

MARKET STUDY

CATOOSA GARDENS
17 Dahlia Lane
Fort Oglethorpe, Georgia 30742
CBRE, Inc. File No. 19-361HO-3984-4

Asia Williams
PRESERVATION PARTNERS
1481 N. Dallas Parkway, Ste. 275
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CBRE

September 4, 2019

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RE: Market study of Catoosa Gardens
17 Dahlia Lane
Fort Oglethorpe, Georgia 30742
CBRE, Inc. File No. 19-361HO-3984-4

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 101-unit Section 8 multifamily development known as Catoosa 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 101 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 4, 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 101-unit multi-family low-rise located at 17 Dehlia Lane in Fort Oglethorpe, Georgia. The property consists of 34 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 9.8-acre site. The property will be renovated with \$30,000 per unit hard costs with an estimated completion date of December 2020. The project will continue to be family oriented.

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 \$/Unit	Net Rent Per SF
1BR/1BA 60%/HAP	55	550	100%	\$575	\$131	\$706	\$610	\$725	\$1.32
1BR/1BA 60%/HAP	12	620	100%	\$600	\$98	\$698	\$635	\$740	\$1.19
2BR/1BA 60%/HAP	8	842	100%	\$650	\$151	\$801	\$700	\$915	\$1.09
2BR/1BA 60%/HAP	12	950	100%	\$675	\$149	\$824	\$715	\$930	\$0.98
3BR/1.5BA 60%/HAP	10	1,006	100%	\$775	\$179	\$954	\$825	\$1,005	\$0.82
4BR/2BA 60%/HAP	4	1,300	100%	\$875	\$197	\$1,072	\$1,100	\$1,180	\$0.85
Total/Average:	101	704 SF	100%	----				\$701	\$1.00

Compiled by CBRE

The subject's units will continue to operate with a Section 8 project-based subsidy post renovation covering all 101 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, dishwashers, range/oven, garbage disposals, 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, recreation area, exercise facility, dog park, community garden and barbeque area. However, the majority of the comparables offer a swimming pool, which the subject does not. 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 \$3,030,000 total according to the developer. The scope of renovation will include the following: 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, 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 north side of Rocky Ford Road in Fort Oglethorpe, Georgia. There is average visibility and access. The subject's site is generally level and irregularly 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 2.3 miles from the subject. The project is in a higher crime area according to Trulia.com relative to greater Chattanooga metro. 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 the following:

- North: Interstate 24
- South: Highway 193
- East: Johns Mountain Wildlife Management Area
- West: Interstate 59

The city of Fort Oglethorpe is predominantly located within Catoosa County with the western portion being lacted in Walker County in Georgia. Fort Ogelthorpe reported a population of 9,263 as of the 2010 census and covers 13.9 square miles. Fort Ogelthorpe is part of the Chattanooga, TN-GA Metropolitan Statitsical Area (MSA) which is comprised of Catoosa, Dade and Walker counties in Georgia and Hamilton, Marion and Sequatchie counties in Tennessee. The boundaries of the PMA are approximately 12.8 miles to the west, 3.7 miles to the north, 3.1 miles to the east, and approximately 17.8 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 current population of the PMA is 149,862 in 2019 and expected to grow to 153,934 by 2024.

Renter households are concentrated in the lowest income cohorts, with 39.9% percent of renters in the PMA earning less than \$35,000 annually. The subject will target households earning between \$0 and \$47,220 for its LIHTC units. The subject will continue to benefit from its Section 8 Subsidy which subsidizes all 101 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, Chattanooga, TN is experiencing 1 foreclosure in every 3,142

housing units. The subject's zip code of 30742 is experiencing 1 foreclosure for every 1,612 housing units. Overall, the subject's zip code is experiencing a higher rate of foreclosures than the city, 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 the health care/social assistance. According to the Catoosa County Economic Development Department, the largest employers in area include: Shaw Industries, Haw Plant RP, Propex, Curbs Plus and Shaw Plant LM. These employers are considered relatively stable with most of them in the manufacturing sector.

The Chattanooga, TN-GA MSA experienced a general decline in employment from 2009 through 2014 and has increased every year since. The unemployment rate in the MSA reached 9.5% in 2011 but has gradually decreased to a current unemployment rate of 3.4% in July 2019. This is compared to the national unemployment rate of 3.8% in July 2019 and 3.9% unemployment rate in Georgia during the same period.

According to the Department of Labor, there have been no major layoffs in the subject's PMA over the previous three years.

We are not aware of any major expansions/additions.

Overall, the Chattanooga, TN-GA MSA appears to be slightly outperforming 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

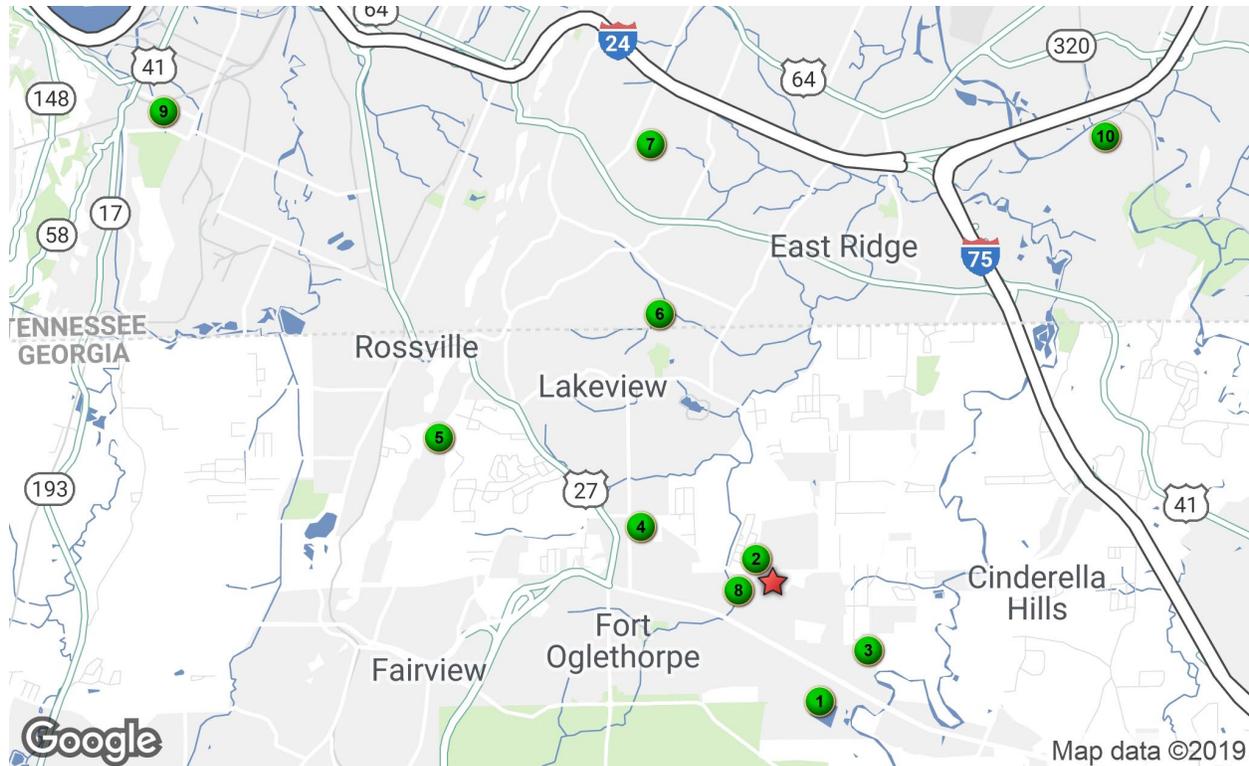
The following table illustrates the demand and capture rates for the subject's units as proposed.

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	67	\$0	\$32,580	1716	0	1716	3.9%	4-5 Months	\$629	\$565	\$735	\$575 - \$600
1BR/1BA 60% AMI	67	\$23,931	\$32,580	959	0	959	7.0%	7 Months	\$629	\$565	\$735	\$575 - \$600
2BR/1BA 60% AMI/HAP	20	\$0	\$36,660	2665	0	2665	0.8%	4-5 Months	\$835	\$675	\$915	\$650 - \$675
2BR/1BA 60% AMI	20	\$27,463	\$36,660	1490	0	1490	1.3%	7 Months	\$835	\$675	\$915	\$650 - \$675
3BR/1.5BA 60% AMI/HAP	10	\$0	\$43,980	754	0	754	1.3%	4-5 Months	\$892	\$785	\$1,035	\$775
3BR/1.5BA 60% AMI	10	\$32,709	\$43,980	421	0	421	2.4%	7 Months	\$892	\$785	\$1,035	\$775
4BR/2BA 60% AMI/HAP	4	\$0	\$47,220	615	0	615	0.7%	4-5 Months	\$1,178	\$899	\$1,560	\$875
4BR/2BA 60% AMI	4	\$36,754	\$47,220	343	0	343	1.2%	7 Months	\$1,178	\$899	\$1,560	\$875
Overall - With Subsidy	101	\$0	\$47,220	5750	0	5750	1.8%	4-5 Months				
Overall - Without Subsidy	101	\$23,931	\$47,220	3213	0	3213	3.1%	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 1.8% 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 Subject	Waiting List	Target Market
1	Lakeshore Apartments	1986/2010	79	100%	1.1 Miles	Yes	Market
2	Savannah Springs	1997	94	98%	0.1 Miles	No	Market
3	Fort Town Place	2005	294	98%	1.0 Mile	No	Market
4	Foundatin Brook	2001	112	99%	1.1 Miles	No	Market
5	Woodland Apartments	1972	52	95%	2.9 Miles	No	Market
6	Veranda at the Ridge	1972	93	98%	2.3 Miles	Yes	Market
7	Sweetbay	1974/2016	80	96%	3.6 Miles	Yes	Market
8	Oglethorpe Ridge	1997	98	90%	0.2 Miles	No	Low Income Families (60% AMI)
9	Stone Ridge Park	2005	70	95%	6.1 Miles	Yes	Low Income Families (60% AMI)
10	Dogwood Place*	2004	140	95%	4.5 Miles	Yes	Low Income Families (60% AMI)

* Located outside of the PMA

Compiled by CBRE

The availability of family oriented, non-subsidized LIHTC properties in the subject's PMA is considered moderate. As such, we were able to locate two comparable family oriented LIHTC properties and included one comparable LIHTC property located slightly outside of the PMA. The relative 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 101 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 Minimum	Surveyed Maximum	Surveyed Average	Rent Advantage
	LIHTC Rent					
1BR/1BA - 60% AMI (550 SF)	\$575		\$565	\$735	\$629	9%
1BR/1BA - 60% AMI (620 SF)	\$600		\$565	\$735	\$629	5%
2BR/1BA - 60% AMI (842 SF)	\$650		\$675	\$915	\$835	28%
2BR/1BA - 60% AMI (950 SF)	\$675		\$675	\$915	\$835	24%
3BR/1.5BA - 60% AMI (1,006 SF)	\$775		\$785	\$1,035	\$892	15%
4BR/2BA - 60% AMI (1,300 SF)	\$875		\$899	\$1,560	\$1,178	35%

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 an 5% to 35% 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 100% 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 able to locate two multifamily developments that were recently completed just outside of the subject’s PMA in downtown Chattanooga. 1400 Chestnut, located at 1400 Chestnut Street in Chattanooga, TN is a mid-rise development that opened in 2018 and offers 200 one and two-bedroom units. The property is currently 83% occupied and conversations with the property manager indicated an absorption rate of approximately 20 units per month.

Chestnut Flats, located at 2108 Chestnut Street in Chattanooga, TN is a low-rise development that opened in 2019 and offers 199 one, two and three-bedroom units rent and income restricted at 60% of the AMI. The property is currently 15% occupied and conversations with the property manager indicated an absorption rate of approximately 15 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 to five-month period considering the length of waiting lists at comparable subsidized properties. Absent the current subsidies we believe he property would achieve a stabilized occupancy within a seven-month period.

