

## Anthos at Shadowood West

4344 West Highland Drive  
Macon, Bibb County, GA 31210

NKF Job No.: 20-0015551-2

### Appraisal Report Prepared For:

Jack Franklin  
Senior Analyst  
Greystone Servicing Company LLC  
1100 Abernathy Road NE  
Atlanta, GA 30328

### Prepared By:

**Newmark Knight Frank**  
Valuation & Advisory, LLC  
2000 Riveredge Parkway, Suite 650  
Atlanta, GA 30328





January 28, 2020

Jack Franklin  
Senior Analyst  
Greystone Servicing Company LLC  
1100 Abernathy Road NE  
Atlanta, GA 30328

RE: Appraisal of a Multifamily Property located at 4344 West Highland Drive, Macon, Bibb County, GA 31210, prepared by Newmark Knight Frank Valuation & Advisory, LLC (herein "Firm" or "NKF")

NKF Job No.: 20-0015551-2

Dear Mr. Franklin:

The "Subject Property" is a 152 unit garden-style apartment complex known as Anthos at Shadowood West. The site area is 832,867 square feet, or 19.12 acres. The subject was built in 1985. It includes sixteen multifamily buildings plus a leasing office/clubhouse. The subject is currently under contract. At the request of the client we have also provided the stabilized value 24 months out.

Based on the analysis contained in the following report, the opinions of value for the subject are:

<b>Value Conclusions</b>			
<b>Appraisal Premise</b>	<b>Interest Appraised</b>	<b>Date of Value</b>	<b>Value Conclusion</b>
Market Value "As Is"	Leased Fee	1/22/2020	\$10,700,000
Prospective Market Value	Leased Fee	1/22/2022	\$11,250,000

*Compiled by NKF*

### Extraordinary Assumptions

An extraordinary assumption is defined in USPAP as an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results.

1. The prospective market value at stabilization assumes the stabilized operation of the property as of the stabilization date (effective date of value).

The use of this extraordinary assumption might have affected assignment results.

January 28, 2020

Jack Franklin

### **Hypothetical Conditions**

A hypothetical condition is defined in USPAP as a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. The value conclusions are based on the following hypothetical conditions that may affect the assignment results.

1. None

The appraisal was developed based on, and this report has been prepared in conformance with the Client's appraisal requirements, the guidelines and recommendations set forth in the Uniform Standards of Professional Appraisal Practice (USPAP), the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, Title XI of the Financial Institution Reform, Recovery and Enforcement Act (FIRREA) of 1989, and the Interagency Appraisal and Evaluation Guidelines (December 2, 2010).



## Certification

We certify that, to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial and unbiased professional analyses, opinions, and conclusions.
3. We 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.
4. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. Our 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.
7. This appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
8. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, as well as the requirements of the State of Georgia.
9. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. As of the date of this report, Robert Mancini, MAI has completed the continuing education program for Designated Members of the Appraisal Institute.
12. As of the date of this report, Raymond Higgins has completed the Standards and Ethics Education Requirements for Candidates of the Appraisal Institute.
13. Robert Mancini, MAI made a personal inspection of the property that is the subject of this report. Raymond Higgins has not personally inspected the subject.
14. No one provided significant real property appraisal assistance to the person(s) signing this certification.
15. The Firm operates as an independent economic entity. Although employees of other service lines or affiliates of the Firm may be contacted as a part of our routine market research investigations, absolute client confidentiality and privacy were maintained at all times with regard to this assignment without conflict of interest.
16. Within this report, "Newmark Knight Frank", "NKF Valuation & Advisory", "NKF, Inc.", and similar forms of reference refer only to the appraiser(s) who have signed this certification and any persons noted above as having provided significant real property appraisal assistance to the persons signing this report.

17. Robert Mancini, MAI has not performed any 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. Raymond Higgins has not performed any 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.
18. We certify that to the best of our knowledge and belief, our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Georgia Real Estate Appraiser Classification and Regulation Act and the Rules and Regulations of the Georgia Real Estate Appraisers Board.



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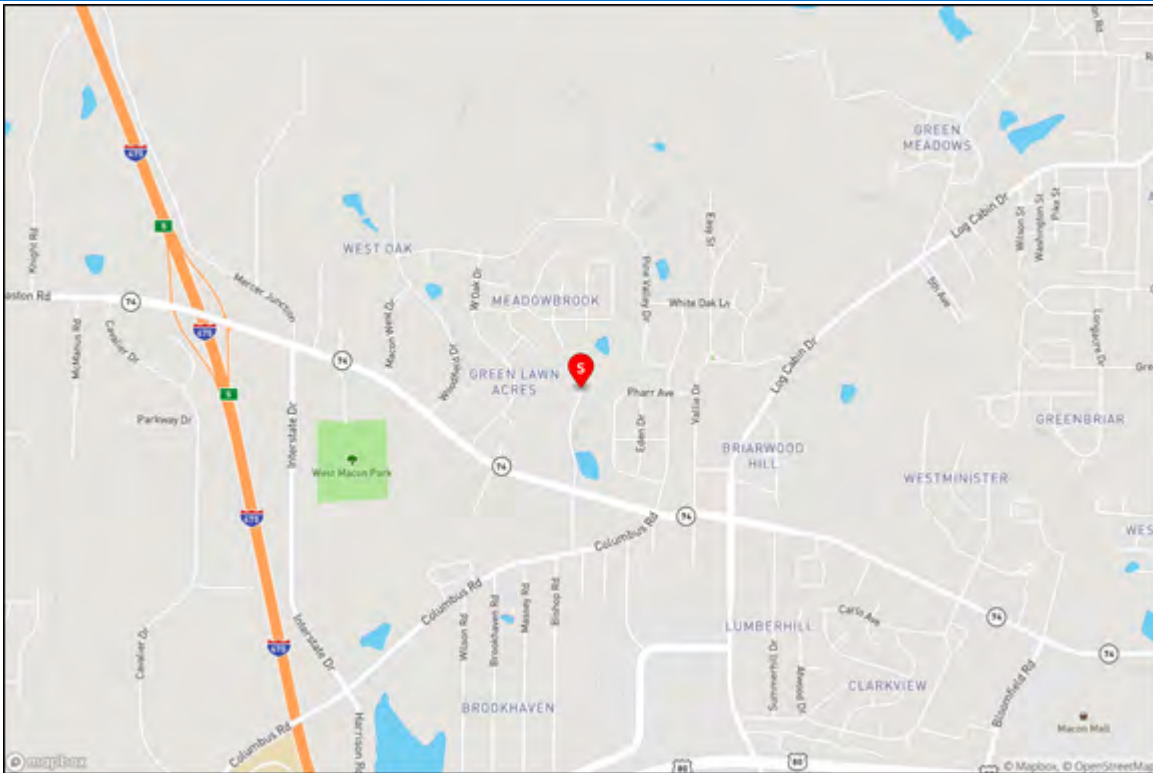
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Aerial Photo



Location Map





*Typical View of Subject Exterior*



*Typical View of Subject Exterior*



*Typical View of Subject Exterior*



*Typical View of Subject Exterior*



*Typical View of Subject Leasing Office*



*Typical View of Subject Exterior*





*Typical View of Subject Exterior*



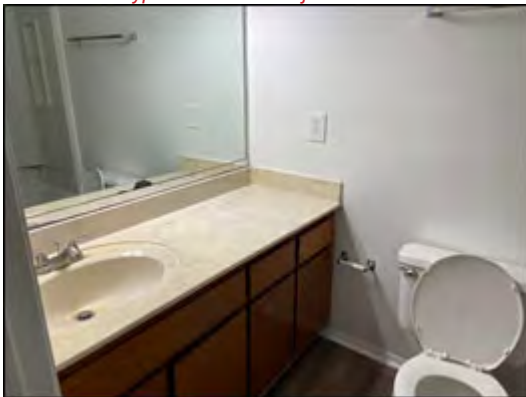
*Typical View of Subject Exterior*



*Typical View of Subject Exterior*



*Typical View of Subject Exterior*



*Typical View of Subject Interior*



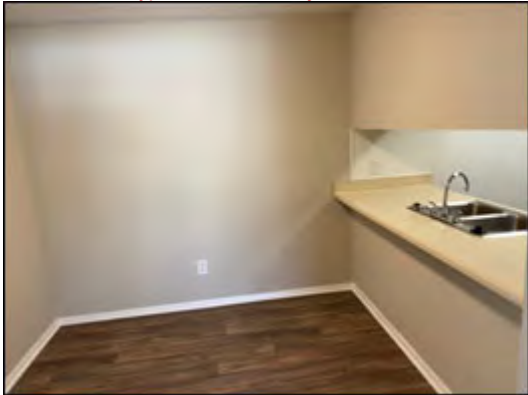
*Typical View of Subject Office*



*Typical View of Subject Office*



*Typical View of Subject Interior*



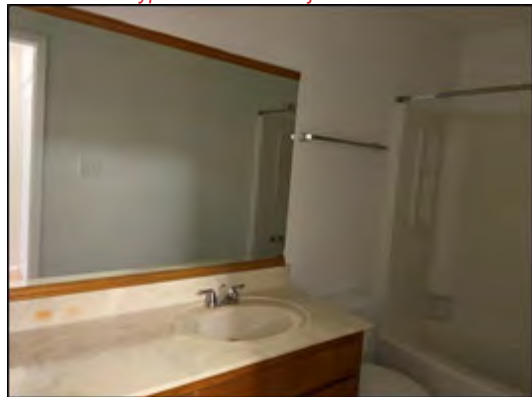
*Typical View of Subject Interior*



*Typical View of Subject Interior*



*Typical View of Subject Interior*



*Typical View of Subject Interior*





*Typical View of Subject Interior*



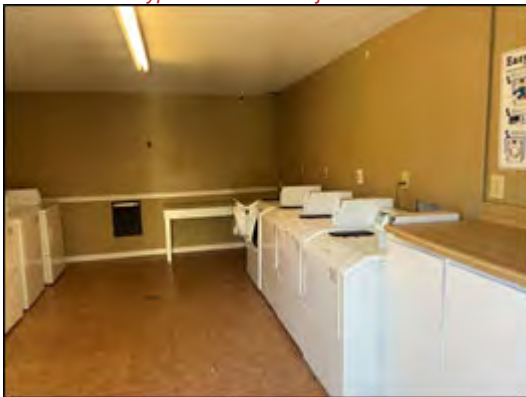
*Typical View of Subject Interior*



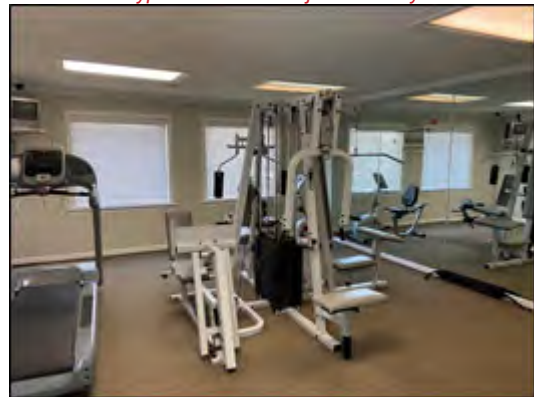
*Typical View of Subject Pool*



*Typical View of Subject Laundry*



*Typical View of Subject Laundry*



*Typical View of Subject Fitness Center*

# Executive Summary

## Anthos at Shadowood West

Property Type:	Multifamily-Garden/Low-Rise
Street Address:	4344 West Highland Drive
City, State & Zip:	Macon, Bibb County, GA 31210
Gross Building Area (SF):	151,494
Net Rentable Area (SF):	149,288
Number of Units:	152
Year Built (Renovated):	1985 (None)
Current Occupancy:	96.1%
Land Area:	19.120 acres; 832,867 SF
Zoning:	R-2 Two-Family Residential Districts
Highest and Best Use - As Vacant:	A Multifamily Use
Highest and Best Use - As Improved:	Multifamily Use

## Current Contract Summary

Buying Entity:	Varadero Exact Partners, LLC
Selling Entity:	Hidden Seller and Shadowood Seller
Purchase Price:	\$10,580,900 (\$69,611 Per Unit)
Contract Date:	October 29, 2019

## Analysis Details

Valuation Dates:	
Market Value "As Is"	January 22, 2020
Prospective Market Value	January 22, 2022
Inspection Date and Date of Photos:	January 22, 2020
Report Date:	January 28, 2020
Report Type:	Appraisal Report
Client:	Greystone Servicing Company LLC
Intended Use:	Asset Valuation
Intended User:	Greystone Servicing Company LLC
Appraisal Premise:	As Is, Prospective Upon Stabilization, Insurable Value

Intended Use and User: The intended use and user of our report are specifically identified in our report as agreed upon in our contract for services and/or reliance language found in the report. No other use or user of the report is permitted by any other party for any other purpose. Dissemination of this report by any party to non-client, non-intended users does not extend reliance to any other party and Newmark Knight Frank will not be responsible for unauthorized use of the report, its conclusions or contents used partially or in its entirety.

Interest Appraised:	Leased Fee
Exposure Time (Marketing Period) Estimate:	6 Months (6 Months)

*Compiled by NKF*



<b>Leasing Summary</b>				
<b>Rental Unit Subtotals</b>	<b>1 BR</b>	<b>2 BR</b>	<b>3 BR</b>	<b>Property Total</b>
Average Unit Size	745 SF	1,045 SF	1,247 SF	982 SF
Average Unit Asking Rent	\$642	\$750	\$850	\$732
Average Unit Contract Rent	\$581	\$681	\$786	\$667
Unit Occupancy	95.8%	95.0%	100.0%	96.1%
Unit Market Rent	\$600	\$705	\$805	\$688
<b>Valuation Summary</b>				
<b>Insurable Value</b>		<b>\$/Unit</b>	<b>\$ Total</b>	
Total Insurable Replacement Cost		\$80,592	\$12,250,000	
Total Insurable Value		\$62,171	\$9,450,000	
<b>Sales Comparison Approach</b>		<b>\$/Unit</b>	<b>\$ Total</b>	
Number of Sales			5	
Range of Sale Dates			May-18 to Nov-19	
Adjusted Range of Comparables (\$/Unit)			\$66,408 to \$83,980	
Estimated Stabilization Discount			\$0	
Indicated Sales Comparison Approach Value		As Is	\$70,066	\$10,650,000
<b>Income Capitalization Approach - Direct Capitalization Method</b>		<b>\$/Unit</b>	<b>\$ Total</b>	
<b>Capitalization Rate Indicators and Conclusion</b>				
			<b>Indication</b>	
Comparable Sales			5.75% - 6.20%	
Investor Surveys			6.00%-7.00%	
Market Participants			Low 6.00% range	
Band of Investment			6.75%	
Concluded Going-In Capitalization Rate			6.00%	
<b>Stabilized Income Estimate</b>				
Potential Gross Income			\$7,963	\$1,210,342
Stabilized % Vacancy & Collection Loss			-6.00%	(\$72,620)
Net Other Income			\$1,050	\$159,600
Effective Gross Income			\$8,535	\$1,297,321
Operating Expenses			\$4,310	\$655,118
Operating Expense Ratio				50.5%
Net Operating Income			\$4,225	\$642,203
Capitalization Rate				6.00%
Indicated Direct Capitalization Value		As Is	\$70,395	\$10,700,000
		Prospective As Stabilized	\$74,013	\$11,250,000
<b>Market Value Conclusion</b>		<b>As Is</b>	<b>\$70,395</b>	<b>\$10,700,000</b>
		<b>Prospective As Stabilized</b>	<b>\$74,013</b>	<b>\$11,250,000</b>
<b>Exposure / Marketing Time</b>	<b>Min</b>	<b>Max</b>	<b>Average</b>	
NKF	N/A	N/A	5.0	
PWC	1	9	3.9	
Situs RERC	N/A	N/A	5.0	
Concluded Exposure Time		6 Months or Less		
Concluded Marketing Time		6 Months or Less		

Compiled by NKF



### Extraordinary Assumptions and Hypothetical Conditions

An extraordinary assumption is defined in USPAP as an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results.

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1. None

*Compiled by NKF*

# Introduction

## Ownership History

The current owner is BK Shadowood, LLC. The following summarizes a three-year history of ownership, the current listing status, and pending transactions for the subject property (as applicable).

### Ownership History

To the best of our knowledge, no sale or transfer of ownership has taken place within the three-year period prior to the effective date of the appraisal.

Listing Status:	Not Listed For Sale	
Current Contract:	October 29, 2019	
Buyer:	Varadero Exact Partners, LLC	
Seller:	Hidden Seller and Shadowood Seller	
Purchase Price:	\$10,580,900	\$70.88 Per SF (Net Rentable Area)

### Previous Sales

Sales in the Previous Three Years:	None	
Most Recent Reported Sale:	December 7, 2012	
Buyer:	BK Shadowood, LLC	
Seller:	Anthos Shadowood West of Macon, LLC	
Purchase Price:	\$0	\$0.00 Per SF (Net Rentable Area)
Deed Information:	8881/194	
Comments:	Corp to Corp \$0 Sale. Prior arm's length sale was 04/30/2008	
Indicated Appraised Value Appreciation:	N/A	

*Compiled by NKF*

To the best of our knowledge, no other sale or transfer of ownership has taken place within a three-year period prior to the effective date of the appraisal. The subject is currently under contract for \$10,419,100, or \$72,355 per unit. The buyers plan to renovate the subject and increase revenue.

## Intended Use and User

The intended use and user of our report are specifically identified in our report as agreed upon in our contract for services and/or reliance language found in the report. No other use or user of the report is permitted by any other party for any other purpose. Dissemination of this report by any party to non-client, non-intended users does not extend reliance to any other party and Newmark Knight Frank will not be responsible for unauthorized use of the report, its conclusions or contents used partially or in its entirety.

- ❖ The intended use of the appraisal is for Asset Valuation and no other use is permitted.
- ❖ The client is Greystone Servicing Company LLC.

- ❖ The intended user is Greystone Servicing Company LLC and no other user is permitted by any other party for any other purpose.

## Definition of Value

Market value is defined as:

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

- ❖ Buyer and seller are typically motivated;
- ❖ Both parties are well informed or well advised, and acting in what they consider their own 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.”

*(Source: Code of Federal Regulations, Title 12, Chapter I, Part 34.42[g]; also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472)*

## Interest Appraised

The appraisal is of the Fee Simple and Leased Fee interest.<sup>1</sup>

- ◆ **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 Interest:** The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.

## Appraisal Report

This appraisal is presented in the form of an appraisal report, which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of USPAP. This report

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<sup>1</sup> The Dictionary of Real Estate, 6<sup>th</sup> Edition, Appraisal Institute





incorporates sufficient information regarding the data, reasoning and analysis that were used to develop the opinion of value in accordance with the intended use and user.

## Purpose of the Appraisal

The purpose of the appraisal is to develop an opinion of the Prospective Market Value "Upon Stabilization" of the Leased Fee interest in the subject property.

Purpose of the Appraisal		
Appraisal Premise	Interest Appraised	Date of Value
Market Value "As Is"	Leased Fee	1/22/2020
Prospective Market Value	Leased Fee	1/22/2022
Insurable Value	Fee Simple	1/22/2020

*Compiled by NKF*

## Scope of Work

### Extent to Which the Property is Identified

- ❑ Physical characteristics
- ❑ Legal characteristics
- ❑ Economic characteristics

### Extent to Which the Property is Inspected

NKF inspected the subject property on January 22, 2020 as per the defined scope of work. Robert Mancini, MAI made a personal inspection of the property that is the subject of this report. Raymond Higgins has not personally inspected the subject.

### Type and Extent of the Data Researched

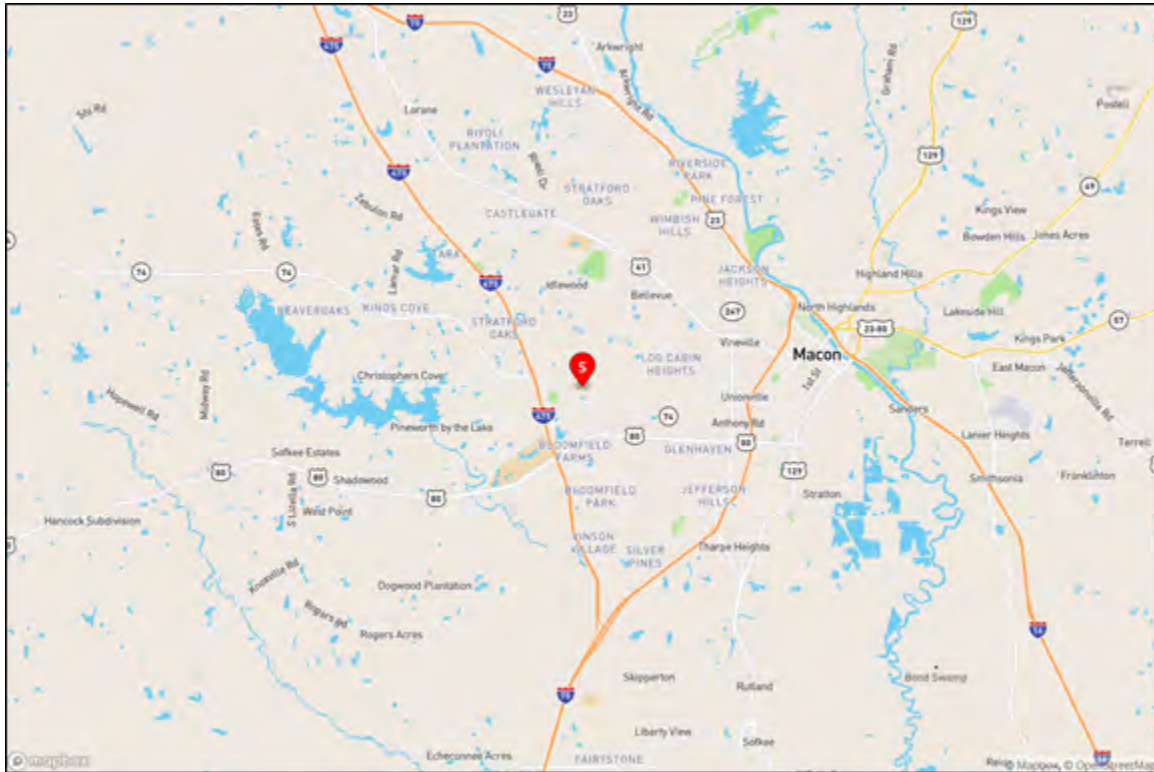
- ❑ Exposure and marking time;
- ❑ Neighborhood and land use trends;
- ❑ Demographic trends;
- ❑ Market trends relative to the subject property type;
- ❑ Physical characteristics of the site and applicable improvements;
- ❑ Flood zone status;
- ❑ Zoning requirements and compliance;
- ❑ Real estate tax data;
- ❑ Relevant applicable comparable data; and
- ❑ Investment rates

### Type and Extent of Analysis Applied

We analyzed the property and market data gathered through the use of appropriate, relevant, and accepted market-derived methods and procedures. Further, we employed the appropriate and relevant approaches to value, and correlated and reconciled the results into an estimate of market value, as demonstrated within the appraisal report.

# Economic Analysis

## Area Analysis



**Area Map**

The subject is located within Macon and Bibb County, Georgia. It is part of the Macon-Bibb County GA metro area (Macon MSA).

Moody's Analytics' Economy.com provides the following economic summary for the Macon MSA as of August, 2019.

Moody's Analytics Précis® Metro Indicators: Macon MSA												
2013	2014	2015	2016	2017	2018	INDICATORS	2019	2020	2021	2022	2023	2024
10.4	10.7	10.9	11.0	11.1	11.2	Gross metro product (C12\$ bil)	11.3	11.4	11.6	11.8	12.0	12.2
0.4	2.8	1.6	0.7	0.6	1.0	% change	1.5	0.6	1.5	2.3	1.6	1.5
98.2	100.2	101.1	102.4	102.8	103.2	Total employment (ths)	104.1	104.3	103.5	103.9	104.2	104.4
0.3	2.1	0.8	1.3	0.3	0.4	% change	0.9	0.1	-0.7	0.4	0.3	0.1
9.0	7.7	6.4	5.8	5.1	4.3	Unemployment rate (%)	4.4	5.6	6.7	7.1	7.3	7.4
0.7	4.5	3.7	1.3	3.0	4.0	Personal income growth (%)	3.9	2.2	2.1	3.8	3.3	3.1
39.1	39.2	39.4	40.4	41.3	41.9	Median household income (\$ ths)	42.1	43.0	43.8	44.9	46.0	47.0
231.3	230.5	229.8	229.2	229.1	229.7	Population (ths)	230.4	231.0	231.6	232.2	232.8	233.3
-0.6	-0.3	-0.3	-0.3	-0.1	0.3	% change	0.3	0.3	0.3	0.3	0.2	0.2
-2.1	-1.5	-1.2	-1.1	-0.4	0.5	Net migration (ths)	0.5	0.5	0.5	0.5	0.5	0.6
173	218	245	236	320	391	Single-family permits (#)	333	389	542	651	656	639
275	0	72	0	0	6	Multifamily permits (#)	7	15	21	27	28	28
132	133	137	140	143	152	FHFA house price (1995Q1=100)	157	165	173	183	193	205

Source: Moody's Analytics Précis® US Metro



Moody's summarizes the area's economic performance in recent months as follows:

### Recent Performance

Macon-Bibb County's economy has improved in 2019. Year-ago job growth is advancing at its fastest pace in more than two years, although it still trails that of the state and the nation. Healthcare and leisure/hospitality are the standout performers, accounting for more than two-thirds of the net job additions over the last year. However, the large finance industry has not fared as well, with payrolls sitting at the same level they were one year ago. The unemployment rate has trended higher in 2019, but remains within striking distance of an all-time low. House price appreciation accelerated in the second quarter and now exceeds that of the nation, although it is a bit shy of the statewide pace.

### Market Comparison

The following table illustrates key economic indicators and a comparison of the Macon MSA to the regional grouping as a whole. As indicated, Macon is projected to outperform the South Region Metros in three of eight performance categories shown over the next five years.

Comparison of Key Economic Indicators - Macon MSA Metro to South Region										
Indicator	Macon MSA			Annual Growth		South Region Metros			Annual Growth	
	2014	2019	2024	2014 - 2019	2019 - 2024	2014	2019	2024	2014 - 2019	2019 - 2024
Gross metro product (C12\$ bil)	10.7	11.3	12.2	1.1%	1.5%	5,223	5,850	6,616	2.3%	2.5%
Total employment (ths)	100.2	104.1	104.4	0.8%	0.1%	46,744	51,227	53,486	1.8%	0.9%
Unemployment rate (%)	7.7%	4.4%	7.4%			6.0%	3.6%	4.6%		
Personal income growth (%)	4.5%	3.9%	3.1%			6.4%	4.8%	4.9%		
Population (ths)	230.5	230.4	233.3	0.0%	0.3%	112,104	118,249	124,577	1.1%	1.0%
Single-family permits (#)	218	333	639	8.8%	14.0%	328,063	461,898	701,441	7.1%	8.7%
Multifamily permits (#)	0	7	28	N/A	31.4%	165,732	199,860	204,216	3.8%	0.4%
FHFA house price (1995Q1=100)	133	157	205	3.3%	5.5%	288	383	421	5.9%	1.9%

Source: Moody's Analytics Précis® US Metro; Compiled by NKF

### Employment Sectors and Trends

Employment data by occupation and business/industry sectors provides an indication of the amount of diversification and stability in the local economy. Job sector composition also gives an indication of the predominant drivers of current and future demand for supporting commercial real estate sectors. The following tables display employment data by occupation sector and by business/industry sector for the area and region.

Current Employment by Occupation Sector												
Occupation Sector	1-Mile Radius		3-Miles Radius		5-Miles Radius		Macon		Macon-Bibb County MSA		Georgia	
<b>White Collar</b>	<b>1,065</b>	<b>50.1%</b>	<b>7,264</b>	<b>52.7%</b>	<b>23,128</b>	<b>59.8%</b>	<b>38,651</b>	<b>60.6%</b>	<b>56,781</b>	<b>59.6%</b>	<b>3,004,297</b>	<b>60.6%</b>
Administrative Support	217	10.2%	1,830	13.3%	5,305	13.7%	8,960	14.0%	13,424	14.1%	648,067	13.1%
Management/Business/Financial	168	7.9%	1,317	9.6%	4,799	12.4%	7,637	12.0%	11,558	12.1%	743,463	15.0%
Professional	320	15.1%	2,471	17.9%	7,959	20.6%	14,067	22.0%	20,346	21.3%	1,043,063	21.0%
Sales and Sales Related	360	16.9%	1,646	11.9%	5,065	13.1%	7,987	12.5%	11,453	12.0%	569,704	11.5%
<b>Services</b>	<b>704</b>	<b>33.1%</b>	<b>3,907</b>	<b>28.3%</b>	<b>9,065</b>	<b>23.4%</b>	<b>14,028</b>	<b>22.0%</b>	<b>18,997</b>	<b>19.9%</b>	<b>844,219</b>	<b>17.0%</b>
<b>Blue Collar</b>	<b>358</b>	<b>16.8%</b>	<b>2,618</b>	<b>19.0%</b>	<b>6,516</b>	<b>16.8%</b>	<b>11,125</b>	<b>17.4%</b>	<b>19,544</b>	<b>20.5%</b>	<b>1,107,590</b>	<b>22.3%</b>
Construction/Extraction	74	3.5%	509	3.7%	1,391	3.6%	2,209	3.5%	4,068	4.3%	244,420	4.9%
Farming/Fishing/Forestry	0	0.0%	1	0.0%	10	0.0%	60	0.1%	249	0.3%	25,666	0.5%
Installation/Maintenance/Repair	55	2.6%	339	2.5%	875	2.3%	1,769	2.8%	3,572	3.7%	179,999	3.6%
Production	61	2.9%	492	3.6%	1,724	4.5%	3,116	4.9%	5,171	5.4%	313,948	6.3%
Transportation/Material Moving	168	7.9%	1,277	9.3%	2,516	6.5%	3,971	6.2%	6,484	6.8%	343,557	6.9%
<b>Total Employees (16+ Occupation Base)</b>	<b>2,126</b>	<b>100.0%</b>	<b>13,788</b>	<b>100.0%</b>	<b>38,707</b>	<b>100.0%</b>	<b>63,804</b>	<b>100.0%</b>	<b>95,322</b>	<b>100.0%</b>	<b>4,956,106</b>	<b>100.0%</b>

Source: ESRI; Compiled by NKF

Current Employment by Industry Sector												
Industry Sector	1-Mile Radius		3-Miles Radius		5-Miles Radius		Macon		Macon-Bibb County MSA		Georgia	
Agriculture/Mining	39	1.8%	95	0.7%	158	0.4%	329	0.5%	788	0.8%	43,885	0.9%
Construction	123	5.8%	688	5.0%	1,944	5.0%	3,096	4.9%	5,652	5.9%	347,682	7.0%
Manufacturing	109	5.1%	706	5.1%	2,530	6.5%	4,259	6.7%	6,655	7.0%	515,943	10.4%
Wholesale Trade	14	0.7%	170	1.2%	722	1.9%	1,198	1.9%	2,179	2.3%	138,068	2.8%
Retail Trade	219	10.3%	1,875	13.6%	5,024	13.0%	8,191	12.8%	11,315	11.9%	557,072	11.2%
Transportation/Utilities	131	6.2%	910	6.6%	2,082	5.4%	3,482	5.5%	5,816	6.1%	346,372	7.0%
Information	78	3.7%	149	1.1%	554	1.4%	904	1.4%	1,337	1.4%	119,192	2.4%
Finance/Insurance/Real Estate	269	12.7%	1,180	8.6%	3,170	8.2%	5,267	8.3%	7,400	7.8%	308,218	6.2%
Services	981	46.1%	7,309	53.0%	20,455	52.8%	33,274	52.2%	47,713	50.1%	2,330,571	47.0%
Public Administration	163	7.7%	706	5.1%	2,071	5.4%	3,802	6.0%	6,467	6.8%	249,103	5.0%
<b>Total Employees (16+ Occupation Base)</b>	<b>2,126</b>	<b>100.0%</b>	<b>13,788</b>	<b>100.0%</b>	<b>38,707</b>	<b>100.0%</b>	<b>63,804</b>	<b>100.0%</b>	<b>95,322</b>	<b>100.0%</b>	<b>4,956,106</b>	<b>100.0%</b>

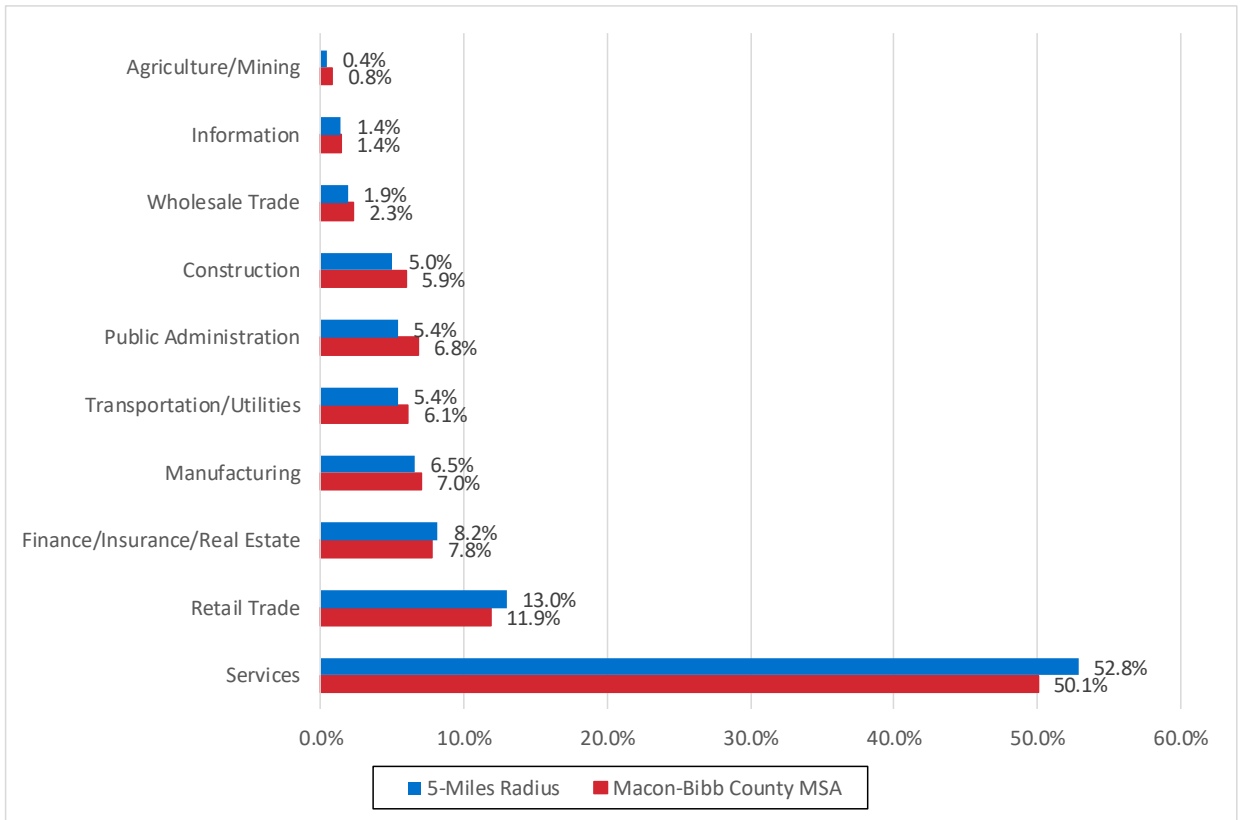
Source: ESRI; Compiled by NKF

Comparing the industry sectors for the local market area (5-Miles Radius) to Macon-Bibb County, GA MSA indicates the local market area is somewhat more heavily weighted toward the Services, Retail Trade, Finance/Insurance/Real Estate, and Information sectors. By contrast, the industry employment totals for Macon-Bibb County, GA MSA indicate somewhat higher proportions within the Public Administration, Construction, Transportation/Utilities, Manufacturing, Wholesale Trade, and Agriculture/Mining sectors. The following graphic further illustrates this comparison.





**Employment Comparison**



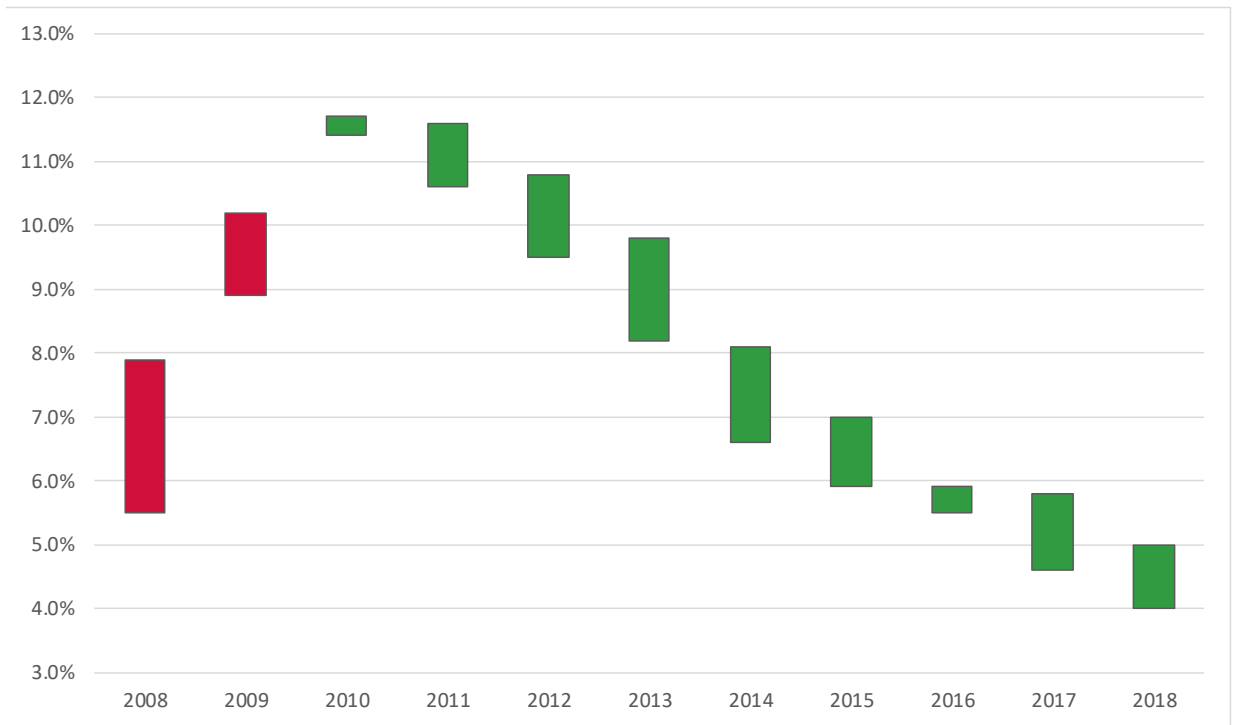
Source: ESRI; Compiled by NKF

**Unemployment**

The following table displays the historical unemployment data for the area derived from the US Department of Commerce, Bureau of Labor Statistics.



**Unemployment Rate: Macon-Bibb County, GA Metropolitan Statistical Area (U)**



Bars represent beginning to end range of unemployment rates in each year  
 Red bars denote increasing unemployment from beginning to end of year  
 Green bars are declining unemployment from beginning to end of year

*Compiled by NKF*

**Major Employers**

The following table lists a number of major employers with the Macon MSA as reported by Moody's. While not all-encompassing, this list provides further indication of the types of economic sectors that are drivers for the area.



### Selected Major Employers: Macon MSA

Rank	Employer	Employees
1	GEICO	5,500
2	Navicent Health Medical Center	4,800
3	Coliseum Health Systems	1,805
4	Mercer University	1,000
5	Georgia Farm Bureau Federation	998
6	YKK Corp. of America	790
7	Wal-Mart Stores Inc.	740
8	Middle Georgia State University	680
9	United States Postal Service	600
10	State Bank	554
11	Central Georgia Technical College	514
12	Ricoh USA	500
13	Graphic Packaging International	431
14	Kumho	400
15	HAECO Americas	400
16	Tractor Supply Co.	400
17	Armstrong World Industries	393
18	OrthoGeorgia	317
19	AT&T	302
20	Cherokee Brick & Tile Co.	300

Source: Moody's Analytics Précis® US Metro

## Analysis

Further economic analysis from Moody's is detailed as follows:

### Insurance

Macon's outsize insurance industry is on solid ground, but payrolls will not expand meaningfully in the short term. The metro area boasts the highest concentration of insurance jobs in the region since it is home to GEICO's largest U.S. office. The auto insurer houses most of its claims, service and sales professionals in the metro area as below-average business costs make Macon a desirable location. At \$47,000 per year, local insurance wages are only about half of the national average, but the industry still pays its workers more than the average wage in the metro area across all industries. As a result, any additional jobs created will help improve Macon's below-average per capita income and will boost housing and consumer industries. Nationwide vehicle miles traveled are up 0.7% from a year ago, and this, along with the robust national economy, will put a floor under the industry's payrolls. However, net hiring will not take off any time soon as growth in vehicle sales decelerates.

