

# Crown Appraisal Group

Corporate Office

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## Yester Oaks Apartments

52 Yester Oaks Drive

44-unit apartment complex

LaFayette, Georgia

Date of Report: March 29, 2017

### Prepared by

Crown Appraisal Group, Inc.

6797 N. High Street, Suite 325

Columbus, Ohio 43085

614-431-3332 (o), 614-431-3376 (f)

### Prepared for

Debi Martin

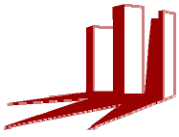
Greystone Servicing Corporation, Inc.

419 Belle Air Lane

Warrenton, VA 20186

### **PRIVILEGED AND CONFIDENTIAL**

This document, and all of the statements, opinions, contents, and all attachments and addendums are privileged and confidential to the client (the addressee), and are not intended to be disclosed to or relied upon by any third party without the express written consent of the appraiser(s).



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March 29, 2017

Greystone Servicing Corporation, Inc.

Attn: Debi Martin

419 Belle Air Lane

Warrenton, VA 20186

**Re: Yester Oaks Apartments  
52 Yester Oaks Drive  
LaFayette, Georgia**

Dear Debi Martin:

At your request, we have completed an inspection and analysis of the referenced property for the purpose of developing and reporting an opinion of value for the property. The specific real property interest, real estate, type of report, and type of value are detailed within the body of the accompanying report. The accompanying report has been prepared in conformance with the requirements established by the Appraisal Institute. The appraisal is in conformance with USPAP requirements. The liability of Crown Appraisal Group, Inc. and its employees is limited to the fee collected for the preparation of the appraisal report. There is no accountability or liability to any third party. Based on discussions with market participants, the marketing period and exposure period for the property is estimated at 12 months. The following summarizes the interest being appraised, types of values, effective dates of values, and value opinions.

<i>Competitive Rent Comparable Unit Conclusions (CRCU)</i>				
		<u>1 Bed, 1 Bath</u>	<u>2 Bed, 1 Bath</u>	<u>2 Bed, 1.5 Bath TH</u>
As-is CRCU	Value 1 rents	530	600	650
Prospective (Renovated) CRCU	Value 4 rents	590	660	710
<i>Value Opinions</i>		<u>Date of Value</u>	<u>Value</u>	
Value 1 - as conventional or unrestricted		January 23, 2017	\$2,600,000	
Value 2-RD - subject to restricted rents		January 23, 2017	\$930,000	
Value 3 - prospective, subject to restricted rents		February 1, 2019	\$2,740,000	
Value 4 - prospective, as conventional or unrestricted		February 1, 2019	\$2,795,000	
Value 5 - Interest Credit Subsidy Value from assuming the existing 515 Loan)		December 22, 2017	\$570,000	
Value 5 - Interest Credit Subsidy Value (New 515 Loan)		February 1, 2019	\$140,000	
Value 6 - LIHTC Value		February 1, 2019	\$944,603	
Value 6 - State Tax Credit Value		February 1, 2019	\$393,585	
Value 7 - Insurable Value		February 1, 2019	\$2,398,957	
Value 8 - Land Value		January 23, 2017	\$211,200	

The opinion of value contained in the attached appraisal report is based upon the following extraordinary assumptions:

- The units and other improvements at the property that were viewed during the inspection (defined within the body of the report) are representative of all the units and other improvements at the property.
- The prospective value conclusions incorporate the extraordinary assumptions that the improvements are renovated as described, that the renovation is complete as of the prospective valuation date, and that the property is operating at a stabilized level as of the prospective valuation date.

The opinion of value contained in the attached appraisal report is based upon the following hypothetical condition:

- Hypothetical conditions are stated within the Parameters of Assignment section of the report.

The opinion of value contained in the attached appraisal report is based upon the following assumptions and limiting conditions:

- The information furnished by others is believed to be reliable. No warranty is given for its accuracy, though.
- No responsibility is assumed for the legal description or for matters including legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
- The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated in the report.
- It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations, laws, and license requirements unless otherwise stated in the report.
- The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate valuations for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used.
- The value opinions, and the costs used, are as of the date of the value opinion.
- All engineering is assumed to be correct. The plot plans and other illustrative material in this report are included only to assist the reader in visualizing the property.
- The proposed improvements, if any, on or off-site, as well as any repairs required, are considered, for purposes of the appraisal, to be completed in a good and workmanlike manner according to information submitted and/or considered by the appraiser.
- Responsible ownership and competent property management are assumed.
- It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
- The appraiser is not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.

- It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that make it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering or environmental studies that may be required to discover them.
- Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on or in the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of such substances may affect the value of the property. The value opinion is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.
- All mechanical components are assumed to be in good, operable condition unless otherwise noted.
- Our opinion of value does not consider the effect (if any) of possible noncompliance with the requirements of the ADA.
- Crown Appraisal Group, Inc. and its employees accept no responsibility for changes in market conditions or the inability of the client, intended user, or any other party to achieve desired outcomes.
- Projections or estimates of desired outcomes by the client, intended user, or any other party may be affected by future events. The client, intended user, or any other party using this report acknowledges and accepts that Crown Appraisal Group, Inc. and its employees have no liability arising from these events.
- Unless specifically set forth, nothing contained herein shall be construed to represent any direct or indirect recommendation of Crown Appraisal Group, Inc., its officers or employees to purchase, sell, or retain the property at the value(s) stated.
- Unless specifically set forth, nothing contained herein shall be construed to represent any direct or indirect recommendation of Crown Appraisal Group, Inc., its officers or employees to provide financing (mortgage, equity, or other) for the property at the value(s) stated.
- Greystone Servicing Corporation, Inc., or its representative(s), agrees to indemnify and hold Crown Appraisal Group, Inc., its officers and employees, harmless from and against any loss, damages, claims, and expenses (including costs and reasonable attorney fees) sustained as a result of negligence or intentional acts or omissions by Greystone Servicing Corporation, Inc., or its representative(s) arising from or in any way connected with the use of or purported reliance upon, the appraisal report or any part of the appraisal report.
- The contents of the appraisal report, and all attachments and information that will be contained within the report, is proprietary and confidential. Greystone Servicing Corporation, Inc., or its representative(s) will not release or provide the report, in any form, in whole or in part, to any third party, including any borrower, potential borrower, buyer or potential buyer, without the signing appraiser's express written authorization.

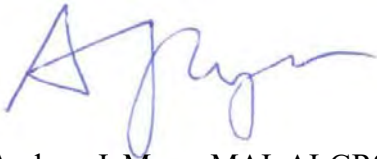
**ACCEPTANCE OF, AND/OR USE OF, THIS APPRAISAL REPORT CONSTITUTES ACCEPTANCE OF THE ABOVE CONDITIONS.**

Debi Martin  
March 29, 2017  
Page Four

The attached appraisal report contains the results of the investigation and opinion of value. We appreciate this opportunity to serve you and your firm. Should you or anyone authorized to use this report have any questions, contact us at your convenience.

Sincerely,

**CROWN APPRAISAL GROUP**



Andrew J. Moye, MAI, AI-GRS  
Principal

AJM/hrp  
Enclosure

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# Executive Summary

**Subject Real Estate Identification:** The subject is known as Yester Oaks Apartments and has an address of 52 Yester Oaks Drive in LaFayette, Georgia. The complex operates as a Class C, subsidized income, non-age restricted property. Yester Oaks Apartments is located on the west side of West North Main Street, just southwest of the US 27/SR 1 intersection and about 2 miles north of downtown Lafayette. The property is in Walker County. LaFayette is the county seat and is located in the northwestern portion of Georgia.

The subject improvements include a 44-unit apartment complex (housed in 9, single and 2-story buildings). The property includes one and two bedroom units. The 44 units total 36,176 sf. The property is currently 97.7% occupied. The improvements were built in 1990. The property is in average physical and functional condition. The subject site is ±6.34 acres.

Existing Use of Real Estate: Apartment Complex  
 Highest and Best Use: Intensive Residential (current use)

Parcel Number/Legal Description: 1003 002/ PTL 298 8/4  
 Zoning: B2: General Business  
 USPAP Report Option: Appraisal report

Pertinent dates:  
 Date of valuation: see chart  
 Prospective date of valuation: see chart  
 Date of inspection: January 23, 2017  
 Date of report: March 29, 2017

Values, interests appraised: see next page

Conclusions:

<b>Competitive Rent Comparable Unit Conclusions (CRCU)</b>				
		<u>1 Bed, 1 Bath</u>	<u>2 Bed, 1 Bath</u>	<u>2 Bed, 1.5 Bath TH</u>
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Value 7 - Insurable Value	February 1, 2019	\$2,398,957
Value 8 - Land Value	January 23, 2017	\$211,200

# Parameters of Assignment

## Purpose, Intended Use

The purpose of this assignment is to arrive at an opinion of the market value of the property known as Yester Oaks Apartments. A number of value opinions of a number of interests are provided. The value opinions, applicable notes (including discussion about the use of a hypothetical condition), and intended use, are detailed below:

<p>Value 1</p>	<p>Market Value within 7 CFR Part 3560.752(b)(1)(ii), Premised Upon A Hypothetical Condition As-If Unsubsidized Conventional Housing in compliance with 7 CFR Part 3560.656(c)(1)(i).</p> <p><i>Note - using the hypothetical condition “as unsubsidized conventional housing” according to 7 CFR Part 3560.656(c)(1)(i) means that when the appraiser develops their highest and best use analysis they will not recognize any Rural Development restrictions or subsidies and must only consider the property as continued use as housing.</i></p> <p>The intended use of this appraised value is to determine the value of the property that qualifies for an Incentive Offer within 7 CFR Part 3560.656 for sale/purchase and to determine the amount and availability of any equity.</p> <p>For ease of communication throughout the report, every effort is made to identify this value either by the complete definition or “Value 1, as conventional or unrestricted”.</p> <p><i>Comment: market-based rent, market-based vacancy, market-based operating expenses, market-based overall rate used.</i></p>
<p>Value 2-RD</p>	<p>Market Value, within 7 CFR Part 3560.752(b)(1)(ii).</p> <p><i>Note – this value opinion must consider all existing restrictions and prohibitions including Restrictive-Use Provisions (RUPs).</i></p> <p>The intended use of this appraised value is to determine the value of the property for sale/purchase and to determine the amount and availability of any equity.</p> <p>For ease of communication throughout the report, every effort is made to identify this value either by the complete definition or “Market Value, Subject to Restricted Rents within 7 CFR Part 3560.752(b)(1)(i)”.</p> <p><i>Comment: basic rent, historic vacancy, historic expenses, market-based overall rate (with recognition of “safeness” of RA units) used.</i></p>
<p>Value 3</p>	<p>Prospective Market Value, Subject To Restricted Rents within 7 CFR Part 3560.752(b)(1)(i).</p> <p><i>Note – this value opinion must consider any rent limits, rent subsidies, expense abatements, and restrict-use conditions that will affect the property. All intangible assets must be evaluated individually and separately from real estate.</i></p> <p>The intended use of this appraised value for a new or subsequent loan is to assist the underwriter with calculating the security value for the basis of a loan or loan guarantee.</p> <p>For ease of communication throughout the report, every effort is made to identify this value either by the complete definition or “Value 3, prospective, subject to restricted rents”.</p>



	<i>Comment: lesser of LIHTC or market-based rent, market-based vacancy, market-based operating expenses, market-based overall rate (with recognition of “safeness” of RA) units used.</i>
Value 4	<p>The intended use of the appraised value “Market Value within 7 CFR Part 3560.752(b)(1)(ii), Premised Upon a Hypothetical Condition As-If Unsubsidized Conventional Housing in compliance with 7 CFR Part 3560.656(c)(1)(i).” is to determine the value of the property that qualifies for an Incentive Offer within 7 CFR Part 3560.656 for sale/purchase and to determine the amount and availability of any equity.</p> <p><i>Note – this value opinion is based upon a highest and best use analysis as-if not encumbered by USDA program provisions.</i></p> <p>The intended use of this appraised value is for reasonable analysis and comparison as to how the USDA restrictions affect the property. It should not be used as the basis of a loan or loan guarantee.</p> <p>For ease of communication throughout the report, every effort is made to identify this value either by the complete definition or “Value 4, prospective, as conventional or unrestricted”.</p> <p><i>Comment: market-based rent, market-based vacancy, market-based operating expenses, market-based overall rate used.</i></p>
Value 5	Value of the interest credit subsidy from assumed 515 loan and new 538 loan.
Value 6	Market Value of LIHTC (tax credits).
Value 7	Insurable Value.
Value 8	Market Value of Underlying Land

## Definitions

### ***Market Value, incorporated in Value Opinions 1, 2, 5, 6, 8***

The 6th edition of The Dictionary of Real Estate Appraisal includes several definitions for *market value*. The following definition from the dictionary is used by the federal agencies that regulate insured financial institutions in the United States.

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

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

*Comments from HB-1-3560*

Most appraisers and users of Agency Multi-Family Housing appraisals understand the definition of *market value* to mean the value as a conventional or unrestricted or market property. However, to avoid confusion when requesting or reporting this value type, the term “as conventional or unrestricted” should be added to the term *market value* (i.e. “market value, as conventional or unrestricted”).

***Market Value, subject to restricted rents – incorporated in Value Opinions 2 (possible), 3***

A definition of market value, subject to restricted rents, as the term is used by RHS, derived from the definition of market value above, is stated as follows. Market value, subject to restricted rents: the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

***Comments from HB-1-3560***

It considers any rent limits, rent subsidies, expense abatements, or restrictive-use conditions imposed by any government or non-government financing sources but does not consider any favorable financing involved in the development of the property.

Market value, subject to restricted rents, refers only to the value of the subject real estate, as restricted, and excludes the value of any favorable financing. The market value, subject to restricted rents, is based on a pro forma that projects income, vacancy, operating expenses, and reserves for the property under a restricted (subsidized) scenario. This restricted pro forma includes the scheduled restricted rents, a vacancy and collection loss factor that reflects any rental assistance (RA) or Section 8, and operating expenses and reserves projected for the subject as a subsidized property. Subsidized apartments typically experience higher management, auditing, and bookkeeping expenses, relative to similar conventional apartments, but often have lower real estate tax expenses.

***Real Property Interest Valued, Value Opinions 1, 2 (possible), 4, 8***  
*fee simple estate, subject to short term leases.*

The 6th edition of the Dictionary of Real Estate Appraisal defines fee simple estate as “absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.” Recognition is made that there are leases with tenants that are short term (no more than one year) in nature for the units in the apartment building improvements.

***Real Property Interest Valued, Value Opinions 2 (possible), 3***  
*fee simple estate, as restricted, subject to short-term leases.*

The 6th edition of the Dictionary of Real Estate Appraisal defines fee simple estate as “absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.”

***Prospective Value, Value Opinions 3, 4, 7***

The term *prospective value* is defined by the 6th edition of The Dictionary of Real Estate Appraisal as follows. “*Prospective value: a forecast of the value expected at a specified future date. A prospective value opinion is most frequently sought in connection with real estate projects that are proposed, under construction, or under conversion to a new use, or those that have not achieved sellout or a stabilized level of long-term occupancy at the time the appraisal report is written.*”

*Comments from HB-1-3560*

As used in Agency regulations and instructions, the term “as-improved value” refers to the value of real property after completion of proposed improvements. The Agency’s intended meaning of “as-improved value” is the same as the definition of *prospective value*. However, use of the term “as-improved value” can cause confusion for two reasons, as follows. 1) The term “as improved”, as used in a Highest and Best Use analysis, refers to the subject real estate as it has already been improved at the time of the appraisal, not as it is proposed to be improved. Therefore, “as-improved value” could be interpreted to refer to the value of the subject property as it has already been improved at the time of the appraisal. 2) There is a common misconception with the use of the term “as-improved value” that this is a value based on a hypothetical condition; that is, the value of the property as if it were improved, as proposed, as of the date of inspection. Since this scenario is impossible, an “as-improved value”, as of appraisal date (inspection date), is not useful. The term *prospective value* is better understood than the terms “as-improved value” and “as-complete value” by appraisers and users of appraisals and has replaced these terms in appraisal literature and common usage. Therefore, the term *prospective value* should be used when requesting or reporting a forecasted value, and the associated date of value should be the projected date of completion of construction.

***“As-Is” Value***

The 6th edition of the Dictionary of Real Estate Appraisal defines value as is as follows. “Value as is: the value of specific ownership rights to an identified parcel of real estate as of the effective date of the appraisal; relates to what physically exists and is legally permissible and excludes all assumptions concerning hypothetical market conditions or possible rezoning.”

*Comments from HB-1-3560*

HB-1-3560, Attachment 7-A, Page 5 of 8 notes that, “...the term ‘As-Is’ should not be used with the term *market value* unless the property is a conventional or market property at the time of the appraisal. The term ‘As-Is’ should precede the term *market value, subject to restricted rents*, when the *market value, subject to restricted rents*, of the project at the time of the appraisal is required.” In this assignment, the appraisers have tried to not use of the term “as-is”.

***Insurable Value, Value 7***

A definition of *insurable value* acceptable for use in Agency Multi-Family Housing appraisals is as follows: *Insurable value: the value of the destructible portions of a property which determines*

*the amount of insurance that may, or should, be carried to indemnify the insured in the event of loss. The estimate is based on replacement cost new of the physical improvements that are subject to loss from hazards, plus allowances for debris removal or demolition. It should reflect only direct (hard) construction costs, such as construction labor and materials, repair design, engineering, permit fees, and contractor's profit, contingency, and overhead. It should not include indirect (soft) costs, such as administrative costs, professional fees, and financing costs.*

The term “insurable cost” is sometimes used instead of the term *insurable value* because it is based strictly on a cost estimate, not a value concluded in an appraisal. However, the term *insurable value* is more commonly used. Attachment 7-I, *Insurable Value Calculation*, is a worksheet that should be used as a guide by State Appraisers and fee appraisers contracted by the Agency in calculating *insurable value*.

### **Extraordinary Assumption:**

*An assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusion.*

Source: *Uniform Standards of Professional Appraisal Practice (USPAP)*

For those reports that incorporate an extraordinary assumption, USPAP requires that the appraiser provide notice to the user of the report that the use of the extraordinary assumption might affect the assignment results. The appraiser(s) is not required to report on the impact of the extraordinary assumption on assignment results. The following extraordinary assumptions are incorporated:

- The units and other improvements at the property that were viewed during the inspection (defined within the body of the report) are representative of all the units and other improvements at the property.
- The prospective value conclusions incorporate the extraordinary assumptions that the improvements are renovated as described, that the renovation is complete as of the prospective valuation date, and that the property is operating at a stabilized level as of the prospective valuation date.

### **Hypothetical Condition:**

*That which is contrary to what exists but is supposed for the purpose of analysis.*

Source: *Uniform Standards of Professional Appraisal Practice (USPAP)*

For those reports that incorporate a hypothetical condition, USPAP requires that the appraiser provide notice to the user of the report that the use of the hypothetical condition might affect the assignment results. The appraiser(s) is not required to report on the impact of the hypothetical condition on assignment results. Applicable hypothetical conditions have been identified earlier in this section.

## Intended Use, User

The intended use for most of the values developed and reported have been shown in the prior section. For those values that do not have an intended use, the use is to assist the client in their understanding and analysis of the property. Unless otherwise identified within this report, the intended use of the report has not been more fully described to the appraiser(s). The client, or intended user, for whom the report is prepared is identified in the letter of transmittal, Debi Martin of Greystone Servicing Corporation, Inc. Other known intended users are representatives from the USDA, Georgia Department of Community Affairs, and other lenders. Unless otherwise identified within this report, no other intended users have been identified to the appraiser(s).

The Uniform Standards of Professional Appraisal Practice (USPAP) have a number of rules, comments, advisory opinions, and frequently asked questions relating to control or use of reports. The signatory(ies) of this report is/are bound by USPAP. Therefore, as noted in the letter of transmittal, no party other than the intended user may use this report without receiving written consent from the signing appraiser(s). Further, no part of the report shall be published or made available to the general public, nor shall any part of the report be published or made available for public or private offering memorandum or prospectus, without the written consent of the signing appraiser(s) of this report.

## Scope

The scope of services was focused on reviewing issues considered relevant and appropriate by the appraisers based on their knowledge of the subject's real estate market. The appraisers believe that the scope was sufficient to arrive at an accurate value opinion. A summary of the scope of work is presented below. Additional explanatory comments regarding the scope undertaken can be found throughout the report. The scope included the following:

- Review and analysis of the subject market area, economic and demographic issues.
- Review of existing and planned comparable and/or competitive properties located within the subject area.
- Analysis of economic, demographic and development factors within the subject market area.
- Physical inspection of the real estate; specifically, observation of the above ground attributes of the site was made, observation of representative exterior facades of building(s) on site was made, observation of representative property amenities on site was made, and interior viewing of a sufficient number of representative living units within the building(s) was made in a manner considered sufficient to comprehend and analyze the physical and functional adequacy and appropriateness of the real estate in light of market conditions as of the date of valuation.
- Evaluation of the highest and best use of the property.
- Consideration of all applicable and appropriate valuation approaches.
- Reconciliation of the above opinions to a point value opinion.

### Note that:

- Crown Appraisal Group, Inc. employees are not engineers and are not competent to judge matters of an engineering nature.
- Inspection of 100% of the units or other improvements at the real estate was not made.

## Pertinent Dates

The various dates of valuation are noted in the charts on the first page of the letter of transmittal and the Executive Summary Page. The most recent inspection of the real estate was on January 23, 2017. It is noted that the term *inspection* is not intended to convey a complete, exhaustive examination of the real estate. Such an inspection is best suited for an engineer, architect, or building inspector formally educated and trained in such matters. Rather, the term denotes that the individual viewing the real estate was at the property on the date and observed the general condition and quality of the real estate at that time. The date of report--the date the report was written—is March 29, 2017.

Events subsequent to these dates may have an impact on the opinions developed through the course of the assignment, and on the opinions contained within this report. All such subsequent events are beyond the control of the appraiser(s), and any consequences thereof are beyond the scope of this assignment.

## Comments Regarding Appraisal

A number of comments regarding the subject and appraisal assignment are discussed below:

- **Property.** The subject is known as Yester Oaks Apartments and has an address of 52 Yester Oaks Drive in LaFayette, Georgia. The property is a 44-unit apartment complex. The property includes one and two bedroom units. The complex operates as a Class C, restricted income, non-age restricted property. The improvements were built in 1990. Overall, the property is in average physical and functional condition.

The unit size is based on the best information provided. Crown was given floor plans, square foot summary pages, and building plans. The information was generally consistent, but not identical.

Tenancy at the subject property is restricted to households with incomes of less than the area median household income. The units at the subject have long maintained a high level of occupancy. Demand for subsidized rental units is high locally.

Historical operating information for the subject was available for 2013, 2014, and 2015. In addition, the budget for 2016 and 2017 were also provided. In general the information provided indicated that the property is being run in an efficient manner. Historical information will be used when developing expenses and for valuation purposes, while market data will be used as support.

- **Near Term.** The property is part of a portfolio of apartment properties in Georgia that are to transfer ownership in the near term. There is a letter of intent on the subject property, proposing an option to purchase. The letter of intent was requested but not provided. The transfer is assumed to be between related parties and not one that is considered to be arms-length. The purchase price amount given to the appraisers is \$1,278,788. As the transfer is not arms-length no credence is given to this purchase price when determining the said values of the subject property. Subsequent to the sale, ownership plans to renovate the subject with funding from a combination of mortgage monies, sale proceeds of Section 42 Low Income Housing Tax Credits, and equity. Following the acquisition the existing Section 515 loan will remain at the property. (The loan is expected to be restated under new rates and terms.) Renovations will be extensive and will include interior unit renovation as well as exterior unit renovation. Among the items that will be replaced and/or renovated (depending upon the condition of the individual components) are air conditioning units, windows, roofs, plumbing and electric, parking areas, and kitchens and bathrooms. Furthermore, all Section 504 accessibility issues will be addressed and corrected as appropriate.
- **Property Location.** The property is located on the west side of West North Main Street, just southwest of the US 27/SR 1 intersection and about 2 miles north of downtown Lafayette. The property is in Walker County. LaFayette is the county seat of Walker County and is located in the northwestern portion of Georgia. LaFayette is a relatively small Georgia town. There are few truly comparable properties in the area.
- **Value Opinions Developed and Reported.** There are a number of value opinions developed and reported in the appraisal report. In large part, this is due to the number of intended users – who have similar, but not identical – needs. The values that are not required by a specific intended user should be ignored.

## Apartment Housing

There is a continual change in the definition and implications of various apartment types. A number of the more prevalent apartment classifications include *luxury*, *Class A*, *Class B*, *conventional*, *LIHTC*, *HUD*, and *affordable*. With respect to the senior market, there are classifications such as *independent* or *assisted*. Some terms have specific definitions, while some can be used interchangeably (upscale or luxury, etc.). In some cases, the terms are meant to suggest a specific resident profile or income level (LIHTC or affordable are examples). To minimize confusion, the following definitions and comments are presented:

- Luxury, Class A, Class B, Class C - The type of property is designated by the year of construction and the amenities (unit and project). A luxury complex will have more amenities than a Class A property, while a Class A property has more amenities than Class B. A Class C property typically possesses few amenities. An *upscale* property could be either a luxury or a Class A property. A Class B property could be new. A Class B property does not possess all the amenities of a Class A or luxury property.
- Market rate, LIHTC, HUD - Refers to the rent limits, or rent payment structure. A market rate property has no rent constraints (other than the market) while a LIHTC (Low-Income Housing Tax Credit) property is (or could be) constrained by income levels as well as the market. A market rate property is also known as a *conventional* property. Low-income, subsidized, or affordable (such as HUD Section 8 and/or Section 236) are designations used to denote subsidy programs other than the LIHTC program, and refer to the entity (or entities) that make the rent payment to the property owner.
- Independent, assisted - Refers to the level of service offered, particularly with respect to the senior housing/care market. An independent complex has few, if any, services (such as meals, housekeeping). An assisted living facility offers more ADL (Activities of Daily Living) services. This classification also has implications as to the typical design of apartment units within a complex – an independent complex generally has apartments with full kitchens and exterior entries, while the units at an assisted living complex typically have a small kitchenette, many common areas, and interior enclosed hallways.
- Elderly Only (Age Restricted) - Refers to the minimum age of at least one of the residents of a unit. Depending upon the specific nature of a given program, the typical minimum age limit is within the 55 to 65 range.

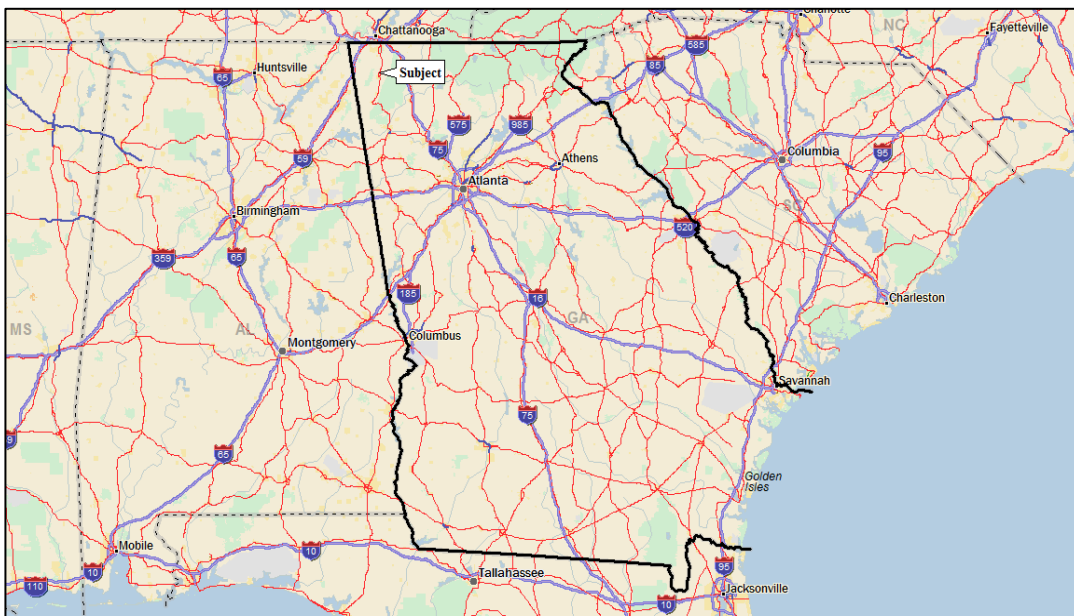
Based on the above, the complex operates as a Class C, restricted income, non-age restricted property.



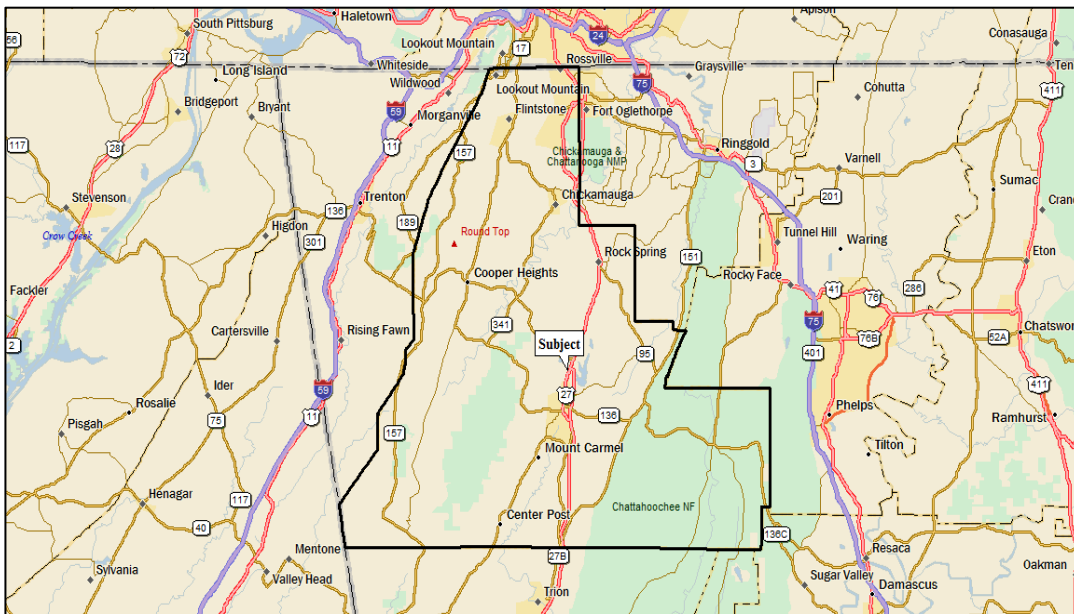
# City Overview

LaFayette is in Walker County, in the state of Georgia. As defined by the U.S. Office of Management and Budget, and used by the U.S. Census Bureau for statistical purposes only, Walker County is included within the Chattanooga TN-GA MSA. Walker County is in the northwestern portion of Georgia. The Chattanooga MSA is made up of 3 counties in Tennessee (Marion, Hamilton, and Sequatchie) and 3 counties in Georgia (Dade, Walker, and Catoosa). The city of LaFayette is about 20 miles south of Chattanooga, TN; about 85 miles northwest of Atlanta, GA; and about 120 miles northeast of Birmingham, AL. The maps below show the subject's location within the state of Georgia, Walker County and LaFayette. The aerial below locates the property relative to downtown LaFayette.

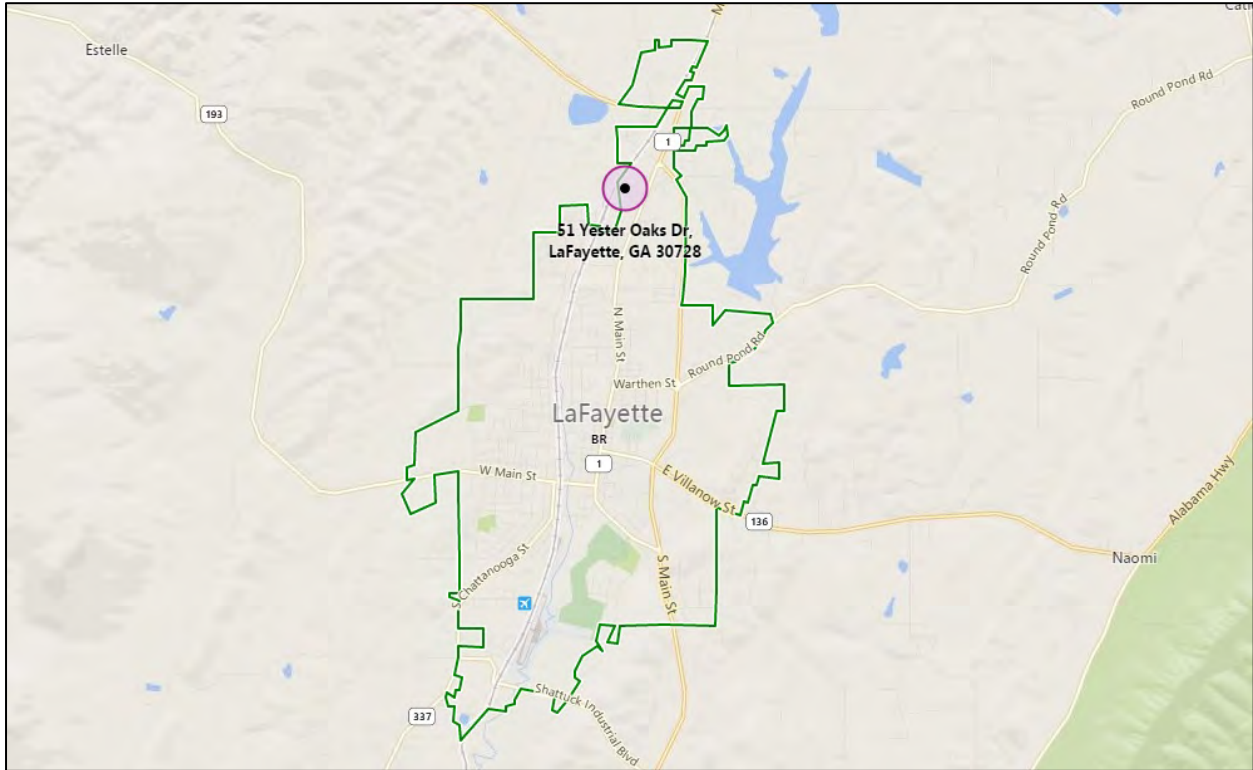
Georgia



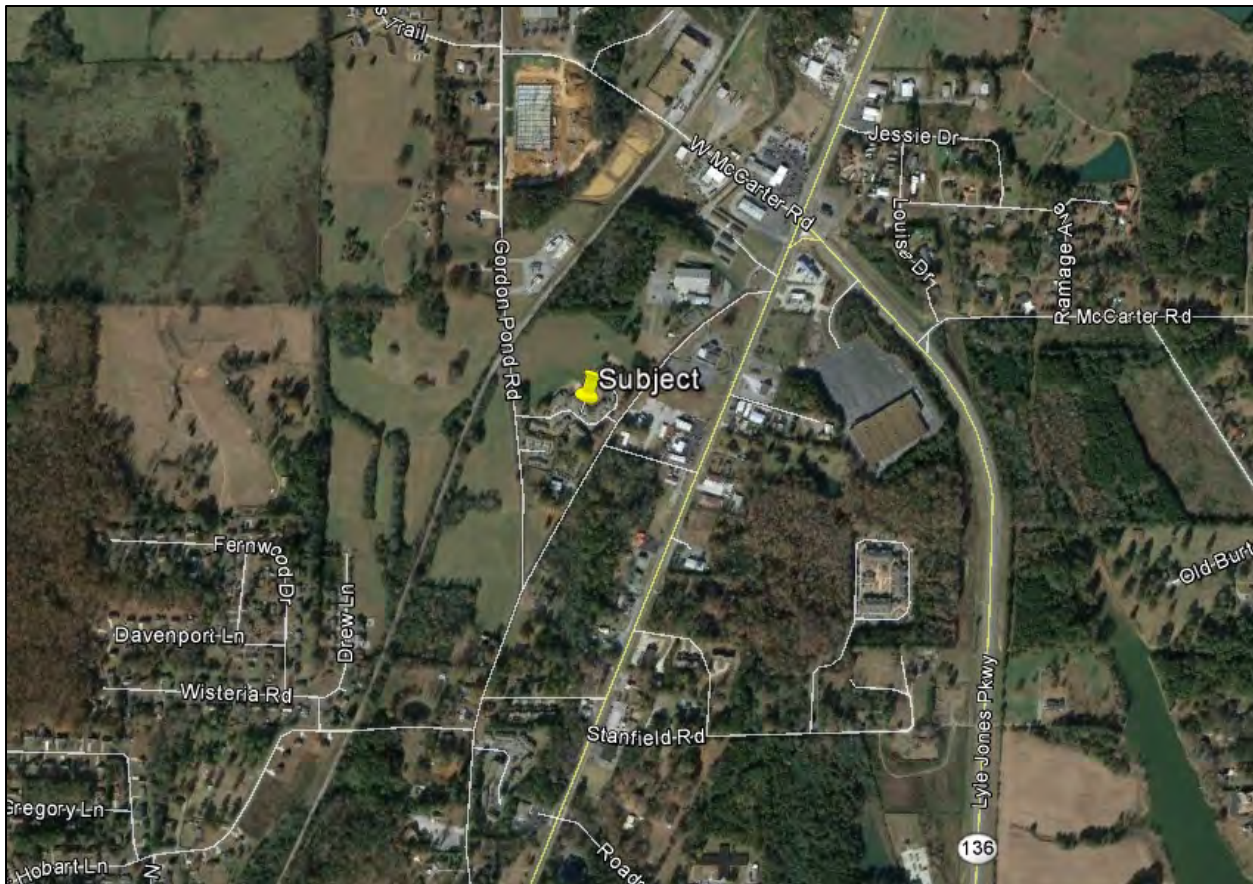
Walker County



LaFayette



Aerial



### Physical Boundaries

LaFayette is roughly bordered by West Warren Road to the north, Sunrise Drive to the east, South Industrial Loop to the south, and Hillsdale Road to the west.

### Road Infrastructure

There are several roadways that service LaFayette. These include US 27, SR 136, SR 337, and SR 193.

US 27 is the primary north/south route in LaFayette. It enters the city on the north side, and splits into Lyle Jones Parkway and Main Street. Lyle Jones Parkway travels around the eastern edge of the city. Main Street travels directly through downtown LaFayette and then merges back with Lyle Jones Parkway to re-form US 27 just south of downtown. Both Lyle Jones Parkway and Main Street intersect with the primary east/west routes in the city – SR 193 and SR 136.

SR 193 enters the city on the west side and then terminates at Main Street in downtown LaFayette. SR 136 enters the city on the east side and terminates at Main Street in downtown LaFayette. SR 337 enters the city on the southern side, travels east/west for about 2 miles, and terminates at US 27 on the south side of the city.

### Population

The LaFayette population according to the 2000 census was 6,587. In 2010, the population was 7,121 (an increase of 0.8% compounded annual growth or CAG). The 2016 population estimation is 7,199 (population increase of 0.2% CAG from 2010). The population is expected to increase by 0.1% CAG in 2021 to 7,234.

### History & Growth

LaFayette was incorporated in 1835, and named after Marquis de LaFayette, a French aristocrat who helped American colonists during the Revolutionary War. The city's nickname is "Queen City of the Highlands".

The city owns an important historical landmark – Chattanooga Academy. This building is considered to be one of Georgia's oldest remaining brick schools. The school was later named John B. Gordon Hall after Confederate General John B. Gordon, who attended the school as a child and later was the governor of Georgia. According to the demographics of the area, the population is expected to decrease slightly and the viability of the area is stable.

### Land Uses and Development

The primary commercial corridor in LaFayette is Main Street. Commercial users on the north side of the city include WalMart Supercenter, Goody's, Bealls Outlet, Key West Inn, America's Best Value Inn & Suites, and El Trio Mexican. There are several automotive commercial users, as well.

Going further south on Main Street finds commercial users such as Hardee's, CVS, AutoZone, Pizza Hut, Wendy's, Food City, and Sonic Drive-In. Users to the east and west of these commercial users are primarily single family residential.

In downtown LaFayette, there are several institutional users. These include Walker County Tax Assessor, Housing Authority Lafayette, LaFayette City Office, and the Walker County Sheriff's Department.

Churches in the downtown LaFayette area are The LaFayette Church of Christ, First United Methodist, First Baptist Church LaFayette, Life Gate Church, and LaFayette Presbyterian.

There are a few industrial users on the south side of the city, on South Industrial Loop. These users are Roper Corporation, CCM Automotive LaFayette, Phillip Brothers Machine, and Shaw Plant 67.

Two large land users in the city are LaFayette Cemetery (25 acres), and LaFayette Golf Course (110 acres).

#### Immediate (Adjacent) Land Uses

North: to the north of the subject is undeveloped land.

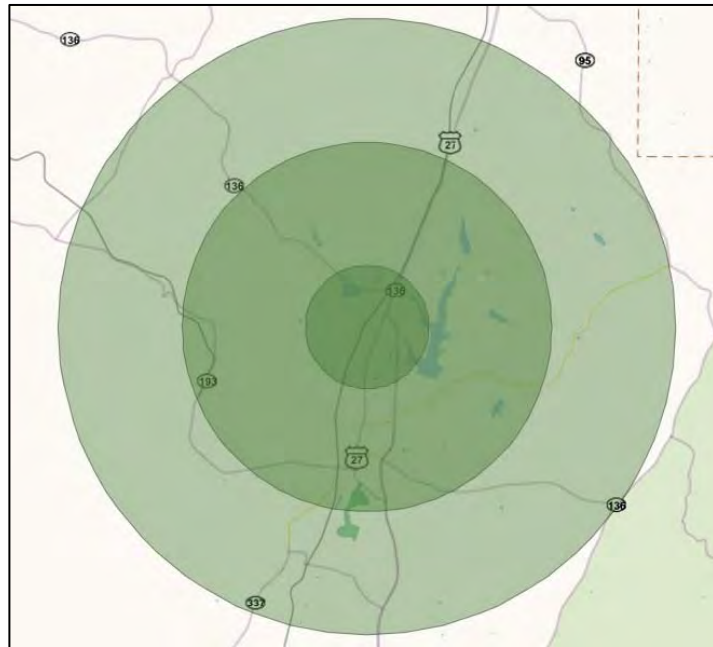
East: to the east of the subject is Blossman Gas, Valley Auto Sales, and New To U.

South: to the south of the subject are single family homes.

West: to the west of the subject is undeveloped land.

## Market Area Demographic Profile

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



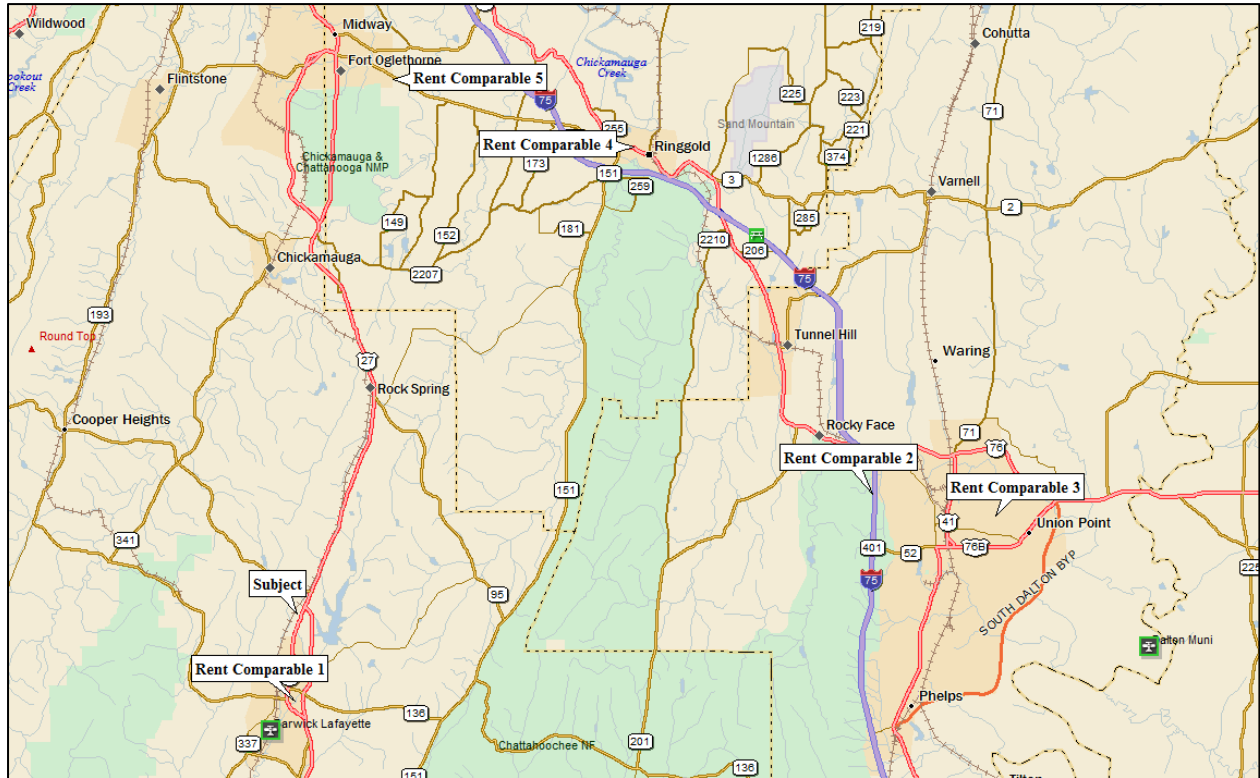
<b>Yester Oaks</b>											
<b>Demographic Profile: 1, 3 and 5-mile Radii</b>											
	<b>LaFayette</b>		<b>Radius from subject</b>						<b>Walker</b>		
	<b>City</b>	<b>CAG</b>	<b>1 Mile</b>	<b>CAG</b>	<b>3 Mile</b>	<b>CAG</b>	<b>5 Mile</b>	<b>CAG</b>	<b>County</b>	<b>CAG</b>	
<b>Population</b>											
2000	6,587		1,611		7,691		13,221		61,052		
2010	7,121	0.8%	2,207	3.2%	8,827	1.4%	15,298	1.5%	68,756	1.2%	
2016 est.	7,199	0.2%	2,283	0.6%	8,728	-0.2%	15,105	-0.2%	68,095	-0.2%	
2021 proj.	7,234	0.1%	2,370	0.7%	8,813	0.2%	15,226	0.2%	68,831	0.2%	
Median Age	39.30		38.90		39.70		40.50		41.10		
Average Age	40.20		40.10		40.30		40.60		40.70		
<b>Households</b>											
2000	2,648		643		3,077		5,131		23,605		
2010	2,821	0.6%	887	3.3%	3,438	1.1%	5,818	1.3%	26,497	1.2%	
2016 est.	2,868	0.3%	903	0.3%	3,395	-0.2%	5,719	-0.3%	26,257	-0.2%	
2021 proj.	2,896	0.2%	930	0.6%	3,429	0.2%	5,760	0.1%	26,564	0.2%	
<b>Average Household Size</b>											
2000	2.49		2.51		2.50		2.58		2.59		
2010	2.52	0.1%	2.49	-0.1%	2.57	0.3%	2.63	0.2%	2.59	0.0%	
2016 est.	2.51	-0.1%	2.53	0.3%	2.57	0.0%	2.64	0.1%	2.59	0.0%	
2021 proj.	2.50	-0.1%	2.55	0.2%	2.57	0.0%	2.64	0.0%	2.59	0.0%	
<b>Owner Occupied (est.)</b>	1,607	56.03%	542	60.09%	2,046	60.26%	3,850	67.31%	19,427	73.99%	
<b>Renter Occupied (est.)</b>	1,261	43.97%	360	39.91%	1,349	39.74%	1,870	32.69%	6,830	26.01%	
<b>Est. Household Income</b>											
\$0-\$14,999	22.00%		19.56%		21.33%		18.81%		16.55%		
\$15,000-\$24,999	15.17%		11.03%		13.97%		12.02%		12.19%		
\$25,000-\$34,999	12.03%		13.05%		11.79%		11.64%		12.05%		
\$35,000-\$49,999	15.83%		15.21%		15.22%		16.19%		16.02%		
\$50,000-74,999	16.98%		15.84%		17.06%		18.60%		19.71%		
\$75,000-\$99,000	7.29%		11.42%		7.97%		8.32%		9.34%		
\$100,000 +	10.70%		13.89%		12.66%		14.42%		14.14%		
	100.0%		100.0%		100.0%		100.0%		100.0%		
Average Household Income (est.)	\$47,570		\$54,637		\$51,088		\$55,174		\$56,697		
Median Household Income (est.)	\$35,760		\$41,270		\$37,871		\$41,977		\$43,620		

<sup>1</sup> Compounded Annual Growth

Source: Claritas Inc.

## Supply Side Analysis - Competitive Properties Survey

A survey of multi-family complexes is detailed on the following pages. The map below shows the locations of the rent comparables and the subject. Given the relatively small population in the market area, there are few apartment properties, and it was necessary to use properties that are somewhat geographically distant.



**Rent Comparable 1**

**General Data**

Property Name:	Town Creek Apartments
Property Address:	300 East Cooper Street
City:	Lafayette
County:	Walker
MSA:	Chattanooga
State:	GA
Zip:	30728
Renter Segmentation:	General
Rent Structure:	Market Rate



**Property Data**

		Bedrooms	Baths	Type	Size (rsf)	Units	Rent	Rent/rsf
Year Built:	1971	1	1.0	Garden	650	15	\$425	\$0.65
Size (Number of Units):	60	2	1.0	Garden	800	35	\$544	\$0.68
Rentable Size (rsf):	46,750	3	1.0	Garden	900	10	\$644	\$0.72
Gross Size (gsf):	50,540							
Site Size (acres):	6.500							
Density (units/acre):	9.2							
Occ. At Time Of Survey:	96.0%							
Floors:	2							
Property Design:	Walk Up							
Exterior:	Brick							

**Landlord Paid Utilities**

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

**Tenant Paid Utilities**

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

**Unit Amenities**

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

**Complex Amenities**

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

**Other Comments**

The property is on Cooper Street just south of Lafayette, and about 25 miles southeast of Chattanooga. At the time of the survey, 18 of the 60 units were subsidized units. Typical lease term is one year. Shorter lease terms are available with management consent. There is minimal turnover.

