

Appraisal Report*

For

An Existing Family Apartment Complex

Called

**Rock Springs Apartments
187 South Broad Street
Winder, Georgia 30680**

**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 20, 2017**

**Effective Date of Appraisal
May 15, 2017**

**Appraised By
Samuel T. Gill**

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



September 20, 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: Rock Springs Apartments
187 South Broad Street
Winder, Georgia 30680
"As Is" and "As Stabilized" Appraisal Report
As of May 15, 2017

Dear Ms. Ferrell:

In accordance with your request, I have personally appraised the existing Rural Development property targeted towards families known as Rock Springs Apartments. The site contains approximately 5.01 acres. The subject is improved with eight garden one-story and townhouse two-story buildings containing 48 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; 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 15, 2017, is as follows.

TWO MILLION NINE HUNDRED THIRTY THOUSAND DOLLARS

\$2,930,000

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 15, 2017, is as follows.

NINE HUNDRED TWENTY THOUSAND DOLLARS

\$920,000

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 15, 2017, is as follows.

NINE HUNDRED TWENTY THOUSAND DOLLARS
\$920,000

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.

THREE MILLION THREE HUNDRED TWENTY FIVE THOUSAND DOLLARS
\$3,325,000

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 SEVEN HUNDRED SIXTY FIVE THOUSAND DOLLARS
\$1,765,000

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 15, 2017, is as follows:

FIVE HUNDRED SEVENTY NINE THOUSAND DOLLARS
\$579,000

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 15, 2017, is as follows:

FIVE HUNDRED THIRTY FIVE THOUSAND DOLLARS
\$535,000

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 15, 2017, is as follows:

ONE MILLION ONE HUNDRED TEN THOUSAND DOLLARS
\$1,110,000

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 655 square feet one-bedroom units of the subject property, as of May 15, 2017, is as follows:

FIVE HUNDRED FIFTY DOLLARS
\$550.00

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 930 square feet townhouse two-bedroom units of the subject property, as of May 15, 2017, is as follows:

SEVEN HUNDRED FIFTY DOLLARS
\$750.00

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 655 square feet one-bedroom units of the subject property, as of January 31, 2019, is as follows:

SIX HUNDRED DOLLARS
\$600.00

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 930 square feet two-bedroom townhouse units of the subject property, as of January 31, 2019, is as follows:

EIGHT HUNDRED DOLLARS
\$800.00

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 15, 2017, is as follows.

FORTY EIGHT THOUSAND DOLLARS

\$48,000

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 15, 2017, is as follows.

TWO MILLION NINE HUNDRED THIRTY THOUSAND DOLLARS

\$2,930,000

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 15, 2017, is as follows.

NINE HUNDRED TWENTY THOUSAND DOLLARS

\$920,000

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.

THREE MILLION THREE HUNDRED TWENTY FIVE THOUSAND DOLLARS

\$3,325,000

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 SEVEN HUNDRED SIXTY FIVE THOUSAND DOLLARS

\$1,765,000

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

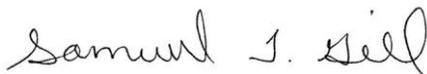
NINE MILLION THIRTY ONE THOUSAND DOLLARS
\$9,031,000.00

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 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 Rock Springs Apartments

Location 187 South Broad Street, Winder, Barrow County, Georgia 30680

Current Owner Winder Apartments, Ltd., L.P.

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

Total Land Area 5.01 acres or 218,236+/- square feet

Floodplain Hazard According to RiskMeter, Flood Map Number 13013C0126C, dated December 18, 2009, 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 Winder, the subject is zoned R-3, Multiple Unit Residential District. The subject is a legal, conforming use.

Property Description The subject is improved with eight garden one-story and townhouse two-story buildings containing 48 units and one accessory building. The net rentable area is approximately 40,240 square feet. The gross building area, according to the Barrow County Assessor's Office, is 43,161 square feet.

Unit Type	# of Units	Square Footage	Total Square Footage
1/1	16	655	10,480
2/1.5 TH	32	930	29,760
	48		40,240

Real Estate Taxes \$10,225.39 for 2016 **Parcel Number** WN13 069

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

Date of Inspection May 15, 2017 **Date of Report** September 20, 2017

Sales History of Subject According to the Barrow County Assessor's Office, the property is owned by Winder Apartments, Ltd., 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 Winder Apartments, Ltd., L.P. (seller) and Rock Springs Winder, 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

Cost Approach	\$950,000 (As Is Restricted) \$2,530,000 (As Is Market) \$1,780,000 (As Stabilized Restricted) \$2,810,000 (As Stabilized Market)
Income Approach	\$920,000 (As Is Restricted) \$2,930,000 (As Is Market) \$1,765,000 (As Stabilized Restricted) \$3,325,000 (As Stabilized Market)
Sales Comparison Approach	Not Developed (As Is Restricted) \$2,040,000 (As Is Market) Not Developed (As Stabilized Restricted) \$2,255,000 (As Stabilized Market)
Value of Land	\$48,000
Value of Existing 515 Loan	\$579,000
Value of Proposed 515 Loan	\$535,000
Value of Low Income Housing Tax Credits	\$1,110,000
Insurable Value	\$2,398,000
Market Value at Loan Maturity – Market Rents	\$9,031,000
As Is Market Rent (CRCU)	
One-Bedroom with 655 SF	\$550.00
Two-Bedroom TH with 930 SF	\$750.00
As Complete Market Rent (CRCU)	
One-Bedroom with 655 SF	\$600.00
Two-Bedroom TH with 930 SF	\$800.00

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 15, 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 Appraisal, 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 15, 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 Rock Springs Apartments. The site is located at 187 South Broad Street, Winder, Barrow County, Georgia.

Legal Description

See Addendum A.

Past Five Years Sales History of the Subject

According to the Barrow County Assessor's Office, the property is owned by Winder Apartments, Ltd., 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 Winder Apartments, Ltd., L.P. (seller) and Rock Springs Winder, 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 15, 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 Winder, the Barrow County Recorder; the Barrow 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 Winder; the Barrow County Recorder; the Barrow 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 Winder and the surrounding area. Market data on improved sales and leased properties were obtained from Winder 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 Winder, Georgia, and the surrounding area indicate that they are not owner-occupied. The Income Approach discusses similar apartment complexes in Winder, Barrow 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.¹

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.²

¹Appraisal 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.

²Attachment 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.³

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.⁴

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.⁵ 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.

³ 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.

⁴ 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.

⁵ 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

The following data on the City of Winder and Barrow 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 Winder is located in Barrow County which is located in the northeast portion of Georgia. Nearby cities include Athens, Lawrenceville, Auburn, Hoschton, Statham, Loganville and Monroe. Barrow County has the following boundaries: North – Gwinnett, Hall and Jackson Counties; East – Jackson County; South – Oconee and Walton Counties; and West – Gwinnett County.

Utilities

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

Health Care

Barrow Regional Medical Center is a health care facility located in Winder that serves the residents of the city and the surrounding area. Additional health care and medical facilities nearby include Gwinnett Medical Center and Summit Ridge Hospital, both located in Lawrenceville, approximately 20 miles from Winder, and Athens Regional Medical Center and St. Mary's Hospital, located in Athens, approximately 25 miles from the city.

Transportation

Major highways in the County of Barrow include Interstate 85, U.S. Highway 29 and State Highways 8, 11, 53, 81, 82, 124, 211, 316, 330 and 403. Winder is home to Barrow County Airport. Gwinnett County Airport is approximately 19 miles from the city in Lawrenceville. Athens-Ben Epps Airport is approximately 26 miles away in Athens.

Population and Employment Statistics

CENSUS: 2015

	City	County	State
Population	14,928	72,012	10,006,693
Households	5,787	26,700	4,133,065
Renter Occupied	2,357	6,321	1,310,665

LABOR STATISTICS

COUNTY				
	Labor Force	Employment	Unemployment	Unemployment Rate
2005	30,504	29,050	1,454	4.8
2010	34,670	30,939	3,731	10.8
March 2017	38,330	36,749	1,581	4.1

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

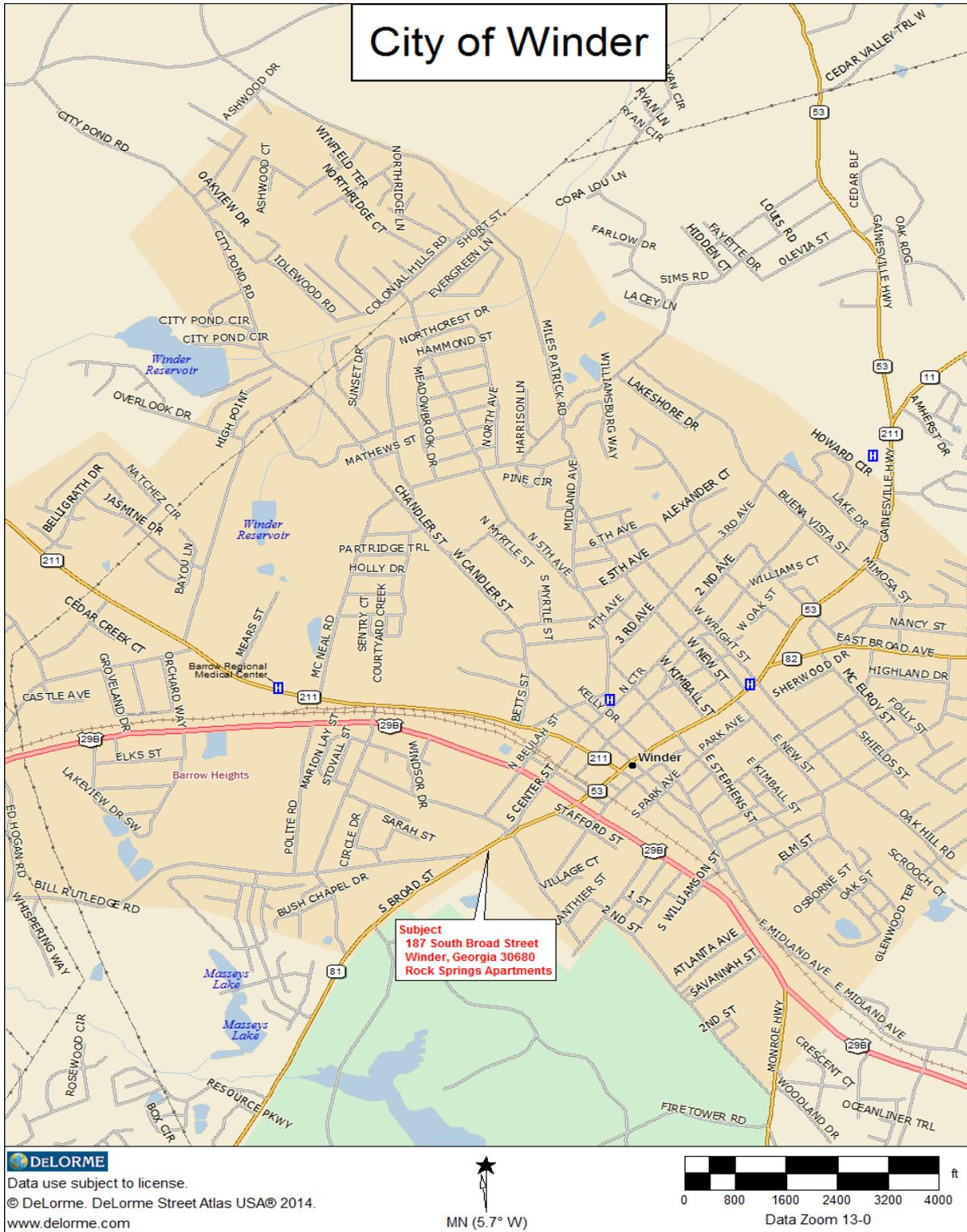
Major Employers

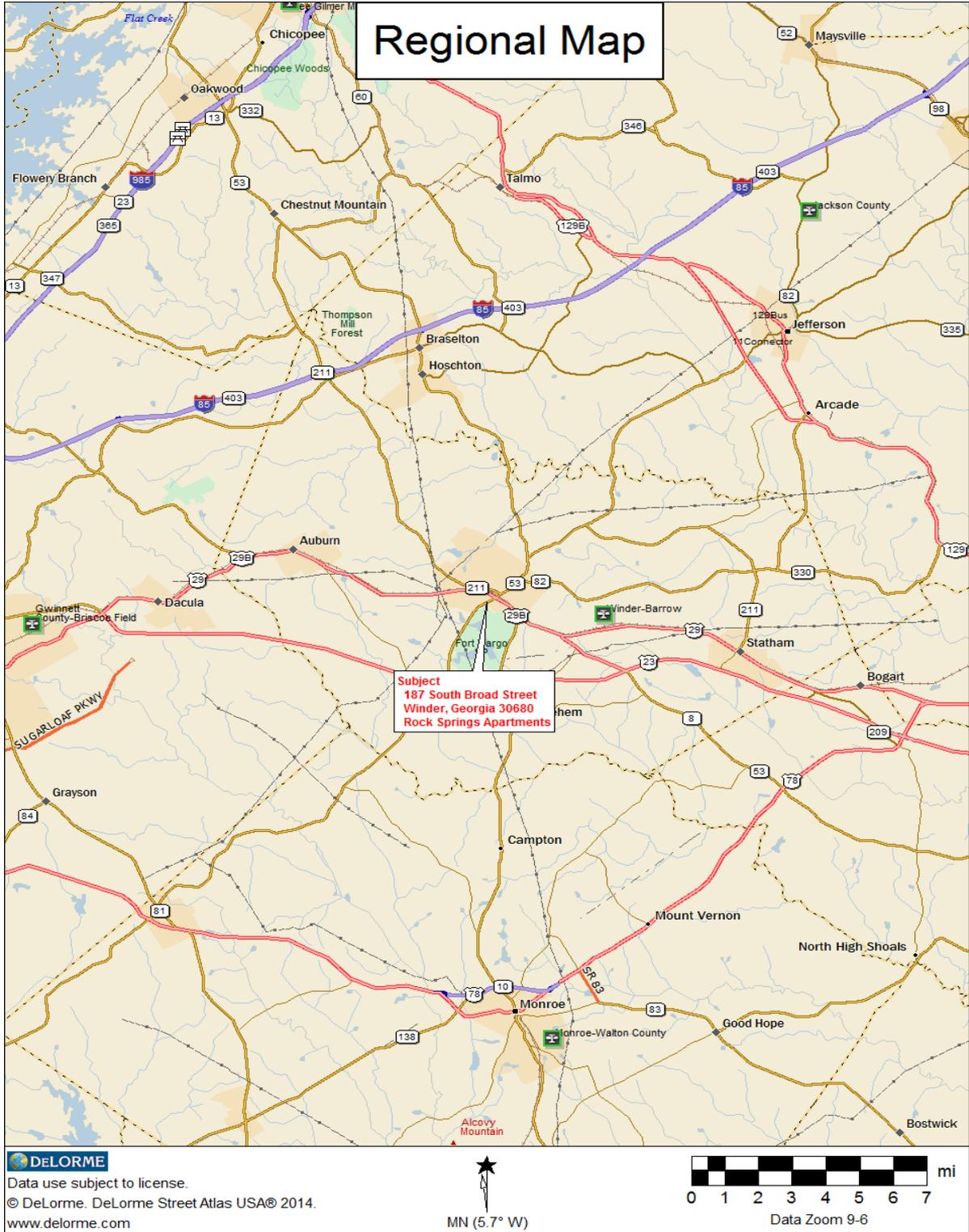
Major employers, product/service and number of employees for Winder and Barrow County are shown in the following table:

MAJOR EMPLOYERS		
Name	Product/Service	Number of Employees
Barrow County School System	Education	2,100
Chico's FAS, Inc.	Distribution/Call Center	1,200
Harrison Poultry, Inc.	Poultry	1,100
Republic Services, Inc.	Environmental Services	550
Barrow County Commission	Government	545
Johns Manville	Fiberglass Insulation	266
Barrow Regional Medical Center	Health Care	250
Wal-Mart Super Center	Retail	217
Schuetz Container Systems, Inc.	Plastics Manufacturing	180

Summary and Conclusions

Winder is a city located in the northeast portion of Georgia. The unemployment rate has consistently decreased since 2010. Therefore, 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 Winder, Georgia. The neighborhood has average attractiveness and appeal. The neighborhood has the following boundaries: North – U.S. Business Highway 29; South – Bill Rutledge Road and Fort Yargo State Park; East - Monroe Highway; and West – Ed Hogan Road.

Access

The neighborhood is accessed by U.S. Business Highway 29, Bill Rutledge Road, Monroe Highway and Ed Hogan Road. 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

Restaurants	
0.5 mi	Ruby Tuesday
0.5 mi	Huddle House
0.5 mi	Joys Home Cooking
0.5 mi	Mazzio's
0.5 mi	Church's Chicken
0.6 mi	Sonic Drive-In
0.6 mi	KFC
0.6 mi	DQ Grill & Chill
0.6 mi	Waffle House
0.6 mi	McDonald's
0.6 mi	China Wok
0.6 mi	Burger King
0.6 mi	El Centinela Mexican Restaurant
0.7 mi	Wendy's

Schools	
0.9 mi	Barrow Prek School
1 mi	Russell Middle School
1.2 mi	Winder-Barrow High School
1.3 mi	Winder-Barrow Middle School
1.6 mi	Kennedy Elementary School
1.7 mi	Westside Middle School
2.6 mi	Barrel County Christian Academy
3.2 mi	Holsenbeck Elementary School
3.2 mi	County Line Elementary School
3.7 mi	Apalachee High School
3.8 mi	Bethlehem Christian Academy
3.9 mi	Yargo Elementary School
3.9 mi	Haymon-Morris Middle School
4.6 mi	Performance Learning Center/Alternative Education
4.6 mi	Bethlehem Elementary School

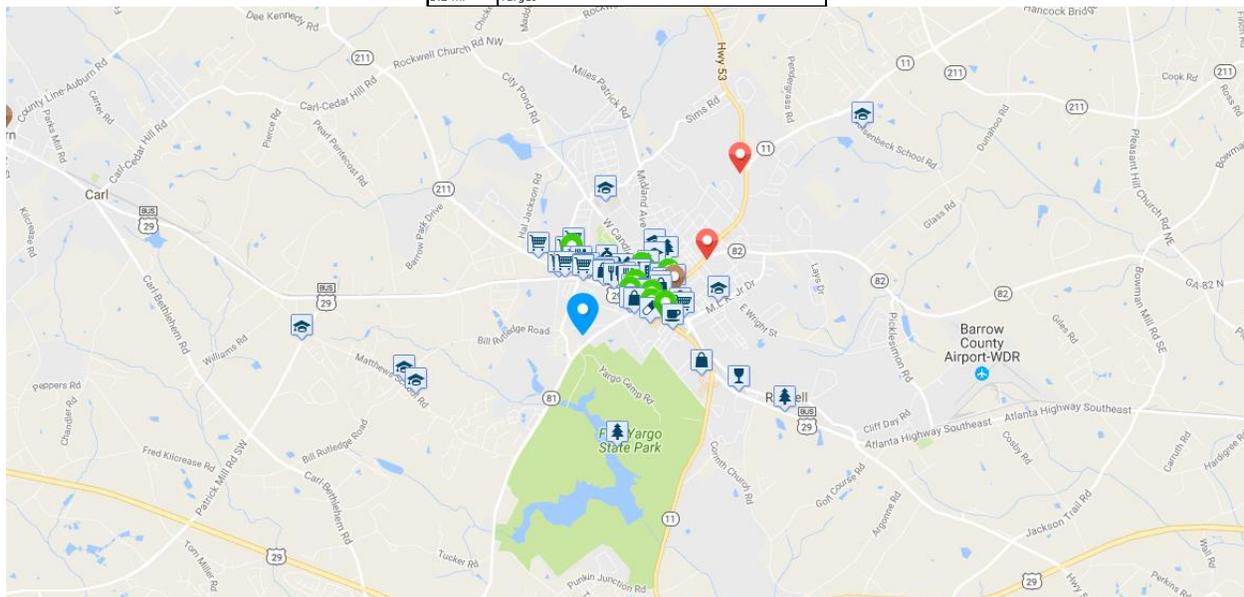
Banks	
0.6 mi	Fidelity Bank
0.6 mi	Bank of the Ozarks
0.7 mi	Wells Fargo Bank
0.8 mi	First American Bank & Trust
0.9 mi	Brand Bank
1 mi	Bank of America
1.4 mi	Regions Bank
1.8 mi	South State Bank

Police	
0.9 mi	Winder Police Department
5.7 mi	Auburn Police Department

Medical Facilities	
1.3 mi	Gwinnett Clinic
2.1 mi	Northeast Georgia Medical Center Barrow
8.7 mi	Gwinnett Clinic
10 mi	NGPG Urgent Care Dacula
10 mi	NGPG Braselton Clinic
11 mi	Reagan Medical Center- Hamilton Mill

Groceries	
0.5 mi	Aldi
0.5 mi	True Asian Market
0.7 mi	Winder Oriental Market
0.7 mi	Save-A-Lot
0.8 mi	Real Deal Grocery
1.2 mi	Publix Super Market
1.4 mi	Quality Foods
1.6 mi	El Arcoris Mexican Store

Shopping	
0.5 mi	Unique Boutique
0.8 mi	LogoSurfing Promotional Products
0.8 mi	Cheryl's Sweet Repeat
0.9 mi	Mens Club Apparel Inc
1.2 mi	Cato
1.3 mi	Creations By the Creator
1.4 mi	Family Dollar
3.2 mi	Target



Land Use Pattern

The subject neighborhood is comprised primarily of residential and is 50 percent built up. Approximately 30 percent of the land use is made up of multifamily developments. About 10 percent is comprised of commercial properties. Another 10 percent of the land use is made up of single-family residences. The remaining 50 percent is vacant land. The area is mostly rural.

Neighborhood Characteristics

According to Neighborhood Scout, the median real estate price of the neighborhood is \$127,270, which is more expensive than 42.2 percent of the neighborhoods in Georgia and 30.5 percent of the neighborhoods in the United States. The average rental price in the neighborhood is \$1,114, according to Neighborhood Scout, which is lower than 45.0 percent of all Georgia neighborhoods.

The neighborhood has 35.7 percent of the working population employed in executive, management and professional occupations. Another 15.3 percent of the residents are employed in sales and service jobs. Manufacturing and laborer occupations make up 29.6 percent, and 15.0 percent are employed in clerical, assistant and technical support occupations.

According to Neighborhood Scout, the school quality rating is 52 (100 is the best). The neighborhood is served by the Barrow County School District which contains 15 schools and approximately 13,412 students. The school district quality is considered better than 7.0 percent of Georgia school districts.

Most of the properties in the neighborhood maintain an acceptable level of property maintenance and condition. The ages of buildings in the area generally range from new to 100 years. The subject neighborhood is in average condition with average appeal. There are no rent controls affecting the marketability of the subject.

Neighboring Property Use

The neighborhood is comprised primarily of residential. Multifamily developments are located north of the site. Fort Yargo State Park and single-family residences are located south of the site. Single-family residences are located east of the subject. Vacant, wooded land is located west of the subject.



Crime

According to www.neighborhoodscout.com, the crime index for the subject neighborhood is 20. There are 122 total crimes annually in the neighborhood, 13 of which are violent crimes and 109 of which are property crimes. The annual violent crime rate is 5.12 per 1,000 residents, while the property crime rate is 42.96 per 1,000 residents. The total annual crime rate is 48.08 per 1,000 residents. The chances of becoming a victim of a violent crime are 1 in 195 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 23 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 3,397, an increase of 210 people from the 2010 population of 3,187. The population is expected to increase at an annual rate of 6.3 percent between 2017 and 2022. Therefore, the 2022 population is projected at 3,611. The median age for the neighborhood is 32.5.

The total number of households increased from 2,491 in 2010 to 2,623 in 2017. Household totals are expected to increase, with a projected 2,734 households in 2022.

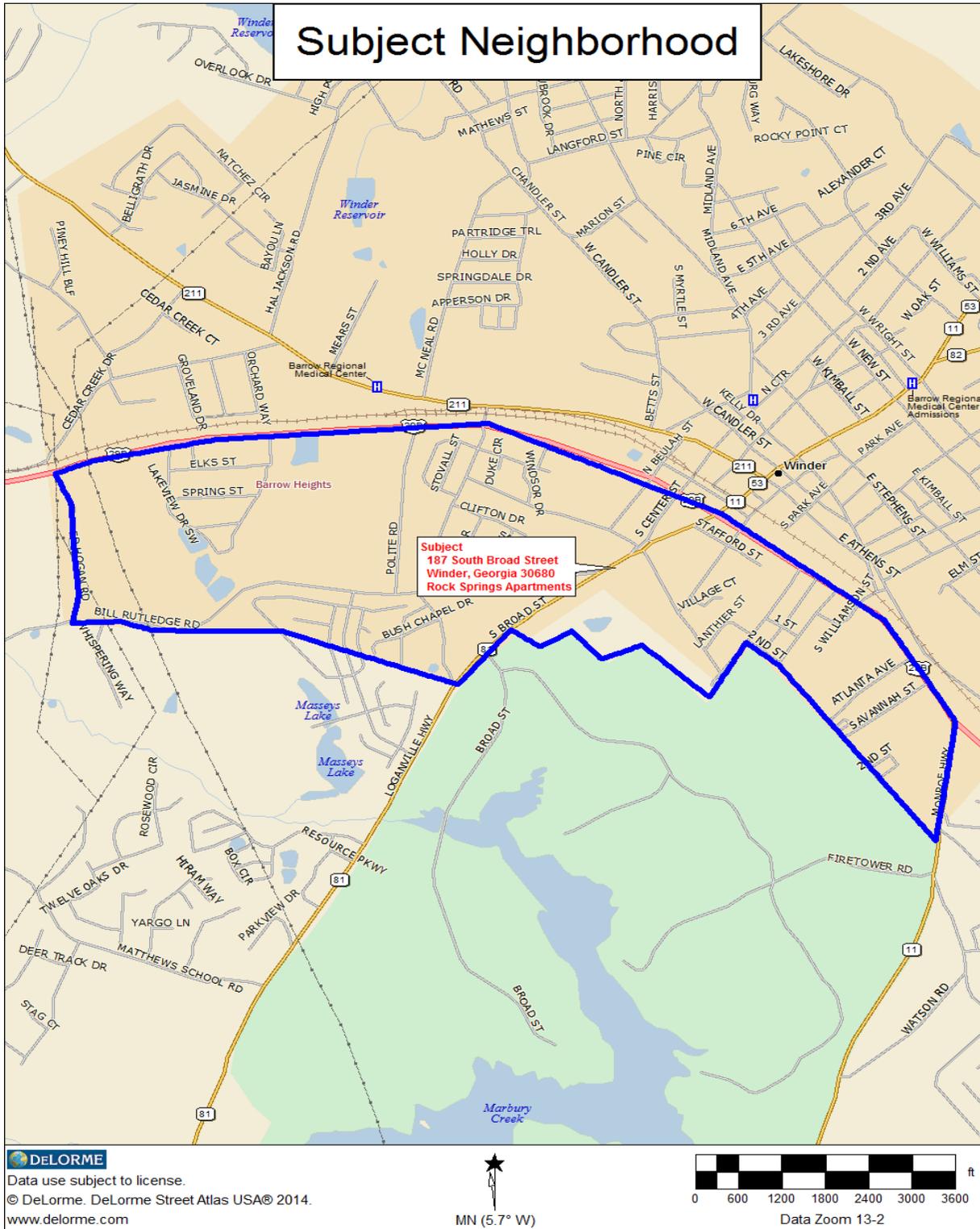
The median household income for the neighborhood in 2017 is \$30,985. It is expected to increase to \$32,153 by 2022. The per capita income is \$14,185.

The median home value for the neighborhood in 2017, according to ESRI, is \$86,566. According to ESRI, the average amount spent for owner-occupied households in the subject's neighborhood is \$11,640.00, or \$970 per month. The average amount spent for renter-occupied households is \$8,340.00, or \$695 per month.

Analysis/Comments

In conclusion, the subject is located in the southern portion of Winder, 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 1801.07, 1801.08, 1802.03, 01802.04, 1802.05, 1802.06, 1803.01, 1803.02, 1803.03, 1805.01, 1805.02 and 1805.03 in Barrow County. The market area has the following boundaries: North – Jackson County; South – Hancock Bridge Road, Pleasant Hill Church Road Northeast, Bowman Mill Road Northeast, Jackson Trail Road Southeast and Hog Mountain Road; East – Oconee and Walton Counties; and West – Brown Bridge Road, Carl-Midway Church Road, U.S. Highway 29 Business, Lyes Road Northeast, 3rd Avenue, County Line Auburn Road, Hilltop Circle, Rock Creek, Rocky Creek Road, Freeman Brock Road, Lisa Circle, Nicholas Street, Nicole Court, Amber Way, Bee Maxey Road, Dee Kennedy Road Northwest and State Highway 211.

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 March 2017. Six 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 three percent was determined for the market-rate vacancy and no percent was determined for the restricted vacancy. The subject is currently 100 percent occupied. Historically, the subject’s occupancy rate has ranged from 99 to 100 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; five percent was deemed appropriate for “as is” affordable housing; and five percent was deemed appropriate for “as complete” affordable housing.

Market Area Vacancy by Development - Conventional			
Property Name	# of Units	# of Vacant Units	Vacancy Percentage
Hillcrest Apartments	102	1	1.0%
Winder Villas Apartments	64	0	0.0%
The Oaks Apartments	258	18	7.0%
Pine Creek Apartments	24	0	0.0%
Brighton Park Apartments	146	0	0.0%
160 2nd Street	10	0	0.0%
TOTALS	604	19	3.1%

Market Area Vacancy by Development - Affordable			
Property Name	# of Units	# of Vacant Units	Vacancy Percentage
Rock Springs Apartments	48	0	0.0%
Winding Hollow Apartments	39	0	0.0%
Farmington Hills I	72	0	0.0%
Winder Woods Apartments	40	0	0.0%
Main Street Braselton	80	0	0.0%
TOTALS	279	0	0.0%

Absorption Period

The subject is an existing 48-unit complex that is currently 100 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 Barrow County Assessor's Office. A copy of the survey is included in the addenda.

Total Land Area 5.01 acres or 218,236+/- square feet

Shape/Dimensions Irregular

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

Topography/Drainage The site is nearly level. 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 13013C0126C, dated December 18, 2009, 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.

Easements Typical utility easements that are not adverse to the site's development run on the property. A title insurance report was not provided to the appraisers with this assignment. No significant easements are known.

Site Ratios

Building to Land Ratio: 1 to 6.92;

Site Coverage Ratio - 14.44 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.

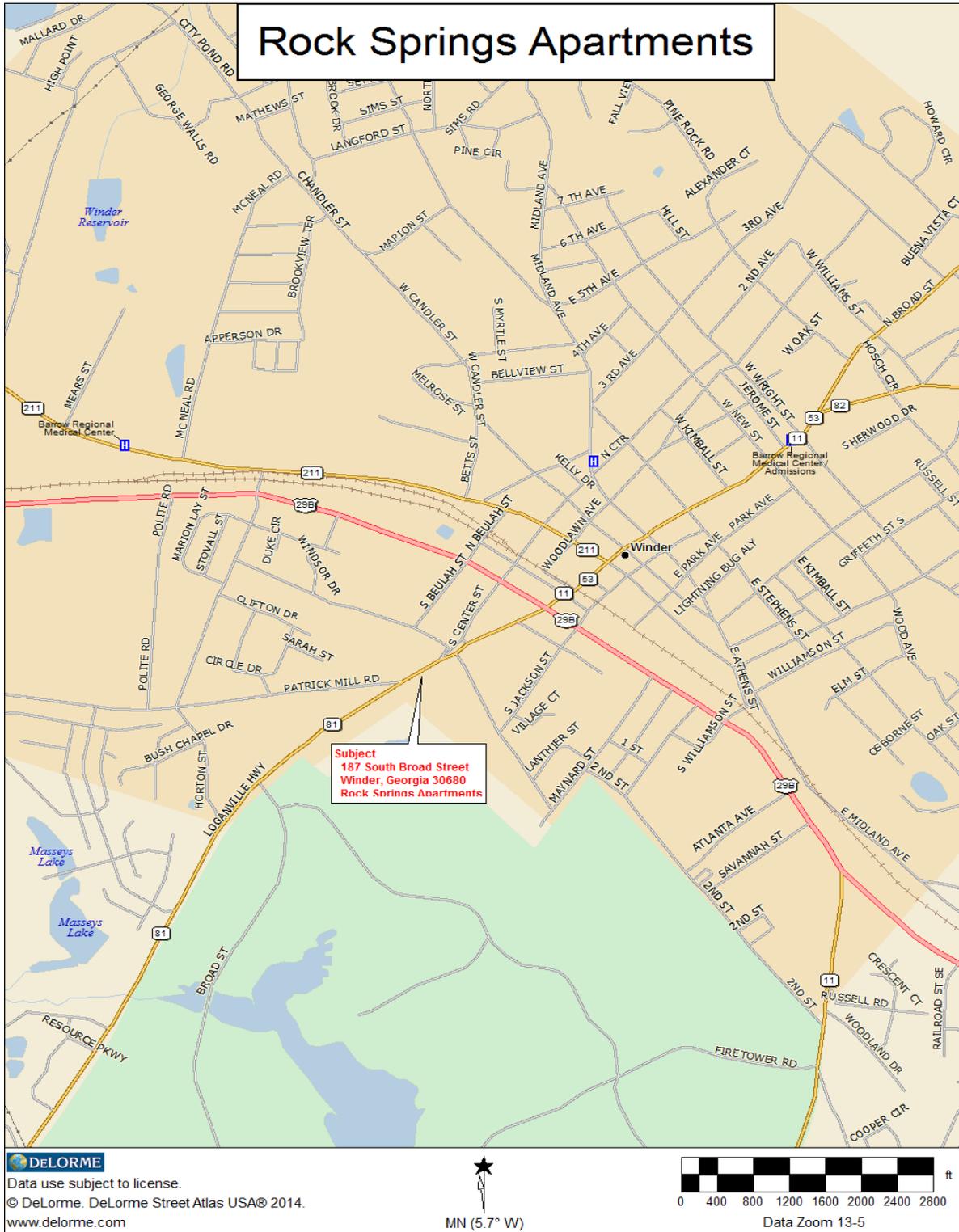
Utilities

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 Winder, the subject is R-3, Multiple Unit Residential District. The subject is a legal, 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. A copy of the zoning ordinances was not available. 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

Number of Buildings	The subject contains eight garden one-story and townhouse two-story buildings containing 48 units and one accessory building.
Net Rentable Building Area	40,240 square feet
Gross Building Area	43,161 square feet
Year Built/Year Renovated	1989/Proposed
Economic Life	55 Years
Effective Age	10 Years (As Is) 5 Years (As Complete)

The subject contains eight garden one-story and townhouse two-story buildings containing 48 units. The property also contains one accessory building housing the meeting room, laundry facility, leasing office and maintenance area. According to the Barrow County Assessor, the gross building area of the property is 43,161 square feet. A copy of the plans, dated February 9, 1989, and completed by Thomson and 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.

Unit Type	# of Units	Square Footage	Total Square Footage
1/1	16	655	10,480
2/1.5 TH	32	930	29,760
	48		40,240

The property includes the following amenities:

Unit Amenities	Included	Fee	Project Amenities	Included	Fee
Refrigerator	X		Clubhouse		
Range/Oven	X		Meeting Room		
Garbage Disposal			Dining Room		
Dishwasher			Swimming Pool		
Microwave			Spa/Hot Tub		
Washer/Dryer			Exercise Room		
Washer/Dryer Hook-Ups	X		Picnic Area	X	
Carpet	X		Playground	X	
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	X		Concierge Services		
Balcony			Computer Room		
Patio	X		Car Wash Area		
Pull Cords			Laundry Facility		
Emergency Call			On-Site Management	X	
Safety Bars			On-Site Maintenance	X	
Parking	Included	Fee	Intercom/Electronic Entry		
Parking Lot/# of Spaces	X/82	\$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. The property does not have Rental Assistance. 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	16	655	\$444	\$72
2/1.5 TH	32	930	\$463	\$86

The property will undergo rehabilitation and will be in good condition. The proposed scope of work is comprehensive and includes a complete rehabilitation of units, appliances and systems, kitchen cabinets, bath 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. The current non-revenue unit will be converted and rented after rehabilitation.

Unit Type	# of Units	Square Footage	Proposed Rent	Utility Allowance
1/1	16	655	\$485	\$72
2/1.5 TH	32	930	\$600	\$86

The rents indicated in the table are assuming LIHTC restrictions, but the subject will retain its Rental Assistance for all units. The subject is currently a Rural Development property that, after rehabilitation, will remain a Rural Development property with Rental Assistance for all 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/Vinyl 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, Shrubs and Trees
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Age, Life and Condition

The subject was constructed in 1989 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 \$86,566. According to ESRI, the average amount spent for owner-occupied households in the subject's neighborhood is \$11,640.00, or \$970 per month. The average amount spent for renter-occupied households is \$8,340.00, or \$695 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 Playground



View of Living Area – One-Bedroom Unit



View of Kitchen – One-Bedroom Unit



View of Bedroom – One-Bedroom Unit



View of Bathroom – One-Bedroom Unit



View of Living Area – Two-Bedroom Unit



View of Kitchen – Two-Bedroom Unit



View of Kitchen – Two-Bedroom Unit



View of Bedroom – Two-Bedroom Unit



View of Bathroom – Two-Bedroom Unit



View of Utility Area – Two-Bedroom Unit



View of Office



View of Parking Lot



View of Street



View of Street

Rock Springs Apartments * 187 South Broad Street * Winder, Georgia



View to the North



View to the South



View to the West



View to the East

Assessments and Current Real Estate Taxes

The combined tax rate for Barrow County and the City of Winder is 33.039 per \$1,000 of assessed value. The property has a total appraised value of \$696,946, with \$250,500 allocated to land and \$446,446 allocated to improvements. The assessor uses 40 percent of the appraised value to determine the assessed value. As a result, the assessed value was \$278,778. The 2016 real estate taxes for the subject were \$10,225.39. 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 -	FMV - Total - 2016	Real Estate Taxes - 2016	Taxes Per Unit
Hillcrest Apartments 490 Gainesville Highway Winder, Barrow County, Georgia	102	1988	WN18 054A, WN18 076, WN18 078, WN18 079, WN18 081, WN18 082 WN18 084	\$309,600	\$2,239,536	\$2,549,136	\$31,073.51	\$304.64
Pine Creek Apartments 282 Apperson Drive Winder, Barrow County, Georgia	24	2000	WN12 548, WN12 548A	\$150,000	\$1,337,400	\$1,487,400	\$7,881.34	\$328.39
Holly Hill Apartments 291 Apperson Drive Winder, Barrow County, Georgia	64	2007	WN11D 001, WN11D 001B, WN11D 001C	\$499,800	\$1,203,928	\$1,703,728	\$30,311.62	\$473.62

These comparables are all market-rate facilities in Barrow County. The comparables indicated a range of \$304.64 per unit to \$473.62 per unit. The subject's actual real estate taxes are \$213.00 per unit. The subject's real estate taxes are lower than the tax comparables. Based on the tax comparables shown above, the subject "as is" would have real estate taxes more similar to these comparables. Therefore, real estate taxes were projected at \$325 per unit, or \$15,600, for the market "as is" scenario.

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?⁶

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 5.01 acres. Topographically, the site is nearly level. 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.

⁶ The Appraisal Institute. *The Appraisal of Real Estate*. 14th 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.⁷

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 43,161 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.

⁷ The Appraisal Institute. *The Appraisal of Real Estate*. 14th 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

Record ID	2163
Property Name	West Candler Street
Address	West Candler Street, Winder, Barrow County, Georgia 30680
Tax ID	WN11C 007

Sale Data

Grantor	Coy Hinton Jr.
Grantee	Lab PL Group, LLC
Sale Date	July 25, 2014
Deed Book/Page	1815/0319
Property Rights	Fee Simple
Conditions of Sale	Normal
Financing	Conventional
Verification	Assessor; May 15, 2017

Sale Price	\$144,900
Cash Equivalent	\$144,900
Adjusted Price	\$144,900

Land Data

Zoning	R-2
Topography	Gently Rolling
Utilities	E, G, W, S
Shape	Irregular

Land Sale No. 1 (Cont.)

Land Size Information

Gross Land Size

15.300 Acres or 666,468 SF

Front Footage

Candler Street

Indicators

Sale Price/Gross Acre

\$9,471

Sale Price/Gross SF

\$0.22

Land Sale No. 2



Property Identification

Record ID	4707
Property Name	White Oak Drive
Address	White Oak Drive, Colbert, Oglethorpe County, Georgia 30628
Tax ID	047 019
Market Type	Land

Sale Data

Grantor	James P. Dykes
Grantee	Bay Creek Builders LLC
Sale Date	January 06, 2017
Deed Book/Page	69/88
Property Rights	Fee Simple
Conditions of Sale	Normal
Financing	Conventional
Verification	Assessor; May 15, 2017

Sale Price	\$22,500
Cash Equivalent	\$22,500
Adjusted Price	\$22,500

Land Data

Zoning	None
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Land Sale No. 2 (Cont.)

Topography
Utilities
Shape

Nearly Level
E, G, W, S
Irregular

Land Size Information

Gross Land Size
Front Footage

2.380 Acres or 103,673 SF
White Oak Drive

Indicators

Sale Price/Gross Acre
Sale Price/Gross SF

\$9,454
\$0.22

Land Sale No. 3



Property Identification

Record ID	4708
Property Name	Oxmoor Lane
Address	Oxmoor Lane, Winterville, Oglethorpe County, Georgia 30683
Tax ID	008 122A07B
Market Type	Land

Sale Data

Grantor	Fantar, Ltd.
Grantee	Michael and Sharon Hall
Sale Date	January 27, 2015
Deed Book/Page	38/428
Property Rights	Fee Simple
Conditions of Sale	Normal
Financing	Conventional
Verification	Assessor; May 15, 2017

Sale Price	\$29,000
Cash Equivalent	\$29,000
Adjusted Price	\$29,000

Land Data

Zoning	None
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Land Sale No. 3 (Cont.)