### Healthcare

Health services will propel much of Macon's job additions in coming quarters. Healthcare employs more than one-in-five workers in the metro area, and it will play an important role in



income additions since it is a large source of mid- and high-paying positions. Although the industry will be one of the best performers in the metro area, it will not grow as fast as statewide due to weak demographics. Macon's population declined in five of the past six years and growth in 2018 was only a fraction of the state and national averages. On the bright side, Macon's role as a regional healthcare hub will enable it to benefit as aging populations outside of the metro area travel to Macon for care.

### Hurdles

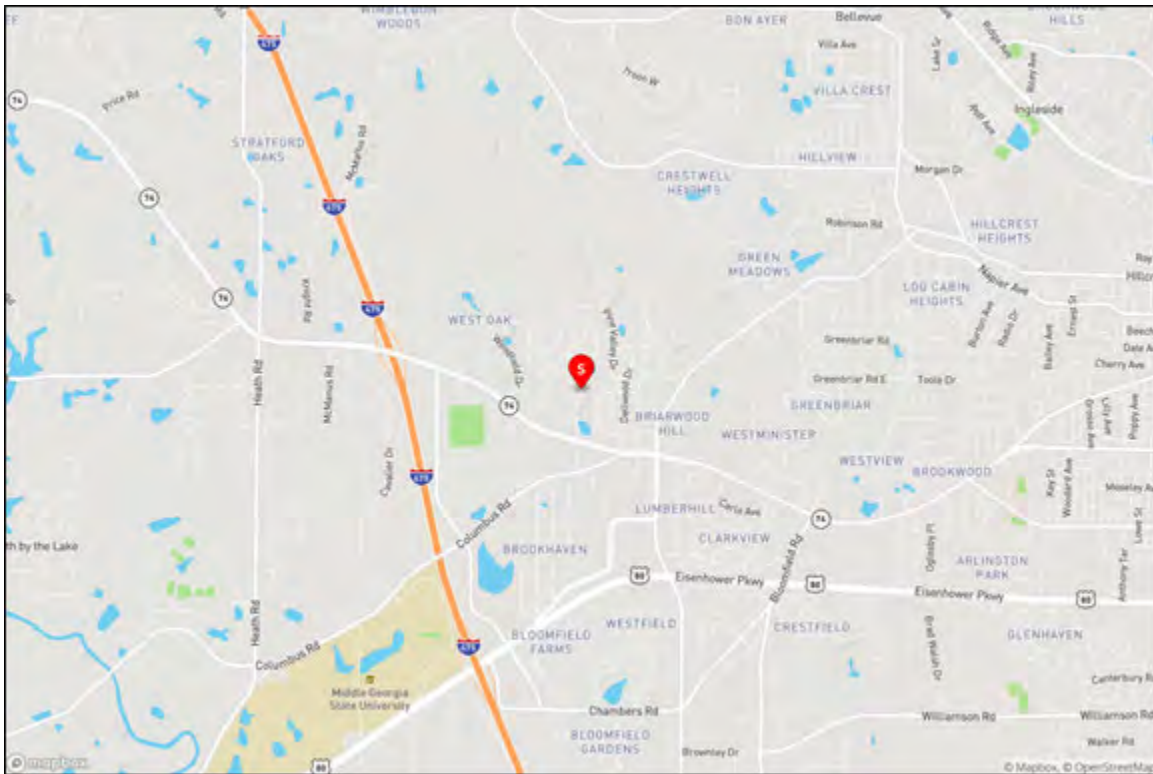
Macon will struggle to attract the investment necessary to boost high-wage employment. Out-migration has plagued the metro area consistently since the turn of the decade despite a slight improvement last year. The out-migration of skilled prime-age workers is one factor preventing investment in high-wage industries, and those who are left in the metro area are undereducated compared with the state and the nation. The below-average concentration of tech employment paired with a low-skill workforce will make it difficult to attract firms searching for white-collar talent. As a result, per capita income will remain far below that of the rest of the state.

### Conclusion

Positive Attributes	Negative Attributes
❖ Proximity to southern manufacturing hubs.	❖ Below-average educational attainment and low per capita income.
❖ Below-average businesses and living costs.	❖ Dearth of high-tech jobs.
❖ Large and stable healthcare industry.	❖ Poor population trends. ❖ High homeowner and rental vacancy rates.

Macon-Bibb County's economy will slow in conjunction with the rest of the state and the nation as the expansion matures. The outside healthcare industry will power most of the job gains, but population-dependent industries will disappoint due to unfavorable demographics and finance will experience only modest net hiring. In the long term, a poorly educated workforce and weak population additions will constrain Macon to lag both the state and the nation in job and income growth.

## Neighborhood Analysis



**Area Map**

### Boundaries

The subject is located in the western area of Macon, Georgia This area is part of the Bibb County submarket as defined by Costar and is generally delineated as follows:

North	Vineville Avenue
South	Eisenhower Parkway
East	Pio Nono Avenue
West	Interstate 475

### Surrounding Area of Influence Trends

#### Description

The subject’s surrounding area is viewed as suburban.

#### Characteristics

- ❑ 50%-75% developed.
- ❑ Growth within the neighborhood has been mostly concentrated along primary commercial thoroughfares.





- ❖ The Ocmulgee River is a major river that runs through the city. Macon is one of Georgia's three major Fall Line Cities, along with Augusta and Columbus. The Fall Line is where the hilly lands of the Piedmont plateau meet the flat terrain of the coastal plain. As such, Macon has a varied landscape of rolling hills on the north side and flat plains on the south. The fall line, where the altitude drops noticeably, causes rivers and creeks in the area to flow rapidly toward the ocean.
- ❖ The largest employment sector is education and health services, which represents a 30% larger share of jobs in the Macon metro than the National Index. This is undoubtedly buoyed by Navicent Health Medical Center, and Mercer University. The Bibb County Board of Education, Coliseum Health System, and GEICO are also major employers.
- ❖ Mercer University, approximately 4 miles east of the subject, is a private university with its main campus in Macon, Georgia. Founded in 1833 as Mercer Institute and gaining university status in 1837, it is the oldest private university in Georgia and enrolls more than 8,600 students in 12 colleges and schools: liberal arts, business, engineering, education, music, continuing and professional studies, law, theology, medicine, pharmacy, nursing, and health professions. Mercer is a member of the Georgia Research Alliance and has a chapter of Phi Beta Kappa, the nation's oldest collegiate honors society.
- ❖ Middle Georgia State University, approximately 2 miles west of the subject, is a public university with its main campus in Macon, Georgia. It is part of the University System of Georgia and offers master's, bachelor's and associate degrees, as well as some certificates, to students on five campuses in Middle Georgia, and online.
- ❖ Wesleyan College, approximately 6 miles north of the subject, is a private, liberal arts women's college located in Macon, Georgia, United States. The Wesleyan College Historic District was listed on the National Register of Historic Places on April 2, 2004. Founded in 1836, Wesleyan is the first college in the world chartered to grant degrees to women.

### **Fundamental Real Estate Cycle**

The surrounding area is considered to be within the stability stage of its real estate cycle. Given the history of the area and the growth trends, it is anticipated that the property values will remain constant in the future.

### **New Development**

The area's residential developments range from older, single-family homes and apartments to newly developed subdivisions and apartments. Most homes were built prior to 1980; however, the area features various subdivisions developed within the past 10 years offering quality "starter" homes. The neighborhood's apartment complexes are generally located along primary



commercial roadways. In general, these developments are older and in average condition. Various complexes have undergone varying degrees of renovation with some in good condition and others in average to fair condition.

Macon Mall, located just south of the subject, is a two level, 1.1 million square foot shopping mall featuring Macy's, and Burlington, as its anchor stores, as well as a food court. In 2008, The Shoppes at River Crossing, a new lifestyle center, opened in North Bibb County and took Dillard's from Macon Mall. On January 6, 2020, it was announced that that Macy's would be closing in March 2020 which will leave Burlington as the only anchor left. The Shoppes at Rivers Crossing is a super regional lifestyle center located approximately 7 miles north of the subject. Phase I opened March 19, 2008, while phase II opened shortly after. Belk and Dillard's opened their second Macon-area stores at River Crossing in 2008; however, Dillard's closed its old Macon Mall location later in 2008 and Belk closed its old Macon Mall location in 2012, leaving the new mall River Crossing stores as the only ones in Macon.

The total amount of units under construction has ticked downwards, leaving only 120 units underway in Macon. Supply additions are expected to remain scarce in the near term, with only a handful of small proposals in the metro. The market has absorbed almost 1,700 units since 2010, a roughly 15% increase in inventory. Most of this construction activity can be attributed to Sierra Development. The local developer has been responsible for bringing a number of mixed-use projects to downtown Macon, including those targeting students at Mercer University. Bowman Station delivered in 18Q2, offering 216 units near the I-75 and Bass Road interchange. The suburban Bibb County project is the first major project not developed by Sierra Development since 2012, and is posting a lease-up pace of around 15 units per month. The property boasts average asking rents of close to \$1/SF with no concessions, far above the metro average of \$0.78/SF.

## Access

### Primary Access

Interstate 16, Interstate 75, Interstate 475

### Major Thoroughfares

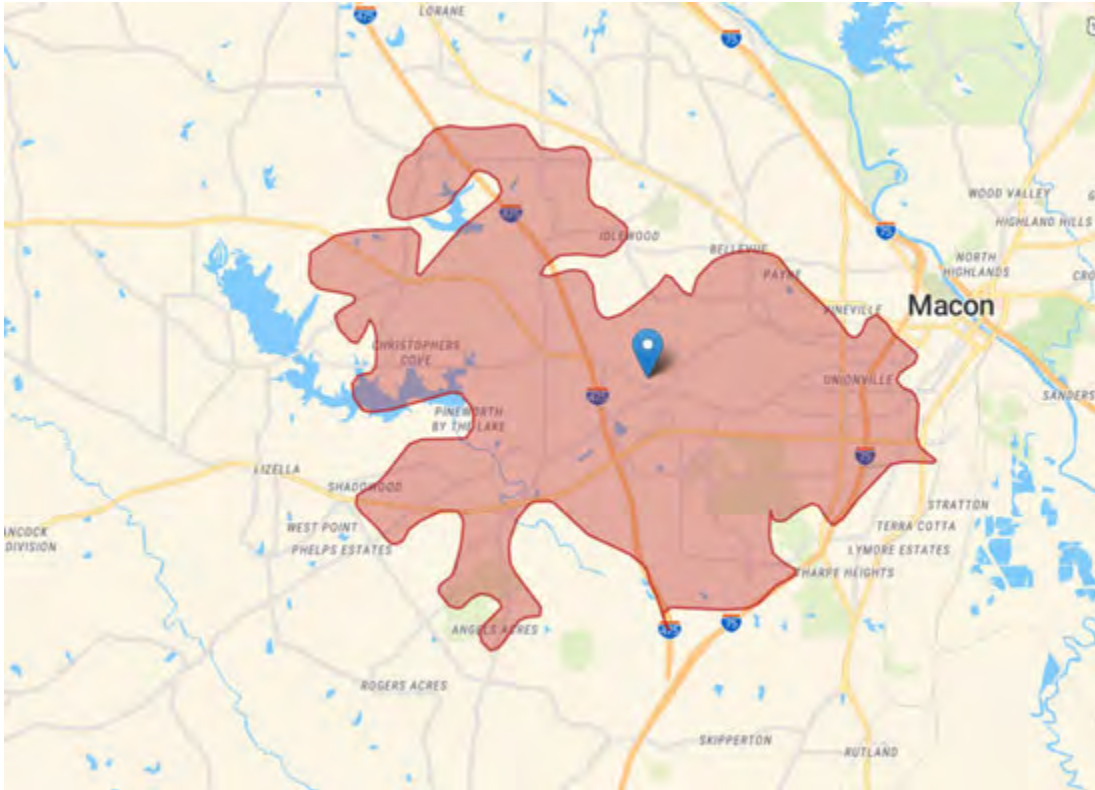
Eisenhower Parkway, Vineville Avenue, Pio Nono Avenue, Mercer University Drive

### Transportation

The primary mode of transportation in this area is the automobile.

### Distance from Key Locations

The commute to the Macon Central Business District is about ten to fifteen minutes and the drive to the Middle Georgia Regional Airport is about twenty minutes while the drive to the Hartsfield-Jackson Atlanta International Airport is about an hour to an hour and a half, depending on traffic patterns. The following illustrates the 10 minute drive time from the subject.



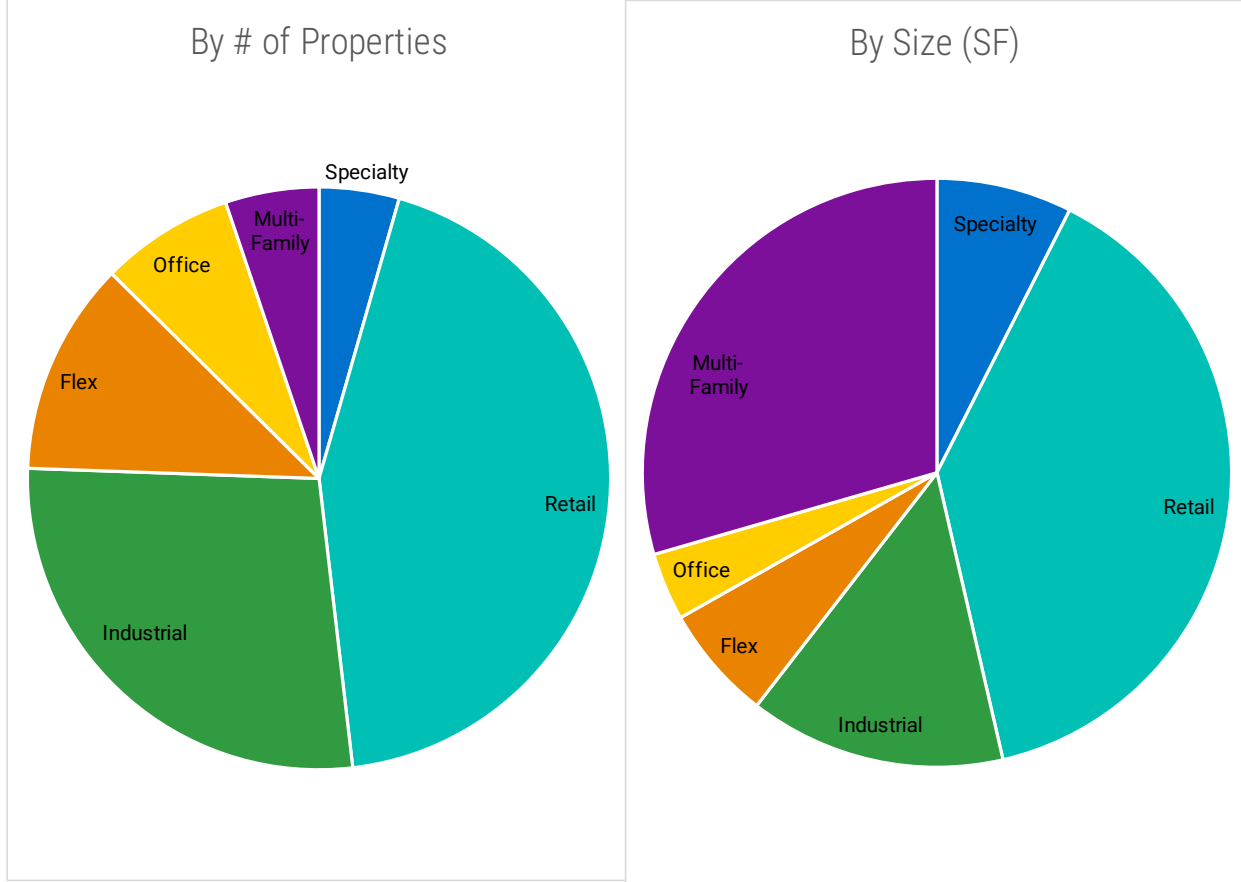
Drive Time Map

**Land Use**

The following was developed from Costar data for the major property types in the surrounding 1.0 mile radius around the subject.



**Surrounding Area Commercial Property Characteristics**



Source: Costar; Compiled by NKF

Within the immediate area of the subject, property uses include the following:

North	Single-Family Residential
South	General Retail
East	Macon Memorial Park
West	Multi-Family Residential

**Demographics**

A demographic summary for the defined area is illustrated as follows:



Demographic Analysis						
	1-Mile Radius	3-Miles Radius	5-Miles Radius	Macon	Macon-Bibb County MSA	Georgia
<b>Population</b>						
2010 Total Population	5,195	37,124	100,367	155,551	232,293	9,687,653
2019 Total Population	5,275	37,210	99,557	154,840	233,802	10,655,025
2024 Total Population	5,253	36,838	98,914	153,942	234,483	11,253,742
Projected Annual Growth %	-0.1%	-0.2%	-0.1%	-0.1%	0.1%	1.1%
<b>Households</b>						
2010 Total Households	1,986	14,106	38,495	60,295	88,999	3,585,584
2019 Total Households	2,009	14,048	38,065	60,070	89,732	3,937,153
2024 Total Households	1,997	13,887	37,791	59,719	90,049	4,155,781
Projected Annual Growth %	-0.1%	-0.2%	-0.1%	-0.1%	0.1%	1.1%
<b>Income</b>						
2019 Median Household Income	\$31,527	\$33,250	\$36,533	\$40,391	\$42,724	\$56,932
2019 Average Household Income	\$41,114	\$55,363	\$59,355	\$64,330	\$64,461	\$81,206
2019 Per Capita Income	\$15,967	\$20,847	\$23,012	\$25,029	\$24,797	\$30,100
<b>Housing</b>						
2019 Owner Occupied Housing Units	29.7%	37.0%	40.0%	43.5%	51.7%	56.4%
2019 Renter Occupied Housing Units	60.5%	47.6%	44.1%	42.0%	35.0%	32.2%
2019 Median Home Value	\$80,386	\$93,620	\$125,151	\$136,781	\$149,463	\$191,818
Median Year Structure Built	1980	1973	1971	1974	1979	1988
<b>Miscellaneous Data Items</b>						
2019 Bachelor's Degree	15.2%	12.8%	15.3%	15.5%	14.0%	19.2%
2019 Grad/Professional Degree	3.6%	8.2%	10.9%	11.2%	10.4%	12.1%
2019 College Graduate %	18.7%	21.0%	26.2%	26.8%	24.4%	31.3%
2019 Average Household Size	2.62	2.58	2.50	2.48	2.52	2.64
2019 Median Age	28.6	34.4	36.0	37.1	38.8	36.8

Source: ESRI; Compiled by NKF

## Conclusion

Population in the surrounding area has been weak with income levels stable. This has had a neutral effect on retail and services related to real estate demand. This trend is projected to continue into the foreseeable future.



## Multifamily Market Analysis

### Classification

The subject is in the Bibb County submarket of the Macon market. The property is considered a Class B Garden Apartment Complex in this market.

### Demographic Analysis

#### Population and Household Formation

Demographic Growth Rate Analysis						
	1-Mile Radius	3-Miles Radius	5-Miles Radius	Macon	Macon-Bibb County MSA	Georgia
<b>Population</b>						
2010 Total Population	5,195	37,124	100,367	155,551	232,293	9,687,653
2019 Total Population	5,275	37,210	99,557	154,840	233,802	10,655,025
2024 Total Population	5,253	36,838	98,914	153,942	234,483	11,253,742
Annual Growth - Past Period	0.2%	0.0%	-0.1%	-0.1%	0.1%	1.1%
Annual Growth - Future Period	-0.1%	-0.2%	-0.1%	-0.1%	0.1%	1.1%
<b>Households</b>						
2010 Total Households	1,986	14,106	38,495	60,295	88,999	3,585,584
2019 Total Households	2,009	14,048	38,065	60,070	89,732	3,937,153
2024 Total Households	1,997	13,887	37,791	59,719	90,049	4,155,781
Annual Growth - Past Period	0.1%	0.0%	-0.1%	0.0%	0.1%	1.0%
Annual Growth - Future Period	-0.1%	-0.2%	-0.1%	-0.1%	0.1%	1.1%

Source: ESRI; Compiled by NKF

### Income Distributions

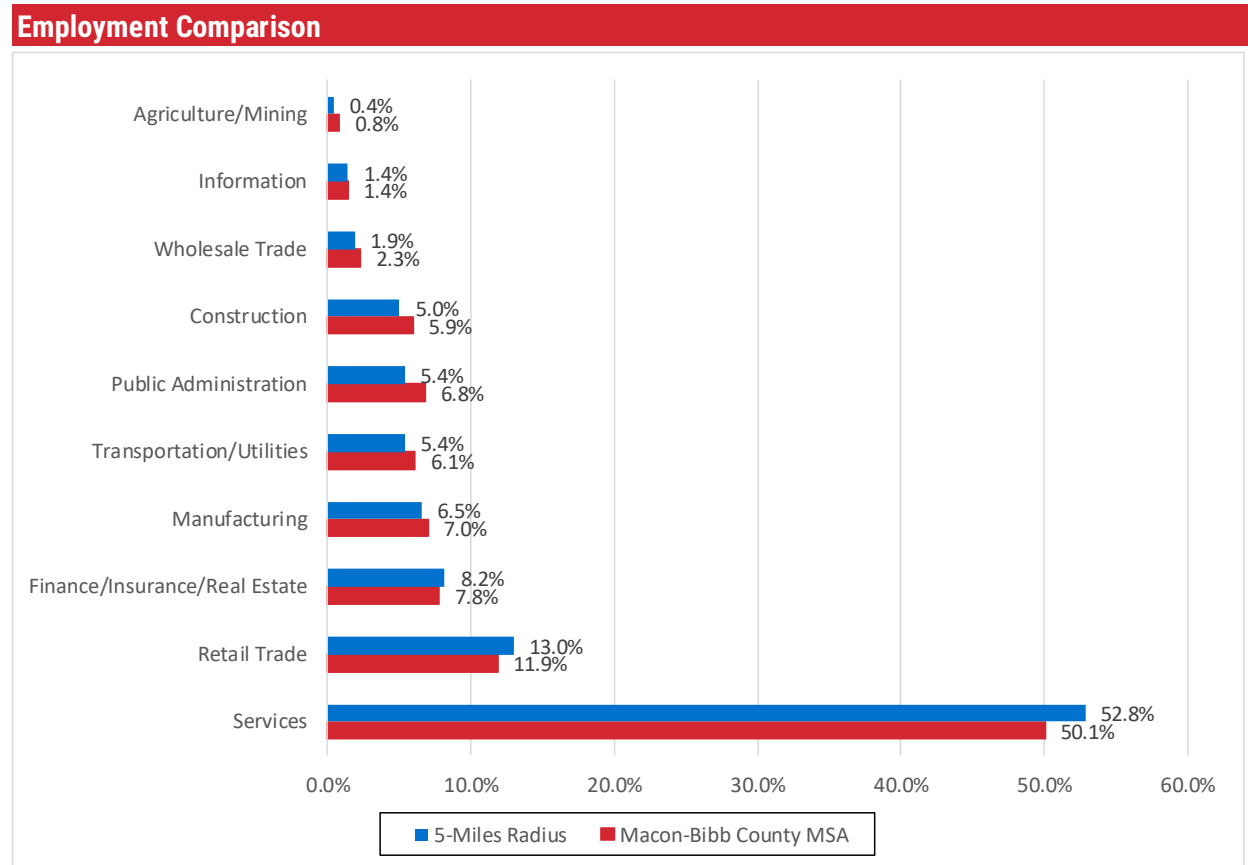
Household Income Analysis						
2019	1-Mile Radius	3-Miles Radius	5-Miles Radius	Macon	Macon-Bibb County MSA	Georgia
Household Income <\$15,000	498 24.8%	3,188 22.7%	7,800 20.5%	10,616 17.7%	14,499 16.2%	437,139 11.1%
Household Income \$15,000-\$24,999	253 12.6%	2,118 15.1%	5,722 15.0%	8,139 13.5%	11,866 13.2%	377,564 9.6%
Household Income \$25,000-\$34,999	351 17.5%	1,989 14.2%	4,703 12.4%	7,179 12.0%	10,494 11.7%	374,325 9.5%
Household Income \$35,000-\$49,999	261 13.0%	2,154 15.3%	5,802 15.2%	9,316 15.5%	13,457 15.0%	522,616 13.3%
Household Income \$50,000-\$74,999	432 21.5%	1,947 13.9%	5,182 13.6%	8,568 14.3%	13,831 15.4%	708,244 18.0%
Household Income \$75,000-\$99,999	140 7.0%	925 6.6%	2,837 7.5%	5,249 8.7%	8,943 10.0%	496,161 12.6%
Household Income \$100,000-\$149,999	50 2.5%	893 6.4%	3,498 9.2%	6,429 10.7%	10,388 11.6%	556,702 14.1%
Household Income \$150,000-\$199,999	10 0.5%	221 1.6%	974 2.6%	1,886 3.1%	2,832 3.2%	225,169 5.7%
Household Income \$200,000+	15 0.7%	613 4.4%	1,548 4.1%	2,689 4.5%	3,422 3.8%	239,197 6.1%
Median Household Income	\$31,527	\$33,250	\$36,533	\$40,391	\$42,724	\$56,932
Average Household Income	\$41,114	\$55,363	\$59,355	\$64,330	\$64,461	\$81,206
Per Capita Income	\$15,967	\$20,847	\$23,012	\$25,029	\$24,797	\$30,100

Source: ESRI; Compiled by NKF



### Employment

The following graph was presented previously but is also given below given its relevance to Multifamily demand. Comparing the industry sectors for the local market area (5-Miles Radius) to Macon-Bibb County, GA MSA indicates the local market area is somewhat more heavily weighted toward the Services, Retail Trade, Finance/Insurance/Real Estate, and Information sectors. The following graphic further illustrates this comparison.



Source: ESRI; Compiled by NKF

### Multifamily Market Overview

The following discussion outlines overall market performance in the surrounding Multifamily market. Presented first are market statistics of the Macon area and the subject Bibb County submarket overall. The analysis is then further refined to focus on demand for the subject and the properties considered to be primary competition.



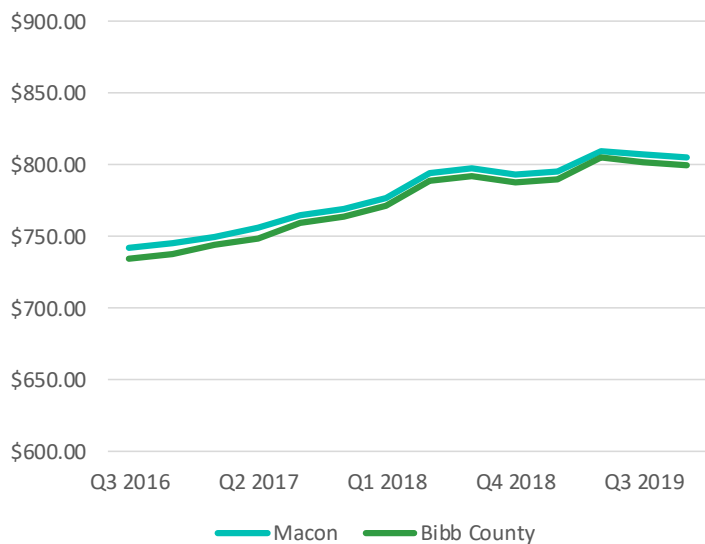
### Occupancy Rate



Period	Macon	Bibb County
Q3 2016	91.9%	91.7%
Q4 2016	91.1%	91.0%
Q1 2017	91.5%	91.3%
Q2 2017	92.8%	92.6%
Q3 2017	92.7%	92.7%
Q4 2017	91.7%	91.5%
Q1 2018	91.5%	92.2%
Q2 2018	91.6%	91.8%
Q3 2018	91.9%	91.7%
Q4 2018	92.0%	91.8%
Q1 2019	90.9%	90.6%
Q2 2019	91.3%	91.0%
Q3 2019	91.9%	91.7%
Q4 2019	90.6%	90.2%

Source: Costar; Compiled by NKF Valuation & Advisory

### Asking Rent Per Unit



Period	Macon	Bibb County
Q3 2016	\$742	\$735
Q4 2016	\$745	\$738
Q1 2017	\$750	\$744
Q2 2017	\$756	\$749
Q3 2017	\$765	\$759
Q4 2017	\$769	\$764
Q1 2018	\$777	\$771
Q2 2018	\$794	\$789
Q3 2018	\$797	\$792
Q4 2018	\$793	\$788
Q1 2019	\$795	\$790
Q2 2019	\$809	\$805
Q3 2019	\$807	\$802
Q4 2019	\$805	\$800

Source: Costar; Compiled by NKF Valuation & Advisory

### Multifamily Market Statistics

#### Trailing Four Quarters Ended Q4 2019

Market / Submarket	Inventory (Unit)	Completions		Net Absorption (Unit)	Asking Rent Per Unit	Effective Rent Per Unit
		(Unit)	Vacancy (%)			
Macon	13,818	153	11.50%	82	\$839	\$833
Bibb County	12,443	134	11.80%	71	\$830	\$824

Source: Costar; Compiled by NKF Valuation & Advisory



- ❑ The average vacancy rate for the subject submarket is similar to that of the overall market area because of its locational characteristics.
- ❑ The average rental rate for the submarket is similar to the overall Macon market. The subject Bibb County submarket is considered a similar tier submarket as compared to the other submarkets in the overall Macon area due to its locational and economic characteristics.
- ❑ Approximately 1.1% of the submarket inventory, and 1.1% of the market inventory, represents newer construction unlike the subject.
- ❑ Absorption for the last 12 months was positive for the overall market area and at the submarket level.

## Market and Submarket Trends

Multifamily Market Trends								
	Macon				Bibb County			
	Inventory (Unit)	Completions (Unit)	Vacancy %	Asking Rent Per Unit	Inventory (Unit)	Completions (Unit)	Vacancy %	Asking Rent Per Unit
Q4 2017	17,574	0	8.3%	\$769	15,771	0	8.5%	\$764
Q1 2018	17,787	213	8.5%	\$777	15,771	0	7.8%	\$771
Q2 2018	18,027	240	8.4%	\$794	16,011	240	8.2%	\$789
Q3 2018	18,027	0	8.1%	\$797	16,011	0	8.3%	\$792
Q4 2018	18,027	0	8.0%	\$793	16,011	0	8.2%	\$788
Q1 2019	18,332	305	9.1%	\$795	16,316	305	9.4%	\$790
Q2 2019	18,332	0	8.7%	\$809	16,316	0	9.0%	\$805
Q3 2019	18,332	0	8.1%	\$807	16,316	0	8.3%	\$802
Q4 2019	18,332	0	9.4%	\$805	16,316	0	9.8%	\$800

\* Forecast

Source: Costar; Compiled by NKF Valuation & Advisory

- ❑ The overall market area and submarket have been stagnant with respect to occupancy over the past year.
- ❑ Over the past several years, effective rental rates have been following an increasing trend but have slightly increased within the submarket in the past 12 months.

## Supply & Demand

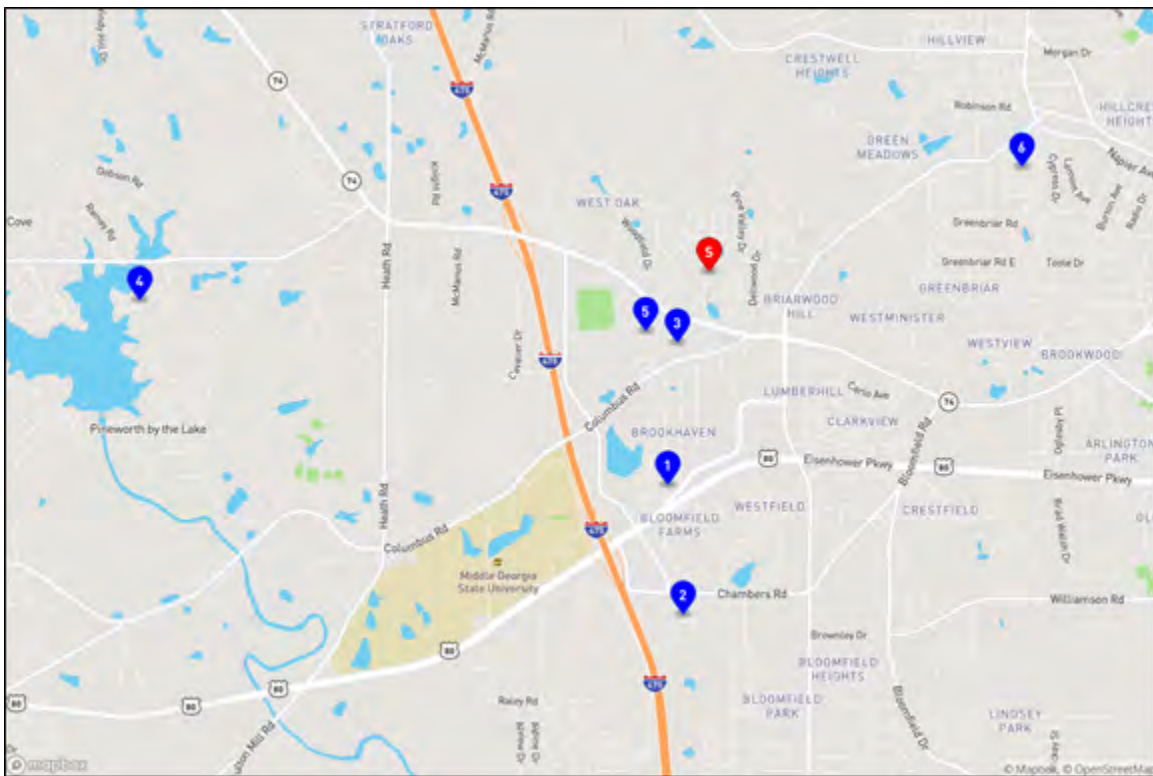
### Construction Versus Absorption

Construction/Absorption Change									
Market / Submarket	Prior Calendar Years History								
	Prior Calendar Year History			Prior Three Year History			Prior Five Year History		
	Units Built	Units Absorbed	Const. / Abs. Ratio	Units Built	Units Absorbed	Const. / Abs. Ratio	Units Built	Units Absorbed	Const. / Abs. Ratio
Macon	153	82	1.9	432	224	1.9	802	228	3.5
Bibb County	134	71	1.9	365	183	2.0	735	186	4.0

Source: Costar; Compiled by NKF Valuation & Advisory

- ❑ Absorption in the Bibb County submarket has fallen behind construction over the past three years.
- ❑ Construction has outpaced absorption over the past five years as evidenced by the approximate 3.5 ratio of construction to absorption in the overall Macon market area.

### Competitive Properties



Competitive Properties Map





Comparable Property Summary							
	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5	Comparable 6
Name	Anthos at Shadowood	Brookhaven	Chamber Cove	Summer Park	Harbour Club	West Club Apartments	Summit Apartments
Address	4344 West Highland Drive	4860 Brookhaven Road	204 Chambers Cove Drive	4658 Mercer University Drive	6300 Moseley Dixon Road	159 Steven Drive	1187 Edna Place
City, State	Macon, GA	Macon, GA	Macon, GA	Macon, GA	Macon, GA	Macon, GA	Macon, GA
Rentable Area (SF)	149,288	84,530	74,160	192,376	155,425	152,780	118,800
Number of Units	152	104	72	184	171	140	120
Year Built	1985	1982	1990	1990	1983	1997	1970
Number of Floors	2	2	2	2	2	2	2
Exterior	Vinyl Siding	Wood siding	Wood siding	Wood siding	Wood siding	Wood siding	Brick Veneer
Condition	Average	Average	Average	Average	Average	Average	Average
Occupancy		94%	89%	91%	97%	94%	96%

Compiled by NKF Valuation & Advisory

- ❑ Comparables Three and Five are both direct competitors of the subject and reflect vacancy levels in the 0-10% range.

## Trends and Projections

### Subject and Market Historical and Forecast Trends

Market Vacancy Rate Indicators					
	Current	Most Recent Full Year	Trailing 3-Year	Trailing 5-Year	Trailing 10-Year
Macon	11.50%	11.20%	10.60%	9.40%	8.60%
Bibb County	11.80%	11.50%	10.90%	9.80%	8.80%
Direct Competition	6.30%				
Concluded Subject Vacancy Rate	5.00%				

Source: Costar, NKF Valuation & Advisory

- ❑ The trend for the subject against the market has been stagnant occupancy rates in recent months.
- ❑ The forecast is for this trend to continue for the foreseeable future.

### Market Conclusion

#### Absorption

The vacancy level fluctuated throughout most of the expansion as new properties delivered in Macon. However, the vacancy rate is expected to gradually decline in the coming years, with a muted pipeline and several job expansions on the horizon.

Properties rated 4 & 5 Star post vacancy rates above the metro average as these new properties continue to lease-up. Lower-quality, 3 Star product boasts the tightest vacancies, while 1 & 2 Star vacancies remain structurally well above the Macon average.

While overall year-over-year job growth is still below the national average, professional and business services sector has enjoyed solid growth recently. At right around the national average over the past year, growth in this industry is almost twice the historical average. Continued



increases in white-collar jobs in Macon should help fuel more multifamily demand in the coming years.

Macon could see several companies expand operations in the metro, further boosting multifamily demand. Amazon is creating 500 jobs at its distribution hub in the southern portion of Bibb County. Aircraft manufacturer Embraer announced it would hire 200 employees at Middle Georgia Regional Airport, while Irving Consumer Products will also add an additional 150-plus employees to the second phase of its manufacturing plant later this year.

## Conclusion

### Occupancy Conclusions

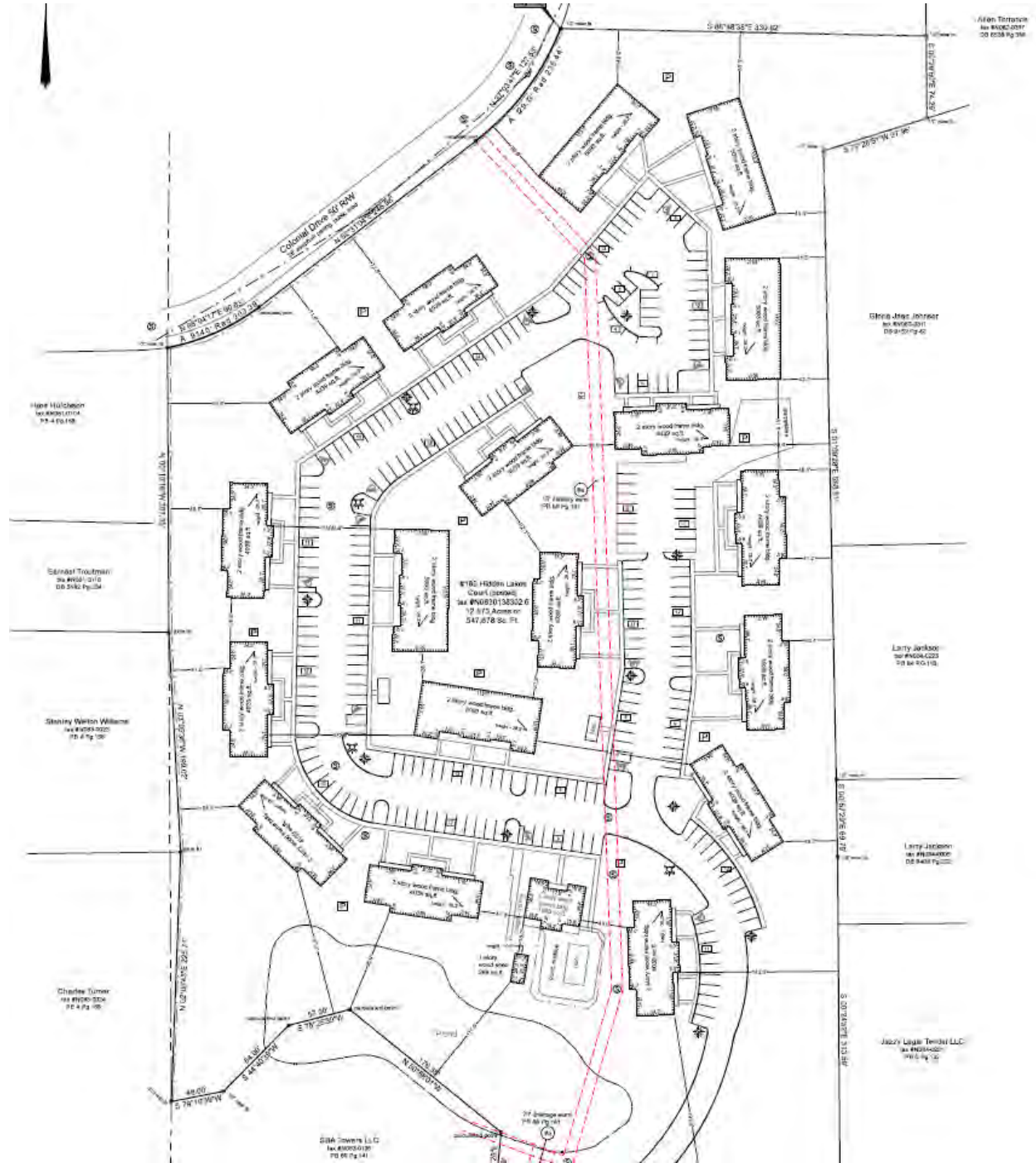
Macon	88.50%
Bibb County	88.20%
Direct Competition	93.70%
Subject Property's Stabilized Occupancy	95.00%

*Source: Costar, NKF Valuation & Advisory*

Despite the sluggish job growth and unemployment above the national average, multifamily properties in Macon have performed fairly well this expansion. Supply-side pressure on the market has resulted in fluctuating vacancies. However, demand has held decidedly solid, as recently delivered units lease fairly well. Rent growth has likewise fluctuated as new properties have delivered, but it stands comfortably above the historical norm. Investment volume has picked up slightly in recent quarters as some institutional-sized assets have traded hands within the past year.