Overall Conclusion

We believe there is strong demand for the subject property. The LIHTC properties are currently 90% to 95% occupied with an average of 93.3%. The conventional comparables indicate an average occupancy rate of 97.9%. The subject will offer similar to slightly superior in-unit and community amenities in comparison to the LIHTC and market-rate comparable properties and

will allow the subject to compete and remain marketable. Post-renovation, the subject will be considered similar to slightly superior in terms of condition to the majority of the comparable properties and the unit sizes will be competitive. Based on the existing and projected demand for affordable housing, we believe that the subject is feasible, and the market **can** support the project.

Summary Table

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

Development Name:	<u>Catoosa Gardens</u>	Total # Units:	<u>101</u>
Location:	<u>17 Dahlia Lane, Fort Oglethorpe, Georgia</u>	# LIHTC Units:	<u>101</u>
PMA Boundary:	<u>North Interstate 24</u>		
	<u>South Highway 193</u>		
	<u>East Johns Mountain Wildlife Management Area</u>		
	<u>West Interstate 59</u>		

RENTAL HOUSING STOCK found on page 43

Type	# Properties*	Total Units	Vacant Units	Average Occupancy
All Rental Housing	36	4,132	145	96.5%
Market-Rate Housing	23	2,793	88	96.8%
Assisted/Subsidized Housing not to include LIHTC	9	808	32	96.0%
LIHTC	4	531	25	95.2%
Stabilized Comps	36	0	145	96.5%
Properties in Construction & Lease-Up	0	N/A	N/A	N/A

# Units	Subject Development				Average Market Rent			Highest Undadjusted Comp Rent	
	# Bedrooms	# Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
1BR/1BA 60%/HAP	1	1	550	\$575	\$725	\$0.93	9%	\$735	\$1.19
1BR/1BA 60%/HAP	1	1	620	\$600	\$740	\$0.93	5%	\$735	\$1.19
2BR/1BA 60%/HAP	2	1	842	\$650	\$915	\$0.81	28%	\$915	\$1.00
2BR/1BA 60%/HAP	2	1	950	\$675	\$930	\$0.81	24%	\$915	\$1.00
3BR/1.5BA 60%/HAP	3	1.5	1,006	\$775	\$1,005	\$0.72	15%	\$1,035	\$0.79
4BR/2BA 60%/HAP	4	2	1,300	\$875	\$1,180	0.67	35%	\$1,560	0.71

DEMOGRAPHIC DATA

(found on page) 28-32

	2018		2019		2024	
Renter Households	21,519	36.8%	21,718	37.2%	23,211	38.7%
Income-Qualified Renter HH (LIHTC)	5,697	26.5%	5,749	26.5%	6,145	26.5%

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	51	N/A	101	101
Existing Households (Overburden + Substandard)	N/A	N/A	3162	N/A	5648	5648
Homeowner conversion (seniors)	N/A	N/A	0	N/A	0	0
Total Primary Market Demand	N/A	N/A	3213	N/A	5749	5749
Less Comparable/Competitive Supply	N/A	N/A	0	N/A	0	0
Adjusted Income-qualified Renter HHs	N/A	N/A	3213	N/A	5749	5749

PROJECT DESCRIPTION

1. Project Address and Development Location	The Subject is located at 17 Dahlia Lane, Fort Oglethorpe, Georgia, 3074
2. Construction Type	The Subject consists of 34 one and two-story apartment buildings along with a 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
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 101 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 Catoosa Gardens
 Address 17 Dahlia Lane
 Fort Oglethorpe, GA 30742
 United States

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

Unit Mix Detail

Rate Timeframe	Monthly				
Unit Type	No.	%	Size (sf)	Rent	Rent / sf
1BR/1BA	55	54%	550	\$610	\$1.11
1BR/1BA	12	12%	620	\$635	\$1.02
2BR/1BA	8	8%	842	\$700	\$0.83
2BR/1BA	12	12%	950	\$715	\$0.75
3BR/1.5BA	10	10%	1,006	\$825	\$0.82
4BR/2BA	4	4%	1,300	\$1,100	\$0.85
Totals/Avg	101			\$673	\$0.96



Improvements

Land Area	9.800 ac	Status	Existing
Net Rentable Area (NRA)	71,086 sf	Year Built	1979
Total # of Units	101 Unit	Year Renovated	N/A
Average Unit Size	704 sf	Condition	Average
Floor Count	1	Exterior Finish	Brick
Property Features	Gated / Controlled Access, LIHTC (Low Income Housing Tax Credit), On-Site Management, Surface Parking		
Project Amenities	Barbeque Area, Business Center, Clubhouse, Dog Park / Run, Fitness Center, Laundry Facility, Playground, Vegetable Garden		
Unit Amenities	Dishwasher, Garbage Disposal, Microwave Oven, Range / Oven, Refrigerator, Washer / Dryer		

Rental Survey

Occupancy	100%	Utilities Included in Rent	Water, Sewer and Trash
Lease Term	12 Mo(s).	Rent Premiums	None
Tenant Profile	Low Income	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 \$3,030,000 total. According to information provided by the developer, the Subject's scope of renovation 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, in-unit washer/dryers, free wireless internet, surveillance cameras, community room, business center, fitness center, dog park, package center, community garden, and BBQ area with pergola. 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	550	55	\$610	\$0	\$380	\$157
1BR/1BA	620	12	\$635	\$0	\$380	\$157
2BR/1BA	842	8	\$700	\$0	\$715	\$193
2BR/1BA	950	12	\$715	\$0	\$715	\$193
3BR/1.5BA	1,006	10	\$825	\$0	\$825	\$269
4BR/2BA	1,300	4	\$1,100	\$0	\$347	\$176

12. Current Occupancy

According to the 7/5/2019 rent roll, the project is currently 100% 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

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 Friday, July 12, 2019

SITE SUMMARY

Physical Description

Gross Site Area	9.80 Acres	426,888 Sq. Ft.
Net Site Area	9.80 Acres	426,888 Sq. Ft.
Primary Road Frontage	Rocky Ford Road	
Excess Land Area	None	
Surplus Land Area	None	
Shape	Irregular	
Topography	Generally Level	
Zoning District	R-1	
Flood Map Panel No. & Date	13047C0028E	11-Sep-09
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	City of Fort Oglethorpe	Yes
Sewer	City of Fort Oglethorpe	Yes
Natural Gas	Georgia Natural Gas	Yes
Electricity	Georgia Power	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 will participate in the Low Income Housing Tax Credit (LIHTC) program following renovations.

Subject Aerial & Plat Map



Aerial View



Parcel Map

SITE AND IMMEDIATE SURROUNDING AREA

The subject has frontage along the north side of Rocky Ford Road, the east side of South Cedar Lane and the south side of Highway 146/Cloud Springs Road. The area is a predominately multifamily residential area with some commercial and retail developments, single-family homes as well as undeveloped land. To the north of the subject are single-family homes in average to good condition as well as multifamily developments (Savannah Springs and Park Lake Apartments) in average to good condition. To the east of the subject is a single-family home in average condition followed by a place of worship and storage locker facility. To the south of the subject's site are single-family homes in average condition. To the west of the subject is a multifamily development in average condition (Oglethorpe Ridge Apartments).

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 2.3 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



Subject Exterior



Subject Parking



Central Laundry



Typical Kitchen



Washer/Dryer Connections



Typical Kitchen



Typical Bathroom



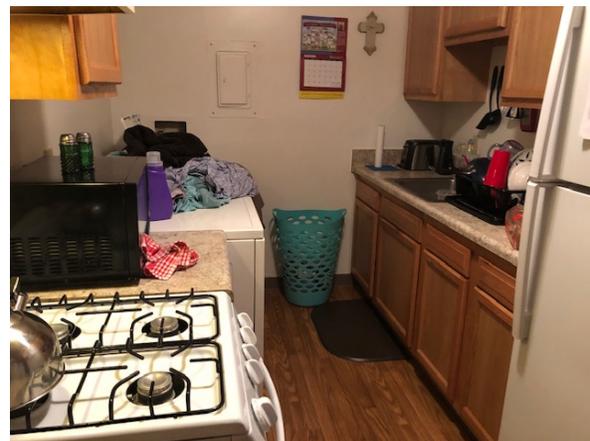
Typical Bedroom



Typical Living Room



Typical Living Area



Typical Kitchen



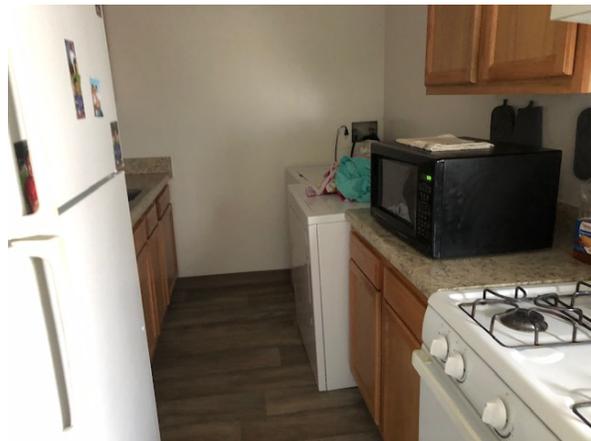
Typical Bathroom



Typical Bedroom



Typical Kitchen



Typical Kitchen



Typical Bedroom



Typical Bathroom



Typical Closet



Subject Greenspace



Playground



Surrounding Land Uses



Surrounding Land Uses



Surrounding Land Uses



Surrounding Land Uses



Surrounding Land Uses



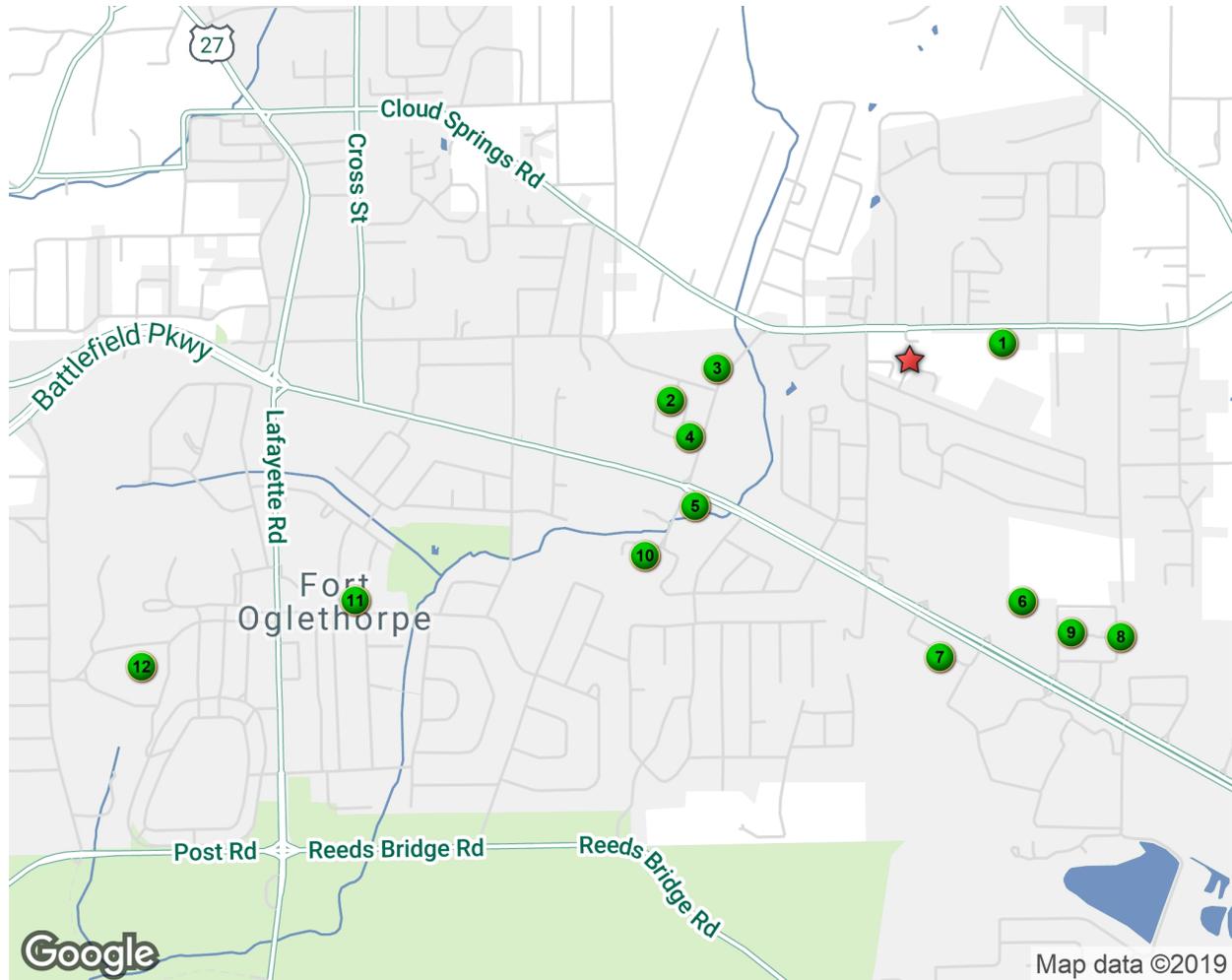
Surrounding Land Uses



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	Sunset Market	0.2 Miles
2	Walmart Neighborhood Market	0.5 Miles
3	Genoa Healthcare	0.4 Miles
4	Walmart Fuel Station	0.5 Miles
5	Walgreens Pharmacy	0.7 Miles
6	Planet Fitness	0.8 Miles
7	Lakeview Fort Oglethorpe High	0.8 Miles
8	Home Depot	1.1 Miles
9	Dollar Tree	1.1 Miles
10	Fort Oglethorpe Police Department	0.8 Miles
11	Fort Oglethorpe Fire Department	1.7 Miles
12	CHI Memorial Hospital Georgia	2.3 Miles