Property Contact: Shannon (706) 638-5203

**Rent Comparable 2**

**General Data**

Property Name:	Park Canyon Apartments
Property Address:	284 Park Canyon Drive
City:	Dalton
County:	Whitfield
MSA:	Dalton
State:	GA
Zip:	30720
Renter Segmentation:	General
Rent Structure:	Market Rate



**Property Data**

		Bedrooms	Baths	Type	Size (rsf)	Units	Rent	Rent/rsf
Year Built:	1970	1	1.0	Garden	453	23	\$555	\$1.23
Size (Number of Units):	171	1	1.0	Garden	490	11	\$555	\$1.13
Rentable Size (rsf):	127,921	1	1.0	Garden	704	37	\$640	\$0.91
Gross Size (gsf):	159,150	1	1.0	Garden	728	50	\$665	\$0.91
Site Size (acres):	11.860	2	1.5	Garden	960	34	\$740	\$0.77
Density (units/acre):	14.4	2	1.5	Garden	1,064	16	\$780	\$0.73
Occ. At Time Of Survey:	100.0%							
Floors:	2							
Property Design:	Walk Up							
Exterior:	Siding							

**Landlord Paid Utilities**

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

**Tenant Paid Utilities**

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

**Unit Amenities**

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

**Complex Amenities**

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

**Other Comments**

The property is on Park Canyon Drive, south of the I-75/US 41 interchange. This location is about 2 miles northwest of downtown Dalton and about 25 miles southeast of Chattanooga. Additional amenities include unit storage and a basketball court. Typical lease term is one year. Shorter lease terms are available with management consent. There is minimal turnover.

Property Contact: John (888) 598-7028



**Rent Comparable 3**

**General Data**

Property Name:	Strawberry Commons Apts
Property Address:	1418 Burgess Dr
City:	Dalton
County:	Whitfield
MSA:	Dalton
State:	GA
Zip:	30721
Renter Segmentation:	General
Rent Structure:	Market Rate



**Property Data**

		Bedrooms	Baths	Type	Size (rsf)	Units	Rent	Rent/rsf
Year Built:	1959	1	1.0	Garden	719	12	\$600	\$0.83
Size (Number of Units):	39	2	1.0	Garden	1,029	27	\$660	\$0.64
Rentable Size (rsf):	36,411							
Site Size (acres):	3.090							
Density (units/acre):	12.6							
Occ. At Time Of Survey:	97.4%							
Floors:	2							
Property Design:	Walk Up							
Exterior:	Brick							

**Landlord Paid Utilities**

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

**Tenant Paid Utilities**

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

**Unit Amenities**

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

**Complex Amenities**

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

**Other Comments**

The property is on Burgess Drive about 1 mile east of downtown Dalton. This location is about 3 miles east of the I-75/SR 71 interchange, and about 30 miles southeast of Chattanooga. Electric and water are included in the rent with a cap of \$75/month. Typical lease term is one year. Shorter lease terms are available with management consent. There is minimal turnover.

Property Contact: Maria (706) 278-1616

**Rent Comparable 4**

**General Data**

Property Name:	Spring Hill Apts
Property Address:	165 Guyler St
City:	Ringgold
County:	Catoosa
MSA:	Chattanooga
State:	GA
Zip:	30736
Renter Segmentation:	General
Rent Structure:	Market Rate



**Property Data**

		Bedrooms	Baths	Type	Size (rsf)	Units	Rent	Rent/rsf
Year Built:	1990	1	1.0	Garden	600	44	\$525	\$0.88
Size (Number of Units):	69	2	1.0	Garden	850	25	\$650	\$0.76
Rentable Size (rsf):	47,650							
Gross Size (gsf):	50,340							
Site Size (acres):	2.000							
Density (units/acre):	34.5							
Occ. At Time Of Survey:	100.0%							
Floors:	1-2							
Property Design:	Walk Up							
Exterior:	Combination							

**Landlord Paid Utilities**

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

**Tenant Paid Utilities**

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

**Unit Amenities**

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

**Complex Amenities**

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

**Other Comments**

The property is on the west side of Guyler Street just northeast of the I-75/SR 151 interchange, and about 15 miles southeast of Chattanooga. The water utility cost is only included with the two bedroom units. Typical lease term is one year. Shorter lease terms are available with management consent. There is minimal turnover.

Property Contact: Lisa (423) 316-7661

**Rent Comparable 5**

**General Data**

Property Name:	Lakeshore I Apts
Property Address:	1100 Lakeshore Dr
City:	Fort Oglethorpe
County:	Catoosa
MSA:	Chattanooga
State:	GA
Zip:	30742
Renter Segmentation:	General
Rent Structure:	Market Rate



**Property Data**

		Bedrooms	Baths	Type	Size (rsf)	Units	Rent	Rent/rsf
Year Built:	1984	0	1.0	Garden	288	15	\$420	\$1.46
Size (Number of Units):	79	1	1.0	Garden	576	59	\$538	\$0.93
Rentable Size (rsf):	42,732	2	1.0	Garden	864	5	\$661	\$0.77
Gross Size (gsf):	43,779							
Site Size (acres):	9.100							
Density (units/acre):	8.7							
Occ. At Time Of Survey:	100.0%							
Floors:	1							
Property Design:	Single Story							
Exterior:	Siding							

**Landlord Paid Utilities**

N Cable	N Sewer
N Electric	N Trash
N Gas	N Water

**Tenant Paid Utilities**

Y Cable	Y Sewer
Y Electric	Y Trash
Y Gas	Y Water

**Unit Amenities**

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

**Complex Amenities**

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

**Other Comments**

This property is located along Lakeshore Drive, just south of SR 2 (Battlefield Parkway) and about 2 miles southeast of downtown Fort Oglethorpe. Studios do not include washer/dryer hookups and have murphy beds. Each unit includes wall A/C. Typical lease term is one year. Shorter lease terms are available with management consent. There is minimal turnover.

Property Contact: Stephen (706) 861-0455

**Analysis**

Yester Oaks Apartments: The subject has 44-units, was built in 1990, and is in average physical and functional condition. It is more fully described and discussed in the Property Description section of the report. It is summarized below.

<b>Yester Oaks</b>												
<b>Property and Unit Amenity Summary</b>												
Street Address		52 Yester Oaks Dr		Year Built		1990		Floors		1-2		
City		Lafayette		Total Units		44		Occupancy		97.7%		
<b>Unit Types</b>			<b># units</b>		<b>Size (sf)</b>		<b>Utilities (L-landlord, T-tenant, na-not applicable)</b>					
							<b>Water</b>	<b>Sewer</b>	<b>Electric</b>	<b>Heat</b>	<b>Trash</b>	<b>Cable</b>
1 Bed, 1 Bath			16		654		T	T	T	T	L	T
2 Bed, 1 Bath			8		779							
2 Bed, 1.5 Bath TH			20		974							
<b>Complex Amenities (Y/N)</b>												
Pool		N		Bus. Ctr.		N		Lake		N		
Clubhouse		N		Laundry		N		Gated		N		
Tennis		N		Det. Garages		N		Car Wash		N		
Jacuzzi		N		Cov. Storage		N		Basketball Court		Y		
Fit. Ctr		N		Open Storage		N		Playground		Y		
<b>Unit Amenities (Y/N)</b>												
Refrigerator		Y		Disposal		N		Fireplace		N		
Range		Y		Double Sink		Y		Patio		Y		
Microwave		N		Fan Hood		Y		Balcony		N		
Dishwasher		N		Att Garage		N		Bsmt		N		
								Central A/C		Y		
								Wall A/C		N		
								W/D hk ups		Y		
								W/D		N		
								Ceil. Fans		Y		
								Vlt Ceiling		N		
								Sec Sys		N		
								Storage		Y		

During the renovations, microwaves will be added to each unit. In addition, a pavilion will be added to the complex.

**Market Rent Conclusions**

<b>Apartment Survey Ranges</b>						
<b>Yester Oaks</b>						
		Unit Size		Adj. Monthly Rent		Rent/sf
As-Is	<b>1 Bed, 1 Bath</b>					
	Yester Oaks	654		\$530		\$0.81
	Comparable Properties	576 -	719	\$426 -	\$595	\$0.66 - \$0.96
	average of comparables	650		\$529		\$0.82
As-Is	<b>2 Bed, 1 Bath</b>					
	Yester Oaks	779		\$600		\$0.77
	Comparable Properties	800 -	1,029	\$535 -	\$649	\$0.52 - \$0.75
	average of comparables	901		\$597		\$0.67
As-Is	<b>2 Bed, 1.5 Bath TH</b>					
	Yester Oaks	974		\$650		\$0.67
	Comparable Properties	800 -	1,029	\$574 -	\$698	\$0.58 - \$0.81
	average of comparables	901		\$648		\$0.72
As Ren.	<b>1 Bed, 1 Bath</b>					
	Yester Oaks	654		\$590		\$0.90
	Comparable Properties	576 -	719	\$486 -	\$655	\$0.75 - \$1.07
	average of comparables	650		\$589		\$0.91
As Ren.	<b>2 Bed, 1 Bath</b>					
	Yester Oaks	779		\$660		\$0.85
	Comparable Properties	800 -	1,029	\$595 -	\$709	\$0.58 - \$0.81
	average of comparables	901		\$659		\$0.74
As Ren.	<b>2 Bed, 1.5 Bath TH</b>					
	Yester Oaks	974		\$710		\$0.73
	Comparable Properties	800 -	1,029	\$634 -	\$758	\$0.64 - \$0.89
	average of comparables	901		\$710		\$0.79

Source: Crown Appraisal Group

The chart above details the current (not renovated) and as renovated market-derived rents for the subject as well as the range of rents offered at the comparable properties.

Adjustments are made to the comparables for perceived, material differences. (For example, while a given comparable unit might be 3 square feet larger than a given subject unit, there is no material difference in the unit size, so no adjustment is warranted, nor made.) Adjustments are considered for property attributes such as location (specific or general), condition/street appeal, or complex amenities, as well as unit attributes such as unit size, configuration (number of bedrooms or bathrooms, style), utility payment structure, unit amenities, and any concessions. If no adjustment is made, it is because there is no perceived difference between the comparable and the subject.

The charts that follow detail the analysis, and show the adjustments considered appropriate.

**Unrenovated Market Rent, 1 br-1 ba (654 sf)**

The subject is comprised of 16 of these units. Comparable properties from the area are used to develop the unrenovated rent conclusion.

<b>1 Bed, 1 Bath As is</b>							
	<b>Subject</b>	<b>Rent 1</b>	<b>Rent 2</b>	<b>Rent 3</b>	<b>Rent 4</b>	<b>Rent 5</b>	
Name	Yester Oaks	Town Creek Apartments	Park Canyon Apartments	Strawberry Commons Apts	Spring Hill Apts	Lakeshore I Apts	
Address	52 Yester Oaks Dr	300 East Cooper Street	284 Park Canyon Drive	1418 Burgess Dr	165 Guyler St	1100 Lakeshore Dr	
Unadjusted Rent		\$425	\$640	\$600	\$525	\$538	
<b>Location</b>							
Address	52 Yester Oaks Dr	300 East Cooper Street	284 Park Canyon Drive	1418 Burgess Dr	165 Guyler St	1100 Lakeshore Dr	
City	Lafayette	Lafayette	Dalton	Dalton	Ringgold	Fort Oglethorpe	
Population	7,199	7,199	34,623	34,623	4,073	10,182	
		Similar	Superior	Superior	Similar	Similar	
		\$0	-\$10	-\$10	\$0	\$0	
<b>Year Built</b>	1990	1971	1970	1959	1990	1984	
<b>Condition/Street Appeal</b>		Inferior	Inferior	Inferior	Similar	Inferior	
		\$10	\$10	\$20	\$0	\$5	
<b>Unit Size (sf)</b>	654	650	704	719	600	576	
		Inferior	Superior	Superior	Inferior	Inferior	
		\$1	-\$10	-\$13	\$11	\$16	
<b>Bedrooms</b>	1	1	1	1	1	1	
		Similar	Similar	Similar	Similar	Similar	
		\$0	\$0	\$0	\$0	\$0	
<b>Bathrooms</b>	1.0	1.0	1.0	1.0	1.0	1.0	
		Similar	Similar	Similar	Similar	Similar	
		\$0	\$0	\$0	\$0	\$0	
<b>Utilities (who pays?)</b>							
Heat	Tenant	Tenant	Tenant	Landlord	Tenant	Tenant	
Electric	Tenant	Tenant	Tenant	Landlord	Tenant	Tenant	
Water	Tenant	Landlord	Landlord	Landlord	Tenant	Tenant	
Sewer	Tenant	Landlord	Landlord	Tenant	Tenant	Tenant	
Trash	Landlord	Landlord	Tenant	Tenant	Tenant	Tenant	
Cable	Tenant	Tenant	Tenant	Tenant	Tenant	Tenant	
		Superior	Superior	Superior	Inferior	Inferior	
		-\$20	-\$15	-\$75	\$5	\$5	
<b>Unit Amenities</b>	Ref. Range, A/C, Patio, W/D HU, Storage	Ref. Range, DW, A/C	Ref. Range, DW, A/C, W/D HU, Balc./Patio, Storage, Ceil. Fans	Ref. Range, Micro., DW, A/C, W/D HU, Ceil. Fans	Ref. Range, DW, A/C, W/D HU	Ref. Range, Disp., W/D HU, Patio, Ceil. Fans	
		Inferior	Superior	Superior	Inferior	Similar	
		\$10	-\$10	-\$5	\$5	\$0	
<b>Complex Amenities</b>	Playground, Basketball Court	Laundry, Playground	Pool, CH, Laundry, Bball Ct.	Laundry, Playground	None	Lake, Bus. Ctr., Laundry, Storage	
		Similar	Superior	Similar	Inferior	Superior	
		\$0	-\$10	\$0	\$10	-\$10	
<b>Concessions</b>	None	None	None	None	None	None	
		\$0	\$0	\$0	\$0	\$0	
<b>Net Adjustment</b>		\$1	-\$45	-\$83	\$31	\$16	
<b>Adjusted Rent</b>		\$426	\$595	\$517	\$556	\$554	
<b>Market Rent Conclusion</b>	<b>\$530</b>						

Source: Crown Appraisal Group

The comparables range in size from 576 sf to 719 sf. After making the adjustments considered appropriate, the rent range is \$426 to \$595. Central tendencies are \$529 (average) and \$554 (median). No one property stands out as being more comparable than another – no one comparable is physically close, and all were adjusted. A point value near the mid-point is reasonable. An as-is market rent of \$530/month is concluded to be appropriate.

**As Renovated Market Rent, 1 br-1 ba (654 sf)**

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

<b>1 Bed, 1 Bath As Renovated</b>						
	<b>Subject</b>	<b>Rent 1</b>	<b>Rent 2</b>	<b>Rent 3</b>	<b>Rent 4</b>	<b>Rent 5</b>
Name	Yester Oaks	Town Creek Apartments	Park Canyon Apartments	Strawberry Commons Apts	Spring Hill Apts	Lakeshore I Apts
Address	52 Yester Oaks Dr	300 East Cooper Street	284 Park Canyon Drive	1418 Burgess Dr	165 Guylar St	1100 Lakeshore Dr
Unadjusted Rent		\$425	\$640	\$600	\$525	\$538
<b>Location</b>						
Address	52 Yester Oaks Dr	300 East Cooper Street	284 Park Canyon Drive	1418 Burgess Dr	165 Guylar St	1100 Lakeshore Dr
City	Lafayette	Lafayette	Dalton	Dalton	Ringgold	Fort Oglethorpe
Population	7,199	7,199	34,623	34,623	4,073	10,182
		<i>Similar</i>	<i>Superior</i>	<i>Superior</i>	<i>Similar</i>	<i>Similar</i>
		\$0	-\$10	-\$10	\$0	\$0
<b>Year Built</b>	1990/2019R	1971	1970	1959	1990	1984
<b>Condition/Street Appeal</b>		<i>Inferior</i>	<i>Inferior</i>	<i>Inferior</i>	<i>Inferior</i>	<i>Inferior</i>
		\$60	\$60	\$70	\$50	\$55
<b>Unit Size (sf)</b>	654	650	704	719	600	576
		<i>Inferior</i>	<i>Superior</i>	<i>Superior</i>	<i>Inferior</i>	<i>Inferior</i>
		\$1	-\$10	-\$13	\$11	\$16
<b>Bedrooms</b>	1	1	1	1	1	1
		<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>
		\$0	\$0	\$0	\$0	\$0
<b>Bathrooms</b>	1.0	1.0	1.0	1.0	1.0	1.0
		<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>
		\$0	\$0	\$0	\$0	\$0
<b>Utilities (who pays?)</b>						
Heat	Tenant	Tenant	Tenant	Landlord	Tenant	Tenant
Electric	Tenant	Tenant	Tenant	Landlord	Tenant	Tenant
Water	Tenant	Landlord	Landlord	Landlord	Tenant	Tenant
Sewer	Tenant	Landlord	Landlord	Tenant	Tenant	Tenant
Trash	Landlord	Landlord	Tenant	Tenant	Tenant	Tenant
Cable	Tenant	Tenant	Tenant	Tenant	Tenant	Tenant
		<i>Superior</i>	<i>Superior</i>	<i>Superior</i>	<i>Inferior</i>	<i>Inferior</i>
		-\$20	-\$15	-\$75	\$5	\$5
<b>Unit Amenities</b>	<i>Ref. Range, Micro., A/C, Patio, WD HU, Storage</i>	<i>Ref. Range, DW, A/C</i>	<i>Ref. Range, DW, A/C, WD HU, Balc./Patio, Storage, Ceil. Fans</i>	<i>Ref. Range, Micro., DW, A/C, WD HU, Ceil. Fans</i>	<i>Ref. Range, DW, A/C, WD HU</i>	<i>Ref. Range, Disp., WD HU, Patio, Ceil. Fans</i>
		<i>Inferior</i>	<i>Superior</i>	<i>Similar</i>	<i>Inferior</i>	<i>Inferior</i>
		\$15	-\$5	\$0	\$10	\$5
<b>Complex Amenities</b>	<i>Playground, Bball Ct., Pavillion</i>	<i>Laundry, Playground</i>	<i>Pool, CH, Laundry, Bball Ct.</i>	<i>Laundry, Playground</i>	<i>None</i>	<i>Lake, Bus. Ctr., Laundry, Storage</i>
		<i>Inferior</i>	<i>Superior</i>	<i>Inferior</i>	<i>Inferior</i>	<i>Superior</i>
		\$5	-\$5	\$5	\$15	-\$5
<b>Concessions</b>	<i>None</i>	<i>None</i>	<i>None</i>	<i>None</i>	<i>None</i>	<i>None</i>
		\$0	\$0	\$0	\$0	\$0
<b>Net Adjustment</b>		\$61	\$15	-\$23	\$91	\$76
<b>Adjusted Rent</b>		\$486	\$655	\$577	\$616	\$614
<b>Market Rent Conclusion</b>	<b>\$590</b>					

Source: Crown Appraisal Group

The comparables range in size from 576 sf to 719 sf. After making the adjustments considered appropriate, the rent range is \$486 to \$655. Central tendencies are \$589 (average) and \$614 (median). No one property stands out as being more comparable than another – no one comparable is physically close, and all were adjusted. A point value near the mid-point is reasonable. An as-renovated market rent of \$590/month is concluded to be appropriate.

**Unrenovated Market Rent, 2 br-1 ba (779 sf)**

The subject is comprised of 8 of these units. Comparable properties from the area are used to develop the unrenovated rent conclusion.

<b>2 Bed, 1 Bath</b>						
<b>As is</b>						
	<b>Subject</b>	<b>Rent 1</b>	<b>Rent 2</b>	<b>Rent 3</b>	<b>Rent 4</b>	<b>Rent 5</b>
Name	Yester Oaks	Town Creek Apartments	Park Canyon Apartments	Strawberry Commons Apts	Spring Hill Apts	Lakeshore I Apts
Address	52 Yester Oaks Dr	300 East Cooper Street	284 Park Canyon Drive	1418 Burgess Dr	165 Guyler St	1100 Lakeshore Dr
Unadjusted Rent		\$544	\$740	\$660	\$650	\$661
<b>Location</b>						
Address	52 Yester Oaks Dr	300 East Cooper Street	284 Park Canyon Drive	1418 Burgess Dr	165 Guyler St	1100 Lakeshore Dr
City	Lafayette	Lafayette	Dalton	Dalton	Ringgold	Fort Oglethorpe
Population	7,199	7,199	34,623	34,623	4,073	10,182
		<i>Similar</i>	<i>Superior</i>	<i>Superior</i>	<i>Similar</i>	<i>Similar</i>
		\$0	-\$10	-\$10	\$0	\$0
<b>Year Built</b>	1990	1971	1970	1959	1990	1984
<b>Condition/Street Appeal</b>		<i>Inferior</i>	<i>Inferior</i>	<i>Inferior</i>	<i>Similar</i>	<i>Inferior</i>
		\$10	\$10	\$20	\$0	\$5
<b>Unit Size (sf)</b>	779	800	960	1,029	850	864
		<i>Superior</i>	<i>Superior</i>	<i>Superior</i>	<i>Superior</i>	<i>Superior</i>
		-\$4	-\$36	-\$50	-\$14	-\$17
<b>Bedrooms</b>	2	2	2	2	2	2
		<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>
		\$0	\$0	\$0	\$0	\$0
<b>Bathrooms</b>	1.0	1.0	1.5	1.0	1.0	1.0
		<i>Similar</i>	<i>Superior</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>
		\$0	-\$15	\$0	\$0	\$0
<b>Utilities (who pays?)</b>						
Heat	Tenant	Tenant	Tenant	Landlord	Tenant	Tenant
Electric	Tenant	Tenant	Tenant	Landlord	Tenant	Tenant
Water	Tenant	Landlord	Landlord	Landlord	Landlord	Tenant
Sewer	Tenant	Landlord	Landlord	Tenant	Tenant	Tenant
Trash	Landlord	Landlord	Tenant	Tenant	Tenant	Tenant
Cable	Tenant	Tenant	Tenant	Tenant	Tenant	Tenant
		<i>Superior</i>	<i>Superior</i>	<i>Superior</i>	<i>Superior</i>	<i>Inferior</i>
		-\$25	-\$20	-\$75	-\$10	\$5
<b>Unit Amenities</b>	<i>Ref. Range, A/C, Patio, W/D HU, Storage</i>	<i>Ref. Range, DW, A/C</i>	<i>Ref. Range, DW, A/C, W/D HU, Balc./Patio, Storage, Ceil. Fans</i>	<i>Ref. Range, Micro., DW, A/C, W/D HU, Ceil. Fans</i>	<i>Ref. Range, A/C, DW, D, W/D HU, B/P, Ceil. Fans</i>	<i>Ref. Range, Disp., W/D HU, Patio, Ceil. Fans</i>
		<i>Inferior</i>	<i>Superior</i>	<i>Superior</i>	<i>Superior</i>	<i>Similar</i>
		\$10	-\$10	-\$5	-\$10	\$0
<b>Complex Amenities</b>	<i>Playground, Basketball Court</i>	<i>Laundry, Playground</i>	<i>Pool, CH, Laundry, Bball Ct.</i>	<i>Laundry, Playground</i>	<i>Covered Storage</i>	<i>Lake, Bus. Ctr., Laundry, Storage</i>
		<i>Similar</i>	<i>Superior</i>	<i>Similar</i>	<i>Similar</i>	<i>Superior</i>
		\$0	-\$10	\$0	\$0	-\$10
<b>Concessions</b>	<i>None</i>	<i>None</i>	<i>None</i>	<i>None</i>	<i>None</i>	<i>None</i>
		\$0	\$0	\$0	\$0	\$0
<b>Net Adjustment</b>		<u>-\$9</u>	<u>-\$91</u>	<u>-\$120</u>	<u>-\$34</u>	<u>-\$17</u>
<b>Adjusted Rent</b>		\$535	\$649	\$540	\$616	\$644
<b>Market Rent Conclusion</b>	<b>\$600</b>					

Source: Crown Appraisal Group

The comparables range in size from 800 sf to 1,029 sf. After making the adjustments considered appropriate, the rent range is \$535 to \$649. Central tendencies are \$597 (average) and \$616 (median). No one property stands out as being more comparable than another – no one comparable is physically close, and all were adjusted. A point value near the mid-point is reasonable. An as-is market rent of \$600/month is concluded to be appropriate.



**As Renovated Market Rent, 2 br-1 ba (779 sf)**

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

<b>2 Bed, 1 Bath As Renovated</b>						
	<b>Subject</b>	<b>Rent 1</b>	<b>Rent 2</b>	<b>Rent 3</b>	<b>Rent 4</b>	<b>Rent 5</b>
Name	Yester Oaks	Town Creek Apartments	Park Canyon Apartments	Strawberry Commons Apts	Spring Hill Apts	Lakeshore I Apts
Address	52 Yester Oaks Dr	300 East Cooper Street	284 Park Canyon Drive	1418 Burgess Dr	165 Guyler St	1100 Lakeshore Dr
Unadjusted Rent		\$544	\$740	\$660	\$650	\$661
<b>Location</b>						
Address	52 Yester Oaks Dr	300 East Cooper Street	284 Park Canyon Drive	1418 Burgess Dr	165 Guyler St	1100 Lakeshore Dr
City	Lafayette	Lafayette	Dalton	Dalton	Ringgold	Fort Oglethorpe
Population	7,199	7,199	34,623	34,623	4,073	10,182
		<i>Similar</i>	<i>Superior</i>	<i>Superior</i>	<i>Similar</i>	<i>Similar</i>
		\$0	-\$10	-\$10	\$0	\$0
Year Built	1990/2019R	1971	1970	1959	1990	1984
Condition/Street Appeal		<i>Inferior</i>	<i>Inferior</i>	<i>Inferior</i>	<i>Inferior</i>	<i>Inferior</i>
		\$60	\$60	\$70	\$50	\$55
Unit Size (sf)	779	800	960	1,029	850	864
		<i>Superior</i>	<i>Superior</i>	<i>Superior</i>	<i>Superior</i>	<i>Superior</i>
		-\$4	-\$36	-\$50	-\$14	-\$17
Bedrooms	2	2	2	2	2	2
		<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>
		\$0	\$0	\$0	\$0	\$0
Bathrooms	1.0	1.0	1.5	1.0	1.0	1.0
		<i>Similar</i>	<i>Superior</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>
		\$0	-\$15	\$0	\$0	\$0
<b>Utilities (who pays?)</b>						
Heat	Tenant	Tenant	Tenant	Landlord	Tenant	Tenant
Electric	Tenant	Tenant	Tenant	Landlord	Tenant	Tenant
Water	Tenant	Landlord	Landlord	Landlord	Landlord	Tenant
Sewer	Tenant	Landlord	Landlord	Tenant	Tenant	Tenant
Trash	Landlord	Landlord	Tenant	Tenant	Tenant	Tenant
Cable	Tenant	Tenant	Tenant	Tenant	Tenant	Tenant
		<i>Superior</i>	<i>Superior</i>	<i>Superior</i>	<i>Superior</i>	<i>Inferior</i>
		-\$25	-\$20	-\$75	-\$10	\$5
Unit Amenities	<i>Ref. Range, Micro., A/C, Patio, W/D HU, Storage</i>	<i>Ref. Range, DW, A/C</i>	<i>Ref. Range, DW, A/C, W/D HU, Balc./Patio, Storage, Ceil. Fans</i>	<i>Ref. Range, Micro., DW, A/C, W/D HU, Ceil. Fans</i>	<i>Ref. Range, A/C, DW, D, W/D HU, B/P, Ceil. Fans</i>	<i>Ref. Range, Disp., W/D HU, Patio, Ceil. Fans</i>
		<i>Inferior</i>	<i>Superior</i>	<i>Similar</i>	<i>Inferior</i>	<i>Inferior</i>
		\$15	-\$5	\$0	-\$5	\$5
Complex Amenities	<i>Playground, Bball Ct., Pavillion</i>	<i>Laundry, Playground</i>	<i>Pool, CH, Laundry, Bball Ct.</i>	<i>Laundry, Playground</i>	<i>Covered Storage</i>	<i>Lake, Bus. Ctr., Laundry, Storage</i>
		<i>Inferior</i>	<i>Superior</i>	<i>Inferior</i>	<i>Inferior</i>	<i>Superior</i>
		\$5	-\$5	\$5	\$15	-\$5
Concessions	<i>None</i>	<i>None</i>	<i>None</i>	<i>None</i>	<i>None</i>	<i>None</i>
		\$0	\$0	\$0	\$0	\$0
Net Adjustment		\$51	-\$31	-\$60	\$36	\$43
Adjusted Rent		\$595	\$709	\$600	\$686	\$704
<b>Market Rent Conclusion</b>	<b>\$660</b>					

Source: Crown Appraisal Group

The comparables range in size from 800 sf to 1,029 sf. After making the adjustments considered appropriate, the rent range is \$595 to \$709. Central tendencies are \$659 (average) and \$686 (median). No one property stands out as being more comparable than another – no one comparable is physically close, and all were adjusted. A point value near the mid-point is reasonable. An as-renovated market rent of \$660/month is concluded to be appropriate.

**Unrenovated Market Rent, 2 br-1.5 ba (974 sf)**

The subject is comprised of 20 of these units. Comparable properties from the area are used to develop the unrenovated rent conclusion.

<b>2 Bed, 1.5 Bath TH</b>							
<b>As is</b>							
	<b>Subject</b>	<b>Rent 1</b>	<b>Rent 2</b>	<b>Rent 3</b>	<b>Rent 4</b>	<b>Rent 5</b>	
Name	Yester Oaks	Town Creek Apartments	Park Canyon Apartments	Strawberry Commons Apts	Spring Hill Apts	Lakeshore I Apts	
Address	52 Yester Oaks Dr	300 East Cooper Street	284 Park Canyon Drive	1418 Burgess Dr	165 Guyler St	1100 Lakeshore Dr	
Unadjusted Rent		\$544	\$740	\$660	\$650	\$661	
<b>Location</b>							
Address	52 Yester Oaks Dr	300 East Cooper Street	284 Park Canyon Drive	1418 Burgess Dr	165 Guyler St	1100 Lakeshore Dr	
City	Lafayette	Lafayette	Dalton	Dalton	Ringgold	Fort Oglethorpe	
Population	7,199	7,199	34,623	34,623	4,073	10,182	
		<i>Similar</i>	<i>Superior</i>	<i>Superior</i>	<i>Similar</i>	<i>Similar</i>	
		\$0	-\$10	-\$10	\$0	\$0	
Year Built	1990	1971	1970	1959	1990	1984	
Condition/Street Appeal		<i>Inferior</i>	<i>Inferior</i>	<i>Inferior</i>	<i>Similar</i>	<i>Inferior</i>	
		\$10	\$10	\$20	\$0	\$5	
Unit Size (sf)	974	800	960	1,029	850	864	
		<i>Inferior</i>	<i>Inferior</i>	<i>Superior</i>	<i>Inferior</i>	<i>Inferior</i>	
		\$35	\$3	-\$11	\$25	\$22	
Bedrooms	2	2	2	2	2	2	
		<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	
		\$0	\$0	\$0	\$0	\$0	
Bathrooms	1.5	1.0	1.5	1.0	1.0	1.0	
		<i>Inferior</i>	<i>Similar</i>	<i>Inferior</i>	<i>Inferior</i>	<i>Inferior</i>	
		\$15	\$0	\$15	\$15	\$15	
<b>Utilities (who pays?)</b>							
Heat	Tenant	Tenant	Tenant	Landlord	Tenant	Tenant	
Electric	Tenant	Tenant	Tenant	Landlord	Tenant	Tenant	
Water	Tenant	Landlord	Landlord	Landlord	Tenant	Tenant	
Sewer	Tenant	Landlord	Landlord	Tenant	Tenant	Tenant	
Trash	Landlord	Landlord	Tenant	Tenant	Tenant	Tenant	
Cable	Tenant	Tenant	Tenant	Tenant	Tenant	Tenant	
		<i>Superior</i>	<i>Superior</i>	<i>Superior</i>	<i>Inferior</i>	<i>Inferior</i>	
		-\$40	-\$35	-\$75	\$5	\$5	
Unit Amenities	<i>Ref. Range, A/C, Patio, W/D HU, Storage</i>	<i>Ref. Range, DW, A/C</i>	<i>Ref. Range, DW, A/C, W/D HU, Balc./Patio, Storage, Ceil. Fans</i>	<i>Ref. Range, Micro., DW, A/C, W/D HU, Ceil. Fans</i>	<i>Ref. Range, A/C, DW, D, W/D HU, B/P, Ceil. Fans</i>	<i>Ref. Range, Disp., W/D HU, Patio, Ceil. Fans</i>	
		<i>Inferior</i>	<i>Superior</i>	<i>Superior</i>	<i>Superior</i>	<i>Similar</i>	
		\$10	-\$10	-\$5	-\$10	\$0	
Complex Amenities	<i>Playground, Basketball Court</i>	<i>Laundry, Playground</i>	<i>Pool, CH, Laundry, Bball Ct.</i>	<i>Laundry, Playground</i>	<i>Covered Storage</i>	<i>Lake, Bus. Ctr., Laundry, Storage</i>	
		<i>Similar</i>	<i>Superior</i>	<i>Similar</i>	<i>Similar</i>	<i>Superior</i>	
		\$0	-\$10	\$0	\$0	-\$10	
Concessions	<i>None</i>	<i>None</i>	<i>None</i>	<i>None</i>	<i>None</i>	<i>None</i>	
		\$0	\$0	\$0	\$0	\$0	
Net Adjustment		\$30	-\$52	-\$66	\$35	\$37	
Adjusted Rent		\$574	\$688	\$594	\$685	\$698	
<b>Market Rent Conclusion</b>	<b>\$650</b>						

Source: Crown Appraisal Group

The comparables range in size from 800 sf to 1,029 sf. After making the adjustments considered appropriate, the rent range is \$574 to \$698. Central tendencies are \$648 (average) and \$685 (median). No one property stands out as being more comparable than another – no one comparable is physically close, and all were adjusted. A point value near the mid-point is reasonable. An as-is market rent of \$650/month is concluded to be appropriate.

**As Renovated Market Rent, 2 br-1.5 ba (974 sf)**

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

<b>2 Bed, 1.5 Bath TH</b>						
<b>As Renovated</b>						
	<u>Subject</u>	<u>Rent 1</u>	<u>Rent 2</u>	<u>Rent 3</u>	<u>Rent 4</u>	<u>Rent 5</u>
Name	Yester Oaks	Town Creek Apartments	Park Canyon Apartments	Strawberry Commons Apts	Spring Hill Apts	Lakeshore 1 Apts
Address	52 Yester Oaks Dr	300 East Cooper Street	284 Park Canyon Drive	1418 Burgess Dr	165 Guyler St	1100 Lakeshore Dr
Unadjusted Rent		\$544	\$740	\$660	\$650	\$661
<b>Location</b>						
Address	52 Yester Oaks Dr	300 East Cooper Street	284 Park Canyon Drive	1418 Burgess Dr	165 Guyler St	1100 Lakeshore Dr
City	Lafayette	Lafayette	Dalton	Dalton	Ringgold	Fort Oglethorpe
Population	7,199	7,199	34,623	34,623	4,073	10,182
		<i>Similar</i>	<i>Superior</i>	<i>Superior</i>	<i>Similar</i>	<i>Similar</i>
		\$0	-\$10	-\$10	\$0	\$0
<b>Year Built</b>	1990/2019R	1971	1970	1959	1990	1984
<b>Condition/Street Appeal</b>		<i>Inferior</i>	<i>Inferior</i>	<i>Inferior</i>	<i>Inferior</i>	<i>Inferior</i>
		\$60	\$60	\$70	\$50	\$55
<b>Unit Size (sf)</b>	974	800	960	1,029	850	864
		<i>Inferior</i>	<i>Inferior</i>	<i>Superior</i>	<i>Inferior</i>	<i>Inferior</i>
		\$35	\$3	-\$11	\$25	\$22
<b>Bedrooms</b>	2	2	2	2	2	2
		<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>
		0	0	0	0	0
<b>Bathrooms</b>	1.5	1.0	1.5	1.0	1.0	1.0
		<i>Inferior</i>	<i>Similar</i>	<i>Inferior</i>	<i>Inferior</i>	<i>Inferior</i>
		\$15	\$0	\$15	\$15	\$15
<b>Utilities (who pays?)</b>						
Heat	Tenant	Tenant	Tenant	Landlord	Tenant	Tenant
Electric	Tenant	Tenant	Tenant	Landlord	Tenant	Tenant
Water	Tenant	Landlord	Landlord	Landlord	Tenant	Tenant
Sewer	Tenant	Landlord	Landlord	Tenant	Tenant	Tenant
Trash	Landlord	Landlord	Tenant	Tenant	Tenant	Tenant
Cable	Tenant	Tenant	Tenant	Tenant	Tenant	Tenant
		<i>Superior</i>	<i>Superior</i>	<i>Superior</i>	<i>Inferior</i>	<i>Inferior</i>
		-\$40	-\$35	-\$75	\$5	\$5
<b>Unit Amenities</b>	<i>Ref. Range, Micro., A/C, Patio, W/D HU, Storage</i>	<i>Ref. Range, DW, A/C</i>	<i>Ref. Range, DW, A/C, W/D HU, Balc./Patio, Storage, Ceil. Fans</i>	<i>Ref. Range, Micro., DW, A/C, W/D HU, Ceil. Fans</i>	<i>Ref. Range, A/C, DW, D, W/D HU, B/P, Ceil. Fans</i>	<i>Ref. Range, Disp., W/D HU, Patio, Ceil. Fans</i>
		<i>Inferior</i>	<i>Superior</i>	<i>Similar</i>	<i>Superior</i>	<i>Inferior</i>
		\$15	-\$5	\$0	-\$5	\$5
<b>Complex Amenities</b>	<i>Playground, Bball Ct., Pavillion</i>	<i>Laundry, Playground</i>	<i>Pool, CH, Laundry, Bball Ct.</i>	<i>Laundry, Playground</i>	<i>Covered Storage</i>	<i>Lake, Bus. Ctr., Laundry, Storage</i>
		<i>Inferior</i>	<i>Superior</i>	<i>Inferior</i>	<i>Inferior</i>	<i>Superior</i>
		\$5	-\$5	\$5	\$15	-\$5
<b>Concessions</b>	<i>None</i>	<i>None</i>	<i>None</i>	<i>None</i>	<i>None</i>	<i>None</i>
		\$0	\$0	\$0	\$0	\$0
<b>Net Adjustment</b>		<u>\$90</u>	<u>\$8</u>	<u>-\$6</u>	<u>\$105</u>	<u>\$97</u>
<b>Adjusted Rent</b>		<b>\$634</b>	<b>\$748</b>	<b>\$654</b>	<b>\$755</b>	<b>\$758</b>
<b>Market Rent Conclusion</b>	<b>\$710</b>					

Source: Crown Appraisal Group

The comparables range in size from 800 sf to 1,029 sf. After making the adjustments considered appropriate, the rent range is \$634 to \$758. Central tendencies are \$710 (average) and \$748 (median). No one property stands out as being more comparable than another – no one comparable is physically close, and all were adjusted. A point value near the mid-point is reasonable. An as-renovated market rent of \$710/month is concluded to be appropriate.

**Market Vacancy Conclusion**

Five market rate properties have been detailed. There are relatively few market rate rent comparables. Occupancy of the comparable properties ranges from 96.0% to 100.0% with an average of 99.2%.

<b>Apartment Vacancy</b>					
<b>Yester Oaks</b>					
<u>Name</u>	<u>Location</u>	<u>Total Units</u>	<u>Occ.</u>	<u>Vacancy</u>	
Yester Oaks	51 Yester Oaks Dr	44	97.7%	2.3%	
Town Creek Apartments	300 East Cooper Street	60	96.0%	4.0%	
Park Canyon Apartments	284 Park Canyon Drive	171	100.0%		
Strawberry Commons Apts	1418 Burgess Dr	39	97.4%	2.6%	
Spring Hill Apts	165 Guyler St	69	100.0%		
Lakeshore I Apts	1100 Lakeshore Dr	79	100.0%		
	Minimum		96.0%		
	Maximum		100.0%	4.0%	
Totals and average (excluding subject)		418	99.2%	0.8%	

Source: *Area Managers; Crown Appraisal Group*

The subject has historically operated as a government subsidized property. There are 8 units available for rental assistance, with the tenant paying 30% of their income towards the rent figure. Historic vacancy at Yester Oaks Apartments has been low. When inspected, there were 2 vacant units.

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

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

**Value 1, as conventional or unrestricted –5%**

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

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

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

## Property Description

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

### General Location

The subject is located on the west side of West North Main Street, just southwest of the US 27/SR 1 intersection and about 2 miles north of downtown Lafayette. The property is in Walker County. LaFayette is located in the northwestern portion of Georgia. The property has an address of 52 Yester Oaks Drive, LaFayette, Georgia. The maps in the preceding section show the property's location.

### Access, Ingress, Egress, Visibility

Primary access to the area is via West North Main Street and Gordon Pond Road. Overall, access is average from both a neighborhood (local) perspective, as well as a macro (regional) perspective. Ingress/egress to the property is from Yester Oaks Drive via West North Main Street and Gordon Pond Road. The ingress and egress attributes are average. Visibility to the subject is considered average.

### History of the Property

According to public records, the subject is owned by Yester Oaks LP. The current owner purchased the property in 1989 and subsequently developed the property. The subject has not been sold during the past three years. The property is part of a portfolio of apartment properties in Georgia that are to transfer ownership in the near term. While the sale price is in the final stages of negotiation, the price is expected to be about \$1,278,788. The transfer is assumed to be between related parties and not one that is considered to be arms-length. As the transfer is presumably not arms-length, no credence is given to this purchase price when determining the said values of the subject property. Subsequent to the sale, ownership plans to renovate the subject with funding from a combination of mortgage monies, sale proceeds of Section 42 Low Income Housing Tax Credits, and equity. Following the acquisition the existing Section 515 loan will remain at the property. (The loan is expected to be restated under new rates and terms.) The developer estimates the renovation cost to be about \$33,200 per unit, or about \$1,460,936. Renovations will be extensive and will include interior unit renovation as well as exterior unit renovation. It is expected that the air conditioning units will be replaced, windows will be repaired/replaced, new roofs will be installed, parking areas will be repaired, and kitchens and bathrooms will be updated as needed. Microwaves will be added to each unit. In addition, a pavilion and basketball court will be added to the complex.

### Fair Housing

There are no known violations of the Fair Housing Act of 1988, Section 504 of the Rehabilitation Act of 1973, and the Americans with Disabilities Act of 1990. There are 3 units that are UFAS (Uniform Federal Accessibility Standards) accessible and one unit which is equipped for the sight/hearing impaired. There are 4 ADA (Americans with Disabilities Act) parking spaces at the subject. **Note: The appraisers are not experts in such matters. It is assumed that fair housing practices are implemented at the subject. The user of the report is instructed to seek the advice of an expert if further questions arise pertaining to fair housing issues.**

Easements

No detrimental easements that would substantially deter development are known to exist. Others, such as utility easements, allow for development of the site and are considered beneficial to the tract.

Environmental Hazards

Soil conditions are assumed to be adequate. The site appears to be well drained. No engineering or soil testing has been performed to the knowledge of the appraisers, and no further conclusion as to the condition of the foundation or soil condition is made. There is no reason to suspect that hazardous materials are on the property such as discolored vegetation, oil residue, asbestos-containing materials, and lead-based paint. **Note: The appraisers are not experts in environmental matters. It is assumed that the site is clean from an environmental standpoint. The user of the report is instructed to seek the advice of an expert if further questions arise pertaining to environmental issues.**

Third Party Reports

No third party reports (such as market studies, environmental or physical condition) have been reviewed, and, unless noted, no warranty is made for any such reports that may exist.

Topography

The topography at the site is generally level.

Flood Plain

According to FEMA's flood insurance rate map community panel number 13295C0182D, dated September 5, 2007, the subject is located in Zone X. Zone X is identified as not being in a flood plain.

Zoning

The property is zoned B2: General Business. According to local government officials, the current use is a legal, conforming use under this zoning classification and if damaged or destroyed the improvements could be rebuilt.

Utilities

The subject site is serviced by the following utilities (the payor of the utilities is also shown):

<i>Utility Details</i>	
<i>Yester Oaks</i>	
<u>Service</u>	<u>Paid by</u>
Heat	Tenant
Electric	Tenant
Water	Tenant
Sewer	Tenant
Trash	Landlord
Cable	Tenant

Source: *Management*

**Improvements**

The subject improvements include a 44-unit apartment complex (housed in 9, one to two-story buildings). The improvements were initially developed in 1990.

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

Each unit has a living room/living area, kitchen, one or two bedrooms, with one or one and a half bathrooms. The floors in the units are a combination of carpet and tile. Windows are double hung. Exterior doors are metal; interior doors are hollow core wood. Interior walls are painted drywall; ceilings are painted drywall. Ceiling height is generally 8 feet. Hot water is supplied via individual water heaters. Each unit includes a washer/dryer hook-up.

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

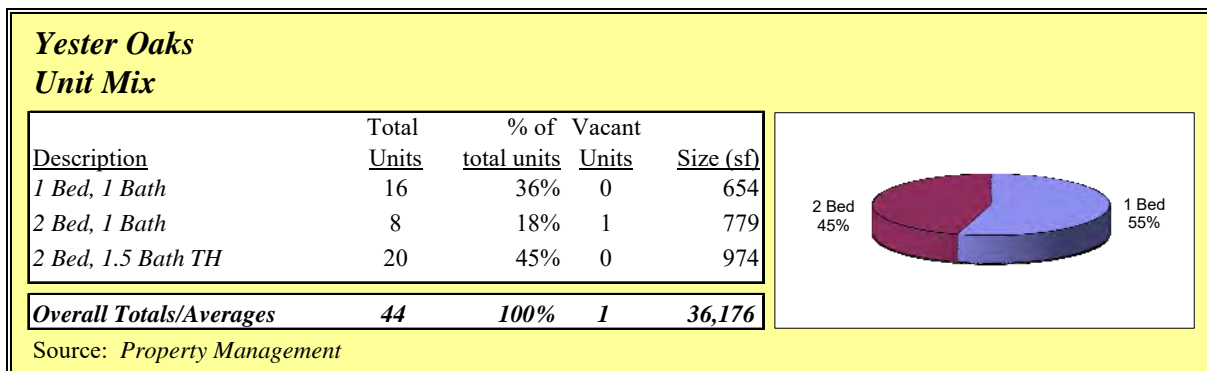
Each unit has an individual forced air furnace. The units have central air conditioning. The units have battery powered and hard wired smoke alarms.

Property amenities include a basketball court and playground. While not a property amenity per se, the two bedroom units have a small enclosed storage room to the rear of the units off of the patio.

Parking areas are in average condition. There appears to be sufficient parking for the property. Overall parking at the subject is adequate.

Unit Mix

The composition of the property is shown in the chart below.



Physical and Functional Condition

The improvements were completed in 1990 and renovated periodically over time. The property has been maintained on an as needed basis.

The total building size is 36,380 sf. This is the sum of the apartment units (1 Bedroom - 654 sf/unit \* 16 units – 10,464 sf plus 2 Bedroom – 779 sf/unit \* 8 units – 6,232 sf plus 2 Bedroom – 974 sf/unit \* 20 units – 19,480 sf plus the office/maintenance (204 sf).

A major renovation is planned for the property improvements. Preliminary plans, completed by Wallace Architects, LLC, are included in the addendum of the report. Per the client, finalized plans will be provided to Rural Development and DCA for review and approval separately. Planned renovations include replacement of all existing flooring, replacement of kitchen cabinets and countertops, replacement of existing kitchen appliances, plumbing fixtures, lighting fixtures, bathroom cabinets and countertops, HVAC, repainting, re-roofing (new shingles), as well as exterior upgrades and improvements, and re-paving and re-stripping of drive and parking areas. Microwaves will be added to each unit. In addition, a pavilion and basketball court will be added to the complex. Furthermore, all Section 504 accessibility issues will be addressed and corrected as appropriate. The renovation is expected to cost about \$33,200 per unit, or about \$1,460,936.

Upon completion of the renovations, the property’s marketability, overall quality, and aesthetic appeal will be increased and enhanced. Following the renovations, the subject is projected to have a remaining economic life – assuming normal maintenance and repairs - of 60 years. If the property were not renovated, the remaining economic life (the “remaining economic life”) is estimated at 20 years.

Current Rent Parameters/Rent Roll

The chart below illustrates the current rent parameters. As has been discussed, there are LIHTC restrictions applicable to the units at the property. The market rent and as-renovated market rent (CRCU) conclusions are well below the maximum LIHTC rent figure.

<b>Yester Oaks</b>													
<b>Rent Parameters</b>													
	Total Units	% of total	Vacant Units	% of unit type	Size (sf)	Total Size (sf)	Basic Rent	Note Rent	Gross LIHTC	Utility Costs	Net LIHTC	CRCU As-Is	CRCU As-Renovated
1 Bed, 1 Bath	16	36%	0	0%	654	10,464	\$420	\$560	\$689	\$83	\$606	\$530	\$590
2 Bed, 1 Bath	8	18%	1	13%	779	6,232	\$445	\$610	\$826	\$108	\$718	\$600	\$660
2 Bed, 1.5 Bath TH	20	45%	0	0%	974	19,480	\$445	\$610	\$826	\$108	\$718	\$650	\$710
<b>Overall Totals/Averages</b>	<b>44</b>	<b>100%</b>	<b>1</b>	<b>2%</b>	<b>822</b>	<b>36,176</b>							

Source: Property Management



Operating History

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

<b>Yester Oaks</b>										
<b>Operating History</b>										
			44 units				units			
Revenue	2013	Per Unit	2014	Per Unit	2015	Per Unit	2016 Budget	Per Unit	2017 Budget	Per Unit
Apartment Rental Income	232,361	5,281	223,952	5,090	214,437	4,874	215,710	4,903	215,160	4,890
Plus: Other Income	2,477	56	7,145	162	6,407	146	4,400	100	4,180	95
<b>Effective Gross Income</b>	<b>234,838</b>	<b>5,337</b>	<b>231,097</b>	<b>5,252</b>	<b>220,844</b>	<b>5,019</b>	<b>220,110</b>	<b>5,003</b>	<b>219,340</b>	<b>4,985</b>
Operating Expenses										
Real Estate Taxes	12,024	273	12,768	290	10,699	243	15,452	351	13,270	302
Insurance	10,737	244	12,208	277	12,206	277	13,536	308	13,784	313
Repairs & Maintenance	25,777	586	34,354	781	24,560	558	37,518	853	26,611	605
General & Administrative	12,383	281	12,386	281	12,856	292	12,406	282	11,514	262
Management Fees	23,140	526	22,606	514	23,736	539	24,816	564	25,872	588
Utilities										
Electric	1,750	40	2,558	58	2,758	63	3,272	74	2,935	67
Water/Sewer	<u>1,423</u>	<u>32</u>	<u>1,419</u>	<u>32</u>	<u>1,265</u>	<u>29</u>	<u>1,540</u>	<u>35</u>	<u>1,872</u>	<u>43</u>
Total Utilities	3,173	72	3,977	90	4,023	91	4,812	109	4,807	109
Payroll	50,108	1,139	51,595	1,173	57,613	1,309	57,698	1,311	65,561	1,490
Marketing	<u>122</u>	<u>3</u>	<u>655</u>	<u>15</u>	<u>219</u>	<u>5</u>	<u>300</u>	<u>7</u>	<u>300</u>	<u>7</u>
<b>Total Expenses</b>	<b>137,464</b>	<b>3,124</b>	<b>150,549</b>	<b>3,422</b>	<b>145,912</b>	<b>3,316</b>	<b>166,538</b>	<b>3,785</b>	<b>161,720</b>	<b>3,675</b>
<i>operating expense ratio</i>		<i>58.5%</i>		<i>65.1%</i>		<i>66.1%</i>		<i>75.7%</i>		<i>73.7%</i>
<b>Net Operating Income</b>	<b>97,374</b>	<b>2,213</b>	<b>80,548</b>	<b>1,831</b>	<b>74,932</b>	<b>1,703</b>	<b>53,572</b>	<b>1,218</b>	<b>57,620</b>	<b>1,310</b>

Source: Property Management

While individual line items will vary depending upon the specific valuation developed later in the report, the following generally holds true:

Interest Appraised

**Value 1**

Market value, unrestricted rents

Comment

The effective gross income, which is comprised primarily of apartment rent, should be above historic levels. The apartment rent will be constrained by market rent levels.

