

**Appraisal Report\***

**For**

**An Existing Senior Apartment Complex**

**Called**

**Pecan Pointe Apartments  
450 South Railroad Avenue  
Mount Vernon, Georgia 30445**

**Prepared For  
Ms. Melanie Ferrell  
Investors Management Company  
3548 North Crossing Circle  
Valdosta, Georgia 31602**

**And**

**Georgia Department of Community Affairs  
60 Executive Park South, NE  
Atlanta, Georgia 30329**

**Intended Users  
Investors Management Company, Georgia Department of Community Affairs and  
United States Department of Agriculture, Rural Development**

**Date of Appraisal  
September 21, 2017**

**Effective Date of Appraisal  
May 16, 2017**

**Appraised By  
Samuel T. Gill**

***Gill  
Group***  
*P.O. Box 784  
512 N. One Mile Road  
Dexter, MO 63841*



September 21, 2017

Ms. Melanie Ferrell  
Investors Management Company  
3548 North Crossing Circle  
Valdosta, Georgia 31602

and

Georgia Department of Community Affairs  
60 Executive Park South, NE  
Atlanta, Georgia 30329

RE: Pecan Pointe Apartments  
450 South Railroad Avenue  
Mount Vernon, Georgia 30445  
"As Is" and "As Stabilized" Appraisal Report  
As of May 16, 2017

Dear Ms. Ferrell:

In accordance with your request, I have personally appraised the existing Rural Development property targeted towards seniors ages 62 and older known as Pecan Pointe Apartments. The site contains approximately 1.97 acres. The subject is improved with four garden one-story buildings containing 21 units and one accessory building.

The purpose of the Appraisal Report is to estimate the market value, subject to restricted rents, within 7 CFR Part 3560.752(b)(1)(i) as defined in the USDA-RD guidelines; market value, within 7 CFR Part 3560.752(b)(1)(ii) as defined in the USDA-RD guidelines; the prospective market value, subject to restricted rents, within 7 CFR Part 3560.752(b)(1)(i) as defined in the USDA-RD guidelines; prospective market value within 7 CFR Part 3560.752(b)(1)(ii), premised upon a hypothetical condition as-if conventional housing as defined in the USDA-RD guidelines; the value of interest credit subsidy from the existing 515 loan as defined in the USDA-RD guidelines; the value of interest credit subsidy from the assumed 515 loan as defined in the USDA-RD guidelines; the value of favorable financing as defined in the USDA-RD guidelines; the value of the Low Income Housing Tax Credits as defined in the USDA-RD guidelines. Additional values required by Georgia Department of Community Affairs include the value of the land; as is market value; the prospective market value upon stabilization – restricted rents; the prospective market value upon stabilization – market rents; and the prospective market value at loan maturity – market rents. The property interest being appraised is the fee simple interest. The function of this appraisal is to aid the client, Investors Management Company, Georgia Department of Community Affairs and United States Department of Agriculture, Rural Development in the decision-making process involved in evaluating the value of the subject property.

*\*Prior to the 2014-2015 USPAP, this report would have been considered a complete self-contained appraisal report.*

The intended users of the appraisal are Investors Management Company, Georgia Department of Community Affairs and United States Department of Agriculture, Rural Development. The appraisal is assignable to other lenders or participants in the transaction. In addition to this appraisal, Gill Group, Inc., has also completed a market study.

A description of the property, together with information providing a basis for estimates, is presented in the accompanying report. This appraisal is subject to the definitions, assumptions, conditions and certification contained in the attached report. During the fieldwork, it has been determined the appraised property has no natural, cultural, scientific or recreational value. Samuel T. Gill, State Certified General Real Estate Appraiser, is the signing appraiser on this report. He completed valuation and analysis as indicated in the Scope of Work of this report. Jamie Cox and Caroline Borgini inspected the interior and exterior of the subject property, and Samuel T. Gill inspected the exterior of the property.

*The market value of the fee simple estate, unrestricted or conventional, subject to short-term leases, was determined under the hypothetical condition that the subject was a conventional property and not subject to any rent restrictions.*

*The "prospective" values upon stabilization of the fee simple estate were determined under the extraordinary assumption that the rehabilitation is completed as detailed in the scope of work and that the proposed rents indicated in the report are approved.*

*The following values are determined for the Clients and Intended Users:*

Based on the data, analyses and conclusions presented in the attached report, it is my opinion the Market Value, within 7 CFR part 3560.752(b)(1)(ii), Premised Upon a Hypothetical Condition as-if Conventional Housing, as of May 16, 2017, is as follows.

**EIGHT HUNDRED TWENTY FIVE THOUSAND DOLLARS**  
**\$825,000**

Based on the data, analyses and conclusions presented in the attached report, it is my opinion the Market Value, Subject to Restricted Rents, within 7 CFR part 3560.752(b)(1)(i), as of May 16, 2017, is as follows.

**THREE HUNDRED FORTY FIVE THOUSAND DOLLARS**  
**\$345,000**

Based on the data, analyses and conclusions presented in the attached report, it is my opinion the Market Value, within 7 CFR part 3560.752(b)(1)(ii), as of May 16, 2017, is as follows.

**THREE HUNDRED FORTY FIVE THOUSAND DOLLARS**  
**\$345,000**

Based on the data, analyses and conclusions presented in the attached report, it is my opinion the Prospective Market Value within 7 CFR Part 3560.752(b)(1)(ii), Premised Upon A Hypothetical Condition As-If Conventional Housing as of January 31, 2019, is as follows.

**NINE HUNDRED EIGHTY FIVE THOUSAND DOLLARS**  
**\$985,000**

Based on the data, analyses and conclusions presented in the attached report, it is my opinion the Prospective Market Value, Subject to Restricted Rents, within 7 CFR part 3560.752(b)(1)(i), as of January 31, 2019, is as follows.

**ONE MILLION NINETY THOUSAND DOLLARS**  
**\$1,090,000**

Based on the data, analyses and conclusions presented in the attached report, it is our opinion that the Value of the Interest Credit Subsidy from the Existing USDA RD Section 515 Loan of the subject property, as of May 16, 2017, is as follows:

**TWO HUNDRED FORTY TWO THOUSAND DOLLARS**  
**\$242,000**

Based on the data, analyses and conclusions presented in the attached report, it is our opinion that the Value of the Interest Credit Subsidy from the Proposed USDA RD Section 515 Loan of the subject property, as of May 16, 2017, is as follows:

**TWO HUNDRED EIGHTEEN THOUSAND DOLLARS**  
**\$218,000**

Based on the data, analyses and conclusions presented in the attached report, it is our opinion that the value of the Low Income Housing Tax Credits, as of May 16, 2017, is as follows:

**FIVE HUNDRED TWENTY FIVE THOUSAND DOLLARS**  
**\$525,000**

Based on the data, analyses and conclusions presented in the attached report, it is our opinion that the As Is Market Rent (CRCU) of the 654 square feet one-bedroom units of the subject property, as of May 16, 2017, is as follows:

**FIVE HUNDRED FORTY DOLLARS**  
**\$540.00**

Based on the data, analyses and conclusions presented in the attached report, it is our opinion that the As Is Market Rent (CRCU) of the 796 square feet two-bedroom units of the subject property, as of May 16, 2017, is as follows:

**FIVE HUNDRED NINETY DOLLARS**  
**\$590.00**

Based on the data, analyses and conclusions presented in the attached report, it is our opinion that the As Complete Market Rent (CRCU) of the 654 square feet one-bedroom units of the subject property, as of January 31, 2019, is as follows:

**FIVE HUNDRED NINETY DOLLARS**  
**\$590.00**

Based on the data, analyses and conclusions presented in the attached report, it is our opinion that the As Complete Market Rent (CRCU) of the 796 square feet two-bedroom units of the subject property, as of January 31, 2019, is as follows:

**SIX HUNDRED FORTY DOLLARS**  
**\$640.00**

*The following values are determined for the DCA:*

Based on the data, analyses and conclusions presented in the attached report, it is my opinion the market value of the land, as of May 16, 2017, is as follows.

**TWENTY TWO THOUSAND DOLLARS**

**\$22,000**

Based on the data, analyses and conclusions presented in the attached report, it is my opinion the “As Is” market value of the subject property, subject to market rents, as of May 16, 2017, is as follows.

**EIGHT HUNDRED TWENTY FIVE THOUSAND DOLLARS**

**\$825,000**

Based on the data, analyses and conclusions presented in the attached report, it is my opinion the “As Is” market value of the subject property, subject to restricted rents, as of May 16, 2017, is as follows.

**THREE HUNDRED FORTY FIVE THOUSAND DOLLARS**

**\$345,000**

Based on the data, analyses and conclusions presented in the attached report, it is my opinion the “Prospective” market value upon stabilization – market rents, of the subject property, as of January 31, 2019, is as follows.

**NINE HUNDRED EIGHTY FIVE THOUSAND DOLLARS**

**\$985,000**

Based on the data, analyses and conclusions presented in the attached report, it is my opinion the “Prospective” market value upon stabilization – restricted rents, as of January 31, 2019, is as follows.

**ONE MILLION NINETY THOUSAND DOLLARS**

**\$1,090,000**

Based on the data, analyses and conclusions presented in the attached report, it is my opinion the "Prospective" market value at loan maturity of the subject property, as of January 31, 2019, is as follows.

**TWO MILLION SIX HUNDRED SEVENTY FIVE THOUSAND DOLLARS**  
**\$2,675,000.00**

This report and its contents are intended solely for your information and assistance for the function stated previously, and should not be relied upon for any other purpose. Otherwise, neither the whole nor any part of this appraisal or any reference thereto may be included in any document, statement, appraisal or circular without my explicit, prior written approval of the form and context in which it appears.

The accompanying prospective financial analysis is based on estimates and assumptions developed in connection with the appraisal. However, some assumptions inevitably will not materialize and unanticipated events and circumstances will occur. The actual results achieved during the holding period will vary from my estimates and these variations may be material. I have not been engaged to evaluate the effectiveness of management, and I am not responsible for management's actions such as marketing efforts.

The estimated marketing period is one to nine months. This appraisal report sets forth only the appraiser's conclusions. Supporting documentation is retained in the appraiser's file. A copy of this report, together with the field data from which it was prepared, is retained in my files. This data is available for your inspection upon request.

Respectfully submitted,



Samuel T. Gill  
State Certified General Real Estate Appraiser  
GA# 258907

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**EXECUTIVE SUMMARY**

**Name of the Property** Pecan Pointe Apartments

**Location** 450 South Railroad Avenue, Mount Vernon, Montgomery County, Georgia  
30445

**Current Owner** Mt. Vernon Elderly Apartments, L.P.

**Type of Report** "As Is" and "As Stabilized" Appraisal Report

**Total Land Area** 1.97 acres or 85,813+/- square feet

**Floodplain Hazard** According to RiskMeter, Flood Map Number 13209C0115C, dated August 19, 2010, the subject is zoned X, an area determined to be outside the 100- and 500-year floodplains. Federal flood insurance is available but is not required.

**Zoning** According to the City of Mount Vernon, the subject is zoned A-1, Agricultural District. The subject is a legal, non-conforming use.

**Property Description** The subject is improved with four garden one-story buildings containing 21 units and one accessory building. The net rentable area is approximately 13,876 square feet. The gross building area, according to the Montgomery County Assessor's Office, is 15,328 square feet.

Unit Type	# of Units	Square Footage	Total Square Footage
1/1	20	654	13,080
2/1	1	796	796
	<b>21</b>		<b>13,876</b>

**Real Estate Taxes** \$4,447.66 for 2016      **Parcel Number** MV05 011A

**Property Type** Apartment Complex      **Highest and Best Use** Apartment Complex

**Date of Inspection** May 16, 2017      **Date of Report** September 21, 2017

**Sales History of Subject** According to the Montgomery County Assessor's Office, the property is owned by Mt. Vernon Elderly Apartments, L.P. The property has not transferred ownership within the past five years. The property is currently under contract to be sold. The property is currently under contract for sale between Mt. Vernon Elderly Apartments, L.P. (seller) and Pecan Pointe Mt. Vernon, LP (buyer). The purchase price will be negotiated based upon the fair market value of the property determined by an independent appraisal report commissioned by and paid by the purchaser from a certified and USDA-approved appraiser. The purchase price shall include the assumption of existing debt on the first lien mortgage plus gross equity to the seller in an amount to be determined after receipt and approval of the appraisal. The sale is between two related entities and is not an arms-length transaction.

**EXECUTIVE SUMMARY VALUES**

<b>Cost Approach</b>	<b>\$360,000 (As Is Restricted)</b> <b>\$825,000 (As Is Market)</b> <b>\$1,010,000 (As Stabilized Restricted)</b> <b>\$980,000 (As Stabilized Market)</b>
<b>Income Approach</b>	<b>\$345,000 (As Is Restricted)</b> <b>\$825,000 (As Is Market)</b> <b>\$1,090,000 (As Stabilized Restricted)</b> <b>\$985,000 (As Stabilized Market)</b>
<b>Sales Comparison Approach</b>	<b>Not Developed (As Is Restricted)</b> <b>\$820,000 (As Is Market)</b> <b>Not Developed (As Stabilized Restricted)</b> <b>\$905,000 (As Stabilized Market)</b>
<b>Value of Land</b>	<b>\$22,000</b>
<b>Value of Existing 515 Loan</b>	<b>\$242,000</b>
<b>Value of Proposed 515 Loan</b>	<b>\$218,000</b>
<b>Value of Low Income Housing Tax Credits</b>	<b>\$525,000</b>
<b>Insurable Value</b>	<b>\$859,000</b>
<b>Market Value at Loan Maturity - Market</b>	<b>\$2,675,000</b>
<b>As Is Market Rent (CRCU)</b>	
One-Bedroom with 654 SF	<b>\$540.00</b>
Two-Bedroom with 796 SF	<b>\$590.00</b>
<b>As Complete Market Rent (CRCU)</b>	
One-Bedroom with 654 SF	<b>\$590.00</b>
Two-Bedroom with 796 SF	<b>\$640.00</b>

## CERTIFICATION

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

- ◆ The statements of fact contained in this report are true and correct.
- ◆ The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and is 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 with respect to the parties involved.
- ◆ I have performed 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 previously completed a market study and an appraisal in August 2015 and again in April 2016.
- ◆ I have no bias with respect to the property that is the subject of the report or to the parties involved with this assignment.
- ◆ My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- ◆ My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- ◆ My analyses, opinions and conclusions were developed and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice.
- ◆ Jamie Cox and Caroline Borgini inspected the interior and exterior of the subject property and inspected the exteriors of the properties used as comparables in this report. Samuel T. Gill inspected the exterior of the property that is the subject of this report.
- ◆ No one provided significant professional assistance to the person signing this report.
- ◆ The appraiser retained by the lender inspected the subject property.



Samuel T. Gill  
State Certified General Real Estate  
Appraiser  
GA# 258907

## **SCOPE OF WORK**

The appraisal development and reporting process required gathering and analyzing information about those assignment elements necessary to properly identify the appraisal problem to be solved. The scope of work decision must include the research and analyses that are necessary to develop credible assignment results given the intended use of the appraisal. Sufficient information includes disclosure of research and analyses performed and might also include disclosure of research and analyses not performed. The scope of work of this appraisal assignment is outlined below:

- ◆ Samuel T. Gill analyzed the regional and local area economic profiles including employment, population, household income and real estate trends. The local area was further studied to assess the general quality and condition and emerging development trends for the real estate market. The immediate market area was inspected and examined to consider external influences on the subject.
- ◆ Samuel T. Gill confirmed and analyzed legal and physical features of the subject property including sizes of the site and improvements, floodplain data, zoning, easements and encumbrances, access and exposure of the site and construction materials and condition of the improvements. This process also includes estimating the remaining economic life of the improvements, analysis of the subject's site coverage compared to market standards, a process to identify deferred maintenance and a conclusion of the subject's overall functional utility.
- ◆ Samuel T. Gill completed an apartment market analysis that included market and sub-market overviews. Conclusions were drawn regarding the subject property's competitive position given its physical and locational characteristics, the prevailing economic conditions and external influences.
- ◆ Samuel T. Gill conducted a Highest and Best Use analysis, if required, determining the highest and best use of the subject property As-Vacant and As-Proposed. The analysis considered legal, locational, physical and financial feasibility characteristics of the subject property. Development of the Highest and Best Use As-Improved explored potential alternative treatments of the property including demolition, expansion, renovation, conversion and continued use "as-is".
- ◆ Samuel T. Gill confirmed and analyzed financial features of the subject property including budgeted income/expense data, if available and tax and assessment records. This information as well as trends established by confirmed market indicators was used to forecast performance of the subject property.
- ◆ The appraisal report is intended to satisfy the scope of work and requirements agreed upon by Investors Management Company and the engaged appraiser. The client requested a full narrative appraisal in the engagement letter.
- ◆ I understand the Competency Rule of USPAP and the author of this report meets the standards.
- ◆ No one provided significant real property appraisal assistance to the appraiser signing this certification, except as noted on the following page.

- ◆ Samuel T. Gill, a State Certified General Real Estate Appraiser, oversaw and supervised all data collection and analysis and performed the research. The following actions were taken to complete this appraisal.
  - On May 16, 2017, Jamie Cox and Caroline Borgini, Market Analysts, conducted an interior and exterior inspection of the subject property to determine the property's physical and functional characteristics. Samuel T. Gill, State Certified General Real Estate Appraiser, also inspected the exterior. Jamie Cox and Caroline Borgini inspected all common areas and at least one unit of each varying type.
  - Jamie Cox and Caroline Borgini and Samuel T. Gill researched comparable apartment rental activity in the subject market and competing locations. The research retrieve data from several of the following: internet sites, local newspapers and rental publications, town records, owners and managers of local apartment properties, local real estate brokers, fellow appraisers and the appraiser's office files.
  - During the week of May 16, 2017, Jamie Cox and Caroline Borgini inspected the exterior of each comparable property used in the analysis.
  - During the verification process, Samuel T. Gill or one of his associates talked with the managers or leasing agents of the comparable properties, to confirm all data and to collect additional information about each comparable, including size, age, amenities, occupancy rates and general market information. Whenever possible, floor plans and brochures were obtained, which describe the comparable properties unit size, feature and amenities.
  - Samuel T. Gill completed all data and adjustments on the analysis and determined all value conclusions determined in the appraisal.

## INTRODUCTION

### **Identification of the Subject Property**

The property appraised is the land and improvements known as Pecan Pointe Apartments. The site is located at 450 South Railroad Avenue, Mount Vernon, Montgomery County, Georgia.

### **Legal Description**

See Addendum A.

### **Past Five Years Sales History of the Subject**

According to the Montgomery County Assessor's Office, the property is owned by Mt. Vernon Elderly Apartments, L.P.. The property has not transferred ownership within the past five years. The property is currently under contract to be sold. The property is currently under contract for sale between Mt. Vernon Elderly Apartments, L.P. (seller) and Pecan Pointe Mt. Vernon, LP (buyer). The purchase price will be negotiated based upon the fair market value of the property determined by an independent appraisal report commissioned by and paid by the purchaser from a certified and USDA-approved appraiser. The purchase price shall include the assumption of existing debt on the first lien mortgage plus gross equity to the seller in an amount to be determined after receipt and approval of the appraisal. The sale is between two related entities and is not an arms-length transaction.

### **Property Rights Appraised**

For this appraisal, I have valued the property rights inherent in the **Fee Simple Estate** which is defined in the definitions section of this report.

### **Purpose of the Appraisal**

The purpose of the Appraisal Report is to estimate the market value, subject to restricted rents, within 7 CFR Part 3560.752(b)(1)(i) as defined in the USDA-RD guidelines; market value, within 7 CFR Part 3560.752(b)(1)(ii) as defined in the USDA-RD guidelines; the prospective market value, subject to restricted rents, within 7 CFR Part 3560.752(b)(1)(i) as defined in the USDA-RD guidelines; prospective market value within 7 CFR Part 3560.752(b)(1)(ii), premised upon a hypothetical condition as-if conventional housing as defined in the USDA-RD guidelines; the value of interest credit subsidy from the existing 515 loan as defined in the USDA-RD guidelines; the value of interest credit subsidy from the assumed 515 loan as defined in the USDA-RD guidelines; the value of favorable financing as defined in the USDA-RD guidelines; the value of the Low Income Housing Tax Credits as defined in the USDA-RD guidelines. Additional values required by Georgia Department of Community Affairs include the value of the land; as is market value; the prospective market value upon stabilization - restricted rents; the prospective market value upon stabilization – market rents; and the prospective market value at loan maturity – market rents. The date of the inspection and the effective date of the as is value are both May 16, 2017. The effective date of the as complete value is January 31, 2019.

### **Function of the Appraisal**

The function of this appraisal is to aid the client, Investors Management Company, Georgia Department of Community Affairs and United States Department of Agriculture, Rural Development in the decision-making process involved in evaluating the value of the subject property.

### **Intended Use of Report**

This appraisal report is intended for the sole purpose of assisting the client in the decision-making process involving financing.

### **Intended Users of Report**

The intended users of the appraisal are Investors Management Company, Georgia Department of Community Affairs and United States Department of Agriculture, Rural Development.

### **Extent of the Investigation (Scope)**

As part of this appraisal, the appraiser made a number of independent investigations and analyses. The investigations undertaken and the major data sources used are as follows: City of Mount Vernon, the Montgomery County Recorder; the Montgomery County Assessor; United States Bureau of Labor Statistics; United States Census Bureau; Walkscore; ESRI Business Information Solutions; and Nielsen Claritas and Ribbon Demographics.

### **Area and Neighborhood Analyses**

Primary data was gathered pertaining to the subject neighborhood and the area during the week of May 15, 2017, to May 19, 2017. This information was analyzed and summarized in this report. Area data was obtained from the City of Mount Vernon; the Montgomery County Recorder; the Montgomery County Assessor; United States Bureau of Labor Statistics; United States Census Bureau; ESRI Business Information Solutions; Walkscore; and Nielsen Claritas and Ribbon Demographics. The neighborhood analysis was based on the observations made by the appraiser as well as the sales in the neighborhood.

### **Improvement and Description Analyses**

Detailed descriptions of the site are included in this report. Interior and exterior photographs of the buildings at the subject are included in this report. Exterior photos of the rent comparables are also included in this report.

### **Statement of Competency**

We have the knowledge and experience to complete the assignment competently based upon having completed appraisals of properties of a similar type throughout the United States for the past several years.

### **Market Data**

Market data on land sales were obtained from the subject neighborhood in Mount Vernon and the surrounding area. Market data on improved sales and leased properties were obtained from Mount Vernon and the surrounding area. The improved sales were obtained from parties involved with the sales. Summaries of the sales and leases are included in this report.

Attention of the reader is also directed to the assumptions and limiting conditions contained within the report.

### **Reasonable Exposure Time**

In the definition of market value, one of the conditions of a “market value sale” is as follows: a reasonable time is allowed for exposure in the open market. Marketing time has a definite influence on the potential selling price of a property. To obtain a maximum selling price, a property must be exposed to a given market for a time long enough to enable most market participants to gain full knowledge of the sale and the attributes of the property.

To produce a reliable estimate of the expected normal marketing period for the subject property, the following factors were considered and findings analyzed:

1. Historical evidence.
2. Supply and demand relationships including vacancy and occupancy rates.
3. Revenue and expense changes.
4. Future market conditions.

### **Historical Evidence**

Generally, the sales in the Sales Comparison Approach were on the market for one to two years. Since current supply and demand relationships are similar to historical relationships, there is justification for some reliance on historical evidence.

### **Supply and Demand Relationships**

A survey of apartment complexes in Mount Vernon, Georgia, and the surrounding area indicate that they are not owner-occupied. The Income Approach discusses similar apartment complexes in Mount Vernon, Montgomery County, Georgia, which were leased.

### **Revenue and Expense Changes and Future Market Conditions**

The revenue from apartment complexes has increased corresponding to increases in expenses at generally the same rate. A survey completed by PwC indicated that the change rate of apartment complexes ranges from 0.00 to 5.00 percent, with an average of 2.80 percent for the first quarter of 2017. During the same period a year ago, the market rent change rate ranged from 0.00 to 6.00 percent, with an average of 3.18 percent.

The changes in expenses range from 2.00 to 4.00 percent, with an average of 2.73 percent (first quarter of 2017). The survey for a year ago indicated a range of expenses from 2.00 to 4.00 percent, with an average of 2.91 percent.

### **Summary**

For the purpose of this report the reasonable exposure time is estimated at one to nine months based on the previous discussion and the length of time the comparables were on the market. The 2017 First Quarter National Apartment Market Survey conducted by PwC Real Estate Investor Survey indicated a range of one to nine months for marketing time. In accordance with the Uniform Standards of Professional Appraisal Practice, special financial arrangements and related special situations were not used in estimating the value of the property. In accordance with the Uniform Standards of Professional Appraisal Practice; the appraisal was completed using the current or anticipated use of the property as an apartment complex without regard to the highest and best use.

### **Estimated Marketing Time**

Marketing time is similar to exposure time in that it refers to a time during which a property is marketed prior to its sale. Marketing time differs from exposure time in that it is estimated to occur after the date of value as opposed to before that date of value. This time would be measured from the date of value and would be a measure of time necessary to secure a willing buyer for the property, at a market price. Since this refers to prospective events, it is typically necessary to analyze neighborhood trends. In theory, in a market which is near equilibrium, the estimated marketing time should be equal to past trends or the reasonable exposure time. In a market, which is experiencing down turning conditions, the estimated marketing time should be greater than the reasonable exposure time. In the case of the subject property, the market for this type of facility should be similar to previous market conditions. Therefore, the estimated marketing time is estimated at one to nine months.

## **Definition of Terms**

### **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 are 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 U.S. cash 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.<sup>1</sup>

### **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 are 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.

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.<sup>2</sup>

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<sup>1</sup> Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute), 2015. and Attachment 7-A of Chapter 7 of the USDA RD Handbook HB-1-3560.

<sup>2</sup> Attachment 7-A of Chapter 7 of the USDA RD Handbook HB-1-3560

### **“As-Is” Value**

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.<sup>3</sup>

### **Prospective Value**

A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.<sup>4</sup>

### **Investment Value**

The specific value of an investment to a particular investor or class of investors based on individual requirements; as distinguished from market value, which is impersonal and detached.<sup>5</sup> Investment value of the leased fee estate is determined utilizing the subject’s contract rents, historical and projected subject expenses and an overall capitalization rate based on the subject’s mortgage terms.

### **Fee Simple Estate**

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

### **Leased Fee Estate**

An ownership interest held by a landlord with the rights of use and occupancy conveyed by lease to others. The rights of the lessor (the leased fee owner) and the leased fee are specified by contract terms contained within the lease.

### **Leasehold Estate**

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

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<sup>3</sup> Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute), 2015. and Attachment 7-A of Chapter 7 of the USDA RD Handbook HB-1-3560.

<sup>4</sup> Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute), 2015. and Attachment 7-A of Chapter 7 of the USDA RD Handbook HB-1-3560.

<sup>5</sup> Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute), 2015.

**Replacement Cost**

The estimated cost to construct, at current prices as of the effective appraisal date, a building with utility equivalent to the building being appraised, using modern materials and current standards, design, and layout.

**Reproduction Cost**

The estimated cost to construct, at current prices as of the effective date of the appraisal, an exact duplicate or replica of the building being appraised, using the same materials, construction standards, design, layout and quality of workmanship and embodying all the deficiencies, superadequacies and obsolescence of the subject building.

**Contract Rent**

The actual rental income specified in a lease.

**Market Rent**

The rental income that a property would most probably command in the open market; indicated by the current rents paid and asked for comparable space as of the date of the appraisal.

**Excess Rent**

The amount by which contract rent exceeds market rent at the time of the appraisal; created by a lease favorable to the landlord (lessor) and may reflect a locational advantage, unusual management, unknowledgeable parties or a lease execution in an earlier, stronger rental market.

**Percentage Rent**

Rental income received in accordance with the terms of a percentage lease; typically derived from retail store tenants on the basis of a certain percentage of their retail sales.

**Overage Rent**

The percentage rent paid over and above the guaranteed minimum rent or base rent; calculated as a percentage of sales in excess of a specified break-even sales volume.

**Special Purpose Property**

A limited market property with a unique physical design, special construction materials or layout that restricts its utility to the use for which it was built; also called special-design property.

## **Special Limited Conditions and Assumptions**

### **1. Limit of Liability**

The liability of Gill Group, employees and subcontractors is limited to the client. There is no accountability, obligation or liability to any third party. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. The appraiser assumes no responsibility for any costs incurred to discover or correct any deficiencies present in the property. Possession of this or any copy thereof does not carry with it the right of publication nor may it be used for other than its intended use; the physical report(s) remain the property of the appraiser for the use of the client, the fee being for the analytical services only. This appraisal report is prepared for the sole and exclusive use of the client to assist with the mortgage lending decision. It is not to be relied upon by any third parties for any purpose whatsoever.

### **2. Copies, Publications, Distribution, Use of Report**

The client may distribute copies of the appraisal report in its entirety to such third parties as he may select; however, selected portions of this appraisal report shall not be given to third parties without the prior written consent of the signatories of this appraisal report. Neither all nor any part of this appraisal report shall be disseminated to the general public for the use of advertising media, public relations, news, sales or other media for public communication without prior written consent of the appraiser.

### **3. Confidentiality**

This appraisal is to be used only in its entirety. All conclusions and opinions of the analyses set forth in the report were prepared by the Appraiser(s) whose signature(s) appear on the appraisal report unless indicated as "Review Appraiser". No change of any item in the report shall be made by anyone other than the Appraiser and/or officer of the firm. The Appraiser and the firm shall have no responsibility if any such unauthorized change is made.

The Appraiser may not divulge the material (evaluation) contents of the report, analytical findings or conclusions or give a copy of the report to anyone other than the client or his designee as specified in writing except by a court of law or body with the power of subpoena.

### **4. Information Used**

No responsibility is assumed for accuracy of information furnished by or from others, the client, his designee or public records. I am not liable for such information or the work of possible subcontractors. Be advised that some of the people associated with the consultant and possibly signing the report are independent contractors. The comparable data relied upon in this report have been confirmed with one or more parties familiar with the transaction or from affidavit or other source thought reasonable; all are considered appropriate for inclusion to the best of my factual judgment and knowledge. An impractical

and uneconomic expenditure of time would be required in attempting to furnish unimpeachable verification in all instances, particularly as to engineering and market-related information. It is suggested that the client consider independent verification within these categories as a prerequisite to any transaction involving sale, lease or other significant commitment of subject property and that such verification be performed by the appropriate specialists.

#### **5. Testimony, Consultation, Completion of Contract for Appraisal Services**

The contract for appraisal, consultation or analytical service is fulfilled and the total fee payable upon completion of the report. The appraiser(s) or those assisting in preparation of the report will not be asked or required to give testimony in court or hearing because of having made the appraisal, in full or in part, nor engage in post-appraisal consultation with client or third parties except under separate and special arrangement and at additional fee. If testimony or deposition is required because of any subpoena issued on the behalf of the client, then the client shall be responsible for any additional time fees and changes.

#### **6. Exhibits**

The sketches and maps in this report are included to assist the reader in visualizing the property and are not necessarily to scale. Various photos, if any, are included for the same purpose as of the date of the photos. Site plans are not surveys unless shown as being prepared by a professional surveyor. As noted in the Scope of Work section of the report, the appraiser inspected the exterior of the comparable properties. Our comparable database automatically includes pictures we have recently taken. The only time a comparable picture is replaced is when the inspection shows a material change. Otherwise, the pictures shown in the report are representative of how the comparables looked during the inspection.

#### **7. Legal, Engineering, Financial, Structural or Mechanical Nature Hidden Components, Soil**

No responsibility is assumed for matters legal in character or nature or matters of survey or of any architectural, structural, mechanical or engineering nature. The title to the property is good and marketable. No responsibility is assumed for the legal description provided or for matters pertaining to legal or title considerations. The use of the land and improvements is confined within the boundaries or property lines of the property described.

The property is appraised as if free and clear unless otherwise stated in particular parts of the report. The legal description is assumed to be correct as used in this report as furnished by the client, his designee or as derived by the appraiser.

Please note that no advice is given regarding mechanical equipment or structural integrity or adequacy or soils and potential for settlement, drainage, etc., (seek assistance from qualified architect and/or engineer) nor matters concerning liens, title status and legal marketability (seek legal assistance). The

lender and owner should inspect the property before any disbursement of funds; further, it is likely that the lender or owner may wish to require mechanical or structural inspections by qualified and licensed contractor, civil or structural engineer, architect or other expert.

The appraiser has inspected, as far as possible by observation, the land and the improvements; however, it was not possible to personally observe conditions beneath the soil or hidden structural or other components. I have not critically inspected mechanical components within the improvements, and no representations are made therein as to these matters unless specifically stated conditions that would cause a loss of value. The land or the soil of the area being appraised appears firm; however, subsidence in the area is unknown. The appraiser(s) do not warrant against this condition or occurrence of problems arising from soil conditions.

The appraisal is based on there being no hidden unapparent or apparent conditions of the property site subsoil or structures or toxic materials which would render it more or less valuable. No responsibility is assumed for any such conditions or for any expertise or engineering to discover them.

All mechanical components are assumed to be in operable condition and status standard for properties of the subject type. Conditions of heating, cooling ventilation, electrical and plumbing equipment are considered to be commensurate with the condition of the balance of the improvements unless otherwise stated. No judgment is made as to adequacy of insulation, type of insulation or energy efficiency of the improvements or equipment.

If the Appraiser has not been supplied with a termite inspection, survey or occupancy permit, no responsibility or representation is assumed or made for any costs associated with obtaining same or for any deficiencies discovered before or after they are obtained. No representation or warranties are made concerning obtaining the above-mentioned items.

The Appraiser assumes no responsibility for any costs or consequences arising due to the need or the lack of need for flood hazard insurance. An Agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.

## **8. Legality of Use**

The appraisal is based on the premise that there is full compliance with all applicable federal, state and local environmental regulations and laws unless otherwise stated in the report and that all applicable zoning, building and use regulations and restrictions of all types have been complied with unless otherwise stated in the report; further, it is assumed that all required licenses, consents, permits or other

legislative or administrative authority, local, state, federal and/or private entity or organization have been or can be obtained or renewed for any use considered in the value estimate.

#### **9. Component Values**

The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. The separate valuations for land and building must not be used in conjunction with any other appraisal and are invalid if so used.

#### **10. Auxiliary and Related Studies**

No environmental or impact studies, special market study or analysis, highest and best use analysis study or feasibility study has been requested or made unless otherwise specified in an agreement for services or in the report. The appraiser reserves the unlimited right to alter, amend, revise or rescind any of the statements, findings, opinions, values, estimations or conclusions upon any subsequent such study or analysis or previous study or factual information as to market or subject or analysis subsequently becoming known to him.

#### **11. Dollar Values, Purchasing Power**

The market value estimated and the costs used are as of the date of the estimate of value. All dollar amounts are based on the purchasing power and price of the value estimate.

#### **12. Inclusions**

Furnishings and equipment or personal property or business operations except as specifically indicated and typically considered as part of real estate have been disregarded with only the real estate being considered in the value estimate unless otherwise stated. In some property types business and real estate interests and values are combined.

#### **13. Proposed Improvements, Conditioned Value**

Improvements proposed, if any, on or off-site as well as any repairs required are considered, for purposes of this appraisal, to be completed in good and workmanlike manner according to information submitted and/or considered by the appraisers. In cases of proposed construction, the appraisal is subject to change upon inspection of property after construction is completed. This estimate of market value is as of the date shown, as proposed, as if completed and operating at levels shown and projected.

#### **14. Value Change, Dynamic Market, Influences**

The estimated market value is subject to change with market changes over time; value is highly related to exposure, time, promotional effort, terms, motivation and conditions surrounding the offering. The value

estimate considers the productivity and relative attractiveness of the property physically and economically in the marketplace.

In cases of appraisals involving the capitalization of income benefits, the estimate of market value or investment value or value in use is a reflection of such benefits and appraiser's interpretation of income, yields and other factors derived from general and specific client and market information. Such estimates are as of the date of the estimate of value; they are thus subject to change as the market and value are naturally dynamic.

The "Estimate of Market Value" in the appraisal report is not based in whole or in part upon the race, color or national origin of the present owners or occupants of the properties in the vicinity of the property appraised.

The Appraiser reserves the right to alter the opinion of value on the basis of any information withheld or not discovered in the original normal course of a diligent investigation.

#### **15. Management of the Property**

It is assumed that the property which is the subject of this report will be under prudent and competent ownership and management neither inefficient nor super-efficient.

#### **16. Fee**

The fee for this appraisal or study is for the service rendered and not for the time spent on the physical report.

#### **17. Authentic Copies**

The authentic copies of this report are signed originals. Any copy that does not have the above is unauthorized and may have been altered.

#### **18. Insulation and Toxic Materials**

Unless otherwise stated in this report, the appraiser(s) signing this report have no knowledge concerning the presence or absence of toxic materials, asbestos and/or urea-formaldehyde foam insulation in existing improvements; if such is present, the value of the property may be adversely affected and reappraisal an additional cost necessary to estimate the effects of such.

### **19. Hypothetical Conditions\***

The market value of the fee simple estate, unrestricted or conventional, subject to short-term leases, was determined under the hypothetical condition that the subject was a conventional property and not subject to any rent restrictions. The use of a hypothetical condition might have affected the assignment results.

### **20. Extraordinary Assumptions\***

The "prospective" value upon stabilization was determined under the extraordinary assumption that the rehabilitation is completed as detailed in the scope of work and that the proposed rents indicated in the report are approved. The use of an extraordinary assumption might have affected the assignment results.

### **21. Americans with Disabilities Act (ADA)**

The Americans with Disabilities Act (ADA) became effective January 26, 1992, as to the removal of barriers in existing public accommodations. The ADA applies to alterations of existing public accommodations or commercial facilities or places of public accommodation designed for first occupancy after January 26, 1993. A compliance survey of the subject property has not been conducted to determine if it conforms to the various requirements of the ADA. A compliance survey of the property, in conjunction with a detailed study of the ADA requirements, could reveal that the property is not in compliance with one or more of the requirements of the act. If so, this could have a negative effect on the value of the property. Since I am not qualified to determine if the subject property complies with the various ADA regulations, I did not consider possible noncompliance with the requirements of the ADA in estimating the value of the property.

### **22. Review**

Unless otherwise noted herein, the review appraiser has reviewed the report only as to general appropriateness of technique and format and has not necessarily inspected the subject or market comparable properties.

The appraiser(s) and/or associates of Gill Group reserve the right to alter statements, analyses, conclusions or any value estimate in the appraisal if there becomes known to them facts pertinent to the appraisal process which were unknown to Gill Group when the report was finished.

**Acceptance Of And/Or Use Of This Appraisal Report  
Constitutes Acceptance of the Above Conditions**

**DESCRIPTIVE SECTION**

## **Regional and Area Data and Area Maps**

link\_Regional\_DiscussionThe following data on the City of Mount Vernon and Montgomery County are included to give the reader an insight into the social, economic, governmental and environmental factors which provide the setting and ultimate stability for the subject neighborhood and the property which is the subject of this appraisal. The various social, economic, governmental and environmental factors within any locality are the underlying forces which create, modify or destroy real property values.

### **Location**

The City of Mount Vernon is located in Montgomery County which is located in the southeast portion of Georgia. Nearby cities include Vidalia, McRae-Helena, Hazelhurst and Dublin. Montgomery County has the following boundaries: North – Treutlen County; East – Toombs County; South – Jeff Davis County; and West – Wheeler County.

### **Utilities**

The City of Mount Vernon provides water and sewer services to the residents of the city. Georgia Power provides electricity services. Basic telephone service is provided by AT&T.

### **Health Care**

East Georgia Health Care Center and Lower Oconee Community Hospital are medical facilities located in Montgomery County that serve the residents of the city and the surrounding area. Additional health care and medical facilities nearby include Meadows Regional Medical Center, approximately 12 miles from the city in Vidalia; Taylor Telfair Regional Hospital, approximately 21 miles from Mount Vernon in McRae-Helena; Jeff Davis Hospital in Hazelhurst, approximately 25 miles away; and Tattnall Community Hospital in Reidsville, approximately 33 miles from the city.

### **Transportation**

Major highways in the County of Montgomery include U.S. Highways 221 and 280 and State Highways 5, 29, 30, 56, 130, 135, 199, 292 and 298. Vidalia Regional Airport is approximately 15 miles from the city in Vidalia. W.H. Bud Barron Airport is approximately 45 miles from the city in Dublin.

**Population and Employment Statistics**

CENSUS: 2015

	<b>City</b>	<b>County</b>	<b>State</b>
<b>Population</b>	2,207	9,000	9,907,756
<b>Households</b>	834	3,166	3,540,690
<b>Renter Occupied</b>	328	865	1,268,689

**BUREAU OF LABOR STATISTICS**

<b>COUNTY</b>				
	<b>Labor Force</b>	<b>Employment</b>	<b>Unemployment</b>	<b>Unemployment Rate</b>
<b>2005</b>	4,255	4,007	248	5.8
<b>2010</b>	3,876	3,411	465	12.0
<b>March 2017</b>	3,612	3,385	227	6.3

<b>STATE</b>				
	<b>Labor Force</b>	<b>Employment</b>	<b>Unemployment</b>	<b>Unemployment Rate</b>
<b>2005</b>	4,586,427	4,341,229	245,198	5.3
<b>2010</b>	4,696,692	4,202,061	494,631	10.5
<b>March 2017</b>	5,014,429	4,772,580	241,849	4.8

**Major Employers**

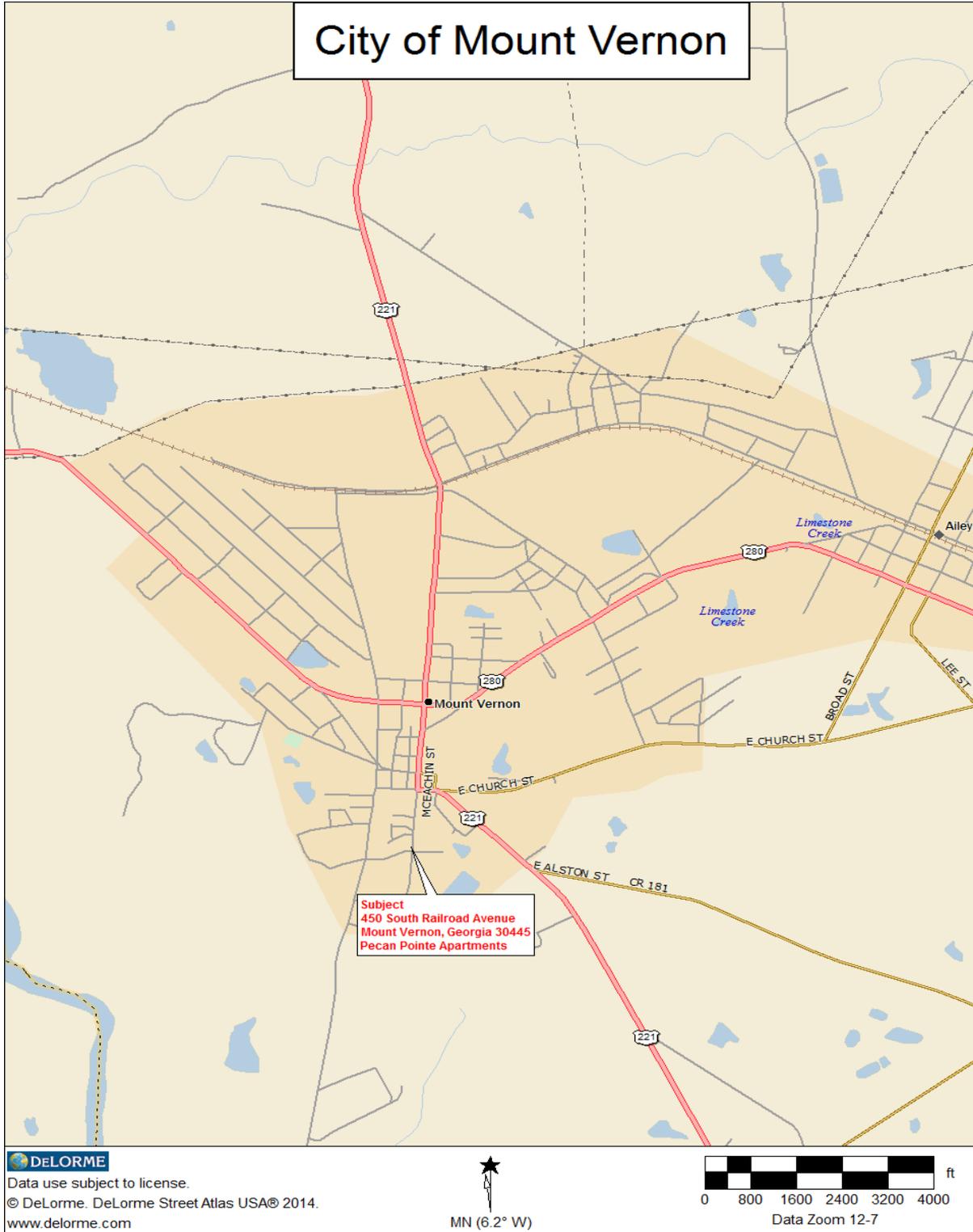
Major employers for the area are as follows:

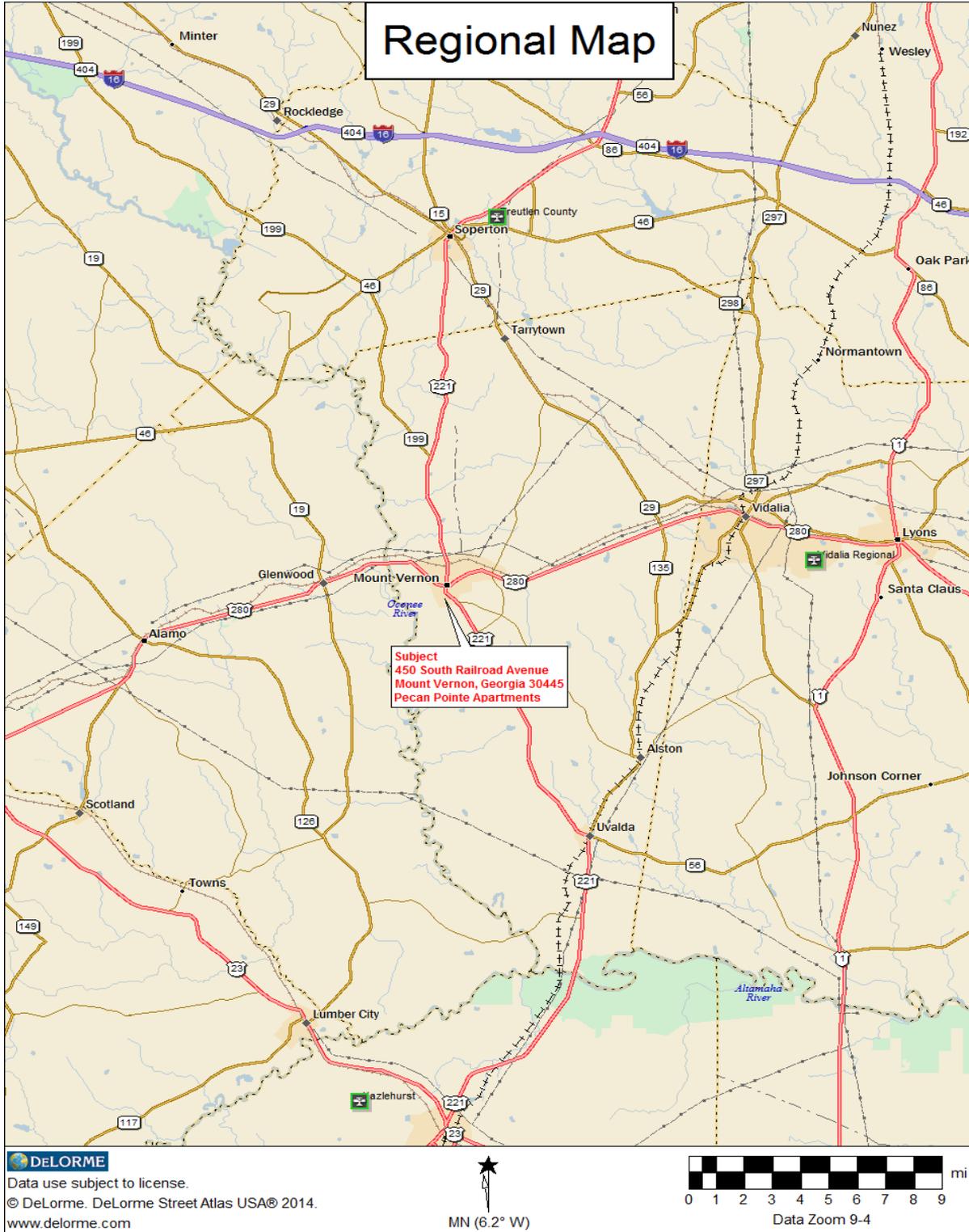
<b>MAJOR EMPLOYERS</b>		
<b>Name</b>	<b>Product/Service</b>	<b>Total Employees</b>
Trane	Air Handlers	827
Savannah Luggage	Luggage	623
Oxford Industries	Shirts	391
VNS Corporation	Doors and Building Products	299
TUMI Luggage	Distribution	176
DOT Foods	Food Redistribution	167
Lark's Builders	Storage Buildings	110
Bestline	Doors and Building Products	80
Georgia High-Tech	Metal Fabrication	76
Southern Drainage	Concrete Pipe	59

*Source: Toombs-Montgomery County Chamber of Commerce*

**Summary and Conclusions**

Mount Vernon is a city located in the southeast portion of Georgia. The unemployment rate has decreased substantially since 2010. The economic outlook for future growth and development appears to be stable.





**Neighborhood Data**

**Location**

The subject property is located in the southern portion of the City of Mount Vernon, Georgia. The neighborhood has average attractiveness and appeal. The neighborhood has the following boundaries: North – U.S. Highway 280 and U.S. Highway 221; South – City Limits; East - City Limits; and West – Morrison Street and Washington Street.

**Access**

The neighborhood is accessed by U.S. Highway 280, U.S. Highway 221, Morrison Street and Washington Street. There are additional roads running north to south and west to east that provide access to the neighborhood as well. Street widths and patterns appear to be adequate for the surrounding uses.

**Proximity to Services**

<b>Restaurants</b>	
0.06 mi	Bien Venuto's Bistro
0.5 mi	DAIRY QUEEN BRAZIER
0.6 mi	Subway
1.1 mi	Fuzzy's
1.3 mi	Aramark
1.7 mi	Great Wall
4.1 mi	Megan's Diner
4.5 mi	Le Cep
10 mi	Bulldog Grill
10 mi	Sharkey's Restaurant
11 mi	Cafe 201
11 mi	Tree House
11 mi	Mc Donald's
11 mi	Canape Restaurant

<b>Groceries</b>	
0.9 mi	Richardson's Grocery
4.5 mi	Red & White
8.2 mi	Big Al's Country Market
8.6 mi	T A Blocker General Store
9.2 mi	ATM (Kim's Country Store)
9.9 mi	Ladson's
10 mi	Uvalda Foods
10 mi	Prissy's of Vidalia
11 mi	Food World
11 mi	Vidalia Fruit Cake Co
11 mi	Mar-Key Foods, Inc.
11 mi	Tienda Los Olivos
11 mi	Zoe

<b>Schools</b>	
0.5 mi	Montgomery County Middle School
0.5 mi	Montgomery County High School
1.8 mi	Mt Vernon Christian Academy
2.9 mi	Montgomery County Performance Learning Center School
5.2 mi	Tri-County Alternative School
5.9 mi	New Montgomery County Elementary School
9.6 mi	Alice Blount Academy
10 mi	Wheeler County High School
11 mi	Vidalia Heritage Academy
11 mi	J. D. Dickerson Primary School
11 mi	Sally Dailey Meadows Elementary School
11 mi	Paul Anderson High School
12 mi	J. R. Trippe Middle School
13 mi	Treutlen Middle/High School
14 mi	Treutlen Elementary School

<b>Shopping</b>	
0.03 mi	Bella's Boutique
10 mi	rue21
10 mi	Archway Boutique
10 mi	Lady K Brides-Proms-Tuxes
11 mi	Hollywood Fashions
11 mi	Chique Boutique
11 mi	Cato
11 mi	Sign & Stamp Solutions
11 mi	It's Fashion
11 mi	Goody's
11 mi	Meridy's Uniform & Accessory
11 mi	Robin's Nest
12 mi	Citi Trends

<b>Banks</b>	
0.5 mi	Mount Vernon Bank
2 mi	Montgomery Bank & Trust
4.1 mi	Wheeler County State Bank
10 mi	Altamaha Bank & Trust Co
10 mi	Wheeler County State Bank
11 mi	Mount Vernon Bank
11 mi	Vidalia Federal Savings Bank
11 mi	Altamaha Bancshares Inc
11 mi	Darby Bank & Trust Co. - Toombs Mortgage
11 mi	BB&T
12 mi	Ameris Bank
12 mi	Mt Vernon Bank
15 mi	Peoples Bank

<b>Police</b>	
0.3 mi	Mt Vernon City Hall

<b>Medical Facilities</b>	
0.4 mi	East Georgia Healthcare Center
10 mi	Hanger Clinic: Prosthetics & Orthotics
11 mi	Vidalia Family Health Clinic
11 mi	Alliance Home Medical
12 mi	Allergy & Asthma Clinic
12 mi	The Oaks - Bethany (Assisted Living)
12 mi	Solstas / Quest Diagnostics Vidalia PSC
12 mi	The Oaks - Bethany
12 mi	East Georgia Healthcare Center: Murphy Byron DDS
12 mi	First Choice Georgia Pregnancy Clinic
12 mi	Mercy Medical Clinic & Foundation
12 mi	Hughston Clinic
12 mi	Consultants in Pain Medicine
13 mi	East Georgia Healthcare Center



### **Neighboring Property Use**

The neighborhood is comprised primarily of multifamily properties. Commercial properties are located north of the site. Royalwood II Apartments are located south of the site. Vacant land are located east of the subject. Vacant land are located west of the subject.



### **Crime**

According to [www.neighborhoodscout.com](http://www.neighborhoodscout.com), the crime index for the subject neighborhood is 83. There are 26 total crimes annually in the neighborhood, 6 of which are violent crimes and 20 of which are property crimes. The annual violent crime rate is 2.64 per 1,000 residents, while the property crime rate is 8.79 per 1,000 residents. The total annual crime rate is 11.42 per 1,000 residents. The chances of becoming a victim of a violent crime are 1 in 379 which is lower than for the state which is 1 in 273. The chances of becoming a victim of a property crime are 1 in 114 which is lower than the rate for the state which is 1 in 30.

### **Adverse Influences**

There are no major adverse influences or hazards observed or known by the appraiser in the immediate surrounding area.

### **Utilities**

Utilities generally available in the neighborhood include water, electricity, sewer and telephone.

**Demographics**

The population for the subject's neighborhood for 2017, according to ESRI, is 5,269, an increase of 408 people from the 2010 population of 4,861. The population is expected to increase at an annual rate of 4.5 percent between 2017 and 2022. Therefore, the 2022 population is projected at 5,507. The median age for the neighborhood is 34.4.

The total number of households increased from 1,594 in 2010 to 1,769 in 2017. Household totals are expected to increase, with a projected 1,862 households in 2022.

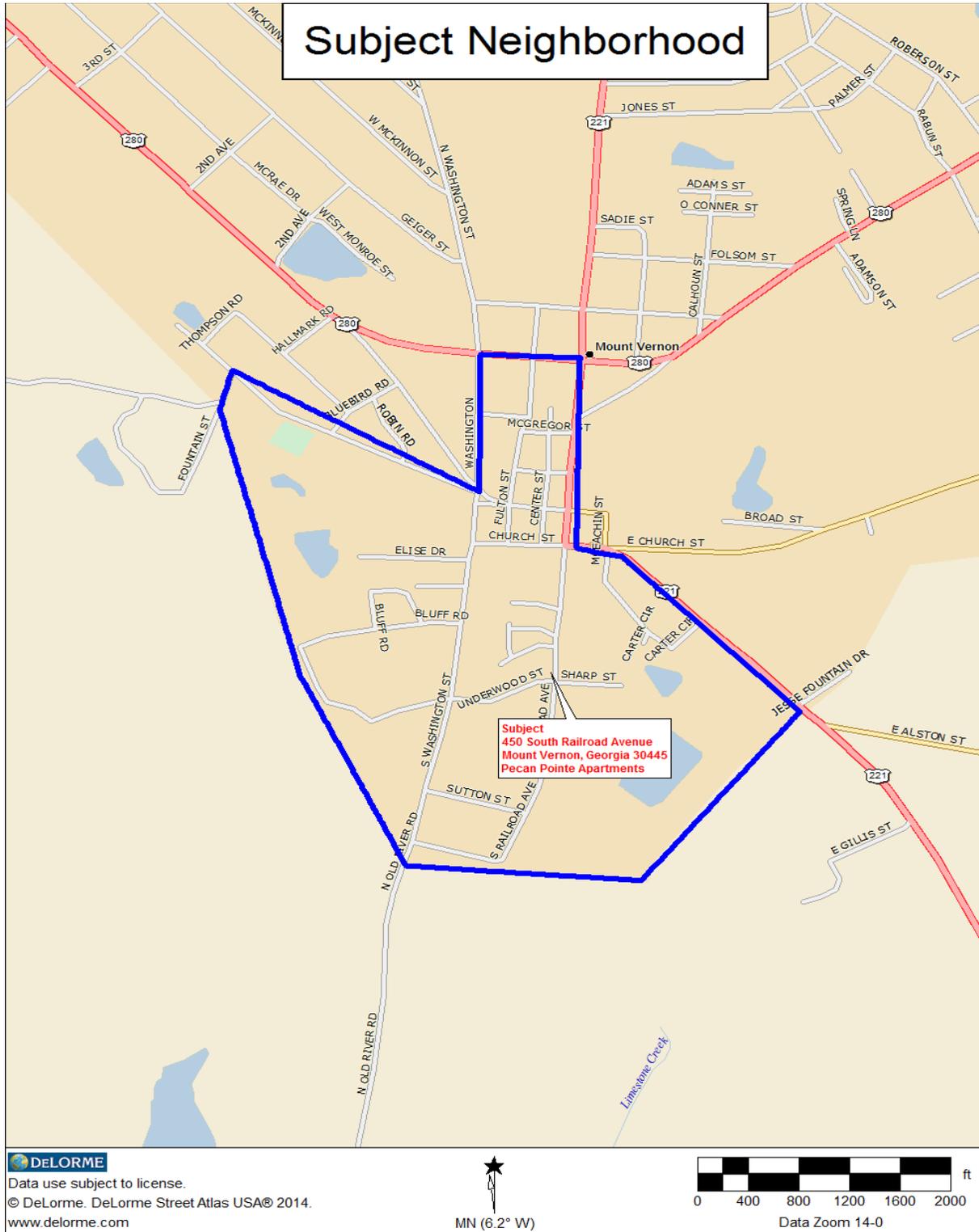
The median household income for the neighborhood in 2017 is \$34,205. It is expected to increase to \$34,698 by 2022. The per capita income is \$16,719.

The median home value for the neighborhood in 2017, according to ESRI, is \$82,584. According to ESRI, the average amount spent for owner-occupied households in the subject's neighborhood is \$11,580.00, or \$965 per month. The average amount spent for renter-occupied households is \$6,504.00, or \$542 per month.

**Analysis/Comments**

In conclusion, the subject is located in the southern portion of Mount Vernon, Georgia. The subject is considered to be compatible with the adjacent properties. Based on the current and projected population and household data, the neighborhood appears to be stable. There have been no significant changes in the make-up of the neighborhood over the past few years. Properties in the neighborhood are generally well maintained. Therefore, it is anticipated that the neighborhood will remain stable and in acceptable condition.

Neighborhood Map



**Defining the Market Area**

The market area for the subject consists of Census Tracts 9502.00 and 9503.00 in Montgomery County and Census Tract 7801.00 in Wheeler County. The market area has the following boundaries: North – Oconee River, Bear Creek, County Road 45, County Road 35, County Road 47, State Highway 22, County Road 61, County Road 38 and County Road 15; South – Jeff Davis County; East – Toombs County; and West – Telfair County, Alligator Creek, Bear Creek, County Road 177, County Road 36, County Road 178 and Laurens County.

Surveying existing apartment complexes helps to show what the competition is offering. Vacancy rates are an indicator of current market strength. In a field survey, an attempt is made to survey 100 percent of all units in the market area. This is not always possible. There are several apartments in the market area. Information was gathered through interviews with owners and managers and through field inspection. These sources appear to be reliable, but it is impossible to authenticate all data. The appraiser does not guarantee this data and assumes no liability for any errors in fact, analysis or judgment.

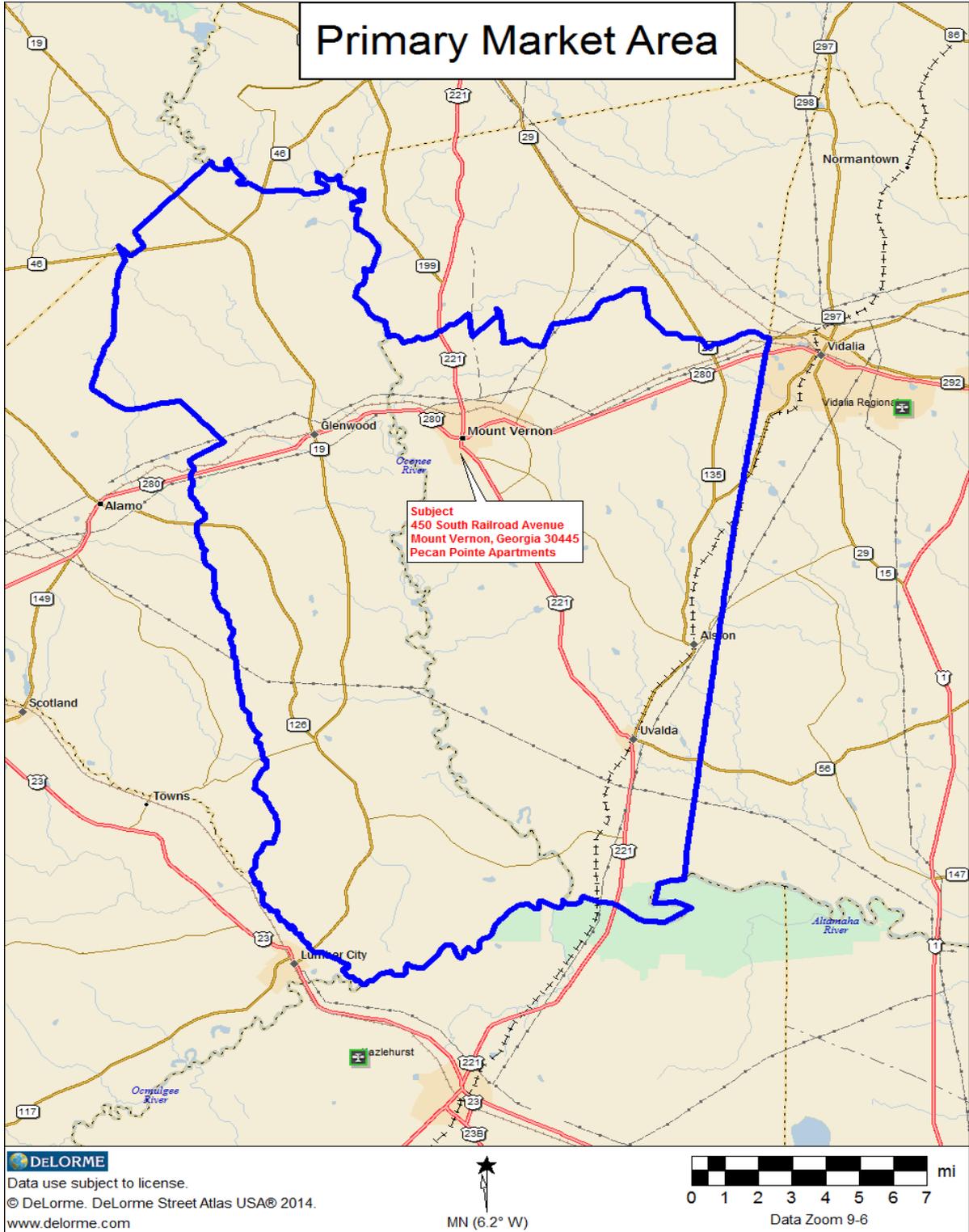
The field/phone survey was conducted in May 2017. Five market-rate properties responded to the survey and five restricted properties, including the subject, responded to the survey. Of the apartments surveyed an overall vacancy rate of one percent was determined for the market-rate vacancy and four percent was determined for the restricted vacancy. The subject is currently 95 percent occupied. Historically, the subject’s occupancy rate has ranged from 89 to 98 percent since 2014. After considering the vacancy rate of the subject and the comparables, a vacancy rate of five percent was deemed appropriate for “as is” conventional housing; five percent was deemed appropriate for “as complete” conventional housing; three percent was deemed appropriate for “as is” affordable housing; and three percent was deemed appropriate for “as complete” affordable housing.

<b>Market Area Vacancy by Development - Conventional</b>			
<b>Property Name</b>	<b># of Units</b>	<b># of Vacant Units</b>	<b>Vacancy Percentage</b>
Brookington Apartments	96	0	0.0%
Pecan Ridge Apartments	51	0	0.0%
Carriage Hill Apartments	60	2	3.3%
Hill House Apartments	12	0	0.0%
The Gables Apartment Homes	32	0	0.0%
<b>TOTALS</b>	<b>251</b>	<b>2</b>	<b>0.8%</b>

<b>Market Area Vacancy by Development - Affordable</b>			
<b>Property Name</b>	<b># of Units</b>	<b># of Vacant Units</b>	<b>Vacancy Percentage</b>
Pecan Pointe Apartments	25	1	4.0%
Hidden Forest Apartments	25	2	8.0%
Connell Street Apartments	20	0	0.0%
Royalwood I Apartments	20	0	0.0%
Royalwood II Apartments	24	2	8.3%
<b>TOTALS</b>	<b>114</b>	<b>5</b>	<b>4.4%</b>

**Absorption Period**

The subject is an existing 21-unit complex that is currently 95 percent occupied. The proposed rehabilitation of the development will not permanently displace residents. Therefore, no additional absorption of units will be needed as the property typically maintains a stabilized occupancy.



**Subject Description**

The area of the site and the site dimensions are based on the building plans provided by the Montgomery County Assessor's Office and a survey provided by the owner. A copy of the survey is included in the addenda.

**Total Land Area** 1.97 acres or 85,813+/- square feet

**Shape/Dimensions** Irregular

**Access & Exposure** The subject property is located on South Railroad Avenue. The site is at or near pavement grade with South Railroad Avenue. The site has ingress and egress on South Railroad Avenue.

**Topography/Drainage** The site is generally sloping. A water detention area is not located on the site. No adverse soil conditions are known in the area which would prevent development.

**Flood Plain** According to RiskMeter, Flood Map Number 13209C0115C, dated August 19, 2010, the subject is zoned X, an area determined to be outside the 100- and 500-year floodplains. Federal flood insurance is available but is not required.

**Environmental Issues** The appraisers are not qualified to determine whether or not hazards exist. A copy of a Phase I Environmental Site Assessment was provided to the appraisers with this assignment. No environmental hazards were observed on the site on the date of the inspection.

**Encroachments** No encroachments were observed. A survey was provided with this assignment. The appraisers are not qualified to determine whether or not the adjacent properties encroach on the subject site.

**Site Ratios**

Building to Land Ratio: 1 to 5.60;  
Site Coverage Ratio - 17.86 percent

There is limited room for expansion of the existing facility as the current buildings do not occupy 100 percent of the site. The size of the buildings when compared to the total lot size does not preclude expansion of the facility and, therefore, does not negatively affect the estimated market value of the subject. The site coverage ratio indicates the available land around the buildings has been utilized at the subject to preclude a “cramped” feel to the property.

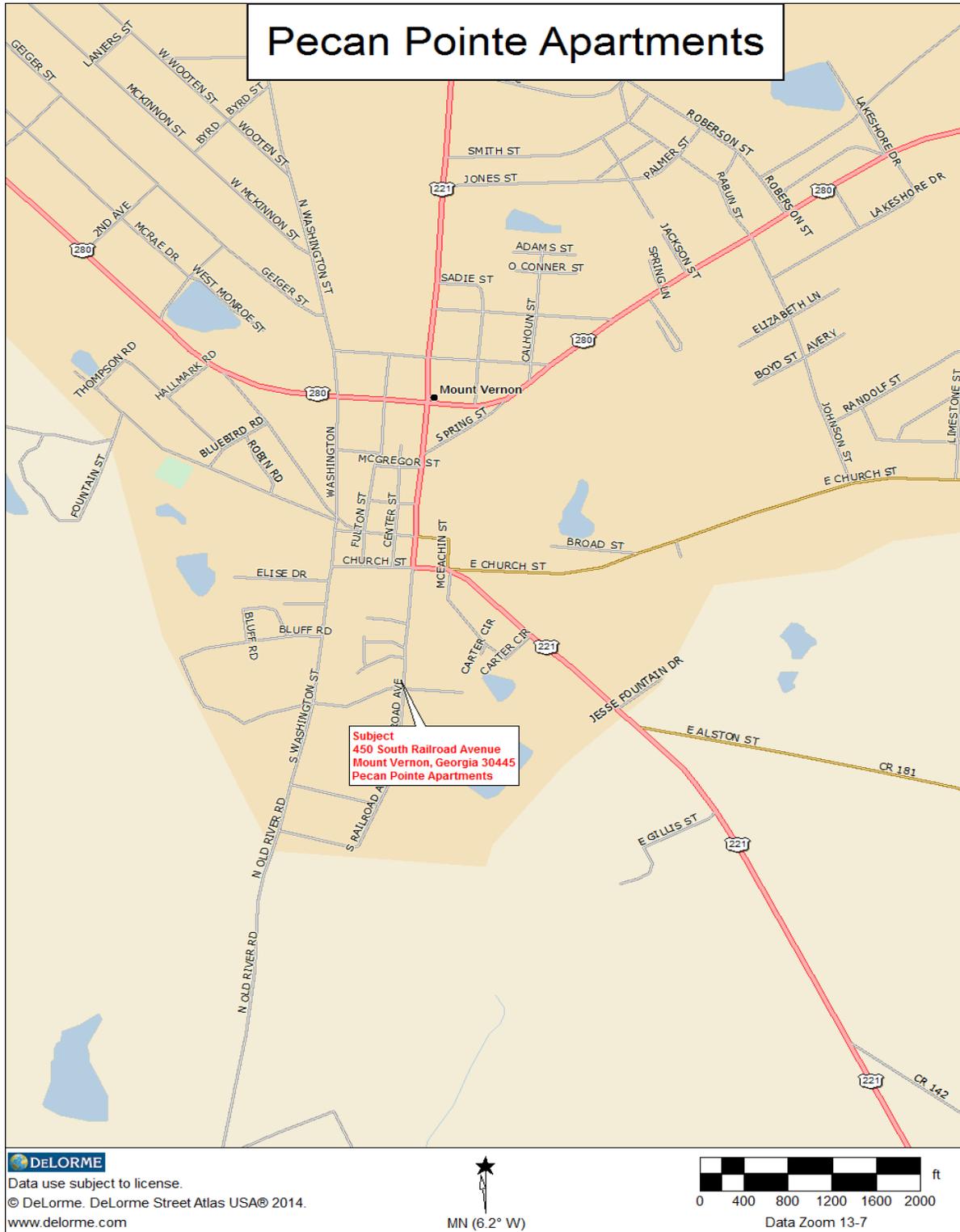
**Utilities**

Water, sewer and electricity are provided by city utilities along the site boundaries. These services appear to be adequate for commercial use.

**Zoning**

According to the City of Mount Vernon, the subject is zoned A-1, Agricultural District. The subject is a legal, non-conforming use. Therefore, it is unlikely that a zoning change will occur. The subject appears to meet site and setback requirements and appears to conform to the current zoning restrictions. The subject could be rebuilt if it were destroyed. The current zoning is consistent with the Highest and Best Use of the subject. Since there are no obvious conflicts between the subject property and the zoning of the property, there is no negative impact on the market value by the zoning classification.

Subject Map



**Improvement Description**

<b>Number of Buildings</b>	The subject contains four garden one-story buildings containing 21 units and one accessory building.
<b>Net Rentable Building Area</b>	13,876 square feet
<b>Gross Building Area</b>	15,328 square feet
<b>Year Built/Year Renovated</b>	1990/Proposed
<b>Economic Life</b>	55 Years
<b>Effective Age</b>	10 Years (As Is) 5 Years (As Complete)

The subject contains four garden one-story buildings containing 21 units. The property also contains one accessory building housing the leasing office, laundry facility, meeting room and maintenance area. According to the Montgomery County Assessor, the gross building area of the property is 15,328 square feet. A copy of the plans, dated January 29, 1990, and completed by Ellis, Ricket & Associates of Valdosta, Georgia, is included in the addenda.

The following table shows the unit mix for the subject property. The unit sizes shown in the table are based on inspector measurements taken the date of inspection.

