

MARKET STUDY

CARTERSVILLE GARDENS
378 Old Mill Road
Cartersville, Georgia 30120
CBRE, Inc. File No. 19-361HO-3984-5

Asia Williams
PRESERVATION PARTNERS
21515 Hawthorn Boulevard, Suite 150
Torrance, California 90503

www.cbre.com/valuation



CBRE

September 11, 2019

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RE: Market study of Cartersville Gardens
378 Old Mill Road
Cartersville, Georgia 30120
CBRE, Inc. File No. 19-361HO-3984-5

Dear Ms. Williams:

At your request and authorization, CBRE, Inc. has prepared an application market study of the above referenced property.

The purpose of this market study is to assess the viability of the existing 100-unit Section 8 multifamily development known as Cartersville Gardens that is proposed for LIHTC renovations. Following renovations using the LIHTC program, the property will continue to be restricted to households earning 60 percent of the Area Median Income (AMI), or less. In addition, all 100 units will continue to benefit from a HAP contract post renovation.

The following scope of work is provided by The Georgia Department of Community Affairs (DCA):

- Executive Summary
- Project Description
- Site Evaluation
- Market Area
- Community Demographic Area
- Employment Trends
- Project-Specific Affordability & Demand Analysis
- Competitive Rental Analysis (Existing Competitive Rental Environment)
- Absorption & Stabilization Rates
- Interviews
- Conclusions & Recommendations

Ms. Asia Williams
September 11, 2019

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. As a condition to being granted the status of an intended user, any intended user who has not entered into a written agreement with CBRE in connection with its use of our report agrees to be bound by the terms and conditions of the agreement between CBRE and the client who ordered 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 any non-intended users does not extend reliance to any such party, and CBRE will not be responsible for any unauthorized use of or reliance upon the report, its conclusions or contents (or any portion thereof).

The authors of this report certify that there exists no identity of interest between the analysts and the entity for which the report is prepared, the applicant or its principals (general partners, members, etc.). The recommendations and conclusions are based solely on the professional opinions and best efforts of the analysts. The report was written according to DCA's market study requirements, the information included is accurate and the report can be relied upon by DCA as a true assessment of the low-income housing rental market. DCA may rely on the representation made in the market study.

It has been a pleasure to assist you in this assignment. If you have any questions concerning the analysis, or if CBRE can be of further service, please contact us.

Respectfully submitted,

CBRE - VALUATION & ADVISORY SERVICES



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Executive Summary

Project Description

The subject is a 100-unit multifamily low-rise style property located at 378 Old Mill Road in Cartersville, Georgia. The property consists of 38 one and two-story residential apartment buildings and a single one-story leasing office. The improvements were constructed in 1979 and are located on a 10.0-acre site. The property will be renovated with \$30,000 per unit hard costs with an estimated completion date of December 2020. The property offers 59 one, 24 two, 12 three and 5 four-bedroom units. The property targets seniors for 51 of the 59 one-bedroom units while the remaining units are targeted towards families.

The following table illustrates the proposed unit mix and proposed post renovation rents.

PROPOSED RENTS										
Type	No. of Units	Unit Size (SF)	Unit Occ.	Net LIHTC Rents \$/Unit	Utility Allowance \$/Unit	Gross LIHTC Rents \$/Unit	Current HAP Rent \$/Unit	CBRE's Proposed Post Renovation Contract Rents		Net Rent Per SF
								\$/Unit	\$/Unit	
1BR/1BA 60%/HAP	8	580	100%	\$675	\$73	\$748	\$556	\$775	\$1.34	
1BR/1BA - Senior 60%/HAP	51	620	100%	\$695	\$94	\$789	\$599	\$795	\$1.28	
2BR/1BA 60%/HAP	12	842	100%	\$770	\$148	\$918	\$652	\$870	\$1.03	
2BR/1BA - TH 60%/HAP	12	950	100%	\$800	\$106	\$906	\$615	\$900	\$1.03	
3BR/1.5BA 60%/HAP	12	1,006	100%	\$940	\$198	\$1,138	\$737	\$1,040	\$0.73	
4BR/2BA 60%/HAP	5	1,300	100%	\$1,100	\$192	\$1,292	\$774	\$1,205	\$0.60	
Total/Average:	100	763 SF	99%	-----				\$761	\$1.00	

The subject's units will continue to operate with a Section 8 project-based subsidy post renovation covering all 100 units. Tenants in these units will pay 30 percent of their income towards rent, not to exceed the LIHTC rent limits. Following renovations, the subject's amenity package is considered to be similar or slightly superior to the LIHTC and market rate comparables in terms of in-unit amenities and similar or superior to the LIHTC and market rate comparables in terms of property amenities. Upon renovation, the subject will offer refrigerators, range/oven, and microwaves, as well as in-unit washer/dryers and free wireless internet, which the majority of the comparables do not offer. In addition, the subject will offer a community room, business center, exercise facility, dog park, community garden and barbeque area. However, will not offer a swimming pool, which the majority of the comparables offer. Overall, we believe that the proposed amenities will allow the subject to effectively compete in the market.

Total hard costs have been estimated at \$30,000 per unit, or \$3,000,000 total according to the developer. The scope of renovations will include, but will not be limited to: updated landscaping, new kitchen appliances, countertops and cabinets, flooring, windows, and painting. In addition, the following amenities will be added: microwaves, free wireless internet, in-unit washer/dryers (two, three, and four-bedroom units only), surveillance cameras, community room, business center, fitness center, BBQ area with pergola, dog park, community garden. Given the scope of the renovation, the in-unit and project amenities are expected to be competitive with the majority of existing communities in the market area.

Site Description/Evaluation

The subject's site is well suited for multifamily dwelling units. The subject is well situated along the south side of Old Mill Road in Cartersville, GA. There is average visibility and access. The subject's site is generally level and rectangular shape (which is typical of multifamily sites). The surrounding uses are in average condition and the site has good proximity to locational amenities which are generally within 2.9 miles from the subject. The project is in a higher crime area according to Trulia.com relative to greater Cartersville. Street noise was not noted to be a nuisance by the appraiser during the site inspection, nor were any factors observed in the subject's immediate vicinity that would negatively affect the perceived quality of the neighborhood. We are not aware of any road or infrastructure improvements planned or under construction in the PMA. The subject site is considered comparable to existing communities in the market area with similar access to community amenities and services.

Market Area Definition

We have defined the subject's primary market area (PMA) as Bartow County, GA.

Bartow County is located in northwestern Georgia and as of the 2010 census reported a population of 100,157. The county seat of Bartow County is Cartersville. The county area consists of approximately 470 square miles. The boundaries of the PMA are approximately 13.0 miles to the west, 16.9 miles to the north, 9.1 miles to the east, and approximately 4.7 mile to the south of the subject property. The PMA was defined based on interviews with the property managers at comparable properties and the subject's property manager. We have not considered leakage outside the PMA within our analysis.

Community Demographic Data

The population and number of households grew in the PMA between 2010 and 2019, and are expected to continue to grow over the next five years. The population of the PMA was 108,171 in 2019 and expected to grow to 118,096 by 2024.

Renter households are concentrated in the lowest income cohorts, with 35.3% percent of renters in the PMA earning less than \$35,000 annually. The subject will target households earning between \$23,670 and \$82,890 for its LIHTC units assuming no subsidy in place and \$0 to \$82,890 assuming the Section 8 subsidy is in place. The subject will continue to benefit from its Section 8 subsidy which subsidizes all 100 of the subject's units. The demographics as well as the subject's current waiting list and historical occupancy suggest significant demand for affordable rental housing in the market.

According to RealtyTrac.com, the state of Georgia is experiencing 1 foreclosure in every 3,565 housing units. In comparison, Bartow County, GA is experiencing 1 foreclosure in every 3,654 housing units. The subject's zip code of 30120 is experiencing 1 foreclosure for every 5,103 housing units. Overall, the subject's zip code is experiencing a lower rate of foreclosures than the county, and state. We did not observe a significant amount of abandoned or boarded up structures in the neighborhood that would impact the marketability of the subject.

Economic Data

The highest employment sectors are manufacturing, retail trade and health care/social assistance. Together, these industries comprise 40.2% of all jobs in the PMA. According to the Bartow County Department of Economic Development, the largest employers in Bartow County, GA include: Shaw Industries Group, Inc., Bartow County School System, Bartow County Government, Cartersville Medical Center and Toyo Tire NA. These employers are considered relatively stable with most of them in the manufacturing/public/healthcare related fields.

Bartow County, GA experienced declines in employment in 2011, 2012, and 2014 and has experienced increases in employment every other year. Overall, employment is up in Bartow County over the previous ten years. The unemployment rate in Bartow County, GA peaked at 12.8% in 2010 but has gradually decreased to a current unemployment rate of 3.5% in April 2019. This is compared to the national unemployment rate of 3.7% in July 2019 and 3.6% unemployment rate in Georgia during the same period.

According to the Department of Labor, there were three companies over the past three years which reported layoffs: Faltec America, Inc. in Adairsville, GA reported 46 jobs impacted in June of 2019. Trinity Rail in Cartersville, GA reported 298 jobs impacted in January of 2017. Gossen, in Cartersville, GA reported 50 jobs impacted in October 2016.

We contacted Tommy Strickland, Vice Chairman with the Bartow-Cartersville Department of Economic Development regarding economic expansion that has occurred in the area. He reported two significant projects that were under way in the area.

Loloi, a rug manufacturer based out of Dallas is constructing a 647,000 square foot facility on Old Cass Road in Bartow County. The facility will add an estimated 198 jobs and will provide an additional stable source of employment in the area.

Vineyard Park is a \$300 million multi-use development that broke ground in 2019. The project is located between Interstate 75 and Waterside Drive near Emerson, GA. The concept plan for the park includes at least two hotels, more than 750,000 square feet of office space. Eventually the development will expand to include restaurants, convinces stores, retail village and multifamily residential.

Overall, Bartow County, GA appears to be performing similarly to the state of Georgia and nation. As such, we expect this economy will have continued demand for workforce and affordable housing for the foreseeable future.

Project-Specific Affordability and Demand Analysis

The following table illustrates the demand and capture rates for the subject's units as proposed.

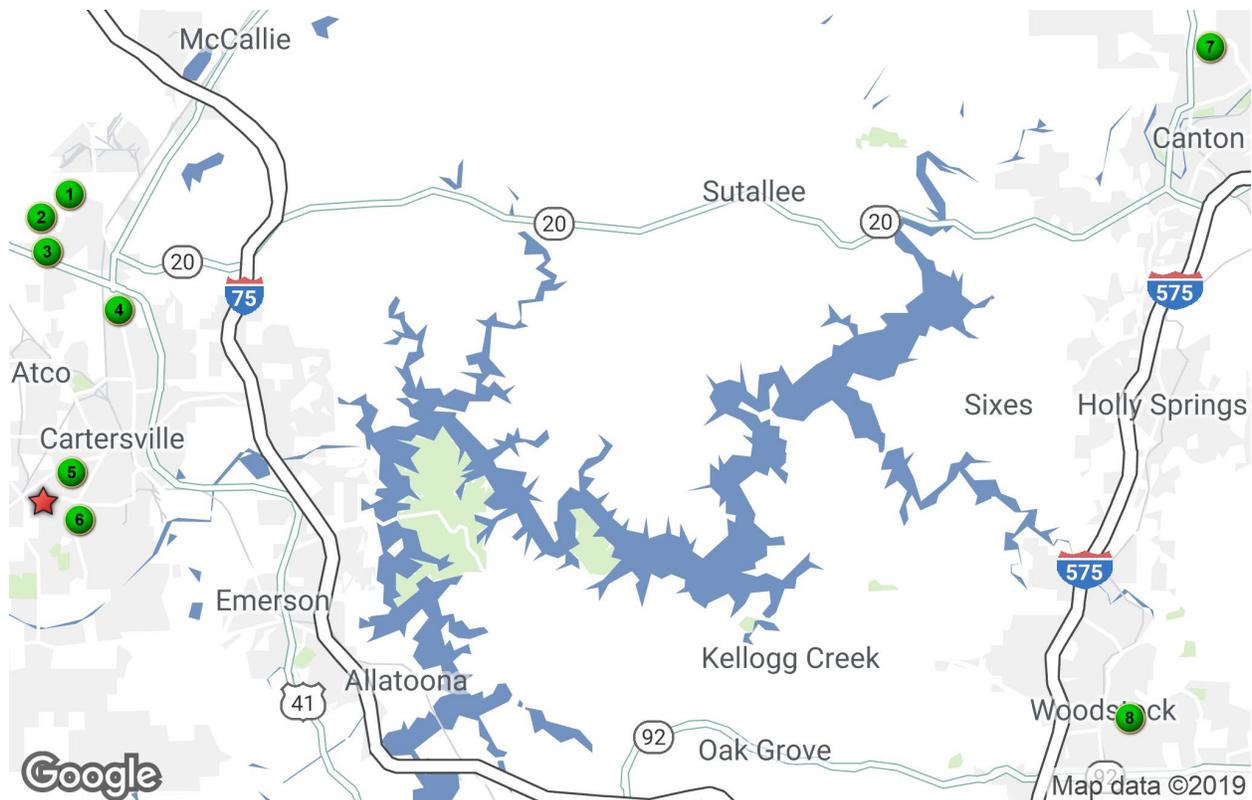
CAPTURE RATE ANALYSIS CHART

Unit Type	Units Proposed	Income Limits		Total Demand	Supply	Net Demand	Capture Rate	Absorption	Average Market Rent	Market Rents Band Min	Market Rents Band Max	Proposed Rents
1BR/1BA 60% AMI/HAP	59	\$0	\$38,280	967	63	904	6.5%	4 Months	\$797	\$575	\$885	\$675 - \$695
1BR/1BA 60% AMI	59	\$25,646	\$38,280	474	63	411	14.4%	7 Months	\$797	\$575	\$885	\$675 - \$695
2BR/1BA 60% AMI/HAP	24	\$0	\$43,080	837	7	830	2.9%	4 Months	\$906	\$675	\$1,030	\$770 - \$800
2BR/1BA 60% AMI	24	\$31,063	\$43,080	410	7	403	6.0%	7 Months	\$906	\$675	\$1,030	\$770 - \$800
3BR/1.5BA 60% AMI/HAP	12	\$0	\$51,660	556	0	556	2.2%	4 Months	\$1,055	\$900	\$1,150	\$940
3BR/1.5BA 60% AMI	12	\$39,017	\$51,660	272	0	272	4.4%	7 Months	\$1,055	\$900	\$1,150	\$940
4BR/2BA 60% AMI/HAP	5	\$0	\$55,500	317	0	317	1.6%	4 Months	N/A	N/A	N/A	\$1,100
4BR/2BA 60% AMI	5	\$44,297	\$55,500	155	0	155	3.2%	7 Months	N/A	N/A	N/A	\$1,100
Overall - With Subsidy	100	\$0	\$55,500	2360	70	2290	4.4%	4 Months				
Overall - Without Subsidy	100	\$25,646	\$55,500	1156	70	1086	9.2%	7 Months				

Per Georgia DCA guidelines, capture rates below 30% for projects in urban markets such as the PMA are considered acceptable. Given the subject’s low capture rate of 4.4% the project is considered acceptable. Further, the strong waiting lists, occupancy, and low capture rate indicate the strong need for additional affordable housing in this market, particularly subsidized housing such as the subject property.

Competitive Rental Analysis

Comparable properties are examined on the basis of physical characteristics, i.e. building type, age/quality, level of common amenities, absorption, as well as similarity in rent. We identified the following comparable properties.



COMPARABLE RENTAL PROPERTIES							
Map ID	Project Name	Year Built	Total Units	Occ. Rate	Distance to		Target Market
					Subject	Waiting List	
1	Rosewood	1990	148	95%	4.7 Miles	No	Market
2	The Vineyards	1997	152	94%	4.6 Miles	No	Market
3	The Glen	1996	108	98%	4.3 Miles	No	Market
4	Amberwood	1985	117	96%	3.3 Miles	No	Market
5	Alexandria Landing	2000	76	100%	0.1 Miles	No	Market
6	Etawah Village	1996	86	92%	0.2 Miles	Yes	Low Income Families (60% AMI)
7	River Ridge at Canton*	2002	356	97%	20 Miles	Yes	Market/Low Income Families (60% AMI)
8	Riverstock Apartments*	2001	172	98%	18 Miles	Yes	Low Income Families (60% AMI)

* Located outside of the PMA
Compiled by CBRE

The availability of non-subsidized LIHTC properties in the subject's PMA is considered low. As such, we have included two family-oriented LIHTC developments that are located slightly outside the PMA in the neighboring communities of Woodstock and Canton approximately 20 miles to the east. The lack of family oriented affordable housing in the PMA indicates a strong demand for quality affordable housing in the area.

We note the subject is currently benefiting from a Section 8 contract which subsidizes all 100 of the units. As such, all of the tenants contribute 30% of their income as rent.

SUBJECT COMPARISON TO COMPARABLE RENTS - MARKET RENTS						
Unit Type	Subject Proposed			Surveyed Average	Rent Advantage	
	LIHTC Rent	Surveyed Minimum	Surveyed Maximum			
1BR/1BA - 60% AMI	\$675	\$575	\$885	\$797	18%	
1BR/1BA (Senior) - 60% AMI	\$695	\$575	\$885	\$797	15%	
2BR/1BA - 60% AMI	\$770	\$675	\$1,030	\$906	18%	
2BR/1BA (TH) - 60% AMI	\$800	\$675	\$1,030	\$906	13%	
3BR/1,5BA - 60% AMI	\$940	\$900	\$1,150	\$1,055	12%	
4BR/2BA - 60% AMI	\$1,100	N/A	N/A	N/A	N/A	

Compiled by CBRE

The proposed 60% AMI rents are well below the surveyed range of the rent comparables for each bedroom type. The proposed rents indicate a 12% to 18% rent advantage to comparable properties (market rate and affordable). This emphasizes the strong demand for affordable housing in this market.

Absorption/Stabilization Estimate

We have calculated the absorption to 93 percent occupancy, per DCA guidelines.

The subject is a proposed renovation of an existing Section 8 property. According the provided rent roll, dated July 5, 2019, the property is 99.0% occupied with a waiting list, which is typical for the subject property and properties with this level of subsidy. Given the level of subsidy in place, and expected in the future, we have assumed the existing tenants would remain in place, or be relocated to new units and utilize a tenant relocation plan. Based on the current and historical occupancy, as well as the current waiting list, we have assumed the subject would achieve stabilization upon completion of construction.

We were only able to locate one multifamily development that was recently developed and is undergoing stabilization. Holbrook of Acworth, located in Acworth, GA, south of the subject's PMA, is a 197-unit market-rate multifamily development that opened in 2019. Conversations with the property manager indicated that the subject pre-leased approximately 30% of its units

before its completion. The development is currently 93.7% occupied and the property manager indicated that typical absorption was approximately 25 units per month.

If the property were to be 100% vacant with no tenant relocation plan upon completion of construction, we believe the property would achieve a stabilized occupancy within a four-months of opening including the currently rental subsidies and within seven months absent the current subsidies.

Overall Conclusion

Based upon our research, the overall market, demographics, and demand figures, we believe there is strong support for the subject as proposed. The affordable properties are currently 92% to 98% occupied with an average of 96%. The conventional comparables indicate an average of 97%. The subject's proposed renovation, will allow the subject to continue to compete within the market by offering in-unit and community amenities that are in-line with market standards. The renovation will greatly improve the overall quality of the subject and allow the subject to continue to provide affordable housing in an area that is it in high demand. We believe the market **can** support subject and will help fill a void in the market. In addition, the subject will have no issue maintaining at least a 93% occupancy rate.

Summary Table

(must be completed by the analyst and included in the executive summary)

Development Name:	<u>Cartersville Gardens</u>	Total # Units:	<u>100</u>
Location:	<u>378 Old Mill Road, Cartersville, Georgia</u>	# LIHTC Units:	<u>100</u>
PMA Boundary:	<u>North</u>	<u>Just north of Adairsville, GA (Bartow County Line)</u>	
	<u>South</u>	<u>Just south of Taylorsville, GA (Bartow County Line)</u>	
	<u>East</u>	<u>Just east of Red Top Mountain State Park (Bartow County Line)</u>	
	<u>West</u>	<u>Just west of Taylorsville, GA (Bartow County Line)</u>	

RENTAL HOUSING STOCK found on page 43

Type	# Properties*	Total Units	Vacant Units	Average Occupancy
All Rental Housing	33	2,472	87	96.5%
Market-Rate Housing	23	1,714	62	96.4%
Assisted/Subsidized Housing not to include LIHTC	8	647	15	97.7%
LIHTC	2	158	10	93.9%
Stabilized Comps	33	2,472	87	96.5%
Properties in Construction & Lease-Up	2	120	120	0.0%

# Units	Subject Development				Average Market Rent			Highest Unadjusted Comp Rent	
	# Bedrooms	# Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
1BR/1BA 60%/HAP	1	1	580	\$675	\$775	\$1.34	18%	\$885	\$1.42
1BR/1BA - Senior 60%/HAP	1	1	620	\$695	\$795	\$1.28	15%	\$885	\$1.42
2BR/1BA 60%/HAP	2	1	842	\$770	\$870	\$1.03	18%	\$1,030	\$0.98
2BR/1BA - TH 60%/HAP	2	1	950	\$800	\$900	\$0.95	13%	\$1,030	\$0.98
3BR/1.5BA 60%/HAP	3	1.5	1,006	\$940	\$1,040	\$1.03	12%	\$1,150	\$0.96
4BR/2BA 60%/HAP	4	2	1,300	\$1,100	\$1,205	\$0.93	N/A	N/A	\$1.34

DEMOGRAPHIC DATA

(found on page)

28-32

	2019		Market Entry (2020)		2024	
Renter Households	12,493	32.2%	12,721	33.0%	14,428	33.9%
Income-Qualified Renter HH (LIHTC)	2,629	21.0%	2,676	21.0%	3,036	21.0%

Targeted Income-Qualified Renter Housing Demand

found on page

38-49

Type of Demand	30%	50%	60%	Market Rate	Other: 60%/Sec. 8	Overall
Renter Household Growth	N/A	N/A	58	N/A	120	120
Existing Households (Overburden + Substandard)	N/A	N/A	1253	N/A	2557	2557
Homeowner conversion (seniors)	N/A	N/A	0	N/A	0	0
Total Primary Market Demand	N/A	N/A	1311	N/A	2676	2676
Less Comparable/Competitive Supply	N/A	N/A	70	N/A	70	70
Adjusted Income-qualified Renter HHs	N/A	N/A	1241	N/A	2606	2606

PROJECT DESCRIPTION

1. Project Address and Development Location	The Subject is located at 378 Old Mill Road, Cartersville, Georgia, 30120
2. Construction Type	The Subject consists of 38 one and two-story residential buildings and a single one-story leasing office. The buildings are wood frame with brick and wood siding exteriors and pitched roofs. The subject was originally constructed in 1979.
3. Occupancy Type	Families and Seniors
4. Special Population Target:	None.
5. Number of Units by Bedroom Type and AMI Level	See subject profile
6. Unit Size, Number of Bedrooms and Structure Type:	See subject profile
7. Rents and Utility Allowances:	See subject profile
8. Existing or Proposed Project-Based Rental Assistance:	The subject is currently subsidized by a Section 8/HAP contract which covers all 100 of the subject's units. Following the proposed renovations, the subject will continue to benefit from the HAP contract
9. Proposed Development Amenities:	See subject profile

PROPERTY PROFILE – POST RENOVATION

Property Name Cartersville Gardens
 Address 378 Old Mill Road
 Cartersville, GA 30120
 United States

Government Tax Agency Bartow
 Govt./Tax ID N/A

Unit Mix Detail

Rate Timeframe	Monthly				
Unit Type	No.	%	Size (sf)	Rent	Rent / sf
1BR/1BA	8	8%	580	\$675	\$1.16
1BR/1BA - Senior	51	51%	620	\$695	\$1.12
2BR/1BA - Detached	12	12%	842	\$770	\$0.91
2BR/1BA - Townhouse	12	12%	950	\$800	\$0.84
3BR/1.5BA	12	12%	1,006	\$940	\$0.93
4BR/2BA	5	5%	1,300	\$1,100	\$0.85
Totals/Avg	100			\$765	\$1.00



Improvements

Land Area	10.000 ac	Status	Existing
Net Rentable Area (NRA)	76,336 sf	Year Built	1979
Total # of Units	100 Unit	Year Renovated	N/A
Average Unit Size	763 sf	Condition	Average
Floor Count	1	Exterior Finish	Brick Veneer
Property Features	HAP Contract, Individual Split Systems, LIHTC (Low Income Housing Tax Credit), On-Site Management		
Project Amenities	Barbeque Area, Business Center, Clubhouse, Dog Park / Run, Fitness Center, Laundry Facility, Playground, Vegetable Garden		
Unit Amenities	In-Unit Storage, Microwave Oven, Private Patios / Balconies, Range / Oven, Refrigerator, Washer / Dryer		

Rental Survey

Occupancy	99%	Utilities Included in Rent	Water, Sewer and Trash
Lease Term	12 Mo(s).	Rent Premiums	None
Tenant Profile	Low Income Families and Seniors	Concessions	None
Survey Date	09/2019	Owner	N/A
Survey Notes	N/A	Management	N/A

10. Scope of Renovations

Renovations will reportedly have hard costs of \$30,000 per unit, or \$3,000,000 total. According to information provided by the developer, the scope of renovations will include, but will not be limited to: updated landscaping, new kitchen appliances, countertops and cabinets, flooring, windows, and painting. In addition, the following amenities will be added: microwaves, free wireless internet, in-unit washer/dryers (two, three, and four-bedroom units only), surveillance cameras, community room, business center, fitness center, BBQ area with pergola, dog park, community garden. Given the scope of the renovation, the in-unit and project amenities are expected to be competitive with the majority of existing communities in the market area.

11. Current Rents

Based on the 7/5/2019 rent roll, the current rents are the subject are contract rents based on its Section 8 agreement, with tenants paying 30% of their income as rent.