Topography
Utilities
Shape

Gently Rolling
E, G, W, S
Irregular

Land Size Information

Gross Land Size
Front Footage

3.060 Acres or 133,294 SF
Oxmoor Lane

Indicators

Sale Price/Gross Acre
Sale Price/Gross SF

\$9,477
\$0.22

Land Sale No. 4



Property Identification

Record ID	4709
Property Name	Oglethorpe Drive
Address	Oglethorpe Drive, Crawford, Oglethorpe County, Georgia 30630
Tax ID	075 014B
Market Type	Land

Sale Data

Grantor	Equity Trust Company Custodian
Grantee	Tomasz J. and Delores K. Pelewski
Sale Date	January 30, 2015
Deed Book/Page	38/499
Property Rights	Fee Simple
Conditions of Sale	Normal
Financing	Conventional
Verification	Assessor; May 15, 2017

Sale Price	\$26,000
Cash Equivalent	\$26,000
Adjusted Price	\$26,000

Land Data

Zoning	None
Topography	Nearly Level

Land Sale No. 4 (Cont.)

Utilities
Shape

E, G, W, S
Irregular

Land Size Information

Gross Land Size

1.420 Acres or 61,855 SF

Front Footage

Oglethorpe Drive

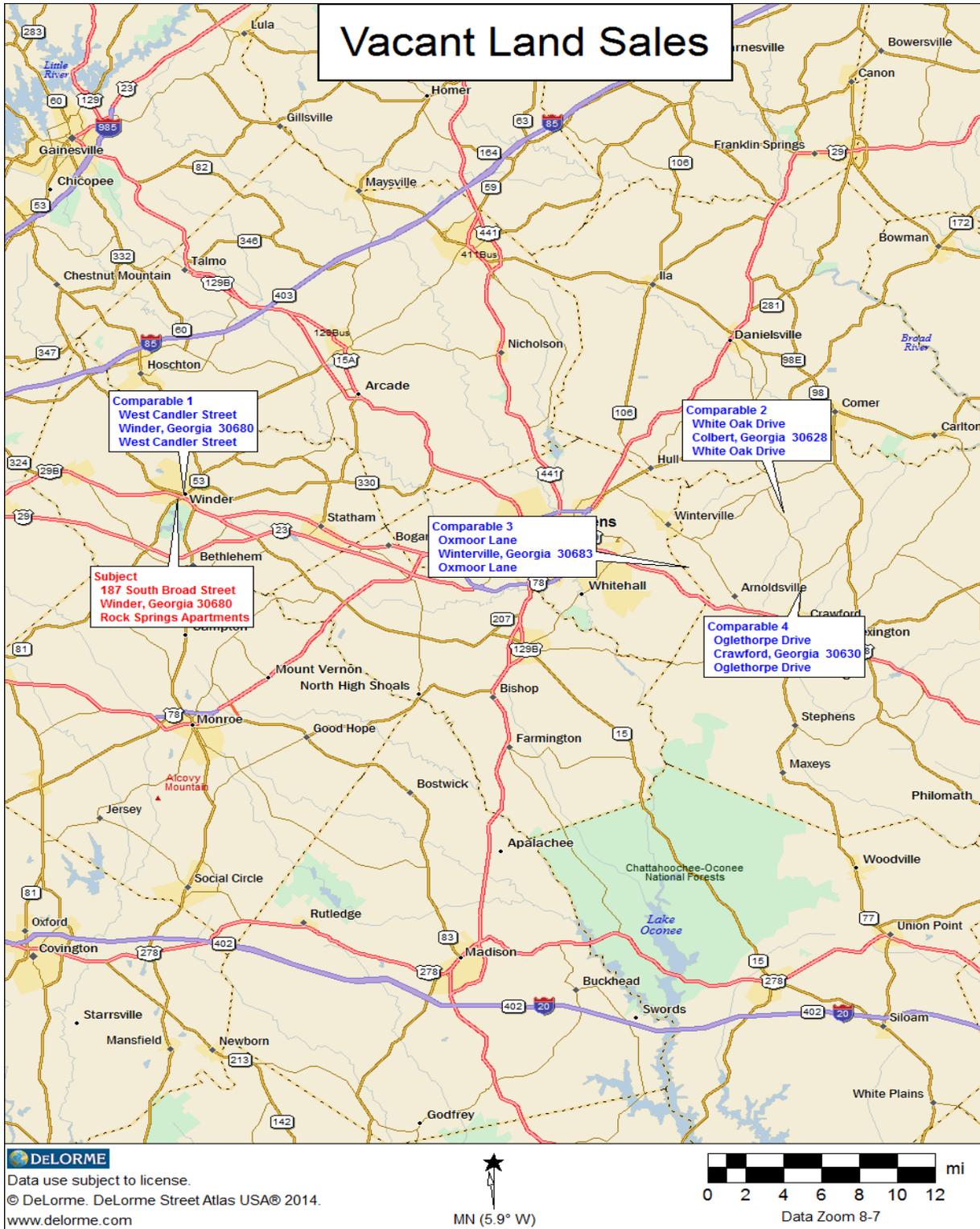
Indicators

Sale Price/Gross Acre

\$18,310

Sale Price/Gross SF

\$0.42



Rock Springs Apartments * 187 South Broad Street * Winder, Georgia

Land Analysis Grid		Comp 1	Comp 2	Comp 3	Comp 4
Address	187 South Broad	West Candler Street	White Oak Drive	Oxmoor Lane	Oglethorpe Drive
City	Winder	Winder	Colbert	Winterville	Crawford
State	GA	GA	GA	GA	GA
Date	5/15/2017	7/25/2014	1/6/2017	1/27/2015	1/30/2015
Price		\$144,900	\$22,500	\$29,000	\$26,000
Acres	5.01	15.30	2.38	3.06	1.42
Acre Unit Price		\$9,471	\$9,454	\$9,477	\$18,310
Transaction Adjustments					
Property Rights	Fee Simple	Fee Simple	0.0%	Fee Simple	0.0%
Financing	Conventional	Conventional	0.0%	Conventional	0.0%
Conditions of Sale	Normal	Normal	0.0%	Normal	0.0%
Adjusted Acre Unit Price		\$9,471	\$9,454	\$9,477	\$18,310
Market Trends Through	05/15/17	0%	0%	0%	0%
Adjusted GBA Unit Price		\$9,471	\$9,454	\$9,477	\$18,310
Location	Average	Similar	Similar	Similar	Similar
% Adjustment		0%	0%	0%	0%
\$ Adjustment		\$0	\$0	\$0	\$0
Acres	5.01	15.30	2.38	3.06	1.42
% Adjustment		0%	0%	0%	0%
\$ Adjustment		\$0	\$0	\$0	\$0
Visibility/Access	Average	Similar	Similar	Similar	Similar
% Adjustment		0%	0%	0%	0%
\$ Adjustment		\$0	\$0	\$0	\$0
Topography	Nearly Level	Gently Rolling	Nearly Level	Gently Rolling	Nearly Level
% Adjustment		0%	0%	0%	0%
\$ Adjustment		\$0	\$0	\$0	\$0
Zoning	R-3	R-2	None	None	None
% Adjustment		0%	0%	0%	0%
\$ Adjustment		\$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
% Adjustment		0%	0%	0%	0%
\$ Adjustment		\$0	\$0	\$0	\$0
Adjusted Acre Unit Price		\$9,471	\$9,454	\$9,477	\$18,310
Net adjustments		0.0%	0.0%	0.0%	0.0%
Gross adjustments		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 15, 2017, is as follows:

5.01 acres x \$9,500 per acre = \$47,595

Rounded \$48,000

Summary of Vacant Land Sales

Comp	Address	Sale Date	Sale Price	Acre Unit Price	Acres	Land SF	Zoning
1	West Candler Street	7/25/2014	\$144,900	\$9,471	15.30	666,468	R-2
2	White Oak Drive	1/6/2017	\$22,500	\$9,454	2.38	103,673	None
3	Oxmoor Lane	1/27/2015	\$29,000	\$9,477	3.06	133,294	None
4	Oglethorpe Drive	1/30/2015	\$26,000	\$18,310	1.42	61,855	None

Adjustments

The prices of the comparable land sales range from \$9,454 to \$18,310 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 Winder. Comparable 1 is located in Winder. Comparable 2 is located in Colbert. Comparable 3 is located in Winterville. Comparable 4 is located in Crawford. Although there were slight differences in population and economic conditions between the location of the subject and the comparables, there were no differences significant enough to warrant an adjustment. 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 5.01 acres. The comparables range in size from 1.42 acres to 15.3 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 were similar. No adjustment was needed.

Topography

Consideration was given to the subject's topography. The subject is nearly level. Comparable 1 is gently rolling. Comparable 2 is nearly level. Comparable 3 is gently rolling. Comparable 4 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 R-3. Comparable 1 is zoned R-2. The remaining comparables were not zoned. The market did not indicate an adjustment was needed for zoning differences. No adjustments were made.

Utilities

Consideration was given to the subject's utilities. The subject has access to electricity, gas, water sand 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 \$9,454 to \$18,310 per acre after adjustments. All comparables were given consideration. The comparables indicated a reconciled value of \$9,500 per acre. These were considered to be the best comparables available after researching sales with local realtors and the county assessor's office.

5.01 acres x \$9,500 per Acre = \$47,595

Rounded \$48,000

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.⁸

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.

⁸Appraisal 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

Total Construction Cost of Structures				\$2,768,910
Plus: Entrepreneur's Profit				\$276,891
Depreciation				(\$565,788)
Cost of Structures before External Obsolescence				<u>\$2,480,013</u>
Value of Land				\$48,000
Plus: Entrepreneur's Profit				<u>\$4,800</u>
Cost before External Obsolescence				\$2,532,813
Current Capitalization Rate				7.00%
Economic Net Operating Income (RCN x CR)				\$177,297
Net Operating Income from the Subject				<u>\$64,556</u>
Net Loss Due to Economic Obsolescence				(\$112,741)
Ratio of Improvements Total Property Value				0.9792
Year		Actual NOI Loss	Overall Cap Rate	Capitalized NOI Loss
1		(\$112,741)	7.00%	(\$1,610,584)
Times ratio of Improvements to Total Property				0.9792
Total External Obsolescence				(\$1,577,009)

Cost Analysis - Restricted As Is - Section 1 of 1

Marshall & Swift

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

Building Improvements

Item	Unit Type	Cost	Quantity	Multiplier	Total
Average Class D Multiple Residences	Sq. Ft.	\$71.55	43,161	0.855	\$2,640,076
Built-Ins	Per Unit	\$1,925.00	48	0.855	\$78,993
Total Building Improvement Costs					\$2,719,069
Price per SF Gross Building Area					\$63.00

Site Improvements

Item	Unit Type	Cost	Quantity	Multiplier	Total
Paving	Per Unit	\$650.00	82	0.855	\$45,566
Recreation Area	Per Unit	\$2,500.00	2	0.855	\$4,275
Total Site Improvement Costs					\$49,841
Subtotal: Building & Site Costs					\$2,768,910
Price per SF Gross Building Area					\$64.15

Total Costs

Subtotal: Building, Site & Soft Costs		\$2,768,910
Developer's Profit 10.0%		\$276,891
Total Cost		\$3,045,801
Price per SF Gross Building Area		\$70.57

Depreciation

Component	Eff. Age	Life	Percent	Amount
Physical Depreciation: Building	10	55	18%	\$538,376
Physical Depreciation: Site	10	20	50%	\$27,412
Functional Obsolescence Building			0%	\$0
External Obsolescence Building			0%	\$1,577,009
Total Depreciation				\$2,142,797
Depreciated Value of Improvements				\$903,004
Cost Per Square Foot Gross Building Area				\$20.92

Additional Cost Sections

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

Land Value

Land Value	\$48,000	
Other	\$0	
Cost Approach Value Indication		\$951,004
Rounded		\$950,000
Price per SF Gross Building Area		\$22.01

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 = \$950,000

Cost Analysis - Market As Is - Section 1 of 1

Marshall & Swift

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

Building Improvements

Item	Unit Type	Cost	Quantity	Multiplier	Total
Average Class D Multiple Residences	Sq. Ft.	\$71.55	43,161	0.855	\$2,640,076
Built-Ins	Per Unit	\$1,925.00	48	0.855	\$78,993
Total Building Improvement Costs					\$2,719,069
Price per SF Gross Building Area					\$63.00

Site Improvements

Item	Unit Type	Cost	Quantity	Multiplier	Total
Paving	Per Unit	\$650.00	82	0.855	\$45,566
Recreation Area	Per Unit	\$2,500.00	2	0.855	\$4,275
Total Site Improvement Costs					\$49,841
Subtotal: Building & Site Costs					\$2,768,910
Price per SF Gross Building Area					\$64.15

Total Costs

Subtotal: Building, Site & Soft Costs	\$2,768,910
Developer's Profit 10.0%	\$276,891
Total Cost	\$3,045,801
Price per SF Gross Building Area	\$70.57

Depreciation

Component	Eff. Age	Life	Percent	Amount
Physical Depreciation: Building	10	55	18%	\$538,376
Physical Depreciation: Site	10	20	50%	\$27,412
Functional Obsolescence Building			0%	\$0
External Obsolescence Building			0%	\$0
Total Depreciation				\$565,788
Depreciated Value of Improvements				\$2,480,013
Cost Per Square Foot Gross Building Area				\$57.46

Additional Cost Sections

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

Land Value

Land Value	\$48,000
Other	\$0
Cost Approach Value Indication	\$2,528,013
Rounded	\$2,530,000
Price per SF Gross Building Area	\$58.62

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 = \$2,530,000

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

External Obsolescence - As Complete Restricted

Total Construction Cost of Structures				\$2,768,910
Plus: Entrepreneur's Profit				\$276,891
Depreciation				<u>(\$282,894)</u>
Cost of Structures before External Obsolescence				\$2,762,907
Value of Land				\$48,000
Plus: Entrepreneur's Profit				<u>\$4,800</u>
Cost before External Obsolescence				\$2,815,707
Current Capitalization Rate				7.00%
Economic Net Operating Income (RCN x CR)				\$197,099
Net Operating Income from the Subject				<u>\$123,452</u>
Net Loss Due to Economic Obsolescence				<u>(\$73,647)</u>
Ratio of Improvements Total Property Value				0.9812
Year		Actual NOI Loss	Overall Cap Rate	Capitalized NOI Loss
1		(\$73,647)	7.00%	(\$1,052,107)
Times ratio of Improvements to Total Property				0.9812
Total External Obsolescence				(\$1,032,377)

Cost Analysis - Restricted As Complete - Section 1 of 1

Marshall & Swift

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

Building Improvements

Item	Unit Type	Cost	Quantity	Multiplier	Total
Average Class D Multiple Residences	Sq. Ft.	\$71.55	43,161	0.855	\$2,640,076
Built-Ins	Per Unit	\$1,925.00	48	0.855	\$78,993
Total Building Improvement Costs					\$2,719,069
Price per SF Gross Building Area					\$63.00

Site Improvements

Item	Unit Type	Cost	Quantity	Multiplier	Total
Paving	Per Unit	\$650.00	82	0.855	\$45,566
Recreation Area	Per Unit	\$2,500.00	2	0.855	\$4,275
Total Site Improvement Costs					\$49,841
Subtotal: Building & Site Costs					\$2,768,910
Price per SF Gross Building Area					\$64.15

Total Costs

Subtotal: Building, Site & Soft Costs	\$2,768,910
Developer's Profit 10.0%	\$276,891
Total Cost	\$3,045,801
Price per SF Gross Building Area	\$70.57

Depreciation: Section 1 of 1

Component	Eff. Age	Life	Percent	Amount
Physical Depreciation: Building	5	55	9%	\$269,188
Physical Depreciation: Site	5	20	25%	\$13,706
Functional Obsolescence Building			0%	\$0
External Obsolescence Building			0%	\$1,032,377
Total Depreciation				\$1,315,271
Depreciated Value of Improvements				\$1,730,530
Cost Per Square Foot Gross Building Area				\$40.09

Additional Cost Sections

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

Land Value

Land Value	\$48,000
Other	\$0
Cost Approach Value Indication	\$1,778,530
Rounded	\$1,780,000
Price per SF Gross Building Area	\$41.24

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 stabilized":

Restricted Value As Stabilized = \$1,780,000

Cost Analysis - Market As Complete - Section 1 of 1

Marshall & Swift

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

Building Improvements

Item	Unit Type	Cost	Quantity	Multiplier	Total
Average Class D Multiple Residences	Sq. Ft.	\$71.55	43,161	0.855	\$2,640,076
Built-Ins	Per Unit	\$1,925.00	48	0.855	\$78,993
Total Building Improvement Costs					\$2,719,069
Price per SF Gross Building Area					\$63.00

Site Improvements

Item	Unit Type	Cost	Quantity	Multiplier	Total
Paving	Per Unit	\$650.00	82	0.855	\$45,566
Recreation Area	Per Unit	\$2,500.00	2	0.855	\$4,275
Total Site Improvement Costs					\$49,841
Subtotal: Building & Site Costs					\$2,768,910
Price per SF Gross Building Area					\$64.15

Total Costs

Subtotal: Building, Site & Soft Costs		\$2,768,910
Developer's Profit 10.0%		\$276,891
Total Cost		\$3,045,801
Price per SF Gross Building Area		\$70.57

Depreciation: Section 1 of 1

Component	Eff. Age	Life	Percent	Amount
Physical Depreciation: Building	5	55	9%	\$269,188
Physical Depreciation: Site	5	20	25%	\$13,706
Functional Obsolescence Building			0%	\$0
External Obsolescence Building			0%	\$0
Total Depreciation				\$282,894
Depreciated Value of Improvements				\$2,762,907
Cost Per Square Foot Gross Building Area				\$64.01

Additional Cost Sections

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

Land Value

Land Value	\$48,000	
Other	\$0	
Cost Approach Value Indication		\$2,810,907
Rounded		\$2,810,000
Price per SF Gross Building Area		\$65.11

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 stabilized":

Market Value As Stabilized = \$2,810,000

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 (655 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 non-sensitive 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	Rock Springs Apartments 187 South Broad Street Winder, Barrow, GA	Hillcrest Apartments 490 Gainesville Highway Winder, Barrow, GA		Winder Villas Apartments 291 Apperson Drive Winder, Barrow, GA		The Oaks Apartments 175 Woodlake Place Athens, Clarke, GA		Pine Creek Apartments 282 Apperson Drive Winder, Barrow, GA		Brighton Park Apartments 4315 Lexington Road Athens, Clarke, 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	G/1, T/2		WU/2, T/2		WU/2, T/2		T/2		WU/2	
5. Floor of Unit in Building	First	Varies		Varies		Varies		First		Varies	
6. Project Occupancy %	100%	99%		100%		93%		100%		100%	
7. Concessions	N	N		N		N		N		N	
8. Year Built	1989	1988		2007	(\$50)	1969/2017	(\$50)	2000	(\$50)	1996	
9. Sq. Ft. Area	655	700	(\$10)	950	(\$55)	950	(\$55)	1,200	(\$105)	660	
10. Number of Bedrooms	1	1		2	(\$75)	1		2	(\$75)	1	
11. Number of Baths	1.0	1.0		1.0		1.0		2.5	(\$30)	1.0	
12. Number of Rooms	3	3		4		3		4		3	
13. Balc./Terrace/Patio	Y	Y		N	\$5	N	\$5	Y		Y	
14. Garage or Carport	L/0	L/0		L/0		L/0		L/0		L/0	
15. Equipment	a. A/C	C		C		C		C		C	
	b. Range/Refrigerator	RF		RF		RF		RF		RF	
	c. Disposal	N		Y		Y		Y		Y	
	d. Microwave/Dishwasher	N	(\$10)	MD	(\$15)	D	(\$10)	D	(\$10)	N	
	e. Washer/Dryer	HU		HU		HU		HU		HU	
	f. Carpet	C		C		C		C		C	
	g. Drapes	B		B		B		B		B	
	h. Pool/Rec. Area	R	\$10	N	\$10	PER	(\$20)	N	\$10	PE	(\$10)
16. Services	a. Heat/Type	N/E		N/E		N/E		N/G		N/E	
	b. Cooling	N/E		N/E		N/E		N/E		N/E	
	c. Cook/Type	N/E		N/E		N/E		N/E		N/E	
	d. Electricity	N		N		N		N		N	
	e. Hot Water	N/E		N/G		N/E		N/G		N/E	
	f. Cold Water/Sewer	Y		Y		N	\$38	Y		N	\$38
	g. Trash	Y		Y		N	\$15	Y		Y	
17. Storage	N	N		N		N		N		N	
18. Project Location	Average	Similar		Similar		Superior	(\$10)	Similar		Superior	(\$10)
19. Security	N	N		Y	(\$5)	N		N		Y	(\$5)
20. Clubhouse/Meeting Room	N	N		N		N		N		N	
21. Special Features	N	N		N		F	(\$10)	N		N	
22. Business Center / Nhd Netwk	N	N		N		N		N		N	
23. Unit Rent Per Month		\$675		\$750		\$595		\$775		\$500	
24. Total Adjustment			(\$10)		(\$185)		(\$97)		(\$260)		\$13
25. Indicated Rent		\$665		\$565		\$498		\$515		\$513	
26. Correlated Subject Rent	\$550	<input type="checkbox"/> If there are any Remarks, check here and add the remarks to the back of page.									
	high rent	\$665	low rent	\$498	60% range	\$531	to	\$632			

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 J. Hill</i>	Date (mm/dd/yy) 05/15/17	Reviewer's Signature	Date (mm/dd/yyyy)
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Previous editions are obsolete

form HUD-92273 (07/2003)

Two-Bedroom Units (930 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. 6 (address)		
Two-Bedroom	Rock Springs Apartments 187 South Broad Street Winder, Barrow, GA	Hillcrest Apartments 490 Gainesville Highway Winder, Barrow, GA			Winder Villas Apartments 291 Apperson Drive Winder, Barrow, GA			The Oaks Apartments 175 Woodlake Place Athens, Clarke, GA			Pine Creek Apartments 282 Apperson Drive Winder, Barrow, GA			160 2nd Street 160 2nd Street Winder, Barrow, GA		
Characteristics		Data	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			
4. Type of Project/Stories	T/2	G/1, T/2			WU/2, T/2				WU/2, T/2				T/2			
5. Floor of Unit in Building	First	Varies			Varies				Varies				First			
6. Project Occupancy %	100%	99%			100%				93%				100%			
7. Concessions	N	N			N				N				N			
8. Year Built	1989	1988			2007	(\$50)			1969/2017	(\$50)			2000	(\$50)		
9. Sq. Ft. Area	930	940			1,050	(\$20)			1,125	(\$35)			1,200	(\$50)		
10. Number of Bedrooms	2	2			2				2				2			
11. Number of Baths	1.5	1.5			1.5				2.0	(\$10)			2.5	(\$20)		
12. Number of Rooms	4	4			4				4				4			
13. Balc./Terrace/Patio	Y	Y			N	\$5			N	\$5			Y			
14. Garage or Carport	L/O	L/O			L/O				L/O				L/O			
15. Equipment a. A/C	C	C			C				C				C			
b. Range/Refrigerator	RF	RF			RF				RF				RF			
c. Disposal	N	Y			Y				Y				Y			
d. Microwave/Dishwasher	N	D	(\$10)		MD	(\$15)			D	(\$10)			D	(\$10)		
e. Washer/Dryer	HU	HU			HU				HU				HU			
f. Carpet	C	C			C				C				C			
g. Drapes	B	B			B				B				B			
h. Pool/Rec. Area	R	N	\$10		N	\$10			PER	(\$20)			N	\$10		
16. Services a. Heat/Type	N/E	N/G			N/E				N/E				N/G			
b. Cooling	N/E	N/E			N/E				N/E				N/E			
c. Cook/Type	N/E	N/E			N/E				N/E				N/E			
d. Electricity	N	N			N				N				N			
e. Hot Water	N/E	N/G			N/E				N/E				N/G			
f. Cold Water/Sewer	Y	Y			Y				N	\$47			Y			
g. Trash	Y	Y			Y				N	\$15			Y			
17. Storage	N	N			N				N				N			
18. Project Location	Average	Similar			Similar				Superior	(\$10)			Similar			
19. Security	N	N			Y	(\$5)			N				N			
20. Clubhouse/Meeting Room	N	N			N				N				N			
21. Special Features	N	N			N				F	(\$10)			N			
22. Business Center / Nhd Netwk	N	N			N				N				N			
23. Unit Rent Per Month		\$775			\$850				\$786				\$775			
24. Total Adjustment						(\$75)				(\$78)				(\$120)		
25. Indicated Rent		\$775			\$775				\$708				\$655			
26. Correlated Subject Rent	\$750	<input type="checkbox"/> If there are any Remarks, check here and add the remarks to the back of page.														
	high rent	\$775	low rent	\$655	60% range	\$679	to	\$751								

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 J. Steel</i>	Date (mm/dd/yy) 05/15/17	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

Rock Springs Apartments

Primary Unit Types – One-Bedroom Units (655 SF) and Two-Bedroom Units (930 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 655 and 930 square feet. Comparable apartments used include the following: Hillcrest Apartments (Comparable 1), Winder Villas Apartments (Comparable 2), The Oaks Apartments (Comparable 3), Pine Creek Apartments (Comparable 4), Brighton Park Apartments (Comparable 5) and 160 2nd Street (Comparable 6).

Structure/Stories – The subject is located in garden one-story and townhouse two-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 100 percent occupied. The occupancy rates of the comparables range from 93 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 1991 and will be rehabilitated. It will be in good condition. Comparable 1 was built in 1988, and Comparable 2 was constructed in 2007. Comparable 3 was constructed in 1969 and is currently being renovated, and Comparable 4 was built in 2000. Comparable 5 was constructed in 1996. Comparable 6 was built in 1999. Comparables 1, 5 and 6 were similar to the subject in condition as there were no differences considered significant enough to warrant an adjustment. Comparables 2, 3 and 4 are superior to the subject. 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 Comparables 3 and 4 individually to the units

at Comparable 5. As can be seen in the following tables, the appraiser adjusted the street rent of each comparable for all differences between the subject and comparables to come up with a net adjusted rent for each comparable. The differences that warranted adjustments included # of bedrooms, # of baths, unit size, balcony/patio, microwave/dishwasher, pool/exercise room/recreation area, cold water/sewer, trash, security, special features and location. Once the net adjusted rents were determined, these rents were compared to the street rent at Comparable 5. The differences between the rents indicate the appropriate adjustments for condition.

Paired Analysis - One-Bedroom Units		
Item	Comparable 3	Comparable 4
Street Rent	\$500	\$700
Unit Size	-\$45	-\$65
Number of Bedrooms	-\$75	\$0
Number of Baths	\$0	-\$20
Balcony/Patio	\$5	\$5
Microwave/Dishwasher	-\$10	-\$10
Pool/Exercise Room/Rec. Area	-\$10	\$20
Cold Water/Sewer	\$0	\$0
Trash	\$0	\$15
Security	\$5	\$5
Special Features	-\$10	\$0
Location	\$0	\$10
Net Rent	\$360	\$660
Comparable 5 Street Rent	\$500	\$500
Indicated Adjustment	\$140	-\$160

Paired Analysis - Two-Bedroom Units		
Item	Comparable 3	Comparable 4
Street Rent	\$786	\$700
Unit Size	\$0	\$5
Number of Baths	-\$10	-\$20
Balcony/Patio	\$5	\$5
Microwave/Dishwasher	-\$10	-\$10
Pool/Exercise Room/Rec. Area	-\$10	\$20
Cold Water/Sewer	\$0	\$0
Trash	\$0	\$15
Security	\$5	\$5
Special Features	-\$10	\$0
Location	\$0	\$10
Net Rent	\$756	\$730
Comparable 5 Street Rent	\$585	\$585
Indicated Adjustment	-\$171	-\$145

Paired Analysis - Three-Bedroom Units		
Item	Comparable 3	Comparable 4
Street Rent	\$952	\$700
Unit Size	-\$15	\$45
Number of Bedrooms	\$0	\$75
Number of Baths	\$0	-\$20
Balcony/Patio	\$5	\$5
Microwave/Dishwasher	-\$10	-\$10
Pool/Exercise Room/Rec. Area	-\$10	\$20
Cold Water/Sewer	\$0	\$0
Trash	\$0	\$15
Security	\$5	\$5
Special Features	-\$10	\$0
Location	\$0	\$10
Net Rent	\$917	\$845
Comparable 5 Street Rent	\$775	\$775
Indicated Adjustment	-\$142	-\$70

As can be seen on the analysis, the amount of adjustments indicated was different for each bedroom type. Due to the nature of the adjustment and the fact that all of the difference may not be attributable entirely to differences in condition, the results were averaged and then divided in half. Comparables 3 and 4 are considered similar in condition to each other. Therefore, the average of each of these comparables were grouped to form a reasonable range of adjustments. The comparables indicated a range of \$29 to \$63 per month for condition differences from the subject. After considering all factors, Comparables 2, 3 and 4 were adjusted downward \$50 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 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 \$0.19 and for the two-bedroom comparison is \$0.18. 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-, two- and three-bedroom units. Due to the lack of conventional one- and three-bedroom units in the vicinity, two two-bedroom comparables were used on both of these grids to compare to the subject’s units. The majority of the difference in number of bedrooms is accounted for in the unit square footage adjustment. However, an adjustment is made here to consider the convenience of additional bedrooms. The extra room(s) will enhance the marketability of a unit even if the square footage remains the same. The following table shows the paired analysis utilized to determine the bedroom adjustment. Comparables 1 and 5 also contain one-half bath difference in the two- and three-bedroom units.

	Comp 1	Comp 3	Comp 5
2 BR Rent	\$750	\$625	\$585
2 BR Size	900	1,125	1,100
3 BR Rent	\$825	\$750	\$775
3 BR Size	1,000	1,175	1,350
Size Adj Factor	\$0.16	\$0.16	\$0.16
Size Difference	100	50	250
Indicated Size Adj.	\$16	\$8	\$40
Adjusted 3 BR Rent	\$809	\$742	\$735
Indicated BR Adj.	\$59	\$117	\$150

An adjustment within the range of the comparables is considered appropriate. After considering all factors, an adjustment of \$75 per bedroom was selected.

of Baths – Each complex with a differing number of baths than the subject was adjusted \$10 per half-bath and \$20 per full 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 comparables contained insufficient data for a paired analysis determination. Therefore, only nominal adjustments were selected for differences in number of baths.

Balcony/Patio – The subject contains patios. Comparables 1, 4, 5 and 6 contain balconies or patios. The remaining comparables do 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 2 and 3 were adjusted upward \$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 are similar. No adjustments were needed.

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 5 contain dishwashers. Comparable 2 also contains microwaves. 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, 2, 3, 4 and 6 were adjusted downward \$10 per month for dishwashers. Comparable 2 was adjusted downward an additional \$5 per month for microwaves.

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 contains a picnic area and playground. Comparable 3 contains a swimming pool, exercise room, volleyball court and tennis court. Comparable 5 contains a swimming pool and exercise room. Comparables 1, 2, 4 and 6 do not contain any of these amenities. No comparable in the market area shows a rent differential based on this particular item; however, the added amenity is an enhancement. Therefore, Comparable 3 was adjusted downward \$20 per month, and Comparable 5 was adjusted downward \$10 per month. Comparables 1, 2, 4 and 6 were adjusted upward \$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, 2 and 4 are similar. The remaining comparables do provide these utilities. Comparables 3, 5 and 6 were adjusted upward \$38 per month for one-bedroom units, \$47 per month for two-bedroom units and \$57 per month for three-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, 2, 4 and 5 are similar. The remaining comparable does not provide this utility. Comparables 3 and 6 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 Winder and Athens. Athens has a larger population and a higher median home value. However, Winder has a higher median rent as can be seen in the following table:

U.S. Census Bureau Stats	Winder	Athens	% Diff
2015 Population	14,928	120,905	87.65%
Households	5,053	43,356	88.35%
Median Home Value	\$123,400	\$150,300	17.90%
Median Rent	\$841	\$790	-6.46%

After considering all factors, an adjustment of \$10 for the comparables in Athens was considered appropriate.

Security – The subject does not contain security features. Comparables 1, 3, 4 and 6 are similar to the subject. Comparable 2 contains video surveillance, and Comparable 5 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, Comparables 2 and 5 were adjusted downward \$5 per month.

Clubhouse/Meeting Room – The subject does not contain either feature. The comparables do not contain either feature. No adjustments were needed.

Special Features – The subject does not contain special features in all units. Comparable 3 contains fireplaces in the units. 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. The comparable with fireplaces was adjusted downward \$10 per month.

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 \$498 to \$665 for the one-bedroom comparison and from \$655 to \$775 for the two-bedroom townhouse comparison. Comparables 1 and 5 were given significant consideration as these comparables are similar in condition to the subject. The remaining comparables were also given consideration. The appraiser concluded the market rent for the units at the subject as follows:

- **655 SF One-Bedroom Units** - **\$550**
- **930 SF Two-Bedroom Units** - **\$750**

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	16	655	\$687	\$444	\$72
2/1.5 TH	32	930	\$826	\$463	\$86

HUD-Forms 92273 – As Complete

One-Bedroom Units (655 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 non-sensitive 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	Rock Springs Apartments 187 South Broad Street Winder, Barrow, GA	Hillcrest Apartments 490 Gainesville Highway Winder, Barrow, GA			Winder Villas Apartments 291 Apperson Drive Winder, Barrow, GA			The Oaks Apartments 175 Woodlake Place Athens, Clarke, GA			Pine Creek Apartments 282 Apperson Drive Winder, Barrow, GA			Brighton Park Apartments 4315 Lexington Road Athens, Clarke, 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	G/1, T/2		WU/2, T/2		WU/2, T/2		WU/2, T/2		WU/2, T/2		T/2		WU/2		
5. Floor of Unit in Building	First	Varies		Varies		Varies		Varies		First		First		Varies		
6. Project Occupancy %	100%	99%		100%		93%		100%		100%		100%		100%		
7. Concessions	N	N		N		N		N		N		N		N		
8. Year Built	1989/Proposed	1988	\$50	2007		1969/2017		2000		1996	\$50					
9. Sq. Ft. Area	655	700	(\$10)	950	(\$55)	950	(\$55)	1,200	(\$105)	660						
10. Number of Bedrooms	1	1		2	(\$75)	1		2	(\$75)	1						
11. Number of Baths	1.0	1.0		1.0		1.0		2.5	(\$30)	1.0						
12. Number of Rooms	3	3		4		3		4		3						
13. Balc./Terrace/Patio	Y	Y		N	\$5	N	\$5	Y		Y						
14. Garage or Carport	L/0	L/0		L/0		L/0		L/0		L/0						
15. Equipment a. A/C	C	C		C		C		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)	MD	(\$15)	D	(\$10)	D	(\$10)	N						
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	R	N	\$10	N	\$10	PER	(\$20)	N	\$10	PE	(\$10)					
16. Services a. Heat/Type	N/E	N/G		N/E		N/E		N/G		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/G		N/E		N/E		N/G		N/E						
f. Cold Water/Sewer	Y	Y		Y		N	\$38	Y		N	\$38					
g. Trash	Y	Y		Y		N	\$15	Y		Y						
17. Storage	N	N		N		N		N		N						
18. Project Location	Average	Similar		Similar		Superior	(\$10)	Similar		Superior	(\$10)					
19. Security	N	N		Y	(\$5)	N		N		Y	(\$5)					
20. Clubhouse/Meeting Room	N	N		N		N		N		N						
21. Special Features	N	N		N		F	(\$10)	N		N						
22. Business Center / Nhd Netwk	N	N		N		N		N		N						
23. Unit Rent Per Month		\$675		\$750		\$595		\$775		\$500						
24. Total Adjustment			\$40		(\$135)		(\$47)		(\$210)		\$63					
25. Indicated Rent		\$715		\$615		\$548		\$565		\$563						
26. Correlated Subject Rent	\$600	<input type="checkbox"/> If there are any Remarks, check here and add the remarks to the back of page.														
	high rent	\$715	low rent	\$548	60% range	\$581	to	\$682								

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 J. Hill* Date (mm/dd/yy): 05/15/17
 Reviewer's Signature: _____ Date (mm/dd/yyyy): _____

Two-Bedroom Units (930 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. 6 (address)		
Two-Bedroom	Rock Springs Apartments 187 South Broad Street Winder, Barrow, GA	Hillcrest Apartments 490 Gainesville Highway Winder, Barrow, GA		Winder Villas Apartments 291 Apperson Drive Winder, Barrow, GA		The Oaks Apartments 175 Woodlake Place Athens, Clarke, GA		Pine Creek Apartments 282 Apperson Drive Winder, Barrow, GA		160 2nd Street 160 2nd Street Winder, Barrow, 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			
4. Type of Project/Stories	T/2	G/1, T/2			WU/2, T/2				T/2			
5. Floor of Unit in Building	First	Varies			Varies				First			
6. Project Occupancy %	100%	99%			100%				100%			
7. Concessions	N	N			N				N			
8. Year Built	1989/Proposed	1988		\$50	2007				2000			\$50
9. Sq. Ft. Area	930	940			1,050		(\$20)		1,200		(\$50)	
10. Number of Bedrooms	2	2			2				2			
11. Number of Baths	1.5	1.5			1.5				2.5		(\$20)	
12. Number of Rooms	4	4			4				4			
13. Balc./Terrace/Patio	Y	Y			N		\$5		Y			\$5
14. Garage or Carport	L/O	L/O			L/O				L/O			
15. Equipment a. A/C	C	C			C				C			
b. Range/Refrigerator	RF	RF			RF				RF			
c. Disposal	N	Y			Y				Y			
d. Microwave/Dishwasher	N	D		(\$10)	MD		(\$15)		D		(\$10)	
e. Washer/Dryer	HU	HU			HU				HU			
f. Carpet	C	C			C				C			
g. Drapes	B	B			B				B			
h. Pool/Rec. Area	R	N		\$10	N		\$10		N		\$10	
16. Services a. Heat/Type	N/E	N/G			N/E				N/G			
b. Cooling	N/E	N/E			N/E				N/E			
c. Cook/Type	N/E	N/E			N/E				N/E			
d. Electricity	N	N			N				N			
e. Hot Water	N/E	N/G			N/E				N/G			
f. Cold Water/Sewer	Y	Y			Y			\$47	Y			\$47
g. Trash	Y	Y			Y			\$15	Y			\$15
17. Storage	N	N			N				N			
18. Project Location	Average	Similar			Similar			(\$10)	Similar			
19. Security	N	N			Y		(\$5)		N			
20. Clubhouse/Meeting Room	N	N			N				N			
21. Special Features	N	N			N			(\$10)	N			
22. Business Center / Nhd Netwk	N	N			N				N			
23. Unit Rent Per Month		\$775			\$850				\$786			
24. Total Adjustment				\$50			(\$25)				(\$70)	\$112
25. Indicated Rent		\$825			\$825				\$758			\$705
26. Correlated Subject Rent	\$800	<input type="checkbox"/> If there are any Remarks, check here and add the remarks to the back of page.										
	high rent	\$825	low rent	\$705	60% range	\$729	to	\$801				

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) 05/15/17	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 Complete

Rock Springs Apartments

Primary Unit Types – One-Bedroom Units (655 SF) and Two-Bedroom Units (930 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 655 and 930 square feet. Comparable apartments used include the following: Hillcrest Apartments (Comparable 1), Pine Creek Apartments (Comparable 2), The Oaks Apartments (Comparable 3), 160 2nd Street (Comparable 4), Brighton Park Apartments (Comparable 5) and Holly Hill Apartments (Comparable 6).

Structure/Stories – The subject is located in garden one-story and townhouse two-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 100 percent occupied. The occupancy rates of the comparables range from 93 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 1989 and will be rehabilitated. It will be in good condition. Comparable 1 was built in 1988, and Comparable 2 was constructed in 2007. Comparable 3 was constructed in 1969 and is currently being renovated, and Comparable 4 was built in 2000. Comparable 5 was constructed in 1996. Comparable 6 was built in 1999. Comparables 2, 3 and 4 are considered similar to the subject after the subject's rehabilitation. 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, 5 and 6 were adjusted upward \$50 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 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 \$0.19 and for the two-bedroom comparison is \$0.18. 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. Due to the lack of conventional one- and three-bedroom units in the vicinity, two two-bedroom comparables were used on both of these grids to compare to the subject’s units. The majority of the difference in number of bedrooms is accounted for in the unit square footage adjustment. However, an adjustment is made here to consider the convenience of additional bedrooms. The extra room(s) will enhance the marketability of a unit even if the square footage remains the same. The following table shows the paired analysis utilized to determine the bedroom adjustment. Comparables 1 and 5 also contain one-half bath difference in the two- and three-bedroom units.

	Comp 1	Comp 3	Comp 5
2 BR Rent	\$750	\$625	\$585
2 BR Size	900	1,125	1,100
3 BR Rent	\$825	\$750	\$775
3 BR Size	1,000	1,175	1,350
Size Adj Factor	\$0.16	\$0.16	\$0.16
Size Difference	100	50	250
Indicated Size Adj.	\$16	\$8	\$40
Adjusted 3 BR Rent	\$809	\$742	\$735
Indicated BR Adj.	\$59	\$117	\$150

An adjustment within the range of the comparables is considered appropriate. After considering all factors, an adjustment of \$75 per bedroom was selected.

of Baths – Each complex with a differing number of baths than the subject was adjusted \$10 per half-bath and \$20 per full 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 comparables contained insufficient data for a paired analysis determination. Therefore, only nominal adjustments were selected for differences in number of baths.

Balcony/Patio – The subject contains patios. Comparables 1, 4, 5 and 6 contain balconies or patios. The remaining comparables do 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 2 and 3 were adjusted upward \$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 are similar. No adjustments were needed.

