

Appraisal Report*

For

An Existing Family Apartment Complex

Called

**Douglass Village Apartments
6549 Brown Street
Douglasville, Georgia 30134**

**Prepared For
Mr. Karl Edmonson
Bellwether Enterprise Real Estate Capital, LLC
1360 East 9th Street, Suite 300
Cleveland, Ohio 44114**

**Intended Users
Bellwether Enterprise Real Estate Capital, LLC, United States Department of
Agriculture, Rural Development and Georgia Department of Community Affairs**

**Date of Appraisal
January 22, 2018**

**Effective Date of Appraisal
December 8, 2017**

**Appraised By
Samuel T. Gill**

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



January 22, 2018

Mr. Karl Edmonson
Bellwether Enterprise Real Estate Capital, LLC
1360 East 9th Street, Suite 300
Cleveland, Ohio 44114

RE: Douglass Village Apartments
6549 Brown Street
Douglasville, Georgia 30134
"As Is" and "As Complete" Appraisal Report
As of December 8, 2017

Dear Mr. Edmonson:

In accordance with your request, I have personally appraised the existing Section 8 and Rural Development property targeted towards families known as Douglass Village Apartments. The site contains approximately 10.798 acres. The subject is improved with 10 two-story buildings containing 88 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; the market value, within 7 CFR Part 3560.752(b)(1)(ii) as defined in the USDA-RD guidelines; the 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 prospective market value, subject to restricted rents, within 7 CFR Part 3560.752(b)(1)(i) 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 for the 538 loan; and the value of the Low Income Housing Tax Credits as defined in the USDA-RD guidelines. Additional values required by Georgia Department of Community Affairs include the value of the land; as is market value; the prospective market value upon stabilization - restricted rents; the prospective market value upon stabilization – market rents; and the prospective market value at loan maturity – market rents. The property interest being appraised is the fee simple interest. The function of this appraisal is to aid the client, Bellwether Enterprise Real Estate Capital, LLC, United States Department of Agriculture, Rural Development and Georgia Department of Community Affairs in the decision-making process involved in evaluating the value of the subject property. The intended users of the appraisal are Bellwether Enterprise Real Estate Capital, LLC, United States Department of Agriculture, Rural Development and Georgia Department of Community Affairs. 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.

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

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. Samuel T. Gill, State Certified General Real Estate Appraiser, provided professional assistance to Samuel T. Gill. Samuel T. Gill 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 subject has been operating under a five-year Section 8 HAP contract that ended in 2017. The property has received preliminary approval for a new HAP contract. Currently, some of the Section 8 contract rents are higher than the market rents determined in this appraisal. The market value of the fee simple estate, subject to restricted rents, was determined under the hypothetical condition that the property will receive final approval of the Section 8 HAP contract and the rents will not be decreased to the market rents determined in the analysis.

The "prospective" values upon stabilization 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 December 8, 2017, is as follows.

EIGHT MILLION EIGHT HUNDRED FIFTY THOUSAND DOLLARS

\$8,850,000

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 December 8, 2017, is as follows.

TEN MILLION EIGHT HUNDRED FIFTEEN THOUSAND DOLLARS

\$10,815,000

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 December 8, 2017, is as follows.

TEN MILLION EIGHT HUNDRED FIFTEEN THOUSAND DOLLARS
\$10,815,000

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 April 1, 2019, is as follows.

ELEVEN MILLION FOUR HUNDRED FORTY FIVE THOUSAND DOLLARS
\$11,445,000

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 April 1, 2019, is as follows.

TWELVE MILLION SEVEN HUNDRED SIXTY THOUSAND DOLLARS
\$12,760,000

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 December 8, 2017, is as follows:

SEVEN HUNDRED SEVENTY THREE THOUSAND DOLLARS
\$773,000

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 December 8, 2017, is as follows:

ONE MILLION FIVE THOUSAND DOLLARS
\$1,005,000

Based on the data, analyses and conclusions presented in the attached report, it is our opinion that the Value of Favorable Financing of the 538 Loan of the subject property, as of December 8, 2017, is as follows:

FOUR MILLION TWO HUNDRED THIRTY TWO THOUSAND DOLLARS
\$4,232,000

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 April 1, 2019, is as follows:

FOUR MILLION EIGHT HUNDRED SEVENTY FIVE THOUSAND DOLLARS
\$4,875,000

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 850 square feet two-bedroom units of the subject property, as of December 8, 2017, is as follows:

NINE HUNDRED SIXTY FIVE DOLLARS
\$965.00

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 897 square feet three-bedroom units of the subject property, as of December 8, 2017, is as follows:

ONE THOUSAND ONE HUNDRED TWENTY FIVE DOLLARS
\$1,125.00

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 1,299 square feet four-bedroom units of the subject property, as of December 8, 2017, is as follows:

ONE THOUSAND THREE HUNDRED SIXTY FIVE DOLLARS
\$1,365.00

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 850 square feet two-bedroom units of the subject property, as of April 1, 2019, is as follows:

ONE THOUSAND FIFTEEN DOLLARS

\$1,015.00

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 897 square feet three-bedroom units of the subject property, as of April 1, 2019, is as follows:

ONE THOUSAND ONE HUNDRED SEVENTY FIVE DOLLARS

\$1,175.00

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 square 1,299 feet four-bedroom units of the subject property, as of April 1, 2019, is as follows:

ONE THOUSAND FOUR HUNDRED FIFTEEN DOLLARS

\$1,415.00

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 December 8, 2017, is as follows.

SEVEN HUNDRED FIVE THOUSAND DOLLARS

\$705,000

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 December 8, 2017, is as follows.

EIGHT MILLION EIGHT HUNDRED FIFTY THOUSAND DOLLARS

\$8,850,000

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 December 8, 2017, is as follows.

TEN MILLION EIGHT HUNDRED FIFTEEN THOUSAND DOLLARS
\$10,815,000

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 April 1, 2019, is as follows.

ELEVEN MILLION FOUR HUNDRED FORTY FIVE THOUSAND DOLLARS
\$11,445,000

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 April 1, 2019, is as follows.

TWELVE MILLION SEVEN HUNDRED SIXTY THOUSAND DOLLARS
\$12,760,000

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 April 1, 2019, is as follows.

TWENTY THREE MILLION TWO HUNDRED FIFTY THOUSAND DOLLARS
\$23,250,000.00

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.

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,

IN PROGRESS

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

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EXECUTIVE SUMMARY

Name of the Property	Douglass Village Apartments
Location	6549 Brown Street, Douglasville, Douglas County, Georgia 30134
Current Owner	Douglass Village, Ltd.
Type of Report	"As Is" and "As Complete" Appraisal Report
Total Land Area	10.798 acres, or 470,361+/- square feet
Floodplain Hazard	According to RiskMeter, Flood Map Number 13097C0063D, dated March 4, 2013, 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 City of Douglasville, the subject is zoned R-6, Single-Family Attached Apartment Residential District. The subject is a legal, conforming use.
Property Description	The subject is improved with 10 two-story buildings containing 88 units and one accessory building. The net rentable area is approximately 89,633 square feet. The gross building area, according to the Douglas County Assessor's Office, is 104,441 square feet.

Unit Type	# of Units	Square Footage	Total Square Footage
2/1.5	29	850	24,650
3/1.5	29	897	26,013
4/1.5	30	1,299	38,970
	88		89,633

Real Estate Taxes	\$57,272.77 for 2017	Parcel Number	0738-013-0003
Property Type	Apartment Complex	Highest and Best Use	Apartment Complex
Date of Inspection	December 8, 2017	Date of Report	January 22, 2018

Sales History of Subject	According to the Douglas County Assessor's Office, the property is owned by Douglass Village, Ltd. The property has not transferred ownership within the past five years. The property is currently under contract for sale. The seller is Douglas Village, Ltd., and the buyer is Stratford Asset Acquisition, LLC. The sales price is \$7,200,000. A copy of the contract is included in the addenda. The sales price is based on the income and rent restrictions currently in place at the properties and is not indicative of an unrestricted market value.
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EXECUTIVE SUMMARY VALUES

Cost Approach	\$9,970,000 (As Is Restricted) \$8,870,000 (As Is Market) \$11,080,000 (As Stabilized Restricted) \$11,080,000 (As Stabilized Market)
Income Approach	\$10,815,000 (As Is Restricted) \$8,850,000 (As Is Market) \$12,760,000 (As Stabilized Restricted) \$11,445,000 (As Stabilized Market)
Sales Comparison Approach	Not Developed (As Is Restricted) \$7,570,000 (As Is Market) Not Developed (As Stabilized Restricted) \$8,710,000 (As Stabilized Market)
Value of Land	\$705,000
Value of Existing 515 Loan	\$773,000
Value of Proposed 515 Loan	\$1,005,000
Value of Low Income Housing Tax Credits	\$4,875,000
Insurable Value	\$8,900,000
Market Value at Loan Maturity – Market	\$23,250,000
As Is Market Rent (CRCU)	
Two-Bedroom with 850 SF	\$965.00
Three-Bedroom with 897 SF	\$1,125.00
Four-Bedroom with 1,299 SF	\$1,365.00
As Complete Market Rent (CRCU)	
Two-Bedroom with 850 SF	\$1,015.00
Three-Bedroom with 897 SF	\$1,175.00
Four-Bedroom with 1,299	\$1,415.00

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 no services as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- ◆ I have no bias with respect to the property that is the subject of 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.
- ◆ Samuel T. Gill inspected the interior and exterior of the subject property and inspected the exteriors of the properties used as comparables in this report.
- ◆ No one provided significant professional assistance to the person signing this report.
- ◆ The appraiser retained by the lender inspected the subject property.

IN PROGRESS

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 Bellwether Enterprise Real Estate Capital, LLC 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 December 8, 2017, Samuel T. Gill, a State Certified General Real Estate Appraiser, conducted an interior and exterior inspection of the subject property to determine the property's physical and functional characteristics. Samuel T. Gill inspected all common areas and at least one unit of each varying type.
 - Samuel T. Gill or one of his associates 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 December 8, 2017, Samuel T. Gill 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 Douglass Village Apartments. The site is located at 6549 Brown Street, Douglasville, Douglas County, Georgia.

Legal Description

See Addendum A.

Past Five Years Sales History of the Subject

According to the Douglas County Assessor's Office, the property is owned by Douglass Village, Ltd. The property has not transferred ownership within the past five years. The property is currently under contract for sale. The seller is Douglas Village, Ltd., and the buyer is Stratford Asset Acquisition, LLC. The sales price is \$7,200,000. A copy of the contract is included in the addenda. The sales price is based on the income and rent restrictions currently in place at the properties and is not indicative of an unrestricted market value.

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; the market value, within 7 CFR Part 3560.752(b)(1)(ii) as defined in the USDA-RD guidelines; the 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 prospective market value, subject to restricted rents, within 7 CFR Part 3560.752(b)(1)(i) 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 for the 538 loan; and 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 December 8, 2017. The effective date of the as complete value is April 1, 2019.

Function of the Appraisal

The function of this appraisal is to aid the client, Bellwether Enterprise Real Estate Capital, LLC, United States Department of Agriculture, Rural Development and Georgia Department of Community Affairs 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 Bellwether Enterprise Real Estate Capital, LLC, United States Department of Agriculture, Rural Development and Georgia Department of Community Affairs.

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 Douglasville, the Douglas County Recorder; the Douglas 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 December 4, 2017, to December 8, 2017. This information was analyzed and summarized in this report. Area data was obtained from the City of Douglasville; the Douglas County Recorder; the Douglas 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 Douglasville and the surrounding area. Market data on improved sales and leased properties were obtained from Douglasville 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 Douglasville, Georgia, and the surrounding area indicate that they are not owner-occupied. The Income Approach discusses similar apartment complexes in Douglasville, Douglas 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 -1.00 to 5.00 percent, with an average of 2.58 percent for the fourth quarter of 2017. During the same period a year ago, the market rent change rate ranged from 0.00 to 5.00 percent, with an average of 2.85 percent.

The changes in expenses range from 2.00 to 3.00 percent, with an average of 2.72 percent (fourth 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 2.78 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 Fourth 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

¹ Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 5th ed. (Chicago: Appraisal Institute), 2010. and Attachment 7-A of Chapter 7 of the USDA RD Handbook HB-1-3560.

² Attachment 7-A of Chapter 7 of the USDA RD Handbook HB-1-3560

“As-Is” Value

The value of specific ownership rights to an identified parcel of real estate as of the effective date of the appraisal; relates to what physically exists and is legally permissible and excludes all assumptions concerning hypothetical market conditions or possible rezoning.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*, 5th ed. (Chicago: Appraisal Institute), 2010. and Attachment 7-A of Chapter 7 of the USDA RD Handbook HB-1-3560.

⁴ Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 5th ed. (Chicago: Appraisal Institute), 2010. and Attachment 7-A of Chapter 7 of the USDA RD Handbook HB-1-3560.

⁵ Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 5th ed. (Chicago: Appraisal Institute), 2010.

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 market value of the fee simple estate, subject to restricted rents, was determined under the hypothetical condition that the property will receive final approval of the Section 8 HAP contract and the rents will not be decreased to the market rents determined in the analysis. 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 Douglasville and Douglas 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 Douglasville is in Douglas County which is located in the northwestern portion of Georgia. The nearest city with a population of over 50,000 is Marietta, Georgia, which is approximately 18 miles northeast of Douglasville. The nearest city with a population of over 200,000 is Atlanta, Georgia, which is approximately 18 miles east of Douglasville. The nearest cities are Villa Rica, Lithia Springs, Austell, Palmetto, Carrollton and Atlanta. Douglas County has the following boundaries: North – Paulding and Cobb Counties; East – Cobb and Fulton Counties; South – Fulton and Carroll Counties; and West – Carroll County.

Utilities

The City of Douglasville provides water and sewer services to the residents of the city. Electricity service is provided by Georgia Power or GreyStone Power Corporation. Natural gas service is provided by Atlanta Gas Light, Gas South or SCANA. Basic telephone service is provided by AT&T

Health Care

WellStar Douglas Hospital is a health care facility located in Douglasville that serves the residents of the city and the surrounding area. Additional health care and medical facilities nearby include WellStar Cobb Hospital in Austell, approximately eight miles from Douglasville; Tanner Medical Center in Villa Rica, approximately 12 miles from the city; and WellStar Paulding Hospital, approximately 17 miles away in Dallas.

Transportation

Major highways in the County of Douglas include Interstate 20; U.S. Highways 78 and 278; and State Highways 5, 6, 8, 61, 70, 92, 154, 166 and 402. Hartsfield-Jackson Atlanta International Airport is approximately 32 miles away in Atlanta. Amtrak is available in the area for passenger rail service. The Georgia Regional Transportation Authority (GRTA) offers express bus service between Douglas County and downtown and midtown Atlanta Monday through Friday.

Population and Employment Statistics

CENSUS: 2016

	City	County	State
Population	32,317	138,283	10,099,320
Households	11,913	47,534	3,611,706
Renter Occupied	6,893	16,306	1,345,295

LABOR STATISTICS

CITY				
	Labor Force	Employment	Unemployment	Unemployment Rate
2010	15,719	13,874	1,845	11.7
2015	16,064	15,013	1,51	6.5
October 2017	17,155	16,326	829	4.8

COUNTY				
	Labor Force	Employment	Unemployment	Unemployment Rate
2010	66,575	59,108	7,467	11.2
2015	68,318	63,998	4,320	6.3
October 2017	72,834	69,592	3,242	4.5

STATE				
	Labor Force	Employment	Unemployment	Unemployment Rate
2010	4,696,676	4,202,052	494,624	10.5
2015	4,787,364	4,502,021	285,343	6.0
October 2017	5,075,140	4,853,499	221,641	4.4

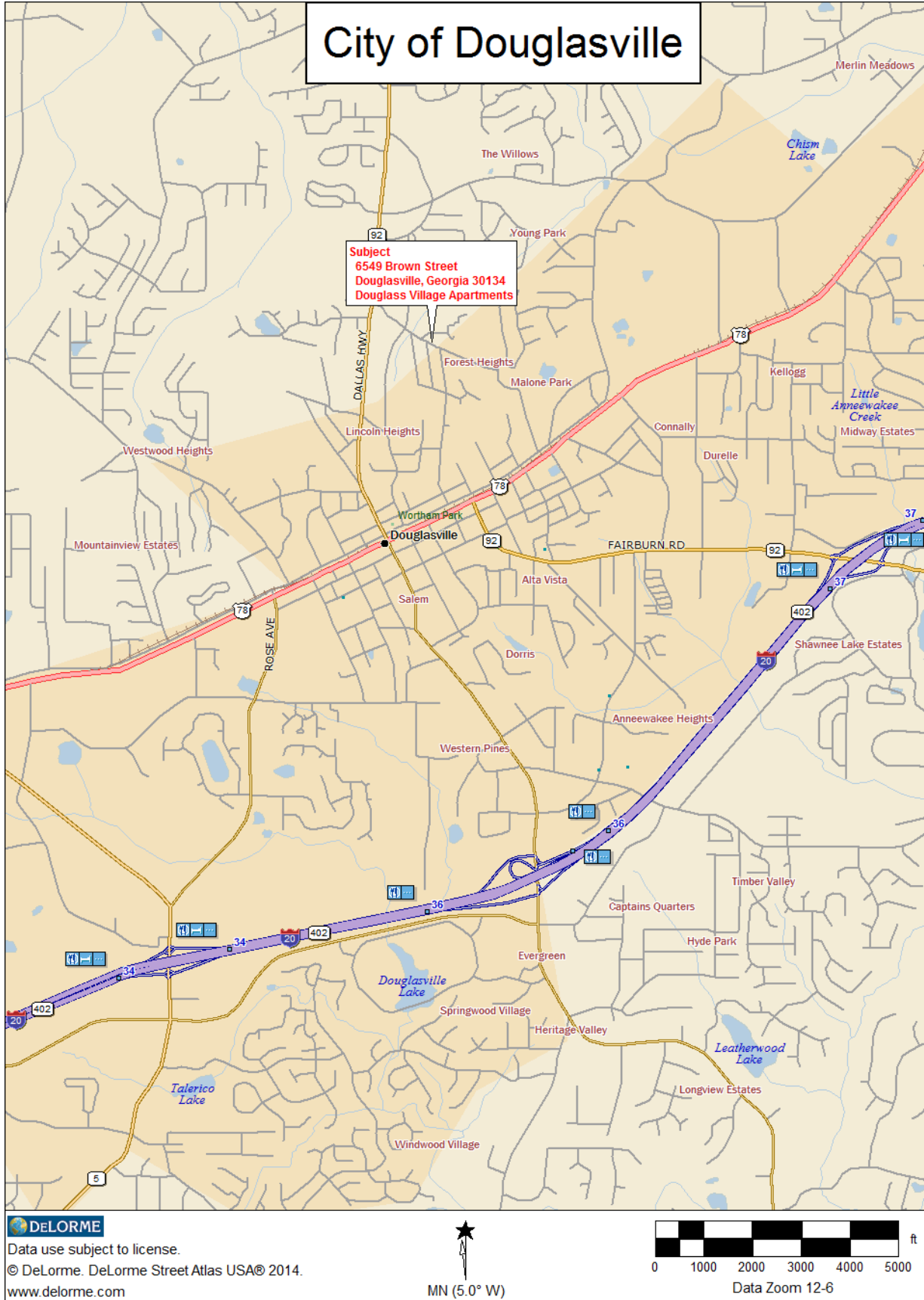
Major Employers

Major employers and number of employees for the area are as follows:

Employer	No. of Employees
Silver Line Building Products	1,200
Douglas County Government	875
American Red Cross Blood Services	450
APL Logistics	400
WellStar Douglas Hospital	313
Benton Georgia	300
Staples Customer Fulfillment Center	258
Medline Industries	250
Douglasville Government	243
Seasons 4	225

Summary and Conclusions

Douglasville is a city located in the southeastern 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 northern portion of the City of Douglasville, Georgia. The neighborhood has good attractiveness and appeal. The neighborhood has the following boundaries: North – Malone Road; South – U.S. Highway 78; East - Huey Road; and West – Dallas Highway/State Highway 92

Access

The neighborhood is accessed by Malone Road, U.S. Highway 78, Huey Road and Dallas Highway/State Highway 92. 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	Chef Rick
0.7 mi	Lil Mammias Soul Food
0.8 mi	Marva's Place
0.8 mi	Munchies Burger & Bar
0.8 mi	Irish Bred Pub & Restaurant
0.9 mi	Fabiano's Deli & Pizzeria
0.9 mi	Gumbeaux's A Cajun Cafe
1 mi	Gabe's Downtown
1 mi	Hunan Chinese Restaurant
1.1 mi	Waffle House
1.1 mi	El Don Tequilas
1.1 mi	Bankhead Diner
1.1 mi	Church's Chicken
1.1 mi	Wendy's
1.1 mi	DQ GRILL & CHILL RESTAURANT

Schools	
0.5 mi	Stewart Middle School
1 mi	St Rose Academy
1 mi	Burnett Elementary School
1 mi	Eastside Elementary School
1 mi	Montessori School Of Douglas County
1.1 mi	Heirway Christian Academy
1.4 mi	Douglas County High School
1.5 mi	Majestic Leadership Academy
2.1 mi	Performance Learning Center Facility
2.3 mi	North Douglas Elementary School
2.5 mi	Beulah Elementary School
3 mi	Douglasville Sda Elementary School
3.1 mi	Hal Hutchens Elementary School
3.4 mi	Bright Star Elementary School
3.5 mi	Chestnut Log Middle School

Banks	
0.9 mi	ATM (Regions Bank)
0.9 mi	BB&T
0.9 mi	United Community Bank
1 mi	Hamilton State Bank
1.2 mi	BestBank
1.3 mi	ATM
1.6 mi	SunTrust Bank
1.7 mi	PNC Bank
1.9 mi	Bank of the Ozarks - Douglasville
2.4 mi	Servis1st Bank
2.4 mi	Christopher & Banks
2.4 mi	Community & Southern Bank
2.5 mi	GEMC Federal Credit Union
2.5 mi	Wells Fargo Bank
2.7 mi	SunTrust Bank

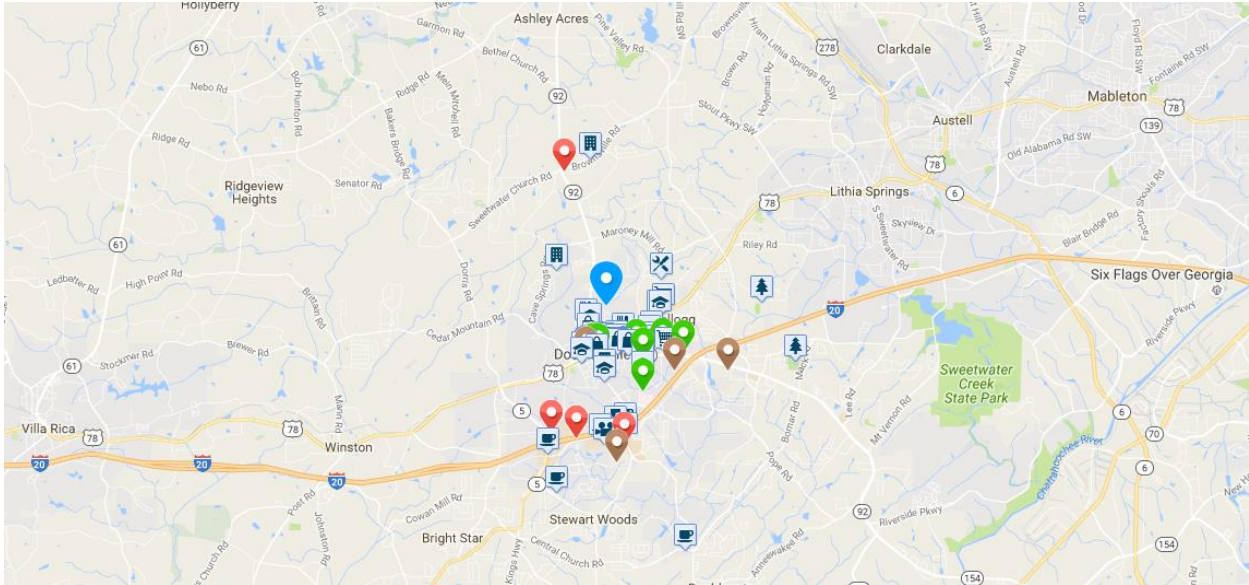
Groceries	
0.9 mi	Harvest General Store
1.1 mi	J J Corbian Market Place
1.1 mi	El Ta Comiendo
1.2 mi	Kroger
1.4 mi	La Monta Supermarket
2.2 mi	Food Depot
2.3 mi	T's Country Store
2.3 mi	Walmart Supercenter
2.3 mi	Choice Meat & Fish Inc
2.5 mi	Big Lots
2.5 mi	Edible Arrangements
2.8 mi	ALDI

Shopping	
0.7 mi	Enchanted Boutique
0.8 mi	The Burlap Rose
0.9 mi	SB Boutique
0.9 mi	The Trophy Den
0.9 mi	Una Vida Boutique
1 mi	Creative Thoughts And Fashions
1 mi	Gable Sporting Goods
1 mi	Tuoia
1.1 mi	Family Dollar #350
1.2 mi	The Destini Collection
1.2 mi	Plus Zhem Plus Size
1.3 mi	Cheryls Closet Inc
1.4 mi	Carousel Designs
1.4 mi	Benefitz Apparels

Police	
0.9 mi	Douglasville Administration
1 mi	Douglasville Police Dept - Precinct
1.7 mi	Douglas County Sheriff's Office
2.5 mi	Douglasville Police Department
2.8 mi	DMS GEAR

Medical Facilities	
2.5 mi	Get Well Urgent Care
2.5 mi	Prime Immediate Care
2.5 mi	Physicians Immediate Med
2.5 mi	Prime Immediate Care
15 mi	Emory Dialysis Center at Greenbriar

Douglass Village Apartments * 6549 Brown Street * Douglasville, Georgia



Land Use Pattern

The subject neighborhood is comprised primarily of residential properties and commercial properties and is 70 percent built up. Approximately 30 percent of the land use is made up of single-family residences. About 25 percent is comprised of multifamily properties. Another 15 percent of the land use is made up of commercial properties. The remaining 30 percent is vacant land. The area is mostly suburban.

Neighborhood Characteristics

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 good condition with good appeal. There are no rent controls affecting the marketability of the subject.

Neighboring Property Use

The neighborhood is comprised primarily of residential properties and commercial properties. Vacant land is located north of the site. Vacant land is located south of the site. Vacant land is located east of the subject. Single-family residences are located west of the subject.



Crime

According to www.neighborhoodscout.com, the crime index for the subject neighborhood is 9. There are 446 total crimes annually in the neighborhood, 48 of which are violent crimes and 398 of which are property crimes. The annual violent crime rate is 7.32 per 1,000 residents, while the property crime rate is 60.70 per 1,000 residents. The total annual crime rate is 68.02 per 1,000 residents. The chances of becoming a victim of a violent crime are 1 in 137 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 16 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 13,140, an increase of 1,348 people from the 2010 population of 11,792. The population is expected to increase at an annual rate of 0.0 percent between 2017 and 2022. Therefore, the 2022 population is projected at 13,140. The median age for the neighborhood is 31.4.

The total number of households increased from 3,954 in 2010 to 4,364 in 2017. Household totals are expected to increase, with a projected 4,682 households in 2022.

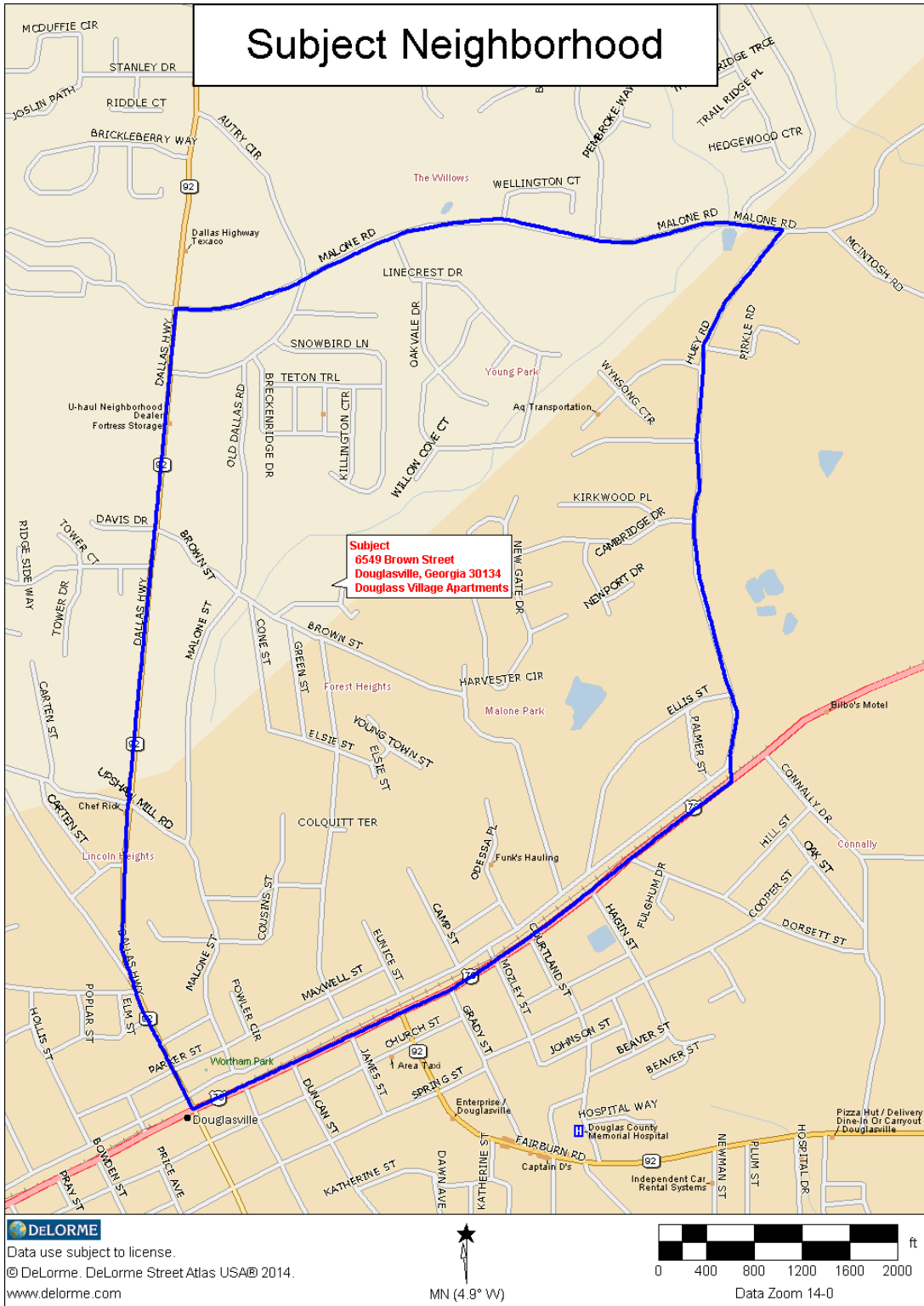
The median household income for the neighborhood in 2017 is \$44,643. It is expected to increase to \$50,325 by 2022. The per capita income is \$18,108.

The median home value for the neighborhood in 2017, according to ESRI, is \$111,181. According to ESRI, the average amount spent for owner-occupied households in the subject's neighborhood is \$7,477.83, or \$623 per month. The average amount spent for renter-occupied households is \$3,354.98, or \$280 per month.

Analysis/Comments

In conclusion, the subject is located in the northern portion of Douglasville, 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 the City of Douglasville, Georgia. The market area is generally bound by the city limits.

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.

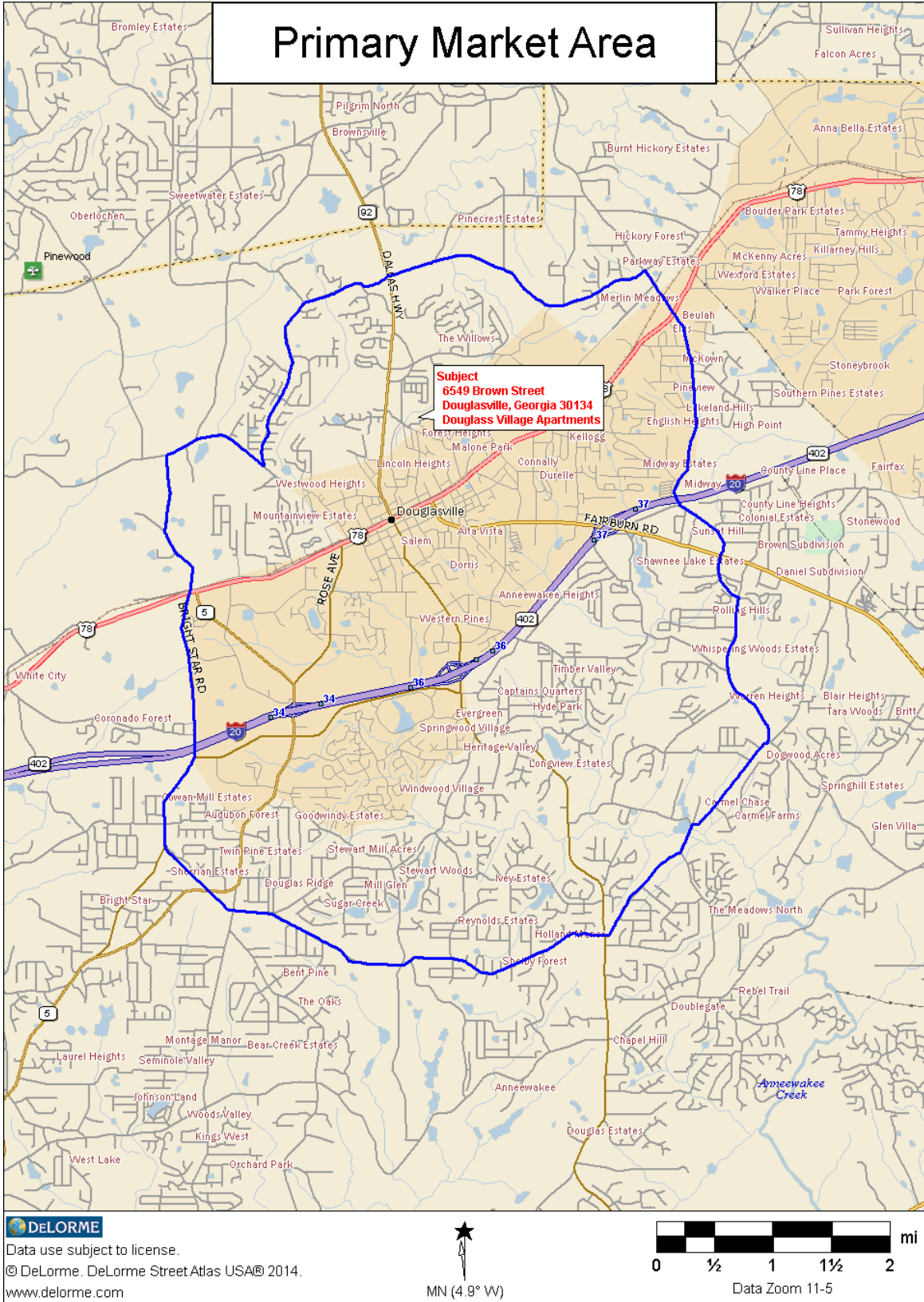
The field/phone survey was conducted in December 2017. Ten market-rate properties responded to the survey and seven restricted properties, including the subject, responded to the survey. Of the apartments surveyed an overall vacancy rate of four percent was determined for the market-rate vacancy and two percent was determined for the restricted vacancy. The subject is currently 100 percent occupied. Historically, the subject's occupancy rate has ranged from 98 to 99 percent since 2013. After considering the vacancy rate of the subject and the comparables, a vacancy rate of five percent was deemed appropriate for "as is" conventional housing; five percent was deemed appropriate for "as complete" conventional housing; three percent was deemed appropriate for "as is" affordable housing; and three percent was deemed appropriate for "as complete" affordable housing.

Market Area Vacancy by Development - Conventional			
Property Name	# of Units	# of Vacant Units	Vacancy Percentage
Brookview Apartments	216	0	0%
Stewarts Mill Apartments	188	5	3%
Lakeside at Arbor Place	246	12	5%
Century Arbor Place	298	12	4%
Park West Apartments	250	14	6%
Arbor Terrace Apartments	300	15	5%
Countryside Manor	82	4	5%
Parkwood Village Apartments	135	4	3%
Brook Valley Apartments	210	12	6%
Brighton Manor Townhomes	34	5	15%
TOTALS	1,959	83	4%

Market Area Vacancy by Development - Affordable			
Property Name	# of Units	# of Vacant Units	Vacancy Percentage
Douglass Village Apartments (Subject)	88	0	0%
Millwood Park Apartments	72	7	10%
Columbus Gardens Apartments	128	0	0%
Highland Park Senior Apartments	50	0	0%
Conners Senior Village	120	4	3%
Douglas Village Proper	100	0	0%
Mill Creek Place Apartments	128	0	0%
TOTALS	686	11	2%

Absorption Period

The subject is an existing 88-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.



DE LORME

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www.delorme.com

MN (4.9° W)

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Data Zoom 11-5

Subject Description

The area of the site and the site dimensions are based on the information provided by the Douglas County Assessor's Office. A survey was provided to the appraiser and is included in the addenda.

Total Land Area 10.798 acres, or 470,361+/- square feet

Shape/Dimensions Irregular

Access & Exposure The subject property is located on Brown Street. The site is at or near pavement grade with Brown Street. The site has ingress and egress on Brown 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 13097C0063D, dated March 4, 2013, 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 not 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 9.01;

Site Coverage Ratio - 11.10 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.

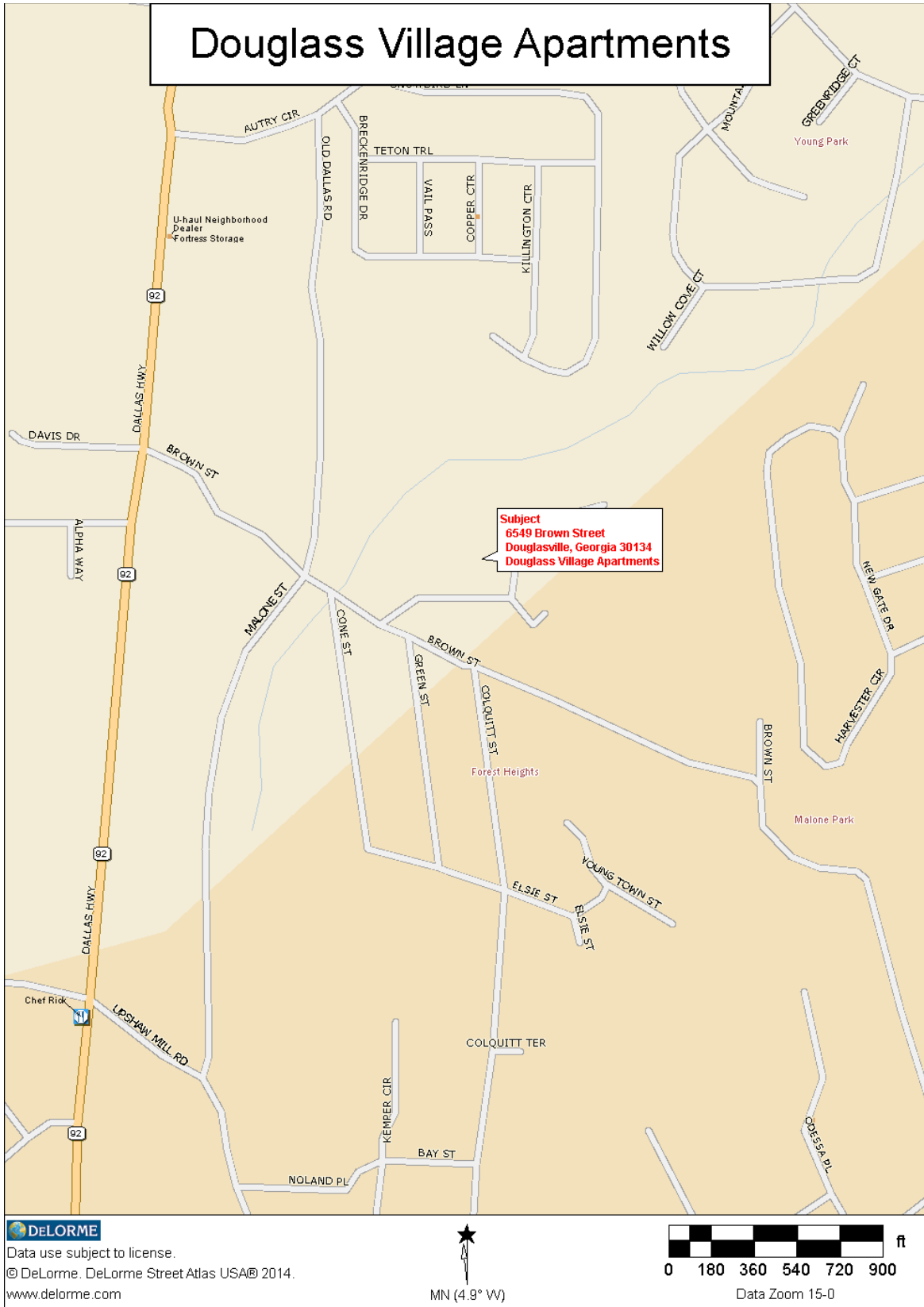
Utilities

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 City of Douglasville, the subject is zoned R-6, Single-Family Attached Apartment 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 re-built 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 10 two-story buildings containing 88 units and one accessory building.
Net Rentable Building Area	89,633 square feet
Gross Building Area	104,441 square feet
Year Built/Year Renovated	1983
Economic Life	55 Years
Effective Age	10 Years (As Is) 5 Years (As Complete)

The subject contains 10 two-story buildings containing 88 units. The property also contains one accessory one housing the clubhouse, meeting room, leasing office, laundry facility and maintenance area. According to the Douglas County Assessor, the gross building area of the property is 104,441 square feet. A copy of the plans was not available.

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
2/1.5	29	850	24,650
3/1.5	29	897	26,013
4/1.5	30	1,299	38,970
	88		89,633

The property includes the following amenities:

Unit Amenities	Included	Fee	Project Amenities	Included	Fee
Refrigerator	X		Clubhouse	X	
Range/Oven	X		Meeting Room	X	
Garbage Disposal			Swimming Pool		
Dishwasher			Spa/Hot Tub		
Microwave			Exercise Room		
Washer/Dryer			Picnic Area		
Washer/Dryer Hook-Ups	X		Playground	X	
Carpet	X		Tot Lot		
Vinyl	X		Volleyball Court		
Hardwood			Basketball Court		
Blinds	X		Tennis Court		
Drapes			Exterior Storage		
Shades			Business Center		
Ceiling Fans			Neighborhood Network		
Vaulted Ceilings			Transportation		
Fireplace			Service Coordinator		
Walk-In Closet	X		Concierge Services		
Coat Closet	X		Computer Room		
Balcony			Car Wash Area		
Patio			Laundry Facility	X	
Pull Cords			On-Site Management	X	
Safety Bars			On-Site Maintenance	X	
Parking	Included	Fee	Intercom/Electronic Entry		
Parking Lot	X	\$0	Limited Access Gate		
Carport			Perimeter Fencing		
Garage			Security Patrol		
Parking Garage/Underground			Video Surveillance	X	
			Library		
			Gazebo		

The subject is 100 percent Section 8 and Rural Development. 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
2/1.5	29	850	\$1,105	\$107
3/1.5	29	897	\$1,241	\$128
4/1.5	30	1,299	\$1,285	\$153

The subject entered into its last Section 8 HAP contract on January 1, 2013. The contract term is five years and ran through December 31, 2017. The property has received temporary approval on a new Section 8 HAP contract that runs for one year. The rents and utility allowances shown in the above table are based on the new HAP contract.

The property will undergo rehabilitation and will be in good condition. The proposed scope of work is comprehensive and includes replacement of appliances, kitchen cabinets, bathroom vanities and

medicine cabinets, windows, interior and exterior doors, hot water heaters, air conditioning units, toilets and baths, flooring and structural elements such as exterior brick and wall supports, roofing and re-grading and striping of the parking lots. The rehabilitation is anticipated to begin in April 2018 and end in April 2019.

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

Unit Type	# of Units	Square Footage	Proposed Rent	Utility Allowance
2/1.5	29	850	\$1,105	\$126
3/1.5	29	897	\$1,241	\$129
4/1.5	30	1,299	\$1,285	\$148

The rents indicated in the table are assuming LIHTC restrictions, but the subject will retain its Section 8 HAP contract for all units. The subject is currently a Rural Development and Section 8 property that, after rehabilitation, will remain a Rural Development and Section 8 property as well as be a Low Income Housing Tax Credit property at 60 percent of the area median income. As a result of the HAP contract, tenants will never be asked to pay more than 30 percent of their gross annual income for rent. Under the Section 538 Guaranteed Rural Rental Housing Program (GRRHP), the gross rent for any unit at intimal occupancy cannot exceed 30 percent of 115 percent of the area median income, adjusted for family size, and the average gross rent for all units in a project cannot exceed 30 percent of 100 percent of the area median income. In addition, the units are only available to families or persons whose income at the time of initial occupancy does not exceed 115 percent of the area median income.

CONSTRUCTION SUMMARY

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

UTILITIES

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

APPEAL

Landscaping

Grass, Trees, Shrubs

Age, Life and Condition

The subject was constructed in 1983 using both residential and commercial industry standard workmanship and materials. At the time of the inspection, the facility was observed to be in good 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 \$111,181. According to ESRI, the average amount spent for owner-occupied households in the subject's neighborhood is \$7,477.83, or \$623 per month. The average amount spent for renter-occupied households is \$3,354.98, or \$280 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 Good 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. 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.

Subject Photos



View of Sign



View of Exterior



View of Exterior



View of Exterior



View of Exterior



View of Exterior



View of Exterior



View of Exterior



View of Exterior



View of Exterior



View of Exterior



View of Exterior



View of Playground



View of Clubhouse



View of Meeting Room



View of Leasing Office



View of Laundry Facility



View of Maintenance Area



View of Living Area - Two-Bedroom Unit



View of Kitchen - Two-Bedroom Unit



View of Bedroom - Two-Bedroom Unit



View of Bath - Two-Bedroom Unit



View of Utility Area - Two-Bedroom Unit



View of Living Area - Three-Bedroom Unit



View of Kitchen - Three-Bedroom Unit



View of Bedroom - Three-Bedroom Unit



View of Bath - Three-Bedroom Unit



View of Utility Area - Three-Bedroom Unit



View of Living Area - Four-Bedroom Unit



View of Kitchen - Four-Bedroom Unit



View of Bedroom - Four-Bedroom Unit



View of Bath - Four-Bedroom Unit



View of Utility Area - Four-Bedroom Unit



View of Mail Center



View of Street



View of Street



View to the North



View to the South



View to the West



View to the East

Assessments and Current Real Estate Taxes

The tax rate for Douglas County is 31.718 per \$1,000 of assessed value, and the tax rate for Douglasville is 8.261 per \$1,000 of the assessed value. The property has a total appraised value of \$3,581,424, with \$150,355 allocated to land and \$3,431,069 allocated to improvements. The assessor uses 40 percent of the appraised value to determine the assessed value. As a result, the assessed value was \$1,432,570. The 2017 real estate taxes for the subject were \$57,272.77: \$45,438.30 for the county and \$11,834.47 for the city. The taxes have not 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 #	Assessed Value	Real Estate Taxes	Taxes Per Unit
Brookview Apartment Homes 8460 Hospital Drive Douglasville, Douglas County, GA	216	1968	00500150006	\$2,810,400	\$112,356.98	\$520.17
Stewarts Mill Apartments 3421 West Stewarts Mill Road Douglasville, Douglas County, GA	188	1988	01290250015	\$3,888,240	\$155,447.94	\$826.85
Lakeside at Arbor Place 3000 State Highway 5 Douglasville, Douglas County, GA	246	1988	01290250176	\$4,471,880	\$178,781.29	\$726.75
Countryside Manor 8800 Countryside Way Douglasville, Douglas County, GA	82	1984	00150150165	\$918,880	\$36,735.91	\$448.00
Brook Valley Apartments 3492 State Highway 5 Douglasville, Douglas County, GA	210	1990	01270250229	\$5,580,600.00	\$150,454.65	\$716.45

These comparables are all market-rate facilities in Douglas County. The comparables indicated a range of \$448.00 per unit to \$826.85 per unit. The subject's actual real estate taxes are \$651.00 per unit. The subject's real estate taxes are higher than all of the comparables. Therefore, no adjustment was made to the real estate taxes for the market scenario.

Highest and Best Use Analysis

Highest and Best Use is defined in *The Dictionary of Real Estate Appraisal*, sponsored by the Appraisal Institute (Fifth 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 10.798 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 104,441 square feet. The subject does not appear to suffer from functional or external obsolescence. The subject is in good 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 area around the subject. The comparables found are summarized on the following pages.

Land Sale No. 1



Property Identification

Record ID	3613
Property Type	Multifamily
Property Name	West Fayetteville Road
Address	West Fayetteville Road, College Park, Clayton County, Georgia 30349
Tax ID	13-091D-00A-001
Market Type	Land

Sale Data

Grantor	Poplar Pointe Atlanta, LLLP
Grantee	REO Funding Solutions, LLC
Sale Date	May 04, 2015
Deed Book/Page	10805/513
Property Rights	Fee Simple
Conditions of Sale	Normal
Financing	Conventional
Verification	Assessor; December 8, 2017

Sale Price	\$200,000
Cash Equivalent	\$200,000
Adjusted Price	\$200,000

Land Sale No. 1 (Cont.)

Land Data

Zoning	RM, Multiple Family Residential District
Topography	Nearly Level
Utilities	E, G, S, W
Shape	Irregular

Land Size Information

Gross Land Size	1.500 Acres or 65,340 SF
Allowable Units	21
Front Footage	West Fayetteville Road

Indicators

Sale Price/Gross Acre	\$133,333
Sale Price/Gross SF	\$3.06
Sale Price/Allowable Unit	\$9,524

Land Sale No. 2



Property Identification

Record ID	3615
Property Type	Multifamily
Property Name	2016 Powers Ferry Road Northwest
Address	2016 Powers Ferry Road Northwest, Atlanta, Fulton County, Georgia 30339
Tax ID	17-1008-0-008-0
Market Type	Land

Sale Data

Grantor	Park Point Land, LLC
Grantee	Broadstonw Windy Ridge, LLC
Sale Date	November 18, 2015
Deed Book/Page	15295-2789
Property Rights	Fee Simple
Conditions of Sale	Normal
Financing	Conventional
Verification	Assessor; December 8, 2017

Sale Price	\$2,500,000
Cash Equivalent	\$2,500,000
Adjusted Price	\$2,500,000

Land Data

Zoning	OHR, Office High Rise District
Topography	Nearly Level
Utilities	E, G, W, S
Shape	Irregular

Land Sale No. 2 (Cont.)

Land Size Information

Gross Land Size	3.140 Acres or 136,778 SF
Planned Units	300
Front Footage	Powers Ferry Road Northwest

Indicators

Sale Price/Gross Acre	\$796,178
Sale Price/Gross SF	\$18.28
Sale Price/Planned Unit	\$8,333

Remarks

The land will be used to develop Point Park Apartments which will have five stories and contain 300 units. Construction on the complex started in January 2016.

Land Sale No. 3



Property Identification

Record ID	3616
Property Type	Multifamily
Property Name	Cumberland Boulevard Southeast
Address	Cumberland Boulevard Southeast, Atlanta, Cobb County, Georgia 30339
Tax ID	17-0978-0-045-0
Market Type	Land

Sale Data

Grantor	Pope & Land Enterprises Inc
Grantee	Cumberland Residential LLC
Sale Date	April 22, 2016
Deed Book/Page	15332-0490
Property Rights	Fee Simple
Conditions of Sale	Normal
Financing	Conventional
Verification	Assessor; December 8, 2017

Sale Price	\$2,648,000
Cash Equivalent	\$2,648,000
Adjusted Price	\$2,648,000

Land Sale No. 3 (Cont.)

Land Data

Zoning	O&I, Office and Industrial District
Topography	Nearly Level
Utilities	E, G, W, S
Shape	Irregular

Land Size Information

Gross Land Size	2.350 Acres or 102,366 SF
Planned Units	300
Front Footage	Cumberland Boulevard Southeast

Indicators

Sale Price/Gross Acre	\$1,126,809
Sale Price/Gross SF	\$25.87
Sale Price/Planned Unit	\$8,827

Remarks

The land will be developed into a new eight-story apartment complex with 300 units. .

Land Sale No. 4



Property Identification

Record ID	3623
Property Type	Multifamily
Property Name	954 James Jackson Parkway Northwest
Address	954 James Jackson Parkway Northwest , Atlanta, Fulton County, Georgia 30318
Tax ID	17-0249-LL-018
Market Type	Land

Sale Data

Grantor	Hightower Road Apartments
Grantee	TBG Remington Senior LP
Sale Date	June 21, 2016
Deed Book/Page	56283-0140
Property Rights	Fee Simple
Conditions of Sale	Normal
Financing	Conventional
Verification	Assessor; December 8, 2017

Sale Price	\$1,200,000
Cash Equivalent	\$1,200,000
Adjusted Price	\$1,200,000

Land Data

Zoning	RG-3, General Multifamily Residential District
Topography	Nearly Level
Utilities	E, G, W, S
Shape	Irregular

Land Size Information

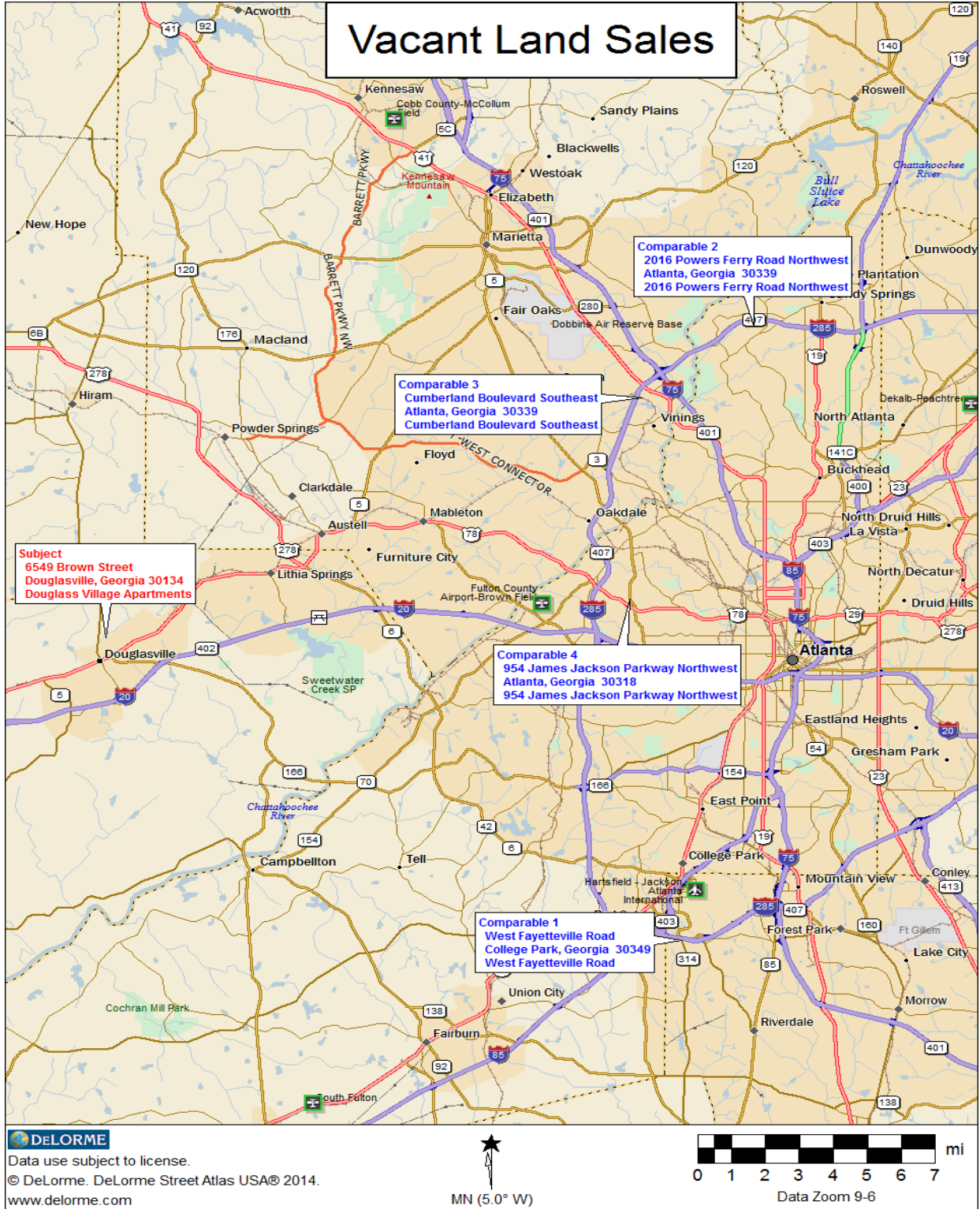
Gross Land Size	9.320 Acres or 405,979 SF
Allowable Units	160

Land Sale No. 4 (Cont.)

Front Footage James Jackson Parkway North West

Indicators

Sale Price/Gross Acre	\$128,755
Sale Price/Gross SF	\$2.96
Sale Price/Allowable Unit	\$7,500



Douglass Village Apartments * 6549 Brown Street * Douglasville, Georgia

Land Analysis Grid		Comp 1		Comp 2		Comp 3		Comp 4	
Address	6549 Brown Street	West Fayetteville Road		2016 Powers Ferry Road		Cumberland Boulevard		954 James Jackson Parkway Northwest	
City	Douglasville	College Park		Atlanta		Atlanta		Atlanta	
State	GA	GA		GA		GA		GA	
Date	12/8/2017	5/4/2015		11/18/2015		4/22/2016		6/21/2016	
Price		\$200,000		\$2,500,000		\$2,648,000		\$1,200,000	
No. of Units	88	21		300		300		160	
Price Per Unit		\$9,524		\$8,333		\$8,827		\$7,500	
Transaction Adjustments									
Property Rights	Fee Simple	Fee Simple	0.0%	Fee Simple	0.0%	Fee Simple	0.0%	Fee Simple	0.0%
Financing	Conventional	Conventional	0.0%	Conventional	0.0%	Conventional	0.0%	Conventional	0.0%
Conditions of Sale	Normal	Normal	0.0%	Normal	0.0%	Normal	0.0%	Normal	0.0%
Adjusted Price Per Unit		\$9,524		\$8,333		\$8,827		\$7,500	
Market Trends Through	12/08/17	0%		0%		0%		0%	
Adjusted Price Per Unit		\$9,524		\$8,333		\$8,827		\$7,500	
Location	Good	Similar		Superior		Superior		Superior	
% Adjustment			0%		-5%		-5%		-5%
\$ Adjustment			\$0		-\$417		-\$441		-\$375
No. of Units	88	21		300		300		160	
% Adjustment		0%		0%		0%		0%	
\$ Adjustment		\$0		\$0		\$0		\$0	
Visibility/Access	Good	Superior		Similar		Similar		Similar	
% Adjustment			-15%		0%		0%		0%
\$ Adjustment			-\$1,429		\$0		\$0		\$0
Topography	Nearly Level	Nearly Level		Nearly Level		Nearly Level		Nearly Level	
% Adjustment			0%		0%		0%		0%
\$ Adjustment			\$0		\$0		\$0		\$0
Zoning	R-6	RM		OHR		O&I		RG3	
% Adjustment			0%		0%		0%		0%
\$ Adjustment			\$0		\$0		\$0		\$0
Utilities	E, G, W, S	E, G, S, W		E, G, W, S		E, G, W, S		E, G, W, S	
% Adjustment			0%		0%		0%		0%
\$ Adjustment			\$0		\$0		\$0		\$0
Acres	10.798	1.50		3.14		2.35		9.32	
% Adjustment			0%		0%		0%		0%
\$ Adjustment			\$0		\$0		\$0		\$0
Density/Acre	8.15	14.00		95.54		127.66		17.17	
% Adjustment			0%		0%		0%		0%
\$ Adjustment			\$0		\$0		\$0		\$0
Adjusted Price Per Unit		\$8,095		\$7,917		\$8,385		\$7,125	
Net adjustments		-15.0%		-5.0%		-5.0%		-5.0%	
Gross adjustments		-15.0%		-5.0%		-5.0%		-5.0%	

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 December 8, 2017, is as follows:

88 units x \$8,000 per unit = \$704,000

Rounded \$705,000

Summary of Vacant Land Sales

Comp	Address	Sale Date	Sale Price	Price Per Unit	Acres	No. of Units	Zoning
1	West Fayetteville Road	5/4/2015	\$200,000	\$9,523.81	1.50	21	RM
2	2016 Powers Ferry Road Northwest	11/18/2015	\$2,500,000	\$8,333.33	3.14	300	OHR
3	Cumberland Boulevard Southeast	4/22/2016	\$2,648,000	\$8,826.67	2.35	300	O&I
4	954 James Jackson Parkway Northwest	6/21/2016	\$1,200,000	\$7,500	9.32	160	RG3

Adjustments

The prices of the comparable land sales range from \$7,500 to \$9,524 per unit 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 Douglasville. Comparable 1 is located in College Park. Comparable 2 is located in Atlanta. Comparable 3 is located in Atlanta. Comparable 4 is located in Atlanta. There is little difference in economic levels for the subject and the comparables. However, the comparables in Atlanta do have a slightly greater access to services. Therefore, these comparables were adjusted downward five percent. College Park is considered similar to the subject in terms of services and was not adjusted.

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 contains 88 units and consists of a total area of 10.798 acres. The comparables range in number of units from 21 to 300 and in size from 21 acres to 300 acres. The density of the subject is 8.22 units per acre which is less than the comparables which range from 14.00 to 127.66 units per acre. However, 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 good visibility/access. Comparable 1 is superior to the subject. It is located in a highly visible area with very good access.

Therefore, this comparable was adjusted downward 15 percent after comparison with the other comparables. The remaining comparables were considered similar to the subject.

Topography

Consideration was given to the subject's topography. The subject is nearly level. All comparables are similar. 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-6. Comparable 1 is zoned RM. Comparable 2 is zoned OHR. Comparable 3 is zoned O&I. Comparable 4 is zoned RG3. All comparables have multifamily zoning or were sold with the intent to build multifamily units. Therefore, no adjustments were needed.

Utilities

Consideration was given to the subject's utilities. The subject has electric, gas, water and sewer utilities. 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 \$7,125 to \$8,385 per unit after adjustments. All comparables were given consideration. The comparables indicated a reconciled value of \$8,000 per unit. These were considered to be the best comparables available after researching sales with local realtors and the county assessor's office.

10.798 acres x \$8,000 per Unit = \$704,000

Rounded \$705,000

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*, 5th ed. (Chicago: Appraisal Institute), 2010

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 in the “as is” market scenario.