CURRENT RENTS						
Unit Type	Unit Size (SF)	Number of Units	Current Contract Rent	Minimum Tenant Paid Rent	Maximum Tenant Paid Rent	Average Tenant Paid Rent
1BR/1BA	580	8	\$556	\$0	\$256	\$141
1BR/1BA - Senior	620	51	\$599	\$0	\$556	\$194
2BR/1BA	842	12	\$652	\$0	\$296	\$110
2BR/1BA - TH	950	12	\$615	\$0	\$245	\$40
3BR/1.5BA	1,006	12	\$737	\$9	\$555	\$223
4BR/2BA	1,300	5	\$774	\$49	\$344	\$205

12. Current Occupancy

According to the 7/5/2019 rent roll, the project is currently 99.0% occupied. The project has a waiting list.

13. Current Tenant Income:

Most of the current tenants at the Subject have incomes that would be too low to qualify for the Subject without its current Section 8 subsidy. Most of the current tenants have annual incomes under \$15,000.

14. Placed in Service Date

The subject was originally built in 1979. The renovations will occur with tenants in place. Therefore, buildings will be placed back in service on a rolling basis. Renovations are expected to be complete by December 2020.

Conclusion

Post renovation, the subject will consist of good quality brick and siding buildings that will be comparable to most of the inventory in the PMA. Following the renovation, the subject will not suffer from deferred maintenance, or any kind of obsolescence.

Site Evaluation

PROJECT DESCRIPTION

1. Date of Site Visit and Name of Inspector: Melissa Blakely, MAI inspected the site on Thursday, July 18, 2019

SITE SUMMARY

Physical Description

Gross Site Area	10.00 Acres	435,600 Sq. Ft.
Net Site Area	10.00 Acres	435,600 Sq. Ft.
Primary Road Frontage	Old Mill Road	
Excess Land Area	None	
Surplus Land Area	None	
Shape	Irregular	
Topography	Generally Level	
Zoning District	MF-14	
Flood Map Panel No. & Date	13015C0264H	5-Oct-18
Flood Zone	Zone X (Unshaded)	
Adjacent Land Uses	Commercial and residential uses	
Earthquake Zone	N/A	

Comparative Analysis

Rating

Visibility	Average
Functional Utility	Assumed adequate
Traffic Volume	Average
Adequacy of Utilities	Assumed adequate
Landscaping	Assumed excellent
Drainage	Assumed adequate

Utilities

Adequacy

Water	Bartow County Water Department	Yes
Sewer	Bartow County Water Department	Yes
Natural Gas	Cartersville Gas System	Yes
Electricity	Cartersville Electric	Yes

Other

Yes

No

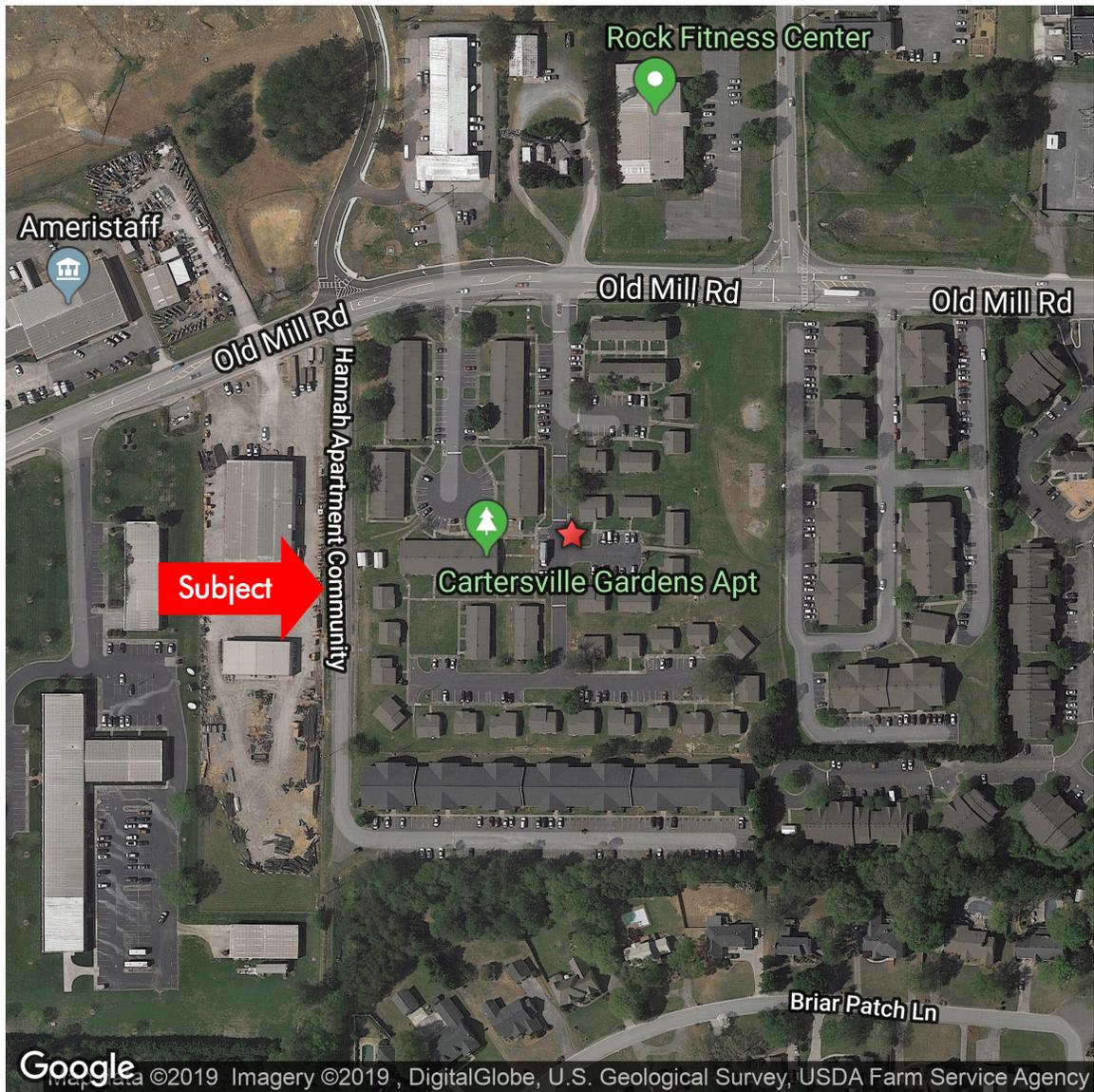
Unknown

Detrimental Easements		X
Encroachments		X
Deed Restrictions	See comments	
Reciprocal Parking Rights		X

Source: Various sources compiled by CBRE

The subject currently has low income housing tax credits and will continue to following renovations.

Subject Aerial & Plat Map



Aerial View



Parcel Map

SITE AND IMMEDIATE SURROUNDING AREA

The subject has frontage along the south side of Old Mill Road. The area is a mixture of single and multifamily uses as well as commercial and retail developments. To the north of the subject are retail and commercial establishments in average condition including a fitness center and auto glass and cabinet store. To the east of the subject are two multifamily developments in average to good condition (Alexandria Landing and Etowah Village Apartments). To the south of the subject are single-family homes in average to good condition. To the west of the subject are various retail and commercial facilities including a carpet manufacturing facility.

POSITIVE/NEGATIVE ATTRIBUTES OF SITE

We are not aware of any negative attributes. The subject is located within close proximity to locational amenities.

PHYSICAL PROXIMITY TO LOCATIONAL AMENITIES

The subject is located within 2.9 miles of most locational amenities/employers as will be discussed further.

PICTURES OF SITE AND ADJACENT USES



Subject Exterior



Subject Exterior



Subject Exterior



Subject Exterior



Subject Exterior



Subject Exterior



Subject Exterior



Typical Kitchen



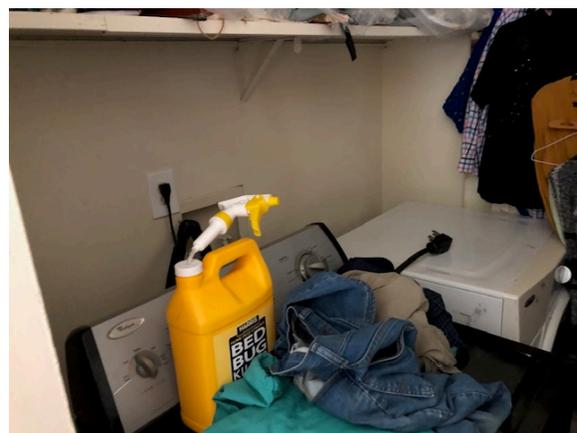
Typical Living Room



Typical Bathroom



Typical Bedroom



Washer/Dryer Connections



Typical Bathroom



Typical Bedroom



Typical Kitchen



Typical Living Room



Typical Bathroom



Typical Bedroom



Typical Kitchen



Playground



Surrounding Land Uses



Surrounding Land Uses



Surrounding Land Uses



Surrounding Land Uses



Surrounding Land Uses



Surrounding Land Uses



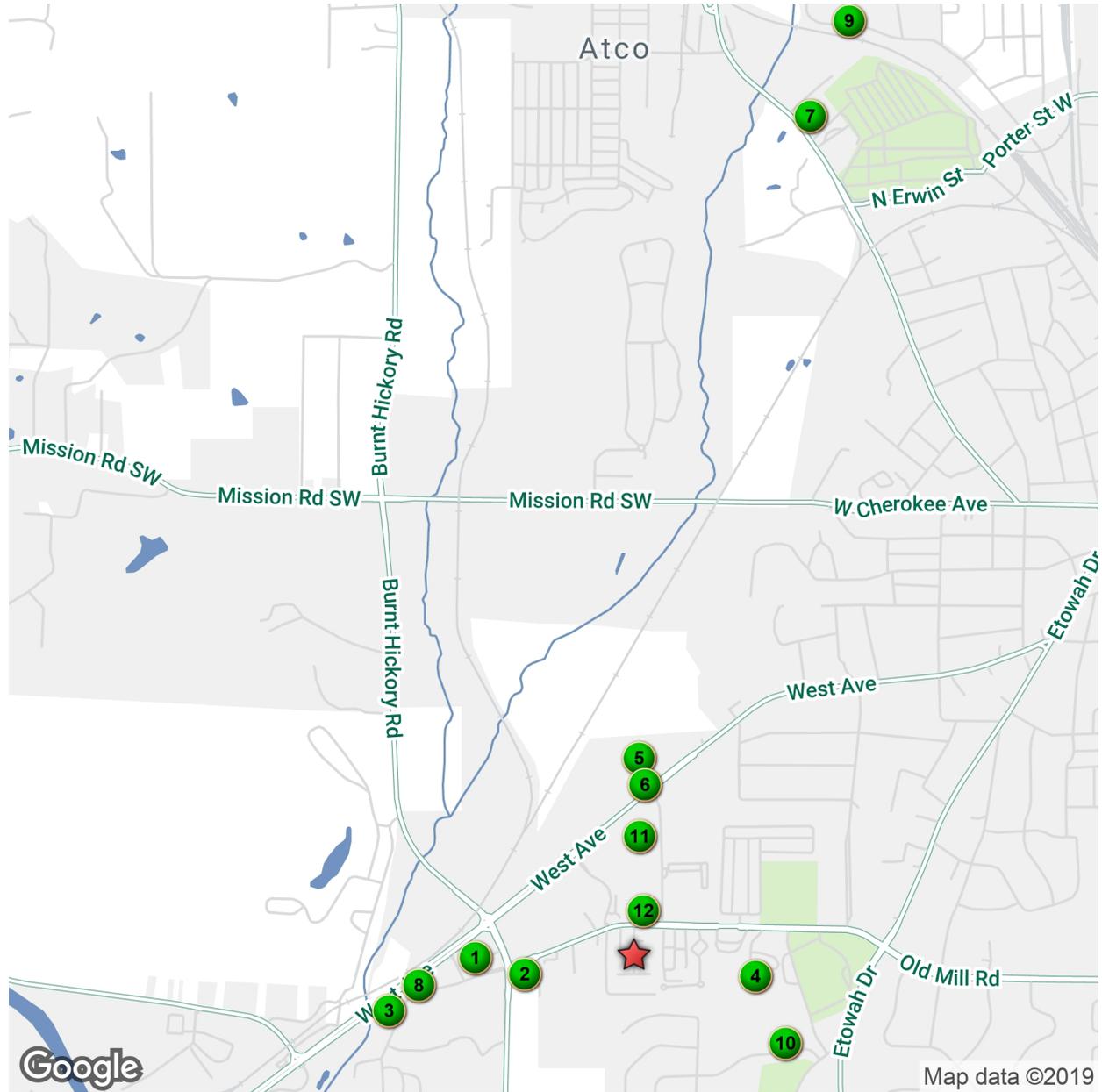
Surrounding Land Uses



Surrounding Land Uses

PROXIMITY TO LOCATIONAL AMENITIES

The following table and map illustrate the Subject’s proximity to necessary services. Map numbers correspond with the Locational Amenities Map, presented below.



LOCATIONAL AMENITIES		
#	Amenity	Distance (Driving)
1	CVS Pharmacy	0.4 Miles
2	Renasant Bank	0.4 Miles
3	Dollar General	0.7 Miles
4	Cartersville Elementary School	0.5 Miles
5	Ingles Market	0.6 Miles
6	Ingles Gas	0.6 Miles
7	Cartersville Police Department	2.9 Miles
8	Cartersville Fire Department	0.6 Miles
9	Cartersville Medical Center	5.7 Miles
10	Deerfield Practice Fields	0.9 Miles
11	Cartersville Ace Hardware	0.6 Miles
12	Rock Fitness Center	0.1 Miles

Compiled by CBRE

DESCRIPTION OF LAND USES

The subject's site is located in southwest Cartersville approximately 1.9 miles from downtown Cartersville. The subject is surrounded by predominantly multifamily uses to the north and west and are retail and commercial developments in average to good condition. To the south and east are multifamily and single-family developments in average to good condition. The site is considered a desirable location for multifamily uses, with close proximity to major roadways, but in a quiet residential setting.

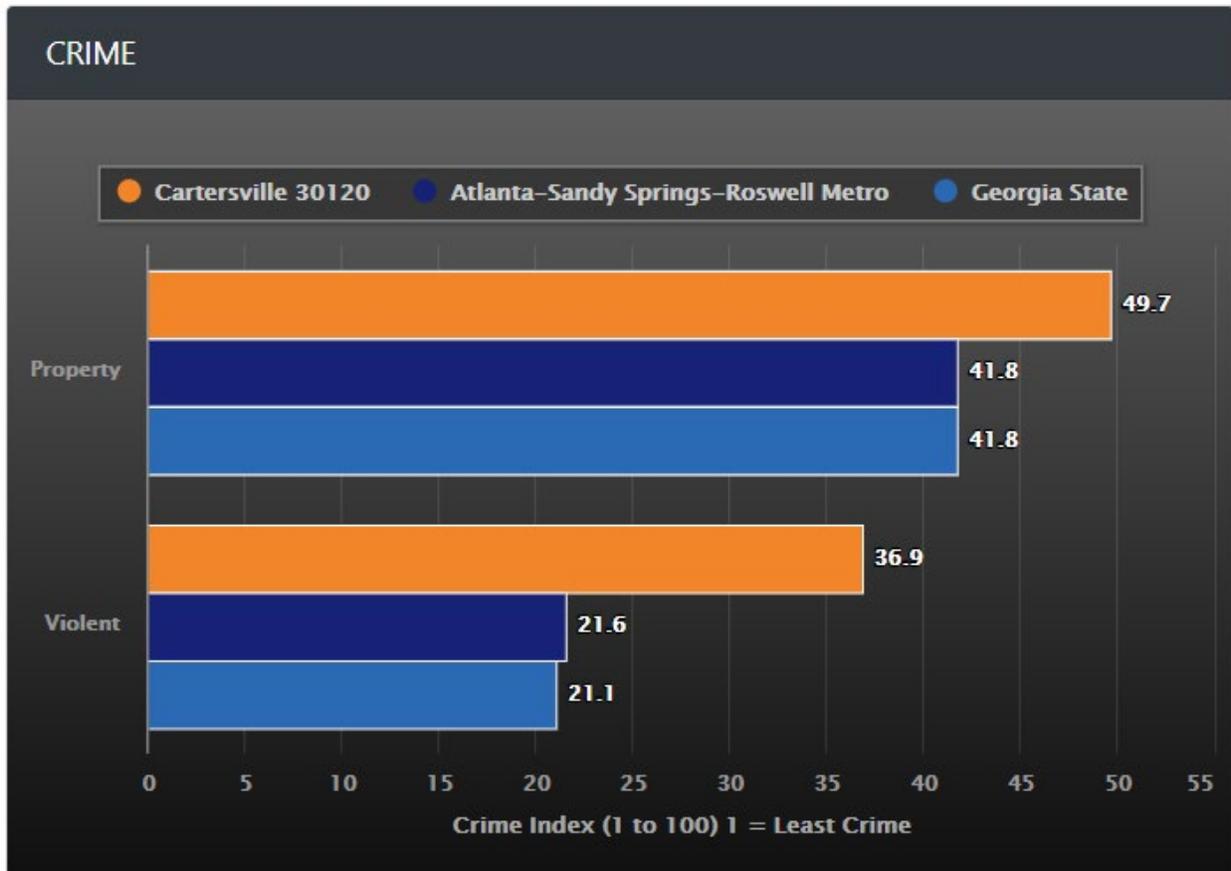
According to walkscore.com the subject's site has a walk score of 50 which is considered somewhat walkable, and a bike score of 42 which is considered somewhat bike-able.

NUISANCES/CRIME RATES

Street noise was not noted to be a nuisance by the appraiser during the site inspection, nor were any factors observed in the subject's immediate vicinity that would negatively affect the perceived quality of the neighborhood.

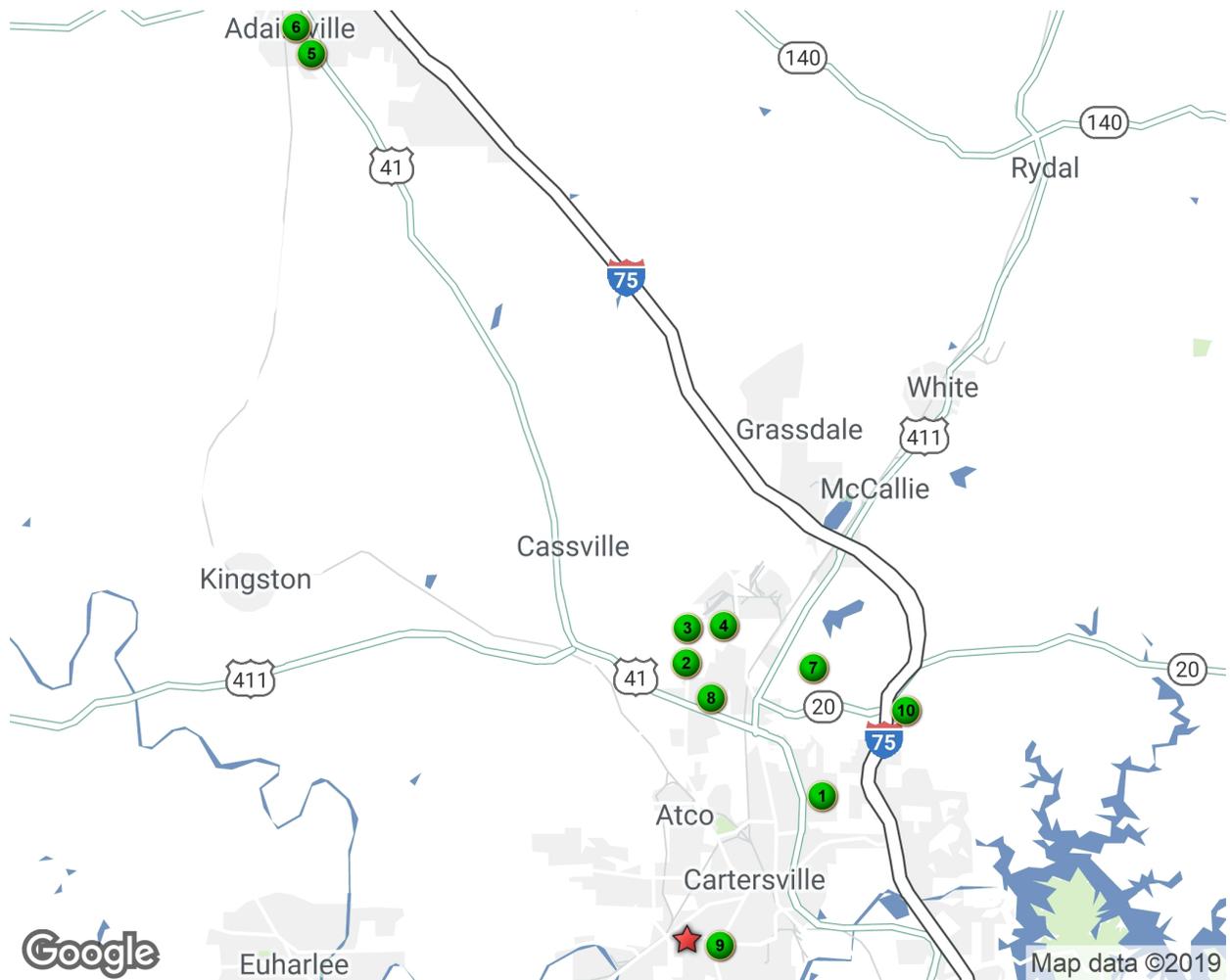
In terms of crime, according to Trulia.com, the subject's zip codes experience **moderate to high crime** relative to greater Cartersville.

However, according to bestplaces.com, the subject's zip code has higher crime rates when compared to the MSA, state or nation for both property and violent crime.



Source: Bestplaces.com

EXISTING ASSISTED RENTAL HOUSING PROPERTY MAP



ASSISTED/SUBSIDIZED PROPERTIES IN THE PMA

	Property Name	Program	Tenancy	Occupancy
1	Huntwood Terrace	Section 8	Family	97.5%
2	Crossfield Apartments	LIHTC/USDA RD	Family	97.2%
3	Fieldmont Apartments	Section 8	Family	95.7%
4	Shangri-La Park	Section 8	Senior	97.2%
5	Adairville Arms Apartments	Section 8	Family	97.9%
6	Adairville Apartments	Section 8	Family	100.0%
7	The Cove Apartments	Section 8	Senior	96.7%
8	Club Court Apartments I & II	Section 8	Family	100.0%
9	Etowah Village	LIHTC	Family	92.0%
10	Somerset Club Apartments	Section 8	Family	97.4%

Compiled by CBRE

ROAD, INFRASTRUCTURE, OR PROPOSED IMPROVEMENTS

We did not witness any road, infrastructure, or proposed improvements during our fieldwork.

ACCESS, INGRESS-EGRESS AND VISIBILITY OF SITE:

Comparative Analysis	<u>Rating</u>
Visibility	Average
Functional Utility	Assumed adequate
Traffic Volume	Average
Adequacy of Utilities	Assumed adequate
Landscaping	Assumed excellent
Drainage	Assumed adequate

The subject has average access, visibility and ingress/egress for a multifamily site. Access to the site is provided by Old Mill Road.

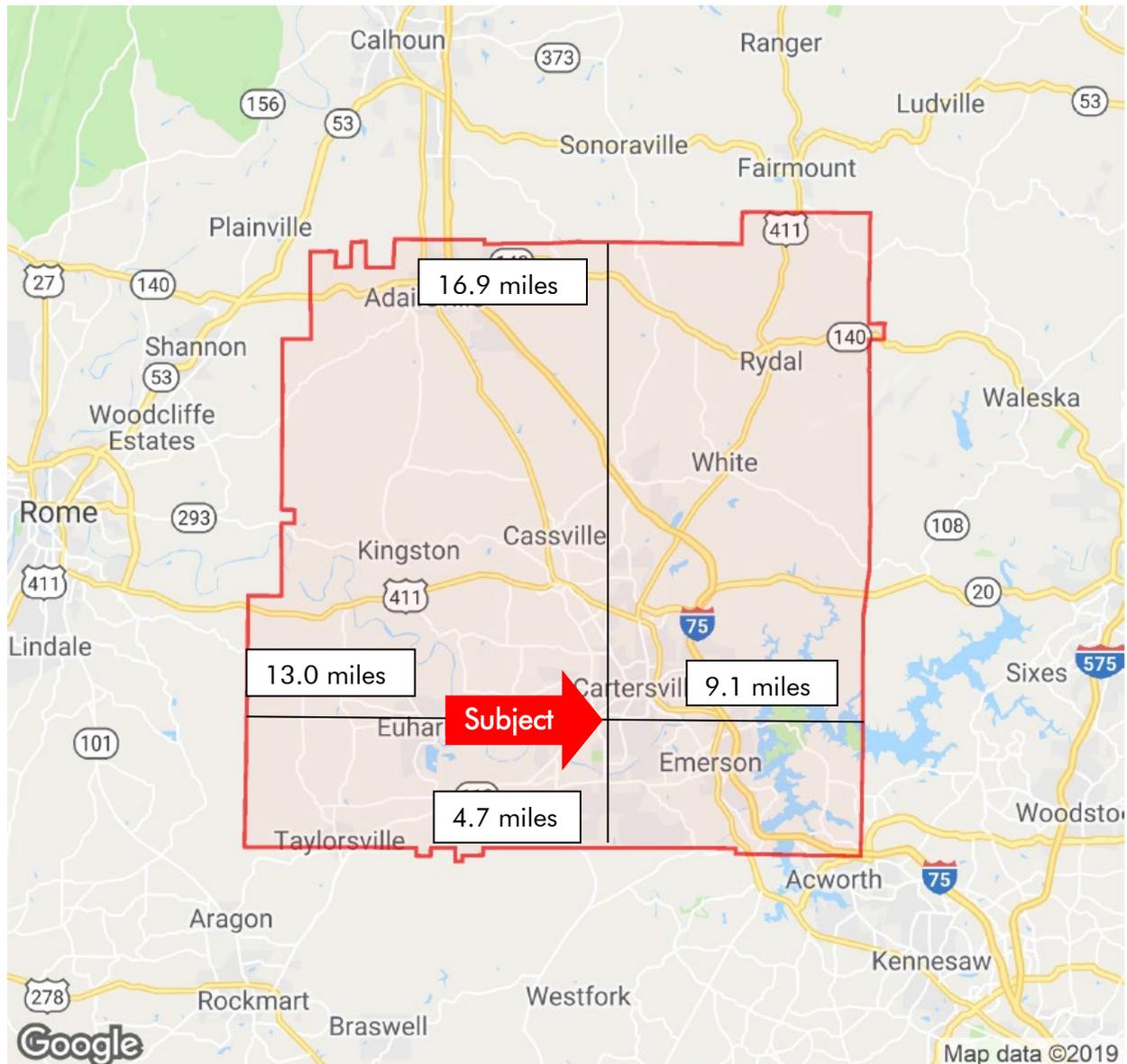
CONCLUSION

The subject site is well located and afforded average access and average visibility from roadway frontage. There are no known detrimental uses in the immediate vicinity other than above average crime rates. Overall, there are no known factors which are considered to prevent the site from development to its highest and best use, as if vacant, or adverse to the existing use of the site.

