

**Appraisal Report\***

**For**

**An Existing Family Apartment Complex**

**Called**

**Rolling Hills Apartments  
104 Rolling Hills Drive  
Newnan, Georgia 30263**

**Prepared For**

**Ms. Melanie Ferrell**

**Investors Management Company**

**3548 North Crossing Circle**

**Valdosta, Georgia 31602**

**And**

**Georgia Department of Community Affairs**

**60 Executive Park South, NE**

**Atlanta, Georgia 30329**

**Intended Users**

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

**Date of Appraisal**

**September 20, 2017**

**Effective Date of Appraisal**

**May 17, 2017**

**Appraised By**

**Samuel T. Gill**

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



September 20, 2017

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

and

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

RE: Rolling Hills Apartments  
104 Rolling Hills Drive  
Newnan, Georgia 30263  
"As Is" and "As Stabilized" Appraisal Report  
As of May 17, 2017

Dear Ms. Ferrell:

In accordance with your request, I have personally appraised the existing Rural Development property targeted towards families known as Rolling Hills Apartments. The site contains approximately 6.78 acres. The subject is improved with eight garden one-story and townhouse two-story buildings containing 50 units.

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

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



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

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

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

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

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

Based on the data, analyses and conclusions presented in the attached report, it is my opinion the Market Value, within 7 CFR part 3560.752(b)(1)(ii), Premised Upon a Hypothetical Condition as-if Conventional Housing, as of May 17, 2017, is as follows.

**FOUR MILLION ONE HUNDRED TWENTY THOUSAND DOLLARS**

**\$4,120,000**

Based on the data, analyses and conclusions presented in the attached report, it is my opinion the Market Value, Subject to Restricted Rents, within 7 CFR part 3560.752(b)(1)(i), as of May 17, 2017, is as follows.

**ONE MILLION TEN THOUSAND DOLLARS**

**\$1,010,000**

Based on the data, analyses and conclusions presented in the attached report, it is my opinion the Market Value, within 7 CFR part 3560.752(b)(1)(ii), as of May 17, 2017, is as follows.

**ONE MILLION TEN THOUSAND DOLLARS**  
**\$1,010,000**

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

**FOUR MILLION FIVE HUNDRED THOUSAND DOLLARS**  
**\$4,500,000**

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

**THREE MILLION ONE HUNDRED SEVENTY FIVE THOUSAND DOLLARS**  
**\$3,175,000**

Based on the data, analyses and conclusions presented in the attached report, it is our opinion that the Value of the Interest Credit Subsidy from the Existing USDA RD Section 515 Loan of the subject property, as of May 17, 2017, is as follows:

**FIVE HUNDRED SIX THOUSAND DOLLARS**  
**\$506,000**

Based on the data, analyses and conclusions presented in the attached report, it is our opinion that the Value of the Interest Credit Subsidy from the Proposed USDA RD Section 515 Loan of the subject property, as of May 17, 2017, is as follows:

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

Based on the data, analyses and conclusions presented in the attached report, it is our opinion that the value of the Low Income Housing Tax Credits, as of May 17, 2017, is as follows:

**EIGHT HUNDRED FIFTEEN THOUSAND DOLLARS**  
**\$815,000**

Based on the data, analyses and conclusions presented in the attached report, it is our opinion that the As Is Market Rent (CRUCU) of the 620 square feet one-bedroom units of the subject property, as of May 17, 2017, is as follows:

**SEVEN HUNDRED SEVENTY FIVE DOLLARS**  
**\$775.00**

Based on the data, analyses and conclusions presented in the attached report, it is our opinion that the As Is Market Rent (CRUCU) of the 949 square feet two-bedroom units of the subject property, as of May 17, 2017, is as follows:

**EIGHT HUNDRED FIFTY DOLLARS**  
**\$850.00**

Based on the data, analyses and conclusions presented in the attached report, it is our opinion that the As Complete Market Rent (CRUCU) of the 620 square feet one-bedroom units of the subject property, as of January 31, 2019, is as follows:

**EIGHT HUNDRED TWENTY FIVE DOLLARS**  
**\$825.00**

Based on the data, analyses and conclusions presented in the attached report, it is our opinion that the As Complete Market Rent (CRUCU) of the 949 square feet two-bedroom units of the subject property, as of January 31, 2019, is as follows:

**NINE HUNDRED DOLLARS**  
**\$900.00**

*The following values are determined for the DCA:*

Based on the data, analyses and conclusions presented in the attached report, it is my opinion the market value of the land, as of May 17, 2017, is as follows.

**TWO HUNDRED NINETY THOUSAND DOLLARS**  
**\$290,000**

Based on the data, analyses and conclusions presented in the attached report, it is my opinion the “As Is” market value of the subject property, subject to market rents, as of May 17, 2017, is as follows.

**FOUR MILLION ONE HUNDRED TWENTY THOUSAND DOLLARS**  
**\$4,120,000**

Based on the data, analyses and conclusions presented in the attached report, it is my opinion the “As Is” market value of the subject property, subject to restricted rents, as of May 17, 2017, is as follows.

**ONE MILLION TEN THOUSAND DOLLARS**  
**\$1,010,000**

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

**FOUR MILLION FIVE HUNDRED THOUSAND DOLLARS**  
**\$4,500,000**

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

**THREE MILLION ONE HUNDRED SEVENTY FIVE THOUSAND DOLLARS**  
**\$3,175,000**

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


**TWELVE MILLION TWO HUNDRED TWENTY TWO THOUSAND DOLLARS**  
**\$12,222,000.00**

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

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

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

Respectfully submitted,

A handwritten signature in cursive script that reads "Samuel T. Gill".

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

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**EXECUTIVE SUMMARY**

**Name of the Property** Rolling Hills Apartments

**Location** 104 Rolling Hills Drive, Newnan, Coweta County, Georgia 30263

**Current Owner** Powder Horn Apartments, Ltd., L.L.L.P.

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

**Total Land Area** 6.78 acres or 295,337+/- square feet

**Floodplain Hazard** According to RiskMeter, Flood Map Number 13077C0143D, dated February 6, 2013, the subject is zoned X, an area determined to be outside the 100- and 500-year floodplains. Federal flood insurance is available but is not required.

**Zoning** According to the City of Newnan, the subject is zoned RML, Residential Multiple Family Dwelling - Lower Density District. The subject is a legal, conforming use.

**Property Description** The subject is improved with eight garden one-story and townhouse two-story buildings containing 50 units. The net rentable area is approximately 42,186 square feet. The gross building area, according to the Coweta County Assessor's Office, is 48,468 square feet.

Unit Type	# of Units	Square Footage	Total Square Footage
1/1	16	620	9,920
2/1.5 TH	34	949	32,266
	<b>50</b>		<b>42,186</b>

**Real Estate Taxes** \$11,078.31 for 2016      **Parcel Number** 073B 024

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

**Date of Inspection** May 17, 2017      **Date of Report** September 20, 2017

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



**EXECUTIVE SUMMARY VALUES**

<b>Cost Approach</b>	<b>\$1,195,000 (As Is Restricted)</b> <b>\$3,070,000 (As Is Market)</b> <b>\$3,170,000 (As Stabilized Restricted)</b> <b>\$3,385,000 (As Stabilized Market)</b>
<b>Income Approach</b>	<b>\$1,010,000 (As Is Restricted)</b> <b>\$4,120,000 (As Is Market)</b> <b>\$3,175,000 (As Stabilized Restricted)</b> <b>\$4,500,000 (As Stabilized Market)</b>
<b>Sales Comparison Approach</b>	<b>Not Developed (As Is Restricted)</b> <b>\$3,100,000 (As Is Market)</b> <b>Not Developed (As Stabilized Restricted)</b> <b>\$3,450,000 (As Stabilized Market)</b>
<b>Value of Land</b>	<b>\$290,000</b>
<b>Value of Existing 515 Loan</b>	<b>\$506,000</b>
<b>Value of Proposed 515 Loan</b>	<b>\$525,000</b>
<b>Value of Low Income Housing Tax Credits</b>	<b>\$815,000</b>
<b>Insurable Value</b>	<b>\$2,691,000</b>
<b>Market Value at Loan Maturity</b>	<b>\$12,222,000</b>
<b>As Is Market Rent (CRCU)</b>	
One-Bedroom with 620 SF	<b>\$775.00</b>
Two-Bedroom with 949 SF	<b>\$850.00</b>
<b>As Complete Market Rent (CRCU)</b>	
One-Bedroom with 620 SF	<b>\$825.00</b>
Two-Bedroom with 949 SF	<b>\$900.00</b>

## CERTIFICATION

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

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



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

## **SCOPE OF WORK**

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

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

- ◆ Samuel T. Gill, a State Certified General Real Estate Appraiser, oversaw and supervised all data collection and analysis and performed the research. The following actions were taken to complete this appraisal.
  - On May 17, 2017, Jamie Cox and Caroline Borgini, Market Analysts, conducted an interior and exterior inspection of the subject property to determine the property's physical and functional characteristics. Samuel T. Gill, State Certified General Real Estate Appraiser, also inspected the exterior. Jamie Cox and Caroline Borgini inspected all common areas and at least one unit of each varying type.
  - Jamie Cox and Caroline Borgini and Samuel T. Gill researched comparable apartment rental activity in the subject market and competing locations. The research retrieve data from several of the following: internet sites, local newspapers and rental publications, town records, owners and managers of local apartment properties, local real estate brokers, fellow appraisers and the appraiser's office files.
  - During the week of May 17, 2017, Jamie Cox and Caroline Borgini inspected the exterior of each comparable property used in the analysis.
  - During the verification process, Samuel T. Gill or one of his associates talked with the managers or leasing agents of the comparable properties, to confirm all data and to collect additional information about each comparable, including size, age, amenities, occupancy rates and general market information. Whenever possible, floor plans and brochures were obtained, which describe the comparable properties unit size, feature and amenities.
  - Samuel T. Gill completed all data and adjustments on the analysis and determined all value conclusions determined in the appraisal.

## INTRODUCTION

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

The property appraised is the land and improvements known as Rolling Hills Apartments. The site is located at 104 Rolling Hills Drive, Newnan, Coweta County, Georgia.

### **Legal Description**

See Addendum A.

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

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

### **Property Rights Appraised**

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

### **Purpose of the Appraisal**

The purpose of the Appraisal Report is to estimate the market value, subject to restricted rents, within 7 CFR Part 3560.752(b)(1)(i) as defined in the USDA-RD guidelines; market value, within 7 CFR Part 3560.752(b)(1)(ii) as defined in the USDA-RD guidelines; the prospective market value, subject to restricted rents, within 7 CFR Part 3560.752(b)(1)(i) as defined in the USDA-RD guidelines; prospective market value within 7 CFR Part 3560.752(b)(1)(ii), premised upon a hypothetical condition as-if conventional housing as defined in the USDA-RD guidelines; the value of interest credit subsidy from the existing 515 loan as defined in the USDA-RD guidelines; the value of interest credit subsidy from the assumed 515 loan as defined in the USDA-RD guidelines; the value of favorable financing as defined in the USDA-RD guidelines; the value of the Low Income Housing Tax Credits as defined in the USDA-RD guidelines. Additional values required by Georgia Department of Community Affairs include the value of the land; as is market value; the prospective market value upon stabilization - restricted rents; the prospective market value upon stabilization – market rents; and the prospective market value at loan maturity – market rents. The date of the inspection and the effective date of the as is value are both May 17, 2017. The effective date of the as complete value is January 31, 2019.

### **Function of the Appraisal**

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

### **Intended Use of Report**

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

### **Intended Users of Report**

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

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

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

### **Area and Neighborhood Analyses**

Primary data was gathered pertaining to the subject neighborhood and the area during the week of May 15, 2017, to May 17, 2017. This information was analyzed and summarized in this report. Area data was obtained from the City of Newnan; the Coweta County Recorder; the Coweta County Assessor; United States Bureau of Labor Statistics; United States Census Bureau; ESRI Business Information Solutions; Walkscore; and Nielsen Claritas and Ribbon Demographics. The neighborhood analysis was based on the observations made by the appraiser as well as the sales in the neighborhood.

### **Improvement and Description Analyses**

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

### **Statement of Competency**

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

### **Market Data**

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

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

### **Reasonable Exposure Time**

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

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

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

### **Historical Evidence**

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

### **Supply and Demand Relationships**

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



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

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

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

### **Summary**

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

### **Estimated Marketing Time**

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

## **Definition of Terms**

### **Market Value**

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

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of U.S. cash dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.<sup>1</sup>

### **Market Value, Subject to Restricted Rents**

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

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

It considers any rent limits, rent subsidies, expense abatements or restrictive-use conditions imposed by any government or non-government financing sources but does not consider any favorable financing involved in the development of the property.<sup>2</sup>

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

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

### **“As-Is” Value**

The value of specific ownership rights to an identified parcel of real estate as of the effective date of the appraisal; relates to what physically exists and is legally permissible and excludes all assumptions concerning hypothetical market conditions or possible rezoning.<sup>3</sup>

### **Prospective Value**

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

### **Investment Value**

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

### **Fee Simple Estate**

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

### **Leased Fee Estate**

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

### **Leasehold Estate**

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

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

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

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

**Replacement Cost**

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

**Reproduction Cost**

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

**Contract Rent**

The actual rental income specified in a lease.

**Market Rent**

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

**Excess Rent**

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

**Percentage Rent**

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

**Overage Rent**

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

**Special Purpose Property**

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

## **Special Limited Conditions and Assumptions**

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

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

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

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

### **3. Confidentiality**

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

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

### **4. Information Used**

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

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

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

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

#### **6. Exhibits**

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

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

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

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

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

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

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

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

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

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

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

## **8. Legality of Use**

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

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

### **9. Component Values**

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

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

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

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

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

### **12. Inclusions**

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

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

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



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

The estimated market value is subject to change with market changes over time; value is highly related to exposure, time, promotional effort, terms, motivation and conditions surrounding the offering. The value estimate considers the productivity and relative attractiveness of the property physically and economically in the marketplace.

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

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

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

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

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

#### **16. Fee**

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

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

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

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

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

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

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

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

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

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

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

### **22. Review**

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

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

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

**DESCRIPTIVE SECTION**

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

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

### **Location**

The City of Newnan is located in Coweta County which is located in the western portion of Georgia. Nearby cities include Atlanta, Peachtree City, Carrollton, Griffin, Fayetteville and Grantville. Coweta County has the following borders: North – Fulton County; East – Fayette and Spalding Counties; South – Meriwether and Troup Counties; and West – Heard and Carroll County.

### **Utilities**

Newnan Utilities provides water, sewer, and electricity services to the residents of the city. Natural gas services are provided by True Natural Gas. Basic telephone service is provided by AT&T Georgia.

### **Health Care**

Piedmont Newnan Hospital is a health care facility located in Newnan that serves the residents of the city and the surrounding area. Additional health care and medical facilities nearby include Piedmont Fayette Hospital in Fayetteville, approximately 24 miles from Newnan, and Wellstar Douglas Hospital, approximately 34 miles away in Douglasville.

### **Transportation**

Major highways in Coweta County include Interstate 85; U.S. Highways 27 and 29; and State Highways 14, 16, 34, 41, 54, 70, 74, 85, 154 and 403. Newnan is home to Andy Fields Airport. Hartsfield-Jackson Atlanta International Airport is approximately 32 miles from the city in Atlanta. Public transportation is available through the Coweta Transit.

## Population and Employment Statistics

CENSUS 2015

	City	County	State
<b>Population</b>	35,224	133,416	10,006,693
<b>Households</b>	2,338	48,777	3,574,362
<b>Renter Occupied</b>	614	13,283	1,310,665

## LABOR STATISTICS

COUNTY				
	Labor Force	Employment	Unemployment	Unemployment Rate
<b>2005</b>	55,824	53,100	2,724	4.9
<b>2010</b>	64,319	58,095	6,224	9.7
<b>March 2017</b>	72,576	69,177	3,399	4.7

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

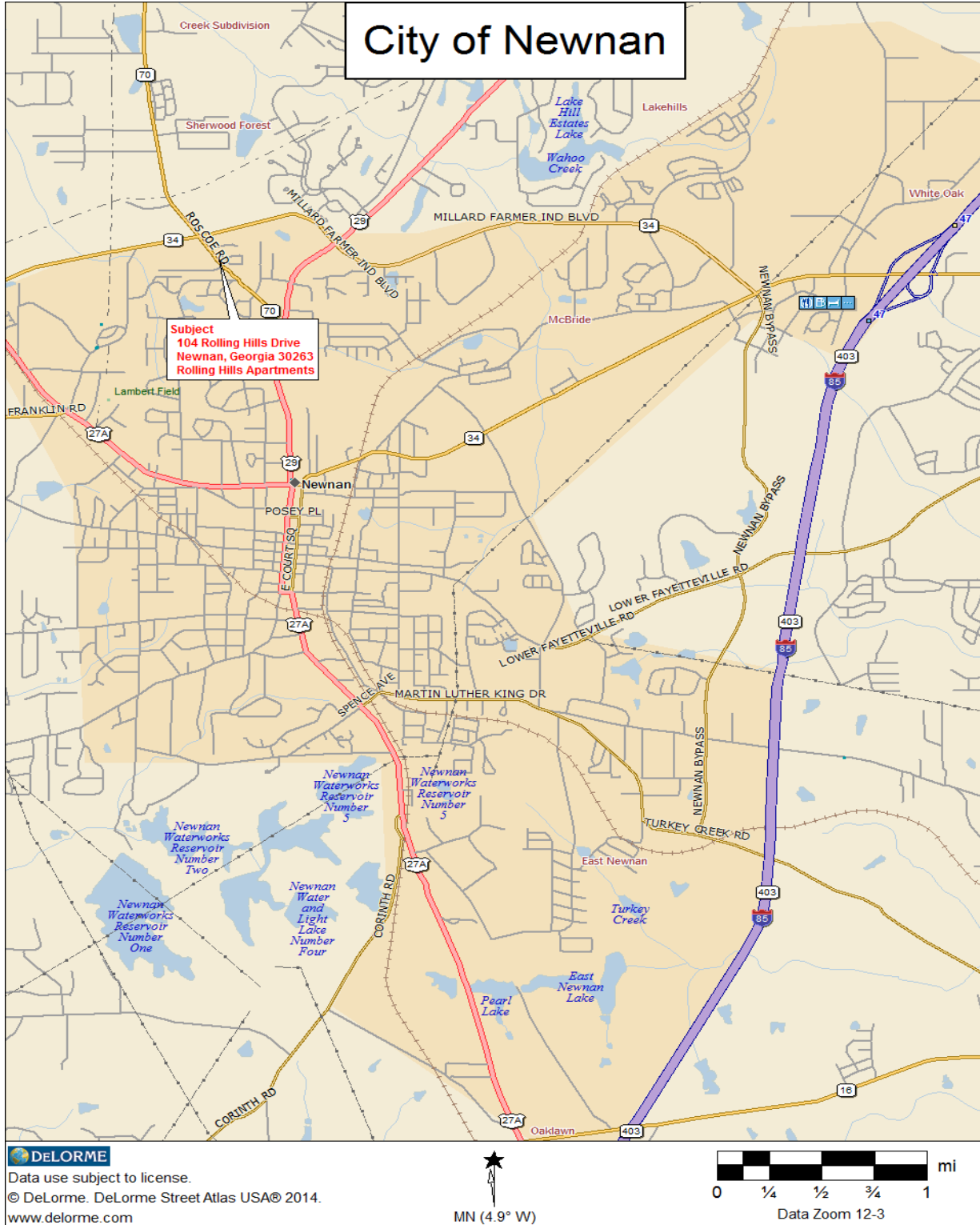
## Major Employers

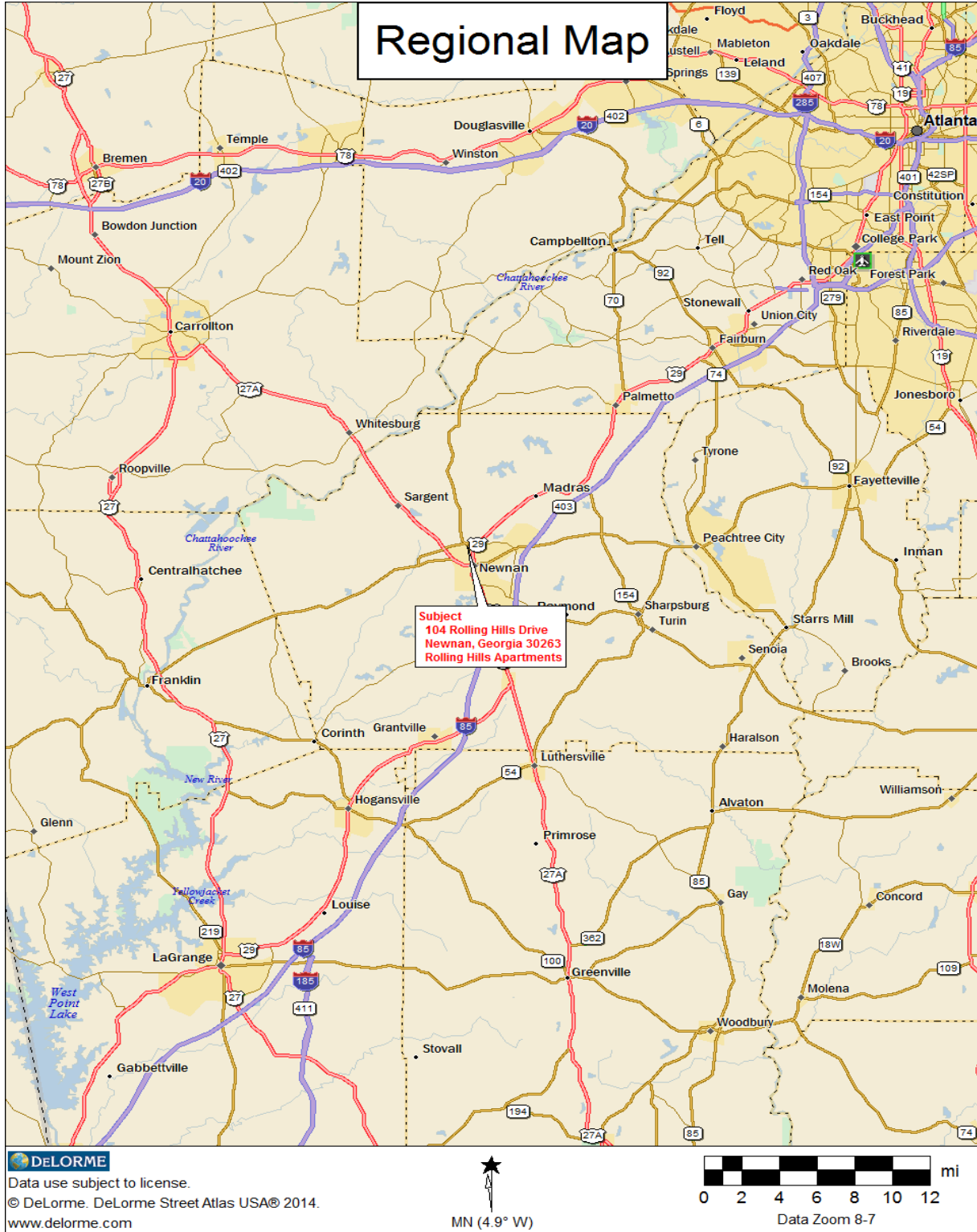
Major employers, product or industry and number of employees in Coweta County are as follows:

MAJOR EMPLOYERS		
Name	Product/Service	Number of Employees
Yamaha Motor Manufacturing Corporation	Golf Carts, Personal Watercraft, ATVs	1,700
PetsMart Distribution Center	Distribution Center	560
Cargill Corporation	Beef/Pork Cutting and Packaging	428
Yokogawa Corporation	Analytical Instruments	360
Bonnell Aluminum	Extended Aluminum	330
Sygma Network, Inc.	Food Service Distribution	269
EGO North American, Inc.	Heating Elements	260
TenCate	Industrial Textiles	255
Georgia Power Company	Electricity	250
Kason Industries, Inc.	Refrigeration Hardware	250
Winpak Films, Inc.	Polyethylene Film	225
Bway Corporation	Chicken Boxes, Coops, Drums, Pails	220
D&H Distributing	Computer and Peripheral Products	171
Comfort View	Vinyl Windows	165
Buffalo Rock-Pepsi	Soft Drinks	160
McLane Company	Food Distribution	110
Custom Molded Products	Fiberglass and Custom Injection Moldings	102

## Summary and Conclusions

Newnan is a city located in the western portion of Georgia. The unemployment rate has consistently decreased since 2010. Therefore, the economic outlook for future growth and development appears to be stable.





**Neighborhood Data**

**Location**

The subject property is located in the northwestern portion of the City of Newnan, Georgia. The neighborhood has average attractiveness and appeal. The neighborhood has the following boundaries: North – Millard Farmer Industrial Boulevard; South – U.S. Highway 27A; East - U.S. Highway 29; and West – U.S. Highway 27A.

**Access**

The neighborhood is accessed by U.S. Highway 27A, U.S. Highway 29 and Millard Farmer Industrial Boulevard. There are additional roads running north to south and west to east that provide access to the neighborhood as well. Street widths and patterns appear to be adequate for the surrounding uses.

**Proximity to Services**

<b>Restaurants</b>	
0.4 mi	Sprayberry's Barbecue
0.7 mi	China One
0.7 mi	Steak Holders
0.7 mi	Jekyll & Hydes
1 mi	Church's Chicken
1.1 mi	Waffle House
1.1 mi	Hardee's
1.1 mi	Papa John's Pizza
1.2 mi	Big Daddy's BBQ & More
1.2 mi	Town and Country Restaurant
1.2 mi	Pizza Hut
1.2 mi	Wingyard
1.3 mi	C C's Wings & Things
1.3 mi	DQ Grill & Chill Restaurant

<b>Groceries</b>	
0.6 mi	T & R Self Services Grocery
0.7 mi	Little Giant Farmers Market
1 mi	Food Outlet
1.1 mi	Pebbles Food Mart
1.3 mi	Kroger
1.5 mi	D J Grocery
1.6 mi	Arnall Grocery Co.
1.7 mi	Food Depot
1.7 mi	Tienda El Mexicano Inc
1.9 mi	Mercado Latino

<b>Schools</b>	
0.9 mi	Evans Middle School
0.9 mi	Elm Street Elementary School
1.7 mi	Ruth Hill Elementary School
1.9 mi	Northside Elementary School
2.1 mi	Atkinson Elementary School
2.3 mi	Newnan High School
2.5 mi	Winston Dowdell Academy
3.2 mi	Newnan Classical School
3.4 mi	Smokey Road Middle School
3.5 mi	Orchard Hills Academy
3.5 mi	Newnan Crossing Elementary School
3.8 mi	Odyssey School

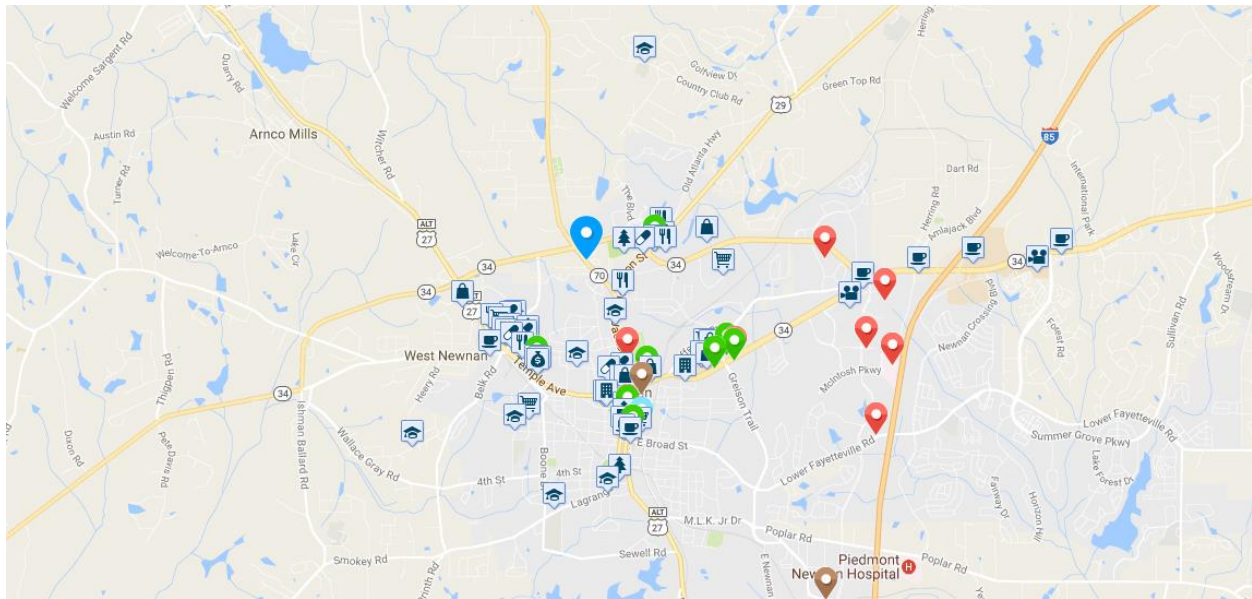
<b>Shopping</b>	
1.1 mi	Family Dollar Store
1.1 mi	Tie Dyed Shop
1.4 mi	Citi Trends
1.4 mi	Downtown Fashion
1.4 mi	Quik Fit For Ladies
1.5 mi	Hope Boutique
1.5 mi	Broadway HI Fashion & Tuxedo Central
1.6 mi	Squiggly Doodles
1.6 mi	SeeMe Graphics
1.6 mi	Ka & Ki Baby Mother Boutique
1.6 mi	C.S. Toggery
1.6 mi	Scott's Book Store

<b>Banks</b>	
0.6 mi	Fidelity Bank
1.1 mi	Synovus - Bank of North Georgia
1.5 mi	United Community Bank
1.5 mi	Bank of America Financial Center
1.6 mi	United Community Bank
1.6 mi	Bank of the Ozarks
1.7 mi	Wells Fargo Bank
1.8 mi	CharterBank
3.6 mi	Woodforest Bank
3.6m	Chase Bank

<b>Police</b>	
1.3 mi	Newnan Police Department
3.7 mi	State Patrol Office

<b>Medical Facilities</b>	
0.9 mi	Coweta Samaritan Clinic
1.4 mi	Medical Express
1.6 mi	Cunanan Medical Clinic
2.1 mi	Ciao Bella Medical Center and Spa
2.6 mi	Peachtree Immediate Care
2.7 mi	Summit Minor Med
3.5 mi	Xpress Care Clinic
5.4 mi	VA Newnan Clinic
7.2 mi	Piedmont Medical Care Corporation





### **Land Use Pattern**

The subject neighborhood is comprised primarily of residential properties and is 40 percent built up. Approximately 20 percent of the land use is made up of single-family residences. About 15 percent is comprised of multifamily developments. Another 10 percent of the land use is made up of commercial properties. The remaining 60 percent is vacant land. The area is mostly rural.

### **Neighborhood Characteristics**

The subject is located in the Dresden/Stallings Crossroad neighborhood, according to Neighborhood Scout. The median real estate price of the neighborhood is \$235,491, which is more expensive than 79.4 percent of the neighborhoods in Georgia and 61.3 percent of the neighborhoods in the United States. The average rental price in the neighborhood is \$1,668, according to Neighborhood Scout, which is higher than 92.1 percent of all Georgia neighborhoods.

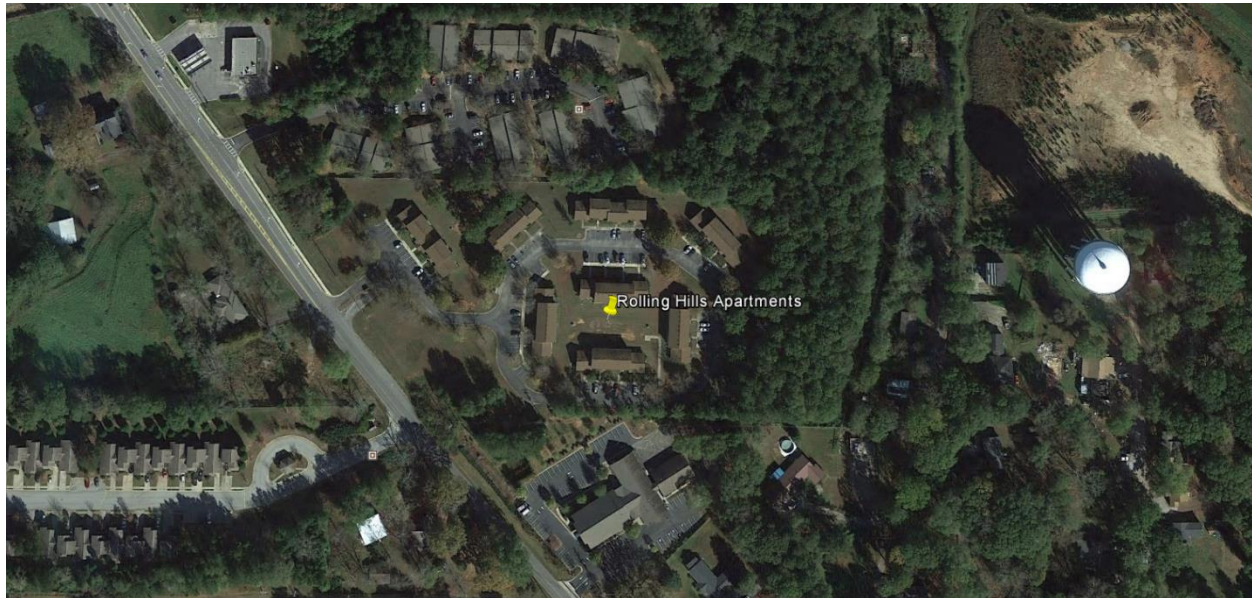
The neighborhood has 31.2 percent of the working population employed in executive, management and professional occupations. Another 24.4 percent of the residents are employed in sales and service jobs. Manufacturing and laborer occupations make up 23.5 percent, and 20.9 percent are employed in clerical, assistant and technical support occupations.

According to Neighborhood Scout, the school quality rating is 48 (100 is the best). The neighborhood is served by the Coweta County School District which contains 28 schools and approximately 22,350 students. The school district quality is considered better than 8.0 percent of Georgia school districts.

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

### **Neighboring Property Use**

The neighborhood is comprised primarily of residential properties. Valleybrook Apartments is located north of the site. A house of worship is located south of the site. Vacant, wooded land is located east of the subject. Overby Park Apartments is located west of the subject.



### **Crime**

According to [www.neighborhoodscout.com](http://www.neighborhoodscout.com), the crime index for the subject neighborhood is 71. There are 57 total crimes annually in the neighborhood, 7 of which are violent crimes and 50 of which are property crimes. The annual violent crime rate is 1.95 per 1,000 residents, while the property crime rate is 13.90 per 1,000 residents. The total annual crime rate is 15.85 per 1,000 residents. The chances of becoming a victim of a violent crime are 1 in 514 which is lower than for the state which is 1 in 273. The chances of becoming a victim of a property crime are 1 in 72 which is lower than the rate for the state which is 1 in 30.

### **Adverse Influences**

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

### **Utilities**

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

### **Demographics**

The population for the subject's neighborhood for 2017, according to ESRI, is 6,640, an increase of 396 people from the 2010 population of 6,244. The population is expected to increase at an annual rate of 5.8 percent between 2017 and 2022. Therefore, the 2022 population is projected at 7,025. The median age for the neighborhood is 41.0.

The total number of households increased from 2,315 in 2010 to 2,460 in 2017. Household totals are expected to increase, with a projected 2,601 households in 2022.

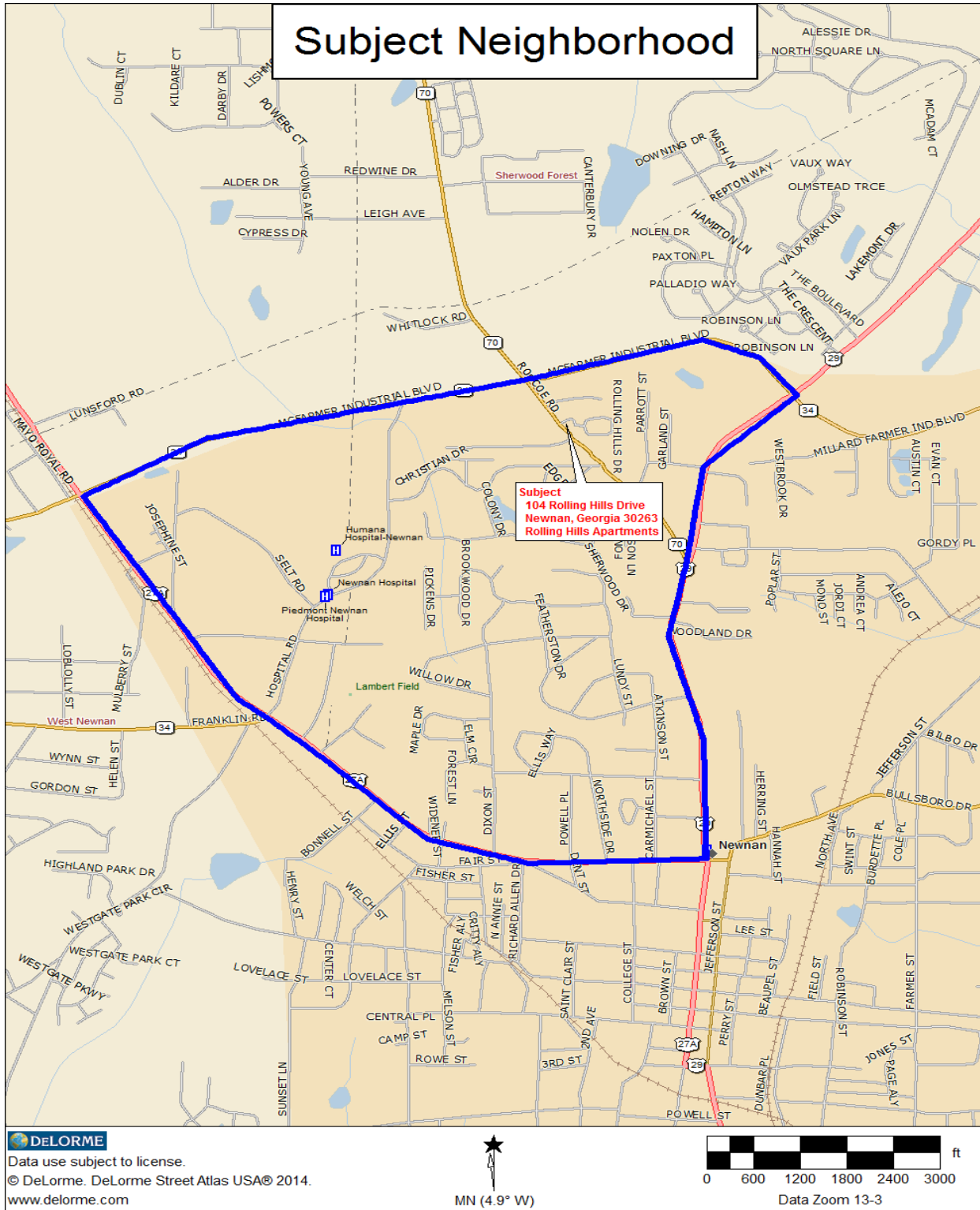
The median household income for the neighborhood in 2017 is \$72,858. It is expected to increase to \$83,636 by 2022. The per capita income is \$34,230.

The median home value for the neighborhood in 2017, according to ESRI, is \$220,787. According to ESRI, the average amount spent for owner-occupied households in the subject's neighborhood is \$15,156.00, or \$1,263 per month. The average amount spent for renter-occupied households is \$15,660.00, or \$1,305 per month.

### **Analysis/Comments**

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

Neighborhood Map



### **Defining the Market Area**

The market area for the subject consists of Census Tracts 1701.00, 1702.00, 1703.03, 1703.04, 1703.05, 1703.06, 1704.03, 1704.04, 1704.05, 1704.06, 1706.01, 1706.02, 1706.03, 1707.00, 1708.01 and 1708.02 in Coweta County. The market area has the following boundaries: North – Carroll and Fulton Counties; South – Meriwether County; East – Water Works Road, Tommy Lee Cook Road, Ridley Road, State Highway 14, Weldon Road, Palmetto-Tyrone Road, Interstate 85, Shoal Creek, State Highway 34, Lower Fayetteville Road, State Highway 154, Old Georgia 16, State Highway 16 and White Oak Creek; and West – Heard County.

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

The field/phone survey was conducted in May 2017. Fourteen market-rate properties responded to the survey and 11 restricted properties, including the subject, responded to the survey. Of the apartments surveyed an overall vacancy rate of seven percent was determined for the market-rate vacancy and one percent was determined for the restricted vacancy. The subject is currently 100 percent occupied. Historically, the subject has been fully occupied since 2014. After considering the vacancy rate of the subject and the comparables, a vacancy rate of five percent was deemed appropriate for “as is” conventional housing; five percent was deemed appropriate for “as complete” conventional housing; five percent was deemed appropriate for “as is” affordable housing; and five percent was deemed appropriate for “as complete” affordable housing.

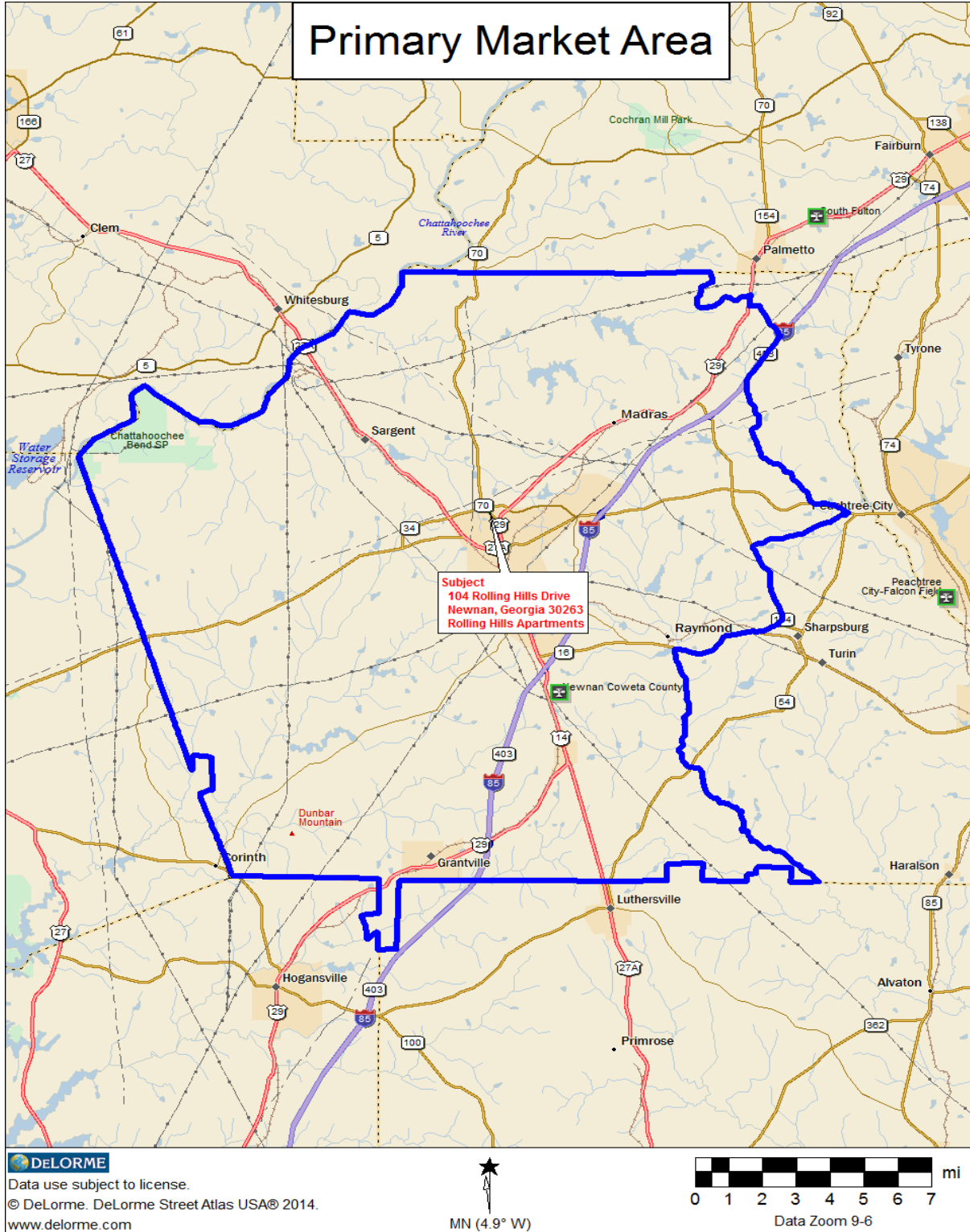


<b>Market Area Vacancy by Development - Conventional</b>			
<b>Property Name</b>	<b># of Units</b>	<b># of Vacant Units</b>	<b>Vacancy Percentage</b>
Jefferson Point Apartments	120	2	1.7%
Creekside at White Oak	561	34	6.1%
Woodtrail Apartments	61	0	0.0%
Ashford at Brown Ridge	114	0	0.0%
Brighton Farms Apartments	134	9	6.7%
Nwnan Lofts	145	4	2.8%
Trees of Newnan Apartments	500	115	23.0%
Woodlands at Whie Oak	114	5	4.4%
The Preserve at Greison Trail	235	9	3.8%
Lullwater at Calumet Apartments	240	12	5.0%
Cottages at White Oak	65	0	0.0%
The Vinings at Newnan Lake	248	10	4.0%
Stillwood Farms Apartments	298	3	1.0%
Villas at Newnan Crossing	356	28	7.9%
<b>TOTALS</b>	<b>3,191</b>	<b>231</b>	<b>7.2%</b>

<b>Market Area Vacancy by Development - Affordable</b>			
<b>Property Name</b>	<b># of Units</b>	<b># of Vacant Units</b>	<b>Vacancy Percentage</b>
Rolling Hills Apartments	50	0	0.0%
Eastgate Apartments	96	0	0.0%
Shenandoah Forest Apartments	100	5	5.0%
Shenandoah Villas	60	0	0.0%
Forest at York	72	0	0.0%
Tranquil Villas	50	0	0.0%
Pinewood Villas	50	0	0.0%
Southern Villas of Newnan	50	0	0.0%
Columbia Woods Townhomes	119	2	1.7%
Newnan Crossing	192	0	0.0%
Pines by the Creek	96	0	0.0%
<b>TOTALS</b>	<b>935</b>	<b>7</b>	<b>0.7%</b>

**Absorption Period**

The subject is an existing 50-unit complex that is currently 100 percent occupied. The proposed rehabilitation of the development will not permanently displace residents. Therefore, no additional absorption of units will be needed as the property typically maintains a stabilized occupancy.



**Subject Description**

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

**Total Land Area** 6.78 acres or 295,337+/- square feet

**Shape/Dimensions** Irregular

**Access & Exposure** The subject property is located on Rolling Hills Drive. The site is at or near pavement grade with Rolling Hills Drive. The site has ingress and egress on Rolling Hills Drive.

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

**Flood Plain** According to RiskMeter, Flood Map Number 13077C0143D, dated February 6, 2013, the subject is zoned X, an area determined to be outside the 100- and 500-year floodplains. Federal flood insurance is available but is not required.

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

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

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



**Site Ratios**

Building to Land Ratio: 1 to 8.66;

Site Coverage Ratio - 11.55 percent

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

**Utilities**

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

**Zoning**

According to the City of Newnan, the subject is zoned RML, Residential Multiple Family Dwelling - Lower Density District. The subject is a legal, conforming use. Therefore, it is unlikely that a zoning change will occur. The subject appears to meet site and setback requirements and appears to conform to the current zoning restrictions. The subject could be re-built if it were destroyed. The current zoning is consistent with the Highest and Best Use of the subject. A copy of the zoning ordinances was not available. Since there are no obvious conflicts between the subject property and the zoning of the property, there is no negative impact on the market value by the zoning classification.



**Improvement Description**

<b>Number of Buildings</b>	The subject contains eight garden one-story and townhouse two-story buildings containing 50 units.
<b>Net Rentable Building Area</b>	42,186 square feet
<b>Gross Building Area</b>	48,468 square feet
<b>Year Built/Year Renovated</b>	1985/Proposed
<b>Economic Life</b>	55 Years
<b>Effective Age</b>	10 Years (As Is) 5 Years (As Complete)

The subject contains eight garden one-story and townhouse two-story buildings containing 50 units. According to the Coweta County Assessor, the gross building area of the property is 48,468 square feet. A copy of the plans, dated September 7, 1984, and completed by Alan Salzman & Associates of Atlanta, Georgia, is included in the addenda.

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

<b>Unit Type</b>	<b># of Units</b>	<b>Square Footage</b>	<b>Total Square Footage</b>
1/1	16	620	9,920
2/1.5 TH	34	949	32,266
	<b>50</b>		<b>42,186</b>

The property includes the following amenities:

Unit Amenities	Included	Fee	Project Amenities	Included	Fee
Refrigerator	X		Clubhouse		
Range/Oven	X		Meeting Room		
Garbage Disposal			Dining Room		
Dishwasher			Swimming Pool		
Microwave			Spa/Hot Tub		
Washer/Dryer			Exercise Room		
Washer/Dryer Hook-Ups	X		Picnic Area		
Carpet	X		Playground		
Vinyl	X		Tot Lot		
Wood			Volleyball Court		
Wood Composite			Basketball Court		
Ceramic Tile			Tennis Court		
Blinds	X		Exterior Storage	X	\$0
Drapes/Shades			Housekeeping		
Ceiling Fans			Business Center		
Vaulted Ceilings			Educational Classes		
Fireplace			Transportation		
Walk-In Closet	X		Service Coordinator/HUD Paid		
Coat Closet	X		Concierge Services		
Balcony			Computer Room		
Patio	X		Car Wash Area		
Pull Cords			Laundry Facility		
Emergency Call			On-Site Management	X	
Safety Bars			On-Site Maintenance	X	
<b>Parking</b>	<b>Included</b>	<b>Fee</b>	Intercom/Electronic Entry		
Parking Lot/# of Spaces	X/100	\$0	Limited Access Gate		
Covered Parking/# of Spaces			Perimeter Fencing		
Garage/# of Spaces			Security Patrol		
Parking Garage/Underground/# of Spaces			Video Surveillance		

The subject is 100 percent Rural Development. The property does not have Rental Assistance. The unit types, current rents, utility allowances and square footages for the units are shown in the table below:

Unit Type	# of Units	Square Footage	Current Rent	Utility Allowance
1/1	16	620	\$420	\$120
2/1.5 TH	33	949	\$460	\$130
2/1.5 TH	1	949	N/A	N/A

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

The unit types, proposed rents after completion of the rehabilitation, utility allowances and square footages for the units are shown in the table below. The current non-revenue unit will be converted and rented after rehabilitation.

Unit Type	# of Units	Square Footage	Proposed Rent	Utility Allowance
1/1	16	620	\$600	\$120
2/1.5 TH	34	949	\$750	\$130

The rents indicated in the table are assuming LIHTC restrictions. The subject is currently a Rural Development property that, after rehabilitation, will remain a Rural Development property as well as be a Low Income Housing Tax Credit property at 60 percent of the area median income.

**CONSTRUCTION SUMMARY**

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

**UTILITIES**

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

**APPEAL**

Landscaping	Grass, Shrubs and Trees
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**Age, Life and Condition**

The subject was constructed in 1985 using both residential and commercial industry standard workmanship and materials. At the time of the inspection, the facility was observed to be in average physical condition. The subject will be in good condition after the rehabilitation is complete. The remaining estimated useful life is calculated by subtracting the effective age of a property as determined by the appraiser from the total economic life as determined by *Marshall and Swift Cost Valuation Services*. The effective age of a property is its age as compared with other properties performing like functions. It is the

actual age less the age which has been taken off by face-lifting, structural reconstruction, removal of functional inadequacies, modernization of equipment, etc. It is an age which reflects the true remaining life for the property, taking into account the typical life expectancy of buildings or equipment of its class and its usage. It is a matter of judgment, taking all factors, current and those anticipated in the immediate future, into consideration.

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

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

As noted in the Neighborhood Data section of this report, the subject is considered to be compatible with the adjacent properties in its neighborhood. The median home value for the neighborhood in 2017, according to ESRI, is \$220,787. According to ESRI, the average amount spent for owner-occupied households in the subject's neighborhood is \$15,156.00, or \$1,263 per month. The average amount spent for renter-occupied households is \$15,660.00, or \$1,305 per month. This data indicates that the cost to rent is slightly higher than the cost to own. The demand for rental units continues to be strong.

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

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

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

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

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

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

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

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

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

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

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



**Subject Photos**



View of Sign



View of Exterior





View of Exterior



View of Exterior



View of Exterior



View of Exterior





View of Exterior



View of Exterior



View of Exterior



View of Exterior





View of Exterior



View of Exterior



View of Leasing Office



View of Maintenance Area





View of Living Area – One-Bedroom Unit



View of Kitchen – One-Bedroom Unit



View of Bedroom – One-Bedroom Unit



View of Bath – One-Bedroom Unit





View of Living Area – Two-Bedroom Unit



View of Kitchen – Two-Bedroom Unit



View of Bedroom – Two-Bedroom Unit



View of Bath – Two-Bedroom Unit





View of Utility Area – Two-Bedroom Unit



View of Stairs – Two-Bedroom Unit



View of Parking Lot



View of Street





View to the North



View to the South





View to the East



View to the West

**Assessments and Current Real Estate Taxes**

The tax rate for Coweta County is 26.060 per \$1,000 of assessed value, and the tax rate for Newnan is 4.050 per \$1,000 of the assessed value. The property has a total appraised value of \$919,822, with \$179,525 allocated to land and \$740,297 allocated to improvements. The assessor uses 40 percent of the appraised value to determine the assessed value. As a result, the assessed value was \$367,929. The 2016 real estate taxes for the subject were \$11,078.31: \$9,588.20 for the county and \$1,490.11 for the city. The taxes have been paid.

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

Property	No. of Units	Year Built	Parcel #	FMV - Land - 2016	FMV - Improvements - 2016	FMV - Total - 2016	Real Estate Taxes - 2016	Taxes Per Unit
Jefferson Pointe Apartments 66 Jefferson Parkway Newnan, Coweta County, Georgia	120	1990	N57A 062	\$552,000	\$5,634,456	\$6,186,456	\$75,450.02	\$628.75
Woodtrail Apartments 247 Jackson Street Newnan, Coweta County, Georgia	61	1984	N61 0003 020	\$376,000	\$1,445,350	\$1,821,350	\$22,213.18	\$364.15
Ashford at Brown Ridge Apartments 60 Jane Lane Newnan, Coweta County, Georgia	114	1986	N57B 093	\$637,600	\$5,267,464	\$5,905,064	\$72,018.16	\$631.74
Brighton Farm Apartments 80 Christian Drive Newnan, Coweta County, Georgia	134	1972	N63 001	\$894,800	\$5,332,132	\$6,226,932	\$75,943.66	\$566.74

These comparables are all market-rate facilities in Coweta County. The comparables indicated a range of \$364.15 per unit to \$631.74 per unit. The subject's actual real estate taxes are \$222.00 per unit. The subject's real estate taxes are lower than the comparable range. Based on the tax comparables shown above, the subject "as is" would have real estate taxes more similar to these comparables. Therefore, real estate taxes were projected at \$600 per unit, or \$30,000, for the market "as is" scenario

## **Highest and Best Use Analysis**

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

As noted in the Site Data section of this report, the subject site has a land area of 6.78 acres. Topographically, the site is gently sloping. The subject is not located in a flood hazard area. No subsoil or drainage conditions are known that would adversely affect the development of the site. Public utilities available to the subject include electricity, water, sewer and telephone. The size of the subject and the adjacent properties suggest a number of possible uses for the subject site.

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

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

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

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

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

### **MAXIMALLY PRODUCTIVE AS VACANT**

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

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

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

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

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

### **PHYSICALLY POSSIBLE AS IMPROVED**

The subject site supports an existing multifamily development with a gross building area of approximately 48,468 square feet. The subject does appear to suffer from functional or external obsolescence. The subject is in average condition.

### **LEGALLY PERMISSIBLE AS IMPROVED**

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

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

**FINANCIALLY FEASIBLE AS IMPROVED**

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

**MAXIMALLY PRODUCTIVE AS IMPROVED**

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

## **Appraisal Procedures**

### **The Cost Approach**

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

### **The Income Approach**

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

### **The Sales Comparison Approach**

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

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

**VALUATION SECTION**

### **Cost Approach**

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

### **Site Value**

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

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

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

**Land Sale No. 1**



**Property Identification**

<b>Record ID</b>	1418
<b>Property Name</b>	State Highway 34 and Holz Parkway
<b>Address</b>	State Highway 34 and Holz Parkway, Newnan, Coweta County, Georgia 30265
<b>Tax ID</b>	109 5 080 052
<b>Market Type</b>	Land

**Sale Data**

<b>Grantor</b>	Charter Bank
<b>Grantee</b>	Southside Ministries Inc
<b>Sale Date</b>	April 24, 2014
<b>Deed Book/Page</b>	4078/686
<b>Property Rights</b>	Fee Simple
<b>Conditions of Sale</b>	Normal
<b>Financing</b>	Conventional
<b>Verification</b>	Assessor; May 17, 2017

<b>Sale Price</b>	\$167,750
<b>Cash Equivalent</b>	\$167,750
<b>Adjusted Price</b>	\$167,750

**Land Sale No. 1 (Cont.)**

**Land Data**

<b>Zoning</b>	C-4, Commercial Service District
<b>Topography</b>	Nearly Level
<b>Utilities</b>	E, G, W, S
<b>Shape</b>	Irregular

**Land Size Information**

<b>Gross Land Size</b>	4.360 Acres or 189,922 SF
<b>Front Footage</b>	State Highway 34; Holz Parkway

**Indicators**

<b>Sale Price/Gross Acre</b>	\$38,475
<b>Sale Price/Gross SF</b>	\$0.88



**Land Sale No. 2**



**Property Identification**

<b>Record ID</b>	4637
<b>Property Name</b>	West Bledsoe Road
<b>Address</b>	West Bledsoe Road, Newnan, Coweta County, Georgia 30265
<b>Tax ID</b>	085 5076 041
<b>Market Type</b>	Land

**Sale Data**

<b>Grantor</b>	Noland Properties, Inc
<b>Grantee</b>	Coweta County Development Authority
<b>Sale Date</b>	March 23, 2017
<b>Deed Book/Page</b>	1718/20
<b>Property Rights</b>	Fee Simple
<b>Conditions of Sale</b>	Normal
<b>Financing</b>	Conventional
<b>Verification</b>	Assessor; May 17, 2017

<b>Sale Price</b>	\$125,120
<b>Cash Equivalent</b>	\$125,120
<b>Adjusted Price</b>	\$125,120

**Land Data**

<b>Zoning</b>	M, Industrial
<b>Topography</b>	Nearly Level
<b>Utilities</b>	E, G, W, S
<b>Shape</b>	Irregular

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

**Land Size Information**

<b>Gross Land Size</b>	2.940 Acres or 128,066 SF
<b>Front Footage</b>	West Bledsoe Road

**Indicators**

<b>Sale Price/Gross Acre</b>	\$42,558
<b>Sale Price/Gross SF</b>	\$0.98

**Land Sale No. 3**



**Property Identification**

<b>Record ID</b>	4638
<b>Property Name</b>	129 Pine Road
<b>Address</b>	129 Pine Road, Newnan, Coweta County, Georgia 30263
<b>Tax ID</b>	076 2 056 024
<b>Market Type</b>	Land

**Sale Data**

<b>Grantor</b>	Tarver Investments LLC
<b>Grantee</b>	Joseph Wainscott
<b>Sale Date</b>	June 02, 2015
<b>Deed Book/Page</b>	4227/650
<b>Property Rights</b>	Fee Simple
<b>Conditions of Sale</b>	Normal
<b>Financing</b>	Conventional
<b>Verification</b>	Assessor; May 17, 2017

<b>Sale Price</b>	\$91,600
<b>Cash Equivalent</b>	\$91,600
<b>Adjusted Price</b>	\$91,600

**Land Data**

<b>Zoning</b>	M, Industrial
<b>Topography</b>	Nearly Level
<b>Utilities</b>	E, G, W, S
<b>Shape</b>	Irregular

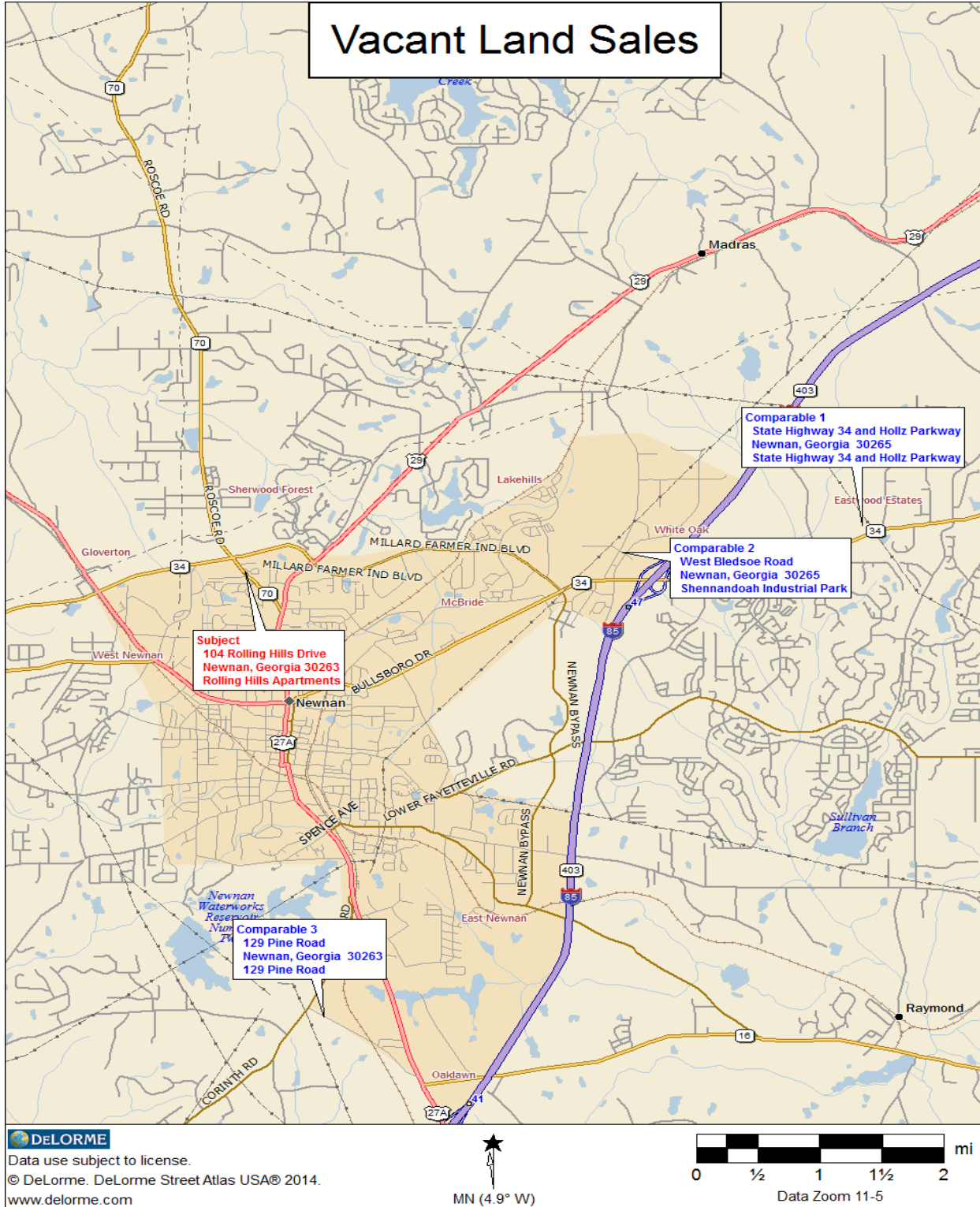
**Land Sale No. 3(Cont.)**

**Land Size Information**

<b>Gross Land Size</b>	1.970 Acres or 85,813 SF
<b>Front Footage</b>	Pine Road

**Indicators**

<b>Sale Price/Gross Acre</b>	\$46,497
<b>Sale Price/Gross SF</b>	\$1.07



Rolling Hills Apartments \* 104 Rolling Hills Drive \* Newnan, Georgia

Land Analysis Grid		Comp 1	Comp 2	Comp 3			
Address	104 Rolling Hills Drive e Highway 34 and Holz Park	West Bledsoe Road	129 Pine Road				
City	Newnan	Newnan	Newnan	Newnan			
State	GA	GA	GA	GA			
Date	5/17/2017	4/24/2014	3/23/2017	6/2/2015			
Price		\$167,750	\$125,120	\$91,600			
Acres	6.78	4.36	2.94	1.97			
Acre Unit Price		\$38,475	\$42,558	\$46,497			
<b>Transaction Adjustments</b>							
Property Rights	Fee Simple	Fee Simple	0.0%	Fee Simple	0.0%	Fee Simple	0.0%
Financing	Conventional	Conventional	0.0%	Conventional	0.0%	Conventional	0.0%
Conditions of Sale	Normal	Normal	0.0%	Normal	0.0%	Normal	0.0%
<b>Adjusted Acre Unit Price</b>		<b>\$38,475</b>		<b>\$42,558</b>		<b>\$46,497</b>	
Market Trends Through	05/17/17	0%		0%		0%	
<b>Adjusted GBA Unit Price</b>		<b>\$38,475</b>		<b>\$42,558</b>		<b>\$46,497</b>	
Location	Average	Similar		Similar		Similar	
% Adjustment		0%		0%		0%	
\$ Adjustment		\$0		\$0		\$0	
Acres	6.78	4.36		2.94		1.97	
% Adjustment		0%		0%		0%	
\$ Adjustment		\$0		\$0		\$0	
Visibility/Access	Average	Similar		Similar		Similar	
% Adjustment		0%		0%		0%	
\$ Adjustment		\$0		\$0		\$0	
Topography	Gently Sloping	Nearly Level		Nearly Level		Nearly Level	
% Adjustment		0%		0%		0%	
\$ Adjustment		\$0		\$0		\$0	
Zoning	RML	C-4		M		M	
% Adjustment		0%		0%		0%	
\$ Adjustment		\$0		\$0		\$0	
Utilities	E, G, W, S	E, G, W, S		E, G, W, S		E, G, W, S	
% Adjustment		0%		0%		0%	
\$ Adjustment		\$0		\$0		\$0	
<b>Adjusted Acre Unit Price</b>		<b>\$38,475</b>		<b>\$42,558</b>		<b>\$46,497</b>	
Net adjustments		0.0%		0.0%		0.0%	
Gross adjustments		0.0%		0.0%		0.0%	

After analyzing the land sales and adjusting each sale accordingly, it is our opinion that the estimated Market Value of the subject site as of May 17, 2017, is as follows:

**6.78 acres x \$42,500 per acre = \$288,150**

**Rounded \$290,000**

### Summary of Vacant Land Sales

Comp	Address	Sale Date	Sale Price	Acre Unit Price	Acres	Land SF	Zoning
1	State Highway 34 and Holz Parkway	4/24/2014	\$167,750	\$38,475	4.36	189,922	C-4
2	West Bledsoe Road	3/23/2017	\$125,120	\$42,558	2.94	128,066	M
3	129 Pine Road	6/2/2015	\$91,600	\$46,497	1.97	85,813	M

### Adjustments

The prices of the comparable land sales range from \$38,475 to \$46,497 per acre before adjustments. Each of the comparables was adjusted for differences from the subject site. The adjustments are based on the following characteristics.