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 5 contain dishwashers. Comparable 2 also contains microwaves. 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, 2, 3, 4 and 6 were adjusted downward \$10 per month for dishwashers. Comparable 2 was adjusted downward an additional \$5 per month for microwaves.

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 contains a picnic area and playground. Comparable 3 contains a swimming pool, exercise room, volleyball court and tennis court. Comparable 5 contains a swimming pool and exercise room. Comparables 1, 2, 4 and 6 do not contain any of these amenities. No comparable in the market area shows a rent differential based on this particular item; however, the added amenity is an enhancement. Therefore, Comparable 3 was adjusted downward \$20 per month, and Comparable 5 was adjusted downward \$10 per month. Comparables 1, 2, 4 and 6 were adjusted upward \$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, 2 and 4 are similar. The remaining comparables do provide these utilities. Comparables 3, 5 and 6 were adjusted upward \$38 per month for one-bedroom units, \$47 per month for two-bedroom units and \$57 per month for three-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, 2, 4 and 5 are similar. The remaining comparable does not provide this utility. Comparables 3 and 6 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 Winder and Athens. Athens has a larger population and a higher median home value. However, Winder has a higher median rent as can be seen in the following table:

U.S. Census Bureau Stats	Winder	Athens	% Diff
2015 Population	14,928	120,905	87.65%
Households	5,053	43,356	88.35%
Median Home Value	\$123,400	\$150,300	17.90%
Median Rent	\$841	\$790	-6.46%

After considering all factors, an adjustment of \$10 for the comparables in Athens was considered appropriate.

Security – The subject does not contain security features. Comparables 1, 3, 4 and 6 are similar to the subject. Comparable 2 contains video surveillance, and Comparable 5 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, Comparables 2 and 5 were adjusted downward \$5 per month.

Clubhouse/Meeting Room – The subject does not contain either feature. The comparables do not contain either feature. No adjustments were needed.

Special Features – The subject does not contain special features in all units. Comparable 3 contains fireplaces in the units. 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. The comparable with fireplaces was adjusted downward \$10 per month.

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 \$548 to \$715 for the one-bedroom comparison and from \$705 to \$825 for the two-bedroom townhouse comparison. Comparables 2, 3 and 4 were given significant consideration as these comparables are similar in condition. However, the remaining comparables were also given consideration. The appraiser concluded the market rent for the units at the subject as follows:

- **655 SF One-Bedroom Units** - **\$600**
- **930 SF Two-Bedroom Units** - **\$800**

The following table shows the proposed rents at the subject. The estimated “as complete” market rents are above the proposed rents. Additionally, a restricted analysis was completed to determine the achievable rents for the subject. This analysis is shown in the addendum. Therefore, the proposed rents were considered achievable.

Unit Type	# of Units	Square Footage	Maximum Net LIHTC Rent	Proposed Rent	Utility Allowance
1/1	16	655	\$687	\$485	\$72
2/1.5 TH	32	930	\$826	\$600	\$86

Rent Comparables

Multi-Family Lease No. 1



Property Identification

Record ID 5880
Property Type Garden/Townhouse
Property Name Hillcrest Apartments
Address 490 Gainesville Highway, Winder, Barrow County, Georgia 30680
Market Type Market

Verification Cynthia; 770-867-4007, May 15, 2017

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	25	700	\$675	\$0.96
2/1.5 TH	10	900	\$750	\$0.83
2/1.5 TH	22	940	\$775	\$0.82
2/1.5 TH	23	1,136	\$800	\$0.70
2/1.5 TH	12	1,236	\$800	\$0.65
3/1	10	1,000	\$825	\$0.83

Occupancy 99%
Rent Premiums N
Total Units 102
Unit Size Range 700 - 1236

Multi-Family Lease No. 1 (Cont.)

Avg. Unit Size	962
Avg. Rent/Unit	\$762
Avg. Rent/SF	\$0.79
SF	98,140

Physical Data

No. of Buildings	16
Construction Type	Brick/Siding
HVAC	Central Gas/Central Elec
Stories	2
Utilities with Rent	Water, Sewer, Trash Collection
Parking	L/O
Year Built	1988
Condition	Average
Gas Utilities	Heating
Electric Utilities	Cooling, Other Electric

Amenities

Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Washer/Dryer Hook-Ups (Select Units), Carpet, Vinyl, Blinds, Ceiling Fans, Walk-In Closet (Select Units), Coat Closet, Balcony, Patio, Laundry Facility, On-Site Management, On-Site Maintenance

Remarks

The property does not maintain a waiting list. The annual turnover rate was not disclosed.

Multi-Family Lease No. 2



Property Identification

Record ID 5883
Property Type Walk-Up/Townhouse
Property Name Winder Villas Apartments
Address 291 Apperson Drive, Winder, Barrow County, Georgia 30680
Market Type Market

Verification Rachel; 7708477117, May 15, 2017

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	48	950	\$750	\$0.79
2/1.5 TH	16	1,050	\$850	\$0.81

Occupancy 100%
Rent Premiums N
Total Units 64
Unit Size Range 950 - 1050
Avg. Unit Size 975
Avg. Rent/Unit \$775
Avg. Rent/SF \$0.79

SF 62,400

Physical Data

No. of Buildings 3
Construction Type Brick
HVAC Central Elec/ Central Elec
Stories 2
Utilities with Rent Water, Sewer, Trash Collection

Multi-Family Lease No. 2 (Cont.)

Parking	L/0
Year Built	2007
Condition	Good
Gas Utilities	None
Electric Utilities	All

Amenities

Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Microwave, Washer/Dryer Hook-Ups, Carpet, Tile, Blinds, Coat Closet, On-Site Management, On-Site Maintenance, Video Surveillance

Remarks

The property maintains a waiting list, but the number of applicants was not disclosed.

Multi-Family Lease No. 3



Property Identification

Record ID 5495
Property Type Walk-Up
Property Name The Oaks Apartments
Address 175 Woodlake Place, Athens, Clarke County, Georgia 30605
Market Type Market

Verification Cindy; 706-549-6254, May 15, 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	84	950	\$530	\$0.56
1/1		950	\$595	\$0.63
2/2	120	1,125	\$625	\$0.56
2/2		1,125	\$786	\$0.70
2/2	34	1,175	\$750	\$0.64
2/2		1,175	\$818	\$0.70
3/2	20	1,450	\$828	\$0.57
3/2		1,450	\$952	\$0.66

Occupancy 93%
Rent Premiums N
Total Units 258
Unit Size Range 950 - 1450
Avg. Unit Size 1,100
Avg. Rent/Unit \$626
Avg. Rent/SF \$0.57

Multi-Family Lease No. 3 (Cont.)

SF 283,750

Physical Data

No. of Buildings	30
Construction Type	Stucco
HVAC	Central Elec/Central Elec
Stories	2
Utilities with Rent	None
Parking	L/0
Year Built	1969/2017
Condition	Good
Gas Utilities	None
Electric Utilities	All

Amenities

Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Washer/Dryer Hook-Ups, Carpet, Vinyl, Blinds, Fireplace, Swimming Pool, Exercise Room, Volleyball Court, Tennis Court, Laundry Facility, On-Site Management, On-Site Maintenance

Remarks

There are currently five applicants on the waiting list. The annual turnover rate is 25 percent. The property is currently undergoing renovations. The higher rents are for the units that have been renovated.

Multi-Family Lease No. 4



Property Identification

Record ID 5881
Property Type Townhouse
Property Name Pine Creek Apartments
Address 282 Apperson Drive, Winder, Barrow County, Georgia 30680
Market Type Market

Verification Cynthia; 678-219-0119, May 15, 2017

Unit Mix

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	<u>Mo. Rent/SF</u>
2/2.5	24	1,200	\$775	\$0.65

Occupancy 100%
Rent Premiums N
Total Units 24
Unit Size Range 0 - 1200
Avg. Unit Size 1,200
Avg. Rent/Unit \$775
Avg. Rent/SF \$0.65

SF 28,800

Physical Data

No. of Buildings 3
Construction Type Brick
HVAC Central Elec/ Central Elec
Stories 2

Multi-Family Lease No. 4 (Cont.)

Utilities with Rent	Water, Sewer, Trash Collection
Parking	L/O
Year Built	2000
Condition	Good
Gas Utilities	None
Electric Utilities	All

Amenities

Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Washer/Dryer Hook-Ups, Carpet, Tile, Blinds, Ceiling Fans, Walk-In Closet (Select Units), Coat Closet (Select Units), Patio, On-Site Maintenance, On-Site Management

Remarks

The property does not have a waiting list.

Multi-Family Lease No. 5



Property Identification

Record ID 5483
Property Type Walk-Up/Townhouse
Property Name Brighton Park Apartments
Address 4315 Lexington Road, Athens, Clarke County, Georgia 30605
Market Type Market

Verification Leasing Agent; 706-354-7917, May 15, 2017

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	56	660	\$500	\$0.76
2/1.5 TH	30	1,100	\$585	\$0.53
2/1.5 TH	30	1,250	\$635	\$0.51
3/2	30	1,350	\$775	\$0.57

Occupancy 100%
Rent Premiums N
Total Units 146
Unit Size Range 660 - 1350
Avg. Unit Size 1,013
Avg. Rent/Unit \$602
Avg. Rent/SF \$0.59

SF 147,960

Physical Data

No. of Buildings 21
Construction Type Brick
HVAC Central Elec/Central Elec
Stories 2
Utilities with Rent Trash Collection

Multi-Family Lease No. 5 (Cont.)

Parking	L/0
Year Built	1996
Condition	Average
Gas Utilities	None
Electric Utilities	All

Amenities

Refrigerator, Range/Oven, Garbage Disposal, Washer/Dryer Hook-Ups, Carpet, Vinyl, Blinds, Ceiling Fans, Patio, Swimming Pool, Exercise Room, Security Patrol

Remarks

The property does not maintain a waiting list. The annual turnover rate was not disclosed.

Multi-Family Lease No. 6



Property Identification

Record ID 5888
Property Type Walk-Up
Property Name 160 2nd Street
Address 160 2nd Street, Winder, Barrow County, Georgia 30680
Market Type Market

Verification Scott; 770-586-5272, May 15, 2017

Unit Mix

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	<u>Mo. Rent/SF</u>
2/1.5	2	970	\$700	\$0.72
3/1.5	8	1,134	\$775	\$0.68

Occupancy 100%
Rent Premiums N
Total Units 10
Unit Size Range 970 - 1134
Avg. Unit Size 1,101
Avg. Rent/Unit \$760
Avg. Rent/SF \$0.69

SF 9,072

Multi-Family Lease No. 6 (Cont.)

Physical Data

No. of Buildings	5
Construction Type	Brick
HVAC	Central Elec/Central Elec
Stories	2
Utilities with Rent	None
Parking	L/0
Year Built	1999
Condition	Average
Gas Utilities	None
Electric Utilities	All

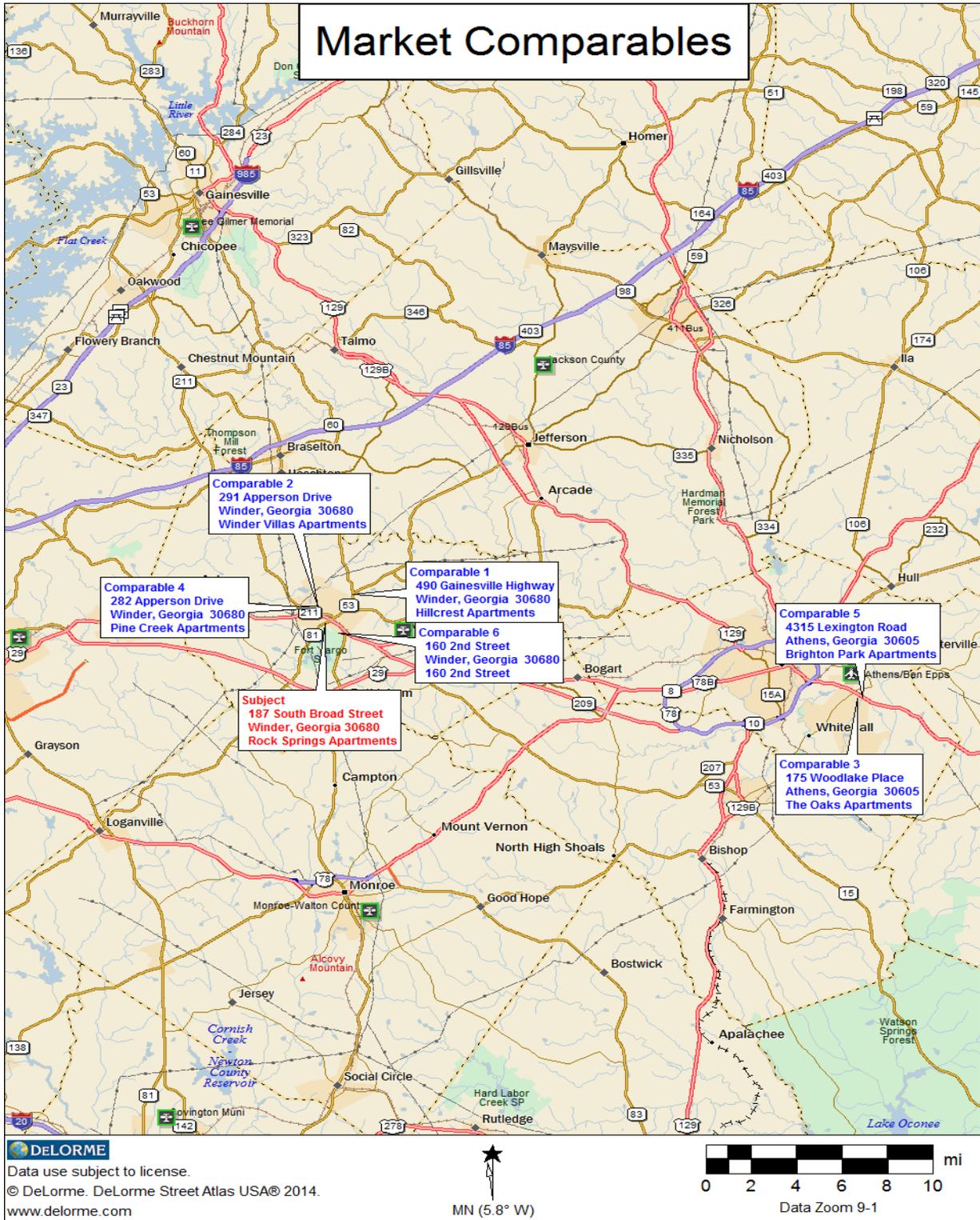
Amenities

Refrigerator, Range/Oven, Dishwasher, Washer/Dryer Hook-Ups, Carpet, Vinyl, Blinds, Ceiling Fans

Remarks

The annual turnover rate is 10 percent. The property does not maintain a waiting list. The property is not considered competitive with the subject as it targets a different tenant base. However, due to the lack of comparables in the market area, it was used simply for comparison purposes.

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
16	1/1	655	\$687	\$444	\$7,104
32	2/1.5 TH	930	\$826	\$463	\$14,816
Total Potential Monthly Rental Income					\$21,920
					x 12
Total Potential Gross Rental Income					\$263,040
Miscellaneous Income					\$3,500
Total Potential Gross Income					\$266,540

Total Potential Gross Rental Income (Market Rent As Is)

# of Units	Unit Type	Unit SF	Max. Net LIHTC Rent	Market Rent	Potential Gross Income
16	1/1	655	\$687	\$550	\$8,800
32	2/1.5 TH	930	\$826	\$750	\$24,000
Total Potential Monthly Rental Income					\$32,800
					x 12
Total Potential Gross Rental Income					\$393,600
Miscellaneous Income					\$3,500
Total Potential Gross Income					\$397,100

Total Potential Gross Rental Income (Restricted Rent As Complete)

# of Units	Unit Type	Unit SF	Max. Net LIHTC Rent	Proposed Rent	Potential Gross Income
16	1/1	655	\$687	\$485	\$7,760
32	2/1.5 TH	930	\$826	\$600	\$19,200
Total Potential Monthly Rental Income					\$26,960
					x 12
Total Potential Gross Rental Income					\$323,520
Miscellaneous Income					\$3,500
Total Potential Gross Income					\$327,020

Total Potential Gross Rental Income (Market Rent As Complete)

# of Units	Unit Type	Unit SF	Max. Net LIHTC Rent	Market Rent	Potential Gross Income
16	1/1	655	\$687	\$600	\$9,600
32	2/1.5 TH	930	\$826	\$800	\$25,600
Total Potential Monthly Rental Income					\$35,200
					x 12
Total Potential Gross Rental Income					\$422,400
Miscellaneous Income					\$3,500
Total Potential Gross Income					\$425,900

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 March 2017. Six 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 three percent was determined for the market-rate vacancy and no percent was determined for the restricted vacancy. The subject is currently 100 percent occupied. Historically, the subject's occupancy rate has ranged from 99 to 100 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; five percent was deemed appropriate for "as is" affordable housing; and five 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 fire fighting, 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: Rock Springs Apartments

of Rental Units: 48

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	%	4 months				Budget	PUPA	%		
									YTD	2017	Annualized	PUPA					%
Residential & Ancillary Income																	Residential & Ancillary Income
Annual Gross Potential Rental Income	237,120	4,940	242,880	5,060	2%	254,400	5,300	5%	87,680	263,040	5,480	3%	263,040	5,480	3%	Annual Gross Potential Rental Income	
Annual Ancillary Income	2,430	51	3,126	65	29%	3,639	76	16%	784	2,352	49	-35%	2,000	42	-45%	Annual Ancillary Income	
Annual Gross Potential Income	239,550	4,991	246,006	5,125	3%	258,039	5,376	5%	88,464	265,392	5,529	3%	265,040	5,522	3%	Annual Gross Potential Income	
Occupancy	100.00%	0	100.00%	0	0%	98.73%	68	-1%	100.00%	1	0	1%	95.04%	274	0%	Occupancy	
Effective Gross Income (EGI)	239,550	4,991	246,006	5,125	3%	254,769	5,308	4%	88,464	265,392	5,529	4%	251,888	5,248	-1%	Effective Gross Income (EGI)	

ITEMIZED EXPENSES - Annual											ITEMIZED EXPENSES - Annual						
Estimate of Annual Expense	2014	PUPA	2015	PUPA	%	2016	PUPA	%	4 months				Budget	PUPA	%	Estimate of Annual Expense	
									YTD	2017	Annualized	PUPA					%
Administrative																	Administrative
Advertising	92	2	131	3	43%	580	12	341%	399	1,197	25	106%	500	10	-14%	Advertising	
Management Fee	24,920	519	26,150	545	5%	26,743	557	2%	9,167	27,501	573	3%	28,224	588	6%	Management Fee	
Other (Specify)	26,702	556	25,131	524	-6%	28,727	598	14%	8,954	26,861	560	-6%	28,005	583	-3%	Other (Specify)	
Total Administrative	51,714	1,077	51,412	1,071	-1%	56,050	1,168	9%	18,520	55,559	1,157	-1%	56,729	1,182	1%	Total Administrative	
Operating																	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	4,656	97	4,445	93	-5%	4,741	99	7%	1,635	4,904	102	3%	5,100	106	8%	Lighting and Misc. Power	
Water	45,066	939	24,834	517	-45%	26,014	542	5%	8,148	24,444	509	-6%	32,500	677	25%	Water	
Gas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	Gas
Garbage and Trash Removal	7,132	149	7,329	153	3%	9,422	196	29%	3,694	11,082	231	18%	9,000	188	-4%	Garbage and Trash Removal	
Payroll	11,341	236	13,094	273	15%	13,525	282	3%	5,025	15,075	314	11%	13,500	281	0%	Payroll	
Other (Specify)	12,324	257	21,666	451	76%	19,735	411	-9%	3,802	11,405	238	-42%	16,200	338	-18%	Other (Specify)	
Total Operating	80,519	1,677	71,358	1,487	-11%	73,437	1,530	3%	22,304	66,911	1,394	-9%	76,300	1,590	4%	Total Operating	
Maintenance																	Maintenance
Decorating	1,188	25	361	8	-70%	2,356	49	553%	244	732	15	-69%	4,400	92	87%	Decorating	
Repairs	0	0	0	0	0	32,415	675	0	0	0	0	-100%	0	0	-100%	Repairs	
Exterminating	2,085	43	3,839	80	84%	3,596	75	-6%	1,189	3,567	74	-1%	2,887	60	-20%	Exterminating	
Insurance	9,513	198	9,623	200	1%	9,631	201	0%	9,544	28,632	597	197%	10,906	227	13%	Insurance	
Ground Expense	7,495	156	13,290	277	77%	12,334	257	-7%	3,312	9,936	207	-19%	12,280	256	0%	Ground Expense	
Other (specify)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	Other (specify)
Total Maintenance	20,280	423	27,113	565	34%	60,332	1,257	123%	14,289	42,867	893	-29%	30,473	635	-49%	Total Maintenance	
Taxes																	Taxes
Real Estate Tax	11,707	244	6,881	143	-41%	9,261	193	35%	0	0	0	-100%	18,000	375	94%	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	2,795	58	2,590	54	-7%	2,399	50	-7%	692	2,077	43	-13%	3,000	63	25%	Employee Payroll Tax	
Employee Benefits	882	18	1,498	31	70%	1,461	30	-3%	1,204	3,611	75	147%	1,700	35	16%	Employee Benefits	
Other	75	2	68	1	-9%	200	4	194%	150	450	9	125%	100	2	-50%	Other	
Total Taxes	15,459	322	11,037	230	-29%	13,320	278	21%	2,046	6,138	128	-54%	22,800	475	71%	Total Taxes	
Operating Exp. before RFR	167,973	3,499	160,920	3,352	-4%	203,139	4,232	26%	57,159	171,476	3,572	-16%	186,302	3,881	-8%	Operating Exp. before RFR	
Reserve For Replacement	14,412	300	14,412	300	0%	21,412	446	49%	11,804	35,412	738	65%	14,206	296	-34%	Reserve For Replacement	
Operating Exp. Incl. RFR	182,385	3,800	175,332	3,653	-4%	224,551	4,678	28%	68,963	206,888	4,310	-8%	200,508	4,177	-11%	Operating Exp. Incl. RFR	
NOI	57,165	1,191	70,675	1,472	24%	30,218	630	-57%	19,501	58,504	1,219	94%	51,380	1,070	70%	NOI	

Rock Springs Apartments * 187 South Broad Street * Winder, Georgia

Property: Rock Springs Apartments

of Rental Units: 48

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		
Residential & Ancillary Income							Residential & Ancillary Income
Annual Gross Potential Rental Income	263,040	5,480	3%	323,520	6,740	27%	Annual Gross Potential Rental Income
Annual Ancillary Income	3,500	73	-4%	3,500	73	-4%	Annual Ancillary Income
Annual Gross Potential Income	266,540	5,553	3%	327,020	6,813	27%	Annual Gross Potential Income
Occupancy	95.00%	278	0%	95.00%	341	0%	Occupancy
Effective Gross Income (EGI)	253,213	5,275	-1%	310,669	6,472	22%	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		
Administrative							Administrative
Advertising	480	10	-17%	240	10	-59%	Advertising
Management Fee	27,377	570	2%	27,377	570	2%	Management Fee
Other (Specify)	28,800	600	0%	28,800	600	0%	Other (Specify)
Total Administrative	56,657	1,180	1%	56,417	1,175	1%	Total Administrative
Operating							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	4,800	100	1%	4,800	100	1%	Lighting and Misc. Power
Water	26,400	550	1%	26,400	550	1%	Water
Gas	0	0	0	0	0	0	Gas
Garbage and Trash Removal	9,600	200	2%	9,600	200	2%	Garbage and Trash Removal
Payroll	13,680	285	1%	13,680	285	1%	Payroll
Other (Specify)	16,800	350	-15%	14,400	300	-27%	Other (Specify)
Total Operating	71,280	1,485	-3%	68,880	1,435	-6%	Total Operating
Maintenance							Maintenance
Decorating	2,400	50	2%	2,400	50	2%	Decorating
Repairs	0	0	-100%	0	0	-100%	Repairs
Exterminating	3,600	75	0%	3,600	75	0%	Exterminating
Insurance	9,840	205	2%	9,840	205	2%	Insurance
Ground Expense	12,720	265	3%	12,720	265	3%	Ground Expense
Other (specify)	0	0	0	0	0	0	Other (specify)
Total Maintenance	28,560	595	-53%	28,560	595	-53%	Total Maintenance
Taxes							Taxes
Real Estate Tax	10,320	215	11%	11,520	240	24%	Real Estate Tax
Personal Property Tax	0	0	0	0	0	0	Personal Property Tax
Employee Payroll Tax	1,440	30	-40%	1,440	30	-40%	Employee Payroll Tax
Employee Benefits	960	20	-34%	960	20	-34%	Employee Benefits
Other	240	5	20%	240	5	20%	Other
Total Taxes	12,960	270	-3%	14,160	295	6%	Total Taxes
Operating Exp. before RFR	169,457	3,530	-17%	168,017	3,500	-17%	Operating Exp. before RFR
Reserve For Replacement	19,200	400	-10%	19,200	400	-10%	Reserve For Replacement
Operating Exp. Incl. RFR	188,657	3,930	-16%	187,217	3,900	-17%	Operating Exp. Incl. RFR
NOI	64,556	1,345	114%	123,452	2,572	309%	NOI

Estimating Restricted Expenses Per Unit

Estimating Restricted Expenses Per Unit							
Subject As Is	Expenses	Subject As Complete	Comparable One	Comparable Two	Comparable Three	Comparable Four	IREM Region IV
\$10	Advertising	\$5	\$0	\$4	\$3	\$13	\$0
\$570	Management	\$570	\$538	\$539	\$362	\$854	\$441
\$600	Other Administrative Expenses	\$600	\$0	\$575	\$280	\$844	\$1,272
\$0	Elevator Maintenance Expense	\$0	\$0	\$0	\$0	\$87	\$0
\$0	Fuel	\$0	\$0	\$0	\$0	\$0	\$0
\$100	Lighting & Misc. Power	\$100	\$127	\$109	\$119	\$205	\$177
\$550	Water/Sewer	\$550	\$601	\$493	\$254	\$285	\$199
\$0	Gas	\$0	\$0	\$0	\$22	\$1,004	\$10
\$200	Garbage/Trash Removal	\$200	\$155	\$27	\$0	\$54	\$0
\$285	Payroll	\$285	\$981	\$439	\$441	\$822	\$732
\$350	Other Operating Expenses	\$300	\$260	\$0	\$272	\$614	\$272
\$50	Decorating	\$50	\$0	\$0	\$0	\$48	\$92
\$0	Repairs	\$0	\$533	\$0	\$96	\$348	\$252
\$75	Exterminating	\$75	\$46	\$86	\$0	\$1	\$0
\$205	Insurance	\$205	\$191	\$201	\$203	\$348	\$355
\$265	Ground Expenses	\$265	\$250	\$272	\$0	\$1	\$249
\$0	Other Maintenance	\$0	\$0	\$624	\$0	\$0	\$0
\$215	Real Estate Taxes	\$240	\$212	\$255	\$277	\$571	\$422
\$30	Payroll Taxes	\$30	\$0	\$0	\$0	\$79	\$0
\$20	Employee Benefits	\$20	\$20	\$21	\$0	\$147	\$0
\$5	Other Taxes	\$5	\$10	\$14	\$0	\$38	\$3
\$400	Replacement Reserves	\$400	\$277	\$262	\$0	\$0	\$0
\$3,930	Total Per Unit	\$3,900	\$4,201	\$3,921	\$2,329	\$6,363	\$4,476
<p>Comments: 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 81 percent of the gross rent potential. The subject's expenses were estimated at 58 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**

Expense	As Is	As Complete	Comp Range
1. Advertising	\$10	\$5	\$0- \$13
An advertising expense of \$10 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.			
2. Management	\$570	\$570	\$362-\$854
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.			
3. Other Administrative	\$600	\$600	\$0- \$844
An other administrative expense of \$600 per unit was projected. A comparable range of \$0 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.			
4. Elevator	\$0	\$0	\$0- \$87
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	\$100	\$100	\$109-\$205
A lighting and miscellaneous power expense of \$100 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.			

- | | | | | |
|----|-------------|-------|-------|--------------|
| 7. | Water/Sewer | \$550 | \$550 | \$254- \$601 |
|----|-------------|-------|-------|--------------|
- A water/sewer expense of \$550 per unit was projected for the subject. A comparable range of \$254 to \$601 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 | \$200 | \$200 | \$0- \$155 |
|----|-----------------------|-------|-------|------------|
- A garbage/trash removal expense of \$200 per unit was projected for the subject. A comparable range of \$0 to \$155 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 | \$285 | \$285 | \$439-\$981 |
|-----|---------|-------|-------|-------------|
- The payroll expense of \$285 per unit was projected. A comparable range of \$439 to \$981 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 | \$350 | \$300 | \$0-\$614 |
|-----|--------------------------|-------|-------|-----------|
- An other operating expense of \$350 per unit was projected for the "as is" scenario and \$300 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 | \$50 | \$50 | \$0- \$48 |
|----|------------|------|------|-----------|
- A decorating expense of \$50 was projected. A comparable range of \$0 to \$48 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.

- | | | | | |
|-----|-------------------|-------|-------|--------------|
| 18. | Real Estate Taxes | \$215 | \$240 | \$212- \$571 |
|-----|-------------------|-------|-------|--------------|
- A real estate tax expense of \$215 per unit was projected for the subject based on the information obtained by the Barrow 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 | \$30 | \$30 | \$0- \$79 |
|-----|---------------|------|------|-----------|
- Payroll taxes were projected at \$30 per unit. A comparable range of \$0 to \$79 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.
- | | | | | |
|-----|-------------------|------|------|-----------|
| 20. | Employee Benefits | \$20 | \$20 | \$0-\$147 |
|-----|-------------------|------|------|-----------|
- Employee benefits were projected at \$20 per unit. A comparable range of \$0 to \$147 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.
- | | | | | |
|-----|----------------------|-------|-------|-----------|
| 21. | Replacement Reserves | \$400 | \$400 | \$0-\$277 |
|-----|----------------------|-------|-------|-----------|
- A replacement reserves expense \$400 per unit was projected. This reserves expense is typical for restricted apartment complexes such as the subject.

Expenses before Reserves for Replacement

The subject's projected expenses per unit are \$3,530 before reserves for replacement. This is 17 percent lower than the 2016 data. The comparables range from \$2,329 to \$6,363 per unit before reserves for replacement. Comparables 1 and 2 are Rural Development properties in the State of Georgia. These properties have an identity-of-interest with the subject. Comparables 3 and 4 are Section 8 properties in Georgia. The *2016 Income/Expense Analysis: Federally Assisted Apartments* published by the Institute of Real Estate Management indicates an overall expense per unit of \$4,476. Comparable 1 was constructed in 1990, contains 21 units and has total overall expenses of \$4,201 per unit; Comparable 2 was constructed in 1991, contains 25 units and has total overall expenses of \$3,921 per unit; Comparable 3 was constructed in 1975, contains 80 units and has total overall expenses of \$2,329 per unit; and Comparable 4 was constructed in 1912 and renovated in 1981, contains 194 units and has total overall expenses of \$6,363 per unit. The subject was constructed in 1989 and is a 48-unit stabilized Rural Development property. Historically, the subject's overall expenses have ranged from \$3,352 to \$4,232 per unit before reserves for replacement. Therefore, the subject's expenses were deemed reasonable.

Operating Expenses & Market Projections

Property: Rock Springs Apartments

of Rental Units: 48

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	%
Residential & Ancillary Income																
Annual Gross Potential Rental Income	237,120	4,940	242,880	5,060	2%	254,400	5,300	5%	87,680	263,040	5,480	3%	263,040	5,480	3%	Residential & Ancillary Income
Annual Ancillary Income	2,430	51	3,126	65	29%	3,639	76	16%	784	2,352	49	-35%	2,000	42	-45%	Annual Gross Potential Rental Income
Annual Gross Potential Income	239,550	4,991	246,006	5,125	3%	258,039	5,376	5%	88,464	265,392	5,529	3%	265,040	5,522	3%	Annual Ancillary Income
Occupancy	100.00%	0	100.00%	0	0%	98.73%	68	-1%	100.00%	1	0	1%	95.04%	274	0%	Annual Gross Potential Income
Effective Gross Income (EGI)	239,550	4,991	246,006	5,125	3%	254,769	5,308	4%	88,464	265,392	5,529	4%	251,888	5,248	-1%	Occupancy
																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	%
Administrative																
Advertising	92	2	131	3	43%	590	12	341%	399	1,197	25	106%	500	10	-14%	Administrative
Management Fee	24,920	519	26,150	545	5%	26,743	557	2%	9,167	27,501	573	3%	28,224	588	6%	Advertising
Other (Specify)	26,702	556	25,131	524	-6%	28,727	598	14%	8,954	26,861	560	-6%	28,058	583	-3%	Management Fee
Total Administrative	51,714	1,077	51,412	1,071	-1%	56,050	1,168	9%	18,520	55,559	1,157	-1%	56,729	1,182	1%	Total Administrative
Operating																
Elevator Maintenance Exp.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Fuel	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Lighting and Misc. Power	4,656	97	4,445	93	-5%	4,741	99	7%	1,635	4,904	102	3%	5,100	106	8%	Operating
Water	45,066	939	24,834	517	-45%	26,014	542	5%	8,148	24,444	509	-6%	32,500	677	25%	Elevator Maintenance Exp.
Gas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Garbage and Trash Removal	7,132	149	7,329	153	3%	9,422	196	29%	3,694	11,082	231	18%	9,000	188	-4%	Fuel - Heating
Payroll	11,341	236	13,094	273	15%	13,525	282	3%	5,025	15,075	314	11%	13,500	281	0%	Lighting and Misc. Power
Other (Specify)	12,324	257	21,656	451	76%	19,735	411	-9%	3,802	11,405	238	-42%	16,200	338	-18%	Water
Total Operating	80,519	1,677	71,358	1,487	-11%	73,437	1,530	3%	22,304	66,911	1,394	-9%	76,300	1,590	4%	Total Operating
Maintenance																
Decorating	1,188	25	361	8	-70%	2,356	49	553%	244	732	15	-69%	4,400	92	87%	Maintenance
Repairs	0	0	0	0	0	32,415	675	0	0	0	0	-100%	0	0	-100%	Decorating
Exterminating	2,085	43	3,839	80	84%	3,596	75	-6%	1,189	3,567	74	-1%	2,887	60	-20%	Repairs
Insurance	9,513	198	9,623	200	1%	9,631	201	0%	9,544	28,632	597	197%	10,906	227	13%	Exterminating
Ground Expense	7,495	156	13,290	277	77%	12,334	257	-7%	3,312	9,936	207	-19%	12,280	256	0%	Insurance
Other (specify)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Maintenance	20,280	423	27,113	565	34%	60,332	1,257	123%	14,289	42,867	893	-29%	30,473	635	-49%	Total Maintenance
Taxes																
Real Estate Tax	11,707	244	6,881	143	-41%	9,261	193	35%	0	0	0	-100%	18,000	375	94%	Taxes
Personal Property Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Employee Payroll Tax	2,795	58	2,590	54	-7%	2,399	50	-7%	692	2,077	43	-13%	3,000	63	25%	Real Estate Tax
Employee Benefits	882	18	1,498	31	70%	1,461	30	-3%	1,204	3,611	75	147%	1,700	35	16%	Personal Property Tax
Other	75	2	68	1	-9%	200	4	194%	150	450	9	125%	100	2	-50%	Employee Payroll Tax
Total Taxes	15,459	322	11,037	230	-29%	13,320	278	21%	2,046	6,138	128	-54%	22,800	475	71%	Total Taxes
Operating Exp. before RFR	167,973	3,499	160,920	3,352	-4%	203,139	4,232	26%	57,159	171,476	3,572	-16%	186,302	3,881	-8%	Operating Exp. before RFR
Reserve For Replacement	14,412	300	14,412	300	0%	21,412	446	49%	11,804	35,412	738	65%	14,206	296	-34%	Reserve For Replacement
Operating Exp. Incl. RFR	182,385	3,800	175,332	3,653	-4%	224,551	4,678	28%	68,963	206,888	4,310	-8%	200,508	4,177	-11%	Operating Exp. Incl. RFR
NOI	57,165	1,191	70,675	1,472	24%	30,218	630	-57%	19,501	58,504	1,219	94%	51,380	1,070	70%	NOI

Rock Springs Apartments * 187 South Broad Street * Winder, Georgia

Property: Rock Springs Apartments
 # of Rental Units: 48

**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	%	
Residential & Ancillary Income							Residential & Ancillary Income
Annual Gross Potential Rental Income	393,600	8,200	55%	422,400	8,800	66%	Annual Gross Potential Rental Income
Annual Ancillary Income	3,500	73	-4%	3,500	73	-4%	Annual Ancillary Income
Annual Gross Potential Income	397,100	8,273	54%	425,900	8,873	65%	Annual Gross Potential Income
Occupancy	95.00%	414	0%	95.00%	444	0%	Occupancy
Effective Gross Income (EGI)	377,245	7,859	48%	404,605	8,429	59%	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	%	
Administrative							Administrative
Advertising	480	10	-17%	480	10	-17%	Advertising
Management Fee	15,090	314	-44%	16,184	337	-39%	4.000% Management Fee
Other (Specify)	26,400	550	-8%	26,400	550	-8%	Other (Specify)
Total Administrative	41,970	874	-25%	43,064	897	-23%	Total Administrative
Operating							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	4,800	100	1%	4,800	100	1%	Lighting and Misc. Power
Water	26,400	550	1%	26,400	550	1%	Water
Gas	0	0	0	0	0	0	Gas
Garbage and Trash Removal	9,600	200	2%	9,600	200	2%	Garbage and Trash Removal
Payroll	13,680	285	1%	13,680	285	1%	Payroll
Other (Specify)	16,800	350	-15%	14,400	300	-27%	Other (Specify)
Total Operating	71,280	1,485	-3%	68,880	1,435	-6%	Total Operating
Maintenance							Maintenance
Decorating	2,400	50	2%	2,400	50	2%	Decorating
Repairs	0	0	-100%	0	0	-100%	Repairs
Exterminating	3,600	75	0%	3,600	75	0%	Exterminating
Insurance	9,840	205	2%	9,840	205	2%	Insurance
Ground Expense	12,720	265	3%	12,720	265	3%	Ground Expense
Other (specify)	0	0	0	0	0	0	Other (specify)
Total Maintenance	28,560	595	-53%	28,560	595	-53%	Total Maintenance
Taxes							Taxes
Real Estate Tax	15,600	325	68%	16,800	350	81%	Real Estate Tax
Personal Property Tax	0	0	0	0	0	0	Personal Property Tax
Employee Payroll Tax	1,440	30	-40%	1,440	30	-40%	Employee Payroll Tax
Employee Benefits	960	20	-34%	960	20	-34%	Employee Benefits
Other	240	5	20%	240	5	20%	Other
Total Taxes	18,240	380	37%	19,440	405	46%	Total Taxes
Operating Exp. before RFR	160,050	3,334	-21%	159,944	3,332	-21%	Operating Exp. before RFR
Reserve For Replacement	12,000	250	-44%	12,000	250	-44%	Reserve For Replacement
Operating Exp. Incl. RFR	172,050	3,584	-23%	171,944	3,582	-23%	Operating Exp. Incl. RFR
NOI	205,195	4,275	579%	232,661	4,847	670%	NOI

Estimating Market Expenses Per Unit

Estimating Market Expenses Per Unit							
Subject As Is	Expenses	Subject As Complete	Comparable One	Comparable Two	Comparable Three	Comparable Four	IREM Region IV
\$10	Advertising	\$10	\$506	\$0	\$128	\$150	\$0
\$314	Management	\$337	\$256	\$290	\$417	\$299	\$382
\$550	Other Administrative Expenses	\$550	\$128	\$150	\$341	\$300	\$650
\$0	Elevator Maintenance Expense	\$0	\$0	\$0	\$0	\$0	\$0
\$0	Fuel	\$0	\$0	\$0	\$0	\$0	\$0
\$100	Lighting & Misc. Power	\$100	\$197	\$735	\$300	\$0	\$161
\$550	Water/Sewer	\$550	\$0	\$1,025	\$463	\$1,127	\$278
\$0	Gas	\$0	\$0	\$0	\$0	\$244	\$7
\$200	Garbage/Trash Removal	\$200	\$0	\$0	\$0	\$0	\$0
\$285	Payroll	\$285	\$1,344	\$75	\$974	\$1,200	\$628
\$350	Other Operating Expenses	\$300	\$55	\$0	\$200	\$0	\$282
\$50	Decorating	\$50	\$285	\$0	\$0	\$0	\$190
\$0	Repairs	\$0	\$453	\$500	\$0	\$500	\$407
\$75	Exterminating	\$75	\$0	\$150	\$244	\$0	\$0
\$205	Insurance	\$205	\$416	\$225	\$378	\$250	\$248
\$265	Ground Expenses	\$265	\$117	\$0	\$116	\$0	\$193
\$0	Other Maintenance	\$0	\$0	\$0	\$0	\$0	\$0
\$325	Real Estate Taxes	\$350	\$417	\$671	\$638	\$699	\$696
\$30	Payroll Taxes	\$30	\$0	\$0	\$0	\$0	\$0
\$20	Employee Benefits	\$20	\$0	\$0	\$0	\$0	\$0
\$5	Other Taxes	\$5	\$0	\$0	\$0	\$0	\$11
\$250	Replacement Reserves	\$250	\$0	\$300	\$250	\$300	\$0
\$3,584	Total Per Unit	\$3,582	\$4,174	\$4,121	\$4,449	\$5,069	\$4,133
<p>Comments: 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 41 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**

Expense	As Is	As Complete	Comp Range
1. Advertising	\$10	\$10	\$0- \$506
<p>An advertising expense of \$10 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.</p>			
2. Management	\$314	\$337	\$256-\$417
<p>A management expense of \$314 per unit was projected for the as is scenario, and a management expense of \$337 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.</p>			
3. Other Administrative	\$550	\$550	\$128-\$341
<p>An other administrative expense of \$550 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.</p>			
4. Elevator	\$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>			
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	\$100	\$100	\$0-\$735
<p>A lighting and miscellaneous power expense of \$100 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.</p>			

- | | | | | |
|----|-------------|-------|-------|-------------|
| 7. | Water/Sewer | \$550 | \$550 | \$0-\$1,127 |
|----|-------------|-------|-------|-------------|
- A water/sewer expense of \$550 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 | \$200 | \$200 | \$0-\$0 |
|----|-----------------------|-------|-------|---------|
- A garbage/trash removal expense of \$200 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 | \$285 | \$285 | \$75-\$1,344 |
|-----|---------|-------|-------|--------------|
- The payroll expense of \$285 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 | \$350 | \$300 | \$0-\$200 |
|-----|--------------------------|-------|-------|-----------|
- An other operating expense of \$350 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 | \$50 | \$50 | \$0-\$285 |
|-----|------------|------|------|-----------|
- A decorating expense of \$50 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.