<b>Unit Type</b>	<b># of Units</b>	<b>Square Footage</b>	<b>Total Square Footage</b>
1/1	20	654	13,080
2/1	1	796	796
	<b>21</b>		<b>13,876</b>

The property includes the following amenities:

Unit Amenities	Included	Fee	Project Amenities	Included	Fee
Refrigerator	X		Clubhouse		
Range/Oven	X		Meeting Room	X	
Garbage Disposal			Dining Room		
Dishwasher			Swimming Pool		
Microwave			Spa/Hot Tub		
Washer/Dryer			Exercise Room		
Washer/Dryer Hook-Ups	X		Picnic Area		
Carpet	X		Playground		
Vinyl	X		Tot Lot		
Wood			Volleyball Court		
Wood Composite			Basketball Court		
Ceramic Tile			Tennis Court		
Blinds	X		Exterior Storage		
Drapes/Shades			Housekeeping		
Ceiling Fans			Business Center		
Vaulted Ceilings			Educational Classes		
Fireplace			Transportation		
Walk-In Closet			Service Coordinator/HUD Paid		
Coat Closet			Concierge Services		
Balcony			Computer Room		
Patio			Car Wash Area		
Pull Cords	X (Some)		Laundry Facility	X	
Emergency Call			On-Site Management	X	
Safety Bars	X (Some)		On-Site Maintenance	X	
<b>Parking</b>	<b>Included</b>	<b>Fee</b>	Intercom/Electronic Entry		
Parking Lot/# of Spaces	X/30	\$0	Limited Access Gate		
Covered Parking/# of Spaces			Perimeter Fencing		
Garage/# of Spaces			Security Patrol		
Parking Garage/Underground/# of Spaces			Video Surveillance		

The subject is 100 percent Rural Development with Rental Assistance for 19 units. The unit types, current rents, utility allowances and square footages for the units are shown in the table below:

Unit Type	# of Units	Square Footage	Current Rent	Utility Allowance
1/1	20	654	\$412	\$88
2/1	1	796	\$422	\$101

The property will undergo rehabilitation and will be in good condition. The proposed scope of work is comprehensive and includes replacement of appliances, kitchen cabinets, bathroom vanities and medicine cabinets, windows, interior and exterior doors, hot water heaters, air conditioning units, toilets and baths, flooring and structural elements such as exterior brick and wall supports, roofing and re-grading and striping of the parking lots. The rehabilitation is anticipated to take nine months.

The unit types, proposed rents after completion of the rehabilitation, utility allowances and square footages for the units are shown in the table below:

Unit Type	# of Units	Square Footage	Proposed Rent	Utility Allowance
1/1	20	654	\$422	\$88
2/1	1	796	\$511	\$101

The rents indicated in the table are assuming LIHTC restrictions, but the subject will retain its Rental Assistance for 19 units. The subject is currently a Rural Development property that, after rehabilitation, will remain a Rural Development property with Rental Assistance for 19 units as well as be a Low Income Housing Tax Credit property at 60 percent of the area median income. As a result of the Rental Assistance, tenants will never be asked to pay more than 30 percent of their gross annual income for rent.

**CONSTRUCTION SUMMARY**

Foundation                                      Concrete Slab on Grade  
Construction                                    Frame  
Exterior Walls                                   Brick/Wood Siding  
Floors    Carpet/Vinyl  
Roof     Asphalt Shingle

**UTILITIES**

UTILITY SCHEDULE		
Utility	Type	Who Pays
Heat	Central Electric	Tenant
Air Conditioning	Central Electric	Tenant
Hot Water	Electric	Tenant
Cooking	Electric	Tenant
Other Electric	N/A	Tenant
Cold Water/Sewer	N/A	Landlord
Trash Collection	N/A	Landlord

**APPEAL**

Landscaping                                    Grass, Trees and Shrubs

**Age, Life and Condition**

The subject was constructed in 1990 using both residential and commercial industry standard workmanship and materials. At the time of the inspection, the facility was observed to be in average physical condition. The subject will be in good condition after the rehabilitation is complete. The remaining estimated useful life is calculated by subtracting the effective age of a property as determined by the appraiser from the total economic life as determined by *Marshall and Swift Cost Valuation Services*. The effective age of a property is its age as compared with other properties performing like functions. It is the actual age less the age which has been taken off by face-lifting, structural reconstruction, removal of functional inadequacies, modernization of equipment, etc. It is an age which reflects the true remaining life for the property, taking into account the typical life expectancy of buildings or equipment of its class

and its usage. It is a matter of judgment, taking all factors, current and those anticipated in the immediate future, into consideration.

In evaluating the remaining economic life, consideration of the following points was included:

*a. The economic make-up of the community or region and the on-going demand for accommodations of the type represented.*

As noted in the Neighborhood Data section of this report, the subject is considered to be compatible with the adjacent properties in its neighborhood. The median home value for the neighborhood in 2017, according to ESRI, is \$82,584. According to ESRI, the average amount spent for owner-occupied households in the subject's neighborhood is \$11,580.00, or \$965 per month. The average amount spent for renter-occupied households is \$6,504.00, or \$542 per month. This data indicates that the cost to rent is significantly lower than the cost to own, thereby increasing the demand for rental housing. Therefore, the demand for rental units continues to be strong.

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

In selecting an appropriate effective age for the subject, the property's compatibility within the neighborhood was considered. The property is a compatible use in the neighborhood and remains in demand by residents as exhibited by the stable occupancy rate of the property. The existing multifamily use of the subject does not conflict with adjacent property uses. Therefore, the property's compatibility does not have a detrimental impact on the property's remaining economic life. Surrounding and nearby land uses are not detrimental to the subject property. There is no evidence of external obsolescence arising from undesirable or non-conforming properties within the subject district.

*c. To the extent possible, the appraiser should analyze architectural design, style and utility from a functional point of view and the likelihood of obsolescence attributable to new inventions, new materials, changes in building codes, and changes in tastes.*

The property's architectural design is typical for the local rental market and is generally similar to rental projects in the area. In addition, the functional utility of the subject is similar to rental projects in the area, and the property does not suffer from functional obsolescence.

*d. The trend and rate of change in the characteristics of the neighborhood that affect property values and their effect on those values.*

Essential goods and services are readily accessible. Access to primary transportation routes is average to good, with ready linkage to both north-south and east-west highways. These neighborhood characteristics have resulted in a stable environment where occupancy rates are strong. No significant changes to the market area characteristics are anticipated.

*e. Workmanship and durability of construction and the rapidity with which natural and man-made forces may cause physical deterioration.*

The physical aspects reflect Class D construction which is viewed as having good durability.

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

The property is well-maintained, exhibits no evidence of deferred maintenance and is functionally adequate. The subject property is not anticipated to experience physical deterioration at a higher rate than projected for similar properties in the area.

The buildings are classified as Average Class D Multiple Residences, according to the Marshall & Swift Cost Manual. Based on the life expectancy tables found in the Marshall & Swift Cost Manual, the economic life of the building is approximately 55 years. Therefore, the effective age is 10 years, and the remaining economic life is 45 years. The subject will undergo a substantial rehabilitation. Upon completion of the rehabilitation the subject will be in good condition, and the effective age of the subject will be five years, and the remaining economic life will be 50 years.

**Subject Photos**



View of Sign



View of Exterior



View of Exterior



View of Exterior



View of Exterior



View of Exterior



View of Exterior



View of Exterior



View of Exterior



View of Exterior



View of Meeting Room



View of Mailboxes



View of Laundry Facility



View of Living Area – One-Bedroom Unit



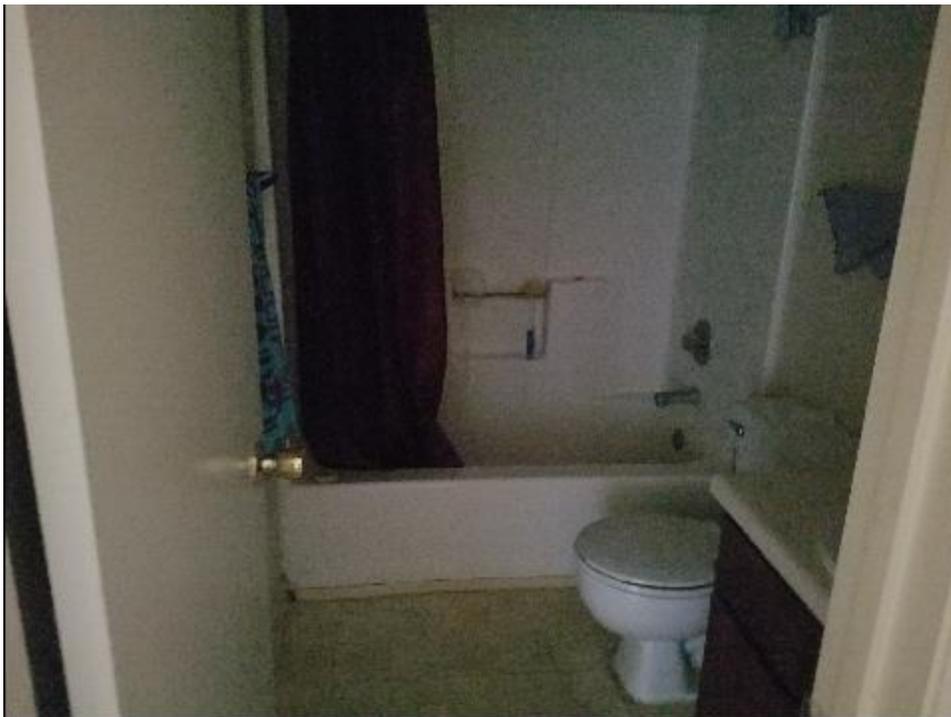
View of Kitchen – One-Bedroom Unit



View of Utility Area – One-Bedroom Unit



View of Bedroom – One-Bedroom Unit



View of Bath – One-Bedroom Unit



View of Living Area – Two-Bedroom Unit



View of Kitchen – Two-Bedroom Unit



View of Bedroom – Two-Bedroom Unit



View of Bath – Two-Bedroom Unit



View of Parking Lot



View of Street



View to the North



View to the South



View to the East



View to the West

**Assessments and Current Real Estate Taxes**

The tax rate for Montgomery County is 27.844 per \$1,000 of assessed value. The property has a total appraised value of \$399,338, with \$22,064 allocated to land and \$377,274 allocated to improvements. The assessor uses 40 percent of the appraised value to determine the assessed value. As a result, the assessed value was \$159,735. The 2016 real estate taxes for the subject were \$4,447.66. The taxes have been paid.

In order to determine the reasonableness of the real estate taxes when considering the Market Value within 7 CFR part 3560.752(b)(1)(ii), Premised Upon a Hypothetical Condition As-If Unsubsidized Conventional Housing, real estate tax comparables were verified. These comparables are shown in the following table:

Property	No. of Units	Year Built	Parcel #	FMV - Land - 2016	FMV - Improvements - 2016	FMV - Total - 2016	Real Estate Taxes - 2016	Taxes Per Unit
Brookington Apartments 504 Brookwood Drive Dublin, Laurens County, Georgia	96	1985	D03B 112	\$110,010	\$2,226,469	\$2,336,479	\$28,977.05	\$301.84
Pecan Ridge Apartments 104 Parker Dairy Road Dublin, Laurens County, Georgia	51	1980	D15B 006	\$63,375	\$848,531	\$911,906	\$11,043.46	\$216.54
Carriage Hill Apartments 604 Hillcrest Parkway Dublin, Laurens County, Georgia	60	1984	D09D 134	\$346,000	\$1,160,524	\$1,506,524	\$15,103.99	\$251.73
Hill House Apartments 620 Peachtree Street Douglas, Coffee County, Georgia	12	1972	D020 169	\$29,138	\$544,897	\$574,035	\$7,162.56	\$596.88
The Gables Apartment Homes 1351 West Gordon Street Douglas, Coffee County, Georgia	32	1995	0097B 074	\$48,000	\$950,416	\$998,416	\$12,493.03	\$390.41

These comparables are all market-rate facilities in Laurens and Coffee Counties. Due to the lack of conventional comparables in Telfair County, it was necessary to utilize comparables outside the county in Laurens and Coffee Counties. The comparables indicated a range of \$216.54 per unit to \$596.88 per unit. The subject's actual real estate taxes are \$212.00 per unit. The subject's real estate taxes are slightly below the comparable range. Therefore, the real estate taxes for the market scenario were increased slightly to \$250 per unit to be within the range of the tax comparables.

## **Highest and Best Use Analysis**

Highest and Best Use is defined in *The Dictionary of Real Estate Appraisal*, sponsored by the Appraisal Institute (Sixth Edition 2015), as follows:

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

Implied in this definition is that the determination of highest and best use takes into account the contribution of specific use to the community and community development goals as well as the benefits of that use to individual property owners. Hence, in certain situations, the highest and best use of land may be for parks, greenbelt, preservation, conservation, wildlife habitat, etc.

In determining the highest and best use of the subject property, careful consideration was given to the economic, legal, and social factors which motivate investors to develop, own, buy, sell and lease real estate.

There are four criteria that are used in evaluating the highest and best use of a property. The highest and best must be:

1. **Physically Possible**
2. **Legally Permissible**
3. **Financially Feasible**
4. **Maximally Productive**

The four criteria are applied in sequential order. The selection of uses is narrowed through the consideration of each criteria, so that by the time the last criteria is applied, only a single use is indicated. Hence, a property often will have numerous uses which are physically possible, a lesser number which are both physically possible and legally permissible; fewer still which are physically possible, legally permissible and financially feasible; and only a single use which meets all four criteria.

In addition to the preceding four criteria, the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation further indicate that the following items must be considered as they relate to the use and value of the property:

1. Existing land use regulations
2. Reasonably probable modifications of such regulations
3. Economic demand
4. The physical adaptability of the property
5. Neighborhood trends

The previous sections of this report were used to render a judgment as to the highest and best use of the site as though vacant and as though improved.

### **Highest and Best Use as though Vacant**

Highest and best use of land or a site as though vacant assumes that a parcel of land is vacant or can be made vacant by demolishing any improvements. With this assumption, uses that create value can be identified, and the appraiser can begin to select comparable properties and estimate land value. The questions to be answered in this analysis are as follows:

If the land is, or were, vacant, what use should be made of it?

What type of building or improvement, if any, should be constructed on the land and when?<sup>6</sup>

### **Physically Possible Use as Vacant**

The first constraint imposed on the possible use of the property is dictated by the physical aspects of the site itself. The size and location within a given block are the most important determinants of value. In general, the larger the site, the greater its potential to achieve economies of scale and flexibility in development. The size of the parcel, considered within the provisions of the zoning, has considerable influence on its ultimate development.

The key determinant in developing a site is the permitted size of the project. More land permits higher density development, higher floor to area ratios (FAR), etc. the total number of square feet allowed for a building structure tends to rise in proportion to the size of the lot. Location is important when considering a site's proximity to open plazas, office trade areas, work force areas, public transportation, major highways (access/visibility), etc.

As noted in the Site Data section of this report, the subject site has a land area of 1.97 acres. Topographically, the site is generally sloping. The subject is not located in a flood hazard area. No subsoil or drainage conditions are known that would adversely affect the development of the site. Public utilities available to the subject include electricity, water, sewer and telephone. The size of the subject and the adjacent properties suggest a number of possible uses for the subject site.

### **Legally Permissible Use As Vacant**

Legal restrictions, as they apply to the subject property, are of two types, private restrictions (deed restriction easements) and public restrictions, namely zoning. No information regarding private restrictions affecting title was provided with this assignment other than those mentioned below. It is assumed that only common restrictions (i.e. utility easements, etc.) are applicable and are not of any consequence to the development of this site.

<sup>6</sup> The Appraisal Institute. *The Appraisal of Real Estate*. 14<sup>th</sup> ed. (Chicago, 2013), 337

### **FINANCIALLY FEASIBLE USE AS VACANT**

After the discussion of the physically possible and legally permissible uses for the site as vacant, the adjacent property uses suggest that the possibilities for the subject have been narrowed to multifamily development.

### **MAXIMALLY PRODUCTIVE AS VACANT**

Based on the analysis of the previous elements, it is reasonable to assume, if the site were vacant and available for development on the date of valuation, the highest and best use would be for multifamily development, most likely a multifamily use which could produce a higher return.

### **HIGHEST AND BEST USE AS IMPROVED**

Highest and best use of a property as improved pertains to the use that should be made of an improved property in light of its improvements. The use that maximizes an investment property's value, consistent with the long-term rate of return and associated risk, is its highest and best use as improved.<sup>7</sup>

This part of highest and best use analysis is structured to answer the following problems:

1. Should the building be maintained as is?
2. Should the building be renovated, expanded, or demolished?
3. Should the building be replaced with a different type or intensity of use?

### **PHYSICALLY POSSIBLE AS IMPROVED**

The subject site supports an existing multifamily development with a gross building area of approximately 15,328 square feet. The subject does suffer from functional or external obsolescence. The subject is in average condition.

### **LEGALLY PERMISSIBLE AS IMPROVED**

Based on the adjacent property uses and the zoning restrictions for the subject, the highest and best use of the subject site is considered to be a multifamily facility. The configuration of the improvements is not in violation of any known regulations and is considered to be a compatible use with the adjacent commercial and residential properties.

<sup>7</sup> The Appraisal Institute. *The Appraisal of Real Estate*. 14<sup>th</sup> ed. (Chicago, 2013), 345

**FINANCIALLY FEASIBLE AS IMPROVED**

The third factor that must be considered is the economical feasibility of the types of uses that are physically and legally permissible. Based on the data presented in the Income Approach section of this report, the existing improvements appear to be capable to produce an adequate return to be financially feasible as they exist.

**MAXIMALLY PRODUCTIVE AS IMPROVED**

Considering the previous discussions, the existing improvements are physically possible, legally permissible and financially feasible. There currently is no alternative legal use that could economically justify razing the existing improvement or significantly changing their use. Based on the foregoing analysis, it is my opinion that the maximally productive use of the property is as a multifamily development.

## **Appraisal Procedures**

### **The Cost Approach**

The Cost Approach considers the current cost of replacing a property, less depreciation from three sources: physical deterioration, functional obsolescence and external obsolescence. A summation of the market value of the land, assumed vacant and the depreciated replacement cost of the improvements provides an indication of the total value of the property.

### **The Income Approach**

The Income Approach is based on an estimate of the subject property's possible net income. The net income is capitalized to arrive at an indication of value from the standpoint of an investment. This method measures the present worth and anticipated future benefits (net income) derived from the property.

### **The Sales Comparison Approach**

The Sales Comparison Approach produces an estimate of value by comparing the subject property to sales and/or listings of similar properties in the same or competing areas. This technique is used to indicate the value established by informed buyers and sellers in the market.

In preparing this appraisal, the appraiser inspected the subject property and analyzed historic operating data for the subject. A Cost Approach was used to determine the effective age and economic life of the proposed development. Furthermore, information was gathered on competitive properties in the region for comparable improved rentals and operating expenses. Lastly, comparable sales were gathered primarily for their use as overall rate indicators. This information was applied in the Income Capitalization Approach. The application of each measure of value is discussed further in appropriate sections of this report.

**VALUATION SECTION**

### **Cost Approach**

The Cost Approach is a method in which the value of a property is derived by estimating the replacement cost of the improvements, deducting the estimated depreciation, and adding the market value of the land. The first Step in the Cost Approach is to estimate the value of the subject site.

### **Site Value**

The comparison method is the most common way of developing a market value estimate for land. In the comparison method, sales of vacant land comparable to the subject property are gathered and analyzed. Ideally, such vacant sales are close in time and proximity to the subject property.

The sales prices are adjusted for time, location, physical characteristics, and other relevant variations. The adjusted prices are reduced to some common unit of comparison and conclude a unit value applicable to the subject property. This unit value, when applied to the appropriate unit measure, results in an estimate of market value for land.

An investigation revealed several sales of similar sites in the subject's area. The comparables found are summarized on the following pages.

**Land Sale No. 1**



**Property Identification**

<b>Record ID</b>	4665
<b>Property Name</b>	State Highway 135 at Old Savannah Road
<b>Address</b>	State Highway 135 at Old Savannah Road, Ailey, Montgomery County, Georgia 30410
<b>Tax ID</b>	050 051A
<b>Market Type</b>	Land

**Sale Data**

<b>Grantor</b>	Barbara Foskey
<b>Grantee</b>	Jody Lenton and Amanda Shai Hobbs
<b>Sale Date</b>	December 19, 2014
<b>Deed Book/Page</b>	264/267
<b>Property Rights</b>	Fee Simple
<b>Conditions of Sale</b>	Normal
<b>Financing</b>	Conventional
<b>Verification</b>	Assessor; May 16, 2017

<b>Sale Price</b>	\$26,500
<b>Cash Equivalent</b>	\$26,500
<b>Adjusted Price</b>	\$26,500

**Land Data**

<b>Zoning</b>	None
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**Land Sale No. 1 (Cont.)**

**Topography**  
**Utilities**  
**Shape**

Generally Sloping  
E, G, W, S  
Irregular

**Land Size Information**

**Gross Land Size**  
**Front Footage**

4.000 Acres or 174,240 SF  
State Highway 135

**Indicators**

**Sale Price/Gross Acre**  
**Sale Price/Gross SF**

\$6,625  
\$0.15

**Land Sale No. 2**



**Property Identification**

<b>Record ID</b>	4666
<b>Property Name</b>	Cedar Road
<b>Address</b>	Cedar Road, Alston, Montgomery County, Georgia 30412
<b>Tax ID</b>	054 003IN
<b>Market Type</b>	Land

**Sale Data**

<b>Grantor</b>	Lance G. Jones, Et. Al.
<b>Grantee</b>	Michael J. Moses
<b>Sale Date</b>	March 31, 2015
<b>Deed Book/Page</b>	267/192
<b>Property Rights</b>	Fee Simple
<b>Conditions of Sale</b>	Normal
<b>Financing</b>	Conventional
<b>Verification</b>	Assessor; May 16, 2017

<b>Sale Price</b>	\$75,000
<b>Cash Equivalent</b>	\$75,000
<b>Adjusted Price</b>	\$75,000

**Land Data**

<b>Zoning</b>	None
<b>Topography</b>	Generally Sloping
<b>Utilities</b>	E, G, W, S

**Land Sale No. 2 (Cont.)**

**Shape**

Irregular

**Land Size Information**

**Gross Land Size**

10.000 Acres or 435,600 SF

**Front Footage**

Cedar Road

**Indicators**

**Sale Price/Gross Acre**

\$7,500

**Sale Price/Gross SF**

\$0.17

**Land Sale No. 3**



**Property Identification**

<b>Record ID</b>	4667
<b>Property Name</b>	Scarlett O'Hara Drive
<b>Address</b>	Scarlett O'Hara Drive, Ailey, Montgomery County, Georgia 30410
<b>Tax ID</b>	050B 051
<b>Market Type</b>	Land

**Sale Data**

<b>Grantor</b>	Melissa Williams
<b>Grantee</b>	Robin P. Mclin
<b>Sale Date</b>	January 25, 2016
<b>Deed Book/Page</b>	274/67
<b>Property Rights</b>	Fee Simple
<b>Conditions of Sale</b>	Normal
<b>Financing</b>	Conventional
<b>Verification</b>	Assessor; May 16, 2017

<b>Sale Price</b>	\$7,200
<b>Cash Equivalent</b>	\$7,200
<b>Adjusted Price</b>	\$7,200

**Land Data**

<b>Zoning</b>	None
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**Land Sale No. 3 (Cont.)**

**Topography**  
**Utilities**  
**Shape**

Nearly Level  
E, G, W, S  
Irregular

**Land Size Information**

**Gross Land Size**  
**Front Footage**

1.000 Acres or 43,560 SF  
Scarlett O'Hara Drive

**Indicators**

**Sale Price/Gross Acre**  
**Sale Price/Gross SF**

\$7,200  
\$0.17

**Land Sale No. 4**



**Property Identification**

<b>Record ID</b>	4480
<b>Property Name</b>	184 Platte Road
<b>Address</b>	184 Platte Road, Fitzgerald, Ben Hill County, Georgia 31750
<b>Tax ID</b>	5-10-61E

**Sale Data**

<b>Grantor</b>	Peggy Lee Clemons
<b>Grantee</b>	Jeffery & Cindy Ruis
<b>Sale Date</b>	April 21, 2017
<b>Deed Book/Page</b>	2017/212
<b>Property Rights</b>	Fee Simple
<b>Conditions of Sale</b>	Normal
<b>Financing</b>	Conventional
<b>Verification</b>	Assessor; May 16, 2017

<b>Sale Price</b>	\$135,000
<b>Cash Equivalent</b>	\$135,000
<b>Adjusted Price</b>	\$135,000

**Land Data**

<b>Zoning</b>	R-6M, Residential Multifamily
<b>Topography</b>	Nearly Level
<b>Utilities</b>	E, G, W, S
<b>Shape</b>	Irregular

**Land Sale No. 4 (Cont.)**

**Land Size Information**

**Gross Land Size** 12.000 Acres or 522,720 SF  
**Front Footage** Platte Road

**Indicators**

**Sale Price/Gross Acre** \$11,250  
**Sale Price/Gross SF** \$0.26

**Land Sale No. 5**



**Property Identification**

<b>Record ID</b>	4482
<b>Property Name</b>	State Highway 230
<b>Address</b>	State Highway 230, Unadilla, Dooly County, Georgia 31091
<b>Tax ID</b>	73A000025

**Sale Data**

<b>Grantor</b>	Equity Trust Company
<b>Grantee</b>	Ganshyam K. Patel
<b>Sale Date</b>	July 01, 2015
<b>Deed Book/Page</b>	539000276
<b>Property Rights</b>	Fee Simple
<b>Conditions of Sale</b>	Normal
<b>Financing</b>	Conventional
<b>Verification</b>	Assessor; May 16, 2017

<b>Sale Price</b>	\$100,000
<b>Cash Equivalent</b>	\$100,000
<b>Adjusted Price</b>	\$100,000

**Land Sale No. 5 (Cont.)**

**Land Data**

**Zoning**

R-2, One- and Two-Family Dwelling

**Topography**

Nearly Level

**Utilities**

E, G, W, S

**Shape**

Irregular

**Land Size Information**

**Gross Land Size**

5.670 Acres or 246,985 SF

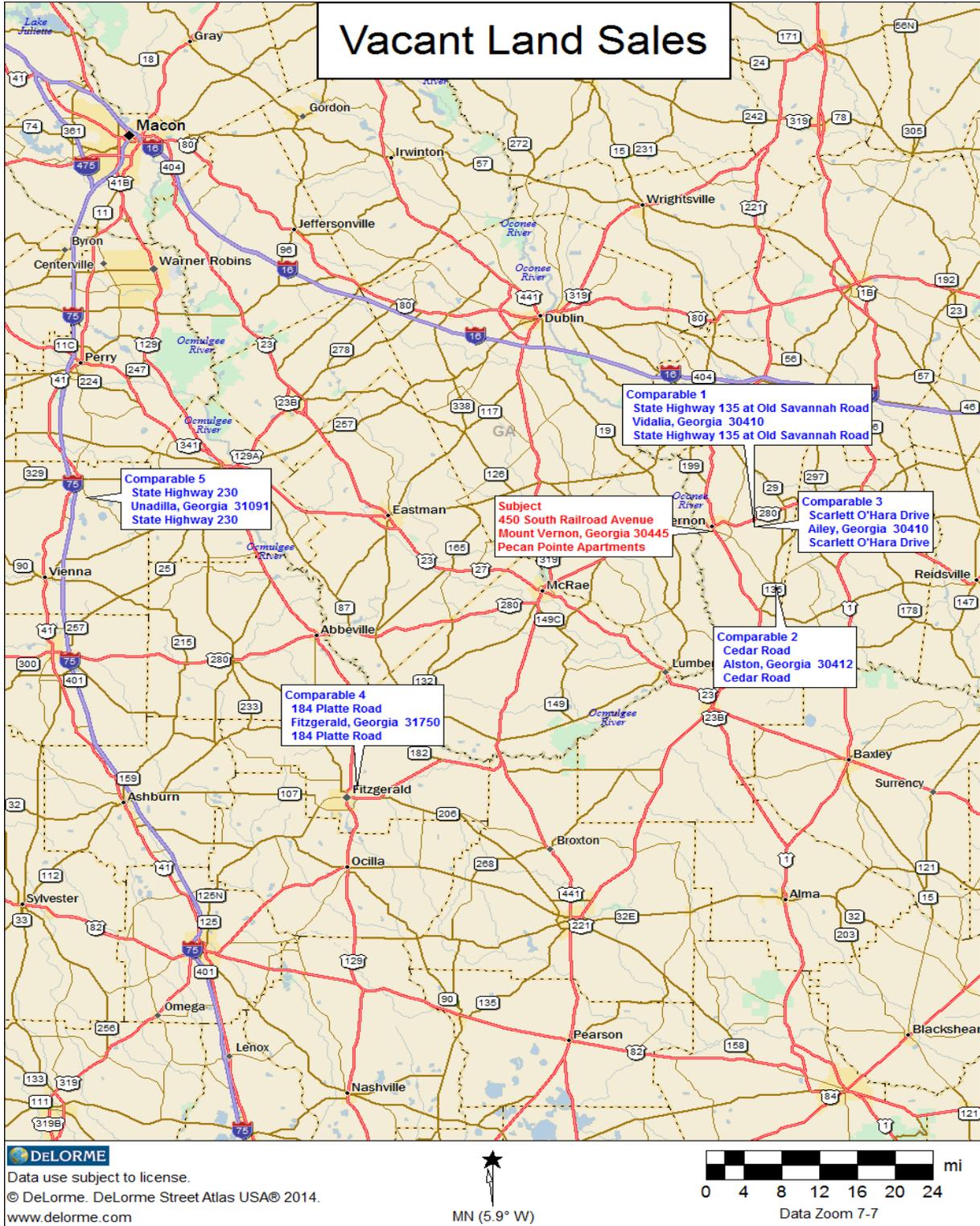
**Indicators**

**Sale Price/Gross Acre**

\$17,637

**Sale Price/Gross SF**

\$0.40



Pecan Pointe Apartments \* 450 South Railroad Avenue \* Mount Vernon, Georgia

Land Analysis Grid	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5	
Address	450 South Railroad Avenue	State Highway 135 at Old Savannah Road	Cedar Road	Scarlett O'Hara Drive	184 Platte Road	State Highway 230
City	Mount Vernon	Ailey	Alston	Ailey	Fitzgerald	Unadilla
State	GA	GA	GA	GA	GA	GA
Date	5/16/2017	12/19/2014	3/31/2015	1/25/2016	4/21/2017	7/1/2015
Price	\$26,500	\$75,000	\$75,000	\$7,200	\$135,000	\$100,000
Acres	1.97	4.00	10.00	1.00	12.00	5.67
Acre Unit Price	\$6,625	\$7,500	\$7,500	\$7,200	\$11,250	\$17,637
<b>Transaction Adjustments</b>						
Property Rights	Fee Simple	Fee Simple	0.0%	Fee Simple	0.0%	Fee Simple
Financing	Conventional	Conventional	0.0%	Conventional	0.0%	Conventional
Conditions of Sale	Normal	Normal	0.0%	Normal	0.0%	Normal
<b>Adjusted Acre Unit Price</b>	<b>\$6,625</b>	<b>\$7,500</b>	<b>\$7,200</b>	<b>\$11,250</b>	<b>\$17,637</b>	
Market Trends Through	05/16/17	0%	0%	0%	0%	0%
<b>Adjusted GBA Unit Price</b>	<b>\$6,625</b>	<b>\$7,500</b>	<b>\$7,200</b>	<b>\$11,250</b>	<b>\$17,637</b>	
Location	Average	Similar	Similar	Similar	Similar	Similar
% Adjustment	0%	0%	0%	0%	0%	0%
\$ Adjustment	\$0	\$0	\$0	\$0	\$0	\$0
Acres	1.97	4.00	10.00	1.00	12.00	5.67
% Adjustment	0%	0%	0%	0%	0%	0%
\$ Adjustment	\$0	\$0	\$0	\$0	\$0	\$0
Visibility/Access	Average	Similar	Similar	Similar	Similar	Similar
% Adjustment	0%	0%	0%	0%	0%	0%
\$ Adjustment	\$0	\$0	\$0	\$0	\$0	\$0
Topography	Generally Sloping	Generally Sloping	Generally Sloping	Nearly Level	Nearly Level	Nearly Level
% Adjustment	0%	0%	0%	0%	0%	0%
\$ Adjustment	\$0	\$0	\$0	\$0	\$0	\$0
Zoning	A-1	None	None	None	R-6M	R-2
% Adjustment	0%	0%	0%	0%	0%	0%
\$ Adjustment	\$0	\$0	\$0	\$0	\$0	\$0
Utilities	E, G, W, S	E, G, W, S	E, G, W, S	E, G, W, S	E, G, W, S	E, G, W, S
% Adjustment	0%	0%	0%	0%	0%	0%
\$ Adjustment	\$0	\$0	\$0	\$0	\$0	\$0
<b>Adjusted Acre Unit Price</b>	<b>\$6,625</b>	<b>\$7,500</b>	<b>\$7,200</b>	<b>\$11,250</b>	<b>\$17,637</b>	
Net adjustments	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Gross adjustments	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

After analyzing the land sales and adjusting each sale accordingly, it is our opinion that the estimated Market Value of the subject site as of May 16, 2017, is as follows:

**1.97 acres x \$11,000 per acre = \$21,670**

**Rounded \$22,000**

### Summary of Vacant Land Sales

Comp	Address	Sale Date	Sale Price	Acre Unit Price	Acres	Land SF	Zoning
1	State Highway 135 at Old Savannah Road	12/19/2014	\$26,500	\$6,625	4.00	174,240	None
2	Cedar Road	3/31/2015	\$75,000	\$7,500	10.00	435,600	None
3	Scarlett O'Hara Drive	1/25/2016	\$7,200	\$7,200	1.00	43,560	None
4	184 Platte Road	4/21/2017	\$135,000	\$11,250	12.00	522,720	R-6M
5	State Highway 230	7/1/2015	\$100,000	\$17,637	5.67	246,985	R-2

### Adjustments

The prices of the comparable land sales range from \$6,625 to \$17,637 per acre before adjustments. Each of the comparables was adjusted for differences from the subject site. The adjustments are based on the following characteristics.

### Location

The location of the subject property and the comparables relative to residential population, population wealth, traffic patterns, centers of employment, economic levels and other locational attributes was analyzed. Location comparisons were made based on the appraiser's judgment as to the relative desirability of the property to a potential commercial or multifamily investor. These factors also include degree and quality of surrounding development and view. The subject is located in Mount Vernon. Comparable 1 is located in Ailey. Comparable 2 is located in Alston. Comparable 3 is located in Ailey. Comparable 4 is located in Fitzgerald. Comparable 5 is located in Unadilla. Although there were differences in population amongst the cities, the difference in population was offset by median income and home value levels. Therefore, no adjustments were needed.

### Size

Consideration was given to the size of the subject as compared to the comparables. Size can have an impact on site value based on the premise that smaller parcels often sell for a higher price per unit than larger parcels with equal utility. The subject site consists of a total area of 1.97 acres. The comparables range in size from 1.00 acres to 12.00 acres. The market did not indicate a need for adjustment due to size. Therefore, no adjustments were made.

**Visibility/Access**

Consideration was given to the subject's visibility/access. The subject has average visibility/access. All comparables are similar. No adjustment was needed.

**Topography**

Consideration was given to the subject's topography. The subject is generally sloping. Comparable 1 is generally sloping. Comparable 2 is generally sloping. Comparable 3 is nearly level. Comparable 4 is nearly level. Comparable 5 is nearly level. No adjustment was needed.

**Zoning**

The adjustment for zoning reflects not only the zoning of the comparables relative to the subject property but also the potential utility of the sites. The subject is zoned A-1. Comparable's 1, 2 and 3 are located outside the city limits in the county and are not zoned. Comparable 4 is zoned R-6M. Comparable 5 is zoned R-2. The market did not indicate an adjustment was needed for zoning differences. Therefore, no adjustments were made.

**Utilities**

Consideration was given to the subject's utilities. The subject has electricity, gas, water and sewer. All comparables are similar. No adjustment was needed.

**Summary Conclusions**

The land sales analysis indicates the quantitative or qualitative adjustments. The comparable land sales range from \$6,625 to \$17,637 per acre after adjustments. All comparables were given consideration. The comparables indicated a reconciled value of \$11,000 per acre. These were considered to be the best comparables available after researching sales with local realtors and the county assessor's office.

**1.97 acres x \$11,000 per Acre = \$21,670**

**Rounded \$22,000**

## **Improvement Valuation**

The next step in the Cost Approach is to estimate the replacement cost new of the improvements.

Replacement cost new (RCN) is defined as follows:

The estimated cost to construct, at current prices as of the effective date of the appraisal, a building with utility equivalent to the building being appraised, using modern materials and current standards, design and layout.<sup>8</sup>

A description of the improvements was presented in the Improvement Data section. The costs estimated were made based on the developer's plans. Cost estimates were made based on the replacement cost new of the improvements using the **Marshall Valuation Service Cost Manual**. Soft costs are included in the base cost determined by the **Marshall Valuation Service Cost Manual**.

## **Depreciation Analysis**

Depreciation may be defined as any loss of value from any cause. There are three general areas of depreciation: physical deterioration, functional obsolescence and external obsolescence. Depreciation may be curable or incurable, the test being that money spent to cure the depreciation be gained in value. If the depreciation costs more to fix than will be gained in value, then the depreciation is considered incurable.

## **Physical Deterioration**

This results from deterioration from aging and use. This type of depreciation may be curable or incurable.

## **Depreciation Accrued To The Subject**

The buildings have an effective age of 10 years. Properties of this type are anticipated to have a total economic life of 55 years. Based upon the concept of age/life depreciation, the overall depreciation applicable to the subject is 10/55, or 18 percent.

The subject will undergo a substantial rehabilitation. Upon completion of the rehabilitation, the buildings will have an effective age of five years. Properties of this type are anticipated to have a total economic life of 55 years. Based upon the concept of age/life depreciation, the overall depreciation applicable to the subject will be 5/55, or 9 percent.

<sup>8</sup>Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute), 2015

**External Obsolescence**

External obsolescence is due to circumstances outside the property itself, such as industry, demographic and economic conditions or an undesirable proximate use. This type of depreciation is rarely curable. The subject does seem to suffer from external obsolescence.

**Deferred Maintenance**

There were no visible signs of deferred maintenance at the subject.

The following formula shows the external obsolescence for the "as is" restricted value.

**External Obsolescence - As Is Restricted**

<b>Total Construction Cost of Structures</b>			\$988,814
<b>Plus: Entrepreneur's Profit</b>			\$98,881
<b>Depreciation</b>			(\$201,653)
<b>Cost of Structures before External Obsolescence</b>			<u>\$886,043</u>
<b>Value of Land</b>			\$22,000
<b>Plus: Entrepreneur's Profit</b>			<u>\$2,200</u>
<b>Cost before External Obsolescence</b>			\$910,243
<b>Current Capitalization Rate</b>			6.00%
<b>Economic Net Operating Income (RCN x CR)</b>			\$54,615
<b>Net Operating Income from the Subject</b>			<u>\$20,792</u>
<b>Net Loss Due to Economic Obsolescence</b>			(\$33,822)
<b>Ratio of Improvements Total Property Value</b>			0.9734
<b>Year</b>	<b>Actual NOI Loss</b>	<b>Overall Cap Rate</b>	<b>Capitalized NOI Loss</b>
1	(\$33,822)	6.00%	(\$563,706)
<b>Times ratio of Improvements to Total Property</b>			0.9734
<b>Total External Obsolescence</b>			(\$548,719)

**Cost Analysis - Restricted As Is - Section 1 of 1**

**Marshall & Swift**

<b>Cost Source:</b> Marshall & Swift	# 12: Dwellings, Duplexes & Motels
<b>No. of Stories Multiplier:</b> 1.0000	<b>Local Multiplier:</b> 0.8300
<b>Height/Story Multiplier:</b> 1.0000	<b>Current Cost Multiplier:</b> 1.0300
<b>Perimeter Multiplier:</b> 1.0000	<b>Combined Multipliers:</b> 0.8549

**Building Improvements**

<b>Item</b>	<b>Unit Type</b>	<b>Cost</b>	<b>Quantity</b>	<b>Multiplier</b>	<b>Total</b>
Average Class D Multiple Residences	Sq. Ft.	\$71.55	15,328	0.855	\$937,585
Built-Ins	Per Unit	\$1,925.00	21	0.855	\$34,559
<b>Total Building Improvement Costs</b>					<b>\$972,144</b>
Price per SF Gross Building Area					\$63.42

**Site Improvements**

<b>Item</b>	<b>Unit Type</b>	<b>Cost</b>	<b>Quantity</b>	<b>Multiplier</b>	<b>Total</b>
Paving	Per Unit	\$650.00	30	0.855	\$16,671
<b>Total Site Improvement Costs</b>					<b>\$16,671</b>
<b>Subtotal: Building &amp; Site Costs</b>					<b>\$988,814</b>
Price per SF Gross Building Area					\$64.51

**Total Costs**

Subtotal: Building, Site & Soft Costs		\$988,814
Developer's Profit 10.0%		\$98,881
<b>Total Cost</b>		<b>\$1,087,696</b>
Price per SF Gross Building Area		\$70.96

**Depreciation**

<b>Component</b>	<b>Eff. Age</b>	<b>Life</b>	<b>Percent</b>	<b>Amount</b>
Physical Depreciation: Building	10	55	18%	\$192,484
Physical Depreciation: Site	10	20	50%	\$9,169
Functional Obsolescence Building			0%	\$0
External Obsolescence Building			0%	\$548,719
<b>Total Depreciation</b>				<b>\$750,372</b>
<b>Depreciated Value of Improvements</b>				<b>\$337,324</b>
Cost Per Square Foot Gross Building Area				\$22.01

**Additional Cost Sections**

Cost Section 2	\$0
Cost Section 3	\$0

**Land Value**

Land Value	\$22,000	
Other	\$0	
<b>Cost Approach Value Indication</b>		<b>\$359,324</b>
<b>Rounded</b>		<b>\$360,000</b>
<b>Price per SF Gross Building Area</b>		<b>\$23.49</b>

The costs in the preceding charts were derived by using the "Marshall Swift Valuation Service" and by conversations with local builders and comparable sales data. The total Estimated Value indicated by the Cost Approach for the subject "as is":

**Restricted Value As Is = \$360,000**

The following formula shows the external obsolescence for the "as is" market value.

**External Obsolescence - As Is Market**

<b>Total Construction Cost of Structures</b>				\$988,814
<b>Plus: Entrepreneur's Profit</b>				\$98,881
<b>Depreciation</b>				(\$201,653)
<b>Cost of Structures before External Obsolescence</b>				<u>\$886,043</u>
<b>Value of Land</b>				\$22,000
<b>Plus: Entrepreneur's Profit</b>				<u>\$2,200</u>
<b>Cost before External Obsolescence</b>				\$910,243
<b>Current Capitalization Rate</b>				7.00%
<b>Economic Net Operating Income (RCN x CR)</b>				\$63,717
<b>Net Operating Income from the Subject</b>				<u>\$57,912</u>
<b>Net Loss Due to Economic Obsolescence</b>				(\$5,805)
<b>Ratio of Improvements Total Property Value</b>				0.9734
<b>Year</b>		<b>Actual NOI Loss</b>	<b>Overall Cap Rate</b>	<b>Capitalized NOI Loss</b>
1		(\$5,805)	7.00%	(\$82,923)
<b>Times ratio of Improvements to Total Property</b>				0.9734
<b>Total External Obsolescence</b>				(\$80,719)

**Cost Analysis - Market As Is - Section 1 of 1**

**Marshall & Swift**

<b>Cost Source:</b> Marshall & Swift	# 12: Dwellings, Duplexes & Motels
<b>No. of Stories Multiplier:</b> 1.0000	<b>Local Multiplier:</b> 0.8300
<b>Height/Story Multiplier:</b> 1.0000	<b>Current Cost Multiplier:</b> 1.0300
<b>Perimeter Multiplier:</b> 1.0000	<b>Combined Multipliers:</b> 0.8549

**Building Improvements**

<b>Item</b>	<b>Unit Type</b>	<b>Cost</b>	<b>Quantity</b>	<b>Multiplier</b>	<b>Total</b>
Average Class D Multiple Residences	Sq. Ft.	\$71.55	15,328	0.855	\$937,585
Built-Ins	Per Unit	\$1,925.00	21	0.855	\$34,559
<b>Total Building Improvement Costs</b>					<b>\$972,144</b>
Price per SF Gross Building Area					\$63.42

**Site Improvements**

<b>Item</b>	<b>Unit Type</b>	<b>Cost</b>	<b>Quantity</b>	<b>Multiplier</b>	<b>Total</b>
Paving	Per Unit	\$650.00	30	0.855	\$16,671
<b>Total Site Improvement Costs</b>					<b>\$16,671</b>
<b>Subtotal: Building &amp; Site Costs</b>					<b>\$988,814</b>
Price per SF Gross Building Area					\$64.51

**Total Costs**

Subtotal: Building, Site & Soft Costs		\$988,814
Developer's Profit 10.0%		\$98,881
<b>Total Cost</b>		<b>\$1,087,696</b>
Price per SF Gross Building Area		\$70.96

**Depreciation**

<b>Component</b>	<b>Eff. Age</b>	<b>Life</b>	<b>Percent</b>	<b>Amount</b>
Physical Depreciation: Building	10	55	18%	\$192,484
Physical Depreciation: Site	10	20	50%	\$9,169
Functional Obsolescence Building			0%	\$0
External Obsolescence Building			0%	\$80,719
<b>Total Depreciation</b>				<b>\$282,372</b>
<b>Depreciated Value of Improvements</b>				<b>\$805,324</b>
Cost Per Square Foot Gross Building Area				\$52.54

**Additional Cost Sections**

Cost Section 2	\$0
Cost Section 3	\$0

**Land Value**

Land Value	\$22,000	
Other	\$0	
<b>Cost Approach Value Indication</b>		<b>\$827,324</b>
<b>Rounded</b>		<b>\$825,000</b>
<b>Price per SF Gross Building Area</b>		<b>\$53.82</b>

The costs in the preceding charts were derived by using the "Marshall Swift Valuation Service" and by conversations with local builders and comparable sales data. The total Estimated Value indicated by the Cost Approach for the subject "as is":

**Market Value As Is = \$825,000**

**Cost Analysis - Restricted As Complete - Section 1 of 1**

**Marshall & Swift**

<b>Cost Source:</b> Marshall & Swift	# 12: Dwellings, Duplexes & Motels
<b>No. of Stories Multiplier:</b> 1.0000	<b>Local Multiplier:</b> 0.8300
<b>Height/Story Multiplier:</b> 1.0000	<b>Current Cost Multiplier:</b> 1.0300
<b>Perimeter Multiplier:</b> 1.0000	<b>Combined Multipliers:</b> 0.8549

**Building Improvements**

<b>Item</b>	<b>Unit Type</b>	<b>Cost</b>	<b>Quantity</b>	<b>Multiplier</b>	<b>Total</b>
Average Class D Multiple Residences	Sq. Ft.	\$71.55	15,328	0.855	\$937,585
Built-Ins	Per Unit	\$1,925.00	21	0.855	\$34,559
<b>Total Building Improvement Costs</b>					<b>\$972,144</b>
Price per SF Gross Building Area					\$63.42

**Site Improvements**

<b>Item</b>	<b>Unit Type</b>	<b>Cost</b>	<b>Quantity</b>	<b>Multiplier</b>	<b>Total</b>
Paving	Per Unit	\$650.00	30	0.855	\$16,671
<b>Total Site Improvement Costs</b>					<b>\$16,671</b>
<b>Subtotal: Building &amp; Site Costs</b>					<b>\$988,814</b>
Price per SF Gross Building Area					\$64.51

**Total Costs**

Subtotal: Building, Site & Soft Costs		\$988,814
Developer's Profit 10.0%		\$98,881
<b>Total Cost</b>		<b>\$1,087,696</b>
Price per SF Gross Building Area		\$70.96

**Depreciation: Section 1 of 1**

<b>Component</b>	<b>Eff. Age</b>	<b>Life</b>	<b>Percent</b>	<b>Amount</b>
Physical Depreciation: Building	5	55	9%	\$96,242
Physical Depreciation: Site	5	20	25%	\$4,584
Functional Obsolescence Building			0%	\$0
External Obsolescence Building			0%	\$0
<b>Total Depreciation</b>				<b>\$100,827</b>
<b>Depreciated Value of Improvements</b>				<b>\$986,869</b>
Cost Per Square Foot Gross Building Area				\$64.38

**Additional Cost Sections**

Cost Section 2	\$0
Cost Section 3	\$0

**Land Value**

Land Value	\$22,000	
Other	\$0	
<b>Cost Approach Value Indication</b>		<b>\$1,008,869</b>
<b>Rounded</b>		<b>\$1,010,000</b>
<b>Price per SF Gross Building Area</b>		<b>\$65.89</b>

The costs in the preceding charts were derived by using the "Marshall Swift Valuation Service" and by conversations with local builders and comparable sales data. The total Estimated Value indicated by the Cost Approach for the subject "as complete":

**Restricted Value As Complete = \$1,010,000**

The following formula shows the external obsolescence for the "as complete" market value.

**External Obsolescence - As Complete Market**

<b>Total Construction Cost of Structures</b>		\$988,814	
<b>Plus: Entrepreneur's Profit</b>		\$98,881	
<b>Depreciation</b>		(\$100,827)	
<b>Cost of Structures before External Obsolescence</b>		<hr/> \$986,869	
<b>Value of Land</b>		\$22,000	
<b>Plus: Entrepreneur's Profit</b>		<hr/> \$2,200	
 <b>Cost before External Obsolescence</b>		 \$1,011,069	
 <b>Current Capitalization Rate</b>		 7.00%	
 <b>Economic Net Operating Income (RCN x CR)</b>		 \$70,775	
<b>Net Operating Income from the Subject</b>		<hr/> \$68,879	
<b>Net Loss Due to Economic Obsolescence</b>		(\$1,896)	
 <b>Ratio of Improvements Total Property Value</b>		 0.9761	
 <b>Year</b>	<b>Actual NOI Loss</b>	<b>Overall Cap Rate</b>	<b>Capitalized NOI Loss</b>
1	(\$1,896)	7.00%	(\$27,090)
<b>Times ratio of Improvements to Total Property</b>			0.9761
 <b>Total External Obsolescence</b>			 (\$26,441)

**Cost Analysis - Market As Complete - Section 1 of 1**

**Marshall & Swift**

<b>Cost Source:</b> Marshall & Swift	# 12: Dwellings, Duplexes & Motels
<b>No. of Stories Multiplier:</b> 1.000	<b>Local Multiplier:</b> 0.830
<b>Height/Story Multiplier:</b> 1.000	<b>Current Cost Multiplier:</b> 1.030
<b>Perimeter Multiplier:</b> 1.000	<b>Combined Multipliers:</b> 0.855

**Building Improvements**

<b>Item</b>	<b>Unit Type</b>	<b>Cost</b>	<b>Quantity</b>	<b>Multiplier</b>	<b>Total</b>
Average Class D Multiple Residences	Sq. Ft.	\$71.55	15328	0.855	\$937,585
Built-Ins	Per Unit	\$1,925.00	21	0.855	\$34,559
<b>Total Building Improvement Costs</b>					<b>\$972,144</b>
Price per SF Gross Building Area					\$63.42

**Site Improvements**

<b>Item</b>	<b>Unit Type</b>	<b>Cost</b>	<b>Quantity</b>	<b>Multiplier</b>	<b>Total</b>
Paving	Per Unit	\$650.00	30	0.855	\$16,671
<b>Total Site Improvement Costs</b>					<b>\$16,671</b>
<b>Subtotal: Building &amp; Site Costs</b>					<b>\$988,814</b>
Price per SF Gross Building Area					\$64.51

**Total Costs**

Subtotal: Building, Site & Soft Costs					\$988,814
Developer's Profit 10.0%					\$98,881
<b>Total Cost</b>					<b>\$1,087,696</b>
Price per SF Gross Building Area					\$70.96

**Depreciation: Section 1 of 1**

<b>Component</b>	<b>Eff. Age</b>	<b>Life</b>	<b>Percent</b>	<b>Amount</b>
Physical Depreciation: Building	5	55	9%	\$96,242
Physical Depreciation: Site	5	20	25%	\$4,584
Functional Obsolescence Building			0%	\$0
External Obsolescence Building			0%	\$26,441
<b>Total Depreciation</b>				<b>\$127,268</b>
<b>Depreciated Value of Improvements</b>				<b>\$960,428</b>
Cost Per Square Foot Gross Building Area				\$62.66

**Additional Cost Sections**

Cost Section 2	\$0
Cost Section 3	\$0

**Land Value**

Land Value	\$22,000	
Other	\$0	
<b>Cost Approach Value Indication</b>		<b>\$982,428</b>
<b>Rounded</b>		<b>\$980,000</b>
<b>Price per SF Gross Building Area</b>		<b>\$63.94</b>

The costs in the preceding charts were derived by using the "Marshall Swift Valuation Service" and by conversations with local builders and comparable sales data. The total Estimated Value indicated by the Cost Approach for the subject "as complete":

**Market Value As Complete = \$980,000**

### **Income Approach**

The Income Approach is a procedure in which the value of a property is estimated by means of capitalization of a net income stream, either imputed or actual. The steps in the procedure are as follows:

1. Analyze the income the property is capable of generating.
2. Estimate the rental loss from vacancy and uncollected rents.
3. Estimate the amount of expense that will be incurred in operating the property.
4. Subtract 2 and 3 above from 1 to arrive at a net income estimate before capital charges.
5. Using an appropriate rate, capitalize the net income estimate into an indication of value.

### **Income Analysis**

The first step in forming an opinion of reasonable net income expectancy is the estimation of market rent. Market rent is defined as the rental warranted by a property in the open real estate market based upon current rentals being paid for comparable space.

**HUD-Forms 92273 – As Is**

**One-Bedroom Units (654 SF) – As Is**

**Estimates of Market Rent  
by Comparison - As Is**

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

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

Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This information is required by the Housing Appropriation Act of 9/28/1994. The information is needed to analyze the reasonableness of the Annual Adjustment Factor formula, and will be used where rent levels for a specific unit type, in a Substantial Rehabilitation or New Construction Contract, exceed the existing FMR rent. The information is considered nonsensitive and does not require special protection. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

1. Unit Type	2. Subject Property (Address)	A. Comparable Property No. 1 (address)			B. Comparable Property No. 2 (address)			C. Comparable Property No. 3 (address)			D. Comparable Property No. 4 (address)			E. Comparable Property No. 5 (address)		
One-Bedroom	Pecan Pointe Apartments 450 South Railroad Avenue Mount Vernon, Montgomery - PA	Brookington Apartments 504 Brookwood Drive Dublin, Laurens, GA			Pecan Ridge Apartments 104 Parker Dairy Road Dublin, Laurens, GA			Carriage Hill Apartments 604 Hillcrest Parkway Dublin, Laurens, GA			Hill House Apartments 620 East Peachtree Street Douglas, Coffee, GA			The Gables Apartment Homes 1351 West Gordon Street Douglas, Coffee, GA		
Characteristics	Data	Data	Adjustments		Data	Adjustments		Data	Adjustments		Data	Adjustments		Data	Adjustments	
			-	+		-	+		-	+		-	+		-	+
3. Effective Date of Rental	05/2017	05/2017			05/2017			05/2017			05/2017			05/2017		
4. Type of Project/Stories	G/1	WU/2			G/1, WU/2			G/1			T/2			WU/2		
5. Floor of Unit in Building	First	Varies			Varies			First			First			Varies		
6. Project Occupancy %	95%	100%			96%			96%			100%			100%		
7. Concessions	N	N			N			N			N			N		
8. Year Built	1990	1985			1980			1984			1972		\$30	1995		
9. Sq. Ft. Area	654	900		(\$40)	630			600		\$10	800		(\$25)	912		(\$45)
10. Number of Bedrooms	1	1			1			1			1			1		
11. Number of Baths	1.0	1.0			1.0			1.0			1.0			1.0		
12. Number of Rooms	3	3			3			3			3			3		
13. Balc./Terrace/Patio	N	Y		(\$5)	N			Y		(\$5)	Y		(\$5)	Y		(\$5)
14. Garage or Carport	L/0	L/0			L/0			L/0			L/0			L/0		
15. Equipment a. A/C	C	C			C			W		\$15	C			C		
b. Range/Refrigerator	RF	RF			RF			RF			RF			RF		
c. Disposal	N	Y			Y			Y			Y			Y		
d. Microwave/Dishwasher	N	D		(\$10)	N			D		(\$10)	D		(\$10)	D		(\$10)
e. Washer/Dryer	HU	HU			HU			HU			HU			HU		
f. Carpet	C	C			C			C			C			C		
g. Drapes	B	B			B			B			B			B		
h. Pool/Rec. Area	N	P		(\$10)	N			N			N			N		
16. Services a. Heat/Type	N/E	N/E			N/E			N/E			N/E			N/E		
b. Cooling	N/E	N/E			N/E			N/E			N/E			N/E		
c. Cook/Type	N/E	N/E			N/E			N/E			N/E			N/E		
d. Electricity	N	N			N			N			N			N		
e. Hot Water	N/E	N/E			N/E			N/E			N/E			N/E		
f. Cold Water/Sewer	Y	Y			Y			N		\$38	N		\$38	N		\$38
g. Trash	Y	Y			Y			N		\$15	N		\$15	N		\$15
17. Storage	N	N			N			N			N			N		
18. Project Location	Average	Similar			Similar			Similar			Similar			Similar		
19. Security	N	N			N			Y		(\$5)	N			N		
20. Clubhouse/Meeting Room	MR	C			N		\$5	N		\$5	N		\$5	N		\$5
21. Special Features	N	N			N			N			N			N		
22. Business Center / Nbd Netw	N	N			N			N			N			N		
23. Unit Rent Per Month		\$510			\$430			\$530			\$545			\$645		
24. Total Adjustment				(\$65)			\$5			\$63			\$48			(\$2)
25. Indicated Rent		\$445			\$435			\$593			\$593			\$643		
26. Correlated Subject Rent	\$540	<input type="checkbox"/> If there are any Remarks, check here and add the remarks to the back of page.														
	high rent	\$643	low rent	\$435	60% range	\$477	to	\$601								
Note: In the adjustments column, enter dollar amounts by which subject property varies from comparable properties. If subject is better, enter a "Plus" amount and if subject is inferior to the comparable, enter a "Minus" amount. Use back of page to explain adjustments as needed.		Appraiser's Signature			Date (mm/dd/yy)			Reviewer's Signature				Date (mm/dd/yyyy)				
		<i>Samuel S. Self</i>			05/16/17											

Previous editions are obsolete

form HUD-92273 (07/2003)

**Two-Bedroom Units (796 SF) – As Is**

**Estimates of Market Rent  
by Comparison - As Is**

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

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

Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This information is required by the Housing Appropriation Act of 9/28/1994. The information is needed to analyze the reasonableness of the Annual Adjustment Factor formula, and will be used where rent levels for a specific unit type, in a Substantial Rehabilitation or New Construction Contract, exceed the existing FMR rent. The information is considered nonsensitive and does not require special protection. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

1. Unit Type	2. Subject Property (Address)	A. Comparable Property No. 1 (address)			B. Comparable Property No. 2 (address)			C. Comparable Property No. 3 (address)			D. Comparable Property No. 4 (address)			E. Comparable Property No. 5 (address)		
Two-Bedroom	Pecan Pointe Apartments 450 South Railroad Avenue Mount Vernon, Montgomery - PA	Brookington Apartments 504 Brookwood Drive Dublin, Laurens, GA			Pecan Ridge Apartments 104 Parker Dairy Road Dublin, Laurens, GA			Carriage Hill Apartments 604 Hillcrest Parkway Dublin, Laurens, GA			Hill House Apartments 620 East Peachtree Street Douglas, Coffee, GA			The Gables Apartment Homes 1351 West Gordon Street Douglas, Coffee, GA		
Characteristics		Data	Adjustments		Data	Adjustments		Data	Adjustments		Data	Adjustments		Data	Adjustments	
3. Effective Date of Rental	05/2017	05/2017			05/2017			05/2017			05/2017			05/2017		
4. Type of Project/Stories	G/1	WU/2			G/1, WU/2			G/1			T/2			WU/2		
5. Floor of Unit in Building	First	Varies			Varies			First			First			Varies		
6. Project Occupancy %	95%	100%			96%			96%			100%			100%		
7. Concessions	N	N			N			N			N			N		
8. Year Built	1990	1985			1980			1984			1972		\$30	1995		
9. Sq. Ft. Area	796	1,200		(\$65)	900		(\$15)	900		(\$15)	800			1,120		(\$50)
10. Number of Bedrooms	2	2			2			2			1		\$50	2		
11. Number of Baths	1.0	1.5		(\$20)	1.5		(\$20)	1.0			1.0			1.0		
12. Number of Rooms	4	4			4			4			3			4		
13. Balc./Terrace/Patio	N	Y		(\$5)	N			Y		(\$5)	Y		(\$5)	Y		(\$5)
14. Garage or Carport	L/O	L/O			L/O			L/O			L/O			L/O		
15. Equipment a. A/C	C	C			C			W		\$15	C			C		
b. Range/Refrigerator	RF	RF			RF			RF			RF			RF		
c. Disposal	N	Y			Y			Y			Y			Y		
d. Microwave/Dishwasher	N	D		(\$10)	N			D		(\$10)	D		(\$10)	D		(\$10)
e. Washer/Dryer	HU	HU			HU			HU			HU			HU		
f. Carpet	C	C			C			C			C			C		
g. Drapes	B	B			B			B			B			B		
h. Pool/Rec. Area	N	P		(\$10)	N			N			N			N		
16. Services a. Heat/Type	N/E	N/E			N/E			N/E			N/E			N/E		
b. Cooling	N/E	N/E			N/E			N/E			N/E			N/E		
c. Cook/Type	N/E	N/E			N/E			N/E			N/E			N/E		
d. Electricity	N	N			N			N			N			N		
e. Hot Water	N/E	N/E			N/E			N/E			N/E			N/E		
f. Cold Water/Sewer	Y	Y			Y			N		\$47	N		\$47	N		\$47
g. Trash	Y	Y			Y			N		\$15	N		\$15	N		\$15
17. Storage	N	N			N			N			N			N		
18. Project Location	Average	Similar			Similar			Similar			Similar			Similar		
19. Security	N	N			N			Y		(\$5)	N			N		
20. Clubhouse/Meeting Room	MR	C			N		\$5	N		\$5	N		\$5	N		\$5
21. Special Features	N	N			N			N			N			N		
22. Business Center / Nhd Netwk	N	N			N			N			N			N		
23. Unit Rent Per Month		\$575			\$495			\$600			\$545			\$725		
24. Total Adjustment				(\$110)			(\$30)			\$47			\$132			\$2
25. Indicated Rent		\$465			\$465			\$647			\$677			\$727		
26. Correlated Subject Rent	<b>\$590</b>	<input type="checkbox"/> If there are any Remarks, check here and add the remarks to the back of page.														
	high rent	\$727		low rent	\$465		<b>60% range</b>	<b>\$517</b>		<b>to</b>	<b>\$675</b>					

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

Appraiser's Signature <i>Samuel S. Hill</i>	Date (mm/dd/yy) 05/16/17	Reviewer's Signature	Date (mm/dd/yyyy)
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Previous editions are obsolete

form HUD-92273 (07/2003)

## ***Explanation of Adjustments and Market Rent Conclusions – As Is***

### **Pecan Pointe Apartments**

#### **Primary Unit Types – One-Bedroom Units (654 SF) and Two-Bedroom Units (796 SF)**

**Please note:** Minor adjustments in the \$5 to \$10 range are based on the appraiser's evaluation of the overall market as well as typical responses indicated by existing tenants. In addition, this is standard industry practice when there is insufficient market data present to support adjustments. It is also considered an acceptable practice by HUD as indicated in the Section 8 Renewal Guide Chapter 9-12 (B) (2b) which states: "For minor adjustments (generally in the \$5 to \$10 range), the appraiser may state his/her subjective evaluation of why the observed differences would affect rent."

Rent comparability grids were prepared for the primary unit types with 654 and 796 square feet. Comparable apartments used include the following: Brookington Apartments (Comparable 1), Pecan Ridge Apartments (Comparable 2), Carriage Hill Apartments (Comparable 3), Hill House Apartments (Comparable 4) and The Gables Apartment Homes (Comparable 5).

**Structure/Stories** – The subject is located in garden one-story buildings. All comparables are located in garden one-story or walk-up and townhouse two-story buildings. The market did not indicate an adjustment for differences in number of stories. No adjustments were needed.

**Project Occupancy** – The subject is currently 95 percent occupied. The occupancy rates of the comparables range from 96 to 100 percent. No adjustments were needed.

**Concessions** – The subject is not currently offering concessions. None of the comparables are currently offering concessions. No adjustment was needed.

**Year Built/Year Renovated** – The subject was constructed in 1990. Comparable 1 was built in 1995, and Comparable 2 was constructed in 1980. Comparable 3 was constructed in 1984, and Comparable 4 was built in 1972. Comparable 5 was constructed in 1995. The majority of the comparables were considered similar in condition as there were no differences significant enough to warrant an adjustment. Comparable 4, however, is older than the subject and inferior in condition. It is difficult to determine adjustment amounts for condition/street appeal as it is difficult to determine rent level fluctuations based on these items. Therefore, it was necessary to rely in large part on opinions of area apartment managers and tenants. In addition, adjusted rents of the comparables were considered as the difference in rents of the comparables after everything else is factored out is assumed to be attributable to condition/street appeal. When performing the analysis, the appraiser compared the units at Comparable 4 individually to the units at Comparables 1, 2, 3 and 5. As can be seen in the following table, the appraiser adjusted the street rent

of each comparable for all differences between the subject and comparables to determine a net adjusted rent for each comparable. The differences that warranted adjustments included unit size, balcony/patio, air conditioning, microwave/dishwasher, pool/exercise room/recreation area, cold water/sewer, trash/recycling and clubhouse/meeting room. Once the net adjusted rents were determined, these rents were compared to the street rent at Comparable 4. The differences between the rents indicate the appropriate adjustments for condition.

Paired Analysis - One-Bedroom Units				
Item	Comparable 1	Comparable 2	Comparable 3	Comparable 5
Street Rent	\$510	\$430	\$530	\$645
Sq. Ft. Area	-\$15	\$30	\$35	-\$20
Balcony/Patio	\$0	\$5	\$0	\$0
A/C	\$0	\$0	\$15	\$0
Microwave/Dishwasher	\$0	\$10	\$0	\$0
Pool/Exercise Room/Rec. Area	-\$10	\$0	\$0	\$0
Cold Water/Sewer	-\$38	-\$38	\$0	\$0
Trash/Recycling	-\$15	-\$15	\$0	\$0
Security	\$0	\$0	-\$5	\$0
Clubhouse/Meeting Room	-\$5	\$0	\$0	\$0
Net Rent	\$427	\$422	\$575	\$625
Comparable 4 Street Rent	\$545	\$545	\$545	\$545
Indicated Adjustment	\$118	\$123	-\$30	-\$80

The results were grouped together to determine a range for the adjustments for condition. Because paired analysis cannot always account for renter perceptions, the results were multiplied by 50 percent. A range of (\$15) to \$62 was determined, and an adjustment within this range was considered appropriate. After considering all factors, an adjustment of \$30 was selected for Comparable 4.

**SF Area** – For the purpose of this report, a range of comparable rents per square foot was derived. To determine this adjustment, each comparable’s dollar per square foot rental rate was determined. This number was then multiplied by 25 percent for each comparable to derive an adjusted dollar per square foot rental rate. The median dollar per square foot rental rate is determined. Next, the difference in square footage between the subject and each comparable is determined. The difference is multiplied by the determined adjusted dollar per square foot rate to arrive at the adjustment for each comparable. The selected dollar per square foot for the one-bedroom comparison is \$0.17 and for the two-bedroom comparison is \$0.16. No adjustments were made to comparables within 25 square feet of the subject. The adjustments were rounded to the nearest \$5. These adjustments are reflected on the HUD-Forms 92273, which are attached.

**# of Bedrooms** – The subject contains one- and two-bedroom units. All comparables are similar. No adjustments were needed.

**# of Baths** – The subject contains one bath in the units. Each complex with a differing number of baths than the subject was adjusted \$20 per half-bath. The majority of the difference in number of baths is accounted for in the unit square footage adjustment. However, an adjustment is made here to consider the added convenience of additional baths. The extra room(s) will enhance marketability of a unit even if the square footage remains the same. The following table shows the paired analysis utilized to determine the bath adjustment. Comparable 1 contains one half-bath difference, while Comparable 3 contains one full bath difference.

	Comp 1	Comp 3
<b>Small 2 BR Rent</b>	\$575	\$600
<b>Small 2 BR Size</b>	1,200	900
<b>Large 2 BR Rent</b>	\$600	\$630
<b>Large 2 BR Size</b>	1,200	900
<b>Size Adj Factor</b>	\$0.16	\$0.16
<b>Size Difference</b>	0	0
<b>Indicated Size Adj.</b>	\$0	\$0
<b>Adjusted 2 BR Rent</b>	\$600	\$630
<b>Indicated Bath Adj.</b>	<b>\$25</b>	<b>\$30</b>

Based on the previous table, a \$20 half-bath adjustment was determined to be reasonable.

**Balcony/Patio** – The subject does not contain either feature. Comparables 1, 3, 4 and 5 contain balconies or patios. Comparable 2 does not contain either feature. Although there is little market data available concerning units with these features versus those without these features, the added amenity is an enhancement to the unit. Therefore, Comparables 1, 3, 4 and 5 were adjusted downward \$5 per month.

**Parking** – The subject contains open asphalt parking for all units. All comparables contain lot parking for no additional fee. No adjustments were needed.

**AC: Central/Wall** – The subject contains central air conditioning. All comparables except Comparable 3 are similar. Comparable 3 contains through-the-wall air conditioning which is considered slightly inferior to central air conditioning. Therefore, Comparable 3 was adjusted upward \$5 per month.

**Range/Refrigerator** – The subject contains both features in all units. All comparables contain these features in the units. No adjustment was needed.

**Garbage Disposal** – The subject does not contain a garbage disposal in the units. However, since there is no market data concerning units with this feature, no adjustment was given.

**Microwave/Dishwasher** – The subject does not contain either microwave or dishwasher. All comparables except Comparable 2 contain dishwashers. Although there is little market data available concerning units with these features versus those without these features, the added amenity is an enhancement to the unit. Therefore, Comparables 1, 3, 4 and 5 were adjusted downward \$10 per month.

**Washer/Dryer** – The subject contains washer/dryer hook-ups. All comparables contain washer/dryer hook-ups. No adjustments were needed.

**Carpet** – The subject contains carpet floor covering. All comparables contain carpet floor covering. No adjustments were needed.

**Drapes** – The subject and all comparables contain window coverings. No adjustment was needed.

**Pool/Exercise Room/Recreation Areas** – The subject does not contain any of these features. Comparable 1 contains a swimming pool. The remaining comparables are similar to the subject. No comparable in the market area shows a rent differential based on this particular item; however, the added amenity is an enhancement. Therefore, Comparable 1 was adjusted downward \$10 per month.

**Heat** – The subject does not have this utility provided by the landlord. None of the comparables have this utility provided. No adjustments were needed.

**Cooling** – The subject does not have this utility provided by the landlord. None of the comparables have this utility provided. No adjustments were needed.

**Cooking** – The subject does not have this utility provided by the landlord. None of the comparables have this utility provided. No adjustments were needed.

**Electricity** – The subject does not have this utility provided by the landlord. None of the comparables have this utility provided. No adjustments were needed.

**Hot Water** – The subject does not have this utility provided by the landlord. None of the comparables have this utility provided. No adjustments were needed.

**Cold Water/Sewer** – The subject has cold water and sewer provided by the landlord. Comparables 1 and 2 are similar. The remaining comparables do provide these utilities. Comparables 3, 4 and 5 were adjusted upward \$38 per month for one-bedroom units and \$47 per month for two-bedroom units as indicated by the Georgia Department of Community Affairs Housing Authority's Allowances for Tenant-Furnished Utilities and Other Services.

**Trash** – The subject does have this utility provided by the landlord. Comparables 1 and 2 are similar. The remaining comparables do not provide this utility. Comparables 3, 4 and 5 were adjusted upward \$15 per month for all unit types as indicated by the Georgia Department of Community Affairs Housing Authority's Allowances for Tenant-Furnished Utilities and Other Services.

**Extra Storage** – The subject does not contain extra storage. None of the comparables contain this feature. No adjustments were needed.

**Location** – The subject's location is average with easy access to all services available within the city limits. The comparables are located outside the market area but were utilized due to the lack of conventional comparables in the market area. The location of the subject property and the comparables relative to residential population, population wealth, traffic patterns, centers of employment, economic levels and other locational attributes was analyzed. Location comparisons were made based on the appraiser's judgment as to the relative desirability of the property to a potential renter. The comparables were located in Dublin and Douglas which are considered similar overall to Mount Vernon. Therefore, no adjustments were needed.

**Security** – The subject does not contain security features. Comparables 1, 2, 4 and 5 are similar to the subject. Comparable 3 contains security patrol. No complex in the market area shows a rent differential based on this particular item; however, the added amenity is an enhancement to the unit, particularly security that limits access to the property. Therefore, Comparable 3 was adjusted downward \$5 per month.

**Clubhouse/Meeting Room** – The subject contains a meeting room. Comparable 1 contains a clubhouse. The remaining comparables do not contain either feature. No complex in the market area shows a rent differential based on this particular item; however, the added amenity is an enhancement. Therefore, all comparables without either feature were adjusted upward \$5 per month for each amenity.

**Special Features** – The subject does not contain special features in all units. None of the comparables contain special features. No adjustments were needed.

**Business Center/Neighborhood Network** – The subject does not contain a business center. All comparables are similar. No adjustments were needed.

**Conclusion of Market Rents – As Is**

The adjusted rents range from \$435 to \$643 for the one-bedroom comparison and from \$465 to \$727 for the two-bedroom comparison. All comparables were given equal consideration. The appraiser concluded the market rent for the units at the subject as follows:

- **654 SF One-Bedroom Units** - **\$540**
- **796 SF Two-Bedroom Units** - **\$590**

The following table shows the current rents at the subject. The estimated market rents are above the current rents.