### Location

The location of the subject property and the comparables relative to residential population, population wealth, traffic patterns, centers of employment, economic levels and other locational attributes was analyzed. Location comparisons were made based on the appraiser's judgment as to the relative desirability of the property to a potential commercial or multifamily investor. These factors also include degree and quality of surrounding development and view. The subject is located in Newnan. All comparables are similar in location. No adjustments were needed.

### Size

Consideration was given to the size of the subject as compared to the comparables. Size can have an impact on site value based on the premise that smaller parcels often sell for a higher price per unit than larger parcels with equal utility. The subject site consists of a total area of 6.78 acres. The comparables range in size from 1.97 acres to 4.36 acres. The market did not indicate a need for adjustment due to size. Therefore, no adjustments were made.

### Visibility/Access

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

### Topography

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

**Zoning**

The adjustment for zoning reflects not only the zoning of the comparables relative to the subject property but also the potential utility of the sites. The subject is zoned RML. Comparable 1 is zoned C-4. Comparable 2 is zoned M. Comparable 3 is zoned M. The market did not indicate an adjustment was needed for zoning differences. No adjustments were made.

**Utilities**

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

**Summary Conclusions**

The land sales analysis indicates the quantitative or qualitative adjustments. The comparable land sales range from \$38,475 to \$46,497 per acre after adjustments. All comparables were given consideration. The comparables indicated a reconciled value of \$42,500 per acre. These were considered to be the best comparables available after researching sales with local realtors and the county assessor's office.

**6.78 acres x \$42,500 per Acre = \$288,150**

**Rounded \$290,000**



## **Improvement Valuation**

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

Replacement cost new (RCN) is defined as follows:

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

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

## **Depreciation Analysis**

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

## **Physical Deterioration**

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

## **Depreciation Accrued To The Subject**

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

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

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

**External Obsolescence**

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

**Deferred Maintenance**

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

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

**External Obsolescence - As Is Restricted**

<b>Total Construction Cost of Structures</b>				\$3,102,548
<b>Plus: Entrepreneur's Profit</b>				\$310,255
<b>Depreciation</b>				(\$633,865)
<b>Cost of Structures before External Obsolescence</b>				<u>\$2,778,938</u>
<b>Value of Land</b>				\$290,000
<b>Plus: Entrepreneur's Profit</b>				<u>\$29,000</u>
<b>Cost before External Obsolescence</b>				\$3,097,938
<b>Current Capitalization Rate</b>				7.00%
<b>Economic Net Operating Income (RCN x CR)</b>				\$216,856
<b>Net Operating Income from the Subject</b>				<u>\$70,667</u>
<b>Net Loss Due to Economic Obsolescence</b>				(\$146,189)
<b>Ratio of Improvements Total Property Value</b>				0.8970
<b>Year</b>		<b>Actual NOI Loss</b>	<b>Overall Cap Rate</b>	<b>Capitalized NOI Loss</b>
1		(\$146,189)	7.00%	(\$2,088,409)
<b>Times ratio of Improvements to Total Property</b>				0.8970
<b>Total External Obsolescence</b>				(\$1,873,362)

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

**Marshall & Swift**

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

**Building Improvements**

Item	Unit Type	Cost	Quantity	Multiplier	Total
Average Class D Multiple Residences	Sq. Ft.	\$71.55	48,468	0.855	\$2,964,695
Built-Ins	Per Unit	\$1,925.00	50	0.855	\$82,284
<b>Total Building Improvement Costs</b>					<b>\$3,046,979</b>
Price per SF Gross Building Area					\$62.87

**Site Improvements**

Item	Unit Type	Cost	Quantity	Multiplier	Total
Paving	Per Unit	\$650.00	100	0.855	\$55,569
<b>Total Site Improvement Costs</b>					<b>\$55,569</b>
<b>Subtotal: Building &amp; Site Costs</b>					<b>\$3,102,548</b>
Price per SF Gross Building Area					\$64.01

**Total Costs**

Subtotal: Building, Site & Soft Costs	\$3,102,548
Developer's Profit 10.0%	\$310,255
<b>Total Cost</b>	<b>\$3,412,803</b>
Price per SF Gross Building Area	\$70.41

**Depreciation**

Component	Eff. Age	Life	Percent	Amount
Physical Depreciation: Building	10	55	18%	\$603,302
Physical Depreciation: Site	10	20	50%	\$30,563
Functional Obsolescence Building			0%	\$0
External Obsolescence Building			0%	\$1,873,362
<b>Total Depreciation</b>				<b>\$2,507,227</b>
<b>Depreciated Value of Improvements</b>				<b>\$905,576</b>
Cost Per Square Foot Gross Building Area				\$18.68

**Additional Cost Sections**

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

**Land Value**

Land Value	\$290,000
Other	\$0
<b>Cost Approach Value Indication</b>	<b>\$1,195,576</b>
<b>Rounded</b>	<b>\$1,195,000</b>
<b>Price per SF Gross Building Area</b>	<b>\$24.66</b>

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

**Restricted Value As Is = \$1,195,000**

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

**Marshall & Swift**

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

**Building Improvements**

Item	Unit Type	Cost	Quantity	Multiplier	Total
Average Class D Multiple Residences	Sq. Ft.	\$71.55	48,468	0.855	\$2,964,695
Built-Ins	Per Unit	\$1,925.00	50	0.855	\$82,284
<b>Total Building Improvement Costs</b>					<b>\$3,046,979</b>
Price per SF Gross Building Area					\$62.87

**Site Improvements**

Item	Unit Type	Cost	Quantity	Multiplier	Total
Paving	Per Unit	\$650.00	100	0.855	\$55,569
<b>Total Site Improvement Costs</b>					<b>\$55,569</b>
<b>Subtotal: Building &amp; Site Costs</b>					<b>\$3,102,548</b>
Price per SF Gross Building Area					\$64.01

**Total Costs**

Subtotal: Building, Site & Soft Costs	\$3,102,548
Developer's Profit 10.0%	\$310,255
<b>Total Cost</b>	<b>\$3,412,803</b>
Price per SF Gross Building Area	\$70.41

**Depreciation**

Component	Eff. Age	Life	Percent	Amount
Physical Depreciation: Building	10	55	18%	\$603,302
Physical Depreciation: Site	10	20	50%	\$30,563
Functional Obsolescence Building			0%	\$0
External Obsolescence Building			0%	\$0
<b>Total Depreciation</b>				<b>\$633,865</b>
<b>Depreciated Value of Improvements</b>				<b>\$2,778,938</b>
Cost Per Square Foot Gross Building Area				\$57.34

**Additional Cost Sections**

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

**Land Value**

Land Value	\$290,000
Other	\$0
<b>Cost Approach Value Indication</b>	<b>\$3,068,938</b>
<b>Rounded</b>	<b>\$3,070,000</b>
<b>Price per SF Gross Building Area</b>	<b>\$63.34</b>

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

**Market Value As Is = \$3,070,000**

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

**External Obsolescence - As Complete Restricted**

<b>Total Construction Cost of Structures</b>				\$3,102,548
<b>Plus: Entrepreneur's Profit</b>				\$310,255
<b>Depreciation</b>				(\$316,932)
<b>Cost of Structures before External Obsolescence</b>				<u>\$3,095,870</u>
<b>Value of Land</b>				\$290,000
<b>Plus: Entrepreneur's Profit</b>				<u>\$29,000</u>
 <b>Cost before External Obsolescence</b>				 \$3,414,870
 <b>Current Capitalization Rate</b>				 7.00%
 <b>Economic Net Operating Income (RCN x CR)</b>				 \$239,041
<b>Net Operating Income from the Subject</b>				<u>\$222,397</u>
<b>Net Loss Due to Economic Obsolescence</b>				(\$16,644)
 <b>Ratio of Improvements Total Property Value</b>				 0.9066
 <b>Year</b>		<b>Actual NOI Loss</b>	<b>Overall Cap Rate</b>	<b>Capitalized NOI Loss</b>
1		(\$16,644)	7.00%	(\$237,770)
<b>Times ratio of Improvements to Total Property</b>				0.9066
 <b>Total External Obsolescence</b>				 (\$215,559)

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

**Marshall & Swift**

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

**Building Improvements**

Item	Unit Type	Cost	Quantity	Multiplier	Total
Average Class D Multiple Residences	Sq. Ft.	\$71.55	48,468	0.855	\$2,964,695
Built-Ins	Per Unit	\$1,925.00	50	0.855	\$82,284
<b>Total Building Improvement Costs</b>					<b>\$3,046,979</b>
Price per SF Gross Building Area					\$62.87

**Site Improvements**

Item	Unit Type	Cost	Quantity	Multiplier	Total
Paving	Per Unit	\$650.00	100	0.855	\$55,569
<b>Total Site Improvement Costs</b>					<b>\$55,569</b>
<b>Subtotal: Building &amp; Site Costs</b>					<b>\$3,102,548</b>
Price per SF Gross Building Area					\$64.01

**Total Costs**

Subtotal: Building, Site & Soft Costs	\$3,102,548
Developer's Profit 10.0%	\$310,255
<b>Total Cost</b>	<b>\$3,412,803</b>
Price per SF Gross Building Area	\$70.41

**Depreciation: Section 1 of 1**

Component	Eff. Age	Life	Percent	Amount
Physical Depreciation: Building	5	55	9%	\$301,651
Physical Depreciation: Site	5	20	25%	\$15,281
Functional Obsolescence Building			0%	\$0
External Obsolescence Building			0%	\$215,559
<b>Total Depreciation</b>				<b>\$532,491</b>
<b>Depreciated Value of Improvements</b>				<b>\$2,880,311</b>
Cost Per Square Foot Gross Building Area				\$59.43

**Additional Cost Sections**

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

**Land Value**

Land Value	\$290,000
Other	\$0
<b>Cost Approach Value Indication</b>	<b>\$3,170,311</b>
<b>Rounded</b>	<b>\$3,170,000</b>
<b>Price per SF Gross Building Area</b>	<b>\$65.40</b>

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

**Restricted Value As Stabilized = \$3,170,000**

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

**Marshall & Swift**

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

**Building Improvements**

Item	Unit Type	Cost	Quantity	Multiplier	Total
Average Class D Multiple Residences	Sq. Ft.	\$71.55	48468	0.855	\$2,964,695
Built-Ins	Per Unit	\$1,925.00	50	0.855	\$82,284
<b>Total Building Improvement Costs</b>					<b>\$3,046,979</b>
Price per SF Gross Building Area					\$62.87

**Site Improvements**

Item	Unit Type	Cost	Quantity	Multiplier	Total
Paving	Per Unit	\$650.00	100	0.855	\$55,569
<b>Total Site Improvement Costs</b>					<b>\$55,569</b>
<b>Subtotal: Building &amp; Site Costs</b>					<b>\$3,102,548</b>
Price per SF Gross Building Area					\$64.01

**Total Costs**

Subtotal: Building, Site & Soft Costs	\$3,102,548
Developer's Profit 10.0%	\$310,255
<b>Total Cost</b>	<b>\$3,412,803</b>
Price per SF Gross Building Area	\$70.41

**Depreciation: Section 1 of 1**

Component	Eff. Age	Life	Percent	Amount
Physical Depreciation: Building	5	55	9%	\$301,651
Physical Depreciation: Site	5	20	25%	\$15,281
Functional Obsolescence Building			0%	\$0
External Obsolescence Building			0%	\$0
<b>Total Depreciation</b>				<b>\$316,932</b>
<b>Depreciated Value of Improvements</b>				<b>\$3,095,870</b>
Cost Per Square Foot Gross Building Area				\$63.87

**Additional Cost Sections**

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

**Land Value**

Land Value	\$290,000
Other	\$0
<b>Cost Approach Value Indication</b>	<b>\$3,385,870</b>
<b>Rounded</b>	<b>\$3,385,000</b>
<b>Price per SF Gross Building Area</b>	<b>\$69.84</b>

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

**Market Value As Stabilized = \$3,385,000**

### **Income Approach**

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

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

### **Income Analysis**

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



HUD-Forms 92273 – As Is

One-Bedroom Units (620 SF) – As Is

Estimates of Market Rent  
by Comparison - As Is

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

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

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

1. Unit Type	2. Subject Property (Address)	A. Comparable Property No. 1 (address)	B. Comparable Property No. 2 (address)	C. Comparable Property No. 3 (address)	D. Comparable Property No. 4 (address)	E. Comparable Property No. 5 (address)				
One-Bedroom	Rolling Hills Apartments 104 Rolling Hills Drive Newnan, Coweta, GA	Jefferson Point Apartments 66 Jefferson Parkway Newnan, Coweta, GA	Creekside at White Oak 10 Lakeside Way Newnan, Coweta, GA	Woodtrail Apartments 247 Jackson Street Newnan, Coweta, GA	Ashford at Brown Ridge 60 Jane Lane Newnan, Coweta, GA	Brighton Farms Apartments 80 Christian Drive Newnan, Coweta, GA				
Characteristics	Data	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments	
3. Effective Date of Rental	05/2017	05/2017		05/2017		05/2017		05/2017		
4. Type of Project/Stories	G/1	WU/2		WU/3		G/1		WU/3		
5. Floor of Unit in Building	First	Varies		Varies		First		Varies		
6. Project Occupancy %	100%	98%		94%		100%		93%		
7. Concessions	N	N		N		N		N		
8. Year Built	1985	1990	(\$30)	1990/2001		1984		1986	(\$30)	
9. Sq. Ft. Area	620	644		928	(\$85)	576	\$10	895	(\$80)	
10. Number of Bedrooms	1	1		1		1		1		
11. Number of Baths	1.0	1.0		1.0		1.0		1.0		
12. Number of Rooms	3	3		3		3		3		
13. Balc./Terrace/Patio	Y	Y		Y		Y		Y		
14. Garage or Carport	L/0	L/0		L/0		L/0		L/0		
15. Equipment a. A/C	C	C		C		C		C		
b. Range/Refrigerator	RF	RF		RF		RF		RF		
c. Disposal	N	Y		Y		N		Y		
d. Microwave/Dishwasher	N	D	(\$10)	MD	(\$15)	D	(\$10)	D	(\$10)	
e. Washer/Dryer	HU	HU		WD	(\$20)	HU		HU		
f. Carpet	C	C		C		C		C		
g. Drapes	B	B		B		B		B		
h. Pool/Rec. Area	N	PER	(\$30)	PER	(\$30)	N		PR	(\$20)	
16. Services a. Heat/Type	N/E	N/G		N/G		N/E		N/G		
b. Cooling	N/E	N/E		N/E		N/E		N/E		
c. Cook/Type	N/E	N/G		N/G		N/E		N/G		
d. Electricity	N	N		N		N		N		
e. Hot Water	N/E	N/G		N/G		N/E		N/G		
f. Cold Water/Sewer	N	N		Y	(\$38)	N		N		
g. Trash	Y	Y		Y		N	\$15	N	\$15	
17. Storage	Y/0	N	\$5	N	\$5	Y/0		N	\$5	
18. Project Location	Average	Similar		Similar		Similar		Similar		
19. Security	N	N		N		N		N		
20. Clubhouse/Meeting Room	N	C	(\$5)	C	(\$5)	N		N		
21. Special Features	N	N		N		N		F	(\$10)	
22. Business Center / Nhd Netwk	N	N		N		N		N		
23. Unit Rent Per Month		\$900		\$825		\$650		\$1,235		
24. Total Adjustment			(\$70)		(\$188)		\$15		(\$130)	
25. Indicated Rent		\$830		\$637		\$665		\$1,105		
26. Correlated Subject Rent	\$775	<input type="checkbox"/> If there are any Remarks, check here and add the remarks to the back of page.								
	high rent	\$1,105	low rent	\$637	60% range	\$731	to	\$1,011		

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

Appraiser's Signature: *Samuel J. Hill* Date (mm/dd/yy): 05/17/17  
Reviewer's Signature: \_\_\_\_\_ Date (mm/dd/yyyy): \_\_\_\_\_

Previous editions are obsolete

form HUD-92273 (07/2003)

Two-Bedroom Units (949 SF) – As Is

Estimates of Market Rent  
by Comparison - As Is

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

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

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

1. Unit Type	2. Subject Property (Address)	A. Comparable Property No. 1 (address)			B. Comparable Property No. 2 (address)			C. Comparable Property No. 3 (address)			D. Comparable Property No. 4 (address)			E. Comparable Property No. 5 (address)		
Two-Bedroom	Rolling Hills Apartments 104 Rolling Hills Drive Newnan, Coweta, GA	Jefferson Point Apartments 66 Jefferson Parkway Newnan, Coweta, GA			Creekside at White Oak 10 Lakeside Way Newnan, Coweta, GA			Woodtrail Apartments 247 Jackson Street Newnan, Coweta, GA			Ashford at Brown Ridge 60 Jane Lane Newnan, Coweta, GA			Brighton Farms Apartments 80 Christian Drive Newnan, Coweta, GA		
Characteristics		Data	Adjustments		Data	Adjustments		Data	Adjustments		Data	Adjustments		Data	Adjustments	
3. Effective Date of Rental	05/2017	05/2017			05/2017			05/2017			05/2017			05/2017		
4. Type of Project/Stories	T/2	WU/2			WU/3			G/1			G/1, WU/2			WU/3		
5. Floor of Unit in Building	First	Varies			Varies			First			Varies			Varies		
6. Project Occupancy %	100%	98%			94%			100%			100%			93%		
7. Concessions	N	N			N			N			N			N		
8. Year Built	1985	1990		(\$30)	1990/2001			1984			1986		(\$30)	1972		
9. Sq. Ft. Area	949	1,119		(\$40)	1,128		(\$40)	864		\$20	1,100		(\$35)	865		\$20
10. Number of Bedrooms	2	2			2			2			2			2		
11. Number of Baths	1.5	2.0		(\$10)	2.0		(\$10)	1.0		\$10	2.0		(\$10)	1.0		\$10
12. Number of Rooms	4	4			4			4			4			4		
13. Balc./Terrace/Patio	Y	Y			Y			Y			Y			Y		
14. Garage or Carport	L/0	L/0			L/0			L/0			L/0			L/0		
15. Equipment a. A/C	C	C			C			C			C			C		
b. Range/Refrigerator	RF	RF			RF			RF			RF			RF		
c. Disposal	N	Y			Y			N			Y			Y		
d. Microwave/Dishwasher	N	D		(\$10)	MD		(\$15)	D		(\$10)	D		(\$10)	D		(\$10)
e. Washer/Dryer	HU	HU			WD		(\$20)	HU			HU			HU		
f. Carpet	C	C			C			C			C			C		
g. Drapes	B	B			B			B			B			B		
h. Pool/Rec. Area	N	PER		(\$30)	PER		(\$30)	N			PR		(\$20)	PR		(\$20)
16. Services a. Heat/Type	N/E	N/G			N/G			N/E			N/G			N/G		
b. Cooling	N/E	N/E			N/E			N/E			N/E			N/E		
c. Cook/Type	N/E	N/G			N/G			N/E			N/E			N/G		
d. Electricity	N	N			N			N			N			N		
e. Hot Water	N/E	N/G			N/G			N/E			N/G			N/G		
f. Cold Water/Sewer	N	N			Y		(\$47)	N			N			N		
g. Trash	Y	Y			Y			N		\$15	N		\$15	N		\$15
17. Storage	Y/0	N		\$5	N		\$5	Y/0			N		\$5	N		\$5
18. Project Location	Average	Similar			Similar			Similar			Similar			Similar		
19. Security	N	N			N			N			N			Y		(\$5)
20. Clubhouse/Meeting Room	N	C		(\$5)	C		(\$5)	N			N			N		
21. Special Features	N	N			N			N			F		(\$10)	N		
22. Business Center / Nhd Netwk	N	N			N			N			N			N		
23. Unit Rent Per Month		\$1,012			\$980			\$750			\$1,525			\$950		
24. Total Adjustment				(\$120)			(\$162)			\$35			(\$95)			\$15
25. Indicated Rent		\$892			\$818			\$785			\$1,430			\$965		
26. Correlated Subject Rent	\$850	<input type="checkbox"/> If there are any Remarks, check here and add the remarks to the back of page.														
	high rent	\$1,430	low rent	\$785	60% range	\$914	to	\$1,301	BELOW 60% RANGE							

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

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

form HUD-92273 (07/2003)

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

### **Rolling Hills Apartments**

#### **Primary Unit Types – One-Bedroom Units (620 SF) and Two-Bedroom Units (949 SF)**

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

Rent comparability grids were prepared for the primary unit types with 620 and 949 square feet. Comparable apartments used include the following: Jefferson Point Apartments (Comparable 1), Creekside at White Oak (Comparable 2), Woodtrail Apartments (Comparable 3), Ashford at Brown Ridge (Comparable 4) and Brighton Farms Apartments (Comparable 5).

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

**Project Occupancy** – The subject is currently 100 percent occupied. The occupancy rates of the comparables range from 93 to 100 percent. No adjustments were needed.

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

**Year Built/Year Renovated** – The subject was constructed in 1985. Comparable 1 was built in 1990, and Comparable 2 was constructed in 1990 and renovated in 2001. Comparable 3 was constructed in 1984, and Comparable 4 was built in 1986. Comparable 5 was constructed in 1972. Comparables 1 and 4 are superior to the subject in condition. Comparables 2, 3 and 5 are similar to the subject in condition. It is difficult to determine adjustment amounts for condition/street appeal as it is difficult to determine rent level fluctuations based on these items. Therefore, it was necessary to rely in large part on opinions of area apartment managers and tenants. In addition, adjusted rents of the comparables were considered as the difference in rents of the comparables after everything else is factored out is assumed to be attributable to condition/street appeal. In order to determine the appropriate adjustments for condition (year built/year renovated), the appraiser utilized paired analysis to compare the comparables. Comparable 1 was deemed the most similar to the subject. Therefore, this comparable was considered the subject in the

paired analysis calculation. When performing the analysis, the appraiser compared the units at Comparable 5 individually to Comparable 1. Comparable 5 is considered similar in condition to Comparable 2. As can be seen in the following tables, the appraiser adjusted the street rent of each comparable for all differences between the subject and comparables to come up with a net adjusted rent for each comparable. The differences that warranted adjustments included unit size, microwave/dishwasher, washer/dryer, pool/exercise room/recreation area, cold water/sewer, trash, extra storage, security, clubhouse/meeting room and business center. Once the net adjusted rents were determined, these rents were compared to the street rent at Comparable 1. The differences between the rents indicate the appropriate adjustments for condition.

Paired Analysis - One-Bedroom Units	
Item	Comparable 5
Street Rent	\$860
Unit Size	-\$45
Microwave/Dishwasher	\$0
Washer/Dryer	\$0
Pool/Exercise Room/Rec. Area	\$10
Cold Water/Sewer	\$0
Trash	\$15
Extra Storage	\$0
Security	-\$5
Clubhouse/Meeting Room	\$0
Business Center	\$0
Net Rent	\$835
Comparable 1 Street Rent	\$900
Indicated Adjustment	\$65

As can be seen on the analysis, the amount of adjustments indicated was different for each bedroom type. Due to the nature of the adjustment and the fact that all of the difference may not be attributable entirely to differences in condition, the results were averaged and then divided in half. Comparables 2 and 5 were adjusted downward \$30 per month.

**SF Area** – For the purpose of this report, a range of comparable rents per square foot was derived. To determine this adjustment, each comparable's dollar per square foot rental rate was determined. This number was then multiplied by 25 percent for each comparable to derive an adjusted dollar per square foot rental rate. The median dollar per square foot rental rate is determined. Next, the difference in square footage between the subject and each comparable is determined. The difference is multiplied by the determined adjusted dollar per square foot rate to arrive at the adjustment for each comparable. The selected dollar per square foot for the one-bedroom comparison is \$0.28 and for the two-bedroom

comparison is \$0.23. No adjustments were made to comparables within 25 square feet of the subject. The adjustments were rounded to the nearest \$5. These adjustments are reflected on the HUD-Forms 92273, which are attached.

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

**# of Baths** – Each complex with a differing number of baths than the subject was adjusted \$10 per half-bath. The majority of the difference in number of baths is accounted for in the unit square footage adjustment. However, an adjustment is made here to consider the added convenience of additional baths. The extra room(s) will enhance marketability of a unit even if the square footage remains the same. The comparables contained insufficient data for a paired analysis determination. Therefore, only nominal adjustments were selected for differences in number of baths.

**Balcony/Patio** – The subject contains patios. All comparables have balconies or patios. No adjustments were needed.

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

**AC: Central/Wall** – The subject contains central air conditioning. All comparables are similar. No adjustments were needed.

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

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

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

**Washer/Dryer** – The subject contains washer/dryer hook-ups. Comparables 1, 3, 4 and 5 also contain hook-ups. Comparable 2 contains washers and dryers in the units. Residents in the market area indicated a preference for washers and dryers within the units. Therefore, this comparable was adjusted downward \$20 per month.

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

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

**Pool/Exercise Room/Recreation Areas** – The subject does not contain any of these amenities. Comparable 3 is similar to the subject. Comparable 1 contains a swimming pool, exercise room, picnic area and tennis court. Comparable 2 contains a swimming pool, exercise room, picnic area and playground. Comparable 4 contains a swimming pool and playground. Comparable 5 contains a swimming pool, playground and gazebo. No comparable in the market area shows a rent differential based on this particular item; however, the added amenity is an enhancement. Therefore, Comparables 1 and 2 were adjusted downward \$30 per month, and Comparables 4 and 5 were adjusted downward \$20 per month.

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

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

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

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

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

**Cold Water/Sewer** – The subject does not have these utilities provided. Comparables 1, 3, 4 and 5 are similar. Comparable 2 does provide these utilities. Comparable 2 was adjusted downward \$38 per month for one-bedroom units and \$47 per month for two-bedroom units as indicated by the Georgia Department of Community Affairs Housing Authority's Allowances for Tenant-Furnished Utilities and Other Services.

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

**Extra Storage** – The subject contains extra storage. Comparable 3 is similar. The remaining comparables do not provide extra storage. No complex in the market area shows a rent differential based on this particular item; however, the added amenity is an enhancement to the unit. Therefore, Comparables 1, 2, 4 and 5 were adjusted downward \$5 per month.

**Location** – The subject's location is average with easy access to all services available within the city limits. The comparables are similar. No adjustments were needed.

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

**Clubhouse/Meeting Room** – The subject does not contain either feature. Comparables 1 and 2 contain clubhouses. Comparables 3, 4 and 5 are similar to the subject. No complex in the market area shows a rent differential based on this particular item; however, the added amenity is an enhancement to the property. Therefore, Comparables 1 and 2 were adjusted downward \$5 per month.

**Special Features** – The subject does not contain special features in all units. Comparable 4 contains fireplaces in the units. No complex in the market area shows a rent differential based on this particular item; however, the added amenity is an enhancement to the unit. The comparable with fireplaces was adjusted downward \$10 per month.

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

**Conclusion of Market Rents – As Is**

The adjusted rents range from \$637 to \$1,105 for the one-bedroom comparison and from \$785 to \$1,430 for the two-bedroom comparison. All comparables were given consideration. The appraiser concluded the market rent for the units at the subject as follows:

- **620 SF One-Bedroom Units** - **\$775**
- **949 SF Two-Bedroom Units** - **\$850**

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

Unit Type	# of Units	Square Footage	Maximum Net LIHTC Rent	Current Rent	Utility Allowance
1/1	16	620	\$639	\$420	\$120
2/1.5 TH	33	949	\$782	\$460	\$130
2/1.5 TH	1	949	N/A	N/A	N/A



HUD-Forms 92273 – As Complete

One-Bedroom Units (620 SF) – As Complete

Estimates of Market Rent  
by Comparison - As Complete

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

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

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

1. Unit Type	2. Subject Property (Address)	A. Comparable Property No. 1 (address)	B. Comparable Property No. 2 (address)	C. Comparable Property No. 3 (address)	D. Comparable Property No. 4 (address)	E. Comparable Property No. 5 (address)					
One-Bedroom	Rolling Hills Apartments 104 Rolling Hills Drive Newnan, Coweta, GA	Jefferson Point Apartments 66 Jefferson Parkway Newnan, Coweta, GA	Creekside at White Oak 10 Lakeside Way Newnan, Coweta, GA	Woodtrail Apartments 247 Jackson Street Newnan, Coweta, GA	Ashford at Brown Ridge 60 Jane Lane Newnan, Coweta, GA	Brighton Farms Apartments 80 Christian Drive Newnan, Coweta, GA					
Characteristics	Data	Data	Adjustments - +	Data	Adjustments - +	Data	Adjustments - +	Data	Adjustments - +	Data	Adjustments - +
3. Effective Date of Rental	05/2017	05/2017		05/2017		05/2017		05/2017		05/2017	
4. Type of Project/Stories	G/1	WU/2		WU/3		G/1		G/1, WU/2		WU/3	
5. Floor of Unit in Building	First	Varies		Varies		First		Varies		Varies	
6. Project Occupancy %	100%	98%		94%		100%		100%		93%	
7. Concessions	N	N		N		N		N		N	
8. Year Built	1985/Proposed	1990	\$20	1990/2001	\$50	1984	\$50	1986	\$20	1972	\$50
9. Sq. Ft. Area	620	644		928	(\$85)	576	\$10	895	(\$80)	800	(\$50)
10. Number of Bedrooms	1	1		1		1		1		1	
11. Number of Baths	1.0	1.0		1.0		1.0		1.0		1.0	
12. Number of Rooms	3	3		3		3		3		3	
13. Balc./Terrace/Patio	Y	Y		Y		Y		Y		Y	
14. Garage or Carport	L/0	L/0		L/0		L/0		L/0		L/0	
15. Equipment a. A/C	C	C		C		C		C		C	
b. Range/Refrigerator	RF	RF		RF		RF		RF		RF	
c. Disposal	N	Y		Y		N		Y		Y	
d. Microwave/Dishwasher	N	D	(\$10)	MD	(\$15)	D	(\$10)	D	(\$10)	D	(\$10)
e. Washer/Dryer	HU	HU		WD	(\$20)	HU		HU		HU	
f. Carpet	C	C		C		C		C		C	
g. Drapes	B	B		B		B		B		B	
h. Pool/Rec. Area	N	PER	(\$30)	PER	(\$30)	N		PR	(\$20)	PR	(\$20)
16. Services a. Heat/Type	N/E	N/G		N/G		N/E		N/G		N/G	
b. Cooling	N/E	N/E		N/E		N/E		N/E		N/E	
c. Cook/Type	N/E	N/G		N/G		N/E		N/E		N/G	
d. Electricity	N	N		N		N		N		N	
e. Hot Water	N/E	N/G		N/G		N/E		N/G		N/G	
f. Cold Water/Sewer	N	N		Y	(\$38)	N		N		N	
g. Trash	Y	Y		Y		N	\$15	N	\$15	N	\$15
17. Storage	Y/0	N	\$5	N	\$5	Y/0		N	\$5	N	\$5
18. Project Location	Average	Similar		Similar		Similar		Similar		Similar	
19. Security	N	N		N		N		N		Y	(\$5)
20. Clubhouse/Meeting Room	N	C	(\$5)	C	(\$5)	N		N		N	
21. Special Features	N	N		N		N		F	(\$10)	N	
22. Business Center / Nhd Netwk	N	N		N		N		N		N	
23. Unit Rent Per Month		\$900		\$825		\$650		\$1,235		\$860	
24. Total Adjustment			(\$20)		(\$138)		\$65		(\$80)		(\$15)
25. Indicated Rent		\$880		\$687		\$715		\$1,155		\$845	
26. Correlated Subject Rent	\$825	<input type="checkbox"/> If there are any Remarks, check here and add the remarks to the back of page.									
	high rent	\$1,155	low rent	\$687	60% range	\$781	to	\$1,061			

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

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

form HUD-92273 (07/2003)

**Two-Bedroom Units (949 SF) – As Complete**

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

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

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

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

1. Unit Type	2. Subject Property (Address)	A. Comparable Property No. 1 (address)		B. Comparable Property No. 2 (address)		C. Comparable Property No. 3 (address)		D. Comparable Property No. 4 (address)		E. Comparable Property No. 5 (address)	
Two-Bedroom	Rolling Hills Apartments 104 Rolling Hills Drive Newnan, Coweta, GA	Jefferson Point Apartments 66 Jefferson Parkway Newnan, Coweta, GA		Creekside at White Oak 10 Lakeside Way Newnan, Coweta, GA		Woodtrail Apartments 247 Jackson Street Newnan, Coweta, GA		Ashford at Brown Ridge 60 Jane Lane Newnan, Coweta, GA		Brighton Farms Apartments 80 Christian Drive Newnan, Coweta, GA	
Characteristics	Data	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments
3. Effective Date of Rental	05/2017	05/2017		05/2017		05/2017		05/2017		05/2017	
4. Type of Project/Stories	T/2	WU/2		WU/3		G/1		G/1, WU/2		WU/3	
5. Floor of Unit in Building	First	Varies		Varies		First		Varies		Varies	
6. Project Occupancy %	100%	98%		94%		100%		100%		93%	
7. Concessions	N	N		N		N		N		N	
8. Year Built	1985/Proposed	1990	\$20	1990/2001	\$50	1984	\$50	1986	\$20	1972	\$50
9. Sq. Ft. Area	949	1,119	(\$40)	1,128	(\$40)	864	\$20	1,100	(\$35)	865	\$20
10. Number of Bedrooms	2	2		2		2		2		2	
11. Number of Baths	1.5	2.0	(\$10)	2.0	(\$10)	1.0	\$10	2.0	(\$10)	1.0	\$10
12. Number of Rooms	4	4		4		4		4		4	
13. Balc./Terrace/Patio	Y	Y		Y		Y		Y		Y	
14. Garage or Carport	L/0	L/0		L/0		L/0		L/0		L/0	
15. Equipment a. A/C	C	C		C		C		C		C	
b. Range/Refrigerator	RF	RF		RF		RF		RF		RF	
c. Disposal	N	Y		Y		N		Y		Y	
d. Microwave/Dishwasher	N	D	(\$10)	MD	(\$15)	D	(\$10)	D	(\$10)	D	(\$10)
e. Washer/Dryer	HU	HU		WD	(\$20)	HU		HU		HU	
f. Carpet	C	C		C		C		C		C	
g. Drapes	B	B		B		B		B		B	
h. Pool/Rec. Area	N	PER	(\$30)	PER	(\$30)	N		PR	(\$20)	PR	(\$20)
16. Services a. Heat/Type	N/E	N/G		N/G		N/E		N/G		N/G	
b. Cooling	N/E	N/E		N/E		N/E		N/E		N/E	
c. Cook/Type	N/E	N/G		N/G		N/E		N/E		N/G	
d. Electricity	N	N		N		N		N		N	
e. Hot Water	N/E	N/G		N/G		N/E		N/G		N/G	
f. Cold Water/Sewer	N	N		Y	(\$47)	N		N		N	
g. Trash	Y	Y		Y		N	\$15	N	\$15	N	\$15
17. Storage	Y/0	N	\$5	N	\$5	Y/0		N	\$5	N	\$5
18. Project Location	Average	Similar		Similar		Similar		Similar		Similar	
19. Security	N	N		N		N		N		Y	(\$5)
20. Clubhouse/Meeting Room	N	C	(\$5)	C	(\$5)	N		N		N	
21. Special Features	N	N		N		N		F	(\$10)	N	
22. Business Center / Nhd Netwk	N	N		N		N		N		N	
23. Unit Rent Per Month		\$1,012		\$980		\$750		\$1,525		\$950	
24. Total Adjustment			(\$70)		(\$112)		\$85		(\$45)		\$65
25. Indicated Rent		\$942		\$868		\$835		\$1,480		\$1,015	
26. Correlated Subject Rent	<b>\$900</b>	<input type="checkbox"/> If there are any Remarks, check here and add the remarks to the back of page.									
	high rent	\$1,480	low rent	\$835	60% range	\$964	to	\$1,351	BELOW 60% RANGE		

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

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

form HUD-92273 (07/2003)

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

### **Rolling Hills Apartments**

#### **Primary Unit Types – One-Bedroom Units (620 SF) and Two-Bedroom Units (949 SF)**

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

Rent comparability grids were prepared for the primary unit types with 620 and 949 square feet. Comparable apartments used include the following: Jefferson Point Apartments (Comparable 1), Creekside at White Oak (Comparable 2), Woodtrail Apartments (Comparable 3), Ashford at Brown Ridge (Comparable 4) and Brighton Farms Apartments (Comparable 5).

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

**Project Occupancy** – The subject is currently 100 percent occupied. The occupancy rates of the comparables range from 93 to 100 percent. No adjustments were needed.

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

**Year Built/Year Renovated** – The subject was constructed in 1985 and will be rehabilitated. It will be in good condition. Comparable 1 was built in 1990, and Comparable 2 was constructed in 1990 and renovated in 2001. Comparable 3 was constructed in 1984, and Comparable 4 was built in 1986. Comparable 5 was constructed in 1972. All comparables will be inferior to the subject after rehabilitation. It is difficult to determine adjustment amounts for condition/street appeal as it is difficult to determine rent level fluctuations based on these items. Therefore, it was necessary to rely in large part on opinions of area apartment managers and tenants. In addition, adjusted rents of the comparables were considered as the difference in rents of the comparables after everything else is factored out is assumed to be attributable to condition/street appeal. After considering all factors, Comparables 1 and 4 were adjusted upward \$20 per month, and Comparables 2, 3 and 5 were adjusted upward \$50 per month.

**SF Area** – For the purpose of this report, a range of comparable rents per square foot was derived. To determine this adjustment, each comparable's dollar per square foot rental rate was determined. This number was then multiplied by 25 percent for each comparable to derive an adjusted dollar per square foot rental rate. The median dollar per square foot rental rate is determined. Next, the difference in square footage between the subject and each comparable is determined. The difference is multiplied by the determined adjusted dollar per square foot rate to arrive at the adjustment for each comparable. The selected dollar per square foot for the one-bedroom comparison is \$0.28 and for the two-bedroom comparison is \$0.23. No adjustments were made to comparables within 25 square feet of the subject. The adjustments were rounded to the nearest \$5. These adjustments are reflected on the HUD-Forms 92273, which are attached.

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

**# of Baths** – Each complex with a differing number of baths than the subject was adjusted \$10 per half-bath. The majority of the difference in number of baths is accounted for in the unit square footage adjustment. However, an adjustment is made here to consider the added convenience of additional baths. The extra room(s) will enhance marketability of a unit even if the square footage remains the same. The comparables contained insufficient data for a paired analysis determination. Therefore, only nominal adjustments were selected for differences in number of baths.

**Balcony/Patio** – The subject contains patios. All comparables have balconies or patios. No adjustments were needed.

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

**AC: Central/Wall** – The subject contains central air conditioning. All comparables are similar. No adjustments were needed.

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

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

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

**Washer/Dryer** – The subject contains washer/dryer hook-ups. Comparables 1, 3, 4 and 5 also contain hook-ups. Comparable 2 contains washers and dryers in the units. Residents in the market area indicated a preference for washers and dryers within the units. Therefore, this comparable was adjusted downward \$20 per month.

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

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

**Pool/Exercise Room/Recreation Areas** – The subject does not contain any of these amenities. Comparable 3 is similar to the subject. Comparable 1 contains a swimming pool, exercise room, picnic area and tennis court. Comparable 2 contains a swimming pool, exercise room, picnic area and playground. Comparable 4 contains a swimming pool and playground. Comparable 5 contains a swimming pool, playground and gazebo. No comparable in the market area shows a rent differential based on this particular item; however, the added amenity is an enhancement. Therefore, Comparables 1 and 2 were adjusted downward \$30 per month, and Comparables 4 and 5 were adjusted downward \$20 per month.

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

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

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

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

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

**Cold Water/Sewer** – The subject does not have these utilities provided. Comparables 1, 3, 4 and 5 are similar. Comparable 2 does provide these utilities. Comparable 2 was adjusted downward \$38 per month for one-bedroom units and \$47 per month for two-bedroom units as indicated by the Georgia Department of Community Affairs Housing Authority's Allowances for Tenant-Furnished Utilities and Other Services.

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

**Extra Storage** – The subject contains extra storage. Comparable 3 is similar. The remaining comparables do not provide extra storage. No complex in the market area shows a rent differential based on this particular item; however, the added amenity is an enhancement to the unit. Therefore, Comparables 1, 2, 4 and 5 were adjusted downward \$5 per month.

**Location** – The subject's location is average with easy access to all services available within the city limits. The comparables are similar. No adjustments were needed.

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

**Clubhouse/Meeting Room** – The subject does not contain either feature. Comparables 1 and 2 contain clubhouses. Comparables 3, 4 and 5 are similar to the subject. No complex in the market area shows a rent differential based on this particular item; however, the added amenity is an enhancement to the property. Therefore, Comparables 1 and 2 were adjusted downward \$5 per month.

**Special Features** – The subject does not contain special features in all units. Comparable 4 contains fireplaces in the units. No complex in the market area shows a rent differential based on this particular item; however, the added amenity is an enhancement to the unit. The comparable with fireplaces was adjusted downward \$10 per month.

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

**Conclusion of Market Rents – As Complete**

The adjusted rents range from \$687 to \$1,155 for the one-bedroom comparison; from \$835 to \$1,480 for the two-bedroom comparison; from \$0 to \$0 for the HUD922733BrTypeAsCompLower comparison; and from \$0 to \$0 for the HUD922734BrTypeAsCompLower comparison . All comparables were given consideration. The appraiser concluded the market rent for the units at the subject as follows:

- **620 SF One-Bedroom Units** - **\$825**
- **949 SF Two-Bedroom Units** - **\$900**

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

Unit Type	# of Units	Square Footage	Maximum Net LIHTC Rent	Proposed Rent	Utility Allowance
1/1	16	620	\$639	\$600	\$120
2/1.5 TH	34	949	\$782	\$750	\$130

**Rent Comparables**

**Multi-Family Lease No. 1**



**Property Identification**

**Record ID** 5168  
**Property Type** Walk-Up  
**Property Name** Jefferson Point Apartments  
**Address** 66 Jefferson Parkway, Newnan, Coweta County, Georgia 30263  
**Market Type** Market

**Verification** Willy; 770-253-0727, May 17, 2017

<u>Unit Type</u>	<u>Unit Mix</u>			<u>Mo. Rent/SF</u>
	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	
1/1	6	644	\$900	\$1.40
1/1	30	896	\$947	\$1.06
2/2	24	1,119	\$1,012	\$0.90
2/2	24	1,173	\$1,023	\$0.87
3/2	28	1,400	\$1,237	\$0.88
3/2.5	8	1,344	\$1,212	\$0.90

**Occupancy** 98%  
**Rent Premiums** None  
**Total Units** 120  
**Unit Size Range** 644 - 1400



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

<b>Avg. Unit Size</b>	1,131
<b>Avg. Rent/Unit</b>	\$1,058
<b>Avg. Rent/SF</b>	\$0.94
<b>Net SF</b>	135,704

**Physical Data**

<b>No. of Buildings</b>	9
<b>Construction Type</b>	Siding
<b>HVAC</b>	Central Gas/Central Elec
<b>Stories</b>	2
<b>Utilities with Rent</b>	Water, Sewer, Trash Collection
<b>Parking</b>	L/0
<b>Year Built</b>	1990/2015
<b>Condition</b>	Good
<b>Gas Utilities</b>	Cooking, Heating, Hot Water
<b>Electric Utilities</b>	Cooling, Other

**Amenities**

Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Washer/Dryer Hook-Ups, Carpet, Vinyl, Blinds, Ceiling Fans (Some Units), Vaulted Ceilings (Some Units), Fireplace (Some Units), Walk-In Closet, Coat Closet, Balcony, Patio, Clubhouse, Swimming Pool, Exercise Room, Picnic Area, Tennis Court, Laundry Facility, On-Site Management, On-Site Maintenance

**Remarks**

The property has a waiting list with six applicants. The annual turnover rate was unknown.

**Multi-Family Lease No. 2**



**Property Identification**

**Record ID** 5170  
**Property Type** Walk-Up  
**Property Name** Creekside at White Oak  
**Address** 10 Lakeside Way, Newnan, Coweta County, Georgia 30265  
**Market Type** Market

**Verification** Carol; 770-254-0600, May 17, 2017

<u>Unit Type</u>	<u>Unit Mix</u>			<u>Mo. Rent/SF</u>
	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	
1/1		928	\$825	\$0.89
1/1		928	\$970	\$1.05
1/1		950	\$980	\$1.03
1/1		950	\$995	\$1.05
1/1		950	\$1,000	\$1.05
2/2		1,128	\$1,040	\$0.92
2/2		1,128	\$1,400	\$1.24
2/2		1,150	\$1,075	\$0.93
2/2		1,150	\$1,420	\$1.23
3/2		1,330	\$1,215	\$0.91
3/2		1,330	\$1,780	\$1.34

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

3/2	1,380	\$1,840	\$1.33
3/2	1,380	\$1,795	\$1.30
3/2.5	1,660	\$2,260	\$1.36
3/2.5	1,900	\$1,380	\$0.73
3/2.5	1,900	\$1,865	\$0.98
4/2.5	1,820	\$1,720	\$0.95
4/2.5	1,820	\$2,455	\$1.35

<b>Occupancy</b>	94%
<b>Rent Premiums</b>	N
<b>Total Units</b>	561

**Physical Data**

<b>No. of Buildings</b>	46
<b>Construction Type</b>	Siding
<b>HVAC</b>	Central Gas/Central Elec
<b>Stories</b>	3
<b>Utilities with Rent</b>	Water, Sewer
<b>Parking</b>	L/0
<b>Year Built</b>	1990/2017
<b>Condition</b>	Average
<b>Gas Utilities</b>	Cooking, Heating, Hot Water
<b>Electric Utilities</b>	Cooling, Other

**Amenities**

Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Microwave, Washer, Dryer, Carpet, Vinyl, Blinds, Ceiling Fans, Vaulted Ceilings (Some Units), Fireplace (Some Units), Walk-In Closet, Coat Closet, Balcony, Patio, Clubhouse, Swimming Pool, Exercise Room, Picnic Area, Playground, On-Site Management, On-Site Maintenance

**Remarks**

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

**Multi-Family Lease No. 3**



**Property Identification**

**Record ID** 5173  
**Property Type** Garden  
**Property Name** Woodtrail Apartments  
**Address** 247 Jackson Street, Newnan, Coweta County, Georgia 30263  
**Market Type** Market

**Verification** Gina; 678-673-3622, May 17, 2017

**Unit Mix**

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	<u>Mo. Rent/SF</u>
Efficiency	6	288	\$550	\$1.91
1/1	43	576	\$650	\$1.13
2/1	9	864	\$750	\$0.87
2/2	3	864	\$775	\$0.90

**Occupancy** 100%  
**Rent Premiums** N  
**Total Units** 61  
**Unit Size Range** 288 - 864  
**Avg. Unit Size** 604  
**Avg. Rent/Unit** \$661

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

**Avg. Rent/SF** \$1.09

**Net SF** 36,864

**Physical Data**

<b>No. of Buildings</b>	6
<b>Construction Type</b>	Siding
<b>HVAC</b>	Central Elec/Central Elec
<b>Stories</b>	1
<b>Utilities with Rent</b>	None
<b>Parking</b>	L/0
<b>Year Built</b>	1984
<b>Condition</b>	Average
<b>Gas Utilities</b>	None
<b>Electric Utilities</b>	All

**Amenities**

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

**Remarks**

The property has a waiting list with nine applicants. The annual turnover rate is 30 percent.



**Multi-Family Lease No. 4**



**Property Identification**

**Record ID** 5174  
**Property Type** Garden/Walk-Up  
**Property Name** Ashford at Brown Ridge  
**Address** 60 Jane Lane, Newnan, Coweta County, Georgia 30263  
**Market Type** Market

**Verification** Management; 770-251-7645, May 17, 2017

**Unit Mix**

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	<u>Mo. Rent/SF</u>
1/1	32	895	\$1,235	\$1.38
2/2	60	1,100	\$1,525	\$1.39
3/3	22	1,315	\$1,795	\$1.37

**Occupancy** 100%  
**Rent Premiums** N  
**Total Units** 114  
**Unit Size Range** 895 - 1315  
**Avg. Unit Size** 1,084  
**Avg. Rent/Unit** \$1,496  
**Avg. Rent/SF** \$1.38



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

**Net SF** 123,570

**Physical Data**

<b>No. of Buildings</b>	27
<b>Construction Type</b>	Siding
<b>HVAC</b>	Central Gas/Central Elec
<b>Stories</b>	1, 2
<b>Utilities with Rent</b>	None
<b>Parking</b>	L/0
<b>Year Built</b>	1986
<b>Condition</b>	Average
<b>Gas Utilities</b>	Heating, Hot Water
<b>Electric Utilities</b>	Cooking, Cooling

**Amenities**

Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Washer/Dryer Hook-Ups, Carpet, Wood, Blinds, Ceiling Fans, Fireplace, Walk-In Closet, Coat Closet, Balcony, Patio, Swimming Pool, Playground, On-Site Management, On-Site Maintenance

**Remarks**

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

**Multi-Family Lease No. 5**



**Property Identification**

**Record ID** 5176  
**Property Type** Walk-Up  
**Property Name** Brighton Farms Apartments  
**Address** 80 Christian Drive, Newnan, Coweta County, Georgia 30263  
**Market Type** Market

**Verification** Vonda; 770-253-8181, May 17, 2017

<u>Unit Type</u>	<u>Unit Mix</u>			
	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	<u>Mo. Rent/SF</u>
1/1	16	800	\$860	\$1.08
1/1		800	\$950	\$1.19
2/1	12	865	\$950	\$1.10
2/1		865	\$975	\$1.13
2/1	14	875	\$975	\$1.11
2/1		875	\$995	\$1.14
2/1	16	925	\$1,080	\$1.17
2/1		925	\$1,100	\$1.19
2/1	11	1,145	\$1,070	\$0.93
2/1		1,145	\$1,075	\$0.94
2/1.5	33	1,236	\$1,040	\$0.84

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

2/1.5		1,236	\$1,050	\$0.85
3/2	16	1,345	\$1,310	\$0.97
3/2		1,345	\$1,485	\$1.10
3/2	16	1,380	\$1,330	\$0.96
3/2		1,380	\$1,500	\$1.09

<b>Occupancy</b>	93%
<b>Rent Premiums</b>	N
<b>Total Units</b>	134
<b>Unit Size Range</b>	800 - 1380
<b>Avg. Unit Size</b>	1,099
<b>Avg. Rent/Unit</b>	\$1,078
<b>Avg. Rent/SF</b>	\$0.98

**Net SF** 147,213

**Physical Data**

<b>No. of Buildings</b>	10
<b>Construction Type</b>	Brick/Siding
<b>HVAC</b>	Central Gas/Central Elec
<b>Stories</b>	3
<b>Utilities with Rent</b>	None
<b>Parking</b>	L/0
<b>Year Built</b>	1972
<b>Condition</b>	Average
<b>Gas Utilities</b>	Heating, Cooking
<b>Electric Utilities</b>	Cooling

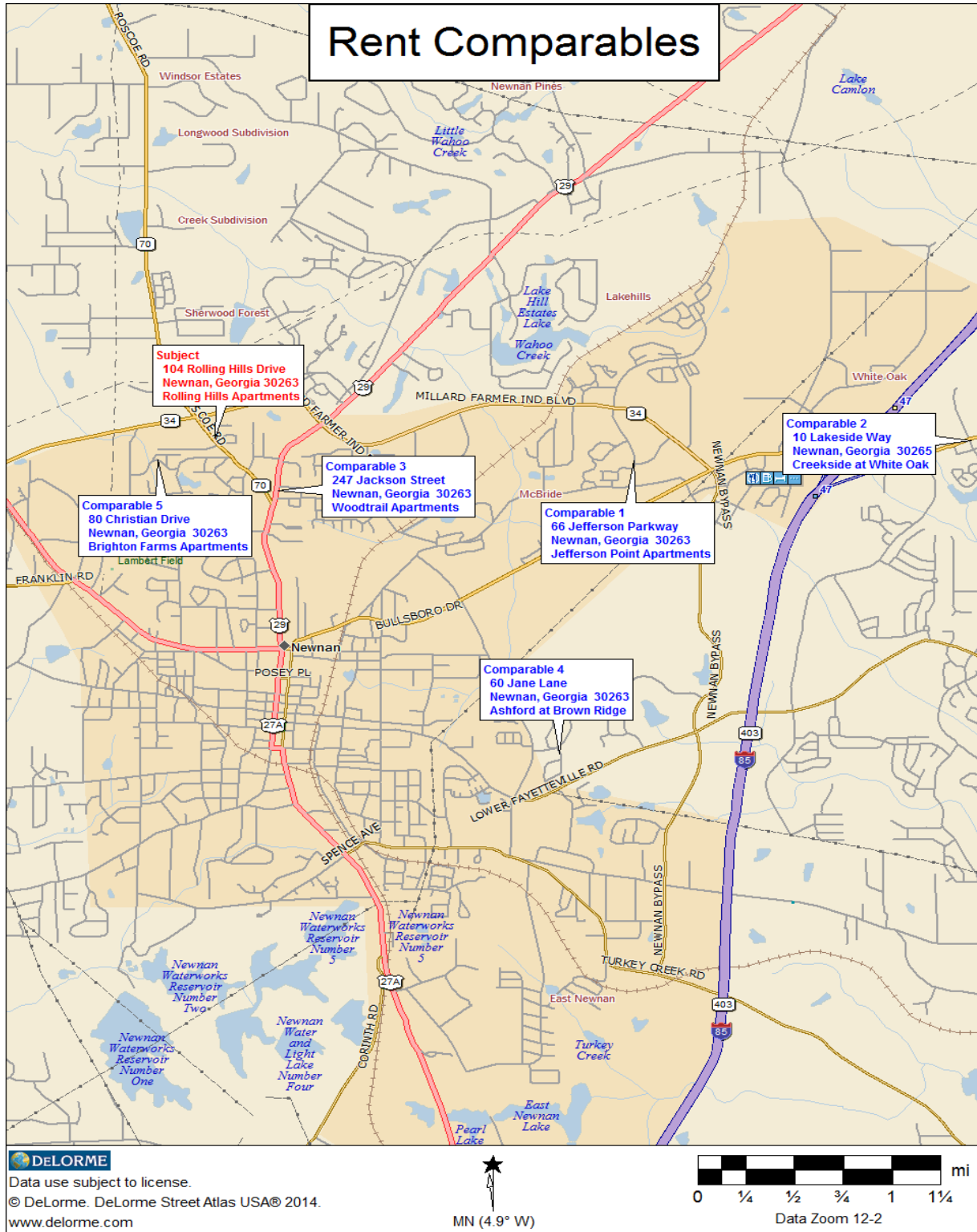
**Amenities**

Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Washer/Dryer Hook-Ups, Carpet, Vinyl, Blinds, Fireplace (Some Units), Walk-In Closet, Coat Closet, Balcony, Patio, Swimming Pool, Playground, Laundry Facility, On-Site Management, On-Site Maintenance, Security Patrol, Gazebo

**Remarks**

The annual turnover rate was not disclosed by the contact. This complex does not maintain a waiting list.

Rent Comparable Map



### Summary and Conclusion

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

### Potential Gross Rental Income

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

# of Units	Unit Type	Unit SF	Max. Net LIHTC Rent	Current Rent	Potential Gross Income
16	1/1	620	\$639	\$420	\$6,720
33	2/1.5 TH	949	\$782	\$460	\$15,180
1	2/1.5 TH	949	N/A	N/A	\$0
Total Potential Monthly Rental Income					\$21,900
					x 12
Total Potential Gross Rental Income					\$262,800
Miscellaneous Income					\$4,500
<b>Total Potential Gross Income</b>					<b>\$267,300</b>

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

# of Units	Unit Type	Unit SF	Max. Net LIHTC Rent	Market Rent	Potential Gross Income
16	1/1	620	\$639	\$775	\$12,400
33	2/1.5 TH	949	\$782	\$850	\$28,050
1	2/1.5 TH	949	N/A	\$0	\$0
Total Potential Monthly Rental Income					\$40,450
					x 12
Total Potential Gross Rental Income					\$485,400
Miscellaneous Income					\$4,500
<b>Total Potential Gross Income</b>					<b>\$489,900</b>

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

# of Units	Unit Type	Unit SF	Max. Net LIHTC Rent	Proposed Rent	Potential Gross Income
16	1/1	620	\$639	\$600	\$9,600
34	2/1.5 TH	949	\$782	\$750	\$25,500
Total Potential Monthly Rental Income					\$35,100
					x 12
Total Potential Gross Rental Income					\$421,200
Miscellaneous Income					\$4,500
<b>Total Potential Gross Income</b>					<b>\$425,700</b>

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

# of Units	Unit Type	Unit SF	Max. Net LIHTC Rent	Market Rent	Potential Gross Income
16	1/1	620	\$639	\$825	\$13,200
33	2/1.5 TH	949	\$782	\$900	\$29,700
Total Potential Monthly Rental Income					\$42,900
					x 12
Total Potential Gross Rental Income					\$514,800
Miscellaneous Income					\$4,500
<b>Total Potential Gross Income</b>					<b>\$519,300</b>

**Vacancy and Expense Explanations**

**Vacancy and Collection Loss**

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

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

The field/phone survey was conducted in May 2017. Fourteen market-rate properties responded to the survey and 11 restricted properties, including the subject, responded to the survey. Of the apartments surveyed an overall vacancy rate of seven percent was determined for the market-rate vacancy and one percent was determined for the restricted vacancy. The subject is currently 100 percent occupied. Historically, the subject has been fully occupied since 2014. After considering the vacancy rate of the subject and the comparables, a vacancy rate of five percent was deemed appropriate for “as is” conventional housing; five percent was deemed appropriate for “as complete” conventional housing; five percent was deemed appropriate for “as is” affordable housing; and five percent was deemed appropriate for “as complete” affordable housing.

**Expenses**

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

## **Management**

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

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

## **Tax and Assessment Information**

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

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

## **Insurance**

The insurance expense is the responsibility of the landlord.



### **Maintenance**

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

### **Utilities and Service**

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

### **Reserves for Replacement**

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

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

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

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

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

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

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

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

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

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

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

### **Other Miscellaneous Income**

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

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

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

## Operating Expenses & Restricted Projections

Property: Rolling Hills Apartments

# of Rental Units: 50

### Revenue and Expense Analysis

#### Historical and Proforma

% change compared to preceding year.

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

REVENUE - Annual													REVENUE - Annual				
	2014	PUPA	2015	PUPA	%	2016	PUPA	%	4 months				Budget	PUPA	%		
									YTD	2017	Annualized	PUPA					%
<b>Residential &amp; Ancillary Income</b>																	Residential & Ancillary Income
Annual Gross Potential Rental Income	259,860	5,197	259,860	5,197	0%	262,800	5,256	1%		87,600	262,800	5,256	0%	262,800	5,256	0%	Annual Gross Potential Rental Income
Annual Ancillary Income	4,898	98	3,641	73	-26%	4,612	92	27%		913	2,738	55	-41%	3,700	74	-20%	Annual Ancillary Income
Annual Gross Potential Income	264,758	5,295	263,501	5,270	0%	267,412	5,348	1%		88,513	265,538	5,311	-1%	266,500	5,330	0%	Annual Gross Potential Income
Occupancy	100.00%	0	100.00%	0	0%	100.00%	0	0%		100.00%	1	0	0%	94.96%	269	0%	Occupancy
Effective Gross Income (EGI)	264,758	5,295	263,501	5,270	0%	267,412	5,348	1%		88,513	265,538	5,311	-1%	253,066	5,061	-5%	Effective Gross Income (EGI)

ITEMIZED EXPENSES - Annual													ITEMIZED EXPENSES - Annual				
Estimate of Annual Expense	2014	PUPA	2015	PUPA	%	2016	PUPA	%	4 months				Budget	PUPA	%	Estimate of Annual Expense	
									YTD	2017	Annualized	PUPA					%
<b>Administrative</b>																	Administrative
Advertising	0	0	41	1	0	105	2	154%		0	0	0	-100%	300	6	187%	Advertising
Management Fee	26,077	522	26,975	539	3%	27,446	549	2%		9,506	28,518	570	4%	28,812	576	5%	Management Fee
Other (Specify)	38,348	767	37,171	743	-3%	45,594	912	23%		20,370	61,109	1,222	34%	38,082	762	-16%	Other (Specify)
<b>Total Administrative</b>	<b>64,425</b>	<b>1,289</b>	<b>64,187</b>	<b>1,284</b>	<b>0%</b>	<b>73,145</b>	<b>1,463</b>	<b>14%</b>		<b>29,876</b>	<b>89,627</b>	<b>1,793</b>	<b>23%</b>	<b>67,194</b>	<b>1,344</b>	<b>-8%</b>	<b>Total Administrative</b>
<b>Operating</b>																	Operating
Elevator Maintenance Exp.	0	0	0	0	0	0	0	0		0	0	0	0	0	0	0	Elevator Maintenance Exp.
Fuel	24	0	0	0	-100%	0	0	0		0	0	0	0	0	0	0	Fuel - Heating
Lighting and Misc. Power	5,868	117	4,378	88	-25%	4,597	92	5%		1,420	4,259	85	-7%	5,800	116	26%	Lighting and Misc. Power
Water	1,547	31	1,408	28	-9%	1,594	32	13%		576	1,728	35	8%	2,050	41	29%	Water
Gas	0	0	0	0	0	0	0	0		0	0	0	0	0	0	0	Gas
Garbage and Trash Removal	3,380	68	3,594	72	6%	4,279	86	19%		1,475	4,425	88	3%	5,000	100	17%	Garbage and Trash Removal
Payroll	18,681	374	22,884	458	22%	26,506	530	16%		8,587	25,760	515	-3%	25,000	500	-6%	Payroll
Other (Specify)	12,682	254	14,443	289	14%	16,047	321	11%		3,371	10,114	202	-37%	16,350	327	2%	Other (Specify)
<b>Total Operating</b>	<b>42,181</b>	<b>844</b>	<b>46,708</b>	<b>934</b>	<b>11%</b>	<b>53,023</b>	<b>1,060</b>	<b>14%</b>		<b>15,428</b>	<b>46,285</b>	<b>926</b>	<b>-13%</b>	<b>54,200</b>	<b>1,084</b>	<b>2%</b>	<b>Total Operating</b>
<b>Maintenance</b>																	Maintenance
Decorating	664	13	2,417	48	264%	3,250	65	34%		560	1,680	34	-48%	3,100	62	-5%	Decorating
Repairs	0	0	485	10	0	0	0	-100%		0	0	0	0	0	0	0	Repairs
Exterminating	3,625	73	4,200	84	16%	4,050	81	-4%		1,650	4,950	99	22%	4,750	95	17%	Exterminating
Insurance	9,908	198	10,024	200	1%	10,032	201	0%		9,942	29,826	597	197%	11,300	226	13%	Insurance
Ground Expense	14,002	280	17,811	356	27%	18,275	366	3%		5,960	17,880	358	-2%	19,180	384	5%	Ground Expense
Other (specify)	0	0	0	0	0	0	0	0		0	0	0	0	0	0	0	Other (specify)
<b>Total Maintenance</b>	<b>28,199</b>	<b>564</b>	<b>34,937</b>	<b>699</b>	<b>24%</b>	<b>35,607</b>	<b>712</b>	<b>2%</b>		<b>18,112</b>	<b>54,336</b>	<b>1,087</b>	<b>53%</b>	<b>38,330</b>	<b>767</b>	<b>8%</b>	<b>Total Maintenance</b>
<b>Taxes</b>																	Taxes
Real Estate Tax	17,528	351	16,880	338	-4%	6,818	136	-60%		0	0	0	-100%	25,000	500	267%	Real Estate Tax
Personal Property Tax	0	0	0	0	0	0	0	0		0	0	0	0	0	0	0	Personal Property Tax
Employee Payroll Tax	3,841	77	3,944	79	3%	4,487	90	14%		1,534	4,603	92	3%	4,800	96	7%	Employee Payroll Tax
Employee Benefits	921	18	1,150	23	25%	2,647	53	130%		1,618	4,855	97	83%	2,325	47	-12%	Employee Benefits
Other	699	14	764	15	9%	830	17	9%		745	2,235	45	169%	850	17	2%	Other
<b>Total Taxes</b>	<b>22,988</b>	<b>460</b>	<b>22,738</b>	<b>455</b>	<b>-1%</b>	<b>14,782</b>	<b>296</b>	<b>-35%</b>		<b>3,898</b>	<b>11,693</b>	<b>234</b>	<b>-21%</b>	<b>32,975</b>	<b>660</b>	<b>123%</b>	<b>Total Taxes</b>
Operating Exp. before RFR	157,793	3,156	168,570	3,371	7%	176,557	3,531	5%		67,313	201,940	4,039	14%	192,699	3,854	9%	Operating Exp. before RFR
Reserve For Replacement	35,190	704	47,071	941	34%	38,908	778	-17%		9,656	28,968	579	-26%	18,965	379	-51%	Reserve For Replacement
<b>Operating Exp. Incl. RFR</b>	<b>192,983</b>	<b>3,860</b>	<b>215,641</b>	<b>4,313</b>	<b>12%</b>	<b>215,465</b>	<b>4,309</b>	<b>0%</b>		<b>76,969</b>	<b>230,908</b>	<b>4,618</b>	<b>7%</b>	<b>211,664</b>	<b>4,233</b>	<b>-2%</b>	<b>Operating Exp. Incl. RFR</b>
<b>NOI</b>	<b>71,775</b>	<b>1,435</b>	<b>47,860</b>	<b>957</b>	<b>-33%</b>	<b>51,947</b>	<b>1,039</b>	<b>9%</b>		<b>11,543</b>	<b>34,630</b>	<b>693</b>	<b>-33%</b>	<b>41,402</b>	<b>828</b>	<b>-20%</b>	<b>NOI</b>

Rolling Hills Apartments \* 104 Rolling Hills Drive \* Newnan, Georgia

**Property:** Rolling Hills Apartments

# of Rental Units: 50

**Revenue and Expense Analysis**

**Historical and Proforma**

% change compared to preceding year.