- | | | | | |
|-----|--|-------|-------|-------------|
| 18. | Real Estate Taxes | \$325 | \$350 | \$417-\$699 |
| | A real estate tax expense of \$325 per unit was projected for the subject based on the information obtained by the Barrow 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 | \$30 | \$30 | \$0-\$0 |
| | Payroll taxes were projected at \$30 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 <i>2016 Income/Expense Analysis: Conventional Apartments</i> printed by Institute of Real Estate Management. | | | |
| 20. | Employee Benefits | \$20 | \$20 | \$0-\$0 |
| | Employee benefits were projected at \$20 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 <i>2016 Income/Expense Analysis: Conventional Apartments</i> 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 \$3,334 before reserves for replacement. This is 21 percent lower 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 1989 and is a 48-unit stabilized Rural Development property. Historically, the subject's overall expenses have ranged from \$3,352 to \$4,232 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	537 4th Street Athens, Georgia	64	7/27/2016	\$197,904	\$3,360,000	5.89%
2	100 Ashley Circle Athens, Georgia	240	1/27/2016	\$876,940	\$13,450,000	6.52%
3	475 Baldwin Street Athens, Georgia	56	6/1/2016	\$281,517	\$4,385,000	6.42%
4	407 Maple Lane Monroe, Georgia	20	5/15/2015	\$34,867	\$685,000	5.09%
5	301 Cedar Creek Road Winder, Georgia	8	11/30/2016	\$30,000	\$375,000	8.00%
6	1287 Cedar Shoals Drive Athens, Georgia	220	3/11/2016	\$1,085,400	\$18,000,000	6.03%
7	101 Concord Lane Madison, Georgia	24	5/8/2015	\$88,200	\$980,000	9.00%
8	189 Herring Street Athens, Georgia	12	5/11/2015	\$90,000	\$1,250,000	7.20%
9	101 Hunters Run Road Athens, Georgia	20	2/22/2016	\$142,100	\$1,750,000	8.12%
10	156 Oak Bluff Drive Athens, Georgia	42	1/7/2015	\$275,500	\$2,900,000	9.50%

The comparables indicate a range of 5.09 to 9.50 percent for indicated capitalization rates, with a mean of 7.18 percent. Comparable 1 was constructed in 1969, and Comparable 2 was built in 1970 and renovated in 2011. Comparable 3 was built in 1965. Comparable 4 was constructed in 2004, and Comparable 5 was built in 1978. Comparable 6 was constructed in 1997, and Comparable 7 was constructed in 1983. Comparable 8 was built in 2001, and Comparable 9 was built in 1998. Comparable 10 was constructed in 2001. Comparables 4, 5 and 7 are similar in location. The remaining comparables are slightly superior in

location due to the larger population and greater proximity to services in Athens. 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 interest 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 6, 8, 9 and 10 are the most similar dates of construction, and Comparables 3, 4, 7, 9 and 10 are the most similar in number of units. Comparables 1, 2, 3, 5, 6 and 9 have the most recent date of sale. After considering all factors, Comparables 3, 6, 9 and 10 were given the most consideration. These comparables have capitalization rates ranging from 6.03 to 9.50 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	1.25		
		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
		Capitalization Rate		6.86%	
Debt Coverage Ratio Analysis					
Debt Coverage Ratio	x	LTV	x	Mortgage Constant	
1.25	x	80%	x	6.08%	= 0.060802
		Capitalization Rate		6.08%	

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

Market	As Is	\$205,195 /7.00%	=	\$2,931,360
Market	As Complete	\$232,661 /7.00%	=	\$3,323,726
		Market Rate As Is Value	=	\$2,930,000
		Market Rate As Stabilized Value	=	\$3,325,000

Determination of Capitalization Rate Considering Subject's Rental Assistance

If a property contains Rental Assistance, the complex will 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, however, does not contain any units with Rental Assistance. Therefore, the capitalization rate is not adjusted, and a **7.00 percent** capitalization rate was selected for the property's restricted valuations.

Restricted	As Is	\$64,556 /7.00%	=	\$922,229
Restricted	As Complete	\$123,452 /7.00%	=	\$1,763,600
		Restricted Rate As Is Value	=	\$920,000
		Restricted Rate As Stabilized Value	=	\$1,765,000

Prospective Market Value Upon Loan Maturity	
\$3,325,000 Prospective Market Value (As Complete and Stabilized) 50 Term of Loan (years) 2.00% Growth Rate	
Market Value \$3,325,000 PV 50 [g] [n] 2.00 [g] [i] Solve for FV	\$9,030,766.66
Using these factors, a prospective market value upon loan maturity of \$9,030,766.66 was determined. <div style="text-align: center; color: red;"> Prospective Market Value Upon Loan Maturity \$9,031,000.00 </div>	

*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 3,397, an increase of 210 people from the 2010 population of 3,187. The population is expected to increase at an annual rate of 6.3 percent between 2017 and 2022. Therefore, the 2022 population is projected at 3,611. The median age for the neighborhood is 32.5.

Unemployment Trends

The unemployment rate has fluctuated from 3.6 percent to 10.8 percent over the past 12 years. These fluctuations are in line with the unemployment rates for the State of Georgia.

LABOR FORCE AND EMPLOYMENT TRENDS FOR BARROW COUNTY					
ANNUALS	CIVILIAN LABOR FORCE*	EMPLOYMENT		UNEMPLOYMENT	
		TOTAL	%	TOTAL	%
2005	30,504	29,050	95.2%	1,454	4.8%
2006	32,009	30,653	95.8%	1,356	4.2%
2007	33,863	32,447	95.8%	1,416	4.2%
2008	35,332	33,103	93.7%	2,229	6.3%
2009	35,215	31,479	89.4%	3,736	10.6%
2010	34,670	30,939	89.2%	3,731	10.8%
2011	34,618	31,174	90.1%	3,444	9.9%
2012	34,566	31,581	91.4%	2,985	8.6%
2013	34,696	32,123	92.6%	2,573	7.4%
2014	34,215	33,000	96.4%	1,215	3.6%
2015	36,111	34,215	94.7%	1,896	5.3%
2016	37,322	35,554	95.3%	1,768	4.7%
2017**	38,330	36,749	95.9%	1,581	4.1%

* 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 \$30,985. It is expected to increase to \$32,153 by 2022. The per capita income is \$14,185.

Median Home Value

The median home value for the neighborhood in 2017, according to ESRI, is \$86,566. According to ESRI, the average amount spent for owner-occupied households in the subject's neighborhood is \$11,640.00, or \$970 per month. The average amount spent for renter-occupied households is \$8,340.00, or \$695 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 8.10 to 8.30 percent in 2014, with an average of 8.23 percent.

REALTY RATES MARKET SURVEY – AREA CAPITALIZATION RATES			
QUARTER	2013	2014	2015
1 ST Quarter	8.20%	8.30%	8.10%
2 nd Quarter	8.10%	8.30%	---
3 rd Quarter	8.50%	8.20%	---
4 th Quarter	8.40%	8.10%	---

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%

Rock Springs Apartments * 187 South Broad Street * Winder, 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 6.3 percent between 2017 and 2022. The median household income for the neighborhood in 2017 is \$30,985. It is expected to increase to \$32,153 by 2022. The per capita income is \$14,185.

The unemployment rate has fluctuated from 3.6 percent to 10.8 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 Winder'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 = \$9,031,000.00

Value of Interest Credit Subsidy

Value of the Interest Credit Subsidy from the Existing USDA RD Section 515 Loan	
	\$1,447,802 Original RD Loan Amount
	\$1,273,487 Balance of the Original Loan
	600 Months for the Term of the Loan
	274 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
Market Loan	Original RD Loan
\$1,273,487 PV	\$1,447,802 PV
0.0450 [i]	0.0100 [i]
360 [n]	600 [n]
Solve for PMT	Solve for PMT
\$6,452.57 per month	\$3,067.30 per month
Interest Credit Subsidy	
Difference in Payment	\$3,385.27
\$3,385.27 [PMT]	
0.0450 [i]	
274 [n]	
Solve for PV	\$579,026.61
Value of Subsidy from the Existing 515 Loan (Existing Terms) Rounded:	
\$579,000	

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

\$1,273,487 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
\$1,273,487 PV
0.0450 [i]
360 [n]
Solve for PMT \$6,452.57 per month

With 1% interest
\$1,273,487 PV
0.0100 [i]
600 [n]
Solve for PMT \$2,698.00 per month

Value of Balloon
\$1,273,487 [CHS] [PV]
0.0375 [i]
600 [n]
Solve for PMT \$4,702.99
360 [n]
Solve for FV \$793,232.97

\$793,232.97 [CHS] [FV]
0.0450 [i]
360 [n]
Solve for PV \$206,157.80

Interest Credit Subsidy
Difference in Payment \$3,754.57
\$3,754.57 [PMT]
0.0450 [i]
360 [n]
Solve for PV \$741,006.93
-\$206,157.80
\$534,849.13

Value of Subsidy from the Assumed 515 Loan (New Terms) Rounded:
\$535,000.00

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 \$130,846 from the Georgia Department of Community Affairs for low-income housing tax credits. The total for the 10-year period will be \$1,308,460. 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:	=	\$1,308,460	
Price	x 0.85	= \$1,112,191	\$ 1,112,191

Total Value Tax Credits = \$1,110,000

Insurable Value

USDA Rural Development Insurable Value Calculation				
Property Name:		Rock Springs Apartments		
Street Address:		187 South Broad Street		
City, County, State, Zip:		Winder, Barrow, Georgia 30680		
BASE COST				
Main Structure			\$71.55	
Sprinkler				
Other				
Adjustments and/or Multipliers			0.83	Local
			1.03	Current
TOTAL BASE COST PER SQ. FT			\$61.17	
Building Area Square Footage			43,161	
TOTAL REPLACEMENT COST NEW			\$2,640,076	
EXCLUSIONS	<u>Per SF</u>	<u>Percent</u>		
Excavations	\$0.06	0.1%	\$2,590	
Foundations	\$3.67	6.0%	\$158,401	
Site Work	\$1.53	2.5%	\$66,036	
Site Improvements	\$2.02	3.3%	\$87,185	
Architect's Fees	\$0.61	1.0%	\$26,328	
Underground Piping	\$0.61	1.0%	\$26,328	
TOTAL EXCLUSIONS	\$8.50	13.9%	\$366,868	
INCLUSIONS				
Appliance Packages			\$78,993	
Patios/Balconies, etc.				
Parking Lot			\$45,566	
Other				
TOTAL INCLUSIONS			\$124,559	
CONCLUDED INSURABLE VALUE				
Total Replacement Cost New			\$2,640,076	
Less Total Exclusions			\$366,868	
Plus Total Inclusions			\$124,559	
CONCLUDED INSURABLE VALUE			\$2,397,767	

Total Insurable Value (Rounded) = \$2,398,000

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:

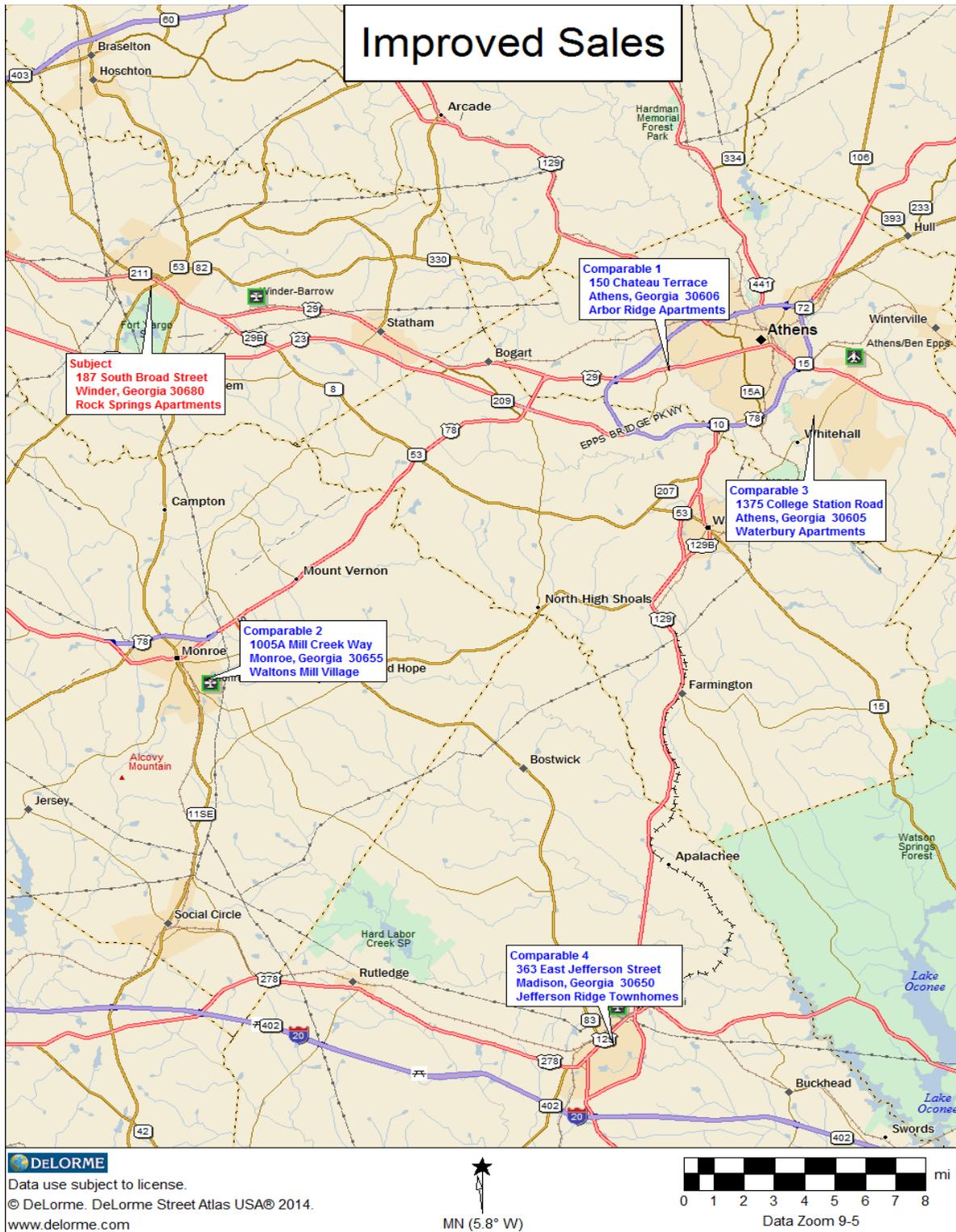
- Availability of comparable sales data
- Verification of sales data
- Degree of comparability to the extent that large or numerous adjustments are not necessary to compensate for the differences between the subject property and the comparable sales used

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

Record ID	1644
Property Type	Walk-Up
Property Name	Arbor Ridge Apartments
Address	150 Chateau Terrace, Athens, Clarke County, Georgia 30606
Tax ID	123 007
Market Type	Market

Sale Data

Grantor	Juniper Epps Bridge II, LLC
Grantee	Arbor Ridge Equities, LLC
Sale Date	May 01, 2015
Deed Book/Page	4335/0121
Property Rights	Fee Simple
Conditions of Sale	Normal
Financing	Conventional
Verification	Assessor; May 15, 2017

Sale Price	\$10,000,000
Cash Equivalent	\$10,000,000
Adjusted Price	\$10,000,000

Land Data

Land Size	12.000 Acres or 522,720 SF
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Multi-Family Sale No. 1 (Cont.)

Front Footage	Chateau Terrace
Zoning	Multifamily
Topography	Nearly Level
Utilities	E, G, W, S
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	40	740	\$540	\$0.73
2/1.5	140	960	\$635	\$0.66
3/2	32	1,200	\$755	\$0.63
Total Units	212			
Avg. Unit Size	955			
Avg. Rent/Unit	\$635			
Avg. Rent/SF	\$0.67			

Net SF 202,400

General Physical Data

Construction Type	Brick/Siding
HVAC	Central Elec/Central Elec
Parking	L/O
Stories	2
Utilities with Rent	Water, Sewer, Trash Collection
Year Built	1969/2008
Condition	Average

Income Analysis

Potential Gross Income	\$1,615,920
Vacancy	\$80,796
Effective Gross Income	\$1,535,124
Expenses	\$989,124
Net Operating Income	\$546,000

Indicators

Sale Price/Net SF	\$49.41
Sale Price/Unit	\$47,170
Occupancy at Sale	95%
PGIM	6.19
EGIM	6.51
Expenses/SF	\$4.89 Net
Expenses/Unit	\$4,666
Expenses as % of PGI	61.21%
Expenses as % of EGI	64.43%
Overall or Cap Rate	5.46%
NOI/SF	\$2.70 Net
NOI/Unit	\$2,575

Amenities

Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Carpet, Vinyl, Blinds, Balcony, Patio and Laundry Facility

Multi-Family Sale No. 2



Property Identification

Record ID	3553
Property Type	Townhouse
Property Name	Waltons Mill Village
Address	1005A Mill Creek Way, Monroe, Walton County, Georgia 30655
Tax ID	m02500000118125, m025000001181266, m02500000118127, m02500000118128
Market Type	Market

Sale Data

Grantor	Rialto Capital Management LLC
Grantee	Douglas P Griffin
Sale Date	November 18, 2016
Deed Book/Page	3995-463
Property Rights	Fee Simple
Financing	Conventional
Verification	Assessor; May 15, 2017
Sale Price	\$2,800,000
Cash Equivalent	\$2,800,000
Adjusted Price	\$2,800,000

Multi-Family Sale No. 2 (Cont.)

Land Data

Land Size	30.190 Acres or 1,315,076 SF
Front Footage	1005 A Mill Creek Way
Zoning	F, Multifamily District
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>
3/2	67	1,450		
Total Units	67			
Avg. Unit Size	1,450			
Net SF	97,150			

General Physical Data

No. of Buildings	38
Construction Type	Brick/Siding
HVAC	Central Elec/Central Elec
Parking	L/O
Stories	2
Utilities with Rent	None
Year Built	2007
Condition	Good

Indicators

Sale Price/Net SF	\$28.82
Sale Price/Unit	\$41,791

Amenities

Refrigerator, Range/Oven, Dishwasher, Carpet, Ceramic Tile, Blinds, Balcony and Playground

Multi-Family Sale No. 3



Property Identification

Record ID 3555
Property Type Garden
Property Name Waterbury Apartments
Address 1375 College Station Road, Athens, Clarke County, Georgia
 30605
Tax ID 182B 007-H
Market Type Market

Sale Data

Grantor Arcan Capital
Grantee Opportune Companies
Sale Date May 01, 2017
Deed Book/Page 004583000429
Property Rights Fee Simple
Financing Conventional
Verification Assessor; May 15, 2017

Sale Price \$2,550,000
Cash Equivalent \$2,550,000
Adjusted Price \$2,550,000

Land Data

Land Size 4.090 Acres or 178,160 SF
Front Footage 1375 College Station Road
Zoning RM-1, Multifamily Dwelling District
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>
Efficiency	6	288	\$506	\$1.76
1/1	37	576	\$598	\$1.04
2/1	5	864	\$711	\$0.82
2/2	5	864	\$741	\$0.86

Multi-Family Sale No. 3 (Cont.)

Total Units	53
Avg. Unit Size	598
Avg. Rent/Unit	\$612
Avg. Rent/SF	\$1.02
Net SF	31,680

General Physical Data

No. of Buildings	10
Construction Type	Siding
HVAC	PTAC Elec/PTAC Elec
Parking	L/O
Stories	1
Utilities with Rent	Trash Collection
Year Built	1985/2006
Condition	Good

Indicators

Sale Price/Net SF	\$80.49
Sale Price/Unit	\$48,113

Amenities

Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Washer, Dryer, Carpet, Vinyl, Blinds, Ceiling Fans, Vaulted Ceilings, Patio, Meeting Room, Extra Storage and Laundry Facility

Multi-Family Sale No. 4



Property Identification

Record ID	1213
Property Type	Townhouse
Property Name	Jefferson Ridge Townhomes
Address	363 East Jefferson Street, Madison, Morgan County, Georgia 30650
Tax ID	M18072000
Market Type	Market

Sale Data

Grantor	Jacobs Family Trustee
Grantee	Jefferson Ridge Townhomes, LLC
Sale Date	April 18, 2016
Deed Book/Page	527-513
Property Rights	Fee Simple
Conditions of Sale	Normal
Financing	Conventional
Verification	Assessor; 706-818-3563, May 15, 2017

Sale Price	\$1,150,000
Cash Equivalent	\$1,150,000
Adjusted Price	\$1,150,000

Land Data

Land Size	2.490 Acres or 108,464 SF
Front Footage	East Jefferson Street
Zoning	R-8, Residential District
Topography	Nearly Level
Utilities	E, G, W, S
Shape	Irregular

Multi-Family Sale No. 4 (Cont.)

<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>	
2/2.5	22	1,075	\$700	\$0.65
Total Units	22			
Avg. Unit Size	1,075			
Avg. Rent/Unit	\$700			
Avg. Rent/SF	\$0.65			
Net SF	23,650			
<u>General Physical Data</u>				
No. of Buildings	4			
Construction Type	Siding			
HVAC	Central Elec/Central Elec			
Parking	L/O			
Stories	2			
Utilities with Rent	None			
Year Built	2000/2012			
Condition	Good			
<u>Indicators</u>				
Sale Price/Net SF	\$48.63			
Sale Price/Unit	\$52,273			

Amenities

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

Comparable Sales Chart – As Is

Sales Analysis Grid		Comp 1	Comp 2	Comp 3	Comp 4
Address	187 South Broad Street	150 Chateau Terrace	1005A Mill Creek Way	1375 College Station Road	363 East Jefferson Street
City	Winder	Athens	Monroe	Athens	Madison
State	GA	GA	GA	GA	GA
Date	5/15/2017	5/1/2015	11/18/2016	5/1/2017	4/18/2016
Price		\$10,000,000	\$2,800,000	\$2,550,000	\$1,150,000
Total No. of Units	48	212	67	53	22
Price per Unit		\$47,170	\$41,791	\$48,113	\$52,273
Transaction Adjustments					
Property Rights	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Financing	Conventional	Conventional	Conventional	Conventional	Conventional
Conditions of Sale	Normal	Normal	Normal	Normal	Normal
Adjusted Price per Unit		\$47,170	\$41,791	\$48,113	\$52,273
Market Trends Through 05/15/17		0%	0%	0%	0%
Adjusted Price per Unit		\$47,170	\$41,791	\$48,113	\$52,273
Location	Average	Superior	Similar	Superior	Similar
% Adjustment		-5%	0%	-5%	0%
\$ Adjustment		-\$2,358	\$0	-\$2,406	\$0
Total No. of Units	48	212	67	53	22
% Adjustment		0%	0%	0%	0%
\$ Adjustment		\$0	\$0	\$0	\$0
YearBuilt/Renovated	1989	1968/2008	2007	1985/2006	2000/2012
% Adjustment		0%	0%	0%	0%
\$ Adjustment		\$0	\$0	\$0	\$0
Condition/Street Appeal	Average	Superior	Superior	Similar	Superior
% Adjustment		-10%	-10%	0%	-10%
\$ Adjustment		-\$4,717	-\$4,179	\$0	-\$5,227
HVAC	Central Electric/Central Electric	Central Elec/Central Elec	Central Elec/Central Elec	PTAC Elec/PTAC Elec	Central Elec/Central Elec
% Adjustment		0%	0%	0%	0%
\$ Adjustment		\$0	\$0	\$0	\$0
Parking	L/0	L/0	L/0	L/0	L/0
% Adjustment		0%	0%	0%	0%
\$ Adjustment		\$0	\$0	\$0	\$0
Amenities	Refrigerator, Range/Oven, Washer/Dryer Hook-Ups, Carpet, Vinyl, Blinds, Coat Closet, Patio, Picnic Area and Playground	Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Carpet, Vinyl, Blinds, Balcony, Patio and Laundry Facility	Refrigerator, Range/Oven, Dishwasher, Carpet, Ceramic Tile, Blinds, Balcony and Playground	Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Washer, Dryer, Carpet, Vinyl, Blinds, Ceiling Fans, Vaulted Ceilings, Patio, Meeting Room, Extra Storage and Laundry Facility	Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Washer/Dryer Hook-Ups, Carpet, Vinyl and Blinds
% Adjustment		0%	0%	-4%	0%
\$ Adjustment		\$0	\$0	-\$1,925	\$0
Adjusted Price per Unit		\$40,094	\$37,612	\$43,783	\$47,045
Net adjustments		-15.0%	-10.0%	-9.0%	-10.0%
Gross adjustments		-15.0%	-10.0%	-9.0%	-10.0%

Based on the preceding analysis, it is the appraiser's opinion that the market value of the subject property, as of May 15, 2017, via the Sales Comparable Approach is as follows:

48 units x \$42,500 per unit = **\$2,040,000**

Indicated Value = \$2,040,000

Comparable Sales Explanations & Value – As Is

Comp	Address	Date	Price	Price per Unit	Total No. of Units	Year Built/Renovated
1	150 Chateau Terrace	5/1/2015	\$10,000,000	\$47,170	212	1968/2008
2	1005A Mill Creek Way	11/18/2016	\$2,800,000	\$41,791	67	2007
3	1375 College Station Road	5/1/2017	\$2,550,000	\$48,113	53	1985/2006
4	363 East Jefferson Street	4/18/2016	\$1,150,000	\$52,273	22	2000/2012

Improved Sales Analysis

The sale prices of the comparables range from \$41,791 to \$52,273 per unit before adjustments. 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 Winder, Georgia. Comparable 1 is located in Athens. Comparable 2 is located in Monroe. Comparable 3 is located in Athens. Comparable 4 is located in Madison. Although there were slight differences between the subject city and Monroe and Madison, overall there were no differences considered significant enough to warrant an adjustment. However, Athens was considered superior to the subject in location. The following table was utilized to determine appropriate adjustments for differences in location between Greensboro and Athens.

U.S. Census Bureau Stats	Winder	Athens	% Diff
2015 Population	14,928	120,905	87.65%
Households	5,053	43,356	88.35%
Median Home Value	\$123,400	\$150,300	17.90%
Median Rent	\$841	\$790	-6.46%

Athen's population and median home value are higher than Winder. After considering all factors, an adjustment of 5 percent was considered appropriate for the comparables in Athens.

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 48 units. The number of units of the comparables range from 22 to 212. No adjustments were needed.

Year Built/Renovated

The subject was built in 1989 and was renovated in Proposed. It is in average condition. Comparable 1 was built in 1968/2008. Comparable 2 was constructed in 2007. Comparable 3 was built in 1985/2006. 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 3 is similar. The remaining comparables are newer or have been renovated and are considered superior in condition. The comparables were adjusted accordingly.

HVAC

The subject contains Central Electric/Central Electric heating and cooling. Comparable 1 contains Central Elec/Central Elec heating and cooling. Comparable 2 contains Central Elec/Central Elec heating and cooling. Comparable 3 contains PTAC Elec/PTAC Elec heating and cooling. Comparable 4 contains Central Elec/Central Elec heating and cooling. No adjustment was 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, coat closet, patio, picnic area and playground. Comparable 1 contains a refrigerator, range/oven, garbage disposal, dishwasher, carpet, vinyl, blinds, balcony, patio and laundry facility. Comparable 2 contains a refrigerator, range/oven, dishwasher, carpet, cermaic tile, blinds, balcony and playground. Comparable 3 contains a refrigerator, range/oven, garbage disposal, dishwasher, washer, dryer, carpet, vinyl, blinds, ceiling fans, vaulted ceilings, patio, meeting room, extra storage and laundry facility . Comparable 4 contains a refrigerator, range/oven, garbage disposal, dishwasher, washer/dryer hook-ups, carpet, vinyl and blinds. Comparable 1 was not adjusted. Comparable 2 was not adjusted. Comparable 3 was adjusted downward four percent. Comparable 4 was not adjusted.

Summary and Conclusion

The comparables range from \$37,612 to \$47,045 per unit after adjustments. Based on the preceding analysis, it is the appraiser's opinion that the market value of the subject property, as of May 15, 2017, via the Sales Comparable Approach is as follows:

48 units x \$42,500 per unit = \$2,040,000

Indicated As Is Market Value = \$2,040,000

Comparable Sales Chart – As Complete

Sales Analysis Grid		Comp 1	Comp 2	Comp 3	Comp 4
Address	187 South Broad Street	150 Chateau Terrace	1005A Mill Creek Way	1375 College Station Road	363 East Jefferson Street
City	Winder	Athens	Monroe	Athens	Madison
State	GA	GA	GA	GA	GA
Date	5/15/2017	5/1/2015	11/18/2016	5/1/2017	4/18/2016
Price		\$10,000,000	\$2,800,000	\$2,550,000	\$1,150,000
Total No. of Units	48	212	67	53	22
Price per Unit		\$47,170	\$41,791	\$48,113	\$52,273
Transaction Adjustments					
Property Rights	Fee Simple	Fee Simple	0.0%	Fee Simple	0.0%
Financing	Conventional	Conventional	0.0%	Conventional	0.0%
Conditions of Sale	Normal	Normal	0.0%	Normal	0.0%
Adjusted Price per Unit		\$47,170	\$41,791	\$48,113	\$52,273
Market Trends Through 05/15/17		0%	0%	0%	0%
Adjusted Price per Unit		\$47,170	\$41,791	\$48,113	\$52,273
Location	Average	Superior	Similar	Superior	Similar
% Adjustment		-5%	0%	-5%	0%
\$ Adjustment		-\$2,358	\$0	-\$2,406	\$0
Total No. of Units	48	212	67	53	22
% Adjustment		0%	0%	0%	0%
\$ Adjustment		\$0	\$0	\$0	\$0
YearBuilt/Renovated	1989/Proposed	1968/2008	2007	1985/2006	2000/2012
% Adjustment		0%	0%	0%	0%
\$ Adjustment		\$0	\$0	\$0	\$0
Condition/Street Appeal	Good	Similar	Similar	Inferior	Similar
% Adjustment		0%	0%	10%	0%
\$ Adjustment		\$0	\$0	\$4,811	\$0
HVAC	Central Electric/Central Electric	Central Elec/Central Elec	Central Elec/Central Elec	PTAC Elec/PTAC Elec	Central Elec/Central Elec
% Adjustment		0%	0%	0%	0%
\$ Adjustment		\$0	\$0	\$0	\$0
Parking	L/0	L/0	L/0	L/0	L/0
% Adjustment		0%	0%	0%	0%
\$ Adjustment		\$0	\$0	\$0	\$0
Amenities	Refrigerator, Range/Oven, Washer/Dryer Hook-Ups, Carpet, Vinyl, Blinds, Coat Closet, Patio, Picnic Area and Playground	Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Carpet, Vinyl, Blinds, Balcony, Patio and Laundry Facility	Refrigerator, Range/Oven, Dishwasher, Carpet, Cermaic Tile, Blinds, Balcony and Playground	Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Washer, Dryer, Carpet, Vinyl, Blinds, Ceiling Fans, Vaulted Ceilings, Patio, Meeting Room, Extra Storage and Laundry Facility	Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Washer/Dryer Hook-Ups, Carpet, Vinyl and Blinds
% Adjustment		0%	0%	-4%	0%
\$ Adjustment		\$0	\$0	-\$1,925	\$0
Adjusted Price per Unit		\$44,811	\$41,791	\$48,594	\$52,273
Net adjustments		-5.0%	0.0%	1.0%	0.0%
Gross adjustments		-5.0%	0.0%	1.0%	0.0%

Based on the preceding analysis, it is the appraiser's opinion that the market value of the subject property, as of May 15, 2017, via the Sales Comparable Approach is as follows:

48 units x \$47,000 per unit = \$2,256,000

Indicated Value = \$2,255,000

Comparable Sales Explanations & Value – As Complete

Comp	Address	Date	Price	Price per Unit	Total No. of Units	Year Built/Renovated
1	150 Chateau Terrace	5/1/2015	\$10,000,000	\$47,170	212	1969/2008
2	1005A Mill Creek Way	11/18/2016	\$2,800,000	\$41,791	67	2007
3	1375 College Station Road	5/1/2017	\$2,550,000	\$48,113	53	1985/2006
4	363 East Jefferson Street	4/18/2016	\$1,150,000	\$52,273	22	2000/2012

Improved Sales Analysis

The sale prices of the comparables range from \$41,791 to \$52,273 per unit before adjustments. 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 Winder, Georgia. Comparable 1 is located in Athens. Comparable 2 is located in Monroe. Comparable 3 is located in Athens. Comparable 4 is located in Madison. Although there were slight differences between the subject city and Monroe and Madison, overall there were no differences considered significant enough to warrant an adjustment. However, Athens was considered superior to the subject in location. The following table was utilized to determine appropriate adjustments for differences in location between Greensboro and Athens.

U.S. Census Bureau Stats	Winder	Athens	% Diff
2015 Population	14,928	120,905	87.65%
Households	5,053	43,356	88.35%
Median Home Value	\$123,400	\$150,300	17.90%
Median Rent	\$841	\$790	-6.46%

Athen's population and median home value are higher than Winder. After considering all factors, an adjustment of 5 percent was considered appropriate for the comparables in Athens.

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 48 units. The number of units of the comparables range from 22 to 212. No adjustments were needed.

Year Built/Renovated

The subject was built in 1989 and was renovated in Proposed. It is in average condition. Comparable 1 was built in 1968/2008. Comparable 2 was constructed in 2007. Comparable 3 was built in 1985/2006. Any necessary adjustment was utilized in the condition/street appeal adjustment.

Condition/Street Appeal

After rehabilitation, the subject will be in good condition. After the subject's rehabilitation, Comparables 1, 2 and 4 will be similar in condition. Comparable 3 will be inferior and was adjusted accordingly.

HVAC

The subject contains Central Electric/Central Electric heating and cooling. Comparable 1 contains Central Elec/Central Elec heating and cooling. Comparable 2 contains Central Elec/Central Elec heating and cooling. Comparable 3 contains PTAC Elec/PTAC Elec heating and cooling. Comparable 4 contains Central Elec/Central Elec heating and cooling. No adjustment was 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, coat closet, patio, picnic area and playground. Comparable 1 contains a refrigerator, range/oven, garbage disposal, dishwasher, carpet, vinyl, blinds, balcony, patio and laundry facility. Comparable 2 contains a refrigerator, range/oven, dishwasher, carpet, cermaic tile, blinds, balcony and playground. Comparable 3 contains a refrigerator, range/oven, garbage disposal, dishwasher, washer, dryer, carpet, vinyl, blinds, ceiling fans, vaulted ceilings, patio, meeting room, extra storage and laundry facility . Comparable 4 contains a refrigerator, range/oven, garbage disposal, dishwasher, washer/dryer hook-ups, carpet, vinyl and blinds. Comparable 1 was not adjusted. Comparable 2 was not adjusted. Comparable 3 was adjusted downward four percent. Comparable 4 was not adjusted.

Summary and Conclusion

The comparables range from \$41,791 to \$52,273 per unit after adjustments. 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:

48 units x \$47,000 per unit = \$2,256,000

Indicated As Complete Value = \$2,255,000

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 Winder 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 15, 2017, is as follows.

TWO MILLION NINE HUNDRED THIRTY THOUSAND DOLLARS

\$2,930,000

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 15, 2017, is as follows.

NINE HUNDRED TWENTY THOUSAND DOLLARS

\$920,000

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.

THREE MILLION THREE HUNDRED TWENTY FIVE THOUSAND DOLLARS

\$3,325,000

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 SEVEN HUNDRED SIXTY FIVE THOUSAND DOLLARS

\$1,765,000

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 15, 2017, is as follows:

FIVE HUNDRED SEVENTY NINE THOUSAND DOLLARS

\$579,000

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 15, 2017, is as follows:

FIVE HUNDRED THIRTY FIVE THOUSAND DOLLARS

\$535,000

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 15, 2017, is as follows:

ONE MILLION ONE HUNDRED TEN THOUSAND DOLLARS

\$1,110,000

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 655 square feet one-bedroom units of the subject property, as of May 15, 2017, is as follows:

FIVE HUNDRED FIFTY DOLLARS

\$550.00

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 930 square feet two-bedroom townhouse units of the subject property, as of May 15, 2017, is as follows:

SEVEN HUNDRED FIFTY DOLLARS

\$750.00

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 655 square feet one-bedroom units of the subject property, as of January 31, 2019, is as follows:

SIX HUNDRED DOLLARS

\$600.00

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 930 square feet two-bedroom townhouse units of the subject property, as of January 31, 2019, is as follows:

EIGHT HUNDRED DOLLARS

\$800.00

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 15, 2017, is as follows.

FORTY EIGHT THOUSAND DOLLARS

\$48,000

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 15, 2017, is as follows.

TWO MILLION NINE HUNDRED THIRTY THOUSAND DOLLARS

\$2,930,000

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 15, 2017, is as follows.

NINE HUNDRED TWENTY THOUSAND DOLLARS

\$920,000

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.

THREE MILLION THREE HUNDRED TWENTY FIVE THOUSAND DOLLARS

\$3,325,000

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 SEVEN HUNDRED SIXTY FIVE THOUSAND DOLLARS

\$1,765,000

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

NINE MILLION THIRTY ONE THOUSAND DOLLARS

\$9,031,000.00

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"

DESCRIPTION OF PROPERTY

WINDER APARTMENTS, LTD.

All that tract or parcel of land lying and being in the 243rd District, G. M., State of Georgia, County of Barrow, City Winder, encompassing 9.40 acres and being more particularly described and delineated according to a plat and survey prepared by Von Itter & Associates, certified by Robert W. Von Itter, Georgia Registered Surveyor No. 2251, dated October 8, 1986, entitled "Survey For D. E. Stafford," said plat being of record in the Office of the Clerk of Superior Court of Barrow County, Georgia, in Plat Book 27, Page 71, which said plat and the recording thereof are by reference hereto incorporated herein for a more complete and detailed description.