The total operating expense estimate will be less than historic primarily due to reduced Repairs & Maintenance, General & Administrative, Management Fee, and Payroll expenses. The Marketing expense will be higher than historic, and there will be an explicit Reserve expense.

**Value 2-RD**

Market value, subject to restricted rents

The effective gross income, which is comprised primarily of apartment rent, should be above historic levels. The apartment rent will be constrained by basic rent levels.

The total operating expense estimate will be similar to historic expenses at the subject. There will be an explicit Reserve expense.

**Value 3**

The effective gross income, which is comprised

Prospective, subject to restricted rents.

primarily of apartment rent, should be above historic levels. The apartment rent will recognize the economic benefits of the renovation as the units will be in better physical (and functional) condition. The apartment rent will be constrained by the lesser of market rent or LIHTC constraints

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

***Value 4***

Prospective, as conventional or unrestricted.

The effective gross income, which is comprised primarily of apartment rent, should be above historic levels. The apartment rent will recognize the economic benefits of the renovation as the units will be in better physical (and functional) condition. The apartment rent will be based on the (prospective) market rent figures.

The total operating expense estimate should be lower due to renovation (reduced Repairs & Maintenance as well as Payroll) as well as reduced General & Administrative and Management expenses. The Marketing expense should be higher than historic, and there will be an explicit Reserve expense.

Real Estate Taxes and Assessments

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

<b>Real Estate Taxes</b>		
<b>Yester Oaks</b>		
Parcel Number		1003 002
	<u>Appraised</u>	<u>Assessed</u>
Land	\$317,000	\$126,800
Improvements	496,927	198,771
<b>Total</b>	<b>813,927</b>	<b>325,571</b>
Real Estate Taxes		\$9,894
Taxes/unit		\$225
Source: County Auditor		

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

<b>Real Estate Tax History</b>					
<b>Yester Oaks</b>					
	Assessed Values			Annual	Tax
<u>Year</u>	<u>Land</u>	<u>Building</u>	<u>Total</u>	<u>Taxes</u>	<u>Rate</u>
2016	126,800	198,771	325,571	8,976	27.57004
2015	50,720	275,280	326,000	9,434	28.93899
2014	50,720	350,024	400,744	11,165	27.86098
2013	50,720	350,024	400,744	9,918	24.74899
Source: County Auditor					

The following chart notes area tax comparables. The reader is referred to the assessed value per unit column, which is the best indicator of comparability. Properties with higher real estate taxes per unit than others also have higher assessed values per unit than others. The tax comparables confirm the reasonableness of the real estate taxes.

<b>Yester Oaks</b>									
<b>Tax Comparables</b>									
<u>Name/Location</u>	<u>Parcel #</u>	<u>Effective Millage</u>	<u>Units</u>	<u>RE Taxes</u>	<u>Taxes/unit</u>	<u>Land Assessed Value</u>	<u>Improvement Assessed Value</u>	<u>Total Assessed Value</u>	<u>Assessed Value/unit</u>
Yester Oaks 52 Yester Oaks Dr	1003 002	30.3910	44	9,894	225	126,800	198,771	325,571	7,399
Woodland Apts 1591 Park City Rd	2014-009A	23.4356	52	7,590	146	27,880	295,986	323,866	6,228
Springwood Apts 1209 Indian Ave	2011-124	27.5719	68	14,887	219	36,000	503,934	539,934	7,940
Park Trace Apts 730 W James St	0116-015B	33.1743	62	16,888	272	20,640	488,429	509,069	8,211
Source: Crown Appraisal Group									

## Highest and Best Use

Highest and best use is defined in The Appraisal of Real Estate, 14<sup>th</sup> Edition, Appraisal Institute, as follows:

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

Some of the more germane comments from this publication regarding highest and best use are noted in the following bullet points:

- If, however, the market value of the property with the existing improvements is greater than the market value of the land as though vacant less costs to demolish the existing improvements, then the highest and best use of the property as improved is to keep the improvements for residential or commercial use.
- The use that a site or improved property is put to until it is ready for its highest and best use has traditionally been known as the interim use. An interim use is not the highest and best use of the property at the present time, and it should not be represented as the subject property's current highest and best use. Rather, the current highest and best use of a property with an interim use would be to leave the property as is until land value rises to a level for modification of the interim use (or demolition of the improvements and redevelopment for some other use) is financially feasible.
- These criteria [legally permissible, physically possible, financially feasible, maximally productive] are generally considered sequentially.

After consideration of the data, the following conclusions are drawn:

### ***As If Vacant:***

Physically Possible Uses:	Physical constraints include site area, shape, and adjacent uses. The site has all public utilities available. Noted easements are typical, and soil conditions are assumed to be adequate. There are acceptable access and visibility attributes. Based on location and site constraints, the most probable physically possible uses would be an intensive use. The existing improvements are such a use, and effectively utilize the site.
Legally Permissible Uses:	According to government officials, the current multi-family use is a permissible use.
Financially Feasible Uses:	The subject has a good location and is convenient to major traffic arteries. The surrounding area has been developed with a number of properties, including single-family residential properties, multi-family properties, retail properties, office and institutional uses (churches, schools, parkland). The residential users in the immediate area appear to have met with market acceptance. If vacant, a similar use is appropriate. The existing improvements develop a return in excess of that if the property were not improved.

**Conclusion/Maximum Productivity:** Of those uses that are physically possible, legally permissible, and financially supported, a residential development is concluded to be the highest and best use of the site as if vacant. Given the area demographics, development should not be speculative – rather, development should only occur with an identified end user in place.

**As Improved:**

Physically Possible Uses: The presence of the improvements demonstrate their physical possibility.

Legally Permissible Uses: The current multi-family use is a permissible use.

Financially Feasible Uses: As is shown in the valuation, the existing improvements develop a return well in excess of that if the property were not improved.

**Conclusion/Maximum Productivity:** The existing improvements are considered to be financially feasible. The chart below demonstrates that the proposed renovation is appropriate and financially viable – when considering the inclusion of the additional value from the interest credit subsidy and LIHTC. As shown, the sum of the prospective market value, interest credit values, and LIHTC values are in excess of the property’s as is value plus renovation costs. Therefore, the proposed renovations provide a higher return to the property than if the property were not renovated, and the highest and best as improved is concluded to be with the renovations made to the property.

<b>Financial Feasibility</b>		
<b>Yester Oaks</b>		
<u>Initial Test of Financial Feasibility</u>		
Value 3, prospective, subject to restricted rents		\$2,740,000
Value 1, as-is, as conventional or unrestricted		<u>\$2,600,000</u>
	Incremental difference	\$140,000
Renovation Cost		<u>\$1,460,936</u>
	Benefit (cost) of renovating <i>before</i> consideration of other benefits	-\$1,320,936
<u>Other Benefits</u>		
Value 5 Interest Credit Subsidy Value from assuming the existing 515 Loan)		\$570,000
Value 6 LIHTC Value		<u>\$944,603</u>
	Value of additional benefits of renovation	\$1,514,603
		<u>Net benefits, or added value, of renovation</u> \$193,667
<u>Initial Test of Financial Feasibility</u>		
Value 3, prospective, subject to restricted rents		\$2,740,000
Value 2-RD, as-is, subject to restricted rents		<u>\$930,000</u>
	Incremental difference	\$1,810,000
Renovation Cost		<u>\$1,460,936</u>
	Benefit (cost) of renovating <i>before</i> consideration of other benefits	\$349,064
<u>Other Benefits</u>		
Value 5 Interest Credit Subsidy Value from assuming the existing 515 Loan)		\$570,000
Value 6 LIHTC Value		<u>\$944,603</u>
	Value of additional benefits of renovation	\$1,514,603
		<u>Net benefits, or added value, of renovation</u> \$1,863,667

These thoughts are carried to the Valuation section.

# Valuation

The valuation process involves the gathering of data in order to develop opinions of value for the subject. A number of value opinions are provided; the value opinions are identified and the applicable approaches to value are also identified.

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

# Market Valuation

An opinion of the market value, unrestricted rents (fee simple estate, as conventional or unrestricted, as of the date of valuation) is subject to the hypothetical condition that the subject property is operated as a conventional, market rate property. Historically, the subject property has been operated as a subsidized property. Both the income capitalization approach and the sales comparison approach are utilized to arrive at opinions of the market value of Yester Oaks Apartments, as conventional or unrestricted (Value 1). The income capitalization approach is used to arrive at the market value, subject to restricted rents (Value 2).

## Income Capitalization Approach Value 1, as conventional or unrestricted

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

Net operating income projections (future net benefits) are translated into a present value indication using a capitalization process. In this appraisal, a pro forma technique is explicitly used. Market value is developed through the use of market derived financial opinions and return parameters. More specifically, the capitalization process steps in the pro forma technique are as follows:

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

With respect to this valuation, the effective gross income, which is comprised primarily of apartment rent, should be above historic levels. The apartment rent will be based on market rent figures.

The total operating expense estimate will be less than historic primarily due to reduced Repairs & Maintenance, General & Administrative, Management Fee, and Payroll expenses. The Marketing expense will be higher than historic, and there will be an explicit Reserve expense.

## Pro Forma Capitalization

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

<b>Yester Oaks</b>					<b>Value 1</b>			
<b>Base Rent Revenue</b>					<b>as conventional or unrestricted</b>			
	Total	% of	Size	Total	Market Rent			
	Units	total	(rsf)	rsf	Rent/Month	Rent/sf	Monthly	Yearly
1 Bed, 1 Bath	16	36%	654	10,464	\$530	\$0.81	\$8,480	\$101,760
2 Bed, 1 Bath	8	18%	779	6,232	\$600	\$0.77	\$4,800	\$57,600
2 Bed, 1.5 Bath TH	20	45%	974	19,480	\$650	\$0.67	\$13,000	\$156,000
<b>Overall Totals/Averages</b>	<b>44</b>	<b>100%</b>	<b>822</b>	<b>36,176</b>	<b>597</b>	<b>0.73</b>	<b>26,280</b>	<b>315,360</b>

Source: Crown Appraisal Group

Vacancy – Stabilized vacancy has been discussed in the Market Area Overview section. Vacancy is estimated at 5%, and is applied to base rent revenue.

Other Income – Other revenues include laundry income, late/nsf charges, application fees, forfeited deposits, termination/restoration fees and other miscellaneous incomes. Other revenue is estimated at \$100/unit. This is a net income line item component, with vacancy inherently considered.

Operating Expenses – are those costs necessary to maintain the property at or near a maximum level of economic performance. These expenses are categorized as real estate taxes, insurance, repairs and maintenance, general and administrative, management fees, utilities, payroll, and marketing. In addition, reserves are also considered. Estimated operating expenses are based on historical figures, and support from market data. The market data information is of properties similar in size, age, condition, and location relative to the subject that have been appraised by Crown Appraisal Group. All of these properties are RD properties – none are market rate ones. Like the subject, the operating histories reflect the benefits – and costs – associated with operating as a rural property subject to various RD operating costs.

With respect to operating expense line items, Real Estate Taxes, Insurance, and Utilities should be near historic. Repairs & Maintenance, General & Administrative, Management Fees and Payroll should be lower than historic due to the nature of market rate operations as compared to subsidized operations. Marketing should be above historic, also due to the nature of market rate operations. An explicit Reserve will be recognized.

The line item operating expenses are presented in the chart below. The chart details the median and average operating expenses by the operating expense comparables, the historic operating expenses at the subject, and the pro forma operating expense projections.



<b>Operating Expense Comparables</b>									
<b>Yester Oaks</b>									
	1	2	3	4	5	6	7	8	9
Units	50	55	53	58	30	31	24	37	51
Year	2015	2015	2015	2015	2015	2015	2015	2015	2015
<b>Per Unit Basis</b>									
Real Estate Taxes	203	263	205	188	386	352	213	196	227
Insurance	185	179	212	219	267	239	296	173	166
Repairs and Maintenance	772	656	729	663	564	576	735	646	472
General and Administrative	263	254	284	293	361	415	306	284	253
Management Fees	518	529	517	527	521	533	337	477	528
Utilities									
Electric	125	136	73	119	76	158	95	90	98
Water/Sewer	<u>36</u>	<u>16</u>	<u>47</u>	<u>25</u>	<u>17</u>	<u>51</u>	<u>6</u>	<u>547</u>	<u>24</u>
Total Utilities	179	152	121	143	93	209	101	637	122
Payroll	809	740	526	677	744	903	1,331	879	1,096
Marketing	18	69	18	31	14	5	2	12	1
<b>Total</b>	<b>2,946</b>	<b>2,843</b>	<b>2,612</b>	<b>2,742</b>	<b>2,950</b>	<b>3,233</b>	<b>3,321</b>	<b>3,305</b>	<b>2,865</b>
<b>Per Unit Basis</b>									
<u>Category</u>	<u>Minimum</u>	<u>Maximum</u>	<u>Average</u>	<u>Median</u>					
Real Estate Taxes	188	386	248	213					
Insurance	166	296	215	212					
Repairs and Maintenance	472	772	646	656					
General and Administrative	253	415	301	284					
Management Fees	337	533	499	521					
Utilities									
Electric	73	158	108	98					
Water/Sewer	<u>6</u>	<u>547</u>	<u>86</u>	<u>25</u>					
Total Utilities	93	637	195	143					
Payroll	526	1,331	856	809					
Marketing	<u>1</u>	<u>69</u>	<u>19</u>	<u>14</u>					
<b>Total</b>	<b>2,612</b>	<b>3,321</b>	<b>2,980</b>	<b>2,946</b>					
Source: Apartment Management, Crown Appraisal Group									

<b>Yester Oaks</b>		<b>as conventional or unrestricted as-is</b>									
<b>Operating Expense Estimates</b>											
<b>Real Estate Taxes</b>											
Source	Comparables		2013	2014	2015	2016 Budget	2017 Budget	Pro Forma	Amount		
Cost/unit	213	med	248	avg	273	290	243	351	302	225	\$9,894
<b>Insurance</b>											
Source	Comparables		2013	2014	2015	2016 Budget	2017 Budget	Pro Forma	Amount		
Cost/unit	212	med	215	avg	244	277	277	308	313	280	\$12,320
<b>Repairs &amp; Maintenance</b>											
Source	Comparables		2013	2014	2015	2016 Budget	2017 Budget	Pro Forma	Amount		
Cost/unit	656	med	646	avg	586	781	558	853	605	600	\$26,400
<b>General &amp; Administrative</b>											
Source	Comparables		2013	2014	2015	2016 Budget	2017 Budget	Pro Forma	Amount		
Cost/unit	284	med	301	avg	281	281	292	282	262	255	\$11,220
<b>Management</b>											
Source	Comparables		2013	2014	2015	2016 Budget	2017 Budget	Pro Forma	Amount		
Cost/unit	521	med	499	avg	526	514	539	564	588	345	\$15,200
<b>Electric Utilities</b>											
Source	Comparables		2013	2014	2015	2016 Budget	2017 Budget	Pro Forma	Amount		
Cost/unit	98	med	108	avg	40	58	63	74	67	63	\$2,772
<b>Water &amp; Sewer</b>											
Source	Comparables		2013	2014	2015	2016 Budget	2017 Budget	Pro Forma	Amount		
Cost/unit	25	med	86	avg	32	32	29	35	43	29	\$1,276
<b>Total Utilities</b>											
Source	Comparables		2013	2014	2015	2016 Budget	2017 Budget	Pro Forma	Amount		
Cost/unit	143	med	195	avg	72	90	91	109	109	92	\$4,048
<b>Payroll</b>											
Source	Comparables		2013	2014	2015	2016 Budget	2017 Budget	Pro Forma	Amount		
Cost/unit	809	med	856	avg	1,139	1,173	1,309	1,311	1,490	850	\$37,400
<b>Marketing</b>											
Source	Comparables		2013	2014	2015	2016 Budget	2017 Budget	Pro Forma	Amount		
Cost/unit	14	med	19	avg	3	15	5	7	7	20	\$880
<b>Total Operating Expenses (including consideration of Reserve)</b>											
Source	Comparables		2013	2014	2015	2016 Budget	2017 Budget	Pro Forma	Amount		
Cost/unit	2,946	med	2,980	avg	3,124	3,422	3,316	3,785	3,675	2,917	\$128,362
Source: Property Management; Crown Appraisal Group											

<b>Yester Oaks</b>		<b>Value 1</b>
<b>Operating Expense Estimates</b>		<b>as conventional or unrestricted</b>
<u>Operating Expense</u>	<u>Cost/unit</u>	<u>Discussion</u>
Real Estate Taxes	225	Based on the current real estate taxes of the subject as reported by the county.
Insurance	280	Based on historic with support from market.
Repairs & Maintenance	600	Below historic; property would not be as well maintained if it were to be operated as a market rate one.
General & Administrative	255	Below historic; market rate properties have lower general & administrative costs than subsidized properties.
Management	5.00%	Percent of effective gross income rather than fee per occupied door per month.
Utilities	63 Electric 29 Water and sewer	Based on historic with support from market. Based on historic with support from market.
Payroll	850	Based on the size of the property, a total cost per year, or a cost per month, is the appropriate manner in which to develop this operating expense estimate. The expense is based on the probable cost if the property were operated as a market rate one.
Marketing	20	Above historic; market rate properties require a higher cost for marketing.
Reserve	250	Based on market participant attitudes.

**Total Operating Expenses** – The chart below compares historical and market derived operating expense data with the pro forma. Notice the market estimates are lower than the historical figures as government subsidized properties typically cost more to operate than market rate.

<b>Yester Oaks</b>	<b>Crown Appraisal Group Survey</b>				<b>Year End Historical</b>					<b>Subject Pro Forma</b>
	<b>per unit basis</b>				<b>as conventional or unrestricted</b>					
	Low	High	Avg.	Med.	2013	2014	2015	2016 Budget	2017 Budget	
Real Estate Taxes	188	386	248	213	273	290	243	351	302	225
Insurance	166	296	215	212	244	277	277	308	313	280
Repairs and Maintenance	472	772	646	656	586	781	558	853	605	600
General and Administrative	253	415	301	284	281	281	292	282	262	255
Management Fees	337	533	499	521	526	514	539	564	588	345
Utilities										
Electric	73	158	108	98	40	58	63	74	67	63
Water/Sewer	6	547	86	25	32	32	29	35	43	29
Total Utilities	93	637	195	143	72	90	91	109	109	92
Payroll	526	1,331	856	809	1,139	1,173	1,309	1,311	1,490	850
Marketing	1	69	19	14	3	15	5	7	7	20
Reserve	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	250
<b>Total Operating Expenses</b>	<b>2,612</b>	<b>3,321</b>	<b>2,980</b>	<b>2,946</b>	<b>3,124</b>	<b>3,422</b>	<b>3,316</b>	<b>3,785</b>	<b>3,675</b>	<b>2,917</b>

Note: columns with low, high, average, and median figures may not add to total  
 Source: Property Managers; Crown Appraisal Group

The net operating income is estimated by deducting the operating expenses from the effective gross income. The pro forma is shown below.

<b><i>Pro Forma Operating Statement</i></b>		<b><i>as conventional or unrestricted</i></b>		
<b><i>Yester Oaks</i></b>		<b><i>Value 1</i></b>		
44 units				
		<u>% of EGI</u>	<u>Per Unit</u>	<u>Amount</u>
Potential Rental Revenue		103.7%	\$7,167	\$315,360
Less: Vacancy and Collection Loss @	5.0%	<u>-5.2%</u>	<u>-358</u>	<u>-15,768</u>
Effective Rent		98.6%	6,809	299,592
Plus Other Revenue:				
Other Income		1.4%	100	4,400
<b>Effective Gross Income</b>		<b>100.0%</b>	<b>6,909</b>	<b>303,992</b>
Less: Operating Expenses				
Real Estate Taxes		3.3%	225	9,894
Insurance		4.1%	280	12,320
Repairs and Maintenance		8.7%	600	26,400
General and Administrative		3.7%	255	11,220
Management Fees @	5.0%	5.0%	345	15,200
Utilities				
Electric		0.9%	63	
Water/Sewer		<u>0.4%</u>	<u>29</u>	
Total Utilities		1.3%	92	4,048
Payroll		12.3%	850	37,400
Marketing		0.3%	20	880
Reserve		<u>3.6%</u>	<u>250</u>	<u>11,000</u>
Total Operating Expenses		42.2%	2,917	128,362
<b>Net Operating Income</b>		<b>57.8%</b>	<b>3,992</b>	<b>175,630</b>

Source: *Crown Appraisal Group*

### Capitalization Rate Discussion

Capitalization is the process by which net operating income is converted into a value indication. A capitalization rate is utilized that most accurately represents the risk associated with receiving the property's net operating income. A property that has a "safer" income stream is one that has less risk.

In order to arrive at an appropriate range, emphasis was put on data provided by comparable sales and analysis of financing techniques.

**Comparable Sales**

The comparable sales utilized in the Sales Comparison Approach section indicate an overall capitalization rate range as shown below. Other data is shown, including the dates of the sales. Overall, the sales properties are comparable in the sense that they are recent sales of similar apartment complexes in the greater market area.

<b>Comparable Sales</b>						
<b>Overall Capitalization Rates</b>						
<u>Name/Location</u>	<u>Sale Date</u>	<u>Year Built</u>	<u>Units</u>	<u>Sale Price</u>	<u>Price/Unit</u>	<u>OAR</u>
The Reserve at Altama Brunswick, GA	Jul-16	1972	108	6,300,000	58,333	6.8%
Lanier Landing Apts Brunswick, GA	Aug-15	1985	128	5,470,700	42,740	6.7%
Pointe Lanier Gainesville, GA	May-15	1983	100	5,000,000	50,000	6.8%
Douglas Pines Apts Douglas, GA	Oct-16	1987	48	1,925,100	40,106	7.0%
Flint River Crossing Jonesboro, GA	Nov-16	1971	200	8,000,000	40,000	5.0%
<b>Average, Median, Range</b>		<b>6.5%</b>	<b>6.8%</b>	<b>5.0% - 7.0%</b>		

Source: *Crown Appraisal Group*

A number of differences between the properties and the specifics of transaction, however, make correlation to a specific rate within the range problematic. The sales do represent current market activity and characteristics of the properties that are similar to the subject. An overall rate near the range is appropriate. Certainly, the market data alone does not support the selection of a rate below 5.0% or a rate above 7.0%. If the sales were the only data source from which to select the overall capitalization rate, a rate near the low to middle of the range is most appropriate given the net operating income figure.

Final consideration of an appropriate rate is through an analysis of lender requirements. After all, properties such as the subject are usually transferred only after financing has been arranged. The debt coverage ratio technique calculates an overall rate by multiplying the mortgage constant by the loan-to-value ratio and then by the debt coverage figure.

**Financing Techniques**

**Debt Coverage Ratio**

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

<b>Overall Rate Derivation</b>					
<b>Debt Coverage Ratio Technique</b>					
<u>Mtg. Rate</u>	<u>Term of Mtg.</u>	<u>Mtg. Constant</u>	<u>Loan to Value</u>	<u>DCR</u>	<u>OAR</u>
5.00%	30	0.0644	70.0%	1.25	5.64%
5.00%	30	0.0644	75.0%	1.20	5.80%
5.25%	30	0.0663	70.0%	1.25	5.80%
5.25%	30	0.0663	75.0%	1.20	5.96%
5.50%	30	0.0681	70.0%	1.25	5.96%
5.50%	30	0.0681	75.0%	1.20	6.13%
<b>rounded to</b>				<b>5.6%</b>	<b>- 6.1%</b>

Source: *Crown Appraisal Group*

Given the specific characteristics of the property, the overall capitalization rate range derived from the debt coverage ratio appears to be reasonable.

**Band of Investment**

There are two primary components utilized in the band of investment technique. These are the debt and equity components. Both are explicitly developed. A weighted average, which combines these two components, is used to capitalize the net operating income. The strength of the band of investment is that it has long been used by real estate market participants in developing an overall rate. The band of investment technique quantifies the appropriate overall rate as follows:

<b>Overall Rate Derivation</b>					
<b>Band of Investment Technique</b>					
<u>Interest Rate</u>	<u>Amort.</u>			<u>Constant</u>	<u>Weighted Average</u>
5.00%	30	75%	(loan to value)	x 0.0644	= 4.831%
		25%	(equity to value)	x 6.0%	= 1.500%
				Overall Rate =	6.331%
<b>Rounded To:</b>					<b>6.3%</b>

Source: *Crown Appraisal Group*

**Conclusion**

In summarizing, most of the market-based indicators suggest that a rate toward the middle of the range is most appropriate. The weakness in the rates indicated by the comparable sales is that the figures are historic. The overall rates from the comparable sales are also suspect to relatively wide fluctuations when relatively minor changes are made (as an example, an change to the net operating income of only \$1,000 on a \$1,000,000 sale impacts the overall rate by 10 basis points). The strength in the debt coverage and the band of investment techniques, is that they are based on real participants and real mortgage rates. The information from the latter analysis suggests that the appropriate rate is in the upper 6.0% range.

In the final analysis, an overall rate that lies between the comparable sale and financing technique analysis of 7.00% is selected as being appropriate to accurately reflect the risk characteristics arising from the income stream. The rate selected falls within the ranges indicated by comparable sales, and the quantitative overall rate derivation techniques (band of investment and debt coverage ratio). Application of the rate to the pro forma net operating income is shown in the chart below.

<i><b>Pro Forma Technique Value Conclusion</b></i>	<i><b>Value 1</b></i>
<i><b>Yester Oaks</b></i>	<i><b>as conventional or unrestricted</b></i>
Net Operating Income	\$175,630
Overall Capitalization Rate	<u>6.75%</u>
Value Conclusion	2,601,925
<b><i>Rounded To:</i></b>	<b><i>\$2,600,000</i></b>

Source: *Crown Appraisal Group*

### Value 2-RD, subject to restricted rents

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

#### Base Rent

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

<i>Yester Oaks</i>					<i>Value 2-RD</i>			
<i>Base Rent Revenue</i>					<i>subject to restricted rents</i>			
	Total	% of	Size	Total	Basic Rent			
	<u>Units</u>	<u>total</u>	<u>(rsf)</u>	<u>rsf</u>	<u>Rent/Month</u>	<u>Rent/sf</u>	<u>Monthly</u>	<u>Yearly</u>
1 Bed, 1 Bath	16	36%	654	10,464	\$420	\$0.64	\$6,720	\$80,640
2 Bed, 1 Bath	8	18%	779	6,232	\$445	0.57	3,560	42,720
2 Bed, 1.5 Bath TH	20	45%	974	19,480	\$445	0.46	8,900	106,800
<b>Overall Totals/Averages</b>	<b>44</b>	<b>100%</b>	<b>822</b>	<b>36,176</b>	<b>436</b>	<b>0.53</b>	<b>19,180</b>	<b>230,160</b>

Source: Crown Appraisal Group

#### Vacancy

Based on historic.

#### Operating Expenses

The operating expenses are largely based on recent history at the subject. Figures used are shown below.

<i>Yester Oaks</i>			<i>Value 2-RD</i>
<i>Operating Expense Estimates</i>			<i>subject to restricted rents</i>
<u>Operating Expense</u>	<u>Cost/unit</u>		<u>Discussion</u>
Real Estate Taxes	225		Based on the current real estate taxes of the subject as reported by the county.
Insurance	280		Based on historic with support from market.
Repairs & Maintenance	675		Near the recent historic figures with the recognition that some of the historic amounts have some costs better categorized as capital expenditures.
General & Administrative	290		Based on historic.
Management	49.00		Based on cost per occupied door per month.
Utilities	63	Electric	Based on historic with support from market.
	29	Water and sewer	Based on historic with support from market.
Payroll	1,300		Based on historic.
Marketing	5		Based on historic.
Reserve	350		Based on market participant attitudes.



The pro forma is shown below.

<b>Pro Forma Operating Statement</b>		<b>Value 2-RD</b>	
<b>Yester Oaks</b>		<b>as-is</b>	
44 units			
	<u>% of EGI</u>	<u>Per Unit</u>	<u>Amount</u>
Potential Rental Revenue	101.1%	\$5,231	\$230,160
Less: Vacancy and Collection Loss @ 3.0%	<u>-3.0%</u>	<u>-157</u>	<u>-6,905</u>
Effective Rent	98.1%	5,074	223,255
Plus Other Revenue:			
Other Income	1.9%	100	4,400
<b>Effective Gross Income</b>	<b>100.0%</b>	<b>5,174</b>	<b>227,655</b>
Less: Operating Expenses			
Real Estate Taxes	4.3%	225	9,894
Insurance	5.4%	280	12,320
Repairs and Maintenance	13.0%	675	29,700
General and Administrative	5.6%	290	12,760
Management Fees	11.0%	570	25,096
Utilities			
Electric	1.2%	63	
Water/Sewer	<u>0.6%</u>	<u>29</u>	
Total Utilities	1.8%	92	4,048
Payroll	25.1%	1,300	57,200
Marketing	0.1%	5	220
Reserve	<u>6.8%</u>	<u>350</u>	<u>15,400</u>
Total Operating Expenses	73.2%	3,787	166,638
<b>Net Operating Income</b>	<b>26.8%</b>	<b>1,387</b>	<b>61,017</b>

Source: *Crown Appraisal Group*

**Capitalization Rate Discussion**

The appropriate rate selected should recognize two primary characteristics. There is a need for affordable housing in the area. Second, the net operating income developed is within the range at that seen during the prior three years. In that sense, the net operating income is one that is relatively “safe”. The conclusion is that the appropriate overall rate should be less than that selected for the market, unrestricted. The question is, of course, how much lower. There is some information available from RD that helps answer this. The consensus is that, for properties that are comprised of all (or mostly all) RA units, the appropriate rate should be about 100 basis points less than the market rate conclusion (the rate used for market unrestricted). For properties that do not have a high percentage of RA units, the overall rate should not be significantly different than the overall rate used in the unrestricted valuation. The chart quantifying this is shown below, with the value opinion shown after.

<b>Overall Capitalization Rate Selection</b>			<b>Value 2-RD</b>	
<b>Yester Oaks</b>			<b>subject to restricted rents</b>	
<u>Lease Guarantor</u>	<u># of Units</u>	<u>% of Total</u>	<u>Selected OAR</u>	<u>Weighted Rate</u>
Tenant	36	81.8%	6.75%	5.523%
Rental Assistance	8	18.2%	5.75%	1.045%
<b>Total</b>	<b>44</b>	<b>100.0%</b>		<b>6.568%</b>
<b>Indicated OAR</b>				<b>6.57%</b>

Source: Crown Appraisal Group

<b>Pro Forma Technique Value Conclusion</b>		<b>Value 2-RD</b>
<b>Yester Oaks</b>		<b>subject to restricted rents</b>
Net Operating Income		\$61,017
Overall Capitalization Rate		6.57%
Value Conclusion		928,977
<b>Rounded To:</b>		<b>\$930,000</b>

Source: Crown Appraisal Group

# **Sales Comparison Approach**

## **Value 1, as conventional or unrestricted**

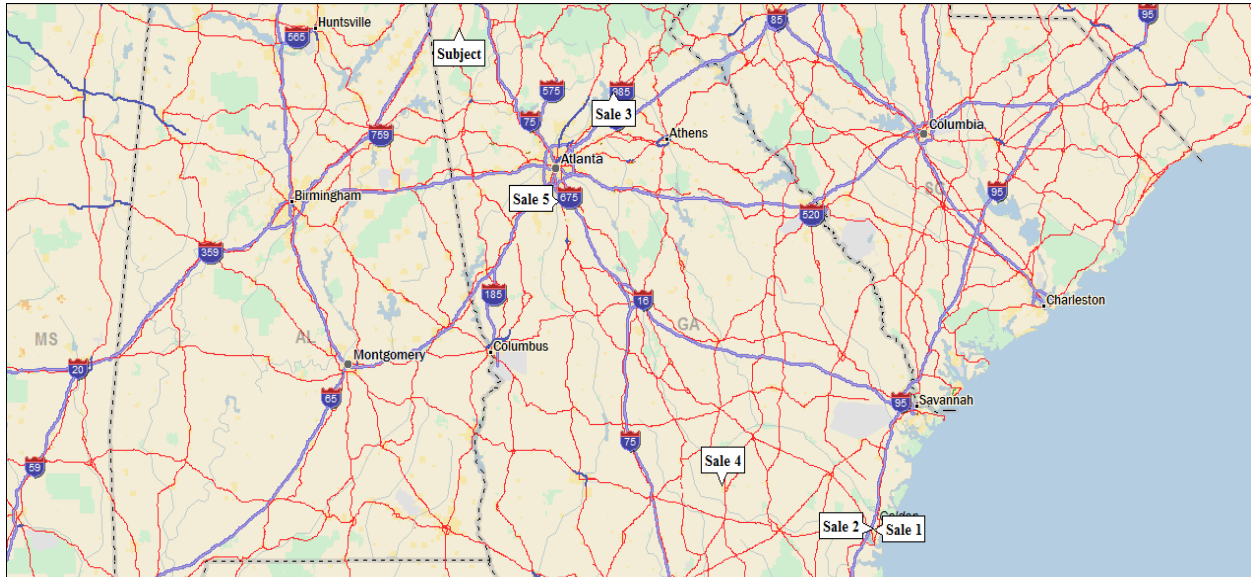
The sales comparison approach is based upon the theory that an informed purchaser will pay no more for a property than the cost of acquiring an equally desirable substitute property. The principle of substitution confirms that the maximum value of a property is set by the cost of acquisition of an equally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

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

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

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

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



**Sale Comparable 1**

**General Data**

Property Name:	The Reserve at Altama
Property Address:	5801 Altama Ave
City:	Brunswick
County:	Glynn
MSA:	Brunswick
State:	GA
Zip:	31525
Renter Segmentation:	General
Rent Structure:	Market Rate



**Sale and Economic Data**

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

**Property Data**

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

**Landlord Paid Utilities**

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

**Unit Amenities**

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

**Complex Amenities**

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

**Tenant Paid Utilities**

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

**Other Comments**

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

**Sale Comparable 2**

**General Data**

Property Name:	Lanier Landing Apts
Property Address:	820 Scranton Rd
City:	Brunswick
County:	Glynn
MSA:	Brunswick
State:	GA
Zip:	31525
Renter Segmentation:	General
Rent Structure:	Market Rate



**Sale and Economic Data**

Sale Price:	\$5,470,700	Effective Gross Income:	<u>Total</u> 1,079,808	<u>Per Unit</u> 8,436	<u>Per rsf</u> 7.10	<u>% of EGI</u> 100.0%
Sale Price/unit:	42,740	Operating Expenses:	713,271	5,572	4.69	66.1%
Sale Price/rsf:	\$35.98	Net Operating Income:	366,537	2,864	2.41	33.9%
Sale Date:	8/17/2015	Overall rate:	6.70%			
Parcel Number:	03-13586	EGIM:	5.1			
Legal Description:	5-G GLYNN PLACE COMM PARK					
Buyer (Grantee):	Deancurt Brunswick LLC					
Seller (Grantor):	Glynn Place Apartments LP					

**Property Data**

		<u>Bedrooms</u>	<u>Baths</u>	<u>Type</u>	<u>Size (rsf)</u>
Year Built:	1985	3	2.0	Garden	1,094
Size (Number of Units):	128	3	2.5	Townhouse	1,196
Rentable Size (rsf):	152,068	2	2.5	Townhouse	1,196
Site Size (acres):	13.380				
Density (units/acre):	9.6				
Floors:	2				
Property Design:	Walk Up				
Exterior:	Siding				

**Landlord Paid Utilities**

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

**Unit Amenities**

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

**Complex Amenities**

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

**Other Comments**

Lanier Landing Apartments are located on the east side of Scranton Road, about 1 mile southeast of the I-95/SR 25 interchange. This location is about 5 miles north of downtown Brunswick.

**Sale Comparable 3**

**General Data**

Property Name:	Pointe Lanier
Property Address:	2460 Spring Road
City:	Gainesville
County:	Hall
MSA:	Gainesville
State:	GA
Zip:	30504
Renter Segmentation:	General
Rent Structure:	Market



**Sale and Economic Data**

Sale Price:	\$5,000,000	Effective Gross Income:	Total	Per Unit	Per rsf	% of EGI
		Operating Expenses:	342,000	N/A	3.58	N/A
Sale Price/unit:	50,000	Net Operating Income:	342,000	3,420	3.58	100.0%
Sale Price/rsf:	\$52.38	Overall rate:	6.84%			
Sale Price/gsf:	\$51.51	EGIM:	14.6			
Sale Date:	5/29/2015	Occupancy at time of sale:	98.0%			
Legal Description:	2460 SPRING ROAD NW					
Buyer (Grantee):	Point Lanier 2015, LLC					
Seller (Grantor):	Lanier Apartment Ventures, LLC					

**Property Data**

		<u>Bedrooms</u>	<u>Baths</u>	<u>Type</u>	<u>Size (rsf)</u>	<u>Units</u>
Year Built:	1983	1	1.0	Garden	800	40
Size (Number of Units):	100	2	2.0	Garden	1,000	60
Rentable Size (rsf):	95,450					
Gross Size (gsf):	97,060					
Site Size (acres):	6.730					
Density (units/acre):	14.9					
Floors:	3					
Property Design:	Walk-Up					
Exterior:	Siding					

**Landlord Paid Utilities**

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

**Tenant Paid Utilities**

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

**Unit Amenities**

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

**Complex Amenities**

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

**Other Comments**

Pointe Lanier is located on the northeast corner of Spring Rd and McEver Rd in Gainesville, Georgia. It is 2 miles west of downtown Gainesville, the county seat of Hall County.

**Sale Comparable 4**

**General Data**

Property Name:	Douglas Pines Apts
Property Address:	820 Bowens Mill Rd SE
City:	Douglas
County:	Coffee
MSA:	Not in a MSA
State:	GA
Zip:	31533
Renter Segmentation:	General
Rent Structure:	Market Rate



**Sale and Economic Data**

			<u>Total</u>	<u>Per Unit</u>	<u>Per rsf</u>	<u>% of EGI</u>
Sale Price:	\$1,925,100					
Sale Price/unit:	\$40,106	Net Operating Income:	135,142	2,815	3.27	100.0%
Sale Price/rsf:	\$46.64	Overall rate:	7.02%			
Sale Date:	10/21/2016	Occupancy at time of sale:	95.0%			
Parcel Number:	0117C-131					
Legal Description:	LL 222 6LD SPRING LAKE APTS.PH I					
Buyer (Grantee):	Bpp Douglas Pines Llc					
Seller (Grantor):	Reef Properties Of Georgia Llc					

**Property Data**

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

**Landlord Paid Utilities**

N Cable	N Sewer
N Electric	N Trash
N Gas	N Water

**Unit Amenities**

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

**Complex Amenities**

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

**Tenant Paid Utilities**

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

**Other Comments**

Douglas Pines Apartments are located in the northeast quadrant of SR 158 (East Baker Highway) and Bowens Mill Road SE, about two miles southeast of downtown Douglas. Douglas is the county seat of Coffee County.



**Sale Comparable 5**

**General Data**

Property Name:	Flint River Crossing
Property Address:	240 Flint River Rd
City:	Jonesboro
County:	Clayton
MSA:	Atlanta-Sandy Springs-Roswell
State:	GA
Zip:	30238
Renter Segmentation:	General
Rent Structure:	Market Rate



**Sale and Economic Data**

		<u>Total</u>	<u>Per Unit</u>	<u>Per rsf</u>	<u>% of EGI</u>
Sale Price:	\$8,000,000				
Sale Price/unit:	40,000	Net Operating Income:	400,000	2,000	2.32
Sale Price/rsf:	\$46.45	Overall rate:	5.00%		100.0%
		EGIM:	20.0		
Sale Date:	11/18/2016	Occupancy at time of sale:			
Parcel Number:	05-0243A-00A-001				
Legal Description:	DISTRICT 8; COUNTY FIRE; AREA 222; C&I APPRAISER AREA 2; NBRHOOD APT01 APARTMENTS				
Buyer (Grantee):	Crown Bay Group, LLC				
Seller (Grantor):	PEM Real Estate Group				

**Property Data**

		<u>Bedrooms</u>	<u>Baths</u>	<u>Type</u>	<u>Size (rsf)</u>	<u>Units</u>
Year Built:	1971	2	1.0	Garden	880	34
Size (Number of Units):	200	2	1.0	Garden	757	107
Rentable Size (rsf):	172,239	2	1.5	Garden	960	20
		3	2.0	Garden	1,080	39
Site Size (acres):	30.000					
Density (units/acre):	6.7					
Floors:	2					
Property Design:	Walk Up					
Exterior:	Combination					

**Landlord Paid Utilities**

N Cable	N Sewer
N Electric	N Trash
N Gas	N Water

**Tenant Paid Utilities**

N Cable	N Sewer
N Electric	N Trash
N Gas	N Water

**Unit Amenities**

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

**Complex Amenities**

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

**Other Comments**

Flint River Crossing is located in the southwest quadrant of Flint River Road and Lexington Road, about one mile west of downtown Jonesboro. This location is about 5 miles south of the I-75/US 41 interchange and about 15 miles south of the Atlanta CBD.

**Comparable Sales Data**

The sales that were utilized to develop the value of the subject are detailed in the chart that follows. The sale price per unit of comparison is used to develop the value of the subject. To arrive at a value conclusion, the comparables are adjusted for dissimilarities to the subject with respect to property rights conveyed, financing terms, conditions of sale, date of sale, location, physical and economic attributes. Adjustments are made based on a comparison with one another as well as the appraisers’ knowledge about the sales as they relate to the subject. Based on discussions with market participants, the marketing period and exposure period for each of the sales is estimated at 12 months. The chart also notes the adjustments.

<i>Yester Oaks</i>		<i>Value 1</i>				
<i>Improved Sales</i>		<i>as conventional or unrestricted</i>				
Sale	Subject	1	2	3	4	5
Name	Yester Oaks	The Reserve at Altama	Lanier Landing Apts	Pointe Lanier	Douglas Pines Apts	Flint River Crossing
Location	51 Yester Oaks Dr	5801 Altama Ave	820 Scranton Rd	2460 Spring Rd	820 Bowens Mill Rd SE	240 Flint River Rd
City or Township	Lafayette	Brunswick	Brunswick	Gainesville	Douglas	Jonesboro
County	Walker	Glynn	Glynn	Hall	Coffee	Clayton
MSA	Chattanooga	Brunswick	Brunswick	Gainesville	Not in a MSA	Atlanta
Date of Sale		July-16	August-15	May-15	October-16	November-16
Sale Price		\$6,300,000	\$5,470,700	\$5,000,000	\$1,925,100	\$8,000,000
Building Size (units)	44	108	128	100	48	200
Building Size (inc. community)	36,380	126,240	152,068	95,450	41,280	172,239
Sale Price/Unit		\$58,333	\$42,740	\$50,000	\$40,106	\$40,000
Sale Price/sf		\$49.90	\$35.98	\$52.38	\$46.64	\$46.45
Year Built	1990	1972	1985	1983	1987	1971
Site Size	6.340	10.220	13.380	6.730	7.590	30.000
Coverage	13%	28%	26%	33%	12%	13%
Average Unit Size (sf)	827	1,169	1,188	955	860	861
Units per Acre	6.9	10.6	9.6	14.9	6.3	6.7
EGI/unit	\$5,634	\$3,938	\$8,436	\$3,420	\$2,815	\$2,000
EGIM	14.8	14.8	5.1	14.6	14.2	20.0
Expenses/Unit	\$2,983	\$0	\$5,572	\$0	\$0	\$0
NOI/unit	\$2,651	\$3,938	\$2,864	\$3,420	\$2,815	\$2,000
OAR		6.8%	6.7%	6.8%	7.0%	5.0%
<b>Sale Adjustments</b>						
Property Rights Conveyed	<i>Fee Simple</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>
		0%	0%	0%	0%	0%
Financing Terms	<i>Market</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>
		0%	0%	0%	0%	0%
Conditions of Sale	<i>Arm's Length</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>
		0%	0%	0%	0%	0%
Market Conditions	<i>Current</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>
		0%	0%	0%	0%	0%
Total Sale Adjustments		0%	0%	0%	0%	0%
<b>Adjusted Price per Unit</b>		<b>\$58,333</b>	<b>\$42,740</b>	<b>\$50,000</b>	<b>\$40,106</b>	<b>\$40,000</b>
<b>Property Adjustments</b>						
Location	51 Yester Oaks Dr	5801 Altama Ave	820 Scranton Rd	2460 Spring Rd	820 Bowens Mill Rd SE	240 Flint River Rd
	Lafayette	Brunswick	Brunswick	Gainesville	Douglas	Jonesboro
	Walker	Glynn	Glynn	Hall	Coffee	Clayton
Population	7,199	15,133	15,133	33,804	12,002	4,724
Comparison to subject		<i>Superior</i>	<i>Superior</i>	<i>Superior</i>	<i>Superior</i>	<i>Similar</i>
		-5%	-5%	-10%	-5%	0%
<i>Physical</i>						
Avg. Unit Size	827	1,169	1,188	955	860	861
Comparison to subject		<i>Superior</i>	<i>Superior</i>	<i>Superior</i>	<i>Similar</i>	<i>Similar</i>
		-15%	-15%	-5%	0%	0%
Age	1990	1972	1985	1983	1987	1971
Quality/Condition	Average	Below Average	Average	Average	Average	Below Average
Comparison to subject		<i>Inferior</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Inferior</i>
		5%	0%	0%	0%	5%
Total Property Adjustments		-15%	-20%	-15%	-5%	5%
<b>Value Indication per Unit</b>		<b>\$49,583</b>	<b>\$34,192</b>	<b>\$42,500</b>	<b>\$38,101</b>	<b>\$42,000</b>

Source: Crown Appraisal Group

As shown, no sale adjustments are indicated as appropriate for property rights conveyed, financing terms, conditions of sale, and market conditions, as they are considered to be the same as the subject. With respect to property adjustments, all location, physical, and economic attributes were reviewed – the analysis of each comparable sale is below.

***The Reserve at Altama (Comparable 1)*** - The comparable has a superior (better) general location at the time of sale when compared to the subject, and the comparable is adjusted downward. On average, the unit size at the comparable is larger, which is considered to be a superior attribute, as compared to the average unit size at the subject, and the comparable is adjusted downward. At the time of sale, the general physical aspects of the comparable (such as age and quality/condition attributes) were inferior to the subject, and an adjustment is made. Combined, the adjustments total -15%. This results in a value indication of \$49,583/unit for Yester Oaks Apartments.

***Lanier Landing Apartments (Comparable 2)*** - The comparable has a superior (better) general location at the time of sale when compared to the subject, and the comparable is adjusted downward. On average, the unit size at the comparable is larger, which is considered to be a superior attribute, as compared to the average unit size at the subject, and the comparable is adjusted downward. At the time of sale, the general physical aspects of the comparable (such as age and quality/condition attributes) were reasonably similar to the subject, and no adjustment is warranted. Combined, the adjustments total -20%. This results in a value indication of \$34,192/unit for Yester Oaks Apartments.

***Pointe Lanier (Comparable 3)*** - The comparable has a superior (better) general location at the time of sale when compared to the subject, and the comparable is adjusted downward. On average, the unit size at the comparable is larger, which is considered to be a superior attribute, as compared to the average unit size at the subject, and the comparable is adjusted downward. At the time of sale, the general physical aspects of the comparable (such as age and quality/condition attributes) were reasonably similar to the subject, and no adjustment is warranted. Combined, the adjustments total -15%. This results in a value indication of \$42,500/unit for Yester Oaks Apartments.

***Douglas Pines Apartments (Comparable 4)*** - The comparable has a superior (better) general location at the time of sale when compared to the subject, and the comparable is adjusted downward. The comparable sale average unit size is similar to the subject's and no adjustment is warranted. At the time of sale, the general physical aspects of the comparable (such as age and quality/condition attributes) were reasonably similar to the subject, and no adjustment is warranted. Combined, the adjustments total -5%. This results in a value indication of \$38,101/unit for Yester Oaks Apartments.

***Flint River Crossing (Comparable 5)*** - The general location of the comparable is similar to that of the subject and no adjustment is warranted. The comparable sale average unit size is similar to the subject's and no adjustment is warranted. At the time of sale, the general physical aspects of the comparable (such as age and quality/condition attributes) were inferior to the subject, and an adjustment is made. Combined, the adjustments total 5%. This results in a value indication of \$42,000/unit for Yester Oaks Apartments.

All of the sales were given credence when determining the value via this approach. This approach is used only as support for the primary approach, and the value conclusion reflects a hypothetical condition. This value indication is concluded to as representative of the property’s value as if operated under the hypothetical conventional, market rate scenario. **A value conclusion of \$41,000/unit or \$405,000 is selected to represent the market value as of the date of valuation.** The following summarizes the projections of value via the sales comparison approach.

<b>Sales Comparison Approach Summary</b>		<b>Value 1</b>	
<b>Yester Oaks</b>		<b>as conventional or unrestricted</b>	
Unadjusted Value Range Per Unit	40,000	-	58,333
Indicated Value Range (rounded)	1,800,000	-	2,600,000
Adjusted Value Range Per Unit	34,192	-	49,583
Indicated Value Range (rounded)	1,500,000	-	2,200,000
Average, Median (adjusted)	41,275		42,000
<b>Indicated Value (rounded)</b>		<b>1,805,000</b>	
<b>Value per Unit</b>		<b>41,000 /unit</b>	

Source: *Crown Appraisal Group*

## Prospective Market Value

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

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

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

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

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

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

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

### Pro Forma Capitalization

Base Rent Revenue – is based on the market rent levels for the units at the subject. The annual market rent is shown in the chart below. The rent is based on the lesser of market rent or LIHTC restrictions.