REVENUE - Annual	As Is			As Complete			REVENUE - Annual
	Restricted		%	Restricted		%	
	Projections	PUPA		Projections	PUPA		
<b>Residential &amp; Ancillary Income</b>							Residential & Ancillary Income
Annual Gross Potential Rental Income	262,800	5,256	0%	421,200	8,424	60%	Annual Gross Potential Rental Income
Annual Ancillary Income	4,500	90	-2%	4,500	90	-2%	Annual Ancillary Income
Annual Gross Potential Income	267,300	5,346	0%	425,700	8,514	59%	Annual Gross Potential Income
Occupancy	95.00%	267	0%	95.00%	426	0%	Occupancy
Effective Gross Income (EGI)	253,935	5,079	-5%	404,415	8,088	51%	Effective Gross Income (EGI)

ITEMIZED EXPENSES - Annual Estimate of Annual Expense	As Is			As Complete			ITEMIZED EXPENSES - Annual Estimate of Annual Expense
	Restricted		%	Restricted		%	
	Projections	PUPA		Projections	PUPA		
<b>Administrative</b>							Administrative
Advertising	250	5	139%	250	5	139%	Advertising
Management Fee	28,518	570	4%	28,518	570	4%	Management Fee
Other (Specify)	35,000	700	-23%	35,000	700	-23%	Other (Specify)
<b>Total Administrative</b>	<b>63,768</b>	<b>1,275</b>	<b>-13%</b>	<b>63,768</b>	<b>1,275</b>	<b>-13%</b>	<b>Total Administrative</b>
<b>Operating</b>							Operating
Elevator Maintenance Exp.	0	0	0	0	0	0	Elevator Maintenance Exp.
Fuel	0	0	0	0	0	0	Fuel - Heating
Lighting and Misc. Power	5,000	100	9%	5,000	100	9%	Lighting and Misc. Power
Water	1,750	35	10%	1,750	35	10%	Water
Gas	0	0	0	0	0	0	Gas
Garbage and Trash Removal	4,500	90	5%	4,500	90	5%	Garbage and Trash Removal
Payroll	25,000	500	-6%	25,000	500	-6%	Payroll
Other (Specify)	12,500	250	-22%	10,000	200	-38%	Other (Specify)
<b>Total Operating</b>	<b>48,750</b>	<b>975</b>	<b>-8%</b>	<b>46,250</b>	<b>925</b>	<b>-13%</b>	<b>Total Operating</b>
<b>Maintenance</b>							Maintenance
Decorating	2,500	50	-23%	2,500	50	-23%	Decorating
Repairs	0	0	0	0	0	0	Repairs
Exterminating	4,250	85	5%	4,250	85	5%	Exterminating
Insurance	10,250	205	2%	10,250	205	2%	Insurance
Ground Expense	17,500	350	-4%	17,500	350	-4%	Ground Expense
Other (specify)	0	0	0	0	0	0	Other (specify)
<b>Total Maintenance</b>	<b>34,500</b>	<b>690</b>	<b>-3%</b>	<b>34,500</b>	<b>690</b>	<b>-3%</b>	<b>Total Maintenance</b>
<b>Taxes</b>							Taxes
Real Estate Tax	11,250	225	65%	12,500	250	83%	Real Estate Tax
Personal Property Tax	0	0	0	0	0	0	Personal Property Tax
Employee Payroll Tax	2,500	50	-44%	2,500	50	-44%	Employee Payroll Tax
Employee Benefits	1,750	35	-34%	1,750	35	-34%	Employee Benefits
Other	750	15	-10%	750	15	-10%	Other
<b>Total Taxes</b>	<b>16,250</b>	<b>325</b>	<b>10%</b>	<b>17,500</b>	<b>350</b>	<b>18%</b>	<b>Total Taxes</b>
Operating Exp. before RFR	163,268	3,265	-8%	162,018	3,240	-8%	Operating Exp. before RFR
Reserve For Replacement	20,000	400	-49%	20,000	400	-49%	Reserve For Replacement
<b>Operating Exp. Incl. RFR</b>	<b>183,268</b>	<b>3,665</b>	<b>-15%</b>	<b>182,018</b>	<b>3,640</b>	<b>-16%</b>	<b>Operating Exp. Incl. RFR</b>
<b>NOI</b>	<b>70,667</b>	<b>1,413</b>	<b>36%</b>	<b>222,397</b>	<b>4,448</b>	<b>328%</b>	<b>NOI</b>

**Estimating Restricted Expenses Per Unit**

<b>Estimating Restricted Expenses Per Unit</b>							
Subject As Is	Expenses	Subject As Complete	Comparable One	Comparable Two	Comparable Three	Comparable Four	IREM Region IV
\$5	Advertising	\$5	\$0	\$4	\$3	\$13	\$0
\$570	Management	\$570	\$538	\$539	\$362	\$854	\$441
\$700	Other Administrative Expenses	\$700	\$0	\$575	\$280	\$844	\$1,272
\$0	Elevator Maintenance Expense	\$0	\$0	\$0	\$0	\$87	\$0
\$0	Fuel	\$0	\$0	\$0	\$0	\$0	\$0
\$100	Lighting & Misc. Power	\$100	\$127	\$109	\$119	\$205	\$177
\$35	Water/Sewer	\$35	\$601	\$493	\$254	\$285	\$199
\$0	Gas	\$0	\$0	\$0	\$22	\$1,004	\$10
\$90	Garbage/Trash Removal	\$90	\$155	\$27	\$0	\$54	\$0
\$500	Payroll	\$500	\$981	\$439	\$441	\$822	\$732
\$250	Other Operating Expenses	\$200	\$260	\$0	\$272	\$614	\$272
\$50	Decorating	\$50	\$0	\$0	\$0	\$48	\$92
\$0	Repairs	\$0	\$533	\$0	\$96	\$348	\$252
\$85	Exterminating	\$85	\$46	\$86	\$0	\$1	\$0
\$205	Insurance	\$205	\$191	\$201	\$203	\$348	\$355
\$350	Ground Expenses	\$350	\$250	\$272	\$0	\$1	\$249
\$0	Other Maintenance	\$0	\$0	\$624	\$0	\$0	\$0
\$225	Real Estate Taxes	\$250	\$212	\$255	\$277	\$571	\$422
\$50	Payroll Taxes	\$50	\$0	\$0	\$0	\$79	\$0
\$35	Employee Benefits	\$35	\$20	\$21	\$0	\$147	\$0
\$15	Other Taxes	\$15	\$10	\$14	\$0	\$38	\$3
\$400	Replacement Reserves	\$400	\$277	\$262	\$0	\$0	\$0
\$3,665	<b>Total Per Unit</b>	\$3,640	\$4,201	\$3,921	\$2,329	\$6,363	\$4,476
<p><b>Comments:</b>                      Subject expenses were estimated based on comparable apartments and industry norms. Comparable apartment expenses were estimated after discussions with area apartment managers. The comparable estimates were substantiated by the <i>2016 Income/Expense Analysis: Federally Assisted Apartments</i> printed by the <i>Institute of Real Estate Management</i>. No major fluctuations from the total expenses per unit are anticipated from the expenses provided above, although itemized expenses may deviate on the specific factors affecting the individual properties.</p> <p>The expenses for the comparable apartments vary per unit but are consistently between 38 and 81 percent of the gross rent potential. The subject's expenses were estimated at 43 percent of the gross rent potential which is within the comparable range. Market expenses for the subject were categorized similar to the actual expenses as different properties categorize expenses in different ways. Explanations of specific itemized expenses are indicated on the following pages.</p>							

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

<b>Expense</b>	<b>As Is</b>	<b>As Complete</b>	<b>Comp Range</b>
1. Advertising	\$5	\$5	\$0- \$13
<p>An advertising expense of \$5 per unit was projected for the subject. A comparable range of \$0 to \$13 per unit was determined. The expense was projected considering the subject's historical financials, the comparable range and the <i>2016 Income/Expense Analysis: Federally Assisted Apartments</i> printed by Institute of Real Estate Management.</p>			
2. Management	\$570	\$570	\$362-\$854
<p>A management expense of \$570 per unit was projected for the as is scenario, and a management expense of \$570 per unit was projected for the as complete scenario. A comparable range of \$362 to \$854 was determined. The expense was projected based on \$49 per unit as indicated by the budget.</p>			
3. Other Administrative	\$700	\$700	\$0- \$844
<p>An other administrative expense of \$700 per unit was projected. A comparable range of \$0 to \$844 was determined. The expense was projected considering the subject's historical financials, the comparable range and the <i>2016 Income/Expense Analysis: Federally Assisted Apartments</i> printed by Institute of Real Estate Management.</p>			
4. Elevator	\$0	\$0	\$0- \$87
<p>The property does not have this expense. The expense is not typical in the market. Therefore, no expense was projected.</p>			
5. Fuel	\$0	\$0	\$0- \$0
<p>The property does not have this expense. The expense is not typical in the market. Therefore, no expense was projected.</p>			
6. Lighting & Misc. Power	\$100	\$100	\$109-\$205
<p>A lighting and miscellaneous power expense of \$100 was projected for the subject. A comparable range of \$109 to \$205 per unit was determined. Due to properties having unique utility characteristics, the subject's historical data was determined to be the most accurate indicator of this expense. The expense was projected using the subject's historical financials.</p>			



- |    |             |      |      |              |
|----|-------------|------|------|--------------|
| 7. | Water/Sewer | \$35 | \$35 | \$254- \$601 |
|----|-------------|------|------|--------------|
- A water/sewer expense of \$35 per unit was projected for the subject. A comparable range of \$254 to \$601 per unit was determined. Due to properties having unique utility characteristics, the subject's historical data was determined to be the most accurate indicator of this expense. The expense was projected using the subject's historical financials.
- |    |     |     |     |             |
|----|-----|-----|-----|-------------|
| 8. | Gas | \$0 | \$0 | \$0-\$1,004 |
|----|-----|-----|-----|-------------|
- A gas expense of \$0 per unit was projected for the subject. A comparable range of \$0 to \$1,004 per unit was determined. Due to properties having unique utility characteristics, the subject's historical data was determined to be the most accurate indicator of this expense. The expense was projected using the subject's historical financials.
- |    |                       |      |      |            |
|----|-----------------------|------|------|------------|
| 9. | Garbage/Trash Removal | \$90 | \$90 | \$0- \$155 |
|----|-----------------------|------|------|------------|
- A garbage/trash removal expense of \$90 per unit was projected for the subject. A comparable range of \$0 to \$155 per unit was determined. Due to properties having unique utility characteristics, the subject's historical data was determined to be the most accurate indicator of this expense. The expense was projected using the subject's historical financials.
- |     |         |       |       |             |
|-----|---------|-------|-------|-------------|
| 10. | Payroll | \$500 | \$500 | \$439-\$981 |
|-----|---------|-------|-------|-------------|
- The payroll expense of \$500 per unit was projected. A comparable range of \$439 to \$981 was determined. The expense was projected considering the subject's historical financials, the comparable range and the *2016 Income/Expense Analysis: Federally Assisted Apartments* printed by Institute of Real Estate Management.
- |     |                          |       |       |           |
|-----|--------------------------|-------|-------|-----------|
| 11. | Other Operating Expenses | \$250 | \$200 | \$0-\$614 |
|-----|--------------------------|-------|-------|-----------|
- An other operating expense of \$250 per unit was projected for the "as is" scenario and \$200 was projected for the "as complete" scenario. A comparable range of \$0 to \$614 was determined. The expense was projected considering the subject's historical financials, the comparable range and the *2016 Income/Expense Analysis: Federally Assisted Apartments* printed by Institute of Real Estate Management.
- |     |            |      |      |           |
|-----|------------|------|------|-----------|
| 12. | Decorating | \$50 | \$50 | \$0- \$48 |
|-----|------------|------|------|-----------|
- A decorating expense of \$50 was projected. A comparable range of \$0 to \$48 was determined. The expense was projected considering the subject's historical financials, the comparable range and the *2016 Income/Expense Analysis: Federally Assisted Apartments* printed by Institute of Real Estate Management.



- |     |                   |       |       |              |
|-----|-------------------|-------|-------|--------------|
| 18. | Real Estate Taxes | \$225 | \$250 | \$212- \$571 |
|-----|-------------------|-------|-------|--------------|
- A real estate tax expense of \$225 per unit was projected for the subject based on the information obtained by the Coweta County Assessor's Office. It is likely that this expense will increase after completion of the rehabilitation. Therefore, the as complete expense was projected higher than the as is expense.
- |     |               |      |      |           |
|-----|---------------|------|------|-----------|
| 19. | Payroll Taxes | \$50 | \$50 | \$0- \$79 |
|-----|---------------|------|------|-----------|
- Payroll taxes were projected at \$50 per unit. A comparable range of \$0 to \$79 was determined. The expense was projected considering the subject's historical financials, the comparable range and the *2016 Income/Expense Analysis: Federally Assisted Apartments* printed by Institute of Real Estate Management.
- |     |                   |      |      |           |
|-----|-------------------|------|------|-----------|
| 20. | Employee Benefits | \$35 | \$35 | \$0-\$147 |
|-----|-------------------|------|------|-----------|
- Employee benefits were projected at \$35 per unit. A comparable range of \$0 to \$147 was determined. The expense was projected considering the subject's historical financials, the comparable range and the *2016 Income/Expense Analysis: Federally Assisted Apartments* printed by Institute of Real Estate Management.
- |     |                      |       |       |           |
|-----|----------------------|-------|-------|-----------|
| 21. | Replacement Reserves | \$400 | \$400 | \$0-\$277 |
|-----|----------------------|-------|-------|-----------|
- A replacement reserves expense \$400 per unit was projected. This reserves expense is typical for restricted apartment complexes such as the subject.

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

The subject's projected expenses per unit are \$3,265 before reserves for replacement. This is eight percent lower than the 2016 data. The comparables range from \$2,329 to \$6,363 per unit before reserves for replacement. Comparables 1 and 2 are Rural Development properties in the State of Georgia. These properties have an identity-of-interest with the subject. Comparables 3 and 4 are Section 8 properties in Georgia. The *2016 Income/Expense Analysis: Federally Assisted Apartments* published by the Institute of Real Estate Management indicates an overall expense per unit of \$4,476. Comparable 1 was constructed in 1990, contains 21 units and has total overall expenses of \$4,201 per unit; Comparable 2 was constructed in 1991, contains 25 units and has total overall expenses of \$3,921 per unit; Comparable 3 was constructed in 1975, contains 80 units and has total overall expenses of \$2,329 per unit; and Comparable 4 was constructed in 1912 and renovated in 1981, contains 194 units and has total overall expenses of \$6,363 per unit. The subject was constructed in 1985 and is a 50-unit stabilized Rural Development property. Historically, the subject's overall expenses have ranged from \$3,156 to \$3,531 per unit before reserves for replacement. Therefore, the subject's expenses were deemed reasonable.

## Operating Expenses & Market Projections

Property: Rolling Hills Apartments

# of Rental Units: 50

### Revenue and Expense Analysis Historical and Proforma

% change compared to preceding year.

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

REVENUE - Annual													REVENUE - Annual				
	2014	PUPA	2015	PUPA	%	2016	PUPA	%	YTD	4 months		PUPA	%	Budget	PUPA	%	
<b>Residential &amp; Ancillary Income</b>																	Residential & Ancillary Income
Annual Gross Potential Rental Income	259,860	5,197	259,860	5,197	0%	262,800	5,256	1%	87,600	262,800	5,256	0%	262,800	5,256	0%		Annual Gross Potential Rental Income
Annual Ancillary Income	4,898	98	3,641	73	-26%	4,612	92	27%	913	2,738	55	-41%	3,700	74	-20%		Annual Ancillary Income
Annual Gross Potential Income	264,758	5,295	263,501	5,270	0%	267,412	5,348	1%	88,513	265,538	5,311	-1%	266,500	5,330	0%		Annual Gross Potential Income
Occupancy	100.00%	0	100.00%	0	0%	100.00%	0	0%	100.00%	1	0	0%	94.96%	269	0%		Occupancy
Effective Gross Income (EGI)	264,758	5,295	263,501	5,270	0%	267,412	5,348	1%	88,513	265,538	5,311	-1%	253,066	5,061	-5%		Effective Gross Income (EGI)

ITEMIZED EXPENSES - Annual													ITEMIZED EXPENSES - Annual				
Estimate of Annual Expense													Estimate of Annual Expense				
	2014	PUPA	2015	PUPA	%	2016	PUPA	%	YTD	4 months		PUPA	%	Budget	PUPA	%	
<b>Administrative</b>																	Administrative
Advertising	0	0	41	1	0	105	2	154%	0	0	0	-100%	300	6	187%		Advertising
Management Fee	26,077	522	26,975	539	3%	27,446	549	2%	9,506	28,518	570	4%	28,812	576	5%		Management Fee
Other (Specify)	38,348	767	37,171	743	-3%	45,594	912	23%	20,370	61,109	1,222	34%	38,082	762	-16%		Other (Specify)
<b>Total Administrative</b>	<b>64,425</b>	<b>1,289</b>	<b>64,187</b>	<b>1,284</b>	<b>0%</b>	<b>73,145</b>	<b>1,463</b>	<b>14%</b>	<b>29,876</b>	<b>89,627</b>	<b>1,793</b>	<b>23%</b>	<b>67,194</b>	<b>1,344</b>	<b>-8%</b>		<b>Total Administrative</b>
<b>Operating</b>																	Operating
Elevator Maintenance Exp.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	Elevator Maintenance Exp.
Fuel	24	0	0	0	-100%	0	0	0	0	0	0	0	0	0	0	0	Fuel - Heating
Lighting and Misc. Power	5,868	117	4,378	88	-25%	4,597	92	5%	1,420	4,259	85	-7%	5,800	116	26%		Lighting and Misc. Power
Water	1,547	31	1,408	28	-9%	1,594	32	13%	576	1,728	35	8%	2,050	41	29%		Water
Gas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	Gas
Garbage and Trash Removal	3,380	68	3,594	72	6%	4,279	86	19%	1,475	4,425	88	3%	5,000	100	17%		Garbage and Trash Removal
Payroll	18,681	374	22,884	458	22%	26,506	530	16%	8,587	25,760	515	-3%	25,000	500	-6%		Payroll
Other (Specify)	12,682	254	14,443	289	14%	16,047	321	11%	3,371	10,114	202	-37%	16,350	327	2%		Other (Specify)
<b>Total Operating</b>	<b>42,181</b>	<b>844</b>	<b>46,708</b>	<b>934</b>	<b>11%</b>	<b>53,023</b>	<b>1,060</b>	<b>14%</b>	<b>15,428</b>	<b>46,285</b>	<b>926</b>	<b>-13%</b>	<b>54,200</b>	<b>1,084</b>	<b>2%</b>		<b>Total Operating</b>
<b>Maintenance</b>																	Maintenance
Decorating	664	13	2,417	48	264%	3,250	65	34%	560	1,680	34	-48%	3,100	62	-5%		Decorating
Repairs	0	0	485	10	0	0	0	-100%	0	0	0	0	0	0	0	0	Repairs
Exterminating	3,625	73	4,200	84	16%	4,050	81	-4%	1,650	4,950	99	22%	4,750	95	17%		Exterminating
Insurance	9,908	198	10,024	200	1%	10,032	201	0%	9,942	29,826	597	197%	11,300	226	13%		Insurance
Ground Expense	14,002	280	17,811	356	27%	18,275	366	3%	5,960	17,880	358	-2%	19,180	384	5%		Ground Expense
Other (specify)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	Other (specify)
<b>Total Maintenance</b>	<b>28,199</b>	<b>564</b>	<b>34,937</b>	<b>699</b>	<b>24%</b>	<b>35,607</b>	<b>712</b>	<b>2%</b>	<b>18,112</b>	<b>54,336</b>	<b>1,087</b>	<b>53%</b>	<b>38,330</b>	<b>767</b>	<b>8%</b>		<b>Total Maintenance</b>
<b>Taxes</b>																	Taxes
Real Estate Tax	17,528	351	16,880	338	-4%	6,818	136	-60%	0	0	0	-100%	25,000	500	267%		Real Estate Tax
Personal Property Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	Personal Property Tax
Employee Payroll Tax	3,841	77	3,944	79	3%	4,487	90	14%	1,534	4,603	92	3%	4,800	96	7%		Employee Payroll Tax
Employee Benefits	921	18	1,150	23	25%	2,647	53	130%	1,618	4,855	97	83%	2,325	47	-12%		Employee Benefits
Other	689	14	764	15	9%	830	17	9%	745	2,235	45	169%	850	17	2%		Other
<b>Total Taxes</b>	<b>22,988</b>	<b>460</b>	<b>22,738</b>	<b>455</b>	<b>-1%</b>	<b>14,782</b>	<b>296</b>	<b>-35%</b>	<b>3,898</b>	<b>11,693</b>	<b>234</b>	<b>-21%</b>	<b>32,975</b>	<b>660</b>	<b>123%</b>		<b>Total Taxes</b>
Operating Exp. before RFR	157,793	3,156	168,570	3,371	7%	176,557	3,531	5%	67,313	201,940	4,039	14%	192,699	3,854	9%		Operating Exp. before RFR
Reserve For Replacement	35,190	704	47,071	941	34%	38,908	778	-17%	9,656	28,968	579	-26%	18,965	379	-51%		Reserve For Replacement
<b>Operating Exp. Incl. RFR</b>	<b>192,983</b>	<b>3,860</b>	<b>215,641</b>	<b>4,313</b>	<b>12%</b>	<b>215,465</b>	<b>4,309</b>	<b>0%</b>	<b>76,969</b>	<b>230,908</b>	<b>4,618</b>	<b>7%</b>	<b>211,664</b>	<b>4,233</b>	<b>-2%</b>		<b>Operating Exp. Incl. RFR</b>
<b>NOI</b>	<b>71,775</b>	<b>1,435</b>	<b>47,860</b>	<b>957</b>	<b>-33%</b>	<b>51,947</b>	<b>1,039</b>	<b>9%</b>	<b>11,543</b>	<b>34,630</b>	<b>693</b>	<b>-33%</b>	<b>41,402</b>	<b>828</b>	<b>-20%</b>		<b>NOI</b>

**Property: Rolling Hills Apartments**

# of Rental Units: 50

**Revenue and Expense Analysis**

**Historical and Proforma**

% change compared to preceding year.

REVENUE - Annual	As Is			As Complete			REVENUE - Annual
	Market Projections	PUPA	%	Market Projections	PUPA	%	
<b>Residential &amp; Ancillary Income</b>							Residential & Ancillary Income
Annual Gross Potential Rental Income	485,400	9,708	85%	514,800	10,296	96%	Annual Gross Potential Rental Income
Annual Ancillary Income	4,500	90	-2%	4,500	90	-2%	Annual Ancillary Income
Annual Gross Potential Income	489,900	9,798	83%	519,300	10,386	94%	Annual Gross Potential Income
Occupancy	95.00%	490	0%	95.00%	519	0%	Occupancy
Effective Gross Income (EGI)	465,405	9,308	74%	493,335	9,867	84%	Effective Gross Income (EGI)

ITEMIZED EXPENSES - Annual Estimate of Annual Expense	As Is			As Complete			ITEMIZED EXPENSES - Annual Estimate of Annual Expense
	Market Projections	PUPA	%	Market Projections	PUPA	%	
<b>Administrative</b>							Administrative
Advertising	250	5	139%	250	5	139%	Advertising
Management Fee	18,616	372	-32%	19,733	395	-28%	4.000% Management Fee
Other (Specify)	27,500	550	-40%	27,500	550	-40%	Other (Specify)
<b>Total Administrative</b>	<b>46,366</b>	<b>927</b>	<b>-37%</b>	<b>47,483</b>	<b>950</b>	<b>-35%</b>	<b>Total Administrative</b>
<b>Operating</b>							Operating
Elevator Maintenance Exp.	0	0	0	0	0	0	Elevator Maintenance Exp.
Fuel	0	0	0	0	0	0	Fuel - Heating
Lighting and Misc. Power	5,000	100	9%	5,000	100	9%	Lighting and Misc. Power
Water	1,750	35	10%	1,750	35	10%	Water
Gas	0	0	0	0	0	0	Gas
Garbage and Trash Removal	4,500	90	5%	4,500	90	5%	Garbage and Trash Removal
Payroll	25,000	500	-6%	25,000	500	-6%	Payroll
Other (Specify)	12,500	250	-22%	12,500	250	-22%	Other (Specify)
<b>Total Operating</b>	<b>48,750</b>	<b>975</b>	<b>-8%</b>	<b>48,750</b>	<b>975</b>	<b>-8%</b>	<b>Total Operating</b>
<b>Maintenance</b>							Maintenance
Decorating	2,500	50	-23%	2,500	50	-23%	Decorating
Repairs	0	0	0	0	0	0	Repairs
Exterminating	4,250	85	5%	4,250	85	5%	Exterminating
Insurance	10,250	205	2%	10,250	205	2%	Insurance
Ground Expense	17,500	350	-4%	17,500	350	-4%	Ground Expense
Other (specify)	0	0	0	0	0	0	Other (specify)
<b>Total Maintenance</b>	<b>34,500</b>	<b>690</b>	<b>-3%</b>	<b>34,500</b>	<b>690</b>	<b>-3%</b>	<b>Total Maintenance</b>
<b>Taxes</b>							Taxes
Real Estate Tax	30,000	600	340%	30,000	600	340%	Real Estate Tax
Personal Property Tax	0	0	0	0	0	0	Personal Property Tax
Employee Payroll Tax	2,500	50	-44%	2,500	50	-44%	Employee Payroll Tax
Employee Benefits	1,750	35	-34%	1,750	35	-34%	Employee Benefits
Other	750	15	-10%	750	15	-10%	Other
<b>Total Taxes</b>	<b>35,000</b>	<b>700</b>	<b>137%</b>	<b>35,000</b>	<b>700</b>	<b>137%</b>	<b>Total Taxes</b>
Operating Exp. before RFR	164,616	3,292	-7%	165,733	3,315	-6%	Operating Exp. before RFR
Reserve For Replacement	12,500	250	-68%	12,500	250	-68%	Reserve For Replacement
<b>Operating Exp. Incl. RFR</b>	<b>177,116</b>	<b>3,542</b>	<b>-18%</b>	<b>178,233</b>	<b>3,565</b>	<b>-17%</b>	<b>Operating Exp. Incl. RFR</b>
<b>NOI</b>	<b>288,289</b>	<b>5,766</b>	<b>455%</b>	<b>315,102</b>	<b>6,302</b>	<b>507%</b>	<b>NOI</b>

**Estimating Market Expenses Per Unit**

<b>Estimating Market Expenses Per Unit</b>							
Subject As Is	Expenses	Subject As Complete	Comparable One	Comparable Two	Comparable Three	Comparable Four	IREM Region IV
\$5	Advertising	\$5	\$506	\$0	\$128	\$150	\$0
\$372	Management	\$395	\$256	\$290	\$417	\$299	\$382
\$550	Other Administrative Expenses	\$550	\$128	\$150	\$341	\$300	\$650
\$0	Elevator Maintenance Expense	\$0	\$0	\$0	\$0	\$0	\$0
\$0	Fuel	\$0	\$0	\$0	\$0	\$0	\$0
\$100	Lighting & Misc. Power	\$100	\$197	\$735	\$300	\$0	\$161
\$35	Water/Sewer	\$35	\$0	\$1,025	\$463	\$1,127	\$278
\$0	Gas	\$0	\$0	\$0	\$0	\$244	\$7
\$90	Garbage/Trash Removal	\$90	\$0	\$0	\$0	\$0	\$0
\$500	Payroll	\$500	\$1,344	\$75	\$974	\$1,200	\$628
\$250	Other Operating Expenses	\$250	\$55	\$0	\$200	\$0	\$282
\$50	Decorating	\$50	\$285	\$0	\$0	\$0	\$190
\$0	Repairs	\$0	\$453	\$500	\$0	\$500	\$407
\$85	Exterminating	\$85	\$0	\$150	\$244	\$0	\$0
\$205	Insurance	\$205	\$416	\$225	\$378	\$250	\$248
\$350	Ground Expenses	\$350	\$117	\$0	\$116	\$0	\$193
\$0	Other Maintenance	\$0	\$0	\$0	\$0	\$0	\$0
\$600	Real Estate Taxes	\$600	\$417	\$671	\$638	\$699	\$696
\$50	Payroll Taxes	\$50	\$0	\$0	\$0	\$0	\$0
\$35	Employee Benefits	\$35	\$0	\$0	\$0	\$0	\$0
\$15	Other Taxes	\$15	\$0	\$0	\$0	\$0	\$11
\$250	Replacement Reserves	\$250	\$0	\$300	\$250	\$300	\$0
\$3,542	<b>Total Per Unit</b>	\$3,565	\$4,174	\$4,121	\$4,449	\$5,069	\$4,133
<p><b>Comments:</b>                      Subject expenses were estimated based on comparable apartments and industry norms. Comparable apartment expenses were estimated after discussions with area apartment managers. The comparable estimates were substantiated by the <i>2016 Income/Expense Analysis: Conventional Apartments printed by the Institute of Real Estate Management</i>. No major fluctuations from the total expenses per unit are anticipated from the expenses provided above, although itemized expenses may deviate on the specific factors affecting the individual properties.</p> <p>The expenses for the comparable apartments vary per unit but are consistently between 42 and 53 percent of the gross rent potential. The subject's expenses were estimated at 35 percent of the gross rent potential which is within the comparable range. Market expenses for the subject were categorized similar to the actual expenses as different properties categorize expenses in different ways. Explanations of specific itemized expenses are indicated on the following pages.</p>							

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

	<b>Expense</b>	<b>As Is</b>	<b>As Complete</b>	<b>Comp Range</b>
1.	Advertising	\$5	\$5	\$0- \$506
	An advertising expense of \$5 per unit was projected for the subject. A comparable range of \$0 to \$506 per unit was determined. The expense was projected considering the subject's historical financials, the comparable range and the <i>2016 Income/Expense Analysis: Conventional Apartments</i> printed by Institute of Real Estate Management.			
2	Management	\$372	\$395	\$256-\$417
	A management expense of \$372 per unit was projected for the as is scenario, and a management expense of \$395 per unit was projected for the as complete scenario. A comparable range of \$256to \$417 was determined. The expense was projected using approximately four percent of the effective gross income as indicated by the comparables.			
3.	Other Administrative	\$550	\$550	\$128-\$341
	An other administrative expense of \$550 per unit was projected. A comparable range of \$128 to \$341 was determined. The expense was projected considering the subject's historical financials, the comparable range and the <i>2016 Income/Expense Analysis: Conventional Apartments</i> printed by Institute of Real Estate Management.			
4.	Elevator	\$0	\$0	\$0-\$0
	The property does not have this expense. The expense is not typical in the market. Therefore, no expense was projected.			
5.	Fuel	\$0	\$0	\$0-\$0
	The property does not have this expense. The expense is not typical in the market. Therefore, no expense was projected.			
6.	Lighting & Misc. Power	\$100	\$100	\$0-\$735
	A lighting and miscellaneous power expense of \$100 was projected for the subject. A comparable range of \$0 to \$735 per unit was determined. Due to properties having unique utility characteristics, the subject's historical data was determined to be the most accurate indicator of this expense. The expense was projected using the subject's historical financials.			



- |    |             |      |      |             |
|----|-------------|------|------|-------------|
| 7. | Water/Sewer | \$35 | \$35 | \$0-\$1,127 |
|----|-------------|------|------|-------------|
- A water/sewer expense of \$35 per unit was projected for the subject. A comparable range of \$0 to \$1,127 per unit was determined. Due to properties having unique utility characteristics, the subject's historical data was determined to be the most accurate indicator of this expense. The expense was projected using the subject's historical financials.
- |    |     |     |     |           |
|----|-----|-----|-----|-----------|
| 8. | Gas | \$0 | \$0 | \$0-\$244 |
|----|-----|-----|-----|-----------|
- A gas expense of \$0 per unit was projected for the subject. A comparable range of \$0 to \$244 per unit was determined. Due to properties having unique utility characteristics, the subject's historical data was determined to be the most accurate indicator of this expense. The expense was projected using the subject's historical financials.
- |    |                       |      |      |         |
|----|-----------------------|------|------|---------|
| 9. | Garbage/Trash Removal | \$90 | \$90 | \$0-\$0 |
|----|-----------------------|------|------|---------|
- A garbage/trash removal expense of \$90 per unit was projected for the subject. A comparable range of \$0 to \$0 per unit was determined. Due to properties having unique utility characteristics, the subject's historical data was determined to be the most accurate indicator of this expense. The expense was projected using the subject's historical financials.
- |     |         |       |       |              |
|-----|---------|-------|-------|--------------|
| 10. | Payroll | \$500 | \$500 | \$75-\$1,344 |
|-----|---------|-------|-------|--------------|
- The payroll expense of \$500 per unit was projected. A comparable range of \$75 to \$1,344 was determined. The expense was projected considering the subject's historical financials, the comparable range and the *2016 Income/Expense Analysis: Conventional Apartments* printed by Institute of Real Estate Management.
- |     |                          |       |       |           |
|-----|--------------------------|-------|-------|-----------|
| 11. | Other Operating Expenses | \$250 | \$250 | \$0-\$200 |
|-----|--------------------------|-------|-------|-----------|
- An other operating expense of \$250 per unit was projected. A comparable range of \$0 to \$200 was determined. The expense was projected considering the subject's historical financials, the comparable range and the *2016 Income/Expense Analysis: Conventional Apartments* printed by Institute of Real Estate Management.
- |     |            |      |      |           |
|-----|------------|------|------|-----------|
| 12. | Decorating | \$50 | \$50 | \$0-\$285 |
|-----|------------|------|------|-----------|
- A decorating expense of \$50 was projected. A comparable range of \$0 to \$285 was determined. The expense was projected considering the subject's historical financials, the comparable range and the *2016 Income/Expense Analysis: Conventional Apartments* printed by Institute of Real Estate Management.

- |     |         |     |     |           |
|-----|---------|-----|-----|-----------|
| 13. | Repairs | \$0 | \$0 | \$0-\$500 |
|-----|---------|-----|-----|-----------|
- A repairs expense of \$0 was projected for the as is scenario. A comparable range of \$0 to \$500 was determined. Expenses such as repairs are typically based on unique property characteristics. Therefore, the subject's historical data was determined to be the most accurate indicator of this expense. The subject does not itemize specific repairs expenses. Instead, the repairs are included in other categories which are wrapped into other expense categories. Therefore, no specific repairs expense was projected.
- |     |               |      |      |           |
|-----|---------------|------|------|-----------|
| 14. | Exterminating | \$85 | \$85 | \$0-\$244 |
|-----|---------------|------|------|-----------|
- An exterminating expense of \$85 per unit was projected. A comparable range of \$0 to \$244 was determined. The expense was projected considering the subject's historical financials, the comparable range and the *2016 Income/Expense Analysis: Conventional Apartments* printed by Institute of Real Estate Management.
- |     |           |       |       |             |
|-----|-----------|-------|-------|-------------|
| 15. | Insurance | \$205 | \$205 | \$225-\$416 |
|-----|-----------|-------|-------|-------------|
- An insurance expense of \$205 per unit was projected for the subject's as is scenario, and \$205 per unit for the subject's as complete scenario. A comparable range of \$225 to \$416 per unit was determined. Expenses such as insurance are typically based on unique property characteristics. Therefore, the subject's historical data was determined to be the most accurate indicator of this expense. The expense was projected using the subject's historical financials.
- |     |                 |       |       |           |
|-----|-----------------|-------|-------|-----------|
| 16. | Ground Expenses | \$350 | \$350 | \$0-\$117 |
|-----|-----------------|-------|-------|-----------|
- A ground expense of \$350 per unit was projected. A comparable range of \$0 to \$117 was determined. The expense was projected considering the subject's historical financials, the comparable range and the *2016 Income/Expense Analysis: Conventional Apartments* printed by Institute of Real Estate Management.
- |     |                   |     |     |         |
|-----|-------------------|-----|-----|---------|
| 17. | Other Maintenance | \$0 | \$0 | \$0-\$0 |
|-----|-------------------|-----|-----|---------|
- Other maintenance expenses of \$0 per unit were projected for the subject. A comparable range of \$0 to \$0 per unit was determined. The expense was projected considering the subject's historical financials, the comparable range and the *2016 Income/Expense Analysis: Conventional Apartments* printed by Institute of Real Estate Management.

- |     |                   |       |       |             |
|-----|-------------------|-------|-------|-------------|
| 18. | Real Estate Taxes | \$600 | \$600 | \$417-\$699 |
|-----|-------------------|-------|-------|-------------|
- A real estate tax expense of \$600 per unit was projected for the subject based on the information obtained by the Coweta County Assessor's Office. It is likely that this expense will increase after completion of the rehabilitation. Therefore, the as complete expense was projected higher than the as is expense.
- |     |               |      |      |         |
|-----|---------------|------|------|---------|
| 19. | Payroll Taxes | \$50 | \$50 | \$0-\$0 |
|-----|---------------|------|------|---------|
- Payroll taxes were projected at \$50 per unit. A comparable range of \$0 to \$0 was determined. The expense was projected considering the subject's historical financials, the comparable range and the *2016 Income/Expense Analysis: Conventional Apartments* printed by Institute of Real Estate Management.
- |     |                   |      |      |         |
|-----|-------------------|------|------|---------|
| 20. | Employee Benefits | \$35 | \$35 | \$0-\$0 |
|-----|-------------------|------|------|---------|
- Employee benefits were projected at \$35 per unit. A comparable range of \$0 to \$0 was determined. The expense was projected considering the subject's historical financials, the comparable range and the *2016 Income/Expense Analysis: Conventional Apartments* printed by Institute of Real Estate Management.
- |     |                      |       |       |           |
|-----|----------------------|-------|-------|-----------|
| 21. | Replacement Reserves | \$250 | \$250 | \$0-\$300 |
|-----|----------------------|-------|-------|-----------|
- A replacement reserves expense of \$250 per unit was projected. This reserves expense is typical for market-rate apartment complexes.

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

The subject's projected expenses per unit are \$3,292 before reserves for replacement. This is seven percent lower than the 2016 data. The comparables range from \$4,121 to \$5,069 per unit before reserves for replacement. All comparables are conventional properties located in the State of Pennsylvania. The subject is within than the comparable range. The *2016 Income/Expense Analysis: Federally Conventional Apartments* published by the Institute of Real Estate Management indicates an overall expense per unit of \$4,133. Comparable 1 was constructed in 1987, contains 300 units and has total overall expenses of \$4,174 per unit; Comparable 2 was constructed in 1969 and renovated in 2015, contains 209 units and has total overall expenses of \$4,121 per unit; Comparable 3 was constructed in 1979 and was renovated in 2008, contains 486 units and has total overall expenses of \$4,449 per unit; and Comparable 4 was constructed in 1972 and renovated in 2013, contains 132 units and has total overall expenses of \$5,069 per unit. The subject was constructed in 1985 and is a 50-unit stabilized Rural Development property. Historically, the subject's overall expenses have ranged from \$3,156 to \$3,531 per unit before reserves for replacement. Therefore, the subject's expenses were deemed reasonable.

## **Net Operating Income Conclusions**

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

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

### **Direct Capitalization**

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

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

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

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

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

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

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

**Market Derived Capitalization Rates**

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

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

**Comparable Capitalization Rates**

Comparable #	Comparable Address	Number of Units	Date of Sale	NOI /	Sales Price =	Indicated Capitalization
1	115-116 Thurman Street Carrollton, Georgia	23	1/5/2016	\$60,000	\$800,000	7.50%
2	80 Christian Drive Newnan, Georgia	134	6/1/2016	\$618,360	\$10,306,000	6.00%
3	110 Field Street Newnan, Georgia	145	3/25/2016	\$1,015,000	\$14,500,000	7.00%
4	852 Garden Walk Boulevard College Park, Georgia	168	10/13/2015	\$464,750	\$7,150,000	6.50%
5	1110 Garden Walk Boulevard College Park, Georgia	370	9/22/2016	\$1,110,000	\$18,500,000	6.00%
6	201 Hays Mill Road Carrollton, Georgia	40	1/3/2017	\$1,889,850	\$21,500,000	8.79%
7	460 Hays Mill Road Carrollton, Georgia	208	9/21/2016	\$844,446	\$9,785,000	8.63%
8	1200 Newnan Crossing Boulevard Newnan, Georgia	356	3/24/2015	\$2,549,525	\$40,150,000	6.35%
9	4001 Lakemont Drive College Park, Georgia	372	12/31/2015	\$625,000	\$10,000,000	6.25%
10	10 Lakeside Way Newnan, Georgia	561	11/10/2015	\$2,947,606	\$53,014,500	5.56%

The comparables indicate a range of 5.56 to 8.79 percent for indicated capitalization rates, with a mean of 6.86 percent. Comparable 1 was constructed in 1992, and Comparable 2 was built in 1972. Comparable 3 was built in 1894. Comparable 4 was constructed in 1986, and Comparable 5 was built in 1988. Comparable 6 was constructed in 1980, and Comparable 7 was constructed in 1973. Comparable 8 was built in 2004, and Comparable 9 was built in 1976. Comparable 10 was constructed in 1990. Comparables 2, 3, 8 and 10 are located in the same city as the subject. The remaining comparables are

also similar in location. Comparables 1, 3 and 6 are the most similar in number of units, and Comparables 1, 4, 5, 6 and 10 are the most similar in date of construction. After considering all factors, Comparables 1, 2, 6, 8 and 10 were given the most consideration. These comparables have capitalization rates ranging from 5.56 to 8.79 percent. The appraiser selected a weighted capitalization rate of 7.00 percent.

**Realty Rates Survey**

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

**PwC Real Estate Investor Survey**

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

**Band of Investment – Conventional Terms**

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

Capitalization Rate Analysis					
Mortgage Interest Rate	4.50%	Loan To Value Ratio	80%		
Loan Term (Years)	30	Debt Coverage Ratio	1.25		
		Equity Dividend Rate	10.00%		
Band of Investment					
Mortgage Constant		Loan Ratio			
0.06080	x	80%	=	4.86%	Mortgage Component
Equity Dividend Rate		Equity Ratio			
10%	x	0.20	=	2.00%	Equity Component
		<b>Capitalization Rate</b>		<b>6.86%</b>	
Debt Coverage Ratio Analysis					
Debt Coverage Ratio	x	LTV	x	Mortgage Constant	
1.25	x	80%	x	6.08%	= 0.060802
		<b>Capitalization Rate</b>		<b>6.08%</b>	

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

**Determination of the Market Capitalization Rate**

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

**Income Values**

<b>Market</b>	<b>As Is</b>	<b>\$288,289 /7.00%</b>	<b>= \$4,118,411</b>
<b>Market</b>	<b>As Complete</b>	<b>\$315,102 /7.00%</b>	<b>= \$4,501,451</b>
		<b>Market Rate As Is Value</b>	<b>= \$4,120,000</b>
		<b>Market Rate As Complete Value</b>	<b>= \$4,500,000</b>



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

If a property contains Rental Assistance, the complex will have guaranteed income streams and typically have higher occupancy rates than market properties. As a result, the marketplace shows a preference for these types of properties with Rental Assistance, and the market indicates a lower capitalization rate as a result. Therefore, a slightly more aggressive capitalization rate of one half-point to one full point is seen in the market. The subject, however, does not contain any units with Rental Assistance. Therefore, the capitalization rate is not adjusted, and a **7.00 percent** capitalization rate was selected for the property's restricted valuations.

<b>Restricted</b>	<b>As Is</b>	<b>\$70,667 /7.00%</b>	<b>=</b>	<b>\$1,009,529</b>
<b>Restricted</b>	<b>As Complete</b>	<b>\$222,397 /7.00%</b>	<b>=</b>	<b>\$3,177,100</b>
		<b>Restricted Rate As Is Value</b>	<b>=</b>	<b>\$1,010,000</b>
		<b>Restricted Rate As Complete Value</b>	<b>=</b>	<b>\$3,175,000</b>

<b>Prospective Market Value Upon Loan Maturity</b>	
<b>\$4,500,000 Prospective Market Value (As Complete and Stabilized)</b> 50 Term of Loan (years) 2.00% Growth Rate	
<b>Market Value</b>	
\$4,500,000 PV 50 [g] [n] 2.00 [g] [i]	
<b>Solve for FV</b>	<b>\$12,222,090.22</b>
Using these factors, a prospective market value upon loan maturity of <b>\$12,222,090.22</b> was determined. <span style="color: red; font-weight: bold;">Prospective Market Value Upon Loan Maturity</span> <span style="color: red; font-weight: bold;">\$12,222,000.00</span>	

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

### Population

The population for the subject’s neighborhood for 2017, according to ESRI, is 6,640, an increase of 396 people from the 2010 population of 6,244. The population is expected to increase at an annual rate of 5.8 percent between 2017 and 2022. Therefore, the 2022 population is projected at 7,025. The median age for the neighborhood is 41.0.

### Unemployment Trends

The unemployment rate has fluctuated from 4.0 percent to 9.8 percent over the past 12 years. These fluctuations are in line with the unemployment rates for the State of Georgia.

<b>LABOR FORCE AND EMPLOYMENT TRENDS FOR COWETA COUNTY</b>					
<b>ANNUALS</b>	<b>CIVILIAN LABOR FORCE*</b>	<b>EMPLOYMENT</b>		<b>UNEMPLOYMENT</b>	
		<b>TOTAL</b>	<b>%</b>	<b>TOTAL</b>	<b>%</b>
2005	55,824	53,100	95.1%	2,724	4.9%
2006	57,736	55,317	95.8%	2,419	4.2%
2007	59,681	57,316	96.0%	2,365	4.0%
2008	61,411	57,904	94.3%	3,507	5.7%
2009	61,330	55,295	90.2%	6,035	9.8%
2010	64,319	58,095	90.3%	6,224	9.7%
2011	65,009	59,123	90.9%	5,886	9.1%
2012	65,504	60,295	92.0%	5,209	8.0%
2013	65,854	61,258	93.0%	4,596	7.0%
2014	66,516	62,434	93.9%	4,082	6.1%
2015	67,350	63,853	94.8%	3,497	5.2%
2016	70,241	66,752	95.0%	3,489	5.0%
2017**	72,576	69,177	95.3%	3,399	4.7%

\* Data based on place of residence.

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

Source: U.S. Bureau of Labor Statistics Data

**Median Household Income**

The median household income for the neighborhood in 2017 is \$72,858. It is expected to increase to \$83,636 by 2022. The per capita income is \$34,230.

**Median Home Value**

The median home value for the neighborhood in 2017, according to ESRI, is \$220,787. According to ESRI, the average amount spent for owner-occupied households in the subject's neighborhood is \$15,156.00, or \$1,263 per month. The average amount spent for renter-occupied households is \$15,660.00, or \$1,305 per month.

**Realty Rates Market Survey**

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

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

Source: RealtyRates.com: South Atlantic Region

### Comparable Sales Analysis

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

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

Rolling Hills Apartments \* 104 Rolling Hills Drive \* Newnan, Georgia

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

The population is expected to increase at an annual rate of 5.8 percent between 2017 and 2022. The median household income for the neighborhood in 2017 is \$72,858. It is expected to increase to \$83,636 by 2022. The per capita income is \$34,230.

The unemployment rate has fluctuated from 4.0 percent to 9.8 percent, and due to the recent economic trends, Telfair County, as well as the rest of the nation, increased in unemployment. However, the unemployment rate has stabilized and is anticipated to decrease to at least the high end of the historical range by the loan's maturity date.

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

**Prospective Market Value Upon Loan Maturity = \$12,222,000.00**

Value of Interest Credit Subsidy

Value of the Interest Credit Subsidy from the Existing USDA RD Section 515 Loan	
\$1,396,500	Original RD Loan Amount
\$1,249,038	Balance of the Original Loan
600	Months for the Term of the Loan
221	Remaining Months for the Term of the RD Loan
4.50%	Market Interest Rate
11.88%	Note Rate of Interest
1.00%	Base Rate of Interest
<b>Market Loan</b>	<b>Original RD Loan</b>
\$1,249,038	\$1,396,500
PV	PV
0.0450 [i]	0.0100 [i]
360 [n]	600 [n]
Solve for PMT	Solve for PMT
\$6,328.69	\$2,958.61
per month	per month
<b>Interest Credit Subsidy</b>	
Difference in Payment	\$3,370.08
\$3,370.08 [PMT]	
0.0450 [i]	
221 [n]	
Solve for PV	\$505,716.70
<b>Value of Subsidy from the Existing 515 Loan (Existing Terms) Rounded:</b>	
<b>\$506,000</b>	

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

**\$1,249,038 Proposed Loan**  
**600 Months for the Term of the Loan**  
**4.50% Market Interest Rate**  
**3.75% Note Rate of Interest**  
**1.00% Base Rate of Interest**

**Proposed Loan**  
**\$1,249,038 PV**  
**0.0450 [i]**  
**360 [n]**  
**Solve for PMT \$6,328.69 per month**

**With 1% interest**  
**\$1,249,038 PV**  
**0.0100 [i]**  
**600 [n]**  
**Solve for PMT \$2,646.20 per month**

**Value of Balloon**  
**\$1,249,038 [CHS] [PV]**  
**0.0375 [i]**  
**600 [n]**  
**Solve for PMT \$4,612.69**  
**360 [n]**  
**Solve for FV \$778,003.91**  
  
**\$778,003.91 [CHS] [FV]**  
**0.0450 [i]**  
**360 [n]**  
**Solve for PV \$202,199.84**

**Interest Credit Subsidy**  
**Difference in Payment \$3,682.49**  
**\$3,682.49 [PMT]**  
**0.0450 [i]**  
**360 [n]**  
**Solve for PV \$726,780.54**  
**-\$202,199.84**  
**\$524,580.71**

**Value of Subsidy from the Assumed 515 Loan (New Terms) Rounded:**  
**\$525,000.00**

**Value of Tax Credits**

For the purposes of this analysis, the likely market value of the tax credits allocated to the subject has been estimated. The subject is a proposed rehabilitation. The following information is based on the assumption that the development will receive tax credit allocations. The developer is assuming that the property will receive an annual allocation of \$95,706 from the Georgia Department of Community Affairs for low-income housing tax credits. The total for the 10-year period will be \$957,060. To determine the value of the tax credits, the average price for tax credits in the area was established by utilizing interviews with syndicators, developers and mortgage lenders as well as published sources. Interviews were conducted with Jason Maddox of MACO Companies; Matt Mills of Southeast Holdings LLC; Derrick Hamilton of Belmont Development Company; and Shawn Smith of Belmont Development Company. Based on the information obtained, a range of \$0.85 to \$0.95 was determined for federal tax credits, though there are a few instances when the price exceeds \$1.00. State tax credits vary widely, according to the interviews. A conservative value of \$0.85 per credit was estimated.

**Analysis of Tax Credits**

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

**Value of Tax Credits**

Assumed Federal Allocation:	=	\$957,060	
<b>Price</b>	<b>x 0.85</b>	<b>= \$813,501</b>	<b>\$ 813,501</b>

**Total Value Tax Credits = \$815,000**



**Insurable Value**

<b>USDA Rural Development Insurable Value Calculation</b>				
<b>Property Name:</b>		Rolling Hills Apartments		
<b>Street Address:</b>		104 Rolling Hills Drive		
<b>City, County, State, Zip:</b>		Newnan, Coweta, Georgia 30263		
<b>BASE COST</b>				
Main Structure			\$71.55	
Sprinkler				
Other				
Adjustments and/or Multipliers			0.83	Local
			1.03	Current
<b>TOTAL BASE COST PER SQ. FT</b>			\$61.17	
Building Area Square Footage			48,468	
<b>TOTAL REPLACEMENT COST NEW</b>			\$2,964,695	
<b>EXCLUSIONS</b>	<u>Per SF</u>	<u>Percent</u>		
Excavations	\$0.06	0.1%	\$2,908	
Foundations	\$3.67	6.0%	\$177,878	
Site Work	\$1.53	2.5%	\$74,156	
Site Improvements	\$2.02	3.3%	\$97,905	
Architect's Fees	\$0.61	1.0%	\$29,565	
Underground Piping	\$0.61	1.0%	\$29,565	
<b>TOTAL EXCLUSIONS</b>	\$8.50	13.9%	\$411,977	
<b>INCLUSIONS</b>				
Appliance Packages			\$82,284	
Patios/Balconies, etc.				
Parking Lot			\$55,569	
Other				
<b>TOTAL INCLUSIONS</b>			\$137,853	
<b>CONCLUDED INSURABLE VALUE</b>				
Total Replacement Cost New			\$2,964,695	
Less Total Exclusions			\$411,977	
Plus Total Inclusions			\$137,853	
<b>CONCLUDED INSURABLE VALUE</b>			<b>\$2,690,571</b>	

**Total Insurable Value (Rounded) = \$2,691,000**

## **Sales Comparison Approach**

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

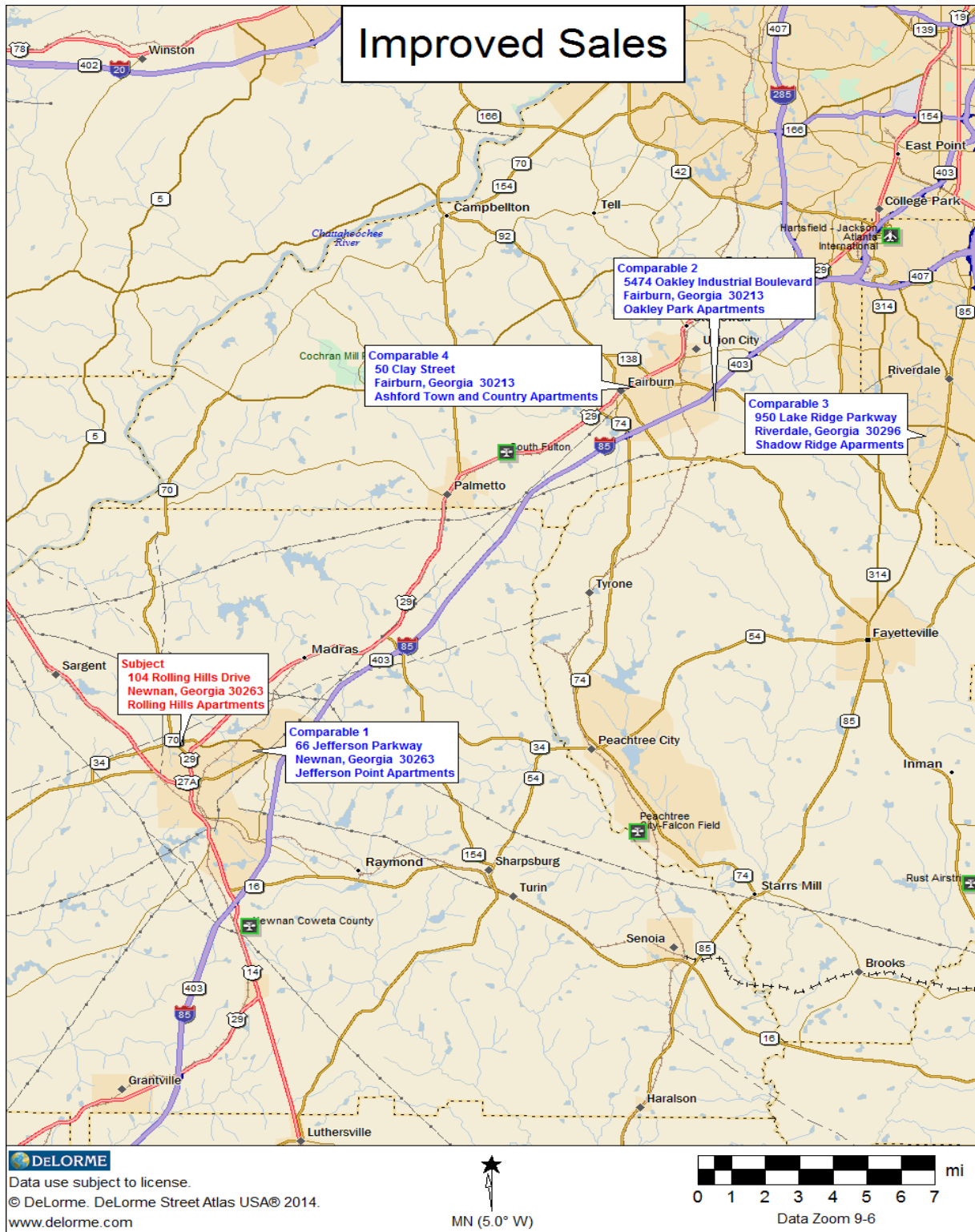
- Availability of comparable sales data
- Verification of sales data
- Degree of comparability to the extent that large or numerous adjustments are not necessary to compensate for the differences between the subject property and the comparable sales used

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

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

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

Comparable Sales Map



**Comparable Sales**

**Multi-Family Sale No. 1**



**Property Identification**

<b>Record ID</b>	1671
<b>Property Type</b>	Walk-Up
<b>Property Name</b>	Jefferson Point Apartments
<b>Address</b>	66 Jefferson Parkway, Newnan, Coweta County, Georgia 30263
<b>Tax ID</b>	N57A 0 062
<b>Market Type</b>	Market

**Sale Data**

<b>Grantor</b>	Jefferson Point LP
<b>Grantee</b>	Hallmark-Jefferson Point, LLC
<b>Sale Date</b>	March 31, 2015
<b>Deed Book/Page</b>	4197/363
<b>Property Rights</b>	Fee Simple
<b>Conditions of Sale</b>	Normal
<b>Financing</b>	Conventional
<b>Verification</b>	Assessor; May 15, 2017

<b>Sale Price</b>	\$8,550,000
<b>Cash Equivalent</b>	\$8,550,000
<b>Adjusted Price</b>	\$8,550,000

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

**Land Data**

**Land Size** 13.800 Acres or 601,128 SF  
**Front Footage** Jefferson Parkway  
**Topography** Nearly Level  
**Utilities** E, G, W, S  
**Shape** Irregular

**Unit Mix**

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	<u>Mo. Rent/SF</u>
1/1	6	644	\$699	\$1.09
1/1		644	\$749	\$1.16
1/1	30	896	\$761	\$0.85
2/2	24	1,119	\$795	\$0.71
2/2		1,119	\$835	\$0.75
2/2	24	1,173	\$856	\$0.73
3/2	28	1,400		
3/2.5	8	1,344	\$850	\$0.63
<b>Total Units</b>	120			
<b>Avg. Unit Size</b>	1,131			
<b>Avg. Rent/Unit</b>	\$612			
<b>Avg. Rent/SF</b>	\$0.54			
<b>Net SF</b>	135,704			

**General Physical Data**

**No. of Buildings** 10  
**Construction Type** Siding  
**HVAC** Central Elec/Central Elec  
**Parking** L/0  
**Stories** 2  
**Utilities with Rent** None  
**Year Built** 1990  
**Condition** Average

**Indicators**

**Sale Price/Net SF** \$63.00  
**Sale Price/Unit** \$71,250

**Amenities**

Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Washer/Dryer Hook-Ups, Carpet, Vinyl, Blinds, Fireplace (select units), Walk-In Closet, Balcony, Patio, Clubhouse, Swimming Pool, Exercise Room, Picnic Area, Playground, Tennis Court and Laundry Facility



**Multi-Family Sale No. 2**



**Property Identification**

**Record ID** 1675  
**Property Type** Walk-Up  
**Property Name** Oakley Park Apartments  
**Address** 5474 Oakley Industrial Boulevard, Fairburn, Fulton County, Georgia 30213  
**Tax ID** 09F 0600 0025 082  
**Market Type** Market

**Sale Data**

**Grantor** Oakley Park Apartments, LLC  
**Grantee** ROC II GA Oakley Park, LLC  
**Sale Date** November 26, 2014  
**Deed Book/Page** 54406/0186  
**Property Rights** Fee Simple  
**Conditions of Sale** Normal  
**Financing** Conventional  
**Verification** Assessor; May 17, 2017

**Sale Price** \$20,724,000  
**Cash Equivalent** \$20,724,000  
**Adjusted Price** \$20,724,000

**Land Data**

**Land Size** 25.020 Acres or 1,089,871 SF  
**Front Footage** Oakley Industrial Boulevard  
**Zoning** AG1

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

**Topography**                      Nearly Level  
**Utilities**                        E, G, W, S  
**Shape**                             Irregular

<u>Unit Type</u>	<u>Unit Mix</u>			
	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	<u>Mo. Rent/SF</u>
1/1	21	643	\$700	\$1.09
1/1		643	\$735	\$1.14
1/1	21	727	\$700	\$0.96
1/1		727	\$735	\$1.01
1/1	21	851	\$740	\$0.87
1/1		751	\$765	\$1.02
1/1	21	871	\$740	\$0.85
1/1		871	\$765	\$0.88
2/2	60	1,025	\$890	\$0.87
2/2		1,025	\$915	\$0.89
2/2	60	1,127	\$890	\$0.79
2/2		1,127	\$915	\$0.81
3/2	18	1,252	\$1,050	\$0.84
3/2		1,252	\$1,110	\$0.89
3/2	18	1,360	\$1,050	\$0.77
3/2		1,360	\$1,110	\$0.82

**Total Units**                      240  
**Avg. Unit Size**                    1,004  
**Avg. Rent/Unit**                    \$855  
**Avg. Rent/SF**                      \$0.85

**Net SF**                                241,068

**General Physical Data**

**No. of Buildings**                10  
**Construction Type**            Siding  
**HVAC**                                Central Elec/Central Elec  
**Parking**                            L/0  
**Stories**                              3  
**Utilities with Rent**              None  
**Year Built**                         2008  
**Condition**                         Good

**Indicators**

**Sale Price/Net SF**                \$85.97  
**Sale Price/Unit**                    \$86,350

**Amenities**

Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Washer/Dryer Hook-Ups, Carpet, Vinyl, Blinds, Ceiling Fans, Walk-In Closet, Balcony, Patio, Clubhouse Swimming Pool, Fitness Center, Picnic Area, Playground, Extra Storage, Business Center, Laundry Facility, Intercom Entry and Limited Access Gate



**Multi-Family Sale No. 3**



**Property Identification**

<b>Record ID</b>	2015
<b>Property Type</b>	Walk-Up
<b>Property Name</b>	Shadow Ridge Apartments
<b>Address</b>	950 Lake Ridge Parkway, Riverdale, Clayton County, Georgia 30296
<b>Market Type</b>	Market

**Sale Data**

<b>Grantor</b>	PEM Real Estate Group
<b>Grantee</b>	Strand-Alma, Inc
<b>Sale Date</b>	December 17, 2015
<b>Deed Book/Page</b>	10815/0527
<b>Property Rights</b>	Fee Simple
<b>Conditions of Sale</b>	Normal
<b>Financing</b>	Conventional
<b>Verification</b>	Assessor; May 17, 2017

<b>Sale Price</b>	\$16,800,000
<b>Cash Equivalent</b>	\$16,800,000
<b>Adjusted Price</b>	\$16,800,000

**Land Data**

<b>Land Size</b>	21.170 Acres or 922,165 SF
<b>Front Footage</b>	Lake Ridge Parkway
<b>Zoning</b>	CPUD, Multifamily
<b>Topography</b>	Nearly Level
<b>Utilities</b>	E, G, W, S
<b>Shape</b>	Irregular

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

<u>Unit Type</u>	<u>Unit Mix</u>			<u>Mo. Rent/SF</u>
	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	
1/1	74	865	\$880	\$1.02
2/2	220	1,067	\$825	\$0.77
<b>Total Units</b>	294			
<b>Avg. Unit Size</b>	1,016			
<b>Avg. Rent/Unit</b>	\$839			
<b>Avg. Rent/SF</b>	\$0.83			
<b>Net SF</b>	298,750			
<b><u>General Physical Data</u></b>				
<b>No. of Buildings</b>	11			
<b>Construction Type</b>	Siding			
<b>HVAC</b>	Central Elec/Central Elec			
<b>Parking</b>	L/0			
<b>Stories</b>	3			
<b>Utilities with Rent</b>	Water, Sewer, Trash Collection			
<b>Year Built</b>	2000			
<b>Condition</b>	Average			
<b><u>Indicators</u></b>				
<b>Sale Price/Net SF</b>	\$56.23			
<b>Sale Price/Unit</b>	\$57,143			

**Amenities**

Refrigerator, Range/Oven, Dishwasher, Microwave, Washer/Dryer Hook-Ups, Carpet, Vinyl, Blinds, Ceiling Fans, Fireplace (select units), Walk-In Closet, Balcony, Patio, Clubhouse, Swimming Pool, Exercise Room, Picnic Area, Playground, Tennis Court, Extra Storage, Business Center, Laundry Facility and Walking/Bike Trail

**Multi-Family Sale No. 4**



**Property Identification**

<b>Record ID</b>	3578
<b>Property Type</b>	Walk-Up
<b>Property Name</b>	Ashford Town and Country Apartments
<b>Address</b>	50 Clay Street, Fairburn, Fulton County, Georgia 30213
<b>Market Type</b>	Market

**Sale Data**

<b>Grantor</b>	The RADCO Companies
<b>Grantee</b>	Zhaoxia Lisa Li
<b>Sale Date</b>	March 08, 2016
<b>Deed Book/Page</b>	55926-0390
<b>Property Rights</b>	Fee Simple
<b>Conditions of Sale</b>	Normal
<b>Financing</b>	Conventional
<b>Verification</b>	Assessor; May 17, 2017

<b>Sale Price</b>	\$6,900,000
<b>Cash Equivalent</b>	\$6,900,000
<b>Adjusted Price</b>	\$6,900,000

**Land Data**

<b>Land Size</b>	9.100 Acres or 396,396 SF
<b>Front Footage</b>	50 Clay Street

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

**Zoning** M-1  
**Topography** Nearly Level  
**Utilities** E, G, W, S  
**Shape** Irregular

<u>Unit Type</u>	<u>Unit Mix</u>			<u>Mo. Rent/SF</u>
	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	
2/1.5	33	1,067	\$776	\$0.73
2/1.5	33	1,150	\$846	\$0.74
2/1.5	66	1,210	\$776	\$0.64

**Total Units** 132  
**Avg. Unit Size** 1,159  
**Avg. Rent/Unit** \$794  
**Avg. Rent/SF** \$0.68

**Net SF** 153,021

**General Physical Data**

**Construction Type** Brick  
**HVAC** Central Elec/Central Elec  
**Parking** L/0  
**Stories** 2  
**Utilities with Rent** Water, Sewer, Trash Collection  
**Year Built** 1965  
**Condition** Average

**Indicators**

**Sale Price/Net SF** \$45.09  
**Sale Price/Unit** \$52,273

**Amenities**

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

**Comparable Sales Chart – As Is**

Sales Analysis Grid		Comp 1	Comp 2	Comp 3	Comp 4
Address	104 Rolling Hills Drive	66 Jefferson Parkway	5474 Oakley Industrial	950 Lake Ridge Parkway	50 Clay Street
City	Newnan	Newnan	Fairburn	Riverdale	Fairburn
State	GA	GA	GA	GA	GA
Date	5/17/2017	3/31/2015	11/26/2014	12/17/2015	3/8/2016
Price		\$8,550,000	\$20,724,000	\$16,800,000	\$6,900,000
Total No. of Units	50	120	240	294	132
Price per Unit		\$71,250	\$86,350	\$57,143	\$52,273
<b>Transaction Adjustments</b>					
Property Rights	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Financing	Conventional	Conventional	Conventional	Conventional	Conventional
Conditions of Sale	Normal	Normal	Normal	Normal	Normal
<b>Adjusted Price per Unit</b>		<b>\$71,250</b>	<b>\$86,350</b>	<b>\$57,143</b>	<b>\$52,273</b>
Market Trends Through 05/17/17		0%	0%	0%	0%
<b>Adjusted Price per Unit</b>		<b>\$71,250</b>	<b>\$86,350</b>	<b>\$57,143</b>	<b>\$52,273</b>
Location	Average	Similar	Similar	Similar	Similar
% Adjustment		0%	0%	0%	0%
\$ Adjustment		\$0	\$0	\$0	\$0
Total No. of Units	50	120	240	294	132
% Adjustment		0%	0%	0%	0%
\$ Adjustment		\$0	\$0	\$0	\$0
YearBuilt/Renovated	1985	1990	2008	2000	1965
% Adjustment		0%	0%	0%	0%
\$ Adjustment		\$0	\$0	\$0	\$0
Condition/Street Appeal	Average	Superior	Superior	Similar	Inferior
% Adjustment		-5%	-10%	0%	20%
\$ Adjustment		-\$3,563	-\$8,635	\$0	\$10,455
HVAC	Central Electric/Central Electric	Central Elec/Central Elec	Central Elec/Central Elec	Central Elec/Central Elec	Central Elec/Central Elec
% Adjustment		0%	0%	0%	0%
\$ Adjustment		\$0	\$0	\$0	\$0
Parking	L/0	L/0	L/0	L/0	L/0
% Adjustment		0%	0%	0%	0%
\$ Adjustment		\$0	\$0	\$0	\$0
Amenities	Refrigerator, Range/Oven, Washer/Dryer Hook-Ups, Carpet, Vinyl, Blinds, Coat Closet, Patio and Extra Storage	Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Washer/Dryer Hook-Ups, Carpet, Vinyl, Blinds, Fireplace (select units), Walk-In Closet, Balcony, Patio, Clubhouse, Swimming Pool, Exercise Room, Picnic Area, Playground, Tennis Court and Laundry Facility	Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Washer/Dryer Hook-Ups, Carpet, Vinyl, Blinds, Ceiling Fans, Walk-In Closet, Balcony, Patio, Clubhouse Swimming Pool, Fitness Center, Picnic Area, Playground, Extra Storage, Business Center, Laundry Facility, Intercom Entry and Limited Access Gate	Refrigerator, Range/Oven, Dishwasher, Microwave, Washer/Dryer Hook-Ups, Carpet, Vinyl, Blinds, Ceiling Fans, Fireplace (select units), Walk-In Closet, Balcony, Patio, Clubhouse, Swimming Pool, Exercise Room, Picnic Area, Playground, Tennis Court, Extra Storage, Business Center, Laundry Facility and Walking/Biking Trail	Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Microwave, Washer/Dryer Hook-Ups, Carpet, Vinyl, Blinds, Ceiling Fans, Walk-In Closet, Patio, Swimming Pool and Playground
% Adjustment		-4%	-5%	-5%	-3%
\$ Adjustment		-\$2,850	-\$4,318	-\$2,857	-\$1,568
<b>Adjusted Price per Unit</b>		<b>\$64,838</b>	<b>\$73,398</b>	<b>\$54,286</b>	<b>\$61,159</b>
Net adjustments		-9.0%	-15.0%	-5.0%	17.0%
Gross adjustments		-9.0%	-15.0%	-5.0%	17.0%

Based on the preceding analysis, it is the appraiser's opinion that the market value of the subject property, as of May 17, 2017, via the Sales Comparable Approach is as follows:

50 units x \$62,000 per unit = **\$3,100,000**

**Indicated Value = \$3,100,000**

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

Comp	Address	Date	Price	Price per Unit	Total No. of Units	Year Built/Renovated
1	66 Jefferson Parkway	3/31/2015	\$8,550,000	\$71,250	120	1990
2	5474 Oakley Industrial Boulevard	11/26/2014	\$20,724,000	\$86,350	240	2008
3	950 Lake Ridge Parkway	12/17/2015	\$16,800,000	\$57,143	294	2000
4	50 Clay Street	3/8/2016	\$6,900,000	\$52,273	132	1965

**Improved Sales Analysis**

The sale prices of the comparables range from \$52,273 to \$86,350 per unit before adjustments. The sales were analyzed in order to estimate their comparability to the subject based on the following characteristics of value.

