

Self-Contained Appraisal Report

FITZGERALD SUMMIT

Located along:

318 South Grant
City of Fitzgerald, Ben Hill County, Georgia

For:

Laurel L. Hart
Department of Community Affairs (DCA)
Central Office
60 Executive Park South, NE
Atlanta, GA 30329

By:

David E. McConahy, MAI

Effective Date of Appraisal

June 6, 2012



NICKLAS KING McCONAHY
Real Estate Appraisers and Consultants

Raymond J. Nicklas, CRB
David J. King, MAI SRA
David E. McConahy, MAI
Stephanie Steinbeck, SRA
John F. King

June 8, 2012

Laurel L. Hart
Department of Community Affairs (DCA)
Central Office
60 Executive Park South, NE
Atlanta, Georgia 30329

Dear Ms. Hart:

At your request and for the purpose of estimating value, we have performed an appraisal of the property known as **Fitzgerald Summit** and located along:

**318 South Grant Street
City of Fitzgerald, Ben Hill County, Georgia 31750**

Our appraisal included a personal inspection of the subject property, collection and analysis of current market data and the application of all appropriate techniques and approaches. This **Self-Contained Appraisal Report** was prepared in accordance with the Code of Ethics and Standards of Professional Practice of the Appraisal Institute and the Uniform Standards of Professional Appraisal Practice. The appraisal is subject to the assumptions and limiting conditions found in the Addendum.

The subject property is improved with 84 apartments units in a five-story building on 1.762 acres. Renovation of the 33-year old facility is expected to be completed by August 31, 2013. It should be noted that the developer has applied for and successfully achieved a low income housing tax credit for this project along with a HUD-HAP contract. Therefore in addition to the estimate of the As Is market value, Upon Completion and Upon Stabilization prospective values, we will be estimating Upon Completion and Upon Stabilization prospective values considering the rent restrictions and a separate value for the contributing value of the low-income housing tax credits. The non-real estate incentives in conjunction with the rental revenue of the subject property operating under the LIHTC and HAP programs make the project more feasible. For the purpose of this report, we have included the personal property.

Value Conclusions – Subject to Unrestricted Rents

The **As Is**, fee simple, market value not subject to restricted rents on **June 6, 2012**, was **\$2,200,000**.

The **Upon Stabilization** prospective market value, to be achieved on December 31, 2013, subject to unrestricted rents, per successful completion of specifications, is **\$2,920,000**.

The **Upon Completion** prospective market value, to be achieved on August 31, 2013 prior to achieving stabilized occupancy, subject to unrestricted rents per successful completion of specifications, is **\$2,820,000**.

June 8, 2012
Laurel L. Hart
Department of Community Affairs (DCA)

The fact that the property will not be operated with a market rent scenario is a hypothetical condition that is contrary to what exists but is supposed for the purpose of analysis.

Value Conclusions - Subject to Restricted Rents

The **As Is**, fee simple, market value with restricted rents on **June 6, 2012**, was **\$2,200,000**.

Assuming Operation Under the LIHTC/HAP Programs

The prospective market value at stabilized occupancy on or about **September 30, 2013**, per successful completion of specifications assuming operation under the LIHTC and HAP Programs, **Upon Stabilization**, is **\$2,760,000**.

The prospective market value prior to achieving stabilized occupancy, assuming operation under the LIHTC and HAP Programs estimated to be achieved on **August 31, 2013**, subject to successful completion per specifications, **Upon Completion** is **\$2,700,000**.

Value Conclusion - Tax Credits

The contributing value of the tax credits provided the Fitzgerald Summit project complies with the Low Income Housing Tax Credit and HAP Programs was **\$9,327,073** as of June 6, 2012, is allocated as follows:

Tax Credit Value Allocation

State Credit Price and Amount of Equity	=	\$0.26 per tax credit dollar or \$2,055,118
Federal Credit Price and Amount of Equity	=	\$0.92 per tax credit dollar or \$7,271,956

Respectfully submitted,

NICKLAS KING McCONAHY



David E. McConahy, MAI
State of Georgia Certified General
Real Estate Appraiser
Certificate #342821
DEM:map

INTENDED USE AND USER

The purpose of this appraisal is to estimate the As Is, As Complete, and As Stabilized market value of the subject property, including all rights inherent in the fee simple estate. The purpose is also to include an estimate of the low-income housing tax credits. We understand that this appraisal will be used for state approval and loan underwriting purposes. We also estimated the As Complete and As Stabilized value based upon hypothetical market rents. The intended user of this appraisal is The Woda Group and assigns as well as the Georgia Department of Community Affairs (DCA). The client is The Woda Group. It is not to be relied upon by any third parties for any purpose, whatsoever.

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.¹

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

- a. Buyer and seller are typically motivated;
- b. Both parties are well informed or well advised, and acting in what they consider their own best interests;
- c. A reasonable time is allowed for exposure in the open market;
- d. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- e. 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.”²

Tangible property. Property that can be perceived by the senses; includes land, fixed improvements, furnishings, merchandise, cash, and other items of working capital used in an enterprise.³

Intangible value. A value that cannot be imputed to any part of the physical property, e.g., the excess value attributable to a favorable lease or mortgage, the value attributable to goodwill.⁴

¹The Dictionary of Real Estate Appraisal (Fourth Edition), Appraisal Institute, 2002, p.113.

²USPAP Advisory Opinion 2010-2011 Edition © The Appraisal Foundation, p. A-105.

³ The Dictionary of Real Estate Appraisal (Fourth Edition), The Appraisal Institute, 2002, p. 286.

⁴ The Dictionary of Real Estate Appraisal (Fourth Edition), The Appraisal Institute, 2002, p. 148.

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 no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of 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*.
- The reported analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, I, David E. McConahy, have completed the continuing education program of the Appraisal Institute.
- I, David E. McConahy, made a personal inspection of the property that is the subject of this report.
- No one provided significant real property appraisal assistance to the person signing this certification.
- I have never provided appraisal services for this property.



David E. McConahy, MAI
State of Georgia Certified General
Real Estate Appraiser
Certificate #342821

June 8, 2012

SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS

Property Identification: Fitzgerald Summit
 318 South Grant Street
 City of Fitzgerald, Ben Hill County, Georgia

Owner of Record: Fitzgerald Properties Ltd.

Site Size: 1.762 acres

Description: The subject property is located along the east side of South Grant Street. The improvements include a five-story, 84-unit senior LIHTC/HAP apartment complex which includes a recreation room, TV room, laundry room, office, large mechanical room, and two elevators. The total project area is approximately 60,640 square feet. There are 83 one-bedroom units and one two-bedroom unit.

Property Rights Appraised: Fee Simple Estate

Zoning: C-C, Community Commercial Zoning

Parcel Number: B11-S10-L6+

Highest and Best Use As Though Vacant: Multi-family residential with special funding program for affordable housing or secondary commercial if no such funding is available.

As Improved: 84-unit apartment complex that will participate in the Low Income Housing Tax Credit and HUD - HAP Programs.

Date of Report: June 8, 2012
Date of Inspection: June 6, 2012

Market Value with Unrestricted Rents (Market Rate Rentals):

	Value	Effective Date
As Is (Unrestricted Rents)	\$2,200,000	June 6, 2012
As Stabilized (Unrestricted Rents)	\$2,920,000	December 31, 2013
As Complete (Unrestricted Rents)	\$2,820,000	August 31, 2013

Market Value with Restricted Rents in LIHTC/HAP Programs:

	Value	Effective Date
As Is (Restricted Rents)	\$2,200,000	June 6, 2012
As Stabilized Value (Restricted Rents)	\$2,760,000	September 30, 2013
As Complete Value (Restricted Rents)	\$2,700,000	August 31, 2013

Tax Credit Value Summary

The contributing value of the tax credits provided the Fitzgerald Summit project complies with the Low Income Housing Tax Credit and HAP Programs was **\$9,327,073** as of June 6, 2012, is allocated as follows:

Tax Credit Value Allocation

State Credit Price and Amount of Equity	=	\$0.26 per tax credit dollar or \$2,055,118
Federal Credit Price and Amount of Equity	=	\$0.92 per tax credit dollar or \$7,271,956

Personal Property Value: The personal property consists mostly of appliances and community room furnishings. The personal property has an estimated value of **\$42,000** or \$500 per unit **as is** and **\$84,000** or \$1,000 per unit **as complete**.

Marketing Time Estimate: The marketing time is estimated to be 12 months for the property assuming market rents or restricted rents.

Exposure Time Estimate: The exposure time is estimated to be 12 months for the property assuming market rents or restricted rents.

Special Assumptions:

- (1) Proper management and marketing of the rental units during construction and rent-up phase;
- (2) The proposed work is completed in a workmanlike manner per plans and specifications;
- (3) The calculation of eligible basis, sources and uses of funds, and other items are assumed accurate;
- (4) The construction is completed no later than **August 31, 2013**. This is a hypothetical condition upon which this appraisal is based;
- (5) The property has been appraised based upon specific requirements of Section 42 of the IRS Code, Georgia (DCA) regulations for LIHTC Program and the HUD-HAP Contact.

Hypothetical Condition. That which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.
(USPAP, 2002 ed.)⁵.

⁵The Dictionary of Real Estate Appraisal (Fourth Edition), The Appraisal Institute, 2002, p. 141.



Property overview

SCOPE OF THE APPRAISAL

Scope is defined in the Third Edition of *The Dictionary of Real Estate Appraisal*, published by The Appraisal Institute, as the extent of the process in which data are collected, confirmed and reported. At Nicklas King McConahy, we have been collecting, confirming and reporting data in this market for more than thirty years.

The land sales and improved sales are confirmed and verified by speaking with the seller, buyer or the sales broker, and are physically inspected. An additional source of verification is provided by county records which provide deed references for both the current sale and for the most recent prior sale.

These multi-family land sales are from similar counties in South Carolina, Tennessee, and Georgia. We also obtained rental, vacancy, expense and capitalization rate data to estimate market value. Our files contain information which was obtained during the course of interviewing owners, managers, brokers, developers, and appraisers familiar with the multiple-family housing in Ben Hill County. David E. McConahy, MAI, inspected the subject site on June 6, 2012, and reviewed site plans and building plans and the developer's cost projections.

We have familiarity with not only the specific sales and rental data, but with the economic trends that are affecting Georgia. This area data is gathered from national, regional and local publications, and is updated and made current for every appraisal assignment.

Additional publications and interviews with lenders, developers, appraisers, development authorities and state officials provided pertinent information for tax credit developments similar to the subject development. A great deal of data was compiled at tax credit conferences and the Appraisal Institute's *Affordable Housing*

Seminar. I have reviewed publications such as the *Appraisal Journal* and *Affordable Housing Finance* for pertinent data and attended the National Council of State Housing Agencies Housing Credit Conferences and Council for Rural Housing and Development of Ohio events to gain further insight into the market for properties in the tax credit program. We also reviewed 2010 Edition of the IREM Conventional Apartment Income/Expense Analysis. Additional data was from PricewaterhouseCoopers, Marcus & Millichap, CoStar, LoopNet, RealtyRates.com, and BankRate.com.

The scope of our appraisal is extensive. Our sources provide all of the data necessary to complete an accurate value conclusion. Our verification and confirmation techniques assure that the data we use leads us to a proper and supportive estimate of value.

SALES HISTORY OF THE SUBJECT

The most recent transfer of the subject property occurred on July 31, 1978 and is recorded in Deed Book 153, Page 477. It is presently under agreement for \$2,175,000 to Fitzgerald Summit LP from Fitzgerald Properties Ltd.. To our knowledge, no other contracts, agreements or sales of the property have occurred in the past three years.

MARKETING TIME/EXPOSURE TIME

In many cases, the likely buyers for apartments are multi-facility owners. These buyers often invest long-term and find out about sales and listings through broker, suppliers, contacts and journals. Although not often sold through multiple listing services, they indicate marketing times of 6 - 15 months. The PricewaterhouseCoopers Real Estate Investment survey of the national apartment market for First Quarter 2012 indicates marketing time from 1 - 9 months. LIHTC real estate developments were adversely impacted by the real estate downturn and as demand for tax credits, marketing times grew longer. Demand improved as Exchange and TCAP programs were implemented through 2009 and 2010. Demand is solid and this has impacted prices and marketing periods. A 12-month marketing time is appropriate for the subject property as a market rate or tax credit apartment considering the current economic climate. The exposure time is 12 months.

TAX ASSESSMENT

The subject property consists of one parcel, B11-S10-L6+, containing approximately 1.762 acres with an assessed value of \$1,804,206 and total taxes of \$29,579. Taxes per unit on the subject property are \$352. Below are examples of apartment properties presently assessed. The subject should be higher due to new condition once complete. In our opinion, the most appropriate annual tax for the subject property is \$37,800 or \$450 per unit.

COMPARABLE REAL ESTATE TAXES					
Apartment Name	Location	Year Built	Annual Taxes	Units	Taxes/Unit
Jack Allen Apartments	Fitzgerald, GA	2005	\$39,128	60	\$652
Mulberry Court	Fitzgerald, GA	2007	\$33,956	48	\$707
Montgomery Landing	Savannah, GA	2005	\$64,709	144	\$449
Oaks at Brandlewood	Savannah, GA	2003	\$73,914	324	\$228
2003 Ogeechee Road	Savannah, GA	1960	\$8,075	15	\$537

AREA DESCRIPTION

The subject property is located on the south side of the City of Fitzgerald, the county seat of Ben Hill County. Ben Hill County is bordered to the north by Wilcox and Telfair Counties, to the east by Coffee County, to the south by Irwin County, and to the west by Turner County. Ben Hill County has approximately 254 square miles in south-central Georgia. Interstate 75 is the major north/south highway that is situated to the west of Fitzgerald. State Route 129 runs north/south through Fitzgerald, and Route 107 runs east/west through Fitzgerald and provides access to Interstate 75 to the west.

Manufacturing accounts for a higher than average percentage of employment, and one of the largest employers in the area is Shaw Industries. Major agricultural crops include cotton, poultry, peanuts, timber, and tobacco. The table below shows the major Ben Hill County employers.

TOP BEN HILL COUNTY EMPLOYERS
Name
American Blanching Company
Ben Hill Mental Retardation Service
Cynderellas
Dorminy Medical Center
Gilman Building Products
Labor Finders
Modern Dispersions South
Shaw Industries Group
Southern Veneer Products
Wal-Mart

Source: Georgia Department of Labor (2010)

The Ben Hill County unemployment rate is one of the highest when compared to surrounding counties and higher than the State of Georgia rate (8.7%) in April 2012 at 13.0%.

LABOR FORCE DATA		
COUNTY	April 2012	April 2011
Ben Hill County	13.0%	12.4%
Wilcox County	11.4 %	12.6%
Telfair County	13.2%	15.3%
Coffee County	12.6%	14.3%
Irwin County	11.2%	13.0%
Turner County	10.0%	11.6%
Georgia	8.7%	9.4%

Source: Bureau of Labor Statistics

The preceding employment table illustrates the economic struggles of Ben Hill and surrounding counties. Nearly all area rates have increased in the past three years due to global economic crises. In 2007 and 2008, many negative changes took place in the national economy. October 2007 was a high point for the stock market (Dow Jones over 14,000), which subsequently lost more than 40% of its value. Banks and government entities struggled and in the summer of 2008, Fannie Mae and Freddie Mac were placed in conservatorship. Also, there was a \$700 billion financial market assistance program known as TARP (Troubled Asset Relief Program) that passed in late 2008. The government has been active in bailing out lenders and insurance companies as an attempt to slow the economic downturn. In February 2009, a \$787 billion stimulus package was signed into law. According to PricewaterhouseCoopers, the economy still shows a stalled investment market and tighter lending restrictions. Unemployment rates are still near 30-year highs and concerns remain over the national debt. That said, consumer optimism is improving and the Dow Jones is back above 13,000. Interest rates remain low this spring and some new retail, apartment, and home building activity is occurring. Despite low rates, the United States Census shows us that building permits issued dropped dramatically between 2007 and 2011.

BUILDING PERMITS ISSUED SUMMARY FOR BEN HILL COUNTY	
Year	Total Units
2003	70
2004	86
2005	78
2006	41
2007	94
2008	30
2009	28
2010	36
2011	16

The Ben Hill County Schools serve the subject area and consist of two elementary schools, one middle school, and one high school with an enrollment of 850 students. The Wiregrass Georgia Technical College, Ben Hill – Irwin Campus is situated in the county and located in Fitzgerald. The Fitzgerald Municipal Airport is on the southwest side of Fitzgerald. There are nine recreational parks in the county and one river access park to the Ocmulgee River.

The population of Ben Hill County, based on the U.S. Census Data for 2010 is 17,634, an increase of 0.9% from the 2000 estimate of 17,484. Ben Hill County has 7,942 housing units in 2010 and a homeownership rate of 62.4%. Mean travel time to work is 20.2 minutes and there are 26.9% of the people below poverty. The City of Fitzgerald showed a 2000 population of 8,758 people, and a 2010 population of 9,053, an increase of 3.4%. There are 4,083 housing units in Fitzgerald. The 2010 median household income for Fitzgerald is \$21,878, and there are 37.9% of the people below poverty.

The subject property is located in the City of Fitzgerald, the county seat. Retail services, police and fire departments, and health care are available in Fitzgerald. The subject is located along South Grant Street, just south of Route 107, which provides access to Interstate 75. Historic places listed on the National Register include the Ben Hill County Jail, the Charles W. Kimball House, and the Dorminy-Massee House. The Fitzgerald Blue and Gray Museum is also in Fitzgerald.

Fitzgerald High School is approximately eight blocks from the subject. The Mall of Fitzgerald is just one block north of the subject, and the Blue and Gray Park is nearby to the south. The subject has all municipal utilities available and is a level lot.

The immediate subject neighborhood is older single-family dwellings, an office, garage, housing authority building, paint store, and a furniture store. The central business district is two blocks away. The site is well-suited for secondary commercial and multi-family residential uses.

Aerial View



DESCRIPTION OF THE SITE

Location

The subject is located at 318 South Grant Street in the City of Fitzgerald, Ben Hill County, Georgia.

Zoning

According to the City of Fitzgerald Zoning Administrator, the subject property is zoned C-C, Community Commercial and the apartments are a permitted use.

Site Size

The subject property contains approximately 1.762 acres on one parcel.

Shape/Topography

The subject property is a t-shape and is level.

Utilities

The site has access to public utilities including electricity, water, sanitary sewers, and telephone. The utilities are underground.

Easements

To our knowledge, there are no adverse easements affecting property. There appears to be a 20' wide alley underneath the building that was presumably abandoned. Additional due diligence should be completed to ensure this is abandoned.

Access/Visibility

The subject site is accessed from South Grant Street, East Jessamine Street, and East Magnolia Street. Visibility is good from East Jessamine Street, East Magnolia Street, and South Sherman Street.

Flood Plain

The subject property is in an area of low flood risk according to Flood Source Map Number 13017C0134B dated September 25, 2009.

Environmental/Subsurface Conditions

There are no known environmental or subsurface conditions which may impact the continued utilization of the subject property.

Bird's Eye View



DESCRIPTION OF THE IMPROVEMENTS

Name/Location

The subject property is located in the City of Fitzgerald, Ben Hill County, Georgia 31750. The subject site is situated on the east side of South Grant Street and on the west side of South Sherman Street.

Building Area

This one building, 84-unit apartment development includes community areas within this five-story building. According to the plans from Site Development Data, the total area is estimated to be approximately 60,640 square feet. This includes the rental office, lobby, vestibule, TV room, recreation room with kitchen area, large mechanical room, laundry room, and men's and women's restrooms on the ground floor plan. There are 83 one-bedroom units with nine being handicap accessible, and 1 two-bedroom unit. The one-bedroom units contain approximately 584 square feet, and the two-bedroom unit has approximately 880 square feet.

Floor Plan

The typical one-bedroom units feature a living/dining room, kitchen, one full bathroom, and one bedroom with a closet. The two-bedroom unit has a similar layout to the one-bedroom units, but has a second bedroom with a closet. The first floor of the building has a vestibule and lobby with mail center, men's and women's restrooms, rental office, TV room, recreation room, laundry room with four washers and four dryers, and large mechanical room. Stairs situated at both ends of the building on each floor and two elevators in the middle of each level provide access to all five floors. There is also a trash room on each floor.

Floors

The building has Flex-core floors, and the finish flooring consists mostly of carpet and composition tile floors.

Walls

The exterior walls are concrete block and stucco. Interior partitions in the apartment units and in the commons areas are painted concrete block and drywall.

Ceilings

The ceilings are concrete plank and suspended tile.

Roof

The building has a rubber membrane roof cover. The main entrance is covered.

HVAC

The apartments have thru-wall HVAC units with air conditioning. The common areas and corridors are heated and cooled with roof mounted HVAC units.

Fenestration

The windows are single pane with screens. Unit entry doors are wooden flush in metal frames. Front entry doors to the building are glass in aluminum storefront doors and there are also other metal doors in metal frames that access the building.

Plumbing

The typical apartment unit has a single bowl stainless steel sink in the kitchen and one full bathroom with tub/shower combination, commode, and sink. There is a central hot water boiler that provides hot water to the units. Adequate counter space and cabinets are provided in each kitchen. There are men's and women's common area restrooms on the first floor, water fountains, and a kitchen area in the recreation room on the first floor. The common areas are sprinklered with a wet system but the rooms are not sprinklered. The property has access to municipal water and sewerage.

Electricity

Each of the units generally has 100-amp electrical service. The main electrical service in the building is 2000-amps. There is a new electrical transformer and a newer propane generator outside. The lighting is primarily incandescent, and some exterior lighting is provided. The building has an intercom system.

Site Improvements

There are approximately 43, asphalt paved parking spaces with three being handicap accessible spaces. Street parking is also available in the area. There are concrete curbs, sidewalks, lawn and landscaping, project sign, and covered front entrance.

Equipment

The equipment includes 85 refrigerators and 84 ranges and hoods. There are four washers and four dryers in the laundry room.

Age/Condition/Quality

The subject building was built in 1979. The time estimated to complete this project is less than 12 months and prospective effective date of completion is August 31, 2013.

The potential buyer plans extensive renovations. The Fitzgerald Summit Scope of Work is included on the following page. The land-to-building ratio is 1.2 to 1 and the number of units per acre is 50.1. The current remaining economic life is 25 years. It is slightly higher as renovated (38 years).

FITZGERALD SUMMIT
SCOPE OF WORK

- Concrete: Install a new exterior patio slab for the community room on the west side of the building.
Install a new concrete pad and sidewalks for the new gazebo at the north end of the building and the new covered pavilion at the west side of the site.
- Masonry: Clean and tuck point the existing exterior masonry. The masonry is to be painted after the repairs are made.
- Metals: Replace the downspouts/gutters at the entry roof drain areas.
- Rough Re-fasten the exterior sheathing and stucco to insure a solid foundation for attachment of metal lath and new cultured stone exterior finish.
- Carpentry Install new canopy shading on the exterior over the windows.
Complete tear out of each unit is to include removal of doors, cabinets, countertops, bath fixtures, carpet, tile, walls and stippled ceilings. Replace as shown on the drawings. Re-frame and close the openings where the existing PTAC units are being removed.
- Finish
Carpentry Replace all interior doors and trim. Install lever door hardware.
Replace all existing base trim.
- Insulation Remove existing drywall on the exterior walls, replace the existing wall insulation with a class one blown fiberglass insulation. Install new drywall and seal all edge joints at the existing floor, ceiling, walls etc. to provide a tight seal that meets LEED requirements.
- Roofing: Inspect the existing roofing and repair as needed.
- Doors: Inspect and replace exterior entry doors and hardware as needed. Install lever hardware where at doors that are not automatic push pull doors.
Replace all unit entry doors and hardware.
- Windows: Replace all windows with vinyl energy star rated windows that match the same operation as the existing windows.
- Drywall: Remove and replace all exterior wall drywall. Touch-up and repair all existing drywall to provide a smooth finished surface.

Resilient Flooring	Install new vinyl plank flooring (glue down) in all kitchens. Provide ceramic tile in all dwelling unit and public bathrooms. Install new ceramic tile flooring in the entry areas, stairway entries, and kitchenette.
Painting and Specialties:	Repaint all units, with low voc paints. Install new grab bars, towel bars, toilet paper holders, medicine cabinets, closet shelves and rods, doorstops, range hood fire extinguishers.
Cabinets:	Install new cabinets and countertops. All sink fronts are to be removable. In all handicap units install handicap cabinets (countertop at 34" with wall cabinets mounted at 48" to the bottom shelf).
Appliances:	Install new ranges, refrigerators, handicap accessible microwave range hoods and dishwashers. All units to be energy star where possible. All ranges are to be self cleaning. All range hoods are to be vented to the outside.
Blinds:	Install mini blinds at all window locations
Carpeting:	Install new carpeting. Use green labeled carpeting. The public hallways are to be carpeted.
Plumbing:	The existing boiler for the recirculating hot water system is to remain. Replace the recirculating pump in the mechanical room, Provide new 8" deep kitchen sinks, garbage disposals, kitchen faucets, bath lavatory faucets, bath shower faucets, toilets (all low flow), toilet paper holders, shower rods, towel bars, bath tubs and surrounds. Replace all plumbing components and complete repairs as needed. All plumbing fixtures are to be low flow and meet LEED requirements Dishwashers are to be added.
HVAC	Replace all of the electric PTAC hvac units with new energy star electric forced air heat pump HVAC systems. The outside heat pump units are to be installed on the roof of the building. Replace the electric baseboard units in the stairways with new equipment.
Air Conditioning	Included in HVAC
Electrical:	Replace all electrical components. Replace all ceiling light fixtures, bath exhaust fans, electrical outlets (installing GFI in all wet locations as code requires), switches, covers, unit circuit panels and exterior light fixtures. Replace all smoke detectors, adding smoke detectors in all bedrooms interconnected with hall smoke detectors. Install task lighting under kitchen cabinets. All fixtures shall be energy star rated where available. Check the electrical service in the building and make repairs as needed.
Special	

Conditions	Install solar panels on the roof to provide electrical power to the existing boiler and the existing common area hvac systems. Repair and replace sidewalk areas that do not meet accessibility requirements and provide curb ramps etc. for access to the site amenities.
Earth Work	Remove two feet of sod adjacent to the building and install a stone separation of planting material and the base of the building.
Site Utilities	Replace the existing site lighting with energy star rated fixtures including the wall mounted lights on the building.
Road and Walk	Relocate and repave the handicap parking areas. Repair areas of the asphalt parking lot and seal the lot. Re-stripe the parking lot. Add concrete curbs and install handicapped curb ramps. Install accessible sidewalks to all amenities.
Site Improvements	Install a new gazebo and benches at the north end of the building. Upgrade the existing picnic area with new seating, barbecue grill, picnic table etc. Install a new project sign which shall be lighted. Install a new tenant gardening area. Collect rain water from the roof drains to flow into a underground water tank and install a pump and underground piping to a hose bib at the tenant gardening area. If collection of rain water is not feasible, connect the new underground water line and hose bib to the building water supply at one of the hose bib piping systems on the west side of the building. A new covered bike rack is to be installed adjacent to the main entry of the building.
Lawns & Planting	Reseed disturbed areas after completion of construction Repair any lawn areas that are disturbed by construction. Install new shrubs and trees, using native plants Remove existing trees as needed on all sides of the building and property to provide areas for the new exterior amenities.

HIGHEST AND BEST USE

Highest and Best Use is defined as “the reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.”⁶

The highest and best use of a specific parcel of land does not depend on subjective analysis by the property owner, the developer, or the appraiser. The value of real property is influenced by the interaction of the basic forces that motivate human activity; the highest and best use analysis is an interpretation of these forces, and an economic study of the market in which the property is located. The conclusions reached provide the basis for market value analysis.

In order to satisfy the requirements of highest and best use, four criteria must be considered. Highest and best use must be:

1. Legally permissible;
2. Physically possible;
3. Financially feasible; and
4. Maximally productive.

It is necessary to distinguish between the highest and best use of the site as though vacant, and the property as improved; the highest and best use may be determined to be different than the existing use. To reach a credible opinion of highest and best use, the appraiser must, in every case, consider the location and physical characteristics of the site, the design, condition and probable economic life of existing improvements, neighborhood trends, environmental conditions, and governmental controls and regulations, all as they relate to the basic principles of real property valuation.

Highest and Best Use as Though Vacant

In the highest and best use as though vacant, we have assumed that the site is vacant. The primary purpose of this analysis is to identify the uses that cause the land to have value. Analyzing the highest and best use as though vacant will also help to identify the characteristics that are important in the selection of comparable land sales for site valuation.

Legally Permissible

According to the City of Fitzgerald Zoning Administrator, the subject property is zoned C-C, Community Commercial and the apartments are a permitted use. A zoning letter is included in the Addendum and the 84 units and proposed renovations are permitted.

Physically Possible

The subject property contains one parcel with approximately 1.762 acres of level land. The site could be improved with secondary commercial, residential or institutional uses.

⁶ *The Appraisal of Real Estate, Thirteenth Edition*, Appraisal Institute, 2008.

Financially Feasible

The subject site is situated on the east side of South Grant Street in the City of Fitzgerald, Ben Hill County and has access to all utilities. The immediate subject neighborhood is older single-family dwellings, an office, garage, housing authority, paint store, and a furniture store. Ben Hill County has been experiencing increasing population based on the U.S Census estimations for 2010. A need for well-managed, affordable housing exists and surveyed apartment occupancies are at 91.9% due to high poverty level, senior demand and single-parent household demand. The likelihood of a 100% market rate, rental apartment on the subject property, is limited. Institutional uses or affordable rental housing would be more financially feasible with special funding programs. As discussed in later portions of this report, the affordable apartment market has a good occupancy nearly (95%). The high occupancy rate for less desirable properties would make the subject more attractive as an affordable housing site. Some of the housing in the subject neighborhood is much older and some units were completed since 2004.

Maximally Productive

The subject property is adequately suited for a residential secondary commercial or institutional development in this neighborhood. Multifamily Residential uses are approved, possible, feasible and productive. We have noted that a market rent housing development would not achieve rental rates sufficient to be maximally productive to an investor without special funding programs. The probable utilization would be for a rental housing facility that can participate with special, local, state and/or federal funding programs. Tax credit, rural development, or HUD assistance would make a multi-family development or senior living center at this property more feasible and productive. Such a housing facility could provide a good unit mix and be made affordable for local families, especially single parent or senior households of which many exist in the market. There appears to be pent-up demand for affordable housing in Ben Hill County. Some of the housing stock remains older and the newer facilities have been quickly absorbed. Data from our recent survey as well as data for a market analysis by Bowen National Research support these conclusions. Although the site would have capacity for greater density, we believe a density of 40- to 50-units would allow for better parking, recreational and open space as well as larger units. If such special funding opportunities could not be obtained, then marketing of the site should be targeted toward secondary commercial or institutional uses. Market rate residential with no special funding will take longer to absorb in the present market conditions. The main body of the site is developable with a building but the western portion would have to be green space or parking.

In conclusion, it is our opinion that the Highest and Best Use as Though Vacant for the subject property is senior residential units if special funding is made available. If no special funding is obtained, a residential, secondary commercial or institutional use.

Highest and Best Use as Improved

In the highest and best use as improved, we have carefully analyzed the use that should be made of the subject improvements, using the same four criteria for the highest and best use. The two primary reasons for analyzing the highest and best use of a property as improved are to identify the use that can be expected to result in the highest overall return for each dollar of capital invested, and secondly, to assist in identifying the most appropriate comparable improved sales.

The level property contains approximately 1.762 acres and has access to all utilities in the City of Fitzgerald. This senior housing complex is 33 years old and all of the subject units are rented. There are a total of 84 senior rental units and the subject offers 83 one-bedroom units and 1 two-bedroom unit. The use is permitted in the C-C District and is physically possible on this T-shaped property. This multi-story layout allows for sufficient parking and recreational areas. There is no surplus land. The units feature a

refrigerator, range, hood, air-conditioning, and elevator. The renovation plans for the subject property were reviewed and discussed with the developer. These plans are well conceived and we assume that they will be completed in a proper manner. The property will have 84 units and will serve lower income senior households. Good management and maintenance will help ensure the success of Fitzgerald Summit.

In this report, it was revealed that the apartment project is not entirely feasible when operated at market rents only. The total cost of more than \$9,000,000 is beyond the value that could be achieved if all 84 units were at market rents. This scenario indicates that one would not obtain a rent level sufficient to justify the cost of the construction with market rates. As pointed out previously, the breakeven rent is above the market rent which could be achieved at this property. The average monthly rent would likely have to be more than \$800 for this project to be feasible.

The fact that there is good demand and insufficient affordable senior housing has local agencies making serious efforts to accommodate the housing need. The cooperation of local and state officials, as well as the buyers, have made it financially feasible and maximally productive for the 84-unit, low income housing tax credit facility to be renovated. Such a development can combine federal, local and state funding opportunities to make this socially responsible development feasible and productive. We understand that the Housing and Urban Development - Housing Assistance Payment Contract will be extended for this property. If not, these 84 residents would have few housing alternatives. The households are paying 30% of income toward rent and the balance is paid as a subsidy.

A LIHTC or low-income housing tax credit development is predicated on the rents that are affordable to low income residents and the income available is constrained by affordable standards. This results in a project which would offer limited direct economic return to its partners. The principle motivation for the investor is a tax credit that can be used to directly offset Federal Income Tax obligations. The exact amount of the tax credit depends on the specific nature of the project. When demand dropped for the purchase of these tax credits in 2008, the government stepped in with TCAP and Exchange programs to ensure that such housing continues to be built. These programs no longer exist in 2012 but kept the momentum from slipping too far in affordable housing. Demand is strong once again for tax credits.