<b>Yester Oaks</b>							<b>Value 3</b>			
<b>Base Rent Revenue</b>							<b>prospective</b>			
							<b>subject to restricted rents</b>			
	Rent	Total	% of	Size	Total	Market Rent				
	<u>Constraint</u>	<u>Units</u>	<u>total</u>	<u>(rsf)</u>	<u>rsf</u>	<u>Rent/Month</u>	<u>Rent/sf</u>	<u>Monthly</u>	<u>Yearly</u>	
1 Bed, 1 Bath	Market	16	36%	654	10,464	590	\$0.90	\$9,440	\$113,280	
2 Bed, 1 Bath	Market	8	18%	779	6,232	660	\$0.85	\$5,280	63,360	
2 Bed, 1.5 Bath TH	Market	20	45%	974	19,480	710	\$0.73	\$14,200	170,400	
<b>Overall Totals/Averages</b>		<b>44</b>	<b>100%</b>	<b>822</b>	<b>36,176</b>	<b>657</b>	<b>0.80</b>	<b>28,920</b>	<b>347,040</b>	

Source: Crown Appraisal Group

Vacancy – Stabilized vacancy has been discussed in the Market Area Overview section. Vacancy is estimated at 5%, and is applied to base rent revenue.

Other Income – Other revenues include laundry income, late/nsf charges, application fees, forfeited deposits, termination/restoration fees and other miscellaneous incomes. Other revenue is estimated at \$100/unit. This is a net income line item component, with vacancy inherently considered.

Operating Expenses – are based on historic and comparable data. The comparable data has been presented previously. As noted, Real Estate Taxes, Insurance, General & Administrative, Management Fee, Utilities, and Marketing should be near historic. Repairs & Maintenance should be lower due to the renovations. Payroll should also be lower, also due to the renovation. An explicit Reserve will be recognized.

<b>Yester Oaks</b>		<b>Value 3</b>
<b>Operating Expense Estimates</b>		<b>prospective</b>
		<b>subject to restricted rents</b>
<u>Operating Expense</u>	<u>Cost/unit</u>	<u>Discussion</u>
Real Estate Taxes	247	Based on the current real estate taxes of the subject as reported by the county, and increased to reflect the renovations.
Insurance	280	Based on historic with support from market.
Repairs & Maintenance	625	Lower end of the historic range reflecting the renovation.
General & Administrative	290	Based on historic.
Management	49.00	Based on cost per occupied door per month.
Utilities	63 Electric	Based on historic with support from market.
	29 Water and sewer	Based on historic with support from market.
Payroll	1,200	Near the lower end of historic range reflecting the renovation.
Marketing	5	Based on historic.
Reserve	350	Based on market participant attitudes recognizing the renovation.

Total Operating Expenses – The chart below compares historical and market derived operating expense data with the pro forma.

<b>Pro Forma Operating Expense Estimate &amp; Comparisons (per unit basis)</b>		<b>Value 3</b>									
<b>Yester Oaks</b>		<b>prospective</b>									
		<b>subject to restricted rents</b>									
	<u>Crown Appraisal Group Survey</u>				<u>Year End Historical</u>					<u>Subject Pro Forma</u>	
	Low	High	Avg.	Med.	2013	2014	2015	2016	Bud017		Budget
Real Estate Taxes	188	386	248	213	273	290	243	351	302		247
Insurance	166	296	215	212	244	277	277	308	313		280
Repairs and Maintenance	472	772	646	656	586	781	558	853	605		625
General and Administrative	253	415	301	284	281	281	292	282	262		290
Management Fees	337	533	499	521	526	514	539	564	588		570
Utilities											
Electric	73	158	108	98	40	58	63	74	67		63
Water/Sewer	6	547	86	25	32	32	29	35	43		29
Total Utilities	93	637	195	143	72	90	91	109	109		92
Payroll	526	1,331	856	809	1,139	1,173	1,309	1,311	1,490		1,200
Marketing	1	69	19	14	3	15	5	7	7		5
Reserve	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a		350
<b>Total Operating Expenses</b>	<b>2,612</b>	<b>3,321</b>	<b>2,980</b>	<b>2,946</b>	<b>3,124</b>	<b>3,422</b>	<b>3,316</b>	<b>3,785</b>	<b>3,675</b>		<b>3,660</b>

Note: columns with low, high, average, and median figures may not add to total

Source: *Property Managers; Crown Appraisal Group*

The net operating income is estimated by deducting the operating expenses from the effective gross income. The pro forma is shown below.

<b>Pro Forma Operating Statement</b>		<i>subject to restricted rents</i>	
<b>Yester Oaks</b>		<i>prospective</i>	
		44 units	Value 3
	<u>% of EGI</u>	<u>Per Unit</u>	<u>Amount</u>
Potential Rental Revenue	101.8%	\$7,887	\$347,040
Less: Vacancy and Collection Loss @ 3.0%	-3.1%	-237	-10,411
Effective Rent	98.7%	7,651	336,629
Plus Other Revenue:			
Other Income	1.3%	100	4,400
<b>Effective Gross Income</b>	<b>100.0%</b>	<b>7,751</b>	<b>341,029</b>
Less: Operating Expenses			
Real Estate Taxes	3.2%	247	10,884
Insurance	3.6%	280	12,320
Repairs and Maintenance	8.1%	625	27,500
General and Administrative	3.7%	290	12,760
Management Fees	7.4%	570	25,096
Utilities			
Electric	0.8%	63	2,772
Water/Sewer	0.4%	29	1,276
Total Utilities	1.2%	92	4,048
Payroll	15.5%	1,200	52,800
Marketing	0.1%	5	220
Reserve	4.5%	350	15,400
Total Operating Expenses	47.2%	3,660	161,028
<b>Net Operating Income</b>	<b>52.8%</b>	<b>4,091</b>	<b>180,001</b>

Source: Crown Appraisal Group

### Capitalization Rate Discussion

Capitalization is the process by which net operating income is converted into a value indication. A capitalization rate is utilized that most accurately represents the risk associated with receiving the property's net operating income. A property that has a "safer" income stream is one that has less risk.

In order to arrive at an appropriate range, emphasis was put on data provided by comparable sales and analysis of financing techniques.

It is noted that Attachment 7-A of Chapter 7 of the USDA Rural Development handbook states the following:



*Use of an overall rate from the conventional market, which reflects conventional financing, is appropriate because all favorable financing will be valued separately from the market value, subject to restricted rents, of the real estate.*

The handbook also notes that there is additional value of RA (rental assistance) to the net operating income stream through reducing the risk of investment by improving the durability of the [rental] income stream (through the assistance of the rent subsidy). The handbook further recognizes that the overall rate can be adjusted downward to account for the reduced risk due to RA.

Before consideration of the ramifications of the RA units, an overall rate of 6.75% is selected as being appropriate to accurately reflect the risk characteristics arising from the income stream. The rate selected falls within the ranges indicated by comparable sales, and the quantitative overall rate derivation techniques (band of investment and debt coverage ratio).

Attachment 7-A of Chapter 7 of the USDA Rural Development handbook states the following:

*When the subject property has RA, the appraisal must include a discussion of the Section 521 Rental Assistance Program, the number of RA units at the subject, and how RA affects the market value, subject to restricted rents, of the property. Rental assistance is a rent subsidy provided to owners of 514/515 projects. The renter of an RA unit is required to pay a tenant contribution toward the approved shelter cost (rent plus tenant based utilities) of the unit that is equal to no more than 30 percent of his/her income. RA is the portion of the approved shelter cost paid by the Agency to compensate a borrower for the difference between the approved shelter cost and the tenant contribution. RA usually adds value to a 514/515 project in three ways: 1) it guarantees that the scheduled base rate rent for all occupied RA units will be attained; 2) it usually increases demand for the subject's units and consequently decreases the vacancy rate; and 3) it reduces the risk of investment in the subject project by improving the durability of the income stream. Rental assistance need not be separately valued; the value of RA can be incorporated within the market value, subject to restricted rents. This can be accomplished within the Income Approach by taking into account the three ways that RA increases value, listed above, as follows. 1) Base rate rents should be included as Potential Gross Income (PGI) in the restricted pro forma; 2) a vacancy and collection loss factor that reflects the amount of RA at the property should be included; and 3) a capitalization rate for the subject may be adjusted downward to account for the reduced risk to the investor due to RA.*

Based on market participant attitudes and prior experience in the valuation of subsidized properties, overall capitalization rates for properties that have 100% subsidized tenancy typically are  $\pm 100$  basis points lower than the overall capitalization rates of similar properties than are market rate properties. This is due to market participant attitudes that view the income that is provided by a government funded source to be “safer” than income that is provided from market rate tenants.

When arriving at an opinion of the *Market Value of the fee simple estate, as conventional or unrestricted, subject to the short term leases as of the date of valuation* a weighted average technique is utilized to arrive at an overall capitalization rate conclusion. The weighted average technique take the relative “safeness” of the income streams attributable to the rental assistance and non rental assistance units at the property into consideration. The chart below summarizes the technique utilized to arrive at a final overall capitalization rate opinion.

<b>Overall Capitalization Rate Selection</b>				<b>Value 3</b>
				<b>prospective</b>
				<b>subject to restricted rents</b>
Lease Guarantor	# of Units	% of Total	Selected OAR	Weighted Rate
Tenant	36	81.8%	6.75%	5.523%
Rental Assistance	8	18.2%	5.75%	1.045%
Total	44	100.0%		6.568%
<b>Indicated OAR</b>				<b>6.57%</b>

Source: *Crown Appraisal Group*

Recognizing that about 18% of the units have RA, an overall rate of 6.57% is selected as being appropriate to accurately reflect the risk characteristics arising from the subject income stream. Application of the rate to the pro forma net operating income is shown in the chart below.

<b>Pro Forma Technique Value Conclusion</b>		<b>Value 3</b>
<b>Yester Oaks</b>		<b>prospective</b>
		<b>subject to restricted rents</b>
Net Operating Income		\$180,001
Overall Capitalization Rate		6.57%
Value Conclusion		2,740,501
<b>Rounded To:</b>		<b>\$2,740,000</b>

Source: *Crown Appraisal Group*

### Value 4, prospective, as conventional or unrestricted

As has been discussed, the prospective market value market value upon completion and as stabilized (unrestricted rents) assumes that the subject is operated as a conventional, market rate property.

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

The total operating expense estimate should be lower due to renovation (reduced Repairs & Maintenance as well as Payroll) as well as reduced General & Administrative and Management expenses. The Marketing expense should be higher than historic, and there will be an explicit reserve expense.

Many of the parameters used in this valuation have been extensively discussed and analyzed. A summary of them follows.

<i>Yester Oaks</i>		<i>Value 4</i>
<i>Operating Expense Estimates</i>		<i>prospective</i>
		<i>as conventional or unrestricted</i>
<u>Operating Expense</u>	<u>Cost/unit</u>	<u>Discussion</u>
Real Estate Taxes	247	Based on the current real estate taxes of the subject as reported by the county, and increased to reflect the renovations.
Insurance	280	Based on historic with support from market.
Repairs & Maintenance	550	Below historic; reflects the renovation as well as the recognition that the property would not be as well maintained if it were to be operated as a market rate one.
General & Administrative	255	Below historic; market rate properties have lower general & administrative costs than subsidized properties.
Management	5.00%	Percent of effective gross income rather than fee per occupied door per month.
Utilities	63	Electric
	29	Water and sewer
Payroll	850	Based on the size of the property, a total cost per year, or a cost per month, is the appropriate manner in which to develop this operating expense estimate. The expense recognizes the renovation and is based on the probable cost if the property were operated as a market rate one.
Marketing	20	Above historic; market rate properties require a higher cost for marketing.
Reserve	250	Based on market participant attitudes reflecting the renovation.

The pro forma and value conclusion are below.

<b>Yester Oaks</b>		<b>Value 4</b>						
<b>Base Rent Revenue</b>		<b>prospective</b>						
		<b>as conventional or unrestricted</b>						
	Total Units	% of total	Size (rsf)	Total rsf	Market Rent Rent/Month	Market Rent Rent/sf	Market Rent Monthly	Market Rent Yearly
1 Bed, 1 Bath	16	36%	654	10,464	\$590	\$0.90	\$9,440	\$113,280
2 Bed, 1 Bath	8	18%	779	6,232	\$590	0.76	4,720	56,640
2 Bed, 1.5 Bath TH	20	45%	974	19,480	\$660	0.68	13,200	158,400
<b>Overall Totals/Averages</b>	<b>44</b>	<b>100%</b>	<b>822</b>	<b>36,176</b>	<b>622</b>	<b>0.76</b>	<b>27,360</b>	<b>328,320</b>

Source: Crown Appraisal Group

<b>Pro Forma Operating Statement</b>		<b>prospective</b>		
<b>Yester Oaks</b>		<b>as conventional or unrestricted</b>		
		<b>44 units</b>		<b>Value 4</b>
		% of EGI	Per Unit	Amount
Potential Rental Revenue		103.8%	\$7,462	\$328,320
Less: Vacancy and Collection Loss @	5.0%	-5.2%	-373	-16,416
Effective Rent		98.6%	7,089	311,904
Plus Other Revenue:				
Other Income		1.4%	100	4,400
<b>Effective Gross Income</b>		<b>100.0%</b>	<b>7,189</b>	<b>316,304</b>
Less: Operating Expenses				
Real Estate Taxes		3.4%	247	10,884
Insurance		3.9%	280	12,320
Repairs and Maintenance		7.7%	550	24,200
General and Administrative		3.5%	255	11,220
Management Fees		5.0%	359	15,815
Utilities				
Electric		0.9%	63	2,772
Water/Sewer		0.4%	29	1,276
Total Utilities		1.3%	92	4,048
Payroll		11.8%	850	37,400
Marketing		0.3%	20	880
Reserve		3.5%	250	11,000
Total Operating Expenses		40.4%	2,904	127,767
<b>Net Operating Income</b>		<b>59.6%</b>	<b>4,285</b>	<b>188,537</b>

Source: Crown Appraisal Group

<b>Pro Forma Technique Value Conclusion</b>		<b>Value 4</b>
<b>Yester Oaks</b>		<b>prospective</b>
		<b>as conventional or unrestricted</b>
Net Operating Income		\$188,537
Overall Capitalization Rate		6.75%
Value Conclusion		2,793,140
<b>Rounded To:</b>		<b>\$2,795,000</b>

Source: Crown Appraisal Group

# Cost Approach

## Value 4, prospective, as conventional or unrestricted

The cost approach aggregates land value as if vacant, plus the cost to replace the existing improvements, less any accrued depreciation. The cost approach reflects value by recognizing that participants relate value to cost. Appraisal principles and concepts relating to this approach include substitution, supply and demand, balance, externalities, and highest and best use. Land valuation concepts and principles include anticipation, change, supply and demand, substitution, and balance. This approach provides an opinion of value principally based on the principle of substitution that states that:

*No rational person would pay more for a property than that amount by which he or she can obtain, by purchase of a site and construction of a building, without undue delay, a property of equal desirability and utility.*

### Methodology

The cost approach involves several steps (presented below) that have been employed to project the value of the subject:

- Comparable land sales are typically analyzed and adjusted to provide an estimate of the subject's site as if vacant. However, although due to the size and location of LaFayette, minimal development has taken place and land rarely trades in the area. Given this, the appraised courthouse land value estimate for the subject is utilized.
- The improvement cost was projected using the Marshall Valuation Service.
- The amount of accrued depreciation or obsolescence (physical, functional and economic) has been projected and deducted from the replacement cost opinion.
- The depreciated replacement cost opinion is then added to the land value projected for the subject site.
- The sum of these opinions produces an indication of value by the cost approach.

## Value 8, Land Value

Typically, land sales within the area are utilized to develop a land value. However, a search for comparable land sales in the subject's market area found insufficient results. The reality is that few properties have been acquired to construct new multi-family properties in this part of the state. This is understood through a review of the rent comparables – the newest of these was constructed in 2005 – 12 years ago.

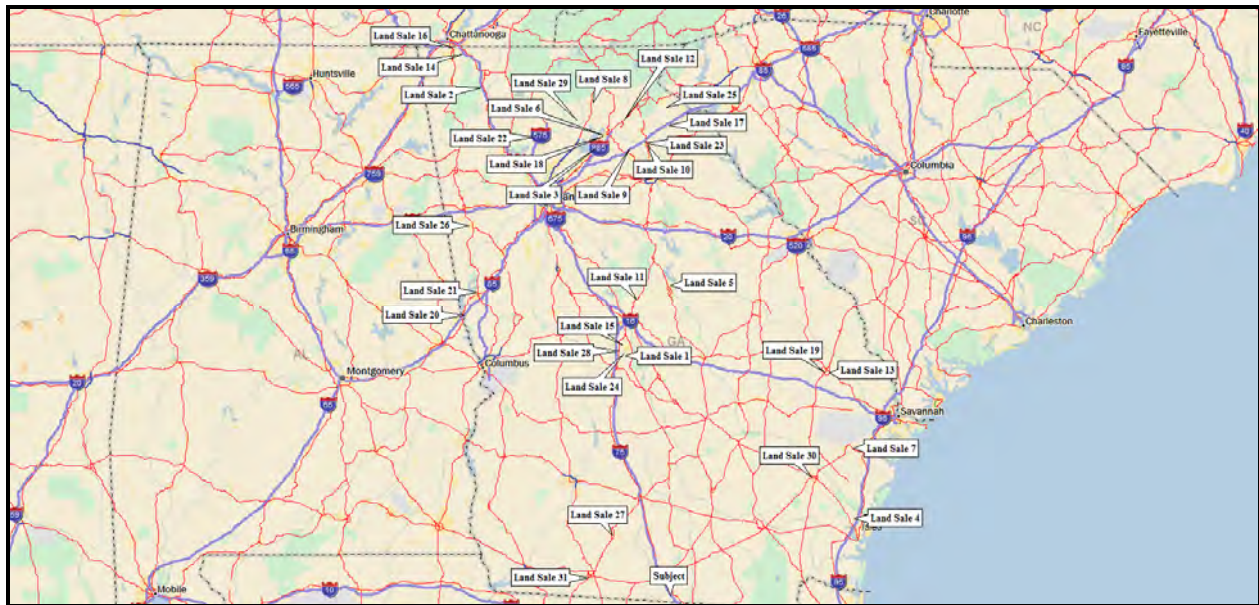
With the absence of comparable land sales, the appraiser is left with several alternative techniques. These include extraction, allocation, and a number of income capitalization methods such as land residual, ground rent capitalization, and discounted cash flow analysis.

Extraction and land residual methods have too many variables to be of use. (In part, improved sales are required, with an accurate knowledge of the contributory improvement value to those sales.) Ground rent capitalization is often used for properties that are ground leased. The discounted cash flow analysis is appropriate for subdivision development valuation. Neither of these are appropriate in this case.

Of the alternative techniques, allocation is left. As noted in The Appraisal of Real Estate, 14<sup>th</sup> edition, this technique is applicable when relatively few sales are available, which is certainly the case here. However, the same text notes that the allocation method does not produce credible value indications unless ample sales data is available. This commentary is somewhat ironic – after all, if ample sales data was available, the allocation method would not even be considered by the appraiser.

Allocation, though, incorporates the principles of balance and contribution. That is, market participants recognize there is a land value for property that is based on typical ratios that translates to specific value conclusions. To that end, the appraiser has worked on many multi-family developments and had discussion with many developers of those properties. In major MSA locations, developers are willing to pay \$10,000 per unit to \$15,000 per unit for sites to develop multifamily. For smaller MSAs, land costs are somewhat less. In rural settings, the appraiser has observed and developers have indicated prices of  $\pm$ \$1,000 up to  $\pm$ \$8,000 per unit. The range is understandably large due to the variables inherent in the specific attributes of the particular site in question.

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



Sale	County	Location	City	Sale Date	Sale Price	Size (ac)	Price/ac	# of Units	Sale Price/unit	Location Adjustment	Adjusted Price/unit	Buyer	Seller	Identification	Comments
1	Houston	724 SR 96	Walter Robin	Nov-16	\$ 75,000	12.452	\$ 6,024	72	\$ 1,042	-10%	\$ 918	The Last Investment Group LLC	Sandia East II Apartments Inc	0W000159000	Multi-Family-Commercial
2	Waltham	1432 Dag Gap Rd SW	Dalton	Nov-16	\$ 200,000	22.950	\$ 8,715					All Environmental Services, LLC	Jeanette S Longley	13-103-03-000	Commercial
3	Hall	5941 Light Ferry Rd	Elvers Branch	Oct-16	\$ 852,000	18.600	\$ 45,216					Southern Heritage Inn Bldg LLC	McGowan Family Farming Partnership	08118 001024A	Multi-Family-Commercial
4	Cham	6999 SR 99	Boonville	Aug-18	\$ 280,000	28.000	\$ 10,769					LWD Properties LLC	Alston Bank	03-21249	Multi-Family-Commercial
5	Baldwin	1963 N Jefferson St	Milledgeville	Aug-16	\$ 91,000	11.000	\$ 8,273					Don Tomlin	First American Bank & Trust	083-003	Multi-Family-Commercial
6	Hall	2380 Spring Rd	Gainesville	Aug-16	\$ 645,000	10.120	\$ 63,735	101	\$ 638	-10%	\$ 734	Spring Road Group LLC	Henry B Humphries	06005 000912	Multi-Family-Commercial
7	Liberty	5EQ E Ogdenhoke Hwy & Midway Lake Rd	Hiram	May-16	\$ 299,000	4.860	\$ 61,317					Treasure Development LLC	Fine Land Holdings Inc	101-039	Multi-Family
8	Lumpkin	Rook House Rd	Dalton	Dec-15	\$ 115,000	14.450	\$ 7,958					William Manton	RAD Enterprises 078-009-158-000		Multi-Family
9	Jackson	915 Bill Wylie Rd	Proskopians	Nov-15	\$ 50,000	15.000	\$ 3,333					CRD Investments LLC	Rosa Woods Alston	078-029	Multi-Family-Commercial
10	Jackson	970 State St	Commerce	Sept-15	\$ 350,000	12.000	\$ 29,167	45	\$ 2,292	-5%	\$ 6,927	Mason Mason LP	Olympic Construction Inc	009-007C	Multi-Family
11	Jones	140 Sunset Court Way	Greer	Aug-15	\$ 739,800	10.279	\$ 71,972	72	\$ 10,275	25%	\$ 7,706	Water Tower Park Senior Village LP	Water Tower Park Investments	007-00-017	Multi-Family
12	Hall	5108 Mountain View Pkwy	Lula	Aug-15	\$ 250,125	29.450	\$ 8,500					William N Tank	Dix Enterprises Inc	08-0055-00-009	Multi-Family-Commercial
13	Baldwin	1981 S&S Railroad Trail Rd	Statesboro	May-15	\$ 579,000	38.600	\$ 15,000	176	\$ 2,290	25%	\$ 2,467	Beacon Place Statesboro LLC	W/A	107-000005 007	Multi-Family
14	Carroll	Summer Terrace & Steady Ln	Summerville	Apr-15	\$ 324,000	7.030	\$ 46,230	72	\$ 4,514	0%	\$ 4,514	Summy Bessie Park LP	Jahary Coats & Don Bradford	0021A010	Multi-Family-Commercial
15	Houston	116 Bradley Rd	Walter Robin	Dec-14	\$ 280,000	5.500	\$ 50,909					Georgia A Olivet	Bradley MPH LLC	0C026081000	Multi-Family-Commercial
16	Walker	Chickamauga Ave	Rossville	Oct-14	\$ 25,600	15.300	\$ 1,673					Donat Bert	Steez Construction Co., Inc.	2005-014	Multi-Family-Commercial
17	Franklin	890Q Commerce Rd & Cross Roads Ln	Cumminsville	Oct-14	\$ 55,000	17.610	\$ 3,123					Judy H Clay	CBNA GA LLC	028-043	Multi-Family-Commercial
18	Hall	1283 McIver Rd	Gainesville	Sept-14	\$ 600,000	13.320	\$ 45,038					America's Home Place, Inc	Business M South 08-0015-09-008		Multi-Family-Commercial
19	Baldwin	350 Rucker Ln	Statesboro	Jul-14	\$1,821,000	24.060	\$ 75,769	237	\$ 7,692	25%	\$ 5,769	The Hampton Statesboro LLC	Rucker Holdings LLC MS2400601 000		Multi-Family
20	Troup	West St	Forest Park	Apr-14	\$ 515,400	3.550	\$ 145,465	80	\$ 8,443	25%	\$ 4,832	Forest MB Apartments LP	West Point Village, LLC	094-4C-007-018	Multi-Family
21	Troup	911 N Greenwood St	Lagrange	Apr-14	\$ 175,000	7.900	\$ 22,152					Knigh LLC	Margaret Ann Maglin	0611A09011A	Multi-Family-Commercial
22	Cherokee	50 Laurel Canyon Village Cir	Cummin	Mar-14	\$2,162,000	60.550	\$ 35,713	350	\$ 6,177	-10%	\$ 5,559	Lifestyle at Laurel Canyon LLC	Laurel Canyon GP LLC	14-0115-0001	Multi-Family-Office
23	Jackson	NSW/OB Olive Rd & Hardin Orchard Rd	Commerce	Mar-14	\$ 77,000	28.130	\$ 2,737					KLK Properties, LLC	CBNA GA LLC	020-0092	Multi-Family-Commercial
24	Houston	1131 S Houston Lake Rd	Walter Robin	Feb-14	\$ 185,000	13.370	\$ 13,837					State Bank & Trust	0W1060 017000	Multi-Family-Commercial	
25	Stephens	Turner Rd	Eastman	Feb-14	\$ 37,600	28.800	\$ 1,306					Champion Real Estate, LLC	045B-053	Multi-Family-Commercial	
26	Carroll	1721 Lovens Rd	Cumminsville	Jul-13	\$ 495,000	14.780	\$ 33,491	120	\$ 4,128	10%	\$ 3,713	Heaven Campus Communities - Carrollton LLC	Yves F. Heston	C08-0310227	Multi-Family-Commercial
27	Calhoun	2091 Tullikin Pointe Rd	Monticello	May-13	\$ 125,000	9.130	\$ 13,681	49	\$ 4,779	-5%	\$ 4,779	Tullikin Pointe Apartments LP	Lynn W Lawson	C046-118	Multi-Family-Commercial
28	Houston	200 Crosswood Church Rd	Walter Robin	Nov-12	\$1,120,000	25.000	\$ 44,800	224	\$ 5,000	10%	\$ 4,500	Ashley Parker Associates LP	Houston Healthcare Properties Inc	0W1200 101000	Multi-Family-Commercial
29	Dawson	2201 Primmer Rd	Dawsonville	Jul-12	\$ 485,000	15.520	\$ 31,443	72	\$ 6,778	10%	\$ 6,100	Fleming Woods LP	David Louis Centanni	93041	Multi-Family
30	Wayne	1401 S 1st St	Jepp	May-12	\$ 284,200	11.660	\$ 24,374	84	\$ 4,849	10%	\$ 5,813	Marie Senior Gardens LP	South Beacon Development Assoc	86A-9-1	Multi-Family
31	Thomas	1 Ashley Park Pl	Thomasville	Mar-12	\$ 293,750	25.610	\$ 11,470	84	\$ 3,497	0%	\$ 3,497	Ashley Park LLC	W & M Investment Group LLC	098 TR 022 N	Multi-Family
minimum				Mar-12	\$ 28,000	5.50	\$ 5,091	44	\$ 1,042		\$ 918				
median				Oct-14	\$ 293,750	18.00	\$ 16,320	30	\$ 6,177		\$ 4,832				
average				Nov-14	\$ 446,054	18.37	\$ 24,315	121	\$ 5,813		\$ 4,887				
maximum				Nov-16	\$ 2,162,000	30.48	\$ 70,769	350	\$ 10,275		\$ 7,706				

Source: County Records/Cross Appraisal Group

As can be seen, fifteen of the sales are proposed for multi-family development. The number of proposed units is shown in the chart above.

## **Analysis and Value Conclusion**

As shown, the unadjusted comparable land sales indicate a sale price per unit of \$1,042 to \$10,275. The low end range is for a property is a rural town in central Georgia that is located to the rear of commercial properties with limited visibility. The upper end of the range is for a property located in close proximity to the Atlantic Ocean. These comparable sales have been adjusted for location. This narrows the adjusted sale price per unit range to \$938 - \$7,706 with an average of \$4,857. Due to the subject's location, a value near the middle of the range is considered appropriate.

The auditor's appraised land value is \$317,000 or \$7,205/unit. This is between the middle and the upper end of the range from the comparable land sales. A value conclusion near the middle of the range of the comparable land sales is considered more appropriate.

*A point value of \$4,800/unit is estimated for the subject land. This indicates an aggregate value of \$211,200 as of the date of valuation. This value is below the auditor's land value and near the middle of the range of the comparable sales.*



## Improvement Valuation

The Marshall Valuation service has been used to develop the replacement cost of the improvements. The chart below develops the improvement replacement cost, and the value via the cost approach.

<i>Improvement Value</i>							<i>Value 3</i>	
<i>Yester Oaks</i>							<i>prospective</i>	
							<i>subject to restricted rents</i>	
	Square feet	Unadjusted Cost/sf	Current Multiplier	Local Multiplier	Total Multiplier	Adjusted Cost/sf	Total Cost	
Multiple Residences, Sec. 12, Average/Good, Class D	36,176	75.00	1.04	0.86	0.89	67.08	2,426,686	
Additional buildings	204	75.00	1.04	0.86	0.89	67.08	<u>13,684</u>	
							Total Cost Estimate	
							2,440,370	
							Less: Depreciation	
							Effective Age	
							5	
							Economic Life	
							60	
							Depreciation	
							8.3%	
							Total Depreciation	
							<u>203,364</u>	
							Improvement Cost	
							2,237,006	
							<b>Improvement Cost (rounded)</b>	
							<b>2,235,000</b>	

Source: *Marshall Valuation; Crown Appraisal Group*

A base cost per square foot is developed. Adjustments are made for current and local multipliers; the adjusted cost is multiplied by the size of the improvements. After adjusting for the current and local cost multipliers, the undepreciated replacement cost estimate for the subject improvements is \$2,440,370.

### Depreciation/Obsolescence Estimates for Improvements

A depreciated age-life method is used to estimate depreciation. There are two types of depreciation and/or obsolescence that need to be considered for the improvements. Physical deterioration and functional/economic obsolescence are considered. Following renovations, the improvements will be in good physical and functional condition. Marshall Valuation estimates the economic life of the improvements at 60 years. The effective age of the building (following renovations) is estimated at 5 years. Total depreciation of the subject improvements is estimated at 8.3% or \$203,364. The total depreciation is deducted from the undepreciated replacement cost opinion to arrive at a depreciated improvement cost opinion.

### Entrepreneurial Incentive

Entrepreneurial incentive is defined in The Appraisal of Real Estate, 14<sup>th</sup> Edition, Appraisal Institute, as follows:

*A market derived figure that represents the amount an entrepreneur expects to receive for his or her contribution to a project and risk.*

Typically, properties like the subject are constructed as investment properties. Entrepreneurs, or developers/builders, of these properties usually seek profit margins of 12% to 25%. Rather than develop an explicit opinion of entrepreneurial incentive, this item is considered in the Reconciliation and Final Value Opinion section of the report. The reasoning for the treatment of entrepreneurial incentive in this manner is that entrepreneurial incentive is, in reality, only realized as a result of how

well a particular property meets market [participant] attitudes. The reality is that the incentive may be less than anticipated by a developer, or may be more, depending upon the circumstances.

**Conclusion**

The cost approach value opinion is reached by adding the land value and depreciated improvement cost opinions. *The following value indication, before entrepreneurial incentive, is reached for the subject.*

<i>Cost Approach Summary</i>	<i>land value</i>	<i>Value 8</i>
<i>Yester Oaks</i>	<i>cost approach total</i>	<i>Value 3</i>
Land Value		\$211,200
Depreciated Improvement Cost		<u>2,235,000</u>
<b><i>Cost Approach Value Estimate (rounded)</i></b>		<b><i>2,445,000</i></b>
<b><i>before entrepreneurial incentive</i></b>		

Source: *Crown Appraisal Group*

# Reconciliation and Final Value Opinion

The purpose of this assignment is to develop and report an opinion of value for Yester Oaks Apartments. The specific real property interest, real estate, and type of value have been detailed within the body of this report. The values developed by the approaches are summarized as follows:

<b>Reconciliation and Final Value Conclusions</b>				
<b>Yester Oaks</b>				
	Value 1	Value 2-RD	Value 3	Value 4
	<u>as conventional or unrestricted</u>	<u>subject to restricted rents</u>	<u>prospective subject to restricted rents</u>	<u>prospective as conventional or unrestricted</u>
Income Capitalization Approach	2,600,000	930,000	2,740,000	2,795,000
Sales Comparison Approach	1,805,000	n/a	n/a	n/a
Cost Approach before entrepreneurial incentive	n/a	n/a	2,445,000	n/a

Source: Crown Appraisal Group

The methodology and applicability of each approach has been previously explained.

### Value 1

The income capitalization approach is the primary approach, with support from the sales comparison approach.

### Value 2-RD

The income capitalization approach is the only approach considered applicable.

### Value 3

The income capitalization approach is the primary approach, with support from the cost approach.

### Value 4

The income capitalization approach is the primary approach, with support from the cost approach.

Therefore, based upon the analyses and conclusions contained within this report and subject to the assumptions and limiting conditions contained herein, the value opinions, as of the respective dates of valuation are:

<b>Value Opinions</b>	<b>Date of Value</b>	<b>Value</b>
<i>Value 1 - as conventional or unrestricted</i>	January 23, 2017	<b>\$2,600,000</b>
<i>Value 2-RD - subject to restricted rents</i>	January 23, 2017	<b>\$930,000</b>
<i>Value 3 - prospective, subject to restricted rents</i>	February 1, 2019	<b>\$2,740,000</b>
<i>Value 4 - prospective, as conventional or unrestricted</i>	February 1, 2019	<b>\$2,795,000</b>

# Interest Credit Subsidy Value Opinion

## Value 5

*Interest credit* is a form of federal assistance available to eligible borrowers that reduces the effective interest rate of a loan. The USDA Rural Housing Service (RHS or RD) offers direct loans with favorable terms for affordable housing in the Rural Rental Housing Program and the Farm Labor Housing Program. The 515 loan falls within this program. In this case, Section 515 permanent loans for new construction and subsequent loans for rehabilitation include interest rates as low as 1 percent. These loans are made at a “note rate” of interest, but a “basic rate” of interest to the borrower is typically 1 percent. A monthly mortgage payment is calculated at the note rate of interest, and the loan is amortized at the note rate of interest, but the borrower's actual mortgage payment is based on the basic rate of 1 percent. The difference between the note rate payment and the basic rate payment is the *interest credit*. The borrower is effectively subsidized with an income stream represented by the monthly *interest credit* that is available for the term of the loan.

In appraisals of Section 515 funded properties, valuation of the *interest credit subsidy* (favorable financing) is part of the assignment when the *market value, subject to restricted rents*, must be concluded. When *interest credit subsidy* is the only favorable financing involved, the security value, on which the loan is based, has two components: 1) the *market value, subject to restricted rents*, of the real estate, and 2) the value of the *interest credit subsidy*.

The value of the *interest credit subsidy* from RD direct loans on most existing properties can be calculated by subtracting the monthly debt service at the below-market rate of interest from the monthly payment at the current rate offered for conventional loans and discounting the difference by the current conventional interest rate over the remaining loan term. For the subject, interest credit subsidy values are calculated for the existing Section 515 loan and the subsequent “new” 515 loan (the existing 515 loan that is rewritten with new terms. These calculations are as of the [unrenovated] date of valuation and are summarized in the following chart:

<b>Interest Credit Subsidy Valuation</b>			
<b>Existing Section 515 Loan/Restated 515 Loan Terms</b>			
<b>Yester Oaks</b>			
<b>Value 5</b>			
<b>Existing/Restated 515 Loan</b>		<b>New 538 Loan</b>	
<i>Existing Lender's Terms (market rate)</i>			
Principal Balance of	December 22, 2017	\$1,146,788	
Conventional Loan Interest Rate		5.250%	
Term of Existing Section 515 Loan (years)		30	
Loan Monthly Payment		\$6,333	
<i>Restated Section 515 Loan Terms</i>			
Principal Balance		\$1,146,788	
Interest Rate		1.000%	
Term (years)		50	
Section 515 Loan Monthly Payment		\$2,430	
Monthly Savings from Below Market Financing		\$3,903	
Present Value of Monthly Savings from Below Market Financing		\$706,810	
Note Rate		3.000%	
Monthly Payment at Note Rate		\$3,692	
Future Value of Balloon Payment		\$665,780	
Present Value of Balloon Payment		\$138,296	
Value of Interest Credit Subsidy		\$568,514	
<b>Existing Section 515 Loan Interest Credit Subsidy Value (Rounded)</b>		<b>\$570,000</b>	
<i>Market Rate</i>			
Principal Balance		\$761,000	
Conventional Loan Interest Rate		5.250%	
Term (years)		30	
Conventional Loan Monthly Payment		\$4,202	
<i>Section 538 Loan Terms</i>			
Principal Balance		\$761,000	
Interest Rate		4.500%	
Term (years)		40	
Section 538 Loan Monthly Payment		\$3,421	
Monthly Savings from Below Market Financing		\$781	
Present Value of Monthly Savings		\$141,451	
<b>New Section 538 Loan Interest Credit Subsidy Value (Rounded)</b>		<b>\$140,000</b>	

Source: Graystone, Crown Appraisal Group

# LIHTC Value Opinion

## Value 6

An annual LIHTC of \$81,001 is anticipated to be granted for the acquisition and rehabilitation of the subject. This low income housing tax credit will be granted annually over a 10-year term. The overall net sum of the LIHTC to the ownership entity of the subject over the 10-year term is \$810,007. The tax credits reduce the owner’s tax liability. Thus, they have value to the owner. The tax credits can be transferred if the seller guarantees that the transfer will still maintain the LIHTC requirements.

### Current LIHTC Market

Not surprising, LIHTC pricing has not remained static. Specific to the subject, there is a contract to purchase the tax credits at \$1.08 per gross credit. This is the best evidence of the appropriate value of the tax credits. Please note, though, that the pricing is subject to change.

### Value of Tax Credits

The value of the tax credits is a fairly simple calculation. The value is developed by taking the total tax credits and multiplying them by the appropriate pricing – in this case, \$1.08 per tax credit. The value is shown below.

<i>LIHTC Analysis</i>	<i>Yester Oaks Value 6</i>
<u>Period</u>	
Annual Tax Credits	87,472
Years	<u>10</u>
Total Tax Credits	874,720
Total Pricing	1.08
Value of Tax Credits	944,603

Source: *Crown Appraisal Group*

State Tax Credits

An annual state tax credit of \$87,472 is anticipated to be granted for the acquisition and rehabilitation of the subject. This state tax credit will be granted annually over a 10-year term. The overall net sum of the state tax credit to the ownership entity of the subject over the 10-year term is \$874,720. The tax credits reduce the owner’s tax liability. Thus, they have value to the owner. The tax credits can be transferred.

In this case, according to the seller’s representative, the purchase of the tax credits will be at \$0.45 per gross credit. This is the best evidence of the appropriate value of the tax credits. Please note, though, that the pricing is subject to change.

The value of the tax credits is a fairly simple calculation. The value is developed by taking the total tax credits and multiplying them by the appropriate pricing – in this case, \$0.45 per tax credit. The value is shown below.

<i>State Tax Credit Analysis</i>		<i>Yester Oaks Value 6</i>
<u>Period</u>		
Annual Tax Credits		87,472
Years		<u>10</u>
Total Tax Credits		874,720
Total Pricing		0.45
	Value of Tax Credits	393,585

Source: *Crown Appraisal Group*

# Insurable Value Opinion

## Value 7

The insurable value opinion is shown below. The insurable value opinion is based on Marshall Valuation Service figures. The reported cost is the opinion to replace the improvements described within this report with improvements of generally similar utility (physical condition, quality, and functionality), under the assumption that the improvements need to be completely replaced for insurance coverage purposes.

<i>USDA Rural Development Insurable Value Calculation</i>			<i>Value 7</i>
Property Name		Yester Oaks	
Street Address		52 Yester Oaks Dr	
City, County, State, Zip		Lafayette, Walker County, GA 30728	
<b>Base Cost</b>			
Main Structure/sf			75.00
Sprinkler/sf			0.00
Other/sf			0.00
Adjustments and/or Multipliers	1.04 current cost	0.86 local cost	0.89
Total Base Cost per square foot			67.08
Building Area square footage			36,380
<b>Total Replacement Cost New</b>			<b>2,440,370</b>
<b>Exclusions</b>			
	<u>per sf</u>	<u>percent</u>	
Excavations	0.00	0.0%	0
Foundations	2.35	3.5%	85,413
Site Work	0.00	0.0%	0
Site Improvements	0.00	0.0%	0
Architect's Fees	0.00	0.0%	0
Underground Piping	<u>0.00</u>	<u>0.0%</u>	<u>0</u>
<b>Total Exclusions</b>	<b>2.35</b>	<b>3.5%</b>	<b>85,413</b>
<b>Inclusions</b>			
	<u>per unit</u>	<u>units</u>	
Appliance Packages	750	44	33,000
Patios/Balconies	250	44	11,000
<b>Total Inclusions</b>			<b>44,000</b>
<b>Concluded Insurable Value</b>			
Total Replacement Cost New			2,440,370
Less Total Exclusions			85,413
Plus Total Inclusions			44,000
<b>Concluded Insurable Value</b>			<b>2,398,957</b>

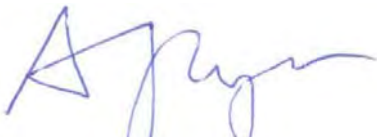
Source: *Marshall Valuation; Crown Appraisal Group*

# Certifications

## Andrew J. Moye

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

- the statements of fact contained in this report are true and correct.
- the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and no personal interest or bias with respect to the parties involved.
- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- my engagement in this assignment was not contingent upon developing or reporting predetermined results.
- my compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of the stipulated results, or the occurrence of a subsequent event directly related to the intended user of this appraisal.
- my analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, I have completed the continuing education program for Designated Members of the Appraisal Institute.
- I have made a personal inspection of the property that is the subject of this report.
- no one provided significant real property appraisal assistance to the person signing this certification.



Andrew J. Moye, MAI, AI-GRS



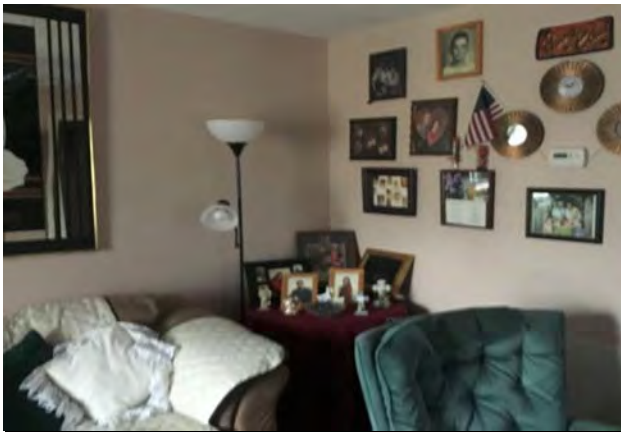
# **ADDENDUM**



Front & Side



Rear



Family Room



Bedroom



Kitchen



Bathroom

**PROJECT WORKSHEET FOR CREDIT AND RENTAL ASSISTANCE**

(SERVICING OFFICE USE ONLY)

<b>PART I</b>	<b>1. Date Received in the Servicing Office:</b>
<b>2. Borrower Name:</b>	<b>3. Case Number :</b> <b>4. Project Number :</b>
<b>5. Location of Project:</b>	<b>6. Report for the month of :</b>
<b>7. Kind of Loan :</b> RRH RCH LH Direct RRH	<b>8. Plan of Operation:</b> Full Profit Plan I Section 8* Plan II (w/Sec. 8) Plan II Plan II RA Plan RA

9. Loan No.:	10. Loan Paymt.:	11. Overage/ Surcharge:	12. Total Due:	RENTAL ASSISTANCE	
				<b>18. RA Agreement Number(s):</b>	<b>19. No. of Units Receiving RA This Month:</b>
		Late Fees :	13.	<b>20. Obligation Balance Brought Forward:</b>	
		Total Payment Due:	14.		
		Less #21:	15.	<b>21. Rental Assistance Requested this month:</b>	
		Net Payment Due:	16.		
		Net Payment Remitted:	17.	<b>22. Remaining Obligation Balance :</b>	

Use Only for Projects with New Construction	<b>23.</b> _____	Section 8 Units x	<b>24.</b> _____	=	<b>25.</b> _____
Section 8 Units when HUD rent exceeds note rate rent .	<b>26.</b> _____	Section 8 Units x :	<i>HUD Rent</i>	=	<b>28.</b> _____
			<i>RHS Note Rate Rent</i>		<b>29.</b> _____
ADDITIONAL PAYMENT TO RESERVE ACCOUNT					

In accordance with Rural Housing Service formula and procedures, all rental units are occupied by households who have executed Form 1944-8 , "Tenant Certification" and are farm workers if this is the Labor Housing Project or if this is the Rental Housing Project, have incomes within the limitations as set forth in Rural Development regulations or the Project has written permission from RHS to rent to ineligible occupants on a temporary basis.

I certify that the statements made above and in Part II are true to the best of my knowledge and belief and are made in good faith.

WARNING: Section 1001 of Title 18, United States code provides; "Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes false, fictitious or fraudulent statements or representation, or makes or uses any false writing or document knowing the same or contain any false, fictitious or fraudulent statement or entry, shall be fined under this title or imprisoned not more than 5 years, or both.

**30.** \_\_\_\_\_  
**Date**

**31.** \_\_\_\_\_  
**Signature - Borrower or Borrower's Representativ**

\*Includes previous Plan I S 8.

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this collection is 0575-0033. The time required to complete this information collection is estimated to average 40 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.







**YESTER OAKS: HISTORICAL OPERATING EXPENSES**

	2012 Actual	2013A	2014 Actual	2015 Actual	2016 Actual (YTD)	2016 Budget	Post Rehab Pro Forma
<b>Maintenance &amp; Repairs</b>							
R & M Payroll	-	15,536.06	16,790.78	17,462.97	-	17,110.77	19,077.00
R & M Supply	-	7,047.85	4,761.41	7,470.86	-	4,896.60	3,736.00
R & M Contract	-	328.69	533.35	1,646.44	-	200.00	200.00
Decorating / TO Painting	-	1,002.40	1,252.25	936.20	-	1,120.00	532.00
Snow Removal	-	-	-	86.59	-	200.00	150.00
Elevator Maintenance	-	-	-	-	-	-	-
Grounds	-	7,389.46	8,053.80	7,508.85	-	10,173.33	9,490.00
Services / Extermination	-	2,047.99	2,110.86	1,683.54	-	5,152.00	4,831.00
Capital Improvements (Operations)	-	3,280.73	12,571.26	-	-	-	500.00
Other - R&M Expenses (DESCRIBE)	-	-	-	-	-	-	-
<b>Subtotal</b>	-	<b>36,633.18</b>	<b>46,073.71</b>	<b>36,795.45</b>	-	<b>38,852.71</b>	<b>38,516.00</b>
<b>Utilities</b>							
Electricity	-	1,749.99	2,558.49	2,757.73	-	3,306.67	2,935.00
Water	-	1,011.79	995.20	885.49	-	1,080.00	1,380.00
Sewer	-	411.42	423.73	379.97	-	453.33	492.00
Fuel	-	-	-	-	-	-	-
Trash Removal	-	4,680.00	5,070.78	5,227.03	-	5,532.00	5,400.00
Other - Utilities (DESCRIBE)	-	-	-	-	-	-	-
<b>Subtotal</b>	-	<b>7,853.20</b>	<b>9,048.20</b>	<b>9,250.22</b>	-	<b>10,372.00</b>	<b>10,207.00</b>
<b>Administrative</b>							
Site Management Payroll	-	25,013.76	25,964.24	26,741.64	-	27,068.03	30,566.00
Management Fee	-	23,140.00	22,606.00	23,736.00	-	24,816.00	25,872.00
Accounting	-	6,000.00	5,500.00	5,800.00	-	7,700.00	6,075.00
Audit	-	-	-	-	-	-	-
Legal	-	-	222.00	(74.00)	-	197.33	197.00
Advertising	-	121.64	655.32	218.74	-	266.67	267.00
Telephone	-	1,291.49	1,355.03	1,462.04	-	1,638.67	1,639.00
Office Supplies	-	2,236.05	1,822.00	2,290.45	-	1,964.00	2,290.00
Office Furniture & Equipment	-	-	-	-	-	-	-
Training	-	190.00	145.00	314.27	-	314.67	315.00
Health Insurance & Other Benefits	-	4,487.84	3,887.69	7,984.33	-	8,293.56	12,743.00
Payroll Taxes	-	3,952.42	3,561.77	3,865.39	-	4,015.41	4,094.00
Workman's Compensation	-	1,118.35	1,390.32	1,558.67	-	1,021.63	1,444.00
Other - Administrative (DESCRIBE)	-	1,324.79	1,033.49	1,724.58	-	1,206.67	1,725.00
<b>Subtotal</b>	-	<b>68,876.34</b>	<b>68,142.86</b>	<b>75,622.11</b>	-	<b>78,502.63</b>	<b>87,227.00</b>
<b>Taxes &amp; Insurance</b>							
Real Estate Taxes	-	11,140.19	12,363.34	10,251.69	-	14,836.01	12,654.00
Special Assessments	-	883.80	404.40	447.60	-	621.33	621.00
Misc Taxes, Licenses & Permits	-	1,340.77	2,308.41	1,338.75	-	413.33	1,370.00
Property & Liability Insurance	-	10,736.92	12,208.00	12,205.92	-	13,310.00	13,709.00
Fidelity Coverage Insurance	-	-	-	-	-	100.00	100.00
Other - Insurance (DESCRIBE)	-	-	-	-	-	-	-
<b>Subtotal</b>	-	<b>24,101.68</b>	<b>27,284.15</b>	<b>24,243.96</b>	-	<b>29,280.67</b>	<b>28,454.00</b>
<b>TOTAL OPERATING EXPENSES</b>	-	<b>137,464.40</b>	<b>150,548.92</b>	<b>145,911.74</b>	-	<b>157,008.02</b>	<b>164,404.00</b>

**YESTER OAKS: HISTORICAL OPERATING STATEMENT**

	2012 Actual	2013A	2014 Actual	2015 Actual	2016 Actual (YTD)	2016 Budget
1. Rental Income	-	199,821.90	192,611.00	183,994.00	-	185,321.33
2. RHS Rental Assist. Received	-	32,539.00	31,341.00	30,443.00	-	30,372.00
3. Application Fees	-	655.00	425.00	655.00	-	700.00
4. Laundry and Vending Income	-	-	-	-	-	-
5. Interest Income	-	173.55	73.74	62.87	-	85.33
6. Tenant Charges	-	1,822.39	6,572.00	5,678.00	-	3,889.33
7. Other - Project Sources	-	-	148.00	74.00	-	-
8. Less (Vncy @ Cntgncy Allw)	-	-	-	-	-	-
9. Less (Agncy Aprvd Incentv)	-	-	-	-	-	-
<b>10. Sub-Ttl [(1 thru 7) - (8@9)]</b>	-	<b>235,011.84</b>	<b>231,170.74</b>	<b>220,906.87</b>	-	<b>220,368.00</b>
11. Cash - Non Project	-	-	-	-	-	-
12. Authorized Loan (Non-RHS)	-	-	-	-	-	-
13. Transfer From Reserve	-	7,008.29	3,708.35	-	-	25,892.00
<b>14. Sub-Total (11 thru 13)</b>	-	<b>7,008.29</b>	<b>3,708.35</b>	-	-	<b>25,892.00</b>
<b>15. Total Cash Sources (10+14)</b>	-	<b>242,020.13</b>	<b>234,879.09</b>	<b>220,906.87</b>	-	<b>246,260.00</b>
<b>16. Total O&amp;M Exp (From Part II)</b>	-	<b>137,464.40</b>	<b>150,548.92</b>	<b>145,911.74</b>	-	<b>157,008.02</b>
17. RHS Debt Payment	-	33,151.80	33,151.80	20,963.43	-	33,151.80
18. RHS Payment (Overage)	-	13,263.00	11,349.00	8,809.00	-	-
19. RHS Payment (Late Fee)	-	-	-	-	-	-
20. Reductn In Prior Yr Pybles	-	-	-	-	-	-
21. Tenant Utility Payments	-	279.00	(62.00)	35.00	-	-
22. Transfer to Reserve	-	13,125.85	25,518.96	-	-	-
23. RTN Owner / NP Asset Mgt Fee	-	3,216.00	3,216.00	1,608.00	-	4,288.00
<b>24. Sub-Total (16 thru 23)</b>	-	<b>200,500.05</b>	<b>223,722.68</b>	<b>177,327.17</b>	-	<b>194,447.82</b>
25. Authzd Debt Pymnt (NonRHS)	-	-	-	-	-	-
26. Capital Budget (III 4-6)	-	7,008.29	3,708.35	-	-	25,892.00
27. Miscellaneous	-	-	(12,452.00)	-	-	-
<b>28. Sub-Total (25 thru 27)</b>	-	<b>7,008.29</b>	<b>(8,743.65)</b>	-	-	<b>25,892.00</b>
<b>29. Total Cash Uses (24+28)</b>	-	<b>207,508.34</b>	<b>214,979.03</b>	<b>177,327.17</b>	-	<b>220,339.82</b>
<b>30. Net (Deficit) (15-29)</b>	-	<b>34,511.79</b>	<b>19,900.06</b>	<b>43,579.70</b>	-	<b>25,920.18</b>
31. Beginning Cash Balance	-	19,112.54	52,471.31	-	-	-
32. Accrual To Cash Adjustment	-	(1,153.02)	(11,774.61)	-	-	-
33. Ending Cash Balance	-	52,471.31	60,596.76	43,579.70	-	25,920.18



Proposed Budget

Project Name:	YESTER OAKS APARTMENTS
Borrower Name:	YESTER OAKS LP
Borrower ID and Project No:	768055070 01-7
Date of Operation:	04/22/1991

Loan/Transfer Amount:	
Note Rate Payment:	
IC Payment:	\$2,762.65

Reporting Period

Annual

Quarterly

Monthly

Budget Type

Initial

Regular Report

Rent Change

SMR

Other Servicing

Project Rental Type

Family

Elderly

Congregate

Group Home

Mixed LH

Profit Type

Full Profit

Limited Profit

Non-Profit

I hereby request \_\_\_ units of RA. Current number of RA units 8 .