**Location**

The subject is located in Newnan, Georgia. Comparable 1 is located in Newnan. Comparable 2 is located in Fairburn. Comparable 3 is located in Riverdale. Comparable 4 is located in Fairburn. There were no differences in location significant enough to warrant an adjustment. Therefore, no adjustments were made.

**Total No. of Units**

Size can have an impact on value based on the premise that smaller facilities tend to sell for a higher price per unit than larger facilities. The subject contains 50 units. The number of units of the comparables range from 120 to 294. No adjustments were needed.

**Year Built/Renovated**

The subject was built in 1985. It is in average condition. Comparable 1 was built in 1990. Comparable 2 was constructed in 2008. Comparable 3 was built in 2000. Comparable 4 was constructed in 1965. Any necessary adjustment was utilized in the condition/street appeal adjustment.

**Condition/Street Appeal**

The subject is currently in average condition for a property of its age. Comparable 1 is superior. Comparable 2 is superior. Comparable 3 is similar. Comparable 4 is inferior. Comparable 1 was adjusted downward five percent. Comparable 2 was adjusted downward 10 percent. Comparable 3 was not adjusted. Comparable 4 was adjusted upward 20 percent.

## **HVAC**

The subject contains central electric heating and cooling. All comparables are similar. No adjustment was needed.

## **Parking**

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

## **Amenities**

The subject contains a refrigerator, range/oven, washer/dryer hook-ups, carpet, vinyl, blinds, coat closet, patio and extra storage. Comparable 1 contains a refrigerator, range/oven, garbage disposal, dishwasher, washer/dryer hook-ups, carpet, vinyl, blinds, fireplace (select units), walk-in closet, balcony, patio, clubhouse, swimming pool, exercise room , picnic area, playground, tennis court and laundry facility. Comparable 2 contains a refrigerator, range/oven, garbage disposal, dishwasher, washer/dryer hook-ups, carpet, vinyl, blinds, ceiling fans, walk-in closet, balcony, patio, clubhouse swimming pool, fitness center, picnic area, playground, extra storage, business center, laundry facility, intercom entry and limited access gate . Comparable 3 contains a refrigerator, range/oven, dishwasher, microwave, washer/dryer hook-ups, carpet, vinyl, blinds, ceiling fans, fireplace (select units), walk-in closet, balcony, patio, clubhouse, swimming pool, exercise room, picnic area, playground, tennis court, extra storage, business center, laundry facility and walking/biking trail. Comparable 4 contains a refrigerator, range/oven, garbage disposal, dishwasher, microwave, washer/dryer hook-ups, carpet, vinyl, blinds, ceiling fans, walk-in closet, patio, swimming pool and playground

. Comparable 1 was adjusted downward four percent. Comparable 2 was adjusted downward five percent. Comparable 3 was adjusted downward five percent. Comparable 4 was adjusted downward three percent.

## **Summary and Conclusion**

The comparables range from \$54,286 to \$73,398 per unit after adjustments. Based on the preceding analysis, it is the appraiser's opinion that the market value of the subject property, as of May 17, 2017, via the Sales Comparable Approach is as follows:

50 units x \$62,000 per unit = \$3,100,000

**Indicated As Is Market Value = \$3,100,000**

### Comparable Sales Chart – As Complete

Sales Analysis Grid		Comp 1	Comp 2	Comp 3	Comp 4
Address	104 Rolling Hills Drive	66 Jefferson Parkway	5474 Oakley Industrial	950 Lake Ridge Parkway	50 Clay Street
City	Newnan	Newnan	Fairburn	Riverdale	Fairburn
State	GA	GA	GA	GA	GA
Date	5/17/2017	3/31/2015	11/26/2014	12/17/2015	3/8/2016
Price		\$8,550,000	\$20,724,000	\$16,800,000	\$6,900,000
Total No. of Units	50	120	240	294	132
Price per Unit		\$71,250	\$86,350	\$57,143	\$52,273
<b>Transaction Adjustments</b>					
Property Rights	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Financing	Conventional	Conventional	Conventional	Conventional	Conventional
Conditions of Sale	Normal	Normal	Normal	Normal	Normal
<b>Adjusted Price per Unit</b>		<b>\$71,250</b>	<b>\$86,350</b>	<b>\$57,143</b>	<b>\$52,273</b>
Market Trends Through 05/17/17		0%	0%	0%	0%
<b>Adjusted Price per Unit</b>		<b>\$71,250</b>	<b>\$86,350</b>	<b>\$57,143</b>	<b>\$52,273</b>
Location	Average	Similar	Similar	Similar	Similar
% Adjustment		0%	0%	0%	0%
\$ Adjustment		\$0	\$0	\$0	\$0
Total No. of Units	50	120	240	294	132
% Adjustment		0%	0%	0%	0%
\$ Adjustment		\$0	\$0	\$0	\$0
YearBuilt/Renovated	1985/Proposed	1990	2008	2000	1965
% Adjustment		0%	0%	0%	0%
\$ Adjustment		\$0	\$0	\$0	\$0
Condition/Street Appeal	Good	Inferior	Similar	Inferior	Inferior
% Adjustment		5%	0%	10%	30%
\$ Adjustment		\$3,563	\$0	\$5,714	\$15,682
HVAC	Central Electric/Central Electric	Central Elec/Central Elec	Central Elec/Central Elec	Central Elec/Central Elec	Central Elec/Central Elec
% Adjustment		0%	0%	0%	0%
\$ Adjustment		\$0	\$0	\$0	\$0
Parking	L/0	L/0	L/0	L/0	L/0
% Adjustment		0%	0%	0%	0%
\$ Adjustment		\$0	\$0	\$0	\$0
Amenities	Refrigerator, Range/Oven, Washer/Dryer Hook-Ups, Carpet, Vinyl, Blinds, Coat Closet, Patio and Extra Storage	Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Washer/Dryer Hook-Ups, Carpet, Vinyl, Blinds, Fireplace (select units), Walk-In Closet, Balcony, Patio, Clubhouse, Swimming Pool, Exercise Room, Picnic Area, Playground, Tennis Court and Laundry Facility	Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Washer/Dryer Hook-Ups, Carpet, Vinyl, Blinds, Ceiling Fans, Walk-In Closet, Balcony, Patio, Clubhouse Swimming Pool, Fitness Center, Picnic Area, Playground, Extra Storage, Business Center, Laundry Facility, Intercom Entry and Limited Access Gate	Refrigerator, Range/Oven, Dishwasher, Microwave, Washer/Dryer Hook-Ups, Carpet, Vinyl, Blinds, Ceiling Fans, Fireplace (select units), Walk-In Closet, Balcony, Patio, Clubhouse, Swimming Pool, Exercise Room, Picnic Area, Playground, Tennis Court, Extra Storage, Business Center, Laundry Facility and Walking/Biking Trail	Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Microwave, Washer/Dryer Hook-Ups, Carpet, Vinyl, Blinds, Ceiling Fans, Walk-In Closet, Patio, Swimming Pool and Playground
% Adjustment		-4%	-5%	-5%	-3%
\$ Adjustment		-\$2,850	-\$4,318	-\$2,857	-\$1,568
<b>Adjusted Price per Unit</b>		<b>\$71,963</b>	<b>\$82,033</b>	<b>\$60,000</b>	<b>\$66,386</b>
Net adjustments		1.0%	-5.0%	5.0%	27.0%
Gross adjustments		1.0%	-5.0%	5.0%	27.0%

Based on the preceding analysis, it is the appraiser's opinion that the market value of the subject property, as of May 17, 2017, via the Sales Comparable Approach is as follows:

$$50 \text{ units} \times \$69,000 \text{ per unit} = \$3,450,000$$

**Indicated Value = \$3,450,000**



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

Comp	Address	Date	Price	Price per Unit	Total No. of Units	Year Built/Renovated
1	66 Jefferson Parkway	3/31/2015	\$8,550,000	\$71,250	120	1990
2	5474 Oakley Industrial Boulevard	11/26/2014	\$20,724,000	\$86,350	240	2008
3	950 Lake Ridge Parkway	12/17/2015	\$16,800,000	\$57,143	294	2000
4	50 Clay Street	3/8/2016	\$6,900,000	\$52,273	132	1965

**Improved Sales Analysis**

The sale prices of the comparables range from \$52,273 to \$86,350 per unit before adjustments. The sales were analyzed in order to estimate their comparability to the subject based on the following characteristics of value.

**Location**

The subject is located in Newnan, Georgia. Comparable 1 is located in Newnan. Comparable 2 is located in Fairburn. Comparable 3 is located in Riverdale. Comparable 4 is located in Fairburn. There were no differences in location significant enough to warrant an adjustment. Therefore, no adjustments were made.

**Total No. of Units**

Size can have an impact on value based on the premise that smaller facilities tend to sell for a higher price per unit than larger facilities. The subject contains 50 units. The number of units of the comparables range from 120 to 294. No adjustments were needed.

**Year Built/Renovated**

The subject was built in 1985. It is in average condition. Comparable 1 was built in 1990. Comparable 2 was constructed in 2008. Comparable 3 was built in 2000. Comparable 4 was constructed in 1965. Any necessary adjustment was utilized in the condition/street appeal adjustment.

**Condition/Street Appeal**

After rehabilitation, the subject will be in good condition. All comparables except Comparable 2 will be inferior to the subject after its rehabilitation and were adjusted accordingly. Comparable 2 will be similar. Therefore, no adjustment was needed.

## **HVAC**

The subject contains central electric heating and cooling. All comparables are similar. No adjustment was needed.

## **Parking**

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

## **Amenities**

The subject contains a refrigerator, range/oven, washer/dryer hook-ups, carpet, vinyl, blinds, coat closet, patio and extra storage. Comparable 1 contains a refrigerator, range/oven, garbage disposal, dishwasher, washer/dryer hook-ups, carpet, vinyl, blinds, fireplace (select units), walk-in closet, balcony, patio, clubhouse, swimming pool, exercise room, picnic area, playground, tennis court and laundry facility. Comparable 2 contains a refrigerator, range/oven, garbage disposal, dishwasher, washer/dryer hook-ups, carpet, vinyl, blinds, ceiling fans, walk-in closet, balcony, patio, clubhouse swimming pool, fitness center, picnic area, playground, extra storage, business center, laundry facility, intercom entry and limited access gate . Comparable 3 contains a refrigerator, range/oven, dishwasher, microwave, washer/dryer hook-ups, carpet, vinyl, blinds, ceiling fans, fireplace (select units), walk-in closet, balcony, patio, clubhouse, swimming pool, exercise room, picnic area, playground, tennis court, extra storage, business center, laundry facility and walking/biking trail. Comparable 4 contains a refrigerator, range/oven, garbage disposal, dishwasher, microwave, washer/dryer hook-ups, carpet, vinyl, blinds, ceiling fans, walk-in closet, patio, swimming pool and playground. Comparable 1 was adjusted downward four percent. Comparable 2 was adjusted downward five percent. Comparable 3 was adjusted downward five percent. Comparable 4 was adjusted downward three percent. Comparable 1 was adjusted downward four percent. Comparable 2 was adjusted downward five percent. Comparable 3 was adjusted downward five percent. Comparable 4 was adjusted downward three percent. Comparable 5 was not adjusted. Comparable 6 was not adjusted. Comparable 7 was not adjusted. Comparable 8 was not adjusted. Comparable 9 was not adjusted. Comparable 10 was not adjusted.

## **Summary and Conclusion**

The comparables range from \$60,000 to \$82,033 per unit after adjustments. Based on the preceding analysis, it is the appraiser's opinion that the market value of the subject property, as of January 31, 2019, via the Sales Comparable Approach is as follows:

50 units x \$69,000 per unit = \$3,450,000

**Indicated As Stabilized Market Value = \$3,450,000**

**Restricted Value Determination**

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

## **RECONCILIATION AND CONCLUSIONS**

## **Conclusion of Value**

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

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

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

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

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

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

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

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

Based on the data, analyses and conclusions presented in the attached report, it is my opinion the Market Value, within 7 CFR part 3560.752(b)(1)(ii), Premised Upon a Hypothetical Condition as-if Conventional Housing, as of May 17, 2017, is as follows.

**FOUR MILLION ONE HUNDRED TWENTY THOUSAND DOLLARS**

**\$4,120,000**

Based on the data, analyses and conclusions presented in the attached report, it is my opinion the Market Value, Subject to Restricted Rents, within 7 CFR part 3560.752(b)(1)(i), as of May 17, 2017, is as follows.

**ONE MILLION TEN THOUSAND DOLLARS**

**\$1,010,000**

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

**FOUR MILLION FIVE HUNDRED THOUSAND DOLLARS**

**\$4,500,000**

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

**THREE MILLION ONE HUNDRED SEVENTY FIVE THOUSAND DOLLARS**

**\$3,175,000**

Based on the data, analyses and conclusions presented in the attached report, it is our opinion that the Value of the Interest Credit Subsidy from the Existing USDA RD Section 515 Loan of the subject property, as of May 17, 2017, is as follows:

**FIVE HUNDRED SIX THOUSAND DOLLARS**

**\$506,000**

Based on the data, analyses and conclusions presented in the attached report, it is our opinion that the Value of the Interest Credit Subsidy from the Proposed USDA RD Section 515 Loan of the subject property, as of May 17, 2017, is as follows:

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

Based on the data, analyses and conclusions presented in the attached report, it is our opinion that the value of the Low Income Housing Tax Credits, as of May 17, 2017, is as follows:

**EIGHT HUNDRED FIFTEEN THOUSAND DOLLARS**  
**\$815,000**

Based on the data, analyses and conclusions presented in the attached report, it is our opinion that the As Is Market Rent (CRCU) of the 620 square feet one-bedroom units of the subject property, as of May 17, 2017, is as follows:

**SEVEN HUNDRED SEVENTY FIVE DOLLARS**  
**\$775.00**

Based on the data, analyses and conclusions presented in the attached report, it is our opinion that the As Is Market Rent (CRCU) of the 949 square feet two-bedroom units of the subject property, as of May 17, 2017, is as follows:

**EIGHT HUNDRED FIFTY DOLLARS**  
**\$850.00**

Based on the data, analyses and conclusions presented in the attached report, it is our opinion that the As Complete Market Rent (CRCU) of the 620 square feet one-bedroom units of the subject property, as of January 31, 2019, is as follows:

**EIGHT HUNDRED TWENTY FIVE DOLLARS**  
**\$825.00**

Based on the data, analyses and conclusions presented in the attached report, it is our opinion that the As Complete Market Rent (CRCU) of the 949 square feet two-bedroom units of the subject property, as of January 31, 2019, is as follows:

**NINE HUNDRED DOLLARS**  
**\$900.00**

*The following values are determined for the DCA:*

Based on the data, analyses and conclusions presented in the attached report, it is my opinion the market value of the land, as of May 17, 2017, is as follows.

**TWO HUNDRED NINETY THOUSAND DOLLARS**  
**\$290,000**

Based on the data, analyses and conclusions presented in the attached report, it is my opinion the “As Is” market value of the subject property, subject to market rents, as of May 17, 2017, is as follows.

**FOUR MILLION ONE HUNDRED TWENTY THOUSAND DOLLARS**  
**\$4,120,000**

Based on the data, analyses and conclusions presented in the attached report, it is my opinion the “As Is” market value of the subject property, subject to restricted rents, as of May 17, 2017, is as follows.

**ONE MILLION TEN THOUSAND DOLLARS**  
**\$1,010,000**

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

**FOUR MILLION FIVE HUNDRED THOUSAND DOLLARS**  
**\$4,500,000**



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

**THREE MILLION ONE HUNDRED SEVENTY FIVE THOUSAND DOLLARS**

**\$3,175,000**

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

**TWELVE MILLION TWO HUNDRED TWENTY TWO THOUSAND DOLLARS**

**\$12,222,000.00**

**Sources Used**

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

## **ADDENDUM A**

EXHIBIT A  
LEGAL DESCRIPTION

All that tract or parcel of land situate, lying and being in  
 Land Lot 71 of the 3th Land District of Coweta County, Georgia,  
 containing 7 acres and being more particularly described as  
 follows COMMENCING AS A POINT OF REFERENCE ONLY FOR THE  
 PROPERTY HEREIN DESCRIBED, at a point where the center line of  
 the right of way of Phillips Street intersects the easternmost  
 margin of the right of way of Roscoe Road and from said point,  
 run in a northwesterly direction along the curve of the right  
 of way of Roscoe Road an arc distance of 1,134.11 feet (said  
 arc having a chord course of north 18°55'39" west and a chord  
 distance of 1,133.93 feet) to a concrete monument (said  
 concrete monument is located on the easternmost margin of the  
 right of way of Roscoe Road and at the northwest corner of the  
 property of Murrey Baptist Church) and the POINT OF BEGINNING,  
 and from said POINT OF BEGINNING, continue in a northwesterly  
 direction along the curve of the easternmost margin of the  
 right of way of Roscoe Road an arc distance of 525.81 feet to  
 a point (said arc having a chord course of north 11°43'17"  
 west and a chord distance of 525.81 feet); thence run a  
 course of 82°57'15" east a distance of 228.77 feet to a point; thence  
 run south 87°07'45" west a distance of 480 feet to a point;  
 thence run north 81°57'15" west a distance of 583.88 feet to a  
 concrete monument and the POINT OF BEGINNING. Said property is  
 located at the southwest corner of the property shown on that  
 certain map or plat of survey entitled "Survey for Fowler Bush  
 Apartments, Ltd." prepared by H. S. Harper, C.E. Registered  
 Land Surveyor, dated December 4, 1921, recorded in Plat Record  
 Book 25, page 41, records of the Clerk of the Superior Court  
 of Coweta County, Georgia, to which map or plat reference is  
 hereby made for all purposes in aid of description. Said  
 property is also described as being more particularly bounded  
 as follows: on the north and east by the property now or  
 formerly owned by James B. Sineath and David A. Brown, on the

south by the property now or formerly owned by the Murrey  
 Baptist Church and the property now or formerly owned by Bobby  
 Stegall; and on the west by the east margin of the right of  
 way of Roscoe Road.

Said property is the same property described in that certain  
 Executors' Deed from Paul Whitlock, Edward Whitlock and Dennis  
 Whitlock, individually and as Executors of the Estate of Mrs.  
 E. D. Whitlock to James B. Sineath and David A. Brown dated  
 November 30, 1904, recorded in Book 374, page 353, records of  
 Coweta County, Georgia and the same property described in that  
 certain Executors' Deed of Conveyance from Paul Whitlock,  
 Edward Whitlock and Dennis Whitlock, individually and as  
 Executors of the Estate of Mrs. E. D. Whitlock to James B.  
 Sineath and David A. Brown dated December 17, 1904, recorded  
 in Book 375, page 355, records of Coweta County, Georgia.

**ADDENDUM B**

**Estimates of Restricted Rent  
by Comparison - As Complete**

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

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

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

1. Unit Type	2. Subject Property (Address)	A. Comparable Property No. 1 (address)		B. Comparable Property No. 2 (address)		C. Comparable Property No. 3 (address)		D. Comparable Property No. 4 (address)		E. Comparable Property No. 5 (address)		
One-Bedroom	Rolling Hills Apartments 104 Rolling Hills Drive Newnan, Coweta, GA	Eastgate Apartments 11 Dowdell Street Newnan, Coweta, GA		Forest at York 301 Calumet Parkway Newnan, Coweta, GA		Columbia Woods Townhomes 166 Greison Trail Newnan, Coweta, GA		Newnan Crossing 151 Parkway North Newnan, Coweta, GA		Pines by the Creek 60 Heery Road Newnan, Coweta, GA		
Characteristics	Data	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments	
3. Effective Date of Rental	05/2017	05/2017		05/2017		05/2017		05/2017		05/2017		
4. Type of Project/Stories	G/1	WU/2		E/3		T/2		WU/3		WU/2		
5. Floor of Unit in Building	Varies	Varies		Varies		Varies		Varies		Varies		
6. Project Occupancy %	100%	100%		100%		98%		100%		100%		
7. Concessions	N	N		N		N		N		N		
8. Year Built	1985/Proposed	1972	\$50	2013		2002		2004		1990	\$50	
9. Sq. Ft. Area	620	875	(\$55)	700	(\$15)	1244	(\$130)	816	(\$40)	1100	(\$100)	
10. Number of Bedrooms	1	1		1		2	(\$100)	1		2	(\$100)	
11. Number of Baths	1.0	1.0		1.0		2.5	(\$30)	1.0		1.0		
12. Number of Rooms	3	3		3		4		3		4		
13. Balc/Terrace/Patio	Y	Y		N	\$5	N	\$5	N	\$5	Y		
14. Garage or Carport	L/0	L/0		L/0		L/0		L/0		L/0		
15. Equipment a. A/C	C	C		C		C		C		C		
b. Range/Refrigerator	RF	RF		RF		RF		RF		RF		
c. Disposal	N	N		N		Y		Y		N		
d. Microwave/Dishwasher	N	N		D	(\$10)	D	(\$10)	D	(\$10)	M	(\$5)	
e. Washer/Dryer	HU	L	\$5	HU		HU		HU		HU		
f. Carpet	C	C		C		C		C		C		
g. Drapes	B	B		B		BC		B		B		
h. Pool/Rec. Area	N	R	(\$10)	N		PER	(\$30)	PE	(\$20)	PE	(\$20)	
16. Services a. Heat/Type	N/E	Y/G	(\$8)	N/E		N/E		N/E		N/E		
b. Cooling	N/E	N/E		N/E		N/E		N/E		N/E		
c. Cook/Type	N/E	Y/G	(\$3)	N/E		N/E		N/E		N/E		
d. Electricity	N	N		N		N		N		N		
e. Hot Water	N/E	Y/G	(\$5)	N/E		N/E		N/E		N/E		
f. Cold Water/Sewer	N	Y	(\$38)	N		N		N		N		
g. Trash	Y	Y		Y		Y		Y		Y		
17. Storage	Y/0	N	\$5	N	\$5	N	\$5	N	\$5	N	\$5	
18. Project Location	Average	Similar		Similar		Similar		Similar		Similar		
19. Security	N	N		Y	(\$10)	N		Y	(\$5)	N		
20. Clubhouse/Meeting Room	N	N		MR	(\$5)	C	(\$5)	N		N		
21. Special Features	N	N		N		N		N		N		
22. Business Center / Nbhd Netwk	N	N		N		BC	(\$5)	BC	(\$5)	N		
23. Unit Rent Per Month		\$790		\$581		\$846		\$730		\$640		
24. Total Adjustment			(\$59)		(\$30)		(\$300)		(\$70)		(\$170)	
25. Indicated Rent		\$731		\$551		\$546		\$660		\$470		
26. Correlated Subject Rent	\$600	If there are any Remarks, check here and add the remarks to the back of page.										
	high rent	\$731	low rent	\$470	60% range	\$522	to	\$679				
Note: In the adjustments column, enter dollar amounts by which subject property varies from comparable properties. If subject is better, enter a "Plus" amount and if subject is inferior to the comparable, enter a "Minus" amount. Use back of page to explain adjustments as needed.				Appraiser's Signature			Date (mm/dd/yy)		Reviewer's Signature		Date (mm/dd/yyyy)	
							05/10/17					

**Estimates of Restricted Rent  
by Comparison - As Complete**

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

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

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

1. Unit Type	2. Subject Property (Address)			A. Comparable Property No. 1 (address)			B. Comparable Property No. 2 (address)			C. Comparable Property No. 3 (address)			D. Comparable Property No. 4 (address)			E. Comparable Property No. 5 (address)			
Two-Bedroom	Rolling Hills Apartments 104 Rolling Hills Drive Newnan, Coweta, GA			Eastgate Apartments 11 Dowdell Street Newnan, Coweta, GA			Forest at York 301 Calumet Parkway Newnan, Coweta, GA			Columbia Woods Townhomes 166 Greison Trail Newnan, Coweta, GA			Newnan Crossing 151 Parkway North Newnan, Coweta, GA			Pines by the Creek 60 Heery Road Newnan, Coweta, GA			
Characteristics	Data	Data	Adjustments	Data	Data	Adjustments	Data	Data	Adjustments	Data	Data	Adjustments	Data	Data	Adjustments	Data	Data	Adjustments	
3. Effective Date of Rental	05/2017	05/2017		05/2017			05/2017			05/2017			05/2017			05/2017			
4. Type of Project/Stories	T/2	WU/2		E/3			T/2			WU/3			WU/2			WU/2			
5. Floor of Unit in Building	First	Varies		Varies			Varies			Varies			Varies			Varies			
6. Project Occupancy %	100%	100%		100%			98%			100%			100%			100%			
7. Concessions	N	N		N			N			N			N			N			
8. Year Built	1985/Proposed	1972	\$50	2013			2002			2004			1990			1990		\$50	
9. Sq. Ft. Area	949	975	(\$5)	885		\$10	1244		(\$55)	1081		(\$25)	1100		(\$30)	1100		(\$30)	
10. Number of Bedrooms	2	2		2			2			2			2			2			
11. Number of Baths	15	10	\$10	10		\$10	2.5		(\$20)	2.0		(\$10)	1.0		\$10	1.0		\$10	
12. Number of Rooms	4	4		4			4			4			4			4			
13. Balc./Terrace/Patio	Y	Y		N		\$5	N		\$5	N		\$5	Y			Y			
14. Garage or Carport	L/0	L/0		L/0			L/0			L/0			L/0			L/0			
15. Equipment a. A/C	C	C		C			C			C			C			C			
b. Range/Refrigerator	RF	RF		RF			RF			RF			RF			RF			
c. Disposal	N	N		N			Y			Y			N			N			
d. Microwave/Dishwasher	N	N		D		(\$10)	D		(\$10)	D		(\$10)	M		(\$5)	M		(\$5)	
e. Washer/Dryer	HU	L	\$5	HU			HU			HU			HU			HU			
f. Carpet	C	C		C			C			C			C			C			
g. Drapes	B	B		B			BC			B			B			B			
h. Pool/Rec. Area	N	R	(\$10)	N			PER		(\$30)	PE		(\$20)	PE		(\$20)	PE		(\$20)	
16. Services a. Heat/Type	N/E	Y/G	(\$9)	N/E			N/E			N/E			N/E			N/E			
b. Cooling	N/E	N/E		N/E			N/E			N/E			N/E			N/E			
c. Cook/Type	N/E	Y/G	(\$4)	N/E			N/E			N/E			N/E			N/E			
d. Electricity	N	N		N			N			N			N			N			
e. Hot Water	N/E	Y/G	(\$6)	N/E			N/E			N/E			N/E			N/E			
f. Cold Water/Sewer	N	Y	(\$47)	N			N			N			N			N			
g. Trash	Y	Y		Y			Y			Y			Y			Y			
17. Storage	Y/0	N	\$5	N		\$5	N		\$5	N		\$5	N		\$5	N		\$5	
18. Project Location	Average	Similar		Similar			Similar			Similar			Similar			Similar			
19. Security	N	N		Y		(\$10)	N			Y		(\$5)	N			N			
20. Clubhouse/Meeting Room	N	N		MR		(\$5)	C		(\$5)	N			N			N			
21. Special Features	N	N		N			N			N			N			N			
22. Business Center / Nbdh Netwk	N	N		N			BC		(\$5)	BC		(\$5)	N			N			
23. Unit Rent Per Month		\$825		\$682			\$846			\$870			\$640			\$640			
24. Total Adjustment			(\$11)			\$5			(\$115)			(\$65)			\$10				
25. Indicated Rent		\$814		\$687			\$731			\$805			\$650			\$650			
26. Correlated Subject Rent	<b>\$750</b>			If there are any Remarks, check here and add the remarks to the back of page.															
	high rent	\$814	low rent	\$650	60% range	\$683	to	\$781											
Note: In the adjustments column, enter dollar amounts by which subject property varies from comparable properties. If subject is better, enter a "Plus" amount and if subject is inferior to the comparable, enter a "Minus" amount. Use back of page to explain adjustments as needed.				Appraiser's Signature				Date (mm/dd/yy)				Reviewer's Signature				Date (mm/dd/yyyy)			
								05/10/17											

## **ADDENDUM C**

## Rent Roll

### *Powder Horn Apts Ltd LLP (400)*

Report Date: 04/2017

Building: 1

<u>Unit</u>	<u>Tenant</u>	<u>Move In</u>	<u>Lease End</u>	<u>Description</u>	<u>Potential</u>	<u>Net Rent</u>	<u>Lease</u>	<u>Sq. Ft.</u>
<b>Units with Square Footage Set</b>								
102	Hines, Emily	08/18/2016	08/31/2017	M2	\$460.00	\$460.00	460.00	949
103	Weathers, Amy	06/18/2010	06/30/2017	M2	\$460.00	\$460.00	460.00	949
105	Weaver, Amber	02/17/2015	02/28/2018	M2	\$460.00	\$622.00	622.00	949
106	Dye, Barbara	04/16/2008	04/30/2017	M2	\$460.00	\$460.00	460.00	949
202	Favors, Carla	06/08/2011	08/31/2017	M2	\$460.00	\$555.00	555.00	949
203	Stephens, Kimberlyn	01/08/2015	01/31/2018	M2	\$460.00	\$460.00	460.00	949
204	Hayes, Eugene	01/27/2017	01/31/2018	M2	\$460.00	\$460.00	460.00	949
205	Griggs, Brandy	08/29/2016	08/31/2017	M2	\$460.00	\$460.00	460.00	949
206	Turner, Judy	04/16/2010	06/30/2017	S1	\$420.00	\$420.00	420.00	620
301	Padgett, Mary	11/07/2011	11/30/2017	S1	\$420.00	\$625.00	625.00	620
302	Ransby, Tracie	03/22/2017	03/31/2018	M2	\$460.00	\$460.00	460.00	949
303	Arnold, Chasity	09/01/2013	08/31/2017	Z2	\$0.00	\$0.00	0.00	949
304	Hendrick, Roberta	04/26/2016	04/30/2017	M2	\$460.00	\$460.00	460.00	949
305	Calhoun, Anthony	03/24/2017	03/31/2018	M2	\$460.00	\$681.00	681.00	949
306	Kelly, Keshia	01/20/2016	01/31/2018	M2	\$460.00	\$460.00	460.00	949
307	Mayner, Kahalia	06/20/2016	06/30/2017	M2	\$460.00	\$460.00	460.00	949
308	Sanders, Patricia	03/02/2015	03/31/2018	S1	\$420.00	\$420.00	420.00	620
401	Dalton, Jane	04/03/1987	12/31/2017	S1	\$420.00	\$464.00	464.00	620
402	Ellis, Sarah	01/05/2006	01/31/2018	M2	\$460.00	\$654.00	654.00	949
403	Hamler, Delores	09/04/2015	09/30/2017	M2	\$460.00	\$460.00	460.00	949
404	Doler, Betty	01/06/2005	02/28/2018	M2	\$460.00	\$460.00	460.00	949
405	Getter, Falondria	10/16/2015	10/31/2017	M2	\$460.00	\$460.00	460.00	949
406	Landwehr, Jacquelyn	03/27/2014	03/31/2018	S1	\$420.00	\$441.00	441.00	620
501	Fields, Darryl	05/19/2016	05/31/2017	S1	\$420.00	\$420.00	420.00	620
502	*MR Jackson, Vivan	05/13/2016	04/11/2017	M2	\$169.00	\$169.00	169.00	949
502	* VACANT * 4/12/2017 - 4/20/2017			M2	\$138.00	\$0.00	0.00	949
502	Harris, Hope	04/21/2017	04/30/2018	M2	\$153.00	\$153.00	153.00	949
503	Favors, Makia	05/19/2016	05/31/2017	M2	\$460.00	\$483.00	483.00	949
504	Alford, Racquel	08/03/2011	08/31/2017	M2	\$460.00	\$460.00	460.00	949
505	Petty, Sherrie	09/02/2011	03/31/2018	M2	\$460.00	\$460.00	460.00	949
506	Tutton, Johnny	10/31/2014	10/31/2017	S1	\$420.00	\$420.00	420.00	620
601	Askew, Aubrey	05/05/2016	04/30/2017	S1	\$420.00	\$420.00	420.00	620
602	Bailey, Patti	08/27/2015	08/31/2017	M2	\$460.00	\$510.00	510.00	949
603	Dekeyzer, Jamie	02/19/2015	07/31/2017	M2	\$460.00	\$650.00	650.00	949
604	Keith, Kadeidra	02/24/2016	02/28/2018	M2	\$460.00	\$460.00	460.00	949
605	Godfrey, Danita	08/05/2016	08/31/2017	M2	\$460.00	\$460.00	460.00	949
606	Collier, Carolyn	05/14/2010	12/31/2017	S1	\$420.00	\$420.00	420.00	620
701	Sanchez, Dagmara	08/09/2013	09/30/2017	S1	\$420.00	\$420.00	420.00	620
702	Render, Faye	04/26/2014	04/30/2017	M2	\$460.00	\$680.00	680.00	949
703	Polk, Kiley	12/17/2014	12/31/2017	M2	\$460.00	\$635.00	635.00	949
704	Pless, Breonna	09/27/2013	09/30/2017	M2	\$460.00	\$460.00	460.00	949
705	Ward, Kendra	07/29/2016	07/31/2017	M2	\$460.00	\$460.00	460.00	949
706	Gould, Grace	03/10/2015	03/31/2018	S1	\$420.00	\$444.00	444.00	620

\*\* = Expired Lease

\*MR = Moved out during the report range.

Print Date & Time: 05/22/2017 10:58:59AM

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## Rent Roll

### *Powder Horn Apts Ltd LLP (400)*

Report Date: 04/2017

**Building: 1**

<u>Unit</u>	<u>Tenant</u>	<u>Move In</u>	<u>Lease End</u>	<u>Description</u>	<u>Potential</u>	<u>Net Rent</u>	<u>Lease</u>	<u>Sq. Ft.</u>
801	Crumbley, Gary	02/23/2006	02/28/2018	S1	\$420.00	\$422.00	422.00	620
802	Cannon, Christina	12/21/2012	01/31/2018	M2	\$460.00	\$681.00	681.00	949
803	* VACANT * 4/1/2017 - 4/4/2017			M2	\$61.00	\$0.00	0.00	949
803	Glass, Michelle	04/05/2017	04/30/2018	M2	\$399.00	\$530.00	530.00	949
804	Colton, Rodrecus	06/01/2015	05/31/2017	M2	\$460.00	\$541.00	541.00	949
805	Thompson, Cynthia	10/30/2014	10/31/2017	M2	\$460.00	\$460.00	460.00	949
806	Boswell, Dan	09/05/2014	09/30/2017	S1	\$420.00	\$420.00	420.00	620
Units in Building:								
Occupied Units:								
% Occupied:								
					\$20,640.00	\$22,500.00	22,500.00	

#### Units without Square Footage Set

101	Davison, Miriam	10/24/2013	10/31/2017	S1	\$420.00	\$420.00	420.00	0
107	Long, Joy	09/27/2016	09/30/2017	S1	\$420.00	\$420.00	420.00	0
201	Henderson, Sarah	01/22/2015	01/31/2018	S1	\$420.00	\$420.00	420.00	0
Units in Building:								
Occupied Units:								
% Occupied:								
					\$21,900.00	\$23,760.00	23,760.00	

**Total Units: 50**  
**Total Occupied: 50.00**  
**Total % Occupied: 100.00**

**Grand Totals:**

**\$21,900.00 \$23,760.00 23,760.00**

Selected Parameters:

Property Name - Powder Horn Apts Ltd LLP

Rent Roll for - 04/2017

Show Negative Rents as Zero - True

Sort By Unit - True

Include Inactive Units - False

\*\* = Expired Lease

\*MR = Moved out during the report range.

Print Date & Time: 05/22/2017 10:58:59AM

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Rolling Hills Apartments  
Newnan, Georgia

0

Expense Year

Dec-14

<b>Row Labels</b>	<b>Sum of Amount</b>
<b>Advertising</b>	<b>\$0</b>
Advertising	\$0
<b>Annual Ancillary Income</b>	<b>\$4,898</b>
Laundry and Vending Revenue	\$0
Miscellaneous Revenue	\$0
Tenant Charges	\$4,718
Application Fees Received	\$180
<b>Annual Gross Potential Rental Income</b>	<b>\$259,860</b>
Rental Income from Current Year Budget	\$259,860
<b>Annual Income (Commercial)</b>	<b>\$0</b>
Rent Revenue - Stores and Commercial	\$0
<b>Decorating</b>	<b>\$664</b>
Painting	\$664
<b>Elevator Maintenance Expense</b>	<b>\$0</b>
Elevator Maintenance/Contract	\$0
<b>Employee Benefits</b>	<b>\$921</b>
Health Insurance & Other Emp. Benefits	\$298
Workmen's Compensation	\$622
<b>Employee Payroll Tax</b>	<b>\$3,841</b>
Payroll Taxes	\$3,841
<b>Excluded Expense</b>	<b>\$0</b>
Annual Capital Budget	\$0
<b>Excluded Income</b>	<b>\$265,837</b>
Interest Income	\$0
Other Project Sources	\$0
Rental Income from Current Year Actual	\$265,837
Retained Excess Income	\$0
RHS Rental Assist. Received from Actual	\$0
Special Claims Revenue	\$0
<b>Exterminating</b>	<b>\$3,625</b>
Services	\$3,625
<b>Fuel</b>	<b>\$24</b>
Fuel (Oil/Coal/Gas)	\$24
<b>Garbage and Trash Removal</b>	<b>\$3,380</b>
Garbage & Trash Removal	\$3,380
<b>Gas</b>	<b>\$0</b>
Fuel (Oil/Coal/Gas)	\$0
<b>Ground Expense</b>	<b>\$14,002</b>
Grounds	\$14,002
Snow Removal	\$0
<b>Insurance</b>	<b>\$9,908</b>

Fidelity Coverage Insurance	\$0
Other Insurance	\$0
Property & Liability Insurance	\$9,908
<b>Lighting and Miscellaneous Power</b>	<b>\$5,868</b>
Electricity	\$5,868
<b>Management Fee</b>	<b>\$26,077</b>
Management Fee	\$26,077
<b>Misc. Taxes/Licenses</b>	<b>\$699</b>
Other Taxes, Licenses & Permits	\$699
Special Assessments	\$0
<b>Other Administrative</b>	<b>\$38,348</b>
Legal Expense	\$1,786
Office Furniture & Equipment	\$1,278
Office Supplies	\$3,248
Other Administrative Expenses	\$467
Project Auditing Expense	\$3,880
Project Bookkeeping/Accounting	\$0
Site Management Payroll	\$23,751
Telephone & Answering Service	\$2,309
Training Expense	\$1,629
<b>Other Maintenance</b>	<b>\$0</b>
Other Maintenance	\$0
<b>Other Operating</b>	<b>\$12,682</b>
Maintenance & Repairs Supply	\$12,429
Other Operating Expense	\$103
Other Utilities	\$150
<b>Payroll</b>	<b>\$18,681</b>
Maintenance & Repairs Payroll	\$18,681
<b>Personal Property Tax</b>	<b>\$0</b>
Personal Property Taxes	\$0
<b>Real Estate Tax</b>	<b>\$17,528</b>
Real Estate Taxes	\$17,528
<b>Repairs</b>	<b>\$0</b>
Maintenance & Repairs Contract	\$0
Replacement Reserves Released as Expense	\$0
<b>Reserves for Replacement</b>	<b>\$35,190</b>
Transfer to Reserve	\$35,190
<b>Service Coordinator</b>	<b>\$0</b>
Service Coordinator Expenses	\$0
Service Coordinator Income	\$0
<b>Vacancy (Apartments)</b>	<b>\$0</b>
Vacancies - Apartments	\$0
Vacancies - Concessions	\$0
<b>Vacancy (Commercial)</b>	<b>\$0</b>
Vacancies - Stores and Commercial	\$0
<b>Water/Sewer</b>	<b>\$1,547</b>
Sewer	\$660

Water	\$887
<b>(blank)</b>	<b>\$840,203</b>
Net Rental Revenue	\$259,860
Operating Expenses	
Subtotal	\$129,658
Total Operating Expenses	\$157,793
Total Other Revenue	\$4,898
Total Rent Revenue	\$259,860
Total Revenue	
Total Taxes and Insurance	\$28,135
Total Vacancies	\$0
(blank)	
<b>Grand Total</b>	<b>\$1,563,781</b>

Rolling Hills Apartments  
Newnan, Georgia

0

Expense Year

Dec-15

Row Labels	Sum of Amount
<b>Advertising</b>	<b>\$41</b>
Advertising	\$41
<b>Annual Ancillary Income</b>	<b>\$3,641</b>
Laundry and Vending Revenue	\$0
Miscellaneous Revenue	\$0
Tenant Charges	\$3,311
Application Fees Received	\$330
<b>Annual Gross Potential Rental Income</b>	<b>\$259,860</b>
Rental Income from Current Year Budget	\$259,860
<b>Annual Income (Commercial)</b>	<b>\$0</b>
Rent Revenue - Stores and Commercial	\$0
<b>Decorating</b>	<b>\$2,417</b>
Painting	\$2,417
<b>Elevator Maintenance Expense</b>	<b>\$0</b>
Elevator Maintenance/Contract	\$0
<b>Employee Benefits</b>	<b>\$1,150</b>
Health Insurance & Other Emp. Benefits	\$270
Workmen's Compensation	\$880
<b>Employee Payroll Tax</b>	<b>\$3,944</b>
Payroll Taxes	\$3,944
<b>Excluded Expense</b>	<b>\$0</b>
Annual Capital Budget	\$0
<b>Excluded Income</b>	<b>\$267,342</b>
Interest Income	\$0
Other Project Sources	\$0
Rental Income from Current Year Actual	\$267,342
Retained Excess Income	\$0
RHS Rental Assist. Received from Actual	\$0
Special Claims Revenue	\$0
<b>Exterminating</b>	<b>\$4,200</b>
Services	\$4,200
<b>Fuel</b>	<b>\$0</b>
Fuel (Oil/Coal/Gas)	\$0
<b>Garbage and Trash Removal</b>	<b>\$3,594</b>
Garbage & Trash Removal	\$3,594
<b>Gas</b>	<b>\$0</b>
Fuel (Oil/Coal/Gas)	\$0
<b>Ground Expense</b>	<b>\$17,811</b>
Grounds	\$17,811
Snow Removal	\$0
<b>Insurance</b>	<b>\$10,024</b>

Fidelity Coverage Insurance	\$0
Other Insurance	\$0
Property & Liability Insurance	\$10,024
<b>Lighting and Miscellaneous Power</b>	<b>\$4,378</b>
Electricity	\$4,378
<b>Management Fee</b>	<b>\$26,975</b>
Management Fee	\$26,975
<b>Misc. Taxes/Licenses</b>	<b>\$764</b>
Other Taxes, Licenses & Permits	\$764
Special Assessments	\$0
<b>Other Administrative</b>	<b>\$37,171</b>
Legal Expense	\$1,637
Office Furniture & Equipment	\$1,316
Office Supplies	\$2,492
Other Administrative Expenses	\$323
Project Auditing Expense	\$3,880
Project Bookkeeping/Accounting	\$0
Site Management Payroll	\$24,069
Telephone & Answering Service	\$2,111
Training Expense	\$1,343
<b>Other Maintenance</b>	<b>\$0</b>
Other Maintenance	\$0
<b>Other Operating</b>	<b>\$14,443</b>
Maintenance & Repairs Supply	\$14,272
Other Operating Expense	\$172
Other Utilities	\$0
<b>Payroll</b>	<b>\$22,884</b>
Maintenance & Repairs Payroll	\$22,884
<b>Personal Property Tax</b>	<b>\$0</b>
Personal Property Taxes	\$0
<b>Real Estate Tax</b>	<b>\$16,880</b>
Real Estate Taxes	\$16,880
<b>Repairs</b>	<b>\$485</b>
Maintenance & Repairs Contract	\$485
Replacement Reserves Releases Included as Expense	\$0
<b>Reserves for Replacement</b>	<b>\$47,071</b>
Transfer to Reserve	\$47,071
<b>Service Coordinator</b>	<b>\$0</b>
Service Coordinator Expenses	\$0
Service Coordinator Income	\$0
<b>Vacancy (Apartments)</b>	<b>\$0</b>
Vacancies - Apartments	\$0
Vacancies - Concessions	\$0
<b>Vacancy (Commercial)</b>	<b>\$0</b>
Vacancies - Stores and Commercial	\$0
<b>Water/Sewer</b>	<b>\$1,408</b>
Sewer	\$345

Water	\$1,064
<b>(blank)</b>	<b>\$1,124,002</b>
Net Rental Revenue	\$259,860
Operating Expenses	
Subtotal	\$140,902
Total Operating Expenses	\$168,570
Total Other Revenue	\$3,641
Total Rent Revenue	\$259,860
Total Revenue	\$263,501
Total Taxes and Insurance	\$27,668
Total Vacancies	\$0
(blank)	
<b>Grand Total</b>	<b>\$1,870,485</b>

Rolling Hills Apartments  
Newnan, Georgia

0

Expense Year

Dec-16

<b>Row Labels</b>	<b>Sum of Amount</b>
<b>Advertising</b>	<b>\$105</b>
Advertising	\$105
<b>Annual Ancillary Income</b>	<b>\$4,612</b>
Laundry and Vending Revenue	\$0
Miscellaneous Revenue	\$0
Tenant Charges	\$4,251
Application Fees Received	\$361
<b>Annual Gross Potential Rental Income</b>	<b>\$262,800</b>
Rental Income from Current Year Budget	\$262,800
<b>Annual Income (Commercial)</b>	<b>\$0</b>
Rent Revenue - Stores and Commercial	\$0
<b>Decorating</b>	<b>\$3,250</b>
Painting	\$3,250
<b>Elevator Maintenance Expense</b>	<b>\$0</b>
Elevator Maintenance/Contract	\$0
<b>Employee Benefits</b>	<b>\$2,647</b>
Health Insurance & Other Emp. Benefits	\$1,839
Workmen's Compensation	\$808
<b>Employee Payroll Tax</b>	<b>\$4,487</b>
Payroll Taxes	\$4,487
<b>Excluded Expense</b>	<b>\$0</b>
Annual Capital Budget	\$0
<b>Excluded Income</b>	<b>\$281,169</b>
Interest Income	-\$2
Other Project Sources	\$0
Rental Income from Current Year Actual	\$281,171
Retained Excess Income	\$0
RHS Rental Assist. Received from Actual	\$0
Special Claims Revenue	\$0
<b>Exterminating</b>	<b>\$4,050</b>
Services	\$4,050
<b>Fuel</b>	<b>\$0</b>
Fuel (Oil/Coal/Gas)	\$0
<b>Garbage and Trash Removal</b>	<b>\$4,279</b>
Garbage & Trash Removal	\$4,279
<b>Gas</b>	<b>\$0</b>
Fuel (Oil/Coal/Gas)	\$0
<b>Ground Expense</b>	<b>\$18,275</b>
Grounds	\$18,275
Snow Removal	\$0
<b>Insurance</b>	<b>\$10,032</b>



Fidelity Coverage Insurance	\$0
Other Insurance	\$0
Property & Liability Insurance	\$10,032
<b>Lighting and Miscellaneous Power</b>	<b>\$4,597</b>
Electricity	\$4,597
<b>Management Fee</b>	<b>\$27,446</b>
Management Fee	\$27,446
<b>Misc. Taxes/Licenses</b>	<b>\$830</b>
Other Taxes, Licenses & Permits	\$830
Special Assessments	\$0
<b>Other Administrative</b>	<b>\$45,594</b>
Legal Expense	\$1,782
Office Furniture & Equipment	\$1,904
Office Supplies	\$3,114
Other Administrative Expenses	\$7,481
Project Auditing Expense	\$3,880
Project Bookkeeping/Accounting	\$0
Site Management Payroll	\$24,452
Telephone & Answering Service	\$2,242
Training Expense	\$739
<b>Other Maintenance</b>	<b>\$0</b>
Other Maintenance	\$0
<b>Other Operating</b>	<b>\$16,047</b>
Maintenance & Repairs Supply	\$15,816
Other Operating Expense	\$232
Other Utilities	\$0
<b>Payroll</b>	<b>\$26,506</b>
Maintenance & Repairs Payroll	\$26,506
<b>Personal Property Tax</b>	<b>\$0</b>
Personal Property Taxes	\$0
<b>Real Estate Tax</b>	<b>\$6,818</b>
Real Estate Taxes	\$6,818
<b>Repairs</b>	<b>\$0</b>
Maintenance & Repairs Contract	\$0
Replacement Reserves Released as Expense	\$0
<b>Reserves for Replacement</b>	<b>\$38,908</b>
Transfer to Reserve	\$38,908
<b>Service Coordinator</b>	<b>\$0</b>
Service Coordinator Expenses	\$0
Service Coordinator Income	\$0
<b>Vacancy (Apartments)</b>	<b>\$0</b>
Vacancies - Apartments	\$0
Vacancies - Concessions	\$0
<b>Vacancy (Commercial)</b>	<b>\$0</b>
Vacancies - Stores and Commercial	\$0
<b>Water/Sewer</b>	<b>\$1,594</b>
Sewer	\$591

Water	\$1,003
<b>(blank)</b>	<b>\$1,150,736</b>
Net Rental Revenue	\$262,800
Operating Expenses	
Subtotal	\$158,877
Total Operating Expenses	\$176,557
Total Other Revenue	\$4,612
Total Rent Revenue	\$262,800
Total Revenue	\$267,410
Total Taxes and Insurance	\$17,680
Total Vacancies	\$0
(blank)	
<b>Grand Total</b>	<b>\$1,914,782</b>

Rolling Hills Apartments  
Newnan, Georgia

0

Expense Year

Budget

Row Labels	Sum of Amount
<b>Advertising</b>	<b>\$300</b>
Advertising	\$300
<b>Annual Ancillary Income</b>	<b>\$3,700</b>
Application Fees	\$0
Laundry and Vending Revenue	\$0
Miscellaneous Revenue	\$0
Tenant Charges	\$3,700
<b>Annual Gross Potential Rental Income</b>	<b>\$262,800</b>
Rental Income from Current Year Budget	\$262,800
<b>Annual Income (Commercial)</b>	<b>\$0</b>
Rent Revenue - Stores and Commercial	\$0
<b>Decorating</b>	<b>\$3,100</b>
Painting	\$3,100
<b>Elevator Maintenance Expense</b>	<b>\$0</b>
Elevator Maintenance/Contract	\$0
<b>Employee Benefits</b>	<b>\$2,325</b>
Health Insurance & Other Emp. Benefits	\$1,500
Workmen's Compensation	\$825
<b>Employee Payroll Tax</b>	<b>\$4,800</b>
Payroll Taxes	\$4,800
<b>Excluded Expense</b>	<b>\$0</b>
Annual Capital Budget	\$0
<b>Excluded Income</b>	<b>\$0</b>
Interest Income	\$0
Other Project Sources	\$0
Rental Income from Current Year Actual	\$0
Retained Excess Income	\$0
RHS Rental Assist. Received from Actual	\$0
Special Claims Revenue	\$0
<b>Exterminating</b>	<b>\$4,750</b>
Services	\$4,750
<b>Fuel</b>	<b>\$0</b>
Fuel (Oil/Coal/Gas)	\$0
<b>Garbage and Trash Removal</b>	<b>\$5,000</b>
Garbage & Trash Removal	\$5,000
<b>Gas</b>	<b>\$0</b>
Fuel (Oil/Coal/Gas)	\$0
<b>Ground Expense</b>	<b>\$19,180</b>
Grounds	\$19,180
Snow Removal	\$0
<b>Insurance</b>	<b>\$11,300</b>

Fidelity Coverage Insurance	\$0
Other Insurance	\$200
Property & Liability Insurance	\$11,100
<b>Lighting and Miscellaneous Power</b>	<b>\$5,800</b>
Electricity	\$5,800
<b>Management Fee</b>	<b>\$28,812</b>
Management Fee	\$28,812
<b>Misc. Taxes/Licenses</b>	<b>\$850</b>
Other Taxes, Licenses & Permits	\$850
Special Assessments	\$0
<b>Other Administrative</b>	<b>\$38,082</b>
Legal Expense	\$750
Office Furniture & Equipment	\$1,334
Office Supplies	\$3,200
Other Administrative Expenses	\$300
Project Auditing Expense	\$4,000
Project Bookkeeping/Accounting	\$0
Site Management Payroll	\$24,876
Telephone & Answering Service	\$2,400
Training Expense	\$1,222
<b>Other Maintenance</b>	<b>\$0</b>
Other Maintenance	\$0
<b>Other Operating</b>	<b>\$16,350</b>
Maintenance & Repairs Supply	\$16,000
Other Operating Expense	\$350
Other Utilities	\$0
<b>Payroll</b>	<b>\$25,000</b>
Maintenance & Repairs Payroll	\$25,000
<b>Personal Property Tax</b>	<b>\$0</b>
Personal Property Taxes	\$0
<b>Real Estate Tax</b>	<b>\$25,000</b>
Real Estate Taxes	\$25,000
<b>Repairs</b>	<b>\$0</b>
Maintenance & Repairs Contract	\$0
Replacement Reserves Released as Expense	\$0
<b>Reserves for Replacement</b>	<b>\$18,965</b>
Transfer to Reserve	\$18,965
<b>Service Coordinator</b>	<b>\$0</b>
Service Coordinator Expenses	\$0
Service Coordinator Income	\$0
<b>Vacancy (Apartments)</b>	<b>-\$13,434</b>
Vacancies - Apartments	-\$13,434
Vacancies - Concessions	\$0
<b>Vacancy (Commercial)</b>	<b>\$0</b>
Vacancies - Stores and Commercial	\$0
<b>Water/Sewer</b>	<b>\$2,050</b>
Sewer	\$800

Water	\$1,250
<b>(blank)</b>	<b>\$1,140,896</b>
Net Rental Revenue	\$249,366
Operating Expenses	
Subtotal	\$155,549
Total Operating Expenses	\$192,699
Total Other Revenue	\$3,700
Total Rent Revenue	\$262,800
Total Revenue	\$253,066
Total Taxes and Insurance	\$37,150
Total Vacancies	-\$13,434
(blank)	
<b>Grand Total</b>	<b>\$1,605,626</b>

Rolling Hills Apartments  
Newnan, Georgia

0

Expense Year Dec-17  
# of Months 4

<b>Row Labels</b>	<b>Sum of Amount</b>
<b>Advertising</b>	<b>\$0</b>
Advertising	\$0
<b>Annual Ancillary Income</b>	<b>\$913</b>
Laundry and Vending Revenue	\$0
Application Fees	\$125
Tenant Charges/Damages	\$43
Income - Cleaning & Rep	\$116
Income - Late Fees	\$604
Forfeited Security Deposits	\$0
Income-Miscellaneous	\$25
<b>Annual Gross Potential Rental Income</b>	<b>\$87,600</b>
Rental Income from Current Year Budget	\$87,600
<b>Annual Income (Commercial)</b>	<b>\$0</b>
Rent Revenue - Stores and Commercial	\$0
<b>Decorating</b>	<b>\$560</b>
Unit Turns	\$560
<b>Elevator Maintenance Expense</b>	<b>\$0</b>
Elevator Maintenance/Contract	\$0
<b>Employee Benefits</b>	<b>\$1,618</b>
Workmen's Compensation	\$1,002
Group Health Insurance	\$113
Retirement Plan Expense	\$504
<b>Employee Payroll Tax</b>	<b>\$1,534</b>
Payroll Taxes-FICA	\$1,328
Unemployment Taxes	\$206
<b>Excluded Income</b>	<b>\$96,695</b>
Retained Excess Income	\$0
Special Claims Revenue	\$0
Rental Income from Current Year Actual	\$96,695
RHS Rental Assist. Received from Actual	\$0
Interest Income	\$0
<b>Exterminating</b>	<b>\$1,650</b>
Services	\$1,650
<b>Fuel</b>	<b>\$0</b>
Fuel (Oil/Coal/Gas)	\$0
<b>Garbage and Trash Removal</b>	<b>\$1,475</b>
Garbage & Trash Removal	\$1,475
<b>Gas</b>	<b>\$0</b>
Fuel (Oil/Coal/Gas)	\$0
<b>Ground Expense</b>	<b>\$5,960</b>

Snow Removal	\$0
Grounds	\$5,960
<b>Insurance</b>	<b>\$9,942</b>
Property & Liability Insurance	\$9,942
Fidelity Coverage Insurance	\$0
Other Insurance	\$0
<b>Lighting and Miscellaneous Power</b>	<b>\$1,420</b>
Electricity	\$1,420
<b>Management Fee</b>	<b>\$9,506</b>
Management Fee	\$9,506
<b>Misc. Taxes/Licenses</b>	<b>\$745</b>
Special Assessments	\$0
Other Taxes, Licenses & Permits	\$745
<b>Other Administrative</b>	<b>\$20,370</b>
Site Management Payroll	\$8,111
Accounting/Auditing Fees	\$3,880
Project Bookkeeping/Accounting	\$0
Legal Expense	\$285
Telephone	\$812
Office Supplies	\$575
Computer Equipment	\$648
Prospect Screening	\$202
Training Expense	\$72
Bank Charges/Fees	\$49
Postage and Shipping	\$106
Professional Services/Fees	\$5,360
Travel Expenses	\$268
Late Charges/Fees	\$0
<b>Other Maintenance</b>	<b>\$0</b>
Other Maintenance	\$0
<b>Other Operating</b>	<b>\$3,371</b>
Maintenance & Repairs Supply	\$3,371
Other Operating Expense	\$0
Other Utilities	\$0
<b>Payroll</b>	<b>\$8,587</b>
Maintenance & Repairs Payroll	\$8,587
<b>Personal Property Tax</b>	<b>\$0</b>
Personal Property Taxes	\$0
<b>Real Estate Tax</b>	<b>\$0</b>
Real Estate Taxes	\$0
<b>Repairs</b>	<b>\$0</b>
Maintenance & Repairs Contract	\$0
<b>Reserves for Replacement</b>	<b>\$9,656</b>
Transfer to Reserve	\$9,656
<b>Service Coordinator</b>	<b>\$0</b>
Service Coordinator Expenses	\$0
Service Coordinator Income	\$0