Deferred Maintenance

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

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: 0.9300
Height/Story Multiplier: 1.0000	Current Cost Multiplier: 1.0300
Perimeter Multiplier: 1.0000	Combined Multipliers: 0.9579

Building Improvements

Item	Unit Type	Cost	Quantity	Multiplier	Total
Good Class D Multiple Residences	Sq. Ft.	\$100.60	104,441	0.958	\$10,064,430
Built-Ins	Per Unit	\$1,925.00	88	0.958	\$162,268
Total Building Improvement Costs					\$10,226,698
Price per SF Gross Building Area					\$97.92

Site Improvements

Item	Unit Type	Cost	Quantity	Multiplier	Total
Paving	Lump Sum	\$75,000.00	1	0.958	\$71,843
Recreation Area	Lump Sum	\$2,500.00	1	0.958	\$2,395
Total Site Improvement Costs					\$74,237
Subtotal: Building & Site Costs					\$10,300,935
Price per SF Gross Building Area					\$98.63

Total Costs

Subtotal: Building, Site & Soft Costs	\$10,300,935
Developer's Profit 10.0%	\$1,030,094
Total Cost	\$11,331,029
Price per SF Gross Building Area	\$108.49

Depreciation

Component	Eff. Age	Life	Percent	Amount
Physical Depreciation: Building	10	55	18%	\$2,024,886
Physical Depreciation: Site	10	20	50%	\$40,830
Functional Obsolescence Building			0%	\$0
External Obsolescence Building			0%	\$0
Total Depreciation				\$2,065,717
Depreciated Value of Improvements				\$9,265,312
Cost Per Square Foot Gross Building Area				\$88.71

Additional Cost Sections

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

Land Value

Land Value	\$705,000	
Other	\$0	
Cost Approach Value Indication		\$9,970,312
Rounded		\$9,970,000
Price per SF Gross Building Area		\$95.46

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 = \$9,970,000

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

External Obsolescence - As Is Market

Total Construction Cost of Structures				\$10,300,935
Plus: Entrepreneur's Profit				\$1,030,094
Depreciation				(\$2,065,717)
Cost of Structures before External Obsolescence				<u>\$9,265,312</u>
Value of Land				\$705,000
Plus: Entrepreneur's Profit				<u>\$70,500</u>
Cost before External Obsolescence				\$10,040,812
Current Capitalization Rate				5.75%
Economic Net Operating Income (RCN x CR)				\$577,347
Net Operating Income from the Subject				<u>\$508,817</u>
Net Loss Due to Economic Obsolescence				(\$68,530)
Ratio of Improvements Total Property Value				0.9228
Year		Actual NOI Loss	Overall Cap Rate	Capitalized NOI Loss
1		(\$68,530)	5.75%	(\$1,191,827)
Times ratio of Improvements to Total Property				0.9228
Total External Obsolescence				(\$1,099,777)

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: 0.9300
Height/Story Multiplier: 1.0000	Current Cost Multiplier: 1.0300
Perimeter Multiplier: 1.0000	Combined Multipliers: 0.9579

Building Improvements

Item	Unit Type	Cost	Quantity	Multiplier	Total
Good Class D Multiple Residences	Sq. Ft.	\$100.60	104,441	0.958	\$10,064,430
Built-Ins	Per Unit	\$1,925.00	88	0.958	\$162,268
Total Building Improvement Costs					\$10,226,698
Price per SF Gross Building Area					\$97.92

Site Improvements

Item	Unit Type	Cost	Quantity	Multiplier	Total
Paving	Lump Sum	\$75,000.00	1	0.958	\$71,843
Recreation Area	Lump Sum	\$2,500.00	1	0.958	\$2,395
Total Site Improvement Costs					\$74,237
Subtotal: Building & Site Costs					\$10,300,935
Price per SF Gross Building Area					\$98.63

Total Costs

Subtotal: Building, Site & Soft Costs	\$10,300,935
Developer's Profit 10.0%	\$1,030,094
Total Cost	\$11,331,029
Price per SF Gross Building Area	\$108.49

Depreciation

Component	Eff. Age	Life	Percent	Amount
Physical Depreciation: Building	10	55	18%	\$2,024,886
Physical Depreciation: Site	10	20	50%	\$40,830
Functional Obsolescence Building			0%	\$0
External Obsolescence Building			0%	\$1,099,777
Total Depreciation				\$3,165,494
Depreciated Value of Improvements				\$8,165,535
Cost Per Square Foot Gross Building Area				\$78.18

Additional Cost Sections

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

Land Value

Land Value	\$705,000
Other	\$0
Cost Approach Value Indication	\$8,870,535
Rounded	\$8,870,000
Price per SF Gross Building Area	\$84.93

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 = \$8,870,000

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: 0.9300
Height/Story Multiplier: 1.0000	Current Cost Multiplier: 1.0300
Perimeter Multiplier: 1.0000	Combined Multipliers: 0.9579

Building Improvements

Item	Unit Type	Cost	Quantity	Multiplier	Total
Good Class D Multiple Residences	Sq. Ft.	\$100.60	104,441	0.958	\$10,064,430
Built-Ins	Per Unit	\$2,825.00	88	0.958	\$238,134
Total Building Improvement Costs					\$10,302,564
Price per SF Gross Building Area					\$98.64

Site Improvements

Item	Unit Type	Cost	Quantity	Multiplier	Total
Paving	Lump Sum	\$75,000.00	1	0.958	\$71,843
Recreation Area	Lump Sum	\$2,500.00	1	0.958	\$2,395
Total Site Improvement Costs					\$74,237
Subtotal: Building & Site Costs					\$10,376,801
Price per SF Gross Building Area					\$99.36

Total Costs

Subtotal: Building, Site & Soft Costs	\$10,376,801
Developer's Profit 10.0%	\$1,037,680
Total Cost	\$11,414,481
Price per SF Gross Building Area	\$109.29

Depreciation: Section 1 of 1

Component	Eff. Age	Life	Percent	Amount
Physical Depreciation: Building	5	55	9%	\$1,019,954
Physical Depreciation: Site	5	20	25%	\$20,415
Functional Obsolescence Building			0%	\$0
External Obsolescence Building			0%	\$0
Total Depreciation				\$1,040,369
Depreciated Value of Improvements				\$10,374,112
Cost Per Square Foot Gross Building Area				\$99.33

Additional Cost Sections

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

Land Value

Land Value	\$705,000
Other	\$0
Cost Approach Value Indication	\$11,079,112
Rounded	\$11,080,000
Price per SF Gross Building Area	\$106.09

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

Restricted Value As Complete = \$11,080,000

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: 0.930
Height/Story Multiplier: 1.000	Current Cost Multiplier: 1.030
Perimeter Multiplier: 1.000	Combined Multipliers: 0.958

Building Improvements

Item	Unit Type	Cost	Quantity	Multiplier	Total
Good Class D Multiple Residences	Sq. Ft.	\$100.60	104,441	0.958	\$10,064,430
Built-Ins	Per Unit	\$2,825.00	88	0.958	\$238,134
Total Building Improvement Costs					\$10,302,564
Price per SF Gross Building Area					\$98.64

Site Improvements

Item	Unit Type	Cost	Quantity	Multiplier	Total
Paving	Lump Sum	\$75,000.00	1	0.958	\$71,843
Recreation Area	Lump Sum	\$2,500.00	1	0.958	\$2,395
Total Site Improvement Costs					\$74,237
Subtotal: Building & Site Costs					\$10,376,801
Price per SF Gross Building Area					\$99.36

Total Costs

Subtotal: Building, Site & Soft Costs		\$10,376,801
Developer's Profit 10.0%		\$1,037,680
Total Cost		\$11,414,481
Price per SF Gross Building Area		\$109.29

Depreciation: Section 1 of 1

Component	Eff. Age	Life	Percent	Amount
Physical Depreciation: Building	5	55	9%	\$1,019,954
Physical Depreciation: Site	5	20	25%	\$20,415
Functional Obsolescence Building			0%	\$0
External Obsolescence Building			0%	\$0
Total Depreciation				\$1,040,369
Depreciated Value of Improvements				\$10,374,112
Cost Per Square Foot Gross Building Area				\$99.33

Additional Cost Sections

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

Land Value

Land Value	\$705,000	
Other	\$0	
Cost Approach Value Indication		\$11,079,112
Rounded		\$11,080,000
Price per SF Gross Building Area		\$106.09

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

Market Value As Complete = \$11,080,000

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

Two-Bedroom Units (850 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)	
Two-Bedroom	Douglass Village Apartments 6549 Brown Street Douglasville, Douglas, GA	Brookview Apartment Homes 8460 Hospital Drive Douglasville, Douglas, GA		Park West Apartments 7250 Arbor Vista Drive Douglasville, Douglas, GA		Century Arbor Place 5832 Stewart Parkway Douglasville, Douglas, GA		Stewart Mills Apartments 3421 West Stewarts Mill Road Douglasville, Douglas, GA		Lakeside at Arbor Place 3000 State Highway 5 Douglasville, Douglas, GA	
Characteristics	Data	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments
3. Effective Date of Rental	12/2017	12/2017		12/2017		12/2017		12/2017		12/2017	
4. Type of Project/Stories	T/2	WU/2		WU/3		WU/3		WU/3		WU/3	
5. Floor of Unit in Building	First	Varies		Varies		Varies		Varies		Varies	
6. Project Occupancy %	100%	100%		94%		96%		97%		95%	
7. Concessions	N	N		N		N		N		N	
8. Year Built	1983	1968	\$100	2002	(\$50)	2003	(\$50)	1988		1988	
9. Sq. Ft. Area	850	862		1,149	(\$70)	1,105	(\$60)	880	(\$5)	986	(\$35)
10. Number of Bedrooms	2	2		2		2		2		2	
11. Number of Baths	1.5	1.0	\$25	2.0	(\$25)	2.0	(\$25)	1.0	\$25	1.0	\$25
12. Number of Rooms	4	4		4		4		4		4	
13. Balc./Terrace/Patio	N	N		Y	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)
14. Garage or Carport	L/0	L/0		L/0, G/80		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)	D	(\$10)	MD	(\$15)	D	(\$10)	D	(\$10)
e. Washer/Dryer	HU	HU		HU		WD	(\$20)	HU		HU	
f. Carpet	C	C		V	\$5	C		C		C	
g. Drapes	B	B		N		B		B		B	
h. Pool/Rec. Area	R	PR	(\$10)	PR	(\$10)	PR	(\$10)	PR	(\$10)	PR	(\$10)
16. Services a. Heat/Type	N/G	N/E		N/E		N/E		N/E		N/E	
b. Cooling	N/E	N/E		N/E		N/E		N/E		N/E	
c. Cook/Type	N/G	N/E		N/E		N/E		N/E		N/E	
d. Electricity	N	N		N		N		N		N	
e. Hot Water	N/G	N/E		N/E		N/E		N/E		N/E	
f. Cold Water/Sewer	Y	Y		N	\$44	N	\$44	N	\$44	N	\$44
g. Trash	Y	Y		N	\$22	N	\$22	N	\$22	N	\$22
17. Storage	N	N		Y	(\$5)	N		N		N	
18. Project Location	Good	Similar		Similar		Similar		Similar		Similar	
19. Security	Y	N	\$5	Y	(\$5)	Y	(\$5)	N	\$5	Y	(\$5)
20. Clubhouse/Meeting Room	CMR	N	\$10	CMR		C	\$5	C	\$5	C	\$5
21. Special Features	N	N		N		N		N		N	
22. Business Center / Nbdh Netwk	N	N		BC	(\$5)	BC	(\$5)	BC	(\$5)	BC	(\$5)
23. Unit Rent Per Month		\$759		\$1,050		\$1,100		\$938		\$950	
24. Total Adjustment			\$120		(\$114)		(\$124)		\$66		\$26
25. Indicated Rent		\$879		\$936		\$976		\$1,004		\$976	
26. Correlated Subject Rent	\$965	<input type="checkbox"/> If there are any Remarks, check here and add the remarks to the back of page.									
	high rent	\$1,004	low rent	\$879	60% range	\$904	to	\$979			

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/yyyy)

Reviewer's Signature

Date (mm/dd/yyyy)

12/08/17

Previous editions are obsolete

form HUD-92273 (07/2003)

Three-Bedroom Units (897 SF) – As Is

Estimates of Market Rent
by Comparison - As Is

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

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

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

1. Unit Type	2. Subject Property (Address)	A. Comparable Property No. 1 (address)			B. Comparable Property No. 2 (address)			C. Comparable Property No. 3 (address)			D. Comparable Property No. 4 (address)			E. Comparable Property No. 5 (address)					
Three-Bedroom	Douglass Village Apartments 6549 Brown Street Douglasville, Douglas, GA	Brookview Apartment Homes 8460 Hospital Drive Douglasville, Douglas, GA			Park West Apartments 7250 Arbor Vista Drive Douglasville, Douglas, GA			Century Arbor Place 5832 Stewart Parkway Douglasville, Douglas, GA			Stewart Mills Apartments 3421 West Stewarts Mill Road Douglasville, Douglas, GA			Lakeside at Arbor Place 3000 State Highway 5 Douglasville, Douglas, GA					
Characteristics		Data		Data		Adjustments +		Data		Adjustments +		Data		Adjustments +		Data		Adjustments +	
3. Effective Date of Rental	12/2017	12/2017			12/2017				12/2017				12/2017				12/2017		
4. Type of Project/Stories	T/2	WU/2			WU/3				WU/3				WU/3				WU/3		
5. Floor of Unit in Building	First	Varies			Varies				Varies				Varies				Varies		
6. Project Occupancy %	100%	100%			94%				96%				97%				95%		
7. Concessions	N	N			N				N				N				N		
8. Year Built	1983	1968		\$100	2002		(\$50)		2003		(\$50)		1988				1988		
9. Sq. Ft. Area	897	1,102		(\$45)	1,435		(\$120)		1,460		(\$125)		1,253		(\$80)		1,555		(\$145)
10. Number of Bedrooms	3	3			3				3				3				3		
11. Number of Baths	1.5	1.5			2.0		(\$25)		2.0		(\$25)		2.0		(\$25)		2.0		(\$25)
12. Number of Rooms	5	5			5				5				5				5		
13. Balc./Terrace/Patio	N	N			Y		(\$5)		Y		(\$5)		Y		(\$5)		Y		(\$5)
14. Garage or Carport	L/0	L/0			L/0, G/80				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)	D		(\$10)		MD		(\$15)		D		(\$10)		D		(\$10)
e. Washer/Dryer	HU	HU			HU				WD		(\$20)		HU				HU		
f. Carpet	C	C			V		\$5		C				C				C		
g. Drapes	B	B			N				B				B				B		
h. Pool/Rec. Area	R	PR		(\$10)	PR		(\$10)		PR		(\$10)		PR		(\$10)		PR		(\$10)
16. Services a. Heat/Type	N/G	N/E			N/E				N/E				N/E				N/E		
b. Cooling	N/E	N/E			N/E				N/E				N/E				N/E		
c. Cook/Type	N/G	N/E			N/E				N/E				N/E				N/E		
d. Electricity	N	N			N				N				N				N		
e. Hot Water	N/G	N/E			N/E				N/E				N/E				N/E		
f. Cold Water/Sewer	Y	Y			N		\$59		N		\$59		N		\$59		N		\$59
g. Trash	Y	Y			N		\$22		N		\$22		N		\$22		N		\$22
17. Storage	N	N			Y		(\$5)		N				N				N		
18. Project Location	Good	Similar			Similar				Similar				Similar				Similar		
19. Security	Y	N		\$5	Y		(\$5)		Y		(\$5)		N		\$5		Y		(\$5)
20. Clubhouse/Meeting Room	CMR	N		\$10	CMR				C		\$5		C		\$5		C		\$5
21. Special Features	N	N			N				N				N				N		
22. Business Center / Nbdh Netwk	N	N			BC		(\$5)		BC		(\$5)		BC		(\$5)		BC		(\$5)
23. Unit Rent Per Month		\$969			\$1,250				\$1,408				\$1,320				\$1,260		
24. Total Adjustment				\$50			(\$149)				(\$174)				(\$44)				(\$119)
25. Indicated Rent		\$1,019			\$1,101				\$1,234				\$1,276				\$1,141		
26. Correlated Subject Rent	\$1,125	<input type="checkbox"/> If there are any Remarks, check here and add the remarks to the back of page.																	
	high rent	\$1,276	low rent	\$1,019	60% range	\$1,070	to	\$1,225											

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): 12/08/17 Reviewer's Signature: _____ Date (mm/dd/yyyy): _____

Previous editions are obsolete

form HUD-92273 (07/2003)

Four-Bedroom Units (1,299 SF) – As Is

Estimates of Market Rent
by Comparison - As Is

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

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

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

1. Unit Type	2. Subject Property (Address)	A. Comparable Property No. 1 (address)		B. Comparable Property No. 2 (address)		C. Comparable Property No. 3 (address)		D. Comparable Property No. 4 (address)		E. Comparable Property No. 5 (address)	
Four-Bedroom	Douglass Village Apartments 6549 Brown Street Douglasville, Douglas, GA	Brookview Apartment Homes 8460 Hospital Drive Douglasville, Douglas, GA		Park West Apartments 7250 Arbor Vista Drive Douglasville, Douglas, GA		Century Arbor Place 5832 Stewart Parkway Douglasville, Douglas, GA		Stewart Mills Apartments 3421 West Stewarts Mill Road Douglasville, Douglas, GA		Lakeside at Arbor Place 3000 State Highway 5 Douglasville, Douglas, GA	
Characteristics	Data	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments
3. Effective Date of Rental	12/2017	12/2017		12/2017		12/2017		12/2017		12/2017	
4. Type of Project/Stories	T/2	WU/2		WU/3		WU/3		WU/3		WU/3	
5. Floor of Unit in Building	First	Varies		Varies		Varies		Varies		Varies	
6. Project Occupancy %	100%	100%		94%		96%		97%		95%	
7. Concessions	N	N		N		N		N		N	
8. Year Built	1983	1968	\$100	2002	(\$50)	2003	(\$50)	1988		1988	
9. Sq. Ft. Area	1,299	1,102	\$45	1,435	(\$30)	1,460	(\$35)	1,253	\$10	1,555	(\$55)
10. Number of Bedrooms	4	3	\$125	3	\$125	3	\$125	3	\$125	3	\$125
11. Number of Baths	2.0	1.5	\$25	2.0		2.0		2.0		2.0	
12. Number of Rooms	6	5		5		5		5		5	
13. Balc./Terrace/Patio	N	N		Y	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)
14. Garage or Carport	L/0	L/0		L/0, G/80		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)	D	(\$10)	MD	(\$15)	D	(\$10)	D	(\$10)
e. Washer/Dryer	HU	HU		HU		WD	(\$20)	HU		HU	
f. Carpet	C	C		V	\$5	C		C		C	
g. Drapes	B	B		N		B		B		B	
h. Pool/Rec. Area	R	PR	(\$10)	PR	(\$10)	PR	(\$10)	PR	(\$10)	PR	(\$10)
16. Services a. Heat/Type	N/G	N/E		N/E		N/E		N/E		N/E	
b. Cooling	N/E	N/E		N/E		N/E		N/E		N/E	
c. Cook/Type	N/G	N/E		N/E		N/E		N/E		N/E	
d. Electricity	N	N		N		N		N		N	
e. Hot Water	N/G	N/E		N/E		N/E		N/E		N/E	
f. Cold Water/Sewer	Y	Y		N	\$73	N	\$73	N	\$73	N	\$73
g. Trash	Y	Y		N	\$22	N	\$22	N	\$22	N	\$22
17. Storage	N	N		Y	(\$5)	N		N		N	
18. Project Location	Good	Similar		Similar		Similar		Similar		Similar	
19. Security	Y	N	\$5	Y	(\$5)	Y	(\$5)	N	\$5	Y	(\$5)
20. Clubhouse/Meeting Room	CMR	N	\$10	CMR		C	\$5	C	\$5	C	\$5
21. Special Features	N	N		N		N		N		N	
22. Business Center / Nbhnd Netwk	N	N		BC	(\$5)	BC	(\$5)	BC	(\$5)	BC	(\$5)
23. Unit Rent Per Month		\$969		\$1,250		\$1,408		\$1,320		\$1,260	
24. Total Adjustment			\$290		\$105		\$80		\$210		\$135
25. Indicated Rent		\$1,259		\$1,355		\$1,488		\$1,530		\$1,395	
26. Correlated Subject Rent	\$1,365	<input type="checkbox"/> If there are any Remarks, check here and add the remarks to the back of page.									
	high rent	\$1,530	low rent	\$1,259	60% range	\$1,313	to	\$1,476			

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): 12/08/17 Reviewer's Signature: _____ Date (mm/dd/yyyy): _____

Previous editions are obsolete

form HUD-92273 (07/2003)

Explanation of Adjustments and Market Rent Conclusions – As Is

Douglass Village Apartments

Primary Unit Types – Two-Bedroom Units (850 SF), Three-Bedroom Units (897 SF) and Four-Bedroom Units (1,299 SF)

Rent comparability grids were prepared for the primary unit types with 850, 897 and 1,299 square feet. Comparable apartments used include the following: Brookview Apartment Homes (Comparable 1), Park West Apartments (Comparable 2), Century Arbor Place (Comparable 3), Stewart Mills Apartments (Comparable 4) and Lakeside at Arbor Place (Comparable 5).

Structure/Stories – The subject is located in townhouse two-story buildings. All comparables are located in walk-up two- or three-story buildings. No complex in the market area shows a rent difference based on this particular item. No adjustment was needed.

Project Occupancy – The subject is currently 100 percent occupied. The occupancy rates of the comparables range from 94 to 100 percent. No adjustment was 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 1983. Comparable 1 was built in 1968, and Comparable 2 was constructed in 2002. Comparable 3 was built in 2003, and Comparable 4 was constructed in 1988. Comparable 5 was also constructed in 1988. Comparables 4 and 5 are similar to the subject's current condition. Comparable 1 is inferior, and Comparables 2 and 3 are superior in condition. In order to determine the appropriate adjustments for condition (year built/year renovated), the appraiser utilized paired analysis to compare the comparables. Comparable 5 was deemed the most similar to the subject. Therefore, this comparable was considered the subject in the paired analysis calculation. When performing the analysis, the appraiser compared the units at Comparables 1, 2 and 3 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 baths, unit size, balcony/patio, microwave/dishwasher, washer/dryer, floor coverings, extra storage, security, clubhouse/meeting room, business center, cold water/sewer and trash/recycling. 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 - Two-Bedroom Units			
Item	Comparable 1	Comparable 2	Comparable 3
Street Rent	\$759	\$1,050	\$1,100
# Baths	\$0	-\$50	-\$50
Unit Interior Sq. ft.	\$30	-\$40	-\$30
Balcony/Patio	\$5	\$0	\$0
Microwave/Dishwasher	\$0	\$0	-\$5
Washer/Dryer	\$0	\$0	-\$20
Floor Coverings	\$0	\$5	\$0
Extra Storage	\$0	-\$5	\$0
Security	\$10	\$0	\$0
Clubhouse/Meeting Room	\$5	-\$5	\$0
Business Ctr/Nbhd Netw k	\$5	\$0	\$0
Cold Water/Sewer	-\$44	\$0	\$0
Trash/Recycling	-\$22	\$0	\$0
Net Rent	\$748	\$955	\$995
Comparable 5 Street Rent	\$950	\$950	\$950
Indicated Adjustment	\$202	-\$5	-\$45

Paired Analysis - Three-Bedroom Units			
Item	Comparable 1	Comparable 2	Comparable 3
Street Rent	\$969	\$1,250	\$1,408
# Baths	\$25	\$0	\$0
Unit Interior Sq. ft.	\$100	\$25	\$20
Balcony/Patio	\$5	\$0	\$0
Microwave/Dishwasher	\$0	\$0	-\$5
Washer/Dryer	\$0	\$0	-\$20
Floor Coverings	\$0	\$5	\$0
Extra Storage	\$0	-\$5	\$0
Security	\$10	\$0	\$0
Clubhouse/Meeting Room	\$5	-\$5	\$0
Business Ctr/Nbhd Netw k	\$5	\$0	\$0
Cold Water/Sewer	-\$59	\$0	\$0
Trash/Recycling	-\$22	\$0	\$0
Net Rent	\$1,038	\$1,270	\$1,403
Comparable 5 Street Rent	\$1,260	\$1,260	\$1,260
Indicated Adjustment	\$222	-\$10	-\$143

As can be seen on the analysis, the amount of adjustments indicated was different for each bedroom type. The paired analysis for Comparable 2 does not indicate a significant difference between it and

Comparable 5. However, Comparable 2 is considered similar in condition to Comparable 3, and both are visually superior to Comparable 5. Therefore, the adjustment determined for Comparable 3 was also applied to Comparable 2. 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. The comparables were adjusted as follows: Comparable 1 - \$100; Comparable 2 - \$50; and Comparable 3 - \$50. All remaining comparables were considered similar to the subject and were not adjusted.

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 two-bedroom comparison is \$0.24, for three-bedroom comparison is \$0.22 and for the four-bedroom comparison is \$0.22. 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 two-, three- and four-bedroom units. All comparables have two- and three-bedroom units. However, no conventional four-bedroom units could be verified within the market area. Each comparable with a differing number of bedrooms than the subject was adjusted upward \$125 per month. 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 added convenience of additional bedrooms. The extra room(s) will enhance marketability of a unit even if the square footage remains the same. The amount selected was chosen after a paired rental analysis was used to determine a range for the adjustment. As can be seen in the following table, a paired analysis range of \$113 to \$286 was determined for the additional bedroom. An adjustment within the low end of the range was selected.

	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
2 BR Rent	\$759	\$1,050	\$1,100	\$970	\$1,039
2 BR Size	862	1,149	1,105	960	1,065
3 BR Rent	\$969	\$1,250	\$1,408	\$1,320	\$1,260
3 BR Size	1,102	1,435	1,460	1,253	1,555
Size Adj Factor	\$0.22	\$0.22	\$0.22	\$0.22	\$0.22
Size Difference	240	286	355	293	490
Indicated Size Adj.	\$53	\$63	\$78	\$64	\$108
Adjusted 3 BR Rent	\$916	\$1,187	\$1,330	\$1,256	\$1,152
Indicated BR Adj.	\$157	\$137	\$230	\$286	\$113

of Baths – Each complex with a differing number of baths than the subject was adjusted \$25 per half-bath. The majority of the difference in number of baths is accounted for in the unit square footage adjustment. However, an adjustment is made here to consider the added convenience of additional baths. The extra room(s) will enhance the marketability of a unit even if the square footage remains the same. The amount selected was chosen after a paired rental analysis was used to determine a range of \$13 to \$70 per bath, as can be seen in the table below.

	Comp 4	Comp 5	Countryside Manor	Parkwood Village
Small 2 BR Rent	\$938	\$950	\$755	\$715
Small 2 BR Size	880	986	976	864
Large 2 BR Rent	\$970	\$1,039	\$805	\$750
Large 2 BR Size	960	1,065	976	764
Size Adj Factor	\$0.24	\$0.24	\$0.24	\$0.24
Size Difference	80	79	0	-100
Indicated Size Adj.	\$19	\$19	\$0	-\$24
Adjusted 2 BR Rent	\$951	\$1,020	\$805	\$774
Indicated Bath Adj.	\$13	\$70	\$50	\$59

All of the differences in the paired analysis table are based on one full bath difference as the comparables did not contain half-bath differences that could be used to calculate paired analysis. The paired rental analysis range is determined by comparing comparables with differing numbers of baths and factoring out any other differences (amenities, utilities provided, etc.). The resulting difference is assumed to be attributable to the differing number of baths. The results are grouped together in a range. The adjustment is selected based on where the majority of the results fall within the range. If there is no majority, a conservative adjustment at the low end of the range is selected. The majority for the paired analysis fell within the range of \$50 to \$70. However, as this was for a full bath difference, the adjustments were divided in half to determine the adjustments for half-bath. Once divided in half, the range would be \$25 to \$35. An adjustment of \$25 per month was considered appropriate when considering this range.

Balcony/Patio – The subject does not contain either amenity. Comparable 1 is similar to the subject. The remaining comparables have one or both features and were adjusted downward \$5 per month. Although the comparables do not indicate a rent differential for units with these features versus units without these features, the added amenity is an enhancement. Therefore, a nominal \$5 adjustment was selected for these features.

Parking – The subject and all comparables contain open parking lots for no monthly fee. Comparable 2 also contains garage parking for \$80 per month. No adjustment is needed as the subject and comparables have similar parking available for no fee.

AC: Central/Wall – The subject contains central air conditioning as do all comparables. 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. All of the comparables contain garbage disposals. Since there is no market data concerning units with this feature, no adjustment was given.

Microwave/Dishwasher – The subject does not contain microwaves or dishwashers. All comparables contain dishwashers in the units. Comparable 3 also contains microwaves. Although there is little market data available concerning units with these features versus those without these features, the added amenities are an enhancement to the unit. Therefore, all comparables with dishwashers were adjusted downward \$10 per month, and the comparable with both features was adjusted downward \$15 per month.

Washer/Dryer – The subject and all comparables except Comparable 3 contain washer/dryer hook-ups in the units. Comparable 3 contains washers and dryers in each unit. 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, Comparable 3 was adjusted downward \$20 per month.

Carpet – The subject contains carpet floor coverings in the units. All comparables except Comparable 2 contain carpet floor coverings in the units. Comparable 2 contains tile flooring and was adjusted upward \$5 per month. Although, there is not much market data concerning units with carpet floor coverings, the amenity is generally considered an enhancement to the unit. Therefore, a nominal adjustment was made.

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

Pool/Recreation Areas – The subject contains a playground. All comparables contain swimming pools. Comparable 1 also contains a playground. Comparable 2 also contains a fitness center, playground, tennis court and courtyard. Comparable 3 also contains a spa/hot tub, fitness center, picnic area and tennis court. Comparable 4 also contains a picnic area and playground. Comparable 5 also contains a fitness center, picnic area, playground, tennis court and lake. No complex in the market area shows a rent differential based on this particular item; however, the added amenity is an enhancement. Therefore, the comparables were adjusted downward \$10 per month.

Heat – The subject does not have this utility provided. None of the comparables have this utility provided. No adjustment was needed.

Cooling – The subject does not have this utility provided. None of the comparables have this utility provided. No adjustment was needed.

Cooking – The subject does not have this utility provided. None of the comparables have this utility provided. No adjustment was needed.

Electricity – The subject does not have this utility provided. None of the comparables have this utility provided. No adjustment was needed.

Hot Water – The subject does not have this utility provided. None of the comparables have this utility provided. No adjustment was needed.

Cold Water/Sewer – The subject and Comparable 1 have these utilities provided. The remaining comparables do not provide these utilities and were adjusted upward \$44 for two-bedroom units, \$59 for three-bedroom units and \$73 for four-bedroom units as indicated on the Utility Allowance Schedule provided by the local housing authority.

Trash – The subject and Comparable 1 have this utility provided. None of the remaining comparables provide this utility. Comparables 2, 3, 4 and 5 were adjusted upward \$22 per month. The adjustment was determined based on the Utility Allowance Schedule provided by the local housing authority.

Extra Storage – The subject does not contain this feature. Comparables 1, 3, 4 and 5 are similar to the subject. Comparable 2 does contain extra storage and was adjusted downward \$5 per month. No complex in the market area shows a rent differential based on this particular item; however, the added amenity is an enhancement. Therefore, a nominal adjustment was selected and utilized.

Location – The subject's location is good. All comparables are located in similar areas as the subject. No adjustment was needed.

Security – The subject contains video surveillance. Comparables 1 and 4 do not contain security features. Comparable 2 contains intercom entry and limited access gate. Comparable 3 contains limited access gate. Comparable 5 also contains limited access gate. No complex in the market area shows a rent differential based on this particular item; however, the added amenity is an enhancement, particularly security that limits access to the property. Therefore, Comparables 2, 3 and 5 were adjusted downward

\$5 per month as the security features at these comparables limits access to the building and/or grounds. Comparables 1 and 4 were adjusted upward \$5 per month for the lack of security features.

Clubhouse/Meeting Room – The subject contains both clubhouse and meeting room. Comparable 1 does not contain either feature and was adjusted upward \$10 per month. Comparable 2 is similar to the subject. Comparables 3, 4 and 5 all contain clubhouses and were adjusted upward \$5 per month. No complex in the market area shows a rent differential based on this particular item; however, the added amenity is an enhancement. Therefore, a \$5 adjustment was selected for each feature.

Special Features – The subject does not contain special features in the units. All comparables are similar to the subject. No adjustment was needed.

Business Center/Neighborhood Network – The subject does not contain either amenity. Comparable 1 is similar to the subject. The remaining comparables contain business centers. No complex in the market area shows a rent differential based on this particular item; however, the added amenity is an enhancement. Therefore, a \$5 adjustment was selected.

Conclusion of Market Rents – As Is

The adjusted rents range from \$879 to \$1,004 for the two-bedroom comparison; from \$1,019 to \$1,276 for the three-bedroom comparison; and from \$1,259 to \$1,530 for the four-bedroom comparison. All comparables were given consideration. The appraiser concluded the market rent for the units at the subject as follows:

- **850 SF Two-Bedroom Units** - **\$965**
- **897 SF Three-Bedroom Units** - **\$1,125**
- **1,299 SF Four-Bedroom Units** - **\$1,365**

The following table shows the current rents at the subject. The estimated market rents are below the current rents for the two- and three--bedroom units and above the current rent for the four-bedroom units. However, the subject's current HAP contract guarantees the contract rents, and residents are not required to pay more than 30 percent of their gross annual income toward rent and utilities.

Unit Type	# of Units	Square Footage	Maximum Net LIHTC Rent	Current Rent	Utility Allowance
2/1.5	29	850	\$816	\$1,105	\$107
3/1.5	29	897	\$958	\$1,241	\$128
4/1.5	30	1,299	\$1,065	\$1,285	\$153

HUD-Forms 92273 – As Complete

Two-Bedroom Units (850 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)					
Two-Bedroom	Douglass Village Apartments 6549 Brown Street Douglasville, Douglas, GA	Brookview Apartment Homes 8460 Hospital Drive Douglasville, Douglas, GA	Park West Apartments 7250 Arbor Vista Drive Douglasville, Douglas, GA	Century Arbor Place 5832 Stewart Parkway Douglasville, Douglas, GA	Stewart Mills Apartments 3421 West Stewarts Mill Road Douglasville, Douglas, GA	Lakeside at Arbor Place 3000 State Highway 5 Douglasville, Douglas, GA					
Characteristics	Data	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments
3. Effective Date of Rental	12/2017	12/2017		12/2017		12/2017		12/2017		12/2017	
4. Type of Project/Stories	T/2	WU/2		WU/3		WU/3		WU/3		WU/3	
5. Floor of Unit in Building	First	Varies		Varies		Varies		Varies		Varies	
6. Project Occupancy %	100%	100%		94%		96%		97%		95%	
7. Concessions	N	N		N		N		N		N	
8. Year Built	1983/Proposed	1968	\$150	2002		2003		1988	\$50	1988	\$50
9. Sq. Ft. Area	850	862		1,149	(\$70)	1,105	(\$60)	880	(\$5)	986	(\$35)
10. Number of Bedrooms	2	2		2		2		2		2	
11. Number of Baths	1.5	1.0	\$25	2.0	(\$25)	2.0	(\$25)	1.0	\$25	1.0	\$25
12. Number of Rooms	4	4		4		4		4		4	
13. Balc./Terrace/Patio	N	N		Y	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)
14. Garage or Carport	L/0	L/0		L/0, G/80		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)	D	(\$10)	MD	(\$15)	D	(\$10)	D	(\$10)
e. Washer/Dryer	HU	HU		HU		WD	(\$20)	HU		HU	
f. Carpet	C	C		V	\$5	C		C		C	
g. Drapes	B	B		N		B		B		B	
h. Pool/Rec. Area	R	PR	(\$10)	PR	(\$10)	PR	(\$10)	PR	(\$10)	PR	(\$10)
16. Services a. Heat/Type	N/G	N/E		N/E		N/E		N/E		N/E	
b. Cooling	N/E	N/E		N/E		N/E		N/E		N/E	
c. Cook/Type	N/G	N/E		N/E		N/E		N/E		N/E	
d. Electricity	N	N		N		N		N		N	
e. Hot Water	N/G	N/E		N/E		N/E		N/E		N/E	
f. Cold Water/Sewer	Y	Y		N	\$44	N	\$44	N	\$44	N	\$44
g. Trash	Y	Y		N	\$22	N	\$22	N	\$22	N	\$22
17. Storage	N	N		Y	(\$5)	N		N		N	
18. Project Location	Good	Similar		Similar		Similar		Similar		Similar	
19. Security	Y	N	\$5	Y	(\$5)	Y	(\$5)	N	\$5	Y	(\$5)
20. Clubhouse/Meeting Room	CMR	N	\$10	CMR		C	\$5	C	\$5	C	\$5
21. Special Features	N	N		N		N		N		N	
22. Business Center / Nbrhd Netwk	N	N		BC	(\$5)	BC	(\$5)	BC	(\$5)	BC	(\$5)
23. Unit Rent Per Month		\$759		\$1,050		\$1,100		\$938		\$950	
24. Total Adjustment			\$170		(\$64)		(\$74)		\$116		\$76
25. Indicated Rent		\$929		\$986		\$1,026		\$1,054		\$1,026	
26. Correlated Subject Rent	\$1,015	<input type="checkbox"/> If there are any Remarks, check here and add the remarks to the back of page.									
	high rent	\$1,054	low rent	\$929	60% range	\$954	to	\$1,029			

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)

12/08/17

Three-Bedroom Units (897 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)	
		Data	Adjustments +	Data	Adjustments +	Data	Adjustments +	Data	Adjustments +	Data	Adjustments +
Three-Bedroom	Douglass Village Apartments 6549 Brown Street Douglasville, Douglas, GA	Brookview Apartment Homes 8460 Hospital Drive Douglasville, Douglas, GA		Park West Apartments 7250 Arbor Vista Drive Douglasville, Douglas, GA		Century Arbor Place 5832 Stewart Parkway Douglasville, Douglas, GA		Stewart Mills Apartments 3421 West Stewarts Mill Road Douglasville, Douglas, GA		Lakeside at Arbor Place 3000 State Highway 5 Douglasville, Douglas, GA	
3. Effective Date of Rental	12/2017	12/2017		12/2017		12/2017		12/2017		12/2017	
4. Type of Project/Stories	T/2	WU/2		WU/3		WU/3		WU/3		WU/3	
5. Floor of Unit in Building	First	Varies		Varies		Varies		Varies		Varies	
6. Project Occupancy %	100%	100%		94%		96%		97%		95%	
7. Concessions	N	N		N		N		N		N	
8. Year Built	1983/Proposed	1968	\$150	2002		2003		1988	\$50	1988	\$50
9. Sq. Ft. Area	897	1,102	(\$45)	1,435	(\$120)	1,460	(\$125)	1,253	(\$80)	1,555	(\$145)
10. Number of Bedrooms	3	3		3		3		3		3	
11. Number of Baths	1.5	1.5		2.0	(\$25)	2.0	(\$25)	2.0	(\$25)	2.0	(\$25)
12. Number of Rooms	5	5		5		5		5		5	
13. Balc./Terrace/Patio	N	N		Y	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)
14. Garage or Carport	L/0	L/0		L/0, G/80		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)	D	(\$10)	MD	(\$15)	D	(\$10)	D	(\$10)
e. Washer/Dryer	HU	HU		HU		WD	(\$20)	HU		HU	
f. Carpet	C	C		V	\$5	C		C		C	
g. Drapes	B	B		N		B		B		B	
h. Pool/Rec. Area	R	PR	(\$10)	PR	(\$10)	PR	(\$10)	PR	(\$10)	PR	(\$10)
16. Services a. Heat/Type	N/G	N/E		N/E		N/E		N/E		N/E	
b. Cooling	N/E	N/E		N/E		N/E		N/E		N/E	
c. Cook/Type	N/G	N/E		N/E		N/E		N/E		N/E	
d. Electricity	N	N		N		N		N		N	
e. Hot Water	N/G	N/E		N/E		N/E		N/E		N/E	
f. Cold Water/Sewer	Y	Y		N	\$59	N	\$59	N	\$59	N	\$59
g. Trash	Y	Y		N	\$22	N	\$22	N	\$22	N	\$22
17. Storage	N	N		Y	(\$5)	N		N		N	
18. Project Location	Good	Similar		Similar		Similar		Similar		Similar	
19. Security	Y	N	\$5	Y	(\$5)	Y	(\$5)	N	\$5	Y	(\$5)
20. Clubhouse/Meeting Room	CMR	N	\$10	CMR		C	\$5	C	\$5	C	\$5
21. Special Features	N	N		N		N		N		N	
22. Business Center / Nbd Netwk	N	N		BC	(\$5)	BC	(\$5)	BC	(\$5)	BC	(\$5)
23. Unit Rent Per Month		\$969		\$1,250		\$1,408		\$1,320		\$1,260	
24. Total Adjustment		\$100		(\$99)		(\$124)		\$6		(\$69)	
25. Indicated Rent		\$1,069		\$1,151		\$1,284		\$1,326		\$1,191	
26. Correlated Subject Rent	\$1,175	<input type="checkbox"/> If there are any Remarks, check here and add the remarks to the back of page.									
	high rent	\$1,326	low rent	\$1,069	60% range	\$1,120	to	\$1,275			

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/yyyy) 12/08/17
 Reviewer's Signature _____ Date (mm/dd/yyyy) _____

Four-Bedroom Units (1,299 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)	
		Data	Adjustments +	Data	Adjustments +	Data	Adjustments +	Data	Adjustments +	Data	Adjustments +
Four-Bedroom	Douglass Village Apartments 6549 Brown Street Douglasville, Douglas, GA	Brookview Apartment Homes 8460 Hospital Drive Douglasville, Douglas, GA		Park West Apartments 7250 Arbor Vista Drive Douglasville, Douglas, GA		Century Arbor Place 5832 Stewart Parkway Douglasville, Douglas, GA		Stewart Mills Apartments 3421 West Stewarts Mill Road Douglasville, Douglas, GA		Lakeside at Arbor Place 3000 State Highway 5 Douglasville, Douglas, GA	
3. Effective Date of Rental	12/2017	12/2017		12/2017		12/2017		12/2017		12/2017	
4. Type of Project/Stories	T/2	WU/2		WU/3		WU/3		WU/3		WU/3	
5. Floor of Unit in Building	First	Varies		Varies		Varies		Varies		Varies	
6. Project Occupancy %	100%	100%		94%		96%		97%		95%	
7. Concessions	N	N		N		N		N		N	
8. Year Built	1983/Proposed	1968	\$150	2002		2003		1988	\$50	1988	\$50
9. Sq. Ft. Area	1,299	1,102	\$45	1,435	(\$30)	1,460	(\$35)	1,253	\$10	1,555	(\$55)
10. Number of Bedrooms	4	3	\$125	3	\$125	3	\$125	3	\$125	3	\$125
11. Number of Baths	2.0	1.5	\$25	2.0		2.0		2.0		2.0	
12. Number of Rooms	6	5		5		5		5		5	
13. Balc./Terrace/Patio	N	N		Y	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)
14. Garage or Carport	L/O	L/O		L/O, G/80		L/O		L/O		L/O	
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)	D	(\$10)	MD	(\$15)	D	(\$10)	D	(\$10)
e. Washer/Dryer	HU	HU		HU		WD	(\$20)	HU		HU	
f. Carpet	C	C		V	\$5	C		C		C	
g. Drapes	B	B		N		B		B		B	
h. Pool/Rec. Area	R	PR	(\$10)	PR	(\$10)	PR	(\$10)	PR	(\$10)	PR	(\$10)
16. Services a. Heat/Type	N/G	N/E		N/E		N/E		N/E		N/E	
b. Cooling	N/E	N/E		N/E		N/E		N/E		N/E	
c. Cook/Type	N/G	N/E		N/E		N/E		N/E		N/E	
d. Electricity	N	N		N		N		N		N	
e. Hot Water	N/G	N/E		N/E		N/E		N/E		N/E	
f. Cold Water/Sewer	Y	Y		N	\$73	N	\$73	N	\$73	N	\$73
g. Trash	Y	Y		N	\$22	N	\$22	N	\$22	N	\$22
17. Storage	N	N		Y	(\$5)	N		N		N	
18. Project Location	Good	Similar		Similar		Similar		Similar		Similar	
19. Security	Y	N	\$5	Y	(\$5)	Y	(\$5)	N	\$5	Y	(\$5)
20. Clubhouse/Meeting Room	CMR	N	\$10	CMR		C	\$5	C	\$5	C	\$5
21. Special Features	N	N		N		N		N		N	
22. Business Center / Nbhd Netwk	N	N		BC	(\$5)	BC	(\$5)	BC	(\$5)	BC	(\$5)
23. Unit Rent Per Month		\$969		\$1,250		\$1,408		\$1,320		\$1,260	
24. Total Adjustment			\$340		\$155		\$130		\$260		\$185
25. Indicated Rent		\$1,309		\$1,405		\$1,538		\$1,580		\$1,445	
26. Correlated Subject Rent	\$1,415	<input type="checkbox"/> If there are any Remarks, check here and add the remarks to the back of page.									
	high rent	\$1,580	low rent	\$1,309	60% range	\$1,363	to	\$1,526			

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/yyyy) 12/08/17
Reviewer's Signature _____ Date (mm/dd/yyyy) _____

Explanation of Adjustments and Market Rent Conclusions – As Complete

Douglass Village Apartments

Primary Unit Types – Two-Bedroom Units (850 SF), Three-Bedroom Units (897 SF) and Four-Bedroom Units (1,299 SF)

Rent comparability grids were prepared for the primary unit types with 850, 897 and 1,299 square feet. Comparable apartments used include the following: Brookview Apartment Homes (Comparable 1), Park West Apartments (Comparable 2), Century Arbor Place (Comparable 3), Stewart Mills Apartments (Comparable 4) and Lakeside at Arbor Place (Comparable 5).

Structure/Stories – The subject is located in townhouse two-story buildings. All comparables are located in walk-up two- or three-story buildings. No complex in the market area shows a rent difference based on this particular item. No adjustment was needed.

Project Occupancy – The subject is currently 100 percent occupied. The occupancy rates of the comparables range from 94 to 100 percent. No adjustment was 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 1983 and will be rehabilitated. Comparable 1 was built in 1968, and Comparable 2 was constructed in 2002. Comparable 3 was built in 2003, and Comparable 4 was constructed in 1988. Comparable 5 was also constructed in 1988. After the subject's rehabilitation, all comparables will be inferior to the subject to varying degrees. Based on the scope of rehabilitation, an anticipated difference of approximately \$50 per month was determined for the comparison between the "as is" and "as renovated" condition of the subject. This amount was applied to the adjustments determined in the "as is" paired analysis, and the comparables were adjusted as follows: Comparable 1 - \$150; Comparable 2 - \$0; Comparable 3 - \$0; Comparable 4 - \$50; and Comparable 5 - \$50. All remaining comparables were considered similar to the subject and were not adjusted.

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 two-bedroom comparison is \$0.24, for three-bedroom comparison

is \$0.22 and for the four-bedroom comparison is \$0.22. 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 two-, three- and four-bedroom units. All comparables have two- and three-bedroom units. However, no conventional four-bedroom units could be verified within the market area. Each comparable with a differing number of bedrooms than the subject was adjusted upward \$125 per month. 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 added convenience of additional bedrooms. The extra room(s) will enhance marketability of a unit even if the square footage remains the same. The amount selected was chosen after a paired rental analysis was used to determine a range for the adjustment. As can be seen in the following table, a paired analysis range of \$113 to \$286 was determined for the additional bedroom. An adjustment within the low end of the range was selected.

	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
2 BR Rent	\$759	\$1,050	\$1,100	\$970	\$1,039
2 BR Size	862	1,149	1,105	960	1,065
3 BR Rent	\$969	\$1,250	\$1,408	\$1,320	\$1,260
3 BR Size	1,102	1,435	1,460	1,253	1,555
Size Adj Factor	\$0.22	\$0.22	\$0.22	\$0.22	\$0.22
Size Difference	240	286	355	293	490
Indicated Size Adj.	\$53	\$63	\$78	\$64	\$108
Adjusted 3 BR Rent	\$916	\$1,187	\$1,330	\$1,256	\$1,152
Indicated BR Adj.	\$157	\$137	\$230	\$286	\$113

of Baths – Each complex with a differing number of baths than the subject was adjusted \$25 per half-bath. The majority of the difference in number of baths is accounted for in the unit square footage adjustment. However, an adjustment is made here to consider the added convenience of additional baths. The extra room(s) will enhance the marketability of a unit even if the square footage remains the same. The amount selected was chosen after a paired rental analysis was used to determine a range of \$13 to \$70 per bath, as can be seen in the table below.

	Comp 4	Comp 5	Countryside Manor	Parkwood Village
Small 2 BR Rent	\$938	\$950	\$755	\$715
Small 2 BR Size	880	986	976	864
Large 2 BR Rent	\$970	\$1,039	\$805	\$750
Large 2 BR Size	960	1,065	976	764
Size Adj Factor	\$0.24	\$0.24	\$0.24	\$0.24
Size Difference	80	79	0	-100
Indicated Size Adj.	\$19	\$19	\$0	-\$24
Adjusted 2 BR Rent	\$951	\$1,020	\$805	\$774
Indicated Bath Adj.	\$13	\$70	\$50	\$59

All of the differences in the paired analysis table are based on one full bath difference as the comparables did not contain half-bath differences that could be used to calculate paired analysis. The paired rental analysis range is determined by comparing comparables with differing numbers of baths and factoring out any other differences (amenities, utilities provided, etc.). The resulting difference is assumed to be attributable to the differing number of baths. The results are grouped together in a range. The adjustment is selected based on where the majority of the results fall within the range. If there is no majority, a conservative adjustment at the low end of the range is selected. The majority for the paired analysis fell within the range of \$50 to \$70. However, as this was for a full bath difference, the adjustments were divided in half to determine the adjustments for half-bath. Once divided in half, the range would be \$25 to \$35. An adjustment of \$25 per month was considered appropriate when considering this range.

Balcony/Patio – The subject does not contain either amenity. Comparable 1 is similar to the subject. The remaining comparables have one or both features and were adjusted downward \$5 per month. Although the comparables do not indicate a rent differential for units with these features versus units without these features, the added amenity is an enhancement. Therefore, a nominal \$5 adjustment was selected for these features.

Parking – The subject and all comparables contain open parking lots for no monthly fee. Comparable 2 also contains garage parking for \$80 per month. No adjustment is needed as the subject and comparables have similar parking available for no fee.

AC: Central/Wall – The subject contains central air conditioning as do all comparables. 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. All of the comparables contain garbage disposals. Since there is no market data concerning units with this feature, no adjustment was given.

Microwave/Dishwasher – The subject does not contain microwaves or dishwashers. All comparables contain dishwashers in the units. Comparable 3 also contains microwaves. Although there is little market data available concerning units with these features versus those without these features, the added amenities are an enhancement to the unit. Therefore, all comparables with dishwashers were adjusted downward \$10 per month, and the comparable with both features was adjusted downward \$15 per month.

Washer/Dryer – The subject and all comparables except Comparable 3 contain washer/dryer hook-ups in the units. Comparable 3 contains washers and dryers in each unit. 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, Comparable 3 was adjusted downward \$20 per month.

Carpet – The subject contains carpet floor coverings in the units. All comparables except Comparable 2 contain carpet floor coverings in the units. Comparable 2 contains tile flooring and was adjusted upward \$5 per month. Although, there is not much market data concerning units with carpet floor coverings, the amenity is generally considered an enhancement to the unit. Therefore, a nominal adjustment was made.

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

Pool/Recreation Areas – The subject contains a playground. All comparables contain swimming pools. Comparable 1 also contains a playground. Comparable 2 also contains a fitness center, playground, tennis court and courtyard. Comparable 3 also contains a spa/hot tub, fitness center, picnic area and tennis court. Comparable 4 also contains a picnic area and playground. Comparable 5 also contains a fitness center, picnic area, playground, tennis court and lake. No complex in the market area shows a rent differential based on this particular item; however, the added amenity is an enhancement. Therefore, the comparables were adjusted downward \$10 per month.

Heat – The subject does not have this utility provided. None of the comparables have this utility provided. No adjustment was needed.

Cooling – The subject does not have this utility provided. None of the comparables have this utility provided. No adjustment was needed.

Cooking – The subject does not have this utility provided. None of the comparables have this utility provided. No adjustment was needed.

Electricity – The subject does not have this utility provided. None of the comparables have this utility provided. No adjustment was needed.

Hot Water – The subject does not have this utility provided. None of the comparables have this utility provided. No adjustment was needed.

Cold Water/Sewer – The subject and Comparable 1 have these utilities provided. The remaining comparables do not provide these utilities and were adjusted upward \$44 for two-bedroom units, \$59 for three-bedroom units and \$73 for four-bedroom units as indicated on the Utility Allowance Schedule provided by the local housing authority.

Trash – The subject and Comparable 1 have this utility provided. None of the remaining comparables provide this utility. Comparables 2, 3, 4 and 5 were adjusted upward \$22 per month. The adjustment was determined based on the Utility Allowance Schedule provided by the local housing authority.

Extra Storage – The subject does not contain this feature. Comparables 1, 3, 4 and 5 are similar to the subject. Comparable 2 does contain extra storage and was adjusted downward \$5 per month. No complex in the market area shows a rent differential based on this particular item; however, the added amenity is an enhancement. Therefore, a nominal adjustment was selected and utilized.

Location – The subject's location is good. All comparables are located in similar areas as the subject. No adjustment was needed.

Security – The subject contains video surveillance. Comparables 1 and 4 do not contain security features. Comparable 2 contains intercom entry and limited access gate. Comparable 3 contains limited access gate. Comparable 5 also contains limited access gate. No complex in the market area shows a rent differential based on this particular item; however, the added amenity is an enhancement, particularly security that limits access to the property. Therefore, Comparables 2, 3 and 5 were adjusted downward

\$5 per month as the security features at these comparables limits access to the building and/or grounds. Comparables 1 and 4 were adjusted upward \$5 per month for the lack of security features.

Clubhouse/Meeting Room – The subject contains both clubhouse and meeting room. Comparable 1 does not contain either feature and was adjusted upward \$10 per month. Comparable 2 is similar to the subject. Comparables 3, 4 and 5 all contain clubhouses and were adjusted upward \$5 per month. No complex in the market area shows a rent differential based on this particular item; however, the added amenity is an enhancement. Therefore, a \$5 adjustment was selected for each feature.

Special Features – The subject does not contain special features in the units. All comparables are similar to the subject. No adjustment was needed.

Business Center/Neighborhood Network – The subject does not contain either amenity. Comparable 1 is similar to the subject. The remaining comparables contain business centers. No complex in the market area shows a rent differential based on this particular item; however, the added amenity is an enhancement. Therefore, a \$5 adjustment was selected.

Conclusion of Market Rents – As Complete

The adjusted rents range from \$929 to \$1,054 for the two-bedroom comparison; from \$1,069 to \$1,326 for the three-bedroom comparison; and from \$1,309 to \$1,580 for the four-bedroom comparison. All comparables were given consideration. The appraiser concluded the market rent for the units at the subject as follows:

- **850 SF Two-Bedroom Units** - **\$1,015**
- **897 SF Three-Bedroom Units** - **\$1,175**
- **1,299 SF Four-Bedroom Units** - **\$1,415**

The following table shows the proposed rents at the subject. The estimated market rents are below the proposed rents for the two- and three--bedroom units and above the current rent for the four-bedroom units. However, the subject's current HAP contract guarantees the contract rents, and residents are not required to pay more than 30 percent of their gross annual income toward rent and utilities. Therefore, the proposed rents were considered achievable.

Unit Type	# of Units	Square Footage	Maximum Net LIHTC Rent	Proposed Rent	Utility Allowance
2/1.5	29	850	\$759	\$1,105	\$126
3/1.5	29	897	\$912	\$1,241	\$129
4/1.5	30	1,299	\$1,053	\$1,285	\$148

Rent Comparables

Multi-Family Lease No. 1



Property Identification

Record ID 13673
Property Type Walk-Up
Property Name Brookview Apartment Homes
Address 8460 Hospital Drive, Douglasville, Douglas County, Georgia 30134
Market Type Market

Verification Sabrina; 770-949-8988, December 08, 2017

<u>Unit Type</u>	<u>Unit Mix</u>			<u>Mo. Rent/SF</u>
	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	
1/1		701	\$659	\$0.94
2/1		862	\$779	\$0.90
3/1.5		1,102	\$979	\$0.89

Occupancy 100%
Rent Premiums None
Total Units 216

Physical Data

No. of Buildings 26
Construction Type Brick
HVAC Central Elec/Central Elec
Stories 2
Utilities with Rent Water, Sewer, Trash Collection

Multi-Family Lease No. 1 (Cont.)

Parking	L/0
Year Built	1968
Condition	Good
Gas Utilities	None
Electric Utilities	All

Amenities

Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Washer/Dryer Hook-Ups, Carpet, Vinyl, Blinds, Ceiling Fans, Walk-In Closet, Swimming Pool, Playground, 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 13681
Property Type Walk-Up
Property Name Park West Apartments
Address 7250 Arbor Vista Drive, Douglasville, Douglas County, Georgia 30134
Market Type Market

Verification Tiffany; 770-577-0070, December 08, 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	24	859	\$875	\$1.02
1/1	42	865	\$890	\$1.03
1/1	24	887	\$905	\$1.02
2/2	36	1,149	\$995	\$0.87
2/2	36	1,185	\$1,015	\$0.86
2/2	58	1,273	\$1,030	\$0.81
3/2	24	1,435	\$1,100	\$0.77

Occupancy 94%

Multi-Family Lease No. 2 (Cont.)

Rent Premiums	None
Total Units	244
Unit Size Range	859 - 1435
Avg. Unit Size	1,109
Avg. Rent/Unit	\$978
Avg. Rent/SF	\$0.88

SF	270,532
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Physical Data

No. of Buildings	11
Construction Type	Siding
HVAC	Central Elec/Central Elec
Stories	3
Utilities with Rent	None
Parking	L/0, G/80
Year Built	2002
Condition	Good
Gas Utilities	None
Electric Utilities	All

Amenities

Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Washer/Dryer Hook-Ups, Vinyl, Ceiling Fans, Balcony, Patio, Clubhouse, Swimming Pool, Exercise Room, Playground, Tennis Court, Extra Storage, Business Center, Laundry Facility, On-Site Management, On-Site Maintenance, Intercom/Electronic Entry, Limited Access Gate, Dog Park, Courtyard

Remarks

The property does not maintain a waiting list. The annual turnover rate is approximately 50 percent.

Multi-Family Lease No. 3



Property Identification

Record ID 13682
Property Type Walk-Up
Property Name Century Arbor Place Apartments
Address 5832 Stewart Parkway, Douglasville, Douglas County, Georgia 30135
Market Type Market

Verification Leslie; 770-577-7710, December 08, 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	48	797	\$966	\$1.21
1/1		797	\$1,043	\$1.31
1/1	56	844	\$862	\$1.02
1/1		844	\$1,060	\$1.26
2/2	60	1,105	\$1,130	\$1.02
2/2		1,105	\$1,397	\$1.26
2/2	104	1,205	\$1,175	\$0.98
2/2		1,205	\$1,439	\$1.19
3/2	30	1,460	\$1,408	\$0.96
3/2		1,853	\$1,853	\$1.00

Occupancy 97%

Multi-Family Lease No. 3 (Cont.)

Rent Premiums	None
Total Units	298
Unit Size Range	797 - 1853
Avg. Unit Size	1,077
Avg. Rent/Unit	\$1,097
Avg. Rent/SF	\$1.02
SF	320,940

Physical Data

No. of Buildings	13
Construction Type	Siding
HVAC	Central Elec/Central Elec
Stories	3
Utilities with Rent	None
Parking	L/0
Year Built	2003
Condition	Good
Gas Utilities	None
Electric Utilities	All

Amenities

Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Microwave, Washer, Dryer, Carpet, Vinyl, Blinds, Ceiling Fans, Walk-in Closet, Balcony, Patio, Clubhouse, Swimming Pool, Spa/Hot Tub, Exercise Room, Picnic Area, Tennis Court, Business Center, Limited Access Gate

Remarks

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

Multi-Family Lease No. 4



Property Identification

Record ID 13684
Property Type Walk-Up
Property Name Stewart Mills Apartments
Address 3421 West Stewarts Mill Road, Douglasville, Douglas County, Georgia 30135
Market Type Market

Verification Alba; 770-942-1192, December 18, 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	60	689	\$850	\$1.23
1/1		689	\$894	\$1.30
2/1	60	880	\$938	\$1.07
2/1		880	\$988	\$1.12
2/2	40	960	\$970	\$1.01
2/2		960	\$977	\$1.02
3/2	28	1,253	\$1,320	\$1.05

Occupancy 97%
Rent Premiums None
Total Units 188
Unit Size Range 689 - 1253
Avg. Unit Size 892
Avg. Rent/Unit \$936

Multi-Family Lease No. 4 (Cont.)

Avg. Rent/SF \$1.05
SF 167,624

Physical Data

No. of Buildings 11
Construction Type Siding
HVAC Central Elec/Central Elec
Stories 3
Utilities with Rent None
Parking L/0
Year Built 1988
Condition Average
Gas Utilities None
Electric Utilities All

Amenities

Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Washer/Dryer Hook-Ups, Carpet, Vinyl, Wood, Blinds, Fireplace (Select), Walk-In Closet, Balcony, Patio, Clubhouse, Swimming Pool, Picnic Area, Playground, Business Center, On-Site Management, On-Site Maintenance

Remarks

The property does not maintain a waiting list. The annual turnover rate was not disclosed. The higher rents are for units with fireplaces, stainless steel appliances and floor upon which the unit was located. Units on the third floor rent for a higher rate than units on the other two floors.

Multi-Family Lease No. 5



Property Identification

Record ID 13739
Property Type Walk-Up
Property Name Lakeside at Arbor Place Apartments
Address 3000 State Highway 5, Douglasville, Douglas County, Georgia 30135
Market Type Market

Verification Lisa; 770-942-2656, December 18, 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	50	678	\$855	\$1.26
1/1	50	830	\$945	\$1.14
2/1	54	986	\$950	\$0.96
2/1	7	1,090	\$985	\$0.90
2/2	50	1,065	\$1,039	\$0.98
2/2	14	1,225	\$1,060	\$0.87
3/2	21	1,555	\$1,260	\$0.81

Occupancy 95%
Rent Premiums N
Total Units 246
Unit Size Range 678 - 1555
Avg. Unit Size 973
Avg. Rent/Unit \$981

Multi-Family Lease No. 5 (Cont.)

Avg. Rent/SF \$1.01
SF 239,329

Physical Data

No. of Buildings 13
Construction Type Siding
HVAC Central Elec/Central Elec
Stories 3
Utilities with Rent None
Parking L/0
Year Built 1988
Condition Average
Gas Utilities None
Electric Utilities All

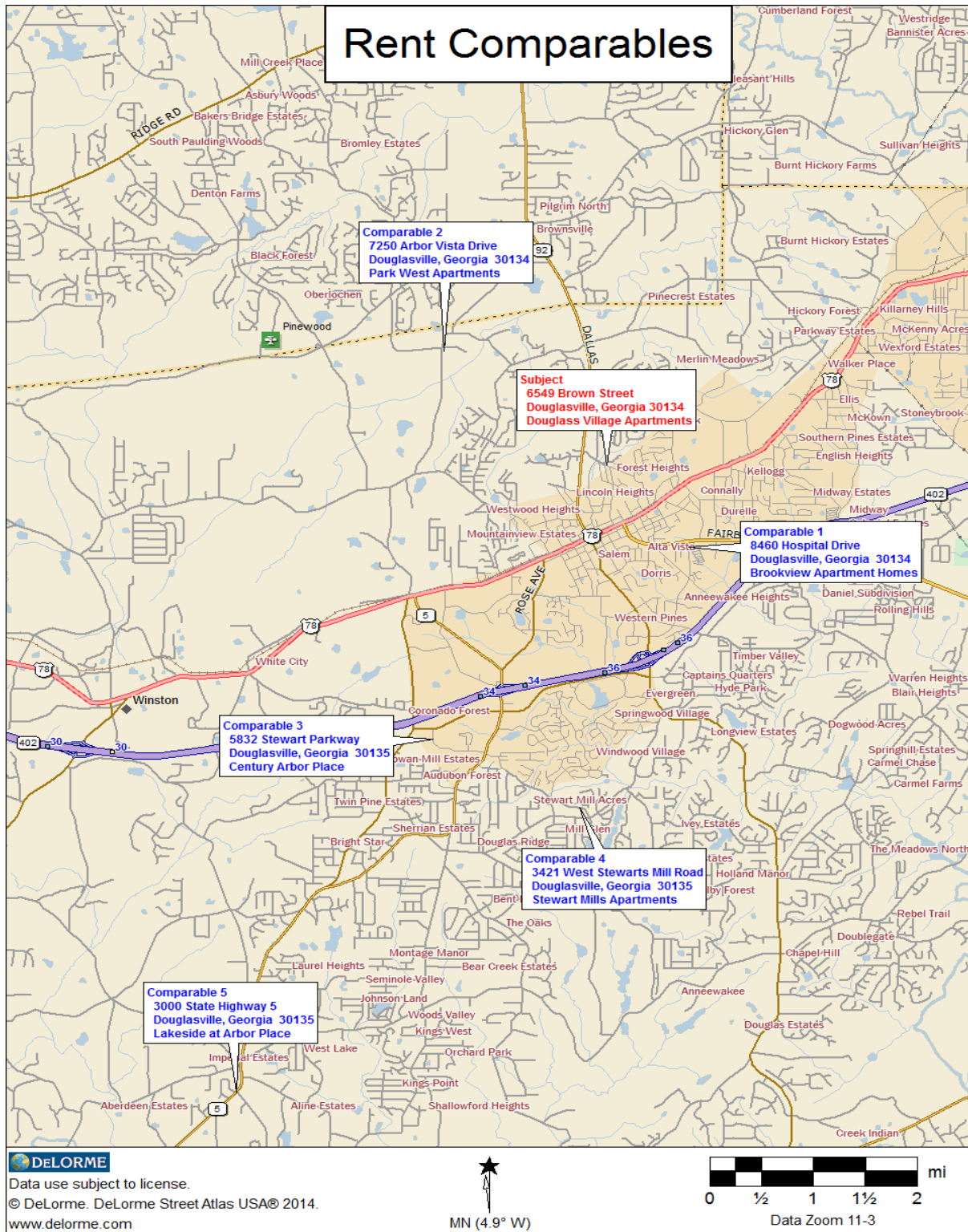
Amenities

Refrigerator, Range/Oven, Garbage Disposal, Washer (Select), Dryer (Select), Washer/Dryer Hook-Ups, Carpet, Vinyl, Blinds, Ceiling Fans, Fireplace (Select), Vaulted Ceilings (Third Floor Only), Walk-In Closet, Balcony, Patio, Clubhouse, Swimming Pool, Exercise Room, Picnic Area, Playground, Tennis Court, Extra Storage (Select), Business Center, On-Site Management, On-Site Maintenance, Limited Access Gate, Six-Acre Lake

Remarks

The property does not maintain a waiting list. The annual turnover rate was not disclosed. The rents range based upon amenities within the units. Rents with washers and dryers, vaulted ceilings and storage have higher rents.

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. Under the Section 538 Guaranteed Rural Rental Housing Program (GRRHP), the gross rent for any unit at intimal occupancy cannot exceed 30 percent of 115 percent of the area median income, adjusted for family size, and the average gross rent for all units in a project cannot exceed 30 percent of 100 percent of the area median income. In addition, the units are only available to families or persons whose income at the time of initial occupancy does not exceed 115 percent of the area median income.

Potential Gross Rental Income

Total Potential Gross Rental Income (Restricted Rent As Is)

# of Units	Unit Type	Unit SF	Current Rent	Potential Gross Income
29	2/1.5	850	\$1,105	\$32,045
29	3/1.5	897	\$1,241	\$35,989
30	4/1.5	1,299	\$1,285	\$38,550
Total Potential Monthly Rental Income				\$106,584
				x 12
Total Potential Gross Rental Income				\$1,279,008
Miscellaneous Income				\$4,500
Total Potential Gross Income				\$1,283,508

Total Potential Gross Rental Income (Market Rent As Is)

# of Units	Unit Type	Unit SF	Market Rent	Potential Gross Income
29	2/1.5	850	\$965	\$27,985
29	3/1.5	897	\$1,125	\$32,625
30	4/1.5	1,299	\$1,365	\$40,950
Total Potential Monthly Rental Income				\$101,560
				x 12
Total Potential Gross Rental Income				\$1,218,720
Miscellaneous Income				\$4,500
Total Potential Gross Income				\$1,223,220

Total Potential Gross Rental Income (Restricted Rent As Complete)

# of Units	Unit Type	Unit SF	Proposed Rent	Potential Gross Income
29	2/1.5	850	\$1,105	\$32,045
29	3/1.5	897	\$1,241	\$35,989
30	4/1.5	1,299	\$1,285	\$38,550
Total Potential Monthly Rental Income				\$106,584
				x 12
Total Potential Gross Rental Income				\$1,279,008
Miscellaneous Income				\$4,500
Total Potential Gross Income				\$1,283,508

Total Potential Gross Rental Income (Market Rent As Complete)

# of Units	Unit Type	Unit SF	Market Rent	Potential Gross Income
29	2/1.5	850	\$1,015	\$29,435
29	3/1.5	897	\$1,175	\$34,075
30	4/1.5	1,299	\$1,415	\$42,450
Total Potential Monthly Rental Income				\$105,960
				x 12
Total Potential Gross Rental Income				\$1,271,520
Miscellaneous Income				\$4,500
Total Potential Gross Income				\$1,276,020

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 December 2017. Ten market-rate properties responded to the survey and seven restricted properties, including the subject, responded to the survey. Of the apartments surveyed an overall vacancy rate of four percent was determined for the market-rate vacancy and two percent was determined for the restricted vacancy. The subject is currently 100 percent occupied. Historically, the subject’s occupancy rate has ranged from 98 to 99 percent since 2013. After considering the vacancy rate of the subject and the comparables, a vacancy rate of five percent was deemed appropriate for “as is” conventional housing; five percent was deemed appropriate for “as complete” conventional housing; three percent was deemed appropriate for “as is” affordable housing; and three percent was deemed appropriate for “as complete” affordable housing.

Expenses

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

Management

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

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

Tax and Assessment Information

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

Special assessments are levied to pay for infrastructure development (roads or utilities) and extraordinary services (fire or police protection). Ideally, the value of the properties' subject to special assessment is not

penalized. The enhancement resulting from the new infrastructure or the provision of additional services should offset the tax increase. However, when a property is subject to a special assessment that exceeds the benefit derived, the value of the property is diminished.

Insurance

The insurance expense is the responsibility of the landlord.

Maintenance

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

Utilities and Service

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

Reserves for Replacement

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

Because possible differences in the way accountants and property managers enter line-item expenses, the appraiser should ensure the subject property's operating statement is reconstructed to provide that the expense items recorded correspond to proper appraisal practice. In the reconstruction of the operating statement 1) nonrecurring past items are not repeated, 2) any deductions taken for non-

operating expenses (personal expenses) are eliminated, 3) ambiguous, repetitive or atypical expense items are recategorized and 4) line items are appropriately grouped to facilitate analysis.

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

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

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

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

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

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

Market Rent and Contract Rent

In the income capitalization approach, the appraiser arrives at an estimate of market rent, or rental income the subject property would likely command in the open market, by analyzing current rents paid and asked for space in comparable buildings. Estimated market rent is important for both proposed and operating properties. In the case of the former, market rent allows the forecast of gross income, and with the latter it is used to calculate the income for vacant rental space or space occupied by the ownership or property management. Contract rent is the actual rental income specified in a lease. It is calculated for operating properties from existing leases, including month-to-month extensions of former leases. It is essential to specify whether the cited rent is 1) the former or existing contract rent, 2) the asking amount sought by the landlord or property manager or 3) the market rent estimated by the appraiser.

Other Miscellaneous Income

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

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

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

Operating Expenses & Restricted Projections

Property: Douglass Village Apartments
 # of Rental Units: 88

Revenue and Expense Analysis Historical and Proforma

% change compared to preceding year.

2015 is base year for % changes for YTD current year annualized and projections.

REVENUE - Annual													REVENUE - Annual					
	2013		2014		%	2015		Dec-16		%	11 months			Budget		%		
	PUPA		PUPA			PUPA		PUPA			YTD	2017	Annualized	PUPA			PUPA	
Residential & Ancillary Income																		
Annual Gross Potential Rental Income	1,174,752	13,349	1,206,456	13,710	3%	1,229,352	13,970	2%	1,250,095	14,206	2%	1,170,121	1,276,496	14,506	4%	1,279,008	14,534	4%
Annual Ancillary Income	5,419	62	5,150	59	-5%	5,223	59	1%	3,714	42	-29%	3,848	4,198	48	-20%	3,840	44	-26%
Annual Gross Potential Income	1,180,171	13,411	1,211,606	13,768	3%	1,234,575	14,029	2%	1,253,809	14,248	2%	1,173,969	1,280,693	14,553	4%	1,282,848	14,578	4%
Occupancy	99.16%	113	99.11%	122	0%	98.96%	230	-1%	98.05%	278	0%	97.85%	1	313	-1%	97.51%	363	0%
Effective Gross Income (EGI)	1,170,236	13,298	1,200,841	13,646	3%	1,214,347	13,799	1%	1,220,373	13,970	1%	1,148,734	1,253,164	14,241	3%	1,250,873	14,214	3%

ITEMIZED EXPENSES - Annual													ITEMIZED EXPENSES - Annual					
Estimate of Annual Expense	2013		2014		%	2015		Dec-16		%	11 months			Budget		%		
	PUPA		PUPA			PUPA		PUPA			YTD	2017	Annualized	PUPA			PUPA	
Administrative																		
Advertising	1,189	14	1,291	15	9%	1,231	14	-5%	575	7	-53%	307	335	4	-73%	1,400	16	14%
Management Fee	44,583	507	44,583	507	0%	44,073	501	-1%	45,153	513	2%	40,764	44,470	505	1%	51,744	588	17%
Other (Specify)	29,522	335	37,770	429	28%	32,369	368	-14%	38,117	433	18%	34,774	37,935	431	17%	35,582	404	10%
Total Administrative	75,294	856	83,644	951	11%	77,673	883	-7%	83,845	953	8%	75,845	82,740	940	7%	88,726	1,008	14%
Operating																		
Elevator Maintenance Exp.	0	0	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	0	0
Fuel - Domestic Hotwater	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Lighting and Misc. Power	13,684	156	13,525	154	-1%	13,020	148	-4%	14,704	167	13%	12,281	13,397	152	3%	15,660	178	20%
Water	88,903	1,009	101,523	1,154	14%	115,800	1,316	14%	114,385	1,300	-1%	5,510	6,011	68	-95%	116,952	1,329	1%
Gas	4,688	53	5,208	59	11%	3,815	43	-27%	3,385	38	-11%	3,712	4,049	46	6%	4,476	51	17%
Garbage and Trash Removal	11,684	133	13,799	157	18%	12,799	145	-7%	13,185	150	3%	11,664	12,724	145	-1%	13,200	150	3%
Payroll	117,924	1,340	114,542	1,302	-3%	113,724	1,292	-1%	116,887	1,328	3%	93,940	102,480	1,165	-10%	127,085	1,444	12%
Other (Specify)	29,460	335	25,604	291	-13%	16,677	190	-35%	14,469	164	-13%	38,326	41,810	475	151%	39,516	449	137%
Total Operating	266,243	3,025	274,201	3,116	3%	275,835	3,134	1%	277,015	3,148	0%	165,433	180,472	2,051	-35%	316,889	3,601	15%
Maintenance																		
Decorating	10,269	117	17,392	198	69%	17,573	200	1%	8,412	96	-52%	18,009	19,646	223	12%	14,100	160	-20%
Repairs	203,783	2,316	179,234	2,037	-12%	138,564	1,575	-23%	138,057	1,569	0%	72,652	79,257	901	-43%	43,350	493	-69%
Exterminating	0	0	0	0	0	0	0	0	0	0	0	2,830	3,087	35	0	0	0	0
Insurance	30,054	342	28,374	322	-6%	27,090	308	-5%	30,097	342	11%	52,989	57,806	657	113%	29,724	338	10%
Ground Expense	39,017	443	34,924	397	-10%	34,546	393	-1%	31,981	363	-7%	29,370	32,040	364	-7%	38,836	441	12%
Other (specify)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Maintenance	283,123	3,217	259,924	2,954	-8%	217,773	2,475	-16%	208,547	2,370	-4%	175,850	191,836	2,180	-12%	126,010	1,432	-42%
Taxes																		
Real Estate Tax	77,256	878	67,080	762	-13%	72,535	824	8%	80,443	914	11%	103,059	112,428	1,278	55%	77,424	880	7%
Personal Property Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Employee Payroll Tax	11,182	127	10,975	125	-2%	10,877	124	-1%	10,930	124	0%	9,273	10,116	115	-7%	13,151	149	21%
Employee Benefits	16,413	187	22,673	258	38%	21,361	243	-6%	16,652	189	-22%	16,224	17,699	201	-17%	35,727	406	67%
Other	1,062	12	2,463	28	132%	1,240	14	-50%	1,441	16	16%	406	443	5	-64%	1,072	12	-14%
Total Taxes	105,913	1,204	103,191	1,173	-3%	106,013	1,205	3%	108,466	1,244	3%	128,962	140,686	1,599	33%	127,374	1,447	20%
Operating Exp. before RFR	730,573	8,302	720,960	8,193	-1%	677,294	7,697	-6%	678,873	7,714	0%	546,090	595,735	6,770	-12%	658,999	7,499	-3%
Reserve For Replacement	0	0	0	0	0	0	0	0	365,141	4,149	0	0	0	0	0	60,000	682	0
Operating Exp. Incl. RFR	730,573	8,302	720,960	8,193	-1%	677,294	7,697	-6%	1,044,014	11,864	54%	546,090	595,735	6,770	-12%	718,999	8,170	6%
NOI	439,663	4,996	479,881	5,453	9%	537,053	6,103	12%	185,359	2,106	-65%	602,644	657,430	7,471	22%	531,874	6,044	-1%

Douglass Village Apartments * 6549 Brown Street * Douglasville, Georgia

Property: Douglass Village Apartments

of Rental Units: 88

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	1,279,008	14,534	2%	1,279,008	14,534	2%	Annual Gross Potential Rental Income
Annual Ancillary Income	4,500	51	21%	4,500	51	21%	Annual Ancillary Income
Annual Gross Potential Income	1,283,508	14,585	2%	1,283,508	14,585	2%	Annual Gross Potential Income
Occupancy	97.00%	438	-1%	97.00%	438	-1%	Occupancy
Effective Gross Income (EGI)	1,245,003	14,148	1%	1,245,003	14,148	1%	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	1,320	15	130%	1,320	15	130%	Advertising
Management Fee	45,408	516	1%	45,408	516	1%	Management Fee
Other (Specify)	39,600	450	4%	39,600	450	4%	Other (Specify)
Total Administrative	86,328	981	3%	86,328	981	3%	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
Fuel - Domestic Hotwater	0	0	0	0	0	0	Fuel - Domestic Hotwater
Lighting and Misc. Power	14,960	170	2%	14,960	170	2%	Lighting and Misc. Power
Water	116,600	1,325	2%	116,600	1,325	2%	Water
Gas	4,400	50	30%	4,400	50	30%	Gas
Garbage and Trash Removal	13,200	150	0%	13,200	150	0%	Garbage and Trash Removal
Payroll	123,200	1,400	5%	123,200	1,400	5%	Payroll
Other (Specify)	15,840	180	9%	15,840	180	9%	Other (Specify)
Total Operating	288,200	3,275	4%	288,200	3,275	4%	Total Operating
Maintenance							Maintenance
Decorating	13,200	150	57%	13,200	150	57%	Decorating
Repairs	138,600	1,575	0%	44,000	500	-68%	Repairs
Exterminating	0	0	0	0	0	0	Exterminating
Insurance	30,800	350	2%	30,800	350	2%	Insurance
Ground Expense	37,400	425	17%	37,400	425	17%	Ground Expense
Other (specify)	0	0	0	0	0	0	Other (specify)
Total Maintenance	220,000	2,500	5%	125,400	1,425	-40%	Total Maintenance
Taxes							Taxes
Real Estate Tax	80,520	915	0%	82,720	940	3%	Real Estate Tax
Personal Property Tax	0	0	0	0	0	0	Personal Property Tax
Employee Payroll Tax	11,000	125	1%	11,000	125	1%	Employee Payroll Tax
Employee Benefits	17,600	200	6%	17,600	200	6%	Employee Benefits
Other	1,320	15	-8%	1,320	15	-8%	Other
Total Taxes	110,440	1,255	1%	112,640	1,280	3%	Total Taxes
Operating Exp. before RFR	704,968	8,011	4%	612,568	6,961	-10%	Operating Exp. before RFR
Reserve For Replacement	26,400	300	-93%	26,400	300	-93%	Reserve For Replacement
Operating Exp. Incl. RFR	731,368	8,311	-30%	638,968	7,261	-39%	Operating Exp. Incl. RFR
NOI	513,635	5,837	177%	606,035	6,887	227%	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
\$15	Advertising	\$15	\$2	\$0	\$60	\$1	\$0
\$516	Management	\$516	\$519	\$522	\$305	\$530	\$631
\$450	Other Administrative Expenses	\$450	\$556	\$767	\$579	\$737	\$1,118
\$0	Elevator Maintenance Expense	\$0	\$0	\$0	\$0	\$0	\$0
\$0	Fuel	\$0	\$0	\$0	\$0	\$0	\$123
\$170	Lighting & Misc. Power	\$170	\$97	\$117	\$118	\$143	\$144
\$1,325	Water/Sewer	\$1,325	\$939	\$31	\$818	\$82	\$392
\$50	Gas	\$50	\$0	\$0	\$4	\$0	\$27
\$150	Garbage/Trash Removal	\$150	\$149	\$68	\$116	\$156	\$0
\$1,400	Payroll	\$1,400	\$236	\$374	\$352	\$184	\$551
\$180	Other Operating Expenses	\$180	\$254	\$249	\$14	\$374	\$350
\$150	Decorating	\$150	\$25	\$13	\$251	\$35	\$116
\$1,575	Repairs	\$500	\$0	\$0	\$177	\$0	\$364
\$0	Exterminating	\$0	\$43	\$73	\$35	\$72	\$0
\$350	Insurance	\$350	\$198	\$198	\$195	\$190	\$247
\$425	Ground Expenses	\$425	\$156	\$280	\$139	\$313	\$172
\$0	Other Maintenance	\$0	\$3	\$5	\$0	\$4	\$0
\$915	Real Estate Taxes	\$940	\$244	\$351	\$507	\$339	\$350
\$125	Payroll Taxes	\$125	\$58	\$77	\$60	\$93	\$0
\$200	Employee Benefits	\$200	\$18	\$18	\$145	\$24	\$0
\$15	Other Taxes	\$15	\$2	\$14	\$0	\$3	\$16
\$300	Replacement Reserves	\$300	\$300	\$704	\$0	\$1,253	\$0
\$8,311	Total Per Unit	\$7,261	\$3,799	\$3,861	\$3,875	\$4,533	\$4,601

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 *2017 Income/Expense Analysis: Federally Assisted Apartments printed by the Institute of Real Estate Management*. 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.

The expenses for the comparable apartments vary per unit but are consistently between 51 and 87 percent of the gross rent potential. The subject's expenses were estimated at 50 percent of the gross rent potential which is slightly lower than 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.