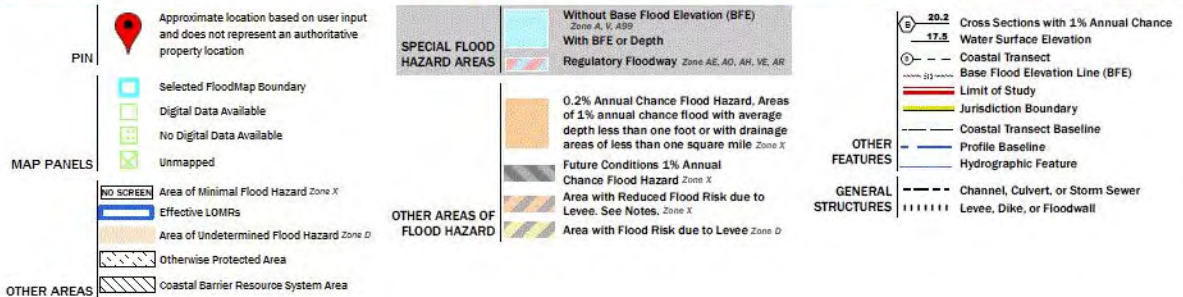
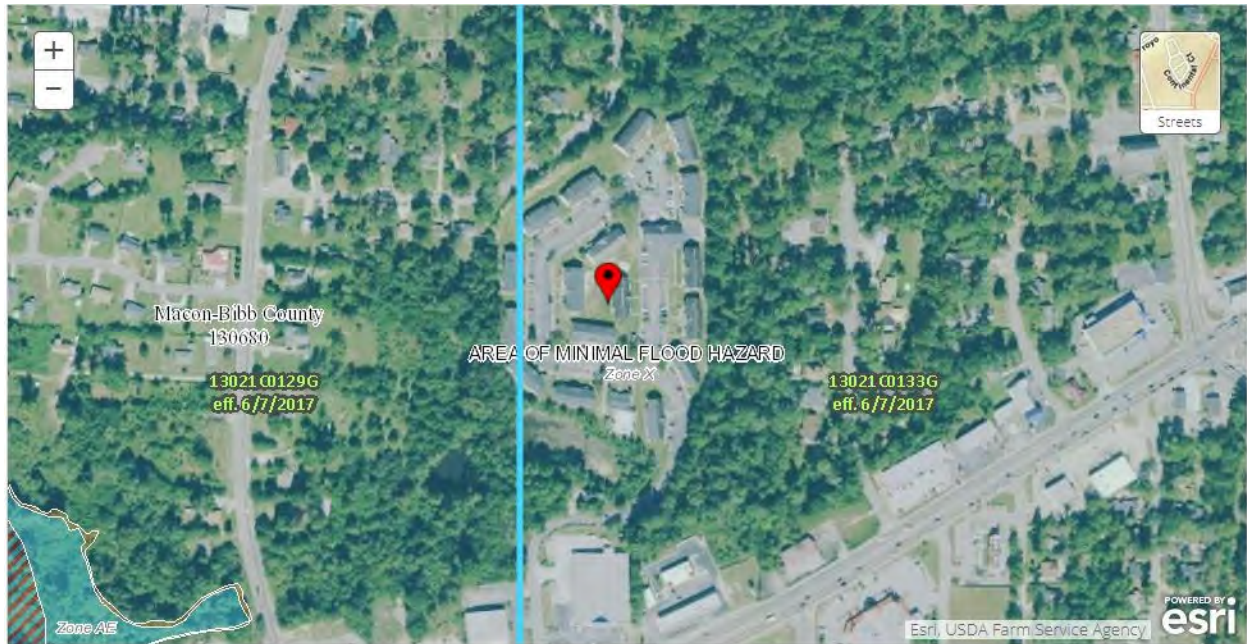
Based on the key metro and submarket area trends, construction outlook, and the performance of competing properties, NKF expects the mix of property fundamentals and economic conditions in the Macon metro area to have a neutral impact on the subject property's performance in the near-term.

# Land and Site Analysis



Site Plan





Flood Map



### Land Parcels

Parcel Summary	Associated APN(s)	Classification	Land Area (SF)	Land Area (Acres)
Parcel 1	L082-0256	Primary Site 1	832,867	19.1200
Total Gross Land Area			832,867	19.1200
Total Primary Land Area			832,867	19.1200
Total Surplus Land Area			0	0.0000
Total Excess Land Area			0	0.0000

*Compiled by NKF*

### Land Description

Total Land Area	19.1200 Acres; 832,867 SF
Usable Land Area	19.1200 Acres; 832,867 SF
Excess Land Area	None
Surplus Land Area	None
Source of Land Area	Legal Description

### Site Characteristics

Primary Street Frontage	West Highland Drive (0 FF)
Traffic Control at Entry	None
Traffic Flow	Moderate
Accessibility Rating	Average
Visibility Rating	Average
Shape	Irregular
Corner	No
Topography	Generally Level
Site Vegetation	Typical Residential
Easements / Encroachments	None noted
Environmental Hazards	None noted

### Flood Zone Analysis

Flood Area Panel Number	13021C0129G
Date	6/7/2017
Zone	Zone X
Description	Area of minimal flood hazard, usually depicted on Flood Insurance Rate Maps as above the 500-year flood level.
Insurance Required?	No

### Utilities

Utility Services	Water, Sewer, Gas, Electricity, Cable TV, Telephone
------------------	---

*Compiled by NKF*



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## **Easements, Encroachments and Restrictions**

Based upon a review of the deed and property survey, we are not aware of any easements, encroachments, or restrictions that would adversely affect value. Our valuation assumes no adverse impacts from easements, encroachments, or restrictions, and further assumes that the subject has clear and marketable title.

## **Environmental Issues**

No environmental issues were observed or reported. NKF is not qualified to detect the existence of potentially hazardous issues such as soil contaminants, the presence of abandoned underground tanks, or other below-ground sources of potential site contamination. The existence of such substances may affect the value of the property. For this assignment, we have specifically assumed that any hazardous materials that would cause a loss in value do not affect the subject.

We walked around the subject site, including the rear of the buildings, the pool area and did not observe any obvious indicators of environmental contamination or adverse property condition issues.

We have reviewed an environmental report, dated November 20, 2019, performed by Broom, Malkin, Miller, LLC. According to this report, "No environmental testing was conducted due to the date of construction and being located in Radon Zone 3, therefore no action required."

## **Conclusion**

Overall, the location and functional utility of the subject site is average.

# Zoning and Legal Restrictions



Zoning Map



Zoning Summary	
Category	Description
Zoning Jurisdiction	City of Macon
Zoning Designation	R-2 Two-Family Residential Districts
Description	<p>The purpose of this chapter is to provide greater design flexibility in the development of land consistent with the comprehensive development plan. The use of planned development zoning classifications should be encouraged when they promote a harmonious variety of uses, provide for an economy of shared services and facilities, are compatible with surrounding areas, and foster the creation of attractive, healthful, efficient, and stable environments for living, shopping or working.</p> <p>The planned development district regulations and procedures may apply to the development of presently open or vacant lands and may apply to parcels of relatively small size as well as large scale development, depending upon the nature of the proposed use and improvements and their relationship with other surrounding uses and the overall characteristics of the area in which they are located.</p> <p>Planned development district regulations are intended to encourage innovations in land development techniques so that the changing demands of the community may be met with greater flexibility and variety in type, design, and layout of sites and buildings and by the conversion and more efficient use of open spaces and other amenities generally enhancing the quality of life.</p> <p>Planned development projects should also encourage a more efficient use of land which reflects changes in the technology and economics of land development so that resulting economies may accrue to the benefit of the community at large.</p> <p>PDR, PDC, PDI and PDE districts differ from each other in the nature of the uses permitted.</p>
Legally Conforming?	Yes
Zoning Change Likely?	Unlikely
Permitted Uses	Site plan specific
Other	Lot size, density, yard requirements, height requirements, signs, parking, and other development standards as approved by the commission.

*Compiled by NKF*

We are not experts in the interpretation of zoning ordinances. We have reviewed a Zoning Report, dated December 3, 2019, performed by NV5. The zoning report provided the following conclusions:

*“The current zoning district for the subject property is PDE, Planned Development Extraordinary. The use of multifamily developments is permitted by right in the PDE zoning district. No active zoning or building code violations have been disclosed that would affect the subject property. The following fire code violations have been disclosed that would affect the subject property: exit and emergency lighting not operable, must maintain 3’ clearance in front of electrical panel box, spacers are needed for opening spaces in electrical panel box, housekeeping, expose wires, fire extinguishers should be serviced every year and all fire extinguishers need to be checked and in place, see attached documentation. Per Zoning Director, Randi Doveton, “I can tell you that I do not have any open violations. I cannot tell you that is conforming to what was approved because those files are in off-site storage and you would have to provide a current as build survey and order the off-site file for comparison. My*



*experience has been that the older the file, the less information /significant information is in it, so it may not even have a good /legible site plan in it.” The original zoning permit #87-2438 was issued on September 25, 1987 for a 144-unit apartment complex. Due to the age of the original application files-site plan information, etc. is not available. Upon comparing current applicable PDE zoning code requirements to existing property conditions as noted on the survey, no nonconformities were disclosed. Conformance to current parking regulations could not be determined as the unit count/breakdown is unknown. No factors have been disclosed by this report that would preclude the property from being rebuilt in accordance with municipal zoning code requirements in the event of damage or destruction.”*

## **Conclusion**

The subject is zoned for site specific use per the PDE zoning. There are no known violations with the subject’s development.

# Improvements Analysis

One Bedroom



**FLOOR PLANS**  
Anthos at Hidden Lakes

Two Bedroom



Three Bedroom



Floor Plan



The subject is a Class B multifamily-garden/low-rise development known as Anthos at Shadowood West, located at 4344 West Highland Drive, Macon, GA 31210. The subject was built in 1985. Anthos at Hidden Lakes is comprised of 19 buildings. The unit mix consists of 52 one-bedroom one-bath at 890 square feet, 72 two-bedroom two-bath at 1,230 square feet and 20 three-bedroom 2-bath at 1,390 square feet. Hidden Lakes has washer dryer connections in all units. The improvements are more fully described in the following table.

<b>Improvements Description</b>			
<b>Component Structures</b>			
Improvements (Structures)	Primary Structure	Office/Clubhouse	Subtotal
General Improvement Type	Multifamily	Multifamily	
Use Description	Garden/Low-Rise	Other	
No. Buildings	15	1	16
No. Units	152	0	152
GBA (SF)	149,766	1,728	151,494
Rentable SF	149,288	0	149,288
Average Unit Size (SF)	982		982
Construction Status	Existing, Under Renovation	Existing, Under Renovation	
Construction Class	Class D	Class D	
Quality	Average	Average	
Current Condition	Average	Average	
<b>Age/Life Depreciation Analysis</b>			
Year Built	1985	1985	
Year Renovated	None	None	
Actual Age (Yrs.)	35	35	
Economic Life (Yrs.)	50	50	
Effective Age (Yrs.)	20	20	
Remaining Economic Life (Yrs.)	30	30	
Percent Depreciation	40.00%	40.00%	
<b>Floor Area Analysis</b>			
Number of Stories	2	1	1.94
Max Ceiling Height (Ft)	8	8	8.00
Est. Ground Floor Area (GBA)	74,883	1,728	76,611
Attributed Site Area (SF)	814,081	18,786	832,867
Site Coverage	9.2%	9.2%	9.2%
Floor Area Ratio (FAR)	0.184	0.092	0.182
Unit Density (Units/Acre)	8.1	0.0	7.9
Land to Building Ratio	5.436	10.871	5.498
Parking Type	Surface		
Parking Spaces (including garages when applicable)	312		312
Parking Ratio Per Unit	2.05		2.05
<b>Construction Details</b>			
	Garden/Low-Rise	Other	
Foundation	Reinforced Concrete	Reinforced Concrete	
Basement	None	None	
Structural Frame	Wood frame	Wood frame	
Exterior Walls	Vinyl Siding	Vinyl Siding	
Windows	Aluminum double pane, single hung systems	Aluminum double pane, single hung systems	
Roof	Pitched asphalt shingle	Pitched asphalt shingle	
<b>Interior Finish</b>			
	Garden/Low-Rise	Other	
Floors	Vinyl Tile & Carpet	Vinyl Tile & Carpet	
Walls	Textured and painted sheetrock	Textured and painted sheetrock	
Ceilings	Textured and painted sheetrock	Textured and painted sheetrock	
Lighting	Typical residential	Typical residential	





Engineering & Mechanical	Garden/Low-Rise	Other
HVAC	Central HVAC	Central HVAC
Electrical	Assumed adequate	Assumed adequate
Plumbing	Assumed adequate	Assumed adequate
Utility Meters	Individually metered	Individually metered
Fire Sprinklers	No	No
Improvement Features and Amenities	Garden/Low-Rise	Other
Property Amenities	Air Conditioning, Balcony, Cable Ready, Ceiling Fan(s), Dishwasher, Oversized Closets, Washer & Dryer Connections, Some Paid Utilities	
Unit Amenities	ABusiness Center, Clubhouse, Emergency Maintenance, Extra Storage, Fitness Center, High Speed Internet Access, Playground, Public Transportation, Swimming Pool, Pet Friendly	

Compiled by NKF

## Unit Mix

Unit Mix					
No. Units	Unit Description	Unit Size (SF)	Rentable Area (SF)	Occupied Units	Unit Occupancy
48	1 BR/1 BA 1BR 1BA - 745 SF	745	35,760	46	95.8%
48	1 BR Total	745	35,760	46	95.8%
80	2 BR/2 BA 2BR 2BA - 1,045 SF	1,045	83,600	76	95.0%
80	2 BR Total	1,045	83,600	76	95.0%
24	3 BR/2 BA 3BR 2BA - 1,247 SF	1,247	29,928	24	100.0%
24	3 BR Total	1,247	29,928	24	100.0%
152	Totals		149,288	146	
	Annual Totals				
	Averages	982			96.1%

Compiled by NKF

## Property Condition

### Recent Renovations

Within the past three years the subject has spent a total of \$286,874 in cap ex for FF&E, Appliances, Exterior Maintenance, Carpet/Flooring, Labor, Roof Repair and Roads, Trees and Grounds.

### Property Condition Report

We have reviewed a Property Condition Report, dated November 13, 2019, performed by NV5. The PCR report provided the following conclusions:

#### A. CRITICAL REPAIR WORK AND RECOMMENDATIONS

- Replace the 49 missing 5 lb. fire extinguishers across all buildings
- Have remaining existing 5 lb. fire extinguishers tested, re-charged, and recertified
- Determine responsible party for temporary electric service feed at Building J



## B. REQUIRED/RECOMMENDED REPAIR OR IMPROVEMENTS

The items listed below are considered to be non-critical, but items that should be addressed.

These items are also referenced in the text, "Scope of Work" and in our Cost Projections. Please review the Building-by-Building report for details of specific items that will need repair:

- Building repairs as identified in the Building-by-Building report
- Seal and stripe parking lot
- Power wash buildings
- Install drain system at Building I
- Stabilize stairways at Building I
- Re-paint shutters, gable vents, and metal decks
- Seal/stain rear wood decks and newly installed wood stairs
- Re-align support beams and re-secure joists
- Repair fogged windows
- Fix swing set
- Budget for ongoing HVAC replacements

The total cost of recommended repair work is \$59,825 per the PCR. In addition to the recommended repair work, the PCR recommended \$202,620 in estimated capital needs over the next four years. We assume the planned renovation will take care of the PCR recommendations.

### Deferred Maintenance

Our observation of the property, and the conclusions of the Property Condition Report referenced above, indicated no significant items of deferred maintenance.

## Other Property Considerations

### Functional Utility

Based on our inspection and consideration of its current and/or future use as well as review of individual floor plans and the overall complex, there do not appear to be any significant items of functional obsolescence.

### ADA Compliance

Based on our observation as well as any information provided, no ADA compliance issues were noted. However, the client is advised to obtain review by a qualified professional versed in ADA compliance as we do not have expertise.

## Personal Property

Certain items in apartment projects are sometimes considered personal property, such as furniture, fixtures or equipment. These items include kitchen appliances (stove, refrigerator and dishwasher) in each unit and various items in the common areas including miscellaneous maintenance tools, pool furniture, leasing office furniture, recreational room and clubhouse furniture, and various exercise machines. The apartment units are rented on an unfurnished basis. However, typically personal property is included in the sale of multifamily apartment complexes. The personal property items contained in the subject are not considered to contribute significantly to the overall value of the real estate.

## Building Improvements Summary

The improvements are of average quality construction and are in average condition.

## Conclusion

The property consists of 18 residential structures/addresses with 144 residential units, one leasing building, and one maintenance building.

- Net rentable area for this property is approximately 162,640 sf
- The property is reported to be 29 years old (1990)
- The overall property conditions are fair

The property itself is in a fair overall condition.

- Drives and parking areas are in a serviceable condition
- The roofs are of a pitched design with asphalt shingles
- Each unit is accessed off of a concrete walkway or second floor deck (wood or metal)
- Landscaping is in a generally fair condition
- The site is generally rectangular in shape
- Concrete walks and steps are in a fair-to-good condition with some areas of toe-catches
- The buildings are of a wood frame construction
- Building exteriors are of wood framing and vinyl siding
- Buildings are of two-stories
- Foundations appear to be slab-on-grade poured concrete on most buildings, and CMU block with wood joists on some buildings (H, I, and J)
- Windows are aluminum double pane, single hung systems

Common areas are in a good overall condition.

- Common area steps, stairs, and handrails are in a good overall condition, with management reporting many stair treads having been replaced during a recent capital project.
- Inspectors note though, that sealing/staining is needed

- Residential units include one, two, and three-bedroom flats
- Apartment interiors for units are in a generally good condition
- Walls and ceilings are in a fair-to-good condition
- Appliances are in a fair-to-serviceable condition
- Cabinetry is mostly original and in a fair-to-good condition, age considered
- Countertops are mostly original and in fair condition, with many needing resurfacing or replacement at the next move-out
- Flooring is a combination of newly replaced and original vinyl flooring and carpeting in varying configurations
- Apartments had hardwired smoke detectors

Heating is provided by an electric air handler (furnace), with heat pumps. A/C is provided by exterior-mounted condensing units, almost all utilizing traditional R-22 coolant.

Hot water is provided by 30-gallon electric unit-installed water heaters.

Plumbing system and fixtures are in a good condition. All visible domestic plumbing lines are copper. Drain lines are of PVC

Electric service to units is rated at 150-AMPS The existing wiring is:

- Aluminum mains, aluminum 220 lines (range and dryer circuits), and copper branch circuits

Management reported that all roofs have been replaced, except one (Building M), within the last few years. Wood replacements on many stair treads have been performed as well, per management.

# Real Estate Taxes

The subject property is obligated to pay taxes to Bibb County and the City of Smyrna. Bibb County assesses commercial property at 40% of estimated market value. The following chart details the taxes for the subject property.

Taxes and Assessments										
Tax Year 2019	Assessor's Market Value			Assessed Value			Millage Rates		Taxes and Assessments	
Tax ID	Land	Improvements	Total	Land	Improvements	Total	Land & Improvements	Ad Valorem Taxes	Direct Assessments	Total
L082-0256	\$360,000	\$3,686,182	\$4,046,182	\$144,000	\$1,474,473	\$1,618,473	39.14500	\$63,355	\$0	\$63,355
	\$360,000	\$3,686,182	\$4,046,182	\$144,000	\$1,474,473	\$1,618,473	39.14500	\$63,355	\$0	\$63,355

Compiled by NKF

## Tax Comparables

Tax Comparables							
Tax Year 2019	1	2	3	4	5	6	Subject (Actual)
Property Name	Brookhaven Townhomes	Chamber Cove	Summer Park	Harbour Club	West Club Apartments	Summit Apartments	Anthos at Shadowood West
City, County, State	Macon, Bibb, GA	Macon, Bibb, GA	Macon, Bibb, GA	Macon, Bibb, GA	Macon, Bibb, GA	Macon, Bibb, GA	Macon, Bibb, GA
Units	104	72	184	171	140	120	152
Total Assessed Value	\$753,593	\$609,038	\$2,410,435	\$2,342,044	\$1,381,452	\$1,783,050	\$1,618,473
Assessed Value/Unit	\$7,246	\$8,459	\$13,100	\$13,696	\$9,868	\$14,859	\$10,648
Total Taxes	\$29,499	\$23,841	\$94,356	\$91,679	\$54,077	\$69,797	\$63,355
Taxes/Unit	\$284	\$331	\$513	\$536	\$386	\$582	\$417
Effective Tax Rate	3.9144%	3.9145%	3.9145%	3.9145%	3.9145%	3.9145%	3.9145%

Compiled by NKF

## Subject Tax Conclusion

Ad Valorem Tax Analysis							
	Comparable Data		Subject History			Conclusion	
	Range	Average	2017	2018	2019		
Total Assessed Value			\$1,618,473	\$1,618,473	\$1,618,473	\$2,996,000	
Total Assessed Value/Unit	\$7,246 - \$14,859	\$11,205	\$10,648	\$10,648	\$10,648	\$19,711	
Direct Assessments			\$0	\$0	\$0	\$0	
Tax Rate			3.74660%	3.99660%	3.91450%	3.9145%	
Actual / Pro Forma Taxes			\$60,638	\$64,684	\$63,355	\$117,278	
Reported Tax Delinquencies			None	None	None	None	
Tax Exemptions or Abatements			None	None	None	None	

Compiled by NKF

The subject's tax assessment falls in line the average of the assessment comparables. Tax assessments for comparable properties range from \$7,246 - \$14,859 per unit. The subject's 2019 total assessed value of \$10,648 per unit is approximately 5% below the average of the comparable data. The subject's history has been on a downward trend.

Georgia's General Assembly, House and Senate passed Senate Bill 346 in 2010. The Assessment and Appeals reform bill was aimed at ensuring all Georgia properties are properly assessed at



Fair Market Value and that property owners have guaranteed rights to appeal. Georgia state law mandates that, "properties sold the previous year must be valued at or below the purchase or acquisition price in a qualified, arms-length transaction including bank sales and foreclosures."

It is our opinion that most prudent investors are allowing for change in real estate assessment/taxes in instances where the current assessment is notably different than the market value. The tax comparables demonstrate a large range of tax values, and indicate the subject's 2019 tax value is in line with the average on a per unit basis. We have found that a typical ratio in Bibb County of a tax value to market value is within the range of 70% to 80%. Our concluded taxes are based on a ratio of 70% of the concluded market value which places the subject above the comparable range. In the As Renovated scenario we have utilized the higher renovated tax value in this analysis.



# Highest and Best Use

## As Vacant

### Legally Permissible

The site is zoned R-2 Two-Family Residential Districts which allows for multifamily use. Based on available data and analysis, no other legal restrictions such as easements or deed covenants are present which would impair the utility of the site. Given that surrounding properties have similar zoning and the future land use plan is focused on similar uses as well, it is unlikely that there would be a change of zoning classification. Further information and analysis about the legal restrictions to the subject property is included in the Site Analysis and Zoning and Legal Restrictions sections of this report.

### Physically Possible

The subject site contains 832,867 square feet (19.120 acres), has favorable topography, adequate access, and all necessary utilities to support the range of legally permissible uses. No significant physical limitations were noted. The size of the site is typical for the categories of uses allowed under zoning. In total, the site is physically capable of supporting the legally permissible uses.

### Financially Feasible

Of the legally permissible and physically possible uses, only multifamily use appears most probable based on observation of surrounding properties as well as the location. This use is more fully analyzed for their financial feasibility.

Given the underlying market conditions and activity, it appears that a multifamily development would have a sufficient degree of feasibility.

### Maximally Productive

The test of maximum productivity is to determine the actual use of the property that results in the highest land value and/or the highest return to the land. It is important to consider the risk of potential uses as a use that may generate the highest returns in cash could also be the riskiest and thus not as likely for a developer to consider. In this case, the maximally productive use is a multifamily development. The associated risk is typical and market conditions appear to be supportive.

### Highest and Best Use Conclusion – As Vacant

The highest and best use of the subject as though vacant is the development of a multifamily use.

## **As Improved**

### **Legally Permissible**

Per the County Planning and Development Office, the existing multifamily improvements appear to be legally conforming to zoning.

### **Physically Possible**

The current improvements conform to the physical characteristics of the site. Therefore, continued multifamily use of the property is reasonably probable and appropriate.

### **Financially Feasible**

Financial feasibility focuses on positive and excess returns from the improved property. In this case, the subject is an income producing property and is capable of generating sufficient income to support the continuation of the use. This is demonstrated in the income capitalization approach by the fact that a positive income stream can be generated.

### **Maximally Productive**

The existing multifamily improvements are legally permissible, physically possible, and financially feasible. The concluded value as though improved exceeds the value of the underlying land and removal of the improvements for redevelopment or substantial conversion to an alternative use is not indicated based on current neighborhood trends. Given no alternatives, the maximally productive use of the property is consistent with the existing multifamily development.

### **Highest and Best Use – As Improved**

Therefore, the highest and best use of the subject as improved is the existing multifamily use. Market and economic conditions are supportive of this continued use.

### **Most Probable Buyer**

The most likely buyer would be an investment partnership.

# Appraisal Methodology

## Cost Approach

The cost approach is based on the proposition that the informed purchaser would pay no more for the subject than the cost to produce a substitute property with equivalent utility. This approach is particularly applicable when the property being appraised involves relatively new improvements that represent the highest and best use of the land, or when it is improved with relatively unique or specialized improvements for which there exist few sales or leases of comparable properties.

## Sales Comparison Approach

The sales comparison approach utilizes sales of comparable properties, adjusted for differences, to indicate a value for the subject. Valuation is typically accomplished using physical units of comparison such as price per square foot, price per unit, price per floor, etc., or economic units of comparison such as gross rent multiplier. Adjustments are applied to the property units of comparison derived from the comparable sale. The unit of comparison chosen for the subject is then used to yield a total value.

## Income Capitalization Approach

The income capitalization approach reflects the subject's income-producing capabilities. This approach is based on the assumption that value is created by the expectation of benefits to be derived in the future. Specifically estimated is the amount an investor would be willing to pay to receive an income stream plus reversion value from a property over a period of time. The two common valuation techniques associated with the income capitalization approach are direct capitalization and the discounted cash flow (DCF) analysis.

### Application of Approaches to Value

Approach	Comments
Cost Approach	The Cost Approach is not applicable and is not utilized in this appraisal.
Sales Comparison Approach	The Sales Comparison Approach is applicable and is utilized in this appraisal.
Income Capitalization Approach	The Income Capitalization Approach is applicable and is utilized in this appraisal.

*Compiled by NKF*

The cost approach was not used because the age and condition of the improvements makes depreciation highly speculative. More significantly, however, market participants considering properties like the subject do not give consideration to the cost approach. The exclusion of this approach is not considered to impact the reliability of the appraisal.

# Insurable Value

Insurable value is based on the replacement and/or reproduction cost of physical items that are subject to loss from hazards. The Dictionary of Real Estate Appraisal, 6<sup>th</sup> Edition defines insurable value as:

- ❖ A type of value for insurance purposes. See also Insurable Replacement Cost [Replacement cost for Insurance Purposes].
- ❖ Replacement cost for Insurance Purposes - The estimated cost, at current prices as of the effective date of valuation, of a substitute for the building being valued, using modern materials and current standards, design, and layout for insurance coverage purposes guaranteeing that damaged property is replaced with new property (i.e., depreciation is not deducted).

**Provision of an Insurable Value by the Appraiser does not change the intended use or user of this Report. No liability is assumed for the Insurable Value estimate provided and it does not guarantee that any estimate or opinion will result in the Property being fully insured for any possible loss that may be sustained. It is recommended that an insurance professional be consulted. The Insurable Value estimate may not be a reliable indication of the replacement or reproduction cost for any date other than the effective date of this Report due to changing costs of labor and materials and due to the changing building codes and governmental regulations and requirements.**

Absent of specific instructions from the Client, which were not provided, we have calculated insurable value to be replacement cost new of the building improvements, less insurance exclusions. Our estimate of insurable value does not include land value, entrepreneurial profit, depreciation, site improvements, and/or the costs to demolish damaged structures.

We further note that we were not provided with, nor have we reviewed a policy associated with the subject improvements. Given the variance in insurable value calculation methodologies, reliance in our estimate should only be made when the estimates made herein are consistent with the in-place policy.

<b>Insurable Replacement Cost and Insurable Value</b>			
<b>Improvements (Structures)</b>	<b>Primary Structure</b>	<b>Office/Clubhouse</b>	<b>Subtotal</b>
MVS Improvement Type	Multifamily	Multifamily	
Construction Class	Class D	Class D	
Quality	Average	Average	
Unit Cost	\$69	\$69	
x Structure Size (SF GBA)	149,766	1,728	
Replacement Cost New	\$10,292,930	\$118,760	\$10,411,690
Indirect Cost	\$1,543,940	\$17,814	\$1,561,754
Plus:			
Appliances	\$273,600	\$1,800	\$275,400
<b>Insurable Replacement Cost</b>	<b>\$12,110,470</b>	<b>\$138,374</b>	<b>\$12,248,844</b>
<b>Rounded:</b>	<b>\$12,100,000</b>	<b>\$150,000</b>	<b>\$12,250,000</b>
Less: Insurance Exclusions			
Indirect Cost	\$1,543,940	\$17,814	\$1,561,754
Foundation Below Ground	5.0% \$605,524	\$6,919	\$612,442
Piping Below Ground	2.5% \$302,762	\$3,459	\$306,221
Architect's fees	2.5% \$302,762	\$3,459	\$306,221
<b>Total Exclusions</b>	<b>10.0% \$2,754,987</b>	<b>\$31,651</b>	<b>\$2,786,638</b>
<b>Insurable Value</b>	<b>\$9,355,483</b>	<b>\$106,722</b>	<b>\$9,462,206</b>
<b>Rounded:</b>	<b>\$9,350,000</b>	<b>\$100,000</b>	<b>\$9,450,000</b>

<b>Total Insurable Replacement Cost and Insurable Value</b>		
	<b>Totals</b>	<b>\$/SF</b>
Insurable Replacement Cost	<b>\$12,250,000</b>	<b>\$80.86</b>
Insurable Value	<b>\$9,450,000</b>	<b>\$62.38</b>

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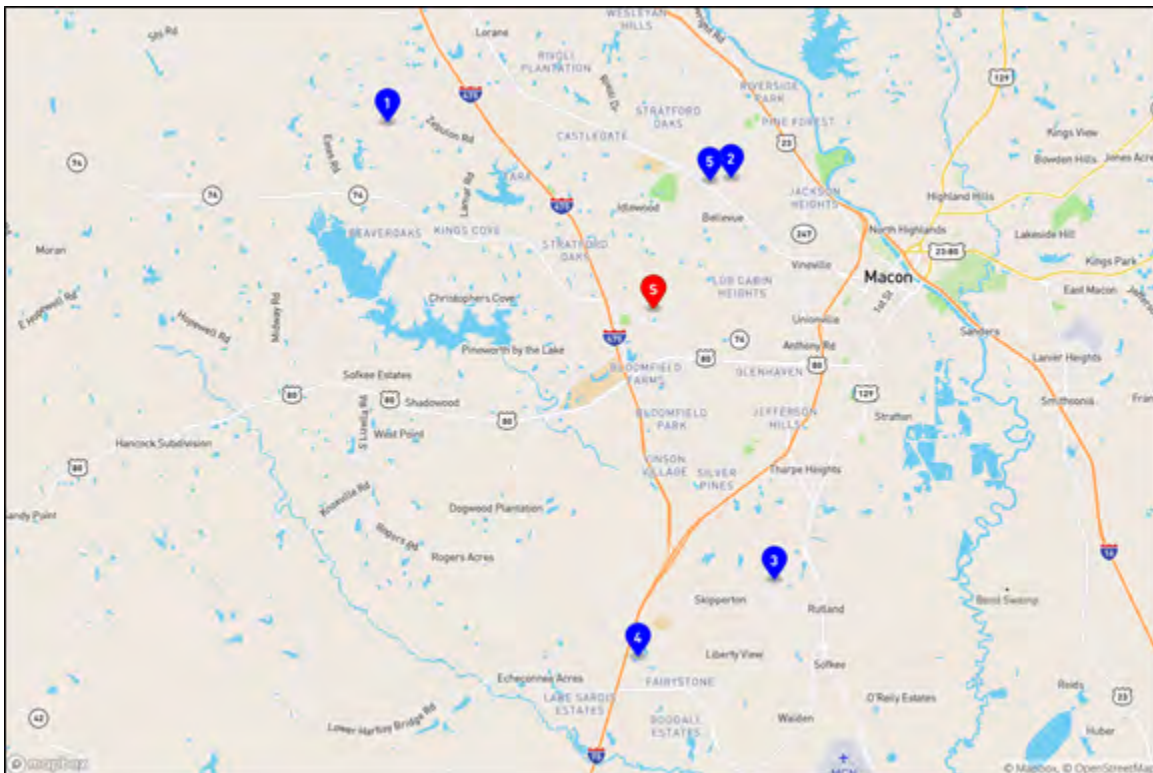


# Sales Comparison Approach

The sales comparison approach value is derived by analyzing closed sales, listings, or pending sales of properties that are similar to the subject. The sales comparison approach includes the following steps.

- ❑ Research and verify information on properties in the competitive market that are similar to the subject and that have recently sold, are listed for sale, or are under contract.
- ❑ Select the most relevant units of comparison in the market and develop a comparative analysis.
- ❑ Examine and quantify via adjustments differences between the comparable sales and the subject property using all appropriate elements of comparison.
- ❑ Reconcile the various value indications to a value bracket and then a single value indication.

The unit of comparison applied in this sales comparison analysis is price per unit as it mirrors the primary comparison method used by market participants.



Comparable Map



<b>Comparable Sales Summary</b>						
	<b>Subject</b>	<b>Sale 1</b>	<b>Sale 2</b>	<b>Sale 3</b>	<b>Sale 4</b>	<b>Sale 5</b>
Property Name	Anthos at Shadowood	Estates At Barrington	Magnolia Crossing	Rutland Place	Mill Creek Run	Forest Pointe
Address	4344 West Highland Drive	301 Barrington Hall Drive	461 Forest Hill Rd.	5577 Houston Rd.	6687 Skipper Road	444 Forest Hill Rd
City, State	Macon, GA	Macon, GA	Macon, GA	Macon, GA	Macon, GA	Macon, GA
Land Size	19.12 Acres	14.08 Acres	16.78 Acres	19.56 Acres	22.56 Acres	14.79 Acres
Rentable Area (SF)	149,288 SF	275,316 SF	143,999 SF	250,200 SF	327,321 SF	212,922 SF
Number of Approved Units	152	176	116	228	225	200
Average Unit Size (SF)	982 SF	1,564 SF	1,241 SF	1,097 SF	1,455 SF	1,065 SF
Year Built (Renovated)	1985	1996	1979 (2019)	1997	2005	1984
Occupancy/Owner Occ.	95%	98%	94%	90%	95%	95%
Construction	Wood frame	Masonry	Wood frame		Wood frame	Wood frame
Condition	Average	Average	Average	Average	Good	Good
Buyer	–	Sharp Management Corporation	Carter Multifamily	Hamilton Point Investments	PEM Real Estate Group	Carter Multi-Family Properties, LLC
Seller	–	Wilkinson Real Estate Advisors	Wireglass Multifamily #2 LP	Legacy Partners	Hamilton Point Investments	LMS Forest Pointe Macon, LLC
Interest Conveyed	Leased Fee	Leased Fee	Leased Fee	Leased Fee	Leased Fee	Leased Fee
Transaction Status	–	Closed	Closed	Closed	Closed	Closed
Transaction Date	–	Nov-19	Oct-18	Aug-18	May-18	May-18
Price	–	\$16,675,000	\$8,100,000	\$15,325,000	\$23,350,000	\$17,000,000
Stabilized Price	–	\$16,675,000	\$8,100,000	\$15,325,000	\$23,350,000	\$17,000,000
Price per SF	–	\$60.57	\$56.25	\$61.25	\$71.34	\$79.84
Price per Unit	–	\$94,744	\$69,828	\$67,215	\$103,778	\$85,000
NOI/SF	\$4.30	\$3.57	\$3.42	\$3.52	\$4.10	\$4.95
NOI/Unit	\$4,225	\$5,589.91	\$4,248.10	\$3,864.86	\$5,967.22	\$5,270.00
Cap Rate	–	5.90%	6.08%	5.75%	5.75%	6.20%

Compiled by NKF





Comparable One



Comparable Two



Comparable Three



Comparable Four



Comparable Five



## Analysis of Improved Comparable Data

### Comparable One

Sale Comparable One represents the November 2019 sale of a 275,316 square foot garden/low-rise property located at 301 Barrington Hall Drive, Macon, Georgia. This is a garden style multifamily development with 176 units. The property was 98% occupied at the time of sale and traded with a 5.90% capitalization rate.

No transaction adjustments were warranted.

This comparable required a downward age/condition adjustment due to its newer year of construction. We have applied a downward adjustment for features/amenities due to this property's additional amenities. A downward adjustment was made for average unit size (sf) due to its larger average unit size. Net downward property adjustments were indicated. Combining transaction and property adjustments, results in a price per unit indication of \$71,058.

### Comparable Two

Sale Comparable Two represents the October 2018 sale of a 143,999 square foot garden/low-rise property located at 461 Forest Hill Rd., Macon, Georgia. This comparable represents the sale of Magnolia Crossing, a 116-unit Class B garden apartment community located along the east side of Forest Hill Road, just north of Vineville Road in the north central area of Macon, Bibb County, GA. The garden apartment property was built in 1979 and 1980 and was 94% leased at the time of sale. Property amenities include a swimming pool, playground, and fire pit. Unit amenities include washer/dryer connections, and walk-in closets. Six of units have fireplaces. The buyer plans to renovate 60% (70) of the units and perform common area renovations/upgrades over the first year of ownership. The indicated cap rate was 6.08% on trailing income and expenses including reserves and adjusted taxes.

An upward adjustment for market conditions (time) is applicable due to increasing value trends in the local market. Recent listing and closed transaction data indicates net price appreciation has occurred since October, 2018.

A downward adjustment was made for average unit size (sf) due to its larger average unit size. Net downward property adjustments were indicated. Combining transaction and property adjustments, results in a price per unit indication of \$68,326.

### Comparable Three

Sale Comparable Three represents the August 2018 sale of a 250,200 square foot garden/low-rise property located at 5577 Houston Rd., Macon, Georgia. This comparable represents the sale of Rutland Place, a 228-unit Class B garden apartment community located along the west side of Houston Road, north of Hartley Bridge Road in the south-central area of Macon, Bibb County, GA. The garden apartment property was built in 1997 and was 90% leased at the time of sale. Property



amenities include a swimming pool, clubhouse, business center, laundry facility, and fitness center. Unit amenities include washer/dryer connections, and custom cabinetry. The buyer reportedly plans unit and common area renovations/upgrades. The indicated cap rate was 5.75% on the trailing three month income and expenses including reserves and adjusted taxes.

An upward adjustment for market conditions (time) is applicable due to increasing value trends in the local market. Recent listing and closed transaction data indicates net price appreciation has occurred since August, 2018.

This comparable required a downward age/condition adjustment due to its newer year of construction. Net downward property adjustments were indicated. Combining transaction and property adjustments, results in a price per unit indication of \$66,408.