In order to determine if this is financially feasible and maximally productive, further analysis of the information compiled in our market study and additional demographic analysis was included. The results of the analysis indicates that there is sufficient demand within the "ribbon of eligibility" which includes family households and specifically, elderly and single-parent households, which have income above a certain level but not higher than another amount. This window of income eligibility means that the subject will not necessarily compete with all affordable housing in this market. The tax program regulated by the Internal Revenue Service is designed to provide incentives to developers who construct or rehabilitate facilities such as the subject and make it affordable to very low persons.

The projected rent for the subject is included in the table above and is only \$605 per month or \$1.04 per square foot including all utilities. This rent level has proven to be affordable to a great deal of senior households in the area who would otherwise be paying more and living in older, substandard units. These households may also be living with other family members. A large percentage of the renter households in the market are single parent or senior households which demand affordable, quality, safe properties. Regardless of their present housing, their needs are often not being sufficiently met in Fitzgerald as evidenced by the quick absorption and waiting list for well-run affordable options and the high occupancy history of the subject. This rent level of \$605 for 1-bedroom and \$680 for the one 2-bedroom unit is achievable while maintaining the high occupancy.

There is too much demand for the current supply of affordable units and the subject will be positioned to perform well within this market. The subject is well positioned near downtown services, offers good amenities and includes 1- and 2-bedroom senior units. This is a socially responsible method for providing housing in a market with older housing stock.

It is our conclusion that the continued use as an 84-unit senior housing facility participating in the LIHTC program, with HUD - HAP contract is the Highest and Best Use as Improved. The residential rental use is permitted, possible, financially feasible and maximally productive for the 1.762 acres known as Fitzgerald Summit. The project will be renovated per plans and specifications and will be managed and maintained within the LIHTC, HUD - HAP, IRS, and DCA guidelines.

RENTAL DATA

Comparable Apartment #1

Property:	Jack Allen Apartments	Number of Units:	60
Address:	160 Wilson Avenue	Year Built:	2005
	Fitzgerald, Ben Hill County, GA	Density:	
Phone:	(229) 423-7400 (Lori)	Lease Term:	

Unit Type	Number	Vacant	Rent/Month	Baths	Square Feet
Studio					
1 Br Garden	6	N/A	*\$312 - \$553	1	665 SF; \$0.47/SF - \$0.83
1 Br Garden					
2 Br TH	24	N/A	*\$374 - \$672	1.5	871 SF; \$0.43 - \$0.77/SF
2 Br Garden					
3 Br TH	24	N/A	*\$435 - \$767	2	1,080 SF; \$0.40 - \$0.71/SF
3 Br Garden					
4 Br TH					
TOTAL	60	3			

*Government Subsidized or rent restricted

Utilities Paid By:	Property	Resident	Deposit:
Electric	___	<u>X</u>	Pets
Gas	___	___	Security
Water	<u>X</u>	___	Application
Sewer	<u>X</u>	___	___
Trash	<u>X</u>	___	

Number of Covered Parking Spaces: Garages: ___ Carports: ___

Unit Amenities:		Amenities:
Range	<u>X</u>	Club House
Refrigerator	<u>X</u>	Sauna
Dishwasher	<u>X</u>	Tennis
Disposal	<u>X</u>	Pool
Air Conditioning	<u>X</u>	Exercise Room
Washer/Dryer	___	Storage
Drapes/Blinds	___	Playground
Fireplace	___	Ext. Landscaping
Basement	___	Laundry Room
Microwave	___	Other
Patio/Balcony	<u>X</u>	
Other	___	

Comments: Market-rate (6 units); 30%, 50%, and 60% AMHI (54 units); HCV (8 units); waiting list of 3 months.

RENTAL DATA
Continued

Comparable Apartment #2

Property:	Meadow Run Apartments I & II	Number of Units:	100
Address:	197 Perry House Road	Year Built:	1989
	Fitzgerald, Ben Hill County, GA	Density:	
Phone:	(229) 423-9660 (Joyce)	Lease Term:	

Unit Type	Number	Vacant	Rent/Month	Baths	Square Feet
Studio					
1 Br Garden	88	0	*various	1	
2 Br Garden	12	0	*various	1	
2 Br TH					
3 Br Garden					
3 Br TH					
TOTAL	100	0			

*Government Subsidized or rent restricted

Utilities Paid By:	Property	Resident	Deposit:
Electric	___	<u>X</u>	Pets
Gas	___	___	Security
Water	<u>X</u>	___	Application
Sewer	<u>X</u>	___	___
Trash	<u>X</u>	___	

Number of Covered Parking Spaces: Garages: ___ Carports: ___

Unit Amenities:		Amenities:
Range	<u>X</u>	Club House
Refrigerator	<u>X</u>	Sauna
Dishwasher	___	Tennis
Disposal	___	Pool
Air Conditioning	<u>X</u>	Exercise Room
Washer/Dryer	___	Storage
Drapes/Blinds	___	Playground
Fireplace	___	Ext. Landscaping
Basement	___	Laundry Room
Microwave	___	Other
Patio/Balcony	___	
Other	___	

Comments: RD 515; has RA (89) units); HCV (3 units); phase I built 1989, phase II built 1993; slightly higher rent units are phase II; waiting list.

RENTAL DATA
Continued

Comparable Apartment #4

Property:	Merrimac Village	Number of Units:	50
Address:	1000 N. Merrimac Drive	Year Built:	1982/2007
	Fitzgerald, Ben Hill County, GA	Density:	
Phone:	(229) 423-9577 (Delandra)	Lease Term:	

Unit Type	Number	Vacant	Rent/Month	Baths	Square Feet
Studio					
1 Br Garden	6	0	*\$548	1	742 SF; \$0.74/SF
1 Br Flats/TH					
2 Br Garden	24	0	*\$648	1	842 SF; \$0.77/SF
2 Br Duplexes					
3 Br Garden					
3 Br TH	18	0	*\$788		1,140SF; \$0.69/SF
4 Br TH	2	0	*\$832		1,200SF; \$0.69/SF
TOTAL	50	0			

*Government Subsidized or rent restricted

Utilities Paid By:	Property	Resident	Deposit:
Electric	___	<u>X</u>	Pets
Gas	___	___	Security
Water	<u>X</u>	___	Application
Sewer	<u>X</u>		
Trash	___		

Number of Covered Parking Spaces: Garages: ___ Carports: ___

Unit Amenities:		Amenities:
Range	<u>X</u>	Community Room
Refrigerator	<u>X</u>	Sauna
Dishwasher	<u>X</u>	Tennis
Disposal	___	Pool
Air Conditioning	<u>Windows</u>	Exercise Room
Washer/Dryer	___	Storage
Drapes/Blinds	<u>X</u>	Playground
Fireplace	___	Ext. Landscaping
Basement	___	Laundry Room
Microwave	___	Other
Patio/Balcony	___	
Other	<u>Ceiling fan</u>	

Comments: 60% AMHI; HUD Section 8, HUD-insured; 1-bedroom units do not have washer/dryer hooks; 8 on waiting list.

RENTAL DATA
Continued

Comparable Apartment #5

Property:	Colony Square Apartments	Number of Units:	24
Address:	808 N. Merrimac Drive	Year Built:	1985 - Renovated 1994
	Fitzgerald, Ben Hill, GA	Density:	
Phone:	(229) 423-2647 (Debbie)	Lease Term:	

Unit Type	Number	Vacant	Rent/Month	Baths	Square Feet
Studio					
1 Br Garden					
1 Br TH					
2 Br TH	20	4	*\$390 - \$515	1	
2 Br					
3 Br TH	4	1	*\$405 - \$537	1.5	
3 Br					
4 Br TH					
TOTAL	24	5			

*Government Subsidized or rent restricted

Utilities Paid By:	Property	Resident	Deposit:
Electric	___	<u>X</u>	Pets
Gas	___	___	Security
Water	<u>X</u>	___	Application
Sewer	<u>X</u>		___
Trash	<u>X</u>		

Number of Covered Parking Spaces: Garages: ___ Carports: ___

Unit Amenities:		Amenities:
Range	<u>X</u>	Club House
Refrigerator	<u>X</u>	Sauna
Dishwasher	___	Tennis
Disposal	___	Pool
Air Conditioning	<u>X</u>	Exercise Room
Washer/Dryer	___	Storage (Extra)
Drapes/Blinds	___	Playground
Fireplace	___	Ext. Landscaping
Basement	___	Laundry Room
Microwave	___	Other
Patio/Balcony	<u>X</u>	
Other		

Comments: 60% AMH; RD 515, has RA (16 units); accepts HCV; 3-bedroom units have washer/dryer hookups; vacancies in non-RA units; year built estimated.

RENTAL DATA
Continued

Comparable Apartment #6

Property:	McKinley Lane Apartments	Number of Units:	48
Address:	283 Irwinville Highway Fitzgerald, Ben Hill, GA	Year Built:	1989
Phone:	(229) 423-3319 (Olivia)	Density:	
		Lease Term:	

Unit Type	Number	Vacant	Rent/Month	Baths	Square Feet
Studio					
1 Br Garden	14	1	*	1	
2 Br Garden	34	1	*	1	
2 Br TH					
3 Br Garden					
3 Br TH					
TOTAL	48	2			

*Government Subsidized or rent restricted

Utilities Paid By:	Property	Resident	Deposit:
Electric	___	<u>X</u>	Pets
Gas	___	___	Security
Water	<u>X</u>	___	Application
Sewer	<u>X</u>		___
Trash	<u>X</u>		

Number of Covered Parking Spaces: Garages: ___ Carports: ___

Unit Amenities:		Amenities:
Range	<u>X</u>	Club House
Refrigerator	<u>X</u>	Sauna
Dishwasher	___	Tennis
Disposal	___	Pool
Air Conditioning	<u>X</u>	Exercise Room
Washer/Dryer	___	Storage
Drapes/Blinds	___	Playground
Fireplace	___	Ext. Landscaping
Basement	___	Laundry Room
Microwave	___	Other
Patio/Balcony		
Other		

Comments: RD 515, has RA (4 units); HCV (4 units).

RENTAL DATA
Continued

Comparable Apartment #7

Property:	Washington Avenue Apartments	Number of Units:	40
Address:	183 Washington Avenue	Year Built:	1982
	Fitzgerald, Ben Hill, GA	Density:	
Phone:	(229) 423-7608 (Cathy)	Lease Term:	

Unit Type	Number	Vacant	Rent/Month	Baths	Square Feet
Studio					
1 Br Garden	8	N/A	*		
1 Br					
2 Br Garden	30	N/A	*		
2 Br					
3 Br Garden	2	N/A	*		
3 Br					
4 Br TH					
TOTAL	40	12			

*Government Subsidized or rent restricted

Utilities Paid By:	Property	Resident	Deposit:
Electric	___	<u>X</u>	Pets
Gas	___	___	Security
Water	<u>X</u>	___	Application
Sewer	<u>X</u>	___	<u>1st month free rent; \$300 deposit</u>
Trash	<u>X</u>	___	___

Number of Covered Parking Spaces: Garages: ___ Carports: ___

Unit Amenities:		Amenities:
Range	<u>X</u>	Community Room
Refrigerator	<u>X</u>	Sauna
Dishwasher	___	Tennis
Disposal	<u>X</u>	Pool
Air Conditioning	<u>X</u>	Exercise Room
Washer/Dryer	___	Storage (Extra)
Drapes/Blinds	___	Playground
Fireplace	___	Ext. Landscaping
Basement	___	Laundry Room
Microwave	___	Other
Patio/Balcony	<u>X</u>	
Other		

Comments: RD 515, has RA (25 units); accepts HCV (0 currently); townhomes have patio and washer/dryer hookups; vacancies attributed to quality and age of property; square footage estimated.

RENTAL DATA
Continued

Comparable Apartment #8

Property:	Mulberry Court	Number of Units:	48
Address:	154 Jack Allen Road	Year Built:	2007
	Fitzgerald, Ben Hill, GA	Density:	
Phone:	(229) 424-9788 (Olivia)	Lease Term:	

Unit Type	Number	Vacant	Rent/Month	Baths	Square Feet
Studio					
1 Br Garden	24	N/A	*\$518	1	900 SF; \$0.58/SF
1 Br Flats/TH					
2 Br Garden	24	NA	*\$607	2	1,100 SF; \$0.55/SF
2 Br Duplexes					
3 Br Garden					
3 Br					
4 Br TH					
TOTAL	48	5			

*Government Subsidized or rent restricted

Utilities Paid By:	Property	Resident	Deposit:
Electric	___	<u>X</u>	Pets
Gas	___	___	Security
Water	<u>X</u>	___	Application
Sewer	<u>X</u>		
Trash	<u>X</u>		

Number of Covered Parking Spaces: Garages: ___ Carports: ___

Unit Amenities:		Amenities:
Range	<u>X</u>	Community Room
Refrigerator	<u>X</u>	Sauna
Dishwasher	<u>X</u>	Tennis
Disposal	___	Pool
Air Conditioning	<u>Windows</u>	Exercise Room
Washer/Dryer	___	Storage
Drapes/Blinds	<u>X</u>	Playground
Fireplace	___	Ext. Landscaping
Basement	___	Laundry Room
Microwave	___	Other
Patio/Balcony	___	
Other <u>Ceiling fan</u>		

Comments: 50% and 60% AMHI; HCV (4 units); senior restricted age 55+.

MARKET RENTAL DATA

Continued

Comparable Apartment #9

Property:	Magnolia Apartments	Number of Units:	12
Address:	115 W. Magnolia Street	Year Built:	1964
	Fitzgerald, Ben Hill, GA	Density:	
Phone:	(229) 425-0877 (Haywood)	Lease Term:	

Unit Type	Number	Vacant	Rent/Month	Baths	Square Feet
Studio					
1 Br Garden	N/A	0	\$295	1	510 SF; \$0.58/SF
1 Br TH					
2 Br TH					
2 Br Garden	N/A	1	\$305	1	634 SF; \$0.48/SF
3 Br TH					
3 Br					
4 Br TH					
TOTAL	12	1			

*Government Subsidized or rent restricted

Utilities Paid By:	Property	Resident	Deposit:
Electric	___	<u>X</u>	Pets
Gas	___	___	Security
Water	___	<u>X</u>	Application
Sewer	___	<u>X</u>	___
Trash	___	___	

Number of Covered Parking Spaces: Garages: ___ Carports: ___

Unit Amenities:		Amenities:
Range	<u>X</u>	Club House
Refrigerator	<u>X</u>	Sauna
Dishwasher	___	Tennis
Disposal	___	Pool
Air Conditioning	___	Exercise Room
Washer/Dryer	___	Storage (Extra)
Drapes/Blinds	___	Playground
Fireplace	___	Ext. Landscaping
Basement	___	Laundry Room
Microwave	___	Other
Patio/Balcony	___	
Other	___	

Comments: Market rent; accepts HCV (0 currently).

MARKET RATE RENTAL DATA
Continued

Comparable Apartment #10

Property:	Baytree Ridge Apartments	Number of Units:	36
Address:	157 Perry House Road	Year Built:	1974
	Fitzgerald, Ben Hill, GA	Density:	
Phone:	(229) 423-4399 (Chanellle)	Lease Term:	

Unit Type	Number	Vacant	Rent/Month	Baths	Square Feet
Studio					
1 Br Garden					
1 Br TH					
2 Br TH					
2 Br Garden	36	12	\$325	1	810 SF; \$0.40/SF
3 Br TH					
3 Br					
4 Br TH					
TOTAL	36	12			

*Government Subsidized or rent restricted

Utilities Paid By:	Property	Resident	Deposit:
Electric	___	<u>X</u>	Pets
Gas	___	___	Security
Water	___	<u>X</u>	Application
Sewer	___	<u>X</u>	___
Trash	___	___	

Number of Covered Parking Spaces: Garages: ___ Carports: ___

Unit Amenities:		Amenities:
Range	<u>X</u>	Club House
Refrigerator	<u>X</u>	Sauna
Dishwasher	___	Tennis
Disposal	___	Pool
Air Conditioning	<u>X</u>	Exercise Room
Washer/Dryer	___	Storage (Extra)
Drapes/Blinds	___	Playground
Fireplace	___	Ext. Landscaping
Basement	___	Laundry Room
Microwave	___	Other
Patio/Balcony	___	
Other	___	

Comments: Market rent; accepts HCV (0 currently); vacancies due to evictions; year built and square footage estimated.

RENTAL DATA PHOTOGRAPHS



#1 Jack Allen Apartments



#2 Meadow Run Apartments I & II



#3 Roanoke Homes



#4 Merrimac Village



#5 Colony Square Apartments



#6 McKinley Lane Apartments



#7 Washington Avenue Apartments



#8 Mulberry Court

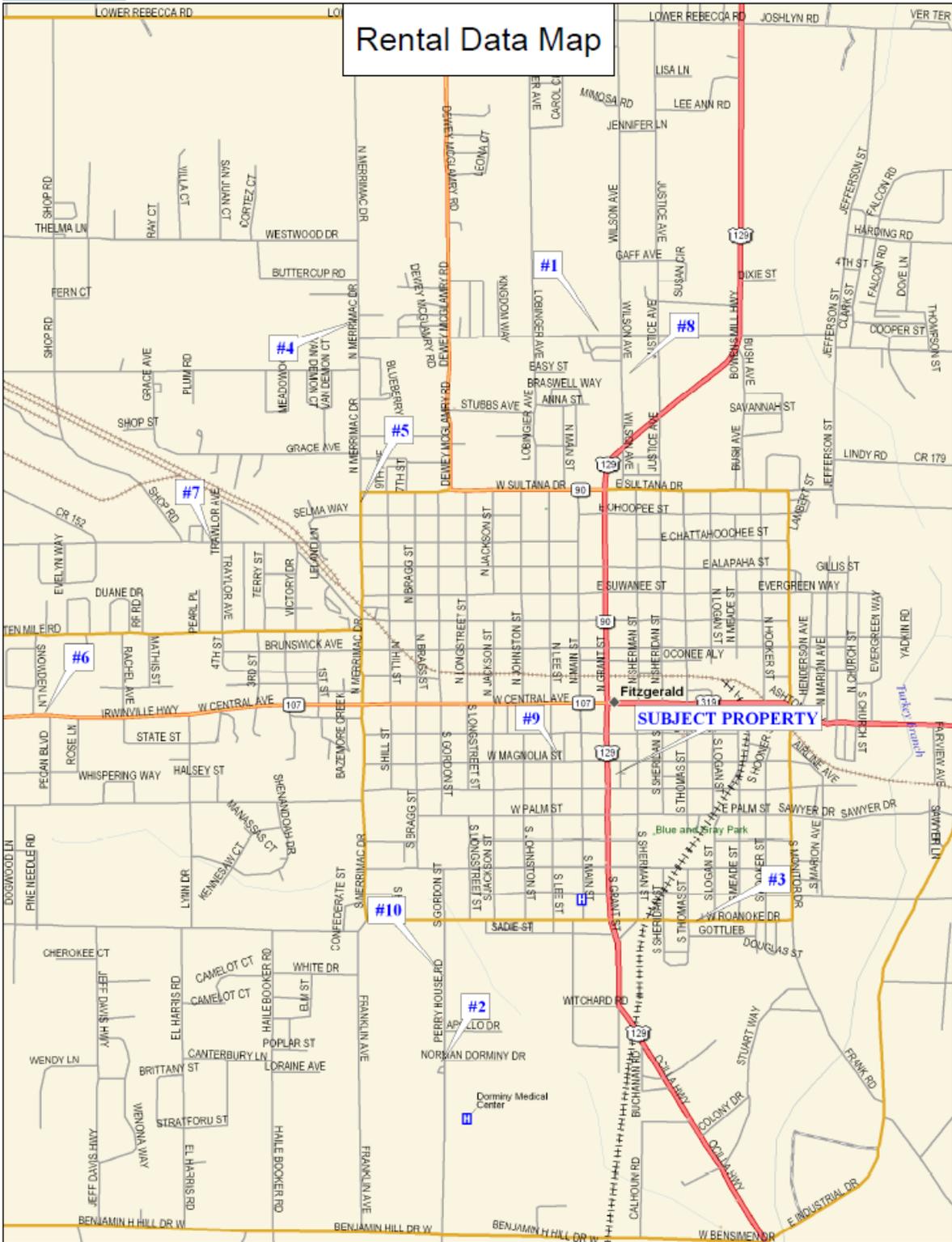


#9 Magnolia Apartments

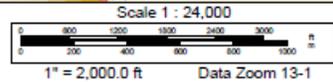
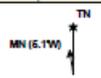


#10 Baytree Ridge Apartments

Rental Data Map



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 www.delorme.com



INTRODUCTION TO VALUATION

The valuation process is a procedure designed to systematically collect data and develop conclusions in support of an estimation of value for a specific parcel of real property. To satisfy the purpose of the appraisal, the appraiser collects, verifies, and analyzes sufficient data on which to base a supportable value conclusion, consisting with the highest and best use of the property.

Whenever possible, the appraiser endeavors to employ the three traditional approaches to real property valuation: the Cost Approach, the Sales Comparison Approach, and the Income Capitalization Approach. Property characteristics, including building design, occupancy and use, and the availability of comparable data determine the extent to which each approach is appropriate.

The Cost Approach involves the summation of separate value estimates for land and improvements. Normally, the land value is a function of sales comparison, while the value of the improvements is estimated by deducting accrued depreciation from the current cost to construct improvements of equivalent utility, based on current standards of design and materials. All structures may depreciate not only physically from the natural aging process, but also because of style changes and/or defects in design, and in some instances, from external conditions negatively impacting on the property.

The Sales Comparison Approach is a means of estimating the value of a property based upon recent sales of similar properties, and on current asking prices and/or offers for properties on the market. Fundamental to the Sales Comparison Approach is the principle of substitution, which holds that the value of a property tends to be set by the price that would be paid to acquire an alternative property of equivalent utility and desirability. Sales comparison is a process of analyzing pertinent data with respect to an array of comparable properties, and making adjustments for dissimilar characteristics.

The Income Capitalization Approach is founded on the concept that a relationship exists between the income a property can generate and its value. Present value is a function of an anticipated return on the equity investment: an annual income plus a future recovery of sufficient invested capital to produce an acceptable equity yield. The conversion of income to value may be either by direct capitalization or yield capitalization techniques.

Direct capitalization is a method used to convert an estimate of a single year's income expectancy into an indication of value in one step, by dividing the net operating income estimate by an appropriate income rate. Yield capitalization differs in that the appraiser endeavors to simulate a typical investor's criteria by forecasting an income stream over a projection period, and discounting to a present value. In either method, the rate of return should be sufficient to attract investment capital, and is influenced by many factors including the degree of perceived risk, the durability of the income stream, forecasts of inflationary trends, returns available from alternative investments and/or comparable properties, and the availability of mortgage funds.

The final step in the valuation process is the reconciliation of the value indications. In the reconciliation, the appraiser considers the relative applicability of each of the approaches used, examines the range of the value indications, and gives the most weight to the approach or approaches that produce the most credible solution to the appraisal problem, consistent with the scope and reliability of the data. We will estimate an As Is value, on As Is value, Upon Completion and Upon Stabilization prospective values assuming the hypothetical market rent scenario.

The subject property features Low-Income Housing Tax Credits (LIHTC) and HUD-HAP Contract which introduces special valuation interests that must be considered. The total project is feasible because of the real

estate and the tax benefits. For the purposes of the appraisal report, the logical approach is used to value the stabilized value after completion of the subject property with the LIHTC restricted rents. Finally, the tax credit value contribution is estimated based upon the transaction price and recent sales of tax credits in similar deals.

VALUATION DISCUSSION
(Market Value with Unrestricted Rents)

VALUATION DISCUSSION
Market Value with Unrestricted Rents

Introduction

The purpose of this appraisal is to estimate the market value of the subject property. In addition, the purpose is to determine a tangible and intangible value estimate as created by the LIHTC project with HAP Contract restricted rents. We have considered the Cost Approach, Sales Comparison Approach and Income Approach when estimating the market value for the property in its As Complete and As Stabilized condition. We will initially provide an As Is value estimate.

As Is Market Value with Unrestricted Rents on 06/06/2012

The Income Capitalization Approach is the best means for estimating market value for the subject property. The market value by the Income Approach is a procedure in which the income that a property is capable of producing is converted into a value estimate. In order to accurately perform this approach to value, we have drawn upon income, expense and capitalization rate information from surveys, comparable sales and recent appraisals performed by Nicklas King McConahy for similar apartment properties. We have noted that this property is not expected to be rented with unrestricted rents but a market value can still be estimated with proper analysis of current conditions.

Income

A rental survey was conducted of residential rental properties in the Fitzgerald market and we have made an effort to locate the properties which are most similar to the subject. There is demand for housing in this general market but income levels, recession, and existing older supply have kept rent levels down in the City. No RD or LIHTC units were considered. We looked for market rate rental comparables and avoided student housing facilities.

Magnolia has 1-bedroom units for \$295 per month and is old and tired. These units are 48 years old and in town. The 2-bedroom units rent for \$305 and are actually smaller than the subject and offer fewer amenities. These are far inferior to the subject with market terms. The 2-bedroom units at Baytree are \$325 and are in poor condition. It has a poor appeal, high eviction rate and poor reputation. The subject is far superior. In order to get this rent, I believe the subject would have to spend approximately \$2,500 per unit for upgrades.

For the market rental estimate, we analyzed the comparable units on a monthly rental rate and/or a rental rate per square foot basis. The analysis below is based on the typical unit types but a dearth of market rate units makes this difficult. We have concluded that the handicap units would be rented for the same rental rate.

AS IS MARKET RENTAL ANALYSIS SUMMARY - 1 BEDROOM/1 BATH UNITS							
No.	Property Name	Unit Type	Avg. Unit SF	Avg. Rent/Mo.	Avg. Rent/SF	Overall Comparison to Subject	Comment
9.	Magnolia	1BR/1BA	510	\$295	\$0.58	Inferior	Business district; older, 1964
Rental Ranges							
		Rent Range	Size Range (SF)	Rent/SF Range			
Comparables		\$295	510	\$0.58			
As Is Market Rent Conclusion*		\$605	584 SF	\$1.04			

*Subject rents are full service.

AS IS MARKET RENTAL ANALYSIS SUMMARY - 2 BEDROOM/1 BATH UNITS							
No.	Property Name	Unit Type	Avg. Unit SF	Avg. Rent/Mo.	Avg. Rent/SF	Overall Comparison to Subject	Comment
10.	Baytree Ridge	2BR/1BA	810	\$325	\$0.40	Inferior	Poor Reputation; older, 1974
9.	Magnolia	2BR/1BA	634	\$305	\$0.48	Inferior	Business district; older, 1964
Rental Ranges							
		Rent Range	Size Range (SF)	Rent/SF Range			
Comparables		\$305 - \$325	634 - 810	\$0.40 - \$0.48			
Market Rent Conclusion*		\$680	880 SF	\$0.77			

*Subject rents are full service.

Based upon the size, location, target market, physical characteristics of the property, parking, and other amenities, the subject should have rental rates plus electric and heat as follows for the new units.

As Is Market Rents (06/06/12)

Unit Type	As Is Market Rent	*Market Rent/Square Foot
1 Bedroom Apartment	\$605	\$1.04
2 Bedroom Apartment	\$680	\$0.77

*The rent per square foot is calculated based upon average living area and includes no garage space. This is also a typical rent and not the rent per square foot for each of the units.

The owner will be responsible for electricity, trash, water and sewer. The tenant pays only rent. The rental income is \$610,740. Additional income, approximately \$4,200 in the initial stabilized year, will be generated from coin-operated washers, vending and similar sources. The potential gross income as is with unrestricted rents is \$614,940.

Vacancy and Rent Loss

Stabilized occupancy for a market rate facility at this location should be in approximately 88% annually. Poorly managed properties have 70% to 90% occupancies. The Fitzgerald market is somewhat stable and this area has not been subject to substantial swings in market rate occupancy levels. The subject market is mostly affordable units or subsidized housing and was nearly 92% occupied this spring. The subject units will be at the upper end of the market price for older rentals but offers more amenities and better units. Based upon occupancy rates from competing facilities, it is our opinion that a 12% annual stabilized vacancy is appropriate. Vacancy is not the only reason for lost revenue at an apartment. Rent loss is a component and three properties revealed a rent loss of 2.92%, 0.71% and 0.16% of potential gross income (PGI) not including vacancy. The combined vacancy and rent loss is therefore 11.5% plus 0.5%. The effective gross income (EGI) for the initial stabilized year is \$541,147 after applying a 12% vacancy and rent loss factor.

Expenses

The primary expenses to the property were estimated based upon specific expenses and overall expense ratios from properties in the market as well as recent comparable sales, recent apartment appraisals by Nicklas King McConahy and past projects by the developer.

The expenses to the tenant are rent only while all expenses will be the responsibility of the owner. These expenses were extracted from competing facilities, recent sales, and detailed information from properties which were recently appraised by Nicklas King McConahy as well as the Urban Land Institutes *Dollar and Cents of Multi-Family Housing*. Specific rental comparables are included in the Apartment Expense Data - Expenses are individually discussed below.

The total expenses were estimated to be \$342,003 or 4,071 per unit. The sales in this report indicate expense ratios of 42% to 75% of the effective gross income. The expense ratio is 63% for the subject and includes extensive utility costs. The total expenses will be slightly different when the restricted rent analysis is performed. The primary differences between the market rate and LIHTC facilities are the management, legal, and advertising. The net income is \$199,144 or approximately \$2,371 per unit.

Direct Capitalization

Direct Capitalization is a means of estimating value by converting an annual operating income into a value by application of an appropriate overall rate. The Direct Capitalization rate was derived by two methods: 1) by analyzing overall rates indicated by recent comparable apartment sales and investor surveys, and 2) by analyzing current financing rates coupled with investor objectives which is known as the Band of Investment method. The Direct Capitalization formula is:

$$\text{Value} = \text{Net Operating Income (NOI)} \div \text{Overall Capitalization Rate (OAR)}$$

A summary of overall rates, expense ratios and effective gross income multipliers are included in our files. The overall rates range from 5.5% to 11.0% with a predominant range of 6.5% to 8.0%. The sales in this report range from 5.75% to 9.0%. An appropriate market derived overall rate is approximately 8.5% this older property. The PricewaterhouseCoopers First Quarter 2012 data in the Addendum indicates OARs which are far superior and are often larger, higher quality investment-grade apartment properties. These rates have risen in recent months and are commonly 4.5% to 6.25% with an overall range of 4.25% to 9.5%. It appears that the apartment industry remains solid but vacancies climbed in 2009 and cap rates rose due partly to the national housing crisis. Some home-buying incentives and low interest rates have chased rental households into purchasing homes in 2009 and 2010. The subject should be within this range at 8.0% to 9.0% due to condition and investment quality.

Although data is available for market extraction, the band of investment provides a check since most properties are purchased with debt and equity capital. For this reason, the lender who represents the debt portion must receive a competitive interest rate commensurate with their perceived risk or they will not make funds available. Equity investors must anticipate receiving a competitive interest rate relative to their risk position or they will choose an alternative investment. A lender's risk is identified as the capitalization rate for the debt or mortgage constant which is a function of the interest rate, a frequency of amortization, and the term. It is the sum of the interest rate and the sinking fund factor necessary to liquidate the principle over the life of the loan. The investor's risk is measured by the equity capitalization rate which is the anticipated return to the investor.

Mortgage interest rates for residential and commercial loans have remained low due in large part to the actions of the Federal Reserve Board during 2007 and early 2008. The Fed moved to decrease its federal fund rate several times during that period due to economic concerns but has stood pat and allowed them to remain low for several quarters. The Fed Funds stand at 0.75% and the prime rate is at 3.25%. Some lenders are using adjustable rate mortgages with 75% loan-to-value ratios and an interest rate commonly 5.0% to 6.5%.

PRIME RATE, FED FUNDS			
	This week	Month ago	Year ago
WSJ Prime Rate	3.25%	3.25%	3.25%
Federal Discount Rate	0.75%	0.75%	0.75%
Fed Funds Rate	0.25%	0.25%	0.25%

Source: Bankrate.com (Updated 05/02/12)

For this appraisal, we have assumed a fixed mortgage rate at 6% with a 75% loan-to-value ratio and a 20-year amortization term. The mortgage constant is 0.0860. This mortgage rate is considered appropriate based upon prevailing rates in the local market as well as recent national surveys.

The equity dividend rate necessary to attract investors is commonly between 4% and 10%. We have selected an equity capitalization rate of 8% for the subject.

Band of Investment Method

Mortgage	=	6.0% Rate, 75% Ratio, 20-Year Term, Constant = 0.0860	
Equity	=	8.0% Rate, 25% ratio	
		0.75 x 0.0860	= 0.0645
		0.25 x 0.0800	= <u>0.0200</u>
Capitalization Rate	=		0.0845 or 8.5%

The capitalization rate for the Band of Investment method was calculated to be 8.5% and supports the 8% to 9% rate from market extracted data. The value conclusion for the subject property by Direct Capitalization as of June 6, 2012, is \$2,200,000 after subtracting for deferred maintenance.