Compiled by CBRE

DESCRIPTION OF LAND USES

The subject's site is located in Fort Oglethorpe, approximately 9.5 miles southeast of downtown Chattanooga, Tennessee. To the north of the subject are single-family homes in average to good condition as well as multifamily developments (Savannah Springs and Park Lake Apartments) in average to good condition. To the east of the subject is a single-family home in average condition followed by a place of worship and storage locker facility. To the south of the subject's site are single-family homes in average condition. To the west of the subject is a multifamily development in average condition (Oglethorpe Ridge Apartments).

The site is considered a desirable location for multifamily uses, with close proximity to major roadways, but in a quiet residential setting.

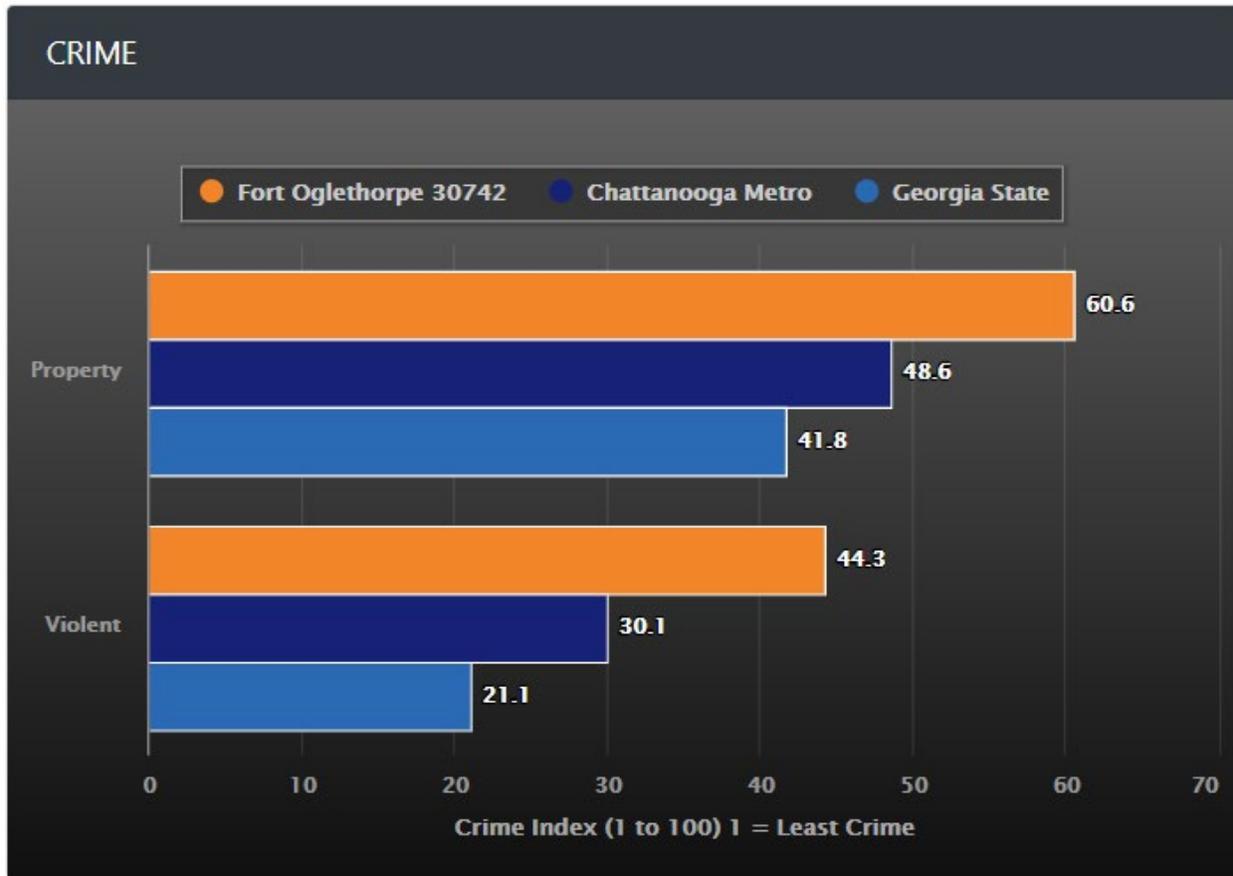
According to walkscore.com the subject's site has a walk score of 33 which is considered car dependent, and a bike score of 43 which is considered somewhat bike-able.

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.

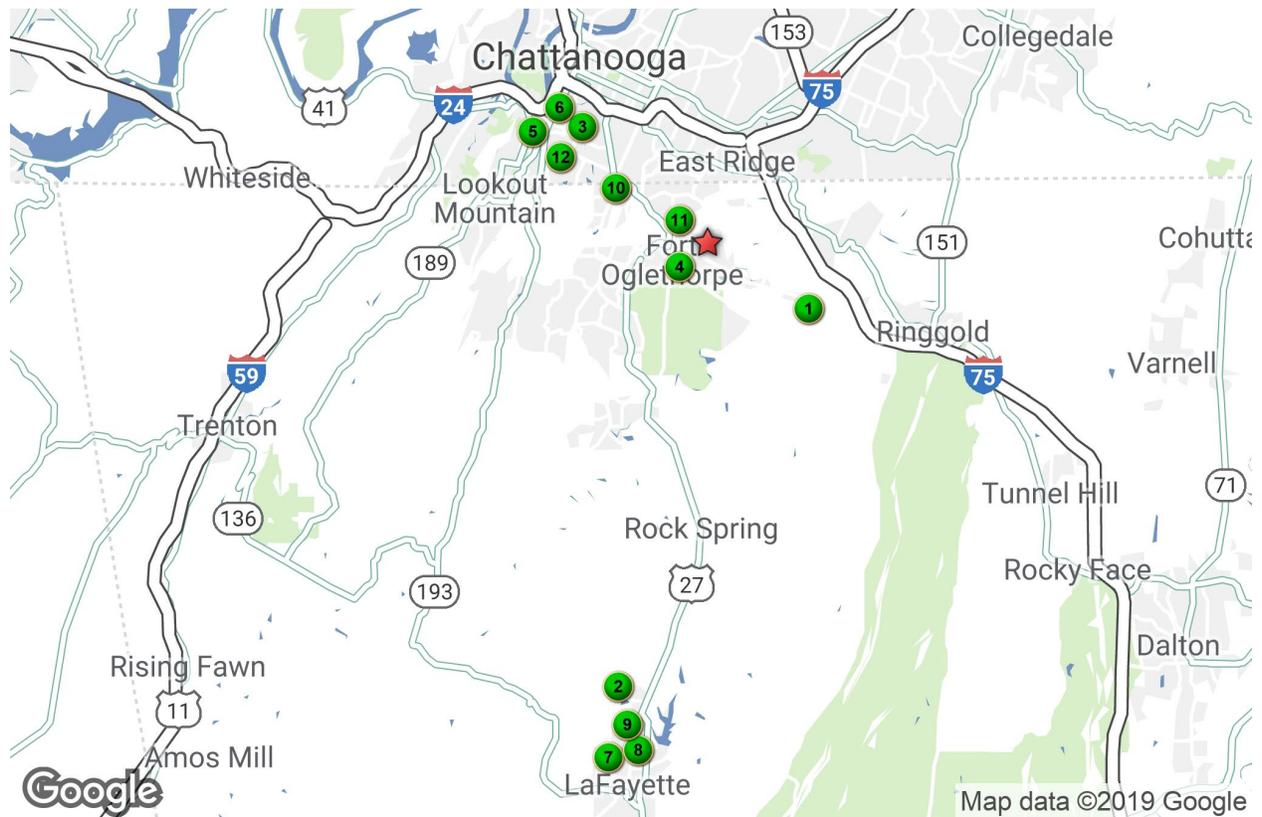
In terms of crime, according to Trulia.com, the subject's zip codes experience **moderate to high crime** relative to the Chattanooga Metro.

According to bestplaces.com, the subject's zip code has higher crime rates when compared to the Chattanooga Metro and the state of Georgia.



Source: Bestplaces.com

EXISTING ASSISTED RENTAL HOUSING PROPERTY MAP



ASSISTED/SUBSIDIZED PROPERTIES IN THE PMA

Map #	Property Name	Program	Tenancy	Occupancy
1	Summer Breeze Park	Section 8	Family	90.3%
2	Carriage Hill Apartments	Section 8	Family	96.1%
3	Alton Place Apartments	LIHTC	Family	96.6%
4	Battlewood Apartments	Section 8	Family	96.0%
5	Villages at Alton Park	LIHTC	Family	96.7%
6	Mary Walker Towers	Section 8	Family	98.7%
7	Woodlands Village II Apartments	Section 8	Senior	96.7%
8	Lucky Pointe Apartments	Section 8	Senior	96.2%
9	Rossville Apartments	Section 8	Senior	93.6%
10	South Rossville Senior Village	Section 8	Senior	100.0%
11	Oglethorpe Ridge*	LIHTC	Family	90.0%
12	Stone Ridge Park*	LIHTC	Family	95.0%

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 Cloud Springs Road, South Cedar Lane and Rocky Ford Road.