#### **Comparable Four**

Sale Comparable Four represents the May 2018 sale of a 327,321 square foot garden/low-rise property located at 6687 Skipper Road, Macon, Georgia. This property sold in May 2018 at a price of \$23,250,000, or \$104,241 per unit, and had an indicated capitalization rate of 5.75%.

An upward adjustment for market conditions (time) is applicable due to increasing value trends in the local market. Recent listing and closed transaction data indicates net price appreciation has occurred since May, 2018.

This comparable required a downward age/condition adjustment due to its newer year of construction. A downward adjustment was made for average unit size (sf) due to its larger average unit size. Net downward property adjustments were indicated. Combining transaction and property adjustments, results in a price per unit indication of \$80,947.

#### **Comparable Five**

Sale Comparable Five represents the May 2018 sale of a 212,922 square foot garden/low-rise property located at 444 Forest Hill Rd, Macon, Georgia. This comparable represents the sale of Forest Pointe, a 200-unit Class B apartment community located on the west side of Forest Hill Road, just north of Vineville Road in the central area of Macon, Bibb County, GA. The garden apartment property was built in 1984 and was 95.5% leased at the time of sale. Property amenities include a swimming pool, gated entrance, tennis courts, clubhouse, fitness center, and laundry facility. Unit amenities include washer/dryer connections, and walk-in closets. 50% of the units have fireplaces. 50% of the units were renovated over the past 2 years and the buyer intends to renovate the remaining units over the first year of ownership. The actual cap rate was 6.2% on trailing income and expenses, including reserves and adjusted taxes. The NOI at the time of sale was \$1,094,800.

An upward adjustment for market conditions (time) is applicable due to increasing value trends in the local market. Recent listing and closed transaction data indicates net price appreciation has occurred since May, 2018.

We have applied a downward adjustment for features/amenities due to this property's additional amenities. Net downward property adjustments were indicated. Combining transaction and property adjustments, results in a price per unit indication of \$83,980.

Based on our comparative analysis, the following table summarizes the adjustments warranted to each comparable.

<b>Comparable Sales Adjustment Grid</b>						
	<b>Subject</b>	<b>Sale 1</b>	<b>Sale 2</b>	<b>Sale 3</b>	<b>Sale 4</b>	<b>Sale 5</b>
Property Name	Anthos at Shadowood	Estates At Barrington	Magnolia Crossing	Rutland Place	Mill Creek Run	Forest Pointe
Address	4344 West Highland Drive	301 Barrington Hall Drive	461 Forest Hill Rd.	5577 Houston Rd.	6687 Skipper Road	444 Forest Hill Rd
Land Size	19.12 Acres	14.08 Acres	16.78 Acres	19.56 Acres	22.56 Acres	14.79 Acres
Size (Rentable Area)	149,288 SF	275,316 SF	143,999 SF	250,200 SF	327,321 SF	212,922 SF
Number of Approved Units	152	176	116	228	225	200
Average Unit Size (SF)	982 SF	1,564 SF	1,241 SF	1,097 SF	1,455 SF	1,065 SF
Year Built (Renovated)	1985	1996	1979 (2019)	1997	2005	1984
NOI/Unit	\$4,225	\$5,590	\$4,248	\$3,865	\$5,967	\$5,270
Transaction Type	--	Closed	Closed	Closed	Closed	Closed
Transaction Date	--	Nov-19	Oct-18	Aug-18	May-18	May-18
Actual Sale Price	--	\$16,675,000	\$8,100,000	\$15,325,000	\$23,350,000	\$17,000,000
Stabilized Sale Price	--	\$16,675,000	\$8,100,000	\$15,325,000	\$23,350,000	\$17,000,000
Price per Unit	--	\$94,744	\$69,828	\$67,215	\$103,778	\$85,000
Occupancy	95%	98%	94%	90%	95%	95%
Cap Rate	--	5.90%	6.08%	5.75%	5.75%	6.20%
<b>Transaction Adjustments</b>						
Property Rights		0%	0%	0%	0%	0%
Financing		0%	0%	0%	0%	0%
Conditions of Sale		0%	0%	0%	0%	0%
Market Conditions (Time)	1/22/2020	0%	3%	4%	4%	4%
Subtotal		0%	3%	4%	4%	4%
Subtotal Price per Unit		\$94,744	\$71,922	\$69,904	\$107,929	\$88,400
<b>Property Adjustments</b>						
Location		0%	0%	0%	0%	0%
Size		0%	0%	0%	0%	0%
Age/Condition		-5%	0%	-5%	-10%	0%
Parking		0%	0%	0%	0%	0%
Features/Amenities		-5%	0%	0%	0%	-5%
Quality		0%	0%	0%	0%	0%
Economic Characteristics		0%	0%	0%	0%	0%
Average Unit Size (SF)		-15%	-5%	0%	-15%	0%
Subtotal		-25%	-5%	-5%	-25%	-5%
<b>Gross Adjustment</b>		<b>25%</b>	<b>8%</b>	<b>9%</b>	<b>29%</b>	<b>9%</b>
<b>Overall Adjustment</b>		<b>-25%</b>	<b>-2%</b>	<b>-1%</b>	<b>-22%</b>	<b>-1%</b>
<b>Indicated Price per Unit</b>		<b>\$71,058</b>	<b>\$68,326</b>	<b>\$66,408</b>	<b>\$80,947</b>	<b>\$83,980</b>

Compiled by NKF

## Sales Comparison Approach Conclusion

To arrive at an indication of value, primary emphasis is placed on comparables 2 and 5 because of their similar physical and locational characteristic to the subject. Based on the preceding analysis, the value indication by the sales comparison approach is as follows:

**Sales Comparison Approach Conclusion**

<b>Reconciliation of Price per Unit Indication</b>		<b>Value Indication</b>
Adjusted Value Range - Low		\$66,408
Adjusted Value Range - High		\$83,980
Reconciled As Stabilized Value - Price per Unit	Effective Date: 1/22/2020	\$70,000
Subject Approved Units		152
Reconciled As Is Value - Sales Comparison Approach	Effective Date: 1/22/2020	\$10,640,000

**Value Indications***Compiled by NKF*



# Income Capitalization Approach

The income capitalization approach reflects the subject's income-producing capabilities. This approach is based on the assumption that value is created by the expectation of benefits to be derived in the future. Specifically estimated is the amount an investor would be willing to pay to receive an income stream plus reversion value from a property over a period of time. The two common valuation techniques associated with the income capitalization approach are direct capitalization and the discounted cash flow (DCF) analysis.

The direct capitalization method is normally more appropriate for properties with relatively stable operating histories and expectations. The DCF analysis is more appropriate for investment properties with multiple or long-term leases, particularly leases with cancellation clauses or renewal options, and especially in volatile markets.

In this analysis, we utilized direct capitalization only because investors and market participants typically rely more on this method.

## Rent Roll

A summary rent roll for the property is shown below, based on our review of the owner's rent roll. Market rent will be developed below.

Unit Mix										
No. Units	Unit Description	Unit Size (SF)	Rentable Area (SF)	Occupied Units	Unit Occupancy	Avg. Contract Rent	Asking Rent	Typical Recent Leases	Market Rent	Market Rent PSF
48	1 BR/1 BA 1BR 1BA - 745 SF	745	35,760	46	95.8%	\$581	\$642	\$599	\$600	\$0.81
48	1 BR Total	745	35,760	46	95.8%	\$581	\$642	\$599	\$600	\$0.81
80	2 BR/2 BA 2BR 2BA - 1,045 SF	1,045	83,600	76	95.0%	\$681	\$750	\$701	\$705	\$0.67
80	2 BR Total	1,045	83,600	76	95.0%	\$681	\$750	\$701	\$705	\$0.67
24	3 BR/2 BA 3BR 2BA - 1,247 SF	1,247	29,928	24	100.0%	\$786	\$850	\$805	\$805	\$0.65
24	3 BR Total	1,247	29,928	24	100.0%	\$786	\$850	\$805	\$805	\$0.65
152	Totals		149,288	146						
	Annual Totals					\$1,168,152	\$1,334,592		\$1,254,240	
	Averages	982			96.1%	\$667	\$732		\$688	\$0.70

Compiled by NKF

- ❌ Contract rents generally lag asking rents.

## Recent Subject Leasing

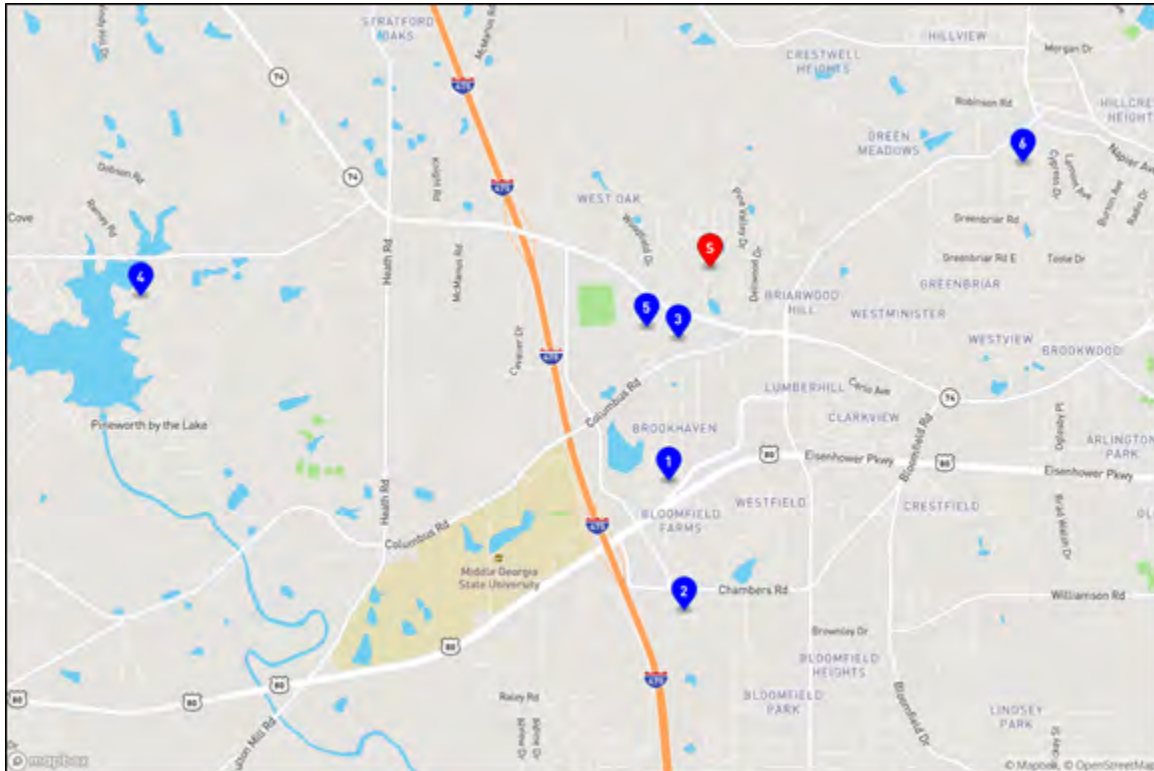
In the analysis of market rent, recent leasing for the subject is of primary significance. Recent subject leasing activity is summarized in the following bullet points.

- ❌ Recent leases on one-bedroom units have averaged \$600 per unit.
- ❌ Recent leases on two-bedroom units have averaged \$688 per unit.
- ❌ Recent leases on three-bedroom units have averaged \$786 per unit.

## Market Rent Analysis

In estimating market rent for the subject property, we considered data and opinions from the following:

- ❖ Leasing activity with competing properties;



Comparable Map

No.	Name	Address
Subject	Anthos at Shadowood West	4344 West Highland Drive, Macon, GA 31210
1	Brookhaven Townhomes	4860 Brookhaven Road, Macon, GA
2	Chamber Cove	204 Chambers Cove Drive, Macon, GA
3	Summer Park	4658 Mercer University Drive, Macon, GA
4	Harbour Club	6300 Moseley Dixon Road, Macon, GA
5	West Club Apartments	159 Steven Drive, Macon, GA
6	Summit Apartments	1187 Edna Place, Macon, GA

Compiled by NKF





*Comparable One*



*Comparable Two*



*Comparable Three*



*Comparable Four*



*Comparable Five*



*Comparable Six*

## Analysis of Comparable Properties

Comparable Garden/Low-Rise Rentals Summary									
No.	Property Name	No. Units Avg. Unit SF	Year Built Occupancy	Unit Type	Size (SF)	Rent	\$/SF	Group for Comparison	Comments
1	Brookhaven Townhomes	104	1982	1 BR/1.5 BA	630	\$503	\$0.80	1 BR	
		813	94%	1 BR/1.5 BA	730	\$553	\$0.76	1 BR	
				2 BR/1.5 BA	820	\$593	\$0.72	2 BR	
				2 BR/1.5 BA	960	\$648	\$0.68	2 BR	
2	Chamber Cove	72	1990	2 BR/1.5 BA	1,100	\$700	\$0.64	2 BR	
		1,030	89%	2 BR/2 BA	960	\$650	\$0.68	2 BR	
				2 BR/2 BA	1,000	\$650	\$0.65	2 BR	
				3 BR/2 BA	1,200	\$750	\$0.63	3 BR	
3	Summer Park	184	1990	1 BR/1 BA	790	\$725	\$0.92	1 BR	
		1,046	91%	2 BR/1 BA	1,003	\$800	\$0.80	2 BR	
				2 BR/2 BA	1,140	\$800	\$0.70	2 BR	
				2 BR/2 BA	1,160	\$950	\$0.82	2 BR	
		3 BR/2 BA	1,245	\$950	\$0.76	3 BR			
4	Harbour Club	171	1983	1 BR/1 BA	700	\$630	\$0.90	1 BR	
		909	97%	1 BR/1 BA	725	\$715	\$0.99	1 BR	
				2 BR/2 BA	1,115	\$800	\$0.72	2 BR	
				2 BR/2 BA	1,150	\$830	\$0.72	2 BR	
5	West Club Apartments	140	1997	1 BR/1 BA	778	\$600	\$0.77	1 BR	
		1,091	94%	2 BR/2 BA	1,021	\$675	\$0.66	2 BR	
				3 BR/2 BA	1,212	\$779	\$0.64	3 BR	
				4 BR/2 BA	1,348	\$918	\$0.68		
6	Summit Apartments	120	1970	1 BR/1 BA	750	\$560	\$0.75	1 BR	
		990	96%	2 BR/2 BA	1,000	\$660	\$0.66	2 BR	
				3 BR/2 BA	1,200	\$750	\$0.63	3 BR	
Subject	Anthos at Shadowood West	152	1985	1 BR/1 BA	745	\$642	\$0.86	1 BR	
		982	96%	2 BR/2 BA	1,045	\$750	\$0.72	2 BR	
				3 BR/2 BA	1,247	\$850	\$0.68	3 BR	

Competitive Set Totals By Unit Type	Unit Size Range	Average	Unit Rent Range	Average	Rent /SF Range	Average
<b>1 BR</b>	630 - 790 SF	729 SF	\$503 - \$725	\$612	\$0.75 - \$0.99/SF	\$0.84
<b>2 BR</b>	820 - 1,160 SF	1,036 SF	\$593 - \$950	\$730	\$0.64 - \$0.82/SF	\$0.70
<b>3 BR</b>	1,200 - 1,245 SF	1,214 SF	\$750 - \$950	\$807	\$0.63 - \$0.76/SF	\$0.66

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### Comparable One

Rental Survey Comparable One represents the January 2020 survey of an 84,530 square foot garden/low-rise property located at 4860 Brookhaven Road, Macon, Georgia. This comparable, known as Brookhaven Townhomes, represents a 104-unit garden apartment complex. There are 1 and 2 bedroom units that offer washer/dryer connections. The community amenities include a pool with picnic area, playground, and laundry facility. Water is \$27 for the 1 bedroom units and \$32 for the 2 bedroom units. The property is 94% occupied. They are not offering any rent specials.

Compared to the subject this property is considered inferior. This is mostly attributed to the smaller unit sizes. As a result, this property's lease rate requires upward adjustment in comparison to the subject.

### Comparable Two

Rental Survey Comparable Two represents the January 2020 survey of a 74,160 square foot garden/low-rise property located at 204 Chambers Cove Drive, Macon, Georgia. This comparable,



known as Chambers Cove Apartments, represents a 72-unit garden apartment complex. There are 2 and 3 bedroom units that offer washer/dryer connections. The community amenities include a clubhouse, pool, and storage units. The property is 89% occupied. They are not offering any rent specials.

Compared to the subject this property is considered inferior. This is mostly attributed to the smaller average unit size. As a result, this property's lease rate requires upward adjustment in comparison to the subject.

### **Comparable Three**

Rental Survey Comparable Three represents the January 2020 survey of a 192,376 square foot garden/low-rise property located at 4658 Mercer University Drive, Macon, Georgia. This comparable, known as Summer Park Apartments, represents a 184-unit garden apartment complex. There are 1, 2, and 3 bedroom units that offer vaulted ceilings, balcony, and washer/dryer connections. The community amenities include a tennis court, pool, and fitness center. The property is 91% occupied. They are offering \$50 application fee and no admin fee.

Compared to the subject this property is considered superior. This is mostly attributed to superior condition with upgraded units. As a result, this property's lease rate requires downward adjustment in comparison to the subject.

### **Comparable Four**

Rental Survey Comparable Four represents the January 2020 survey of a 155,425 square foot garden/low-rise property located at 6300 Moseley Dixon Road, Macon, Georgia. This comparable, known as Harbour Club Apartments, represents a 171-unit garden apartment complex. There are 1 and 2 bedroom apartments that offer a balcony/patio and washer/dryer connections. The community amenities include a clubhouse, fitness center, and volleyball court. The property is 97% occupied. They are not offering any rent specials.

Compared to the subject this property is considered superior. This is mostly attributed to superior condition with upgraded units. As a result, this property's lease rate requires downward adjustment in comparison to the subject.

### **Comparable Five**

Rental Survey Comparable Five represents the January 2020 survey of a 152,780 square foot garden/low-rise property located at 159 Steven Drive, Macon, Georgia. This comparable, known as West Club, represents a 140-unit garden apartment complex. There are 1, 2, and 3 bedroom units with walk-in closets, and washer/dryer connections. The community amenities include a clubhouse, pool, and laundry facilities. This comparable is 94% occupied. They are not offering any rent specials.



Compared to the subject this property is considered inferior. This is mostly attributed to the smaller average unit size. As a result, this property's lease rate requires upward adjustment in comparison to the subject.

### Comparable Six

Rental Survey Comparable Six represents the January 2020 survey of a 118,800 square foot garden/low-rise property located at 1187 Edna Place, Macon, Georgia. This comparable, known as The Summit, represents a 120-unit garden apartment complex. There are 1, 2, and 3 bedroom units that offer washer/dryer connections. The community amenities include gated access, a playground and laundry facilities. The property is 96% occupied. They are not offering any rent specials. They offer free cable.

Compared to the subject this property is considered inferior. This is mostly attributed to the smaller average unit size. As a result, this property's lease rate requires upward adjustment in comparison to the subject.

### Individual Unit Type Analysis

Unit Rent Adjustment Summary and Conclusions									
Subject Unit Type	Subject	Average	Typical	Comparables Indicators			NKF Market Rent Estimate		
	Asking Rates	Contract	Recent Leases	Min	Max	Average	\$/SF	\$/Unit	
1 BR/1 BA 1BR 1BA - 745 SF	\$642	\$581	\$599	\$503	\$725	\$616	\$0.81	\$600	
2 BR/2 BA 2BR 2BA - 1,045 SF	\$750	\$681	\$701	\$593	\$950	\$731	\$0.67	\$705	
3 BR/2 BA 3BR 2BA - 1,247 SF	\$850	\$786	\$805	\$750	\$950	\$816	\$0.65	\$805	

*Compiled by NKF*

### 1 BR Units

Summary of Asking Rental Rates and Market Rent Conclusions				
1 BR Units				
Property	Unit Type - Size	Asking Rent	\$/SF	
1 - Brookhaven Townhomes	1 BR/1.5 BA - 630 SF	\$503	\$0.80	
1 - Brookhaven Townhomes	1 BR/1.5 BA - 730 SF	\$553	\$0.76	
6 - Summit Apartments	1 BR/1 BA - 750 SF	\$560	\$0.75	
5 - West Club Apartments	1 BR/1 BA - 778 SF	\$600	\$0.77	
4 - Harbour Club	1 BR/1 BA - 700 SF	\$630	\$0.90	
<b>Subject - Anthos at Shadowood West</b>	<b>1 BR/1 BA - 745 SF</b>	<b>\$642</b>	<b>\$0.86</b>	
4 - Harbour Club	1 BR/1 BA - 725 SF	\$715	\$0.99	
3 - Summer Park	1 BR/1 BA - 790 SF	\$725	\$0.92	
NKF Market Rent Projection	Unit Type - Size	Market Rent	\$/SF	
	<b>1 BR/1 BA 1BR 1BA - 745 SF</b>	<b>\$600</b>	<b>\$0.81</b>	

*Compiled by NKF*

❖ The subject's 48 one bedroom/one bath units total 745 square feet.





- ❑ The subject's asking rent on a per unit basis falls within the range reflected by comparable data, as well as on a price per square foot basis.

## 2 BR Units

Summary of Asking Rental Rates and Market Rent Conclusions			
2 BR Units			
Property	Unit Type - Size	Asking Rent	\$/SF
1 - Brookhaven Townhomes	2 BR/1.5 BA - 820 SF	\$593	\$0.72
1 - Brookhaven Townhomes	2 BR/1.5 BA - 960 SF	\$648	\$0.68
2 - Chamber Cove	2 BR/2 BA - 960 SF	\$650	\$0.68
2 - Chamber Cove	2 BR/2 BA - 1,000 SF	\$650	\$0.65
6 - Summit Apartments	2 BR/2 BA - 1,000 SF	\$660	\$0.66
5 - West Club Apartments	2 BR/2 BA - 1,021 SF	\$675	\$0.66
2 - Chamber Cove	2 BR/1.5 BA - 1,100 SF	\$700	\$0.64
<b>Subject - Anthos at Shadowood West</b>	<b>2 BR/2 BA - 1,045 SF</b>	<b>\$750</b>	<b>\$0.72</b>
3 - Summer Park	2 BR/1 BA - 1,003 SF	\$800	\$0.80
3 - Summer Park	2 BR/2 BA - 1,140 SF	\$800	\$0.70
4 - Harbour Club	2 BR/2 BA - 1,115 SF	\$800	\$0.72
4 - Harbour Club	2 BR/2 BA - 1,150 SF	\$830	\$0.72
3 - Summer Park	2 BR/2 BA - 1,160 SF	\$950	\$0.82
NKF Market Rent Projection	Unit Type - Size	Market Rent	\$/SF
	<b>2 BR/2 BA 2BR 2BA - 1,045 SF</b>	<b>\$705</b>	<b>\$0.67</b>

Compiled by NKF

- ❑ The subject's 80 two bedroom/two bath units total 1,045 square feet.
- ❑ The subject's asking rent on a per unit basis falls within the range reflected by comparable data, as well as on a price per square foot basis.

## 3 BR Units

Summary of Asking Rental Rates and Market Rent Conclusions			
3 BR Units			
Property	Unit Type - Size	Asking Rent	\$/SF
2 - Chamber Cove	3 BR/2 BA - 1,200 SF	\$750	\$0.63
6 - Summit Apartments	3 BR/2 BA - 1,200 SF	\$750	\$0.63
5 - West Club Apartments	3 BR/2 BA - 1,212 SF	\$779	\$0.64
<b>Subject - Anthos at Shadowood West</b>	<b>3 BR/2 BA - 1,247 SF</b>	<b>\$850</b>	<b>\$0.68</b>
3 - Summer Park	3 BR/2 BA - 1,245 SF	\$950	\$0.76
NKF Market Rent Projection	Unit Type - Size	Market Rent	\$/SF
	<b>3 BR/2 BA 3BR 2BA - 1,247 SF</b>	<b>\$805</b>	<b>\$0.65</b>

Compiled by NKF

- ❑ The subject's 24 three bedroom/two bath units total 1,247 square feet.



- ❑ The subject's asking rent on a per unit basis falls within the range reflected by comparable data, as well as on a price per square foot basis.

### Market Rent Conclusions

The following is a summary of the subject's unit mix and our market rent conclusions based on our analysis of the subject rent roll and comparable market data detailed in the preceding.

Unit Mix										
No. Units	Unit Description	Unit Size (SF)	Rentable Area (SF)	Occupied Units	Unit Occupancy	Avg. Contract Rent	Asking Rent	Typical Recent Leases	Market Rent	Market Rent PSF
48	1 BR/1 BA 1BR 1BA - 745 SF	745	35,760	46	95.8%	\$581	\$642	\$599	\$600	\$0.81
48	1 BR Total	745	35,760	46	95.8%	\$581	\$642		\$600	\$0.81
80	2 BR/2 BA 2BR 2BA - 1,045 SF	1,045	83,600	76	95.0%	\$681	\$750	\$701	\$705	\$0.67
80	2 BR Total	1,045	83,600	76	95.0%	\$681	\$750		\$705	\$0.67
24	3 BR/2 BA 3BR 2BA - 1,247 SF	1,247	29,928	24	100.0%	\$786	\$850	\$805	\$805	\$0.65
24	3 BR Total	1,247	29,928	24	100.0%	\$786	\$850		\$805	\$0.65
152	Totals		149,288	146						
	Annual Totals					\$1,168,152	\$1,334,592		\$1,254,240	
	Averages	982			96.1%	\$667	\$732		\$688	\$0.70

Compiled by NKF

- ❑ Our concluded market rents considers recent leasing at the subject as well as the rates charged at the comparables.

### Gross Income Estimate

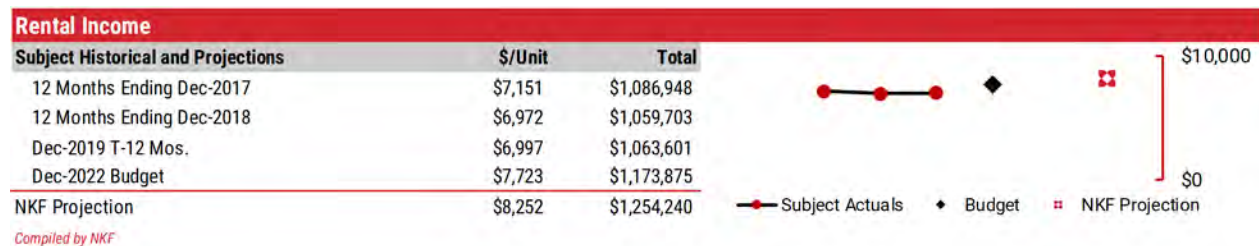
#### Potential Gross Rent

For the direct capitalization analysis, potential gross rent is based on market rent. Total market rent is \$1,254,240.

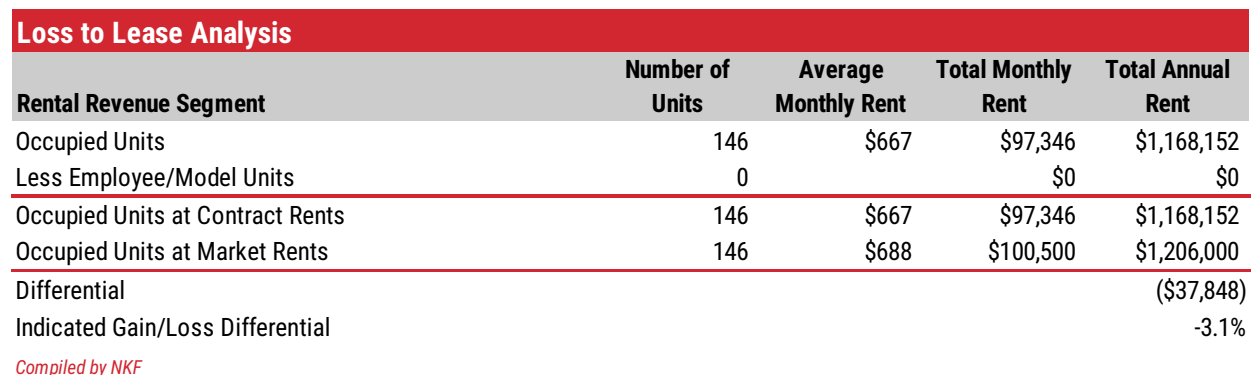
Potential Gross Rent						
Unit Description	No. Units	Avg. Contract Rent / Unit	Potential Gross Rent-Contract	Market Rent / Unit	Potential Gross Rent-Market	Loss to Lease
<b>Leased Units</b>						
1 BR/1 BA 1BR 1BA - 745 SF	46	\$581	\$320,712	\$600	\$331,200	-3.2%
2 BR/2 BA 2BR 2BA - 1,045 SF	76	\$681	\$621,072	\$705	\$642,960	-3.4%
3 BR/2 BA 3BR 2BA - 1,247 SF	24	\$786	\$226,368	\$805	\$231,840	-2.4%
Total Leased	146	\$667	\$1,168,152	\$688	\$1,206,000	-3.1%
<b>Vacant Units (at market rents)</b>						
1 BR/1 BA 1BR 1BA - 745 SF	2	\$600	\$14,400	\$600	\$14,400	
2 BR/2 BA 2BR 2BA - 1,045 SF	4	\$705	\$33,840	\$705	\$33,840	
Total Vacant	6	\$670	\$48,240	\$670	\$48,240	
<b>Grand Total</b>	<b>152</b>	<b>\$667</b>	<b>\$1,216,392</b>	<b>\$688</b>	<b>\$1,254,240</b>	<b>-3.1%</b>

Compiled by NKF



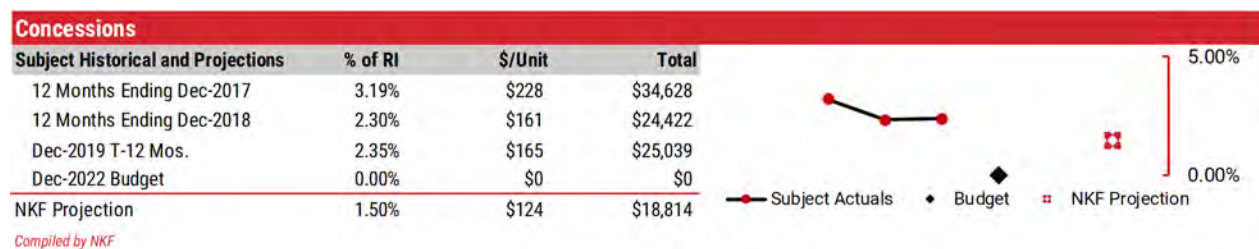


### Loss to Lease



- ❖ Loss to Lease and Concessions often overlap in multifamily operating statements. The subject does not use lease optimization software and increased their rental rates in October to bring them more in line with market. The indicated loss to lease above is caused in large part to the recent increase which has yet to show through to the rent roll and the renewal concessions.

### Concessions



- ❖ Some of the rent comparables are reporting specials at this time.
- ❖ Others are utilizing a leasing optimizer such as LRO or Yieldstar and quote effective rates net of concessions.
- ❖ Concessions in the submarket have been declining over the past six months as economic conditions have improved and occupancies have increased.
- ❖ The subject is currently offering \$300 off first month rent, \$200 off second month and \$100 off the third month on a 13 month lease.



### Potential Rental Income

Potential Rental Income		
Subject Historical and Projections	\$/Unit	Total
12 Months Ending Dec-2017	\$6,923	\$1,052,320
12 Months Ending Dec-2018	\$6,811	\$1,035,280
Dec-2019 T-12 Mos.	\$6,833	\$1,038,562
Dec-2022 Budget	\$7,723	\$1,173,875
NKF Projection	\$7,963	\$1,210,342

Compiled by NKF

### Operating History

Three years of historical operating data, trailing 12 month data, year-to-date, and a current budget for the property were requested. We were provided the 2017, 2018 and 2019 operating statements as well as the broker’s Stabilized Pro Forma. The Stabilized Pro Forma assumes renovated units.

Operating History and Projections											
Period Length	12 Mos.		12 Mos.		12 Mos.		T-12 Mos.		Budget		NKF
Period Ending	12/31/2017		12/31/2018		12/31/2019		12/31/2019		12/31/2022		Projection
Occupancy	100.0%		100.0%		100.0%		100.0%		95.0%		95.0%
Multifamily Revenue	Total \$	\$/Unit	Total \$	\$/Unit	Total \$	Total \$	\$/Unit	Total \$	\$/Unit	Total \$	\$/Unit
Rental Income	\$1,086,948	\$7,151	\$1,059,703	\$6,972	\$1,063,601	\$1,063,601	\$6,997	\$1,173,875	\$7,723	\$1,254,240	\$8,252
Loss to Lease	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$25,085)	(\$165)
Concessions	(\$34,628)	(\$228)	(\$24,422)	(\$161)	(\$25,039)	(\$25,039)	(\$165)	\$0	\$0	(\$18,814)	(\$124)
Potential Rental Income	\$1,052,320	\$6,923	\$1,035,280	\$6,811	\$1,038,562	\$1,038,562	\$6,833	\$1,173,875	\$7,723	\$1,210,342	\$7,963
Vacancy	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$58,110)	(\$382)	(\$60,517)	(\$398)
Collection Loss	\$5,114	\$34	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$12,103)	(\$80)
Effective Rental Income	\$1,057,434	\$6,957	\$1,035,280	\$6,811	\$1,038,562	\$1,038,562	\$6,833	\$1,115,765	\$7,341	\$1,137,721	\$7,485
Net Expense Reimbursements	\$11,245	\$74	\$52,823	\$348	\$93,716	\$93,716	\$617	\$77,094	\$507	\$91,200	\$600
Net Parking Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Other Income	\$44,761	\$294	\$64,017	\$421	\$69,140	\$69,140	\$455	\$77,094	\$507	\$68,400	\$450
<b>Effective Gross Income</b>	<b>\$1,113,440</b>	<b>\$7,325</b>	<b>\$1,152,120</b>	<b>\$7,580</b>	<b>\$1,201,418</b>	<b>\$1,201,418</b>	<b>\$7,904</b>	<b>\$1,269,953</b>	<b>\$8,355</b>	<b>\$1,297,321</b>	<b>\$8,535</b>
Operating Expenses	Total \$	\$/Unit	Total \$	\$/Unit	Total \$	Total \$	\$/Unit	Total \$	\$/Unit	Total \$	\$/Unit
Real Estate Taxes	\$71,091	\$468	\$75,834	\$499	\$74,276	\$74,276	\$489	\$140,448	\$924	\$117,278	\$772
Insurance	\$47,501	\$313	\$48,345	\$318	\$54,852	\$54,852	\$361	\$41,796	\$275	\$41,800	\$275
Utilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Water and Sewer	\$69,528	\$457	\$57,231	\$377	\$57,847	\$57,847	\$381	\$60,660	\$399	\$58,520	\$385
Electricity	\$21,710	\$143	\$22,327	\$147	\$21,714	\$21,714	\$143	\$21,012	\$138	\$21,280	\$140
Natural Gas	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cable TV and Internet	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Trash Removal	\$6,947	\$46	\$6,499	\$43	\$9,708	\$9,708	\$64	\$0	\$0	\$10,640	\$70
Repairs and Maintenance	\$98,579	\$649	\$99,462	\$654	\$132,159	\$132,159	\$869	\$109,056	\$717	\$72,200	\$475
Painting and Decorating	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$22,800	\$150
Grounds	\$17,134	\$113	\$20,647	\$136	\$17,603	\$17,603	\$116	\$0	\$0	\$19,000	\$125
Security	\$1,319	\$9	\$998	\$7	\$855	\$855	\$6	\$0	\$0	\$0	\$0
Payroll and Benefits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Maintenance Payroll	\$77,016	\$507	\$52,686	\$347	\$43,090	\$43,090	\$283	\$75,238	\$495	\$72,200	\$475
Administrative Payroll	\$61,153	\$402	\$71,859	\$473	\$65,447	\$65,447	\$431	\$75,238	\$495	\$68,400	\$450
Employee Taxes and Benefits	\$17,970	\$118	\$17,656	\$116	\$13,654	\$13,654	\$90	\$16,720	\$110	\$22,800	\$150
Non-Revenue Units	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,200	\$47
General and Administrative	\$22,442	\$148	\$28,503	\$188	\$36,279	\$36,279	\$239	\$47,436	\$312	\$28,880	\$190
Advertising and Marketing	\$10,439	\$69	\$18,379	\$121	\$14,611	\$14,611	\$96	\$21,792	\$143	\$22,800	\$150
Management	\$33,423	\$220	\$34,400	\$226	\$36,043	\$36,043	\$237	\$34,404	\$226	\$38,920	\$256
On-Site Management	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Off-Site Management	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Replacement Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$38,000	\$250	\$30,400	\$200
Total Operating Expenses	\$556,250	\$3,660	\$554,827	\$3,650	\$578,138	\$578,138	\$3,804	\$681,800	\$4,486	\$655,118	\$4,310
Operating Expense Ratio	50.0%		48.2%		48.1%	48.1%		53.7%		50.5%	
<b>Net Operating Income</b>	<b>\$557,190</b>	<b>\$3,666</b>	<b>\$597,294</b>	<b>\$3,930</b>	<b>\$623,281</b>	<b>\$623,281</b>	<b>\$4,101</b>	<b>\$588,153</b>	<b>\$3,869</b>	<b>\$642,203</b>	<b>\$4,225</b>

Compiled by NKF

■ The Stabilized Pro Forma assumes renovated units.

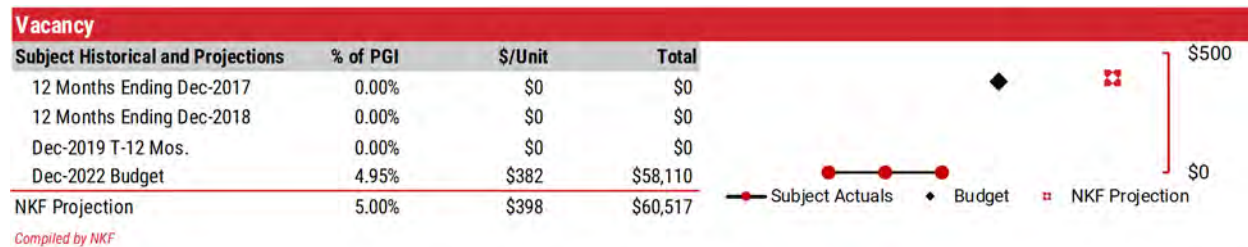


## Vacancy & Collection Loss Allowance

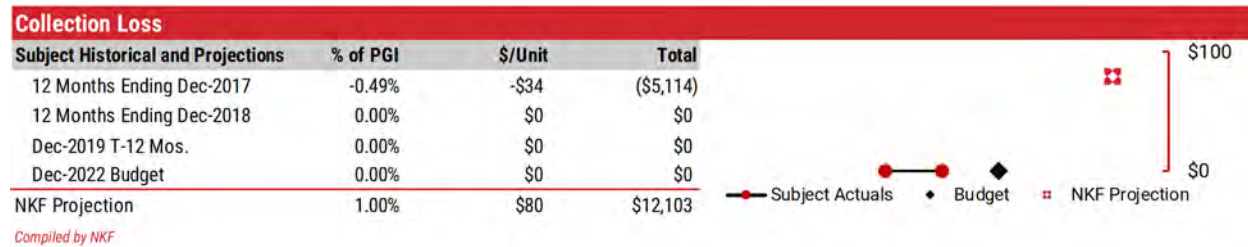
### Vacancy Allowance



The vacancy estimate for the subject was previously developed in the market analysis section of this report and was concluded to be 5.00%.



### Collection Loss

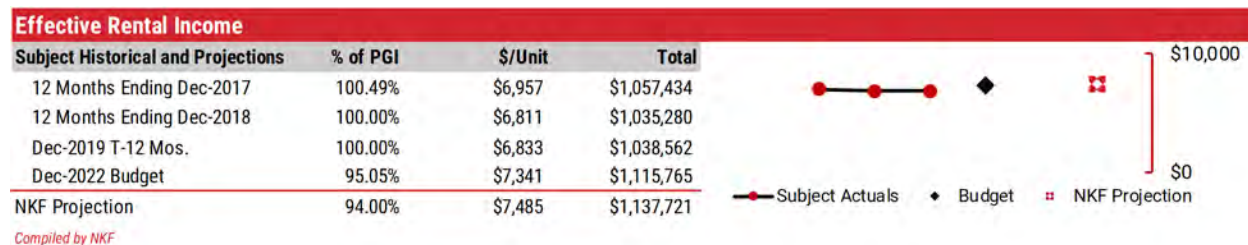


Based on available data and analysis, the concluded collection loss allowance is 1.00%.