Market Area

PRIMARY MARKET AREA (PMA)

The following map illustrates the subject's PMA.



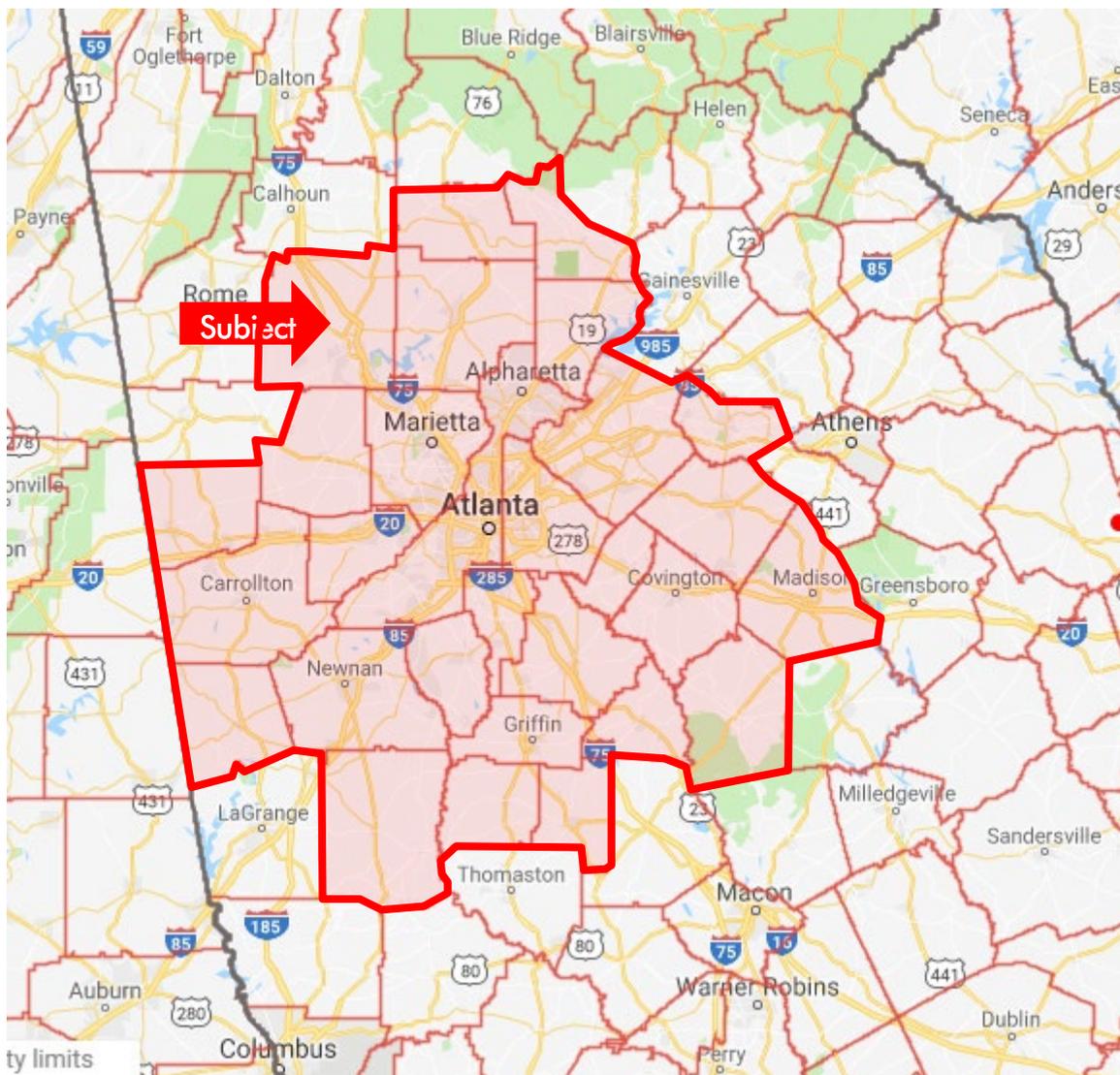
We have defined the subject's primary market area (PMA) as Bartow County, GA.

Bartow County is located in northwestern Georgia and as of the 2010 census reported a population of 100,157. The county seat of Bartow County is Cartersville. The county's area consists of approximately 470 square miles. The boundaries of the PMA are approximately 13.0 miles to the west, 16.9 miles to the north, 9.1 miles to the east, and approximately 4.7 miles to the south of the subject property. The PMA was defined based on interviews with the property

managers at comparable properties and the subject's property manager. We have not considered leakage outside the PMA within our analysis.

SECONDARY MARKET AREA (SMA)

The secondary market area (SMA) for the Subject is the Atlanta-Sandy Springs-Roswell, GA Metropolitan Statistical Area (MSA), which is comprised of 29 counties in Georgia: Fulton, Gwinnett, Cobb, DeKalb, Clayton, Cherokee, Henry, Forsyth, Paulding, Douglas, Coweta, Carroll, Fayette, Newton, Bartow, Rockdale, Walton, Barrow, Spalding, Pickens, Haralson, Butts, Dawson, Meriwether, Lamar, Morgan, Pike, Jasper and Heard. A map of the SMA is as follows.



Community Demographic Data

This section of the report provides the demographic information for the subject's PMA, giving historical data as well as current data and estimates. The subject property will be renovated with a proposed completion date of December 2020. Our projections are based on current data, such as census data, ESRI, and American Community Survey as prepared by Claritas. We have also utilized the American Fact Finder for additional US Census data.

POPULATION TRENDS

The following table illustrates population projections from 2000 through 2024.

POPULATION PROJECTIONS			
	PMA	MSA	Georgia
Population			
2024 Total Population	118,096	6,436,095	11,253,742
2020 Total Population - Projected Market Entry	109,325	6,091,875	10,787,018
2019 Total Population	108,171	5,986,262	10,655,025
2010 Total Population	100,157	5,286,728	9,687,653
2000 Total Population	76,019	4,263,438	8,186,453
Annual Growth 2019 - 2024	1.84%	1.50%	1.10%
Annual Growth 2010 - 2019	0.89%	1.47%	1.03%
Annual Growth 2000 - 2010	3.18%	2.40%	1.70%

Source: ESRI

As illustrated, total population increased at a faster rate between 2000 and 2019. This trend is expected to continue through 2024. The population in the PMA grew at a faster rate from 2000 to 2010 than the MSA or state of Georgia, a slower rate than the MSA and state from 2010 to 2019 and is projected to increase at a faster rate than the MSA and state from 2019 to 2024. We have applied the annual population growth of 0.89% between 2010 and 2019 in order to estimate the size of the population in December 2020, the expected completion date of the subject property. Per DCA guidelines, projections must be based on historical trends.

The population and household growth in the PMA indicate the need for affordable housing and continued demand for the subject's units.

POPULATION BY AGE GROUP				
PMA	2010	2019	Projected Market Entry - December 2020	2024
Age 0-4	6,980	6,852	6,949	7,348
Age 5-9	7,572	7,160	7,261	7,616
Age 10-14	7,670	7,292	7,395	7,986
Age 15-19	7,262	6,829	6,926	7,428
Age 20-24	6,028	6,534	6,626	6,496
Age 25-29	6,285	7,807	7,917	7,282
Age 30-34	6,567	7,249	7,352	8,277
Age 35-39	7,446	7,079	7,179	7,934
Age 40-44	7,670	6,995	7,094	7,633
Age 45-49	7,728	7,631	7,739	7,396
Age 50-54	7,166	7,458	7,564	7,962
Age 55-59	5,929	7,396	7,501	7,721
Age 60-64	5,243	6,669	6,763	7,663
Age 65-69	3,829	5,532	5,610	6,721
Age 70-74	2,635	4,235	4,295	5,137
Age 75-79	1,880	2,661	2,699	3,837
Age 80-84	1,214	1,513	1,534	2,133
85 and Older	1,053	1,279	1,297	1,526
65 and Older	10,611	15,220	15,435	19,354
Median Age	36.20	38.10	38.52	39.20

Source: ESRI

The largest cohorts in the PMA are ages 25-29, 45-49 and 50-54, which indicate a presence of families. The subject additionally targets but is not restricted to seniors for the majority of its one-bedroom units. The senior population age 65 and older has increased since 2010. By projected market entry, the number of seniors in the PMA is expected to grow to 15,435, an increase of 4,824 from 2010 which represents an 45.5% growth. This equates to approximately 4.5% growth in senior population per annum from 2010. This bodes well for the subject's units that are targeted at senior tenants.

HOUSEHOLD TRENDS

The following table illustrates population projections from 2000 through 2024.

NUMBER OF HOUSEHOLD PROJECTIONS				
Households				
2024 Total Households	42,517	2,357,404	4,155,781	
2020 Total Households - Projected Market Entry	39,562	2,255,511	4,019,337	
2019 Total Households	38,852	2,195,115	3,937,153	
2010 Total Households	35,782	1,943,885	3,585,584	
2000 Total Households	27,176	1,559,712	3,006,369	
Annual Growth 2019 - 2024	1.89%	1.48%	1.11%	
Annual Growth 2010 - 2019	0.95%	1.44%	1.09%	
Annual Growth 2000 - 2010	3.17%	2.46%	1.93%	

Source: ESRI

Similarly, the number of households also increased between 2000 and 2019, with similar fluctuations in the rate of growth from 2000 to 2010, compared to 2019 to 2019 and 2019 to

2024. We utilized the annual growth rate of 0.95% between 2010 and 2019 in order to project the number of households in the PMA in December 2020, the expected completion date of the subject property.

TOTAL NUMBER OF HOUSEHOLDS AND AVERAGE HOUSEHOLD SIZE

AVERAGE HOUSEHOLD SIZE			
	PMA	MSA	Georgia
Year			
2024 Household Size	2.76	2.48	2.64
2020 Household Size - Projected Market Entry	2.76	2.49	2.64
2019 Household Size	2.76	2.69	2.64
2010 Household Size	2.77	2.72	2.68
2000 Household Size	2.78	2.78	2.72

Source: ESRI

We have assumed the household size remains stable from the 2019 estimate in order to estimate our market entry date of December 2020. The PMA average household size is slightly larger in the PMA as compared to the MSA and the state of Georgia.

HOUSEHOLDS BY TENURE

TENURE PATTERNS PMA				
Year	Owner Occupied Units	Percentage Owner Occupied	Renter-Occupied Units	Percentage Renter Occupied
2024	28,089	66.1%	14,428	33.9%
2020 Projected Market Entry	25,878	67.0%	12,721	33.0%
2019	26,359	67.8%	12,493	32.2%
2010	24,756	69.2%	11,026	30.8%
2000	20,456	75.3%	6,720	24.7%

Source: ESRI

TENURE PATTERNS SMA				
Year	Owner Occupied Units	Percentage Owner Occupied	Renter-Occupied Units	Percentage Renter Occupied
2024	1,495,003	63.4%	862,401	36.6%
2020 Projected Market Entry	1,425,579	64.1%	799,956	35.9%
2019	1,409,508	64.2%	785,607	35.8%
2010	1,285,066	66.1%	658,819	33.9%
2000	1,041,714	66.8%	517,998	33.2%

Source: ESRI

As the table illustrates, households within the PMA live primarily in owner occupied housing units, similarly to the SMA. The proportion of renter occupied households has increased in the PMA and SMA since 2000. In 2019, 32.2% of the housing units in the PMA were renter-occupied. This trend is expected to increase, with approximately 33.9% of the population in the PMA residing in renter-occupied housing units in 2024. This trend bodes well for the subject's housing units.

HOUSEHOLD BY INCOME

The following table illustrates household income distribution in the PMA.

Income Cohort	RENTER HOUSEHOLD INCOME DISTRIBUTION - PMA					
	2019		Projected Market Entry - December 2020		2024	
	Number	Percentage	Number	Percentage	Number	Percentage
<\$15000	1,540	12.3%	1,569	12.3%	1,403	9.7%
\$15000-\$24999	1,821	14.6%	1,854	14.6%	1,835	12.7%
\$25000-\$34999	1,053	8.4%	1,072	8.4%	1,081	7.5%
\$35000-\$49999	1,274	10.2%	1,297	10.2%	1,411	9.8%
\$50000-\$74999	2,388	19.1%	2,432	19.1%	2,763	19.1%
\$75000-\$99999	1,871	15.0%	1,906	15.0%	2,345	16.2%
\$100000-\$149999	1,590	12.7%	1,619	12.7%	2,200	15.2%
\$150000-\$199999	426	3.4%	434	3.4%	652	4.5%
\$200000+	530	4.2%	538	4.2%	739	5.1%
Total	12,493	100%	12,721	100%	14,428	100%

We have utilized the household growth rate between 2010 and 2019 in order to project the 2020 figures above for our projected market entry date.

The largest portion of residents in the PMA earn less than \$50,000 to \$74,999 followed by \$75,000 to \$99,999 per year. In addition, 35.3% of the renter population earn less than \$34,999 in the subject's PMA. This suggests a strong demand for affordable housing, and particularly subsidized housing.

RENTER HOUSEHOLDS BY NUMBER OF PERSONS – PMA

	RENTER HOUSEHOLD BY NUMBER OF PERSONS - PMA					
	2010		2017		Projected Market Entry - 2020	
	Number	Percentage	Number	Percentage	Number	Percentage
With 1 Person	2,934	31%	3,290	26%	3,367	26%
With 2 Persons	3,217	34%	3,821	31%	3,910	31%
With 3 Persons	1,448	15%	2,524	20%	2,583	20%
With 4 Persons	1,082	11%	1,647	13%	1,685	13%
With 5+ Persons	795	8%	1,141	9%	1,168	9%
Total Renter	9,476		12,423		12,712	

Source: American Fact Finder, U.S. Census Bureau, 2010-2017

The table above represents the best data available for this market. We have applied the percentages in 2017, the most recent available, to our 2020 projected market entry data. As illustrated, the majority of households (57%) reside in one and two person households.

CONCLUSIONS

The subject's demographics bode well for the strong demand for affordable housing in this market. The PMA has the largest percentage of the population earn between \$50,000 to \$74,999 of annual income. The number of households and population figures have increased in the past, and are expected to grow in the future. The PMA also has a high percentage of renter

occupied housing units. Based on the tax credit rent restrictions, the subject will target incomes between \$0 and \$55,500. However, all rentable units will continue to benefit from a Section 8 subsidy post renovation with all tenants contributing rent based on their income.

Employment Trends

The following table illustrates labor force, total employment, total unemployment, and the unemployment rates in Bartow County, GA, MSA from 2009 to July 2019.

BARTOW COUNTY, GA			
Year	Labor Force	% Change	Employment
2009	46,303	-	41,256
2010	48,865	5.5%	42,610
2011	47,439	-2.9%	41,414
2012	47,224	-0.5%	42,077
2013	47,242	0.0%	42,612
2014	46,146	-2.3%	42,593
2015	46,523	0.8%	43,639
2016	47,233	1.5%	44,682
2017	48,966	3.7%	46,224
2018	49,756	1.6%	47,616
Jan-19	50,258	1.0%	48,047
Feb-19	50,245	0.0%	48,386
Mar-19	50,218	-0.1%	48,460
Apr-19	49,693	-1.0%	48,202
May-19	50,123	0.9%	48,469
Jun-19	50,330	0.4%	48,518
Jul-19	50,530	0.4%	48,761

Source St. Louis Federal Reserve, 9/2019

Bartow County, GA experienced declines in employment in 2011, 2012, and 2014 and has experienced increases in employment every other year. Overall, employment is up in Bartow County over the previous ten years.

TOTAL JOBS BY INDUSTRY

EMPLOYMENT BY INDUSTRY			
Occupation	PMA	MSA	Georgia
Agric/Forestry/Fishing/Hunting/Mining	0.7%	0.3%	0.9%
Construction	10.7%	7.0%	6.9%
Manufacturing	17.1%	8.3%	10.2%
Wholesale Trade	2.6%	3.1%	2.7%
Retail Trade	11.9%	11.0%	11.1%
Transportation/Warehousing/Utilities	7.4%	7.6%	6.9%
Information	1.3%	3.1%	2.4%
Finance/Insurance/Real Estate/Rental/Leasing	4.9%	7.3%	6.1%
Prof/Scientific/Tech Services	4.0%	9.2%	6.9%
Mgmt of Companies/Enterprises	0.2%	0.3%	0.2%
Admin/Support/Waste Mgmt Svcs	3.9%	5.0%	4.5%
Educational Services	7.7%	8.6%	9.0%
Health Care/Social Assistance	11.2%	11.1%	11.9%
Arts/Entertainment/Recreation	7.4%	8.9%	1.7%
Accommodation/Food Services	6.6%	7.3%	8.8%
Other Services (excl Publ Adm)	5.0%	5.2%	5.0%
Public Administration	3.5%	4.0%	4.9%

Source: ESRI

As illustrated, the highest employment sectors are manufacturing, retail trade and health care/social assistance. Together, these industries comprise 40.2% of all jobs in the PMA.

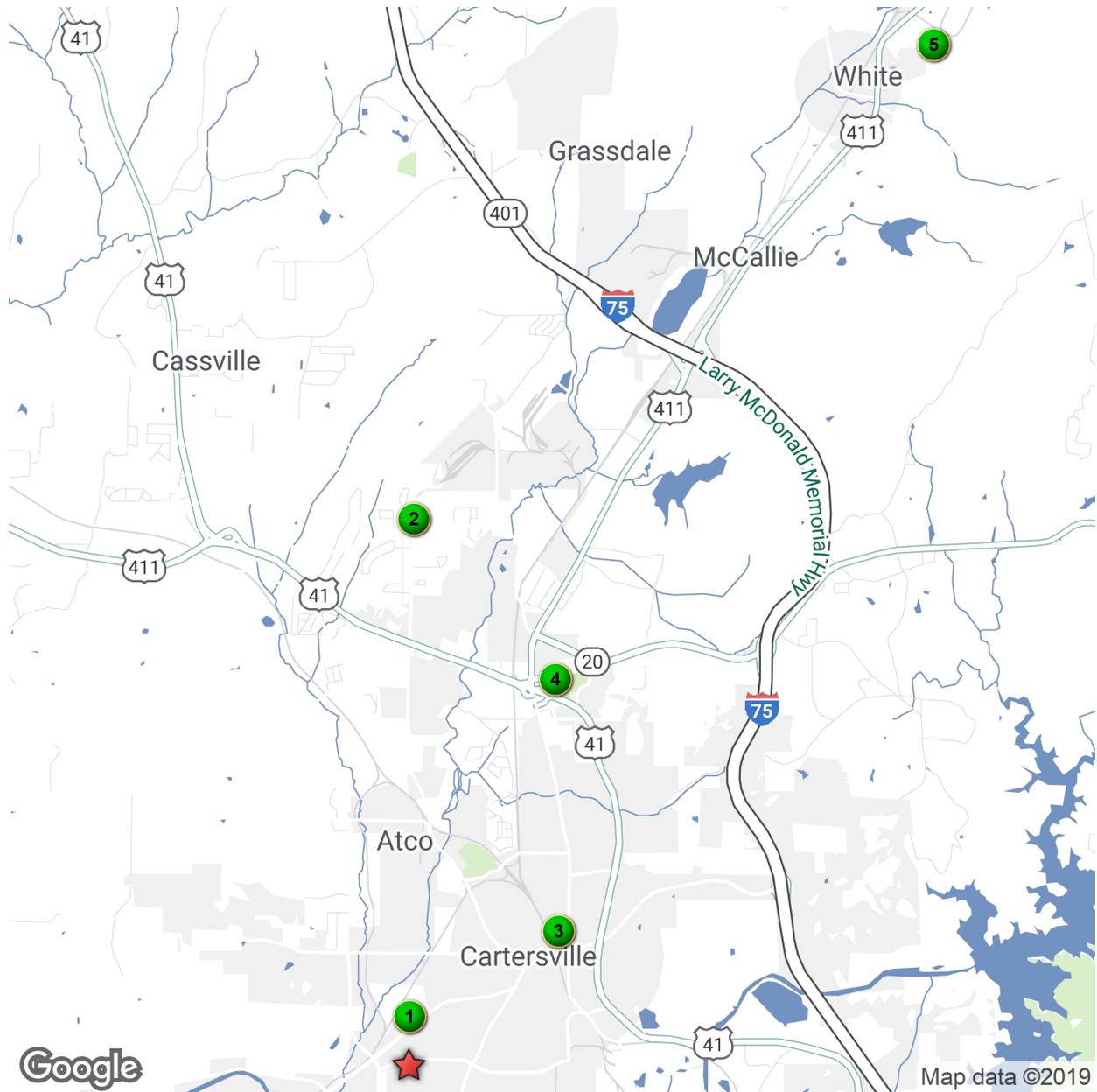
MAJOR EMPLOYERS

The following table illustrates the major employers in the Bartow County, GA.

MAJOR EMPLOYERS			
#	Company	Industry	Number of Employees
1	Shaw Industries Group, Inc.	Manufacturing	N/A
2	Bartow County School System	Education	N/A
3	Bartow County Government	Government	N/A
4	Cartersville Medical Center	Healthcare	N/A
5	Toyo Tire NA	Manufacturing	N/A
6	Anheuser-Busch/InBev	Food Processing	N/A
7	Quest Global, Inc	Healthcare	N/A
8	Cartersville School System	Education	N/A
9	City of Cartersville Government	Government	N/A
10	Wal-Mart	Retail	N/A

Source: Bartow County Department of Economic Development, 7/2019

The following map illustrates the top employers the subject's area.



Many of Bartow County’s largest employers are associated with the manufacturing, public sector, education, or healthcare industry. These are stable employment industries and provide a consistent base of employment in Bartow County.

WARN NOTICES

According to the Department of Labor, there were three companies over the past three years which reported layoffs: Faltec America, Inc. in Adairsville, GA reported 46 jobs impacted in June of 2019. Trinity Rail in Cartersville, GA reported 298 jobs impacted in January of 2017. Gossen, in Cartersville, GA reported 50 jobs impacted in October 2016.

We contacted Tommy Strickland, Vice Chairman with the Bartow-Cartersville Department of Economic Development regarding economic expansion that has occurred in the area. He reported two significant projects that were under way in the area.

Loloi, a rug manufacturer based out of Dallas is constructing a 647,000 square foot facility on Old Cass Road in Bartow County. The facility will add an estimated 198 jobs and will provide an additional stable source of employment in the area.

Vineyard Park is a \$300 million multi-use development that broke ground in 2019. The project is located between Interstate 75 and Waterside Drive near Emerson, GA. The concept plan for the park includes at least two hotels, more than 750,000 square feet of office space. Eventually the development will expand to include restaurants, convinces stores, retail village and multifamily residential.

UNEMPLOYMENT TRENDS

BARTOW COUNTY, GA		
Year	Unemployment	Unemployment Rate
2009	5,047	10.9%
2010	6,255	12.8%
2011	6,025	12.7%
2012	5,147	10.9%
2013	4,630	9.8%
2014	3,553	7.7%
2015	2,884	6.2%
2016	2,551	5.4%
2017	2,742	5.6%
2018	2,140	4.3%
Jan-19	2,211	4.4%
Feb-19	1,859	3.7%
Mar-19	1,758	3.5%
Apr-19	1,491	3.0%
May-19	1,654	3.3%
Jun-19	1,812	3.6%
Jul-19	1,769	3.5%

Source St. Louis Federal Reserve, 9/2019

The unemployment rate in Bartow County, GA peaked at 12.8% in 2010 but has gradually decreased to a current unemployment rate of 3.5% in April 2019. This is compared to the national unemployment rate of 3.7% in July 2019 and 3.6% unemployment rate in Georgia during the same period.

CONCLUSIONS

Overall, Bartow County, GA appears to be performing similarly to the state of Georgia and nation. As such, we expect this economy will have continued demand for workforce and affordable housing for the foreseeable future.

Unemployment in the MSA is currently 3.5% (July 2019) which is considered low, and is slightly lower than the state and national rates in the same period. The major employers in Bartow County are predominately in manufacturing, healthcare, public or educational sectors, which are considered relatively stable. The highest employment sectors are manufacturing, retail trade, and healthcare/social assistance.

Project Specific Affordability and Demand Analysis

Based on the guidelines provide by the Georgia DCA, we analyzed the potential number of qualified households that the subject property would likely capture.