ADDENDUM B

Achievable Rent Analysis Estimates of Restricted 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. 09/30/2018)

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 or 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 non-sensitive 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	Rock Springs Apartments 187 South Broad Street Winder, Barrow, GA	Lexington Apartments 217 Union Point Street Lexington, Oglethorpe, GA	Mary Leila Lofts 316 North West Street Greensboro, Greene, GA	Main Street Braselton 1911 State Highway 211 North West Hoschtton, Barrow, GA	Farmington Hills I 1525 Farmington Way Winder, Barrow, GA	Hampton Lane Apartments 307 Geneva Road Buena Vista, Marion, GA				
Characteristics	Data	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments	
3. Effective Date of Rental	05/2017	05/2017		05/2017		05/2017		05/2017		
4. Type of Project/Stories	G/1	WU/2		E/2		WU/3		WU/2		
5. Floor of Unit in Building	First	Varies		Varies		Varies		Varies		
6. Project Occupancy %	100%	100%		70%		100%		100%		
7. Concessions	N	N		N		N		N		
8. Year Built	1989/Proposed	1984	\$50	2016		2014		2012	\$50	
9. Sq. Ft. Area	655	580	\$15	750	(\$15)	713	(\$10)	829	(\$30)	
10. Number of Bedrooms	1	1		1		1		1		
11. Number of Baths	10	10		10		10		10		
12. Number of Rooms	3	3		3		3		3		
13. Balc./Terrace/Patio	Y	N	\$5	Y		Y		Y		
14. Garage or Carport	L/0	L/0		L/0		L/0		L/0		
15. Equipment a. A/C	C	C		C		C		C		
b. Range/Refrigerator	RF	RF		RF		RF		RF		
c. Disposal	N	N		Y		Y		Y		
d. Microwave/Dishwasher	N	N		MD	(\$15)	MD	(\$15)	MD	(\$15)	
e. Washer/Dryer	HU	L	\$5	WD	(\$20)	HU		HU		
f. Carpet	C	C		C		C		C		
g. Drapes	B	B		B		B		B		
h. Pool/Rec. Area	R	N	\$10	ER	(\$20)	ER	(\$20)	PER	(\$30)	
16. Services a. Heat/Type	N/E	N/E		N/E		N/E		N/E		
b. Cooling	N/E	N/E		N/E		N/E		N/E		
c. Cook/Type	N/E	N/E		N/E		N/E		N/E		
d. Electricity	N	N		N		N		N		
e. Hot Water	N/E	N/E		N/E		N/E		N/E		
f. Cold Water/Sewer	Y	N	\$38	N	\$38	Y		N	\$38	
g. Trash	Y	N	\$15	Y		Y		Y		
17. Storage	N	N		N		N		N		
18. Project Location	Average	Similar		Similar		Similar		Similar		
19. Security	N	N		Y	(\$10)	Y	(\$10)	Y	(\$5)	
20. Clubhouse/Meeting Room	N	N		C/M/R	(\$10)	MR	(\$5)	MR	(\$5)	
21. Special Features	N	N		N		N		N		
22. Business Center / Nbhd Netwk	N	N		BC	(\$5)	BC	(\$5)	BC	(\$5)	
23. Unit Rent Per Month		\$425		\$425		\$550		\$640		
24. Total Adjustment			\$138		(\$57)		(\$65)		(\$52)	
25. Indicated Rent		\$563		\$368		\$485		\$588		
26. Correlated Subject Rent	\$485									
	high rent	\$588	low rent	\$368	60% range	\$412	to	\$544		
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)	
					05/10/17					

Previous editions are obsolete

form HUD-92273 (07/2003)

**Estimates of Restricted 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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Two-Bedroom	Rock Springs Apartments 187 South Broad Street Winder, Barrow, GA	Lexington Apartments 217 Union Point Street Lexington, Oglethorpe, GA	Mary Leila Lofts 316 North West Street Greensboro, Greene, GA	Main Street Braselton 1911 State Highway 211 Northwest Hoschton, Barrow, GA	Farmington Hills I 1525 Farmington Way Winder, Barrow, GA	Hampton Lane Apartments 307 Geneva Road Buena Vista, Marion, GA				
Characteristics	Data	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments	
3. Effective Date of Rental	05/2017	05/2017		05/2017		05/2017		05/2017		
4. Type of Project/Stories	T/2	WU/2		E/2		WU/3		WU/2		
5. Floor of Unit in Building	First	Varies		Varies		Varies		Varies		
6. Project Occupancy %	100%	100%		70%		100%		100%		
7. Concessions	N	N		N		N		N		
8. Year Built	1989/Proposed	1984	\$50	2016		2014		2012	\$50	
9. Sq. Ft. Area	930	650	\$45	993	(\$10)	964	(\$5)	1094	(\$30)	
10. Number of Bedrooms	2	2		2		2		2		
11. Number of Baths	1.5	1.0	\$10	2.0	(\$10)	2.0	(\$10)	2.0	(\$10)	
12. Number of Rooms	4	4		4		4		4		
13. Balc./Terrace/Patio	Y	N	\$5	Y		Y		Y		
14. Garage or Carport	L/0	L/0		L/0		L/0		L/0		
15. Equipment a. A/C	C	C		C		C		C		
b. Range/Refrigerator	RF	RF		RF		RF		RF		
c. Disposal	N	N		Y		Y		Y		
d. Microwave/Dishwasher	N	N		MD	(\$15)	MD	(\$15)	MD	(\$15)	
e. Washer/Dryer	HU	L	\$5	WD	(\$20)	HU		HU		
f. Carpet	C	C		C		C		C		
g. Drapes	B	B		B		B		B		
h. Pool/Rec. Area	R	N	\$10	ER	(\$10)	ER	(\$10)	PER	(\$20)	
16. Services a. Heat/Type	N/E	N/E		N/E		N/E		N/E		
b. Cooling	N/E	N/E		N/E		N/E		N/E		
c. Cook/Type	N/E	N/E		N/E		N/E		N/E		
d. Electricity	N	N		N		N		N		
e. Hot Water	N/E	N/E		N/E		N/E		N/E		
f. Cold Water/Sewer	Y	N	\$47	N	\$47	Y		N	\$47	
g. Trash	Y	N	\$15	Y		Y		Y		
17. Storage	N	N		N		N		N		
18. Project Location	Average	Similar		Similar		Similar		Similar		
19. Security	N	N		Y	(\$10)	Y	(\$10)	Y	(\$5)	
20. Clubhouse/Meeting Room	N	N		C/MR	(\$10)	MR	(\$5)	MR	(\$5)	
21. Special Features	N	N		N		N		N		
22. Business Center/ Nbhhd Netwk	N	N		BC	(\$5)	BC	(\$5)	BC	(\$5)	
23. Unit Rent Per Month		\$485		\$499		\$650		\$750		
24. Total Adjustment			\$187		(\$43)		(\$60)		(\$43)	
25. Indicated Rent		\$672		\$456		\$590		\$707		
26. Correlated Subject Rent	\$600	If there are any Remarks, check here and add the remarks to the back of page.								
	high rent	\$707	low rent	\$456	60% range	\$506	to	\$657		
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)
						05/10/17				

ADDENDUM C

Rent Roll

Rock Springs Apartments (500)

Report Date: 04/2017

Building: 1

Unit	Tenant	Move In	Lease End	Description	Potential	Net Rent	Lease	Sq. Ft.
Units with Square Footage Set								
A01	Wall, Kathy	09/17/2011	09/30/2017	S1	\$444.00	\$444.00	444.00	655
A02	Gray, Kiara	03/22/2017	03/31/2018	M2	\$463.00	\$463.00	463.00	930
A03	Prayer, Lashonda	03/06/2013	02/28/2018	M2	\$463.00	\$463.00	463.00	930
A04	Kaneshiro-Teruya, Margarita	01/15/2008	01/31/2018	M2	\$463.00	\$463.00	463.00	930
A05	Hull, Marina	09/16/2016	09/30/2017	M2	\$463.00	\$463.00	463.00	930
A06	HAMLIN, HAROLD	07/23/2007	07/31/2017	S1	\$444.00	\$444.00	444.00	655
Units in Building:								
Occupied Units:								
% Occupied:								
					\$2,740.00	\$2,740.00	2,740.00	

Building: 2

Unit	Tenant	Move In	Lease End	Description	Potential	Net Rent	Lease	Sq. Ft.
Units with Square Footage Set								
B01	Fox, Tamatha	06/27/2014	06/30/2017	S1	\$444.00	\$444.00	444.00	655
B02	Toole, Shirley	05/01/2014	04/30/2017	M2	\$463.00	\$463.00	463.00	930
B03	Jefferson, Myrtle	05/24/2012	05/31/2017	M2	\$463.00	\$585.00	585.00	930
B04	oludayo, olaynika	03/18/2014	01/31/2018	M2	\$463.00	\$504.00	504.00	930
B05	Morrow, Krystal	10/30/2015	10/31/2017	M2	\$463.00	\$516.00	516.00	930
B06	Miller, Jeffery	08/29/2016	08/31/2017	S1	\$444.00	\$444.00	444.00	655
Units in Building:								
Occupied Units:								
% Occupied:								
					\$2,740.00	\$2,956.00	2,956.00	

Building: 3

Unit	Tenant	Move In	Lease End	Description	Potential	Net Rent	Lease	Sq. Ft.
Units with Square Footage Set								
C01	Moody, Sherian	01/27/2017	01/31/2018	S1	\$444.00	\$444.00	444.00	655
C02	Hall, Regina	03/05/2016	03/31/2018	M2	\$463.00	\$463.00	463.00	930
C03	Hogan, Phyllis	03/30/2004	04/30/2017	M2	\$463.00	\$463.00	463.00	930
C04	Mcgee, Dontavius	05/04/2016	05/31/2017	M2	\$463.00	\$613.00	613.00	930
C05	MCCLAIN, SAMANTHA	06/10/2009	01/31/2018	M2	\$463.00	\$463.00	463.00	930
C06	McDaniel, Billy	01/02/2015	01/31/2018	S1	\$444.00	\$444.00	444.00	655
Units in Building:								
Occupied Units:								
% Occupied:								
					\$2,740.00	\$2,890.00	2,890.00	

Building: 4

Unit	Tenant	Move In	Lease End	Description	Potential	Net Rent	Lease	Sq. Ft.
Units with Square Footage Set								

** = Expired Lease

*MR = Moved out during the report range.

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Rent Roll

Rock Springs Apartments (500)

Report Date: 04/2017

Building: 4

Unit	Tenant	Move In	Lease End	Description	Potential	Net Rent	Lease	Sq. Ft.
D01	Purnell, Yvonne	10/03/2016	10/31/2017	S1	\$444.00	\$444.00	444.00	655
D02	Thornton, Nicholas	10/21/2015	10/31/2017	M2	\$463.00	\$463.00	463.00	930
D03	Amundsen, Anita	07/30/2014	07/31/2017	M2	\$463.00	\$463.00	463.00	930
D04	Eden, Cheryl	02/06/2013	02/28/2018	M2	\$463.00	\$463.00	463.00	930
D05	Mckay, Novella	11/15/2013	11/30/2017	M2	\$463.00	\$463.00	463.00	930
D06	Cronic, Brenda	08/01/2014	07/31/2017	S1	\$444.00	\$466.00	466.00	655
Units in Building:					6			
Occupied Units:					6			
% Occupied:					100%			
					\$2,740.00	\$2,762.00	2,762.00	

Building: 5

Unit	Tenant	Move In	Lease End	Description	Potential	Net Rent	Lease	Sq. Ft.
Units with Square Footage Set								
E01	Petty, Sherral	01/29/2016	01/31/2018	S1	\$444.00	\$444.00	444.00	655
E02	Anas, Lakraisha	09/19/2016	09/30/2017	M2	\$463.00	\$463.00	463.00	930
E03	Morgan, Danny	09/16/2015	09/30/2017	M2	\$463.00	\$463.00	463.00	930
E04	*MR Johnson, Steven	02/08/2016	04/03/2017	M2	\$46.00	\$46.00	46.00	930
E04	Underwood, Dwight	04/12/2017	04/30/2018	M2	\$293.00	\$413.00	413.00	930
E04	* VACANT * 4/4/2017 - 4/11/2017			M2	\$123.00	\$0.00	0.00	930
E05	MAYBERRY, DEBRA	10/21/2005	10/31/2017	M2	\$463.00	\$463.00	463.00	930
E06	Wade, Sherri	03/08/2017	03/31/2018	S1	\$444.00	\$444.00	444.00	655
Units in Building:					6			
Occupied Units:					6			
% Occupied:					100%			
					\$2,739.00	\$2,736.00	2,736.00	

Building: 6

Unit	Tenant	Move In	Lease End	Description	Potential	Net Rent	Lease	Sq. Ft.
Units with Square Footage Set								
F01	Drake, Annie	02/04/2015	02/28/2018	S1	\$444.00	\$444.00	444.00	655
F02	Walker, Mary	03/21/2017	03/31/2018	M2	\$463.00	\$463.00	463.00	930
F03	Copeland, Keisha	04/29/2010	09/30/2017	M2	\$463.00	\$463.00	463.00	930
F04	JImenez Chavez, Maria	12/19/2014	12/31/2017	M2	\$463.00	\$463.00	463.00	930
F05	SANDOVAL, MARIA	05/14/2009	07/31/2017	M2	\$463.00	\$463.00	463.00	930
F06	Hulsey, Teresa	02/17/2016	05/31/2017	S1	\$444.00	\$444.00	444.00	655
Units in Building:					6			
Occupied Units:					6			
% Occupied:					100%			
					\$2,740.00	\$2,740.00	2,740.00	

** = Expired Lease

*MR = Moved out during the report range.

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Rent Roll

Rock Springs Apartments (500)

Report Date: 04/2017

Building: 7

<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>
Units with Square Footage Set								
G01	Mcintyre, Alice	04/08/2016	04/30/2017	S1	\$444.00	\$444.00	444.00	655
G02	Etheridge, Derrick	10/14/2016	10/31/2017	M2	\$463.00	\$463.00	463.00	930
G03	Etheridge, Scotty	12/30/2016	12/31/2017	M2	\$463.00	\$463.00	463.00	930
G04	Cobb, Darcy	02/10/2017	02/28/2018	M2	\$463.00	\$652.00	652.00	930
G05	Kilbourne, Melisa	04/11/2016	05/31/2017	M2	\$463.00	\$463.00	463.00	930
G06	Hunt, Jacqueline	03/09/2017	03/31/2018	S1	\$444.00	\$444.00	444.00	655
Units in Building:								6
Occupied Units:								6
% Occupied:								100%
					\$2,740.00	\$2,929.00	2,929.00	

Building: 8

<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>
Units with Square Footage Set								
H01	Merritt, Teresa	02/08/2016	02/28/2018	S1	\$444.00	\$444.00	444.00	655
H02	Cooper, Cierra	08/25/2015	08/31/2017	M2	\$463.00	\$463.00	463.00	930
H03	Schirtzinger, Shannon	03/06/2017	03/31/2018	M2	\$463.00	\$463.00	463.00	930
H04	Jackson, Glenda	01/13/2014	01/31/2018	M2	\$463.00	\$463.00	463.00	930
H05	Camp, Tearkysha	01/13/2001	09/30/2017	M2	\$463.00	\$652.00	652.00	930
H06	Mckinzie, Larry	04/11/2016	04/30/2017	S1	\$444.00	\$444.00	444.00	655
Units in Building:								6
Occupied Units:								6
% Occupied:								100%
					\$2,740.00	\$2,929.00	2,929.00	

Total Units: 48
Total Occupied: 48.00
Total % Occupied: 100.00

Grand Totals:

\$21,919.00 \$22,682.00 22,682.00

Selected Parameters:

Property Name - Rock Springs 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.

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Rock Springs Apartments
Winder, Georgia

0

Expense Year

Dec-14

Row Labels	Sum of Amount
Advertising	\$92
Advertising	\$92
Annual Ancillary Income	\$2,430
Laundry and Vending Revenue	\$0
Miscellaneous Revenue	\$0
Tenant Charges	\$2,190
Application Fees Received	\$240
Annual Gross Potential Rental Income	\$237,120
Rental Income from Current Year Budget	\$237,120
Annual Income (Commercial)	\$0
Rent Revenue - Stores and Commercial	\$0
Decorating	\$1,188
Painting	\$1,188
Elevator Maintenance Expense	\$0
Elevator Maintenance/Contract	\$0
Employee Benefits	\$882
Health Insurance & Other Emp. Benefits	\$284
Workmen's Compensation	\$598
Employee Payroll Tax	\$2,795
Payroll Taxes	\$2,795
Excluded Expense	\$0
Annual Capital Budget	\$0
Excluded Income	\$242,620
Interest Income	\$0
Other Project Sources	\$0
Rental Income from Current Year Actual	\$242,620
Retained Excess Income	\$0
RHS Rental Assist. Received from Actual	\$0
Special Claims Revenue	\$0
Exterminating	\$2,085
Services	\$2,085
Fuel	\$0
Fuel (Oil/Coal/Gas)	\$0
Garbage and Trash Removal	\$7,132
Garbage & Trash Removal	\$7,132
Gas	\$0
Fuel (Oil/Coal/Gas)	\$0
Ground Expense	\$7,495
Grounds	\$7,495
Snow Removal	\$0
Insurance	\$9,513

Fidelity Coverage Insurance	\$0
Other Insurance	\$0
Property & Liability Insurance	\$9,513
Lighting and Miscellaneous Power	\$4,656
Electricity	\$4,656
Management Fee	\$24,920
Management Fee	\$24,920
Misc. Taxes/Licenses	\$75
Other Taxes, Licenses & Permits	\$75
Special Assessments	\$0
Other Administrative	\$26,702
Legal Expense	\$1,354
Office Furniture & Equipment	\$1,340
Office Supplies	\$1,721
Other Administrative Expenses	\$743
Project Auditing Expense	\$3,880
Project Bookkeeping/Accounting	\$0
Site Management Payroll	\$14,151
Telephone & Answering Service	\$1,723
Training Expense	\$1,791
Other Maintenance	\$0
Other Maintenance	\$0
Other Operating	\$12,324
Maintenance & Repairs Supply	\$12,199
Other Operating Expense	\$125
Other Utilities	\$0
Payroll	\$11,341
Maintenance & Repairs Payroll	\$11,341
Personal Property Tax	\$0
Personal Property Taxes	\$0
Real Estate Tax	\$11,707
Real Estate Taxes	\$11,707
Repairs	\$0
Maintenance & Repairs Contract	\$0
Replacement Reserves Releases Included as Expense	\$0
Reserves for Replacement	\$14,412
Transfer to Reserve	\$14,412
Service Coordinator	\$0
Service Coordinator Expenses	\$0
Service Coordinator Income	\$0
Vacancy (Apartments)	\$0
Vacancies - Apartments	\$0
Vacancies - Concessions	\$0
Vacancy (Commercial)	\$0
Vacancies - Stores and Commercial	\$0
Water/Sewer	\$45,066
Sewer	\$16,508

Water	\$28,559
(blank)	\$812,616
Net Rental Revenue	\$237,120
Operating Expenses	
Subtotal	\$146,678
Total Operating Expenses	\$167,973
Total Other Revenue	\$2,430
Total Rent Revenue	\$237,120
Total Revenue	
Total Taxes and Insurance	\$21,295
Total Vacancies	\$0
(blank)	
Grand Total	\$1,477,171

Rock Springs Apartments
Winder, Georgia

0

Expense Year

Dec-15

Row Labels	Sum of Amount
Advertising	\$131
Advertising	\$131
Annual Ancillary Income	\$3,126
Laundry and Vending Revenue	\$0
Miscellaneous Revenue	\$0
Tenant Charges	\$2,946
Application Fees Received	\$180
Annual Gross Potential Rental Income	\$242,880
Rental Income from Current Year Budget	\$242,880
Annual Income (Commercial)	\$0
Rent Revenue - Stores and Commercial	\$0
Decorating	\$361
Painting	\$361
Elevator Maintenance Expense	\$0
Elevator Maintenance/Contract	\$0
Employee Benefits	\$1,498
Health Insurance & Other Emp. Benefits	\$654
Workmen's Compensation	\$845
Employee Payroll Tax	\$2,590
Payroll Taxes	\$2,590
Excluded Expense	\$0
Annual Capital Budget	\$0
Excluded Income	\$249,436
Interest Income	\$0
Other Project Sources	\$0
Rental Income from Current Year Actual	\$249,436
Retained Excess Income	\$0
RHS Rental Assist. Received from Actual	\$0
Special Claims Revenue	\$0
Exterminating	\$3,839
Services	\$3,839
Fuel	\$0
Fuel (Oil/Coal/Gas)	\$0
Garbage and Trash Removal	\$7,329
Garbage & Trash Removal	\$7,329
Gas	\$0
Fuel (Oil/Coal/Gas)	\$0
Ground Expense	\$13,290
Grounds	\$13,290
Snow Removal	\$0
Insurance	\$9,623

Fidelity Coverage Insurance	\$0
Other Insurance	\$0
Property & Liability Insurance	\$9,623
Lighting and Miscellaneous Power	\$4,445
Electricity	\$4,445
Management Fee	\$26,150
Management Fee	\$26,150
Misc. Taxes/Licenses	\$68
Other Taxes, Licenses & Permits	\$68
Special Assessments	\$0
Other Administrative	\$25,131
Legal Expense	-\$1,089
Office Furniture & Equipment	\$1,378
Office Supplies	\$1,540
Other Administrative Expenses	\$1,413
Project Auditing Expense	\$3,880
Project Bookkeeping/Accounting	\$0
Site Management Payroll	\$14,592
Telephone & Answering Service	\$2,403
Training Expense	\$1,014
Other Maintenance	\$0
Other Maintenance	\$0
Other Operating	\$21,656
Maintenance & Repairs Supply	\$20,730
Other Operating Expense	\$215
Other Utilities	\$712
Payroll	\$13,094
Maintenance & Repairs Payroll	\$13,094
Personal Property Tax	\$0
Personal Property Taxes	\$0
Real Estate Tax	\$6,881
Real Estate Taxes	\$6,881
Repairs	\$0
Maintenance & Repairs Contract	\$0
Replacement Reserves Releases Included as Expense	\$0
Reserves for Replacement	\$14,412
Transfer to Reserve	\$14,412
Service Coordinator	\$0
Service Coordinator Expenses	\$0
Service Coordinator Income	\$0
Vacancy (Apartments)	\$0
Vacancies - Apartments	\$0
Vacancies - Concessions	\$0
Vacancy (Commercial)	\$0
Vacancies - Stores and Commercial	\$0
Water/Sewer	\$24,834
Sewer	\$8,721

Water	\$16,113
(blank)	\$1,056,732
Net Rental Revenue	\$242,880
Operating Expenses	
Subtotal	\$144,348
Total Operating Expenses	\$160,920
Total Other Revenue	\$3,126
Total Rent Revenue	\$242,880
Total Revenue	\$246,006
Total Taxes and Insurance	\$16,572
Total Vacancies	\$0
(blank)	
Grand Total	\$1,727,506

Rock Springs Apartments
Winder, Georgia

0

Expense Year

Dec-16

Row Labels	Sum of Amount
Advertising	\$580
Advertising	\$580
Annual Ancillary Income	\$3,639
Laundry and Vending Revenue	\$0
Miscellaneous Revenue	\$0
Tenant Charges	\$3,219
Application Fees Received	\$420
Annual Gross Potential Rental Income	\$254,400
Rental Income from Current Year Budget	\$254,400
Annual Income (Commercial)	\$0
Rent Revenue - Stores and Commercial	\$0
Decorating	\$2,356
Painting	\$2,356
Elevator Maintenance Expense	\$0
Elevator Maintenance/Contract	\$0
Employee Benefits	\$1,461
Health Insurance & Other Emp. Benefits	\$685
Workmen's Compensation	\$776
Employee Payroll Tax	\$2,399
Payroll Taxes	\$2,399
Excluded Expense	\$0
Annual Capital Budget	\$0
Excluded Income	\$251,130
Interest Income	\$0
Other Project Sources	\$0
Rental Income from Current Year Actual	\$251,130
Retained Excess Income	\$0
RHS Rental Assist. Received from Actual	\$0
Special Claims Revenue	\$0
Exterminating	\$3,596
Services	\$3,596
Fuel	\$0
Fuel (Oil/Coal/Gas)	\$0
Garbage and Trash Removal	\$9,422
Garbage & Trash Removal	\$9,422
Gas	\$0
Fuel (Oil/Coal/Gas)	\$0
Ground Expense	\$12,334
Grounds	\$12,334
Snow Removal	\$0
Insurance	\$9,631

Fidelity Coverage Insurance	\$0
Other Insurance	\$0
Property & Liability Insurance	\$9,631
Lighting and Miscellaneous Power	\$4,741
Electricity	\$4,741
Management Fee	\$26,743
Management Fee	\$26,743
Misc. Taxes/Licenses	\$200
Other Taxes, Licenses & Permits	\$200
Special Assessments	\$0
Other Administrative	\$28,727
Legal Expense	\$2,239
Office Furniture & Equipment	\$1,728
Office Supplies	\$2,653
Other Administrative Expenses	\$452
Project Auditing Expense	\$3,880
Project Bookkeeping/Accounting	\$0
Site Management Payroll	\$14,824
Telephone & Answering Service	\$2,096
Training Expense	\$855
Other Maintenance	\$0
Other Maintenance	\$0
Other Operating	\$19,735
Maintenance & Repairs Supply	\$18,345
Other Operating Expense	\$170
Other Utilities	\$1,220
Payroll	\$13,525
Maintenance & Repairs Payroll	\$13,525
Personal Property Tax	\$0
Personal Property Taxes	\$0
Real Estate Tax	\$9,261
Real Estate Taxes	\$9,261
Repairs	\$32,415
Maintenance & Repairs Contract	\$32,415
Replacement Reserves Releases Included as Expense	\$0
Reserves for Replacement	\$21,412
Transfer to Reserve	\$21,412
Service Coordinator	\$0
Service Coordinator Expenses	\$0
Service Coordinator Income	\$0
Vacancy (Apartments)	-\$3,270
Vacancies - Apartments	-\$3,270
Vacancies - Concessions	\$0
Vacancy (Commercial)	\$0
Vacancies - Stores and Commercial	\$0
Water/Sewer	\$26,014
Sewer	\$9,260

Water	\$16,755
(blank)	\$1,166,947
Net Rental Revenue	\$251,130
Operating Expenses	
Subtotal	\$184,048
Total Operating Expenses	\$203,139
Total Other Revenue	\$3,639
Total Rent Revenue	\$254,400
Total Revenue	\$254,769
Total Taxes and Insurance	\$19,092
Total Vacancies	-\$3,270
(blank)	
Grand Total	\$1,897,398

Rock Springs Apartments
Winder, Georgia

0

Expense Year

Budget

Row Labels	Sum of Amount
Advertising	\$500
Advertising	\$500
Annual Ancillary Income	\$2,000
Application Fees	\$0
Laundry and Vending Revenue	\$0
Miscellaneous Revenue	\$0
Tenant Charges	\$2,000
Annual Gross Potential Rental Income	\$263,040
Rental Income from Current Year Budget	\$263,040
Annual Income (Commercial)	\$0
Rent Revenue - Stores and Commercial	\$0
Decorating	\$4,400
Painting	\$4,400
Elevator Maintenance Expense	\$0
Elevator Maintenance/Contract	\$0
Employee Benefits	\$1,700
Health Insurance & Other Emp. Benefits	\$700
Workmen's Compensation	\$1,000
Employee Payroll Tax	\$3,000
Payroll Taxes	\$3,000
Excluded Expense	\$0
Annual Capital Budget	\$0
Excluded Income	\$0
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
Exterminating	\$2,887
Services	\$2,887
Fuel	\$0
Fuel (Oil/Coal/Gas)	\$0
Garbage and Trash Removal	\$9,000
Garbage & Trash Removal	\$9,000
Gas	\$0
Fuel (Oil/Coal/Gas)	\$0
Ground Expense	\$12,280
Grounds	\$12,280
Snow Removal	\$0
Insurance	\$10,906

Fidelity Coverage Insurance	\$0
Other Insurance	\$250
Property & Liability Insurance	\$10,656
Lighting and Miscellaneous Power	\$5,100
Electricity	\$5,100
Management Fee	\$28,224
Management Fee	\$28,224
Misc. Taxes/Licenses	\$100
Other Taxes, Licenses & Permits	\$100
Special Assessments	\$0
Other Administrative	\$28,005
Legal Expense	\$600
Office Furniture & Equipment	\$1,320
Office Supplies	\$3,000
Other Administrative Expenses	\$300
Project Auditing Expense	\$4,000
Project Bookkeeping/Accounting	\$0
Site Management Payroll	\$15,772
Telephone & Answering Service	\$1,800
Training Expense	\$1,213
Other Maintenance	\$0
Other Maintenance	\$0
Other Operating	\$16,200
Maintenance & Repairs Supply	\$16,000
Other Operating Expense	\$200
Other Utilities	\$0
Payroll	\$13,500
Maintenance & Repairs Payroll	\$13,500
Personal Property Tax	\$0
Personal Property Taxes	\$0
Real Estate Tax	\$18,000
Real Estate Taxes	\$18,000
Repairs	\$0
Maintenance & Repairs Contract	\$0
Replacement Reserves Releases Included as Expense	\$0
Reserves for Replacement	\$14,206
Transfer to Reserve	\$14,206
Service Coordinator	\$0
Service Coordinator Expenses	\$0
Service Coordinator Income	\$0
Vacancy (Apartments)	-\$13,152
Vacancies - Apartments	-\$13,152
Vacancies - Concessions	\$0
Vacancy (Commercial)	\$0
Vacancies - Stores and Commercial	\$0
Water/Sewer	\$32,500
Sewer	\$10,500

Water	\$22,000
(blank)	\$1,126,268
Net Rental Revenue	\$249,888
Operating Expenses	
Subtotal	\$157,296
Total Operating Expenses	\$186,302
Total Other Revenue	\$2,000
Total Rent Revenue	\$263,040
Total Revenue	\$251,888
Total Taxes and Insurance	\$29,006
Total Vacancies	-\$13,152
(blank)	
Grand Total	\$1,578,664

Rock Springs Apartments
Winder, Georgia

0

Expense Year Dec-17
of Months 4

Row Labels	Sum of Amount
Advertising	\$399
Advertising	\$399
Annual Ancillary Income	\$784
Laundry and Vending Revenue	\$0
Application Fees	\$150
Tenant Charges/Damages	\$35
Income - Cleaning & Rep	\$90
Income - Late Fees	\$509
Forfeited Security Deposits	\$0
Casualty Income	\$0
Annual Gross Potential Rental Income	\$87,680
Rental Income from Current Year Budget	\$87,680
Annual Income (Commercial)	\$0
Rent Revenue - Stores and Commercial	\$0
Decorating	\$244
Unit Turns	\$244
Elevator Maintenance Expense	\$0
Elevator Maintenance/Contract	\$0
Employee Benefits	\$1,204
Workmen's Compensation	\$961
Group Health Insurance	\$93
Retirement Plan Expense	\$149
Employee Payroll Tax	\$692
Payroll Taxes-FICA	\$605
Unemployment Taxes	\$87
Excluded Income	\$88,777
Retained Excess Income	\$0
Special Claims Revenue	\$0
Rental Income from Current Year Actual	\$88,777
RHS Rental Assist. Received from Actual	\$0
Interest Income	\$0
Exterminating	\$1,189
Services	\$1,189
Fuel	\$0
Fuel (Oil/Coal/Gas)	\$0
Garbage and Trash Removal	\$3,694
Garbage & Trash Removal	\$3,694
Gas	\$0
Fuel (Oil/Coal/Gas)	\$0
Ground Expense	\$3,312

Snow Removal	\$0
Grounds	\$3,312
Insurance	\$9,544
Property & Liability Insurance	\$9,544
Fidelity Coverage Insurance	\$0
Other Insurance	\$0
Lighting and Miscellaneous Power	\$1,635
Electricity	\$1,635
Management Fee	\$9,167
Management Fee	\$9,167
Misc. Taxes/Licenses	\$150
Special Assessments	\$0
Other Taxes, Licenses & Permits	\$150
Other Administrative	\$8,954
Site Management Payroll	\$2,240
Accounting/Auditing Fees	\$3,880
Project Bookkeeping/Accounting	\$0
Legal Expense	-\$1,218
Telephone	\$854
Office Supplies	\$1,038
Computer Equipment	\$635
Prospect Screening	\$251
Training Expense	\$69
Bank Charges/Fees	\$47
Postage and Shipping	\$123
Professional Services/Fees	\$300
Travel Expenses	\$654
Late Charges/Fees	\$80
Other Maintenance	\$0
Other Maintenance	\$0
Other Operating	\$3,802
Maintenance & Repairs Supply	\$3,376
Other Operating Expense	\$0
Other Utilities	\$426
Payroll	\$5,025
Maintenance & Repairs Payroll	\$5,025
Personal Property Tax	\$0
Personal Property Taxes	\$0
Real Estate Tax	\$0
Real Estate Taxes	\$0
Repairs	\$0
Maintenance & Repairs Contract	\$0
Reserves for Replacement	\$11,804
Transfer to Reserve	\$11,804
Service Coordinator	\$0
Service Coordinator Expenses	\$0
Service Coordinator Income	\$0

Vacancy (Apartments)	\$0
Vacancies - Apartments	\$0
Vacancies - Concessions	\$0
Vacancy (Commercial)	\$0
Vacancies - Stores and Commercial	\$0
Water/Sewer	\$8,148
Sewer	\$3,066
Water	\$5,082
(blank)	\$378,925
Net Rental Revenue	\$87,680
Operating Expenses	
Total Operating Expenses	\$57,159
Total Other Revenue	\$784
Total Rent Revenue	\$87,680
Total Revenue	\$88,464
Total Taxes and Insurance	\$9,694
Total Vacancies	\$0
(blank)	
Subtotal	\$47,465
Excluded Expense	\$0
Annual Capital Budget	\$0
Grand Total	\$625,129

**MULTIPLE FAMILY HOUSING PROJECT BUDGET/
UTILITY ALLOWANCE**

PROJECT NAME Rock Springs Apartments		BORROWER NAME Winder Apartments, Ltd, Lp		BORROWER ID AND PROJECT NO. 673467266 011	
Loan/Transfer Amount \$ 1,440,450.00		Note Rate Payment \$ 10,694.67		IC Payment \$ 3,071.25	
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 checked="" type="checkbox"/> Family <input 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 _____	
				<input checked="" type="checkbox"/> I hereby request 30 units of RA. Current number of RA units 0. 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)
OPERATIONAL CASH SOURCES				
1. RENTAL INCOME	237,120.00	242,642.00	242,880.00	48 rev prod u
2. RHS RENTAL ASSISTANCE RECEIVED		0.00		
3. APPLICATION FEES RECEIVED		240.00		
4. LAUNDRY AND VENDING	0.00	0.00	0.00	
5. INTEREST INCOME	200.00	0.00	0.00	
6. TENANT CHARGES	2,000.00	2,190.00	2,200.00	
7. OTHER - PROJECT SOURCES	0.00	100.00	0.00	
8. LESS (Vacancy and Contingency Allowance)	(11,856.00)		(12,144.00)	5%
9. LESS (Agency Approved Incentive Allowance)	(0.00)		(0.00)	
10. SUB-TOTAL [(1 thru 7) - (8 & 9)]	227,464.00	245,172.00	232,936.00	
NON-OPERATIONAL CASH SOURCES				
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	12,140.00	46,781.76	17,040.00	
14. SUB-TOTAL (11 thru 13)	12,140.00	46,781.76	17,040.00	
15. TOTAL CASH SOURCES (10+14)	239,604.00	291,953.76	249,976.00	
OPERATIONAL CASH USES				
16. TOTAL O&M EXPENSES (From Part II)	171,358.00	167,972.95	177,984.00	
17. RHS DEBT PAYMENT	36,855.00	36,855.00	36,855.00	
18. RHS PAYMENT (Overage)		16,557.00		
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	14,405.00	14,412.00	14,405.00	
23. RETURN TO OWNER /NP ASSET MANAGEMENT FEE .	3,564.00	3,564.00	3,564.00	2013 RTO paid
24. SUB-TOTAL (16 thru 23)	226,182.00	239,360.95	232,808.00	
NON-OPERATIONAL CASH USES				
25. AUTHORIZED DEBT PAYMENT (Non-RHS)	0.00	0.00	0.00	
26. ANNUAL CAPITAL BUDGET (From Part III, Lines 4-6)	12,140.00	46,781.76	17,040.00	
27. MISCELLANEOUS	0.00	-1.73	0.00	Rounding
28. SUB-TOTAL (25 thru 27)	12,140.00	46,780.03	17,040.00	
29. TOTAL CASH USES (24+28)	238,322.00	286,140.98	249,848.00	
30. NET CASH (DEFICIT) (15-29)	1,282.00	5,812.78	128.00	
CASH BALANCE				
31. BEGINNING CASH BALANCE	29,235.45	96,209.36	30,517.45	
32. ACCRUAL TO CASH ADJUSTMENT		-1,976.51		Adjust to accru
33. ENDING CASH BALANCE (30+31+32)	30,517.45	100,045.63	30,645.45	

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	12,000.00	11,340.64	12,000.00	
2. MAINTENANCE AND REPAIRS SUPPLY	15,000.00	12,198.92	16,000.00	increased main
3. MAINTENANCE AND REPAIRS CONTRACT	0.00	0.00	0.00	
4. PAINTING	3,000.00	1,187.63	2,500.00	
5. SNOW REMOVAL	0.00	0.00	0.00	
6. ELEVATOR MAINTENANCE/CONTRACT	0.00	0.00	0.00	
7. GROUNDS	8,300.00	7,494.70	8,300.00	525/M + 2000
8. SERVICES	3,387.00	2,085.00	3,262.00	151/MPestCon
9. ANNUAL CAPITAL BUDGET (From Part V - Operating)	0.00	0.00	0.00	
10. OTHER OPERATING EXPENSES (Itemize)	200.00	124.87	200.00	UA calc fees
11. SUB-TOTAL MAINT. & OPERATING (1 thru 10)	41,887.00	34,431.76	42,262.00	
12. ELECTRICITY <input type="checkbox"/> If master metered	4,200.00	4,656.30	4,900.00	
13. WATER <input type="checkbox"/> check box on	23,000.00	28,558.67	24,200.00	
14. SEWER <input type="checkbox"/> front	12,000.00	16,507.55	13,000.00	
15. FUEL (Oil/Coal/Gas)	0.00	0.00	0.00	
16. GARBAGE & TRASH REMOVAL	6,500.00	7,132.36	6,800.00	
17. OTHER UTILITIES	0.00	0.00	0.00	
18. SUB-TOTAL UTILITIES (12 thru 17)	45,700.00	56,854.88	48,900.00	
19. SITE MANAGEMENT PAYROLL	13,920.00	14,150.52	14,420.00	1160/M (3% inc)
20. MANAGEMENT FEE	25,632.00	24,920.00	26,496.00	\$46x48Ux12M
21. PROJECT AUDITING EXPENSE	4,000.00	3,880.00	4,000.00	
22. PROJECT BOOKKEEPING/ACCOUNTING	0.00	0.00	0.00	
23. LEGAL EXPENSES	500.00	1,354.00	500.00	
24. ADVERTISING	300.00	92.00	300.00	
25. TELEPHONE & ANSWERING SERVICE	1,600.00	1,723.21	1,700.00	
26. OFFICE SUPPLIES	2,600.00	1,720.86	2,600.00	
27. OFFICE FURNITURE & EQUIPMENT	900.00	1,340.05	1,269.00	\$75/M CompSt
28. TRAINING EXPENSE	477.00	1,790.50	1,207.00	
29. HEALTH INS. & OTHER EMP. BENEFITS	400.00	284.13	400.00	
30. PAYROLL TAXES	3,000.00	2,795.46	3,100.00	
31. WORKER'S COMPENSATION	1,000.00	597.56	1,000.00	
32. OTHER ADMINISTRATIVE EXPENSES (Itemize)	300.00	742.91	300.00	Property tax co
33. SUB-TOTAL ADMINISTRATIVE (19 thru 32)	54,629.00	55,391.20	57,292.00	
34. REAL ESTATE TAXES	19,000.00	11,707.11	19,100.00	
35. SPECIAL ASSESSMENTS	0.00	0.00	0.00	
36. OTHER TAXES, LICENSES & PERMITS	100.00	75.00	100.00	reg fee
37. PROPERTY & LIABILITY INSURANCE	9,792.00	9,513.00	10,080.00	210/U (3% inc)
38. FIDELITY COVERAGE INSURANCE	0.00	0.00	0.00	
39. OTHER INSURANCE	250.00	0.00	250.00	EPL
40. SUB-TOTAL TAXES & INSURANCE (34 thru 39)	29,142.00	21,295.11	29,530.00	
41. TOTAL O&M EXPENSES (11+18+33+40)	171,358.00	167,972.95	177,984.00	

PART III—ACCOUNT BUDGETING/STATUS

	CURRENT BUDGET	ACTUAL	PROPOSED BUDGET	COMMENTS or (YTD)
RESERVE ACCOUNT:				
1. BEGINNING BALANCE	16,925.00	53,323.54	19,190.00	
2. TRANSFER TO RESERVE	14,405.00	14,412.00	14,405.00	\$1201/M
TRANSFER FROM RESERVE.....				
3. OPERATING DEFICIT	0.00	0.00	0.00	
4. ANNUAL CAPITAL BUDGET (Part V - Reserve)	12,140.00	46,781.76	17,040.00	
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)	(12,140.00)	(46,781.76)	(17,040.00)	
8. ENDING BALANCE [(1+2)-7]	19,190.00	20,953.78	16,555.00	

GENERAL OPERATING ACCOUNT:*

BEGINNING BALANCE	83,900.69	
ENDING BALANCE	79,658.07	

REAL ESTATE TAX AND INSURANCE ESCROW ACCOUNT:*

BEGINNING BALANCE	12,308.67	
ENDING BALANCE	20,387.56	

TENANT SECURITY DEPOSIT ACCOUNT:*

BEGINNING BALANCE	12,919.00	
ENDING BALANCE	11,052.00	

(*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	16	399.00	566.00	0.00	76,608.00	108,672.00	0.00	66.00
2	N	32	418.00	607.00	0.00	160,512.00	233,088.00	0.00	86.00
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:						237,120.00	341,760.00	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	16	409.00	576.00	0.00	78,528.00	110,592.00	0.00	
2	N	32	428.00	617.00	0.00	164,352.00	236,928.00	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:						242,880.00	347,520.00	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	16	72.00	0.00	0.00	0.00	0.00	0.00	72.00
2	N	32	86.00	0.00	0.00	0.00	0.00	0.00	86.00
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
Appliances:							
Range	4	940.00	893.77	0.00	0.00	893.77	2
Refrigerator	4	1,500.00	2,809.91	0.00	0.00	2,809.91	4
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	0.00	0.00	0.00	0.00	C
Carpet & Vinyl:							
1BR	3	6,000.00	4,574.92	0.00	0.00	4,574.92	2
2BR	3	6,000.00	5,774.41	0.00	0.00	5,774.41	4
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
Cabinets:							
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
Doors:							
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
Window Coverings:							
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
Heating & Air Conditioning:							
Heating	0	0.00	8,906.00	0.00	0.00	8,906.00	3
Air Conditioning	1	2,600.00	0.00	0.00	0.00	0.00	C
Other:	0	0.00	0.00	0.00	0.00	0.00	C
Plumbing:							
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	1,651.48	0.00	0.00	1,651.48	1
Other:	0	0.00	13,630.49	0.00	0.00	13,630.49	1
Major Electrical:							
List:		0.00	0.00	0.00	0.00	0.00	
Other:		0.00	0.00	0.00	0.00	0.00	
Structures:							
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	4,090.00	0.00	0.00	4,090.00	
Paving:							
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	
Landscape & Grounds:							
Landscaping		0.00	1,170.00	0.00	0.00	1,170.00	
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	
Accessibility Features:							
List:		0.00	0.00	0.00	0.00	0.00	
Other:		0.00	0.00	0.00	0.00	0.00	
Automation Equipment:							
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	
Other:							
List:		0.00	432.28	0.00	0.00	432.28	
List:		0.00	2,848.50	0.00	0.00	2,848.50	
List:		0.00	0.00	0.00	0.00	0.00	
TOTAL CAPITAL EXPENSES:	15	17,040.00	46,781.76	0.00	0.00	46,781.76	17

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. Actual transfers from 1% reserve were over triple the budgeted amount primarily due to over \$15,000 in plumbing repairs expense.

Line 23. The RTO paid in 2014 was the 2013 RTO.

Page 2

Line 11. Actual Maintenance and Operating Expenses were within budget.

Line 18. Actual Utilities were 24% more than budget due to higher water & sewer expenses associated with a leak.

Line 33. Actual Administrative Expenses were 1% over budget.

Line 40. Actual Tax & Insurance Expense was less than budgeted due to a lower property tax bill than budgeted.