### Combined Vacancy and Collection Loss Conclusion

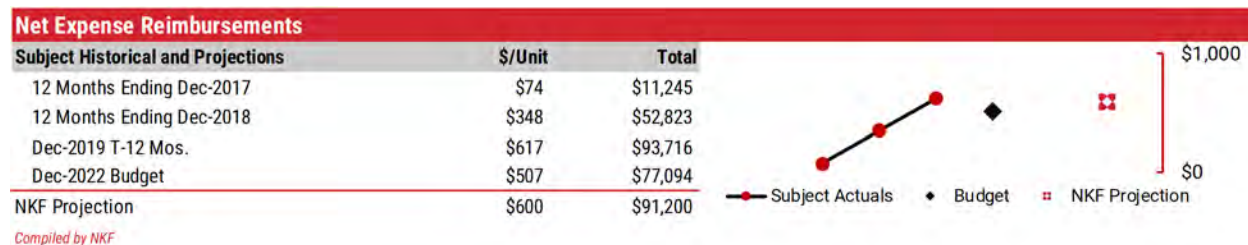
Based on this analysis, the total stabilized vacancy and collection loss allowance for the subject is 6.00%.

## Effective Rental Income



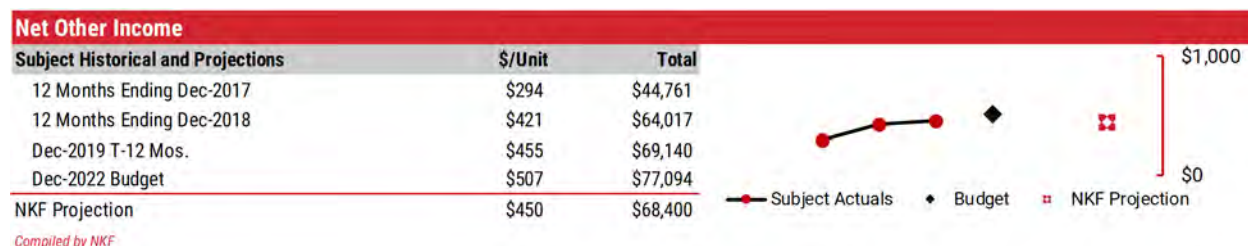


## Net Expense Recoveries (RUBS)



❖ The NKF estimate emphasizes the most recent actual amounts at the property.

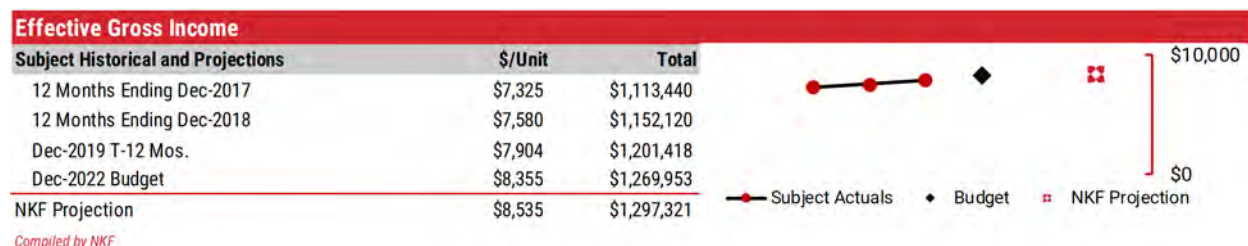
## Net Other Income



❖ This includes the categories forfeited deposits, vending machines, application fees, late charges, etc.

❖ The NKF estimate emphasizes the most recent actual amounts at the property.

## Effective Gross Income



Our pro forma estimate is slightly above the most recent actual figures due to increases in asking rent and is reasonable considering the market comparables. The budget is based on the pro forma renovated assumption.





## Operating Expense Analysis

Expense data for the subject and comparable properties are summarized in the following table.

Expense Analysis per Unit											
	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5	Subject Historical and Projections					
Approved Units	281	91	256	352	108	152					
Operating Data Type	Actuals	Actuals	Actuals	Actual	T-12	Actual	Actual	Actual	T-12 Mos.	Budget	NKF
Year	2018	2018-19	2018	2018	2019	2017	2018	2019	2019	2022	Projection
<b>Effective Gross Multifamily Income per Unit</b>	\$9,639	\$10,621	\$10,321	\$11,843	\$9,559	\$7,325	\$7,580	\$7,904	\$7,904	\$8,355	<b>\$8,535</b>
<b>Operating Expenses per Unit</b>											
Real Estate Taxes	\$513	\$525	\$795	\$898	\$538	\$468	\$499	\$489	\$489	\$924	\$772
Insurance	\$357	\$274	\$204	\$200	\$397	\$313	\$318	\$361	\$361	\$275	\$275
Water and Sewer	\$725	\$577	\$189	\$256	\$907	\$457	\$377	\$381	\$381	\$399	\$385
Electricity	\$322	\$85	\$185	\$162	\$286	\$143	\$147	\$143	\$143	\$138	\$140
Natural Gas				\$74	\$0						
Cable TV and Internet				\$14	\$0						
Trash Removal	\$64	\$143	\$104	\$86	\$187	\$46	\$43	\$64	\$64		\$70
Repairs and Maintenance	\$589	\$81	\$680	\$474	\$341	\$649	\$654	\$869	\$869	\$717	\$475
Painting and Decorating	\$350	\$321	\$354	\$465	\$157						\$150
Grounds	\$47	\$195	\$161	\$109	\$130	\$113	\$136	\$116	\$116		\$125
Security	\$0	\$0	\$0	\$0	\$0	\$9	\$7	\$6	\$6		
Maintenance Payroll	\$388	\$603	\$594	\$411	\$355	\$507	\$347	\$283	\$283	\$495	\$475
Administrative Payroll	\$284	\$527	\$462	\$319	\$386	\$402	\$473	\$431	\$431	\$495	\$450
Employee Taxes and Benefits	\$172	\$377	\$264	\$239	\$165	\$118	\$116	\$90	\$90	\$110	\$150
Non-Revenue Units		\$108		\$0							\$47
General and Administrative	\$93	\$224	\$176	\$291	\$178	\$148	\$188	\$239	\$239	\$312	\$190
Advertising and Marketing	\$9	\$124	\$66	\$53	\$61	\$69	\$121	\$96	\$96	\$143	\$150
Management	\$320	\$513	\$305	\$372	\$327	\$220	\$226	\$237	\$237	\$226	\$256
Replacement Reserves	\$0		\$0	\$0	\$0					\$250	\$200
<b>Total Operating Expenses per Unit</b>	<b>\$4,235</b>	<b>\$4,676</b>	<b>\$4,538</b>	<b>\$4,423</b>	<b>\$4,415</b>	<b>\$3,660</b>	<b>\$3,650</b>	<b>\$3,804</b>	<b>\$3,804</b>	<b>\$4,486</b>	<b>\$4,310</b>
<b>Net Operating Income per Unit</b>	<b>\$5,404</b>	<b>\$5,945</b>	<b>\$5,783</b>	<b>\$7,420</b>	<b>\$5,144</b>	<b>\$3,666</b>	<b>\$3,930</b>	<b>\$4,101</b>	<b>\$4,101</b>	<b>\$3,869</b>	<b>\$4,225</b>
<b>Operating Expense KPIs (% of EGI)</b>											
Management	3.32%	4.83%	2.96%	3.14%	3.42%	3.00%	2.99%	3.00%	3.00%	2.71%	3.00%
On-Site Management											
Off-Site Management											
<b>Operating Expense Ratio (% of EGI)</b>	<b>43.93%</b>	<b>44.03%</b>	<b>43.97%</b>	<b>37.35%</b>	<b>46.19%</b>	<b>49.96%</b>	<b>48.16%</b>	<b>48.12%</b>	<b>48.12%</b>	<b>53.69%</b>	<b>50.50%</b>
<b>Net Operating Income (% of EGI)</b>	<b>56.07%</b>	<b>55.97%</b>	<b>56.03%</b>	<b>62.65%</b>	<b>53.81%</b>	<b>50.04%</b>	<b>51.84%</b>	<b>51.88%</b>	<b>51.88%</b>	<b>46.31%</b>	<b>49.50%</b>

Compiled by NKF

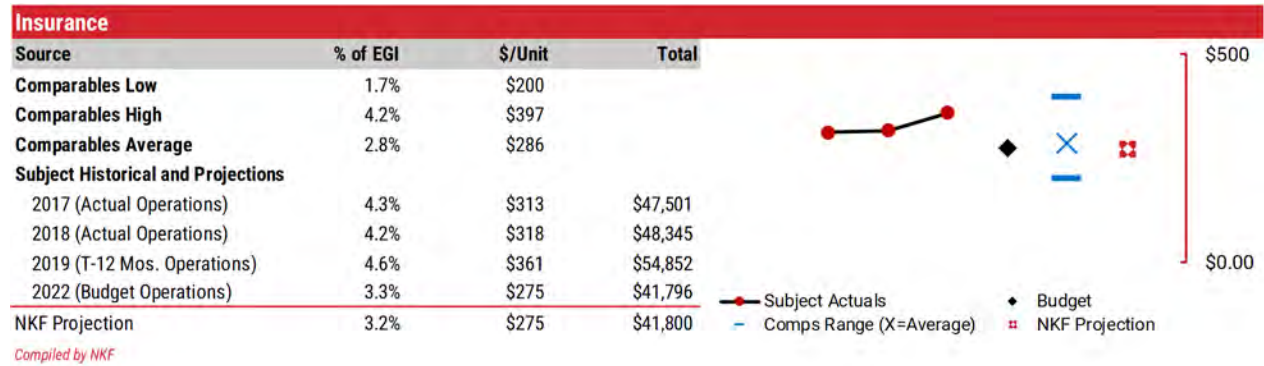
## Real Estate Taxes

Real Estate Taxes			
Source	% of EGI	\$/Unit	Total
<b>Comparables Low</b>	4.9%	\$513	
<b>Comparables High</b>	7.7%	\$898	
<b>Comparables Average</b>	6.2%	\$654	
<b>Subject Historical and Projections</b>			
2017 (Actual Operations)	6.4%	\$468	\$71,091
2018 (Actual Operations)	6.6%	\$499	\$75,834
2019 (T-12 Mos. Operations)	6.2%	\$489	\$74,276
2022 (Budget Operations)	11.1%	\$924	\$140,448
<b>NKF Projection</b>	<b>9.0%</b>	<b>\$772</b>	<b>\$117,278</b>

Compiled by NKF

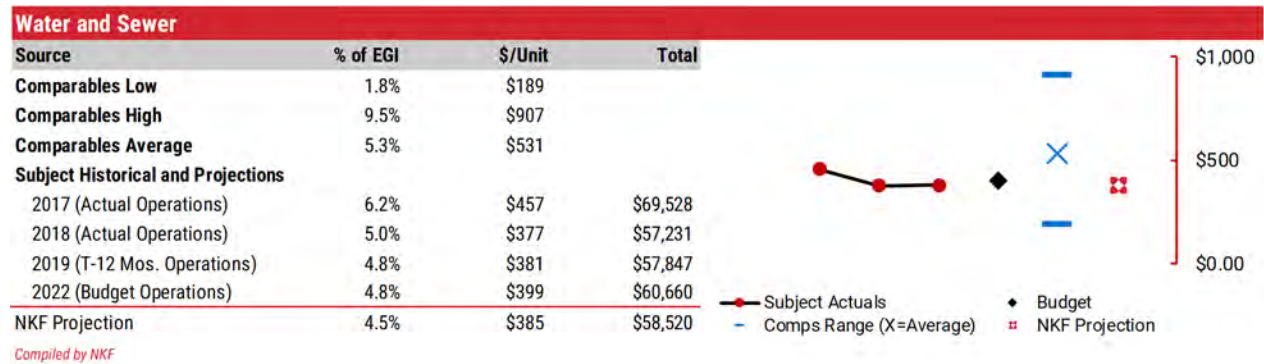
This expense category includes all local, county, and state property tax levies. Our projection is based on the property assessment and tax rate for the subject, as discussed previously in the Real Estate Tax Analysis.

### Insurance

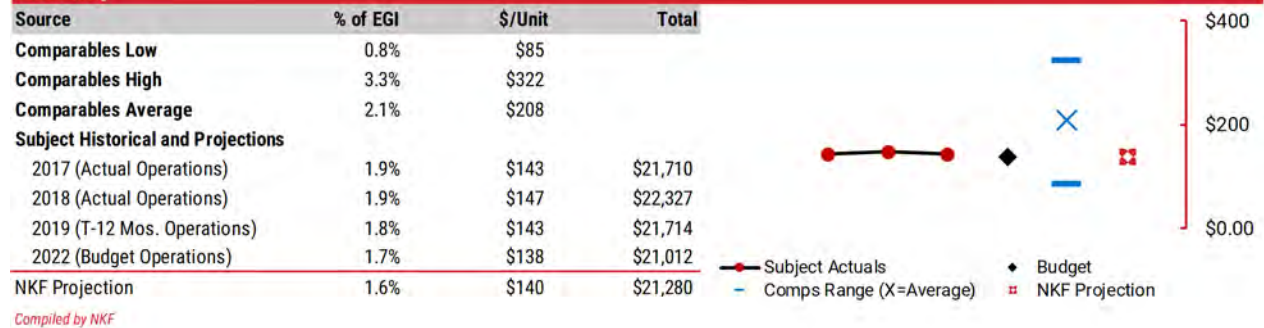


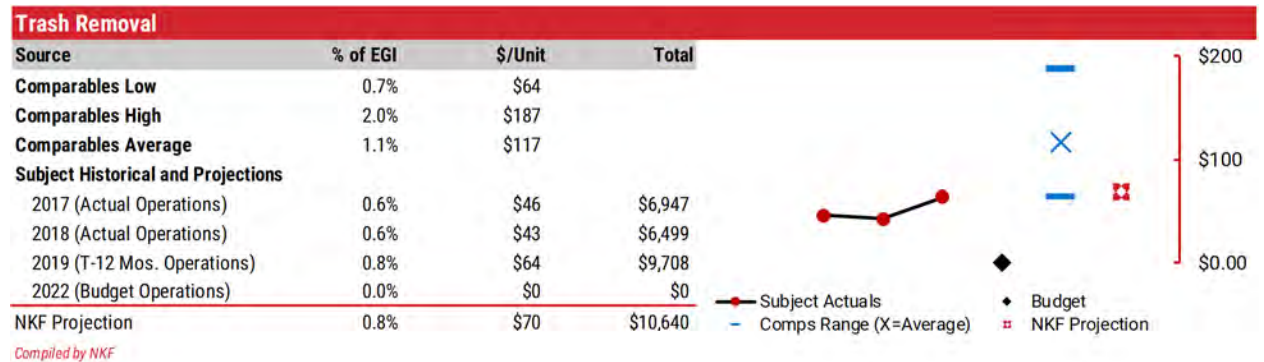
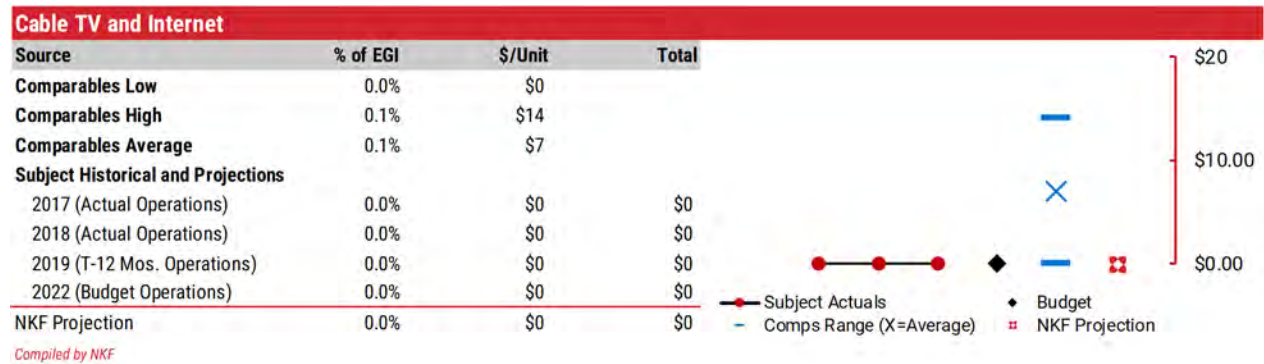
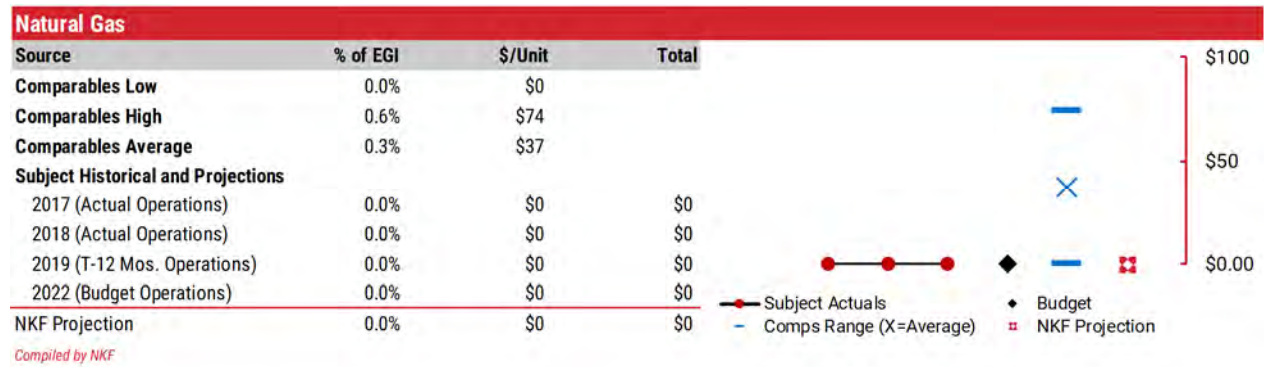
Insurance expense includes property and casualty insurance for the subject.

### Utilities



### Electricity

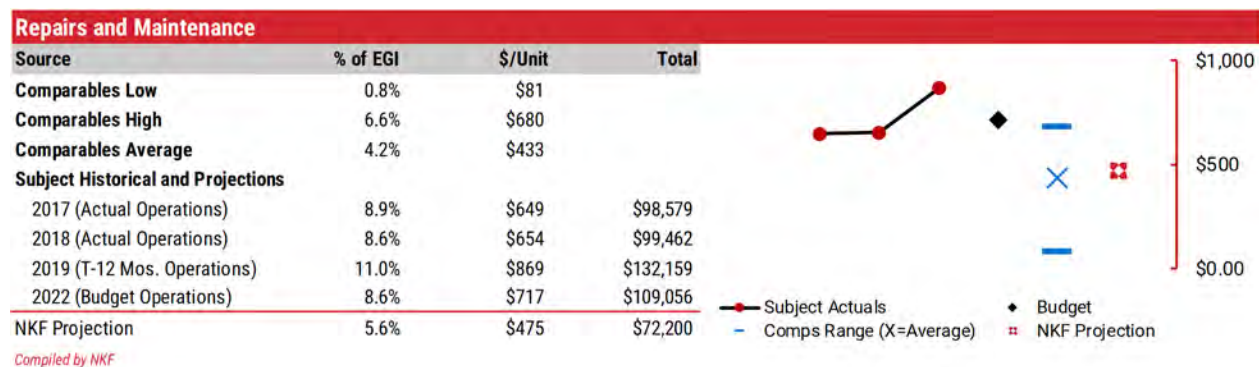




Electricity is separately metered and cable is paid directly by the tenants. Water and Trash is paid as a flat fee by unit type at \$35, \$45 and \$55 per unit and reimbursed to the landlord. The subject does not have a gas expense.

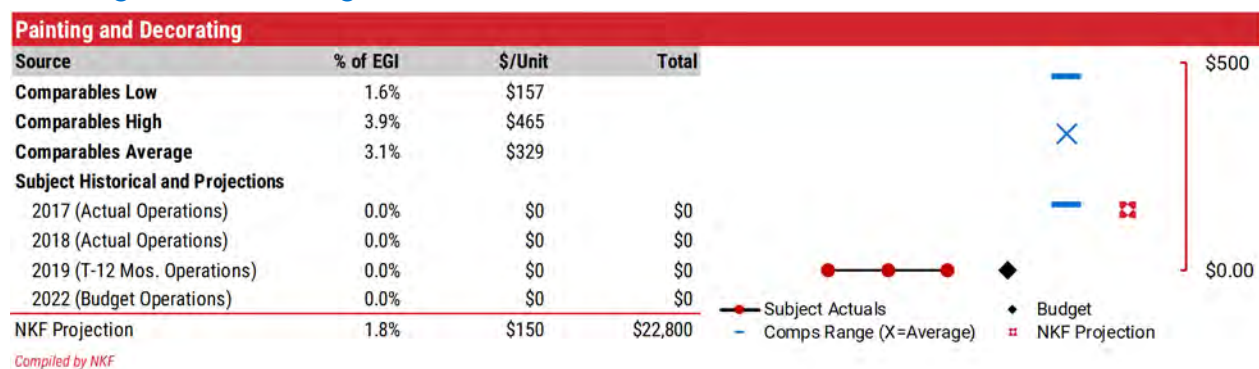


## Repairs and Maintenance



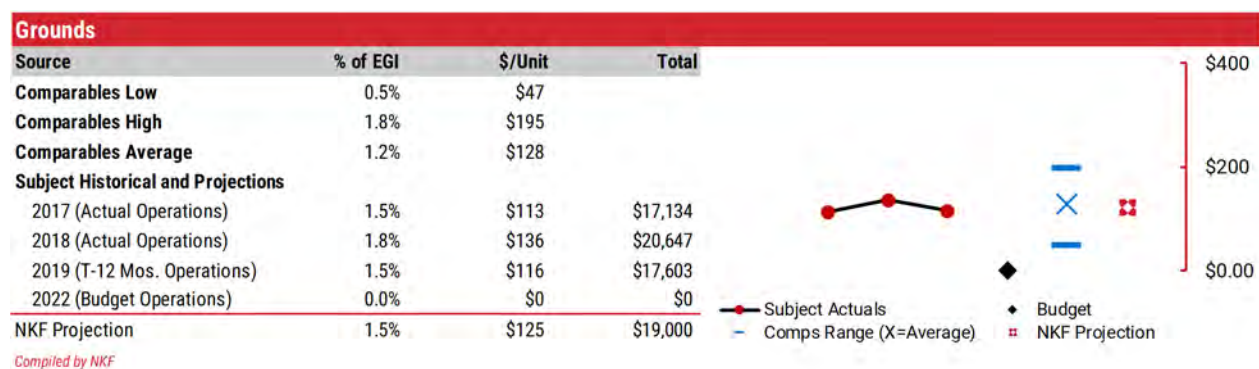
Repairs and maintenance includes expenditures to repair and maintain mechanical systems and structural components, encompassing payroll and contract costs, as appropriate. Excluded are alterations and major replacements, which are considered capital costs rather than periodic expenses.

## Painting and Decorating



The painting and decorating category is primarily focused on unit turnover.

## Grounds

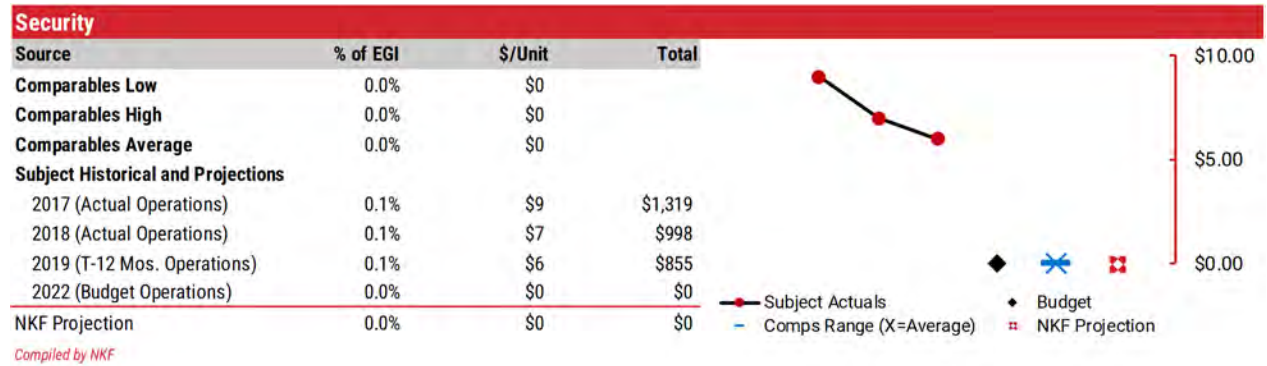


The grounds expense includes all landscaping costs.



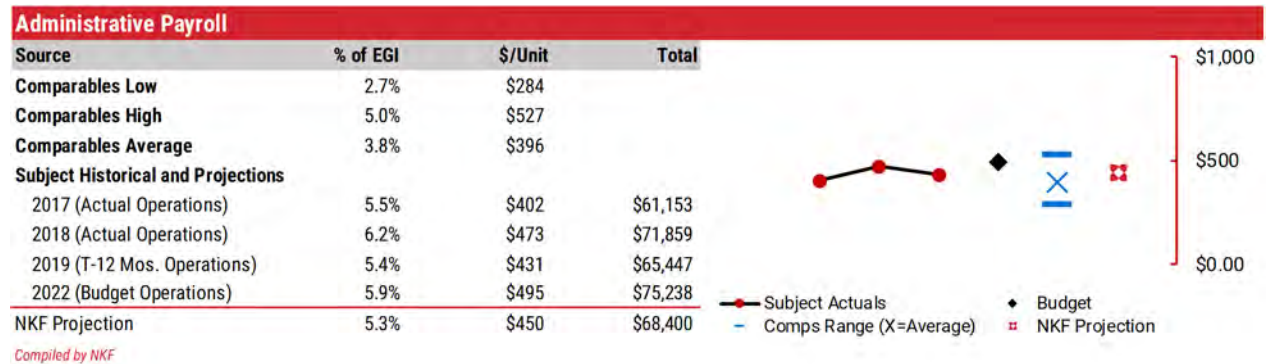
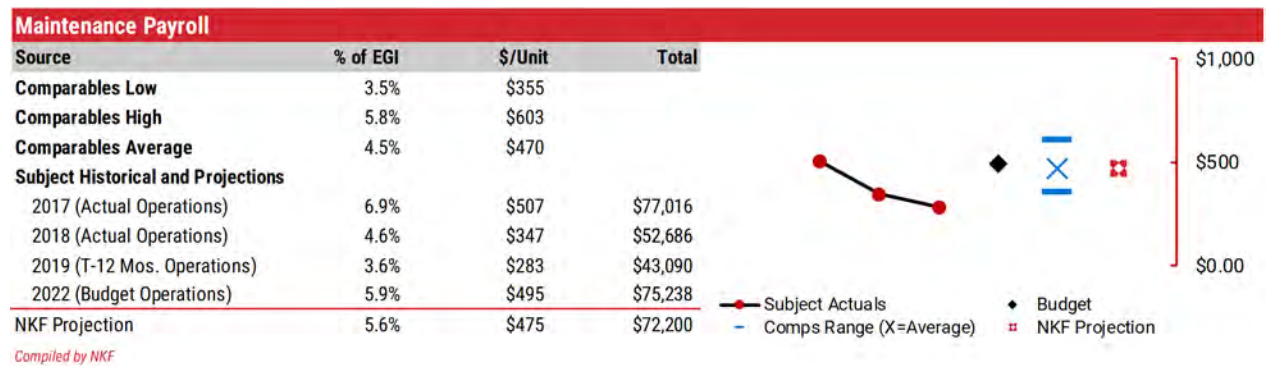


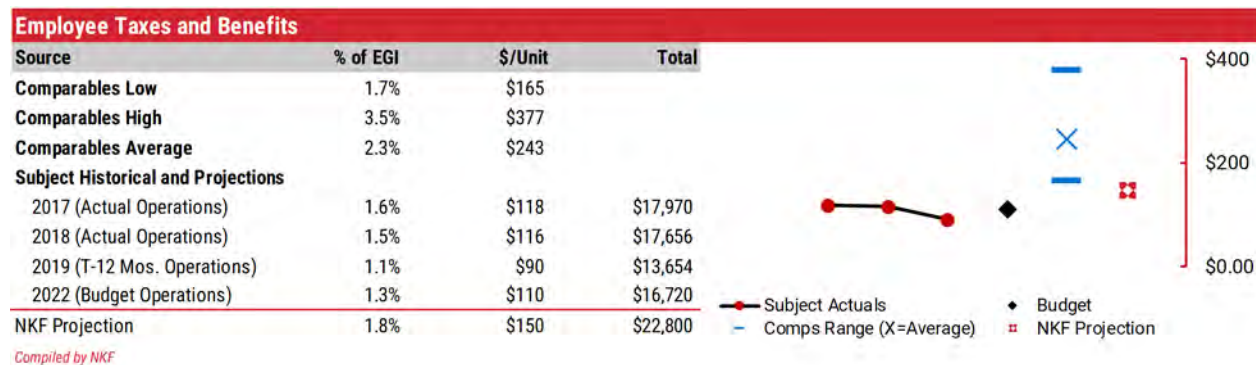
### Security



Security has been a nominal expense at the subject and is not reflected in the comparables.

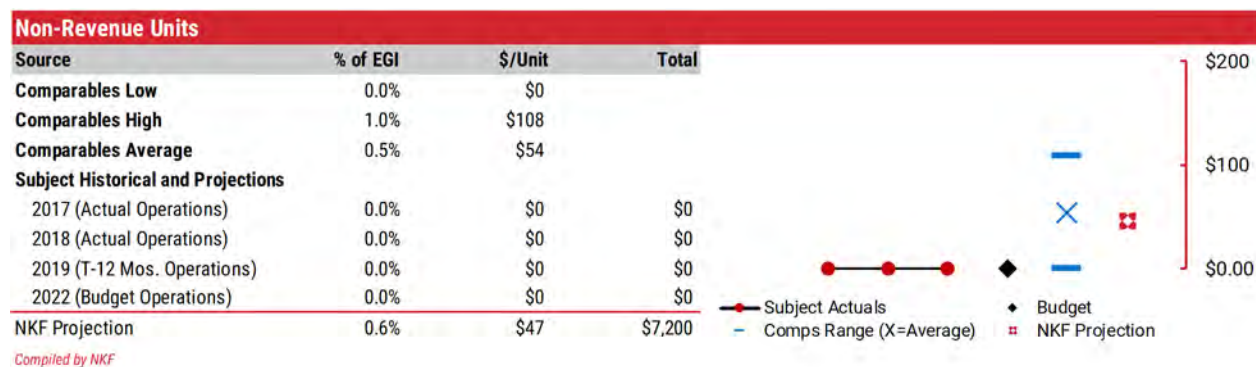
### Payroll and Benefits





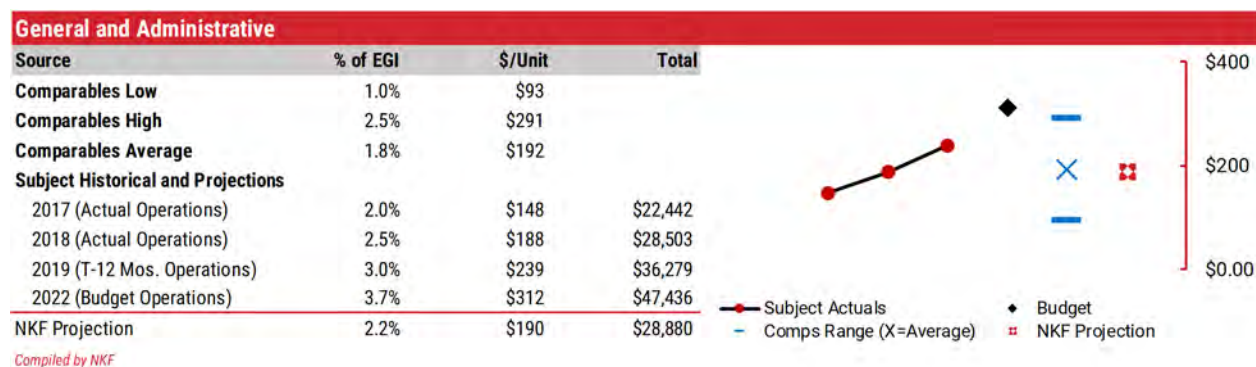
Payroll and benefits includes all employees such as the manager, leasing agents, maintenance personnel, and grounds crew.

### Non-Revenue Units



We have included non-revenue at 1 units at market rent for 2 bedroom units.

### General/Administrative

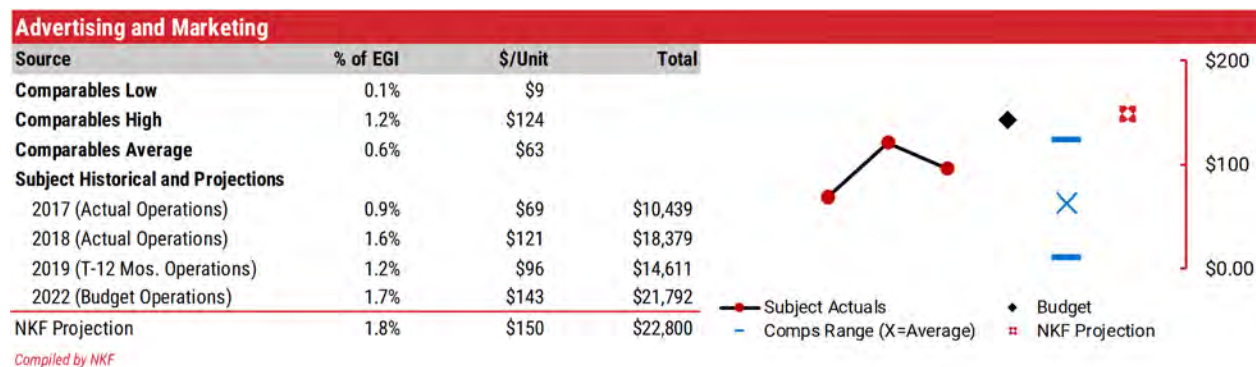


General and administrative expenses consist of office expenses as well as legal, accounting and other professional fees, license fees, and business taxes, if any.



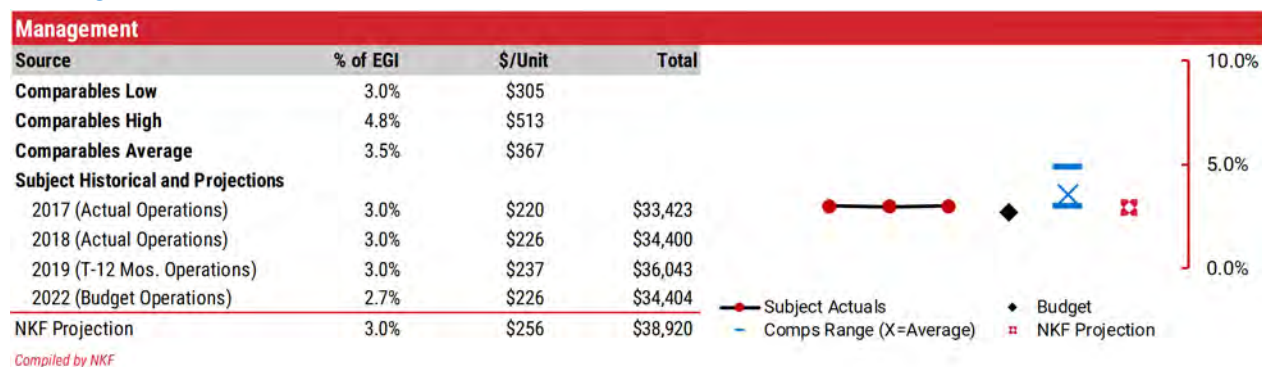


## Advertising and Marketing



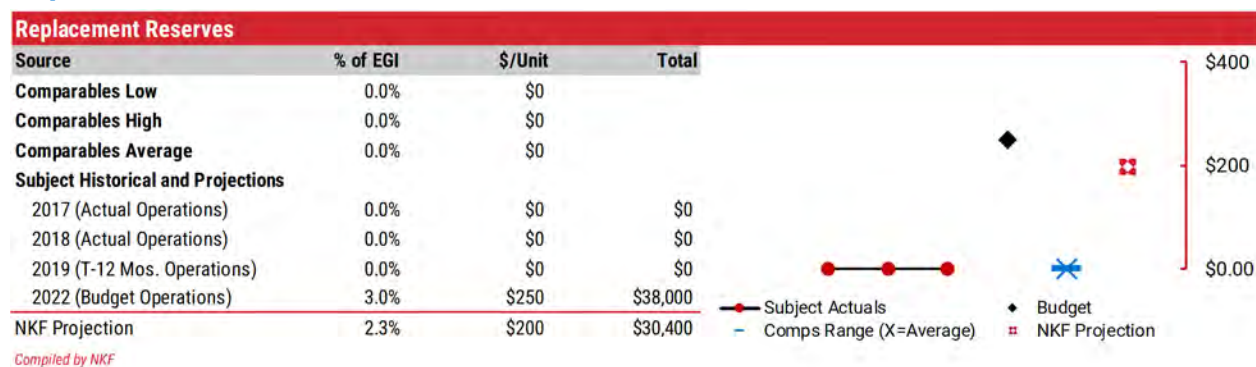
Advertising and marketing includes both print and internet advertising. Our estimate is in line with the historical and budgeted operations, expense comparables and market norms.

## Management



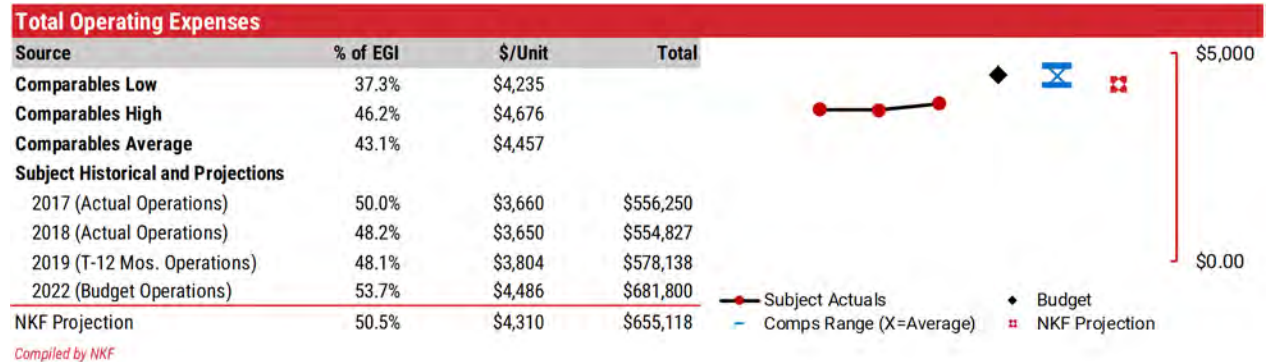
Management fees are considered an expense of operation, whether the services are contracted or provided by the property owner. Typical management fees for properties of this type range from 3% to 5%. Considering the size of the subject and the total annual amount, we project an overall market oriented management fee of 3.0% of effective gross income.

## Replacement Reserves



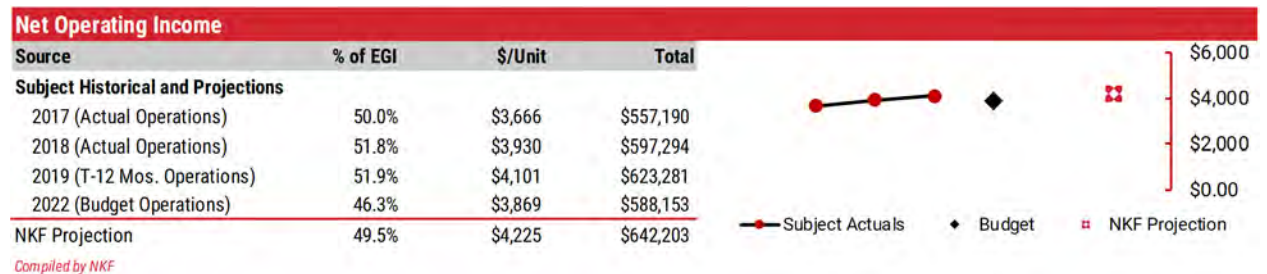
For the subject property type and local market, it is customary to include replacement reserves as an expense line item in developing an estimate of net operating income. Replacement reserves are estimated to account for replacement costs of certain capital items, such as the roof and HVAC system.

### Total Operating Expenses



❖ The projected rate is bracketed by the actual and budgeted operating history for the subject and is supported by the expense comparables and market norms.

### Net Operating Income



❖ Our estimate is in line with the historical NOI trend.



## Direct Capitalization

The following subsections represent different techniques for deriving an overall capitalization rate.