Income Restrictions

The subject's maximum income limits are as follows by bedroom type:

INCOME LIMITS				
Unit Type	Minimum Allowable Income 60% AMI	Maximum Allowable Income	Minimum Allowable Income 60% AMI/Section 8	Maximum Allowable Income
1BR/1BA	\$25,646	\$38,280	\$0	\$38,280
1BR/1BA (Senior)	\$27,051	\$38,280	\$0	\$38,280
2BR/1BA	\$31,474	\$43,080	\$0	\$43,080
2BR/1BA (TH)	\$31,063	\$43,080	\$0	\$43,080
3BR/1.5BA	\$39,017	\$51,660	\$0	\$51,660
4BR/2BA	\$44,297	\$55,500	\$0	\$55,500

According to DCA guidelines, the maximum allowable Area Median Income (AMI) level per household for all bedroom types will be based on a standard of 1.5 persons per bedroom for family developments rounded up to the next whole number.

The minimum income limits are calculated assuming that the maximum gross rent a household will pay is 35 percent of its household income at the appropriate AMI level.

Affordability

According to DCA guidelines, our analysis assumes families pay no more than 35% of their income towards rent, and seniors pay no more than 40% of their income towards rent. We have utilized these guidelines to calculate the minimum income levels for the subject property. Post-renovation, the subject will continue to be subsidized by a Section 8 contract whereby tenants will contribute 30% of their income towards rent, with some tenants having no income.

Demand

The demand for the subject will be derived from three sources: a) new households in the market area, b) existing households, rent overburdened, or in substandard housing, and c) elderly homeowners likely to convert to renters (if relevant).

Demand from New Households

The first component of the demand analysis is the number of new households entering the market, or new units required in the market area due to projected household growth from migration into the market and growth from existing households in the market. The estimated date of completion is December 2020; therefore, we have utilized this date as the base year for the analysis. Therefore, 2019 household population estimates are inflated to 2020 based on

historical trends. This change in households is considered the gross potential demand for the Subject property. The gross potential demand is then adjusted or discounted for income eligibility and renter tenure, resulting in a net demand number.

Demand from Existing Households

The second source of demand is projected from rent over-burdened households, if any, within the age group, income groups and tenure (renters) targeted for the proposed development. We have assumed that the rent-overburdened analysis includes households paying greater than 35% (Family), or greater than 40% (Senior) of their income toward gross rent; and households in substandard housing should be determined based on age, income bands and tenure that apply.

Elderly Homeowners likely to convert to renters

Despite the subject targeting senior tenants for a portion of the one-bedroom units, we have not utilized senior homeowners converting to renters as the vast majority of senior tenants at the subject are not previous homeowners. This trend will likely continue in the future given the subject is a Section 8 development.

Net Demand, Capture Rates and Stabilization Conclusions

The overall demand components added together (demand from new households, demand from existing renter households in substandard housing, demand from existing renter households that are rent overburdened and demand from the secondary market area) less the supply of competitive vacant and/or units constructed in the past 2 years. Comparable units (vacant or occupied) funded, under construction or placed in service in 2018 and 2019 must be subtracted to calculate net demand. Vacancies in projects placed in service prior to 2018 which have not reached stabilized occupancy (i.e. at least 90% occupied) must also be considered as part of the supply.

Additions to Supply

Per DCA's guidelines we have deducted all competitive units are defined as those units that are of similar size and configuration and provide alternative housing to a similar tenant population, at rent levels comparative to those proposed. The supply needs to include all competitive units in properties that have not yet reached stabilized occupancy, including those recently funded by DCA, proposed for funding for a bond allocation from DCA, and existing or planned conventional rental properties.

According to the DCA Program Awards Database, there has been one development funded in the subject's PMA over the previous five years. Brentwood Senior is a proposed new development that will include 70 units upon its completion. The project received funding in 2017 and will be restricted to tenants 55 years and older. The property will include 63 one-bedroom units and seven two-bedroom units. The development is currently under construction with plans to open in early 2020.

PMA Occupancy

Per DCA’s guidelines, the following table outlines the average occupancy rate based on all available competitive conventional and affordable (including LIHTC) properties in the PMA.

OVERALL PMA OCCUPANCY			
Property Name	Program	Tenancy	Occupancy
Huntwood Terrace	Affordable	Family	97.5%
Chimney Lane Townhomes	Market	Family	96.7%
Crossfield Apartments	Affordable	Family	97.2%
Dylan Square	Market	Family	100.0%
Erwin North	Market	Family	90.6%
Erwin Chase Apartments	Market	Family	96.6%
Morgan Square Apartments	Market	Family	96.2%
Town Creek Commons	Market	Family	95.8%
Fieldmont Apartments	Affordable	Family	95.7%
Avenue Apartments	Market	Family	98.2%
Shangri-La Park	Affordable	Senior	97.2%
The Glen Apartments*	Market	Family	98.0%
Grandview Apartments	Market	Family	100.0%
Rosewood Apartments*	Market	Family	95.0%
Pine Ridge Apartments	Market	Family	96.6%
Adairsville Arms Apartments	Affordable	Family	97.9%
Bloom at Mainstreet	Market	Family	92.3%
Adairsville Apartments	Affordable	Family	100.0%
The Cove Apartments	Affordable	Senior	96.7%
Avonlea Highlands	Market	Family	98.3%
Club Court Apartments I & II	Affordable	Family	100.0%
Etowah Village*	Affordable	Family	92.0%
Alexandria Landing Apartments*	Market	Family	100.0%
Hannah Apartments	Market	Family	98.2%
Park Place	Market	Family	95.8%
Ivy Mill Apartments	Market	Family	87.5%
The Oaks	Market	Family	97.1%
Collinspoint Apartments	Market	Family	96.9%
The Vineyards*	Market	Family	94.0%
Somerset Club Apartments	Market/Affordable	Family	97.4%
Stone Mill Apartments	Market	Family	93.2%
Amberwood Apartments*	Market	Family	96.0%
Oaks at Valley View Apartments	Market	Family	93.8%
Weighted Average			96.5%
Compiled by CBRE			

* Utilized as a comparable

The overall average indicated is 96.5%. We note that several of the properties operating below 93% are undergoing renovations or recently completed and are still undergoing absorption.

Rehab Developments and PBRA

According the DCA guidelines, “Capture rate calculations for proposed rehab developments will be based on those units that are vacant, or whose tenants will be rent burdened or over income as listed on the Tenant Relocation Spreadsheet provided by the applicant and will be included in

the study as an addendum. Tenants who are income qualified to remain in the property at the proposed stabilized renovated rents will be deducted from the property unit count prior to determining the applicable capture rates. If the developer intends to relocate all of the tenants in the property as part of the renovation process, then the property will be evaluated as if it is New Construction. Units that are subsidized with PBRA or whose rents are more than 20% lower than the rent for other units of the same bedroom size in the same AMI band and comprise less than 10% of the total units in the same AMI band will not be used in determining project demand. In addition, any units, if priced 30% lower than the average market rent for the bedroom type in any income segment, will be assumed to be leasable in the market and deducted from the total number of units in the project for determining capture rates.”

All of the subject’s 100 rentable units will benefit from a Section 8 contract subsidy and therefore these units are presumed leasable.

Capture Rates

As previously illustrated, the renter household income distribution for the PMA is as follows:

RENTER HOUSEHOLD INCOME DISTRIBUTION - PMA						
Income Cohort	2019		Projected Market Entry - December 2020		2024	
	Number	Percentage	Number	Percentage	Number	Percentage
<\$15000	1,540	12.3%	1,569	12.3%	1,403	9.7%
\$15000-\$24999	1,821	14.6%	1,854	14.6%	1,835	12.7%
\$25000-\$34999	1,053	8.4%	1,072	8.4%	1,081	7.5%
\$35000-\$49999	1,274	10.2%	1,297	10.2%	1,411	9.8%
\$50000-\$74999	2,388	19.1%	2,432	19.1%	2,763	19.1%
\$75000-\$99999	1,871	15.0%	1,906	15.0%	2,345	16.2%
\$100000-\$149999	1,590	12.7%	1,619	12.7%	2,200	15.2%
\$150000-\$199999	426	3.4%	434	3.4%	652	4.5%
\$200000+	530	4.2%	538	4.2%	739	5.1%
Total	12,493	100%	12,721	100%	14,428	100%

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - 60% WITH SUBSIDY						
Minimum Income Limit	\$0		Maximum Income Limit		\$55,500	
Income Cohort	New Renter Households - Total Change in Households PMA 2019 to Prj Mrkt Entry December 2020		Income Brackets	Percent within Cohort	Renter Households within Bracket	
<\$15000	28	12%	\$15,000	100%	28	
\$15000-\$24999	33	15%	\$9,999	100%	33	
\$25000-\$34999	19	8%	\$9,999	100%	19	
\$35000-\$49999	23	10%	\$9,999	100%	23	
\$50000-\$74999	44	19%	\$14,999	36.7%	16	
\$75000-\$99999	34	15%				
\$100000-\$149999	29	13%				
\$150000-\$199999	8	3%				
\$200000+	9	4%				
Total	227	100%			120	

ASSUMPTIONS - 60% AMI WITH SUBSIDY					
Tenancy	Family	% of Income Toward Housing			35%
Urban/Rural	Urban	Maximum # of Occupants			6
Person in Household	1BR	2BR	3BR	4BR	
1	90%	10%	0%	0%	
2	40%	60%	0%	0%	
3	0%	50%	50%	0%	
4	0%	0%	80%	20%	
5+	0%	0%	0%	100%	

Demand from New Renter Households 2019 to Prj Mrkt Entry December 2020

Income Target Population	60% - With Subsidy
New Renter Households PMA	227
Percent Income Qualified	53%
	120

Demand from Existing Households in 2019

Demand from Rent Overburdened Households

Income Target Population	60% - With Subsidy
Total Existing Demand	12,721
Income Qualified	53%
Income Qualified Renter Households	6,684
Percent Rent Overburdened Prj Mrkt Entry December 2020	38%
Rent Overburdened Households	2,540

Demand from Living in Substandard Household

Income Qualified Renter Households	6,684
Percent Living in Substandard Housing	0.25%
Households Living in Substandard Housing	17

Total Demand

Total Demand from Existing Households		2,557
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		2557
Total New Demand		120
Total Demand (New Plus Existing Households)		2,676

Demand from Seniors Who Convert from Homeownership		0
Percent of Total Demand From Homeownership Conversion		0%
Is this Demand Over 2 percent of Total Demand?	No	

By Bedroom Demand

One Person	26%	709
Two Persons	31%	823
Three Persons	20%	544
Four Persons	13%	355
Five Persons	9%	246
Total	100%	2,676

Capture Rate: 60% - Subsidy in Place

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	90%	638
Of two-person households in 1BR units	40%	329
Of one-person households in 2BR units	10%	71
Of two-person households in 2BR units	60%	494
Of three-person households in 2BR units	50%	272
Of three-person households in 3BR units	50%	272
Of four-person households in 3BR units	80%	284
Of four-person households in 4BR units	20%	71
Of five(+)-person households in 4BR units	100%	246
Total Demand		2,676

Total Demand (Subject Unit Type)		Less Additions to Supply	Net Demand
1BR	967	63	904
2BR	837	7	830
3BR	556	0	556
4BR	317	0	317
Total	2,676		2,606

Developer's Unit Mix		Divided by Net Demand	Capture Rate
1BR	59	904	6.5%
2BR	24	830	2.9%
3BR	12	556	2.2%
4BR	5	317	1.6%
Total	100	2606	3.8%

CAPTURE RATE – 60% ABSENT SUBSIDY

EXISTING RENTER HOUSEHOLD DEMAND BY INCOME COHORT - 60% WITHOUT SUBSIDY					
Minimum Income Limit	\$25,646	Maximum Income Limit			\$55,500
Income Cohort	Households - Total Change in Households PMA 2018 to Prj Mrkt		Income Brackets	Percent within Cohort	Renter Households within Bracket
<\$15000	1,569	12%			
\$15000-\$24999	1,854	15%			
\$25000-\$34999	1,072	8%	\$9,999	100%	1072
\$35000-\$49999	1,297	10%	\$14,999	100%	1297
\$50000-\$74999	2,432	19%	\$14,999	36.7%	892
\$75000-\$99999	1,906	15%			
\$100000-\$149999	1,619	13%			
\$150000-\$199999	434	3%			
\$200000+	538	4%			
Total	12,721	100%			3261

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - 60% WITHOUT SUBSIDY					
Minimum Income Limit	\$25,646	Maximum Income Limit			\$55,500
Income Cohort	New Renter Households - Total Change in Households PMA 2018 to Prj Mrkt Entry December 2019		Income Brackets	Percent within Cohort	Renter Households within Bracket
<\$15000	28	12%			
\$15000-\$24999	33	15%			
\$25000-\$34999	19	8%	\$9,999	100%	19
\$35000-\$49999	23	10%	\$14,999	100%	23
\$50000-\$74999	44	19%	\$14,999	36.7%	16
\$75000-\$99999	34	15%			
\$100000-\$149999	29	13%			
\$150000-\$199999	8	3%			
\$200000+	9	4%			
Total	227	100%			58

ASSUMPTIONS - 60% AMI WITHOUT SUBSIDY					
Tenancy	Family	% of Income Toward Housing			35%
Urban/Rural	Urban	Maximum # of Occupants			6
Person in Household	1BR	2BR	3BR	4BR	
1	90%	10%	0%	0%	
2	40%	60%	0%	0%	
3	0%	50%	50%	0%	
4	0%	0%	80%	20%	
5+	0%	0%	0%	100%	

Demand from New Renter Households 2019 to Prj Mrkt Entry December 2020		
Income Target Population	60% - Without Subsidy	
New Renter Households PMA		227
Percent Income Qualified		26%
		58
Demand from Existing Households in 2019		
Demand from Rent Overburdened Households		
Income Target Population	60% - Without Subsidy	
Total Existing Demand		12,721
Income Qualified		26%
Income Qualified Renter Households		3,275
Percent Rent Overburdened Prj Mrkt Entry December 2019		38%
Rent Overburdened Households		1,245
Demand from Living in Substandard Household		
Income Qualified Renter Households		3,275
Percent Living in Substandard Housing		0.25%
Households Living in Substandard Housing		8
Total Demand		
Total Demand from Existing Households		1,253
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		1253
Total New Demand		58
Total Demand (New Plus Existing Households)		1,311
Demand from Seniors Who Convert from Homeownership		0
Percent of Total Demand From Homeownership Conversion		0%
Is this Demand Over 2 percent of Total Demand?	No	
By Bedroom Demand		
One Person	26%	347
Two Persons	31%	403
Three Persons	20%	266
Four Persons	13%	174
Five Persons	9%	120
Total	100%	1,311

Capture Rate: 60% - Absent Subsidy

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	90%	312
Of two-person households in 1BR units	40%	161
Of one-person households in 2BR units	10%	35
Of two-person households in 2BR units	60%	242
Of three-person households in 2BR units	50%	133
Of three-person households in 3BR units	50%	133
Of four-person households in 3BR units	80%	139
Of four-person households in 4BR units	20%	35
Of five(+)-person households in 4BR units	100%	120
Total Demand		1,311

Total Demand (Subject Unit Type)		Less Additions to Supply	Net Demand
1BR	474	63	411
2BR	410	7	403
3BR	272	0	272
4BR	155	0	155
Total	1,311		1,241

Developer's Unit Mix		Divided by Net Demand	Capture Rate
1BR	59	411	14.4%
2BR	24	403	6.0%
3BR	12	272	4.4%
4BR	5	155	3.2%
Total	100	1241	8.1%

Conclusions

The subject property (as subsidized) indicates an overall capture rate of 3.8%, with bedroom types ranging from 6.5% for one-bedroom units, 2.9% for two bedroom units, 2.2% for three-bedroom units and 1.6% for four-bedroom units.

Without subsidy, the capture rates are higher but still considered reasonable with an overall capture rate of 8.1%, with bedroom types ranging from 14.4% for one-bedroom units, 6.0% for two-bedroom units, 4.4% for three-bedroom units and 3.2% for four-bedroom units.

The subject's low capture rates are due to the subject's small project size, the subject's variety of unit types, the low amount of new supply in this market, and the increasing household growth trends in the PMA.

Project Specific Affordability and Demand Analysis

Demand and Net Demand		
	HH at 60% AMI - Absent Subsidy (\$25,646 to \$55,500 income)	HH at 60% AMI - With Subsidy (\$0 to \$55,500 income)
Demand from New Households (age and income appropriate)	58	120
PLUS Demand from Existing Renter Households - Substandard Housing	8	17
PLUS Demand from Existing Renter Households - Rent Overburdened Households	1,245	2,540
PLUS Secondary Market Demand adjustment IF ANY Subject to 15% Limitation	0	0
Subtotal	1,311	2,676
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 20% where applicable)	0	0
Equals Total Demand	1,311	2,676
Less		
Competitive New Supply	70	70
Equals Net Demand	1,241	2,606

CAPTURE RATE ANALYSIS CHART

Unit Type	Units Proposed	Income Limits		Total Demand	Supply	Net Demand	Capture Rate	Absorption	Average Market Rent	Market Rents Band Min	Market Rents Band Max	Proposed Rents
1BR/1BA 60% AMI/HAP	59	\$0	\$38,280	967	63	904	6.5%	4 Months	\$797	\$575	\$885	\$675 - \$695
1BR/1BA 60% AMI	59	\$25,646	\$38,280	474	63	411	14.4%	7 Months	\$797	\$575	\$885	\$675 - \$695
2BR/1BA 60% AMI/HAP	24	\$0	\$43,080	837	7	830	2.9%	4 Months	\$906	\$675	\$1,030	\$770 - \$800
2BR/1BA 60% AMI	24	\$31,063	\$43,080	410	7	403	6.0%	7 Months	\$906	\$675	\$1,030	\$770 - \$800
3BR/1.5BA 60% AMI/HAP	12	\$0	\$51,660	556	0	556	2.2%	4 Months	\$1,055	\$900	\$1,150	\$940
3BR/1.5BA 60% AMI	12	\$39,017	\$51,660	272	0	272	4.4%	7 Months	\$1,055	\$900	\$1,150	\$940
4BR/2BA 60% AMI/HAP	5	\$0	\$55,500	317	0	317	1.6%	4 Months	N/A	N/A	N/A	\$1,100
4BR/2BA 60% AMI	5	\$44,297	\$55,500	155	0	155	3.2%	7 Months	N/A	N/A	N/A	\$1,100
Overall - With Subsidy	100	\$0	\$55,500	2676	70	2606	3.8%	4 Months				
Overall - Without Subsidy	100	\$25,646	\$55,500	1311	70	1241	8.1%	7 Months				

Competitive Rental Analysis

Survey of Comparable Projects

We performed a competitive rental analysis of the local market. We surveyed both market rate and affordable housing rental properties.

We have included a total of eight comparables, three of which are LIHTC properties and five are market rate properties. Two of the three LIHTC comparables are located outside of the PMA within 20 miles from the subject. The market rate comparables are all located within 4.7 miles of the subject in the PMA. All of the LIHTC comparables are located in generally similar locations with the two outside of the PMA in slightly inferior locations compared to the subject. All of the market rate comparables are located in generally similar locations within Cartersville, GA.

To locate comparable properties we utilized the CBRE database, CoStar, Axiometrics, www.Rent.com, and www.Apartments.com as well as physically driving the market area and speaking to local property managers. Additionally, we identified comparable properties through discussions with area property managers regarding competition among properties.

The LIHTC comparables were built between 1996 and 2002. The market rate comparables were built between 1985 and 2000.

Unit sizes are reported on a net basis for comparable properties, which is the typical basis reported within the apartment industry.

The subject's PMA offers a limited supply of four-bedroom units. As such, we have utilized comparables that offer three-bedroom units in our analysis of the subject's four-bedroom units. The three-bedroom comparables utilized offer unit sizes that are generally similar to the subject's four-bedroom units.

Excluded Properties

The following table illustrates properties that have been excluded from our analysis.

EXCLUDED PROPERTIES			
Project Name	Type	Tenancy	Reason for Exclusion
Huntwood Terrace	Section 8	Family	Subsidized Rents
Chimney Lane Townhomes	Market	Family	More Comparable Properties
Crossfield Apartments	Section 8	Family	Subsidized Rents
Dylan Square	Market	Family	More Comparable Properties
Erwin North	Market	Family	More Comparable Properties
Erwin Chase Apartments	Market	Family	More Comparable Properties
Morgan Square Apartments	Market	Family	Subsidized Rents
Town Creek Commons	Market	Family	More Comparable Properties
Fieldmont Apartments	Section 8	Family	Subsidized Rents
Avenue Apartments	Market	Family	More Comparable Properties
Shangri-La Park	Section 8	Senior	Subsidized Rents
Grandview Apartments	Market	Family	More Comparable Properties
Pine Ridge Apartments	Market	Family	More Comparable Properties
Adairsville Arms Apartments	Section 8	Family	Subsidized Rents
Bloom at Mainstreet	Market	Family	More Comparable Properties
Adairsville Apartments	Section 8	Family	Subsidized Rents
The Cove Apartments	Section 8	Senior	Subsidized Rents
Avonlea Highlands	Market	Family	More Comparable Properties
Club Court Apartments I & II	Section 8	Family	Subsidized Rents
Hannah Apartments	Market	Family	More Comparable Properties
Park Place	Market	Family	More Comparable Properties
Ivy Mill Apartments	Market	Family	More Comparable Properties
The Oaks	Market	Family	More Comparable Properties
Collinspoint Apartments	Market	Family	More Comparable Properties
Somerset Club Apartments	Section 8	Family	Subsidized Rents
Stone Mill Apartments	Market	Family	More Comparable Properties
Oaks at Valley View Apartments	Market	Family	More Comparable Properties

Compiled by CBRE



SUMMARY OF COMPARABLE APARTMENT RENTALS

Comp. No.	Property Name	Location	YOC / Reno'd	Occ.	No. Units	Type	Distance from Subj
1	Rosewood	531 Grassdale Road Cartersville, GA	1990	95%	148	Market	4.7 Miles
2	The Vineyards	11 Sheffield Place Cartersville, GA	1997	94%	152	Market	4.6 Miles
3	The Glen	200 Governors Court Cartersville, GA	1996	98%	108	Market	4.3 Miles
4	Amberwood	1116 N. Tennessee Street Cartersville, GA	1985	96%	117	Market	3.3 Miles
5	Alexandria Landing	370 Old Mill Road Cartersville, GA	2000	100%	76	Market	0.1 Miles
6	Etowah Village	366 Old Mill Road Cartersville, GA	1996	92%	86	LIHTC	0.2 Miles
7	River Ridge at Canton	100 River Ridge Drive Canton, GA	2002	97%	356	LIHTC/Market	20 Miles
8	Riverstock Apartments	50 Sandy Circle Woodstock, GA	2001	98%	172	LIHTC	18 Miles
Subj.	Cartersville Gardens	378 Old Mill Road, Cartersville, Georgia	Proposed 2020	-	100		---

Compiled by CBRE

Complete comparable write-ups have been included within the addenda of this report.

Housing Choice Vouchers

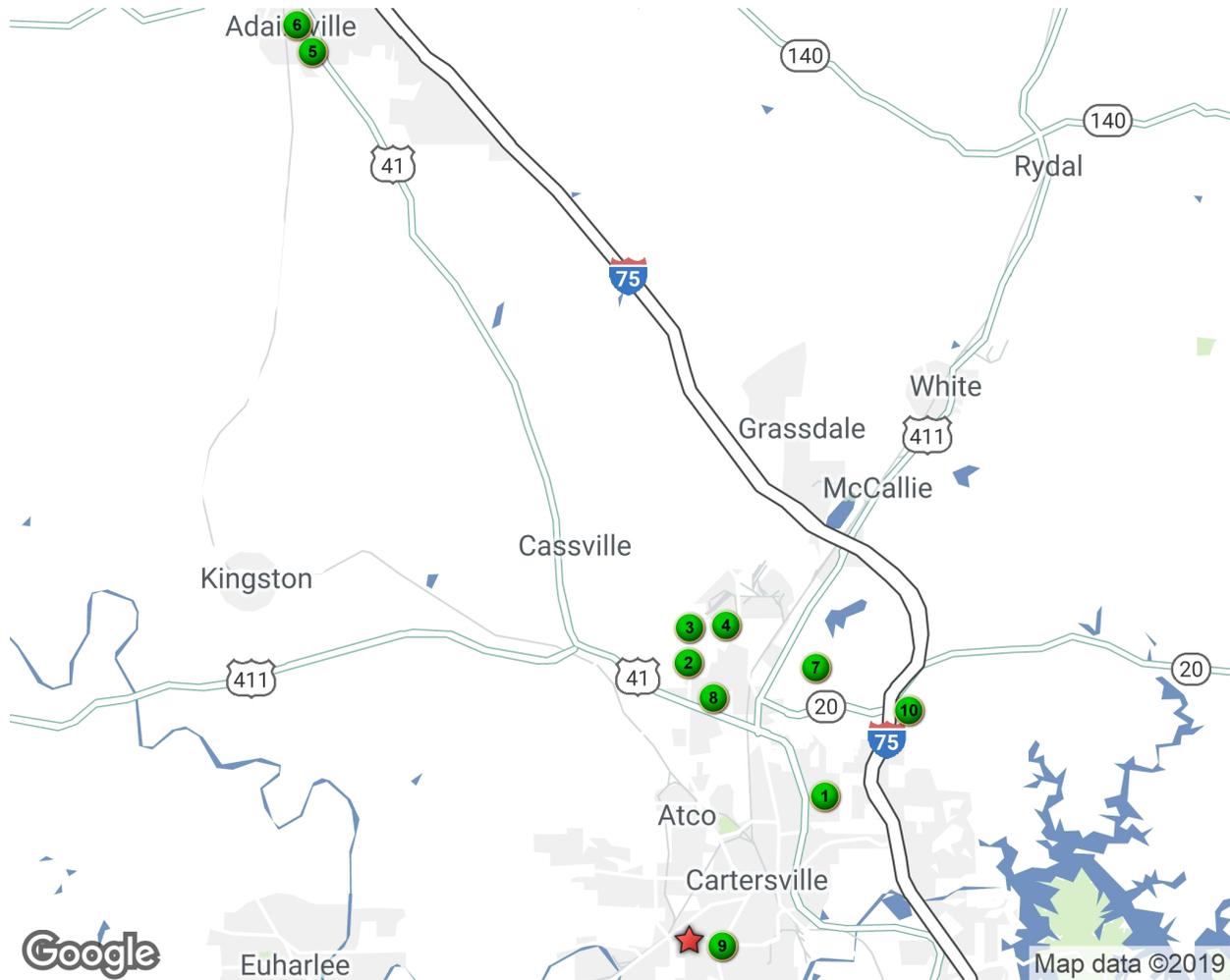
We contacted David Samloff, director of Operations with the Georgia Department of Community Affairs in order to determine the number of housing choice vouchers currently in use in Bartow County, GA. He reported that there are currently 92 vouchers in use and there are more than 20,000 households on the closed waiting list for additional vouchers. However, the Subject benefits from a Section 8 HAP contract and therefore Section 8 portable vouchers will not be needed.