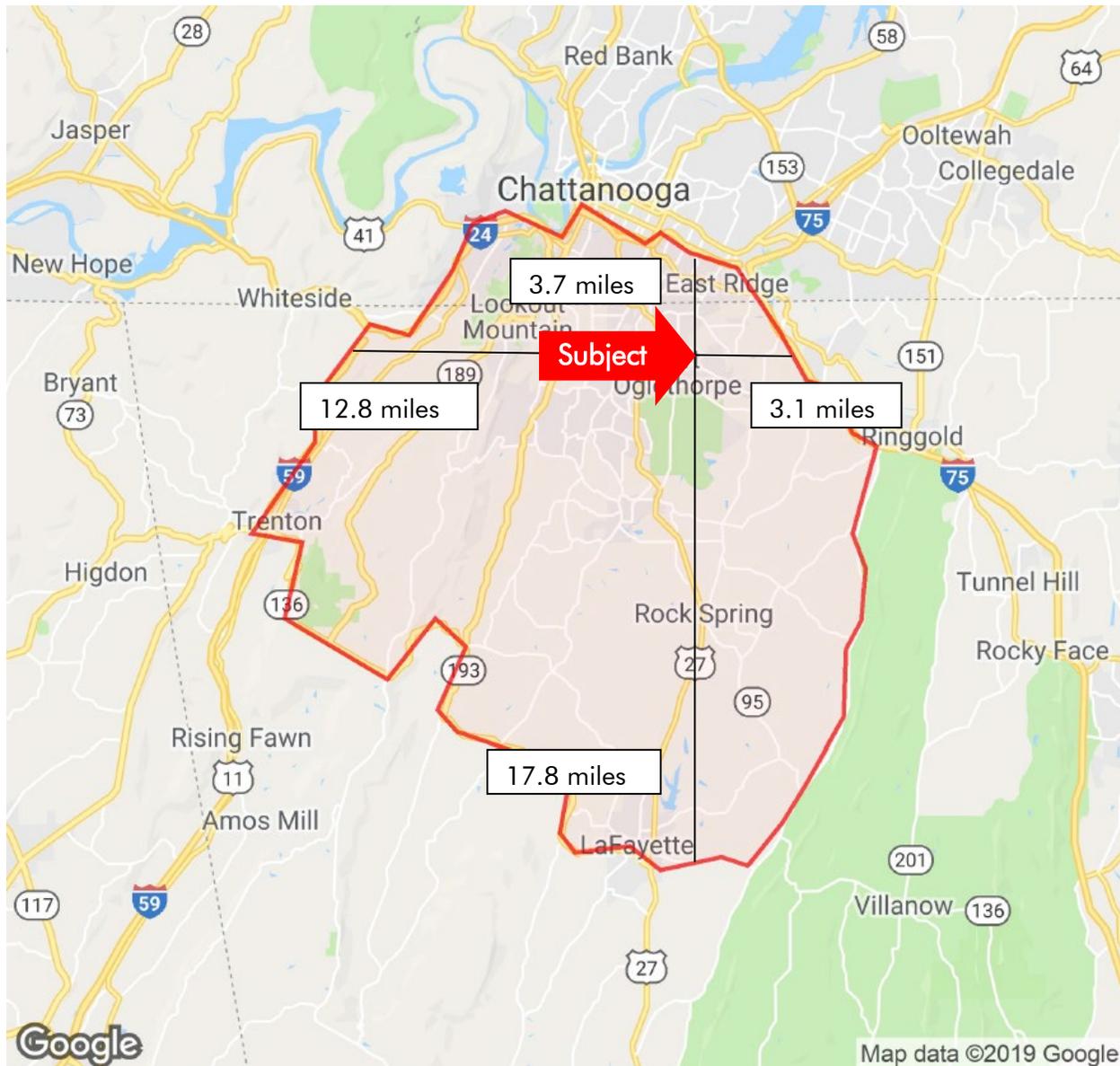
CONCLUSION

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 the following:

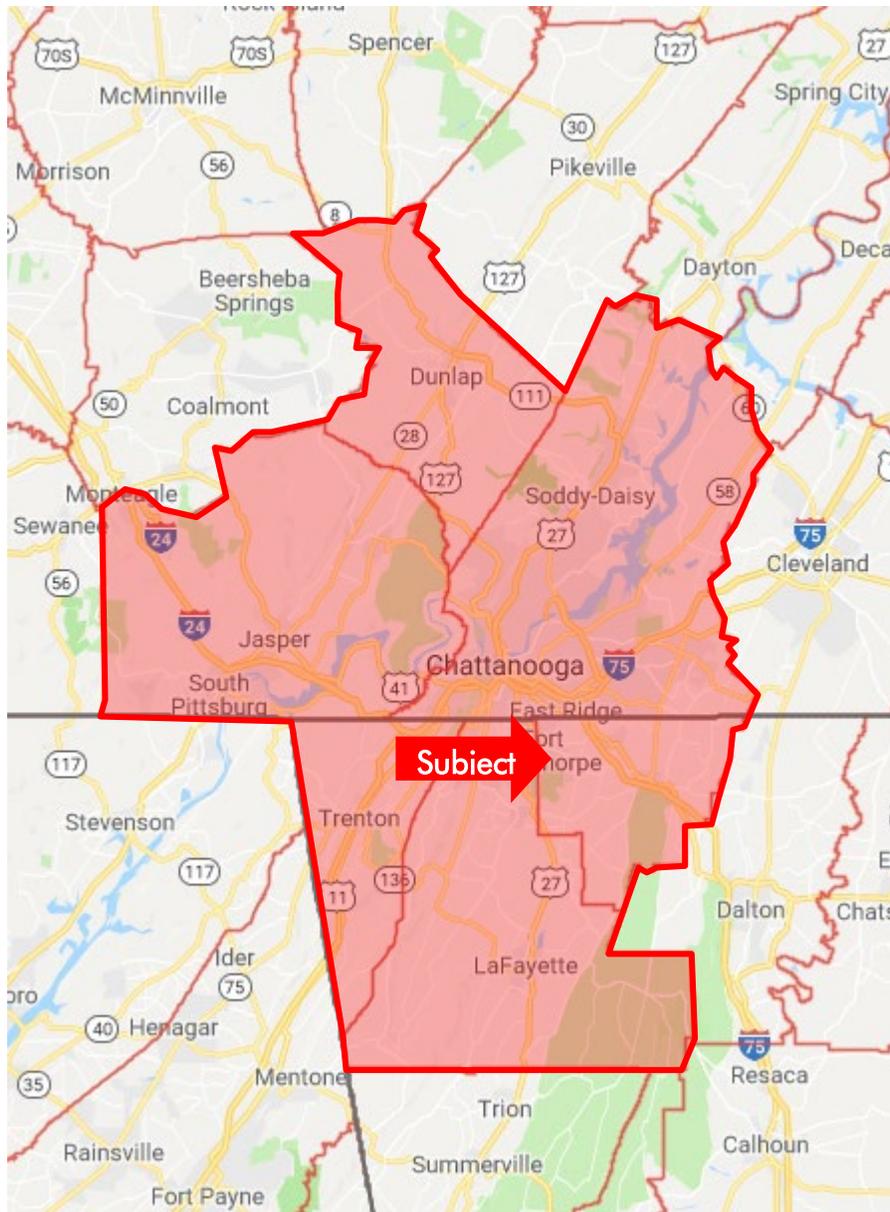
- North: Interstate 24
- South: Highway 193
- East: Johns Mountain Wildlife Management Area
- West: Interstate 59

The city of Fort Oglethorpe is predominantly located within Catoosa County with the western portion being located in Walker County in Georgia. Fort Oglethorpe reported a population of 9,263 as of the 2010 census and covers 13.9 square miles. Fort Oglethorpe is part of the

Chattanooga, TN-GA Metropolitan Statistical Area (MSA) which is comprised of Catoosa, Dade and Walker counties in Georgia and Hamilton, Marion and Sequatchie counties in Tennessee. The boundaries of the PMA are approximately 12.8 miles to the west, 3.7 miles to the north, 3.1 miles to the east, and approximately 17.8 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.

SECONDARY MARKET AREA (SMA)

The secondary market area (SMA) for the Subject is the Chattanooga, TN-GA Metropolitan Statistical Area (MSA), which is comprised of six counties: Catoosa, Dade and Walker in Georgia and Hamilton, Marion and Sequatchie in Tennessee. 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	153,934	596,924	11,253,742
2020 Total Population - Projected Market Entry	150,867	578,806	10,796,888
2019 Total Population	149,885	572,409	10,655,025
2010 Total Population	142,862	528,143	9,687,653
2000 Total Population	129,104	476,579	8,186,453
Annual Growth 2019 - 2024	0.54%	0.86%	1.12%
Annual Growth 2010 - 2019	0.55%	0.93%	1.11%
Annual Growth 2000 - 2010	1.07%	1.08%	1.83%

Source: ESRI

As illustrated, total population increased between 2000 and 2019. This trend is expected to continue through 2024. We have applied the annual population growth of 0.55% 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	9,374	9,022	9,150	9,105
Age 5-9	9,314	9,125	9,254	9,230
Age 10-14	9,508	9,136	9,265	9,604
Age 15-19	9,628	8,752	8,876	9,231
Age 20-24	9,078	8,905	9,031	8,454
Age 25-29	9,041	10,257	10,402	8,997
Age 30-34	9,230	9,961	10,102	10,359
Age 35-39	9,410	9,561	9,696	9,925
Age 40-44	9,505	9,166	9,296	9,664
Age 45-49	10,198	9,623	9,759	9,388
Age 50-54	10,177	9,670	9,807	9,735
Age 55-59	9,092	10,275	10,420	9,674
Age 60-64	8,410	9,696	9,833	10,170
Age 65-69	6,426	8,653	8,775	9,388
Age 70-74	5,105	6,987	7,086	7,808
Age 75-79	3,929	4,835	4,903	6,073
Age 80-84	2,924	3,153	3,198	3,793
85 and Older	2,511	3,109	3,153	3,336
Median Age	38.30	40.10	40.67	41.10

Source: ESRI

The largest cohorts in the PMA are ages 55-59, 25-29 and 50-54.

HOUSEHOLD TRENDS

The following table illustrates population projections from 2000 through 2024.

NUMBER OF HOUSEHOLD PROJECTIONS			
	PMA	SMA	Georgia
Households			
2024 Total Households	59,977	236,977	4,155,781
2020 Total Households - Projected Market Entry	59,043	231,341	4,019,337
2019 Total Households	58,503	227,517	3,937,153
2010 Total Households	56,070	210,867	3,585,584
2000 Total Households	51,142	189,618	3,006,369
Annual Growth 2019 - 2024	0.50%	0.83%	1.11%
Annual Growth 2010 - 2019	0.48%	0.88%	1.09%
Annual Growth 2000 - 2010	0.96%	1.12%	1.93%

Source: ESRI

Similarly, the number of households also increased between 2000 and 2019 and is expected to continue through 2024. We utilized the annual growth rate of 0.48% 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	2.52	2.46	2.64
2020 Household Size - Projected Market Entry	2.52	2.46	2.64
2019 Household Size	2.52	2.46	2.64
2010 Household Size	2.52	2.46	2.68
2000 Household Size	2.53	2.47	2.72

Source: ESRI

We have assumed the household size remains stable from 2019 to market entry as the household size is not expected to change in the PMA, MSA or state through 2024. The PMA average household size is slightly larger in the PMA as compared to the MSA and slightly smaller than the state of Georgia household size.

HOUSEHOLDS BY TENURE

TENURE PATTERNS PMA				
Year	Owner Occupied Units	Percentage Owner Occupied	Renter-Occupied Units	Percentage Renter Occupied
2024	36,766	61.3%	23,211	38.7%
2020 Projected Market Entry	36,642	62.8%	21,718	37.2%
2019	36,984	63.2%	21,519	36.8%
2010	37,597	67.1%	18,473	32.9%
2000	36,151	70.7%	14,991	29.3%

Source: ESRI

TENURE PATTERNS SMA				
Year	Owner Occupied Units	Percentage Owner Occupied	Renter-Occupied Units	Percentage Renter Occupied
2024	147,400	62.2%	89,577	37.8%
2020 Projected Market Entry	146,085	63.8%	83,007	36.2%
2019	145,247	63.8%	82,247	36.2%
2010	143,001	67.8%	67,866	32.2%
2000	132,765	70.0%	56,853	30.0%

As the table illustrates, households within the PMA live primarily in owner-occupied housing units, similar to the SMA. In 2019, 36.8% of the housing units in the PMA were renter-occupied. This trend is expected to increase to approximately 37.8% 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.