Direct Capitalization As Is Market Value

NOI	/	Cap Rate	=	Value
\$199,144	/	8.25%	=	\$2,410,000 (rounded)
Less: Deferred Maintenance			=	<u>(\$210,000)</u>
As Is Value Conclusion with Unrestricted Rents			=	\$2,200,000

DIRECT CAPITALIZATION ANALYSIS - Fitzgerald Summit Apartments

As Is Market Value, Not Subject to Rent Restrictions as of 06/06/2012

84 Units

REVENUES

Apartments		Monthly		Unit Size	Rent/SF
83	1 BR @	\$605	\$602,580	584	\$ 1.04
1	2 BR @	\$680	\$8,160	880	\$ 0.77
0	3 BR @	\$800	\$0	1078	\$ 0.74
Other Income			\$4,200		

Potential

Gross Income \$614,940

Vacancy and Rent Loss \$73,793 12.00%

Effective

Gross Income \$541,147

EXPENSES

Maintenance	16%	\$84,000	\$1,000
Wat/Sew/Trash/Electric	27%	\$147,000	\$1,750
Advertising	1%	\$6,720	\$80
Legal/Pro Fees/Other	0%	\$2,520	\$30
Insurance	3%	\$16,800	\$200
Management	5.5%	\$29,763	\$354
Property Tax	6%	\$30,000	\$357
Reserves	5%	\$25,200	\$300

Expenses 63% \$342,003 \$4,071

Net Income \$199,144 \$2,371

\$2,413,868 0.0825 OAR

\$28,737 \$/unit

\$2,410,000 Value Conclusion

(\$210,000) Less Deferred Maintenance

\$2,200,000 Value Conclusion

COST APPROACH - As Complete With Unrestricted Rents (08/31/13)

The initial step of the Cost Approach is to estimate value of the land as though vacant. It was determined in the Highest and Best Use that the continued use as affordable housing would return the greatest yield to the property. We have made an effort to locate recent land sales for similar use in the subject neighborhood area but since so few recent arms length sales have occurred, we expanded the search. We have considered Georgia, Tennessee, and South Carolina apartment and residential land sales. The comparable properties include several tax credit apartment sites. Please refer to the Land Sales on following pages to get further acquainted with these six properties. These sales are mostly larger and in superior locations. They occurred from 2004 to 2010 for \$90,000 to \$520,000. The price per unit is from \$1,500 to \$10,718. The land value estimate of \$2,200 per unit or \$185,000 and is appropriate. This equates to more than \$105,000 per acre which is slightly beyond the range but is much smaller. Smaller parcels often reflect a higher price per unit. #5 and #6 are from Fitzgerald and were purchased for LIHTC housing.

COMPARABLE LAND SALES SUMMARY TABLE

No.	Location	Sale Date	Price	Size in Acres	Price/Acre	Price/Unit
1.	1766 Winchester Highway	12/17/2010	\$132,500	5.170	\$25,629	\$3,313
2.	Ardmore Highway (State Hwy 110)	12/20/2010	\$500,000	29.650	\$16,863	\$10,417
3.	Gainesborough Dr. & Centennial Blvd.	03/23/2009	\$450,176	4.937	\$91,184	\$10,718
4.	Deerfield Road	11/05/2009	\$520,000	6.730	\$77,266	\$10,400
5.	160 Wilson Avenue	01/27/2004	\$90,000	5.000	\$18,000	\$1,500
6.	154 Jack Allen Road	10/26/2006	\$220,188	7.040	\$31,277	\$4,587

The next step of the Cost Approach is to estimate the replacement cost of the improvements. The project costs are listed in the Addendum to this report. The most significant costs are for the structure, site improvements, profit, architects fees and developer’s fees. The total LIHTC/HAP apartment project cost is approximately \$10,500,000 according to the developer.

Category	Project Cost Per Unit Summary	
	Cost Comp #1 (GA)	Subject (GA)
Land Lease or Purchase	\$ -0-	\$ 25,893
Architect/Engineering	\$ 3,927	\$ 2,052
Developer Fee	\$ 15,500	\$ 15,605
Construction Fee	\$ 79,400	\$ 63,095
Operating/Lease-up Reserve	\$ 4,358	\$ 4,104
Other Costs	\$ 13,078	\$ 14,366
Total Project Costs	\$116,263	\$125,115

NOTE: We divided the cost by the 84 units to get the price per unit. A proposed family community in southern South Carolina has an estimated cost of \$151,098 per unit. A proposed LIHTC garden style family property has a budget of \$130,852 per unit and began in 2010. It is also on leased land like the subject and features larger units and more parking. A 24-unit senior facility in southern Ohio has a projected cost of \$140,407 per unit and will be finished this year. These three will cost more than the subject. A 50-unit LIHTC facility is planned in Pennsylvania with a cost of \$151,098 per unit which includes land cost.

When estimating the market value with market rents, certain features needed to be either reduced or eliminated. Fees such as tax credit fees, certain developer's fee, consulting fees, etc., exist due to the tax credit project and do not pertain to the costs associated with the market value cost analysis.

In addition to the actual project costs, we have considered cost data from the Marshall Valuation Service which is one of the most accurate and up-to-date cost estimators available to the appraiser in today's market. Average quality, Class C, Multiple Dwellings, from Section 12 were compared and contrasted to the cost of the structure for the subject property and similar properties. We also compared costs of site improvements, architects fees and other items and verified the overall building costs to be accurate. The total direct costs were estimated at \$4,851,200 not including \$500,000 for site improvements. The indirect costs totals \$100,000. A consideration within the Cost Approach which must not be overlooked, is entrepreneurial profit. We have found sufficient market evidence to warrant application of entrepreneurial profit equal to 5% of the total cost. In our opinion, a developer will not undertake a market rate rental facility without such profit. The total cost-new is \$5,723,760.

The subject property is not new and physical deterioration exists. We have estimated the effective age, upon completion, to be 37 to 38 years and the economic life is 50 years. The property is well designed and no functional depreciation is applicable. The subject's 1- and 2-bedroom units are well suited for this market and should be absorbed quickly and maintain a stabilized occupancy. The total depreciation is 25%. We have added the land value, entrepreneurial profit and depreciated cost of all improvements to estimate the value by the Cost Approach. The personal property value of approximately \$84,000 or \$1,000 per unit was added also. In conclusion, the as complete market value by the Cost Approach was rounded to \$4,560,000 if the property were a market rate rental property. No external depreciation was applied but it will ultimately be evident that the cost of this project for market rate units exceeds the value conclusion by the Sales and Income Approaches.

COST APPROACH SUMMARY
Market Value Estimate, As Complete With Unrestricted Rents (08/31/13)

Direct Costs	
Replacement Cost - Building	\$4,851,200
Replacement Cost - Site Improvements	\$ 500,000
Indirect Costs	\$ 100,000
Plus: Entrepreneurial Profit - 5%	<u>\$ 272,560</u>
Total Replacement Cost (TRC)	\$5,723,760
Less: Accrued Depreciation (25% of TRC)	<u>\$1,430,940</u>
Depreciated Cost of Improvements	\$4,292,820
Plus: Land	\$ 185,000
Plus: Personal Property	<u>\$ 84,000</u>
Market Value by Cost Approach As Complete	\$4,561,820
Rounded	<u>\$4,560,000</u>

Land Sale No. 1

Property Identification

Record ID	2909
Property Type	Multifamily
Property Name	East Haven Apartments
Address	1766 Winchester Highway, Fayetteville, Lincoln County, Tennessee 37334
Tax ID	07-067-067-037.00.000

Sale Data

Grantor	Jerry and Rebecca Stinnett
Grantee	M. Family
Sale Date	December 17, 2010
Deed Book/Page	S14/248
Verification	Courthouse Records

Sale Price	\$112,500
Upward Adjustment	\$20,000 Demolition
Adjusted Price	\$132,500

Land Data

Topography	Level
Utilities	Nearby

Land Size Information

Gross Land Size	5.170 Acres or 225,205 SF
Planned Units	40

Indicators

Sale Price/Gross Acre	\$21,760 Actual or \$25,629 Adjusted
Sale Price/Gross SF	\$0.50 Actual or \$0.59 Adjusted
Sale Price/Planned Unit	\$2,813 Actual or \$3,313 Adjusted

Remarks

This 5.17-acre site is in a mixed residential and industrial neighborhood east of the Fayetteville CBD. The buyer plans 40 LIHTC rental units in 2011. The buyer will have to raze the buildings and extend utilities. Visibility and access is from Winchester Highway (Route 64).

Land Sale No. 2

Property Identification

Record ID	2999
Property Type	Multifamily
Property Name	Sterling Greene
Address	Ardmore Highway (State Hwy 110), Fayetteville, Lincoln County, Tennessee 37334
Tax ID	8-91-28

Sale Data

Grantor	Carolina Heights LLC
Grantee	Sterling Greene LP
Sale Date	December 20, 2010
Deed Book/Page	S14/258
Property Rights	Fee Simple
Sale History	April 2008
Verification	Courthouse records; Grantee; Appraisal files
Sale Price	\$500,000

Land Data

Zoning	Medium Density Residential, R-2
Topography	Gently rolling
Utilities	All
Shape	Irregular

Land Size Information

Gross Land Size	29.650 Acres or 1,291,554 SF 48
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Indicators

Sale Price/Gross Acre	\$16,863
Sale Price/Gross SF	\$0.39
Sale Price/ Unit	\$10,417

Remarks

The 29.68 acre site is south of the business district of Fayetteville in a mixed use area. It has a small stream but is not in a flood plain. The buyer plans to build 48 LIHTC rental units at the center of the site. The vacant site has some trees but is mostly cleared.

Land Sale No. 3

Property Identification

Record ID	2630
Property Type	Multifamily
Property Name	Proposed Pinecrest Greene Apts.
Address	Gainesborough Dr. and Centennial Blvd., Goose Creek, Berkeley County, South Carolina 29445
Tax ID	234-00-00-075

Sale Data

Grantor	Crowfield Group, LLC
Grantee	Crowfield Greene LP
Sale Date	March 23, 2009
Deed Book/Page	7825/22
Conditions of Sale	Cash to seller
Verification	Courthouse Records; Local Appraiser; Grantor
Sale Price	\$450,176

Land Data

Zoning	PD
Topography	Gently Sloping
Utilities	Water Public, Sewer
Shape	Rectangular

Land Size Information

Gross Land Size	4.937 Acres or 215,056 SF
Planned Units	42

Indicators

Sale Price/Gross Acre	\$91,184
Sale Price/Gross SF	\$2.09
Sale Price/Planned Unit	\$10,718

Remarks

4.937-acre corner tract to be developed with a 42-unit, age restricted, 55+, LIHTC apartment complex. Grantor reserves all minerals, coal, carbons, hydrocarbons, oil, gas, chemical elements, and thermal energy at a depth of greater than 500 feet from the surface. It is northwest of Charleston in a mixed use neighborhood.

Land Sale No. 4

Property Identification

Record ID	2776
Property Type	Multifamily
Property Name	Jenny Greene
Address	Deerfield Road, Hardeeville, Jasper County, South Carolina
Tax ID	029-00-04-019 and part of 029-00-04-011

Sale Data

Grantor	Capital Investments of the Low Country, LLC
Grantee	Jenny Greene, LP
Sale Date	November 05, 2009
Deed Book/Page	200900007444
Verification	Courthouse Records; Appraisal files; Grantee

Sale Price	\$520,000
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Land Data

Zoning	MFR, Multi-Family Residential
Topography	Generally level and partly wooded
Utilities	All utilities available
Shape	Modified rectangle
Flood Info	Low risk according to Flood Source Map #4501120175B

Land Size Information

Gross Land Size	6.730 Acres or 293,159 SF
Planned Units	50

Indicators

Sale Price/Gross Acre	\$77,266
Sale Price/Gross SF	\$1.77
Sale Price/Planned Unit	\$10,400

Remarks

6.73-acres located along the east side of Deerfield Road north of Hardeeville and is partly wooded. The buyer plans to develop the two sites with a 50-unit LIHTC apartment complex with 10 buildings including a community building. The total project area, which includes the community building, will be 56,175 square feet. There will be one-, two-, three- and four-bedroom units. The family apartment complex will also have a maintenance building containing an additional 384 square feet. The initial purchase was 5.39 acres on December 5, 2008, for \$420,000. The second purchase was 1.34 acres on November 5, 2009, for \$100,000.

Land Sale No. 5

Property Identification

Record ID 3043
Property Type Multifamily
Property Name Jack Allen Apartments
Address 160 Wilson Avenue, Fitzgerald, Ben Hill County, Georgia 31750
Tax ID 12-2-13-A

Sale Data

Grantor Gerald Thompson
Grantee Jack Allen Apartments
Sale Date January 27, 2004
Deed Book/Page 554/78
Verification Courthouse Records; Site Inspection

Sale Price \$90,000

Land Data

Topography Level
Utilities All

Land Size Information

Gross Land Size 5.000 Acres or 217,800 SF
Planned Units 60

Indicators

Sale Price/Gross Acre \$18,000
Sale Price/Gross SF \$0.41
Sale Price/Planned Unit \$1,500

Remarks

Five-acre tract to be improved with an apartment complex known as Jack Allen Apartments. The LIHTC family complex will have 60 units.

Land Sale No. 6

Property Identification

Record ID	3044
Property Type	Multifamily
Property Name	Mulberry Court
Address	154 Jack Allen Road, Fitzgerald, Ben Hill County, Georgia 31750
Tax ID	5-9-67

Sale Data

Grantor	Gene Cowan
Grantee	Mullberry Court
Sale Date	October 26, 2006
Deed Book/Page	647/29
Verification	Courthouse Records

Sale Price	\$220,188
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Land Data

Topography	Level
Utilities	All

Land Size Information

Gross Land Size	7.040 Acres or 306,662 SF
Planned Units	48

Indicators

Sale Price/Gross Acre	\$31,277
Sale Price/Gross SF	\$0.72
Sale Price/Planned Unit	\$4,587

Remarks

7.040-acre tract to be improved with an apartment complex known as Mulberry Court. The LIHTC senior complex will have 48 units.

SALES COMPARISON APPROACH - As Stabilized with Unrestricted Rents

The Sales Comparison Approach is a means of estimating value by comparing similar type properties which have sold in the recent past to the subject. The primary principal of the Sales Comparison Approach is that the value of a property tends to be set by the price that would be paid to acquire an alternative property of similar utility and desirability.

In an effort to provide an As Stabilized market value with market rates, it was necessary to obtain sales of properties with similar characteristics as the subject. Since few similar sales have occurred in Fitzgerald, it was necessary to expand the search. We did find dozens of sales which were in similar communities in Tennessee, South Carolina and Georgia.

Few facilities had 120 units or less and occurred in 2009. Although scores of sales and listings were analyzed, these five were most reliable. The sales selected are included on following pages and reveal sale prices of \$4,100,000 to \$16,750,000. They occurred in 2007 and 2011, and the unadjusted price per unit ranges from \$14,855 to \$78,472. These properties will provide an indication of investor criteria and appropriate adjustments can be made. Some of these sales feature an effective gross income multiplier (EGIM) and expense ratio, but all include an overall capitalization rate (OAR). For this appraisal, we will include an analysis of the price per unit. The comparable properties were stabilized and none of them had subsidized rents.

The Improved Sales Adjustment Grid reveals adjustments which were considered for property rights conveyed, conditions of sale, financing terms and market conditions at the time of sale. The adjusted price per unit was then further adjusted for physical characteristics such as location, condition/quality, size/utility and amenities.

Please refer to the Improved Sales Map and the Improved Sales Adjustment Grid to further acquaint yourself with these properties.

PRICE PER UNIT

Property Rights Conveyed

The sales price should always be based on the legal interests which were conveyed. No adjustments were appropriate.

Condition of Sale

The condition of sale adjustment is sometimes necessary to reflect the buyers and/or sellers motivation. The purchasing of an adjoining site, for instance, or a sale out of bankruptcy may require a negative or positive adjustment. Sale #4 had some repairs to the roof that were to be made by the buyer but this was addressed with the condition/quality adjustment. Also, Sale #2 was sold at the

same time from the same buyer to the same seller but was considered a separate transaction so the Islandtree sale is included. All of the sales were typical, and no condition of sale adjustment was made.

Financing Terms

An adjustment may be necessary to the transaction price if the financing arrangement is different from those indicated by market evidence. To the best of our knowledge, all of these sales had conventional financing and adjustments were not included.

Market Conditions

The existing market conditions over time may create need for an upward or downward adjustment to comparable prices. A cursory look at the Consumer Price Index provides an indication of annual changes with respect to certain prices in the United States and South Carolina. We have noted that the CPI is only a reference point for market condition judgments regarding apartment properties and more reliable means are also used. The Consumer Price Index according to the U.S. Department of Labor has ranged from -0.2% to 4.3% over the last five years. An additional method for determining numeric shifts in market conditions is the analysis of the change rate of properties that have sold, then resold at a later date without substantial modification or addition. We have analyzed the appreciation of land sales, residential sales, industrial and commercial sales as well as rental increases. Property appreciation and apartment rental increases have ranged from 0 to 6% on an annual basis in the eastern United States but economic events since September 2008 have changed appreciation, marketing times and rent levels projections. It is our opinion that no market condition adjustment is appropriate.

Location

Location includes many factors such as setting, access, available utilities, time-distance relationships to employment and shopping areas, market supply and demand, beach proximity, economic conditions, surrounding uses, zoning, and similar items. The subject property is less desirable than all of these sales.

Condition/Quality

The subject property will be renovated and, therefore, superior to some of these sales.

Size/Unit Mix

The subject is smaller than all of these sales and smaller facilities often indicate a higher per unit price. Also, properties with a more flexible unit mix are more often desirable. The subject will only offer mostly one-bedroom units.

Amenities

All five of these sales have superior amenities when compared to the subject. None of

these are low income or subsidized facilities and young professional households are seeking certain amenities such as community building, laundry hook-ups, and paved parking. The subject does offer elevator, sprinkler system, air-conditioning, and appliances but no pool or tennis courts since it is targeted for elderly tenants.

The comparable sales were appropriately adjusted and the adjusted prices range support a value conclusion is \$35,000 per unit or \$2,940,000.

NOI/Unit

Although not adjusted, we did briefly examine the NOI per unit as a check and it appears to support a conclusion most similar to Sales #1 and #3. It appears that the subject’s per unit value should be much lower than Sale #1, #4, and #5.

NOI/UNIT COMPARISON					
#1 NOI/UNIT	#2 NOT/UNIT	#3 NOI/UNIT	#4 NOI/UNIT	#5 NOI/UNIT	PROJECTED STABILIZED NOI/UNIT FOR SUBJECT
\$3,694	\$4,459	\$1,337	\$5,491	\$4,460	\$2,785

EGIM

As an additional check, we considered the EGIM method (effective gross income multiplier).

EGIM SUMMARY GRID			
Apartment Sale	EGIM	Expense Ratio	OAR
1	N/A	N/A	7.05%
2	N/A	N/A	5.75%
3	2.78	75%	9.00%
4	8.31	42%	7.0%
5	7.14	51%	6.92%

The subject should have an EGIM which is close to Sales #3 and #5. The stabilized expense ratio of 59% should correspond to an EGIM estimate of between 4 and 6. The effective gross income from the subject property in the initial stabilized year is \$573,355 and the EGIM estimate of 5.0 results in a market value conclusion of \$2,870,000. This supports the value by the price/unit.

**SALES COMPARISON APPROACH SUMMARY
As Stabilized with Unrestricted Rents (Market Rents)**

84 units @\$35,000/unit on fee simple and or	\$2,940,000
Market Value by Sales Comparison Approach (As Stabilized)	\$2,940,000

IMPROVED SALES ADJUSTMENT GRID
Fitzgerald Summit
As Stabilized With Market Rents

		SUBJECT				
		1	2	3	4	5
Address	Fitzgerald Summit Fitzgerald, GA	Ravoli Run Macon, GA	Islandtree Savannah, GA	Marquis Pointe Stone Mountain, GA	Magnolia Villas Savannah, GA	River Crossing Savannah, GA
Property Rights	N/A	Typical	Typical	Typical	Typical	Typical
Conditions of Sale	N/A	Typical	Similar	Inferior	Similar	Typical
Financing Terms	N/A	Typical	Typical	Typical	Typical	Typical
Sale Price	\$9,850,000	\$16,750,000	\$4,100,000	\$4,715,000	\$11,300,000	\$11,340,000
Number of Units	84 Apartments	188	216	276	144	176
Price/Unit	N/A	\$52,394	\$77,546	\$17,083	\$78,472	\$64,432
Market Conditions	12/2013 As Stabilized	05/2011	6/2008	08/2011	06/2007	7/2009
Adjusted \$/Unit		\$52,394	\$77,546	\$17,083	\$78,472	\$64,432
Location	Average -	Superior	Superior	Superior	Superior	Superior
Condition/Quality	Good/Average	Inferior	Inferior	Inferior	Inferior	Inferior
Size/Unit Mix	Avg/ 1, 2 BR	Larger/Sup	Larger/Sup	Larger/Sup	Larger/Sup	Larger/Sup
Amenities	Comm Rooms	Superior	Superior	Superior	Superior	Superior
Net Adjustment		-40%	-50%	-10%	-40%	-50%
		(\$20,957)	(\$38,773)	(\$1,708)	(\$31,389)	(\$32,216)
Adjusted \$/Unit		\$31,436	\$38,773	\$15,375	\$47,083	\$32,216
Indicated Value		\$2,641,000	\$3,257,000	\$1,292,000	\$3,955,000	\$2,706,000

Multi-Family Sale No. 1



Property Identification

Record ID 467
Property Type Garden
Property Name Rivoli Run Apartments
Address 200 Charter Lane, Macon, Bibb County, Georgia 31210
Tax ID M062-0164

Sale Data

Grantor Rivoli Run Apartments, LLC
Grantee El-Ad Rivoli Run, LLC
Sale Date May 04, 2011
Deed Book/Page 8504/0143
Marketing Time 45 days
Verification Courthouse Records; CoStar
Sale Price \$9,850,000

Land Data

Land Size 14.460 Acres or 629,878 SF
Utilities All

Unit Mix

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	<u>Mo. Rent/SF</u>
1BR/1Bath	48	953	\$585	\$0.61
2BR/1.5Bath	116	1,100	\$615	\$0.56
3BR/2Bath	24	1,362	\$825	\$0.61

Total Units 188
Avg. Rent/Unit \$634
Avg. Rent/SF \$0.58
Gross SF 202,946

General Physical Data

Stories 3
Year Built 1995

Multi-Family Sale No. 1 (Cont.)

Income Analysis

Net Operating Income \$694,400

Indicators

Sale Price/Gross SF	\$48.54
Sale Price/Unit	\$52,394
Occupancy at Sale	99%
Overall or Cap Rate	7.05%
NOI/SF	\$3.42 Gross
NOI/Unit	\$3,694

Remarks

This is the sale of the Rivoli Run Apartments located at 200 Charter Lane in Macon, Georgia and it was reported to be about 95% leased at time of sale. This deal fits the buyers portfolio as this will be their third property in Macon which increases their number of units to about 600. They bought this property at a higher cap rate with the ideal of raising rents. The annual taxes were approximately \$780 per unit. The units are individually metered and there are 354 parking spaces. Site Amenities include air-conditioning, balcony/patio, cable ready, car wash, ceiling fans, close to shops, clubhouse, fireplace, fitness center, heating, laundry facilities, microwave, pool, sunken tub, tennis court, volleyball court, walk-in closets, washer/dryer hook-up.

Multi-Family Sale No. 2



Property Identification

Record ID	360
Property Type	Garden
Property Name	Islandtree
Address	2 Johnny Mercer Boulevard, Savannah, Chatham County, Georgia 31410
Tax ID	CO-0173-01-001

Sale Data

Grantor	Aimco/Islandtree, LP
Grantee	Islandtree Partners
Sale Date	June 30, 2008
Deed Book/Page	342P-0086
Marketing Time	30 days
Financing	\$13,454,000 - Capmark Bank - due 10 yrs.
Verification	Courthouse Records; CoStar; Apartment.com

Sale Price	\$16,750,000
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Land Data

Land Size	18.100 Acres or 788,436 SF
Zoning	R1
Topography	Level
Utilities	All

Net SF	205,000
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Multi-Family Sale No. 2 (Cont.)

General Physical Data

Parking	316 spaces
Stories	2
Unit Amenities	Patios/Balconies, Washer/Dryer Connections, Dishwasher
Project Amenities	Outdoor Pool, Outdoor Tennis, Clubhouse, Laundry, Whirlpool/Jacuzzi, Playground
Year Built	1985
Condition	Good

Income Analysis

Net Operating Income	\$963,125
-----------------------------	-----------

Indicators

Sale Price/Gross SF	\$81.71
Sale Price/Unit	\$77,546
Occupancy at Sale	94%
Overall or Cap Rate	5.75%
NOI/SF	\$4.70 Gross
NOI/Unit	\$4,459

Remarks

18.100-acres improved with a 216 Unit, two-story apartment complex known as Islandtree on White Marsh Island. It has wood-frame construction, 316 surface parking spaces, and was built in 1985. It offers one- (700 SF), two- (900 SF), and three-bedroom (1,100 SF) units as well as numerous amenities. Note that two properties were purchased that involved the same buyer and seller. They have two separate deeds and two separate loans, so they are considered two separate sales. Cypress Landing and Island Tree sold for a combined price of \$29,450,000 or about \$70,000 per unit. The buyer will continue to operate both apartment complexes as they are, and there was nothing unusual about the transactions.

Multi-Family Sale No. 3



Property Identification

Record ID 471
Property Type Garden
Property Name Marquis Pointe Apartments
Address 1313 Stone Mill Way, Stone Mountain, DeKalb County, Georgia 30083
Tax ID 18-125-01-016

Sale Data

Grantor SMR Property Investment, LLC
Grantee Marquis Pointe LLC
Sale Date August 05, 2011
Deed Book/Page 22579/0780
Marketing Time 648 days
Verification Courthouse Records; CoStar

Sale Price \$4,100,000

Land Data

Land Size 28.220 Acres or 1,229,263 SF
Utilities All

<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>	
1BR/1Bath	34	770		
2BR/1.5Bath	161	1,110		
3BR/2Bath	5	1,238		
3BR/2.5Bath	64	1,684		
4BR/2.5Bath	12	1,848		
Total Units	276			
Gross SF	327,553			

Multi-Family Sale No. 3 (Cont.)

General Physical Data

Year Built 1973

Income Analysis

Effective Gross Income \$1,473,000

Expenses \$1,104,000

Net Operating Income \$369,000

Indicators

Sale Price/Gross SF \$12.52

Sale Price/Unit \$14,855

Occupancy at Sale 80%

EGIM 2.78

Expenses/SF \$3.37 Gross

Expenses/Unit \$4,000

Expenses as % of EGI 74.95%

Overall or Cap Rate 9%

NOI/SF \$1.13 Gross

NOI/Unit \$1,337

Remarks

The contact for the listing broker reported that this property was on the market since 2006 but is was just recently added to CoStar for sale since 2009. The complex was reported to be 80% leased at time of sale with the expenses to be about \$4,000 per unit. The buyer took out a \$1,955,985 loan from BB&T to financed this purchase. It was reported that this was the only apartment complex owned by the seller, so that could have been the motivation behind this deal.

Multi-Family Sale No. 4



Property Identification

Record ID	362
Property Type	Garden
Property Name	Magnolia Villas Apartments
Address	205 W. Montgomery Crossroad, Savannah, Chatham County, Georgia 31409

Sale Data

Grantor	Magnolia Villa Apartments LLC
Grantee	RRE Magnolia Holdings LLC
Sale Date	June 28, 2007
Financing	80% loan with Principal Commercial Funding
Verification	Courthouse Records; CoStar; Apartment Guide

Sale Price	\$11,300,000
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Land Data

Land Size	15.090 Acres or 657,320 SF
Zoning	PUDM15
Topography	Level
Utilities	All
Shape	Rectangular

Net SF	161,200
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General Physical Data

No. of Buildings	18
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Multi-Family Sale No. 4 (Cont.)

Parking	236 spaces
Stories	2
Unit Amenities	Patios/Balconies, Washer/Dryer Connections, Dishwasher
Project Amenities	Outdoor Pool, Outdoor Tennis, Clubhouse, Laundry
Year Built	1986
Condition	Average+

Income Analysis

Effective Gross Income	\$1,360,150
Expenses	\$569,391
Net Operating Income	\$790,759

Indicators

Sale Price/Gross SF	\$70.10
Sale Price/Unit	\$78,472
EGIM	8.31
Expenses/SF	\$3.53 Gross
Expenses/Unit	\$3,954
Expenses as % of EGI	41.86%
Overall or Cap Rate	7%
NOI/SF	\$4.91 Gross
NOI/Unit	\$5,491

Remarks

15.09-acre tract improved with a 144-unit, 161,200 square foot, two-story apartment complex known as Magnolia Villas Apartments. It is along a secondary road one block west of a primary road south of Savannah near Oglethorpe Mall and Hunter Army Airfield. The complex features several amenities and public transportation. The 32 1-bedroom units have 800 SF and the 40 3-bedroom units have 1,350 SF and 2 baths. The 72 2-bedroom units have 1,100 to 1,150 SF and features 2 bathrooms as well. It has 236 surface parking spaces, air-conditioning, balconies, dishwashers and laundry hookups. The buyer is budgeting to repair roof covers over the next few years.

Multi-Family Sale No. 5



Property Identification

Record ID	374
Property Type	Garden
Property Name	River Crossing
Address	2612 Dogwood Avenue, Savannah, Chatham County, Georgia 31404

Sale Data

Grantor	BCOM, Inc.
Grantee	DT Group Development
Sale Date	July 15, 2009
Financing	Conventional
Verification	Courthouse Records; Appraiser file
Sale Price	\$11,340,000

Land Data

Land Size	15.600 Acres or 679,536 SF
Utilities	All

General Physical Data

No. of Buildings	9
Stories	3
Year Built	1978

Income Analysis

Effective Gross Income	\$1,588,000
Expenses	\$803,000
Net Operating Income	\$785,000

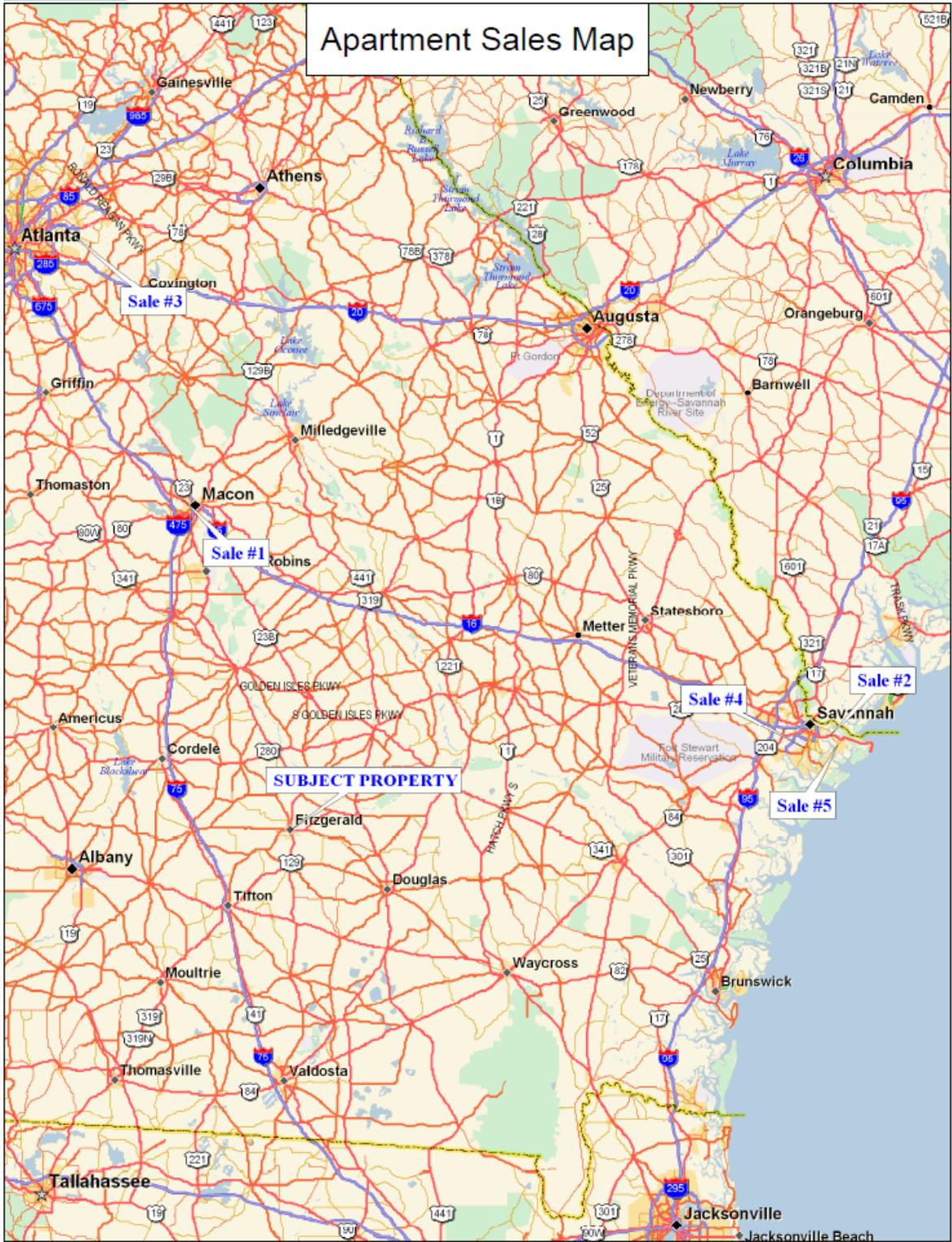
Indicators

Sale Price/Unit	\$64,432
Occupancy at Sale	90%
EGIM	7.14
Expenses/Unit	\$4,563
Expenses as % of EGI	50.57%
Overall or Cap Rate	6.92%
NOI/Unit	\$4,460

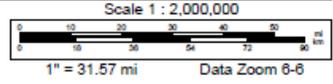
Remarks

15.6-acres improved with a total of nine, 2- and 3-story buildings. The 176-unit apartment complex is known as River Crossing and is located southeast of the Savannah business district. It features 1-, 2-, and 3-bedroom units ranging from 770 to 1,270 square feet. It has a clubhouse, tennis courts, playground, fitness center and pool. The condition is above average.