Rural Area

The subject is not located within a rural area.

Competitive Property Map

EXISTING ASSISTED RENTAL HOUSING PROPERTY MAP IN PMA



ASSISTED/SUBSIDIZED PROPERTIES IN THE PMA

	Property Name	Program	Tenancy	Occupancy
1	Huntwood Terrace	Section 8	Family	97.5%
2	Crossfield Apartments	LIHTC/USDA RD	Family	97.2%
3	Fieldmont Apartments	Section 8	Family	95.7%
4	Shangri-La Park	Section 8	Senior	97.2%
5	Adairville Arms Apartments	Section 8	Family	97.9%
6	Adairville Apartments	Section 8	Family	100.0%
7	The Cove Apartments	Section 8	Senior	96.7%
8	Club Court Apartments I & II	Section 8	Family	100.0%
9	Etowah Village	LIHTC	Family	92.0%
10	Somerset Club Apartments	Section 8	Family	97.4%

Compiled by CBRE

Amenities

The subject’s amenity package is considered to be similar to slightly inferior in-unit amenities in comparison to the LIHTC comparables and slightly inferior to inferior to the market-rate comparable properties and generally inferior project amenities. The subject’s units offer

refrigerators, range/oven, and washer/dryer connections, but does not offer a private balcony/patio, garbage disposal or dishwasher which the majority of comparables include. Further, the subject offers a laundry facility, and playground but does not offer a pool, exercise facility, dog park, or barbeque area which the majority of the comparables include. Following renovations, the subject will add the following amenities: microwaves, free wireless internet, in-unit washer/dryers (two, three, and four-bedroom units only), surveillance cameras, community room, business center, fitness center, BBQ area with pergola, dog park, community garden. Following renovations, the subject will offer similar or slightly superior in-unit and project amenities.

Comparable Tenancy

The subject targets families and seniors. All of the comparables target families as there is a limited number of market rate senior developments in the PMA. The majority of senior targeting developments are independent living facilities with premium services such as meal service, housekeeping and transportation.

Vacancy

The following table illustrates the vacancy rates in the market.

SUMMARY OF COMPARABLE APARTMENT RENTALS				
Comp. No.	Name	Location	Development Type	Occupancy
1	Rosewood	531 Grassdale Road, Cartersville, GA	Market Rate	95%
2	The Vineyards	11 Sheffield Place, Cartersville, GA	Market Rate	94%
3	The Glen	200 Governors Court, Cartersville, GA	Market Rate	98%
4	Amberwood	1116 N. Tennessee Street, Cartersville, GA	Market Rate	96%
5	Alexandria Landing	370 Old Mill Road, Cartersville, GA	Market Rate	100%
6	Etowah Village	366 Old Mill Road, Cartersville, GA	LIHTC	92%
7	River Ridge at Canton	100 River Ridge Drive, Canton, GA	LIHTC/Market	97%
8	Riverstock Apartments	50 Sandy Circle, Woodstock, GA	LIHTC	98%
Subject	Cartersville Gardens	378 Old Mill Road, Cartersville, Georgia	LIHTC/Section 8	-

Compiled by CBRE

Comparables 1-5 represent conventional market rate properties, and Comparables 6 through 8 represent LIHTC properties.

The affordable properties range between 92% and 98%, and average 95.7%.

The market rate properties range between 94% and 100%, and average 97%. Given the level of subsidy, the current waiting list at the subject property, limited turnover as part of the renovation, as well as the recent and current occupancy rates, we do not expect the property to have occupancy issues as proposed.

Given that the subject is an existing property that is fully leased (99% occupied), we do not believe that the subject will impact the performance of the existing affordable properties if allocated.

Properties Under Construction and Proposed

Based on our research from CoStar, Axiometrics, and conversations with the local planning department, we are aware of two multifamily developments that are under construction in the subject's PMA. Havenwood Cartersville, located at 300 East Felton in Cartersville is currently under construction and offers 50 one, two and three-bedroom units. The development will not be rent or income-restricted and therefore will not be directly competitive with the subject.

Brentwood Senior is a proposed new development that will include 70 units upon its completion. The project received LIHTC funding in 2017 and will be restricted to tenants 55 years and older. The property will include 63 one-bedroom units and seven two-bedroom units. The development is currently under construction currently with plans to open in early 2020. This development will be competitive with the subject as it targets low-income seniors, similar to the subject.

Average Market Rent

The rentals utilized represent the best data available for comparison with the subject. Comparables 1-5 represent conventional market rate properties, and comparables 6-8 represent LIHTC properties.

DISCUSSION/ANALYSIS OF RENT COMPARABLES

Rent Comparable One

This comparable rental represents Rosewood apartments, a 148-unit garden-style, multi-unit garden property at 531 Grassdale Road, Cartersville, GA. The improvements were originally constructed in 1990 and were considered in good condition at the time of our research. The structure's exterior walls depict vinyl siding construction components and the average unit size is 986 square feet. Project/unit amenities include the following: barbeque area, car wash facility, fitness center, laundry facility, outdoor fireplace, playground, pool, tennis court, gated / controlled access, on-site management, dishwasher, garbage disposal, private patios / balconies, range / oven, refrigerator, washer / dryer connections. According to the unit mix and asking rates for this property, the average base rental rate is \$0.95 per square foot monthly (\$939/unit), based upon typical lease terms of 12 months. Rent premiums were reported as pool view, fireplaces. No utilities are included with the rent and no concessions are currently offered. The property is currently 95% leased. This comparable represents a 148-unit apartment property, located along Grassdale Road, in the northwest portion of metropolitan Atlanta. The property,

identified as Rosewood, was developed in 1990 and is currently 95% occupied. The property offers one-, two-, and three-bedroom floor plans, with an average unit size of 986 square feet. This property has average access and exposure. The property offers storage units for an additional \$35 per month. The property is sub-metered for tenant-paid water/sewer. Resident pays \$15 per month for both pest control and trash removal. Management indicated that the subject property utilizes a leasing software program, whereby rental rates constantly change based on availability of each floor plan. Thus, management does not typically offer concessions.

Upon renovation, the subject's units will be considered similar with respect to age/condition, superior with respect to amenities, and inferior with respect to location. Overall, this comparable will be considered similar.

Rent Comparable Two

This comparable rental represents The Vineyards, a 152-unit garden-style, multi-unit garden property at 11 Sheffield Place, Cartersville, GA. The improvements were originally constructed in 1997 and were considered in good condition at the time of our research. The structure's exterior walls depict vinyl siding construction components and the average unit size is 992 square feet. Project/unit amenities include the following: clubhouse, fitness center, playground, pool, on-site management, ceiling fans, dishwasher, private patios / balconies, range / oven, refrigerator, vaulted / cathedral ceilings, washer / dryer connections. According to the unit mix and asking rates for this property, the average base rental rate is \$0.97 per square foot monthly (\$962/unit), based upon typical lease terms of 12 months. Rent premiums were reported as vaulted ceilings, views. No utilities are included with the rent and no concessions are currently offered. The property is currently 94% leased. This comparable represents a 152-unit apartment complex, located along a secondary thoroughfare. The property, identified as The Vineyards, was developed in 1997 and is currently 95% occupied. The property offers one-, two-, and three-bedroom floor plans, with an average unit size of 992 square feet. Garages are leased from between \$75 and \$99 per month. Units are sub-metered for water and sewer with the tenant responsible for usage. Resident pays \$13 per month for pest control and trash removal. Management is not currently offering any concessions.

Upon renovation, the subject's units will be considered similar with respect to age/condition, superior with respect to amenities, and inferior with respect to location. Overall, this comparable will be considered similar.

Rent Comparable Three

This comparable rental represents The Glen apartments, a 108-unit garden-style, multi-unit garden property at 200 Governors Court, Cartersville, GA. The improvements were originally constructed in 1996 and were considered in good condition at the time of our research. The structure's exterior walls depict vinyl siding construction components and the average unit size is 1,116 square feet. Project/unit amenities include the following: car wash facility, clubhouse, dog park / run, fitness center, playground, pool, carpeted flooring, ceiling fans, dishwasher, gourmet

kitchen, laminate countertops, microwave oven, private patios / balconies, range / oven, refrigerator, tub / shower combo, vinyl flooring, washer / dryer connections white / beige appliances. According to the unit mix and asking rates for this property, the average base rental rate is \$0.87 per square foot monthly (\$974/unit), based upon typical lease terms of 6 months. Rent premiums were reported as fireplace - \$10. Utilities included with the rent are trash removal and no concessions are currently offered. The property is currently 98% leased. This comparable represents a 108-unit apartment property, located along a secondary thoroughfare. The property, identified as The Glen, was constructed in 1991, and Phase II was constructed in 1995. The property is 98% occupied. Management indicated construction is underway on Phase II consisting of an additional 144 units. Completion is expected sometime in 2019. The property offers one-, two-, and three-bedroom floor plans, with an average unit size of 1,116 square feet. Quoted rent range on select floor plans include a premium for units offering a fireplace. The property has detached garages available which rent for \$85 per month. There are also 8 storage units which rent for \$25 per month. Units are sub-metered for water and sewer with the tenant responsible for usage. No concessions are currently being offered.

Upon renovation, the subject's units will be considered similar with respect to age/condition, superior with respect to amenities, and similar with respect to location. Overall, this comparable will be considered inferior.

Rent Comparable Four

This comparable rental represents Amberwood apartments, a 117-unit garden-style, multi-unit garden property at 1116 N. Tennessee Street, Cartersville, GA. The improvements were originally constructed in 1985 and were considered in average condition at the time of our research. The structure's exterior walls depict wood construction components and the average unit size is 564 square feet. Project/unit amenities include the following: on-site management, dishwasher, range / oven, refrigerator, washer / dryer. According to the unit mix and asking rates for this property, the average base rental rate is \$1.01 per square foot monthly (\$571/unit), based upon typical lease terms of 12 months. No rent premiums were reported. No utilities are included with the rent and no concessions are currently offered. The property is currently 96% leased. This comparable represents a 117-unit Cardinal built apartment property, located along Tennessee Street in Cartersville, GA. The property, identified as Amberwood, was developed in 1985 and is currently 96% occupied. The property offers studio, one-, and two-bedroom floor plans, with an average unit size of 563 square feet. The one- and two-bedroom units contain washer/dryer connections. Units are sub-metered for water and sewer with the tenant responsible for usage. Three-month leases are available for an additional \$20 per month. No concessions are currently being offered.

Upon renovation, the subject's units will be considered superior with respect to age/condition, similar with respect to amenities, and similar with respect to location. Overall, this comparable will be considered slightly inferior.

Rent Comparable Five

This comparable rental represents Alexandria Landing apartments, a 76-unit garden-style, multi-unit garden property at 370 Old Mill Road, Cartersville, GA. The improvements were originally constructed in 2000 and were considered in good condition at the time of our research. The structure's exterior walls depict vinyl siding construction components and the average unit size is 1,095 square feet. Project/unit amenities include the following: fitness center, on-site management, carpeted flooring, ceiling fans, dishwasher, garbage disposal, private patios / balconies, range / oven, refrigerator, washer / dryer connections. According to the unit mix and asking rates for this property, the average base rental rate is \$0.74 per square foot monthly (\$816/unit), based upon typical lease terms of 12 months. No rent premiums were reported. Utilities included with the rent are trash & pest control and no concessions are currently offered. The property is currently 100% leased. This comparable represents a 76-unit apartment property, located along Old Mill Road in the northwest portion of metropolitan Atlanta. The property, identified as Alexandria Landing, was developed in 2000 and is currently 100% occupied. The property offers one-, two-, and three-bedroom floor plans, with an average unit size of 1,095 square feet. Units are sub-metered for water and sewer usage with the tenant responsible for usage. No concessions are currently being offered.

Upon renovation, the subject's units will be considered similar with respect to age/condition, similar with respect to amenities, and similar with respect to location. Overall, this comparable will be considered similar.

Rent Comparable Six

This comparable rental represents Etowah Village apartments, an 86-unit garden-style, multi-unit garden property at 366 Old Mill Road, Cartersville, GA. The improvements were originally constructed in 1997 and were considered in good condition at the time of our research. The structure's exterior walls depict vinyl siding construction components and the average unit size is 1,200 square feet. Project/unit amenities include the following: barbeque area, basketball court, business center, clubhouse, laundry facility, playground, pool, carpeted flooring, dishwasher, private patios / balconies, range / oven, refrigerator, tub / shower combo, vinyl flooring, washer / dryer connections white / beige appliances. According to the unit mix and asking rates for this property, the average base rental rate is \$0.73 per square foot monthly (\$881/unit), based upon typical lease terms of 12 months. No rent premiums were reported. Utilities included with the rent are trash and pest control and no concessions are currently offered. The property is currently 92% leased. This comparable represents a 96-unit apartment property, located along Old Mill Road in Cartersville, GA. The property, identified as Etowah Village, was developed in 1996 and is currently 98% occupied. The property offers two- and three-bedroom floor plans, with an average unit size of 1,204 square feet. All units have W/D connections. Units are sub-metered for water and sewer with the tenant responsible for usage. No concessions are currently being offered.

Upon renovation, the subject's units will be considered similar with respect to age/condition, superior with respect to amenities, and similar with respect to location. Overall, this comparable will be considered slightly inferior.

Rent Comparable Seven

This comparable rental represents River Ridge at Canton apartments, a 356-unit garden-style, multi-unit garden property at 100 River Ridge Drive, Canton, GA. The improvements were originally constructed in 2002 and were considered in good condition at the time of our research. The structure's exterior walls depict stucco construction components and the average unit size is 978 square feet. Project/unit amenities include the following: business center, car wash facility, clubhouse, fitness center, game room, laundry facility, playground, pool, walking trail, carpeted flooring, ceiling fans, ceramic tile flooring, dishwasher, garbage disposal, granite countertops, intrusion alarms, private patios / balconies, range / oven, tub / shower combo, washer / dryer connections. According to the unit mix and asking rates for this property, the average base rental rate is \$0.91 per square foot monthly (\$889/unit), based upon typical lease terms of 12 months. Rent premiums were reported as garages, storage. Utilities included with the rent are trash removal & pest control and no concessions are currently offered. The property is currently 97% leased. This comparable represents a 356-unit apartment property, located along the south side of Reinhardt College Parkway, one-mile north of Riverstone Boulevard. The property, identified as River Ridge at Canton, was built in 2002 and is currently 97% occupied. The property includes both tax credit and market rate units. The property is a 60% tax-credit property. The property offers one-, two- and three-bedroom floor plans, with an average unit size of 978 square feet. Garages at this property rent for \$75 per month, while storage units rent from \$20 to \$40 per month depending on size. Management employs a RUBS for reimbursement of water and sewer; by charging a flat fee of \$20 (1BR), \$30 (2BR), and \$40 (3BR). No concessions are currently being offered.

Upon renovation, the subject's units will be considered superior with respect to age/condition, superior with respect to amenities, and similar with respect to location. Overall, this comparable will be considered slightly inferior.

Rent Comparable Eight

This comparable rental represents Riverstock Apartments, a 172-unit garden-style, multi-unit garden property at 50 Sandy Circle, Woodstock, GA. The improvements were originally constructed in 2001 and were considered in good condition at the time of our research. The structure's exterior walls depict brick veneer construction components and the average unit size is 1,227 square feet. Project/unit amenities include the following: barbeque area, clubhouse, fitness center, laundry facility, playground, pool, gated / controlled access, on-site management, pitched roofs, surface parking, carpeted flooring, dishwasher, garbage disposal, granite countertops, range / oven, refrigerator, vinyl flooring, washer / dryer connections white / beige appliances. According to the unit mix and asking rates for this property, the average base rental

rate is \$0.81 per square foot monthly (\$998/unit), based upon typical lease terms of 12 months. No rent premiums were reported. Utilities included with the rent are trash and pest control and no concessions are currently offered. The property is currently 98% leased. This comparable represents a 172-unit apartment property, located on Sandy Circle in Woodstock, Georgia. The property, identified Riverstock, was developed in 2001 and is currently 98% occupied. The property offers two- and three-bedroom floor plans, with an average unit size of 1,227 square feet. Community amenities include a clubhouse, fitness center, swimming pool, playground, and gated entrances. Unit amenities include a full kitchen appliance package and washer/dryer connections in the units. Units are sub-metered for water and sewer with the tenant responsible for usage. Management is not currently offering any concessions.

Upon renovation, the subject's units will be considered superior with respect to age/condition, superior with respect to amenities, and similar with respect to location. Overall, this comparable will be considered slightly inferior.

MARKET RENT ESTIMATE

In order to estimate the market rates for the various floor plans, the subject unit types have been compared with similar units in the comparable projects.

Per DCA's market study guidelines, "average market rent is to be a reflection of rents that are achieved in the market. In other words, the rents the competitive properties are currently receiving. Average market rent is not 'Achievable unrestricted market rent.'

The following is a discussion of each unit type.

One-Bedroom Units

SUMMARY OF COMPARABLE RENTALS ONE BEDROOM UNITS					
Comparable	Plan Type	Size	Rental Rates		
			\$/Mo.	\$/SF	
Amberwood	1 BR, 1 BA	576 SF	\$575	\$1.00	
Subject (CBRE Achievable As Is Market Rent)	1BR/1BA	580 SF	\$590	\$1.02	
Subject (CBRE Achievable As Is Market Rent)	1BR/1BA - Senior	620 SF	\$600	\$0.97	
Subject (CBRE Achievable LIHTC Rents)	1BR/1BA	580 SF	\$675	\$1.16	
Subject (CBRE Achievable LIHTC Rents)	1BR/1BA - Senior	620 SF	\$695	\$1.12	
Alexandria Landing	1BR/1BA	877 SF	\$700	\$0.80	
River Ridge at Canton	1BR/1BA - 60%	722 SF	\$758	\$1.05	
Subject (CBRE Post Renovation Contract Rent)	1BR/1BA	580 SF	\$775	\$1.34	
Subject (CBRE Post Renovation Contract Rent)	1BR/1BA - Senior	620 SF	\$795	\$1.28	
River Ridge at Canton	1BR/1BA - MKT	722 SF	\$800	\$1.11	
Rosewood	1BR/1BA	575 SF	\$815	\$1.42	
The Glen	1BR/1BA	701 SF	\$840	\$1.20	
The Glen	1BR/1BA	750 SF	\$850	\$1.13	
Rosewood	1BR/1BA	800 SF	\$870	\$1.09	
The Glen	1BR/1BA	908 SF	\$880	\$0.97	
The Vineyards	1BR/1BA	850 SF	\$885	\$1.04	

Compiled by CBRE

The comparables indicate an average market rent of \$797 per unit or \$1.08/SF, considering the affordable and market rate units.

Two-Bedroom Units

SUMMARY OF COMPARABLE RENTALS TWO BEDROOM UNITS				
Comparable	Plan Type	Size	Rental Rates	
			\$/Mo.	\$/SF
Amberwood	2 BR, 1 BA	864 SF	\$675	\$0.78
Amberwood	2 BR, 2 BA	864 SF	\$700	\$0.81
Subject (CBRE Achievable As Is Market Rent)	2BR/1BA	842 SF	\$710	\$0.84
Subject (CBRE Achievable As Is Market Rent)	2BR/1BA - TH	950 SF	\$740	\$0.78
Subject (CBRE Achievable LIHTC Rents)	2BR/1BA	842 SF	\$770	\$0.91
Subject (CBRE Achievable LIHTC Rents)	2BR/1BA - TH	950 SF	\$800	\$0.84
Alexandria Landing	2BR/2BA	1,086 SF	\$800	\$0.74
Subject (CBRE Post Renovation Contract Rent)	2BR/1BA	842 SF	\$870	\$1.03
Subject (CBRE Post Renovation Contract Rent)	2BR/1BA - TH	950 SF	\$900	\$0.95
River Ridge at Canton	2BR/2BA - 60%	1,106 SF	\$907	\$0.82
The Glen	2BR/2BA	938 SF	\$920	\$0.98
River Ridge at Canton	2BR/2BA - MKT	1,106 SF	\$950	\$0.86
The Vineyards	2BR/2BA	1,000 SF	\$955	\$0.95
Riverstock Apartments	2BR/2BA Tax Credit	1,167 SF	\$964	\$0.83
The Glen	2BR/2BA	1,136 SF	\$970	\$0.85
Rosewood	2BR/2BA	1,140 SF	\$980	\$0.86
The Glen	2BR/2BA	1,300 SF	\$1,020	\$0.78
The Glen	2BR/2BA	1,305 SF	\$1,030	\$0.79

Compiled by CBRE

The comparables indicate an average market rent of \$906 per unit or \$0.84/SF, considering the affordable and market rate units.

Three and Four-Bedroom Units

SUMMARY OF COMPARABLE RENTALS THREE & FOUR BEDROOM UNITS				
Comparable	Plan Type	Size	Rental Rates	
			\$/Mo.	\$/SF
Subject (CBRE Achievable As Is Market Rent)	3BR/1.5BA	1,006 SF	\$825	\$0.82
Alexandria Landing	3BR/2BA	1,230 SF	\$900	\$0.73
Etowah Village	3BR/2BA - 60% AMI	1,237 SF	\$913	\$0.74
Subject (CBRE Achievable LIHTC Rent)	3BR/1.5BA	1,006 SF	\$940	\$0.93
Subject (CBRE Achievable As Is Market Rent)	4BR/2BA	1,300 SF	\$985	\$0.76
River Ridge at Canton	3BR/2BA - 60%	1,270 SF	\$1,035	\$0.81
Subject (CBRE Post Renovation Contract Rent)	3BR/1.5BA	1,006 SF	\$1,040	\$1.03
The Glen	3BR/2BA	1,290 SF	\$1,070	\$0.83
Riverstock Apartments	3BR/2BA Tax Credit	1,367 SF	\$1,076	\$0.79
Subject (CBRE Achievable LIHTC Rent)	4BR/2BA	1,300 SF	\$1,100	\$0.85
The Vineyards	3BR/2BA	1,200 SF	\$1,115	\$0.93
Rosewood	3BR/2BA	1,170 SF	\$1,120	\$0.96
The Glen	3BR/2BA	1,406 SF	\$1,120	\$0.80
River Ridge at Canton	3BR/2BA - MKT	1,270 SF	\$1,150	\$0.91
Subject (CBRE Post Renovation Contract Rent)	4BR/2BA	1,300 SF	\$1,205	\$0.93

Compiled by CBRE

The comparables indicate an average market rent of \$1,055 per unit or \$0.83/SF, considering the affordable and market rate units.

MARKET RENT CONCLUSIONS

The subject represents a property currently subsidized by a Section 8 contract, and will continue to be subsidized following the completion of the planned renovation. These contract rents are based on market levels; therefore, we have not considered the restricted rents within our estimation of market rent.

The following table illustrates the current HAP contract rents.

MARKET RENT CONCLUSIONS - AS IS									
No. Units	Unit Type	Unit Size	Total SF	Monthly Rent			Annual Rent		Annual Total
				\$/Unit	\$/SF	PRI	\$/Unit	\$/SF	
8	1BR/1BA	580	4,640 SF	\$590	\$1.02	\$4,720	\$7,080	\$12.21	\$56,640
51	1BR/1BA - Senior	620	31,620 SF	\$600	\$0.97	\$30,600	\$7,200	\$11.61	\$367,200
12	2BR/1BA	842	10,104 SF	\$710	\$0.84	\$8,520	\$8,520	\$10.12	\$102,240
12	2BR/1BA - TH	950	11,400 SF	\$740	\$0.78	\$8,880	\$8,880	\$9.35	\$106,560
12	3BR/1.5BA	1,006	12,072 SF	\$825	\$0.82	\$9,900	\$9,900	\$9.84	\$118,800
5	4BR/2BA	1,300	6,500 SF	\$985	\$0.76	\$4,925	\$11,820	\$9.09	\$59,100
100		763 SF	76,336 SF	\$675	\$0.88	\$67,545	\$8,105	\$10.62	\$810,540

Compiled by CBRE

The following table assumes the completion of the planned renovation.

MARKET RENT CONCLUSIONS - AS RENOVATED									
No. Units	Unit Type	Unit Size	Total SF	Monthly Rent			Annual Rent		Annual Total
				\$/Unit	\$/SF	PRI	\$/Unit	\$/SF	
8	1BR/1BA	580	4,640 SF	\$775	\$1.34	\$6,200	\$9,300	\$16.03	\$74,400
51	1BR/1BA - Senior	620	31,620 SF	\$795	\$1.28	\$40,545	\$9,540	\$15.39	\$486,540
12	2BR/1BA	842	10,104 SF	\$870	\$1.03	\$10,440	\$10,440	\$12.40	\$125,280
12	2BR/1BA - TH	950	11,400 SF	\$900	\$0.95	\$10,800	\$10,800	\$11.37	\$129,600
12	3BR/1.5BA	1,006	12,072 SF	\$1,040	\$1.03	\$12,480	\$12,480	\$12.41	\$149,760
5	4BR/2BA	1,300	6,500 SF	\$1,205	\$0.93	\$6,025	\$14,460	\$11.12	\$72,300
100		763 SF	76,336 SF	\$865	\$1.13	\$86,490	\$10,379	\$13.60	\$1,037,880

Compiled by CBRE

The table above reflects the expected HAP contract rents post renovation, which we believe also reflect market rents.