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

Expense	As Is	As Complete	Comp Range
1. Advertising	\$15	\$15	\$0- \$60
<p>An advertising expense of \$15 per unit was projected for the subject. A comparable range of \$0 to \$60 per unit was determined. The expense was projected considering the subject's historical financials, the comparable range and the <i>2017 Income/Expense Analysis: Federally Assisted Apartments</i> printed by Institute of Real Estate Management.</p>			
2. Management	\$516	\$516	\$305-\$530
<p>A management expense of \$516 per unit was projected for the as is scenario, and a management expense of \$516 per unit was projected for the as complete scenario. A comparable range of \$305 to \$530 was determined. The comparables indicate a range of four to seven percent of the effective gross income is typical for management fees of restricted properties. The historical financial data and the budget indicate a fee of \$43 per occupied unit for the management fee. The management fee was projected based on the historical and budget data.</p>			
3. Other Administrative	\$450	\$450	\$556- \$767
<p>An other administrative expense of \$450 per unit was projected. A comparable range of \$556 to \$767 was determined. The expense was projected considering the subject's historical financials, the comparable range and the <i>2017 Income/Expense Analysis: Federally Assisted 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	\$170	\$170	\$97-\$143
<p>A lighting and miscellaneous power expense of \$170 was projected for the subject. A comparable range of \$97 to \$143 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 | \$1,325 | \$1,325 | \$31- \$939 |
|----|-------------|---------|---------|-------------|
- A water/sewer expense of \$1,325 per unit was projected for the subject. A comparable range of \$31 to \$939 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 | \$50 | \$50 | \$0-\$4 |
|----|-----|------|------|---------|
- A gas expense of \$50 per unit was projected for the subject. A comparable range of \$0 to \$4 per unit was determined. Due to properties having unique utility characteristics, the subject's historical data was determined to be the most accurate indicator of this expense. The expense was projected using the subject's historical financials.
- | | | | | |
|----|-----------------------|-------|-------|-------------|
| 9. | Garbage/Trash Removal | \$150 | \$150 | \$68- \$156 |
|----|-----------------------|-------|-------|-------------|
- A garbage/trash removal expense of \$150 per unit was projected for the subject. A comparable range of \$68 to \$156 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 | \$1,400 | \$1,400 | \$184-\$374 |
|-----|---------|---------|---------|-------------|
- The payroll expense of \$1,400 per unit was projected. A comparable range of \$184 to \$374 was determined. The expense was projected considering the subject's historical financials, the comparable range and the *2017 Income/Expense Analysis: Federally Assisted Apartments* printed by Institute of Real Estate Management.
- | | | | | |
|-----|--------------------------|-------|-------|------------|
| 11. | Other Operating Expenses | \$180 | \$180 | \$14-\$374 |
|-----|--------------------------|-------|-------|------------|
- An other operating expense of \$180 per unit was projected for the "as is" scenario and \$180 was projected for the "as complete" scenario. A comparable range of \$14 to \$374 was determined. The expense was projected considering the subject's historical financials, the comparable range and the *2017 Income/Expense Analysis: Federally Assisted Apartments* printed by Institute of Real Estate Management.
- | | | | | |
|-----|------------|-------|-------|-------------|
| 12. | Decorating | \$150 | \$150 | \$13- \$251 |
|-----|------------|-------|-------|-------------|
- A decorating expense of \$150 was projected. A comparable range of \$13 to \$251 was determined. The expense was projected considering the subject's historical financials, the comparable range and the *2017 Income/Expense Analysis: Federally Assisted Apartments* printed by Institute of Real Estate Management.

13.	Repairs	\$1,575	\$500	\$0- \$177
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A repairs expense of \$1,575 was projected for the as is scenario. A comparable range of \$0 to \$177 was determined. The expense was projected considering the subject's historical financials, the comparable range and the *2017 Income/Expense Analysis: Federally Assisted Apartments* printed by Institute of Real Estate Management. The subject will undergo a substantial rehabilitation. Upon completion of the rehabilitation, fewer repairs will be required. Therefore, the as complete expense was projected lower than the as is expense.

14.	Exterminating	\$0	\$0	\$35- \$73
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An exterminating expense of \$0 per unit was projected. A comparable range of \$35 to \$73 was determined. The expense was projected considering the subject's historical financials, the comparable range and the *2017 Income/Expense Analysis: Federally Assisted Apartments* printed by Institute of Real Estate Management.

15.	Insurance	\$350	\$350	\$190- \$198
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An insurance expense of \$350 per unit was projected for the subject's as is scenario, and \$350 per unit for the subject's as complete scenario. A comparable range of \$190 to \$198 per unit was determined. Expenses such as insurance are typically based on unique property characteristics. Therefore, the subject's historical data was determined to be the most accurate indicator of this expense. The expense was projected using the subject's historical financials.

16.	Ground Expenses	\$425	\$425	\$139-\$313
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A ground expense of \$425 per unit was projected. A comparable range of \$139 to \$313 was determined. The expense was projected considering the subject's historical financials, the comparable range and the *2017 Income/Expense Analysis: Federally Assisted Apartments* printed by Institute of Real Estate Management.

17.	Other Maintenance	\$0	\$0	\$0- \$5
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Other maintenance expenses of \$0 per unit were projected for the subject. A comparable range of \$0 to \$5 per unit was determined. The expense was projected considering the subject's historical financials, the comparable range and the *2017 Income/Expense Analysis: Federally Assisted Apartments* printed by Institute of Real Estate Management.

- | | | | | |
|-----|-------------------|-------|-------|--------------|
| 18. | Real Estate Taxes | \$915 | \$940 | \$244- \$507 |
|-----|-------------------|-------|-------|--------------|

A real estate tax expense of \$915 per unit was projected for the subject based on the information obtained by the Douglas 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 | \$125 | \$125 | \$58- \$93 |
|-----|---------------|-------|-------|------------|

Payroll taxes were projected at \$125 per unit. A comparable range of \$58 to \$93 was determined. The expense was projected considering the subject's historical financials, the comparable range and the *2017 Income/Expense Analysis: Federally Assisted Apartments* printed by Institute of Real Estate Management.

- | | | | | |
|-----|-------------------|-------|-------|------------|
| 20. | Employee Benefits | \$200 | \$200 | \$18-\$145 |
|-----|-------------------|-------|-------|------------|

Employee benefits were projected at \$200 per unit. A comparable range of \$18 to \$145 was determined. The expense was projected considering the subject's historical financials, the comparable range and the *2017 Income/Expense Analysis: Federally Assisted Apartments* printed by Institute of Real Estate Management.

- | | | | | |
|-----|----------------------|-------|-------|-------------|
| 21. | Replacement Reserves | \$300 | \$300 | \$0-\$1,253 |
|-----|----------------------|-------|-------|-------------|

A replacement reserves expense \$300 per unit was projected. This reserves expense is typical for restricted apartment complexes such as the subject. As the appraiser was not provided a Condition Needs Assessment report to review, the reserves expense of \$300 per unit was selected.

Expenses Analysis

The subject's projected expenses per unit are \$8,011 "as is" and \$6,961 "as complete". This is four percent higher and 10 percent lower, respectively, than the 2016 data. The comparables range from \$3,799 to \$4,533 per unit. Comparables 1, 2 and 4 are Rural Development properties located in Georgia, and Comparable 3 is a Low Income Housing Tax Credit property in Georgia. The subject is higher than the comparable range. However, the primary differences are the payroll expense and the real estate taxes. The *2017 Income/Expense Analysis: Federally Assisted Apartments* published by the Institute of Real Estate Management indicates an overall expense per unit of \$4,601. Comparable 1 contains 48 units and has total overall expenses of \$3,799 per unit. Comparable 2 contains 50 units and has total overall expenses of \$3,861 per unit. Comparable 3 has 225 units and total overall expenses of \$3,875 per unit. Comparable 4 has 25 units and total overall expenses of \$4,533 per unit. The subject was constructed in 1983 and is an 88-unit stabilized Rural Development and Section 8 property. Historically, the subject's overall expenses have ranged from \$7,535 to \$8,302 per unit. Therefore, the subject's expenses were deemed reasonable.

Operating Expenses & Market Projections

Property: Douglass Village Apartments

Project #:

of Rental Units: 88

Revenue and Expense Analysis

Historical and Proforma

% change compared to preceding year.

2015 is base year for % changes for YTD current year annualized and projections.

REVENUE - Annual															REVENUE - Annual					
	2013	PUPA	2014	PUPA	%	2015	PUPA	%	Dec-16	PUPA	%	YTD	11 months 2017	Annualized	PUPA	%	Budget	PUPA	%	
Residential & Ancillary Income																				Residential & Ancillary Income
Annual Gross Potential Rental Income	1,174,752	13,349	1,206,456	13,710	3%	1,229,352	13,970	2%	1,250,095	14,206	2%		1,170,121	1,276,496	14,506	4%	1,279,008	14,534	4%	Annual Gross Potential Rental Income
Annual Ancillary Income	5,419	62	5,150	59	-5%	5,223	59	1%	3,714	42	-20%		3,848	4,198	48	-20%	3,840	44	-26%	Annual Ancillary Income
Annual Gross Potential Income	1,180,171	13,411	1,211,606	13,768	3%	1,234,575	14,029	2%	1,253,809	14,248	2%		1,173,969	1,280,693	14,553	4%	1,282,848	14,578	4%	Annual Gross Potential Income
Occupancy	99.16%	113	99.11%	122	0%	98.36%	230	-1%	98.05%	278	0%		97.85%	1	313	-1%	97.51%	363	0%	Occupancy
Effective Gross Income (EGI)	1,170,236	13,298	1,200,841	13,646	3%	1,214,347	13,799	1%	1,229,373	13,970	1%		1,148,734	1,253,164	14,241	3%	1,250,873	14,214	3%	Effective Gross Income (EGI)

ITEMIZED EXPENSES - Annual															ITEMIZED EXPENSES - Annual					
Estimate of Annual Expense																				
	2013	PUPA	2014	PUPA	%	2015	PUPA	%	Dec-16	PUPA	%	YTD	11 months 2017	Annualized	PUPA	%	Budget	PUPA	%	
Administrative																				Administrative
Advertising	1,189	14	1,291	15	9%	1,231	14	-5%	575	7	-53%		307	335	4	-73%	1,400	16	14%	Advertising
Management Fee	44,583	507	44,583	507	0%	44,073	501	-1%	45,153	513	2%		40,764	44,470	505	1%	51,744	588	17%	Management Fee
Other (Specify)	29,522	335	37,770	429	28%	32,369	368	-14%	38,117	433	18%		34,774	37,935	431	17%	35,382	404	10%	Other (Specify)
Total Administrative	75,294	856	83,644	951	11%	77,673	883	-7%	83,845	953	8%		75,845	82,740	940	7%	88,726	1,008	14%	Total Administrative
Operating																				Operating
Elevator Maintenance Exp.	0	0	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	0	0	Fuel - Heating
Fuel - Domestic Hotwater	0	0	0	0	0	0	0	0	0	0	0		0	0	0	0	0	0	0	Fuel - Domestic Hotwater
Lighting and Misc. Power	13,684	156	13,525	154	-1%	13,020	148	-4%	14,704	167	13%		12,281	13,397	152	3%	15,660	178	20%	Lighting and Misc. Power
Water	88,803	1,009	101,523	1,154	14%	115,800	1,316	14%	114,385	1,300	-1%		5,510	6,011	68	-95%	116,952	1,329	1%	Water
Gas	4,688	53	5,208	59	11%	3,815	43	-27%	3,385	38	-11%		3,712	4,049	46	6%	4,476	51	17%	Gas
Garbage and Trash Removal	11,684	133	13,799	157	18%	12,799	145	-7%	13,185	150	3%		11,684	12,724	145	-1%	13,200	150	3%	Garbage and Trash Removal
Payroll	117,924	1,340	114,542	1,302	-3%	113,724	1,292	-1%	116,887	1,328	3%		93,940	102,480	1,165	-10%	127,085	1,444	12%	Payroll
Other (Specify)	29,460	335	25,604	291	-13%	16,677	190	-35%	14,469	164	-13%		38,326	41,810	475	151%	39,516	449	137%	Other (Specify)
Total Operating	266,243	3,025	274,201	3,116	3%	275,835	3,134	1%	277,015	3,148	0%		165,433	180,472	2,051	-35%	316,889	3,601	15%	Total Operating
Maintenance																				Maintenance
Decorating	10,269	117	17,392	198	69%	17,573	200	1%	8,412	96	-52%		18,009	19,646	223	12%	14,100	160	-20%	Decorating
Repairs	203,783	2,316	179,234	2,037	-12%	138,564	1,575	-23%	138,057	1,569	0%		72,652	79,257	901	-43%	43,350	493	-69%	Repairs
Exterminating	0	0	0	0	0	0	0	0	0	0	0		2,830	3,087	35	0	0	0	0	Exterminating
Insurance	30,054	342	28,374	322	-6%	27,090	308	-5%	30,097	342	11%		52,989	57,806	657	113%	29,724	338	10%	Insurance
Ground Expense	39,017	443	34,824	397	-10%	34,546	393	-1%	31,981	363	-7%		29,370	32,040	364	-7%	38,836	441	12%	Ground Expense
Other (specify)	0	0	0	0	0	0	0	0	0	0	0		0	0	0	0	0	0	0	Other (specify)
Total Maintenance	283,123	3,217	259,924	2,954	-8%	217,773	2,475	-16%	208,547	2,370	-4%		175,850	191,836	2,180	-12%	126,010	1,432	-42%	Total Maintenance
Taxes																				Taxes
Real Estate Tax	77,256	878	67,080	762	-13%	72,535	824	8%	80,443	914	11%		103,059	112,428	1,278	55%	77,424	880	7%	Real Estate Tax
Personal Property Tax	0	0	0	0	0	0	0	0	0	0	0		0	0	0	0	0	0	0	Personal Property Tax
Employee Payroll Tax	11,182	127	10,975	125	-2%	10,877	124	-1%	10,930	124	0%		9,273	10,116	115	-7%	13,151	149	21%	Employee Payroll Tax
Employee Benefits	16,413	187	22,673	258	38%	21,361	243	-6%	16,652	189	-22%		16,224	17,699	201	-17%	35,727	406	67%	Employee Benefits
Other	1,062	12	2,463	28	132%	1,240	14	-50%	1,441	16	16%		406	443	5	-64%	1,072	12	-14%	Other
Total Taxes	105,913	1,204	103,191	1,173	-3%	106,013	1,205	3%	109,466	1,244	3%		128,962	140,686	1,599	33%	127,374	1,447	20%	Total Taxes
Operating Exp. before RFR	730,573	8,302	720,960	8,193	-1%	677,294	7,697	-6%	678,873	7,714	0%		546,090	595,735	6,770	-12%	658,999	7,489	-3%	Operating Exp. before RFR
Reserve For Replacement	0	0	0	0	0	0	0	0	365,141	4,149	0		0	0	0	0	60,000	682	0	Reserve For Replacement
Operating Exp. Incl. RFR	730,573	8,302	720,960	8,193	-1%	677,294	7,697	-6%	1,044,014	11,864	54%		546,090	595,735	6,770	-12%	718,999	8,170	6%	Operating Exp. Incl. RFR
NOI	439,663	4,996	479,881	5,453	9%	537,053	6,103	12%	185,359	2,106	-65%		602,644	657,430	7,471	22%	531,874	6,044	-1%	NOI

Douglass Village Apartments * 6549 Brown Street * Douglasville, Georgia

Property: Douglass Village Apartments

Project #:

of Rental Units: 88

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	1,218,720	13,849	-3%	1,271,520	14,449	2%	Annual Gross Potential Rental Income
Annual Ancillary Income	4,500	51	21%	4,500	51	21%	Annual Ancillary Income
Annual Gross Potential Income	1,223,220	13,900	-2%	1,276,020	14,500	2%	Annual Gross Potential Income
Occupancy	95.00%	695	-3%	95.00%	725	-3%	Occupancy
Effective Gross Income (EGI)	1,162,059	13,205	-5%	1,212,219	13,775	-1%	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	1,320	15	130%	1,320	15	130%	Advertising
Management Fee	46,482	528	3%	48,489	551	7%	4.000% Management Fee
Other (Specify)	30,800	350	-19%	30,800	350	-19%	Other (Specify)
Total Administrative	78,602	893	-6%	80,609	916	-4%	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
Fuel - Domestic Hotwater	0	0	0	0	0	0	Fuel - Domestic Hotwater
Lighting and Misc. Power	14,960	170	2%	14,960	170	2%	Lighting and Misc. Power
Water	116,600	1,325	2%	116,600	1,325	2%	Water
Gas	4,400	50	30%	4,400	50	30%	Gas
Garbage and Trash Removal	13,200	150	0%	13,200	150	0%	Garbage and Trash Removal
Payroll	66,000	750	-44%	66,000	750	-44%	Payroll
Other (Specify)	15,840	180	9%	15,840	180	9%	Other (Specify)
Total Operating	231,000	2,625	-17%	231,000	2,625	-17%	Total Operating
Maintenance							Maintenance
Decorating	13,200	150	57%	13,200	150	57%	Decorating
Repairs	138,600	1,575	0%	35,200	400	-75%	Repairs
Exterminating	0	0	0	0	0	0	Exterminating
Insurance	30,800	350	2%	30,800	350	2%	Insurance
Ground Expense	37,400	425	17%	37,400	425	17%	Ground Expense
Other (specify)	0	0	0	0	0	0	Other (specify)
Total Maintenance	220,000	2,500	5%	116,600	1,325	-44%	Total Maintenance
Taxes							Taxes
Real Estate Tax	80,520	915	0%	82,720	940	3%	Real Estate Tax
Personal Property Tax	0	0	0	0	0	0	Personal Property Tax
Employee Payroll Tax	5,720	65	-48%	5,720	65	-48%	Employee Payroll Tax
Employee Benefits	9,680	110	-42%	9,680	110	-42%	Employee Benefits
Other	1,320	15	-8%	1,320	15	-8%	Other
Total Taxes	97,240	1,105	-11%	99,440	1,130	-9%	Total Taxes
Operating Exp. before RFR	626,842	7,123	-8%	527,649	5,996	-22%	Operating Exp. before RFR
Reserve For Replacement	26,400	300	-93%	26,400	300	-93%	Reserve For Replacement
Operating Exp. Incl. RFR	653,242	7,423	-37%	554,049	6,296	-47%	Operating Exp. Incl. RFR
NOI	508,817	5,782	175%	658,170	7,479	255%	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
\$15	Advertising	\$15	\$506	\$0	\$128	\$0	\$0
\$528	Management	\$551	\$256	\$290	\$417	\$235	\$483
\$350	Other Administrative Expenses	\$350	\$128	\$150	\$341	\$0	\$987
\$0	Elevator Maintenance Expense	\$0	\$0	\$0	\$0	\$0	\$0
\$0	Fuel	\$0	\$0	\$0	\$0	\$0	\$0
\$170	Lighting & Misc. Power	\$170	\$197	\$735	\$300	\$188	\$108
\$1,325	Water/Sewer	\$1,325	\$0	\$1,025	\$463	\$577	\$346
\$50	Gas	\$50	\$0	\$0	\$0	\$0	\$0
\$150	Garbage/Trash Removal	\$150	\$0	\$0	\$0	\$0	\$0
\$750	Payroll	\$750	\$1,344	\$75	\$1,174	\$777	\$642
\$180	Other Operating Expenses	\$180	\$55	\$0	\$0	\$0	\$757
\$150	Decorating	\$150	\$285	\$0	\$0	\$0	\$207
\$1,575	Repairs	\$400	\$453	\$500	\$0	\$243	\$518
\$0	Exterminating	\$0	\$0	\$150	\$244	\$0	\$0
\$350	Insurance	\$350	\$416	\$225	\$378	\$235	\$295
\$425	Ground Expenses	\$425	\$117	\$0	\$116	\$0	\$174
\$0	Other Maintenance	\$0	\$0	\$0	\$0	\$0	\$0
\$915	Real Estate Taxes	\$940	\$417	\$671	\$638	\$129	\$737
\$65	Payroll Taxes	\$65	\$0	\$0	\$0	\$0	\$0
\$110	Employee Benefits	\$110	\$0	\$0	\$0	\$0	\$0
\$15	Other Taxes	\$15	\$0	\$0	\$0	\$0	\$9
\$300	Replacement Reserves	\$300	\$0	\$300	\$250	\$0	\$0
\$7,423	Total Per Unit	\$6,296	\$4,174	\$4,121	\$4,449	\$2,384	\$5,263

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 *2017 Income/Expense Analysis: Conventional Apartments printed by the Institute of Real Estate Management*. 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.

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 44 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.

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

	Expense	As Is	As Complete	Comp Range
1.	Advertising	\$15	\$15	\$0- \$506
	An advertising expense of \$15 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>2017 Income/Expense Analysis: Conventional Apartments</i> printed by Institute of Real Estate Management.			
2	Management	\$528	\$551	\$235-\$417
	A management expense of \$528 per unit was projected for the as is scenario, and a management expense of \$551 per unit was projected for the as complete scenario. A comparable range of \$235to \$417 was determined. The expense was projected using approximately four percent of the effective gross income as indicated by the comparables.			
3.	Other Administrative	\$350	\$350	\$0-\$341
	An other administrative expense of \$350 per unit was projected. A comparable range of \$0 to \$341 was determined. The expense was projected considering the subject's historical financials, the comparable range and the <i>2017 Income/Expense Analysis: Conventional Apartments</i> printed by Institute of Real Estate Management.			
4.	Elevator	\$0	\$0	\$0-\$0
	The property does not have this expense. The expense is not typical in the market. Therefore, no expense was projected.			
5.	Fuel	\$0	\$0	\$0-\$0
	The property does not have this expense. The expense is not typical in the market. Therefore, no expense was projected.			
6.	Lighting & Misc. Power	\$170	\$170	\$188-\$735
	A lighting and miscellaneous power expense of \$170 was projected for the subject. A comparable range of \$188 to \$735 per unit was determined. Due to properties having unique utility characteristics, the subject's historical data was determined to be the most accurate indicator of this expense. The expense was projected using the subject's historical financials.			

- | | | | | |
|----|-------------|---------|---------|-------------|
| 7. | Water/Sewer | \$1,325 | \$1,325 | \$0-\$1,025 |
|----|-------------|---------|---------|-------------|
- A water/sewer expense of \$1,325 per unit was projected for the subject. A comparable range of \$0 to \$1,025 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 | \$50 | \$50 | \$0-\$0 |
|----|-----|------|------|---------|
- A gas expense of \$50 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.
- | | | | | |
|----|-----------------------|-------|-------|---------|
| 9. | Garbage/Trash Removal | \$150 | \$150 | \$0-\$0 |
|----|-----------------------|-------|-------|---------|
- A garbage/trash removal expense of \$150 per unit was projected for the subject. A comparable range of \$0 to \$0 per unit was determined. Due to properties having unique utility characteristics, the subject's historical data was determined to be the most accurate indicator of this expense. The expense was projected using the subject's historical financials.
- | | | | | |
|-----|---------|-------|-------|--------------|
| 10. | Payroll | \$750 | \$750 | \$75-\$1,344 |
|-----|---------|-------|-------|--------------|
- The payroll expense of \$750 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 *2017 Income/Expense Analysis: Conventional Apartments* printed by Institute of Real Estate Management.
- | | | | | |
|-----|--------------------------|-------|-------|----------|
| 11. | Other Operating Expenses | \$180 | \$180 | \$0-\$55 |
|-----|--------------------------|-------|-------|----------|
- An other operating expense of \$180 per unit was projected. A comparable range of \$0 to \$55 was determined. The expense was projected considering the subject's historical financials, the comparable range and the *2017 Income/Expense Analysis: Conventional Apartments* printed by Institute of Real Estate Management.
- | | | | | |
|-----|------------|-------|-------|-----------|
| 12. | Decorating | \$150 | \$150 | \$0-\$285 |
|-----|------------|-------|-------|-----------|
- A decorating expense of \$150 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 *2017 Income/Expense Analysis: Conventional Apartments* printed by Institute of Real Estate Management.

- | | | | | |
|-----|---------|---------|-------|-----------|
| 13. | Repairs | \$1,575 | \$400 | \$0-\$500 |
|-----|---------|---------|-------|-----------|
- A repairs expense of \$1,575 was projected for the as is scenario. A comparable range of \$0 to \$500 was determined. The expense was projected considering the subject's historical financials, the comparable range and the *2017 Income/Expense Analysis: Conventional Apartments* printed by Institute of Real Estate Management. The subject will undergo a substantial rehabilitation. Upon completion of the rehabilitation, fewer repairs will be required. Therefore, the as complete expense was projected lower than the as is expense.
- | | | | | |
|-----|---------------|-----|-----|-----------|
| 14. | Exterminating | \$0 | \$0 | \$0-\$244 |
|-----|---------------|-----|-----|-----------|
- An exterminating expense of \$0 per unit was projected. A comparable range of \$0 to \$244 was determined. The expense was projected considering the subject's historical financials, the comparable range and the *2017 Income/Expense Analysis: Conventional Apartments* printed by Institute of Real Estate Management.
- | | | | | |
|-----|-----------|-------|-------|-------------|
| 15. | Insurance | \$350 | \$350 | \$225-\$416 |
|-----|-----------|-------|-------|-------------|
- An insurance expense of \$350 per unit was projected for the subject's as is scenario, and \$350 per unit for the subject's as complete scenario. A comparable range of \$225 to \$416 per unit was determined. Expenses such as insurance are typically based on unique property characteristics. Therefore, the subject's historical data was determined to be the most accurate indicator of this expense. The expense was projected using the subject's historical financials.
- | | | | | |
|-----|-----------------|-------|-------|-----------|
| 16. | Ground Expenses | \$425 | \$425 | \$0-\$117 |
|-----|-----------------|-------|-------|-----------|
- A ground expense of \$425 per unit was projected. A comparable range of \$0 to \$117 was determined. The expense was projected considering the subject's historical financials, the comparable range and the *2017 Income/Expense Analysis: Conventional Apartments* printed by Institute of Real Estate Management.
- | | | | | |
|-----|-------------------|-----|-----|---------|
| 17. | Other Maintenance | \$0 | \$0 | \$0-\$0 |
|-----|-------------------|-----|-----|---------|
- Other maintenance expenses of \$0 per unit were projected for the subject. A comparable range of \$0 to \$0 per unit was determined. The expense was projected considering the subject's historical financials, the comparable range and the *2017 Income/Expense Analysis: Conventional Apartments* printed by Institute of Real Estate Management.

- | | | | | |
|-----|-------------------|-------|-------|-------------|
| 18. | Real Estate Taxes | \$915 | \$940 | \$129-\$671 |
|-----|-------------------|-------|-------|-------------|
- A real estate tax expense of \$915 per unit was projected for the subject based on the information obtained by the Douglas 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 | \$65 | \$65 | \$0-\$0 |
|-----|---------------|------|------|---------|
- Payroll taxes were projected at \$65 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 *2017 Income/Expense Analysis: Conventional Apartments* printed by Institute of Real Estate Management.
- | | | | | |
|-----|-------------------|-------|-------|---------|
| 20. | Employee Benefits | \$110 | \$110 | \$0-\$0 |
|-----|-------------------|-------|-------|---------|
- Employee benefits were projected at \$110 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 *2017 Income/Expense Analysis: Conventional Apartments* printed by Institute of Real Estate Management.
- | | | | | |
|-----|----------------------|-------|-------|-----------|
| 21. | Replacement Reserves | \$300 | \$300 | \$0-\$300 |
|-----|----------------------|-------|-------|-----------|
- A replacement reserves expense of \$300 per unit was projected. This reserves expense is typical for market-rate apartment complexes. As the appraiser was not provided a Condition Needs Assessment report to review, the reserves expense of \$300 per unit was selected.

Expenses Analysis

The subject's projected expenses per unit are \$7,123 "as is" and \$5,996 "as complete". This is eight percent and 22 percent lower, respectively, than the 2016 data. The comparables range from \$2,384 to \$4,449 per unit. All comparables are market-rate properties located in the State of Georgia. The subject is higher than the comparable range. The *2017 Income/Expense Analysis: Conventional Apartments* published by the Institute of Real Estate Management indicates an overall expense per unit of \$5,263. Comparable 1 contains 300 units and has total overall expenses of \$4,174 per unit; Comparable 2 contains 209 units and has total overall expenses of \$4,121 per unit; Comparable 3 contains 40 units and has total overall expenses of \$4,449 per unit. Comparable 4 contains 88 units and has total overall expenses of \$2,384 per unit. The subject was constructed in 1983 and is an 88-unit stabilized Rural Development and Section 8 property. Historically, the subject's overall expenses have ranged from \$7,535 to \$8,302 per unit. 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 *2017 Income/Expense Analysis: Federally Assisted Apartments* printed by the Institute of Real Estate Management and the *2017 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	1250 Powder Springs Road Southwest Marietta, Georgia	468	8/17/2016	\$3,113,640	\$55,800,000	5.58%
2	1955 Bells Ferry Road Smyrna, Georgia	720	10/5/2017	\$5,016,875	\$87,250,000	5.75%
3	2870 Personality Parkway Marietta, Georgia	138	8/25/2017	\$726,160	\$12,520,000	5.80%
4	1351 Austell Road Southeast Marietta, Georgia	20	5/15/2017	\$59,963	\$975,000	6.15%
5	1716 Terrell Mill Road Southeast Marietta, Georgia	268	1/22/2016	\$1,763,640	\$27,600,000	6.39%
6	2330 Cobb Parkway Southeast Smyrna, Georgia	222	2/18/2016	\$882,000	\$18,000,000	4.90%
7	2121 Windy Hill Road Southeast Marietta, Georgia	654	11/15/2017	\$3,416,000	\$61,000,000	5.60%
8	640 Glendale Place Smyrna, Georgia	34	6/6/2016	\$78,125	\$1,250,000	6.25%
9	13 Peaceful Path Dallas, Georgia	58	4/27/2016	\$129,024	\$1,920,000	6.72%
10	2075 Powers Ferry Road Southeast Marietta, Georgia	708	7/10/2017	\$6,129,000	\$113,500,000	5.40%

The comparables indicate a range of 4.90 to 6.72 percent for indicated capitalization rates, with a mean of 5.85 percent. The appraiser selected a weighted capitalization rate of 5.75 percent.

Realty Rates Survey

The Realty Rates Market Survey was considered in this analysis. The RealtyRates.com Market Survey Fourth Quarter 2017 found that investors in apartments in the South Atlantic Region which includes the State of Georgia indicated an overall capitalization rate of 8.00 percent. The Realty Rates Investor Survey was also considered in this analysis. The RealtyRates.com Investor Survey Fourth Quarter 2017 indicates a range of 4.47 to 12.40 percent for capitalization rates, with a median capitalization rate of 7.61 percent.

PwC Real Estate Investor Survey

The PwC Real Estate Investor Survey was considered in this analysis. The National Apartment Market survey for the fourth quarter of 2017 found that investors in apartments indicate overall capitalization rates ranging from 3.50 percent to 7.50 percent, with an average of 5.32 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	5.00%	Loan To Value Ratio	80%		
Loan Term (Years)	30	Debt Coverage Ratio	1.20		
		Equity Dividend Rate	10.00%		
Band of Investment					
Mortgage Constant		Loan Ratio			
0.06442	x	80%	=	0.0515	Mortgage Component
Equity Dividend Rate		Equity Ratio			
10%	x	0.20	=	0.02	Equity Component
		Capitalization Rate		7.15%	
Debt Coverage Ratio Analysis					
Debt Coverage Ratio	x	LTV	x	Mortgage Constant	
1.20	x	80%	x	0.06442	= 0.061842
		Capitalization Rate		6.18%	

Mortgage financing from local lenders indicated that a typical interest rate is 5.00 percent. The typical loan term is 30 years and the loan-to-value ratio is 80 percent. Therefore, a capitalization rate of 7.15 percent was determined.

Determination of the Market Capitalization Rate

The PwC Real Estate Investor Survey indicated an average capitalization rate of 5.32 percent. From the sales available in the area a capitalization rate of 5.75 percent was determined. The RealtyRates.com Market Survey indicated an average capitalization rate of 8.00 percent. The RealtyRates.com Investor Survey indicated a median capitalization rate of 7.61 percent. The band of investment indicated a capitalization rate of 7.15 percent. The comparable sales were determined to be the most accurate reflection of the market capitalization rate. Therefore, a capitalization rate of 5.75 percent was determined to be appropriate for the market values.

Income Values

Market	As Is	\$508,817 /5.75%	= \$8,848,985
Market	As Complete	\$658,170 /5.75%	= \$11,446,439
		Market Rate As Is Value	= \$8,850,000
		Market Rate As Complete Value	= \$11,445,000

Determination of Capitalization Rate Considering Subject's Rental Assistance

Due to the presence of Rental Assistance, properties similar to the subject have guaranteed income streams and typically have higher occupancy rates than market properties. As a result, the marketplace shows a preference for these types of properties with Rental Assistance, and the market indicates a lower capitalization rate as a result. Therefore, a slightly more aggressive capitalization rate of one half-point to one full point is seen in the market. The capitalization rate was adjusted from the market-indicated rate of 5.75 percent to a capitalization rate one point lower at **4.75 percent** for the property's restricted valuations.

Restricted	As Is	\$513,635 /4.75%	=	\$10,813,363
Restricted	As Complete	\$606,035 /4.75%	=	\$12,758,627
		Restricted Rate As Is Value	=	\$10,815,000
		Restricted Rate As Complete Value	=	\$12,760,000

Prospective Market Value Upon Loan Maturity	
\$11,445,000 Prospective Market Value (As Complete and Stabilized) 38 Term of Loan (years) 2.00% Growth Rate	
Market Value	\$11,445,000 PV 38 [g] [n] 2.00 [g] [i] Solve for FV \$23,249,732.14
Using these factors, a prospective market value upon loan maturity of \$23,249,732.14 was determined. <div style="text-align: center; color: red;"> Prospective Market Value Upon Loan Maturity \$23,250,000.00 </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 13,140, an increase of 1,348 people from the 2010 population of 11,792. The population is expected to increase at an annual rate of 0.0 percent between 2017 and 2022. Therefore, the 2022 population is projected at 13,140. The median age for the neighborhood is 31.4.

Unemployment Trends

The unemployment rate has fluctuated from 3.0 percent to 11.2 percent over the past 15 years. These fluctuations are in line with the unemployment rates for the State of Georgia.

LABOR FORCE AND EMPLOYMENT TRENDS FOR DOUGLAS COUNTY					
ANNUALS	CIVILIAN LABOR FORCE*	EMPLOYMENT		UNEMPLOYMENT	
		TOTAL	%	TOTAL	%
2000	51,398	49,859	97.0%	1,539	3.0%
2001	52,086	50,387	96.7%	1,699	3.3%
2002	52,839	50,359	95.3%	2,480	4.7%
2003	53,789	51,241	95.3%	2,548	4.7%
2004	55,960	53,249	95.2%	2,711	4.8%
2005	59,500	56,134	94.3%	3,366	5.7%
2006	62,225	59,106	95.0%	3,119	5.0%
2007	64,829	61,815	95.4%	3,014	4.6%
2008	66,368	62,091	93.6%	4,277	6.4%
2009	65,190	58,135	89.2%	7,055	10.8%
2010	66,575	59,108	88.8%	7,467	11.2%
2011	66,989	59,707	89.1%	7,282	10.9%
2012	66,997	60,571	90.4%	6,426	9.6%
2013	67,365	61,567	91.4%	5,798	8.6%
2014	67,676	62,687	92.6%	4,989	7.4%
2015	68,274	64,050	93.8%	4,224	6.2%
2016	70,359	66,472	94.5%	3,887	5.5%
2017**	72,834	69,592	95.5%	3,242	4.5%

* Data based on place of residence.

**Preliminary - based on monthly data through October 2017

Source: U.S. Bureau of Labor Statistics Data

Median Household Income

The median household income for the neighborhood in 2017 is \$44,643. It is expected to increase to \$50,325 by 2022. The per capita income is \$18,108.

Median Home Value

The median home value for the neighborhood in 2017, according to ESRI, is \$111,181. According to ESRI, the average amount spent for owner-occupied households in the subject's neighborhood is \$7,477.83, or \$623 per month. The average amount spent for renter-occupied households is \$3,354.98, or \$280 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 8.20 percent in 2015, with an average of 8.13 percent.

REALTY RATES MARKET SURVEY – AREA CAPITALIZATION RATES			
QUARTER	2014	2015	2016
1 ST Quarter	8.30%	8.10%	8.20%
2 nd Quarter	8.30%	8.10%	8.00%
3 rd Quarter	8.20%	8.20%	8.00%
4 th Quarter	8.10%	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 2001 and 2017.

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%
Prairie 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%
DeFours 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 Kirwood	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%

Douglass Village Apartments * 6549 Brown Street * Douglasville, 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 0.0 percent between 2017 and 2022. The median household income for the neighborhood in 2017 is \$44,643. It is expected to increase to \$50,325 by 2022. The per capita income is \$18,108.

The unemployment rate has fluctuated from 3.0 percent to 11.2 percent, and due to the recent economic trends, Douglas 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 Douglasville'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 = \$23,250,000.00

Value of Interest Credit Subsidy

Value of the Interest Credit Subsidy from the Existing USDA RD Section 515 Loan	
\$2,854,750	Original RD Loan Amount
\$1,900,000	Balance of the Original Loan
600	Months for the Term of the Loan
159	Remaining Months for the Term of the RD Loan
5.00%	Market Interest Rate
10.75%	Note Rate of Interest
1.00%	Base Rate of Interest
Market Loan	Original RD Loan
\$1,900,000	\$2,854,750
PV	PV
0.0500 [i]	0.0100 [i]
360 [n]	600 [n]
Solve for PMT	Solve for PMT
\$10,199.61	\$6,048.05
per month	per month
Interest Credit Subsidy	
Difference in Payment	\$4,151.56
\$4,151.56	[PMT]
0.0500	[i]
360	[n]
Solve for PV	\$773,359.48
Value of Subsidy from the Existing 515 Loan (Existing Terms) Rounded:	
\$773,000	

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

\$1,900,000 Proposed Loan
480 Months for the Term of the Loan
480 Amortization Period
5.00% Market Interest Rate
3.75% Note Rate of Interest
1.00% Base Rate of Interest

Proposed Loan

\$1,900,000 PV
0.0500 [i]
360 [n]
Solve for PMT \$10,199.61 per month

With 1% interest

\$1,900,000 PV
0.0100 [i]
480 [n]
Solve for PMT \$4,804.26 per month

Interest Credit Subsidy

Difference in Payment \$5,395.35
\$5,395.35 [PMT]
0.0500 [i]
360 [n]
Solve for PV \$1,005,053.78

Value of Subsidy from the Assumed 515 Loan (New Terms) Rounded:
\$1,005,000.00

Value of Favorable Financing for 538 Loan

\$8,000,000 Proposed Loan
480 Months for the Term of the Loan
480 Amortization Period
5.00% Market Interest Rate
3.75% Note Rate of Interest
1.00% Base Rate of Interest

Proposed Loan
\$8,000,000 PV
0.0500 [i]
360 [n]
Solve for PMT \$42,945.73 per month

With 1% interest
\$8,000,000 PV
0.0100 [i]
480 [n]
Solve for PMT \$20,228.48 per month

Interest Credit Subsidy
Difference in Payment \$22,717.25
\$22,717.25 [PMT]
0.0500 [i]
360 [n]
Solve for PV \$4,231,805.37

**Value of Favorable Financing of 538 Loan Rounded:
\$4,232,000.00**

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 \$507,768 from the Georgia Department of Community Affairs for low-income housing tax credits. The total for the 10-year period will be \$5,077,680. 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.

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:	=	\$5,077,680	
Price	x 0.96	= \$4,874,573	\$4,874,573

Total Value Tax Credits = \$4,875,000

Insurable Value

USDA Rural Development Insurable Value Calculation				
Property Name:		Douglass Village Apartments		
Street Address:		6549 Brown Street		
City, County, State, Zip:		Douglasville, Douglas, Georgia 30134		
BASE COST				
Main Structure			\$100.60	
Sprinkler				
Other				
Adjustments and/or Multipliers			0.93	Local
			1.03	Current
TOTAL BASE COST PER SQ. FT			\$96.36	
Building Area Square Footage			104,441	
TOTAL REPLACEMENT COST NEW			\$10,064,430	
EXCLUSIONS	<u>Per SF</u>	<u>Percent</u>		
Excavations	\$0.10	0.1%	\$10,444	
Foundations	\$5.78	6.0%	\$603,669	
Site Work	\$2.41	2.5%	\$251,703	
Site Improvements	\$3.18	3.3%	\$332,122	
Architect's Fees	\$0.96	1.0%	\$100,263	
Underground Piping	\$0.96	1.0%	\$100,263	
TOTAL EXCLUSIONS	\$13.39	13.9%	\$1,398,464	
INCLUSIONS				
Appliance Packages			\$162,268	
Patios/Balconies, etc.				
Parking Lot			\$71,843	
Other				
TOTAL INCLUSIONS			\$234,111	
CONCLUDED INSURABLE VALUE				
Total Replacement Cost New			\$10,064,430	
Less Total Exclusions			\$1,398,464	
Plus Total Inclusions			\$234,111	
CONCLUDED INSURABLE VALUE			\$8,900,077	

Total Insurable Value = \$8,900,000

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:

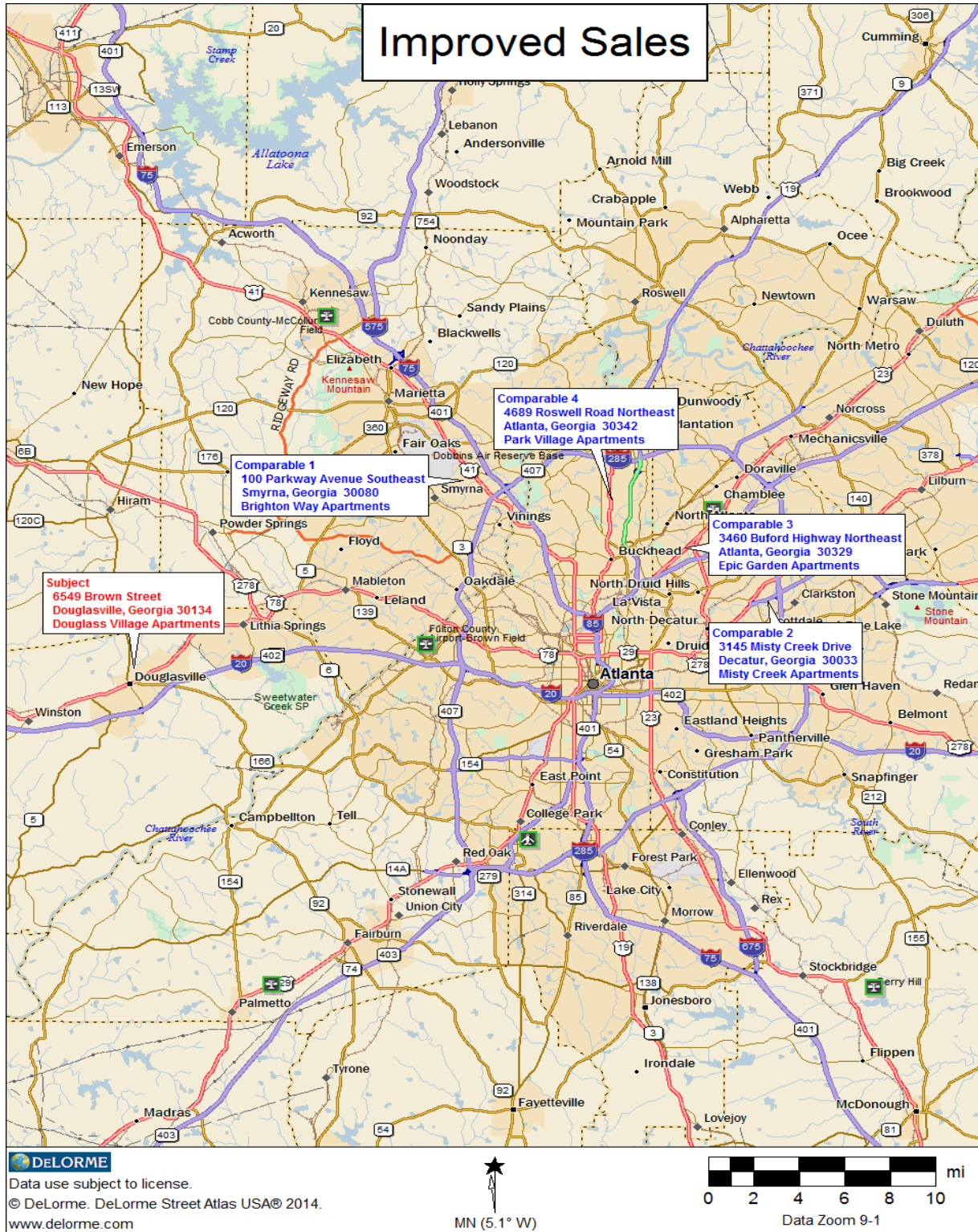
- Availability of comparable sales data
- Verification of sales data
- Degree of comparability to the extent that large or numerous adjustments are not necessary to compensate for the differences between the subject property and the comparable sales used

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	2833
Property Type	Walk-Up
Property Name	Brighton Way Apartments
Address	100 Parkway Avenue Southeast, Smyrna, Cobb County, Georgia 30080
Tax ID	17-0707-0-023-0
Market Type	Market

Sale Data

Grantor	Brighton Way Apartments, Inc.
Grantee	CCP-Brighton LLC.
Sale Date	August 01, 2016
Deed Book/Page	15361/36911
Property Rights	Fee Simple
Conditions of Sale	Normal
Financing	Conventional
Verification	Assessor; December 8, 2017

Sale Price	\$9,000,000
Cash Equivalent	\$9,000,000
Adjusted Price	\$9,000,000

Land Data

Land Size	6.290 Acres or 273,992 SF
Front Footage	Parkway Avenue Southwest

Multi-Family Sale No. 1 (Cont.)

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	50	842	\$894	\$1.06
1/1		842	\$1,099	\$1.31
2/2.5	50	1,222	\$1,014	\$0.83
2/2.5		1,222	\$1,199	\$0.98
Total Units	100			
Avg. Unit Size	1,032			
Avg. Rent/Unit	\$954			
Avg. Rent/SF	\$0.92			

Net SF 103,200

General Physical Data

No. of Buildings 10
Construction Type Siding
HVAC Central Elec/Central Elec
Parking L/0
Stories 3
Utilities with Rent None
Year Built 1985
Condition Good

Indicators

Sale Price/Net SF \$87.21
Sale Price/Unit \$90,000

Amenities

Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Washer/Dryer Hook-Ups, Carpet, Vinyl, Blinds, Ceiling Fans, Vaulted Ceilings (third floor only), Fireplace (select units), Walk-In Closet, Balcony, Patio, Swimming Pool, Picnic Area, Playground, Intercom/Electronic Entry and Limited Access Gate

Multi-Family Sale No. 2



Property Identification

Record ID	2834
Property Type	Walk-Up
Property Name	Misty Creek Apartments
Address	3145 Misty Creek Drive, Decatur, DeKalb County, Georgia 30033
Tax ID	18-098-09-001
Market Type	Market

Sale Data

Grantor	PGP Holdings WP, LLC & PGP
Grantee	Misty Creek Investors, LLC.
Sale Date	August 16, 2016
Deed Book/Page	25767/0294
Property Rights	Fee Simple
Conditions of Sale	Normal
Financing	Conventional
Verification	Assessor; December 8, 2017

Sale Price	\$8,250,000
Cash Equivalent	\$8,250,000
Adjusted Price	\$8,250,000

Land Data

Land Size	6.990 Acres or 304,484 SF
Front Footage	Misty Creek Drive
Topography	Nearly Level
Utilities	E, G, W, S
Shape	Irregular

Multi-Family Sale No. 2 (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>	
1/1	32	820	\$825	\$1.01
2/2	60	1,160	\$899	\$0.78
2/2		1,160	\$929	\$0.80
Total Units	92			
Avg. Unit Size	1,042			
Avg. Rent/Unit	\$873			
Avg. Rent/SF	\$0.84			
Net SF	95,840			
<u>General Physical Data</u>				
No. of Buildings	6			
Construction Type	Siding			
HVAC	Central Elec/Central Elec			
Parking	L/0			
Stories	2			
Utilities with Rent	Water, Sewer, Trash Collection			
Year Built	1988			
Condition	Good			
<u>Indicators</u>				
Sale Price/Net SF	\$86.08			
Sale Price/Unit	\$89,674			

Amenities

Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Washer/Dryer Hook-Ups, Carpet, Vinyl, Blinds, Ceiling Fans, Fireplace (select units), Walk-In Closet, Balcony, Clubhouse, Swimming Pool, Picnic Area, Playground, Business Center and Cabana

Multi-Family Sale No. 3



Property Identification

Record ID	2835
Property Type	Walk-Up
Property Name	Epic Garden Apartments
Address	3460 Buford Highway Northeast, Atlanta, DeKalb County, Georgia 30329
Tax ID	18-202-01-055
Market Type	Market

Sale Data

Grantor	Epic VIII, LLC.
Grantee	Epic Garden Apartments, LLC.
Sale Date	August 23, 2016
Deed Book/Page	25758/0772
Property Rights	Fee Simple
Conditions of Sale	Normal
Financing	Conventional
Verification	Assessor; December 8, 2017

Sale Price	\$8,000,000
Cash Equivalent	\$8,000,000
Adjusted Price	\$8,000,000

Land Data

Land Size	8.100 Acres or 352,836 SF
Front Footage	Buford Highway Northeast

Multi-Family Sale No. 3 (Cont.)

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	32	700		
2/2	64	1,140		
3/2	16	1,340		
Net SF	116,800			

General Physical Data

No. of Buildings 14
Construction Type Brick
HVAC Central Elec/Central Elec
Parking L/0
Stories 2
Utilities with Rent Water, Sewer, Trash Collection
Year Built 1962
Condition Good

Indicators

Sale Price/Net SF \$68.49
Sale Price/Unit \$71,429

Amenities

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

Multi-Family Sale No. 4



Property Identification

Record ID	2836
Property Type	Walk-Up
Property Name	Park Village Apartments
Address	4689 Roswell Road Northeast, Atlanta, DeKalb County, Georgia 30342
Tax ID	17-0094-0005-033
Market Type	Market

Sale Data

Grantor	Versailles Estates, LLC.
Grantee	Netz Park Village, LLC.
Sale Date	July 06, 2016
Deed Book/Page	56340/0147
Property Rights	Fee Simple
Conditions of Sale	Normal
Financing	Conventional
Verification	Assessor; December 8, 2017

Sale Price	\$5,350,000
Cash Equivalent	\$5,350,000
Adjusted Price	\$5,350,000

Land Data

Land Size	3.200 Acres or 139,392 SF
Front Footage	Roswell Road Northeast
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>Rent/Mo.</u>	<u>Mo. Rent/SF</u>
	<u>No. of Units</u>	<u>Size SF</u>		
Efficiency	8	590		
1/1	16	890		
2/1	38	1,090		
3/1.5	6	1,190		

Net SF 67,520

General Physical Data

No. of Buildings 12
Construction Type Brick
HVAC Central Elec/Central Elec
Parking L/0
Stories 3
Utilities with Rent Water, Sewer, Trash Collection
Year Built 1964
Condition Good

Indicators

Sale Price/Net SF \$79.24
Sale Price/Unit \$78,676

Amenities

Refrigerator, Range/Oven, Carpet, Vinyl, Blinds, Walk-In Closet, Exterior Storage and Laundry Facility

Comparable Sales Chart – As Is

Sales Analysis Grid		Comp 1	Comp 2	Comp 3	Comp 4
Address	6549 Brown Street	100 Parkway Avenue	3145 Misty Creek Drive	3460 Buford Highway	4689 Roswell Road
City	Douglasville	Southeast	Decatur	Northeast	Northeast
State	GA	Smyrna	GA	Atlanta	GA
Date	12/8/2017	8/1/2016	8/16/2016	8/23/2016	7/6/2016
Price		\$9,000,000	\$8,250,000	\$8,000,000	\$5,350,000
Total No. of Units	88	100	92	112	68
Price per Unit		\$90,000	\$89,674	\$71,429	\$78,676
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		\$90,000	\$89,674	\$71,429	\$78,676
Market Trends Through	12/08/17	0%	0%	0%	0%
Adjusted Price per Unit		\$90,000	\$89,674	\$71,429	\$78,676
Location	Good	Similar	Similar	Superior	Superior
% Adjustment		0%	0%	-5%	-5%
\$ Adjustment		\$0	\$0	-\$3,571	-\$3,934
Total No. of Units	88	100	92	112	68
% Adjustment		0%	0%	0%	0%
\$ Adjustment		\$0	\$0	\$0	\$0
YearBuilt/Renovated	1983	1985	1988	1962	1964
% Adjustment		0%	0%	0%	0%
\$ Adjustment		\$0	\$0	\$0	\$0
Condition/Street Appeal	Good	Similar	Similar	Inferior	Inferior
% Adjustment		0%	0%	20%	15%
\$ Adjustment		\$0	\$0	\$14,286	\$11,801
HVAC	Forced Air Gas/Central Electric	Central Elec/Central Elec	Central Elec/Central Elec	Central Elec/Central 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, Tile, Blinds, Walk-In Closet, Coat Closet, Clubhouse, Meeting Room, Playground, Laundry Facility and Video Surveillance	Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Washer/Dryer Hook-Ups, Carpet, Tile, Blinds, Ceiling Fans, Vaulted Ceilings (third floor only), Fireplace (select units), Walk-In Closet, Balcony, Patio, Swimming Pool, Picnic Area, Playground, Intercom/Electronic Entry and Limited Access Gate	Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Washer/Dryer Hook-Ups, Carpet, Tile, Blinds, Ceiling Fans, Fireplace (select units), Walk-In Closet, Balcony, Clubhouse, Swimming Pool, Picnic Area, Playground, Business Center and Cabana	Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Washer/Dryer Hook-Ups, Carpet, Tile, Blinds, Ceiling Fans and Swimming Pool	Refrigerator, Range/Oven, Carpet, Tile, Blinds, Walk-In Closet, Exterior Storage and Laundry Facility
% Adjustment		-4%	-4%	4%	4%
\$ Adjustment		-\$3,600	-\$3,587	\$2,857	\$3,147
Adjusted Price per Unit		\$86,400	\$86,087	\$85,000	\$89,691
Net adjustments		-4.0%	-4.0%	19.0%	14.0%
Gross adjustments		-4.0%	-4.0%	19.0%	14.0%

Based on the preceding analysis, it is the appraiser's opinion that the market value of the subject property, as of December 8, 2017, via the Sales Comparable Approach is as follows:

88 units x \$86,000 per unit = **\$7,568,000**

Indicated Value = \$7,570,000

Comparable Sales Explanations & Value – As Is

Comp	Address	Date	Price	Price per Unit	Total No. of Units	Year Built/Renovated
1	100 Parkway Avenue Southeast	8/1/2016	\$9,000,000	\$90,000	100	1985
2	3145 Misty Creek Drive	8/16/2016	\$8,250,000	\$89,674	92	1988
3	3460 Buford Highway Northeast	8/23/2016	\$8,000,000	\$71,429	112	1962
4	4689 Roswell Road Northeast	7/6/2016	\$5,350,000	\$78,676	68	1964

Improved Sales Analysis

The sale prices of the comparables range from \$71,429 to \$90,000 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 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 Douglasville, Georgia. Comparable 1 is located in Smyrna. Comparable 2 is located in Decatur. Comparable 3 is located in Atlanta. Comparable 4 is located in Atlanta. There is little difference in economic levels for the subject and the comparables. However, the comparables in Atlanta do have a slightly greater access to services. Therefore, these comparables were adjusted downward five percent. Smyrna and Decatur are considered similar to the subject in terms of services and was not adjusted.

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 88 units. The number of units of the comparables range from 68 to 112. No adjustments were needed.

Year Built/Renovated

The subject was built in 1983. It is in good condition. Comparable 1 was built in 1985. Comparable 2 was constructed in 1988. Comparable 3 was built in 1962. Comparable 4 was constructed in 1964. Any necessary adjustment was utilized in the condition/street appeal adjustment.

Condition/Street Appeal

The subject is in good condition overall. Comparables 1 and 2 are similar, and Comparables 3 and 4 are inferior in condition. Comparables 3 and 4 were compared to Comparables 1 and 2 in order to determine appropriate adjustments for condition. After considering the comparisons, Comparable 3 was adjusted 20 percent, and Comparable 4 was adjusted 15 percent.

HVAC

The subject contains Forced Air Gas/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 Central Elec/Central 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, tile, blinds, walk-in closet, coat closet, clubhouse, meeting room, playground, laundry facility and video surveillance. Comparable 1 contains a refrigerator, range/oven, garbage disposal, dishwasher, washer/dryer hook-ups, carpet, tile, blinds, ceiling fans, vaulted ceilings (third floor only), fireplace (select units), walk-in closet, balcony, patio, swimming pool, picnic area, playground, intercom/electronic entry and limited access gate. Comparable 2 contains a refrigerator, range/oven, garbage disposal, dishwasher, washer/dryer hook-ups, carpet, tile, blinds, ceiling fans, fireplace (select units), walk-in closet, balcony, clubhouse, swimming pool, picnic area, playground, business center and cabana. Comparable 3 contains a refrigerator, range/oven, garbage disposal, dishwasher, washer/dryer hook-ups, carpet, tile, blinds, ceiling fans and swimming pool. Comparable 4 contains a refrigerator, range/oven, carpet, tile, blinds, walk-in closet, exterior storage and laundry facility. Comparable 1 was adjusted downward four percent. Comparable 2 was adjusted downward four percent. Comparable 3 was adjusted upward four percent. Comparable 4 was adjusted upward four percent. The comparables were generally adjusted one percent per amenity for differences with the subject.

Summary and Conclusion

The comparables range from \$85,000 to \$89,691 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 December 8, 2017, via the Sales Comparable Approach is as follows:

88 units x \$86,000 per unit = \$7,568,000

Indicated As Is Market Value = \$7,570,000

Comparable Sales Chart – As Complete

Sales Analysis Grid		Comp 1	Comp 2	Comp 3	Comp 4
Address	6549 Brown Street	100 Parkway Avenue Southeast	3145 Misty Creek Drive	3460 Buford Highway	4689 Roswell Road
City	Douglasville	Smyrna	Decatur	Atlanta	Atlanta
State	GA	GA	GA	GA	GA
Date	4/1/2019	8/1/2016	8/16/2016	8/23/2016	7/6/2016
Price		\$9,000,000	\$8,250,000	\$8,000,000	\$5,350,000
Total No. of Units	88	100	92	112	68
Price per Unit		\$90,000	\$89,674	\$71,429	\$78,676
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		\$90,000	\$89,674	\$71,429	\$78,676
Market Trends Through 04/01/19		0%	0%	0%	0%
Adjusted Price per Unit		\$90,000	\$89,674	\$71,429	\$78,676
Location	Good	Similar	Similar	Superior	Superior
% Adjustment		0%	0%	-5%	-5%
\$ Adjustment		\$0	\$0	-\$3,571	-\$3,934
Total No. of Units	88	100	92	112	68
% Adjustment		0%	0%	0%	0%
\$ Adjustment		\$0	\$0	\$0	\$0
YearBuilt/Renovated	1983/Proposed	1985	1988	1962	1964
% Adjustment		0%	0%	0%	0%
\$ Adjustment		\$0	\$0	\$0	\$0
Condition/Street Appeal	Good	Inferior	Inferior	Inferior	Inferior
% Adjustment		15%	15%	35%	30%
\$ Adjustment		\$13,500	\$13,451	\$25,000	\$23,603
HVAC	Forced Air Gas/Central Electric	Central Elec/Central Elec	Central Elec/Central Elec	Central Elec/Central 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, Tile, Blinds, Walk-In Closet, Coat Closet, Clubhouse, Meeting Room, Playground, Laundry Facility and Video Surveillance	Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Washer/Dryer Hook-Ups, Carpet, Tile, Blinds, Ceiling Fans, Vaulted Ceilings (third floor only), Fireplace (select units), Walk-In Closet, Balcony, Patio, Swimming Pool, Picnic Area, Playground, Intercom/Electronic Entry and Limited Access Gate	Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Washer/Dryer Hook-Ups, Carpet, Tile, Blinds, Ceiling Fans, Fireplace (select units), Walk-In Closet, Balcony, Clubhouse, Swimming Pool, Picnic Area, Playground, Business Center and Cabana	Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Washer/Dryer Hook-Ups, Carpet, Tile, Blinds, Ceiling Fans and Swimming Pool	Refrigerator, Range/Oven, Carpet, Tile, Blinds, Walk-In Closet, Exterior Storage and Laundry Facility
% Adjustment		-4%	-4%	4%	4%
\$ Adjustment		-\$3,600	-\$3,587	\$2,857	\$3,147
Adjusted Price per Unit		\$99,900	\$99,538	\$95,714	\$101,493
Net adjustments		11.0%	11.0%	34.0%	29.0%
Gross adjustments		11.0%	11.0%	34.0%	29.0%

Based on the preceding analysis, it is the appraiser's opinion that the market value of the subject property, as of April 1, 2019, via the Sales Comparable Approach is as follows:

88 units x \$99,000 per unit = \$8,712,000

Indicated Value = \$8,710,000

Comparable Sales Explanations & Value – As Complete

Comp	Address	Date	Price	Price per Unit	Total No. of Units	Year Built/Renovated
1	100 Parkway Avenue Southeast	8/1/2016	\$9,000,000	\$90,000	100	1985
2	3145 Misty Creek Drive	8/16/2016	\$8,250,000	\$89,674	92	1988
3	3460 Buford Highway Northeast	8/23/2016	\$8,000,000	\$71,429	112	1962
4	4689 Roswell Road Northeast	7/6/2016	\$5,350,000	\$78,676	68	1964

Improved Sales Analysis

The sale prices of the comparables range from \$71,429 to \$90,000 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 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 Douglasville, Georgia. Comparable 1 is located in Smyrna. Comparable 2 is located in Decatur. Comparable 3 is located in Atlanta. Comparable 4 is located in Atlanta. There is little difference in economic levels for the subject and the comparables. However, the comparables in Atlanta do have a slightly greater access to services. Therefore, these comparables were adjusted downward five percent. Smyrna and Decatur are considered similar to the subject in terms of services and was not adjusted.

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 88 units. The number of units of the comparables range from 68 to 112. No adjustments were needed.

Year Built/Renovated

The subject was built in 1983. It is in good condition. Comparable 1 was built in 1985. Comparable 2 was constructed in 1988. Comparable 3 was built in 1962. Comparable 4 was constructed in 1964. Any necessary adjustment was utilized in the condition/street appeal adjustment.

Condition/Street Appeal

The subject will be renovated and will be in good condition. All comparables will be inferior to varying degrees. Comparables 3 and 4 were compared to Comparables 1 and 2 in order to determine appropriate adjustments for condition between the comparables. After considering all factors, the comparables were adjusted as follows: Comparable 1 – 15 percent; Comparable 2 – 15 percent; Comparable 3 – 35 percent; and Comparable 4 – 30 percent.

HVAC

The subject contains Forced Air Gas/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 Central Elec/Central 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, tile, blinds, walk-in closet, coat closet, clubhouse, meeting room, playground, laundry facility and video surveillance. Comparable 1 contains a refrigerator, range/oven, garbage disposal, dishwasher, washer/dryer hook-ups, carpet, tile, blinds, ceiling fans, vaulted ceilings (third floor only), fireplace (select units), walk-in closet, balcony, patio, swimming pool, picnic area, playground, intercom/electronic entry and limited access gate. Comparable 2 contains a refrigerator, range/oven, garbage disposal, dishwasher, washer/dryer hook-ups, carpet, tile, blinds, ceiling fans, fireplace (select units), walk-in closet, balcony, clubhouse, swimming pool, picnic area, playground, business center and cabana. Comparable 3 contains a refrigerator, range/oven, garbage disposal, dishwasher, washer/dryer hook-ups, carpet, tile, blinds, ceiling fans and swimming pool. Comparable 4 contains a refrigerator, range/oven, carpet, tile, blinds, walk-in closet, exterior storage and laundry facility. Comparable 1 was adjusted downward four percent. Comparable 2 was adjusted downward four percent. Comparable 3 was adjusted upward four percent. Comparable 4 was adjusted upward four percent. The comparables were generally adjusted one percent per amenity for differences with the subject.

Summary and Conclusion

The comparables range from \$95,714 to \$101,493 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 April 1, 2019, via the Sales Comparable Approach is as follows:

$$88 \text{ units} \times \$99,000 \text{ per unit} = \$8,712,000$$

Indicated As Complete Market Value = \$8,710,000

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 Douglasville 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 subject has been operating under a five-year Section 8 HAP contract that ended in 2017. The property has received preliminary approval for a new HAP contract. Currently, some of the Section 8 contract rents are higher than the market rents determined in this appraisal. The market value of the fee simple estate, subject to restricted rents, was determined under the hypothetical condition that the

property will receive final approval of the Section 8 HAP contract and the rents will not be decreased to the market rents determined in the analysis.

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 December 8, 2017, is as follows.

EIGHT MILLION EIGHT HUNDRED FIFTY THOUSAND DOLLARS

\$8,850,000

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 December 8, 2017, is as follows.

TEN MILLION EIGHT HUNDRED FIFTEEN THOUSAND DOLLARS

\$10,815,000

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 April 1, 2019, is as follows.

ELEVEN MILLION FOUR HUNDRED FORTY FIVE THOUSAND DOLLARS

\$11,445,000

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 April 1, 2019, is as follows.

TWELVE MILLION SEVEN HUNDRED SIXTY THOUSAND DOLLARS

\$12,760,000

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 December 8, 2017, is as follows:

SEVEN HUNDRED SEVENTY THREE THOUSAND DOLLARS
\$773,000

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 December 8, 2017, is as follows:

ONE MILLION FIVE THOUSAND DOLLARS
\$1,005,000

Based on the data, analyses and conclusions presented in the attached report, it is our opinion that the Value of Favorable Financing of the 538 Loan of the subject property, as of December 8, 2017, is as follows:

FOUR MILLION TWO HUNDRED THIRTY TWO THOUSAND DOLLARS
\$4,232,000

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 April 1, 2019, is as follows:

FOUR MILLION EIGHT HUNDRED SEVENTY FIVE THOUSAND DOLLARS
\$4,875,000

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 850 square feet two-bedroom units of the subject property, as of December 8, 2017, is as follows:

NINE HUNDRED SIXTY FIVE DOLLARS
\$965.00

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 897 square feet three-bedroom units of the subject property, as of December 8, 2017, is as follows:

ONE THOUSAND ONE HUNDRED TWENTY FIVE DOLLARS
\$1,125.00

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 1,299 square feet four-bedroom units of the subject property, as of December 8, 2017, is as follows:

ONE THOUSAND THREE HUNDRED SIXTY FIVE DOLLARS
\$1,365.00

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 850 square feet two-bedroom units of the subject property, as of April 1, 2019, is as follows:

ONE THOUSAND FIFTEEN DOLLARS
\$1,015.00

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 897 square feet three-bedroom units of the subject property, as of April 1, 2019, is as follows:

ONE THOUSAND ONE HUNDRED SEVENTY FIVE DOLLARS
\$1,175.00

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 square 1,299 feet four-bedroom units of the subject property, as of April 1, 2019, is as follows:

ONE THOUSAND FOUR HUNDRED FIFTEEN DOLLARS
\$1,415.00

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 December 8, 2017, is as follows.

SEVEN HUNDRED FIVE THOUSAND DOLLARS

\$705,000

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 December 8, 2017, is as follows.

EIGHT MILLION EIGHT HUNDRED FIFTY THOUSAND DOLLARS

\$8,850,000

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 December 8, 2017, is as follows.

TEN MILLION EIGHT HUNDRED FIFTEEN THOUSAND DOLLARS

\$10,815,000

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 April 1, 2019, is as follows.

ELEVEN MILLION FOUR HUNDRED FORTY FIVE THOUSAND DOLLARS

\$11,445,000

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 April 1, 2019, is as follows.

TWELVE MILLION SEVEN HUNDRED SIXTY THOUSAND DOLLARS

\$12,760,000

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 April 1, 2019, is as follows.

TWENTY THREE MILLION TWO HUNDRED FIFTY THOUSAND DOLLARS

\$23,250,000.00

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

01522
0267

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

BK PG ED
1522 0267

FEB -4 A 9 35

RETURN TO:
MAINTENANCE WAREHOUSE /AMERICA CORP
P.O. BOX 606066
SAN DIEGO, CA 92160

SUPERIOR COURT
DOUGLAS COUNTY, GA
CINDY W. CHAFFIN, CLK.

Document prepared by: Kara Turner
1-800-796-8868 (ext 7691)

CUST# 195354

Space Above This Line Reserved For Recorder's Use

MECHANIC'S LIEN
(CLAIM OF LIEN)

The undersigned, MAINTENANCE WAREHOUSE/AMERICA CORP., referred to in this Claim of Lien as the Claimant, claims a mechanic's lien for the labor, services, equipment and/or materials described below, furnished for a work of improvement upon the certain real property located in the County of DOUGLAS State of GEORGIA and described as follows: DOUGLASS VILLAGE APTS 6549 BROWN ST DOUGLASVILLE, GA 30134

LEGAL: APNTS 10.8 ACRES + BROWN ST LAND LOT 738 OF THE 1ST & 3RD DISTRICT. PARCEL: 0738-013-0003

After deducting all just credits and offsets, the sum of \$2,367.54 together with interest thereon at the rate of 18 percent per annum from DECEMBER 22, 2000 due Claimant for the following labor, services, equipment and/or materials furnished by Claimant: MISCELLANEOUS HARDWARE, ELECTRICAL AND PLUMBING SUPPLIES PURCHASED BUT NOT PAID FOR.

The name(s) of the person(s) or company (ies) by whom Claimant was employed, or to whom Claimant furnished the labor, services, equipment and/or materials is/are:
LANE COMPANY 6549 BROWN ST DOUGLASVILLE, GA 30134

The name(s) and address(es) of the owner(s) or reputed owner(s) of the real property is/are:
DOUGLAS VILLAGE LTD 1050 CROWN POINTE PKWY ATLANTA, GEORGIA 30338

The first day of providing labor/materials was: JANUARY 22, 2001

The last day of providing labor/materials was: APRIL 11, 2001

Name of Claimant: MAINTENANCE WAREHOUSE/AMERICA CORP.

By: Tony Williams
TONY WILLIAMS, CREDIT REPRESENTATIVE

I, the undersigned, declare: I am the CREDIT REPRESENTATIVE of MAINTENANCE WAREHOUSE/AMERICA CORP., the Claimant named in the foregoing claim of mechanic's lien; I am authorized to make this verification for the Claimant; I have read the foregoing claim of mechanic's lien and know the contents thereof, and the same is true of my own knowledge.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

January 30, 2002

Tony Williams
TONY WILLIAMS, CREDIT REPRESENTATIVE
MAINTENANCE WAREHOUSE/AMERICA CORP.

CALIFORNIA ALL PURPOSE ACKNOWLEDGMENT
State of CALIFORNIA
County of SAN DIEGO

ON January 30, 2002 before me, EDWIN MUNOZ, Notary Public, personally appeared TONY WILLIAMS
Personally known to me - OR - (I proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity (ies), and that by his/her/their signature(s) on the instrument he/she/they, or the entity upon behalf of which the person(s) acted, executed the instrument.