The following utilities are master metered:

Gas

Electricity

Water

Sewer

Trash

Other

Borrower Accounting Method

Cash

Accrual

Project Name: YESTER OAKS APARTMENTS State: 11 Servicing Office: 601 County: 46  
 Borrower Name: YESTER OAKS LP Borr ID: 768055070 Prj Nbr: 01-7 Paid Code: Active  
 Classification: C Fiscal Year: 2016 Version: 01/01/2016 APPROVED Totals: By Project Analyzed: Y

Item	Current Budget	Actual	Proposed Budget	Comment
Effective Dates:	01/01/2015	01/01/2015	01/01/2016	
Ending Dates:	12/31/2015	12/31/2015	12/31/2016	
<b>PART I - CASH FLOW STATEMENT</b>				
<b>Operational Cash Sources</b>				
1. Rental Income	230,160.00		230,160.00	
2. RHS Rental Assist. Received				
3. Application Fee Received				
4. Laundry And Vending	0.00		0.00	
5. Interest Income	96.00		72.00	
6. Tenant Charges	1,730.00		3,700.00	
7. Other - Project Sources	420.00		700.00	APP FEES
8. Less (Vncy @ Cntgncy Allw)	-13,800.00		-14,450.00	
9. Less (Agncy Aprvd Incentv)	0.00		0.00	
10. Sub-Ttl [(1 thru 7)-(809)]	218,606.00		220,182.00	
<b>Non-Operational Cash Sources</b>				
11. Cash - Non Project	0.00		0.00	
12. Authorized Loan (Non-RHS)	0.00		0.00	
13. Transfer From Reserve	12,500.00		19,675.00	
14. Sub-Total (11 thru 13)	12,500.00		19,675.00	
15. Total Cash Sources (10+14)	231,106.00		239,857.00	
<b>Operational Cash Uses</b>				
16. Ttl O&M Exp (From Part II)	164,557.82		166,538.32	
17. RHS Debt Payment	33,151.80		33,151.80	
18. RHS Payment (Overage)				
19. RHS Payment (Late Fee)				
20. Reductn In Prior Yr Pybles				
21. Tenant Utility Payments				
22. Transfer to Reserve	12,998.04		12,998.04	
23. RTN Owner/NP Asset Mgt Fee	3,216.00		3,216.00	
24. Sub-Total (16 thru 23)	213,923.66		215,904.16	
<b>Non-Operational Cash Uses</b>				
25. Authzd Debt Pymnt (NonRHS)	0.00		0.00	
26. Capital Budget (III 4-6)	12,500.00		19,675.00	
27. Miscellaneous	0.00		0.00	
28. Sub-Total (25 thru 27)	12,500.00		19,675.00	
29. Total Cash Uses (24+28)	226,423.66		235,579.16	
30. Net (Deficit) (15-29)	4,682.34		4,277.84	
<b>Cash Balance</b>				
31. Beginning Cash Balance	0.00		46,558.00	
32. Accrual To Cash Adjustment				
33. Ending Cash Bal (30+31+32)	4,682.34		50,835.84	

Project Name: YESTER OAKS APARTMENTS State: 11 Servicing Office: 601 County: 46  
 Borrower Name: YESTER OAKS LP Borr ID: 768055070 Prj Nbr: 01-7 Paid Code: Active  
 Classification: C Fiscal Year: 2016 Version: 01/01/2016 APPROVED Totals: By Project Analyzed: Y

Item	Current Budget	Actual	Proposed Budget	Comment
Effective Dates:	01/01/2015	01/01/2015	01/01/2016	
Ending Dates:	12/31/2015	12/31/2015	12/31/2016	
<b>PART II - O&amp;M EXPENSE SCHEDULE</b>				
1. Maint. @ Repairs Payroll	16,774.99		17,151.99	
2. Maint. @ Repairs Supply	5,030.00		4,910.45	
3. Maint. @ Repairs Contract	350.00		200.00	
4. Painting	1,200.00		1,140.00	
5. Snow Removal	0.00		150.00	
6. Elevator Maint./Contract	0.00		0.00	
7. Grounds	8,540.00		9,490.00	
8. Services	2,927.00		4,294.00	
9. Cptl Bgt(Part V operating)	19,522.00		11,802.00	
10. Other Operating Expenses	0.00		0.00	
11. Sub-Ttl O&M (1 thru 10)	54,343.99		49,138.44	
12. Electricity	3,000.00		3,272.00	
13. Water	1,080.00		1,080.00	
14. Sewer	420.00		460.00	
15. Fuel (Oil/Coal/Gas)	0.00		0.00	
16. Garbage @ Trash Removal	5,280.00		5,532.00	
17. Other Utilities	0.00		0.00	
18. Sub-Ttl Util. (12 thru 17)	9,780.00		10,344.00	
19. Site Management Payroll	26,537.27		27,134.37	
20. Management Fee	24,288.00		24,816.00	
21. Project Auditing Expense	5,775.00		5,775.00	
22. Proj. Bookkeeping/Accting	0.00		0.00	
23. Legal Expenses	444.00		296.00	
24. Advertising	300.00		300.00	
25. Phone @ Answering Service	1,536.00		1,646.00	
26. Office Supplies	2,270.00		1,942.00	
27. Office Furniture @ Equip.	0.00		0.00	
28. Training Expense	271.00		301.00	
29. Hlth Ins. @ Other Benefits	4,611.16		8,522.81	
30. Payroll Taxes	3,835.79		3,864.71	
31. Workmans Compensation	1,067.16		1,024.11	
32. Other Admin.Expenses	1,248.00		1,134.00	MILEAGE, BANK CHG, CREDIT CHK
33. Sub-Ttl Admin (19 thru 32)	72,183.38		76,756.00	
34. Real Estate Taxes	12,227.85		14,836.01	
35. Special Assessments	500.00		616.00	
36. Othr Taxes, Lcnses, Permts	1,497.96		1,311.62	BUSINESS+SOFTWARE LIC
37. Property @ Liability Ins.	13,949.64		13,461.25	
38. Fidelity Coverage Ins.	75.00		75.00	
39. Other Insurance	0.00		0.00	
40. Sub-Ttl Tx/In (34 thru 39)	28,250.45		30,299.88	
41. Ttl O&M Exps (11+18+33+40)	164,557.82		166,538.32	

Project Name: YESTER OAKS APARTMENTS State: 11 Servicing Office: 601 County: 46  
 Borrower Name: YESTER OAKS LP Borr ID: 768055070 Prj Nbr: 01-7 Paid Code: Active  
 Classification: C Fiscal Year: 2016 Version: 01/01/2016 APPROVED Totals: By Project Analyzed: Y

Item	Current Budget	Actual	Proposed Budget	Comment
Effective Dates:	01/01/2015	01/01/2015	01/01/2016	
Ending Dates:	12/31/2015	12/31/2015	12/31/2016	
<b>PART III - ACCT BUDGET/STATUS</b>				
<b>Reserve Account</b>				
1. Beginning Balance	199,190.37		224,360.31	
2. Transfer to Reserve	12,998.04		12,998.04	
<b>Transfer From Reserve</b>				
3. Operating Deficit	0.00		0.00	
4. Cptl Bgt (Part V reserve)	12,500.00		19,675.00	
5. Building @ Equip Repair	0.00		0.00	
6. Othr Non-Operating Expenses	0.00		0.00	
7. Total (3 thru 6)	12,500.00		19,675.00	
8. Ending Balance [(1+2)-7]	199,688.41		217,683.35	
<b>General Operating Account</b>				
Beginning Balance				
Ending Balance				
<b>Real Estate Tax And Ins Escrow</b>				
Beginning Balance				
Ending Balance				
<b>Tenant Security Deposit Acct</b>				
Beginning Balance				
Ending Balance				

Number of Applicants on Waiting List	0	Reserve Acct. Req. Balance	96,356.23
Number of Applicants Needing RA		Amount Ahead/Behind	115,005.68

Project Name: YESTER OAKS APARTMENTS State: 11 Servicing Office: 601 County: 46  
 Borrower Name: YESTER OAKS LP Borr ID: 768055070 Prj Nbr: 01-7 Paid Code: Active  
 Classification: C Fiscal Year: 2016 Version: 01/01/2016 APPROVED Totals: By Project Analyzed: Y

**PART IV RENT SCHEDULE**

**A. CURRENT APPROVED RENTS/UTILITY ALLOWANCE: 01/01/2015**

Unit Description						Rental Rates			Potential Income From Each Rate			Utility
Type	Size	HC	Rev	Unit	Number	Basic	Note	HUD	Basic	Note	HUD	Allowance
N	1	All			16	420	560	0	80,640	107,520	0	83
N	2	All			28	445	610	0	149,520	204,960	0	108
H	1	All			0	420	560	0	0	0	0	83
<b>CURRENT RENT TOTALS</b>									<b>230,160</b>	<b>312,480</b>	<b>0</b>	

**EFFECTIVE DATE OF RENTS/UTILITY ALLOWANCE: 01/01/2015**

Unit Description					Utility Types					
Type	Size	HC	Rev	Unit	Elect	Gas	Sewer	Trash	Other	Total Allow
N	1	All			59	0	13	0	0	83
N	2	All			71	0	20	0	0	108
R	1	All			59	0	13	0	0	83

**B. PROPOSED CHANGE OF RENTS/UTILITY ALLOWANCE: 01/01/2016**

Unit Description						Rental Rates			Potential Income From Each Rate			Utility
Type	Size	HC	Rev	Unit	Number	Basic	Note	HUD	Basic	Note	HUD	Allowance
N	2	All			28	445	610	0	149,520	204,960	0	108
N	1	All			16	420	560	0	80,640	107,520	0	83
<b>PROPOSED RENT TOTALS</b>									<b>230,160</b>	<b>312,480</b>	<b>0</b>	

**EFFECTIVE DATE OF RENTS/UTILITY ALLOWANCE: 01/01/2016**

Unit Description					Utility Types					
Type	Size	HC	Rev	Unit	Elect	Gas	Sewer	Trash	Other	Total Allow
N	2	All			77	0	17	0	0	108
N	1	All			60	0	12	0	0	83

Project Name: YESTER OAKS APARTMENTS State: 11 Servicing Office: 601 County: 46  
 Borrower Name: YESTER OAKS LP Borr ID: 768055070 Prj Nbr: 01-7 Paid Code: Active  
 Classification: C Fiscal Year: 2016 Version: 01/01/2016 APPROVED Totals: By Project Analyzed: Y

Item	Proposed Number Units/Items	Proposed From Reserve	Actual From Reserve	Proposed From Operating	Actual From Operating	Actual Total Cost	Total Actual Units/Items
Effective Dates:	01/01/2015	01/01/2016	01/01/2015	01/01/2016	01/01/2015	01/01/2015	01/01/2015
Ending Dates:	12/31/2015		12/31/2015		12/31/2015	12/31/2015	12/31/2015
<b>ANNUAL CAPITAL BUDGET</b>							
<b>Appliances</b>							
Appliances - Range	1	0.00	0.00	399.00	0.00	0.00	0
Appliances - Refrigerator	2	555.00	0.00	555.00	0.00	0.00	0
Appliances - Range Hood	0	0.00	0.00	0.00	0.00	0.00	0
Appliances - Washers @ Dryers	0	0.00	0.00	0.00	0.00	0.00	0
Appliances - Other	0	0.00	0.00	0.00	0.00	0.00	0
<b>Carpet and Vinyl</b>							
Carpet @ Vinyl - 1 Br.	4	929.00	0.00	2,011.00	0.00	0.00	0
Carpet @ Vinyl - 2 Br.	4	679.00	0.00	2,413.00	0.00	0.00	0
Carpet @ Vinyl - 3 Br.	0	0.00	0.00	0.00	0.00	0.00	0
Carpet @ Vinyl - 4 Br.	0	0.00	0.00	0.00	0.00	0.00	0
Carpet @ Vinyl - Other	0	0.00	0.00	0.00	0.00	0.00	0
<b>Cabinets</b>							
Cabinets - Kitchens	3	0.00	0.00	1,200.00	0.00	0.00	0
Cabinets - Bathroom	0	0.00	0.00	0.00	0.00	0.00	0
Cabinets - Other	0	0.00	0.00	0.00	0.00	0.00	0
<b>Doors</b>							
Doors - Exterior	0	0.00	0.00	0.00	0.00	0.00	0
Doors - Interior	0	0.00	0.00	0.00	0.00	0.00	0
Doors - Other	0	0.00	0.00	0.00	0.00	0.00	0
<b>Window Coverings</b>							
Window Coverings - Detail	0	0.00	0.00	0.00	0.00	0.00	0
Window Coverings - Other	0	0.00	0.00	0.00	0.00	0.00	0
<b>Heat and Air Conditioning</b>							
Heat @ Air - Heating	1	0.00	0.00	1,200.00	0.00	0.00	0
Heat @ Air - Air Conditioning	2	3,000.00	0.00	3,000.00	0.00	0.00	0
Heat @ Air - Other	0	0.00	0.00	0.00	0.00	0.00	0
<b>Plumbing</b>							
Plumbing - Water Heater	6	512.00	0.00	1,024.00	0.00	0.00	0
Plumbing - Bath Sinks	0	0.00	0.00	0.00	0.00	0.00	0
Plumbing - Kitchen Sinks	0	0.00	0.00	0.00	0.00	0.00	0
Plumbing - Faucets	0	0.00	0.00	0.00	0.00	0.00	0
Plumbing - Toilets	0	0.00	0.00	0.00	0.00	0.00	0
Plumbing - Other	0	0.00	0.00	0.00	0.00	0.00	0
<b>Major Electrical</b>							
Major Electrical - Detail	0	0.00	0.00	0.00	0.00	0.00	0
Major Electrical - Other	0	0.00	0.00	0.00	0.00	0.00	0
<b>Structures</b>							
Structures - Windows	0	0.00	0.00	0.00	0.00	0.00	0
Structures - Screens	0	0.00	0.00	0.00	0.00	0.00	0
Structures - Walls	0	0.00	0.00	0.00	0.00	0.00	0
Structures - Roofing	0	0.00	0.00	0.00	0.00	0.00	0
Structures - Siding	0	0.00	0.00	0.00	0.00	0.00	0
Structures - Exterior Painting	0	0.00	0.00	0.00	0.00	0.00	0
Structures - Other	0	0.00	0.00	0.00	0.00	0.00	0

Project Name: YESTER OAKS APARTMENTS State: 11 Servicing Office: 601 County: 46  
 Borrower Name: YESTER OAKS LP Borr ID: 768055070 Prj Nbr: 01-7 Paid Code: Active  
 Classification: C Fiscal Year: 2016 Version: 01/01/2016 APPROVED Totals: By Project Analyzed: Y

Item	Proposed Number Units/Items	Proposed From Reserve	Actual From Reserve	Proposed From Operating	Actual From Operating	Actual Total Cost	Total Actual Units/Items
Effective Dates:	01/01/2015	01/01/2016	01/01/2015	01/01/2016	01/01/2015	01/01/2015	01/01/2015
Ending Dates:	12/31/2015		12/31/2015		12/31/2015	12/31/2015	12/31/2015
<b>Paving</b>							
Paving - Asphalt	0	0.00	0.00	0.00	0.00	0.00	0
Paving - Concrete	0	0.00	0.00	0.00	0.00	0.00	0
Paving - Seal and Stripe	0	0.00	0.00	0.00	0.00	0.00	0
Paving - Other	0	0.00	0.00	0.00	0.00	0.00	0
<b>Landscape and Grounds</b>							
Lndscp@Grnds - Landscaping	0	0.00	0.00	0.00	0.00	0.00	0
Lndscp@Grnds - Lawn Equipment	0	0.00	0.00	0.00	0.00	0.00	0
Lndscp@Grnds - Fencin	0	0.00	0.00	0.00	0.00	0.00	0
Lndscp@Grnds - Recreation Area	0	0.00	0.00	0.00	0.00	0.00	0
Lndscp@Grnds - Signs	0	0.00	0.00	0.00	0.00	0.00	0
Lndscp@Grnds - Other	0	0.00	0.00	0.00	0.00	0.00	0
<b>Accessibility Features</b>							
Accessibility Features - Detail	0	14,000.00	0.00	0.00	0.00	0.00	0
Accessibility Features - Other	0	0.00	0.00	0.00	0.00	0.00	0
<b>Automation Equipment</b>							
Automation Equip. -Site Mnqt.	0	0.00	0.00	0.00	0.00	0.00	0
Automation Equip. -Common Area	0	0.00	0.00	0.00	0.00	0.00	0
Automation Equip. -Other	0	0.00	0.00	0.00	0.00	0.00	0
<b>Other</b>							
List: ?	0	0.00	0.00	0.00	0.00	0.00	0
List: ?	0	0.00	0.00	0.00	0.00	0.00	0
List: ?	0	0.00	0.00	0.00	0.00	0.00	0
<b>Total Capital Expenses</b>	<b>0</b>	<b>19,675.00</b>	<b>0.00</b>	<b>11,802.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0</b>

Project Name: YESTER OAKS APARTMENTS	State: 11	Servicing Office: 601	County: 46
Borrower Name: YESTER OAKS LP	Borr ID: 768055070	Prj Nbr: 01-7	Paid Code: Active
Classification: C	Fiscal Year: 2016	Version: 01/01/2016 APPROVED	Totals: By Project Analyzed: Y

Part VI - SIGNATURES, DATES AND COMMENTS

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

10/23/2015  
(Date Submitted)

HALLMARK GROUP REAL ESTATE  
(Management Agency)

MA202860  
(MA#)

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Signature of Borrower or Borrower's Representative)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
Agency Approval (Rural Development Approval Official):

\_\_\_\_\_  
(Date)



Project Name: YESTER OAKS APARTMENTS	State: 11	Servicing Office: 601	County: 46
Borrower Name: YESTER OAKS LP	Borr ID: 768055070	Prj Nbr: 01-7	Paid Code: Active
Classification: C	Fiscal Year: 2016	Version: 01/01/2016 APPROVED	Totals: By Project Analyzed: Y

## SPVS Comment:

Batched/ II 102315/ II 112315/ II 112315/ II 112315

## Narrative:

BUDGET NARRATIVE PROJECT NAME Yester Oaks Apartments BORROWER NAME Yester Oaks, LP BORROWER ID AND PROJECT NO 11-046-678055070 01-7  Yester Oaks Apartments is a 44 unit family community located in LaFayette, Georgia. In 2015 the property has maintained a 95% average occupancy thus far. The property remains in compliance and has no outstanding findings that have not been addressed by the management company. At this time, the property is financially sound and has not experienced any changes in project expenses that would contribute to any financial difficulties. The property does not exceed the tolerance thresholds. We will continue to replace carpets, stoves, refrigerators, etc. on an as needed basis. It is expected the following will be replaced 2016 - Additional accessibility work, exterior painting, 1 stoves, 4 carpets, 2 refrigerators, 6 countertops, 6 hot water heaters and 4 vinyls. 2017 - Additional accessibility work, 2 stoves, 1 refrigerator, 6 countertops, 4 carpets, 2 hot water heaters, a/c and 4 vinyls, 2018 - Additional accessibility work, 2 stoves, 4 carpets, 6 countertops, 2 hot water heaters and 4 vinyls. There is no rent increase budgeted for 2016. There is no additional documentation necessary for the Agency to establish that applicable Agency requirements have been met.

Project Name:	YESTER OAKS APARTMENTS
Borrower Name:	YESTER OAKS LP
Borrower ID and Project No:	768055070 01-7
Date of Operation:	04/22/1991

Loan/Transfer Amount:	
Note Rate Payment:	
IC Payment:	\$2,762.65

Reporting Period

Annual

Quarterly

Monthly

Budget Type

Initial

Regular Report

Rent Change

SMR

Other Servicing

Project Rental Type

Family

Elderly

Congregate

Group Home

Mixed LH

Profit Type

Full Profit

Limited Profit

Non-Profit

\_\_\_I hereby request \_\_\_ units of RA. Current number of RA units \_\_\_ 8 \_\_\_ .

The following utilities are master metered:

Gas

Electricity

Water

Sewer

Trash

Other

Borrower Accounting Method

Cash

Accrual

Project Name: YESTER OAKS APARTMENTS State: 11 Servicing Office: 601 County: 46  
 Borrower Name: YESTER OAKS LP Borr ID: 768055070 Prj Nbr: 01-7 Paid Code: Active  
 Classification: C Fiscal Year: 2017 Version: 01/01/2017 CURRENT Totals: By Project Analyzed: Y

Item	Current Budget	Actual	Proposed Budget	Comment
Effective Dates:	01/01/2016	01/01/2016	01/01/2017	
Ending Dates:	12/31/2016	12/31/2016	12/31/2017	
<b>PART I - CASH FLOW STATEMENT</b>				
<b>Operational Cash Sources</b>				
1. Rental Income	230,160.00		230,160.00	
2. RHS Rental Assist. Received				
3. Application Fee Received				
4. Laundry And Vending	0.00		0.00	
5. Interest Income	72.00		40.00	
6. Tenant Charges	3,700.00		3,700.00	
7. Other - Project Sources	700.00		480.00	APP FEES
8. Less (Vcncy @ Cntgncy Allw)	-14,450.00		-15,000.00	
9. Less (Agncy Aprvd Incentv)	0.00		0.00	
10. Sub-Ttl [(1 thru 7)-(8@9)]	220,182.00		219,380.00	
<b>Non-Operational Cash Sources</b>				
11. Cash - Non Project	0.00		0.00	
12. Authorized Loan (Non-RHS)	0.00		0.00	
13. Transfer From Reserve	19,675.00		18,960.00	
14. Sub-Total (11 thru 13)	19,675.00		18,960.00	
15. Total Cash Sources (10+14)	239,857.00		238,340.00	
<b>Operational Cash Uses</b>				
16. Ttl O@M Exp (From Part II)	166,538.32		168,669.74	
17. RHS Debt Payment	33,151.80		33,151.80	
18. RHS Payment (Overage)				
19. RHS Payment (Late Fee)				
20. Reductn In Prior Yr Pybles				
21. Tenant Utility Payments				
22. Transfer to Reserve	12,998.04		12,998.04	
23. RTN Owner/NP Asset Mgt Fee	3,216.00		3,216.00	
24. Sub-Total (16 thru 23)	215,904.16		218,035.58	
<b>Non-Operational Cash Uses</b>				
25. Authzd Debt Pymnt (NonRHS)	0.00		0.00	
26. Capital Budget (III 4-6)	19,675.00		18,960.00	
27. Miscellaneous	0.00		0.00	
28. Sub-Total (25 thru 27)	19,675.00		18,960.00	
29. Total Cash Uses (24+28)	235,579.16		236,995.58	
30. Net (Deficit) (15-29)	4,277.84		1,344.42	
<b>Cash Balance</b>				
31. Beginning Cash Balance	46,558.00		29,875.09	
32. Accrual To Cash Adjustment				
33. Ending Cash Bal (30+31+32)	50,835.84		31,219.51	

Project Name: YESTER OAKS APARTMENTS State: 11 Servicing Office: 601 County: 46  
 Borrower Name: YESTER OAKS LP Borr ID: 768055070 Prj Nbr: 01-7 Paid Code: Active  
 Classification: C Fiscal Year: 2017 Version: 01/01/2017 CURRENT Totals: By Project Analyzed: Y

Item	Current Budget	Actual	Proposed Budget	Comment
Effective Dates:	01/01/2016	01/01/2016	01/01/2017	
Ending Dates:	12/31/2016	12/31/2016	12/31/2017	
<b>PART II - O@M EXPENSE SCHEDULE</b>				
1. Maint. @ Repairs Payroll	17,151.99		18,169.18	
2. Maint. @ Repairs Supply	4,910.45		5,400.00	
3. Maint. @ Repairs Contract	200.00		200.00	
4. Painting	1,140.00		1,140.00	
5. Snow Removal	150.00		150.00	
6. Elevator Maint./Contract	0.00		0.00	
7. Grounds	9,490.00		9,490.00	
8. Services	4,294.00		4,831.00	
<b>9. Cptl Bgt(Part V operating)</b>	<b>11,802.00</b>		<b>5,408.00</b>	
10. Other Operating Expenses	0.00		0.00	
<b>11. Sub-Ttl O@M (1 thru 10)</b>	<b>49,138.44</b>		<b>44,788.18</b>	
12. Electricity	3,272.00		2,935.00	
13. Water	1,080.00		1,380.00	
14. Sewer	460.00		492.00	
15. Fuel (Oil/Coal/Gas)	0.00		0.00	
16. Garbage @ Trash Removal	5,532.00		5,400.00	
17. Other Utilities	0.00		0.00	
<b>18. Sub-Ttl Util. (12 thru 17)</b>	<b>10,344.00</b>		<b>10,207.00</b>	
19. Site Management Payroll	27,134.37		29,111.34	
20. Management Fee	24,816.00		25,872.00	
21. Project Auditing Expense	5,775.00		6,063.75	
22. Proj. Bookkeeping/Accting	0.00		0.00	
23. Legal Expenses	296.00		444.00	
24. Advertising	300.00		300.00	
25. Phone @ Answering Service	1,646.00		1,646.00	
26. Office Supplies	1,942.00		2,134.00	
27. Office Furniture @ Equip.	0.00		0.00	
28. Training Expense	301.00		301.00	
29. Hlth Ins. @ Other Benefits	8,522.81		12,742.70	
30. Payroll Taxes	3,864.71		4,093.76	
31. Workmans Compensation	1,024.11		1,443.76	
32. Other Admin.Expenses	1,134.00		1,098.00	MILEAGE, CREDIT CK, BANK CHG
<b>33. Sub-Ttl Admin (19 thru 32)</b>	<b>76,756.00</b>		<b>85,250.31</b>	
34. Real Estate Taxes	14,836.01		12,654.23	
35. Special Assessments	616.00		616.00	
36. Othr Taxes, Lcnses, Permts	1,311.62		1,369.68	SOFTWARE BUSINESS LIC
37. Property @ Liability Ins.	13,461.25		13,709.34	
38. Fidelity Coverage Ins.	75.00		75.00	
39. Other Insurance	0.00		0.00	
<b>40. Sub-Ttl Tx/In (34 thru 39)</b>	<b>30,299.88</b>		<b>28,424.25</b>	
<b>41. Ttl O@M Exps (11+18+33+40)</b>	<b>166,538.32</b>		<b>168,669.74</b>	

Project Name: YESTER OAKS APARTMENTS State: 11 Servicing Office: 601 County: 46  
 Borrower Name: YESTER OAKS LP Borr ID: 768055070 Prj Nbr: 01-7 Paid Code: Active  
 Classification: C Fiscal Year: 2017 Version: 01/01/2017 CURRENT Totals: By Project Analyzed: Y

Item	Current Budget	Actual	Proposed Budget	Comment
Effective Dates:	01/01/2016	01/01/2016	01/01/2017	
Ending Dates:	12/31/2016	12/31/2016	12/31/2017	
<b>PART III - ACCT BUDGET/STATUS</b>				
<b>Reserve Account</b>				
1. Beginning Balance	224,360.31		233,332.81	
2. Transfer to Reserve	12,998.04		12,998.04	
<b>Transfer From Reserve</b>				
3. Operating Deficit	0.00		0.00	
4. Cptl Bgt (Part V reserve)	19,675.00		18,960.00	
5. Building @ Equip Repair	0.00		0.00	
6. Othr Non-Operating Expenses	0.00		0.00	
7. Total (3 thru 6)	19,675.00		18,960.00	
8. Ending Balance [(1+2)-7]	217,683.35		227,370.85	
<b>General Operating Account</b>				
Beginning Balance				
Ending Balance				
<b>Real Estate Tax And Ins Escrow</b>				
Beginning Balance				
Ending Balance				
<b>Tenant Security Deposit Acct</b>				
Beginning Balance				
Ending Balance				
Number of Applicants on Waiting List	0	Reserve Acct. Req. Balance		105,941.15
Number of Applicants Needing RA		Amount Ahead/Behind		133,392.66

Project Name: YESTER OAKS APARTMENTS State: 11 Servicing Office: 601 County: 46  
 Borrower Name: YESTER OAKS LP Borr ID: 768055070 Prj Nbr: 01-7 Paid Code: Active  
 Classification: C Fiscal Year: 2017 Version: 01/01/2017 CURRENT Totals: By Project Analyzed: Y

**PART IV RENT SCHEDULE**

**A. CURRENT APPROVED RENTS/UTILITY ALLOWANCE: 01/01/2016**

Unit Description						Rental Rates			Potential Income From Each Rate			Utility
Type	Size	HC	Rev	Unit	Number	Basic	Note	HUD	Basic	Note	HUD	Allowance
N	2	All			28	445	610	0	149,520	204,960	0	108
N	1	All			16	420	560	0	80,640	107,520	0	83
CURRENT RENT TOTALS									230,160	312,480	0	

**EFFECTIVE DATE OF RENTS/UTILITY ALLOWANCE: 01/01/2016**

Unit Description					Utility Types					
Type	Size	HC	Rev	Unit	Elect	Gas	Sewer	Trash	Other	Total Allow
N	2	All			77	0	17	0	0	108
N	1	All			60	0	12	0	0	83

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

Unit Description						Rental Rates			Potential Income From Each Rate			Utility
Type	Size	HC	Rev	Unit	Number	Basic	Note	HUD	Basic	Note	HUD	Allowance
N	1	All			16	420	560	0	80,640	107,520	0	83
N	2	All			28	445	610	0	149,520	204,960	0	108
PROPOSED RENT TOTALS									230,160	312,480	0	

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

Unit Description					Utility Types					
Type	Size	HC	Rev	Unit	Elect	Gas	Sewer	Trash	Other	Total Allow
N	1	All			61	0	11	0	0	83
N	2	All			78	0	15	0	0	108

Project Name: YESTER OAKS APARTMENTS State: 11 Servicing Office: 601 County: 46  
 Borrower Name: YESTER OAKS LP Borr ID: 768055070 Prj Nbr: 01-7 Paid Code: Active  
 Classification: C Fiscal Year: 2017 Version: 01/01/2017 CURRENT Totals: By Project Analyzed: Y

Item	Proposed Number Units/Items	Proposed From Reserve	Actual From Reserve	Proposed From Operating	Actual From Operating	Actual Total Cost	Total Actual Units/Items
Effective Dates:	01/01/2016	01/01/2017	01/01/2016	01/01/2017	01/01/2016	01/01/2016	01/01/2016
Ending Dates:	12/31/2016		12/31/2016		12/31/2016	12/31/2016	12/31/2016
<b>ANNUAL CAPITAL BUDGET</b>							
<b>Appliances</b>							
Appliances - Range	3	1,278.00	0.00	0.00	0.00	0.00	0
Appliances - Refrigerator	3	1,650.00	0.00	0.00	0.00	0.00	0
Appliances - Range Hood	0	0.00	0.00	0.00	0.00	0.00	0
Appliances - Washers @ Dryers	0	0.00	0.00	0.00	0.00	0.00	0
Appliances - Other	0	0.00	0.00	0.00	0.00	0.00	0
<b>Carpet and Vinyl</b>							
Carpet @ Vinyl - 1 Br.	7	0.00	0.00	2,996.00	0.00	0.00	0
Carpet @ Vinyl - 2 Br.	6	3,232.00	0.00	680.00	0.00	0.00	0
Carpet @ Vinyl - 3 Br.	0	0.00	0.00	0.00	0.00	0.00	0
Carpet @ Vinyl - 4 Br.	0	0.00	0.00	0.00	0.00	0.00	0
Carpet @ Vinyl - Other	0	0.00	0.00	0.00	0.00	0.00	0
<b>Cabinets</b>							
Cabinets - Kitchens	1	0.00	0.00	400.00	0.00	0.00	0
Cabinets - Bathroom	0	0.00	0.00	0.00	0.00	0.00	0
Cabinets - Other	0	0.00	0.00	0.00	0.00	0.00	0
<b>Doors</b>							
Doors - Exterior	0	0.00	0.00	0.00	0.00	0.00	0
Doors - Interior	0	0.00	0.00	0.00	0.00	0.00	0
Doors - Other	0	0.00	0.00	0.00	0.00	0.00	0
<b>Window Coverings</b>							
Window Coverings - Detail	0	0.00	0.00	0.00	0.00	0.00	0
Window Coverings - Other	0	0.00	0.00	0.00	0.00	0.00	0
<b>Heat and Air Conditioning</b>							
Heat @ Air - Heating	0	0.00	0.00	0.00	0.00	0.00	0
Heat @ Air - Air Conditioning	4	12,800.00	0.00	0.00	0.00	0.00	0
Heat @ Air - Other	0	0.00	0.00	0.00	0.00	0.00	0
<b>Plumbing</b>							
Plumbing - Water Heater	4	0.00	0.00	1,332.00	0.00	0.00	0
Plumbing - Bath Sinks	0	0.00	0.00	0.00	0.00	0.00	0
Plumbing - Kitchen Sinks	0	0.00	0.00	0.00	0.00	0.00	0
Plumbing - Faucets	0	0.00	0.00	0.00	0.00	0.00	0
Plumbing - Toilets	0	0.00	0.00	0.00	0.00	0.00	0
Plumbing - Other	0	0.00	0.00	0.00	0.00	0.00	0
<b>Major Electrical</b>							
Major Electrical - Detail	0	0.00	0.00	0.00	0.00	0.00	0
Major Electrical - Other	0	0.00	0.00	0.00	0.00	0.00	0
<b>Structures</b>							
Structures - Windows	0	0.00	0.00	0.00	0.00	0.00	0
Structures - Screens	0	0.00	0.00	0.00	0.00	0.00	0
Structures - Walls	0	0.00	0.00	0.00	0.00	0.00	0
Structures - Roofing	0	0.00	0.00	0.00	0.00	0.00	0
Structures - Siding	0	0.00	0.00	0.00	0.00	0.00	0
Structures - Exterior Painting	0	0.00	0.00	0.00	0.00	0.00	0
Structures - Other	0	0.00	0.00	0.00	0.00	0.00	0

Project Name: YESTER OAKS APARTMENTS State: 11 Servicing Office: 601 County: 46  
 Borrower Name: YESTER OAKS LP Borr ID: 768055070 Prj Nbr: 01-7 Paid Code: Active  
 Classification: C Fiscal Year: 2017 Version: 01/01/2017 CURRENT Totals: By Project Analyzed: Y

Item	Proposed Number Units/Items	Proposed From Reserve	Actual From Reserve	Proposed From Operating	Actual From Operating	Actual Total Cost	Total Actual Units/Items
Effective Dates:	01/01/2016	01/01/2017	01/01/2016	01/01/2017	01/01/2016	01/01/2016	01/01/2016
Ending Dates:	12/31/2016		12/31/2016		12/31/2016	12/31/2016	12/31/2016
<b>Paving</b>							
Paving - Asphalt	0	0.00	0.00	0.00	0.00	0.00	0
Paving - Concrete	0	0.00	0.00	0.00	0.00	0.00	0
Paving - Seal and Stripe	0	0.00	0.00	0.00	0.00	0.00	0
Paving - Other	0	0.00	0.00	0.00	0.00	0.00	0
<b>Landscape and Grounds</b>							
Lndscp@Grnds - Landscaping	0	0.00	0.00	0.00	0.00	0.00	0
Lndscp@Grnds - Lawn Equipment	0	0.00	0.00	0.00	0.00	0.00	0
Lndscp@Grnds - Fencin	0	0.00	0.00	0.00	0.00	0.00	0
Lndscp@Grnds - Recreation Area	0	0.00	0.00	0.00	0.00	0.00	0
Lndscp@Grnds - Signs	0	0.00	0.00	0.00	0.00	0.00	0
Lndscp@Grnds - Other	0	0.00	0.00	0.00	0.00	0.00	0
<b>Accessibility Features</b>							
Accessibility Features - Detail	0	0.00	0.00	0.00	0.00	0.00	0
Accessibility Features - Other	0	0.00	0.00	0.00	0.00	0.00	0
<b>Automation Equipment</b>							
Automation Equip. -Site Mngt.	0	0.00	0.00	0.00	0.00	0.00	0
Automation Equip. -Common Area	0	0.00	0.00	0.00	0.00	0.00	0
Automation Equip. -Other	0	0.00	0.00	0.00	0.00	0.00	0
<b>Other</b>							
List: ?	0	0.00	0.00	0.00	0.00	0.00	0
List: ?	0	0.00	0.00	0.00	0.00	0.00	0
List: ?	0	0.00	0.00	0.00	0.00	0.00	0
<b>Total Capital Expenses</b>	<b>0</b>	<b>18,960.00</b>	<b>0.00</b>	<b>5,408.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0</b>



Project Name: YESTER OAKS APARTMENTS	State: 11	Servicing Office: 601	County: 46
Borrower Name: YESTER OAKS LP	Borr ID: 768055070	Prj Nbr: 01-7	Paid Code: Active
Classification: C	Fiscal Year: 2017	Version: 01/01/2017 CURRENT	Totals: By Project Analyzed: Y

**Part VI - SIGNATURES, DATES AND COMMENTS**

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

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

09/30/2016

(Date Submitted)

HALLMARK GROUP REAL ESTATE

(Management Agency)

MA202860

(MA#)

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Signature of Borrower or Borrower's Representative)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
Agency Approval (Rural Development Approval Official):

\_\_\_\_\_  
(Date)

Project Name: YESTER OAKS APARTMENTS	State: 11	Servicing Office: 601	County: 46
Borrower Name: YESTER OAKS LP	Borr ID: 768055070	Prj Nbr: 01-7	Paid Code: Active
Classification: C	Fiscal Year: 2017	Version: 01/01/2017 CURRENT	Totals: By Project Analyzed: Y

SPVS Comment:  
Batched/ II 092716

## Narrative:

BUDGET NARRATIVE PROJECT NAME River Rest Apartments BORROWER NAME RiverRest Apartments, L.P. BORROWER ID AND PROJECT NO 48-015-696759379  River Rest Apartments is a 34-unit elderly property located in Newport, Tennessee. The property has averaged 97.7% occupancy for 2016.  River Rest remains in compliance and has no outstanding findings that have not been addressed by the management company.  The property is financially sound.  The property does not exceed the 10% threshold in any category.  We need to start replacing roofs & Accessibility work over the next few years.  We will continue to replace appliances, carpet and vinyl, water heaters, and HVAC units as needed.  2017  Capital items proposed to be paid from the Reserve Account \$62,200 include 1 refrigerator, 1 HVAC unit, 1 stove, 2 carpets, \$25,000 for accessibility work in the parking lot, parking lot seal & stripe, 1 roof and 10 windows. Capital items proposed from the Operating replacements account \$8,375 include 3 stoves, 3 refrigerators, Major Electrical which is rewiring the exterior lights around the property, landscaping, 2 hot water heaters, & 1 vinyl.  2018  Capital items include 3 stoves, 2 refrigerators, 2 carpet, 2 vinyl, 2 HVAC units, and 3 water heaters, 1 roof, accessibility work 2019  Capital items include 2 stoves, 3 refrigerators; 3 carpets, 3 vinyl; 3 HVAC units; and 2 water heaters, 1 roof 2020  Capital items include 1 stoves, 2 refrigerators; 3 carpet, 3 vinyl; 2 HVAC units; and 3 water heaters. ADA hand held showers have been installed in all accessible units.  A rent increase of \$20.00 is requested for 2017 due to the increase in Real Estate Taxes & a decrease in Laundry Income  There is no additional documentation necessary for the Agency to establish that applicable Agency requirements have been met.

**ESTIMATE AND CERTIFICATE OF ACTUAL COST**

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

--

BORROWER/OWNER-BUILDER	CONTRACTOR
NAME OF PROJECT	LOCATION

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

Check and Complete Applicable Box:

A. ESTIMATE

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

B. ACTUAL COST

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

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



Line	Div	Trade Item	Estimated Cost	Actual Cost		Name of Subcontractor or Payee	101 *
				Paid	To Be Paid		
1	3	Concrete					
2	4	Masonry					
3	5	Metals					
4	6	Rough Carpentry					
5	6	Finish Carpentry					
6	7	Waterproofing					
7	7	Insulation					
8	7	Roofing					
9	7	Sheet Metal					
10	8	Doors					
11	8	Windows					
12	8	Glass					
13	9	Drywall					
14	9	Tile Work					
15	9	Acoustical					
16	9	Resilient Flooring					
17	9	Painting and Decorating					
18	10	Specialties					
19	11	Special Equipment					
20	11	Cabinets					
21	11	Appliances					
22	12	Blinds and Shades, Artwork					
23	12	Carpets					
24	13	Special Construction					
25	14	Elevators					
26	15	Plumbing and Hot Water					
27	15	Heat and Ventilation					
28	15	Air Conditioning					
29	16	Electrical					
30	2	Earth Work					
31	2	On-Site Utilities					
32	2	Roads and Walks					
33	2	On-Site Improvements					
34	2	Lawns and Planting					
35	2	Unusual On-Site Conditions					
36	2	Off-Site Development					
37		Miscellaneous (Labor and Materials)					
38		Total Hard Costs					
39	1	General Requirements					
40		General Overhead					
41		Other Fees Paid By Contractor					
42		Total Costs					

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

\* Breakdown on page 4.