Rental Advantage

The following table illustrates the subject's proposed LIHTC rents to the comparable properties.

SUBJECT COMPARISON TO COMPARABLE RENTS - MARKET RENTS					
Unit Type	Subject Proposed LIHTC Rent	Surveyed Minimum	Surveyed Maximum	Surveyed Average	Rent Advantage
1BR/1BA - 60% AMI	\$675	\$575	\$885	\$797	18%
1BR/1BA (Senior) - 60% AMI	\$695	\$575	\$885	\$797	15%
2BR/1BA - 60% AMI	\$770	\$675	\$1,030	\$906	18%
2BR/1BA (TH) - 60% AMI	\$800	\$675	\$1,030	\$906	13%
3BR/1,5BA - 60% AMI	\$940	\$900	\$1,150	\$1,055	12%
4BR/2BA - 60% AMI	\$1,100	N/A	N/A	N/A	N/A

Compiled by CBRE

The proposed 60% AMI rents are well below the surveyed average of the rent comparables for each bedroom type. The proposed rents indicate a 12% to 18% rent advantage to comparable properties (market rate and affordable). This emphasizes the strong demand for affordable housing in this market.

DCA Funded Projects within PMA

According to the DCA Program Awards Database, there has been one development funded in the subject's PMA over the previous five years. Brentwood Senior is a proposed new development that will include 70 units upon its completion. The project received funding in 2017 and will be restricted to tenants 55 years and older. The property will include 63 one-bedroom units and seven two-bedroom units. The development is currently under construction currently with plans to open in early 2020.

Rental Trends in the PMA

The following table illustrates tenure patterns in the PMA.

TENURE PATTERNS PMA				
Year	Owner Occupied Units	Percentage Owner Occupied	Renter-Occupied Units	Percentage Renter Occupied
2024	28,089	66.1%	14,428	33.9%
2020 Projected Market Entry	25,878	67.0%	12,721	33.0%
2019	26,359	67.8%	12,493	32.2%
2010	24,756	69.2%	11,026	30.8%
2000	20,456	75.3%	6,720	24.7%

Source: ESRI

As illustrated, the number of renter occupied housing units is less than the number of owner-occupied housing units. However, the proportion of renter occupied housing units has been increasing since 2000, a trend that is expected to continue through 2024.

Bartow County Submarket

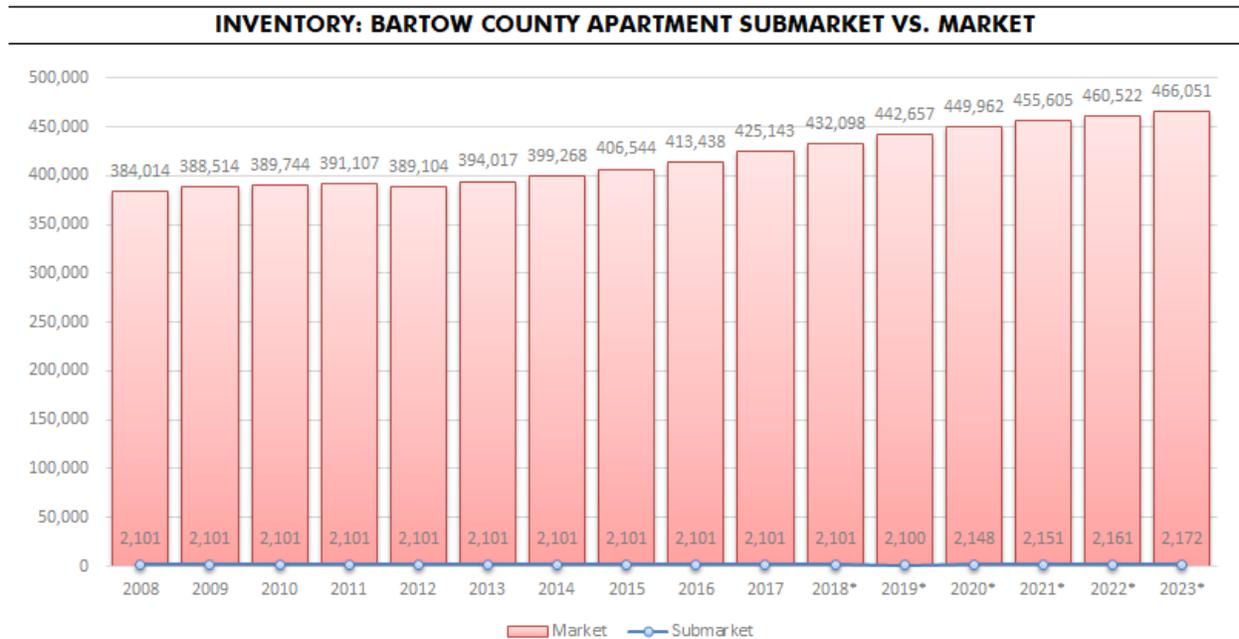
Important characteristics of the Bartow County apartment market are summarized below:

BARTOW COUNTY APARTMENT SUBMARKET								
Year Ending	Inventory (Units)	Completions (Units)	Occupied Stock (Units)	Occupancy	Asking Rent (\$/Unit / Mo.)	Asking Rent Change	Net Absorption (Units)	Under Construction (Units)
2008	2,101	24	1,944	92.5%	\$675	-3.86%	8	0
2009	2,101	0	1,939	92.3%	\$650	-3.79%	-4	0
2010	2,101	0	1,965	93.5%	\$652	0.38%	26	0
2011	2,101	0	1,958	93.2%	\$657	0.74%	-7	0
2012	2,101	0	1,956	93.1%	\$673	2.43%	-4	0
2013	2,101	0	1,949	92.8%	\$695	3.22%	-7	0
2014	2,101	0	1,966	93.6%	\$716	3.08%	18	0
2015	2,101	0	2,011	95.7%	\$754	5.35%	44	0
2016	2,101	0	2,016	96.0%	\$803	6.44%	5	0
2017	2,101	0	2,003	95.3%	\$833	3.80%	-14	0
2018	2,101	0	2,032	96.7%	\$847	1.66%	29	0
2019 Q1*	2,101	0	2,029	96.6%	\$856	1.03%	-3	0
2019 Q2*	2,101	0	2,013	95.8%	\$870	1.69%	-16	0
2019 Q3*	2,101	0	2,004	95.4%	\$886	1.76%	-9	50
2019 Q4*	2,100	-1	2,022	96.3%	\$865	-2.37%	18	0
2020*	2,148	48	2,029	94.4%	\$881	1.85%	7	0
2021*	2,151	3	2,036	94.6%	\$890	1.10%	7	0
2022*	2,161	10	2,042	94.5%	\$895	0.48%	6	0
2023*	2,172	11	2,047	94.2%	\$895	0.07%	5	0

*Future Projected Data according to Costar

Source: Costar, 1st Quarter 2018

The Bartow County apartment submarket consists of approximately 2,101 units of apartment space. Historical Inventory for the market and submarket are indicated in the table below:

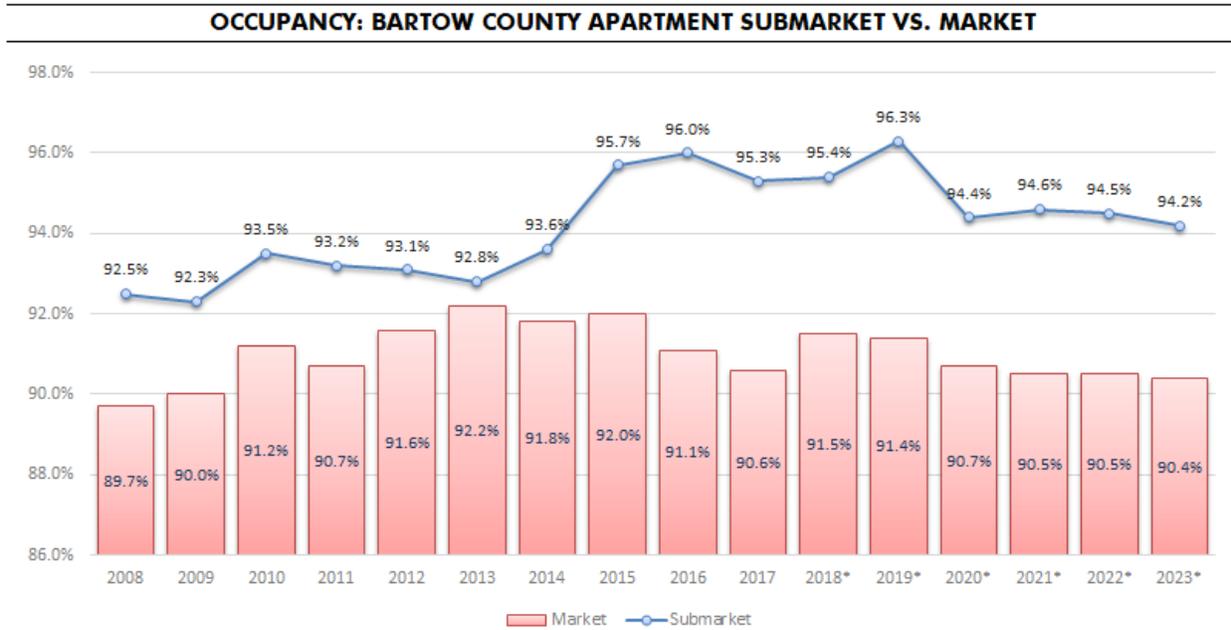


* Future Projected Data according to Costar

Source: Costar, 1st Quarter 2018

The current submarket inventory represents approximately 0.5% of the overall market inventory.

Occupancy

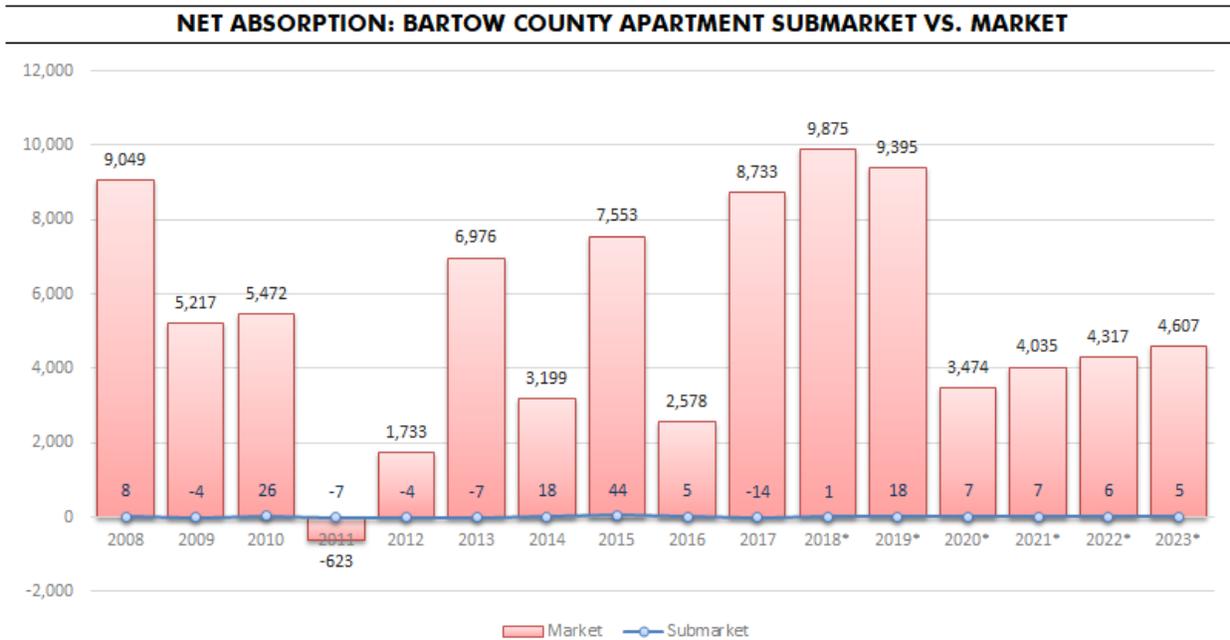


* Future Projected Data according to Costar

Source: Costar, 1st Quarter 2018

As of 1st Quarter 2019, there was approximately 2,032 units of occupied apartment space, resulting in an occupancy rate of 96.7% for the overall market. This reflects an increase from the previous quarter’s occupancy of 95.3%, and an increase from an occupancy rate of 96.2% for the same quarter last year. The submarket occupancy is above the 90.8% market occupancy.

Net Absorption

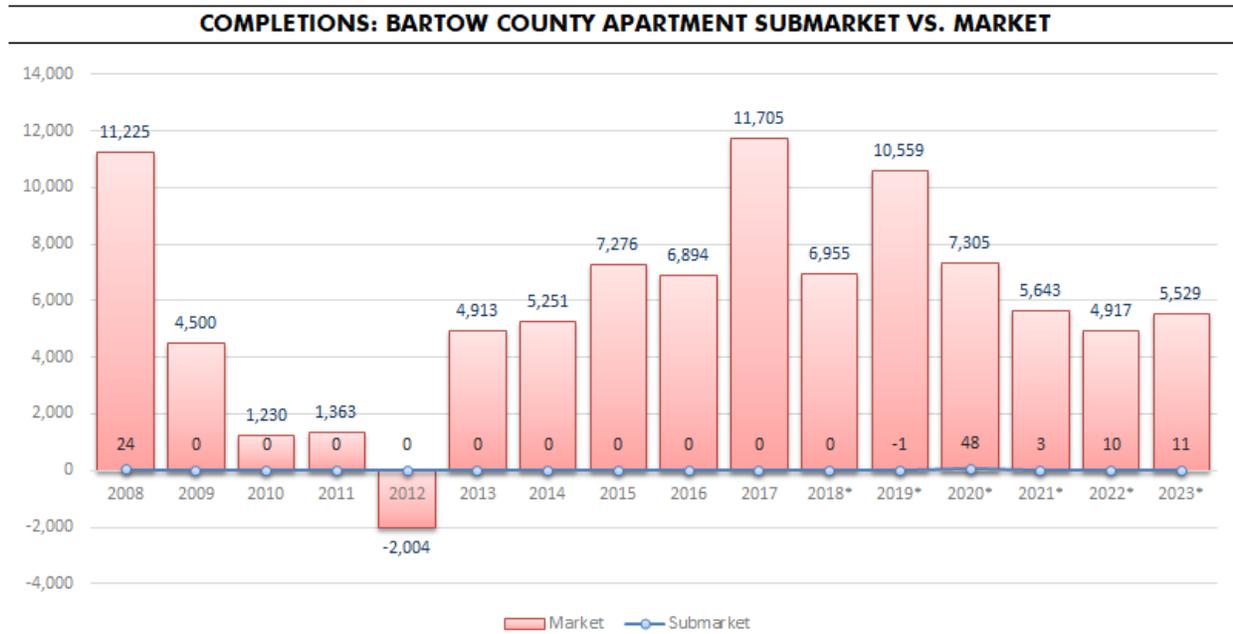


* Future Projected Data according to Costar

Source: Costar, 1st Quarter 2018

The area experienced positive 29 units of net absorption for the current quarter. This indicates an improvement from the previous quarter’s positive 9 units of net absorption, and indicates an improvement from the positive 4 units of net absorption from a year ago. The submarket’s current net absorption of positive 29 units is below the overall market net absorption of positive 2,676 units.

Completions

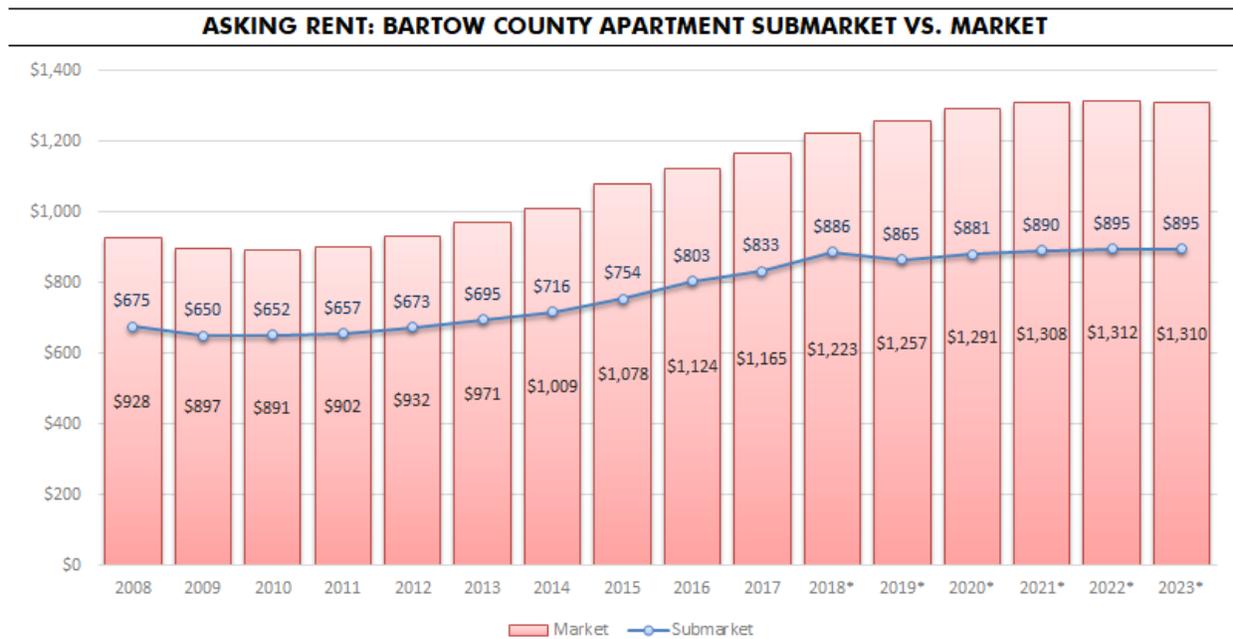


* Future Projected Data according to Costar

Source: Costar, 1st Quarter 2018

The area had no completions for the current quarter, which indicates no change from the previous quarter’s zero completions, and no change from the zero completions from a year ago.

Asking Rent



* Future Projected Data according to Costar

Source: Costar, 1st Quarter 2018

The submarket achieved average asking rent of \$847, which indicates a slight increase from the previous quarter's asking rent of \$833, and an increase from the asking rent of \$819 from a year ago. The submarket's current asking rent of \$847 is below the overall market asking rent of \$1,183.

Impact of Foreclosed, abandoned, and vacant, single and multifamily homes, and commercial properties in the PMA

According to RealtyTrac.com, the state of Georgia is experiencing 1 foreclosure in every 3,565 housing units. In comparison, Bartow County, GA is experiencing 1 foreclosure in every 3,654 housing units. The subject's zip code of 30120 is experiencing 1 foreclosure for every 5,103 housing units. Overall, the subject's zip code is experiencing a lower rate of foreclosures than the county, and state. We did not observe a significant amount of abandoned or boarded up structures in the neighborhood that would impact the marketability of the subject.

Primary Housing Void

Several subsidized properties indicated that they maintain waiting lists. The subject has a waiting list that is just under a year. The higher presence of waiting lists and high occupancy at comparable properties indicate a strong demand for affordable housing in this market. In addition, the strong demographics of renter households earning lower incomes suggests a strong demand for affordable housing.

Effect of Subject on Other Affordable Units in PMA

As previously mentioned, we do not expect the subject's renovation to impact the long term success of other affordable units within the subject's PMA given the high occupancy, waiting lists, and low income demographics, and increasing renter household tenure patterns.

Conclusion

In conclusion, the strong demographics of the subject's market (low income and high renter tenure patterns, the vacancy trends, rental trends, limited proposed new construction, and waiting lists all indicate the strong demand for affordable housing in this market. The subject represents an existing Section 8 contract property with 100 subsidized units with a one year waiting list. Several of the affordable properties maintain waiting lists.

The subject will offer similar amenities (or slightly superior) following the renovation, and will be considered similar or superior with respect to age/condition. The subject's location is considered similar to slightly superior to the competitors. Overall, the property will be considered competitive in this market.

Overall, we believe there is strong demand for the subject's units and it will perform well in this market and not negatively impact any other affordable properties in this market.

Absorption & Stabilization

We have calculated the absorption to 93 percent occupancy, per DCA guidelines.

The subject is a proposed renovation of an existing Section 8 property. According to the provided rent roll, dated July 5, 2019, the property is 99.0% occupied with a waiting list, which is typical for the subject property and properties with this level of subsidy. Given the level of subsidy in place, and expected in the future, we have assumed the existing tenants would remain in place, or be relocated to new units and utilize a tenant relocation plan. Based on the current and historical occupancy, as well as the current waiting list, we have assumed the subject would achieve stabilization upon completion of construction.

We were only able to locate one multifamily development that was recently developed and is undergoing stabilization. Holbrook of Acworth, located in Acworth, GA, south of the subject's PMA, is a 197-unit market-rate multifamily development that opened in 2019. Conversations with the property manager indicated that the subject pre-leased approximately 30% of its units before its completion. The development is currently 93.7% occupied and the property manager indicated that typical absorption was approximately 25 units per month.

If the property were to be 100% vacant with no tenant relocation plan upon completion of construction, we believe the property would achieve a stabilized occupancy within a four-months of opening including the currently rental subsidies and within seven months absent the current subsidies.

Interviews

Georgia Department of Community Affairs

We contacted David Samloff, director of Operations with the Georgia Department of Community Affairs in order to determine the number of housing choice vouchers currently in use in Bartow County, GA. He reported that there are currently 92 vouchers in use and there are more than 20,000 households on the closed waiting list for additional vouchers. However, the subject benefits from a Section 8 HAP contract and therefore Section 8 portable vouchers will not be needed.

Planning

Based on our research from CoStar, Axiometrics, and conversations with the Randy Mannino, Planning and Development Director with the city of Cartersville, we are aware of two multifamily developments that are under construction in the subject's PMA. Havenwood Cartersville, located at 300 East Felton in Cartersville is currently under construction and offers 50 one, two and three-bedroom units. The development will not be rent or income-restricted and therefore will not be directly competitive with the subject.

Brentwood Senior is a proposed new development that will include 70 units upon its completion. The project received LIHTC funding in 2017 and will be restricted to tenants 55 years and older. The property will include 63 one-bedroom units and seven two-bedroom units. The development is currently under construction currently with plans to open in early 2020. This development will be competitive with the subject as it targets low-income seniors, similar to the subject.

Bartow-Cartersville Department of Economic Development

We contacted Tommy Strickland, Vice Chairman with the Bartow-Cartersville Department of Economic Development regarding economic expansion that has occurred in the area. He reported two significant projects that were under way in the area.

Loloi, a rug manufacturer based out of Dallas is constructing a 647,000 square foot facility on Old Cass Road in Bartow County. The facility will add an estimated 198 jobs and will provide an additional stable source of employment in the area.

Vineyard Park is a \$300 million multi-use development that broke ground in 2019. The project is located between Interstate 75 and Waterside Drive near Emerson, GA. The concept plan for the park includes at least two hotels, more than 750,000 square feet of office space. Eventually the development will expand to include restaurants, convinces stores, retail village and multifamily residential.

Conclusions and Recommendations

Based upon our research, the overall market, demographics, and demand figures, we believe there is strong support for the subject as proposed. The affordable properties are currently 92% to 98% occupied with an average of 96%. The conventional comparables indicate an average of 97%. The subject's proposed renovation, will allow the subject to continue to compete within the market by offering in-unit and community amenities that are in-line with market standards. The renovation will greatly improve the overall quality of the subject and allow the subject to continue to provide affordable housing in an area that is in high demand. We believe the market **can** support subject and will help fill a void in the market. In addition, the subject will have no issue maintaining at least a 93% occupancy rate.

Signed Statement Requirements

I affirm that I (or one of the persons signing below) have made a physical inspection of the market area and the subject property and that information has been used in the full study of the need and demand for the proposed units. The report was written according to DCA's market study requirements, the information included is accurate and the report can be relied upon by DCA as a true assessment of the low-income housing rental market.

To the best of my knowledge, the market can support the project as shown in the study. I understand that any misrepresentation of this statement may result in the denial of further participation in DCA's rental housing programs. I also affirm that I have no interest in the project or relationship with the ownership entity and my compensation is not contingent on this project being funded.



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Market Study Representation

DCA may rely on the representation made in the market study provided, and indicate that the document is assignable to other lenders that are parties to the DCA loan transaction.

Assumptions and Limiting Conditions

1. CBRE, Inc. through its appraiser (collectively, "CBRE") has inspected through reasonable observation the subject property. However, it is not possible or reasonably practicable to personally inspect conditions beneath the soil and the entire interior and exterior of the improvements on the subject property. Therefore, no representation is made as to such matters.
2. The report, including its conclusions and any portion of such report (the "Report"), is as of the date set forth in the letter of transmittal and based upon the information, market, economic, and property conditions and projected levels of operation existing as of such date. The dollar amount of any conclusion as to value in the Report is based upon the purchasing power of the U.S. Dollar on such date. The Report is subject to change as a result of fluctuations in any of the foregoing. CBRE has no obligation to revise the Report to reflect any such fluctuations or other events or conditions which occur subsequent to such date.
3. Unless otherwise expressly noted in the Report, CBRE has assumed that:
 - (i) Title to the subject property is clear and marketable and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. CBRE has not examined title records (including without limitation liens, encumbrances, easements, deed restrictions, and other conditions that may affect the title or use of the subject property) and makes no representations regarding title or its limitations on the use of the subject property. Insurance against financial loss that may arise out of defects in title should be sought from a qualified title insurance company.
 - (ii) Existing improvements on the subject property conform to applicable local, state, and federal building codes and ordinances, are structurally sound and seismically safe, and have been built and repaired in a workmanlike manner according to standard practices; all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; and the roof and exterior are in good condition and free from intrusion by the elements. CBRE has not retained independent structural, mechanical, electrical, or civil engineers in connection with this appraisal and, therefore, makes no representations relative to the condition of improvements. CBRE appraisers are not engineers and are not qualified to judge matters of an engineering nature, and furthermore structural problems or building system problems may not be visible. It is expressly assumed that any purchaser would, as a precondition to closing a sale, obtain a satisfactory engineering report relative to the structural integrity of the property and the integrity of building systems.
 - (iii) Any proposed improvements, on or off-site, as well as any alterations or repairs considered will be completed in a workmanlike manner according to standard practices.
 - (iv) Hazardous materials are not present on the subject property. CBRE is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater, mold, or other potentially hazardous materials may affect the value of the property.
 - (v) No mineral deposit or subsurface rights of value exist with respect to the subject property, whether gas, liquid, or solid, and no air or development rights of value may be transferred. CBRE has not considered any rights associated with extraction or exploration of any resources, unless otherwise expressly noted in the Report.
 - (vi) There are no contemplated public initiatives, governmental development controls, rent controls, or changes in the present zoning ordinances or regulations governing use, density, or shape that would significantly affect the value of the subject property.
 - (vii) All required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, nor national government or private entity or organization have been or can be readily obtained or renewed for any use on which the Report is based.
 - (viii) The subject property is managed and operated in a prudent and competent manner, neither inefficiently or super-efficiently.
 - (ix) The subject property and its use, management, and operation are in full compliance with all applicable federal, state, and local regulations, laws, and restrictions, including without limitation environmental laws, seismic hazards, flight patterns, decibel levels/noise envelopes, fire hazards, hillside ordinances, density, allowable uses, building codes, permits, and licenses.
 - (x) The subject property is in full compliance with the Americans with Disabilities Act (ADA). CBRE is not qualified to assess the subject property's compliance with the ADA, notwithstanding any discussion of possible readily achievable barrier removal construction items in the Report.