Witness my hand and official seal

Tony Williams
SIGNATURE OF THE NOTARY

RECORDED APR 11 2002
CINDY W. CHAFFIN, CLERK
SUPERIOR COURT, DOUGLAS CO., GA

ADDENDUM B

As of 01/04/2018

Parameters: Properties - ALL; Show All Unit Designations or Filter by - ALL; Subjournals - ALL; Exclude Formers? - Yes; Sort by - Unit; Report Type - Details + Summary; Show Unit Rent as - Market + Addl.;

details

Unit	Floorplan	unit designation	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Market + Addl.	Sub Journal	Trans Code	Lease Rent	Other Charges/Credits	Total Billing	Dep On Hand	balance
1-1A	4A	N/A	0	Occupied	English, Angela	01/20/2012	01/20/2012	01/31/2013	1,285.00	RESIDENT	RENT	408.00	0.00	408.00	475.00	376.00
										SUBSIDY	SUBRENT	877.00	0.00	877.00	0.00	905.00
1-1B	4A	N/A	0	Occupied	Ayub, Darlene	03/08/1991	03/01/2007	02/29/2008	1,285.00	RESIDENT	RENT	82.00	0.00	82.00	50.00	54.00
										SUBSIDY	SUBRENT	1,203.00	0.00	1,203.00	0.00	1,172.00
1-1C	2A	N/A	0	Occupied	Wright, Lashanda	05/26/2011	05/26/2011	04/30/2012	1,105.00	RESIDENT	UTILREIMB	0.00	(82.00)	(82.00)	316.00	(85.00)
										SUBSIDY	SUBRENT	1,105.00	0.00	1,187.00	0.00	1,187.00
										SUBSIDY	UTAC	0.00	82.00			
1-1D	2A	N/A	0	Occupied	Clark, Erika	03/20/2017	03/20/2017	03/31/2018	1,105.00	RESIDENT	RENT	242.00	0.00	242.00	424.00	234.00
										SUBSIDY	SUBRENT	863.00	0.00	863.00	0.00	863.00
1-1E	3A	N/A	0	Occupied	Abarca, Joanna	12/09/2016	12/09/2016	12/31/2017	1,241.00	RESIDENT	RENT	172.00	0.00	172.00	202.00	120.00
										SUBSIDY	SUBRENT	1,069.00	0.00	1,069.00	0.00	1,044.00
1-1F	3A	N/A	0	Occupied	Walker, Shadelle	01/27/2015	01/27/2015	01/31/2016	1,241.00	RESIDENT	UTILREIMB	0.00	(32.00)	(32.00)	231.00	68.00
										SUBSIDY	SUBRENT	1,241.00	0.00	1,273.00	0.00	1,445.00
										SUBSIDY	UTAC	0.00	32.00			
1-1G	2A	N/A	0	Occupied	Ray, Brittany	09/24/2015	09/24/2015	09/30/2016	1,105.00	RESIDENT	UTILREIMB	0.00	(82.00)	(82.00)	177.00	(82.00)
										SUBSIDY	SUBRENT	1,105.00	0.00	1,187.00	0.00	1,187.00
										SUBSIDY	UTAC	0.00	82.00			
1-1H	2A	N/A	0	Occupied	FAVORS, ANTONIA	12/18/2000	12/01/2006	11/30/2007	1,105.00	RESIDENT	RENT	236.00	0.00	236.00	53.00	220.00
										SUBSIDY	SUBRENT	869.00	0.00	869.00	0.00	800.00
1-1I	3A	N/A	0	Occupied	YOUNG, MELBA	11/24/1987	11/01/2006	10/31/2007	1,241.00	RESIDENT	RENT	471.00	0.00	471.00	50.00	447.00
										SUBSIDY	SUBRENT	770.00	0.00	770.00	0.00	770.00
1-1J	3A	N/A	0	Occupied	Bowen, Demecia	08/23/2017	08/23/2017	07/31/2018	1,241.00	RESIDENT	UTILREIMB	0.00	(63.00)	(63.00)	65.00	(63.00)
										SUBSIDY	SUBRENT	1,241.00	0.00	1,304.00	0.00	1,303.00
										SUBSIDY	UTAC	0.00	63.00			
2-2A	4A	N/A	0	Occupied	EVANS, RAYMOND	10/01/2007	10/01/2007	08/31/2008	1,285.00	RESIDENT	RENT	193.00	0.00	193.00	172.00	163.00
										SUBSIDY	SUBRENT	1,092.00	0.00	1,092.00	0.00	1,092.00
2-2B	4A	N/A	0	Occupied	Hardy, Esther	01/31/2017	01/31/2017	01/31/2018	1,285.00	RESIDENT	RENT	422.00	0.00	422.00	180.00	422.00
										SUBSIDY	SUBRENT	863.00	0.00	863.00	0.00	863.00
2-2C	3A	N/A	0	Occupied	Lumpkin, Angel	03/02/2017	03/02/2017	03/31/2018	1,241.00	RESIDENT	RENT	72.00	0.00	72.00	408.00	20.00
										SUBSIDY	SUBRENT	1,169.00	0.00	1,169.00	0.00	1,053.00
2-2D	3A	Affordable	0	Occupied	Adams, Angel	01/30/2017	01/30/2017	01/31/2018	1,241.00	RESIDENT	RENT	302.00	0.00	302.00	396.00	298.00
										SUBSIDY	SUBRENT	939.00	0.00	939.00	0.00	939.00
2-2E	2A	N/A	0	Occupied	Best, Kim	01/16/2013	01/16/2013	01/31/2014	1,105.00	RESIDENT	RENT	221.00	0.00	221.00	228.00	205.00

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As of 01/04/2018

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details

Unit	Floorplan	unit designation	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Market + Addl.	Sub Journal	Trans Code	Lease Rent	Other Charges/Credits	Total Billing	Dep On Hand	balance
2-2F	2A	N/A	0	Occupied	Arnold, Whitney	11/03/2009	11/03/2009	11/30/2010	1,105.00	SUBSIDY	SUBRENT	884.00	0.00	884.00	0.00	(70.00)
										RESIDENT	UTILREIMB	0.00	(82.00)	(82.00)	132.00	(82.00)
										SUBSIDY	SUBRENT	1,105.00	0.00	1,187.00	0.00	1,187.00
2-2G	4A	N/A	0	Occupied	HEMBY, SHAKIA	10/19/2009	10/19/2009	10/31/2009	1,285.00	SUBSIDY	UTAC	0.00	82.00			
										RESIDENT	RENT	121.00	0.00	121.00	87.00	43.00
										SUBSIDY	SUBRENT	1,164.00	0.00	1,164.00	0.00	1,192.00
2-2H	4A	N/A	0	Occupied	Smith, Hanethia	09/26/2012	09/26/2012	09/30/2013	1,285.00	RESIDENT	RENT	886.00	0.00	886.00	78.00	905.00
										SUBSIDY	SUBRENT	399.00	0.00	399.00	0.00	399.00
										RESIDENT	RENT	71.00	0.00	71.00	25.00	52.00
3-3A	4A	N/A	0	Occupied	Sampson, Angela	06/27/2014	06/27/2014	06/30/2015	1,285.00	SUBSIDY	SUBRENT	1,214.00	0.00	1,214.00	0.00	1,183.00
										RESIDENT	RENT	243.00	0.00	243.00	25.00	239.00
										SUBSIDY	SUBRENT	1,042.00	0.00	1,042.00	0.00	1,042.00
3-3B	4A	Affordable	0	Occupied	Jean-Louis, Magalie	03/16/2012	03/16/2012	03/31/2013	1,285.00	RESIDENT	RENT	146.00	0.00	146.00	397.00	89.00
										SUBSIDY	SUBRENT	1,095.00	0.00	1,095.00	0.00	1,095.00
										RESIDENT	RENT	120.00	0.00	120.00	214.00	112.00
3-3C	3A	N/A	0	Occupied	Beverly, Camille	10/01/2015	10/01/2015	10/31/2016	1,241.00	SUBSIDY	SUBRENT	1,121.00	0.00	1,121.00	0.00	1,122.00
										RESIDENT	RENT	37.00	0.00	37.00	144.00	37.00
										SUBSIDY	SUBRENT	1,068.00	0.00	1,068.00	0.00	1,068.00
3-3D	3A	N/A	0	Occupied	LINDLEY, CHIQUITA	04/15/2010	04/15/2010	04/30/2010	1,241.00	RESIDENT	RENT	1,105.00	0.00	1,105.00	0.00	1,157.00
										SUBSIDY	SUBRENT	1,105.00	0.00	1,157.00	0.00	1,157.00
										SUBSIDY	UTAC	0.00	52.00			
3-3E	2A	N/A	0	Occupied	Blackwell, Erica	12/15/2017	12/15/2017	12/31/2018	1,105.00	RESIDENT	RENT	13.00	0.00	13.00	166.00	13.00
										SUBSIDY	SUBRENT	1,272.00	0.00	1,272.00	0.00	1,682.00
										RESIDENT	RENT	142.00	0.00	142.00	97.00	142.00
3-3F	2A	N/A	0	Occupied	Nation, Jessiqua	09/12/2014	09/12/2014	09/30/2015	1,105.00	SUBSIDY	SUBRENT	1,143.00	0.00	1,143.00	0.00	1,142.00
										RESIDENT	RENT	53.00	0.00	53.00	74.00	34.00
										SUBSIDY	SUBRENT	1,232.00	0.00	1,232.00	0.00	1,201.00
3-3G	4A	N/A	0	Occupied	Wood, Angel	12/22/2017	12/22/2017	12/31/2018	1,285.00	RESIDENT	RENT	741.00	0.00	741.00	732.00	741.00
										SUBSIDY	SUBRENT	544.00	0.00	544.00	0.00	544.00
										RESIDENT	RENT	361.00	0.00	361.00	456.00	361.00
3-3H	4A	N/A	0	Occupied	Martin, Quennariel	09/11/2017	09/11/2017	09/30/2017	1,285.00	SUBSIDY	SUBRENT	744.00	0.00	744.00	0.00	744.00
										RESIDENT	RENT	211.00	0.00	211.00	318.00	211.00
										SUBSIDY	SUBRENT	744.00	0.00	744.00	0.00	744.00
4-4A	4A	N/A	0	Occupied	SAFFO, LONNIE	01/14/2010	01/14/2010	02/28/2010	1,285.00	RESIDENT	RENT	1,143.00	0.00	1,143.00	0.00	1,142.00
										SUBSIDY	SUBRENT	1,232.00	0.00	1,232.00	0.00	1,201.00
										RESIDENT	RENT	53.00	0.00	53.00	74.00	34.00
4-4B	4A	N/A	0	Occupied	Evans, Tracie	12/09/2016	12/09/2016	12/31/2017	1,285.00	SUBSIDY	SUBRENT	1,143.00	0.00	1,143.00	0.00	1,142.00
										RESIDENT	RENT	741.00	0.00	741.00	732.00	741.00
										SUBSIDY	SUBRENT	544.00	0.00	544.00	0.00	544.00
4-4C	2A	N/A	0	Occupied	Hall, Elonda	05/06/2016	05/06/2016	05/31/2017	1,105.00	RESIDENT	RENT	361.00	0.00	361.00	456.00	361.00
										SUBSIDY	SUBRENT	744.00	0.00	744.00	0.00	744.00
										RESIDENT	RENT	211.00	0.00	211.00	318.00	211.00
4-4D	2A	N/A	0	Occupied	Duhart, Adjah	12/19/2017	12/19/2017	12/31/2018	1,105.00	SUBSIDY	SUBRENT	744.00	0.00	744.00	0.00	744.00
										RESIDENT	RENT	211.00	0.00	211.00	318.00	211.00
										SUBSIDY	SUBRENT	744.00	0.00	744.00	0.00	744.00

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Edgewood Management Corporation - Douglass Village
RENT ROLL DETAIL

As of 01/04/2018

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Unit	Floorplan	unit designation	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Market + Addl.	Sub Journal	Trans Code	Lease Rent	Other Charges/Credits	Total Billing	Dep On Hand	balance
4-4E	3A	N/A	0	Occupied	Moreland, Jennifer	12/16/2014	12/16/2014	12/31/2015	1,241.00	SUBSIDY SUBRENT		894.00	0.00	894.00	0.00	1,269.00
										RESIDENT RENT		157.00	0.00	157.00	290.00	59.00
4-4F	3A	N/A	0	Occupied	PARKER, LONNIE	09/12/2005	08/01/2006	07/31/2007	1,241.00	SUBSIDY SUBRENT		1,084.00	0.00	1,084.00	0.00	824.00
										RESIDENT UTILREIMB		0.00	(103.00)	(103.00)	100.00	(103.00)
4-4G	2A	Affordable	0	Occupied	Benefield, Cheryl	11/12/2014	11/12/2014	11/30/2015	1,105.00	SUBSIDY SUBRENT		1,241.00	0.00	1,344.00	0.00	1,344.00
										SUBSIDY UTAC		0.00	103.00			
4-4H	2A	N/A	0	Occupied	GADSDEN, LAKEISHA	07/08/2004	07/01/2006	06/30/2007	1,105.00	RESIDENT RENT		215.00	0.00	215.00	327.00	225.00
										SUBSIDY SUBRENT		890.00	0.00	890.00	0.00	890.00
4-4I	3A	N/A	0	Occupied	Benjamin, Laquiche	02/22/2013	02/22/2013	02/28/2014	1,241.00	SUBSIDY SUBRENT		1,015.00	0.00	1,015.00	0.00	1,015.00
										RESIDENT RENT		164.00	0.00	164.00	295.00	149.00
4-4J	3A	N/A	0	Occupied	Turay, Fatmata	10/28/2014	10/28/2014	10/31/2015	1,241.00	SUBSIDY SUBRENT		1,077.00	0.00	1,077.00	0.00	1,077.00
										RESIDENT RENT		103.00	0.00	103.00	142.00	(411.00)
5-5A	4A	N/A	0	Occupied	Scott, Shatika	10/07/2016	10/07/2016	09/30/2017	1,285.00	SUBSIDY SUBRENT		1,138.00	0.00	1,138.00	0.00	1,138.00
										RESIDENT RENT		67.00	0.00	67.00	219.00	62.00
5-5B	4A	N/A	0	Occupied	Dixon, Tiffany	10/14/2016	10/14/2016	10/31/2017	1,285.00	SUBSIDY SUBRENT		1,218.00	0.00	1,218.00	0.00	1,218.00
										RESIDENT UTILREIMB		0.00	(128.00)	(128.00)	258.00	(130.00)
5-5C	2A	N/A	0	Occupied	Ervin, De'nea	01/31/2017	01/31/2017	01/31/2018	1,105.00	SUBSIDY SUBRENT		1,285.00	0.00	1,413.00	0.00	1,413.00
										SUBSIDY UTAC		0.00	128.00			
5-5D	2A	N/A	0	Occupied	Randall, Multtee	07/29/2013	07/29/2013	07/31/2014	1,105.00	RESIDENT RENT		260.00	0.00	260.00	320.00	260.00
										SUBSIDY SUBRENT		845.00	0.00	845.00	0.00	845.00
5-5E	3A	N/A	0	Occupied	Dobbs, Dianma	06/10/2010	06/10/2010	06/30/2011	1,241.00	RESIDENT RENT		88.00	0.00	88.00	78.00	3.00
										SUBSIDY SUBRENT		1,017.00	0.00	1,017.00	0.00	1,017.00
5-5F	3A	N/A	0	Occupied	Jones, Jennifer	11/20/2012	11/20/2012	11/30/2013	1,241.00	RESIDENT RENT		103.00	0.00	103.00	111.00	102.00
										SUBSIDY SUBRENT		1,138.00	0.00	1,138.00	0.00	1,043.00
5-5G	2A	N/A	0	Occupied	Washington, Khalidda	10/09/2014	10/09/2014	10/31/2015	1,105.00	RESIDENT RENT		96.00	0.00	96.00	403.00	(3.00)
										SUBSIDY SUBRENT		1,145.00	0.00	1,145.00	0.00	1,145.00
5-5H	2A	N/A	0	Occupied	Greene, Yashi	02/10/2016	02/10/2016	02/28/2017	1,105.00	RESIDENT UTILREIMB		0.00	(71.00)	(71.00)	33.00	(625.00)
										SUBSIDY SUBRENT		1,105.00	0.00	1,176.00	0.00	1,176.00
										SUBSIDY UTAC		71.00				

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Edgewood Management Corporation - Douglass Village
RENT ROLL DETAIL

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details

Unit	Floorplan	unit designation	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Market + Addl.	Sub Journal	Trans Code	Lease Rent	Other Charges/Credits	Total Billing	Dep On Hand	balance
												1,105.00	0.00	1,135.00	0.00	1,135.00
												0.00	30.00			
5-5I	3A	N/A	0	Occupied	Jarmon, Debra	10/08/2010	10/08/2010	10/31/2011	1,241.00			115.00	0.00	115.00	317.00	114.00
												1,126.00	0.00	1,126.00	0.00	1,126.00
5-5J	3A	N/A	0	Occupied	Betts, Tiara	10/27/2017	10/27/2017	10/31/2018	1,241.00			245.00	0.00	245.00	373.00	205.00
												996.00	0.00	996.00	0.00	996.00
6-6A	3A	N/A	0	Occupied	Holfield, Quajida	08/05/2016	08/05/2016	08/31/2017	1,241.00			330.00	0.00	330.00	555.00	330.00
												911.00	0.00	911.00	0.00	911.00
6-6B	3A	N/A	0	Occupied	WATKINS, SHANNON	07/08/2013	07/08/2013	07/31/2013	1,241.00			314.00	0.00	314.00	320.00	305.00
												927.00	0.00	927.00	0.00	927.00
6-6C	2A	Affordable	0	Occupied	Conner, Demeika	07/07/2015	07/07/2015	07/31/2016	1,105.00			0.00	(52.00)	(52.00)	249.00	(54.00)
												1,105.00	0.00	1,157.00	0.00	1,157.00
												0.00	52.00			
6-6D	2A	N/A	0	Occupied	Thompson, Lacroshia	05/29/2015	05/29/2015	05/31/2016	1,105.00			333.00	0.00	333.00	323.00	333.00
												772.00	0.00	772.00	0.00	772.00
6-6E	3A	N/A	0	Occupied	Hayes, Nicole	11/01/2017	11/01/2017	10/31/2018	1,241.00			399.00	0.00	399.00	527.00	399.00
												842.00	0.00	842.00	0.00	842.00
6-6F	3A	N/A	0	Occupied	Gates, Rachelle	08/15/2017	08/15/2017	08/31/2018	1,241.00			0.00	(7.00)	(7.00)	121.00	(7.00)
												1,241.00	0.00	1,248.00	0.00	1,249.00
												0.00	7.00			
6-6G	2A	N/A	0	Occupied	Ellison, Nafrahis	05/19/2015	05/19/2015	05/31/2016	1,105.00			259.00	0.00	259.00	175.00	252.00
												846.00	0.00	846.00	0.00	846.00
6-6H	2A	N/A	0	Occupied	HENDRICKS, CARRIE	07/16/1982	07/01/2006	06/30/2007	1,105.00			104.00	0.00	104.00	105.00	104.00
												1,001.00	0.00	1,001.00	0.00	1,001.00
6-6I	4A	N/A	0	Occupied	Slade, Yolinda	10/29/2010	10/29/2010	10/31/2011	1,285.00			601.00	0.00	601.00	167.00	573.00
												684.00	0.00	684.00	0.00	532.00
6-6J	4A	Affordable	0	Occupied	SISTRUNK, ROYCHELLE	12/28/2009	12/28/2009	01/31/2010	1,285.00			528.00	0.00	528.00	25.00	645.00
												757.00	0.00	757.00	0.00	757.00
7-7A	4A	N/A	0	Occupied	Ponder, Tera	05/06/2013	05/06/2013	05/31/2014	1,285.00			0.00	(22.00)	(22.00)	27.00	(22.00)
												1,285.00	0.00	1,307.00	0.00	1,307.00
												0.00	22.00			
7-7B	4A	N/A	0	Occupied	Muse, Betty	06/02/2008	06/02/2008	06/30/2009	1,285.00			52.00	0.00	52.00	191.00	51.00

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details

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7-7C	2A	N/A	0	Occupied	Nealy, Allyson	10/24/2014	10/24/2014	10/31/2015	1,105.00	SUBSIDY SUBRENT		1,233.00	0.00	1,233.00	0.00	1,233.00
										RESIDENT UTILREIMB		0.00	(81.00)	(81.00)	25.00	(283.00)
										SUBSIDY SUBRENT		1,105.00	0.00	1,186.00	0.00	1,186.00
7-7D	2A	N/A	0	Occupied	John, Kharizmeh	11/04/2008	11/04/2008	11/30/2009	1,105.00	SUBSIDY UTAC		0.00	81.00			
										RESIDENT RENT		1.00	0.00	1.00	57.00	1.00
										SUBSIDY SUBRENT		1,104.00	0.00	1,104.00	0.00	1,104.00
7-7E	3A	N/A	0	Occupied	Dela Rosa, Natalie	08/31/2016	08/31/2016	08/31/2017	1,241.00	RESIDENT RENT		69.00	0.00	69.00	196.00	68.00
										SUBSIDY SUBRENT		1,172.00	0.00	1,172.00	0.00	1,172.00
										RESIDENT RENT		313.00	0.00	313.00	355.00	313.00
7-7F	3A	N/A	0	Occupied	Pounds, Vivian	08/20/2013	08/20/2013	08/31/2014	1,241.00	SUBSIDY SUBRENT		928.00	0.00	928.00	0.00	928.00
										RESIDENT RENT		1,109.00	0.00	1,109.00	0.00	1,109.00
										SUBSIDY SUBRENT		1,285.00	0.00	1,285.00	0.00	1,285.00
7-7G	4A	N/A	0	Occupied	Mezier, Jacqueline	11/09/2010	11/09/2010	11/30/2011	1,285.00	RESIDENT UTILREIMB		0.00	(59.00)	(59.00)	214.00	(372.00)
										SUBSIDY SUBRENT		1,285.00	0.00	1,344.00	0.00	1,344.00
										SUBSIDY UTAC		0.00	59.00			
7-7H	4A	N/A	0	Occupied	Sanchez, Lissethe	12/12/2014	12/12/2014	12/31/2015	1,285.00	RESIDENT RENT		282.00	0.00	282.00	253.00	282.00
										SUBSIDY SUBRENT		1,003.00	0.00	1,003.00	0.00	1,003.00
										RESIDENT RENT		63.00	0.00	63.00	148.00	3.00
8-8A	4A	Affordable	0	Occupied	Ray, Monica	12/20/2013	12/20/2013	12/31/2014	1,285.00	SUBSIDY SUBRENT		1,222.00	0.00	1,222.00	0.00	1,052.00
										RESIDENT RENT		1,222.00	0.00	1,222.00	0.00	1,052.00
										SUBSIDY SUBRENT		1,222.00	0.00	1,222.00	0.00	1,052.00
8-8B	3A	N/A	0	Occupied	Navarro, Maria	10/18/2017	10/18/2017	10/31/2018	1,241.00	RESIDENT RENT		69.00	0.00	69.00	197.00	69.00
										SUBSIDY SUBRENT		1,172.00	0.00	1,172.00	0.00	1,172.00
										SUBSIDY SUBRENT		1,172.00	0.00	1,172.00	0.00	1,172.00
8-8C	2A	N/A	0	Occupied	Mayers, Merissa	10/19/2012	10/19/2012	10/31/2013	1,105.00	RESIDENT RENT		104.00	0.00	104.00	429.00	81.00
										SUBSIDY SUBRENT		1,001.00	0.00	1,001.00	0.00	1,001.00
										RESIDENT UTILREIMB		0.00	(128.00)	(128.00)	25.00	(138.00)
8-8D	4A	N/A	0	Occupied	Crowder, Larina	09/01/2009	09/01/2009	09/30/2010	1,285.00	SUBSIDY SUBRENT		1,285.00	0.00	1,413.00	0.00	1,427.00
										SUBSIDY UTAC		0.00	128.00			
										RESIDENT RENT		379.00	0.00	379.00	386.00	379.00
8-8E	4A	N/A	0	Occupied	Johnson, Tyrilia	12/08/2012	12/08/2012	12/31/2013	1,285.00	SUBSIDY SUBRENT		906.00	0.00	906.00	0.00	966.00
										RESIDENT RENT		50.00	0.00	50.00	279.00	(26.00)
										SUBSIDY SUBRENT		1,235.00	0.00	1,235.00	0.00	1,232.00
9-9A	4A	N/A	0	Occupied	DOBBS, REBEKAH	07/31/2012	07/31/2012	08/31/2012	1,285.00	RESIDENT RENT		50.00	0.00	50.00	279.00	(26.00)
										SUBSIDY SUBRENT		1,235.00	0.00	1,235.00	0.00	1,232.00
										RESIDENT UTILREIMB		0.00	(87.00)	(87.00)	86.00	(87.00)
9-9B	4A	N/A	0	Occupied	Burkes, Natasha	01/03/2014	01/03/2014	01/31/2015	1,285.00	SUBSIDY SUBRENT		1,285.00	0.00	1,372.00	0.00	1,373.00
										SUBSIDY SUBRENT		1,285.00	0.00	1,372.00	0.00	1,373.00
										SUBSIDY UTAC		0.00	87.00			

* indicates amounts not included in detail totals

As of 01/04/2018

Parameters: Properties - ALL; Show All Unit Designations or Filter by - ALL; Subjournals - ALL; Exclude Formers? - Yes; Sort by - Unit; Report Type - Details + Summary; Show Unit Rent as - Market + Addl.; details

Unit	Floorplan	unit designation	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Market + Addl.	Sub Journal	Trans Code	Lease Rent	Other Charges/Credits	Total Billing	Dep On Hand	balance
9-9C	2A	N/A	0	Occupied	Williams, Kennicia	03/18/2016	03/18/2016	03/31/2017	1,105.00	RESIDENT	RENT	173.00	0.00	173.00	237.00	162.00
										SUBSIDY	SUBRENT	932.00	0.00	932.00	0.00	933.00
9-9D	2A	N/A	0	Occupied	Evans, Arkell	06/24/2016	06/24/2016	06/30/2017	1,105.00	RESIDENT	RENT	262.00	0.00	262.00	647.00	262.00
										SUBSIDY	SUBRENT	843.00	0.00	843.00	0.00	843.00
9-9E	3A	N/A	0	Occupied	Fletcher, Monique	11/14/2008	11/14/2008	11/30/2009	1,241.00	RESIDENT	RENT	755.00	0.00	755.00	56.00	716.00
										SUBSIDY	SUBRENT	486.00	0.00	486.00	0.00	486.00
9-9F	3A	N/A	0	Occupied	Cheatom, Maya	04/04/2016	04/04/2016	04/30/2017	1,241.00	RESIDENT	RENT	276.00	0.00	276.00	335.00	262.00
										SUBSIDY	SUBRENT	965.00	0.00	965.00	0.00	965.00
9-9G	4A	N/A	0	Occupied	Shanks, Tonya	09/18/2015	09/18/2015	09/30/2016	1,285.00	RESIDENT	UTILREIMB	0.00	(128.00)	(128.00)	66.00	(136.00)
										SUBSIDY	SUBRENT	1,285.00	0.00	1,413.00	0.00	1,413.00
										SUBSIDY	UTAC	0.00	128.00			
9-9H	4A	N/A	0	Occupied	Santiago, Christy	02/04/2014	02/04/2014	02/28/2015	1,285.00	RESIDENT	UTILREIMB	0.00	(128.00)	(128.00)	342.00	(128.00)
										SUBSIDY	SUBRENT	1,285.00	0.00	1,413.00	0.00	1,413.00
										SUBSIDY	UTAC	0.00	128.00			
10-10A	4A	N/A	0	Occupied	Stubbs, Natasha	04/10/2017	04/10/2017	04/30/2018	1,285.00	RESIDENT	RENT	20.00	0.00	20.00	173.00	20.00
										SUBSIDY	SUBRENT	1,265.00	0.00	1,265.00	0.00	1,265.00
10-10B	4A	N/A	0	Occupied	Tye, Cynethia	06/21/2017	06/21/2017	06/30/2018	1,285.00	RESIDENT	RENT	111.00	0.00	111.00	264.00	104.00
										SUBSIDY	SUBRENT	1,174.00	0.00	1,174.00	0.00	1,174.00
10-10C	2A	N/A	0	Occupied	Terry, Lucile	09/26/2003	09/01/2006	08/31/2007	1,105.00	RESIDENT	RENT	112.00	0.00	112.00	200.00	103.00
										SUBSIDY	SUBRENT	993.00	0.00	993.00	0.00	993.00
10-10D	2A	N/A	0	Occupied	Kelly, Hillary	06/16/2015	06/16/2015	06/30/2016	1,105.00	RESIDENT	UTILREIMB	0.00	(82.00)	(82.00)	36.00	(93.00)
										SUBSIDY	SUBRENT	1,105.00	0.00	1,187.00	0.00	1,187.00
										SUBSIDY	UTAC	0.00	82.00			
10-10E	3A	N/A	0	Occupied	Pezzano, Elena	11/02/2017	11/02/2017	11/30/2018	1,241.00	RESIDENT	RENT	108.00	0.00	108.00	236.00	104.00
										SUBSIDY	SUBRENT	1,133.00	0.00	1,133.00	0.00	3,361.00
10-10F	3A	N/A	0	Occupied	Patterson, Trudy	04/04/2008	04/04/2008	04/30/2009	1,241.00	RESIDENT	RENT	394.00	0.00	394.00	280.00	2,059.00
										SUBSIDY	SUBRENT	847.00	0.00	847.00	0.00	847.00
10-10G	2A	N/A	0	Occupied	Grami, Emma	05/31/2017	05/31/2017	05/31/2018	1,105.00	RESIDENT	RENT	309.00	0.00	309.00	416.00	309.00
										SUBSIDY	SUBRENT	796.00	0.00	796.00	0.00	796.00
10-10H	2A	N/A	0	Occupied	Bligen, Linda	08/11/2008	08/11/2008	08/31/2009	1,105.00	RESIDENT	RENT	108.00	0.00	108.00	162.00	107.00
										SUBSIDY	SUBRENT	997.00	0.00	997.00	0.00	997.00
10-10I	3A	N/A	0	Occupied	Franklin, Nekisha	05/30/2008	05/30/2008	05/31/2009	1,241.00	RESIDENT	RENT	58.00	0.00	58.00	50.00	49.00
										SUBSIDY	SUBRENT	1,183.00	0.00	1,183.00	0.00	1,183.00

* indicates amounts not included in detail totals

Edgewood Management Corporation - Douglass Village
RENT ROLL DETAIL

As of 01/04/2018

Parameters: Properties - ALL; Show All Unit Designations or Filter by - ALL; Subjournals - ALL; Exclude Formers? - Yes; Sort by - Unit; Report Type - Details + Summary; Show Unit Rent as - Market + Addl.;

details

Unit	Floorplan	unit designation	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Market + Addl.	Sub Journal	Trans Code	Lease Rent	Other Charges/Credits	Total Billing	Dep On Hand	balance
10-10J	3A	N/A	0	Occupied	Wynn, Niketa	02/14/2017	02/14/2017	02/28/2018	1,241.00	RESIDENT	RENT	125.00	0.00	125.00	311.00	86.00
										SUBSIDY	SUBRENT	1,116.00	0.00	1,116.00	0.00	1,155.00
10-10K	4A	N/A	0	Occupied	Manning, Ebony	01/29/2016	01/29/2016	01/31/2017	1,285.00	RESIDENT	RENT	223.00	0.00	223.00	167.00	90.90
										SUBSIDY	SUBRENT	1,062.00	0.00	1,062.00	0.00	1,062.00
totals:									106,584.00			106,584.00	0.00	106,584.00	19,309.00	

* indicates amounts not included in detail totals

As of 01/04/2018

Parameters: Properties - ALL; Show All Unit Designations or Filter by - ALL; Subjournals - ALL; Exclude Formers? - Yes; Sort by - Unit; Report Type - Details + Summary; Show Unit Rent as - Market + Addl.;

Amt / SQFT: Market = 0 SQFT; Leased = 0 SQFT;

Floorplan	# Units	Average SQFT	Average Market + Addl.	Market Amt / SQFT	Average Leased	Leased Amt / SQFT	Units Occupied	Occupancy %	Units Available
2A	29	0	1,105.00	0.00	1,105.00	0.00	29	100.00	0
3A	29	0	1,241.00	0.00	1,241.00	0.00	29	100.00	0
4A	30	0	1,285.00	0.00	1,285.00	0.00	30	100.00	0
totals / averages:	88	0	1,211.18	0.00	1,211.18	0.00	88	100.00	0

occupancy and rents summary for current date

unit status	Market + Addl.	# units	potential rent
Vacant Leased	-	0	-
Admin/Down	-	0	-
Vacant Not Leased	-	0	-
Occupied, no NTV	106,584.00	88	106,584.00
Occupied, NTV	-	0	-
Occupied NTV Leased	-	0	-
totals:	106,584.00	88	106,584.00

summary billing by sub journal for current date

sub journal	amount
RESIDENT	13,454.00
SUBSIDY	93,130.00
total:	106,584.00

summary billing by transaction code for current date

code	amount
RENT	14,953.00
SUBRENT	91,631.00
UTAC	1,499.00
UTILREIMB	(1,499.00)
total:	106,584.00

DOUGLASS VILLAGE, LTD
c/o CRI, Inc.
11200 Rockville Pike, Suite 300
Rockville, MD 20814
Tel: 301-332-4486

December 1, 2017

Ms. Lisa Johnson
Assistant Director
Georgia Asset Management
National Housing Compliance
1975 Lakeside Parkway
Suite 310
Tucker, GA 30084

Re: Douglass Village HAP Contract Renewal
Contract Number: GA06R000008

Dear Ms. Johnson:

Enclosed is the owner signed HAP renewal submission for Douglass Village. The final contract expiration occurs on 12/31/2017. The owner would like to renew the contract for a period of one year under Option 4. We are requesting the budget amount of \$1,256,993.00, which is a 0.469% reduction.

Also enclosed is the Utility Adjustment Factor Summary.

If you have any questions, you may contact me, Matthew Bleier of Edgewood Management at 301-562-1600 or Richard Michael Price of Nixon Peabody at 202-585-8716.

Sincerely,


Michael Murphy

Enclosures

**Contract Renewal
Request Form
Multifamily Section 8 Contracts**

U.S. Department of Housing and Urban Development
Office of Housing
OMB No. 2502-0587
(Exp. 04/30/2017)

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 to obtain benefits. HUD may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

Title V of the Departments of Veterans Affairs and Housing and Urban Development and Independent Agencies Appropriations Act of 1988 (P.L. 106-65, 111 Stat 1384) authorizes the FHA Multifamily Housing Mortgage and Housing Assistance Restructuring Program. HUD implemented a statutory permanent program directed at FHA-insured multifamily projects that have project-based Section 8 contracts with above-market rents. The information collection is used to determine criteria eligibility of FHA-insured multifamily properties for participation in the Mark to Market program and the terms on which participation should occur. The purpose of the program is to preserve low-income rental housing affordability while reducing the long-term costs of Federal rental assistance. While no assurances of confidentiality are pledged to respondents, HUD generally discloses this data only in response to a Freedom of Information request.

Cover Sheet

Douglass Village	
PROJECT NAME	
6549 Brown Street, Douglassville, GA 30134	
PROJECT ADDRESS	
Douglass Village, LTD	
PROJECT OWNER	
N/A	780210477
FHA PROJECT NO	DUNS NUMBER
88	88
TOTAL UNITS IN PROJECT	TOTAL SECTION 8 UNITS IN PROJECT
11/30/2017	
DATE OF SUBMISSION	DATE RECEIVED BY HUD

Section 8 contracts and stages in the project:

Section 8 Contract Number	Stage Number (if applicable)	Combine (Yes?)	# Units	Expiration Date	Renew (Yes?)
GA06R000008		<input type="checkbox"/>	88	12/31/2017	Yes
		<input type="checkbox"/>			
		<input type="checkbox"/>			
		<input type="checkbox"/>			
		<input type="checkbox"/>			
		<input type="checkbox"/>			
		<input type="checkbox"/>			

I hereby elect to renew the above-indicated contracts under the following option (Check the appropriate box(es) below and provide the corresponding worksheet(s)):

This is an Initial or Subsequent Renewal of a MAHRA contract.

OPTION ONE - Request Renewal Under Mark-Up-To-Market Procedures

Option One A Entitlement Mark-Up-To-Market

Option One B Discretionary Authority

I hereby request a contract renewal for a _____-year term. (A five-year minimum term)

OPTION TWO - Request Renewal With Rents At or Below Comparable Market Rents And Without Restructuring

I hereby request a contract renewal for a _____-year term. (A maximum 20-year term)

OPTION THREE - Request Referral to OAHF for: Choose One

OPTION THREE-A - Reduction of Section 8 Rents to Comparable Market Rents without Restructuring (Lite)

OPTION THREE-B - Restructure of the mortgage and reduction of Section 8 Rents to Comparable Market Rents (Full)

OPTION FOUR - Request Renewal of the Contract for Projects Exempt from or not Eligible for Debt Restructuring

I hereby request a contract renewal for a 20-year term.

OPTION FIVE - Portfolio Reengineering Demonstration and Preservation Contract Renewals

I request a contract renewal of my Demonstration Program Contract.
(Based on Use Agreement)

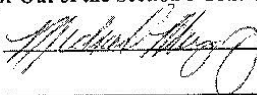
Mortgage Restructuring Demonstration Use Agreement

Budget Based Without Mortgage Restructuring Demonstration Use Agreement

I request a contract renewal of my Preservation Program Contract.

I hereby request a contract renewal for a _____-year term. (The term may not exceed the remaining term of the recorded Use Agreement.)

OPTION SIX - Opt-Out of the Section 8 Contract

Owner's signature:  Date: 1/23/17

RENEWAL WORKSHEET FOR OPTION FOUR
Request Renewal of Contract for Projects Exempted From OAHF

I hereby request a RENEWAL of my contract under Option Four and I am submitting an OCAF Worksheet and a budget calculation to determine which adjustments meets the "lesser of" test. My project is eligible to renew under this option because it falls into one of the following categories (*Please select one of the following*).

- State or Local Government financing. I am submitting:
 - Copies of the original financing documents;
 - The underlying statutory authority which I believe conflicts with a Mark-To-Market restructuring plan; And
 - My bond counsel's opinion as to the conflict.
- Section 202/8 and/or Section 515/8 Project; and/or a Section 202 loan refinanced pursuant to Section 811 of the American Homeownership and Economic Opportunity Act of 2000
- SRO Moderate Rehabilitation Project; OR
- Section 512(2) of MAHRA
I am submitting a Rent Comparability Study that shows rents are at or below market.
- Multifamily Housing Project not eligible under Section 512(2) of MAHRA, or
- Risk Sharing Loan provided by qualified state or local housing finance agency.

I understand that at Renewal, the rent is set at the lesser of:
 The Annual Adjusted Rent Potential of the Expiring Contracts (based on the attached OCAF Worksheet), OR
 The Section 8 Contract Rent Potential from the budget-based rent determination (reflected in the attached budget)

AND

- I have attached the completed OCAF Worksheet (Form HUD 9625):
- I have included a budget and rent schedule completed in accordance with the requirements in HUD Handbook 4350.1.
- I have abided by the requirements in 24 CFR 245 regarding tenant notification of a proposed rent increase. The attached budget and rent schedule was available to tenants upon their request.

I hereby certify that:

- Neither I, nor any of my affiliates, are suspended or debarred OR
- I, or my affiliates, are suspended or debarred and are requesting a contract renewal subject to HUD approval; AND
- This information is true and complete.

Project Name Douglass Village

Owner's Name Douglass Village, LTD

Owner's Signature *Michael...* Date 11/21/17

Warning: Any person who knowingly presents a false, fictitious, or fraudulent statement or claim in a matter within the jurisdiction of the U.S. Department of Housing and Urban Development is subject to criminal penalties, civil liability, and administrative sanctions, including but not limited to: (i) fines and imprisonment under 18 U.S.C. §§ 287, 1001, 1010 and 1012; (ii) civil penalties and damages under 31 U.S.C. § 3729; and (iii) administrative sanctions, claims, and penalties under 24 C.F.R parts 24, 28 and 30.

**OCAF Rent Adjustment
Worksheet**
Multifamily Section 8 Contracts

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

OMB NO. 2502-0587 (exp. 11/30/2017)

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Douglass Village	
Project Name:	6549 Brown Street Douglasville, GA 30134
Project Address:	Douglass Village, LTD
Project Owner	N/A
FHA Project No.	88
DUNS Number	780210477
Total Units in Project:	Total Section 8 Units in Project
10/30/2017	88
Date of Submission:	Date Received by HUD:

Step 1:

Calculate the current Section 8 Rent Potential for EXPIRING contracts

(A)	(B)	(C)	(D)
Unit Type and Contract and/or Stage	# of Units	Current Section 8 Contract Rents	Current Section 8 Rent Potential (B x C)
EFF	0	0	0.00
1 BR	29	1105	32,045.00
2 BR	29	1241	35,989.00
3 BR	30	1285	38,550.00
4 BR	0	0	0.00
5 BR	0	0	0.00
6 BR	0	0	0.00

(E) Monthly Expiring Section 8 Contract Rent Potential
(Total of column D)

106,584.00

(F) Annual Section 8 Rent Potential for Expiring Contracts
(E x 12)

1,279,008.00

Step 2:
Calculate Increase Factor Adjusted by OCAF for Expiring contracts

(G)	Total Annual Rent Potential For Non-Expiring Section 8 Contracts	0.00
(H)	Total Annual Rent Potential For Non-Sec. 8 Units	0.00
(I)	Total Annual Project Rent Potential (F + G + H)	1,279,008.00
(J)	Expiring Section 8 Portion of Total Project Rent Potential (F ÷ I)	1.00
(K)	Total Annual Project Debt Service	253,652.76
(L)	Annual Expiring Section 8 Share of Debt Service (J x K)	253,652.76
(M)	Annual Expiring Section 8 Potential Less Expiring Sec. 8 Share of Debt Service (F - L)	1,025,355.24
(N)	OCAF Adjustment	1.020
(O)	Annual Expiring Section 8 Rent Potential Attributed to Operations Multiplied by Published OCAF (M x N)	1,045,862.34
(P)	Adjusted Contract Rent Potential (L + O)	1,299,515.10
(Q)	Lesser of (P) or Comparable Rent Potential From Rent Comparability Study	1,299,515.10
(R)	Increase Factor (Q ÷ F)	1.016


Step 3:
Calculate OCAF Adjusted contract Rent Potential for Expiring Section 8 contracts ONLY

(S)	(T)	(U)	(V)	(W)	(X)
Unit Type and Contract and/or Stage	# Units	Current Contract Rents	OCAF Adjusted Rent (R x U)	Annual Adjusted Rent (V x 12)	Adjusted Annual Rent Potential (T x W)
EFF	0	0	0	0	0
1 BR	29	1105	1123	13476	390804
2 BR	29	1241	1261	15132	438828
3 BR	30	1285	1306	15667	470002
4 BR	0	0	0	0	0
5 BR	0	0	0	0	0
6 BR	0	0	0	0	0

(Y) Annual Adjusted Rent Potential of the Expiring Contracts(s)
(total Column X):

1,299,634

I (We) hereby certify that the statements and representations contained in or accompanying this instrument are true, accurate and complete to the best of my (our) knowledge and belief.

Project Name: Douglass Village
Owner's Name: Douglass Village, LTD
Owner's signature:  Date: 11/21/77

WARNING: Any person who knowingly presents a false, fictitious, or fraudulent statement or claim in a matter within the jurisdiction of the U.S. Department of Housing and Urban Development is subject to criminal penalties, civil liability, and administrative sanctions, including but not limited to: (i) fines and imprisonment under 18 U.S.C. §§ 287, 1001, 1010 and 1012; (ii) civil penalties and damages under 31 U.S.C. § 3729; and (iii) administrative sanctions, claims, and penalties under 24 C.F.R. parts 24, 28 and 30.

Part G – Information on Mortgagor Entity

Name of Entity

Type of Entity

- Individual General Partnership Joint Tenancy/Tenants in Common Other (specify)
 Corporation Limited Partnership Trust

List all Principals Comprising Mortgagor Entity: provide name and title of each principal. Use extra sheets, if needed. If mortgagor is a:
 • corporation, list: (1) all officers; (2) all directors; and (3) each stockholder having a 10% or more interest.
 • partnership, list: (1) all general partners; and (2) limited partners having a 25% or more interest in the partnership.
 • trust, list: (1) all managers, directors or trustees and (2) each beneficiary having at least a 10% beneficial interest in the trust.

Name and Title

CRICO Ltd. Partnership of Douglasville, General Partner

Name and Title

Capital Housing Partners CXXXI, Limited Partner

Name and Title

CRICO Management Services, LLC (Management Agent)

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

Part H – Owner Certification


To the best of my knowledge, all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name and Title

Douglas Village, Ltd.
 By: CRICO Ltd. Partnership of Douglasville
 By: Michael Murphy, SVP C.R.H.W., Inc. its general partner

Authorized Official's Signature



Date (mm/dd/yyyy)

11/30/2017

Part I – HUD/Lender Approval

Addendum Number

Branch Chief/Lender Official Signature

HAP Contract Number

Date (mm/dd/yyyy)

Exhibit Number

Director, Housing Management Division Signature

Loan Servicer Signature

Date (mm/dd/yyyy)

Date (mm/dd/yyyy)

Property Name: Douglass Village Date 10/30/2017
 Contract Number: GA06R000008
 Project Number:

	Contract Units	Units to be Sampled
0 Bedroom Units	0	0
1 Bedroom Units	0	0
2 Bedroom Units	29	20
3 Bedroom Units	29	20
4 Bedroom Units	30	20
5 Bedroom Units	0	0

	Average Electric as Calculated from Analysis	Average Gas as Calculated from Analysis	Total Gas and Electric
0 Bedroom Units	N/A	N/A	\$0.00
1 Bedroom Units	N/A	N/A	\$0.00
2 Bedroom Units	\$54.05	\$47.11	\$101.17
3 Bedroom Units	\$71.45	\$52.34	\$123.78
4 Bedroom Units	\$97.83	\$55.38	\$153.21
5 Bedroom Units	N/A	N/A	\$0.00

	Current Utility Allowance	Proposed Utility Allowance
0 Bedroom Units	0	0
1 Bedroom Units	0	0
2 Bedroom Units	107	102 (completing Phase-In)
3 Bedroom Units	128	129
4 Bedroom Units	153	154
5 Bedroom Units	0	0

NOTICE OF PAYMENT DUE REPORT

21,137.73
x 12
\$253,652.76 = ANNUAL DEBT SERVICE

1. BORROWER NAME Douglas Village, LTD		2. CASE NUMBER 10-048-669501759		3. PROJECT NO. 015
4. AUDIT RECEIVABLES	5. LATE FEES	6. COST ITEMS	7. OVG/SURG	8. LOAN PAYMENT \$21,137.73
9. PAST DUE \$0.00	10. UNITS ON RA 0	11. TOTAL RA \$0.00	12. RA CHECK \$0.00	13. TOTAL PAYMENT \$0.00

ONLY FOR SECTION 8 PROJECTS WHERE HUD RENT EXCEEDS THE RHS NOTE RATE RENT

14. No. of Section 8 units _____ x 15. HUD Rent _____ = 16. \$0.00
 17. No. of Section 8 units _____ x 18. RHS Note Rate Rent _____ = 19. \$0.00
 ADDITIONAL PAYMENT TO THE RESERVE ACCOUNT 20. \$0.00

In accordance with Rural Housing Service's (RHS) formula and procedures, all rental units are occupied by households who have executed Form RD 3560-8 "Tenant Certification," and for labor housing projects, farmworkers, or for rental housing projects, have incomes within the limits set in Agency regulations or the project has written permission from RHS to rent to ineligible occupants on a temporary basis.

I certify that the statements made above and per attached Multi-Family Information System Notice of Payment Due Report are true to the best of my knowledge and belief and are made in good faith.

*WARNING: Section 1001 of title 18, United States Code provides, "Whoever, in any matter within the jurisdiction of 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."

21. 7/25/17
(Date)

22. 
(Borrower or Borrower's Representative)



9711 Woodmontian Blvd
Suite 200
Ceciltsburg,
Maryland 20876

PROPERTY MANAGEMENT • FINANCIAL SERVICES • ASSET MANAGEMENT

PH: 301-562-4200
FX: 301-562-1670

Date: 11/10/17

RESIDENT ONE YEAR NOTIFICATION LETTER

Dear Resident:

The Department of Housing and Urban Development subsidizes the rent of your apartment through the project-based Section 8 program. Federal Law requires that the owners provide tenants with a one-year notification before the expiration of a Section 8 contract. The Section 8 contract (#GAO6R000-008) that pays the government's share of your apartment rent at DOUGLASS VILLAGE expires on 12/31/2017.

While there will be no immediate change in your rental assistance, we are required to inform you of our intended actions when the contract expires roughly one year from now.

This letter is to notify you that we intend to renew the current Section 8 Contract when it expires.

If Congress makes funds available, which it has in the past and is expected to in the future, we will renew the Section 8 contract. However, in the unlikely circumstance that we cannot renew our contract, it is our understanding that, subject to the availability of funds, HUD will provide all eligible tenants currently residing in a Section 8 project-based assisted unit with tenant-based assistance.

If you have any questions please feel free to call your local HUD Field Office, at 404 331-5136, your Community Manager, or your contract administrator: Lisa Johnson, Manager, National Housing Compliance, at 770-939-3939 ext. 2023.

Sincerely,
Edgewood Management Corporation, Agent

Fred D. Mifflin, Vice President

C: Contract Administrator



United States Department of Agriculture

December 5, 2017

Sent Via Email

Mr. Michael Murphy
Executive Vice President
For General Partner
9711 Washingtonian Blvd., Suite 200
Gaithersburg, MD 20878

Subject: Douglass Village, Ltd.
Douglasville, Georgia

Dear Mr. Murphy:

Attached you will find the approved 2018 budget and utility allowance with no changes for the 2017 year.

If additional information is needed, please feel free to contact Kayla Estes, Rural Development Area Specialist at (770) 253-2555, Ext. 107.

Sincerely,

Kayla R. Estes
for
EVETTE M. JONES
Area Director

/ke

cc Edgewood Management

Rural Development • Newnan Sub Area Office
246 Bullsboro Drive, Suite C • Newnan, GA 30263-3187
Voice (770) 253-2555 • TDD (706) 546-2011 • Fax (855) 606-4587

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 (PDF), 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.

Proposed Budget

Project Name:	DOUGLASS VILLAGE
Borrower Name:	DOUGLASS VILLAGE LTD
Borrower ID and Project No:	669501758 01-5
Date of Operation:	03/27/1981

Loan/Transfer Amount:	
Note Rate Payment:	
IC Payment:	\$21,137.73

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"/> SMR
<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 LH

Profit Type
<input type="checkbox"/> Full Profit
<input type="checkbox"/> Limited Profit
<input checked="" type="checkbox"/> Non-Profit

I hereby request ___ units of RA. Current number of RA units ___ 0 ___

The following utilities are master metered:
<input type="checkbox"/> Gas
<input checked="" type="checkbox"/> Electricity
<input type="checkbox"/> Water
<input type="checkbox"/> Sewer
<input type="checkbox"/> Trash
<input type="checkbox"/> Other

Borrower Accounting Method
<input type="checkbox"/> Cash
<input type="checkbox"/> Accrual

Project Name: DOUGLASS VILLAGE State: 10 Servicing Office: 601 County: 48
 Borrower Name: DOUGLASS VILLAGE LTD Borr ID: 669501758 Prj Nbr: 01-5 Paid Code: Active
 Classification: C Fiscal Year: 2018 Version: 01/01/2018 TRANSMITD Totals: By Project Analyzed: N

Item	Current Budget	Actual	Proposed Budget	Comment
Effective Dates:	01/01/2017	01/01/2017	01/01/2018	
Ending Dates:	12/31/2017	12/31/2017	12/31/2018	
PART I - CASH FLOW STATEMENT				
Operational Cash Sources				
1. Rental Income	1,279,008.00		1,279,008.00	HAP RENTS
2. RHS Rental Assist. Received				
3. Application Fee Received				
4. Laundry And Vending	0.00		0.00	
5. Interest Income	4,980.00		6,120.00	INTEREST ON SAVINGS ACCOUNTS
6. Tenant Charges	4,290.00		3,840.00	RESIDENT DAM, LATE AND LEGAL FEES
7. Other - Project Sources	0.00		0.00	
8. Less (Vcnry @ Cntgncy Allow)	-25,030.00		-31,975.00	BASED ON 5%
9. Less (Agncy Aprvd Incentv)	0.00		0.00	
10. Sub-Ttl [(1 thru 7)-(8)(9)]	1,263,248.00		1,256,993.00	
Non-Operational Cash Sources				
11. Cash - Non Project	0.00		0.00	
12. Authorized Loan (Non-RHS)	0.00		0.00	
13. Transfer From Reserve	0.00		0.00	
14. Sub-Total (11 thru 13)	0.00		0.00	
15. Total Cash Sources (10+14)	1,263,248.00		1,256,993.00	
Operational Cash Uses				
16. Ttl O&M Exp (From Part II)	767,690.00		704,663.00	
17. RHS Debt Payment	253,652.76		253,652.76	ONLY SHOW P I HERE RD CORRECTED
18. RHS Payment (Overage)				
19. RHS Payment (Late Fee)				
20. Reductr. In Prior Yr Pybles				
21. Tenant Utility Payments				
22. Transfer to Reserve	60,000.00		60,000.00	
23. RTN Owner/NP Asset Mgt Fee	7,500.00		7,500.00	NP ASSET FEE HAS TO BE PAID PER LCAN AGREEMENT RD UPDATED
24. Sub-Total (16 thru 23)	1,088,842.76		1,025,815.76	
Non-Operational Cash Uses				
25. Authzd Debt Pymnt (NonRHS)	0.00		0.00	
26. Capital Budget (III 4-6)	0.00		0.00	
27. Miscellaneous	0.00		0.00	
28. Sub-Total (25 thru 27)	0.00		0.00	
29. Total Cash Uses (24+28)	1,088,842.76		1,025,815.76	
30. Net (Deficit) (15-29)	174,405.24		231,177.24	
Cash Balance				
31. Beginning Cash Balance	189,480.00		163,800.00	EST.
32. Accrual To Cash Adjustment				
33. Ending Cash Bal (30+31+32)	363,885.24		394,977.24	

Project Name: DOUGLASS VILLAGE State: 10 Servicing Office: 6C1 County: 48
 Borrower Name: DOUGLASS VILLAGE LTD Borr ID: 669501758 Prj Nbr: 01-5 Paid Code: Active
 Classification: C Fiscal Year: 2018 Version: 01/01/2018 TRANSMITD Totals: By Project Analyzed: N

Item	Current Budget	Actual	Proposed Budget	Comment
Effective Dates:	01/01/2017	01/01/2017	01/01/2018	
Ending Dates:	12/31/2017	12/31/2017	12/31/2018	
PART II - O&M EXPENSE SCHEDULE				
1. Maint. @ Repairs Payroll	43,738.00		44,866.00	FUR ONE MAINT PERSON
2. Maint. @ Repairs Supply	27,000.00		39,516.00	TO PURCHASE PLUMB,ELEC GEN SUPPLIES
3. Maint. @ Repairs Contract	15,800.00		17,790.00	PLUMB, ELECT ROOFING ETC
4. Painting	24,480.00		14,100.00	TO TURN VACANT UNITS AND OCCUPIED PAINT'S
5. Snow Removal	0.00		0.00	
6. Elevator Maint./Contract	0.00		0.00	
7. Grounds	38,836.00		38,836.00	MAINT OF GROUNDS
8. Services	0.00		0.00	
9. Cptl Bgt(Part V operating)	82,170.00		37,564.00	
10. Other Operating Expenses	32,180.00		25,560.00	EXTERMINATION, MONITORING, JAN.CLEANING, ETC.
11. Sub-Ttl O&M (1 thru 10)	264,204.00		218,226.00	
12. Electricity	15,600.00		15,660.00	VACANT AND PROPERTY LIGHTS
13. Water	67,200.00		58,296.00	BASED ON CONSUMPTION
14. Sewer	69,600.00		58,656.00	BASED ON CONSUMPTION
15. Fuel (Oil/Coal/Gas)	4,280.00		4,476.00	LAUNDRY AND VACANT UNITS
16. Garbage & Trash Removal	13,200.00		13,200.00	WEEKLY TRASH REMOVAL
17. Other Utilities	0.00		0.00	
18. Sub-Ttl Util. (12 thru 17)	169,880.00		150,288.00	
19. Site Management Payroll	78,623.00		82,225.00	MANAGER AND ASST
20. Management Fee	51,568.00		51,744.00	MAX ALLOWABLE FEE
21. Project Auditing Expense	8,500.00		8,700.00	ANNUAL AUDIT
22. Proj. Bookkeeping/Accounting	0.00		0.00	
23. Legal Expenses	6,750.00		6,750.00	TO FILE ON LATE PAYS
24. Advertising	2,560.00		1,400.00	AD FOR FAIR HOUSING, BUS CARDS ETC
25. Phone @ Answering Service	8,556.00		8,364.00	PHONE/FAX/INTERNET
26. Office Supplies	3,660.00		5,268.00	GENERAL SUPPLIES
27. Office Furniture @ Equip.	0.00		0.00	
28. Training Expense	6,500.00		6,500.00	TO ATTEND GAHMA, CLASS UPDATES
29. Hlth Ins. @ Other Benefits	28,800.00		30,612.00	
30. Payroll Taxes	12,803.00		13,151.00	
31. Workmans Compensation	4,794.00		5,115.00	
32. Other Admin. Expenses	10,800.00		8,100.00	CREDIT/CRIMINAL REPORTS, COPIER, POSTAGE, ETC
33. Sub-Ttl Admin (19 thru 32)	223,914.00		227,929.00	
34. Real Estate Taxes	76,936.00		77,424.00	
35. Special Assessments	0.00		0.00	
36. Othr Taxes, Lcnse, Permts	3,000.00		1,072.00	LIC FEES
37. Property @ Liability Ins.	27,756.00		29,724.00	
38. Fidelity Coverage Ins.	0.00		0.00	
39. Other Insurance	0.00		0.00	
40. Sub-Ttl Tx/In (34 thru 39)	109,692.00		108,220.00	
41. Ttl O&M Exps (11+18+33+40)	767,690.00		704,663.00	

Project Name: DOUGLASS VILLAGE State: 10 Servicing Office: 601 Courty: 48
 Borrower Name: DOUGLASS VILLAGE LTD Borr ID: 669501758 Prj Nbr: 01-5 Paid Code: Active
 Classification: C Fiscal Year: 2018 Version: 01/01/2018 TRANSMITD Totals: By Project Analyzed: N

Item	Current Budget	Actual	Proposed Budget	Comment
Effective Dates:	01/01/2017	01/01/2017	01/01/2018	
Ending Dates:	12/31/2017	12/31/2017	12/31/2018	
PART III - ACCT BUDGET/STATUS				
Reserve Account				
1. Beginning Balance	189,480.00		2,576,199.00	
2. Transfer to Reserve	60,000.00		60,000.00	
Transfer From Reserve				
3. Operating Deficit	0.00		0.00	
4. Cptl Bgt (Part V reserve)	0.00		0.00	
5. Building & Equip Repair	0.00		0.00	
6. Othr Non-Operating Expenses	0.00		0.00	
7. Total (3 thru 6)	0.00		0.00	
8. Ending Balance [(1+2)-7]	249,480.00		2,736,199.00	
General Operating Account				
Beginning Balance				
Ending Balance				
Real Estate Tax And Ins Escrow				
Beginning Balance				
Ending Balance				
Tenant Security Deposit Acct				
Beginning Balance				
Ending Balance				
Number of Applicants on Waiting List	0	Reserve Acct. Rec. Balance	284,519.89	
Number of Applicants Needing RA		Amount Ahead/Behind	463,593.11	

Project Name: DOUGLASS VILLAGE State: 10 Servicing Office: 601 County: 48
 Borrower Name: DOUGLASS VILLAGE LTD Borr ID: 669501758 Prj Nbr: 01-5 Paid Code: Active
 Classification: C Fiscal Year: 2018 Version: 01/01/2018 TRANSMITD Totals: By Project Analyzed: N

PART IV RENT SCHEDULE

A. CURRENT APPROVED RENTS/UTILITY ALLOWANCE: 01/01/2017

Unit Description						Rental Rates			Potential Income From Each Rate			Utility
Type	Size	HC	Rev	Unit	Number	Basic	Note	HUD	Basic	Note	HUD	Allowance
N	2	N	F		29	990	990	1,105	344,520	344,520	384,540	107
N	4	N	F		30	1,599	1,599	1,285	575,640	575,640	462,600	153
N	3	N	F		29	1,299	1,299	1,241	452,052	452,052	431,868	128
CURRENT RENT TOTALS									1,372,212	1,372,212	1,279,008	

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

Unit Description						Utility Types					Utility
Type	Size	HC	Rev	Unit		Elect	Gas	Sewer	Trash	Other	Total Allow
N	2	N				107	0	0	0	0	107
N	4	N				153	0	0	0	0	153
N	3	N				128	0	0	0	0	128

B. PROPOSED CHANGE OF RENTS/UTILITY ALLOWANCE: 01/01/2018

Unit Description						Rental Rates			Potential Income From Each Rate			Utility
Type	Size	HC	Rev	Unit	Number	Basic	Note	HUD	Basic	Note	HUD	Allowance
N	2	N			29	990	990	1,105	344,520	344,520	384,540	107
N	3	N			29	1,299	1,299	1,241	452,052	452,052	431,868	128
N	4	N			30	1,599	1,599	1,285	575,640	575,640	462,600	153
PROPOSED RENT TOTALS									1,372,212	1,372,212	1,279,008	

EFFECTIVE DATE OF RENTS/UTILITY ALLOWANCE: 01/01/2018

Unit Description						Utility Types					Utility
Type	Size	HC	Rev	Unit		Elect	Gas	Sewer	Trash	Other	Total Allow
N	2	N				107	0	0	0	0	107
N	3	N				128	0	0	0	0	128
N	4	N				153	0	0	0	0	153

Project Name: DOUGLASS VILLAGE State: 10 Servicing Office: 601 County: 48
 Borrower Name: DOUGLASS VILLAGE LTD Borr ID: 669501758 Prj Nbr: 01-5 Paid Code: Active
 Classification: C Fiscal Year: 2018 Version: 01/01/2018 TRANSMITD Totals: By Project Analyzed: N

Item	Proposed Number Units/Items	Proposed From Reserve	Actual From Reserve	Proposed From Operating	Actual From Operating	Actual Total Cost	Total Actual Units/Items
Effective Dates:	01/01/2017	01/01/2018	01/01/2017	01/01/2018	01/01/2017	01/01/2017	01/01/2017
Ending Dates:	12/31/2017		12/31/2017		12/31/2017	12/31/2017	12/31/2017
ANNUAL CAPITAL BUDGET							
Appliances							
Appliances - Range	7	0.00	0.00	3,640.00	0.00	0.00	0
Appliances - Refrigerator	3	0.00	0.00	1,896.00	0.00	0.00	0
Appliances - Range Hood	0	0.00	0.00	0.00	0.00	0.00	0
Appliances - Washers & Dryers	0	0.00	0.00	0.00	0.00	0.00	0
Appliances - Other	0	0.00	0.00	0.00	0.00	0.00	0
Carpet and Vinyl							
Carpet @ Vinyl - 1 Br.	0	0.00	0.00	0.00	0.00	0.00	0
Carpet @ Vinyl - 2 Br.	2	0.00	0.00	1,200.00	0.00	0.00	0
Carpet @ Vinyl - 3 Br.	2	0.00	0.00	2,400.00	0.00	0.00	0
Carpet @ Vinyl - 4 Br.	3	0.00	0.00	3,600.00	0.00	0.00	0
Carpet @ Vinyl - Other	0	0.00	0.00	0.00	0.00	0.00	0
Cabinets							
Cabinets - Kitchens	3	0.00	0.00	9,000.00	0.00	0.00	0
Cabinets - Bathroom	0	0.00	0.00	0.00	0.00	0.00	0
Cabinets - Other	0	0.00	0.00	0.00	0.00	0.00	0
Doors							
Doors - Exterior	2	0.00	0.00	800.00	0.00	0.00	0
Doors - Interior	0	0.00	0.00	0.00	0.00	0.00	0
Doors - Other	0	0.00	0.00	0.00	0.00	0.00	0
Window Coverings							
Window Coverings - Detail	0	0.00	0.00	0.00	0.00	0.00	0
Window Coverings - Other	0	0.00	0.00	0.00	0.00	0.00	0
Heat and Air Conditioning							
Heat @ Air - Heating	0	0.00	0.00	0.00	0.00	0.00	0
Heat @ Air - Air Conditioning	2	0.00	0.00	1,600.00	0.00	0.00	0
Heat @ Air - Other	0	0.00	0.00	0.00	0.00	0.00	0
Plumbing							
Plumbing - Water Heater	3	0.00	0.00	1,278.00	0.00	0.00	0
Plumbing - Bath Sinks	0	0.00	0.00	0.00	0.00	0.00	0
Plumbing - Kitchen Sinks	0	0.00	0.00	0.00	0.00	0.00	0
Plumbing - Faucets	0	0.00	0.00	0.00	0.00	0.00	0
Plumbing - Toilets	0	0.00	0.00	0.00	0.00	0.00	0
Plumbing - Other	0	0.00	0.00	0.00	0.00	0.00	0
Major Electrical							
Major Electrical - Detail	0	0.00	0.00	0.00	0.00	0.00	0
Major Electrical - Other	0	0.00	0.00	0.00	0.00	0.00	0
Structures							
Structures - Windows	0	0.00	0.00	0.00	0.00	0.00	0
Structures - Screens	36	0.00	0.00	1,050.00	0.00	0.00	0
Structures - Walls	0	0.00	0.00	0.00	0.00	0.00	0
Structures - Roofing	0	0.00	0.00	0.00	0.00	0.00	0
Structures - Siding	0	0.00	0.00	0.00	0.00	0.00	0
Structures - Exterior Painting	0	0.00	0.00	0.00	0.00	0.00	0
Structures - Other	0	0.00	0.00	0.00	0.00	0.00	0

Project Name: DOUGLASS VILLAGE State: 10 Servicing Office: 601 County: 48
 Borrower Name: DOUGLASS VILLAGE LTD Borr ID: 66950-758 Prj Nbr: 01-5 Paid Code: Active
 Classification: C Fiscal Year: 2018 Version: 01/01/2018 TRANSMITD Totals: By Project Analyzed: N

Item	Proposed Number Units/Items	Proposed From Reserve	Actual From Reserve	Proposed From Operating	Actual From Operating	Actual Total Cost	Total Actual Units/Items
Effective Dates:	01/01/2017	01/01/2018	01/01/2017	01/01/2018	01/01/2017	01/01/2017	01/01/2017
Ending Dates:	12/31/2017		12/31/2017		12/31/2017	12/31/2017	12/31/2017
Paving							
Paving - Asphalt	0	0.00	0.00	0.00	0.00	0.00	0
Paving - Concrete	0	0.00	0.00	0.00	0.00	0.00	0
Paving - Seal and Stripe	0	0.00	0.00	0.00	3.00	0.00	0
Paving - Other	0	0.00	0.00	0.00	3.00	0.00	0
Landscape and Grounds							
Lndscp@Grnds - Landscaping	0	0.00	0.00	4,500.00	0.00	0.00	0
Lndscp@Grnds - Lawn Equipment	0	0.00	0.00	0.00	0.00	0.00	0
Lndscp@Grnds - Fencing	0	0.00	0.00	0.00	0.00	0.00	0
Lndscp@Grnds - Recreation Area	0	0.30	0.00	0.00	0.00	0.00	0
Lndscp@Grnds - Signs	0	0.30	0.00	0.00	0.00	0.00	0
Lndscp@Grnds - Other	0	0.30	0.00	0.00	0.00	0.00	0
Accessibility Features							
Accessibility Features - Detail	0	0.00	0.00	0.30	0.00	0.00	0
Accessibility Features - Other	0	0.00	0.00	0.00	0.00	0.00	0
Automation Equipment							
Automation Equip. -Site Mngt.	0	0.00	0.00	0.00	0.00	0.00	0
Automation Equip. -Common Area	0	0.00	0.00	0.00	0.00	0.00	0
Automation Equip. -Other	0	0.00	0.30	0.00	0.00	0.00	0
Other							
List: ?	0	0.00	0.00	1,600.00	0.00	0.00	0
List: ?	0	0.00	0.00	5,000.00	0.00	0.00	0
List: ?	0	0.00	0.00	0.00	0.00	0.00	0
Total Capital Expenses	0	0.00	0.00	37,564.00	0.00	0.00	0

Report: FIN1000

Multi-Family Information System (MFIS)
Proposed Budget

Date: 11/16/2017
Page: 8 of 9

Project Name: DOUGLASS VILLAGE	State: 10	Servicing Office: 601	County: 48
Borrower Name: DOUGLASS VILLAGE LTD	Borr ID: 669501758	Prj Nbr: 01-5	Paid Code: Active
Classification: C	Fiscal Year: 2018	Version: 01/01/2018 TRANSMITD	Totals: By Project Analyzed: N

Part VI - SIGNATURES, DATES AND COMMENTS

Warning	Section 1001 of Title 18, United States Code provides: "Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representation, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under this title or imprisoned not more than five years, or both."
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I HAVE READ THE ABOVE WARNING STATEMENT AND I HEREBY CERTIFY THAT THE FOREGOING INFORMATION IS COMPLETE AND ACCURATE TO THE BEST OF MY KNOWLEDGE.

_____ (Date Submitted)	EDGEWOOD MANGEMENT (Management Agency)	MA272182 (MA#)
---------------------------	---	-------------------

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

_____ (Title)

_____ Agency Approval (Rural Development Approval Official);	_____ (Date)
---	-----------------

Report: FIN1000

Multi-Family Information System (MFIS)
Proposed Budget

Date: 11/16/2017
Page: 9 of 9

Project Name: DOUGLASS VILLAGE	State: 10	Servicing Office: 601	County: 48
Borrower Name: DOUGLASS VILLAGE LTD	Borr ID: 669501758	Prj Nbr: 01-5	Paid Code: Active
Classification: C	Fiscal Year: 2018	Version: 01/01/2018 TRANSMITD	Totals: By Project Analyzed: N

S2VS Comment:
Batched/ II 100317

Narrative:
The property is maintaining with the understanding that it is currently under contract for sale and pending closing by the end of 2017.

ESTIMATE AND CERTIFICATE OF ACTUAL COST

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

BORROWER/OWNER-BUILDER Douglass Village Apartments, LP	CONTRACTOR Great Southern, LLC
NAME OF PROJECT Douglas Village Apartments	LOCATION 6549 Brown Street, Douglasville, GA 30134

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

Check and Complete Applicable Box:

A. ESTIMATE

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

B. ACTUAL COST

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

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

Line	Div	Trade Item	Estimated Cost	Paid	Actual Cost To Be Paid	Total	Name of Subcontractor or Payee	101 *
1	3	Concrete	\$4,400.00					
2	4	Masonry	\$63,750.00					
3	5	Metals	\$60,044.00					
4	6	Rough Carpentry	\$69,400.00					
5	6	Finish Carpentry	\$163,935.20					
6	7	Waterproofing	\$41,501.00					
7	7	Insulation	\$33,000.00					
8	7	Roofing	\$140,481.00					
9	7	Sheet Metal	\$313,504.00					
10	8	Doors	\$161,256.00					
11	8	Windows	\$172,900.00					
12	8	Glass	\$0.00					
13	9	Drywall	\$169,004.00					
14	9	Tile Work	\$17,500.00					
15	9	Acoustical	\$0.00					
16	9	Resilient Flooring	\$206,800.00					
17	9	Painting and Decorating	\$233,940.00					
18	10	Specialties	\$107,600.00					
19	11	Special Equipment	\$0.00					
20	11	Cabinets	\$256,652.00					
21	11	Appliances	\$199,200.00					
22	12	Blinds and Shades, Artwork	\$19,800.00					
23	12	Carpets	\$52,801.00					
24	13	Special Construction	\$750,000.00					
25	14	Elevators	\$0.00					
26	15	Plumbing and Hot Water	\$370,209.00					
27	15	Heat and Ventilation	\$308,002.00					
28	15	Air Conditioning	\$0.00					
29	16	Electrical	\$210,005.00					
30	2	Earth Work	\$24,451.00					
31	2	On-Site Utilities	\$12,000.00					
32	2	Roads and Walks	\$145,500.00					
33	2	On-Site Improvements	\$113,250.00					
34	2	Lawns and Planting	\$80,003.00					
35	2	Unusual On-Site Conditions	\$389,480.00					
36	2	Off-Site Development						
37		Miscellaneous (Labor and Materials)						
38		Total Hard Costs	\$4,890,368.20					
39	1	General Requirements *	\$293,422.00					
40		General Overhead *	\$97,807.00					
41		Other Fees Paid By Contractor *	\$0.00					
42		Total Costs	\$5,281,597.20					

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

* Breakdown on page 4.

