE: | 1 SQUAF BR | WIRE RE D ANCH | : 3 BKR.AM | MA | IN: LUG ONLY AMP: 125 MODEL: QO LOAD CENTER RRUPTING CAP.SYM.(RMS): 10 | ; R),000 |
| CKT. NO. | EQUIPMENT PROTECTED | CKT. | E CONTRACTOR CONTRACTOR | Concentration and the State of the Control of the C | a decision de la company de la | Topologica de la constitución de | | CKT. | Rank and the second sec | EQUIPMENT PROTECTED | CKT NO |
| 1 3 3 | LIGHTS AND FANS | 1 | 20 | 12 | 34 | | | 2 | 50 | RANGE | 2 |
| 3 | RECEPTACLES | S Et City | 20 | | | 8 | 34 | | | | 4 |
| 5 | RECEPTACLES | 1 | 20 | 5 | 23 | | | 2 | 30 | WATER HEATER (5.5 KW) | 6 |
| 7 | RECEPTACLES | 1 | 20 | | | 6 | 23 | Section . | | | 8 |
| 9 | RECEPTACLES | 1 | 20 | 5 | 45 | | \leq | 2 | 60 | A/C UNIT w/10 KW | 10 |
| 11 | RECEPTACLES | 1 | 20 | | | 5 | 45 | author. | avenue append | ELEC. HEAT | 12 |
| 13 | WASHER | 1 | 20 | 12.5 | 14 | | | 2 | 30 | A/C COND. UNIT | 14 |
| 15 | DRYER | 2 | 30 | | | 21 | 14 | estivere . | phenigonia displaceda | (OUTSIDE) | 16 |
| 17 | | ************ | elibrosinia di Minniada | 21 | | | \leq | | Montesian accompanies | SPACE ONLY | 18 |
| 19 | SPACE ONLY | 1 | automo stanostula | | | | | 1 | ALEXAND ARRADOM | SPACE ONLY | 20 |
| 21 | | | 10 May 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 | | | | \leq | | | | 22 |
| 23 | | | | | | | | | | | 24 |
| | CONNECTED LO | DAD - | | 1 | 57.5 | 1 1 | 12 | | TOTAL | NO. OF POLES - 20 | |