RENTER HOUSEHOLD INCOME DISTRIBUTION - PMA						
Income Cohort	2019		Projected Market Entry - December 2020		2024	
	Number	Percentage	Number	Percentage	Number	Percentage
<\$15000	2,905	13.5%	2,931	13.5%	2,520	10.9%
\$15000-\$24999	2,699	12.5%	2,724	12.5%	2,540	10.9%
\$25000-\$34999	2,991	13.9%	3,018	13.9%	2,912	12.5%
\$35000-\$49999	2,903	13.5%	2,930	13.5%	3,050	13.1%
\$50000-\$74999	3,776	17.5%	3,811	17.5%	4,180	18.0%
\$75000-\$99999	2,438	11.3%	2,460	11.3%	2,936	12.7%
\$100000-\$149999	2,682	12.5%	2,706	12.5%	3,524	15.2%
\$150000-\$199999	565	2.6%	570	2.6%	815	3.5%
\$200000+	562	2.6%	567	2.6%	733	3.2%
Total	21,519	100%	21,718	100%	23,211	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 \$50,000 to \$74,999 followed by \$25,000 to \$34,999. In addition, 39.9% 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		2019		Projected Market Entry - 2020	
	Number	Percentage	Number	Percentage	Number	Percentage
With 1 Person	5,826	32%	6,787	32%	6,850	32%
With 2 Persons	7,171	39%	8,354	39%	8,431	39%
With 3 Persons	2,328	13%	2,712	13%	2,737	13%
With 4 Persons	1,469	8%	1,711	8%	1,726	8%
With 5+ Persons	1,679	9%	1,956	9%	1,974	9%
Total Renter	18,473		21,519		21,718	

Source: ESRI, 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 2019, the most recent available, to our 2020 projected market entry data. As illustrated, the majority of renter households (71%) 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 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

\$47,220. 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 the Chattanooga, TN-GA, MSA from 2009 to July 2019.

CHATTANOOGA, TN-GA MSA			
Year	Labor Force	% Change	Employment
2009	259,190	-	236,900
2010	256,893	-0.9%	232,488
2011	258,254	0.5%	235,786
2012	260,604	0.9%	241,580
2013	259,869	-0.3%	240,639
2014	248,824	-4.3%	232,402
2015	249,538	0.3%	234,815
2016	254,524	2.0%	242,052
2017	261,432	2.7%	249,406
2018	267,464	2.3%	257,568
Jan-19	271,142	1.4%	261,923
Feb-19	272,825	0.6%	263,549
Mar-19	275,242	0.9%	266,159
Apr-19	275,659	0.2%	266,562
May-19	277,370	0.6%	268,217
Jun-19	280,160	1.0%	270,915
Jul-19	282,401	0.8%	272,799

Source St. Louis Federal Reserve, 8/2019

The Chattanooga, TN-GA MSA experienced a general decline in employment from 2009 through 2014 and has increased every year since.

TOTAL JOBS BY INDUSTRY

EMPLOYMENT BY INDUSTRY			
Occupation	PMA	MSA	Georgia
Agric/Forestry/Fishing/Hunting/Mining	0.46%	0.49%	0.87%
Construction	7.82%	6.59%	6.90%
Manufacturing	15.55%	14.58%	10.23%
Wholesale Trade	2.65%	2.59%	2.74%
Retail Trade	12.23%	10.73%	11.05%
Transportation/Warehousing/Utilities	7.09%	7.06%	6.87%
Information	1.49%	1.44%	2.36%
Finance/Insurance/Real Estate/Rental/Leasing	6.04%	7.57%	6.11%
Prof/Scientific/Tech Services	3.77%	5.02%	6.91%
Mgmt of Companies/Enterprises	0.14%	0.18%	0.23%
Admin/Support/Waste Mgmt Svcs	3.30%	3.35%	4.46%
Educational Services	7.62%	7.89%	8.99%
Health Care/Social Assistance	11.83%	14.21%	11.86%
Arts/Entertainment/Recreation	0.95%	0.44%	1.69%
Accommodation/Food Services	9.50%	9.74%	8.81%
Other Services (excl Publ Adm)	6.73%	5.06%	4.97%
Public Administration	2.83%	3.05%	4.94%

Source: ESRI

As illustrated, the highest employment sectors are manufacturing, retail trade and the health care/social assistance. Together, these industries comprise 39.61% of all jobs in the PMA.

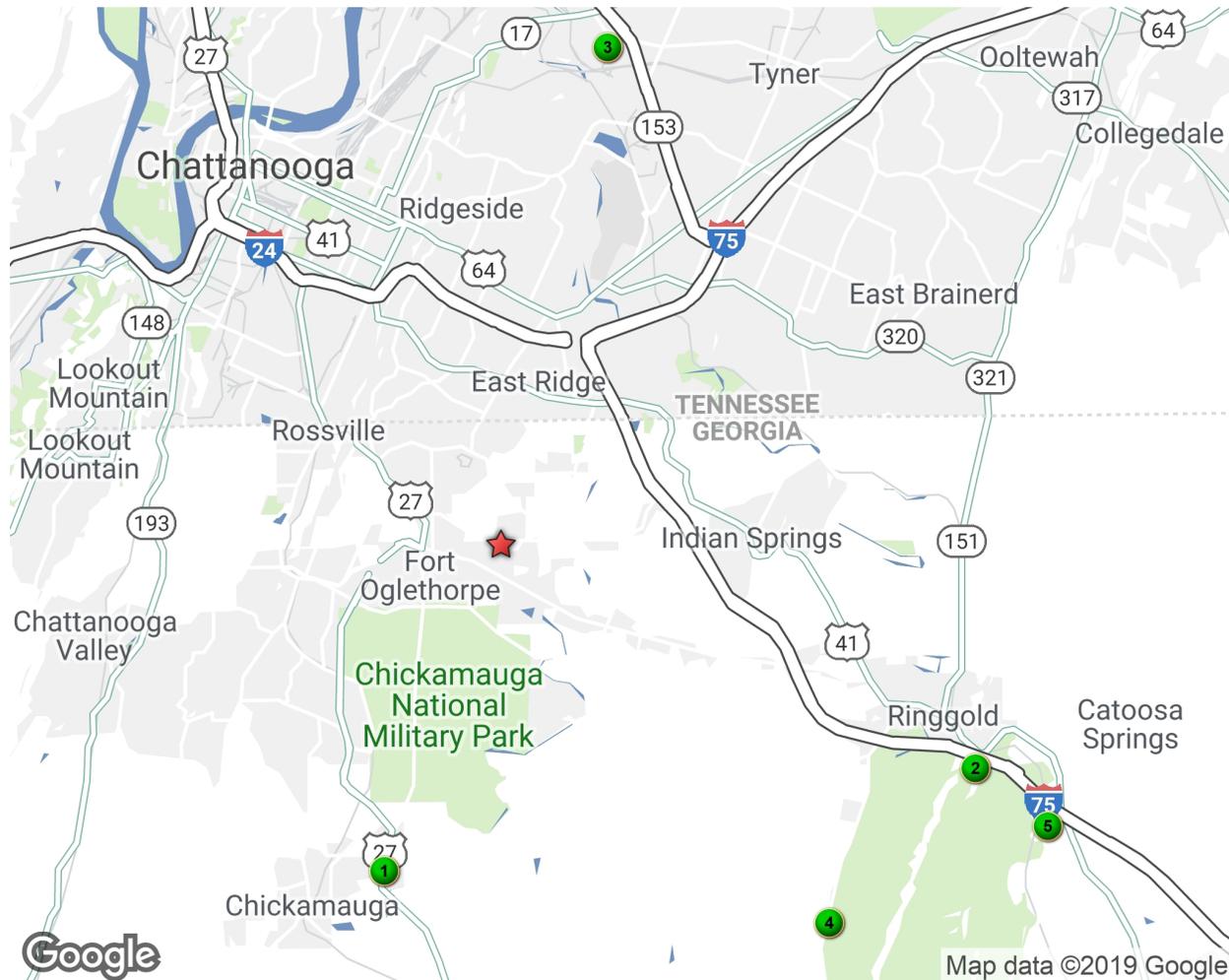
MAJOR EMPLOYERS

The following table illustrates the major employers in the Fort Oglethorpe area.

MAJOR EMPLOYERS			
#	Company	Industry	Number of Employees
1	Shaw Industries	Manufacturing	535
2	Shaw Plant RP	Manufacturing	200
3	Propex	Manufacturing	179
4	Curbs Plus	Manufacturing	120
5	Shaw Plant LM	Manufacturing	115
6	Container Service Corporation	Manufacturing	110
7	Roller-Die	Manufacturing	109
8	Five Star Vending	Manufacturing	100
9	Metro Boiler Tube	Manufacturing	100
10	BMG Bakery	Manufacturing	85

Source: Catoosa County Economic Development Department, 7/2019

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



All of the major employers in the area are associated with the manufacturing industry. This is a historically stable industry of employment and provides a consistent base of employment in Fort Oglethorpe.

WARN NOTICES

According to the Department of Labor, there have been no reported layoffs in the subject’s PMA over the past three years.

We are not aware of any major expansions/additions.

UNEMPLOYMENT TRENDS

CHATTANOOGA, TN-GA MSA		
Year	Unemployment	Unemployment Rate
2009	22,290	8.6%
2010	24,405	9.5%
2011	22,468	8.7%
2012	19,024	7.3%
2013	19,230	7.4%
2014	16,422	6.6%
2015	14,723	5.9%
2016	12,472	4.9%
2017	12,026	4.6%
2018	9,896	3.7%
Jan-19	9,219	3.4%
Feb-19	9,276	3.4%
Mar-19	9,083	3.3%
Apr-19	9,097	3.3%
May-19	9,153	3.3%
Jun-19	9,245	3.3%
Jul-19	9,602	3.4%

Source St. Louis Federal Reserve, 8/2019

The unemployment rate in the MSA reached 9.5% in 2011 but has gradually decreased to a current unemployment rate of 3.4% in July 2019. This is compared to the national unemployment rate of 3.8% in July 2019 and 3.9% unemployment rate in Georgia during the same period.

CONCLUSIONS

Overall, the city of Fort Oglethorpe and the Chattanooga, TN-GA MSA appear to be outperforming 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 3.4% (July 2019) which is considered low, and is slightly lower than the state and national rates in the same period. The major employers in Chattanooga

are predominately in manufacturing sectors, which are considered relatively stable. The highest employment sectors are manufacturing, retail trade, and health care/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:

FAMILY INCOME LIMITS				
Unit Type	Minimum Allowable Income 60% AMI	Maximum Allowable Income	Minimum Allowable Income 60% AMI/Section 8	Maximum Allowable Income
1BR/1BA - 550 SF	\$24,206	\$32,580	\$0	\$32,580
1BR/1BA - 620 SF	\$23,931	\$32,580	\$0	\$32,580
2BR/1BA - 842 SF	\$27,463	\$36,660	\$0	\$36,660
2BR/1BA - 950 SF	\$28,251	\$36,660	\$0	\$36,660
3BR/1.5BA - 1,006 SF	\$32,709	\$43,980	\$0	\$43,980
4BR/2BA - 1,300 SF	\$36,754	\$47,220	\$0	\$47,220

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

N/A

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.

There have been no new projects within the subject's PMA that meet the above requirements in the previous three years.