Apartment Sales Map



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INCOME APPROACH – Unrestricted Rents As Stabilized on (09/30/2013)

The market value by the Income Approach is a procedure in which the income that a property is capable of producing is converted into a value estimate. In order to accurately perform this approach to value, we have drawn upon income, expense and capitalization rate information from surveys, comparable sales and recent appraisals performed by Nicklas King McConahy for similar apartment properties. We have noted that this property is not expected to be rented at market rates but a market value can still be estimated with proper analysis of current conditions.

Income

A rental survey was conducted of residential rental properties in the Fitzgerald market and we have made an effort to locate the properties which are most similar to the subject. There is demand for housing in this general market but income levels, recession, and existing older supply have kept rent levels down in the City. No RD or LIHTC units were considered. We looked for market rate rental comparables and avoided student housing facilities.

Magnolia has 1-bedroom units for \$295 per month and is old and tired. These units are 48 years old and in town. The 2-bedroom units rent for \$305 and are actually smaller than the subject and offer fewer amenities. These are far inferior to the subject with market terms. The 2-bedroom units at Baytree are \$325 and are in poor condition. It has a poor appeal, high eviction rate and poor reputation. The subject is far superior. In order to get this rent, I believe the subject would have to spend approximately \$2,500 per unit for upgrades.

For the market rental estimate, we analyzed the comparable units on a monthly rental rate and/or a rental rate per square foot basis. The analysis below is based on the typical unit types but a dearth of market rate units makes this difficult. We have concluded that the handicap units would be rented for the same rental rate.

MARKET RENTAL ANALYSIS SUMMARY - 1 BEDROOM/1 BATH UNITS							
No.	Property Name	Unit Type	Avg. Unit SF	Avg. Rent/Mo.	Avg. Rent/SF	Overall Comparison to Subject	Comment
9.	Magnolia	1BR/1BA	510	\$295	\$0.58	Inferior	Business district; older, 1964
Rental Ranges							
		Rent Range		Size Range (SF)		Rent/SF Range	
Comparables		\$295		510		\$0.58	
Market Rent Conclusion*		\$605		854 SF		\$1.04	

*Subject rents are full service.

MARKET RENTAL ANALYSIS SUMMARY - 2 BEDROOM/1 BATH UNITS							
No.	Property Name	Unit Type	Avg. Unit SF	Avg. Rent/Mo.	Avg. Rent/SF	Overall Comparison to Subject	Comment
10.	Baytree Ridge	2BR/1BA	810	\$325	\$0.40	Inferior	Business district; older, 1974
9.	Magnolia	1BR/1BA	510	\$295	\$0.58	Inferior	Business district; older, 1964
Rental Ranges							
		Rent Range	Size Range (SF)		Rent/SF Range		
Comparables		\$725 - \$750	1,050 - 1,200		\$0.60 - \$0.71		
Market Rent Conclusion*		\$680	880 SF		\$0.77		

*Subject rents are full service.

Based upon the size, location, target market, physical characteristics of the property, parking, and other amenities, the subject should have rental rates plus electric and heat as follows for the new units.

As Is Market Rents (06/06/12)

Unit Type	As Is Market Rent	*Market Rent/Square Foot
1 Bedroom Apartment	\$605	\$1.04
2 Bedroom Apartment	\$680	\$0.77

*The rent per square foot is calculated based upon average living area and includes no garage space. This is also a typical rent and not the rent per square foot for each of the units.

The owner will be responsible for electricity, trash, water and sewer. The tenant pays only rent. The rental income is \$610,740. Additional income, approximately \$4,200 in the initial stabilized year, will be generated from coin-operated washers, vending and similar sources. The potential gross income as is with unrestricted rents is \$614,940.

Vacancy and Rent Loss

Stabilized occupancy for a market rate facility at this location should be in approximately 88% annually. Poorly managed properties have 70% to 90% occupancies. The Fitzgerald market is somewhat stable and this area has not been subject to substantial swings in market rate occupancy levels. The subject market is mostly affordable units or subsidized housing and was nearly 92% occupied this spring. The subject units will be at the upper end of the market price for older rentals but offers more amenities and better units. Based upon occupancy rates from competing facilities, it is our opinion that a 12% annual stabilized vacancy is appropriate. Vacancy is not the only reason for lost revenue at an apartment. Rent loss is a component and three properties revealed a rent loss of 2.92%, 0.71% and 0.16% of potential gross income (PGI) not including vacancy. We estimated the rent loss for Fitzgerald Summit to be 0.5% of PGI. The combined vacancy and rent is therefore 8.5%

plus 0.5%. The effective gross income (EGI) for the initial stabilized year is \$573,355 after applying a 9% vacancy and rent loss factor.

Expenses

The primary expenses to the property were estimated based upon specific expenses and overall expense ratios from properties in the market as well as recent comparable sales, recent apartment appraisals by Nicklas King McConahy and past projects by the developer.

The expenses to the tenant will include telephone and cable while all other expenses will be the responsibility of the owner. These expenses were extracted from competing facilities, recent sales, and detailed information from properties which were recently appraised by Nicklas King McConahy as well as the Urban Land Institutes *Dollar and Cents of Multi-Family Housing*. Specific rental comparables are included in the Apartment Expense Data - Expenses are individually discussed below.

The total expenses were estimated to be \$339,395 or \$4,040 per unit. The expense ratio is 59% for the subject and includes extensive utility costs. The total expenses will be slightly different when the restricted rent analysis is performed. The primary differences between the market rate and LIHTC/HAP facilities are the management, legal, service fees, and reserves. The net income is \$233,960 or approximately \$2,785 per unit.

The capitalization rate should be slightly lower after renovations than before we concluded at rate of 8.5%. It was calculated to be 8.0% and is supported by market extracted data. The value conclusion for the subject property by Direct Capitalization, As Stabilized, as of September 30, 2013, is \$2,920,000.

**Direct Capitalization
As Stabilized Market Value**

NOI	/	Cap Rate	Value
\$233,960	/	8.0%	\$2,920,000 (rounded)

DIRECT CAPITALIZATION ANALYSIS - Fitzgerald Summit Apartments
As Stabilized Market Value, Not Subject to Rent Restrictions as of 12/31/2013

84 Units

REVENUES

Apartments		Monthly		Unit Size	Rent/SF
83	1 BR @	\$620	\$617,520	584	\$ 1.06
1	2 BR @	\$695	\$8,340	880	\$ 0.79
0	3 BR @	\$800	\$0	1078	\$ 0.74

Other Income \$4,200

Potential

Gross Income \$630,060

Vacancy and Rent Loss \$56,705 9.00%

Effective

Gross Income \$573,355

EXPENSES

Maintenance	13%	\$75,600	\$900
Wat/Sew/Trash/Electric	25%	\$142,800	\$1,700
Advertising	1%	\$6,300	\$75
Legal/Pro Fees/Other	0%	\$2,520	\$30
Insurance	3%	\$17,640	\$210
Management	5.5%	\$31,535	\$375
Property Tax	7%	\$37,800	\$450
Reserves	4%	\$25,200	\$300

Expenses 59% \$339,395 \$4,040

Net Income \$233,960 \$2,785

\$2,924,501	0.08	OAR
\$34,815		\$/unit
\$2,920,000		Value Conclusion
\$0		Less Deferred Maintenance
\$2,920,000		Value Conclusion

**APARTMENT EXPENSE DATA
MARKET RATE FACILITIES**

Apartment Complex #1

Location	Units	Occupancy	Source/Year	Income	\$/Unit	%of EGI
Georgia	192	N/A	Appraiser/2007	\$1,919,720	\$9,999	100.0%
Expenses						
Utilities				\$0	\$0	0.0%
Maintenance				\$0	\$0	0.0%
Real Estate Taxes				\$0	\$0	0.0%
Insurance				\$0	\$0	0.0%
Management				\$0	\$0	0.0%
Advertising				\$0	\$0	0.0%
Other				\$0	\$0	0.0%
Reserves				\$0	\$0	0.0%
Total Expenses				\$639,575	\$3,331	33.3%
Net Operating Income				\$1,280,145	\$6,667	66.7%

Apartment Complex #2

Location	Units	Occupancy	Source/Year	Income	\$/Unit	%of EGI
S. Carolina	192	88%	Appraiser/2008	\$1,748,749	\$9,108	100.0%
Expenses						
Utilities				\$0	\$0	0.0%
Maintenance				\$0	\$0	0.0%
Real Estate Taxes				\$0	\$0	0.0%
Insurance				\$0	\$0	0.0%
Management				\$0	\$0	0.0%
Advertising				\$0	\$0	0.0%
Other				\$0	\$0	0.0%
Reserves				\$0	\$0	0.0%
Total Expenses				\$876,517	\$4,565	50.1%
Net Operating Income				\$872,232	\$4,543	49.9%

Apartment Complex #3

Location	Units	Occupancy	Source/Year	Income	\$/Unit	%of EGI
Pennsylvania	23	95%	Actual/2008	\$137,650	\$5,985	100.0%
Expenses						
Utilities				\$24,004	\$1,044	17.4%
Maintenance				\$3,651	\$159	2.7%
Real Estate Taxes				\$16,243	\$706	11.8%
Insurance				\$10,601	\$461	7.7%
Management				\$300	\$13	0.2%
Advertising				\$495	\$22	0.4%
Other				\$3,935	\$171	2.9%
Reserves				\$0	\$0	0.0%
Total Expenses				\$59,229	\$2,575	43.0%
Net Operating Income				\$78,421	\$3,410	57.0%

Apartment Complex #4

Location	Units	Occupancy	Source/Year	Income	\$/Unit	%of EGI
Pennsylvania	304	95%	Actual / 2002	\$1,979,674	\$6,509	100.0%
Expenses						
Utilities				\$77,765	\$256	3.9%
Maintenance				\$187,336	\$616	9.5%
Real Estate Taxes				\$276,227	\$909	14.0%
Insurance				\$24,000	\$79	1.2%
Management				\$325,322	\$1,070	16.4%
Advertising				\$41,250	\$136	2.1%
Other				\$9,400	\$31	0.5%
Reserves				\$15,360	\$51	0.8%
Total Expenses				\$956,660	\$3,147	48.3%
Net Operating Income				\$1,022,014	\$3,362	51.7%

Apartment Complex #5

Location	Units	Occupancy	Source/Year	Income	\$/Unit	%of EGI
West Virginia	28	94%	Actual/2001	\$223,989	\$8,000	100.0%
Expenses						
Utilities				\$8,950	\$320	4.0%
Maintenance				\$14,507	\$518	6.5%
Real Estate Taxes				\$17,211	\$615	7.7%
Insurance				\$4,480	\$160	2.0%
Management				\$17,946	\$641	8.0%
Advertising				\$953	\$34	0.4%
Other				\$1,506	\$54	0.7%
Reserves				\$0	\$0	0.0%
Total Expenses				\$65,553	\$2,341	29.3%
Net Operating Income				\$158,436	\$5,658	70.7%

Apartment Complex #6

Location	Units	Occupancy	Source/Year	Income	\$/Unit	%of EGI
Kentucky	16	99%	Actual 2005	\$40,771	\$2,548	100.0%
Expenses						
Utilities				\$4,954	\$310	12.2%
Maintenance				\$2,881	\$180	7.1%
Real Estate Taxes				\$3,370	\$211	8.3%
Insurance				\$2,504	\$157	6.1%
Management				\$7,263	\$454	17.8%
Advertising				\$1,409	\$88	3.5%
Other				\$401	\$25	1.0%
Reserves				\$0	\$0	0.0%
Total Expenses				\$22,782	\$1,424	55.9%
Net Operating Income				\$17,989	\$1,124	44.1%

RECONCILIATION - Unrestricted, As Stabilized Condition (12/31/13)

As mentioned in the Highest and Best Use, this use is not actually feasible or productive with market rents and would likely not be undertaken by a developer so the Cost Approach is less reliable but includes the land value of \$185,000. The cost is accurate but indicates a much higher value than the Income and Sales Comparison Approaches.

The Sales Comparison Approach is a reliable method due to the amount of quality suburban apartment sales included so no similar sales occurred in Fritzgerald. It was necessary to expand the market and include sales from counties in Georgia which provided an indication of value on a price per unit basis, cap rates and EGIM data.

The Income Approach is also a reliable method do to the fact that investors purchase such properties based upon returns. The market value As Stabilized was estimated to be \$2,920,000 by Direct Capitalization. The market values are summarized in the table on the following page.

RECONCILIATION – Unrestricted Rents, As Complete Condition (08/31/13)

An additional value to be estimated is the value prior to attainment of stabilization with market rents. This value is also known as the As Complete value and it is our estimate that the property will be stabilized within four months after completion due to the condition, solid amenities, good management and senior target market. It is our opinion that the property will be complete and ready for occupancy on August 31, 2013. Successful marketing and preleasing should allow the project to reach stabilized occupancy of approximately 91% or 76 units occupied by December 31, 2013. Tenants can be moved into these units as they become finished and occupancy is granted. Six to seven units per month for absorption are appropriate for market rate units.

The net income shortfall attributable to the rental income loss and additional expenses for management and advertising over the 4 - 5-month periods should equate to a value reduction of more than \$50,000. We have increased this shortfall to \$100,000 to account for the risk of owning a non-stabilized property and the corresponding lease-up costs. We have reconciled the As Complete value, assuming market rents to be \$100,000 less than the As Stabilized value or \$2,820,000 as of December 31, 2013.

RECONCILIATION - Unrestricted Rents, As Is Condition (06/06/12)

Based upon our review of the subject property and considering only the Income Capitalization Approach, we are of the opinion that the fee simple market value of the subject property, as of June 6, 2012, was \$2,200,000.

The As Complete and As Stabilized values are based upon the hypothetical condition that the property is built per specification and used for conventional or market rate rental housing.

Market Value Assuming Unrestricted Rents (Market Rate Rentals):

	Value	Effective Date
As Is (Unrestricted Rents)	\$2,200,000	June 6, 2012
As Stabilized (Unrestricted Rents)	\$2,920,000	December 31, 2013
As Complete (Unrestricted Rents)	\$2,820,000	August 31, 2013

Market Value Not Subject to Restricted Rents - As Complete

Calculation of Lost Net Operating Income

Stabilized PGI								
Stabilized PGI			\$630,060					
Stabilized Occupancy		91.0%						
Stabilized EGI			\$573,355					
Stabilized Expense Ratio		59.0%						
Stabilized NOI			\$233,960					
Lease-up Period		PGI	Occupancy	EGI	Avg Expense Ratio During Lease-up	NOI	NOI @ Stable Occupancy	Lost NOI During Lease-up
Month 1	\$	52,505	30%	\$ 15,752	69.0%	\$ 4,883	\$ 19,497	\$ 14,614
Month 2	\$	52,505	50%	\$ 26,253	69.0%	\$ 8,138	\$ 19,497	\$ 11,358
Month 3	\$	52,505	70%	\$ 36,754	69.0%	\$ 11,394	\$ 19,497	\$ 8,103
Month 4	\$	52,505	85%	\$ 44,629	69.0%	\$ 13,835	\$ 19,497	\$ 5,662
Month 5								
Month 6								
Month 7								
Month 8								
Month 9								
Month 10								
Month 11								
Month 12								
								\$ 39,737
							(Rounded)	\$ 40,000

* The expense ratio is higher during lease-up due to the impact of fixed expenses

VALUATION DISCUSSION

Market Value Estimate of LIHTC/HAP Development with Restricted Rents and Value Contribution of Tax Credits

VALUATION DISCUSSION

Market Value Estimate of LIHTC/HAP Development with Restricted Rents and Value Contribution of Tax Credits

As Is Market Value with Restricted rents on 06/06/2012

The Income Capitalization Approach is the best means for estimating market value for the subject property. The market value by the Income Approach is a procedure in which the income that a property is capable of producing is converted into a value estimate. In order to accurately perform this approach to value, we have drawn upon income, expense and capitalization rate information from surveys, comparable sales and recent appraisals performed by Nicklas King McConahy for similar apartment properties.

Income

The HUD - HAP contract rents increased approximately \$15 last year and are \$605 for 1-bedroom and \$680 for 2-bedroom. The owner pays all costs except telephone and cable. We assume the renewed HAP contract will continue for at least 20 years.

In order to continue to get this rent, I believe the subject would have to spend approximately \$2,500 per unit for upgrades.

Based upon the size, location, target market, physical characteristics of the property, parking, and other amenities, the subject should have rental rates plus electric and heat as follows for the new units.

As Is HAP Rents (06/06/12)

Unit Type	Current Rent	*Market Rent/Square Foot
1 Bedroom Apartment	\$605	\$1.04
2 Bedroom Apartment	\$680	\$0.77

*The rent per square foot is calculated based upon average living area and includes no garage space. This is also a typical rent and not the rent per square foot for each of the units.

The owner will be responsible for electricity, trash, water and sewer. The tenant pays only rent. The rental income is \$610,740. Additional income, approximately \$4,200 in the initial stabilized year, will be generated from coin-operated washers, vending and similar sources. The potential gross income as is with unrestricted rents is \$614,940. The actual revenue in 2011 was \$594,217.

Vacancy and Rent Loss

Stabilized occupancy for an affordable facility at this location should be in approximately 95% annually. Even poorly managed affordable properties have 90% occupancies. The Fitzgerald market is somewhat stable and this area has not been subject to substantial swings in market rate occupancy levels. The subject market is mostly affordable units or subsidized housing and was nearly 92% occupied this spring. Based upon occupancy rates from competing facilities, it is our opinion that a 4.5% annual stabilized vacancy is appropriate. Vacancy is not the only reason for lost revenue at an apartment. Rent loss is a component and three properties revealed a rent loss of 2.92%, 0.71% and 0.16% of potential gross income (PGI) not including vacancy. The combined vacancy and rent loss is therefore 4.5% plus 0.5%. The effective gross income (EGI) for the initial stabilized year is \$584,193 after applying a 5% vacancy and rent loss factor. The subject was 98% during inspection on June 6, 2012.

Expenses

The primary expenses to the property were estimated based upon specific expenses and overall expense ratios from properties in the market as well as recent comparable sales, recent apartment appraisals by Nicklas King McConahy and past projects by the developer.

The expenses to the tenant are rent only while all expenses will be the responsibility of the owner. These expenses were extracted from competing facilities, recent sales, and detailed information from properties which were recently appraised by Nicklas King McConahy as well as the Urban Land Institutes *Dollar and Cents of Multi-Family Housing*. Specific rental comparables are included in the Apartment Expense Data - Expenses are individually discussed below.

The total expenses were estimated to be \$391,345 or \$4,659 per unit. The sales in this report indicate expense ratios of 42% to 75% of the effective gross income. The expense ratio is 63% for the subject and includes extensive utility costs. The total expenses will be slightly different when the restricted rent analysis is performed. The primary differences between the market rate and LIHTC facilities are the management, legal, and advertising. The net income is \$192,848 or approximately \$2,296 per unit.

Direct Capitalization**Band of Investment Method**

Mortgage	=	6.0% Rate, 75% Ratio, 20-Year Term, Constant	=	0.0860
Equity	=	7.0% Rate, 25% ratio		
		0.75 x 0.0860	=	0.0645
		0.25 x 0.0700	=	<u>0.0175</u>
Capitalization Rate			=	0.0820 or 8.2%

The capitalization rate for the Band of Investment method was calculated to be 8.2% and supports the 8% to 9% rate from market extracted data. The value conclusion for the subject property by Direct Capitalization as of June 6, 2012, is \$2,410,000.

**Direct Capitalization
As Is Market Value**

NOI	/	Cap Rate	=	Value
\$192,848	/	8%	=	\$2,410,000 (rounded)
Less: Deferred Maintenance			=	<u>(\$210,000)</u>
As Is Value Conclusion with Restricted Rents			=	\$2,200,000

DIRECT CAPITALIZATION ANALYSIS - Fitzgerald Summit Apartments
As Is Market Value, Not Subject to Rent Restrictions as of 06/06/2012

84 Units

REVENUES

Apartments		Monthly		Unit Size	Rent/SF
83	1 BR @	\$605	\$602,580	584	\$ 1.04
1	2 BR @	\$680	\$8,160	880	\$ 0.77
0	3 BR @	\$800	\$0	1078	\$ 0.74
Other Income			<u>\$4,200</u>		

Potential

Gross Income		\$614,940	
Vacancy and Rent Loss		<u>\$30,747</u>	5.00%

Effective

Gross Income		\$584,193	
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EXPENSES

Maintenance	14%	\$84,000	\$1,000
Wat/Sew/Trash/Electric	25%	\$147,000	\$1,750
Advertising	0%	\$2,400	\$29
Legal/Pro Fees/Other	2%	\$10,000	\$119
Insurance	3%	\$16,800	\$200
Management	13.0%	\$75,945	\$904
Property Tax	5%	\$30,000	\$357
Reserves	4%	\$25,200	\$300

Expenses	67%	<u>\$391,345</u>	<u>\$4,659</u>
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Net Income		<u>\$192,848</u>	<u>\$2,296</u>	\$2,410,599	0.08	OAR
				\$28,698		\$/unit
				\$2,410,000		Value Conclusion
				<u>(\$210,000)</u>		Less Deferred Maintenance
				<u>\$2,200,000</u>		Value Conclusion

INCOME APPROACH - With Restricted Rents As Stabilized (09/30/13)

An investor in an LIHTC project acts as other investors in real estate and evaluates the relative strengths and weaknesses of each aspect of the property. The aspects of the property include tangible values which are benefits attributable to the real estate. In this case, potential gross income includes the rental income from the rental units and any other miscellaneous income. In this analysis, market rents are not utilized but rather the restricted rent levels as established from income levels from HUD and the HAP contract. Restricted rents as proposed by the developer and are allowable by the LIHTC program for each unit is included on the following page. Note that the utility adjustment is often lower for high-rise type buildings than for multi-buildings, townhouses and flat-style buildings.

The restricted rent limits are based upon the HAP Contract for Fitzgerald Summit. These rents are \$605 for one-bedroom and \$680 for two-bedroom making them more affordable to a larger group of senior households. The owner pays all utilities.

The total monthly revenue at 100% occupancy in the 84 units is \$612,740 plus \$4,200 of the other income which includes vending and laundry. The potential gross income for the first stabilized year is \$614,940. The subject should have good success due to the strong senior market for this type of affordable unit, amenities, and management skills of the developer's chosen company. Also, the small number of new elderly units in the market, coupled with the HAP contract, condition, storage, parking, air-conditioning and appliances bode well for this project.

Vacancy And Rent Loss

The national and state recession has had both negative and positive impacts on multi-family housing. Far fewer housing starts are occurring but some renter households are moving back in with family members or finding roommates to cut costs. Some people lost homes to foreclosure and had to rent while some renters were able to take advantage of low mortgage rates and the 2009 buyer incentive tax credit of up to \$8,000. The subject offers a good unit mix, and newer condition and was 98% occupied at inspection. The location provides access to community, retail highway, educational and other services. The market rate occupancy for all units is solid. It is our opinion that a stabilized occupancy factor of 95% is appropriate for the subject. This includes 4.5% vacancy and 0.5% rent loss. We have multiplied the potential income by the occupancy factor to develop the effective gross income for each of the 10 years included in this analysis.

The effective gross income in the initial stabilized year is \$584,193.

Expenses

The apartment expense data for tax credit/rural development facilities does not include market rate facilities. The multi-family sales and market rate facilities from South Carolina and Georgia reveal expenses of 30% to 70% of EGI. In the initial stabilized year, the expenses for the subject were estimated to be 68.6% of the effective gross income (EGI). Note that some of these expenses differ from the market rate analysis due to management and LIHTC costs.

The total expenses are \$400,527 or \$4,768 per unit in the first stabilized year. The total expenses are subtracted from the effective gross income and result in a net operating income for each year of the analysis.

An appropriate method for estimating the value within the income approach is known as yield capitalization of Discounted Cash Flow Analysis. In this method, we convert future benefits into a present value by application of an appropriate discount rate. With this, we specifically account for the fact that a dollar received in the future is worth less than a dollar received today due to the lost opportunity of investment. Investment criteria for national investors are included in the Addendum. Yield rate for investment grade properties reported in the National Apartment Market Survey First Quarter, 2012 by PricewaterhouseCoopers range from 5.25% to 9.5%. Most rates are occurring between 6.0% and 8.0%. During the national credit crunch in 2009, the overall rates and discount rates increased and most investors indicated that they were as high as they have been in five years for apartments. They have since retreated slightly this summer. The discount rate, like the capitalization rate, is a function of the risk and several factors were considered. The factors such as the experience of the developer, current and future market demand, general project feasibility, management, and the spread between maximum rents and proposed rents. All of these factors are positive for the subject and the rate should be within the range indicated by investment criteria. The appropriate rate is estimated to be 9%.

The holding period is determined to be 10 years, and the growth in both income and expenses is estimated to be 3% annually. The capitalization rate for the reversion is typically 0 to 50 basis points higher than going-in rates, and it is our opinion that a 7.5% going-out rate would be appropriate. We should note that the going-in rate would be 7.0% which is the same as the direct cap rate of 7.0% used in the value conclusion with market rates due to the fact that the LIHTC restricted rent program is actually feasible and less risky. A nominal selling expense is subtracted and the total reversion, which has already been discounted from the 11th year net income, is estimated to be \$1,418,196. The total discounted value of the income streams is estimated to be \$1,346,515 and the value estimate was rounded to \$2,760,000 per successful completion of plans and specifications by the Income Approach.

DISCOUNTED CASHFLOW ANALYSIS - With Restricted Rents (As Stabilized on 09/30/2013)

Market Value with LIHTC/HAP Restricted Rent

84 Units

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
REVENUES											
Apartments	Monthly										
83	\$605	\$602,580	\$639,277	\$658,455	\$678,209	\$698,555	\$719,512	\$741,097	\$763,330	\$786,230	\$809,817
1	\$680	\$8,160	\$8,657	\$8,917	\$9,184	\$9,460	\$9,743	\$10,036	\$10,337	\$10,647	\$10,966
Other Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Potential	\$4,200	\$4,326	\$4,456	\$4,589	\$4,727	\$4,869	\$5,015	\$5,165	\$5,320	\$5,480	\$5,644
Gross Income	\$614,940	\$633,388	\$652,390	\$671,962	\$692,120	\$712,884	\$734,271	\$756,299	\$778,988	\$802,357	\$826,428
Occupancy Effective	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
Gross Income	\$584,193	\$601,719	\$619,770	\$638,363	\$657,514	\$677,240	\$697,557	\$718,484	\$740,038	\$762,239	\$785,107
EXPENSES	% of EGI	\$/Unit									
Maintenance	12.9%	\$75,600	\$80,204	\$82,610	\$85,088	\$87,641	\$90,270	\$92,978	\$95,768	\$98,641	\$101,600
Utilities/Trash	24.4%	\$142,800	\$151,497	\$156,041	\$160,723	\$165,544	\$170,511	\$175,626	\$180,895	\$186,322	\$191,911
Advertising	0.4%	\$2,500	\$30	\$2,652	\$2,732	\$2,898	\$2,985	\$3,075	\$3,167	\$3,262	\$3,360
Legal/Pro Fees/Other	2.2%	\$13,000	\$155	\$13,792	\$14,205	\$15,071	\$15,523	\$15,988	\$16,468	\$16,962	\$17,471
Land Lease	0.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Insurance	3.0%	\$17,640	\$210	\$18,714	\$19,276	\$20,450	\$21,063	\$21,695	\$22,346	\$23,016	\$23,707
Management	14.0%	\$81,787	\$974	\$86,768	\$89,371	\$94,814	\$97,658	\$100,588	\$103,605	\$106,714	\$109,915
Property Tax	6.5%	\$37,800	\$450	\$40,102	\$41,305	\$43,821	\$45,135	\$46,489	\$47,884	\$49,320	\$50,800
Reserves	5.0%	\$29,400	\$350	\$29,400	\$29,400	\$29,400	\$29,400	\$29,400	\$29,400	\$29,400	\$29,400
Expenses	68.6%	\$400,527	\$423,129	\$434,941	\$447,107	\$459,638	\$472,545	\$485,839	\$499,533	\$513,637	\$528,164
Net Income		\$183,666	\$196,642	\$203,423	\$210,408	\$217,602	\$225,012	\$232,644	\$240,506	\$248,603	\$256,943
Present Value Factor	9.00%	0.9174	0.7722	0.7084	0.6499	0.5963	0.5470	0.5019	0.4604	0.4224	
Discounted Value		\$168,501	\$151,843	\$144,110	\$136,751	\$129,749	\$123,089	\$116,756	\$110,735	\$105,012	
	Eleventh Year Market Rate Income Stream	\$256,943 / 7.5% =	\$3,425,905								
	Discounting Factor		0.4224								
	Value of Reversion Selling Expense		\$1,447,139								
	Total Reversion	2.0%	\$28,943								
	Total Reversion		\$1,418,196								
	Total Discounted Value of Income Streams		\$1,346,515								
	Total Reversion		\$1,418,196								
	Value w/ Restricted Rents Rounded		\$2,764,712								
			\$2,760,000								

**APARTMENT EXPENSE DATA
TAX CREDIT/RURAL DEVELOPMENT FACILITIES**

Apartment Complex #1

Location	Ohio	RD Section	Occupancy	Actual/2003	\$/Unit	%of EGI
Units	46	521	97%			
Source/Year						
Gross Income (EGI)	\$160,985	\$3,500	100.0%			
Expenses						
Utilities	\$11,228	\$244	7.0%			
Maintenance	\$23,307	\$507	14.5%			
Real Estate Taxes	\$21,335	\$464	13.3%			
Insurance	\$8,250	\$179	5.1%			
Management	\$29,655	\$645	18.4%			
Advertising	\$0	\$0	0.0%			
Other	\$5,115	\$111	3.2%			
Reserves	\$6,900	\$150	4.3%			
Total Expenses	\$105,790	\$2,300	65.7%			
Net Operating Income	\$55,195	\$1,200	34.3%			

Apartment Complex #2

Location	Ohio	Occupancy	Actual/2003	\$/Unit	%of EGI
Units	48	92%			
Source/Year					
Gross Income (EGI)	\$174,298	\$3,631	100.0%		
Expenses					
Utilities	\$18,470	\$385	10.6%		
Maintenance	\$30,129	\$628	17.3%		
Real Estate Taxes	\$15,575	\$324	8.9%		
Insurance	\$10,420	\$217	6.0%		
Management	\$42,575	\$887	24.4%		
Advertising	\$0	\$0	0.0%		
Other	\$2,990	\$62	1.7%		
Reserves	\$1,059	\$22	0.6%		
Total Expenses	\$121,218	\$2,525	69.5%		
Net Operating Income	\$53,080	\$1,106	30.5%		

Apartment Complex #3

Location	Ohio	Occupancy	Actual/2005	\$/Unit	%of EGI
Units	24	98%			
Source/Year					
Gross Income (EGI)	\$94,963	\$3,957	100.0%		
Expenses					
Utilities	\$11,044	\$460	11.6%		
Maintenance	\$7,766	\$324	8.2%		
Real Estate Taxes	\$5,980	\$249	6.3%		
Insurance	\$7,200	\$300	7.6%		
Management	\$22,255	\$927	23.4%		
Advertising	\$114	N/A	N/A		
Other	\$4,098	\$171	4.3%		
Reserves	\$7,350	\$306	7.7%		
Total Expenses	\$65,807	\$2,742	69.3%		
Net Operating Income	\$29,156	\$1,215	30.7%		

Apartment Complex #4

Location	S. Carolina	RD Section	Occupancy	Projected/2009	\$/Unit	%of EGI
Units	46	42	93%			
Source/Year						
Gross Income (EGI)	\$361,690	\$7,863	100.0%			
Expenses						
Utilities	\$28,654	\$627	8.0%			
Maintenance	\$38,472	\$836	10.6%			
Real Estate Taxes	\$24,045	\$523	6.6%			
Insurance	\$19,238	\$418	5.3%			
Management	\$42,130	\$916	11.6%			
Advertising	\$0	\$0	0.0%			
Payroll	\$24,045	\$523	6.6%			
Reserves	\$12,024	\$261	3.3%			
Total Expenses	\$188,808	\$4,105	52.2%			
Net Operating Income	\$172,882	\$3,758	47.8%			

Apartment Complex #5

Location	Kentucky	IRS Section	Occupancy	Actual/2005	\$/Unit	%of EGI
Units	40	42	88%			
Source/Year		(12% V & RL)				
Gross Income (EGI)	\$132,088	\$3,302	100.0%			
Expenses						
Utilities	\$24,831	\$621	18.8%			
Maintenance	\$15,159	\$379	11.5%			
Real Estate Taxes	\$22,327	\$558	16.9%			
Insurance	\$8,282	\$207	6.3%			
Management	\$25,646	\$641	19.4%			
Advertising	\$1,565	\$39	1.2%			
Other	\$29,099	\$727	22.0%			
Reserves	N/A	#VALUE!	#VALUE!			
Total Expenses	\$126,909	\$3,173	96.1%			
Net Operating Income	\$5,179	\$129	3.9%			

Apartment Complex #6

Location	Ohio	Occupancy	Actual/2005	\$/Unit	%of EGI
Units	24	98%			
Source/Year					
Gross Income (EGI)	\$93,955	\$3,915	100.0%		
Expenses					
Utilities/Trash	\$12,100	\$504	12.9%		
Maintenance	\$9,000	\$375	9.6%		
Real Estate Taxes	\$10,200	\$425	10.9%		
Insurance	\$4,320	\$180	4.6%		
Management	\$12,356	\$515	13.2%		
Advertising	\$250	\$10	0.3%		
Other	\$4,400	\$183	4.7%		
Reserves	\$9,981	\$416	10.6%		
Total Expenses	\$62,607	\$2,609	66.6%		
Net Operating Income	\$31,348	\$1,306	33.4%		

COST APPROACH - As Complete With Restricted Rents (08/31/13)

The initial step of the Cost Approach is to estimate value of the land as though vacant. It was determined in the Highest and Best Use that the continued use as affordable housing would return the greatest yield to the property. We have made an effort to locate recent land sales for similar use in the subject neighborhood area but since so few recent arms length sales have occurred, we expanded the search. We have considered Georgia, Tennessee, and South Carolina apartment and residential land sales. The comparable properties include several tax credit apartment sites. Please refer to the Land Sales on previous pages to get further acquainted with these six properties. These sales are mostly larger and in superior locations. They occurred from 2004 to 2010 for \$90,000 to \$520,000. The price per unit is from \$1,500 to \$10,718. The land value estimate of \$2,200 per unit or \$185,000 and is appropriate. This equates to more than \$105,000 per acre which is slightly beyond the range but is much smaller. Smaller parcels often reflect a higher price per unit. #5 and #6 are from Fitzgerald and were purchased for LIHTC housing.