Unit Type	# of Units	Square Footage	Maximum Net LIHTC Rent	Current Rent	Utility Allowance
1/1	20	654	\$422	\$412	\$88
2/1	1	796	\$511	\$422	\$101

HUD-Forms 92273 – As Complete

One-Bedroom Units (654 SF) – As Complete

Estimates of Market Rent  
by Comparison - As Complete

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

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

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1. Unit Type	2. Subject Property (Address)	A. Comparable Property No. 1 (address)			B. Comparable Property No. 2 (address)			C. Comparable Property No. 3 (address)			D. Comparable Property No. 4 (address)			E. Comparable Property No. 5 (address)		
One-Bedroom	Pecan Pointe Apartments 450 South Railroad Avenue Mount Vernon, Montgomery - PA	Brookington Apartments 504 Brookwood Drive Dublin, Laurens, GA			Pecan Ridge Apartments 104 Parker Dairy Road Dublin, Laurens, GA			Carriage Hill Apartments 604 Hillcrest Parkway Dublin, Laurens, GA			Hill House Apartments 620 East Peachtree Street Douglas, Coffee, GA			The Gables Apartment Homes 1351 West Gordon Street Douglas, Coffee, GA		
Characteristics		Data	Data	Adjustments	Data	Data	Adjustments	Data	Data	Adjustments	Data	Data	Adjustments	Data	Data	Adjustments
				- +			- +			- +			- +			- +
3. Effective Date of Rental	05/2017	05/2017			05/2017			05/2017			05/2017			05/2017		
4. Type of Project/Stories	G/1	WU/2			G/1, WU/2			G/1			T/2			WU/2		
5. Floor of Unit in Building	First	Varies			Varies			First			First			Varies		
6. Project Occupancy %	95%	100%			96%			96%			100%			100%		
7. Concessions	N	N			N			N			N			N		
8. Year Built	1990/Proposed	1985		\$50	1980		\$50	1984		\$50	1972		\$80	1995		\$50
9. Sq. Ft. Area	654	900		(\$40)	630			600		\$10	800		(\$25)	912		(\$45)
10. Number of Bedrooms	1	1			1			1			1			1		
11. Number of Baths	1.0	1.0			1.0			1.0			1.0			1.0		
12. Number of Rooms	3	3			3			3			3			3		
13. Balc./Terrace/Patio	N	Y		(\$5)	N			Y		(\$5)	Y		(\$5)	Y		(\$5)
14. Garage or Carport	L/0	L/0			L/0			L/0			L/0			L/0		
15. Equipment a. A/C	C	C			C			W		\$15	C			C		
b. Range/Refrigerator	RF	RF			RF			RF			RF			RF		
c. Disposal	N	Y			Y			Y			Y			Y		
d. Microwave/Dishwasher	N	D		(\$10)	N			D		(\$10)	D		(\$10)	D		(\$10)
e. Washer/Dryer	HU	HU			HU			HU			HU			HU		
f. Carpet	C	C			C			C			C			C		
g. Drapes	B	B			B			B			B			B		
h. Pool/Rec. Area	N	P		(\$10)	N			N			N			N		
16. Services a. Heat/Type	N/E	N/E			N/E			N/E			N/E			N/E		
b. Cooling	N/E	N/E			N/E			N/E			N/E			N/E		
c. Cook/Type	N/E	N/E			N/E			N/E			N/E			N/E		
d. Electricity	N	N			N			N			N			N		
e. Hot Water	N/E	N/E			N/E			N/E			N/E			N/E		
f. Cold Water/Sewer	Y	Y			Y			N		\$38	N		\$38	N		\$38
g. Trash	Y	Y			Y			N		\$15	N		\$15	N		\$15
17. Storage	N	N			N			N			N			N		
18. Project Location	Average	Similar			Similar			Similar			Similar			Similar		
19. Security	N	N			N			Y		(\$5)	N			N		
20. Clubhouse/Meeting Room	MR	C			N		\$5	N		\$5	N		\$5	N		\$5
21. Special Features	N	N			N			N			N			N		
22. Business Center / Nhd Netwk	N	N			N			N			N			N		
23. Unit Rent Per Month		\$510			\$430			\$530			\$545			\$645		
24. Total Adjustment				(\$15)			\$55			\$113			\$98			\$48
25. Indicated Rent		\$495			\$485			\$643			\$643			\$693		
26. Correlated Subject Rent	\$590	<input type="checkbox"/> If there are any Remarks, check here and add the remarks to the back of page.														
	high rent	\$693		low rent	\$485		60% range \$527	to \$651								

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

Appraiser's Signature

*Samuel S. Hill*

Date (mm/dd/yy)

05/16/17

Reviewer's Signature

Date (mm/dd/yyyy)

## Two-Bedroom Units (796 SF) – As Complete

### Estimates of Market Rent by Comparison - As Complete

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

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

Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This information is required by the Housing Appropriation Act of 9/28/1994. The information is needed to analyze the reasonableness of the Annual Adjustment Factor formula, and will be used where rent levels for a specific unit type, in a Substantial Rehabilitation or New Construction Contract, exceed the existing FMR rent. The information is considered nonsensitive and does not require special protection. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

1. Unit Type	2. Subject Property (Address)	A. Comparable Property No. 1 (address)			B. Comparable Property No. 2 (address)			C. Comparable Property No. 3 (address)			D. Comparable Property No. 4 (address)			E. Comparable Property No. 5 (address)		
Two-Bedroom	Pecan Pointe Apartments 450 South Railroad Avenue Mount Vernon, Montgomery - PA	Brookington Apartments 504 Brookwood Drive Dublin, Laurens, GA			Pecan Ridge Apartments 104 Parker Dairy Road Dublin, Laurens, GA			Carriage Hill Apartments 604 Hillcrest Parkway Dublin, Laurens, GA			Hill House Apartments 620 East Peachtree Street Douglas, Coffee, GA			The Gables Apartment Homes 1351 West Gordon Street Douglas, Coffee, GA		
Characteristics	Data	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments	
3. Effective Date of Rental	05/2017	05/2017		05/2017		05/2017		05/2017		05/2017		05/2017		05/2017		
4. Type of Project/Stories	G/1	WU/2		G/1, WU/2		G/1		T/2		WU/2		WU/2		WU/2		
5. Floor of Unit in Building	First	Varies		Varies		First		First		Varies		Varies		Varies		
6. Project Occupancy %	95%	100%		96%		96%		100%		100%		100%		100%		
7. Concessions	N	N		N		N		N		N		N		N		
8. Year Built	1990/Proposed	1985	\$50	1980	\$50	1984	\$50	1972	\$80	1995	\$50	1995	\$50	1995	\$50	
9. Sq. Ft. Area	796	1,200	(\$65)	900	(\$15)	900	(\$15)	800		1,120	(\$50)	800		1,120	(\$50)	
10. Number of Bedrooms	2	2		2		2		1	\$50	2		2		2		
11. Number of Baths	1.0	1.5	(\$20)	1.5	(\$20)	1.0		1.0		1.0		1.0		1.0		
12. Number of Rooms	4	4		4		4		3		4		4		4		
13. Balc./Terrace/Patio	N	Y	(\$5)	N		Y	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)	
14. Garage or Carport	L/O	L/O		L/O		L/O		L/O		L/O		L/O		L/O		
15. Equipment a. A/C	C	C		C		W	\$15	C		C		C		C		
b. Range/Refrigerator	RF	RF		RF		RF		RF		RF		RF		RF		
c. Disposal	N	Y		Y		Y		Y		Y		Y		Y		
d. Microwave/Dishwasher	N	D	(\$10)	N		D	(\$10)	D	(\$10)	D	(\$10)	D	(\$10)	D	(\$10)	
e. Washer/Dryer	HU	HU		HU		HU		HU		HU		HU		HU		
f. Carpet	C	C		C		C		C		C		C		C		
g. Drapes	B	B		B		B		B		B		B		B		
h. Pool/Rec. Area	N	P	(\$10)	N		N		N		N		N		N		
16. Services a. Heat/Type	N/E	N/E		N/E		N/E		N/E		N/E		N/E		N/E		
b. Cooling	N/E	N/E		N/E		N/E		N/E		N/E		N/E		N/E		
c. Cook/Type	N/E	N/E		N/E		N/E		N/E		N/E		N/E		N/E		
d. Electricity	N	N		N		N		N		N		N		N		
e. Hot Water	N/E	N/E		N/E		N/E		N/E		N/E		N/E		N/E		
f. Cold Water/Sewer	Y	Y		Y		N	\$47	N	\$47	N	\$47	N	\$47	N	\$47	
g. Trash	Y	Y		Y		N	\$15	N	\$15	N	\$15	N	\$15	N	\$15	
17. Storage	N	N		N		N		N		N		N		N		
18. Project Location	Average	Similar		Similar		Similar		Similar		Similar		Similar		Similar		
19. Security	N	N		N		Y	(\$5)	N		N		N		N		
20. Clubhouse/Meeting Room	MR	C		N	\$5	N	\$5	N	\$5	N	\$5	N	\$5	N	\$5	
21. Special Features	N	N		N		N		N		N		N		N		
22. Business Center / Nhd Netw	N	N		N		N		N		N		N		N		
23. Unit Rent Per Month		\$575		\$495		\$600		\$545		\$725		\$725		\$725		
24. Total Adjustment			(\$60)		\$20		\$97		\$182		\$52		\$182		\$52	
25. Indicated Rent		\$515		\$515		\$697		\$727		\$777		\$777		\$777		
26. Correlated Subject Rent	<b>\$640</b>	<input type="checkbox"/> If there are any Remarks, check here and add the remarks to the back of page.														
	high rent	\$777	low rent	\$515	60% range	\$567	to	\$725								

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

Appraiser's Signature

*Samuel S. Hill*

Date (mm/dd/yy)

05/16/17

Reviewer's Signature

Date (mm/dd/yyyy)

Previous editions are obsolete

form HUD-92273 (07/2003)

## ***Explanation of Adjustments and Market Rent Conclusions – As Complete***

### **Pecan Pointe Apartments**

#### **Primary Unit Types – One-Bedroom Units (654 SF) and Two-Bedroom Units (796 SF)**

**Please note:** Minor adjustments in the \$5 to \$10 range are based on the appraiser's evaluation of the overall market as well as typical responses indicated by existing tenants. In addition, this is standard industry practice when there is insufficient market data present to support adjustments. It is also considered an acceptable practice by HUD as indicated in the Section 8 Renewal Guide Chapter 9-12 (B) (2b) which states: "For minor adjustments (generally in the \$5 to \$10 range), the appraiser may state his/her subjective evaluation of why the observed differences would affect rent."

Rent comparability grids were prepared for the primary unit types with 654 and 796 square feet. Comparable apartments used include the following: Brookington Apartments (Comparable 1), Pecan Ridge Apartments (Comparable 2), Carriage Hill Apartments (Comparable 3), Hill House Apartments (Comparable 4) and The Gables Apartment Homes (Comparable 5).

**Structure/Stories** – The subject is located in garden one-story buildings. All comparables are located in garden one-story or walk-up and townhouse two-story buildings. The market did not indicate an adjustment for differences in number of stories. No adjustments were needed.

**Project Occupancy** – The subject is currently 95 percent occupied. The occupancy rates of the comparables range from 96 to 100 percent. No adjustments were needed.

**Concessions** – The subject is not currently offering concessions. None of the comparables are currently offering concessions. No adjustment was needed.

**Year Built/Year Renovated** – The subject was constructed in 1990 and will be rehabilitated. It will be in good condition. Comparable 1 was built in 1995, and Comparable 2 was constructed in 1980. Comparable 3 was constructed in 1984, and Comparable 4 was built in 1972. Comparable 5 was constructed in 1995. All comparables were considered inferior to varying degrees. It is difficult to determine adjustment amounts for condition/street appeal as it is difficult to determine rent level fluctuations based on these items. Therefore, it was necessary to rely in large part on opinions of area apartment managers and tenants. In addition, adjusted rents of the comparables were considered as the difference in rents of the comparables after everything else is factored out is assumed to be attributable to condition/street appeal. After considering all factors, Comparables 1, 2, 3 and 5 were adjusted upward \$50 per month, and Comparable 4 was adjusted upward \$80 per month.

**SF Area** – For the purpose of this report, a range of comparable rents per square foot was derived. To determine this adjustment, each comparable's dollar per square foot rental rate was determined. This number was then multiplied by 25 percent for each comparable to derive an adjusted dollar per square foot rental rate. The median dollar per square foot rental rate is determined. Next, the difference in square footage between the subject and each comparable is determined. The selected dollar per square foot for the one-bedroom comparison is \$0.17 and for the two-bedroom comparison is \$0.16. No adjustments were made to comparables within 25 square feet of the subject. The adjustments were rounded to the nearest \$5. These adjustments are reflected on the HUD-Forms 92273, which are attached.

**# of Bedrooms** – The subject contains one- and two-bedroom units. All comparables are similar. No adjustments were needed.

**# of Baths** – The subject contains one bath in the units. Each complex with a differing number of baths than the subject was adjusted \$20 per half-bath. The majority of the difference in number of baths is accounted for in the unit square footage adjustment. However, an adjustment is made here to consider the added convenience of additional baths. The extra room(s) will enhance marketability of a unit even if the square footage remains the same. The following table shows the paired analysis utilized to determine the bath adjustment. Comparable 1 contains one half-bath difference, while Comparable 3 contains one full bath difference.

	Comp 1	Comp 3
<b>Small 2 BR Rent</b>	\$575	\$600
<b>Small 2 BR Size</b>	1,200	900
<b>Large 2 BR Rent</b>	\$600	\$630
<b>Large 2 BR Size</b>	1,200	900
<b>Size Adj Factor</b>	\$0.16	\$0.16
<b>Size Difference</b>	0	0
<b>Indicated Size Adj.</b>	\$0	\$0
<b>Adjusted 2 BR Rent</b>	\$600	\$630
<b>Indicated Bath Adj.</b>	<b>\$25</b>	<b>\$30</b>

Based on the previous table, a \$20 half-bath adjustment was determined to be reasonable.

**Balcony/Patio** – The subject does not contain either feature. Comparables 1, 3, 4 and 5 contain balconies or patios. Comparable 2 does not contain either feature. Although there is little market data available concerning units with these features versus those without these features, the added amenity is an enhancement to the unit. Therefore, Comparables 1, 3, 4 and 5 were adjusted downward \$5 per month.

**Parking** – The subject contains open asphalt parking for all units. All comparables contain lot parking for no additional fee. No adjustments were needed.

**AC: Central/Wall** – The subject contains central air conditioning. All comparables except Comparable 3 are similar. Comparable 3 contains through-the-wall air conditioning which is considered slightly inferior to central air conditioning. Therefore, Comparable 3 was adjusted upward \$5 per month.

**Range/Refrigerator** – The subject contains both features in all units. All comparables contain these features in the units. No adjustment was needed.

**Garbage Disposal** – The subject does not contain a garbage disposal in the units. However, since there is no market data concerning units with this feature, no adjustment was given.

**Microwave/Dishwasher** – The subject does not contain either microwave or dishwasher. All comparables except Comparable 2 contain dishwashers. Although there is little market data available concerning units with these features versus those without these features, the added amenity is an enhancement to the unit. Therefore, Comparables 1, 3, 4 and 5 were adjusted downward \$10 per month.

**Washer/Dryer** – The subject contains washer/dryer hook-ups. All comparables contain washer/dryer hook-ups. No adjustments were needed.

**Carpet** – The subject contains carpet floor covering. All comparables contain carpet floor covering. No adjustments were needed.

**Drapes** – The subject and all comparables contain window coverings. No adjustment was needed.

**Pool/Exercise Room/Recreation Areas** – The subject does not contain any of these features. Comparable 1 contains a swimming pool. The remaining comparables are similar to the subject. No comparable in the market area shows a rent differential based on this particular item; however, the added amenity is an enhancement. Therefore, Comparable 1 was adjusted downward \$10 per month.

**Heat** – The subject does not have this utility provided by the landlord. None of the comparables have this utility provided. No adjustments were needed.

**Cooling** – The subject does not have this utility provided by the landlord. None of the comparables have this utility provided. No adjustments were needed.

**Cooking** – The subject does not have this utility provided by the landlord. None of the comparables have this utility provided. No adjustments were needed.

**Electricity** – The subject does not have this utility provided by the landlord. None of the comparables have this utility provided. No adjustments were needed.

**Hot Water** – The subject does not have this utility provided by the landlord. None of the comparables have this utility provided. No adjustments were needed.

**Cold Water/Sewer** – The subject has cold water and sewer provided by the landlord. Comparables 1 and 2 are similar. The remaining comparables do provide these utilities. Comparables 3, 4 and 5 were adjusted upward \$38 per month for one-bedroom units and \$47 per month for two-bedroom units as indicated by the Georgia Department of Community Affairs Housing Authority's Allowances for Tenant-Furnished Utilities and Other Services.

**Trash** – The subject does have this utility provided by the landlord. Comparables 1 and 2 are similar. The remaining comparables do not provide this utility. Comparables 3, 4 and 5 were adjusted upward \$15 per month for all unit types as indicated by the Georgia Department of Community Affairs Housing Authority's Allowances for Tenant-Furnished Utilities and Other Services.

**Extra Storage** – The subject does not contain extra storage. None of the comparables contain this feature. No adjustments were needed.

**Location** – The subject's location is average with easy access to all services available within the city limits. The comparables are located outside the market area but were utilized due to the lack of conventional comparables in the market area. The location of the subject property and the comparables relative to residential population, population wealth, traffic patterns, centers of employment, economic levels and other locational attributes was analyzed. Location comparisons were made based on the appraiser's judgment as to the relative desirability of the property to a potential renter. The comparables were located in Dublin and Douglas which are considered similar overall to Mount Vernon. Therefore, no adjustments were needed.

**Security** – The subject does not contain security features. Comparables 1, 2, 4 and 5 are similar to the subject. Comparable 3 contains security patrol. No complex in the market area shows a rent differential based on this particular item; however, the added amenity is an enhancement to the unit, particularly security that limits access to the property. Therefore, Comparable 3 was adjusted downward \$5 per month.

**Clubhouse/Meeting Room** – The subject contains a meeting room. Comparable 1 contains a clubhouse. The remaining comparables do not contain either feature. No complex in the market area shows a rent differential based on this particular item; however, the added amenity is an enhancement. Therefore, all comparables without either feature were adjusted upward \$5 per month for each amenity.

**Special Features** – The subject does not contain special features in all units. None of the comparables contain special features. No adjustments were needed.

**Business Center/Neighborhood Network** – The subject does not contain a business center. All comparables are similar. No adjustments were needed.

**Conclusion of Market Rents – As Complete**

The adjusted rents range from \$485 to \$693 for the one-bedroom comparison and from \$515 to \$777 for the two-bedroom comparison. All comparables were given consideration. The appraiser concluded the market rent for the units at the subject as follows:

- **654 SF One-Bedroom Units** - **\$590**
- **796 SF Two-Bedroom Units** - **\$640**

The following table shows the proposed rents at the subject. The estimated “as complete” market rents are above the proposed rents. Therefore, the proposed rents were considered achievable.

Unit Type	# of Units	Square Footage	Maximum Net LIHTC Rent	Proposed Rent	Utility Allowance
1/1	20	654	\$422	\$422	\$88
2/1	1	796	\$511	\$511	\$101

**Rent Comparables**

**Multi-Family Lease No. 1**



**Property Identification**

Record ID 5438  
 Property Type Walk-Up/Townhouse  
 Property Name Brookington Apartments  
 Address 504 Brookwood Drive, Dublin, Laurens County, Georgia 31021  
 Market Type Market

Verification Linda; 478-272-6788, May 16, 2017

<u>Unit Type</u>	<u>Unit Mix</u>			<u>Mo. Rent/SF</u>
	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	
1/1	48	900	\$510	\$0.57
2/1.5	40	1,200	\$575	\$0.48
2/2	8	1,200	\$600	\$0.50

Occupancy 100%  
 Rent Premiums N  
 Total Units 96  
 Unit Size Range 900 - 1200  
 Avg. Unit Size 1,050  
 Avg. Rent/Unit \$545  
 Avg. Rent/SF \$0.52  
  
 SF 100,800

**Multi-Family Lease No. 1 (Cont.)**

**Physical Data**

<b>No. of Buildings</b>	17
<b>Construction Type</b>	Siding
<b>HVAC</b>	Central Elec/Central Elec
<b>Stories</b>	2
<b>Utilities with Rent</b>	Water, Sewer, Trash Collection
<b>Parking</b>	L/0
<b>Year Built</b>	1985
<b>Condition</b>	Average
<b>Gas Utilities</b>	None
<b>Electric Utilities</b>	All

**Amenities**

Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Washer/Dryer Hook-Ups, Carpet, Vinyl, Blinds, Balcony, Patio, Clubhouse, Swimming Pool, On-Site Management, On-Site Maintenance

**Remarks**

The property does not maintain a waiting list. The annual turnover rate is 10 percent. The property is a family development. The typical lease terms is 12 months.

**Multi-Family Lease No. 2**



**Property Identification**

**Record ID** 5439  
**Property Type** Garden/Townhouse  
**Property Name** Pecan Ridge Apartments  
**Address** 104 Parker Dairy Road, Dublin, Laurens County, Georgia 31021  
**Market Type** Market

**Verification** Kathy; 478-272-6055, May 16, 2017

<u>Unit Type</u>	<u>Unit Mix</u>			<u>Mo. Rent/SF</u>
	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	
1/1	18	630	\$450	\$0.71
2/1.5	24	900	\$535	\$0.59
3/2	9	950	\$595	\$0.63

**Occupancy** 100%  
**Rent Premiums** N  
**Total Units** 51  
**Unit Size Range** 630 - 950  
**Avg. Unit Size** 814  
**Avg. Rent/Unit** \$516  
**Avg. Rent/SF** \$0.63  
  
**Net SF** 41,490

**Physical Data**

**No. of Buildings** 11  
**Construction Type** Brick/Siding  
**HVAC** Central Elec/Central Elec

**Multi-Family Lease No. 2 (Cont.)**

<b>Stories</b>	1, 2
<b>Utilities with Rent</b>	Water, Sewer, Trash Collection
<b>Parking</b>	L/0
<b>Year Built</b>	1980
<b>Condition</b>	Average
<b>Gas Utilities</b>	None
<b>Electric Utilities</b>	All

**Amenities**

Refrigerator, Range/Oven, Garbage Disposal, Carpet, Vinyl, Blinds, Washer/Dryer Hook-Ups, On-Site Management, On-Site Maintenance

**Remarks**

The property does not maintain a waiting list. The annual turnover rate was not disclosed. The property is a family development. The typical lease term is 12 months.

**Multi-Family Lease No. 3**



**Property Identification**

**Record ID** 5441  
**Property Type** Garden  
**Property Name** Carriage Hill Apartments  
**Address** 604 Hillcrest Parkway, Dublin, Laurens County, Georgia 31021  
**Market Type** Market

**Verification** Karen; 478-246-1594, May 16, 2017

<u>Unit Type</u>	<u>Unit Mix</u>			<u>Mo. Rent/SF</u>
	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	
Efficiency	9	300	\$520	\$1.73
1/1	21	600	\$530	\$0.88
1/1	21	600	\$600	\$1.00
2/1	5	900	\$600	\$0.67
2/2	4	900	\$630	\$0.70

**Occupancy** 96%  
**Rent Premiums** N  
**Total Units** 60  
**Unit Size Range** 300 - 900  
**Avg. Unit Size** 600  
**Avg. Rent/Unit** \$566  
**Avg. Rent/SF** \$0.94  
  
**Net SF** 36,000

**Multi-Family Lease No. 3 (Cont.)**

**Physical Data**

<b>No. of Buildings</b>	1
<b>Construction Type</b>	Brick/Siding
<b>HVAC</b>	Forced Air Elec/Wall Elec
<b>Stories</b>	1
<b>Utilities with Rent</b>	None
<b>Parking</b>	L/0
<b>Year Built</b>	1984
<b>Condition</b>	Average
<b>Gas Utilities</b>	None
<b>Electric Utilities</b>	All

**Amenities**

Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Washer/Dryer Hook-Ups, Carpet, Vinyl, Blinds, Ceiling Fans, Vaulted Ceilings, Coat Closet, Balcony, Patio, Extra Storage, Laundry Facility, On-Site Management, On-Site Maintenance, Security Patrol

**Remarks**

The property does not maintain a waiting list. The annual turnover rate was not disclosed. The property is a family development. The typical lease term is 12 months.

**Multi-Family Lease No. 4**



**Property Identification**

**Record ID** 5440  
**Property Type** Townhouse  
**Property Name** Hill House Apartments  
**Address** 620 East Peachtree Street, Douglas, Coffee County, Georgia 31533  
**Market Type** Market

**Verification** Ines; 912-384-5555, May 16, 2017

<u>Unit Type</u>	<u>Unit Mix</u>			
	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	<u>Mo. Rent/SF</u>
1/1	12	800	\$545	\$0.68
<b>Occupancy</b>	100%			
<b>Rent Premiums</b>	N			
<b>Total Units</b>	12			
<b>Unit Size Range</b>	0 - 800			
<b>Avg. Unit Size</b>	800			
<b>Avg. Rent/Unit</b>	\$545			
<b>Avg. Rent/SF</b>	\$0.68			
<b>Net SF</b>	9,600			

**Multi-Family Lease No. 4 (Cont.)**

**Physical Data**

<b>No. of Buildings</b>	1
<b>Construction Type</b>	Brick/Siding
<b>HVAC</b>	Central Elec/Central Elec
<b>Stories</b>	2
<b>Utilities with Rent</b>	None
<b>Parking</b>	L/0
<b>Year Built</b>	1972
<b>Condition</b>	Average
<b>Gas Utilities</b>	None
<b>Electric Utilities</b>	All

**Amenities**

Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Washer/Dryer Hook-Ups, Carpet, Vinyl, Blinds, Balcony, Patio

**Remarks**

There are three applicants on the waiting list. The annual turnover rate was not disclosed. The property is a general occupancy development. The typical lease term is 12 months.

**Multi-Family Lease No. 5**



**Property Identification**

**Record ID** 5437  
**Property Type** Walk-Up  
**Property Name** The Gables Apartment Homes  
**Address** 1351 West Gordon Street, Douglas, Coffee County, Georgia  
31533  
**Market Type** Market

**Verification** Ines; 912-384-5555, May 16, 2017

<u>Unit Type</u>	<u>Unit Mix</u>			<u>Mo. Rent/SF</u>
	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	
1/1	8	912	\$945	\$1.04
2/2	24	1,120	\$725	\$0.65

**Occupancy** 100%  
**Rent Premiums** N  
**Total Units** 32  
**Unit Size Range** 912 - 1120  
**Avg. Unit Size** 1,068  
**Avg. Rent/Unit** \$780  
**Avg. Rent/SF** \$0.73  
  
**Net SF** 34,176

**Multi-Family Lease No. 5 (Cont.)**

**Physical Data**

<b>No. of Buildings</b>	2
<b>Construction Type</b>	Brick/Siding
<b>HVAC</b>	Central Elec/Central Elec
<b>Stories</b>	2
<b>Utilities with Rent</b>	None
<b>Parking</b>	L/0
<b>Year Built</b>	1995
<b>Condition</b>	Average
<b>Gas Utilities</b>	None
<b>Electric Utilities</b>	All

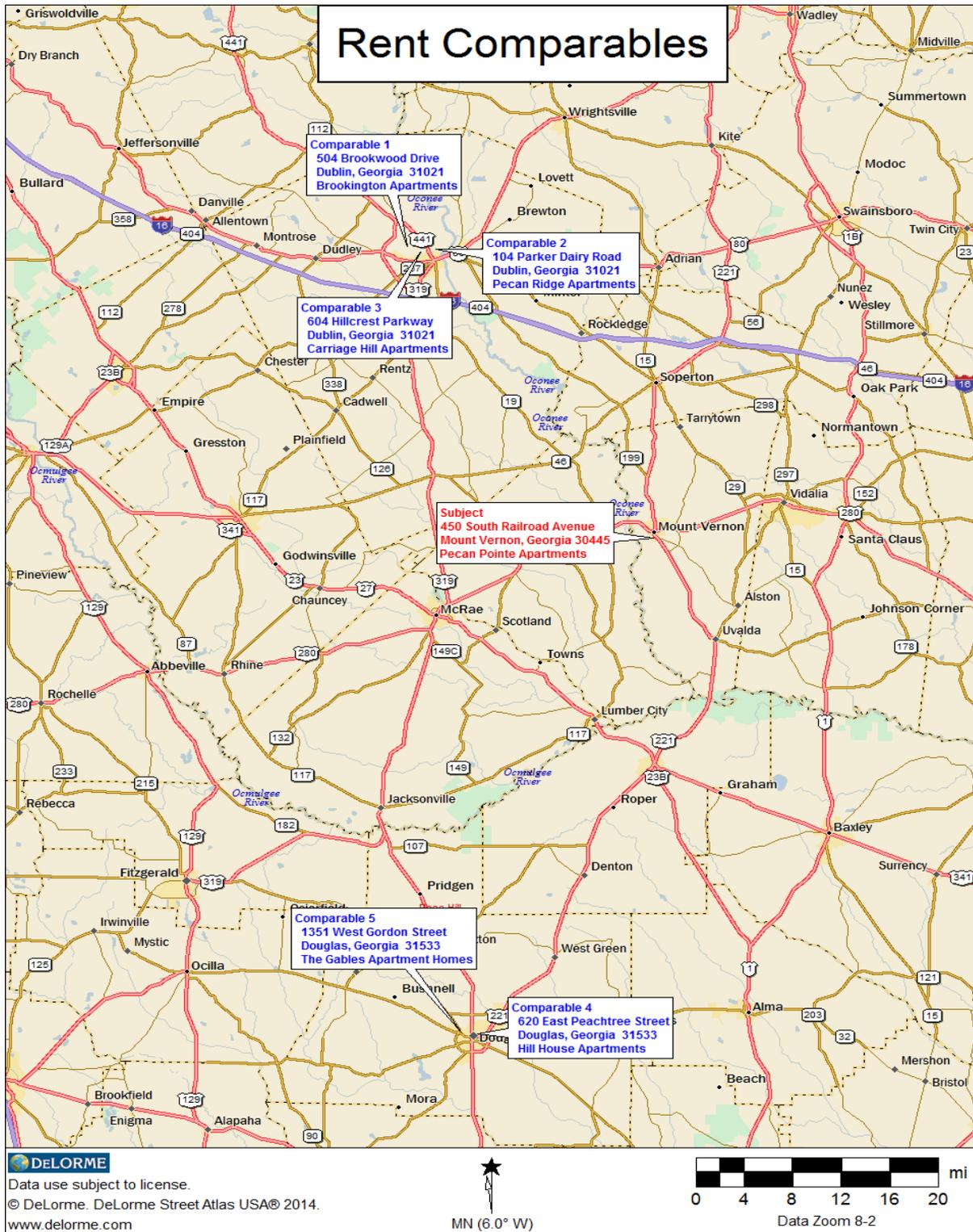
**Amenities**

Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Washer/Dryer Hook-Ups, Carpet, Vinyl, Blinds, Ceiling Fans, Vaulted Ceilings (2nd Floor Only), Walk-In Closet, Coat Closet, Balcony, Patio

**Remarks**

There are seven applicants on the waiting list. The annual turnover rate was not disclosed. The property is a family development. The typical lease term is 12 months.

### Rent Comparable Map



**Summary and Conclusion**

Comparable apartment complexes were analyzed as shown on the attached HUD-Forms 92273. Adjustments were based on market rates for individual items as discussed on the previous pages. After analyzing the aforementioned data, market rates were established with special emphasis placed on the best comparables for each unit type to arrive at the estimated market rents as shown in the chart below. After all adjustments, the comparables with the least amount of adjustments for each bedroom type were considered to determine market rates. These rates were used throughout the report as the “Market Rates” for all subject apartment types.

**Potential Gross Rental Income**

**Total Potential Gross Rental Income (Restricted Rent As Is)**

# of Units	Unit Type	Unit SF	Max. Net LIHTC Rent	Current Rent	Potential Gross Income
20	1/1	654	\$422	\$412	\$8,240
1	2/1	796	\$511	\$422	\$422
Total Potential Monthly Rental Income					\$8,662
					x 12
Total Potential Gross Rental Income					\$103,944
Miscellaneous Income					\$850
<b>Total Potential Gross Income</b>					<b>\$104,794</b>

**Total Potential Gross Rental Income (Market Rent As Is)**

# of Units	Unit Type	Unit SF	Max. Net LIHTC Rent	Market Rent	Potential Gross Income
20	1/1	654	\$422	\$540	\$10,800
1	2/1	796	\$511	\$590	\$590
Total Potential Monthly Rental Income					\$11,390
					x 12
Total Potential Gross Rental Income					\$136,680
Miscellaneous Income					\$850
<b>Total Potential Gross Income</b>					<b>\$137,530</b>

**Total Potential Gross Rental Income (Restricted Rent As Complete)**

# of Units	Unit Type	Unit SF	Max. Net LIHTC Rent	Proposed Rent	Potential Gross Income
20	1/1	654	\$422	\$590	\$11,800
1	2/1	796	\$511	\$640	\$640
Total Potential Monthly Rental Income					\$12,440
					x 12
Total Potential Gross Rental Income					\$149,280
Miscellaneous Income					\$850
<b>Total Potential Gross Income</b>					<b>\$150,130</b>

\*The subject contains Rental Assistance for 19 of 21 units. The Rental Assistance at the property will make up the difference between the maximum net LIHTC rent and the rent charged at the subject. The “as complete” market rent determined on the rent grids in the maximum achievable rent at the subject. As the subject has Rental Assistance for all but two of the units, the “as complete” market rent was used as the proposed rent in the restricted “as complete” analysis.

**Total Potential Gross Rental Income (Market Rent As Complete)**

# of Units	Unit Type	Unit SF	Max. Net LIHTC Rent	Market Rent	Potential Gross Income
20	1/1	654	\$422	\$590	\$11,800
1	2/1	796	\$511	\$640	\$640
Total Potential Monthly Rental Income					\$12,440
					x 12
Total Potential Gross Rental Income					\$149,280
Miscellaneous Income					\$850
<b>Total Potential Gross Income</b>					<b>\$150,130</b>

**Vacancy and Expense Explanations**

**Vacancy and Collection Loss**

*Vacancy and collection loss is an allowance for reductions in potential rental income because space is not leased or rents that are due cannot be collected.*

Annual rent collections are typically less than the potential annual gross income; therefore, an allowance for vacancy and collection loss is typically included in an appraisal of income-producing property. The allowance is usually estimated as a percentage of potential gross income. The percentage varies according to the type and characteristics of the physical property, the quality of tenancy, current and projected supply and demand relationships, and general and local economic conditions.

The field/phone survey was conducted in May 2017. Five market-rate properties responded to the survey and five restricted properties, including the subject, responded to the survey. Of the apartments surveyed an overall vacancy rate of one percent was determined for the market-rate vacancy and four percent was determined for the restricted vacancy. The subject is currently 95 percent occupied. Historically, the subject’s occupancy rate has ranged from 89 to 98 percent since 2014. After considering the vacancy rate of the subject and the comparables, a vacancy rate of five percent was deemed appropriate for “as is” conventional housing; five percent was deemed appropriate for “as complete” conventional housing; three percent was deemed appropriate for “as is” affordable housing; and three percent was deemed appropriate for “as complete” affordable housing.

**Expenses**

To develop an estimate of the net operating income, the appraiser analyzes data for the property. Net operating income (NOI), the income remaining after total expenses have been deducted from the effective gross income, may be calculated before or after deducting replacement reserves. The actual expenses a landlord is required to defray include two specific categories: those incurred by the property itself, such as taxes and insurance, and those resulting from the operation of the property, such as utilities and maintenance. Generally, expenses incurred by the property per se are called fixed expenses. Expenses tied to the operation of the property, which rise or fall with occupancy, are called variable expenses.

## **Management**

Building size determines the type of management. Generally, buildings of more than 25 units are of sufficient size to bear the additional burden of professional property management; larger high-rise or garden apartment projects of over 40 units often require the additional services of a site or resident manager. Lenders generally prefer that properties be professionally managed.

A property manager reports to the property owners, sets rent levels, establishes marketing procedures and does the fiscal planning for the project. The property manager also supervises on-site employees, among whom the resident manager is responsible for looking after the day-to-day dealings with the tenants, leasing of units, collection of rents, and coordination of routine and long-term building maintenance. The resident manager may oversee janitorial staff, an on-site maintenance crew, or various outside contractors. Large-scale apartment projects and newly built developments also employ leasing agents to fill vacancies or negotiate lease renewals and to assist with marketing programs, promotion, and advertising.

## **Tax and Assessment Information**

Real property taxes are based on ad valorem assessments. The records of the county assessor or tax collector can provide the details of a property's assessed value and annual tax burden. From the present assessment data and recent history of tax rates, the appraiser can formulate conclusions about future taxes. Property taxes directly increase the cost of ownership and therefore reduce the net income derived from the rental of apartment units. The fairness of the assessment and anticipated future taxes must be thoroughly analyzed and their impact on value considered in the property appraisal. Property taxes are generally imposed to pay for local government services such as firefighting, police protection and schools. Apartment properties in well-run communities, however, will attract potential tenants willing to pay higher rents for the superior services provided.

Special assessments are levied to pay for infrastructure development (roads or utilities) and extraordinary services (fire or police protection). Ideally, the value of the properties' subject to special assessment is not penalized. The enhancement resulting from the new infrastructure or the provision of additional services should offset the tax increase. However, when a property is subject to a special assessment that exceeds the benefit derived, the value of the property is diminished.

## **Insurance**

The insurance expense is the responsibility of the landlord.

### **Maintenance**

The property manager is responsible for the janitorial staff and on-site maintenance crew and various outside contractors.

### **Utilities and Service**

Water, electricity, natural or liquid petroleum (propane) gas, sewage, trash collection, street maintenance, telephone and cable television are essential utilities and services in most residential markets. If the utilities on the site are inadequate, the cost of improving utility service must be considered. Utilities may be publicly provided or privately owned as part of a community system. In some cases, utilities are individual to the site. The availability and reliability of utilities have a direct bearing on the amount of rent a tenant will pay. At the same time, the cost of utility services is an operating expense that affects the potential net income of the project. The effect of this expenditure is investigated by comparing the costs of utilities and services at competing buildings in relation to rents with the costs incurred by the subject.

### **Reserves for Replacement**

For large properties, the cost of replacing items such as heating/cooling equipment or hallway carpeting may occur regularly. Thus, an allowance for replacements is treated as a separate expense. Even for smaller apartment properties, however, mortgage lenders and property managers may require that part of net operating income be withheld as a reserve to fund the replacement of building components. Consequently, appraisers often estimate an allowance for replacements when projecting cash flow to be capitalized into market value. Other allowances are sometimes made for unusual circumstances—e.g., reserves to cover periodic non-annual repairs, eventual compliance with environmental regulations (asbestos removal), or bringing the building up to code for handicapped persons. Estimates of such reserves should be included in the income forecast if the appraiser believes the situation warrants it.

Because possible differences in the way accountants and property managers enter line-item expenses, the appraiser should ensure the subject property's operating statement is reconstructed to provide that the expense items recorded correspond to proper appraisal practice. In the reconstruction of the operating statement 1) nonrecurring past items are not repeated, 2) any deductions taken for non-operating expenses (personal expenses) are eliminated, 3) ambiguous, repetitive or atypical expense items are recategorized and 4) line items are appropriately grouped to facilitate analysis.

An expense comparison should be made on a uniform or standardized basis. If most of the expense comparables include a replacement reserve, an estimate of this item should be included in the reconstructed operating statement for the subject property. Recategorizing expense items allows the appraiser to compare the operation of the subject with the operating expenses of other properties and the expense averages from benchmark data.

For example, apartment managers often record air conditioning as an expense category. In some cases, this may simply cover the cost of maintaining the equipment, while in others it includes allocations for water, electricity, supplies (filters) and maintenance. Similarly, the category for management may reflect different items because of different ways of operating a property. Some apartment managers will contract for landscaping, snow removal, boiler maintenance and redecoration, while others have these functions performed by on-site managers. By grouping all expense items that are management-controllable, the appraiser will be able to compare the operations of building maintained on contract accounts with those of buildings that employ a permanent workforce to look after maintenance.

Utility expense often differ among properties because some managers operate apartments on a “self-contained” basis, whereby tenants pay directly for meterable natural gas and electricity, while other managers pay the costs of fuel for heating and cooking but not for electricity. Typically, the landlord absorbs all utility charges incurred by vacant units and public spaces (corridors, lobbies, office, basement storage rooms, laundry, parking and exterior lighting) as well as water and sewer charges.

In analyzing operating expenses, the appraiser may also consult benchmark data. For example, the Institute of Real Estate Management’s annual reports include the following groupings:

- \* Administration and management
- \* Utilities
- \* Repairs and maintenance
- \* Real estate taxes and insurance
- \* Payroll (salaries for maintenance and administrative staff)

These data are quoted per square foot of rentable area, as dollars per unit, and as percentage of effective gross income. Such data may be compared against the historic expense data for the subject and cited in the appraisal report. In this instance, the benchmark data was merely used to reflect the validity of my report.

### **Market Rent and Contract Rent**

In the income capitalization approach, the appraiser arrives at an estimate of market rent, or rental income the subject property would likely command in the open market, by analyzing current rents paid and asked for space in comparable buildings. Estimated market rent is important for both proposed and operating properties. In the case of the former, market rent allows the forecast of gross income, and with the latter it is used to calculate the income for vacant rental space or space occupied by the ownership or property management. Contract rent is the actual rental income specified in a lease. It is calculated for operating properties from existing leases, including month-to-month extensions of former leases. It is

essential to specify whether the cited rent is 1) the former or existing contract rent, 2) the asking amount sought by the landlord or property manager or 3) the market rent estimated by the appraiser.

### **Other Miscellaneous Income**

In addition to income from apartment rents, income to the building may be generated from a variety of sources. License fees are paid for temporary, nonexclusive use of special facilities, such as party room or swimming pool fees. Service fees are charged for elective maid service. An apartment project may earn concession income from coin telephones, vending machines and laundry room equipment.

Rental income can also be generated from non-apartment space such as an on-site retail store, restaurant, beauty parlor or physician's office. A parking garage may be leased to an operator or, alternatively, the building may directly license the parking spaces to tenants or non-tenants (on-site parking, however, is often available to tenants at no additional charge). Finally, interest income may accrue on the balance between rents collected in advance and expenses paid in arrears. Interest can also be earned on security deposits, although in some jurisdictions such interest must ultimately be paid back to the tenants. Thus, other income includes rent for non-apartment space and miscellaneous income from various tenant charges.

In many instances, a significant degree of the apartment project's income stream is imputable to intangible as well as tangible personality. Apartment properties may earn business income from profits on the rental of in-suite furniture to tenants, marking up the cost of electricity privately metered to tenants, as well as for opening tenants' doors when the key is left inside, licensing the concierge function and the coin machines, profit centers such as storage rooms (including the sale of abandoned tenant goods), and the interest on company bank accounts.

## Operating Expenses & Restricted Projections

Property: Pecan Pointe Apartments

# of Rental Units: 21

### Revenue and Expense Analysis

#### Historical and Proforma

% change compared to preceding year.

2016 is base year for % changes for YTD current year annualized and projections.

REVENUE - Annual													REVENUE - Annual		
	2014		2015		2016		4 months				Budget				
		PUPA		PUPA		PUPA	YTD	2017	Annualized	PUPA	%			PUPA	%
<b>Residential &amp; Ancillary Income</b>															
Annual Gross Potential Rental Income	101,424	4,830	102,684	4,890	103,944	4,950	34,648	103,944	4,950	0%	103,944	4,950	0%	Residential & Ancillary Income	
Annual Ancillary Income	432	21	706	34	332	16	30	90	4	-73%	1,500	71	352%	Annual Ancillary Income	
Annual Gross Potential Income	101,856	4,850	103,390	4,923	104,276	4,966	34,678	104,034	4,954	0%	105,444	5,021	1%	Annual Gross Potential Income	
Occupancy	95.87%	200	88.87%	548	97.76%	111	96.96%	1	151	-1%	94.09%	297	0%	Occupancy	
Effective Gross Income (EGI)	97,653	4,650	91,878	4,375	101,936	4,854	33,623	100,869	4,803	-1%	99,207	4,724	-3%	Effective Gross Income (EGI)	

ITEMIZED EXPENSES - Annual													ITEMIZED EXPENSES - Annual		
Estimate of Annual Expense													Estimate of Annual Expense		
	2014		2015		2016		4 months				Budget				
		PUPA		PUPA		PUPA	YTD	2017	Annualized	PUPA	%			PUPA	%
<b>Administrative</b>															
Advertising	97	5	248	12	0	0	0	0	0	0	50	2	0	Advertising	
Management Fee	10,769	513	10,228	487	11,307	538	3,880	11,640	554	3%	12,348	588	9%	Management Fee	
Other (Specify)	11,795	562	12,044	574	18,393	876	5,520	16,559	789	-10%	14,177	675	-23%	Other (Specify)	
<b>Total Administrative</b>	<b>22,661</b>	<b>1,079</b>	<b>22,520</b>	<b>1,072</b>	<b>29,700</b>	<b>1,414</b>	<b>9,400</b>	<b>28,199</b>	<b>1,343</b>	<b>-5%</b>	<b>26,575</b>	<b>1,265</b>	<b>-11%</b>	<b>Total Administrative</b>	
<b>Operating</b>															
Elevator Maintenance Exp.	0	0	0	0	0	0	0	0	0	0	0	0	0	Elevator Maintenance Exp.	
Fuel	0	0	0	0	0	0	0	0	0	0	0	0	0	Fuel - Heating	
Lighting and Misc. Power	2,377	113	2,553	122	2,160	103	741	2,222	106	3%	2,200	105	2%	Lighting and Misc. Power	
Water	10,437	497	11,699	557	12,613	601	4,503	13,510	643	7%	11,300	538	-10%	Water	
Gas	0	0	0	0	0	0	0	0	0	0	0	0	0	Gas	
Garbage and Trash Removal	1,562	74	1,704	81	3,257	155	1,000	3,000	143	-8%	2,000	95	-39%	Garbage and Trash Removal	
Payroll	6,016	286	6,009	286	5,978	285	2,303	6,910	329	16%	5,000	238	-16%	Payroll	
Other (Specify)	5,124	244	15,836	754	10,796	514	2,825	8,474	404	-22%	7,100	338	-34%	Other (Specify)	
<b>Total Operating</b>	<b>25,516</b>	<b>1,215</b>	<b>37,800</b>	<b>1,800</b>	<b>34,804</b>	<b>1,657</b>	<b>11,372</b>	<b>34,116</b>	<b>1,625</b>	<b>-2%</b>	<b>27,600</b>	<b>1,314</b>	<b>-21%</b>	<b>Total Operating</b>	
<b>Maintenance</b>															
Decorating	1,046	50	486	23	879	42	102	306	15	-65%	2,000	95	128%	Decorating	
Repairs	0	0	0	0	0	0	0	0	0	0	0	0	0	Repairs	
Exterminating	1,080	51	1,614	77	1,377	66	1,018	3,054	145	122%	2,133	102	55%	Exterminating	
Insurance	3,963	189	4,010	191	4,012	191	3,976	11,928	568	197%	4,787	228	19%	Insurance	
Ground Expense	5,463	260	5,626	268	5,257	250	3,005	9,015	429	71%	5,480	261	4%	Ground Expense	
Other (specify)	0	0	0	0	0	0	0	0	0	0	0	0	0	Other (specify)	
<b>Total Maintenance</b>	<b>11,552</b>	<b>550</b>	<b>11,737</b>	<b>559</b>	<b>11,525</b>	<b>549</b>	<b>8,101</b>	<b>24,303</b>	<b>1,157</b>	<b>111%</b>	<b>14,400</b>	<b>686</b>	<b>25%</b>	<b>Total Maintenance</b>	
<b>Taxes</b>															
Real Estate Tax	5,017	239	4,327	206	4,448	212	0	0	0	-100%	6,000	286	35%	Real Estate Tax	
Personal Property Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	Personal Property Tax	
Employee Payroll Tax	1,305	62	1,213	58	1,702	81	435	1,306	62	-23%	1,400	67	-18%	Employee Payroll Tax	
Employee Benefits	450	21	443	21	414	20	532	1,597	76	286%	475	23	15%	Employee Benefits	
Other	84	4	70	3	209	10	159	478	23	129%	100	5	-52%	Other	
<b>Total Taxes</b>	<b>6,857</b>	<b>327</b>	<b>6,053</b>	<b>288</b>	<b>6,772</b>	<b>322</b>	<b>1,127</b>	<b>3,380</b>	<b>161</b>	<b>-50%</b>	<b>7,975</b>	<b>380</b>	<b>18%</b>	<b>Total Taxes</b>	
Operating Exp. before RFR	66,586	3,171	78,110	3,720	82,802	3,943	29,999	89,998	4,286	9%	76,550	3,645	-8%	Operating Exp. before RFR	
Reserve For Replacement	20,282	966	5,820	277	5,820	277	1,940	5,820	277	0%	5,820	277	0%	Reserve For Replacement	
<b>Operating Exp. Incl. RFR</b>	<b>86,868</b>	<b>4,137</b>	<b>83,930</b>	<b>3,997</b>	<b>88,622</b>	<b>4,220</b>	<b>31,939</b>	<b>95,818</b>	<b>4,563</b>	<b>8%</b>	<b>82,370</b>	<b>3,922</b>	<b>-7%</b>	<b>Operating Exp. Incl. RFR</b>	
<b>NOI</b>	<b>10,785</b>	<b>514</b>	<b>7,949</b>	<b>379</b>	<b>13,314</b>	<b>634</b>	<b>1,684</b>	<b>5,051</b>	<b>241</b>	<b>-62%</b>	<b>16,837</b>	<b>802</b>	<b>26%</b>	<b>NOI</b>	

Pecan Pointe Apartments \* 450 South Railroad Avenue \* Mount Vernon, Georgia

**Property: Pecan Pointe Apartments**

# of Rental Units: 21

**Revenue and Expense Analysis**

**Historical and Proforma**

% change compared to preceding year.

REVENUE - Annual	As Is			As Complete			REVENUE - Annual
	Restricted		%	Restricted		%	
	Projections	PUPA		Projections	PUPA		
<b>Residential &amp; Ancillary Income</b>							Residential & Ancillary Income
Annual Gross Potential Rental Income	103,944	4,950	0%	149,280	7,109	44%	Annual Gross Potential Rental Income
Annual Ancillary Income	850	40	156%	850	40	156%	Annual Ancillary Income
Annual Gross Potential Income	104,794	4,990	0%	150,130	7,149	44%	Annual Gross Potential Income
Occupancy	97.00%	150	0%	97.00%	214	0%	Occupancy
Effective Gross Income (EGI)	101,650	4,840	0%	145,626	6,935	43%	Effective Gross Income (EGI)

ITEMIZED EXPENSES - Annual Estimate of Annual Expense	As Is			As Complete			ITEMIZED EXPENSES - Annual Estimate of Annual Expense
	Restricted		%	Restricted		%	
	Projections	PUPA		Projections	PUPA		
<b>Administrative</b>							Administrative
Advertising	105	5	0	105	5	0	Advertising
Management Fee	11,978	570	6%	11,978	570	6%	Management Fee
Other (Specify)	14,175	675	-23%	14,175	675	-23%	Other (Specify)
<b>Total Administrative</b>	<b>26,258</b>	<b>1,250</b>	<b>-12%</b>	<b>26,258</b>	<b>1,250</b>	<b>-12%</b>	<b>Total Administrative</b>
<b>Operating</b>							Operating
Elevator Maintenance Exp.	0	0	0	0	0	0	Elevator Maintenance Exp.
Fuel	0	0	0	0	0	0	Fuel - Heating
Lighting and Misc. Power	2,205	105	2%	2,205	105	2%	Lighting and Misc. Power
Water	12,600	600	0%	12,600	600	0%	Water
Gas	0	0	0	0	0	0	Gas
Garbage and Trash Removal	3,150	150	-3%	3,150	150	-3%	Garbage and Trash Removal
Payroll	5,250	250	-12%	5,250	250	-12%	Payroll
Other (Specify)	5,250	250	-51%	4,200	200	-61%	Other (Specify)
<b>Total Operating</b>	<b>28,455</b>	<b>1,355</b>	<b>-18%</b>	<b>27,405</b>	<b>1,305</b>	<b>-21%</b>	<b>Total Operating</b>
<b>Maintenance</b>							Maintenance
Decorating	630	30	-28%	630	30	-28%	Decorating
Repairs	0	0	0	0	0	0	Repairs
Exterminating	1,785	85	30%	1,785	85	30%	Exterminating
Insurance	4,200	200	5%	4,200	200	5%	Insurance
Ground Expense	5,355	255	2%	5,355	255	2%	Ground Expense
Other (specify)	0	0	0	0	0	0	Other (specify)
<b>Total Maintenance</b>	<b>11,970</b>	<b>570</b>	<b>4%</b>	<b>11,970</b>	<b>570</b>	<b>4%</b>	<b>Total Maintenance</b>
<b>Taxes</b>							Taxes
Real Estate Tax	4,515	215	2%	5,040	240	13%	Real Estate Tax
Personal Property Tax	0	0	0	0	0	0	Personal Property Tax
Employee Payroll Tax	1,575	75	-7%	1,575	75	-7%	Employee Payroll Tax
Employee Benefits	525	25	27%	525	25	27%	Employee Benefits
Other	210	10	0%	210	10	0%	Other
<b>Total Taxes</b>	<b>6,825</b>	<b>325</b>	<b>1%</b>	<b>7,350</b>	<b>350</b>	<b>9%</b>	<b>Total Taxes</b>
Operating Exp. before RFR	73,508	3,500	-11%	72,983	3,475	-12%	Operating Exp. before RFR
Reserve For Replacement	7,350	350	26%	7,350	350	26%	Reserve For Replacement
<b>Operating Exp. Incl. RFR</b>	<b>80,858</b>	<b>3,850</b>	<b>-9%</b>	<b>80,333</b>	<b>3,825</b>	<b>-9%</b>	<b>Operating Exp. Incl. RFR</b>
<b>NOI</b>	<b>20,792</b>	<b>990</b>	<b>56%</b>	<b>65,293</b>	<b>3,109</b>	<b>390%</b>	<b>NOI</b>

**Estimating Restricted Expenses Per Unit**

<b>Estimating Restricted Expenses Per Unit</b>							
Subject As Is	Expenses	Subject As Complete	Comparable One	Comparable Two	Comparable Three	Comparable Four	IREM Region IV
\$5	Advertising	\$5	\$4	\$4	\$3	\$13	\$0
\$570	Management	\$570	\$526	\$539	\$362	\$854	\$441
\$675	Other Administrative Expenses	\$675	\$802	\$575	\$280	\$844	\$1,272
\$0	Elevator Maintenance Expense	\$0	\$0	\$0	\$0	\$87	\$0
\$0	Fuel	\$0	\$0	\$0	\$0	\$0	\$0
\$105	Lighting & Misc. Power	\$105	\$192	\$109	\$119	\$205	\$177
\$600	Water/Sewer	\$600	\$139	\$493	\$254	\$285	\$199
\$0	Gas	\$0	\$0	\$0	\$22	\$1,004	\$10
\$150	Garbage/Trash Removal	\$150	\$57	\$27	\$0	\$54	\$0
\$250	Payroll	\$250	\$316	\$439	\$441	\$822	\$732
\$250	Other Operating Expenses	\$200	\$303	\$0	\$272	\$614	\$272
\$30	Decorating	\$30	\$49	\$0	\$0	\$48	\$92
\$0	Repairs	\$0	\$0	\$0	\$96	\$348	\$252
\$85	Exterminating	\$85	\$62	\$86	\$0	\$1	\$0
\$200	Insurance	\$200	\$201	\$201	\$203	\$348	\$355
\$255	Ground Expenses	\$255	\$260	\$272	\$0	\$1	\$249
\$0	Other Maintenance	\$0	\$0	\$624	\$0	\$0	\$0
\$215	Real Estate Taxes	\$240	\$258	\$255	\$277	\$571	\$422
\$75	Payroll Taxes	\$75	\$63	\$0	\$0	\$79	\$0
\$25	Employee Benefits	\$25	\$62	\$21	\$0	\$147	\$0
\$10	Other Taxes	\$10	\$8	\$14	\$0	\$38	\$3
\$350	Replacement Reserves	\$350	\$914	\$262	\$0	\$0	\$0
\$3,850	<b>Total Per Unit</b>	\$3,825	\$4,216	\$3,921	\$2,329	\$6,363	\$4,476
<p><b>Comments:</b>                      Subject expenses were estimated based on comparable apartments and industry norms. Comparable apartment expenses were estimated after discussions with area apartment managers. The comparable estimates were substantiated by the <i>2016 Income/Expense Analysis: Federally Assisted Apartments</i> printed by the <i>Institute of Real Estate Management</i>. No major fluctuations from the total expenses per unit are anticipated from the expenses provided above, although itemized expenses may deviate on the specific factors affecting the individual properties.</p> <p>The expenses for the comparable apartments vary per unit but are consistently between 38 and 79 percent of the gross rent potential. The subject's expenses were estimated at 54 percent of the gross rent potential which is within the comparable range. Market expenses for the subject were categorized similar to the actual expenses as different properties categorize expenses in different ways. Explanations of specific itemized expenses are indicated on the following pages.</p>							

**Itemized Expense Explanations - Restricted  
Expense Numbers per Unit**

<b>Expense</b>	<b>As Is</b>	<b>As Complete</b>	<b>Comp Range</b>
1. Advertising	\$5	\$5	\$0- \$13
<p>An advertising expense of \$5 per unit was projected for the subject. A comparable range of \$0 to \$13 per unit was determined. The expense was projected considering the subject's historical financials, the comparable range and the <i>2016 Income/Expense Analysis: Federally Assisted Apartments</i> printed by Institute of Real Estate Management.</p>			
2. Management	\$570	\$570	\$362-\$854
<p>A management expense of \$570 per unit was projected for the as is scenario, and a management expense of \$570 per unit was projected for the as complete scenario. A comparable range of \$362 to \$854 was determined. The expense was projected based on \$49 per unit as indicated by the budget.</p>			
3. Other Administrative	\$675	\$675	\$280- \$844
<p>An other administrative expense of \$675 per unit was projected. A comparable range of \$280 to \$844 was determined. The expense was projected considering the subject's historical financials, the comparable range and the <i>2016 Income/Expense Analysis: Federally Assisted Apartments</i> printed by Institute of Real Estate Management.</p>			
4. Elevator	\$0	\$0	\$0- \$87
<p>The property does not have this expense. The expense is not typical in the market. Therefore, no expense was projected.</p>			
5. Fuel	\$0	\$0	\$0- \$0
<p>The property does not have this expense. The expense is not typical in the market. Therefore, no expense was projected.</p>			
6. Lighting & Misc. Power	\$105	\$105	\$109-\$205
<p>A lighting and miscellaneous power expense of \$105 was projected for the subject. A comparable range of \$109 to \$205 per unit was determined. Due to properties having unique utility characteristics, the subject's historical data was determined to be the most accurate indicator of this expense. The expense was projected using the subject's historical financials.</p>			

- |    |             |       |       |              |
|----|-------------|-------|-------|--------------|
| 7. | Water/Sewer | \$600 | \$600 | \$139- \$493 |
|----|-------------|-------|-------|--------------|
- A water/sewer expense of \$600 per unit was projected for the subject. A comparable range of \$139 to \$493 per unit was determined. Due to properties having unique utility characteristics, the subject's historical data was determined to be the most accurate indicator of this expense. The expense was projected using the subject's historical financials.
- |    |     |     |     |             |
|----|-----|-----|-----|-------------|
| 8. | Gas | \$0 | \$0 | \$0-\$1,004 |
|----|-----|-----|-----|-------------|
- A gas expense of \$0 per unit was projected for the subject. A comparable range of \$0 to \$1,004 per unit was determined. Due to properties having unique utility characteristics, the subject's historical data was determined to be the most accurate indicator of this expense. The expense was projected using the subject's historical financials.
- |    |                       |       |       |           |
|----|-----------------------|-------|-------|-----------|
| 9. | Garbage/Trash Removal | \$150 | \$150 | \$0- \$57 |
|----|-----------------------|-------|-------|-----------|
- A garbage/trash removal expense of \$150 per unit was projected for the subject. A comparable range of \$0 to \$57 per unit was determined. Due to properties having unique utility characteristics, the subject's historical data was determined to be the most accurate indicator of this expense. The expense was projected using the subject's historical financials.
- |     |         |       |       |             |
|-----|---------|-------|-------|-------------|
| 10. | Payroll | \$250 | \$250 | \$316-\$822 |
|-----|---------|-------|-------|-------------|
- The payroll expense of \$250 per unit was projected. A comparable range of \$316 to \$822 was determined. The expense was projected considering the subject's historical financials, the comparable range and the *2016 Income/Expense Analysis: Federally Assisted Apartments* printed by Institute of Real Estate Management.
- |     |                          |       |       |           |
|-----|--------------------------|-------|-------|-----------|
| 11. | Other Operating Expenses | \$250 | \$200 | \$0-\$614 |
|-----|--------------------------|-------|-------|-----------|
- An other operating expense of \$250 per unit was projected for the "as is" scenario and \$200 was projected for the "as complete" scenario. A comparable range of \$0 to \$614 was determined. The expense was projected considering the subject's historical financials, the comparable range and the *2016 Income/Expense Analysis: Federally Assisted Apartments* printed by Institute of Real Estate Management.
- |    |            |      |      |           |
|----|------------|------|------|-----------|
| 12 | Decorating | \$30 | \$30 | \$0- \$49 |
|----|------------|------|------|-----------|
- A decorating expense of \$30 was projected. A comparable range of \$0 to \$49 was determined. The expense was projected considering the subject's historical financials, the comparable range and the *2016 Income/Expense Analysis: Federally Assisted Apartments* printed by Institute of Real Estate Management.





## Operating Expenses & Market Projections

Property: Pecan Pointe Apartments

# of Rental Units: 21

### Revenue and Expense Analysis Historical and Proforma

% change compared to preceding year.

2016 is base year for % changes for YTD current year annualized and projections.

REVENUE - Annual													REVENUE - Annual				
	2014	PUPA	2015	PUPA	%	2016	PUPA	%	YTD	4 months		PUPA	%	Budget	PUPA	%	
<b>Residential &amp; Ancillary Income</b>																	Residential & Ancillary Income
Annual Gross Potential Rental Income	101,424	4,830	102,684	4,890	1%	103,944	4,950	1%	34,648	103,944	4,950	0%	103,944	4,950	0%	Annual Gross Potential Rental Income	
Annual Ancillary Income	432	21	706	34	64%	332	16	-53%	30	90	4	-73%	1,500	71	352%	Annual Ancillary Income	
Annual Gross Potential Income	101,856	4,850	103,390	4,923	2%	104,276	4,966	1%	34,678	104,034	4,954	0%	105,444	5,021	1%	Annual Gross Potential Income	
Occupancy	95.87%	200	88.87%	548	-7%	97.76%	111	10%	96.96%	1	151	-1%	94.09%	297	0%	Occupancy	
Effective Gross Income (EGI)	97,653	4,650	91,878	4,375	-6%	101,936	4,854	11%	33,623	100,869	4,803	-1%	99,207	4,724	-3%	Effective Gross Income (EGI)	

ITEMIZED EXPENSES - Annual													ITEMIZED EXPENSES - Annual				
Estimate of Annual Expense													Estimate of Annual Expense				
	2014	PUPA	2015	PUPA	%	2016	PUPA	%	YTD	4 months		PUPA	%	Budget	PUPA	%	
<b>Administrative</b>																	Administrative
Advertising	97	5	248	12	157%	0	0	-100%	0	0	0	0	0	50	2	0	Advertising
Management Fee	10,769	513	10,228	467	-5%	11,307	538	11%	3,880	11,640	554	3%	12,348	588	9%	Management Fee	
Other (Specify)	11,795	562	12,044	574	2%	18,393	876	53%	5,520	16,559	789	-10%	14,177	675	-23%	Other (Specify)	
<b>Total Administrative</b>	<b>22,661</b>	<b>1,079</b>	<b>22,520</b>	<b>1,072</b>	<b>-1%</b>	<b>29,700</b>	<b>1,414</b>	<b>32%</b>	<b>9,400</b>	<b>28,199</b>	<b>1,343</b>	<b>-5%</b>	<b>26,575</b>	<b>1,265</b>	<b>-11%</b>	<b>Total Administrative</b>	
<b>Operating</b>																	Operating
Elevator Maintenance Exp.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	Elevator Maintenance Exp.
Fuel	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	Fuel - Heating
Lighting and Misc. Power	2,377	113	2,553	122	7%	2,160	103	-15%	741	2,222	106	3%	2,200	105	2%	Lighting and Misc. Power	
Water	10,437	497	11,699	557	12%	12,613	601	8%	4,503	13,510	643	7%	11,300	538	-10%	Water	
Gas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	Gas
Garbage and Trash Removal	1,562	74	1,704	81	9%	3,257	155	91%	1,000	3,000	143	-8%	2,000	95	-39%	Garbage and Trash Removal	
Payroll	6,016	286	6,009	286	0%	5,978	285	-1%	2,303	6,910	329	16%	5,000	238	-16%	Payroll	
Other (Specify)	5,124	244	15,836	754	209%	10,796	514	-32%	2,825	8,474	404	-22%	7,100	338	-34%	Other (Specify)	
<b>Total Operating</b>	<b>25,516</b>	<b>1,215</b>	<b>37,800</b>	<b>1,800</b>	<b>48%</b>	<b>34,804</b>	<b>1,657</b>	<b>-8%</b>	<b>11,372</b>	<b>34,116</b>	<b>1,625</b>	<b>-2%</b>	<b>27,600</b>	<b>1,314</b>	<b>-21%</b>	<b>Total Operating</b>	
<b>Maintenance</b>																	Maintenance
Decorating	1,046	50	486	23	-53%	879	42	81%	102	306	15	-65%	2,000	95	128%	Decorating	
Repairs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	Repairs
Exterminating	1,080	51	1,614	77	49%	1,377	66	-15%	1,018	3,054	145	122%	2,133	102	55%	Exterminating	
Insurance	3,963	169	4,010	191	1%	4,012	191	0%	3,976	11,928	568	197%	4,787	228	19%	Insurance	
Ground Expense	5,463	260	5,626	268	3%	5,257	250	-7%	3,005	9,015	429	71%	5,480	261	4%	Ground Expense	
Other (specify)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	Other (specify)
<b>Total Maintenance</b>	<b>11,552</b>	<b>550</b>	<b>11,737</b>	<b>559</b>	<b>2%</b>	<b>11,525</b>	<b>549</b>	<b>-2%</b>	<b>8,101</b>	<b>24,303</b>	<b>1,157</b>	<b>111%</b>	<b>14,400</b>	<b>686</b>	<b>25%</b>	<b>Total Maintenance</b>	
<b>Taxes</b>																	Taxes
Real Estate Tax	5,017	239	4,327	206	-14%	4,448	212	3%	0	0	0	-100%	6,000	286	35%	Real Estate Tax	
Personal Property Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	Personal Property Tax
Employee Payroll Tax	1,305	62	1,213	58	-7%	1,702	81	40%	435	1,306	62	-23%	1,400	67	-18%	Employee Payroll Tax	
Employee Benefits	450	21	443	21	-2%	414	20	-7%	532	1,597	76	286%	475	23	15%	Employee Benefits	
Other	84	4	70	3	-16%	209	10	197%	159	476	23	129%	100	5	-52%	Other	
<b>Total Taxes</b>	<b>6,857</b>	<b>327</b>	<b>6,053</b>	<b>288</b>	<b>-12%</b>	<b>6,772</b>	<b>322</b>	<b>12%</b>	<b>1,127</b>	<b>3,380</b>	<b>161</b>	<b>-50%</b>	<b>7,975</b>	<b>380</b>	<b>18%</b>	<b>Total Taxes</b>	
Operating Exp. before RFR	66,586	3,171	78,110	3,720	17%	82,802	3,943	6%	29,999	89,998	4,286	9%	76,550	3,645	-8%	Operating Exp. before RFR	
Reserve For Replacement	20,282	966	5,820	277	-71%	5,820	277	0%	1,940	5,820	277	0%	5,820	277	0%	Reserve For Replacement	
<b>Operating Exp. Incl. RFR</b>	<b>86,868</b>	<b>4,137</b>	<b>83,930</b>	<b>3,997</b>	<b>-3%</b>	<b>88,622</b>	<b>4,220</b>	<b>6%</b>	<b>31,939</b>	<b>95,818</b>	<b>4,563</b>	<b>8%</b>	<b>82,370</b>	<b>3,922</b>	<b>-7%</b>	<b>Operating Exp. Incl. RFR</b>	
<b>NOI</b>	<b>10,785</b>	<b>514</b>	<b>7,949</b>	<b>379</b>	<b>-26%</b>	<b>13,314</b>	<b>634</b>	<b>68%</b>	<b>1,684</b>	<b>5,051</b>	<b>241</b>	<b>-62%</b>	<b>16,837</b>	<b>802</b>	<b>26%</b>	<b>NOI</b>	

Pecan Pointe Apartments \* 450 South Railroad Avenue \* Mount Vernon, Georgia

Property: Pecan Pointe Apartments

# of Rental Units: 21

**Revenue and Expense Analysis**

**Historical and Proforma**

% change compared to preceding year.

REVENUE - Annual	As Is			As Complete			REVENUE - Annual
	Market Projections	PUPA	%	Market Projections	PUPA	%	
<b>Residential &amp; Ancillary Income</b>							Residential & Ancillary Income
Annual Gross Potential Rental Income	136,680	6,509	31%	149,280	7,109	44%	Annual Gross Potential Rental Income
Annual Ancillary Income	850	40	156%	850	40	156%	Annual Ancillary Income
Annual Gross Potential Income	137,530	6,549	32%	150,130	7,149	44%	Annual Gross Potential Income
Occupancy	95.00%	327	0%	95.00%	357	0%	Occupancy
Effective Gross Income (EGI)	130,654	6,222	28%	142,624	6,792	40%	Effective Gross Income (EGI)

ITEMIZED EXPENSES - Annual Estimate of Annual Expense	As Is			As Complete			ITEMIZED EXPENSES - Annual Estimate of Annual Expense
	Market Projections	PUPA	%	Market Projections	PUPA	%	
<b>Administrative</b>							Administrative
Advertising	105	5	0	105	5	0	Advertising
Management Fee	5,226	249	-54%	5,705	272	-50%	4.000% Management Fee
Other (Specify)	14,175	675	-23%	14,175	675	-23%	Other (Specify)
<b>Total Administrative</b>	<b>19,506</b>	<b>929</b>	<b>-34%</b>	<b>19,985</b>	<b>952</b>	<b>-33%</b>	<b>Total Administrative</b>
<b>Operating</b>							Operating
Elevator Maintenance Exp.	0	0	0	0	0	0	Elevator Maintenance Exp.
Fuel	0	0	0	0	0	0	Fuel - Heating
Lighting and Misc. Power	2,205	105	2%	2,205	105	2%	Lighting and Misc. Power
Water	12,600	600	0%	12,600	600	0%	Water
Gas	0	0	0	0	0	0	Gas
Garbage and Trash Removal	3,150	150	-3%	3,150	150	-3%	Garbage and Trash Removal
Payroll	5,250	250	-12%	5,250	250	-12%	Payroll
Other (Specify)	5,250	250	-51%	5,250	250	-51%	Other (Specify)
<b>Total Operating</b>	<b>28,455</b>	<b>1,355</b>	<b>-18%</b>	<b>28,455</b>	<b>1,355</b>	<b>-18%</b>	<b>Total Operating</b>
<b>Maintenance</b>							Maintenance
Decorating	630	30	-28%	630	30	-28%	Decorating
Repairs	0	0	0	0	0	0	Repairs
Exterminating	1,785	85	30%	1,785	85	30%	Exterminating
Insurance	4,200	200	5%	4,200	200	5%	Insurance
Ground Expense	5,355	255	2%	5,355	255	2%	Ground Expense
Other (specify)	0	0	0	0	0	0	Other (specify)
<b>Total Maintenance</b>	<b>11,970</b>	<b>570</b>	<b>4%</b>	<b>11,970</b>	<b>570</b>	<b>4%</b>	<b>Total Maintenance</b>
<b>Taxes</b>							Taxes
Real Estate Tax	5,250	250	18%	5,775	275	30%	Real Estate Tax
Personal Property Tax	0	0	0	0	0	0	Personal Property Tax
Employee Payroll Tax	1,575	75	-7%	1,575	75	-7%	Employee Payroll Tax
Employee Benefits	525	25	27%	525	25	27%	Employee Benefits
Other	210	10	0%	210	10	0%	Other
<b>Total Taxes</b>	<b>7,560</b>	<b>360</b>	<b>12%</b>	<b>8,085</b>	<b>385</b>	<b>19%</b>	<b>Total Taxes</b>
Operating Exp. before RFR	67,491	3,214	-18%	68,495	3,262	-17%	Operating Exp. before RFR
Reserve For Replacement	5,250	250	-10%	5,250	250	-10%	Reserve For Replacement
<b>Operating Exp. Incl. RFR</b>	<b>72,741</b>	<b>3,464</b>	<b>-18%</b>	<b>73,745</b>	<b>3,512</b>	<b>-17%</b>	<b>Operating Exp. Incl. RFR</b>
<b>NOI</b>	<b>57,912</b>	<b>2,758</b>	<b>335%</b>	<b>68,879</b>	<b>3,280</b>	<b>417%</b>	<b>NOI</b>

**Estimating Market Expenses Per Unit**

<b>Estimating Market Expenses Per Unit</b>							
Subject As Is	Expenses	Subject As Complete	Comparable One	Comparable Two	Comparable Three	Comparable Four	IREM Region IV
\$5	Advertising	\$5	\$506	\$0	\$128	\$150	\$0
\$249	Management	\$272	\$256	\$290	\$417	\$299	\$382
\$675	Other Administrative Expenses	\$675	\$128	\$150	\$341	\$300	\$650
\$0	Elevator Maintenance Expense	\$0	\$0	\$0	\$0	\$0	\$0
\$0	Fuel	\$0	\$0	\$0	\$0	\$0	\$0
\$105	Lighting & Misc. Power	\$105	\$197	\$735	\$300	\$0	\$161
\$600	Water/Sewer	\$600	\$0	\$1,025	\$463	\$1,127	\$278
\$0	Gas	\$0	\$0	\$0	\$0	\$244	\$7
\$150	Garbage/Trash Removal	\$150	\$0	\$0	\$0	\$0	\$0
\$250	Payroll	\$250	\$1,344	\$75	\$974	\$1,200	\$628
\$250	Other Operating Expenses	\$250	\$55	\$0	\$200	\$0	\$282
\$30	Decorating	\$30	\$285	\$0	\$0	\$0	\$190
\$0	Repairs	\$0	\$453	\$500	\$0	\$500	\$407
\$85	Exterminating	\$85	\$0	\$150	\$244	\$0	\$0
\$200	Insurance	\$200	\$416	\$225	\$378	\$250	\$248
\$255	Ground Expenses	\$255	\$117	\$0	\$116	\$0	\$193
\$0	Other Maintenance	\$0	\$0	\$0	\$0	\$0	\$0
\$250	Real Estate Taxes	\$275	\$417	\$671	\$638	\$699	\$696
\$75	Payroll Taxes	\$75	\$0	\$0	\$0	\$0	\$0
\$25	Employee Benefits	\$25	\$0	\$0	\$0	\$0	\$0
\$10	Other Taxes	\$10	\$0	\$0	\$0	\$0	\$11
\$250	Replacement Reserves	\$250	\$0	\$300	\$250	\$300	\$0
\$3,464	<b>Total Per Unit</b>	\$3,512	\$4,174	\$4,121	\$4,449	\$5,069	\$4,133
<p><b>Comments:</b>                      Subject expenses were estimated based on comparable apartments and industry norms. Comparable apartment expenses were estimated after discussions with area apartment managers. The comparable estimates were substantiated by the <i>2016 Income/Expense Analysis: Conventional Apartments printed by the Institute of Real Estate Management</i>. No major fluctuations from the total expenses per unit are anticipated from the expenses provided above, although itemized expenses may deviate on the specific factors affecting the individual properties.</p> <p>The expenses for the comparable apartments vary per unit but are consistently between 42 and 53 percent of the gross rent potential. The subject's expenses were estimated at 49 percent of the gross rent potential which is within the comparable range. Market expenses for the subject were categorized similar to the actual expenses as different properties categorize expenses in different ways. Explanations of specific itemized expenses are indicated on the following pages.</p>							

**Itemized Expense Explanations - Market  
Expense Numbers per Unit**

<b>Expense</b>	<b>As Is</b>	<b>As Complete</b>	<b>Comp Range</b>
1. Advertising	\$5	\$5	\$0- \$506
An advertising expense of \$5 per unit was projected for the subject. A comparable range of \$0 to \$506 per unit was determined. The expense was projected considering the subject's historical financials, the comparable range and the <i>2016 Income/Expense Analysis: Conventional Apartments</i> printed by Institute of Real Estate Management.			
2. Management	\$249	\$272	\$256-\$417
A management expense of \$249 per unit was projected for the as is scenario, and a management expense of \$272 per unit was projected for the as complete scenario. A comparable range of \$256to \$417 was determined. The expense was projected using approximately four percent of the effective gross income as indicated by the comparables.			
3. Other Administrative	\$675	\$675	\$128-\$341
An other administrative expense of \$675 per unit was projected. A comparable range of \$128 to \$341 was determined. The expense was projected considering the subject's historical financials, the comparable range and the <i>2016 Income/Expense Analysis: Conventional Apartments</i> printed by Institute of Real Estate Management.			
4. Elevator	\$0	\$0	\$0-\$0
The property does not have this expense. The expense is not typical in the market. Therefore, no expense was projected.			
5. Fuel	\$0	\$0	\$0-\$0
The property does not have this expense. The expense is not typical in the market. Therefore, no expense was projected.			
6. Lighting & Misc. Power	\$105	\$105	\$0-\$735
A lighting and miscellaneous power expense of \$105 was projected for the subject. A comparable range of \$0 to \$735 per unit was determined. Due to properties having unique utility characteristics, the subject's historical data was determined to be the most accurate indicator of this expense. The expense was projected using the subject's historical financials.			