### Comparable Sales

Comparable Multifamily Sales Summary							
No.	Property Name	Yr. Built	Sale Date	Number of Approved	Occ. %	Price per Unit	OAR
1	Estates At Barrington	1996	Nov-2019	176	98%	\$94,744	5.90%
2	Magnolia Crossing	1979	Oct-2018	116	94%	\$69,828	6.08%
3	Rutland Place Apartments	1997	Aug-2018	228	90%	\$67,215	5.75%
4	Mill Creek Run	2005	May-2018	225	95%	\$103,778	5.75%
5	Forest Pointe	1984	May-2018	200	95%	\$85,000	6.20%
Average (Mean) Cap Rate:							5.94%

Compiled by NKF

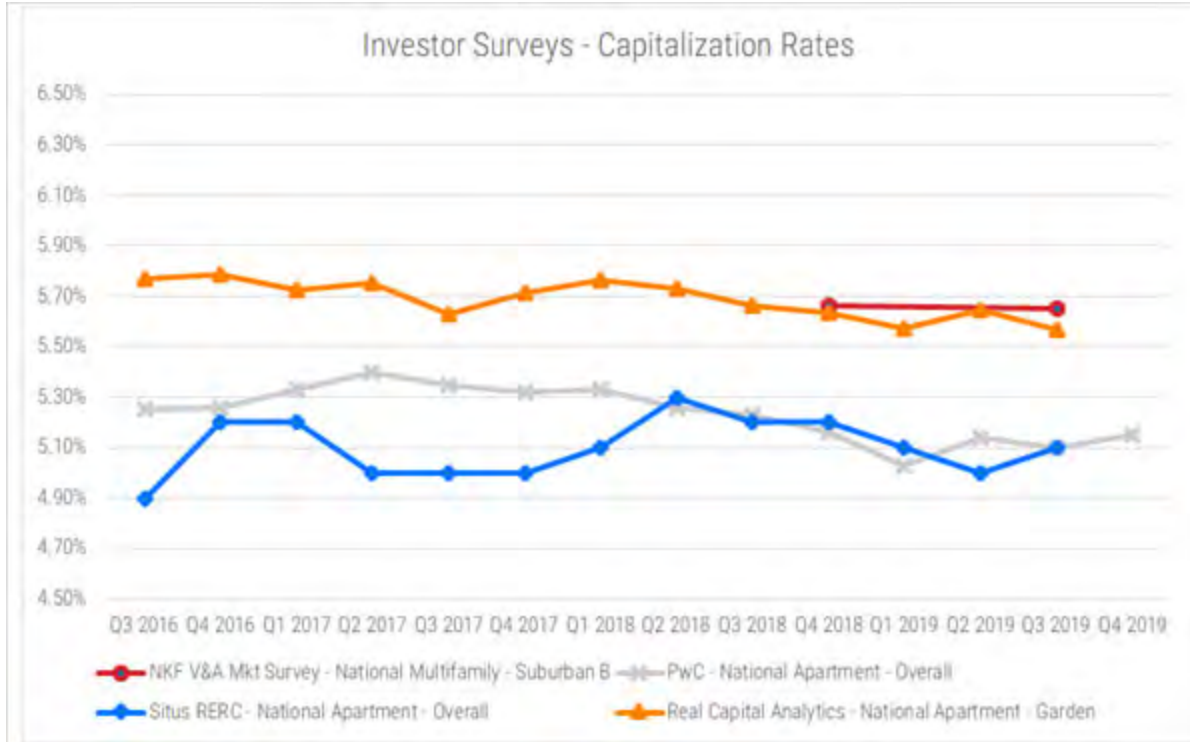
- ❖ The overall rates from the sales are based on both pro-forma income and income in place.

Based on this information, and given our use of pro-forma income, a capitalization rate within a range of 5.75% to 6.25% could be expected for the subject.

### Investor Surveys

Investor Surveys - Capitalization Rates				
Source	Period	Low	High	Average
NKF V&A Mkt Survey - National Multifamily - Suburban B	Q3 2019	N/A	N/A	5.65%
PwC - National Apartment - Overall	Q4 2019	3.50%	7.00%	5.15%
Situs RERC - National Apartment - Overall	Q3 2019	4.00%	6.00%	5.10%
Real Capital Analytics - National Apartment - Garden	Q3 2019	N/A	N/A	5.57%

Compiled by NKF



- ❖ The most current national survey data indicates that going-in capitalization rates average 5.10% to 5.65%.
- ❖ The rate appropriate to the subject is considered to be similar to the average rate in the survey data.
- ❖ Accordingly, based on the survey data, a capitalization rate within a range of 5.50% to 5.75% could be expected for the subject.

### Market Participants

#### Market Participant Survey - Capitalization Rates

Respondent	Cap Rate	Comments
Confidential Broker	Low 6.00% range	Based on stabilized income
Subject Indication	Low 6.00% range	

*Compiled by NKF*

- ❖ Based on these responses, a capitalization rate within a range of 6.00% to 6.25% is indicated for the subject.



## Band of Investment

Band of Investment					
Mortgage/Equity Assumptions					
Loan to Value Ratio	70%				
Interest Rate	4.50%				
Amortization (Years)	30				
Mortgage Constant	0.0608				
Equity Ratio	30%				
Equity Dividend Rate	8.00%				
Weighted Average Of Mortgage/Equity Requirements					
Mortgage Requirement	70%	x	6.08%	=	4.26%
Equity Requirement	30%	x	8.00%	=	2.40%
<b>Indicated Capitalization Rate (Rounded)</b>					<b>6.75%</b>

*Compiled by NKF*

- ✘ The equity dividend rate is based on prior testing and extraction as well as alternative investments.

## Capitalization Rate Conclusion

Capitalization Rate Conclusion	
Source	Indication
Comparable Sales	5.75% - 6.20%
Investor Surveys	6.00%-7.00%
Market Participants	Low 6.00% range
Band of Investment	6.75%
Concluded Going-In Capitalization Rate	6.00%

*Compiled by NKF*

## Adjustments to Value

Capitalization of the projected stabilized net operating income results in an As Stabilized value indication. To estimate the value Upon Completion, adjustments to the indicated As Stabilized value are required for projected income loss during lease-up (stabilization discount). The As Is value indication is derived by making additional deductions for existing deferred maintenance (remaining cost to complete), and projected capital expenditures.

## Direct Capitalization Summary

Net operating income is divided by the capitalization rate to derive the stabilized value of the subject. Valuation of the subject by direct capitalization is shown in the table immediately following.

<b>Income Capitalization Approach</b>			
<b>Summary of Stabilized Net Operating Income</b>			
Item Description	% of Income	\$ / Unit	Total \$
<b>Multifamily Revenue</b>		152 Units	
Rental Income		\$8,252	\$1,254,240
Loss to Lease	-2.00%	(\$165)	(\$25,085)
Concessions	-1.50%	(\$124)	(\$18,814)
Potential Rental Income		\$7,963	\$1,210,342
Vacancy	-5.00%	(\$398)	(\$60,517)
Collection Loss	-1.00%	(\$80)	(\$12,103)
Effective Rental Income		\$7,485	\$1,137,721
Net Expense Reimbursements		\$600	\$91,200
Net Parking Income		\$0	\$0
Net Other Income		\$450	\$68,400
<b>Effective Gross Income</b>		<b>\$8,535</b>	<b>\$1,297,321</b>
<b>Operating Expenses</b>		152 Units	
Real Estate Taxes		\$772	\$117,278
Insurance		\$275	\$41,800
Water and Sewer		\$385	\$58,520
Electricity		\$140	\$21,280
Natural Gas		\$0	\$0
Cable TV and Internet		\$0	\$0
Trash Removal		\$70	\$10,640
Repairs and Maintenance		\$475	\$72,200
Painting and Decorating		\$150	\$22,800
Grounds		\$125	\$19,000
Security		\$0	\$0
Maintenance Payroll		\$475	\$72,200
Administrative Payroll		\$450	\$68,400
Employee Taxes and Benefits		\$150	\$22,800
Non-Revenue Units		\$47	\$7,200
General and Administrative		\$190	\$28,880
Advertising and Marketing		\$150	\$22,800
Management	3.00%	\$256	\$38,920
Replacement Reserves		\$200	\$30,400
Total Operating Expenses	50.50%	\$4,310	\$655,118
<b>Net Operating Income</b>		<b>\$4,225</b>	<b>\$642,203</b>
<b>Direct Capitalization Method</b>			
Value Indications		\$ / Unit	Total \$
<b>As Stabilized</b>			
Stabilized Net Operating Income		\$4,225	\$642,203
Overall Capitalization Rate			6.00%
As Stabilized Value	Effective Date: 1/22/2020		\$10,703,384
<b>Rounded</b>		<b>\$70,395</b>	<b>\$10,700,000</b>
<b>Valuation Matrix</b>			
	OAR	Value	
	5.50%	\$11,676,419	
	5.75%	\$11,168,749	
	<b>6.00%</b>	<b>\$10,703,384</b>	
	6.25%	\$10,275,249	
	6.50%	\$9,880,047	
<b>Escalated Prospective Stabilized Value Indications</b>			
Appreciation Factor (per year)			2.50%
Prospective As Stabilized Value as of Date of Stabilization	Effective Date: 1/22/2022		\$11,245,243
<b>Estimate of Prospective As Stabilized Value</b>			
<b>As Stabilized</b>			
Prospective As Stabilized Value as of Date of Stabilization	Effective Date: 1/22/2022		\$11,245,243
<b>Rounded</b>		<b>\$74,013</b>	<b>\$11,250,000</b>





## Income Capitalization Approach Conclusion

### Income Capitalization Approach - Indicated Value

<b>Market Value Premise As of Date:</b>	<b>As Is January 22, 2020</b>	<b>Prospective Upon Stabilization January 22, 2022</b>
Direct Capitalization	\$10,700,000	\$11,250,000
Reconciled Value	\$10,700,000	\$11,250,000
Value per Unit	\$70,395	\$74,013

*Compiled by NKF*

The sole method used is direct capitalization. A discounted cash flow analysis is not used



# Reconciliation of Value

The values indicated by our analyses are as follows:

<b>Market Value Indications</b>		
<b>Market Value Premise As of Date:</b>	<b>As Is January 22, 2020</b>	<b>Prospective Upon Stabilization January 22, 2022</b>
Cost Approach:	Not Used	Not Used
Sales Comparison Approach:	\$10,650,000	Not Used
Income Capitalization Approach:	\$10,700,000	\$11,250,000
<b>Market Value Conclusion</b>	<b>\$10,700,000</b>	<b>\$11,250,000</b>

*Compiled by NKF*

## Cost Approach

The Cost Approach has best applicability for properties with new or nearly new improvements. It is a summation approach in that the underlying land value is added to the depreciated replacement cost for the indicated value. In this case, the cost approach was not utilized due to the age of the improvements which results in significant depreciation thereby reducing the reliability of this approach.

## Sales Comparison Approach

The Sales Comparison Approach is focused on comparing the subject to sale and other market transactions with the aim to develop an indication of value that is founded on the theory of substitution. Basically, the intention is to determine value through considering the prices of properties which would be a substitute property to the subject. In this case, a selection of reasonably similar sales were obtained and the adjustment process was well founded by reasoning and direct evidence. Although this analysis is considered to be well founded and reliable, the subject property is an income producing property and the sales comparison approach, like the cost approach, is limited in its ability to directly consider the income levels of the subject and the sales. Accordingly, secondary weight is given to the sales comparison approach.

## Income Capitalization Approach

The subject property is an apartment property. It is distinctly an income producing property and this approach is specifically designed to address the value of such a property. Only the direct capitalization analyses was developed. Market rent was well established by reasonably similar lease data. Capitalization rates were developed from a number of sources including the sales used in the sales comparison approach. In total, the income capitalization approach is considered

to be most applicable to the subject and most reliable. This approach is given greatest weight for that reason.

### Value Conclusions

Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value "As Is"	Leased Fee	1/22/2020	\$10,700,000
Prospective Market Value	Leased Fee	1/22/2022	\$11,250,000

*Compiled by NKF*

### Extraordinary Assumptions and Hypothetical Conditions

An extraordinary assumption is defined in USPAP as an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results.

1. The prospective market value at stabilization assumes the stabilized operation of the property as of the stabilization date (effective date of value).

The use of this extraordinary assumption might have affected assignment results.

A hypothetical condition is defined in USPAP as a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. The value conclusions are based on the following hypothetical conditions that may affect the assignment results.

1. None

*Compiled by NKF*

### Exposure Time

Exposure time is the estimated length of time the subject property would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. It is a retrospective estimate based on an analysis of past events assuming a competitive and open market.

The following is national investor survey data which is one source for the underlying data to this conclusion.

### Investor Surveys - Marketing Times

Source	Period	Low	High	Average
NKF V&A Mkt Survey - National Multifamily - Suburban B	Q3 2019	N/A	N/A	5.0
PwC - National Apartment - Overall	Q4 2019	1.0	9.0	3.9
Situs RERC - National Apartment - Overall	Q3 2019	N/A	N/A	5.0

*Compiled by NKF*





Recent sales transaction data for similar properties, supply and demand characteristics for the local multifamily market, and the opinions of local market participants were reviewed and analyzed. Based on this data and analysis, it is our opinion that the probable exposure time for the subject at the concluded market values stated previously is 6 months.

### Marketing Time

Marketing time is an opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. As no significant changes in market conditions are foreseen in the near term, it is our opinion that a reasonable marketing period for the subject is likely to be the same as the exposure time. Accordingly, we estimate the subject’s marketing period at 6 months.



# Assumptions and Limiting Conditions

The Appraisal contained in this Report (herein “Report”) is subject to the following assumptions and limiting conditions:

1. Unless otherwise stated in this report, title to the property which is the subject of this report (herein “Property”) is assumed to be good and marketable and free and clear of all liens and encumbrances and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. No responsibility is assumed for the legal description, zoning, condition of title or any matters which are legal in nature or otherwise require expertise other than that of a professional real estate appraiser. This report shall not constitute a survey of the Property.
2. Unless otherwise stated in this report, it is assumed: that the improvements on the Property are structurally sound, seismically safe and code conforming; that all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; that the roof and exterior are in good condition and free from intrusion by the elements; that the Property and improvements conform to all applicable local, state, and federal laws, codes, ordinances and regulations including environmental laws and regulations. No responsibility is assumed for soil or subsoil conditions or engineering or structural matters. The Property is appraised assuming that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report is based, unless otherwise stated. The physical condition of the Property reflected in this report is solely based on a visual inspection as typically conducted by a professional appraiser not someone with engineering expertise. Responsible ownership and competent property management are assumed.
3. Unless otherwise stated in this report, this report did not take into consideration the existence of asbestos, PCB transformers or other toxic, hazardous, or contaminated substances or underground storage tanks, or the cost of encapsulation, removal or remediation thereof. Real estate appraisers are not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater or other potentially hazardous materials and substances may adversely affect the value of the Property. Unless otherwise stated in this report, the opinion of value is predicated on the assumption that there is no such material or substances at, on or in the Property.
4. All statements of fact contained in this report as a basis of the analyses, opinions, and conclusions herein are true and correct to the best of the appraiser's actual knowledge and belief. The appraiser is entitled to and relies upon the accuracy of information and material furnished by the owner of the Property or owner's representatives and on information and data provided by sources upon which members of the appraisal profession typically rely and that are deemed to be reliable by such members. Such information and data obtained from third party sources are assumed to be reliable and have not been independently verified. No warranty is made as to the accuracy of any of such information and data. Any material error in any of the said information or data could have a

substantial impact on the conclusions of this Report. The appraiser reserves the right to amend conclusions reported if made aware of any such error.

5. The opinion of value stated in this report is only as of the date of value stated in this report. An appraisal is inherently subjective and the conclusions stated apply only as of said date of value, and no representation is made as to the effect of subsequent events. This report speaks only as of the date hereof.
6. Any projected cash flows included in the analysis are forecasts of estimated future operating characteristics and are predicated on the information and assumptions contained within this report. Any projections of income, expenses and economic conditions utilized in this report are not predictions of the future. Rather, they are estimates of market expectations of future income and expenses. The achievement of any financial projections will be affected by fluctuating economic conditions and is dependent upon other future occurrences that cannot be assured. Actual results may vary from the projections considered herein. There is no warranty or assurances that these forecasts will occur. Projections may be affected by circumstances beyond anyone's knowledge or control. Any income and expense estimates contained in this report are used only for the purpose of estimating value and do not constitute predictions of future operating results.
7. The analyses contained in this report may necessarily incorporate numerous estimates and assumptions regarding Property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by the analysis will vary from estimates, and the variations may be material.
8. All prospective value opinions presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraphs, several events may occur that could substantially alter the outcome of the estimates such as, but not limited to changes in the economy, interest rates, capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. In making prospective estimates and forecasts, it is assumed that conditions reasonably foreseeable at the present time are consistent or similar with the future.
9. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. This report shall be considered only in its entirety. No part of this report shall be utilized separately or out of context.
10. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the Firm. Possession of this report, or a copy hereof, does not carry with it the right of publication.
11. Client and any other Intended User identified herein should consider this report and the opinion of value contained herein as only one factor together with its own independent considerations and



underwriting guidelines in making any decision or investment or taking any action regarding the Property. Client agrees that Firm shall not be responsible in any way for any decision of Client or any Intended User related to the Property or for the advice or services provided by any other advisors or contractors. The use of this report and the appraisal contained herein by anyone other than an Intended User identified herein, or for a use other than the Intended Use identified herein, is strictly prohibited. No party other than an Intended User identified herein may rely on this report and the appraisal contained herein.

12. Unless otherwise stated in the agreement to prepare this report, the appraiser shall not be required to participate in or prepare for or attend any judicial, arbitration, or administrative proceedings.
13. The Americans with Disabilities Act (ADA) became effective January 26, 1992. No survey or analysis of the Property has been made in connection with this report to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. No expertise in ADA issues is claimed, and the report renders no opinion regarding the Property's compliance with ADA regulations. Inasmuch as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, a specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.
14. Acceptance and/or use of this report constitutes full acceptance of these Assumptions and Limiting Conditions and any others contained in this report, including any Extraordinary Assumptions and Hypothetical Conditions, and is subject to the terms and conditions contained in the agreement to prepare this report and full acceptance of any limitation of liability or claims contained therein.

**Addendum A**  
**Glossary of Terms**



The following definitions are derived from The Dictionary of Real Estate Appraisal, 6th ed. (Chicago: Appraisal Institute, 2015).

- ◆ **Absorption Period:** The actual or expected period required from the time a property, group of properties, or commodity is initially offered for lease, purchase, or use by its eventual users until all portions have been sold or stabilized occupancy has been achieved.
- ◆ **Absorption Rate:** 1) Broadly, the rate at which vacant space in a property or group of properties for sale or lease has been or is expected to be successfully sold or leased over a specified period of time. 2) In subdivision analysis, the rate of sales of lots or units in a subdivision.
- ◆ **Ad Valorem Tax:** A tax levied in proportion to the value of the thing(s) being taxed. Exclusive of exemptions, use-value assessment provisions, and the like, the property tax is an ad valorem tax. (International Association of Assessing Officers [IAAO])
- ◆ **Assessed Value:** The value of a property according to the tax rolls in ad valorem taxation; may be higher or lower than market value, or based on an assessment ratio that is a percentage of market value.
- ◆ **Cash Equivalency:** An analytical process in which the sale price of a transaction with nonmarket financing or financing with unusual conditions or incentives is converted into a price expressed in terms of cash or its equivalent.
- ◆ **Contract Rent:** The actual rental income specified in a lease.
- ◆ **Disposition Value:** The most probable price that a specified interest in property should bring under the following conditions: 1) Consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in that market. 2) The property is subjected to market conditions prevailing as of the date of valuation. 3) Both the buyer and seller are acting prudently and knowledgeably. 4) The seller is under compulsion to sell. 5) The buyer is typically motivated. 6) Both parties are acting in what they consider to be their best interests. 7) An adequate marketing effort will be made during the exposure time. 8) Payment will be made in cash in US dollars (or the local currency) or in terms of financial arrangements comparable thereto. 9) 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. This definition can also be modified to provide for valuation with specified financing terms.
- ◆ **Effective Rent:** Total base rent, or minimum rent stipulated in a lease, over the specified lease term minus rent concessions; the rent that is effectively paid by a tenant net of financial concessions provided by a landlord.
- ◆ **Excess Land:** Land that is not needed to serve or support the existing use. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land has the potential to be sold separately and is valued separately. See also **surplus land**.



- ◆ **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 unusual management, unknowledgeable or unusually motivated parties, a lease execution in an earlier, stronger rental market, or an agreement of the parties.
- ◆ **Exposure Time:** 1) The time a property remains on the market. 2) [The] estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.
- ◆ **Extraordinary Assumption:** An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions. See also **hypothetical condition**.
- ◆ **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.
- ◆ **Floor Area Ratio (FAR):** The relationship between the above-ground floor area of a building, as described by the zoning or building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area.
- ◆ **Frictional Vacancy:** The amount of vacant space needed in a market for its orderly operation. Frictional vacancy allows for move-ins and move-outs.
- ◆ **Full Service Lease:** See **gross lease**.
- ◆ **General Vacancy:** A method of calculating any remaining vacancy and collection loss considerations when using discounted cash flow (DCF) analysis, where turnover vacancy has been used as part of the income estimate. The combined effects of turnover vacancy and general vacancy relate to total vacancy and collection loss.
- ◆ **Going-Concern Premise:** One of the premises under which the total assets of a business can be valued; the assumption that a company is expected to continue operating well into the future (usually indefinitely).
- ◆ **Going Concern Value:** An outdated label for the market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate; more accurately termed the market value of the going concern or market value of the total assets of the business.
- ◆ **Gross Building Area (GBA):** 1) Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above grade area. This includes mezzanines and basements if and when typically included in the market area of the type of property involved. 2) Gross leasable area plus all common areas. 3) For residential space, the total area of all floor levels measured from the exterior of the walls and including the superstructure and substructure basement; typically does not include garage space.

- ◆ **Gross Lease:** A lease in which the landlord receives stipulated rent and is obligated to pay all of the property's operating and fixed expenses; also called full-service lease.
- ◆ **Hypothetical Condition:** 1) A condition that is presumed to be true when it is known to be false. (Appraisal Institute: The Standards of Valuation Practice [SVP]) 2) A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. See also **extraordinary assumption**.
- ◆ **Intended Users:** 1) The party or parties the valuer intends will use the report. (SVP) 2) The client and any other party as identified, by name or type, as users of the appraisal or appraisal review report by the appraiser on the basis of communication with the client at the time of the assignment. (USPAP, 2016-2017 ed.)
- ◆ **Investment Value:** 1) The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market. 2) The value of an asset to the owner or a prospective owner for individual investment or operational objectives. (International Valuation Standards [IVS])
- ◆ **Land-to-Building Ratio:** The proportion of land area to gross building area; one of the factors determining comparability of properties.
- ◆ **Lease:** A contract in which the rights to use and occupy land, space, or structures are transferred by the owner to another for a specified period of time in return for a specified rent.
- ◆ **Leased Fee Interest:** The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.
- ◆ **Leasehold Interest:** The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.
- ◆ **Lessee:** One who has the right to occupancy and use of the property of another for a period of time according to a lease agreement.
- ◆ **Lessor:** One who conveys the rights of occupancy and use to others under a lease agreement.
- ◆ **Liquidation Value:** The most probable price that a specified interest in property should bring under the following conditions: 1) Consummation of a sale within a short time period. 2) The property is subjected to market conditions prevailing as of the date of valuation. 3) Both the buyer and seller are acting prudently and knowledgeably. 4) The seller is under extreme compulsion to sell. 5) The buyer is typically motivated. 6) Both parties are acting in what they consider to be their best interests. 7) A normal marketing effort is not possible due to the brief exposure time. 8) Payment will be made in cash in US dollars (or the local currency) or in terms of financial arrangements comparable thereto. 9) 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. This definition can also be modified to provide for valuation with specified financing terms.

- ◆ **Market Rent:** The most probable rent that a property should bring in a competitive and open market reflecting the conditions and restrictions of a specified lease agreement, including the rental adjustment and revaluation, permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs).
- ◆ **Market Value:** A type of value that is the major focus of most real property appraisal assignments. Both economic and legal definitions of market value have been developed and refined, such as the following. 1) The most widely accepted components of market value are incorporated in the following definition: The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress. 2) Market value is described, not defined, in the Uniform Standards of Professional Appraisal Practice (USPAP) as follows: A type of value, stated as an opinion, that presumes the transfer of a property (i.e., a right of ownership or a bundle of such rights), as of a certain date, under specific conditions set forth in the definition of the term identified by the appraiser as applicable in an appraisal. <sup>2</sup>
- ◆ **Market Value of the Going Concern:** The market value of an established and operating business including the real property, personal property, financial assets, and the intangible assets of the business.
- ◆ **Marketing Time:** An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal.
- ◆ **Modified Gross Lease:** A lease in which the landlord receives stipulated rent and is obligated to pay some, but not all, of the property's operating and fixed expenses. Since assignment of expenses varies among modified gross leases, expense responsibility must always be specified. In some markets, a modified gross lease may be called a double net lease, net net lease, partial net lease, or semi-gross lease.
- ◆ **Net Lease:** A lease in which the landlord passes on all expenses to the tenant. See also **gross lease;** **modified gross lease.**
- ◆ **Net Net Net Lease:** An alternative term for a type of net lease. In some markets, a net net net lease is defined as a lease in which the tenant assumes all expenses (fixed and variable) of operating a property except that the landlord is responsible for structural maintenance, building reserves, and management; also called NNN lease, triple net lease, or fully net lease.

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<sup>2</sup> The actual definition of value used for this appraisal is contained within the body of the report. The definition of market value given above is general in viewpoint and is only provided for amplification.



- ◆ **Occupancy Rate:** 1) The relationship or ratio between the potential income from the currently rented units in a property and the income that would be received if all the units were occupied. 2) The ratio of occupied space to total rentable space in a building.
- ◆ **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 breakpoint sales volume.
- ◆ **Percentage Rent:** Rental income received in accordance with the terms of a percentage lease; typically derived from retail store and restaurant tenants and based on a certain percentage of their gross sales.
- ◆ **Prospective Opinion of 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.
- ◆ **Rentable Area:** For office or retail buildings, the tenant's pro rata portion of the entire office floor, excluding elements of the building that penetrate through the floor to the areas below. The rentable area of a floor is computed by measuring to the inside finished surface of the dominant portion of the permanent building walls, excluding any major vertical penetrations of the floor. Alternatively, the amount of space on which the rent is based; calculated according to local practice.
- ◆ **Retrospective Value Opinion:** A value opinion effective as of a specified historical date. The term retrospective does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion."
- ◆ **Shell Rent:** The typical rent paid for retail, office, or industrial tenant space based on minimal "shell" interior finishes (called vanilla finish or white wall finish in some areas). Usually the landlord delivers the main building shell space or some minimum level of interior build-out, and the tenant completes the interior finish, which can include wall, ceiling, and floor finishes, mechanical systems, interior electricity, and plumbing. Typically these are long-term leases with tenants paying all or most property expenses.
- ◆ **Surplus Land:** Land that is not currently needed to support the existing use but cannot be separated from the property and sold off for another use. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel. See also **excess land**.
- ◆ **Turnover Vacancy:** A method of calculating vacancy allowance that is estimated or considered as part of the potential income estimate when using discounted cash flow (DCF) analysis. As units or suites turn over and are available for re-leasing, the periodic vacancy time frame (vacancy window) to release the space is considered.

- ◆ **Usable Area:** 1) For office buildings, the actual occupiable area of a floor or an office space; computed by measuring from the finished surface of the office side of corridor and other permanent walls, to the center of partitions that separate the office from adjoining usable areas, and to the inside finished surface of the dominant portion of the permanent outer building walls. Sometimes called net building area or net floor area. See also floor area. 2) The area that is actually used by the tenants measured from the inside of the exterior walls to the inside of walls separating the space from hallways and common areas.
- ◆ **Use Value:** The value of a property assuming a specific use, which may or may not be the property's highest and best use on the effective date of the appraisal. Use value may or may not be equal to market value but is different conceptually. See also **value in use**.
- ◆ **Value In Use:** The value of a property assuming a specific use, which may or may not be the property's highest and best use on the effective date of the appraisal. Value in use may or may not be equal to market value but is different conceptually. See also **use value**.
- ◆ **Value Indication:** A valuer's conclusion of value resulting from the application of an approach to value, e.g., the value indication by the sales comparison approach.



**Addendum B**  
**Engagement Letter**





January 14, 2020

Mr. Jack Franklin  
Greystone Servicing Company, LLC  
1100 Abernathy Road NE, Bldg 500, Ste 900  
Atlanta, GA 30328

Re: Appraisal of the Market Value of the  
Anthos at Hidden Lakes Apartments  
180 Hidden Lakes Court  
Macon, GA 32104

Anthos at Shadowood West Apartments  
4344 West Highland Drive  
Macon, GA 31210

Dear Mr. Franklin:

Pursuant to your request, Newmark Frank Knight Valuation & Advisory, LLC (the “Firm”) is pleased to submit the following proposal to provide Greystone Servicing Company, LLC (herein the “Client”) the appraisal and appraisal services described herein through a qualified appraiser employee of the Firm. By signing and returning this proposal letter, you are signifying acceptance by the Client of the terms and conditions contained herein, including those in the attached Schedule “A” Terms & Conditions.

APPRAISAL FEE: \$8,200 (\$4,100 each, inclusive of expenses).

RETAINER: None

REPORT DELIVERABLES: The appraisal, draft and/or final, shall be delivered in electronic format (typically pdf). One original hard copy of the final appraisals will be provided to Client upon request.

DELIVERY DATE: Delivery is as follows:

Draft appraisals delivered by January 31, 2020.

Final appraisals will be provided within three days of receiving final comments of the draft appraisal.

REPORT TYPE: Complete Appraisal Reports

VALUATION PREMISE: Market Value As Is and As Stabilized following completion of planned renovations 24 months in the future.

INTEREST IN THE PROPERTY APPRAISED:	Fee Simple Interest
DATE(S) OF VALUE:	As of date of inspection and as of the date of stabilization following the planned renovation.
INTENDED USER(S):	Greystone Servicing Company
INTENDED USE:	The intended use of the appraisal is for mortgage lending purposes.
RELIANCE LANGUAGE:	None
GUIDELINES:	The analyses, opinions and conclusions are to be developed based on, and the appraisal will be prepared in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP) as published by the Appraisal Foundation. The appraisal will also be prepared to conform to FIRREA (Financial Institutions Reform, Recovery, and Enforcement Act).
SCOPE OF WORK:	The appraiser will use and properly apply all applicable and appropriate approaches to value sufficient to produce credible assignment results. The scope of the analysis will be appropriate for the appraisal problem.
ASSUMPTIONS/ LIMITING CONDITIONS:	The appraisals will be subject to Firm's standard Assumptions and Limiting Conditions, which will be incorporated into the appraisal report. In addition, the appraisals may be subject to and the appraisal reports may contain Extraordinary Assumptions and Hypothetical Conditions.
ACCEPTANCE:	This shall constitute an Agreement only if countersigned by the Client, or by an officer, director or other representative of Client who, by signing and accepting this proposal, represents and warrants that he/she is authorized by Client to do so.
PAYMENT:	Client will be invoiced the appraisal fee which will be earned in full upon initial delivery of the draft appraisal report, with such appraisal fee (and expenses) payable within 30 days of invoicing.  Payment of the said fee is not contingent upon any predetermined value or on an action or event resulting from the

analysis, opinions, conclusions or use of the appraisal.

**CHANGES TO THE AGREEMENT:**

Any significant changes to the assignment as outlined in this proposal letter such as the identity of the Client, intended users, or intended use, shall necessitate the preparation and execution by both parties of a new proposal letter.

**CANCELLATION OF ASSIGNMENT:**

Client may cancel this Agreement at any time prior to the Firm's delivery of the appraisal upon written notification to the Firm. Client shall pay Firm for all work completed on the assignment prior to Firm's receipt of such written cancellation notice, unless otherwise agreed upon by Firm and Client in writing.

**NO THIRD PARTY BENEFICIARIES:**

Except as may be expressly provided for in this Agreement, nothing in this Agreement shall create a contractual relationship or any legal duty between Firm or Client and any third party, or any cause of action, rights, or claims in favor of any third party and against Firm or Client. In addition, this Agreement is not intended to, and shall not be construed to, render any person or entity a third party beneficiary of this Agreement. Client acknowledges and agrees that the appraisal report shall reflect the foregoing, and shall specifically state that no third party other than an "Intended User" identified herein shall be entitled to rely upon the appraisal.

This proposal letter may be withdrawn by the Firm unless this proposal letter is fully signed and returned to the undersigned within 10 days from the date of this letter.

If this letter correctly sets forth the Client's understanding of the services to be rendered to it, and if the terms of this proposal letter are satisfactory, please execute the enclosed copy of this letter and return it to us together with any required retainer.



Thank you and we look forward to working on this assignment.


Respectfully,



Raymond Higgins  
Senior Managing Director  
raymond.higgins@ngkf.com  
470.481.0740 Office Direct  
770.605.2092 Cell

Agreed:  
GREYSTONE SERVICING COMPANY, LLC

SIGNATURE:



PRINT NAME:

Jack Franklin

TITLE:

SR ANALYST

DATE:

1/14/20

Schedule "A"

## TERMS AND CONDITIONS

ATTACHED TO AND A PART OF THE PROPOSAL LETTER DATED JANUARY 14, 2020 TO PROVIDE APPRAISAL SERVICES FOR GREYSTONE SERVICING COMPANY, LLC

1. These Terms and Conditions are attached to and incorporated into the above referenced proposal letter (the "Agreement") as though fully set forth in full therein. Notwithstanding the state of domicile or residency of either party to this Agreement, this Agreement shall be governed and construed under the laws of the state in which the Property is located, and venue for any action or proceeding arising out of this Agreement shall be deemed proper only in the court of competent jurisdiction located in the state in which the Property is located. Capitalized terms if not defined herein shall have the same meaning as defined in the Agreement.
2. It is assumed that there are no matters affecting the Property that would require the expertise of other professionals, such as engineers or an environmental consultant, for Firm to provide the appraisal. If such additional expertise is required, it shall be provided by other parties retained by Client at Client's sole cost and expense.
3. Client acknowledges that the Firm is being retained as an independent contractor to provide the services described herein and nothing in this Agreement shall be deemed to create any other relationship between Firm and Client, including but not limited to an agency relationship. The parties neither intend nor have any expectation that any such relationship will arise as a matter of law or as a result of this Agreement. This assignment shall be deemed concluded and the services hereunder completed upon delivery of the appraisal described herein to Client.
4. All statements of fact contained in the appraisal report as a basis of the appraiser's analyses, opinions, and conclusions will be true and correct to the best of the appraiser's actual knowledge and belief. The appraiser is entitled to, and shall rely upon the accuracy of information and material furnished to the Firm by Client. Appraiser is also entitled to, and shall, rely on information provided by sources upon which members of the appraisal profession typically rely and that are deemed to be reliable by members of that profession without independent verification.
5. The Firm and the appraiser shall have no responsibility for legal matters, or questions or issues involving survey or title, soil or subsoil conditions, engineering, zoning, buildability, environmental contamination, structural matters, construction defects, material or methodology, or other similar technical matters with regarding the Property. Furthermore, the appraisal will not constitute a survey of the Property.
6. The appraisal and the data and information gathered in its preparation (other than the confidential data and information provided by Client) is and will remain, the property of the Firm. The Firm shall not violate the confidential nature of the appraiser-client relationship by improperly disclosing any confidential information furnished by Client to the Firm. Notwithstanding the foregoing, the Firm and the appraiser are authorized by Client to disclose all or any portion of the appraisal and appraisal report and the related data and information, including confidential data and information provided by Client, to appropriate representatives of the Appraisal Institute if such disclosure is required to comply with the Standards, Bylaws and Regulations of the Appraisal Institute, as well as, such disclosure as

required by law and regulations, including compliance with a subpoena and licensing authority regulatory inquiries. The Firm is also authorized to include both confidential and non-confidential data assembled in the course of preparing the appraisal and which may be incorporated into the appraisal report in a database controlled by the Firm for the aggregation of such data and information to produce analytics and other metrics or products.

7. Unless specifically noted in the appraisal report, the appraisal will not take into consideration the possibility or probability of the existence of asbestos, PCB transformers, other toxic, hazardous, or contaminated substances and/or underground storage tanks (hazardous material) at on or in the Property, or the cost of encapsulation, removal or remediation thereof.
8. Client shall indemnify, defend (by counsel to be selected by Firm), protect, and hold Firm and Firm's agents, employees, affiliates, successors and assigns, free and harmless from any and all claims, liabilities, losses, penalties, fines, forfeitures, amounts paid in settlement, judgments, and all reasonable attorneys' fees and related litigation costs, fees and expenses incurred by the any of such indemnitees, which result from (i) any failure by Client or Client's agents or representatives to provide Firm with complete and accurate information regarding the Property; (ii) any material breach by Client of the provisions of the Agreement; (iii) the failure of Client or any of Client's agents to provide a complete copy of the Appraisal to any third party where such delivery is permitted by Firm; or (iv) arising from Client or Client's agents or representatives providing a copy of the Appraisal to a party not authorized by the Firm to receive such copy.
9. In preparing the appraisal, it is possible that the appraiser will discover conflicting information. In that event, appraiser will utilize information and data considered to be the most authoritative and for critical information will document the source. Information and data referred to may include, but is not limited to, legal descriptions; physical street addresses; assessor parcel numbers; property history; dimensions and areas of the site/land; dimensions and areas of the building improvements; physical unit counts; rent rolls; leases; lease abstracts; income and expense data; and any other related data. Any material discrepancy and/or error in any of the above data could have a substantial impact on the conclusions reported, and the Firm therefore reserves the right to amend conclusions reported if the Firm is made aware of any such discrepancy and/or error.
10. The appraisal may not be used, included or referenced, in whole or in part, in any offering or other materials without the prior written consent of the Firm, which consent may be conditioned upon the receipt by the Firm of an indemnity agreement, in form and content, satisfactory to Firm and provided by an indemnitor satisfactory to Firm. Client agrees to pay the fees of the Firm's legal counsel for review of any materials which is the subject of the requested consent. Except as agreed by the Firm expressly in writing, the Firm disclaims liability to any party other than Client.
11. The Firm shall not provide a copy of the appraisal to, or disclose the results of the appraisal to, any party other than Client, unless Client authorizes same, except as provided in the Confidentiality Section of the ETHICS RULE of the Uniform Standards of Professional Appraisal Practice (USPAP) or as otherwise required by law or regulations.
12. Client and any other identified Intended User should consider the appraisal as only one factor together with its own independent considerations and underwriting guidelines in making any decision or investment or taking any action regarding the Property. Client agrees that Firm shall not be

responsible in any way for any decision of Client or any Intended User related to the Property or for the advice or services provided by any other advisors or contractors.

13. Unless otherwise stated in this Agreement, Client agrees that the services pursuant to this Agreement shall not include participation in or preparation for, or attendance at, any legal, judicial, administrative, or arbitration proceeding relating to this assignment. In the event the Firm or any of its affiliates or the appraiser is required, whether through the service of a subpoena or otherwise, to produce documents or participate in or prepare for any discovery, testimony or attendance, relating to the appraisal or this assignment, where the Firm or its affiliate or the appraiser is not a party to the action or proceedings involved, Client agrees to reimburse expenses incurred by the Firm or its affiliate or its appraiser, including attorney's fees, in responding to such subpoena or other legal process and compensate the Firm therefor based upon the appraiser's prevailing hourly or daily rate for providing services as an expert consultant or witness.
14. Except as expressly provided herein, Firm makes no representations or warranties to Client or to any other person or entity with respect to the appraisal and the services to be provided by Firm under this Agreement. To the maximum extent permitted under applicable law, in no event will the Firm, its appraisers, employees, affiliates and agents, be liable for any indirect, special, exemplary, incidental, or consequential damages (including loss of profits) arising from or relating to this Agreement or the appraisal, even if such party knew or should have known of the possibility of, or could reasonably have prevented, such damages. In no event shall the total liability of the Firm, its appraisers, employees, affiliates and agents, arising from or relating to this Agreement or the appraisal, whether based on tort, contract, or any other legal theory, exceed the amount of fees paid to the Firm for the appraisal and the services described herein.
15. Federal banking regulations require banks and other lending institutions to engage appraisers where FIRREA compliant appraisals must be used in connection with mortgage loans or other transactions involving federally regulated lending institutions. In view of that requirement, this Appraisal may not be accepted by a federally regulated financial institution.
16. In the event Client fails to make payments of any fees or sums when due and payable under this Agreement; then from the date due and payable until paid, the amount due and payable shall bear interest at the maximum rate permitted under the laws of the state in which the Property is located. If the Firm is required to undertake collection efforts including institution of legal action against Client relating to the Agreement, the Firm shall be entitled to recover attorney's fees, litigation expenses, and costs from Client.
17. To the extent permitted under applicable law, any legal action or lawsuit or other proceeding by Client or any Intended User of the appraisal against Firm or its affiliates, officers, directors, employees, contractors, agents, or other representatives, whether based in contract, tort, warranty, indemnity or otherwise, relating to the appraisal shall be commenced within two (2) years from the date of delivery of the appraisal to the claimant in such action or proceeding unless the applicable law provides for a shorter period and any such claimant waives the right to a jury in any such legal action or lawsuit or other proceeding.
18. Throughout the performance of services under this Agreement, the Firm shall maintain at its sole cost and expense the following insurance:

- (a) Workers' Compensation, so as to provide statutory benefits as required by the laws of each state within the United States in which the Firm's services are being provided, and Employer's Liability insurance with limits of liability of no less than \$1,000,000 each accident, \$1,000,000 disease each employee and \$1,000,000 disease policy limit covering all employees of the Firm engaged in the performance of such services.
- (b) Fidelity insurance or bond with a limit of not less than \$1,000,000 to insure the Firm against loss of its or Client's assets caused from the dishonest acts of the Firm's employees.
- (c) Professional Liability insurance with a limit of liability of not less than \$15,000,000 each claim and \$15,000,000 aggregate, which limits may be provided by a combination of primary and excess policies.
- (d) Commercial General Liability insurance providing coverage against damages due to bodily injury (including death), property damage and personal and advertising injury arising in connection with the Firm's services provided under this Agreement, which insurance coverage shall: (i) be occurrence-based; (ii) provide limits of liability in an amount not less than \$1,000,000 each occurrence and \$1,000,000 aggregate (including excess and/or umbrella limits), (iii) include at least those coverages generally included in the most current ISO Commercial General Liability insurance policy form (or its equivalent); and (iv) include Client, and such other persons or entities as Client may identify in writing, as additional insureds solely with regard to claims arising out of this Agreement.
- (e) Commercial automobile liability for owned, hired and non-owned motor vehicles, with a \$1,000,000 combined single limit.