COMPARABLE LAND SALES SUMMARY TABLE

No.	Location	Sale Date	Price	Size in Acres	Price/Acre	Price/Unit
7.	1766 Winchester Highway	12/17/2010	\$132,500	5.170	\$25,629	\$3,313
8.	Ardmore Highway (State Hwy 110)	12/20/2010	\$500,000	29.650	\$16,863	\$10,417
9.	Gainesborough Dr. & Centennial Blvd.	03/23/2009	\$450,176	4.937	\$91,184	\$10,718
10.	Deerfield Road	11/05/2009	\$520,000	6.730	\$77,266	\$10,400
11.	160 Wilson Avenue	01/27/2004	\$90,000	5.000	\$18,000	\$1,500
12.	154 Jack Allen Road	10/26/2006	\$220,188	7.040	\$31,277	\$4,587

The next step of the Cost Approach is to estimate the replacement cost of the improvements. The project costs are listed in the Addendum to this report. The most significant costs are for the structure, site improvements, profit, architects fees and developer’s fees. The total LIHTC/HAP apartment project cost is approximately \$10,500,000 according to the developer.

Category	Project Cost Per Unit Summary	
	Cost Comp #1 (GA)	Subject (GA)
Land Lease or Purchase	\$ -0-	\$ 25,893
Architect/Engineering	\$ 3,927	\$ 2,052
Developer Fee	\$ 15,500	\$ 15,605
Construction Fee	\$ 79,400	\$ 63,095
Operating/Lease-up Reserve	\$ 4,358	\$ 4,104
Other Costs	<u>\$ 13,078</u>	<u>\$ 14,366</u>
Total Project Costs	\$116,263	\$125,115

NOTE: We divided the cost by the 84 units to get the price per unit. A proposed family community in southern South Carolina has an estimated cost of \$151,098 per unit. A proposed LIHTC garden style family property has a budget of \$130,852 per unit and began in 2010. It is also on leased land like the subject and features larger units and more parking. A 24-unit senior facility in southern Ohio has a projected cost of \$140,407 per unit and will be finished this year. These three will cost more than the subject. A 50-unit LIHTC facility is planned in Pennsylvania with a cost of \$151,098 per unit which includes land cost.

When estimating the market value with market rents, certain features needed to be either reduced or eliminated. Fees such as tax credit fees, certain developer's fee, consulting fees, etc., exist due to the tax credit project and do not pertain to the costs associated with the market value cost analysis.

In addition to the actual project costs, we have considered cost data from the Marshall Valuation Service which is one of the most accurate and up-to-date cost estimators available to the appraiser in today's market. Average quality, Class C, Multiple Dwellings, from Section 12 were compared and contrasted to the cost of the structure for the subject property and similar properties. We also compared costs of site improvements, architects fees and other items and verified the overall building costs to be accurate. A consideration within the Cost Approach which must not be overlooked, is entrepreneurial profit. We have found sufficient LIHTC market evidence to warrant application of entrepreneurial profit of 18% of the total cost. In our opinion, a developer will not undertake a market rate rental facility without such profit. The total cost-new is \$8,200,000.

The subject property is not new and physical deterioration exists. We have estimated the effective age, upon completion, to be 37 to 38 years and the economic life is 50 years. The property is well designed and no functional depreciation is applicable. The subject's 1- and 2-bedroom units are well suited for this market and should be absorbed quickly and maintain a stabilized occupancy. The total depreciation is 20%. We have added the land value, entrepreneurial profit and depreciated cost of all improvements to estimate the value by the Cost Approach. The personal property value of approximately \$84,000 or \$1,000 per unit was added also. In conclusion, the as complete market value by the Cost Approach was rounded to \$6,829,000 if the property were a market rate rental property. No external depreciation was applied but it will ultimately be evident that the cost of this project for market rate units exceeds the value conclusion by the Sales and Income Approaches.

COST APPROACH SUMMARY
Value Estimate With Restricted Rents, As Complete (08/31/13)

Direct Costs	
Replacement Cost - Building	\$5,200,000
Replacement Cost - Site Improvements	\$ 700,000
Indirect Costs	\$1,000,000
Plus: Entrepreneurial Profit 18+/-%	<u>\$1,300,000</u>
Total Replacement Cost (TRC)	\$8,200,000
Less: Accrued Depreciation (20% of TRC)	<u>\$1,640,000</u>
Depreciated Cost of Improvements	\$6,560,000
Plus: Land	\$ 185,000
Plus: Personal Property	<u>\$ 84,000</u>
Value with Restricted Rents by Cost Approach As Complete	<u>\$6,829,000</u>

TAX CREDIT ALLOCATION

Several aspects of LIHTC facilities have value and must be evaluated in this process. The tax credits are often purchased by investors and like most investments, the tax credit is affected by supply and demand conditions in the market. For the purpose of this analysis, the likely value contributed by the tax credits can be estimated by recent transactions. These tax credits are often considered an intangible portion of the total development proceeds but without them, the socially responsible development is not feasible and will not be completed. There is a certain level of risk attached to the tax credit investment and investor's will compare and contrast. Factors which typically are examined include location, market demand, perceived need for affordable housing units, development size, debt structure, losses per credit dollar, timing of the limited partner contributions, timing of the developer, payout, the differences between market rent and restricted rents, the experience of the project developer and management company, bridge loan components and physical characteristics of the planned development. The structure of such deals create great losses per credit dollar which allows investor's to pay more while maintaining acceptable return levels.

In the early 1990s, tax credits were available in the 70¢ to 75¢ per dollar of tax credit range. In the later part of the 1990s, tax credits for similar deals were available in the 75¢ to 85¢ per dollar of tax credit range. Demand rose from 2002 to 2006 and many deals were in the \$0.92 to \$1.00 per dollar of tax credit in Ohio, Michigan, Kentucky, West Virginia, South Carolina, Georgia, North Carolina, and Pennsylvania. In the past 12 months, most deals were 60¢ to 80¢ and Exchange Program Funds were often based upon 85¢. The affordable housing industry became a victim in the housing crisis as certain banks faced great losses which affected their appetite for LIHTC deals. Most gross equity investment prices dropped from around 90¢ all the way to 70¢ per dollar of credit in many cases. Demand for affordable housing remains as strong as ever in 2012 and bank profits are on the rise. Prices continue to increase and government agencies continue to fund feasible projects like the subject.

RECENT TAX CREDIT TRANSACTIONS					
Location	Program	Year Developed	Units	Limited Partner Equity Investment	Verified
Jefferson County, PA	LIHTC	2008	40	\$0.89/TCD	Developer
Butler County, PA	LIHTC	2008	50	\$0.85/TCD	Developer
Benzie County, MI	LIHTC	2009	56	\$0.755/TCD	Developer
Monroe County, MI	LIHTC	2009	32	\$0.70/TCD	Developer
Licking County, OH	LIHTC	2009	36	\$0.70/TCD	Developer
Charleston, SC	LIHTC	2009	46	\$0.64/TCD	Developer
Mebane, NC	LIHTC	2009	N/A	\$0.69/TCD	Local Appraiser
Mercer County, PA	LIHTC	2009	40	\$0.85/TCD (Exchange)	Developer
Floyd County, KY	LIHTC	2009	24	\$0.75/ TCD (Exchange)	Developer
Savannah, GA	LIHTC	2010	110	\$0.65/ TCD (Exchange)	Local Appraiser
Savannah, GA	LIHTC	2010	100	\$0.95/ TCD (Exchange)	Developer
Washington County, OH	LIHTC	2010	40	\$0.85/ TCD (Exchange)	Developer
Erie County, PA	LIHTC	2011	50	\$0.90 /TCD (Exchange)	Developer
Baltimore, MD	LIHTC	2011	59	\$0.92/ TCD (Exchange)	Developer
Millersburg, OH	LIHTC	2011	38	\$0.8879/TCD	Developer
Fayetteville, TN	LIHTC	2011	48	\$0.85/TCD	Developer
St. Ignace, MI	LIHTC	2011	24	\$0.87/TCD	Developer
Cheboygan, MI	LIHTC	2011	24	\$0.87/TCD	Developer
Corbin, KY	LIHTC	2011	24	\$0.88/TCD	Developer
Rio Grande, OH	LIHTC	2011	42	\$0.85/TCD	Developer
Bidwell, OH	LIHTC	2012	32	\$0.92/TCD	Developer

Source: Nicklas King McConahy files.

Note: TCD = Tax Credit Dollar; LIHTC = Low Income Housing Tax Credit

The American Recovery and Reinvestment Act (ARRA) provide \$2.25 billion within Tax Credit Assistance Program (TCAP) for grant funding to cover gaps in financing for LIHTC (Section 42) construction. The gaps in financing these funds will cover came about because of difficulties in finding investors for credits, receiving lower than anticipated price for credits, and resulting delays in beginning construction. The lower cost of the equity investment decreased the overall feasibility and several projects with approvals and successful tax credit applications were not going to be built. The federal government stepped in with a new program in early 2009. The LIHTC Exchange Program allows state housing tax credit allocating agencies to exchange a portion of their housing credits with the U.S. Treasury in exchange for cash grants that would be used in lieu of or to supplement tax credit equity (Section 1602 Exchange). The purpose of these programs is to create and save jobs and increase the affordable housing supply by using the appropriation to start construction or shovel-ready development. This program did “sunset” and demand has increased since early in 2011. The subject is in a qualified census tract and has a value of 92¢ per dollar of tax credit dollar plus 25¢ per dollar of tax credit from state credits. The total price is \$1.17 per dollar of tax credit.

Value Conclusion - Tax Credits

The contributing value of the tax credits provided the Fitzgerald Summit project complies with the Low Income Housing Tax Credit and HAP Programs was **\$9,327,073** as of June 6, 2012, is allocated as follows:

Tax Credit Value Allocation

State Credit Price and Amount of Equity	=	\$0.26 per tax credit dollar or \$2,055,118
Federal Credit Price and Amount of Equity	=	\$0.92 per tax credit dollar or \$7,271,956

RECONCILIATION - LIHTC/HAP Project With Restricted Rents, Upon Stabilization (09/30/13)

The prospective value by the Income Approach was the only reliable method of estimating value for the LIHTC/HAP Fitzgerald Summit project. The income, vacancy, expense and cap rate data is supported at the Upon Stabilization, prospective value conclusion is \$2,760,000 as of September 30, 2013.

RECONCILIATION – LIHTC/HAP Project With Restricted Rents, Upon Completion (08/31/13)

An additional value to be estimated is the value prior to stabilization with restricted rents. This value is also known as the Upon Completion prospective value and it is our estimate that the property will be stabilized within one month after completion due to the HAP Contract and good market for senior affordable units. The property will be complete and ready for occupancy on August 31, 2013, or sooner and successful pre-leasing and management of the occupancy permit timing should allow for several tenants to be moved in by the end of August. Many developers indicate that a 4- to 9-month absorption period is common in more Pennsylvania, Ohio, Kentucky, Tennessee, Michigan, South Carolina, and West Virginia LIHTC or RD facilities. This one-month absorption is appropriate considering current market conditions and the fact that most tenants will be retained.

For the purpose of estimating the discounted value of the proposed subject, deductions were necessary for the rent loss while achieving stabilized occupancy. The net income shortfall attributable to the rental income loss over the one-month period should equate to a value loss of less than \$20,000 plus some additional allowance for the risk owning and operating a property which is not yet fully occupied As Complete on August 31, 2013. The total discount is, therefore, \$60,000 from the stabilized value. We have reconciled the As Complete prospective value, assuming restricted rents to be \$60,000 less than the As Stabilized value or \$2,700,000 as of August 31, 2013.

SUBJECT PHOTOGRAPHS



Front view from East Magnolia Street



Rear view from South Sherman Street



Roof and HVAC units



First floor lobby



Elevator access on second floor



Recreation room



Typical living room



Typical bedroom



Typical kitchen



Typical bathroom



Typical corridor



Stair column



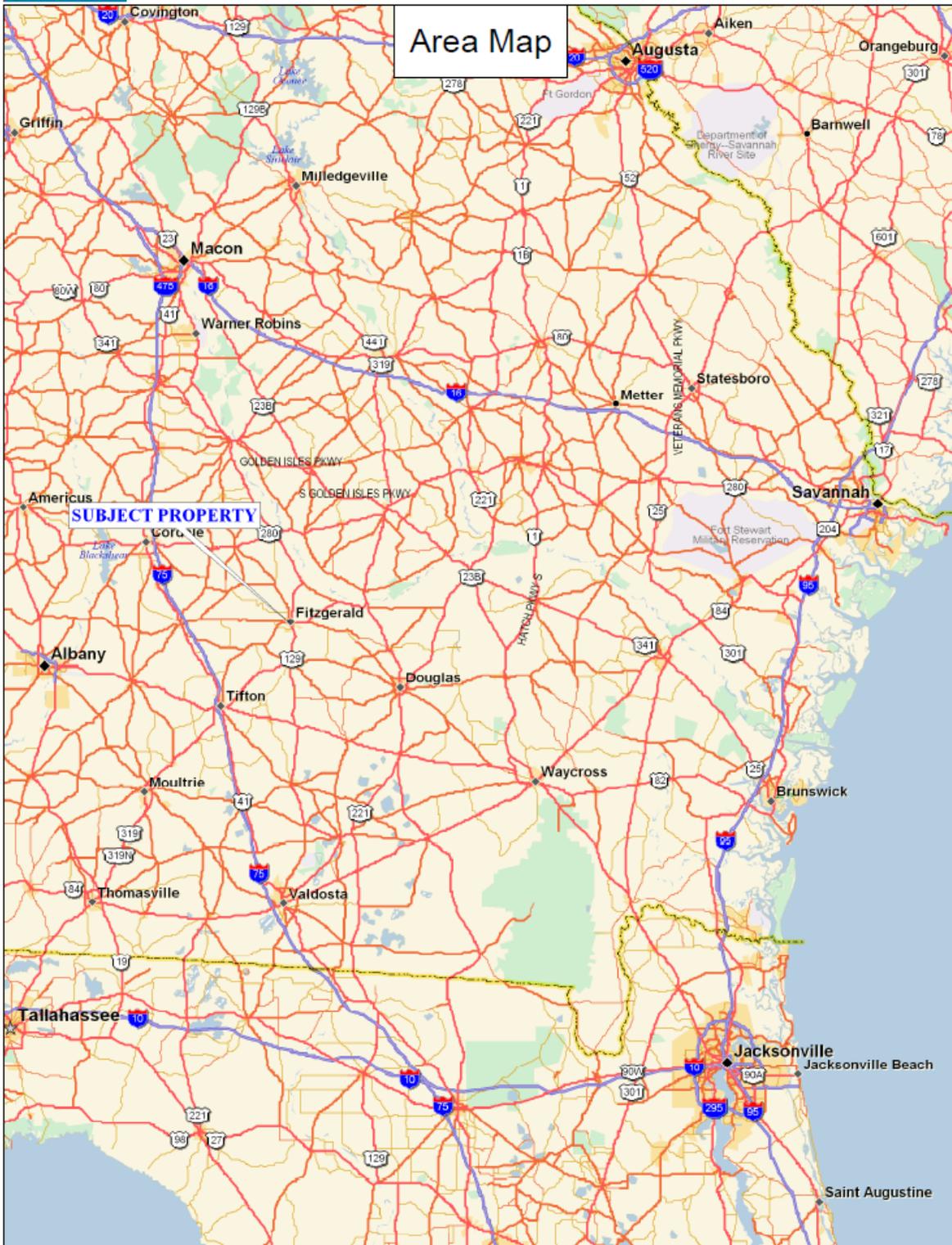
East Magnolia Street facing west toward South Grant Street



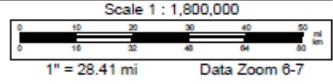
South Sherman Street facing north



Subject property facing west toward South Grant Street



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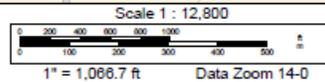
Neighborhood Map



SUBJECT PROPERTY

Fitzgerald

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 www.delorme.com





FLOODSCAPE™

Flood Hazards Map

Map Number
13017C0134B

Effective Date
September 25, 2009

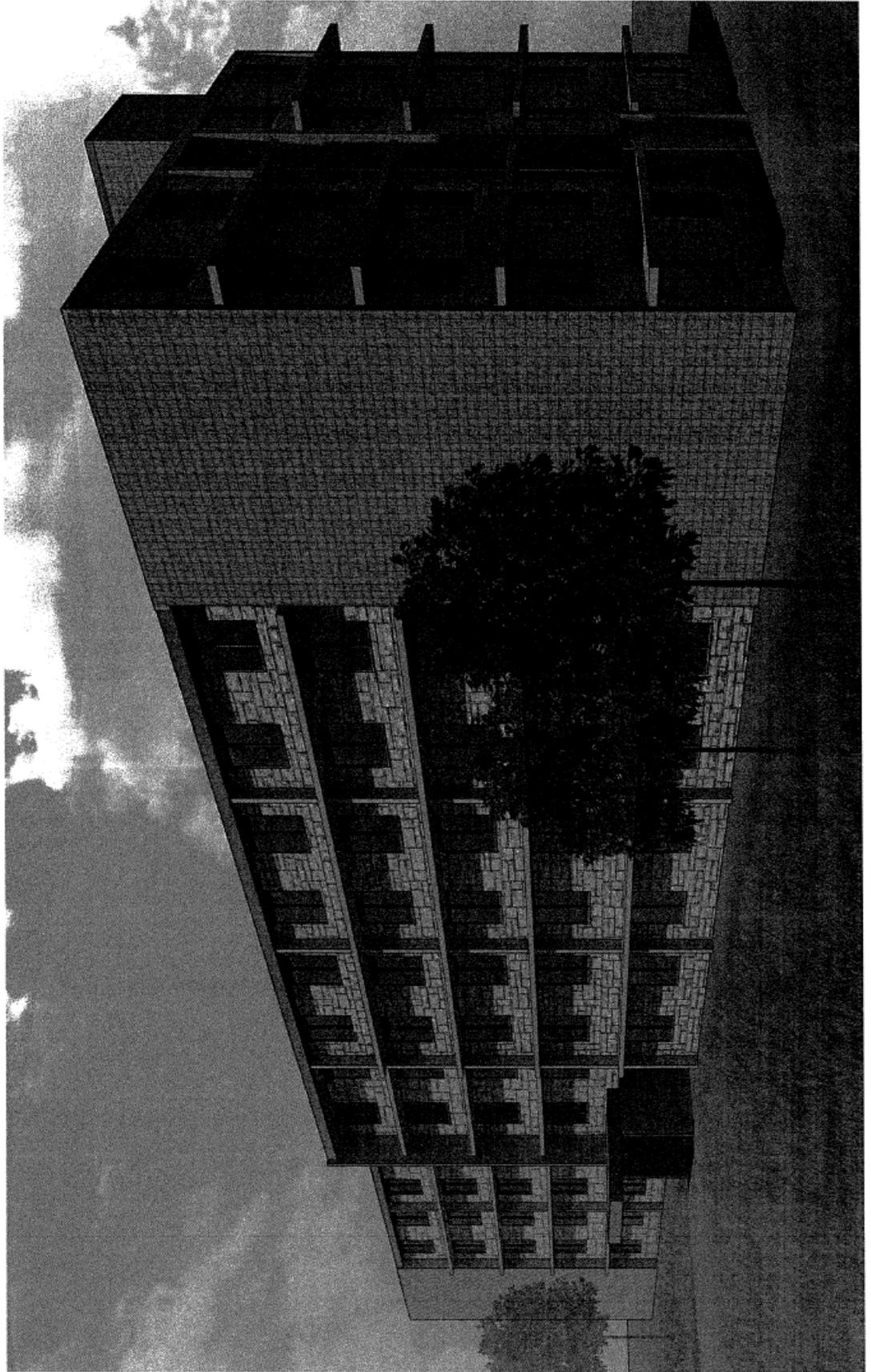
Flood Legend

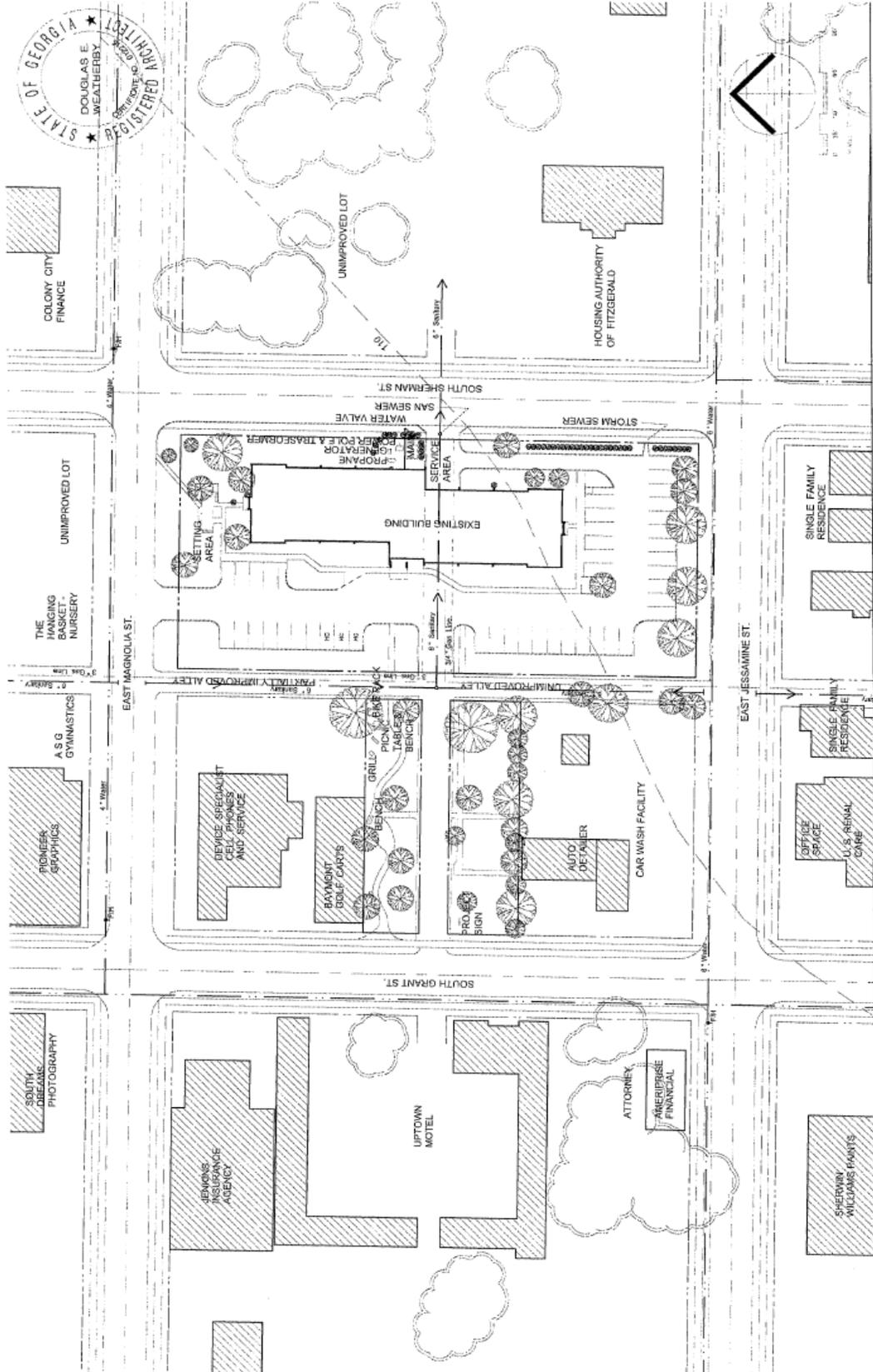
-  High flood risk
-  Moderate flood risk
-  Low flood risk

This report makes no representations or warranties concerning its content, accuracy or completeness.

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1

PROJECT NAME
**GEORGIA TAX CREDIT
 SUBMISSION 2012**

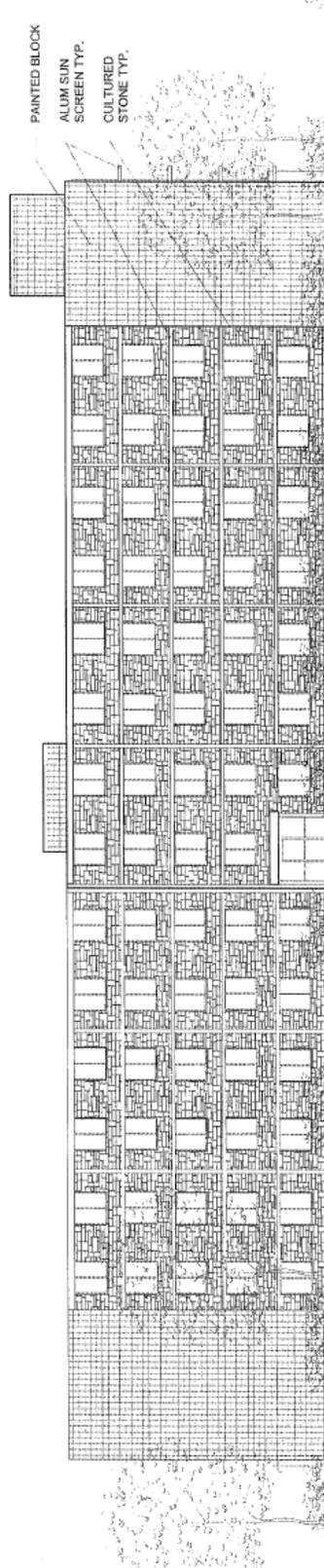
FITZGERALD SUMMIT
 FITZGERALD, GA

EXISTING SITE
 CONDITIONS

DATE
 04-1-12
 DRAWN BY
 BGV

PROJECT TITLE
**REHABILITATION OF A
 MULTISTORY
 SENIOR LIVING FACILITY**

CLIENT
PCI DESIGN GROUP, INC.
 207 NUMBER VILLAGE BLVD, SUITE 110
 WETTERVILLE, OH 43081



FRONT ELEVATION

SCALE 1/8"=1'-0"

SHEET 4

GEORGIA TAX CREDIT
SUBMISSION 2012

FITZGERALD SUMMIT
FITZGERALD, GA

FRONT ELEVATION

DATE: 08-14-12
DRAWN BY: JGW

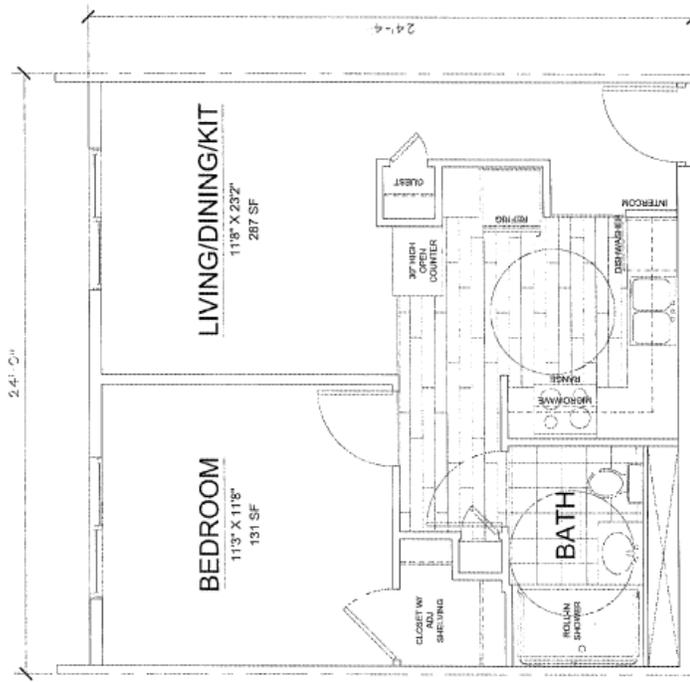
PROJECT TYPE:
REHABILITATION OF A
MULTISTORY
SENIOR LIVING FACILITY

CLIENT:
PCI DESIGN GROUP, INC.
270 W. MARKET ST., SUITE 110
MARIETTA, GA 30067

Copyright 2012 PCI Design Group, Inc. All Rights Reserved



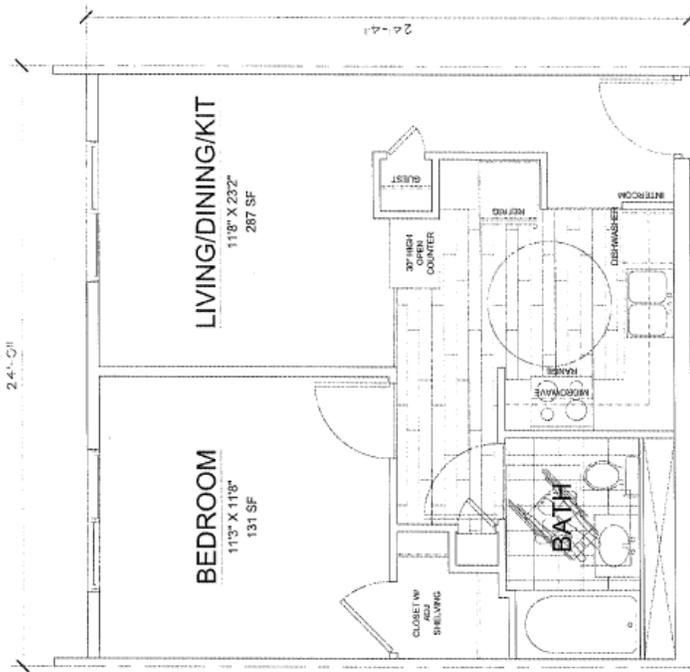
- UNIT AMENITIES**
- 1. Security Intercom
 - 2. High Speed Internet in Living Room & Bedroom
 - 3. Multi-Level Closet Shelving
 - 4. Window Treatments (Blinds)
 - 5. Programmable Thermostat
 - 6. Covered Building Entry
 - 7. 30x48 clear floor space at appliances & fixtures
 - 8. Vinyl Plank Flooring in Kitchen/Dining Area
 - 9. Lower Eating Counter
 - 10. Built-In Microwaves
 - 11. Garbage Disposal
 - 12. Dishwashers
 - 13. Self-Cleaning Ovens
 - 14. High Efficiency HVAC System
 - 15. Energy Star Lighting
 - 16. Low flow plumbing fixtures
 - 17. Energy Star Dishwasher & Refrigerator
 - 18. Low E Energy Star Windows
 - 19. Solar Shades Over Windows
 - 20.