- |    |             |       |       |             |
|----|-------------|-------|-------|-------------|
| 7. | Water/Sewer | \$600 | \$600 | \$0-\$1,127 |
|----|-------------|-------|-------|-------------|
- A water/sewer expense of \$600 per unit was projected for the subject. A comparable range of \$0 to \$1,127 per unit was determined. Due to properties having unique utility characteristics, the subject's historical data was determined to be the most accurate indicator of this expense. The expense was projected using the subject's historical financials.
- |    |     |     |     |           |
|----|-----|-----|-----|-----------|
| 8. | Gas | \$0 | \$0 | \$0-\$244 |
|----|-----|-----|-----|-----------|
- A gas expense of \$0 per unit was projected for the subject. A comparable range of \$0 to \$244 per unit was determined. Due to properties having unique utility characteristics, the subject's historical data was determined to be the most accurate indicator of this expense. The expense was projected using the subject's historical financials.
- |    |                       |       |       |         |
|----|-----------------------|-------|-------|---------|
| 9. | Garbage/Trash Removal | \$150 | \$150 | \$0-\$0 |
|----|-----------------------|-------|-------|---------|
- A garbage/trash removal expense of \$150 per unit was projected for the subject. A comparable range of \$0 to \$0 per unit was determined. Due to properties having unique utility characteristics, the subject's historical data was determined to be the most accurate indicator of this expense. The expense was projected using the subject's historical financials.
- |     |         |       |       |              |
|-----|---------|-------|-------|--------------|
| 10. | Payroll | \$250 | \$250 | \$75-\$1,344 |
|-----|---------|-------|-------|--------------|
- The payroll expense of \$250 per unit was projected. A comparable range of \$75 to \$1,344 was determined. The expense was projected considering the subject's historical financials, the comparable range and the *2016 Income/Expense Analysis: Conventional Apartments* printed by Institute of Real Estate Management.
- |     |                          |       |       |           |
|-----|--------------------------|-------|-------|-----------|
| 11. | Other Operating Expenses | \$250 | \$250 | \$0-\$200 |
|-----|--------------------------|-------|-------|-----------|
- An other operating expense of \$250 per unit was projected. A comparable range of \$0 to \$200 was determined. The expense was projected considering the subject's historical financials, the comparable range and the *2016 Income/Expense Analysis: Conventional Apartments* printed by Institute of Real Estate Management.
- |     |            |      |      |           |
|-----|------------|------|------|-----------|
| 12. | Decorating | \$30 | \$30 | \$0-\$285 |
|-----|------------|------|------|-----------|
- A decorating expense of \$30 was projected. A comparable range of \$0 to \$285 was determined. The expense was projected considering the subject's historical financials, the comparable range and the *2016 Income/Expense Analysis: Conventional Apartments* printed by Institute of Real Estate Management.

- |     |         |     |     |           |
|-----|---------|-----|-----|-----------|
| 13. | Repairs | \$0 | \$0 | \$0-\$500 |
|-----|---------|-----|-----|-----------|
- A repairs expense of \$0 was projected for the as is scenario. A comparable range of \$0 to \$500 was determined. Expenses such as repairs are typically based on unique property characteristics. Therefore, the subject's historical data was determined to be the most accurate indicator of this expense. The subject does not itemize specific repairs expenses. Instead, the repairs are included in other categories which are wrapped into other expense categories. Therefore, no specific repairs expense was projected.
- |     |               |      |      |           |
|-----|---------------|------|------|-----------|
| 14. | Exterminating | \$85 | \$85 | \$0-\$244 |
|-----|---------------|------|------|-----------|
- An exterminating expense of \$85 per unit was projected. A comparable range of \$0 to \$244 was determined. The expense was projected considering the subject's historical financials, the comparable range and the *2016 Income/Expense Analysis: Conventional Apartments* printed by Institute of Real Estate Management.
- |     |           |       |       |             |
|-----|-----------|-------|-------|-------------|
| 15. | Insurance | \$200 | \$200 | \$225-\$416 |
|-----|-----------|-------|-------|-------------|
- An insurance expense of \$200 per unit was projected for the subject's as is scenario, and \$200 per unit for the subject's as complete scenario. A comparable range of \$225 to \$416 per unit was determined. Expenses such as insurance are typically based on unique property characteristics. Therefore, the subject's historical data was determined to be the most accurate indicator of this expense. The expense was projected using the subject's historical financials.
- |     |                 |       |       |           |
|-----|-----------------|-------|-------|-----------|
| 16. | Ground Expenses | \$255 | \$255 | \$0-\$117 |
|-----|-----------------|-------|-------|-----------|
- A ground expense of \$255 per unit was projected. A comparable range of \$0 to \$117 was determined. The expense was projected considering the subject's historical financials, the comparable range and the *2016 Income/Expense Analysis: Conventional Apartments* printed by Institute of Real Estate Management.
- |     |                   |     |     |         |
|-----|-------------------|-----|-----|---------|
| 17. | Other Maintenance | \$0 | \$0 | \$0-\$0 |
|-----|-------------------|-----|-----|---------|
- Other maintenance expenses of \$0 per unit were projected for the subject. A comparable range of \$0 to \$0 per unit was determined. The expense was projected considering the subject's historical financials, the comparable range and the *2016 Income/Expense Analysis: Conventional Apartments* printed by Institute of Real Estate Management.

- |     |                   |       |       |             |
|-----|-------------------|-------|-------|-------------|
| 18. | Real Estate Taxes | \$250 | \$275 | \$417-\$699 |
|-----|-------------------|-------|-------|-------------|
- A real estate tax expense of \$250 per unit was projected for the subject based on the information obtained by the Montgomery County Assessor's Office. It is likely that this expense will increase after completion of the rehabilitation. Therefore, the as complete expense was projected higher than the as is expense.
- |     |               |      |      |         |
|-----|---------------|------|------|---------|
| 19. | Payroll Taxes | \$75 | \$75 | \$0-\$0 |
|-----|---------------|------|------|---------|
- Payroll taxes were projected at \$75 per unit. A comparable range of \$0 to \$0 was determined. The expense was projected considering the subject's historical financials, the comparable range and the *2016 Income/Expense Analysis: Conventional Apartments* printed by Institute of Real Estate Management.
- |     |                   |      |      |         |
|-----|-------------------|------|------|---------|
| 20. | Employee Benefits | \$25 | \$25 | \$0-\$0 |
|-----|-------------------|------|------|---------|
- Employee benefits were projected at \$25 per unit. A comparable range of \$0 to \$0 was determined. The expense was projected considering the subject's historical financials, the comparable range and the *2016 Income/Expense Analysis: Conventional Apartments* printed by Institute of Real Estate Management.
- |     |                      |       |       |           |
|-----|----------------------|-------|-------|-----------|
| 21. | Replacement Reserves | \$250 | \$250 | \$0-\$300 |
|-----|----------------------|-------|-------|-----------|
- A replacement reserves expense of \$250 per unit was projected. This reserves expense is typical for market-rate apartment complexes.

#### **Expenses before Reserves for Replacement**

The subject's projected expenses per unit are \$3,214 before reserves for replacement. This is 18 percent higher than the 2016 data. The comparables range from \$4,121 to \$5,069 per unit before reserves for replacement. All comparables are conventional properties located in the State of Pennsylvania. The subject is within than the comparable range. The *2016 Income/Expense Analysis: Federally Conventional Apartments* published by the Institute of Real Estate Management indicates an overall expense per unit of \$4,133. Comparable 1 was constructed in 1987, contains 300 units and has total overall expenses of \$4,174 per unit; Comparable 2 was constructed in 1969 and renovated in 2015, contains 209 units and has total overall expenses of \$4,121 per unit; Comparable 3 was constructed in 1979 and was renovated in 2008, contains 486 units and has total overall expenses of \$4,449 per unit; and Comparable 4 was constructed in 1972 and renovated in 2013, contains 132 units and has total overall expenses of \$5,069 per unit. The subject was constructed in 1990 and is a 21-unit stabilized Rural Development property. Historically, the subject's overall expenses have ranged from \$3,171 to \$3,943 per unit before reserves for replacement. Therefore, the subject's expenses were deemed reasonable.

## **Net Operating Income Conclusions**

### **Expenses after Reserves for Replacement**

The subject's expenses were projected considering the subject's operating history, the expense data of the comparables and the information contained in the *2016 Income/Expense Analysis: Federally Assisted Apartments* printed by the Institute of Real Estate Management and the *2016 Income/Expense Analysis: Conventional Apartments* printed by the Institute of Real Estate Management.

### **Direct Capitalization**

Most apartment appraisers as well as buyers, sellers and lenders prefer value estimates derived from direct capitalization rather than discounted cash flow analysis. Other than in cases where the client and appraiser believe that the achievable income from an apartment property has not approximated its stabilized income, the net operating income to the property can be directly capitalized as of the effective date of the appraisal, based on the current yield to the property. In this situation, the discounting of forecast cash flows on a yield-to-maturity basis is considered superfluous. The use of overall cash flow analysis under other circumstances is discussed in the following section.

An overall capitalization rate ( $R_o$ ) is the usual expression of the relationship between the net operating income and the value of the property (the  $R_o$  is the reciprocal of a net income multiplier). Overall capitalization rates are derived from the simple formula

$$\text{Rate} = \text{Income/Value of } R_o = I/V$$

A capitalization rate is typically expressed as a percentage. For example, if the net operating income to a comparable property was \$1.8 million and its value/price was \$20 million, the overall capitalization rate would be 9.0% (the reciprocal, 11.1, is the property's net income multiplier).

An overall capitalization rate incorporates many considerations, including the likelihood that property income will increase, the momentum and duration of such an increase, and the risk and timing of a possible decrease. It reflects judgments regarding the recapture of investment and property depreciation. An overall capitalization rate can be developed on the basis of the relative allocation between, or weighting of, property components (e.g., mortgage and equity), and the respective capitalization rates of both components. This procedure is known as the band of investment technique. The specific allocation between financial components is supported by their relative risk rating based on which component has the prior claim to payment; for example, mortgages are paid before equity investors.

Other ways to apportion NOI are among the physical and ownership components of the property. When the property's NOI, the value of one property component, and the capitalization rates of both property components are known, a residual technique is applied to estimate the value of the property component

of unknown value. The income to the property component of known value is deducted from the property's NOI, and the residual income attributable to the property component of unknown value is capitalized. In many cases, however, it is not necessary to apportion an overall rate or net operating income to property components.

**Market Derived Capitalization Rates**

Income and expense data from comparable properties were analyzed to derive the capitalization rate. To derive the capitalization rate, the appraiser used the direct capitalization method, which consists of dividing the net income by the value.

The direct capitalization method will both reflect the value of income at yields attractive to a prospective investor and provide for the recapture of wasting purchase capital. The capitalization rate shows the rate of return for land, as well as the rate of return for the buildings. It also reflects the relationship between the income from the entire property and the value of the entire property.

**Comparable Capitalization Rates**

Comparable #	Comparable Address	Number of Units	Date of Sale	NOI /	Sales Price =	Indicated Capitalization
1	820 Bowens Mill Road Southeast Douglas, Georgia	48	10/21/2016	\$135,142	\$1,925,100	7.02%
2	2350 South Houston Lake Road Kathleen, Georgia	300	1/20/2016	\$1,673,033	\$26,514,000	6.31%
3	100 Lochlyn Place Bonaire, Georgia	100	5/21/2015	\$421,800	\$5,700,000	7.40%
4	1258 Sunset Boulevard Jesup, Georgia	64	11/21/2016	\$86,932	\$1,496,250	5.81%
5	9000 Watson Boulevard Byron, Georgia	200	10/31/2016	\$1,128,500	\$18,500,000	6.10%
6	919 Corder Road Warner Robins, Georgia	56	10/16/2015	\$124,500	\$1,500,000	8.30%
7	6080 Lakeview Road Warner Robins, Georgia	392	7/19/2016	\$2,488,815	\$39,505,000	6.30%
8	800 Leisure Lake Drive Warner Robins, Georgia	530	6/2/2016	\$1,813,816	\$22,531,875	8.05%
9	4406 Chambers Road Macon, Georgia	96	6/27/2016	\$154,887	\$2,200,100	7.04%
10	3389 Sherry Drive Macon, Georgia	56	11/4/2016	\$98,000	\$1,400,000	7.00%

The comparables indicate a range of 5.81 to 8.30 percent for indicated capitalization rates, with a mean of 6.93 percent. Comparable 1 was constructed in 1987, and Comparable 2 was built in 2007. Comparable 3 was constructed in 2003, and Comparable 4 was built in 1983. Comparable 5 was built in 2013, and Comparable 6 was constructed in 1987. Comparable 7 was built in 2005, and Comparable 8 was constructed in 1982. Comparable 9 was constructed in 1971, and Comparable 10 was built in 1968. All comparables except Comparables 9 and 10 are considered similar in location. Comparables 9 and 10 are

located in Macon and were considered slightly superior in location due to its larger population and greater proximity to services. However, the superior location did not have a significant impact on the determination of the capitalization rate because a potential investor of a property will typically be interested in the income-producing capabilities of a property regardless of location. Therefore, even though these comparables are in locations with larger population counts, the differences are not substantial enough to have a significant impact on the capitalization rate determination. Comparables 1, 3, 6 and 7 are the most similar dates of construction, and Comparables 1, 4, 6 and 10 are the most similar in number of units. Comparables 1, 4, 5 and 10 have the most recent date of sale. After considering all factors, Comparables 1, 4 and 10 were given the most consideration. These comparables have capitalization rates ranging from 5.81 to 7.02 percent. The appraiser selected a weighted capitalization rate of 7.00 percent.

### **Realty Rates Survey**

The Realty Rates Market Survey was considered in this analysis. The RealtyRates.com Market Survey First Quarter 2017 found that investors in apartments in the South Atlantic Region which includes the State of Georgia indicated an overall capitalization rate of 8.20 percent. The Realty Rates Investor Survey was also considered in this analysis. The RealtyRates.com Investor Survey First Quarter 2017 indicates a range of 4.54 to 12.72 percent for capitalization rates, with a median capitalization rate of 7.85 percent.

### **PwC Real Estate Investor Survey**

The PwC Real Estate Investor Survey was considered in this analysis. The National Apartment Market survey for the first quarter of 2017 found that investors in apartments indicate overall capitalization rates ranging from 3.50 percent to 8.00 percent, with an average of 5.33 percent.

### **Band of Investment – Conventional Terms**

Another method of arriving at a capitalization rate is the Band of Investment Method. This method is based on typical mortgage terms currently available and expected investment return. For the mortgage component of the band of investment, mortgage brokers, current periodicals and rate sheets were consulted relative to mortgage terms, interest rates and investor yield rates. Based on the subject's physical and economic characteristics, the following components were used in this analysis.

Capitalization Rate Analysis					
Mortgage Interest Rate	4.50%	Loan To Value Ratio	80%		
Loan Term (Years)	30	Debt Coverage Ratio	1.10		
		Equity Dividend Rate	10.00%		
Band of Investment					
Mortgage Constant		Loan Ratio			
0.06080	x	80%	=	4.86%	Mortgage Component
Equity Dividend Rate		Equity Ratio			
10%	x	0.20	=	2.00%	Equity Component
		<b>Capitalization Rate</b>		<b>6.86%</b>	
Debt Coverage Ratio Analysis					
Debt Coverage Ratio	x	LTV	x	Mortgage Constant	
1.10	x	80%	x	6.08%	= 0.053506
		<b>Capitalization Rate</b>		<b>5.35%</b>	

Mortgage financing from local lenders indicated that a typical interest rate is 4.50 percent. The typical loan term is 30 years and the loan-to-value ratio is 80 percent. Therefore, a capitalization rate of 6.86 percent was determined.

**Determination of the Market Capitalization Rate**

The PwC Real Estate Investor Survey indicated an average capitalization rate of 5.33 percent. From the sales available in the area a capitalization rate of 7.00 percent was determined. The RealtyRates.com Market Survey indicated an average capitalization rate of 8.20 percent. The RealtyRates.com Investor Survey indicated a median capitalization rate of 7.85 percent. The band of investment indicated a capitalization rate of 6.86 percent. The comparable sales were determined to be the most accurate reflection of the market capitalization rate. Therefore, a capitalization rate of 7.00 percent was determined to be appropriate for the market values.

**Income Values**

<b>Market</b>	<b>As Is</b>	<b>\$57,912 /7.00%</b>	<b>=</b>	<b>\$827,319</b>
<b>Market</b>	<b>As Complete</b>	<b>\$68,879 /7.00%</b>	<b>=</b>	<b>\$983,979</b>
		<b>Market Rate As Is Value</b>	<b>=</b>	<b>\$825,000</b>
		<b>Market Rate As Complete Value</b>	<b>=</b>	<b>\$985,000</b>

**Determination of Capitalization Rate Considering Subject's Rental Assistance**

Due to the presence of Rental Assistance, properties similar to the subject have guaranteed income streams and typically have higher occupancy rates than market properties. As a result, the marketplace shows a preference for these types of properties with Rental Assistance, and the market indicates a lower capitalization rate as a result. Therefore, a slightly more aggressive capitalization rate of one half-point to one full point is seen in the market. The subject has Rental Assistance for 19 of the 21 units. The capitalization rate was adjusted from the market-indicated rate of 7.00 percent to a capitalization rate one point lower at **6.00 percent** for the property's restricted valuations.

<b>Restricted</b>	<b>As Is</b>	<b>\$20,792 /6.00%</b>	<b>=</b>	<b>\$346,536</b>
<b>Restricted</b>	<b>As Complete</b>	<b>\$65,293 /6.00%</b>	<b>=</b>	<b>\$1,088,218</b>
		<b>Restricted Rate As Is Value</b>	<b>=</b>	<b>\$345,000</b>
		<b>Restricted Rate As Complete Value</b>	<b>=</b>	<b>\$1,090,000</b>

<b>Prospective Market Value Upon Loan Maturity</b>	
<p><b>\$985,000 Prospective Market Value (As Complete and Stabilized)</b>  <b>50 Term of Loan (years)</b>  <b>2.00% Growth Rate</b></p>	
<b>Market Value</b>	
<p><b>\$985,000 PV</b>  <b>50 [g] [n]</b>  <b>2.00 [g] [i]</b>  <b>Solve for FV</b></p>	<p><b>\$2,675,279.75</b></p>
<p>Using these factors, a prospective market value upon loan maturity of <b>\$2,675,279.75</b> was determined.</p> <p align="center"><b>Prospective Market Value Upon Loan Maturity</b>  <b>\$2,675,000.00</b></p>	

\*The growth rate is based on the market trends. This includes data from population, unemployment factors, median household income, median home values and capitalization rates. In addition, comparables within the State of Georgia were analyzed to determine a growth rate.

**Population**

The population for the subject’s neighborhood for 2017, according to ESRI, is 5,269, an increase of 408 people from the 2010 population of 4,861. The population is expected to increase at an annual rate of 4.5 percent between 2017 and 2022. Therefore, the 2022 population is projected at 5,507. The median age for the neighborhood is 34.4.

**Unemployment Trends**

The unemployment rate has fluctuated from 4.6 percent to 13.2 percent over the past 12 years. These fluctuations are in line with the unemployment rates for the State of Georgia.

<b>LABOR FORCE AND EMPLOYMENT TRENDS FOR MONTGOMERY COUNTY</b>					
<b>ANNUALS</b>	<b>CIVILIAN LABOR FORCE*</b>	<b>EMPLOYMENT</b>		<b>UNEMPLOYMENT</b>	
		<b>TOTAL</b>	<b>%</b>	<b>TOTAL</b>	<b>%</b>
2005	4,255	4,007	94.2%	248	5.8%
2006	4,508	4,275	94.8%	233	5.2%
2007	4,597	4,385	95.4%	212	4.6%
2008	4,559	4,226	92.7%	333	7.3%
2009	4,484	4,082	91.0%	402	9.0%
2010	3,876	3,411	88.0%	465	12.0%
2011	3,913	3,397	86.8%	516	13.2%
2012	3,900	3,447	88.4%	453	11.6%
2013	4,052	3,588	88.5%	464	11.5%
2014	3,861	3,463	89.7%	398	10.3%
2015	3,710	3,389	91.3%	321	8.7%
2016	3,661	3,384	92.4%	277	7.6%
2017**	3,612	3,385	93.7%	227	6.3%

\* Data based on place of residence.

\*\*Preliminary - based on monthly data through March 2017

Source: U.S. Bureau of Labor Statistics Data

**Median Household Income**

The median household income for the neighborhood in 2017 is \$34,205. It is expected to increase to \$34,698 by 2022. The per capita income is \$16,719.

**Median Home Value**

The median home value for the neighborhood in 2017, according to ESRI, is \$82,584. According to ESRI, the average amount spent for owner-occupied households in the subject's neighborhood is \$11,580.00, or \$965 per month. The average amount spent for renter-occupied households is \$6,504.00, or \$542 per month.

**Realty Rates Market Survey**

The Realty Rates Market Survey was considered in this analysis. The following table indicates the fluctuation of capitalization rates within the South Atlantic Region. Capitalization rates ranged from 7.90 to 8.20 percent in 2016, with an average of 8.03 percent.

<b>REALTY RATES MARKET SURVEY – AREA CAPITALIZATION RATES</b>				
<b>QUARTER</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
1 <sup>ST</sup> Quarter	8.30%	8.10%	8.20%	8.20%
2 <sup>nd</sup> Quarter	8.30%	8.10%	8.00%	8.10%
3 <sup>rd</sup> Quarter	8.20%	8.20%	8.00%	---
4 <sup>th</sup> Quarter	8.10%	8.10%	7.90%	---

Source: RealtyRates.com: South Atlantic Region

**Comparable Sales Analysis**

Comparable market sales that sold within the State of Georgia were analyzed to determine any trend in the area. The following table lists the comparables used in this analysis. Capitalization rates ranged from 5.00 to 9.00 percent between 2005 and 2017, with an average of 7.39 percent.

Property Name	Number of Units	Sale Date	NOI	Sale Price	Capitalization Rate
Jasmine Gardens	40	1/5/2005	\$114,750	\$1,350,000	8.50%
Knox Landing Apartments	40	1/31/2005	\$83,928	\$1,475,000	5.69%
Lauren Heights Apartments	48	3/25/2005	\$188,100	\$2,200,000	8.55%
Highland Springs Apartments	66	8/19/2005	\$203,235	\$2,550,000	7.97%
Auburn Place Apartments	28	9/30/2005	\$89,565	\$1,050,000	8.53%
Highland Glen Apartments	31	11/23/2005	\$90,520	\$1,550,000	5.84%
North Avenue Apartments	34	11/23/2005	\$107,300	\$1,850,000	5.80%
Washington Arms Apartments	40	1/13/2006	\$115,130	\$1,588,000	7.25%
Forest Grove Apartments	20	1/27/2006	\$82,560	\$960,000	8.60%
Somerset Apartments	40	6/30/2006	\$148,800	\$2,000,000	7.44%
Brighton Manor Apartments	40	8/9/2006	\$131,840	\$1,600,000	8.24%
Kirkwood Apartments	53	10/28/2007	\$201,760	\$2,600,000	7.76%
Waters Edge Apartments	48	1/25/2008	\$149,850	\$1,850,000	8.10%
Northside Apartments	22	2/22/2008	\$81,035	\$950,000	8.53%
Waldan Chase Apartments	60	4/7/2008	\$273,192	\$3,414,900	8.00%
Twin Keys Apartments	68	3/30/2009	\$201,000	\$3,350,000	6.00%
Praine Villas	22	1/1/2010	\$57,600	\$720,000	8.00%
Main Street Apartments	32	7/28/2010	\$38,211	\$470,000	8.13%
Park Gate Apartments	23	11/18/2010	\$72,500	\$1,000,000	7.25%
Clisby Towers	52	4/14/2011	\$117,000	\$1,300,000	9.00%
Inman Way Apartments	28	2/9/2012	\$139,344	\$1,592,500	8.75%
Rumson Court Apartments	20	11/5/2012	\$56,375	\$1,025,000	5.50%
Gardens on Gaston	20	4/10/2013	\$131,070	\$1,700,000	7.71%
Cedar Bluffs Apartments	31	4/16/2013	\$132,600	\$1,560,000	8.50%
Proctor Square Apartments	72	6/18/2013	\$137,283	\$2,225,000	6.17%
Oakwood Village Apartments	70	7/1/2013	\$98,616	\$1,680,000	5.87%
1045 on the Park Apartment Homes	30	7/9/2013	\$592,515	\$9,450,000	6.27%
Creekstone Apartments II	72	7/16/2013	\$150,900	\$3,000,000	5.03%
Erwin North Apartments	32	7/22/2013	\$72,450	\$805,000	9.00%
Student Quarters Bay Tree	32	10/10/2013	\$265,200	\$3,900,000	6.80%
Brooks Trace Apartments	49	10/10/2013	\$363,937	\$4,363,750	8.34%
Sherwood Arms Apartments	44	10/30/2013	\$31,980	\$390,000	8.20%
Townhomes at Hapeville	34	1/23/2014	\$77,900	\$950,000	8.20%
Brick Pointe Apartments	56	2/1/2014	\$1,569,500	\$18,250,000	8.60%
Pine Ridge Apartments	29	2/18/2014	\$71,775	\$825,000	8.70%
Jefferson Ridge Townhomes	22	4/14/2014	\$81,900	\$975,000	8.40%
Waterbury Apartments	53	6/30/2014	\$145,440	\$1,818,000	8.00%
Woodbridge Apartments	28	4/2/2014	\$123,750	\$1,650,000	7.50%
Pecan Terrace	36	8/28/2014	\$114,026	\$1,420,000	8.03%
DeFoor's Crossing	60	9/23/2014	\$235,571	\$4,610,000	5.11%
Pine Hill Places	73	10/27/2014	\$169,200	\$2,115,000	8.00%
West Gate Manor	48	12/4/2014	\$93,500	\$1,100,000	8.50%
Courtyard on Kinwood	32	12/18/2014	\$146,813	\$2,175,000	6.75%
Azalea Place	42	1/5/2015	\$100,300	\$1,180,000	8.50%
Forest Ridge Apartments	75	1/20/2015	\$168,560	\$2,107,000	8.00%
University Crossing	48	1/23/2015	\$284,925	\$4,350,000	6.55%
Crown Mill Village Lofts	66	1/31/2015	\$370,760	\$5,200,000	7.13%
Pines at Lawrenceville Highway	66	3/31/2015	\$254,200	\$3,100,000	8.20%
Salem Chase	64	4/1/2015	\$292,250	\$4,175,000	7.00%
Willow Trace Apartments	54	4/30/2015	\$294,800	\$4,000,000	7.37%
Madison Townhomes	24	5/8/2015	\$88,200	\$980,000	9.00%
Maple Place Townhomes	20	5/15/2015	\$34,867	\$685,000	5.09%
Seventy Spruce Apartments	28	7/29/2015	\$202,980	\$2,985,000	6.80%
Parkway North Apartments	21	8/10/2015	\$72,010	\$950,000	7.58%
Magnolia Hall Apartments	48	8/14/2015	\$274,992	\$4,080,000	6.74%
Peachtree Battle Apartments	20	8/20/2015	\$170,804	\$2,000,050	8.54%
Stonebrook Apartments	21	12/1/2015	\$74,880	\$900,000	8.32%
Kelege Village	28	12/16/2015	\$44,890	\$757,000	5.93%
Woodland View Apartments	54	1/7/2016	\$226,440	\$3,400,000	6.66%
Chelsea Court	56	1/22/2016	\$205,200	\$2,700,000	7.60%
Meadowlark Apartments	56	3/15/2016	\$236,758	\$2,905,000	8.15%
Ridgewood Apartments	52	3/30/2016	\$14,490	\$230,000	6.30%
Dwell and Hollywood Apartments	64	3/31/2016	\$68,153	\$975,000	6.99%

Pecan Pointe Apartments \* 450 South Railroad Avenue \* Mount Vernon, Georgia

Property Name	Number of Units	Sale Date	NOI	Sale Price	Capitalization Rate
Lanier Townhomes	40	4/5/2016	\$159,120	\$2,080,000	7.65%
Baldwin Village	56	6/1/2016	\$281,517	\$4,385,000	6.42%
Park Village Apartments	68	7/6/2016	\$310,300	\$5,350,000	5.80%
Northern Pines Apartments	48	9/30/2016	\$203,808	\$2,640,000	7.72%
Douglas Pines Apartments	48	10/21/2016	\$135,142	\$1,925,100	7.02%
Linkwood Manor Apartments	56	11/4/2016	\$98,000	\$1,400,000	7.00%
Pinewood Village Apartments	64	11/21/2016	\$86,932	\$1,496,250	5.81%
The Valley Apartments	32	1/31/2017	\$112,000	\$1,600,000	7.00%
Belwood Apartments	48	2/16/2017	\$149,400	\$1,800,000	8.30%
Briarcliff Apartments	32	2/22/2017	\$162,500	\$3,250,000	5.00%
Twelve Oaks Apartments	20	3/15/2017	\$78,000	\$975,000	8.00%
Beverly Forest Apartments	42	5/17/2017	\$130,500	\$1,800,000	7.25%

The population is expected to increase at an annual rate of 4.5 percent between 2017 and 2022. The median household income for the neighborhood in 2017 is \$34,205. It is expected to increase to \$34,698 by 2022. The per capita income is \$16,719.

The unemployment rate has fluctuated from 4.6 percent to 13.2 percent, and due to the recent economic trends, Telfair County, as well as the rest of the nation, increased in unemployment. However, the unemployment rate has stabilized and is anticipated to decrease to at least the high end of the historical range by the loan's maturity date.

A growth rate of 2.00 percent is typically used in projections and Mount Vernon's market represents this percentage. Therefore, a 2.00 percent growth rate was used in determining the subject's prospective market value upon loan maturity.

**Prospective Market Value Upon Loan Maturity = \$2,675,000.00**

Value of Interest Credit Subsidy

Value of the Interest Credit Subsidy from the Existing USDA RD Section 515 Loan		
	\$583,415	Original RD Loan Amount
	\$518,105	Balance of the Original Loan
	600	Months for the Term of the Loan
	283	Remaining Months for the Term of the RD Loan
	4.50%	Market Interest Rate
	8.75%	Note Rate of Interest
	1.00%	Base Rate of Interest
<b>Market Loan</b>		<b>Original RD Loan</b>
	\$518,105	PV
	0.0450	[i]
	360	[n]
Solve for PMT	\$2,625.16	per month
	\$583,415	PV
	0.0100	[i]
	600	[n]
Solve for PMT	\$1,236.02	per month
<b>Interest Credit Subsidy</b>		
Difference in Payment	\$1,389.14	
	\$1,389.14	[PMT]
	0.0450	[i]
	283	[n]
Solve for PV	\$242,003.22	
	<b>Value of Subsidy from the Existing 515 Loan (Existing Terms) Rounded:</b>	
	<b>\$242,000</b>	

**Value of the Interest Credit Subsidy from the Assumed USDA RD Section 515 Loan**

**\$518,105 Proposed Loan**  
**600 Months for the Term of the Loan**  
**4.50% Market Interest Rate**  
**3.75% Note Rate of Interest**  
**1.00% Base Rate of Interest**

**Proposed Loan**  
 \$518,105 PV  
 0.0450 [i]  
 360 [n]  
 Solve for PMT \$2,625.16 per month

**With 1% interest**  
 \$518,105 PV  
 0.0100 [i]  
 600 [n]  
 Solve for PMT \$1,097.65 per month

**Value of Balloon**  
 \$518,105 [CHS] [PV]  
 0.0375 [i]  
 600 [n]  
 Solve for PMT \$1,913.36  
 360 [n]  
 Solve for FV \$322,718.27  
  
 \$322,718.27 [CHS] [FV]  
 0.0450 [i]  
 360 [n]  
 Solve for PV \$83,873.08

**Interest Credit Subsidy**  
 Difference in Payment \$1,527.51  
 \$1,527.51 [PMT]  
 0.0450 [i]  
 360 [n]  
 Solve for PV \$301,470.67  
-\$83,873.08  
 \$217,597.59

**Value of Subsidy from the Assumed 515 Loan (New Terms) Rounded:  
 \$218,000.00**

**Value of Tax Credits**

For the purposes of this analysis, the likely market value of the tax credits allocated to the subject has been estimated. The subject is a proposed rehabilitation. The following information is based on the assumption that the development will receive tax credit allocations. The developer is assuming that the property will receive an annual allocation of \$61,787 from the Georgia Department of Community Affairs for low-income housing tax credits. The total for the 10-year period will be \$617,870. To determine the value of the tax credits, the average price for tax credits in the area was established by utilizing interviews with syndicators, developers and mortgage lenders as well as published sources. Interviews were conducted with Jason Maddox of MACO Companies; Matt Mills of Southeast Holdings LLC; Derrick Hamilton of Belmont Development Company; and Shawn Smith of Belmont Development Company. Based on the information obtained, a range of \$0.85 to \$0.95 was determined for federal tax credits, though there are a few instances when the price exceeds \$1.00. State tax credits vary widely, according to the interviews. A conservative value of \$0.85 per credit was estimated.

**Analysis of Tax Credits**

The following analysis is used to develop a present value for the subject's tax credits. Percentages utilized were based on similar transactions as well as interviews with state and federal authorities to arrive at an accurate market value for the allocated tax credits.

**Value of Tax Credits**

Assumed Federal Allocation:	=	\$617,870	
<b>Price</b>	<b>x 0.85</b>	<b>= \$525,190</b>	<b>\$ 525,190</b>

**Total Value Tax Credits = \$525,000**

**Insurable Value**

<b>USDA Rural Development Insurable Value Calculation</b>				
<b>Property Name:</b>		Pecan Pointe Apartments		
<b>Street Address:</b>		450 South Railroad Avenue		
<b>City, County, State, Zip:</b>		Mount Vernon, Montgomery, Georgia 30445		
<b>BASE COST</b>				
Main Structure			\$71.55	
Sprinkler				
Other				
Adjustments and/or Multipliers			0.83	Local
			1.03	Current
<b>TOTAL BASE COST PER SQ. FT</b>			\$61.17	
Building Area Square Footage			15,328	
<b>TOTAL REPLACEMENT COST NEW</b>			\$937,585	
<b>EXCLUSIONS</b>	<u>Per SF</u>	<u>Percent</u>		
Excavations	\$0.06	0.1%	\$920	
Foundations	\$3.67	6.0%	\$56,254	
Site Work	\$1.53	2.5%	\$23,452	
Site Improvements	\$2.02	3.3%	\$30,963	
Architect's Fees	\$0.61	1.0%	\$9,350	
Underground Piping	\$0.61	1.0%	\$9,350	
<b>TOTAL EXCLUSIONS</b>	\$8.50	13.9%	\$130,289	
<b>INCLUSIONS</b>				
Appliance Packages			\$34,559	
Patios/Balconies, etc.				
Parking Lot			\$16,671	
Other				
<b>TOTAL INCLUSIONS</b>			\$51,230	
<b>CONCLUDED INSURABLE VALUE</b>				
Total Replacement Cost New			\$937,585	
Less Total Exclusions			\$130,289	
Plus Total Inclusions			\$51,230	
<b>CONCLUDED INSURABLE VALUE</b>			<b>\$858,525</b>	

**Total Insurable Value (Rounded) = \$859,000**

## **Sales Comparison Approach**

The Sales Comparison Approach is based on the assumption that an informed purchaser will pay no more for a property than the cost of acquiring an existing property of similar utility. Typically, one would estimate the value of the subject property by comparing the sales prices of recent transactions involving property similar to the subject. Adjustments are made to each sale for dissimilarities as compared to the subject property. These adjustments may include the date of sale, location, age, floor plan, condition, quality, size or external factors that may influence rents or occupancy levels. Typically, the reliability of the sales comparison approach is based on a number of factors such as:

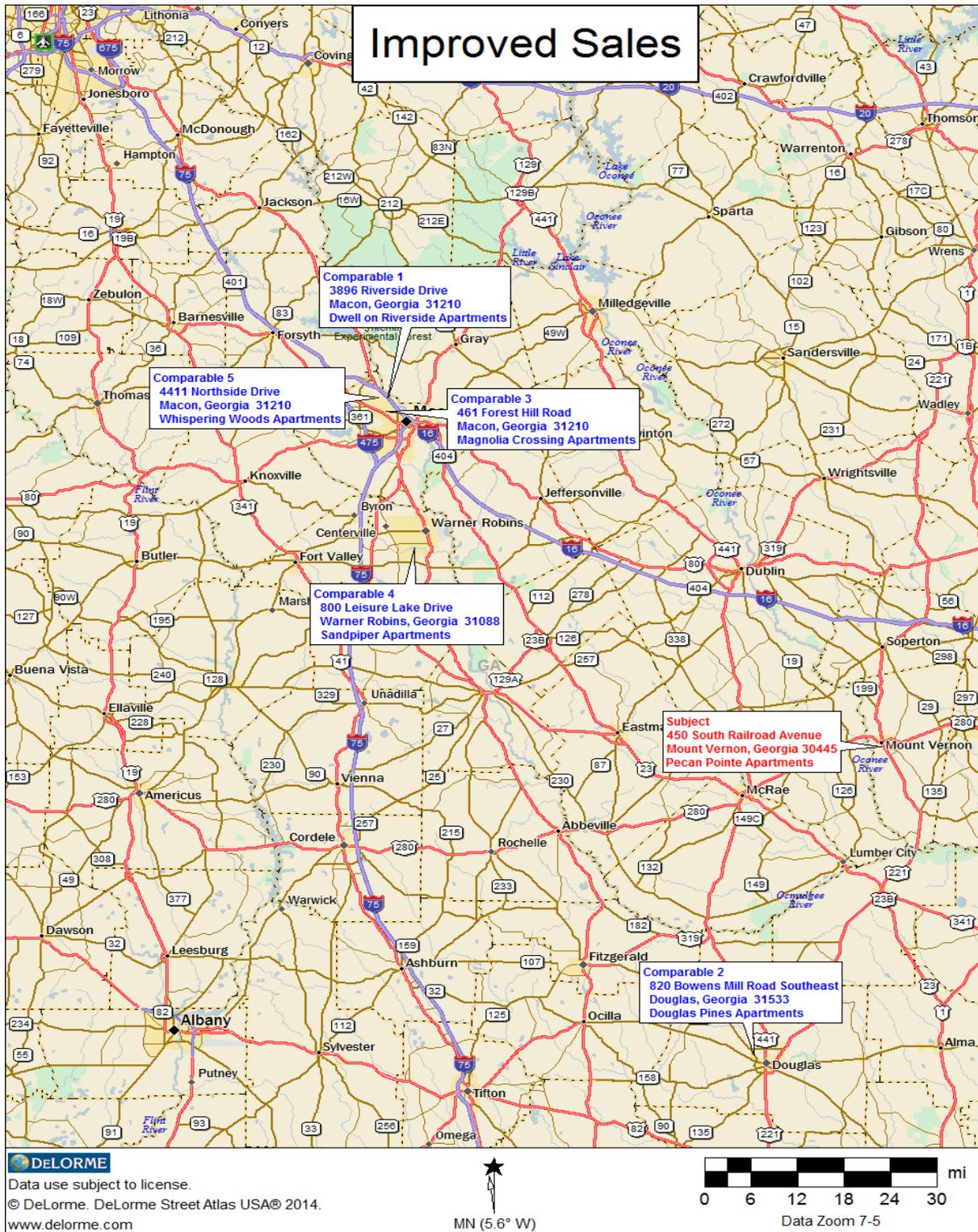
- Availability of comparable sales data
- Verification of sales data
- Degree of comparability to the extent that large or numerous adjustments are not necessary to compensate for the differences between the subject property and the comparable sales used

I have found that the reliability of the sales comparison approach for traditional real estate is excellent when valuing vacant land, single family homes or small commercial type properties where there is more activity, a larger data base, and greater degree of comparability. For more complex and larger investment grade properties such as shopping centers, nursing homes, and apartment complexes, the required adjustments are often numerous and the degree to which they can be performed without a considerable amount of subjectivity is difficult. As mentioned previously, a number of factors must be verifiable and documented in order to make appropriate adjustments. Items necessary for verification might include the following:

- Location
- Condition
- Appeal
- Date of Sale
- Amenities
- Income and Expense Data
- Personal Property Included
- Financing Terms and Conditions
- Management Contracts Involved

There are obviously other differences that must be adjusted in the marketplace. For the purposes of this report, the appraiser has analyzed a number of sales; however, only those believed to be most similar to the subject were included. The information from the sales analyzed will be included. The information from the sales analyzed will be used to determine a value estimate for the subject property by the sales comparison approach. The unit of comparison considered will be the price paid per unit. The following sales are offered as an indication of value of the subject property as of the date of this assignment.

Comparable Sales Map



**Comparable Sales**

**Multi-Family Sale No. 1**



**Property Identification**

<b>Record ID</b>	2901
<b>Property Type</b>	Walk-Up
<b>Property Name</b>	Dwell on Riverside Apartments
<b>Address</b>	3896 Riverside Drive, Macon, Bibb County, Georgia 31210
<b>Tax ID</b>	N041 0023
<b>Market Type</b>	Market

**Sale Data**

<b>Grantor</b>	DAI Commercial Realty, LLC
<b>Grantee</b>	Abbey Construction Company
<b>Sale Date</b>	October 01, 2015
<b>Deed Book/Page</b>	009568000337
<b>Property Rights</b>	Fee Simple
<b>Conditions of Sale</b>	Normal
<b>Financing</b>	Conventional
<b>Verification</b>	Assessor; May 16, 2017

**Multi-Family Sale No. 1 (Cont.)**

**Sale Price** \$4,600,000  
**Cash Equivalent** \$4,600,000  
**Adjusted Price** \$4,600,000

**Land Data**

**Land Size** 12.000 Acres or 522,720 SF  
**Front Footage** Riverside Drive  
**Zoning** Multifamily  
**Topography** Nearly Level  
**Utilities** E, G, W, S  
**Shape** Irregular

**Unit Mix**

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	<u>Mo. Rent/SF</u>
1/1	10	995	\$625	\$0.63
2/1	6	1,220	\$675	\$0.55
2/2	20	1,229	\$735	\$0.60
2/2	20	1,305	\$755	\$0.58
2/2.5	22	1,500	\$755	\$0.50
3/2	6	1,500	\$825	\$0.55
3/2	32	1,550	\$810	\$0.52

**Total Units** 116  
**Avg. Unit Size** 1,375  
**Avg. Rent/Unit** \$755  
**Avg. Rent/SF** \$0.55

**Net Rentable SF** 159,550

**General Physical Data**

**No. of Buildings** 13  
**Construction Type** Brick  
**HVAC** Central Elec/Central Elec  
**Parking** L/0  
**Stories** 2  
**Utilities with Rent** Water, Sewer  
**Year Built** 1974  
**Condition** Average

**Indicators**

**Sale Price/Net Rentable SF** \$28.83  
**Sale Price/Unit** \$39,655

**Amenities**

Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Carpet, Vinyl, Blinds, Balcony, Patio, Clubhouse, Swimming Pool, Basketball Court, Tennis Court and Laundry Facility

**Multi-Family Sale No. 2**



**Property Identification**

<b>Record ID</b>	3403
<b>Property Type</b>	Walk-Up
<b>Property Name</b>	Douglas Pines Apartments
<b>Address</b>	820 Bowens Mill Road Southeast, Douglas, Coffee County, Georgia 31533
<b>Tax ID</b>	0117C 131
<b>Market Type</b>	Market

**Sale Data**

<b>Grantor</b>	Miles E. Sears
<b>Grantee</b>	SHS Management
<b>Sale Date</b>	October 21, 2016
<b>Deed Book/Page</b>	001870000182
<b>Property Rights</b>	Fee Simple
<b>Conditions of Sale</b>	Normal
<b>Financing</b>	Conventional
<b>Verification</b>	Assessor; May 16, 2017

<b>Sale Price</b>	\$1,925,100
<b>Cash Equivalent</b>	\$1,925,100
<b>Adjusted Price</b>	\$1,925,100

**Land Data**

<b>Land Size</b>	7.590 Acres or 330,620 SF
<b>Front Footage</b>	Bowens Mill Road Southeast
<b>Zoning</b>	Multifamily
<b>Topography</b>	Nearly Level
<b>Utilities</b>	E, G, W, S

**Multi-Family Sale No. 2 (Cont.)**

**Shape** Irregular

<u>Unit Type</u>	<u>Unit Mix</u>			<u>Mo. Rent/SF</u>
	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	
2/2	48	841	\$575	\$0.68
<b>Total Units</b>	48			
<b>Avg. Unit Size</b>	841			
<b>Avg. Rent/Unit</b>	\$575			
<b>Avg. Rent/SF</b>	\$0.68			
<b>Gross SF</b>	45,000			
<b>Net Rentable SF</b>	40,368			

**General Physical Data**

**No. of Buildings** 5  
**Construction Type** Siding  
**HVAC** Central Elec/Central Elec  
**Parking** L/0  
**Stories** 2  
**Utilities with Rent** Water, Sewer, Trash Collection  
**Year Built** 1987  
**Condition** Average

**Indicators**

**Sale Price/Gross SF** \$42.78  
**Sale Price/Net Rentable SF** \$47.69  
**Sale Price/Unit** \$40,106

**Amenities**

Refrigerator, Range/Oven, Dishwasher, Washer/Dryer Hook-Ups, Carpet, Vinyl, Blinds, Swimming Pool and Laundry Facility

**Multi-Family Sale No. 3**



**Property Identification**

<b>Record ID</b>	3423
<b>Property Type</b>	Townhouse
<b>Property Name</b>	Magnolia Crossing Apartments
<b>Address</b>	461 Forest Hill Road, Macon, Bibb County, Georgia 31210
<b>Tax ID</b>	N061 0169
<b>Market Type</b>	Market

**Sale Data**

<b>Grantor</b>	Clarion Partners
<b>Grantee</b>	J. Dan Lott
<b>Sale Date</b>	July 31, 2015
<b>Deed Book/Page</b>	9511-280
<b>Property Rights</b>	Fee Simple
<b>Conditions of Sale</b>	Normal
<b>Financing</b>	Conventional
<b>Verification</b>	Assessor; May 16, 2017

<b>Sale Price</b>	\$4,200,000
<b>Cash Equivalent</b>	\$4,200,000
<b>Adjusted Price</b>	\$4,200,000

**Multi-Family Sale No. 3 (Cont.)**

**Land Data**

**Land Size** 24.900 Acres or 1,084,644 SF  
**Front Footage** Forest Hill Road  
**Zoning** Multifamily  
**Topography** Nearly Level  
**Utilities** E, G, W, S  
**Shape** Irregular

**Unit Mix**

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	<u>Mo. Rent/SF</u>
2/1	24	1,100	\$525	\$0.48
2/1.5	65	1,100	\$620	\$0.56
3/2	16	1,300	\$625	\$0.48
3/2.5	10	1,540	\$740	\$0.48
<b>Total Units</b>	115			
<b>Avg. Unit Size</b>	1,166			
<b>Avg. Rent/Unit</b>	\$611			
<b>Avg. Rent/SF</b>	\$0.52			
<b>Gross SF</b>	136,740			
<b>Net Rentable SF</b>	134,100			

**General Physical Data**

**No. of Buildings** 15  
**Construction Type** Brick/Stone/Siding  
**HVAC** Central Elec/Central Elec  
**Parking** L/0  
**Stories** 2  
**Utilities with Rent** Water, Sewer, Trash Collection  
**Year Built** 1980  
**Condition** Average

**Indicators**

**Sale Price/Gross SF** \$30.72  
**Sale Price/Net Rentable SF** \$31.32  
**Sale Price/Unit** \$36,522

**Amenities**

Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Washer/Dryer Hook-Ups, Carpet, Vinyl, Blinds, Ceiling Fans, Fireplace, Walk-In Closet, Clubhouse, Swimming Pool and Playground

**Multi-Family Sale No. 4**



**Property Identification**

<b>Record ID</b>	3424
<b>Property Type</b>	Walk-Up
<b>Property Name</b>	Sandpiper Apartments
<b>Address</b>	800 Leisure Lake Drive, Warner Robins, Houston County, Georgia 31088
<b>Tax ID</b>	0W0850 003000
<b>Market Type</b>	Market

**Sale Data**

<b>Grantor</b>	McGlamry Properties
<b>Grantee</b>	Reynolds Asset Mgmt, LLC
<b>Sale Date</b>	June 02, 2016
<b>Deed Book/Page</b>	2016/1436790
<b>Property Rights</b>	Fee Simple
<b>Conditions of Sale</b>	Normal
<b>Financing</b>	Conventional
<b>Verification</b>	Assessor; May 16, 2017

<b>Sale Price</b>	\$22,531,875
<b>Cash Equivalent</b>	\$22,531,875
<b>Adjusted Price</b>	\$22,531,875

**Land Data**

<b>Land Size</b>	35.440 Acres or 1,543,766 SF
<b>Front Footage</b>	Leisure Lake Drive
<b>Zoning</b>	Multifamily
<b>Topography</b>	Nearly Level
<b>Utilities</b>	E, G, W, S

**Multi-Family Sale No. 4 (Cont.)**

**Shape** Irregular

<u>Unit Type</u>	<u>Unit Mix</u>			<u>Mo. Rent/SF</u>
	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	
1/1	384	800	\$614	\$0.77
1/1		800	\$624	\$0.78
2/2	146	1,100	\$709	\$0.64
<b>Total Units</b>	530			
<b>Avg. Unit Size</b>	883			
<b>Avg. Rent/Unit</b>	\$640			
<b>Avg. Rent/SF</b>	\$0.73			

**Net Rentable SF** 467,800

**General Physical Data**

**No. of Buildings** 35  
**Construction Type** Siding  
**HVAC** Central Elec/Wall Elec  
**Parking** L/0  
**Stories** 2  
**Utilities with Rent** Water, Sewer, Trash Collection  
**Year Built** 1982  
**Condition** Average

**Indicators**

**Sale Price/Net Rentable SF** \$48.17  
**Sale Price/Unit** \$42,513

**Amenities**

Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Microwave, Washer/Dryer Hook-Ups, Carpet, Wood Composite, Blinds, Ceiling Fans, Fireplace, Walk-In Closet, Balcony, Clubhouse, Swimming Pool, Exercise Room, Picnic Area, Playground, Theater, Car Wash Area, Laundry Facility and Limited Access Gate

**Multi-Family Sale No. 5**



**Property Identification**

<b>Record ID</b>	3425
<b>Property Type</b>	Walk-Up
<b>Property Name</b>	Whispering Woods Apartments
<b>Address</b>	4411 Northside Drive, Macon, Bibb County, Georgia 31210
<b>Tax ID</b>	L042 0045
<b>Market Type</b>	Market

**Sale Data**

<b>Grantor</b>	A.J. & C. Garfunkel
<b>Grantee</b>	Chasseur Realty Investors LLC
<b>Sale Date</b>	June 08, 2015
<b>Deed Book/Page</b>	9474/0251
<b>Property Rights</b>	Fee Simple
<b>Conditions of Sale</b>	Normal
<b>Financing</b>	Conventional
<b>Verification</b>	Assessor; May 16, 2017

<b>Sale Price</b>	\$4,900,000
<b>Cash Equivalent</b>	\$4,900,000
<b>Adjusted Price</b>	\$4,900,000

**Land Data**

<b>Land Size</b>	10.000 Acres or 435,600 SF
<b>Front Footage</b>	Northside Drive
<b>Zoning</b>	Multifamily
<b>Topography</b>	Nearly Level
<b>Utilities</b>	E, G, W, S

**Multi-Family Sale No. 5 (Cont.)**

**Shape** Irregular

<u>Unit Type</u>	<u>Unit Mix</u>			<u>Mo. Rent/SF</u>
	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	
Efficiency	8	540	\$525	\$0.97
2/1.5	58	1,120	\$560	\$0.50
2/2	12	1,200	\$675	\$0.56
2/2	12	1,260	\$690	\$0.55
3/2.5	18	1,500	\$775	\$0.52

**Total Units** 108  
**Avg. Unit Size** 1,165  
**Avg. Rent/Unit** \$620  
**Avg. Rent/SF** \$0.53

**Net Rentable SF** 125,800

**General Physical Data**

**No. of Buildings** 20  
**Construction Type** Stone/Siding  
**HVAC** Central Elec/Central Elec  
**Parking** L/0  
**Stories** 2  
**Utilities with Rent** Water, Sewer, Trash Collection  
**Year Built** 1984/2002  
**Condition** Average

**Indicators**

**Sale Price/Net Rentable SF** \$38.95  
**Sale Price/Unit** \$45,370

**Amenities**

Refrigerator, Range/Oven, Dishwasher, Carpet, Vinyl, Blinds, Ceiling Fans, Balcony, Swimming Pool, Exercise Room and Laundry Facility

**Comparable Sales Chart – As Is**

Sales Analysis Grid		Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Address	450 South Railroad Avenue	3896 Riverside Drive	820 Bovens Mill Road	461 Forest Hill Road	800 Leisure Lake Drive	4411 Northside Drive
City	Mount Vernon	Macon	Douglas	Macon	Warner Robins	Macon
State	GA	GA	GA	GA	GA	GA
Date	5/16/2017	10/1/2015	10/21/2016	7/31/2015	6/2/2016	6/8/2015
Price		\$4,600,000	\$1,925,100	\$4,200,000	\$22,531,875	\$4,900,000
Total No. of Units	21	116	48	115	530	108
Price per Unit		\$39,655	\$40,106	\$36,522	\$42,513	\$45,370
<b>Transaction Adjustments</b>						
Property Rights	Fee Simple	Fee Simple	0.0%	Fee Simple	0.0%	Fee Simple
Financing	Conventional	Conventional	0.0%	Conventional	0.0%	Conventional
Conditions of Sale	Normal	Normal	0.0%	Normal	0.0%	Normal
<b>Adjusted Price per Unit</b>		<b>\$39,655</b>	<b>\$40,106</b>	<b>\$36,522</b>	<b>\$42,513</b>	<b>\$45,370</b>
<b>Market Trends Through 05/16/17</b>						
Location		0%	0%	0%	0%	0%
<b>Adjusted Price per Unit</b>		<b>\$39,655</b>	<b>\$40,106</b>	<b>\$36,522</b>	<b>\$42,513</b>	<b>\$45,370</b>
Average		Superior	Similar	Superior	Similar	Superior
% Adjustment		-10%	0%	-10%	0%	-10%
\$ Adjustment		-\$3,966	\$0	-\$3,652	\$0	-\$4,537
Total No. of Units	21	116	48	115	530	108
% Adjustment		0%	0%	0%	0%	0%
\$ Adjustment		\$0	\$0	\$0	\$0	\$0
YearBuilt/Renovated	1990	1974	1987	1980	1982	1984/2002
% Adjustment		0%	0%	0%	0%	0%
\$ Adjustment		\$0	\$0	\$0	\$0	\$0
Condition/Street Appeal	Average	Inferior	Similar	Inferior	Similar	Similar
% Adjustment		10%	0%	20%	0%	0%
\$ Adjustment		\$3,966	\$0	\$7,304	\$0	\$0
HVAC	Central Electric/Central Electric	Central Elec/Central Elec	Central Elec/Central Elec	Central Elec/Central Elec	Central Elec/Wall Elec	Central Elec/Central Elec
% Adjustment		0%	0%	0%	0%	0%
\$ Adjustment		\$0	\$0	\$0	\$0	\$0
Parking	L/O	L/O	L/O	L/O	L/O	L/O
% Adjustment		0%	0%	0%	0%	0%
\$ Adjustment		\$0	\$0	\$0	\$0	\$0
Amenities	Refrigerator, Range/Oven, Washer/Dryer Hook-Ups, Carpet, Vinyl, Blinds, Pull Cords (Some), Meeting Room and Laundry Facility	Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Carpet, Vinyl, Blinds, Balcony, Patio, Clubhouse, Swimming Pool, Basketball Court, Tennis Court and Laundry Facility	Refrigerator, Range/Oven, Dishwasher, Washer/Dryer Hook-Ups, Carpet, Vinyl, Blinds, Swimming Pool and Laundry Facility	Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Washer/Dryer Hook-Ups, Carpet, Vinyl, Blinds, Ceiling Fans, Fireplace, Walk-In Closet, Clubhouse, Swimming Pool and Playground	Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Microwave, Washer/Dryer Hook-Ups, Carpet, Wood Composite, Blinds, Ceiling Fans, Fireplace, Walk-In Closet, Balcony, Clubhouse, Swimming Pool, Exercise Room, Picnic Area, Playground, Theater, Car Wash Area, Laundry Facility and Limited Access Gate	Refrigerator, Range/Oven, Dishwasher, Carpet, Vinyl, Blinds, Ceiling Fans, Balcony, Swimming Pool, Exercise Room and Laundry Facility
% Adjustment		-2%	0%	-3%	-8%	-2%
\$ Adjustment		-\$793	\$0	-\$1,096	-\$3,401	-\$907
<b>Adjusted Price per Unit</b>		<b>\$38,862</b>	<b>\$40,106</b>	<b>\$39,078</b>	<b>\$39,112</b>	<b>\$39,926</b>
Net adjustments		-2.0%	0.0%	7.0%	-8.0%	-12.0%
Gross adjustments		-2.0%	0.0%	7.0%	-8.0%	-12.0%

Based on the preceding analysis, it is the appraiser's opinion that the market value of the subject property, as of May 16, 2017, via the Sales Comparable Approach is as follows:

21 Units x \$39,000 per unit = **\$819,000**

**Indicated Value = \$820,000**

**Comparable Sales Explanations & Value – As Is**

Comp	Address	Date	Price	Price per Unit	Total No. of Units	Year Built/Renovated
1	3896 Riverside Drive	10/1/2015	\$4,600,000	\$39,655	116	1974
2	820 BOWENS MILL ROAD Southeast	10/21/2016	\$1,925,100	\$40,106	48	1987
3	461 Forest Hill Road	7/31/2015	\$4,200,000	\$36,522	115	1980
4	800 Leisure Lake Drive	6/2/2016	\$22,531,875	\$42,513	530	1982
5	4411 Northside Drive	6/8/2015	\$4,900,000	\$45,370	108	1984/2002

**Improved Sales Analysis**

The sale prices of the comparables range from \$36,522 to \$45,370 per unit before adjustments. Attempts were made to find comparable sales properties within the subject’s city and market area. However, there were no verifiable sales found within these areas. Therefore, it was necessary to expand the search area in order to find comparables to provide a good basis of comparison. The sales were analyzed in order to estimate their comparability to the subject based on the following characteristics of value.

**Location**

The subject is located in Mount Vernon, Georgia. Comparable 1 is located in Macon. Comparable 2 is located in Douglas. Comparable 3 is located in Macon. Comparable 4 is located in Warner Robins. Comparable 5 is located in Macon. Although there were slight differences between the subject city and Douglas and Warner Robins, overall there were no differences considered significant enough to warrant an adjustment. However, Macon was considered superior to the subject in location. The following table was utilized to determine appropriate adjustments for differences in location between Mount Vernon and Macon.

	Mount Vernon	Macon	% Diff
<b>2015 Population</b>	2,003	154,608	98.70%
<b>Median Income</b>	\$30,417	\$36,568	16.82%
<b>Median Home Value</b>	\$68,500	\$118,800	42.34%
<b>Median Rent</b>	\$484	\$744	34.95%

Macon’s population, median income, median home value and median rent are all higher than Mount Vernon. After considering all factors, an adjustment of 10 percent was considered appropriate for the comparables in Macon.

### **Total No. of Units**

Size can have an impact on value based on the premise that smaller facilities tend to sell for a higher price per unit than larger facilities. The subject contains 21 units. The number of units of the comparables range from 48 to 530. No adjustments were needed.

### **Year Built/Renovated**

The subject was built in 1990. It is in average condition. Comparable 1 was built in 1974. Comparable 2 was constructed in 1987. Comparable 3 was built in 1980. Comparable 4 was constructed in 1982. Comparable 5 was built in 1984/2002. Any necessary adjustment was utilized in the condition/street appeal adjustment.

### **Condition/Street Appeal**

The subject is currently in average condition for a property of its age. Comparables 2, 3 and 5 are similar. Comparables 1 and 3 are older than the subject and are inferior in condition to varying degrees and were adjusted accordingly.

### **HVAC**

The subject contains central electric heating and cooling. All comparables are similar. No adjustments were needed.

### **Parking**

The subject contains lot parking. All comparables are similar. No adjustment was needed.

### **Amenities**

The subject contains a refrigerator, range/oven, washer/dryer hook-ups, carpet, vinyl, blinds, pull cords (some), meeting room and laundry facility. Comparable 1 contains a refrigerator, range/oven, garbage disposal, dishwasher, carpet, vinyl, blinds, balcony, patio, clubhouse, swimming pool, basketball court, tennis court and laundry facility. Comparable 2 contains a refrigerator, range/oven, dishwasher, washer/dryer hook-ups, carpet, vinyl, blinds, swimming pool and laundry facility. Comparable 3 contains a refrigerator, range/oven, garbage disposal, dishwasher, washer/dryer hook-ups, carpet, vinyl, blinds, ceiling fans, fireplace, walk-in closet, clubhouse, swimming pool and playground. Comparable 4 contains a refrigerator, range/oven, garbage disposal, dishwasher, microwave, washer/dryer hook-ups, carpet, wood composite, blinds, ceiling fans, fireplace, walk-in closet, balcony, clubhouse, swimming pool, exercise room, picnic area, playground, theater, car wash area, laundry facility and limited access gate. Comparable 5 contains a refrigerator, range/oven, dishwasher, carpet, vinyl, blinds, ceiling fans, balcony, swimming pool, exercise room and laundry facility. Comparable 1 was adjusted downward two percent.

Comparable 2 was not adjusted. Comparable 3 was adjusted downward three percent. Comparable 4 was adjusted downward eight percent. Comparable 5 was adjusted downward two percent.

**Summary and Conclusion**

The comparables range from \$38,862 to \$40,106 per unit after adjustments. Comparables 2, 3 and 5 were given significant consideration as these comparables are similar in condition. The remaining comparables were also given some consideration. Based on the preceding analysis, it is the appraiser's opinion that the market value of the subject property, as of May 16, 2017, via the Sales Comparable Approach is as follows:

21 units x \$39,000 per unit = \$819,000

**Indicated As Is Market Value = \$820,000**

**Comparable Sales Chart – As Complete**

Sales Analysis Grid		Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Address	450 South Railroad Avenue	3896 Riverside Drive	820 BOWENS Mill Road	461 Forest Hill Road	800 Leisure Lake Drive	4411 Northside Drive
City	Mount Vernon	Macon	Douglas	Macon	Warner Robins	Macon
State	GA	GA	GA	GA	GA	GA
Date	5/16/2017	10/1/2015	10/21/2016	7/31/2015	6/2/2016	6/8/2015
Price		\$4,600,000	\$1,925,100	\$4,200,000	\$22,531,875	\$4,900,000
Total No. of Units	21	116	48	115	530	108
Price per Unit		\$39,655	\$40,106	\$36,522	\$42,513	\$45,370
<b>Transaction Adjustments</b>						
Property Rights	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Financing	Conventional	Conventional	Conventional	Conventional	Conventional	Conventional
Conditions of Sale	Normal	Normal	Normal	Normal	Normal	Normal
<b>Adjusted Price per Unit</b>		<b>\$39,655</b>	<b>\$40,106</b>	<b>\$36,522</b>	<b>\$42,513</b>	<b>\$45,370</b>
Market Trends Through 05/16/17		0%	0%	0%	0%	0%
<b>Adjusted Price per Unit</b>		<b>\$39,655</b>	<b>\$40,106</b>	<b>\$36,522</b>	<b>\$42,513</b>	<b>\$45,370</b>
Location	Average	Superior	Similar	Superior	Similar	Superior
% Adjustment		-10%	0%	-10%	0%	-10%
\$ Adjustment		-\$3,966	\$0	-\$3,652	\$0	-\$4,537
Total No. of Units	21	116	48	115	530	108
% Adjustment		0%	0%	0%	0%	0%
\$ Adjustment		\$0	\$0	\$0	\$0	\$0
Year Built/Renovated	1990/Proposed	1974	1987	1980	1982	1984/2002
% Adjustment		0%	0%	0%	0%	0%
\$ Adjustment		\$0	\$0	\$0	\$0	\$0
Condition/Street Appeal	Average	Inferior	Inferior	Inferior	Inferior	Inferior
% Adjustment		20%	10%	30%	10%	10%
\$ Adjustment		\$7,931	-\$4,011	-\$10,957	-\$4,251	-\$4,537
HVAC	Central Electric/Central Electric	Central Elec/Central Elec	Central Elec/Central Elec	Central Elec/Central Elec	Central Elec/Wall Elec	Central Elec/Central Elec
% Adjustment		0%	0%	0%	0%	0%
\$ Adjustment		\$0	\$0	\$0	\$0	\$0
Parking	L/O	L/O	L/O	L/O	L/O	L/O
% Adjustment		0%	0%	0%	0%	0%
\$ Adjustment		\$0	\$0	\$0	\$0	\$0
Amenities	Refrigerator, Range/Oven, Washer/Dryer Hook-Ups, Carpet, Vinyl, Blinds, Pull Cords (Some), Meeting Room and Laundry Facility	Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Carpet, Vinyl, Blinds, Balcony, Patio, Clubhouse, Swimming Pool, Basketball Court, Tennis Court and Laundry Facility	Refrigerator, Range/Oven, Dishwasher, Washer/Dryer Hook-Ups, Carpet, Vinyl, Blinds, Swimming Pool and Laundry Facility	Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Washer/Dryer Hook-Ups, Carpet, Vinyl, Blinds, Ceiling Fans, Fireplace, Walk-In Closet, Clubhouse, Swimming Pool and Playground	Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Microwave, Washer/Dryer Hook-Ups, Carpet, Wood Composite, Blinds, Ceiling Fans, Fireplace, Walk-In Closet, Balcony, Clubhouse, Swimming Pool, Exercise Room, Picnic Area, Playground, Theater, Car Wash	Refrigerator, Range/Oven, Dishwasher, Carpet, Vinyl, Blinds, Ceiling Fans, Balcony, Swimming Pool, Exercise Room and Laundry Facility
% Adjustment		-2%	0%	-3%	-8%	-2%
\$ Adjustment		-\$793	\$0	-\$1,096	-\$3,401	-\$907
<b>Adjusted Price per Unit</b>		<b>\$42,828</b>	<b>\$44,117</b>	<b>\$42,730</b>	<b>\$43,363</b>	<b>\$44,463</b>
Net adjustments		8.0%	10.0%	17.0%	2.0%	-2.0%
Gross adjustments		8.0%	10.0%	17.0%	2.0%	-2.0%

Based on the preceding analysis, it is the appraiser's opinion that the market value of the subject property, as of May 16, 2017, via the Sales Comparable Approach is as follows:

21 units x \$43,000 per unit = \$903,000

**Indicated Value = \$905,000**

**Comparable Sales Explanations & Value – As Complete**

Comp	Address	Date	Price	Price per Unit	Total No. of Units	Year Built/Renovated
1	3896 Riverside Drive	10/1/2015	\$4,600,000	\$39,655	116	1974
2	820 Bowens Mill Road Southeast	10/21/2016	\$1,925,100	\$40,106	48	1987
3	461 Forest Hill Road	7/31/2015	\$4,200,000	\$36,522	115	1980
4	800 Leisure Lake Drive	6/2/2016	\$22,531,875	\$42,513	530	1982
5	4411 Northside Drive	6/8/2015	\$4,900,000	\$45,370	108	1984/2002

**Improved Sales Analysis**

Attempts were made to find comparable sales properties within the subject’s city and market area. However, there were no verifiable sales found within these areas. Therefore, it was necessary to expand the search area in order to find comparables to provide a good basis of comparison. The sales were analyzed in order to estimate their comparability to the subject based on the following characteristics of value.

**Location**

The subject is located in Mount Vernon, Georgia. Comparable 1 is located in Macon. Comparable 2 is located in Douglas. Comparable 3 is located in Macon. Comparable 4 is located in Warner Robins. Comparable 5 is located in Macon. Although there were slight differences between the subject city and Douglas and Warner Robins, overall there were no differences considered significant enough to warrant an adjustment. However, Macon was considered superior to the subject in location. The following table was utilized to determine appropriate adjustments for differences in location between Mount Vernon and Macon.

	Mount Vernon	Macon	% Diff
<b>2015 Population</b>	2,003	154,608	98.70%
<b>Median Income</b>	\$30,417	\$36,568	16.82%
<b>Median Home Value</b>	\$68,500	\$118,800	42.34%
<b>Median Rent</b>	\$484	\$744	34.95%

Macon’s population, median income, median home value and median rent are all higher than Mount Vernon. After considering all factors, an adjustment of 10 percent was considered appropriate for the comparables in Macon.

### **Total No. of Units**

Size can have an impact on value based on the premise that smaller facilities tend to sell for a higher price per unit than larger facilities. The subject contains 21 units. The number of units of the comparables range from 48 to 530. No adjustments were needed.

### **Year Built/Renovated**

The subject was built in 1990. It is in average condition. Comparable 1 was built in 1974. Comparable 2 was constructed in 1987. Comparable 3 was built in 1980. Comparable 4 was constructed in 1982. Comparable 5 was built in 1984/2002. Any necessary adjustment was utilized in the condition/street appeal adjustment.

### **Condition/Street Appeal**

The subject will be in good condition after rehabilitation. All comparables will be inferior to varying degrees. Comparable 1 was adjusted upward 20 percent, and Comparables 2, 4 and 5 were adjusted upward 10 percent. Comparable 3 was adjusted upward 30 percent.

### **HVAC**

The subject contains central electric heating and cooling. All comparables are similar. No adjustments were needed.

### **Parking**

The subject contains lot parking. All comparables are similar. No adjustment was needed.

### **Amenities**

The subject contains a refrigerator, range/oven, washer/dryer hook-ups, carpet, vinyl, blinds, pull cords (some), meeting room and laundry facility. Comparable 1 contains a refrigerator, range/oven, garbage disposal, dishwasher, carpet, vinyl, blinds, balcony, patio, clubhouse, swimming pool, basketball court, tennis court and laundry facility. Comparable 2 contains a refrigerator, range/oven, dishwasher, washer/dryer hook-ups, carpet, vinyl, blinds, swimming pool and laundry facility. Comparable 3 contains a refrigerator, range/oven, garbage disposal, dishwasher, washer/dryer hook-ups, carpet, vinyl, blinds, ceiling fans, fireplace, walk-in closet, clubhouse, swimming pool and playground. Comparable 4 contains a refrigerator, range/oven, garbage disposal, dishwasher, microwave, washer/dryer hook-ups, carpet, wood composite, blinds, ceiling fans, fireplace, walk-in closet, balcony, clubhouse, swimming pool, exercise room, picnic area, playground, theater, car wash area, laundry facility and limited access gate. Comparable 5 contains a refrigerator, range/oven, dishwasher, carpet, vinyl, blinds, ceiling fans, balcony, swimming pool, exercise room and laundry facility. Comparable 1 was adjusted downward two percent. Comparable 2 was not adjusted. Comparable 3 was adjusted downward three percent. Comparable 4

was adjusted downward eight percent. Comparable 5 was adjusted downward two percent. Comparable 6 was not adjusted. Comparable 7 was not adjusted. Comparable 8 was not adjusted. Comparable 9 was not adjusted. Comparable 10 was not adjusted.