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
Summer Breeze Park	Section 8	Family	90.3%
Fountain Brook Apartments	Market	Family	94.2%
Carriage Hill Apartments	Section 8	Family	96.1%
East Ridge Village Apartments	Market	Family	95.0%
Town Creek Apartments	Market	Family	93.3%
Alton Place Apartments	LIHTC	Family	96.6%
Dutch Manor Apartments	Market	Family	94.6%
Battlewood Apartments	Section 8	Family	96.0%
Village at Fort Town	Market	Family	100.0%
The Belvoir	Market	Family	93.0%
Germantown Garden Apartment Homes	Market	Family	96.0%
Ridgeview Pointe	Market	Family	93.0%
Villages at Alton Park	LIHTC	Family	96.7%
Springwood/Happy Valley Apartments	Section 8	Family	95.6%
Park Trace Apartments	Market	Family	95.2%
Lakeshore II Apartments	Market	Family	92.5%
East Ridge Retirement Center	Market	Senior	93.1%
Mary Walker Towers	Section 8	Family	98.7%
Woodlands Village II Apartments	Section 8	Senior	96.7%
Park Lake Apartments	Market	Family	100.0%
Lomenacque Apartments	Market	Family	96.4%
Newcastle Apartment Homes	Market	Family	97.9%
Spring Creek Gardens Apartments	Market	Family	100.0%
Lucky Pointe Apartments	Section 8	Senior	96.2%
Home Place Apartments	Market	Family	95.0%
Rossville Apartments	Section 8	Senior	93.6%
South Rossville Senior Village	Section 8	Senior	100.0%
Oglethorpe Ridge*	LIHTC	Family	90.0%
Stone Ridge Park*	LIHTC	Family	95.0%
Lakeshore Apartments*	Market	Family	100.0%
Savannah Springs Apartments*	Market	Family	98.0%
Fort Town Place*	Market	Family	98.0%
Fountain Brook*	Market	Family	99.0%
Woodland Apartments*	Market	Family	95.0%
Veranda at the Ridge*	Market	Family	98.0%
Sweetbay Apartment Homes*	Market	Family	96.0%
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 to 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 101 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	2,905	13.5%	2,931	13.5%	2,520	10.9%
\$15000-\$24999	2,699	12.5%	2,724	12.5%	2,540	10.9%
\$25000-\$34999	2,991	13.9%	3,018	13.9%	2,912	12.5%
\$35000-\$49999	2,903	13.5%	2,930	13.5%	3,050	13.1%
\$50000-\$74999	3,776	17.5%	3,811	17.5%	4,180	18.0%
\$75000-\$99999	2,438	11.3%	2,460	11.3%	2,936	12.7%
\$100000-\$149999	2,682	12.5%	2,706	12.5%	3,524	15.2%
\$150000-\$199999	565	2.6%	570	2.6%	815	3.5%
\$200000+	562	2.6%	567	2.6%	733	3.2%
Total	21,519	100%	21,718	100%	23,211	100%

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - 60% WITH SUBSIDY					
Minimum Income Limit	\$0	Maximum Income Limit			\$47,220
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	27	13%	\$15,000	100%	27
\$15000-\$24999	25	13%	\$9,999	100%	25
\$25000-\$34999	28	14%	\$9,999	100%	28
\$35000-\$49999	27	13%	\$14,999	81%	22
\$50000-\$74999	35	18%			
\$75000-\$99999	23	11%			
\$100000-\$149999	25	12%			
\$150000-\$199999	5	3%			
\$200000+	5	3%			
Total	199	100%			101

ASSUMPTIONS - 60% AMI WITH SUBSIDY				
Tenancy	Family	% of Income Toward Housing		35%
Urban/Rural	Urban	Maximum # of Occupants		5
Person in Household	1BR	2BR	3BR	4BR
1	70%	30%	0%	0%
2	20%	80%	0%	0%
3	0%	40%	50%	10%
4	0%	10%	40%	50%
5+	0%	0%	40%	60%

Demand from New Renter Households 2018 to Prj Mrkt Entry December 2020

Income Target Population	60% - With Subsidy
New Renter Households PMA	199
Percent Income Qualified	51%
	101

Demand from Existing Households in 2018

Demand from Rent Overburdened Households

Income Target Population	60% - With Subsidy
Total Existing Demand	21,718
Income Qualified	46%
Income Qualified Renter Households	10,041
Percent Rent Overburdened Prj Mrkt Entry December 2020	56%
Rent Overburdened Households	5,623

Demand from Living in Substandard Household

Income Qualified Renter Households	10,041
Percent Living in Substandard Housing	0.25%
Households Living in Substandard Housing	25

Total Demand

Total Demand from Existing Households	5,648
Adjustment Factor - Leakage from SMA	100%
Adjusted Demand from Existing Households	5648
Total New Demand	101
Total Demand (New Plus Existing Households)	5,749

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	32%	1813
Two Persons	39%	2232
Three Persons	13%	724
Four Persons	8%	457
Five Persons	9%	523
Total	100%	5,749

Capture Rate: 60% - Subsidy in Place

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	70%	1269
Of two-person households in 1BR units	20%	446
Of one-person households in 2BR units	30%	544
Of two-person households in 2BR units	80%	1786
Of three-person households in 2BR units	40%	290
Of four-person households in 2BR units	10%	46
Of three-person households in 3BR units	50%	362
Of four-person households in 3BR units	40%	183
Of five-person households in 3BR units	40%	209
Of three-person households in 4BR units	10%	72
Of four-person households in 4BR units	50%	229
Of five-person households in 4BR units	60%	314
Total Demand		5,749

Total Demand (Subject Unit Type)		Less Additions to Supply	Net Demand
1BR	1,716	0	1716
2BR	2,665	0	2665
3BR	754	0	754
4BR	615	0	615
Total	5,749		5,749

Developer's Unit Mix		Divided by Net Demand	Capture Rate
1BR	67	1716	3.9%
2BR	20	2665	0.8%
3BR	10	754	1.3%
4BR	4	615	0.7%
Total	101	5749	1.8%

CAPTURE RATE – 60% ABSENT SUBSIDY

EXISTING RENTER HOUSEHOLD DEMAND BY INCOME COHORT - 60% WITHOUT SUBSIDY

Minimum Income Limit	\$24,206	Maximum Income Limit			\$47,220
Income Cohort	Households - Total Change in Households PMA 2019 to Prj Mrkt Entry December 2020		Income Brackets	Percent within Cohort	Renter Households within Bracket
<\$15000	2,931	13%			
\$15000-\$24999	2,724	13%	\$9,999	8%	216
\$25000-\$34999	3,018	14%	\$9,999	100%	3018
\$35000-\$49999	2,930	13%	\$14,999	81%	2387
\$50000-\$74999	3,811	18%			
\$75000-\$99999	2,460	11%			
\$100000-\$149999	2,706	12%			
\$150000-\$199999	570	3%			
\$200000+	567	3%			
Total	21,718	100%			5621

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - 60% WITHOUT SUBSIDY

Minimum Income Limit	\$24,206	Maximum Income Limit			\$47,220
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	27	13%			
\$15000-\$24999	25	13%	\$9,999	8%	2
\$25000-\$34999	28	14%	\$9,999	100%	28
\$35000-\$49999	27	13%	\$14,999	81%	22
\$50000-\$74999	35	18%			
\$75000-\$99999	23	11%			
\$100000-\$149999	25	12%			
\$150000-\$199999	5	3%			
\$200000+	5	3%			
Total	199	100%			51

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	70%	30%	0%	0%	
2	20%	80%	0%	0%	
3	0%	40%	50%	10%	
4	0%	10%	40%	50%	
5+	0%	0%	40%	60%	

Demand from New Renter Households 2019 to Prj Mrkt Entry December 2020		
Income Target Population	60% - Without Subsidy	
New Renter Households PMA		199
Percent Income Qualified		26%
		51
Demand from Existing Households in 2019		
Demand from Rent Overburdened Households		
Income Target Population	60% - Without Subsidy	
Total Existing Demand		21,718
Income Qualified		26%
Income Qualified Renter Households		5,621
Percent Rent Overburdened Prj Mrkt Entry December 2019		56%
Rent Overburdened Households		3,148
Demand from Living in Substandard Household		
Income Qualified Renter Households		5,621
Percent Living in Substandard Housing		0.25%
Households Living in Substandard Housing		14
Total Demand		
Total Demand from Existing Households		3,162
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		3162
Total New Demand		51
Total Demand (New Plus Existing Households)		3,213
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	32%	1014
Two Persons	39%	1247
Three Persons	13%	405
Four Persons	8%	255
Five Persons	9%	292
Total	100%	3,213

Capture Rate: 60% - Absent Subsidy

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	70%	709
Of two-person households in 1BR units	20%	249
Of one-person households in 2BR units	30%	304
Of two-person households in 2BR units	80%	998
Of three-person households in 2BR units	40%	162
Of four-person households in 2BR units	10%	26
Of three-person households in 3BR units	50%	202
Of four-person households in 3BR units	40%	102
Of five-person households in 3BR units	40%	117
Of three-person households in 4BR units	10%	40
Of four-person households in 4BR units	50%	128
Of five-person households in 4BR units	60%	175
Total Demand		3,213

Total Demand (Subject Unit Type)		Less Additions to Supply	Net Demand
1BR	959	0	959
2BR	1,490	0	1490
3BR	421	0	421
4BR	343	0	343
Total	3,213		3,213

Developer's Unit Mix		Divided by Net Demand	Capture Rate
1BR	67	959	7.0%
2BR	20	1490	1.3%
3BR	10	421	2.4%
4BR	4	343	1.2%
Total	101	3213	3.1%

Conclusions

The subject property (as subsidized) indicates an overall capture rate of 1.8%, with bedroom types ranging from 3.9% for one-bedroom units, 0.8% for two bedroom units, 1.3% for three-bedroom units, and 0.7% for four-bedroom units.

Without subsidy, the capture rates are higher but still considered reasonable with an overall capture rate of 3.1%, a one-bedroom capture rate of 7.0%, a two-bedroom capture rate of 1.3%, a three-bedroom capture rate of 2.4%, and a four-bedroom capture rate of 1.2%.

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.

Demand and Net Demand		
	HH at 60% AMI - Absent Subsidy (\$24,206 to \$47,220 income)	HH at 60% AMI - With Subsidy (\$0 to \$47,220 income)
Demand from New Households (age and income appropriate)	51	101
PLUS Demand from Existing Renter Households - Substandard Housing	14	25
PLUS Demand from Existing Renter Households - Rent Overburdened Households	3,148	5,623
PLUS Secondary Market Demand adjustment IF ANY Subject to 15% Limitation	0	0
Subtotal	3213	5,749
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 20% where applicable)	0	0
Equals Total Demand	3,213	5,749
Less		
Competitive New Supply	0	0
Equals Net Demand	3,213	5,749

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	67	\$0	\$32,580	1716	0	1716	3.9%	4-5 Months	\$629	\$565	\$735	\$575 - \$600
1BR/1BA 60% AMI	67	\$23,931	\$32,580	959	0	959	7.0%	7 Months	\$629	\$565	\$735	\$575 - \$600
2BR/1BA 60% AMI/HAP	20	\$0	\$36,660	2665	0	2665	0.8%	4-5 Months	\$835	\$675	\$915	\$650 - \$675
2BR/1BA 60% AMI	20	\$27,463	\$36,660	1490	0	1490	1.3%	7 Months	\$835	\$675	\$915	\$650 - \$675
3BR/1.5BA 60% AMI/HAP	10	\$0	\$43,980	754	0	754	1.3%	4-5 Months	\$892	\$785	\$1,035	\$775
3BR/1.5BA 60% AMI	10	\$32,709	\$43,980	421	0	421	2.4%	7 Months	\$892	\$785	\$1,035	\$775
4BR/2BA 60% AMI/HAP	4	\$0	\$47,220	615	0	615	0.7%	4-5 Months	\$1,178	\$899	\$1,560	\$875
4BR/2BA 60% AMI	4	\$36,754	\$47,220	343	0	343	1.2%	7 Months	\$1,178	\$899	\$1,560	\$875
Overall - With Subsidy	101	\$0	\$47,220	5750	0	5750	1.8%	4-5 Months				
Overall - Without Subsidy	101	\$23,931	\$47,220	3213	0	3213	3.1%	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 ten comparables, three of which are LIHTC properties and seven are market rate properties. All but one of the LIHTC comparables are located within the PMA and all of the LIHTC comparables are located within 6.1 miles from the subject. The market rate comparables are all located within the PMA within 3.6 miles of the subject. All of the comparables are located in generally similar neighborhoods with similar household income and median value of housing units.

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 1997 and 2005. The market rate comparables were built between 1972 and 2005.