<b>Vacancy (Apartments)</b>	<b>\$0</b>
Vacancies - Apartments	\$0
Vacancies - Concessions	\$0
<b>Vacancy (Commercial)</b>	<b>\$0</b>
Vacancies - Stores and Commercial	\$0
<b>Water/Sewer</b>	<b>\$576</b>
Sewer	\$280
Water	\$296
<b>(blank)</b>	<b>\$399,252</b>
Net Rental Revenue	\$87,600
Operating Expenses	
Total Operating Expenses	\$67,313
Total Other Revenue	\$913
Total Rent Revenue	\$87,600
Total Revenue	\$88,513
Total Taxes and Insurance	\$10,687
Total Vacancies	\$0
(blank)	
Subtotal	\$56,626
<b>Excluded Expense</b>	<b>\$0</b>
Annual Capital Budget	\$0
<b>Grand Total</b>	<b>\$661,430</b>



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

PROJECT NAME Powder Horn Apts Ltd LLP		BORROWER NAME Powder Horn Apartments, Ltd		BORROWER ID AND PROJECT NO. 657666505 010	
Loan/Transfer Amount \$ 1,396,500.00		Note Rate Payment \$ 13,857.18		IC Payment \$ 2,958.62	
Reporting Period <input checked="" type="checkbox"/> Annual <input type="checkbox"/> Quarterly <input type="checkbox"/> Monthly	Budget Type <input type="checkbox"/> Initial <input checked="" type="checkbox"/> Regular Report <input type="checkbox"/> Rent Change <input type="checkbox"/> SNR <input type="checkbox"/> Other Servicing	Project Rental Type <input checked="" type="checkbox"/> Family <input type="checkbox"/> Elderly <input type="checkbox"/> Congregate <input type="checkbox"/> Group Home <input type="checkbox"/> Mixed <input type="checkbox"/> LH	Profit Type <input type="checkbox"/> Full Profit <input checked="" type="checkbox"/> Limited Profit <input type="checkbox"/> Non-Profit	The following utilities are master metered: <input type="checkbox"/> Electricity <input type="checkbox"/> Gas <input checked="" type="checkbox"/> Water <input type="checkbox"/> Sewer <input type="checkbox"/> Trash <input type="checkbox"/> Other _____	
				I hereby request <u>32</u> units of RA. Current number of RA units <u>0</u> . Borrower Accounting Method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual	

**PART I—CASH FLOW STATEMENT**

BEGINNING DATES> ENDING DATES>	CURRENT BUDGET (01 - 01 - 14 ) (12 - 31 - 14 )	ACTUAL (01 - 01 - 14 ) (12 - 31 - 14 )	PROPOSED BUDGET (01 - 01 - 15 ) (12 - 31 - 15 )	COMMENTS or (YTD) (01 - 01 - 14 ) (12 - 31 - 14 )
<b>OPERATIONAL CASH SOURCES</b>				
1. RENTAL INCOME .....	259,860.00	265,837.40	259,860.00	49 rev prod u
2. RHS RENTAL ASSISTANCE RECEIVED .....		0.00		
3. APPLICATION FEES RECEIVED .....		180.00		
4. LAUNDRY AND VENDING .....	0.00	0.00	0.00	
5. INTEREST INCOME .....	0.00	0.00	0.00	
6. TENANT CHARGES .....	3,000.00	4,717.76	3,500.00	
7. OTHER - PROJECT SOURCES .....	0.00	0.00	0.00	misc fees
8. LESS (Vacancy and Contingency Allowance) .....	( 12,993.00)		( 12,993.00)	5%
9. LESS (Agency Approved Incentive Allowance) .....	( 0.00)		( 0.00)	
10. SUB-TOTAL [(1 thru 7) - (8 & 9)] .....	249,867.00	270,735.16	250,367.00	
<b>NON-OPERATIONAL CASH SOURCES</b>				
11. CASH - NON PROJECT .....	0.00	0.00	0.00	
12. AUTHORIZED LOAN (Non-RHS) .....	0.00	0.00	0.00	
13. TRANSFER FROM RESERVE .....	13,700.00	23,236.69	16,000.00	
14. SUB-TOTAL (11 thru 13) .....	13,700.00	23,236.69	16,000.00	
15. <b>TOTAL CASH SOURCES (10+14)</b> .....	263,567.00	293,971.85	266,367.00	
<b>OPERATIONAL CASH USES</b>				
16. TOTAL O&M EXPENSES (From Part II) .....	189,101.00	157,792.85	183,678.00	
17. RHS DEBT PAYMENT .....	35,504.00	35,503.44	35,504.00	
18. RHS PAYMENT (Overage) .....		17,757.00		
19. RHS PAYMENT (Late Fee) .....		0.00		
20. REDUCTION IN PRIOR YEAR PAYABLES .....		0.00		
21. TENANT UTILITY PAYMENTS .....		0.00		
22. TRANSFER TO RESERVE .....	18,965.00	35,189.94	18,965.00	
23. RETURN TO OWNER /NP ASSET MANAGEMENT FEE .	5,880.00	11,760.00	5,880.00	2013 RTO pd i
24. SUB-TOTAL (16 thru 23) .....	249,450.00	258,003.23	244,027.00	
<b>NON-OPERATIONAL CASH USES</b>				
25. AUTHORIZED DEBT PAYMENT (Non-RHS) .....	0.00	0.00	0.00	
26. ANNUAL CAPITAL BUDGET (From Part III, Lines 4-6)	13,700.00	23,236.69	16,000.00	
27. MISCELLANEOUS .....	0.00	1.39	0.00	Rounding
28. SUB-TOTAL (25 thru 27) .....	13,700.00	23,238.08	16,000.00	
29. <b>TOTAL CASH USES (24+28)</b> .....	263,150.00	281,241.31	260,027.00	
30. <b>NET CASH (DEFICIT) (15-29)</b> .....	417.00	12,730.54	6,340.00	
<b>CASH BALANCE</b>				
31. BEGINNING CASH BALANCE .....	32,288.25	58,591.14	32,705.25	
32. ACCRUAL TO CASH ADJUSTMENT .....		-2,254.11		Adjust to accru
33. ENDING CASH BALANCE (30+31+32) .....	32,705.25	69,067.57	39,045.25	

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0189. The time required to complete this information collection is estimated to average 2 1/2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

**PART II—OPERATING AND MAINTENANCE EXPENSE SCHEDULE**

	CURRENT BUDGET	ACTUAL	PROPOSED BUDGET	COMMENTS or (YTD)
1. MAINTENANCE AND REPAIRS PAYROLL .....	22,000.00	18,681.04	20,000.00	
2. MAINTENANCE AND REPAIRS SUPPLY .....	12,000.00	12,429.15	12,500.00	
3. MAINTENANCE AND REPAIRS CONTRACT .....	0.00	0.00	0.00	
4. PAINTING .....	4,000.00	663.87	3,500.00	
5. SNOW REMOVAL .....	0.00	0.00	0.00	
6. ELEVATOR MAINTENANCE/CONTRACT .....	0.00	0.00	0.00	
7. GROUNDS .....	14,250.00	14,001.92	14,020.00	1060/M + 1300
8. SERVICES .....	2,650.00	3,625.00	4,750.00	275/MPestCon
9. ANNUAL CAPITAL BUDGET (From Part V - Operating)	11,365.00	0.00	4,625.00	
10. OTHER OPERATING EXPENSES (Itemize) .....	350.00	102.61	350.00	UA calc fees
11. SUB-TOTAL MAINT. & OPERATING (1 thru 10) .....	66,615.00	49,503.59	59,745.00	
12. ELECTRICITY <span style="font-size: small;">If master metered</span> .....	5,000.00	5,867.69	6,000.00	
13. WATER <span style="font-size: small;">check box on</span> .....	1,200.00	887.23	1,250.00	
14. SEWER <span style="font-size: small;">front.</span> .....	900.00	659.63	800.00	
15. FUEL (Oil/Coal/Gas) .....	0.00	23.94	0.00	
16. GARBAGE & TRASH REMOVAL .....	3,200.00	3,379.56	3,300.00	
17. OTHER UTILITIES .....	0.00	150.00	0.00	
18. SUB-TOTAL UTILITIES (12 thru 17) .....	10,300.00	10,968.05	11,350.00	
19. SITE MANAGEMENT PAYROLL .....	26,244.00	23,750.56	25,436.00	1953/M (3% inc
20. MANAGEMENT FEE .....	26,166.00	26,077.00	27,048.00	\$46x49Ux12M
21. PROJECT AUDITING EXPENSE .....	4,000.00	3,880.00	4,000.00	
22. PROJECT BOOKKEEPING/ACCOUNTING .....	0.00	0.00	0.00	
23. LEGAL EXPENSES .....	600.00	1,786.00	500.00	
24. ADVERTISING .....	450.00	0.00	400.00	
25. TELEPHONE & ANSWERING SERVICE .....	1,000.00	2,309.09	2,100.00	
26. OFFICE SUPPLIES .....	2,900.00	3,248.07	3,100.00	
27. OFFICE FURNITURE & EQUIPMENT .....	1,260.00	1,278.18	1,283.00	75/MCompSup
28. TRAINING EXPENSE .....	1,016.00	1,629.26	716.00	
29. HEALTH INS. & OTHER EMP. BENEFITS .....	500.00	298.08	500.00	
30. PAYROLL TAXES .....	4,800.00	3,840.93	4,900.00	
31. WORKER'S COMPENSATION .....	850.00	622.46	900.00	
32. OTHER ADMINISTRATIVE EXPENSES (Itemize) .....	300.00	467.00	300.00	Property Tax C
33. SUB-TOTAL ADMINISTRATIVE (19 thru 32) .....	70,086.00	69,186.63	71,183.00	
34. REAL ESTATE TAXES .....	31,000.00	17,527.82	30,000.00	
35. SPECIAL ASSESSMENTS .....	0.00	0.00	0.00	
36. OTHER TAXES, LICENSES & PERMITS .....	700.00	698.76	700.00	bus lic
37. PROPERTY & LIABILITY INSURANCE .....	10,200.00	9,908.00	10,500.00	210/U (3% inc)
38. FIDELITY COVERAGE INSURANCE .....	0.00	0.00	0.00	
39. OTHER INSURANCE .....	200.00	0.00	200.00	EPL
40. SUB-TOTAL TAXES & INSURANCE (34 thru 39) .....	42,100.00	28,134.58	41,400.00	
41. TOTAL O&M EXPENSES (11+18+33+40) .....	189,101.00	157,792.85	183,678.00	

**PART III—ACCOUNT BUDGETING/STATUS**

	CURRENT BUDGET	ACTUAL	PROPOSED BUDGET	COMMENTS or (YTD)
<b>RESERVE ACCOUNT:</b>				
1. BEGINNING BALANCE .....	29,846.64	133,818.47	134,691.67	
2. TRANSFER TO RESERVE .....	18,965.00	35,189.94	18,965.00	\$1164/M + \$5k
TRANSFER FROM RESERVE.....				
3. OPERATING DEFICIT .....	0.00	0.00	0.00	
4. ANNUAL CAPITAL BUDGET ( <i>Part V - Reserve</i> ) .....	13,700.00	23,236.69	16,000.00	
5. BUILDING & EQUIPMENT REPAIR .....	0.00	0.00	0.00	
6. OTHER NON-OPERATING EXPENSES .....	0.00	0.00	0.00	
7. TOTAL (3 thru 6) .....	( 13,700.00)	( 23,236.69)	( 16,000.00)	
8. ENDING BALANCE [(1+2)-7] .....	35,111.64	145,771.72	137,656.67	

**GENERAL OPERATING ACCOUNT:\***

BEGINNING BALANCE .....	39,869.47	
ENDING BALANCE .....	45,425.32	

**REAL ESTATE TAX AND INSURANCE ESCROW  
ACCOUNT:\***

BEGINNING BALANCE .....	18,721.67	
ENDING BALANCE .....	23,671.25	

**TENANT SECURITY DEPOSIT ACCOUNT:\***

BEGINNING BALANCE .....	12,096.00	
ENDING BALANCE .....	10,628.00	

(\*Complete upon submission of actual expenses.)

NUMBER OF APPLICANTS ON THE WAITING LIST	0	RESERVE ACCT. REQ. BALANCE.....	0.00
NUMBER OF APPLICANTS NEEDING RA.....	0	AMOUNT AHEAD/BEHIND .....	0.00



**PART IV—RENT SCHEDULE AND UTILITY ALLOWANCE**

**A. CURRENT APPROVED RENTS/ UTILITY ALLOWANCE**

UNIT DESCRIPTION			RENTAL RATES			POTENTIAL INCOME FROM EACH RATE			UTILITY ALLOWANCE
BR SIZE	UNIT TYPE	NUMBER	BASIC	NOTE RATE	HUD	BASIC	NOTE RATE	HUD	
1	N	16	415.00	620.00	0.00	79,680.00	119,040.00	0.00	120.00
2	N	33	455.00	676.00	0.00	180,180.00	267,696.00	0.00	130.00
2	Z	1	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>CURRENT RENT TOTALS:</b>						<b>259,860.00</b>	<b>386,736.00</b>	<b>0.00</b>	
						BASIC	NOTE	HUD	

**B. PROPOSED RENTS - Effective Date: 12 / 31 / 14**

UNIT DESCRIPTION			RENTAL RATES			POTENTIAL INCOME FROM EACH RATE			UTILITY ALLOWANCE
BR SIZE	UNIT TYPE	NUMBER	BASIC	NOTE RATE	HUD	BASIC	NOTE RATE	HUD	
1	N	16	415.00	620.00	0.00	79,680.00	119,040.00	0.00	
2	N	33	455.00	676.00	0.00	180,180.00	267,696.00	0.00	
2	Z	1	0.00	0.00	0.00	0.00	0.00	0.00	
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00	
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00	
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00	
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00	
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00	
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00	
<b>PROPOSED RENT TOTALS:</b>						<b>259,860.00</b>	<b>386,736.00</b>	<b>0.00</b>	
						BASIC	NOTE	HUD	

**C. PROPOSED UTILITY ALLOWANCE - Effective Date: 12 / 31 / 14**

MONTHLY DOLLAR ALLOWANCES									
BR SIZE	UNIT TYPE	NUMBER	ELECTRIC	GAS	WATER	SEWER	TRASH	OTHER	TOTAL
1	N	16	92.00	0.00	14.00	14.00	0.00	0.00	120.00
2	N	33	93.00	0.00	19.00	18.00	0.00	0.00	130.00
2	Z	1	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00

**PART V - ANNUAL CAPITAL BUDGET**

	Proposed Number of Units/Items	Proposed from Reserve	Actual from Reserve	Proposed from Operating	Actual from Operating	Actual Total Cost	Total Actual Units/Items
<b>Appliances:</b>							
Range .....	2	1,000.00	960.93	0.00	0.00	960.93	2
Refrigerator .....	2	1,300.00	1,296.84	0.00	0.00	1,296.84	2
Range Hood .....	0	0.00	0.00	0.00	0.00	0.00	C
Washers & Dryers .....	0	0.00	0.00	0.00	0.00	0.00	C
Other: .....	0	0.00	1,912.50	0.00	0.00	1,912.50	5C
<b>Carpet &amp; Vinyl:</b>							
1BR .....	2	2,200.00	1,984.29	2,200.00	0.00	1,984.29	2
2BR .....	2	2,400.00	3,719.79	2,400.00	0.00	3,719.79	6
3BR .....	0	0.00	0.00	0.00	0.00	0.00	C
4BR .....	0	0.00	0.00	0.00	0.00	0.00	C
Other: .....	0	0.00	0.00	0.00	0.00	0.00	C
<b>Cabinets:</b>							
Kitchens .....	0	0.00	0.00	0.00	0.00	0.00	C
Bathrooms .....	0	0.00	0.00	0.00	0.00	0.00	C
Other: .....	0	0.00	0.00	0.00	0.00	0.00	C
<b>Doors:</b>							
Exterior .....	0	0.00	0.00	0.00	0.00	0.00	C
Interior .....	0	0.00	0.00	0.00	0.00	0.00	C
Other: .....	0	0.00	0.00	0.00	0.00	0.00	C
<b>Window Coverings:</b>							
List: .....	0	0.00	0.00	0.00	0.00	0.00	C
Other: .....	0	0.00	0.00	0.00	0.00	0.00	C
<b>Heating &amp; Air Conditioning:</b>							
Heating .....	0	0.00	2,500.00	0.00	0.00	2,500.00	1
Air Conditioning .....	2	6,600.00	5,850.00	0.00	0.00	5,850.00	5
Other: .....	0	0.00	0.00	0.00	0.00	0.00	C
<b>Plumbing:</b>							
Water Heater .....	0	0.00	364.42	0.00	0.00	364.42	1
Bath Sinks .....	0	0.00	0.00	0.00	0.00	0.00	C
Kitchen Sinks .....	0	0.00	0.00	0.00	0.00	0.00	C
Faucets .....	0	0.00	0.00	0.00	0.00	0.00	C
Toilets .....	0	0.00	0.00	0.00	0.00	0.00	C
Other: .....	0	0.00	750.00	0.00	0.00	750.00	1
<b>Major Electrical:</b>							
List: .....		0.00	0.00	0.00	0.00	0.00	
Other: .....		0.00	0.00	0.00	0.00	0.00	
<b>Structures:</b>							
Windows .....	0	0.00	0.00	0.00	0.00	0.00	C
Screens .....	1	0.00	0.00	25.00	0.00	0.00	C
Walls .....		0.00	0.00	0.00	0.00	0.00	
Roofing .....		0.00	0.00	0.00	0.00	0.00	
Siding .....		0.00	0.00	0.00	0.00	0.00	
Exterior Painting .....		0.00	0.00	0.00	0.00	0.00	
Other: .....		0.00	0.00	0.00	0.00	0.00	
<b>Paving:</b>							
Asphalt .....		0.00	0.00	0.00	0.00	0.00	
Concrete .....		2,500.00	0.00	0.00	0.00	0.00	
Seal & Stripe .....		0.00	0.00	0.00	0.00	0.00	
Other: .....		0.00	0.00	0.00	0.00	0.00	
<b>Landscape &amp; Grounds:</b>							
Landscaping .....		0.00	0.00	0.00	0.00	0.00	
Lawn Equipment .....		0.00	0.00	0.00	0.00	0.00	
Fencing .....		0.00	0.00	0.00	0.00	0.00	
Recreation Area .....		0.00	0.00	0.00	0.00	0.00	
Signs .....		0.00	0.00	0.00	0.00	0.00	
Other: .....		0.00	1,410.00	0.00	0.00	1,410.00	
<b>Accessibility Features:</b>							
List: .....		0.00	0.00	0.00	0.00	0.00	
Other: .....		0.00	0.00	0.00	0.00	0.00	
<b>Automation Equipment:</b>							
Site Management .....		0.00	0.00	0.00	0.00	0.00	
Common Area .....		0.00	0.00	0.00	0.00	0.00	
Other: .....		0.00	0.00	0.00	0.00	0.00	
<b>Other:</b>							
List: .....		0.00	487.92	0.00	0.00	487.92	
List: .....		0.00	2,000.00	0.00	0.00	2,000.00	
List: .....		0.00	0.00	0.00	0.00	0.00	
<b>TOTAL CAPITAL EXPENSES:</b>	11	16,000.00	23,236.69	4,625.00	0.00	23,236.69	7C

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

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

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

\_\_\_\_\_  
(DATE)

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

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

\_\_\_\_\_  
**AGENCY APPROVAL** (*Rural Development Approval Official*):

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

**COMMENTS:**

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Line 13. Actual transfers from 1% reserve were more than budget because of higher appliance replacement expense than budgeted and tree removal for \$1410 paid from the RR account.

Line 22. Actual transfers to reserve were \$16,224.94 more than budgeted. This additional amount was surplus cash that was transferred to the Replacement Reserve on 7/2/14 as requested by RD.

Line 23. The RTO paid in 2014 was the 2013 RTO. In addition, the 2012 RTO checks were never cashed so they were voided and re-issued in 2014

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Line 11. Actual Maintenance and Operating Expenses were 27% less than budgeted. \$4,625 in capital expenses for carpet replacement, appliances, and hot water heaters were budgeted to be paid from operating but were paid from the replacement reserve account in 2014.

Line 18. Actual Utilities were 6% higher than budget.

Line 33. Actual Administrative Expenses were within budget.

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

**PART V - ANNUAL CAPITAL BUDGET (ADDENDUM)**

	Current Number of Units/Items	Current from Reserved	YTD from Reserve	Current from Operating	YTD from Operating	YTD Total Cost	Total YTD Units/Items
<b>Appliances:</b>							
Range .....	1	0.00	960.93	700.00	0.00	960.93	2
Refrigerator .....	1	0.00	1,296.84	700.00	0.00	1,296.84	2
Range Hood .....	1	0.00	0.00	300.00	0.00	0.00	C
Washers & Dryers .....	0	0.00	0.00	0.00	0.00	0.00	C
Other: .....	0	0.00	1,912.50	0.00	0.00	1,912.50	5C
<b>Carpet &amp; Vinyl:</b>							
1BR .....	2	2,200.00	1,984.29	2,200.00	0.00	1,984.29	2
2BR .....	2	2,400.00	3,719.79	2,400.00	0.00	3,719.79	6
3BR .....	0	0.00	0.00	0.00	0.00	0.00	C
4BR .....	0	0.00	0.00	0.00	0.00	0.00	C
Other: .....	0	0.00	0.00	0.00	0.00	0.00	C
<b>Cabinets:</b>							
Kitchens .....	0	0.00	0.00	0.00	0.00	0.00	C
Bathrooms .....	0	0.00	0.00	0.00	0.00	0.00	C
Other: .....	0	0.00	0.00	0.00	0.00	0.00	C
<b>Doors:</b>							
Exterior .....	1	0.00	0.00	200.00	0.00	0.00	C
Interior .....	0	0.00	0.00	0.00	0.00	0.00	C
Other: .....	0	0.00	0.00	0.00	0.00	0.00	C
<b>Window Coverings:</b>							
List: .....	0	0.00	0.00	0.00	0.00	0.00	C
Other: .....	0	0.00	0.00	0.00	0.00	0.00	C
<b>Heating &amp; Air Conditioning:</b>							
Heating .....	1	0.00	2,500.00	3,300.00	0.00	2,500.00	1
Air Conditioning .....	2	6,600.00	5,850.00	0.00	0.00	5,850.00	5
Other: .....	0	0.00	0.00	0.00	0.00	0.00	C
<b>Plumbing:</b>							
Water Heater .....	1	0.00	364.42	350.00	0.00	364.42	1
Bath Sinks .....	1	0.00	0.00	40.00	0.00	0.00	C
Kitchen Sinks .....	1	0.00	0.00	150.00	0.00	0.00	C
Faucets .....	10	0.00	0.00	1,000.00	0.00	0.00	C
Toilets .....	0	0.00	0.00	0.00	0.00	0.00	C
Other: .....	0	0.00	750.00	0.00	0.00	750.00	1
<b>Major Electrical:</b>							
List: .....		0.00	0.00	0.00	0.00	0.00	
Other: .....		0.00	0.00	0.00	0.00	0.00	
<b>Structures:</b>							
Windows .....	0	0.00	0.00	0.00	0.00	0.00	C
Screens .....	1	0.00	0.00	25.00	0.00	0.00	C
Walls .....		0.00	0.00	0.00	0.00	0.00	
Roofing .....		0.00	0.00	0.00	0.00	0.00	
Siding .....		0.00	0.00	0.00	0.00	0.00	
Exterior Painting .....		0.00	0.00	0.00	0.00	0.00	
Other: .....		0.00	0.00	0.00	0.00	0.00	
<b>Paving:</b>							
Asphalt .....		0.00	0.00	0.00	0.00	0.00	
Concrete .....		2,500.00	0.00	0.00	0.00	0.00	
Seal & Stripe .....		0.00	0.00	0.00	0.00	0.00	
Other: .....		0.00	0.00	0.00	0.00	0.00	
<b>Landscape &amp; Grounds:</b>							
Landscaping .....		0.00	0.00	0.00	0.00	0.00	
Lawn Equipment .....		0.00	0.00	0.00	0.00	0.00	
Fencing .....		0.00	0.00	0.00	0.00	0.00	
Recreation Area .....		0.00	0.00	0.00	0.00	0.00	
Signs .....		0.00	0.00	0.00	0.00	0.00	
Other: .....		0.00	1,410.00	0.00	0.00	1,410.00	
<b>Accessibility Features:</b>							
List: .....		0.00	0.00	0.00	0.00	0.00	
Other: .....		0.00	0.00	0.00	0.00	0.00	
<b>Automation Equipment:</b>							
Site Management .....		0.00	0.00	0.00	0.00	0.00	
Common Area .....		0.00	0.00	0.00	0.00	0.00	
Other: .....		0.00	0.00	0.00	0.00	0.00	
<b>Other:</b>							
List: .....		0.00	487.92	0.00	0.00	487.92	
List: .....		0.00	2,000.00	0.00	0.00	2,000.00	
List: .....		0.00	0.00	0.00	0.00	0.00	
<b>TOTAL CAPITAL EXPENSES:</b>	25	13,700.00	23,236.69	11,365.00	0.00	23,236.69	7C



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

PROJECT NAME Powder Horn Apts Ltd LLP		BORROWER NAME Powder Horn Apartments, Ltd		BORROWER ID AND PROJECT NO. 657666505 010	
Loan/Transfer Amount \$ 1,396,500.00		Note Rate Payment \$ 13,857.18		IC Payment \$ 2,958.62	
Reporting Period <input checked="" type="checkbox"/> Annual <input type="checkbox"/> Quarterly <input type="checkbox"/> Monthly	Budget Type <input type="checkbox"/> Initial <input checked="" type="checkbox"/> Regular Report <input type="checkbox"/> Rent Change <input type="checkbox"/> SNR <input type="checkbox"/> Other Servicing	Project Rental Type <input checked="" type="checkbox"/> Family <input type="checkbox"/> Elderly <input type="checkbox"/> Congregate <input type="checkbox"/> Group Home <input type="checkbox"/> Mixed <input type="checkbox"/> LH	Profit Type <input type="checkbox"/> Full Profit <input checked="" type="checkbox"/> Limited Profit <input type="checkbox"/> Non-Profit	The following utilities are master metered: <input type="checkbox"/> Electricity <input type="checkbox"/> Gas <input checked="" type="checkbox"/> Water <input type="checkbox"/> Sewer <input type="checkbox"/> Trash <input type="checkbox"/> Other _____	
				I hereby request <u>32</u> units of RA. Current number of RA units <u>0</u> . Borrower Accounting Method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual	

**PART I—CASH FLOW STATEMENT**

	CURRENT BUDGET (01 - 01 - 15) (12 - 31 - 15)	ACTUAL (01 - 01 - 15) (12 - 31 - 15)	PROPOSED BUDGET (01 - 01 - 16) (12 - 31 - 16)	COMMENTS or (YTD) (01 - 01 - 15) (12 - 31 - 15)
<b>OPERATIONAL CASH SOURCES</b>				
1. RENTAL INCOME .....	259,860.00	267,342.00	262,800.00	49 rev prod u
2. RHS RENTAL ASSISTANCE RECEIVED .....		0.00		
3. APPLICATION FEES RECEIVED .....		330.00		
4. LAUNDRY AND VENDING .....	0.00	0.00	0.00	
5. INTEREST INCOME .....	0.00	0.00	0.00	
6. TENANT CHARGES .....	3,500.00	3,311.00	3,500.00	
7. OTHER - PROJECT SOURCES .....	0.00	0.00	0.00	misc fees
8. LESS (Vacancy and Contingency Allowance) .....	( 12,993.00)		( 13,140.00)	5%
9. LESS (Agency Approved Incentive Allowance) .....	( 0.00)		( 0.00)	
10. SUB-TOTAL [(1 thru 7) - (8 & 9)] .....	250,367.00	270,983.00	253,160.00	
<b>NON-OPERATIONAL CASH SOURCES</b>				
11. CASH - NON PROJECT .....	0.00	0.00	0.00	
12. AUTHORIZED LOAN (Non-RHS) .....	0.00	0.00	0.00	
13. TRANSFER FROM RESERVE .....	16,000.00	13,608.43	20,000.00	
14. SUB-TOTAL (11 thru 13) .....	16,000.00	13,608.43	20,000.00	
15. <b>TOTAL CASH SOURCES (10+14)</b> .....	266,367.00	284,591.43	273,160.00	
<b>OPERATIONAL CASH USES</b>				
16. TOTAL O&M EXPENSES (From Part II) .....	183,678.00	168,569.84	190,162.00	
17. RHS DEBT PAYMENT .....	35,504.00	35,503.44	35,504.00	
18. RHS PAYMENT (Overage) .....		20,813.00		
19. RHS PAYMENT (Late Fee) .....		0.00		
20. REDUCTION IN PRIOR YEAR PAYABLES .....		0.00		
21. TENANT UTILITY PAYMENTS .....		0.00		
22. TRANSFER TO RESERVE .....	18,965.00	47,070.97	17,965.00	
23. RETURN TO OWNER /NP ASSET MANAGEMENT FEE .	5,880.00	5,880.00	5,880.00	2014 RTO paic
24. SUB-TOTAL (16 thru 23) .....	244,027.00	277,837.25	249,511.00	
<b>NON-OPERATIONAL CASH USES</b>				
25. AUTHORIZED DEBT PAYMENT (Non-RHS) .....	0.00	0.00	0.00	
26. ANNUAL CAPITAL BUDGET (From Part III, Lines 4-6)	16,000.00	13,608.43	20,000.00	
27. MISCELLANEOUS .....	0.00	0.33	0.00	Rounding
28. SUB-TOTAL (25 thru 27) .....	16,000.00	13,608.76	20,000.00	
29. <b>TOTAL CASH USES (24+28)</b> .....	260,027.00	291,446.01	269,511.00	
30. <b>NET CASH (DEFICIT) (15-29)</b> .....	6,340.00	-6,854.58	3,649.00	
<b>CASH BALANCE</b>				
31. BEGINNING CASH BALANCE .....	32,705.25	69,096.57	39,045.25	
32. ACCRUAL TO CASH ADJUSTMENT .....		2,219.25		Adjust to accru
33. ENDING CASH BALANCE (30+31+32) .....	39,045.25	64,461.24	42,694.25	

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0189. The time required to complete this information collection is estimated to average 2 1/2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.



## PART II—OPERATING AND MAINTENANCE EXPENSE SCHEDULE

	CURRENT BUDGET	ACTUAL	PROPOSED BUDGET	COMMENTS or (YTD)
1. MAINTENANCE AND REPAIRS PAYROLL .....	20,000.00	22,884.24	21,000.00	
2. MAINTENANCE AND REPAIRS SUPPLY .....	12,500.00	14,271.79	17,000.00	
3. MAINTENANCE AND REPAIRS CONTRACT .....	0.00	485.00	0.00	
4. PAINTING .....	3,500.00	2,417.02	3,000.00	
5. SNOW REMOVAL .....	0.00	0.00	0.00	
6. ELEVATOR MAINTENANCE/CONTRACT .....	0.00	0.00	0.00	
7. GROUNDS .....	14,020.00	17,811.22	19,180.00	1490/M + 1300
8. SERVICES .....	4,750.00	4,200.00	4,750.00	275/MPestCon
9. ANNUAL CAPITAL BUDGET(From Part V - Operating)	4,625.00	0.00	0.00	
10. OTHER OPERATING EXPENSES (Itemize) .....	350.00	171.57	350.00	UA calc fees
11. SUB-TOTAL MAINT. & OPERATING (1 thru 10) .....	59,745.00	62,240.84	65,280.00	
12. ELECTRICITY <input type="checkbox"/> If master metered .....	6,000.00	4,377.50	6,000.00	
13. WATER <input type="checkbox"/> check box on .....	1,250.00	1,063.70	1,250.00	
14. SEWER <input type="checkbox"/> front. ....	800.00	344.76	800.00	
15. FUEL (Oil/Coal/Gas) .....	0.00	0.00	0.00	
16. GARBAGE & TRASH REMOVAL .....	3,300.00	3,594.49	4,000.00	
17. OTHER UTILITIES .....	0.00	0.00	0.00	
18. SUB-TOTAL UTILITIES (12 thru 17) .....	11,350.00	9,380.45	12,050.00	
19. SITE MANAGEMENT PAYROLL .....	25,436.00	24,069.23	26,144.00	2012/M (3% inc
20. MANAGEMENT FEE .....	27,048.00	26,974.50	27,636.00	\$47x49Ux12M
21. PROJECT AUDITING EXPENSE .....	4,000.00	3,880.00	4,000.00	
22. PROJECT BOOKKEEPING/ACCOUNTING .....	0.00	0.00	0.00	
23. LEGAL EXPENSES .....	500.00	1,637.29	550.00	
24. ADVERTISING .....	400.00	41.10	300.00	
25. TELEPHONE & ANSWERING SERVICE .....	2,100.00	2,111.40	2,000.00	
26. OFFICE SUPPLIES .....	3,100.00	2,491.76	3,100.00	
27. OFFICE FURNITURE & EQUIPMENT .....	1,283.00	1,315.83	1,336.00	79/MCompSup
28. TRAINING EXPENSE .....	716.00	1,342.74	716.00	
29. HEALTH INS. & OTHER EMP. BENEFITS .....	500.00	269.91	450.00	
30. PAYROLL TAXES .....	4,900.00	3,943.80	4,650.00	
31. WORKER'S COMPENSATION .....	900.00	879.91	800.00	
32. OTHER ADMINISTRATIVE EXPENSES (Itemize) .....	300.00	322.87	300.00	Property Tax C
33. SUB-TOTAL ADMINISTRATIVE (19 thru 32) .....	71,183.00	69,280.34	71,982.00	
34. REAL ESTATE TAXES .....	30,000.00	16,880.37	29,000.00	
35. SPECIAL ASSESSMENTS .....	0.00	0.00	0.00	
36. OTHER TAXES, LICENSES & PERMITS .....	700.00	763.84	850.00	bus lic
37. PROPERTY & LIABILITY INSURANCE .....	10,500.00	10,024.00	10,800.00	216/U (3% inc)
38. FIDELITY COVERAGE INSURANCE .....	0.00	0.00	0.00	
39. OTHER INSURANCE .....	200.00	0.00	200.00	EPL
40. SUB-TOTAL TAXES & INSURANCE (34 thru 39) .....	41,400.00	27,668.21	40,850.00	
41. TOTAL O&M EXPENSES (11+18+33+40) .....	183,678.00	168,569.84	190,162.00	

**PART III—ACCOUNT BUDGETING/STATUS**

	CURRENT BUDGET	ACTUAL	PROPOSED BUDGET	COMMENTS or (YTD)
<b>RESERVE ACCOUNT:</b>				
1. BEGINNING BALANCE .....	134,691.67	145,771.72	137,656.67	Prop bea buda
2. TRANSFER TO RESERVE .....	18,965.00	47,070.97	17,965.00	\$1164/M + \$4k
TRANSFER FROM RESERVE.....				
3. OPERATING DEFICIT .....	0.00	0.00	0.00	
4. ANNUAL CAPITAL BUDGET ( <i>Part V - Reserve</i> ) .....	16,000.00	13,608.43	20,000.00	
5. BUILDING & EQUIPMENT REPAIR .....	0.00	0.00	0.00	
6. OTHER NON-OPERATING EXPENSES .....	0.00	0.00	0.00	
7. TOTAL ( <i>3 thru 6</i> ) .....	( 16,000.00)	( 13,608.43)	( 20,000.00)	
8. ENDING BALANCE [(1+2)-7] .....	137,656.67	179,234.26	135,621.67	

**GENERAL OPERATING ACCOUNT:\***

BEGINNING BALANCE .....	45,425.32	
ENDING BALANCE .....	28,730.36	

**REAL ESTATE TAX AND INSURANCE ESCROW ACCOUNT:\***

BEGINNING BALANCE .....	23,671.25	
ENDING BALANCE .....	35,730.88	

**TENANT SECURITY DEPOSIT ACCOUNT:\***

BEGINNING BALANCE .....	10,628.00	
ENDING BALANCE .....	10,456.00	

(\*Complete upon submission of actual expenses.)

NUMBER OF APPLICANTS ON THE WAITING LIST	0	RESERVE ACCT. REQ. BALANCE.....	0.00
NUMBER OF APPLICANTS NEEDING RA.....	0	AMOUNT AHEAD/BEHIND .....	0.00

**PART IV—RENT SCHEDULE AND UTILITY ALLOWANCE**

**A. CURRENT APPROVED RENTS/ UTILITY ALLOWANCE**

UNIT DESCRIPTION			RENTAL RATES			POTENTIAL INCOME FROM EACH RATE			UTILITY ALLOWANCE
BR SIZE	UNIT TYPE	NUMBER	BASIC	NOTE RATE	HUD	BASIC	NOTE RATE	HUD	
1	N	16	415.00	620.00	0.00	79,680.00	119,040.00	0.00	120.00
2	N	33	455.00	676.00	0.00	180,180.00	267,696.00	0.00	130.00
2	Z	1	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CURRENT RENT TOTALS:						259,860.00	386,736.00	0.00	
						BASIC	NOTE	HUD	

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

UNIT DESCRIPTION			RENTAL RATES			POTENTIAL INCOME FROM EACH RATE			UTILITY ALLOWANCE
BR SIZE	UNIT TYPE	NUMBER	BASIC	NOTE RATE	HUD	BASIC	NOTE RATE	HUD	
1	N	16	420.00	625.00	0.00	80,640.00	120,000.00	0.00	
2	N	33	460.00	681.00	0.00	182,160.00	269,676.00	0.00	
2	Z	1	0.00	0.00	0.00	0.00	0.00	0.00	
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00	
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00	
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00	
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00	
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00	
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00	
PROPOSED RENT TOTALS:						262,800.00	389,676.00	0.00	
						BASIC	NOTE	HUD	

**C. PROPOSED UTILITY ALLOWANCE - Effective Date: 12 / 31 / 15**

MONTHLY DOLLAR ALLOWANCES									
BR SIZE	UNIT TYPE	NUMBER	ELECTRIC	GAS	WATER	SEWER	TRASH	OTHER	TOTAL
1	N	16	92.00	0.00	14.00	14.00	0.00	0.00	120.00
2	N	33	93.00	0.00	19.00	18.00	0.00	0.00	130.00
2	Z	1	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00



**PART V - ANNUAL CAPITAL BUDGET**

	Proposed Number of Units/Items	Proposed from Reserve	Actual from Reserve	Proposed from Operating	Actual from Operating	Actual Total Cost	Total Actual Units/Items
<b>Appliances:</b>							
Range .....	3	1,500.00	0.00	0.00	0.00	0.00	C
Refrigerator .....	2	1,800.00	423.72	0.00	0.00	423.72	1
Range Hood .....	C	0.00	0.00	0.00	0.00	0.00	C
Washers & Dryers .....	C	0.00	0.00	0.00	0.00	0.00	C
Other: .....	C	0.00	0.00	0.00	0.00	0.00	C
<b>Carpet &amp; Vinyl:</b>							
1BR .....	2	2,200.00	2,320.71	0.00	0.00	2,320.71	2
2BR .....	4	4,800.00	6,003.91	0.00	0.00	6,003.91	5
3BR .....	C	0.00	0.00	0.00	0.00	0.00	C
4BR .....	C	0.00	0.00	0.00	0.00	0.00	C
Other: .....	C	0.00	0.00	0.00	0.00	0.00	C
<b>Cabinets:</b>							
Kitchens .....	C	0.00	0.00	0.00	0.00	0.00	C
Bathrooms .....	C	0.00	0.00	0.00	0.00	0.00	C
Other: .....	C	0.00	0.00	0.00	0.00	0.00	C
<b>Doors:</b>							
Exterior .....	C	0.00	0.00	0.00	0.00	0.00	C
Interior .....	C	0.00	0.00	0.00	0.00	0.00	C
Other: .....	C	0.00	0.00	0.00	0.00	0.00	C
<b>Window Coverings:</b>							
List: .....	C	0.00	0.00	0.00	0.00	0.00	C
Other: .....	C	0.00	0.00	0.00	0.00	0.00	C
<b>Heating &amp; Air Conditioning:</b>							
Heating .....	C	0.00	0.00	0.00	0.00	0.00	C
Air Conditioning .....	3	9,000.00	3,250.00	0.00	0.00	3,250.00	3
Other: .....	C	0.00	0.00	0.00	0.00	0.00	C
<b>Plumbing:</b>							
Water Heater .....	2	700.00	0.00	0.00	0.00	0.00	C
Bath Sinks .....	C	0.00	0.00	0.00	0.00	0.00	C
Kitchen Sinks .....	C	0.00	0.00	0.00	0.00	0.00	C
Faucets .....	C	0.00	0.00	0.00	0.00	0.00	C
Toilets .....	C	0.00	0.00	0.00	0.00	0.00	C
Other: .....	C	0.00	0.00	0.00	0.00	0.00	C
<b>Major Electrical:</b>							
List: .....		0.00	0.00	0.00	0.00	0.00	
Other: .....		0.00	0.00	0.00	0.00	0.00	
<b>Structures:</b>							
Windows .....	C	0.00	0.00	0.00	0.00	0.00	C
Screens .....	C	0.00	0.00	0.00	0.00	0.00	C
Walls .....		0.00	0.00	0.00	0.00	0.00	
Roofing .....		0.00	0.00	0.00	0.00	0.00	
Siding .....		0.00	0.00	0.00	0.00	0.00	
Exterior Painting .....		0.00	0.00	0.00	0.00	0.00	
Other: .....		0.00	0.00	0.00	0.00	0.00	
<b>Paving:</b>							
Asphalt .....		0.00	0.00	0.00	0.00	0.00	
Concrete .....		0.00	0.00	0.00	0.00	0.00	
Seal & Stripe .....		0.00	0.00	0.00	0.00	0.00	
Other: .....		0.00	0.00	0.00	0.00	0.00	
<b>Landscape &amp; Grounds:</b>							
Landscaping .....		0.00	0.00	0.00	0.00	0.00	
Lawn Equipment .....		0.00	0.00	0.00	0.00	0.00	
Fencing .....		0.00	0.00	0.00	0.00	0.00	
Recreation Area .....		0.00	0.00	0.00	0.00	0.00	
Signs .....		0.00	0.00	0.00	0.00	0.00	
Other: .....		0.00	0.00	0.00	0.00	0.00	
<b>Accessibility Features:</b>							
List: .....		0.00	0.00	0.00	0.00	0.00	
Other: .....		0.00	0.00	0.00	0.00	0.00	
<b>Automation Equipment:</b>							
Site Management .....		0.00	0.00	0.00	0.00	0.00	
Common Area .....		0.00	0.00	0.00	0.00	0.00	
Other: .....		0.00	0.00	0.00	0.00	0.00	
<b>Other:</b>							
List: .....		0.00	1,610.09	0.00	0.00	1,610.09	
List: .....		0.00	0.00	0.00	0.00	0.00	
List: .....		0.00	0.00	0.00	0.00	0.00	
<b>TOTAL CAPITAL EXPENSES:</b>	16	20,000.00	13,608.43	0.00	0.00	13,608.43	11

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

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

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

\_\_\_\_\_  
(DATE)

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

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

\_\_\_\_\_  
AGENCY APPROVAL (Rural Development Approval Official):

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

**COMMENTS:**

Page 1

Line 13. Actual transfers from 1% reserve were within budget.

Line 22. Actual transfers to reserve were \$28,102.97 more than budgeted. This additional amount was surplus cash that was transferred to the Replacement Reserve on 5/4/15 as requested by RD.

Line 23. The RTO paid in 2015 was the 2014 RTO.

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Line 11. Actual Maintenance and Operating Expenses were 4% over budget.

Line 18. Actual Utilities were 17% under budget. Electricity costs were much less than budgeted.

Line 33. Actual Administrative Expenses were 3% under budget.

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

**PART V - ANNUAL CAPITAL BUDGET (ADDENDUM)**

	Current Number of Units/Items	Current from Reserved	YTD from Reserve	Current from Operating	YTD from Operating	YTD Total Cost	Total YTD Units/Items
<b>Appliances:</b>							
Range .....	2	1,000.00	0.00	0.00	0.00	0.00	C
Refrigerator .....	2	1,300.00	423.72	0.00	0.00	423.72	1
Range Hood .....	C	0.00	0.00	0.00	0.00	0.00	C
Washers & Dryers .....	C	0.00	0.00	0.00	0.00	0.00	C
Other: .....	C	0.00	0.00	0.00	0.00	0.00	C
<b>Carpet &amp; Vinyl:</b>							
1BR .....	2	2,200.00	2,320.71	2,200.00	0.00	2,320.71	2
2BR .....	4	2,400.00	6,003.91	2,400.00	0.00	6,003.91	5
3BR .....	C	0.00	0.00	0.00	0.00	0.00	C
4BR .....	C	0.00	0.00	0.00	0.00	0.00	C
Other: .....	C	0.00	0.00	0.00	0.00	0.00	C
<b>Cabinets:</b>							
Kitchens .....	C	0.00	0.00	0.00	0.00	0.00	C
Bathrooms .....	C	0.00	0.00	0.00	0.00	0.00	C
Other: .....	C	0.00	0.00	0.00	0.00	0.00	C
<b>Doors:</b>							
Exterior .....	C	0.00	0.00	0.00	0.00	0.00	C
Interior .....	C	0.00	0.00	0.00	0.00	0.00	C
Other: .....	C	0.00	0.00	0.00	0.00	0.00	C
<b>Window Coverings:</b>							
List: .....	C	0.00	0.00	0.00	0.00	0.00	C
Other: .....	C	0.00	0.00	0.00	0.00	0.00	C
<b>Heating &amp; Air Conditioning:</b>							
Heating .....	C	0.00	0.00	0.00	0.00	0.00	C
Air Conditioning .....	2	6,600.00	3,250.00	0.00	0.00	3,250.00	3
Other: .....	C	0.00	0.00	0.00	0.00	0.00	C
<b>Plumbing:</b>							
Water Heater .....	C	0.00	0.00	0.00	0.00	0.00	C
Bath Sinks .....	C	0.00	0.00	0.00	0.00	0.00	C
Kitchen Sinks .....	C	0.00	0.00	0.00	0.00	0.00	C
Faucets .....	C	0.00	0.00	0.00	0.00	0.00	C
Toilets .....	C	0.00	0.00	0.00	0.00	0.00	C
Other: .....	C	0.00	0.00	0.00	0.00	0.00	C
<b>Major Electrical:</b>							
List: .....		0.00	0.00	0.00	0.00	0.00	
Other: .....		0.00	0.00	0.00	0.00	0.00	
<b>Structures:</b>							
Windows .....	C	0.00	0.00	0.00	0.00	0.00	C
Screens .....	1	0.00	0.00	25.00	0.00	0.00	C
Walls .....		0.00	0.00	0.00	0.00	0.00	
Roofing .....		0.00	0.00	0.00	0.00	0.00	
Siding .....		0.00	0.00	0.00	0.00	0.00	
Exterior Painting .....		0.00	0.00	0.00	0.00	0.00	
Other: .....		0.00	0.00	0.00	0.00	0.00	
<b>Paving:</b>							
Asphalt .....		0.00	0.00	0.00	0.00	0.00	
Concrete .....		2,500.00	0.00	0.00	0.00	0.00	
Seal & Stripe .....		0.00	0.00	0.00	0.00	0.00	
Other: .....		0.00	0.00	0.00	0.00	0.00	
<b>Landscape &amp; Grounds:</b>							
Landscaping .....		0.00	0.00	0.00	0.00	0.00	
Lawn Equipment .....		0.00	0.00	0.00	0.00	0.00	
Fencing .....		0.00	0.00	0.00	0.00	0.00	
Recreation Area .....		0.00	0.00	0.00	0.00	0.00	
Signs .....		0.00	0.00	0.00	0.00	0.00	
Other: .....		0.00	0.00	0.00	0.00	0.00	
<b>Accessibility Features:</b>							
List: .....		0.00	0.00	0.00	0.00	0.00	
Other: .....		0.00	0.00	0.00	0.00	0.00	
<b>Automation Equipment:</b>							
Site Management .....		0.00	0.00	0.00	0.00	0.00	
Common Area .....		0.00	0.00	0.00	0.00	0.00	
Other: .....		0.00	0.00	0.00	0.00	0.00	
<b>Other:</b>							
List: .....		0.00	1,610.09	0.00	0.00	1,610.09	
List: .....		0.00	0.00	0.00	0.00	0.00	
List: .....		0.00	0.00	0.00	0.00	0.00	
<b>TOTAL CAPITAL EXPENSES:</b>	13	16,000.00	13,608.43	4,625.00	0.00	13,608.43	11

**POWDER HORN APARTMENTS, LTD. (L.L.L.P.) (COWETA COUNTY)**  
**(A LIMITED PARTNERSHIP)**  
**NEWNAN, GEORGIA**

**FINANCIAL AND COMPLIANCE REPORTS**

**AS OF DECEMBER 31, 2016 AND 2015**

**POWDER HORN APARTMENTS, LTD. (L.L.P.) (COWETA COUNTY)**  
**(A LIMITED PARTNERSHIP)**

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# Henderson & Godbee, LLP

Certified Public Accountants and Business Consultants

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## INDEPENDENT AUDITOR'S REPORT

To the Partners  
Powder Horn Apartments, Ltd. (L.L.L.P.) (Coweta County)  
(A Limited Partner)  
Valdosta, Georgia

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Powder Horn Apartments, Ltd. (L.L.L.P.) (Coweta County) (a Limited Partnership), USDA, RD No: 10-038-657666505 which comprises the balance sheets as of December 31, 2016 and 2015, and the related statements of income, partners' (deficit), and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the

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circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

#### **Opinion**

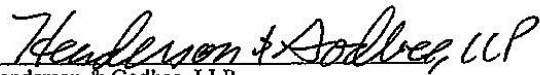
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Powder Horn Apartments, Ltd. (L.L.L.P.) (Coweta County) as of December 31, 2016 and 2015, and the results of its operations, partners' (deficit), and its cash flows for the years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

#### **Report on Supplementary Information**

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

#### **Report Issued in Accordance with *Government Auditing Standards***

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

  
Henderson & Godbee, LLP  
Certified Public Accountants  
Valdosta, Georgia

February 10, 2017

**POWDER HORN APARTMENTS, LTD. (L.L.L.P.) (COWETA COUNTY)**  
**(A LIMITED PARTNERSHIP)**  
**BALANCE SHEETS**  
**DECEMBER 31, 2016 AND 2015**

	<b>2016</b>	<b>2015</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	\$ 40,680	\$ 28,730
Accounts receivable - tenants	40	1,440
	<b>40,720</b>	<b>30,170</b>
<b>Restricted Deposits and Funded Reserves</b>		
Escrow-tenants' security deposits	9,967	10,456
Escrow-replacement reserve	192,176	179,234
Escrow-tax reserve	40,734	35,731
	<b>242,877</b>	<b>225,421</b>
<b>Property, Plant and Equipment</b>		
Property, plant and equipment, at cost	1,507,229	1,507,229
Accumulated depreciation	(1,423,229)	(1,423,229)
	<b>84,000</b>	<b>84,000</b>
<b>Net Property, Plant and Equipment</b>	<b>84,000</b>	<b>84,000</b>
<b>Total Assets</b>	<b>\$ 367,597</b>	<b>\$ 339,591</b>

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

**POWDER HORN APARTMENTS, LTD. (L.L.L.P.) (COWETA COUNTY)**  
**(A LIMITED PARTNERSHIP)**  
**BALANCE SHEETS**  
**DECEMBER 31, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
<b>LIABILITIES AND PARTNERS' (DEFICIT)</b>		
<b>Current Liabilities</b>		
Current maturities of long-term debt	\$ 19,161	\$ 17,026
Accounts payable	<u>9,518</u>	<u>2,821</u>
Total Current Liabilities	<u>28,679</u>	<u>19,847</u>
<b>Deposits and Prepayment Liabilities</b>		
Tenants' security deposits	<u>9,967</u>	<u>10,456</u>
Total Deposits and Prepayment Liabilities	<u>9,967</u>	<u>10,456</u>
<b>Long-Term Liabilities</b>		
Mortgage payable, less current maturities	<u>1,223,134</u>	<u>1,242,016</u>
Total Long-Term Liabilities	<u>1,223,134</u>	<u>1,242,016</u>
Total Liabilities	1,261,780	1,272,319
<b>Partners' (Deficit)</b>		
Partners' (Deficit)	<u>(894,183)</u>	<u>(932,728)</u>
Total Liabilities And Partners' (Deficit)	<u>\$ 367,597</u>	<u>\$ 339,591</u>

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

**POWDER HORN APARTMENTS, LTD. (L.L.P.) (COWETA COUNTY)**  
**(A LIMITED PARTNERSHIP)**  
**STATEMENTS OF INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

	2016	2015
<b>Revenues</b>		
Gross potential rental income	\$ 294,277	\$ 286,133
Less: vacancy loss	(13,106)	(18,791)
Net rental income	281,171	267,342
Other income	4,610	3,641
<b>Total Revenues</b>	<b>285,781</b>	<b>270,983</b>
<b>Expenses</b>		
Operating and maintenance	88,214	75,849
Utilities	10,470	9,381
Administrative	80,279	69,281
Taxes and insurance	17,680	27,668
<b>Total Operating Expenses</b>	<b>196,643</b>	<b>182,179</b>
<b>Net Operating Income</b>	<b>89,138</b>	<b>88,804</b>
<b>Non-Operating Expenses</b>		
Interest subsidy income	(104,826)	(109,970)
Interest subsidy expense	149,260	151,158
Interest - debt issuance costs	279	279
<b>Total Non-Operating Expenses</b>	<b>44,713</b>	<b>41,467</b>
<b>Net Income</b>	<b>\$ 44,425</b>	<b>\$ 47,337</b>

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

**POWDER HORN APARTMENTS, LTD. (L.L.P.) (COWETA COUNTY)**  
**(A LIMITED PARTNERSHIP)**  
**STATEMENTS OF PARTNERS' (DEFICIT)**  
**FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
<b>Limited Partners' (Deficit)</b>		
Balance, January 1	\$ (868,661)	\$ (912,614)
Distributions	(2,911)	(2,911)
Net Income	<u>43,981</u>	<u>46,864</u>
Balance, December 31	<u>\$ (827,591)</u>	<u>\$ (868,661)</u>
<b>General Partner's (Deficit)</b>		
Balance, January 1	\$ (64,067)	\$ (61,571)
Distributions	(2,969)	(2,969)
Net Income	<u>444</u>	<u>473</u>
Balance, December 31	<u>\$ (66,592)</u>	<u>\$ (64,067)</u>
<b>Total Partners' (Deficit)</b>		
Balance, January 1	\$ (932,728)	\$ (974,185)
Distributions	(5,880)	(5,880)
Net Income	<u>44,425</u>	<u>47,337</u>
Balance, December 31	<u>\$ (894,183)</u>	<u>\$ (932,728)</u>

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

**POWDER HORN APARTMENTS, LTD. (L.L.L.P.) (COWETA COUNTY)**  
**(A LIMITED PARTNERSHIP)**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

	<b>2016</b>	<b>2015</b>
<b>Cash Flows From Operating Activities</b>		
Net Income	\$ 44,425	\$ 47,337
Adjustments To Reconcile Net Income To Net Cash Provided By Operating Activities:		
Amortization	279	279
Changes In Operating Assets And Liabilities:		
Accounts receivable	1,400	1,242
Security deposits	489	172
Replacement reserve	(12,942)	(33,462)
Tax reserve	(5,003)	(12,060)
Accounts payable	6,697	977
Tenants' security deposits	(489)	(172)
Total Adjustments	(9,569)	(43,024)
Net Cash Provided By Operating Activities	34,856	4,313
<b>Cash Flows From Financing Activities</b>		
Principal payments on long-term debt	(17,026)	(15,128)
Distributions	(5,880)	(5,880)
Net Cash (Used In) Financing Activities	(22,906)	(21,008)
Net Increase (Decrease) In Cash	11,950	(16,695)
Cash, Beginning Of Year	28,730	45,425
Cash, End Of Year	\$ 40,680	\$ 28,730

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

**POWDER HORN APARTMENTS, LTD. (L.L.P.) (COWETA COUNTY)**  
**(A LIMITED PARTNERSHIP)**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

	2016	2015
<b>Supplemental Disclosures Of Cash Flow Information:</b>		
<b>Cash Paid During The Year For:</b>		
Interest expense	\$ 149,260	\$ 151,158
Less: subsidized portion	(104,826)	(109,970)
Interest paid, net of subsidy	\$ 44,434	\$ 41,188

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



**POWDER HORN APARTMENTS, LTD. (L.L.L.P.) (COWETA COUNTY)**  
**(A LIMITED PARTNERSHIP)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

**Organization**

The partnership known as Powder Horn Apartments, Ltd. (L.L.L.P.) (Coweta County), was formed as a limited partnership under the laws of the State of Georgia on September 1, 1985, to develop, own and operate a 50-unit rental housing project for persons of low and moderate income in the community. The project is located in Newnan, Georgia and is currently operating under the name of Rolling Hills Apartments. The major activities of the partnership are governed by the partnership agreement and the U.S. Department of Agriculture, Rural Development (USDA, RD), formally known as the Farmers Home Administration (FmHA) and the Rural Economic and Community Development Service (RECD). This project is financed by a RRH Loan from the USDA, RD formerly the Farmer's Home Administration and Rural Housing & Community Development Service, and therefore is regulated by the USDA, RD as to rent charges and operating methods.

**Basis of Accounting**

The financial statements of the partnership are prepared on the accrual basis of accounting, whereby revenues are recognized as earned and expenses are recognized as obligations are incurred.

**Change in Accounting Principle**

During 2016, the Partnership adopted provisions of Accounting Standards Update 2015-03, *Simplifying the Presentation of Debt Issuance Costs* (ASU 2015-03). Under this new accounting policy, the Partnership has retrospectively presented all debt issuance costs as direct deduction from the carrying amount of the related obligation in the balance sheet. Amortization of the debt issuance costs is calculated using the straight line method and is included as a component of interest expense. The effect of using the straight line method is not materially different from the results of that would have been obtained under the interest method. The effects of the retrospectively application of the accounting change for the year ended December 31, 2015 is to decrease total assets and long term liabilities by \$5,525 on the balance sheet and reclassify \$279 of amortization to interest expense in the statement of income.

**Income Taxes**

The Partnership is a pass-through entity for income tax purposes and, as such, is not subject to income taxes. Rather, all items of taxable income, deductions and tax credits are passed through to and are reported by its owners on their respective income tax returns. The Partnership's federal tax status as a pass-through entity is based on its legal status as a Partnership. Accordingly the Partnership is not required to take any tax positions in order to qualify as a pass-through entity. The Partnership is required to file and does file tax returns with the Internal Revenue Service and other taxing authorities. Accordingly, these financial statements do not reflect a provision for income taxes and the Partnership has no other tax position which must be considered for disclosure.

**POWDER HORN APARTMENTS, LTD. (L.L.P.) (COWETA COUNTY)**  
**(A LIMITED PARTNERSHIP)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The Partnership is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

**Capitalization and Depreciation**

Land, buildings and improvements are recorded at cost. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives using the straight-line method. Improvements are capitalized, while expenditures for maintenance and repairs are charged to expense as incurred. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation. The resulting gains and losses are reflected in the statement of income.

**Use of Estimates**

The presentation of financial statements, in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Tenant Receivables**

Tenant receivables are recorded at net realizable value consisting of the carrying amount less the allowance for uncollectible accounts, as needed.

The Partnership uses the allowance method to account for uncollectible tenant receivable balances. Under the allowance method, if needed, an estimate of uncollectible tenant balances is made based upon specific account balances that are considered uncollectible. Factors used to establish an allowance include the credit quality of the tenant and whether the balance is significant. Accounts are considered past due once the unpaid balance is 90 days or more outstanding, unless payment terms are extended by contract. When an account balance is past due and attempts have been made to collect the receivable through legal or other means, the amount is considered uncollectible and is written off. At December 31, 2016 and 2015, there was no allowance balance required. Tenant receivables had a balance in the amount of \$40 and \$1,440, at December 31, 2016 and 2015, respectively.

**Mortgage Subsidy**

Under an interest credit agreement with the USDA, RD, a mortgage subsidy is provided, thus reducing the interest rate to approximately 1% over the life of the agreement. The interest subsidy is treated as additional income with interest expense being recorded at the note rate.

**Advertising Costs**

Advertising costs are expensed as incurred. Advertising costs for the years ended December 31, 2016 and 2015 were \$105 and \$41, respectively.

**POWDER HORN APARTMENTS, LTD. (L.L.P.) (COWETA COUNTY)**  
**(A LIMITED PARTNERSHIP)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

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**NOTE 2 – RESTRICTED CASH AND ESCROW ACCOUNTS**

**Replacement Reserve**

	<u>2016</u>	<u>2015</u>
Annual funding required by loan agreement	\$ 13,965	\$ 13,965
Actual funding including interest income	\$ 38,908	\$ 47,070
Withdrawals approved by Rural Development Operating and maintenance expenses	\$ 25,966	\$ 13,608
Reserve balance at year end	\$ 192,176	\$ 179,234
Fully funded balance per loan agreement	(80,783)	(68,782)
Excess	\$ 272,959	\$ 248,016

**Tenant Security Deposits**

Security deposits collected from tenants are held in a separate bank account. The account's status at December 31 is:

	<u>2016</u>	<u>2015</u>
Tenant security deposits cash	\$ 9,967	\$ 10,456
Tenant security deposits payable	9,967	10,456
Excess (Deficit)	\$ -	\$ -

**POWDER HORN APARTMENTS, LTD. (L.L.L.P.) (COWETA COUNTY)**  
**(A LIMITED PARTNERSHIP)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

**NOTE 2 – RESTRICTED CASH AND ESCROW ACCOUNTS (CONTINUED)**

**Real Estate Tax and Insurance Escrow**

USDA, RD regulations require the Partnership to make monthly appropriations of cash to a tax reserve account to insure that adequate cash is available when taxes are due. The account's status at December 31 is:

	2016	2015
Real estate tax and insurance escrow	\$ 40,734	\$ 35,731
Accrued or unpaid taxes and insurance	-	-
Excess	\$ 40,734	\$ 35,731

**NOTE 3 – PROPERTY, PLANT AND EQUIPMENT**

A summary of the property, plant and equipment is as follows at December 31:

	Depreciable Life	2016	2015
Land		\$ 84,000	\$ 84,000
Buildings	30 Years	1,416,163	1,416,163
Equipment	10 Years	7,066	7,066
Total		1,507,229	1,507,229
Less: Accumulated depreciation		(1,423,229)	(1,423,229)
Net Property, Plant and Equipment		\$ 84,000	\$ 84,000

Property, plant and equipment are pledged as collateral on long-term debt. Depreciation expense aggregated \$0 and \$0 for the years ended December 31, 2016 and 2015.

**POWDER HORN APARTMENTS, LTD. (L.L.P.) (COWETA COUNTY)**  
**(A LIMITED PARTNERSHIP)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

**NOTE 4 – ACCOUNTS PAYABLE**

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

	<u>2016</u>	<u>2015</u>
Travel expenses	\$ 268	\$ -
Office supplies	393	8
Professional services/fees	5,060	-
Monthly grounds	1,490	1,490
Repairs and maintenance	1,901	876
Utilities and telephone	406	447
	<u>\$ 9,518</u>	<u>\$ 2,821</u>

**NOTE 5 – LONG-TERM INDEBTEDNESS**

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

	<u>2016</u>	<u>2015</u>
USDA, RD, made October 1, 1985, 11.875%, due in 600 monthly installments, secured by land, buildings and equipment with an original cost of \$1,453,143.	\$ 1,247,541	\$ 1,264,567
Less current maturities	<u>(19,161)</u>	<u>(17,026)</u>
Long-term portion	1,228,380	1,247,541
Unamortized debt issuance costs	<u>(5,246)</u>	<u>(5,525)</u>
Long-term indebtedness	<u>\$ 1,223,134</u>	<u>\$ 1,242,016</u>

Management has determined it is not practicable to determine the fair value of the mortgage debt because of the unique terms of the note. It would not be possible to obtain replacement financing under similar terms.

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

<u>Year</u>	
2017	\$ 19,161
2018	21,565
2019	24,270
2020	27,314
2021	30,740

**POWDER HORN APARTMENTS, LTD. (L.L.L.P.) (COWETA COUNTY)**  
**(A LIMITED PARTNERSHIP)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

**NOTE 5 – LONG-TERM INDEBTEDNESS (CONTINUED)**

Powder Horn Apartments, Ltd. (L.L.L.P.) (Coweta County) incurred interest costs of \$149,260 and \$151,158 for the years ended December 31, 2016 and 2015, respectively, all of which was properly charged to expense.

The accompanying statements of income include amortization of debt issuance costs as a component of interest of \$279 and \$279 for the years ended December 31, 2016 and 2015, respectively.