CONTRACTOR'S AND BORROWER'S ESTIMATE AND CERTIFICATE OF ACTUAL COST						
Line	Trade Item	Estimated Cost	Paid	Actual Cost To Be Paid	Total	Name of Subcontractor or Payee
	Balance Brwt. Forward (line 42)					
43	Builder's Profit					
44	Total Construction Cost					
45	Architectural Fees					
46	Survey and Engineering					
47	Financing Costs Loan Fees					
48	Interest During Construction					
49	Closing Costs & Legal Fees					
50	Land Cost or Value					
51	Nonprofit O&M Capital					
52	Tap and or Impact Fees					
53	Tax Credit Fees					
54	Environmental Fees					
55	Market Study Cost					
56						
57						
58	Total Development Cost					

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

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



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

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

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

ESTIMATES:

Date \_\_\_\_\_

Date \_\_\_\_\_

\_\_\_\_\_  
Lines I through 44 *(Name of Contractor)*

\_\_\_\_\_  
Lines 44 through 58 *(Name of Mortgagor)*

By: \_\_\_\_\_  
*(Signature)*

By: \_\_\_\_\_  
*(Signature)*

Title: \_\_\_\_\_

Title: \_\_\_\_\_

ACTUAL

Date \_\_\_\_\_

Date \_\_\_\_\_

\_\_\_\_\_  
Lines I through 44 *(Name of Contractor)*

\_\_\_\_\_  
Lines 44 through 58 *(Name of Mortgagor)*

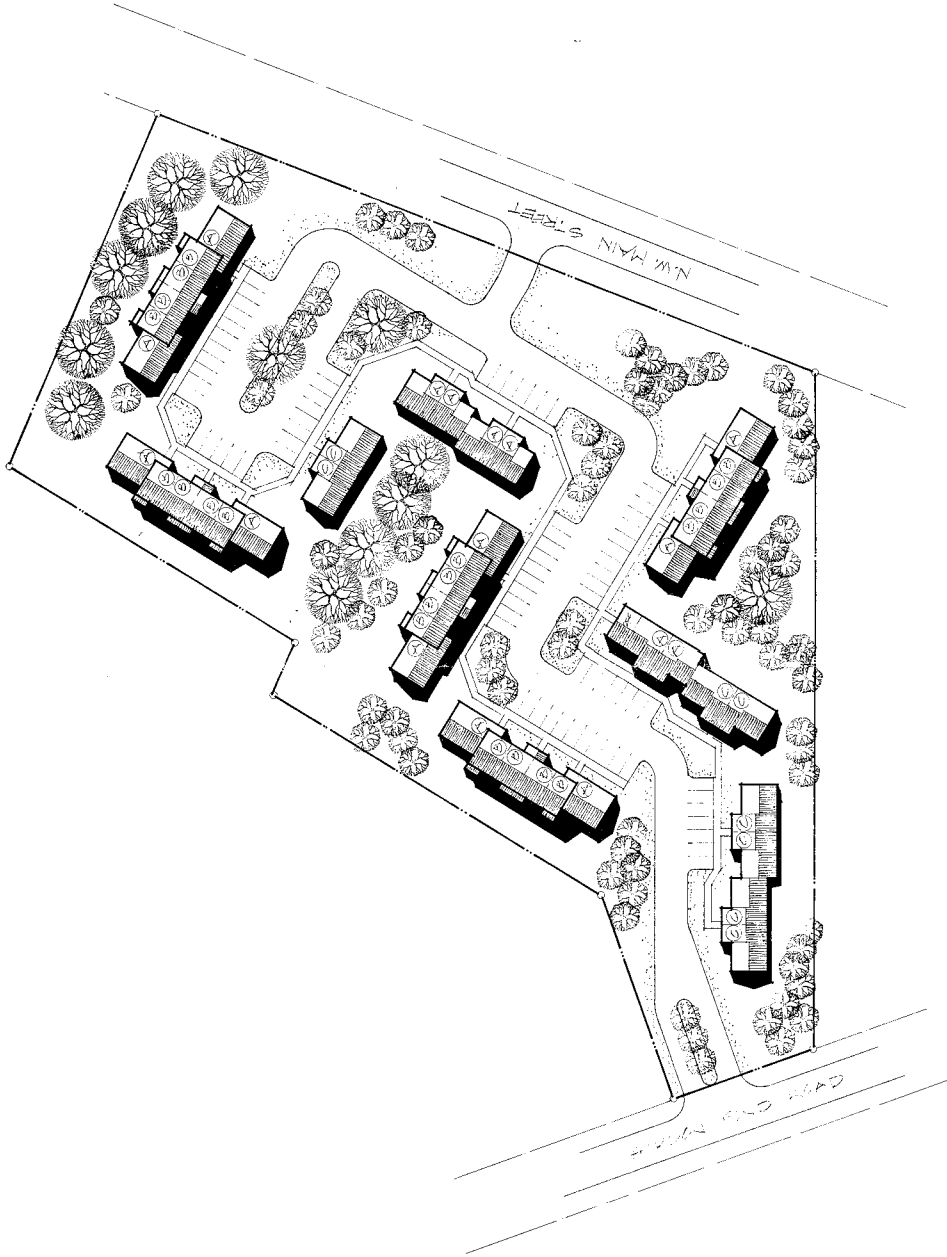
By: \_\_\_\_\_  
*(Signature)*

By: \_\_\_\_\_  
*(Signature)*

Title: \_\_\_\_\_

Title: \_\_\_\_\_





**YESTER OAKS APARTMENTS**

LaFAYETTE, GEORGIA

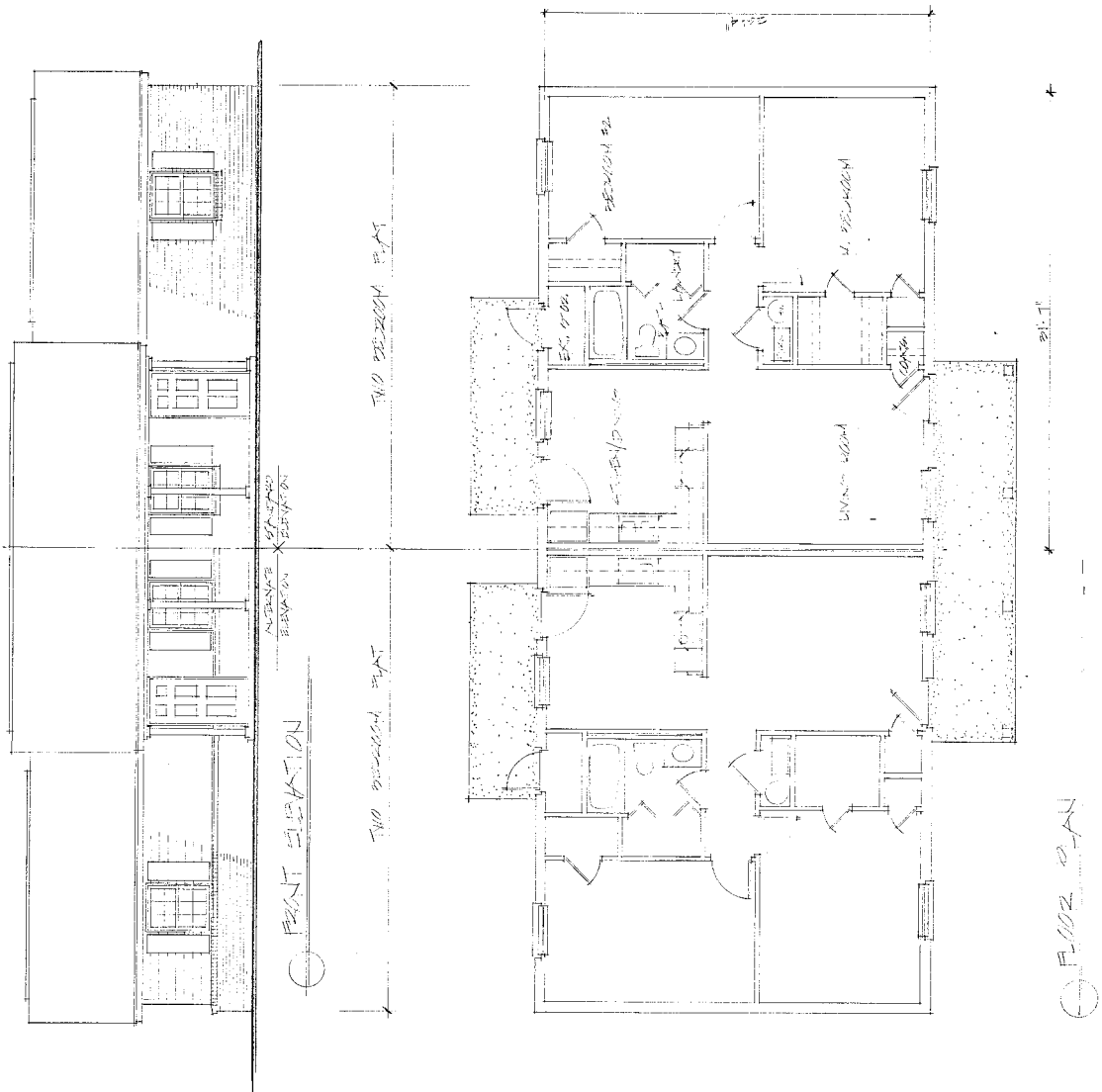


SCALE: 1"=40'

**UNIT SCHEDULE**

- A ONE BEDROOM UNIT 10
- B TWO BR. CONDOS 20
- C TWO BEDROOM UNIT 20
- PLAN 44

APRIL 11 11 30 AM '11

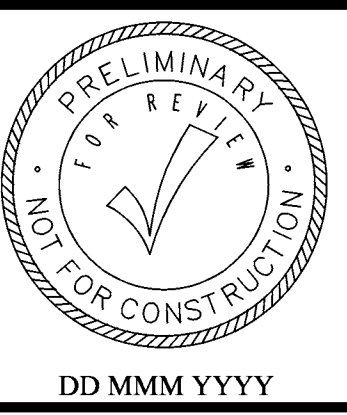




# YESTER OAKS APARTMENTS RENOVATION

## Lafayette,

## Georgia



### PROJECT INFORMATION

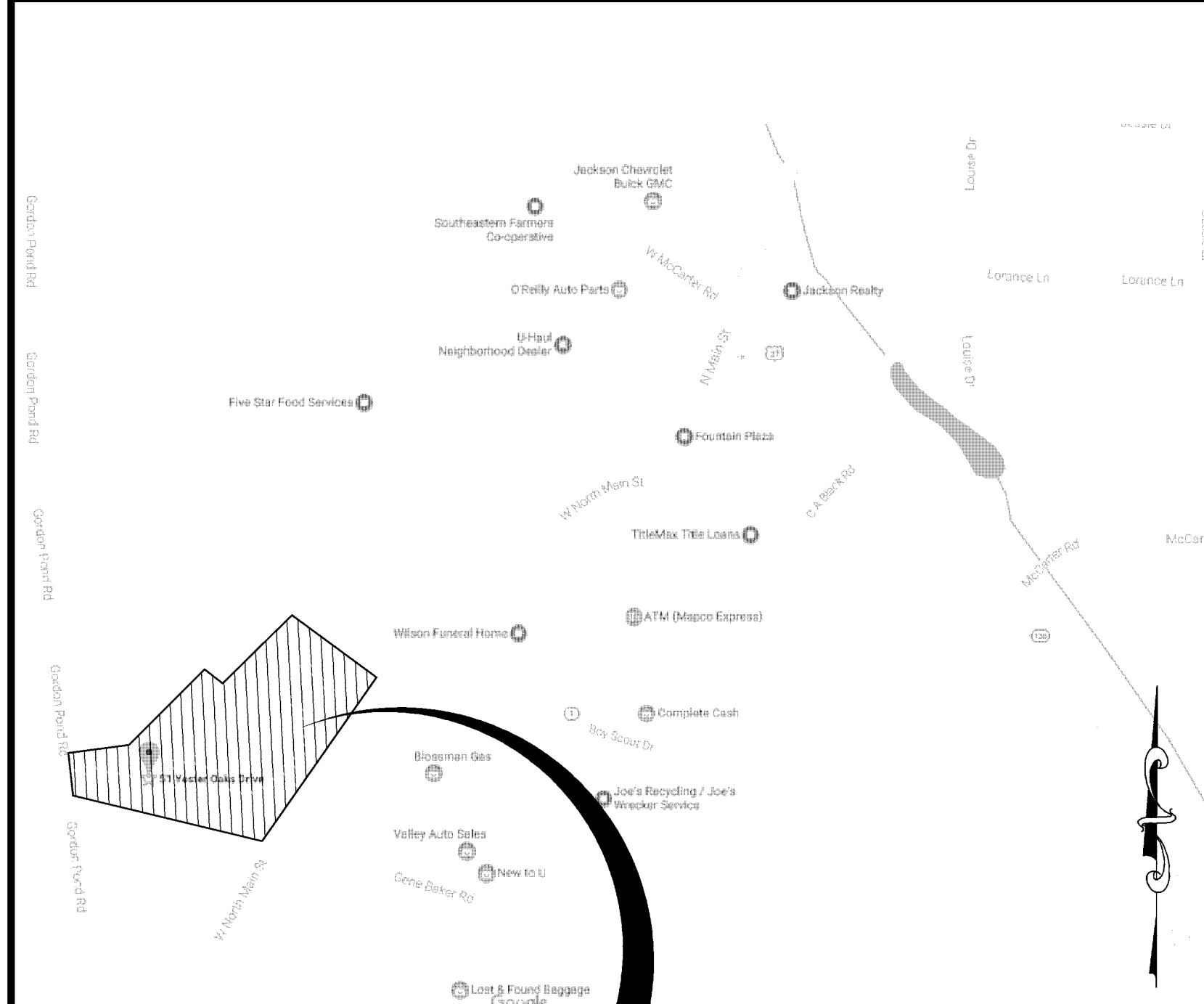
SITE DATA	
SITE ZONING:	EXISTING TO REMAIN
SITE SIZE:	EXISTING TO REMAIN
SITE DENSITY:	EXISTING TO REMAIN
NO. OF PARKING SPACES:	(72) TYPICAL + (4) ACC. + (1) VAN ACC.= (77) TOTAL
BUILDING DATA	
RENTAL UNITS BY BUILDING:	BLDG. A = (4) TYP. 2-BR UNITS; BLDG. B = (3) TYP. 1-BR-B UNITS, (1) AUDIOVISUAL 1-BR-B UNIT; BLDG. C = (3) TYP. 1-BR UNITS, (1) UFAS 1-BR UNIT, (4) TYP. 2-BR-TH UNITS; BLDG. D = (2) TYP. 1-BR UNITS, (4) TYP. 2-BR-TH UNITS; BLDG. E = (2) TYP. 1-BR-B UNITS; (2) UFAS 2-BR UNITS; BLDG. F = (2) TYP. 1-BR UNITS, (4) TYP. 2-BR-TH UNITS; BLDG. G = (2) TYP. 2-BR UNITS; BLDG. H = (2) TYP. 1-BR UNITS, (4) TYP. 2-BR-TH UNITS; BLDG. I = (2) TYP. 1-BR UNITS, (4) TYP. 2-BR-TH UNITS
RENTAL UNITS BY TYPE:	(8) TYP. 1-BR UNITS; (6) TYP. 1-BR-B UNITS; (1) UFAS 1-BR UNITS; (1) AUDIOVISUAL 1-BR-B UNIT; (6) TYP. 2-BR UNITS; (2) UFAS 2-BR UNITS; (20) TYP. 2-BR-TH UNITS
TOTAL RENTAL UNITS:	(44) TOTAL UNITS
NO. & MIX OF UNITS:	(16) 1-BR UNITS; (8) 2-BR UNITS; (20) 2-BR-TH UNITS
DWELLING UNIT AREA:	(8) TYP. 1-BR UNITS @ 654 SF = 5,232 SF; (3) TYP. 1-BR-B UNITS @ 654 SF = 3,270 SF; (1) UFAS 1-BR UNIT @ 654 SF = 654 SF; (1) AUDIOVISUAL 1-BR-B UNITS @ 654 SF = 654 SF; (6) TYP. 2-BR UNITS @ 779 SF = 4,674 SF; (2) UFAS 2-BR UNITS @ 779 SF = 1,558 SF; (20) TYP. 2-BR-TH UNITS @ 974 SF = 19,480 SF; 36,176 TOTAL SF DWELLING AREA
NON-DWELLING UNIT AREA:	204 SF (OFFICE/MAINT.)
TOTAL BUILDING AREA:	36,380 SF (GROSS)
TOTAL ACTUAL AREA:	BLDG. A = 3,116 SF; BLDG. B = 2,616 SF; BLDG. C = 5,204 SF; BLDG. D = 5,204 SF; BLDG. E = 3,070 SF; BLDG. F = 5,204 SF; BLDG. G = 1,558 SF; BLDG. H = 5,204 SF; BLDG. I = 5,204 SF

### INDEX TO DRAWINGS

0.0	COVER SHEET
A51.0	ARCHITECTURAL SITE PLAN
A1.0	BUILDING PLANS
A1.1	TYP. 1-BR, UFAS 1-BR & OFFICE/MAINT. DEMO & RENO PLANS
A1.2	TYP. 2-BR, UFAS 2-BR & TYP. 2-BR-TH DEMO & RENO PLANS
A3.0	EXTERIOR ELEVATIONS
A3.1	EXTERIOR ELEVATIONS
A3.2	EXTERIOR ELEVATIONS

### ARCHITECT'S JOB NO. 3453

### PROJECT LOCATION MAP



SITE: 51 Yester Oaks Drive  
Lafayette, GA 30728

### SIGNATURE AREAS

NOTE: PROJECT CONSTRUCTION MUST BE IN COMPLIANCE WITH ALL APPLICABLE CODES, ORDINANCES, LAWS, AND REGULATIONS AS ENUMERATED ELSEWHERE IN THE PLANS AND SPECIFICATIONS.

ARCHITECT: WALLACE ARCHITECTS, L.L.C.  
302 CAMPUS VIEW DRIVE SUITE 208, COLUMBIA, MO 65201

BY: \_\_\_\_\_ DATE: \_\_\_\_\_

OWNER: NAME \_\_\_\_\_ DATE: \_\_\_\_\_  
ADDRESS \_\_\_\_\_  
BY: \_\_\_\_\_

CONTRACTOR: NAME \_\_\_\_\_ DATE: \_\_\_\_\_  
ADDRESS \_\_\_\_\_  
BY: \_\_\_\_\_

STATE REPRESENTATIVE: \_\_\_\_\_ DATE: \_\_\_\_\_  
ADDRESS \_\_\_\_\_  
BY: \_\_\_\_\_

### MATERIAL SQ. FT. DISCLAIMER:

SQUARE FOOTAGE CALCULATION OF FINISH MATERIALS ARE BASED ON EXISTING LAYOUTS & INFORMATION IN PART AS PROVIDED BY OTHERS. THESE NUMBERS ARE NOT TO BE UTILIZED FOR BIDDING PURPOSES. WHILE THIS INFORMATION IS BELIEVED TO BE RELIABLE THE ARCHITECT ASSUMES NO RESPONSIBILITY FOR THE ACCURACY. CONTRACTORS SHALL PERFORM INDEPENDENT FIELD VERIFICATION FOR SITUATIONAL DEPENDANT ACCURACY.

PM: ZW  
PC: JL

PLAN SET NO. \_\_\_\_\_

REVIEW SET

YESTER OAKS APARTMENTS RENOVATION  
LAFAYETTE, WALKER COUNTY, GEORGIA



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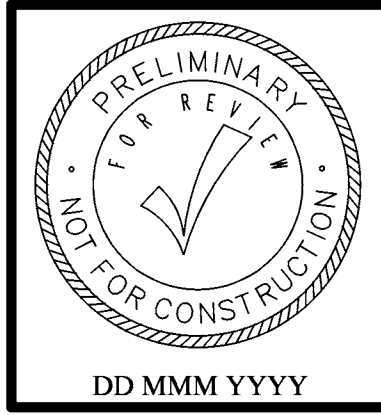
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JOB NO.  
3453

PRELIMINARY NOT FOR CONSTRUCTION, RECORDING PURPOSES OR IMPLEMENTATION

PRELIMINARY NOT FOR CONSTRUCTION, RECORDING PURPOSES OR IMPLEMENTATION

NOTE:  
CONTRACTOR SHALL FIELD VERIFY ALL  
DIMENSIONS AND MEASUREMENTS.



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PRELIMINARY NOT FOR CONSTRUCTION, RECORDING PURPOSES OR IMPLEMENTATION

NOTE: INSTALL NEW HANDRAILS AS NOTED AND ON ACCESSIBLE ROUTES EXCEEDING 5% BUT LESS THAN 8.33% SLOPE. 5'-0" LANDING REQUIRED AT TOP AND BOTTOM OF RAMPS.

NOTE: APARTMENT NUMBERS ARE TO BE FIELD VERIFIED BY GENERAL CONTRACTOR. ARCHITECT TO BE NOTIFIED OF ANY DISCREPANCY PRIOR TO FINAL PRODUCTION / INSTALLATION

### ACCESSIBILITY NOTES

1. SIDEWALK SHALL NOT EXCEED 5% (1'-0" IN 20'-0") SLOPE WITH A 2% (1'-0" IN 50'-0") CROSS-SLOPE AND SHALL BE 4' WIDE EXCEPT AS NOTED ON SITE PLAN. PROVIDE STAIRS, RAMPS, CURBS, ETC., AS NOTED AND DETAILED.
2. PARKING AREAS AND ACCESSIBLE SPACES AND ACCESS AISLES SHALL NOT EXCEED A 2% (1'-0" IN 50'-0") SLOPE IN ANY DIRECTION. OTHER PORTIONS OF THE ACCESSIBLE ROUTE SHALL NOT EXCEED A 5% (1'-0" IN 20'-0") LONGITUDINAL SLOPE NOR A 2% (1'-0" IN 50'-0") CROSS-SLOPE.

### POLLUTION / EROSION CONTROL NOTES:

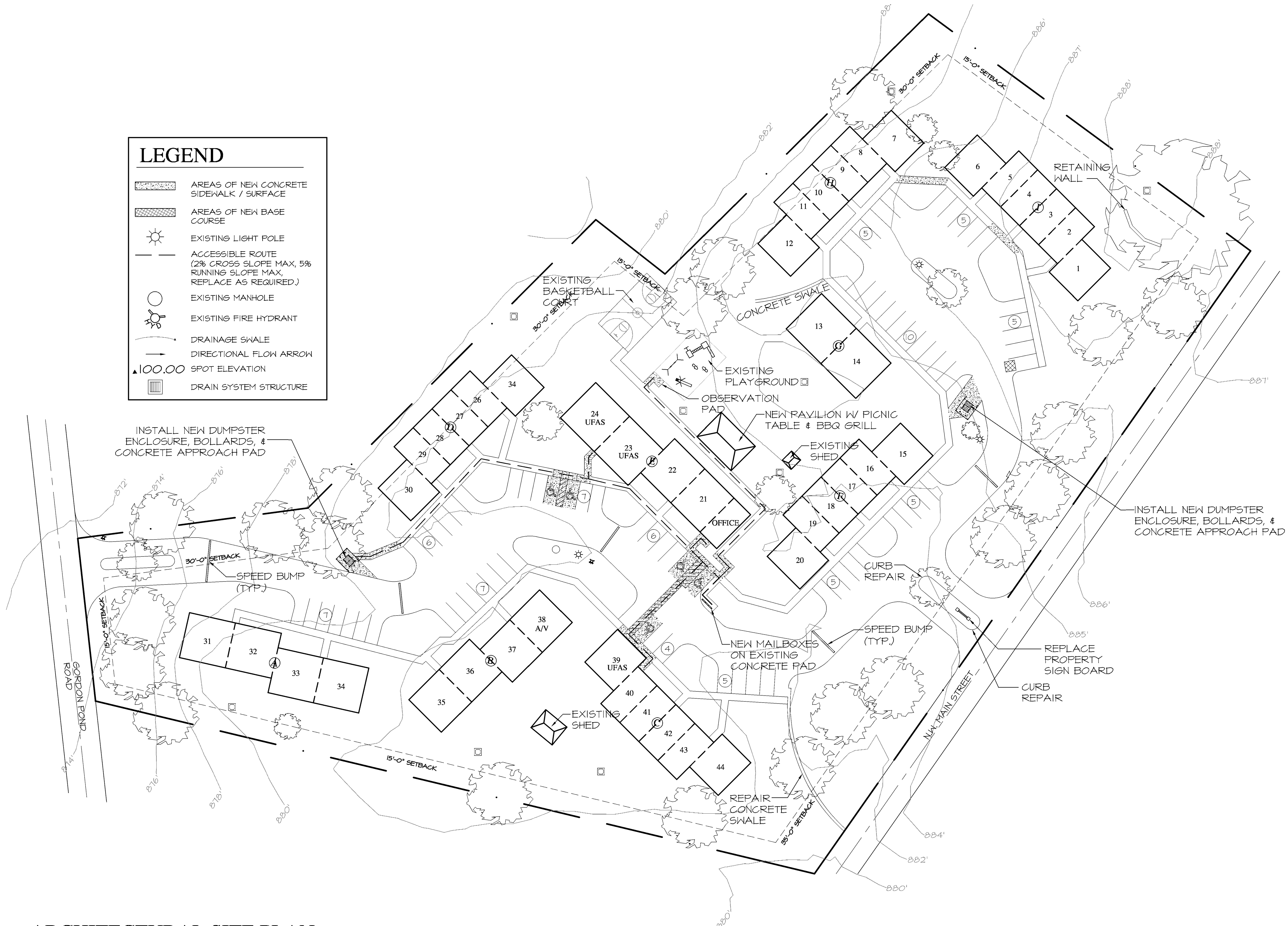
1. DUST ON SITE SHALL BE CONTROLLED. THE USE OF MOTOR OILS AND OTHER PETROLEUM BASED OR TOXIC LIQUIDS FOR DUST SUPPRESSION OPERATIONS IS PROHIBITED.
2. SUFFICIENT OIL AND GREASE ABSORBING MATERIALS AND FLOATATION BOOMS SHALL BE MAINTAINED ON SITE OR READILY AVAILABLE TO CONTAIN AND CLEAN-UP FUEL OR CHEMICAL SPILLS AND LEAKS.
3. ACTIVE UNDERGROUND PIPES, CONDUITS, OR OTHER UTILITIES OF ANY TYPE, WHETHER INDICATED ON THE DOCUMENTS OR NOT, MUST BE PROTECTED BY THE CONTRACTOR DURING THE COURSE OF THE WORK AND REMAIN ACTIVE, UNLESS OTHERWISE NOTED.
4. CONTRACTOR SHALL PROTECT ALL EXISTING ON-SITE STORMWATER INLET STRUCTURES AND SWALES THROUGHOUT THE CONSTRUCTION PHASE WITH TEMPORARY STORMWATER SEDIMENT COLLECTION BAGS ON ALL INLET SIDES OR SEDIMENT BARRICADE AT PROPERTY LINE WHERE SWALES CONNECT TO EXISTING CITY DRAINAGE. STORM WATER PROTECTION SHALL REMAIN IN PLACE AND BE MONITORED TO MAINTAIN QUALITY OF PROTECTION MEASURES THROUGHOUT THE CONSTRUCTION PHASE.
5. ALL MATERIALS SPILLED, DROPPED, WASHED, OR TRACKED FROM VEHICLES ONTO ROADWAYS OR INTO STORM DRAINS MUST BE REMOVED IMMEDIATELY. CONTRACTORS OR SUBCONTRACTORS WILL BE RESPONSIBLE FOR REMOVING SEDIMENT THAT MAY HAVE COLLECTED IN ANY STORM SEWER DRAINAGE SYSTEM IN CONJUNCTION WITH THE STABILIZATION OF THE SITE.
6. ALL CONSTRUCTION SHALL BE STABILIZED AT THE END OF EACH WORKING DAY. THIS INCLUDES BACKFILLING OF TRENCHES FOR UTILITY CONSTRUCTION AND PLACEMENT OF GRAVEL OF BITUMINOUS PAVING FOR ROADS.
7. CONTRACTOR SHALL IMPLEMENT BEST MANAGEMENT PRACTICES AND SHALL CONFORM TO THE FEDERAL, STATE AND LOCAL REQUIREMENTS AND MANUALS OF PRACTICE. AS APPLICABLE CONTRACTOR SHALL IMPLEMENT ADDITIONAL CONTROLS AS DIRECTED BY PERMITTING AGENCY OR OWNER.
8. CONFLICTING AND / OR UNFORESEEN FIELD CONDITIONS SHALL BE BROUGHT TO THE ATTENTION OF THE GENERAL CONTRACTOR - WHO SHALL NOTIFY THE ARCHITECT IMMEDIATELY FOR RESOLUTION PRIOR TO PROCEEDING.

### SITE UTILITY NOTES

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

### LEGEND

- AREAS OF NEW CONCRETE SIDEWALK / SURFACE
- AREAS OF NEW BASE COURSE
- EXISTING LIGHT POLE
- ACCESSIBLE ROUTE (2% CROSS SLOPE MAX, 5% RUNNING SLOPE MAX, REPLACE AS REQUIRED.)
- EXISTING MANHOLE
- EXISTING FIRE HYDRANT
- DRAINAGE SWALE
- DIRECTIONAL FLOW ARROW
- SPOT ELEVATION
- DRAIN SYSTEM STRUCTURE



ARCHITECTURAL SITE PLAN  
SCALE: 1" = 40'-0"

YESTER OAKS APARTMENTS RENOVATION  
LAFAYETTE, WALKER COUNTY, GEORGIA

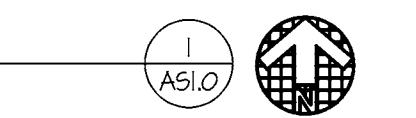


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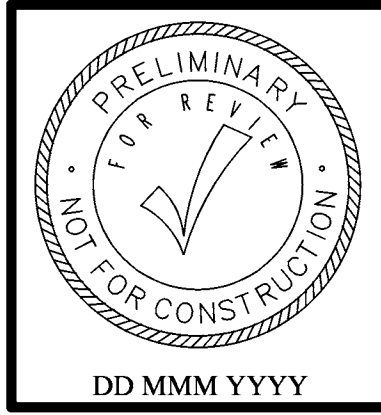
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JOB NO.  
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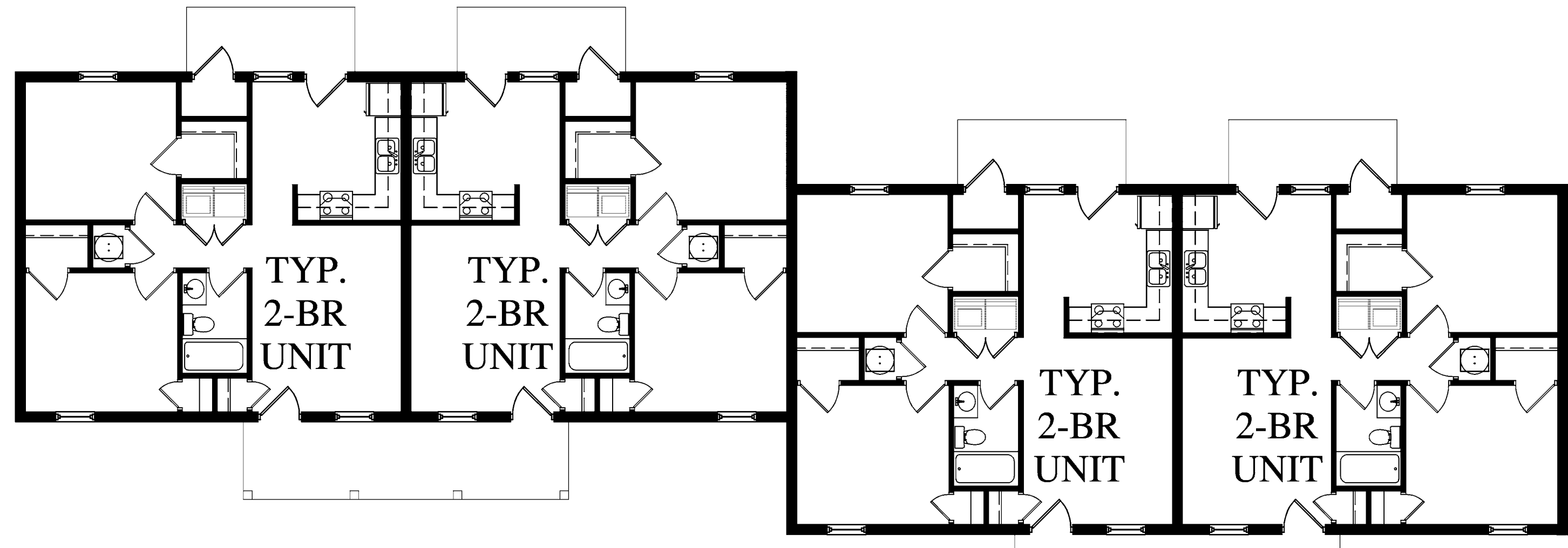


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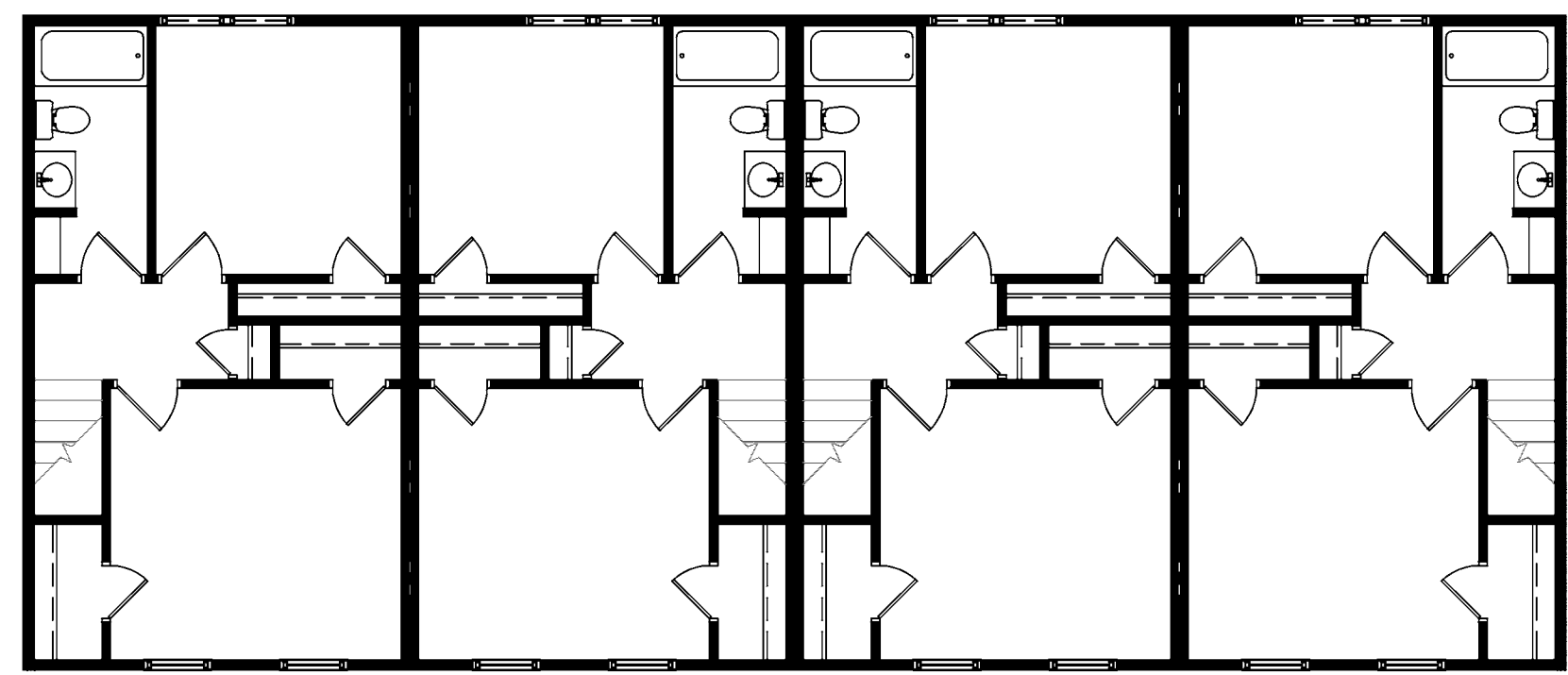
NOTE:  
CONTRACTOR SHALL FIELD VERIFY ALL  
DIMENSIONS AND MEASUREMENTS.



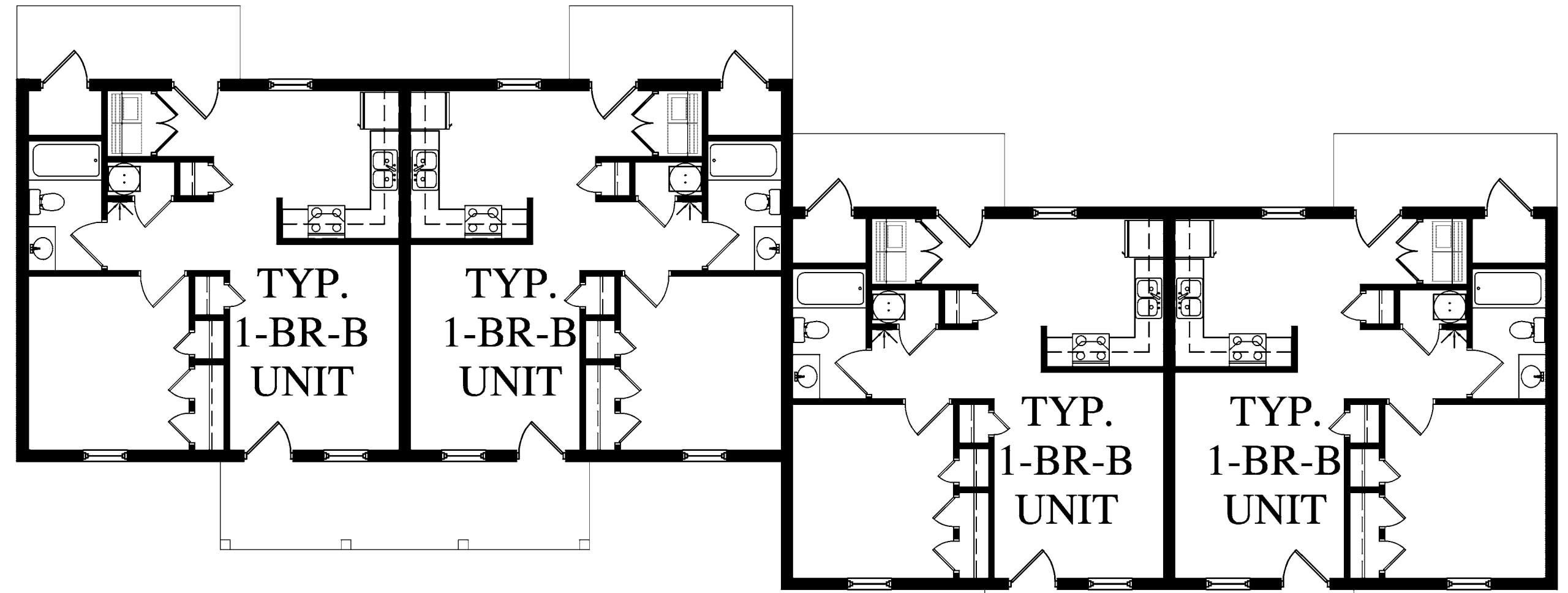
PRELIMINARY NOT FOR CONSTRUCTION, RECORDING PURPOSES OR IMPLEMENTATION



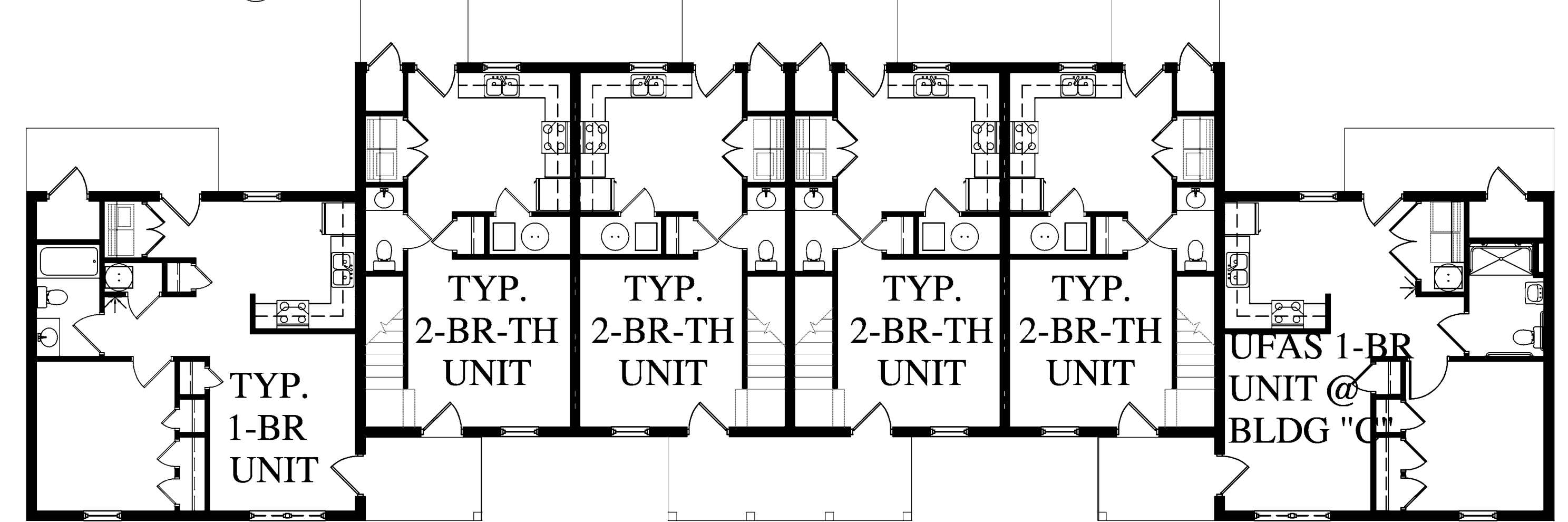
RENOVATED BUILDING "A" FLOOR PLAN  
SCALE: 1/8" = 1'-0"



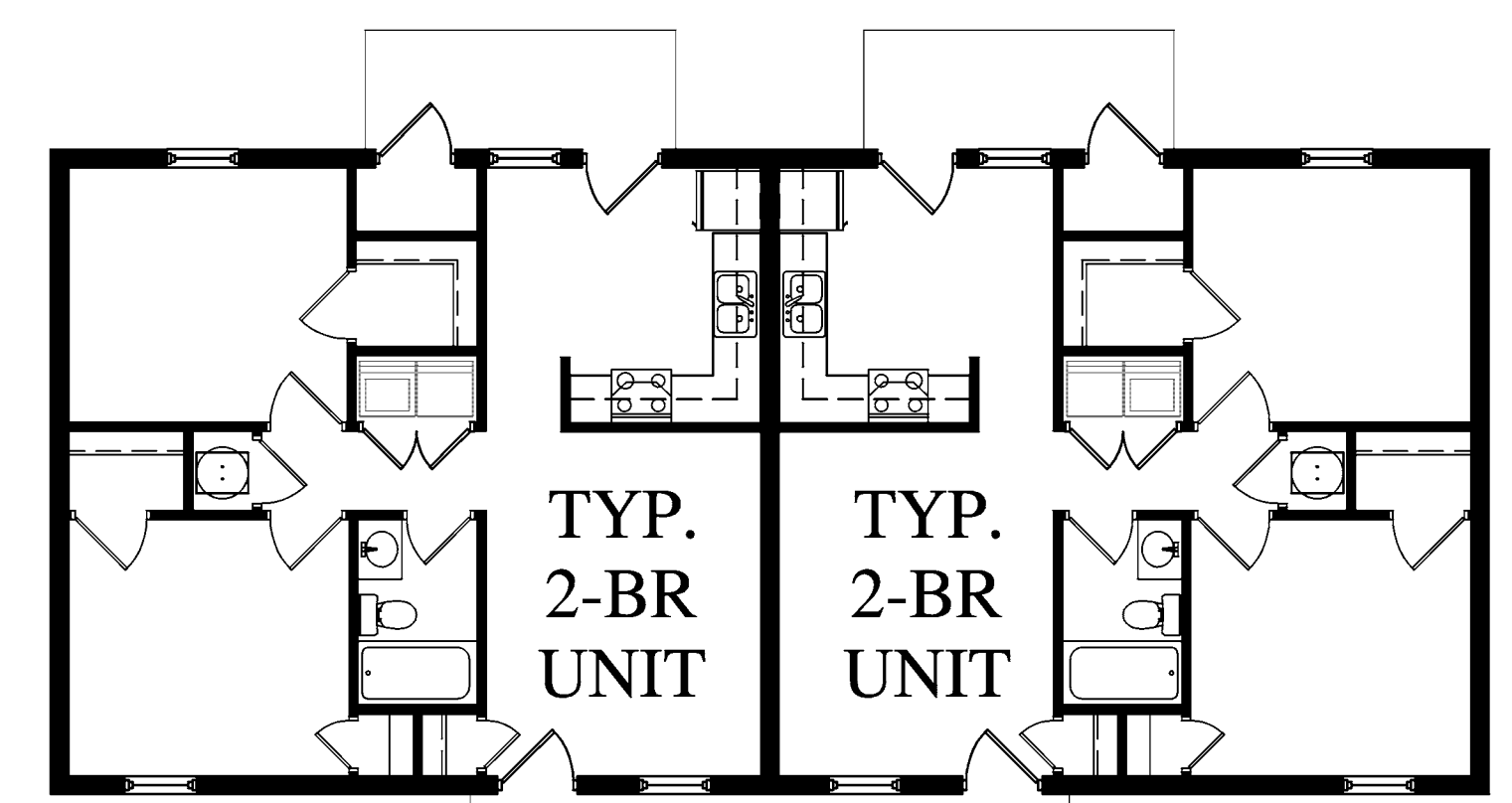
2ND FLOOR PLAN  
SCALE: 1/8" = 1'-0"



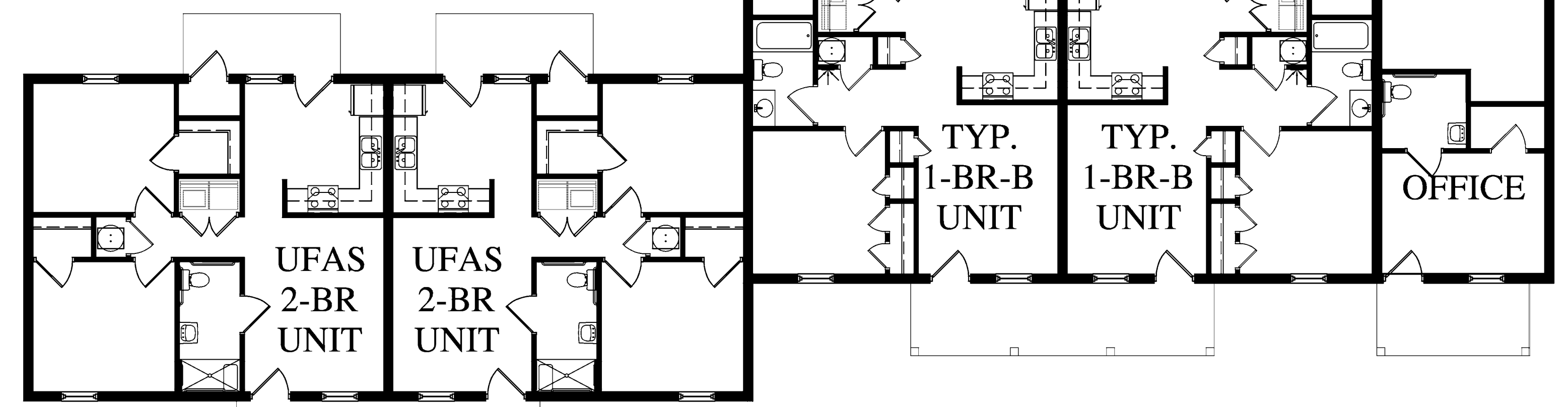
RENOVATED BUILDING "B" FLOOR PLAN  
SCALE: 1/8" = 1'-0"



RENOVATED BUILDINGS "C, D, F, H & I" FIRST FLOOR PLAN  
SCALE: 1/8" = 1'-0"



RENOVATED BLDG "G" FLOOR PLAN  
SCALE: 1/8" = 1'-0"



RENOVATED BUILDING "E" FLOOR PLAN  
SCALE: 1/8" = 1'-0"

PRELIMINARY NOT FOR CONSTRUCTION, RECORDING PURPOSES OR IMPLEMENTATION

YESTER OAKS APARTMENTS RENOVATION  
LAFAYETTE, WALKER COUNTY, GEORGIA

Wallace ARCHITECTS, L.L.C.  
Columbia, IVJ  
P 572-256-7200

WALLACE ARCHITECTS, L.L.C.

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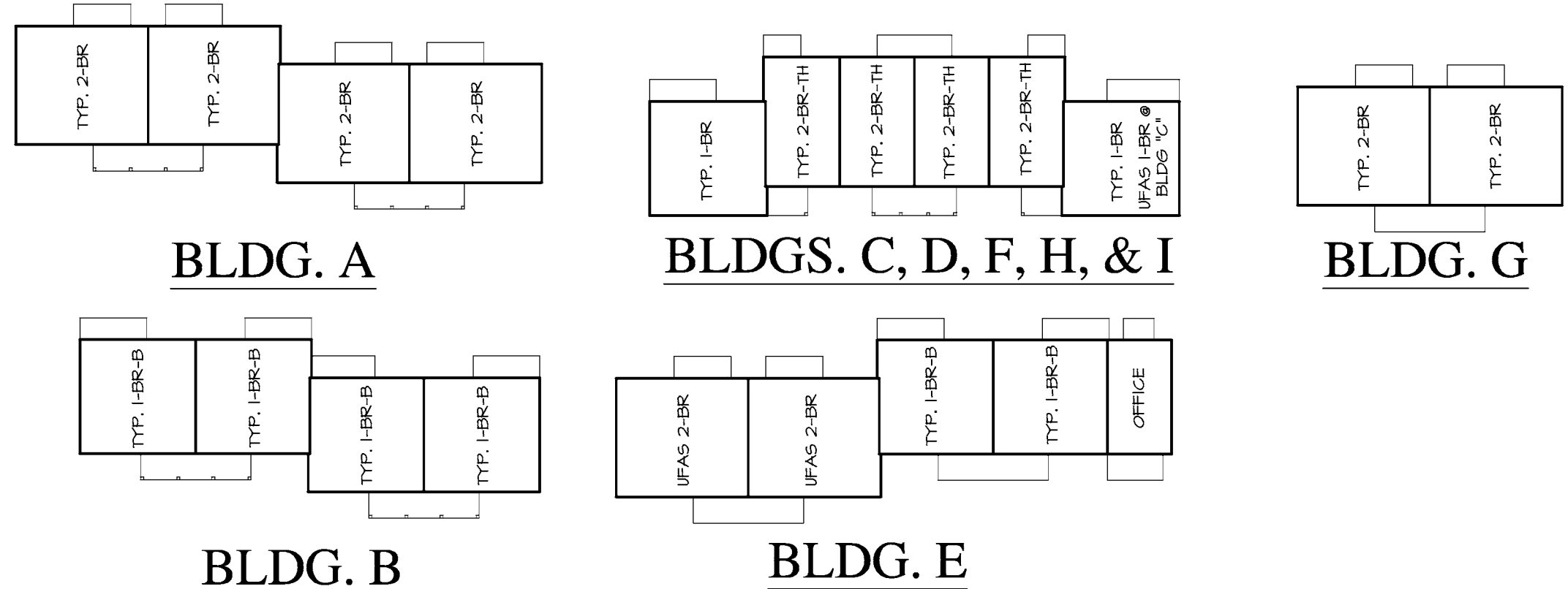
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PRELIMINARY NOT FOR CONSTRUCTION, RECORDING PURPOSES OR IMPLEMENTATION

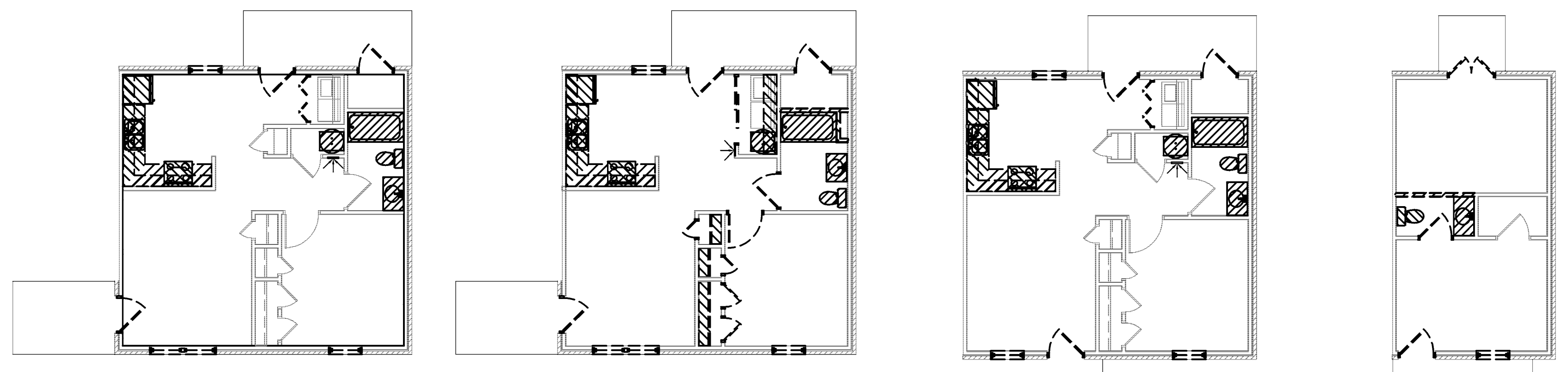
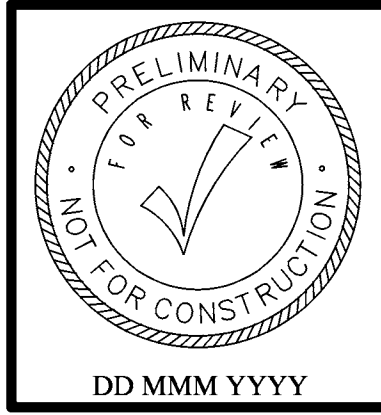
- NOTES**
- INTERIOR CASING TRIM TO BE REPLACED @ ALL REPLACED DOORS.
  - WOOD BASE TO BE INCLUDED AT ALL NEW AND/OR RELOCATED DOORS WALLS.
  - EXISTING BATHROOM VENT COVERS ARE TO BE REMOVED AND REPLACED THROUGHOUT.