CONTRACTOR'S AND BORROWER'S ESTIMATE AND CERTIFICATE OF ACTUAL COST						
Line	Trade Item	Estimated Cost	Paid	Actual Cost To Be Paid	Total	Name of Subcontractor or Payee
	Balance Brvt. Forward (line 42)	\$5,281,597.20				
43	Builder's Profit	\$293,422.00				
44	Total Construction Cost	\$5,575,019.20				
45	Architectural Fees	\$278,750.00				
46	Survey and Engineering	\$55,000.00				
47	Financing Costs Loan Fees	\$580,000.00				
48	Interest During Construction	\$680,000.00				
49	Closing Costs & Legal Fees	\$480,000.00				
50	Land Cost or Value	\$7,200,000.00				
51	Nonprofit O&M Capital	\$0.00				
52	Tap and/or Impact Fees	\$25,000.00				
53	Tax Credit Fees	\$55,000.00				
54	Environmental Fees	\$50,000.00				
55	Market Study Cost	\$20,000.00				
56	Developer Fee	\$2,357,000.00				
57	Other Soft Costs	\$2,580,000.00				
58	Total Development Cost **	\$19,935,769.20				

**excludes O&M Reserve

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

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

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

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

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

ESTIMATES:

Date _____

Date _____

Lines 1 through 44 (Name of Contractor)

Lines 44 through 58 (Name of Mortgagor)

By: _____
(Signature)

By: _____
(Signature)

Title: _____

Title: _____
Managing General Partner of Douglass Village Apartments, LP

ACTUAL

Date _____

Date _____

Lines 1 through 44 (Name of Contractor)

Lines 44 through 58 (Name of Mortgagor)

By: _____
(Signature)

By: _____
(Signature)

Title: _____

Title: _____

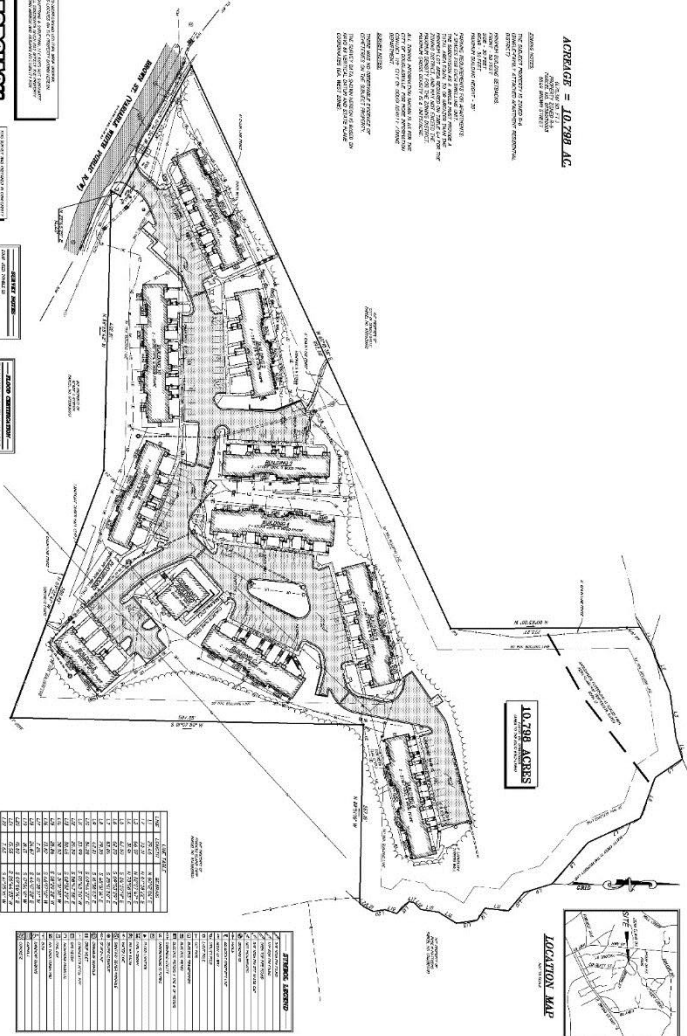


THIS SURVEY WAS CONDUCTED IN ACCORDANCE WITH THE STANDARDS AND PRACTICES OF THE PROFESSION OF SURVEYING AS SET FORTH IN THE OFFICIAL CODE OF GEORGIA AND THE RULES AND REGULATIONS OF THE BOARD OF SURVEYING AND MAPPING.

DATE: 08/14/2013
PROJECT: DOUGLASS VILLAGE APARTMENTS
CLIENT: [REDACTED]

SCALE: 1" = 40' (PLAN)
SCALE: 1" = 20' (SECTION)

PROJECT LOCATION: 1.1.738 OF THE 1ST L.D. 3RD DIV. DOUGLASVILLE, DOUGLAS COUNTY, GEORGIA



NO.	DESCRIPTION	AREA (SQ. FT.)	AREA (ACRES)
1	Building Footprint	10,798,000	245.00
2	Parking Lot	1,200,000	27.50
3	Driveway	500,000	11.50
4	Other	1,000,000	23.00
TOTAL	13,500,000	307.00	

NO.	DESCRIPTION	AREA (SQ. FT.)	AREA (ACRES)
1	Building Footprint	10,798,000	245.00
2	Parking Lot	1,200,000	27.50
3	Driveway	500,000	11.50
4	Other	1,000,000	23.00
TOTAL	13,500,000	307.00	

ACREAGE = 10.798 AC

THIS SURVEY WAS CONDUCTED IN ACCORDANCE WITH THE STANDARDS AND PRACTICES OF THE PROFESSION OF SURVEYING AS SET FORTH IN THE OFFICIAL CODE OF GEORGIA AND THE RULES AND REGULATIONS OF THE BOARD OF SURVEYING AND MAPPING.



TOPOGRAPHIC SURVEY
DOUGLASS VILLAGE APARTMENTS
 LOCATED IN L.L.738 OF THE 1ST L.D.3RD DIV.
 DOUGLASVILLE, DOUGLAS COUNTY, GEORGIA

NO.	DATE	BY	REVISION
1	08/14/2013	ASA	ISSUED FOR PERMIT
2	08/14/2013	ASA	REVISED
3	08/14/2013	ASA	REVISED

Douglass Village Apartments
Douglasville, Georgia

0

Expense Year December-13

Row Labels	Sum of Amount
Advertising	\$1,189
Advertising	\$1,189
Annual Ancillary Income	\$5,419
Laundry and Vending Revenue	\$225
Miscellaneous Revenue	\$0
Tenant Charges	\$5,194
Application Fees	\$0
Annual Gross Potential Rental Income	\$1,174,752
Rental Income from Current Year Budget	\$1,174,752
Annual Income (Commercial)	\$0
Rent Revenue - Stores and Commercial	\$0
Decorating	\$10,269
Painting	\$10,269
Elevator Maintenance Expense	\$0
Elevator Maint./Contract	\$0
Employee Benefits	\$16,413
Hlth Ins. @ Other Benefits	\$10,876
Workmans Compensation	\$5,537
Employee Payroll Tax	\$11,182
Payroll Taxes	\$11,182
Excluded Income	\$1,168,382
Interest Reduction Payments Revenue	\$0
Retained Excess Income	\$0
Special Claims Revenue	\$0
Rental Income from Current Year Actual	\$79,065
RHS Rental Assist. Received from Actual	\$1,085,752
Interest Income	\$3,565
Exterminating	\$0
Services	\$0
Fuel	\$0
Fuel (Oil/Coal/Gas)	\$0
Garbage and Trash Removal	\$11,684
Garbage @ Trash Removal	\$11,684
Gas	\$4,688
Fuel (Oil/Coal/Gas)	\$4,688
Ground Expense	\$39,017
Snow Removal	\$0
Grounds	\$39,017
Insurance	\$30,054
Property @ Liability Ins.	\$30,054
Fidelity Coverage Ins.	\$0

Other Insurance	\$0
Lighting and Miscellaneous Power	\$13,684
Electricity	\$13,684
Management Fee	\$44,583
Management Fee	\$44,583
Misc. Taxes/Licenses	\$1,062
Special Assessments	\$0
Other Taxes, Lcnses, Permts	\$1,062
Other Administrative	\$29,522
Office Supplies	\$10,056
Project Auditing Expense	\$7,309
Proj. Bookkeeping/Accounting	\$0
Legal Expense	\$2,437
Phone @ Answering Service	\$5,148
Office Furniture @ Equip.	\$0
Training Expense	\$0
Other Admin. Expenses	\$4,572
Other Maintenance	\$0
Other Maintenance	\$0
Other Operating	\$29,460
Maint. @ Repairs Supply	\$29,460
Other Operating Expense	\$0
Other Utilities	\$0
Payroll	\$117,924
Site Management Payroll	\$79,001
Maint. @ Repairs Payroll	\$38,923
Personal Property Tax	\$0
Personal Property Taxes	\$0
Real Estate Tax	\$77,256
Real Estate Taxes	\$77,256
Repairs	\$203,783
Maint. @ Repairs Contract	\$203,783
Reserves for Replacement	\$0
Transfer to Reserve	\$0
Service Coordinator	\$0
Service Coordinator Expenses	\$0
Service Coordinator Income	\$0
Vacancy (Apartments)	-\$9,935
Vacancies - Apartments	-\$9,935
Vacancies - Concessions	\$0
Vacancy (Commercial)	\$0
Vacancies - Stores and Commercial	\$0
Water/Sewer	\$88,803
Sewer	\$44,583
Water	\$44,220
(blank)	\$8,464,451
Net Rental Revenue	\$2,329,634

Operating Expenses	
Total Operating Expenses	\$730,573
Total Other Revenue	\$5,419
Total Rent Revenue	\$2,339,569
Total Revenue	\$2,338,618
Total Taxes and Insurance	\$108,372
Total Vacancies (blank)	-\$9,935
Subtotal	\$622,201
Excluded Expense	\$0
Cptl Bgt (Part V Operating)	\$0
Grand Total	\$11,533,642

Douglass Village Apartments
 Douglasville, Georgia

0

Expense Year

December-14

Row Labels	Sum of Amount
Advertising	\$1,291
Advertising	\$1,291
Annual Ancillary Income	\$5,150
Laundry and Vending Revenue	\$88
Miscellaneous Revenue	\$0
Tenant Charges	\$5,062
Application Fees Received	\$0
Annual Gross Potential Rental Income	\$1,206,456
Rental Income from Current Year Budget	\$1,206,456
Annual Income (Commercial)	\$0
Rent Revenue - Stores and Commercial	\$0
Decorating	\$17,392
Painting	\$17,392
Elevator Maintenance Expense	\$0
Elevator Maint./Contract	\$0
Employee Benefits	\$22,673
Hlth Ins. @ Other Benefits	\$17,467
Workmans Compensation	\$5,206
Employee Payroll Tax	\$10,975
Payroll Taxes	\$10,975
Excluded Income	\$1,200,086
Interest Reduction Payments Revenue	\$0
Retained Excess Income	\$0
Special Claims Revenue	\$0
Rental Income from Current Year Actual	\$76,833
RHS Rental Assist. Received from Actual	\$1,118,858
Interest Income	\$4,395
Exterminating	\$0
Services	\$0
Fuel	\$0
Fuel (Oil/Coal/Gas)	\$0
Garbage and Trash Removal	\$13,799
Garbage @ Trash Removal	\$13,799
Gas	\$5,208
Fuel (Oil/Coal/Gas)	\$5,208
Ground Expense	\$34,924
Snow Removal	\$0
Grounds	\$34,924
Insurance	\$28,374
Property @ Liability Ins.	\$28,374
Fidelity Coverage Ins.	\$0

Other Insurance	\$0
Lighting and Miscellaneous Power	\$13,525
Electricity	\$13,525
Management Fee	\$44,583
Management Fee	\$44,583
Misc. Taxes/Licenses	\$2,463
Special Assessments	\$0
Other Taxes, Lcnses, Permts	\$2,463
Other Administrative	\$37,770
Project Auditing Expense	\$7,459
Proj. Bookkeeping/Accounting	\$0
Legal Expense	\$8,353
Phone @ Answering Service	\$5,617
Office Supplies	\$9,991
Office Furniture @ Equip.	\$0
Training Expense	\$0
Other Admin. Expenses	\$6,350
Other Maintenance	\$0
Other Maintenance	\$0
Other Operating	\$25,604
Maint. @ Repairs Supply	\$25,604
Other Operating Expense	\$0
Other Utilities	\$0
Payroll	\$114,542
Maint. @ Repairs Payroll	\$39,012
Site Management Payroll	\$75,530
Personal Property Tax	\$0
Personal Property Taxes	\$0
Real Estate Tax	\$67,080
Real Estate Taxes	\$67,080
Repairs	\$179,234
Replacement Reserves Releases Included as Expense	\$0
Maint. @ Repairs Contract	\$179,234
Reserves for Replacement	\$0
Transfer to Reserve	\$0
Service Coordinator	\$0
Service Coordinator Expenses	\$0
Service Coordinator Income	\$0
Vacancy (Apartments)	-\$10,765
Vacancies - Apartments	-\$10,765
Vacancies - Concessions	\$0
Vacancy (Commercial)	\$0
Vacancies - Stores and Commercial	\$0
Water/Sewer	\$101,523
Sewer	\$50,911
Water	\$50,612
(blank)	\$8,630,761

Net Rental Revenue	\$2,391,382
Operating Expenses	
Total Operating Expenses	\$720,960
Total Other Revenue	\$5,150
Total Rent Revenue	\$2,402,147
Total Revenue	\$2,400,927
Total Taxes and Insurance	\$97,917
Total Vacancies	-\$10,765
(blank)	
Subtotal	\$623,043
Excluded Expense	\$0
Cptl Bgt (Part V Operating)	\$0
Grand Total	\$11,752,648

Douglass Village Apartments
Douglasville, Georgia

0

Expense Year December-15

Row Labels	Sum of Amount
Advertising	\$1,231
Advertising	\$1,231
Annual Ancillary Income	\$5,223
Laundry and Vending Revenue	\$65
Miscellaneous Revenue	\$0
Tenant Charges	\$5,158
Annual Gross Potential Rental Income	\$1,229,352
Rental Income from Current Year Budget	\$1,229,352
Annual Income (Commercial)	\$0
Rent Revenue - Stores and Commercial	\$0
Decorating	\$17,573
Painting	\$17,573
Elevator Maintenance Expense	\$0
Elevator Maint./Contract	\$0
Employee Benefits	\$21,361
Hlth Ins. @ Other Benefits	\$16,149
Workmans Compensation	\$5,212
Employee Payroll Tax	\$10,877
Payroll Taxes	\$10,877
Excluded Income	\$1,213,822
Interest Reduction Payments Revenue	\$0
Retained Excess Income	\$0
Special Claims Revenue	\$0
Rental Income from Current Year Actual	\$82,886
RHS Rental Assist. Received from Actual	\$1,126,238
Interest Income	\$4,698
Exterminating	\$0
Services	\$0
Fuel	\$0
Fuel (Oil/Coal/Gas)	\$0
Garbage and Trash Removal	\$12,799
Garbage @ Trash Removal	\$12,799
Gas	\$3,815
Fuel (Oil/Coal/Gas)	\$3,815
Ground Expense	\$34,546
Snow Removal	\$0
Grounds	\$34,546
Insurance	\$27,090
Property @ Liability Ins.	\$27,090
Fidelity Coverage Ins.	\$0
Other Insurance	\$0

Lighting and Miscellaneous Power	\$13,020
Electricity	\$13,020
Management Fee	\$44,073
Management Fee	\$44,073
Misc. Taxes/Licenses	\$1,240
Special Assessments	\$0
Other Taxes, Lcnses, Permts	\$1,240
Other Administrative	\$32,369
Project Auditing Expense	\$7,708
Proj. Bookkeeping/Accounting	\$0
Legal Expense	\$4,188
Phone @ Answering Service	\$6,246
Office Supplies	\$9,649
Office Furniture @ Equip.	\$0
Training Expense	\$0
Other Admin. Expenses	\$4,578
Other Maintenance	\$0
Other Maintenance	\$0
Other Operating	\$16,677
Maint. @ Repairs Supply	\$16,677
Other Operating Expense	\$0
Other Utilities	\$0
Payroll	\$113,724
Maint. @ Repairs Payroll	\$40,311
Site Management Payroll	\$73,413
Personal Property Tax	\$0
Personal Property Taxes	\$0
Real Estate Tax	\$72,535
Real Estate Taxes	\$72,535
Repairs	\$138,564
Maint. @ Repairs Contract	\$138,564
Reserves for Replacement	\$0
Transfer to Reserve	\$0
Service Coordinator	\$0
Service Coordinator Expenses	\$0
Service Coordinator Income	\$0
Vacancy (Apartments)	-\$20,228
Vacancies - Apartments	-\$20,228
Vacancies - Concessions	\$0
Vacancy (Commercial)	\$0
Vacancies - Stores and Commercial	\$0
Water/Sewer	\$115,800
Sewer	\$57,932
Water	\$57,868
(blank)	\$8,624,476
Net Rental Revenue	\$2,418,248
Operating Expenses	

Total Operating Expenses	\$677,294
Total Other Revenue	\$5,223
Total Rent Revenue	\$2,438,476
Total Revenue	\$2,428,169
Total Taxes and Insurance	\$100,865
Total Vacancies (blank)	-\$20,228
Subtotal	\$576,429
Excluded Expense	\$0
Cptl Bgt (Part V Operating)	\$0
Grand Total	\$11,729,939

Douglass Village Apartments
Douglasville, Georgia

0

Expense Year 42735

Row Labels	Sum of Amount
Advertising	\$575
Advertising	\$575
Annual Ancillary Income	\$3,714
Laundry and Vending Revenue	\$32
Miscellaneous Revenue	\$0
Tenant Charges	\$3,682
Annual Gross Potential Rental Income	\$1,250,095
Rental Income from Current Year Budget	\$1,250,095
Annual Income (Commercial)	\$0
Rent Revenue - Stores and Commercial	\$0
Decorating	\$8,412
Painting	\$8,412
Elevator Maintenance Expense	\$0
Elevator Maint./Contract	\$0
Employee Benefits	\$16,652
Hlth Ins. @ Other Benefits	\$12,405
Workmans Compensation	\$4,247
Employee Payroll Tax	\$10,930
Payroll Taxes	\$10,930
Excluded Income	\$1,230,944
Interest Reduction Payments Revenue	\$0
Special Claims Revenue	\$0
Rental Income from Current Year Actual	\$104,571
RHS Rental Assist. Received from Actual	\$1,121,088
Retained Excess Income	\$0
Interest Income	\$5,285
Exterminating	\$0
Services	\$0
Fuel	\$0
Fuel (Oil/Coal/Gas)	\$0
Garbage and Trash Removal	\$13,185
Garbage @ Trash Removal	\$13,185
Gas	\$3,385
Fuel (Oil/Coal/Gas)	\$3,385
Ground Expense	\$31,981
Snow Removal	\$0
Grounds	\$31,981
Insurance	\$30,097
Property @ Liability Ins.	\$30,097
Fidelity Coverage Ins.	\$0
Other Insurance	\$0

Lighting and Miscellaneous Power	\$14,704
Electricity	\$14,704
Management Fee	\$45,153
Management Fee	\$45,153
Misc. Taxes/Licenses	\$1,441
Special Assessments	\$0
Other Taxes, Lcnses, Permts	\$1,441
Other Administrative	\$38,117
Project Auditing Expense	\$8,200
Proj. Bookkeeping/Accounting	\$0
Legal Expense	\$2,782
Phone @ Answering Service	\$7,546
Office Supplies	\$11,815
Office Furniture @ Equip.	\$0
Training Expense	\$0
Other Admin. Expenses	\$7,774
Other Maintenance	\$0
Other Maintenance	\$0
Other Operating	\$14,469
Maint. @ Repairs Supply	\$14,469
Other Operating Expense	\$0
Other Utilities	\$0
Payroll	\$116,887
Maint. @ Repairs Payroll	\$42,913
Site Management Payroll	\$73,974
Personal Property Tax	\$0
Personal Property Taxes	\$0
Real Estate Tax	\$80,443
Real Estate Taxes	\$80,443
Repairs	\$138,057
Maint. @ Repairs Contract	\$138,057
Reserves for Replacement	\$365,141
Transfer to Reserve	\$365,141
Service Coordinator	\$0
Service Coordinator Expenses	\$0
Service Coordinator Income	\$0
Vacancy (Apartments)	-\$24,436
Vacancies - Apartments	-\$24,436
Vacancies - Concessions	\$0
Vacancy (Commercial)	\$0
Vacancies - Stores and Commercial	\$0
Water/Sewer	\$114,385
Sewer	\$57,356
Water	\$57,029
(blank)	\$5,047,436
Net Rental Revenue	\$1,225,659
Operating Expenses	

Total Operating Expenses	\$678,873
Total Other Revenue	\$3,714
Total Rent Revenue	\$1,250,095
Total Revenue	\$1,234,658
Total Taxes and Insurance	\$111,981
Total Vacancies (blank)	-\$24,436
Subtotal	\$566,892
Excluded Expense	\$0
Cptl Bgt (Part V Operating)	\$0
Grand Total	\$8,551,767

Douglass Village Apartments
 Douglasville, Georgia

0

Expense Year

Budget

Row Labels	Sum of Amount
Advertising	\$1,400
Advertising	\$1,400
Annual Ancillary Income	\$3,840
Tenant Charges	\$3,840
Legal Fees	\$0
Maintenance Charges	\$0
Laundry Income	\$0
Annual Gross Potential Rental Income	\$1,279,008
Rental Income from Current Year Budget	\$1,279,008
Annual Income (Commercial)	\$0
Rent Revenue - Stores and Commercial	\$0
Decorating	\$14,100
Painting	\$14,100
Elevator Maintenance Expense	\$0
Elevator Maint./Contract	\$0
Employee Benefits	\$35,727
Hlth Ins. @ Other Benefits	\$30,612
Workman's Compensation	\$5,115
Employee Payroll Tax	\$13,151
Payroll Taxes	\$13,151
Excluded Income	\$6,120
Retained Excess Income	\$0
Special Claims Revenue	\$0
Interest Income	\$6,120
Rental Income from Current Year Actual	\$0
RHS Rental Assist. Received from Actual	\$0
Exterminating	\$0
Services	\$0
Fuel	\$0
Fuel (Oil/Coal/Gas)	\$0
Garbage and Trash Removal	\$13,200
Garbage @ Trash Removal	\$13,200
Gas	\$4,476
Gas	\$4,476
Ground Expense	\$38,836
Snow Removal	\$0
Grounds	\$38,836
Insurance	\$29,724
Fidelity Coverage Ins.	\$0
Other Insurance	\$0
Propoery & Liability Ins.	\$29,724

Lighting and Miscellaneous Power	\$15,660
Electricity	\$15,660
Management Fee	\$51,744
Management Fee	\$51,744
Misc. Taxes/Licenses	\$1,072
Special Assessments	\$0
Misc. Taxes, Licenses, Permits	\$1,072
Other Administrative	\$35,582
Office Supplies	\$5,268
Training Expense	\$6,500
Project Auditing Expense	\$8,700
Legal Expense	\$6,750
Other Admin. Expenses	\$0
Project Bookkeeping/Accounting	\$0
Phone & Answering Service	\$8,364
Office Furniture & Equip	\$0
Other Maintenance	\$0
Other Maintenance	\$0
Misc. Maintenance Expense	\$0
Other Operating	\$39,516
Other Utilities	\$0
Maint. & Repairs Supply	\$39,516
Payroll	\$127,085
Site Management Payroll	\$82,225
Maint & Repairs Payroll	\$44,860
Personal Property Tax	\$0
Personal Property Taxes	\$0
Real Estate Tax	\$77,424
Real Estate Taxes	\$77,424
Repairs	\$43,350
Replacement Reserves Releases Included as Expense	\$0
Maint. & Repairs Contract	\$17,790
Other Operating Expenses	\$25,560
Reserves for Replacement	\$60,000
Transfer to Reserve	\$60,000
Service Coordinator	\$0
Service Coordinator Expenses	\$0
Service Coordinator Income	\$0
Vacancy (Apartments)	-\$31,975
Vacancies - Apartments	-\$31,975
Vacancies - Concessions	\$0
Vacancy (Commercial)	\$0
Vacancies - Stores and Commercial	\$0
Water/Sewer	\$116,952
Sewer	\$58,656
Water	\$58,296
(blank)	\$5,072,897

Net Rental Revenue	\$1,247,033
Operating Expenses	
Total Operating Expenses	\$658,999
Total Other Revenue	\$3,840
Total Rent Revenue	\$1,279,008
Total Revenue	\$1,256,993
Total Taxes and Insurance	\$108,220
Total Vacancies	-\$31,975
(blank)	
Subtotal	\$550,779
Grand Total	\$7,048,889

Douglass Village Apartments
 Douglasville, Georgia

0

Expense Year 43100
 # of Months 11

Row Labels	Sum of Amount
Advertising	\$307
Advertising	\$307
Annual Ancillary Income	\$3,848
NSF And Late Charge Income	\$1,304
Legal Fees	\$105
Damage and Cleaning Fees	\$1,663
Collection Income	\$776
Annual Gross Potential Rental Income	\$1,170,121
Rental Income from Current Year Budget	\$0
Rental Income from Current Year Actual	\$159,384
RHS Rental Assist. Received from Actual	\$1,010,841
Gain/Loss to Lease	-\$104
Annual Income (Commercial)	\$0
Rent Revenue - Stores and Commercial	\$0
Decorating	\$18,009
Turnover Apts (Deco)	\$17,970
Decorating Supplies	\$39
Elevator Maintenance Expense	\$0
Elevator Maint./Contract	\$0
Employee Benefits	\$16,224
Employee Benefits	\$12,750
Workmans Compensation	\$3,474
Employee Payroll Tax	\$9,273
Project Payroll Taxes	\$9,273
Excluded Income	\$6,549
Retained Excess Income	\$0
Interest Income	\$6,549
Exterminating	\$2,830
Extermination Contract	\$2,830
Fuel	\$0
Fuel (Oil/Coal/Gas)	\$0
Garbage and Trash Removal	\$11,664
Garbage @ Trash Removal	\$11,664
Gas	\$3,712
Gas	\$2,461
Gas - Vacant	\$1,251
Ground Expense	\$29,370
Ground Supplies	\$5,170
Grounds Contract	\$22,000
Grounds Cont. Rep. Plants	\$2,200

Insurance	\$52,989
Hazard Insurance	\$24,805
Hazard Insurance Escrow	\$24,252
Other Insurance	\$3,932
Lighting and Miscellaneous Power	\$12,281
Electricity - House Meter	\$11,368
Electricity - Vacant	\$913
Management Fee	\$40,764
Management Fee	\$40,764
Misc. Taxes/Licenses	\$406
Special Assessments	\$0
Misc. Tax, License, Permit	\$406
Other Administrative	\$34,774
Audit Expense	\$5,200
Site Management Payroll	\$0
Bad Debts Expense	\$3,874
Ptjer Remtomg Expenses	\$777
Legal and Collections Expense	\$7,904
Office Suupplies Expeense	\$1,774
Printing Reproduction	\$856
Shipping/Postage	\$914
Software/Tech Support	\$312
RealPage Services Expense	\$5,594
Telephone Expenses	\$4,714
Telephone Answerng Services	\$239
Admin Travel Expense	\$457
Training	\$1,357
Bannk Service Charges	\$802
Other Maintenance	\$0
Other Maintenance	\$0
Other Operating	\$38,326
Janitor Supplies	\$1,961
Janitor Uniforms	\$551
Monitoring-CCTV	\$21,328
R&M Supplies - General	\$5,170
Plumbing Supplies	\$4,552
Appliance Parts	\$689
Electrical Supplies	\$3,120
A/C & Heating Supplies	\$955
Other Operating Expense	\$0
Other Utilities	\$0
Payroll	\$93,940
Office Salaries	\$28,865
Managers Salary	\$41,853
Repairs Payroll	\$22,714
Payroll Processing Fees	\$508
Personal Property Tax	\$0

Personal Property Taxes	\$0
Real Estate Tax	\$103,059
Real Estate Taxes	\$57,273
Real Estate Taxes Appeal Refund	-\$23,118
Real Estate Tax Escrow	\$68,904
Repairs	\$72,652
Janitor Cleaning Contract	\$6,460
R&M Contractor - General	\$36,740
Plumbing Contractor	\$23,740
Electrical Contractor	\$812
Carpeting Contractor	\$4,900
Reserves for Replacement	\$0
Transfer to Reserve	\$0
Service Coordinator	\$0
Service Coordinator Expenses	\$0
Service Coordinator Income	\$0
Vacancy (Apartments)	-\$25,235
Vacancies - Apartments	-\$25,235
Vacancies - Concessions	\$0
Vacancy (Commercial)	\$0
Vacancies - Stores and Commercial	\$0
Water/Sewer	\$5,510
Sewer	\$2,916
Water	\$2,594
(blank)	\$4,541,083
Net Rental Revenue	\$1,144,886
Operating Expenses	
Total Operating Expenses	\$546,090
Total Other Revenue	\$3,848
Total Rent Revenue	\$1,170,121
Total Revenue	\$1,155,283
Total Taxes and Insurance	\$156,454
Total Vacancies	-\$25,235
(blank)	
Subtotal	\$389,636
Excluded Expense	\$0
Cptl Bgt (Part V Operating)	\$0
Grand Total	\$6,242,456

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT

DOUGLASS VILLAGE LIMITED PARTNERSHIP
(A GEORGIA LIMITED PARTNERSHIP)
CASE NO.: 10-048-581430965

DECEMBER 31, 2013 AND 2012

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KOZAK, POLLEKOFF & GOLDMAN, P.C.
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Partners
Douglass Village Limited Partnership
(A Georgia Limited Partnership)

Report on the Financial Statements

We have audited the accompanying financial statements of Douglass Village Limited Partnership, (a Georgia Limited Partnership) dba Douglas Village, Case No. 10-048-581430965 which comprise the balance sheets as of December 31, 2013 and 2012, and the related statements of operations, changes in partners' equity, 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 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 audit to obtain reasonable assurance about whether the financial statements are free from 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 auditors' 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 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.

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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 Douglass Village Limited Partnership, as of December 31, 2013 and 2012, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information on pages 15, 16 and 23 through 32 is presented for purposes of additional analysis and is not a required part of the financial statements.

The accompanying supplementary information shown on pages 15, 16 and 23 through 32 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. Such 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 auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information shown on pages 15, 16 and 23 through 32 is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 26, 2014 on our consideration of Douglass Village Limited Partnership's internal control over financial reporting and on our tests 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 Douglass Village Limited Partnership's internal control over financial reporting and compliance.

Kyle, Pallett & Goldman, P.C.

Vienna, Virginia
February 26, 2014
Lead Auditor: Robert A. Kozak

EIN: 54-1639552

DOUGLASS VILLAGE LIMITED PARTNERSHIP
(A GEORGIA LIMITED PARTNERSHIP)

BALANCE SHEETS
DECEMBER 31,

ASSETS

	2013	2012
CURRENT ASSETS		
Cash and cash equivalents	\$ 52,755	\$ 822,694
Accounts receivable - subsidy	1,057	1,284
Accounts receivable - tenants	1,888	1,577
Accounts receivable - other	-	29,488
Prepaid expenses	23,996	25,678
Total current assets	79,696	880,721
DEPOSITS HELD IN TRUST - FUNDED		
Tenant security deposits	18,375	18,339
RESTRICTED DEPOSITS AND FUNDED RESERVES		
Mortgage escrow deposits	14,714	19,383
Replacement reserve	1,567,630	514,102
Total restricted deposits and funded reserves	1,582,344	533,485
PROPERTY AND EQUIPMENT		
Land	79,022	79,022
Land improvements	81,833	81,833
Buildings and improvements	3,957,959	3,957,959
Furnishings and equipment	656,981	589,231
	4,775,795	4,708,045
Less: Accumulated depreciation	(3,349,050)	(3,150,916)
Total property and equipment	1,426,745	1,557,129
Total assets	\$ 3,107,160	\$ 2,989,674

See notes to financial statements

DOUGLASS VILLAGE LIMITED PARTNERSHIP
(A GEORGIA LIMITED PARTNERSHIP)

BALANCE SHEETS - CONTINUED
DECEMBER 31,

LIABILITIES AND PARTNERS' EQUITY

	2013	2012
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 42,754	\$ 70,163
Accrued mortgage interest	1,896	1,700
Accrued real estate tax	5,667	-
Mortgage payable - current portion	53,520	52,990
Prepaid rents	1,245	1,201
Deferred revenue	-	29,488
Total current liabilities	105,082	155,542
DEPOSITS LIABILITIES		
Tenant security deposits	14,484	14,500
LONG-TERM LIABILITIES		
Mortgage payable, net of current portion	2,108,953	2,162,717
Note payable - limited partner	289,334	289,334
Total long-term liabilities	2,398,287	2,452,051
Total liabilities	2,517,853	2,622,093
PARTNERS' EQUITY		
Total liabilities and partners' equity	\$ 3,107,160	\$ 2,989,674

See notes to financial statements

DOUGLASS VILLAGE LIMITED PARTNERSHIP
(A GEORGIA LIMITED PARTNERSHIP)

STATEMENTS OF OPERATIONS

FOR THE YEARS ENDED DECEMBER 31,

	2013	2012
RENTAL INCOME		
Apartments	\$ 89,000	\$ 102,919
Tenant assistance payments	1,085,752	1,072,190
Potential rental income	1,174,752	1,175,109
Less: Vacancies	(9,935)	(16,092)
Net rental income	1,164,817	1,159,017
Other income:		
Interest income	3,565	4,666
Other income	5,419	5,849
Total other income	8,984	10,515
Total income	1,173,801	1,169,532
EXPENSES		
Operating and maintenance	321,452	335,195
Utilities	118,859	107,327
Administrative	181,890	183,255
Taxes and insurance	108,372	99,091
Bad debts	1,496	7,496
Interest on mortgage payable	21,872	22,400
Total expenses	753,941	754,764
Income from operations	419,860	414,768
Non-operating (income) and expense:		
Depreciation	198,134	192,996
Total non-operating income and expense	198,134	192,996
Net income	\$ 221,726	\$ 221,772

See notes to financial statement

DOUGLASS VILLAGE LIMITED PARTNERSHIP
(A GEORGIA LIMITED PARTNERSHIP)

STATEMENTS OF CHANGES IN PARTNERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

	General Partner	Limited Partners		Total
	CRICO Limited Partnership of Douglassville	Interfaith, Inc.	Capital Housing Partners CXXXI	
Ownership Interest	<u>1.50%</u>	<u>3.50%</u>	<u>95.00%</u>	<u>100.00%</u>
Partners' equity January 1, 2012	\$ 41,631	\$ 97,148	\$ 7,030	\$ 145,809
Net income	<u>3,327</u>	<u>7,762</u>	<u>210,683</u>	<u>221,772</u>
Partners' equity December 31, 2012	44,958	104,910	217,713	367,581
Net income	<u>3,326</u>	<u>7,760</u>	<u>210,640</u>	<u>221,726</u>
Partners' equity December 31, 2013	<u>\$ 48,284</u>	<u>\$ 112,670</u>	<u>\$ 428,353</u>	<u>\$ 589,307</u>

See notes to financial statements

DOUGLASS VILLAGE LIMITED PARTNERSHIP
(A GEORGIA LIMITED PARTNERSHIP)

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31,

	2013	2012
Cash flows from operating activities		
Net income	\$ 221,726	\$ 221,772
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	198,134	192,996
Changes in asset and liabilities		
(Increase) decrease in assets		
Accounts receivable - tenants	(311)	26
Accounts receivable - subsidy	227	(1,254)
Accounts receivable - other	29,488	(29,488)
Prepaid expenses	1,682	(756)
(Increase) decrease in liabilities		
Accounts payable and accrued expenses	(27,409)	51,804
Accrued mortgage interest	196	(102)
Accrued real estate tax	5,667	-
Prepaid rents	44	(1,782)
Deferred revenue	(29,488)	29,488
Tenant security deposits	(52)	(592)
Net cash provided by operating activities	399,904	462,112
Cash flows from investing activities		
Purchase of property and equipment	(67,750)	(180,452)
Net changes in mortgage escrow accounts	4,669	(5,670)
Net changes in reserve for replacements	(1,053,528)	(61,874)
Net cash used in investing activities	(1,116,609)	(247,996)
Cash flows from financing activities		
Principal payments on mortgage	(53,234)	(52,408)
Net cash used in financing activities	(53,234)	(52,408)
Net increase in cash and cash equivalents	(769,939)	161,708
Cash and cash equivalents, beginning	822,694	660,986
Cash and cash equivalents, ending	\$ 52,755	\$ 822,694
Supplemental disclosure of cash flow information		
Cash paid during the year for interest	\$ 21,676	\$ 22,502

See notes to financial statements

DOUGLASS VILLAGE LIMITED PARTNERSHIP
(A GEORGIA LIMITED PARTNERSHIP)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND 2012

NOTE 1 - ORGANIZATION

Douglass Village Limited Partnership, a limited partnership (the Partnership), was formed on March 27, 1981 under the Uniform Limited Partnership Act of the State of Georgia. Its purpose is to construct, develop, own, maintain and operate a rental housing project under section 515(b) of the Housing Act of 1949. The 88-unit, two story, low-income project consists of 29 two-bedroom units, 29 three-bedroom units and 30 four-bedroom units. The term of the Partnership is fifty-five years. The project is located at 6549 Brown Street, Douglasville, Georgia.

Cash distributions are limited by the loan agreement between the Partnership and USDA/RD to 8 percent of the Partnership's initial investment of \$151,250, amounting to \$12,100 per year, provided the reserve account is funded to the required level. Under the terms of the loan agreement, the Partnership is required to fund the reserve account \$28,548 annually to a maximum of \$285,475. Total reserve funds were \$575,708 and \$452,228 at December 31, 2013 and 2012, respectively.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Partnership utilizes the accrual basis of accounting, whereby income is recognized as earned and expenses are recognized as obligations are incurred.

Cash and Cash Equivalents

Cash and cash equivalents consist of short-term investments with an original maturity of three months or less, cash on deposit, money market funds and certificates of deposit.

Revenue recognition

Rental revenue attributable to residential operating leases is recorded when due from residents, generally upon the first day of each month for periods of up to one year, and are considered operating leases. Advance receipts of rental income are deferred until earned.

Tenant Receivable and Bad Debt Policy

Tenant rent charges for the current month are due on the first of the month. Tenants who are evicted or move-out are charged with damages or cleaning fees, if applicable. Tenant receivable consists of amounts due for rental income, security deposit or the charges for damages and cleaning fees. The Partnership does not accrue interest on the tenant receivable balances.

The Partnership has established an allowance for doubtful accounts for tenant receivables which are 60 days past due. Tenant receivables are written off in the period management determines that collection is not probable. Included in expenses are bad debts of \$1,496 and \$7,496 for the years ending December 31, 2013 and 2012, respectively. There is no balance in the allowance account for the years ending December 31, 2013 and 2012.

DOUGLASS VILLAGE LIMITED PARTNERSHIP
(A GEORGIA LIMITED PARTNERSHIP)

NOTES TO FINANCIAL STATEMENTS - CONTINUED

DECEMBER 31, 2013 AND 2012

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Rental Property

Rental property is recorded at cost. Improvements are capitalized, while expenditures for maintenance and repairs are expensed as incurred. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation. The rental property is depreciated over estimated service lives as follows:

Buildings	27.5 years	straight-line
Building Improvements	5 to 27.5 years	straight-line
Land Improvements	15 years	straight-line
Furnishings and Equipment	5 years	straight-line

The Partnership reviews its property and equipment for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the property to the future net undiscounted cash flow expected to be generated by the property including any estimated proceeds from the eventual disposition of the real estate. If the real estate is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the real estate exceeds the fair value of such property. There were no impairment losses recognized in 2013 or 2012.

Partners' Equity

Profit and loss is to be allocated to CRICO (1.5%) ("General Partner"), Interfaith, Inc. (3.5%) and Capital Housing Partners CXXXI (95%) ("Limited Partners"), other than special allocations (as defined by the Partnership Agreement) and certain other items which would be specifically allocated to the partners in accordance with the Partnership Agreement.

Income Taxes

The Partnership has elected to be treated as 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. 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's federal income tax returns for 2012, 2011, and 2010 are subject to examination by the IRS, generally for three years after they were filed.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

DOUGLASS VILLAGE LIMITED PARTNERSHIP
(A GEORGIA LIMITED PARTNERSHIP)

NOTES TO FINANCIAL STATEMENTS – CONTINUED

DECEMBER 31, 2013 AND 2012

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Advertising costs

Advertising costs are expensed as incurred. Advertising expense totaled \$1,189 and \$1,824 for the years ended December 31, 2013 and 2012, respectively.

Subsequent Events

Subsequent events have been evaluated through February 26, 2014, the date these financial statements were available to be released.

NOTE 3 - MORTGAGE PAYABLE

The project is financed by a mortgage loan from USDA/RD in the original amount of \$2,854,750. Pursuant to the USDA/RD loan agreement originating on March 27, 1981, interest accrues at an annual rate of 8.75%. Effective May 1, 2004, the interest rate was reduced to 1% to assist the property financially to complete repairs mandated in the annual inspection and pursuant to the Service Work-Out Plan. See Note 9. In 2013 and 2012, the total interest subsidy was \$213,245 and \$218,395, respectively. Debt service payments on the mortgage loan are due in monthly installments of \$6,242, net of interest subsidy, through April, 2031. Interest is computed daily and application of interest and principal varies depending upon the date payments are applied. The mortgage is collateralized by the rental property.

Estimated aggregate principal payments for each the next five years are as follows:

Year ending December 31,	
2014	\$ 53,520
2015	54,060
2016	54,550
2017	55,150
2018	55,702
Thereafter	<u>1,889,491</u>
	<u>\$2,162,473</u>

DOUGLASS VILLAGE LIMITED PARTNERSHIP
(A GEORGIA LIMITED PARTNERSHIP)

NOTES TO FINANCIAL STATEMENTS – CONTINUED

DECEMBER 31, 2013 AND 2012

NOTE 4 – RELATED PARTIES TRANSACTIONS

Management Fee

The Partnership has entered into a management agreement with CRICO Management Services, LLC (the “Agent”), an entity related to the General Partner, to manage the rental operations of the apartment project. Property management fees expensed were \$44,583 and \$44,455 for the years ended December 31, 2013 and 2012, respectively.

An incentive management fee is payable to CRICO on a non-cumulative basis, not to exceed \$5,000 per year. The fee was payable from cash flow after payment of an annual non-cumulative distribution to the partners of \$10,000, subject to applicable USDA/RD regulations. There were no fees paid during the years ended December 31, 2013 and 2012.

The Partnership has a note payable to Interfaith, Inc., in the amount of \$289,334. The note is non-interest bearing and payable from the proceeds of the sale, refinancing, or liquidation of the property.

NOTE 5 – COMMITMENTS AND CONTINGENCIES

Interest Credit

Under an agreement with USDA/RD, mortgage subsidy is provided which reduces the effective interest rate on the mortgage to approximately 1% over the life of the Loan Agreement. USDA/RD may terminate the agreement if it determines that no subsidy is necessary or if the Partnership is determined to be in violation of the Loan Agreement(s) or USDA/RD rules or regulations.

Rental Assistance Agreement

The U.S. Department of Housing and Urban Development (HUD) has contracted with the Partnership pursuant to the United States Housing Act of 1937, HAP contract #A-81-313, to make housing assistance payments to the Partnership on behalf of qualified tenants for all apartment units. The contract was renewed for a period of five (5) years under Section 8 beginning January 1, 2013. Housing assistance payments for the year ended December 31, 2013 and 2012 totaled \$1,085,752 and \$1,072,190, or approximately 93% of total income each year.

DOUGLASS VILLAGE LIMITED PARTNERSHIP
(A GEORGIA LIMITED PARTNERSHIP)

NOTES TO FINANCIAL STATEMENTS – CONTINUED

DECEMBER 31, 2013 AND 2012

NOTE 6 – SALE OF PROPERTY

On December 19, 2012, the Partnership deeded .085 acres representing 1% of its land to the Georgia Department of Transportation in connection with their highway expansion program taking place adjacent to the property for the consideration of \$1. In addition, the Partnership has recorded a receivable for \$29,488 from the Georgia Department of Transportation which will be used to cover the costs to move a sewer backflow preventer. Funds in excess of the actual cost of the mentioned improvement will be due back to USDA/RD as an additional loan payment. On January 30, 2013 the Partnership received \$29,488.

NOTE 7 – CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS

The Partnership's sole asset is Douglass Village 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, USDA/RD and the State Housing Agency. Such administrative directives, rules and regulations are subject to change by an act of Congress or an administrative change mandated by USDA/RD or the State Housing Agency. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

NOTE 8 - RETIREMENT PLAN

The Agent set up a 401(k) plan in January 2005. Under the 401(k) plan, employees who are 21 years or older and work a minimum of 30 hours per week are eligible to participate in the plan. Eligible employees may make a salary reduction election to have a percentage of their salary contributed to the plan. The Agent makes a matching contribution equal to the employee's salary reduction not to exceed 3% of the employee's compensation. The Partnership reimburses the Agent for this cost. The amount charged to activities during 2013 and 2012 was \$3,436 and \$3,111, respectively.

NOTE 9 - WORK OUT PLAN

On July 26, 2004, the project entered into a Servicing Workout Plan with USDA/RD. The goal of the plan was to facilitate making needed repairs to the project's 88 units and to address the corrective actions outlined in the failed REAC inspection of April 25, 2004. To enable the project financially to make these repairs, the interest rate on the mortgage was decreased to 1% per annum effective May 1, 2004. The Partnership has submitted an application for a two-year extension of the Servicing Workout Plan through December 31, 2014. As of the date of these financial statements, the Partnership has received a verbal approval of the extension from USDA/RD as well as an approval of the 2014 budget which included a continuation of the mortgage interest reduction.

SUPPLEMENTAL INFORMATION

DOUGLASS VILLAGE LIMITED PARTNERSHIP
(A GEORGIA LIMITED PARTNERSHIP)

SUPPLEMENTAL INFORMATION
Changes in Fixed Asset Accounts

YEAR ENDED DECEMBER 31, 2013

	Assets		Accumulated Depreciation			Net Book Value December 31, 2013
	Balance January 1, 2013	Balance December 31, 2013	Balance January 1, 2013	Provisions	Balance December 31, 2013	
Land	\$ 79,022	\$ -	\$ -	\$ -	\$ -	\$ 79,022
Land improvements	81,833	-	9,803	5,456	15,259	66,574
Buildings and improvements	3,957,959	-	2,738,485	140,095	2,878,580	1,079,379
Furnishings and equipment	589,231	67,750	402,628	52,583	455,211	201,770
	<u>\$ 4,708,045</u>	<u>\$ 67,750</u>	<u>\$ 3,150,916</u>	<u>\$ 198,134</u>	<u>\$ 3,349,050</u>	<u>\$ 1,426,745</u>

Fixed asset additions:

HVAC	\$ 67,750
	<u>\$ 67,750</u>

DOUGLASS VILLAGE LIMITED PARTNERSHIP
(A GEORGIA LIMITED PARTNERSHIP)

SUPPLEMENTAL INFORMATION REQUIRED BY RD

FOR THE YEAR ENDED DECEMBER 31, 2013

Management fee calculation

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

	January -
	December
Total qualified units (88 x 12 months)	1,056
Less: Rent free unit	-
Less: Vacancies	<u>(7)</u>
Total occupied units	1,049
Fee per unit	<u>\$ 42.5</u>
Management fee expense	<u>\$44,583</u>

Insurance Disclosure

The Partnership maintains insurance coverage as follows:

	<u>Deductible</u>	<u>Coverage</u>
Property coverage on buildings	\$10,000	\$7,060,779
Comprehensive business liability	\$ 5,000	\$1,000,000
Fidelity/employee dishonesty	\$15,000	\$2,000,000

Return to Owner

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

Maximum return to owner (See Note 1)	<u>\$12,100</u>
Budgeted return to owner	<u>\$ -</u>
Return to owner paid:	
Investor asset management fee	\$ -
Partnership management fee	-
General Partner distribution	-
Limited Partner distribution	-
	<u>\$ -</u>

**INDEPENDENT AUDITORS' 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
Douglass Village Limited Partnership
(A Georgia Limited Partnership)

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 Standard* issued by the Comptroller General of the United States, the financial statements of Douglas Village Limited Partnership which comprise the balance sheet as of December 31, 2013, and the related statements of operations, changes in partners' equity, and cash flows for the year then ended and the related notes to the financial statements, and have issued our report thereon dated February 26, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Douglass Village Limited Partnership'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 Douglass Village Limited Partnership's internal control. Accordingly, we do not express an opinion on the effectiveness of Douglass Village Limited Partnership'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 *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 Douglass Village Limited Partnership's financial statements are free from 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 such 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 the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kyle, Palfrey & Goldman, P.C.

Vienna, Virginia
February 26, 2014

DOUGLASS VILLAGE LIMITED PARTNERSHIP
(A GEORGIA LIMITED PARTNERSHIP)

AUDIT FINDINGS ON COMPLIANCE

FOR THE YEAR ENDED DECEMBER 31, 2013

Reportable Conditions of Non Compliance

NONE

**INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON
PROCEDURES**

To the Partners of
Douglass Village Limited Partnership dba Douglass Village
Douglassville, Georgia

and

United States Department of Agriculture Rural Development Newnan Field Service Center
Newnan, Georgia

We have performed the procedures enumerated below, which were agreed to by the United States Department of Agriculture Rural Development and Douglass Village Limited Partnership ("Owner") the owner of Douglass Village ("Project") located in Douglassville, Georgia, solely to assist those parties in evaluating that the accompanying Form RD 3560-10, Multi-Family Housing Borrower Balance Sheet and Form RD 3560-7, Multiple Family Housing Project Budget ("Financial Reports") and Supporting Documentation are prepared by the Borrower in accordance with the criteria specified in USDA/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, 2013. 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 USDA/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 check 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 ongoing operations of the project. We selected a representative sample of invoices and supporting documentation, based on the sample size determined by USDA/RD in Attachment 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-23560, and the shipping address agreed to the project address. In addition, we confirmed a sample of the expenditures with the vendors to determine the invoice paid agreed to the vendor's records.

Findings:

Total Number of Invoices in Population:	520
Total Dollar Amount of Invoices in Population:	\$503,342
Total Number of Invoices Reviewed:	85
Total Dollar Amount of Invoices Reviewed:	\$ 162,302

Total Number of Invoices in Vendor Confirmation Sample:	2
Total Dollar Amount of Invoices in Vendor Confirmation Sample:	\$ 4,269
Total Number of Vendor Confirmations Not Received:	-
Total Dollar Amount of Vendor Confirmations Not Received:	\$ -
Total Number of Deviations:	None
Total Dollar Amount of Deviations:	\$ -

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 the number of reserve account withdrawals from the original bank statements and compared the withdrawals to the amounts approved by USDA/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 USDA/RD.

Findings:

Total Number of Reserve Account Withdrawals:	None
Total Number of Withdrawals Authorized by Rural Development:	None
Total Dollar Amount of Reserve Account Withdrawals:	\$ -
Total Dollar Amount of Withdrawals Authorized by Rural Development:	\$ -
Total Number of Deviations:	None
Total Dollar Amount of Deviations:	\$ -

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 USDA/RD on Form RD 3560-12.

3. We obtained the Identity of Interest (IOI) company listing and Form RD 3560-31 from USDA/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 Rural Development.

Findings:

Total Number of Forms RD 3560-31 Received:	1
Company Name:	Crico Management Services, LLC
Total Number of Invoices in Population:	12
Total Dollar Amount of Invoices in Population:	\$ 44,583
Total Number of Invoices Reviewed:	12
Total Dollar Amount of Invoices Reviewed:	\$ 44,583

The agreed-upon procedures performed above and the management Representation Letter revealed no undisclosed IOI companies.

We were not engaged to, and did not conduct an audit, the objective of which would be the expression of an opinion on the financial reports and supporting documentation of Douglass Village. 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 Douglass Village, and UDSA/RD, and is not intended to be and should not be used by anyone other than these specified parties.

W. K. Pallehoff & Goldman, P.C.

Vienna, Virginia
February 26, 2014

UNAUDITED
Position 3
MULTI-FAMILY HOUSING
BORROWER BALANCE SHEET
PART I - BALANCE SHEET

PROJECT NAME Douglass Village	BORROWER NAME Douglass Village Limited Partnership	BORROWER ID AND PROJECT NO. GA-06-R000-08
----------------------------------	---	--

	CURRENT YEAR (01/01/13) (12/31/13)	PRIOR YEAR (01/01/12) (12/31/12)	COMMENTS
--	--	--	----------

ASSETS

BEGINNING DATES->
ENDING DATES->

CURRENT ASSETS

1. GENERAL OPERATING ACCOUNT.....	\$2,255	\$22,194	
2. R.E. TAX & INSURANCE ACCOUNT.....	14,714	19,383	
3. RESERVE ACCOUNT.....	1,567,630	514,102	
4. SECURITY DEPOSIT ACCOUNT.....	18,375	18,339	
5. OTHER CASH (<i>Identify</i>).....	500	500	Petty cash
6. OTHER (<i>Identify</i>).....			
7. TOTAL ACCOUNTS RECEIVABLE (<i>Attach list</i>).....	2,945	2,861	
ACCTS RCVBL 0-30 DAYS.....	\$2,945	0	
ACCTS RCVBL 30-60 DAYS.....	\$0		
ACCTS RCVBL 60-90 DAYS.....	\$0		
ACCTS RCVBL OVER 90 DAYS.....	\$0		
8. LESS: ALLOWANCE FOR DOUBTFUL ACCOUNTS.....			
9. INVENTORIES (<i>supplies</i>).....			
10. PREPAYMENTS.....	23,996	25,678	
11. ACCOUNTS RECEIVABLE - OTHER.....		29,488	
12. TOTAL CURRENT ASSETS (<i>Add 1 thru 11</i>).....	\$1,680,415	1,432,545	

FIXED ASSETS

13. LAND.....	79,022	79,022	
14. BUILDINGS.....	4,039,792	4,039,792	
15. LESS: ACCUMULATED DEPRECIATION.....	(2,893,840)	(2,748,288)	
16. FURNITURE & EQUIPMENT.....	656,981	589,231	
17. LESS: ACCUMULATED DEPRECIATION.....	(455,210)	(402,638)	
18.....			
19. TOTAL FIXED ASSETS (<i>Add 13 thru 18</i>).....	1,426,745	1,557,129	

OTHER ASSETS

20.....			
21. TOTAL ASSETS (<i>Add 12, 19, and 20</i>).....	3,107,160	2,989,674	

LIABILITIES AND OWNERS EQUITY

CURRENT LIABILITIES

22. TOTAL ACCOUNTS PAYABLE (<i>Attach list</i>).....	49,666	71,364	
ACCTS PAYABLE 0-30 DAYS.....	\$49,666		
ACCTS PAYABLE 30-60 DAYS.....	\$0		
ACCTS PAYABLE 60-90 DAYS.....	\$0		
ACCTS PAYABLE OVER 90 DAYS.....	\$0		
23. NOTES PAYABLE (<i>Attach List</i>).....		29,488	
24. SECURITY DEPOSITS.....	14,484	14,500	
25. TOTAL CURRENT LIABILITIES (<i>Add 22 thru 24</i>).....	64,150	115,352	

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 7 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.

UNAUDITED

LONG-TERM LIABILITIES

26. NOTES PAYABLE RURAL DEVELOPMENT	2,164,369	2,217,407	
27. OTHER (Identify)	289,334	289,334	
28. TOTAL LONG-TERM LIABILITIES (Add 26 and 27)	2,453,703	2,506,741	
29. TOTAL LIABILITIES (Add 25 and 28)	2,517,853	2,622,093	
30. OWNER'S EQUITY (Net Worth) (21 minus 29)	589,307	367,581	
31. TOTAL LIABILITIES AND OWNER'S EQUITY (Add 29 and 30)	3,107,160	2,989,674	

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.

3/31/14

(Date)

Mary E. Sweeney

(Signature of Borrower or Borrower's Representative)

CFO/EVP

(Title)

PART II-THIRD PARTY VERIFICATION OF REVIEW

I/We have reviewed the borrower's records. The accompanying balance sheet, and statement of actual budget and income on Form RD 3560-7, is a fair presentation of the borrower's records.

I/We certify that no identity of interest exists between me/us and any individual or organization doing business with the project or borrower.

3/21/14

(Date)

Robert A. Kozek, CPA

(Signature)

Robert A. Kozek, CPA

(Name and Title)

1950 Old Collins Road, Suite 440 Vienna, VA 22182

(Address)

In lieu of the above verification and signature, a review completed, dated and signed by a person or firm qualified by license or certification is attached.

UNAUDITED
Position 3
**MULTIPLE FAMILY HOUSING PROJECT BUDGET/
UTILITY ALLOWANCE**

<input type="checkbox"/> I am the owner of the project. <input type="checkbox"/> I am the agent of the owner. <input type="checkbox"/> I am the agent of the lender. <input type="checkbox"/> I am the agent of the guarantor. <input type="checkbox"/> I am the agent of the servicer. <input type="checkbox"/> I am the agent of the lessor. <input type="checkbox"/> I am the agent of the lessee. <input type="checkbox"/> I am the agent of the contractor. <input type="checkbox"/> I am the agent of the subcontractor. <input type="checkbox"/> I am the agent of the vendor. <input type="checkbox"/> I am the agent of the supplier. <input type="checkbox"/> I am the agent of the manufacturer. <input type="checkbox"/> I am the agent of the distributor. <input type="checkbox"/> I am the agent of the retailer. <input type="checkbox"/> I am the agent of the wholesaler. <input type="checkbox"/> I am the agent of the importer. <input type="checkbox"/> I am the agent of the exporter. <input type="checkbox"/> I am the agent of the transporter. <input type="checkbox"/> I am the agent of the handler. <input type="checkbox"/> I am the agent of the packer. <input type="checkbox"/> I am the agent of the storer. <input type="checkbox"/> I am the agent of the processor. <input type="checkbox"/> I am the agent of the manufacturer. <input type="checkbox"/> I am the agent of the distributor. <input type="checkbox"/> I am the agent of the retailer. <input type="checkbox"/> I am the agent of the wholesaler. <input type="checkbox"/> I am the agent of the importer. <input type="checkbox"/> I am the agent of the exporter. <input type="checkbox"/> I am the agent of the transporter. <input type="checkbox"/> I am the agent of the handler. <input type="checkbox"/> I am the agent of the packer. <input type="checkbox"/> I am the agent of the storer. <input type="checkbox"/> I am the agent of the processor.		BORROWER NAME Douglass Village Limited Partnership		BORROWER ID AND PROJECT NO. GA-06-R000-08	
Loan/Transfer Amount Reporting Period		Note Rate Payment \$21,154 Project Rental Type Profit Type		IC Payment The following Utilities are metered: number of RA units _____ units of RA. Current Borrower Accounting Method	

PART I - CASH FLOW STATEMENT

	CURRENT BUDGET (01/01/13) <small>(12/31/13)</small>	ACTUAL 1/1/2013 <small>12/31/2013</small>	PROPOSED BUDGET	COMMENTS or (YTD)
OPERATIONAL CASH SOURCES				
1. RENTAL INCOME	1,132,400	79,065	-	
2. RHS RENTAL ASSISTANCE RECEIVED		1,085,752		
3. APPLICATION FEES RECEIVED				
4. LAUNDRY AND VENDING	300	225		
5. INTEREST INCOME	4,620	3,565		
6. TENANT CHARGES	5,280	5,194		
7. OTHER - PROJECT SOURCES	0			
8. LESS (Vacancy and Contingency Allowance)	(5,100)		-	
9. IFSS (Agency Approved Incentive Allowance)				
10. SUB - TOTAL [(1 thru 7) - (8 & 9)]	1,137,500	1,173,801	0	
NON-OPERATIONAL CASH SOURCES				
11. CASH - NON PROJECT				
12. AUTHORIZED LOAN (Non-RHS)				
13. TRANSFER FROM RESERVE	0	0		
14. SUB - TOTAL (11 thru 13)	0	0	0	
15. TOTAL CASH SOURCES (10 + 14)	1,137,500	1,173,801	0	
OPERATIONAL CASH USES				
16. TOTAL O & M EXPENSES (From Part II)	556,323	730,573	0	
17. RHS DEBT PAYMENT	74,904	75,106		
18. RHS PAYMENT (Overage)				
19. RHS PAYMENT (Late Fee)				
20. REDUCTION IN PRIOR YEAR PAYABLES (See Part IV)				
21. TENANT UTILITY PAYMENTS				
22. TRANSFER TO RESERVE	60,060	1,053,528		
23. RETURN TO OWNER/NO ASSET MANAGEMENT FEE	0			
24. SUB - TOTAL (16 thru 23)	693,287	1,859,207	0	
NON-OPERATIONAL CASH USES				
25. AUTHORIZED DEBT PAYMENT (Non-RHS)		0		
26. ANNUAL CAPITAL BUDGET (From Part III, Lines 4-6)	240,813	67,750		
27. MISCELLANEOUS	0	1,496		
28. SUB - TOTAL (25 thru 27)	240,813	69,246	0	
29. TOTAL CASH USES (24 + 28)	934,100	1,928,453	0	
30. NET CASH (DEFICIT) (15 - 29)	203,400	(754,652)	0	
CASH BALANCE				
31. BEGINNING CASH BALANCE		842,077		Operating & T&I
32. ACCRUAL TO CASH ADJUSTMENT (see Part IV)		(19,956)		
33. ENDING CASH BALANCE (30 + 31 + 32)	203,400	67,469	0	

PART II - OPERATING AND MAINTENANCE EXPENSE SCHEDULE

	CURRENT BUDGET	ACTUAL	PROPOSED BUDGET	COMMENTS or (YTD)
1. MAINTENANCE & REPAIRS PAYROLL	40,346	38,923		
2. MAINTENANCE & REPAIRS SUPPLY	27,835	29,460		
3. MAINTENANCE & REPAIRS CONTRACT	27,015	203,783		
4. PAINTING AND DECORATING	11,280	10,269		
5. SNOW REMOVAL				
6. ELEVATOR MAINTENANCE / CONTRACT				
7. GROUNDS	35,488	39,017		
8. SERVICES	26,498			
9. ANNUAL CAPITAL BUDGET (From Part V - Operating)				
10. OTHER OPERATING EXPENSES (Itemize)				
11. SUB - TOTAL MAINT. & OPERATING (1 thru 10)	168,462	321,452	0	
12. ELECTRICITY <i>If Master metered</i>	14,496	13,684		
13. WATER <i>check box on</i>	40,092	44,220		
14. SEWER <i>front</i>	39,276	44,583		
15. FUEL (Oil / Coal / Gas)	3,852	4,688		
16. GARBAGE & TRASH REMOVAL	13,200	11,684		
17. OTHER UTILITIES				
18. SUB - TOTAL UTILITIES (12 thru 17)	110,916	118,859	0	
19. SITE MANAGER PAYROLL	77,550	79,001		
20. MANAGEMENT FEE	44,880	44,583		
21. PROJECT AUDITING EXPENSE	9,400	7,309		
22. PROJECT BOOKKEEPING / ACCOUNTING	0	0		
23. LEGAL EXPENSES	3,492	2,437		
24. ADVERTISING	1,140	1,189		
25. TELEPHONE & ANSWERING SERVICE	6,588	5,148		
26. OFFICE SUPPLIES	3,012	10,056		
27. OFFICE FURNITURE & EQUIPMENT	0	0		
28. TRAINING EXPENSE	7,040	0		
29. HEALTH INS. & OTHER EMP. BENEFITS	21,936	10,876		
30. PAYROLL TAXES	11,253	11,182		
31. WORKMAN'S COMPENSATION	4,093	5,537		
32. OTHER ADMINISTRATIVE EXPENSES (Itemize)	9,285	4,572		
33. SUB - TOTAL ADMINISTRATIVE (19 thru 32)	199,689	181,890	0	
34. REAL ESTATE TAXES	51,616	77,256		
35. SPECIAL ASSESSMENTS	0	0		
36. OTHER TAXES, LICENSES & PERMITS	0	1,062		
37. PROPERTY & LIABILITY INSURANCE	27,660	30,054		
38. FIDELITY COVERAGE INSURANCE	0	0		
39. OTHER INSURANCE	0	0		
40. SUB - TOTAL TAXES & INSURANCE (34 thru 39)	79,276	108,372	0	
41. TOTAL O & M EXPENSES (11 + 18 + 33 + 40)	558,323	730,573	0	

UNAUDITED

Douglass Village

PART III - ACCOUNT BUDGETING / STATUS

	CURRENT BUDGET	ACTUAL	PROPOSED BUDGET	COMMENTS or (YTD)
RESERVE ACCOUNT:				
1. BEGINNING BALANCE		514,102		
2. TRANSFER TO RESERVE	60,060	1,053,528		
TRANSFER FROM RESERVE:				
3. OPERATING DEFICIT				
4. BUILDING REPAIR & IMPROVEMENTS		0		
5. EQUIPMENT REPAIR & REPLACEMENT				
6. OTHER NON - OPERATING EXPENSES - INSURANCE		0		
7. TOTAL (3 thru 6)	0	0	0	
8. ENDING BALANCE [(1 + 2) - 7]	60,060	1,567,630	0	

GENERAL OPERATING ACCOUNT: *

BEGINNING BALANCE	822,694	
ENDING BALANCE	52,755	

REAL ESTATE TAX AND INSURANCE ESCROW ACCOUNT: *

BEGINNING BALANCE	19,383	
ENDING BALANCE	14,714	

TENANT SECURITY DEPOSIT ACCOUNT: *

BEGINNING BALANCE	18,339	
ENDING BALANCE	18,375	

(*Complete upon submission of actual expenses.)

NUMBER OF APPLICANTS ON THE WAITING LIST		RESERVE ACCOUNT REQUIRED BALANCE	
NUMBER OF APPLICANTS NEEDING RA		AMOUNT AHEAD / BEHIND	

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	
2	N	29	0	0	1,015	0	0	29,435	115
3	N	29	0	0	1,139	0	0	33,031	136
4		30	0	0	1,181	0	0	35,430	148
						0	0	0	0
						0	0	0	0
						0	0	0	0
						0	0	0	0
		88	CURRENT RENT TOTALS:			0	0	97,896	
						BASIC	NOTE	HUD	

B. PROPOSED RENTS - Effective Date: January 1, 2013

UNIT DESCRIPTION			RENTAL RATES			POTENTIAL INCOME FROM EACH RATE		
BR SIZE	UNIT TYPE	NUMBER	BASIC	NOTE RATE	HUD	BASIC	NOTE RATE	HUD
2		29			1015	0	0	353,220
3		29			1139	0	0	396,372
4		30			1181	0	0	425,160
						0	0	0
						0	0	0
						0	0	0
						0	0	0
		88	CURRENT RENT TOTALS:			0	0	1,174,752
						BASIC	NOTE	HUD

Dollar per unit increase: 0

C. PROPOSED UTILITY ALLOWANCE - Effective Date:

MONTHLY DOLLAR ALLOWANCES

BR SIZE	UNIT TYPE	NUMBER	ELECTRIC	GAS	WATER	SEWER	TRASH	OTHER	TOTAL
2		29	\$75	\$40					\$115
3		29	\$91	\$45					\$136
4		30	\$96	\$52					\$148
									\$0
									\$0
									\$0

UNAUDITED

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	12	5550					
Refrigerator	4	2388					
Range Hood							
Washers & Dryers							
Other:							
Carpet and Vinyl:							
1 Br.							
2 Br.	3	9600					
3 Br.							
4 Br.							
Other:							
Cabinets:							
Kitchen	3	9000					
Bathrooms							
Other:							
Doors:							
Exterior	2	800					
Interior							
Other:							
Window Coverings:							
Detail							
Other:							
Heating and Air Conditioning:							
Heating	12	114000					
Air conditioning							
Other:							
Plumbing:							
Water Heater	3	1275					
Bath Sinks							
Kitchen Sinks							
Faucets							
Toilets							
Other: Tub Replacemnet							
Major Electrical							
Detail							
Other:							
Structures:							
Windows	3	1260					
Screens							
Walls							
Roofing							
Siding							
Exterior Painting							
Other:							
Paving:							
Asphalt	1	3000					
Concrete							
Seal and Stripe							
Other:							
Landscape and grounds:							
Landscaping							
Lawn Equipment							
Fencing							
Recreation area							
Signs	1	9000					
Other:							
Accessibility features:							
List: Laundry opening							
Other:							
Automation equipment							
Site management							
Common area		4000					
Other:							
Other:							
List: Replacement/Supplies	0	12000					
List: ADA Unit Update		10940					
List: Bath Upgrades, Pipe Rprs, Handrail Repl		56000					
TOTAL CAPITAL EXPENSES:	44	240813	0	0	0	0	0

UNAUDITED

Douglass Village

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.

3/31/14

(DATE)

Mary E. Sweeney

(Signature of Borrower or Borrower's Representative)

CFO/RVP

(Title)

AGENCY APPROVAL (Rural Development Approval Official):

DATE:

COMMENTS:

DOUGLASS VILLAGE LIMITED PARTNERSHIP
(A GEORGIA LIMITED PARTNERSHIP)

SUPPORTING DOCUMENTATION TO FORMS RD 3560-10 AND 3560-7

FOR THE YEARS ENDED DECEMBER 31,

	2013	2012
OPERATING AND MAINTENANCE		
Payroll	\$ 38,923	\$ 40,145
Supplies	29,460	46,406
Security	22,788	24,863
Contracts	180,995	171,141
Painting	10,269	17,886
Grounds	39,017	34,754
Total	\$ 321,452	\$ 335,195
UTILITIES		
Electricity	\$ 13,684	\$ 13,990
Water	44,220	38,947
Sewer	44,583	38,667
Gas	4,688	2,975
Garbage and trash removal	11,684	12,748
Total	\$ 118,859	\$ 107,327
ADMINISTRATIVE		
Site management payroll	\$ 79,001	\$ 76,985
Management fees	44,583	44,455
Accounting and auditing	7,309	7,360
Legal	2,437	5,008
Advertising	1,189	1,824
Telephone and answering service	5,148	5,965
Office supplies	10,056	10,338
Health insurance	10,876	11,086
Payroll taxes	11,182	10,406
Workers' compensation	5,537	2,927
Other administrative expenses	4,572	6,901
Total	\$ 181,890	\$ 183,255
TAXES AND INSURANCE		
Property taxes	\$ 77,256	\$ 67,999
Property insurance	30,054	30,057
Misc taxes	1,062	1,035
Total	\$ 108,372	\$ 99,091

DOUGLASS VILLAGE LIMITED PARTNERSHIP
(A GEORGIA LIMITED PARTNERSHIP)

SUPPORTING DOCUMENTATION TO FORMS RD 3560-10 AND 3560-7
FOR THE YEARS ENDED DECEMBER 31,

	2013	2012
Accounts receivable (3560-10, Line 7)		
Accounts receivable - rental subsidy	\$ 1,057	\$ 1,284
Accounts receivable - tenants	1,888	1,577
	\$ 2,945	\$ 2,861
Accounts payable (3560-10, Line 22)		
Accounts payable and accrued expenses	\$ 42,754	\$ 70,163
Prepaid rents	1,245	1,201
Accrued real estate tax	5,667	-
	\$ 49,666	\$ 71,364
Miscellaneous (3560-7, Part 1 Line 27)		
Bad debts	\$ 1,496	\$ 7,496
	\$ 1,496	\$ 7,496
Accrual to cash adjustments (3560-7, Part 1, Line 32)		
Assets		
Accounts receivable - tenants	\$ (311)	
Accounts receivable - RD	227	
Accounts receivable - other	29,488	
Security deposits	(52)	
Prepayments	1,682	
Liabilities		
Accounts payable and accrued expenses	(27,409)	
Accrued real estate tax	5,667	
Accrued mortgage interest	196	
Prepaid rents	44	
Deferred revenue	(29,488)	
	\$ (19,956)	
Other Administrative Expenses (3560-7 Part II, Line 32)		
Bank service charges	\$ 780	
Other renting expenses	755	
Training	253	
Travel	683	
Printing	1,981	
Miscellaneous	120	
	\$ 4,572	

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT

DOUGLASS VILLAGE LIMITED PARTNERSHIP
(A GEORGIA LIMITED PARTNERSHIP)
CASE NO.: 10-048-581430965

DECEMBER 31, 2014 AND 2013

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KOZAK, POLLEKOFF & GOLDMAN, P.C.
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Partners
Douglass Village Limited Partnership
(A Georgia Limited Partnership)

Report on the Financial Statements

We have audited the accompanying financial statements of Douglass Village Limited Partnership, (a Georgia Limited Partnership) dba Douglas Village, which comprise the balance sheets as of December 31, 2014 and 2013, and the related statements of operations, changes in partners' equity, 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 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 audit to obtain reasonable assurance about whether the financial statements are free from 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 auditors' 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 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.

1950 Old Gallows Road • Suite 440 • Vienna, Virginia 22182

Telephone: 703-506-9700 • Fax: 703-506-9707

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 Douglass Village Limited Partnership, as of December 31, 2014 and 2013, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information on pages 15, 16 and 23 through 32 is presented for purposes of additional analysis and is not a required part of the financial statements.

The accompanying supplementary information shown on pages 15, 16 and 23 through 32 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. Such 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 auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information shown on pages 15, 16 and 23 through 32 is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 16, 2015 on our consideration of Douglass Village Limited Partnership's internal control over financial reporting and on our tests 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 Douglass Village Limited Partnership's internal control over financial reporting and compliance.

Katz, Peltier & Goldman, P.C.