### **Summary and Conclusion**

The comparables range from \$42,730 to \$44,463 per unit after adjustments. Comparables 2, 3 and 5 were given significant consideration as these comparables are the most similar in condition. The remaining comparables were also given some consideration. Based on the preceding analysis, it is the appraiser's opinion that the market value of the subject property, as of January 31, 2019, via the Sales Comparable Approach is as follows:

21 units x \$43,000 per unit = \$903,000

**Indicated As Is Market Value = \$905,000**

**Restricted Value Determination**

The sales comparison approach is applicable but not necessary for a credible appraisal and has not been developed for the restricted value determination. The subject is a Rural Development property with restricted rents. As a result, there are very few similar operating properties in the market area and none that could be confirmed as having sold within the past five years. Research for sales comparables similar to the subject was conducted with local realtors, MLS and CoStar, and none could be confirmed. As per the scope of work for this assignment, the sales comparison approach is not required and was not developed.

## **RECONCILIATION AND CONCLUSIONS**

## **Conclusion of Value**

Reconciliation involves the weighing of the three approaches in relation to their importance or their probable influence on the reactions of typical uses and investors in the market. Consideration is given to the quality and quantity of the data available for examination in each approach, to the inherent advantages and disadvantages of each approach, and to the relevancy of each to the subject property.

The Cost Approach considers the current cost of replacing a property, less depreciation from three sources: physical deterioration, functional obsolescence and external obsolescence. A summation of the market value of the land, assumed vacant and the depreciated replacement cost of the improvements provides an indication of the total value of the property. This approach is given less consideration as the validity of this approach decreases as the property's age increases.

The Income Approach is typically used when the real estate is commonly developed, or bought and sold for the anticipated income stream. Income and expense data of similar properties in Mount Vernon and the surrounding area were used in this analysis. The most weight is accorded to the indication via the Income Comparison Approach in the final value conclusion.

The Sales Comparison Approach is a reflection of the buying and selling public based on physical and/or financial units of comparison. The market for properties similar to the subject has been active in the subject's market area. As was noted in the improved sales analysis, the range of unit values after adjustments was relatively narrow. Quantitative (percentage) adjustments for the differences between the comparables and the subject were made to the comparables.

The indicated value of the subject would best be represented by a value within this range. The data utilized and the value indicated by the three approaches is considered appropriate in estimating the value of the subject property. Weight is given to the Income Comparison Approaches and this value is considered to provide the best indication of value for the subject.

*The market value of the fee simple estate, unrestricted or conventional, subject to short-term leases, was determined under the hypothetical condition that the subject was a conventional property and not subject to any rent restrictions.*

*The "prospective" values upon stabilization of the fee simple estate were determined under the extraordinary assumption that the rehabilitation is completed as detailed in the scope of work and that the proposed rents indicated in the report are approved.*

*The following values are determined for the Clients and Intended Users:*

Based on the data, analyses and conclusions presented in the attached report, it is my opinion the Market Value, within 7 CFR part 3560.752(b)(1)(ii), Premised Upon a Hypothetical Condition as-if Conventional Housing, as of May 16, 2017, is as follows.

**EIGHT HUNDRED TWENTY FIVE THOUSAND DOLLARS**  
**\$825,000**

Based on the data, analyses and conclusions presented in the attached report, it is my opinion the Market Value, Subject to Restricted Rents, within 7 CFR part 3560.752(b)(1)(i), as of May 16, 2017, is as follows.

**THREE HUNDRED FORTY FIVE THOUSAND DOLLARS**  
**\$345,000**

Based on the data, analyses and conclusions presented in the attached report, it is my opinion the Prospective Market Value within 7 CFR Part 3560.752(b)(1)(ii), Premised Upon A Hypothetical Condition As-If Conventional Housing as of January 31, 2019, is as follows.

**NINE HUNDRED EIGHTY FIVE THOUSAND DOLLARS**  
**\$985,000**

Based on the data, analyses and conclusions presented in the attached report, it is my opinion the Prospective Market Value, Subject to Restricted Rents, within 7 CFR part 3560.752(b)(1)(i), as of January 31, 2019, is as follows.

**ONE MILLION NINETY THOUSAND DOLLARS**  
**\$1,090,000**

Based on the data, analyses and conclusions presented in the attached report, it is our opinion that the Value of the Interest Credit Subsidy from the Existing USDA RD Section 515 Loan of the subject property, as of May 16, 2017, is as follows:

**TWO HUNDRED FORTY TWO THOUSAND DOLLARS**  
**\$242,000**

Based on the data, analyses and conclusions presented in the attached report, it is our opinion that the Value of the Interest Credit Subsidy from the Proposed USDA RD Section 515 Loan of the subject property, as of May 16, 2017, is as follows:

**TWO HUNDRED EIGHTEEN THOUSAND DOLLARS**  
**\$218,000**

Based on the data, analyses and conclusions presented in the attached report, it is our opinion that the value of the Low Income Housing Tax Credits, as of May 16, 2017, is as follows:

**FIVE HUNDRED TWENTY FIVE THOUSAND DOLLARS**  
**\$525,000**

Based on the data, analyses and conclusions presented in the attached report, it is our opinion that the As Is Market Rent (CRCU) of the 654 square feet one-bedroom units of the subject property, as of May 16, 2017, is as follows:

**FIVE HUNDRED FORTY DOLLARS**  
**\$540.00**

Based on the data, analyses and conclusions presented in the attached report, it is our opinion that the As Is Market Rent (CRCU) of the 796 square feet two-bedroom units of the subject property, as of May 16, 2017, is as follows:

**FIVE HUNDRED NINETY DOLLARS**  
**\$590.00**

Based on the data, analyses and conclusions presented in the attached report, it is our opinion that the As Complete Market Rent (CRCU) of the 654 square feet one-bedroom units of the subject property, as of January 31, 2019, is as follows:

**FIVE HUNDRED NINETY DOLLARS**  
**\$590.00**

Based on the data, analyses and conclusions presented in the attached report, it is our opinion that the As Complete Market Rent (CRCU) of the 796 square feet two-bedroom units of the subject property, as of January 31, 2019, is as follows:

**SIX HUNDRED FORTY DOLLARS**  
**\$640.00**

*The following values are determined for the DCA:*

Based on the data, analyses and conclusions presented in the attached report, it is my opinion the market value of the land, as of May 16, 2017, is as follows.

**TWENTY TWO THOUSAND DOLLARS**  
**\$22,000**

Based on the data, analyses and conclusions presented in the attached report, it is my opinion the “As Is” market value of the subject property, subject to market rents, as of May 16, 2017, is as follows.

**EIGHT HUNDRED TWENTY FIVE THOUSAND DOLLARS**  
**\$825,000**

Based on the data, analyses and conclusions presented in the attached report, it is my opinion the “As Is” market value of the subject property, subject to restricted rents, as of May 16, 2017, is as follows.

**THREE HUNDRED FORTY FIVE THOUSAND DOLLARS**  
**\$345,000**

Based on the data, analyses and conclusions presented in the attached report, it is my opinion the “Prospective” market value upon stabilization – market rents, of the subject property, as of January 31, 2019, is as follows.

**NINE HUNDRED EIGHTY FIVE THOUSAND DOLLARS**  
**\$985,000**

Based on the data, analyses and conclusions presented in the attached report, it is my opinion the “Prospective” market value upon stabilization – restricted rents, as of January 31, 2019, is as follows.

**ONE MILLION NINETY THOUSAND DOLLARS**

**\$1,090,000**

Based on the data, analyses and conclusions presented in the attached report, it is my opinion the “Prospective” market value at loan maturity of the subject property, as of January 31, 2019, is as follows.

**TWO MILLION SIX HUNDRED SEVENTY FIVE THOUSAND DOLLARS**

**\$2,675,000.00**

**Sources Used**

Information used in the appraisal was obtained from various sources including; the U.S. Census Bureau, Nielsen Claritas and Ribbon Demographics, U.S. Bureau of Labor Statistics, interviews with local city and government officials and interviews with local property owners or managers.

## **ADDENDUM A**

EXHIBIT A  
LEGAL DESCR N

EXHIBIT A

PROPERTY DESCRIPTION

All that tract or parcel of land situate, lying and being in the 1342nd G.M. District in the City of Mount Vernon, Montgomery County, Georgia and being more particularly described as follows: Beginning at a concrete marker located at the Northeastern corner of that tract of land described in that Warranty Deed from Kathryn R. Tipton, John Edwin Roller and Sarah M. Wolcott to Frances K. Lott, Larry K. Lott, Clinton L. Lott, III and David S. Lott recorded in Deed Book 09, page 592 and said concrete marker located a distance of 617.61 feet, more or less, from the center line of Church Street along a line extending Southerly from the center point of Church Street along the Western margin of the Railroad Avenue 60 foot right of way; and run from said Point of Beginning North 89 degrees 32 minutes 14 seconds West a distance of 143.01 feet to a concrete marker; run thence North 89 degrees 28 minutes 06 seconds East a distance of 194.87 feet to an iron pin; run thence South 89 degrees 32 minutes 14 seconds East a distance of 181.48 feet to an iron pin; run thence South 89 degrees 30 minutes 03 seconds East a distance of 40.05 feet to a concrete marker; run thence South 89 degrees 15 minutes 58 seconds East a distance of 98.80 feet to a concrete marker; run thence South 89 degrees 01 minutes 38 seconds East a distance of 194.30 feet to the Point of Beginning.

## **ADDENDUM B**

## Rent Roll

### *Pecan Pointe Apartments (330)*

Report Date: 04/2017

**Building: 1**

<u>Unit</u>	<u>Tenant</u>	<u>Move In</u>	<u>Lease End</u>	<u>Description</u>	<u>Potential</u>	<u>Net Rent</u>	<u>Lease</u>	<u>Sq. Ft.</u>
<b>Units with Square Footage Set</b>								
A01	* VACANT * 4/1/2017 - 4/26/2017			S1	\$357.00	\$0.00	0.00	654
A01	Rodgers, Robert	04/27/2017	04/30/2018	S1	\$55.00	\$37.00	37.00	654
A02	Davis, Christy	12/16/2011	12/31/2017	S1	\$412.00	\$123.00	123.00	654
A03	Sneed, Bernice	07/21/2014	07/20/2017	S1	\$412.00	\$122.00	122.00	654
A04	Hooks, Lamar	09/23/2014	09/22/2017	S1	\$412.00	\$128.00	128.00	654
Units in Building:					4			
Occupied Units:					4	\$1,648.00	\$410.00	410.00
% Occupied:					100%			

**Building: 2**

<u>Unit</u>	<u>Tenant</u>	<u>Move In</u>	<u>Lease End</u>	<u>Description</u>	<u>Potential</u>	<u>Net Rent</u>	<u>Lease</u>	<u>Sq. Ft.</u>
<b>Units with Square Footage Set</b>								
B01	Henderson, Rodney	01/24/1996	02/28/2018	S1	\$412.00	\$134.00	134.00	654
B02	Harrell, Vernon	06/22/2016	06/21/2017	S1	\$412.00	\$255.00	255.00	654
B03	MAYES, MARY	09/01/2004	08/31/2017	S1	\$412.00	\$122.00	122.00	654
B04	Nelms, Larry	03/09/2015	03/31/2018	S1	\$412.00	\$299.00	299.00	654
B05	Davis, Pharis	01/09/2014	01/31/2018	S1	\$412.00	\$129.00	129.00	654
B06	Loyd, Charles	02/26/1991	03/31/2018	S1	\$412.00	\$160.00	160.00	654
Units in Building:					6			
Occupied Units:					6	\$2,472.00	\$1,099.00	1,099.00
% Occupied:					100%			

**Building: 3**

<u>Unit</u>	<u>Tenant</u>	<u>Move In</u>	<u>Lease End</u>	<u>Description</u>	<u>Potential</u>	<u>Net Rent</u>	<u>Lease</u>	<u>Sq. Ft.</u>
<b>Units with Square Footage Set</b>								
C01	Cooper, Ralph	04/30/2014	04/30/2017	S1	\$412.00	\$263.00	263.00	654
C02	SINGLETERY, WALTER	02/11/2010	02/28/2018	S1	\$412.00	\$185.00	185.00	654
C03	Edge, Patricia	05/08/2014	05/31/2017	S1	\$412.00	\$128.00	128.00	654
C04	HOOKS, WALTER	10/01/2007	09/30/2017	S1	\$412.00	\$147.00	147.00	654
C05	McLain, Elizabeth	09/21/2009	09/20/2017	S1	\$412.00	\$122.00	122.00	654
C06	*MR Johnson, Cecelia	10/13/2015	04/11/2017	S1	\$151.00	\$69.00	69.00	654
C06	* VACANT * 4/12/2017 - 4/30/2017			S1	\$261.00	\$0.00	0.00	654
Units in Building:					6			
Occupied Units:					5	\$2,472.00	\$914.00	914.00
% Occupied:					83%			

\*\* = Expired Lease

\*MR = Moved out during the report range.

Print Date & Time: 05/22/2017 10:53:34AM

## Rent Roll

### *Pecan Pointe Apartments (330)*

Report Date: 04/2017  
**Building: 4**

<u>Unit</u>	<u>Tenant</u>	<u>Move In</u>	<u>Lease End</u>	<u>Description</u>	<u>Potential</u>	<u>Net Rent</u>	<u>Lease</u>	<u>Sq. Ft.</u>
<b>Units with Square Footage Set</b>								
D01	Jackson, Johnnie	02/01/2002	01/31/2018	S1	\$412.00	\$130.00	130.00	654
D02	HENDERSON, KEVIN	02/20/2006	02/28/2018	S1	\$412.00	\$145.00	145.00	654
D03	Fountain, Colin	05/13/2015	05/31/2017	S1	\$412.00	\$108.00	108.00	654
D04	Hulett, Lucy	06/25/2015	06/24/2017	S1	\$412.00	\$128.00	128.00	654
Units in Building:								4
Occupied Units:								4
% Occupied:								100%
					\$1,648.00	\$511.00	511.00	

**Building: COMMUNITY**

<u>Unit</u>	<u>Tenant</u>	<u>Move In</u>	<u>Lease End</u>	<u>Description</u>	<u>Potential</u>	<u>Net Rent</u>	<u>Lease</u>	<u>Sq. Ft.</u>
<b>Units with Square Footage Set</b>								
E01	Whitehead, James	09/07/1999	07/31/2017	M2	\$422.00	\$604.00	604.00	796
Units in Building:								1
Occupied Units:								1
% Occupied:								100%
					\$422.00	\$604.00	604.00	

**Total Units: 21**  
**Total Occupied: 20.00**  
**Total % Occupied: 95.24**

**Grand Totals:**

**\$8,662.00 \$3,538.00 3,538.00**

Selected Parameters:

Property Name - Pecan Pointe Apartments  
 Rent Roll for - 04/2017  
 Show Negative Rents as Zero - True  
 Sort By Unit - True  
 Include Inactive Units - False

\*\* = Expired Lease

\*MR = Moved out during the report range.

Print Date & Time: 05/22/2017 10:53:34AM

Pecan Pointe Apartments  
Mount Vernon, Georgia

0

Expense Year

Dec-14

<b>Row Labels</b>	<b>Sum of Amount</b>
<b>Advertising</b>	<b>\$97</b>
Advertising	\$97
<b>Annual Ancillary Income</b>	<b>\$432</b>
Laundry and Vending Revenue	\$0
Miscellaneous Revenue	\$0
Tenant Charges	\$402
Application Fees Received	\$30
<b>Annual Gross Potential Rental Income</b>	<b>\$101,424</b>
Rental Income from Current Year Budget	\$101,424
<b>Annual Income (Commercial)</b>	<b>\$0</b>
Rent Revenue - Stores and Commercial	\$0
<b>Decorating</b>	<b>\$1,046</b>
Painting	\$1,046
<b>Elevator Maintenance Expense</b>	<b>\$0</b>
Elevator Maintenance/Contract	\$0
<b>Employee Benefits</b>	<b>\$450</b>
Health Insurance & Other Emp. Benefits	\$189
Workmen's Compensation	\$261
<b>Employee Payroll Tax</b>	<b>\$1,305</b>
Payroll Taxes	\$1,305
<b>Excluded Expense</b>	<b>\$0</b>
Annual Capital Budget	\$0
<b>Excluded Income</b>	<b>\$97,221</b>
Interest Income	\$0
Other Project Sources	\$0
Rental Income from Current Year Actual	\$39,688
Retained Excess Income	\$0
RHS Rental Assist. Received from Actual	\$57,533
Special Claims Revenue	\$0
<b>Exterminating</b>	<b>\$1,080</b>
Services	\$1,080
<b>Fuel</b>	<b>\$0</b>
Fuel (Oil/Coal/Gas)	\$0
<b>Garbage and Trash Removal</b>	<b>\$1,562</b>
Garbage & Trash Removal	\$1,562
<b>Gas</b>	<b>\$0</b>
Fuel (Oil/Coal/Gas)	\$0
<b>Ground Expense</b>	<b>\$5,463</b>
Grounds	\$5,463
Snow Removal	\$0
<b>Insurance</b>	<b>\$3,963</b>

Fidelity Coverage Insurance	\$0
Other Insurance	\$0
Property & Liability Insurance	\$3,963
<b>Lighting and Miscellaneous Power</b>	<b>\$2,377</b>
Electricity	\$2,377
<b>Management Fee</b>	<b>\$10,769</b>
Management Fee	\$10,769
<b>Misc. Taxes/Licenses</b>	<b>\$84</b>
Other Taxes, Licenses & Permits	\$84
Special Assessments	\$0
<b>Other Administrative</b>	<b>\$11,795</b>
Legal Expense	-\$127
Office Furniture & Equipment	\$479
Office Supplies	\$585
Other Administrative Expenses	\$797
Project Auditing Expense	\$1,665
Project Bookkeeping/Accounting	\$0
Site Management Payroll	\$7,993
Telephone & Answering Service	\$0
Training Expense	\$404
<b>Other Maintenance</b>	<b>\$0</b>
Other Maintenance	\$0
<b>Other Operating</b>	<b>\$5,124</b>
Maintenance & Repairs Supply	\$4,778
Other Operating Expense	\$104
Other Utilities	\$242
<b>Payroll</b>	<b>\$6,016</b>
Maintenance & Repairs Payroll	\$6,016
<b>Personal Property Tax</b>	<b>\$0</b>
Personal Property Taxes	\$0
<b>Real Estate Tax</b>	<b>\$5,017</b>
Real Estate Taxes	\$5,017
<b>Repairs</b>	<b>\$0</b>
Maintenance & Repairs Contract	\$0
Replacement Reserves Released as Expense	\$0
<b>Reserves for Replacement</b>	<b>\$20,282</b>
Transfer to Reserve	\$20,282
<b>Service Coordinator</b>	<b>\$0</b>
Service Coordinator Expenses	\$0
Service Coordinator Income	\$0
<b>Vacancy (Apartments)</b>	<b>-\$4,203</b>
Vacancies - Apartments	-\$4,203
Vacancies - Concessions	\$0
<b>Vacancy (Commercial)</b>	<b>\$0</b>
Vacancies - Stores and Commercial	\$0
<b>Water/Sewer</b>	<b>\$10,437</b>
Sewer	\$5,905

Water	\$4,532
<b>(blank)</b>	<b>\$328,046</b>
Net Rental Revenue	\$97,221
Operating Expenses	
Subtotal	\$57,521
Total Operating Expenses	\$66,586
Total Other Revenue	\$432
Total Rent Revenue	\$101,424
Total Revenue	
Total Taxes and Insurance	\$9,064
Total Vacancies	-\$4,203
(blank)	
<b>Grand Total</b>	<b>\$609,788</b>

Pecan Pointe Apartments  
 Mount Vernon, Georgia

0

Expense Year

Dec-15

Row Labels	Sum of Amount
<b>Advertising</b>	<b>\$248</b>
Advertising	\$248
<b>Annual Ancillary Income</b>	<b>\$706</b>
Laundry and Vending Revenue	\$0
Miscellaneous Revenue	\$0
Tenant Charges	\$646
Application Fees Received	\$60
<b>Annual Gross Potential Rental Income</b>	<b>\$102,684</b>
Rental Income from Current Year Budget	\$102,684
<b>Annual Income (Commercial)</b>	<b>\$0</b>
Rent Revenue - Stores and Commercial	\$0
<b>Decorating</b>	<b>\$486</b>
Painting	\$486
<b>Elevator Maintenance Expense</b>	<b>\$0</b>
Elevator Maintenance/Contract	\$0
<b>Employee Benefits</b>	<b>\$443</b>
Health Insurance & Other Emp. Benefits	\$73
Workmen's Compensation	\$370
<b>Employee Payroll Tax</b>	<b>\$1,213</b>
Payroll Taxes	\$1,213
<b>Excluded Expense</b>	<b>\$0</b>
Annual Capital Budget	\$0
<b>Excluded Income</b>	<b>\$91,172</b>
Interest Income	\$0
Other Project Sources	\$0
Rental Income from Current Year Actual	\$38,149
Retained Excess Income	\$0
RHS Rental Assist. Received from Actual	\$53,023
Special Claims Revenue	\$0
<b>Exterminating</b>	<b>\$1,614</b>
Services	\$1,614
<b>Fuel</b>	<b>\$0</b>
Fuel (Oil/Coal/Gas)	\$0
<b>Garbage and Trash Removal</b>	<b>\$1,704</b>
Garbage & Trash Removal	\$1,704
<b>Gas</b>	<b>\$0</b>
Fuel (Oil/Coal/Gas)	\$0
<b>Ground Expense</b>	<b>\$5,626</b>
Grounds	\$5,626
Snow Removal	\$0
<b>Insurance</b>	<b>\$4,010</b>

Fidelity Coverage Insurance	\$0
Other Insurance	\$0
Property & Liability Insurance	\$4,010
<b>Lighting and Miscellaneous Power</b>	<b>\$2,553</b>
Electricity	\$2,553
<b>Management Fee</b>	<b>\$10,228</b>
Management Fee	\$10,228
<b>Misc. Taxes/Licenses</b>	<b>\$70</b>
Other Taxes, Licenses & Permits	\$70
Special Assessments	\$0
<b>Other Administrative</b>	<b>\$12,044</b>
Legal Expense	-\$207
Office Furniture & Equipment	\$498
Office Supplies	\$284
Other Administrative Expenses	\$578
Project Auditing Expense	\$1,665
Project Bookkeeping/Accounting	\$0
Site Management Payroll	\$8,596
Telephone & Answering Service	\$0
Training Expense	\$631
<b>Other Maintenance</b>	<b>\$0</b>
Other Maintenance	\$0
<b>Other Operating</b>	<b>\$15,836</b>
Maintenance & Repairs Supply	\$15,436
Other Operating Expense	\$115
Other Utilities	\$285
<b>Payroll</b>	<b>\$6,009</b>
Maintenance & Repairs Payroll	\$6,009
<b>Personal Property Tax</b>	<b>\$0</b>
Personal Property Taxes	\$0
<b>Real Estate Tax</b>	<b>\$4,327</b>
Real Estate Taxes	\$4,327
<b>Repairs</b>	<b>\$0</b>
Maintenance & Repairs Contract	\$0
Replacement Reserves Releases Included as Expense	\$0
<b>Reserves for Replacement</b>	<b>\$5,820</b>
Transfer to Reserve	\$5,820
<b>Service Coordinator</b>	<b>\$0</b>
Service Coordinator Expenses	\$0
Service Coordinator Income	\$0
<b>Vacancy (Apartments)</b>	<b>-\$11,512</b>
Vacancies - Apartments	-\$11,512
Vacancies - Concessions	\$0
<b>Vacancy (Commercial)</b>	<b>\$0</b>
Vacancies - Stores and Commercial	\$0
<b>Water/Sewer</b>	<b>\$11,699</b>
Sewer	\$6,605

Water	\$5,093
<b>(blank)</b>	<b>\$431,148</b>
Net Rental Revenue	\$91,172
Operating Expenses	
Subtotal	\$69,703
Total Operating Expenses	\$78,110
Total Other Revenue	\$706
Total Rent Revenue	\$102,684
Total Revenue	\$91,878
Total Taxes and Insurance	\$8,407
Total Vacancies	-\$11,512
(blank)	
<b>Grand Total</b>	<b>\$698,128</b>

Pecan Pointe Apartments  
Mount Vernon, Georgia

0

Expense Year

Dec-16

<b>Row Labels</b>	<b>Sum of Amount</b>
<b>Advertising</b>	<b>\$0</b>
Advertising	\$0
<b>Annual Ancillary Income</b>	<b>\$332</b>
Laundry and Vending Revenue	\$0
Miscellaneous Revenue	\$0
Tenant Charges	\$302
Application Fees Received	\$30
<b>Annual Gross Potential Rental Income</b>	<b>\$103,944</b>
Rental Income from Current Year Budget	\$103,944
<b>Annual Income (Commercial)</b>	<b>\$0</b>
Rent Revenue - Stores and Commercial	\$0
<b>Decorating</b>	<b>\$879</b>
Painting	\$879
<b>Elevator Maintenance Expense</b>	<b>\$0</b>
Elevator Maintenance/Contract	\$0
<b>Employee Benefits</b>	<b>\$414</b>
Health Insurance & Other Emp. Benefits	\$74
Workmen's Compensation	\$339
<b>Employee Payroll Tax</b>	<b>\$1,702</b>
Payroll Taxes	\$1,702
<b>Excluded Expense</b>	<b>\$0</b>
Annual Capital Budget	\$0
<b>Excluded Income</b>	<b>\$101,604</b>
Interest Income	\$0
Other Project Sources	\$0
Rental Income from Current Year Actual	\$44,051
Retained Excess Income	\$0
RHS Rental Assist. Received from Actual	\$57,553
Special Claims Revenue	\$0
<b>Exterminating</b>	<b>\$1,377</b>
Services	\$1,377
<b>Fuel</b>	<b>\$0</b>
Fuel (Oil/Coal/Gas)	\$0
<b>Garbage and Trash Removal</b>	<b>\$3,257</b>
Garbage & Trash Removal	\$3,257
<b>Gas</b>	<b>\$0</b>
Fuel (Oil/Coal/Gas)	\$0
<b>Ground Expense</b>	<b>\$5,257</b>
Grounds	\$5,257
Snow Removal	\$0
<b>Insurance</b>	<b>\$4,012</b>

Fidelity Coverage Insurance	\$0
Other Insurance	\$0
Property & Liability Insurance	\$4,012
<b>Lighting and Miscellaneous Power</b>	<b>\$2,160</b>
Electricity	\$2,160
<b>Management Fee</b>	<b>\$11,307</b>
Management Fee	\$11,307
<b>Misc. Taxes/Licenses</b>	<b>\$209</b>
Other Taxes, Licenses & Permits	\$209
Special Assessments	\$0
<b>Other Administrative</b>	<b>\$18,393</b>
Legal Expense	\$71
Office Furniture & Equipment	\$684
Office Supplies	\$466
Other Administrative Expenses	\$300
Project Auditing Expense	\$1,665
Project Bookkeeping/Accounting	\$0
Site Management Payroll	\$14,620
Telephone & Answering Service	\$20
Training Expense	\$567
<b>Other Maintenance</b>	<b>\$0</b>
Other Maintenance	\$0
<b>Other Operating</b>	<b>\$10,796</b>
Maintenance & Repairs Supply	\$10,176
Other Operating Expense	\$116
Other Utilities	\$504
<b>Payroll</b>	<b>\$5,978</b>
Maintenance & Repairs Payroll	\$5,978
<b>Personal Property Tax</b>	<b>\$0</b>
Personal Property Taxes	\$0
<b>Real Estate Tax</b>	<b>\$4,448</b>
Real Estate Taxes	\$4,448
<b>Repairs</b>	<b>\$0</b>
Maintenance & Repairs Contract	\$0
Replacement Reserves Releases Included as Expense	\$0
<b>Reserves for Replacement</b>	<b>\$5,820</b>
Transfer to Reserve	\$5,820
<b>Service Coordinator</b>	<b>\$0</b>
Service Coordinator Expenses	\$0
Service Coordinator Income	\$0
<b>Vacancy (Apartments)</b>	<b>-\$2,340</b>
Vacancies - Apartments	-\$2,340
Vacancies - Concessions	\$0
<b>Vacancy (Commercial)</b>	<b>\$0</b>
Vacancies - Stores and Commercial	\$0
<b>Water/Sewer</b>	<b>\$12,613</b>
Sewer	\$7,125

Water	\$5,487
<b>(blank)</b>	<b>\$471,078</b>
Net Rental Revenue	\$101,604
Operating Expenses	
Subtotal	\$74,133
Total Operating Expenses	\$82,802
Total Other Revenue	\$332
Total Rent Revenue	\$103,944
Total Revenue	\$101,936
Total Taxes and Insurance	\$8,669
Total Vacancies	-\$2,340
(blank)	
<b>Grand Total</b>	<b>\$763,240</b>

Pecan Pointe Apartments  
 Mount Vernon, Georgia

0

Expense Year

Budget

Row Labels	Sum of Amount
<b>Advertising</b>	<b>\$50</b>
Advertising	\$50
<b>Annual Ancillary Income</b>	<b>\$1,500</b>
Application Fees	\$0
Laundry and Vending Revenue	\$0
Miscellaneous Revenue	\$0
Tenant Charges	\$1,500
<b>Annual Gross Potential Rental Income</b>	<b>\$103,944</b>
Rental Income from Current Year Budget	\$103,944
<b>Annual Income (Commercial)</b>	<b>\$0</b>
Rent Revenue - Stores and Commercial	\$0
<b>Decorating</b>	<b>\$2,000</b>
Painting	\$2,000
<b>Elevator Maintenance Expense</b>	<b>\$0</b>
Elevator Maintenance/Contract	\$0
<b>Employee Benefits</b>	<b>\$475</b>
Health Insurance & Other Emp. Benefits	\$100
Workmen's Compensation	\$375
<b>Employee Payroll Tax</b>	<b>\$1,400</b>
Payroll Taxes	\$1,400
<b>Excluded Expense</b>	<b>\$0</b>
Annual Capital Budget	\$0
<b>Excluded Income</b>	<b>\$0</b>
Interest Income	\$0
Other Project Sources	\$0
Rental Income from Current Year Actual	\$0
Retained Excess Income	\$0
RHS Rental Assist. Received from Actual	\$0
Special Claims Revenue	\$0
<b>Exterminating</b>	<b>\$2,133</b>
Services	\$2,133
<b>Fuel</b>	<b>\$0</b>
Fuel (Oil/Coal/Gas)	\$0
<b>Garbage and Trash Removal</b>	<b>\$2,000</b>
Garbage & Trash Removal	\$2,000
<b>Gas</b>	<b>\$0</b>
Fuel (Oil/Coal/Gas)	\$0
<b>Ground Expense</b>	<b>\$5,480</b>
Grounds	\$5,480
Snow Removal	\$0
<b>Insurance</b>	<b>\$4,787</b>

Fidelity Coverage Insurance	\$0
Other Insurance	\$125
Property & Liability Insurance	\$4,662
<b>Lighting and Miscellaneous Power</b>	<b>\$2,200</b>
Electricity	\$2,200
<b>Management Fee</b>	<b>\$12,348</b>
Management Fee	\$12,348
<b>Misc. Taxes/Licenses</b>	<b>\$100</b>
Other Taxes, Licenses & Permits	\$100
Special Assessments	\$0
<b>Other Administrative</b>	<b>\$14,177</b>
Legal Expense	\$50
Office Furniture & Equipment	\$506
Office Supplies	\$700
Other Administrative Expenses	\$300
Project Auditing Expense	\$1,700
Project Bookkeeping/Accounting	\$0
Site Management Payroll	\$10,128
Telephone & Answering Service	\$0
Training Expense	\$793
<b>Other Maintenance</b>	<b>\$0</b>
Other Maintenance	\$0
<b>Other Operating</b>	<b>\$7,100</b>
Maintenance & Repairs Supply	\$7,000
Other Operating Expense	\$100
Other Utilities	\$0
<b>Payroll</b>	<b>\$5,000</b>
Maintenance & Repairs Payroll	\$5,000
<b>Personal Property Tax</b>	<b>\$0</b>
Personal Property Taxes	\$0
<b>Real Estate Tax</b>	<b>\$6,000</b>
Real Estate Taxes	\$6,000
<b>Repairs</b>	<b>\$0</b>
Maintenance & Repairs Contract	\$0
Replacement Reserves Releases Included as Expense	\$0
<b>Reserves for Replacement</b>	<b>\$5,820</b>
Transfer to Reserve	\$5,820
<b>Service Coordinator</b>	<b>\$0</b>
Service Coordinator Expenses	\$0
Service Coordinator Income	\$0
<b>Vacancy (Apartments)</b>	<b>-\$6,237</b>
Vacancies - Apartments	-\$6,237
Vacancies - Concessions	\$0
<b>Vacancy (Commercial)</b>	<b>\$0</b>
Vacancies - Stores and Commercial	\$0
<b>Water/Sewer</b>	<b>\$11,300</b>
Sewer	\$6,200

Water	\$5,100
<b>(blank)</b>	<b>\$449,221</b>
Net Rental Revenue	\$97,707
Operating Expenses	
Subtotal	\$65,663
Total Operating Expenses	\$76,550
Total Other Revenue	\$1,500
Total Rent Revenue	\$103,944
Total Revenue	\$99,207
Total Taxes and Insurance	\$10,887
Total Vacancies	-\$6,237
(blank)	
<b>Grand Total</b>	<b>\$630,798</b>

Pecan Pointe Apartments  
Mount Vernon, Georgia

0

Expense Year Dec-17  
# of Months 4

Row Labels	Sum of Amount
<b>Advertising</b>	<b>\$0</b>
Advertising	\$0
<b>Annual Ancillary Income</b>	<b>\$30</b>
Laundry and Vending Revenue	\$0
Miscellaneous Revenue	\$0
Application Fees	\$0
Tenant Charges/Damages	\$0
Income - Cleaning & Rep	\$0
Income - Late Fees	\$30
Forfeited Security Deposits	\$0
<b>Annual Gross Potential Rental Income</b>	<b>\$34,648</b>
Rental Income from Current Year Budget	\$34,648
<b>Annual Income (Commercial)</b>	<b>\$0</b>
Rent Revenue - Stores and Commercial	\$0
<b>Decorating</b>	<b>\$102</b>
Unit Turns	\$102
<b>Elevator Maintenance Expense</b>	<b>\$0</b>
Elevator Maintenance/Contract	\$0
<b>Employee Benefits</b>	<b>\$532</b>
Workmen's Compensation	\$421
Group Health Insurance	\$25
Retirement Plan Expense	\$86
<b>Employee Payroll Tax</b>	<b>\$435</b>
Payroll Taxes-FICA	\$378
Unemployment Taxes	\$57
<b>Excluded Income</b>	<b>\$33,593</b>
Retained Excess Income	\$0
Special Claims Revenue	\$0
Rental Income from Current Year Actual	\$14,326
RHS Rental Assist. Received from Actual	\$19,267
Interest Income	\$0
<b>Exterminating</b>	<b>\$1,018</b>
Services	\$1,018
<b>Fuel</b>	<b>\$0</b>
Fuel (Oil/Coal/Gas)	\$0
<b>Garbage and Trash Removal</b>	<b>\$1,000</b>
Garbage & Trash Removal	\$1,000
<b>Gas</b>	<b>\$0</b>
Fuel (Oil/Coal/Gas)	\$0
<b>Ground Expense</b>	<b>\$3,005</b>

Snow Removal	\$0
Grounds	\$3,005
<b>Insurance</b>	<b>\$3,976</b>
Property & Liability Insurance	\$3,976
Fidelity Coverage Insurance	\$0
Other Insurance	\$0
<b>Lighting and Miscellaneous Power</b>	<b>\$741</b>
Electricity	\$741
<b>Management Fee</b>	<b>\$3,880</b>
Management Fee	\$3,880
<b>Misc. Taxes/Licenses</b>	<b>\$159</b>
Special Assessments	\$0
Other Taxes, Licenses & Permits	\$159
<b>Other Administrative</b>	<b>\$5,520</b>
Site Management Payroll	\$2,760
Accounting/Auditing Fees	\$1,665
Project Bookkeeping/Accounting	\$0
Legal Expense	-\$71
Telephone	\$20
Office Supplies	\$461
Computer Equipment	\$244
Prospect Screening	\$0
Training Expense	\$30
Bank Charges/Fees	\$21
Postage and Shipping	\$90
Professional Services/Fees	\$300
Travel Expenses	\$0
Late Charges/Fees	\$0
<b>Other Maintenance</b>	<b>\$0</b>
Other Maintenance	\$0
<b>Other Operating</b>	<b>\$2,825</b>
Maintenance & Repairs Supply	\$2,657
Other Operating Expense	\$0
Other Utilities	\$168
<b>Payroll</b>	<b>\$2,303</b>
Maintenance & Repairs Payroll	\$2,303
<b>Personal Property Tax</b>	<b>\$0</b>
Personal Property Taxes	\$0
<b>Real Estate Tax</b>	<b>\$0</b>
Real Estate Taxes	\$0
<b>Repairs</b>	<b>\$0</b>
Maintenance & Repairs Contract	\$0
<b>Reserves for Replacement</b>	<b>\$1,940</b>
Transfer to Reserve	\$1,940
<b>Service Coordinator</b>	<b>\$0</b>
Service Coordinator Expenses	\$0
Service Coordinator Income	\$0

<b>Vacancy (Apartments)</b>	<b>-\$1,055</b>
Vacancies - Apartments	-\$1,055
Vacancies - Concessions	\$0
<b>Vacancy (Commercial)</b>	<b>\$0</b>
Vacancies - Stores and Commercial	\$0
<b>Water/Sewer</b>	<b>\$4,503</b>
Sewer	\$2,441
Water	\$2,063
<b>(blank)</b>	<b>\$160,838</b>
Net Rental Revenue	\$33,593
Operating Expenses	
Total Operating Expenses	\$29,999
Total Other Revenue	\$30
Total Rent Revenue	\$34,648
Total Revenue	\$33,623
Total Taxes and Insurance	\$4,135
Total Vacancies	-\$1,055
(blank)	
Subtotal	\$25,864
<b>Excluded Expense</b>	<b>\$0</b>
Annual Capital Budget	\$0
<b>Grand Total</b>	<b>\$259,993</b>

**MULTIPLE FAMILY HOUSING PROJECT BUDGET/  
UTILITY ALLOWANCE**

PROJECT NAME Pecan Pointe Apartments		BORROWER NAME Mt. Vernon Elderly, L.p.		BORROWER ID AND PROJECT NO. 629240468 014	
Loan/Transfer Amount \$ 582,000.00		Note Rate Payment \$ 4,309.58		IC Payment \$ 1,237.60	
Reporting Period <input checked="" type="checkbox"/> Annual <input type="checkbox"/> Quarterly <input type="checkbox"/> Monthly	Budget Type <input type="checkbox"/> Initial <input checked="" type="checkbox"/> Regular Report <input type="checkbox"/> Rent Change <input type="checkbox"/> SNR <input type="checkbox"/> Other Servicing	Project Rental Type <input type="checkbox"/> Family <input checked="" type="checkbox"/> Elderly <input type="checkbox"/> Congregate <input type="checkbox"/> Group Home <input type="checkbox"/> Mixed <input type="checkbox"/> LH	Profit Type <input type="checkbox"/> Full Profit <input checked="" type="checkbox"/> Limited Profit <input type="checkbox"/> Non-Profit	The following utilities are master metered: <input type="checkbox"/> Electricity <input type="checkbox"/> Gas <input checked="" type="checkbox"/> Water <input checked="" type="checkbox"/> Sewer <input type="checkbox"/> Trash <input type="checkbox"/> Other _____	
				I hereby request <u>1</u> units of RA. Current number of RA units <u>19</u> . Borrower Accounting Method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual	

**PART I—CASH FLOW STATEMENT**

	CURRENT BUDGET (01 - 01 - 14 ) (12 - 31 - 14 )	ACTUAL (01 - 01 - 14 ) (12 - 31 - 14 )	PROPOSED BUDGET (01 - 01 - 15 ) (12 - 31 - 15 )	COMMENTS or (YTD) (01 - 01 - 14 ) (12 - 31 - 14 )
<b>OPERATIONAL CASH SOURCES</b>				
1. RENTAL INCOME .....	101,424.00	39,688.00	102,684.00	21 REV PROD
2. RHS RENTAL ASSISTANCE RECEIVED .....		57,533.00		
3. APPLICATION FEES RECEIVED .....		30.00		
4. LAUNDRY AND VENDING .....	0.00	0.00	0.00	
5. INTEREST INCOME .....	0.00	0.00	0.00	
6. TENANT CHARGES .....	800.00	402.00	800.00	
7. OTHER - PROJECT SOURCES .....	0.00	0.00	0.00	
8. LESS (Vacancy and Contingency Allowance) .....	( 6,085.00)		( 6,161.00)	6%
9. LESS (Agency Approved Incentive Allowance) .....	( 0.00)		( 0.00)	
10. SUB-TOTAL [(1 thru 7) - (8 & 9)] .....	96,139.00	97,653.00	97,323.00	
<b>NON-OPERATIONAL CASH SOURCES</b>				
11. CASH - NON PROJECT .....	0.00	14,461.81	0.00	Insurance Proc
12. AUTHORIZED LOAN (Non-RHS) .....	0.00	0.00	0.00	
13. TRANSFER FROM RESERVE .....	7,800.00	32,101.32	6,800.00	
14. SUB-TOTAL (11 thru 13) .....	7,800.00	46,563.13	6,800.00	
15. <b>TOTAL CASH SOURCES (10+14)</b> .....	103,939.00	144,216.13	104,123.00	
<b>OPERATIONAL CASH USES</b>				
16. TOTAL O&M EXPENSES (From Part II) .....	74,008.00	66,585.92	75,211.00	
17. RHS DEBT PAYMENT .....	14,851.00	14,851.20	14,851.00	
18. RHS PAYMENT (Overage) .....		2,184.00		
19. RHS PAYMENT (Late Fee) .....		0.00		
20. REDUCTION IN PRIOR YEAR PAYABLES .....		0.00		
21. TENANT UTILITY PAYMENTS .....		0.00		
22. TRANSFER TO RESERVE .....	5,820.00	20,281.81	5,820.00	
23. RETURN TO OWNER /NP ASSET MANAGEMENT FEE .	1,440.00	1,440.00	1,440.00	2013 RTO paic
24. SUB-TOTAL (16 thru 23) .....	96,119.00	105,342.93	97,322.00	
<b>NON-OPERATIONAL CASH USES</b>				
25. AUTHORIZED DEBT PAYMENT (Non-RHS) .....	0.00	0.00	0.00	
26. ANNUAL CAPITAL BUDGET (From Part III, Lines 4-6)	7,800.00	32,101.32	6,800.00	
27. MISCELLANEOUS .....	0.00	0.32	0.00	Rounding
28. SUB-TOTAL (25 thru 27) .....	7,800.00	32,101.64	6,800.00	
29. <b>TOTAL CASH USES (24+28)</b> .....	103,919.00	137,444.57	104,122.00	
30. <b>NET CASH (DEFICIT) (15-29)</b> .....	20.00	6,771.56	1.00	
<b>CASH BALANCE</b>				
31. BEGINNING CASH BALANCE .....	41,350.20	71,146.13	41,370.20	
32. ACCRUAL TO CASH ADJUSTMENT .....		-3,046.47		Adjust to accru
33. ENDING CASH BALANCE (30+31+32) .....	41,370.20	74,871.22	41,371.20	

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0189. The time required to complete this information collection is estimated to average 2 1/2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

**PART II—OPERATING AND MAINTENANCE EXPENSE SCHEDULE**

	CURRENT BUDGET	ACTUAL	PROPOSED BUDGET	COMMENTS or (YTD)
1. MAINTENANCE AND REPAIRS PAYROLL .....	3,200.00	6,015.84	7,100.00	Maintenance or
2. MAINTENANCE AND REPAIRS SUPPLY .....	6,400.00	4,777.68	3,700.00	
3. MAINTENANCE AND REPAIRS CONTRACT .....	0.00	0.00	0.00	
4. PAINTING .....	2,000.00	1,045.50	2,000.00	
5. SNOW REMOVAL .....	0.00	0.00	0.00	
6. ELEVATOR MAINTENANCE/CONTRACT .....	0.00	0.00	0.00	
7. GROUNDS .....	5,480.00	5,463.34	5,480.00	415/M + 500
8. SERVICES .....	2,133.00	1,080.00	2,133.00	53/M PestContr
9. ANNUAL CAPITAL BUDGET (From Part V - Operating)	3,000.00	0.00	1,200.00	
10. OTHER OPERATING EXPENSES (Itemize) .....	100.00	104.08	100.00	UA calc fee
11. SUB-TOTAL MAINT. & OPERATING (1 thru 10) .....	22,313.00	18,486.44	21,713.00	
12. ELECTRICITY <input type="checkbox"/> If master metered .....	2,100.00	2,377.40	2,000.00	
13. WATER <input type="checkbox"/> check box on .....	4,600.00	4,532.48	5,000.00	
14. SEWER <input type="checkbox"/> front .....	6,100.00	5,904.50	6,500.00	
15. FUEL (Oil/Coal/Gas) .....	0.00	0.00	0.00	
16. GARBAGE & TRASH REMOVAL .....	1,800.00	1,562.00	1,800.00	
17. OTHER UTILITIES .....	0.00	242.00	300.00	Other
18. SUB-TOTAL UTILITIES (12 thru 17) .....	14,600.00	14,618.38	15,600.00	
19. SITE MANAGEMENT PAYROLL .....	6,761.00	7,992.82	7,260.00	580/M (3% inc)
20. MANAGEMENT FEE .....	11,214.00	10,769.00	11,592.00	\$46x21Ux12M
21. PROJECT AUDITING EXPENSE .....	3,000.00	1,665.00	2,500.00	
22. PROJECT BOOKKEEPING/ACCOUNTING .....	0.00	0.00	0.00	
23. LEGAL EXPENSES .....	200.00	-127.00	200.00	
24. ADVERTISING .....	200.00	96.75	200.00	
25. TELEPHONE & ANSWERING SERVICE .....	400.00	0.00	0.00	
26. OFFICE SUPPLIES .....	900.00	584.80	900.00	
27. OFFICE FURNITURE & EQUIPMENT .....	471.00	478.59	480.00	24.23/MCompE
28. TRAINING EXPENSE .....	340.00	403.70	491.00	
29. HEALTH INS. & OTHER EMP. BENEFITS .....	100.00	188.82	340.00	
30. PAYROLL TAXES .....	1,200.00	1,305.42	1,400.00	
31. WORKER'S COMPENSATION .....	400.00	261.43	400.00	
32. OTHER ADMINISTRATIVE EXPENSES (Itemize) .....	300.00	797.30	300.00	Prop tax consu
33. SUB-TOTAL ADMINISTRATIVE (19 thru 32) .....	25,486.00	24,416.63	26,063.00	
34. REAL ESTATE TAXES .....	7,100.00	5,017.10	7,200.00	
35. SPECIAL ASSESSMENTS .....	0.00	0.00	0.00	
36. OTHER TAXES, LICENSES & PERMITS .....	100.00	84.37	100.00	reg fee
37. PROPERTY & LIABILITY INSURANCE .....	4,284.00	3,963.00	4,410.00	210/U (3% inc)
38. FIDELITY COVERAGE INSURANCE .....	0.00	0.00	0.00	
39. OTHER INSURANCE .....	125.00	0.00	125.00	EPL
40. SUB-TOTAL TAXES & INSURANCE (34 thru 39) .....	11,609.00	9,064.47	11,835.00	
41. TOTAL O&M EXPENSES (11+18+33+40) .....	74,008.00	66,585.92	75,211.00	

**PART III—ACCOUNT BUDGETING/STATUS**

	CURRENT BUDGET	ACTUAL	PROPOSED BUDGET	COMMENTS or (YTD)
<b>RESERVE ACCOUNT:</b>				
1. BEGINNING BALANCE .....	6,488.33	19,119.41	4,508.33	
2. TRANSFER TO RESERVE .....	5,820.00	20,281.81	5,820.00	\$485/M + \$14.4
TRANSFER FROM RESERVE.....				
3. OPERATING DEFICIT .....	0.00	0.00	0.00	
4. ANNUAL CAPITAL BUDGET (Part V - Reserve) .....	7,800.00	32,101.32	6,800.00	
5. BUILDING & EQUIPMENT REPAIR .....	0.00	0.00	0.00	
6. OTHER NON-OPERATING EXPENSES .....	0.00	0.00	0.00	
7. TOTAL (3 thru 6) .....	( 7,800.00)	( 32,101.32)	( 6,800.00)	
8. ENDING BALANCE [(1+2)-7] .....	4,508.33	7,299.90	3,528.33	

**GENERAL OPERATING ACCOUNT:\***

BEGINNING BALANCE .....	66,004.30	
ENDING BALANCE .....	66,935.49	

**REAL ESTATE TAX AND INSURANCE ESCROW ACCOUNT:\***

BEGINNING BALANCE .....	5,141.83	
ENDING BALANCE .....	7,935.73	

**TENANT SECURITY DEPOSIT ACCOUNT:\***

BEGINNING BALANCE .....	2,938.00	
ENDING BALANCE .....	2,843.00	

(\*Complete upon submission of actual expenses.)

NUMBER OF APPLICANTS ON THE WAITING LIST	0	RESERVE ACCT. REQ. BALANCE.....	0.00
NUMBER OF APPLICANTS NEEDING RA.....	0	AMOUNT AHEAD/BEHIND .....	0.00

**PART IV—RENT SCHEDULE AND UTILITY ALLOWANCE**

**A. CURRENT APPROVED RENTS/ UTILITY ALLOWANCE**

UNIT DESCRIPTION			RENTAL RATES			POTENTIAL INCOME FROM EACH RATE			UTILITY ALLOWANCE
BR SIZE	UNIT TYPE	NUMBER	BASIC	NOTE RATE	HUD	BASIC	NOTE RATE	HUD	
1	N	2C	402.00	584.00	0.00	96,480.00	140,160.00	0.00	88.00
2	N	1	412.00	594.00	0.00	4,944.00	7,128.00	0.00	101.00
0	*	C	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0	*	C	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0	*	C	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0	*	C	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0	*	C	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0	*	C	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CURRENT RENT TOTALS:						101,424.00	147,288.00	0.00	
						BASIC	NOTE	HUD	

**B. PROPOSED RENTS - Effective Date: 12 / 31 / 14**

UNIT DESCRIPTION			RENTAL RATES			POTENTIAL INCOME FROM EACH RATE			UTILITY ALLOWANCE
BR SIZE	UNIT TYPE	NUMBER	BASIC	NOTE RATE	HUD	BASIC	NOTE RATE	HUD	
1	N	20	407.00	589.00	0.00	97,680.00	141,360.00	0.00	
2	N	1	417.00	599.00	0.00	5,004.00	7,188.00	0.00	
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00	
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00	
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00	
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00	
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00	
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00	
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00	
PROPOSED RENT TOTALS:						102,684.00	148,548.00	0.00	
						BASIC	NOTE	HUD	

**C. PROPOSED UTILITY ALLOWANCE - Effective Date: 12 / 31 / 14**

MONTHLY DOLLAR ALLOWANCES									
BR SIZE	UNIT TYPE	NUMBER	ELECTRIC	GAS	WATER	SEWER	TRASH	OTHER	TOTAL
1	N	20	88.00	0.00	0.00	0.00	0.00	0.00	88.00
2	N	1	101.00	0.00	0.00	0.00	0.00	0.00	101.00
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00

**PART V - ANNUAL CAPITAL BUDGET**

	Proposed Number of Units/Items	Proposed from Reserve	Actual from Reserve	Proposed from Operating	Actual from Operating	Actual Total Cost	Total Actual Units/Items
<b>Appliances:</b>							
Range .....	2	0.00	0.00	600.00	0.00	0.00	C
Refrigerator .....	2	0.00	0.00	600.00	0.00	0.00	C
Range Hood .....	0	0.00	0.00	0.00	0.00	0.00	C
Washers & Dryers .....	0	0.00	0.00	0.00	0.00	0.00	C
Other: .....	0	0.00	883.89	0.00	0.00	883.89	21
<b>Carpet &amp; Vinyl:</b>							
1BR .....	2	3,800.00	10,272.84	0.00	0.00	10,272.84	€
2BR .....	0	0.00	0.00	0.00	0.00	0.00	C
3BR .....	0	0.00	0.00	0.00	0.00	0.00	C
4BR .....	0	0.00	0.00	0.00	0.00	0.00	C
Other: .....	0	0.00	0.00	0.00	0.00	0.00	C
<b>Cabinets:</b>							
Kitchens .....	0	0.00	0.00	0.00	0.00	0.00	C
Bathrooms .....	0	0.00	0.00	0.00	0.00	0.00	C
Other: .....	0	0.00	0.00	0.00	0.00	0.00	C
<b>Doors:</b>							
Exterior .....	0	0.00	0.00	0.00	0.00	0.00	C
Interior .....	0	0.00	0.00	0.00	0.00	0.00	C
Other: .....	0	0.00	0.00	0.00	0.00	0.00	C
<b>Window Coverings:</b>							
List: .....	0	0.00	0.00	0.00	0.00	0.00	C
Other: .....	0	0.00	0.00	0.00	0.00	0.00	C
<b>Heating &amp; Air Conditioning:</b>							
Heating .....	0	0.00	0.00	0.00	0.00	0.00	C
Air Conditioning .....	1	3,000.00	712.55	0.00	0.00	712.55	1
Other: .....	0	0.00	0.00	0.00	0.00	0.00	C
<b>Plumbing:</b>							
Water Heater .....	0	0.00	0.00	0.00	0.00	0.00	C
Bath Sinks .....	0	0.00	0.00	0.00	0.00	0.00	C
Kitchen Sinks .....	0	0.00	0.00	0.00	0.00	0.00	C
Faucets .....	0	0.00	0.00	0.00	0.00	0.00	C
Toilets .....	0	0.00	0.00	0.00	0.00	0.00	C
Other: .....	0	0.00	4,770.23	0.00	0.00	4,770.23	C
<b>Major Electrical:</b>							
List: .....		0.00	0.00	0.00	0.00	0.00	
Other: .....		0.00	0.00	0.00	0.00	0.00	
<b>Structures:</b>							
Windows .....	0	0.00	0.00	0.00	0.00	0.00	C
Screens .....	0	0.00	0.00	0.00	0.00	0.00	C
Walls .....		0.00	0.00	0.00	0.00	0.00	
Roofing .....		0.00	0.00	0.00	0.00	0.00	
Siding .....		0.00	0.00	0.00	0.00	0.00	
Exterior Painting .....		0.00	0.00	0.00	0.00	0.00	
Other: .....		0.00	15,461.81	0.00	0.00	15,461.81	
<b>Paving:</b>							
Asphalt .....		0.00	0.00	0.00	0.00	0.00	
Concrete .....		0.00	0.00	0.00	0.00	0.00	
Seal & Stripe .....		0.00	0.00	0.00	0.00	0.00	
Other: .....		0.00	0.00	0.00	0.00	0.00	
<b>Landscape &amp; Grounds:</b>							
Landscaping .....		0.00	0.00	0.00	0.00	0.00	
Lawn Equipment .....		0.00	0.00	0.00	0.00	0.00	
Fencing .....		0.00	0.00	0.00	0.00	0.00	
Recreation Area .....		0.00	0.00	0.00	0.00	0.00	
Signs .....		0.00	0.00	0.00	0.00	0.00	
Other: .....		0.00	0.00	0.00	0.00	0.00	
<b>Accessibility Features:</b>							
List: .....		0.00	0.00	0.00	0.00	0.00	
Other: .....		0.00	0.00	0.00	0.00	0.00	
<b>Automation Equipment:</b>							
Site Management .....		0.00	0.00	0.00	0.00	0.00	
Common Area .....		0.00	0.00	0.00	0.00	0.00	
Other: .....		0.00	0.00	0.00	0.00	0.00	
<b>Other:</b>							
List: .....		0.00	0.00	0.00	0.00	0.00	
List: .....		0.00	0.00	0.00	0.00	0.00	
List: .....		0.00	0.00	0.00	0.00	0.00	
<b>TOTAL CAPITAL EXPENSES:</b>	<b>7</b>	<b>6,800.00</b>	<b>32,101.32</b>	<b>1,200.00</b>	<b>0.00</b>	<b>32,101.32</b>	<b>28</b>

**PART VI -- SIGNATURES, DATES AND COMMENTS**

**Warning:** Section 1001 of Title 18, United States Code provides: "Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, 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.

\_\_\_\_\_  
(DATE)

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

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

\_\_\_\_\_  
AGENCY APPROVAL (Rural Development Approval Official):

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

**COMMENTS:**

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Line 13. Transfers from the 1% reserve account were much more than budgeted because of \$10,000 in flooring replacement expenses and \$15,461 in bio-hazard cleanup expenses (offset by \$14,461 in insurance proceeds listed on Line 11).

Line 23. The RTO paid in 2014 was the 2013 RTO.

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Line 11. Actual Maintenance and Operating Expenses were 17% under budget. \$3,000 in capital expenses were budgeted to be paid from the operating account but were not required. Also, maintenance supply costs were kept well under budget.

Line 18. Actual Utilities were right at budget.

Line 33. Actual Administrative Expenses were within budget.

Line 40. Actual Tax & Insurance Expense was less than budgeted due to a lower property tax bill than budgeted.

Pecan Pointe Apartments

**PART V - ANNUAL CAPITAL BUDGET (ADDENDUM)**

	Current Number of Units/Items	Current from Reserved	YTD from Reserve	Current from Operating	YTD from Operating	YTD Total Cost	Total YTD Units/Items
<b>Appliances:</b>							
Range .....	2	600.00	0.00	0.00	0.00	0.00	C
Refrigerator .....	2	600.00	0.00	0.00	0.00	0.00	C
Range Hood .....	0	0.00	0.00	0.00	0.00	0.00	C
Washers & Dryers .....	0	0.00	0.00	0.00	0.00	0.00	C
Other: .....	0	0.00	883.89	0.00	0.00	883.89	21
<b>Carpet &amp; Vinyl:</b>							
1BR .....	2	3,600.00	10,272.84	0.00	0.00	10,272.84	€
2BR .....	0	0.00	0.00	0.00	0.00	0.00	C
3BR .....	0	0.00	0.00	0.00	0.00	0.00	C
4BR .....	0	0.00	0.00	0.00	0.00	0.00	C
Other: .....	0	0.00	0.00	0.00	0.00	0.00	C
<b>Cabinets:</b>							
Kitchens .....	0	0.00	0.00	0.00	0.00	0.00	C
Bathrooms .....	0	0.00	0.00	0.00	0.00	0.00	C
Other: .....	0	0.00	0.00	0.00	0.00	0.00	C
<b>Doors:</b>							
Exterior .....	0	0.00	0.00	0.00	0.00	0.00	C
Interior .....	0	0.00	0.00	0.00	0.00	0.00	C
Other: .....	0	0.00	0.00	0.00	0.00	0.00	C
<b>Window Coverings:</b>							
List: .....	0	0.00	0.00	0.00	0.00	0.00	C
Other: .....	0	0.00	0.00	0.00	0.00	0.00	C
<b>Heating &amp; Air Conditioning:</b>							
Heating .....	0	0.00	0.00	0.00	0.00	0.00	C
Air Conditioning .....	2	3,000.00	712.55	3,000.00	0.00	712.55	1
Other: .....	0	0.00	0.00	0.00	0.00	0.00	C
<b>Plumbing:</b>							
Water Heater .....	0	0.00	0.00	0.00	0.00	0.00	C
Bath Sinks .....	0	0.00	0.00	0.00	0.00	0.00	C
Kitchen Sinks .....	0	0.00	0.00	0.00	0.00	0.00	C
Faucets .....	0	0.00	0.00	0.00	0.00	0.00	C
Toilets .....	0	0.00	0.00	0.00	0.00	0.00	C
Other: .....	0	0.00	4,770.23	0.00	0.00	4,770.23	1
<b>Major Electrical:</b>							
List: .....		0.00	0.00	0.00	0.00	0.00	
Other: .....		0.00	0.00	0.00	0.00	0.00	
<b>Structures:</b>							
Windows .....	0	0.00	0.00	0.00	0.00	0.00	C
Screens .....	0	0.00	0.00	0.00	0.00	0.00	C
Walls .....		0.00	0.00	0.00	0.00	0.00	
Roofing .....		0.00	0.00	0.00	0.00	0.00	
Siding .....		0.00	0.00	0.00	0.00	0.00	
Exterior Painting .....		0.00	0.00	0.00	0.00	0.00	
Other: .....		0.00	15,461.81	0.00	0.00	15,461.81	
<b>Paving:</b>							
Asphalt .....		0.00	0.00	0.00	0.00	0.00	
Concrete .....		0.00	0.00	0.00	0.00	0.00	
Seal & Stripe .....		0.00	0.00	0.00	0.00	0.00	
Other: .....		0.00	0.00	0.00	0.00	0.00	
<b>Landscape &amp; Grounds:</b>							
Landscaping .....		0.00	0.00	0.00	0.00	0.00	
Lawn Equipment .....		0.00	0.00	0.00	0.00	0.00	
Fencing .....		0.00	0.00	0.00	0.00	0.00	
Recreation Area .....		0.00	0.00	0.00	0.00	0.00	
Signs .....		0.00	0.00	0.00	0.00	0.00	
Other: .....		0.00	0.00	0.00	0.00	0.00	
<b>Accessibility Features:</b>							
List: .....		0.00	0.00	0.00	0.00	0.00	
Other: .....		0.00	0.00	0.00	0.00	0.00	
<b>Automation Equipment:</b>							
Site Management .....		0.00	0.00	0.00	0.00	0.00	
Common Area .....		0.00	0.00	0.00	0.00	0.00	
Other: .....		0.00	0.00	0.00	0.00	0.00	
<b>Other:</b>							
List: .....		0.00	0.00	0.00	0.00	0.00	
List: .....		0.00	0.00	0.00	0.00	0.00	
List: .....		0.00	0.00	0.00	0.00	0.00	
<b>TOTAL CAPITAL EXPENSES:</b>	<b>8</b>	<b>7,800.00</b>	<b>32,101.32</b>	<b>3,000.00</b>	<b>0.00</b>	<b>32,101.32</b>	<b>29</b>

**MT. VERNON ELDERLY APARTMENTS, L.P.**  
**(A LIMITED PARTNERSHIP)**  
**MT. VERNON, GEORGIA**

**FINANCIAL AND COMPLIANCE REPORTS**

**AS OF DECEMBER 31, 2015 AND 2014**

**MT. VERNON ELDERLY APARTMENTS, L.P.**  
**(A LIMITED PARTNERSHIP)**

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# Henderson & Godbee, LLP

Certified Public Accountants and Business Consultants

Members of American Institute of Certified Public Accountants • Georgia Society of Certified Public Accountants

Robert A. Goddard, Jr., CPA (1943-1989)  
Gerald H. Henderson, CPA  
J. Wendell Godbee, CPA  
Mark S. Rogers, CPA  
James W. Godbee, Jr., CPA  
Maureen P. Collins, CPA  
Kevin R. Hiers, CPA, CVA  
Troy D. Newham, CPA  
Amanda W. Shapard, CPA  
Scott R. Simpson, CPA

J. Philip Young, CPA  
Billie A. Baxter, CPA  
Mae A. Johnson, CPA  
Keeley T. Collins, CPA  
Kathlyn E. Hamay, CPA  
Cassie R. Baggett, CPA  
Kala M. Bennett, CPA  
Jacey B. Pittman, CPA  
M. Alison Hutchins, CPA

To the Partners  
Mt. Vernon Elderly Apartments, L.P.  
(A Limited Partnership)  
Valdosta, Georgia

Management is responsible for the accompanying financial statements of Mt. Vernon Elderly Apartments, L.P. (a Limited Partnership), USDA, RD No: 11-003-629240468, which comprise the balance sheets as of December 31, 2015 and 2014, and the related statements of income, partners' (deficit) and cash flows for the years then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

### Supplementary Information

The supplementary information contained on pages 16-28 is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information is the representation of management. The information was subject to our compilation engagement, however, we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such supplementary information.

Henderson & Godbee, LLP  
Certified Public Accountants  
Valdosta, Georgia

February 11, 2016

3488 North Valdosta Road  
Valdosta, GA 31602

Phone: (229) 245-6040 / Toll Free: (877) 245-6040

FAX: (229) 245-1669

[www.hgncpa.com](http://www.hgncpa.com) - [www.facebook.com/hendersonandgodbee](https://www.facebook.com/hendersonandgodbee)

P.O. Box 2241  
Valdosta, GA 31604-2241

**MT. VERNON ELDERLY APARTMENTS, L.P.**  
**(A LIMITED PARTNERSHIP)**  
**BALANCE SHEETS**  
**DECEMBER 31, 2015 AND 2014**

	<b>2015</b>	<b>2014</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	\$ 56,265	\$ 66,935
Accounts receivable - RD	3,260	3,430
Accounts receivable - tenants	-	452
<b>Total Current Assets</b>	<b>59,525</b>	<b>70,817</b>
<b>Restricted Deposits and Funded Reserves</b>		
Escrow-tenants' security deposits	2,826	2,843
Escrow-replacement reserve	10,902	7,300
Escrow-tax reserve	9,583	7,936
<b>Total Restricted Deposits and Funded Reserves</b>	<b>23,311</b>	<b>18,079</b>
<b>Property, Plant and Equipment</b>		
Property, plant and equipment, at cost	700,935	700,935
Accumulated depreciation	(569,793)	(547,915)
<b>Net Property, Plant and Equipment</b>	<b>131,142</b>	<b>153,020</b>
<b>Total Assets</b>	<b>\$ 213,978</b>	<b>\$ 241,916</b>

See Independent Accountant's Report and notes to the financial statements.

**MT. VERNON ELDERLY APARTMENTS, L.P.**  
**(A LIMITED PARTNERSHIP)**  
**BALANCE SHEETS**  
**DECEMBER 31, 2015 AND 2014**

	<b>2015</b>	<b>2014</b>
<b>LIABILITIES AND PARTNERS' (DEFICIT)</b>		
<b>Current Liabilities</b>		
Current maturities of long-term debt	\$ 6,133	\$ 5,621
Accounts payable	758	186
<b>Total Current Liabilities</b>	<b>6,891</b>	<b>5,807</b>
<b>Deposits and Prepayment Liabilities</b>		
Prepaid Rents	310	0
Tenants' security deposits	2,826	2,843
<b>Total Deposits and Prepayment Liabilities</b>	<b>3,136</b>	<b>2,843</b>
<b>Long-Term Liabilities</b>		
Notes payable, general partners	12,000	12,000
Mortgage payable, less current maturities	517,573	523,706
<b>Total Long-Term Liabilities</b>	<b>529,573</b>	<b>535,706</b>
<b>Total Liabilities</b>	<b>539,600</b>	<b>544,356</b>
<b>Partners' (Deficit)</b>		
Partners' (Deficit)	(325,622)	(302,440)
<b>Total Liabilities And Partners' (Deficit)</b>	<b>\$ 213,978</b>	<b>\$ 241,916</b>

See Independent Accountant's Report and notes to the financial statements.

**MT. VERNON ELDERLY APARTMENTS, L.P.**  
**(A LIMITED PARTNERSHIP)**  
**STATEMENTS OF INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
<b>Revenues</b>		
Gross potential rental income	\$ 104,868	\$ 103,608
Less: vacancy loss	<u>(13,696)</u>	<u>(6,387)</u>
Net rental income	91,172	97,221
Other income	706	432
Insurance Proceeds	<u>-</u>	<u>14,462</u>
 Total Revenues	 <u>91,878</u>	 <u>112,115</u>
<b>Expenses</b>		
Operating and maintenance	31,503	50,853
Utilities	16,240	14,618
Administrative	24,177	24,154
Taxes and insurance	<u>8,407</u>	<u>9,064</u>
 Total Operating Expenses	 <u>80,327</u>	 <u>98,689</u>
 Net Operating Income	 <u>11,551</u>	 <u>13,426</u>
<b>Non-Operating (Income) Expenses</b>		
Interest subsidy income	(34,680)	(34,680)
Interest expense	46,094	46,563
Depreciation	<u>21,879</u>	<u>21,879</u>
 Total Non-Operating Expenses	 <u>33,293</u>	 <u>33,762</u>
 Net (Loss)	 <u>\$ (21,742)</u>	 <u>\$ (20,336)</u>

See Independent Accountant's Report and notes to the financial statements.

**MT. VERNON ELDERLY APARTMENTS, L.P.**  
**(A LIMITED PARTNERSHIP)**  
**STATEMENTS OF PARTNERS' (DEFICIT)**  
**FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

	2015	2014
<b>Limited Partners' (Deficit)</b>		
Balance, January 1	\$ (285,408)	\$ (264,669)
Distributions	(525)	(525)
Net (Loss)	(21,612)	(20,214)
Balance, December 31	\$ (307,545)	\$ (285,408)
 <b>General Partner's (Deficit)</b>		
Balance, January 1	\$ (17,032)	\$ (15,995)
Distributions	(915)	(915)
Net (Loss)	(130)	(122)
Balance, December 31	\$ (18,077)	\$ (17,032)
 <b>Total Partners' (Deficit)</b>		
Balance, January 1	\$ (302,440)	\$ (280,664)
Distributions	(1,440)	(1,440)
Net (Loss)	(21,742)	(20,336)
Balance, December 31	\$ (325,622)	\$ (302,440)

See Independent Accountant's Report and notes to the financial statements.

**MT. VERNON ELDERLY APARTMENTS, L.P.**  
**(A LIMITED PARTNERSHIP)**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
<b>Cash Flows From Operating Activities</b>		
Net (Loss)	\$ (21,742)	\$ (20,336)
Adjustments To Reconcile Net (Loss) To Net Cash Provided By (Used In) Operating Activities:		
Depreciation	21,879	21,879
Changes In Operating Assets And Liabilities:		
Accounts receivable	622	(791)
Security deposits	17	95
Replacement reserve	(3,602)	11,819
Tax reserve	(1,647)	(2,794)
Accounts payable	571	(2,255)
Tenants' security deposits	(17)	(95)
Deferred revenue	310	-
Total Adjustments	<u>18,133</u>	<u>27,858</u>
Net Cash Provided By (Used In) Operating Activities	<u>(3,609)</u>	<u>7,522</u>
<b>Cash Flows From Financing Activities</b>		
Principal payments on long-term debt	(5,621)	(5,151)
Distributions	<u>(1,440)</u>	<u>(1,440)</u>
Net Cash (Used In) Financing Activities	<u>(7,061)</u>	<u>(6,591)</u>
Net Increase (Decrease) In Cash	(10,670)	931
Cash, Beginning Of Year	<u>66,935</u>	<u>66,004</u>
Cash, End Of Year	<u>\$ 56,265</u>	<u>\$ 66,935</u>

See Independent Accountant's Report and notes to the financial statements.

**MT. VERNON ELDERLY APARTMENTS, L.P.**  
**(A LIMITED PARTNERSHIP)**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

	2015	2014
<b>Supplemental Disclosures Of Cash Flow Information:</b>		
<b>Cash Paid During The Year For:</b>		
Interest expense	\$ 46,094	\$ 46,563
Less: subsidized portion	(34,680)	(34,680)
Interest paid, net of subsidy	\$ 11,414	\$ 11,883

See Independent Accountant's Report and notes to the financial statements.

**MT. VERNON ELDERLY APARTMENTS, L.P.**  
**(A LIMITED PARTNERSHIP)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

**Organization**

The partnership known as Mt. Vernon Elderly Apartments, L.P., was formed as a limited partnership under the laws of the State of Georgia on July 27, 1989, to develop, own and operate a 21-unit rental housing project for persons of low and moderate income in the community. The partnership agreement was amended and restated, effective September 28, 1990, to admit a new limited partner, Gateway Tax Credit Fund II, Ltd., (a Florida limited partnership), and retain as the general partners, David Brown, William Rea, and Rural Housing Partnerships, Inc. Effective January 1, 1999, the general partnership interests of David Brown and William Rea were converted to limited partnership interests (Class B).

The project is financed by a RRH Loan from the U. S. Department of Agriculture, Rural Development (USDA, RD), formerly the Farmer's Home Administration and Rural Housing & Community Development Service, and therefore is regulated by the USDA, RD as to rent charges and operating methods.

Effective August 13, 2010, the partnership agreement was amended to admit Gantt Housing, LLC, as the limited partner and to permit the withdrawal of Gateway Tax Credit Fund II, Ltd., (a Florida limited partnership).

**Basis of Accounting**

The financial statements of the partnership are prepared on the accrual basis of accounting, whereby revenues are recognized as earned and expenses are recognized as obligations are incurred.

**Income Taxes**

The Partnership is a pass-through entity for income tax purposes and, as such, is not subject to income taxes. Rather, all items of taxable income, deductions and tax credits are passed through to and are reported by its owners on their respective income tax returns. The Partnership's federal tax status as a pass-through entity is based on its legal status as a Partnership. Accordingly, the Partnership is not required to take any tax positions in order to qualify as a pass-through entity. The Partnership is required to file and does file tax returns with the Internal Revenue Service and other taxing authorities. Accordingly, these financial statements do not reflect a provision for income taxes and the Partnership has no other tax positions which must be considered for disclosure.

The Partnership is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

**MT. VERNON ELDERLY APARTMENTS, L.P.**  
**(A LIMITED PARTNERSHIP)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Capitalization and Depreciation**

Land, buildings and improvements are recorded at cost. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives using the straight-line method. Improvements are capitalized, while expenditures for maintenance and repairs are charged to expense as incurred. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation. The resulting gains and losses are reflected in the statement of income.