- LEGEND**
- [Symbol] = EXISTING WINDOWS, HALLS, PLUMBING FIXTURES, KITCHEN MILLWORK ETC.
  - [Symbol] = EXISTING DOORS
  - [Symbol] = WINDOWS, HALLS, PLUMBING FIXTURES, KITCHEN MILLWORK ETC. TO BE REMOVED, SEE WINDOW SCHEDULE FOR EXTENT OF WINDOW DEMOLITION REQUIRED.
  - [Symbol] = DOORS TO BE REMOVED
  - [Symbol] = NEW FLOOR SLAB
  - [Symbol] = NEW CONCRETE
  - [Symbol] = NEW WINDOWS, PLUMBING FIXTURES, KITCHEN MILLWORK ETC.
  - [Symbol] = NEW WALLS
  - [Symbol] = NEW DOORS

**BLDG. KEY**



**NOTE:**  
CONTRACTOR SHALL FIELD VERIFY ALL DIMENSIONS AND MEASUREMENTS.

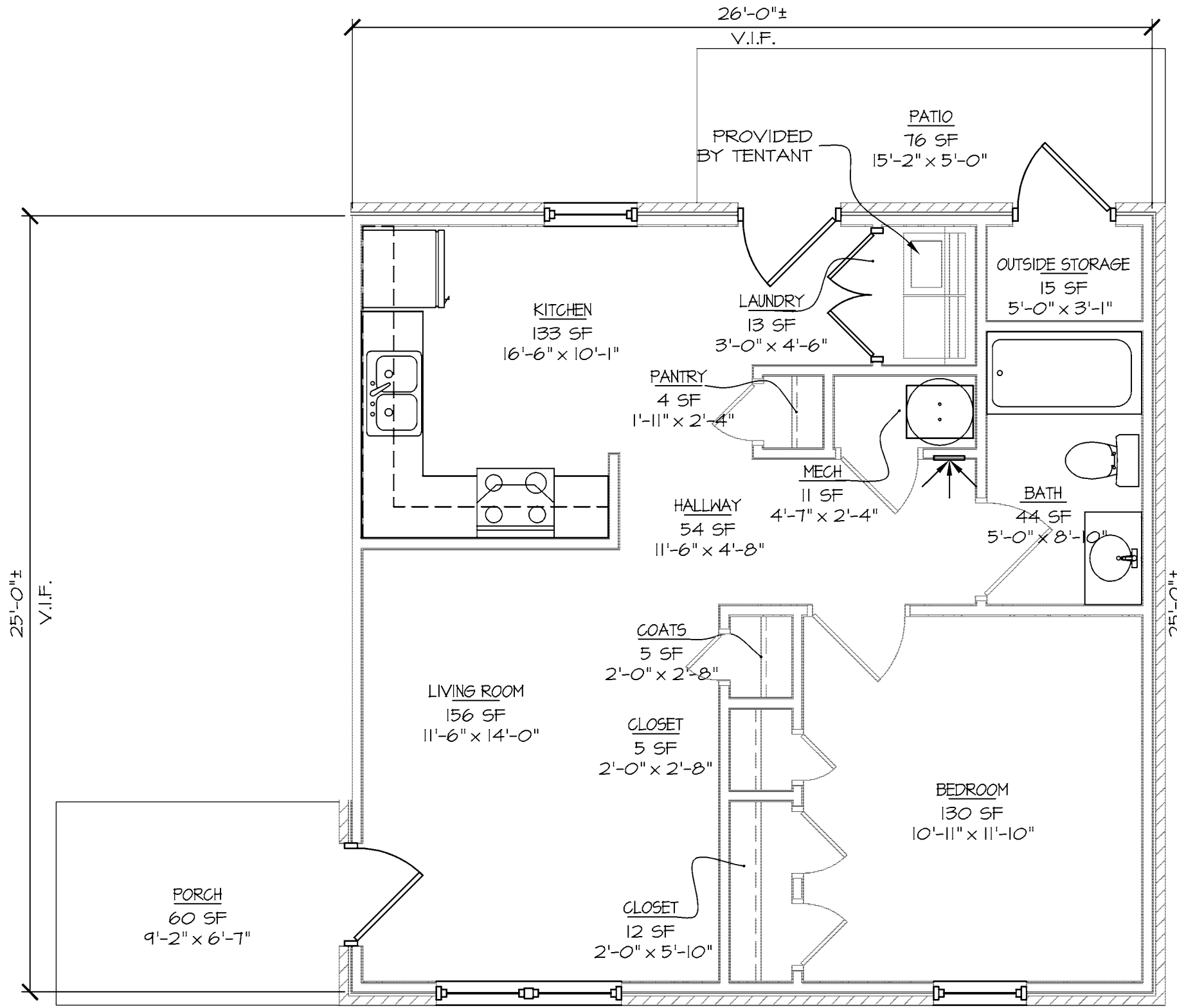


**DEMO TYP. 1-BR FLOOR PLAN**  
SCALE: 1/8" = 1'-0"

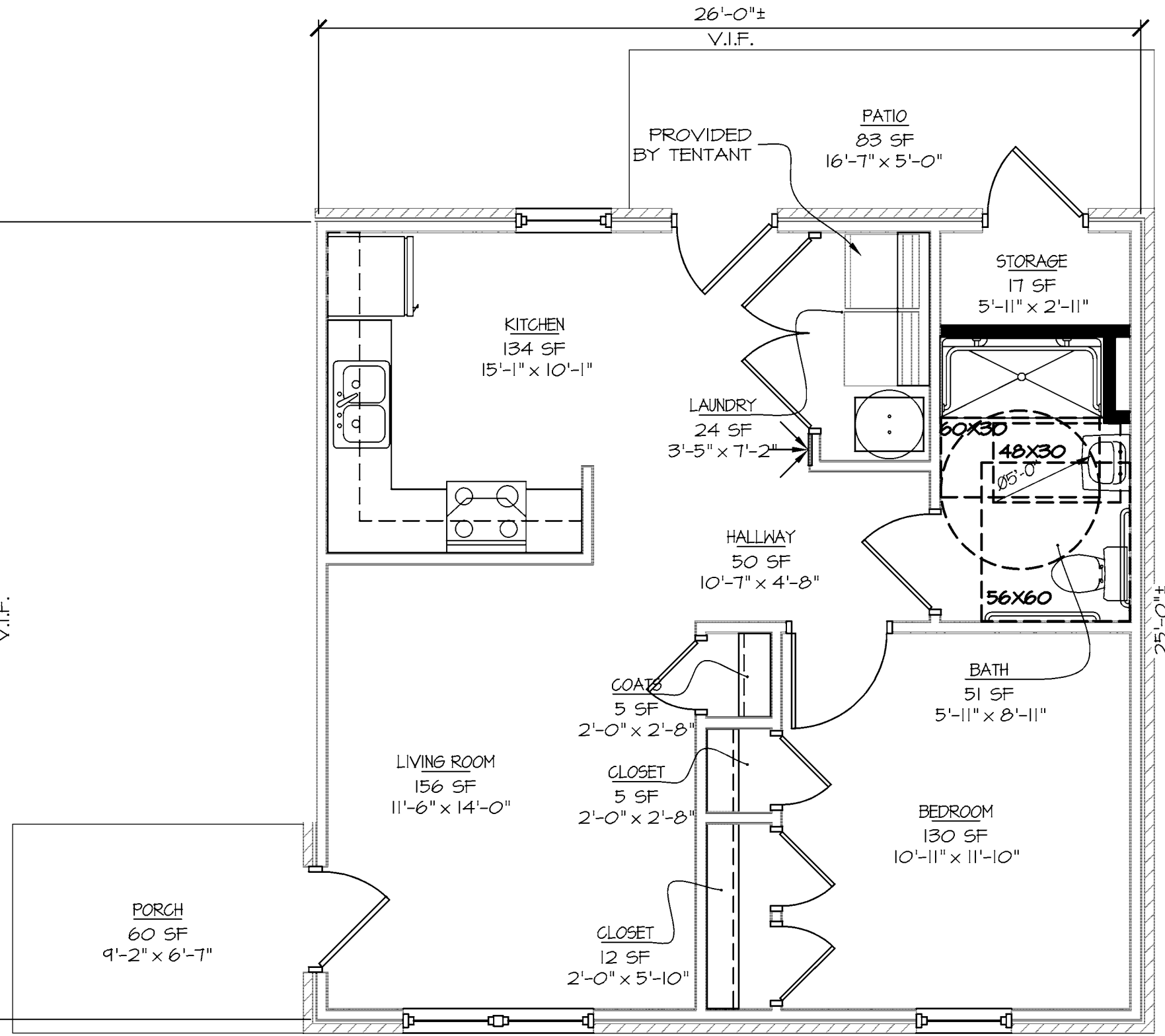
**DEMO UFAS 1-BR FLOOR PLAN**  
SCALE: 1/8" = 1'-0"

**DEMO TYP. 1-BR-B FLOOR PLAN**  
SCALE: 1/8" = 1'-0"

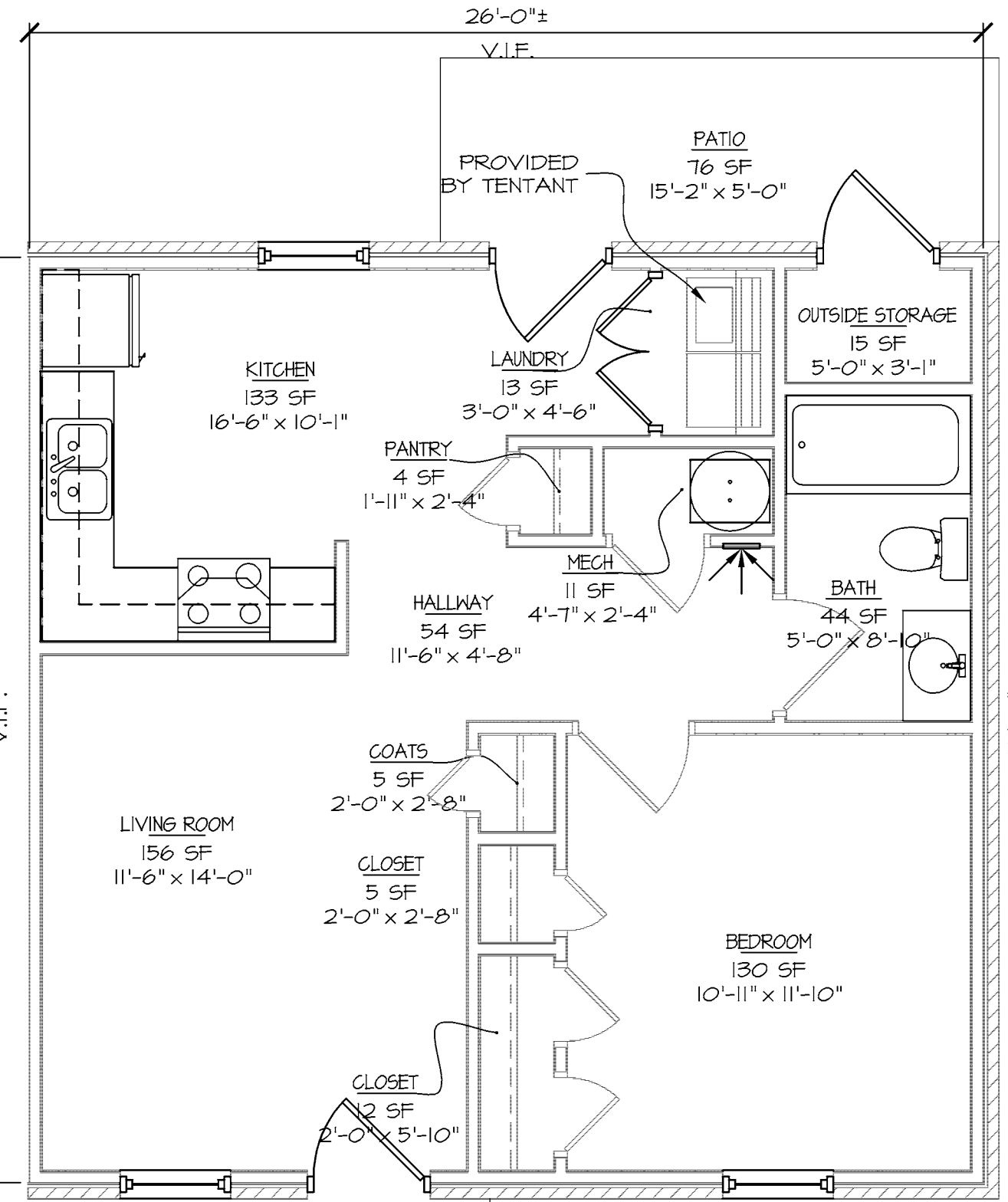
**DEMO OFFICE FLOOR PLAN**  
SCALE: 1/8" = 1'-0"



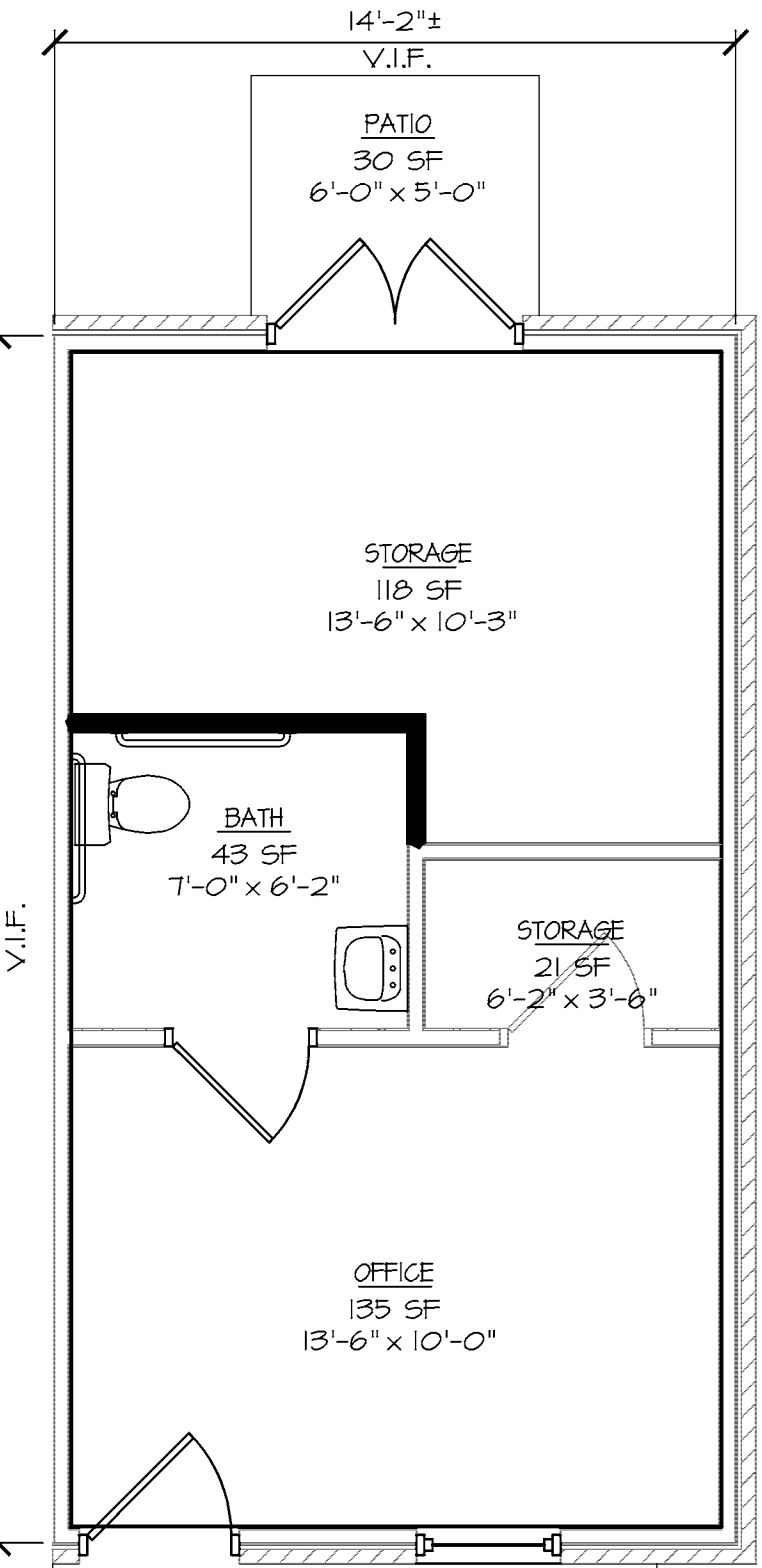
**RENOVATED TYP. 1-BR FLOOR PLAN**  
SCALE: 1/4" = 1'-0"



**CONVERTED UFAS 1-BR FLOOR PLAN**  
SCALE: 1/4" = 1'-0"



**RENOVATED TYP. 1-BR-B FLOOR PLAN**  
SCALE: 1/4" = 1'-0"



**RENOVATED OFFICE FLOOR PLAN**  
SCALE: 1/4" = 1'-0"

**YESTER OAKS APARTMENTS RENOVATION**  
LAFAYETTE, WALKER COUNTY, GEORGIA



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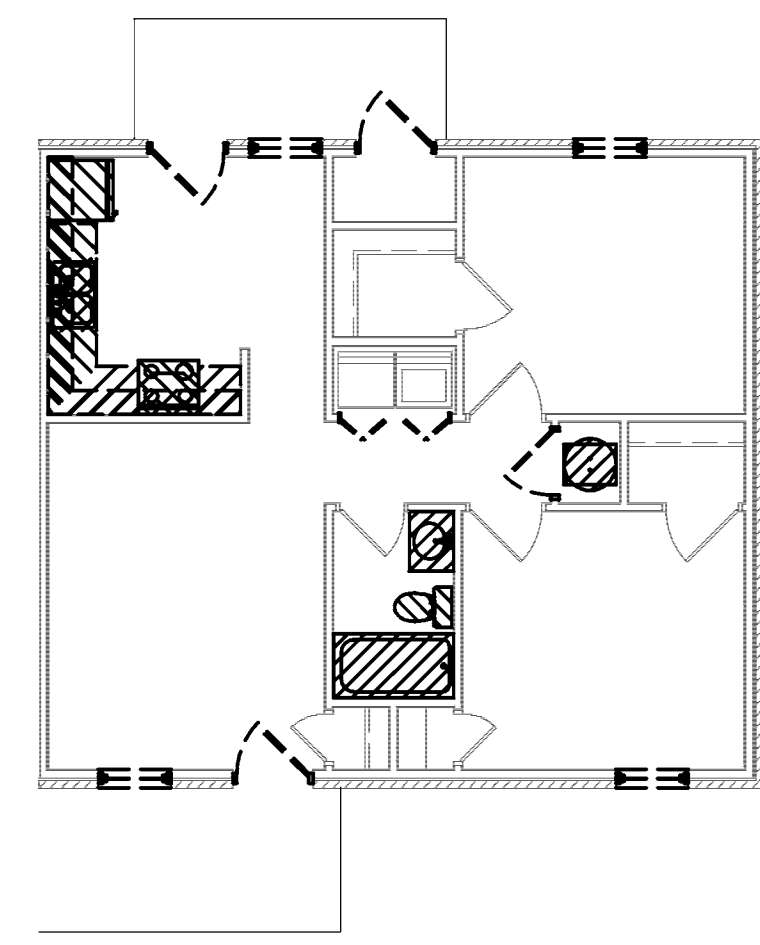
PRELIMINARY NOT FOR CONSTRUCTION, RECORDING PURPOSES OR IMPLEMENTATION

**NOTES**

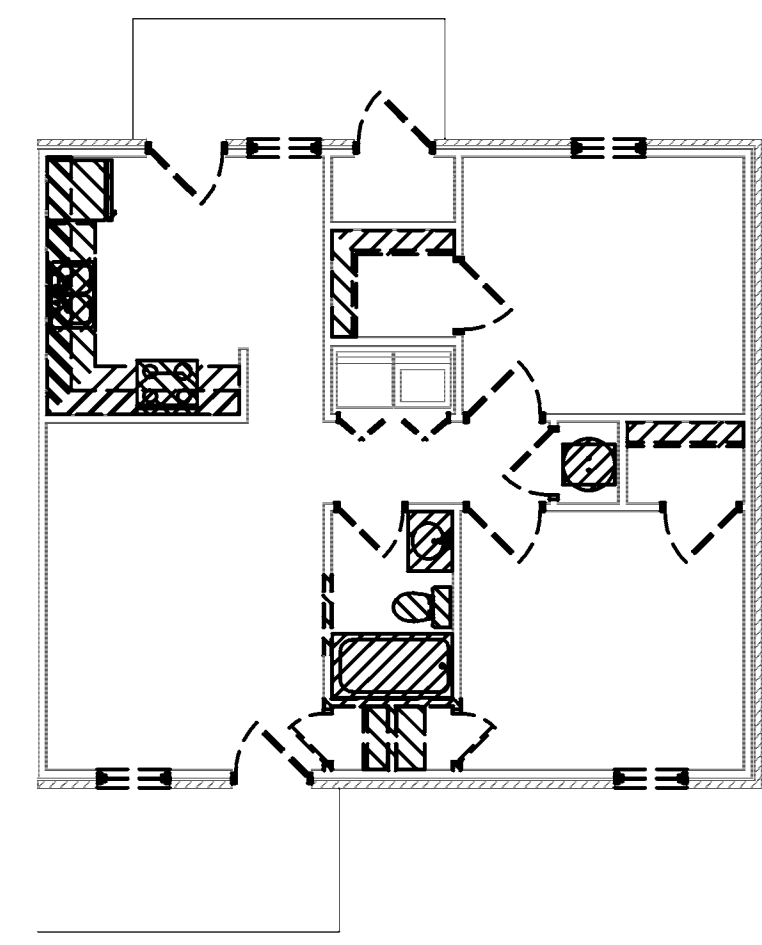
- INTERIOR CASING TRIM TO BE REPLACED @ ALL REPLACED DOORS.
- WOOD BASE TO BE INCLUDED AT ALL NEW AND/OR RELOCATED DOORS WALLS.
- EXISTING BATHROOM VENT COVERS ARE TO BE REMOVED AND REPLACED THROUGHOUT.

**LEGEND**

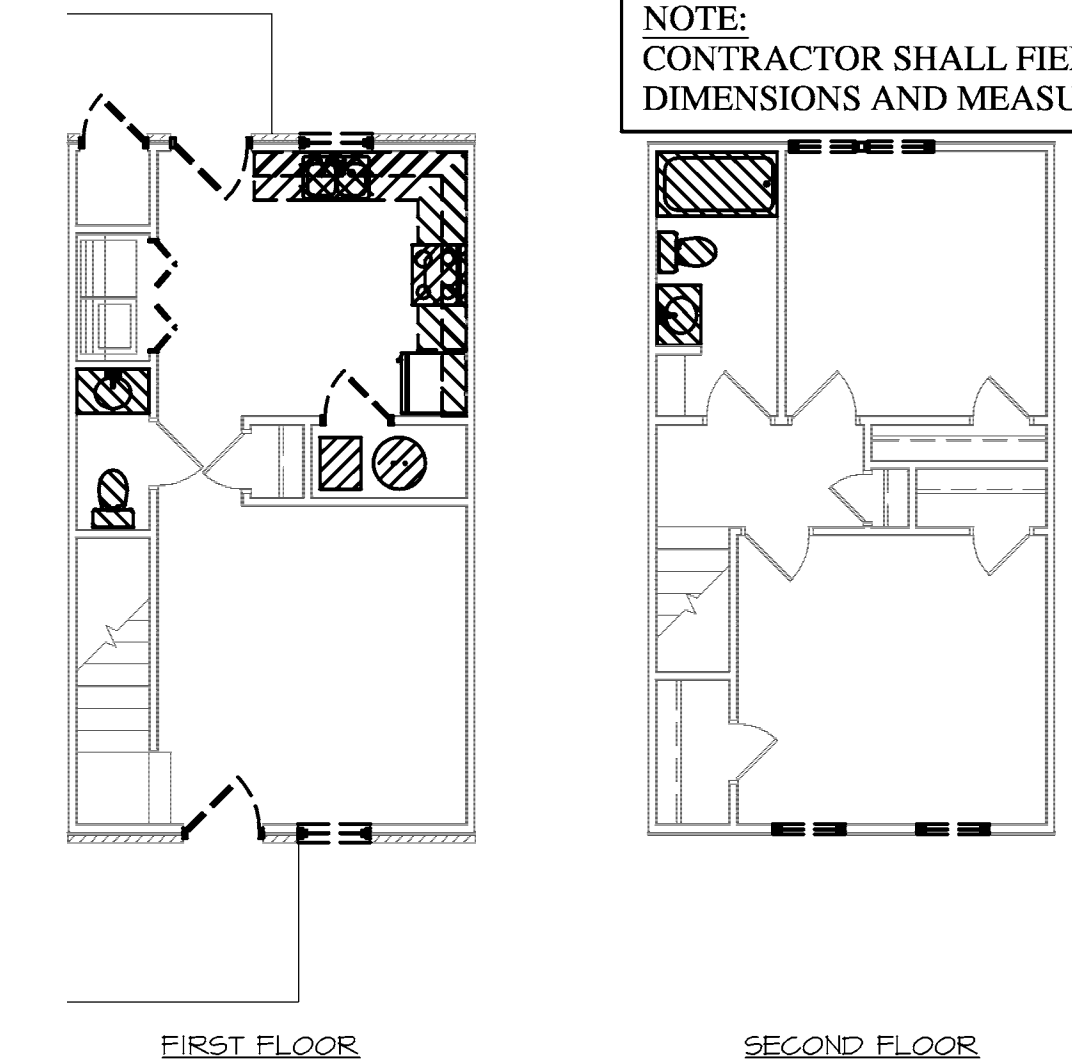
- EXISTING WINDOWS, WALLS, PLUMBING FIXTURES, KITCHEN MILLWORK ETC.
- EXISTING DOORS
- WINDOWS, WALLS, PLUMBING FIXTURES, KITCHEN MILLWORK ETC. TO BE REMOVED. SEE WINDOW SCHEDULE FOR EXTENT OF WINDOW DEMOLITION REQUIRED.
- DOORS TO BE REMOVED
- NEW FLOOR SLAB
- NEW CONCRETE
- NEW WINDOWS, PLUMBING FIXTURES, KITCHEN MILLWORK ETC.
- NEW WALLS
- NEW DOORS



DEMO TYP.  
2-BR FLOOR PLAN  
SCALE: 1/8" = 1'-0"

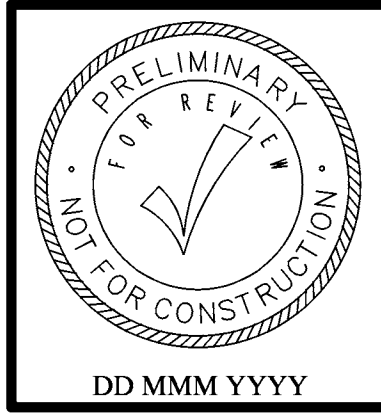


DEMO UFAS  
2-BR FLOOR PLAN  
SCALE: 1/8" = 1'-0"



DEMO TYP. 2-BR-TH FLOOR PLAN  
SCALE: 1/8" = 1'-0"

NOTE:  
CONTRACTOR SHALL FIELD VERIFY ALL DIMENSIONS AND MEASUREMENTS.



YESTER OAKS APARTMENTS RENOVATION  
LAFAYETTE, WALKER COUNTY, GEORGIA

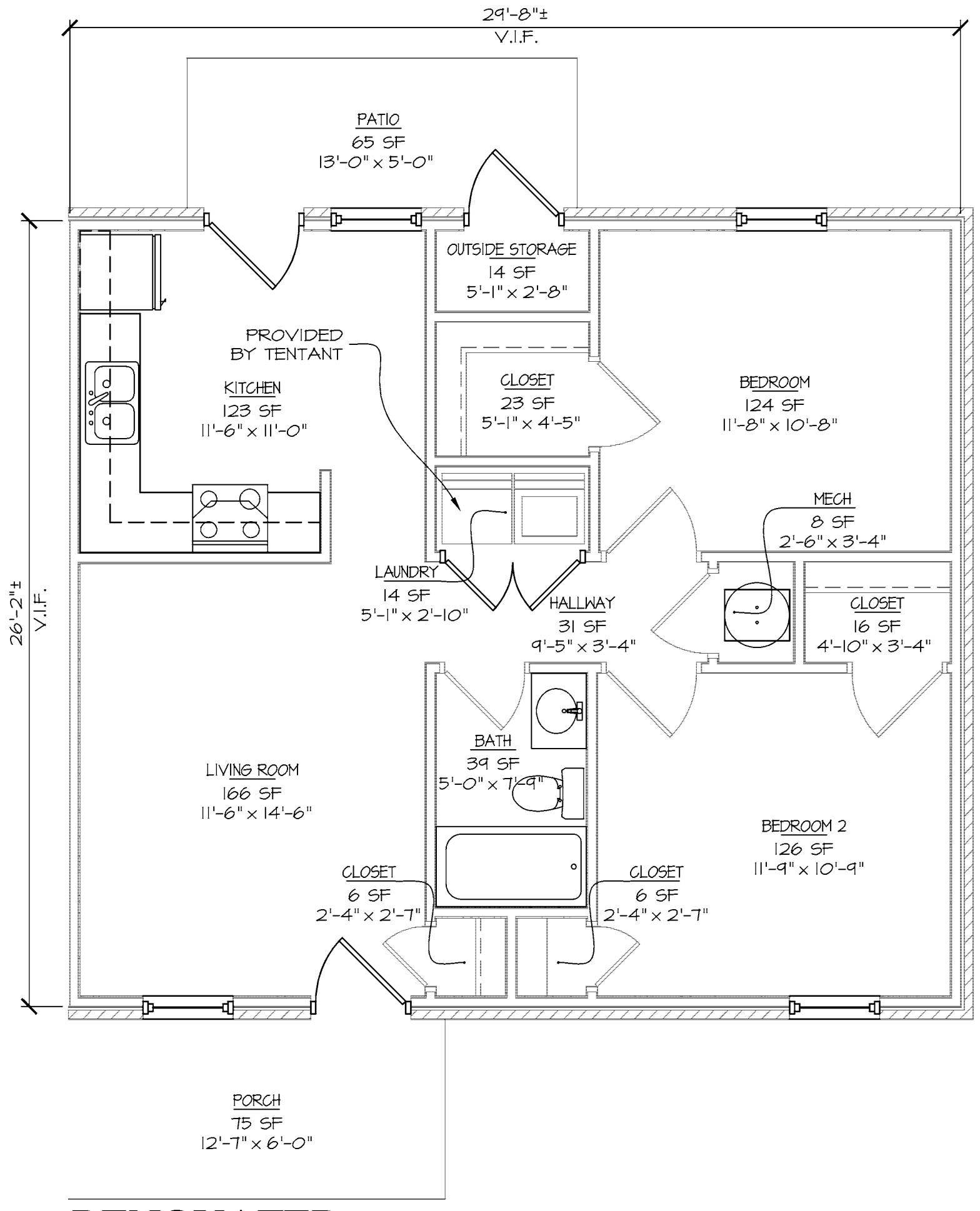


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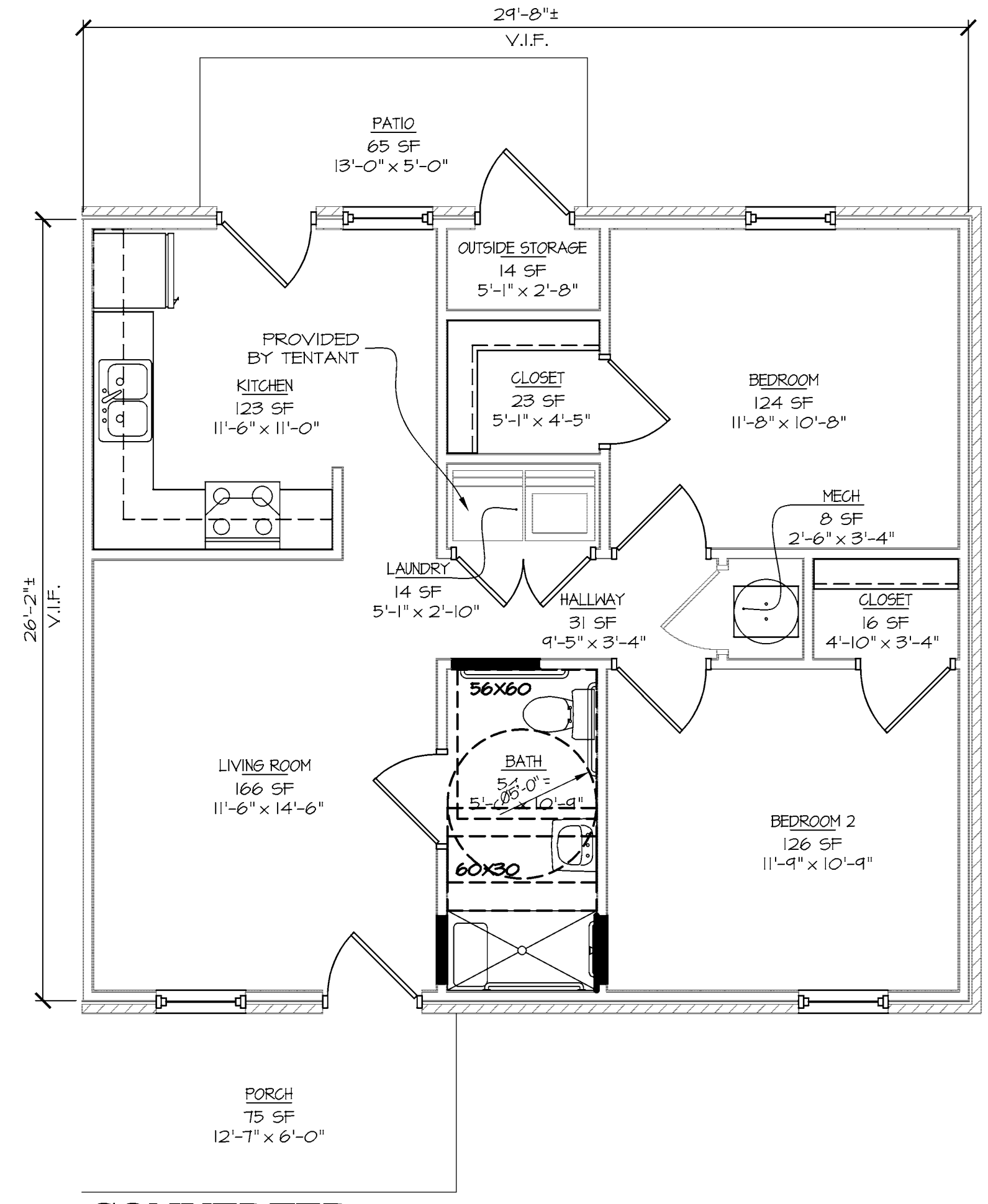
REVISIONS

SHEET NO.  
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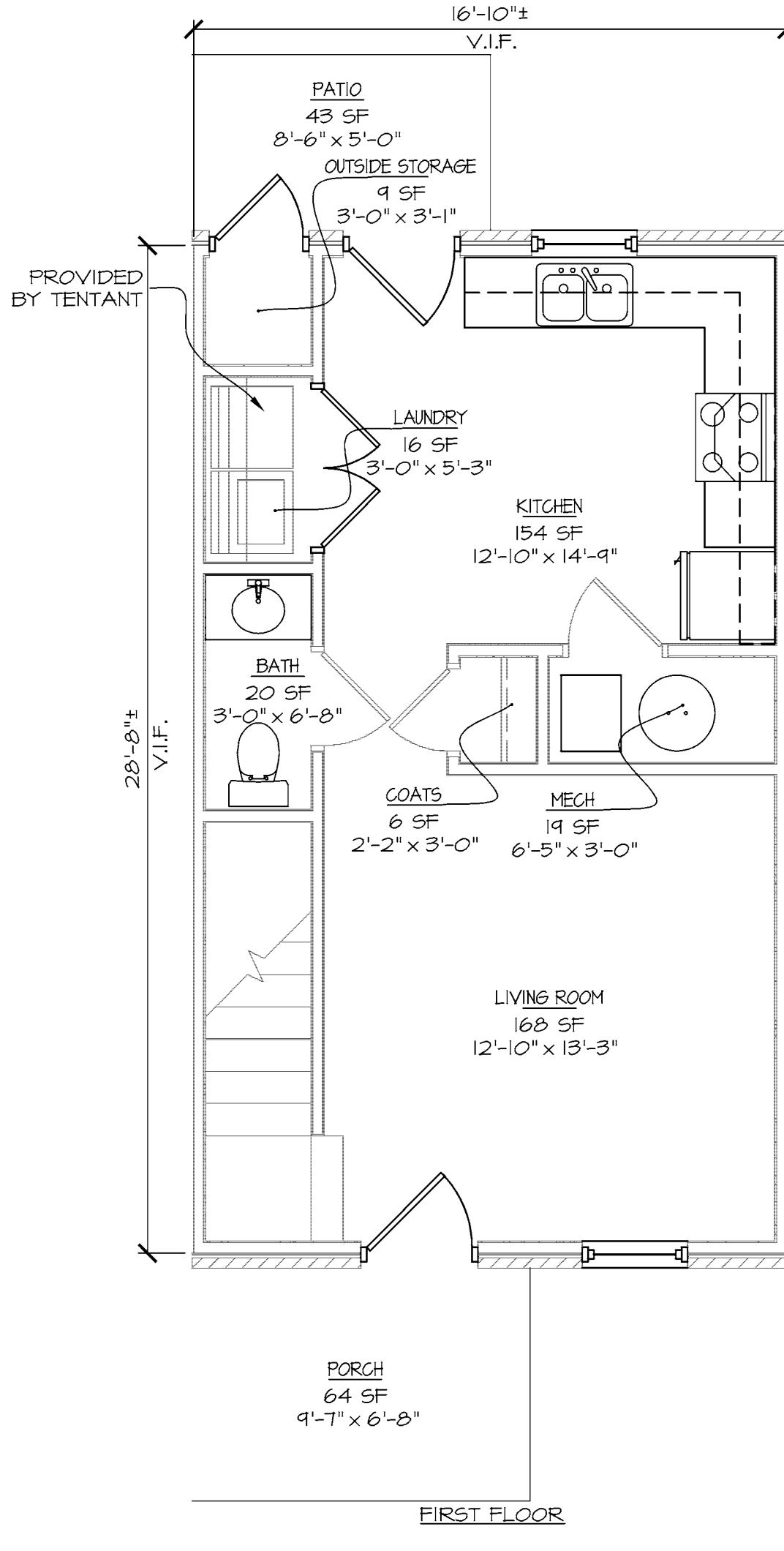
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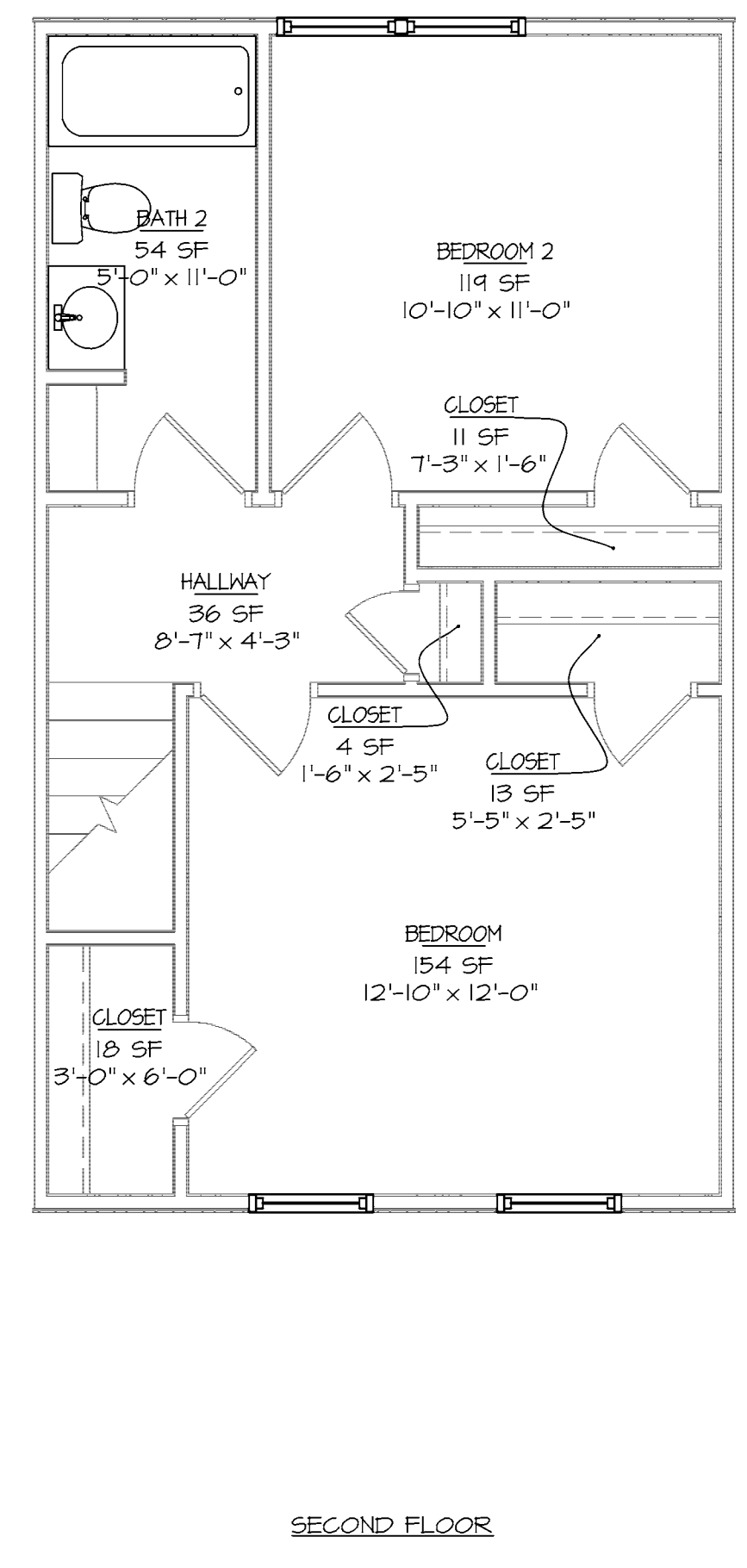
RENOVATED  
TYP. 2-BR FLOOR PLAN  
SCALE: 1/4" = 1'-0"



CONVERTED  
UFAS 2-BR FLOOR PLAN  
SCALE: 1/4" = 1'-0"



RENOVATED TYP. 2-BR-TH FLOOR PLAN  
SCALE: 1/4" = 1'-0"



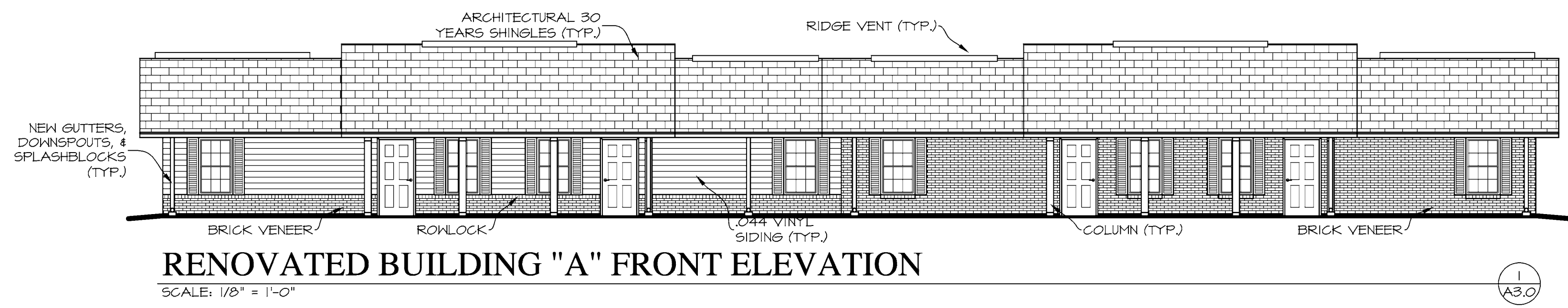
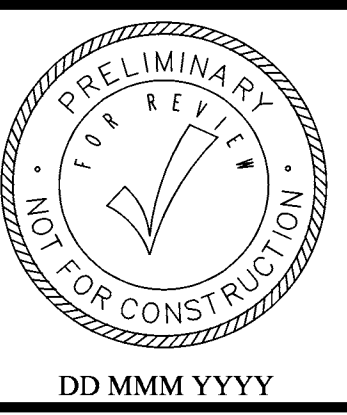
SECOND FLOOR

REVIEW SET

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NOTE:  
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RENOVATED BUILDING "A" FRONT ELEVATION

SCALE: 1/8" = 1'-0"

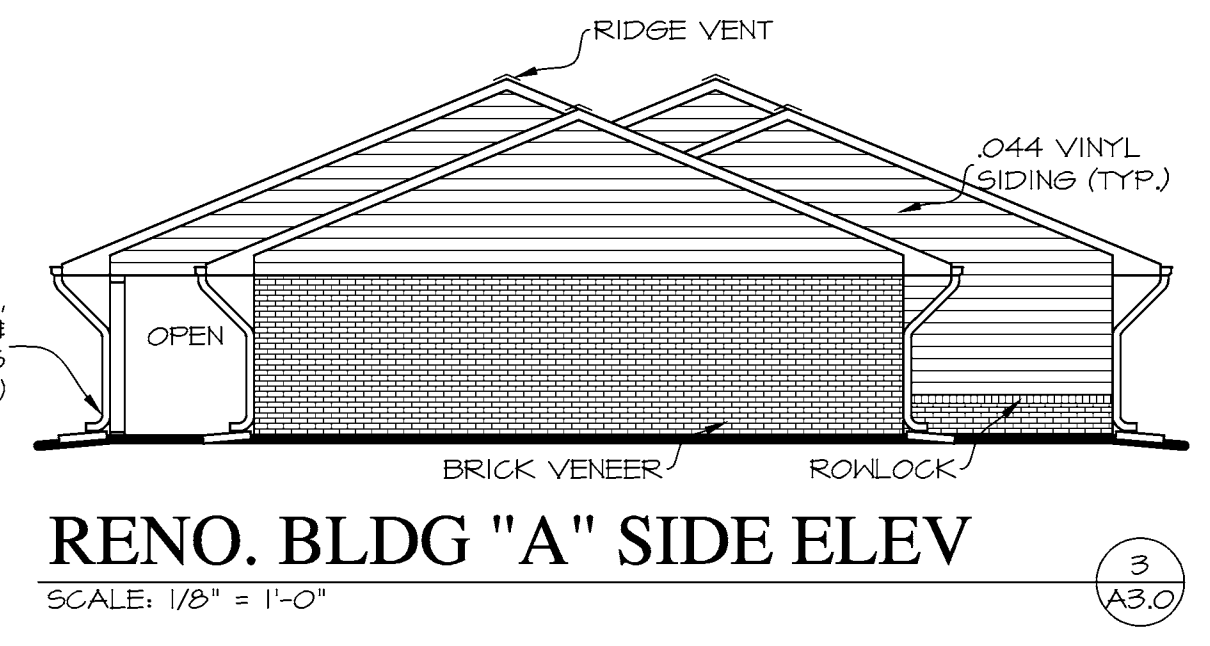
1  
A3.0



RENOVATED BUILDING "A" REAR ELEVATION

SCALE: 1/8" = 1'-0"

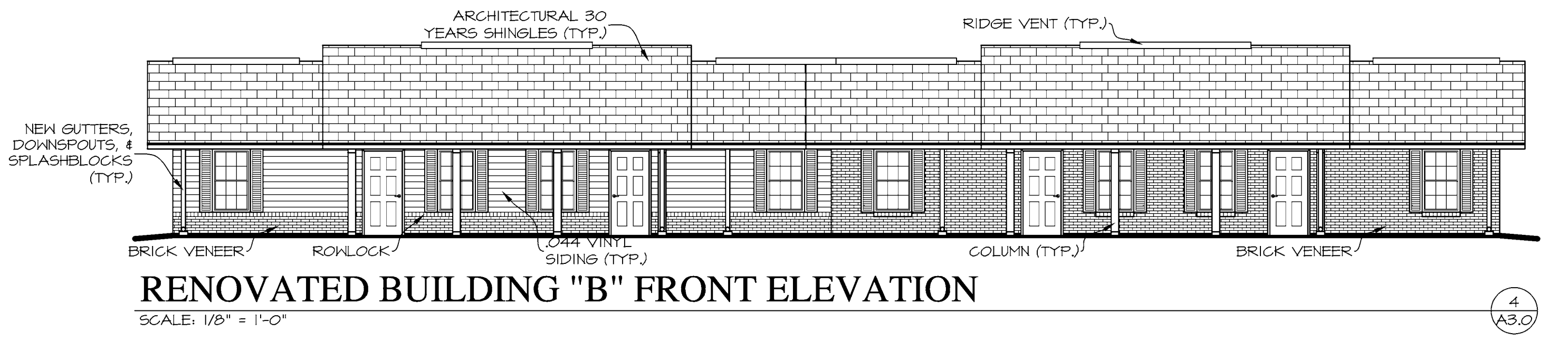
2  
A3.0



RENO. BLDG "A" SIDE ELEV

SCALE: 1/8" = 1'-0"

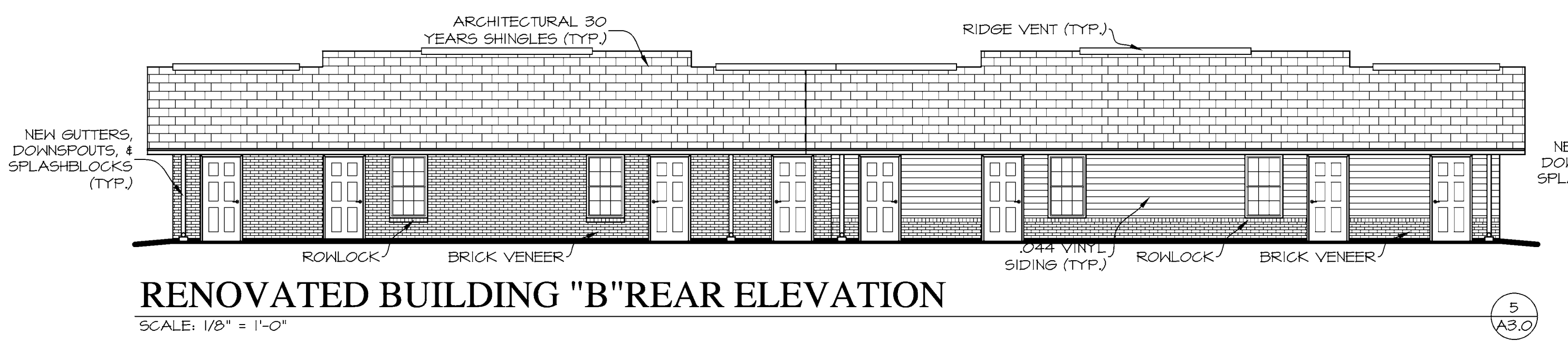
3  
A3.0



RENOVATED BUILDING "B" FRONT ELEVATION

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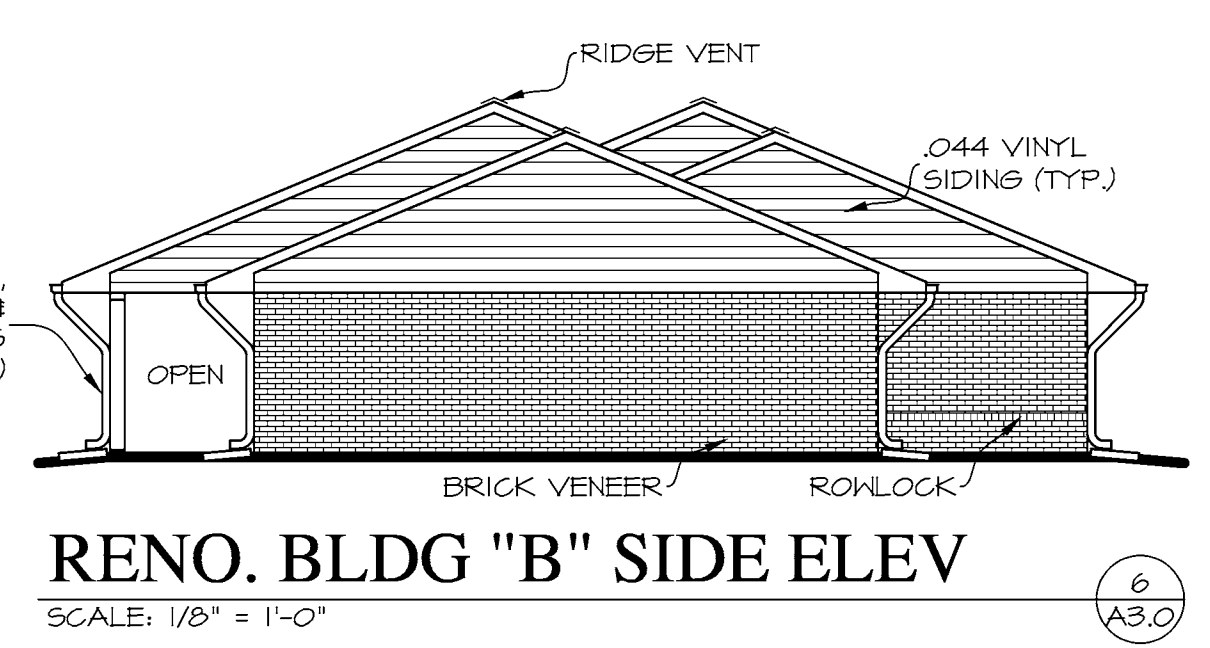
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A3.0