ONE BEDROOM H.C. UNIT

NET AREA = 540 SF
GROSS AREA = 584 SF

- 11. Built-In Microwaves
- 12. Garbage Disposal
- 13. Dishwashers
- 14. Self-Cleaning Ovens
- 15. High Efficiency HVAC System
- 16. Energy Star Lighting
- 17. Low flow plumbing fixtures
- 18. Energy Star Dishwasher & Refrigerator
- 19. Low E Energy Star Windows
- 20. Solar Shades Over Windows



ONE BEDROOM UNIT

NET AREA = 540 SF
GROSS AREA = 584 SF

DESIGNED BY
PCI DESIGN GROUP, INC.
270 W. WALTON STREET, SUITE 110
WILMINGTON, OH 43091

PROJECT TYPE
**REHABILITATION OF A
MULTI-FAMILY
SENIOR LIVING FACILITY**

DATE
08-14-12
DRAWN BY
EJW

PROJECT NAME
**FITZGERALD SUMMIT
FITZGERALD, GA**

PROJECT NUMBER
**GEORGIA TAX CREDIT
SUBMISSION 2012**

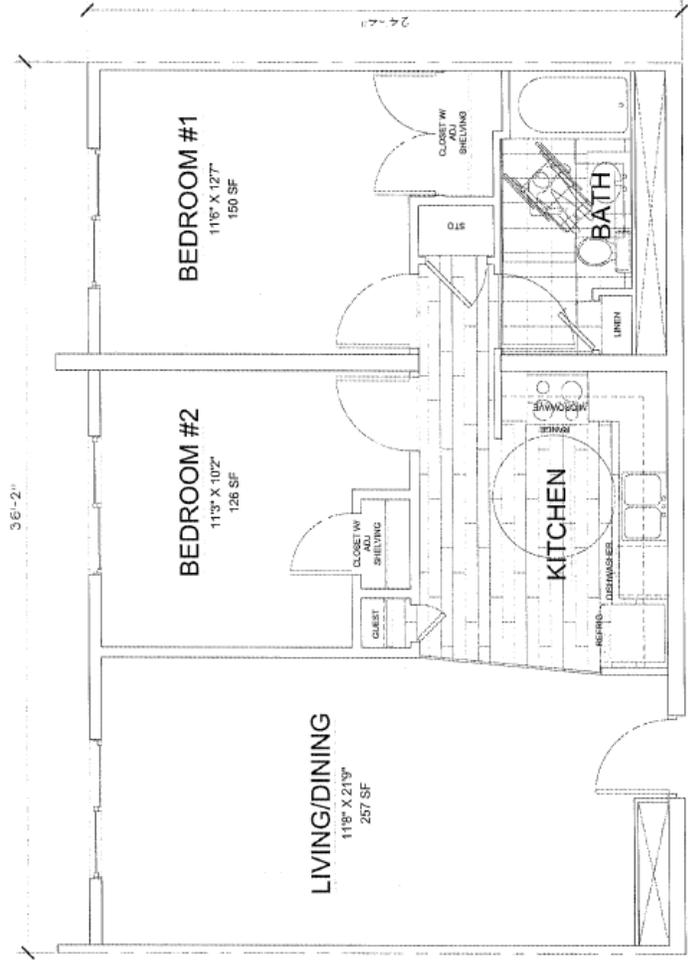
SHEET
5



UNIT AMENITIES

1. Security Intercom
2. High Speed Internet in Living Room & Bedroom
3. Multi-Level Closet Shelving
4. Window Treatments (Blinds)
5. Programmable Thermostat
6. Covered Building Entry
7. 30x48 clear floor space at appliances & fixtures
8. Vinyl Plank Flooring in Kitchen/Dining Area
9. Lower Eating Counter

11. Built-In Microwaves
12. Garbage Disposal
13. Dishwashers
14. Self-Cleaning Ovens
15. High Efficiency HVAC System
16. Energy Star Lighting
17. Low flow plumbing fixtures
18. Energy Star Dishwasher & Refrigerator
19. Low E Energy Star Windows
20. Solar Shades Over Windows



ONE BEDROOM H.C. UNIT

NET AREA = 922 SF
GROSS AREA = 980 SF

PROJECT TYPE
**REHABILITATION OF A
MULTISTORY
SENIOR LIVING FACILITY**

DATE
04-14-12

DESIGNER
DEW

TWO BEDROOM UNIT PLAN

PROJECT NAME
**FITZGERALD SUMMIT
FITZGERALD, GA**

PROJECT NUMBER
**GEORGIA TAX CREDIT
SUBMISSION 2012**

NUMBER
6

ARCHITECT
PCI DESIGN GROUP, INC.
270 PINEWOOD BLVD, SUITE 110
WESTERLYVILLE, OH 45381

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METROPOLITAN AREA REPORTS

	SELECTED METROPOLITAN AREAS - U.S.A.												MEDIAN INCOME AND OPERATING COSTS												BY BUILDING TYPE	
	ASHEVILLE, NC						ATLANTA, GA						ATLANTA, GA													
	GARDEN TYPE BUILDINGS			ELEVATOR BUILDINGS			ELEVATOR BUILDINGS			LOW RISE OVER 24 UNITS																
	BLDGS	%GPI	\$/SQFT	\$/UNIT	BLDGS	%GPI	\$/SQFT	\$/UNIT	BLDGS	%GPI	\$/SQFT	\$/UNIT	BLDGS	%GPI	\$/SQFT	\$/UNIT	MED	MED								
	()	()	()	()	()	()	()	()	()	()	()	()	()	()	()	()										
INCOME	(3)	97.5 %	9.28	8961	(4)	96.8 %	16.38	15564	(10)	96.3 %	9.82	10849	(10)	96.3 %	9.82	10849										
RENTS-APARTMENTS	()				()				()				()													
RENTS-GARAGE/PARKING	()				()				()				()													
RENTS-STORES/OFFICES	()				()				()				()													
GROSS POSSIBLE RENTS	(3)	97.5 %	9.28	8961	(4)	96.8 %	16.45	15564	(10)	96.6 %	9.82	10849	(10)	96.6 %	9.82	10849										
CONCESSIONS	(3)	3.3	.33	336	(4)	7.7	1.09	1077	(7)	4.5	.42	651	(7)	4.5	.42	651										
VACANCIES/RENT LOSS	(3)	11.6	1.12	1343	(4)	26.2	3.15	3122	(10)	8.2	.89	1047	(10)	8.2	.89	1047										
TOTAL RENTS COLLECTED	(3)	82.6	7.93	7712	(4)	69.7	10.86	15130	(10)	83.6	8.92	9687	(10)	83.6	8.92	9687										
OTHER INCOME	(3)	2.5	.24	293	(4)	5.5	.67	664	(10)	3.6	.52	489	(10)	3.6	.52	489										
GROSS POSSIBLE INCOME	(3)	100.0 %	9.68	9190	(4)	100.0 %	16.90	16469	(10)	100.0 %	10.31	11070	(10)	100.0 %	10.31	11070										
TOTAL COLLECTIONS	(3)	85.1	8.17	7941	(4)	72.9	11.36	16035	(10)	88.4	9.19	9909	(10)	88.4	9.19	9909										
EXPENSES																										
MANAGEMENT FEE	(3)	5.1	.48	467	(3)	2.3	.39	398	(10)	4.9	.46	538	(10)	4.9	.46	538										
OTHER ADMINISTRATIVE**	(3)	11.7	1.13	997	(4)	5.4	1.02	890	(10)	6.5	.84	888	(10)	6.5	.84	888										
SUBTOTAL ADMINIST.	(3)	15.5 %	1.54	1427	(4)	5.4 %	1.02	890	(10)	11.4 %	1.46	1455	(10)	11.4 %	1.46	1455										
SUPPLIES	(3)	.1	.01	12	(4)	.2	.03	24	(4)	.3	.03	27	(4)	.3	.03	27										
HEATING FUEL-CA ONLY*	(2)	1.1	.11	86	(3)	.5	.09	126	(7)	2.4	.25	238	(7)	2.4	.25	238										
CA & APTS.*	()				()				()				()													
ELECTRICITY-CA ONLY*	(3)	1.5	.16	139	(3)	1.7	.19	205	(4)	1.3	.12	186	(4)	1.3	.12	186										
CA & APTS.*	()				()				()				()													
WATER/SEWER-CA ONLY*	(1)	4.7	.44	429	(1)	2.1	.40	348	(4)	3.9	.59	572	(4)	3.9	.59	572										
CA & APTS.*	(2)	5.8	.57	679	(3)	3.3	.52	517	(6)	4.1	.41	423	(6)	4.1	.41	423										
GAS-CA ONLY*	(2)	.1	.01	11	(3)	1.4	.21	210	(6)	3	.03	49	(6)	3	.03	49										
CA & APTS.*	()				()				()				()													
BUILDING SERVICES	(3)	1.7	.17	135	(3)	.7	.12	152	(9)	1.6	.14	166	(9)	1.6	.14	166										
OTHER OPERATING	()				()				()				()													
SUBTOTAL OPERATING	(3)	9.4 %	.92	734	(4)	8.3 %	1.29	1276	(10)	7.9 %	.87	1086	(10)	7.9 %	.87	1086										
SECURITY**	(2)	1.8	.17	196	(3)	1.4	.16	135	(5)	1.4	.24	228	(5)	1.4	.24	228										
GROUPS MAINTENANCE**	(3)	2.8	.26	255	(4)	1.8	.20	175	(10)	1.3	.12	130	(10)	1.3	.12	130										
MAINTENANCE-REPAIRS	(3)	6.0	.58	567	(4)	5.0	.84	875	(10)	5.8	.61	637	(10)	5.8	.61	637										
PAINTING/DECORATING**	(3)	2.6	.25	242	(4)	1.9	.35	304	(9)	1.2	.12	129	(9)	1.2	.12	129										
SUBTOTAL MAINTENANCE	(3)	13.4 %	1.27	1233	(4)	9.8 %	1.63	1420	(10)	13.9 %	1.42	1539	(10)	13.9 %	1.42	1539										
REAL ESTATE TAXES	(3)	5.1	.48	482	(4)	12.8	2.15	2130	(10)	7.5	.68	716	(10)	7.5	.68	716										
OTHER TAX/FEE/PERMIT	(3)	.1	.01	11	(4)	.2	.03	34	(4)	.0	.00	2	(4)	.0	.00	2										
INSURANCE	(3)	2.2	.23	199	(4)	2.1	.30	299	(10)	1.7	.21	219	(10)	1.7	.21	219										
SUBTOTAL TAX-INSURANCE	(3)	7.4 %	.70	680	(4)	15.9 %	2.48	2463	(10)	9.2 %	.91	883	(10)	9.2 %	.91	883										
RECREATION/AMENITIES**	(3)	.4	.04	48	(2)	.2	.03	24	(4)	.3	.04	39	(4)	.3	.04	39										
OTHER PAYROLL	(3)	6.7	.63	615	(3)	2.3	.36	402	(8)	2.1	.35	341	(8)	2.1	.35	341										
TOTAL ALL EXPENSES	(3)	51.6 %	4.88	4745	(4)	42.6 %	7.12	7065	(10)	48.5 %	5.37	6183	(10)	48.5 %	5.37	6183										
NET OPERATING INCOME	(3)	32.4 %	3.29	3196	(4)	32.4 %	4.24	5916	(10)	34.4 %	3.82	4184	(10)	34.4 %	3.82	4184										
PAYROLL RECAP**	(2)	15.7	1.48	1439	(4)	9.6	1.50	1484	(7)	13.2	1.36	1507	(7)	13.2	1.36	1507										

FOOTNOTE: For a description of Utility Expense (*) and Payroll Cost (**) reporting and an explanation of the report layouts and method of data analysis, refer to the sections entitled *Guidelines for the Use of this Data and Interpretation of a Page of Data*. For definitions of the income and expense categories, refer to the Appendix. Copyright © 2010, Institute of Real Estate Management.

Mark M. Massee
Mayor

HENRY D. TYSON, JR.
Administrator

W. DAVID WALKER
Zoning Administrator

City of Fitzgerald, Georgia

Zoning Department
115 North Grant Street
Fitzgerald, GA 31750
(229) 426-5044

May 30, 2012

Mr. Curry Wadsworth
Parallel Housing, Inc.
198 Boulevard
Athens, GA 30601

Re: Zoning Confirmation for Summit Apartments

Dear Mr. Wadsworth:

This is to confirm that the Fitzgerald Summit Apartments are in compliance with the guidelines for Community Commercial Zoning as outlined in the City of Fitzgerald Zoning Ordinance.

The proposed renovation would comply as well.

Please call if I may be of further assistance.

Sincerely,



W. David Walker
Zoning Administrator
City of Fitzgerald

Fax (229) 426-5049 ~ e-mail: fitzdw@mchsi.com ~ www.fitzgeraldga.org

C-C (COMMUNITY COMMERCIAL)

The purpose of this district shall be to provide and protect convenient areas for community shopping facilities consisting of a wide variety of sales and services.

Permitted Uses:

- + Accessory buildings or uses
- + Boarding or rooming house
- + Church or other place of worship, including Sunday school buildings, parish houses, convents, nursery school, kindergartens, and other related uses on the same premises and operated by the church provided that the lot size shall be no less than one-half (½) acre
 - o The property on which such uses are established shall front on a collector or arterial street as specified on the Major Thoroughfare Plan, Street and Road Classifications, Fitzgerald, Georgia.
 - o Any building or structure established with any such use shall have minimum side and rear yards of fifty (50) feet.
- + Dwelling, multi-family (Refer to section 9-3 of the Zoning Ordinances)
- + Home Occupation (Refer to Sections 9-1 and 12-6.2 of the Zoning Code)
- + Publicly owned recreation centers, Y.M.C.A., and institutions of a similar nature
- + Tourist homes
- + Ambulance service or rescue squad (private)
- + Amusement or recreational activities (commercial), carried on outside a building such as gold or baseball driving range, miniature golf course, softball field, and uses of a similar nature
- + Amusement or recreational activities (commercial), carried on wholly within a building, such as cinema, theater, auditorium, and uses of a similar nature
- + Art studio
- + Automobile service station, provided that major auto repair shall not be permitted, nor shall there be outside storage of materials or equipment other than merchandise offered for sale in a N-C, C-C, G-B, or D-C district
- + Automobile parking lot or parking garage (commercial)
- + Bait and tackle store
- + Banks, financial institutions, and offices not specifically listed elsewhere in the Zoning Codes
- + Book binding, printing, engraving, blueprinting, photostating, or letter shop
- + Building contractor and related activities and storage of building supplies and materials, provided that equipment and materials temporarily stored or displayed outside shall be completely enclosed by a suitable fence. No sawmill or planing mill operations shall take place on the premises within any district other than the HI district.
- + Business schools (private)
- + Clothing and dry goods stores, including shoe stores, men's and/or women's shops, variety stores and stores of a similar nature
- + Clubs or lodges (private)

- + Public college and universities, including dormitories and fraternity or sorority houses if located on the main campus
- + Cultural facilities, libraries, museums, and similar facilities
- + Dance school or studio
- + Department stores
- + Drive-in restaurants
- + Drug stores
- + Electrical appliance repair, wholly contained within a building
- + Flower shop
- + Food stores, including retail bakeries, meat markets, dairy products, confectioner shops, produce sales, and stores of a similar nature
- + Funeral homes
- + Furniture upholstery shop
- + Growing of Gardens
- + Home furnishings and hardware, such as appliance sales, hardware stores, paint stores, sporting good stores, furniture stores, and stores of a similar nature
- + Hotels
- + Laboratory serving professional requirements (e.g., medical, dental, etc.)
- + Laundromat or washerteria (commercial) (self-service laundries)
- + Locksmith or gunsmith--repairs and sales only
- + Medical, dental, or similar clinic
- + Motels
- + Music teaching studio
- + Neighborhood dry-cleaning plants, laundry pick-up stations
 - o The dry-cleaning plant and its operation shall the requirements of the National Fire Protection Association (NFPA) and the Underwriters Laboratories, Inc.
 - o The dry-cleaning plant shall serve not more than one pick-up and delivery station exclusive of one occupying the same premises as the plant.
 - o The building for a dry-cleaning plant shall not contain more than four thousand (4,000) square feet of floor area inclusive of dry-cleaning pick-up facilities within the building.
 - o The dry-cleaning plant shall be designed to operate in a manner that will not emit smoke, odor, or objectionable waster materials and which will not produce noise that will carry beyond the walls of the building occupied by such plant.
 - o Fuel for operation of equipment shall be smokeless fuel.
 - o The applicant for the dry-cleaning plant shall certify in writing at the time of application that all the above conditions will be met.
- + Office equipment sales and service
- + Package store
- + Pawn shops and small personal loan offices other than commercial banks
- + Personal service shops, such as barber shops, beauty shops, shoe repair, watch repair, and services of a similar nature
- + Pest control, providing no outside storage other than within a WLI or HI district
- + Photography studio
- + Radio and television studios
- + Railroad or bus passenger station

- + Restaurants and food catering services
- + Retail auto parts and tire stores
- + Retail stores, not covered elsewhere in the Zoning Ordinances
- + Shrubbery sales (within a CC or DC zone, must be wholly contained within the building)
- + Speciality shops, such as gift shops, jewelry stores, jewelry repair, antique shops, and stores of a similar nature
- + Taxidermist
- + Taxi office
- + Telegraph or messenger service
- + Trade schools
- + Utility trailer rentals and rent-alls (no outside storage in CC and DC districts)
- + Vending machines, located out-of-doors subject to yard and setback requirements for the respective districts (as an accessory use only)
- + Greenhouse and plant nursery (commercial), heavy industrial equipment allowed only in WLI and HI districts. In CC and DC, districts must be wholly contained within a building.
- + Advertising incidental use sign
- + Point of business sign (in accordance with restriction in Section 9-1 of Zoning Code if for home occupation)
 - o in P, not to exceed twelve (12) square feet combined
 - o identification sign
 - o bulletin board
- + Signs which do not require a permit (refer to Section 10-4 of the Zoning Code)
- + Temporary buildings and storage of materials (in conjunction with construction of a building) on a lot where construction is taking place or on adjacent lots such temporary uses to be terminated upon completion of construction

- + **Special Exceptions:**

- + Hospitals, Nursing Homes, Care Homes, and congregate personal care homes
 - o The lot shall be no less than three (3) acres within any district where allowed.
 - o Any building or structure established with any such use shall have minimum side and rear yards of fifty (50) feet.
 - o The front yard setback shall be twenty-five (25) feet more than required for other structures within the same district.
 - o The lot upon which any such use is built shall front on a collector or arterial street as specified on the Major Thoroughfare Plan, Street and Road Classifications, Fitzgerald, Georgia.
- + Governmental uses

Use Limitations (subject to Section 3-27 of Zoning Code):

- I. Dwelling, single family
- II. Dwelling, two families (duplex)
- III. Dwelling, three families (triplex)

Pertinent Sections of the Zoning Ordinances of Fitzgerald, Georgia

Section 9-1: Home Occupations--A home occupation as defined by this ordinance shall be governed by the following requirements:

- 9-1.1 At least one resident and not more than one non-resident of the dwelling may be engaged in the home occupation. The resident must be the owner of the home occupation.
- 9-1.2 The home occupation shall be clearly incidental to the residential use of the dwelling and shall not change the essential residential character of the building.
- 9-1.3 No display of products shall be visible from the street, and only products produced on the premises may be sold on the premises.
- 9-1.4 Only one (1) point of business sign, not exceeding two (2) square feet in size, motionless, non-lighted, and attached to the principle building, shall be permitted, and no advertising signs shall be permitted.
- 9-1.5 Use of the building for this purpose shall not exceed twenty-five percent (25%) of one floor or of the principle building.
- 9-1.6 No internal or external alterations inconsistent with the residential use of the building shall be permitted.
- 9-1.7 The occupation shall not constitute a nuisance in the neighborhood.
- 9-1.8 No accessory buildings or outside storage shall be used in connection with the occupation.
- 9-1.9 Instruction in music and similar subjects shall be limited to two (2) students at a time.
- 9-1.10 Vehicles used primarily as passenger vehicles only shall be permitted in connection with the conduct of the customary home occupation.
- 9-1.11 The following and similar uses may be considered home occupations provided that all additional requirements of this section are met: accountant, addressing service, answering service, architect, art instructor, barber or beauty shop (with no more than one chair), drafting, dressmaking, insurance agent, manufacturing agent, music teacher, notary public, photography, real estate agent, and tax consultant.
- 9-1.12 Not more than five (5) children may be kept in the home as a nursery as a customary home occupation. (See definition of Nursery School in Section 2-32.)

Section 9-3: Multi-Family Development Projects--Multi-Family Development Projects are allowed within MR, P, CC, and GB zoning districts as a matter of right and within the D-C zoning district as a Special Exception.

- 9-3.1 Multiple buildings may be allowed on a single lot in these development types.

- 9-3.2 Two parking spaces shall be provided for each dwelling unit proposed as part of any multi-family development project (does not apply to D-C district).
- 9-3.3 Multi-family development projects shall conform to the building height restrictions and yard setback requirements listed in Section 6 of this ordinance.
- 9-3.4 Each dwelling unit proposed as part of a multi-family development project shall meet the minimum floor area requirements listed in Section 6 of this ordinance, as well as limitations for efficiency and one bedroom units as part of the total project development.
- 9-3.5 All multi-family development projects shall leave 500 square feet per dwelling unit in a natural state as open space or be developed as park and/or open air recreation facilities. This requirement does not apply to multi-family development projects in the D-C district.

Section 3-27: Certain Residential Uses in Certain Business Districts

Single family, duplex, and triplex residential uses shall be allowed as a use by right in CC, GB, and DC districts; provided, that only structures existing on the effective date of this ordinance, and as the same any thereafter be maintained, renovated, remodeled, or enlarged, may be used for such residential purposes. No new structures for such purposes shall be constructed in such districts.

Section 2-32: Definitions, Nursery School

An agency, organization, or individual providing daytime care of six or more children not related by blood or marriage or not the legal wards of foster children of the attendant adult.

Section 10-4: Signs Not Requiring a Permit--The following signs shall not require a permit:

- a. Signs to regulate traffic
- b. Signs required to be posted by law
- c. Warning signs and no trespassing signs
- d. Signs established by governmental agencies
- e. Signs indicating bus stops, taxi stands, and similar transportation
- f. Signs not exceeding twelve (12) square feet in area, advertising specific property for sale, lease, rent, or development, on private property
- g. Temporary real estate signs less than twelve (12) feet in area advertising specific property for sale, lease, rent, or development, on private property
- h. Any sign not exceeding twelve (12) square feet in area other than Advertising Separate Use Signs or signs requiring electrical wiring
- I. Temporary signs on private land involved in campaigns of religious, charitable, civic, fraternal, political, and similar organizations

Section 12-6.2: Powers and Duties, Special Exceptions--The Board shall hear and decide upon special exceptions as authorized by Section 5, Schedule of Permitted Uses (see Section 12.5-1), of this ordinance. The application to establish such use shall be approved on a finding by the Board of Appeals that:

- a. The proposed use will not be contrary to the purpose of this ordinance.
- b. The proposed ordinance will not be detrimental to the use or development of adjacent properties or the general neighborhood nor affect adversely the health and safety of residents and workers.
- c. The proposed use will not constitute a nuisance or hazard because of the number of persons who will attend or use such facility, vehicular movement, noise or fumes generation, or type of physical activity.
- d. The proposed use will not be affected adversely by the existing uses of adjacent properties; and the proposed use will be placed on a lot of sufficient size to satisfy the space requirements of said use.
- e. The parking and all development standards set forth for each particular use for which a permit may be granted will be met.
- f. Provided, that the Board of Appeals may impose or require such additional restrictions and standards (e.g., increased setbacks, buffer strips, screening, etc.) as may be necessary to protect the health and safety of workers and residents in the community, and to protect the value and use of property in the general neighborhood; and provided that wherever the Board of Appeals shall find, in the case of any permit granted pursuant to the provisions of this ordinance that any term, condition or restrictions upon which such permit was granted are not being complied with, said Board shall rescind and revoke such permit after giving due notice to all parties concerned and granting full opportunity for a public hearing.
- g. Special Exceptions may be granted by the Board shall be exercised within twelve (12) months from date of approval, shall not be transferable except upon written approval of the Board, or shall become null and void and subject to procedures for resubmission as hereinabove established.

Section 12-5.1: Public Hearing, Notice of Hearing Shall be Given

Before making its decision on any appeal, request for a Special Exception, or request for a variance, said Board shall hold a public hearing thereon. At least fifteen (15) days notice of the time and place of such hearing shall be sent to the appellant or petitioner, to the Planning Commission, the Zoning Administrator, and to the owner of all properties either adjoining the property with which the hearing is concerned or situated directly across a public right-of-way from said property. Such notice shall contain the name of the appellant or petitioner, the date, time, and place set for the hearing, and a brief statement of the nature of the hearing.

Section 3-19: Screening Required

Wherever screening is required by this ordinance, a durable masonry wall or fence and hedge of sufficient opacity to provide a visual blind, designed to be compatible with the character of adjoining properties, shall be provided and maintained by the owner or his/her successors and assigns. Such fences and walls shall be at least six (6) feet in height, but no greater than eight (8) feet in height, measured from the ground along the common lot line of the adjoining properties. Hedges or comparable natural plantings shall be of such variety that an average height of at least six (6) feet could be expected by normal growth within no later than three (3) years from the time of planting. Then owner/developer shall install the screening prior to issuance of the certificate of occupancy. Occupancy will not be allowed until the screening is completed as a part of the normal development requirements.

Section 6: Setback, Floor Area, and Yard Requirements by District

6-1: Development Standards--Within the various zoning districts as indicated on the "Zoning Map of Fitzgerald, Georgia," no building or structure, excluding all signs other than the advertising signs, shall be constructed or erected except as indicated in the following schedule:

Zone C-C

Minimum Lot Width		60 feet
Front setbacks from center line of road	Principle & Major Arterials	90 feet**
	Collector Streets	85 feet**
	Local Streets	80 feet**
Minimum Side Yards		None* ***
Minimum Rear Yard		12 feet* ***
Maximum Height		None*

* The minimum distance from all other property lines to any building over thirty-five (35) feet in height shall be increase one (1) foot for every two (2) feet (or part of 2 feet) of building height greater than thirty-five (35) feet.

** Plus ½ any amount which the R/W width exceeds sixty (60) feet for local street, seventy (70) feet for collector streets, and eighty (80) feet for principle & major arterials.

*** If the adjoining yard is within any residential district, the yard requirements specified in this table shall be increased ten (10) feet and screening shall be provided as specified in Section 3-19 along the lot line common with said lot.

EXHIBIT A

TRACT 1

ALL THAT TRACT or parcel of land lying and being in the City of Fitzgerald, Ben Hill County, Georgia, and being more particularly described as follows:

Commencing at the intersection of the north right-of-way line of East Jessamine Street (60' right-of-way) and the east right-of-way line of South Grant Street (60' right-of-way); running thence north 1° 00' east along the east right-of-way line of South Grant Street, a distance of 122 feet 0 inches to the TRUE POINT OF BEGINNING; running thence north 1° 00' east along the east right-of-way line of South Grant Street, a distance of 48 feet 10 inches to a point; running thence south 89° 00' east a distance of 170 feet 10 inches to a point; running thence south 1° 00' west a distance of 48 feet 10 inches to a point; running thence north 89° 00' west a distance of 170 feet 10 inches to the point of beginning.

TRACT 2

ALL THAT TRACT or parcel of land lying and being in the City of Fitzgerald, Ben Hill County, Georgia, and being more particularly described as follows:

Commencing at the intersection of the south right-of-way line of East Magnolia Street (60' right-of-way) and the east right-of-way line of South Grant Street (60' right-of-way); running thence south 1° 00' west along the east right-of-way line of South Grant Street a distance of 131 feet 11 inches to the TRUE POINT OF BEGINNING; running thence south 89° 00' east a distance of 170 feet 10 inches to a point; running thence south 1° 00' west a distance of 38 feet 11 inches to a point; running thence north 89° 00' west a distance of 170 feet 10 inches to a point on the east right-of-way line of South Grant Street; running thence north 1° 00' east along said east right-of-way line of Grant Street a distance of 38 feet 11 inches to the TRUE POINT OF BEGINNING.

TRACT 3

ALL THAT TRACT or parcel of land lying and being in the City of Fitzgerald, Ben Hill County, Georgia, and being more particularly described as follows:

Beginning at the intersection of the south right-of-way line of East Magnolia Street (60' right-of-way) and the west right-of-way line of South Sherman Street (60' right-of-way); running thence south 1° 00' west along said west right-of-way line of South Sherman Street a distance of 170 feet 10 inches to a point; thence running south 1° 00' west along said west right-of-way line of South Sherman Street a distance of 20 feet 0 inches to a point; running thence south 1° 00' west along said west right-of-way line of South Sherman Street a distance of 170 feet 10 inches to a point on the north right-of-way line of East Jessamine Street; running thence north 89° 00' west along the north right-of-way line of East Jessamine Street a distance of 170 feet 10 inches to a point; running thence north 1° 00' east a distance of 170 feet 10 inches to a point; running thence north 1° 00' east a distance of 20 feet 0 inches to a point; running thence north 1° 00' east a distance of 170 feet 10 inches to a point on the south right-of-way line of East Magnolia Street; running thence south 89° 00' east along said south right-of-way line of East Magnolia Street a distance of 170 feet 10 inches to the point of beginning.

Tracts 1, 2 and 3 are shown on survey certified for Fitzgerald Properties, Ltd. et al by Tommy W. Ash dated July 30, 1978.