**Use of Estimates**

The presentation of financial statements, in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Tenant Receivables**

Tenant receivables are recorded at net realizable value consisting of the carrying amount less the allowance for uncollectible accounts, as needed.

The Partnership uses the allowance method to account for uncollectible tenant receivable balances. Under the allowance method, if needed, an estimate of uncollectible tenant balances is made based upon specific account balances that are considered uncollectible. Factors used to establish an allowance include the credit quality of the tenant and whether the balance is significant. Accounts are considered past due once the unpaid balance is 90 days or more outstanding, unless payment terms are extended by contract. When an account balance is past due and attempts have been made to collect the receivable through legal or other means, the amount is considered uncollectible and is written off. At December 31, 2015 and 2014, there was no allowance balance required. Tenant receivables had a balance in the amount of \$0 and \$452, at December 31, 2015 and 2014, respectively.

**Mortgage Subsidy**

Under an interest credit agreement with the USDA, RD, a mortgage subsidy is provided, thus reducing the interest rate to approximately 1% over the life of the agreement. The interest subsidy is treated as additional income with interest expense being recorded at the note rate.

**Advertising Costs**

Advertising costs are expensed as incurred. Advertising costs for the years ended December 31, 2015 and 2014 were \$248 and \$97, respectively.

MT. VERNON ELDERLY APARTMENTS, L.P.  
**(A LIMITED PARTNERSHIP)**  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

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**NOTE 2 –RESTRICTED CASH AND ESCROW ACCOUNTS**

**Replacement Reserve**

	<u>2015</u>	<u>2014</u>
Annual funding required by loan agreement	\$ 5,820	\$ 5,820
Actual funding including interest income	\$ 5,820	\$ 5,820
Insurance proceeds	-	14,462
Total funding	<u>\$ 5,820</u>	<u>\$ 20,282</u>
Withdrawals approved by Rural Development		
Operating and maintenance expenses	\$ 2,217	\$ 19,947
Withdrawals funded by insurance proceeds	-	12,154
Total withdrawals approved by Rural Development	<u>\$ 2,217</u>	<u>\$ 32,101</u>
Reserve balance at year end	\$ 10,902	\$ 7,300
Fully funded balance per loan agreement	<u>(26,067)</u>	<u>(29,670)</u>
Excess (Deficit)	<u>\$ 36,969</u>	<u>\$ 36,970</u>

**Tenant Security Deposits**

Security deposits collected from tenants are held in a separate bank account. The account's status at December 31 is:

	<u>2015</u>	<u>2014</u>
Tenant security deposits cash	\$ 2,826	\$ 2,843
Tenant security deposits payable	<u>2,826</u>	<u>2,843</u>
Excess (Deficit)	<u>\$ -</u>	<u>\$ -</u>

**MT. VERNON ELDERLY APARTMENTS, L.P.**  
**(A LIMITED PARTNERSHIP)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 2 – RESTRICTED CASH AND ESCROW ACCOUNTS (CONTINUED)**

**Real Estate Tax and Insurance Escrow**

USDA, RD regulations require the Partnership to make monthly appropriations of cash to a tax reserve account to insure that adequate cash is available when taxes are due. The account's status at December 31 is:

	<u>2015</u>	<u>2014</u>
Real estate tax and insurance escrow	\$ 9,583	\$ 7,936
Accrued or unpaid taxes and insurance	-	-
Excess	<u>\$ 9,583</u>	<u>\$ 7,936</u>

**NOTE 3 - PROPERTY, PLANT AND EQUIPMENT**

A summary of the property, plant and equipment is as follows at December 31:

	<u>Depreciable Life</u>	<u>2015</u>	<u>2014</u>
Land		\$ 21,750	\$ 21,750
Buildings	30 Years	656,358	656,358
Equipment	10 Years	<u>22,827</u>	<u>22,827</u>
Total		700,935	700,935
Less: Accumulated depreciation		<u>(569,793)</u>	<u>(547,915)</u>
Net Property, Plant and Equipment		<u>\$ 131,142</u>	<u>\$ 153,020</u>

Property, plant and equipment is pledged as collateral on long-term debt. Depreciation expense aggregated \$21,879 and \$21,879 for the years ended December 31, 2015 and 2014.

**MT. VERNON ELDERLY APARTMENTS, L.P.**  
**(A LIMITED PARTNERSHIP)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

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**NOTE 4 - ACCOUNTS PAYABLE**

The following is a list of accounts payable at December 31:

	<u>2015</u>	<u>2014</u>
Utilities	\$ 138	\$ -
Office supplies	68	-
Repairs & maintenance	552	138
Training expenses	-	38
Group health insurance	-	6
Postage & shipping	-	4
	<u>\$ 758</u>	<u>\$ 186</u>

**NOTE 5 - LONG-TERM INDEBTEDNESS**

Long-term indebtedness consists of the following at December 31:

	<u>2015</u>	<u>2014</u>
USDA, RD, made December 20, 1990, 8.75%, due in 599 monthly installments, secured by land, buildings and equipment with an original cost of \$699,108.	\$ 523,706	\$ 529,327
Less current maturities	<u>(6,133)</u>	<u>(5,621)</u>
Long-term portion	<u>\$ 517,573</u>	<u>\$ 523,706</u>

Management has determined it is not practicable to determine the fair value of the mortgage debt because of the unique terms of the note. It would not be possible to obtain replacement financing under similar terms.

**MT. VERNON ELDERLY APARTMENTS, L.P.**  
**(A LIMITED PARTNERSHIP)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

---

**NOTE 5 - LONG-TERM INDEBTEDNESS (CONTINUED)**

Maturities of long-term debt as of December 31, 2015, for the succeeding five years are as follows:

<u>Year</u>		
2016	\$	6,133
2017		6,691
2018		7,301
2019		7,966
2020		8,692

Mt. Vernon Elderly Apartments, L.P. incurred interest costs of \$46,094 and \$46,563 for the years ended December 31, 2015 and 2014, respectively, all of which was properly charged to expense.

**NOTE 6 – RENTAL ASSISTANCE PAYMENTS**

USDA, RD has contracted with the Partnership pursuant to Section 521(a)(2)(A) of Title V of the Housing Act of 1949 to make housing assistance payments to the Partnership on behalf of qualified tenants. Payments under the contract period ended December 31, are as follows:

	<u>2015</u>	<u>2014</u>
Rental assistance payments	<u>\$ 53,023</u>	<u>\$ 57,533</u>

**NOTE 7 - TAXABLE INCOME (LOSS)**

The financial statements of the Partnership and the Partnership tax returns are prepared on the accrual basis. The following is a reconciliation between net income (loss) as reported and Partnership income (loss) for tax purposes:

	<u>2015</u>	<u>2014</u>
Net (Loss) per financial statement	\$ (21,742)	\$ (20,336)
Book depreciation in excess of tax depreciation	<u>4,098</u>	<u>4,098</u>
Partnership (Loss) per tax return	<u>\$ (17,644)</u>	<u>\$ (16,238)</u>

**MT. VERNON ELDERLY APARTMENTS, L.P.**  
**(A LIMITED PARTNERSHIP)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

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**NOTE 8 - RELATED PARTY TRANSACTIONS**

The following is a list of related parties and the nature of the relationship to the Partnership and a description of the transactions between the related parties:

**Investors Management Company, Inc.**

Investors Management Company, Inc., an affiliate of the general partner, is the property manager of Mt. Vernon Elderly Apartments, L.P. The partnership paid Investors Management Company, Inc. management fees of \$10,228 and \$10,769 for the years ended December 31, 2015 and 2014, respectively.

**Partners**

The general partners advanced \$12,000, as required by USDA, RD, to the partnership to be used solely for the purpose of funding operating deficits during the early years of operations of the project. These funds will be returned to the partner only with USDA, RD approval.

**Rural Housing Reinsurance Company International Ltd. (CJ Thomas Company, Inc.)**

An affiliate of the general partner is also an owner of CJ Thomas Company, Inc., which provides property insurance to Crawford Rental Housing, L.P. The partnership paid CJ Thomas Company, Inc. insurance fees of \$4,010 and \$3,963 for the years ended December 31, 2015 and 2014, respectively.

**NOTE 9 - PARTNERSHIP PROFITS, LOSSES AND DISTRIBUTIONS**

Profits or losses from operations are allocated 99.4% to the Limited Partner and .6% to the General Partner. Tax credits are to be allocated 99.4% to the Limited Partner and .6% to the General Partner. Profit or loss from sales of property and cash distributions will be allocated as formulated in the Partnership Agreement. Annual distributions to the partners are limited by government regulation to \$1,440, which is 8% of the borrowers' initial capital investment required by USDA, RD.

**NOTE 10 - CONCENTRATION OF CREDIT RISK – CASH IN BANKS**

Mt. Vernon Elderly Apartments, L.P. maintains its cash accounts at one bank in Valdosta, Georgia. Accounts at each bank are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. A summary of the total insured and uninsured cash balances at December 31, consists of the following:

	<u>2015</u>	<u>2014</u>
Total cash in all banks	\$ 79,476	\$ 84,914
Portion insured by FDIC	<u>79,476</u>	<u>84,914</u>
Uninsured cash balances	<u>\$ -</u>	<u>\$ -</u>

**MT. VERNON ELDERLY APARTMENTS, L.P.**  
**(A LIMITED PARTNERSHIP)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

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**NOTE 11 - COMMITMENTS AND CONTINGENCIES**

USDA, RD may terminate the interest subsidy agreement if it determines that no subsidy is necessary or if the Partnership is determined to be in violation of USDA, RD rules or regulations.

**NOTE 12 - IMPAIRMENT OF LONG-LIVED ASSETS**

FASB ASC 360-10 (formerly FASB Statement No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets*), requires long-lived assets and certain identifiable intangibles to be held and used by an entity be reviewed for impairment whenever events of changes in circumstances indicate that the carrying amount of an asset may not be recoverable through the estimated undiscounted future cash flows from the use of these assets. Through December 31, 2015, no impairment loss recognition has been required.

**NOTE 13 - CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS**

The Partnership's sole asset is Pecan Pointe Apartments. The Partnership's operations are concentrated in the affordable housing real estate market. In addition, the Partnership operates in a heavily regulated environment. The operations of the Partnership are subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies, including, but not limited to, RD and state agencies. Such administrative directives, rules and regulations are subject to change by an act of Congress or an administrative change mandated by RD or state agencies. Such changes may occur with little notice or inadequate funding to pay for the related cost, including additional administrative burden, to comply with a change.

**NOTE 14 - SUBSEQUENT EVENTS**

Subsequent events were evaluated through February 11, 2016, which is the date the financial statements were available to be issued.



# Henderson & Godbee, LLP

Certified Public Accountants and Business Consultants

Members of American Institute of Certified Public Accountants • Georgia Society of Certified Public Accountants

Robert A. Goddard, Jr., CPA (1943-1989)  
Gerald H. Henderson, CPA  
J. Wendell Godbee, CPA  
Mark S. Rogers, CPA  
James W. Godbee, Jr., CPA  
Maureen P. Collins, CPA  
Kevin R. Hiers, CPA, CVA  
Troy D. Newham, CPA  
Amanda W. Shapard, CPA  
Scott R. Simpson, CPA

J. Philip Young, CPA  
Billie A. Baxter, CPA  
Mae A. Johnson, CPA  
Keeley T. Collins, CPA  
Kaitlyn E. Hannay, CPA  
Cassie R. Baggett, CPA  
Kala M. Bennett, CPA  
Jacey B. Pittman, CPA  
M. Allison Hutchins, CPA

## Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Partners of  
Mt. Vernon Elderly Apartments, L.P.  
Valdosta, Georgia

And

United States Department of Agriculture  
Rural Development  
151 Langston Chapel Road, Suite 500  
Statesboro, GA 30458

We have performed the procedures enumerated below, which were agreed to by the United States Department of Agriculture Rural Development ("RD") and Mt. Vernon Elderly Apartments, L.P. ("Owner") the owner of Pecan Pointe Apartments ("Project") located in Mt. Vernon, Georgia, solely to assist those parties in evaluating that the accompanying Form RD 3560-10, Multiple Family Housing Borrower Balance Sheet, Form RD 3560-7, Multiple Family Housing Project Budget ("Financial Reports") and Supporting Documentation are prepared in accordance with the criteria specified in RD Regulations contained in 7 CFR 3560 Section 303(b) and section 306, in accordance with the determinations noted in Attachment 4-D of RD Handbook HB-2-3560, for the year ended December 31, 2015. The owner is responsible for the presentation of the financial reports. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. The sufficiency of these procedures is solely the responsibility of RD and the owner. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. We examined selected receipts, invoices, and cancelled checks (or checks imaging on original bank statement) that support administrative; and operating and maintenance expenses presented on Form RD 3560-7, Part II, line items 1-10 and 19-32 to determine they were incurred as part of the supporting documentation, based on the sample size determined by RD in Attached 4-D of RD Handbook HB-2-3560, for expenses included in Lines 1-10 and 19-32 of Form RD 3560-7 and determined that the services were eligible expenses, in accordance with Attachment 4-A of HB-2-3560, and the shipping address agreed to the project address. In

addition, we confirmed a sample of the expenditures with the vendors to determine the invoice paid agreed to the vendor's records.

**Findings:**

Total Number of Invoices in Population: Approximately 200  
Total Dollar Amount of Invoices in Population: \$70,099.  
Total Number of Invoices Reviewed: 10  
Total Dollar Amount of Invoices Reviewed: \$1,269  
Total Number of Invoices in Vendor Confirmation Sample: 1  
Total Dollar Amount of Invoices in Vendor Confirmation Sample: \$325  
Total Number of Vendor Confirmations Not Received: 0  
Total Dollar Amount of Vendor Confirmations Not Received: \$0  
Total Number of Deviations: 0  
Total Dollar Amount of Deviations: \$0

2. We confirmed the balance in the replacement reserve account presented on Form RD 3560-7, Part III, and confirmed that no amounts were encumbered by the financial institution that holds the accounts. We determined that all balances are within the FDIC insurance limits. We determined number of reserve account withdrawals from the original bank statements and compared the withdrawals to the amounts approved by RD on Form RD 3560-12. We compared the invoices and cancelled checks (or check imaging on original bank statement) to the approved withdrawals from RD.

**Findings:**

Total Number of Reserve Account Withdrawals: 2  
Total Number of Withdrawals Authorized by RD: 2  
Total Dollar Amount of Reserve Account Withdrawals: \$2,217  
Total Dollar Amount of Withdrawals Authorized by RD: \$2,217  
Total Number of Deviations: 0  
Total Dollar Amount of Deviations: \$0

The confirmation received from the financial institution agreed to the project's bank reconciliation and no encumbrances were noted on the confirmation. All withdrawals were paid to the vendors approved by RD of Form RD 3560-12.

3. We obtained the Identity of Interest (IOI) company listing and Form RD 3560-31 from RD and determined that the services provided and approved fees, if applicable, agree to the actual service and fees charged to the project. We examined a sample of invoices and determined that the services and charges are in accordance with the disclosures contained in Form RD 3560-31 as agreed to by RD.

**Findings:**

Total Number of Forms RD 3560-31 Received: 2

Company Name 1: Investor's Management Company, Inc.  
Total Dollar Amount for the Year: \$10,228

Total Number of Invoices in Population: 12  
Total Dollar Amount of Invoices in Population: \$10,228  
Total Number of Invoices Reviewed: 12  
Total Dollar Amount of Invoices Reviewed: \$10,228

Company Name 2: Rural Housing Reinsurance Company International, Ltd. (C.J. Thomas Company, Inc.)

Total Dollar Amount for the Year: \$4,010  
Total Number of Invoices in Population: 1  
Total Dollar Amount of Invoices in Population: \$4,010  
Total Number of Invoices Reviewed: 1  
Total Dollar Amount of Invoices Reviewed: \$4,010

The agreed-upon procedures performed above and the Management Representation Letter revealed no undisclosed IOI companies.

We are not engaged to, and did not, conduct an audit of the subject matter, the objective of which would be the expression of an opinion on the agreed-upon procedures, applied to the financial reports and supporting documentation of Mt. Vernon Elderly Apartments, L.P. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the owner and management agent of Mt. Vernon Elderly Apartments, L.P., and Rural Development, and is not intended to be and should not be used by anyone other than these specified parties.

  
Henderson & Godbee, LLP  
Certified Public Accountants  
Valdosta, Georgia

February 11, 2016

Position 3  
**MULTI-FAMILY HOUSING  
BORROWER BALANCE SHEET**  
PART I - BALANCE SHEET

PROJECT NAME	BORROWER NAME	BORROWER ID AND PROJECT NO.	
Pecan Pointe Apartments	Mt. Vernon Elderly	11-003-629240468	
	<b>CURRENT YEAR</b>	<b>PRIOR YEAR</b>	<b>COMMENTS</b>
BEGINNING DATES>	01-01-15	01-01-14	
ENDING DATES>	12-31-15	12-31-14	
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
1. GENERAL OPERATING ACCOUNT.....	56,265	66,935	
2. R.E. TAX & INSURANCE ACCOUNT.....	9,583	7,936	
3. RESERVE ACCOUNT.....	10,902	7,300	
4. SECURITY DEPOSIT ACCOUNT.....	2,826	2,843	
5. OTHER CASH (Identify) .....			
6. OTHER (Identify) .....			
7. TOTAL ACCOUNTS RECEIVABLE (Attach list) .....	3,260	3,882	
ACCTS RCVBL 0-30 DAYS \$			
ACCTS RCVBL 30-60 DAYS \$			
ACCTS RCVBL 60-90 DAYS \$			
ACCTS RCVBL OVER 90 DAYS \$			
8. LESS: ALLOWANCE FOR DOUBTFUL ACCOUNTS...			
9. INVENTORIES (supplies) .....			
10. PREPAYMENTS.....	-	-	
11.			
12. TOTAL CURRENT ASSETS (Add 1 thru 11)	82,836	88,896	
<b>FIXED ASSETS</b>			
13. LAND.....	21,750	21,750	
14. BUILDINGS.....	656,358	656,358	
15. LESS: ACCUMULATED DEPRECIATION.....	(546,966)	(525,088)	
16. FURNITURE & EQUIPMENT.....	22,827	22,827	
17. LESS: ACCUMULATED DEPRECIATION.....	(22,827)	(22,827)	
18.			
19. TOTAL FIXED ASSETS (Add 13 thru 18) .....	131,142	153,020	
<b>OTHER ASSETS</b>			
20. LOAN COSTS (NET)		-	
21. TOTAL ASSETS (Add 12, 19, and 20) .....	213,978	241,916	
<b>LIABILITIES AND OWNERS EQUITY</b>			
<b>CURRENT LIABILITIES</b>			
22. TOTAL ACCOUNTS PAYABLE (Attach list) .....	758	186	
ACCTS PAYABLE 0-30 DAYS \$			
ACCTS PAYABLE 30-60 DAYS \$			
ACCTS PAYABLE 60-90 DAYS \$			
ACCTS PAYABLE OVER 90 DAYS \$			
23. NOTES PAYABLE (Attach list) ...Deferred Revenue	310	-	
24. SECURITY DEPOSITS.....	2,826	2,843	
25. TOTAL CURRENT LIABILITIES (Add 22 thru 24) ...	3,894	3,029	

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0189. The time required to complete this information collection is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

See Independent Accountant's Report and notes to the financial statements.

**LONG-TERM LIABILITIES**

26. NOTES PAYABLE RURAL DEVELOPMENT	523,706	529,327	
27. OTHER (Identify) N/P General Partners	12,000	12,000	
28. TOTAL LONG-TERM LIABILITIES (Add 26 and 27)	535,706	541,327	
29. TOTAL LIABILITIES (Add 25 and 28) .....	539,600	544,356	
30. OWNER'S EQUITY (Net Worth) (21 minus 29) .....	(325,622)	(302,440)	
31 TOTAL LIABILITIES AND OWNER'S EQUITY (Add 29 and 30)	213,978	241,916	

Warning: Section 1001 of Title 18, United States Code provides: "Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, 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 THE FOREGOING INFORMATION IS COMPLETE AND ACCURATE TO THE BEST OF MY KNOWLEDGE.

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

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

**PART II-THIRD PARTY VERIFICATION OF REVIEW**

I/We have reviewed the borrower's records. The accompanying balance sheet, and statement of actual budget and income on Form RD 3560-7, is a fair presentation of the borrower's records.

I/We certify that no identity of interest exists between me/us and my individual or organization doing business with the project or borrower.

\_\_\_\_\_  
*(Signature)* \_\_\_\_\_  
*(Date)*

\_\_\_\_\_  
*(Name and Title)*

\_\_\_\_\_  
*(Address)*

In lieu of the above verification and signature, a review completed, dated and signed by a person or firm qualified by license or certification is attached.

See Independent Accountant's Report and notes to the financial statements.

**MT. VERNON ELDERLY APARTMENTS, L.P.**  
**ATTACHMENT TO FORM RD 3560-10**  
**DECEMBER 31, 2015 AND 2014**

	2015	2014
<b><u>Page 19, Line 7 - Accounts Receivable</u></b>		
Due from Rural Development	\$ 3,260	\$ 3,430
Due from tenants	-	452
Due from Rural Development	\$ 3,260	\$ 3,882
<b><u>Page 19, Line 22 - Accounts Payable</u></b>		
Utilities	\$ 138	\$ -
Office supplies	68	-
Repairs and maintenance	552	138
Training expenses	-	38
Group health insurance	-	6
Postage & shipping	-	4
	\$ 758	\$ 186

See Independent Accountant's Report and notes to the financial statements

**MULTIPLE FAMILY HOUSING PROJECT BUDGET/  
UTILITY ALLOWANCE**

PROJECT NAME Pecan Pointe Apartments		BORROWER NAME Mt. Vernon Elderly, L.p.		BORROWER ID AND PROJECT NO. 629240468 014	
Loan/Transfer Amount \$ 582,000.00		Note Rate Payment \$ 4,309.58		IC Payment \$ 1,237.60	
Reporting Period <input checked="" type="checkbox"/> Annual <input type="checkbox"/> Quarterly <input type="checkbox"/> Monthly	Budget Type <input type="checkbox"/> Initial <input checked="" type="checkbox"/> Regular Report <input type="checkbox"/> Rent Change <input type="checkbox"/> SNR <input type="checkbox"/> Other Servicing	Project Rental Type <input type="checkbox"/> Family <input checked="" type="checkbox"/> Elderly <input type="checkbox"/> Congregate <input type="checkbox"/> Group Home <input type="checkbox"/> Mixed <input type="checkbox"/> LH	Profit Type <input type="checkbox"/> Full Profit <input checked="" type="checkbox"/> Limited Profit <input type="checkbox"/> Non-Profit	The following utilities are metered: <input type="checkbox"/> Electricity <input type="checkbox"/> Gas <input checked="" type="checkbox"/> Water <input checked="" type="checkbox"/> Sewer <input checked="" type="checkbox"/> Trash <input type="checkbox"/> Other _____	
				I hereby request 1 units of RA. Current number of RA units 19. Borrower Accounting Method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual	

**PART I—CASH FLOW STATEMENT**

	BEGINNING DATES ENDING DATES	CURRENT BUDGET (01 - 01 - 15 ) (12 - 31 - 15 )	ACTUAL (01 - 01 - 15 ) (12 - 31 - 15 )	PROPOSED BUDGET (01 - 01 - 16 ) (12 - 31 - 16 )	COMMENTS or (YTD) (01 - 01 - 15 ) (12 - 31 - 15 )
<b>OPERATIONAL CASH SOURCES</b>					
1. RENTAL INCOME .....		102,664.00	38,148.00	103,944.00	21 REV PROD
2. RHS RENTAL ASSISTANCE RECEIVED .....			53,023.00		
3. APPLICATION FEES RECEIVED .....			60.00		
4. LAUNDRY AND VENDING .....		0.00	0.00	0.00	
5. INTEREST INCOME .....		0.00	0.00	0.00	
6. TENANT CHARGES .....		800.00	646.39	1,250.00	
7. OTHER - PROJECT SOURCES .....		0.00	0.00	0.00	
8. LESS (Vacancy and Contingency Allowance) .....		( 6,161.00)		( 6,237.00)	6%
9. LESS (Agency Approved Incentive Allowance) .....		( 0.00)		( 0.00)	
10. SUB-TOTAL [(1 thru 7) - (8 & 9)] .....		87,323.00	81,878.39	88,957.00	
<b>NON-OPERATIONAL CASH SOURCES</b>					
11. CASH - NON PROJECT .....		0.00	0.00	0.00	
12. AUTHORIZED LOAN (Non-RHS) .....		0.00	0.00	0.00	
13. TRANSFER FROM RESERVE .....		6,800.00	2,217.43	7,500.00	
14. SUB-TOTAL (11 thru 13) .....		6,800.00	2,217.43	7,500.00	
15. TOTAL CASH SOURCES (10+14) .....		104,123.00	84,095.82	106,457.00	
<b>OPERATIONAL CASH USES</b>					
16. TOTAL O&M EXPENSES (From Part II) .....		75,211.00	78,109.72	76,842.00	
17. RHS DEBT PAYMENT .....		14,851.00	14,851.20	14,851.00	
18. RHS PAYMENT (Overage) .....			2,184.00		
19. RHS PAYMENT (Late Fee) .....			0.00		
20. REDUCTION IN PRIOR YEAR PAYABLES .....			0.00		
21. TENANT UTILITY PAYMENTS .....			0.00		
22. TRANSFER TO RESERVE .....		5,820.00	5,820.00	5,820.00	
23. RETURN TO OWNER NP ASSET MANAGEMENT FEE .		1,440.00	1,440.00	1,440.00	2014 RTO paid
24. SUB-TOTAL (16 thru 23) .....		97,322.00	102,404.92	98,953.00	
<b>NON-OPERATIONAL CASH USES</b>					
25. AUTHORIZED DEBT PAYMENT (Non-RHS) .....		0.00	0.00	0.00	
26. ANNUAL CAPITAL BUDGET (From Part III, Lines 4-6)		6,800.00	2,217.43	7,500.00	
27. MISCELLANEOUS .....		0.00	1.26	0.00	Rounding
28. SUB-TOTAL (25 thru 27) .....		6,800.00	2,218.69	7,500.00	
29. TOTAL CASH USES (24+28) .....		104,122.00	104,623.61	106,453.00	
30. NET CASH (DEFICIT) (15-29) .....		1.00	-10,527.79	4.00	
<b>CASH BALANCE</b>					
31. BEGINNING CASH BALANCE .....		41,370.20	74,871.22	41,371.20	
32. ACCRUAL TO CASH ADJUSTMENT .....			1,504.24		Adjust to accrual
33. ENDING CASH BALANCE (30+31+32) .....		41,371.20	65,847.67	41,375.20	

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0189. The time required to complete this information collection is estimated to average 2 1/2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

The accompanying notes are an integral part of these financial statements.

**PART II—OPERATING AND MAINTENANCE EXPENSE SCHEDULE**

	CURRENT BUDGET	ACTUAL	PROPOSED BUDGET	COMMENTS or (YTD)
1. MAINTENANCE AND REPAIRS PAYROLL .....	7,100.00	6,008.60	7,100.00	Maintenance or
2. MAINTENANCE AND REPAIRS SUPPLY .....	3,700.00	15,435.79	5,000.00	
3. MAINTENANCE AND REPAIRS CONTRACT .....	0.00	0.00	0.00	
4. PAINTING .....	2,000.00	488.48	2,000.00	
5. SNOW REMOVAL .....	0.00	0.00	0.00	
6. ELEVATOR MAINTENANCE/CONTRACT .....	0.00	0.00	0.00	
7. GROUNDS .....	5,480.00	5,626.13	5,480.00	416/M + 500
8. SERVICES .....	2,133.00	1,814.00	2,133.00	53MPestContr
9. ANNUAL CAPITAL BUDGET (From Part V - Operating)	1,200.00	0.00	0.00	
10. OTHER OPERATING EXPENSES (Itemize) .....	100.00	114.74	100.00	UA calc fee
11. SUB-TOTAL MAINT. & OPERATING (1 thru 10) .....	21,713.00	29,285.72	21,813.00	
12. ELECTRICITY <input type="checkbox"/> If master metered .....	2,000.00	2,553.37	2,150.00	
13. WATER <input type="checkbox"/> check box on .....	5,000.00	5,093.25	5,100.00	
14. SEWER <input type="checkbox"/> front .....	6,500.00	6,605.25	6,600.00	
15. FUEL (Oil/Coal/Gas) .....	0.00	0.00	0.00	
16. GARBAGE & TRASH REMOVAL .....	1,800.00	1,704.00	1,800.00	
17. OTHER UTILITIES .....	300.00	285.00	300.00	Other
18. SUB-TOTAL UTILITIES (12 thru 17) .....	15,600.00	16,240.87	15,950.00	
19. SITE MANAGEMENT PAYROLL .....	7,260.00	8,595.84	8,976.00	598M (3% inc)
20. MANAGEMENT FEE .....	11,592.00	10,228.00	11,844.00	\$47x21Ux12M
21. PROJECT AUDITING EXPENSE .....	2,500.00	1,665.00	2,000.00	
22. PROJECT BOOKKEEPING/ACCOUNTING .....	0.00	0.00	0.00	
23. LEGAL EXPENSES .....	200.00	-207.33	200.00	
24. ADVERTISING .....	200.00	248.39	150.00	
25. TELEPHONE & ANSWERING SERVICE .....	0.00	0.00	0.00	
26. OFFICE SUPPLIES .....	900.00	284.30	900.00	
27. OFFICE FURNITURE & EQUIPMENT .....	480.00	497.61	507.00	26.23/MCompS
28. TRAINING EXPENSE .....	491.00	631.07	341.00	
29. HEALTH INS. & OTHER EMP. BENEFITS .....	340.00	73.47	300.00	
30. PAYROLL TAXES .....	1,400.00	1,212.60	1,400.00	
31. WORKER'S COMPENSATION .....	400.00	389.55	400.00	
32. OTHER ADMINISTRATIVE EXPENSES (Itemize) .....	300.00	577.81	300.00	Prop tax consu
33. SUB-TOTAL ADMINISTRATIVE (19 thru 32) .....	26,063.00	24,175.91	27,318.00	
34. REAL ESTATE TAXES .....	7,200.00	4,326.75	7,000.00	
35. SPECIAL ASSESSMENTS .....	0.00	0.00	0.00	
36. OTHER TAXES, LICENSES & PERMITS .....	100.00	70.47	100.00	reg fee
37. PROPERTY & LIABILITY INSURANCE .....	4,410.00	4,010.00	4,536.00	216U (3% inc)
38. FIDELITY COVERAGE INSURANCE .....	0.00	0.00	0.00	
39. OTHER INSURANCE .....	125.00	0.00	125.00	EPL
40. SUB-TOTAL TAXES & INSURANCE (34 thru 39) .....	11,835.00	8,407.22	11,761.00	
41. TOTAL O&M EXPENSES (11+18+33+40) .....	75,211.00	78,109.72	76,842.00	

**PART III—ACCOUNT BUDGETING/STATUS**

	CURRENT BUDGET	ACTUAL	PROPOSED BUDGET	COMMENTS or (YTD)
<b>RESERVE ACCOUNT:</b>				
1. BEGINNING BALANCE .....	4,508.33	7,299.90	3,528.33	
2. TRANSFER TO RESERVE .....	5,820.00	5,820.00	5,820.00	\$485M
TRANSFER FROM RESERVE.....				
3. OPERATING DEFICIT .....	0.00	0.00	0.00	
4. ANNUAL CAPITAL BUDGET ( <i>Part V - Reserve</i> ) .....	8,800.00	2,217.43	7,500.00	
5. BUILDING & EQUIPMENT REPAIR .....	0.00	0.00	0.00	
6. OTHER NON-OPERATING EXPENSES .....	0.00	0.00	0.00	
7. TOTAL (3 thru 6) .....	( 8,800.00)	( 2,217.43)	( 7,500.00)	
8. ENDING BALANCE [(1+2)-7] .....	3,528.33	10,902.47	1,848.33	

**GENERAL OPERATING ACCOUNT:\***

BEGINNING BALANCE .....	66,935.49	
ENDING BALANCE .....	66,264.69	

**REAL ESTATE TAX AND INSURANCE ESCROW ACCOUNT:\***

BEGINNING BALANCE .....	7,935.73	
ENDING BALANCE .....	9,582.98	

**TENANT SECURITY DEPOSIT ACCOUNT:\***

BEGINNING BALANCE .....	2,843.00	
ENDING BALANCE .....	2,826.00	

(\*Complete upon submission of actual expenses.)

NUMBER OF APPLICANTS ON THE WAITING LIST	0	RESERVE ACCT. REQ. BALANCE.....	0.00
NUMBER OF APPLICANTS NEEDING RA.....	0	AMOUNT AHEAD/BEHIND .....	0.00

**PART IV—RENT SCHEDULE AND UTILITY ALLOWANCE**

**A. CURRENT APPROVED RENTS/UTILITY ALLOWANCE**

UNIT DESCRIPTION			RENTAL RATES			POTENTIAL INCOME FROM EACH RATE			UTILITY ALLOWANCE
BR SIZE	UNIT TYPE	NUMBER	BASIC	NOTE RATE	HUD	BASIC	NOTE RATE	HUD	
1	N	20	407.00	589.00	0.00	97,680.00	141,360.00	0.00	88.00
2	N	1	417.00	589.00	0.00	5,004.00	7,188.00	0.00	101.00
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CURRENT RENT TOTALS:						102,684.00	148,548.00	0.00	
						BASIC	NOTE	HUD	

**B. PROPOSED RENTS - Effective Date: 12 / 31 / 15**

UNIT DESCRIPTION			RENTAL RATES			POTENTIAL INCOME FROM EACH RATE		
BR SIZE	UNIT TYPE	NUMBER	BASIC	NOTE RATE	HUD	BASIC	NOTE RATE	HUD
1	N	20	412.00	594.00	0.00	98,880.00	142,560.00	0.00
2	N	1	422.00	604.00	0.00	5,064.00	7,248.00	0.00
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00
PROPOSED RENT TOTALS:						103,944.00	149,808.00	0.00
						BASIC	NOTE	HUD

**C. PROPOSED UTILITY ALLOWANCE - Effective Date: 12 / 31 / 15**

MONTHLY DOLLAR ALLOWANCES									
BR SIZE	UNIT TYPE	NUMBER	ELECTRIC	GAS	WATER	SEWER	TRASH	OTHER	TOTAL
1	N	20	88.00	0.00	0.00	0.00	0.00	0.00	88.00
2	N	1	101.00	0.00	0.00	0.00	0.00	0.00	101.00
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00

**PART V - ANNUAL CAPITAL BUDGET**

	Proposed Number of Units/Items	Proposed from Reserve	Actual from Reserve	Proposed from Operating	Actual from Operating	Actual Total Cost	Total Actual Units/Items
<b>Appliances:</b>							
Range .....	2	800.00	0.00	0.00	0.00	0.00	0
Refrigerator .....	2	1,100.00	0.00	0.00	0.00	0.00	0
Range Hood .....	0	0.00	0.00	0.00	0.00	0.00	0
Washers & Dryers .....	0	0.00	0.00	0.00	0.00	0.00	0
Other: .....	0	0.00	0.00	0.00	0.00	0.00	0
<b>Carpet &amp; Vinyl:</b>							
1BR .....	1	2,500.00	1,772.27	0.00	0.00	1,772.27	1
2BR .....	0	0.00	0.00	0.00	0.00	0.00	0
3BR .....	0	0.00	0.00	0.00	0.00	0.00	0
4BR .....	0	0.00	0.00	0.00	0.00	0.00	0
Other: .....	0	0.00	0.00	0.00	0.00	0.00	0
<b>Cabinets:</b>							
Kitchens .....	0	0.00	0.00	0.00	0.00	0.00	0
Bathrooms .....	0	0.00	0.00	0.00	0.00	0.00	0
Other: .....	0	0.00	0.00	0.00	0.00	0.00	0
<b>Doors:</b>							
Exterior .....	0	0.00	0.00	0.00	0.00	0.00	0
Interior .....	0	0.00	0.00	0.00	0.00	0.00	0
Other: .....	0	0.00	0.00	0.00	0.00	0.00	0
<b>Window Coverings:</b>							
List: .....	0	0.00	0.00	0.00	0.00	0.00	0
Other: .....	0	0.00	0.00	0.00	0.00	0.00	0
<b>Heating &amp; Air Conditioning:</b>							
Heating .....	0	0.00	0.00	0.00	0.00	0.00	0
Air Conditioning .....	1	3,000.00	445.18	0.00	0.00	445.18	1
Other: .....	0	0.00	0.00	0.00	0.00	0.00	0
<b>Plumbing:</b>							
Water Heater .....	0	0.00	0.00	0.00	0.00	0.00	0
Bath Sinks .....	0	0.00	0.00	0.00	0.00	0.00	0
Kitchen Sinks .....	0	0.00	0.00	0.00	0.00	0.00	0
Faucets .....	0	0.00	0.00	0.00	0.00	0.00	0
Toilets .....	0	0.00	0.00	0.00	0.00	0.00	0
Other: .....	0	0.00	0.00	0.00	0.00	0.00	0
<b>Major Electrical:</b>							
List: .....		0.00	0.00	0.00	0.00	0.00	
Other: .....		0.00	0.00	0.00	0.00	0.00	
<b>Structures:</b>							
Windows .....	0	0.00	0.00	0.00	0.00	0.00	0
Screens .....	0	0.00	0.00	0.00	0.00	0.00	0
Walls .....		0.00	0.00	0.00	0.00	0.00	
Roofing .....		0.00	0.00	0.00	0.00	0.00	
Siding .....		0.00	0.00	0.00	0.00	0.00	
Exterior Painting .....		0.00	0.00	0.00	0.00	0.00	
Other: .....		0.00	0.00	0.00	0.00	0.00	
<b>Paving:</b>							
Asphalt .....		0.00	0.00	0.00	0.00	0.00	
Concrete .....		0.00	0.00	0.00	0.00	0.00	
Seal & Stripe .....		0.00	0.00	0.00	0.00	0.00	
Other: .....		0.00	0.00	0.00	0.00	0.00	
<b>Landscape &amp; Grounds:</b>							
Landscaping .....		0.00	0.00	0.00	0.00	0.00	
Lawn Equipment .....		0.00	0.00	0.00	0.00	0.00	
Fencing .....		0.00	0.00	0.00	0.00	0.00	
Recreation Area .....		0.00	0.00	0.00	0.00	0.00	
Signs .....		0.00	0.00	0.00	0.00	0.00	
Other: .....		0.00	0.00	0.00	0.00	0.00	
<b>Accessibility Features:</b>							
List: .....		0.00	0.00	0.00	0.00	0.00	
Other: .....		0.00	0.00	0.00	0.00	0.00	
<b>Automation Equipment:</b>							
Site Management .....		0.00	0.00	0.00	0.00	0.00	
Common Area .....		0.00	0.00	0.00	0.00	0.00	
Other: .....		0.00	0.00	0.00	0.00	0.00	
<b>Other:</b>							
List: .....		0.00	0.00	0.00	0.00	0.00	
List: .....		0.00	0.00	0.00	0.00	0.00	
List: .....		0.00	0.00	0.00	0.00	0.00	
<b>TOTAL CAPITAL EXPENSES:</b>	<b>6</b>	<b>7,500.00</b>	<b>2,217.43</b>	<b>0.00</b>	<b>0.00</b>	<b>2,217.43</b>	<b>2</b>

**PART VI -- SIGNATURES, DATES AND COMMENTS**

**Warning:** Section 1001 of Title 18, United States Code provides: "Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, 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.

\_\_\_\_\_  
(DATE)

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

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

AGENCY APPROVAL *(Rural Development Approval Official):*

DATE:

**COMMENTS:**

Page 1

Line 13. Transfers from the 1% reserve account were much less than budgeted because less flooring replacement and A/C replacements were needed than budgeted.

Line 23. The RTO paid in 2015 was the 2014 RTO.

Page 2

Line 11. Actual Maintenance and Operating Expenses were 35% over budget. 2 sewage pumps and a heat pump totaling \$9247 were paid for from the Operating Account.

Line 18. Actual Utilities were 4% over budget.

Line 33. Actual Administrative Expenses were 7% under budget.

Line 40. Actual Tax & Insurance Expense was less than budgeted due to a lower property tax bill than budgeted.

**PART V - ANNUAL CAPITAL BUDGET (ADDENDUM)**

	Current Number of Units/Items	Current from Reserved	YTD from Reserve	Current from Operating	YTD from Operating	YTD Total Cost	Total YTD Units/Items
<b>Appliances:</b>							
Range.....	2	0.00	0.00	600.00	0.00	0.00	0
Refrigerator.....	2	0.00	0.00	600.00	0.00	0.00	0
Range Hood.....	0	0.00	0.00	0.00	0.00	0.00	0
Washers & Dryers.....	0	0.00	0.00	0.00	0.00	0.00	0
Other.....	0	0.00	0.00	0.00	0.00	0.00	0
<b>Carpet &amp; Vinyl:</b>							
1BR.....	2	3,800.00	1,772.27	0.00	0.00	1,772.27	1
2BR.....	0	0.00	0.00	0.00	0.00	0.00	0
3BR.....	0	0.00	0.00	0.00	0.00	0.00	0
4BR.....	0	0.00	0.00	0.00	0.00	0.00	0
Other.....	0	0.00	0.00	0.00	0.00	0.00	0
<b>Cabinets:</b>							
Kitchens.....	0	0.00	0.00	0.00	0.00	0.00	0
Bathrooms.....	0	0.00	0.00	0.00	0.00	0.00	0
Other.....	0	0.00	0.00	0.00	0.00	0.00	0
<b>Doors:</b>							
Exterior.....	0	0.00	0.00	0.00	0.00	0.00	0
Interior.....	0	0.00	0.00	0.00	0.00	0.00	0
Other.....	0	0.00	0.00	0.00	0.00	0.00	0
<b>Window Coverings:</b>							
List.....	0	0.00	0.00	0.00	0.00	0.00	0
Other.....	0	0.00	0.00	0.00	0.00	0.00	0
<b>Heating &amp; Air Conditioning:</b>							
Heating.....	0	0.00	0.00	0.00	0.00	0.00	0
Air Conditioning.....	1	3,000.00	445.16	0.00	0.00	445.16	1
Other.....	0	0.00	0.00	0.00	0.00	0.00	0
<b>Plumbing:</b>							
Water Heater.....	0	0.00	0.00	0.00	0.00	0.00	0
Bath Sinks.....	0	0.00	0.00	0.00	0.00	0.00	0
Kitchen Sinks.....	0	0.00	0.00	0.00	0.00	0.00	0
Faucets.....	0	0.00	0.00	0.00	0.00	0.00	0
Toilets.....	0	0.00	0.00	0.00	0.00	0.00	0
Other.....	0	0.00	0.00	0.00	0.00	0.00	0
<b>Major Electrical:</b>							
List.....		0.00	0.00	0.00	0.00	0.00	
Other.....		0.00	0.00	0.00	0.00	0.00	
<b>Structures:</b>							
Windows.....	0	0.00	0.00	0.00	0.00	0.00	0
Screens.....	0	0.00	0.00	0.00	0.00	0.00	0
Walls.....		0.00	0.00	0.00	0.00	0.00	
Roofing.....		0.00	0.00	0.00	0.00	0.00	
Siding.....		0.00	0.00	0.00	0.00	0.00	
Exterior Painting.....		0.00	0.00	0.00	0.00	0.00	
Other.....		0.00	0.00	0.00	0.00	0.00	
<b>Paving:</b>							
Asphalt.....		0.00	0.00	0.00	0.00	0.00	
Concrete.....		0.00	0.00	0.00	0.00	0.00	
Seal & Stripe.....		0.00	0.00	0.00	0.00	0.00	
Other.....		0.00	0.00	0.00	0.00	0.00	
<b>Landscape &amp; Grounds:</b>							
Landscaping.....		0.00	0.00	0.00	0.00	0.00	
Lawn Equipment.....		0.00	0.00	0.00	0.00	0.00	
Fencing.....		0.00	0.00	0.00	0.00	0.00	
Recreation Area.....		0.00	0.00	0.00	0.00	0.00	
Signs.....		0.00	0.00	0.00	0.00	0.00	
Other.....		0.00	0.00	0.00	0.00	0.00	
<b>Accessibility Features:</b>							
List.....		0.00	0.00	0.00	0.00	0.00	
Other.....		0.00	0.00	0.00	0.00	0.00	
<b>Automation Equipment:</b>							
Site Management.....		0.00	0.00	0.00	0.00	0.00	
Common Area.....		0.00	0.00	0.00	0.00	0.00	
Other.....		0.00	0.00	0.00	0.00	0.00	
<b>Other:</b>							
List.....		0.00	0.00	0.00	0.00	0.00	
List.....		0.00	0.00	0.00	0.00	0.00	
List.....		0.00	0.00	0.00	0.00	0.00	
<b>TOTAL CAPITAL EXPENSES:</b>	<b>7</b>	<b>6,800.00</b>	<b>2,217.43</b>	<b>1,200.00</b>	<b>0.00</b>	<b>2,217.43</b>	<b>2</b>

**MT. VERNON ELDERLY APARTMENTS, L.P.**  
**(A LIMITED PARTNERSHIP)**  
**MT. VERNON, GEORGIA**

**FINANCIAL AND COMPLIANCE REPORTS**

**AS OF DECEMBER 31, 2016 AND 2015**

**MT. VERNON ELDERLY APARTMENTS, L.P.**  
**(A LIMITED PARTNERSHIP)**

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# Henderson & Godbee, LLP

Certified Public Accountants and Business Consultants

Members of American Institute of Certified Public Accountants • Georgia Society of Certified Public Accountants

Robert A. Goddard, Jr., CPA (1943-1989)  
Gerald H. Henderson, CPA  
J. Wendell Godbee, CPA  
Mark S. Rogers, CPA  
James W. Godbee, Jr., CPA  
Maureen P. Collins, CPA  
Kevin R. Hiers, CPA, CVA  
Amanda W. Shapard, CPA  
Troy D. Newham, CPA

Scott R. Simpson, CPA  
J. Philip Young, CPA  
Billie A. Baxter, CPA  
Mae A. Johnson, CPA  
Keesley T. Collins, CPA  
Kaitlyn E. Hannay, CPA  
Jacey B. Pittman, CPA  
M. Allison Hutchins, CPA

To the Partners  
Mt. Vernon Elderly Apartments, L.P.  
(A Limited Partnership)  
Valdosta, Georgia

Management is responsible for the accompanying financial statements of Mt. Vernon Elderly Apartments, L.P. (a Limited Partnership), USDA, RD No: 11-003-629240468, which comprise the balance sheets as of December 31, 2016 and 2015, and the related statements of income, partners' (deficit) and cash flows for the years then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

## Supplementary Information

The supplementary information contained on pages 19-28 is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information is the representation of management. The information was subject to our compilation engagement, however, we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such supplementary information.

Henderson & Godbee, LLP  
Certified Public Accountants  
Valdosta, Georgia

February 10, 2017

3488 North Valdosta Road  
Valdosta, GA 31602

Phone: (229) 245-6040  
FAX: (229) 245-1669

[www.hgnepa.com](http://www.hgnepa.com) - [www.facebook.com/hendersonandgodbee](https://www.facebook.com/hendersonandgodbee)

P.O. Box 2241  
Valdosta, GA 31604-2241

**MT. VERNON ELDERLY APARTMENTS, L.P.**  
**(A LIMITED PARTNERSHIP)**  
**BALANCE SHEETS**  
**DECEMBER 31, 2016 AND 2015**

	<b>2016</b>	<b>2015</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	\$ 53,364	\$ 56,265
Accounts receivable - RD	3,400	3,260
Total Current Assets	<b>56,764</b>	<b>59,525</b>
<b>Restricted Deposits and Funded Reserves</b>		
Escrow-tenants' security deposits	3,115	2,826
Escrow-replacement reserve	4,768	10,902
Escrow-tax reserve	9,687	9,583
Total Restricted Deposits and Funded Reserves	<b>17,570</b>	<b>23,311</b>
<b>Property, Plant and Equipment</b>		
Property, plant and equipment, at cost	700,935	700,935
Accumulated depreciation	(591,672)	(569,793)
Net Property, Plant and Equipment	<b>109,263</b>	<b>131,142</b>
Total Assets	<b>\$ 183,597</b>	<b>\$ 213,978</b>

See Independent Accountant's Report and notes to the financial statements.

**MT. VERNON ELDERLY APARTMENTS, L.P.**  
**(A LIMITED PARTNERSHIP)**  
**BALANCE SHEETS**  
**DECEMBER 31, 2016 AND 2015**

	<b>2016</b>	<b>2015</b>
<b>LIABILITIES AND PARTNERS' (DEFICIT)</b>		
<b>Current Liabilities</b>		
Current maturities of long-term debt	\$ 6,691	\$ 6,133
Accounts payable	1,969	758
	<b>8,660</b>	<b>6,891</b>
<b>Deposits and Prepayment Liabilities</b>		
Prepaid Rents	164	310
Tenants' security deposits	3,115	2,826
	<b>3,279</b>	<b>3,136</b>
<b>Long-Term Liabilities</b>		
Notes payable, general partners	12,000	12,000
Mortgage payable, less current maturities	510,882	517,573
	<b>522,882</b>	<b>529,573</b>
<b>Total Long-Term Liabilities</b>	<b>522,882</b>	<b>529,573</b>
<b>Total Liabilities</b>	<b>534,821</b>	<b>539,600</b>
<b>Partners' (Deficit)</b>		
Partners' (Deficit)	<b>(351,224)</b>	<b>(325,622)</b>
<b>Total Liabilities And Partners' (Deficit)</b>	<b>\$ 183,597</b>	<b>\$ 213,978</b>

See Independent Accountant's Report and notes to the financial statements.

**MT. VERNON ELDERLY APARTMENTS, L.P.**  
**(A LIMITED PARTNERSHIP)**  
**STATEMENTS OF INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
<b>Revenues</b>		
Gross potential rental income	\$ 106,128	\$ 104,868
Less: vacancy loss	(4,524)	(13,696)
Net rental income	<u>101,604</u>	<u>91,172</u>
Other income	<u>332</u>	<u>706</u>
 Total Revenues	 <u>101,936</u>	 <u>91,878</u>
<b>Expenses</b>		
Operating and maintenance	35,739	31,503
Utilities	18,533	16,240
Administrative	31,816	24,177
Taxes and insurance	<u>8,669</u>	<u>8,407</u>
 Total Operating Expenses	 <u>94,757</u>	 <u>80,327</u>
 Net Operating Income	 <u>7,179</u>	 <u>11,551</u>
<b>Non-Operating (Income) Expenses</b>		
Interest subsidy income	(34,680)	(34,680)
Interest expense	45,582	46,094
Depreciation	<u>21,879</u>	<u>21,879</u>
 Total Non-Operating Expenses	 <u>32,781</u>	 <u>33,293</u>
 Net (Loss)	 <u>\$ (25,602)</u>	 <u>\$ (21,742)</u>

See Independent Accountant's Report and notes to the financial statements.

**MT. VERNON ELDERLY APARTMENTS, L.P.**  
**(A LIMITED PARTNERSHIP)**  
**STATEMENTS OF PARTNERS' (DEFICIT)**  
**FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
<b>Limited Partners' (Deficit)</b>		
Balance, January 1	\$ (307,545)	\$ (285,408)
Distributions	-	(525)
Net (Loss)	<u>(25,448)</u>	<u>(21,612)</u>
Balance, December 31	<u>\$ (332,993)</u>	<u>\$ (307,545)</u>
<b>General Partner's (Deficit)</b>		
Balance, January 1	\$ (18,077)	\$ (17,032)
Distributions	-	(915)
Net (Loss)	<u>(154)</u>	<u>(130)</u>
Balance, December 31	<u>\$ (18,231)</u>	<u>\$ (18,077)</u>
<b>Total Partners' (Deficit)</b>		
Balance, January 1	\$ (325,622)	\$ (302,440)
Distributions	-	(1,440)
Net (Loss)	<u>(25,602)</u>	<u>(21,742)</u>
Balance, December 31	<u>\$ (351,224)</u>	<u>\$ (325,622)</u>

See Independent Accountant's Report and notes to the financial statements.

**MT. VERNON ELDERLY APARTMENTS, L.P.**  
**(A LIMITED PARTNERSHIP)**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

	2016	2015
<b>Cash Flows From Operating Activities</b>		
Net (Loss)	\$ (25,602)	\$ (21,742)
Adjustments To Reconcile Net (Loss) To Net Cash		
Provided By (Used In) Operating Activities:		
Depreciation	21,879	21,879
Changes In Operating Assets And Liabilities:		
Accounts receivable	(140)	622
Security deposits	(289)	17
Replacement reserve	6,134	(3,602)
Tax reserve	(104)	(1,647)
Accounts payable	1,211	571
Tenants' security deposits	289	(17)
Deferred revenue	(146)	310
Total Adjustments	28,834	18,133
Net Cash Provided By (Used In) Operating Activities	3,232	(3,609)
<b>Cash Flows From Financing Activities</b>		
Principal payments on long-term debt	(6,133)	(5,621)
Distributions	-	(1,440)
Net Cash (Used In) Financing Activities	(6,133)	(7,061)
Net (Decrease) In Cash	(2,901)	(10,670)
Cash, Beginning Of Year	56,265	66,935
Cash, End Of Year	\$ 53,364	\$ 56,265

See Independent Accountant's Report and notes to the financial statements.

**MT. VERNON ELDERLY APARTMENTS, L.P.**  
**(A LIMITED PARTNERSHIP)**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

	2016	2015
<b>Supplemental Disclosures Of Cash Flow Information:</b>		
<b>Cash Paid During The Year For:</b>		
Interest expense	\$ 45,582	\$ 46,094
Less: subsidized portion	(34,680)	(34,680)
Interest paid, net of subsidy	\$ 10,902	\$ 11,414

See Independent Accountant's Report and notes to the financial statements.

**MT. VERNON ELDERLY APARTMENTS, L.P.**  
**(A LIMITED PARTNERSHIP)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

**Organization**

The partnership known as Mt. Vernon Elderly Apartments, L.P., was formed as a limited partnership under the laws of the State of Georgia on July 27, 1989, to develop, own and operate a 21-unit rental housing project for persons of low and moderate income in the community. The partnership agreement was amended and restated, effective September 28, 1990, to admit a new limited partner, Gateway Tax Credit Fund II, Ltd., (a Florida limited partnership), and retain as the general partners, David Brown, William Rea, and Rural Housing Partnerships, Inc. Effective January 1, 1999, the general partnership interests of David Brown and William Rea were converted to limited partnership interests (Class B).

The project is financed by a RRH Loan from the U. S. Department of Agriculture, Rural Development (USDA, RD), formerly the Farmer's Home Administration and Rural Housing & Community Development Service, and therefore is regulated by the USDA, RD as to rent charges and operating methods.

Effective August 13, 2010, the partnership agreement was amended to admit Gantt Housing, LLC, as the limited partner and to permit the withdrawal of Gateway Tax Credit Fund II, Ltd., (a Florida limited partnership).

**Basis of Accounting**

The financial statements of the partnership are prepared on the accrual basis of accounting, whereby revenues are recognized as earned and expenses are recognized as obligations are incurred.

**Income Taxes**

The Partnership is a pass-through entity for income tax purposes and, as such, is not subject to income taxes. Rather, all items of taxable income, deductions and tax credits are passed through to and are reported by its owners on their respective income tax returns. The Partnership's federal tax status as a pass-through entity is based on its legal status as a Partnership. Accordingly, the Partnership is not required to take any tax positions in order to qualify as a pass-through entity. The Partnership is required to file and does file tax returns with the Internal Revenue Service and other taxing authorities. Accordingly, these financial statements do not reflect a provision for income taxes and the Partnership has no other tax positions which must be considered for disclosure.

The Partnership is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

**MT. VERNON ELDERLY APARTMENTS, L.P.**  
**(A LIMITED PARTNERSHIP)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Capitalization and Depreciation**

Land, buildings and improvements are recorded at cost. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives using the straight-line method. Improvements are capitalized, while expenditures for maintenance and repairs are charged to expense as incurred. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation. The resulting gains and losses are reflected in the statement of income.

**Use of Estimates**

The presentation of financial statements, in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Tenant Receivables**

Tenant receivables are recorded at net realizable value consisting of the carrying amount less the allowance for uncollectible accounts, as needed.

The Partnership uses the allowance method to account for uncollectible tenant receivable balances. Under the allowance method, if needed, an estimate of uncollectible tenant balances is made based upon specific account balances that are considered uncollectible. Factors used to establish an allowance include the credit quality of the tenant and whether the balance is significant. Accounts are considered past due once the unpaid balance is 90 days or more outstanding, unless payment terms are extended by contract. When an account balance is past due and attempts have been made to collect the receivable through legal or other means, the amount is considered uncollectible and is written off. At December 31, 2016 and 2015, there was no allowance balance required. Tenant receivables had a balance in the amount of \$0 and \$0, at December 31, 2016 and 2015, respectively.

**Mortgage Subsidy**

Under an interest credit agreement with the USDA, RD, a mortgage subsidy is provided, thus reducing the interest rate to approximately 1% over the life of the agreement. The interest subsidy is treated as additional income with interest expense being recorded at the note rate.

**Advertising Costs**

Advertising costs are expensed as incurred. Advertising costs for the years ended December 31, 2016 and 2015 were \$0 and \$248, respectively.

**MT. VERNON ELDERLY APARTMENTS, L.P.**  
**(A LIMITED PARTNERSHIP)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

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NOTE 2 –RESTRICTED CASH AND ESCROW ACCOUNTS

Replacement Reserve

	<u>2016</u>	<u>2015</u>
Annual funding required by loan agreement	<u>\$ 5,820</u>	<u>\$ 5,820</u>
Actual funding including interest income	<u>\$ 5,820</u>	<u>\$ 5,820</u>
Withdrawals approved by Rural Development Operating and maintenance expenses	<u>\$ 11,954</u>	<u>\$ 2,217</u>
Reserve balance at year end	\$ 4,768	\$ 10,902
Fully funded balance per loan agreement	<u>(32,201)</u>	<u>(26,067)</u>
Excess (Deficit)	<u>\$ 36,969</u>	<u>\$ 36,969</u>

Tenant Security Deposits

Security deposits collected from tenants are held in a separate bank account. The account's status at December 31 is:

	<u>2016</u>	<u>2015</u>
Tenant security deposits cash	\$ 3,115	\$ 2,826
Tenant security deposits payable	<u>3,115</u>	<u>2,826</u>
Excess (Deficit)	<u>\$ -</u>	<u>\$ -</u>

**MT. VERNON ELDERLY APARTMENTS, L.P.**  
**(A LIMITED PARTNERSHIP)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

**NOTE 2 – RESTRICTED CASH AND ESCROW ACCOUNTS (CONTINUED)**

**Real Estate Tax and Insurance Escrow**

USDA, RD regulations require the Partnership to make monthly appropriations of cash to a tax reserve account to ensure that adequate cash is available when taxes are due. The account's status at December 31 is:

	<u>2016</u>	<u>2015</u>
Real estate tax and insurance escrow	\$ 9,687	\$ 9,583
Accrued or unpaid taxes and insurance	<u>-</u>	<u>-</u>
Excess	<u>\$ 9,687</u>	<u>\$ 9,583</u>

**NOTE 3 - PROPERTY, PLANT AND EQUIPMENT**

A summary of the property, plant and equipment is as follows at December 31:

	<u>Depreciable Life</u>	<u>2016</u>	<u>2015</u>
Land		\$ 21,750	\$ 21,750
Buildings	30 Years	656,358	656,358
Equipment	10 Years	<u>22,827</u>	<u>22,827</u>
Total		700,935	700,935
Less: Accumulated depreciation		<u>(591,672)</u>	<u>(569,793)</u>
Net Property, Plant and Equipment		<u>\$ 109,263</u>	<u>\$ 131,142</u>

Property, plant and equipment is pledged as collateral on long-term debt. Depreciation expense aggregated \$21,879 and \$21,879 for the years ended December 31, 2016 and 2015.

**MT. VERNON ELDERLY APARTMENTS, L.P.**  
**(A LIMITED PARTNERSHIP)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

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**NOTE 4 - ACCOUNTS PAYABLE**

The following is a list of accounts payable at December 31:

	<u>2016</u>	<u>2015</u>
Utilities	\$ 1,325	\$ 138
Office supplies	147	68
Repairs & maintenance	477	552
Postage & shipping	<u>20</u>	<u>-</u>
	<u>\$ 1,969</u>	<u>\$ 758</u>

**NOTE 5 - LONG-TERM INDEBTEDNESS**

Long-term indebtedness consists of the following at December 31:

	<u>2016</u>	<u>2015</u>
USDA, RD, made December 20, 1990, 8.75%, due in 599 monthly installments, secured by land, buildings and equipment with an original cost of \$699,108.	\$ 517,573	\$ 523,706
Less current maturities	<u>(6,691)</u>	<u>(6,133)</u>
Long-term portion	<u>\$ 510,882</u>	<u>\$ 517,573</u>

Management has determined it is not practicable to determine the fair value of the mortgage debt because of the unique terms of the note. It would not be possible to obtain replacement financing under similar terms.

**MT. VERNON ELDERLY APARTMENTS, L.P.**  
**(A LIMITED PARTNERSHIP)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

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**NOTE 5 - LONG-TERM INDEBTEDNESS (CONTINUED)**

Maturities of long-term debt as of December 31, 2016, for the succeeding five years are as follows:

<u>Year</u>		
2017	\$	6,691
2018		7,301
2019		7,966
2020		8,692
2021		9,484

Mt. Vernon Elderly Apartments, L.P. incurred interest costs of \$45,582 and \$46,094 for the years ended December 31, 2016 and 2015, respectively, all of which was properly charged to expense.

**NOTE 6 – RENTAL ASSISTANCE PAYMENTS**

USDA, RD has contracted with the Partnership pursuant to Section 521(a)(2)(A) of Title V of the Housing Act of 1949 to make housing assistance payments to the Partnership on behalf of qualified tenants. Payments under the contract period ended December 31, are as follows:

	<u>2016</u>	<u>2015</u>
Rental assistance payments	<u>\$ 57,553</u>	<u>\$ 53,023</u>

**NOTE 7 - TAXABLE INCOME (LOSS)**

The financial statements of the Partnership and the Partnership tax returns are prepared on the accrual basis. The following is a reconciliation between net income (loss) as reported and Partnership income (loss) for tax purposes:

	<u>2016</u>	<u>2015</u>
Net (Loss) per financial statement	\$ (25,602)	\$ (21,742)
Book depreciation in excess of tax depreciation	<u>4,098</u>	<u>4,098</u>
Partnership (Loss) per tax return	<u>\$ (21,504)</u>	<u>\$ (17,644)</u>

**MT. VERNON ELDERLY APARTMENTS, L.P.**  
**(A LIMITED PARTNERSHIP)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

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**NOTE 8 - RELATED PARTY TRANSACTIONS**

The following is a list of related parties and the nature of the relationship to the Partnership and a description of the transactions between the related parties:

**Investors Management Company, Inc.**

Investors Management Company, Inc., an affiliate of the general partner, is the property manager of Mt. Vernon Elderly Apartments, L.P. The partnership paid Investors Management Company, Inc. management fees of \$11,307 and \$10,228 for the years ended December 31, 2016 and 2015, respectively.

**Partners**

The general partners advanced \$12,000, as required by USDA, RD, to the partnership to be used solely for the purpose of funding operating deficits during the early years of operations of the project. These funds will be returned to the partner only with USDA, RD approval.

**Rural Housing Reinsurance Company International Ltd. (CJ Thomas Company, Inc.)**

An affiliate of the general partner is also an owner of CJ Thomas Company, Inc., which provides property insurance to Crawford Rental Housing, L.P. The partnership paid CJ Thomas Company, Inc. insurance fees of \$4,012 and \$4,010 for the years ended December 31, 2016 and 2015, respectively.

**NOTE 9 - PARTNERSHIP PROFITS, LOSSES AND DISTRIBUTIONS**

Profits or losses from operations are allocated 99.4% to the Limited Partner and .6% to the General Partner. Tax credits are to be allocated 99.4% to the Limited Partner and .6% to the General Partner. Profit or loss from sales of property and cash distributions will be allocated as formulated in the Partnership Agreement. Annual distributions to the partners are limited by government regulation to \$1,440, which is 8% of the borrowers' initial capital investment required by USDA, RD.

**NOTE 10 - CONCENTRATION OF CREDIT RISK – CASH IN BANKS**

Mt. Vernon Elderly Apartments, L.P. maintains its cash accounts at one bank in Valdosta, Georgia. Accounts at each bank are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. A summary of the total insured and uninsured cash balances at December 31, consists of the following:

	<u>2016</u>	<u>2015</u>
Total cash in all banks	\$ 70,834	\$ 79,476
Portion insured by FDIC	<u>70,834</u>	<u>79,476</u>
Uninsured cash balances	<u>\$ -</u>	<u>\$ -</u>

**MT. VERNON ELDERLY APARTMENTS, L.P.**  
**(A LIMITED PARTNERSHIP)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

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**NOTE 11 - COMMITMENTS AND CONTINGENCIES**

USDA, RD may terminate the interest subsidy agreement if it determines that no subsidy is necessary or if the Partnership is determined to be in violation of USDA, RD rules or regulations.

**NOTE 12 – IMPAIRMENT OF LONG-LIVED ASSETS**

FASB ASC 360-10 (formerly FASB Statement No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets*), requires long-lived assets and certain identifiable intangibles to be held and used by an entity be reviewed for impairment whenever events of changes in circumstances indicate that the carrying amount of an asset may not be recoverable through the estimated undiscounted future cash flows from the use of these assets. Through December 31, 2016, no impairment loss recognition has been required.

**NOTE 13 - CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS**

The Partnership's sole asset is Pecan Pointe Apartments. The Partnership's operations are concentrated in the affordable housing real estate market. In addition, the Partnership operates in a heavily regulated environment. The operations of the Partnership are subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies, including, but not limited to, RD and state agencies. Such administrative directives, rules and regulations are subject to change by an act of Congress or an administrative change mandated by RD or state agencies. Such changes may occur with little notice or inadequate funding to pay for the related cost, including additional administrative burden, to comply with a change.

**NOTE 14 – SUBSEQUENT EVENTS**

Subsequent events were evaluated through February 10, 2017, which is the date the financial statements were available to be issued.



# Henderson & Godbee, LLP

Certified Public Accountants and Business Consultants

Members of American Institute of Certified Public Accountants • Georgia Society of Certified Public Accountants

Robert A. Goddard, Jr., CPA (1943-1989)  
Gerald H. Henderson, CPA  
J. Wendell Godbee, CPA  
Mark S. Rogers, CPA  
James W. Godbee, Jr., CPA  
Maureen P. Collins, CPA  
Kevin R. Hiers, CPA, CVA  
Amanda W. Shapard, CPA  
Troy D. Newham, CPA

Scott R. Simpson, CPA  
J. Philip Young, CPA  
Billie A. Baxter, CPA  
Mae A. Johnson, CPA  
Keeley T. Collins, CPA  
Kaitlyn E. Hannay, CPA  
Jacey B. Pittman, CPA  
M. Allison Hutchins, CPA

## Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Partners of  
Mt. Vernon Elderly Apartments, L.P.  
Valdosta, Georgia

And

United States Department of Agriculture  
Rural Development  
703 East Ward Street  
Douglas, GA 31533

We have performed the procedures enumerated below, which were agreed to by the United States Department of Agriculture Rural Development ("RD") and Mt. Vernon Elderly Apartments, L.P. ("Owner") the owner of Pecan Pointe Apartments ("Project") located in Mt. Vernon, Georgia, solely to assist those parties in evaluating that the accompanying Form RD 3560-10, Multiple Family Housing Borrower Balance Sheet, Form RD 3560-7, Multiple Family Housing Project Budget ("Financial Reports") and Supporting Documentation are prepared in accordance with the criteria specified in RD Regulations contained in 7 CFR 3560 Section 303(b) and section 306, in accordance with the determinations noted in Attachment 4-D of RD Handbook HB-2-3560, for the year ended December 31, 2016. The owner is responsible for the presentation of the financial reports. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. The sufficiency of these procedures is solely the responsibility of RD and the owner. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. We examined selected receipts, invoices, and cancelled checks (or checks imaging on original bank statement) that support administrative; and operating and maintenance expenses presented on Form RD 3560-7, Part II, line items 1-10 and 19-32 to determine they were incurred as part of the supporting documentation, based on the sample size determined by RD in Attached 4-D of RD Handbook HB-2-3560, for expenses included in Lines 1-10 and 19-32 of Form RD 3560-7 and determined that the services were eligible expenses, in accordance with Attachment 4-A of HB-2-3560, and the shipping address agreed to the project address. In

3488 North Valdosta Road  
Valdosta, GA 31602

Phone: (229) 245-6040  
FAX: (229) 245-1669

[www.hgnca.com](http://www.hgnca.com) - [www.facebook.com/hendersonandgodbee](https://www.facebook.com/hendersonandgodbee)

P.O. Box 2241  
Valdosta, GA 31604-2241

addition, we confirmed a sample of the expenditures with the vendors to determine the invoice paid agreed to the vendor's records.

Findings:

Total Number of Invoices in Population: Approximately 200  
Total Dollar Amount of Invoices in Population: \$77,315  
Total Number of Invoices Reviewed: 10  
Total Dollar Amount of Invoices Reviewed: \$2,366  
Total Number of Invoices in Vendor Confirmation Sample: 1  
Total Dollar Amount of Invoices in Vendor Confirmation Sample: \$500  
Total Number of Vendor Confirmations Not Received: 0  
Total Dollar Amount of Vendor Confirmations Not Received: \$0  
Total Number of Deviations: 0  
Total Dollar Amount of Deviations: \$0

2. We confirmed the balance in the replacement reserve account presented on Form RD 3560-7, Part III, and confirmed that no amounts were encumbered by the financial institution that holds the accounts. We determined that all balances are within the FDIC insurance limits. We determined number of reserve account withdrawals from the original bank statements and compared the withdrawals to the amounts approved by RD on Form RD 3560-12. We compared the invoices and cancelled checks (or check imaging on original bank statement) to the approved withdrawals from RD.

Findings:

Total Number of Reserve Account Withdrawals: 4  
Total Number of Withdrawals Authorized by RD: 4  
Total Dollar Amount of Reserve Account Withdrawals: \$11,954  
Total Dollar Amount of Withdrawals Authorized by RD: \$11,954  
Total Number of Deviations: 0  
Total Dollar Amount of Deviations: \$0

The confirmation received from the financial institution agreed to the project's bank reconciliation and no encumbrances were noted on the confirmation. All withdrawals were paid to the vendors approved by RD of Form RD 3560-12.

3. We obtained the Identity of Interest (IOI) company listing and Form RD 3560-31 from RD and determined that the services provided and approved fees, if applicable, agree to the actual service and fees charged to the project. We examined a sample of invoices and determined that the services and charges are in accordance with the disclosures contained in Form RD 3560-31 as agreed to by RD.

Findings:

Total Number of Forms RD 3560-31 Received: 2

Company Name 1: Investor's Management Company, Inc.  
Total Dollar Amount for the Year: \$11,307

Total Number of Invoices in Population: 12  
Total Dollar Amount of Invoices in Population: \$11,307  
Total Number of Invoices Reviewed: 12  
Total Dollar Amount of Invoices Reviewed: \$11,307

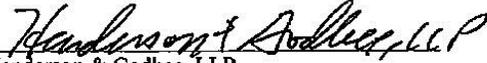
Company Name 2: Rural Housing Reinsurance Company International, Ltd. (C.J. Thomas Company, Inc.)

Total Dollar Amount for the Year: \$4,012  
Total Number of Invoices in Population: 1  
Total Dollar Amount of Invoices in Population: \$4,012  
Total Number of Invoices Reviewed: 1  
Total Dollar Amount of Invoices Reviewed: \$4,012

The agreed-upon procedures performed above and the Management Representation Letter revealed no undisclosed IOI companies.

We are not engaged to, and did not, conduct an audit of the subject matter, the objective of which would be the expression of an opinion on the agreed-upon procedures, applied to the financial reports and supporting documentation of Mt. Vernon Elderly Apartments, L.P. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the owner and management agent of Mt. Vernon Elderly Apartments, L.P., and Rural Development, and is not intended to be and should not be used by anyone other than these specified parties.

  
Henderson & Godbee, LLP  
Certified Public Accountants  
Valdosta, Georgia

February 10, 2017

Position 3  
**MULTI-FAMILY HOUSING**  
**BORROWER BALANCE SHEET**  
PART I - BALANCE SHEET

<b>PROJECT NAME</b> Pecan Pointe Apartments	<b>BORROWER NAME</b> Mt. Vernon Elderly	<b>BORROWER ID AND PROJECT NO.</b> 11-003-629240468	
BEGINNING DATES>	CURRENT YEAR 01-01-16	PRIOR YEAR 01-01-15	COMMENTS
ENDING DATES>	12-31-16	12-31-15	

ASSETS

**CURRENT ASSETS**

1. GENERAL OPERATING ACCOUNT.....	53,364	56,265	
2. R.E. TAX & INSURANCE ACCOUNT.....	9,687	9,583	
3. RESERVE ACCOUNT.....	4,768	10,902	
4. SECURITY DEPOSIT ACCOUNT.....	3,115	2,826	
5. OTHER CASH (identify) .....			
6. OTHER (identify) .....			
7. TOTAL ACCOUNTS RECEIVABLE (Attach list) .....	3,400	3,260	
ACCTS RCVBL 0-30 DAYS \$			
ACCTS RCVBL 30-60 DAYS \$			
ACCTS RCVBL 60-90 DAYS \$			
ACCTS RCVBL OVER 90 DAYS \$			
8. LESS: ALLOWANCE FOR DOUBTFUL ACCOUNTS...			
9. INVENTORIES (supplies) .....			
10. PREPAYMENTS.....	-	-	
11.			
12. <b>TOTAL CURRENT ASSETS (Add 1 thru 11)</b>	<b>74,334</b>	<b>82,836</b>	

**FIXED ASSETS**

13. LAND.....	21,750	21,750	
14. BUILDINGS.....	656,358	656,358	
15. LESS: ACCUMULATED DEPRECIATION.....	(568,845)	(546,966)	
16. FURNITURE & EQUIPMENT.....	22,827	22,827	
17. LESS: ACCUMULATED DEPRECIATION.....	(22,827)	(22,827)	
18.			
19. <b>TOTAL FIXED ASSETS (Add 13 thru 18)</b>	<b>109,263</b>	<b>131,142</b>	

**OTHER ASSETS**

20. LOAN COSTS (NET)		-	
21. <b>TOTAL ASSETS (Add 12, 19, and 20)</b>	<b>183,597</b>	<b>213,978</b>	

LIABILITIES AND OWNERS EQUITY

**CURRENT LIABILITIES**

22. TOTAL ACCOUNTS PAYABLE (Attach list) .....	1,969	758	
ACCTS PAYABLE 0-30 DAYS \$			
ACCTS PAYABLE 30-60 DAYS \$			
ACCTS PAYABLE 60-90 DAYS \$			
ACCTS PAYABLE OVER 90 DAYS \$			
23. NOTES PAYABLE (Attach list) ...Deferred Revenue	164	310	
24. SECURITY DEPOSITS.....	3,115	2,826	
25. <b>TOTAL CURRENT LIABILITIES (Add 22 thru 24)</b>	<b>5,248</b>	<b>3,894</b>	

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0189. The time required to complete this information collection is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

See Independent Accountant's Report and notes to the financial statements.