RENOVATED BUILDING "B" REAR ELEVATION

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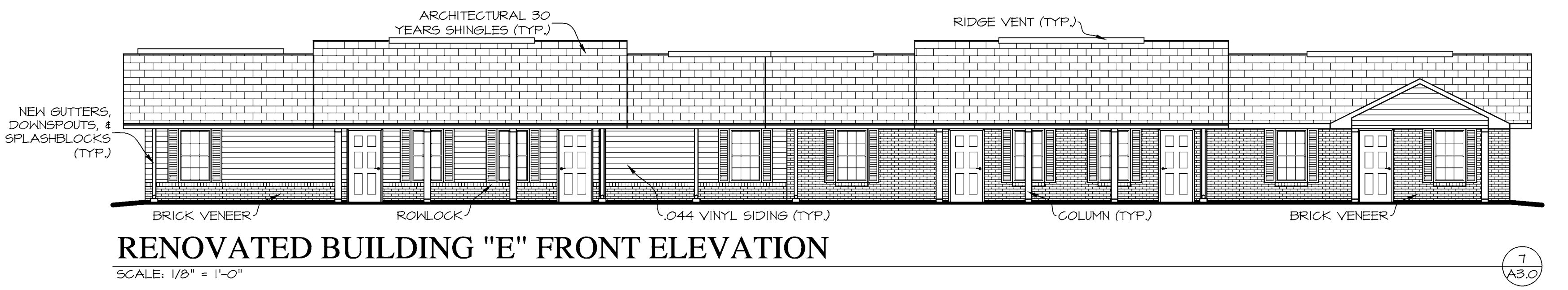
5  
A3.0



RENO. BLDG "B" SIDE ELEV

SCALE: 1/8" = 1'-0"

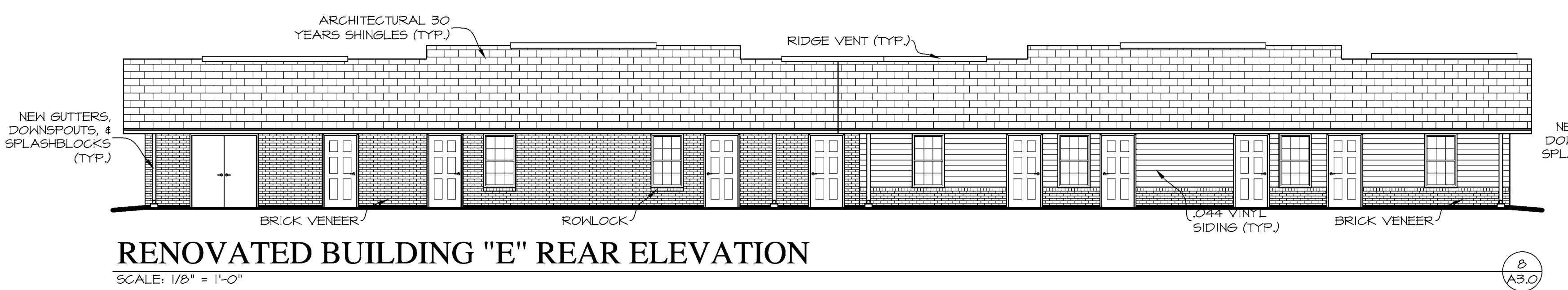
6  
A3.0



RENOVATED BUILDING "E" FRONT ELEVATION

SCALE: 1/8" = 1'-0"

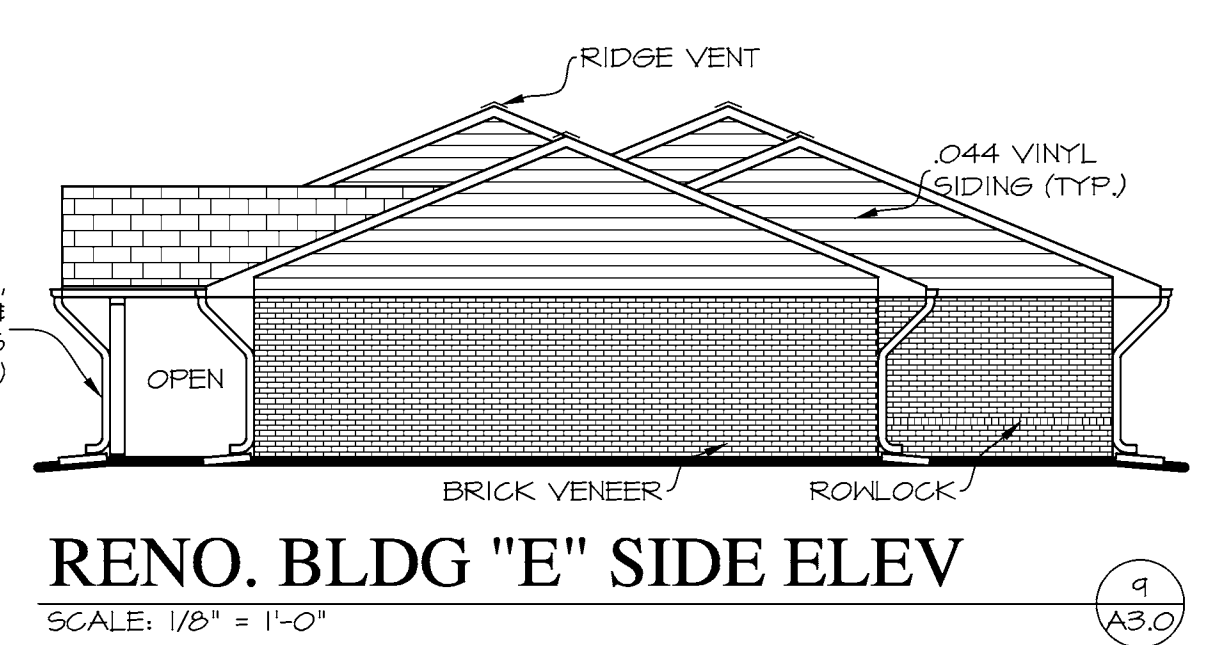
7  
A3.0



RENOVATED BUILDING "E" REAR ELEVATION

SCALE: 1/8" = 1'-0"

8  
A3.0



RENO. BLDG "E" SIDE ELEV

SCALE: 1/8" = 1'-0"

9  
A3.0

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YESTER OAKS APARTMENTS RENOVATION  
LAFAYETTE, WALKER COUNTY, GEORGIA

Wallace  
ARCHITECTS, L.L.C.  
Columbia, IVU  
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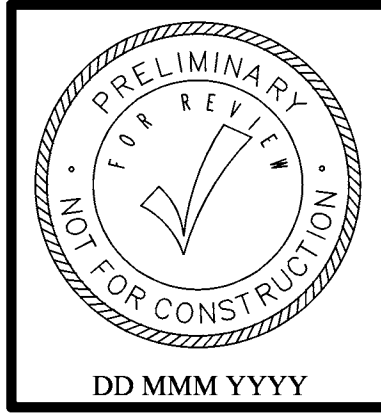
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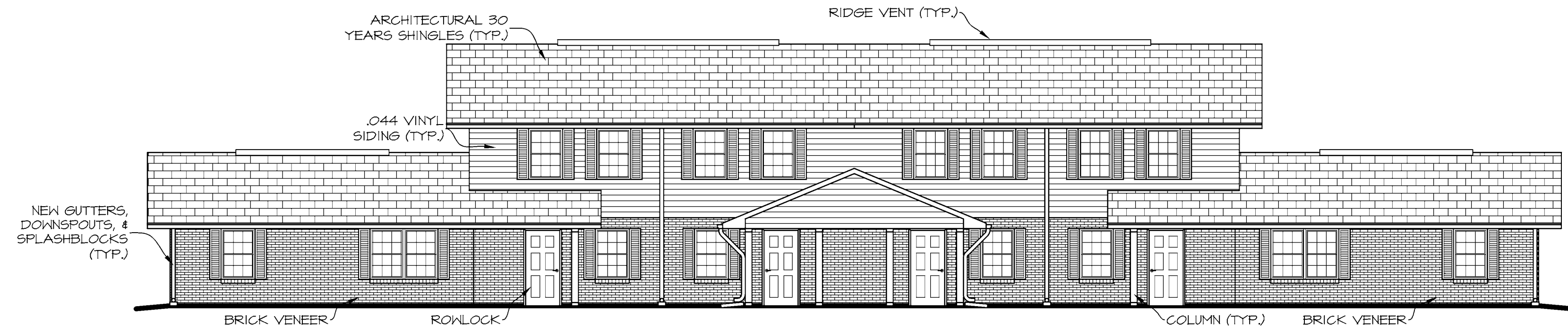
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NOTE:  
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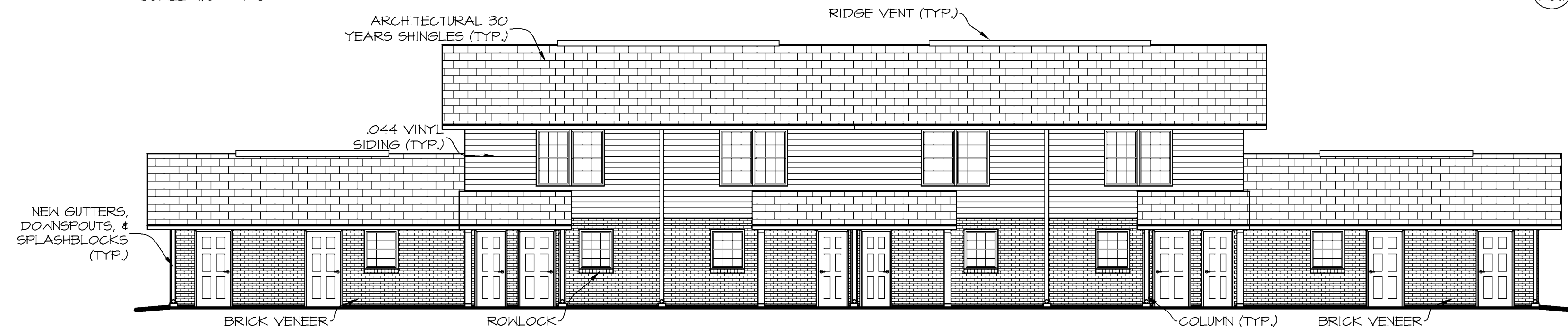
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RENOVATED BUILDING "I" FRONT ELEVATION

SCALE: 1/8" = 1'-0"

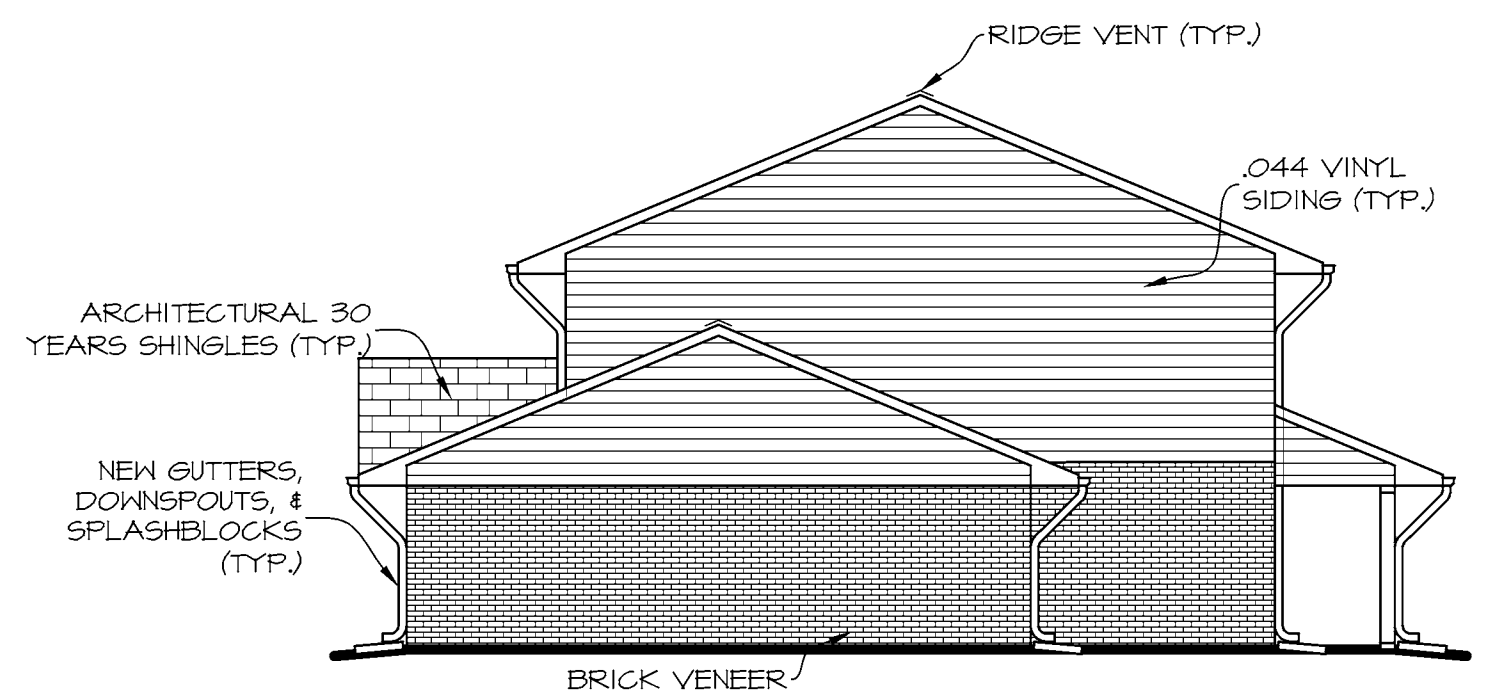
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RENOVATED BUILDING "I" REAR ELEVATION

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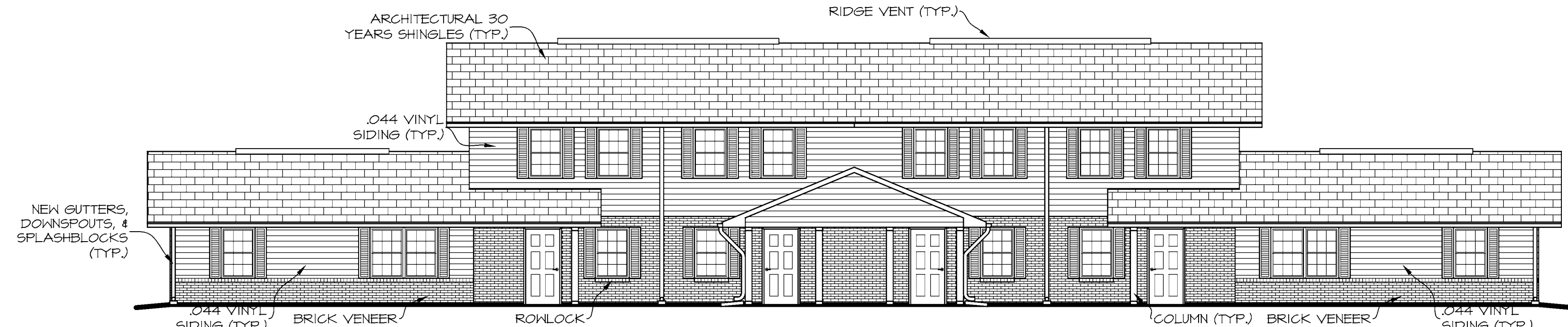
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RENOVATED BUILDING "I" SIDE ELEV

SCALE: 1/8" = 1'-0"

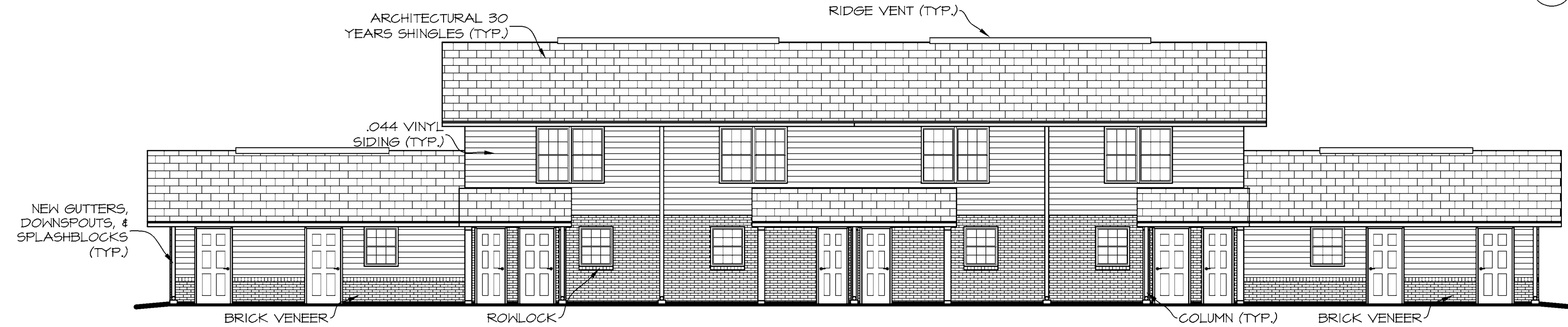
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RENOVATED BUILDINGS "C, D, F & H" FRONT ELEVATION

SCALE: 1/8" = 1'-0"

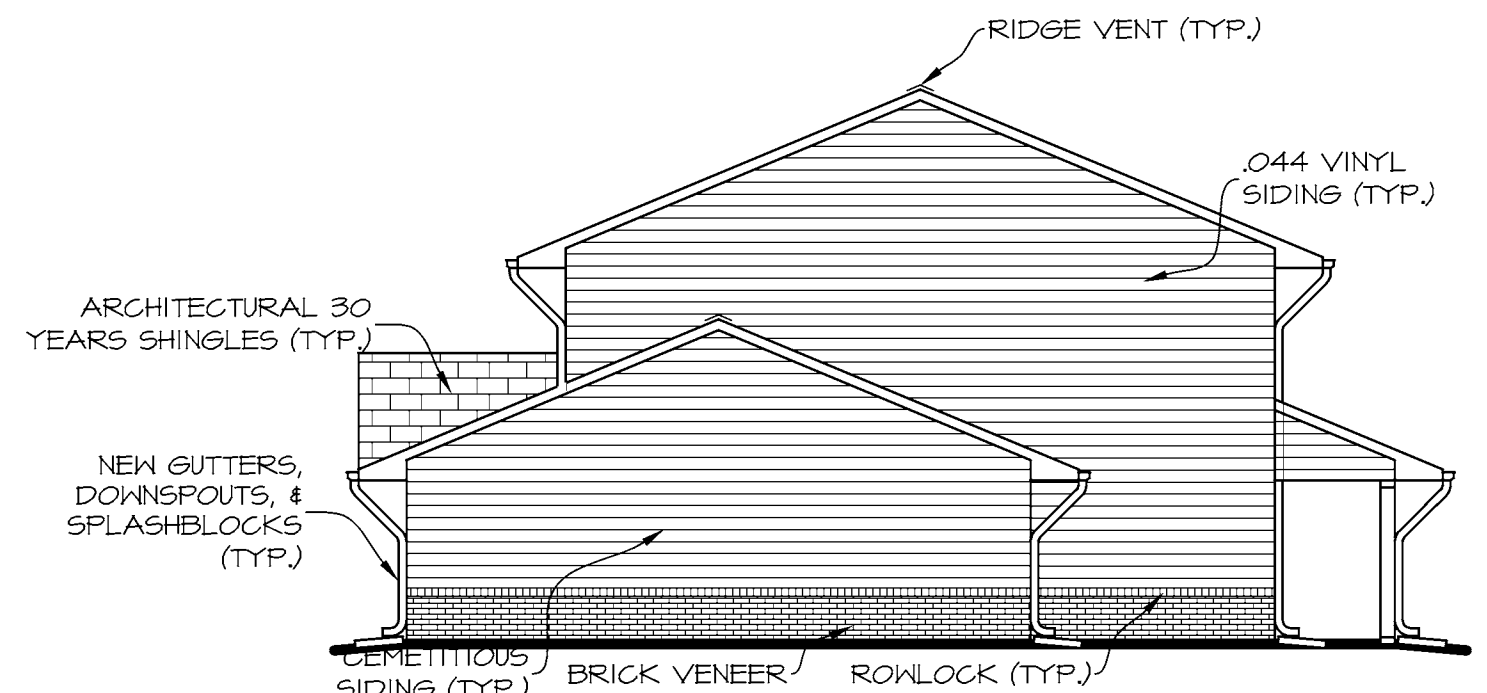
4  
A3.1



RENOVATED BUILDINGS "C, D, F & H" REAR ELEVATION

SCALE: 1/8" = 1'-0"

5  
A3.1



RENO BLDGS "C, D, F & H" SIDE ELEV

SCALE: 1/8" = 1'-0"

6  
A3.1

YESTER OAKS APARTMENTS RENOVATION  
LAFAYETTE, WALKER COUNTY, GEORGIA

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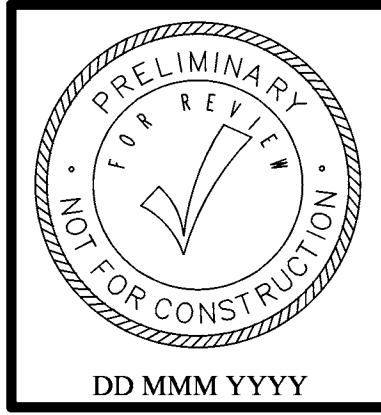
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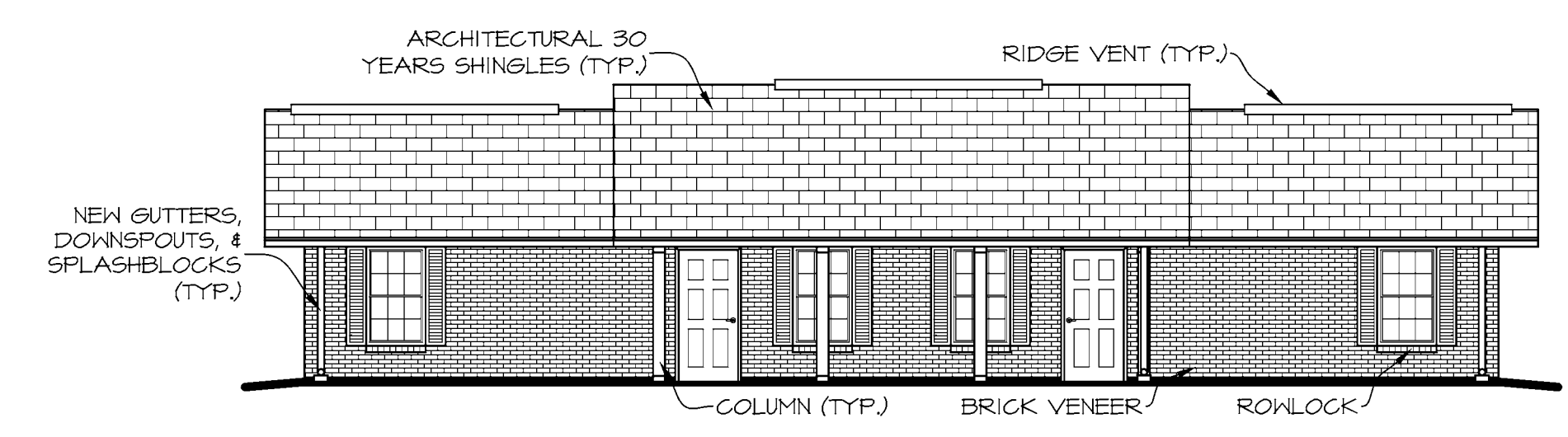
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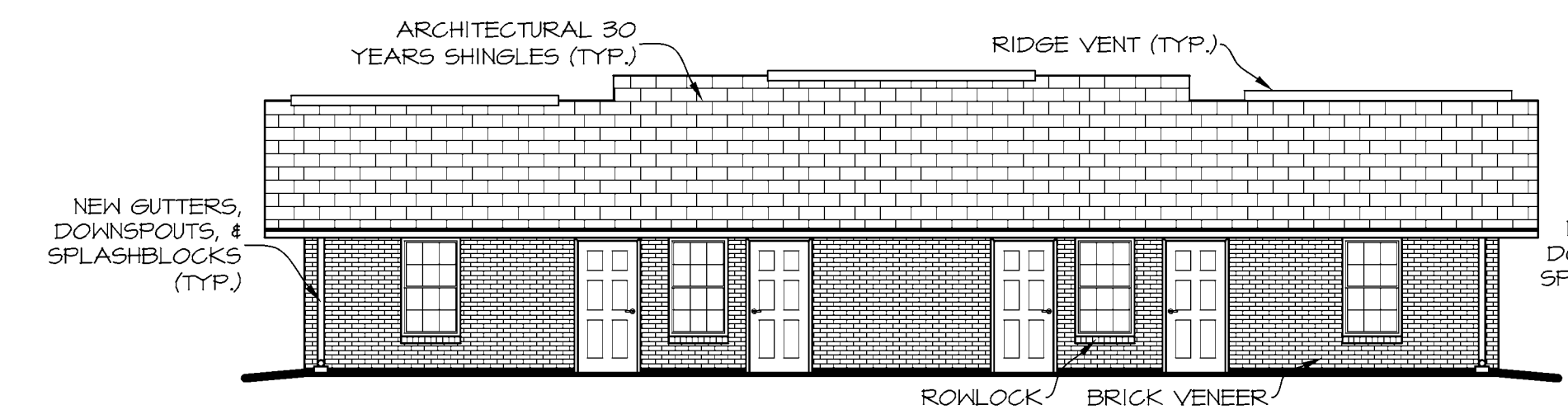
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PRELIMINARY NOT FOR CONSTRUCTION, RECORDING PURPOSES OR IMPLEMENTATION

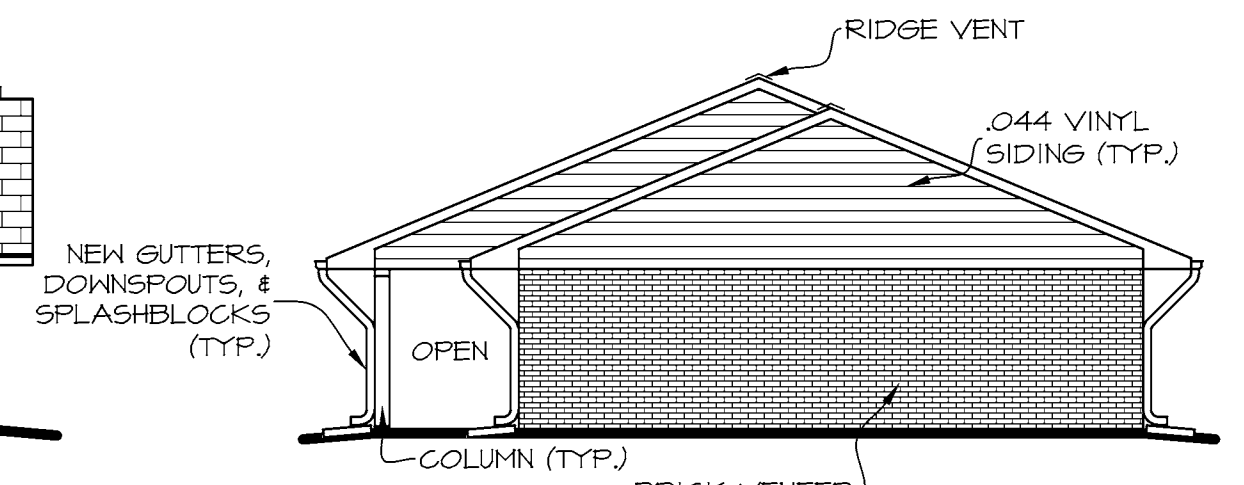
YESTER OAKS APARTMENTS RENOVATION  
LAFAYETTE, WALKER COUNTY, GEORGIA



RENO BUILDING "G" FRONT ELEVATION  
SCALE: 1/8" = 1'-0"



RENO BUILDING "G" REAR ELEVATION  
SCALE: 1/8" = 1'-0"



RENO. BLDG "G" SIDE ELEV  
SCALE: 1/8" = 1'-0"

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Section 29-50. - Use, Area, Yard, and Height Requirements.

DIS-TRICTS	PERMITTED USES	CONDITIONAL USE	MINIMUM LOT SIZE		LOT COV-ERAGE	MAX-IMUM BUILDING HEIGHT	MINIMUM YARD DIMENSIONS		
			Area (Sq. Ft.)	Width (Feet)	% of Total (Lot)	(Stories)	Front (Feet)	Side (Feet)	Rear (Feet)
29-50.5 B-2 Commercial	Food Processing (except meat, fish or fowl)						30	10	25
	Tourist Court or Motel						30	10	25
	Feed Store						30	20	25
	Multiple-Dwelling Units		See Note 1	See Note 1	40	3	30	10	25
	Auto Repair and Garage (except auto storage)						30	10	25
		Planned Shopping Center	3 acres				50	20	50
		Mobile Home Park							
	Churches								
	Filling Station						30	10	25
		Fuel Storage					30	20	25

		Rooming House							
		Advertising Sign							
		Nursery School/Kindergarten							
	Automobile Sales and Service	Single Family Dwelling-Home Occupation							
		Borrow pit							
	Single-Family Residence (provided the currently existing structure was used as a single-family residence at the time of the passage of the Zoning Ordinance of LaFayette, Georgia, on October 14, 1974)								
	Dwelling, Upstairs	One bedroom efficiency	Min. Sq. Ft. 600; Max No. Occupants-2; Max No. Vehicles-2						
		Two bedroom unit	Min. Sq. Ft. 800; Max No. Occupants-4; Max No. Vehicles-3						







- (16) *Dwelling, Multiple-Family*: A building or portion thereof designed or altered to provide dwelling units for three (3) or more families.
- a. *Dwelling, Upstairs*: A portion of a building which is:
- (1) Designed or altered, and used for residential occupancy; and
  - (2) Located above the street level story of a building that is located and operating as a permitted use in either a B-1 Commercial District (Central Business District) or a B-2 Commercial District (General Business District). No pets shall be permitted in any upstairs dwelling. (Ord. No. 08-7, § 1, 4-14-2008)



**MAP DATA**

FEMA Special Flood Hazard Area: **No**  
 Map Number: **13295C0182D**  
 Zone: **X**  
 Map Date: **September 05, 2007**  
 FIPS: **13295**

**MAP LEGEND**

- |  |   |
|--|---|
|  Areas inundated by 500-year flooding |  Protected Areas |
|  Areas inundated by 100-year flooding |  Floodway        |
|  Velocity Hazard                      |  Subject Area    |

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GORDON POND RD

W NORTH MAIN ST

GENE BAKER RD

130



EXHIBIT "A"

All that tract or parcel of land lying and being in Land Lot 298 of the 8th District and 4th Section of Walker County, Georgia, and being more particularly described as follows:

BEGINNING at the intersection of the southeasterly right of way line of the Central of Georgia Railroad and the east line of Gordon Pond Road (also known as Catlette Gap Road) thence south  $04^{\circ} 54' 34''$  east 75.08 feet to an iron pin found; thence south  $04^{\circ} 55' 35''$  east 266.66 feet along the east right of way of Gordon Pond Road (also known as Catlette Gap Road) to the TRUE POINT OF BEGINNING; thence north  $85^{\circ} 04' 25''$  east 97.44 feet to an iron pin; thence north  $46^{\circ} 19' 50''$  east 295.42 feet to an iron pin; thence south  $53^{\circ} 35' 14''$  east 84.37 feet to an iron pin; thence north  $46^{\circ} 19' 50''$  east 225.0 feet to an iron pin; thence south  $51^{\circ} 16' 15''$  east 262.00 feet to an iron pin on the northwesterly right of way of the Old LaFayette Pike (Old Chattanooga Highway); thence south  $36^{\circ} 31' 52''$  west 469.02 feet along the northwesterly right of way of the Old LaFayette Pike (Old Chattanooga Highway); thence north  $75^{\circ} 28' 35''$  west 472.70 feet to an iron pin located on the easterly right of way of the Gordon Pond Road (also known as Catlette Gap Road); thence north  $4^{\circ} 55' 35''$  west 105.00 feet along the east right of way of Gordon Pond Road (also known as Catlette Gap Road) to the TRUE POINT OF BEGINNING.

The above described property contains 4.80 acres as shown on a plat of survey dated January 24, 1989, prepared by K. C. Campbell, Registered Land Surveyor No. 2256, said plat of survey being incorporated herein by reference.

**SURVEY**

*A survey is not currently available. A site plan has been included in the addendum. Due to the size of this portfolio transaction, and as surveys expire prior to closing, the ALTA Survey will be completed, submitted to the Agency, and approved closer to closing.*



## Crown Appraisal Group

Corporate Office

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

October 19, 2016

Caitlin Waldie  
Development Coordinator  
Greystone Affordable Housing Initiatives, LLC  
4025 Lake Boone Trail, Suite 209  
Raleigh, NC 27607-2986

**RE: Georgia Portfolio**

Dear Amie:

Thank you for considering Crown Appraisal Group (“Crown”) for the appraisal of the referenced property portfolio (“portfolio”). The following details my understanding of your needs and presents our proposal.

### *Assignment*

Crown Appraisal Group will prepare and deliver (scope of analysis as noted in Attachment 7-D to HB-1-3560) individual appraisal reports that provide the specific and separate value types as required. The reports will certify a number of entities – the lender, housing agency, USDA/RD, and the LIHTC syndicator – may rely upon our findings. The reports will also be prepared in compliance with USPAP standards and requirements.

As part of the assignment, we will identify the CRCU (Competitive Rents for Comparable Units) on the Executive Summary page for ease of location. The reports will be prepared in a manner similar to previous work product prepared by Crown for Greystone on other assignments.

Values that will be developed and reported (not all values will be developed and reported) are identified are below.

Value	USDA/RD Value	Comments
1	Market within 7 CFR Part 3560.752(b)(1)(ii) (all properties)	As is market value
2	Market value within 7 CFR Part 3560.752(b)(1)(ii), premised upon a hypothetical condition as-if unsubsidized conventional housing in compliance with 7 CFR Part 3560.636(c)(1)(i) (if applicable)	Prospective market value using market rents at stabilized occupancy
3	Prospective market value within 7 CFR Part 3560.752(b)(1)(ii), premised upon a hypothetical condition as-if-conventional housing	Prospective market value at stabilized occupancy, as by the restricted rents (combined with the market rents, if mixed), incorporating a market cap rate
4	Prospective market value, subject to restricted rents within CFR Part 3560.752(b)(1)(i)	7 Prospective market value at stabilized occupancy, as by the restricted rents (combined with the market rents, if mixed), assuming existing (or proposed) bond financing, and incorporating below-market capitalization rate (band of investment method). (If applicable)
5	Market value of underlying land (if applicable)	As is land only value
6	Market value of the interest credit subsidy from assumed 514/515 loan (with new terms)	
7	Market value of the tax credits (if applicable)	
8	Prospective insurable value	

The reports will be addressed and delivered to you at the address noted above. You will be the initial contact for getting information about the properties. You can be reached at the above address, and at 919.882.2384 (o), 919.902.0938 (c), or [caitlin.waldie@greyco.com](mailto:caitlin.waldie@greyco.com).

**Timing and Fee**

We anticipate that the first report(s) will be delivered within three weeks of receipt of the requested information (we recognize that not all requested information will be available). We anticipate that all reports will be sent within 60 days. Should any revisions be required, these will be made as expediently as possible. Subsequent draft reports will be delivered as completed. The final report can be delivered within five business days of approval of the draft copy.

The fee for the multi-property assignment is \$166,050.00. This assumes electronic (PDF) reports, not hard copies. If hard copies are needed, an additional fee of \$400 per report per property will be billed. The property listing at the end of letter breaks down the fee on a property by property basis. The fee is on a gross basis, with all expenses incurred by Crown. Invoices will be delivered concurrent with delivery of the individual draft reports. Payment of the fee is as follows: 10% as an initial deposit and 90% upon delivery of the initial draft reports. As in prior assignments, Crown recognizes that report revisions might be required, and Crown will make those revisions. Of course, should “updates” due to the age of the reports be required, additional compensation arrangements will be made.

Should the assignment be cancelled during any phase, the fee will be pro-rated based upon the time and cost incurred.

As part of the terms and conditions of the assignment, the signatory and any users agree that Crown’s services are and will be subject to the standard statements, limiting conditions, and other terms set forth in the appraisal report(s). The standard statements and limiting conditions include, but are not limited to, recognition of financial liability limitations as well as limitations

as to parties that may rely upon the appraisal report. It is also recognized and acknowledged that during the course of the assignment, Crown may determine additional conditions and terms affecting the appraisal assignment which may be identified in the appraisal report(s). A copy of the standard statements and limiting conditions are at the end of this engagement proposal.

Crown Appraisal Group adds 1.0% per month for delinquent accounts and charges an additional administrative fee of \$500.00 for accounts that are more than three months delinquent. All costs, including legal fees incurred in the recovery of accounts that are delinquent, are also payable by the client. The terms of the agreement shall be governed by and construed under the laws of the state of Ohio.

***Authorization to Proceed***

This proposal can serve as our agreement and understanding of the assignment. The signature at the bottom of this letter and receipt of the 10% initial deposit serves as our authorization to proceed. After signing, please return one copy to me. You may mail the copy, email it to me ([amoye@crownappraisal.com](mailto:amoye@crownappraisal.com), or [edegood@crownappraisal.com](mailto:edegood@crownappraisal.com)). By signing, the signatory is acknowledging that they have the authority to authorize engagement of our services.

Again, thank you for selecting Crown Appraisal Group for this assignment. If you have any questions, please do not hesitate to call me at 614-431-3332.

Sincerely,

**CROWN APPRAISAL GROUP**



Andrew J. Moye, MAI, AI-GRS  
Principal

AJM/ed

AGREED TO AND AUTHORIZED BY:

Jany Eeshward, President  
Signature, Caitlin Waldie

10/25/16

Date

Property Identification

GA Portfolio								
Name	Address	City	County	Units	Fee before Discount	Discount	Net Fee	
1 Academy Village	203 Hillsboro Street	Monticello	Jasper	10	\$6,100.00	10.0%	\$5,490.00	
2 Arrowhead	369 Broad Street	Hawkinsville	Pulaski	51	\$6,100.00	10.0%	\$5,490.00	
3 Chester	400 Wynne Avenue	Chester	Dodge	24	\$6,100.00	10.0%	\$5,490.00	
4 Chickasaw	18158 Morgan Road NE	Arlington	Calhoun	18	\$6,100.00	10.0%	\$5,490.00	
5 Colonial Homes	319 Keller Street	Blackshear	Pierce	20	\$6,100.00	10.0%	\$5,490.00	
6 Country Manor	310 Pomeroy Street	Blackshear	Pierce	55	\$6,100.00	10.0%	\$5,490.00	
7 Cumberland Village	116 Martha Drive	St Marys	Camden	65	\$6,100.00	10.0%	\$5,490.00	
8 Gray Gardens	200 Eatonton Highway	Gray	Jones	55	\$6,100.00	10.0%	\$5,490.00	
9 Heritage Villas of Alma	234 Floyd Street	Alma	Bacon	24	\$6,100.00	10.0%	\$5,490.00	
10 Hilltop Terrace I	4059 Martin Luther King Jr Blvd	Kingsland	Camden	55	\$6,100.00	10.0%	\$5,490.00	
11 Hilltop Terrace II	4059 Martin Luther King Jr Blvd	Kingsland	Camden	55	\$3,800.00	10.0%	\$3,420.00	
12 Hunters Run	701 Lupo Lane	Douglas	Coffee	51	\$6,100.00	10.0%	\$5,490.00	
13 Meadow Crossing	408 Spinks Drive	Omega	Tift	37	\$6,100.00	10.0%	\$5,490.00	
14 Piedmont Hills	1001 West Main Street	Forsyth	Monroe	50	\$6,100.00	10.0%	\$5,490.00	
15 Plantation I, Plantation II, Plantation III	201 Casey Drive	Richmond Hill	Bryan	165	\$10,000.00	10.0%	\$9,000.00	
16 Quail Hollow I	888 Carswell Street	Homerville	Clinch	55	\$6,100.00	10.0%	\$5,490.00	
17 Quail Hollow II	962 Carswell Street	Homerville	Clinch	41	\$3,800.00	10.0%	\$3,420.00	
18 Quail Village	199 Memorial Drive	Reidsville	Tattnall	30	\$6,100.00	10.0%	\$5,490.00	
19 Sandalwood Terrace	23 Fourth Street Northwest	Ludowici	Long	31	\$6,100.00	10.0%	\$5,490.00	
20 Satilla Villas	1100 Medonald Avenue	Woodbine	Camden	59	\$6,100.00	10.0%	\$5,490.00	
21 Sawgrass Cove	534 McIntosh Road	Darien	McIntosh	51	\$6,100.00	10.0%	\$5,490.00	
22 Spring Hollow	800 Ash Street Extension	Springfield	Effingham	53	\$6,100.00	10.0%	\$5,490.00	
23 The Forest I & The Forest II	582 26th Avenue SE	Moultrie	Colquitt	119	\$6,100.00	10.0%	\$5,490.00	
24 The Forest III	2701 5th Street S E	Moultrie	Colquitt	53	\$3,600.00	10.0%	\$3,240.00	
25 The Grove	303 Jerriel Street	Vidalia	Toombs	55	\$6,100.00	10.0%	\$5,490.00	
26 Wildwood Villas I	50 Wildwood Circle	Statesboro	Bulloch	53	\$6,100.00	10.0%	\$5,490.00	
27 Wildwood Villas II	54 Wildwood Circle	Statesboro	Bulloch	58	\$3,800.00	10.0%	\$3,420.00	
28 Yester Oaks	51 Yester Oaks Drive	Lafayette	Walker	44	\$7,000.00	10.0%	\$6,300.00	
29 Charlton Court	38 Charlton Court	Folkston	Charlton	41	\$6,100.00	10.0%	\$5,490.00	
30 Hillcrest	1503 John Collins Road NE	Pelham	Mitchell	49	\$6,100.00	10.0%	\$5,490.00	
31 Hillmont	7069 Lakes Boulevard	Lake Park	Lowndes	43	\$6,100.00	10.0%	\$5,490.00	
Plantation I, II, III will be consolidated and presented in a single report - individual market values, consolidated prospective values								
The Forest I and II will be consolidated and presented in a single report - individual market values, consolidated prospective values								
					Total	\$184,500.00	\$166,050.00	

## **INITIAL DATA REQUEST**

**(for each Property)**

**This list details the items we will need to commence the appraisal report:**

- Property contact name and telephone number.
- Current rent roll.
- Current rental subsidy contract
- Property Operating Statements for 2013, 2014, 2015, 2016 ytd.
- Completed market studies (it is Crown's understanding that there are no current market studies)
- Details regarding expected tax credits
- Details regarding expected financing (dollar amount, term, interest rate)
- Unit Floor Plans
- Detail re: improvements
  - Units - sizes (square feet and bedrooms), current rental rates, proposed rental rates etc.
  - Amenities—pool, exercise facilities, club house, etc.
- Site plan.
- Legal description and survey.
- Most recent real estate tax bills for the parcels that comprise the subject site.
- Details regarding the capital expenditures (dollar amount, scope of renovations) that are planned to be completed to the property.

Thank you,

**Crown Appraisal Group**  
6797 N. High Street, Suite 325  
Columbus, OH 43085  
Phone: 614-431-3332  
Fax: 614-431-3376

### Financial Acknowledgement

The liability of Crown Appraisal Group, Inc. and its employees is limited to the fee collected for the preparation of the appraisal report. There is no accountability or liability to anyone not specifically identified as an intended user.

### Assumptions and Limiting Conditions

- The information furnished by others is believed to be reliable. No warranty is given for its accuracy, though.
- No responsibility is assumed for the legal description or for matters including legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
- The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated in the report.
- It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations, laws, and license requirements unless otherwise stated in the report.
- The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate valuations for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used.
- The value opinions, and the costs used, are as of the date of the value opinion.
- All engineering is assumed to be correct. The plot plans and other illustrative material in this report are included only to assist the reader in visualizing the property.
- The proposed improvements, if any, on or off-site, as well as any repairs required, are considered, for purposes of the appraisal, to be completed in a good and workmanlike manner according to information submitted and/or considered by the appraiser.
- Responsible ownership and competent property management are assumed.
- It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that make it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering or environmental studies that may be required to discover them.
- Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on or in the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of such substances may affect the value of the property. The value opinion is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.
- It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
- All mechanical components are assumed to be in good, operable condition unless otherwise noted.



- The appraiser is not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.
- Our opinion of value does not consider the effect (if any) of possible noncompliance with the requirements of the ADA.
- This appraisal is to be used only in its entirety. Possession of the report or any copy does not carry with it the right of publication. The report may not be used for any purpose by any person or corporation other than the client or the party to whom it is addressed or copied without the written consent of the signing appraiser(s).
- Crown Appraisal Group, Inc. and its employees accept no responsibility for changes in market conditions or the inability of the client, intended user, or any other party to achieve desired outcomes.
- Projections or estimates of desired outcomes by the client, intended user, or any other party may be affected by future events. The client, intended user, or any other party using this report acknowledges and accepts that Crown Appraisal Group, Inc. and its employees have no liability arising from these events.
- Unless specifically set forth, nothing contained herein shall be construed to represent any direct or indirect recommendation of Crown Appraisal Group, Inc., its officers or employees to purchase, sell, or retain the property at the value(s) stated.
- Unless specifically set forth, nothing contained herein shall be construed to represent any direct or indirect recommendation of Crown Appraisal Group, Inc., its officers or employees to provide financing (mortgage, equity, or other) for the property at the value(s) stated.
- Greystone Affordable Housing Initiatives, LLC, or its representative(s), agrees to indemnify and hold Crown Appraisal Group, Inc., its officers and employees, harmless from and against any loss, damages, claims, and expenses (including costs and reasonable attorney fees) sustained as a result of negligence or intentional acts or omissions by Greystone Affordable Housing Initiatives, LLC, or its representative(s) arising from or in any way connected with the use of or purported reliance upon, the appraisal report or any part of the appraisal report.
- The contents of the appraisal report, and all attachments and information that will be contained within the report, is proprietary and confidential. Greystone Affordable Housing Initiatives, LLC, or its representative(s) will not release or provide the report, in any form, in whole or in part, to any third party, including any borrower, potential borrower, buyer or potential buyer, without the signing appraiser's express written authorization.

**ACCEPTANCE OF, AND/OR USE OF, THIS APPRAISAL REPORT CONSTITUTES ACCEPTANCE OF THE ABOVE CONDITIONS.**

# PROFESSIONAL QUALIFICATIONS

## ANDREW J. MOYE, MAI, AI-GRS

### **Business Experience**

*Crown Appraisal Group*, Columbus, Ohio.

Principal

Real estate consulting, including appraisal, appraisal review, business valuation, and market study assignments for commercial and residential real estate.

*Vista Capital/Chemical Mortgage Company*, Columbus, Ohio.

Vice President.

Appraisal assignments and market studies of commercial real property.

*Landauer Associates, Inc.*, West Palm Beach, Florida.

Assistant Vice President.

Valuation and evaluation of real property, and development of land use studies for large commercial and residential PUDs.

### **Education**

Masters of Business Administration (Finance), The Ohio State University, Columbus, Ohio.

Bachelor of Science in Business Administration (Real Estate), The Ohio State University, Columbus, Ohio.

### **Professional Education (partial list)**

Basic Valuation Procedures	Residential Valuation
Capitalization Theory, Part 1	Standards of Professional Practice
Capitalization Theory, Part 2	Case Studies in Real Estate Valuation
Capitalization Theory and Techniques, Part B	Valuation Analysis and Report Writing
Advanced Applications	Advanced Sales Comparison & Cost Approaches
Basic Income Capitalization	Litigation Appraising: Specialized Topics and Applications
Advanced Income Capitalization	General Appraiser Market Analysis and Highest & Best Use
The Appraiser as Expert Witness: Preparation and Expert Testimony	Market Analysis
Review Theory – General	Condemnation Appraising: Principles and Applications

### **Professional Qualifications, testimony venues**

MAI designation offered by Appraisal Institute

AI-GRS designation offered by Appraisal Institute

Young Advisory Council attendee, moderator, Appraisal Institute

Certified General Appraiser (permanent certification): AL, AZ, CO, FL, GA, IL, IN, KY, MI, NC, NY, OH, SC, VA, WV

Expert witness in Federal Bankruptcy Court, Common Pleas Courts throughout Ohio, various Boards of Revision, State Board of Tax Appeal

STATE OF GEORGIA  
REAL ESTATE APPRAISERS BOARD

**ANDREW JOHN MOYE**

**5464**

IS AUTHORIZED TO TRANSACT BUSINESS IN THE STATE OF GEORGIA IN THE CAPACITY AS

**CERTIFIED GENERAL REAL PROPERTY  
APPRAISER**

THE PRIVILEGE AND RESPONSIBILITIES HEREWITH ARE CONTINGENT UPON THE REQUISITE FEES AND ALL OTHER REQUIREMENTS OF THE OFFICIAL CODE OF GEORGIA ANNOTATED, CHAPTER 43-39A. THE APPRAISER IS SOLELY RESPONSIBLE FOR THE PAYMENT OF ALL FEES ON A TIMELY BASIS.

D. SCOTT MURPHY  
Chairperson

JEFF A. LAWSON  
Vice Chairperson

RONALD M. HECKMAN  
JEANMARIE HOLMES  
KEITH STONE

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