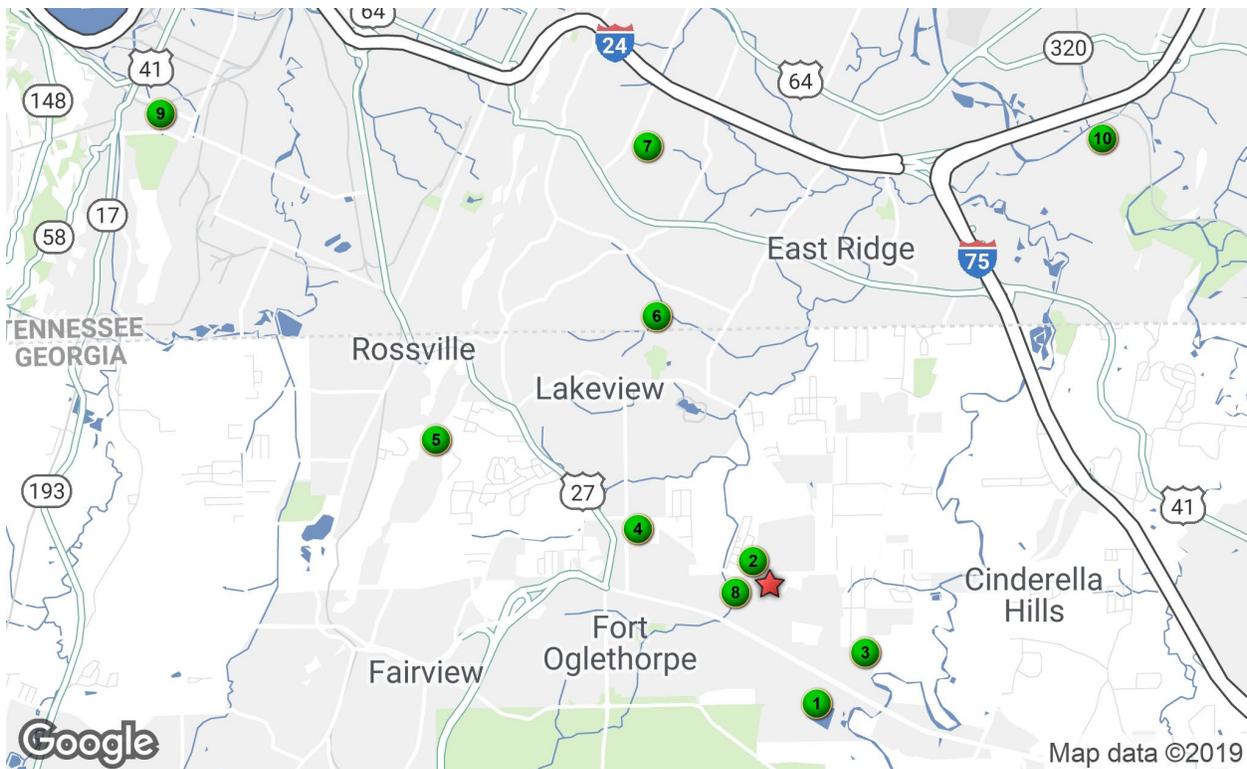
Unit sizes are reported on a net basis for comparable properties, which is the typical basis reported within the apartment industry.

Excluded Properties

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

EXCLUDED PROPERTIES			
Project Name	Type	Tenancy	Reason for Exclusion
Summer Breeze Park	Section 8	Family	Subsidized Rents
Fountain Brook Apartments	Market	Family	More Comparable Properties
Carriage Hill Apartments	Section 8	Family	Subsidized Rents
East Ridge Village Apartments	Market	Family	More Comparable Properties
Town Creek Apartments	Market	Family	More Comparable Properties
Alton Place Apartments	LIHTC	Family	More Comparable Properties
Dutch Manor Apartments	Market	Family	More Comparable Properties
Battlewood Apartments	Section 8	Family	Subsidized Rents
Village at Fort Town	Market	Family	More Comparable Properties
The Belvoir	Market	Family	More Comparable Properties
Germantown Garden Apartment Homes	Market	Family	More Comparable Properties
Ridgeview Pointe	Market	Family	More Comparable Properties
Villages at Alton Park	LIHTC	Family	More Comparable Properties
Springwood/Happy Valley Apartments	Section 8	Family	Subsidized Rents
Park Trace Apartments	Market	Family	More Comparable Properties
Lakeshore II Apartments	Market	Family	More Comparable Properties
East Ridge Retirement Center	Market	Senior	Dissimilar Tenancy
Mary Walker Towers	Section 8	Family	Subsidized Rents
Woodlands Village II Apartments	Section 8	Senior	Dissimilar Tenancy
Park Lake Apartments	Market	Family	More Comparable Properties
Lomenacque Apartments	Market	Family	More Comparable Properties
Newcastle Apartment Homes	Market	Family	More Comparable Properties
Spring Creek Gardens Apartments	Market	Family	More Comparable Properties
Lucky Pointe Apartments	Section 8	Senior	Dissimilar Tenancy
Home Place Apartments	Market	Family	More Comparable Properties
Rossville Apartments	Section 8	Senior	Dissimilar Tenancy
South Rossville Senior Village	Section 8	Senior	Dissimilar Tenancy

Compiled by CBRE



SUMMARY OF COMPARABLE APARTMENT RENTALS

Comp. No.	Property Name	Location	YOC / Reno'd	Occ.	No. Units	Type	Distance from Subj
1	Lakeshore Apartments	1100 Lakeshore Drive Fort Oglethorpe, GA	1986 / 2010	100%	79	Market	1.1 Miles
2	Savannah Springs	35 Savannah Way Fort Oglethorpe, GA	1997	98%	94	Market	0.1 Miles
3	Fort Town Place	304 Fort Town Drive Fort Oglethorpe, GA	2005	98%	294	Market	1.0 Mile
4	Fountain Brook	100 Brookhaven Circle Ft. Oglethorpe, GA	2001	99%	112	Market	1.1 Miles
5	Woodland Apartments	1591 Park City Road Rossville, GA	1972	95%	52	Market	2.9 Miles
6	Veranda at the Ridge	1408-C Mana Lane Chattanooga, TN	1972	98%	93	Market	2.3 Miles
7	Sweetbay	3623 Fountain Avenue East Ridge, TN	1974 / 2016	96%	80	Market	3.6 Miles
8	Oglethorpe Ridge	1252 Cloud Springs Lane Fort Oglethorpe, GA	1997	90%	98	LIHTC	0.2 Miles
9	Stone Ridge Park	1020 W 37th Street Chattanooga, TN	2005	95%	70	LIHTC	6.1 Miles
10	Dogwood Place	201 Eads Street East Ridge, TN	2004	95%	140	LIHTC	4.5 Miles
Subj.	Catoosa Gardens	17 Dahlia Lane, Fort Oglethorpe, Georgia	Proposed 2020	-	101		---

Compiled by CBRE

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

Housing Choice Vouchers

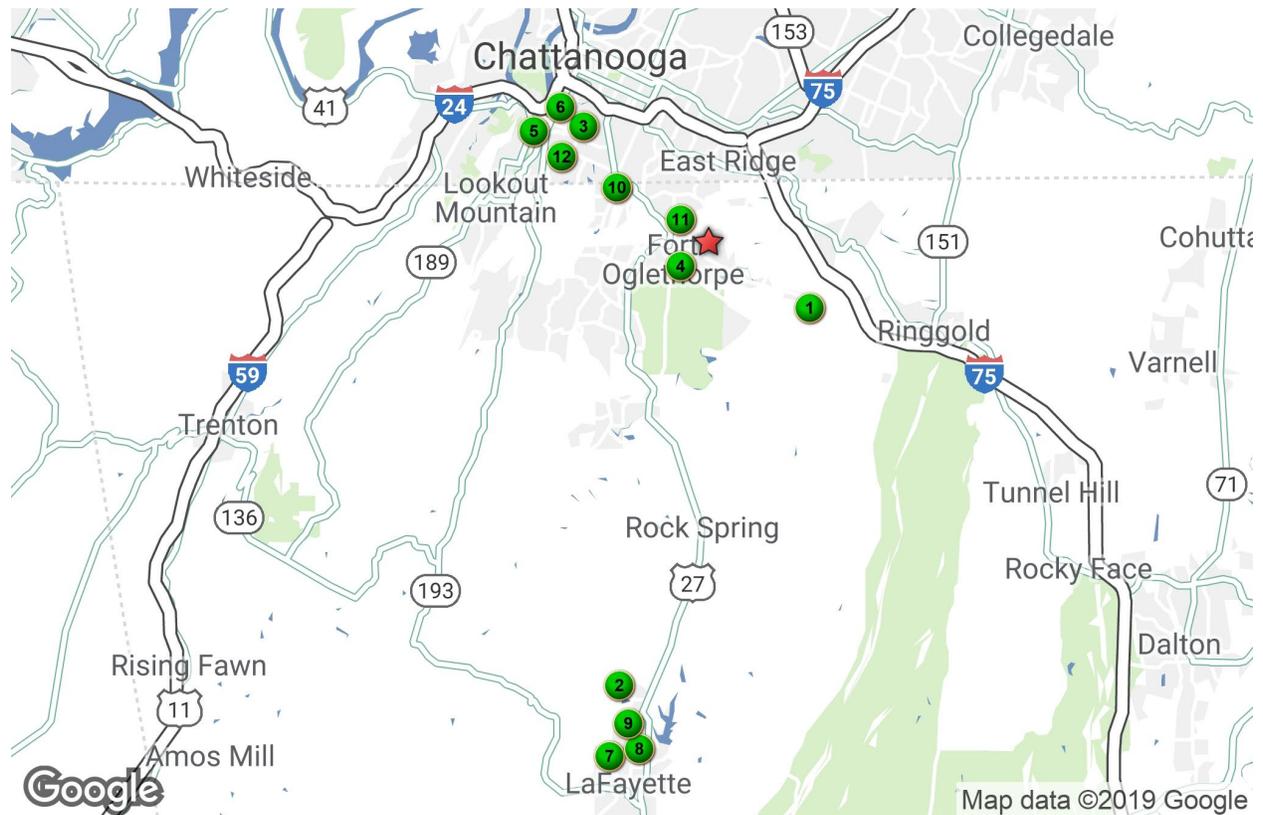
We attempted to contact David Samloff, director of Operations with the Georgia Department of Community Affairs in order to determine the number of housing choice vouchers currently in use in the subject's PMA. We were unable to reach him by phone and left a message. As of the date of this report, our message has not been returned.

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

Map #	Property Name	Program	Tenancy	Occupancy
1	Summer Breeze Park	Section 8	Family	90.3%
2	Carriage Hill Apartments	Section 8	Family	96.1%
3	Alton Place Apartments	LIHTC	Family	96.6%
4	Battlewood Apartments	Section 8	Family	96.0%
5	Villages at Alton Park	LIHTC	Family	96.7%
6	Mary Walker Towers	Section 8	Family	98.7%
7	Woodlands Village II Apartments	Section 8	Senior	96.7%
8	Lucky Pointe Apartments	Section 8	Senior	96.2%
9	Rossville Apartments	Section 8	Senior	93.6%
10	South Rossville Senior Village	Section 8	Senior	100.0%
11	Oglethorpe Ridge*	LIHTC	Family	90.0%
12	Stone Ridge Park*	LIHTC	Family	95.0%

 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 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 microwaves, free wireless internet, in-unit washer/dryers (two, three, and four-bedroom units only), surveillance cameras, community room, business center, fitness center, 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, similar to the comparables.

Vacancy

The following table illustrates the vacancy rates in the market.

SUMMARY OF COMPARABLE APARTMENT RENTALS				
Comp. No.	Name	Location	Development Type	Occupancy
1	Lakeshore Apartments	1100 Lakeshore Drive, Fort Oglethorpe, GA	Market Rate	100%
2	Savannah Springs	35 Savannah Way, Fort Oglethorpe, GA	Market Rate	98%
3	Fort Town Place	304 Fort Town Drive, Fort Oglethorpe, GA	Market Rate	98%
4	Fountain Brook	100 Brookhaven Circle, Ft. Oglethorpe, GA	Market Rate	99%
5	Woodland Apartments	1591 Park City Road, Rossville, GA	Market Rate	95%
6	Veranda at the Ridge	1408-C Mana Lane, Chattanooga, TN	Market Rate	98%
7	Sweetbay	3623 Fountain Avenue, East Ridge, TN	Market Rate	96%
8	Oglethorpe Ridge	1252 Cloud Springs Lane, Fort Oglethorpe, GA	LIHTC	90%
9	Stone Ridge Park	1020 W 37th Street, Chattanooga, TN	LIHTC	95%
10	Dogwood Place	201 Eads Street, East Ridge, TN	LIHTC	95%
Subject	Catoosa Gardens	17 Dahlia Lane, Fort Oglethorpe, Georgia	LIHTC/Section 8	-

Compiled by CBRE

Comparables 1-7 represent conventional market rate properties, and Comparables 8 through 10 represent LIHTC properties.