**NOTE 6 – TAXABLE INCOME (LOSS)**

The financial statements of the Partnership and the Partnership tax returns are prepared on the accrual basis. The following is a reconciliation between net income (loss) as reported and Partnership income (loss) for tax purposes:

	2016	2015
Net Income per financial statement	44,425	\$ 47,337
Book amortization in excess of tax amortization	279	279
Book depreciation in excess of tax depreciation	(2,402)	(2,402)
Partnership Income per tax return	\$ 42,302	\$ 45,214

**NOTE 7 – RELATED PARTY TRANSACTIONS**

The following is a list of related parties and the nature of the relationship to the Partnership and a description of the transactions between the related parties:

**Investors Management Company, Inc.**

Investors Management Company, Inc., an affiliate of the general partner, is the property manager of Powder Horn Apartments, Ltd. (L.L.L.P.) (Coweta County). The partnership paid Investors Management Company, Inc. management fees of \$27,446 and \$26,975 for the years ended December 31, 2016 and 2015, respectively.

**Rural Housing Reinsurance Company International Ltd. (CJ Thomas Company Inc.)**

An affiliate of the general partner is also an owner of CJ Thomas Company, Inc., which provides property insurance to the project. The partnership paid CJ Thomas Company, Inc. insurance fees of \$10,032 and \$10,024 for the years ended December 31, 2016 and 2015, respectively.

**POWDER HORN APARTMENTS, LTD. (L.L.L.P.) (COWETA COUNTY)**  
**(A LIMITED PARTNERSHIP)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

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**NOTE 8 – PARTNERSHIP PROFITS, LOSSES AND DISTRIBUTIONS**

Profits or losses from operations are allocated 99% to the Limited Partner and 1% to the General Partner. Tax credits are to be allocated 99% to the Limited Partner and 1% to the General Partner. Profit or loss from sales of property and cash distributions will be allocated as formulated in the Partnership Agreement. Annual distributions to the partners are limited by government regulation to \$5,880, which is 3% of the borrowers' initial capital investment required by USDA, RD.

**NOTE 9 – CONCENTRATION OF CREDIT RISK – CASH IN BANKS**

Powder Horn Apartments, Ltd. (L.L.L.P.) (Coweta County) maintains its cash accounts at two banks in Valdosta, Georgia. Accounts at the banks are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. A summary of the total insured and uninsured cash balances at December 31 consists of the following:

	<u>2016</u>	<u>2015</u>
Total cash in bank	\$ 283,457	\$ 254,051
Portion insured by FDIC	<u>283,457</u>	<u>250,000</u>
Uninsured cash balances	<u>\$ -</u>	<u>\$ 4,051</u>

**NOTE 10 – COMMITMENTS AND CONTINGENCIES**

USDA, RD may terminate the interest subsidy agreement if it determines that no subsidy is necessary or if the Partnership is determined to be in violation of USDA, RD rules or regulations.

**NOTE 11 – IMPAIRMENT OF LONG-LIVED ASSETS**

FASB ASC 360-10 (formerly FASB Statement No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets*), requires long-lived assets and certain identifiable intangibles to be held and used by an entity be reviewed for impairment whenever events of changes in circumstances indicate that the carrying amount of an asset may not be recoverable through the estimated undiscounted future cash flows from the use of these assets. Through December 31, 2016, no impairment loss recognition has been required.

**POWDER HORN APARTMENTS, LTD. (L.L.L.P.) (COWETA COUNTY)**  
**(A LIMITED PARTNERSHIP)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

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**NOTE 12 – CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS**

The Partnership's sole asset is Rolling Hills Apartments. The Partnership's operations are concentrated in the affordable housing real estate market. In addition, the Partnership operates in a heavily regulated environment. The operations of the Partnership are subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies, including, but not limited to, RD and state agencies. Such administrative directives, rules and regulations are subject to change by an act of Congress or an administrative change mandated by RD or state agencies. Such changes may occur with little notice or inadequate funding to pay for the related cost, including additional administrative burden, to comply with a change.

**NOTE 13 – SUBSEQUENT EVENTS**

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



**POWDER HORN APARTMENTS, LTD. (L.L.L.P.) (COWETA COUNTY)**  
**(A LIMITED PARTNERSHIP)**  
**SUPPLEMENTAL INFORMATION**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

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**1. Management Fee Calculation**

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

Total Qualified Units (50 * 1 month)	50
Less: Rent Free Units (1 * 1 month)	(1)
Vacancies	-
Total Occupied Units	49
Fee Per Unit (Effective February, 2015)	\$ 46.00
Management fees January 2016	2,254
Total Qualified Units (50 * 11 months)	550
Less: Rent Free Units (1 * 11 months)	(11)
Vacancies	(3)
Total Occupied Units	536
Fee Per Unit (Effective February, 2016)	\$ 47.00
Management fees February through December 2016	25,192
Management fee Expense	\$ 27,446

**2. Insurance Disclosure**

The Partnership maintains Insurance coverage as follows:

	Deductible	Coverage
Property Coverage on Buildings	\$ 1,000	\$ 4,000,000
Comprehensive Business Liability	-	2,000,000
Fidelity / Employee Dishonesty	5,000	500,000

**POWDER HORN APARTMENTS, LTD. (L.L.P.) (COWETA COUNTY)**  
**(A LIMITED PARTNERSHIP)**  
**SUPPLEMENTAL INFORMATION**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

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**3. Return to Owner**

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

Maximum Return to Owner (See Note 8)	<u>\$ 5,880</u>
Budget Return to Owner	<u>\$ 5,880</u>
Return to Owner Paid:	
General Partner Distribution	\$ 2,969
Limited Partner Distribution	<u>2,911</u>
	<u>\$ 5,880</u>



# Henderson & Godbee, LLP

Certified Public Accountants and Business Consultants

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

To the Partners of  
Powder Horn Apartments, Ltd. (L.L.L.P.) (Coweta County)  
Valdosta, Georgia

USDA Rural Development  
Cartersville, Georgia

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

### Internal Control over Financial Reporting

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

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

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

#### **Compliance and Other Matters**

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

#### **Purpose of this Report**

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

  
Henderson & Godbee, LLP  
Certified Public Accountants  
Valdosta, Georgia

February 10, 2017

**POWDER HORN APARTMENTS, LTD. (L.L.L.P.) (COWETA COUNTY)**  
**(A LIMITED PARTNERSHIP)**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

**Current Year Findings**

There are no findings this year.

**Status Of Prior Year Findings**

2015-1 – Condition – Cash Account Requirements

The cash accounts were held at one bank and are under insured according to USDA standards. Accounts must be insured by an agency of the Federal Government, backed by collateral proved by the bank, or held in securities meeting the requirements of 7 CFR part 3560.

2015-1 – Management Response

To correct, Management moved the Replacement Reserve account to a different bank in February 2016.

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

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



# Henderson & Godbee, LLP

Certified Public Accountants and Business Consultants

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

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## Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Partners of  
Powder Horn Apartments, Ltd. (L.L.L.P.) (Coweta County)  
Valdosta, Georgia

And

United States Department of Agriculture  
Rural Development  
Cartersville, Georgia

We have performed the procedures enumerated below, which were agreed to by the United States Department of Agriculture Rural Development ("RD") and Powder Horn Apartments, Ltd. (L.L.L.P.) (Coweta County) ("Owner") the owner of Rolling Hills Apartments ("Project") located in Newnan, Georgia, solely to assist those parties in evaluating that the accompanying Form RD 3560-10, Multiple Family Housing Borrower Balance Sheet, Form RD 3560-7, Multiple Family Housing Project Budget ("Financial Reports") and Supporting Documentation are prepared in accordance with the criteria specified in RD Regulations contained in 7 CFR 3560 Section 303(b) and section 306, in accordance with the determinations noted in Attachment 4-D of RD Handbook HB-2-3560, for the year ended December 31, 2016. The owner is responsible for the presentation of the financial reports. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. The sufficiency of these procedures is solely the responsibility of RD and the owner. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. We examined selected receipts, invoices, and cancelled checks (or checks imaging on original bank statement) that support administrative; and operating and maintenance expenses presented on Form RD 3560-7, Part II, line items 1-10 and 19-32 to determine they were incurred as part of the supporting documentation, based on the sample size determined by RD in Attached 4-D of RD Handbook HB-2-3560, for expenses included in Lines 1-10 and 19-32 of Form RD 3560-7 and determined that the services were eligible expenses, in accordance

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with Attachment 4-A of HB-2-3560, and the shipping address agreed to the project address. In addition, we confirmed a sample of the expenditures with the vendors to determine the invoice paid agreed to the vendor's records.

Findings:

Total Number of Invoices in Population: Approximately 360  
Total Dollar Amount of Invoices in Population: \$169,197  
Total Number of Invoices Reviewed: 20  
Total Dollar Amount of Invoices Reviewed: \$6,964  
Total Number of Invoices in Vendor Confirmation Sample: 1  
Total Dollar Amount of Invoices in Vendor Confirmation Sample: \$1,800  
Total Number of Vendor Confirmations Not Received: 0  
Total Dollar Amount of Vendor Confirmations Not Received: \$0  
Total Number of Deviations: 1  
Total Dollar Amount of Deviations: \$14

2. We confirmed the balance in the replacement reserve account presented on Form RD 3560-7, Part III, and confirmed that no amounts were encumbered by the financial institution that holds the accounts. We determined that all balances are within the FDIC insurance limits. We determined number of reserve account withdrawals from the original bank statements and compared the withdrawals to the amounts approved by RD on Form RD 3560-12. We compared the invoices and cancelled checks (or check imaging on original bank statement) to the approved withdrawals from RD.

Findings:

Total Number of Reserve Account Withdrawals: 14  
Total Number of Withdrawals Authorized by RD: 14  
Total Dollar Amount of Reserve Account Withdrawals: \$25,966  
Total Dollar Amount of Withdrawals Authorized by RD: \$25,966  
Total Number of Deviations: 0  
Total Dollar Amount of Deviations: \$0

The confirmation received from the financial institution agreed to the project's bank reconciliation and no encumbrances were noted on the confirmation. All withdrawals were paid to the vendors approved by RD of Form RD 3560-12.

3. We obtained the Identity of Interest (IOI) company listing and Form RD 3560-31 from RD and determined that the services provided and approved fees, if applicable, agree to the actual service and fees charged to the project. We examined a sample of invoices and determined that the services and charges are in accordance with the disclosures contained in Form RD 3560-31 as agreed to by RD.

Findings:

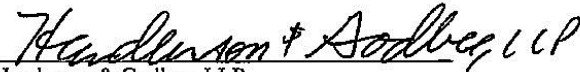
Total Number of Forms RD 3560-31 Received: 2  
Company Name 1: Investor's Management Company, Inc.  
Total Dollar Amount for the Year: \$27,446  
Total Number of Invoices in Population: 12  
Total Dollar Amount of Invoices in Population: \$27,446  
Total Number of Invoices Reviewed: 12  
Total Dollar Amount of Invoices Reviewed: \$27,446

Company Name 2: Rural Housing Reinsurance Company International Ltd. (C.J. Thomas Company Inc.)  
Total Dollar Amount for the Year: \$10,032  
Total Number of Invoices in Population: 1  
Total Dollar Amount of Invoices in Population: \$10,032  
Total Number of Invoices Reviewed: 1  
Total Dollar Amount of Invoices Reviewed: \$10,032

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

We are not engaged to, and did not, conduct an audit of the subject matter, the objective of which would be the expression of an opinion on the agreed-upon procedures, applied to the financial reports and supporting documentation of Powder Horn Apartments, Ltd. (L.L.L.P.) (Coweta County) Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the owner and management agent of Powder Horn Apartments, Ltd. (L.L.L.P.) (Coweta County), and Rural Development, and is not intended to be and should not be used by anyone other than these specified parties.

  
Henderson & Godbee, LLP  
Certified Public Accountants  
Valdosta, Georgia

February 10, 2017



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

<b>PROJECT NAME</b> Rolling Hills Apartments	<b>BORROWER NAME</b> Powder Horn Apartments, Ltd. (L.L.P.) (Coveta County)	<b>BORROWER ID AND PROJECT NO.</b> 10-038-657666505	
BEGINNING DATES>	CURRENT YEAR 01-01-16	PRIOR YEAR 01-01-15	COMMENTS
ENDING DATES>	12-31-16	12-31-15	

**ASSETS**

**CURRENT ASSETS**

1. GENERAL OPERATING ACCOUNT.....	40,680	28,730	
2. R.E. TAX & INSURANCE ACCOUNT.....	40,734	35,731	
3. RESERVE ACCOUNT.....	192,176	179,234	
4. SECURITY DEPOSIT ACCOUNT.....	9,967	10,456	
5. OTHER CASH (Identify) .....			
6. OTHER (Identify) .....			
7. TOTAL ACCOUNTS RECEIVABLE (Attach list) .....	40	1,440	
ACCTS RCVBL 0-30 DAYS \$			
ACCTS RCVBL 30-60 DAYS \$			
ACCTS RCVBL 60-90 DAYS \$			
ACCTS RCVBL OVER 90 DAYS \$			
8. LESS: ALLOWANCE FOR DOUBTFUL ACCOUNTS...			
9. INVENTORIES (supplies) .....			
10. PREPAYMENTS.....			
11.			
12. TOTAL CURRENT ASSETS (Add 1 thru 11)	283,597	255,591	

**FIXED ASSETS**

13. LAND.....	84,000	84,000	
14. BUILDINGS.....	1,416,163	1,416,163	
15. LESS: ACCUMULATED DEPRECIATION.....	(1,416,163)	(1,416,163)	
16. FURNITURE & EQUIPMENT.....	7,066	7,066	
17. LESS: ACCUMULATED DEPRECIATION.....	(7,066)	(7,066)	
18.			
19. TOTAL FIXED ASSETS (Add 13 thru 18) .....	84,000	84,000	

**OTHER ASSETS**

20. Amortizable Assets, Net of Amortization	-	-	
21. TOTAL ASSETS (Add 12, 19, and 20) .....	367,597	339,591	

**LIABILITIES AND OWNERS EQUITY**

**CURRENT LIABILITIES**

22. TOTAL ACCOUNTS PAYABLE (Attach list) .....	9,518	2,821	
ACCTS PAYABLE 0-30 DAYS \$			
ACCTS PAYABLE 30-60 DAYS \$			
ACCTS PAYABLE 60-90 DAYS \$			
ACCTS PAYABLE OVER 90 DAYS \$			
23. NOTES PAYABLE (Attach list) ...Prepaid Rent & Due to Limited Partner	-	-	
24. SECURITY DEPOSITS.....	9,967	10,456	
25. TOTAL CURRENT LIABILITIES (Add 22 thru 24) ...	19,485	13,277	

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0189. The time required to complete this information collection is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

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

**LONG-TERM LIABILITIES**

26. NOTES PAYABLE RURAL DEVELOPMENT	1,242,295	1,259,042	
27. OTHER (Identify) N/P General Partners	-	-	
28. TOTAL LONG-TERM LIABILITIES (Add 26 and 27)	1,242,295	1,259,042	
29. TOTAL LIABILITIES (Add 25 and 28) .....	1,261,780	1,272,319	
30. OWNER'S EQUITY (Net Worth) (21 minus 29) .....	(894,183)	(932,728)	
31 TOTAL LIABILITIES AND OWNER'S EQUITY (Add 29 and 30)	367,597	339,591	

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

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

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

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

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

**PART II-THIRD PARTY VERIFICATION OF REVIEW**

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

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

\_\_\_\_\_  
(Signature)

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

\_\_\_\_\_  
(Name and Title)

\_\_\_\_\_  
(Address)

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

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

POWDER HORN APARTMENTS, LTD. (L.L.L.P.) (COWETA COUNTY)  
ATTACHMENT TO FORM RD 3560-10  
DECEMBER 31, 2016 AND 2015

	2016	2015
<u>Page 25, Line 22</u>		
Travel expenses	\$ 268	\$ -
Office supplies	393	8
Professional services/fees	5,060	-
Monthly grounds	1,490	1,490
Repairs and maintenance	1,901	876
Utilities and telephone	406	447
	\$ 9,518	\$ 2,821
Total	\$ 9,518	\$ 2,821

<u>Page 26, Line 26</u>		
Mortgage payable, USDA, RD	\$ 1,247,541	\$ 1,264,567
Unamortized debt issuance costs	(5,246)	(5,525)
	\$ 1,242,295	\$ 1,259,042
Total	\$ 1,242,295	\$ 1,259,042

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

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

PROJECT NAME Powder Horn Apts Lld LLP		BORROWER NAME Powder Horn Apartments, Ltd		BORROWER ID AND PROJECT NO. 657666505 010	
Loan/Transfer Amount \$ 1,396,500.00		Note Rate Payment \$ 13,857.18		IC Payment \$ 2,958.82	
Reporting Period <input checked="" type="checkbox"/> Annual <input type="checkbox"/> Quarterly <input type="checkbox"/> Monthly	Budget Type <input type="checkbox"/> Initial <input type="checkbox"/> Regular Report <input checked="" type="checkbox"/> Rent Change <input type="checkbox"/> SNR <input type="checkbox"/> Other Servicing	Project Rental Type <input checked="" type="checkbox"/> Family <input type="checkbox"/> Elderly <input type="checkbox"/> Congregate <input type="checkbox"/> Group Home <input type="checkbox"/> Mixed <input type="checkbox"/> LH	Profit Type <input type="checkbox"/> Full Profit <input checked="" type="checkbox"/> Limited Profit <input type="checkbox"/> Non-Profit	The following utilities are metered: <input type="checkbox"/> Electricity <input type="checkbox"/> Gas <input type="checkbox"/> Water <input type="checkbox"/> Sewer <input checked="" type="checkbox"/> Trash <input type="checkbox"/> Other	
				I hereby request 32 units of RA. Current number of RA units 0. Borrower Accounting Method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual	

**PART I—CASH FLOW STATEMENT**

	BEGINNING DATES ENDING DATES>	CURRENT BUDGET (01 - 01 - 16 ) (12 - 31 - 16 )	ACTUAL (01 - 01 - 16 ) (12 - 31 - 16 )	PROPOSED BUDGET (01 - 01 - 17 ) (12 - 31 - 17 )	COMMENTS or (YTD) (01 - 01 - 16 ) (12 - 31 - 16 )
<b>OPERATIONAL CASH SOURCES</b>					
1. RENTAL INCOME .....		262,800.00	281,170.63	282,800.00	49 rev prod u
2. RHS RENTAL ASSISTANCE RECEIVED .....			0.00		
3. APPLICATION FEES RECEIVED .....			361.00		
4. LAUNDRY AND VENDING .....		0.00	0.00	0.00	
5. INTEREST INCOME .....		0.00	-1.69	0.00	
6. TENANT CHARGES .....		3,500.00	4,250.78	3,700.00	
7. OTHER - PROJECT SOURCES .....		0.00	0.00	0.00	misc fees
8. LESS (Vacancy and Contingency Allowance) .....		( 13,140.00)		( 13,434.00)	5%
9. LESS (Agency Approved Incentive Allowance) .....		( 0.00)		( 0.00)	
10. SUB-TOTAL [(1 thru 7) - (8 & 9)] .....		253,160.00	285,780.73	253,066.00	
<b>NON-OPERATIONAL CASH SOURCES</b>					
11. CASH - NON PROJECT .....		0.00	0.00	0.00	
12. AUTHORIZED LOAN (Non-RHS) .....		0.00	0.00	0.00	
13. TRANSFER FROM RESERVE .....		20,000.00	25,966.17	19,410.00	
14. SUB-TOTAL (11 thru 13) .....		20,000.00	25,966.17	19,410.00	
15. TOTAL CASH SOURCES (10+14) .....		273,160.00	311,746.90	272,476.00	
<b>OPERATIONAL CASH USES</b>					
16. TOTAL O&M EXPENSES (From Part II) .....		190,182.00	176,557.04	192,699.00	
17. RHS DEBT PAYMENT .....		35,504.00	35,503.44	35,504.00	
18. RHS PAYMENT (Overage) .....			25,957.00		
19. RHS PAYMENT (Late Fee) .....			0.00		
20. REDUCTION IN PRIOR YEAR PAYABLES .....			0.00		
21. TENANT UTILITY PAYMENTS .....			0.00		
22. TRANSFER TO RESERVE .....		17,965.00	38,908.15	18,965.00	
23. RETURN TO OWNER /NP ASSET MANAGEMENT FEE .....		5,880.00	0.00	5,880.00	2015 RTO in 21
24. SUB-TOTAL (16 thru 23) .....		249,511.00	276,925.63	253,048.00	
<b>NON-OPERATIONAL CASH USES</b>					
25. AUTHORIZED DEBT PAYMENT (Non-RHS) .....		0.00	0.00	0.00	
26. ANNUAL CAPITAL BUDGET (From Part III, Lines 4-6) .....		20,000.00	25,966.17	19,410.00	
27. MISCELLANEOUS .....		0.00	0.49	0.00	Rounding
28. SUB-TOTAL (25 thru 27) .....		20,000.00	25,966.66	19,410.00	
29. TOTAL CASH USES (24+28) .....		269,511.00	302,892.29	272,458.00	
30. NET CASH (DEFICIT) (15-29) .....		3,649.00	8,854.61	18.00	
<b>CASH BALANCE</b>					
31. BEGINNING CASH BALANCE .....		39,045.25	84,481.24	42,694.25	
32. ACCRUAL TO CASH ADJUSTMENT .....			8,097.50		Adjust to accru.
33. ENDING CASH BALANCE (30+31+32) .....		42,694.25	81,413.35	42,712.25	

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0189. The time required to complete this information collection is estimated to average 2 1/2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

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

## PART II—OPERATING AND MAINTENANCE EXPENSE SCHEDULE

	CURRENT BUDGET	ACTUAL	PROPOSED BUDGET	COMMENTS or (YTD)
1. MAINTENANCE AND REPAIRS PAYROLL .....	21,000.00	28,505.91	25,000.00	
2. MAINTENANCE AND REPAIRS SUPPLY .....	17,000.00	15,815.97	16,000.00	
3. MAINTENANCE AND REPAIRS CONTRACT .....	0.00	0.00	0.00	
4. PAINTING .....	3,000.00	3,249.77	3,100.00	
5. SNOW REMOVAL .....	0.00	0.00	0.00	
6. ELEVATOR MAINTENANCE/CONTRACT .....	0.00	0.00	0.00	
7. GROUNDS .....	19,180.00	18,275.21	19,180.00	1490/M + 1300
8. SERVICES .....	4,750.00	4,050.00	4,750.00	275/M/PestCon
9. ANNUAL CAPITAL BUDGET (From Part V - Operating)	0.00	0.00	0.00	
10. OTHER OPERATING EXPENSES (Itemize) .....	350.00	231.51	350.00	UA calc fees
11. SUB-TOTAL MAINT. & OPERATING (1 thru 10) .....	65,280.00	68,128.37	68,380.00	
12. ELECTRICITY <input type="checkbox"/> If master metered .....	6,000.00	4,597.18	5,800.00	
13. WATER <input type="checkbox"/> check box on .....	1,250.00	1,002.99	1,250.00	
14. SEWER <input type="checkbox"/> front .....	800.00	591.30	800.00	
15. FUEL (Oil/Coal/Gas) .....	0.00	0.00	0.00	
16. GARBAGE & TRASH REMOVAL .....	4,000.00	4,278.50	5,000.00	
17. OTHER UTILITIES .....	0.00	0.00	0.00	
18. SUB-TOTAL UTILITIES (12 thru 17) .....	12,050.00	10,470.07	12,850.00	
19. SITE MANAGEMENT PAYROLL .....	26,144.00	24,451.92	24,876.00	2073/M (3% Inc
20. MANAGEMENT FEE .....	27,636.00	27,446.00	28,812.00	\$49x49Ux12M
21. PROJECT AUDITING EXPENSE .....	4,000.00	3,880.00	4,000.00	
22. PROJECT BOOKKEEPING/ACCOUNTING .....	0.00	0.00	0.00	
23. LEGAL EXPENSES .....	550.00	1,782.22	750.00	
24. ADVERTISING .....	300.00	104.55	300.00	
25. TELEPHONE & ANSWERING SERVICE .....	2,000.00	2,241.84	2,400.00	
26. OFFICE SUPPLIES .....	3,100.00	3,113.64	3,200.00	
27. OFFICE FURNITURE & EQUIPMENT .....	1,336.00	1,904.34	1,334.00	79/MCompSup
28. TRAINING EXPENSE .....	716.00	739.36	1,222.00	
29. HEALTH INS. & OTHER EMP. BENEFITS .....	450.00	1,838.95	1,500.00	
30. PAYROLL TAXES .....	4,650.00	4,466.94	4,800.00	
31. WORKER'S COMPENSATION .....	800.00	808.06	825.00	
32. OTHER ADMINISTRATIVE EXPENSES (Itemize) .....	300.00	7,480.87	300.00	Property Tax C
33. SUB-TOTAL ADMINISTRATIVE (19 thru 32) .....	71,982.00	80,278.71	74,319.00	
34. REAL ESTATE TAXES .....	29,000.00	6,818.37	25,000.00	
35. SPECIAL ASSESSMENTS .....	0.00	0.00	0.00	
36. OTHER TAXES, LICENSES & PERMITS .....	850.00	629.52	850.00	bus lic
37. PROPERTY & LIABILITY INSURANCE .....	10,800.00	10,032.00	11,100.00	222/U (3% Inc)
38. FIDELITY COVERAGE INSURANCE .....	0.00	0.00	0.00	
39. OTHER INSURANCE .....	200.00	0.00	200.00	EPL
40. SUB-TOTAL TAXES & INSURANCE (34 thru 39) .....	40,850.00	17,679.89	37,150.00	
41. TOTAL O&M EXPENSES (11+18+33+40) .....	190,162.00	176,557.04	192,899.00	

**PART III— ACCOUNT BUDGETING/STATUS**

	CURRENT BUDGET	ACTUAL	PROPOSED BUDGET	COMMENTS or (YTD)
<b>RESERVE ACCOUNT:</b>				
1. BEGINNING BALANCE .....	137,856.67	179,234.26	135,621.67	
2. TRANSFER TO RESERVE .....	17,965.00	38,908.15	18,965.00	\$1164/M + \$5k
TRANSFER FROM RESERVE.....				
3. OPERATING DEFICIT .....	0.00	0.00	0.00	
4. ANNUAL CAPITAL BUDGET ( <i>Part V- Reserve</i> ) .....	20,000.00	20,086.17	19,410.00	
5. BUILDING & EQUIPMENT REPAIR .....	0.00	0.00	0.00	
6. OTHER NON-OPERATING EXPENSES .....	0.00	5,880.00	0.00	2015 RTO
7. TOTAL (3 thru 6) .....	( 20,000.00)	( 25,966.17)	( 19,410.00)	
8. ENDING BALANCE [(1+2)-7] .....	135,621.67	192,176.24	135,176.67	

**GENERAL OPERATING ACCOUNT:\***

BEGINNING BALANCE .....	28,730.36	
ENDING BALANCE .....	40,679.41	

**REAL ESTATE TAX AND INSURANCE ESCROW  
ACCOUNT:\***

BEGINNING BALANCE .....	35,730.88	
ENDING BALANCE .....	40,733.94	

**TENANT SECURITY DEPOSIT ACCOUNT:\***

BEGINNING BALANCE .....	10,456.00	
ENDING BALANCE .....	9,967.00	

(\*Complete upon submission of actual expenses.)

NUMBER OF APPLICANTS ON THE WAITING LIST	9	RESERVE ACCT. REQ. BALANCE.....	0.00
NUMBER OF APPLICANTS NEEDING RA.....	9	AMOUNT AHEAD/BEHIND .....	0.00

**PART IV—RENT SCHEDULE AND UTILITY ALLOWANCE**

**A. CURRENT APPROVED RENTS/ UTILITY ALLOWANCE**

UNIT DESCRIPTION			RENTAL RATES			POTENTIAL INCOME FROM EACH RATE			UTILITY ALLOWANCE
BR SIZE	UNIT TYPE	NUMBER	BASIC	NOTE RATE	HUD	BASIC	NOTE RATE	HUD	
1	N	16	420.00	625.00	0.00	80,640.00	120,000.00	0.00	120.00
2	N	33	460.00	681.00	0.00	182,160.00	269,676.00	0.00	130.00
2	Z	1	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>CURRENT RENT TOTALS:</b>						<b>262,800.00</b>	<b>389,676.00</b>	<b>0.00</b>	
						BASIC	NOTE	HUD	

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

UNIT DESCRIPTION			RENTAL RATES			POTENTIAL INCOME FROM EACH RATE		
BR SIZE	UNIT TYPE	NUMBER	BASIC	NOTE RATE	HUD	BASIC	NOTE RATE	HUD
1	N	16	420.00	625.00	0.00	80,640.00	120,000.00	0.00
2	N	33	460.00	681.00	0.00	182,160.00	269,676.00	0.00
2	Z	1	0.00	0.00	0.00	0.00	0.00	0.00
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00
<b>PROPOSED RENT TOTALS:</b>						<b>262,800.00</b>	<b>389,676.00</b>	<b>0.00</b>
						BASIC	NOTE	HUD

**C. PROPOSED UTILITY ALLOWANCE - Effective Date: 12 / 31 / 16**

MONTHLY DOLLAR ALLOWANCES									
BR SIZE	UNIT TYPE	NUMBER	ELECTRIC	GAS	WATER	SEWER	TRASH	OTHER	TOTAL
1	N	16	85.00	0.00	17.00	18.00	0.00	0.00	120.00
2	N	33	83.00	0.00	27.00	20.00	0.00	0.00	130.00
2	Z	1	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0	*	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00

**PART V - ANNUAL CAPITAL BUDGET**

	Proposed Number of Units/Items	Proposed from Reserve	Actual from Reserve	Proposed from Operating	Actual from Operating	Actual Total Cost	Total Actual Units/Items
<b>Appliances:</b>							
Range .....	2	750.00	0.00	0.00	0.00	0.00	0
Refrigerator .....	2	1,010.00	3,397.25	0.00	0.00	3,397.25	5
Range Hood .....	0	0.00	0.00	0.00	0.00	0.00	0
Washers & Dryers .....	0	0.00	0.00	0.00	0.00	0.00	0
Other: .....	0	0.00	0.00	0.00	0.00	0.00	0
<b>Carpet &amp; Vinyl:</b>							
1BR .....	0	0.00	0.00	0.00	0.00	0.00	0
2BR .....	4	4,800.00	3,838.92	0.00	0.00	3,838.92	3
3BR .....	0	0.00	0.00	0.00	0.00	0.00	0
4BR .....	0	0.00	0.00	0.00	0.00	0.00	0
Other: .....	0	0.00	0.00	0.00	0.00	0.00	0
<b>Cabinets:</b>							
Kitchens .....	0	0.00	0.00	0.00	0.00	0.00	0
Bathrooms .....	0	0.00	0.00	0.00	0.00	0.00	0
Other: .....	0	0.00	0.00	0.00	0.00	0.00	0
<b>Doors:</b>							
Exterior .....	0	0.00	0.00	0.00	0.00	0.00	0
Interior .....	0	0.00	0.00	0.00	0.00	0.00	0
Other: .....	0	0.00	0.00	0.00	0.00	0.00	0
<b>Window Coverings:</b>							
List: .....	0	0.00	0.00	0.00	0.00	0.00	0
Other: .....	0	0.00	0.00	0.00	0.00	0.00	0
<b>Heating &amp; Air Conditioning:</b>							
Heating .....	0	0.00	0.00	0.00	0.00	0.00	0
Air Conditioning .....	4	12,000.00	12,000.00	0.00	0.00	12,000.00	4
Other: .....	0	0.00	0.00	0.00	0.00	0.00	0
<b>Plumbing:</b>							
Water Heater .....	2	850.00	850.00	0.00	0.00	850.00	1
Bath Sinks .....	0	0.00	0.00	0.00	0.00	0.00	0
Kitchen Sinks .....	0	0.00	0.00	0.00	0.00	0.00	0
Faucets .....	0	0.00	0.00	0.00	0.00	0.00	0
Toilets .....	0	0.00	0.00	0.00	0.00	0.00	0
Other .....	0	0.00	0.00	0.00	0.00	0.00	0
<b>Major Electrical:</b>							
List: .....		0.00	0.00	0.00	0.00	0.00	
Other: .....		0.00	0.00	0.00	0.00	0.00	
<b>Structures:</b>							
Windows .....	0	0.00	0.00	0.00	0.00	0.00	0
Screens .....	0	0.00	0.00	0.00	0.00	0.00	0
Walls .....		0.00	0.00	0.00	0.00	0.00	
Roofing .....		0.00	0.00	0.00	0.00	0.00	
Siding .....		0.00	0.00	0.00	0.00	0.00	
Exterior Painting .....		0.00	0.00	0.00	0.00	0.00	
Other .....		0.00	0.00	0.00	0.00	0.00	
<b>Paving:</b>							
Asphalt .....		0.00	0.00	0.00	0.00	0.00	
Concrete .....		0.00	0.00	0.00	0.00	0.00	
Seal & Stripe .....		0.00	0.00	0.00	0.00	0.00	
Other: .....		0.00	0.00	0.00	0.00	0.00	
<b>Landscape &amp; Grounds:</b>							
Landscaping .....		0.00	0.00	0.00	0.00	0.00	
Lawn Equipment .....		0.00	0.00	0.00	0.00	0.00	
Fencing .....		0.00	0.00	0.00	0.00	0.00	
Recreation Area .....		0.00	0.00	0.00	0.00	0.00	
Signs .....		0.00	0.00	0.00	0.00	0.00	
Other: .....		0.00	0.00	0.00	0.00	0.00	
<b>Accessibility Features:</b>							
List: .....		0.00	0.00	0.00	0.00	0.00	
Other: .....		0.00	0.00	0.00	0.00	0.00	
<b>Automation Equipment:</b>							
Site Management .....		0.00	0.00	0.00	0.00	0.00	
Common Area .....		0.00	0.00	0.00	0.00	0.00	
Other: .....		0.00	0.00	0.00	0.00	0.00	
<b>Other:</b>							
List: .....		0.00	0.00	0.00	0.00	0.00	
List: .....		0.00	0.00	0.00	0.00	0.00	
List: .....		0.00	0.00	0.00	0.00	0.00	
<b>TOTAL CAPITAL EXPENSES:</b>	<b>14</b>	<b>19,410.00</b>	<b>20,086.17</b>	<b>0.00</b>	<b>0.00</b>	<b>20,086.17</b>	<b>13</b>



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

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

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

\_\_\_\_\_  
(DATE)

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

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

\_\_\_\_\_  
AGENCY APPROVAL (*Rural Development Approval Official*):

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

**COMMENTS:**

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Line 13. Actual transfers from 1% reserve were 30% over budget primarily due to more HVAC replacement than budgeted.

Line 23. The 2016 RTO was paid in 2016. Because the property did not have positive cash flow in 2015, RD approved payment of this RTO from the RR account instead of the Operating Account. Therefore, this line is zero because it was not paid from the Operating Account. Instead, it was paid from the Replacement Reserve Account and reflected in Part III, Line 6.

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Line 11. Actual Maintenance and Operating Expenses were 4% over budget.

Line 18. Actual Utilities were 13% under budget. Electricity, Water, and Sewer were all under budget.

Line 33. Actual Administrative Expenses were 12% over budget primarily due to consulting fees paid to a property tax consultant to review and appeal property taxes. While this category is higher than budget, the appeal resulted in lower property taxes as reported on line 34.

Line 40. Actual Tax & Insurance Expense was much less than budget due to the settled appeal of several years of property taxes.

**PART V - ANNUAL CAPITAL BUDGET (ADDENDUM)**

	Current Number of Units/Items	Current from Reserved	YTD from Reserve	Current from Operating	YTD from Operating	YTD Total Cost	Total YTD Units/Items
<b>Appliances:</b>							
Range .....	3	1,500.00	0.00	0.00	0.00	0.00	0
Refrigerator .....	2	1,800.00	3,397.25	0.00	0.00	3,397.25	5
Range Hood .....	0	0.00	0.00	0.00	0.00	0.00	0
Washers & Dryers .....	0	0.00	0.00	0.00	0.00	0.00	0
Other: .....	0	0.00	0.00	0.00	0.00	0.00	0
<b>Carpet &amp; Vinyl:</b>							
1BR .....	2	2,200.00	0.00	0.00	0.00	0.00	0
2BR .....	4	4,800.00	3,836.92	0.00	0.00	3,836.92	3
3BR .....	0	0.00	0.00	0.00	0.00	0.00	0
4BR .....	0	0.00	0.00	0.00	0.00	0.00	0
Other: .....	0	0.00	0.00	0.00	0.00	0.00	0
<b>Cabinets:</b>							
Kitchens .....	0	0.00	0.00	0.00	0.00	0.00	0
Bathrooms .....	0	0.00	0.00	0.00	0.00	0.00	0
Other: .....	0	0.00	0.00	0.00	0.00	0.00	0
<b>Doors:</b>							
Exterior .....	0	0.00	0.00	0.00	0.00	0.00	0
Interior .....	0	0.00	0.00	0.00	0.00	0.00	0
Other: .....	0	0.00	0.00	0.00	0.00	0.00	0
<b>Window Coverings:</b>							
List: .....	0	0.00	0.00	0.00	0.00	0.00	0
Other: .....	0	0.00	0.00	0.00	0.00	0.00	0
<b>Heating &amp; Air Conditioning:</b>							
Heating .....	0	0.00	0.00	0.00	0.00	0.00	0
Air Conditioning .....	3	9,000.00	12,000.00	0.00	0.00	12,000.00	4
Other: .....	0	0.00	0.00	0.00	0.00	0.00	0
<b>Plumbing:</b>							
Water Heater .....	2	700.00	850.00	0.00	0.00	850.00	1
Bath Sinks .....	0	0.00	0.00	0.00	0.00	0.00	0
Kitchen Sinks .....	0	0.00	0.00	0.00	0.00	0.00	0
Faucets .....	0	0.00	0.00	0.00	0.00	0.00	0
Toilets .....	0	0.00	0.00	0.00	0.00	0.00	0
Other: .....	0	0.00	0.00	0.00	0.00	0.00	0
<b>Major Electrical:</b>							
List: .....		0.00	0.00	0.00	0.00	0.00	
Other: .....		0.00	0.00	0.00	0.00	0.00	
<b>Structures:</b>							
Windows .....	0	0.00	0.00	0.00	0.00	0.00	0
Screens .....	0	0.00	0.00	0.00	0.00	0.00	0
Walls .....		0.00	0.00	0.00	0.00	0.00	
Roofing .....		0.00	0.00	0.00	0.00	0.00	
Siding .....		0.00	0.00	0.00	0.00	0.00	
Exterior Painting .....		0.00	0.00	0.00	0.00	0.00	
Other: .....		0.00	0.00	0.00	0.00	0.00	
<b>Paving:</b>							
Asphalt .....		0.00	0.00	0.00	0.00	0.00	
Concrete .....		0.00	0.00	0.00	0.00	0.00	
Seal & Stripe .....		0.00	0.00	0.00	0.00	0.00	
Other: .....		0.00	0.00	0.00	0.00	0.00	
<b>Landscape &amp; Grounds:</b>							
Landscaping .....		0.00	0.00	0.00	0.00	0.00	
Lawn Equipment .....		0.00	0.00	0.00	0.00	0.00	
Fencing .....		0.00	0.00	0.00	0.00	0.00	
Recreation Area .....		0.00	0.00	0.00	0.00	0.00	
Signs .....		0.00	0.00	0.00	0.00	0.00	
Other: .....		0.00	0.00	0.00	0.00	0.00	
<b>Accessibility Features:</b>							
List: .....		0.00	0.00	0.00	0.00	0.00	
Other: .....		0.00	0.00	0.00	0.00	0.00	
<b>Automation Equipment:</b>							
Site Management .....		0.00	0.00	0.00	0.00	0.00	
Common Area .....		0.00	0.00	0.00	0.00	0.00	
Other: .....		0.00	0.00	0.00	0.00	0.00	
<b>Other:</b>							
List: .....		0.00	0.00	0.00	0.00	0.00	
List: .....		0.00	0.00	0.00	0.00	0.00	
List: .....		0.00	0.00	0.00	0.00	0.00	
<b>TOTAL CAPITAL EXPENSES:</b>	<b>16</b>	<b>20,000.00</b>	<b>20,086.17</b>	<b>0.00</b>	<b>0.00</b>	<b>20,086.17</b>	<b>13</b>

**Balance Sheet (Cash)  
Rolling Hills - (400)  
April 2017**

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**CURRENT ASSETS**

**CASH**

1010.0 Petty Cash	100.00
1020.0 CDA-Checking	1,750.82
1021.0 Operating-Checking	48,455.70
1030.0 Tax & Insurance Reserve	31,591.94
1040.0 Replacement Reserve	200,444.70
<b>TOTAL CASH</b>	282,343.16

1130.0 A/R Tenants	39.80
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**FIXED ASSETS**

2010.0 Land	84,000.00
2030.0 Buildings	1,416,162.59
2080.0 Furniture & Fixtures	7,065.50
2110.0 Accumulated Depreciation-Buildings	-1,416,162.59
2120.0 Accumulated Depreciation-Furniture & Fixt	-7,065.50
<b>TOTAL FIXED ASSETS</b>	84,000.00

**OTHER ASSETS**

2510.0 Security Deposits-Checking	10,117.00
2520.0 Loan Fee	13,965.00
2540.0 Organization Costs	17,040.00
2570.0 Accumulated Amortization	-25,759.00
<b>TOTAL OTHER ASSETS</b>	15,363.00

<b>TOTAL ASSETS</b>	381,745.96
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**LIABILITIES & CAPITAL**

**CURRENT LIABILITIES**

3021.0 Security Deposits Payable	10,117.00
3028.0 Accounts Payable	9,518.32
<b>TOTAL CURRENT LIABILITIES</b>	19,635.32

**LONG TERM LIABILITIES**

4020.0 Mortgage Payable	1,247,541.65
<b>TOTAL LONG TERM LIABILITIES</b>	1,247,541.65

<b>TOTAL LIABILITIES</b>	1,267,176.97
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**CAPITAL**

5006.0 Return To Owners	-5,880.40
5020.0 General Partners Equity	-59,075.36
5030.0 Retained Earnings	53,177.39
5040.0 Limited Partners Equity	-827,313.71
5050.0 General Partners Capital	-4,962.64
5051.0 Limited Partners Capital	-41,376.29
<b>TOTAL CAPITAL</b>	-885,431.01

<b>TOTAL LIABILITIES &amp; CAPITAL</b>	381,745.96
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**Budget Comparison (Cash)  
Rolling Hills - (400)  
April 2017**

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	MTD Actual	MTD Budget	\$ Var.	% Var.	YTD Actual	YTD Budget	\$ Var.	% Var.	Annual
<b>INCOME</b>									
<b>RENT INCOME</b>									
6010.0 Income-Rent	26,617.00	21,900.00	4,717.00	21.54	96,695.25	87,600.00	9,095.25	10.38	262,800.00
<b>TOTAL RENT INCOME</b>	26,617.00	21,900.00	4,717.00	21.54	96,695.25	87,600.00	9,095.25	10.38	262,800.00
<b>OTHER INCOME</b>									
6015.0 Income-Application Fee	0.00	0.00	0.00	0	125.00	0.00	125.00	0	0.00
6018.0 Tenant Charges/Damag	0.00	38.54	-38.54	-100.0	42.75	154.16	-111.41	-72.27	462.50
6029.0 Income-Cleaning & Rep	0.00	38.54	-38.54	-100.0	115.95	154.16	-38.21	-24.79	462.50
6030.0 Income-Late Fees	56.00	154.17	-98.17	-63.68	604.00	616.68	-12.68	-2.06	1,850.00
6031.0 Forfeited Security Depo	0.00	38.54	-38.54	-100.0	0.00	154.16	-154.16	-100.0	462.50
6033.0 Income-Miscellaneous	0.00	38.54	-38.54	-100.0	25.00	154.16	-129.16	-83.78	462.50
<b>TOTAL OTHER INCOME</b>	56.00	308.33	-252.33	-81.84	912.70	1,233.32	-320.62	-26.00	3,700.00
<b>TOTAL INCOME</b>	26,673.00	22,208.33	4,464.67	20.10	97,607.95	88,833.32	8,774.63	9.88	266,500.00
<b>OFFSETS TO INCOME</b>									
7100.0 Vacancy Allowance	0.00	-1,119.50	1,119.50	100.0	0.00	-4,478.00	4,478.00	100.0	-13,434.00
7300.0 Rural Development Ove	-1,928.00	0.00	-1,928.00	0	-7,892.00	0.00	-7,892.00	0	0.00
<b>TOTAL OFFSETS</b>	-1,928.00	-1,119.50	-808.50	-72.22	-7,892.00	-4,478.00	-3,414.00	-76.24	-13,434.00
<b>TOTAL INCOME AFTER O</b>	24,745.00	21,088.83	3,656.17	17.34	89,715.95	84,355.32	5,360.63	6.35	253,066.00
<b>OPERATING EXPENSES</b>									
<b>OPERATING &amp; MAINTENANCE</b>									
<b>MAINTENANCE &amp; REPAIRS PAYR</b>									
8045.0 Payroll-Maintenance Pe	2,066.40	2,083.33	16.93	0.81	8,586.55	8,333.32	-253.23	-3.04	25,000.00
<b>TOTAL MAINTENANCE &amp; RE</b>	2,066.40	2,083.33	16.93	0.81	8,586.55	8,333.32	-253.23	-3.04	25,000.00
<b>MAINTENANCE &amp; REPAIRS SUP</b>									
8075.0 R&M Building Supplies	262.78	333.33	70.55	21.17	1,212.97	1,333.32	120.35	9.03	4,000.00
8080.0 R&M-Heating & Air Sup	392.29	333.33	-58.96	-17.69	679.41	1,333.32	653.91	49.04	4,000.00
8085.0 R&M-Plumbing Supplie	49.16	333.33	284.17	85.25	208.11	1,333.32	1,125.21	84.39	4,000.00
8090.0 R&M-Appliance Supplie	39.26	333.33	294.07	88.22	498.85	1,333.32	834.47	62.59	4,000.00
8095.0 R&M-Carpet Replaceme	656.11	0.00	-656.11	0	772.06	0.00	-772.06	0	0.00
<b>TOTAL MAINTENANCE &amp; RE</b>	1,399.60	1,333.32	-66.28	-4.97	3,371.40	5,333.28	1,961.88	36.79	16,000.00
<b>UNIT TURNS</b>									
8135.0 Paint/Clean/Clean Carp	485.00	258.33	-226.67	-87.74	560.00	1,033.32	473.32	45.81	3,100.00
<b>TOTAL UNIT TURNS</b>	485.00	258.33	-226.67	-87.74	560.00	1,033.32	473.32	45.81	3,100.00
<b>GROUNDS</b>									
8160.0 Monthly Contracted Gr	1,490.00	1,490.00	0.00	0.00	5,960.00	5,960.00	0.00	0.00	17,880.00
8175.0 Grounds Supplies	0.00	108.33	108.33	100.0	0.00	433.32	433.32	100.0	1,300.00
<b>TOTAL GROUNDS</b>	1,490.00	1,598.33	108.33	6.78	5,960.00	6,393.32	433.32	6.78	19,180.00
<b>PEST CONTROL</b>									
8195.0 Pest Control Service	0.00	275.00	275.00	100.0	1,650.00	1,100.00	-550.00	-50.00	4,300.00
8200.0 Termite Service/Bond	0.00	0.00	0.00	0	0.00	0.00	0.00	0	450.00
<b>TOTAL PEST CONTROL</b>	0.00	275.00	275.00	100.0	1,650.00	1,100.00	-550.00	-50.00	4,750.00
<b>OTHER OPERATING EXPENSES</b>									
8220.0 Outside Services	0.00	29.17	29.17	100.0	0.00	116.68	116.68	100.0	350.00
<b>TOTAL OTHER OPERATING</b>	0.00	29.17	29.17	100.0	0.00	116.68	116.68	100.0	350.00
<b>TOTAL OPERATING &amp; MAIN</b>	5,441.00	5,577.48	136.48	2.45	20,127.95	22,309.92	2,181.97	9.78	68,380.00
<b>UTILITIES</b>									
8255.0 Utilities-Electricity	348.77	483.33	134.56	27.84	1,419.61	1,933.32	513.71	26.57	5,800.00
8260.0 Utilities-Water	75.17	104.17	29.00	27.84	295.99	416.68	120.69	28.96	1,250.00
8265.0 Utilities-Sewer	70.93	66.67	-4.26	-6.39	279.85	266.68	-13.17	-4.94	800.00
8275.0 Utilities-Sanitation	368.72	416.67	47.95	11.51	1,474.88	1,666.68	191.80	11.51	5,000.00
<b>TOTAL UTILITIES</b>	863.59	1,070.84	207.25	19.35	3,470.33	4,283.36	813.03	18.98	12,850.00

**Budget Comparison (Cash)  
Rolling Hills - (400)  
April 2017**

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	MTD Actual	MTD Budget	\$ Var.	% Var.	YTD Actual	YTD Budget	\$ Var.	% Var.	Annual
<b>ADMINISTRATIVE</b>									
8310.0 Site Management Payro	2,073.33	2,073.00	-0.33	-0.02	8,111.31	8,292.00	180.69	2.18	24,876.00
8315.0 Management Fees	2,401.00	2,401.00	0.00	0.00	9,506.00	9,604.00	98.00	1.02	28,812.00
8320.0 Accounting/Auditing Fe	0.00	0.00	0.00	0	3,880.00	4,000.00	120.00	3.00	4,000.00
8325.0 Legal Expenses	0.00	62.50	62.50	100.0	285.00	250.00	-35.00	-14.00	750.00
8330.0 Advertising	0.00	25.00	25.00	100.0	0.00	100.00	100.00	100.0	300.00
8335.0 Telephone	203.30	200.00	-3.30	-1.65	812.03	800.00	-12.03	-1.50	2,400.00
8340.0 Office Supplies	0.00	266.67	266.67	100.0	575.16	1,066.68	491.52	46.08	3,200.00
8350.0 Computer Equipment,	79.00	111.17	32.17	28.94	648.02	444.68	-203.34	-45.73	1,334.00
8355.0 Prospect Screening Ex	65.00	0.00	-65.00	0	202.25	0.00	-202.25	0	0.00
8360.0 Training Expenses	18.00	101.83	83.83	82.32	72.00	407.32	335.32	82.32	1,222.00
8361.0 Travel Expenses	0.00	0.00	0.00	0	268.38	0.00	-268.38	0	0.00
8365.0 Group Health Insurance	28.20	62.50	34.30	54.88	112.80	250.00	137.20	54.88	750.00
8370.0 Retirement Plan Expen	124.94	62.50	-62.44	-99.90	503.94	250.00	-253.94	-101.5	750.00
8375.0 Payroll Taxes-FICA	329.44	360.00	30.56	8.49	1,328.35	1,440.00	111.65	7.75	4,320.00
8380.0 Unemployment Taxes	38.92	40.00	1.08	2.70	206.05	160.00	-46.05	-28.78	480.00
8385.0 Workmans Compensati	0.00	68.75	68.75	100.0	1,001.51	275.00	-726.51	-264.1	825.00
8390.0 Bank Charges/Fees	0.00	0.00	0.00	0	49.37	0.00	-49.37	0	0.00
8405.0 Postage & Shipping	13.75	0.00	-13.75	0	106.36	0.00	-106.36	0	0.00
8410.0 Professional Services/F	300.00	25.00	-275.00	-1,100	5,359.64	100.00	-5,259.64	-5,259	300.00
<b>TOTAL ADMINISTRATIVE</b>	<b>5,674.88</b>	<b>5,859.92</b>	<b>185.04</b>	<b>3.16</b>	<b>33,028.17</b>	<b>27,439.68</b>	<b>-5,588.49</b>	<b>-20.37</b>	<b>74,319.00</b>
<b>TAXES &amp; INSURANCE</b>									
8440.0 Taxes-Real Estate	0.00	0.00	0.00	0	0.00	0.00	0.00	0	25,000.00
8445.0 Licenses & Permits	0.00	70.83	70.83	100.0	744.98	283.32	-461.66	-162.9	850.00
8450.0 Property Insurance	0.00	0.00	0.00	0	9,942.00	11,100.00	1,158.00	10.43	11,100.00
8460.0 EPL Insurance	0.00	16.67	16.67	100.0	0.00	66.68	66.68	100.0	200.00
<b>TOTAL TAXES &amp; INSURANC</b>	<b>0.00</b>	<b>87.50</b>	<b>87.50</b>	<b>100.0</b>	<b>10,686.98</b>	<b>11,450.00</b>	<b>763.02</b>	<b>6.66</b>	<b>37,150.00</b>
8510.0 Replacement Reserve P	1,164.00	1,163.75	-0.25	-0.02	9,656.00	9,655.00	-1.00	-0.01	18,965.00
<b>TOTAL OPERATING EXPE</b>	<b>13,143.47</b>	<b>13,759.49</b>	<b>616.02</b>	<b>4.48</b>	<b>76,969.43</b>	<b>75,137.96</b>	<b>-1,831.47</b>	<b>-2.44</b>	<b>211,664.00</b>
<b>OPERATING INCOME BEFORE D</b>	<b>11,601.53</b>	<b>7,329.34</b>	<b>4,272.19</b>	<b>58.29</b>	<b>12,746.52</b>	<b>9,217.36</b>	<b>3,529.16</b>	<b>38.29</b>	<b>41,402.00</b>
<b>DEBT SERVICE</b>									
8805.0 Rural Development Pay	2,958.62	2,958.67	0.05	0.00	11,834.48	11,834.68	0.20	0.00	35,504.00
<b>TOTAL DEBT SERVICE</b>	<b>2,958.62</b>	<b>2,958.67</b>	<b>0.05</b>	<b>0.00</b>	<b>11,834.48</b>	<b>11,834.68</b>	<b>0.20</b>	<b>0.00</b>	<b>35,504.00</b>
<b>OPERATING INCOME AFTER DE</b>	<b>8,642.91</b>	<b>4,370.67</b>	<b>4,272.24</b>	<b>97.75</b>	<b>912.04</b>	<b>-2,617.32</b>	<b>3,529.36</b>	<b>134.8</b>	<b>5,898.00</b>
<b>REPLACEMENT RESERVE</b>									
8910.0 1% Building Repair & I	654.91	400.00	-254.91	-63.73	1,387.54	1,600.00	212.46	13.28	4,800.00
8915.0 1% Equipment Repair &	426.93	1,217.50	790.57	64.93	426.93	4,870.00	4,443.07	91.23	14,610.00
<b>TOTAL REPLACEMENT RES</b>	<b>1,081.84</b>	<b>1,617.50</b>	<b>535.66</b>	<b>33.12</b>	<b>1,814.47</b>	<b>6,470.00</b>	<b>4,655.53</b>	<b>71.96</b>	<b>19,410.00</b>
8945.0 Reserve Payments Adjustm	-1,164.00	0.00	1,164.00	0	-9,656.00	0.00	9,656.00	0	0.00
<b>NET</b>	<b>8,725.07</b>	<b>2,753.17</b>	<b>5,971.90</b>	<b>216.9</b>	<b>8,753.57</b>	<b>-9,087.32</b>	<b>17,840.89</b>	<b>196.3</b>	<b>-13,512.00</b>



United States Department of Agriculture

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December 22, 2016

*Sent Via Email*

David A. Brown  
General Partner  
3548 North Crossing Circle  
Valdosta, GA 1612

Subject: Powder Horn Apartments, Ltd.  
Newnan, Georgia

Dear Mr. Brown:

Attached you will find the approved 2017 budget and utility allowance with no changes for the 2017 year. The Management Certification has been approved increasing the Management Fee for the 2017 year. This is also attached for your records. The Management Plan has not been approved at this time, a corrected plan should be submitted along with your proposal and attorney letter regarding the change to become a non-smoking property should be provided as previously advised within *ten days* from the date of this letter ( **January 2, 2017**).

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

Sincerely,

*Kayla R. Estes*  
*for*  
EVETTE M. JONES  
Area Director

/ke

cc Investors Management Company

**Rural Development • Newnan Sub Area Office**  
246 Bullsboro Drive, Suite C • Newnan, GA 30263-3167  
Voice (770) 253-2555 • TDD (706) 546-2011 • Fax (855) 606-4587

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Project Name: ROLLING HILLS APES State: 10 Servicing Office: 601 County: 38  
 Borrower Name: POWDER HORN APTS LIMITED Borr ID: 657666505 Prj Nbr: 01-0 Paid Code: Active  
 Classification: C Fiscal Year: 2017 Version: 01/01/2017 RECEIVED Totals: By Project Analyzed: N

Item	Current Budget	Actual	Proposed Budget	Comment
Effective Dates:	01/01/2016	01/01/2016	01/01/2017	
Ending Dates:	12/31/2016	12/31/2016	12/31/2017	
<b>PART II - O&amp;M EXPENSE SCHEDULE</b>				
1. Maint. @ Repairs Payroll	21,000.00		25,000.00	
2. Maint. @ Repairs Supply	17,000.00		16,000.00	
3. Maint. @ Repairs Contract	0.00		0.00	
4. Painting	3,000.00		3,100.00	
5. Snow Removal	0.00		0.00	
6. Elevator Maint./Contract	0.00		0.00	
7. Grounds	19,180.00		19,180.00	1490/M + 1300
8. Services	4,750.00		4,750.00	275/MPESTCONTROL+450TERMITEBON D+1000EBDBUGGCONTINGENCY
9. Cptl Bgt(Part V operating)	0.00		0.00	
10. Other Operating Expenses	350.00		350.00	UA CALC FEES
11. Sub-Ttl O&M (1 thru 10)	65,280.00		68,380.00	
12. Electricity	6,000.00		5,800.00	
13. Water	1,250.00		1,250.00	
14. Sewer	800.00		800.00	
15. Fuel (Oil/Coal/Gas)	0.00		0.00	
16. Garbage @ Trash Removal	4,000.00		5,000.00	
17. Other Utilities	0.00		0.00	
18. Sub-Ttl Util. (12 thru 17)	12,050.00		12,850.00	
19. Site Management Payroll	26,144.00		24,876.00	2073/M (3% INCREASE)
20. Management Fee	27,636.00		28,812.00	\$49X49UX12M
21. Project Auditing Expense	4,000.00		4,000.00	
22. Proj. Bookkeeping/Acconting	0.00		0.00	
23. Legal Expenses	550.00		750.00	
24. Advertising	300.00		300.00	
25. Phone @ Answering Service	2,000.00		2,400.00	
26. Office Supplies	3,100.00		3,200.00	
27. Office Furniture @ Equip.	1,336.00		1,334.00	79/MCOMPSUPPORT+336YARDI+50EMA ILACCT
28. Training Expense	716.00		1,222.00	
29. Hlth Ins. @ Other Benefits	450.00		1,500.00	
30. Payroll Taxes	4,650.00		4,800.00	
31. Workmans Compensation	800.00		825.00	
32. Other Admin. Expenses	300.00		300.00	PROPERTY TAX CONSULTANT
33. Sub-Ttl Admin (19 thru 32)	71,982.00		74,319.00	
34. Real Estate Taxes	29,000.00		25,000.00	
35. Special Assessments	0.00		0.00	
36. Othr Taxes, Lcnses, Permts	850.00		850.00	BUS LIC
37. Property @ Liability Ins.	10,800.00		11,100.00	222/U (3% INC)
38. Fidelity Coverage Ins.	0.00		0.00	
39. Other Insurance	200.00		200.00	EPL
40. Sub-Ttl Tx/In (34 thru 39)	40,850.00		37,150.00	
41. Ttl O&M Exps (11+18+33+40)	190,162.00		192,699.00	

Project Name: ROLLING HILLS APTS State: 10 Servicing Office: 601 County: 38  
 Borrower Name: POWDER HORN APTS LIMITEE Borr ID: 657666505 Prj Nbr: 01-0 Paid Code: Active  
 Classification: C Fiscal Year: 2017 Version: 01/01/2017 RECEIVED Totals: By Project Analyzed: N

Item	Current Budget	Actual	Proposed Budget	Comment
Effective Dates:	01/01/2015	01/01/2016	01/01/2017	
Ending Dates:	12/31/2015	12/31/2016	12/31/2017	

**PART III - ACCT BUDGET/STATUS**

**Reserve Account**

1. Beginning Balance	137,806.67		135,621.67	
2. Transfer to Reserve	17,965.00		18,965.00	\$1164/M + 85K AED'L
<b>Transfer From Reserve</b>				
3. Operating Deficit	0.00		0.00	
4. Optl Mgt (Part V reserve)	20,000.00		19,410.00	
5. Building & Equip Repair	0.00		0.00	
6. Othr Non-Operating Expenses	0.00		0.00	
7. Total (3 thru 6)	20,000.00		19,410.00	
8. Ending Balance [(1+2)-(7)]	135,621.67		135,176.67	

**General Operating Account**

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	-77,753.47
Number of Applicants Needing RA		Amount Ahead/Behind	272,967.02



Project Name: ROLLING HILLS APTS State: 10 Servicing Office: 601 County: 38  
 Borrower Name: FOWDER HORN APTS LIMITED BOMF ID: 657666503 Prj Mbr: 01-0 Paid Code: Active  
 Classification: C Fiscal Year: 2017 Version: 01/01/2017 RECEIVED Totals: By Project Analyzed: N

**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			33	460	681	0	182,160	269,676	0	130
N	1	All			16	420	625	0	80,640	120,000	0	120
<b>CURRENT RENT TOTALS</b>									262,800	389,676	0	

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

Unit Description						Utility Types					Total Allow
Type	Size	HC	Rev	Unit	Number	Elect	Gas	Sewer	Trash	Other	Total Allow
N	2	All			33	93	0	18	3	0	130
N	1	All			16	92	0	14	0	0	120

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

Unit Description						Rental Rates			Potential Income From Each Rate			Utility
Type	Size	HC	Rev	Unit	Number	Basic	Note	HUD	Basic	Note	HUD	Allowance
N	2	All			33	460	681	0	182,160	269,676	0	130
N	1	All			16	420	625	0	80,640	120,000	0	120
<b>PROPOSED RENT TOTALS</b>									262,800	389,676	0	

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

Unit Description						Utility Types					Total Allow
Type	Size	HC	Rev	Unit	Number	Elect	Gas	Sewer	Trash	Other	Total Allow
N	2	All			33	82	0	20	0	0	130
N	1	All			16	85	0	18	0	0	120

Project Name: ROLLING HILLS APTS State: 10 Servicing Office: 601 County: 38  
 Borrower Name: FOWDER HORN APTS LIMITED Borr ID: 657666405 Proj Num: 01-0 Paid Code: Active  
 Classification: C Fiscal Year: 2017 Version: 01/01/2017 RECEIVED Totals: By Project Analyzed: N

Item	Proposed Number Units/Items	Proposed From Reserve	Actual From Reserve	Proposed From Operating	Actual From Operating	Actual Total Cost	Total Actual Units/Items
Effective Dates:	01/01/2016	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	2	750.00	0.00	0.00	0.00	0.00	0
Appliances - Refrigerator	2	1,010.00	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.	0	0.00	0.00	0.00	0.00	0.00	0
Carpet & Vinyl - 2 Br.	4	4,900.00	0.00	0.00	0.00	0.00	0
Carpet & Vinyl - 3 Br.	5	0.00	0.00	0.00	0.00	0.00	0
Carpet & Vinyl - 4 Br.	3	0.00	0.00	0.00	0.00	0.00	0
Carpet & Vinyl - Other	0	0.00	0.00	0.00	0.00	0.00	0
<b>Cabinets</b>							
Cabinets - Kitchens	0	0.00	0.00	0.00	0.00	0.00	0
Cabinets - Bathroom	0	0.00	0.00	0.00	0.00	0.00	0
Cabinets - Other	0	0.00	0.00	0.00	0.00	0.00	0
<b>Doors</b>							
Doors - Exterior	0	0.00	0.00	0.00	0.00	0.00	0
Doors - Interior	0	0.00	0.00	0.00	0.00	0.00	0
Doors - Other	0	0.00	0.00	0.00	0.00	0.00	0
<b>Window Coverings</b>							
Window Coverings - Detail	0	0.00	0.00	0.00	0.00	0.00	0
Window Coverings - Other	0	0.00	0.00	0.00	0.00	0.00	0
<b>Heat and Air Conditioning</b>							
Heat @ Air - Heating	0	0.00	0.00	0.00	0.00	0.00	0
Heat @ Air - Air Conditioning	4	12,000.00	0.00	0.00	0.00	0.00	0
Heat @ Air - Other	0	0.00	0.00	0.00	0.00	0.00	0
<b>Plumbing</b>							
Plumbing - Water Heater	2	850.00	0.00	0.00	0.00	0.00	0
Plumbing - Bath Sinks	0	0.00	0.00	0.00	0.00	0.00	0
Plumbing - Kitchen Sinks	0	0.00	0.00	0.00	0.00	0.00	0
Plumbing - Faucets	0	0.00	0.00	0.00	0.00	0.00	0
Plumbing - Toilets	0	0.00	0.00	0.00	0.00	0.00	0
Plumbing - Other	0	0.00	0.00	0.00	0.00	0.00	0
<b>Major Electrical</b>							
Major Electrical - Detail	0	0.00	0.00	0.00	0.00	0.00	0
Major Electrical - Other	0	0.00	0.00	0.00	0.00	0.00	0
<b>Structures</b>							
Structures - Windows	0	0.00	0.00	0.00	0.00	0.00	0
Structures - Screens	0	0.00	0.00	0.00	0.00	0.00	0
Structures - Walls	0	0.00	0.00	0.00	0.00	0.00	0
Structures - Roofing	0	0.00	0.00	0.00	0.00	0.00	0
Structures - Siding	0	0.00	0.00	0.00	0.00	0.00	0
Structures - Exterior Painting	0	0.00	0.00	0.00	0.00	0.00	0
Structures - Other	0	0.00	0.00	0.00	0.00	0.00	0

Project Name: ROLLING HILLS APTS State: IL Servicing Office: 601 County: 38  
 Borrower Name: POWDER HORN APTS LIMITED Borr ID: 657566565 Prj Nbr: 01-0 Paid Code: Active  
 Classification: C Fiscal Year: 2017 Version: 01/31/2017 RECEIVED Totals: By Project Analyzed: N

Item	Proposed Number Units/Items	Proposed From Reserve	Actual From Reserve	Proposed From Operating	Actual From Operating	Actual Total Cost	Total Actual Units/Items
Effective Dates:	01/01/2016	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>							
LndscpeGrnds - Landscaping	0	0.00	0.00	0.00	0.00	0.00	0
LndscpeGrnds - Lawn Equipment	0	0.00	0.00	0.00	0.00	0.00	0
LndscpeGrnds - Fencin	0	0.00	0.00	0.00	0.00	0.00	0
LndscpeGrnds - Recreation Area	0	0.00	0.00	0.00	0.00	0.00	0
LndscpeGrnds - Signs	0	0.00	0.00	0.00	0.00	0.00	0
LndscpeGrnds - 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 Mgt.	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>19,410.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0</b>

Project Name: ROLLING HILLS APTS	State: 10	Servicing Office: 601	County: 38
Borrower Name: POWDER HORN APTS LIMITED	Borr ID: 657666505	Prj Nbr: 01-0	Paid Code: Active
Classification: C	Fiscal Year: 2017	Version: 01/01/2017 RECEIVED	Totals: By Project Analyzed: N

Part VI - SIGNATURES, DATES AND COMMENTS

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

12/16/2016  
(Date Submitted)

INVESTORS MANAGEMENT COMPANY  
(Management Agency)

MA734114  
(MA#)

(Date)

(Signature of Borrower or Borrower's Representative)

(Title)

*Karla D. Torres*  
 \_\_\_\_\_  
 Agency Approval (Rural Development Approval Official):

12/22/2016  
 \_\_\_\_\_  
 (Date)

\* The Excess cash to be used toward outstanding funding noted for property by year end



Project Name: ROLLING HILLS APTS	State: 10	Servicing Office: 801	County: 38
Borrower Name: POWDER HORN APTS LIMITED	Brch ID: 557665C5	Prj Nbr: 01-0	Paid Code: Active
Classification: C	Fiscal Year: 2017	Version: 02/01/2017 RECEIVED	Totals: By Project Analyzed: N

## SPVS Comment:

Batched/ II 092016/ II 121616

## Narrative:

A.) Rolling Hills Apartments is a 60 unit family complex in Newnan Georgia with 10 one-BR units, 53 two-BR units, and 1 two-BR mgrs unit. The property has good occupancy (over 95%). The property has no RA units but approximately 60% of the residents qualify for RA. RA units are requested with the proposed budget. B.) The property is in compliance with its loan agreement and RD regulations. The property is in compliance with its 504 accessibility plan. C.) The property's financial status is stable. The 1% reserve is at or ahead of its required funding. However, the actual balance is lower than desired for a property this size. We plan to put additional deposits into the 1% reserve as cash flow permits beginning with an additional deposit of \$5,000 in 2017. D.) There are no expense category subtotals that exceed the 10% tolerance threshold. Administrative Expenses are 28.3% of Gross Potential and slightly higher than the 27% threshold used by the state of Georgia because of the increase in management fees and health insurance expense. E.) 2017 projected capital expenditures and reserve withdrawals - replacement of appliances - carpet and vinyl - HVAC units - Water Heaters Estimate 1% \$19,410 Projected capital needs 2018-2020 - replacement of appliances - carpet and vinyl - HVAC units - paving repairs - playground equipment Estimate \$40,000 F.) The 2017 proposed budget does not include a rent increase. We are not requesting a change in the overall utility allowance. We are requesting an increase in the current management fee from \$47 per unit per month to \$49 per unit per month. The property is well maintained and is financially stable. The proposed rental rates are very reasonable for the market area. The 1% reserve is at or ahead of its required funding and the property is in compliance with its loan agreement and RD regulations.