| | | P | ANEL | BOA | NRD | SCH | IEDU | JLE | D, | | |
|---|----------------------------|--------|---------------------------------------|--|---|-----------------------------------|--|--|---|-----------------------------|-----|
| | | | LAUNI | DRY | / co | MMUN | IITY F | ROOM | | | |
| PANI | ELBOARD: D VOLTAGE: | 120/2 | .40 | PH | ASE: | 1 | WIRE | : 3 | MA | IN: LUG ONLY AMP: 40 | 0 |
| | | | | | | | | | | | |
| MAIN | BKR.AMP.INTERRUPTING CAP.S | YM.(RM | s): <u>2</u> | 2,000 |) | BR | ANCH | BKR.A | MP.INTE | RRUPTING CAP.SYM.(RMS): 22, | 000 |
| discountries (12) il contratores | EQUIPMENT PROTECTED | | BKR. | de atualment de la company | | avaiteousisteisemouruldeum-rauste | residentiales les létérales combouvers | - Proposition of the Party of t | - | EQUIPMENT PROTECTED | СКТ |
| NO. | | | TRIP | | AND CONTRACTOR OF THE PARTY OF | PHA | ANTIGOTO CONTRACTOR CO | POLE | gamenta and a second | | NO |
| 1 | LIGHTS | 1 | 20 | 9 | 10 | | | 2 | 20 | DRYER | 2 |
| 3 | RECEPTACLES SUPPLY & | 1 | 20 | | | 8 | 10 | | disposas successor | | 4 |
| 5 | SPACES ONLY | 1 | 20 | | 10 | | | 2 | 20 | DRYER | 6 |
| 7 | WASHER | 1 | 20 | | | 10 | 10 | AND | Apagoango silvatawa | | 8 |
| 9 | WASHER | 1 | 20 | 10 | 10 | | | 2 | 20 | DRYER | 10 |
| 11 | WASHER | 1 | 20 | | | 10 | 10 | | | | 12 |
| 13 | WASHER | 1 | 20 | 10 | 9 | | | 1 | 20 | LIGHTS & FAN (C/R) | 14 |
| 15 | WASHER | 1 | 20 | | | 10 | 10 | 1 | 20 | REFRIG. (C/R) | 16 |
| 17 | WASHER | 1 | 20 | 10 | 9 | | | 1 | 20 | RECEPTACLES (C/R) | 18 |
| 19 | EXHAUST FAN | 1 | 20 | | | 10 | 9 | 1 | 20 | RECEPTACLES (C/R) & EWC | 20 |
| 21 | WATER HEATER | 2 | 60 | 42 | 9 | | < | 1 | 20 | LIGHTS | 22 |
| 23 | | | BOOMER SERVICE | | | 42 | 13 | 1 | 20 | RECEPTACLES KIT | 24 |
| 25 | A/C UNIT (C/R) | 2 | 35 | 20 | 13 | | < | | 20 | RECEPTACLES KIT | 26 |
| 27 | (OUTSIDE) | - | Managai Athrese | | | 20 | 34 | 2 | 50 | RANGE (C/R) | 28 |
| 29 | A/C UNIT | 2 | 60 | 45 | 34 | | | | | | 30 |
| CHARLES BALLES AND A CHARLES AND ADDRESS OF THE PARTY OF | W/10KW ELECT. HEAT | | menne quebra | | | 45 | 8 | 2 | 20 | WALL HEATER (2 KW) | 32 |
| 33 | SPACES ONLY | | 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 | | 8 | | < | | Marketon Communication of the | | 34 |
| 35 | SPACES ONLY | | | | | | | | | SPACES ONLY | 36 |
| 37 | SPACES ONLY | | | V. Tak | | | \leq | | | SPACES ONLY | 38 |
| 39 | SPACES ONLY | | ya iz | | | | | | | SPACES ONLY | 40 |
| 41 | SPACES ONLY | 1 | | | | | < | | | SPACES ONLY | 42 |

| MANAGER'S APARTMENT / OFFICE GENERAL STORAGE | / OM2021 | NOTE: (C/R) = COMMUNITY ROOM | NITY ROOM OM2021C |
|--|-------------|--------------------------------------|----------------------|
| | | 1104 S.F. @ 3 VOLT-AMPERES | 3.3 KVA |
| 1272 S.F @ 3 VOLT-AMPERES | 3.8 KVA | 2-20 AMP APPLIANCE OUTLETS | |
| 2-20 AMP APPLIANCE OUTLETS | | @ 1500 V.A. EACH | 3.0 KVA |
| @ 1500 V.A. EACH | 3.0 KVA | RANGE | 8.0 KVA |
| RANGE | 8.0 KVA | WASHERS-6@ 1200 VOLT-AMP. EA. | |
| WATER HEATER | 5.5 KVA | DRYERS-3@ 2400 VOLT-AMP. EA. | 7.2 KVA |
| | 20.3 KVA | ELECTRIC HEAT 2 KVA | 2.0 KVA |
| 장마이아 살이 바다를 가장하는 것이 되었다면서 요. | | WATER HEATER | 10.0 KVA |
| FIRST 10 KVA @ 100% | 10.0 KVA | ELECTRIC HEAT 10 KVA | 10.0 KVA |
| REMAINDER @ 40% | 4.1 KVA | EXHAUST FAN | 1.2 KVA |
| TOTAL OF OTHER LOAD | 14.1 KVA | TOTAL | 51.9 KVA |
| 10 KVA OF HEAT @ 40% | 4.0 KVA | 가 그 아이를 되었다. 그리고 있다면 하는 것이 없는 것이 없다. | |
| TOTAL LOAD | 18.1 KVA | | |
| | | CALCULATED LOAD FOR SERVICE SIZ | |
| CALCULATED LOAD FOR SERVICE ! | SIZE | 51.9 KVA = 51,900 VOLT-AMPERES | |