- (xi) All information regarding the areas and dimensions of the subject property furnished to CBRE are correct, and no encroachments exist. CBRE has neither undertaken any survey of the boundaries of the subject property nor reviewed or confirmed the accuracy of any legal description of the subject property.

Unless otherwise expressly noted in the Report, no issues regarding the foregoing were brought to CBRE's attention, and CBRE has no knowledge of any such facts affecting the subject property. If any information inconsistent with any of the foregoing assumptions is discovered, such information could have a substantial negative impact on the Report. Accordingly, if any such information is subsequently made known to CBRE, CBRE reserves the right to amend the Report, which may include the conclusions of the Report. CBRE assumes no responsibility for any conditions regarding the foregoing, or for any expertise or knowledge required to discover them. Any user of the Report is urged to retain an expert in the applicable field(s) for information regarding such conditions.

4. CBRE has assumed that all documents, data and information furnished by or behalf of the client, property owner, or owner's representative are accurate and correct, unless otherwise expressly noted in the Report. Such data and information include, without limitation, numerical street addresses, lot and block numbers, Assessor's Parcel Numbers, land dimensions, square footage area of the land, dimensions of the improvements, gross building areas, net rentable areas, usable areas, unit count, room count, rent schedules, income data, historical operating expenses, budgets, and related data. Any error in any of the above could have a substantial impact on the Report. Accordingly, if any such errors are subsequently made known to CBRE, CBRE reserves the right to amend the Report, which may include the conclusions of the Report. The client and intended user should carefully review all assumptions, data, relevant calculations, and conclusions of the Report and should immediately notify CBRE of any questions or errors within 30 days after the date of delivery of the Report.
5. CBRE assumes no responsibility (including any obligation to procure the same) for any documents, data or information not provided to CBRE, including without limitation any termite inspection, survey or occupancy permit.
6. All furnishings, equipment and business operations have been disregarded with only real property being considered in the Report, except as otherwise expressly stated and typically considered part of real property.
7. Any cash flows included in the analysis are forecasts of estimated future operating characteristics based upon the information and assumptions contained within the Report. Any projections of income, expenses and economic conditions utilized in the Report, including such cash flows, should be considered as only estimates of the expectations of future income and expenses as of the date of the Report and not predictions of the future. Actual results are affected by a number of factors outside the control of CBRE, including without limitation fluctuating economic, market, and property conditions. Actual results may ultimately differ from these projections, and CBRE does not warrant any such projections.
8. The Report contains professional opinions and is expressly not intended to serve as any warranty, assurance or guarantee of any particular value of the subject property. Other appraisers may reach different conclusions as to the value of the subject property. Furthermore, market value is highly related to exposure time, promotion effort, terms, motivation, and conclusions surrounding the offering of the subject property. The Report is for the sole purpose of providing the intended user with CBRE's independent professional opinion of the value of the subject property as of the date of the Report. Accordingly, CBRE shall not be liable for any losses that arise from any investment or lending decisions based upon the Report that the client, intended user, or any buyer, seller, investor, or lending institution may undertake related to the subject property, and CBRE has not been compensated to assume any of these risks. Nothing contained in the Report shall be construed as any direct or indirect recommendation of CBRE to buy, sell, hold, or finance the subject property.
9. No opinion is expressed on matters which may require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate appraisers. Any user of the Report is advised to retain experts in areas that fall outside the scope of the real estate appraisal profession for such matters.
10. CBRE assumes no responsibility for any costs or consequences arising due to the need, or the lack of need, for flood hazard insurance. An agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.
11. Acceptance or use of the Report constitutes full acceptance of these Assumptions and Limiting Conditions and any special assumptions set forth in the Report. It is the responsibility of the user of the Report to read in full, comprehend and thus become aware of all such assumptions and limiting conditions. CBRE assumes no responsibility for any situation arising out of the user's failure to become familiar with and understand the same.
12. The Report applies to the property as a whole only, and any pro ration or division of the title into fractional interests will invalidate such conclusions, unless the Report expressly assumes such pro ration or division of interests.

13. The allocations of the total value estimate in the Report between land and improvements apply only to the existing use of the subject property. The allocations of values for each of the land and improvements are not intended to be used with any other property or appraisal and are not valid for any such use.
14. The maps, plats, sketches, graphs, photographs, and exhibits included in this Report are for illustration purposes only and shall be utilized only to assist in visualizing matters discussed in the Report. No such items shall be removed, reproduced, or used apart from the Report.
15. The Report shall not be duplicated or provided to any unintended users in whole or in part without the written consent of CBRE, which consent CBRE may withhold in its sole discretion. Exempt from this restriction is duplication for the internal use of the intended user and its attorneys, accountants, or advisors for the sole benefit of the intended user. Also exempt from this restriction is transmission of the Report pursuant to any requirement of any court, governmental authority, or regulatory agency having jurisdiction over the intended user, provided that the Report and its contents shall not be published, in whole or in part, in any public document without the written consent of CBRE, which consent CBRE may withhold in its sole discretion. Finally, the Report shall not be made available to the public or otherwise used in any offering of the property or any security, as defined by applicable law. Any unintended user who may possess the Report is advised that it shall not rely upon the Report or its conclusions and that it should rely on its own appraisers, advisors and other consultants for any decision in connection with the subject property. CBRE shall have no liability or responsibility to any such unintended user.

ADDENDA

Addendum A

RENT COMPARABLE DATA SHEETS

Property Name Rosewood
 Address 531 Grassdale Road
 Cartersville, GA 30121
 United States

Government Tax Agency Bartow
 Govt./Tax ID 0070 00163006

Unit Mix Detail

Rate Timeframe		Monthly			
Unit Type	No.	%	Size (sf)	Rent	Rent / sf
1BR/1BA	18	12%	575	\$815	\$1.42
1BR/1BA	38	26%	800	\$870	\$1.09
2BR/2BA	84	57%	1,140	\$980	\$0.86
3BR/2BA	8	5%	1,170	\$1,120	\$0.96
Totals/Avg	148			\$939	\$0.95



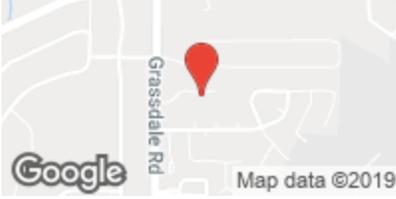
Improvements

Land Area	9.630 ac	Status	Existing
Net Rentable Area (NRA)	145,870 sf	Year Built	1990
Total # of Units	148 Unit	Year Renovated	N/A
Average Unit Size	986 sf	Condition	Good
Floor Count	2	Exterior Finish	Vinyl Siding
Property Features	Gated / Controlled Access, On-Site Management		
Project Amenities	Barbeque Area, Car Wash Facility, Fitness Center, Laundry Facility, Outdoor Fireplace, Playground, Pool, Tennis Court		
Unit Amenities	Dishwasher, Garbage Disposal, Private Patios / Balconies, Range / Oven, Refrigerator, Washer / Dryer Connections		

Rental Survey

Occupancy	95%	Utilities Included in Rent	None
Lease Term	12 Mo(s).	Rent Premiums	Pool View, Fireplaces
Tenant Profile	Middle Income Groups	Concessions	None
Survey Date	07/2019	Owner	N/A
Survey Notes	Leasing Agent: Pricilla (770-382-5411)	Management	Pegasus Residential

Map & Comments



This comparable represents a 148-unit apartment property, located along Grassdale Road, in the northwest portion of metropolitan Atlanta. The property, identified as Rosewood, was developed in 1990 and is currently 95% occupied. The property offers one-, two-, and three-bedroom floor plans, with an average unit size of 986 square feet. This property has average access and exposure. The property offers storage units for an additional \$35 per month. The property is sub-metered for tenant-paid water/sewer.

Resident pays \$15 per month for both pest control and trash removal. Management indicated that the subject property utilizes a leasing software program, whereby rental rates constantly change based on availability of each floor plan. Thus, management does not typically offer concessions.

Property Name The Vineyards
 Address 11 Sheffield Place
 Cartersville, GA 30121
 United States

Government Tax Agency Bartow
 Govt./Tax ID 0070 00163013

Unit Mix Detail

Rate Timeframe	Monthly				
Unit Type	No.	%	Size (sf)	Rent	Rent / sf
1BR/1BA	40	26%	850	\$885	\$1.04
2BR/2BA	88	58%	1,000	\$955	\$0.95
3BR/2BA	24	16%	1,200	\$1,115	\$0.93
Totals/Avg	152			\$962	\$0.97

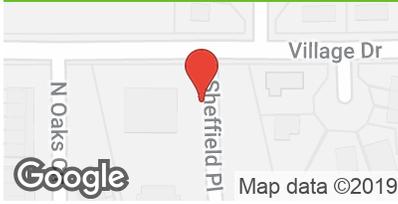


Improvements

Land Area	12.000 ac	Status	Existing
Net Rentable Area (NRA)	150,800 sf	Year Built	1997
Total # of Units	152 Unit	Year Renovated	N/A
Average Unit Size	992 sf	Condition	Good
Floor Count	2	Exterior Finish	Vinyl Siding
Property Features	On-Site Management		
Project Amenities	Clubhouse, Fitness Center, Playground, Pool		
Unit Amenities	Ceiling Fans, Dishwasher, Private Patios / Balconies, Range / Oven, Refrigerator, Vaulted / Cathedral Ceilings, Washer / Dryer Connections		

Rental Survey

Occupancy	94%	Utilities Included in Rent	None
Lease Term	12 Mo(s).	Rent Premiums	Vaulted Ceilings, Views
Tenant Profile	Middle-Income Groups	Concessions	None
Survey Date	07/2019	Owner	N/A
Survey Notes	Leasing Agent: Heavyn (770-607-0796)	Management	Pegasus

Map & Comments

This comparable represents a 152-unit apartment complex, located along a secondary thoroughfare. The property, identified as The Vineyards, was developed in 1997 and is currently 95% occupied. The property offers one-, two-, and three-bedroom floor plans, with an average unit size of 992 square feet. Garages are leased from between \$75 and \$99 per month. Units are sub-metered for water and sewer with the tenant responsible for usage. Resident pays \$13 per month for pest control and trash removal. Management is not currently offering any concessions.

Property Name The Glen
 Address 200 Governors Court
 Cartersville, GA 30120
 United States

Government Tax Agency Bartow
 Govt./Tax ID C081 00001003

Unit Mix Detail

Rate Timeframe	Monthly				
Unit Type	No.	%	Size (sf)	Rent	Rent / sf
1BR/1BA	8	7%	701	\$840	\$1.20
1BR/1BA	4	4%	750	\$850	\$1.13
1BR/1BA	24	22%	908	\$880	\$0.97
2BR/2BA	4	4%	938	\$920	\$0.98
2BR/2BA	20	19%	1,136	\$970	\$0.85
3BR/2BA	12	11%	1,290	\$1,070	\$0.83
2BR/2BA	12	11%	1,300	\$1,020	\$0.78
2BR/2BA	12	11%	1,305	\$1,030	\$0.79
3BR/2BA	12	11%	1,406	\$1,120	\$0.80
Totals/Avg	108			\$974	\$0.87



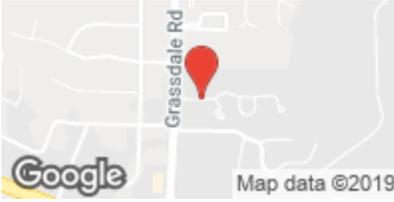
Improvements

Land Area	8.330 ac	Status	Existing
Net Rentable Area (NRA)	120,484 sf	Year Built	1996
Total # of Units	108 Unit	Year Renovated	N/A
Average Unit Size	1,116 sf	Condition	Good
Floor Count	2	Exterior Finish	Vinyl Siding
Property Features	N/A		
Project Amenities	Car Wash Facility, Clubhouse, Dog Park / Run, Fitness Center, Playground, Pool		
Unit Amenities	Carpeted Flooring, Ceiling Fans, Dishwasher, Gourmet Kitchen, Laminate Countertops, Microwave Oven, Private Patios / Balconies, Range / Oven, Refrigerator, Tub / Shower Combo, Vinyl Flooring, Washer / Dryer Connections, White / Beige Appliances		

Rental Survey

Occupancy	98%	Utilities Included in Rent	Trash Removal
Lease Term	6 - 12 Mo(s).	Rent Premiums	Fireplace - \$10
Tenant Profile	Middle-Income Groups	Concessions	None
Survey Date	07/2019	Owner	N/A
Survey Notes	Property Contact: (770)386-1483	Management	Bayrock Corp.

Map & Comments



This comparable represents a 108-unit apartment property, located along a secondary thoroughfare. The property, identified as The Glen, was constructed in 1991, and Phase II was constructed in 1995. The property is 98% occupied. Management indicated construction is underway on Phase II consisting of an additional 144 units. Completion is expected sometime in 2019. The property offers one-, two-, and three-bedroom floor plans, with an average unit size of 1,116 square feet. Quoted rent range on select floor plans include a premium for units offering a fireplace. The property has detached garages available which rent for \$85 per month. There are also 8 storage units which rent for \$25 per month. Units are sub-metered for water and sewer with the tenant responsible for usage. No concessions are currently being offered.

Property Name Amberwood
 Address 1116 N. Tennessee Street
 Cartersville, GA 30120
 United States

Government Tax Agency Bartow
 Govt./Tax ID N/A

Unit Mix Detail

Rate Timeframe	Monthly				
Unit Type	No.	%	Size (sf)	Rent	Rent / sf
Studio	21	18%	288	\$465	\$1.61
1 BR, 1 BA	80	68%	576	\$575	\$1.00
2 BR, 1 BA	8	7%	864	\$675	\$0.78
2 BR, 2 BA	8	7%	864	\$700	\$0.81
Totals/Avg	117			\$571	\$1.01



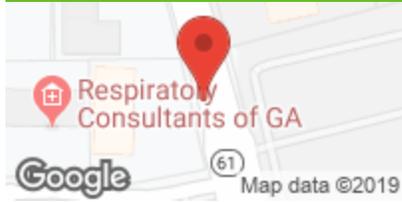
Improvements

Land Area	7.000 ac	Status	Existing
Net Rentable Area (NRA)	65,952 sf	Year Built	1985
Total # of Units	117 Unit	Year Renovated	N/A
Average Unit Size	564 sf	Condition	Average
Floor Count	1	Exterior Finish	Wood
Property Features	On-Site Management		
Project Amenities	N/A		
Unit Amenities	Dishwasher, Range / Oven, Refrigerator, Washer / Dryer		

Rental Survey

Occupancy	96%	Utilities Included in Rent	None
Lease Term	12 Mo(s).	Rent Premiums	None
Tenant Profile	Middle-income groups	Concessions	None
Survey Date	07/2019	Owner	N/A
Survey Notes	Leasing Agent: Jessica (770-386-4497)	Management	Equity Residential

Map & Comments



This comparable represents a 117-unit Cardinal built apartment property, located along Tennessee Street in Cartersville, GA. The property, identified as Amberwood, was developed in 1985 and is currently 96% occupied. The property offers studio, one-, and two-bedroom floor plans, with an average unit size of 563 square feet. The one- and two-bedroom units contain washer/dryer connections. Units are sub-metered for water and sewer with the tenant responsible for usage. Three month leases are available for an additional \$20 per month. No concessions are currently being offered.

Property Name Alexandria Landing
 Address 370 Old Mill Road
 Cartersville, GA 30120
 United States

Government Tax Agency Bartow
 Govt./Tax ID N/A

Unit Mix Detail

Rate Timeframe	Monthly				
Unit Type	No.	%	Size (sf)	Rent	Rent / sf
1BR/1BA	16	21%	877	\$700	\$0.80
2BR/2BA	32	42%	1,086	\$800	\$0.74
3BR/2BA	28	37%	1,230	\$900	\$0.73
Totals/Avg	76			\$816	\$0.74

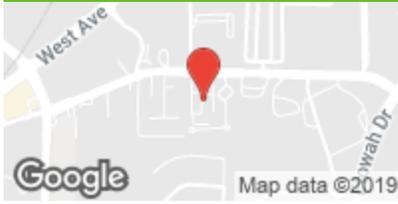


Improvements

Land Area	5.200 ac	Status	Existing
Net Rentable Area (NRA)	83,224 sf	Year Built	2000
Total # of Units	76 Unit	Year Renovated	N/A
Average Unit Size	1,095 sf	Condition	Good
Floor Count	2	Exterior Finish	Vinyl Siding
Property Features	On-Site Management		
Project Amenities	Fitness Center		
Unit Amenities	Carpeted Flooring, Ceiling Fans, Dishwasher, Garbage Disposal, Private Patios / Balconies, Range / Oven, Refrigerator, Washer / Dryer Connections		

Rental Survey

Occupancy	100%	Utilities Included in Rent	Trash & Pest Control
Lease Term	12 Mo(s).	Rent Premiums	None
Tenant Profile	Middle Income	Concessions	None
Survey Date	07/2019	Owner	N/A
Survey Notes	Property Contact: 770-386-9200	Management	Daniel Investment Group Properties

Map & Comments

This comparable represents a 76-unit apartment property, located along Old Mill Road in the northwest portion of metropolitan Atlanta. The property, identified as Alexandria Landing, was developed in 2000 and is currently 100% occupied. The property offers one-, two-, and three-bedroom floor plans, with an average unit size of 1,095 square feet. Units are sub-metered for water and sewer usage with the tenant responsible for usage. No concessions are currently being offered.

Property Name Etowah Village
 Address 366 Old Mill Road
 Cartersville, GA 30120
 United States

Government Tax Agency Bartow
 Govt./Tax ID C022 00001003

Unit Mix Detail

Rate Timeframe	Monthly				
Unit Type	No.	%	Size (sf)	Rent	Rent / sf
2BR/2BA - 60% AMI	24	25%	1,106	\$786	\$0.71
3BR/2BA - 60% AMI	72	75%	1,237	\$913	\$0.74
Totals/Avg	96			\$881	\$0.73

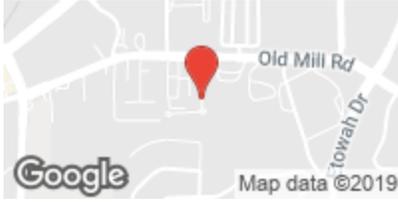


Improvements

Land Area	8.000 ac	Status	Existing
Net Rentable Area (NRA)	115,608 sf	Year Built	1996
Total # of Units	86 Unit	Year Renovated	N/A
Average Unit Size	1,200 sf	Condition	Good
Floor Count	2	Exterior Finish	Vinyl Siding
Property Features	N/A		
Project Amenities	Barbeque Area, Basketball Court, Business Center, Clubhouse, Laundry Facility, Playground, Pool		
Unit Amenities	Carpeted Flooring, Dishwasher, Private Patios / Balconies, Range / Oven, Refrigerator, Tub / Shower Combo, Vinyl Flooring, Washer / Dryer Connections , White / Beige Appliances		

Rental Survey

Occupancy	92%	Utilities Included in Rent	Trash and Pest Control
Lease Term	12 Mo(s).	Rent Premiums	None
Tenant Profile	Lower-Middle Income Groups	Concessions	None
Survey Date	08/2019	Owner	N/A
Survey Notes	770-383-9995	Management	Orion Real Estate Services

Map & Comments

This comparable represents a 96-unit apartment property, located along Old Mill Road in Cartersville, GA. The property, identified as Etowah Village, was developed in 1997 and is currently 98% occupied. The property offers two- and three-bedroom floor plans, with an average unit size of 1,204 square feet. All units have W/D connections. Units are sub-metered for water and sewer with the tenant responsible for usage. No concessions are currently being offered.

Property Name River Ridge at Canton
 Address 100 River Ridge Drive
 Canton, GA 30114
 United States

Government Tax Agency Cherokee
 Govt./Tax ID 14N16 050

Unit Mix Detail

Rate Timeframe	Monthly				
Unit Type	No.	%	Size (sf)	Rent	Rent / sf
1BR/1BA - 60%	67	19%	722	\$758	\$1.05
1BR/1BA - MKT	67	19%	722	\$800	\$1.11
2BR/2BA - 60%	93	26%	1,106	\$907	\$0.82
2BR/2BA - MKT	93	26%	1,106	\$950	\$0.86
3BR/2BA - 60%	18	5%	1,270	\$1,035	\$0.81
3BR/2BA - MKT	18	5%	1,270	\$1,150	\$0.91
Totals/Avg	356			\$889	\$0.91



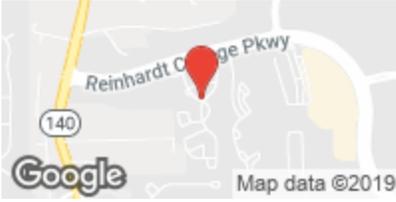
Improvements

Land Area	0.000 ac	Status	Existing
Net Rentable Area (NRA)	348,184 sf	Year Built	2002
Total # of Units	356 Unit	Year Renovated	N/A
Average Unit Size	978 sf	Condition	Good
Floor Count	3	Exterior Finish	Stucco
Property Features	N/A		
Project Amenities	Business Center, Car Wash Facility, Clubhouse, Fitness Center, Game Room, Laundry Facility, Playground, Pool, Walking Trail		
Unit Amenities	Carpeted Flooring, Ceiling Fans, Ceramic Tile Flooring, Dishwasher, Garbage Disposal, Granite Countertops, Intrusion Alarms, Private Patios / Balconies, Range / Oven, Tub / Shower Combo, Washer / Dryer Connections, White / Beige Appliances		

Rental Survey

Occupancy	97%	Utilities Included in Rent	Trash Removal & Pest Control
Lease Term	12 Mo(s).	Rent Premiums	Garages, Storage
Tenant Profile	Middle Income	Concessions	None
Survey Date	08/2019	Owner	N/A
Survey Notes	Property Contact: 678-493-8280	Management	McCormick

Map & Comments



This comparable represents a 356-unit apartment property, located along the south side of Reinhardt College Parkway, one-mile north of Riverstone Boulevard. The property, identified as River Ridge at Canton, was built in 2002 and is currently 97% occupied. The property includes both tax credit and market rate units. The property is a 60% tax-credit property. The property offers one-, two- and three-bedroom floor plans, with an average unit size of 978 square feet. Garages at this property rent for \$75 per month, while storage units rent from \$20 to \$40 per month depending on size. Management employs a RUBS for reimbursement of water and sewer; by charging a flat fee of \$20 (1BR), \$30 (2BR), and \$40 (3BR). No concessions are currently being offered.

Comparable**Residential - Multi-unit Garden****No. 8**

Property Name Riverstock Apartments
 Address 50 Sandy Circle
 Woodstock, GA 30188
 United States

Government Tax Agency Cherokee
 Govt./Tax ID 15N17A 075 A

Unit Mix Detail

Rate Timeframe	Monthly				
Unit Type	No.	%	Size (sf)	Rent	Rent / sf
2BR/2BA Tax Credit	120	70%	1,167	\$964	\$0.83
3BR/2BA Tax Credit	52	30%	1,367	\$1,076	\$0.79
Totals/Avg	172			\$998	\$0.81

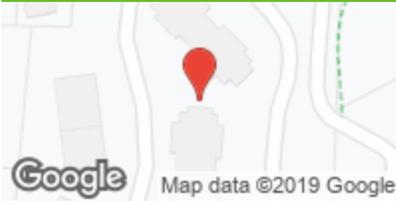
**Improvements**

Land Area	14.709 ac	Status	Existing
Gross Building Area (GBA)	214,295 sf	Year Built	2001
Total # of Units	172 Unit	Year Renovated	N/A
Average Unit Size	1,227 sf	Condition	Good
Floor Count	2	Exterior Finish	Brick Veneer
Property Features	Gated / Controlled Access, On-Site Management, Pitched Roofs, Surface Parking		
Project Amenities	Barbeque Area, Clubhouse, Fitness Center, Laundry Facility, Playground, Pool		
Unit Amenities	Carpeted Flooring, Dishwasher, Garbage Disposal, Granite Countertops, Range / Oven, Refrigerator, Vinyl Flooring, Washer / Dryer Connections , White / Beige Appliances		

Rental Survey

Occupancy	98%	Utilities Included in Rent	Trash and Pest Control
Lease Term	12 Mo(s).	Rent Premiums	None
Tenant Profile	Middle Income	Concessions	None
Survey Date	08/2019	Owner	Dominium
Survey Notes	2018 Tax Appraisal Value \$10,146,300	Management	N/A

Map & Comments



This comparable represents a 172-unit apartment property, located on Sandy Circle in Woodstock, Georgia. The property, identified Riverstock, was developed in 2001 and is currently 98% occupied. The property offers two- and three-bedroom floor plans, with an average unit size of 1,227 square feet. Community amenities include a clubhouse, fitness center, swimming pool, playground, and gated entrances. Unit amenities include a full kitchen appliance package and washer/dryer connections in the units. Units are sub-metered for water and sewer with the tenant responsible for usage. Management is not currently offering any concessions.