## **Addendum C**

### **Financials and Property Information**





**Properties: Anthos at Shadowood West - 4344 West Highland Drive Macon, GA 31210**

Period Beginning: Jan 2017

Period Ending: Dec 2017

Account Name	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Total
<b>Operating Income &amp; Expense</b>													
<b>Income</b>													
Rent/Lease Income	\$ 82,600.02	\$ 91,670.64	\$ 90,928.35	\$ 93,945.37	\$ 91,189.25	\$ 92,081.16	\$ 90,060.60	\$ 89,861.63	\$ 94,335.50	\$ 90,508.50	\$ 91,334.04	\$ 88,432.64	\$ 1,086,947.70
Pet Fee	\$ -	\$ 105.00	\$ 170.00	\$ -	\$ -	\$ 275.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 550.00
Application Fee Income	\$ -	\$ 50.00	\$ 80.42	\$ 444.58	\$ 260.00	\$ 315.00	\$ 305.00	\$ 505.00	\$ 340.00	\$ 375.00	\$ 150.00	\$ 235.00	\$ 3,060.00
Cleaning Income	\$ -	\$ 75.00	\$ 25.00	\$ 200.00	\$ 196.00	\$ 50.00	\$ -	\$ 282.00	\$ -	\$ 296.39	\$ -	\$ -	\$ 1,124.39
Key Fee Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 80.00	\$ -	\$ -	\$ -	\$ -	\$ 80.00
Tenant Legal & Reimb Income	\$ 429.00	\$ 2,654.67	\$ -	\$ -	\$ 250.00	\$ 460.00	\$ 540.00	\$ 487.03	\$ 1,000.00	\$ 799.75	\$ 750.00	\$ 899.75	\$ 8,270.20
NonRef Satellite Fee Inc	\$ -	\$ -	\$ 25.03	\$ -	\$ -	\$ 74.97	\$ -	\$ -	\$ 50.00	\$ 100.00	\$ -	\$ -	\$ 250.00
NonRef Lease Fee	\$ 75.00	\$ 1,303.00	\$ 124.00	\$ 300.00	\$ -	\$ 105.00	\$ 285.00	\$ 199.00	\$ 198.00	\$ -	\$ 743.00	\$ 55.00	\$ 3,387.00
Late Charge Income	\$ 836.00	\$ 3,628.40	\$ 1,307.70	\$ 930.40	\$ 1,035.50	\$ 1,898.80	\$ 1,486.47	\$ 1,645.30	\$ 2,810.78	\$ 1,641.21	\$ 1,849.29	\$ 1,694.15	\$ 20,764.00
Utility Reimb Income	\$ -	\$ -	\$ -	\$ 4.50	\$ 80.31	\$ 329.67	\$ 866.17	\$ 1,081.49	\$ 1,674.50	\$ 2,195.20	\$ 2,476.75	\$ 2,536.57	\$ 11,245.16
NSF Fee Reimb Income	\$ -	\$ -	\$ -	\$ 40.00	\$ -	\$ 80.00	\$ 40.00	\$ -	\$ -	\$ -	\$ 40.00	\$ -	\$ 200.00
Maint & Repairs Income	\$ -	\$ 25.00	\$ -	\$ -	\$ 4.00	\$ 404.56	\$ 39.84	\$ 264.00	\$ -	\$ 576.00	\$ -	\$ -	\$ 1,313.40
Termination Fee Income	\$ -	\$ -	\$ 1,185.00	\$ 185.00	\$ -	\$ 200.00	\$ 830.00	\$ 260.00	\$ -	\$ 740.50	\$ -	\$ -	\$ 5,762.13
Rent Concession	\$ (2,880.00)	\$ (4,483.77)	\$ (3,480.63)	\$ (3,675.49)	\$ (3,557.75)	\$ (2,991.72)	\$ (3,017.45)	\$ (2,920.75)	\$ (2,875.75)	\$ (1,552.00)	\$ (1,746.00)	\$ (1,446.50)	\$ (34,627.81)
Debt Collection	\$ 1,356.90	\$ 328.36	\$ -	\$ 1,058.60	\$ 120.00	\$ 120.00	\$ 120.00	\$ 452.27	\$ 513.60	\$ 744.37	\$ 300.00	\$ -	\$ 5,114.10
<b>Total Operating Income</b>	<b>\$ 82,416.92</b>	<b>\$ 95,356.30</b>	<b>\$ 90,364.87</b>	<b>\$ 93,432.96</b>	<b>\$ 89,577.31</b>	<b>\$ 93,402.44</b>	<b>\$ 91,555.63</b>	<b>\$ 92,196.97</b>	<b>\$ 98,046.63</b>	<b>\$ 96,424.92</b>	<b>\$ 95,897.08</b>	<b>\$ 94,768.24</b>	<b>\$ 1,113,440.27</b>
<b>Expense</b>													
Management Fees	\$ 3,300.00	\$ 3,300.00	\$ 3,300.00	\$ 11,460.00	\$ -	\$ -	\$ -	\$ 2,720.00	\$ 2,720.00	\$ 2,720.00	\$ 2,720.00	\$ 1,183.07	\$ 33,423.07
Manager Salaries	\$ 1,709.00	\$ 2,286.00	\$ 2,951.00	\$ 890.00	\$ 1,780.00	\$ 1,780.00	\$ 1,780.00	\$ 2,670.00	\$ 1,820.00	\$ 1,860.00	\$ 1,860.00	\$ 1,860.00	\$ 23,246.00
Clerical Salaries	\$ 2,131.50	\$ 2,711.50	\$ 3,509.01	\$ 2,711.50	\$ 2,842.00	\$ 2,341.73	\$ 2,537.50	\$ 4,002.00	\$ 2,590.25	\$ 2,861.25	\$ 2,816.25	\$ 2,940.00	\$ 33,994.49
Maintenance Salaries	\$ 3,093.00	\$ 3,801.00	\$ 4,729.50	\$ 3,603.05	\$ 4,032.00	\$ 3,594.00	\$ 3,805.50	\$ 6,025.50	\$ 4,109.50	\$ 3,894.00	\$ 3,983.38	\$ 4,051.75	\$ 48,722.18
Payroll Taxes - FICA	\$ 399.67	\$ 498.20	\$ 630.26	\$ 564.11	\$ 662.04	\$ 605.22	\$ 621.42	\$ 971.36	\$ 651.76	\$ 659.07	\$ 662.46	\$ 822.51	\$ 7,748.08
Payroll Taxes - FUTA	\$ 31.33	\$ 39.06	\$ 38.63	\$ 19.60	\$ 10.68	\$ 10.68	\$ 10.68	\$ 116.36	\$ -	\$ -	\$ -	\$ -	\$ 277.02
Payroll Taxes - SU/DI/ST	\$ 56.44	\$ 70.33	\$ 57.87	\$ (3.34)	\$ 54.11	\$ (41.61)	\$ 10.32	\$ 15.48	\$ 3.48	\$ -	\$ -	\$ -	\$ 223.08
Payroll Proc Fee	\$ 308.91	\$ 309.88	\$ 331.25	\$ 270.95	\$ 69.20	\$ 67.30	\$ 38.20	\$ 38.20	\$ 38.20	\$ -	\$ -	\$ 49.00	\$ 1,521.09
Employee Benefits	\$ 500.00	\$ -	\$ -	\$ 161.18	\$ -	\$ 593.63	\$ 114.45	\$ -	\$ -	\$ -	\$ -	\$ 2,750.00	\$ 4,119.26
Contract Labor	\$ 1,965.00	\$ 2,228.50	\$ 2,225.00	\$ 1,400.00	\$ 2,546.25	\$ 2,321.00	\$ 2,498.50	\$ 3,105.25	\$ 2,676.75	\$ 2,173.88	\$ 2,315.13	\$ 2,838.38	\$ 28,293.63
Advertising	\$ 366.20	\$ 789.20	\$ 545.98	\$ 23.32	\$ 868.88	\$ 661.93	\$ 23.86	\$ 2,072.27	\$ 1,658.16	\$ 928.06	\$ 2,500.91	\$ -	\$ 10,438.77
Office Supplies	\$ 465.42	\$ 300.84	\$ 132.64	\$ 94.53	\$ -	\$ 744.06	\$ -	\$ 446.91	\$ -	\$ 230.57	\$ 506.27	\$ -	\$ 2,921.24
Dues-Subscrip-Fees-Permits	\$ -	\$ 534.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 466.00	\$ -	\$ 1,000.00
Telephone/Internet	\$ 402.46	\$ 675.64	\$ 404.88	\$ 404.65	\$ 78.56	\$ 761.01	\$ 404.62	\$ 429.96	\$ 414.07	\$ 377.80	\$ -	\$ -	\$ 4,353.65
Travel - Corporate	\$ 301.21	\$ 223.37	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 524.58
Bank Charges	\$ -	\$ 20.00	\$ -	\$ 10.00	\$ -	\$ 10.00	\$ 10.00	\$ -	\$ -	\$ -	\$ -	\$ 10.00	\$ 60.00
Maintenance & Repair	\$ 155.25	\$ 19.22	\$ 8,714.03	\$ 1,170.00	\$ 8,355.00	\$ 36.70	\$ 3,013.30	\$ 1,025.00	\$ 1,376.00	\$ 2,095.00	\$ 188.50	\$ 3,421.50	\$ 29,569.50
Painting Supplies	\$ 413.45	\$ 170.14	\$ 450.14	\$ 296.28	\$ 709.36	\$ 302.71	\$ 486.96	\$ 243.50	\$ -	\$ 311.03	\$ 751.98	\$ -	\$ 4,135.55
Grounds Maintenance	\$ 2,736.04	\$ 1,368.04	\$ 2,086.00	\$ -	\$ 2,736.00	\$ 1,368.00	\$ 1,368.00	\$ 1,368.00	\$ 1,368.00	\$ -	\$ 2,736.08	\$ -	\$ 17,134.16
Exterminating	\$ 404.49	\$ (235.51)	\$ 84.49	\$ (172.32)	\$ 822.25	\$ (137.75)	\$ 884.02	\$ 1,204.49	\$ 565.49	\$ 275.25	\$ 1,340.00	\$ 700.00	\$ 5,734.90
Security	\$ 245.28	\$ 39.00	\$ 39.00	\$ -	\$ 58.50	\$ 58.50	\$ 39.00	\$ 39.00	\$ 39.00	\$ 19.50	\$ 741.82	\$ -	\$ 1,318.60
Supplies	\$ 2,799.50	\$ 8,047.74	\$ 3,839.22	\$ 2,982.70	\$ 3,669.14	\$ 9,267.87	\$ 5,230.19	\$ 8,405.86	\$ 5,039.07	\$ 3,987.62	\$ 4,487.25	\$ 1,382.63	\$ 59,138.79
Electricity	\$ 1,669.64	\$ 1,487.61	\$ 1,488.28	\$ 1,627.80	\$ 1,241.63	\$ 1,653.20	\$ 1,982.03	\$ 2,019.68	\$ 2,247.44	\$ 1,686.22	\$ 1,672.46	\$ 1,525.84	\$ 20,301.83
Electricity - Vacant Units	\$ 257.61	\$ 207.96	\$ 334.44	\$ 324.39	\$ 239.09	\$ 44.71	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,408.20
Water / Sewer	\$ 4,754.26	\$ 6,071.32	\$ 5,191.66	\$ 5,167.36	\$ 4,934.08	\$ 5,279.14	\$ 5,735.98	\$ 5,949.82	\$ 5,269.42	\$ 5,045.86	\$ 6,581.62	\$ 9,547.40	\$ 69,527.92
Trash Collection	\$ 488.45	\$ 508.45	\$ 499.05	\$ 539.05	\$ 1,293.70	\$ -	\$ 506.79	\$ 848.22	\$ 758.22	\$ 498.22	\$ 508.22	\$ 498.22	\$ 6,946.59
Fees & Permits	\$ -	\$ 423.48	\$ -	\$ -	\$ 350.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 773.48
Legal & L/T	\$ 1,044.00	\$ 1,186.00	\$ 874.00	\$ -	\$ 137.00	\$ 1,228.00	\$ 300.00	\$ 1,056.00	\$ 132.00	\$ 1,850.00	\$ 196.00	\$ -	\$ 8,003.00
Data Processing Exp	\$ -	\$ -	\$ 2,238.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,238.00
Commissions Exp - Leasing	\$ 350.00	\$ 200.00	\$ 675.00	\$ 200.00	\$ 250.00	\$ 287.50	\$ 225.00	\$ 350.00	\$ 425.00	\$ 250.00	\$ 525.00	\$ 175.00	\$ 3,912.50
Credit Report Expenses	\$ 162.56	\$ 357.63	\$ 438.91	\$ 406.40	\$ 276.35	\$ 162.56	\$ 211.33	\$ 243.84	\$ 113.78	\$ 195.06	\$ -	\$ -	\$ 2,568.42
Insurance	\$ -	\$ -	\$ -	\$ -	\$ 44,501.00	\$ 3,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 47,501.00
Insurance - Workers Comp	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,239.21	\$ -	\$ 2,842.00	\$ 4,081.21
RE Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,545.27	\$ 35,545.26	\$ -	\$ -	\$ 71,090.53
<b>Total Operating Expense</b>	<b>\$ 30,510.67</b>	<b>\$ 37,638.60</b>	<b>\$ 45,808.24</b>	<b>\$ 34,151.21</b>	<b>\$ 82,516.82</b>	<b>\$ 36,000.09</b>	<b>\$ 31,837.65</b>	<b>\$ 45,366.70</b>	<b>\$ 69,560.86</b>	<b>\$ 68,702.86</b>	<b>\$ 37,559.33</b>	<b>\$ 36,597.30</b>	<b>\$ 556,250.32</b>
<b>NOI - Net Operating Income</b>	<b>\$ 51,906.25</b>	<b>\$ 57,717.70</b>	<b>\$ 44,556.63</b>	<b>\$ 59,281.75</b>	<b>\$ 7,060.49</b>	<b>\$ 57,402.35</b>	<b>\$ 59,717.98</b>	<b>\$ 46,830.27</b>	<b>\$ 28,485.77</b>	<b>\$ 27,722.07</b>	<b>\$ 58,337.76</b>	<b>\$ 58,170.95</b>	<b>\$ 557,189.96</b>

## Property: Anthos at Shadowood West - 4344 West Highland Drive Macon, GA 31210

Period Beginning: Jan 2018

Period Ending: Dec 2018

Account Name	Jan 2018	Feb 2018	Mar 2018	Apr 2018	May 2018	Jun 2018	Jul 2018	Aug 2018	Sep 2018	Oct 2018	Nov 2018	Dec 2018	Total
<b>Operating Income &amp; Expense</b>													
<b>Income</b>													
Rent/Lease Income	\$ 85,652.54	\$ 98,865.59	\$ 93,821.20	\$ 84,903.44	\$ 89,520.34	\$ 91,323.64	\$ 84,277.60	\$ 91,984.82	\$ 82,941.37	\$ 84,437.17	\$ 84,612.85	\$ 86,767.00	\$ 1,059,107.56
Pet Fee	\$ -	\$ 162.75	\$ 112.26	\$ 91.67	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 366.68
Application Fee Income	\$ 515.00	\$ 225.00	\$ 135.00	\$ 180.00	\$ 365.00	\$ 537.00	\$ 165.00	\$ 420.00	\$ 245.00	\$ 550.00	\$ 530.00	\$ 465.00	\$ 4,332.00
Cleaning Income	\$ 262.00	\$ 238.00	\$ 47.00	\$ 95.00	\$ -	\$ 250.00	\$ -	\$ -	\$ 115.00	\$ 375.00	\$ 336.25	\$ 100.00	\$ 1,818.25
Key Fee Income	\$ 25.00	\$ -	\$ 5.00	\$ 25.00	\$ -	\$ -	\$ 65.00	\$ 5.00	\$ 25.00	\$ -	\$ 5.00	\$ -	\$ 155.00
Tenant Legal & Reimb Income	\$ 1,454.60	\$ 3,209.16	\$ 864.06	\$ 903.60	\$ 250.00	\$ 1,650.15	\$ 606.75	\$ 1,658.61	\$ 2,000.35	\$ 1,518.98	\$ 1,083.24	\$ 2,541.04	\$ 17,740.54
NonRef Lease Fee	\$ -	\$ 50.00	\$ 50.00	\$ 150.00	\$ 50.00	\$ 150.00	\$ 150.00	\$ 99.00	\$ 659.00	\$ (161.00)	\$ -	\$ 598.00	\$ 1,795.00
Late Charge Income	\$ 1,557.03	\$ 3,511.46	\$ 2,004.32	\$ 1,602.95	\$ 1,386.02	\$ 2,721.31	\$ 1,762.14	\$ 2,634.39	\$ 2,289.81	\$ 2,019.21	\$ 1,865.38	\$ 2,432.47	\$ 25,786.49
Utility Reimb Income	\$ 3,150.14	\$ 3,677.56	\$ 3,964.31	\$ 4,295.89	\$ 3,913.61	\$ 4,636.81	\$ 4,679.79	\$ 4,914.15	\$ 5,082.32	\$ 5,186.77	\$ 4,987.30	\$ 4,334.33	\$ 52,822.98
NSF Fee Reimb Income	\$ 39.90	\$ 80.10	\$ 40.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 80.00	\$ 119.50	\$ 40.50	\$ 400.00
Maint & Repairs Income	\$ 8.00	\$ 151.00	\$ 613.00	\$ 482.00	\$ 300.00	\$ -	\$ 495.00	\$ 295.00	\$ 263.00	\$ 279.54	\$ 12.00	\$ 530.00	\$ 3,428.54
Termination Fee Income	\$ 159.75	\$ 49.75	\$ 751.19	\$ -	\$ -	\$ -	\$ 260.00	\$ 135.00	\$ -	\$ 545.00	\$ 299.40	\$ 1,490.66	\$ 3,690.75
Interest Income	\$ -	\$ 3.65	\$ 1.68	\$ 2.10	\$ 2.10	\$ 2.17	\$ 2.33	\$ 2.48	\$ 2.48	\$ 1.35	\$ 0.93	\$ 0.90	\$ 22.17
Rent Concession	\$ (1,451.00)	\$ (2,059.35)	\$ (2,390.01)	\$ (3,100.21)	\$ (2,996.80)	\$ (2,127.49)	\$ (1,926.00)	\$ (1,608.00)	\$ (1,546.50)	\$ (1,314.50)	\$ (887.00)	\$ (3,015.51)	\$ (24,422.37)
Debt Collection	\$ 763.66	\$ -	\$ 683.90	\$ 898.19	\$ 384.00	\$ 252.00	\$ 192.00	\$ 483.00	\$ 435.00	\$ 255.00	\$ 135.00	\$ -	\$ 4,481.75
Misc Rental Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 95.00	\$ 50.00	\$ 100.00	\$ 14.00	\$ 136.00	\$ 100.00	\$ 100.00	\$ 595.00
<b>Total Operating Income</b>	<b>\$ 92,136.62</b>	<b>\$ 108,164.67</b>	<b>\$ 100,702.91</b>	<b>\$ 90,529.63</b>	<b>\$ 93,174.27</b>	<b>\$ 99,490.59</b>	<b>\$ 90,779.61</b>	<b>\$ 101,123.45</b>	<b>\$ 92,525.83</b>	<b>\$ 93,908.52</b>	<b>\$ 93,199.85</b>	<b>\$ 96,384.39</b>	<b>\$ 1,152,120.34</b>
<b>Expense</b>													
Management Fees	\$ 2,800.00	\$ 2,800.00	\$ 2,800.00	\$ 2,800.00	\$ 2,800.00	\$ 2,800.00	\$ 2,800.00	\$ 2,800.00	\$ 2,800.00	\$ 3,600.00	\$ 2,800.00	\$ 2,800.00	\$ 34,400.00
Manager Salaries	\$ 1,860.00	\$ 1,860.00	\$ 2,790.00	\$ 1,860.00	\$ 1,860.00	\$ 1,860.00	\$ 1,860.00	\$ 2,790.00	\$ 1,860.00	\$ 1,860.00	\$ 1,860.00	\$ 3,360.00	\$ 25,680.00
Clerical Salaries	\$ 3,771.75	\$ 4,437.00	\$ 5,975.25	\$ 3,106.13	\$ 2,797.13	\$ 2,847.75	\$ 2,997.83	\$ 4,229.56	\$ 3,011.10	\$ 2,635.58	\$ 2,913.56	\$ 3,411.08	\$ 42,133.72
Maintenance Salaries	\$ 4,069.75	\$ 4,116.88	\$ 6,415.13	\$ 3,721.65	\$ 3,636.11	\$ 4,709.20	\$ 4,023.87	\$ 5,587.16	\$ 4,174.66	\$ 3,705.32	\$ 3,782.99	\$ 4,742.94	\$ 52,685.66
Payroll Taxes - FICA	\$ 742.16	\$ 796.66	\$ 1,052.68	\$ 641.67	\$ 634.43	\$ 720.39	\$ 679.45	\$ 964.42	\$ 692.00	\$ 627.37	\$ 654.57	\$ 886.35	\$ 9,092.15
Payroll Taxes - FUTA	\$ 58.21	\$ 62.48	\$ 70.40	\$ 5.12	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 196.21
Payroll Taxes - SU/DI/ST	\$ 56.27	\$ 60.40	\$ 6.07	\$ 2.07	\$ 0.89	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.37	\$ 126.07
Payroll Proc Fee	\$ 40.75	\$ 43.30	\$ 78.05	\$ 38.20	\$ 38.20	\$ 59.85	\$ 38.60	\$ 38.60	\$ 19.30	\$ -	\$ -	\$ 43.80	\$ 438.65
Employee Benefits	\$ -	\$ 1,700.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,896.69	\$ 3,596.69
Payroll - Other	\$ -	\$ (111.71)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (111.71)
Advertising	\$ 26.94	\$ 53.48	\$ 549.72	\$ 1,358.75	\$ 861.69	\$ 826.87	\$ 1,855.15	\$ 524.00	\$ 1,281.19	\$ 7,467.25	\$ 1,948.10	\$ 1,625.69	\$ 18,378.83
Office Supplies	\$ 40.96	\$ 435.82	\$ 63.74	\$ 166.08	\$ 26.44	\$ 407.61	\$ -	\$ 144.42	\$ 62.05	\$ 59.72	\$ 626.52	\$ 493.63	\$ 2,526.99
Dues-Subscrip-Fees-Permits	\$ -	\$ 534.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 466.00	\$ -	\$ 1,000.00
Telephone/Internet	\$ 575.76	\$ 273.04	\$ -	\$ 549.26	\$ 276.22	\$ 276.22	\$ 276.00	\$ 276.00	\$ 276.00	\$ 282.85	\$ 282.85	\$ 283.22	\$ 3,627.42
Travel - Corporate	\$ -	\$ -	\$ 223.11	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 360.93	\$ 326.70	\$ -	\$ 910.74
Bank Charges	\$ -	\$ 10.00	\$ -	\$ -	\$ -	\$ 10.00	\$ -	\$ -	\$ 10.00	\$ -	\$ 10.00	\$ -	\$ 50.00
Maintenance & Repair	\$ 2,054.84	\$ 2,699.00	\$ 1,710.00	\$ 2,329.22	\$ 906.78	\$ 3,160.83	\$ 4,800.00	\$ 1,350.00	\$ 3,138.35	\$ 5,539.21	\$ 3,115.00	\$ 4,793.81	\$ 35,597.04
Painting Supplies	\$ 243.48	\$ 251.57	\$ 92.92	\$ 616.11	\$ 113.41	\$ 538.65	\$ 475.22	\$ 272.53	\$ 932.84	\$ 795.24	\$ 543.46	\$ 718.78	\$ 5,594.21
Grounds Maintenance	\$ -	\$ 4,104.12	\$ 1,368.04	\$ 1,368.00	\$ 1,368.00	\$ 1,368.00	\$ 1,368.00	\$ 1,368.00	\$ 1,368.00	\$ 1,368.04	\$ 2,618.04	\$ 2,980.84	\$ 20,647.08
Exterminating	\$ 1,014.83	\$ 1,459.41	\$ 514.97	\$ 832.22	\$ (191.42)	\$ (18.42)	\$ (424.42)	\$ 192.22	\$ 992.22	\$ 345.00	\$ 970.00	\$ 270.00	\$ 5,956.61
Security	\$ 138.00	\$ 90.00	\$ 60.00	\$ 99.00	\$ 30.00	\$ (39.00)	\$ -	\$ -	\$ 185.00	\$ 120.00	\$ 315.00	\$ -	\$ 998.00
Supplies	\$ 3,970.02	\$ 3,547.75	\$ 2,966.84	\$ 2,764.35	\$ 6,110.47	\$ 3,590.60	\$ 7,533.13	\$ -	\$ 4,571.55	\$ 3,603.00	\$ 5,394.34	\$ 8,162.43	\$ 52,214.48
Electricity	\$ 3,084.28	\$ 1,485.88	\$ 2,107.64	\$ 1,325.01	\$ 1,275.77	\$ 1,373.00	\$ 1,665.38	\$ 714.15	\$ 1,551.20	\$ 1,880.45	\$ 2,075.36	\$ 2,321.97	\$ 20,860.09
Electricity - Vacant Units	\$ -	\$ -	\$ -	\$ -	\$ 57.61	\$ 192.55	\$ 357.84	\$ 859.16	\$ -	\$ -	\$ -	\$ -	\$ 1,467.16
Water / Sewer	\$ 945.78	\$ 4,469.66	\$ 4,753.02	\$ 7,065.44	\$ 5,021.20	\$ 5,400.70	\$ 4,965.54	\$ 5,213.48	\$ 5,076.86	\$ 4,778.32	\$ 4,980.72	\$ 4,560.74	\$ 57,231.46
Trash Collection	\$ 668.22	\$ -	\$ 1,182.44	\$ 871.33	\$ 517.90	\$ 517.90	\$ 840.96	\$ 674.64	\$ 622.66	\$ 603.16	\$ -	\$ -	\$ 6,499.21
Real Estate Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,834.21	\$ -	\$ -	\$ 75,834.21
Fees & Permits	\$ 150.00	\$ 350.00	\$ -	\$ -	\$ 300.00	\$ -	\$ -	\$ 279.68	\$ -	\$ 350.00	\$ -	\$ -	\$ 1,429.68
Legal & L/T	\$ 2,238.00	\$ 1,748.00	\$ 1,968.00	\$ 552.00	\$ 824.00	\$ 1,016.00	\$ 828.00	\$ 478.00	\$ 1,168.00	\$ 1,237.00	\$ 2,781.00	\$ 1,004.00	\$ 15,842.00

IT Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100.00	\$ -	\$ -	\$ 100.00
Professional - Other	\$ -	\$ -	\$ 800.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 800.00
Commissions Exp - Leasing	\$ 400.00	\$ 220.00	\$ 405.00	\$ 350.00	\$ 390.00	\$ 510.00	\$ 270.00	\$ 420.00	\$ 420.00	\$ 300.00	\$ -	\$ 360.00	\$ 4,045.00	
Credit Report Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,316.00	\$ 2,316.00	
Insurance	\$ -	\$ -	\$ -	\$ -	\$ 45,192.00	\$ -	\$ 3,153.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,345.00	
Insurance - Workers Comp	\$ -	\$ -	\$ -	\$ 2,952.33	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 971.66	\$ -	\$ 393.92	\$ 4,317.91	
<b>Total Operating Expense</b>	<b>\$ 28,950.00</b>	<b>\$ 37,496.74</b>	<b>\$ 37,953.02</b>	<b>\$ 35,373.94</b>	<b>\$ 74,846.83</b>	<b>\$ 32,128.70</b>	<b>\$ 40,363.55</b>	<b>\$ 29,176.02</b>	<b>\$ 34,212.98</b>	<b>\$ 118,424.31</b>	<b>\$ 38,464.21</b>	<b>\$ 47,436.26</b>	<b>\$ 554,826.56</b>	
<b>NOI - Net Operating Income</b>	<b>\$ 63,186.62</b>	<b>\$ 70,667.93</b>	<b>\$ 62,749.89</b>	<b>\$ 55,155.69</b>	<b>\$ 18,327.44</b>	<b>\$ 67,361.89</b>	<b>\$ 50,416.06</b>	<b>\$ 71,947.43</b>	<b>\$ 58,312.85</b>	<b>\$ (24,515.79)</b>	<b>\$ 54,735.64</b>	<b>\$ 48,948.13</b>	<b>\$ 597,293.78</b>	

## Property: Anthos at Shadowood West - 4344 West Highland Drive Macon, GA 31210

Period Beginning: Jan 2019

Period Ending: Dec 2019

Account Name	Jan 2019	Feb 2019	Mar 2019	Apr 2019	May 2019	Jun 2019	Jul 2019	Aug 2019	Sep 2019	Oct 2019	Nov 2019	Dec 2019	Total
<b>Operating Income &amp; Expense</b>													
<b>Income</b>													
Rent/Lease Income	\$ 86,855.06	\$ 84,089.56	\$ 88,454.05	\$ 84,368.04	\$ 92,424.96	\$ 83,353.13	\$ 90,590.26	\$ 92,877.27	\$ 78,922.88	\$ 93,102.09	\$ 83,750.54	\$ 102,335.07	\$ 1,061,122.91
Pet Fee	\$ 10.00	\$ 10.00	\$ 10.00	\$ 275.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 20.00	\$ 105.40	\$ 550.00	\$ (164.40)	\$ 174.00	\$ 1,020.00
Application Fee Income	\$ 534.99	\$ 155.00	\$ 180.00	\$ 485.00	\$ 820.00	\$ 565.00	\$ 660.00	\$ 295.00	\$ 570.00	\$ 760.00	\$ 620.00	\$ 265.00	\$ 5,909.99
Cleaning Income	\$ -	\$ 300.00	\$ 637.90	\$ -	\$ 170.00	\$ 55.00	\$ 95.00	\$ 75.00	\$ 20.00	\$ 130.00	\$ 185.00	\$ 75.00	\$ 1,742.90
Key Fee Income	\$ -	\$ -	\$ 25.00	\$ 5.00	\$ -	\$ -	\$ -	\$ 25.00	\$ 80.00	\$ (25.00)	\$ 80.00	\$ -	\$ 190.00
Tenant Legal & Reimb Income	\$ 2,909.12	\$ 799.50	\$ 1,300.75	\$ 850.00	\$ 2,825.33	\$ 2,139.91	\$ 1,557.43	\$ 3,268.41	\$ 303.33	\$ 1,850.00	\$ 1,062.25	\$ 2,820.00	\$ 21,686.03
NonRef Satellite Fee Inc	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50.00	\$ 50.00	\$ 50.00	\$ -	\$ -	\$ -	\$ -	\$ 150.00
NonRef Lease Fee	\$ -	\$ 198.00	\$ 597.00	\$ 297.00	\$ 99.00	\$ 99.00	\$ -	\$ 207.00	\$ 99.00	\$ -	\$ 199.00	\$ -	\$ 1,795.00
Late Charge Income	\$ 2,033.98	\$ 1,397.11	\$ 1,947.19	\$ 1,918.15	\$ 2,036.09	\$ 1,828.62	\$ 1,476.45	\$ 1,777.73	\$ 1,322.18	\$ 1,251.75	\$ 1,954.58	\$ 2,162.19	\$ 21,106.02
Utility Reimb Income	\$ 6,246.12	\$ 5,417.75	\$ 5,740.71	\$ 5,525.33	\$ 5,579.80	\$ 5,414.08	\$ 5,559.79	\$ 5,635.03	\$ 5,268.65	\$ 5,557.18	\$ 5,746.83	\$ 5,998.17	\$ 67,689.44
NSF Fee Reimb Income	\$ 40.00	\$ 40.00	\$ 120.00	\$ -	\$ 41.00	\$ 79.00	\$ 80.00	\$ -	\$ -	\$ 40.00	\$ 40.00	\$ 120.00	\$ 600.00
Maint & Repairs Income	\$ 16.00	\$ 177.00	\$ 303.65	\$ 2.35	\$ 212.00	\$ 120.00	\$ 116.00	\$ 185.00	\$ 678.00	\$ 691.00	\$ 437.56	\$ 432.23	\$ 3,370.79
Termination Fee Income	\$ 575.60	\$ -	\$ 99.20	\$ 560.26	\$ 680.00	\$ 608.33	\$ 200.00	\$ 1,100.00	\$ 104.75	\$ 305.00	\$ 2,733.75	\$ 145.00	\$ 7,111.89
Interest Income	\$ 1.15	\$ 1.24	\$ 1.12	\$ 1.24	\$ 1.43	\$ 1.19	\$ 0.90	\$ 0.93	\$ -	\$ 2.04	\$ 1.17	\$ -	\$ 12.41
Cable / Internet Income	\$ 15,100.00	\$ 7,701.59	\$ -	\$ -	\$ 1,377.34	\$ -	\$ -	\$ 882.49	\$ -	\$ -	\$ 964.74	\$ -	\$ 26,026.16
Rent Concession	\$ (2,078.65)	\$ (2,570.84)	\$ (3,558.00)	\$ (1,234.50)	\$ (997.50)	\$ (1,176.27)	\$ (2,671.50)	\$ (1,373.27)	\$ (660.50)	\$ (1,260.00)	\$ (2,930.00)	\$ (4,527.50)	\$ (25,038.53)
Debt Collection	\$ -	\$ -	\$ 28.15	\$ 975.00	\$ 93.00	\$ 38.20	\$ 123.00	\$ 1,136.24	\$ 648.00	\$ 402.00	\$ 703.20	\$ 298.20	\$ 4,444.99
Misc Rental Income	\$ 150.00	\$ 150.00	\$ 150.00	\$ 200.00	\$ 245.50	\$ 161.42	\$ 249.75	\$ 200.00	\$ 271.67	\$ 199.00	\$ 301.00	\$ 199.75	\$ 2,478.09
<b>Total Operating Income</b>	<b>\$ 112,393.37</b>	<b>\$ 97,865.91</b>	<b>\$ 96,036.72</b>	<b>\$ 94,227.87</b>	<b>\$ 105,617.95</b>	<b>\$ 93,346.61</b>	<b>\$ 98,097.08</b>	<b>\$ 106,361.83</b>	<b>\$ 87,733.36</b>	<b>\$ 103,555.06</b>	<b>\$ 95,685.22</b>	<b>\$ 110,497.11</b>	<b>\$ 1,201,418.09</b>
<b>Expense</b>													
Management Fees	\$ 2,800.00	\$ 2,800.00	\$ 2,800.00	\$ 3,600.00	\$ 2,800.00	\$ 2,800.00	\$ 2,800.00	\$ 2,800.00	\$ 3,550.00	\$ 2,800.00	\$ 3,150.00	\$ 3,342.54	\$ 36,042.54
Manager Salaries	\$ 2,790.00	\$ 1,860.00	\$ 1,860.00	\$ 1,860.00	\$ 1,860.00	\$ 1,860.00	\$ 1,860.00	\$ 2,790.00	\$ 1,860.00	\$ 1,860.00	\$ 1,960.00	\$ 4,360.00	\$ 26,780.00
Clerical Salaries	\$ 5,196.00	\$ 3,281.25	\$ 3,687.60	\$ 3,054.00	\$ 3,152.08	\$ 3,014.32	\$ 2,187.25	\$ 2,828.54	\$ 2,074.80	\$ 1,686.75	\$ 1,951.46	\$ 2,027.64	\$ 34,141.69
Maintenance Salaries	\$ 5,860.45	\$ 4,174.29	\$ 3,502.18	\$ 3,920.44	\$ 3,950.83	\$ 3,984.57	\$ 3,111.83	\$ 2,808.24	\$ 1,891.50	\$ 1,864.08	\$ 3,600.47	\$ 4,421.10	\$ 43,089.98
Payroll Taxes - FICA	\$ 1,064.79	\$ 716.38	\$ 736.14	\$ 683.68	\$ 685.67	\$ 677.70	\$ 547.67	\$ 644.66	\$ 445.71	\$ 413.93	\$ 574.66	\$ 826.87	\$ 8,017.86
Payroll Taxes - FUTA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6.18	\$ 16.97	\$ 11.90	\$ -	\$ 10.78	\$ 11.66	\$ 57.49
Payroll Taxes - SU/DI/ST	\$ 83.07	\$ 55.90	\$ 3.62	\$ 2.75	\$ 1.07	\$ -	\$ 7.81	\$ 1.13	\$ 0.83	\$ 0.68	\$ 1.01	\$ 0.77	\$ 158.64
Payroll Proc Fee	\$ 43.80	\$ 43.80	\$ 92.45	\$ 43.80	\$ 57.90	\$ 38.60	\$ 39.00	\$ -	\$ -	\$ -	\$ 19.50	\$ 58.50	\$ 437.35
Employee Benefits	\$ -	\$ -	\$ -	\$ -	\$ 1,000.00	\$ (500.00)	\$ -	\$ -	\$ -	\$ 150.00	\$ -	\$ -	\$ 650.00
Advertising	\$ 1,353.39	\$ 1,173.33	\$ 1,512.93	\$ 1,312.59	\$ 571.42	\$ 1,487.92	\$ 1,678.06	\$ 532.27	\$ 1,142.40	\$ 1,237.30	\$ 1,402.38	\$ 1,207.42	\$ 14,611.41
Office Supplies	\$ 476.44	\$ 196.59	\$ 699.43	\$ 111.59	\$ 338.38	\$ 514.88	\$ 515.94	\$ 393.75	\$ 113.67	\$ 249.77	\$ 222.50	\$ 897.28	\$ 4,730.22
Dues-Subscrip-Fees-Permits	\$ 534.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 466.00	\$ -	\$ 1,000.00
Telephone/Internet	\$ -	\$ 599.84	\$ 288.30	\$ 285.26	\$ 285.27	\$ 225.84	\$ -	\$ 285.86	\$ 540.14	\$ -	\$ 565.54	\$ 254.49	\$ 3,330.54
Travel - Corporate	\$ 198.51	\$ 1,095.06	\$ -	\$ 239.25	\$ -	\$ -	\$ 88.13	\$ -	\$ -	\$ 23.88	\$ 149.45	\$ -	\$ 1,794.28
Bank Charges	\$ -	\$ -	\$ 10.00	\$ -	\$ -	\$ 10.00	\$ -	\$ -	\$ 10.00	\$ -	\$ -	\$ -	\$ 30.00
Maintenance & Repair	\$ 2,574.68	\$ 8,355.54	\$ 4,588.93	\$ 3,969.77	\$ 3,182.13	\$ 3,632.44	\$ 2,463.21	\$ 750.00	\$ 2,055.00	\$ 3,003.00	\$ 1,720.57	\$ 4,565.59	\$ 40,860.86
Painting Supplies	\$ 3,084.37	\$ 654.52	\$ 544.52	\$ 967.28	\$ 856.19	\$ 496.74	\$ 755.21	\$ 249.84	\$ -	\$ 838.94	\$ 1,664.38	\$ -	\$ 10,111.99
Grounds Maintenance	\$ 1,368.04	\$ 1,768.04	\$ 1,368.04	\$ 2,652.00	\$ 1,368.00	\$ 1,368.00	\$ 1,368.00	\$ 1,368.00	\$ 1,368.00	\$ 1,369.00	\$ 1,369.00	\$ 869.00	\$ 17,603.12
Exterminating	\$ 270.00	\$ 270.00	\$ 270.00	\$ 329.00	\$ 329.00	\$ -	\$ 1,358.00	\$ 658.00	\$ (250.00)	\$ 380.00	\$ 380.00	\$ 475.00	\$ 4,469.00
Security	\$ 120.00	\$ 60.00	\$ -	\$ 60.00	\$ 60.00	\$ 60.00	\$ 270.00	\$ (75.00)	\$ 60.00	\$ 120.00	\$ 60.00	\$ 60.00	\$ 855.00
Fire Protection & Alarm System	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,380.00	\$ -	\$ -	\$ -	\$ 53.47	\$ -	\$ 1,433.47
Supplies	\$ 9,094.82	\$ 12,479.07	\$ 6,798.91	\$ 5,303.57	\$ 6,505.48	\$ 7,972.20	\$ 4,359.09	\$ 3,696.91	\$ 3,757.99	\$ 5,719.49	\$ 5,639.29	\$ 3,956.41	\$ 75,283.23
Electricity	\$ 1,927.59	\$ 797.08	\$ 1,302.99	\$ 1,323.51	\$ 2,057.44	\$ 823.70	\$ 1,573.13	\$ 1,612.52	\$ 2,130.54	\$ 656.91	\$ 2,269.45	\$ 1,200.99	\$ 17,675.85
Electricity - Non Cam	\$ 354.29	\$ 664.35	\$ 311.07	\$ 205.53	\$ 221.62	\$ 297.59	\$ 347.29	\$ 230.82	\$ 434.84	\$ 282.48	\$ 328.51	\$ 359.59	\$ 4,037.98
Water / Sewer	\$ 4,322.18	\$ 4,632.98	\$ 4,638.24	\$ 5,195.80	\$ 5,106.38	\$ 5,511.40	\$ 5,180.02	\$ 5,779.66	\$ 4,512.00	\$ 4,222.70	\$ -	\$ 8,745.22	\$ 57,846.58
Trash Collection	\$ 2,165.55	\$ 755.27	\$ 749.91	\$ 750.00	\$ 1,098.00	\$ 549.00	\$ 549.00	\$ 579.00	\$ 669.00	\$ 639.90	\$ 569.90	\$ 633.30	\$ 9,707.83
Real Estate Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 74,276.38	\$ -	\$ -	\$ -	\$ 74,276.38