258

CONNECTED LOAD

18.1 KVA = 18,100 VOLT-AMPERES 18,100 VA/240 VOLTS = 75.5 AMPERES

259

51.9 KVA = 51,900 VOLT-AMPERES51,900 VA/240 VOLTS = 216 AMPERES

TOTAL NO. OF POLES - 42

ELECTRICAL NOTES:

23,000 VA/240 VOLTS = 95.8 AMPERES

- 1. ALL CONDUCTORS SHALL BE COPPER EXCEPT AS NOTED. ALL PANELS SHALL BE SERVICE RATED AND
- GROUNDED PER N.E.C. CONTRACTOR MAY PROVIDE ALUMINUM CONDUCTORS FROM METER CENTER TO PANELBOARDS SIZED EQUAL TO AMPACITY OF COPPER CONDUCTORS SHOWN, RESIZE CONDUIT AS NECESSARY PER N.E.C. ALL ALUMINUM CONDUCTORS SHALL BE TERMINATED WITH CRIMP-ON COMPRESSION TYPE TERMINALS AT BOTH ENDS.
- RECEPTACLES FOR KITCHEN COUNTERTOP SURFACES SHALL BE SUPPLIED BY NOT LESS THAN TWO APPLIANCE CIRCUITS. RANGE HOODS SHALL NOT BE SUPPLIED FROM THE SMALL APPLIANCE CIRCUITS.

- ALL APPLIANCES OVER 1/8 H.P. PERMANENTLY CONNECTED OUT OF SIGHT OF A SWITCH OR CIRCUIT BREAKER SHALL HAVE AN ADDITIONAL MEANS OF DISCONNECTION AT THE APPLIANCE.
- PROVIDE SHORT CIRCUIT CURRENT INTERRUPTING RATING PER POWER COMPANY REQUIREMENTS.
- ALL WIRING AND ELECTRICAL EQUIPMENT SHALL BE INSTALLED IN ACCORDANCE WITH THE LATEST EDITION OF THE NATIONAL ELECTRICAL CODE AND LOCAL ORDINANCES AND REQUIREMENTS.
 - PANELBOARD AT EACH APARTMENT SHALL BE FURNISHED WITH BOTH NEGATIVE & GROUND BUSSES

LIEBTAG, ROBINSON & WINGFIELD, INC. CONSULTING ENGINEERS

500 N.W. 10th Avenue, Suite 2 Gainocvillo, Florida 32601

(904) 371-6752

5700

SOUTHWEST

STREET SUITE 1307 GAINESVILLE. FLORIDA 32608 (904)

372-1378

Douglas, Georgia PROJECT NO .: 90064

CONSTRUCTION DOCUMENT

The December 1. Comments of Comments of the Same Annual Comments of the Same Comments of the DRAFTSPERSON(S) PAUL SLAYTON

ARCHITECT'S PROJECT NO.: 90064 DATE: 2 JULY 1993

REVISED DATE:

PLANS CHECKED BY: DATE CHECKED: 27 July 93

PANELBOARD SCHEDULES RISER DIAGRAMS ELECTRICAL LOAD CALCULATIONS

Sec. 126-31. - C-2 General Commercial District.

- (a) District intent. The General Commercial (C-2) District is intended to provide a mix of commercial (over 1,500 square feet) office, and small-scale industrial to meet the needs of a county-wide market. Unlimited building square footage is allowed.
- (b) Area and placement requirements. The following requirements shall apply within the General Commercial District:

| Use | All Permitted Uses and Conditional Uses Within the C-2 District, Excluding Multifamily Dwellings | Multifamily Dwellings |
|---|--|---|
| Minimum lot area | 65,340 square feet (1½ acres) | *3,630 square feet per dwelling unit |
| Minimum road frontage | 200 feet | 150 feet |
| Minimum lot width | 200 feet | 100 feet |
| Maximum lot coverage | 60 percent | 60 percent |
| Minimum front yard setback | 100 feet | 25 feet |
| Minimum side yard setback | 50 feet | 15 feet |
| Minimum rear yard setback | 50 feet | 30 feet |
| Maximum building height | 50 feet | 50 feet |
| Minimum ground floor area for principal use | 750 square feet | 750 square feet |
| Wetlands setback | 200 feet | 200 feet or 36 inches above flood stage |