Vienna, Virginia
February 16, 2015
Lead Auditor: Robert A. Kozak

EIN: 54-1639552

DOUGLASS VILLAGE LIMITED PARTNERSHIP
(A GEORGIA LIMITED PARTNERSHIP)

BALANCE SHEETS
DECEMBER 31,

ASSETS

	2014	2013
CURRENT ASSETS		
Cash and cash equivalents	\$ 263,705	\$ 52,755
Accounts receivable - subsidy	6,773	1,057
Accounts receivable - tenants	1,310	1,888
Prepaid expenses	23,828	23,996
Total current assets	295,616	79,696
DEPOSITS HELD IN TRUST - FUNDED		
Tenant security deposits	16,216	18,375
RESTRICTED DEPOSITS AND FUNDED RESERVES		
Mortgage escrow deposits	15,072	14,714
Replacement reserve	1,781,828	1,567,630
Total restricted deposits and funded reserves	1,796,900	1,582,344
PROPERTY AND EQUIPMENT		
Land	79,022	79,022
Land improvements	81,833	81,833
Buildings and improvements	3,971,173	3,957,959
Furnishings and equipment	666,681	656,981
	4,798,709	4,775,795
Less: Accumulated depreciation	(3,542,954)	(3,349,050)
Total property and equipment	1,255,755	1,426,745
Total assets	\$ 3,364,487	\$ 3,107,160

See notes to financial statements

DOUGLASS VILLAGE LIMITED PARTNERSHIP
(A GEORGIA LIMITED PARTNERSHIP)

BALANCE SHEETS - CONTINUED
DECEMBER 31,

LIABILITIES AND PARTNERS' EQUITY

	2014	2013
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 87,681	\$ 42,754
Accrued mortgage interest	1,733	1,896
Accrued real estate tax	-	5,667
Mortgage payable - current portion	54,060	53,520
Prepaid rents	4,078	1,245
Total current liabilities	147,552	105,082
DEPOSITS LIABILITIES		
Tenant security deposits	14,713	14,484
LONG-TERM LIABILITIES		
Mortgage payable, net of current portion	2,055,004	2,108,953
Note payable - limited partner	289,334	289,334
Total long-term liabilities	2,344,338	2,398,287
Total liabilities	2,506,603	2,517,853
PARTNERS' EQUITY		
	857,884	589,307
Total liabilities and partners' equity	\$ 3,364,487	\$ 3,107,160

See notes to financial statements

DOUGLASS VILLAGE LIMITED PARTNERSHIP
(A GEORGIA LIMITED PARTNERSHIP)

STATEMENTS OF OPERATIONS

FOR THE YEARS ENDED DECEMBER 31,

	2014	2013
RENTAL INCOME		
Apartments	\$ 87,598	\$ 89,000
Tenant assistance payments	1,118,858	1,085,752
Potential rental income	1,206,456	1,174,752
Less: Vacancies	(10,765)	(9,935)
Net rental income	1,195,691	1,164,817
Other income:		
Interest income	4,395	3,565
Other income	5,150	5,419
Total other income	9,545	8,984
Total income	1,205,236	1,173,801
EXPENSES		
Operating and maintenance	296,166	321,452
Utilities	134,055	118,859
Administrative	192,822	181,890
Taxes and insurance	97,917	108,372
Bad debts	457	1,496
Interest on mortgage payable	21,338	21,872
Total expenses	742,755	753,941
Income from operations	462,481	419,860
Non-operating (income) and expense:		
Depreciation	193,904	198,134
Total non-operating income and expense	193,904	198,134
Net income	\$ 268,577	\$ 221,726

See notes to financial statement

DOUGLASS VILLAGE LIMITED PARTNERSHIP
(A GEORGIA LIMITED PARTNERSHIP)

STATEMENTS OF CHANGES IN PARTNERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	General Partner	Limited Partners		Total
	CRICO Limited Partnership of Douglassville	Interfaith, Inc.	Capital Housing Partners CXXXI	
Ownership Interest	<u>1.50%</u>	<u>3.50%</u>	<u>95.00%</u>	<u>100.00%</u>
Partners' equity January 1, 2013	\$ 44,958	\$ 104,910	\$ 217,713	\$ 367,581
Net income	<u>3,326</u>	<u>7,760</u>	<u>210,640</u>	<u>221,726</u>
Partners' equity December 31, 2013	48,284	112,670	428,353	589,307
Net income	<u>4,029</u>	<u>9,400</u>	<u>255,148</u>	<u>268,577</u>
Partners' equity December 31, 2014	<u>\$ 52,313</u>	<u>\$ 122,070</u>	<u>\$ 683,501</u>	<u>\$ 857,884</u>

See notes to financial statements

DOUGLASS VILLAGE LIMITED PARTNERSHIP
(A GEORGIA LIMITED PARTNERSHIP)

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31,

	2014	2013
Cash flows from operating activities		
Net income	\$ 268,577	\$ 221,726
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	193,904	198,134
Changes in asset and liabilities		
(Increase) decrease in assets		
Accounts receivable - tenants	578	(311)
Accounts receivable - subsidy	(5,716)	227
Accounts receivable - other	-	29,488
Prepaid expenses	168	1,682
(Increase) decrease in liabilities		
Accounts payable and accrued expenses	44,927	(27,409)
Accrued mortgage interest	(163)	196
Accrued real estate tax	(5,667)	5,667
Prepaid rents	2,833	44
Deferred revenue	-	(29,488)
Tenant security deposits	2,388	(52)
Net cash provided by operating activities	501,829	399,904
Cash flows from investing activities		
Purchase of property and equipment	(22,914)	(67,750)
Net changes in mortgage escrow accounts	(358)	4,669
Net changes in reserve for replacements	(214,198)	(1,053,528)
Net cash used in investing activities	(237,470)	(1,116,609)
Cash flows from financing activities		
Principal payments on mortgage	(53,409)	(53,234)
Net cash used in financing activities	(53,409)	(53,234)
Net increase (decrease) in cash and cash equivalents	210,950	(769,939)
Cash and cash equivalents, beginning	52,755	822,694
Cash and cash equivalents, ending	\$ 263,705	\$ 52,755
Supplemental disclosure of cash flow information		
Cash paid during the year for interest	\$ 21,501	\$ 21,676

See notes to financial statements

DOUGLASS VILLAGE LIMITED PARTNERSHIP
(A GEORGIA LIMITED PARTNERSHIP)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND 2013

NOTE 1 - ORGANIZATION

Dougllass Village Limited Partnership, a limited partnership (the Partnership), was formed on March 27, 1981 under the Uniform Limited Partnership Act of the State of Georgia. Its purpose is to construct, develop, own, maintain and operate a rental housing project under section 515(b) of the Housing Act of 1949. The 88-unit, two story, low-income project consists of 29 two-bedroom units, 29 three-bedroom units and 30 four-bedroom units. The term of the Partnership is fifty-five years. The project is located at 6549 Brown Street, Douglasville, Georgia.

Cash distributions are limited by the loan agreement between the Partnership and USDA/RD to 8 percent of the Partnership's initial investment of \$151,250, amounting to \$12,100 per year, provided the reserve account is funded to the required level. Under the terms of the loan agreement, the Partnership is required to fund the reserve account \$28,548 annually to a maximum of \$285,475. Total reserve funds were \$1,781,828 and \$1,567,630 at December 31, 2014 and 2013, respectively.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Partnership utilizes the accrual basis of accounting, whereby income is recognized as earned and expenses are recognized as obligations are incurred.

Cash and Cash Equivalents

Cash and cash equivalents consist of short-term investments with an original maturity of three months or less, cash on deposit, money market funds and certificates of deposit.

Revenue recognition

Rental revenue attributable to residential operating leases is recorded when due from residents, generally upon the first day of each month for periods of up to one year, and are considered operating leases. Advance receipts of rental income are deferred until earned.

Tenant Receivable and Bad Debt Policy

Tenant rent charges for the current month are due on the first of the month. Tenants who are evicted or move-out are charged with damages or cleaning fees, if applicable. Tenant receivable consists of amounts due for rental income, security deposit or the charges for damages and cleaning fees. The Partnership does not accrue interest on the tenant receivable balances.

The Partnership has established an allowance for doubtful accounts for tenant receivables which are 60 days past due. Tenant receivables are written off in the period management determines that collection is not probable. Included in expenses are bad debts of \$457 and \$1,496 for the years ending December 31, 2014 and 2013, respectively. There is no balance in the allowance account for the years ending December 31, 2014 and 2013.

DOUGLASS VILLAGE LIMITED PARTNERSHIP
(A GEORGIA LIMITED PARTNERSHIP)

NOTES TO FINANCIAL STATEMENTS - CONTINUED

DECEMBER 31, 2014 AND 2013

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Rental Property

Rental property is recorded at cost. Improvements are capitalized, while expenditures for maintenance and repairs are expensed as incurred. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation. The rental property is depreciated over estimated service lives as follows:

Buildings	27.5 years	straight-line
Building Improvements	5 to 27.5 years	straight-line
Land Improvements	15 years	straight-line
Furnishings and Equipment	5 years	straight-line

The Partnership reviews its property and equipment for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the property to the future net undiscounted cash flow expected to be generated by the property including any estimated proceeds from the eventual disposition of the real estate. If the real estate is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the real estate exceeds the fair value of such property. There were no impairment losses recognized in 2014 or 2013.

Partners' Equity

Profit and loss is to be allocated to CRICO (1.5%) ("General Partner"), Interfaith, Inc. (3.5%) and Capital Housing Partners CXXXI (95%) ("Limited Partners"), other than special allocations (as defined by the Partnership Agreement) and certain other items which would be specifically allocated to the partners in accordance with the Partnership Agreement.

Income Taxes

The Partnership has elected to be treated as 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. 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's federal income tax returns for 2013, 2012, and 2011 are subject to examination by the IRS, generally for three years after they were filed.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

DOUGLASS VILLAGE LIMITED PARTNERSHIP
(A GEORGIA LIMITED PARTNERSHIP)

NOTES TO FINANCIAL STATEMENTS – CONTINUED

DECEMBER 31, 2014 AND 2013

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Advertising costs

Advertising costs are expensed as incurred. Advertising expense totaled \$1,291 and \$1,189 for the years ended December 31, 2014 and 2013, respectively.

Subsequent Events

Subsequent events have been evaluated through February 16, 2015, the date these financial statements were available to be released.

NOTE 3 - MORTGAGE PAYABLE

The project is financed by a mortgage loan from USDA/RD in the original amount of \$2,854,750. Pursuant to the USDA/RD loan agreement originating on March 27, 1981, interest accrues at an annual rate of 8.75%. Effective May 1, 2004, the interest rate was reduced to 1% to assist the property financially to complete repairs mandated in the annual inspection and pursuant to the Service Work-Out Plan. See Note 9. In 2014 and 2013, the total interest subsidy was \$208,046 and \$213,245, respectively. Debt service payments on the mortgage loan are due in monthly installments of \$6,242, net of interest subsidy, through April, 2031. Interest is computed daily and application of interest and principal varies depending upon the date payments are applied. The mortgage is collateralized by the rental property.

Estimated aggregate principal payments for each the next five years are as follows:

Year ending December 31,	
2015	\$ 54,060
2016	54,550
2017	55,150
2018	55,700
2019	56,260
Thereafter	<u>1,833,344</u>
	<u>\$2,109,064</u>

DOUGLASS VILLAGE LIMITED PARTNERSHIP
(A GEORGIA LIMITED PARTNERSHIP)

NOTES TO FINANCIAL STATEMENTS – CONTINUED

DECEMBER 31, 2014 AND 2013

NOTE 4 – RELATED PARTIES TRANSACTIONS

Management Fee

The Partnership has entered into a management agreement with CRICO Management Services, LLC (the “Agent”), an entity related to the General Partner, to manage the rental operations of the apartment project. Property management fees expensed were \$44,583 and \$44,583 for the years ended December 31, 2014 and 2013, respectively.

An incentive management fee is payable to CRICO on a non-cumulative basis, not to exceed \$5,000 per year. The fee was payable from cash flow after payment of an annual non-cumulative distribution to the partners of \$10,000, subject to applicable USDA/RD regulations. There were no fees paid during the years ended December 31, 2014 and 2013.

The Partnership has a note payable to Interfaith, Inc., in the amount of \$289,334. The note is non-interest bearing and payable from the proceeds of the sale, refinancing, or liquidation of the property.

NOTE 5 – COMMITMENTS AND CONTINGENCIES

Interest Credit

Under an agreement with UDSA/RD, mortgage subsidy is provided which reduces the effective interest rate on the mortgage to approximately 1% over the life of the Loan Agreement. UDSA/RD may terminate the agreement if it determines that no subsidy is necessary or if the Partnership is determined to be in violation of the Loan Agreement(s) or UDSA/RD rules or regulations.

Rental Assistance Agreement

The U.S. Department of Housing and Urban Development (IHUD) has contracted with the Partnership pursuant to the United States Housing Act of 1937, HAP contract #A-81-313, to make housing assistance payments to the Partnership on behalf of qualified tenants for all apartment units. The contract was renewed for a period of five (5) years under Section 8 beginning January 1, 2013. Housing assistance payments for the year ended December 31, 2014 and 2013 totaled \$1,118,858 and \$1,085,752, or approximately 93% of total income each year.

DOUGLASS VILLAGE LIMITED PARTNERSHIP
(A GEORGIA LIMITED PARTNERSHIP)

NOTES TO FINANCIAL STATEMENTS – CONTINUED

DECEMBER 31, 2014 AND 2013

NOTE 6 – SALE OF PROPERTY

On December 19, 2012, the Partnership deeded .085 acres representing 1% of its land to the Georgia Department of Transportation in connection with their highway expansion program taking place adjacent to the property for the consideration of \$1. In addition, the Partnership has recorded a receivable for \$29,488 from the Georgia Department of Transportation which will be used to cover the costs to move a sewer backflow preventer. Funds in excess of the actual cost of the mentioned improvement will be due back to USDA/RD as an additional loan payment. On January 30, 2013 the Partnership received \$29,488.

NOTE 7 – CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS

The Partnership's sole asset is Douglass Village 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, USDA/RD and the State Housing Agency. Such administrative directives, rules and regulations are subject to change by an act of Congress or an administrative change mandated by USDA/RD or the State Housing Agency. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

NOTE 8 - RETIREMENT PLAN

The Agent set up a 401(k) plan in January 2005. Under the 401(k) plan, employees who are 21 years or older and work a minimum of 1000 hours per year are eligible to participate in the plan. Eligible employees may make a salary reduction election to have a percentage of their salary contributed to the plan. The Partnership makes a matching contribution equal to the employee's salary reduction not to exceed 3% of the employee's compensation. The amount charged to activities during 2014 and 2013 was \$3,436 and \$3,407, respectively.

NOTE 9 - WORK OUT PLAN

On July 26, 2004, the project entered into a Servicing Workout Plan with USDA/RD. The goal of the plan was to facilitate making needed repairs to the project's 88 units and to address the corrective actions outlined in the failed REAC inspection of April 25, 2004. To enable the project financially to make these repairs, the interest rate on the mortgage was decreased to 1% per annum effective May 1, 2004. The Partnership has submitted an application for a two-year extension of the Servicing Workout Plan through December 31, 2015. As of the date of these financial statements, the Partnership has received a verbal approval of the extension from USDA/RD as well as an approval of the 2015 budget which included a continuation of the mortgage interest reduction.

SUPPLEMENTAL INFORMATION

DOUGLASS VILLAGE LIMITED PARTNERSHIP
(A GEORGIA LIMITED PARTNERSHIP)

SUPPLEMENTAL INFORMATION
Changes in Fixed Asset Accounts

YEAR ENDED DECEMBER 31, 2014

	Assets		Accumulated Depreciation		Net Book Value December 31, 2014
	Balance January 1, 2014	Balance December 31, 2014	Balance January 1, 2014	Provisions December 31, 2014	
Land	\$ 79,022	\$ 79,022	\$ -	\$ -	\$ 79,022
Land improvements	81,833	81,833	15,259	5,456	61,118
Buildings and improvements	3,957,959	3,971,173	2,878,580	140,095	952,498
Furnishings and equipment	656,981	666,681	455,211	48,353	163,117
	<u>\$ 4,775,795</u>	<u>\$ 4,798,709</u>	<u>\$ 3,349,050</u>	<u>\$ 193,904</u>	<u>\$ 1,255,755</u>

Fixed asset additions:

Hand Rails	\$ 13,214
Security Camera	9,700
	<u>\$ 22,914</u>

DOUGLASS VILLAGE LIMITED PARTNERSHIP
(A GEORGIA LIMITED PARTNERSHIP)

SUPPLEMENTAL INFORMATION REQUIRED BY RD
FOR THE YEAR ENDED DECEMBER 31, 2014

Management fee calculation

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

	January - December
Total qualified units (88 x 12 months)	1,056
Less: Rent free unit	-
Less: Vacancies	<u>(7)</u>
Total occupied units	1,049
Fee per unit	<u>\$ 42.5</u>
Management fee expense	<u>\$44,583</u>

Insurance Disclosure

The Partnership maintains insurance coverage as follows:

	<u>Deductible</u>	<u>Coverage</u>
Property coverage on buildings	\$10,000	\$7,060,779
Comprehensive business liability	\$ 5,000	\$1,000,000
Fidelity/employee dishonesty	\$15,000	\$2,000,000

Return to Owner

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

Maximum return to owner (See Note 1)	<u>\$12,100</u>
Budgeted return to owner	<u>\$ -</u>
Return to owner paid:	
Investor asset management fee	\$ -
Partnership management fee	-
General Partner distribution	-
Limited Partner distribution	-
	<u>\$ -</u>

**INDEPENDENT AUDITORS' 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
Douglass Village Limited Partnership
(A Georgia Limited Partnership)

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 Standard* issued by the Comptroller General of the United States, the financial statements of Douglass Village Limited Partnership which comprise the balance sheet as of December 31, 2014, and the related statements of operations, changes in partners' equity, and cash flows for the year then ended and the related notes to the financial statements, and have issued our report thereon dated February 16, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Douglass Village Limited Partnership'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 Douglass Village Limited Partnership's internal control. Accordingly, we do not express an opinion on the effectiveness of Douglass Village Limited Partnership'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 *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 Douglass Village Limited Partnership's financial statements are free from 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 such 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 the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hoyek, Palkoff & Goldman, P.C.

Vienna, Virginia
February 16, 2015

DOUGLASS VILLAGE LIMITED PARTNERSHIP
(A GEORGIA LIMITED PARTNERSHIP)

AUDIT FINDINGS ON COMPLIANCE

FOR THE YEAR ENDED DECEMBER 31, 2014

Reportable Conditions of Non Compliance

NONE

**INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON
PROCEDURES**

To the Partners of
Douglass Village Limited Partnership dba Douglass Village
Douglassville, Georgia

and

United States Department of Agriculture Rural Development Newnan Field Service Center
Newnan, Georgia

We have performed the procedures enumerated below, which were agreed to by the United States Department of Agriculture Rural Development and Douglass Village Limited Partnership ("Owner") the owner of Douglass Village ("Project") located in Douglassville, Georgia, solely to assist those parties in evaluating that the accompanying Form RD 3560-10, Multi-Family Housing Borrower Balance Sheet and Form RD 3560-7, Multiple Family Housing Project Budget ("Financial Reports") and Supporting Documentation are prepared by the Borrower in accordance with the criteria specified in USDA/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, 2014. 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 USDA/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:

- I. We examined selected receipts, invoices, and cancelled checks (or check 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 ongoing operations of the project. We selected a representative sample of invoices and supporting documentation, based on the sample size determined by USDA/RD in Attachment 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-23560, and the shipping address agreed to the project address. In addition, we confirmed a sample of the expenditures with the vendors to determine the invoice paid agreed to the vendor's records.

Findings:

Total Number of Invoices in Population:	550
Total Dollar Amount of Invoices in Population:	\$373,203
Total Number of Invoices Reviewed:	46
Total Dollar Amount of Invoices Reviewed:	\$ 79,594

Total Number of Invoices in Vendor Confirmation Sample:	2
Total Dollar Amount of Invoices in Vendor Confirmation Sample:	\$ 5,031
Total Number of Vendor Confirmations Not Received:	-
Total Dollar Amount of Vendor Confirmations Not Received:	\$ -
Total Number of Deviations:	None
Total Dollar Amount of Deviations:	\$ -

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 the number of reserve account withdrawals from the original bank statements and compared the withdrawals to the amounts approved by UDSA/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 UDSA/RD.

Findings:

Total Number of Reserve Account Withdrawals:	None
Total Number of Withdrawals Authorized by Rural Development:	None
Total Dollar Amount of Reserve Account Withdrawals:	\$ -
Total Dollar Amount of Withdrawals Authorized by Rural Development:	\$ -
Total Number of Deviations:	None
Total Dollar Amount of Deviations:	\$ -

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 UDSA/RD on Form RD 3560-12.

3. We obtained the Identity of Interest (IOI) company listing and Form RD 3560-31 from UDSA/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 Rural Development.

Findings:

Total Number of Forms RD 3560-31 Received:	1
Company Name:	Crico Management Services, LLC
Total Number of Invoices in Population:	12
Total Dollar Amount of Invoices in Population:	\$ 44,583
Total Number of Invoices Reviewed:	12
Total Dollar Amount of Invoices Reviewed:	\$ 44,583

- The agreed-upon procedures performed above and the management Representation Letter revealed no undisclosed IOI companies.

We were not engaged to, and did not conduct an audit, the objective of which would be the expression of an opinion on the financial reports and supporting documentation of Douglass Village. 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 Douglass Village, and UDSA/RD, and is not intended to be and should not be used by anyone other than these specified parties.

Wright, Pallett & Alderman, P.C.

Vienna, Virginia
February 16, 2015

UNAUDITED
Position 3
MULTI-FAMILY HOUSING
BORROWER BALANCE SHEET
PART I - BALANCE SHEET

PROJECT NAME Douglass Village	BORROWER NAME Douglass Village Limited Partnership	BORROWER ID AND PROJECT NO. GA-06-R000-08
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	CURRENT YEAR	PRIOR YEAR	COMMENTS
BEGINNING DATES>	(01/01/14)	(01/01/13)	
ENDING DATES>	(12/31/14)	(12/31/13)	

ASSETS

CURRENT ASSETS

1. GENERAL OPERATING ACCOUNT	263,205	52,255	
2. R.E. TAX & INSURANCE ACCOUNT	15,072	14,714	
3. RESERVE ACCOUNT	1,781,828	1,567,630	
4. SECURITY DEPOSIT ACCOUNT	16,216	18,375	
5. OTHER CASH (<i>identify</i>)	500	500	Petty cash
6. OTHER (<i>identify</i>)			
7. TOTAL ACCOUNTS RECEIVABLE (<i>Attach list</i>)	8,083	2,945	
ACCTS RCVBL 0-30 DAYS	\$8,083	0	
ACCTS RCVBL 30-60 DAYS	\$0		
ACCTS RCVBL 60-90 DAYS	\$0		
ACCTS RCVBL OVER 90 DAYS	\$0		
8. LESS: ALLOWANCE FOR DOUBTFUL ACCOUNTS			
9. INVENTORIES (<i>supplies</i>)			
10. PREPAYMENTS	23,828	23,996	
11. ACCOUNTS RECEIVABLE - OTHER		0	
12. TOTAL CURRENT ASSETS (<i>Add 1 thru 11</i>)	\$2,108,732	1,680,415	

FIXED ASSETS

13. LAND	79,022	79,022	
14. BUILDINGS	4,053,006	4,039,792	
15. LESS: ACCUMULATED DEPRECIATION	(3,039,391)	(2,893,840)	
16. FURNITURE & EQUIPMENT	666,681	656,981	
17. LESS: ACCUMULATED DEPRECIATION	(503,563)	(455,210)	
18.			
19. TOTAL FIXED ASSETS (<i>Add 13 thru 18</i>)	1,255,755	1,426,745	

OTHER ASSETS

20.			
21. TOTAL ASSETS (<i>Add 12, 19, and 20</i>)	3,364,487	3,107,160	

LIABILITIES AND OWNERS EQUITY

CURRENT LIABILITIES

22. TOTAL ACCOUNTS PAYABLE (<i>Attach list</i>)	91,759	49,666	
ACCTS PAYABLE 0-30 DAYS	\$91,759		
ACCTS PAYABLE 30-60 DAYS	\$0		
ACCTS PAYABLE 60-90 DAYS	\$0		
ACCTS PAYABLE OVER 90 DAYS	\$0		
23. NOTES PAYABLE (<i>Attach List</i>)		0	
24. SECURITY DEPOSITS	14,713	14,484	
25. TOTAL CURRENT LIABILITIES (<i>Add 22 thru 24</i>)	106,472	64,150	

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.

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LONG-TERM LIABILITIES

26. NOTES PAYABLE RURAL DEVELOPMENT	2,110,797	2,164,369	
27. OTHER (Identify)	289,334	289,334	
28. TOTAL LONG-TERM LIABILITIES (Add 26 and 27)	2,400,131	2,453,703	
29. TOTAL LIABILITIES (Add 25 and 28)	2,506,603	2,517,853	
30. OWNER'S EQUITY (Net Worth) (21 minus 29)	857,884	589,307	
31. TOTAL LIABILITIES AND OWNER'S EQUITY (Add 29 and 30)	3,364,487	3,107,160	

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

3/26/15

(Date)

Mary E. Sweeney

(Signature of Borrower or Borrower's Representative)

CFO/EVP

(Title)

PART II-THIRD PARTY VERIFICATION OF REVIEW

I/We have reviewed the borrower's records. The accompanying balance sheet, and statement of actual budget and income on Form RD 3560-7, is a fair presentation of the borrower's records.

I/We certify that no identity of interest exists between me/us and any individual or organization doing business with the project or borrower.

3/27/15

(Date)

Robert A. Kozak, CPA

(Signature)
Kozak, Bollenkott & Goldman, P.C.
Partner

(Name and Title)
1950 Old Gallows Road, Suite 440
Vienna, VA 22182

(Address)

In lieu of the above verification and signature, a review completed, dated and signed by a person or firm qualified by license or certification is attached.

MULTIPLE FAMILY HOUSING PROJECT BUDGET
UTILITY ALLOWANCE

PROJECT NAME Douglass Village		BORROWER NAME Douglass Village Limited Partnership		BORROWER ID AND PROJECT NO. GA-06-R000-08	
Loan/Transfer Amount		Note Rate Payment \$21,154		IC Payment	
Reporting Period	Budget Type	Project Rental Type	Profit Type	If the following utilities are master metered:	
				0 units of RA - Current	
				number of RA units	
				Borrower Accounting Method	

PART I - CASH FLOW STATEMENT

BEGINNING DATES> ENDING DATES>	CURRENT BUDGET (01/01/14) (12/31/14)	ACTUAL 1/1/2014 12/31/2014	PROPOSED BUDGET	COMMENTS or (YTD)
OPERATIONAL CASH SOURCES				
1. RENTAL INCOME	1,203,946	76,833	-	
2. RHS RENTAL ASSISTANCE RECEIVED		1,118,858		
3. APPLICATION FEES RECEIVED				
4. LAUNDRY AND VENDING	180	88		
5. INTEREST INCOME	3,420	4,395		
6. TENANT CHARGES	4,020	5,062		
7. OTHER - PROJECT SOURCES	0			
8. LESS (Vacancy and Contingency Allowance)	(6,032)		-	
9. LESS (Agency Approved Incentive Allowance)				
10. SUB - TOTAL [(1 thru 7) - (8 & 9)]	1,205,534	1,205,236	0	
NON-OPERATIONAL CASH SOURCES				
11. CASH - NON PROJECT				
12. AUTHORIZED LOAN (Non-RHS)				
13. TRANSFER FROM RESERVE	0	0		
14. SUB - TOTAL (11 thru 13)	0	0	0	
15. TOTAL CASH SOURCES (10 + 14)	1,205,534	1,205,236	0	
OPERATIONAL CASH USES				
16. TOTAL O & M EXPENSES (From Part II)	588,714	720,960	0	
17. RHS DEBT PAYMENT	74,804	74,747		
18. RHS PAYMENT (Overage)				
19. RHS PAYMENT (Late Fee)				
20. REDUCTION IN PRIOR YEAR PAYABLES (See Part IV)				
21. TENANT UTILITY PAYMENTS				
22. TRANSFER TO RESERVE	60,060	214,198		
23. RETURN TO OWNFR/NO ASSET MANAGEMENT FEE	0			
24. SUB - TOTAL (16 thru 23)	723,678	1,009,905	0	
NON-OPERATIONAL CASH USES				
25. AUTHORIZED DEBT PAYMENT (Non-RHS)		0		
26. ANNUAL CAPITAL BUDGET (From Part III, Lines 4-6)	183,924	22,914		
27. MISCELLANEOUS	0	457		
28. SUB - TOTAL (25 thru 27)	183,924	23,371	0	
29. TOTAL CASH USES (24 + 28)	907,602	1,033,276	0	
30. NET CASH (DEFICIT) (15 - 29)	297,932	171,960	0	
CASH BALANCE				
31. BEGINNING CASH BALANCE		67,469		Operating & T&I
32. ACCRUAL TO CASH ADJUSTMENT (see Part IV)		39,348		
33. ENDING CASH BALANCE (30 + 31 + 32)	297,932	278,777	0	

PART II - OPERATING AND MAINTENANCE EXPENSE SCHEDULE

	CURRENT BUDGET	ACTUAL	PROPOSED BUDGET	COMMENTS or (YTD)
1. MAINTENANCE & REPAIRS PAYROLL	40,826	39,012		
2. MAINTENANCE & REPAIRS SUPPLY	28,795	25,604		
3. MAINTENANCE & REPAIRS CONTRACT	21,060	179,234		
4. PAINTING AND DECORATING	12,672	17,392		
5. SNOW REMOVAL				
6. ELEVATOR MAINTENANCE / CONTRACT				
7. GROUNDS	36,836	34,924		
8. SERVICES	25,142			
9. ANNUAL CAPITAL BUDGET (From Part V - Operating)				
10. OTHER OPERATING EXPENSES (Itemize)				
11. SUB - TOTAL MAINT. & OPERATING (1 thru 10)	165,331	296,166	0	
12. ELECTRICITY <i>If Master metered.</i>	14,520	13,525		
13. WATER <i>check box on.</i>	49,056	50,612		
14. SEWER <i>front.</i>	49,200	50,911		
15. FUEL (Oil / Coal / Gas)	6,300	5,208		
16. GARBAGE & TRASH REMOVAL	13,200	13,799		
17. OTHER UTILITIES				
18. SUB - TOTAL UTILITIES (12 thru 17)	132,276	134,055	0	
19. SITE MANAGER PAYROLL	76,893	75,530		
20. MANAGEMENT FEE	44,880	44,583		
21. PROJECT AUDITING EXPENSE	8,000	7,459		
22. PROJECT BOOKKEEPING / ACCOUNTING	0	0		
23. LEGAL EXPENSES	3,972	8,353		
24. ADVERTISING	1,200	1,291		
25. TELEPHONE & ANSWERING SERVICE	5,916	5,617		
26. OFFICE SUPPLIES	3,600	9,991		
27. OFFICE FURNITURE & EQUIPMENT	0	0		
28. TRAINING EXPENSE	6,500	0		
29. HEALTH INS. & OTHER EMP. BENEFITS	14,664	17,467		
30. PAYROLL TAXES	11,968	10,975		
31. WORKMAN'S COMPENSATION	4,112	5,206		
32. OTHER ADMINISTRATIVE EXPENSES (Itemize)	10,542	6,350		
33. SUB - TOTAL ADMINISTRATIVE (19 thru 32)	192,047	192,822	0	
34. REAL ESTATE TAXES	71,400	67,080		
35. SPECIAL ASSESSMENTS	0	0		
36. OTHER TAXES, LICENSES & PERMITS	0	2,463		
37. PROPERTY & LIABILITY INSURANCE	27,660	28,374		
38. FIDELITY COVERAGE INSURANCE	0	0		
39. OTHER INSURANCE	0	0		
40. SUB - TOTAL TAXES & INSURANCE (34 thru 39)	99,060	97,917	0	
41. TOTAL O & M EXPENSES (11 + 18 + 33 + 40) ...	588,714	720,960	0	

UNAUDITED

Douglass Village

PART III - ACCOUNT BUDGETING / STATUS

	CURRENT BUDGET	ACTUAL	PROPOSED BUDGET	COMMENTS or (YTD)
RESERVE ACCOUNT:				
1. BEGINNING BALANCE		1,567,630		
2. TRANSFER TO RESERVE	60,060	214,198		
TRANSFER FROM RESERVE:				
3. OPERATING DEFICIT				
4. BUILDING REPAIR & IMPROVEMENTS		0		
5. EQUIPMENT REPAIR & REPLACEMENT				
6. OTHER NON - OPERATING EXPENSES - INSURANCE		0		
7. TOTAL (3 thru 6)	0	0	0	
8. ENDING BALANCE [(1 + 2) - 7]	60,060	1,781,828	0	

GENERAL OPERATING ACCOUNT: *

BEGINNING BALANCE	52,755	
ENDING BALANCE	263,705	

REAL ESTATE TAX AND INSURANCE ESCROW ACCOUNT: *

BEGINNING BALANCE	14,714	
ENDING BALANCE	15,072	

TENANT SECURITY DEPOSIT ACCOUNT: *

BEGINNING BALANCE	18,375	
ENDING BALANCE	16,216	

(*Complete upon submission of actual expenses.)

NUMBER OF APPLICANTS ON THE WAITING LIST		RESERVE ACCOUNT REQUIRED BALANCE	
NUMBER OF APPLICANTS NEEDING RA		AMOUNT AHEAD / BEHIND	

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	
2	N	29	0	0	1,042	0	0	30,218	115
3	N	29	0	0	1,170	0	0	33,930	136
4		30	0	0	1,213	0	0	36,390	148
						0	0	0	0
						0	0	0	0
						0	0	0	0
						0	0	0	0
						0	0	0	0
		88	CURRENT RENT TOTALS:			0	0	100,538	
						BASIC	NOTE	HUD	

B. PROPOSED RENTS - Effective Date: January 1, 2014

UNIT DESCRIPTION			RENTAL RATES			POTENTIAL INCOME FROM EACH RATE		
BR SIZE	UNIT TYPE	NUMBER	BASIC	NOTE RATE	HUD	BASIC	NOTE RATE	HUD
2		29			1042	0	0	382,616
3		29			1170	0	0	407,160
4		30			1213	0	0	436,680
						0	0	0
						0	0	0
						0	0	0
						0	0	0
						0	0	0
		88	CURRENT RENT TOTALS:			0	0	1,206,456
						BASIC	NOTE	HUD

Dollar per unit increase: 0

C. PROPOSED UTILITY ALLOWANCE - Effective Date:

MONTHLY DOLLAR ALLOWANCES									
BR SIZE	UNIT TYPE	NUMBER	ELECTRIC	GAS	WATER	SEWER	TRASH	OTHER	TOTAL
2		29	\$75	\$40					\$115
3		29	\$82	\$40					\$122
4		30	\$91	\$45					\$136
									\$0
									\$0
									\$0

UNAUDITED

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:							
Rango	8	3704					
Refrigerator	5	3000					
Range Hood							
Washers & Dryers							
Other:							
Carpet and Vinyl:							
1 Br.							
2 Br.	3	9600					
3 Br.							
4 Br.							
Other:							
Cabinets:							
Kitchen	2	6000					
Bathrooms							
Other:							
Doors:							
Exterior	3	1200					
Interior							
Other:							
Window Coverings:							
Detail							
Other:							
Heating and Air Conditioning:							
Heating							
Air conditioning							
Other:							
Plumbing:							
Water Heater	8	3500					
Bath Sinks							
Kitchen Sinks							
Faucets							
Toilets							
Other: Tub Replacemnet							
Major Electrical							
Detail							
Other:							
Structures:							
Windows	1	420					
Screens							
Walls							
Roofing							
Siding							
Exterior Painting							
Other:							
Paving:							
Asphalt	3	15000					
Concrete							
Seal and Stripe							
Other:							
Landscape and grounds:							
Landscaping		4000					
Lawn Equipment							
Fencing							
Recreation area	1	5000					
Signs	3	15000					
Other:							
Accessibility features:							
List: Laundry opening							
Other:							
Automation equipment							
Site management							
Common area		5000					
Other:							
Other:							
List: Replacement/Supplies		24000					
List: ADA Unit Update		10000					
List: Bath Upgrades, Pipe Rprs, Handrail Repl		78500					
TOTAL CAPITAL EXPENSES:	37	183924	0	0	0	0	0

UNAUDITED

Douglass Village

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.

3/26/15
(DATE)

Mary E. Sweeney

(Signature of Borrower or Borrower's Representative)

CFO/EVP
(Title)

AGENCY APPROVAL (Rural Development Approval Official): _____ DATE: _____

COMMENTS: _____

DOUGLASS VILLAGE LIMITED PARTNERSHIP

(A GEORGIA LIMITED PARTNERSHIP)

SUPPORTING DOCUMENTATION TO FORMS RD 3560-10 AND 3560-7

FOR THE YEARS ENDED DECEMBER 31,

	<u>2014</u>	<u>2013</u>
OPERATING AND MAINTENANCE		
Payroll	\$ 39,012	\$ 38,923
Supplies	25,604	29,460
Security	26,134	22,788
Contracts	153,100	180,995
Painting	17,392	10,269
Grounds	34,924	39,017
Total	<u>\$ 296,166</u>	<u>\$ 321,452</u>
UTILITIES		
Electricity	\$ 13,525	\$ 13,684
Water	50,612	44,220
Sewer	50,911	44,583
Gas	5,208	4,688
Garbage and trash removal	13,799	11,684
Total	<u>\$ 134,055</u>	<u>\$ 118,859</u>
ADMINISTRATIVE		
Site management payroll	\$ 75,530	\$ 79,001
Management fees	44,583	44,583
Accounting and auditing	7,459	7,309
Legal	8,353	2,437
Advertising	1,291	1,189
Telephone and answering service	5,617	5,148
Office supplies	9,991	10,056
Health insurance	17,467	10,876
Payroll taxes	10,975	11,182
Workers' compensation	5,206	5,537
Other administrative expenses	6,350	4,572
Total	<u>\$ 192,822</u>	<u>\$ 181,890</u>
TAXES AND INSURANCE		
Property taxes	\$ 67,080	\$ 77,256
Property insurance	28,374	30,054
Misc taxes	2,463	1,062
Total	<u>\$ 97,917</u>	<u>\$ 108,372</u>

DOUGLASS VILLAGE LIMITED PARTNERSHIP

(A GEORGIA LIMITED PARTNERSHIP)

SUPPORTING DOCUMENTATION TO FORMS RD 3560-10 AND 3560-7

FOR THE YEARS ENDED DECEMBER 31,

	<u>2014</u>	<u>2013</u>
Accounts receivable (3560-10, Line 7)		
Accounts receivable - rental subsidy	\$ 6,773	\$ 1,057
Accounts receivable - tenants	1,310	1,888
	<u>\$ 8,083</u>	<u>\$ 2,945</u>
Accounts payable (3560-10, Line 22)		
Accounts payable and accrued expenses	\$ 87,681	\$ 42,754
Prepaid rents	4,078	1,245
Accrued real estate tax	-	5,667
	<u>\$ 91,759</u>	<u>\$ 49,666</u>
Miscellaneous (3560-7, Part I Line 27)		
Bad debts	\$ 457	\$ 1,496
	<u>\$ 457</u>	<u>\$ 1,496</u>
Accrual to cash adjustments (3560-7, Part I, Line 32)		
Assets		
Accounts receivable - tenants	\$ 578	
Accounts receivable - RD	(5,716)	
Accounts receivable - other	-	
Security deposits	2,388	
Prepayments	168	
Liabilities		
Accounts payable and accrued expenses	44,927	
Accrued real estate tax	(5,667)	
Accrued mortgage interest	(163)	
Prepaid rents	2,833	
Deferred revenue	-	
	<u>\$ 39,348</u>	
Other Administrative Expenses (3560-7 Part II, Line 32)		
Bank service charges	\$ 868	
Other renting expenses	628	
Training	2,140	
Travel	788	
Printing	1,905	
Miscellaneous	21	
	<u>\$ 6,350</u>	

CHP (H)

3/8/16

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT

DOUGLASS VILLAGE LIMITED PARTNERSHIP
(A GEORGIA LIMITED PARTNERSHIP)
CASE NO.: 10-048-581430965

DECEMBER 31, 2015 AND 2014

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KOZAK, POLLEKOFF & GOLDMAN, P.C.
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Partners
Douglass Village Limited Partnership
(A Georgia Limited Partnership)

Report on the Financial Statements

We have audited the accompanying financial statements of Douglass Village Limited Partnership, (a Georgia Limited Partnership) dba Douglas Village, which comprise the balance sheets as of December 31, 2015 and 2014, and the related statements of operations, changes in partners' equity, 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 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 audit to obtain reasonable assurance about whether the financial statements are free from 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 auditors' 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 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.

1950 Old Gallows Road • Suite 440 • Vienna, Virginia 22182

Telephone: 703-506-9700 • Fax: 703-506-9707

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 Douglass Village Limited Partnership, as of December 31, 2015 and 2014, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information on pages 15, 16 and 23 through 32 is presented for purposes of additional analysis and is not a required part of the financial statements.

The accompanying supplementary information shown on pages 15, 16 and 23 through 32 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. Such 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 auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information shown on pages 15, 16 and 23 through 32 is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 12, 2016 on our consideration of Douglass Village Limited Partnership's internal control over financial reporting and on our tests 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 Douglass Village Limited Partnership's internal control over financial reporting and compliance.

Thom, Pellitteri & Goldman, P.C.

Vienna, Virginia
February 12, 2016
Lead Auditor: Robert A. Kozak

EIN: 54-1639552

DOUGLASS VILLAGE LIMITED PARTNERSHIP
(A GEORGIA LIMITED PARTNERSHIP)

BALANCE SHEETS
DECEMBER 31,

ASSETS

	2015	2014
CURRENT ASSETS		
Cash and cash equivalents	\$ 226,394	\$ 263,705
Accounts receivable - subsidy	6,101	6,773
Accounts receivable - tenants	1,466	1,310
Prepaid expenses	25,325	23,828
Total current assets	259,286	295,616
DEPOSITS HELD IN TRUST - FUNDED		
Tenant security deposits	16,248	16,216
RESTRICTED DEPOSITS AND FUNDED RESERVES		
Mortgage escrow deposits	13,857	15,072
Replacement reserve	2,246,394	1,781,828
Total restricted deposits and funded reserves	2,260,251	1,796,900
PROPERTY AND EQUIPMENT		
Land	79,022	79,022
Land improvements	81,833	81,833
Buildings and improvements	3,971,173	3,971,173
Furnishings and equipment	666,681	666,681
	4,798,709	4,798,709
Less: Accumulated depreciation	(3,737,339)	(3,542,954)
Total property and equipment	1,061,370	1,255,755
Total assets	\$ 3,597,155	\$ 3,364,487

See notes to financial statements

DOUGLASS VILLAGE LIMITED PARTNERSHIP
(A GEORGIA LIMITED PARTNERSHIP)

BALANCE SHEETS - CONTINUED
DECEMBER 31,

LIABILITIES AND PARTNERS' EQUITY

	2015	2014
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 46,029	\$ 87,681
Accrued mortgage interest	1,633	1,733
Mortgage payable - current portion	54,550	54,060
Prepaid rents	12,634	4,078
Total current liabilities	114,846	147,552
DEPOSITS LIABILITIES		
Tenant security deposits	14,113	14,713
LONG-TERM LIABILITIES		
Mortgage payable, net of current portion	2,000,505	2,055,004
Note payable - limited partner	289,334	289,334
Total long-term liabilities	2,289,839	2,344,338
Total liabilities	2,418,798	2,506,603
PARTNERS' EQUITY		
	1,178,357	857,884
Total liabilities and partners' equity	\$ 3,597,155	\$ 3,364,487

See notes to financial statements

DOUGLASS VILLAGE LIMITED PARTNERSHIP
(A GEORGIA LIMITED PARTNERSHIP)

STATEMENTS OF OPERATIONS

FOR THE YEARS ENDED DECEMBER 31,

	2015	2014
RENTAL INCOME		
Apartments	\$ 104,142	\$ 87,598
Tenant assistance payments	1,126,238	1,118,858
Potential rental income	1,230,380	1,206,456
Less: Vacancies	(21,256)	(10,765)
Net rental income	1,209,124	1,195,691
Other income:		
Interest income	4,698	4,395
Other income	5,223	5,150
Total other income	9,921	9,545
Total income	1,219,045	1,205,236
EXPENSES		
Operating and maintenance	247,671	296,166
Utilities	145,434	134,055
Administrative	183,324	192,822
Taxes and insurance	100,865	97,917
Bad debts	6,092	457
Interest on mortgage payable	20,801	21,338
Total expenses	704,187	742,755
Income from operations	514,858	462,481
Non-operating (income) and expense:		
Depreciation	194,385	193,904
Total non-operating income and expense	194,385	193,904
Net income	\$ 320,473	\$ 268,577

See notes to financial statement

DOUGLASS VILLAGE LIMITED PARTNERSHIP
(A GEORGIA LIMITED PARTNERSHIP)

STATEMENTS OF CHANGES IN PARTNERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	General Partner	Limited Partners		Total
	CRICO Limited Partnership of Douglasville	Interfaith, Inc.	Capital Housing Partners CXXXI	
Ownership Interest	<u>1.50%</u>	<u>3.50%</u>	<u>95.00%</u>	<u>100.00%</u>
Partners' equity January 1, 2014	\$ 48,284	\$ 112,670	\$ 428,353	\$ 589,307
Net income	<u>4,029</u>	<u>9,400</u>	<u>255,148</u>	<u>268,577</u>
Partners' equity December 31, 2014	52,313	122,070	683,501	857,884
Net income	<u>4,807</u>	<u>11,217</u>	<u>304,449</u>	<u>320,473</u>
Partners' equity December 31, 2015	<u>\$ 57,120</u>	<u>\$ 133,287</u>	<u>\$ 987,950</u>	<u>\$ 1,178,357</u>

See notes to financial statements

DOUGLASS VILLAGE LIMITED PARTNERSHIP
(A GEORGIA LIMITED PARTNERSHIP)

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31,

	2015	2014
Cash flows from operating activities		
Net income	\$ 320,473	\$ 268,577
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	194,385	193,904
Changes in asset and liabilities		
(Increase) decrease in assets		
Accounts receivable - tenants	(156)	578
Accounts receivable - subsidy	3,500	(5,716)
Prepaid expenses	(1,497)	168
(Increase) decrease in liabilities		
Accounts payable and accrued expenses	(41,652)	44,927
Accrued mortgage interest	(100)	(163)
Accrued real estate tax	-	(5,667)
Prepaid rents	5,728	2,833
Tenant security deposits	(632)	2,388
Net cash provided by operating activities	480,049	501,829
Cash flows from investing activities		
Purchase of property and equipment	-	(22,914)
Net changes in mortgage escrow accounts	1,215	(358)
Net changes in reserve for replacements	(464,566)	(214,198)
Net cash used in investing activities	(463,351)	(237,470)
Cash flows from financing activities		
Principal payments on mortgage	(54,009)	(53,409)
Net cash used in financing activities	(54,009)	(53,409)
Net (decrease) increase in cash and cash equivalents	(37,311)	210,950
Cash and cash equivalents, beginning	263,705	52,755
Cash and cash equivalents, ending	\$ 226,394	\$ 263,705
Supplemental disclosure of cash flow information		
Cash paid during the year for interest	\$ 20,901	\$ 21,501

See notes to financial statements

DOUGLASS VILLAGE LIMITED PARTNERSHIP
(A GEORGIA LIMITED PARTNERSHIP)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015 AND 2014

NOTE 1 - ORGANIZATION

Douglass Village Limited Partnership, a limited partnership (the Partnership), was formed on March 27, 1981 under the Uniform Limited Partnership Act of the State of Georgia. Its purpose is to construct, develop, own, maintain and operate a rental housing project under section 515(b) of the Housing Act of 1949. The 88-unit, two story, low-income project consists of 29 two-bedroom units, 29 three-bedroom units and 30 four-bedroom units. The term of the Partnership is fifty-five years. The project is located at 6549 Brown Street, Douglasville, Georgia.

Cash distributions are limited by the loan agreement between the Partnership and USDA/RD to 8 percent of the Partnership's initial investment of \$151,250, amounting to \$12,100 per year, provided the reserve account is funded to the required level. Under the terms of the loan agreement, the Partnership is required to fund the reserve account \$28,548 annually to a maximum of \$285,475. Total reserve funds were \$2,246,394 and \$1,781,828 at December 31, 2015 and 2014, respectively.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Partnership utilizes the accrual basis of accounting, whereby income is recognized as earned and expenses are recognized as obligations are incurred.

Cash and Cash Equivalents

Cash and cash equivalents consist of short-term investments with an original maturity of three months or less, cash on deposit, money market funds and certificates of deposit.

Revenue recognition

Rental revenue attributable to residential operating leases is recorded when due from residents, generally upon the first day of each month for periods of up to one year, and are considered operating leases. Advance receipts of rental income are deferred until earned.

Tenant Receivable and Bad Debt Policy

Tenant rent charges for the current month are due on the first of the month. Tenants who are evicted or move-out are charged with damages or cleaning fees, if applicable. Tenant receivable consists of amounts due for rental income, security deposit or the charges for damages and cleaning fees. The Partnership does not accrue interest on the tenant receivable balances.

The Partnership has established an allowance for doubtful accounts for tenant receivables which are 60 days past due. Tenant receivables are written off in the period management determines that collection is not probable. Included in expenses are bad debts of \$6,092 and \$457 for the years ending December 31, 2015 and 2014, respectively. There is no balance in the allowance account for the years ending December 31, 2015 and 2014.

DOUGLASS VILLAGE LIMITED PARTNERSHIP
(A GEORGIA LIMITED PARTNERSHIP)

NOTES TO FINANCIAL STATEMENTS - CONTINUED

DECEMBER 31, 2015 AND 2014

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Rental Property

Rental property is recorded at cost. Improvements are capitalized, while expenditures for maintenance and repairs are expensed as incurred. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation. The rental property is depreciated over estimated service lives as follows:

Buildings	27.5 years	straight-line
Building Improvements	5 to 27.5 years	straight-line
Land Improvements	15 years	straight-line
Furnishings and Equipment	5 years	straight-line

The Partnership reviews its property and equipment for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the property to the future net undiscounted cash flow expected to be generated by the property including any estimated proceeds from the eventual disposition of the real estate. If the real estate is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the real estate exceeds the fair value of such property. There were no impairment losses recognized in 2015 or 2014.

Partners' Equity

Profit and loss is to be allocated to CRICO (1.5%) ("General Partner"), Interfaith, Inc. (3.5%) and Capital Housing Partners CXXXI (95%) ("Limited Partners"), other than special allocations (as defined by the Partnership Agreement) and certain other items which would be specifically allocated to the partners in accordance with the Partnership Agreement.

Income Taxes

The Partnership has elected to be treated as 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. 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's federal income tax returns for 2014, 2013, and 2012 are subject to examination by the IRS, generally for three years after they were filed.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

DOUGLASS VILLAGE LIMITED PARTNERSHIP
(A GEORGIA LIMITED PARTNERSHIP)

NOTES TO FINANCIAL STATEMENTS – CONTINUED

DECEMBER 31, 2015 AND 2014

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Advertising costs

Advertising costs are expensed as incurred. Advertising expense totaled \$1,231 and \$1,291 for the years ended December 31, 2015 and 2014, respectively.

Subsequent Events

Subsequent events have been evaluated through February 12, 2016, the date these financial statements were available to be released.

NOTE 3 - MORTGAGE PAYABLE

The project is financed by a mortgage loan from USDA/RD in the original amount of \$2,854,750. Pursuant to the USDA/RD loan agreement originating on March 27, 1981, interest accrues at an annual rate of 8.75%. Effective May 1, 2004, the interest rate was reduced to 1% to assist the property financially to complete repairs mandated in the annual inspection and pursuant to the Service Work-Out Plan. See Note 9. In 2015 and 2014, the total interest subsidy was \$202,799 and \$208,046, respectively. Debt service payments on the mortgage loan are due in monthly installments of \$6,242, net of interest subsidy, through April, 2031. Interest is computed daily and application of interest and principal varies depending upon the date payments are applied. The mortgage is collateralized by the rental property.

Estimated aggregate principal payments for each the next five years are as follows:

Year ending December 31,	
2016	\$ 54,550
2017	55,150
2018	55,700
2019	56,260
2020	56,700
Thereafter	<u>1,776,695</u>
	<u>\$2,055,055</u>

DOUGLASS VILLAGE LIMITED PARTNERSHIP
(A GEORGIA LIMITED PARTNERSHIP)

NOTES TO FINANCIAL STATEMENTS – CONTINUED

DECEMBER 31, 2015 AND 2014

NOTE 4 – RELATED PARTIES TRANSACTIONS

Management Fee

The Partnership has entered into a management agreement with CRICO Management Services, LLC (the “Agent”), an entity related to the General Partner, to manage the rental operations of the apartment project. Property management fees expensed were \$44,073 and \$44,583 for the years ended December 31, 2015 and 2014, respectively.

An incentive management fee is payable to CRICO on a non-cumulative basis, not to exceed \$5,000 per year. The fee was payable from cash flow after payment of an annual non-cumulative distribution to the partners of \$10,000, subject to applicable USDA/RD regulations. There were no fees paid during the years ended December 31, 2015 and 2014.

The Partnership has a note payable to Interfaith, Inc., in the amount of \$289,334. The note is non-interest bearing and payable from the proceeds of the sale, refinancing, or liquidation of the property.

NOTE 5 – COMMITMENTS AND CONTINGENCIES

Interest Credit

Under an agreement with USDA/RD, mortgage subsidy is provided which reduces the effective interest rate on the mortgage to approximately 1% over the life of the Loan Agreement. USDA/RD may terminate the agreement if it determines that no subsidy is necessary or if the Partnership is determined to be in violation of the Loan Agreement(s) or USDA/RD rules or regulations.

Rental Assistance Agreement

The U.S. Department of Housing and Urban Development (HUD) has contracted with the Partnership pursuant to the United States Housing Act of 1937, HAP contract #A-81-313, to make housing assistance payments to the Partnership on behalf of qualified tenants for all apartment units. The contract was renewed for a period of five (5) years under Section 8 beginning January 1, 2013. Housing assistance payments for the year ended December 31, 2015 and 2014 totaled \$1,126,238 and \$1,118,858, or approximately 93% of total income each year.

DOUGLASS VILLAGE LIMITED PARTNERSHIP
(A GEORGIA LIMITED PARTNERSHIP)

NOTES TO FINANCIAL STATEMENTS – CONTINUED

DECEMBER 31, 2015 AND 2014

NOTE 6 – SALE OF PROPERTY

On December 19, 2012, the Partnership deeded .085 acres representing 1% of its land to the Georgia Department of Transportation in connection with their highway expansion program taking place adjacent to the property for the consideration of \$1. In addition, the Partnership has recorded a receivable for \$29,488 from the Georgia Department of Transportation which will be used to cover the costs to move a sewer backflow preventer. Funds in excess of the actual cost of the mentioned improvement will be due back to USDA/RD as an additional loan payment. On January 30, 2013 the Partnership received \$29,488.

NOTE 7 – CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS

The Partnership's sole asset is Douglass Village 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, USDA/RD and the State Housing Agency. Such administrative directives, rules and regulations are subject to change by an act of Congress or an administrative change mandated by USDA/RD or the State Housing Agency. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

NOTE 8 - RETIREMENT PLAN

The Agent set up a 401(k) plan in January 2005. Under the 401(k) plan, employees who are 21 years or older and work a minimum of 1000 hours per year are eligible to participate in the plan. Eligible employees may make a salary reduction election to have a percentage of their salary contributed to the plan. The Partnership makes a matching contribution equal to the employee's salary reduction not to exceed 3% of the employee's compensation. The amount charged to activities during 2015 and 2014 was \$2,502 and \$3,436, respectively.

NOTE 9 - WORK OUT PLAN

On July 26, 2004, the project entered into a Servicing Workout Plan with USDA/RD. The goal of the plan was to facilitate making needed repairs to the project's 88 units and to address the corrective actions outlined in the failed REAC inspection of April 25, 2004. To enable the project financially to make these repairs, the interest rate on the mortgage was decreased to 1% per annum effective May 1, 2004. The Partnership has submitted an application for a two-year extension of the Servicing Workout Plan through December 31, 2015. As of the date of these financial statements, the Partnership has received a verbal approval of the extension from USDA/RD as well as an approval of the 2015 budget which included a continuation of the mortgage interest reduction.

SUPPLEMENTAL INFORMATION

DOUGLASS VILLAGE LIMITED PARTNERSHIP
(A GEORGIA LIMITED PARTNERSHIP)

SUPPLEMENTAL INFORMATION
Changes in Fixed Asset Accounts

YEAR ENDED DECEMBER 31, 2015

	Assets		Accumulated Depreciation		Net Book Value December 31, 2015
	Balance January 1, 2015	Balance December 31, 2015	Balance January 1, 2015	Balance December 31, 2015	
		Additions	Provisions		
Land	\$ 79,022	\$ -	\$ -	\$ -	\$ 79,022
Land improvements	81,833	-	5,456	26,171	55,662
Buildings and improvements	3,971,173	-	140,576	3,159,251	811,922
Furnishings and equipment	666,681	-	48,353	551,917	114,764
	<u>\$ 4,798,709</u>	<u>\$ -</u>	<u>\$ 194,385</u>	<u>\$ 3,737,339</u>	<u>\$ 1,061,370</u>

DOUGLASS VILLAGE LIMITED PARTNERSHIP
(A GEORGIA LIMITED PARTNERSHIP)

SUPPLEMENTAL INFORMATION REQUIRED BY RD

FOR THE YEAR ENDED DECEMBER 31, 2015

Management fee calculation

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

	January - December
Total qualified units (88 x 12 months)	1,056
Less: Rent free unit	-
Less: Vacancies	<u>(19)</u>
Total occupied units	1,037
Fee per unit	<u>\$ 42.5</u>
Management fee expense	<u>\$44,073</u>

Insurance Disclosure

The Partnership maintains insurance coverage as follows:

	<u>Deductible</u>	<u>Coverage</u>
Property coverage on buildings	\$10,000	\$7,060,779
Comprehensive business liability	\$ 5,000	\$1,000,000
Fidelity/employee dishonesty	\$15,000	\$2,000,000

Return to Owner

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

Maximum return to owner (See Note 1)	<u>\$12,100</u>
Budgeted return to owner	<u>\$ -</u>
Return to owner paid:	
Investor asset management fee	\$ -
Partnership management fee	-
General Partner distribution	-
Limited Partner distribution	-
	<u>\$ -</u>

**INDEPENDENT AUDITORS' 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
Douglass Village Limited Partnership
(A Georgia Limited Partnership)

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 Standard* issued by the Comptroller General of the United States, the financial statements of Douglass Village Limited Partnership which comprise the balance sheet as of December 31, 2015, and the related statements of operations, changes in partners' equity, and cash flows for the year then ended and the related notes to the financial statements, and have issued our report thereon dated February 12, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Douglass Village Limited Partnership'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 Douglass Village Limited Partnership's internal control. Accordingly, we do not express an opinion on the effectiveness of Douglass Village Limited Partnership'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 *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 Douglass Village Limited Partnership's financial statements are free from 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 such 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 the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wyzk, Pullerhoff & Goldman, P.C.

Vienna, Virginia
February 12, 2016

DOUGLASS VILLAGE LIMITED PARTNERSHIP
(A GEORGIA LIMITED PARTNERSHIP)

AUDIT FINDINGS ON COMPLIANCE

FOR THE YEAR ENDED DECEMBER 31, 2015

Reportable Conditions of Non Compliance

NONE

**INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON
PROCEDURES**

To the Partners of
Douglass Village Limited Partnership dba Douglass Village
Douglassville, Georgia

and

United States Department of Agriculture Rural Development Newnan Field Service Center
Newnan, Georgia

We have performed the procedures enumerated below, which were agreed to by the United States Department of Agriculture Rural Development and Douglass Village Limited Partnership ("Owner") the owner of Douglass Village ("Project") located in Douglassville, Georgia, solely to assist those parties in evaluating that the accompanying Form RD 3560-10, Multi-Family Housing Borrower Balance Sheet and Form RD 3560-7, Multiple Family Housing Project Budget ("Financial Reports") and Supporting Documentation are prepared by the Borrower in accordance with the criteria specified in USDA/RD Regulations contained in 7 CFR 3560 section 303(b) and section 306, in accordance with the determinations noted in Attachment 4-D of RD Handbook HB-2-3560, for the year ended December 31, 2015. The owner is responsible for the presentation of the financial reports. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. The sufficiency of these procedures is solely the responsibility of USDA/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 check 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 ongoing operations of the project. We selected a representative sample of invoices and supporting documentation, based on the sample size determined by USDA/RD in Attachment 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-23560, and the shipping address agreed to the project address. In addition, we confirmed a sample of the expenditures with the vendors to determine the invoice paid agreed to the vendor's records.

Findings:

Total Number of Invoices in Population:	997
Total Dollar Amount of Invoices in Population:	\$430,995
Total Number of Invoices Reviewed:	78
Total Dollar Amount of Invoices Reviewed:	\$ 61,088

Total Number of Invoices in Vendor Confirmation Sample:	2
Total Dollar Amount of Invoices in Vendor Confirmation Sample:	\$ 4,440
Total Number of Vendor Confirmations Not Received:	-
Total Dollar Amount of Vendor Confirmations Not Received:	\$ -
Total Number of Deviations:	None
Total Dollar Amount of Deviations:	\$ -

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 the number of reserve account withdrawals from the original bank statements and compared the withdrawals to the amounts approved by UDSA/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 UDSA/RD.

Findings:

Total Number of Reserve Account Withdrawals:	None
Total Number of Withdrawals Authorized by Rural Development:	None
Total Dollar Amount of Reserve Account Withdrawals:	\$ -
Total Dollar Amount of Withdrawals Authorized by Rural Development:	\$ -
Total Number of Deviations:	None
Total Dollar Amount of Deviations:	\$ -

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 UDSA/RD on Form RD 3560-12.

3. We obtained the Identity of Interest (IOI) company listing and Form RD 3560-31 from UDSA/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 Rural Development.

Findings:

Total Number of Forms RD 3560-31 Received:	1
Company Name:	Crico Management Services, LLC
Total Number of Invoices in Population:	12
Total Dollar Amount of Invoices in Population:	\$ 47,073
Total Number of Invoices Reviewed:	12
Total Dollar Amount of Invoices Reviewed:	\$ 47,073

The agreed-upon procedures performed above and the management Representation Letter revealed no undisclosed IOI companies.

We were not engaged to, and did not conduct an audit, the objective of which would be the expression of an opinion on the financial reports and supporting documentation of Douglass Village. 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 Douglass Village, and USDA/RD, and is not intended to be and should not be used by anyone other than these specified parties.

Theresa Pelleroff & Addman, P.C.

Vienna, Virginia
February 12, 2016

Form RD 3560-10
(02-05)

UNAUDITED
Part 3
MULTI-FAMILY HOUSING
BORROWER BALANCE SHEET
PART 1 - BALANCE SHEET

FORM APPROVED
OMB NO. 0575-0189

PROJECT NAME	BORROWER NAME	BORROWER ID AND PROJECT NO.		
Douglass Village	Douglass Village Limited Partnership	GA-06-R000-08		
		CURRENT YEAR	PRIOR YEAR	COMMENTS
		(01/01/15) (12/31/15)	(01/01/14) (12/31/14)	
ASSETS				
BEGINNING DATES>				
ENDING DATES>				
CURRENT ASSETS				
1. GENERAL OPERATING ACCOUNT.....		225,894	263,205	
2. R.E. TAX & INSURANCE ACCOUNT.....		13,857	15,072	
3. RESERVE ACCOUNT.....		2,246,394	1,781,828	
4. SECURITY DEPOSIT ACCOUNT.....		16,248	16,216	
5. OTHER CASH (<i>identify</i>).....		500	500	Petty-cash
6. OTHER (<i>identify</i>).....				
7. TOTAL ACCOUNTS RECEIVABLE (<i>Attach list</i>).....		7,567	8,083	
ACCTS RCVBL 0-30 DAYS	\$7,567		0	
ACCTS RCVBL 30-60 DAYS	\$0			
ACCTS RCVBL 60-90 DAYS	\$0			
ACCTS RCVBL OVER 90 DAYS	\$0			
8. LESS: ALLOWANCE FOR DOUBTFUL ACCOUNTS.....				
9. INVENTORIES (<i>supplies</i>).....				
10. PREPAYMENTS.....		25,325	23,828	
11. ACCOUNTS RECEIVABLE - OTHER.....			0	
12. TOTAL CURRENT ASSETS (<i>Add 1 thru 11</i>).....		\$2,535,785	2,108,732	
FIXED ASSETS				
13. LAND.....		79,022	79,022	
14. BUILDINGS.....		4,053,006	4,053,006	
15. LESS: ACCUMULATED DEPRECIATION.....		(3,185,423)	(3,039,391)	
16. FURNITURE & EQUIPMENT.....		666,681	666,681	
17. LESS: ACCUMULATED DEPRECIATION.....		(551,916)	(503,563)	
18.....				
19. TOTAL FIXED ASSETS (<i>Add 13 thru 18</i>).....		1,061,370	1,255,755	
OTHER ASSETS				
20.....				
21. TOTAL ASSETS (<i>Add 12, 19, and 20</i>).....		3,597,155	3,364,487	
LIABILITIES AND OWNERS EQUITY				
CURRENT LIABILITIES				
22. TOTAL ACCOUNTS PAYABLE (<i>Attach list</i>).....		58,663	91,759	
ACCTS PAYABLE 0-30 DAYS	\$58,663			
ACCTS PAYABLE 30-60 DAYS	\$0			
ACCTS PAYABLE 60-90 DAYS	\$0			
ACCTS PAYABLE OVER 90 DAYS	\$0			
23. NOTES PAYABLE (<i>Attach List</i>).....			0	
24. SECURITY DEPOSITS.....		14,113	14,713	
25. TOTAL CURRENT LIABILITIES (<i>Add 22 thru 24</i>).....		72,776	106,472	

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.

UNAUDITED

LONG-TERM LIABILITIES

26. NOTES PAYABLE RURAL DEVELOPMENT	2,056,688	2,110,797
27. OTHER (Identify)	289,334	289,334
28. TOTAL LONG-TERM LIABILITIES (Add 26 and 27)	2,346,022	2,400,131
29. TOTAL LIABILITIES (Add 25 and 28)	2,418,798	2,506,603
30. OWNER'S EQUITY (Net Worth) (21 minus 29)	1,178,357	857,884
31. TOTAL LIABILITIES AND OWNER'S EQUITY (Add 29 and 30)	3,597,155	3,364,487

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.

3/4/2016

(Date)

Mary E. Sweeney

(Signature of Borrower or Borrower's Representative)

CFO/EVP

(Title)

PART II-THIRD PARTY VERIFICATION OF REVIEW

I/We have reviewed the borrower's records. The accompanying balance sheet, and statement of actual budget and income on Form RD 3560-7, is a fair presentation of the borrower's records.

I/We certify that no identity of interest exists between me/us and any individual or organization doing business with the project or borrower.

March 8, 2016

(Date)

Robert O. Kozak, CPA

Kozak, Pollock & Goldstein, P.C.
Partner

1950 Old Gallows Road, Suite 440
Vienna, VA 22182

(Address)

In lieu of the above verification and signature, a review completed, dated and signed by a person or firm qualified by license or certification is attached.

USDA

UNAUDITED

FORM APPROVED

Form RD 3560-7
(Rev. 05-05)

MULTIPLE FAMILY HOUSING PROJECT BUDGET

OMB NO. 0575-0189

UTILITY ALLOWANCE

PROJECT NAME Douglass Village		BORROWER NAME Douglass Village Limited Partnership		BORROWER ID AND PROJECT NO. GA-06-R000-06	
Loan/Transfer Amount		Note Rate Payment	\$21,154	IC Payment	
Reporting Period	Budget Type	Project Rental Type	Profit Type	The following Dates are matter entered:	
				0 units of RA, Current	
				number of RA units	
				Borrower Accounting Method	

PART I - CASH FLOW STATEMENT

BEGINNING DATES> ENDING DATES>	CURRENT BUDGET (01/01/15) (12/31/15)	ACTUAL 1/1/2015 12/31/2015	PROPOSED BUDGET	COMMENTS or (YTD)
OPERATIONAL CASH SOURCES				
1. RENTAL INCOME	1,172,228	82,886	-	
2. RHS RENTAL ASSISTANCE RECEIVED		1,126,238		
3. APPLICATION FEES RECEIVED				
4. LAUNDRY AND VENDING	240	65		
5. INTEREST INCOME	600	4,698		
6. TENANT CHARGES	5,040	5,158		
7. OTHER - PROJECT SOURCES	0			
8. LESS (Vacancy and Contingency Allowance)	(11,748)			
9. LESS (Agency Approved Incentive Allowance)				
10. SUB - TOTAL ((1 thru 7) - (8 & 9))	1,166,360	1,219,045	0	
NON-OPERATIONAL CASH SOURCES				
11. CASH - NON PROJECT				
12. AUTHORIZED LOAN (Non-RHS)				
13. TRANSFER FROM RESERVE	0	0		
14. SUB - TOTAL (11 thru 13)	0	0	0	
15. TOTAL CASH SOURCES (10 + 14)	1,166,360	1,219,045	0	
OPERATIONAL CASH USES				
16. TOTAL O & M EXPENSES (From Part II)	608,130	677,294	0	
17. RHS DEBT PAYMENT	253,854	74,310		
18. RHS PAYMENT (Overage)				
19. RHS PAYMENT (Late Fee)				
20. REDUCTION IN PRIOR YEAR PAYABLES (See Part IV)				
21. TENANT UTILITY PAYMENTS				
22. TRANSFER TO RESERVE	80,000	463,351		
23. RETURN TO OWNER/NO ASSET MANAGEMENT FEE	0			
24. SUB - TOTAL (16 thru 23)	921,984	1,214,955	0	
NON-OPERATIONAL CASH USES				
25. AUTHORIZED DEBT PAYMENT (Non-RHS)	0	0		
26. ANNUAL CAPITAL BUDGET (From Part III, Lines 4-6)	27,089	0		
27. MISCELLANEOUS	0	6,092		
28. SUB - TOTAL (25 thru 27)	27,089	6,092	0	
29. TOTAL CASH USES (24 + 28)	949,073	1,221,047	0	
30. NET CASH (DEFICIT) (15 - 29)	217,287	(2,002)	0	
CASH BALANCE				
31. BEGINNING CASH BALANCE		263,205		
32. ACCRUAL TO CASH ADJUSTMENT (see Part IV)		(35,309)		
33. ENDING CASH BALANCE (30 + 31 + 32)	217,287	225,694	0	

PART II - OPERATING AND MAINTENANCE EXPENSE SCHEDULE

	CURRENT BUDGET	ACTUAL	PROPOSED BUDGET	COMMENTS or (YTD)
1. MAINTENANCE & REPAIRS PAYROLL	40,826	40,311		
2. MAINTENANCE & REPAIRS SUPPLY	24,000	18,677		
3. MAINTENANCE & REPAIRS CONTRACT	20,320	138,564		
4. PAINTING AND DECORATING	13,620	17,573		
5. SNOW REMOVAL				
6. ELEVATOR MAINTENANCE / CONTRACT				
7. GROUNDS	37,184	34,546		
8. SERVICES	25,258			
9. ANNUAL CAPITAL BUDGET (From Part V - Operating)				
10. OTHER OPERATING EXPENSES (Itemize)				
11. SUB - TOTAL MAINT. & OPERATING (1 thru 10)	161,208	247,671	0	
12. ELECTRICITY <i>If Master metered</i>	14,880	13,020		
13. WATER <i>check box on</i>	52,740	57,868		
14. SEWER <i>front</i>	52,898	57,932		
15. FUEL (Oil / Coal / Gas)	5,400	3,815		
16. GARBAGE & TRASH REMOVAL	13,200	12,799		
17. OTHER UTILITIES				
18. SUB - TOTAL UTILITIES (12 thru 17)	139,116	145,434	0	
19. SITE MANAGER PAYROLL	77,449	73,413		
20. MANAGEMENT FEE	44,880	44,073		
21. PROJECT AUDITING EXPENSE	8,000	7,708		
22. PROJECT BOOKKEEPING / ACCOUNTING	0	0		
23. LEGAL EXPENSES	2,000	4,188		
24. ADVERTISING	1,430	1,231		
25. TELEPHONE & ANSWERING SERVICE	5,916	6,246		
26. OFFICE SUPPLIES	3,600	9,649		
27. OFFICE FURNITURE & EQUIPMENT	0	0		
28. TRAINING EXPENSE	6,500	0		
29. HEALTH INS. & OTHER EMP. BENEFITS	26,827	16,149		
30. PAYROLL TAXES	11,525	10,877		
31. WORKMAN'S COMPENSATION	5,507	5,212		
32. OTHER ADMINISTRATIVE EXPENSES (Itemize)	10,360	4,578		
33. SUB - TOTAL ADMINISTRATIVE (19 thru 32)	203,994	183,324	0	
34. REAL ESTATE TAXES	73,572	72,535		
35. SPECIAL ASSESSMENTS	0	0		
36. OTHER TAXES, LICENSES & PERMITS	1,200	1,240		
37. PROPERTY & LIABILITY INSURANCE	29,040	27,090		
38. FIDELITY COVERAGE INSURANCE	0	0		
39. OTHER INSURANCE	0	0		
40. SUB - TOTAL TAXES & INSURANCE (34 thru 39)	103,812	100,865	0	
41. TOTAL O & M EXPENSES (11 + 18 + 33 + 40)	608,130	677,294	0	

UNAUDITED

Douglass Village

PART III - ACCOUNT BUDGETING / STATUS

	CURRENT BUDGET	ACTUAL	PROPOSED BUDGET	COMMENTS or (YTD)
RESERVE ACCOUNT:				
1. BEGINNING BALANCE		1,781,828		
2. TRANSFER TO RESERVE	80,060	464,586		
TRANSFER FROM RESERVE:				
3. OPERATING DEFICIT				
4. BUILDING REPAIR & IMPROVEMENTS		0		
5. EQUIPMENT REPAIR & REPLACEMENT				
6. OTHER NON - OPERATING EXPENSES - INSURANCE		0		
7. TOTAL (3 thru 6)	0	0	0	
8. ENDING BALANCE [(1 + 2) - 7]	80,060	2,246,394	0	

GENERAL OPERATING ACCOUNT: *

BEGINNING BALANCE	263,205	
ENDING BALANCE	225,894	

REAL ESTATE TAX AND INSURANCE ESCROW ACCOUNT: *

BEGINNING BALANCE	15,072	
ENDING BALANCE	13,857	

TENANT SECURITY DEPOSIT ACCOUNT: *

BEGINNING BALANCE	16,216	
ENDING BALANCE	16,248	

(*Complete upon submission of actual expenses.)