Rock Springs 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
Appliances:							
Range	4	940.00	893.77	0.00	0.00	893.77	2
Refrigerator	4	1,500.00	2,809.91	0.00	0.00	2,809.91	4
Range Hood	3	300.00	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	0.00	0.00	0.00	0.00	C
Carpet & Vinyl:							
1BR	1	2,200.00	4,574.92	0.00	0.00	4,574.92	2
2BR	2	4,600.00	5,774.41	0.00	0.00	5,774.41	4
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
Cabinets:							
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
Doors:							
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
Window Coverings:							
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
Heating & Air Conditioning:							
Heating	0	0.00	8,906.00	0.00	0.00	8,906.00	3
Air Conditioning	1	2,600.00	0.00	0.00	0.00	0.00	C
Other:	0	0.00	0.00	0.00	0.00	0.00	C
Plumbing:							
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	1,651.48	0.00	0.00	1,651.48	C
Other:	0	0.00	13,630.49	0.00	0.00	13,630.49	C
Major Electrical:							
List:		0.00	0.00	0.00	0.00	0.00	
Other:		0.00	0.00	0.00	0.00	0.00	
Structures:							
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	4,090.00	0.00	0.00	4,090.00	
Paving:							
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	
Landscape & Grounds:							
Landscaping		0.00	1,170.00	0.00	0.00	1,170.00	
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	
Accessibility Features:							
List:		0.00	0.00	0.00	0.00	0.00	
Other:		0.00	0.00	0.00	0.00	0.00	
Automation Equipment:							
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	
Other:							
List:		0.00	432.28	0.00	0.00	432.28	
List:		0.00	2,848.50	0.00	0.00	2,848.50	
List:		0.00	0.00	0.00	0.00	0.00	
TOTAL CAPITAL EXPENSES:	15	12,140.00	46,781.76	0.00	0.00	46,781.76	15

**MULTIPLE FAMILY HOUSING PROJECT BUDGET/
UTILITY ALLOWANCE**

PROJECT NAME Rock Springs Apartments		BORROWER NAME Winder Apartments, Ltd, Lp		BORROWER ID AND PROJECT NO. 673467266 011	
Loan/Transfer Amount \$ 1,440,450.00		Note Rate Payment \$ 10,694.67		IC Payment \$ 3,071.25	
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 checked="" type="checkbox"/> Family <input 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 _____	
				<input checked="" type="checkbox"/> I hereby request _____ units of RA. Current number of RA units _____. Borrower Accounting Method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual	

PART I—CASH FLOW STATEMENT

	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)
OPERATIONAL CASH SOURCES				
1. RENTAL INCOME	242,880.00	249,436.00	254,400.00	48 rev prod u
2. RHS RENTAL ASSISTANCE RECEIVED		0.00		
3. APPLICATION FEES RECEIVED		180.00		
4. LAUNDRY AND VENDING	0.00	0.00	0.00	
5. INTEREST INCOME	0.00	0.00	0.00	
6. TENANT CHARGES	2,200.00	2,946.27	2,500.00	
7. OTHER - PROJECT SOURCES	0.00	0.00	0.00	
8. LESS (Vacancy and Contingency Allowance)	(12,144.00)		(12,720.00)	5%
9. LESS (Agency Approved Incentive Allowance)	(0.00)		(0.00)	
10. SUB-TOTAL [(1 thru 7) - (8 & 9)]	232,936.00	252,562.27	244,180.00	
NON-OPERATIONAL CASH SOURCES				
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	17,040.00	12,326.30	19,640.00	
14. SUB-TOTAL (11 thru 13)	17,040.00	12,326.30	19,640.00	
15. TOTAL CASH SOURCES (10+14)	249,976.00	264,888.57	263,820.00	
OPERATIONAL CASH USES				
16. TOTAL O&M EXPENSES (From Part II)	177,984.00	160,920.57	179,827.00	
17. RHS DEBT PAYMENT	36,855.00	36,855.00	36,855.00	
18. RHS PAYMENT (Overage)		11,867.00		
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	14,405.00	14,412.00	21,405.00	
23. RETURN TO OWNER /NP ASSET MANAGEMENT FEE .	3,564.00	3,564.00	3,564.00	2014 RTO paic
24. SUB-TOTAL (16 thru 23)	232,808.00	227,618.57	241,651.00	
NON-OPERATIONAL CASH USES				
25. AUTHORIZED DEBT PAYMENT (Non-RHS)	0.00	0.00	0.00	
26. ANNUAL CAPITAL BUDGET (From Part III, Lines 4-6)	17,040.00	12,326.30	19,640.00	
27. MISCELLANEOUS	0.00	-0.80	0.00	Rounding
28. SUB-TOTAL (25 thru 27)	17,040.00	12,325.50	19,640.00	
29. TOTAL CASH USES (24+28)	249,848.00	239,944.07	261,291.00	
30. NET CASH (DEFICIT) (15-29)	128.00	24,944.50	2,529.00	
CASH BALANCE				
31. BEGINNING CASH BALANCE	30,517.45	100,045.63	30,645.45	
32. ACCRUAL TO CASH ADJUSTMENT		-180.67		Adjust to accru
33. ENDING CASH BALANCE (30+31+32)	30,645.45	124,809.46	33,174.45	

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	12,000.00	13,094.17	13,000.00	
2. MAINTENANCE AND REPAIRS SUPPLY	16,000.00	20,729.51	16,000.00	increased main
3. MAINTENANCE AND REPAIRS CONTRACT	0.00	0.00	0.00	
4. PAINTING	2,500.00	360.76	2,000.00	
5. SNOW REMOVAL	0.00	0.00	0.00	
6. ELEVATOR MAINTENANCE/CONTRACT	0.00	0.00	0.00	
7. GROUNDS	8,300.00	13,289.91	12,280.00	984/M + 500
8. SERVICES	3,262.00	3,839.00	2,887.00	151/M PestCon
9. ANNUAL CAPITAL BUDGET (From Part V - Operating)	0.00	0.00	0.00	
10. OTHER OPERATING EXPENSES (Itemize)	200.00	214.90	200.00	UA calc fees
11. SUB-TOTAL MAINT. & OPERATING (1 thru 10)	42,262.00	51,528.25	46,367.00	
12. ELECTRICITY <input type="checkbox"/> If master metered	4,900.00	4,445.08	4,900.00	
13. WATER <input type="checkbox"/> check box on	24,200.00	16,112.94	22,000.00	
14. SEWER <input type="checkbox"/> front	13,000.00	8,721.06	10,500.00	
15. FUEL (Oil/Coal/Gas)	0.00	0.00	0.00	
16. GARBAGE & TRASH REMOVAL	6,800.00	7,328.75	8,000.00	
17. OTHER UTILITIES	0.00	711.55	0.00	
18. SUB-TOTAL UTILITIES (12 thru 17)	48,900.00	37,319.38	45,400.00	
19. SITE MANAGEMENT PAYROLL	14,420.00	14,592.72	14,840.00	1195/M (3% inc)
20. MANAGEMENT FEE	26,496.00	26,149.50	27,072.00	\$47x48Ux12M
21. PROJECT AUDITING EXPENSE	4,000.00	3,880.00	4,000.00	
22. PROJECT BOOKKEEPING/ACCOUNTING	0.00	0.00	0.00	
23. LEGAL EXPENSES	500.00	-1,089.03	500.00	
24. ADVERTISING	300.00	131.45	300.00	
25. TELEPHONE & ANSWERING SERVICE	1,700.00	2,402.68	1,700.00	
26. OFFICE SUPPLIES	2,600.00	1,539.88	2,600.00	
27. OFFICE FURNITURE & EQUIPMENT	1,269.00	1,377.80	1,323.00	\$79/M CompSt
28. TRAINING EXPENSE	1,207.00	1,014.45	1,207.00	
29. HEALTH INS. & OTHER EMP. BENEFITS	400.00	653.71	700.00	
30. PAYROLL TAXES	3,100.00	2,589.86	3,100.00	
31. WORKER'S COMPENSATION	1,000.00	844.71	1,000.00	
32. OTHER ADMINISTRATIVE EXPENSES (Itemize)	300.00	1,413.19	300.00	Property tax co
33. SUB-TOTAL ADMINISTRATIVE (19 thru 32)	57,292.00	55,500.92	58,642.00	
34. REAL ESTATE TAXES	19,100.00	6,880.97	18,700.00	
35. SPECIAL ASSESSMENTS	0.00	0.00	0.00	
36. OTHER TAXES, LICENSES & PERMITS	100.00	68.05	100.00	reg fee
37. PROPERTY & LIABILITY INSURANCE	10,080.00	9,623.00	10,368.00	216/U (3% inc)
38. FIDELITY COVERAGE INSURANCE	0.00	0.00	0.00	
39. OTHER INSURANCE	250.00	0.00	250.00	EPL
40. SUB-TOTAL TAXES & INSURANCE (34 thru 39)	29,530.00	16,572.02	29,418.00	
41. TOTAL O&M EXPENSES (11+18+33+40)	177,984.00	160,920.57	179,827.00	

PART III—ACCOUNT BUDGETING/STATUS

	CURRENT BUDGET	ACTUAL	PROPOSED BUDGET	COMMENTS or (YTD)
RESERVE ACCOUNT:				
1. BEGINNING BALANCE	19,190.00	20,953.78	16,555.00	
2. TRANSFER TO RESERVE	14,405.00	14,412.00	21,405.00	\$1201/M + 7k ±
TRANSFER FROM RESERVE.....				
3. OPERATING DEFICIT	0.00	0.00	0.00	
4. ANNUAL CAPITAL BUDGET (Part V - Reserve)	17,040.00	12,326.30	19,640.00	
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)	(17,040.00)	(12,326.30)	(19,640.00)	
8. ENDING BALANCE [(1+2)-7]	16,555.00	23,039.48	18,320.00	

GENERAL OPERATING ACCOUNT:*

BEGINNING BALANCE	79,658.07	
ENDING BALANCE	99,375.48	

REAL ESTATE TAX AND INSURANCE ESCROW ACCOUNT:*

BEGINNING BALANCE	20,387.56	
ENDING BALANCE	25,433.98	

TENANT SECURITY DEPOSIT ACCOUNT:*

BEGINNING BALANCE	11,052.00	
ENDING BALANCE	10,932.00	

(*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	16	409.00	576.00	0.00	78,528.00	110,592.00	0.00	72.00
2	N	32	428.00	617.00	0.00	164,352.00	236,928.00	0.00	86.00
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:						242,880.00	347,520.00	0.00	
						BASIC	NOTE	HUD	

B. PROPOSED RENTS - Effective Date: 12 / 31 / 15

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	16	429.00	596.00	0.00	82,368.00	114,432.00	0.00	
2	N	32	448.00	637.00	0.00	172,032.00	244,808.00	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:						254,400.00	359,040.00	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	16	72.00	0.00	0.00	0.00	0.00	0.00	72.00
2	N	32	86.00	0.00	0.00	0.00	0.00	0.00	86.00
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
Appliances:							
Range	4	940.00	953.36	0.00	0.00	953.36	2
Refrigerator	4	1,500.00	1,672.30	0.00	0.00	1,672.30	3
Range Hood	C	0.00	0.00	0.00	0.00	0.00	C
Washers & Dryers	C	0.00	0.00	0.00	0.00	0.00	C
Other:	C	0.00	0.00	0.00	0.00	0.00	C
Carpet & Vinyl:							
1BR	3	6,000.00	4,117.39	0.00	0.00	4,117.39	2
2BR	3	6,000.00	0.00	0.00	0.00	0.00	C
3BR	C	0.00	0.00	0.00	0.00	0.00	C
4BR	C	0.00	0.00	0.00	0.00	0.00	C
Other:	C	0.00	0.00	0.00	0.00	0.00	C
Cabinets:							
Kitchens	C	0.00	0.00	0.00	0.00	0.00	C
Bathrooms	C	0.00	0.00	0.00	0.00	0.00	C
Other:	C	0.00	0.00	0.00	0.00	0.00	C
Doors:							
Exterior	C	0.00	0.00	0.00	0.00	0.00	C
Interior	C	0.00	0.00	0.00	0.00	0.00	C
Other:	C	0.00	0.00	0.00	0.00	0.00	C
Window Coverings:							
List:	C	0.00	0.00	0.00	0.00	0.00	C
Other:	C	0.00	0.00	0.00	0.00	0.00	C
Heating & Air Conditioning:							
Heating	C	0.00	0.00	0.00	0.00	0.00	C
Air Conditioning	2	5,200.00	0.00	0.00	0.00	0.00	C
Other:	C	0.00	0.00	0.00	0.00	0.00	C
Plumbing:							
Water Heater	C	0.00	0.00	0.00	0.00	0.00	C
Bath Sinks	C	0.00	0.00	0.00	0.00	0.00	C
Kitchen Sinks	C	0.00	0.00	0.00	0.00	0.00	C
Faucets	C	0.00	0.00	0.00	0.00	0.00	C
Toilets	C	0.00	0.00	0.00	0.00	0.00	C
Other	C	0.00	4,200.00	0.00	0.00	4,200.00	1
Major Electrical:							
List:		0.00	0.00	0.00	0.00	0.00	
Other:		0.00	0.00	0.00	0.00	0.00	
Structures:							
Windows	C	0.00	0.00	0.00	0.00	0.00	C
Screens	C	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	0.00	0.00	0.00	0.00	
Paving:							
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	
Landscape & Grounds:							
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	
Accessibility Features:							
List:		0.00	0.00	0.00	0.00	0.00	
Other:		0.00	0.00	0.00	0.00	0.00	
Automation Equipment:							
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	
Other:							
List:		0.00	1,383.25	0.00	0.00	1,383.25	
List:		0.00	0.00	0.00	0.00	0.00	
List:		0.00	0.00	0.00	0.00	0.00	
TOTAL CAPITAL EXPENSES:	16	19,640.00	12,326.30	0.00	0.00	12,326.30	8

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:

- A) Rock Springs is a 48 unit family complex located in Winder, GA. The property has 16 1-br units and 32 2-br units. The property has no RA units. The property needs RA and is requesting RA with the budget. The property has good occupancy (over 95%). The property has 48 revenue producing units.
- B) The property is in compliance with the loan agreement and RD regulations. The property is in compliance with the 504 accessibility plan.
- C) The property's financial status is stable. The 1% reserve is at or ahead of the required funding. The actual balance, however, is lower than desired for a property this size and age. We plan to add additional deposits into the 1% reserve beginning with an additional deposit of \$7000 in 2016.
- D) There are no expense category subtotals that exceed the 10% tolerance threshold. Administrative Expenses are 23% of Gross Potential and are within the 27% threshold used by the state of Georgia.
- E) 2016 projected capital expenditures and reserve withdrawals
 - Replacement of appliances
 - Carpet and vinyl
 - HVAC units
 - Estimate \$19,640
- Projected capital needs 2017-2019
 - Replacement of appliances
 - Carpet and vinyl
 - HVAC units
 - Lift Station Pump Replacement
 - Parking Lot Paving
 - Estimate \$35,100
- F) The 2016 budget includes a \$20 rent increase. We are not requesting an increase in the utility allowance. We are requesting an increase in the current management fee from \$46 per unit per month to \$47 per unit per month. The property is well maintained and is in stable financial condition. The proposed rental rates are reasonable for the market area. The 1% reserve is at or ahead of the required funding and the property is in compliance with the loan agreement and RD regulations.

Rock Springs 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
Appliances:							
Range	4	940.00	953.36	0.00	0.00	953.36	2
Refrigerator	4	1,500.00	1,672.30	0.00	0.00	1,672.30	3
Range Hood	C	0.00	0.00	0.00	0.00	0.00	C
Washers & Dryers	C	0.00	0.00	0.00	0.00	0.00	C
Other:	C	0.00	0.00	0.00	0.00	0.00	C
Carpet & Vinyl:							
1BR	3	6,000.00	4,117.39	0.00	0.00	4,117.39	2
2BR	3	6,000.00	0.00	0.00	0.00	0.00	C
3BR	C	0.00	0.00	0.00	0.00	0.00	C
4BR	C	0.00	0.00	0.00	0.00	0.00	C
Other:	C	0.00	0.00	0.00	0.00	0.00	C
Cabinets:							
Kitchens	C	0.00	0.00	0.00	0.00	0.00	C
Bathrooms	C	0.00	0.00	0.00	0.00	0.00	C
Other:	C	0.00	0.00	0.00	0.00	0.00	C
Doors:							
Exterior	C	0.00	0.00	0.00	0.00	0.00	C
Interior	C	0.00	0.00	0.00	0.00	0.00	C
Other:	C	0.00	0.00	0.00	0.00	0.00	C
Window Coverings:							
List:	C	0.00	0.00	0.00	0.00	0.00	C
Other:	C	0.00	0.00	0.00	0.00	0.00	C
Heating & Air Conditioning:							
Heating	C	0.00	0.00	0.00	0.00	0.00	C
Air Conditioning	1	2,600.00	0.00	0.00	0.00	0.00	C
Other:	C	0.00	0.00	0.00	0.00	0.00	C
Plumbing:							
Water Heater	C	0.00	0.00	0.00	0.00	0.00	C
Bath Sinks	C	0.00	0.00	0.00	0.00	0.00	C
Kitchen Sinks	C	0.00	0.00	0.00	0.00	0.00	C
Faucets	C	0.00	0.00	0.00	0.00	0.00	C
Toilets	C	0.00	0.00	0.00	0.00	0.00	C
Other	C	0.00	4,200.00	0.00	0.00	4,200.00	1
Major Electrical:							
List:		0.00	0.00	0.00	0.00	0.00	
Other:		0.00	0.00	0.00	0.00	0.00	
Structures:							
Windows	C	0.00	0.00	0.00	0.00	0.00	C
Screens	C	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	0.00	0.00	0.00	0.00	
Paving:							
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	
Landscape & Grounds:							
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	
Accessibility Features:							
List:		0.00	0.00	0.00	0.00	0.00	
Other:		0.00	0.00	0.00	0.00	0.00	
Automation Equipment:							
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	
Other:							
List:		0.00	1,383.25	0.00	0.00	1,383.25	
List:		0.00	0.00	0.00	0.00	0.00	
List:		0.00	0.00	0.00	0.00	0.00	
TOTAL CAPITAL EXPENSES:	15	17,040.00	12,326.30	0.00	0.00	12,326.30	8

Yardi Classic Addendum Page

**WINDER APARTMENTS, LTD.
(A LIMITED PARTNERSHIP)
WINDER, GEORGIA**

FINANCIAL AND COMPLIANCE REPORTS

AS OF DECEMBER 31, 2016 AND 2015

**WINDER APARTMENTS, LTD.
(A LIMITED PARTNERSHIP)**

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Henderson & Godbee, LLP

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Members of American Institute of Certified Public Accountants • Georgia Society of Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Partners
Winder Apartments, Ltd.
(A Limited Partnership)
Valdosta, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of Winder Apartments, Ltd. (a Limited Partnership), USDA, RD No: 10-007-673467266 which comprises 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness

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of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

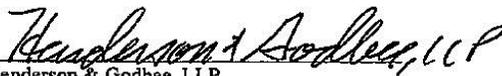
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Winder Apartments, Ltd. as of December 31, 2016 and 2015, and the results of its operations, partners' (deficit), and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information shown on pages 17-18 and 25-34 is presented for purposes of additional analysis as required by the *Multi Family Housing Asset Management Handbook* issued by the U.S. Department of Agriculture Rural Development, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Report Issued in Accordance with *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated February 10, 2017 on our consideration of Winder Apartments, Ltd.'s internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Winder Apartments, Ltd.'s internal control over financial reporting and compliance.


Henderson & Godbee, LLP
Certified Public Accountants
Valdosta, Georgia
February 10, 2017

WINDER APARTMENTS, LTD.
(A LIMITED PARTNERSHIP)
BALANCE SHEETS
DECEMBER 31, 2016 AND 2015

	2016	2015
ASSETS		
Current Assets		
Cash	\$ 83,927	\$ 99,375
Accounts receivable - tenants	830	485
Due from general partner	1,000	1,000
Total Current Assets	85,757	100,860
Restricted Deposits and Funded Reserves		
Escrow-tenants' security deposits	9,155	10,932
Escrow-replacement reserve	27,254	23,039
Escrow-tax reserve	22,322	25,434
Total Restricted Deposits and Funded Reserves	58,731	59,405
Property, Plant and Equipment		
Property, plant and equipment, at cost	2,370,442	2,370,442
Accumulated depreciation	(1,703,582)	(1,627,309)
Net Property, Plant and Equipment	666,860	743,133
Total Assets	\$ 811,348	\$ 903,398

The accompanying notes are an integral part of these financial statements.

**WINDER APARTMENTS, LTD.
(A LIMITED PARTNERSHIP)
BALANCE SHEETS
DECEMBER 31, 2016 AND 2015**

	2016	2015
LIABILITIES AND PARTNERS' (DEFICIT)		
Current Liabilities		
Current maturities of long-term debt	\$ 17,729	\$ 16,249
Accounts payable	1,836	1,265
Total Current Liabilities	19,565	17,514
Deposits and Prepayment Liabilities		
Tenants' security deposits	9,155	10,932
Total Deposits and Prepayment Liabilities	9,155	10,932
Long-Term Liabilities		
Notes payable, general partners	29,700	29,700
Mortgage payable, less current maturities	1,254,350	1,272,079
Total Long-Term Liabilities	1,284,050	1,301,779
Total Liabilities	1,312,770	1,330,225
Partners' (Deficit)		
Partners' (Deficit)	(501,422)	(426,827)
Total Liabilities And Partners' (Deficit)	\$ 811,348	\$ 903,398

The accompanying notes are an integral part of these financial statements.

WINDER APARTMENTS, LTD.
(A LIMITED PARTNERSHIP)
STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
Revenues		
Gross potential rental income	\$ 262,985	\$ 254,747
Less: vacancy loss	(11,855)	(5,311)
Net rental income	<u>251,130</u>	<u>249,436</u>
Other income	<u>3,639</u>	<u>3,126</u>
Total Revenues	<u>254,769</u>	<u>252,562</u>
Expenses		
Operating and maintenance	99,938	63,853
Utilities	41,398	37,320
Administrative	59,908	55,502
Taxes and insurance	<u>19,092</u>	<u>16,572</u>
Total Operating Expenses	<u>220,336</u>	<u>173,247</u>
Net Operating Income	<u>34,433</u>	<u>79,315</u>
Non-Operating Expenses		
Interest subsidy income	(82,896)	(79,614)
Interest subsidy expense	112,087	113,444
Depreciation and amortization	<u>76,273</u>	<u>76,273</u>
Total Non-Operating Expenses	<u>105,464</u>	<u>110,103</u>
Net (Loss)	<u>\$ (71,031)</u>	<u>\$ (30,788)</u>

The accompanying notes are an integral part of these financial statements.

WINDER APARTMENTS, LTD.
(A LIMITED PARTNERSHIP)
STATEMENTS OF PARTNERS' (DEFICIT)
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016	2015
Limited Partners' (Deficit)		
Balance, January 1	\$ (388,563)	\$ (356,301)
Distributions	(1,782)	(1,782)
Net (Loss)	(70,321)	(30,480)
Balance, December 31	\$ (460,666)	\$ (388,563)
 General Partner's (Deficit)		
Balance, January 1	\$ (38,264)	\$ (36,174)
Distributions	(1,782)	(1,782)
Net (Loss)	(710)	(308)
Balance, December 31	\$ (40,756)	\$ (38,264)
 Total Partners' (Deficit)		
Balance, January 1	\$ (426,827)	\$ (392,475)
Distributions	(3,564)	(3,564)
Net (Loss)	(71,031)	(30,788)
Balance, December 31	\$ (501,422)	\$ (426,827)

The accompanying notes are an integral part of these financial statements.

WINDER APARTMENTS, LTD.
(A LIMITED PARTNERSHIP)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016	2015
Cash Flows From Operating Activities		
Net (Loss)	\$ (71,031)	\$ (30,788)
Adjustments To Reconcile Net (Loss) To Net Cash		
Provided By Operating Activities:		
Depreciation and amortization	76,273	76,273
Changes In Operating Assets And Liabilities:		
Accounts receivable	(345)	(373)
Security deposits	1,777	120
Replacement reserve	(4,215)	(2,085)
Tax reserve	3,112	(5,046)
Accounts payable	571	192
Tenants' security deposits	(1,777)	(120)
Total Adjustments	75,396	68,961
Net Cash Provided By Operating Activities	4,365	38,173
Cash Flows From Financing Activities		
Principal payments on long-term debt	(16,249)	(14,892)
Distributions	(3,564)	(3,564)
Net Cash (Used In) Financing Activities	(19,813)	(18,456)
Net Increase (Decrease) In Cash	(15,448)	19,717
Cash, Beginning Of Year	99,375	79,658
Cash, End Of Year	\$ 83,927	\$ 99,375

The accompanying notes are an integral part of these financial statements.

**WINDER APARTMENTS, LTD.
(A LIMITED PARTNERSHIP)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

	2016	2015
Supplemental Disclosures Of Cash Flow Information:		
Cash Paid During The Year For:		
Interest expense	\$ 112,087	\$ 113,444
Less: subsidized portion	(82,896)	(79,614)
Interest paid, net of subsidy	\$ 29,191	\$ 33,830

The accompanying notes are an integral part of these financial statements.

WINDER APARTMENTS, LTD.
(A LIMITED PARTNERSHIP)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

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 Winder Apartments, Ltd., was formed as a limited partnership under the laws of the State of Georgia on February 2, 1989, to develop, own and operate a 48-unit rental housing project for persons of low and moderate income in the community. The partnership agreement was amended and restated, effective November 13, 1989, to admit a new limited partner, Gateway Tax Credit Fund II, Ltd., (a Florida limited partnership), and retain as the general partner, North Georgia Housing Partnership, Inc. This 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 September 30, 2008, the partnership agreement was amended to permit the withdrawal of the existing Limited Partner and to admit David Brown and Jerry Bishop as the new Limited Partners.

Effective January 1, 2016, the partnership agreement was amended to transfer Jerry Bishop's limited partnership interest to David Brown.

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.

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.

WINDER APARTMENTS, LTD.
(A LIMITED PARTNERSHIP)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 \$830 and \$485, 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 \$580 and \$131, respectively.

WINDER APARTMENTS, LTD.
(A LIMITED PARTNERSHIP)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

NOTE 2 – RESTRICTED CASH AND ESCROW ACCOUNTS

Replacement Reserve

	<u>2016</u>	<u>2015</u>
Annual funding required by loan agreement	\$ 14,405	\$ 14,405
Actual funding including interest income	\$ 21,412	\$ 14,412
Withdrawals approved by Rural Development Operating and maintenance expenses	\$ 17,197	\$ 12,327
Reserve balance at year end	\$ 27,254	\$ 23,039
Fully funded balance per loan agreement	(117,283)	(114,491)
Excess	\$ 144,537	\$ 137,530

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	\$ 9,155	\$ 10,932
Tenant security deposits payable	9,155	10,932
Excess (Deficit)	\$ -	\$ -

**WINDER APARTMENTS, LTD.
(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 insure 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	\$ 22,322	\$ 25,434
Accrued or unpaid taxes and insurance	-	-
Excess	<u>\$ 22,322</u>	<u>\$ 25,434</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		\$ 73,500	\$ 73,500
Buildings	30 Years	2,232,942	2,232,942
Equipment	10 Years	<u>64,000</u>	<u>64,000</u>
Total		2,370,442	2,370,442
Less: Accumulated depreciation		<u>(1,703,582)</u>	<u>(1,627,309)</u>
Net Property, Plant and Equipment		<u>\$ 666,860</u>	<u>\$ 743,133</u>

Property, plant and equipment is pledged as collateral on long-term debt. Depreciation expense aggregated \$76,273 and \$76,273 for the years ended December 31, 2016 and 2015.

WINDER APARTMENTS, LTD.
(A LIMITED PARTNERSHIP)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

NOTE 4 – ACCOUNTS PAYABLE

The following is a list of accounts payable at December 31:

	2016	2015
Office supplies	\$ -	\$ 349
Utilities and telephone	1,159	800
Outside services	-	116
Repairs and maintenance	677	-
	\$ 1,836	\$ 1,265

NOTE 5 – LONG-TERM INDEBTEDNESS

Long-term indebtedness consists of the following at December 31:

	2016	2015
USDA, RD, made March 9, 1990, 8.75%, due in 599 monthly installments, secured by land, buildings and equipment with an original cost of \$1,762,725.	\$ 1,272,079	\$ 1,288,328
Less current maturities	(17,729)	(16,249)
Long-term portion	\$ 1,254,350	\$ 1,272,079

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.

Maturities of long-term debt as of December 31, 2016, for the succeeding five years are as follows:

Year		\$	
2017		17,729	
2018		19,344	
2019		21,106	
2020		23,029	
2021		25,127	

Winder Apartments, Ltd. incurred interest costs of \$112,087 and \$113,444 for the years ended December 31, 2016 and 2015, respectively, all of which was properly charged to expense.

**WINDER APARTMENTS, LTD.
(A LIMITED PARTNERSHIP)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

NOTE 6 – 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	\$ (71,031)	\$ (30,788)
Book depreciation (less than) tax depreciation	<u>(18,306)</u>	<u>(8,046)</u>
Partnership (Loss) per tax return	<u>\$ (89,337)</u>	<u>\$ (38,834)</u>

NOTE 7 – 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 Winder Apartments, Ltd. The partnership paid Investors Management Company, Inc. management fees of \$26,743 and \$26,150 for the years ended December 31, 2016 and 2015, respectively.

General Partners

The general partners advanced \$29,700, 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 the property insurance to the project. The partnership paid CJ Thomas Company, Inc. insurance fees of \$9,631 and \$9,623 for the years ended December 31, 2016 and 2015, respectively.

**WINDER APARTMENTS, LTD.
(A LIMITED PARTNERSHIP)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

NOTE 8 – PARTNERSHIP PROFITS, LOSSES AND DISTRIBUTIONS

Profits or losses from operations are allocated 99% to the Limited Partner and 1% to the General Partner. Tax credits are to be allocated 99% to the Limited Partner and 1% 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 \$3,564, which is 8% of the borrowers' initial capital investment required by USDA, RD.

NOTE 9 – CONCENTRATION OF CREDIT RISK – CASH IN BANKS

Winder Apartments, Ltd. maintains its cash accounts at one bank in Valdosta, Georgia. Accounts at the 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:

	2016	2015
Total cash in bank	\$ 142,558	\$ 158,680
Portion insured by FDIC	142,558	158,680
Uninsured cash balances	\$ -	\$ -

NOTE 10 – 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 11 – 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.

**WINDER APARTMENTS, LTD.
(A LIMITED PARTNERSHIP)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

NOTE 12 – CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS

The Partnership's sole asset is Rock Springs 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 13 – SUBSEQUENT EVENTS

Subsequent events were evaluated through February 10, 2017, which is the date the financial statements were available to be issued.

**WINDER APARTMENTS, LTD.
(A LIMITED PARTNERSHIP)
SUPPLEMENTAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2016**

1. Management Fee Calculation

The management fee is based on a fee per unit occupied by tenants during the month.

Total Qualified Units (48 * 1 month)	48
Less: Rent Free Units	-
Vacancies	<u>(1)</u>
Total Occupied Units	47
Fee Per Unit (Effective February, 2015)	<u>\$ 46.00</u>
Management fees January 2016	<u>2,162</u>
Total Qualified Units (48 * 11 months)	528
Less: Rent Free Units	-
Vacancies	<u>(5)</u>
Total Occupied Units	523
Fee Per Unit (Effective February, 2016)	<u>\$ 47.00</u>
Management fees February through December 2016	<u>24,581</u>
Management Fee Expense	<u><u>\$ 26,743</u></u>

2. Insurance Disclosure

The Partnership maintains Insurance coverage as follows:

	Deductible	Coverage
Property Coverage on Buildings	\$ 1,000	\$ 3,840,000
Comprehensive Business Liability	-	2,000,000
Fidelity / Employee Dishonesty	5,000	500,000

**WINDER APARTMENTS, LTD.
(A LIMITED PARTNERSHIP)
SUPPLEMENTAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2016**

3. Return to Owner

In accordance with the Loan Agreement, the annual return to owner is as follows:

Maximum Return to Owner (See Note 8)	<u>\$ 3,564</u>
Budget Return to Owner	<u>\$ 3,564</u>
Return to Owner Paid:	
General Partner Distribution	\$ 1,782
Limited Partner Distribution	1,782
	<u>\$ 3,564</u>



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M. Allison Hutchins, CPA

**Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards***

To the Partners of
Winder Apartments, Ltd.
Valdosta, Georgia

USDA Rural Development
Servicing Office
Monroe, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Winder Apartments, Ltd. which comprise the balance sheet as of December 31, 2016, and the related statements of income, changes in partner's (deficit), and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 10, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Winder Apartments, Ltd.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Winder Apartments, Ltd.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Winder Apartments, Ltd.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A

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significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Winder Apartments, Ltd.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Winder Apartments, Ltd.'s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Winder Apartments, Ltd.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Henderson & Godbee, LLP
Certified Public Accountants
Valdosta, Georgia

February 10, 2017

**WINDER APARTMENTS, LTD.
(A LIMITED PARTNERSHIP)
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2016**

Current Year Findings

There were no findings this year.

Status Of Prior Year Findings

There were no findings for the prior year.

AUDITEE'S COMMENTS ON PRIOR AUDIT RESOLUTION MATTERS RELATED TO UNITED STATES DEPARTMENT OF AGRICULTURE RURAL DEVELOPMENT PROGRAMS

There are no significant unresolved findings from previous annual audits, physical inspections or management review reports during our audit of the 2016 financial statements. There were no compliance findings noted during our audit of the 2016 financial statements relating to physical inspections or management reviews for which the Partnership has not taken corrective action.



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Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Partners of
Winder Apartments, Ltd.
Valdosta, Georgia

And

United States Department of Agriculture
Rural Development
Monroe, Georgia

We have performed the procedures enumerated below, which were agreed to by the United States Department of Agriculture Rural Development ("RD") and Winder Apartments, Ltd. ("Owner") the owner of Rock Springs Apartments ("Project") located in Winder, 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

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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 340
Total Dollar Amount of Invoices in Population: \$193,593
Total Number of Invoices Reviewed: 15
Total Dollar Amount of Invoices Reviewed: \$38,836
Total Number of Invoices in Vendor Confirmation Sample: 1
Total Dollar Amount of Invoices in Vendor Confirmation Sample: \$30,790
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: 9
Total Number of Withdrawals Authorized by RD: 9
Total Dollar Amount of Reserve Account Withdrawals: \$17,197
Total Dollar Amount of Withdrawals Authorized by RD: \$17,197
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: \$26,743
Total Number of Invoices in Population: 12
Total Dollar Amount of Invoices in Population: \$26,743
Total Number of Invoices Reviewed: 12
Total Dollar Amount of Invoices Reviewed: \$26,743

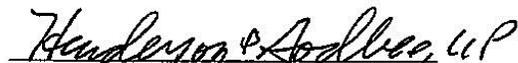
Company Name 2: Rural Housing Reinsurance Company International Ltd. (CJ Thomas Company, Inc.)

Total Dollar Amount for the Year: \$9,631
Total Number of Invoices in Population: 1
Total Dollar Amount of Invoices in Population: \$9,631
Total Number of Invoices Reviewed: 1
Total Dollar Amount of Invoices Reviewed: \$9,631

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 Winder Apartments, Ltd. 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 Winder Apartments, Ltd., 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 1 - BALANCE SHEET

PROJECT NAME	BORROWER NAME	BORROWER ID AND PROJECT NO.	
Rock Springs Apartments	Winder Apts., Ltd	10-007-673467266	
	CURRENT YEAR	PRIOR YEAR	COMMENTS
BEGINNING DATES>	01-01-16	01-01-15	
ENDING DATES>	12-31-16	12-31-15	
ASSETS			
CURRENT ASSETS			
1. GENERAL OPERATING ACCOUNT.....	83,927	99,375	
2. R.E. TAX & INSURANCE ACCOUNT.....	22,322	25,434	
3. RESERVE ACCOUNT.....	27,254	23,039	
4. SECURITY DEPOSIT ACCOUNT.....	9,155	10,932	
5. OTHER CASH (identify)			
6. OTHER (identify)			
7. TOTAL ACCOUNTS RECEIVABLE (Attach list)	830	485	
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. DUE FROM GENERAL PARTNER	1,000	1,000	
12. TOTAL CURRENT ASSETS (Add 1 thru 11)	144,488	160,265	
FIXED ASSETS			
13. LAND.....	73,500	73,500	
14. BUILDINGS.....	2,232,942	2,232,942	
15. LESS: ACCUMULATED DEPRECIATION.....	(1,639,582)	(1,563,309)	
16. FURNITURE & EQUIPMENT.....	64,000	64,000	
17. LESS: ACCUMULATED DEPRECIATION.....	(64,000)	(64,000)	
18.			
19. TOTAL FIXED ASSETS (Add 13 thru 18)	666,860	743,133	
OTHER ASSETS			
20.			
21. TOTAL ASSETS (Add 12, 19, and 20)	811,348	903,398	
LIABILITIES AND OWNERS EQUITY			
CURRENT LIABILITIES			
22. TOTAL ACCOUNTS PAYABLE (Attach list)	1,836	1,265	
ACCTS PAYABLE 0-30 DAYS \$			
ACCTS PAYABLE 30-60 DAYS \$			
ACCTS PAYABLE 60-90 DAYS \$			
ACCTS PAYABLE OVER 90 DAYS \$			
23. NOTES PAYABLEDeferred Revenue	-	-	
24. SECURITY DEPOSITS.....	9,155	10,932	
25. TOTAL CURRENT LIABILITIES (Add 22 thru 24) ...	10,991	12,197	

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.

The accompanying notes are an integral part of these financial statements.

LONG-TERM LIABILITIES

26. NOTES PAYABLE RURAL DEVELOPMENT	1,272,079	1,288,328	
27. OTHER (Identify) N/P General Partners	29,700	29,700	
28. TOTAL LONG-TERM LIABILITIES (Add 26 and 27)	1,301,779	1,318,028	
29. TOTAL LIABILITIES (Add 25 and 28)	1,312,770	1,330,225	
30. OWNER'S EQUITY (Net Worth) (21 minus 29)	(501,422)	(426,827)	
31. TOTAL LIABILITIES AND OWNER'S EQUITY (Add 29 and 30)	811,348	903,398	

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)

 (Title)

 (Date)

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)

 (Name and Title)

 (Address)

 (Date)

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.

The accompanying notes are an integral part of these financial statements.

WINDER APARTMENTS, LTD.
ATTACHMENT TO FORM RD 3560-10
DECEMBER 31, 2016 AND 2015

Page 25, Line 22

	<u>2016</u>	<u>2015</u>
Office supplies	\$ -	\$ 349
Utilities and telephone	1,159	800
Outside services	-	116
Repairs and maintenance	<u>677</u>	<u>-</u>
	<u>\$ 1,836</u>	<u>\$ 1,265</u>

The accompanying notes are an integral part of these financial statements.