**2017 Proposed Budget Analysis**

**Project Name:** Rolling Hills Apts

**Borr Name:** Powder Horn Apts Limited

**St:** 10      **Srv Off:** 601      **Cnty:** 038

**Borr ID:** 657666505      **Prj Nbr:** 01 0      **Class:** C

**Budget Effective Date:** 01/01/2017

**Project Units:**  
50 Total  
49 Revenue  
0 RA

**Last 3 Year Ave Vacancy:** 2%

**Last 6 Month Ave Vacancy:** 2%

**Last Month Ave Vacancy:** 0%

**CNA Effort:** No

**Revitalization:** No

**Last Analysis Date:** 12/22/2016

**LAST RENT CHANGE**

Change Date: 1/1/2016

**SURPLUS CASH \$874.45**

Cash Available

Ending Cash Balance  
(Proposed Part 1, Line 33)      \$42,712.25

Subtract Tax & Insurance Escrow Amount  
(Escrow Analysis based on Proposed Budget)      \$10,558.00

Subtract 2% Remaining Initial Operating  
(Balance in MFIS 2% Tracked Account)      \$0.00

-----  
\$32,154.25

Cash Required

Proposed O & M Expense  
(Proposed Part 1, Line 16)      \$192,699.00

Subtract Annual Tax and Insurance  
(Proposed Part 2, Line 34, 37, 38 and 39)      \$36,300.00

Subtotal      \$156,399.00  
Multiply Subtotal by 20%      20%

-----  
\$31,279.80

Surplus

Cash Available      \$32,154.25  
Subtract Cash Required      \$31,279.80

-----  
\$874.45

**( Rent Change LOW PRIORITY -- Not more than \$25 per unit )**

**Average Old rent:** \$447      **Util:** \$126  
**Average New rent:** \$447      **Util:** \$127  
**Average Rent Chg:** 0%

Bedrooms	Old Rent	New Rent	Change
(16) 1-Bedroom Units	\$420	\$420	\$0
(33) 2-Bedroom Units	\$460	\$460	\$0

**RESERVE ACCOUNT STATUS: Current \$272,987.02**

Fully funded amount: \$139,650.00  
Annual deposit amount: \$13,695.00  
Capital needs amount: \$20,000.00 As of date: 01/01/2016  
Account balance amount: \$195,233.55 As of date: 09/30/2016

Required balance amount: (\$77,753.47) As of date: 09/29/2016  
 Gap account amount: \$0.00 As of date:

**RESERVE ACCOUNT AUTHORIZATIONS**

Date	Purpose	Amount	Balance
11/22/2016	AUTOMATICALLY CREATED AUTH	\$677.31	\$0.00
	---CAPTL Appliances - Refrigerator	\$677.31	
11/22/2016	AUTOMATICALLY CREATED AUTH	\$1,636.61	\$0.00
	---CAPTL Carpet @ Vinyl - 2 Br.	\$1,636.61	
11/04/2016	AUTOMATICALLY CREATED AUTH	\$2,719.94	\$0.00
	---CAPTL Appliances - Refrigerator	\$2,719.94	
09/29/2016	AUTOMATICALLY CREATED AUTH	\$654.91	\$0.00
	---CAPTL Carpet @ Vinyl - 2 Br.	\$654.91	
09/29/2016	AUTOMATICALLY CREATED AUTH	\$860.54	\$0.00
	---CAPTL Carpet @ Vinyl - 2 Br.	\$860.54	
07/13/2016	AUTOMATICALLY CREATED AUTH	\$3,000.00	\$0.00
	---CAPTL Heat @ Air - Air Conditioning	\$3,000.00	
04/05/2016	AUTOMATICALLY CREATED AUTH	\$3,000.00	\$0.00
	---CAPTL Heat @ Air - Air Conditioning	\$3,000.00	
04/05/2016	AUTOMATICALLY CREATED AUTH	\$3,000.00	\$0.00
	---CAPTL Heat @ Air - Air Conditioning	\$3,000.00	
03/08/2016	AUTOMATICALLY CREATED AUTH	\$686.86	\$0.00
	---CAPTL Carpet @ Vinyl - 2 Br.	\$686.86	
02/09/2016	AUTOMATICALLY CREATED AUTH	\$3,000.00	\$0.00
	---CAPTL Heat @ Air - Air Conditioning	\$3,000.00	
02/09/2016	AUTOMATICALLY CREATED AUTH	\$850.00	\$0.00
	---CAPTL Plumbing - Water Heater	\$850.00	
06/30/2000	Automatically Created Auth	\$6,207.00	\$2,516.58
	---CAPTL Window Coverings - Detail	\$6,207.00	

**PROJECT SERVICING EFFORTS**

Create Date	Code Name	Type	Status	Sts Date
12/18/2013	2029 COLLECT UNAUTHORIZED ASSIST.	ACTION IDENTIFIED		12/16/2013
Comment: to repay in amt of \$34.17 addit each month beg 1/15/14 \$820 owed				
11/14/2012	2029 COLLECT UNAUTHORIZED ASSIST.	ACTION IDENTIFIED		10/14/2012
Comment: submitted to CSC for collection 10/14/12				
12/18/2009	2029 COLLECT UNAUTHORIZED ASSIST.	ACTION PAID		09/12/2008
Comment: unauthorized assistance Charlotte Williams				
12/04/2007	2000 SERVICING LETTER	ACTION RESOLVED		01/14/2008
Comment: attorney cert. for occupancy rules				
01/12/2005	2000 SERVICING LETTER	ACTION RESOLVED		01/10/2007
Comment: SV findings noted in letter & items not provided as of 1/12/05				
11/15/1999	3015 RENT CHANGE	EFFORT APPROVED		12/13/1999
Comment:				

**NO OPEN REVIEW FINDINGS**

**PHYSICAL FINDINGS TO CAPITAL BUDGET**

Finding: 9/8/2016	LANDSCAPING AND GROUNDS	UnResolved
Finding: 9/8/2016	DRIVES, PARKING AND WALKS	UnResolved
Finding: 9/8/2016	FLOORING	UnResolved
Finding: 9/8/2016	ELECTRICAL, AC AND HEATING	UnResolved
Finding: 9/8/2016	REFRIGERATOR	UnResolved
Finding: 9/8/2016	CABINETS	UnResolved
Finding: 9/8/2016	ACCESSIBILITY	UnResolved
Finding: 9/8/2016	SINKS/VANITY	UnResolved
Finding: 9/8/2016	Unit Walls, Ceiling, Flooring	UnResolved
Finding: 7/8/2014	COMMON AREA ACCESSIBILITY	UnResolved

*ok All to be resolved in 2017  
 or SWP Requested with 2018 budget*

Capital Budget Item: Appliances - Range \$750.00  
 Capital Budget Item: Appliances - Refrigerator \$1,010.00  
 Capital Budget Item: Carpet @ Vinyl - 2 Br. \$4,800.00

Capital Budget Item: Heat @ Air - Air Conditioning \$12,000.00  
 Capital Budget Item: Plumbing - Water Heater \$850.00

**BUDGET LINE ITEMS** (1 open items remaining)**PART I - CASH FLOW STATEMENT****OPERATIONAL CASH SOURCES**

**Item:** 8. Less (Vcnry @ Cntgncy Allw)

**Value:** (\$13,434.00)

**Observation:** The budgeted vacancy ratio of **5.1%** is more than **2.0%** which is the average for the last 3 years.

**Comment:**

**Item:** Resident Turnover Ratio

**Ave 3 year vacates:** 18.66 households per year

**Ave 3 year residency:** 48.02 occupied units

**Observation:** The average resident turnover ratio over the last 3 years is **38.8%**.

**Comment:**

**NON-OPERATIONAL CASH SOURCES****OPERATIONAL CASH USES**

**Item:** 17. RHS Debt Payment

**Value:** \$35,504.00

**Observation:** RHS Debt payment is within \$12 tolerance of the calculated amount of **\$35,503.44** for this project.

**Comment:**

**NON-OPERATIONAL CASH USES****CASH BALANCE****PART II - O&M EXPENSE SCHEDULE**

**Item:** 11. Sub-Ttl O&M (1 thru 10)

**Value:** \$68,380.00

**Total O&M Expenses:** \$192,699.00

**Norm:** 33.4%

**Observation:** Percentage of Maintenance & Operating to total O&M is **35.4%**.

**Comment:**

**Item:** 18. Sub-Ttl Util. (12 thru 17)

**Value:** \$12,850.00

**Total O&M Expenses:** \$192,699.00

**Norm:** 13.1%

**Observation:** Percentage of Utilities to total O&M is **6.6%**.

**Comment:**

**Item:** 33. Sub-Ttl Admin (19 thru 32)

**Value:** \$74,319.00

**Rental Income:** \$262,800.00

**Norm:** 25.8%

**Reason:** Percentage of Administrative to Rental Income is **28.2%** and exceeds the 23% baseline.

**Reviewed:**  **Comment:**

**Item:** 40. Sub-Ttl Tx/In (34 thru 39)

**Value:** \$37,150.00

**Total O&M Expenses:** \$192,699.00

**Norm:** 18.1%

**Observation:** Percentage of Taxes & Insurance to total O&M is **19.2%**.

**Comment:**

**Item:** 41. Ttl O&M Exps (11+18+33+40)

**Value:** \$192,699.00

**Number of Units:** 49

**Norm:** \$250.02

**Observation:** Per unit per month O&M expense is **\$327.71**.



**Comment:**

**Item:** 41. TH O&M Exps (11+18+33+40)

**Value:** \$192,699.00

**Rental Income:** \$262,800.00

**Norm:** 73.5%

**Observation:** Percentage of Total O&M to Rental Income is **73.3%**.

**Comment:**

**PART III - ACCT BUDGET/STATUS**

**RESERVE ACCOUNT**

**Item:** 2. Transfer to Reserve

**Value:** \$18,965.00

**Observation:** Transfer to Reserve is more than the annual reserve deposit amount of **\$13,695.00.**

**Comment:**

**TRANSFER FROM RESERVE**

**GENERAL OPERATING ACCOUNT**

**REAL ESTATE TAX AND INS ESCROW**

**TENANT SECURITY DEPOSIT ACCT**

**ANNUAL CAPITAL BUDGET**

**APPLIANCES**

**CARPET AND VINYL**

**CABINETS**

**DOORS**

**WINDOW COVERINGS**

**HEAT AND AIR CONDITIONING**

**PLUMBING**

**MAJOR ELECTRICAL**

**STRUCTURES**

**PAVING**

**LANDSCAPE AND GROUNDS**

**ACCESSIBILITY FEATURES**

**AUTOMATION EQUIPMENT**

**OTHER**

**MULTI-FAMILY PROJECT BORROWER'S/MANAGEMENT AGENT'S  
MANAGEMENT CERTIFICATION**

Borrowers of multifamily housing loans are required by 7 C.F.R. §3560.102 (j) to submit certain data for review by the Servicing Official for approval of a new management agent. These requirements apply to all multifamily projects.

Effective Date (xx-xx-20xx): 01-01-2017

Project Name: KOLLING HILLS APARTMENTS Borrower Case# /Project ID: 01-0

City/State: Newnan, Georgia

Acting on behalf of Powder Horn Apts. Ltd., LLP, the project borrower (Borrower), and Investors Management Co., the management agent (Agent), make the following certifications and agreements to the United States Department of Agriculture regarding management of the above project.

1. We certify that:
  - a. We will comply with Rural Development requirements and contract obligations, and agree that no payments have been made to the Borrower in return for awarding the management contract to the Agent, and that no such payments will be made in the future.
  - b. We have executed or will execute, within 30 days a management agreement (Agreement) for this project. The Agreement provides that the Agent will manage the project for the term and for the Per Unit Per Month (PUPM) management fee described below. Changes in the management fee will be implemented only in accordance with Rural Development's requirements.

(1) Term of Agreement (xx-xx-20xx through xx-xx-20xx): 1/1/2017-1/1/2020

(2) Fees:

- a.  PUPM fee as specified in HB-2-3560, Attachment 3-F, as revised, for the term specified above (applied to revenue producing occupied units only).
- b.  PUPM fee is below the PUPM fee specified in HB-2-3560, Attachment 3-F, as revised, for the term specified above (applied to revenue producing occupied units only)  
Fee Amount: \$ \_\_\_\_\_
- c.  Add-On Fees as specified in HB-2-3560, Check all that apply. Include total add-on fees below. (applied to revenue producing occupied units only)
  - Management of properties with 15 units or less.
  - One project that has buildings located on different noncontiguous parcels of land (i.e. across town or in another town).
  - Management of properties in a remote location.
  - Troubled properties with workout plans and new management only.
- d. We will disburse management fees from project income only after:
  - (1) We have submitted this certification to Rural Development;
  - (2) Rural Development has approved the Agent to manage this project
- e. We understand that no fees may be earned or paid after Rural Development has terminated the Agreement
- e. If Rural Development notifies me of a management fee above that listed in HB-2-3560; Attachment 3-F the Agent will within 30 days of the notice either:
  - (1) Reduce the compensation to an amount Rural Development determines to be reasonable and
  - (2) Require the Agent to refund to the project all excessive fees collected, or
  - (3) Appeal the decision and abide by the results of the appeal process, making any required reductions and refunds within 30 days after the date of the decision letter on the appeal.

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

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

3. We agree to:
  - a. Comply with this project's Mortgage and Promissory Note, and Loan Agreement/Resolution or Workout Agreement.
  - b. Comply with Rural Development Handbooks and other policy directives that relate to the management of the project.
  - c. Comply with Rural Development requirements regarding payment and reasonableness of the management fee and the project account.
  - d. Refrain from purchasing goods or services from entities that have identity of interest with us unless the requirements of 7C.F.R. §3560.102(g) are met.
4. The Agent agrees to:
  - a. Ensure that all expenses of the project are reasonable and necessary.
  - b. Exert reasonable effort to maximize project income and to take advantage of discounts, rebates and similar money-saving techniques.
  - c. Obtain contracts, materials, supplies and services including the preparation of the annual financial reports on terms most advantageous to the project.
  - d. Credit the housing project with all discounts, rebates or commissions including any sales or property tax relief granted by the State or local government received.
  - e. Obtain the necessary verbal or written cost estimates and document reasons for accepting other than the lowest bid.
  - f. Maintain copies of the documentation and make such documentation available for inspection during normal business hours.
  - g. Invest project funds that Rural Development policies require to be invested and take reasonable effort to invest other project funds unless the Borrower specifically directs the Agent not to invest those funds.
5. We certify that the types of insurance policies checked below are enforceable and will be maintained to the best of our ability at all times. Fidelity bonds and hazard insurance policies will name Rural Development as co-payee in the event of loss. Note: for any box not checked, Rural Development may require an explanation as to why a certain type of insurance was not obtained.
  - a.  Fidelity bond or employee dishonesty coverage for:
    - (1) all principals of the Agent and
    - (2) all persons who participate directly or indirectly in the management or maintenance of the project and its assets, accounts and records.
  - b.  Hazard insurance coverage required by 7 C.F.R. §3560.105.
  - c.  Public liability insurance required by 7 C.F.R. §3560.105.
  - d.  Other (specify) as may be required by 7 C.F.R. §3560.105.
6. The Agent agrees to:
  - a. Furnish a written response to Rural Development's supervisory visit review reports, physical inspection reports, and written inquiries regarding the project's annual financial statements or monthly accounting reports within 30 days after receipt of the report or inquiry.
  - b. Establish and maintain the project's accounts, books and records in accordance with:
    - (1) Rural Development's administrative requirements; and
    - (2) Accounting principles under C.F.R. §3560.302(b).
7. We agree that:
  - a. All records related to the operation of the project, regardless of where they are housed, shall be considered the property of the project.
  - b. Rural Development, the Office of Inspector General (OIG), and those agencies' representatives may inspect:
    - (1) Any records which relate to the project's purchase of goods or services,
    - (2) The records of the Borrower and the Agent, and
    - (3) The records of companies having an identity-of-interest with the Borrower, Rural Development and the Agent.
  - c. The following clause will be included in any contract entered into with an identity-of-interest individual or business for the provision of goods or services to the project:

"Upon request by Rural Development, the Borrower or Agent, the contractor or the supplier will make available to Rural Development at a reasonable time and place, its records and records of identity-of-interest companies which relate to goods and services charged to the project. Records and information will be sufficient to permit Rural Development to determine the services performed, the dates the services were performed, the location at which the services were performed, the time consumed in providing the services, the charges made for materials, and the per unit and total charges levied for said services." **The Borrower agrees to request from the contractor or supplier such records within seven (7) days of receipt of Rural Development's request.**
8. We agree to include the following provisions in the Agreement and to be bound by them:

- a. Rural Development has the right to terminate the Agreement for failure to comply with the provisions of this Certification, or other good cause.
  - b. If Rural Development exercises this right of termination, I, the Borrower, agree to promptly make arrangements for providing management to the property that is satisfactory to Rural Development.
  - c. If there is a conflict between the Agreement and Rural Development's rights and requirements, Rural Development's rights and requirements will prevail.
  - d. If the Agreement is terminated, I, the Agent, will give to the Borrower all of the project's cash, trust accounts, investments and records within 30 days of the date the Agreement is terminated.
9. I, the Borrower, agree to submit a new management certification to Rural Development before taking any of the following actions:
- a. Authorizing the agent to collect a fee different from the fees specified in Paragraph 1 of this Certification.
  - b. Changing the expiration date of the Agreement;
  - c. Renewing the Agreement;
  - d. Permitting a new Agent to operate the project;
  - e. Permitting a new Agent to collect a fee;
  - f. Undertaking self-management of the project.
10. We agree to:
- a. Comply with all Federal, State, or local laws prohibiting discrimination against any persons on grounds of race, color, creed, familial status, handicap, sex or national origin, including Title VI of the Civil Rights Act of 1964, Fair Housing Act, Executive Order 11063 and all regulations implementing those laws.
  - b. When the head of household or spouse is otherwise eligible, give families with children equal consideration for admission.
  - c. Give handicapped persons priority for subsidized units that were built and equipped specifically for the handicapped.
  - d. The project will comply with the provisions of Section 504 of the Rehabilitation Act of 1973, as amended, the Age Discrimination Act of 1975 and all regulations and administrative instructions implementing these laws. The Agent understands that these laws and regulations prohibit discrimination against applicants or tenants who are handicapped or of a certain age.
  - e. Furnish Rural Development any reports and information required to monitor the project's compliance with Rural Development's fair housing and affirmative marketing requirements.
  - f. Not discriminate against any employee, applicant for employment or contractor because of race, color, handicap, religion, sex or national origin.
  - g. Provide minorities, women, and socially and economically disadvantaged firms equal opportunity to participate in the project's procurement and contracting activities.
11. We certify that we have read and understand Rural Development's definition of "identity-of-interest" as defined in 7C.F.R. §3560.11 and that the statement(s) checked and information entered below is true.
- a.  No identity-of-interest exists among the Borrower, the Agent and any individuals or companies that regularly do business with the project, or
  - b.  Only the individuals and companies listed on Form RD 3560-31 have an identity-of-interest with the Borrower or the Agent.
12. The items checked below are attached:
- a.  Management Plan
  - b.  Identity-of-Interest (IOI) Disclosure Qualification Certificate or Certification of No Identity-of-Interest (IOI)
  - c.  Other (Specify): Statement Attached




**Warnings:**


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

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

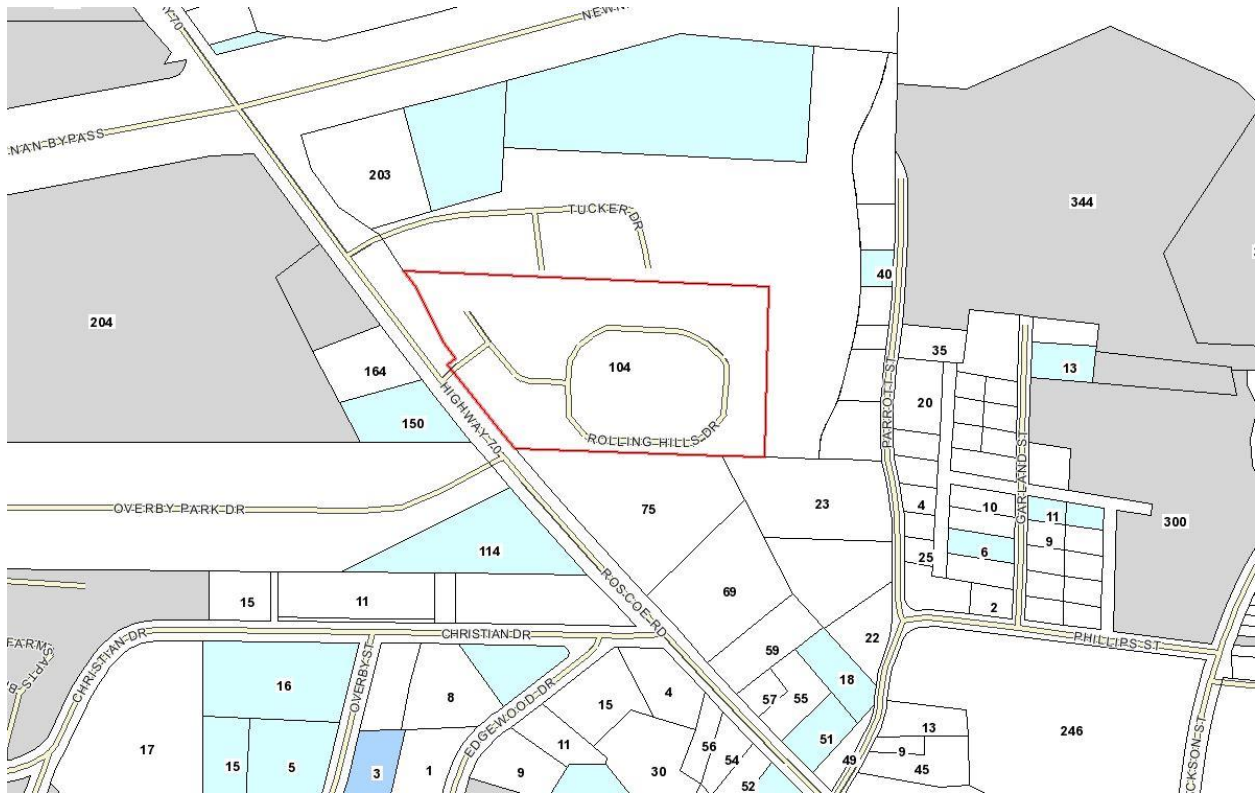
Rural Development may seek a "double damages" civil money damages remedy for the use of assets or income in violation of any Loan Agreement/Resolution or any applicable Rural Development regulations.

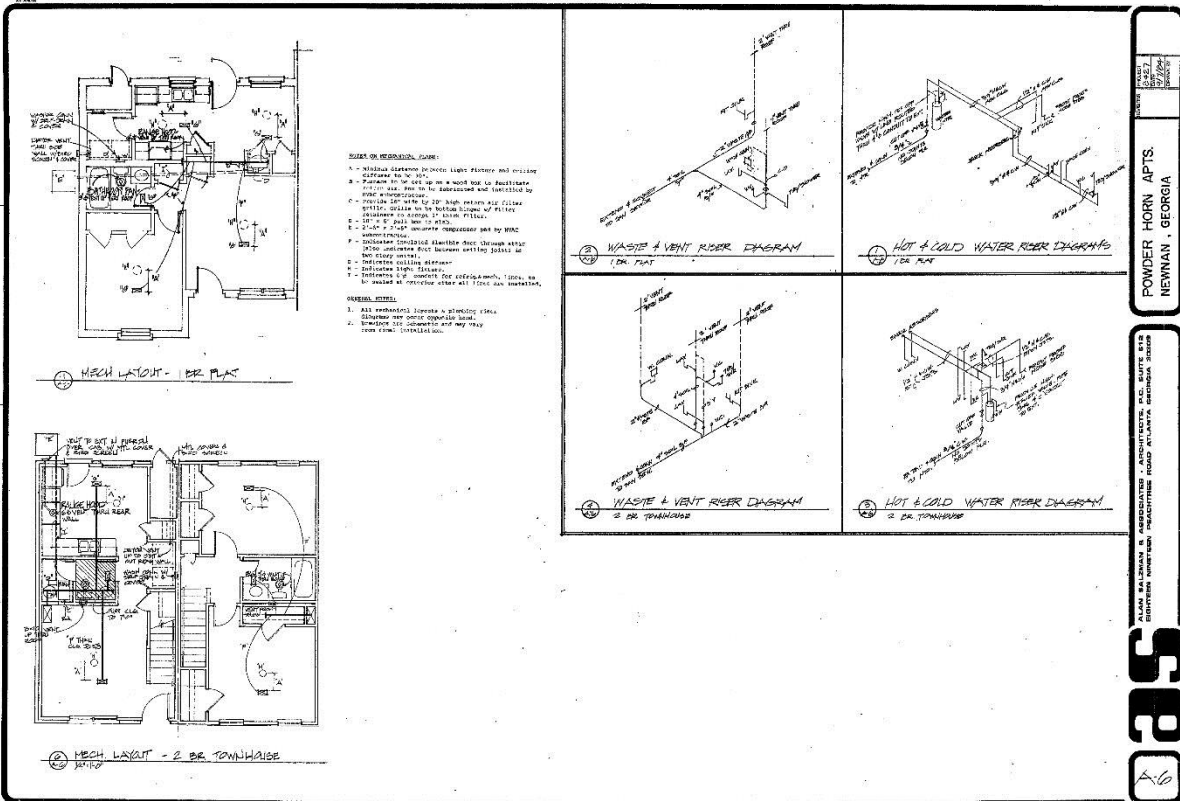
Rural Development may seek additional civil money penalties to be paid by the mortgagor through personal funds pursuant to 7 C.F.R. §3560.461(b). The penalties could be as much as \$50,000 per violation (Section 543 (b) of the Housing Act of 1949).

**By Project Borrower:** Powder Horn Apartments, Ltd., LLP  
**Name/Title:** David A. Brown  
**Signature:**  **Date:** 09-01-2016

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

**By Servicing Official:**  
**Name/Title:** Kayla R. Estes  
Area Specialist  
**Signature:**  **Date:** 12/6/2016

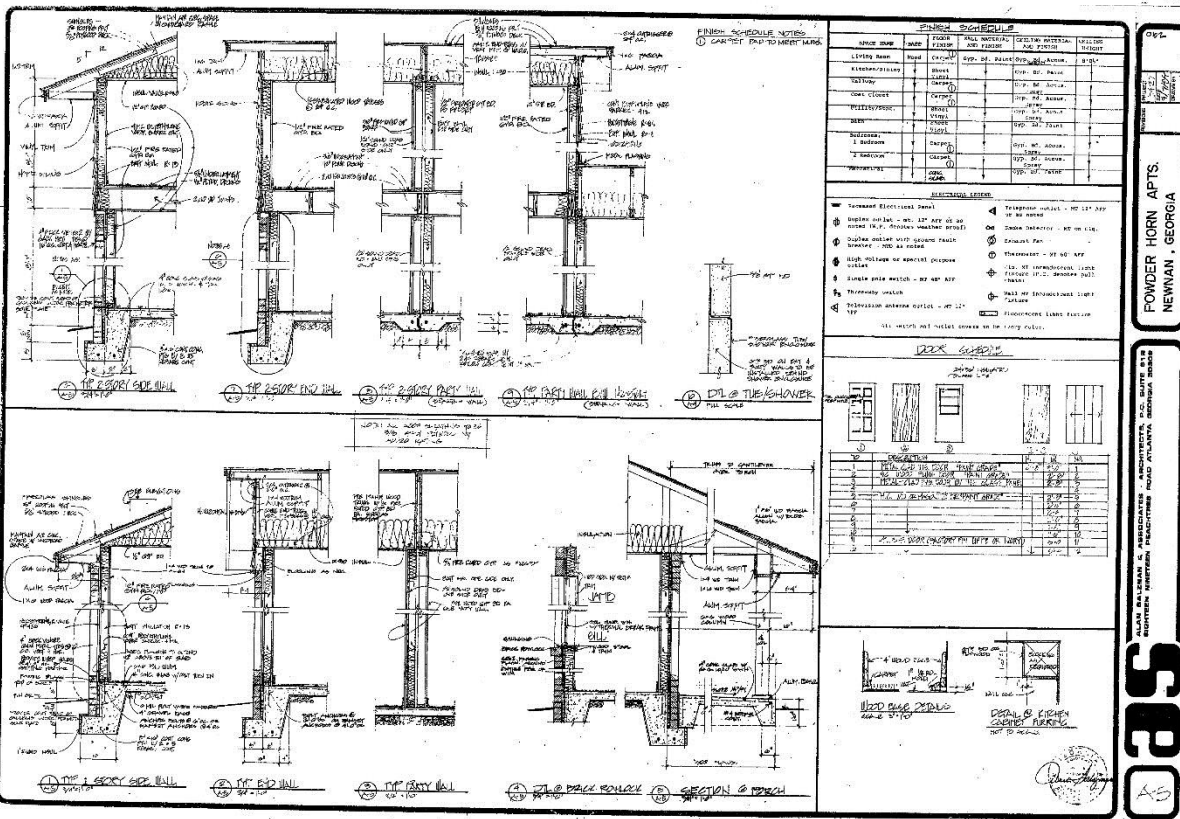




POWDER HORN APTS.  
NEWNAN, GEORGIA

ALAN BALZANIAN & ASSOCIATES ARCHITECTS, A.C. SUITE 818  
EASTERN HIGHWAY PRICHARD, MISSISSIPPI 39350

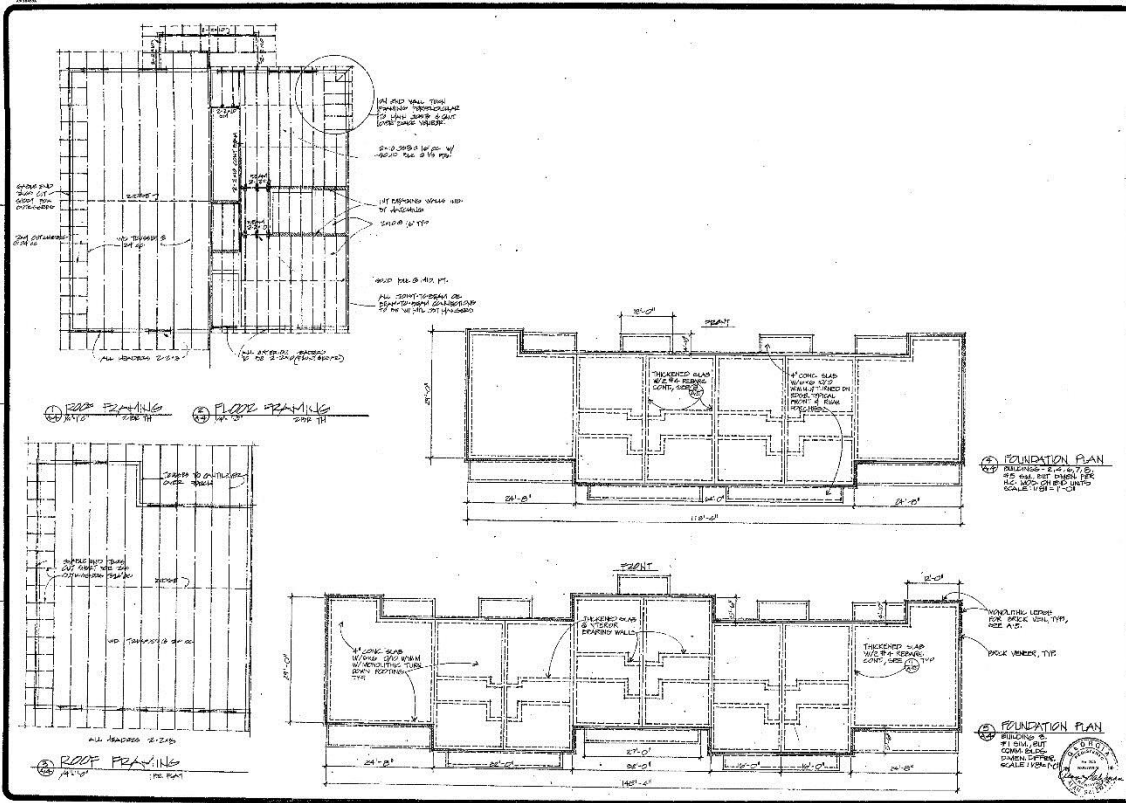
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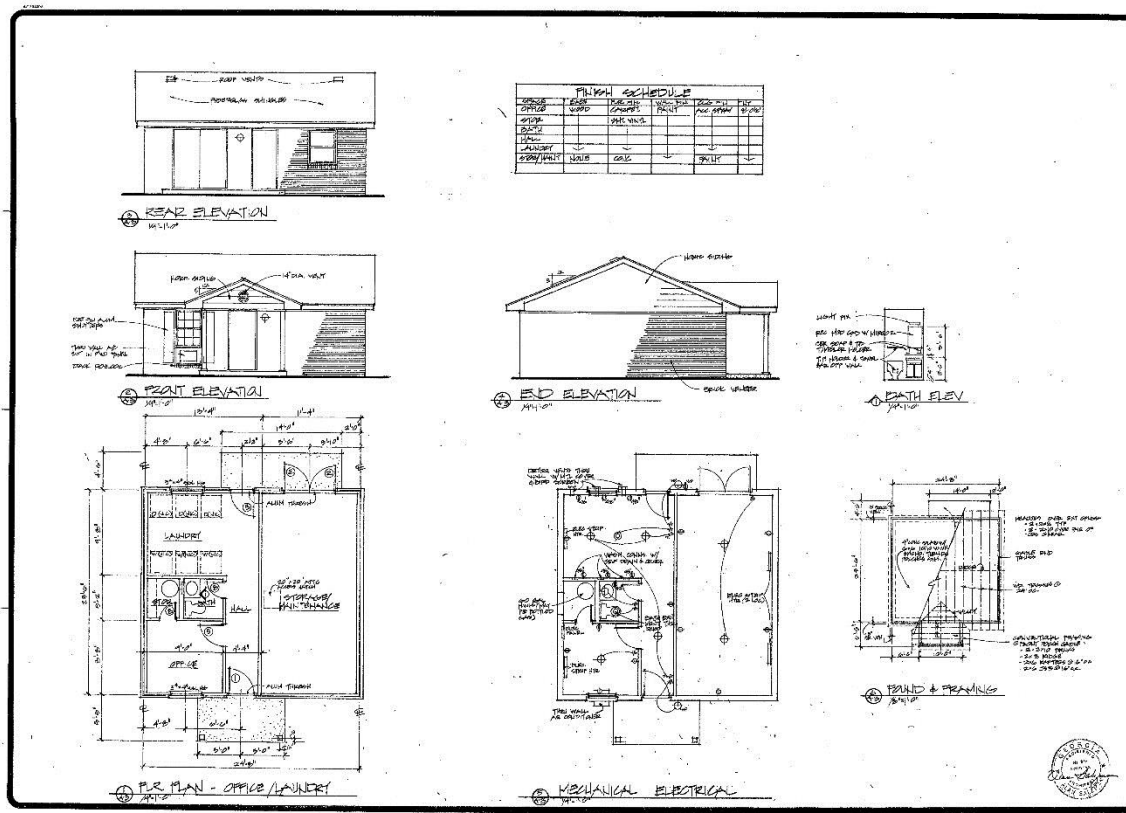
POWDER HORN APTS.  
NEWNAN, GEORGIA

ALAN BALZANIAN & ASSOCIATES ARCHITECTS, A.C. SUITE 818  
EASTERN HIGHWAY PRICHARD, MISSISSIPPI 39350

**as**

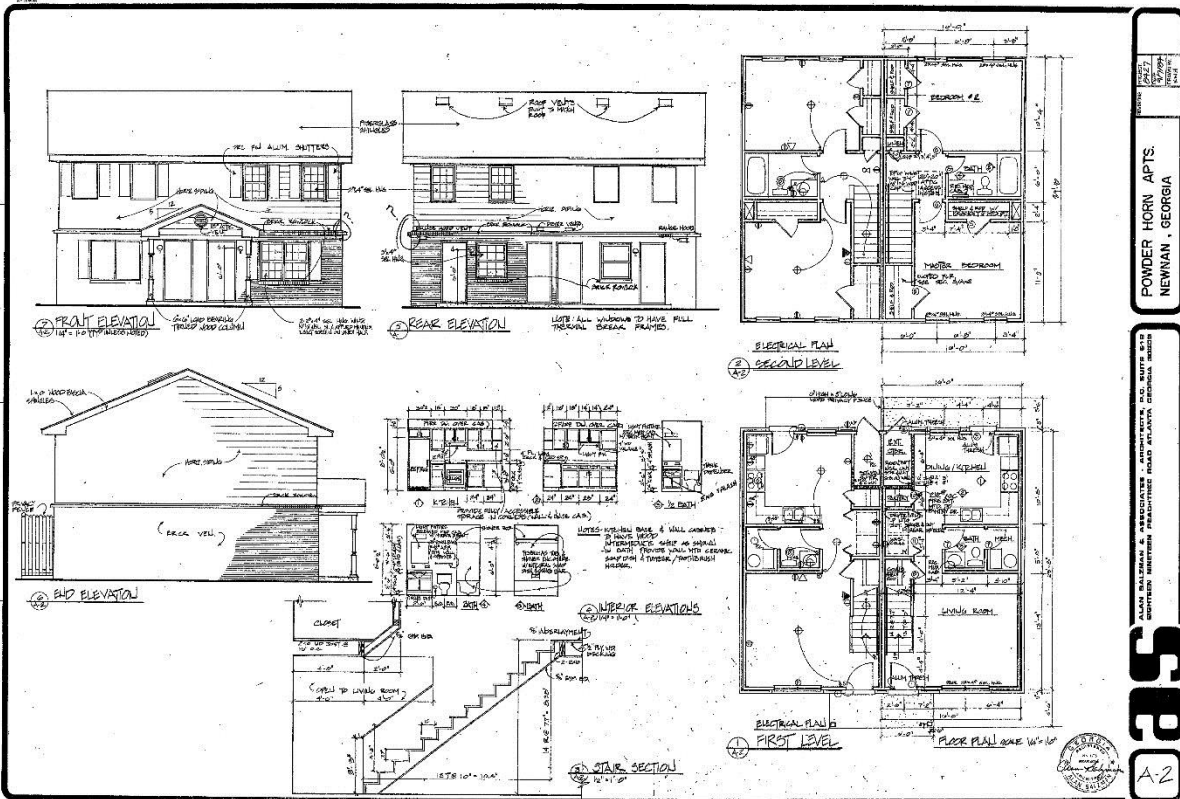


AS  
 ALAN SALZMAN & ASSOCIATES ARCHITECTS, P.C. 8015 BIRCHMOUNT ROAD ATLANTA, GEORGIA 30350  
 PROJECT NO. 2007-0001  
 SHEET NO. A4  
 POWDER HORN APTS. NEWNAN, GEORGIA



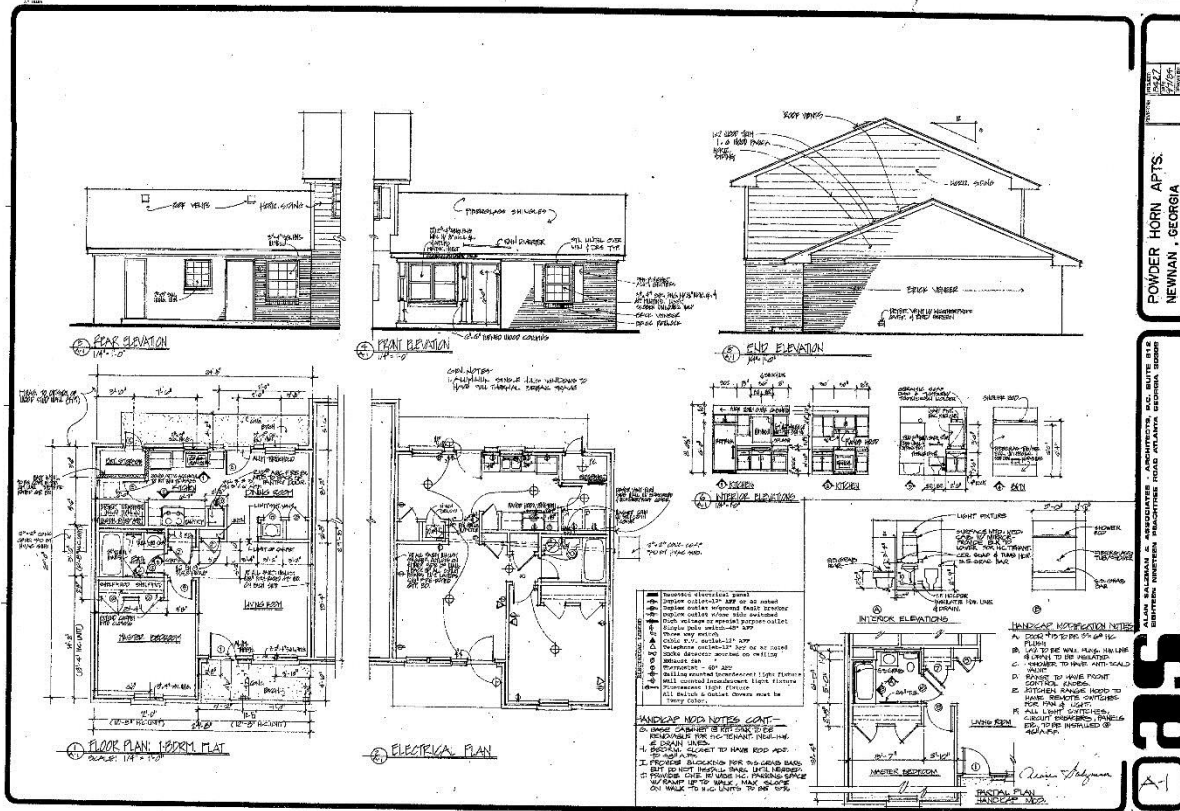
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 ALAN SALZMAN & ASSOCIATES ARCHITECTS, P.C. 8015 BIRCHMOUNT ROAD ATLANTA, GEORGIA 30350  
 PROJECT NO. 2007-0001  
 SHEET NO. A3  
 POWDER HORN APTS. NEWNAN, GEORGIA





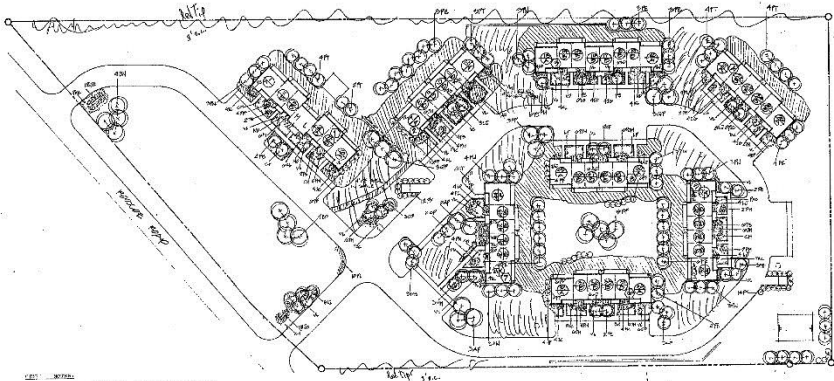
POWDER HORN APTS.  
NEWNAN, GEORGIA

AS  
ARCHITECTS



POWDER HORN APTS.  
NEWNAN, GEORGIA

AS  
ARCHITECTS



- NOTES:**
- FOR CONCRETE THAT WILL BE PLACED FROM READY MIXED CONCRETE, THE MIXTURE SHALL BE PLACED IN THE TRUCKS OR MIXERS AT THE SITE IN THE MANNER AND ORDER AS SPECIFIED BY THE CONTRACTOR. THE MIXTURE SHALL BE PLACED IN THE TRUCKS OR MIXERS AT THE SITE IN THE MANNER AND ORDER AS SPECIFIED BY THE CONTRACTOR. THE MIXTURE SHALL BE PLACED IN THE TRUCKS OR MIXERS AT THE SITE IN THE MANNER AND ORDER AS SPECIFIED BY THE CONTRACTOR.
  - APPROXIMATELY 100 YARDS PRIOR TO START OF POURING CONCRETE, THE CONTRACTOR SHALL OBTAIN A SAMPLE OF THE MIXTURE FROM EACH TRUCK OR MIXER AND TEST THE MIXTURE IN THE FIELD AT THE RATE OF 50 PERCENT OF THE MIXTURE.
  - CONCRETE SHALL BE PLACED IN A MANNER THAT WILL INSURE THE COMPLETE FILLING OF THE FORMS. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE PROPER PLACEMENT OF THE CONCRETE. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE PROPER PLACEMENT OF THE CONCRETE. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE PROPER PLACEMENT OF THE CONCRETE.
  - SEE SPECIFICATIONS FOR DETAILS.
  - CONCRETE SHALL BE PLACED AT THE RATE OF 30 CUBIC YARDS PER HOUR.
  - CONCRETE SHALL BE PLACED IN A MANNER THAT WILL INSURE THE COMPLETE FILLING OF THE FORMS. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE PROPER PLACEMENT OF THE CONCRETE. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE PROPER PLACEMENT OF THE CONCRETE.
  - ALL FORMS SHALL BE REMOVED AS SOON AS THE CONCRETE IS STRONG ENOUGH TO BE REMOVED. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE PROPER REMOVAL OF THE FORMS. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE PROPER REMOVAL OF THE FORMS.
  - ALL JOINTS SHALL BE MADE IN A MANNER THAT WILL INSURE THE COMPLETE FILLING OF THE JOINTS. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE PROPER MAKING OF THE JOINTS. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE PROPER MAKING OF THE JOINTS.

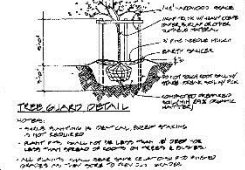


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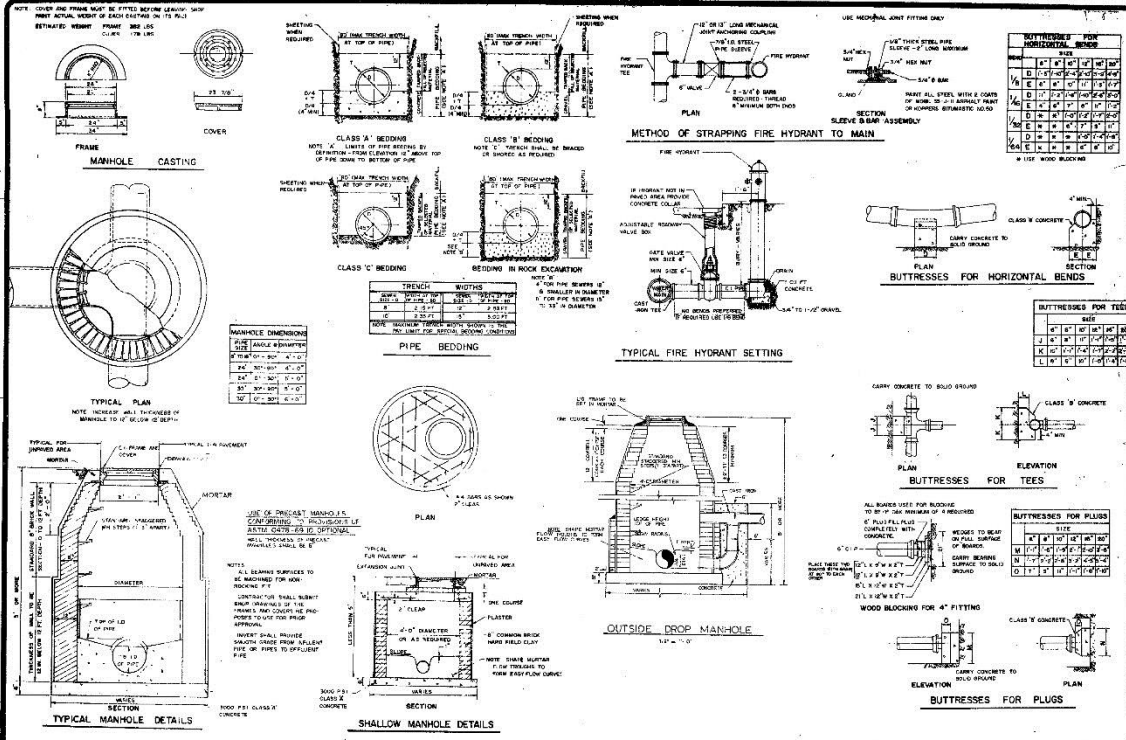
1. ALL PLANT MATERIALS SHALL BE PLANTED AT THE TIME OF CONSTRUCTION. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE PROPER PLANTING OF THE PLANT MATERIALS. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE PROPER PLANTING OF THE PLANT MATERIALS.

**PLANT LIST** ZONE 8

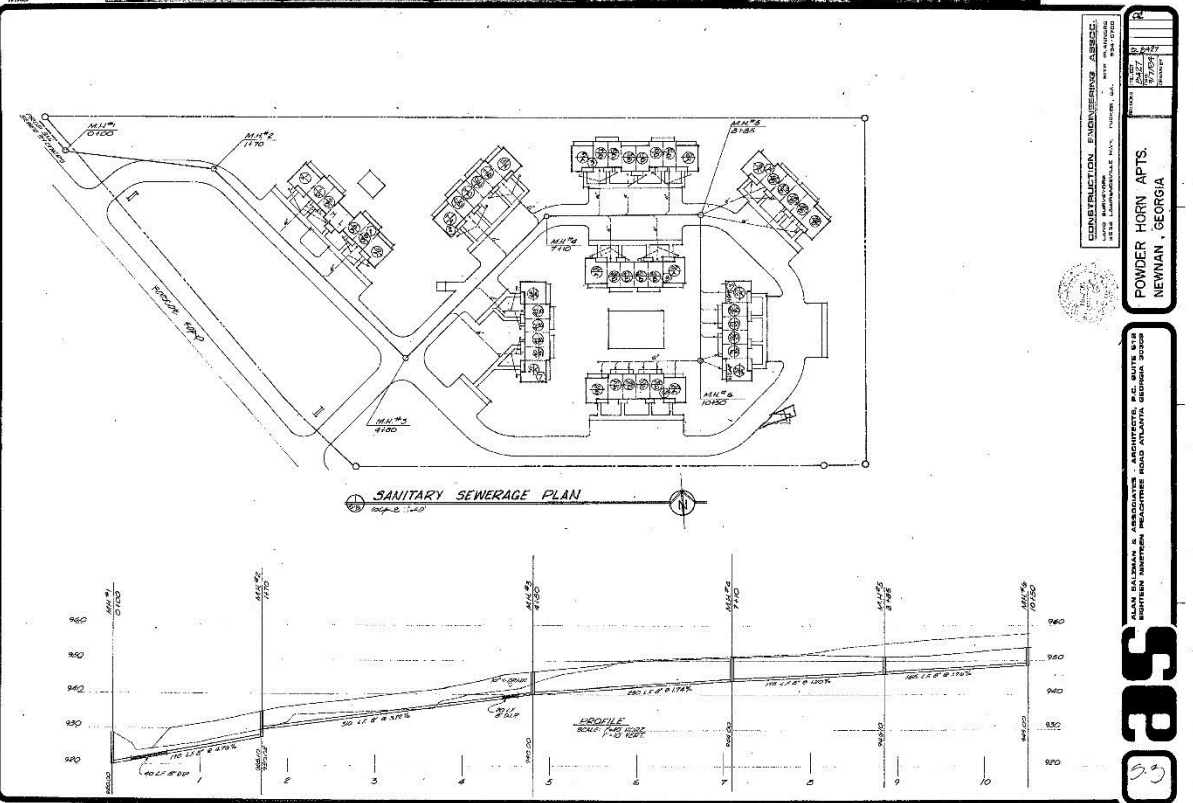
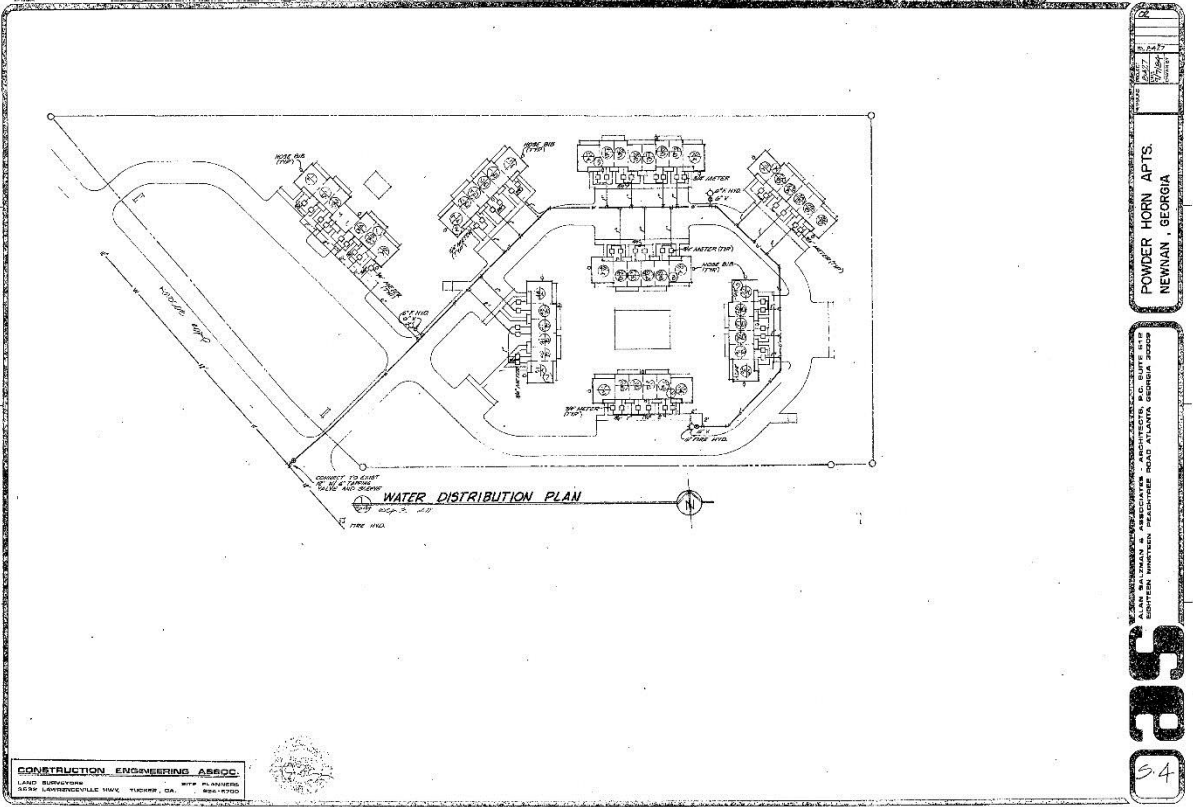
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2	2" TREE (SYMBOL)	2" TREE	10	
3	3" TREE (SYMBOL)	3" TREE	10	
4	4" TREE (SYMBOL)	4" TREE	10	
5	5" TREE (SYMBOL)	5" TREE	10	
6	6" TREE (SYMBOL)	6" TREE	10	
7	7" TREE (SYMBOL)	7" TREE	10	
8	8" TREE (SYMBOL)	8" TREE	10	
9	9" TREE (SYMBOL)	9" TREE	10	
10	10" TREE (SYMBOL)	10" TREE	10	
11	11" TREE (SYMBOL)	11" TREE	10	
12	12" TREE (SYMBOL)	12" TREE	10	
13	13" TREE (SYMBOL)	13" TREE	10	
14	14" TREE (SYMBOL)	14" TREE	10	
15	15" TREE (SYMBOL)	15" TREE	10	
16	16" TREE (SYMBOL)	16" TREE	10	
17	17" TREE (SYMBOL)	17" TREE	10	
18	18" TREE (SYMBOL)	18" TREE	10	
19	19" TREE (SYMBOL)	19" TREE	10	
20	20" TREE (SYMBOL)	20" TREE	10	
21	21" TREE (SYMBOL)	21" TREE	10	
22	22" TREE (SYMBOL)	22" TREE	10	
23	23" TREE (SYMBOL)	23" TREE	10	
24	24" TREE (SYMBOL)	24" TREE	10	
25	25" TREE (SYMBOL)	25" TREE	10	
26	26" TREE (SYMBOL)	26" TREE	10	
27	27" TREE (SYMBOL)	27" TREE	10	
28	28" TREE (SYMBOL)	28" TREE	10	
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30	30" TREE (SYMBOL)	30" TREE	10	

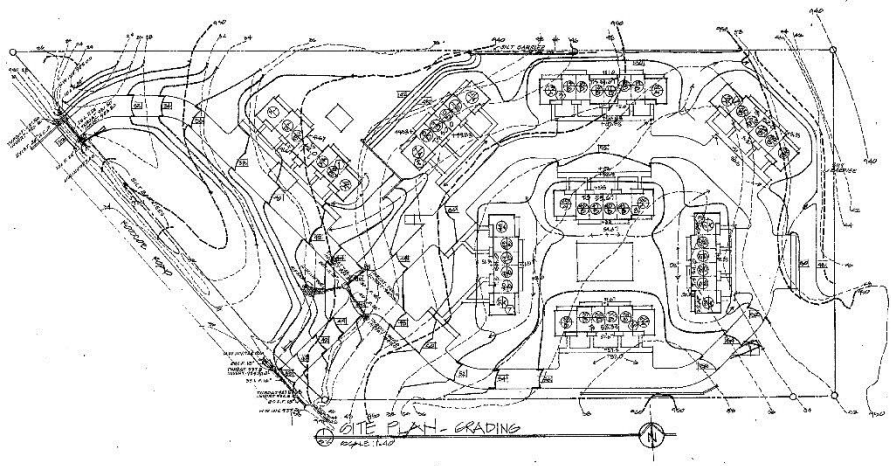


ALASKA MATERIALS & ARCHITECTURE, INC. 1000 W. 10TH AVENUE, SUITE 100  
 ANCHORAGE, ALASKA 99501  
 PHONE: (907) 562-1111  
 FAX: (907) 562-1112  
 WWW: WWW.AMARCHITECTURE.COM



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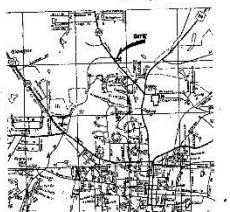
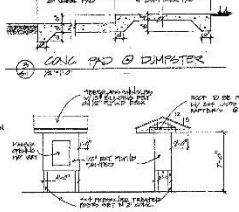
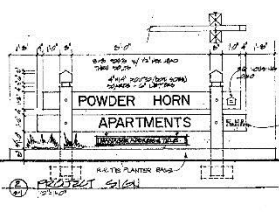
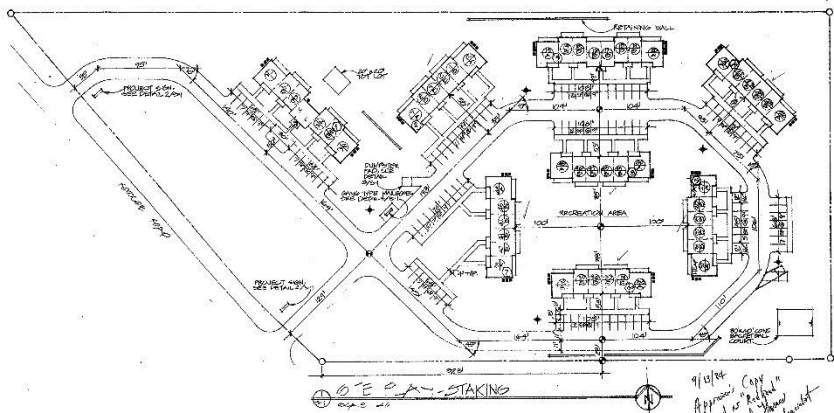


CONSTRUCTION ENGINEERING ASSOC.  
 LAND SURVEYORS      SITE PLANNERS  
 11400 LANTANA BLVD. SUITE 410      245 WOOD  
 ATLANTA, GA 30328

POWDER HORN APTS.  
 NEWMAN, GEORGIA

ALAN HAZARD & ASSOCIATES, ARCHITECTS, P.C. SUITE 410  
 11400 LANTANA BLVD. SUITE 410  
 ATLANTA, GEORGIA 30328

as  
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**INDEX OF DRAWINGS**

S-1	SITE STAKING PLAN
S-2	SITE GRADING PLAN
S-3	SITE UTILITY GENERAL LAYOUT & PROFILES
S-4	SITE UTILITY INFORMATION
S-5	SITE UTILITY DETAILS
L-1	SITE PLANTING PLAN
A-1	ONE BEDROOM FLAT
A-2	TWO BEDROOM TOWNHOUSE
A-3	OFFICE/LOBBY/MAINTENANCE
A-4	FOUNDATION PLANS
A-5	SECTIONS
A-6	MECHANICAL LAYOUTS

GENERAL NOTES:  
 A. ALL LIGHTING (EXCEPT BY +) TO BE MOUNTED ON 18" ALUM. POLES.  
 B. ALL SITE ELECTRICAL TO BE UNDERGROUND.  
 C. PROVIDE THE FOLLOWING RECREATIONAL EQUIPMENT:  
 1. 100' NET W/ 4" HOLE GAN. ONE (1) 20' x 30' x 6" & 20' x 30' x 6" COURT W/ 4" HOLE REINFORCED CONCR. & BENCHES.  
 2. ONE VOYAGER PLAY STRUCTURE WITH 10' x 10' x 6" PLATE GLASS TYPEDOME ENC.  
 3. 1/2" EPSD INCL. LIDS ON CONC. PAV. 2" TYP. CONC. BASE W/ REINFORC. BENCHES.  
 4. ALL UTILITY LOCATIONS IDENTIFIED BY (+) & (-) TYPE MARKS.  
 5. ALL UTILITY MARKS TO BE 18" DIA. CONCR. PIPES.  
 6. SITE GRADING AND FINISHING INFORMATION OBTAIN FROM GEOTECH. PROVIDED BY THE OWNER. LAND SURVEYOR: ATLANTA, GA. ALL. C. DATED 10/10/08.