Unit Configuration & Rental Income Projection
 Fitzgerald Summit
 6/6/2012

Units		Net Rents	Rental Assist./HAP	Util. Allow.	Gross Rents	60% Max Rents	FMR Rents	Percent Rents	Description	Monthly Rent	Sq. Ftg.	Extended Sq. Ftg.
	Effic.			\$ -	\$ -				Other	\$ -		-
	Effic.			\$ -	\$ -	\$ -	\$ -		Other	\$ -		-
	Effic.			\$ -	\$ -	\$ -	\$ -		Other	\$ -		-
	Effic.			\$ -	\$ -	\$ -	\$ -		Other	\$ -		-
83	1 BR	\$ 605		\$ -	\$ 605	\$ 509	\$ 461	71.32%	LIHTC 60%	\$ 50,215	738	61,294
	1 BR			\$ -	\$ -	\$ 509	\$ 461		Other	\$ -	738	-
	1 BR			\$ -	\$ -	\$ 509	\$ 461		Other	\$ -	738	-
	1 BR			\$ -	\$ -	\$ 509	\$ 461		Other	\$ -	738	-
	1 BR			\$ -	\$ -	\$ 509	\$ 461		Other	\$ -	738	-
1	2 BR	\$ 680		\$ -	\$ 680	\$ 610	\$ 551	66.89%	LIHTC 60%	\$ 680	988	988
	2 BR			\$ -	\$ -	\$ 610	\$ 551		Other	\$ -	988	-
	2 BR			\$ -	\$ -	\$ 610	\$ 551		Other	\$ -	988	-
	2 BR			\$ -	\$ -	\$ 610	\$ 551		Other	\$ -	988	-
	2 BR			\$ -	\$ -	\$ 610	\$ 551		Other	\$ -	988	-
	3 BR			\$ -	\$ -				Other	\$ -		-
	3 BR			\$ -	\$ -	\$ -	\$ -		Other	\$ -		-
	3 BR			\$ -	\$ -	\$ -	\$ -		Other	\$ -		-
	3 BR			\$ -	\$ -	\$ -	\$ -		Other	\$ -		-
	3 BR			\$ -	\$ -	\$ -	\$ -		Other	\$ -		-
	4 BR			\$ -	\$ -				Other	\$ -		-
	4 BR			\$ -	\$ -	\$ -	\$ -		Other	\$ -		-
	4 BR			\$ -	\$ -	\$ -	\$ -		Other	\$ -		-
	4 BR			\$ -	\$ -	\$ -	\$ -		Other	\$ -		-
	4 BR			\$ -	\$ -	\$ -	\$ -		Other	\$ -		-
84	Total Units								Total:	\$ 50,895		62,282

Utility Allowance
 Fitzgerald Summit
 6/6/2012

Utility	Type of Service	Owner	Tenant	Bedroom Size				
				0	1	2	3	4
Heat	Electric	X						
Hot Water	Electric	X						
Cooking	Electric	X						
Lighting	Electric	X						
Other Elect	Electric	X						
A/C	Electric	X						
Other	Electric	X						
Other	Electric	X						
Water	Public	X						
Sewer	Public	X						
Garbage	Public	X						
Other	Electric							
Other	Electric							
Other	Electric							
Total				\$ -	\$ -	\$ -	\$ -	\$ -

Fitzgerald Summit
 Managed by Ambling Management Company
Financial Analysis Report

	01/31/2011	02/28/2011	03/31/2011	04/30/2011	05/31/2011	06/30/2011	07/31/2011	08/31/2011	09/30/2011	10/31/2011	11/30/2011	12/31/2011	Total	Original	Variance	
	Actual	Forecast	Actual	Budget												
REVENUE																
RENTAL INCOME	49,689	49,954	50,054	50,041	49,720	50,452	50,054	50,324	50,959	50,885	50,895	51,841	604,878	603,753	2,125	
COST OF LEASING	(1,652)	(2,382)	(625)	(2,339)	(4,012)	(2,039)	(1,267)	(455)	(302)	(451)	(746)	(655)	(17,968)	(15,549)	(2,417)	
NET RENTAL INCOME	48,037	47,572	49,229	47,702	45,708	47,913	48,787	49,829	50,657	50,444	50,149	50,986	586,910	587,204	(281)	
OTHER INCOME	395	1,194	327	1,012	419	570	603	486	275	1,000	376	604	7,304	6,360	944	
TOTAL INCOME	48,433	48,766	49,556	48,714	46,127	48,483	49,390	50,315	50,932	51,494	50,525	51,490	594,217	593,564	653	
CONTROLLABLE EXPENSES																
PAYROLL OFFICE	2,493	2,243	2,493	2,243	3,822	2,498	2,565	2,565	2,665	2,315	3,973	2,565	32,141	29,569	2,572	
PAYROLL MAINTENANCE	1,743	1,480	2,041	3,725	3,690	3,690	3,866	3,790	3,769	3,791	6,868	3,858	43,838	55,508	(11,670)	
PAYROLL RELATED EXPENSES	1,480	1,872	1,235	2,120	1,547	1,678	1,144	1,351	1,352	1,326	2,038	1,512	18,858	34,859	(15,998)	
TOTAL PAYROLL	5,716	5,595	5,769	8,088	11,554	8,066	7,575	7,706	7,706	7,434	11,881	7,935	94,837	119,933	(25,096)	
GENERAL & ADMINISTRATIVE	2,897	2,429	389	1,286	924	1,971	1,029	1,238	3,304	1,119	1,496	1,279	19,496	21,776	(2,280)	
PROFESSIONAL FEES	504	504	504	504	2,164	504	914	444	5,754	1,087	1,087	1,087	15,058	14,358	700	
CONTRACT SERVICES	4,075	3,310	2,452	3,009	3,221	3,525	3,704	3,303	3,299	3,739	3,285	3,733	40,962	41,320	(358)	
TURNOVER EXPENSE	0	0	150	163	0	111	146	83	150	160	33	0	996	1,800	(804)	
REPAIRS & MAINTENANCE	1,311	251	1,562	1,764	(219)	939	224	711	664	559	721	548	9,437	10,810	(1,373)	
MARKETING & LEASING	161	0	122	76	0	24	144	62	0	77	114	105	864	1,400	(516)	
COMMON AREA UTILITIES EXPENSE	18,815	13,500	6,370	8,987	8,828	11,442	11,049	17,351	11,841	11,662	10,183	12,247	142,304	162,000	(19,696)	
TOTAL UTILITIES	18,815	13,500	6,370	8,987	8,828	11,442	11,049	17,351	11,841	11,662	10,183	12,247	142,304	162,000	(19,696)	
MANAGEMENT FEES	3,269	3,311	3,363	3,301	3,383	3,029	3,032	3,515	3,306	3,502	3,549	3,253	39,845	40,068	(223)	
TOTAL CONTROLLABLE EXPENSES	36,748	28,900	21,081	27,178	29,855	29,611	27,817	34,413	36,054	29,870	31,802	30,187	363,520	413,465	(49,945)	
CONTROLLABLE CASH FLOW	11,685	19,866	28,475	21,536	16,272	18,872	21,573	15,902	14,878	21,614	18,723	21,303	230,697	180,099	50,598	
TAXES & INSURANCE	3,870	3,957	3,968	3,799	3,799	3,799	3,799	3,806	3,806	3,815	3,815	3,898	46,101	46,356	(255)	
NET OPERATING INCOME	7,865	15,909	24,467	17,737	12,473	15,073	17,774	12,096	11,072	17,799	14,908	17,405	184,596	133,743	50,853	
CASH FLOW BEFORE DEBT SERVICE	7,865	15,909	24,467	17,737	12,473	15,073	17,774	12,096	11,072	17,799	14,908	17,405	184,596	133,743	50,853	
DEBT SERVICE	21,303	12,037	12,037	12,037	12,037	13,435	12,037	12,037	12,037	12,038	12,038	12,011	155,083	144,446	10,638	
CASH FLOW AFTER DEBT SERVICE	(13,438)	3,872	12,430	5,700	436	1,638	5,737	69	(965)	5,761	2,870	5,394	29,513	(10,702)	40,215	
RESERVES	2,100	2,130	(1,117)	(47,880)	2,113	2,113	(7,962)	0	2,113	2,113	2,107	2,107	(37,944)	26,200	(63,144)	
CAPITAL EXPENDITURES	853	808	808	3,303	0	4,548	763	0	763	4,231	3,615	259	20,030	16,620	3,410	
CASH FLOW BEFORE DEPRECIATION	(16,391)	984	12,759	80,197	(1,677)	(5,023)	2,859	8,021	(3,940)	(583)	(2,858)	3,028	47,427	(52,522)	99,949	
DEPRECIATION/AMORTIZATION	6,286	6,286	2,110	4,894	4,894	4,894	4,894	4,993	4,996	4,996	4,996	4,996	59,224	75,428	(16,204)	
OTHER EXPENSES	0	0	0	0	0	0	0	0	0	0	(4,730)	4,730	0	0	0	
CASH FLOW AFTER DEPRECIATION AND OTHER EXP.	(22,677)	(5,362)	10,649	45,303	(6,571)	(9,917)	(2,035)	3,088	(8,936)	(5,579)	(3,124)	(6,698)	(11,797)	(127,950)	116,153	

Fitzgerald Summit
 Managed by Ambling Management Company
Financial Analysis Report

	01/31/2011	02/28/2011	03/31/2011	04/30/2011	05/31/2011	06/30/2011	07/31/2011	08/31/2011	09/30/2011	10/31/2011	11/30/2011	12/31/2011	Total Act/Bud	Original Budget	Variance
	Actual	Forecast													
RECONCILIATION TO GAAP NET INCOME (LOSS)	0	0	0	0	0	0	0	0	0	0	0	0	(8,511)	0	(8,511)
CAPITAL EXPENDITURES	(2,100)	(2,130)	1,117	47,880	(2,112)	(1,526)	(6,222)	7,962	(2,112)	(2,113)	(2,114)	(2,107)	37,944	(25,200)	63,144
RESERVES	(6,325)	(6,596)	(7,150)	(6,561)	(6,866)	(6,725)	(6,327)	(6,789)	(6,822)	(7,022)	(6,887)	(7,086)	(83,857)	(108,438)	22,582
MORTGAGE PRINCIPLE PAYMENTS															
GAAP NET INCOME (LOSS)	(12,252)	3,374	16,662	4,084	2,407	448	13,229	1,865	661	3,556	5,678	2,494	42,627	3,688	38,938

Ambling Management Co Affordable - Fitzgerald Summit
RENT ROLL DETAIL
As of 12/31/2011

Parameters: Property - ALL; Subjournal - ALL; Formers excluded - Yes; Unit Designation - ALL;

Details

Unit	Floorplan	Unit Designation (3.0 only)	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Sub Journal	Trans Code	Lease Rent	Other Charges/ Credits	Total Billing	Dep On Hand	Balance
101	11GHUD	N/A	576	Occupied	Brown, Ida	08/23/2010	08/23/2010	08/31/2011	RESIDENT	RENT	171.00	0.00	171.00	206.00	0.00
									SUBSIDY	SUBR	434.00	0.00	434.00	0.00	0.00
102	11GHUD	N/A	576	Occupied	KING, ROOSEVELT	08/18/2008	08/18/2008	05/31/2009	RESIDENT	RENT	285.00	0.00	285.00	150.00	0.00
									SUBSIDY	SUBR	320.00	0.00	320.00	0.00	0.00
103	11GHUD	N/A	576	Occupied	Stephens, Aline	10/01/2010	10/01/2010	09/30/2011	RESIDENT	RENT	329.00	0.00	329.00	329.00	0.00
									SUBSIDY	SUBR	276.00	0.00	276.00	0.00	0.00
104	11GHUD	N/A	576	Occupied	Lyons, Richard	12/04/2009	12/04/2009	12/31/2010	RESIDENT	RENT	296.00	0.00	296.00	328.00	0.00
									SUBSIDY	SUBR	309.00	0.00	309.00	0.00	0.00
105	11GHUD	N/A	576	Occupied	Person, Carolyn	06/02/2011	06/02/2011	05/31/2012	RESIDENT	RENT	25.00	0.00	25.00	25.00	0.00
									SUBSIDY	SUBR	590.00	0.00	590.00	0.00	0.00
106	21GHUD	N/A	864	Occupied	WILHELM, BRENDA	10/19/2008	07/01/2007	08/30/2008	RESIDENT	RENT	25.00	0.00	25.00	25.00	0.00
									SUBSIDY	SUBR	655.00	0.00	655.00	0.00	0.00
107	11GHUD	N/A	576	Occupied	Rowell, Evelyn	07/05/2011	07/05/2011	06/30/2012	RESIDENT	RENT	326.00	0.00	326.00	368.00	0.00
									SUBSIDY	SUBR	279.00	0.00	279.00	0.00	0.00
108	11GHUD	N/A	576	Occupied	NAPIER, MARY	12/10/2004	09/01/2007	08/31/2008	RESIDENT	RENT	192.00	0.00	192.00	199.00	0.00
									SUBSIDY	SUBR	413.00	0.00	413.00	0.00	0.00
109	11GHUD	N/A	576	Occupied	Browning, David	11/18/2011	11/18/2011	11/30/2012	RESIDENT	RENT	192.00	0.00	192.00	192.00	0.00
									SUBSIDY	SUBR	413.00	0.00	413.00	0.00	592.00
110	11GHUD	N/A	576	Occupied	Vickers, Victoria	08/17/2011	06/17/2011	05/31/2012	RESIDENT	RENT	192.00	0.00	192.00	125.00	0.00
									SUBSIDY	SUBR	413.00	0.00	413.00	0.00	0.00
111	11GHUD	N/A	576	Occupied	BROCKINGTON, EARLENE	07/13/2007	07/13/2007	04/30/2008	RESIDENT	RENT	219.00	0.00	219.00	99.00	0.00
									SUBSIDY	SUBR	396.00	0.00	396.00	0.00	0.00
112	11GHUD	N/A	576	Occupied	Conley, Denise	02/14/2011	02/14/2011	01/31/2012	RESIDENT	RENT	25.00	0.00	25.00	25.00	0.00
									SUBSIDY	SUBR	580.00	0.00	580.00	0.00	0.00
201	11GHUD	N/A	576	Occupied	Westbrook, Corrie	12/11/2009	12/11/2009	12/31/2010	RESIDENT	RENT	192.00	0.00	192.00	192.00	0.00
									SUBSIDY	SUBR	413.00	0.00	413.00	0.00	0.00
202	11GHUD	N/A	576	Occupied	Burch, John	09/17/2010	09/17/2010	09/30/2011	RESIDENT	RENT	198.00	0.00	198.00	198.00	0.00
									SUBSIDY	SUBR	407.00	0.00	407.00	0.00	0.00
203	11GHUD	N/A	576	Occupied	Smith, Edwin	09/05/2009	09/05/2009	09/30/2010	RESIDENT	RENT	265.00	0.00	265.00	73.00	0.00
									SUBSIDY	SUBR	340.00	0.00	340.00	0.00	(494.00)
204	11GHUD	N/A	576	Occupied	HOLLAND, EUGENE	10/10/2007	10/10/2007	09/30/2008	RESIDENT	RENT	246.00	0.00	246.00	227.00	0.00
									SUBSIDY	SUBR	359.00	0.00	359.00	0.00	0.00
205	11GHUD	N/A	576	Occupied	PAUL, MYRTLE	07/01/2005	07/01/2007	05/30/2008	RESIDENT	RENT	256.00	0.00	256.00	25.00	0.00
									SUBSIDY	SUBR	349.00	0.00	349.00	0.00	0.00
206	11GHUD	N/A	576	Occupied	Mcneez, James	08/08/2010	08/08/2010	08/31/2011	RESIDENT	RENT	181.00	0.00	181.00	25.00	0.00
									SUBSIDY	SUBR	424.00	0.00	424.00	0.00	0.00

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OneSite Rents v3.0
12/30/2011 4:19:07PM

Parameters: Property - ALL; SubJournal - ALL; Formers excluded - Yes; Unit Designation - ALL;
As of 12/31/2011

Ambling Management Co Affordable - Fitzgerald Summit
RENT ROLL DETAIL

Unit	Floorplan	Unit Designation (3.0 only)	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Sub Journal	Trans Code	Lease Rent	Other Charges/Credits	Total Billing	Dep On Hand	Balance
207	11GHUD	N/A	Occupied	ALEXANDER, RUDENE	08/01/2007	08/01/2007	07/31/2008	RESIDENT	RENT	310.00	0.00	310.00	267.00	0.00
208	11GHUD	N/A	Occupied	Harris, Dorothy	01/04/2011	01/04/2011	01/31/2012	SUBSIDY	SUBR	295.00	0.00	295.00	0.00	0.00
209	11GHUD	N/A	Occupied	SPARROW, SUSAN	09/16/2005	04/01/2007	03/31/2008	RESIDENT	RENT	192.00	0.00	192.00	164.00	0.00
210	11GHUD	N/A	Occupied	CARUTHERS, THEODORE	11/30/2004	11/01/2007	10/31/2008	SUBSIDY	SUBR	413.00	0.00	413.00	0.00	0.00
211	11GHUD	N/A	Occupied	Railley, Denise	02/03/2011	02/03/2011	01/31/2012	SUBSIDY	SUBR	374.00	0.00	374.00	0.00	0.00
212	11GHUD	N/A	Occupied	WOOD, PATRICIA	08/04/2008	09/04/2008	07/31/2009	RESIDENT	RENT	198.00	0.00	198.00	181.00	0.00
213	11GHUD	N/A	Occupied	ROSE, TROPECCA	12/12/2008	12/12/2008	11/30/2009	SUBSIDY	SUBR	407.00	0.00	407.00	0.00	0.00
214	11GHUD	N/A	Occupied	Webb, April	09/16/2009	09/16/2009	09/30/2010	RESIDENT	RENT	192.00	0.00	192.00	192.00	0.00
215	11GHUD	N/A	Occupied	FRYAR, DAVID	08/03/2007	09/03/2007	07/31/2008	SUBSIDY	SUBR	407.00	0.00	407.00	0.00	0.00
216	11GHUD	N/A	Occupied	YOUNG, MARY	09/10/2003	09/01/2007	09/31/2008	RESIDENT	RENT	250.00	0.00	250.00	203.00	0.00
217	11GHUD	N/A	Occupied	KING, IVORY	05/01/2002	05/01/2007	04/30/2008	SUBSIDY	SUBR	355.00	0.00	355.00	0.00	0.00
218	11GHUD	N/A	Occupied	McDaniel, Henry	03/24/2011	03/24/2011	02/29/2012	RESIDENT	RENT	198.00	0.00	198.00	160.00	0.00
301	11GHUD	N/A	Occupied	Colton, Calvin	05/07/2009	05/07/2009	05/31/2010	SUBSIDY	SUBR	407.00	0.00	407.00	0.00	0.00
302	11GHUD	N/A	Occupied	Farrar, Fredrick	06/22/2011	06/22/2011	05/31/2012	RESIDENT	RENT	25.00	0.00	25.00	25.00	0.00
303	11GHUD	N/A	Occupied	Sumler, Earnestine	01/31/2011	01/31/2011	12/31/2011	SUBSIDY	SUBR	590.00	0.00	590.00	0.00	0.00
304	11GHUD	N/A	Occupied	BOYD, LUCILLE	01/09/2004	01/01/2007	12/31/2008	RESIDENT	RENT	270.00	0.00	270.00	118.00	0.00
305	11GHUD	N/A	Occupied	Bundrick, Richard	12/07/2011	12/07/2011	11/30/2012	SUBSIDY	SUBR	335.00	0.00	335.00	0.00	0.00
306	11GHUD	N/A	Occupied	Lowe, Cassandra	03/22/2010	03/22/2010	03/31/2011	RESIDENT	RENT	192.00	0.00	192.00	204.00	0.00
								SUBSIDY	SUBR	413.00	0.00	413.00	0.00	0.00
								SUBSIDY	SUBR	198.00	0.00	198.00	198.00	0.00
								SUBSIDY	SUBR	407.00	0.00	407.00	0.00	0.00
								SUBSIDY	SUBR	155.00	0.00	155.00	192.00	(37.00)
								SUBSIDY	SUBR	333.00	0.00	333.00	0.00	333.00
								SUBSIDY	SUBR	231.00	0.00	231.00	231.00	0.00
								SUBSIDY	SUBR	374.00	0.00	374.00	0.00	0.00

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Ambling Management Co Affordable - Fitzgerald Summit
RENT ROLL DETAIL
As of 12/31/2011

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Unit	Floorplan	Unit Designation (3.0 only)	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Sub Journal	Trans Code	Lease Rent	Charges/ Credits	Total Billing	Dep On Hand	Balance
307	11GHUD	N/A	576	Occupied	BIVENS, DANIEL	12/01/2003	12/01/2006	11/30/2008	RESIDENT	RENT	234.00	0.00	234.00	25.00	0.00
									SUBSIDY	SUBR	371.00	0.00	371.00	0.00	0.00
308	11GHUD	N/A	576	Occupied	Pennington, Janice	11/15/2011	11/15/2011	10/31/2012	RESIDENT	RENT	25.00	0.00	25.00	25.00	0.00
									SUBSIDY	SUBR	560.00	0.00	580.00	0.00	889.00
309	11GHUD	N/A	576	Occupied	Hall, Sheila	09/09/2010	09/09/2010	09/30/2011	RESIDENT	RENT	170.00	0.00	170.00	192.00	0.00
									SUBSIDY	SUBR	435.00	0.00	435.00	0.00	0.00
310	11GHUD	N/A	576	Occupied	HARPER, LANAE	10/01/2002	10/01/2007	09/30/2008	RESIDENT	RENT	25.00	0.00	25.00	115.00	0.00
									SUBSIDY	SUBR	560.00	0.00	590.00	0.00	0.00
311	11GHUD	N/A	576	Occupied	WALTON, JOE	10/22/2004	10/01/2007	09/30/2008	RESIDENT	RENT	219.00	0.00	219.00	181.00	0.00
									SUBSIDY	SUBR	396.00	0.00	396.00	0.00	0.00
312	11GHUD	N/A	576	Occupied	CRUMEDY, SHERRIL	06/05/2000	06/01/2007	05/31/2008	RESIDENT	RENT	218.00	0.00	218.00	271.00	0.00
									SUBSIDY	SUBR	387.00	0.00	387.00	0.00	0.00
313	11GHUD	N/A	576	Occupied	Collier, Sarah	10/14/2011	10/14/2011	09/30/2012	RESIDENT	RENT	178.00	0.00	178.00	178.00	0.00
									SUBSIDY	SUBR	427.00	0.00	427.00	0.00	0.00
314	11GHUD	N/A	576	Occupied	Harper, Troy	05/01/2009	05/01/2009	05/31/2010	RESIDENT	RENT	227.00	0.00	227.00	252.00	0.00
									SUBSIDY	SUBR	378.00	0.00	378.00	0.00	0.00
315	11GHUD	N/A	576	Occupied	Simmons, Toni	11/03/2009	11/03/2009	11/30/2010	RESIDENT	RENT	191.00	0.00	191.00	25.00	0.00
									SUBSIDY	SUBR	414.00	0.00	414.00	0.00	0.00
316	11GHUD	N/A	576	Occupied	Parker, Rita	02/07/2011	02/07/2011	01/31/2012	RESIDENT	RENT	198.00	0.00	198.00	198.00	0.00
									SUBSIDY	SUBR	407.00	0.00	407.00	0.00	0.00
317	11GHUD	N/A	576	Occupied	WILCOX, CARRIE	04/01/2004	04/01/2007	03/31/2008	RESIDENT	RENT	192.00	0.00	192.00	159.00	0.00
									SUBSIDY	SUBR	413.00	0.00	413.00	0.00	0.00
318	11GHUD	N/A	576	Occupied	GALLON, DOROTHY	11/03/2003	11/01/2007	10/31/2008	RESIDENT	RENT	198.00	0.00	198.00	158.00	0.00
									SUBSIDY	SUBR	407.00	0.00	407.00	0.00	0.00
401	11GHUD	N/A	576	Occupied	Napper, Francine	11/04/2010	11/04/2010	10/31/2011	RESIDENT	RENT	198.00	0.00	198.00	25.00	0.00
									SUBSIDY	SUBR	407.00	0.00	407.00	0.00	0.00
402	11GHUD	N/A	576	Occupied	Harper, Otis	09/23/2010	09/23/2010	09/30/2011	RESIDENT	RENT	25.00	0.00	25.00	25.00	0.00
									SUBSIDY	SUBR	560.00	0.00	560.00	0.00	0.00
403	11GHUD	N/A	576	Occupied	SCOTT, LESTER	03/10/2006	03/01/2007	02/29/2008	RESIDENT	RENT	146.00	0.00	146.00	177.00	0.00
									SUBSIDY	SUBR	457.00	0.00	457.00	0.00	0.00
404	11GHUD	N/A	576	Occupied	HARVEY, NANCY	06/18/2008	06/18/2008	05/31/2009	RESIDENT	RENT	217.00	0.00	217.00	0.00	0.00
									SUBSIDY	SUBR	388.00	0.00	388.00	0.00	0.00
405	11GHUD	N/A	576	Occupied	Tillman, Louise	01/08/2010	01/08/2010	01/31/2011	RESIDENT	RENT	198.00	0.00	198.00	198.00	0.00
									SUBSIDY	SUBR	407.00	0.00	407.00	0.00	0.00
406	11GHUD	N/A	576	Occupied	Goolbsy, Quincey	12/07/2010	12/07/2010	12/31/2011	RESIDENT	RENT	192.00	0.00	192.00	192.00	0.00
									SUBSIDY	SUBR	413.00	0.00	413.00	0.00	0.00

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Ambiling Management Co Affordable - Fitzgerald Summit
RENT ROLL DETAIL

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Details

Unit	Floorplan	Designation (3.0 only)	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Sub Journal	Trans Code	Lease Rent	Other Charges/ Credits	Total Billing	Dep On Hand	Balance
407	11GHUD	N/A	576	Occupied	Sparrow, Anthony	07/09/2010	07/31/2011	07/31/2011	RESIDENT	RENT	192.00	0.00	192.00	192.00	0.00
									SUBSIDY	SUBR	413.00	0.00	413.00	0.00	0.00
408	11GHUD	N/A	576	Occupied	PHILLIPS, ANNIE	09/17/2004	09/01/2007	06/31/2008	RESIDENT	RENT	341.00	0.00	341.00	144.00	0.00
									SUBSIDY	SUBR	264.00	0.00	264.00	0.00	0.00
409	11GHUD	N/A	576	Occupied	MCCAIN, STEPHEN	10/03/2001	10/01/2007	09/30/2008	RESIDENT	RENT	201.00	0.00	201.00	156.00	0.00
									SUBSIDY	SUBR	404.00	0.00	404.00	0.00	0.00
410	11GHUD	N/A	576	Occupied	Turner, Margret	03/23/2011	03/23/2011	02/29/2012	RESIDENT	RENT	73.00	0.00	73.00	25.00	0.00
									SUBSIDY	SUBR	532.00	0.00	532.00	0.00	0.00
411	11GHUD	N/A	576	Occupied	KING, WILLIE	03/10/2006	03/01/2007	02/29/2008	RESIDENT	RENT	192.00	0.00	192.00	25.00	0.00
									SUBSIDY	SUBR	413.00	0.00	413.00	0.00	0.00
412	11GHUD	N/A	576	Occupied	Leggett, Donald	08/01/2011	08/01/2011	07/31/2012	RESIDENT	RENT	25.00	0.00	25.00	25.00	0.00
									SUBSIDY	SUBR	580.00	0.00	580.00	0.00	0.00
413	11GHUD	N/A	576	Occupied	Miswood, Carolyn	11/07/2011	11/07/2011	10/31/2012	RESIDENT	RENT	198.00	0.00	198.00	198.00	0.00
									SUBSIDY	SUBR	407.00	0.00	407.00	0.00	733.00
414	11GHUD	N/A	576	Occupied	Youmans, Jason	09/09/2011	09/08/2011	08/31/2012	RESIDENT	RENT	192.00	0.00	192.00	237.00	0.00
									SUBSIDY	SUBR	413.00	0.00	413.00	0.00	0.00
415	11GHUD	N/A	576	Occupied	MALCOM B. BARBARA	10/02/1997	10/01/2007	09/30/2008	RESIDENT	RENT	198.00	0.00	198.00	86.00	0.00
									SUBSIDY	SUBR	407.00	0.00	407.00	0.00	0.00
416	11GHUD	N/A	576	Occupied	Shelton, Jacqueline	12/09/2010	12/09/2010	11/30/2011	RESIDENT	RENT	198.00	0.00	198.00	198.00	0.00
									SUBSIDY	SUBR	407.00	0.00	407.00	0.00	0.00
417	11GHUD	N/A	576	Occupied	STROHAUER, LAURA	05/28/2002	07/01/2007	06/30/2008	RESIDENT	RENT	198.00	0.00	198.00	120.00	0.00
									SUBSIDY	SUBR	407.00	0.00	407.00	0.00	0.00
418	11GHUD	N/A	576	Occupied	Smith, Robert	03/05/2009	03/05/2009	03/31/2010	RESIDENT	RENT	231.00	0.00	231.00	241.00	0.00
									SUBSIDY	SUBR	374.00	0.00	374.00	0.00	0.00
501	11GHUD	N/A	576	Occupied	Goolsby, Jannelles	02/03/2011	02/03/2011	01/31/2012	RESIDENT	RENT	25.00	0.00	25.00	25.00	0.00
									SUBSIDY	SUBR	580.00	0.00	580.00	0.00	0.00
502	11GHUD	N/A	576	Occupied	Manning, John	04/13/2010	04/13/2010	04/30/2011	RESIDENT	RENT	192.00	0.00	192.00	0.00	0.00
									SUBSIDY	SUBR	413.00	0.00	413.00	0.00	0.00
503	11GHUD	N/A	576	Occupied	Chukes, Joe	02/12/2009	02/12/2009	02/28/2010	RESIDENT	RENT	179.00	0.00	179.00	220.00	0.00
									SUBSIDY	SUBR	426.00	0.00	426.00	0.00	0.00
504	11GHUD	N/A	576	Occupied	Harley, Edlie	10/14/2010	10/14/2010	10/31/2011	RESIDENT	RENT	192.00	0.00	192.00	192.00	0.00
									SUBSIDY	SUBR	413.00	0.00	413.00	0.00	0.00
505	11GHUD	N/A	576	Occupied	Tabor, Denise	08/04/2011	08/04/2011	07/31/2012	RESIDENT	RENT	192.00	0.00	192.00	298.00	0.00
									SUBSIDY	SUBR	413.00	0.00	413.00	0.00	212.00
506	11GHUD	N/A	576	Occupied	Hall, Albert	02/08/2011	02/08/2011	01/31/2012	RESIDENT	RENT	289.00	0.00	289.00	289.00	0.00
									SUBSIDY	SUBR	316.00	0.00	316.00	0.00	0.00

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Unit		Unit/Lease	Unit	Unit	Move-In	Lease	Lease	Sub	Trans	Lease	Other	Total	Dep	
Floorplan	Designation	Status	Name	Move-Out	Start	End	Journal	Code	Rent	Charges/ Credits	Billing	On Hand	Balance	
	(3.0 only)	SCFT												
507	11GHUD	N/A	Miller, Linda	09/09/2011	09/09/2011	08/31/2012	RESIDENT	RENT	155.00	0.00	155.00	155.00	0.00	
		576					SUBSIDY	SUBR	450.00	0.00	450.00	0.00	0.00	
508	11GHUD	N/A	VACANT			605.00	RESIDENT	RENT	256.00	0.00	256.00	241.00	0.00	
509	11GHUD	N/A	Bushey, Richard	02/11/2008	02/11/2008	01/31/2009	SUBSIDY	SUBR	349.00	0.00	349.00	0.00	0.00	
		576				605.00	RESIDENT	RENT	198.00	0.00	198.00	150.00	0.00	
510	11GHUD	N/A	AUSTIN, JIMMY	08/01/2000	08/01/2007	07/31/2008	SUBSIDY	SUBR	407.00	0.00	407.00	0.00	0.00	
		576				605.00	RESIDENT	RENT	178.00	0.00	178.00	290.00	0.00	
511	11GHUD	N/A	Martin, Clifford	10/06/2009	10/06/2009	10/31/2010	SUBSIDY	SUBR	427.00	0.00	427.00	0.00	0.00	
		576				605.00	RESIDENT	RENT	25.00	0.00	25.00	25.00	0.00	
512	11GHUD	N/A	Jenkins, Radford	06/27/2010	06/27/2010	09/30/2011	SUBSIDY	SUBR	590.00	0.00	590.00	0.00	0.00	
		576				605.00	RESIDENT	RENT	395.00	0.00	395.00	395.00	0.00	
513	11GHUD	N/A	Ewing, Dawn	08/04/2009	08/04/2009	07/31/2010	SUBSIDY	SUBR	220.00	0.00	220.00	0.00	0.00	
		576				605.00	RESIDENT	RENT	267.00	0.00	267.00	267.00	0.00	
514	11GHUD	N/A	Walton, Shaunda	01/04/2011	01/04/2011	01/31/2012	SUBSIDY	SUBR	338.00	0.00	338.00	0.00	0.00	
		576				605.00	RESIDENT	RENT	192.00	0.00	192.00	192.00	0.00	
515	11GHUD	N/A	Bennett, Richard	09/30/2011	09/30/2011	09/30/2012	SUBSIDY	SUBR	413.00	0.00	413.00	0.00	0.00	
		576				605.00	RESIDENT	RENT	25.00	0.00	25.00	25.00	0.00	
516	11GHUD	N/A	Walton, Timothy	12/07/2010	12/07/2010	12/31/2011	SUBSIDY	SUBR	590.00	0.00	590.00	0.00	0.00	
		576				605.00	RESIDENT	RENT	25.00	0.00	25.00	25.00	0.00	
517	11GHUD	N/A	Harris, Ricardo	03/31/2009	03/31/2009	02/28/2010	SUBSIDY	SUBR	590.00	0.00	590.00	0.00	0.00	
		576				605.00	RESIDENT	RENT	195.00	0.00	195.00	141.00	0.00	
518	11GHUD	N/A	DAVIS, OAGIE	06/16/2007	06/16/2007	05/31/2008	SUBSIDY	SUBR	410.00	0.00	410.00	0.00	0.00	
		576				605.00	RESIDENT	RENT	50,173.00	0.00	50,173.00	12,747.00	0.00	
Totals:											50,173.00	12,747.00	0.00	62,920.00

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NATIONAL APARTMENT MARKET-SELECT SURVEY RESPONSES

First Quarter 2012

	INITIAL-YEAR CHANGE RATES		VACANCY		RESIDUAL		DISCOUNT RATE (IRR)		OVERALL CAP RATE (OAR)		STRUCTURAL REPLACEMENT RESERVE		MARKETING TIME	
	MARKET RENT	EXPENSES	TOTAL VACANCY	CAP RATE	SELLING EXPENSE	FREE & CLEAR	FREE & CLEAR	FREE & CLEAR	PER UNIT	MONTHS				
INSURANCE COMPANY + Forecast Period: 10 years Uses both DCF and direct capitalization; in direct cap, capitalizes NOI before capital replacement reserve; does not use a separate FF&E replacement reserve.	0.0% to 8.0%	2.0% to 4.0%	1.0% to 5.0%	5.25% to 9.50%	0.5% to 2.5%	5.25% to 9.50%	4.25% to 9.50%	\$200 to \$400	3 to 6					
PENSION FUND ADVISOR + Forecast Period: 10 years Prefers DCF analysis; also uses direct capitalization; in direct cap, capitalizes NOI after capital replacement reserve; deducts FF&E reserve from NOI before capitalization; does not use a separate FF&E replacement reserve.	0.0%	3.0%	6.0% to 10.0%	5.50% to 7.00%	2.0% to 3.0%	6.00% to 7.45%	4.25% to 6.35%	\$150 to \$375	4 to 6					
DOMESTIC PENSION FUND + Forecast Period: 1 to 10 years Uses both DCF and direct capitalization; in direct cap, capitalizes NOI after capital replacement reserve; reflects concessions as they occur, may burn off on new property during lease-up period in strong market; does not use a separate FF&E replacement reserve.	1.0% to 7.0%	3.0%	3.0% to 15.0%	4.75% to 7.00%	1.0% to 3.0%	6.00% to 7.75%	4.50% to 6.00%	\$250 to \$750	6 to 9					
INSTITUTIONAL INVESTOR + Forecast Period: 10 years Relies on DCF; in direct cap, capitalizes NOI after capital replacement reserve; uses a separate FF&E reserve; believes market conditions currently favor sellers.	2.0% to 5.0%	2.0% to 3.0%	4.0% to 6.0%	4.50% to 6.00%	2.0% to 3.0%	6.00% to 7.00%	4.25% to 5.00%	\$200 to \$250	2 to 3					
PRIVATE INVESTMENT FIRM + Forecast Period: 5 to 10 years Uses both DCF and direct capitalization; in direct cap, capitalizes NOI after capital replacement reserve; sees overall cap rates holding steady; does not use a separate FF&E reserve.	0.0% to 5.0%	2.8% to 3.5%	4.0% to 7.0%	5.00% to 6.00%	1.0% to 4.0%	6.25% to 7.50%	4.25% to 5.50%	\$200 to \$300	1 to 3					
PENSION FUND ADVISOR + Forecast Period: 10 years Uses both DCF and direct capitalization; in direct cap, capitalizes NOI after capital replacement reserve; buys 150- to 400-unit apartment complexes in first- and second-tier markets nationwide; uses a separate FF&E reserve of \$250 to \$350 per unit.	0.0% to 3.0%	2.0% to 3.0%	2.0% to 8.0%	4.75% to 7.00%	1.5% to 2.0%	6.00% to 8.00%	3.75% to 6.00%	\$200 to \$350	1 to 2					

Source: Personal survey conducted by PwC during January 2012.