**LONG-TERM LIABILITIES**

26. NOTES PAYABLE RURAL DEVELOPMENT	517,573	523,706	
27. OTHER (Identify) N/P General Partners	12,000	12,000	
28. TOTAL LONG-TERM LIABILITIES (Add 26 and 27)	529,573	535,706	
29. TOTAL LIABILITIES (Add 25 and 28) .....	534,821	539,600	
30. OWNER'S EQUITY (Net Worth) (21 minus 29) .....	(351,224)	(325,622)	
31 TOTAL LIABILITIES AND OWNER'S EQUITY (Add 29 and 30)	183,597	213,978	

Warning: Section 1001 of Title 18, United States Code provides: "Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, 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 THE FOREGOING INFORMATION IS COMPLETE AND ACCURATE TO THE BEST OF MY KNOWLEDGE.

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

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

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

**PART II-THIRD PARTY VERIFICATION OF REVIEW**

I/We have reviewed the borrower's records. The accompanying balance sheet, and statement of actual budget and income on Form RD 3560-7, is a fair presentation of the borrower's records.

I/We certify that no identity of interest exists between me/us and my individual or organization doing business with the project or borrower.

\_\_\_\_\_  
(Signature)

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

\_\_\_\_\_  
(Name and Title)

\_\_\_\_\_  
(Address)

In lieu of the above verification and signature, a review completed, dated and signed by a person or firm qualified by license or certification is attached.

See Independent Accountant's Report and notes to the financial statements.

**MT. VERNON ELDERLY APARTMENTS, L.P.**  
**ATTACHMENT TO FORM RD 3560-10**  
**DECEMBER 31, 2016 AND 2015**

	2016	2015
<b><u>Page 19, Line 7 - Accounts Receivable</u></b>		
Due from Rural Development	\$ 3,400	\$ 3,260
<b><u>Page 19, Line 22 - Accounts Payable</u></b>		
Utilities	\$ 1,325	\$ 138
Office supplies	147	68
Repairs and maintenance	477	552
Postage & shipping	20	-
	\$ 1,969	\$ 758

**MULTIPLE FAMILY HOUSING PROJECT BUDGET/  
UTILITY ALLOWANCE**

PROJECT NAME Pecan Pointe Apartments		BORROWER NAME Mt. Vernon Elderly, L.p.		BORROWER ID AND PROJECT NO. 629240468 014	
Loan/Transfer Amount \$ 582,000.00		Note Rate Payment \$ 4,309.58		IC Payment \$ 1,237.60	
Reporting Period <input checked="" type="checkbox"/> Annual <input type="checkbox"/> Quarterly <input type="checkbox"/> Monthly	Budget Type <input type="checkbox"/> Initial <input type="checkbox"/> Regular Report <input checked="" type="checkbox"/> Rent Change <input type="checkbox"/> SNR <input type="checkbox"/> Other Servicing	Project Rental Type <input type="checkbox"/> Family <input checked="" type="checkbox"/> Elderly <input type="checkbox"/> Congregate <input type="checkbox"/> Group Home <input type="checkbox"/> Mixed <input type="checkbox"/> LH	Profit Type <input type="checkbox"/> Full Profit <input checked="" type="checkbox"/> Limited Profit <input type="checkbox"/> Non-Profit	The following utilities are master metered: <input type="checkbox"/> Electricity <input type="checkbox"/> Gas <input checked="" type="checkbox"/> Water <input checked="" type="checkbox"/> Sewer <input checked="" type="checkbox"/> Trash <input type="checkbox"/> Other	
I hereby request: <input checked="" type="checkbox"/> 1 units of RA. Current number of RA units 19.					Borrower Accounting Method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual

**PART I - CASH FLOW STATEMENT**

	CURRENT BUDGET (01 - 01 - 16) (12 - 31 - 16)	ACTUAL (01 - 01 - 16) (12 - 31 - 16)	PROPOSED BUDGET (01 - 01 - 17) (12 - 31 - 17)	COMMENTS or (YTD) (01 - 01 - 16) (12 - 31 - 16)
<b>OPERATIONAL CASH SOURCES</b>				
1. RENTAL INCOME .....	103,944.00	44,051.00	103,944.00	21 REV PROD
2. RHS RENTAL ASSISTANCE RECEIVED .....		57,553.00		
3. APPLICATION FEES RECEIVED .....		30.00		
4. LAUNDRY AND VENDING .....	0.00	0.00	0.00	
5. INTEREST INCOME .....	0.00	0.00	0.00	
6. TENANT CHARGES .....	1,250.00	301.61	1,500.00	
7. OTHER - PROJECT SOURCES .....	0.00	0.00	0.00	
8. LESS (Vacancy and Contingency Allowance) .....	( 6,237.00)		( 6,237.00)	6%
9. LESS (Agency Approved Incentive Allowance) .....	( 0.00)		( 0.00)	
10. SUB-TOTAL [(1 thru 7) - (8 & 9)] .....	98,957.00	101,935.61	99,207.00	
<b>NON-OPERATIONAL CASH SOURCES</b>				
11. CASH - NON PROJECT .....	0.00	0.00	0.00	
12. AUTHORIZED LOAN (Non-RHS) .....	0.00	0.00	0.00	
13. TRANSFER FROM RESERVE .....	7,500.00	11,954.74	12,200.00	
14. SUB-TOTAL (11 thru 13) .....	7,500.00	11,954.74	12,200.00	
15. TOTAL CASH SOURCES (10+14) .....	106,467.00	113,890.35	111,407.00	
<b>OPERATIONAL CASH USES</b>				
16. TOTAL O&M EXPENSES (From Part II) .....	76,842.00	82,801.55	76,950.00	
17. RHS DEBT PAYMENT .....	14,851.00	14,851.20	14,851.00	
18. RHS PAYMENT (Overage) .....		2,184.00		
19. RHS PAYMENT (Late Fee) .....		0.00		
20. REDUCTION IN PRIOR YEAR PAYABLES .....		0.00		
21. TENANT UTILITY PAYMENTS .....		0.00		
22. TRANSFER TO RESERVE .....	5,820.00	5,820.00	5,820.00	
23. RETURN TO OWNER AND ASSET MANAGEMENT FEE .....	1,440.00	0.00	1,440.00	No RTO paid fr
24. SUB-TOTAL (16 thru 23) .....	98,953.00	105,656.75	99,061.00	
<b>NON-OPERATIONAL CASH USES</b>				
25. AUTHORIZED DEBT PAYMENT (Non-RHS) .....	0.00	0.00	0.00	
26. ANNUAL CAPITAL BUDGET (From Part III, Lines 4-6) .....	7,500.00	11,954.74	12,200.00	
27. MISCELLANEOUS .....	0.00	0.20	0.00	Rounding
28. SUB-TOTAL (25 thru 27) .....	7,500.00	11,954.94	12,200.00	
29. TOTAL CASH USES (24+28) .....	106,453.00	117,611.69	111,261.00	
30. NET CASH (DEFICIT) (15-29) .....	4.00	-3,721.34	146.00	
<b>CASH BALANCE</b>				
31. BEGINNING CASH BALANCE .....	41,371.20	65,847.67	41,375.20	
32. ACCRUAL TO CASH ADJUSTMENT .....		925.25		Adjust to accru
33. ENDING CASH BALANCE (30+31+32) .....	41,375.20	63,051.58	41,521.20	

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0189. The time required to complete this information collection is estimated to average 2 1/2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

See Independent Accountant's Report.

**PART II—OPERATING AND MAINTENANCE EXPENSE SCHEDULE**

	CURRENT BUDGET	ACTUAL	PROPOSED BUDGET	COMMENTS or (YTD)
1. MAINTENANCE AND REPAIRS PAYROLL .....	7,100.00	5,977.92	5,000.00	Maintenance or
2. MAINTENANCE AND REPAIRS SUPPLY .....	5,000.00	10,176.36	7,000.00	
3. MAINTENANCE AND REPAIRS CONTRACT .....	0.00	0.00	0.00	
4. PAINTING .....	2,000.00	878.78	2,000.00	
5. SNOW REMOVAL .....	0.00	0.00	0.00	
6. ELEVATOR MAINTENANCE/CONTRACT .....	0.00	0.00	0.00	
7. GROUNDS .....	5,480.00	5,257.18	5,480.00	415/M + 500
8. SERVICES .....	2,133.00	1,377.00	2,133.00	53/M Pest Contr
9. ANNUAL CAPITAL BUDGET (From Part V - Operating)	0.00	0.00	0.00	
10. OTHER OPERATING EXPENSES (Itemize) .....	100.00	115.60	100.00	UA calc fee
11. SUB-TOTAL MAINT. & OPERATING (1 thru 10) .....	21,813.00	23,783.04	21,713.00	
12. ELECTRICITY <input type="checkbox"/> If master metered .....	2,150.00	2,159.77	2,200.00	
13. WATER <input type="checkbox"/> check box on .....	5,100.00	5,487.45	5,100.00	
14. SEWER <input type="checkbox"/> front .....	6,600.00	7,125.45	6,200.00	
15. FUEL (Oil/Coal/Gas) .....	0.00	0.00	0.00	
16. GARBAGE & TRASH REMOVAL .....	1,800.00	3,257.00	2,000.00	
17. OTHER UTILITIES .....	300.00	504.00	400.00	Other
18. SUB-TOTAL UTILITIES (12 thru 17) .....	15,950.00	18,533.67	15,900.00	
19. SITE MANAGEMENT PAYROLL .....	8,876.00	14,820.44	10,128.00	844/M
20. MANAGEMENT FEE .....	11,844.00	11,307.00	12,348.00	\$49x21Ux12M
21. PROJECT AUDITING EXPENSE .....	2,000.00	1,865.00	1,700.00	
22. PROJECT BOOKKEEPING/ACCOUNTING .....	0.00	0.00	0.00	
23. LEGAL EXPENSES .....	200.00	71.00	50.00	
24. ADVERTISING .....	150.00	0.00	50.00	
25. TELEPHONE & ANSWERING SERVICE .....	0.00	19.99	0.00	
26. OFFICE SUPPLIES .....	800.00	468.19	700.00	
27. OFFICE FURNITURE & EQUIPMENT .....	507.00	684.07	506.00	26.23/M Comp E
28. TRAINING EXPENSE .....	341.00	566.72	793.00	
29. HEALTH INS. & OTHER EMP. BENEFITS .....	300.00	74.44	100.00	
30. PAYROLL TAXES .....	1,400.00	1,701.92	1,400.00	
31. WORKER'S COMPENSATION .....	400.00	339.38	375.00	
32. OTHER ADMINISTRATIVE EXPENSES (Itemize) .....	300.00	300.00	300.00	Prop tax consu
33. SUB-TOTAL ADMINISTRATIVE (19 thru 32) .....	27,318.00	31,816.15	28,450.00	
34. REAL ESTATE TAXES .....	7,000.00	4,447.66	6,000.00	
35. SPECIAL ASSESSMENTS .....	0.00	0.00	0.00	
36. OTHER TAXES, LICENSES & PERMITS .....	100.00	209.03	100.00	reg fee
37. PROPERTY & LIABILITY INSURANCE .....	4,536.00	4,012.00	4,662.00	222/U (3% Inc)
38. FIDELITY COVERAGE INSURANCE .....	0.00	0.00	0.00	
39. OTHER INSURANCE .....	125.00	0.00	125.00	EPL
40. SUB-TOTAL TAXES & INSURANCE (34 thru 39) .....	11,761.00	8,668.69	10,867.00	
41. TOTAL O&M EXPENSES (11+18+33+40) .....	76,842.00	82,801.55	76,950.00	

**PART III—ACCOUNT BUDGETING/STATUS**

	CURRENT BUDGET	ACTUAL	PROPOSED BUDGET	COMMENTS or (YTD)
<b>RESERVE ACCOUNT:</b>				
1. BEGINNING BALANCE .....	3,528.33	10,902.47	13,812.47	Proposed Beg
2. TRANSFER TO RESERVE .....	5,820.00	5,820.00	5,820.00	\$485/M
TRANSFER FROM RESERVE.....				
3. OPERATING DEFICIT .....	0.00	0.00	0.00	
4. ANNUAL CAPITAL BUDGET (Part V - Reserve) .....	7,500.00	11,954.74	12,200.00	
5. BUILDING & EQUIPMENT REPAIR .....	0.00	0.00	0.00	
6. OTHER NON-OPERATING EXPENSES .....	0.00	0.00	0.00	
7. TOTAL (3 thru 6) .....	( 7,500.00)	( 11,954.74)	( 12,200.00)	
8. ENDING BALANCE [(1+2)-7] .....	1,848.33	4,767.73	7,432.47	

**GENERAL OPERATING ACCOUNT:\***

BEGINNING BALANCE .....	56,264.69	
ENDING BALANCE .....	53,364.26	

**REAL ESTATE TAX AND INSURANCE ESCROW ACCOUNT:\***

BEGINNING BALANCE .....	9,582.98	
ENDING BALANCE .....	9,687.32	

**TENANT SECURITY DEPOSIT ACCOUNT:\***

BEGINNING BALANCE .....	2,826.00	
ENDING BALANCE .....	3,115.00	

(\*Complete upon submission of actual expenses.)

NUMBER OF APPLICANTS ON THE WAITING LIST	0	RESERVE ACCT. REQ. BALANCE....	0.00
NUMBER OF APPLICANTS NEEDING RA.....	0	AMOUNT AHEAD/BEHIND .....	0.00

**PART IV—RENT SCHEDULE AND UTILITY ALLOWANCE**

**A. CURRENT APPROVED RENTS/ UTILITY ALLOWANCE**

UNIT DESCRIPTION			RENTAL RATES			POTENTIAL INCOME FROM EACH RATE			UTILITY ALLOWANCE
BR SIZE	UNIT TYPE	NUMBER	BASIC	NOTE RATE	HUD	BASIC	NOTE RATE	HUD	
1	N	20	412.00	594.00	0.00	98,880.00	142,560.00	0.00	88.00
2	N	1	422.00	604.00	0.00	5,064.00	7,248.00	0.00	101.00
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>CURRENT RENT TOTALS:</b>						<b>103,944.00</b>	<b>149,808.00</b>	<b>0.00</b>	
						BASIC	NOTE	HUD	

**B. PROPOSED RENTS - Effective Date: 12 / 31 / 16**

UNIT DESCRIPTION			RENTAL RATES			POTENTIAL INCOME FROM EACH RATE		
BR SIZE	UNIT TYPE	NUMBER	BASIC	NOTE RATE	HUD	BASIC	NOTE RATE	HUD
1	N	20	412.00	594.00	0.00	98,880.00	142,560.00	0.00
2	N	1	422.00	604.00	0.00	5,064.00	7,248.00	0.00
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00
<b>PROPOSED RENT TOTALS:</b>						<b>103,944.00</b>	<b>149,808.00</b>	<b>0.00</b>
						BASIC	NOTE	HUD

**C. PROPOSED UTILITY ALLOWANCE - Effective Date: 12 / 31 / 16**

MONTHLY DOLLAR ALLOWANCES									
BR SIZE	UNIT TYPE	NUMBER	ELECTRIC	GAS	WATER	SEWER	TRASH	OTHER	TOTAL
1	N	20	88.00	0.00	0.00	0.00	0.00	0.00	88.00
2	N	1	107.00	0.00	0.00	0.00	0.00	0.00	107.00
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00

**PART V - ANNUAL CAPITAL BUDGET**

	Proposed Number of Units/Items	Proposed from Reserve	Actual from Reserve	Proposed from Operating	Actual from Operating	Actual Total Cost	Total Actual Units/Items
<b>Appliances:</b>							
Range .....	2	900.00	477.12	0.00	0.00	477.12	1
Refrigerator .....	2	1,100.00	818.62	0.00	0.00	818.62	1
Range Hood .....	0	0.00	0.00	0.00	0.00	0.00	0
Washers & Dryers .....	0	0.00	0.00	0.00	0.00	0.00	0
Other: .....	0	0.00	0.00	0.00	0.00	0.00	0
<b>Carpet &amp; Vinyl:</b>							
1BR .....	2	4,200.00	0.00	0.00	0.00	0.00	0
2BR .....	0	0.00	0.00	0.00	0.00	0.00	0
3BR .....	0	0.00	0.00	0.00	0.00	0.00	0
4BR .....	0	0.00	0.00	0.00	0.00	0.00	0
Other: .....	0	0.00	0.00	0.00	0.00	0.00	0
<b>Cabinets:</b>							
Kitchens .....	0	0.00	0.00	0.00	0.00	0.00	0
Bathrooms .....	0	0.00	0.00	0.00	0.00	0.00	0
Other: .....	0	0.00	0.00	0.00	0.00	0.00	0
<b>Doors:</b>							
Exterior .....	0	0.00	0.00	0.00	0.00	0.00	0
Interior .....	0	0.00	0.00	0.00	0.00	0.00	0
Other: .....	0	0.00	0.00	0.00	0.00	0.00	0
<b>Window Coverings:</b>							
List: .....	0	0.00	0.00	0.00	0.00	0.00	0
Other: .....	0	0.00	0.00	0.00	0.00	0.00	0
<b>Heating &amp; Air Conditioning:</b>							
Heating .....	0	0.00	2,780.00	0.00	0.00	2,780.00	1
Air Conditioning .....	2	6,000.00	0.00	0.00	0.00	0.00	0
Other: .....	0	0.00	0.00	0.00	0.00	0.00	0
<b>Plumbing:</b>							
Water Heater .....	0	0.00	0.00	0.00	0.00	0.00	0
Bath Sinks .....	0	0.00	0.00	0.00	0.00	0.00	0
Kitchen Sinks .....	0	0.00	0.00	0.00	0.00	0.00	0
Faucets .....	0	0.00	0.00	0.00	0.00	0.00	0
Toilets .....	0	0.00	0.00	0.00	0.00	0.00	0
Other: .....	0	0.00	0.00	0.00	0.00	0.00	0
<b>Major Electrical:</b>							
List: .....		0.00	0.00	0.00	0.00	0.00	
Other: .....		0.00	0.00	0.00	0.00	0.00	
<b>Structures:</b>							
Windows .....	0	0.00	0.00	0.00	0.00	0.00	0
Screenes .....	0	0.00	0.00	0.00	0.00	0.00	0
Walls .....		0.00	0.00	0.00	0.00	0.00	
Roofing .....		0.00	0.00	0.00	0.00	0.00	
Siding .....		0.00	0.00	0.00	0.00	0.00	
Exterior Painting .....		0.00	0.00	0.00	0.00	0.00	
Other: .....		0.00	7,879.00	0.00	0.00	7,879.00	
<b>Paving:</b>							
Asphalt .....		0.00	0.00	0.00	0.00	0.00	
Concrete .....		0.00	0.00	0.00	0.00	0.00	
Seal & Stripe .....		0.00	0.00	0.00	0.00	0.00	
Other: .....		0.00	0.00	0.00	0.00	0.00	
<b>Landscape &amp; Grounds:</b>							
Landscaping .....		0.00	0.00	0.00	0.00	0.00	
Lawn Equipment .....		0.00	0.00	0.00	0.00	0.00	
Fencing .....		0.00	0.00	0.00	0.00	0.00	
Recreation Area .....		0.00	0.00	0.00	0.00	0.00	
Signs .....		0.00	0.00	0.00	0.00	0.00	
Other: .....		0.00	0.00	0.00	0.00	0.00	
<b>Accessibility Features:</b>							
List: .....		0.00	0.00	0.00	0.00	0.00	
Other: .....		0.00	0.00	0.00	0.00	0.00	
<b>Automation Equipment:</b>							
Site Management .....		0.00	0.00	0.00	0.00	0.00	
Common Area .....		0.00	0.00	0.00	0.00	0.00	
Other: .....		0.00	0.00	0.00	0.00	0.00	
<b>Other:</b>							
List: .....		0.00	0.00	0.00	0.00	0.00	
List: .....		0.00	0.00	0.00	0.00	0.00	
List: .....		0.00	0.00	0.00	0.00	0.00	
<b>TOTAL CAPITAL EXPENSES:</b>	<b>8</b>	<b>12,200.00</b>	<b>11,954.74</b>	<b>0.00</b>	<b>0.00</b>	<b>11,954.74</b>	<b>3</b>

**PART VI -- SIGNATURES, DATES AND COMMENTS**

**Warning:** Section 1001 of Title 18, United States Code provides: "Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, 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.

\_\_\_\_\_  
(DATE)

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

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

AGENCY APPROVAL (*Rural Development Approval Official*):

DATE:

**COMMENTS:**

Page 1  
Line 13. Transfers from the 1% reserve account were 55% more than budgeted because of the installation of the \$7879 grinder pump.  
Line 23. No RTO was paid in 2016.

Page 2  
Line 11. Actual Maintenance and Operating Expenses were 9% over budget.  
Line 18. Actual Utilities were 16% over budget. Water, sewer, and sanitation were all more than budgeted.  
Line 33. Actual Administrative Expenses were 16% over budget primarily due to higher Site Manager salary than budgeted.  
Line 40. Actual Tax & Insurance Expense was less than budgeted due to a lower property tax bill than budgeted.

Pecan Pointe Apartments

PART V - ANNUAL CAPITAL BUDGET (ADDENDUM)

	Current Number of Units/Items	Current from Reserved	YTD from Reserve	Current from Operating	YTD from Operating	YTD Total Cost	Total YTD Units/Items
<b>Appliances:</b>							
Range .....	2	900.00	477.12	0.00	0.00	477.12	1
Refrigerator .....	2	1,100.00	818.62	0.00	0.00	818.62	1
Range Hood .....	0	0.00	0.00	0.00	0.00	0.00	0
Washers & Dryers .....	0	0.00	0.00	0.00	0.00	0.00	0
Other: .....	0	0.00	0.00	0.00	0.00	0.00	0
<b>Carpet &amp; Vinyl:</b>							
1BR .....	1	2,500.00	0.00	0.00	0.00	0.00	0
2BR .....	0	0.00	0.00	0.00	0.00	0.00	0
3BR .....	0	0.00	0.00	0.00	0.00	0.00	0
4BR .....	0	0.00	0.00	0.00	0.00	0.00	0
Other: .....	0	0.00	0.00	0.00	0.00	0.00	0
<b>Cabinets:</b>							
Kitchens .....	0	0.00	0.00	0.00	0.00	0.00	0
Bathrooms .....	0	0.00	0.00	0.00	0.00	0.00	0
Other: .....	0	0.00	0.00	0.00	0.00	0.00	0
<b>Doors:</b>							
Exterior .....	0	0.00	0.00	0.00	0.00	0.00	0
Interior .....	0	0.00	0.00	0.00	0.00	0.00	0
Other: .....	0	0.00	0.00	0.00	0.00	0.00	0
<b>Window Coverings:</b>							
List: .....	0	0.00	0.00	0.00	0.00	0.00	0
Other: .....	0	0.00	0.00	0.00	0.00	0.00	0
<b>Heating &amp; Air Conditioning:</b>							
Heating .....	0	0.00	2,780.00	0.00	0.00	2,780.00	1
Air Conditioning .....	1	3,000.00	0.00	0.00	0.00	0.00	0
Other: .....	0	0.00	0.00	0.00	0.00	0.00	0
<b>Plumbing:</b>							
Water Heater .....	0	0.00	0.00	0.00	0.00	0.00	0
Bath Sinks .....	0	0.00	0.00	0.00	0.00	0.00	0
Kitchen Sinks .....	0	0.00	0.00	0.00	0.00	0.00	0
Faucets .....	0	0.00	0.00	0.00	0.00	0.00	0
Toilets .....	0	0.00	0.00	0.00	0.00	0.00	0
Other: .....	0	0.00	0.00	0.00	0.00	0.00	0
<b>Major Electrical:</b>							
List: .....		0.00	0.00	0.00	0.00	0.00	
Other: .....		0.00	0.00	0.00	0.00	0.00	
<b>Structures:</b>							
Windows .....	0	0.00	0.00	0.00	0.00	0.00	0
Screens .....	0	0.00	0.00	0.00	0.00	0.00	0
Walls .....		0.00	0.00	0.00	0.00	0.00	
Roofing .....		0.00	0.00	0.00	0.00	0.00	
Siding .....		0.00	0.00	0.00	0.00	0.00	
Exterior Painting .....		0.00	0.00	0.00	0.00	0.00	
Other: .....		0.00	7,879.00	0.00	0.00	7,879.00	
<b>Paving:</b>							
Asphalt .....		0.00	0.00	0.00	0.00	0.00	
Concrete .....		0.00	0.00	0.00	0.00	0.00	
Seal & Stripe .....		0.00	0.00	0.00	0.00	0.00	
Other: .....		0.00	0.00	0.00	0.00	0.00	
<b>Landscape &amp; Grounds:</b>							
Landscaping .....		0.00	0.00	0.00	0.00	0.00	
Lawn Equipment .....		0.00	0.00	0.00	0.00	0.00	
Fencing .....		0.00	0.00	0.00	0.00	0.00	
Recreation Area .....		0.00	0.00	0.00	0.00	0.00	
Signs .....		0.00	0.00	0.00	0.00	0.00	
Other: .....		0.00	0.00	0.00	0.00	0.00	
<b>Accessibility Features:</b>							
List: .....		0.00	0.00	0.00	0.00	0.00	
Other: .....		0.00	0.00	0.00	0.00	0.00	
<b>Automation Equipment:</b>							
Site Management .....		0.00	0.00	0.00	0.00	0.00	
Common Area .....		0.00	0.00	0.00	0.00	0.00	
Other: .....		0.00	0.00	0.00	0.00	0.00	
<b>Other:</b>							
List: .....		0.00	0.00	0.00	0.00	0.00	
List: .....		0.00	0.00	0.00	0.00	0.00	
List: .....		0.00	0.00	0.00	0.00	0.00	
<b>TOTAL CAPITAL EXPENSES:</b>	<b>6</b>	<b>7,500.00</b>	<b>11,954.74</b>	<b>0.00</b>	<b>0.00</b>	<b>11,954.74</b>	<b>3</b>

Yardi Classic Addendum Page

See Independent Accountant's Report.

**Balance Sheet (Cash)  
Pecan Pointe - (330)  
April 2017**

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**CURRENT ASSETS**

**CASH**

1010.0 Petty Cash	100.00
1020.0 CDA-Checking	362.55
1021.0 Operating-Checking	51,683.00
1030.0 Tax & Insurance Reserve	6,911.32
1040.0 Replacement Reserve	5,505.49
<b>TOTAL CASH</b>	64,562.36

1140.0 A/R Rents/FMHA Receivable	3,400.40
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**FIXED ASSETS**

2010.0 Land	21,750.00
2030.0 Buildings	656,358.00
2050.0 Equipment	21,000.00
2080.0 Furniture & Fixtures	1,826.93
2110.0 Accumulated Depreciation-Buildings	-591,671.80
2120.0 Accumulated Depreciation-Furniture & Fixt	0.07
<b>TOTAL FIXED ASSETS</b>	109,263.20

**OTHER ASSETS**

2510.0 Security Deposits-Checking	3,078.00
<b>TOTAL OTHER ASSETS</b>	3,078.00

<b>TOTAL ASSETS</b>	180,303.96
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**LIABILITIES & CAPITAL**

**CURRENT LIABILITIES**

3021.0 Security Deposits Payable	3,078.00
3028.0 Accounts Payable	1,968.77
3029.0 Prepaid Tenants Rent	164.39
<b>TOTAL CURRENT LIABILITIES</b>	5,211.16

**LONG TERM LIABILITIES**

4020.0 Mortgage Payable	517,573.44
4080.0 Note Payable-2% Funds	12,000.00
<b>TOTAL LONG TERM LIABILITIES</b>	529,573.44

<b>TOTAL LIABILITIES</b>	534,784.60
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**CAPITAL**

5020.0 General Partners Equity	-17,186.60
5030.0 Retained Earnings	-28,858.64
5040.0 Limited Partners Equity	-311,204.06
5050.0 General Partners Capital	-890.40
5051.0 Limited Partners Capital	3,659.06
<b>TOTAL CAPITAL</b>	-354,480.64

<b>TOTAL LIABILITIES &amp; CAPITAL</b>	180,303.96
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**Budget Comparison (Cash)  
Pecan Pointe - (330)  
April 2017**

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	MTD Actual	MTD Budget	\$ Var.	% Var.	YTD Actual	YTD Budget	\$ Var.	% Var.	Annual
<b>INCOME</b>									
<b>RENT INCOME</b>									
6010.0 Income-Rent	3,614.00	8,662.00	-5,048.00	-58.28	14,326.00	34,648.00	-20,322.00	-58.65	103,944.00
6011.0 Income-Rental Assistan	4,812.00	0.00	4,812.00	0	19,267.00	0.00	19,267.00	0	0.00
<b>TOTAL RENT INCOME</b>	<b>8,426.00</b>	<b>8,662.00</b>	<b>-236.00</b>	<b>-2.72</b>	<b>33,593.00</b>	<b>34,648.00</b>	<b>-1,055.00</b>	<b>-3.04</b>	<b>103,944.00</b>
<b>OTHER INCOME</b>									
6018.0 Tenant Charges/Damag	0.00	15.63	-15.63	-100.0	0.00	62.52	-62.52	-100.0	187.50
6029.0 Income-Cleaning & Rep	0.00	15.63	-15.63	-100.0	0.00	62.52	-62.52	-100.0	187.50
6030.0 Income-Late Fees	20.00	62.50	-42.50	-68.00	30.00	250.00	-220.00	-88.00	750.00
6031.0 Forfeited Security Depo	0.00	15.63	-15.63	-100.0	0.00	62.52	-62.52	-100.0	187.50
6033.0 Income-Miscellaneous	0.00	15.63	-15.63	-100.0	0.00	62.52	-62.52	-100.0	187.50
<b>TOTAL OTHER INCOME</b>	<b>20.00</b>	<b>125.02</b>	<b>-105.02</b>	<b>-84.00</b>	<b>30.00</b>	<b>500.08</b>	<b>-470.08</b>	<b>-94.00</b>	<b>1,500.00</b>
<b>TOTAL INCOME</b>	<b>8,446.00</b>	<b>8,787.02</b>	<b>-341.02</b>	<b>-3.88</b>	<b>33,623.00</b>	<b>35,148.08</b>	<b>-1,525.08</b>	<b>-4.34</b>	<b>105,444.00</b>
<b>OFFSETS TO INCOME</b>									
7100.0 Vacancy Allowance	0.00	-519.75	519.75	100.0	0.00	-2,079.00	2,079.00	100.0	-6,237.00
7300.0 Rural Development Ove	-182.00	0.00	-182.00	0	-728.00	0.00	-728.00	0	0.00
<b>TOTAL OFFSETS</b>	<b>-182.00</b>	<b>-519.75</b>	<b>337.75</b>	<b>64.98</b>	<b>-728.00</b>	<b>-2,079.00</b>	<b>1,351.00</b>	<b>64.98</b>	<b>-6,237.00</b>
<b>TOTAL INCOME AFTER O</b>	<b>8,264.00</b>	<b>8,267.27</b>	<b>-3.27</b>	<b>-0.04</b>	<b>32,895.00</b>	<b>33,069.08</b>	<b>-174.08</b>	<b>-0.53</b>	<b>99,207.00</b>
<b>OPERATING EXPENSES</b>									
<b>OPERATING &amp; MAINTENANCE</b>									
<b>MAINTENANCE &amp; REPAIRS PAYR</b>									
8045.0 Payroll-Maintenance Pe	560.00	416.67	-143.33	-34.40	2,184.00	1,666.68	-517.32	-31.04	5,000.00
8050.0 Payroll-Gas/Travel Allo	0.00	0.00	0.00	0	119.31	0.00	-119.31	0	0.00
<b>TOTAL MAINTENANCE &amp; RE</b>	<b>560.00</b>	<b>416.67</b>	<b>-143.33</b>	<b>-34.40</b>	<b>2,303.31</b>	<b>1,666.68</b>	<b>-636.63</b>	<b>-38.20</b>	<b>5,000.00</b>
<b>MAINTENANCE &amp; REPAIRS SUP</b>									
8075.0 R&M Building Supplies	0.00	145.83	145.83	100.0	359.55	583.32	223.77	38.36	1,750.00
8080.0 R&M-Heating & Air Sup	0.00	145.83	145.83	100.0	1,452.85	583.32	-869.53	-149.0	1,750.00
8085.0 R&M-Plumbing Supplie	115.37	145.83	30.46	20.89	329.92	583.32	253.40	43.44	1,750.00
8090.0 R&M-Appliance Supplie	157.09	145.83	-11.26	-7.72	496.16	583.32	87.16	14.94	1,750.00
8095.0 R&M-Carpet Replaceme	0.00	0.00	0.00	0	18.10	0.00	-18.10	0	0.00
<b>TOTAL MAINTENANCE &amp; RE</b>	<b>272.46</b>	<b>583.32</b>	<b>310.86</b>	<b>53.29</b>	<b>2,656.58</b>	<b>2,333.28</b>	<b>-323.30</b>	<b>-13.86</b>	<b>7,000.00</b>
<b>UNIT TURNS</b>									
8135.0 Paint/Clean/Clean Carp	0.00	166.67	166.67	100.0	102.11	666.68	564.57	84.68	2,000.00
<b>TOTAL UNIT TURNS</b>	<b>0.00</b>	<b>166.67</b>	<b>166.67</b>	<b>100.0</b>	<b>102.11</b>	<b>666.68</b>	<b>564.57</b>	<b>84.68</b>	<b>2,000.00</b>
<b>GROUNDS</b>									
8160.0 Monthly Contracted Gr	495.00	415.00	-80.00	-19.28	2,155.00	1,660.00	-495.00	-29.82	4,980.00
8175.0 Grounds Supplies	850.00	41.67	-808.33	-1,939	850.00	166.68	-683.32	-409.9	500.00
<b>TOTAL GROUNDS</b>	<b>1,345.00</b>	<b>456.67</b>	<b>-888.33</b>	<b>-194.5</b>	<b>3,005.00</b>	<b>1,826.68</b>	<b>-1,178.32</b>	<b>-64.51</b>	<b>5,480.00</b>
<b>PEST CONTROL</b>									
8195.0 Pest Control Service	53.00	53.00	0.00	0.00	1,018.00	212.00	-806.00	-380.1	1,636.00
8200.0 Termite Service/Bond	0.00	0.00	0.00	0	0.00	0.00	0.00	0	497.00
<b>TOTAL PEST CONTROL</b>	<b>53.00</b>	<b>53.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1,018.00</b>	<b>212.00</b>	<b>-806.00</b>	<b>-380.1</b>	<b>2,133.00</b>
<b>OTHER OPERATING EXPENSES</b>									
8220.0 Outside Services	0.00	8.33	8.33	100.0	0.00	33.32	33.32	100.0	100.00
<b>TOTAL OTHER OPERATING</b>	<b>0.00</b>	<b>8.33</b>	<b>8.33</b>	<b>100.0</b>	<b>0.00</b>	<b>33.32</b>	<b>33.32</b>	<b>100.0</b>	<b>100.00</b>
<b>TOTAL OPERATING &amp; MAIN</b>	<b>2,230.46</b>	<b>1,684.66</b>	<b>-545.80</b>	<b>-32.40</b>	<b>9,085.00</b>	<b>6,738.64</b>	<b>-2,346.36</b>	<b>-34.82</b>	<b>21,713.00</b>
<b>UTILITIES</b>									
8255.0 Utilities-Electricity	190.38	183.33	-7.05	-3.85	740.50	733.32	-7.18	-0.98	2,200.00
8260.0 Utilities-Water	665.53	425.00	-240.53	-56.60	2,062.74	1,700.00	-362.74	-21.34	5,100.00
8265.0 Utilities-Sewer	749.53	516.67	-232.86	-45.07	2,440.74	2,066.68	-374.06	-18.10	6,200.00
8275.0 Utilities-Sanitation	250.00	166.67	-83.33	-50.00	1,000.00	666.68	-333.32	-50.00	2,000.00

**Budget Comparison (Cash)  
Pecan Pointe - (330)  
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	MTD Actual	MTD Budget	\$ Var.	% Var.	YTD Actual	YTD Budget	\$ Var.	% Var.	Annual
8280.0 Utilities-Other Utilities	42.00	33.33	-8.67	-26.01	168.00	133.32	-34.68	-26.01	400.00
<b>TOTAL UTILITIES</b>	<b>1,897.44</b>	<b>1,325.00</b>	<b>-572.44</b>	<b>-43.20</b>	<b>6,411.98</b>	<b>5,300.00</b>	<b>-1,111.98</b>	<b>-20.98</b>	<b>15,900.00</b>
<b>ADMINISTRATIVE</b>									
8310.0 Site Management Payro	624.00	844.00	220.00	26.07	2,760.00	3,376.00	616.00	18.25	10,128.00
8315.0 Management Fees	980.00	1,029.00	49.00	4.76	3,880.00	4,116.00	236.00	5.73	12,348.00
8320.0 Accounting/Auditing Fe	0.00	0.00	0.00	0	1,665.00	1,700.00	35.00	2.06	1,700.00
8325.0 Legal Expenses	-71.00	4.17	75.17	1,802.	-71.00	16.68	87.68	525.6	50.00
8330.0 Advertising	0.00	4.17	4.17	100.0	0.00	16.68	16.68	100.0	50.00
8335.0 Telephone	0.00	0.00	0.00	0	19.99	0.00	-19.99	0	0.00
8340.0 Office Supplies	0.00	58.33	58.33	100.0	460.52	233.32	-227.20	-97.38	700.00
8350.0 Computer Equipment,	26.23	42.17	15.94	37.80	244.37	168.68	-75.69	-44.87	506.00
8360.0 Training Expenses	7.56	66.08	58.52	88.56	30.24	264.32	234.08	88.56	793.00
8365.0 Group Health Insurance	7.52	4.17	-3.35	-80.34	25.38	16.68	-8.70	-52.16	50.00
8370.0 Retirement Plan Expen	18.72	4.17	-14.55	-348.9	86.18	16.68	-69.50	-416.6	50.00
8375.0 Payroll Taxes-FICA	90.58	105.00	14.42	13.73	378.22	420.00	41.78	9.95	1,260.00
8380.0 Unemployment Taxes	9.19	11.67	2.48	21.25	57.04	46.68	-10.36	-22.19	140.00
8385.0 Workmans Compensati	0.00	31.25	31.25	100.0	420.63	125.00	-295.63	-236.5	375.00
8390.0 Bank Charges/Fees	0.00	0.00	0.00	0	20.73	0.00	-20.73	0	0.00
8405.0 Postage & Shipping	0.00	0.00	0.00	0	89.66	0.00	-89.66	0	0.00
8410.0 Professional Services/F	300.00	25.00	-275.00	-1,100	300.00	100.00	-200.00	-200.0	300.00
<b>TOTAL ADMINISTRATIVE</b>	<b>1,992.80</b>	<b>2,229.18</b>	<b>236.38</b>	<b>10.60</b>	<b>10,366.96</b>	<b>10,616.72</b>	<b>249.76</b>	<b>2.35</b>	<b>28,450.00</b>
<b>TAXES &amp; INSURANCE</b>									
8440.0 Taxes-Real Estate	0.00	0.00	0.00	0	0.00	0.00	0.00	0	6,000.00
8445.0 Licenses & Permits	0.00	8.33	8.33	100.0	159.37	33.32	-126.05	-378.3	100.00
8450.0 Property Insurance	0.00	0.00	0.00	0	3,976.00	4,662.00	686.00	14.71	4,662.00
8460.0 EPL Insurance	0.00	10.42	10.42	100.0	0.00	41.68	41.68	100.0	125.00
<b>TOTAL TAXES &amp; INSURANC</b>	<b>0.00</b>	<b>18.75</b>	<b>18.75</b>	<b>100.0</b>	<b>4,135.37</b>	<b>4,737.00</b>	<b>601.63</b>	<b>12.70</b>	<b>10,887.00</b>
8510.0 Replacement Reserve P	485.00	485.00	0.00	0.00	1,940.00	1,940.00	0.00	0.00	5,820.00
<b>TOTAL OPERATING EXPE</b>	<b>6,605.70</b>	<b>5,742.59</b>	<b>-863.11</b>	<b>-15.03</b>	<b>31,939.31</b>	<b>29,332.36</b>	<b>-2,606.95</b>	<b>-8.89</b>	<b>82,770.00</b>
<b>OPERATING INCOME BEFORE D</b>	<b>1,658.30</b>	<b>2,524.68</b>	<b>-866.38</b>	<b>-34.32</b>	<b>955.69</b>	<b>3,736.72</b>	<b>-2,781.03</b>	<b>-74.42</b>	<b>16,437.00</b>
<b>DEBT SERVICE</b>									
8805.0 Rural Development Pay	1,237.60	1,237.58	-0.02	0.00	4,950.40	4,950.32	-0.08	0.00	14,851.00
<b>TOTAL DEBT SERVICE</b>	<b>1,237.60</b>	<b>1,237.58</b>	<b>-0.02</b>	<b>0.00</b>	<b>4,950.40</b>	<b>4,950.32</b>	<b>-0.08</b>	<b>0.00</b>	<b>14,851.00</b>
<b>OPERATING INCOME AFTER DE</b>	<b>420.70</b>	<b>1,287.10</b>	<b>-866.40</b>	<b>-67.31</b>	<b>-3,994.71</b>	<b>-1,213.60</b>	<b>-2,781.11</b>	<b>-229.1</b>	<b>1,586.00</b>
<b>REPLACEMENT RESERVE</b>									
8910.0 1% Building Repair & I	0.00	350.00	350.00	100.0	0.00	1,400.00	1,400.00	100.0	4,200.00
8915.0 1% Equipment Repair &	485.76	666.67	180.91	27.14	1,202.24	2,666.68	1,464.44	54.92	8,000.00
<b>TOTAL REPLACEMENT RES</b>	<b>485.76</b>	<b>1,016.67</b>	<b>530.91</b>	<b>52.22</b>	<b>1,202.24</b>	<b>4,066.68</b>	<b>2,864.44</b>	<b>70.44</b>	<b>12,200.00</b>
8945.0 Reserve Payments Adjustm	-485.00	0.00	485.00	0	-1,940.00	0.00	1,940.00	0	0.00
<b>NET</b>	<b>419.94</b>	<b>270.43</b>	<b>149.51</b>	<b>55.29</b>	<b>-3,256.95</b>	<b>-5,280.28</b>	<b>2,023.33</b>	<b>38.32</b>	<b>-10,614.00</b>



United States Department of Agriculture

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December 1, 2016

Investors Management Company  
3548 North Crossing Circle  
Valdosta, GA 31602

RE: Mt. Vernon Elderly Apts., LTD., LP

The following information is enclosed for the 2017 budget year:

- Form RD 3560-7, "Multiple Family Housing Budget" approved.
- Rent/Utility allowance- increase approval letter.
- 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,

A handwritten signature in cursive script that reads "Wanda F. Hynko".

WANDA F. HYNKO  
Area Specialist  
For: Jeanmarie F. DeLoach, Acting Area Director  
USDA, Rural Development

Enclosures



December 14, 2016

Investors Management Company  
3548 North Crossing Circle  
Valdosta, GA 31602

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 Mt. Vernon Elderly Apts., LTD, LP project(s), and considered all justifications provided by project management [and comments provided by tenants]. The Rural Development has approved the following rent (occupancy charge) and/or utility allowance rates listed below. The changes for all units will become effective on January 1, 2017 or later effective date in accordance with state or local laws.

The approved changes are as follows:

Unit Size	Present Rent (Occupancy Charge)		Approved Rent (Occupancy Charge)	
	Basic	Note Rate	Basic	Note Rate
1-Bedroom	\$412	\$594	\$412	\$594
2-Bedroom	\$422	\$604	\$422	\$604

The approved utility allowance changes are as follows:

Unit Size	Present Utility Allowance	Approved Utility Allowance
1-Bedroom	\$88	\$88
2-Bedroom	\$101	\$107

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).

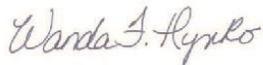
For those tenants (members) receiving rental assistance (RA), their costs for rent (occupancy charge) and utilities will continue to be based on the higher of 30 percent of their adjusted monthly income or 10 percent of gross monthly income or if the household is receiving payments for public assistance 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 **(JEANMARIE F. DELOACH, ACTING A.D., 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: Jeanmarie F. DeLoach, Acting Area Director  
USDA/Rural Development

Proposed Budget

Project Name:	PCRM POINTS APT
Borrower Name:	MT VERNON EL APT LP
Borrower ID and Project No:	629240456 01-4
Date of Operation:	12/30/1990

Loan/Transfer Amount:	
Note Rate Payment:	
IC Payment:	\$1,237.60

Reporting Period

Annual

Quarterly

Monthly

Budget Type

Initial

Regular Report

Rent Change

SSK

Other Servicing

Project Rental Type

Family

Elderly

Congregate

Group Home

Mixed LH

Profit Type

Full Profit

Limited Profit

Non-Profit

I hereby request \_\_\_ units of RA. Current number of RA units 19.

The following utilities are master metered:

Gas

Electricity

Water

Sewer

Trash

Other

Borrower Accounting Method

Cash

Accrual

Project Name: PECAN POINTE APP State: 11 Servicing Office: 606 County: 3  
 Borrower Name: MI VERNON RI APT LP Borr ID: 629240468 Prj Nbr: 01-4 Paid Code: Active  
 Classification: C Fiscal Year: 2017 Version: 01/01/2017 TRANSMITD Totals: By Project Analyzed: Y

Item	Current Budget	Actual	Proposed Budget	Comment
Effective Dates:	01/01/2016	01/01/2016	01/01/2017	
Ending Dates:	12/31/2016	12/31/2016	12/31/2017	
<b>PART I - CASH FLOW STATEMENT</b>				
<b>Operational Cash Sources</b>				
1. Rental Income	103,944.00		103,944.00	21 REV PROD U
2. RHS Rental Assisu. Received				
3. Application Fee Received				
4. Laundry And Vending	0.00		0.00	
5. Interest Income	0.00		0.00	
6. Tenant Charges	1,250.00		1,500.00	
7. Other Project Sources	0.00		0.00	
8. Less (Vency @ Cntgncy Allow)	-6,237.00		-6,237.00	68
9. Less (Agency Apprv'd Incentiv)	0.00		0.00	
10. Sub-Ttl [(1 thru 7) -(8&9)]	98,957.00		99,207.00	
<b>Non-Operational Cash Sources</b>				
11. Cash - Non Project	0.00		0.00	
12. Authorized Loan (Non-RHS)	0.00		0.00	
13. Transfer From Reserve	7,500.00		12,200.00	
14. Sub-Total (11 thru 13)	7,500.00		12,200.00	
15. Total Cash Sources (10+14)	106,457.00		111,407.00	
<b>Operational Cash Uses</b>				
16. Ttl O&M Exp (From Part II)	76,842.00		76,950.00	
17. RHS Debt Payment	14,851.00		14,851.00	
18. RHS Payment (Overage)				
19. RHS Payment (Late Fee)				
20. Reductn In Prior Yr Pybles				
21. Tenant Utility Payments				
22. Transfer to Reserve	5,820.00		5,820.00	
23. RTN Owner/MP Assat Mgt Fee	1,440.00		1,440.00	2016 RTC TO BE PAID IN 2017
24. Sub-Total (16 thru 23)	98,953.00		99,061.00	
<b>Non-Operational Cash Uses</b>				
25. Authzd Debt Pymnt (NonRHS)	0.00		0.00	
26. Capital Budget (III 4-6)	7,500.00		12,200.00	
27. Miscellaneous	0.00		0.00	
28. Sub-Total (25 thru 27)	7,500.00		12,200.00	
29. Total Cash Uses (24+28)	106,453.00		111,261.00	
30. Net (Deficit) (15-29)	4.00		146.00	
<b>Cash Balance</b>				
31. Beginning Cash Balance	41,371.20		41,375.20	
32. Accrual To Cash Adjustment				
33. Ending Cash Bal (30+31+32)	41,375.20		41,521.20	

Project Name: PECAN POINTE APT State: 11 Servicing Office: 606 County: 3  
 Borrower Name: MT VERNON BL APT LP Borr ID: 629249468 Proj Nbr: 01-4 Paid Code: Active  
 Classification: C Fiscal Year: 2017 Version: 01/01/2017 TRANSMITD Totals: By Project Analyzed: Y

Item	Current Budget	Actual	Proposed Budget	Comment
Effective Dates:	01/01/2016	01/01/2016	01/01/2017	
Ending Dates:	12/31/2016	12/31/2016	12/31/2017	
<b>PART II - O&amp;M EXPENSE SCHEDULE</b>				
1. Maint. @ Repairs Payroll	7,100.00		5,000.00	MAINTENANCE ON PAYROLL
2. Maint. @ Repairs Supply	5,000.00		7,000.00	
3. Maint. @ Repairs Contract	0.00		0.00	
4. Painting	2,000.00		2,000.00	
5. Snow Removal	0.00		0.00	
6. Elevator Maint./Contract	0.00		0.00	
7. Grounds	5,480.00		5,480.00	415/M + 500
8. Services	2,133.00		2,133.00	53/MPRESTCONTROL+4977TERMITTEBOND+1003BDD3UGGCONTINGENCY
9. Optl Bgt(Part V operating)	0.00		0.00	
10. Other Operating Expenses	100.00		100.00	CA CALC FEE
11. Sub-Ttl O&M (1 thru 10)	21,813.00		21,713.00	
12. Electricity	2,150.00		2,200.00	
13. Water	5,100.00		5,100.00	
14. Sewer	5,600.00		5,200.00	
15. Fuel (Oil/Coal/Gas)	0.00		0.00	
16. Garbage @ Trash Removal	1,900.00		2,000.00	
17. Other Utilities	300.00		400.00	OTHER
18. Sub-Ttl Util. (12 thru 17)	15,950.00		15,900.00	
19. Site Management Payroll	8,376.00		10,128.00	844/M
20. Management Fee	11,844.00		12,348.00	549X213X12M
21. Project Auditing Expense	2,300.00		1,700.00	
22. Proj. Bookkeeping/Accounting	0.00		0.00	
23. Legal Expenses	200.00		50.00	
24. Advertising	150.00		50.00	
25. Phone @ Answering Service	0.00		0.00	
26. Office Supplies	200.00		200.00	
27. Office Furniture @ Equip.	507.00		500.00	26.23/MCOMPSUPPORT+141YARD+50 EMAILACCT
28. Training Expense	341.00		293.00	
29. Hlth Ins. @ Other Benefits	300.00		100.00	
30. Payroll Taxes	1,400.00		1,400.00	
31. Workmans Compensation	400.00		375.00	
32. Other Admin. Expenses	300.00		300.00	PROP TAX CONSULTANT
33. Sub-Ttl Admin (19 thru 32)	27,318.00		28,450.00	
34. Real Estate Taxes	7,000.00		6,000.00	
35. Special Assessments	0.00		0.00	
36. Othr Taxes, Licenses, Permits	100.00		100.00	RRG FEE
37. Property @ Liability Ins.	4,536.00		4,652.00	222/H (3% INC)
38. Fidelity Coverage Ins.	0.00		0.00	
39. Other Insurance	125.00		125.00	EPL
40. Sub-Ttl Tx/In (34 thru 39)	11,761.00		10,887.00	
41. Ttl O&M Exps (11+18+33+40)	75,842.00		76,950.00	

Project Name: PEGAN POINTS APT State: IL Servicing Office: 606 County: 3  
 Borrower Name: MT VERRON RD APT LP Bork ID: 629240468 Proj Nbr: 05-4 Paid Code: Active  
 Classification: C Fiscal Year: 2017 Version: 01/01/2017 TRANSMITE Totals: By Project Analyzed: Y

Item	Current Budget	Actual	Proposed Budget	Comment
Effective Dates:	01/01/2016	01/01/2016	01/01/2017	
Ending Dates:	12/31/2016	12/31/2016	12/31/2017	
<b>PART III - ACCT BUDGET/STATUS</b>				
<b>Reserve Account</b>				
1. Beginning Balance	3,520.33		13,812.47	PROPOSED BBG BALANCE IS ACTUAL ENDING BALANCE
2. Transfer to Reserve	5,620.00		5,920.00	\$485/M
<b>Transfer From Reserve</b>				
3. Operating Deficit	0.00		0.00	
4. Cptl Bgt (Part V reserve)	7,500.00		12,200.00	
5. Building & Equip Repair	0.00		0.00	
6. Othr Non-Operating Expenses	0.00		0.00	
7. Total (3 thru 6)	7,500.00		12,200.00	
8. Ending Balance [(1+2)-7]	1,640.33		7,432.47	
<b>General Operating Account</b>				
Beginning Balance				
Ending Balance				
<b>Real Estate Tax And Ins Escrow</b>				
Beginning Balance				
Ending Balance				
<b>Tenant Security Deposit Acct</b>				
Beginning Balance				
Ending Balance				
Number of Applicants on Waiting List	0	Reserve Acct. Req. Balance	26,622.52	
Number of Applicants Needing RA		Amount Ahead/Behind	37,524.99	

Project Name: FPCAN POLNCR APT State: IL Servicing Office: 606 County: 3  
 Borrower Name: Mt VERNON HL APT LP Bore ID: 629240466 Prj Nbr: 014 Paid Code: Active  
 Classification: C Fiscal Year: 2017 Version: 01/01/2017 TRANSMITD Totals: By Project Analyzed: Y

**PART IV RENT SCHEDULE**

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

Unit Description						Rental Rates			Potential Income From Each Rate			Utility
Type	Size	HC	Rev	Unit	Number	Basic	Note	HUD	Basic	Note	HUD	Allowance
N	2	All			1	422	604	0	5,364	7,248	0	101
N	1	All			20	412	594	0	98,880	142,560	0	88
<b>CURRENT RENT TOTALS</b>									<b>103,944</b>	<b>149,808</b>	<b>0</b>	

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

Unit Description						Utility Types					Total Allow
Type	Size	HC	Rev	Unit	Number	Elect	Gas	Sewer	Trash	Other	Total Allow
N	2	All			1	101	0	0	0	0	101
N	1	All			20	88	0	0	0	0	88

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

Unit Description						Rental Rates			Potential Income From Each Rate			Utility
Type	Size	HC	Rev	Unit	Number	Basic	Note	HUD	Basic	Note	HUD	Allowance
N	2	All			1	422	604	0	5,364	7,248	0	107
N	1	All			20	412	594	0	98,880	142,560	0	88
<b>PROPOSED RENT TOTALS</b>									<b>103,944</b>	<b>149,808</b>	<b>0</b>	

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

Unit Description						Utility Types					Total Allow
Type	Size	HC	Rev	Unit	Number	Elect	Gas	Sewer	Trash	Other	Total Allow
N	2	All			1	107	0	0	0	0	107
N	1	All			20	88	0	0	0	0	88

Project Name: PECAN POINTS APT State: 11 Servicing Office: 604 County: 3  
 Borrower Name: MT VERRON BL APT LP Borr ID: 629240468 Prj Mbr: 01-4 Paid Code: Active  
 Classification: C Fiscal Year: 2017 Version: 01/01/2017 TRANSHITD Totals: By Project Analyzed: Y

Item	Proposed Number Units/Items	Proposed From Reserve	Actual From Reserve	Proposed From Operating	Actual From Operating	Actual Total Cost	Total Actual Units/Items
Effective Dates:	01/01/2016	01/01/2017	01/01/2016	01/01/2017	01/01/2016	01/31/2016	01/31/2016
Ending Dates:	12/31/2016		12/31/2016		12/31/2016	12/31/2016	12/31/2016
<b>ANNUAL CAPITAL BUDGET</b>							
<b>Appliances</b>							
Appliances - Range	2	990.00	0.00	0.00	0.00	0.00	0
Appliances - Refrigerator	2	1,100.00	0.00	0.00	0.00	0.00	0
Appliances - Range Hood	0	0.00	0.00	0.00	0.00	0.00	0
Appliances - Washers & Dryers	0	0.00	0.00	0.00	0.00	0.00	0
Appliances - Other	0	0.00	0.00	0.00	0.00	0.00	0
<b>Carpet and Vinyl</b>							
Carpet & Vinyl - 1 Br.	2	4,200.00	0.00	0.00	0.00	0.00	0
Carpet & Vinyl - 2 Br.	0	0.00	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
<b>Cabinets</b>							
Cabinets - Kitchens	0	0.00	0.00	0.00	0.00	0.00	0
Cabinets - Bathroom	0	0.00	0.00	0.00	0.00	0.00	0
Cabinets - Other	0	0.00	0.00	0.00	0.00	0.00	0
<b>Doors</b>							
Doors - Exterior	0	0.00	0.00	0.00	0.00	0.00	0
Doors - Interior	0	0.00	0.00	0.00	0.00	0.00	0
Doors - Other	0	0.00	0.00	0.00	0.00	0.00	0
<b>Window Coverings</b>							
Window Coverings - Detail	0	0.00	0.00	0.00	0.00	0.00	0
Window Coverings - Other	0	0.00	0.00	0.00	0.00	0.00	0
<b>Heat and Air Conditioning</b>							
Heat & Air - Heating	0	0.00	0.00	0.00	0.00	0.00	0
Heat & Air - Air Conditioning	2	6,000.00	0.00	0.00	0.00	0.00	0
Heat & Air - Other	0	0.00	0.00	0.00	0.00	0.00	0
<b>Plumbing</b>							
Plumbing - Water Heater	0	0.00	0.00	0.00	0.00	0.00	0
Plumbing - Bath Sinks	0	0.00	0.00	0.00	0.00	0.00	0
Plumbing - Kitchen Sinks	0	0.00	0.00	0.00	0.00	0.00	0
Plumbing - Faucets	0	0.00	0.00	0.00	0.00	0.00	0
Plumbing - Toilets	0	0.00	0.00	0.00	0.00	0.00	0
Plumbing - Other	0	0.00	0.00	0.00	0.00	0.00	0
<b>Major Electrical</b>							
Major Electrical - Detail	0	0.00	0.00	0.00	0.00	0.00	0
Major Electrical - Other	0	0.00	0.00	0.00	0.00	0.00	0
<b>Structures</b>							
Structures - Windows	0	0.00	0.00	0.00	0.00	0.00	0
Structures - Screens	0	0.00	0.00	0.00	0.00	0.00	0
Structures - Walls	0	0.00	0.00	0.00	0.00	0.00	0
Structures - Roofing	0	0.00	0.00	0.00	0.00	0.00	0
Structures - Siding	0	0.00	0.00	0.00	0.00	0.00	0
Structures - Exterior Painting	0	0.00	0.00	0.00	0.00	0.00	0
Structures - Other	0	0.00	0.00	0.00	0.00	0.00	0

Project Name: PECAN POINTE APT State: 11 Servicing Office: 606 County: 3  
 Borrower Name: MT VERNON RH APT LP Bond ID: S29240468 Proj No: 01-4 Paid Code: Active  
 Classification: C Fiscal Year: 2017 Version: 01/01/2017 TRANSMITD Totals: By Project Analyzed: Y

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

Report: FIN1000

Multi-Family Information System (MFIS)

Date: 11/10/201

Proposed Budget

Page: 6 of 9

Project Name: PECAN POINTE APT	State: 11	Servicing Office: 606	County: 3
Borrower Name: MT VERNON EL APT LP	Borr ID: 629240468	Prj Nbr: 01-4	Paid Code: Active
Classification: C	Fiscal Year: 2017	Version: 01/03/2017 TRANSMITD	Totals: By Project Analyzed: Y

Part VI - SIGNATURES, DATES AND COMMENTS

Warning	Section 1001 of Title 18, United States Code provides: "Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representation, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under this title or imprisoned not more than five years, or both.
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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)	INVESTORS MANAGEMENT COMPANY (Management Agency)	MA734114 (MA#)
------------------	---	-------------------

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

(Title)	
---------	--

<i>Wanda A. Lyons, Area Specialist</i>	<i>12/14/16</i>
Agency Approval (Rural Development Approval Official):	(Date)

Project Name: BECAN BOLWER APT	State: JJ	Servicing Office: 606	County: 3
Borrower Name: MT VERNON EL APT LP	Repr ID: 629240468	Prj Nbr: 01-4	Faid Code: Active
Classification: C	Fiscal Year: 2017	Version: 01/01/2017 TRANSMITD	Totals: By Project Analyzed: Y

## SPVS Comment:

Batched/ II 092016/ II 111016

## Narrative:

A) Becan Pointe is a 21 unit elderly complex in Mt. Vernon, GA. The property has 20 1-br units and 1 2-br unit. The property has 19 RA units and is in need of one RA slot. Property occupancy is stable. B) The property is in compliance with its loan agreement and RD regulations. The property is in compliance with its 504 accessibility plan. C) The property's financial status is stable. The property needs at least one additional RA unit. The 1% reserve is at or ahead of its required funding, however, the actual balance is lower than desired for a property of this age. For the beginning 1% reserve balance of the proposed 2017 budget we've used the actual ending balance as of 6/30/16 instead of using the ending balance from the 2016 budget to make the 2017 budgeted balances more reflective of actual balances. D) There are no expense category subtotals that exceed the 10% tolerance threshold. Administrative Expenses are 2% of Gross Potential and are within the 2% threshold used by the state of Georgia. E) 2017 projected capital expenditures and reserve withdrawals -Replacement of appliances -Carpet and vinyl -HVAC unit 2% Estimate \$12,200 Projected capital needs 2018-2020 -Replacement of appliances -Carpet and vinyl -HVAC units -roof repairs Estimate \$20,000 F) The 2017 proposed budget does not include a rent increase. We are not requesting a change in the 1 BR utility allowance. We are requesting an increase in the 2-BR utility allowance from \$101 to \$107. We are requesting an increase in the current management fee from \$47 per unit per month to \$49 per unit per month. The property is well maintained and is in stable financial condition. The 1% reserve is at or ahead of its required funding and the property is in compliance with its loan agreement and RD regulations.

RECEIVED

SEP 26 2016

FORM APPROVED  
OMB NO 0575-0189

FORM RD 3560-13  
(Rev. 12-08)

USDA/RURAL DEVELOPMENT  
DOUGLAS, GA  
MULTI-FAMILY PROJECT BORROWER'S/MANAGEMENT AGENT'S

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

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

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

Project Name: Pecan Pointe Apartments Borrower Case# /Project ID: 01-4

City/State: Mt. Vernon, Georgia

Acting on behalf of Mt. Vernon Elderly Apts., LE, the project borrower (Borrower), and Investors Management Co., the management agent (Agent), make the following certifications and agreements to the United States Department of Agriculture regarding management of the above project.

1. We certify that:

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

(1) Term of Agreement (xx-xx-20xx through xx-xx-20xx): 1/1/2017-1/1/2020

(2) Fees:

- a.  PUPM fee as specified in HB-2-3560, Attachment 3-F, as revised, for the term specified above (applied to revenue producing occupied units only).
- b.  PUPM fee is below the PUPM fee specified in HB-2-3560, Attachment 3-F, as revised, for the term specified above (applied to revenue producing occupied units only)  
Fee Amount: \$ \_\_\_\_\_
- c.  Add-On Fees as specified in HB-2-3560, Check all that apply, include total add-on fees below. (applied to revenue producing occupied units only)
  - Management of properties with 15 units or less.
  - One project that has buildings located on different noncontiguous parcels of land (i.e. across town or in another town).
  - Management of properties in a remote location.
  - Troubled properties with workout plans and new management only.
- d. We will disburse management fees from project income only after:
  - (1) We have submitted this certification to Rural Development;
  - (2) Rural Development has approved the Agent to manage this project
- e. We understand that no fees may be earned or paid after Rural Development has terminated the Agreement
- e. If Rural Development notifies me of a management fee above that listed in HB-2-3560; Attachment 3-F the Agent will within 30 days of the notice either:
  - (1) Reduce the compensation to an amount Rural Development determines to be reasonable and
  - (2) Require the Agent to refund to the project all excessive fees collected, or
  - (3) Appeal the decision and abide by the results of the appeal process, making any required reductions and refunds within 30 days after the date of the decision letter on the appeal.

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

*According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0189. The time required to complete this information collection is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.*

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

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

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

**Warnings:**

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

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

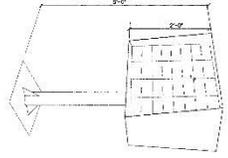
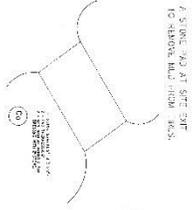
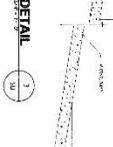
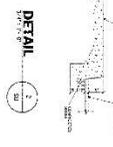
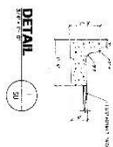
Rural Development may seek a "double damages" civil money damages remedy for the use of assets or income in violation of any Loan Agreement/Resolution or any applicable Rural Development regulations.

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

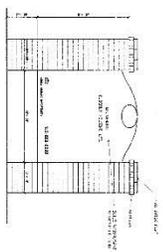
<b>By Project Borrower:</b> Mt. Vernon Elderly Apartments, Ltd., LP		
<b>Name/Title:</b> David A. Brown		
<b>Signature:</b>		<b>Date:</b> 09-01-2016

<b>By Management Agent:</b> Investors Management Company		
<b>Name/Title:</b> Becky Watson		
<b>Signature:</b>		<b>Date:</b> 09-01-2016

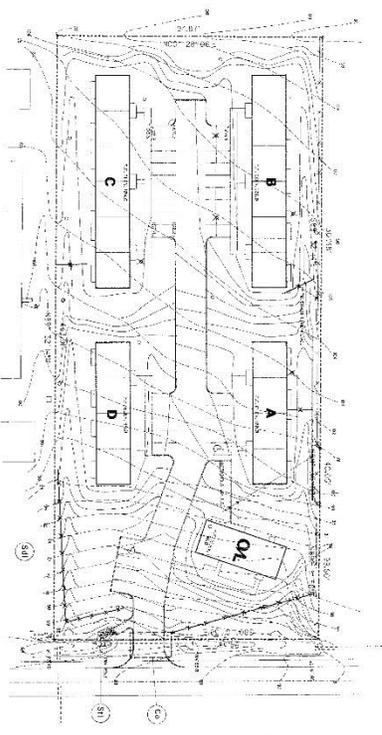
<b>By Servicing Official:</b>		
<b>Name/Title:</b> Wanda F. Hynko, Area Specialist		
<b>Signature:</b> 		<b>Date:</b> 12/14/16



**MAIL RECEIPTS**  
 SIGN  
 1. SIGN SHALL BE 4' HIGH BY 8' WIDE.  
 2. SIGN SHALL BE MOUNTED ON A 4" X 4" POST.  
 3. SIGN SHALL BE MOUNTED ON THE EAST SIDE OF THE BUILDING.  
 4. SIGN SHALL BE MOUNTED AT THE CORNER OF THE BUILDING.



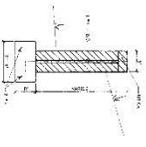
**SIGN**  
 1. SIGN SHALL BE 4' HIGH BY 8' WIDE.  
 2. SIGN SHALL BE MOUNTED ON A 4" X 4" POST.  
 3. SIGN SHALL BE MOUNTED ON THE EAST SIDE OF THE BUILDING.  
 4. SIGN SHALL BE MOUNTED AT THE CORNER OF THE BUILDING.



**EROSION AND SEDIMENT CONTROL**



**EROSION AND SEDIMENT CONTROL**  
 1. EROSION CONTROL SHALL BE INSTALLED AND MAINTAINED THROUGHOUT THE CONSTRUCTION PERIOD.  
 2. SEDIMENT CONTROL SHALL BE INSTALLED AND MAINTAINED THROUGHOUT THE CONSTRUCTION PERIOD.  
 3. EROSION CONTROL SHALL BE INSTALLED AND MAINTAINED THROUGHOUT THE CONSTRUCTION PERIOD.  
 4. SEDIMENT CONTROL SHALL BE INSTALLED AND MAINTAINED THROUGHOUT THE CONSTRUCTION PERIOD.



**RETAINING WALL DETAIL**

**RETAINING WALL DETAIL**  
 1. RETAINING WALL SHALL BE 4' HIGH BY 8' WIDE.  
 2. RETAINING WALL SHALL BE MOUNTED ON A 4" X 4" POST.  
 3. RETAINING WALL SHALL BE MOUNTED ON THE EAST SIDE OF THE BUILDING.  
 4. RETAINING WALL SHALL BE MOUNTED AT THE CORNER OF THE BUILDING.

NO.	DESCRIPTION	DATE
1	REVISION	
2	REVISION	
3	REVISION	
4	REVISION	

**NOTES**  
 1. ALL CONSTRUCTION SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE INTERNATIONAL BUILDING CODE AND THE LATEST EDITIONS OF THE INTERNATIONAL PLUMBING AND MECHANICAL CODE.  
 2. ALL CONSTRUCTION SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE INTERNATIONAL BUILDING CODE AND THE LATEST EDITIONS OF THE INTERNATIONAL PLUMBING AND MECHANICAL CODE.  
 3. ALL CONSTRUCTION SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE INTERNATIONAL BUILDING CODE AND THE LATEST EDITIONS OF THE INTERNATIONAL PLUMBING AND MECHANICAL CODE.

NO.	DESCRIPTION	DATE
1	REVISION	
2	REVISION	
3	REVISION	
4	REVISION	

COMPANY © 1980  
 ELLIS, RICKET & ASSOCIATES

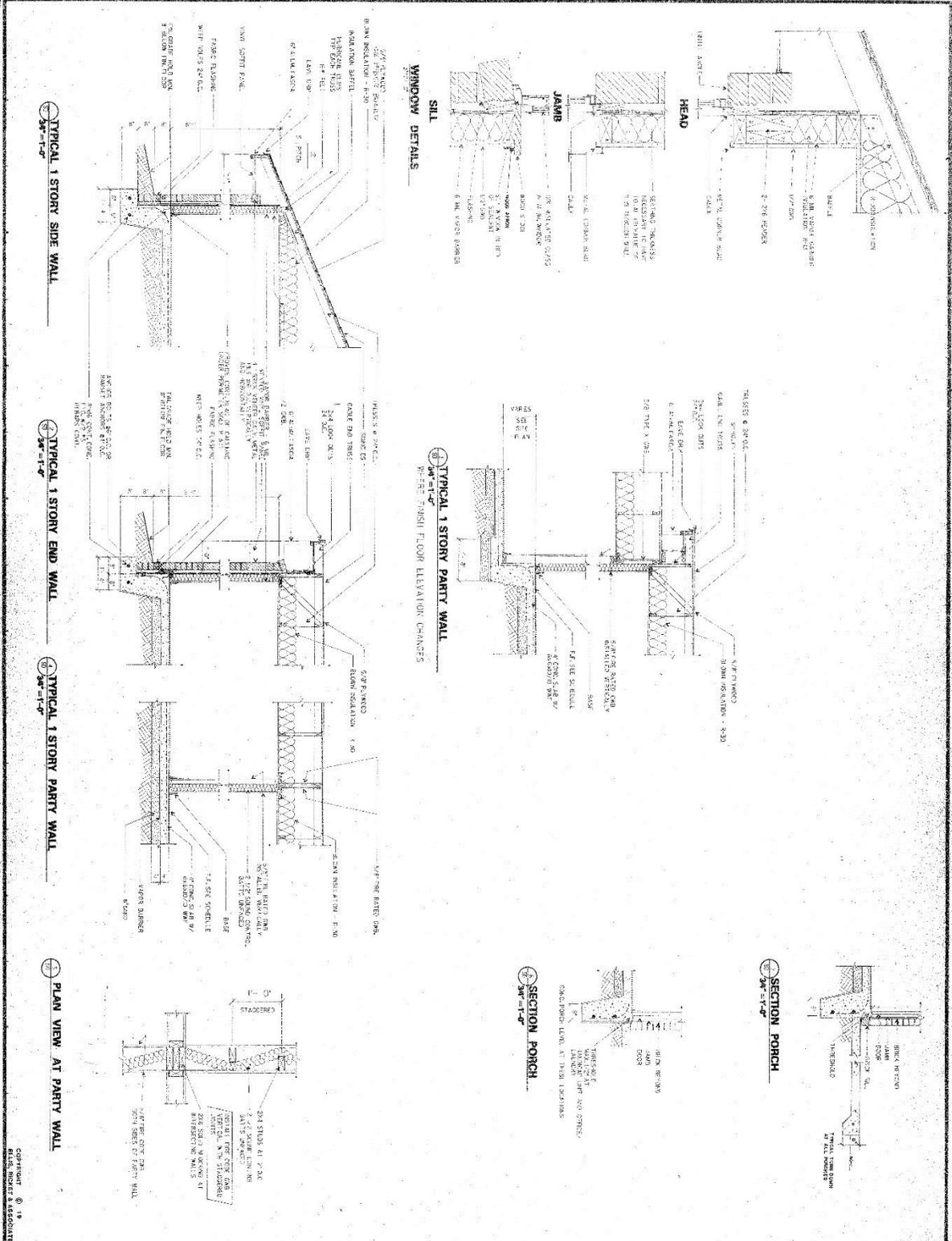


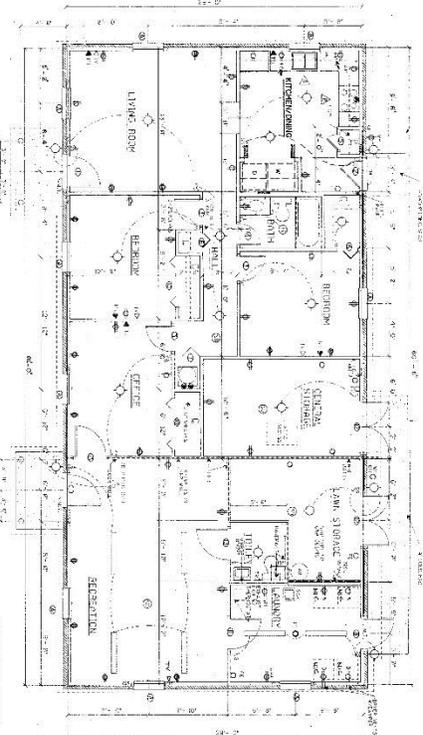
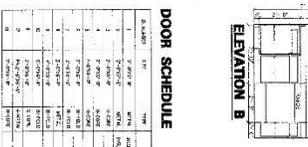
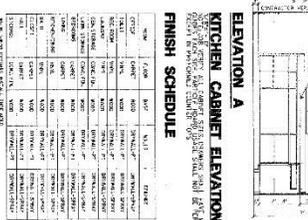
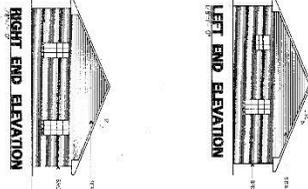
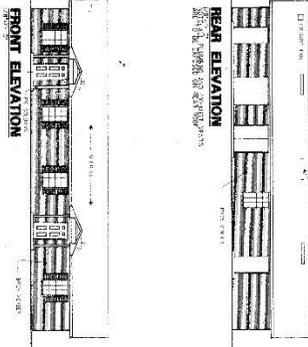
**ELLIS, RICKET & ASSOCIATES**  
**ARCHITECTS**  
 Post Office Box 2977 Valosta, Georgia 31601 Telephone (912) 242-3656  
 PECAN POINTE APARTMENTS  
 MT. VERNON, GEORGIA

NO.	DESCRIPTION	DATE
1	REVISION	
2	REVISION	
3	REVISION	
4	REVISION	









**FLOOR PLAN /OFFICE LAUNDRY /MSR APT**

1. THIS PLAN IS A PRELIMINARY DESIGN AND IS SUBJECT TO CHANGE WITHOUT NOTICE.

2. ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE NOTED.