- (c) Permitted and conditional uses. Permitted and conditional uses are listed in the table of permitted and conditional uses by zoning district, section 126-2. The following uses are permitted in the General Commercial District:
 - (1) Accessory structures not otherwise listed, normally incidental to one or more permitted principal uses.
 - (2) Active recreational facilities, nonprofit, such as tennis courts and swimming pools, as principal uses.
 - (3) Animal hospitals and veterinary clinics.
 - (4) Automobile sales/service establishments.
 - (5) Bed and breakfast inns, boarding and rooming houses, lodging services (hotel/motel).
 - (6) Business not exceeding 1,500 square feet of gross floor area.
 - (7) Business exceeding 1,500 square feet of gross floor area.
 - (8) Campgrounds.
 - (9) Club/lodge, profit or nonprofit.
 - (10) Cold storage plants and frozen food lockers.
 - (11) Colleges and universities.
 - (12) Commercial recreational facilities, indoor.
 - (13) Conference centers/retreat centers.
 - (14) Conservation areas/passive recreational facilities.
 - (15) Contractor's establishments.

about:blank 2/20/2017

- (16) Convenience stores.
- (17) Country clubs, including golf courses and clubhouses, including restaurants and golf pro shops as accessory uses.
- (18) Daycare centers.
- (19) Dwellings, two-family.
- (20) Dwellings, multifamily.
- (21) Dwellings located within a building containing another principal use.
- (22) Exterminating pest control business/disinfecting services.
- (23) Finance/insurance, real estate establishments less than 2,500 square feet of gross floor area.
- (24) Finance/insurance, real estate establishments over 2,500 square feet of gross floor area.
- (25) Fuel oil distributions/petroleum bulk storage sites.
- (26) Funeral homes/mortuaries.
- (27) Gas station/mini mart.
- (28) Government owned or operated use, facility or land.
- (29) Group home.
- (30) Grocery store.
- (31) Health services, clinics and hospitals.
- (32) Health spas.
- (33) Home occupations.
- (34) Horse stables, commercial and noncommercial as an accessory structure to a residential use.
- (35) Mini-warehouses/self-storage.
- (36) Nurseries/greenhouses: wholesale and retail sale of trees, plants and shrubs.
- (37) Offices.
- (38) Open air business and unenclosed retail trade establishments.
- (39) Parking lots and decks, off-site, as principal uses.
- (40) Recycling centers and collection points.
- (41) Research, scientific, testing laboratories.
- (42) Restaurants including outside seating areas but not including drive-ins or drive-through facilities.
- (43) Restaurants with drive-through facilities.
- (44) Retail trade establishments.
- (45) Schools for dance, martial arts, and other disciplines (profit or nonprofit).
- (46) Schools, private and K—12.
- (47) Schools, trade and technical.
- (48) Thrift stores.
- (49) Warehouses and distribution facilities.
- (50) Wineries as defined O.C.G.A. § 3-6-2.
- (51) Wireless communications facilities, cell towers.
- (52) Utility substations.
- (d) *Protective screening.* Protective screening for requirements of the General Commercial District adjacent to residential districts shall be in compliance with the regulations set forth in <u>chapter 110</u>, article IV.

(Ord. of 2-3-2015, § 7.11)

about:blank 2/20/2017





LONG COUNTY, GA. REAL ESTATE TRANSFER TAX

PAID \$ 45.40

DATE april 15 1992

CLERK OF SUPERIOR COURT, LONG COUNTY

WARRANTY DEED

THE UNITED STATES OF AMERICA

THIS INDENTURE, made this state of April, 1992, between FRANK C. PINKSTON, of the State of Georgia and County of Bibb, and MARIE P. MCBRIDE, f/k/a MARIE P. JONES, of the State of Georgia and County of Jefferson, individually and as co-executors of the Last Will and Testament of Kathleen C. Pinkston, hereinafter called grantors and SANDALWOOD TERRACE OF LUDOWICI L.P., a Georgia Limited Partnership, of the State of Georgia and County of Coffee, hereinafter called grantee.