**MULTIPLE FAMILY HOUSING PROJECT BUDGET/
UTILITY ALLOWANCE**

PROJECT NAME Rock Springs Apartments		BORROWER NAME Winder Apartments, Ltd, Lp		BORROWER ID AND PROJECT NO. 873467266 011	
Loan/Transfer Amount \$ 1,440,450.00		Note Rate Payment \$ 10,694.67		IC Payment \$ 3,071.25	
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 checked="" type="checkbox"/> Family <input 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 30 units of RA. Current number of RA units 0 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 - 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)
OPERATIONAL CASH SOURCES					
1. RENTAL INCOME		254,400.00	251,129.99	263,040.00	48 rev prod u
2. RHS RENTAL ASSISTANCE RECEIVED			0.00		
3. APPLICATION FEES RECEIVED			420.00		
4. LAUNDRY AND VENDING		0.00	0.00	0.00	
5. INTEREST INCOME		0.00	0.00	0.00	
6. TENANT CHARGES		2,500.00	3,219.09	2,000.00	
7. OTHER - PROJECT SOURCES		0.00	0.00	0.00	
8. LESS (Vacancy and Contingency Allowance)		(12,720.00)		(13,152.00)	5%
9. LESS (Agency Approved Incentive Allowance)		(0.00)		(0.00)	
10. SUB-TOTAL [(1 thru 7) - (8 & 9)]		244,180.00	254,769.08	251,888.00	
NON-OPERATIONAL CASH SOURCES					
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		19,640.00	17,197.77	19,640.00	
14. SUB-TOTAL (11 thru 13)		19,640.00	17,197.77	19,640.00	
15. TOTAL CASH SOURCES (10+14)		263,820.00	271,966.85	271,528.00	
OPERATIONAL CASH USES					
16. TOTAL O&M EXPENSES (From Part II)		179,827.00	203,139.49	186,302.00	
17. RHS DEBT PAYMENT		36,855.00	36,855.00	36,855.00	
18. RHS PAYMENT (Overage)			8,585.00		
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		21,405.00	21,412.00	21,405.00	
23. RETURN TO OWNER NP ASSET MANAGEMENT FEE		3,564.00	3,564.00	3,564.00	2015 RTO paid
24. SUB-TOTAL (16 thru 23)		241,651.00	273,555.49	248,126.00	
NON-OPERATIONAL CASH USES					
25. AUTHORIZED DEBT PAYMENT (Non-RHS)		0.00	0.00	0.00	
26. ANNUAL CAPITAL BUDGET (From Part III, Lines 4-6)		19,640.00	17,197.77	19,640.00	
27. MISCELLANEOUS		0.00	0.65	0.00	Rounding
28. SUB-TOTAL (25 thru 27)		19,640.00	17,198.42	19,640.00	
29. TOTAL CASH USES (24+28)		261,291.00	290,753.91	267,766.00	
30. NET CASH (DEFICIT) (15-29)		2,529.00	-18,787.06	3,762.00	
CASH BALANCE					
31. BEGINNING CASH BALANCE		30,645.45	124,809.46	33,174.45	
32. ACCRUAL TO CASH ADJUSTMENT			226.55		Adjust to accru
33. ENDING CASH BALANCE (30+31+32)		33,174.45	105,248.95	36,936.45	

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 0375-0189. 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	13,000.00	13,524.60	13,500.00	
2. MAINTENANCE AND REPAIRS SUPPLY	16,000.00	18,344.77	16,000.00	Increased main
3. MAINTENANCE AND REPAIRS CONTRACT	0.00	32,415.00	0.00	
4. PAINTING	2,000.00	2,356.07	4,400.00	
5. SNOW REMOVAL	0.00	0.00	0.00	
6. ELEVATOR MAINTENANCE/CONTRACT	0.00	0.00	0.00	
7. GROUNDS	12,280.00	12,333.58	12,280.00	984/M + 500
8. SERVICES	2,887.00	3,596.00	2,887.00	151/M PestCon
9. ANNUAL CAPITAL BUDGET (From Part V - Operating)	0.00	0.00	0.00	
10. OTHER OPERATING EXPENSES (Itemize)	200.00	170.35	200.00	UA calc fees
11. SUB-TOTAL MAINT. & OPERATING (1 thru 10)	46,367.00	82,740.37	49,267.00	
12. ELECTRICITY <input type="checkbox"/> If master metered	4,900.00	4,741.31	5,100.00	
13. WATER <input type="checkbox"/> check box on	22,000.00	16,754.70	22,000.00	
14. SEWER <input type="checkbox"/> front	10,500.00	9,259.73	10,500.00	
15. FUEL (Oil/Coal/Gas)	0.00	0.00	0.00	
16. GARBAGE & TRASH REMOVAL	8,000.00	9,421.67	9,000.00	
17. OTHER UTILITIES	0.00	1,219.80	0.00	
18. SUB-TOTAL UTILITIES (12 thru 17)	45,400.00	41,397.21	46,600.00	
19. SITE MANAGEMENT PAYROLL	14,840.00	14,824.16	15,772.00	1231/M (3% inc)
20. MANAGEMENT FEE	27,072.00	26,743.00	28,224.00	\$49x48Ux12M
21. PROJECT AUDITING EXPENSE	4,000.00	3,880.00	4,000.00	
22. PROJECT BOOKKEEPING/ACCOUNTING	0.00	0.00	0.00	
23. LEGAL EXPENSES	500.00	2,238.50	600.00	
24. ADVERTISING	300.00	580.00	500.00	
25. TELEPHONE & ANSWERING SERVICE	1,700.00	2,096.33	1,800.00	
26. OFFICE SUPPLIES	2,600.00	2,653.33	3,000.00	
27. OFFICE FURNITURE & EQUIPMENT	1,323.00	1,727.85	1,320.00	\$79/M CompSt
28. TRAINING EXPENSE	1,207.00	855.32	1,213.00	
29. HEALTH INS. & OTHER EMP. BENEFITS	700.00	684.87	700.00	
30. PAYROLL TAXES	3,100.00	2,399.29	3,000.00	
31. WORKER'S COMPENSATION	1,000.00	775.72	1,000.00	
32. OTHER ADMINISTRATIVE EXPENSES (Itemize)	300.00	452.00	300.00	Property tax co
33. SUB-TOTAL ADMINISTRATIVE (19 thru 32)	58,842.00	59,910.37	61,429.00	
34. REAL ESTATE TAXES	18,700.00	9,260.54	18,000.00	
35. SPECIAL ASSESSMENTS	0.00	0.00	0.00	
36. OTHER TAXES, LICENSES & PERMITS	100.00	200.00	100.00	reg fee
37. PROPERTY & LIABILITY INSURANCE	10,368.00	9,631.00	10,656.00	222/U (3% inc)
38. FIDELITY COVERAGE INSURANCE	0.00	0.00	0.00	
39. OTHER INSURANCE	250.00	0.00	250.00	EPL
40. SUB-TOTAL TAXES & INSURANCE (34 thru 39)	29,418.00	19,091.54	29,006.00	
41. TOTAL O&M EXPENSES (11+18+33+40)	179,827.00	203,139.48	186,302.00	

PART III—ACCOUNT BUDGETING/STATUS

	CURRENT BUDGET	ACTUAL	PROPOSED BUDGET	COMMENTS or (YTD)
RESERVE ACCOUNT:				
1. BEGINNING BALANCE	16,555.00	23,039.48	18,320.00	
2. TRANSFER TO RESERVE	21,405.00	21,412.00	21,405.00	\$1201/M + 7k i
TRANSFER FROM RESERVE				
3. OPERATING DEFICIT	0.00	0.00	0.00	
4. ANNUAL CAPITAL BUDGET (Part V - Reserve)	19,640.00	17,197.77	19,640.00	
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)	(19,640.00)	(17,197.77)	(19,640.00)	
8. ENDING BALANCE [(1+2)-7]	18,320.00	27,253.71	20,085.00	

GENERAL OPERATING ACCOUNT:*

BEGINNING BALANCE	99,375.48	
ENDING BALANCE	83,926.51	

REAL ESTATE TAX AND INSURANCE ESCROW ACCOUNT:*

BEGINNING BALANCE	25,433.98	
ENDING BALANCE	22,322.44	

TENANT SECURITY DEPOSIT ACCOUNT:*

BEGINNING BALANCE	10,932.00	
ENDING BALANCE	9,165.00	

(*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	16	429.00	596.00	0.00	82,368.00	114,432.00	0.00	72.00
2	N	32	448.00	637.00	0.00	172,032.00	244,608.00	0.00	86.00
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:						254,400.00	359,040.00	0.00	
						BASIC	NOTE	HUD	

B. PROPOSED RENTS - Effective Date: 12 / 31 / 16

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	16	444.00	611.00	0.00	85,248.00	117,312.00	0.00	
2	N	32	463.00	652.00	0.00	177,792.00	250,368.00	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:						263,040.00	367,680.00	0.00	
						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	16	72.00	0.00	0.00	0.00	0.00	0.00	72.00
2	N	32	86.00	0.00	0.00	0.00	0.00	0.00	86.00
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
Appliances:							
Range	4	940.00	384.24	0.00	0.00	384.24	1
Refrigerator	4	1,500.00	1,030.51	0.00	0.00	1,030.51	2
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
Carpet & Vinyl:							
1BR	3	6,000.00	2,612.98	0.00	0.00	2,612.98	1
2BR	3	6,000.00	4,893.69	0.00	0.00	4,893.69	2
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
Cabinets:							
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
Doors:							
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
Window Coverings:							
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
Heating & Air Conditioning:							
Heating	0	0.00	0.00	0.00	0.00	0.00	0
Air Conditioning	2	5,200.00	7,736.00	0.00	0.00	7,736.00	3
Other:	0	0.00	0.00	0.00	0.00	0.00	0
Plumbing:							
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
Major Electrical:							
List:		0.00	0.00	0.00	0.00	0.00	
Other:		0.00	0.00	0.00	0.00	0.00	
Structures:							
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	0.00	0.00	0.00	0.00	
Paving:							
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	
Landscape & Grounds:							
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	
Accessibility Features:							
List:		0.00	0.00	0.00	0.00	0.00	
Other:		0.00	0.00	0.00	0.00	0.00	
Automation Equipment:							
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	
Other:							
List:		0.00	540.35	0.00	0.00	540.35	
List:		0.00	0.00	0.00	0.00	0.00	
List:		0.00	0.00	0.00	0.00	0.00	
TOTAL CAPITAL EXPENSES:	16	19,640.00	17,197.77	0.00	0.00	17,197.77	9

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. Actual transfers from 1% reserve were 12% under the budgeted amount primarily due to less flooring replacement than budgeted.

Line 23. The RTO paid in 2014 was the 2013 RTO.

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Line 11. Actual Maintenance and Operating Expenses were 78% over budget primarily due to an invoice for \$32,415 to repair the damaged driveway.

Line 18. Actual Utilities were 9% less than budget.

Line 33. Actual Administrative Expenses were 2% over budget.

Line 40. Actual Tax & Insurance Expense was less than budgeted due to a lower property tax bill than budgeted.

Rock Springs 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
Appliances:							
Range	4	940.00	384.24	0.00	0.00	384.24	1
Refrigerator	4	1,500.00	1,030.51	0.00	0.00	1,030.51	2
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
Carpet & Vinyl:							
1BR	3	6,000.00	2,612.98	0.00	0.00	2,612.98	1
2BR	3	6,000.00	4,893.68	0.00	0.00	4,893.68	2
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
Cabinets:							
Kitchens	0	0.00	0.00	0.00	0.00	0.00	0
Ballrooms	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
Doors:							
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
Window Coverings:							
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
Heating & Air Conditioning:							
Heating	0	0.00	0.00	0.00	0.00	0.00	0
Air Conditioning	2	5,200.00	7,736.00	0.00	0.00	7,736.00	3
Other:	0	0.00	0.00	0.00	0.00	0.00	0
Plumbing:							
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
Major Electrical:							
List:		0.00	0.00	0.00	0.00	0.00	
Other:		0.00	0.00	0.00	0.00	0.00	
Structures:							
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	
Paving:							
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	
Landscape & Grounds:							
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	
Accessibility Features:							
List:		0.00	0.00	0.00	0.00	0.00	
Other:		0.00	0.00	0.00	0.00	0.00	
Automation Equipment:							
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	
Other:							
List:		0.00	540.35	0.00	0.00	540.35	
List:		0.00	0.00	0.00	0.00	0.00	
List:		0.00	0.00	0.00	0.00	0.00	
TOTAL CAPITAL EXPENSES:	16	19,640.00	17,197.77	0.00	0.00	17,197.77	9

Yardi Classic Addendum Page

The accompanying notes are an integral part of these financial statements.

**Balance Sheet (Cash)
Rock Springs - (500)
April 2017**

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CURRENT ASSETS

CASH

1010.0 Petty Cash	100.00
1020.0 CDA-Checking	678.81
1021.0 Operating-Checking	95,560.06
1030.0 Tax & Insurance Reserve	15,578.44
1040.0 Replacement Reserve	30,505.93
TOTAL CASH	<u>142,423.24</u>

1130.0 A/R Tenants	830.11
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FIXED ASSETS

2010.0 Land	73,500.00
2030.0 Buildings	2,232,941.58
2050.0 Equipment	64,000.00
2110.0 Accumulated Depreciation-Buildings	-1,639,582.08
2120.0 Accumulated Depreciation-Furniture & Fixt	-64,000.00
TOTAL FIXED ASSETS	<u>666,859.50</u>

OTHER ASSETS

2510.0 Security Deposits-Checking	9,040.00
2535.0 Due From North GA Housing	1,000.00
TOTAL OTHER ASSETS	<u>10,040.00</u>

TOTAL ASSETS	<u>820,152.85</u>
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LIABILITIES & CAPITAL

CURRENT LIABILITIES

3021.0 Security Deposits Payable	9,040.00
3028.0 Accounts Payable	1,836.39
TOTAL CURRENT LIABILITIES	<u>10,876.39</u>

LONG TERM LIABILITIES

4020.0 Mortgage Payable	1,272,079.18
4080.0 Note Payable-2% Funds	29,700.00
TOTAL LONG TERM LIABILITIES	<u>1,301,779.18</u>

TOTAL LIABILITIES	<u>1,312,655.57</u>
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CAPITAL

5006.0 Return To Owners	-3,564.00
5020.0 General Partners Equity	-38,264.00
5030.0 Retained Earnings	-62,111.72
5040.0 Limited Partners Equity	-388,563.00
TOTAL CAPITAL	<u>-492,502.72</u>

TOTAL LIABILITIES & CAPITAL	<u>820,152.85</u>
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**Budget Comparison (Cash)
Rock Springs - (500)
April 2017**

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	MTD Actual	MTD Budget	\$ Var.	% Var.	YTD Actual	YTD Budget	\$ Var.	% Var.	Annual
INCOME									
RENT INCOME									
6010.0 Income-Rent	22,689.82	21,920.00	769.82	3.51	88,776.91	87,680.00	1,096.91	1.25	263,040.00
TOTAL RENT INCOME	22,689.82	21,920.00	769.82	3.51	88,776.91	87,680.00	1,096.91	1.25	263,040.00
OTHER INCOME									
6015.0 Income-Application Fee	30.00	0.00	30.00	0	150.00	0.00	150.00	0	0.00
6018.0 Tenant Charges/Damag	0.00	20.83	-20.83	-100.0	35.00	83.32	-48.32	-57.99	250.00
6029.0 Income-Cleaning & Rep	0.00	20.83	-20.83	-100.0	90.00	83.32	6.68	8.02	250.00
6030.0 Income-Late Fees	66.00	83.33	-17.33	-20.80	509.00	333.32	175.68	52.71	1,000.00
6031.0 Forfeited Security Depo	0.00	20.83	-20.83	-100.0	0.00	83.32	-83.32	-100.0	250.00
6033.0 Income-Miscellaneous	0.00	20.83	-20.83	-100.0	0.00	83.32	-83.32	-100.0	250.00
TOTAL OTHER INCOME	96.00	166.65	-70.65	-42.39	784.00	666.60	117.40	17.61	2,000.00
TOTAL INCOME	22,785.82	22,086.65	699.17	3.17	89,560.91	88,346.60	1,214.31	1.37	265,040.00
OFFSETS TO INCOME									
7100.0 Vacancy Allowance	0.00	-1,096.00	1,096.00	100.0	0.00	-4,384.00	4,384.00	100.0	-13,152.00
7300.0 Rural Development Ove	-766.00	0.00	-766.00	0	-2,645.00	0.00	-2,645.00	0	0.00
TOTAL OFFSETS	-766.00	-1,096.00	330.00	30.11	-2,645.00	-4,384.00	1,739.00	39.67	-13,152.00
TOTAL INCOME AFTER O	22,019.82	20,990.65	1,029.17	4.90	86,915.91	83,962.60	2,953.31	3.52	251,888.00
OPERATING EXPENSES									
OPERATING & MAINTENANCE									
MAINTENANCE & REPAIRS PAYR									
8045.0 Payroll-Maintenance Pe	1,354.17	1,125.00	-229.17	-20.37	5,024.94	4,500.00	-524.94	-11.67	13,500.00
TOTAL MAINTENANCE & RE	1,354.17	1,125.00	-229.17	-20.37	5,024.94	4,500.00	-524.94	-11.67	13,500.00
MAINTENANCE & REPAIRS SUP									
8075.0 R&M Building Supplies	128.37	333.33	204.96	61.49	1,139.49	1,333.32	193.83	14.54	4,000.00
8080.0 R&M-Heating & Air Sup	751.69	333.33	-418.36	-125.5	1,845.95	1,333.32	-512.63	-38.45	4,000.00
8085.0 R&M-Plumbing Supplie	44.27	333.33	289.06	86.72	157.83	1,333.32	1,175.49	88.16	4,000.00
8090.0 R&M-Appliance Supplie	15.79	333.33	317.54	95.26	232.40	1,333.32	1,100.92	82.57	4,000.00
TOTAL MAINTENANCE & RE	940.12	1,333.32	393.20	29.49	3,375.67	5,333.28	1,957.61	36.71	16,000.00
UNIT TURNS									
8135.0 Paint/Clean/Clean Carp	0.00	366.67	366.67	100.0	244.06	1,466.68	1,222.62	83.36	4,400.00
TOTAL UNIT TURNS	0.00	366.67	366.67	100.0	244.06	1,466.68	1,222.62	83.36	4,400.00
GROUNDS									
8160.0 Monthly Contracted Gr	828.00	981.67	153.67	15.65	3,312.00	3,926.68	614.68	15.65	11,780.00
8175.0 Grounds Supplies	0.00	41.67	41.67	100.0	0.00	166.68	166.68	100.0	500.00
TOTAL GROUNDS	828.00	1,023.34	195.34	19.09	3,312.00	4,093.36	781.36	19.09	12,280.00
PEST CONTROL									
8195.0 Pest Control Service	601.00	151.00	-450.00	-298.0	1,054.00	604.00	-450.00	-74.50	2,312.00
8200.0 Termite Service/Bond	0.00	0.00	0.00	0	135.00	135.00	0.00	0.00	575.00
TOTAL PEST CONTROL	601.00	151.00	-450.00	-298.0	1,189.00	739.00	-450.00	-60.89	2,887.00
OTHER OPERATING EXPENSES									
8220.0 Outside Services	0.00	16.67	16.67	100.0	0.00	66.68	66.68	100.0	200.00
TOTAL OTHER OPERATING	0.00	16.67	16.67	100.0	0.00	66.68	66.68	100.0	200.00
TOTAL OPERATING & MAIN	3,723.29	4,016.00	292.71	7.29	13,145.67	16,199.00	3,053.33	18.85	49,267.00
UTILITIES									
8255.0 Utilities-Electricity	392.10	425.00	32.90	7.74	1,634.83	1,700.00	65.17	3.83	5,100.00
8260.0 Utilities-Water	1,277.40	1,833.33	555.93	30.32	5,082.30	7,333.32	2,251.02	30.70	22,000.00
8265.0 Utilities-Sewer	770.94	875.00	104.06	11.89	3,065.82	3,500.00	434.18	12.41	10,500.00
8275.0 Utilities-Sanitation	924.35	750.00	-174.35	-23.25	3,693.99	3,000.00	-693.99	-23.13	9,000.00
8280.0 Utilities-Other Utilities	101.65	0.00	-101.65	0	426.15	0.00	-426.15	0	0.00
TOTAL UTILITIES	3,466.44	3,883.33	416.89	10.74	13,903.09	15,533.32	1,630.23	10.50	46,600.00

**Budget Comparison (Cash)
Rock Springs - (500)
April 2017**

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	MTD Actual	MTD Budget	\$ Var.	% Var.	YTD Actual	YTD Budget	\$ Var.	% Var.	Annual
ADMINISTRATIVE									
8310.0 Site Management Payro	328.10	1,231.00	902.90	73.35	2,240.36	4,924.00	2,683.64	54.50	15,772.00
8315.0 Management Fees	2,352.00	2,352.00	0.00	0.00	9,167.00	9,408.00	241.00	2.56	28,224.00
8320.0 Accounting/Auditing Fe	0.00	0.00	0.00	0	3,880.00	4,000.00	120.00	3.00	4,000.00
8325.0 Legal Expenses	0.00	50.00	50.00	100.0	-1,217.50	200.00	1,417.50	708.7	600.00
8330.0 Advertising	399.00	41.67	-357.33	-857.5	399.00	166.68	-232.32	-139.3	500.00
8335.0 Telephone	210.67	150.00	-60.67	-40.45	853.64	600.00	-253.64	-42.27	1,800.00
8340.0 Office Supplies	0.00	250.00	250.00	100.0	1,037.70	1,000.00	-37.70	-3.77	3,000.00
8350.0 Computer Equipment,	79.00	110.00	31.00	28.18	634.74	440.00	-194.74	-44.26	1,320.00
8355.0 Prospect Screening Ex	39.00	0.00	-39.00	0	251.35	0.00	-251.35	0	0.00
8360.0 Training Expenses	17.28	101.08	83.80	82.90	69.12	404.32	335.20	82.90	1,213.00
8361.0 Travel Expenses	654.31	0.00	-654.31	0	654.31	0.00	-654.31	0	0.00
8365.0 Group Health Insurance	23.26	29.17	5.91	20.26	93.04	116.68	23.64	20.26	350.00
8370.0 Retirement Plan Expen	41.37	29.17	-12.20	-41.82	149.24	116.68	-32.56	-27.91	350.00
8375.0 Payroll Taxes-FICA	99.80	225.00	125.20	55.64	605.40	900.00	294.60	32.73	2,700.00
8380.0 Unemployment Taxes	16.67	25.00	8.33	33.32	86.88	100.00	13.12	13.12	300.00
8385.0 Workmans Compensati	0.00	83.33	83.33	100.0	961.46	333.32	-628.14	-188.4	1,000.00
8390.0 Bank Charges/Fees	0.00	0.00	0.00	0	47.39	0.00	-47.39	0	0.00
8400.0 Late Charges/Fees	20.00	0.00	-20.00	0	80.00	0.00	-80.00	0	0.00
8405.0 Postage & Shipping	0.00	0.00	0.00	0	122.66	0.00	-122.66	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
TOTAL ADMINISTRATIVE	4,580.46	4,702.42	121.96	2.59	20,415.79	22,809.68	2,393.89	10.50	61,429.00
TAXES & INSURANCE									
8440.0 Taxes-Real Estate	0.00	0.00	0.00	0	0.00	0.00	0.00	0	18,000.00
8445.0 Licenses & Permits	0.00	8.33	8.33	100.0	150.00	33.32	-116.68	-350.1	100.00
8450.0 Property Insurance	0.00	0.00	0.00	0	9,544.00	10,656.00	1,112.00	10.44	10,656.00
8460.0 EPL Insurance	0.00	20.83	20.83	100.0	0.00	83.32	83.32	100.0	250.00
TOTAL TAXES & INSURANC	0.00	29.16	29.16	100.0	9,694.00	10,772.64	1,078.64	10.01	29,006.00
8510.0 Replacement Reserve P	1,201.00	1,200.42	-0.58	-0.05	11,804.00	11,801.68	-2.32	-0.02	21,405.00
TOTAL OPERATING EXPE	12,971.19	13,831.33	860.14	6.22	68,962.55	77,116.32	8,153.77	10.57	207,707.00
OPERATING INCOME BEFORE D	9,048.63	7,159.32	1,889.31	26.39	17,953.36	6,846.28	11,107.08	162.2	44,181.00
DEBT SERVICE									
8805.0 Rural Development Pay	3,071.25	3,071.25	0.00	0.00	12,285.00	12,285.00	0.00	0.00	36,855.00
TOTAL DEBT SERVICE	3,071.25	3,071.25	0.00	0.00	12,285.00	12,285.00	0.00	0.00	36,855.00
OPERATING INCOME AFTER DE	5,977.38	4,088.07	1,889.31	46.22	5,668.36	-5,438.72	11,107.08	204.2	7,326.00
REPLACEMENT RESERVE									
8910.0 1% Building Repair & I	1,980.85	1,000.00	-980.85	-98.09	5,073.72	4,000.00	-1,073.72	-26.84	12,000.00
8915.0 1% Equipment Repair &	2,988.00	636.67	-2,351.33	-369.3	3,478.06	2,546.68	-931.38	-36.57	7,640.00
TOTAL REPLACEMENT RES	4,968.85	1,636.67	-3,332.18	-203.6	8,551.78	6,546.68	-2,005.10	-30.63	19,640.00
8945.0 Reserve Payments Adjustm	-1,201.00	0.00	1,201.00	0	-11,804.00	0.00	11,804.00	0	0.00
NET	2,209.53	2,451.40	-241.87	-9.87	8,920.58	-11,985.40	20,905.98	174.4	-12,314.00



United States Department of Agriculture

Rural Development

Date November 22, 2016

Monroe Area Office

111 East Spring St.
Suite B
Monroe, GA 30655

Voice 706-267-1413
Fax 855-596-4589

Libby Flemming
Investors Management Company
Winder Apartments, Ltd / Rock Springs Apts.
3548 North Crossing Circle
Valdosta, GA 31602

Re: Winder Apartments, Ltd / Rock Springs Apts.

Ms. Flemming:

We are herewith attaching an approved MINC version of form RD 3560-7, Multi-Family Housing project budget for the 2017 proposed budget year. The management fee of \$49.00 is approved.

Thank you for the preparation of these documents.

Should you have any questions, please contact Wesley B. Sparks, Area Specialist at 770-267-1413 Ext 116.


Wesley B. Sparks
Area Specialist

Attachments

USDA is an equal opportunity provider and employer.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-8992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov.



United States Department of Agriculture

Rural Development

November 21, 2016

Monroe Area Office

111 East Spring St.
Suite B
Monroe, GA 30655

Voice 706-267-1413
Fax 655-596-4589

Libby Flemming
Investors Management Company
Winder Apartments, Ltd., LP Rock Springs
3548 North Crossing Circle
Valdosta, GA 31602

Winder Apartments, LTD., LP Rocksprings Apartments

Dear Ms. Flemming:

You are hereby notified that USDA Rural Development has reviewed the request for a change in shelter costs for Winder Apartments, Ltd / Rock Springs Apts and considered all justifications provided by project management and comments provided by tenants. Rural Development has approved the rental allowance rate listed below, effective January 01, 2017 through December 31, 2017.

The approved rent changes are as follows:

Unit Size	Present Rent		Approved Rent		Amount Changed
	Basic	Note Rate	Basic	Note Rate	
1 BR	\$429	\$596	\$444	\$611	\$15.00
2 BR	\$448	\$637	\$463	\$652	\$15.00

The utility allowance will be:

Unit Size	Present Rate	Approved Rate	Amount Changed
1 BR	\$72.00	\$ 72.00	\$0.00
2 BR	\$86.00	\$ 86.00	\$0.00

Should you have any questions or concerns, you may contact Rural Development. The Rural Development Servicing Office address is:

111 East Spring Street
Suite B
Monroe, Georgia 30655

USDA is an equal opportunity provider and employer.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov.

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

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

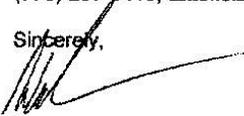
For those tenants receiving rental assistance (RA), their costs for rent and utilities will continue to be based on the higher of 30 percent of their adjusted monthly income or 10 percent of gross monthly income or if the household is receiving payments for public assistance from a public agency, the 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 must inform the tenants of their right to request an explanation of the rate change approval decision within 45 days of the date of this notice by writing to the State Director, Rural Development, 355 East Hancock Avenue, Athens, Georgia 30601-2768. All tenants are required to pay the changed amount of rent 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 changed rent.

If you have any questions concerning this letter, please feel free to contact Wesley Sparks at (770) 267-1413, Extension 116

Sincerely,



Wesley B. Sparks
Area Specialist

**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: Rock Springs Apartments Borrower Case# /Project ID: 01-1

City/State: Winder, Georgia

Acting on behalf of Winder Apartments Ltd., LP, 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): 1/1/2017-1/1/2026

(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.
- c. We will disburse management fees from project income only after:
 - (1) We have submitted this certification to Rural Development;
 - (2) Rural Development has approved the Agent to manage this project
- d. We understand that no fees may be earned or paid after Rural Development has terminated the Agreement
- e. If Rural Development notifies me of a management fee above that listed in HB-2-3560; Attachment 3-F the Agent will within 30 days of the notice either:
 - (1) Reduce the compensation to an amount Rural Development determines to be reasonable and
 - (2) Require the Agent to refund to the project all excessive fees collected, or
 - (3) Appeal the decision and abide by the results of the appeal process, making any required reductions and refunds within 30 days after the date of the decision letter on the appeal.

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

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0189. The time required to complete this information collection is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

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

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

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

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

- b. 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:

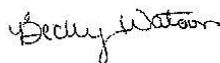
There are fines and imprisonment for anyone who makes false, fictitious, or fraudulent statements or entries in any matter within the jurisdiction of the Federal Government (18 U.S.C. 1001).

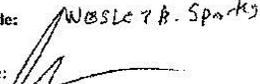
There are fines and imprisonment for anyone who misuses rents and proceeds in violation of Rural Development regulations relative to this project. (Section 543 of the Housing Act of 1949).

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).

By Project Borrower: Winder Apartments, Ltd., LP		
Name/Title: David A. Brown		
Signature:		Date: 09-01-2016

By Management Agent: Investors Management Company		
Name/Title: Becky Watson		
Signature:		Date: 09-01-2016

By Servicing Official:		
Name/Title: WESLEY B. Sparks		
Signature:		Date: 11/01/16

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT
RURAL HOUSING SERVICE
IDENTITY OF INTEREST DISCLOSURE/QUALIFICATION CERTIFICATE

SECTION I: TO BE COMPLETED BY ALL APPLICANTS/BORROWERS	
Applicant/Borrower Name: WINDER APARTMENTS, LTD., LP	Project Name: ROCK SPRINGS APARTMENTS
	Location: (Town, Country, State) WINDER, BARROW, GEORGIA

IDENTITY OF INTEREST STATEMENT

An Identity of Interest occurs:

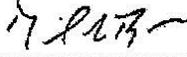
- (1) When there is any financial interest between the applicant/borrower and/or management entity and the supplying entity.
- (2) When one or more of the officers, directors, stockholders or partners of the applicant/borrower or management entity is also an officer, director, stockholder, or partner of the supplying entity.
- (3) When any officer, director, stockholder, or partner of the applicant (borrower and/or management entity) has 10 percent or more financial interest in the supplying entity.
- (4) When the supplying entity advances any funds to the applicant/borrower and/or management entity.
- (5) When the supplying entity provides or pays on behalf of the applicant/borrower and/or management entity the cost of any materials and/or services in connection with obligations under the management plan/management agreement.
- (6) When the supplying entity takes stock or any interest in the applicant/borrower and/or management entity as part of the consideration to be paid them.
- (7) When there exists or comes into being any side deals, agreements, contracts or understandings entered into thereby altering, amending, or canceling any of the management plan/management agreement documents, organization documents or other legal documents pertaining to the property, except as approved by the Agency.

I, David A. Brown (please print name), hereby certify that I have read the identity of interest statement above and understand what the USDA, Rural Development, Rural Housing Service (herein referred to as the Agency), has determined constitutes an identity of interest. I further certify that an identity of interest relationship exists and hereby disclose on the following page(s) of this qualification form those entities with which I **HAVE** an identity of interest relationship.

I hereby certify, under penalty of law*, and with knowledge that this information may be verified, that the information submitted is true and accurate. I further understand that failure to disclose any identity of interest to the Agency will also subject me to any administrative remedies available to the Agency. Such remedies may include suspension and debarment from participating in any Agency or Federal program.

I further understand and agree that I will update this Disclosure/Qualification Certificate if my circumstances change, and I agree to provide a new Disclosure/Qualification Certificate at any time requested by the Agency.

This Certification shall be in effect for a period of three years beginning on the 1 day of January, 2017.



Applicant/Borrower Signature

***Warning:** Section 1001 of Title 18, United States Code provides, "Whoever, in any matter within the jurisdiction of the executive, legislative, or judicial branch of the Government of the United States, knowingly and willfully falsifies, conceals, or covers up by any trick, scheme, or device a material fact, makes any materially false, fictitious, or fraudulent statement or representation, or makes or uses any false writing or document knowing the same to contain any materially false, fictitious, or fraudulent statement or entry shall be fined under this title or imprisoned not more than 5 years, or both."

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 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.

IDENTITY OF INTEREST QUALIFICATION

SECTION II: TO BE COMPLETED BY THE PRINCIPAL FOR EACH BUSINESS OR TRADE WITH AN IDENTITY OF INTEREST (IOI) RELATIONSHIP WITH A CONTRACTING ENTITY. Use additional sheets for each IOI entity, if necessary.

IOI Entity Name: Investors Management Company, Inc.
 Type of Entity: Contractor Subcontractor Architect Attorney Property Management
 Trade or Business: Property Management Company
 Supplier of: Material Labor Both Service
 Describe IOI Entity's Relationship to Applicant/Borrower: IMC manages specific RD Apartment complexes for David A. Brown, a partner in the apartment ownership entity and David A. Brown also owns IMC.
 Address: 3548 North Crossing Circle, Valdosta, Georgia 31602
 Telephone Number: 229-247-9956
 Taxpayer Identification Number: 58-1454322
 Number of Full-time Employees: 22 Part-time: 35 Years in Business: 33 years
 Personnel (those responsible for completion of the contracted work): Brenda Brown, Vice President,
 Principal of IOI Entity: David Brown Address: 3521 Country Club Rd, Valdosta, GA 31605
 Home Telephone Number: 229-244-3323
 Social Security Number: _____
 Years in Business: 33 years
 Training: Periodic RD Seminars, CRHD seminars, SPECTRUM Training
 License(s) Held (include license numbers): State of Georgia #60279
 Name, Address and Telephone Number of Licensing Agencies: State of Georgia Real Estate Commission, Suite 1000, International Tower, 229 Peachtree Street, NE, Atlanta, GA 30303-1605 (404-656-3916)
 Percent of Total Annual Compensation from Company: 100 %
 Disclose any criminal convictions or debarment from Local, State, or Federal Government Programs:

Disclose Any Current or Pending Legal Actions Against the Company or any of its Principals:

Do any of the IOI companies function as "pass-throughs," i.e., does the IOI company purchase goods or services from another party and pass those goods or services through to the project? For each pass-through arrangement, respond to the statements below. (Use additional sheets as necessary.)

Name the IOI involved.
 Explain how the IOI compensation is determined.
 Explain why it is more advantageous for the project to use the pass-through arrangement than to purchase directly from the ultimate supplier.

Attach fee schedules for all IOI companies disclosed.

I certify, under penalty of law*, that the business in which I am employed is an ongoing trade or business qualified and properly licensed to undertake the work for which I intend to contract. I further certify, under penalty of law*, and with knowledge that this information may be verified, that the information submitted is true and accurate.



 (Signature)
 IOI Entity Principal

8/31/16

 Date

*Warning: Section 1001 of Title 18, United States Code provides, "Whoever, in any matter within the jurisdiction of the executive, legislative, or judicial branch of the Government of the United States, knowingly and willfully falsifies, conceals, or covers up by any trick, scheme, or device a material fact, makes any materially false, fictitious, or fraudulent statement or representation, or makes or uses any false writing or document knowing the same to contain any materially false, fictitious, or fraudulent statement or entry shall be fined under this title or imprisoned not more than 5 years, or both"

**MULTIPLE FAMILY HOUSING PROJECT BUDGET/
UTILITY ALLOWANCE**

PROJECT NAME Rock Springs Apartments		BORROWER NAME Winder Apartments, Ltd, Lp		BORROWER ID AND PROJECT NO. 073467266 011	
Loan/Transfer Amount \$ 1,440,460.00		Note Rate Payment \$ 10,694.67		IC Payment \$ 3,071.25	
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 checked="" type="checkbox"/> Family <input 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 30 units of RA. Current number of RA units 0. 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) (06 - 30 - 16)	PROPOSED BUDGET (01 - 01 - 17) (12 - 31 - 17)	COMMENTS or (YTD) (01 - 01 - 16) (06 - 30 - 16)
OPERATIONAL CASH SOURCES				
1. RENTAL INCOME	254,400.00	125,254.91	253,040.00	48 rev prod u
2. RHS RENTAL ASSISTANCE RECEIVED		0.00		
3. APPLICATION FEES RECEIVED		210.00		
4. LAUNDRY AND VENDING	0.00	0.00	0.00	
5. INTEREST INCOME	0.00	0.00	0.00	
6. TENANT CHARGES	2,500.00	1,706.09	2,000.00	
7. OTHER - PROJECT SOURCES	0.00	0.00	0.00	
8. LESS (Vacancy and Contingency Allowance)	(12,720.00)		(13,152.00)	? 5%
9. LESS (Agency Approved Incentive Allowance)	(0.00)		(0.00)	
10. SUB-TOTAL (1 thru 9) - (8 & 9)	244,180.00	127,171.00	251,888.00	+ 3.2%
NON-OPERATIONAL CASH SOURCES				
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	19,640.00	10,212.75	19,640.00	
14. SUB-TOTAL (11 thru 13)	19,640.00	10,212.75	19,640.00	
15. TOTAL CASH SOURCES (10+14)	263,820.00	137,383.75	271,528.00	+ 2.9%
OPERATIONAL CASH USES				
16. TOTAL O&M EXPENSES (From Part II)	179,827.00	118,748.65	189,302.00	
17. RHS DEBT PAYMENT	36,855.00	18,427.50	36,855.00	
18. RHS PAYMENT (Overage)		4,810.00		
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	21,405.00	14,206.00	21,405.00	
23. RETURN TO OWNER NP ASSET MANAGEMENT FEE	3,564.00	3,564.00	3,564.00	2016 RTO to b
24. SUB-TOTAL (16 thru 23)	241,651.00	159,756.15	240,126.00	+ 2.7%
NON-OPERATIONAL CASH USES				
25. AUTHORIZED DEBT PAYMENT (Non-RHS)	0.00	0.00	0.00	
26. ANNUAL CAPITAL BUDGET (From Part III, Lines 4-6)	19,640.00	10,212.75	19,640.00	
27. MISCELLANEOUS	0.00	0.00	0.00	
28. SUB-TOTAL (25 thru 27)	19,640.00	10,212.75	19,640.00	
29. TOTAL CASH USES (24+28)	261,291.00	169,968.90	267,766.00	- 2.4%
30. NET CASH (DEFICIT) (15-29)	2,529.00	-32,585.15	3,762.00	1.4%
CASH BALANCE				
31. BEGINNING CASH BALANCE	30,645.45	124,809.46	33,174.46	1.03%
32. ACCRUAL TO CASH ADJUSTMENT		0.00		
33. ENDING CASH BALANCE (30+31+32)	33,174.45	92,224.31	36,936.46	

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	13,000.00	6,499.80	13,500.00	
2. MAINTENANCE AND REPAIRS SUPPLY	16,000.00	8,086.55	16,000.00	increased main
3. MAINTENANCE AND REPAIRS CONTRACT	0.00	32,415.00	0.00	
4. PAINTING	2,000.00	2,114.57	4,400.00	
5. SNOW REMOVAL	0.00	0.00	0.00	
6. ELEVATOR MAINTENANCE/CONTRACT	0.00	0.00	0.00	
7. GROUNDS	12,280.00	6,165.78	12,280.00	994/M + 500
8. SERVICES	2,887.00	1,491.00	2,887.00	151/M PestCon
9. ANNUAL CAPITAL BUDGET (From Part I - Operating)	0.00	0.00	0.00	
10. OTHER OPERATING EXPENSES (Itemize)	200.00	136.00	200.00	UA calc fees
11. SUB-TOTAL MAINT. & OPERATING (1 thru 10)	46,367.00	56,998.71	49,267.00	
12. ELECTRICITY <input type="checkbox"/> If master metered	4,900.00	2,474.14	5,100.00	
13. WATER <input type="checkbox"/> check box on front	22,000.00	8,552.00	22,000.00	
14. SEWER	10,500.00	4,590.97	10,500.00	
15. FUEL (Oil/Coal/Gas)	0.00	0.00	0.00	
16. GARBAGE & TRASH REMOVAL	8,000.00	4,454.95	9,000.00	
17. OTHER UTILITIES	0.00	609.90	0.00	
18. SUB-TOTAL UTILITIES (12 thru 17)	45,400.00	20,681.96	46,600.00	
19. SITE MANAGEMENT PAYROLL	14,840.00	7,221.08	15,772.00	1231/M (3% inc)
20. MANAGEMENT FEE	27,072.00	13,301.00	28,224.00	\$49x48Ux12M
21. PROJECT AUDITING EXPENSE	4,000.00	3,880.00	4,000.00	
22. PROJECT BOOKKEEPING/ACCOUNTING	0.00	0.00	0.00	
23. LEGAL EXPENSES	500.00	353.00	600.00	
24. ADVERTISING	300.00	580.00	500.00	
25. TELEPHONE & ANSWERING SERVICE	1,700.00	919.81	1,800.00	
26. OFFICE SUPPLIES	2,600.00	1,446.42	3,000.00	
27. OFFICE FURNITURE & EQUIPMENT	1,323.00	786.80	1,320.00	\$79/M CompSt
28. TRAINING EXPENSE	1,207.00	251.72	1,213.00	
29. HEALTH INS. & OTHER EMP. BENEFITS	700.00	322.55	700.00	
30. PAYROLL TAXES	3,100.00	1,281.66	3,000.00	
31. WORKER'S COMPENSATION	1,000.00	756.94	1,000.00	
32. OTHER ADMINISTRATIVE EXPENSES (Itemize)	300.00	378.00	300.00	Property tax co
33. SUB-TOTAL ADMINISTRATIVE (19 thru 32)	58,642.00	31,476.98	61,429.00	
34. REAL ESTATE TAXES	18,700.00	0.00	18,000.00	
35. SPECIAL ASSESSMENTS	0.00	0.00	0.00	
36. OTHER TAXES, LICENSES & PERMITS	100.00	50.00	100.00	reg fee
37. PROPERTY & LIABILITY INSURANCE	10,368.00	9,631.00	10,656.00	222/U (3% inc)
38. FIDELITY COVERAGE INSURANCE	0.00	0.00	0.00	
39. OTHER INSURANCE	250.00	0.00	250.00	EPL
40. SUB-TOTAL TAXES & INSURANCE (34 thru 39)	29,418.00	9,681.00	29,006.00	
41. TOTAL O&M EXPENSES (11 + 18 + 33 + 40)	179,827.00	118,748.65	186,302.00	

PART III—ACCOUNT BUDGETING/STATUS

	CURRENT BUDGET	ACTUAL	PROPOSED BUDGET	COMMENTS or (YTD)
RESERVE ACCOUNT:				
1. BEGINNING BALANCE	16,565.00	23,039.48	18,320.00	
2. TRANSFER TO RESERVE	21,405.00	14,206.00	21,405.00	\$1201/M + 7k ±
TRANSFER FROM RESERVE.....				
3. OPERATING DEFICIT	0.00	0.00	0.00	
4. ANNUAL CAPITAL BUDGET (Part V - Reserve)	19,640.00	10,212.75	19,640.00	
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)	(19,640.00)	(10,212.75)	(19,640.00)	
8. ENDING BALANCE [(1+2)-7]	18,320.00	27,032.73	20,085.00	

GENERAL OPERATING ACCOUNT:*

BEGINNING BALANCE	99,375.48	
ENDING BALANCE	66,233.33	

REAL ESTATE TAX AND INSURANCE ESCROW ACCOUNT:*

BEGINNING BALANCE	25,433.98	
ENDING BALANCE	25,990.98	

TENANT SECURITY DEPOSIT ACCOUNT:*

BEGINNING BALANCE	10,932.00	
ENDING BALANCE	10,267.00	

(*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	16	429.00	596.00	0.00	82,368.00	114,432.00	0.00	72.00
2	N	32	448.00	637.00	0.00	172,032.00	244,608.00	0.00	86.00
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:						254,400.00	358,040.00	0.00	
						BASIC	NOTE	HUD	

B. PROPOSED RENTS - Effective Date: 01 / 01 / 17

UNIT DESCRIPTION			RENTAL RATES			POTENTIAL INCOME FROM EACH RATE		
BR SIZE	UNIT TYPE	NUMBER	BASIC	NOTE RATE	HUD	BASIC	NOTE RATE	HUD
1	N	16	444.00	611.00	0.00	85,248.00	117,312.00	0.00
2	N	32	463.00	652.00	0.00	177,792.00	250,368.00	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:						263,040.00	367,680.00	0.00
						BASIC	NOTE	HUD

C. PROPOSED UTILITY ALLOWANCE - Effective Date: 01 / 01 / 17

MONTHLY DOLLAR ALLOWANCES									
BR SIZE	UNIT TYPE	NUMBER	ELECTRIC	GAS	WATER	SEWER	TRASH	OTHER	TOTAL
1	N	16	72.00	0.00	0.00	0.00	0.00	0.00	72.00
2	N	32	86.00	0.00	0.00	0.00	0.00	0.00	86.00
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
Appliances:							
Range	4	940.00	384.24	0.00	0.00	384.24	1
Refrigerator	4	1,506.00	501.82	0.00	0.00	501.82	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
Carpet & Vinyl:							
1BR	3	6,000.00	0.00	0.00	0.00	0.00	0
2BR	3	6,000.00	1,590.69	0.00	0.00	1,590.69	1
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
Cabinets:							
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
Doors:							
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
Window Coverings:							
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
Heating & Air Conditioning:							
Heating	0	0.00	0.00	0.00	0.00	0.00	0
Air Conditioning	2	5,200.00	7,736.00	0.00	0.00	7,736.00	3
Other	0	0.00	0.00	0.00	0.00	0.00	0
Plumbing:							
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
Major Electrical:							
List		0.00	0.00	0.00	0.00	0.00	
Other		0.00	0.00	0.00	0.00	0.00	
Structures:							
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	
Paving:							
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	
Landscape & Grounds:							
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	
Accessibility Features:							
List		0.00	0.00	0.00	0.00	0.00	
Other		0.00	0.00	0.00	0.00	0.00	
Automation Equipment:							
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	
Other:							
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	
TOTAL CAPITAL EXPENSES:	16	19,840.00	10,212.76	0.00	0.00	10,212.76	6

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:

11/4/16

COMMENTS:

A) Rock Springs is a 48 unit family complex located in Winder, GA. The property has 16 1-br units and 32 2-br units. The property has no RA units. The property needs RA and is requesting RA with the budget. The property has good occupancy (over 85%). The property has 48 revenue producing units.