NUMBER OF APPLICANTS ON THE WAITING LIST		RESERVE ACCOUNT REQUIRED BALANCE	
NUMBER OF APPLICANTS NEEDING RA		AMOUNT AHEAD / BEHIND	

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	
2	N	29	0	0	1,062	0	0	30,798	115
3	N	29	0	0	1,192	0	0	34,568	136
4		30	0	0	1,236	0	0	37,080	148
						0	0	0	0
						0	0	0	0
						0	0	0	0
						0	0	0	0
						0	0	0	0
		88	CURRENT RENT TOTALS:			0	0	102,446	
						BASIC	NOTE	HUD	

B. PROPOSED RENTS - Effective Date: January 1, 2016

UNIT DESCRIPTION			RENTAL RATES			POTENTIAL INCOME FROM EACH RATE		
BR SIZE	UNIT TYPE	NUMBER	BASIC	NOTE RATE	HUD	BASIC	NOTE RATE	HUD
2		29			1062	0	0	369,576
3		29			1192	0	0	414,816
4		30			1236	0	0	444,960
						0	0	0
						0	0	0
						0	0	0
						0	0	0
						0	0	0
		88	CURRENT RENT TOTALS:			0	0	1,229,352
						BASIC	NOTE	HUD

Dollar per unit increase: 0

C. PROPOSED UTILITY ALLOWANCE - Effective Date:

MONTHLY DOLLAR ALLOWANCES									
BR SIZE	UNIT TYPE	NUMBER	ELECTRIC	GAS	WATER	SEWER	TRASH	OTHER	TOTAL
2		29	\$83	\$43					\$126
3		29	\$87	\$42					\$129
4		30	\$99	\$49					\$148
									\$0
									\$0
									\$0

Douglass Village

UNAUDITED

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	3	1389					
	Refrigerator	4	2400					
	Range Hood							
	Washers & Dryers							
	Other:							
Carpet and Vinyl:	1 Br.							
	2 Br.	1	4800					
	3 Br.							
	4 Br.							
	Other:							
Cabinets:	Kitchen	1	3000					
	Bathrooms							
	Other:							
Doors:	Exterior	2	800					
	Interior							
	Other:							
Window Coverings:	Detail							
	Other:							
Heating and Air Conditioning:	Heating							
	Air conditioning							
	Other:							
Plumbing:	Water Heater	5	2100					
	Bath Sinks							
	Kitchen Sinks							
	Faucets							
	Toilets							
	Other: Tub Replacement							
Major Electrical	Detail							
	Other:							
Structures:	Windows	1	600					
	Screens							
	Walls							
	Roofing							
	Siding							
	Exterior Painting							
	Other:							
Paving:	Asphalt							
	Concrete							
	Seal and Stripe							
	Other:							
Landscape and grounds:	Landscaping	1	3000					
	Lawn Equipment							
	Fencing							
	Recreation area							
	Signs							
	Other:							
Accessibility features:	List: Laundry opening							
	Other:							
Automation equipment:	Site management							
	Common area							
	Other:							
Other:	List: Replacements/Supplies		9000					
	List: ADA Unit Update		0					
	List: Bath Upgrades, Pipe Rprs, Handrail Repl		0					
	TOTAL CAPITAL EXPENSES:	18	27089	0	0	0	0	0

UNAUDITED

Douglass Village

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.

3/4/2016

(DATE)

Mary E. Sweeney

(Signature of Borrower or Borrower's Representative)

CFO/EVP

(Title)

AGENCY APPROVAL (Rural Development Approval Official):

DATE:

COMMENTS:

DOUGLASS VILLAGE LIMITED PARTNERSHIP
(A GEORGIA LIMITED PARTNERSHIP)

SUPPORTING DOCUMENTATION TO FORMS RD 3560-10 AND 3560-7

FOR THE YEARS ENDED DECEMBER 31,

	2015	2014
OPERATING AND MAINTENANCE		
Payroll	\$ 40,311	\$ 39,012
Supplies	16,677	25,604
Security	25,268	26,134
Contracts	113,296	153,100
Painting	17,573	17,392
Grounds	34,546	34,924
Total	\$ 247,671	\$ 296,166
UTILITIES		
Electricity	\$ 13,020	\$ 13,525
Water	57,868	50,612
Sewer	57,932	50,911
Gas	3,815	5,208
Garbage and trash removal	12,799	13,799
Total	\$ 145,434	\$ 134,055
ADMINISTRATIVE		
Site management payroll	\$ 73,413	\$ 75,530
Management fees	44,073	44,583
Accounting and auditing	7,708	7,459
Legal	4,188	8,353
Advertising	1,231	1,291
Telephone and answering service	6,246	5,617
Office supplies	9,649	9,991
Health insurance	16,149	17,467
Payroll taxes	10,877	10,975
Workers' compensation	5,212	5,206
Other administrative expenses	4,578	6,350
Total	\$ 183,324	\$ 192,822
TAXES AND INSURANCE		
Property taxes	\$ 72,535	\$ 67,080
Property insurance	27,090	28,374
Miscellaneous taxes	1,240	2,463
Total	\$ 100,865	\$ 97,917

DOUGLASS VILLAGE LIMITED PARTNERSHIP
(A GEORGIA LIMITED PARTNERSHIP)

SUPPORTING DOCUMENTATION TO FORMS RD 3560-10 AND 3560-7

FOR THE YEARS ENDED DECEMBER 31,

	2015	2014
Accounts receivable (3560-10, Line 7)		
Accounts receivable - rental subsidy	\$ 6,101	\$ 6,773
Accounts receivable - tenants	1,466	1,310
	\$ 7,567	\$ 8,083
Accounts payable (3560-10, Line 22)		
Accounts payable and accrued expenses	\$ 46,029	\$ 87,681
Prepaid rents	12,634	4,078
	\$ 58,663	\$ 91,759
Miscellaneous (3560-7, Part I Line 27)		
Bad debts	\$ 6,092	\$ 457
	\$ 6,092	\$ 457
Accrual to cash adjustments (3560-7, Part I, Line 32)		
Assets		
Accounts receivable - tenants, RD, prepaid	\$ 1,347	
Security deposits	(632)	
Liabilities		
Accounts payable and accrued expenses	(41,652)	
Accrued mortgage interest	(100)	
Prepaid rents	5,728	
	\$ (35,309)	
Other Administrative Expenses (3560-7 Part II, Line 32)		
Bank service charges	\$ 1,034	
Other renting expenses	414	
Training	1,320	
Travel	1,087	
Printing	723	
	\$ 4,578	

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	Workpaper	Adjusted Balance Dec 31, 2014	Unadjusted Dec 31, 2015	Adjusting AJE	Adjusted Balance Dec 31, 2015
1120 Cash - operations					
1110.0000 - Petty Cash	PASS	500.00	500.00		500.00
1126.0000 - Cash-Operating	2000	263,205.00	225,894.00		225,894.00
1120 Cash - operations Total		263,705.00	226,394.00	0.00	226,394.00
1130 Tenant accounts receivabl					
1130.0000 - Tenant Rec/Beg. (Fnding)	2300	1,310.00	1,466.00		1,466.00
1130 Tenant accounts receivabl Total		1,310.00	1,466.00	0.00	1,466.00
1135 Accounts receivable - HUD					
1141.0000 - Subsidy Rec-Beg. (End)	2300	9,601.00	6,101.00		6,101.00
1135 Accounts receivable - HUD Total		9,601.00	6,101.00	0.00	6,101.00
1191 Tenant security deposits					
1192.0000 - Security Dep Trust Acct	2050	16,216.00	16,248.00		16,248.00
1191 Tenant security deposits Total		16,216.00	16,248.00	0.00	16,248.00
1200 Miscellaneous prepaid exp					
1240.0000 - Prepaid Prop/Liab Insuran	PASS	20,736.00	23,019.00		23,019.00
1240.1000 - Prepaid Ins. (Umb.Dic.Bei	PASS	1,520.00	1,637.00		1,637.00
1240.4000 - Prepaid Other Insurance	PASS	1,572.00	669.00		669.00
1200 Miscellaneous prepaid exp Total		23,828.00	25,325.00	0.00	25,325.00
1310 Mortgage escrow deposits					
1310.0800 - Hazard Escrow-Purch/Refi	2655	0.00	6.00		6.00
1310.1000 - Hazard Insurance Escrow	2655	188,778.00	215,209.00		215,209.00
1310.1500 - Hazard Ins Esc Withdrawal	2655	(164,022.00)	(194,308.00)		(194,308.00)
1310.3000 - Real Estate Tax Escrow	2655	394,336.00	469,504.00		469,504.00
1310.3500 - R F Tax Esc. Withdrawal	2655	(404,020.00)	(476,554.00)		(476,554.00)
1310 Mortgage escrow deposits Total		15,072.00	13,857.00	0.00	13,857.00
1320 Replacement reserve					
1320, 01 rr					
1320.1000 - Repl Res 1st Deposit	2675	721,339.00	781,339.00		781,339.00
1320.2000 - Repl Res 1st Interest	2675	20,271.00	22,065.00		22,065.00
1320.3000 - Repl Res 1st Reimb	2675	(104,181.00)	(104,181.00)		(104,181.00)
Total rr		637,429.00	699,223.00	0.00	699,223.00
1320, 02 rr 2					
1123.0000 - Savings Reserves	2020	1,144,399.00	1,547,171.00		1,547,171.00
Total rr 2		1,144,399.00	1,547,171.00	0.00	1,547,171.00
1320 Replacement reserve Total		1,781,828.00	2,246,394.00	0.00	2,246,394.00
Current Assets Total		2,111,560.00	2,535,785.00	0.00	2,535,785.00
1410 Land					
1410.0000 - Land	3200	79,022.00	79,022.00		79,022.00
1410 Land Total		79,022.00	79,022.00	0.00	79,022.00
1420 Building					
1420.1000 - Building	3200	3,971,173.00	3,971,173.00		3,971,173.00
1420 Building Total		3,971,173.00	3,971,173.00	0.00	3,971,173.00
1450 Furniture and equipment					
1450.0000 - Office Furn. Fix. & Equip	3200	666,681.00	666,681.00		666,681.00
1493.0000 - Land Improvements	3200	81,833.00	81,833.00		81,833.00

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	Workpaper	Adjusted Balance Dec 31, 2014	Unadjusted Dec 31, 2015	Adjusting AJE	Adjusted Balance Dec 31, 2015
1450 Furniture and equipment Total		748,514.00	748,514.00	0.00	748,514.00
1495 Less: accumulated depreci					
4120.1000 - A/D - Building	3200	(3,542,954.00)	(3,542,954.00)	(194,385.00)	(3,737,339.00)
1495 Less: accumulated depreci Total		(3,542,954.00)	(3,542,954.00)	(194,385.00)	(3,737,339.00)
Net Property and Equipment Total		1,255,755.00	1,255,755.00	(194,385.00)	1,061,370.00
Assets Total		3,367,315.00	3,791,540.00	(194,385.00)	3,597,155.00
2110 Accounts payable					
2110.0100 - Accounts Payable	4100	(74,078.00)	(30,364.00)		(30,364.00)
2110.0200 - Accrued Operating Expense	4140	(12,884.00)	0.00	(15,219.00)	(15,219.00)
2110.3000 - Management Fee Payable	PASS	(3,740.00)	(3,443.00)		(3,443.00)
2110.5000 - Adv. Mgmt. Fee Payable	PASS	3,150.00	3,150.00		3,150.00
2111.8500 - 401K Loan	PASS	0.00	(222.00)		(222.00)
2111.8550 - Retirement Withholding	PASS	0.00	97.00		97.00
2111.8570 - Retirement WH - Non-match	PASS	0.00	125.00		125.00
2111.8580 - Life Insurance Withholdin	PASS	(56.00)	(83.00)		(83.00)
2190.0000 - Misc Current Liabilities	PASS	(73.00)	(73.00)		(73.00)
2193.0000 - Utility Subsidy Payable	PASS	0.00	3.00		3.00
2110 Accounts payable Total		(87,681.00)	(30,810.00)	(15,219.00)	(46,029.00)
2131 Accrued interest payable					
2130.1000 - Accrued Interest Payable	5000	(1,733.00)	(1,733.00)	100.00	(1,633.00)
2131 Accrued interest payable Total		(1,733.00)	(1,733.00)	100.00	(1,633.00)
2210 Prepaid rents					
2210.0001 - Prep. Rent/(Beg.) Ending	2300	(2,179.00)	(3,172.00)		(3,172.00)
2210.0060 - Prepaid-Fraud	2300	(1,899.00)	(1,679.00)		(1,679.00)
2210.0099 - Prepaid Sect.8	2300	(2,828.00)	(7,783.00)		(7,783.00)
2210 Prepaid rents Total		(6,906.00)	(12,634.00)	0.00	(12,634.00)
Current Liabilities Total		(96,320.00)	(45,177.00)	(15,119.00)	(60,296.00)
2191 Tenant security deposits					
2130.5000 - Accrued Interest - TSD	PASS	(639.00)	(639.00)		(639.00)
2191.0000 - Security Deposits	2300	(14,074.00)	(13,472.00)		(13,472.00)
2194.0000 - Security Deposit Refund	PASS	0.00	(2.00)		(2.00)
2191 Tenant security deposits Total		(14,713.00)	(14,113.00)	0.00	(14,113.00)
2320 Mortgages payable, less c					
2320.0000 - Principal 1st Mort	5000	(2,109,064.00)	(2,109,064.00)	54,009.00	(2,055,055.00)
2320 Mortgages payable, less c Total		(2,109,064.00)	(2,109,064.00)	54,009.00	(2,055,055.00)
2321 Note payable -affiliate					
2310.0000 - Notes Payable Long Term	5060	(289,334.00)	(289,334.00)		(289,334.00)
2321 Note payable -affiliate Total		(289,334.00)	(289,334.00)	0.00	(289,334.00)
Long Term Liabilities Total		(2,413,111.00)	(2,412,511.00)	54,009.00	(2,358,502.00)
3130 Net assets, unrestricted					
3000.0000 - Capital	5400	563,811.00	563,811.00		563,811.00
3250.0000 - Profit or Loss	5400	(1,153,118.00)	(1,421,697.00)	2.00	(1,421,695.00)
3130 Net assets, unrestricted Total		(589,307.00)	(857,886.00)	2.00	(857,884.00)
(Profit)/Loss		(268,577.00)	(475,966.00)	155,493.00	(320,473.00)
Equity Total		(857,884.00)	(1,333,852.00)	155,495.00	(1,178,357.00)

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	Workpaper	Adjusted Balance Dec 31, 2014	Unadjusted Dec 31, 2015	Adjusting AJE	Adjusted Balance Dec 31, 2015
Liabilities/Equity Total		<u>(3,367,315.00)</u>	<u>(3,791,540.00)</u>	<u>194,385.00</u>	<u>(3,597,155.00)</u>
5000 REVENUE					
5000, 5110 RENTAL INCOME-TENANTS					
5120.0000 - Apartment Rent	6000/6010	(87,598.00)	(103,114.00)		(103,114.00)
5120.0100 - Gain/Loss to Lease		0.00	(1,028.00)		(1,028.00)
Total RENTAL INCOME-TENANTS		<u>(87,598.00)</u>	<u>(104,142.00)</u>	<u>0.00</u>	<u>(104,142.00)</u>
5000, 5121 RENTAL INCOME-HAP					
5121.0000 - Resident Assistance Payme	6000/6010	(1,118,858.00)	(1,126,238.00)		(1,126,238.00)
Total RENTAL INCOME-HAP		<u>(1,118,858.00)</u>	<u>(1,126,238.00)</u>	<u>0.00</u>	<u>(1,126,238.00)</u>
5000 REVENUE Total		<u>(1,206,456.00)</u>	<u>(1,230,380.00)</u>	<u>0.00</u>	<u>(1,230,380.00)</u>
5220 VACANCIES					
5220, 5220 Vacancies					
5220.0000 - Vacancy - Apartments	6000	10,765.00	21,256.00		21,256.00
Total Vacancies		<u>10,765.00</u>	<u>21,256.00</u>	<u>0.00</u>	<u>21,256.00</u>
5220 VACANCIES Total		<u>10,765.00</u>	<u>21,256.00</u>	<u>0.00</u>	<u>21,256.00</u>
5400 INTEREST REVENUE					
5400, 5410 INTEREST INCOME					
5410.0000 - Interest Revenue-Project		(895.00)	(133.00)		(133.00)
Total INTEREST INCOME		<u>(895.00)</u>	<u>(133.00)</u>	<u>0.00</u>	<u>(133.00)</u>
5400, 5420 INCOME FROM INVESTMENTS					
5440.0000 - Interest Revenue-RepRcs	PASS	(3,560.00)	(4,565.00)		(4,565.00)
Total INCOME FROM INVESTMENTS		<u>(3,560.00)</u>	<u>(4,565.00)</u>	<u>0.00</u>	<u>(4,565.00)</u>
5400 INTEREST REVENUE Total		<u>(4,395.00)</u>	<u>(4,698.00)</u>	<u>0.00</u>	<u>(4,698.00)</u>
5990 MISCELLANEOUS					
5990, 5990 MISC INCOME					
5122.0000 - Utility Income		(275.00)	0.00		0.00
5910.0000 - Laundry Income		(88.00)	(65.00)		(65.00)
5920.0000 - NSF And Late Charge Incom		(2,073.00)	(1,838.00)		(1,838.00)
5921.0000 - Legal Fees		(243.00)	(671.00)		(671.00)
5921.0500 - Lease Cancellation Fee		(162.00)	(114.00)		(114.00)
5930.0000 - Damage And Cleaning Fee I		(1,301.00)	(2,391.00)		(2,391.00)
5970.0000 - Collection Income		(255.00)	(30.00)		(30.00)
5996.1000 - Subsidy Recovery Fee		(753.00)	(114.00)		(114.00)
Total MISC INCOME		<u>(5,150.00)</u>	<u>(5,223.00)</u>	<u>0.00</u>	<u>(5,223.00)</u>
5990 MISCELLANEOUS Total		<u>(5,150.00)</u>	<u>(5,223.00)</u>	<u>0.00</u>	<u>(5,223.00)</u>
Sales Total		<u>(1,205,236.00)</u>	<u>(1,219,045.00)</u>	<u>0.00</u>	<u>(1,219,045.00)</u>
Revenue Total		<u>(1,205,236.00)</u>	<u>(1,219,045.00)</u>	<u>0.00</u>	<u>(1,219,045.00)</u>
6000 ADMINISTRATIVE					
6000, 6211 ADVERTISING & MARKETING					
6210.0000 - Advertising		1,291.00	1,231.00		1,231.00
Total ADVERTISING & MARKETING		<u>1,291.00</u>	<u>1,231.00</u>	<u>0.00</u>	<u>1,231.00</u>
6000, 6310 OFFICE SALARIES					
6310.0000 - Office Salaries		29,148.00	24,339.00		24,339.00
6330.0000 - Managers Salary		46,382.00	49,074.00		49,074.00
Total OFFICE SALARIES		<u>75,530.00</u>	<u>73,413.00</u>	<u>0.00</u>	<u>73,413.00</u>

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	Workpaper	Adjusted Balance Dec 31, 2014	Unadjusted Dec 31, 2015	Adjusting AJE	Adjusted Balance Dec 31, 2015
6000, 6311 OFFICE EXPENSES					
6311.0000 - Office Supplies Expense		2,806.00	1,865.00	(2.00)	1,863.00
6311.0600 - Shipping/Postage		967.00	724.00		724.00
6351.0500 - Software/Tech Support		496.00	227.00		227.00
6351.5000 - RealPage Services Expense		5,722.00	6,835.00		6,835.00
Total OFFICE EXPENSES		9,991.00	9,651.00	(2.00)	9,649.00
6000, 6320 MANAGEMENT FEE					
6320.0000 - Management Fee	6250	44,583.00	44,073.00		44,073.00
Total MANAGEMENT FEE		44,583.00	44,073.00	0.00	44,073.00
6000, 6340 LEGAL					
6340.0000 - Legal & Coll. Expense	6110-1	8,353.00	4,188.00		4,188.00
Total LEGAL		8,353.00	4,188.00	0.00	4,188.00
6000, 6350 AUDITING					
6350.0000 - Audit Expense		7,459.00	7,708.00		7,708.00
Total AUDITING		7,459.00	7,708.00	0.00	7,708.00
6000, 6360 Telephone & AAnswering					
6360.1000 - Telephone Expenses		4,408.00	5,155.00		5,155.00
6360.2000 - Telephone Answering Servi		1,209.00	1,091.00		1,091.00
Total Telephone & AAnswering		5,617.00	6,246.00	0.00	6,246.00
6000, 6370 BAD DEBTS					
6370.0000 - Bad Debts Expense		457.00	6,092.00		6,092.00
Total BAD DEBTS		457.00	6,092.00	0.00	6,092.00
6000, 6390 MISC. ADMIN EXP					
6250.0000 - Other Renting Expenses		628.00	414.00		414.00
6311.0500 - Printing Reproduction		1,905.00	723.00		723.00
6390.1000 - Misc Admin Exp		21.00	0.00		0.00
6390.2000 - Bank Service Charges		868.00	1,034.00		1,034.00
6390.5000 - Meals		17.00	18.00		18.00
6390.6000 - Admin Travel Exp		771.00	1,069.00		1,069.00
6390.7000 - Training		2,140.00	1,320.00		1,320.00
Total MISC. ADMIN EXP		6,350.00	4,578.00	0.00	4,578.00
6000 ADMINISTRATIVE Total		159,631.00	157,180.00	(2.00)	157,178.00
6450 UTILITIES					
6450, 6450 ELECTRICITY					
6450.0500 - Electricity - House Meter		13,235.00	12,167.00		12,167.00
6450.1000 - Electricity - Vacant		290.00	853.00		853.00
Total ELECTRICITY		13,525.00	13,020.00	0.00	13,020.00
6450, 6451 WATER					
6451.0000 - Water		50,612.00	50,372.00	7,496.00	57,868.00
Total WATER		50,612.00	50,372.00	7,496.00	57,868.00
6450, 6452 GAS					
6452.0500 - Gas		3,959.00	3,440.00		3,440.00
6452.1000 - Gas - Vacant		1,249.00	375.00		375.00
Total GAS		5,208.00	3,815.00	0.00	3,815.00
6450, 6453 SEWER					
6453.0000 - Sewer		50,911.00	50,209.00	7,723.00	57,932.00

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	Workpaper	Adjusted Balance Dec 31, 2014	Unadjusted Dec 31, 2015	Adjusting A/E	Adjusted Balance Dec 31, 2015
Total SEWER		50,911.00	50,209.00	7,723.00	57,932.00
6450, 6521 Trash					
6525.1000 - Trash Removal Contract		13,799.00	12,799.00		12,799.00
Total Trash		13,799.00	12,799.00	0.00	12,799.00
6450 UTILITIES Total		134,055.00	130,215.00	15,219.00	145,434.00
6500 OPERATING & MAINTENANCE					
6500, 6520 REPAIRS CONTRACT					
6517.0000 - Janitor Cleaning Contract		2,280.00	5,070.00		5,070.00
6519.0000 - Extermination Contract		2,700.00	5,100.00		5,100.00
6541.0500 - R&M Supplies - General		7,939.00	9,620.00		9,620.00
6541.8000 - Plumbing Supplies		7,089.00	6,605.00		6,605.00
6542.0500 - R&M Contractor - General		1,877.00	1,407.00		1,407.00
6542.1000 - Plumbing Contractor		7,510.00	7,150.00		7,150.00
6542.2000 - Electrical Contractor		530.00	1,049.00		1,049.00
6542.5000 - Carpeting Contractor		9,920.00	5,860.00		5,860.00
6546.0500 - A/C & Heating Contractor		245.00	0.00		0.00
6546.4000 - A/C & Heating Supplies		3,709.00	3,200.00		3,200.00
8000.0100 - R & R--Furn-Fixtures		7,057.00	556.00		556.00
8000.1000 - R & R--Refrigerators		4,730.00	3,454.00		3,454.00
8000.1500 - R & R--Carpeting		19,474.00	22,236.00		22,236.00
8000.2000 - R & R--Stoves/Ranges		4,471.00	1,164.00		1,164.00
8000.4000 - R & R--Hot Water Heaters		3,053.00	2,157.00		2,157.00
8000.5000 - R & R--Cabinets/Counters		4,616.00	3,069.00		3,069.00
8000.9900 - R & R--Misc. Contracts		65,900.00	35,599.00		35,599.00
Total REPAIRS CONTRACT		153,100.00	113,296.00	0.00	113,296.00
6500, 6530 SECURITY					
6530.0700 Monitoring CCTV		26,134.00	25,268.00		25,268.00
Total SECURITY		26,134.00	25,268.00	0.00	25,268.00
6500, 6537 GROUNDS CONTRACT					
6536.0500 - Grounds Supplies		4,407.00	3,251.00		3,251.00
6537.0500 - Grounds Contract		28,081.00	26,925.00		26,925.00
6537.1000 - Fertilization		2,436.00	2,436.00		2,436.00
8000.0500 - R & R--Plantings		0.00	1,934.00		1,934.00
Total GROUNDS CONTRACT		34,924.00	34,546.00	0.00	34,546.00
6500, 6540 REPAIRS PAYROLL					
6540.1000 - Repairs Payroll		39,012.00	40,311.00		40,311.00
Total REPAIRS PAYROLL		39,012.00	40,311.00	0.00	40,311.00
6500, 6541 REPAIRS MATERIALS					
6515.0500 - Janitor Supplies		2,960.00	2,663.00		2,663.00
6515.1000 - Janitor Uniforms		1,003.00	767.00		767.00
6541.3500 - Appliance Parts		1,094.00	1,915.00		1,915.00
6541.4500 - Electrical Supplies		987.00	2,301.00		2,301.00
8000.8000 - R & R--Screen/Ven Blinds		577.00	350.00		350.00
8000.9000 - R & R--Misc. Supplies		18,983.00	8,681.00		8,681.00
Total REPAIRS MATERIALS		25,604.00	16,677.00	0.00	16,677.00
6500, 6560 DECORA PAYR/CONTR					
6560.2000 - Turnover Apts (Deco)		14,810.00	16,050.00		16,050.00
6560.3000 - Occupied Apts (Deco)		2,550.00	1,150.00		1,150.00
6561.0000 - Decorating Supplies		32.00	373.00		373.00
Total DECORA PAYR/CONTR		17,392.00	17,573.00	0.00	17,573.00
6500 OPERATING & MAINTENANCE Total		296,166.00	247,671.00	0.00	247,671.00

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	Workpaper	Adjusted Balance Dec 31, 2014	Unadjusted Dec 31, 2015	Adjusting AJE	Adjusted Balance Dec 31, 2015
6600 DEPRECIATION & AMORTIZATI					
6600, 6600 DEPRECIATION					
6620.0000 - Depreciation	3200	193,904.00	0.00	194,385.00	194,385.00
Total DEPRECIATION		193,904.00	0.00	194,385.00	194,385.00
6600 DEPRECIATION & AMORTIZATI Total		193,904.00	0.00	194,385.00	194,385.00
6700 INSURANCE & TAXES					
6700, 6710 REAL ESTATE TAXES					
6710.0000 - Real Estate Taxes		67,080.00	72,535.00		72,535.00
Total REAL ESTATE TAXES		67,080.00	72,535.00	0.00	72,535.00
6700, 6711 PAYROLL TAXES					
6711.0000 - Project Payroll Taxes		10,653.00	10,332.00		10,332.00
6712.0000 - Payroll Processing Fee		322.00	545.00		545.00
Total PAYROLL TAXES		10,975.00	10,877.00	0.00	10,877.00
6700, 6720 PROPERTY INSURANCE					
6720.0000 - Prop/Liab Insurance (Haza		28,075.00	25,249.00		25,249.00
6729.1000 - Ins. (Umb.Dic.Boiler)		299.00	1,841.00		1,841.00
Total PROPERTY INSURANCE		28,374.00	27,090.00	0.00	27,090.00
6700, 6722 WORKERS COMP					
6722.0000 - Workman's Compensation In		5,206.00	5,212.00		5,212.00
Total WORKERS COMP		5,206.00	5,212.00	0.00	5,212.00
6700, 6723 HEALTH INSURANCE & OTHEI					
6723.0000 - Employee Benefits		17,158.00	14,446.00		14,446.00
6729.4000 - Other Insurance		309.00	1,703.00		1,703.00
Total HEALTH INSURANCE & OTHERS		17,467.00	16,149.00	0.00	16,149.00
6700, 6790 MISC TAXES AND INSURANCE					
6719.0000 - Misc Tax, License, Permit	6120	2,463.00	1,240.00		1,240.00
Total MISC TAXES AND INSURANCE		2,463.00	1,240.00	0.00	1,240.00
6700 INSURANCE & TAXES Total		131,565.00	133,103.00	0.00	133,103.00
6820 FINANCIAL					
6820, 6820 INTEREST ON MORTGAGE					
6820.1000 - Interest 1st Mort	5000	21,338.00	74,910.00	(54,109.00)	20,801.00
Total INTEREST ON MORTGAGE		21,338.00	74,910.00	(54,109.00)	20,801.00
6820 FINANCIAL Total		21,338.00	74,910.00	(54,109.00)	20,801.00
Operating Expenses Total		936,659.00	743,079.00	155,493.00	898,572.00
Expense Total		936,659.00	743,079.00	155,493.00	898,572.00
Leadsheet codes Total		0.00	0.00	0.00	0.00
(Profit)/Loss		(268,577.00)	(475,966.00)	155,493.00	(320,473.00)

DOUGLASS VILLAGE LIMITED PARTNERSHIP
Grouping Schedule Report
Unassigned Accounts

DOUGLASSVLL
Page 7

All accounts have been assigned.

Prepared by _____

DOUGLASS VILLAGE LIMITED PARTNERSHIP
Adjusting Journal Entries

DOUGLASSVLL

Page 1

Reviewed by _____

Reference	Type	Date Account Number	Description	Debit	Credit	Net Income Effect	Workpaper
AJE01	Adjusting	12/31/15					
		3250.0000	Profit or Loss	2.00			
		6311.0000	Office Supplies Expense		2.00		
			To adjust RE for FS purposes			2.00	
AJE02	Adjusting	12/31/15					
		6620.0000	Depreciation	194,385.00			
		4120.1000	A/D - Building		194,385.00		
			To record depreciation			(194,385.00)	3200
AJE03	Adjusting	12/31/15					
		6451.0000	Water	7,496.00			
		6453.0000	Sewer	7,723.00			
		2110.0200	Accrued Operating Expense		15,219.00		
			To record CY accrued operating expenses			(15,219.00)	4140
AJE04	Adjusting	12/31/15					
		2320.0000	Principal 1st Mort	54,009.00			
		6820.1000	Interest 1st Mort		54,009.00		
			To record principal payment for mortgage			54,009.00	5000
AJE05	Adjusting	12/31/15					
		2130.1000	Accrued Interest Payable	100.00			
		6820.1000	Interest 1st Mort		100.00		
			To adjust accrued interest payable for mortgage			100.00	5000
		TOTAL		<u>263,715.00</u>	<u>263,715.00</u>	<u>(155,493.00)</u>	

EXECUTION COPY

AGREEMENT FOR PURCHASE AND SALE OF
REAL PROPERTY

DOUGLASS VILLAGE

THIS AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY (this "Agreement") is made and entered into as of this __ day of June, 2017 (the "Agreement Date") by and between **STRATFORD ASSET ACQUISITION, LLC**, a Delaware limited liability company and/or its successors or assigns (the "Purchaser") and **DOUGLASS VILLAGE, LTD.**, a Georgia limited partnership (the "Seller").

RECITALS:

- A. Seller (i) owns that certain 10.71+- acres, more or less, real property located at 6549 Brown Street, Douglasville, Douglas County, Georgia, as more particularly described as being Tax Parcel Number 07380130003, (the "Real Property"), together with all buildings, structures and other improvements of any nature located on the Real Property (collectively referred to herein as the "Improvements") and all fixtures attached or affixed thereto, including ten (10) residential buildings and one (1) community building which is commonly referred to as the Douglass Village Apartments (collectively referred to herein as the "Project"), (ii) owns or leases all equipment, furnishings, supplies, tools, and other personal property of every kind now or hereafter attached to or used in connection with the operation or maintenance of the Project, including, without limitation, all computers, software and licenses used in connection with the operation of the Project (collectively referred to herein as the "Personal Property"), (iii) owns all intangible property held in connection with the ownership and operation of the Project, including but not limited to, all tenant leases, tenant security and other deposits, all warranties, guaranties, certificates, licenses, permits and all other agreements, commitments, books and records relating to the Real Property and/or the Personal Property described herein (collectively referred to herein as the "Intangible Property"). The Real Property, Personal Property and Intangible Property are collectively referred to herein as the "Property," and shall also include all Improvements, easements, rights of way, privileges, licenses, appurtenances and other rights and benefits belonging to or running with the Property, or related to the Property and belonging to the Seller.
- B. Seller now desires to sell the Property to Purchaser, and Purchaser desires to purchase the Property from Seller, upon the terms set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, promises and agreements herein contained, the parties hereto, intending to be legally bound, do hereby agree as follows:

1. **Purchase and Sale.** Seller agrees to sell and Purchaser to purchase the Property upon the terms and conditions hereinafter provided.

2. **Purchase Price; Earnest Money.**

2.1. **Purchase Price.** The purchase price for the Property shall be Seven Million Two Hundred Thousand and No/100 Dollars (\$7,200,000.00) ("Purchase Price") payable at Closing, in wired funds, and subject to any adjustments and prorations provided for by this Agreement.

2.2. **Earnest Money.** Purchaser shall deliver to Old Republic National Commercial Title Company, 1125 Sanctuary Parkway, Suite 140, Alpharetta, Georgia 30009, Attn: Robbie J. Dimon, Esq. (the "Escrow Agent"), an earnest money deposit, due and payable in the following installments, (i) within five (5) calendar days after the execution of this Agreement ("Initial Deposit"), and (ii) within five (5) calendar days after the expiration of the Due Diligence Period ("Second Deposit"), in the sum of Fifty Thousand and No/100 Dollars (\$50,000.00) per installment (collectively \$100,000.00) (the Initial Deposit and Second Deposit being hereinafter referred to as the "Earnest Money"), pursuant to the terms and conditions of this Agreement and any escrow agreement as may be required by the Escrow Agent (the "Escrow Agreement"), to be held and disbursed by the Escrow Agent as follows:

2.2.1. Notwithstanding anything to the contrary in this Agreement, all interest on the Earnest Money shall accrue to, and be paid to Purchaser from time to time, but in all events, upon the release, return or application of the Earnest Money as provided hereunder.

2.2.2. If Purchaser elects to terminate this Agreement during the Due Diligence Period as provided below, then the Initial Deposit will be promptly refunded to Purchaser.

2.2.3. After the Due Diligence Period, the Earnest Money will be non-refundable to Purchaser except (i) in the event of a Permitted Termination (as defined below), (ii) in the event of Seller's breach under this Agreement, or (iii) as provided in Section 7.

2.2.4. If Purchaser does not timely deliver either installment of the Earnest Money, this Agreement will terminate and be of no further force and effect except for those provisions that explicitly survive the termination of this Agreement, provided, however, that if the Initial Deposit has been made prior to such termination, then Seller will be entitled to keep the Initial Deposit.

2.2.5. At Closing, the Earnest Money (including any accrued interest not previously disbursed to Purchaser) will be credited against the Purchase Price.

3. **Closing.**

3.1. **Closing Date.** If all conditions in this Agreement are satisfied, the closing of the transaction described in this Agreement (the "Closing") shall be held sixty (60) days after

satisfaction of all such conditions, or such other time as mutually agreed by the Purchaser and Seller ("Closing Date").

3.2. Closing Extension. Purchaser shall, at Purchaser's sole discretion, have the option to extend the Closing Date for one hundred eighty (180) calendar days ("Closing Extension") upon providing notice to the Seller no later than five (5) calendar days from the previous Closing Date. For consideration of extending the Closing Date for a Closing Extension, Purchaser shall deposit an additional \$100,000.00 (the "Extension Deposit") with the Escrow Agent no later than two (2) calendar days prior to the Closing Date and such amount will become part of the Earnest Money. Upon tender of the Extension Deposit by Purchaser, the Extension Deposit shall be nonrefundable, except only as may be otherwise expressly set forth in this Agreement.

3.3. Purchaser Required to Deliver. At Closing, Purchaser shall deliver to Seller the Purchase Price in the form set forth in Section 2.1, above.

3.4. Seller Required to Deliver. On or before the Closing, Seller shall deliver to Purchaser the following, which shall have been prepared by Purchaser and executed by Seller:

3.4.1. A duly executed and acknowledged limited warranty deed in recordable form conveying fee title to the Property, as required by Section 4 hereunder, in favor of Purchaser;

3.4.2. Such information, affidavits, easements and documents as may be reasonably required by the title company and which are customary in such transactions. Without limiting the generality of the foregoing, Seller shall provide evidence reasonably satisfactory to Purchaser that: (i) all necessary action has been duly taken in order to authorize the transactions contemplated by this Agreement; and (ii) all partners and other representatives of Seller have been duly authorized and are empowered to act in the capacities indicated, including without limitation, such certificates, resolutions, and other documents as may be reasonably required by Purchaser's title insurer;

3.4.3. Transfer and assignments of all existing service contracts and leases, including in security deposits, affecting the Property;

3.4.4. All existing tenant leases affecting the Property and all records and files (or certified copies thereof) relating to the operation and maintenance of the Property in Seller's possession; Seller will use best efforts to deliver a certified copy of any lease affecting the Property the original of which Seller does not have in its possession as of Closing;

3.4.5. A certified rent roll dated within three (3) calendar days prior to the Closing;

3.4.6. An assignment, transfer and assumption of any and all service contracts, maintenance agreements, or other agreements or documents affecting the Property;

3.4.7. An assignment of any/all HUD project based rental assistance agreements, including any Housing Assistance Payment (HAP) Agreement, fully executed by HUD as assigned to Purchaser;

3.4.8. An assignment, transfer and assumption of all tenant leases affecting the Real Property, which assignment shall contain an indemnity in favor of Purchaser against all claims arising under such tenant leases prior to Closing and an indemnity in favor of Seller against all claims arising under said tenant leases following Closing;

3.4.9. An assignment of any and all guaranties or warranties relating to the Personal Property;

3.4.10. An assignment, transfer and assumption of current mortgage financing relating to the Property from the Seller to the Purchaser if agreed upon and requested by the Purchaser;

3.4.11. An indemnity agreement providing for indemnification of Purchaser by Seller against all operating expenses or other liabilities of the Property allocable to any period prior to Closing;

3.4.12. A bill of sale conveying to Purchaser title to the Intangible Property and the Personal Property, free and clear of all liens, encumbrances, and restrictions except the expressly waived by Purchaser;

3.4.13. To the extent in Seller's possession, any and all governmental permits, licenses, or privileges pertaining to the Property (including without limitation certificates of occupancy for all Improvements intended for habitation) or used in connection therewith; and

3.4.14. An affidavit executed by Seller, in a form acceptable to Purchaser and its tax credit counsel, a copy of which is attached hereto as **Exhibit "A"**.

3.5. Prorations. The following shall be prorated as of the Closing Date: (i) all nondelinquent real and personal property taxes and other approved assessments related to the Property, which are then due and payable, (ii) income and expenses associated with the apartment complex on the Property, and (iii) any other expenses customary for such transaction. Any said amounts associated with the Closing Date shall be the responsibility of the Purchaser. Seller and Purchaser shall cooperate to cause all utility suppliers furnishing electrical, gas, water, sanitary sewer or other utility services to the Property to read all utility meters on the date of Closing and to bill Seller separately for all such charges. Seller shall receive at Closing all monies it deposited with any utility supplier in connection with services provided to the Property. Purchaser shall be responsible for making arrangements with respect to future utility billings and deposits. In the event any such utility supplier refuses to read and bill any such utilities, then such utility charges shall be prorated at Closing based upon the bill for the preceding billing period, and appropriately adjusted between the parties upon the receipt of any such bills after Closing.

4. **Conveyance of Property.**

4.1. At the Closing, Seller shall execute and deliver to Purchaser a limited warranty deed with limited warranties of title, conveying marketable fee simple title to the Property, in form acceptable to Purchaser, its counsel, and title company insuring title to the Property, subject to (i) current state and county taxes not yet due and payable and (ii) all easements, restrictions, covenants, agreements, conditions and other matters of record that may lawfully affect the Property or any portion thereof, unless objected to by Purchaser (the "Deed").

4.2. At the Closing, Seller shall also execute and deliver to Purchaser an affidavit of Seller stating that there are no outstanding indebtedness, security agreements, financing statements, or title retention contracts concerning any improvements, equipment, appliances, or other fixtures attached to the Property; that there are no unpaid or unsatisfied mortgages, security deeds, liens, or other encumbrances which could constitute a lien against the Property except those matters set forth in Section 7 and Section 3.4.10; that there are no disputes concerning the location of the lines and corners of the Property; that there are no pending suits, proceedings, judgments, bankruptcies, liens, or executions against or affecting Seller in either the County in which the Property is located or any other County in the State of Georgia which would affect title to the Property; that there are no outstanding bills incurred for labor and materials used in making improvements or repairs on the Property or for services of architects, surveyors, or engineers incurred in connection therewith which have not been provided for in such a manner as to permit an owner's policy of title insurance to issue to Purchaser without exception for mechanics' or materialmen's liens; that Seller is not subject to withholding under Internal Revenue Code § 1445; and any other provisions customary in the State of Georgia for title insurance to be issued on the Property.

5. **Survey.** Purchaser may, at its expense, cause a survey (the "Survey") to be made of the Property by a Georgia Registered Land Surveyor (the "Surveyor").

6. **Due Diligence Period.** Purchaser shall have one hundred and fifty (150) calendar days after the execution of the Agreement (the "Due Diligence Period") to determine if the Property is suitable for Purchaser's planned purposes. Examinations and studies to be conducted during the Due Diligence Period shall include, but not be limited to, determination of land use/zoning requirements, possible restrictions limiting the development, rehabilitation, and/or renovation of the Property, availability and costs of public utilities and transportation considerations, review by Purchaser and its representatives of all existing leases and other agreements affecting the Property, and any such other matters relative to the Property and its purchase as required by Purchaser, its lenders and representatives. Should Purchaser determine during the Due Diligence Period, in its sole discretion, that the Property is not suitable for the Purchaser's purposes, for any reason or no reason, Purchaser may cancel and terminate this Agreement by written notice to Seller and receive a return of the Initial Deposit as provided above.

6.1. Purchaser may also conduct and complete, at the Purchaser's sole expense and at Purchaser's sole discretion, all inspections, investigations, examinations of title, surveys, testing and undertakings with respect to the Property that the Purchaser desires in the sole discretion of the Purchaser. Purchaser shall have the right to enter upon the Property, at the Purchaser's sole risk and in compliance with all applicable laws, for the purpose of performing

the foregoing inspections and investigations. All inspections and investigations shall be performed at reasonable times. Notwithstanding the expiration of the Due Diligence Period, Purchaser shall have access to the Property until the Closing Date to conduct any such investigations. Notwithstanding anything to the contrary, Purchaser covenants and agrees that Purchaser and/or all of Purchaser's agents or contractors performing any such inspections or investigations shall be insured by general comprehensive liability insurance policy(ies) from reputable and highly rated insurance company(ies) licensed in Georgia with limits of not less than \$1,000,000 per occurrence and \$2,000,000.00 in the aggregate, which policy(ies) shall list Seller as additional named insured. Proof of such coverage shall be delivered to Seller prior to any entry upon the Property. Purchaser shall be accompanied by an agent of Seller during all visits to and inspections of the Property. With respect to tests and studies that are physically invasive to the Property in any material respect, Purchaser shall first obtain Seller's prior written approval, which approval may be granted or withheld in Seller's sole discretion. Purchaser hereby agrees to indemnify and hold Seller harmless from any damages, liabilities or claims for property damage or personal injury and mechanics or construction liens caused or created by Purchaser and its agents and contractors in the conduct of such inspections and investigations. Purchaser shall immediately remove or bond to Seller's satisfaction any lien of any type which attaches to the Property by virtue of any of Purchaser's inspections, examination or testing or other activities with respect to the Property. Notwithstanding anything to the contrary contained in this Agreement, the provisions of this Section 6.1 shall survive the Closing and any cancellation or termination of this Agreement.

6.2. The Seller shall not be obligated to correct, remedy or cure any condition or characteristic of the Property revealed by such inspections or investigations, including but not limited to any title defects or environmental contamination. If the results of any such inspection or investigation are deemed unsatisfactory in the Purchaser's sole discretion, then the Purchaser may terminate this Agreement by providing written notice thereof to the Seller prior to the expiration of the Due Diligence Period, and neither party shall have any further rights or obligations hereunder, except as expressly provided herein. If the Purchaser fails to so terminate this Agreement prior to expiration of the Due Diligence Period, the Purchaser shall be deemed to have waived such right.

6.3. Purchaser shall hold Seller harmless for any and all costs, expenses, liabilities and damages resulting from the performance by Purchaser or Purchaser's representatives of such tests, inspections, or examinations.

6.4. Seller hereby agrees to cooperate with Purchaser in an effort to facilitate Purchaser's performance of its review and inspection of the Property, and Seller shall provide documents and agreements affecting the Property which are in its possession within five (5) calendar days of Purchaser's request, including, without limitation, copies of all engineering reports, soil test reports, surveys, grading plans, permits, title insurance policies (including title commitments), and lease agreements.

6.4.1. Without limiting the generality of the foregoing, Seller hereby expressly agrees to provide Purchaser, by overnight delivery, within five (5) calendar days after the Agreement Date, with the following information:

- (a) a current rent roll (the "Rent Roll"), complete with tenant names, apartment numbers, types of units, lease commencement and termination dates, monthly rent for each unit, rent collected in addition to any concessions for each; Seller agrees to provide a rent roll for January 2016 through May 2017 for Purchaser's tax credit application;
- (b) a copy of a typical tenant application lease form in addition to any documentation setting forth any tenant rules and regulations for the Property;
- (c) copies of any and all contracts (which are known by the Seller) currently in effect relative to the Property, including, but not limited to, the Project Based Section-8 Housing Assistance Payments Contract, Basic Renewal Contracts, and any service and regulatory agreements that may exist for the Property;
- (d) monthly operating statements for the last twelve (12) months;
- (e) a 2017 financial statement and financial statements for the previous three (3) years;
- (f) copies of real estate tax bills to the extent in our possession for the previous two (2) years, the current real estate tax bill to the extent in Seller's possession, and any information within Seller's possession or under its control relating to any pending, or contemplated appeals relating to the Property;
- (g) An inventory of all fixtures, equipment, personal property and other property located at the Property and/or used by or on behalf of Seller in connection with the operation and maintenance of the Property;
- (h) Copy of the Land Use Restriction Agreement (LURA) along with copies of the Project's IRS Form 8609's for the Project, and if in Seller's possession, each annual federal tax return claiming low income tax credit allocation since the initial Project closing and construction; and
- (i) copies of all utility bills paid by the owner relating to the Property for the previous twelve (12) months.

7. **Examination of Title and Defects in Title.**

7.1 Purchaser shall have until the expiration of the Due Diligence Period to examine Seller's title to the Property. If the Purchaser is not satisfied with the state of title to the Property, the Purchaser shall notify the Seller of such title objections in writing prior to the expiration of the Due Diligence Period. If the Seller does not agree in writing to attempt to cure any such title objections raised by the Purchaser (which the Seller shall not be obligated to do), then the Purchaser may terminate this Agreement by providing written notice thereof to the Seller prior to the expiration of the Due Diligence Period, in which

case the Earnest Money shall be returned to the Purchaser, and neither party shall have any further rights or obligations hereunder, except as expressly provided herein. If (i) the Purchaser fails to so notify the Seller of any title objections or (ii) the Purchaser notifies the Seller of a title objection, the Seller objects in writing to attempt to cure such title objection, and the Purchaser fails to terminate this Agreement prior to the expiration of the Due Diligence Period, then, in either event, the Purchaser shall be deemed to have waived any such title objections and shall proceed to Closing without any reduction in the Purchase Price, in which event the Property will be conveyed to the Purchaser subject to such title objections. If the Seller undertakes to attempt to cure any title objections raised by the Purchaser before Closing but the Seller is unable to cure such title objections at or prior to Closing, then the Purchaser's sole recourse shall be either to (A) terminate this Agreement by providing written notice thereof to the Seller, in which event the Earnest Money shall be returned to the Purchaser and neither party shall have any further rights or obligations hereunder, except as expressly provided herein, or (B) waive such title objections and proceed to Closing without any reduction in the Purchase Price, in which event the Property will be conveyed to the Purchaser subject to such title objection. The Purchaser reserves the right to object, in the same manner specified above, to any new matters of title or survey that arise prior to the date of Closing if such matters were caused by the Seller and are unacceptable to the Purchaser.

7.2 As a material part of the consideration for this Agreement, Seller and Purchaser agree that, except for the representations, warranties, covenants and terms set forth in this Agreement (to the extent such representations, warranties and covenants survive closing for the period of their survival) there are no warranties being made with respect to this transaction, and Seller's interest in the Property shall be "AS-IS", "WHERE IS" and with all faults and defects, latent and patent, and Purchaser acknowledges and agrees that, except for the representations, warranties, covenants and terms set forth in this Agreement, Seller has not made, does not make and specifically disclaims any representations, warranties, promises, covenants, agreements or guaranties of any kind or character whatsoever, whether express or implied, oral or written, past, present or future, of, as to, concerning or with respect to (a) the nature, quality or condition of the Property, including, without limitation, the water, soil, and geology, or the presence or absence of any pollutant, hazardous waste, mold, gas or substance or solid waste on or about the Property, (b) the income to be derived from the Property, (c) the suitability of the Property for any and all activities and uses which Purchaser may intend to conduct thereon, (d) the compliance or noncompliance of or by the Property or its operation, use or construction with any legal requirements, without limitation, all applicable zoning laws, (e) the habitability, merchantability or fitness for a particular purpose of the Property, (f) loss of use of the Property, loss of time, commercial loss or damage of any kind whatsoever arising out of or related to claims in connection with construction, land use, zoning, permits, licenses, lead paint, asbestos, hazardous waste or substances, pollutants, contaminants or other environmental matters, or (g) any other matter related to or concerning the Property. Except as otherwise provided in this Agreement with respect to any breach by Seller of representations, warranties, covenants and other terms of this Agreement, Purchaser shall not seek recourse against Seller on account of any loss, cost or expense suffered or incurred by Purchaser with regard to any of the matters described in the sentence immediately above and Purchaser hereby assumes the risk of any adverse matters related to the matters described in the sentence immediately above.

7.3 Purchaser acknowledges that Purchaser, having been given the opportunity to inspect the Property, is relying solely on its own investigation of the Property and not on any information provided or to be provided by or on behalf of Seller or any statement, representation or other assertion made by Seller with respect to the Property, except for the representations, warranties, covenants and terms set forth in this Agreement (to the extent such representations, warranties and covenants survive closing for the period of their survival). Except for the representations, warranties, covenants and terms set forth in this Agreement (to the extent such representations, warranties and covenants survive closing for the period of their survival), Purchaser further acknowledges that no independent investigation or verification has been or will be made by Seller or any Seller Related Persons with respect to any information supplied by or on behalf of Seller concerning the Property, and Seller makes no representation as to the accuracy or completeness of such information, it being intended by the parties that Purchaser shall verify the accuracy and completeness of such information itself. Purchaser acknowledges that the disclaimers, agreements and other statements set forth in this Section are an integral portion of this Agreement and that Seller would not agree to sell the Property to Purchaser for the Purchase Price without the disclaimers, agreements and other statements set forth in this Section 7.2.

7.4 Seller shall continue to maintain and operate the Property in a manner consistent with its present condition, including all of the present utility services to the Property (subject to matters outside of Seller's control), reasonable wear and tear, capital expenditures and improvements, and force majeure excepted, and casualty and condemnation excepted subject to Section 21 of this Agreement.

8. **Warranties of Seller.** Seller warrants to Purchaser as follows:

8.1. Seller has the right, power and authority to enter into this Agreement and to sell the Property in accordance with the terms hereof, and Seller has granted no option to any other person or entity to purchase the Property.

8.2. To the best of Seller's knowledge, the Property complies with, conforms to and obeys all laws, ordinances, rules, regulations, and requirements existing as of the Agreement Date of all governmental authorities or agencies having jurisdiction over the Property, and any requirement contained in any hazard insurance policy covering the Property or board of fire underwriters or other body exercising similar functions which are applicable to the Property or to any part thereof or which are applicable to the use or manner of use, occupancy, possession or operation of the Property. Neither the Property nor any portion thereof violates any zoning, building, fire, health, pollution, subdivision, environmental protection or waste disposal ordinance, code, law or regulation or any requirement contained in any hazard insurance policy covering the Property; and Seller shall give prompt notice to Purchaser of any such violation which shall be received by Seller prior to Closing.

8.3. To the best of Seller's knowledge, there are no suits, judgments, or violations relating to or at the Property of any zoning, building, fire, health, pollution, environmental protection, or waste disposal ordinance, code, law or regulation which has not been heretofore corrected; that there is no suit or judgment presently pending or threatened

which would create a lien upon the Property in the hands of Purchaser after Closing; and Seller shall give prompt notice to Purchaser of any such suit or judgment filed, entered or threatened prior to Closing.

8.4. To the best of Seller's knowledge, there are no pending, threatened or contemplated eminent domain proceedings affecting the Property or any part thereof; and Seller shall give prompt notice to Purchaser of any such proceedings which occur or are threatened prior to Closing.

8.5. To the best of Seller's knowledge, there are no pending or no contemplated changes in the present status of zoning of the Property, other than any rezoning proceeding undertaken by Purchaser, and Seller shall give prompt notice to Purchaser of any such proposed changes of which Seller is aware prior to the Closing.

8.6. The Seller is not involved in any bankruptcy, reorganization or insolvency proceeding.

8.7. All taxes, assessments, water charges and sewer charges affecting the Property or any part thereof due and payable at the time of the Closing shall have been, or will be at Closing, paid in full. All current special assessments which are or will become a lien known to the Seller at the time of Closing on the Property shall also have been paid and discharged at Closing (in prorate shares between Seller and Purchaser), whether or not payable in installments.

8.8. There are no parties in possession of the Property or entitled to possession thereof other than Seller.

8.9. While this Agreement is in effect, Seller shall not solicit, accept or negotiate other offers with respect to the Property, or execute any deeds, easements, rights-of-way affecting the Property or subject the Property to any additional covenant, easement, restriction or encumbrance. Other than Purchaser, no person or entity has been granted a right of first refusal, right of first negotiation, option or other contractual or statutory right to purchase all or any part of the Property.

8.10. Hazardous Materials. Except as previously disclosed in any environmental report delivered to Purchaser by Seller: (i) the Property has not in the past been used and is not presently being used for the handling, storage, manufacturing, refining, transportation or disposal of "toxic material", "hazardous substances" or "hazardous waste"; (ii) there has not been and is not presently leeching or drainage of waste materials or hazardous substances into the groundwater beneath or adjacent to the Property; (iii) no buried, semiburied or otherwise placed tanks, storage vessels, drums, or containers of any kind located on the Property used for the storage of hazardous waste, hazardous substances or toxic material; (iv) there no asbestos containing materials located on the Property; (v) no construction material used in any improvements located at the Property contains any substance or material presently known to be a hazardous substance or toxic material; (vi) Seller has not disposed upon the Property any hazardous substances on or below the surface of the Property or within two thousand (2,000) feet of the boundary thereof including, without limitation, contamination of the soil, subsoil or groundwater; and (vii) the Property is not in violation of any law, rule or regulation of any government entity having jurisdiction thereof or which exposes Purchaser to liability to third

parties. The terms "hazardous waste", "hazardous substances" and toxic material" include, without limitation, any flammable explosives, radioactive materials, hazardous materials, hazardous wastes, hazardous or toxic substances or related materials defined in the Comprehensive Environmental Response Compensation, and Liability Act of 1980, as amended (42 U.S.C. Sect. 960 et seq.), the Hazardous Materials Transportation Act, as amended (42 U.S.C. Sect. 1801 et seq.), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Sect 9601 et seq.), the regulations adopted and publications promulgated pursuant to the foregoing and any other federal, state or local environmental law, ordinance, rule or regulation. Furthermore, Seller has not received a summons, citation, directive, letter or other communication, written or oral, from any governmental authority as to any of the above environmental concerns.

8.11. Without limiting the other provisions of this Agreement, Seller shall cooperate, at no cost to Seller, with Purchaser's investigation of matters relating to the foregoing provisions of this Section and provide access to and copies of all data and/or documents in Seller's or Seller's agent's possession dealing with potentially hazardous materials used at the Property and any disposal practices followed. Seller agrees that Purchaser may make inquiries of governmental agencies regarding housing financing matters and as described in Section 9 hereof, but not with respect to any environmental matters, and in any case without liability to Purchaser for the outcome of such discussions.

8.12. At all times prior to Closing, Seller agrees to continue to conduct, maintain and operate the Project located on the Property in a manner consistent with Seller's operation of said Project as of the date hereof. Without limiting the generality of the foregoing, Seller covenants and agrees to continue prudent credit underwriting practices, to comply with all laws and ordinances affecting the leasing of the apartment units, to maintain mechanical equipment, structures and utilities in their present condition until the Closing date, with 100% of the units in a "rent ready" state, normal wear and tear excepted, and to maintain casualty insurance covering the Property in an amount equal to the replacement value of the Property. In addition, at all times prior to Closing, Seller agrees to make those reasonable repairs and replacements necessary, which can be made for less than One Thousand Dollars (\$1,000.00), to satisfy any and all reasonable and bona fide tenant complaints affecting the Property. Seller further agrees to notify Purchaser of any tenant complaint that Seller, or its agent deems unreasonable, not bona fide, or involving expenses over One Thousand Dollars (\$1,000.00).

8.13. At all times prior to Closing, and after the expiration of the Due Diligence Period, Seller agrees to allow Purchaser to enter the Property during normal business hours and to make available to Purchaser or Purchaser's representatives, a monthly income statement, rent rolls and information with respect to ordinary operating expenses in connection with the ownership and operation of the Property, and further to cooperate with Purchaser in all reasonable respects.

8.14. Seller agrees to report to Purchaser, monthly until Closing, all operating and maintenance expenses, insurance renewals or cancellations, tenant leases executed (including details of all lease terms and concessions) and all lease terminations. Seller agrees to notify Purchaser promptly of the occurrence of any event or the existence of any circumstances that, with the passage of time, could cause an event that would cause any warranties and

representations set forth in this Agreement to be untrue or misleading in any respect. All of the warranties and representations set forth in Section 8 shall also be deemed to be made on the Closing Date, and shall survive the Closing for a period of six (6) months.

8.15. Seller is not listed in Executive Order 13224-Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit or Support Terrorism, as amended (“**Executive Order 13224**”), and to Seller’s knowledge no other persons or entities holding any legal or beneficial interest whatsoever in Seller are included in, owned by, controlled by, knowingly acting for or on behalf of, knowingly providing assistance, support, sponsorship, or services of any kind to, or otherwise knowingly associated with any of the persons or entities referred to or described in Executive Order 13324, or other banned or blocked person, entity, nation or transaction pursuant to any law, order, rule or regulation that is enforced or administered by the Office of Foreign Assets Control. Neither Seller nor any holder of any direct or indirect equitable, legal or beneficial interest in the Seller is the subject of any law blocking or prohibiting transactions with persons who commit, threaten to commit or support terrorism, including the USA Patriot Act. Without limiting the foregoing, Seller does not engage in any dealings or transactions, or is not otherwise associated with any such persons or entities or any “forbidden entity,” including the governments of Cuba, Iran, North Korea, Myanmar, Syria and Sudan.

8.16. Any representations and warranties made to the actual knowledge of Seller shall be deemed to be the current, actual knowledge of Michael Murphy, without imputation of knowledge or duty of any investigation or inquiry.

9. **HUD and USDA Approval (collectively “HUD”).**

9.1. The obligations of Purchaser to consummate the transactions contemplated by this Agreement are subject to the follow conditions:

- (a) The timely performance by Seller of each and every obligation imposed upon Seller;
- (b) The truth and accuracy as of the date hereof and as of the date of Closing of each and every warranty and representation made by Seller herein; and
- (c) Purchaser’s ability to obtain financing on commercially reasonable terms, including debt as well as an allocation of adequate federal and/or state low income housing tax credits, and syndication of tax credits with an investment limited partner.
- (d) Purchaser acknowledges and agrees that the Property presently is benefited by the HAP Contract which shall be deemed a Permitted Exception for all purposes under this Agreement. Within five (5) calendar days after the Effective Date of this Agreement, Seller agrees that it will make available to Purchaser in the office of Seller, a copy of the HAP Contract which is in Seller’s possession or reasonable control.

- (e) Purchaser agrees that, at the Closing, Seller shall assign and Purchaser shall assume the HAP Contract (the "HAP Assumption"). Purchaser further acknowledges that the HAP Contract requires the satisfaction by Purchaser of certain requirements set forth therein and established by HUD to allow for the HAP Assumption.

- (f) Prior to Closing, the Purchaser shall, at its sole cost and expense, work with the Seller to obtain all necessary HUD approvals for assignment of HAP Contracts, Transfer of Physical Assets, and any assignment and/or assumption of USDA direct or guaranteed debt associated with the Project (the "HUD Approvals"). In connection with the foregoing, Purchaser, at its sole costs and expense, shall submit on or before December 31, 2017 a complete HUD application in order to request HUD Approval, including, without limitation, all application documents, certificates, agreements, information and fees required by HUD to allow for HUD's approval of Seller's assignment and Purchaser's assumption of the HAP Contract, together with any USDA guaranty or financing currently existing on the Property. In addition to the foregoing, Purchaser shall obtain 2530 approval from HUD, and, in addition to such 2530 approval, shall satisfy all other requirements imposed by HUD field offices in connection with any other process imposed as a prerequisite to obtaining HUD Approval. Purchaser agrees promptly, but in no event later than 15 business days following receipt of a request therefore, to deliver to HUD all documents and information required in order to obtain HUD Approval, and such other information or documentation as HUD reasonably may request, including without limitation, financial statements, income tax returns and other financial information for Purchaser and any required guarantor, materials, documents, certificates, signatures, and other items. Purchaser agrees to provide Seller with a copy of the HUD application together with evidence of Purchaser's submission of each of the foregoing to HUD within 2 business days of its submission to HUD. Purchaser shall be responsible at its sole cost and expense for correcting any deficiencies noted by HUD in connection with the application for HUD Approval within 10 business days after notification from HUD of such deficiency. In the event that HUD disapproves the HUD application, this Agreement shall terminate. Purchaser shall pay all fees and expenses (including, without limitation, transfer fees, assumption fees, title fees, endorsement fees, and other fees) imposed or charged by HUD or its counsel in connection with either the HUD application and HUD Approval (which obligation shall survive the termination of this Agreement and the Closing). Without limiting the generality of the foregoing, Purchaser shall pay the cost of any physical inspection report required in connection with obtaining HUD Approval.

- (g) Purchaser recognizes and agrees that HUD may require that the Assignment of HAP Contract contain a provision, in accordance with the Memorandum of Beverly J. Miller, Director, Asset Management, Office of Housing, dated January 6, 2005, that amends the HAP Contract to include the following additional provisions:

- i. Physical Conditions Standards and Inspection Requirements. The Owner shall comply with the Physical Condition Standards and Inspection Requirements of 24 CFR Part 5, Subpart G, including any changes in the regulation and related Directives. In addition, the Owner shall comply with HUD's Physical Condition Standards of Multifamily Properties of 24 CFR Part 200, Subpart P, including any changes in the regulation and regulated Directives. This obligation shall apply both during the current term of the HAP contract and during each successive renewal term.
 - ii. Financial Reporting Standards. The Owner shall comply with the Uniform Financial Reporting Standards of 24 CFR Part 5, Subpart H, including any changes in the regulation and related Directives. This obligation shall apply both during the current term of the HAP contract and during each successive renewal term.
- (h) Purchaser acknowledges and agrees that, in connection with HUD Approval, HUD may require the funding of additional escrows and reserves, including without limitation, additional repair escrows (collectively, the "Additional Required Escrows"). If Seller's escrows and reserves are low due to waiting on HUD reimbursements Seller has already spent for repairs, and other items approved by HUD, the parties agree that the forthcoming reimbursement will be placed in the reserve or escrow account. Purchaser will be required to fund any additional funds HUD requires prior to closing.
 - (i) Purchaser agrees that, at the Closing, Purchaser shall fund all Additional Required Escrows in cash or other immediately available funds, and Purchaser shall fund the Purchase Price or any other amount Purchaser is required to pay pursuant this Agreement.
 - (j) Purchaser represents and warrants that, prior to the Closing Date, Purchaser will take all steps and provided all information required by HUD in order to register as a participant under HUD's Active Partner Performance System or any similar electronic filing system presently maintained by HUD (the "APPS"). Purchaser agrees to make all filings required to be made electronically to HUD through the APPS, including, without limitation, any advanced notification required in connection with an event that will trigger 2530 approval.
 - (k) In the event any HUD or lender approvals are not obtained within two hundred and seventy (270) calendar days after the Agreement Date, either party may terminate this Agreement by giving written notice to the other in which event this Agreement shall be null and void and the Earnest Money shall be paid to the Purchaser.

- (l) Purchaser reserves the right to reject, in Purchaser's sole discretion, the terms and conditions imposed by HUD in connection with the HUD Approvals (including, without limitation, any condition imposed by HUD which would impose liability upon Purchaser or adversely affect the economic remuneration to Purchaser from the proposed Project).

9.2. The obligation of Seller to consummate the transactions contemplated by this Agreement are subject to the following conditions:

- (a) The timely performance by Purchaser of each and every obligation imposed upon Purchaser; and
- (b) The truth and accuracy as of the date hereof and as of the date of Closing, of each and every warranty and representation made by Purchaser herein.
- (c) Seller agrees that it will cooperate with Purchaser and HUD in connection with Purchaser's application to HUD for HUD Approval. Seller reserves the right to reject, in Seller's sole discretion, the terms and conditions imposed by HUD in connection with the HUD Approvals (including, without limitation, any condition imposed by HUD which would impose liability upon Seller or adversely affect the economic remuneration to Seller from the proposed sale of the Property).

10. **Termination.** In addition to all other rights of Purchaser under this Agreement as provided by law (and not in lieu of any such rights), Purchaser, at Purchaser's sole election and in Purchaser's sole discretion, may cancel and terminate this Agreement by written notice to Seller and the Earnest Money shall be returned to Purchaser if any one or more of the following conditions or states of fact shall exist on the Closing Date (the "Permitted Termination") (but, in the alternative, Purchaser may in writing, at Purchaser's sole election and in Purchaser's sole discretion, decline to cancel and terminate this Agreement by reason of any such condition or state of fact, and proceed to consummate the transaction contemplated hereby):

10.1. Any proceeding filed or commenced by any governmental authority or other agency having powers of condemnation concerning the Property or any portion thereof;

10.2. Failure of Seller to deliver to Purchaser at the Closing the Deed;

10.3. Failure of Seller to perform any of its obligations contained in this Agreement required to be performed on or prior to the Closing Date;

10.4. Any representation or warranty made by Seller in this Agreement is untrue or incorrect in any material respect;

10.5. If applicable, Seller fails to cure any matter set forth in Purchaser's title objection letter to Purchaser's satisfaction;

10.6. Purchaser is unable to obtain financing on commercially reasonable terms after using good faith efforts to obtain, sufficient for Purchaser's development, rehabilitation, or use of the Property, as determined by Purchaser in its sole discretion;

10.7. Failure of any condition contained in Section 9.1 above, including obtaining the HUD Approvals and a reservation of tax credits;

10.8. Either party may terminate this Agreement by written notice to the other party in the event that the Seller is unable to acquire the consent of the Georgia Department of Community Affairs for the sale of the Property and payment of the current outstanding balance of its loan.

11. **Title/Zoning Matters.** During the term of this Agreement, Seller shall not mortgage or encumber the Property or execute any easements, covenants, conditions or restrictions with respect to the Property or seek any zoning changes or other governmental approvals with respect to the Property without first obtaining Purchaser's prior written consent in each instance. Seller has received no notice (i) that any portion of the Property is subject to any proposed or pending special assessments or any extraordinary increase in general real estate taxes, or (ii) any violation of building codes and/or zoning ordinances. There is no pending, or to Seller's knowledge, threatened, zoning proceedings affecting any portion of the Property.

12. **Possession of Property.** Seller shall deliver possession of the Property to Purchaser at Closing.

13. **Consultants and Brokers.** Purchaser and Seller each represent and warrant that neither they nor their affiliates have dealt with any broker, finder or the like in connection with the transaction contemplated by this Agreement which are to be paid the commission or fee resulting from the purchase and sale of the Property. Seller and Purchaser agree to indemnify, defend and hold the other harmless from and against all loss, expense (including attorneys' fees), damage and liability resulting from the claims of any broker or finder (or anyone claiming to be a broker or finder) on account of any engagement or agreement alleged to have been made by the indemnifying party in connection with the transactions contemplated by this Agreement.

14. **Transaction Costs.**

14.1. **Purchaser's Costs.** Purchaser shall pay Purchaser's legal fees, application fees, financing source fees, including fees for third party reports required by lenders, costs of all Inspections of the Property; with respect to the Purchaser's debt financing, all recording taxes and fees, documentary stamps, intangible taxes and other fees, charges and expenses of delivering or recording the documents which evidence or secure such debt, title search fees for owner's and mortgagee's title insurance policies, and survey.

14.2. **Seller's Costs.** Seller shall pay Seller's legal fees, any prepayment or other penalties or fees payable in connection with the payoff of existing indebtedness on the Property, and any transfer, stamp, real estate conveyance or similar tax payable on the transfer of the Property which are paid by sellers in the State of Georgia and all recording fees relating to title clearance matters.

14.3. **Other Costs.** All costs or expenses incurred in the performance of the parties' respective obligations hereunder and of the consummation of the transactions contemplated herein that have not been specifically assumed by either party under the terms hereof shall be borne by the party incurring such cost or expense.

15. Liquidated Damages to Seller, Remedies of Purchaser. In the event that Purchaser refuses to accept title to the Property as required by this Agreement, or otherwise defaults in Purchaser's obligations hereunder, through no fault of Seller, the Earnest Money shall be retained by Seller as fixed and full liquidated damages, subject to the provisions of Section 2 above, and in such event neither the Purchaser nor Seller shall have any further rights or obligations hereunder or any remedies provided by law or equity, except as otherwise expressly stated herein. Seller and Purchaser agree that (i) the damages resulting to Seller as a result of such default by Purchaser as of the date of this Agreement are difficult or impossible to ascertain and (ii) the liquidated damages set forth in the preceding sentence constitute Seller's and Purchaser's reasonable estimate of such damages. In the event that the sale of the Property as provided in this Agreement is not consummated as a result of a default by Seller, Purchaser shall have the right, as its sole and exclusive remedies, to either (i) terminate this Agreement by giving written notice thereof to Seller, whereupon the Escrow Agent immediately shall deliver the Earnest Money (and all accrued interest therein, if any), to Purchaser, free of any claims by Seller, and neither party shall have any further rights or obligations under this Agreement unless otherwise provided in this Agreement, or (ii) enforce specific performance of Seller's obligations under this Agreement. All representations, warranties, covenants, and agreements contained herein, whether to be performed before or after the Closing Date, shall not be deemed to be merged into or waived by the instruments of the Closing, but shall survive Closing for a period of six (6) months after the Closing (the "Survival Period"). Any right of action for the breach of any representation or warranty contained herein shall survive the Closing for the Survival Period and before the expiration of the Survival Period the party claiming such breach must have filed an action in a court of competent jurisdiction. A breaching party shall be liable for the direct, but not consequential or punitive damages or special damages resulting from such breach of representations or warranties expressly set forth in this Agreement provided that the total liability of a breaching party shall not exceed 1% of the purchase price (the "Claim Cap") and no claim may or shall be brought for an alleged breach of representations or warranties unless the amount of claim or claims, individually or in the aggregate, exceeds 5% of the Claim Cap (in which event the amount of such valid claims that exceed the threshold shall be actionable from "dollar one". Seller shall not be liable to Purchaser for any representation or warranty which is untrue at the time of Closing and with respect to which Purchaser had actual knowledge thereof prior to Closing.

15. **Prior Discussions and Amendments.** This Agreement supersedes all prior discussions and agreements between Seller and Purchaser with respect to the conveyance of the Property and all other matters contained herein, and constitute the sole and entire agreement between Seller and Purchaser with respect thereto. This Agreement may not be modified or amended unless such amendment is set forth in writing and signed by both Seller and Purchaser.

16. **Successors and Assigns.** This Agreement shall apply to, inure to the benefit of, and be binding upon and enforceable against Seller and Purchaser and their respective heirs,

successors and assigns to the same extent as if specified at length throughout this Agreement. Purchaser may assign this Agreement to any business entity, in which Purchaser or its principal is a member, which shall agree to assume each of Purchaser's obligations hereunder, however, Purchaser shall not be released from its obligations hereunder. Purchaser may direct that title to the Property or any portion thereof be conveyed to Purchaser or its nominee; provided, however, Purchaser shall remain obligated under this Agreement.

17. **Counterparts.** This Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of such counterparts together shall constitute one and the same instrument. PDF, TIFF, facsimile, or other electronic images of signatures will be deemed originals for all purposes.

18. **Time of the Essence.** Time is of the essence of this Agreement.