Property Name Cartersville Gardens
 Address 378 Old Mill Road
 Cartersville, GA 30120
 United States

Government Tax Agency Bartow
 Govt./Tax ID N/A

Unit Mix Detail

Unit Type	Rate Timeframe		Size (sf)	Rent	Rent / sf
	No.	%			
1BR/1BA	8	8%	580	\$675	\$1.16
1BR/1BA - Senior	51	51%	620	\$695	\$1.12
2BR/1BA - Detached	12	12%	842	\$770	\$0.91
2BR/1BA - Townhouse	12	12%	950	\$800	\$0.84
3BR/1.5BA	12	12%	1,006	\$940	\$0.93
4BR/2BA	5	5%	1,300	\$1,100	\$0.85
Totals/Avg	100			\$765	\$1.00



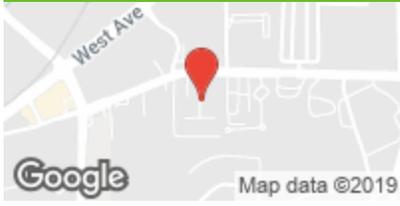
Improvements

Land Area	10.000 ac	Status	Existing
Net Rentable Area (NRA)	76,336 sf	Year Built	1979
Total # of Units	100 Unit	Year Renovated	N/A
Average Unit Size	763 sf	Condition	Average
Floor Count	1	Exterior Finish	Brick Veneer
Property Features	HAP Contract, Individual Split Systems, LIHTC (Low Income Housing Tax Credit), On-Site Management		
Project Amenities	Barbeque Area, Business Center, Clubhouse, Dog Park / Run, Fitness Center, Laundry Facility, Playground, Vegetable Garden		
Unit Amenities	In-Unit Storage, Microwave Oven, Private Patios / Balconies, Range / Oven, Refrigerator, Washer / Dryer		

Rental Survey

Occupancy	99%	Utilities Included in Rent	Water, Sewer and Trash
Lease Term	12 Mo(s).	Rent Premiums	None
Tenant Profile	Low Income Families and Seniors	Concessions	None
Survey Date	09/2019	Owner	N/A
Survey Notes	N/A	Management	N/A

Map & Comments



Addendum B

CLIENT CONTRACT INFORMATION

Proposal and Contract for Services

June 18, 2019

Asia A. Williams

PRESERVATION PARTNERS

21515 Hawthorne Boulevard, Suite 150
Torrance, California 90503
Phone: 310.802.6686
Email: Asia@preservationpartners.org

RE: Assignment Agreement
6 Georgia Deals,
Please see property List on Page 3

CBRE, Inc.
4520 Main Street
Kansas City, Missouri 64111
www.cbre.us/valuation

Christopher Williams, MAI
Managing Director

Dear Ms. Williams:

We are pleased to submit this proposal and our Terms and Conditions for this assignment.

PROPOSAL SPECIFICATIONS

Purpose:	To estimate the Market Value of the referenced real estate
Premise:	As Is
Rights Appraised:	Fee Simple
Intended Use:	Mortgage Underwriting purposes
Intended User:	The intended user is PRESERVATION PARTNERS ("Client"), and such other parties and entities (if any) expressly recognized by CBRE as "Intended Users" (as further defined herein).
Reliance:	Reliance on any reports produced by CBRE under this Agreement is extended solely to parties and entities expressly acknowledged in a signed writing by CBRE as Intended Users of the respective reports, provided that any conditions to such acknowledgement required by CBRE or hereunder have been satisfied. Parties or entities other than Intended Users who obtain a copy of the report or any portion thereof (including Client if it is not named as an Intended User), whether as a result of its direct dissemination or by any other means, may not rely upon any opinions or conclusions contained in the report or such portions thereof, and CBRE will not be responsible for any unpermitted use of the report, its conclusions or contents or have any liability in connection therewith.

Inspection:	CBRE will conduct a physical inspection of both the interior and exterior of the subject property, as well as its surrounding environs on the effective date of appraisal.
Valuation Approaches:	All applicable approaches to value will be considered.
Report Type:	DCA Appraisal, Market Study and HUD RCS
Appraisal Standards:	USPAP
Appraisal Fee:	\$69,000 - \$11.5 K Each for 6 Properties
Expenses:	Fee includes all associated expenses
Retainer:	A retainer is not required for this assignment
Payment Terms:	Final payment is due upon delivery of the final report or within thirty (30) days of your receipt of the draft report, whichever is sooner. The fee is considered earned upon delivery of the draft report.
Delivery Instructions:	<p>We will invoice you for the assignment in its entirety at the completion of the assignment.</p> <p>CBRE encourages our clients to join in our environmental sustainability efforts by accepting an electronic copy of the report.</p> <p>An Adobe PDF file via email will be delivered to asia@preservationpartners.org. The client has requested No (0) bound final copy (ies).</p>
Delivery Schedule:	
Preliminary Value:	Not Required
Draft Report:	Not Required
Final Report:	Four (4) weeks from receipt of signed proposal
Start Date:	The appraisal process will start upon receipt of your signed agreement and the property specific data.
Acceptance Date:	These specifications are subject to modification if this proposal is not accepted within three business days from the date of this letter.

When executed and delivered by all parties, this letter, together with the Terms and Conditions and the Specific Property Data Request attached hereto and incorporated herein, will serve as the Agreement for appraisal services by and between CBRE and Client. Each person signing below represents that it is authorized to enter into this Agreement and to bind the respective parties hereto.

We appreciate this opportunity to be of service to you on this assignment. If you have additional questions, please contact us.

Sincerely,

CBRE, Inc.
Valuation & Advisory Services



Christopher Williams, MAI
Managing Director
As Agent for CBRE, Inc.
T 816.968.5818
Kansas Certification No. G-2100
Missouri Certification No. 2004030518
Oklahoma Certification No. 12897CGA
Texas Certification No. 1338787-G
Louisiana Certification No. G 4289
christopher.williams@cbre.com

PROPERTY LIST

Property Name	Property Location	Appraisal Fee
Athens Gardens	135 Coleridge Court, Athens, GA	\$11,500
Clarke Gardens	110 Carriage Court, Athens, GA	\$11,500
Forsyth Gardens	500 Cabiness Road, Forsyth, GA	\$11,500
Catoosa Gardens	17 Dahlia Lane, Fort Oglethorpe, GA	\$11,500
Cartersville Gardens	378 Old Mill Rd., Cartersville, GA	\$11,500
Calhoun Gardens	110 Richardson Road, Calhoun, GA	\$11,500
Assignment Total:		\$69,000

AGREED AND ACCEPTED

FOR PRESERVATION PARTNERS ("CLIENT"):

Asia Williams

Signature

06/24/2019

Date

Asia A. Williams

Name

Project Manager

Title

310-422-1970

Phone Number

asia@preservationpartners.org

E-Mail Address

TERMS AND CONDITIONS

1. The Terms and Conditions herein are part of an agreement for appraisal services (the "Agreement") between CBRE, Inc. (the "Appraiser") and the client signing this Agreement, and for whom the appraisal services will be performed (the "Client"), and shall be deemed a part of such Agreement as though set forth in full therein. The Agreement shall be governed by the laws of the state where the appraisal office is located for the Appraiser executing this Agreement.
2. Client shall be responsible for the payment of all fees stipulated in the Agreement. Payment of the appraisal fee and preparation of an appraisal report (the "Appraisal Report, or the "report") are not contingent upon any predetermined value or on an action or event resulting from the analyses, opinions, conclusions, or use of the Appraisal Report. Final payment is due as provided in the Proposal Specifications Section of this Agreement. If a draft report is requested, the fee is considered earned upon delivery of the draft report. It is understood that the Client may cancel this assignment in writing at any time prior to delivery of the completed report. In such event, the Client is obligated only for the prorated share of the fee based upon the work completed and expenses incurred (including travel expenses to and from the job site), with a minimum charge of \$500. Additional copies of the Appraisal Reports are available at a cost of \$250 per original color copy and \$100 per photocopy (black and white), plus shipping fees of \$30 per report.
3. If Appraiser is subpoenaed or ordered to give testimony, produce documents or information, or otherwise required or requested by Client or a third party to participate in meetings, phone calls, conferences, litigation or other legal proceedings (including preparation for such proceedings) because of, connected with or in any way pertaining to this engagement, the Appraisal Report, the Appraiser's expertise, or the Property, Client shall pay Appraiser's additional costs and expenses, including but not limited to Appraiser's attorneys' fees, and additional time incurred by Appraiser based on Appraiser's then-prevailing hourly rates and related fees. Such charges include and pertain to, but are not limited to, time spent in preparing for and providing court room testimony, depositions, travel time, mileage and related travel expenses, waiting time, document review and production, and preparation time (excluding preparation of the Appraisal Report), meeting participation, and Appraiser's other related commitment of time and expertise. Hourly charges and other fees for such participation will be provided upon request. In the event Client requests additional appraisal services beyond the scope and purpose stated in the Agreement, Client agrees to pay additional fees for such services and to reimburse related expenses, whether or not the completed report has been delivered to Client at the time of such request.
4. Appraiser shall have the right to terminate this Agreement at any time for cause effective immediately upon written notice to Client on the occurrence of fraud or the willful misconduct of Client, its employees or agents, or without cause upon 5 days written notice.
5. In the event Client fails to make payments when due then, from the date due until paid, the amount due and payable shall bear interest at the maximum rate permitted in the state where the office is located for the Appraiser executing the Agreement. In the event either party institutes legal action against the other to enforce its rights under this Agreement, the prevailing party shall be entitled to recover its reasonable attorney's fees and expenses. Each party waives the right to a trial by jury in any action arising under this Agreement.
6. Appraiser assumes there are no major or significant items or issues affecting the Property that would require the expertise of a professional building contractor, engineer, or environmental consultant for Appraiser to prepare a valid report. Client acknowledges that such additional expertise is not covered in the Appraisal fee and agrees that, if such additional expertise is required, it shall be provided by others at the discretion and direction of the Client, and solely at Client's additional cost and expense.
7. In the event of any dispute between Client and Appraiser relating to this Agreement, or Appraiser's or Client's performance hereunder, Appraiser and Client agree that such dispute shall be resolved by means of binding arbitration in accordance with the commercial arbitration rules of the American Arbitration Association, and judgment upon the award rendered by an arbitrator may be entered in any court of competent jurisdiction. Depositions may be taken and other discovery obtained during such arbitration proceedings to the same extent as authorized in civil judicial proceedings in the state where the office of the Appraiser executing this Agreement is located. The arbitrator shall be limited to awarding compensatory damages and shall have no authority to award punitive, exemplary or similar damages. The prevailing party in the arbitration proceeding shall be entitled to recover its expenses from the losing party, including costs of the arbitration proceeding, and reasonable attorney's fees. Client acknowledges that Appraiser is being retained hereunder as an independent contractor to perform the services described herein and nothing in this Agreement shall be deemed to create any other relationship between

Client and Appraiser. This engagement shall be deemed concluded and the services hereunder completed upon delivery to Client of the Appraisal Report discussed herein.

8. All statements of fact in the report which are used as the basis of the Appraiser's analyses, opinions, and conclusions will be true and correct to Appraiser's actual knowledge and belief. Appraiser does not make any representation or warranty, express or implied, as to the accuracy or completeness of the information or the condition of the Property furnished to Appraiser by Client or others. TO THE FULLEST EXTENT PERMITTED BY LAW, APPRAISER DISCLAIMS ANY GUARANTEE OR WARRANTY AS TO THE OPINIONS AND CONCLUSIONS PRESENTED ORALLY OR IN ANY APPRAISAL REPORT, INCLUDING WITHOUT LIMITATION ANY WARRANTY OF FITNESS FOR ANY PARTICULAR PURPOSE EVEN IF KNOWN TO APPRAISER. Furthermore, the conclusions and any permitted reliance on and use of the Appraisal Report shall be subject to the assumptions, limitations, and qualifying statements contained in the report.
9. Appraiser shall have no responsibility for legal matters, including zoning, or questions of survey or title, soil or subsoil conditions, engineering, or other similar technical matters. The report will not constitute a survey of the Property analyzed.
10. Client shall provide Appraiser with such materials with respect to the assignment as are requested by Appraiser and in the possession or under the control of Client. Client shall provide Appraiser with sufficient access to the Property to be analyzed, and hereby grants permission for entry unless discussed in advance to the contrary.
11. The data gathered in the course of the assignment (except data furnished by Client) and the report prepared pursuant to the Agreement are, and will remain, the property of Appraiser. With respect to data provided by Client, Appraiser shall not violate the confidential nature of the Appraiser-Client relationship by improperly disclosing any proprietary information furnished to Appraiser. Notwithstanding the foregoing, Appraiser is authorized by Client to disclose all or any portion of the report and related data as may be required by statute, government regulation, legal process, or judicial decree, including to appropriate representatives of the Appraisal Institute if such disclosure is required to enable Appraiser to comply with the Bylaws and Regulations of such Institute as now or hereafter in effect.
12. Unless specifically noted, in preparing the Appraisal Report the Appraiser will not be considering the possible existence of asbestos, PCB transformers, or other toxic, hazardous, or contaminated substances and/or underground storage tanks (collectively, "Hazardous Material") on or affecting the Property, or the cost of encapsulation or removal thereof. Further, Client represents that there is no major or significant deferred maintenance of the Property that would require the expertise of a professional cost estimator or contractor. If such repairs are needed, the estimates are to be prepared by others, at Client's discretion and direction, and are not covered as part of the Appraisal fee.
13. In the event Client intends to use the Appraisal Report in connection with a tax matter, Client acknowledges that Appraiser provides no warranty, representation or prediction as to the outcome of such tax matter. Client understands and acknowledges that any relevant taxing authority (whether the Internal Revenue Service or any other federal, state or local taxing authority) may disagree with or reject the Appraisal Report or otherwise disagree with Client's tax position, and further understands and acknowledges that the taxing authority may seek to collect additional taxes, interest, penalties or fees from Client beyond what may be suggested by the Appraisal Report. Client agrees that Appraiser shall have no responsibility or liability to Client or any other party for any such taxes, interest, penalties or fees and that Client will not seek damages or other compensation from Appraiser relating to any such taxes, interest, penalties or fees imposed on Client, or for any attorneys' fees, costs or other expenses relating to Client's tax matters.
14. Appraiser shall have no liability with respect to any loss, damage, claim or expense incurred by or asserted against Client arising out of, based upon or resulting from Client's failure to provide accurate or complete information or documentation pertaining to an assignment ordered under or in connection with this Agreement, including Client's failure, or the failure of any of Client's agents, to provide a complete copy of the Appraisal Report to any third party.

LIMITATION OF LIABILITY. EXCEPT TO THE EXTENT ARISING FROM SECTION 16 BELOW, OR SECTION 17 IF APPLICABLE, IN NO EVENT SHALL EITHER PARTY OR ANY OF ITS AFFILIATE, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, OR CONTRACTORS BE LIABLE TO THE OTHER, WHETHER BASED IN CONTRACT, WARRANTY, INDEMNITY, NEGLIGENCE, STRICT LIABILITY OR OTHER TORT OR OTHERWISE, FOR ANY SPECIAL, CONSEQUENTIAL, PUNITIVE, INCIDENTAL OR INDIRECT DAMAGES, AND AGGREGATE DAMAGES IN CONNECTION WITH THIS AGREEMENT FOR EITHER PARTY (EXCLUDING THE OBLIGATION TO PAY THE FEES REQUIRED HEREUNDER) SHALL NOT EXCEED THE GREATER OF THE TOTAL FEES PAYABLE TO APPRAISER UNDER THIS AGREEMENT OR TEN THOUSAND DOLLARS (\$10,000). THIS LIABILITY LIMITATION SHALL NOT APPLY IN THE EVENT OF A FINAL FINDING BY AN ARBITRATOR OR A COURT OF COMPETENT JURISDICTION THAT SUCH LIABILITY IS THE RESULT OF A PARTY'S FRAUD OR WILLFUL MISCONDUCT.

16. Client shall not disseminate, distribute, make available or otherwise provide any Appraisal Report prepared hereunder to any third party (including without limitation, incorporating or referencing the Appraisal Report, in whole or in part, in any offering or other material intended for review by other parties) except to (i) any third party expressly acknowledged in a signed writing by Appraiser as an "Intended User" of the Appraisal Report provided that either Appraiser has received an acceptable release from such third party with respect to such Appraisal Report or Client provides acceptable indemnity protections to Appraiser against any claims resulting from the distribution of the Appraisal Report to such third party, (ii) any third party service provider (including rating agencies and auditors) using the Appraisal Report in the course of providing services for the sole benefit of an Intended User, or (iii) as required by statute, government regulation, legal process, or judicial decree. In the event Appraiser consents, in writing, to Client incorporating or referencing the Appraisal Report in any offering or other materials intended for review by other parties, Client shall not distribute, file, or otherwise make such materials available to any such parties unless and until Client has provided Appraiser with complete copies of such materials and Appraiser has approved all such materials in writing. Client shall not modify any such materials once approved by Appraiser. In the absence of satisfying the conditions of this paragraph with respect to a party who is not designated as an Intended User, in no event shall the receipt of an Appraisal Report by such party extend any right to the party to use and rely on such report, and Appraiser shall have no liability for such unauthorized use and reliance on any Appraisal Report. In the event Client breaches the provisions of this paragraph, Client shall indemnify, defend and hold Appraiser, and its affiliates and their officers, directors, employees, contractors, agents and other representatives (Appraiser and each of the foregoing an "Indemnified Party" and collectively the "Indemnified Parties"), fully harmless from and against all losses, liabilities, damages and expenses (collectively, "Damages") claimed against, sustained or incurred by any Indemnified Party arising out of or in connection with such breach, regardless of any negligence on the part of any Indemnified Party in preparing the Appraisal Report.
17. Furthermore, Client shall indemnify, defend and hold each of the Indemnified Parties harmless from and against any Damages in connection with (i) any transaction contemplated by this Agreement or in connection with the appraisal or the engagement of or performance of services by any Indemnified Party hereunder, (ii) any Damages claimed by any user or recipient of the Appraisal Report, whether or not an Intended User, (iii) any actual or alleged untrue statement of a material fact, or the actual or alleged failure to state a material fact necessary to make a statement not misleading in light of the circumstances under which it was made with respect to all information furnished to any Indemnified Party or made available to a prospective party to a transaction, or (iv) an actual or alleged violation of applicable law by an Intended User (including, without limitation, securities laws) or the negligent or intentional acts or omissions of an Intended User (including the failure to perform any duty imposed by law); and will reimburse each Indemnified Party for all reasonable fees and expenses (including fees and expenses of counsel) (collectively, "Expenses") as incurred in connection with investigating, preparing, pursuing or defending any threatened or pending claim, action, proceeding or investigation (collectively, "Proceedings") arising therefrom, and regardless of whether such Indemnified Party is a formal party to such Proceeding. Client agrees not to enter into any waiver, release or settlement of any Proceeding (whether or not any Indemnified Party is a formal party to such Proceeding) without the prior written consent of Appraiser (which consent will not be unreasonably withheld or delayed) unless such waiver, release or settlement includes an unconditional release of each Indemnified Party from all liability arising out of such Proceeding.
18. Time Period for Legal Action. Unless the time period is shorter under applicable law, except in connection with paragraphs 16 and 17 above, Appraiser and Client agree that any legal action or lawsuit by one party against the other party or its affiliates, officers, directors, employees, contractors, agents, or other representatives, whether based in contract, warranty, indemnity, negligence, strict liability or other tort or otherwise, relating to (a) this Agreement or the Appraisal Report, (b) any services or appraisals under this Agreement or (c) any acts or conduct relating to such services or appraisals, shall be filed within two (2) years from the date of delivery to Client of the Appraisal Report to which the claims or causes of action in the legal action or lawsuit relate. The time period stated in this section shall not be extended by any incapacity of a party or any delay in the discovery or accrual of the underlying claims, causes of action or damages.

Proposal and Contract for Services

SPECIFIC PROPERTY DATA REQUEST

In order to complete this assignment under the terms outlined, CBRE, Inc., Valuation & Advisory Services, will require the following specific information for the property:

1. PLEASE NOTIFY US IMMEDIATELY IF ANY OTHER CBRE SERVICE LINE (INCLUDING CAPSTONE) IS INVOLVED IN THE BROKERAGE, FINANCING, INVESTMENT OR MANAGEMENT OF THIS ASSET.
Right-click to select data request list

If any of the requested data and information is not available, CBRE, Inc., reserves the right to extend the delivery date by the amount of time it takes to receive the requested information or make other arrangements. Please have the requested information delivered to the following:

Christopher Williams, MAI
Managing Director
christopher.williams@cbre.com
CBRE, Inc.
Valuation & Advisory Services
4520 Main Street
Kansas City, Missouri 64111

Addendum C

QUALIFICATIONS

Chris Williams, MAI

Director, Kansas City, MO

CBRE



T +1 816 968 5818
F +1 816 968 5890
Christopher.williams@cbre.com

4520 Main Street
Suite 600
Kansas City, MO 64111

Experience

Chris M. Williams, MAI, is a Director with over nineteen years of real estate appraisal and consulting experience. Mr. Williams is in the Valuation & Advisory Services Group's Kansas City office in the South Central Region. Mr. Williams' primary geographical location is Kansas, Western Missouri, and the entire region for golf courses.

Mr. Williams is a member of the Golf Valuation Group. Since 1997, Mr. Williams specializes in the valuation of golf courses with over 300 valuations. He also has extensive experience appraising retail and office properties. Mr. Williams' experience encompasses a wide variety of property types including golf courses, office buildings, retail, residential subdivisions, industrial, condominiums, and mixed use developments. Mr. Williams has worked on properties in over twenty-five states, but his primary geographical experience is the Midwest. Prior to joining CBRE, Mr. Williams was Senior Analyst at Integra Realty Resources in Kansas City.

Professional Affiliations / Accreditations

- Appraisal Institute, Designated Member (MAI), No. 12721
- Certified General Real Property Appraiser
 - State of Kansas, No. G-2100
 - State of Missouri, No. 2004030518
 - State of Arkansas, No. CG 4095
 - State of Oklahoma, No. 12867CGA
 - State of Texas, No. TX-1338787-G
- Licensed Real Estate Agent, State of Kansas, No. SP00054357

Education

- The University of Missouri-Kansas City, Kansas City, MO, Masters of Business Administration
- The University of Kansas, Lawrence, KS, Bachelor of Business Administration

Clients

- Bank of America Merrill Lynch
- Bank of the West
- Cole
- Enterprise Bank & Trust
- First National Bank of Kansas
- Grandbridge Real Estate Capital
- Regions Bank
- Deutsche Asset and Wealth Management

Matt Hummel

Vice President, Kansas City, MO

CBRE



T +1 816.968.5891
M +1 816.304.2519
Matt.Hummel@cbre.com

4520 Main Street
Suite 600
Kansas City, MO 64111

Experience

Matt Hummel, is a Vice President and Practice Leader for the CBRE Valuation & Advisory Services National Affordable Group. Mr. Hummel and his team of experienced and specialized appraisal professionals provide comprehensive valuations on complex real estate. Products and services offered extend beyond real property valuation and include market/feasibility studies, Rent Comparability Studies, consulting services, site inspections and due diligence support.

Mr. Hummel has extensive experience and specializes in performing market feasibility studies, appraisals, and consulting services for a broad cross-section of clients in the low-income housing tax credit industry, including developers, lenders, syndicators and state agencies at national level. Additional areas of expertise include the valuation and analysis of USDA Rural Development properties and those applying for FHA financing through U.S. Department of Housing and Urban Development's MAP program.

Prior to joining CBRE, Mr. Hummel was a manager at Novogradac & Company LLP

Professional Affiliations/ Accreditations

Appraisal Institute Candidate for Designation

State of Kansas Certified General Real Estate Appraiser No. G-2959
State of Washington Certified General Real Estate Appraiser No. 1102285
State of California Certified General Real Estate Appraiser No. 3002505
State of Missouri Certified General Real Estate Appraiser No. 2014030618
State of Texas Certified General Real Estate Appraiser No. TX1380146-G
State of Illinois Certified General Real Estate Appraiser No. 553.002534
State of Iowa Certified General Real Estate Appraiser No. CG03581

Education

Rockhurst University – Kansas City, Missouri

- Master of Business Administration - Concentration in Management and International

University of Missouri-Columbia, Missouri

- Bachelor of Business Administration - Finance and Banking

Speaking Engagements

Novogradac LIHTC 101 Workshop
Mississippi Housing Corporation Panel Speaker
Indiana Housing Corporation Panel Speaker
Washington Housing Conference Panel Speaker

STATE OF GEORGIA REAL ESTATE APPRAISERS BOARD

MATTHEW ALLEN HUMMEL

394283

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CERTIFIED GENERAL REAL PROPERTY APPRAISER

THE PRIVILEGE AND RESPONSIBILITIES OF THIS APPRAISER CLASSIFICATION SHALL CONTINUE IN EFFECT AS LONG AS THE APPRAISER PAYS REQUIRED APPRAISER FEES AND COMPLIES WITH ALL OTHER REQUIREMENTS OF THE OFFICIAL CODE OF GEORGIA ANNOTATED, CHAPTER 43-39-A. THE APPRAISER IS SOLELY RESPONSIBLE FOR THE PAYMENT OF ALL FEES ON A TIMELY BASIS.

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MATTHEW ALLEN HUMMEL

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Status ACTIVE

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APPRAISER

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REQUIRED EDUCATION IN A TIMELY MANNER.

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



LYNN DEMPSEY
Real Estate Commissioner

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