B) The property is in compliance with the loan agreement and RD regulations. The property is in compliance with the 504 accessibility plan.

C) The property's financial status is stable. The 1% reserve is at or ahead of the required funding. The actual balance, however, is lower than desired for a property this size and age. We plan to add additional deposits into the 1% reserve beginning with an additional deposit of \$7000 in 2017.

D) There are no expense category subtotals that exceed the 10% tolerance threshold. Administrative Expenses are 23% of Gross Potential and are within the 27% threshold used by the state of Georgia.

E) 2017 projected capital expenditures and reserve withdrawals

-Replacement of appliances

-Carpet and vinyl

-HVAC units

Estimate \$19,640

Projected capital needs 2018-2020

-Replacement of appliances

-Carpet and vinyl

-HVAC units

-Lift Station Pump Replacement

-Parking Lot Paving

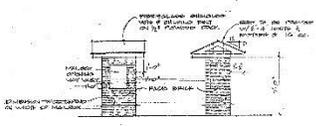
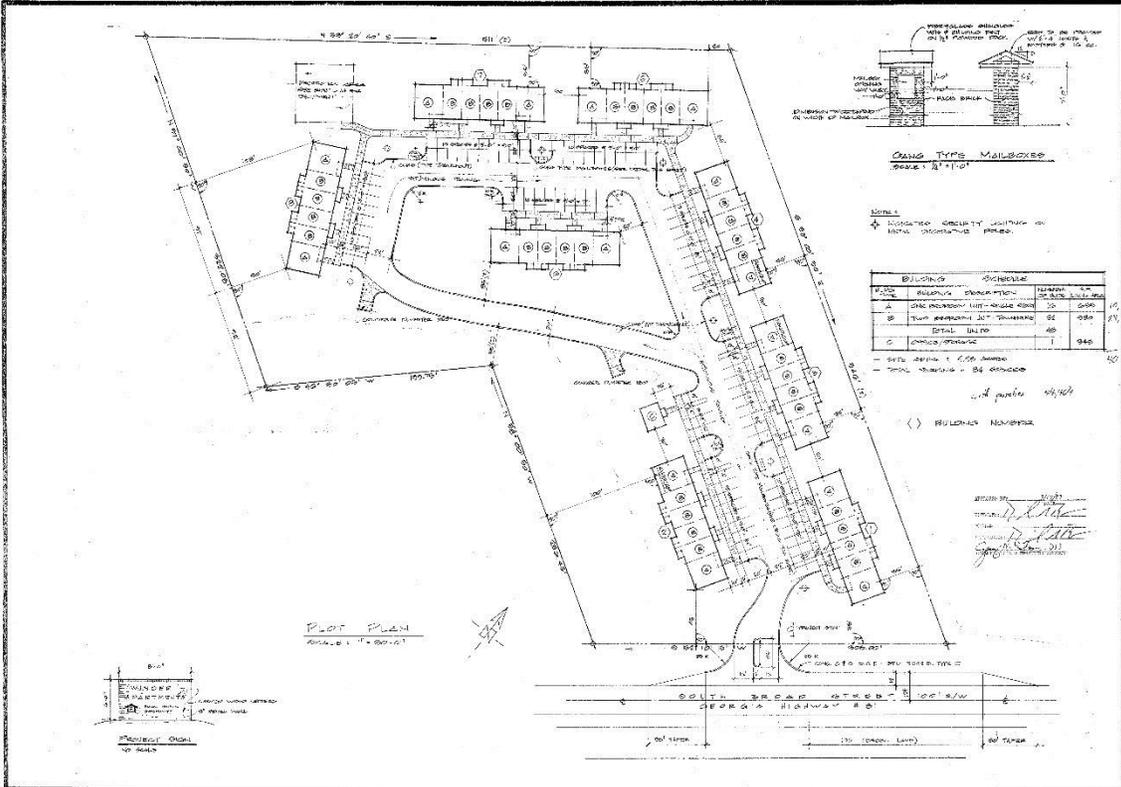
Estimate \$35,100

F) The 2017 budget includes a \$15 rent increase. We are not requesting an increase in the utility allowance. 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 proposed rental rates are reasonable for the market area. The 1% reserve is at or ahead of the required funding and the property is in compliance with the loan agreement and RD regulations.

Rock Springs Apartments

PART V - ANNUAL CAPITAL BUDGET (ADDENDUM)

	Current Number of Units/Items	Current from Reserve	YTD from Reserve	Current from Operating	YTD from Operating	YTD Total Cost	Total YTD Units/Items
Appliances:							
Range.....	4	949.00	384.24	0.00	0.00	384.24	1
Refrigerator.....	4	1,500.00	501.62	0.00	0.00	501.62	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
Carpet & Vinyl:							
1BR.....	3	6,000.00	0.00	0.00	0.00	0.00	0
2BR.....	3	6,000.00	1,590.69	0.00	0.00	1,590.69	1
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
Cabinets:							
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
Doors:							
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
Window Coverings:							
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
Heating & Air Conditioning:							
Heating.....	0	0.00	0.00	0.00	0.00	0.00	0
Air Conditioning.....	2	5,200.00	7,736.00	0.00	0.00	7,736.00	3
Other.....	0	0.00	0.00	0.00	0.00	0.00	0
Plumbing:							
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
Major Electrical:							
List.....		0.00	0.00	0.00	0.00	0.00	
Other.....		0.00	0.00	0.00	0.00	0.00	
Structures:							
Windows.....	0	0.00	0.00	0.00	0.00	0.00	0
Scrapins.....	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	
Paving:							
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	
Landscape & Grounds:							
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	
Accessibility Features:							
List.....		0.00	0.00	0.00	0.00	0.00	
Other.....		0.00	0.00	0.00	0.00	0.00	
Automation Equipment:							
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	
Other:							
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	
TOTAL CAPITAL EXPENSES:	16	19,640.00	10,212.75	0.00	0.00	10,212.75	6



CONCRETE TYPE MAILBOXES
SCALE: 1/4" = 1'-0"

NOTES:

* INDICATED CIRCLES TO LOCATE MAILBOXES

BUILDING	DESCRIPTION	AREA (SQ. FT.)	PERMITS
A	ONE STORY UNIT-TRUCK BAY	50	5000
B	TWO STORY UNIT-TRUCK BAY	60	6000
C	ONE STORY UNIT	40	4000
TOTAL		150	15000

- SEE SHEET 1 FOR DETAILS

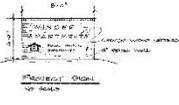
- TOTAL PERMITS = \$4,000.00

DATE: 10/15/68

BY: [Signature]

PROJECT NUMBER: 100-100

THOMSON AND ASSOCIATES
ARCHITECTS
100-100
[Signature]



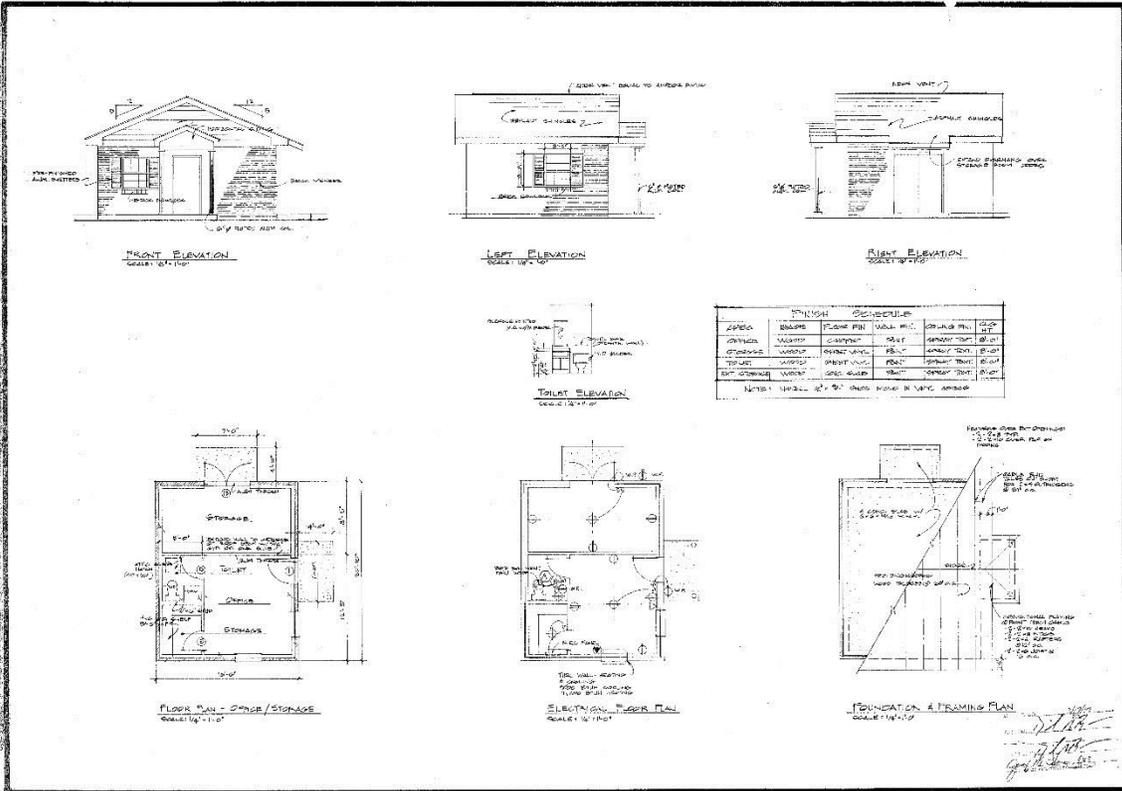
FOUNDATION WALL
SCALE: 1/4" = 1'-0"

THOMSON AND ASSOCIATES
ARCHITECTS
100-100
[Signature]

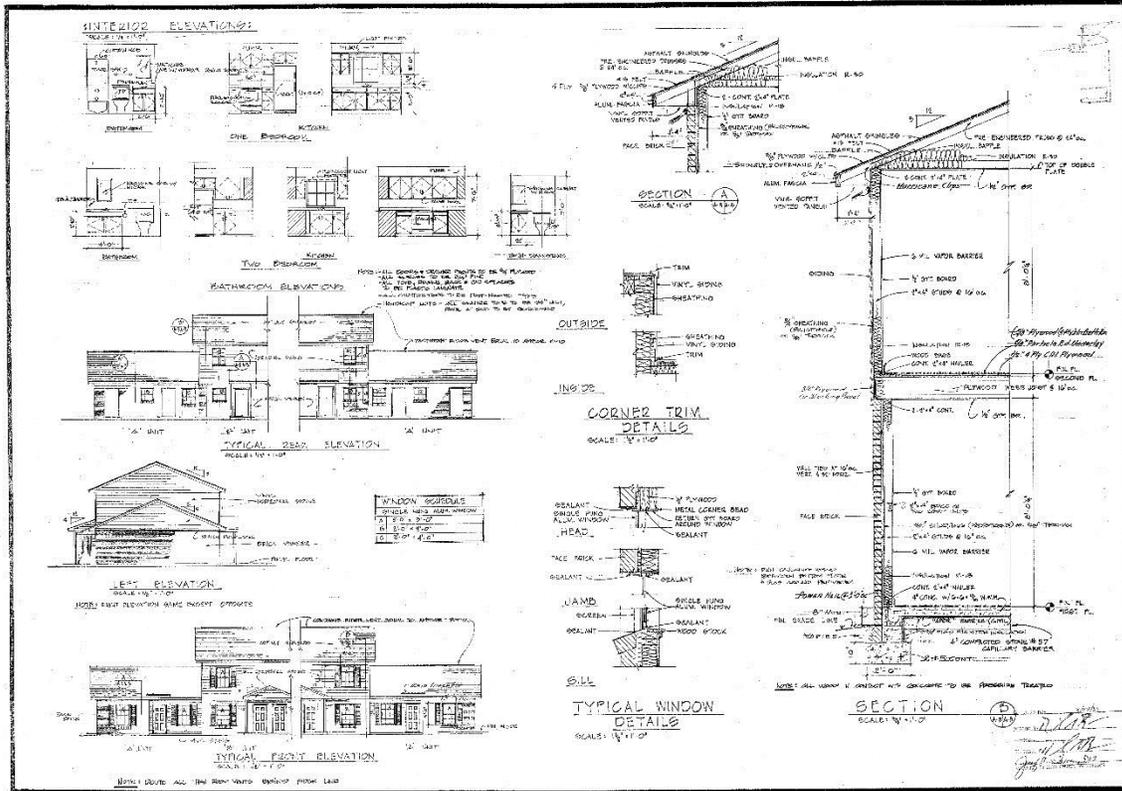
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DATE: 10/15/68
BY: [Signature]

THOMSON AND ASSOCIATES
ARCHITECTS
100-100
[Signature]

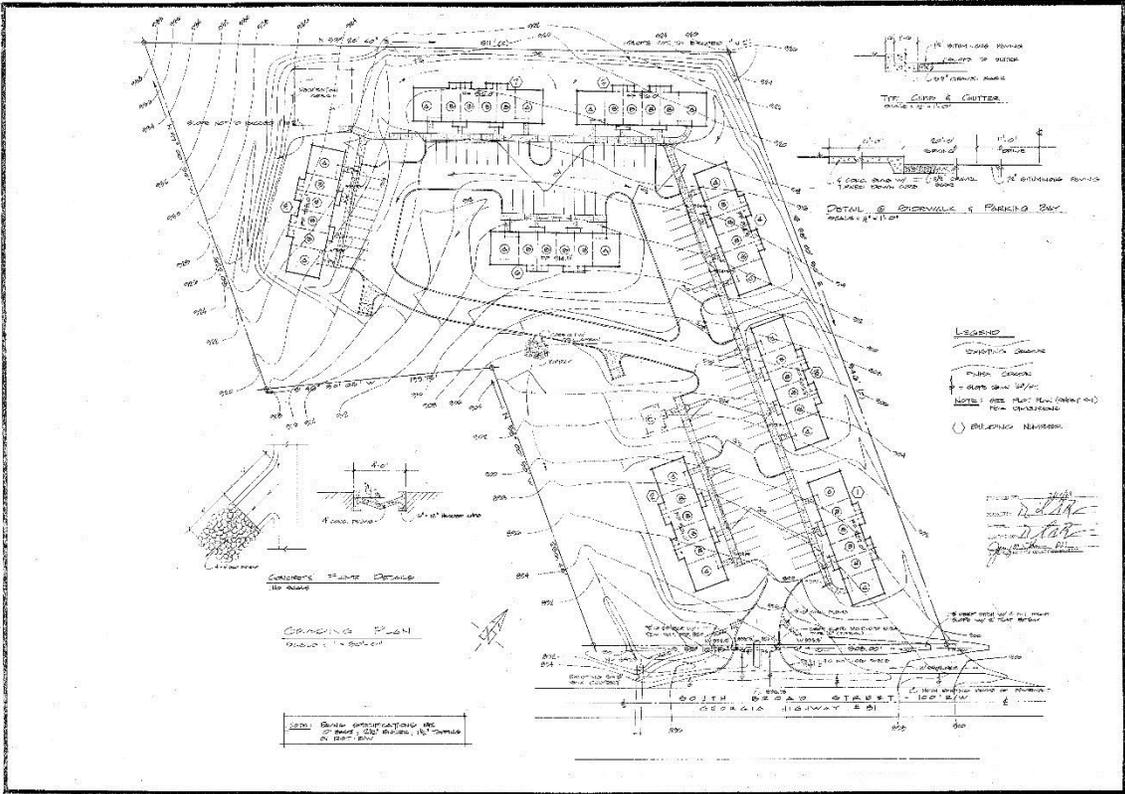
PROJECT: 100-100
DATE: 10/15/68
BY: [Signature]



THOMSON AND ASSOCIATES ARCHITECTS & INTERIORS
 200 S. W. 10TH AVE., SUITE 100, MIAMI, FLORIDA 33135
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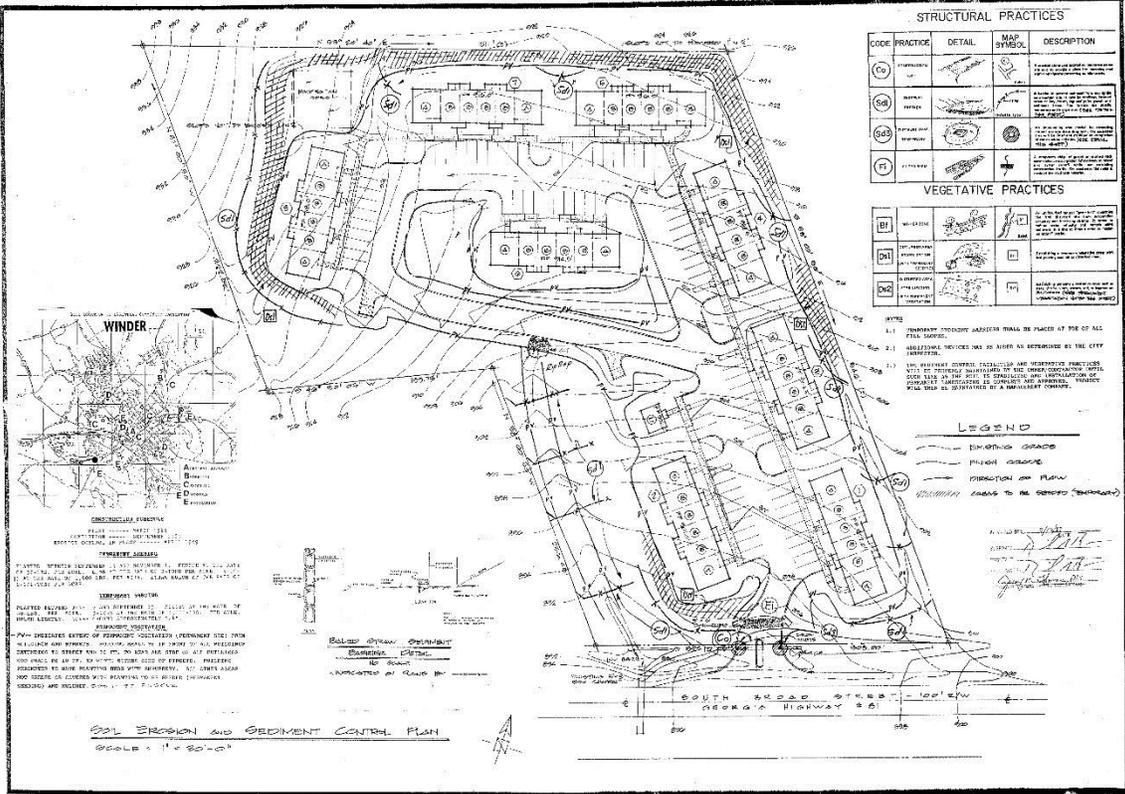
PROJECT: WINDY HILLS DEVELOPMENT
 LOCATION: WINDY HILLS, CHICKASAW COUNTY, MISSISSIPPI
 DRAWN BY: J. W. HARRIS
 CHECKED BY: J. W. HARRIS

THOMSON AND ASSOCIATES
 ARCHITECTS & ENGINEERS
 1000 W. WINDY HILLS ROAD, WINDY HILLS, MISSISSIPPI 39389

DATE: 11/15/77

PLAT 2

SHEET 2



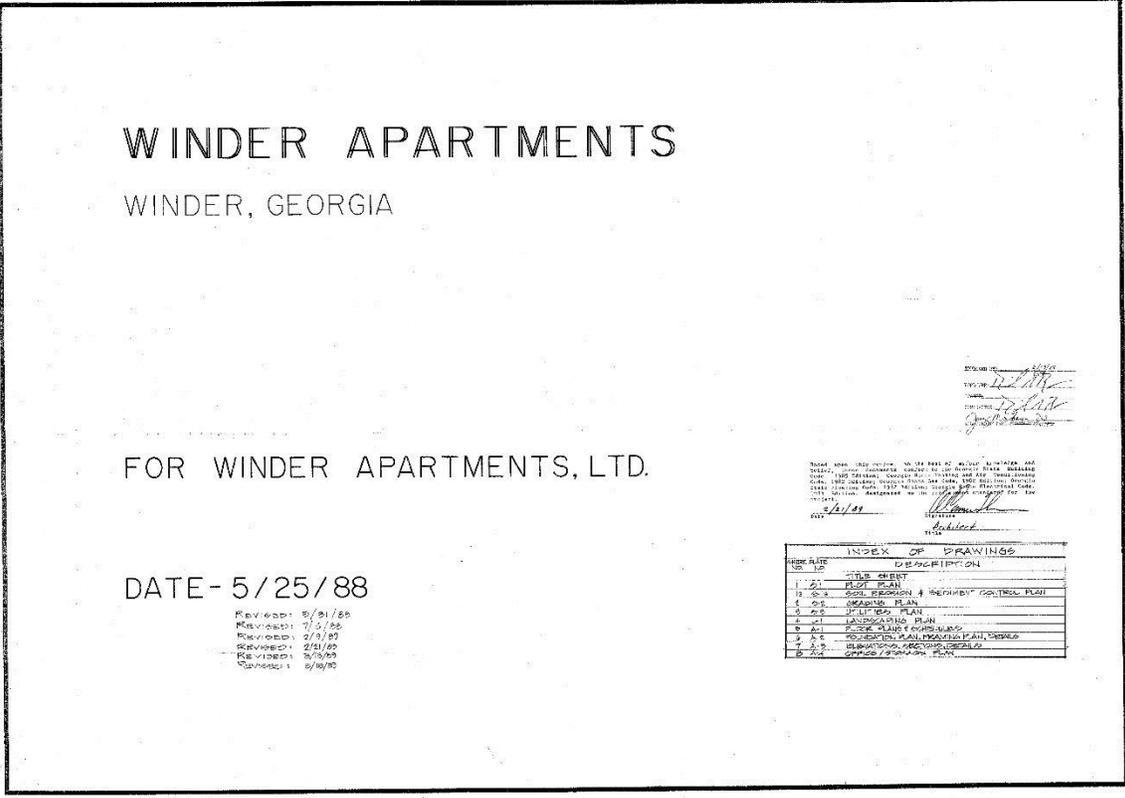
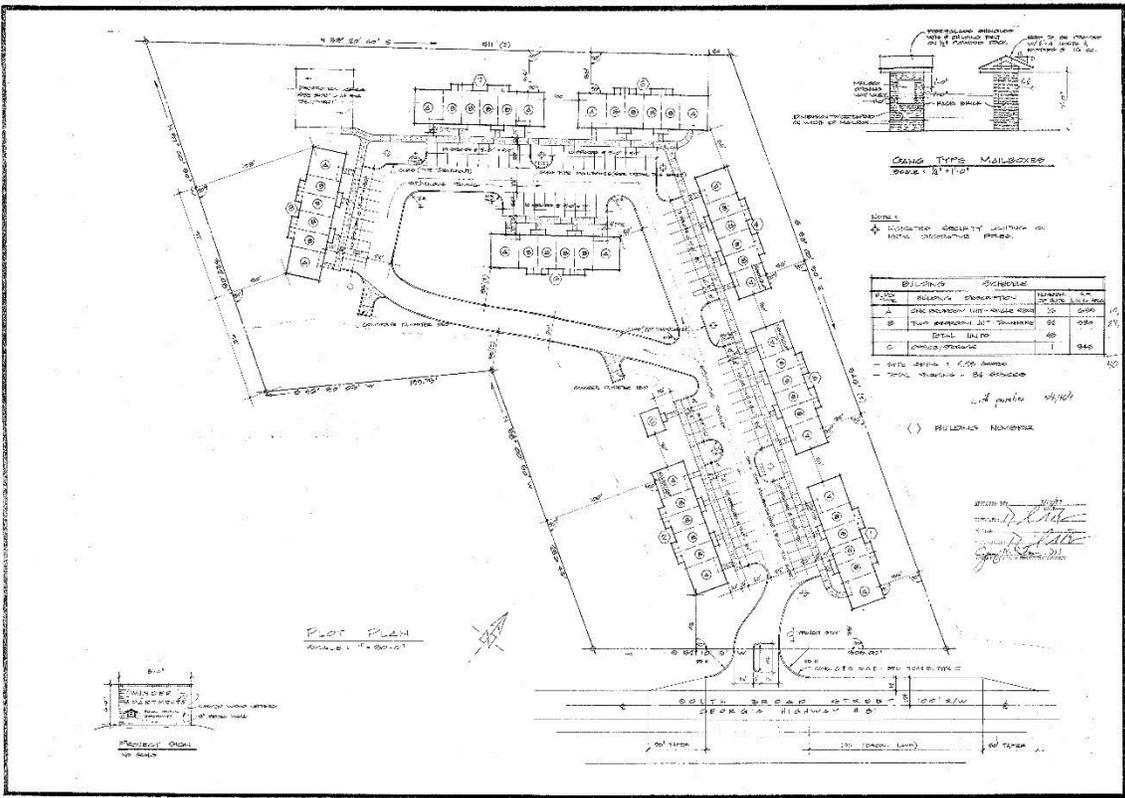
PROJECT: WINDY HILLS DEVELOPMENT
 LOCATION: WINDY HILLS, CHICKASAW COUNTY, MISSISSIPPI
 DRAWN BY: J. W. HARRIS
 CHECKED BY: J. W. HARRIS

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 1000 W. WINDY HILLS ROAD, WINDY HILLS, MISSISSIPPI 39389

DATE: 11/15/77

PLAT 2

SHEET 1a



2015 REHABILITATION WORK SCOPE

PROJECT NAME: Rock Springs Apartments	YEAR BUILT: 1988
PROJECT LOCATION: 187 Broad Street Winder, Ga.	UNIT COUNT: 48
	GROSS SQUARE FOOTAGE: 40,240

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
24		convert existing units to UFAS-complaint units	Three - 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 one sight and hearing impaired kit to be left in office for the manager.	65	3	Apts.	17540	\$52,620
24		retrofit existing units for Fair Housing compliance						\$0
24		retrofit existing clubhouse to meet UFAS, Fair Housing, & ADA						\$0
24		retrofit existing site to meet Fair Housing, ADA	2% of the Main Sidewalks cross slope exceeds 2% and must be redone to have a 2% or less cross slope. 4 of the Entrance walks have sunk, causing a tripping hazard going to the front porch of the units. several main sidewalks have raised concrete causing tripping hazards. 3 Handicap parking spaces have a slope greater then 2% slope and cross slope and need to be redone. The handicap parking in front of the office is not accessible. It will be more economically feasible to add a new accessible parking lot on the side of the office where the slopes are not as steep. A new ramp and sidewalk will need to be run from the new parking lot to the office entrance.	16	3820	SF	5.5	\$42,145
		Total (Accessibility)						\$94,765
37	2	Demolition						\$0
37		site						\$0
37		bidg interiors: ceilings, walls, floor, plumbing, HVAC, elec						\$0
37		bidg exteriors: siding, roofing, patios, decks, stairs, breezeways						\$0
35	2	Unusual site conditions (such as lead, asbestos, mold abatement)						\$0
35		Springs in the road in front of Bldg. B and behind Bldg. G at Property	A spring has come up in the road in front of Bldg. B. The road has been repaired but water still comes out from the spring all the time, and is deteriorating the road. A storm drain needs to be added under the road and run approx. 30 LF to a drainage swell on the front of the property. A detailed plan from a soil engineer will be needed. Another Spring behind Bldg.G keeps water standing and running to the catch basin between G and H. A new drop inlet needs to be added by the spring and a storm drain run approx. 175 LF to tie into the existing storm drain between G and H.	100	265	LF	95	\$25,175
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	245	LF	45	\$11,025

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 each		85		\$8,500
34		irrigation							\$0
34		tree pruning, root removal	Remove 4 dead and diseased trees	3	4 each		485		\$1,940
33	2	Retaining walls							\$0
33	2	Site Improvements							\$0
33		fencing	Add fencing around the dumpster pads	100	60 LF		60		\$3,600
33		exterior amenities construction (list each amenity separately)	New Playground with vinyl fencing	100	1 each		22400		\$22,400
32	2	Roads (paving)							\$0
32		asphalt paving	Repair and Overlay the asphalt paving and restripe	100	32300 SF		2.1		\$67,830
32	2	Site concrete (curbs, gutters, & sidewalks)							\$0
32		curb & gutter	Repair Cracked Curb and Gutter	5	74 LF		12		\$888
32		sidewalks	Add concrete accessible sidewalks to playground	2	600 SF		6.2		\$3,720
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
									\$0
		Total (Land Improvements)							\$145,078
1	3	Concrete (building pads & gyprocrete)							\$0
2	4	Masonry	Pressure wash brick and point up	100	9 Bldgs.		500		\$4,500
3	5	Metals (stair stringers, metal decking, handrails, structural steel)							\$0
3		stair pans/stringers							\$0
3		corrugated metal decking							\$0
3		handrails	Replace all handrails	100	738 LF		22		\$16,236
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	40 Fire Walls		145		\$5,800
4		exterior wood decks/patios and rails							\$0
5	6	Finish Carpentry (window sills, wood base, wood paneling, exterior wood trim, shutters, etc)	Replace Shutters	100	156 Pair		98		\$15,288
5		exterior trim including shutters							\$0
5		interior trim including wood base	Replace Exterior door trim and damaged window stools	100	48 units		256		\$12,288
6	7	Waterproofing, caulking and sealants	Caulk all receptacles, light fixture boxes, windows, doors	100	48 units		160		\$7,680
7	7	Insulation							\$0
7		wall insulation							\$0
7		roof insulation	Boost Attic Insulation to R-38	100	40240 SF		0.39		\$15,694
7		sound insulation							\$0
8	7	Roofing							\$0
8		shingles (or other roofing material)	Replace with 25 year asphalt Shingles	100	361 SQ		250		\$90,250
8		gutters & downspouts	Replace Gutters and downspouts	100	2780 LF		8.45		\$23,491
8	7	Siding/stucco	Replace vinyl siding	100	1310 SF		4		\$5,240
10	8	Doors & hardware							\$0
10		interior doors	Replace interior door units	100	352 each		90		\$31,680
10		exterior doors	Replace exterior door units	100	145 each		390		\$56,550
10		hardware	Replace Door hardware	100	48 each		320		\$15,360
10		Storm Doors	Replace Storm doors						\$0
11	8	Windows/glass							\$0
11		Windows	Replace all windows with Low-E, U-Factor 0.35 and SHGC	100	258 each		330		\$85,140

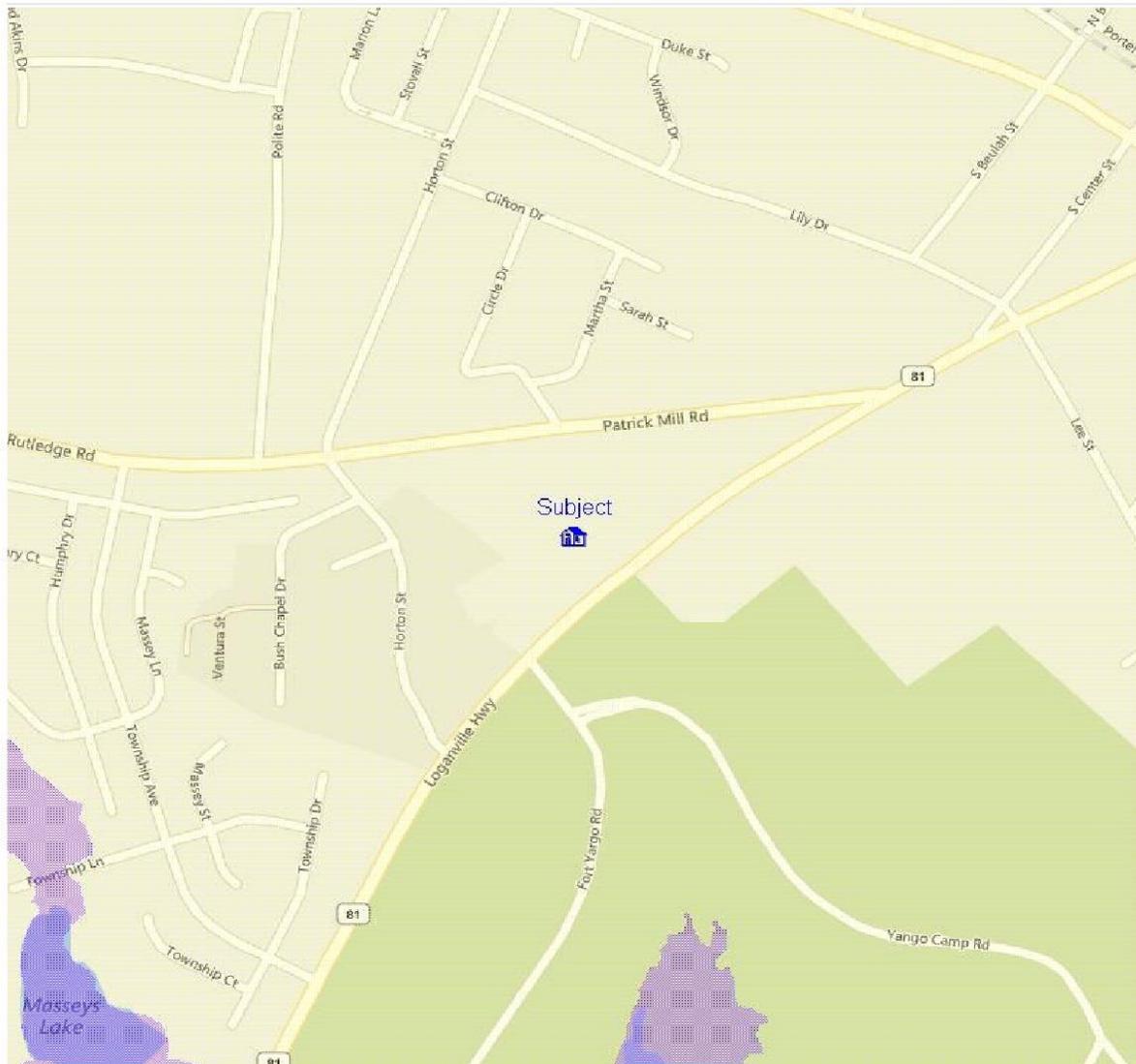
11		mirrors							\$0
13	9	Drywall							\$0
13		repair and replacement-walls	Repair damaged areas	2.5	982 SF		4		\$3,928
13		repair and placement-ceiling	Repair damaged areas and spray finish	1.8	648 SF		4		\$2,592
14	9	Tile work							\$0
14		tub surrounds							\$0
14		ceramic floors							\$0
16	9	Resilient/wood flooring							\$0
16		VCT							\$0
16		sheet goods	Replace Vinyl Flooring	70	3164 SY		18.75		\$59,325
16		wood flooring							\$0
17	9	Painting							\$0
17		exterior walls							\$0
17		interior walls	Semi Gloss Enamel	100	40240 SF		0.75		\$30,180
17		ceilings							\$0
17		doors & trim	Semi Gloss Enamel	100	40240 SF		0.25		\$10,060
17		steel, handrails, stairs, etc.	Hand Rails	100	736 LF		5.5		\$4,059
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	50 units		124		\$6,200
18		fire extinguishers							\$0
18		shelving							\$0
18		mailboxes	New mailboxes and mail kiosk with roof	100	1 unit		12540		\$12,540
18		stovetop fire suppression	2 per range hood	100	48 units		68		\$3,264
20	11	Cabinets (incl. countertops)							\$0
20		unit kitchens	Refinish Cabinets	100	48 units		880		\$42,240
20		countertops	Replace Countertops	100	48 units		690		\$33,120
20		bathroom vanities	refinish vanities	100	80 units		85		\$6,800
21	11	Appliances							\$0
21		refrigerators	Replace with Energy Star Refrigerator	75	36 Each		705.12		\$25,384
21		stove	Replace Stove	93	45 Each		459.03		\$20,666
21		vent hood	Replace Vent Hood	100	48 Each		84.53		\$4,057
21		dishwasher	Whirlpool	100	48 Each		305.71		\$14,674
21		microwave	Whirlpool	100	48 Each		153.37		\$7,362
21		disposals							\$0
22	12	Blinds & Shades	Replace with 2" faux blinds	100	258 each		55		\$14,190
23	12	Carpets							\$0
24	13	Special Construction (pools)							\$0
25	14	Elevators							\$0
25	15	Sprinklers							\$0
26	15	Plumbing							\$0
26		bathbubs and/or pre-fab showers	Tub Repair and Refinish	100	48 units		200		\$9,600
26		shower heads							\$0
26		tub faucets	Replace with new delta faucets	100	48 units		400		\$19,200
26		bathroom sinks	Replace with new china sink, Delta faucet, trap and supp	100	80 units		385		\$30,800
26		bathroom faucets							\$0
26		kitchen sinks	Replace Kitchen Sink, Delta Faucet, Strainers, Trap and	100	48 units		385		\$18,480
26		kitchen faucets							\$0
26		toilets	Replace Toilets with HG Toilets	100	80 Each		385		\$30,800
26		new water service-piping, valves, etc							\$0
26		new waste/vent service-piping, valves, etc							\$0
26		water heaters	Replace	100	48 Each		450		\$21,600
26		individual water metering							\$0
27	15	HVAC							\$0
27		air conditioning equipment	All labor and Materials HVAC Subcontractor	91	44 Each		2900		\$127,600
27		heating equipment							\$0
27		ductwork cleaning							\$0
27		ductwork							\$0

27		duct insulation						\$0
27		bathroom ventilation fans	Replace bath exhaust fans	100	80 each	100		\$8,000
27		solar hot water heating						\$0
29	16	Electrical						\$0
29		unit light fixtures	Install Energy Star ceiling fan in Living Room and Bedro	100	48 Apts.	690		\$33,120
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 fixture allowance					\$0
29		electrical wiring (within unit)	Replace switches and outlets	100	48 Apts.	450		\$21,600
29		outlets & light switches	install GFCI outlets in Laundry and kitchen	100	48 Each	50		\$2,400
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	148 Each	50		\$7,400
29		fire alarm system						\$0
29		security alarm system						\$0
29		access control system						\$0
29		camera system						\$0
Subtotal (structures)								\$1,016,989
Total (Structure & Land Imprvmts & Accessibility)								\$1,256,832

ADDENDUM D

STDB

Jun 29, 2017
187 South Broad Street, Winder, GA, 30680
Lat 33.986565 Long -83.733109



MAP DATA

Panel Date December 18, 2009

FIPS Code 13013

Map Number 13013C0126C

Census Tract 1802.05

Geocoding Accuracy S8 (Most Accurate) - single valid address match, point located at a single known address point candidate (Parcel)

Flood	
	X or C Zone
	X500 or B Zone
	A Zone
	V Zone
	D Zone
	Area Not Mapped

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ADDENDUM E

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

ORIGINALLY LICENSED

02/08/2003

END OF RENEWAL
08/30/2018

CERTIFIED GENERAL REAL PROPERTY
APPRAISER

THIS LICENSE EXPIRES IF YOU FAIL TO PAY
RENEWAL FEES OR IF YOU FAIL TO COMPLETE ANY
REQUIRED EDUCATION IN A TIMELY MANNER.

State of Georgia
Real Estate Commission
Suite 1000 - International Tower
229 Peachtree Street, N.E.
Atlanta, GA 30303-1605



LYNN DEMPSEY
Real Estate Commissioner

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Atlanta, GA 30303-1605



LYNN DEMPSEY
Real Estate Commissioner

46665603

ADDENDUM F

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

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 appraisal 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

2nd 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

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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.