Fees & Permits	\$ -	\$ -	\$ 150.00	\$ -	\$ 300.00	\$ -	\$ -	\$ 1,774.56	\$ -	\$ -	\$ -	\$ 350.00	\$ 2,574.56
Legal & L/T	\$ 1,353.00	\$ 685.00	\$ 997.00	\$ 100.00	\$ 877.00	\$ 1,873.00	\$ 3,010.00	\$ 250.00	\$ 2,081.00	\$ 844.00	\$ 1,195.00	\$ 1,344.00	\$ 14,609.00
Professional - Other	\$ -	\$ -	\$ 300.00	\$ -	\$ -	\$ -	\$ -	\$ 4,260.00	\$ -	\$ -	\$ -	\$ -	\$ 4,560.00
Commissions Exp - Leasing	\$ 450.00	\$ 705.00	\$ 60.00	\$ 310.00	\$ 480.00	\$ 330.00	\$ 600.00	\$ 180.00	\$ 460.00	\$ 300.00	\$ 300.00	\$ 350.00	\$ 4,525.00
Credit Report Expenses	\$ -	\$ 595.00	\$ 289.00	\$ 289.00	\$ 221.00	\$ 459.00	\$ 311.83	\$ 366.86	\$ 128.40	\$ 293.49	\$ 421.89	\$ 275.15	\$ 3,650.62
Insurance	\$ -	\$ -	\$ (564.00)	\$ -	\$ 45,150.00	\$ -	\$ 3,153.00	\$ -	\$ -	\$ -	\$ 7,112.99	\$ -	\$ 54,851.99
Insurance - Workers Comp	\$ 4,333.12	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,333.12
<b>Total Operating Expense</b>	<b>\$ 51,818.09</b>	<b>\$ 48,418.29</b>	<b>\$ 36,997.26</b>	<b>\$ 36,568.82</b>	<b>\$ 82,514.86</b>	<b>\$ 37,486.90</b>	<b>\$ 39,519.65</b>	<b>\$ 34,782.59</b>	<b>\$ 29,047.72</b>	<b>\$ 103,232.68</b>	<b>\$ 37,158.20</b>	<b>\$ 40,592.52</b>	<b>\$ 578,137.58</b>
<b>NOI - Net Operating Income</b>	<b>\$ 60,575.28</b>	<b>\$ 49,447.62</b>	<b>\$ 59,039.46</b>	<b>\$ 57,659.05</b>	<b>\$ 23,103.09</b>	<b>\$ 55,859.71</b>	<b>\$ 58,577.43</b>	<b>\$ 71,579.24</b>	<b>\$ 58,685.64</b>	<b>\$ 322.38</b>	<b>\$ 58,527.02</b>	<b>\$ 69,904.59</b>	<b>\$ 623,280.51</b>

Month	1	2	3	4	5	6	7	8	9	10	11	12	Annual	13	14	15	16	17	18	19	20	21	22	23	24	Annual		
Gross Residential Rent	\$94,997	\$95,156	\$95,316	\$95,476	\$95,636	\$95,796	\$95,956	\$96,117	\$96,278	\$96,439	\$96,601	\$96,763	\$1,150,531	\$96,925	\$97,087	\$97,250	\$97,413	\$97,576	\$97,739	\$97,903	\$98,067	\$98,231	\$98,396	\$98,561	\$98,726	\$1,173,875		
VACANCY LOSS	(\$4,843)	(\$4,843)	(\$4,843)	(\$4,843)	(\$4,843)	(\$4,843)	(\$4,843)	(\$4,843)	(\$4,843)	(\$4,843)	(\$4,843)	(\$4,843)	(\$58,110)	(\$4,843)	(\$4,843)	(\$4,843)	(\$4,843)	(\$4,843)	(\$4,843)	(\$4,843)	(\$4,843)	(\$4,843)	(\$4,843)	(\$4,843)	(\$4,843)	(\$4,843)	(\$58,110)	
Ancillary Income	\$12,849	\$12,849	\$12,849	\$12,849	\$12,849	\$12,849	\$12,849	\$12,849	\$12,849	\$12,849	\$12,849	\$12,849	\$154,188	\$12,849	\$12,849	\$12,849	\$12,849	\$12,849	\$12,849	\$12,849	\$12,849	\$12,849	\$12,849	\$12,849	\$12,849	\$12,849	\$154,188	
<b>TOTAL EFFECTIVE GROSS INCOME</b>	<b>\$103,004</b>	<b>\$103,163</b>	<b>\$103,322</b>	<b>\$103,482</b>	<b>\$103,642</b>	<b>\$103,802</b>	<b>\$103,963</b>	<b>\$104,124</b>	<b>\$104,285</b>	<b>\$104,446</b>	<b>\$104,607</b>	<b>\$104,769</b>	<b>\$1,246,609</b>	<b>\$104,931</b>	<b>\$105,094</b>	<b>\$105,256</b>	<b>\$105,419</b>	<b>\$105,582</b>	<b>\$105,746</b>	<b>\$105,910</b>	<b>\$106,074</b>	<b>\$106,238</b>	<b>\$106,403</b>	<b>\$106,567</b>	<b>\$106,732</b>	<b>\$1,269,953</b>		
<b>Maintenance/Utilities</b>													<b>5.00%</b>														<b>5.00%</b>	
TAXES	(\$11,704)	(\$11,704)	(\$11,704)	(\$11,704)	(\$11,704)	(\$11,704)	(\$11,704)	(\$11,704)	(\$11,704)	(\$11,704)	(\$11,704)	(\$11,704)	(\$140,448)	(\$11,704)	(\$11,704)	(\$11,704)	(\$11,704)	(\$11,704)	(\$11,704)	(\$11,704)	(\$11,704)	(\$11,704)	(\$11,704)	(\$11,704)	(\$11,704)	(\$11,704)	(\$140,448)	
WATER & SEWER	(\$5,055)	(\$5,055)	(\$5,055)	(\$5,055)	(\$5,055)	(\$5,055)	(\$5,055)	(\$5,055)	(\$5,055)	(\$5,055)	(\$5,055)	(\$5,055)	(\$60,660)	(\$5,055)	(\$5,055)	(\$5,055)	(\$5,055)	(\$5,055)	(\$5,055)	(\$5,055)	(\$5,055)	(\$5,055)	(\$5,055)	(\$5,055)	(\$5,055)	(\$5,055)	(\$5,055)	(\$60,660)
INSURANCE	(\$3,483)	(\$3,483)	(\$3,483)	(\$3,483)	(\$3,483)	(\$3,483)	(\$3,483)	(\$3,483)	(\$3,483)	(\$3,483)	(\$3,483)	(\$3,483)	(\$41,796)	(\$3,483)	(\$3,483)	(\$3,483)	(\$3,483)	(\$3,483)	(\$3,483)	(\$3,483)	(\$3,483)	(\$3,483)	(\$3,483)	(\$3,483)	(\$3,483)	(\$3,483)	(\$3,483)	(\$41,796)
PAYROLL	(\$13,933)	(\$13,933)	(\$13,933)	(\$13,933)	(\$13,933)	(\$13,933)	(\$13,933)	(\$13,933)	(\$13,933)	(\$13,933)	(\$13,933)	(\$13,933)	(\$167,196)	(\$13,933)	(\$13,933)	(\$13,933)	(\$13,933)	(\$13,933)	(\$13,933)	(\$13,933)	(\$13,933)	(\$13,933)	(\$13,933)	(\$13,933)	(\$13,933)	(\$13,933)	(\$167,196)	
ELEVATOR	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
CLEANING & EXTERMINATING	(\$693)	(\$693)	(\$693)	(\$693)	(\$693)	(\$693)	(\$693)	(\$693)	(\$693)	(\$693)	(\$693)	(\$693)	(\$8,316)	(\$693)	(\$693)	(\$693)	(\$693)	(\$693)	(\$693)	(\$693)	(\$693)	(\$693)	(\$693)	(\$693)	(\$693)	(\$693)	(\$8,316)	
HEAT	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
GAS & ELECTRIC	(\$1,751)	(\$1,751)	(\$1,751)	(\$1,751)	(\$1,751)	(\$1,751)	(\$1,751)	(\$1,751)	(\$1,751)	(\$1,751)	(\$1,751)	(\$1,751)	(\$21,012)	(\$1,751)	(\$1,751)	(\$1,751)	(\$1,751)	(\$1,751)	(\$1,751)	(\$1,751)	(\$1,751)	(\$1,751)	(\$1,751)	(\$1,751)	(\$1,751)	(\$1,751)	(\$21,012)	
MANAGEMENT	(\$2,867)	(\$2,867)	(\$2,867)	(\$2,867)	(\$2,867)	(\$2,867)	(\$2,867)	(\$2,867)	(\$2,867)	(\$2,867)	(\$2,867)	(\$2,867)	(\$34,404)	(\$2,867)	(\$2,867)	(\$2,867)	(\$2,867)	(\$2,867)	(\$2,867)	(\$2,867)	(\$2,867)	(\$2,867)	(\$2,867)	(\$2,867)	(\$2,867)	(\$2,867)	(\$34,404)	
RESIDENT SERVICES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
REPAIRS AND REPLACEMENT	(\$6,333)	(\$6,333)	(\$6,333)	(\$6,333)	(\$6,333)	(\$6,333)	(\$6,333)	(\$6,333)	(\$6,333)	(\$6,333)	(\$6,333)	(\$6,333)	(\$75,996)	(\$6,333)	(\$6,333)	(\$6,333)	(\$6,333)	(\$6,333)	(\$6,333)	(\$6,333)	(\$6,333)	(\$6,333)	(\$6,333)	(\$6,333)	(\$6,333)	(\$6,333)	(\$75,996)	
LANDSCAPING	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
LEGAL & ACCOUNTING	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
MARKETING	(\$1,816)	(\$1,816)	(\$1,816)	(\$1,816)	(\$1,816)	(\$1,816)	(\$1,816)	(\$1,816)	(\$1,816)	(\$1,816)	(\$1,816)	(\$1,816)	(\$21,792)	(\$1,816)	(\$1,816)	(\$1,816)	(\$1,816)	(\$1,816)	(\$1,816)	(\$1,816)	(\$1,816)	(\$1,816)	(\$1,816)	(\$1,816)	(\$1,816)	(\$1,816)	(\$21,792)	
CONTRACT SERVICES	(\$2,062)	(\$2,062)	(\$2,062)	(\$2,062)	(\$2,062)	(\$2,062)	(\$2,062)	(\$2,062)	(\$2,062)	(\$2,062)	(\$2,062)	(\$2,062)	(\$24,744)	(\$2,062)	(\$2,062)	(\$2,062)	(\$2,062)	(\$2,062)	(\$2,062)	(\$2,062)	(\$2,062)	(\$2,062)	(\$2,062)	(\$2,062)	(\$2,062)	(\$2,062)	(\$24,744)	
G&A	(\$3,953)	(\$3,953)	(\$3,953)	(\$3,953)	(\$3,953)	(\$3,953)	(\$3,953)	(\$3,953)	(\$3,953)	(\$3,953)	(\$3,953)	(\$3,953)	(\$47,436)	(\$3,953)	(\$3,953)	(\$3,953)	(\$3,953)	(\$3,953)	(\$3,953)	(\$3,953)	(\$3,953)	(\$3,953)	(\$3,953)	(\$3,953)	(\$3,953)	(\$3,953)	(\$47,436)	
BUILDING RESERVE	(\$3,167)	(\$3,167)	(\$3,167)	(\$3,167)	(\$3,167)	(\$3,167)	(\$3,167)	(\$3,167)	(\$3,167)	(\$3,167)	(\$3,167)	(\$3,167)	(\$38,000)	(\$3,167)	(\$3,167)	(\$3,167)	(\$3,167)	(\$3,167)	(\$3,167)	(\$3,167)	(\$3,167)	(\$3,167)	(\$3,167)	(\$3,167)	(\$3,167)	(\$3,167)	(\$38,000)	
<b>TOTAL EXPENSES</b>	<b>(\$56,817)</b>	<b>(\$56,817)</b>	<b>(\$56,817)</b>	<b>(\$56,817)</b>	<b>(\$56,817)</b>	<b>(\$56,817)</b>	<b>(\$56,817)</b>	<b>(\$56,817)</b>	<b>(\$56,817)</b>	<b>(\$56,817)</b>	<b>(\$56,817)</b>	<b>(\$56,817)</b>	<b>(\$681,800)</b>	<b>(\$56,817)</b>	<b>(\$56,817)</b>	<b>(\$56,817)</b>	<b>(\$56,817)</b>	<b>(\$56,817)</b>	<b>(\$56,817)</b>	<b>(\$56,817)</b>	<b>(\$56,817)</b>	<b>(\$56,817)</b>	<b>(\$56,817)</b>	<b>(\$56,817)</b>	<b>(\$56,817)</b>	<b>(\$56,817)</b>	<b>(\$681,800)</b>	
<b>NOI</b>	<b>\$46,187</b>	<b>\$46,346</b>	<b>\$46,506</b>	<b>\$46,665</b>	<b>\$46,825</b>	<b>\$46,986</b>	<b>\$47,146</b>	<b>\$47,307</b>	<b>\$47,468</b>	<b>\$47,629</b>	<b>\$47,791</b>	<b>\$47,953</b>	<b>\$564,809</b>	<b>\$48,115</b>	<b>\$48,277</b>	<b>\$48,440</b>	<b>\$48,603</b>	<b>\$48,766</b>	<b>\$48,929</b>	<b>\$49,093</b>	<b>\$49,257</b>	<b>\$49,421</b>	<b>\$49,586</b>	<b>\$49,751</b>	<b>\$49,916</b>	<b>\$588,153</b>		
<b>DEBT SERVICE PYMTS</b>													<b>0</b>													<b>0</b>		
<b>NET CASHFLOW</b>	<b>\$46,187</b>	<b>\$46,346</b>	<b>\$46,506</b>	<b>\$46,665</b>	<b>\$46,825</b>	<b>\$46,986</b>	<b>\$47,146</b>	<b>\$47,307</b>	<b>\$47,468</b>	<b>\$47,629</b>	<b>\$47,791</b>	<b>\$47,953</b>	<b>\$564,809</b>	<b>\$48,115</b>	<b>\$48,277</b>	<b>\$48,440</b>	<b>\$48,603</b>	<b>\$48,766</b>	<b>\$48,929</b>	<b>\$49,093</b>	<b>\$49,257</b>	<b>\$49,421</b>	<b>\$49,586</b>	<b>\$49,751</b>	<b>\$49,916</b>	<b>\$588,153</b>		



## **Addendum D**

### **Comparable Data**



**Improved Sales**



**Multifamily Sale Comparable 1**

**Estates At Barrington**

**Location Information**

Location	301 Barrington Hall Drive Macon, GA
Market	Valuation Properties
Submarket	Valuation Apartment / Multi Housing
County	Bibb
APN	FG45-0312



**Physical Property Summary**

Property Type	Multifamily (Garden/Low-Rise)
Gross Building Area	275,316 SF
Rentable Area	275,316 SF
Land Acres	14.08 Acres
Land SF	613,325 SF
Land to Building Ratio	2.23
No. of Buildings	8
No. of Stories	3
Year Built (Renovated)	1996
Construction	Masonry
Condition	Average
Parking	Surface
Investment Class	Class B

**Elevators**

**Financial Data**

Occupancy	98.0%
Property Operations Status	Stabilized Operations

**Financial Indicators**

NOI	\$983,825
Derived Cap Rate	5.90%
Reported Cap Rate	N/A

**Sale Data**

Transaction Type	Closed
Date	November 14, 2019
Marketing Time	N/A
Grantor	Wilkinson Real Estate Advisors
Grantee	Sharp Management Corporation
Document No.	10463-0188
Price	\$16,675,000
Financing Terms	Cash to Seller - Buyer Obtained Financing
Price Adjustments For:	
Financing	\$0
Conditions of Sale	\$0
Other	\$0
Adjusted Price	\$16,675,000
Price Per SF	\$60.57

**Comments**

Estates at Barrington is located in the Bibb County Submarket of Macon, GA. The property has 8 buildings with 176 units total. The structures were constructed in 1996 of masonry and have 275,316 sf of space in total. The parcel is 14.08 acres in size and is zoned PDR. Unit amenities include HVAC, carpet, fans, dining room, dishwasher, disposal, ice maker, kitchen, range, refrigerator, security system, tub/shower, walk-in closets, w/d hookups, vinyl flooring, loft layout, and window coverings. Property amenities include clubhouse, fitness center, furnished units available, gated, grill, guest apartment, laundry facilities and service, manager and maintenance on site, package service, picnic area, playground, pool, storage space, sundeck, tennis court, and volleyball court. This is a garden style multifamily development with 176 units. The property was 98% occupied at the time of sale and traded with a 5.90% capitalization rate.



**Multifamily Sale Comparable 2**

**Magnolia Crossing**

**Location Information**

Location	461 Forest Hill Rd. Macon, GA
Market	Valuation Properties
Submarket	Valuation Apartment / Multi Housing
County	Bibb
APN	N061-0169



**Physical Property Summary**

Property Type	Multifamily (Garden/Low-Rise)
Gross Building Area	145,103 SF
Rentable Area	143,999 SF
Land Acres	16.78 Acres
Land SF	730,937 SF
Land to Building Ratio	5.04
No. of Buildings	12
No. of Stories	2
Year Built (Renovated)	1979 (2019)
Construction	Wood frame
Condition	Average
Parking	Open Paved
Investment Class	Class C
Elevators	

**Sale Data**

Transaction Type	Closed
Date	October 4, 2018
Marketing Time	N/A
Grantor	Wireglass Multifamily #2 LP
Grantee	Carter Multifamily
Document No.	10223-0221
Price	\$8,100,000
Financing Terms	Cash to Seller
Price Adjustments For:	
Financing	\$0
Conditions of Sale	\$0
Other	\$0
Adjusted Price	\$8,100,000
Price Per SF	\$56.25

**Financial Data**

Source	Buyer/In-place
Occupancy	94.0%
Property Operations Status	Stabilized Operations

**Financial Indicators**

NOI	\$492,780
Derived Cap Rate	6.08%
Reported Cap Rate	6.08%

Verification Confirmed-Buyer

**Comments**

This comparable represents the sale of Magnolia Crossing, a 116-unit Class B garden apartment community located along the east side of Forest Hill Road, just north of Vineville Road in the north central area of Macon, Bibb County, GA. The garden apartment property was built in 1979 and 1980 and was 94% leased at the time of sale. Property amenities include a swimming pool, playground, and fire pit. Unit amenities include washer/dryer connections, and walk-in closets. Six of units have fireplaces. The buyer plans to renovate 60% (70) of the units and perform common area renovations/upgrades over the first year of ownership. The indicated cap rate was 6.08% on trailing income and expenses including reserves and adjusted taxes.



**Multifamily Sale Comparable 3**

**Rutland Place Apartments**

**Location Information**

Location	5577 Houston Rd. Macon, GA
Market	Valuation Properties
Submarket	Valuation Apartment / Multi Housing
County	Bibb
APN	



**Physical Property Summary**

Property Type	Multifamily (Garden/Low-Rise)
Gross Building Area	250,200 SF
Rentable Area	250,200 SF
Land Acres	19.56 Acres
Land SF	852,033 SF
Land to Building Ratio	3.41
No. of Buildings	21
No. of Stories	2
Year Built (Renovated)	1997
Construction	
Condition	Average
Parking	
Investment Class	Class B
Elevators	

**Sale Data**

Transaction Type	Closed
Date	August 10, 2018
Marketing Time	N/A
Grantor	Legacy Partners
Grantee	Hamilton Point Investments
Document No.	0
Price	\$15,325,000
Financing Terms	Cash to Seller
Price Adjustments For:	
Financing	\$0
Conditions of Sale	\$0
Other	\$0
Adjusted Price	\$15,325,000
Price Per SF	\$61.25

**Financial Data**

Occupancy	90.0%
Property Operations Status	\$0

**Financial Indicators**

NOI	N/A
Derived Cap Rate	N/A
Reported Cap Rate	5.75%

Verification Confirmed-Seller Broker

**Comments**

This comparable represents the sale of Rutland Place, a 228-unit Class B garden apartment community located along the west side of Houston Road, north of Hartley Bridge Road in the south-central area of Macon, Bibb County, GA. The garden apartment property was built in 1997 and was 90% leased at the time of sale. Property amenities include a swimming pool, clubhouse, business center, laundry facility, and fitness center. Unit amenities include washer/dryer connections, and custom cabinetry. The buyer reportedly plans unit and common area renovations/upgrades. The indicated cap rate was 5.75% on the trailing three month income and expenses including reserves and adjusted taxes.





**Multifamily Sale Comparable 4**

**Mill Creek Run**

**Location Information**

Location	6687 Skipper Road Macon, GA
Market	Valuation Properties
Submarket	Valuation Apartment / Multi Housing
County	Bibb
APN	L1300223104-A2



**Physical Property Summary**

Property Type	Multifamily (Garden/Low-Rise)
Gross Building Area	327,321 SF
Rentable Area	327,321 SF
Land Acres	22.56 Acres
Land SF	982,713 SF
Land to Building Ratio	3.00
No. of Buildings	13
No. of Stories	3
Year Built (Renovated)	2005
Construction	Wood frame
Condition	Good
Parking	Surface & Detached Garages
Investment Class	Class A
Elevators	

**Sale Data**

Transaction Type	Closed
Date	May 18, 2018
Marketing Time	N/A
Grantor	Hamilton Point Investments
Grantee	PEM Real Estate Group
Document No.	10135-139
Price	\$23,350,000
Financing Terms	Cash to Seller
Price Adjustments For:	
Financing	\$0
Conditions of Sale	\$0
Other	\$0
Adjusted Price	\$23,350,000
Price Per SF	\$71.34

**Financial Data**

Occupancy	95.0%
Property Operations Status	Stabilized Operations

**Financial Indicators**

NOI	\$1,342,625
Derived Cap Rate	5.75%
Reported Cap Rate	5.75%

Verification Confirmed-Buyer

**Comments**

This project represents a 224-unit, garden-style multifamily community located in Macon, GA. This project was built in 2005, was in good condition, and included one, two, and three-bedroom unit types. Project amenities included a swimming pool, fitness center, clubhouse, gated entry, grill areas, and a playground. This property sold in May 2018 at a price of \$23,250,000, or \$104,241 per unit, and had an indicated capitalization rate of 5.75%.



**Multifamily Sale Comparable 5**

**Forest Pointe**

**Location Information**

Location	444 Forest Hill Rd Macon, GA
Market	GA - Atlanta
Submarket	East
County	Bibb
APN	N061-0011



**Physical Property Summary**

Property Type	Multifamily (Garden/Low-Rise)
Gross Building Area	212,922 SF
Rentable Area	212,922 SF
Land Acres	14.79 Acres
Land SF	644,252 SF
Land to Building Ratio	3.03
No. of Buildings	11
No. of Stories	2
Year Built (Renovated)	1984
Construction	Wood frame
Condition	Good
Parking	Surface
Investment Class	Class B

**Financial Data**

Occupancy	95.0%
Property Operations Status	Stabilized Operations

**Financial Indicators**

NOI	\$1,054,000
Derived Cap Rate	6.20%
Reported Cap Rate	N/A

**Sale Data**

Transaction Type	Closed
Date	May 2, 2018
Marketing Time	N/A
Grantor	LMS Forest Pointe Macon, LLC
Grantee	Carter Multi-Family Properties, LLC
Document No.	0
Price	\$17,000,000
Financing Terms	
Price Adjustments For:	
Financing	\$0
Conditions of Sale	\$0
Other	\$0
Adjusted Price	\$17,000,000
Price Per SF	\$79.84

**Comments**

This comparable represents the sale of Forest Pointe, a 200-unit Class B apartment community located on the west side of Forest Hill Road, just north of Vineville Road in the central area of Macon, Bibb County, GA. The garden apartment property was built in 1984 and was 95.5% leased at the time of sale. Property amenities include a swimming pool, gated entrance, tennis courts, clubhouse, fitness center, and laundry facility. Unit amenities include washer/dryer connections, and walk-in closets. 50% of the units have fireplaces. 50% of the units were renovated over the past 2 years and the buyer intends to renovate the remaining units over the first year of ownership. The actual cap rate was 6.2% on trailing income and expenses, including reserves and adjusted taxes. The NOI at the time of sale was \$1,094,800.





## Lease Comparables



# Addenda

## Multifamily Rental Survey Comparable 1

### Brookhaven Townhomes

#### Location Information

Location	4860 Brookhaven Road Macon, GA
Market	Valuation Properties
Submarket	Valuation Apartment / Multi Housing
County	Bibb
APN	L0830062300 G13; L0910027100



#### Physical Property Summary

Property Type	Multifamily (Garden/Low-Rise)
Gross Building Area	84,530 SF
Rentable Area	84,530 SF
Number of Units	104
Average Unit Size	813 SF
No. of Stories	2
Max Ceiling Height (Feet)	N/A
Year Built (Renovated)	1982 (2006)
Construction	Wood frame
Condition	Average
Parking	Surface
Investment Class	Class C
Elevators	0

#### Lease Availability Details

Survey Date	Jan-2020
Overall Occupancy at Survey	94.0%
Leasing Agent	0

#### Residential Unit Mix

Units	Occ Units	Unit Description	Unit Size	Base Rent	\$/SF	Comments
19	19	1BR/1.5BA - 1BR/1.5BA TH	630	\$503	\$0.80	
18	18	1BR/1.5BA - 1BR/1.5BA TH	730	\$553	\$0.76	
35	35	2BR/1.5BA - 2BR/1.5BA TH	820	\$593	\$0.72	
32	32	2BR/1.5BA - 2BR/1.5BA TH	960	\$648	\$0.68	
104			813	\$587	\$0.72	

#### Comments

This comparable, known as Brookhaven Townhomes, represents a 104-unit garden apartment complex. There are 1 and 2 bedroom units that offer washer/dryer connections. The community amenities include a pool with picnic area, playground, and laundry facility. Water is \$27 for the 1 bedroom units and \$32 for the 2 bedroom units. The property is 94% occupied. They are not offering any rent specials.

# Addenda

## Multifamily Rental Survey Comparable 2

### Chamber Cove

#### Location Information

Location	204 Chambers Cove Drive Macon, GA
Market	Valuation Properties
Submarket	Valuation Apartment / Multi Housing
County	Bibb
APN	L094-0197; L094-0181



#### Physical Property Summary

Property Type	Multifamily (Garden/Low-Rise)
Gross Building Area	76,251 SF
Rentable Area	74,160 SF
Number of Units	72
Average Unit Size	1,030 SF
No. of Stories	2
Max Ceiling Height (Feet)	N/A
Year Built (Renovated)	1990
Construction	Wood frame
Condition	Average
Parking	Surface
Investment Class	Class B
Elevators	0

#### Lease Availability Details

Survey Date	Jan-2020
Overall Occupancy at Survey	89.00%
Leasing Agent	0

#### Residential Unit Mix

Units	Occ Units	Unit Description	Unit Size	Base Rent	\$/SF	Comments
4	4	2BR/1.5BA - 2 BR	1,100	\$700	\$0.64	
36	36	2BR/2BA - 2 BR	960	\$650	\$0.68	
16	16	2BR/2BA - 2 BR	1,000	\$650	\$0.65	
16	16	3BR/2BA - 3 BR	1,200	\$750	\$0.63	
72			1,030	\$675	\$0.66	

#### Comments

This comparable, known as Chambers Cove Apartments, represents a 72-unit garden apartment complex. There are 2 and 3 bedroom units that offer washer/dryer connections. The community amenities include a clubhouse, pool, and storage units. The property is 89% occupied. They are not offering any rent specials.

# Addenda

## Multifamily Rental Survey Comparable 3

### Summer Park

#### Location Information

Location	4658 Mercer University Drive Macon, GA
Market	Valuation Properties
Submarket	Valuation Apartment / Multi Housing
County	Bibb
APN	L082-0053



#### Physical Property Summary

Property Type	Multifamily (Garden/Low-Rise)
Gross Building Area	196,236 SF
Rentable Area	192,376 SF
Number of Units	184
Average Unit Size	1,046 SF
No. of Stories	2
Max Ceiling Height (Feet)	N/A
Year Built (Renovated)	1990
Construction	Wood frame
Condition	Average
Parking	Surface
Investment Class	Class B
Elevators	0

#### Lease Availability Details

Survey Date	Jan-2020
Overall Occupancy at Survey	91.00%
Leasing Agent	0

#### Residential Unit Mix

Units	Occ Units	Unit Description	Unit Size	Base Rent	\$/SF	Comments
48	48	1BR/1BA - 1 BR	790	\$725	\$0.92	
32	32	2BR/1BA - 2 BR	1,003	\$800	\$0.80	
50	50	2BR/2BA - 2 BR	1,140	\$800	\$0.70	
22	22	2BR/2BA - 2 BR	1,160	\$950	\$0.82	
32	32	3BR/2BA - 3 BR	1,245	\$950	\$0.76	
184			1,046	\$824	\$0.79	

#### Comments

This comparable, known as Summer Park Apartments, represents a 184-unit garden apartment complex. There are 1, 2, and 3 bedroom units that offer vaulted ceilings, balcony, and washer/dryer connections. The community amenities include a tennis court, pool, and fitness center. The property is 91% occupied. They are offering \$50 application fee and no admin fee.



# Addenda

## Multifamily Rental Survey Comparable 4

### Harbour Club

#### Location Information

Location	6300 Moseley Dixon Road Macon, GA
Market	Valuation Properties
Submarket	Valuation Apartment / Multi Housing
County	Bibb
APN	1008-0011



#### Physical Property Summary

Property Type	Multifamily (Garden/Low-Rise)
Gross Building Area	161,325 SF
Rentable Area	155,425 SF
Number of Units	171
Average Unit Size	909 SF
No. of Stories	2
Max Ceiling Height (Feet)	N/A
Year Built (Renovated)	1983
Construction	Wood frame
Condition	Average
Parking	Surface
Investment Class	Class B
Elevators	0

#### Lease Availability Details

Survey Date	Jan-2020
Overall Occupancy at Survey	97.00%
Leasing Agent	0

#### Residential Unit Mix

Units	Occ Units	Unit Description	Unit Size	Base Rent	\$/SF	Comments
46	46	1BR/1BA - 1 BR	700	\$630	\$0.90	
45	45	1BR/1BA - 1 BR	725	\$715	\$0.99	
40	40	2BR/2BA - 2 BR	1,115	\$800	\$0.72	
40	40	2BR/2BA - 2 BR	1,150	\$830	\$0.72	
171			909	\$739	\$0.81	

#### Comments

This comparable, known as Harbour Club Apartments, represents a 171-unit garden apartment complex. There are 1 and 2 bedroom apartments that offer a balcony/patio and washer/dryer connections. The community amenities include a clubhouse, fitness center, and volleyball court. The property is 97% occupied. They are not offering any rent specials.

# Addenda

## Multifamily Rental Survey Comparable 5

### West Club Apartments

#### Location Information

Location	159 Steven Drive Macon, GA
Market	Valuation Properties
Submarket	Valuation Apartment / Multi Housing
County	Bibb
APN	L081-0142



#### Physical Property Summary

Property Type	Multifamily (Garden/Low-Rise)
Gross Building Area	155,442 SF
Rentable Area	152,780 SF
Number of Units	140
Average Unit Size	1,091 SF
No. of Stories	2
Max Ceiling Height (Feet)	N/A
Year Built (Renovated)	1997
Construction	Wood frame
Condition	Average
Parking	Surface
Investment Class	Class B
Elevators	0

#### Lease Availability Details

Survey Date	Jan-2020
Overall Occupancy at Survey	94.00%
Leasing Agent	0

#### Residential Unit Mix

Units	Occ Units	Unit Description	Unit Size	Base Rent	\$/SF	Comments
8	8	1BR/1BA - 1 BR	778	\$600	\$0.77	
76	76	2BR/2BA - 2 BR	1,021	\$675	\$0.66	
48	48	3BR/2BA - 3 BR	1,212	\$779	\$0.64	
8	8	4BR/2BA - 4 BR	1,348	\$918	\$0.68	
140			1,091	\$720	\$0.66	

#### Comments

This comparable, known as West Club, represents a 140-unit garden apartment complex. There are 1, 2, and 3 bedroom units with walk-in closets, and washer/dryer connections. The community amenities include a clubhouse, pool, and laundry facilities. This comparable is 94% occupied. They are not offering any rent specials.





# Addenda

## Multifamily Rental Survey Comparable 6

### Summit Apartments

#### Location Information

Location	1187 Edna Place Macon, GA
Market	Valuation Properties
Submarket	Valuation Apartment / Multi Housing
County	Bibb
APN	N073-0442



#### Physical Property Summary

Property Type	Multifamily (Garden/Low-Rise)
Gross Building Area	119,008 SF
Rentable Area	118,800 SF
Number of Units	120
Average Unit Size	990 SF
No. of Stories	2
Max Ceiling Height (Feet)	N/A
Year Built (Renovated)	1970
Construction	Masonry
Condition	Average
Parking	Surface
Investment Class	Class B
Elevators	0

#### Lease Availability Details

Survey Date	Jan-2020
Overall Occupancy at Survey	96.00%
Leasing Agent	0

#### Residential Unit Mix

Units	Occ Units	Unit Description	Unit Size	Base Rent	\$/SF	Comments
24	24	1BR/1BA - 1 BR	750	\$560	\$0.75	
72	72	2BR/2BA - 2 BR	1,000	\$660	\$0.66	
24	24	3BR/2BA - 3 BR	1,200	\$750	\$0.63	
120			990	\$658	\$0.66	

#### Comments

This comparable, known as The Summit, represents a 120-unit garden apartment complex. There are 1, 2, and 3 bedroom units that offer washer/dryer connections. The community amenities include gated access, a playground and laundry facilities. The property is 96% occupied. They are not offering any rent specials. They offer free cable.

## **Addendum E**

### **Appraiser Qualifications and License**





## ROBERT R. MANCINI, MAI

### Senior Vice President



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### Years of Experience

22 Years

### Areas of Specialization

- ◆ Multi-Family
- ◆ Industrial
- ◆ Retail
- ◆ Convenience Stores
- ◆ Churches
- ◆ Schools

Robert R. Mancini, MAI joined Newark Knight Frank in 2017 as a senior vice president in the firm's Atlanta office, valuation practice, where he specializes in the valuation of multi-family and going concern properties with an emphasis on small business lenders. Mr. Mancini has experience with all property types, both existing and proposed. He has produced numerous related appraisal reports, appraisal reviews and market feasibility studies for lenders, operators and developers. Mr. Mancini also has significant experience with SBA-related assignments.

Mr. Mancini has 22+ years of real estate appraisal and consulting experience working for financial institutions, insurance companies, attorneys, individuals and federal agencies. His overall valuation experience includes appraisals of numerous types of commercial properties including multi-family, office buildings, retail facilities, industrial properties, gas station/convenience stores, vacant commercial sites and numerous special-purpose facilities including schools, churches, landfills, and petroleum tank farms.

Prior to Newark Knight Frank, Mr. Mancini worked for CBRE Valuation and Advisory Services and Deloitte & Touche Financial Advisory Services.

### STATE CERTIFIED GENERAL REAL ESTATE APPRAISER

- |                  |                  |
|------------------|------------------|
| ◆ Alabama        | ◆ Georgia        |
| ◆ Kentucky       | ◆ Mississippi    |
| ◆ North Carolina | ◆ South Carolina |
| ◆ Tennessee      | ◆ Virginia       |

Mr. Mancini earned a Political Science - A.B. degree from the University of Georgia School of Public and International Affairs.

# STATE OF GEORGIA REAL ESTATE APPRAISERS BOARD

**ROBERT RUSSEL MANCINI**

**6831**

IS AUTHORIZED TO TRANSACT BUSINESS IN GEORGIA AS A  
**CERTIFIED GENERAL REAL PROPERTY APPRAISER**

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# 6831  
Status ACTIVE

**ORIGINALLY LICENSED**

06/02/1998

**END OF RENEWAL**  
03/31/2020

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



LYNN DEMPSEY  
Real Estate Commissioner

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Real Estate Commissioner

17654422



## RAYMOND A. HIGGINS

### Senior Managing Director



Newmark Knight Frank  
2000 Riveredge Parkway  
Suite 650  
Atlanta, GA 30328  
Raymond.Higgins@ngkf.com  
T 470.481.0740  
M 770.605.2092

### Years of Experience

32 Years

### Areas of Specialization

- Apartments
- Industrial
- Office
- Retail
- Land

### State Certifications

- Georgia
- North Carolina
- South Carolina
- Tennessee
- Alabama

Raymond Higgins, joined Newmark Knight Frank in June 2017 along with his Southeast Realty Consultants colleagues, and currently serves as a Senior Managing Director and is the Southeast Market Leader. Mr. Higgins is also the Specialty Practice Leader for Multi-Family. He works primarily in the states of Georgia, South Carolina, North Carolina, Alabama, and Tennessee.

Mr. Higgins has 32 years of real estate appraisal and consulting experience working for financial institutions, insurance companies, pension funds, attorneys, and individuals. His overall valuation experience includes appraisals of numerous types of commercial properties including apartments, office buildings, retail facilities, industrial properties, and vacant commercial sites.

Before joining Newmark Knight Frank Mr. Higgins operated his own appraisal firm for eight years. Prior to that he spent 17 years with CBRE and was the top producer nationally for 13 years.

Mr. Higgins graduated from The University of Alabama at Birmingham, where he earned a Bachelor of Science degree with a double major in finance and management.

# STATE OF GEORGIA REAL ESTATE APPRAISERS BOARD

**RAYMOND A HIGGINS**

**1388**

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D. SCOTT MURPHY  
Chairperson

JEANMARIE HOLMES  
WILLIAM A. MURRAY  
KEITH STONE

JEFF A. LAWSON  
Vice Chairperson

46530663

**RAYMOND A HIGGINS**

# 1388  
Status ACTIVE

**ORIGINALLY LICENSED**

07/24/1991

END OF RENEWAL  
09/30/2020

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APPRAISER**

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Atlanta, GA 30303-1605



LYNN DEMPSEY  
Real Estate Commissioner

46530663

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07/24/1991

END OF RENEWAL  
09/30/2020

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Real Estate Commissioner

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