Uses of Funds Detail
Fitzgerald Summit

Description	Total Project	LIHTC Acq.	LIHTC NC or	Historic Basis
		Basis	Rehab Basis	
On-Site Improvements	\$ 150,000		\$ 150,000	
Off-Site Improvements				
Demolition				
Hard Construction (Residential)	\$ 4,490,000		\$ 4,490,000	
Hard Construction (Commercial)				
Furnishings/Appliances				
Describe Use				
Describe Use				
Describe Use				
General Requirements 5.93% of hard costs	\$ 275,000		\$ 275,000	
Builders' Risk Insurance				
Tap Fees				
Permits	\$ 20,000		\$ 20,000	
Impact Fees				
Describe Use				
Contractor Overhead 1.94% of hard costs	\$ 90,000		\$ 90,000	
Contractor Profit 5.93% of hard costs	\$ 275,000		\$ 275,000	
Total Construction Costs	\$ 5,300,000		\$ 5,300,000	
Construction Contingency 5.00% of const costs	264,000		\$ 264,000	
Land	\$ 185,000			
Land Broker Fees				
Building/Acquisition	\$ 1,990,000	\$ 1,990,000		
Architectural Fees	\$ 162,400		\$ 162,400	
Survey Costs	\$ 10,000		\$ 10,000	
Engineering Fees				
Construction Insurance	\$ 18,000		\$ 18,000	
Construction Interest	\$ 256,778		\$ 256,778	
Construction Loan Fees 1.00 points	\$ 77,500		\$ 77,500	
Construction LOC Fees - points	\$ -		\$ -	
State Housing Agency Loan Fees				
Construction Guaranty Fee - points	\$ -		\$ -	
Permanent Loan Fees (1st) 2.00 points	\$ 22,000		\$ -	
Permanent Loan Fees (2nd) - points	\$ -		\$ -	
Permanent Loan Fees (3rd) - points	\$ -		\$ -	
Paydown of Permanent Loan				
Environmental	\$ 24,000		\$ 24,000	
Taxes during construction	\$ 17,000		\$ 17,000	
Appraisal	\$ 7,000		\$ 7,000	
Market Study	\$ 7,000		\$ 7,000	
Relocation	\$ 102,960			
Housing Credit Application Fee	\$ 6,500			
Housing Credit Reservation Fee	\$ 63,241			
Compliance Monitoring Fees	\$ 67,200			
Marketing Costs				
Title Insurance & Recording	\$ 30,000		\$ 30,000	
Legal Fees (not syndication related)	\$ 65,000		\$ 65,000	
Accounting (Cost Cert.) Fees	\$ 7,500			
Asset Management Fees				
Organizational Cost	\$ 45,000			
DCA Final Inspection Fee	\$ 3,000	\$ -		
Green Building Consultants and Cert Fees	\$ 55,000	\$ -	\$ 55,000	
FF&E	\$ 60,000	\$ -	\$ 60,000	
Accessibility Consultant	\$ 8,000	\$ -	\$ 8,000	
Developer's Fee	\$ 1,310,820	\$ 298,500	\$ 1,012,320	
Lease Up Reserve	\$ 101,001			
Operating Reserve	\$ 243,721			
Replacement Reserve				
Taxes and Insurance Escrow				
Other Reserve/Escrow				
Subtotal:	\$ 10,509,621	\$ 2,288,500	\$ 7,373,998	\$ -
Bridge Loan Interest	\$ -			
Total Uses:	\$ 10,509,621	\$ 2,288,500	\$ 7,373,998	\$ -

of months
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Square Footages
Fitzgerald Summit
6/12/2012

		Construction Cost Per Square Foot	Development Cost Per Square Foot
Residential Square Footage	48,450	\$ 109.39	\$ 216.92
Clubhouse Community Space			
Clubhouse Other			
Common Space			
Halfways, Circulation			
Maintenance Garage			
Other Describe			
Total	48,450	\$ 109.39	\$ 216.92

REAL ESTATE PURCHASE AGREEMENT
Fitzgerald Summit Apartments, Fitzgerald, Georgia

This Real Estate Purchase Agreement (this "Agreement") is made and entered into as of the 11th day of June, 2012 by and between Fitzgerald Properties Ltd ("Seller"), with an address at One Premier Plaza, 5605 Glenridge Road, Suite 100, Atlanta, GA 30342, a Georgia limited liability company, and Fitzgerald Summit Limited Partnership, a Georgia limited partnership ("Buyer"), with an address at 229 Huber Village Boulevard, Westerville, Ohio 43081.

BACKGROUND INFORMATION

A. Seller is the owner of certain real property, together with the apartments and other improvements situated thereon, which real property and improvements is known as Fitzgerald Summit Apartments and is located in Fitzgerald, Ben Hill County, Georgia, and is more particularly described on Exhibit A, attached hereto and made a part hereof (said real property, together with the apartments, all other improvements thereon, all appurtenances and hereditaments appertaining thereto, all reserves, deposits and accounts, and all personal property used or useful in connection therewith, shall be hereinafter referred to as the "Property" or the "Project").

B. Seller's general partner is Asbury D. Snow, an individual.

C. Seller desires to sell to Buyer, and Buyer desires to purchase from Seller, the Property, at the price and on the terms and conditions set forth herein.

D. An affiliate of Buyer, Woda Management & Real Estate, LLC ("Manager"), shall have the right to manage the Project from and after the Closing Date (the "Property Management Rights").

STATEMENT OF AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree to the foregoing Background Information and as follows:

ARTICLE I

PURCHASE AND SALE OF PROPERTY

§1.01 On the terms and conditions hereinafter set forth, Seller does hereby agree to sell to Buyer, and Buyer does hereby agree to purchase from Seller, the Property.

§1.02 The Property shall be conveyed and transferred by Seller to Buyer by (i) a general warranty deed ("Deed"), (ii) a bill of sale ("Bill of Sale") and (iii) such other transfer documentation as is necessary to vest title to all of the Property in Buyer ("Other Transfer Documentation"). All funds in all operating accounts, reserve accounts, deposit accounts, and other Seller accounts shall be transferred to Buyer by certified funds or wire transfer.

ARTICLE II

PURCHASE PRICE

The total purchase price for the Property (the "Purchase Price") shall be \$2,175,000 (two million one hundred and seventy five thousand dollars) in cash. On or prior to the date hereof, the Buyer shall have deposited \$3,000 (Three Thousand Dollars) as an earnest money deposit with Star Title Agency, Inc. (the "Earnest Deposit"). The Earnest Deposit shall be released to the Seller and credited against the Purchase Price on the Closing Date unless returned to Buyer pursuant to Article III, below.

ARTICLE III

CONTINGENCIES

§3.01 This Agreement shall be contingent upon and subject to the satisfaction in favor of Buyer, or the waiver by Buyer, of the contingencies set forth in this §3.01 on or before the applicable dates set forth below (the "Contingency Dates"). If one or more of the contingencies set forth in this §3.01 are not timely satisfied in favor of Buyer, this Agreement shall terminate, unless Buyer, by written notice delivered to Seller, on or before the Contingency Dates, waives all unsatisfied contingencies. In the event this Agreement shall be terminated, as aforesaid, the parties shall be fully released from all further liability and obligation hereunder. The contingencies are as follows:

- (a) On or prior to May 1, 2013, Buyer shall have received approval by the Government Agency of the transfer of the HAP contract associated with the Property and, the assumption by the Manager of the Property Management Rights, all on terms and conditions acceptable to Buyer's reasonable discretion. Seller agrees to fully cooperate with Buyer (provided that the same does not require Seller to expend any money) in its efforts to obtain such approval, and agrees to execute and/or deliver any and all documents necessary therefor.
- (b) On or prior to June 14, 2012, the following shall be satisfactory to Buyer, in its sole and absolute discretion:
 - (i) all Seller's books, records, contracts, leases, insurance policies, operating data and other documents relating to the ownership, operation and management of the business, if such items are available to Seller; and
 - (ii) the amount of all replacement reserve funds, security deposit funds, tax and insurance escrow funds and any and all other escrow or reserve funds

required by the Government Agency to be maintained by Seller pursuant to Seller's mortgage and regulatory agreement with the Government Agency.

(c) On or prior to June 14, 2012, Seller shall have obtained the minimum required consents from the Limited Partner to this Agreement in a form satisfactory to Buyer such that Seller has legal authority to transfer the Property. The required number of consents shall be determined pursuant to Seller's agreement of limited partnership.

(d) On or prior to June 14, 2012, Buyer shall have received loan and equity commitments for the Property in amounts and upon terms and conditions that are acceptable to the Buyer in its reasonable discretion.

(e) On or prior to June 14, 2012, Buyer shall have determined that the physical condition of the Property is acceptable to Buyer in its sole discretion.

(f) On or prior to June 14, 2012, Buyer shall determine that the Property's HAP contract is renewable upon terms and conditions acceptable to Buyer in its reasonable discretion.

(g) On or prior to November 30, 2012, Buyer shall have received a reservation of Section 42 credits from Georgia Department of Community Affairs ("DCA") in an amount that in Buyer's reasonable discretion makes the acquisition and rehabilitation of the Property economically feasible. If the credits are not granted by DCA on or prior to November 30, 2012, Buyer or Seller will have 30 days to either terminate this Agreement in writing. If, for some reason DCA has not announced the 2012 tax credit awards by November 30, 2012, the Buyer shall have the right to extend this Agreement for 60 days by written notice provided to Seller prior to November 30, 2012, which notice shall be accompanied by a non-refundable additional Earnest Deposit of \$3,000. Such additional Earnest Deposit shall be paid directly to the Seller and shall be credited against the Purchase Price at Closing. The Closing shall be at such time and place as is mutually agreed upon by the Buyer and Seller.

(h) On or prior to the Closing Date, Buyer shall obtain a commitment for new title insurance, showing in Seller good and merchantable title to the Real Property in fee simple, free and clear of all encumbrances other than those that would not unreasonably interfere with Buyer's use (including Buyer's intended use) and ownership of the Project (the "Title Commitment").

(i) On or prior to the Closing Date, Seller shall use commercially reasonable efforts to obtain consents of such other parties whose consents are required to the transaction hereby contemplated, provided that Seller shall not be required to obtain any such consents unless Seller has been given a minimum of 45 days advance notice to obtain the same. If such consents are not obtained prior to Closing, Seller agrees to cooperate at no out of pocket cost to Seller with Buyer in its efforts to obtain such approval after Closing.

(j) On or prior to Closing, Seller shall deliver to Buyer an affidavit in the form of Exhibit C regarding the ownership history of Seller.

§3.02 If any contingency set forth in this Article III is not satisfied by the applicable date set forth above and Buyer so notifies Seller in writing prior to the date by which the applicable contingency is to be satisfied, then the Earnest Deposit shall be promptly returned to Buyer. If the purchase and sale of the Property is consummated pursuant to this Agreement, then the Earnest Deposit shall be paid to the Seller at Closing. If this transaction does not close due to the default of Buyer or the improper refusal of Buyer to close, all conditions to close have been met, then the Earnest Deposit shall be paid to the Seller, and the Buyer shall have no further liability or obligations hereunder. If the Seller defaults under this Agreement or wrongly refuses to close, then the Earnest Deposit shall be returned to Buyer and Buyer shall have all further rights and remedies provided by law or equity.

§3.03 For and during the continuance of this Agreement and until the Closing, Seller shall upon reasonable advance written notice afford any and all representatives of Buyer reasonable access to all books, records, contracts, leases, insurance policies, operating data and other documents relating to the ownership, operation and management of the business of Seller. If, for any reason, this transaction is not closed, Buyer shall return to Seller all writings, documents and data theretofore delivered by Seller to Buyer. Buyer shall keep confidential any such information except that the same must be disclosed to potential financing sources and/or equity investors in order to secure financing and equity for the acquisition and rehabilitation of the Project.

ARTICLE IV

DOCUMENTS OF TRANSFER AND PRORATIONS

§4.01 The Property shall be transferred by Seller to Buyer by the Deed, the Bill of Sale and the Other Transfer Documentation.

§4.02 The Deed and the Bill of Sale shall be in forms reasonably acceptable to Buyer, Seller and their respective counsel.

§4.03 On the date of Closing, Seller shall deliver to Buyer all tenant security deposits. Real estate taxes will be pro-rated through the Closing Date. Seller shall be responsible for all real estate taxes attributable to the period prior to and through the Closing Date, and Buyer shall be responsible for all real estate taxes accruing from the Closing Date forward. The real estate tax proration shall be included in the settlement statement. Seller shall be responsible for all Property expenses relating to any period prior to and through the Closing Date, including without limitation all telephone, cable, and utility charges, personnel costs, landscaping and maintenance costs, and insurance costs. Any invoices that are received by Buyer after the Closing Date that are attributable to the period prior to and through the Closing Date will be submitted to the Seller and timely paid by Seller before becoming past due. Buyer shall be responsible for all ordinary and current operating costs of the Property following the Closing Date.

§4.04 In addition to the documents required by the foregoing provisions of this Article IV, Seller shall deliver to Buyer at the Closing the Other Transfer Documentation, if any.

ARTICLE V

WARRANTIES AND REPRESENTATIONS OF SELLER

§5.01 In addition to any other representation or warranty contained in this Agreement, Seller hereby represents and warrants as follows:

- (a) As of the Closing Date, Seller shall have good and marketable title to the Property, with the absolute right to sell, assign, and transfer the Property to Buyer free and clear of all liens, security interests or encumbrances, except the Government Agency Loan and except to the extent that the same do not unreasonably interfere with the operation of the Property as multi-family housing.
- (b) Assuming the Government Agency consents to the same, the execution, delivery and performance of this Agreement, and the consummation of the transaction contemplated hereby, will not result in any breach of, or constitute any default under, or result in the imposition of any lien or encumbrance against the Property under any agreement or other instrument to which Seller or the Property is a party or by which the Property or Seller is bound.
- (c) There is no litigation pending as to which Seller has received service of process, or, to the best of Seller's knowledge, no threatened litigation which in any manner affects Seller or the Property, except as disclosed on Exhibit B attached hereto.
- (d) To the best of Seller's knowledge, all documents and other items delivered to Buyer pursuant to this Agreement are true, complete and accurate in all material respects.
- (e) To the best of Seller's knowledge, there are no hazardous or toxic substances, wastes, or materials, or other pollutants that pose a risk to human health or the environment, on under, in, or around the Property in violation of any environmental laws regulating the use and possession of the same.
- (e) On the Closing Date, the Property shall be in substantially the same condition as it is on the date hereof, reasonable wear and tear excepted.
- (f) On the Closing Date, the Property's security deposit account shall contain funds in an amount equal to all security deposits made by tenants of the Property plus an amount equal to all security deposits made by prior tenants and not returned to such tenants or applied to charges owing from such tenants. Any deficiency in the security deposit account shall be deducted from the Purchase Price.
- (g) On the Closing Date, the Property's general operating account shall contain funds in an amount equal to all accounts payable accrued or accruable with respect to or related to the operation of the Property for any period prior to the Closing Date. Any deficiency in the operating account shall be deducted from the Purchase Price.

(h) On the Closing Date, the Property's HAP contract shall remain in full force and effect.

All representations and warranties made in §5.01 shall survive the Closing for a period of one (1) year.

The phrase "to the best of Seller's knowledge" or phrases of similar import shall mean to the best of Seller's knowledge after reasonable investigation of all materials in Seller's possession or reasonably available to Seller.

ARTICLE VI

DAMAGE, DESTRUCTION OR EMINENT DOMAIN

§6.01 In the event that any portion of the Property shall be damaged or destroyed by fire or other casualty between the date of execution hereof and the date this transaction is closed, Buyer shall have the option (a) to close this transaction in accordance with this Agreement, in which event the insurance proceeds received or receivable by Seller shall be paid to Buyer, or (b) to terminate Buyer's obligation under this Agreement to purchase the Property, in which event both parties shall be relieved from further obligation and liability hereunder. If Buyer fails to so exercise either such option within thirty (30) days from the date of such damage or destruction, this Agreement shall terminate, and thereafter both parties shall be released from further liability or obligation hereunder, except for any indemnification rights under Section 9.11 hereof.

§6.02 If, prior to the Closing hereof, eminent domain proceedings shall be threatened or commenced by any competent public authority against the Project, or any part or portion thereof, Buyer shall have the option (a) to elect to proceed with this transaction, in which event any compensation award shall be paid to Buyer, or (b) to terminate Buyer's obligations under this Agreement to purchase the Property, both parties shall be relieved from further obligation and liability hereunder. If Buyer fails to exercise either such option within thirty (30) days from such threatened or actual taking, this Agreement shall terminate, and both parties shall be released from further liability or obligation hereunder.

ARTICLE VII

CLOSING

§7.01 Unless this Agreement is terminated by Buyer pursuant to the terms of this Agreement, the transaction hereby contemplated shall be closed no later than May 31, 2013 ("Closing Date"). Notwithstanding the foregoing, Buyer shall have the right to extend the Closing Date until no later than November 30, 2013 if all contingencies have been satisfied (including a reservation of tax credits as provided in Section 3.01(g) above) other than obtaining HUD's approval of the transfer of the HAP contract associated with this Property, or any other approval required from HUD. If such an extension becomes necessary, Buyer shall have the right to extend this Agreement by written notice provided to Seller prior to May 31, 2013, which notice shall be accompanied by a non-refundable additional Earnest Deposit of \$25,000. Such additional Earnest Deposit shall be paid directly to the Seller and shall be credited against the

Purchase Price at Closing. The Closing shall be at such time and place as is mutually agreed upon by the Buyer and Seller.

§7.02 At the Closing, Buyer shall pay the Purchase Price in cash portion of the Purchase Price (less the Earnest Deposit) by wire transfer or other immediately available funds, and Star Title Agency, Inc. shall pay the Earnest Deposit to the Seller at the Closing or refund the same to Buyer.

§7.03. Other Closing Costs:

(i) Buyer shall be responsible for the payment of any transfer taxes or governmental conveyance charges in connection with the transfer of the Property, including, without limitation, the real property State and County Transfer Tax imposed by the State of Georgia. Buyer shall be responsible for the costs of the fees of the County Recorder for recordation of the Deed and other instruments to be recorded by Buyer and costs of the title insurance premiums for the Title Policy. Real estate taxes and operating expenses shall be prorated as provided in Section 4.03, above.

(ii) Each party shall be responsible for and shall pay its own attorneys' fees and expenses in connection with the negotiation and execution of this Agreement and consummation of the transactions contemplated hereby.

§7.04 Notwithstanding any other provision of this Agreement, Buyer shall not be obligated to purchase the Property unless and until each and every of the following conditions precedent shall have been satisfied in full or waived in writing by Buyer:

(a) As of the Closing Date, Buyer must have obtained, or have determined to its satisfaction that it can obtain, the Title Policy within 30 days after the Closing Date.

(b) At Closing, Buyer or Star Title Agency, Inc. (the "Title Company"), as applicable, shall have received the fully executed Deed, Bill of Sale and Other Transfer Documentation.

(c) At Closing: (i) there shall not exist any default, event of default, or event that with the passage of time, the giving of notice, or both, would constitute a default or event of default by Seller under this Agreement; (ii) each and every representation and warranty made by Seller in §5.01 shall be true and correct in all material respects as if made on the Closing Date; (iii) Seller shall not have made any material misrepresentation to Buyer with respect to this transaction; (iv) Seller shall not have omitted to provide to Buyer any information, the omission of which would make any statements made by Seller to Buyer materially misleading; and (v) there shall not have occurred subsequent to execution of this Agreement any change in (A) the title to the Property; (B) the availability of access to the Property; (C) the availability to the Property of gas, electricity, water, sewer or any other utility; or (D) any material change in the condition of the Property.

If each and every of said conditions precedent shall not have been satisfied in full or waived in writing by Buyer prior to the applicable dates set forth below in this §7.04, Buyer shall have the right, at its option: (a) to terminate this Agreement by giving written notice of termination to

Seller, whereupon this Agreement shall terminate and no party shall have any further rights or obligations hereunder (except for any rights or obligations under representations, warranties and indemnities which expressly survive the termination of this Agreement); (b) to extend the Closing Date for a period of up to 30 days to allow further time for said conditions precedent to be satisfied; or (c) to close the transaction regardless of such unsatisfied conditions precedent (and effectively waive the same) for an adjusted Purchase Price mutually agreed by Buyer and Seller, provided that any exception that can be satisfied by the payment of money shall not be affected or waived thereby and must be satisfied at Closing by the Seller. Buyer shall have right to terminate or extend this Agreement until satisfied.

If Buyer elects to extend the Closing Date as permitted by clause (b) above, and on the extended Closing Date any or all of said unsatisfied conditions precedent remain unsatisfied, Buyer shall have the further right to elect clause (a) or (c) above. The Closing Date shall be adjourned as necessary to comply with this §7.04. If any of said conditions precedent shall not have been satisfied in full as a result of a default by Seller in any respect in its performance of this Agreement, then Buyer shall have the rights set forth in §7.04.

ARTICLE VIII

NOTICES

§8.01 Any notices required hereunder shall be in writing, shall be transmitted by overnight courier or registered or certified mail, postage prepaid, return receipt requested, and shall be deemed given 48 hours after deposit with an overnight courier or 72 hours after delivered to the United States Postal Service, as the case may be, addressed to the parties as follows:

(a) If intended for Seller, to: Fitzgerald Properties Ltd, One Premier Plaza, 5605 Glenridge Road, Suite 100, Atlanta, GA 30342 Attention: Asbury D. Snow.

(b) If intended for Buyer, to: Fitzgerald Summit Limited Partnership, 229 Huber Village Boulevard, Suite 100, Westerville, Ohio 43081, Attention: David Cooper, Jr., General Counsel.

ARTICLE IX

GENERAL PROVISIONS

§9.01 This Agreement shall be construed and enforced in accordance with the laws of the State of Georgia. For all litigation, disputes and controversies that may arise out of or in connection with this Agreement, the undersigned hereby consent to the jurisdiction of the courts in Ben Hill County, Georgia.

§9.02 This Agreement may not be modified except by an instrument in writing signed by the parties hereto, and supercedes all previous agreements, written or oral, if any, of the parties.

§9.03 Time is of the essence of this Agreement in all respects.

§9.04 This Agreement shall be binding upon and inure to the benefit of the parties hereto, their respective heirs, administrators, executors, legal representatives, successors and assigns.

§9.05 This Agreement may not be assigned, either in whole or in part, without the prior written consent of the other party, which consent shall not be unreasonably withheld.

§9.06 In the event that any provision of this Agreement shall be held to be invalid, the same shall not affect in any respect whatsoever the validity of the remainder of this Agreement.

§9.07 No waiver of any of the provisions of this Agreement shall be deemed, nor shall the same constitute a waiver of any other provisions, whether or not similar nor shall any such waiver constitute a continuing waiver. No waiver shall be binding, unless executed, in writing, by the party making the waiver.

§9.08 The section headings in this Agreement are for convenience only and shall not be considered for any purpose in construing this Agreement. As used in this Agreement, the masculine, feminine and neuter genders, and the singular and plural numbers shall be each deemed to include the other whenever the context so requires.

§9.09 Each party hereto shall bear its own expenses, including the fees of any attorneys, accountants or others engaged by such party in connection with this Agreement and the transactions contemplated hereby, except as otherwise provided herein.

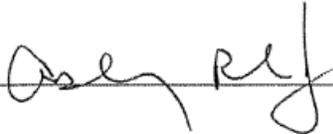
§9.10 Each of Buyer and Seller represents and warrants to the other that there is no real estate broker/agent for this transaction, and neither has any obligations to any agent or broker or other person, and each of Seller and Buyer shall indemnify, hold harmless and defend the other, as applicable, against any and all claims for sales commissions or other similar compensation that may be asserted by any agent or broker or other person with respect to this transaction based upon any actual or purported agreement, or course of dealing, with the other.

[Signatures on following page]

IN WITNESS WHEREOF, the parties hereto subscribed their names on the day and year first aforesaid.

SELLER:

Fitzgerald Properties Ltd.

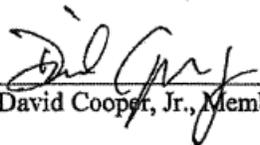
By: 

It's General Partner

BUYER:

Fitzgerald Summit Limited Partnership

By: Fitzgerald Summit GP, LLC, General Partner

By: 
David Cooper, Jr., Member/General Counsel of General Partner

QUALIFICATIONS OF DAVID E. McCONAHY, MAI

EMPLOYMENT HISTORY:

- 1997 to Present - Nicklas King McConahy - Partner
- 1987 to 1996 - Nicklas King and Company as commercial and industrial real estate appraiser

DESIGNATIONS AND POSITIONS:

- 1996 - MAI - Member of Appraisal Institute
- 1996 to 2004 - Board of Directors - Pittsburgh Metropolitan Chapter of the Appraisal Institute;
Serving as Chapter President in 2003;
- 2000 to Present - Zoning Hearing Board for Jackson Township;
- 2002 to 2004 - Elder, Cranberry Community United Presbyterian Church;
- 1995 to 2000 - Building Committee, Chairman, Cranberry Community United Presbyterian Church.

LICENSES/CERTIFICATIONS:

- Pennsylvania Certified General Appraiser, No. GA-000104-L
- Ohio Certified General Real Estate Appraiser, No. 422275
- West Virginia Certified General Appraiser, No. 211
- Michigan Certified General Appraiser, No. 1201072508
- Kentucky Certified General Real Property Appraiser, No. 004319
- South Carolina Certified General Appraiser, No. CG-6676
- Georgia Certified General Real Property Appraiser, No. 342821
- State of Tennessee Certified General Real Estate Appraiser, No 00004650
- Commonwealth of Pennsylvania - Licensed Real Estate Broker

EDUCATION: Bethany College, Bethany, West Virginia, 1987

Bachelor of Arts - Economics

Appraisal Institute - Classes

- | | | | |
|------|--|---|------------------|
| 1989 | Capitalization Theory, Part A | - | Pittsburgh, PA |
| 1989 | Capitalization Theory, Part B | - | Gainesville, FL |
| 1990 | Real Estate Appraisal Principles | - | Pittsburgh, PA |
| 1990 | Case Studies | - | Boulder, CO |
| 1991 | Standards of Professional Practice, Part A | - | Pittsburgh, PA |
| 1992 | Basic Valuation Techniques | - | Pittsburgh, PA |
| 1992 | Standards of Professional Practice, Part B | - | Pittsburgh, PA |
| 1992 | Appraisal Report Writing | - | Indianapolis, IN |
| 1996 | Highest and Best Use and Market Analysis | - | Pittsburgh, PA |
| 2010 | Business Practices and Ethics | - | Philadelphia, PA |

Appraisal Institute - Selected Seminars (Since 1998):

- | | | | |
|------|---|------|-------------------------------------|
| 1998 | Affordable Housing Valuation | 2002 | Analyzing Operating Expenses |
| 1999 | Valuation of Detrimental Conditions | 2002 | Appraising The Tough Ones |
| 1999 | Appraisal of Local Retail Properties | 2002 | Analyzing Com. Lease Clauses |
| 2000 | Appraisal of Non-Conforming Properties | 2004 | Evaluating Residential Construction |
| 2010 | Strategies for Appealing Tax Assessment | 2007 | Appraisal Review - General |
| 2001 | Highest and Best Use Applications | 2012 | National USPAP Update Course |
| 2011 | Mineral Rights Issues | 2009 | Analyzing Distressed Real Estate |

APPRAISAL and CONSULTING EXPERIENCE:

General real property consulting and valuation of commercial, industrial, residential and special purpose properties including hotels, schools, manufactured housing parks, low income housing tax credit (LIHTC) apartments, self-storage facilities, car washes, convenience stores, manufacturing plants, single-tenant (net lease) properties, offices, and golf courses over the past twenty years. Also served many developers, lending institutions and government agencies as a consultant and expert witness. These assignments were performed in Pennsylvania, Ohio, West Virginia, Maryland, New York, Delaware, Michigan, Kentucky, Florida, Arkansas, New Jersey, Illinois, Virginia, Georgia, South Carolina, Tennessee, and Washington DC.

**STATE OF GEORGIA
REAL ESTATE APPRAISERS BOARD**

DAVID EUGENE MCCONAHY

342821

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.

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10543441

DAVID EUGENE MCCONAHY

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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

08/25/2010

END OF RENEWAL
01/31/2013



WILLIAM L. ROGERS, JR.
Real Estate Commissioner

10543441

ASSUMPTIONS AND LIMITATIONS OF APPRAISAL

No responsibility is assumed for the legal description provided, or for matters pertaining to legal or title considerations. Title to the property is assumed to be good and marketable, unless otherwise stated. The property is appraised free and clear of any or all liens or encumbrances, unless otherwise stated. Responsible ownership and competent property management are assumed.

APPRAISAL IS NOT A SURVEY

It is assumed that the subject's improvements, if any, are built within the boundaries of the property described and applicable building lines. And further, it is assumed that there is no encroachment or trespass onto adjacent or contiguous properties unless noted.

No survey of the property has been made by the appraiser, and no responsibility is assumed in connection with such matters. Any maps, plats, or drawings reproduced and included in this report are intended only for the purpose of showing spatial relationships. The reliability of the information contained on any such map or drawing is assumed by the appraiser and cannot be guaranteed to be correct. A surveyor should be consulted if there is any concern on boundaries, setbacks, encroachments, or other survey matters.

APPRAISAL IS NOT A LEGAL OPINION

It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws, unless noncompliance is stated, defined, and considered in the appraisal report. A comprehensive examination of laws and regulations affecting the subject property was not performed for this appraisal.

It is assumed that the property conforms to all applicable zoning and use regulations and restrictions, unless a nonconformity has been identified, described and considered in the appraisal report.

It is assumed that all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

APPRAISAL IS NOT AN ENGINEERING OR PROPERTY INSPECTION REPORT

The structures were not checked for building code violations, and it is assumed that all buildings meet applicable building codes unless so stated in the report.

It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that would render it more or less valuable. No responsibility is assumed for such conditions, or for the engineering that may be required to discover such factors. Since no engineering or percolation tests were made, no liability is assumed for soil conditions. Subsurface rights and the effects of mine subsidence, if any, were not considered in making this appraisal.

Wells and septic systems, if any, are assumed to be in good working condition and of sufficient size and capacity for the stated highest and best use.

We are not environmental experts, and we do not have the expertise necessary to determine the existence of environmental hazards such as the presence of urea-formaldehyde foam insulation, toxic waste, asbestos or hazardous building materials, or any other environmental hazards on the subject or surrounding properties. If we know of any problems of this nature, which we believe would create a significant problem, they are disclosed in this report. Nondisclosure should not be taken as an indication that such a problem does not exist, however. An expert in the field should be consulted if there is a concern regarding environmental factors.

The appraiser is not a home or environmental inspector. The appraiser provides an opinion of value. The appraisal does not guarantee that the property is free of defects or environmental problems. Mold may be present in areas the appraiser cannot see. The appraiser is not qualified to determine the cause of the mold, the type of mold, or whether the mold might pose any risk to the property or its inhabitants. If the buyer, client, or owner has concerns regarding the presence of mold or environmental problems, a professional home or building inspection, or environmental inspection is recommended.

No chemical or scientific tests were performed by the appraiser on the subject property, and it is assumed that the air, water, ground, and general environment associated with the property present no physical or health hazard of any kind unless otherwise noted in the report. It is further assumed that the lot does not contain any type of dump site and that there are no underground tanks (or any underground storage) leaking toxic or hazardous chemicals into the groundwater or the environment unless otherwise noted in the report.

The appraiser is not aware, unless specifically stated within the report, of any wetlands on the subject site. If the site or a portion of the site is determined to be a wetland or protected by the EPA, DER, or any other federal or state agency, we reserve the right to alter our expressed opinion.

Because no detailed inspection was made, and because such knowledge goes beyond the scope of this appraisal, any observed condition or other comments given in this appraisal report should not be taken as a guarantee that a problem does not exist. Specifically, no guarantee is made as to the adequacy or condition of the foundation, roof, exterior walls, interior walls, floors, heating system, air conditioning system, plumbing, electrical service, insulation, or any other detailed construction matters. If there is a concern regarding the existence, condition, or adequacy of any particular item, we would suggest that an expert in the field be consulted.

APPRAISAL IS MADE UNDER CONDITIONS OF UNCERTAINTY WITH LIMITED DATA

Information (including projections of income and expenses) provided by local sources, such as government agencies, financial institutions, accountants, attorneys, real estate professionals, and others, is assumed to be true, correct, and reliable. No responsibility for the accuracy of such information is assumed by the appraiser.

If the Income Approach to value has been used, our Discounted Cash Flow Analysis represents a conscientious effort to analyze the performance of the property over a reasonable projection period; however, it is a model based upon specific forecasts which may or may not occur.

APPRAISAL REPORT LIMITATIONS

This appraisal was prepared at the request of and for the exclusive use of the client to whom the appraisal is addressed. No third party shall have any right to use or rely upon this appraisal for any purpose.

There are no requirements, by reason of this appraisal, to give testimony or appear in court or any pretrial conference or appearance required by subpoena with reference to the property in question, unless sufficient notice is given to allow adequate preparation, and additional fees are paid by the client at our regular rates for such appearances and the preparation necessitated thereby.

This report is made for the information of the client, and possession of this report, or a copy thereof, does not carry with it a right of publication. Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media without the written consent and approval of the appraiser. Nor shall the appraiser, firm, or professional organization of which the appraiser is a member be identified without the written consent of the appraiser.

Values and conclusions for various components of the subject parcel as contained within this report are valid only when making a summation; they are not to be used independently for any purpose and must be considered invalid if so used. The allocation of the total value in this report between land and improvements applies only under the reported highest and best use of the property. The separate valuations for land and buildings must not be used in conjunction with any other appraisal, and are invalid if so used.

The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific compliance survey, and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the act. If so, this fact could have a negative effect upon the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible noncompliance with the requirements of ADA in estimating the value of the property.