WITNESSETH:

THAT the said grantors, for and in consideration of TEN (\$10.00) DOLLARS AND OTHER VALUABLE CONSIDERATION in hand paid at and before the sealing and delivery of these presents, the receipt whereof is hereby acknowledged, have granted, bargained, sold and conveyed, and by these presents do grant, bargain, sell and convey unto the said grantee, all of the following described property, to-wit:

All that tract or parcel of land situate, lying and being in the 24th G.M. District of Long County, Georgia and lying within the corporate limits of the City of Ludowici, Georgia containing 3.95 acres, more or less, and more particularly described according to survey prepared for Ronnie C. Davis by Princeton P. Pirkle, Jr. Georgia Registered Land Surveyor #1474, dated March 23, 1992, recorded in Plat Book 9, page 80 in Office of Clerk of Superior Court of Long County, Georgia, as follows: TO LOCATE THE POINT OF BEGINNING, commence at the intersection of the centerline of 5th Street and the Western right-of-way of 4th Street and running thence South 36 degrees 50 minutes 00 seconds East along the West boundary line of the right-of-way of 4th Street a distance of 79.89 feet to the point of beginning; thence South 36 degrees 50 minutes 00 seconds East along the West boundary line of the right-of-way of 4th Street a distance of 450.00 feet; thence South 58 degrees 45 minutes 00 seconds West a distance of 401.91 feet; thence North 36 degrees 50 minutes 00 seconds West a distance of 410.90 feet; thence North 53 degrees 10 minutes 00 seconds East a distance of 400.00 feet to the West boundary line of the right-of-way of 4th Street, the point of beginning.

This conveyance is subject to drainage ditch as shown and delineated on survey hereinabove described, and subject to use of said property as contained in option between parties dated September 15, 1990, which is incorporated herein.

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 grantee forever IN FEE SIMPLE.

And the said grantors, for themselves, their heirs, executors and administrators will warrant and forever defend the right and title to the above-described property unto the said grantee, against the lawful claims of all persons whomsoever.

The words "Grantor" and "Grantee" whenever used herein shall include individuals, corporations (and if a corporation, its officers, employees, agents or attorneys) and any and all other persons or entities, and the respective heirs, executors, administrators, legal representatives, successors and assigns of the parties hereto, and all those holding under any of them, and the pronouns used herein shall include when appropriate either gender and both singular and plural.

IN WITNESS WHEREOF, the said grantors have hereunto set their hands and affixed their seals, the day and year above written.

> Frank G. Pinkstøn, individually and as co-executor of the Last Will and Testament of Kathleen C. Pinkston

As to signature of Frank G. Pinkston, signed, sealed and

delivered in the presence of:

County, Ga. N.R. Bibb

My Commission Expires: MY COMMISSION 30, 1895 C. Pinkston

Marie J. Marie P. Jones, individually and as cotexecutor of the Last Will and Testament of Kathleen

As to signature of Marie P. McBride, f/k/a Marie P. Jones, signed, sealed

and delivered in the presence of:

Marie P. McBride, f/k/a

As to signature of Marie P. McBride, f/k/a Marie P. Jones,

(Unofficial Witness)

signed, sealed and delivered in the presence of:

N.P., Jeffensow County, Georgia William 164 My Commission Expires: 7-23-92 Dated: 4-4-92

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.



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 3560.656(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 7 CFR Part 3560.752(b)(1)(i) | 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 <u>caitlin.waldie@greyco.com</u>.