3. FINISHES TO BE DETERMINED BY THE OWNER.

4. ALL WORK IS TO BE IN ACCORDANCE WITH THE 2000 INTERNATIONAL RESIDENTIAL CODE AND ALL APPLICABLE LOCAL ORDINANCES.

5. ALL WORK IS TO BE IN ACCORDANCE WITH THE 2000 INTERNATIONAL MECHANICAL AND PLUMBING CODE AND ALL APPLICABLE LOCAL ORDINANCES.

6. ALL WORK IS TO BE IN ACCORDANCE WITH THE 2000 INTERNATIONAL ELECTRICAL CODE AND ALL APPLICABLE LOCAL ORDINANCES.

7. ALL WORK IS TO BE IN ACCORDANCE WITH THE 2000 INTERNATIONAL FIRE AND SAFETY CODE AND ALL APPLICABLE LOCAL ORDINANCES.

8. ALL WORK IS TO BE IN ACCORDANCE WITH THE 2000 INTERNATIONAL BUILDING CODE AND ALL APPLICABLE LOCAL ORDINANCES.

9. ALL WORK IS TO BE IN ACCORDANCE WITH THE 2000 INTERNATIONAL ENERGY CONSERVATION CODE AND ALL APPLICABLE LOCAL ORDINANCES.

10. ALL WORK IS TO BE IN ACCORDANCE WITH THE 2000 INTERNATIONAL SMOKE AND ALARM CODE AND ALL APPLICABLE LOCAL ORDINANCES.

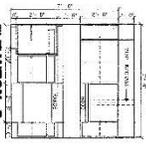
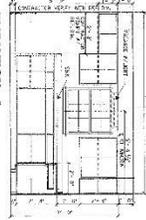
11. ALL WORK IS TO BE IN ACCORDANCE WITH THE 2000 INTERNATIONAL ACCESSIBILITY AND MOBILITY ACT AND ALL APPLICABLE LOCAL ORDINANCES.

12. ALL WORK IS TO BE IN ACCORDANCE WITH THE 2000 INTERNATIONAL GREEN BUILDING CONSTRUCTION AND MAINTENANCE SOURCEBOOK AND ALL APPLICABLE LOCAL ORDINANCES.

13. ALL WORK IS TO BE IN ACCORDANCE WITH THE 2000 INTERNATIONAL WELL-BEING AND PRODUCTIVITY SOURCEBOOK AND ALL APPLICABLE LOCAL ORDINANCES.

14. ALL WORK IS TO BE IN ACCORDANCE WITH THE 2000 INTERNATIONAL SUSTAINABLE DESIGN SOURCEBOOK AND ALL APPLICABLE LOCAL ORDINANCES.

15. ALL WORK IS TO BE IN ACCORDANCE WITH THE 2000 INTERNATIONAL WELL-BEING AND PRODUCTIVITY SOURCEBOOK AND ALL APPLICABLE LOCAL ORDINANCES.



**FINISH SCHEDULE**

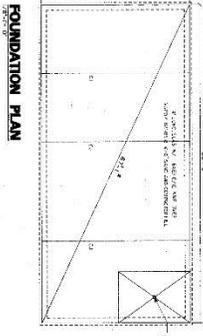
NO.	DESCRIPTION	FINISH
1	CEILING	POP
2	WALLS	POP
3	FLOORS	CONCRETE
4	DOORS	WOOD
5	WINDOWS	WOOD
6	BASES	WOOD
7	TRIM	WOOD
8	STAIRS	WOOD
9	ROOF	ASPH/FLT
10	MECHANICAL	PAINT
11	ELECTRICAL	PAINT
12	PLUMBING	PAINT
13	MECHANICAL	PAINT
14	ELECTRICAL	PAINT
15	PLUMBING	PAINT

**DOOR SCHEDULE**

NO.	DESCRIPTION	TYPE	FINISH
1	CL. ENTRY	SWING	WOOD
2	CL. BATH	SWING	WOOD
3	CL. BED	SWING	WOOD
4	CL. KITCHEN	SWING	WOOD
5	CL. HALL	SWING	WOOD
6	CL. LAUNDRY	SWING	WOOD
7	CL. STORAGE	SWING	WOOD
8	CL. ENTRY	SWING	WOOD
9	CL. BATH	SWING	WOOD
10	CL. BED	SWING	WOOD
11	CL. KITCHEN	SWING	WOOD
12	CL. HALL	SWING	WOOD
13	CL. LAUNDRY	SWING	WOOD
14	CL. STORAGE	SWING	WOOD

**WINDOW SCHEDULE**

NO.	DESCRIPTION	TYPE	FINISH
1	CL. ENTRY	SWING	WOOD
2	CL. BATH	SWING	WOOD
3	CL. BED	SWING	WOOD
4	CL. KITCHEN	SWING	WOOD
5	CL. HALL	SWING	WOOD
6	CL. LAUNDRY	SWING	WOOD
7	CL. STORAGE	SWING	WOOD
8	CL. ENTRY	SWING	WOOD
9	CL. BATH	SWING	WOOD
10	CL. BED	SWING	WOOD
11	CL. KITCHEN	SWING	WOOD
12	CL. HALL	SWING	WOOD
13	CL. LAUNDRY	SWING	WOOD
14	CL. STORAGE	SWING	WOOD



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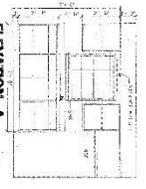
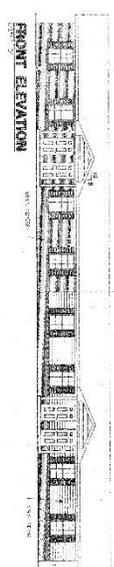


**ELLIS, RICKET & ASSOCIATES**  
**ARCHITECTS**  
 Post Office Box 2877 Valdosta, Georgia 31901 Telephone (912) 242-3585

PECAN POINTE APARTMENTS  
 MT. VERNON, GEORGIA

DATE: 11/11/00  
 DRAWN BY: J. RICKET  
 CHECKED BY: J. RICKET  
 PROJECT NO.: 00-0000  
 SHEET NO.: 00-0000

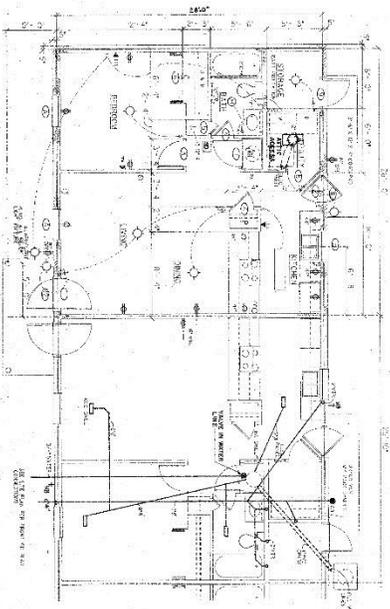
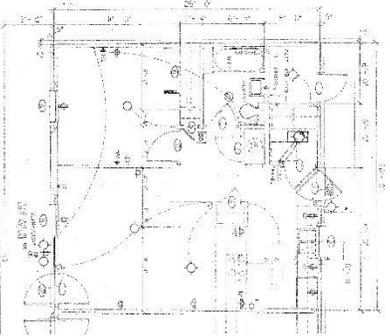




ELEVATION C  
KITCHEN CABINET ELEVATIONS FOR HANDICAP

ELEVATION A  
KITCHEN CABINET ELEVATIONS

BATHROOM ELEVATION



**FINISH SCHEDULE**

NO.	DESCRIPTION	FINISH	NOTES
1	WALLS	PLASTER	
2	CEILING	PLASTER	
3	FLOOR	CONCRETE	
4	DOORS	WOOD	
5	WINDOWS	WOOD	
6	CABINETS	WOOD	
7	TRIM	WOOD	
8	PAINT	WHITE	
9	GLASS	GLASS	
10	IRONING BOARD	WOOD	
11	STOVE	WOOD	
12	SINK	WOOD	
13	REF.	WOOD	
14	W.C.	WOOD	
15	BATH	WOOD	
16	SHOWER	WOOD	
17	TUB	WOOD	
18	TOILET	WOOD	
19	VANITY	WOOD	
20	MIRROR	WOOD	
21	ROSETTE	WOOD	
22	DOOR	WOOD	
23	WINDOW	WOOD	
24	TRIM	WOOD	
25	PAINT	WHITE	
26	GLASS	GLASS	
27	IRONING BOARD	WOOD	
28	STOVE	WOOD	
29	SINK	WOOD	
30	REF.	WOOD	
31	W.C.	WOOD	
32	BATH	WOOD	
33	SHOWER	WOOD	
34	TUB	WOOD	
35	TOILET	WOOD	
36	VANITY	WOOD	
37	MIRROR	WOOD	
38	ROSETTE	WOOD	
39	DOOR	WOOD	
40	WINDOW	WOOD	
41	TRIM	WOOD	
42	PAINT	WHITE	
43	GLASS	GLASS	
44	IRONING BOARD	WOOD	
45	STOVE	WOOD	
46	SINK	WOOD	
47	REF.	WOOD	
48	W.C.	WOOD	
49	BATH	WOOD	
50	SHOWER	WOOD	
51	TUB	WOOD	
52	TOILET	WOOD	
53	VANITY	WOOD	
54	MIRROR	WOOD	
55	ROSETTE	WOOD	
56	DOOR	WOOD	
57	WINDOW	WOOD	
58	TRIM	WOOD	
59	PAINT	WHITE	
60	GLASS	GLASS	

**DOOR SCHEDULE**

NO.	DESCRIPTION	FINISH	NOTES
1	DOOR	WOOD	
2	DOOR	WOOD	
3	DOOR	WOOD	
4	DOOR	WOOD	
5	DOOR	WOOD	
6	DOOR	WOOD	
7	DOOR	WOOD	
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60	DOOR	WOOD	

**WINDOW SCHEDULE**

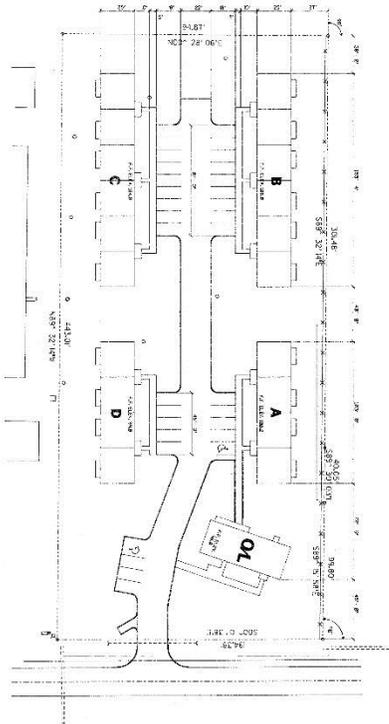
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6	WINDOW	WOOD	
7	WINDOW	WOOD	
8	WINDOW	WOOD	
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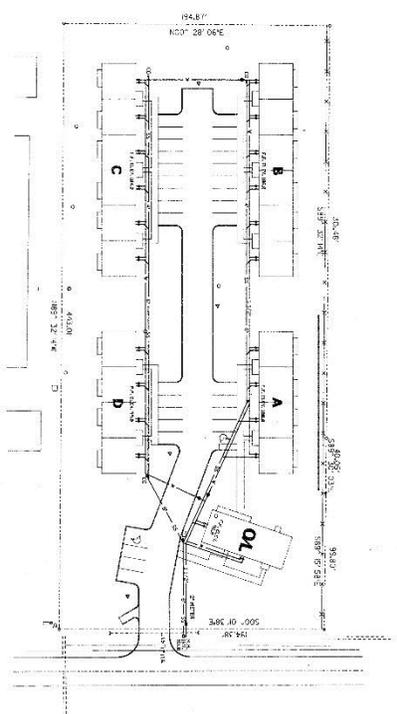
**ELLIS, RICKET & ASSOCIATES**  
**ARCHITECTS**  
 Post Office Box 2977 Valdosta, Georgia 31601 Telephone (912) 242-2595  
**PECAN POINTE APARTMENTS**  
 MT. VERNON, GEORGIA

NO.	DESCRIPTION	FINISH	NOTES
1	DOOR	WOOD	
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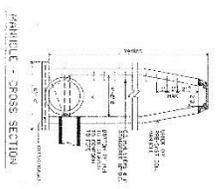


SIDE STAKING PLAN

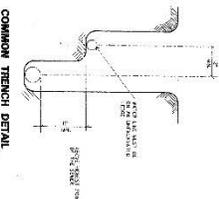


SIDE UTILITY PLAN

TITLE: SIDE UTILITY PLAN  
 PROJECT: FEGAN POINTE APARTMENTS  
 LOCATION: MT. VERNON, GEORGIA  
 DATE: 11/15/90  
 DRAWN BY: [Name]  
 CHECKED BY: [Name]  
 APPROVED BY: [Name]



MANHOLE - CROSS SECTION



COMMON TRENCH DETAIL

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 ELLIS, RICKET & ASSOCIATES



**ELLIS, RICKET & ASSOCIATES**  
**ARCHITECTS**  
 First Office: Box 2917, Valdosta, Georgia 31601 Telephone: (912) 242-3956  
 FEGAN POINTE APARTMENTS  
 MT. VERNON, GEORGIA

DATE	11/15/90
BY	[Name]
CHECKED	[Name]
APPROVED	[Name]
PROJECT	FEGAN POINTE APARTMENTS
LOCATION	MT. VERNON, GEORGIA
DATE	11/15/90
BY	[Name]
CHECKED	[Name]
APPROVED	[Name]





## 2015 REHABILITATION WORK SCOPE

CSI DIVISION		TRADE ITEM	Describe scope: materials, performance specifications	Percentage of total existing to be demoed or replaced	QUANTITY	UNIT (sf, lf, ea, cy, sy, etc.)	UNIT COST	TOTAL (quantity * unit cost)
New Format	Old Format							
PROJECT NAME: Heritage Villas Apartments				YEAR BUILT:	1990			
PROJECT LOCATION: 1200 Irwinton Avenue, Helena, Ga. 31037				UNIT COUNT:	26			
				GROSS SQUARE FOOTAGE:	17,046			
24	n/a	Accessibility						\$0
24		convert existing units to UFAS-complaint units	1 Bedroom and 2 bedroom accessible Units , Demo existing kitchen, bathroom, HVAC, and part of bedroom walls. Demo bathroom concrete floor to relocate plumbing. Relocate laundry room and HVAC closet. Frame new walls, install new plumbing lines, new electrical lines in walls that were moved. Install new drywall, paint and floor covering. Provide one sight and hearing impaired kit to be left in the office with manager.	65	2	Apts.	19860	\$39,720
24		retrofit existing units for Fair Housing compliance	Blocking missing in bathrooms for Grabbars					\$0
24		retrofit existing clubhouse to meet UFAS, Fair Housing, & ADA						\$0
24		retrofit existing site to meet Fair Housing, ADA	4% of the Main Sidewalks cross slope exceeds 2% and must be redone to have a 2% or less cross slope. 3 handicap parking spaces need to be redone to have the correct slope and cross slope. 6 entrance walks must be removed and replaced.	9	2420	SF	5.5	\$13,310
<b>Total (Accessibility)</b>								<b>\$53,030</b>
37	2	Demolition						\$0
37		site						\$0
37		bldg interiors: ceilings, walls, floor, plumbing, HVAC, elec						\$0
37		bldg exteriors: siding, roofing, patios, decks, stairs, breezeways						\$0
35	2	Unusual site conditions (such as lead, asbestos, mold abatement)						\$0
35		lead abatement						\$0
35		asbestos abatement						\$0
35		mold abatement						\$0
30	2	Earth Work						\$0
30		regrade for drainage control	regrade swells, fill and level ponding areas	8	80	LF	45	\$3,600
30		regrade for elimination of erosion situations						\$0
30								\$0
34	2	Landscaping & irrigation						\$0
34		sodding/seeding						\$0
34		trees, shrubs, and annuals	Add native and drought tolerant trees and plants	5	100	80	85	\$8,500
34		irrigation						\$0
34		tree pruning, root removal	Remove 6 dead pine trees and 12 diseased trees	6	18	trees	300	\$5,400
33	2	Retaining walls						\$0
33	2	Site Improvements						\$0
33		fencing	Remove and replace dumpster fence	100	54	LF	60	\$3,240
33		exterior amenities construction (list each amenity separately)	New Picnic Table, grill, and covered pavillion	100	1	each	22400	\$22,400
32	2	Roads (paving)						\$0
32		asphalt paving	Overlay asphalt paving and Restripe	100	20900	SF	2	\$41,800
32	2	Site concrete (curbs, gutters, & sidewalks)						\$0
32		curb & gutter	Repair Cracked Curb and Gutter	5	62	LF	12	\$744
32		sidewalks	Repair damaged sidewalks	4	1480	SF	12	\$17,760
32		Video utilities						\$0
31	2	Site Utilities						\$0
31		water service						\$0
31		fire service						\$0
31		storm water piping						\$0
31		sewer service						\$0
31		electrical service						\$0
31		gas service						\$0
<b>Total (Land Improvements)</b>								<b>\$103,444</b>

CSI DIVISION		TRADE ITEM	Describe scope: materials, performance specifications	Percentage of total existing to be demoed or replaced	QUANTITY	UNIT (sf, lf, ea, cy, sy, etc.)	UNIT COST	TOTAL (quantity * unit cost)
New Format	Old Format							
24	n/a	Accessibility						\$0
			Two - 1 Bedroom accessible Units , Demo existing kitchen, bathroom, HVAC, and part of bedroom walls. Demo bathroom concrete floor to relocate plumbing. Relocate laundry room and HVAC closet. Frame new walls, install new plumbing lines, new electrical lines in walls that were moved. Install new drywall, paint and floor covering. Provide sight and hearing impaired kit to be left in the office with the manager.	65	2	Apts.	17840	\$35,680
24		convert existing units to UFAS-complaint units						\$0
24		retrofit existing units for Fair Housing compliance	Blocking missing in bathrooms for Grabbars					\$0
			The clubhouse and laundry is not accessible. The front of the clubhouse has steep slopes and steps are used in front of the clubhouse /laundry to gain access to the building. A new accessible parking area with new sidewalks to the rear of the building would be the best accessible route to the Laundry Room and Club House.	45	1	Bldgs.	21450	\$21,450
24		retrofit existing clubhouse to meet UFAS, Fair Housing, & ADA						\$0
			14% of the Main Sidewalks cross slope exceeds 2% and must be redone to have a 2% or less cross slope. 3 Handicap parking spaces have a slope and cross slope greater then 2% slope and need to be redone. The mailboxes are not accessible and a new accessible route and pad for the mailboxes need to be installed.	14	2280	SF	5.5	\$12,540
24		retrofit existing site to meet Fair Housing, ADA						\$0
<b>Total (Accessibility)</b>								<b>\$69,670</b>
37	2	Demolition						\$0
37		site						\$0
37		bldg interiors: ceilings, walls, floor, plumbing, HVAC, elec						\$0
37		bldg exteriors: siding, roofing, patios, decks, stairs, breezeways						\$0
35	2	Unusual site conditions (such as lead, asbestos, mold abatement)						\$0
35		lead abatement						\$0
35		asbestos abatement						\$0
35		mold abatement						\$0
30	2	Earth Work						\$0
30		regrade for drainage control	regrade swells, fill and level ponding areas	9	55	LF	45	\$2,475
30		regrade for elimination of erosion situations						\$0
30								\$0
34	2	Landscaping & Irrigation						\$0
34		sodding/seedling						\$0
34		trees, shrubs, and annuals	Add native and drought tolerant trees and plants	6	100	each	85	\$8,500
34		irrigation						\$0
34		tree pruning, root removal						\$0
33	2	Retaining walls						\$0
33	2	Site Improvements						\$0
33		fencing	Remove and replace dumpster fence	100	54	LF	60	\$3,240
33		exterior amenities construction (list each amenity separately)	New Picnic Table, grill, and covered pavillion	100	1	each	22400	\$22,400
32	2	Roads (paving)						\$0
32		asphalt paving	Overlay asphalt paving and Restripe	100	12600	each	2	\$25,200
32	2	Site concrete (curbs, gutters, & sidewalks)						\$0
32		curb & gutter	Repair Cracked Curb and Gutter	5	22	LF	12	\$264
32		sidewalks						\$0
32		Video utilities						\$0
31	2	Site Utilities						\$0

31		water service							\$0
31		fire service							\$0
31		storm water piping							\$0
31		sewer service	The sewer lift station on the front of the property needs replaced. The pumps have been rebuilt but the complex is continuously having problems with the lift station.	100	1 each		32680		\$32,680
31		electrical service							\$0
31		gas service							\$0
Total (Land Improvements)									\$94,758
1	3	Concrete (building pads & gypcrete)							\$0
2	4	Masonry	Pressure wash brick and point up	100	5 Bldgs.		500		\$2,500
3	5	Metals (stair stringers, metal decking, handrails, structural steel)							\$0
3		stair pans/stringers							\$0
3		corrugated metal decking							\$0
3		handrails							\$0
3		structural steel							\$0
4	6	Rough carpentry (framing, sheathing, decking)							\$0
4		framing							\$0
4		ext wall sheathing							\$0
4		floor decking							\$0
4		attic draft stops	Repair and seal	repair	20	Fire Walls	145		\$2,900
4		exterior wood decks/patios and rails							\$0
5	6	Finish Carpentry (window sills, wood base, wood paneling, exterior wood trim, shutters, etc)							\$0
5		exterior trim including shutters							\$0
5		interior trim including wood base	Replace door casing and bad window sills	22	288 LF		1.8		\$518
6	7	Waterproofing							\$0
7	7	Insulation							\$0
7		wall insulation							\$0
7		roof insulation	Boost Attic Insulation to R-38	100	13876 SF		0.39		\$5,412
7		sound insulation							\$0
8	7	Roofing							\$0
8		shingles (or other roofing material)	Replace with 25 year asphalt Shingles	100	190 SQ		250		\$47,500
8		gutters & downspouts							\$0
6	7	Siding/stucco	Repair Damaged Vinyl siding and Vinyl trim	100	6700 SF		4		\$26,800
10	8	Doors & hardware							\$0
10		interior doors	Replace interior door units	100	132 each		90		\$11,880
10		exterior doors	Replace exterior door units	100	65 each		390		\$25,350
10		hardware	Replace door Hardware	100	21 units		320		\$6,720
10		Storm Doors	Replace Storm Doors	100	42 each		120		\$5,040
11	8	Windows/glass							\$0
11		Windows	Replace all windows with Low-E, U-Factor 0.35 and SHG	100	102 each		330		\$33,660
11		mirrors							\$0
13	9	Drywall							\$0
13		repair and replacement-walls	Repair damaged areas	2.8	485 SF		4		\$1,940
13		repair and placement-ceiling	Repair damaged areas and spray finish	2.1	351 SF		4		\$1,404
14	9	Tile work							\$0
14		tub surrounds							\$0
14		ceramic floors							\$0
16	9	Resilient/wood flooring							\$0
16		VCT							\$0
16		sheet goods	Replace Vinyl Flooring	52	808 SY		18.75		\$15,150
16		wood flooring							\$0
17	9	Painting							\$0
17		exterior walls							\$0
17		interior walls	Semi Gloss Enamel	100	13876 SF		0.75		\$10,407
17		ceilings							\$0

17		doors & trim	Semi Gloss Enamel	100	13776	SF	0.25	\$3,444
17		steel: handrails, stairs, etc	Hand Rails	100	356	LF	5.5	\$1,958
17		additional prep work (sandblasting)						\$0
18	10	Specialties						\$0
18		signage	New Office Signs, Temporary Signs	100	7	each	80	\$560
18		toilet accessories including framed mirrors	New Towel Bars, TP Holder, Mirror	100	25	units	88	\$2,200
18		fire extinguishers						\$0
18		shelving						\$0
18		mailboxes	Replace mailboxes and install new mailboxes in a mail k	100	1	unit	12510	\$12,510
18		stovetop fire suppression	2 per range hood	100	21	units	68	\$1,428
20	11	Cabinets (incl. countertops)						\$0
20		unit kitchens	Refinish Cabinets	100	21	units	860	\$18,480
20		countertops	Replace Countertops	100	21	units	690	\$14,490
20		bathroom vanities	refinish vanities	100	21	units	85	\$1,785
21	11	Appliances						\$0
21		refrigerators	Replace with Energy Star Refrigerator	95	20	Each	705.12	\$14,102
21		stove	Replace Stove	100	21	Each	459.03	\$9,640
21		vent hood	Replace Vent Hood	100	21	Each	84.53	\$1,775
21		dishwasher						\$0
21		microwave						\$0
21		disposals						\$0
22	12	Blinds & Shades	Replace with 2" faux blinds	100	63	each	55	\$3,465
23	12	Carpets						\$0
24	13	Special Construction (pools)						\$0
25	14	Elevators						\$0
26	15	Sprinklers						\$0
26	15	Plumbing						\$0
26		bathubs and/or pre-fab showers	Tube Repair and Refinish	100	21	each	200	\$4,200
26		shower heads						\$0
26		tub faucets	Replace with new delta faucets	100	21	units	400	\$8,400
26		bathroom sinks	Replace with new china sink, Delta faucet, trap and supp	100	21	units	385	\$8,085
26		bathroom faucets						\$0
26		kitchen sinks	Replace Kitchen Sink, Delta Faucet, Strainers, Trap and	100	21	units	385	\$8,085
26		kitchen faucets						\$0
26		toilets	Replace Toilets with HC Toilets	100	21	Each	385	\$8,085
26		new water service-piping, valves, etc						\$0
26		new waste/vent service-piping, valves, etc						\$0
26		water heaters	Replace	100	21	Each	450	\$9,450
26		individual water metering						\$0
27	15	HVAC						\$0
27		air conditioning equipment	All labor and Materials HVAC Subcontractor	100	22	Each	2900	\$63,800
27		heating equipment						\$0
27		ductwork cleaning						\$0
27		ductwork						\$0
27		duct insulation						\$0
27		bathroom ventilation fans						\$0
27		solar hot water heating						\$0
29	16	Electrical						\$0
29		unit light fixtures	Install Energy Star ceiling fan in Living Room and Bedroo	100	25	Apts.	690	\$17,250
29		common area/exterior building mounted light fixtures	Included in Light Fixture Allowance					\$0
29		pole lights	n/a - GA Power maintained					\$0
29		ceiling fans	Included in Light					\$0
29		electrical wiring (within unit)	Replace switches and outlets	100	21	Apts.	450	\$9,450
29		outlets & light switches	Install GFI outlets in Laundry and kitchen	100	42	Each	50	\$2,100
29		distribution-breaker boxes, breakers, meters						\$0
29		solar panels						\$0
29	16	Communications Systems (cable, phone, internet, etc)						\$0
29		cable outlets						\$0
29		cable wiring						\$0

29		phone jacks						\$0
29		phone wiring (per unit)						\$0
29		internet system (wireless or hard wired?)						\$0
29	16	Safety systems						\$0
29		smoke detectors	Replace and add in each bedroom of dwelling units	100	45	Each	50	\$2,250
29		fire alarm system						\$0
29		security alarm system						\$0
29		access control system						\$0
29		camera system						\$0
		Subtotal (structures)						\$426,373
		Total (Structure & Land Imprvmts & Accessibility)						\$590,802

**Zoning Ordinance**  
**for**  
**Mt. Vernon, Georgia**

**Enacted September 7, 1998**

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### ARTICLE I. SHORT TITLE, EFFECTIVE DATE, DECLARATION OF LEGISLATIVE INTENT

#### Section 100. Short title and effective date.

This Ordinance shall be effective September 7, 1998, and shall be known, referred to and cited as, "The Zoning Ordinance of the City of Mt. Vernon."

#### Section 101. Declaration of legislative intent.

(a) **Authority.** The City Council of Mt. Vernon, Georgia, in accordance with the authority granted in them by the State of Georgia's General Planning Enabling Act of 1957, as amended, hereby ordains, and enacts into law the following articles and sections. (Current authority- Georgia Constitution of 1983, Article XI, Section 11, Paragraph IV.)

(b) **Purpose.** The zoning regulations and districts as herein set forth have been prepared in accordance with an adopted future land use and major throughfare plan of the city to promote the public health, safety, morals, and general welfare of the city, to facilitate orderly and harmonious development, and to regulate the density of population and intensity of land

use in order to facilitate the growth and prosperity of the citizens of Mt. Vernon, Georgia.

**Section 102. Interpretation.**

In interpreting and applying the provisions of this ordinance, they shall be held to the minimum requirements for the promotion of the public safety, health, and welfare. Where this ordinance imposes a greater restriction upon the building, use, or costs, as required by any other ordinance or regulations, or by easements, covenants, deed restrictions or agreements, the provision of this ordinance shall govern.

**Section 103. Conflict.**

It is not intended by this ordinance to repeal, abrogate, annul or interfere with any existing ordinance or enactment, or with any rule, regulations or permit adopted or issued thereunder, except insofar as the same may be inconsistent or in conflict with any of the provisions of this ordinance, provided that where this ordinance imposes greater restrictions upon the building, use, or costs, as required by any other ordinance, rates, codes, permits, or regulations, or by easements, covenants, deed restrictions or agreements, the provision of this ordinance shall govern.

**Section 104. Validity.**

Should any section or provision of this ordinance be declared by a court of competent jurisdiction to be invalid, such decision shall not affect the validity of this ordinance as a whole, or of any other part thereof.

**Section 105. Repealer.**

All prior ordinances or parts of prior ordinances inconsistent herewith are hereby repealed.

**ARTICLE II. DEFINITIONS**

**Section 200. Rules of Construction.**

Except as specifically defined herein, all words used in this ordinance have their customary dictionary definitions. Unless otherwise expressly stated, the following words shall have the meaning herein indicated:

- (1) Words used in the present tense include the future tense.

(2) Words used in the singular number include plural and words used in the plural number include the singular.

(3) The word "person" includes a firm, association, organization, partnership, corporation, political governing body, trust and company, as well as an individual.

(4) The word "lot" includes the words "plot" and "parcel" and "tract".

(5) The word "building" includes the word "structure".

(6) The word "shall" is mandatory, not directory.

(7) The words "planning commission" shall refer to the planning commission of the City of Mt. Vernon, Georgia.

(8) The words "city council" or "council" shall refer to the city council of the City of Mt. Vernon, Georgia.

(9) The words "map", "zoning map", or "Mt. Vernon Zoning Map", shall mean the official zoning map of the City of Mt. Vernon, Georgia.

(10) The word "constructed" shall mean to form by putting together parts.

**Section 201. Definition of Terms.**

Accessory Use: A use or building customarily incidental and subordinate to the principal use or building and located on the same lot with such principal use or building.

Building: A structure having a roof supported by columns or walls for the shelter, support or enclosure of persons, animals, or chattels; and when separated by division walls from the ground up and without opening, each portion of such building shall be deemed a separate building.

Building area: The maximum horizontal project area of a building, excluding open steps, terraces, and cornices projecting not more than 30 inches. This does not include self-supporting balconies above the first floor and projecting into yards.

- Dwelling:** A building designed or used for permanent living quarters for one or more families or individuals.
- Dwelling, Single Family Dwelling:** A building containing only one (1) housekeeping unit, and designed or used to house not more than one (1) family in a permanent manner, which may include not more than two (2) boarders or lodgers.
- Dwelling, Multi-family Dwelling:** A building designed for, or portion of a building having accommodations for, two (2) or more families being independent of each other, and each having its own kitchen and bath facilities. This term includes premises occupied more or less permanently for residential purposes in which the rooms are occupied in apartments, suites, or groups such as apartments units, tenement houses, flats, apartment hotels, bachelor apartments, studio apartments, kitchenette apartments, and all other dwellings similarly occupied except hotels and motels.
- Family:** One or more persons occupying a premises and living in a single housekeeping unit.
- Financial Interest:** Means all direct ownership interests in the total assets or capital stock of a business entity where such ownership interest is ten (10%) percent or more.
- House trailer:** See "Manufactured Home".
- Manufactured Home:** Means a structure, transportable in one or more sections, which, in the traveling mode, is eight (8') body feet or more in width or forty (40') body feet or more in length or, when erected on site, is three hundred and twenty (320) or more square feet and which is built on a permanent chassis and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities.
- Mobile Home:** See "Manufactured Home".
- Non-Conforming Use:** Any use of a building or lot of land that does not conform to the regulations for the zoning district in which it is situated.

**Planning Commission:** A panel of at least three (3) citizens of the City of Mt. Vernon, appointed by the city council to review any petitions for a zoning change seeking to protect the safety, health, and general welfare of the City of Mt. Vernon, Georgia.

**Property Interest:** Means the direct ownership of real property and includes any percentage of ownership less than total ownership.

**Rezoning Action:** Means action by local government adopting an amendment to a zoning ordinance and/or zoning map which has the effect of rezoning real property from one zoning classification to another.

**Trailer-Mobile Home:** See "Manufactured Home".

### **ARTICLE III. ZONING DISTRICTS**

#### **Section 300. Zoning Districts.**

For the purpose of this ordinance, the City of Mt. Vernon, Georgia is hereby divided into four (4) districts which shall be designated as follows:

A-1 Agricultural District

R-1 Single Family Residential District

R-1A Single Family Residential District (allowing manufactured homes)

R-2 Multi-Family Residential District

#### **Section 301. Zoning Map.**

The location and boundaries of such districts shall be as shown on the map attached to and hereby made a part of this ordinance, which shall be designated "Zoning Map of the City of Mt. Vernon, Georgia." The said map and all the notations, references and other data thereon shall be as much a part of this ordinance as if fully described thereon.

#### **Section 302. Reach of Zoning.**

Zoning affects every structure and use of land within the city limits of Mt. Vernon, Georgia. Upon the effective date of the adoption of this ordinance,

every use of land within the city limits must conform to the provisions of this ordinance.

#### **ARTICLE IV. A-1 AGRICULTURAL DISTRICT**

##### **Section 400. Purpose of district.**

The A-1 Agricultural district is established to preserve certain land areas for agricultural use, to provide for areas of open space, and to provide building sites for future urban development.

##### **Section 401. Permitted uses.**

The following uses are permitted in the A-1 Agricultural District:

- (a) Any type of agricultural pursuits, including the raising of livestock.
- (b) Any facilities provided for public service.
- (c) Any commercial enterprise.
- (d) Manufactured homes, and manufactured or "mobile home" parks.

#### **ARTICLE V. R-1 SINGLE FAMILY RESIDENTIAL DISTRICT**

##### **Section 500. Purpose of district.**

The R-1 Single-family Residential District is established to protect the existing areas of primarily low density single-family residential development and to provide for and enclosure similar complementary type development in the future, together with associated recreational, educational, and religious facilities.

##### **Section 501. Permitted uses in Single Family Residential District**

In the R-1 Single-Family Residential District, the following uses are permitted:

- (a) Single-family dwellings, except for manufactured homes.
- (b) Public and semi-public recreational facilities and grounds.
- (c) Schools, colleges, and universities and associated functions.

- (d) Customary accessory buildings, including private garages and non-commercial work shops, provided that they are located in the rear yard and not closer than five (5') feet from any lot line.
- (e) Public transformer stations, sewage pumping stations and similar public and semi-public works and utilities, provided that:
  - (1) Such uses are enclosed by a woven wire fence at least eight (8') feet in height.
  - (2) Such uses are not within ten (10') feet of any property line.
  - (3) No vehicles or equipment are stored on the premises.
- (f) Signs and/or bulletin boards, provided that they are located at least five (5') feet from the front property line and only for following purposes are allowed for the placement of such a sign or bulletin board:
  - (1) Church bulletin boards that are not more than twelve (12') square feet in area.
  - (2) Realtor signs on property for sale or rent that are not more than eight (8') square feet in area.
  - (3) Subdivision signs on subdivision property that are no more than thirty (30') square feet in area.
  - (4) Property owner signs notifying the public that said dwelling or lot is for sale, lease, or rent.
  - (5) Any campaign signs, to be displayed only during the period of the specific campaign which directly relates to the specific sign.
  - (6) A sign posted by the city of Mt. Vernon or a property owner petitioning the city council, notifying the public of a proposed zoning change, pursuant to the provisions and directions set forth in this ordinance.

**Section 502. Prohibited uses of property within R-1 Single-family district.**

The following uses are prohibited form R-1 Single-family district:

- (a) Carrying on of a commercial establishment or business in which the public is invited to arrive at the dwelling or lot; such as beauty shops, barber shops, automobile repair shops, and other commercial businesses. The act of child care is excluded from this restriction.
- (b) The commercial raising, maintaining, or selling of livestock. For the purposes of this provision, the raising of dogs, cats, or other domesticated animals for sale is included in this restriction.
- (c) The placement and/or use of a manufactured home on any lot within the R-1 Single-family Residential District.
- (d) Any use not specifically authorized.

**ARTICLE VI. R-1A SINGLE FAMILY RESIDENTIAL DISTRICT  
(allowing for use of manufactured homes, with restrictions)**

**Section 600. Purpose of district.**

The R-1A Single-family Residential District is established to protect the existing areas of primarily low density single-family residential development and to provide for and encourage similar complementary type development in the future, together with associated recreational, educational, and religious facilities. It is specifically developed to recognize and balance the public need for areas authorized for use of manufactured homes for single-family dwellings, while affording regulations and minimum requirements on their use, so as to protect property values within the city.

**Section 601. Permitted uses in Single Family Residential District.**

In the R-1A Single-Family Residential District, the following uses are permitted:

- (a) All uses allowed in the R-1 Single-family Residential District.
- (b) Manufactured Homes, provided that they conform to the following restrictions, may be affixed to a lot in this district and utilized as a single family dwelling only. Any manufactured home placed, located, moved, or otherwise delivered or affixed to any lot in this district must:
  - (1) Be no older than two (2) years of age, as determined by its' model year on its certificate of title, at the time it is moved onto or otherwise affixed to said lot.

- (2) Contain at least One thousand (1,000) square feet of enclosed heated living space.
- (3) Be affixed to a lot containing not less than Twenty thousand (20,000) square feet in size.
- (4) Upon delivery and/or placement of said manufactured home on any lot in this district:
  - (i) Within two (2) days, the tongue or connection which permits the transportation of said home must be removed.
  - (ii) Within thirty (30) days each manufactured home must be permanently anchored, as described below.
  - (iii) Within thirty (30) days each manufactured home must have some form of skirting affixed to the home, so as to cover any exposed areas.
- (5) Be affixed to the lot by some form of industry accepted form of underpinning or permanent placement upon a foundation of block or concrete construction.
- (6) No home may have any form of metal (galvanized, tin, etc.) roof.

**ARTICLE VII. R-2 MULTI-FAMILY RESIDENTIAL DISTRICT**

**Section 700. Purpose of district.**

The R-2 Multi-family Residential District is established to provide for a less restrictive type of residential development at higher densities, and to protect existing multi-family residences.

**Section 701. Permitted uses in R-2 Multi-Family Residential District**

In the R-2 Multi-Family Residential District, the following uses are permitted:

- (a) All uses allowed in the R-1 Single-family Residential District.
- (b) All multi-family dwellings.

- (c) Hospitals, nursing homes, and clinics, except for the treatment of the mentally insane or mentally retarded.

## **ARTICLE VIII. ADMINISTRATION**

### **Section 800. Enforcement Officials.**

The provisions of this ordinance shall be enforced by the mayor of the City of Mt. Vernon, who shall also be the zoning officer, with the aid of the police department and other city agencies.

### **Section 801. Duties and powers.**

It shall be the duty of the zoning officer and he or she shall have power to:

(1) Require that any petition submitted for rezoning contain all of the information necessary to enable him and the planning commission to ascertain whether the proposed rezoning complies with the provisions and goals of this ordinance.

(2) Conduct inspections and surveys to determine compliance or noncompliance with the terms of this ordinance. In carrying out such surveys, the zoning officer or his representative may enter upon any land or buildings.

(3) Make any orders requiring compliance with the provisions of this ordinance to be served personally, by registered mail, or as the applicable code section provides.

(4) Maintain a map showing the current zoning classification of all land in the city limits.

(5) Maintain a map and register showing the registration, identity, location and type of all nonconforming uses.

(6) Attend all proceedings before the planning commission, present facts and inform and assist the board, if requested, in providing relevant information to its' members.

### **Section 802. Planning Commission.**

In order to properly hear any petition for a proposed rezoning of property within the city of Mt. Vernon, Georgia, a planning commission shall be appointed by the city council, to conduct any hearings that may occur and to make written recommendations to the city council of its findings from such

hearings. The commission shall comprise of at least three (3) members, of which one is to be appointed as the chairman. The members shall be residents of the city of Mt. Vernon and shall be appointed to two (2) year terms.

Any or all of the members of the planning commission may also be members of the city commission.

**Section 803. Violations of Ordinance and Penalties.**

Any person, firm, business, partnership, or corporation, whether as principal, agent, employee, or acting in any capacity, who violates any of the provisions of this ordinance shall be fined not more than one hundred dollars (\$100.00) or imprisoned not more than thirty (30) days for each offense. Each day that a violation is permitted to exist may constitute a separate offense.

**Section 804. Public Record and availability of inspection.**

Upon adoption, this ordinance shall become a public record and copies of the same shall be made available to any interested person at the Mt. Vernon City Hall.

**ARTICLE IX. ORDINANCE AMENDMENTS AND ZONING CHANGES,  
POLICIES, PROCEDURES AND STANDARDS**

**Section 900. Authority.**

The city council of the City of Mt. Vernon may from time to time amend, supplement, or change by ordinance, the boundaries of the use districts or zones established on the comprehensive zoning map of the regulations as set forth in this ordinance. Any proposed amendment, supplements, or change shall first be submitted to the planning commission for its recommendation.

**Section 901. Amendments.**

This ordinance, including the comprehensive zoning map, may be amended by the city council on its own motion, on petition of an owner of property or on recommendation of the planning commission of the City of Mt. Vernon, hereinafter referred to in this section as the "planning commission", but no amendment shall become effective unless it shall have been proposed by or shall first have been submitted to the planning commission for review and recommendation. Before enacting an amendment to this ordinance, the city council shall give public notice and hold a public hearing thereon as set forth in this section.

**Section 902. Procedures for amendment.**

Any person or persons, other than the city council or planning commission, desiring to submit a petition requesting a change in zoning shall file such petition with a plat of the subject property attached thereto, together with a payment of One hundred (\$100.00) dollars, to cover administrative and advertising costs, with the zoning officer of the City of Mt. Vernon, Georgia. Such petition shall be signed by the petitioner, who must be the owner of the property and shall state the name; address; and telephone number of the petitioner; the present zoning classification of the property sought to be rezoned; the reasons for requesting the proposed change in zoning; the amount of any gift or campaign contribution made by the petitioner, or by any person who has a financial interest in the petitioner, if the petitioner is a partnership, corporation, or other business entity, to the mayor, any member of the city council or planning commission of the City of Mt. Vernon during the three (3) years immediately preceding the filing of such petition. Said petition shall be accompanied by a disclosure addressing the specific issues set forth in O.C.G.A. 36-63-3. When a petition is filed, the zoning officer shall forthwith deliver copies of such petition to the members of the planning commission and the city attorney.

**Section 903. Public Notification.**

Upon completion of the requirements set forth in Section 902, the zoning officer shall then prepare and cause to be published at least once in the Montgomery Monitor, a newspaper of general circulation within the territorial boundaries of the City of Mt. Vernon and its official legal organ, a notice of the public hearings which will be held by the planning commission and city council, stating the time, place and purpose of such hearings, the location of the property and name of the owner thereof, the present zoning classification of the property, and the proposed zoning classification of the property. The publication of said notice shall be published at least fifteen (15) days, but not more than forty-five (45) days, prior to the date of the hearings. A public hearing (or hearings) shall also be held by the planning commission on proposed amendments to this ordinance initiated by the city council or by the planning commission, and notice of such hearing(s) shall be published as hereinbefore provide for notices of hearings on petitions of owners for rezoning. Such notices shall also state the location of the property, the present zoning classification of the property, and the proposed zoning classification of the property.

**Section 904. Sign requirements for public hearings.**

Upon the filing of a petition for a change in zoning, and not less than fifteen (15) days prior to the date of the hearing thereof before the planning commission, the zoning officer shall cause to be erected in a conspicuous location on the subject property a sign. The required sign shall be at least nine

(9) square feet (3' x 3') in size and shall contain a message composed of black letters at least three (3') inches high upon a white or yellow background which shall read as follows:

PUBLIC HEARING NOTICE  
PROPOSED ZONING CHANGE

A public hearing will be held at City Hall at \_\_\_\_\_ (Time: a.m. or p.m.) on \_\_\_\_\_ (month) \_\_\_\_\_ (day) \_\_\_\_\_ (year) by the Mt. Vernon Planning Commission, then at \_\_\_\_\_ (Time: a.m. or p.m.) on \_\_\_\_\_ (month) \_\_\_\_\_ (day) \_\_\_\_\_ (year) by the City Council to consider the rezoning of this property from \_\_\_\_\_ (present zone classification) to \_\_\_\_\_ (requested zone classification) as provided for in the City Revised Zoning Ordinance.

City of Mt. Vernon

All signs, whether erected by a petitioner or by the city, shall be so located as to provide adequate exposure to the public, and after the hearing before the planning commission, the sign shall be maintained on the subject property by the party responsible for its erection until the city council has taken final action on the proposed rezoning.

**Section 905. Notification to property owners within 500 feet.**

When any rezoning proceeding is initiated, the zoning officer shall notify all persons owning property within a radius of five hundred (500') feet of the subject property by first class mail or personal delivery of the time, place and purpose of the hearing before the planning commission, provided, however, that the failure of the zoning officer, through oversight, omission, or lack of information, to give such notice to such a property owner shall not invalidate any action or recommendation of the planning commission, or any zoning decision by the city council in such proceeding, it being the intention of this provision to notify, insofar as reasonably possible, those persons substantially interested in the proposed change in zoning classification that a public hearing is pending. Depositing such notices in the United States mail in properly addressed envelopes with adequate postage affixed or personal delivery at least fifteen (15) days prior to the date of the hearing of which notice is given shall be deemed full compliance with the requirements of this subparagraph.

**Section 906. Planning commission meeting procedures.**

The hearings before the planning commission shall be public hearings as aforesaid, and be conducted as hereinafter provided:

At the commencement of the hearing, the presiding officer (either the zoning officer, city attorney, or the chairman of the planning commission) shall give a brief explanation of the matter under consideration and the issue or issues to be determined.

Following such explanation, the petitioner and proponents of the petition seeking a change in zoning, or the proponents of any proposed amendment to this ordinance, as the case may be, shall be afforded the first opportunity to present their case and evidence in support of said amendment to the planning commission. After this presentment, all parties in opposition shall be afforded an opportunity to present their opposition and evidence. The chairman of the planning commission has the discretion to set a time limit on the length of each sides' presentation, but must allow for equal time by each opposing side, if such opposition should occur. In any event, each side of the issue before the commission shall be afforded at least fifteen (15) minutes to present their opinions. Following these presentations, the members of the planning commission may choose to ask questions of the petitioner and/or proponents of the proposed amendment to this ordinance.

After all parties have been so heard by the planning commission, the planning commission may, but shall not be required to permit one (1) person to summarize the evidence and arguments of the proponents, and one (1) person to summarize the evidence and arguments of the parties in opposition, limiting the time for the presentation of such summaries to the extent the planning commission chairman deems appropriate. After all parties have been heard and such summaries, if any, have been completed, the planning commission chairman shall close the floor to open debate and further evidence, and once the floor is closed to open debate and further evidence, no further evidence may be presented or arguments made either for or against the proposed rezoning or other amendments to this ordinance being considered without the expressed consent of the planning commission.

Thereafter, the planning commission shall begin deliberations and shall take into consideration all evidence properly before it and all pertinent standards and factors set forth in this ordinance.

When a decision has been reached the planning commission shall make its written report on the proposed change in zoning or other amendment(s) to this ordinance to the city council, reporting the vote of each member of the planning commission thereon. If such report is not made to the city within thirty (30) days after the public hearing, the petition for rezoning or other amendment to this ordinance shall be deemed to have been recommended for approval. Such reports of the planning commission shall be filed with the secretary of the city council, who shall, upon the date said report is received, post a copy thereof as a regular notice at the place for posting of such notices in city hall and forward a copy thereof to the petitioner for rezoning, if any, at the address shown in the petition for rezoning. A copy of the same shall also be delivered to the zoning officer. Should a petitioner fail to comply with any requirement of this ordinance pertaining to the petition prior to the time said

public hearing is held, the petition shall for said reason be denied by the planning commission without inquiring into its merits. If the petitioner desires to further pursue the matter of rezoning the property in question, the petitioner must file a new petition requesting a change in the zoning of the property in question; pay an additional sum of one hundred (\$100.00) dollars to cover administrative and advertising costs; and comply with all requirements of this ordinance pertaining to a petition for rezoning, whereupon the planning commission shall proceed to hear said petition on its merits.

**Section 907. City council meeting procedures regarding rezoning.**

The hearing(s) before the city council shall be public hearings as aforesaid and all discussions and deliberations shall be conducted in open meeting, provided, however, that nothing contained herein shall prohibit the city council from going into executive session for the purpose of discussing legal questions arising due to the matter under consideration with the city attorney in the attorney-client relationship. At the commencement of the hearing, the presiding officer, whether the mayor or the mayor pro tem, or someone designated by the presiding officer, shall give a brief explanation of the matter under consideration and the issue or issues to be determined.

Following such explanation, the petitioner and proponents of the petition seeking a change in zoning, or the proponents of any proposed amendment to this ordinance, as the case may be, shall be afforded the first opportunity to present their case and evidence in support of said amendment to the city council. After this presentment, all parties in opposition shall be afforded an opportunity to present their opposition and evidence. The presiding officer has the discretion to set a time limit on the length of each sides' presentation, but must allow for equal time by each opposing side, if such opposition should occur. In any event, each side of the issue before the city council shall be afforded at least fifteen (15) minutes to present their opinions. Following these presentations, the members of the city council may choose to ask questions of the petitioner and/or proponents of the proposed amendment to this ordinance.

After all parties have been so heard by the city council, the presiding officer may, but shall not be required to permit one (1) person to summarize the evidence and arguments of the proponents, and one (1) person to summarize the evidence and arguments of the parties in opposition, limiting the time for the presentation of such summaries to the extent the presiding officer deems appropriate. After all parties have been heard and such summaries, if any, have been completed, the presiding officer shall close the floor to open debate and further evidence, and once the floor is closed to open debate and further evidence, no further evidence may be presented or arguments made either for or against the proposed rezoning or other amendments to this ordinance being considered without the expressed consent of the planning commission.

Upon the close of all evidence and discussion as set forth above, the members of the city council shall proceed to make its decision by open ballot.

Since one of the functions of the planning commission is to consider and plan for the long range development of the City of Mt. Vernon, the city council shall give great weight to the recommendations of the planning commission. However, such recommendations have advisory effect only and the city council shall not be bound by such recommendations. If the decision of the city council results in a rezoning of property or any other amendment to the comprehensive zoning ordinance and/or zoning map, such amendment shall be adopted by ordinance.

**Section 908. Standards and factors to be considered in making zoning decisions.**

The city council of the City of Mt. Vernon recognized that the proper exchange of its zoning powers requires consideration and balancing of the public interest in protecting and promoting public health, safety, and general welfare against the right to unrestricted use of property. To ensure a proper balancing of the aforesaid interest, the city planning commission in considering amendments to the zoning ordinance and application to rezone property for the purpose of making recommendations to the city council, and the planning commission in considering or making recommendations to the city council, as the planning commission in considering or making any zoning decision including, but not limited to, decisions concerning amendments to the zoning ordinance and applications to rezone property, shall consider the following factors and standards:

- (1) The existing land use pattern, and existing uses and zoning of nearby property.
- (2) Whether existing boundaries of use districts or zones are illogically drawn in relation to existing conditions affecting the property proposed for change.
- (3) Whether changed or changing conditions make the passage of the proposed zoning appropriate.
- (4) Whether the zoning proposal will permit a use that is suitable in view of the location of the subject property and the development of adjacent and nearby properties.
- (5) The suitability of the subject property for the purpose of the zoning.
- (6) Is the request a logical extension of use district or zone boundary which would improve the pattern of uses in the general area.

(7) The length of time the property has been vacant as zoned considered in the context of land development in the vicinity of the property.

(8) Whether the property to be affected by the zoning has a reasonable economic use as currently zoned.

(9) Whether the zoning proposal will adversely affect the existing use or usability of adjacent or nearby properties.

(10) The extent to which property values are diminished by the particular zoning restrictions, and the extent to which any such diminution in, or destruction of the property values of the owner of the subject property promote the health, safety, and general welfare of the public.

(11) The population density pattern and the possible increase in use of, or the overloading of public facilities, including but no limited to, water and sewer systems, and streets.

(12) The cost to the local government in providing, improving, increasing or maintaining water service, sewer service, streets and public safety measures.

(13) Whether the request requires a major change in existing levels of public service which cannot feasibly be financed by the local government.

(14) Accessibility of transportation to the property.

(15) Whether the zoning proposal is in conformity with the policy and intent of any then-existing land use plan.

(16) Is the property likely to be used for the use requested.

(17) The aesthetic effect of existing and future use of the property as it relates to the surrounding area.

(18) Impact upon the environment, including but not limited to drainage, soil erosion and sedimentation, flooding, air quality, and water quality and quantity.

(19) Whether there exists a substantial need for the restrictions imposed or contemplated upon the use of the public health, safety, or general public welfare.

(20) The relative gain to the public, as compared to the hardship imposed upon the individual property owner, and the relative loss to the public, as compared to the benefit gained by the individual property owner.

(21) Whether there are other existing or changing grounds for either approval or disapproval of the zoning proposal.

(22) Any other factors relevant to the balancing of the public interest in protecting and promoting the public health, safety, and general welfare against the right to unrestricted use of property.

**Section 909. Miscellaneous policies and procedures.**

(a) Any attorney at law who intends to participate in any public hearing before the planning commission or the city council as attorney for any person shall, prior the hearing, provide the person who will preside at such hearing with a written statement setting forth the names of the clients who he will represent during the hearing and the reason each client is interested in the issue to be determined on the hearing. Thereafter, the clients of such attorney shall be bound by statements, stipulations and arguments made in their behalf by such attorney, and their oral participation in the hearing shall be limited to giving testimony when questioned by their attorney or any other attorney involved in the hearing, or by a member of the planning commission or the city council.

(b) It is recognized that it is incumbent upon the members of the planning commission, the mayor, and the members of the city council to remain impartial and consider every issue that comes before them impartially and without favor or affection to anyone. It is also recognized that it is imperative, in order that the planning commission and the city council be free from suspicion of prejudice or partiality, that interested parties refrain from approaching any member thereof privately, and the only legitimate way for anyone to influence or persuade the planning commission or the city council in making their decision on an issue under consideration is to present his or her opinions, arguments and evidence at the public hearings required to be held. Should any person interested, either directly or indirectly, in a decision to be made by one of the aforesaid boards of the city on any zoning matter pending before it, or otherwise communicate or attempt to communicate with a board member, or the mayor, of the members of the city council either directly, or indirectly, in an effort to influence such member's vote on the issue when it comes before the body of which he or she is a member for determination, such board member or member of the city council, or the mayor shall immediately apprise the person of the impropriety of his or her conduct and decline to discuss such issue with such person in any way. It shall be unlawful for such

person to persist in the effort to discuss the issue or otherwise communicate the board member or member of city council or the mayor concerning the same.

Nothing in this paragraph shall in any way restrict any citizen from exercising his first amendment rights guaranteed by the United States Constitution in expressing his or her opinion of any relevant issue. This paragraph is meant only to place all persons on notice of the impropriety of seeking to circumvent the public hearing process of any amendment of this ordinance, in any way.

**Section 910 Citizens protest against amendment.**

In case of a protest against such amendment, modification or repeal, signed by the owners of twenty (20%) percent or more of either the area or lots included in such proposed changes or of those within five hundred (500') feet of all external boundaries of such changes, such amendment, supplement, change or modification shall not become effective except by the favorable vote of two-thirds (2/3) of all members of the city council authorized to vote thereon.

**Section 911 Limits on consideration of amendments.**

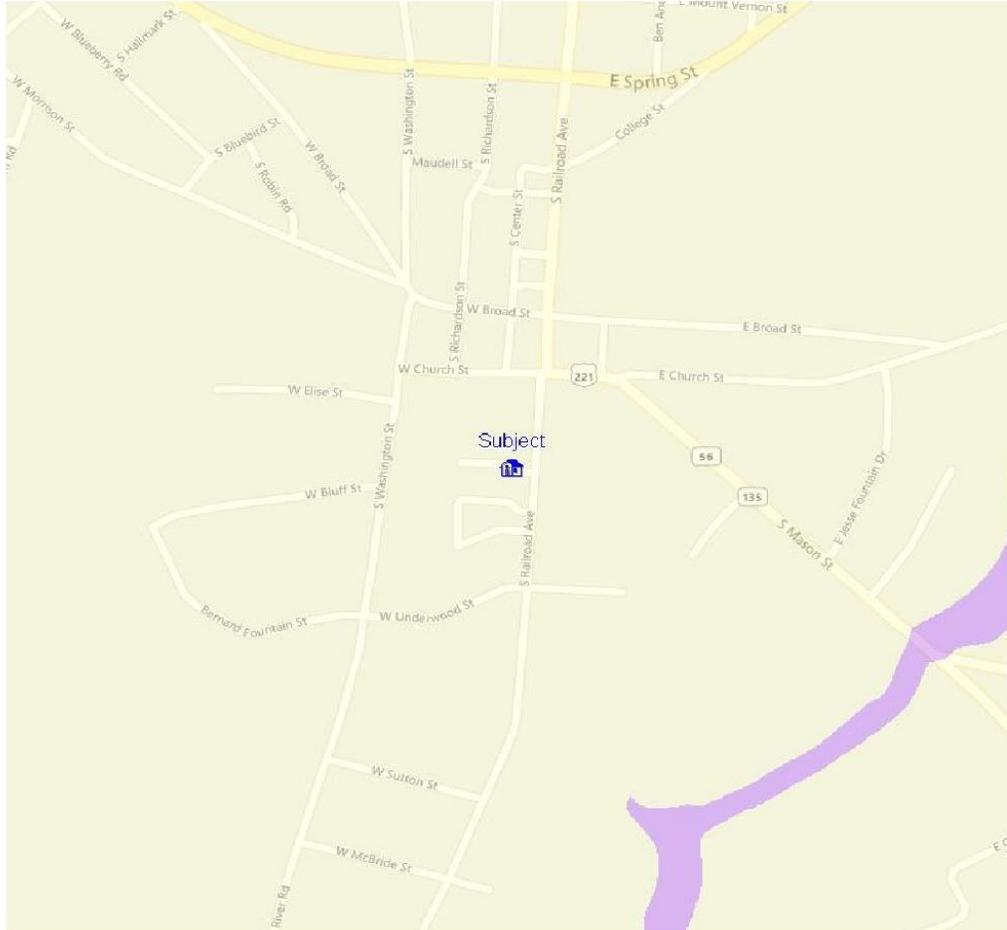
Upon defeat of an application for a change in zoning, the city council may not consider the property in question for rezoning amendment until at least six (6) months has elapsed from the time of the city council vote on the merits.

## **ADDENDUM C**

# STDB

You are currently logged in as: (CUSTID\_17921) on 11-Mar-2016

**450 South Railroad Avenue, Mt Vernon, GA**  
**450 S RAILROAD AVE, MOUNT VERNON, GA**



## MAP DATA

Map Number : **13209C0115C**  
Panel Date : **August 19,2010**  
FIPS Code : **13209**

Census Tract : **9502.00**  
Geo Result : **S5 (Most Accurate) -**  
**single close match, point located at**  
**the street address position**

## Flood

	X or C Zone
	X500 or B Zone
	A Zone
	V Zone
	D Zone
	Area Not Mapped

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## **ADDENDUM D**

# STATE OF GEORGIA REAL ESTATE APPRAISERS BOARD

**SAMUEL TODD GILL**

**258907**

IS AUTHORIZED TO TRANSACT BUSINESS IN GEORGIA AS A  
**CERTIFIED GENERAL REAL PROPERTY APPRAISER**

THE PRIVILEGE AND RESPONSIBILITIES OF THIS APPRAISER CLASSIFICATION SHALL CONTINUE IN EFFECT AS LONG AS THE APPRAISER PAYS REQUIRED APPRAISER FEES AND COMPLIES WITH ALL OTHER REQUIREMENTS OF THE OFFICIAL CODE OF GEORGIA ANNOTATED, CHAPTER 43-39-A. THE APPRAISER IS SOLELY RESPONSIBLE FOR THE PAYMENT OF ALL FEES ON A TIMELY BASIS.

D. SCOTT MURPHY  
Chairperson

JEANMARIE HOLMES  
KEITH STONE

JEFF A. LAWSON  
Vice Chairperson

46665603

**SAMUEL TODD GILL**

# 258907  
Status ACTIVE

CERTIFIED GENERAL REAL PROPERTY  
APPRAISER

THIS LICENSE EXPIRES IF YOU FAIL TO PAY RENEWAL FEES OR IF YOU FAIL TO COMPLETE ANY REQUIRED EDUCATION IN A TIMELY MANNER.

State of Georgia  
Real Estate Commission  
Suite 1000 - International Tower  
229 Peachtree Street, N.E.  
Atlanta, GA 30303-1605

ORIGINALLY LICENSED

02/08/2003

END OF RENEWAL  
08/30/2018



LYNN DEMPSEY  
Real Estate Commissioner

46665603

**SAMUEL TODD GILL**

# 258907  
Status ACTIVE

CERTIFIED GENERAL REAL PROPERTY  
APPRAISER

THIS LICENSE EXPIRES IF YOU FAIL TO PAY RENEWAL FEES OR IF YOU FAIL TO COMPLETE ANY REQUIRED EDUCATION IN A TIMELY MANNER.

State of Georgia  
Real Estate Commission  
Suite 1000 - International Tower  
229 Peachtree Street, N.E.  
Atlanta, GA 30303-1605



LYNN DEMPSEY  
Real Estate Commissioner

46665603

## **ADDENDUM E**

Samuel T. Gill  
512 North One Mile Road  
P.O. Box 784  
Dexter, Missouri 63841  
573-624-6614 (phone)  
573-624-2942 (fax)  
todd.gill@gillgroup.com

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**OVERVIEW**

Extensive multifamily experience over the past 25 years specializing in work for the Department of Housing and Urban Development (HUD), United States Department of Agriculture/Rural Development (USDA/RD) as well as lenders and developers through the Low-Income Housing Tax Credit (LIHTC) program including but not limited to, Section 8, Section 202, Section 236, Section 515 and Section 538 Programs. Additionally, extensive experience since inception of the Multifamily Accelerated Processing (MAP) Program of Sections 202/223(f), 232/223(f), 221(d)3, 221(d)4 and 223(f). Also, more than 20 years of experience with nursing homes, hotels and complicated commercial appraisal assignments.

**ACCREDITATIONS**

**State Certified General Real Estate Appraiser**

Alabama State License Number: G00548  
Arizona State License Number: 31453  
Colorado State License Number: CG40024048  
Connecticut State License Number: RCG.0001276  
District of Columbia License Number: GA11630  
Georgia State License Number: 258907  
Hawaii State License Number: CGA1096  
Idaho State License Number: CGA-3101  
Illinois State License Number: 153.0001384  
Indiana State License Number: CG40200270  
Iowa State License Number: CG02426  
Kansas State License Number: G-1783  
Louisiana State License Number: G1126  
Maine State License Number: CG3635  
Maryland State License Number: 32017  
Michigan State License Number: 1201068069  
Minnesota State License Number: 40186198  
Mississippi State License Number: GA-624  
Missouri State License Number: RA002563  
Montana State License Number: REA-RAG-LIC-8530  
Nebraska State License Number: CG2000046R  
New York State License Number: 46000039864  
North Carolina State License Number: A5519  
North Dakota State License Number: CG-2601  
Ohio State License Number: 448306  
Oklahoma State License Number: 12524CGA  
Oregon State License Number: C000793  
Pennsylvania State License Number: GA001813R  
South Carolina State License Number: 3976  
Tennessee State License Number: 00003478  
Texas State License Number: 1329698-G  
Utah State License Number: 5510040-CG00  
Virginia State License Number: 4001 015446  
Washington State License Number: 1101018  
West Virginia State License Number: CG358  
Wisconsin State License Number: 1078-10  
Wyoming State License Number: 479

Also received temporary licenses in the following states: Arkansas, California, Delaware, Florida, Kentucky, Massachusetts, Nevada, New Hampshire, New Jersey, New Mexico, Puerto Rico, Rhode Island, South Dakota, the U.S. Virgin Islands and Vermont.

**EXPERIENCE  
(1991 TO PRESENT)**

Primary provider of HUD Mark-to-Market Full Appraisals for mortgage restructuring and Mark-to-Market Lites for rent restructuring and has worked with HUD in this capacity since inception. Completed approximately 350 appraisals assignments under this program.

Provider of HUD MAP and TAP appraisals and market studies for multiple lenders since its inception. Completed approximately 350 appraisal assignments under this program.

Contract MAP quality control reviewer and field inspector for CohnReznick and HUD. Have completed approximately 350 reviews under this program. Have completed approximately 100 field inspections under this program.

Currently approved state reviewer for HUD Rent Comparability Studies for Section 8 Renewals in Alabama, California, Connecticut, Florida, Hawaii, Illinois, Indiana, Iowa, Kansas, Louisiana, Minnesota, Nebraska, New Mexico, North Carolina, Oregon, Utah, Virgin Islands, Virginia, Washington, West Virginia and Wisconsin. Completed approximately 500 reviews under this program.

Provider of HUD Rent Comparability Studies for contract renewal purposes nationwide. Completed approximately 400 rent comparability studies.

Provider of tax credit financing analysis and value of financing analysis. Completed approximately 300 appraisal assignments and market studies under this program.

Provider of multifamily appraisals under the RD 515 and 538 programs. Completed approximately 200 appraisal assignments under these programs.

Partial list of clients include: Colorado Housing Finance Agency, CreditVest, Inc., Foley & Judell, LLP, Kentucky Housing Corporation, Kitsap County Consolidated Housing Authority, Louisiana Housing Finance Agency, Missouri Housing Development Agency, New Mexico Mortgage Finance Authority, Ontra, Inc., Quadel Consulting Corporation, CohnReznick, L.L.P., Group, Siegel Group, Signet Partners and Wachovia Securities.

**DEVELOPMENT/OWNERSHIP/  
MANAGEMENT EXPERIENCE  
(2006 TO PRESENT)**

For the past 10 years, he has owned three separate companies that develop, own and manage commercial, multifamily, residential, agricultural and vacant land properties.

In his portfolio are over 100,000 square feet of commercial space, over 1,000 units of multifamily, 200 acres of farmland, and 10 parcels of developable commercial and multifamily lots, all in the Midwest.

**EDUCATION**

**Bachelor of Arts Degree**  
*Southeast Missouri State University*  
**Associate of Arts Degree**  
*Three Rivers Community College*

**HUD/FHA Appraiser Training**

*Arkansas State Office*

**Multifamily Accelerated Processing Valuation (MAP)**

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

**2<sup>nd</sup> Annual Multifamily Accelerated Processing Basic and Advanced Valuation (MAP)**

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

**FHA Appraising Today**

*McKissock, Inc.*

**Texas USDA Rural Development Multifamily Housing Appraiser Training**

*Texas Rural Development*

**Kentucky USDA Rural Development Multifamily Housing Appraiser Training**

*Kentucky Rural Development*

**Financial Analysis of Income Properties**

*National Association of Independent Fee Appraisers*

**Income Capitalization**

*McKissock, Inc.*

**Introduction to Income Property Appraising**

*National Association of Independent Fee Appraisers*

**Concepts, Terminology & Techniques**

*National Association of Independent Fee Appraisers*

**Uniform Standards of Professional Appraisal Practice**

*Central Missouri State University*

**Appraisal of Scenic, Recreational and Forest Properties**

*University of Missouri-Columbia*

**Appraiser Liability**

*McKissock, Inc.*

**Appraisal Trends**

*McKissock, Inc.*

**Sales Comparison Approach**

*Hondros College*

**Even Odder: More Oddball Appraisals**

*McKissock, Inc.*

**Mortgage Fraud: A Dangerous Business**

*Hondros College*

**Private Appraisal Assignments**

*McKissock, Inc.*

**Construction Details & Trends**

*McKissock, Inc.*

**Condemnation Appraising: Principles & Applications**

*Appraisal Institute*

**Michigan Law**

*McKissock, Inc.*

**Pennsylvania State Mandated Law**

*McKissock, Inc.*

**Valuing Real Estate in a Changing Market**

*National Association of Independent Fee Appraisers*

**Principles of Residential Real Estate Appraising**

*National Association of Independent Fee Appraisers*

**Real Estate Appraisal Methods**

*Southeast Missouri State University*

**Lead Inspector Training**

*The University of Kansas*

**Lead Inspector Refresher**

*Safety Support Services, Incorporated*

**Home Inspections: Common Defects in Homes**

*National Association of Independent Fee Appraisers*

**Heating and Air Conditioning Review**

*National Association of Independent Fee Appraisers*

**Professional Standards of Practice**

*National Association of Independent Fee Appraisers*

**Developing & Growing an Appraisal Practice - Virtual Classroom**

*McKissock, Inc.*

**The Appraiser as Expert Witness**

*McKissock, Inc.*

**Current Issues in Appraising**

*McKissock, Inc.*

**2011 ValExpo: Keynote-Valuation Visionaries**

*Van Education Center/Real Estate*

**Residential Report Writing**

*McKissock, Inc.*

**The Dirty Dozen**

*McKissock, Inc.*

**Risky Business: Ways to Minimize Your Liability**

*McKissock, Inc.*

**Introduction to Legal Descriptions**

*McKissock, Inc.*

**Introduction to the Uniform Appraisal Dataset**

*McKissock, Inc.*

**Mold Pollution and the Appraiser**

*McKissock, Inc.*

**Appraising Apartments: The Basics**

*McKissock, Inc.*

**Foundations in Sustainability: Greening the Real Estate and Appraisal Industries**

*McKissock, Inc.*

**Mortgage Fraud**

*McKissock, Inc.*

**The Nuts and Bolts of Green Building for Appraisers**

*McKissock, Inc.*

**The Cost Approach**

*McKissock, Inc.*

**Pennsylvania State Mandated Law for Appraisers**

*McKissock, Inc.*

**Michigan Appraisal Law**

*McKissock, Inc.*

**Modern Green Building Concepts**

*McKissock, Inc.*

**Residential Appraisal Review**

*McKissock, Inc.*

**Residential Report Writing: More Than Forms**

*McKissock, Inc.*

**2-4 Family Finesse**

*McKissock, Inc.*

**Appraisal Applications of Regression Analysis**

*McKissock, Inc.*

**Appraisal of Self-Storage Facilities**

*McKissock, Inc.*

**Supervisor-Trainee Course for Missouri**

*McKissock, Inc.*

**The Thermal Shell**

*McKissock, Inc.*

**Even Odder - More Oddball Appraisals**

*McKissock, Inc.*

**Online Data Verification Methods**

*Appraisal Institute*

**Online Comparative Analysis**

*Appraisal Institute*

**Advanced Hotel Appraising - Full Service Hotels**

*McKissock, Inc.*

**Appraisal of Fast Food Facilities**

*McKissock, Inc.*

**Appraisal Review for Commercial Appraisers**

*McKissock, Inc.*

**Exploring Appraiser Liability**

*McKissock, Inc.*