19. **Governing Law.** This Agreement shall be governed by and construed according with the laws of the State of Georgia. IN THE EVENT OF ANY LEGAL PROCEEDINGS BETWEEN THE PARTIES ARISING OUT OF THIS AGREEMENT, EACH PARTY HEREBY WAIVES THE RIGHT TO TRIAL BY JURY.

20. **Notices.** All notices required or permitted by the terms hereof shall be given by postage prepaid registered or certified United States Mail, return receipt requested, at the following addresses or at such other address as either part hereto shall in writing advise the other.

To Seller: **DOUGLASS VILLAGE, LTD.**
Michael Murphy
11200 Rockville Pike, Suite 500
Rockville, MD 20852

To Purchaser: **STRATFORD ASSET ACQUISITION, LLC**
c/o Stephen P. Wilson
8245 Boone Boulevard, Suite 640
Vienna, VA 22182

with a copy to: **KLEIN HORNIG LLP**
1325 G Street NW, Suite 770
Washington, DC 20005
Attn: Erik Hoffman

All notices shall be deemed given as of the time such are deposited with the United States Postal Service or overnight delivery service for transmittal as aforesaid.

21. **Construction.** No provision of this Agreement shall be construed by any Court or other judicial authority against any party hereto by reason of such party's being deemed to have drafted or structured such provision.

22. **Confidentiality.** The parties hereby agree that the terms of this Agreement, the existence of this Agreement and the identity of all parties to this Agreement are, and are to remain, confidential. The parties agree not to disclose the terms of this Agreement, other than to agents, counsel or advisors of each party, and except as required by applicable law.

23. **Authorization, Execution and Delivery.** This Agreement has been duly authorized, executed and delivered by all necessary action on the part of each of the Seller and the Purchaser, constitutes the valid and binding agreement of each of the Seller and the Purchaser and is enforceable in accordance with its terms.

24. **Incorporation of Recitals and Exhibits.** The recitals set forth above and all Exhibits attached hereto are hereby incorporated into the substantive body of this Agreement.

[SIGNATURES ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

"SELLER"

DOUGLASS VILLAGE, LTD.
a Georgia limited partnership

By: CRICO Limited Partnership of Douglasville
By: C.R.H.W., Inc., its general partner

By: *Michael Murphy*
Name: Michael Murphy
Title: Senior Vice President

"PURCHASER"

STRATFORD ASSET ACQUISITION, LLC
a Delaware limited liability company

By: **SCG Capital Corp.**
a Delaware limited liability company
Its: General Partner

By: *SPW*
Name: STEPHEN P. WILSON
Title: PRESIDENT

EXHIBIT "A"

**AFFIDAVIT OF SELLER CERTIFYING SATISFACTION
OF 10 YEAR RULE FOR OWNERSHIP**

Douglass Village, LTD., a Georgia limited partnership (the "Seller") hereby certifies that, as of the ____ day of _____, _____, the following are true and correct to the extent necessary for Stratford Asset Acquisition, LLC, a Delaware limited liability company ("Purchaser") to receive acquisition credits in the financing of Purchaser's acquisition and rehabilitation of Douglass Village Apartments (the "Project").

(1) there was a period of at least ten (10) years between the date the Seller acquired legal and beneficial ownership of the Project and placed in service the last building to be placed in service and the date of the proposed sale to Purchaser (the "Ten-Year Period"); and

(2) there was no time during the last ten (10) years that there was a change of ownership in the Seller's partnership capital and profits of fifty percent (50%) or more within a twelve (12) month period; and

(3) on the date the Seller conveyed the Project to the Purchaser, ten percent (10%) or more of the ownership interest of the Seller and ten percent (10%) or more of the ownership interest of the Purchaser were not either: (a) controlled by the other party to the conveyance or (b) controlled by a person or entity that also controlled the other party to the conveyance; and

(4) to the best of Seller's knowledge, there was no interruption of any building being in service during the Ten-Year Period.

This Certification may be relied upon by Purchaser, its legal counsel, Coleman Talley LLP, and the Georgia Department of Community Affairs.

Douglass Village, LTD.
a Georgia limited partnership

By: _____
_____, General Partner

PROJECT NUMBER PROPERTY	416 Douglass Village	HISTORICAL INFORMATION
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Note: This calculation does NOT count RR contribution as an expense against income

NOI	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
NET OPERATING INCOME	46219	46631	47636	47379	36767	40615	43999	50692	46969	44544	46123	43529	\$52863

DEBT SERVICE	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	ANNUAL EXPENSE	12 Months				
														Sumit	Change	%	2016 Budget	2016 Year End
2300 PRINCIPAL 1ST MORTGAGE	6242	6242	6242	6242	6242	6242	6242	6242	6242	6242	6242	6242	\$74,904	\$24,029	\$20,953	28.55%	\$14,554	\$24,029
2321 PRINCIPAL 2ND MORTGAGE	0	0	0	0	0	0	0	0	0	0	0	0	\$0	\$0	\$0	0.00%	\$0	\$0
2322 PRINCIPAL 3RD MORTGAGE	0	0	0	0	0	0	0	0	0	0	0	0	\$0	\$0	\$0	0.00%	\$0	\$0
6600 1000 INTEREST 1ST MORTGAGE	14912	14912	14912	14912	14912	14912	14912	14912	14912	14912	14912	14912	\$178,944	\$2,053	\$125,067	69.98%	\$170,944	\$20,061
6620 2000 INTEREST 2ND MORTGAGE	0	0	0	0	0	0	0	0	0	0	0	0	\$0	\$0	\$0	0.00%	\$0	\$0
6620 3000 INTEREST 3RD MORTGAGE	0	0	0	0	0	0	0	0	0	0	0	0	\$0	\$0	\$0	0.00%	\$0	\$0
6600 1500 INTEREST ASSISTANCE	0	0	0	0	0	0	0	0	0	0	0	0	\$0	\$0	\$0	0.00%	\$0	\$0
1310 2000 MORTG AMP ESCROW 1ST TRUST	0	0	0	0	0	0	0	0	0	0	0	0	\$0	\$0	\$0	0.00%	\$0	\$0
1310 2200 MORTG AMP ESCROW 2ND TRUST	0	0	0	0	0	0	0	0	0	0	0	0	\$0	\$0	\$0	0.00%	\$0	\$0
1320 1000 REPLACEMENT RESERVE	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	\$60,000	\$602	\$60,000	0.99%	\$60,000	\$60,000
1330 PAINT RESERVE INCL W/MORT	0	0	0	0	0	0	0	0	0	0	0	0	\$0	\$0	\$0	0.00%	\$0	\$0
1121 PAINT RESERVE SEPARATE ACCT.	0	0	0	0	0	0	0	0	0	0	0	0	\$0	\$0	\$0	0.00%	\$0	\$0
TOTAL DEBT SERVICE	26154	26154	26154	26154	26154	26154	26154	26154	26154	26154	26154	26154	\$310,848	\$3,585	\$239,076	77.24%	\$313,848	\$138,810

TOTAL OPERATING INCOME	102389	102964	102989	102364	102989	102964	102389	102964	102989	102364	102989	102964	\$1,233,321	\$14,915	\$1,218,169	9.84%	\$1,246,274	\$1,212,839
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TOTAL OPERATING EXPENSES	82294	79487	81507	81439	92378	84103	80474	78026	82174	83974	83020	85589	\$995,166	\$11,399	\$879,466	13.15%	\$946,860	\$738,719
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NET OPERATING CASH FLOW	20095	23477	21482	21225	10613	18861	21915	23938	20815	18390	19969	17375	\$238,155	\$2,798	\$339,763	-18.89%	\$385,374	\$478,119
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DEBT SERVICE COVERAGE RATIO	1.95	2.11	2.02	2.00	1.50	1.89	2.04	2.13	1.98	1.87	1.94	1.82	1.94
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Income Expenses RR Contribution Debt Service (Use RR contribution)

PROJECT NUMBER PROPERTY	416 Douglass Village	HISTORICAL INFORMATION
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NET OPERATING CASH FLOW	20095	23477	21482	21225	10613	18861	21915	23938	20815	18390	19969	17375	\$238,155
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CAPITAL EXPENSES	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	ANNUAL EXPENSE
8000 0100 FURNITURE/FIXTURES/EQUIP.	0	0	0	0	0	0	0	0	0	0	0	0	\$0
8000 0500 PLANTINGS	0	0	0	0	2500	0	0	2500	0	0	0	0	\$5,000
8000 1000 REFRIGERATORS	0	650	0	650	0	650	0	650	0	650	0	0	\$3,250
8000 1500 CARPETING/FLOOR TILE	1200	0	1200	0	1200	0	1200	0	1200	0	1200	0	\$7,200
8000 2000 STOVES/RANGES	0	520	0	520	0	520	0	520	0	520	0	520	\$3,120
8000 2500 DISHWASHERS	0	0	0	0	0	0	0	0	0	0	0	0	\$0
8000 2700 WASHER/DRYERS	0	0	0	0	0	0	0	0	0	0	0	0	\$0
8000 3000 DISPOSALS	0	0	0	0	0	0	0	0	0	0	0	0	\$0
8000 3500 ROOFS	0	0	0	0	0	0	0	0	0	0	0	0	\$0
8000 4000 HOT WATER HEATERS	700	0	700	0	700	0	700	0	700	0	700	0	\$3,500
8000 4500 ASPHALT/CONCRETE	0	0	0	0	0	0	0	0	0	0	0	0	\$0
8000 5000 CABINETS/COUNTERS	3500	0	3500	0	3500	0	3500	0	3500	0	3500	0	\$21,000
8000 6000 HVAC	0	0	0	800	0	800	0	800	0	800	0	0	\$1,600
8000 7000 DOORS	0	0	0	400	0	400	0	400	0	400	0	0	\$2,000
8000 8000 SCREENS/VEN. BLINDS	0	0	350	0	0	0	0	0	0	350	0	0	\$700
8000 8500 EXTERIOR PAINTING	0	0	8800	0	8800	0	0	0	0	0	0	0	\$16,800
8000 9400 WINDOW REPLACEMENT	0	0	0	0	0	0	0	0	0	0	0	0	\$0
8000 9500 OPEN LINE ITEM	0	0	0	0	0	0	0	0	0	0	0	0	\$0
8000 9600 REPLACEMENT/SUPPLIES	2100	0	2100	0	2100	0	2100	0	2100	0	2100	0	\$12,600
8000 9850 BED BUG TREATMENTS	0	0	0	800	0	0	0	800	0	0	0	0	\$1,600
8000 9900 REPLACEMENT/CONTRACT	0	0	0	0	5000	0	0	0	0	0	0	0	\$5,000
TOTAL CAPITAL EXPENSE	7589	1176	16650	2370	23109	1870	8980	2370	16880	1528	7500	528	\$82,170

See details on other sheet #44

1320 3000 R/R REIMBURSEMENT		(JAN-MAR)		(APR-JUN)		(JUL-SEP)		(OCT-DEC)		\$0	NON-EXPENSED CAPITAL EXPENSE	\$2,170
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NET CAPITAL EXPENSE	7589	1176	16650	2370	23109	1870	8980	2370	16880	1528	7500	528	\$82,170
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3000 3000 DISTRIBUTION TO OWNER	0	0	0	0	0	0	0	0	0	0	0	0	\$0
7190 0300 INCENTIVE MGMT. FEE	0	0	0	0	0	0	0	0	0	0	0	0	\$0

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
NET CASH FLOW <DEFICIT>	12,595	22,267	4,822	18,855	(12,407)	15,991	15,115	21,568	19,015	16,876	12,469	16,855	\$155,885

YEAR TO DATE NUMBERS FOR ACCOUNTING USE ONLY.....	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
	12595	34862	39734	58589	46182	62693	78228	99776	118791	126661	139120	155885

155985

EXPLANATION OF R/R EXPENSES		
REPLACEMENT RESERVE ANALYSIS		
RR Balance at end of Month:	1	\$2,438,761
Plus Remainder of year contribution (automated)		\$15,000
Less remaining final requests (enter as negative number)		\$0
2015 ENDING BALANCE		\$2,453,761
2017 R/R CONTRIBUTION		\$60,000
(2017 Projected R/R Reimb. Requests)		\$0
2017 PROJECTED YR. END BALANCE		\$2,513,761
RESIDUAL RECEIPT BALANCE	Date	Amount
2016 Res. Rec. projected debts o/s		\$0
2017 Res. Rec. projected debts o/s		\$0
2017 Res. Rec. projected Yr. End Balance		\$0
Other (name here)		\$0

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KOZAK, POLLEKOFF & GOLDMAN, P.C.
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Partners
Douglass Village Limited Partnership
(A Georgia Limited Partnership)

Report on the Financial Statements

We have audited the accompanying financial statements of Douglass Village Limited Partnership, (a Georgia Limited Partnership) dba Douglas Village, which comprise the balance sheets as of December 31, 2016 and 2015, and the related statements of operations, changes in partners' equity, 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 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 audit to obtain reasonable assurance about whether the financial statements are free from 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 auditors' 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 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.

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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 Douglass Village Limited Partnership, as of December 31, 2016 and 2015, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information on pages 15, 16 and 23 through 32 is presented for purposes of additional analysis and is not a required part of the financial statements.

The accompanying supplementary information shown on pages 15, 16 and 23 through 32 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. Such 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 auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information shown on pages 15, 16 and 23 through 32 is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 13, 2017 on our consideration of Douglass Village Limited Partnership's internal control over financial reporting and on our tests 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 Douglass Village Limited Partnership's internal control over financial reporting and compliance.

Hick, Pollock & Goldman, P.C.

Vienna, Virginia
February 13, 2017
Lead Auditor: Robert A. Kozak

EIN: 54-1639552

DOUGLASS VILLAGE LIMITED PARTNERSHIP
(A GEORGIA LIMITED PARTNERSHIP)

BALANCE SHEETS
DECEMBER 31,

ASSETS

	<u>2016</u>	<u>2015</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 169,386	\$ 226,394
Accounts receivable - subsidy	6,721	6,101
Accounts receivable - tenants	3,561	1,466
Prepaid expenses	22,866	25,325
Total current assets	<u>202,534</u>	<u>259,286</u>
DEPOSITS HELD IN TRUST - FUNDED		
Tenant security deposits	<u>18,769</u>	<u>16,248</u>
RESTRICTED DEPOSITS AND FUNDED RESERVES		
Mortgage escrow deposits	9,509	13,857
Replacement reserve	2,611,535	2,246,394
Total restricted deposits and funded reserves	<u>2,621,044</u>	<u>2,260,251</u>
PROPERTY AND EQUIPMENT		
Land	79,022	79,022
Land improvements	81,833	81,833
Buildings and improvements	3,971,173	3,971,173
Furnishings and equipment	666,681	666,681
	<u>4,798,709</u>	<u>4,798,709</u>
Less: Accumulated depreciation	<u>(3,925,103)</u>	<u>(3,737,339)</u>
Total property and equipment	<u>873,606</u>	<u>1,061,370</u>
 Total assets	 <u>\$ 3,715,953</u>	 <u>\$ 3,597,155</u>

See notes to financial statements

DOUGLASS VILLAGE LIMITED PARTNERSHIP
(A GEORGIA LIMITED PARTNERSHIP)

BALANCE SHEETS - CONTINUED
DECEMBER 31,

LIABILITIES AND PARTNERS' EQUITY

	<u>2016</u>	<u>2015</u>
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 53,201	\$ 46,029
Accrued mortgage interest	13,759	1,633
Mortgage payable - current portion	83,800	75,895
Prepaid rents	6,551	12,634
Total current liabilities	<u>157,311</u>	<u>136,191</u>
DEPOSITS LIABILITIES		
Tenant security deposits	<u>17,764</u>	<u>14,113</u>
LONG-TERM LIABILITIES		
Mortgage payable, net of current portion	1,895,360	1,979,160
Note payable - limited partner	289,334	289,334
Total long-term liabilities	<u>2,184,694</u>	<u>2,268,494</u>
Total liabilities	<u>2,359,769</u>	<u>2,418,798</u>
PARTNERS' EQUITY		
Total liabilities and partners' equity	<u>\$ 3,715,953</u>	<u>\$ 3,597,155</u>

See notes to financial statements

DOUGLASS VILLAGE LIMITED PARTNERSHIP
(A GEORGIA LIMITED PARTNERSHIP)

STATEMENTS OF OPERATIONS

FOR THE YEARS ENDED DECEMBER 31, 2016

	2016	2015
RENTAL INCOME		
Apartments	\$ 131,507	\$ 104,142
Tenant assistance payments	1,121,088	1,126,238
Potential rental income	1,252,595	1,230,380
Less: Vacancies	(26,936)	(21,256)
Net rental income	1,225,659	1,209,124
Other income:		
Interest income	5,285	4,698
Other income	3,714	5,223
Total other income	8,999	9,921
Total income	1,234,658	1,219,045
EXPENSES		
Operating and maintenance	235,832	247,671
Utilities	145,659	145,434
Administrative	185,401	183,324
Taxes and insurance	111,981	100,865
Bad debts	307	6,092
Interest on mortgage payable	189,887	20,801
Total expenses	869,067	704,187
Income from operations	365,591	514,858
Non-operating (income) and expense:		
Depreciation	187,764	194,385
Total non-operating income and expense	187,764	194,385
Net income	\$ 177,827	\$ 320,473

See notes to financial statement

DOUGLASS VILLAGE LIMITED PARTNERSHIP
(A GEORGIA LIMITED PARTNERSHIP)

STATEMENTS OF CHANGES IN PARTNERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	General Partner	Limited Partners		Total
	CRICO Limited Partnership of Douglassville	Interfaith, Inc.	Capital Housing Partners CXXXI	
Ownership Interest	<u>1.50%</u>	<u>3.50%</u>	<u>95.00%</u>	<u>100.00%</u>
Partners' equity January 1, 2015	\$ 52,313	\$ 122,070	\$ 683,501	\$ 857,884
Net income	<u>4,807</u>	<u>11,217</u>	<u>304,449</u>	<u>320,473</u>
Partners' equity December 31, 2015	57,120	133,287	987,950	1,178,357
Net income	<u>2,667</u>	<u>6,224</u>	<u>168,936</u>	<u>177,827</u>
Partners' equity December 31, 2016	<u>\$ 59,787</u>	<u>\$ 139,511</u>	<u>\$ 1,156,886</u>	<u>\$ 1,356,184</u>

See notes to financial statements

DOUGLASS VILLAGE LIMITED PARTNERSHIP
(A GEORGIA LIMITED PARTNERSHIP)

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31,

	2016	2015
Cash flows from operating activities		
Net income	\$ 177,827	\$ 320,473
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	187,764	194,385
Changes in asset and liabilities		
(Increase) decrease in assets		
Accounts receivable - tenants	(2,095)	(156)
Accounts receivable - subsidy	(620)	3,500
Prepaid expenses	2,459	(1,497)
(Increase) decrease in liabilities		
Accounts payable and accrued expenses	7,172	(41,652)
Accrued mortgage interest	12,126	(100)
Prepaid rents	(6,083)	5,728
Tenant security deposits	1,130	(632)
Net cash provided by operating activities	379,680	480,049
Cash flows from investing activities		
Net changes in mortgage escrow accounts	4,348	1,215
Net changes in reserve for replacements	(365,141)	(464,566)
Net cash used in investing activities	(360,793)	(463,351)
Cash flows from financing activities		
Principal payments on mortgage	(75,895)	(54,009)
Net cash used in financing activities	(75,895)	(54,009)
Net decrease in cash and cash equivalents	(57,008)	(37,311)
Cash and cash equivalents, beginning	226,394	263,705
Cash and cash equivalents, ending	\$ 169,386	\$ 226,394
Supplemental disclosure of cash flow information		
Cash paid during the year for interest	\$ 177,761	\$ 20,901

See notes to financial statements

DOUGLASS VILLAGE LIMITED PARTNERSHIP
(A GEORGIA LIMITED PARTNERSHIP)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND 2015

NOTE 1 - ORGANIZATION

Douglass Village Limited Partnership, a limited partnership (the Partnership), was formed on March 27, 1981 under the Uniform Limited Partnership Act of the State of Georgia. Its purpose is to construct, develop, own, maintain and operate a rental housing project under section 515(b) of the Housing Act of 1949. The 88-unit, two story, low-income project consists of 29 two-bedroom units, 29 three-bedroom units and 30 four-bedroom units. The term of the Partnership is fifty-five years. The project is located at 6549 Brown Street, Douglasville, Georgia.

Cash distributions are limited by the loan agreement between the Partnership and USDA/RD to 8 percent of the Partnership's initial investment of \$151,250, amounting to \$12,100 per year, provided the reserve account is funded to the required level. Under the terms of the loan agreement, the Partnership is required to fund the reserve account \$28,548 annually to a maximum of \$285,475. Total reserve funds were \$2,611,535 and \$2,246,394 at December 31, 2016 and 2015, respectively.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Partnership utilizes the accrual basis of accounting, whereby income is recognized as earned and expenses are recognized as obligations are incurred.

Cash and Cash Equivalents

Cash and cash equivalents consist of short-term investments with an original maturity of three months or less, cash on deposit, money market funds and certificates of deposit.

Revenue recognition

Rental revenue attributable to residential operating leases is recorded when due from residents, generally upon the first day of each month for periods of up to one year, and are considered operating leases. Advance receipts of rental income are deferred until earned.

Tenant Receivable and Bad Debt Policy

Tenant rent charges for the current month are due on the first of the month. Tenants who are evicted or move-out are charged with damages or cleaning fees, if applicable. Tenant receivable consists of amounts due for rental income, security deposit or the charges for damages and cleaning fees. The Partnership does not accrue interest on the tenant receivable balances.

The Partnership has established an allowance for doubtful accounts for tenant receivables which are 60 days past due. Tenant receivables are written off in the period management determines that collection is not probable. Included in expenses are bad debts of \$307 and \$6,092 for the years ending December 31, 2016 and 2015, respectively. There is no balance in the allowance account for the years ending December 31, 2016 and 2015.

DOUGLASS VILLAGE LIMITED PARTNERSHIP
(A GEORGIA LIMITED PARTNERSHIP)

NOTES TO FINANCIAL STATEMENTS - CONTINUED

DECEMBER 31, 2016 AND 2015

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Rental Property

Rental property is recorded at cost. Improvements are capitalized, while expenditures for maintenance and repairs are expensed as incurred. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation. The rental property is depreciated over estimated service lives as follows:

Buildings	27.5 years	straight-line
Building Improvements	5 to 27.5 years	straight-line
Land Improvements	15 years	straight-line
Furnishings and Equipment	5 years	straight-line

The Partnership reviews its property and equipment for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the property to the future net undiscounted cash flow expected to be generated by the property including any estimated proceeds from the eventual disposition of the real estate. If the real estate is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the real estate exceeds the fair value of such property. There were no impairment losses recognized in 2016 or 2015.

Partners' Equity

Profit and loss is to be allocated to CRICO (1.5%) ("General Partner"), Interfaith, Inc. (3.5%) and Capital Housing Partners CXXXI (95%) ("Limited Partners"), other than special allocations (as defined by the Partnership Agreement) and certain other items which would be specifically allocated to the partners in accordance with the Partnership Agreement.

Income Taxes

The Partnership has elected to be treated as 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. 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's federal income tax returns for 2015, 2014, and 2013 are subject to examination by the IRS, generally for three years after they were filed.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

DOUGLASS VILLAGE LIMITED PARTNERSHIP
(A GEORGIA LIMITED PARTNERSHIP)

NOTES TO FINANCIAL STATEMENTS – CONTINUED

DECEMBER 31, 2016 AND 2015

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Advertising costs

Advertising costs are expensed as incurred. Advertising expense totaled \$575 and \$1,231 for the years ended December 31, 2016 and 2015, respectively.

Subsequent Events

Subsequent events have been evaluated through February 13, 2017, the date these financial statements were available to be released.

NOTE 3 - MORTGAGE PAYABLE

The project is financed by a mortgage loan from USDA/RD in the original amount of \$2,854,750. Pursuant to the USDA/RD loan agreement originating on March 27, 1981, interest accrues at an annual rate of 8.75%. Effective May 1, 2004, the interest rate was reduced to 1% to assist the property financially to complete repairs mandated in the annual inspection and pursuant to the Service Work-Out Plan. Debt service payments were due in monthly installments of \$6,242, net of interest subsidy through December 31, 2015. See Note 9. Beginning in January 2016, the interest rate was adjusted back to the original rate of 10.75%, with a subsidy to reduce the net rate to 8.75%. Principal and interest payments of \$21,138, net of interest subsidy, are due in monthly installments through maturity in April 2031. Interest is computed daily and application of interest and principal varies depending upon the date payments are applied. In 2016 and 2015, the total interest subsidy was \$40,309 and \$202,799, respectively and interest expense was \$189,887 and \$20,801, respectively. As of December 31, 2016 and 2015, the balance on the mortgage was \$1,979,160 and \$2,055,055, respectively. The mortgage is collateralized by the rental property.

Estimated aggregate principal payments for each the next five years are as follows:

Year ending December 31,	
2017	\$ 83,800
2018	91,400
2019	99,700
2020	108,800
2021	118,700
Thereafter	<u>502,400</u>
	<u>\$1,979,160</u>

DOUGLASS VILLAGE LIMITED PARTNERSHIP
(A GEORGIA LIMITED PARTNERSHIP)

NOTES TO FINANCIAL STATEMENTS – CONTINUED

DECEMBER 31, 2016 AND 2015

NOTE 4 – RELATED PARTIES TRANSACTIONS

Management Fee

The Partnership has entered into a management agreement with CRICO Management Services, LLC (the “Agent”), an entity related to the General Partner, to manage the rental operations of the apartment project. Property management fees expensed were \$45,153 and \$44,073 for the years ended December 31, 2016 and 2015, respectively.

An incentive management fee is payable to CRICO on a non-cumulative basis, not to exceed \$5,000 per year. The fee was payable from cash flow after payment of an annual non-cumulative distribution to the partners of \$10,000, subject to applicable USDA/RD regulations. There were no fees paid during the years ended December 31, 2016 and 2015.

The Partnership has a note payable to Interfaith, Inc., in the amount of \$289,334. The note is non-interest bearing and payable from the proceeds of the sale, refinancing, or liquidation of the property.

NOTE 5 – COMMITMENTS AND CONTINGENCIES

Interest Credit

Under an agreement with UDSA/RD, mortgage subsidy is provided which reduces the effective interest rate on the mortgage over the life of the Loan Agreement. UDSA/RD may terminate the agreement if it determines that no subsidy is necessary or if the Partnership is determined to be in violation of the Loan Agreement(s) or UDSA/RD rules or regulations.

Rental Assistance Agreement

The U.S. Department of Housing and Urban Development (HUD) has contracted with the Partnership pursuant to the United States Housing Act of 1937, HAP contract #A-81-313, to make housing assistance payments to the Partnership on behalf of qualified tenants for all apartment units. The contract was renewed for a period of five (5) years under Section 8 beginning January 1, 2013. Housing assistance payments for the year ended December 31, 2016 and 2015 totaled \$1,121,088 and \$1,126,238, or approximately 91% and 93% of total income each year respectively.

DOUGLASS VILLAGE LIMITED PARTNERSHIP
(A GEORGIA LIMITED PARTNERSHIP)

NOTES TO FINANCIAL STATEMENTS – CONTINUED

DECEMBER 31, 2016 AND 2015

NOTE 6 – SALE OF PROPERTY

On December 19, 2012, the Partnership deeded .085 acres representing 1% of its land to the Georgia Department of Transportation in connection with their highway expansion program taking place adjacent to the property for the consideration of \$1. In addition, the Partnership received \$29,488 from the Georgia Department of Transportation which will be used to cover the costs to move a sewer backflow preventer. Funds in excess of the actual cost of the mentioned improvement will be due back to USDA/RD as an additional loan payment. This amount is included in accounts payable.

NOTE 7 – CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS

The Partnership's sole asset is Douglass Village 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, USDA/RD and the State Housing Agency. Such administrative directives, rules and regulations are subject to change by an act of Congress or an administrative change mandated by USDA/RD or the State Housing Agency. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

NOTE 8 - RETIREMENT PLAN

The Agent set up a 401(k) plan in January 2005. Under the 401(k) plan, employees who are 21 years or older and work a minimum of 1000 hours per year are eligible to participate in the plan. Eligible employees may make a salary reduction election to have a percentage of their salary contributed to the plan. The Partnership makes a matching contribution equal to the employee's salary reduction not to exceed 3% of the employee's compensation. The amount charged to activities during 2016 and 2015 was \$2,693 and \$2,502, respectively.

NOTE 9 - WORK OUT PLAN

On July 26, 2004, the project entered into a Servicing Workout Plan with USDA/RD. The goal of the plan was to facilitate making needed repairs to the project's 88 units and to address the corrective actions outlined in the failed REAC inspection of April 25, 2004. To enable the project financially to make these repairs, the interest rate on the mortgage was decreased to 1% per annum effective May 1, 2004. The Partnership had submitted an application for a two-year extension of the Servicing Workout Plan through December 31, 2015. For the year ended December 31, 2016, the property is no longer operating under the work out plan.

SUPPLEMENTAL INFORMATION

DOUGLASS VILLAGE LIMITED PARTNERSHIP
(A GEORGIA LIMITED PARTNERSHIP)

SUPPLEMENTAL INFORMATION
Changes in Fixed Asset Accounts

YEAR ENDED DECEMBER 31, 2016

	Assets		Accumulated Depreciation		Net Book Value December 31, 2016
	Balance January 1, 2016	Balance December 31, 2016	Balance January 1, 2016	Balance December 31, 2016	
		Additions		Provisions	
Land	\$ 79,022	\$ -	\$ -	\$ -	\$ 79,022
Land improvements	81,833	-	26,171	5,455	50,207
Buildings and improvements	3,971,173	-	3,159,251	140,577	671,345
Furnishings and equipment	666,681	-	551,917	41,732	73,032
	<u>\$ 4,798,709</u>	<u>\$ -</u>	<u>\$ 3,737,339</u>	<u>\$ 187,764</u>	<u>\$ 3,925,103</u>
					<u>\$ 873,606</u>

DOUGLASS VILLAGE LIMITED PARTNERSHIP
(A GEORGIA LIMITED PARTNERSHIP)

SUPPLEMENTAL INFORMATION REQUIRED BY RD

FOR THE YEAR ENDED DECEMBER 31, 2016

Management fee calculation

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

	January - December
Total qualified units (88 x 12 months)	1,056
Less: Rent free unit	-
Less: Vacancies	<u>6</u>
Total occupied units	1,050
Fee per unit	<u>\$ 43.0</u>
Management fee expense	<u>\$45,153</u>

Insurance Disclosure

The Partnership maintains insurance coverage as follows:

	<u>Deductible</u>	<u>Coverage</u>
Property coverage on buildings	\$10,000	\$7,060,779
Comprehensive business liability	\$ 5,000	\$1,000,000
Fidelity/employee dishonesty	\$15,000	\$2,000,000

Return to Owner

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

Maximum return to owner (See Note 1)	<u>\$12,100</u>
Budgeted return to owner	<u>\$ -</u>
Return to owner paid:	
Investor asset management fee	\$ -
Partnership management fee	-
General Partner distribution	-
Limited Partner distribution	<u>-</u>
	<u>\$ -</u>

**INDEPENDENT AUDITORS' 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
Douglass Village Limited Partnership
(A Georgia Limited Partnership)

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 Standard* issued by the Comptroller General of the United States, the financial statements of Douglass Village Limited Partnership which comprise the balance sheet as of December 31, 2016, and the related statements of operations, changes in partners' equity, and cash flows for the year then ended and the related notes to the financial statements, and have issued our report thereon dated February 13, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Douglass Village Limited Partnership'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 Douglass Village Limited Partnership's internal control. Accordingly, we do not express an opinion on the effectiveness of Douglass Village Limited Partnership'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 *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 Douglass Village Limited Partnership's financial statements are free from 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 such 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 the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kirk, Pullerff & Goldman, P.C.

Vienna, Virginia
February 13, 2017

DOUGLASS VILLAGE LIMITED PARTNERSHIP
(A GEORGIA LIMITED PARTNERSHIP)

AUDIT FINDINGS ON COMPLIANCE

FOR THE YEAR ENDED DECEMBER 31, 2016

Reportable Conditions of Non Compliance

NONE

**INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON
PROCEDURES**

To the Partners of
Douglass Village Limited Partnership dba Douglass Village
Douglassville, Georgia

and

United States Department of Agriculture Rural Development Newnan Field Service Center
Newnan, Georgia

We have performed the procedures enumerated below, which were agreed to by the United States Department of Agriculture Rural Development and Douglass Village Limited Partnership (“Owner”) the owner of Douglass Village (“Project”) located in Douglassville, Georgia, solely to assist those parties in evaluating that the accompanying Form RD 3560-10, Multi-Family Housing Borrower Balance Sheet and Form RD 3560-7, Multiple Family Housing Project Budget (“Financial Reports”) and Supporting Documentation are prepared by the Borrower in accordance with the criteria specified in USDA/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 USDA/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 check 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 ongoing operations of the project. We selected a representative sample of invoices and supporting documentation, based on the sample size determined by USDA/RD in Attachment 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-23560, and the shipping address agreed to the project address. In addition, we confirmed a sample of the expenditures with the vendors to determine the invoice paid agreed to the vendor’s records.

Findings:

Total Number of Invoices in Population:	980
Total Dollar Amount of Invoices in Population:	\$421,233
Total Number of Invoices Reviewed:	56
Total Dollar Amount of Invoices Reviewed:	\$ 185,619

Total Number of Invoices in Vendor Confirmation Sample:	2
Total Dollar Amount of Invoices in Vendor Confirmation Sample:	\$ 3,100
Total Number of Vendor Confirmations Not Received:	-
Total Dollar Amount of Vendor Confirmations Not Received:	\$ -
Total Number of Deviations:	None
Total Dollar Amount of Deviations:	\$ -

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 the number of reserve account withdrawals from the original bank statements and compared the withdrawals to the amounts approved by UDSA/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 UDSA/RD.

Findings:

Total Number of Reserve Account Withdrawals:	None
Total Number of Withdrawals Authorized by Rural Development:	None
Total Dollar Amount of Reserve Account Withdrawals:	\$ -
Total Dollar Amount of Withdrawals Authorized by Rural Development:	\$ -
Total Number of Deviations:	None
Total Dollar Amount of Deviations:	\$ -

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 UDSA/RD on Form RD 3560-12.

3. We obtained the Identity of Interest (IOI) company listing and Form RD 3560-31 from UDSA/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 Rural Development.

Findings:

Total Number of Forms RD 3560-31 Received: 1

Company Name: Crico Management Services, LLC

Total Number of Invoices in Population:	12
Total Dollar Amount of Invoices in Population:	\$ 45,153
Total Number of Invoices Reviewed:	12
Total Dollar Amount of Invoices Reviewed:	\$ 45,153

The agreed-upon procedures performed above and the management Representation Letter revealed no undisclosed IOI companies.

We were not engaged to, and did not conduct an audit, the objective of which would be the expression of an opinion on the financial reports and supporting documentation of Douglass Village. 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 Douglass Village, and UDSA/RD, and is not intended to be and should not be used by anyone other than these specified parties.

Kyle, Raloff & Goldman, P.C.

Vienna, Virginia
February 13, 2017

UNAUDITED
Position 3
MULTI-FAMILY HOUSING
BORROWER BALANCE SHEET
PART I - BALANCE SHEET

PROJECT NAME Douglass Village	BORROWER NAME Douglass Village Limited Partnership	BORROWER ID AND PROJECT NO. GA-06-R000-08		
		CURRENT YEAR (01/01/16) (12/31/16)	PRIOR YEAR (01/01/15) (12/31/15)	COMMENTS
ASSETS				
CURRENT ASSETS				
BEGINNING DATES> ENDING DATES>				
1. GENERAL OPERATING ACCOUNT.....		168,886	225,894	
2. R.E. TAX & INSURANCE ACCOUNT.....		9,509	13,857	
3. RESERVE ACCOUNT.....		2,611,535	2,246,394	
4. SECURITY DEPOSIT ACCOUNT.....		18,769	16,248	
5. OTHER CASH (<i>Identify</i>).....		500	500	Petty cash
6. OTHER (<i>Identify</i>).....				
7. TOTAL ACCOUNTS RECEIVABLE (<i>Attach list</i>).....		10,282	7,567	
ACCTS RCVBL 0-30 DAYS	\$10,282		0	
ACCTS RCVBL 30-60 DAYS	\$0			
ACCTS RCVBL 60-90 DAYS	\$0			
ACCTS RCVBL OVER 90 DAYS	\$0			
8. LESS: ALLOWANCE FOR DOUBTFUL ACCOUNTS.....				
9. INVENTORIES (<i>supplies</i>).....				
10. PREPAYMENTS.....		22,866	25,325	
11. ACCOUNTS RECEIVABLE - OTHER.....			0	
12. TOTAL CURRENT ASSETS (<i>Add 1 thru 11</i>).....		\$2,842,347	2,535,785	
FIXED ASSETS				
13. LAND.....		79,022	79,022	
14. BUILDINGS.....		4,053,006	4,053,006	
15. LESS: ACCUMULATED DEPRECIATION.....		(3,331,454)	(3,185,423)	
16. FURNITURE & EQUIPMENT.....		666,681	666,681	
17. LESS: ACCUMULATED DEPRECIATION.....		(593,649)	(551,916)	
18. _____				
19. TOTAL FIXED ASSETS (<i>Add 13 thru 18</i>).....		873,606	1,061,370	
OTHER ASSETS				
20. _____				
21. TOTAL ASSETS (<i>Add 12, 19, and 20</i>).....		3,715,953	3,597,155	
LIABILITIES AND OWNERS EQUITY				
CURRENT LIABILITIES				
22. TOTAL ACCOUNTS PAYABLE (<i>Attach list</i>).....		59,752	58,663	
ACCTS PAYABLE 0-30 DAYS	\$59,752			
ACCTS PAYABLE 30-60 DAYS	\$0			
ACCTS PAYABLE 60-90 DAYS	\$0			
ACCTS PAYABLE OVER 90 DAYS	\$0			
23. NOTES PAYABLE (<i>Attach List</i>).....			0	
24. SECURITY DEPOSITS.....		17,764	14,113	
25. TOTAL CURRENT LIABILITIES (<i>Add 22 thru 24</i>).....		77,516	72,776	

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LONG-TERM LIABILITIES

26. NOTES PAYABLE RURAL DEVELOPMENT	1,992,919	2,056,688
27. OTHER (Identify)	289,334	289,334
28. TOTAL LONG-TERM LIABILITIES (Add 26 and 27)	2,282,253	2,346,022
29. TOTAL LIABILITIES (Add 25 and 28)	2,359,769	2,418,798
30. OWNER'S EQUITY (Net Worth) (21 minus 29)	1,356,184	1,178,357
31. TOTAL LIABILITIES AND OWNER'S EQUITY (Add 29 and 30)	3,715,953	3,597,155

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.

March 30, 2017

(Date)

Mary E. Sweeney

(Signature of Borrower or Borrower's Representative)

CFO/EVP

(Title)

PART II-THIRD PARTY VERIFICATION OF REVIEW

I/We have reviewed the borrower's records. The accompanying balance sheet, and statement of actual budget and income on Form RD 3560-7, is a fair presentation of the borrower's records.

I/We certify that no identity of interest exists between me/us and any individual or organization doing business with the project or borrower.

March 30, 2017

(Date)

Robert A. Kozak

(Signature)

Robert A. Kozak, CPA

(Name and Title)

1950 Old Galloway Road, Suite 490

Vienna, VA 22182
(Address)

In lieu of the above verification and signature, a review completed, dated and signed by a person or firm qualified by license or certification is attached.

MULTIPLE FAMILY HOUSING PROJECT BUDGET
UTILITY ALLOWANCE

PROJECT NAME Douglass Village		BORROWER NAME Douglass Village Limited Partnership		BORROWER ID AND PROJECT NO. GA-06-R000-08	
Loan/Transfer Amount		Note Rate Payment \$21,154		IC Payment	
Reporting Period	Budget Type	Project Rental Type	Profit Type	The following utilities are master metered:	0 units of RA, Current
					number of RA units
					Borrower Accounting Method

PART I - CASH FLOW STATEMENT

	BEGINNING DATES> ENDING DATES>	CURRENT BUDGET (01/01/16) (12/31/16)	ACTUAL 1/1/2016 12/31/2016	PROPOSED BUDGET	COMMENTS or (YTD)
OPERATIONAL CASH SOURCES					
1. RENTAL INCOME		1,250,095	104,571	-	
2. RHS RENTAL ASSISTANCE RECEIVED			1,121,088		
3. APPLICATION FEES RECEIVED					
4. LAUNDRY AND VENDING		180	32		
5. INTEREST INCOME		840	5,285		
6. TENANT CHARGES		3,480	3,682		
7. OTHER - PROJECT SOURCES		0			
8. LESS (Vacancy and Contingency Allowance)		(12,521)		-	
9. LESS (Agency Approved Incentive Allowance)					
10. SUB - TOTAL [(1 thru 7) - (8 & 9)]		1,242,074	1,234,658	0	
NON-OPERATIONAL CASH SOURCES					
11. CASH - NON PROJECT					
12. AUTHORIZED LOAN (Non-RHS)					
13. TRANSFER FROM RESERVE		0	0		
14. SUB - TOTAL (11 thru 13)		0	0	0	
15. TOTAL CASH SOURCES (10 + 14)		1,242,074	1,234,658	0	
OPERATIONAL CASH USES					
16. TOTAL O & M EXPENSES (From Part II)		627,052	678,873	0	
17. RHS DEBT PAYMENT		253,848	265,282		
18. RHS PAYMENT (Overage)					
19. RHS PAYMENT (Late Fee)					
20. REDUCTION IN PRIOR YEAR PAYABLES (See Part IV)					
21. TENANT UTILITY PAYMENTS					
22. TRANSFER TO RESERVE		60,000	360,793		
23. RETURN TO OWNER/NO ASSET MANAGEMENT FEE		0			
24. SUB - TOTAL (16 thru 23)		940,900	1,304,948	0	
NON-OPERATIONAL CASH USES					
25. AUTHORIZED DEBT PAYMENT (Non-RHS)		0	0		
26. ANNUAL CAPITAL BUDGET (From Part III, Lines 4-6)		59,600	0		
27. MISCELLANEOUS		0	307		
28. SUB - TOTAL (25 thru 27)		59,600	307	0	
29. TOTAL CASH USES (24 + 28)		1,000,500	1,305,255	0	
30. NET CASH (DEFICIT) (15 - 29)		241,574	(70,597)	0	
CASH BALANCE					
31. BEGINNING CASH BALANCE			225,894		
32. ACCRUAL TO CASH ADJUSTMENT (see Part IV)			13,589		
33. ENDING CASH BALANCE (30 + 31 + 32)		241,574	168,886	0	

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PART II - OPERATING AND MAINTENANCE EXPENSE SCHEDULE

	CURRENT BUDGET	ACTUAL	PROPOSED BUDGET	COMMENTS or (YTD)
1. MAINTENANCE & REPAIRS PAYROLL	39,396	42,913		
2. MAINTENANCE & REPAIRS SUPPLY	27,790	14,469		
3. MAINTENANCE & REPAIRS CONTRACT	21,010	138,057		
4. PAINTING AND DECORATING	15,720	8,412		
5. SNOW REMOVAL				
6. ELEVATOR MAINTENANCE / CONTRACT				
7. GROUNDS	38,184	31,981		
8. SERVICES	27,720			
9. ANNUAL CAPITAL BUDGET (From Part V - Operating)				
10. OTHER OPERATING EXPENSES (Itemize)				
11. SUB - TOTAL MAINT. & OPERATING (1 thru 10)	169,820	235,832	0	
12. ELECTRICITY <i>If Master metered.</i>	15,672	14,704		
13. WATER <i>check box on.</i>	49,765	57,029		
14. SEWER <i>front.</i>	51,248	57,356		
15. FUEL (Oil / Coal / Gas)	4,860	3,385		
16. GARBAGE & TRASH REMOVAL	13,200	13,185		
17. OTHER UTILITIES				
18. SUB - TOTAL UTILITIES (12 thru 17)	134,745	145,659	0	
19. SITE MANAGER PAYROLL	78,934	73,974		
20. MANAGEMENT FEE	48,576	45,153		
21. PROJECT AUDITING EXPENSE	8,000	8,200		
22. PROJECT BOOKKEEPING / ACCOUNTING	0	0		
23. LEGAL EXPENSES	5,800	2,782		
24. ADVERTISING	1,340	575		
25. TELEPHONE & ANSWERING SERVICE	8,076	7,546		
26. OFFICE SUPPLIES	2,400	11,815		
27. OFFICE FURNITURE & EQUIPMENT	0	0		
28. TRAINING EXPENSE	6,500	0		
29. HEALTH INS. & OTHER EMP. BENEFITS	25,272	12,405		
30. PAYROLL TAXES	9,052	10,930		
31. WORKMAN'S COMPENSATION	5,821	4,247		
32. OTHER ADMINISTRATIVE EXPENSES (Itemize)	10,769	7,774		
33. SUB - TOTAL ADMINISTRATIVE (19 thru 32)	210,540	185,401	0	
34. REAL ESTATE TAXES	78,941	80,443		
35. SPECIAL ASSESSMENTS	0	0		
36. OTHER TAXES, LICENSES & PERMITS	2,500	1,441		
37. PROPERTY & LIABILITY INSURANCE	27,756	30,097		
38. FIDELITY COVERAGE INSURANCE	0	0		
39. OTHER INSURANCE	2,750	0		
40. SUB - TOTAL TAXES & INSURANCE (34 thru 39)	111,947	111,981	0	
41. TOTAL O & M EXPENSES (11 + 18 + 33 + 40) ..	627,052	678,873	0	

UNAUDITED

Douglass Village

PART III - ACCOUNT BUDGETING / STATUS

	CURRENT BUDGET	ACTUAL	PROPOSED BUDGET	COMMENTS or (YTD)
RESERVE ACCOUNT:				
1. BEGINNING BALANCE		2,246,394		
2. TRANSFER TO RESERVE	60,060	365,141		
TRANSFER FROM RESERVE:				
3. OPERATING DEFICIT				
4. BUILDING REPAIR & IMPROVEMENTS		0		
5. EQUIPMENT REPAIR & REPLACEMENT				
6. OTHER NON - OPERATING EXPENSES - INSURANCE		0		
7. TOTAL (3 thru 6)	0	0	0	
8. ENDING BALANCE [(1 + 2) - 7]	60,060	2,611,535	0	

GENERAL OPERATING ACCOUNT: *

BEGINNING BALANCE	225,894	
ENDING BALANCE	168,886	

REAL ESTATE TAX AND INSURANCE ESCROW ACCOUNT: *

BEGINNING BALANCE	13,857	
ENDING BALANCE	9,509	

TENANT SECURITY DEPOSIT ACCOUNT: *

BEGINNING BALANCE	16,248	
ENDING BALANCE	18,769	

(*Complete upon submission of actual expenses.)

NUMBER OF APPLICANTS ON THE WAITING LIST		RESERVE ACCOUNT REQUIRED BALANCE.....	
NUMBER OF APPLICANTS NEEDING RA.....		AMOUNT AHEAD / BEHIND.....	

UNAUDITED

Douglass Village

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	
2	N	29	0	0	1,062	0	0	30,798	126
3	N	29	0	0	1,192	0	0	34,568	129
4		30	0	0	1,236	0	0	37,080	148
						0	0	0	0
						0	0	0	0
						0	0	0	0
						0	0	0	0
						0	0	0	0
		88	CURRENT RENT TOTALS:			0	0	102,446	
						BASIC	NOTE	HUD	

B. PROPOSED RENTS - Effective Date: January 1, 2016

UNIT DESCRIPTION			RENTAL RATES			POTENTIAL INCOME FROM EACH RATE		
BR SIZE	UNIT TYPE	NUMBER	BASIC	NOTE RATE	HUD	BASIC	NOTE RATE	HUD
2		29			1062	0	0	376,536
3		29			1215	0	0	422,820
4		30			1259	0	0	453,240
						0	0	0
						0	0	0
						0	0	0
						0	0	0
						0	0	0
		88	CURRENT RENT TOTALS:			0	0	1,252,596
						BASIC	NOTE	HUD

Dollar per unit increase: 0

C. PROPOSED UTILITY ALLOWANCE - Effective Date:

MONTHLY DOLLAR ALLOWANCES

BR SIZE	UNIT TYPE	NUMBER	ELECTRIC	GAS	WATER	SEWER	TRASH	OTHER	TOTAL
2		29	\$83	\$43					\$126
3		29	\$87	\$42					\$129
4		30	\$99	\$49					\$148
									\$0
									\$0
									\$0

Douglass Village

UNAUDITED
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	5	2,800					
Refrigerator	6	3,900					
Range Hood							
Washers & Dryers							
Other:							
Carpet and Vinyl:							
1 Br.							
2 Br.	5	6,000					
3 Br.							
4 Br.							
Other:							
Cabinets:							
Kitchen	4	6,000					
Bathrooms							
Other:							
Doors:							
Exterior	2	800					
Interior							
Other:							
Window Coverings:							
Detail							
Other:							
Heating and Air Conditioning:							
Heating	2	1,600					
Air conditioning							
Other:							
Plumbing:							
Water Heater	5	3,500					
Bath Sinks							
Kitchen Sinks							
Faucets							
Toilets							
Other: Tub Replacemnet							
Major Electrical							
Detail							
Other:							
Structures:							
Windows							
Screens	1	600					
Walls							
Roofing							
Siding							
Exterior Painting							
Other:							
Paving:							
Asphalt							
Concrete							
Seal and Stripe							
Other:							
Landscape and grounds:							
Landscaping	1	4,500					
Lawn Equipment							
Fencing							
Recreation area							
Signs							
Other:							
Accessibility features:							
List: Laundry opening							
Other:							
Automation equipment							
Site management							
Common area							
Other:							
Other:							
List: Replacement/Supplies		30,100					
List: ADA Unit Update		-					
List: Bath Upgrades, Pipe Rprs, Handrail Repl		-					
TOTAL CAPITAL EXPENSES:	31	59,600	0	0	0	0	0

UNAUDITED

Douglass Village


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.

March 30, 2017

(DATE)



(Signature of Borrower or Borrower's Representative)

CFO/EVP

(Title)

AGENCY APPROVAL (Rural Development Approval Official):

DATE:

COMMENTS:

DOUGLASS VILLAGE LIMITED PARTNERSHIP
(A GEORGIA LIMITED PARTNERSHIP)

SUPPORTING DOCUMENTATION TO FORMS RD 3560-10 AND 3560-7

FOR THE YEARS ENDED DECEMBER 31, 2016

	2016	2015
OPERATING AND MAINTENANCE		
Payroll	\$ 42,913	\$ 40,311
Supplies	14,469	16,677
Security	23,064	25,268
Contracts	114,993	113,296
Painting	8,412	17,573
Grounds	31,981	34,546
Total	\$ 235,832	\$ 247,671
UTILITIES		
Electricity	\$ 14,704	\$ 13,020
Water	57,029	57,868
Sewer	57,356	57,932
Gas	3,385	3,815
Garbage and trash removal	13,185	12,799
Total	\$ 145,659	\$ 145,434
ADMINISTRATIVE		
Site management payroll	\$ 73,974	\$ 73,413
Management fees	45,153	44,073
Accounting and auditing	8,200	7,708
Legal	2,782	4,188
Advertising	575	1,231
Telephone and answering service	7,546	6,246
Office supplies	11,815	9,649
Health insurance	12,405	16,149
Payroll taxes	10,930	10,877
Workers' compensation	4,247	5,212
Other administrative expenses	7,774	4,578
Total	\$ 185,401	\$ 183,324
TAXES AND INSURANCE		
Property taxes	\$ 80,443	\$ 72,535
Property insurance	30,097	27,090
Miscellaneous taxes	1,441	1,240
Total	\$ 111,981	\$ 100,865

DOUGLASS VILLAGE LIMITED PARTNERSHIP
(A GEORGIA LIMITED PARTNERSHIP)

SUPPORTING DOCUMENTATION TO FORMS RD 3560-10 AND 3560-7

FOR THE YEARS ENDED DECEMBER 31,

	2016	2015
Accounts receivable (3560-10, Line 7)		
Accounts receivable - rental subsidy	\$ 6,721	\$ 6,101
Accounts receivable - tenants	3,561	1,466
	\$ 10,282	\$ 7,567
Accounts payable (3560-10, Line 22)		
Accounts payable and accrued expenses	\$ 53,201	\$ 46,029
Prepaid rents	6,551	12,634
	\$ 59,752	\$ 58,663
Miscellaneous (3560-7, Part I Line 27)		
Bad debts	\$ 307	\$ 6,092
	\$ 307	\$ 6,092
Accrual to cash adjustments (3560-7, Part I, Line 32)		
Assets		
Accounts receivable - tenants, RD, prepaid	\$ (756)	
Security deposits	1,130	
Liabilities		
Accounts payable and accrued expenses	7,172	
Accrued mortgage interest	12,126	
Prepaid rents	(6,083)	
	\$ 13,589	
Other Administrative Expenses (3560-7 Part II, Line 32)		
Bank service charges	\$ 682	
Other renting expenses	1,257	
Training	1,904	
Travel	3,102	
Printing	803	
Miscellaneous	26	
	\$ 7,774	

ADDENDUM C

	Graphic Design Service														
61	Credit Agency or Loan Establishment					<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>					
732	Credit Reporting or Collection Agency							<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>				
736	Employment or Personnel Agency							<input type="checkbox"/>		<input type="checkbox"/>					
871	Engineering, Architectural or Surveying Services					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
—	General Business Office					<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
809	Health Services Facility					<input type="checkbox"/>	•			•					
808	Home Health Care Company					<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>				
64	Insurance Agent, Broker & Service					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
63	Insurance Company or Carrier					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
67	Investment Company or Trust					<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
6552	Land Developer's Office					<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
0781	Landscape Architecture and Counseling							<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
81	Legal Services Office					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
874	Management and Public Relations Service					<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
801— 804	Medical or Dental Offices or Clinics (not veterinary)					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
829	Personal Enrichment School or Tutoring					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>					
865	Political Organization Office					<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
651— 654	Real Estate Office					<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
7338	Secretarial or Court Reporting Service					<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>					

—	Temporary Sales Office for a Subdivision	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>														3.49	
792	Theatrical Production Agencies									<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>								
472	Travel Agency, Tour Operator or Airline Ticket Office					<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>											
	Commercial Sales & Services																				
	Adult Entertainment																				
56	Apparel and Accessory Stores						<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>											
7999	Amusement or Recreational Attraction—Indoor (except Fortune Teller)									<input type="checkbox"/>	<input type="checkbox"/>										
7999	Amusement or Recreational Attraction—Outdoor (except Special Outdoor Events)									<input type="checkbox"/>	<input type="checkbox"/>										
7996	Amusement Park																				
7993	Amusement Parlor							<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>											
752	Automobile Parking Lot, Commercial										<input type="checkbox"/>										
554	Automobile Service Station									<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>						3.31
553	Automotive Parts and Supply Store									<input type="checkbox"/>	<input type="checkbox"/>										
551— 552	Automotive Sales and Service: New & Used Cars																				
551	Automotive Sales and Service: Trucks & Heavy Equip.																	<input type="checkbox"/>	<input type="checkbox"/>		
751	Automotive Rental Agency Cars									<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>						
751	Automotive Rental Agency Trucks or																		<input type="checkbox"/>	<input type="checkbox"/>	—

	Trailers														
753	Automotive Repair Shop									<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	3.32	
7549	Automotive Tune-Up Service									<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>		
5941	Bait and Tackle Shop									<input type="checkbox"/>					
546	Bakery, Retail					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
60	Bank, Savings and Loan or Credit Union					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
724	Barber Shop					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
723	Beauty Shop, Hairdresser					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
555	Boat Dealers									<input type="checkbox"/>		<input type="checkbox"/>			
5942	Book Store					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
793	Bowling Center								<input type="checkbox"/>	<input type="checkbox"/>					
734	Building Maintenance or Pest Control Service							•		•		<input type="checkbox"/>	<input type="checkbox"/>		
738	Business Service Establishment, Miscellaneous					<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>					
5946	Camera and Photographic Supply Stores						<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
7217	Carpet & Upholstery Cleaners									<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
7542	Carwash						•		<input type="checkbox"/>	<input type="checkbox"/>					
5812	Catering Service					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
596	Catalog Sales or Direct Selling Office								<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
6553	Cemetery, Commercial or Animal	•	•	•	•	•	•			•	•	•	•	•	
737	Computer Programming, Repair or Data Processing Service					<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
554	Convenience Gas Station					•	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
7997	Country Clubs	•	•	•	•	•	•			•	•	•	•	•	
791	Dance Studios or					•	•	•	<input type="checkbox"/>	<input type="checkbox"/>					

	Schools																
835	Day Care Center (13 or more)						•	•			<input type="checkbox"/>	<input type="checkbox"/>					
835	Day Care Home, Group (7 to 12)						•	•			<input type="checkbox"/>	<input type="checkbox"/>					
7331	Direct Mail Advertising Service											<input type="checkbox"/>	<input type="checkbox"/>				
8069	Drug Addiction Rehabilitation Center						•						•				3.35
591	Drug Store						•	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
7212	Dry Cleaning & Laundry Pick-up (excludes plants)							<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>		
762	Electronic Equipment Repair Shops (except Computers)											<input type="checkbox"/>			<input type="checkbox"/>		
5713	Floor Covering Stores							<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
7999	Fortune Teller, Astrologer												•				
735	Furniture or Equipment Rental Establishment										<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
726	Funeral Home and Crematories	•	•	•		•	•				•	•					
53	General Merchandise Store							<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>						
5947	Gift, Novelty and Souvenir Shops							<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>						
7992	Golf Course, Commercial	•	•	•	•	•	•				•	<input type="checkbox"/>	•	•	•		
54	Grocery or Specialty Food Store, except Bakery							<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>						
835	Group Day Care Home						•	•			<input type="checkbox"/>	<input type="checkbox"/>					
525	Hardware Store							<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
7991	Health Club or Fitness Center						•	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
5945	Hobby, Toy and Game							<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>						

	Shops													
571	Home Furniture or Furnishings Store, except Floor Coverings							<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
806	Hospital, except Drug Addiction Rehabilitation					<input type="checkbox"/>				•				
572	Household Appliance Store							•	<input type="checkbox"/>	<input type="checkbox"/>				
5944	Jewelry Store					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
0752	Kennel Pet Grooming or Training	•								•				
7215	Laundry & Dry Cleaning, Coin-Operated					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
0782	Lawn and Garden Services								<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	
7213	Linen Supply								<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
592	Liquor Store							•	<input type="checkbox"/>	<input type="checkbox"/>				
598	LP Gas or Fuel Oil Dealer											<input type="checkbox"/>	<input type="checkbox"/>	
5948	Luggage and Leather Goods Stores					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
521	Lumber and Other Building Materials Dealers									<input type="checkbox"/>			<input type="checkbox"/>	
527	Manufactured Home Sales Lot											<input type="checkbox"/>	<input type="checkbox"/>	
807	Medical or Dental Laboratory					<input type="checkbox"/>					<input type="checkbox"/>	<input type="checkbox"/>		
782	Motion Picture or Video Tape Distributor									<input type="checkbox"/>	<input type="checkbox"/>			
781	Motion Picture or Video Tape Production									<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
7832	Motion Picture Theater (except Drive-in)					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
559	Motor Vehicle Dealers, Miscellaneous									<input type="checkbox"/>				
557	Motorcycle Sales and									<input type="checkbox"/>				

	Service														
523	Paint, Glass or Wallpaper Store						<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
593	Pawnshop							•		•					
7922	Performing Arts Theater (privately owned)						•	•	•	•					
7922	Performing Arts Theater (publicly owned)						•	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
729	Personal Services— Massage Only						•	•		•	•				
729	Personal Services— Tattoo studios and body piercing Only										•				
729	Personal Services— Other						<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
7334	Photocopying and Duplicating Services						<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>		
722	Photographic Studio, Portrait						<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
7335	Photography Service, Commercial						<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>			
526	Plant Nursery, Lawn and Garden Supplies								<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>		
7948	Racetrack											•	<input type="checkbox"/>		
483	Radio or TV Broadcast Station-Studio								<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
573	Radio, Television, Consumer Electronics & Music Store						<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
556	Recreational Vehicle Dealer									<input type="checkbox"/>		<input type="checkbox"/>			
7699	Repair Shops, Miscellaneous						<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>					—
873	Research & Development or Testing Service						•					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
5812	Restaurant, Custom Service (not fast food)						<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>			

5812	Restaurant, Fast Food, Drive-in							<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	
599	Retail Stores, Miscellaneous							<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
764	Reupholstery or Furniture Repair Shop									<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>		
5949	Sewing, Needlework and Fabric Stores							<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
4789	Scenic and Sightseeing Transportation								<input type="checkbox"/>		<input type="checkbox"/>				
725	Shoe Repair Shop						<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
5941	Sporting Goods Store or Bicycle Shop, except bait shops							<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
7997	Sports and Recreation Clubs (Members Only)							•			•				
7941	Sports Facility, Commercial (except Racetracks)										<input type="checkbox"/>		<input type="checkbox"/>		
5943	Stationery Store						•	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
7219	Tailors & Other Garment Services							<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
481	Telecommunications Switching Station									<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
482	Telegraph Office								<input type="checkbox"/>		<input type="checkbox"/>				
—	Transmission Tower-Radio, TV & Telecommunications	•	•	•	•	•	<input type="checkbox"/>	<input type="checkbox"/>	•	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3.50
593	Used Merchandise (except Pawnshop), Flea Market								<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	
074	Veterinarian						<input type="checkbox"/>				<input type="checkbox"/>				3.51
784	Video Tape Rental Store							<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
763	Watch, Clock or Jewelry Repair Shop							<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
50-51	Wholesale Trade—Administrative or Sales Office Only										<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		

	Equipment															
245	Wood Buildings & Manufactured Homes															<input type="checkbox"/>
244	Wood Containers														•	<input type="checkbox"/>
2491	Wood Preserving															•
2499	Wood Products, Miscellaneous															•
	Semi-Public Uses															
842	Botanical or Zoological Gardens, Nonprofit							•		•			•		•	
866	Church or Place of Worship	•	•	<input type="checkbox"/>	•	•	<input type="checkbox"/>	•	•	•	•	•	•	•		
864	Civic, Social or Fraternal Association	•	•	•		•		•	•			•				
	Community Recreation Facility	•	•	<input type="checkbox"/>		•						•				
833	Job Training & Vocational Rehabilitation Services							•				•		•		
823	Library							<input type="checkbox"/>		•	•	•				
841	Museum or Art Gallery, Non-profit							<input type="checkbox"/>		•	•	•				
822	School, College (Private)			•				<input type="checkbox"/>				•		•		
	School (Charter—Private)	•		•				<input type="checkbox"/>				•		•		3.56
821	School, Kindergarten, Elementary and Secondary (Private)		•	•	•			<input type="checkbox"/>	•			•				
832	Social Services, Individual & Family							<input type="checkbox"/>				<input type="checkbox"/>			•	
833	Social Services, Other							<input type="checkbox"/>				•				
824	Vocational Schools, Non-profit							<input type="checkbox"/>		•		•				
781	Motion picture or video tape production											<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Table 2-2. Permitted Accessory Uses by Zoning District.

The following are allowed as an accessory use that is normally incidental to an existing principal use on a property in the zoning districts noted. See also the "restrictions on particular uses" article of this zoning ordinance for restrictions that may apply to specific uses in general or in specific zoning districts, as well as restrictions imposed by the FH or environmental overlay districts.

Uses Permitted in District by Right	<input type="checkbox"/>
Uses Allowed by Approval as a Special Use	•
Uses Not Permitted	

SIC Code	Accessory Uses	R-2	R-4	R-6	R-6-T	R-3	O-I	CN	CBD	CSC	CG	O-D	IL	IH	Also See Sec.:
	Bank, Savings & Loan, Credit Union						<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
	Church or Place of Worship	•	•	<input type="checkbox"/>	•	•	<input type="checkbox"/>	•	•	•	•	•	•		
	Customary Accessory Uses to Principal Use	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3.34
	Customary Accessory Uses to a Church	•	•	•		•		•	•		•		•		3.34.04
835	Day Care Center (13 or more)										•	•	•		3.34.05
835	Family Day Care Home (1 to 6)	•	•	•		•									3.34.05
835	Group Day Care Home (7 to 12)						•					•	•	•	3.34.05
	Guest House	•	•			•									3.36
	Home Office	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>									3.37.01
	Residential Business		•	•											3.37.02
	Personal Services— Massage						•	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>				
	Manufacturing or Fabrication Uses— Accessory									<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			3.40

	Night Watchman Residence												•	•	•	3.42	
	Outdoor Display Area									□	□			□	□	3.43	
	Outdoor Storage Area												•		□	□	3.44
	Restaurant						□	□	□	□	□	□	□	□	□		
	Private Recreation Facility, including pools	•	•	□		•		•									
458	Private Use Heliport—Accessory						•			•	•	•	•	□	□	3.46	
	Yard Sale	□	□			□										3.52	
	Hunting	•	•	•	•	•	•	•		•	•	•	•	•	•	3.60	
781	Motion picture or video tape production												□	□	□	□	

2.05.06. *Special uses and temporary uses.* Principal uses that are permitted as special uses may be granted by the city council as temporary uses and limited in duration to 12 months, after which time any temporary use permit shall expire unless sooner renewed by the city council. Requests for temporary use permits shall be processed and heard in the same manner as requests for special use permits.

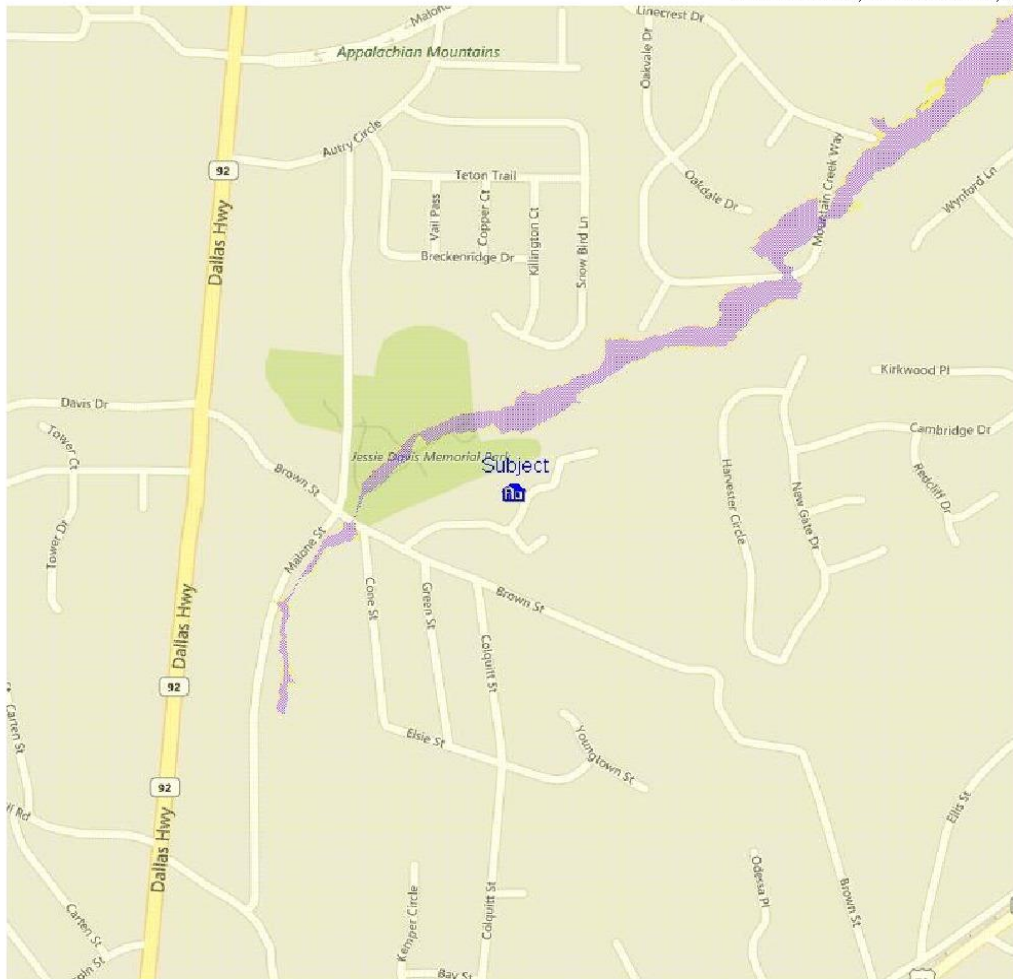
(Ord. No. O-00-106, § 2, 12-4-00; Ord. No. O-01-5, §§ 4—6, 1-16-01; Ord. No. O-02-33, § 1, 9-5-02; Ord. No. O-02-54, § 1, 12-16-02; Ord. No. O-03-17, §§ 5, 6, 5-19-03; Ord. No. O-03-20, § 1, 6-16-03; Ord. No. O-04-48, § 6, 11-1-04; Ord. No. O-06-14, § 1, 5-15-06; Ord. No. O-07-05, § 1, 1-16-07; Ord. No. O-07-22, § 1, 3-19-07; Ord. No. O-07-37, § 1, 6-18-07; Ord. No. O-08-041, § 1, 7-21-08; Ord. No. O-08-051, §§ 1, 2, 9-15-08; Ord. No. O-09-003, § 1(Exh. A), 2-16-09; Ord. No. O-09-019, § 1, 4-20-09; Ord. No. O-09-048, § 1(Exh. A), 9-21-09; Ord. No. O-2010-15, § 1(Exh. A.), 4-19-10; Ord. No. O-2013-4, § 2, 1-22-13; Ord. No. O-2013-55, §§ 1, 2, 12-31-13)

ADDENDUM D

STDB

You are currently logged in as: (Amy Earnheart) on 21-Sep-2016

6549 Brown Street, Douglasville, GA
6549 BROWN ST, DOUGLASVILLE, GA



MAP DATA

Map Number : 13097C0063D

Panel Date : March 04, 2013

FIPS Code : 13097

Census Tract : 0803.01

Geo Result : S6 (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

CERTIFIED GENERAL REAL PROPERTY
APPRAISER

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

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

ORIGINALLY LICENSED

02/08/2003

END OF RENEWAL
09/30/2018



LYNN DEMPSEY
Real Estate Commissioner

46665603

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Real Estate Commissioner

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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 appraisals assignments under this program.

Provider of HUD MAP and TAP appraisals and market studies for multiple lenders since its inception. Completed approximately 350 appraisal assignments under this program.

Contract MAP quality control reviewer and field inspector for CohnReznick and HUD. Have completed approximately 350 reviews under this program. Have completed approximately 100 field inspections under this program.

Currently approved state reviewer for HUD Rent Comparability Studies for Section 8 Renewals in Alabama, California, Connecticut, Florida, Hawaii, Illinois, Indiana, Iowa, Kansas, Louisiana, Minnesota, Nebraska, New Mexico, North Carolina, Oregon, Utah, Virgin Islands, Virginia, Washington, West Virginia and Wisconsin. Completed approximately 500 reviews under this program.

Provider of HUD Rent Comparability Studies for contract renewal purposes nationwide. Completed approximately 400 rent comparability studies.

Provider of tax credit financing analysis and value of financing analysis. Completed approximately 300 appraisal assignments and market studies under this program.

Provider of multifamily appraisals under the RD 515 and 538 programs. Completed approximately 200 appraisal assignments under these programs.

Partial list of clients include: Colorado Housing Finance Agency, CreditVest, Inc., Foley & Judell, LLP, Kentucky Housing Corporation, Kitsap County Consolidated Housing Authority, Louisiana Housing Finance Agency, Missouri Housing Development Agency, New Mexico Mortgage Finance Authority, Ontra, Inc., Quadel Consulting Corporation, CohnReznick, L.L.P., Group, Siegel Group, Signet Partners and Wachovia Securities.

**DEVELOPMENT/OWNERSHIP/
MANAGEMENT EXPERIENCE
(2006 TO PRESENT)**

For the past 10 years, he has owned three separate companies that develop, own and manage commercial, multifamily, residential, agricultural and vacant land properties.

In his portfolio are over 100,000 square feet of commercial space, over 1,000 units of multifamily, 200 acres of farmland, and 10 parcels of developable commercial and multifamily lots, all in the Midwest.

EDUCATION

Bachelor of Arts Degree
Southeast Missouri State University
Associate of Arts Degree
Three Rivers Community College

HUD/FHA Appraiser Training

Arkansas State Office

Multifamily Accelerated Processing Valuation (MAP)

U.S. Department of Housing and Urban Development

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

McKissock, Inc.

Appraisal Applications of Regression Analysis

McKissock, Inc.

Appraisal of Self-Storage Facilities

McKissock, Inc.

Supervisor-Trainee Course for Missouri

McKissock, Inc.

The Thermal Shell

McKissock, Inc.

Even Odder - More Oddball Appraisals

McKissock, Inc.

Online Data Verification Methods

Appraisal Institute

Online Comparative Analysis

Appraisal Institute

Advanced Hotel Appraising - Full Service Hotels

McKissock, Inc.

Appraisal of Fast Food Facilities

McKissock, Inc.

Appraisal Review for Commercial Appraisers

McKissock, Inc.

Exploring Appraiser Liability

McKissock, Inc.