**UNIT SCHEDULE**

TYPE	DESCRIPTION	NO.	
A	ONE BEDROOM FLAT	40	
B	TWO BEDROOM TH.	24	
		TOTAL	64

PARKING @ 240 SPACES @ 10  
 SITE AREA = 7 AC.  
 SITE DENSITY = 9.14 AC.

POWDER HORN APTS.  
 NEWMAN, GEORGIA

ALAN HAZARD & ASSOCIATES, ARCHITECTS, P.C. SUITE 410  
 11400 LANTANA BLVD. SUITE 410  
 ATLANTA, GEORGIA 30328

as  
 91

**2015 REHABILITATION WORK SCOPE**

PROJECT NAME: Rolling Hills	YEAR BUILT: 1985
PROJECT LOCATION: 104 Rolling Hills Drive, Newnan, Ga. 30263	UNIT COUNT: 50
	GROSS SQUARE FOOTAGE: 39900

CSI DIVISION		TRADE ITEM	Describe scope: materials, performance specifications	Percentage of total existing to be demoed or replaced	QUANTITY	UNIT (sf, lf, ea, cy, sy, etc.)	UNIT COST	TOTAL (quantity * unit cost)
New Format	Old Format							
24	n/a	Accessibility						\$0
24		convert existing units to UFAS-complaint units	Three - 1 Bedroom accessible Units. Demo existing kitchen, bathroom, HVAC, and part of bedroom walls. Demo bathroom concrete floor to relocate plumbing. Relocate laundry room and HVAC closet. Frame new walls, install new plumbing lines, new electrical lines in walls that were moved. Install new drywall, paint and floor covering. Provide on-site and hearing impaired kit to be left in office for the manager.	65	3	Apts.	17540	\$52,620
24		retrofit existing units for Fair Housing compliance						\$0
24		retrofit existing clubhouse to meet UFAS, Fair Housing, & ADA	Laundry sink not accessible.	100	1	each	440	\$440
24		retrofit existing site to meet Fair Housing, ADA	4% of the Main Sidewalks cross slope exceeds 2% and must be redone to have a 2% or less cross slope. 9 of the Entrance walks have sunk, causing a tripping hazard going to the front porch of the units. several main sidewalks have raised concrete causing tripping hazards. . 3 Handicap parking spaces have a slope greater than 2% slope and cross slope and need to be redone.	34	4480	SF	5.5	\$24,640
		<b>Total (Accessibility)</b>						<b>\$77,700</b>
37	2	Demolition						\$0
37		site						\$0
37		bdg interiors: ceilings, walls, floor, plumbing, HVAC, elec						\$0
37		bdg exteriors: siding, roofing, patios, decks, stairs, breezeways						\$0
35	2	Unusual site conditions (such as lead, asbestos, mold abatement)						\$0
35		lead abatement						\$0
35		asbestos abatement						\$0
35		mold abatement						\$0
30	2	Earth Work						\$0
30		regrade for drainage control	regrade swells, fill and level ponding areas	8	645	LF	45	\$29,025
30		regrade for elimination of erosion situations						\$0
30								\$0
34	2	Landscaping & Irrigation						\$0
34		sodding/seeding						\$0
34		trees, shrubs, and annuals	Add native and drought tolerant trees and plants	5	100	each	85	\$8,500
34		irrigation						\$0
34		tree pruning, root removal	Remove 4 dead and diseased trees	3	4	each	485	\$1,940
33	2	Retaining walls						\$0
33	2	Site Improvements						\$0
33		fencing	replace fencing around the 2 dumpster pads, Fence on West side of property	100	860	LF	24	\$20,640
33		exterior amenities construction (list each amenity separately)	<b>New Picnic Pavillion, Picnic Table, Grill, playground</b>	<b>100</b>	<b>1</b>	<b>each</b>	<b>36400</b>	<b>\$36,400</b>
32	2	Roads (paving)						\$0
32		asphalt paving	Repair and Overlay the asphalt paving and restripe	100	26900	SF	2.1	\$56,490
32	2	Site concrete (curbs, gutters, & sidewalks)						\$0
32		curb & gutter	Repair Cracked Curb and Gutter	5	68	LF	12	\$815
32		sidewalks	Add concrete accessible sidewalks	2	260	SF	6.2	\$1,736





17		steel: handrails, stairs, etc	Hand Rails	100	844 LF	5.5		\$4,642
17		additional prep work (sandblasting)						\$0
18	10	Specialties						\$0
18		signage	New Office Signs, Temporary Signs	100	7 each	80		\$560
18		toilet accessories including framed mirrors	New Towel Bars, TP Holder, Mirror	100	50 units	124		\$6,200
18		fire extinguishers						\$0
18		shelving						\$0
18		mailboxes	New mailboxes and mail kiosk with roof	100	1 unit	12540		\$12,540
18		stovetop fire suppression	2 per range hood	100	50 units	68		\$3,400
20	11	Cabinets (incl. countertops)						\$0
20		unit kitchens	Refinish Cabinets	100	50 units	880		\$44,000
20		countertops	Replace Countertops	100	50 units	690		\$34,500
20		bathroom vanities	refinish vanities	100	50 units	85		\$4,250
21	11	Appliances						\$0
21		refrigerators	Replace with Energy Star Refrigerator	84	42 Each	705.12		\$29,615
21		stove	Replace Stove	64	36 Each	458.03		\$16,525
21		vent hood	Replace Vent Hood	100	50 Each	84.53		\$4,227
21		dishwasher	Whirlpool	100	50 Each	305.71		\$15,286
21		microwave	Whirlpool	100	50 Each	153.37		\$7,669
21		disposals						\$0
22	12	Blinds & Shades	Replace with 2" faux blinds	100	268 each	55		\$14,740
23	12	Carpets						\$0
24	13	Special Construction (pools)						\$0
25	14	Elevators						\$0
26	15	Sprinklers						\$0
26	15	Plumbing						\$0
26		bathubs and/or pre-fab showers	Tub Repair and Refinish	100	50 units	200		\$10,000
26		shower heads						\$0
26		tub faucets	Replace with new delta faucets	100	50 units	400		\$20,000
26		bathroom sinks	Replace with new china sink, Delta faucet, trap and supp	100	84 units	385		\$32,340
26		bathroom faucets						\$0
26		kitchen sinks	Replace Kitchen Sink, Delta Faucet, Strainers, Trap and	100	50 units	385		\$19,250
26		kitchen faucets						\$0
26		toilets	Replace Toilets with HC Toilets	100	84 Each	385		\$32,340
26		new water service--piping, valves, etc						\$0
26		new waste/vent service--piping, valves, etc						\$0
26		water heaters	Replace	50	25 Each	450		\$11,250
26		individual water metering						\$0
27	15	HVAC						\$0
27		air conditioning equipment	All labor and Materials HVAC Subcontractor	68	34 Each	2900		\$98,600
27		heating equipment						\$0
27		ductwork cleaning						\$0
27		ductwork						\$0
27		duct insulation						\$0
27		bathroom ventilation fans	Replace bath exhaust fans	100	84 each	100		\$8,400
27		solar hot water heating						\$0
29	16	Electrical						\$0
29		unit light fixtures	Install Energy Star ceiling fan in Living Room and Bedro	100	49 Apts.	690		\$33,810
29		common area/exterior building mounted light fixtures	Included in Light Fixture Allowance					\$0
29		pole lights	n/a - GA Power maintained					\$0
29		ceiling fans	Included in Light fixture allowance					\$0
29		electrical wiring (within unit)	Replace switches and outlets	100	50 Apts.	450		\$22,500
29		outlets & light switches	Install GFCI outlets in Laundry and kitchen	100	50 Each	50		\$2,500
29		distribution--breaker boxes, breakers, meters						\$0
29		solar panels						\$0
29	16	Communications Systems (cable, phone, internet, etc)						\$0
29		cable outlets						\$0
29		cable wiring						\$0
29		phone jacks						\$0



29		phone wiring (per unit)						\$0
29		internet system (wireless or hard wired?)						\$0
29	16	Safety systems						\$0
29		smoke detectors	Replace and add in each bedroom of dwelling units	100	142	Each	50	\$7,100
29		fire alarm system						\$0
29		security alarm system						\$0
29		access control system						\$0
29		camera system						\$0
		Subtotal (structures)						\$1,011,492
		Total (Structure & Land Imprvmts & Accessibility)						\$1,244,739

## **ADDENDUM D**

## Chapter 22—Residential Districts

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§22.010	Purpose and Intent
§22.020	Definitions Referenced
§22.030	Applicability
§22.040	General Residential District Provisions
§22.050	RS-20, Suburban Residential Single Family Dwelling District - Low Density
§22.060	RS-15, Suburban Residential Single Family Dwelling District - Medium Density
§22.070	RU-7, Urban Residential Single Family Dwelling District - High Density
§22.080	RU-I, Urban Residential Dwelling District – Historical and Infill
§22.100	RU-2, Townhouse Residential Dwelling District
§22.110	RML, Residential Multiple Family Dwelling-Lower Density District
§22.120	RMH, Residential Multiple Family Dwelling-Higher Density District

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### **§22.010 Purpose and Intent**

It is the purpose and intent of this Chapter to permit a wide variety of housing types and development configurations and layouts to meet the residential and related needs of current and future residents of the City of Newnan.

### **§22.020 Definitions Referenced**

The definitions of certain terms referenced in this Chapter are set forth in Chapter 3, "Definitions" of this Ordinance, as amended.

### **§22.030 Applicability**

The requirements herein established shall apply to all residential districts as provided below and listed in Chapter 20, §20.010, "Enumeration" of this Ordinance. Where there is a conflict between the terms and/or requirements contained in this Chapter and another Chapter contained in this Ordinance, as amended, or any other ordinance, code, or regulation of the City of Newnan, Georgia, the more strict shall apply.

### **§22.040 General Residential District Provisions**

The following provisions shall apply to all residential districts:

1. Dimensional, Zoning and Use Requirements

Table 22.02, at the end of this chapter, is a matrix showing the dimensional criteria indicating the specific requirements for each of the residential zoning districts. Specific criteria and requirements for individual zoning districts are detailed in the corresponding sections in this chapter. Zoning district and use requirements are set forth in Chapter 21 of this ordinance, Table 21.04.

2. Recreation Facilities

a. Public and quasi-public playgrounds, parks, non-commercial recreation areas, and swimming, tennis or country clubs and their associated buildings may be permitted in a residential district. No buildings, courts, or playing fields for such uses shall be permitted less than fifty (50) feet from any property line or less than one hundred (100) feet from any street right-of-way.

b. For any residential development of seventy-five (75) or more units, a common

- c. recreation area of 125 square feet per unit shall be provided. Such recreation area shall, at a minimum, provide at least three of the following elements:
  - 1) Outdoor playground equipment
  - 2) Picnic area (Minimum 1 table per 50 units)
  - 3) Tennis courts (Minimum 1 court per 100 units)
  - 4) Basketball court (Minimum 1 court per 100 units)
  - 5) Horseshoe or lawn bowling area (Minimum 2 pits or 1 lane per 100 units)
  - 6) Passive recreation area (Shall include walking paths)
  - 7) Other recreation amenity designed for common use as agreed to by the Planning Director
  
- d. For any townhouse, condominium, or multi-family residential development of fifty (50) or more units, a common recreation area of 100 square feet per unit shall be provided. Such recreation area shall, at a minimum, provide at least three of the following elements:
  - 1) Outdoor playground equipment
  - 2) Picnic area (Minimum 1 table per 50 units)
  - 3) Tennis courts (Minimum 1 court per 100 units)
  - 4) Basketball court (Minimum 1 court per 100 units)
  - 5) Horseshoe or lawn bowling area (Minimum 2 pits or 1 lane per 100 units)
  - 6) Passive recreation area (Shall include walking paths)
  - 7) Other recreation amenity designed for common use as agreed to by the Planning Director

3. Residential Driveways and Parking Standards

No residence shall have a driveway and parking area with a total area that exceeds twenty five percent (25%) of the front yard. For the purpose of this section, driveways and parking areas shall include all asphalt, concrete, and gravel surfaces that are accessible via an approved curb cut and shall not include grassed or landscaped surfaces. In addition to the above standard, residential parking shall conform to the following standards:

- a. No residence shall be allowed to park more than two (2) vehicles in the front yard and outside of a driveway or parking area. In instances where vehicles are parked outside of a driveway or parking area, the front yard shall be maintained in a manner to which no part of the yard becomes deteriorated due to the parking of said vehicles.
- b. No residence shall be allowed to park any boat, recreational vehicle, travel trailer, or vehicle not in operating condition or currently licensed on the property unless parked within an enclosed building or structure.
- c. No residence shall be allowed to park any commercial vehicle; or any other vehicle over ten thousand (10,000) pounds gross vehicle weight; or twenty-four (24) feet in length in residential districts, unless parked within an enclosed building or structure.

4. Minimum Standards for Townhouses

- a. A row of townhouses shall not contain more than six (6) dwelling units
- b. Developments consisting of twenty (20) acres or more shall be limited to a maximum of thirty (30) percent of the total units being constructed as townhouses.

- c. Townhouses shall not be designed to give the appearance of row houses. Facades of each unit shall be offset a minimum of 18" to create the appearance of separate buildings and shall vary in appearance (color, architectural features, and building materials) with no two facades being alike in a single row of buildings.
  - d. Exterior finished material shall be constructed with a combination of clay masonry brick, natural stone including granite, marble, sandstone, field stone or any other natural stone approved by the Building Official; manufactured stone including imitation field stone, marble terrazzo, and any other manufactured finish stone approved by the Building Official; wood, traditional three coat stucco, or fiber-cement planks and panels either lap siding, shingle siding or vertical siding patterns painted or stained. The use of architectural details such as hip returns, operable window shutters, transoms, wrought iron railings, gas lights, brick molding, and multiple exterior finish materials are strongly encouraged. Structures utilizing a single exterior finish material shall not be permitted without written authorization from the Building Official. End elevations must be consistent with front facades.
  - e. Townhouses shall either incorporate a flat roof design utilizing a decorative parapet wall or have a minimum 6:12 roof pitch. Architecturally dimensioned roof covering shall be required. Vents and similar objects shall not be visible from the front of the structure.
  - f. For pitched roofs, the use of gables, dormers, cornices, chimneys and other design features shall be used to enhance the overall appearance of the homes.
  - g. HVAC units shall not be visible from the right-of-way.
  - h. All townhouses shall incorporate front covered porches or front covered stoops in their designs. Porches shall be a minimum of six (6) feet in depth. Stoops shall be a minimum of three (3) feet in depth.
  - i. Each townhouse shall front on a dedicated public street. Townhouses may only front on a private street in accordance with Section 11, Item 14 of the City of Newnan Subdivision Regulations.
  - j. Driveway standards for townhouses shall conform to the following:
    - 1. All driveways shall be separated a minimum of 8 (eight) feet from adjacent driveways. The 8 (eight) foot area between the driveways shall be sodded. One exception can be made per every eight units to allow a minimum of 4 (four) foot of sodded area between driveways.
    - 2. Townhouses are encouraged to utilize rear garages. Front entry garages must employ carriage style doors and shall be designed to be setback equal to or greater than the front door of the primary structure. For developments consisting of twenty (20) acres or greater, no more than fifty (50) percent of the units shall have front entry garages.
5. Minimum Standards for Condominium Development see also Section 21.040 (23)
- a. Condominiums shall be designed using masonry facades on the front, rear, and two (2) end elevations. Masonry for the purpose of this section shall be divided into two (2) types: Primary Materials and Secondary Materials. Primary materials shall include fired clay brick or brick face; natural stone including

granite, marble, sandstone, field stone or any other natural stone approved by the Zoning Administrator; manufactured stone including imitation field stone, marble terrazzo, and any other manufactured finish stone approved by the Zoning Administrator. Secondary materials shall include stucco on lathe, or fiber-cement planks and panels either lap siding, shingle siding or vertical siding patterns painted or stained. Primary materials shall be composed of 40 percent or more of the area for the front and two (2) end elevations. Secondary materials shall compose of 60 percent or less of the area for the front and two (2) end elevations, but the rear elevation may utilize 100 percent of the secondary material unless visible from the public right-of-way then it shall utilize the percentages for the front and two (2) end elevations. Architectural detailing and decorative trim shall be approved by the Zoning Administrator at his/her discrepancy. Condominiums established via the conversion of an existing apartment development are exempt from this provision.

- b. Condominium developments shall conform to all applicable rules and requirements as established by Georgia Condominium Act. Prior to approval of any condominium development, the applicant shall provide the City with a copy of the Condominium Homeowner Declaration prepared per the Georgia Condominium Act and filed with the Office of the Clerk of Superior Court of Coweta County.

- c. Condominium developments utilizing individual driveways, rather than grouped parking spaces, shall conform to the following standards:

All driveways shall be separated a minimum of 8 (eight) feet from adjacent driveways. The 8 (eight) foot area between the driveways shall be sodded. One exception can be made per every eight units to allow a minimum of 4 (four) foot of sodded area between driveways.

Condominiums utilizing a townhouse design are encouraged to utilize rear garages. Front entry garages must employ carriage style doors and shall be designed to be setback equal to or greater than the front door of the primary structure. For developments consisting of twenty (20) acres or greater, no more than fifty (50) percent of the units shall have front entry garages.

- d. Condominiums established via the conversion of an existing apartment development are exempt from this provision.
- e. Condominium developments shall not exceed 40% impervious surface with the maximum building coverage being 25%. Loft style condominiums and condominiums established via the conversion of an existing apartment development are exempt from this provision.
- f. Condominium developments will not be issued a certificate of occupancy until site inspections by the Planning Director, City Engineer, and City Landscape Architect confirm compliance with the approved site plan.
- g. Unless a minimum of two entrances are provided from a publicly dedicated street, all units within a condominium development shall be located within 1000' from the main entrance. This measurement shall be taken along the centerline of the shortest drive providing access to the unit.
- h. Attached dwellings shall be separated by a masonry through-the-roof firewall, or in the alternative, a two-hour firewall as required by the latest edition of the building code shall be required between the units to the roof and to the exterior wall but not through the roof or through the exterior wall. Fire retardant roof

decking shall be required a minimum of four (4) feet from either side of the firewall. In addition, attached to the firewall and a minimum of four (4) feet from the firewall, fire retardant sheet rock shall be used. A fire prevention sprinkler system meeting Building Department requirements shall be provided on the interior of the unit.

6. Minimum Standards for Multi-Family Development

- a. Entrances Separated— Common residential building entrances shall be physically separated and distinct from commercial or other non-residential building entrances except that apartment buildings may provide an internal connection between residential areas and retail designed primarily to serve those residences.
- b. Storage of Refuse—Residential units shall maintain a separate refuse storage container from that used by non-residential uses. It shall be clearly marked for residential use only and use by non-residential tenants is strictly prohibited.
- c. Design— Buildings shall be designed using masonry facades on the front, rear, and two (2) end elevations. Masonry for the purpose of this section shall be divided into two (2) types: Primary Materials and Secondary Materials. Primary materials shall include fired clay brick or brick face; natural stone including granite, marble, sandstone, field stone or any other natural stone approved by the Zoning Administrator; manufactured stone including imitation field stone, marble terrazzo, and any other manufactured finish stone approved by the Zoning Administrator. Secondary materials shall include stucco on lathe, or fiber-cement planks and panels either lap siding, shingle siding or vertical siding patterns painted or stained. Primary materials shall be composed of 40 percent or more of the area for the front and two (2) end elevations. Secondary materials shall compose of 60 percent or less of the area for the front and two (2) end elevations, but the rear elevation may utilize 100 percent of the secondary material unless visible from the public right-of-way then it shall utilize the percentages for the front and two (2) end elevations. Architectural detailing and decorative trim shall be approved by the Zoning Administrator at his/her discrepancy.
- d. Minimum Unit Size, By Type—Table 22.01 below enumerates minimum multi-family unit sizes:

<b>Unit Type</b>	<b>Minimum Size (Square Feet)</b>	<b>Minimum/Maximum Percentages</b>
Studio or Efficiency	500	None/30
One (1) Bedroom	700	None/None
Two (2) Bedroom	950	None/None
Three (3) Bedroom or More	1100	None/10

- e. Minimum Average Unit Size—The average square footage of all residential units proposed for a development must be a minimum of 800 square feet. If the project is phased, at no time shall the average square footage for approved phases drop below the minimum. This provision does not apply to apartments above commercial storefronts.



- f. Limitation on Three (3) or More Bedroom Units—No more than ten (10) percent of all proposed units in a development may be three (3) or more bedroom units. If the project is phased, at no time shall the total percentage of three (3) bedroom units exceed ten (10) percent.
  - g. Parking—Any multi-family development utilizing individual driveways (typical of townhouse style apartments), rather than grouped parking spaces, shall conform to the following standards:
    - 1) Units less than 35 feet in width must utilize shared driveways or rear access alleys.
    - 2) All driveways shall be separated a minimum of 15 feet from adjacent driveways and no driveway shall be located within 5 feet of any property line.
  - h. Impervious Surface—Multi-family developments shall not exceed 40% impervious surface with the maximum building coverage being 25%. Loft style apartments are not subject to this limitation.
  - i. Certificates of Occupancy—Multi-family developments will not be issued a certificate of occupancy until site inspections by the Planning Director, City Engineer, and City Landscape Architect confirm compliance with the approved site plan.
  - j. Number of Entrances—Unless a minimum of two entrances are provided from a publicly dedicated street, all units within a multi-family development shall be located within 1000' from the main entrance. This measurement shall be taken along the centerline of the shortest drive providing access to the unit. See also Section 21.040
7. **Storage of Boats, Trailers, RVs within a Townhouse, Condominium and Multi-Family Development Projects**
- Screened, enclosed, fenced and locked storage areas may be included as part of a multi-family development project for the purpose of storing or parking boats, trailers, RVs, extra vehicles and other uses requiring towing, provided that such screening shall meet the requirements as specified in the "Tree Preservation and Landscaping" Ordinance within the City of Newnan Code of Ordinances.
8. **Projections into Required Yards**
- The following projections are permitted into required yards:
- a. **Uncovered Similar Structures**
- For uncovered porches, landings, terraces, patios, platforms, or decks which do not extend above the first floor level of the building, please refer to Chapter 33, §33.060, subsection 3, "Residential Accessory Structures" of this Ordinance.
- b. **Architectural Features**
- Chimneys, cornices, eaves, belt courses, sills, canopies or similar architectural features (not including bay windows or vertical projections) may project into a required side yard not more than thirty (30) inches, but not closer than three (3) feet to the side lot line and may project into a required front or rear yard not to exceed three (3) feet.

c. Heating and Cooling Equipment

Heating and cooling equipment may project only into any required side or rear yard provided that such equipment may not be located closer than three (3) feet from any side or rear lot line.

d. Swimming Pools

For swimming pools, please refer to Chapter 33, §33.060 subsection 3, "Residential Accessory Structures" of this Ordinance.

9. Buffers and Screening

Non-residential development in residential districts shall comply with the buffering and screening requirements as set forth for such uses as specified in the "Tree Preservation and Landscaping" Ordinance within the City of Newnan Code of Ordinances.

10. Zero Lot Line Residences

A zero lot line configuration may be permitted in the RU-7, RU-2, PDR, OSD-2, or MXD-2 districts provided that:

- a. Any wall constructed on the side lot line must be a solid windowless fire-rated wall. If there is an offset of the wall from the lot line of more than six (6) inches, the offset must be at least six (6) feet.
- b. The minimum building separation between the sides of adjacent dwellings shall be at least two (2) times the minimum side yard required for the district.
- c. A five (5) foot maintenance easement and a maximum eave encroachment of two (2) feet within the maintenance easement may be established in the deed restrictions and covenants of the adjoining lot. This will provide ready access to the lot line wall at reasonable periods of the day for normal maintenance.
- d. Preliminary subdivision plans submitted to the Planning Commission must indicate the proposed location and configuration of dwellings, driveways, and parking locations for each lot. A draft of the proposed encroachment and maintenance easements must be submitted for review.
- e. Zero side yards established under these standards must be continuous along the length of the building. There must be either the lot line wall or a solid wall or fence at least six (6) feet high along the lot line adjacent to the building between the established setback and the established rear yard. The wall or fence is used in those cases where the building may be offset as allowed under these standards.
- f. Side lot line established shall be the same for all units so that no two (2) units shall share a common wall.

11. Open Space

Open space is required for developments with 25 or more units or lots per Table 22.02 of this chapter. Open space may include parks, commons, plazas, community green or lawn, landscaped buffers or other areas, decorative plantings, formal or informal gardens, pedestrian walkways or paths, and active or passive recreation areas. Open space shall not include streets, drives, off-street parking and loading areas or any area

within residential lots. No more than 40% of the required open space shall be located within floodplains, wetlands, steep slope areas, utility easements, etc. All open space shall be a minimum dimension of fifty (50) feet in length and width and that comprise a contiguous area of not less than five thousand (5,000) square feet. Open space shall be maintained by and be the sole responsibility of the developer/owner of the project or home owners association. See Chapter 21, §21.060, subsection 6 for an explanation of how to calculate open space. Open space requirements may differ for Planned Development, Open Space, or Mixed Use Districts. Please see the applicable chapter for these requirements.

12. Landscaped Entrance

Any residential development involving new access from a public street shall provide a landscaped entrance which complies with the standards of the Tree Preservation and Landscape Ordinance. Landscaped entrances shall be maintained by and be the sole responsibility of the developer/owner of the project or home owners association.

13. Urban Neighborhood Design

a. General Purpose and Intent

The Urban Neighborhood Design was created to encourage quality single-family development on smaller lots by establishing additional requirements designed to preserve and enhance the City's existing character and create a more interesting neighborhood design. These architectural components will be established in the Subdivision Architectural Guidelines (SAG). The SAG must be submitted to the Planning Commission for their approval, prior to the acceptance of the UND subdivision request.

b. Location

The Urban Neighborhood Design may be located in the RU-7, RU-2, RML, RMH and PDR zoning designations.

c. Applicability

The Urban Neighborhood Design standards will be required for lots less than 75 feet in width in the RU-7, RU-2, RML, and RMH districts, all lots less than 50 feet in width in the PDR district, and for all developments located within the CS zoning district. All developments that were previously approved for the construction of attached dwellings that would prefer to utilize the Urban Neighborhood Design product in lieu of the attached dwelling must submit a revised plan to the Planning Commission for consideration. If the Commission concludes that the plan meets the intent of the Zoning Ordinance in establishing the Urban Neighborhood Design criteria, then the developer may be granted approval to use the modified requirements.

d. Dimensional Requirements

Tables 22.02, 26.01, and 25.01 are matrixes showing the dimensional criteria indicating the specific requirements for each of the residential zoning districts.

e. Minimum Standards for Urban Neighborhood Design

1. The front façade or elevation of the home must face and parallel the primary street.

2. The architectural criteria shall be determined by the Subdivision Architectural Guidelines (SAG), as approved by the City Staff and the Planning Commission. The SAG must specify the required exterior materials, style and finish of the structures to be built within the UND development. The SAG must specify, in detail, the following:

- Architectural Review Process
- Typical Site/Landscape Plan
- Architectural Criteria
  1. Massing
  2. Foundation
  3. Roof Coverings
  4. Wall Finishes
  5. Trim
  6. Windows
  7. Shutters
  8. Porches
  9. Doors
  10. Fences
- Garage Standards
- Typical Details/Photograph Examples
- Variance Procedures

The use of authentic architectural components such as exposed rafter tails, operational shutters, cornices, entablatures, transoms, brick moldings, window casings, brackets and knee braces are strongly encouraged. At a minimum the foundations must be finished with brick, stone or 3-coat stucco and must include a transitional band treatment. Exterior finishes must be continuous on at least three sides of the residence. The SAG must take into account the use of a variety of finish materials on each building, creating a less homogenized street. Vinyl siding materials are not permitted in the UND.

3. Roof pitch shall be a minimum of 8:12. Architecturally dimensioned roof covering shall be required.
4. All dwellings shall incorporate front covered porches or front covered stoops into their designs. Porches shall be a minimum of six (6) feet in depth. Stoops shall be a minimum of three (3) feet in depth.
5. No duplicate elevations including similar massing shall be constructed within a 125' radius, which would be measured from the center of the property. The Developer/Builder will be responsible for providing documentation certifying their compliance with this requirement prior to the issuance of a building permit.
6. Garages should be entered from the rear or side of the dwelling. Front entry garages must utilize carriage style doors and shall be designed to be setback equal to or greater than the front door of the primary structure. Shared driveways will not be permitted. For developments consisting of twenty (20) acres or greater, no more than 50 (fifty) percent of the units shall have front entry garages.
7. The use of gables, dormers, cornices, chimneys and other design features shall be used to enhance the overall appearance of the homes.

- 8. All homes constructed under the Urban Neighborhood Design standards shall be required to have a minimum of 1,800 square feet of principal living space.
- 9. Developments consisting of twenty (20) acres or more shall be limited to a maximum of sixty (60) percent of the total units being constructed as Urban Neighborhood Design product.

f. Design Review Procedure

The Building Official shall review all construction plans for compliance with the Ordinance.

g. Appeals (From Administrative Rulings)

The Planning Commission is authorized to hear appeals from any order, requirement, decision, or determination made by the Building or Zoning Administrator in the enforcement of §22.040 (13) of the ordinance. In this capacity, the Commission exercises appellate jurisdiction as a quasi-judicial body, and its task is to determine what the Ordinance means and how the Ordinance applies to a particular situation. Appeals shall follow the procedures set forth in §44.140 through §44.170 of this Ordinance.

**§22.050 RS-20, Suburban Residential Single-Family Dwelling District - Low Density;**

1. General Purpose and Description

The RS-20 Suburban Residential Single-Family Dwelling District - Low Density, is the most restrictive residential district. The principal uses of land in this district is for low density single-family dwellings and related recreational, religious and educational facilities normally required to provide the basic elements of a balanced, orderly, convenient, and attractive residential area. Low density residential areas shall be protected from higher density residential development and from the encroachment of incompatible uses. RS-20 districts are designed to provide internal stability, harmony, attractiveness, order and adequate light, air and open space for dwellings and related facilities and by consideration of arrangement of the different uses permitted in this district. Dwelling configurations include:

- a. Single-family detached homes
- b. Residences for domestic help (as a conditional use)
- c. Accessory apartment (as a special exception)

2. Location of RS-20 Districts

New RS-20 districts are most appropriately located adjacent to existing RS-20 districts, adjacent to county residential districts, in areas in transition between denser residential neighborhoods and less dense neighborhoods, or in areas where the future land use map indicates would be appropriate for low density single-family residential uses. RS-20 districts should be located so that required infrastructure is already in place or that the infrastructure can be installed as part of the development of the property.

3. Infrastructure Requirements

- a. Public Water: Required

- b. Public Sewer: Required
- c. Off-Street Parking: See Chapter 30, "Parking and Loading Requirements".
- d. On-Street Parking: Not permitted.

**§22.060 RS-15, Suburban Residential Single-Family Dwelling District - Medium Density**

1. General Purpose and Description

The RS-15 Suburban Single-Family Dwelling District - Medium Density, is a district for low density single-family dwellings and related recreational, religious and educational facilities normally required to provide the basic elements of a balanced, orderly, convenient, and attractive residential area. Low density residential areas shall be protected from higher density residential development and from the encroachment of incompatible uses. Dwelling configurations include:

- a. Single-family detached homes
- b. Residences for domestic help (as a conditional use)
- c. Accessory apartments (as a special exception)

2. Location of RS-15 Districts

New RS-15 districts are most appropriately located adjacent to existing RS-15 districts, in areas in transition between denser residential neighborhoods and less dense neighborhoods, or in areas where the future land use map indicates would be appropriate for low density single-family residential uses. RS-15 districts should be located so that required infrastructure is already in place or that the infrastructure can be installed as part of the development of the property.

3. Infrastructure Requirements

- a. Public Water: Required
- b. Public Sewer: Required
- c. Off-Street Parking: See Chapter 30, "Parking and Loading".
- d. On-Street Parking: Permitted only if street frontage is surrounded by districts that permit on-street parking.

**§22.070 RU-7, Urban Residential Single Family Dwelling District - High Density**

1. General Purpose and Description

The RU-7, Urban Residential Single Family Dwelling District - High Density district provides for higher density residential development designed to allow more walkable neighborhoods. The principal uses of land in this district is single-family dwellings and related recreational, religious and educational facilities normally required to provide the basic elements of a balanced, orderly, convenient, and attractive residential area. High density residential areas shall be protected from low intensity non-residential development and from the encroachment of incompatible uses. Dwelling configurations include:

- a. Single-family detached homes (including zero lot line configuration)
- b. Townhouse (fee simple)
- c. Residences for domestic help (as a conditional use)
- d. Accessory apartments (as a conditional use)

2. Location of RU-7 Districts

New RU-7 districts are most appropriately located adjacent to existing RU-7 districts, in areas in transition between denser residential neighborhoods and less dense neighborhoods, or in areas where the future land use map indicates would be appropriate for medium density residential uses. RU-7 districts should be located so that required infrastructure is already in place or that the infrastructure can be installed as part of the development of the property.

3. Infrastructure Requirements

- a. Public Water: Required
- b. Public Sewer: Required
- c. Off-Street Parking: See Chapter 30, "Parking and Loading Requirements".
- d. On-Street Parking: Required only if street frontage is adjacent to districts that permit on-street parking.

**§22.080 RU-I, Urban Residential Dwelling District—Historical and Infill**

1. General Purpose and Description

The RU-I, Urban Residential Dwelling District—Historical and Infill district provides for higher density residential development in the historical residential areas of the City of Newnan. The principal uses of land in this district are single-family dwellings and related recreational, religious and educational facilities normally required to provide the basic elements of a balanced, orderly, convenient, and attractive residential area. High density residential areas shall be protected from low intensity non-residential development and from the encroachment of incompatible uses.

RU-I districts are designed to maintain neighborhood stability by permitting development on a lot by lot basis. Each request to develop in this district shall be given individual consideration in regard to setbacks and other dimensional requirements to ensure that infill and replacement dwellings are compatible with the dimensions of the adjacent dwellings, the block, and the neighborhood. The Planning Department will review and approve site and elevation plans for such projects. Dwelling configurations include:

- a. Single-family detached homes
- b. Townhouse (fee simple)
- c. Residences for domestic help (as a conditional use)
- d. Accessory apartments (as a conditional use)

2. Location of RU-I Districts

New RU-I districts are most appropriately located adjacent to existing RU-I districts, in areas already developed where infill housing would be the predominate means of adding to the housing stock, or in areas where the future land use map indicates would be appropriate for infill or historically complementary residential uses. RU-I districts should



be located so that required infrastructure is already in place or that the infrastructure can be installed as part of the development of the property.

3. Infrastructure Requirements

- a. Public Water: Required
- b. Public Sewer: Required
- c. Off-Street Parking: See Chapter 30, "Parking and Loading".
- d. On-Street Parking: Permitted

4. Other Requirements

a. Dimensional Requirements

The applicant for a development within the RU-I district shall meet with the Planning Department prior to the submittal of a preliminary plat or site plan to discuss the following:

- 1) Lot Size—Shall be determined by calculating the average of platted lots existing on the block. Individual infill lots shall be developable as per §21.040, subsection 12. "Single Lot of Record".
- 2) Density—Varies based on required lot size. Density shall be determined when lot sizes are established.
- 3) Setbacks—Shall be determined by the average of adjacent units or by the block average if adjacent units are not present or are the exception. Non-conforming lots shall meet with the above requirements as closely as possible and seek variances for remaining non-conformities.
- 4) Minimum Building Line Width—Shall be determined by the average of adjacent units or by the block average if adjacent units are not present or are the exception. Non-conforming lots shall meet with these requirements as closely as possible and seek variances for non-conformity.
- 5) Minimum Lot Frontage—Shall be determined by the average of adjacent units or by the block average if adjacent units are not present or are the exception. Non-conforming lots shall meet with these requirements as closely as possible and seek variances for non-conformity.
- 6) Minimum Lot Depth—Shall be determined by the average of adjacent units or by the block average if adjacent units are not present or are the exception. Non-conforming lots shall meet with these requirements as closely as possible and seek variances for non-conformity.
- 7) Principal Building Height—Shall be determined by the average of adjacent units or by the block average if adjacent units are not present or are the exception.

Those dimensions determined at this meeting shall be provided as part of the plat or site plan. The applicant shall be responsible for researching existing conditions and providing the City with the information required by this Section.



Subdivision or site plan review approval shall be initiated through the Planning Department prior to seeking building or other land disturbance permits.

**§22.100 RU-2, Townhouse Residential Dwelling District**

1. General Purpose and Description

The RU-2 district is a residual district which shall no longer allow new designation through rezoning. The primary purpose of this section is to administer the completion of existing RU-2 zoned properties and projects. The intent of this district is to provide standards for townhouse dwellings which will:

- a. Encourage the provision of functional open space and recreation areas where feasible.
- b. Be located primarily in areas near or adjacent to other residential districts and uses.
- c. Be situated so as to provide a transition in density between single-family and two-family districts and higher density residential districts and uses.
- d. Provide a neighborhood orientation and include such features such as sidewalks, alleys, rear and/or street parking, street trees, and shallow setbacks that facilitate said orientation.
- e. Be located near such services as neighborhood retail uses and transportation facilities such as arterial and collector streets.
- f. Encourage home ownership and owner-occupancy.

Dwelling configurations include:

- a. Single-family detached homes (including zero lot line configuration)
- b. Two-family homes
- c. Duplex dwellings (condominium ownership only)
- d. Townhouses (condominium and fee simple only)

2. Location of RU-2 Districts

No new RU-2 districts shall be created. RU-2 is a residual district designation whereby lands already zoned RU-2 may carry out their approved development plan or modify their project based on the provisions of this Chapter.

3. Infrastructure Requirements

- a. Public Water: Required
- b. Public Sewer: Required
- c. Off-Street Parking: See Chapter 30, "Parking and Loading Requirements".
- d. On-Street Parking: Permitted.

**§22.110 RML, Residential Multiple Family Dwelling-Lower Density District**

1. General Purpose and Description

The RML, Residential Multiple Family Dwelling-Lower Density District, is intended to provide for medium density multiple-family dwellings which may have a relatively intense concentration of dwelling units served by large open spaces consisting of common areas and recreation facilities, thereby resulting in medium gross densities. The principal use of land may be one or several dwelling types, ranging from manufactured homes to low-rise multiple-family dwellings, and including two-family dwellings, garden apartments, apartment buildings, condominiums and townhouses. Recreational, religious and educational uses normally located to service adjacent residential areas are also permitted to meet the basic needs of a balanced, orderly, convenient, economical and attractive residential area. RML, Residential Multiple Family Dwelling District, functions as a buffer or transition between major streets, or commercial or higher density residential areas. Dwelling configurations include:

- a. Single-family detached homes, including zero lot line configuration.
- b. Two-family homes
- c. Duplex dwellings (including condominium ownership)
- d. Triplex and quadruplex dwellings (including condominium ownership)
- e. Apartments, including but not limited to Garden, Loft, Studio, Efficiency and Townhouse Style.
- f. Townhouses (including condominium and fee simple ownership)
- g. Manufactured Homes

2. Location of RML Districts

New RML districts are most appropriately located adjacent to existing RML districts, in areas in transition between denser residential neighborhoods and commercial development, or in areas where the future land use map indicates would be appropriate for high density residential uses. RML districts should be located so that required infrastructure is already in place or that the infrastructure can be installed as part of the development of the property.

3. Infrastructure Requirements

- a. Public Water: Required
- b. Public Sewer: Required
- c. Off-Street Parking: See Chapter 30, "Parking and Loading Requirements".
- d. On-Street Parking: Permitted.
- e. Roads and Streets: Frontage permitted on Classes II, III, IV, and V, VI and VII. Access to multi-family development shall be via an arterial road, sub-collector, parkway, collector, non-residential collector or industrial.
- f. Sidewalks: Sidewalks shall be required for all multi-family developments. Such developments, to justify and take advantage of the density developed, shall provide both an internal pedestrian circulation system and sidewalks along exterior road frontages. Both pedestrian elements shall connect to each other. Internal pedestrian circulation may consist of the following:

1) Garden Style Apartment Complexes

Such developments shall connect each primary building entrance with a sidewalk or pedestrian path that connects to the primary pedestrian circulation route leading to the development's entrance. Internal pedestrian paths shall be paved in concrete or bituminous asphalt with a minimum width of six (6) feet. Sidewalks shall be paved in concrete with a minimum width of four (4) feet. Exterior sidewalks shall meet the requirements as specified in the "Sidewalk Requirements" Ordinance within the City of Newnan Code of Ordinances.

2) Apartment Buildings or Lofts

Such developments shall provide sidewalks that meet the minimum requirements as specified in the "Sidewalk Requirements" Ordinance within the City of Newnan Code of Ordinances. The City may require additional provisions based on the road frontage characteristics.

3) Townhouse Apartments

Townhouse apartments shall provide sidewalks based on the above two (2) development configurations. Such developments situating buildings along an internal private drive shall provide pedestrian facilities as stated in subsection 1) above with developments fronting a public right-of-way shall provide sidewalks as stated in subsection 2) above.

**§22.120 RMH, Residential Multiple Family Dwelling-Higher Density District**

1. General Purpose and Description

The RMH, Residential Multiple Family Dwelling-Higher Density District, is intended to provide for higher density multiple-family dwellings which may have a relatively intense concentration of dwelling units served by large open spaces consisting of common areas and recreation facilities, thereby resulting in medium gross densities. The principal use of land may be one or several dwelling types, ranging from manufactured homes to low-rise multiple-family dwellings, and including two-family dwellings, garden apartments, apartment buildings, condominiums and townhouses. Recreational, religious and educational uses normally located to service adjacent residential areas are also permitted to meet the basic needs of a balanced, orderly, convenient, economical and attractive residential area. Dwelling configurations include:

- a. Single-family detached homes, including zero lot line configuration
- b. Two-family homes
- c. Duplex dwellings (including condominium ownership)
- d. Triplex and quadruplex dwellings (including condominium ownership)
- e. Apartments, including but not limited to Garden, Loft, Studio, Efficiency and Townhouse Style.
- f. Townhouses ( condominium and fee simple ownership)
- g. Manufactured Homes

2. Location of RMH Districts

New RMH districts are most appropriately located adjacent to existing RMH districts, in areas in transition between denser residential neighborhoods and commercial development, or in areas where the future land use map indicates would be appropriate for high density residential uses. RMH districts should be located so that required

infrastructure is already in place or that the infrastructure can be installed as part of the development of the property.

3. Infrastructure Requirements

- a. Public Water: Required
- b. Public Sewer: Required
- c. Off-Street Parking: See Chapter 30, "Parking and Loading Requirements" of this Ordinance.
- d. On-Street Parking: Permitted.
- e. Roads and Streets: Frontage permitted on Classes II, III, IV, and V, VI and VII. Access to multi-family development shall be via an arterial road, sub-collector, parkway, collector, non-residential collector or industrial.
- f. Sidewalks: Sidewalks shall be required for all multi-family developments. Such developments, to justify and take advantage of the density developed, shall provide both an internal pedestrian circulation system and sidewalks along exterior road frontages. Both pedestrian elements shall connect to each other. Internal pedestrian circulation may consist of the following:

1) Garden Style Apartment Complexes

Such developments shall connect each primary building entrance with a sidewalk or pedestrian path that connects to the primary pedestrian circulation route leading to the development's entrance. Internal pedestrian paths shall be paved in concrete or bituminous asphalt with a minimum width of six (6) feet. Sidewalks shall be paved in concrete with a minimum width of four (4) feet. Exterior sidewalks shall meet the requirements as specified in the "Sidewalk Requirements" Ordinance within the City of Newnan Code of Ordinances.

2) Apartment Buildings or Lofts

Such developments shall provide sidewalks that meet the minimum requirements as specified in the "Sidewalk Requirements" Ordinance within the City of Newnan Code of Ordinances. The City may require additional provisions based on the road frontage characteristics.

3) Townhouse Apartments

Townhouse apartments shall provide sidewalks based on the above two (2) development configurations. Such developments situating buildings along an internal private drive shall provide pedestrian facilities as stated in subsection 1 of this Section with developments fronting a public right-of-way shall provide sidewalks as stated in subsection 2 of this Section.

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**Table 22.02**  
**Residential Dimensional Requirements**  
 (Table Amended 7-9-2002, 2-11-2003, 10-28-2003 & 10-25-05)

DIMENSION ↓	ZONING DISTRICT						
	RS-20	RS-15	RU-7	RU-I	RU-2	RML	RMH
<b>Minimum/ Maximum District Size</b> (Square Feet/Acres)	One (1) Acre Minimum	One (1) Acre Minimum	One-Half (0.50) Acre Minimum	One-Half (0.50) Acre Minimum	16,000 s.f. Minimum	Sixty (60) Acres Maximum	Forty (40) Acres Maximum
<b>Minimum Lot Size</b> (Square Feet/Acres)	26,000	15,000	Detached=7,500 Townhouse=3,000 Urban Neighborhood= 4,500	Average of Platted Lots Existing on Block	Detached= 7,500 Urban Neighborhood= 4,500 Townhouse=2,600	Multi-Family=1 Acre Townhouse=2,600 Detached=7500 Urban Neighborhood=4,500 Manufactured= 6,000	Multi-Family=1 Acre Townhouse=2,600 Detached=7500 Urban Neighborhood=4,500 Manufactured= 6,000
<b>Base/Maximum Density</b> (Units/Acre)	1.5	2.5	4	Varies, based on lot size	5	Multi-Family=8 Other=6	Multi-Family=12 Other=8
<b>Front Setback<sup>i</sup></b>	Major St.=50/100 Minor St.=35/60	Major St. =45/95 Minor St.=30/55	Major St.=40/90 Minor St.=25/50 W/ Rear Garage=10/35	Average of adjacent units or block average	Major St. =35/85 Minor St.=20/45 W/Rear Garage= 10/35	Multi-Family Major St. = 100/150 Minor St. = 50/100 Other Major St. =30/80 Minor St. =15/40 W/Rear Garage=10/35	Multi-Family Major St. = 100/150 Minor St. = 50/100 Other Major St. =30/80 Minor St. =15/40 W/Rear Garage=10/35
<b>Side Setback<sup>ii</sup></b>	15'	12'	10' Urban Neighborhood=5'	Average of adjacent units or block average	7' Urban Neighborhood=5'	Multi-Family=12' Other= 7' Urban Neighborhood=5'	Multi-Family=12' Other= 7' Urban Neighborhood=5'
<b>Street Side<sup>iii</sup> Setback</b>	Major St.=50/100 Minor St.=35/60	Major St. =45/95 Minor St.=30/55	Major St.=40/90 Minor St.=25/50 W/Rear Garage=10/35	Average of adjacent units or block average	Major St. =35/85 Minor St.=20/45 W/Rear Garage= 10/35	Multi-Family Major St. = 100/150 Minor St. = 50/100 Other Major St. =30/80 Minor St. =15/40 W/Rear Garage= 10/35	Multi-Family Major St. = 100/150 Minor St. = 50/100 Other Major St. =30/80 Minor St. =15/35 W/Rear Garage= 10/35
<b>Rear Setback</b>	40'	35'	30'	Average of adjacent units or block average	20'	Multi-Family=40' Other=20'	Multi-Family=40' Other=20'
<b>Minimum Bldg. Line Width</b>	100'	85'	Detached=75' Townhouse =30' Urban Neighborhood=45'	Average of adjacent units or block average	Detached=75' Urban Neighborhood=45' Townhouse=26'	Multi-Family=300' Condo=100' Detached=75' Urban Neighborhood=45' Townhouse=26'	Multi-Family=400' Condo=100' Detached=75' Urban Neighborhood=45' Townhouse=26'
<b>Minimum Lot Frontage<sup>iv</sup></b>	100' 35' cul-de-sac	85' 35' cul-de-sac	Detached=75' Townhouse =30' Urban Neighborhood=45'	Average of adjacent units or block average	Detached=75' Urban Neighborhood=45' Townhouse=26'	Multi-Family=300' Condo = 100' Townhouse= 26' Detached=75' Urban Neighborhood=45'	Multi-Family=400' Condo=100' Detached=75' Urban Neighborhood=45' Townhouse=26'

DIMENSION ↓	ZONING DISTRICT						
	RS-20	RS-15	RU-7	RU-1	RU-2	RML	RMH
<b>Minimum Lot Depth</b>	100'	100'	90'	Average of adjacent units or block average	90'	80'	80'
<b>Minimum Principal Living Space</b> (Square Feet)	2,000	1800	1600 Urban Neighborhood = 1,800	None	1500 Urban Neighborhood = 1,800	Studio=500 1 Bedroom=700 2 Bedroom=950 3+ Bedroom=1100 Other=1500 Urban Neighborhood = 1,800	Studio=500 1 Bedroom=700 2 Bedroom=950 3+ Bedroom=1100 Other=1500 Urban Neighborhood = 1,800
<b>Principal Building Height</b>	35'	35'	40'	Average of adjacent units or block average	40'	45'	45'
<b>Accessory Building Height</b> <sup>vii</sup> <small>(See 309.33.060)</small>	15'	15'	15'	15'	15'	15'	15'
<b>Maximum Building Lot Coverage<sup>v</sup></b>	20%	30%	Detached=50% Other=70%	35%	Detached=50% Urban Neighborhood=70% Townhouse=70% Condo=25%	Multi-Family=25% Condo=25% Detached=50% Manufactured=50% Other=70%	Multi-Family=25% Condo=25% Detached=50% Manufactured=50% Other=70%
<b>Base/Maximum Floor Area Ratio (FAR)</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Distance Between Buildings</b>	10'	10'	10'	5'	10'	Multi-Family=20' Other=10'	Multi-Family=20' Other=10'
<b>Pedestrian Orientation</b> <b>(See §21.040 (21))</b>	Class I	Class I	Class II	Class II	Class II	Class II	Class II
<b>Open Space<sup>vi</sup></b>	N/A	1,000	1,000	1,000	1,000	1,000	1,000

<sup>i</sup> Note that the first number refers to the distance to be set back from the public right-of-way and the second number refers to the distance to be set back from the centerline of the road or street. Both numbers shall be considered when calculating setbacks and the larger number used.

<sup>ii</sup> A ten (10) foot setback shall be required at the end of a series of attached units except that when separated by an alley, no setback shall be required.

<sup>iii</sup> Note that the first number refers to the distance to be set back from the public right-of-way and the second number refers to the distance to be set back from the centerline of the road or street. Both numbers shall be considered when calculating setbacks and the larger number used. Street side may refer to the side of the residence or to the rear of the residence.

<sup>iv</sup> Unless otherwise denoted, all lots which front completely on the turn-around of a cul-de-sac shall have a minimum 30' of frontage.

<sup>v</sup> Is not applicable to loft style apartments/condominiums.

<sup>vi</sup> Applies to developments with 25 lots/units or greater. (See Chapter 22, §22.040, subsection 11)

<sup>vii</sup> Accessory building height shall be a maximum of 18' for garage apartments

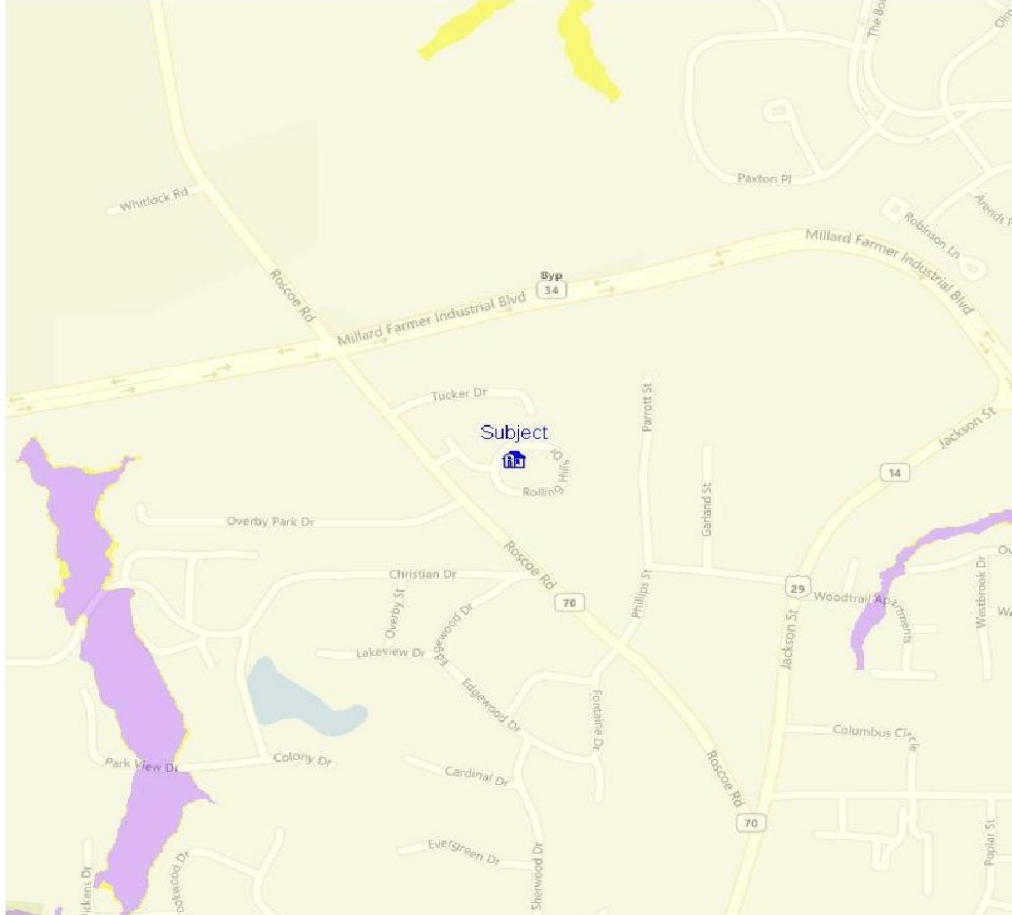


## **ADDENDUM E**

# STDB

You are currently logged in as: (CUSTID\_17921) on 11-Mar-2016

**104 Rolling Hills Drive, Newnan, GA**  
**104 ROLLING HILLS DR, NEWNAN, GA**



## MAP DATA

Map Number : 13077C0143D

Panel Date : February 06, 2013

FIPS Code : 13077

Census Tract : 1703.04

Geo Result : **S8 (Most Accurate) -  
single valid address match, point  
located at a single known address  
point candidate (Parcel)**

## Flood

Yellow	X or C Zone
Orange	X500 or B Zone
Purple	A Zone
Blue	V Zone
Light Green	D Zone
Dark Green	Area Not Mapped

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## **ADDENDUM F**

**STATE OF GEORGIA  
REAL ESTATE APPRAISERS BOARD**

**SAMUEL TODD GILL**

**258907**

IS AUTHORIZED TO TRANSACT BUSINESS IN GEORGIA AS A  
**CERTIFIED GENERAL REAL PROPERTY APPRAISER**

THE PRIVILEGE AND RESPONSIBILITIES OF THIS APPRAISER CLASSIFICATION SHALL CONTINUE IN EFFECT AS LONG AS THE APPRAISER PAYS REQUIRED APPRAISER FEES AND COMPLIES WITH ALL OTHER REQUIREMENTS OF THE OFFICIAL CODE OF GEORGIA ANNOTATED, CHAPTER 43-39-A. THE APPRAISER IS SOLELY RESPONSIBLE FOR THE PAYMENT OF ALL FEES ON A TIMELY BASIS.

D. SCOTT MURPHY  
Chairperson

JEFF A. LAWSON  
Vice Chairperson

RONALD M. HECKMAN  
JEANMARIE HOLMES  
KEITH STONE

46665602

**SAMUEL TODD GILL**

# 258907  
Status ACTIVE

**ORIGINALLY LICENSED**

02/06/2003

**END OF RENEWAL**  
09/30/2017

**CERTIFIED GENERAL REAL PROPERTY  
APPRAISER**

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

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



WILLIAM L. ROGERS, JR.  
Real Estate Commissioner

46665602

**SAMUEL TODD GILL**

# 258907  
Status ACTIVE

**ORIGINALLY LICENSED**

02/06/2003

**END OF RENEWAL**  
09/30/2017

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



WILLIAM L. ROGERS, JR.  
Real Estate Commissioner

46665602

## **ADDENDUM G**

Samuel T. Gill  
512 North One Mile Road  
P.O. Box 784  
Dexter, Missouri 63841  
573-624-6614 (phone)  
573-624-2942 (fax)  
todd.gill@gillgroup.com

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**OVERVIEW**

Extensive multifamily experience over the past 25 years specializing in work for the Department of Housing and Urban Development (HUD), United States Department of Agriculture/Rural Development (USDA/RD) as well as lenders and developers through the Low-Income Housing Tax Credit (LIHTC) program including but not limited to, Section 8, Section 202, Section 236, Section 515 and Section 538 Programs. Additionally, extensive experience since inception of the Multifamily Accelerated Processing (MAP) Program of Sections 202/223(f), 232/223(f), 221(d)3, 221(d)4 and 223(f). Also, more than 20 years of experience with nursing homes, hotels and complicated commercial appraisal assignments.

**ACCREDITATIONS**

**State Certified General Real Estate Appraiser**

Alabama State License Number: G00548  
Arizona State License Number: 31453  
Colorado State License Number: CG40024048  
Connecticut State License Number: RCG.0001276  
District of Columbia License Number: GA11630  
Georgia State License Number: 258907  
Hawaii State License Number: CGA1096  
Idaho State License Number: CGA-3101  
Illinois State License Number: 153.0001384  
Indiana State License Number: CG40200270  
Iowa State License Number: CG02426  
Kansas State License Number: G-1783  
Louisiana State License Number: G1126  
Maine State License Number: CG3635  
Maryland State License Number: 32017  
Michigan State License Number: 1201068069  
Minnesota State License Number: 40186198  
Mississippi State License Number: GA-624  
Missouri State License Number: RA002563  
Montana State License Number: REA-RAG-LIC-8530  
Nebraska State License Number: CG2000046R  
New York State License Number: 46000039864  
North Carolina State License Number: A5519  
North Dakota State License Number: CG-2601  
Ohio State License Number: 448306  
Oklahoma State License Number: 12524CGA  
Oregon State License Number: C000793  
Pennsylvania State License Number: GA001813R  
South Carolina State License Number: 3976  
Tennessee State License Number: 00003478  
Texas State License Number: 1329698-G  
Utah State License Number: 5510040-CG00  
Virginia State License Number: 4001 015446  
Washington State License Number: 1101018  
West Virginia State License Number: CG358  
Wisconsin State License Number: 1078-10  
Wyoming State License Number: 479

Also received temporary licenses in the following states: Arkansas, California, Delaware, Florida, Kentucky, Massachusetts, Nevada, New Hampshire, New Jersey, New Mexico, Puerto Rico, Rhode Island, South Dakota, the U.S. Virgin Islands and Vermont.

**EXPERIENCE  
(1991 TO PRESENT)**

Primary provider of HUD Mark-to-Market Full Appraisals for mortgage restructuring and Mark-to-Market Lites for rent restructuring and has worked with HUD in this capacity since inception. Completed approximately 350 appraisals assignments under this program.

Provider of HUD MAP and TAP appraisals and market studies for multiple lenders since its inception. Completed approximately 350 appraisal assignments under this program.

Contract MAP quality control reviewer and field inspector for CohnReznick and HUD. Have completed approximately 350 reviews under this program. Have completed approximately 100 field inspections under this program.

Currently approved state reviewer for HUD Rent Comparability Studies for Section 8 Renewals in Alabama, California, Connecticut, Florida, Hawaii, Illinois, Indiana, Iowa, Kansas, Louisiana, Minnesota, Nebraska, New Mexico, North Carolina, Oregon, Utah, Virgin Islands, Virginia, Washington, West Virginia and Wisconsin. Completed approximately 500 reviews under this program.

Provider of HUD Rent Comparability Studies for contract renewal purposes nationwide. Completed approximately 400 rent comparability studies.

Provider of tax credit financing analysis and value of financing analysis. Completed approximately 300 appraisal assignments and market studies under this program.

Provider of multifamily appraisals under the RD 515 and 538 programs. Completed approximately 200 appraisal assignments under these programs.

Partial list of clients include: Colorado Housing Finance Agency, CreditVest, Inc., Foley & Judell, LLP, Kentucky Housing Corporation, Kitsap County Consolidated Housing Authority, Louisiana Housing Finance Agency, Missouri Housing Development Agency, New Mexico Mortgage Finance Authority, Ontra, Inc., Quadel Consulting Corporation, CohnReznick, L.L.P., Group, Siegel Group, Signet Partners and Wachovia Securities.

**DEVELOPMENT/OWNERSHIP/  
MANAGEMENT EXPERIENCE  
(2006 TO PRESENT)**

For the past 10 years, he has owned three separate companies that develop, own and manage commercial, multifamily, residential, agricultural and vacant land properties.

In his portfolio are over 100,000 square feet of commercial space, over 1,000 units of multifamily, 200 acres of farmland, and 10 parcels of developable commercial and multifamily lots, all in the Midwest.

**EDUCATION**

**Bachelor of Arts Degree**

*Southeast Missouri State University*

**Associate of Arts Degree**

*Three Rivers Community College*

**HUD/FHA Appraiser Training**

*Arkansas State Office*

**Multifamily Accelerated Processing Valuation (MAP)**

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

**2<sup>nd</sup> Annual Multifamily Accelerated Processing Basic and Advanced Valuation (MAP)**

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

**FHA Appraising Today**

*McKissock, Inc.*

**Texas USDA Rural Development Multifamily Housing Appraiser Training**

*Texas Rural Development*

**Kentucky USDA Rural Development Multifamily Housing Appraiser Training**

*Kentucky Rural Development*

**Financial Analysis of Income Properties**

*National Association of Independent Fee Appraisers*

**Income Capitalization**

*McKissock, Inc.*

**Introduction to Income Property Appraising**

*National Association of Independent Fee Appraisers*

**Concepts, Terminology & Techniques**

*National Association of Independent Fee Appraisers*

**Uniform Standards of Professional Appraisal Practice**

*Central Missouri State University*

**Appraisal of Scenic, Recreational and Forest Properties**

*University of Missouri-Columbia*

**Appraiser Liability**

*McKissock, Inc.*

**Appraisal Trends**

*McKissock, Inc.*

**Sales Comparison Approach**

*Hondros College*

**Even Odder: More Oddball Appraisals**

*McKissock, Inc.*

**Mortgage Fraud: A Dangerous Business**

*Hondros College*

**Private Appraisal Assignments**

*McKissock, Inc.*

**Construction Details & Trends**

*McKissock, Inc.*

**Condemnation Appraising: Principles & Applications**

*Appraisal Institute*

**Michigan Law**

*McKissock, Inc.*

**Pennsylvania State Mandated Law**

*McKissock, Inc.*



**Valuing Real Estate in a Changing Market**

*National Association of Independent Fee Appraisers*

**Principles of Residential Real Estate Appraising**

*National Association of Independent Fee Appraisers*

**Real Estate Appraisal Methods**

*Southeast Missouri State University*

**Lead Inspector Training**

*The University of Kansas*

**Lead Inspector Refresher**

*Safety Support Services, Incorporated*

**Home Inspections: Common Defects in Homes**

*National Association of Independent Fee Appraisers*

**Heating and Air Conditioning Review**

*National Association of Independent Fee Appraisers*

**Professional Standards of Practice**

*National Association of Independent Fee Appraisers*

**Developing & Growing an Appraisal Practice - Virtual Classroom**

*McKissock, Inc.*

**The Appraiser as Expert Witness**

*McKissock, Inc.*

**Current Issues in Appraising**

*McKissock, Inc.*

**2011 ValExpo: Keynote-Valuation Visionaries**

*Van Education Center/Real Estate*

**Residential Report Writing**

*McKissock, Inc.*

**The Dirty Dozen**

*McKissock, Inc.*

**Risky Business: Ways to Minimize Your Liability**

*McKissock, Inc.*

**Introduction to Legal Descriptions**

*McKissock, Inc.*

**Introduction to the Uniform Appraisal Dataset**

*McKissock, Inc.*

**Mold Pollution and the Appraiser**

*McKissock, Inc.*

**Appraising Apartments: The Basics**

*McKissock, Inc.*

**Foundations in Sustainability: Greening the Real Estate and Appraisal Industries**

*McKissock, Inc.*

**Mortgage Fraud**

*McKissock, Inc.*

**The Nuts and Bolts of Green Building for Appraisers**

*McKissock, Inc.*

**The Cost Approach**

*McKissock, Inc.*

**Pennsylvania State Mandated Law for Appraisers**

*McKissock, Inc.*

**Michigan Appraisal Law**

*McKissock, Inc.*

**Modern Green Building Concepts**

*McKissock, Inc.*

**Residential Appraisal Review**

*McKissock, Inc.*

**Residential Report Writing: More Than Forms**

*McKissock, Inc.*

**2-4 Family Finesse**

*McKissock, Inc.*

**Appraisal Applications of Regression Analysis**

*McKissock, Inc.*

**Appraisal of Self-Storage Facilities**

*McKissock, Inc.*

**Supervisor-Trainee Course for Missouri**

*McKissock, Inc.*

**The Thermal Shell**

*McKissock, Inc.*

**Even Odder - More Oddball Appraisals**

*McKissock, Inc.*

**Online Data Verification Methods**

*Appraisal Institute*

**Online Comparative Analysis**

*Appraisal Institute*

**Advanced Hotel Appraising - Full Service Hotels**

*McKissock, Inc.*

**Appraisal of Fast Food Facilities**

*McKissock, Inc.*

**Appraisal Review for Commercial Appraisers**

*McKissock, Inc.*

**Exploring Appraiser Liability**

*McKissock, Inc.*