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 by 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:

Signature, Caltlin Waldie

10/25/14

Date

Property Identification

| - | | | | | | | | |
|----|---|---------------------------------|---------------|-----------|-------|--------------|----------|--------------|
| | | | | | | Fee before | | |
| | Name | Address | City | County | | Discount | Discount | Net Fee |
| l | 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 | Моптое | 50 | \$6_100.00 | 10.0% | \$5,490.00 |
| 15 | Plantation I, Plantation II, Plantation III | 201 Casey Drive | Richmond Hill | Bryan | 165 | \$10,000.00 | 10.0% | \$9,000.00 |
| 16 | Quail Hollow I | 888 Carswell Street | Homerville | Clinch | 55 | \$6,100.00 | 10.0% | \$5,490.00 |
| 17 | Quail Hollow II | 962 Carswell Street | Homerville | Clinch | 41 | \$3,800.00 | 10.0% | \$3,420.00 |
| 18 | Quail Village | 199 Memorial Drive | Reidsville | Tattnall | 30 | \$6,100.00 | 10.0% | \$5,490.00 |
| 19 | Sandalwood Terrace | 23 Fourth Street Northwest | Ludowici | Long | 31 | \$6,100.00 | 10.0% | \$5,490.00 |
| 20 | Satilla Villas | 1100 Medonald Avenue | Woodbine | Camden | 59 | \$6,100.00 | 10.0% | \$5,490.00 |
| 21 | Sawgrass Cove | 534 Mcintosh Road | Darien | McIntosh | 51 | \$6,100.00 | 10.0% | \$5,490.00 |
| 22 | Spring Hollow | 800 Ash Street Extension | Springfield | Effingham | 53 | \$6,100.00 | 10.0% | \$5,490.00 |
| 23 | The Forest I & The Forest II | 582 26th Avenue SE | Moultrie | Colquitt | 119 | \$6,100.00 | 10.0% | \$5,490.00 |
| 24 | The Forest III | 2701 5th Street S E | Moultrie | Colquitt | 53 | \$3,600.00 | 10.0% | \$3,240,00 |
| 25 | The Grove | 303 Jerriel Street | Vidalia | Toombs | 55 | \$6,100.00 | 10.0% | \$5,490.00 |
| 26 | Wildwood Villas I | 50 Wildwood Circle | Statesboro | Bulloch | 53 | \$6,100.00 | 10.0% | \$5,490.00 |
| 27 | Wildwood Villas II | 54 Wildwood Circle | Statesboro | Bulloch | 58 | \$3,800.00 | 10.0% | \$3,420.00 |
| 28 | Yester Oaks | 51 Yester Oaks Drive | Lafayette | Walker | 44 | \$7,000.00 | 10.0% | \$6,300.00 |
| 29 | Charlton Court | 38 Charlton Court | Folkston | Charlton | 41 | \$6,100,00 | 10.0% | \$5,490,00 |
| 30 | Hillcrest | 1503 John Collins Road NE | Pelham | Mitchell | 49 | \$6,100,00 | 10.0% | \$5,490.00 |
| 31 | Hillmont | 7069 Lakes Boulevard | Lake Park | Lowndes | 43 | \$6,100.00 | 10.0% | \$5,490.00 |
| | Plantation I, II, III will be consolidated and The Forest I and II will be consolidated and | | | | | | | |
| | | | | | Total | \$184,500.00 | | \$166,050,00 |

INITIAL DATA REQUEST

(for each Property)

| This | list (| details | the | items | \mathbf{we} | will | need | to | commence | the a | opraisal | re | port: |
|------|--------|---------|-----|-------|---------------|------|------|----|----------|-------|----------|----|-------|
|------|--------|---------|-----|-------|---------------|------|------|----|----------|-------|----------|----|-------|

| | Property contact name and telephone number. |
|----------|--|
| | Current rent roll. |
| | Current rental subsidy contract |
| | Property Operating Statements for 2013, 2014, 2015, 2016 ytd. |
| Q | Completed market studies (it is Crown's understanding that there are no current market studies) |
| | Details regarding expected tax credits |
| <u> </u> | Details regarding expected financing (dollar amount, term, interest rate) |
| <u> </u> | 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. |
| Th | ank you, |
| r | was Americal Cooper |

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

RONALD M. HECKMAN

JEANMARIE HOLMES

KEITH STONE

JEFF A. LAWSON

Vice Chairperson

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