The affordable properties range between 90% and 95%, and average 93%.

The market rate properties range between 95% and 100%, and average 97.9%. 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 (100% 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 were informed of one proposed multifamily development. The Reserve at Mountain Pass is a 264-unit proposed development to be located at 4905 Central Avenue in Chattanooga, Tennessee. The development is still in the early planning stages and a proposed unit mix was unavailable. As such, we do not consider this development to be directly competitive with the subject.

Average Market Rent

The rentals utilized represent the best data available for comparison with the subject. Comparables 1-7 represent conventional market rate properties, and comparables 8-10 represent LIHTC properties.

DISCUSSION/ANALYSIS OF RENT COMPARABLES

Rent Comparable One

This comparable rental represents Lakeshore Apartments, a 79-unit garden-style property at 1100 Lakeshore Drive, Fort Oglethorpe, GA. The improvements were originally constructed in 1986 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 540 square feet. Project/unit amenities include the following: laundry facility, on-site management, black appliances, carpeted flooring, ceiling fans, granite countertops, range / oven, refrigerator, vinyl flooring, washer / dryer connections. According to the unit mix and asking rates for this property, the average base rental rate is \$1.26 per square foot monthly (\$680/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 100% leased. This comparable represents a 79-unit Cardinal built apartment property, located on Lakeshore Drive. The property identified as Lakeshore Apartments, was developed in 1986 and is 100% occupied. Management indicated this property usually stays fully occupied. The property offers studio, one- and two-bedroom floor plans with an average unit size of 540 square feet. There are no utilities included in the monthly rental rates. Due to occupancy, 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 similar.

Rent Comparable Two

This comparable rental represents Savannah Springs, a 94-unit garden-style property at 35 Savannah Way, Fort Oglethorpe, GA. The improvements were originally constructed in 1997 and were considered in average condition at the time of our research. The structure's exterior walls depict brick construction components and the average unit size is 962 square feet. Project/unit amenities include the following: laundry facility, 8-foot ceilings, carpeted flooring, dishwasher, hardwood flooring, laminate countertops, microwave oven, range / oven, refrigerator, tub / shower combo, washer / dryer connections white / beige appliances. According to the unit mix and asking rates for this property, the average base rental rate is \$0.74 per square foot monthly (\$713/unit), based upon typical lease terms of 12 months. No rent premiums were reported. Utilities included with the rent are trash & pest control and concessions are discussed further below. The property is currently 98% leased. This comparable represents a 94-unit apartment property located in Fort Oglethorpe, Catoosa County, Georgia. The property, identified as Savannah Springs, was developed between 1998 and 2002 and is currently 98% occupied. The comparable offers efficiency, one- and two-bedroom floor plans, with an average unit size of 962 square feet. All units feature washer/dryer connections and ceiling fans. Units are sub-metered for water and sewer with the tenant responsible for usage. Trash removal and pest control are included in the monthly rental rates. The two-bedroom units are townhome style apartments.

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 similar.

Rent Comparable Three

This comparable rental represents Fort Town Place Apartments, a 294-unit walk-up-style property at 304 Fort Town Drive, Fort Oglethorpe, GA. The improvements were originally constructed in 2005 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 772 square feet. Project/unit amenities include the following: playground, pool, pitched roofs, surface parking, dishwasher, granite countertops, microwave oven, range / oven, refrigerator, stainless steel appliances, washer / dryer connections. According to the unit mix and asking rates for this property, the average base rental rate is \$0.87 per square foot monthly (\$673/unit), based upon typical lease terms of 12 months. Rent premiums are discussed further below. Utilities included with the rent are trash removal and no concessions are currently offered. The property is currently 98% leased. This comparable represents a 152-unit apartment property, located on Mack Smith Road, just off Highway 2A, between Lowe's and Goody's in Rossville. The property, identified as Fort Town Place, was developed in 2002 and is currently 98% occupied. This property currently has a waiting list. The comparable offers one- and two-bedroom floor plans, with an average unit size of 739 square feet. The property charges a \$20 rental premium for

select one-bedrooms that have a dishwasher. Pricing varies for two-bedroom floor plans for base level unit without garage, townhouse, or unit with an attached garage. Units are sub-metered for water and sewer with the tenant responsible for usage. Due to occupancy, no concessions are currently being offered. All units feature washer/dryer connections and microwaves.

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 inferior.

Rent Comparable Four

This comparable rental represents Fountain Brook Apartments, a 112-unit walk-up-style property at 100 Brookhaven Circle, Ft. Oglethorpe, 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 1,123 square feet. Project/unit amenities include the following: clubhouse, pool, ceiling fans, ceramic tile flooring, dishwasher, microwave oven, 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 (\$828/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 99% leased. This comparable represents a 112-unit apartment property, located just north of Joy Street, along Cross Street, off Hwy 2A, in Fort Oglethorpe. The property, identified as Fountain Brook, was developed in 2001 and is currently 99% occupied. The leasing agent indicated that there are 19 detached garages that rent for \$100 per unit. In addition, there are 12 storage units on the property that rent for \$50 and \$60 per unit per month. The units feature ceiling fans, crown molding, ceramic tile, built-in microwaves, and washer/ dryer connections. Units are sub-metered for water and sewer with the tenant responsible for usage. No concessions are currently 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 Woodland Apartments, a 52-unit garden-style property at 1591 Park City Road, Rossville, GA. The improvements were originally constructed in 1972 and were considered in average condition at the time of our research. The structure's exterior walls depict vinyl siding construction components and the average unit size is 1,036 square feet. Project/unit amenities include the following: laundry facility, gated / controlled access, individual split systems, pitched roofs, 8-foot ceilings, dishwasher, laminate countertops, plank flooring, range / oven, refrigerator, white / beige appliances. According to the unit mix and asking rates for this property, the average base rental rate is \$0.69 per square foot monthly (\$684/unit), based upon typical lease terms of 12 months. No rent premiums were reported. Utilities

included with the rent are water, sewer, trash removal, and pest control and no concessions are currently offered. The property is currently 95% leased. The Woodland Apartments are located along Park City Road in Rossville, GA. The community includes 52 units, 13 one-bedroom units, 26 two bedroom units, and 13 three bedroom units with an average unit size of 1,036 square feet. The community was built in 1972 and features a vinyl siding exterior. Amenities include a laundry facility and onsite management. The property is currently 95% occupied. No concessions were reported.

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 Veranda at the Ridge Apartments, a 93-unit walk-up-style property at 1408-C Mana Lane, Chattanooga, TN. The improvements were originally constructed in 1972 and were considered in average condition at the time of our research. The structure's exterior walls depict brick construction components and the average unit size is 988 square feet. Project/unit amenities include the following: pool, on-site management, surface parking, dishwasher, laminate countertops, microwave oven, plank flooring, private patios / balconies, range / oven, refrigerator, tub / shower combo, washer / dryer connections white / beige appliances. According to the unit mix and asking rates for this property, the average base rental rate is \$0.88 per square foot monthly (\$868/unit), based upon typical lease terms of 12 months. Rent premiums were reported as level, lease term. No utilities are included with the rent and no concessions are currently offered. The property is currently 98% leased. This comparable represents a 93-unit Class B multifamily garden style property located along Mana Lane in Chattanooga, Tennessee. The property, identified as Veranda at the Ridge, was developed in 1972 and was 98% occupied at the time of survey. The comparable offers one-, two-, three-, and four-bedroom floor plans with an average unit size of 988 square feet. Community amenities include a leasing office, swimming pool and BBQ/picnic area. Units amenities include a fully equipped kitchen's, vinyl wood flooring, oversized closets, double stainless sinks, contemporary lighting package, washer/dryer connections, and a private balcony/patio. Additionally, at the time of survey management was not offering any concessions.

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 Sweetbay Apartments, an 80-unit garden-style property at 3623 Fountain Avenue, East Ridge, TN. The improvements were originally constructed in 1974 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 1,054 square feet.

Project/unit amenities include the following: clubhouse, fitness center, laundry facility, pool, on-site management, surface parking, carpeted flooring, ceiling fans, dishwasher, range / oven, refrigerator, vinyl flooring, washer / dryer, white / beige appliances. According to the unit mix and asking rates for this property, the average base rental rate is \$0.78 per square foot monthly (\$822/unit), based upon typical lease terms of 12 months. Rent premiums were reported as lease term. Utilities included with the rent are water/sewer, trash removal, pest control and no concessions are currently offered. The property is currently 96% leased. This rent comparable represents an 80-unit Class C multifamily garden-style property located along Fountain Avenue in East Ridge, Tennessee. The property was developed in 1969, renovated in 2016 and was 96% occupied at the time of survey. The property offers one-, two-, three- and four-bedroom floor plans with an average unit size of 1,054 square feet. Community amenities include a clubhouse, fitness center, laundry facility, and swimming pool. Unit amenities include a fully equipped kitchen and vinyl plank flooring. Management stated water/sewer, trash removal, and pest control are included in the quoted rent. Additionally, at the time of survey management was not 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.

Rent Comparable Eight

This comparable rental represents Oglethorpe Ridge Apartments, a 98-unit garden-style property at 1252 Cloud Springs Lane, Fort Oglethorpe, GA. The improvements were originally constructed in 1997 and were considered in average condition at the time of our research. The structure's exterior walls depict vinyl siding construction components and the average unit size is 1,122 square feet. Project/unit amenities include the following: barbeque area, basketball court, clubhouse, playground, pool, carpeted flooring, dishwasher, plank flooring, private patios / balconies, range / oven, refrigerator, tub / shower combo, washer / dryer connections. According to the unit mix and asking rates for this property, the average base rental rate is \$0.72 per square foot monthly (\$812/unit), based upon typical lease terms of 12 months. No rent premiums were reported. Utilities included with the rent are cold water, sewer, and trash removal and concessions are discussed further below. The property is currently 90% leased. This comparable represents a 98-unit apartment property and is considered to feature average overall market appeal. The property, identified as Oglethorpe Ridge, was developed in 1997 and is currently 90% occupied. The comparable offers one-, three-, and four-bedroom floor plans, with an average unit size of 1,122 square feet. Washer/dryer connections are included in all units. This property is a tax credit complex with 60% AMI income restrictions. Water, sewer, and trash removal are included in the monthly rental rates. As a concession, management is offering a \$1 move-in special for the first month's rent when signing a 12-month lease. In addition, the \$35 application fee is reduced down to \$17.50.

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 Nine

This comparable rental represents Stone Ridge Park Apartments, a 70-unit garden-style property at 1020 W 37th Street, Chattanooga, TN. The improvements were originally constructed in 2005 and were considered in good condition at the time of our research. The structure's exterior walls depict fiber cement plank construction components and the average unit size is 1,065 square feet. Project/unit amenities include the following: business center, clubhouse, fitness center, playground, pool, lihtc (low income housing tax credit), on-site management, dishwasher, range / oven, refrigerator, washer / dryer connections. According to the unit mix and asking rates for this property, the average base rental rate is \$0.70 per square foot monthly (\$743/unit), based upon typical lease terms of 12 months. No rent premiums were reported. Utilities included with the rent are water, sewer, trash and no concessions are currently offered. The property is currently 95% leased. This comparable represents a 70-unit, Class B income restricted multi-family property located along W 37th Street in Chattanooga, Tennessee. The property, identified as Stone Ridge Park, was developed in 2005 and is currently 99% occupied. The property was developed using the Low Income Housing Tax Credit Program. The property offers one-, two-, and three-bedroom floor plans with an average of 1,065 square feet. Community amenities include surface parking and unit amenities include a fully equipped kitchen and window coverings. Additionally, 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.

Rent Comparable Ten

This comparable rental represents Dogwood Place Apartments, a 140-unit subsidized-style property at 201 Eads Street, East Ridge, TN. The improvements were originally constructed in 2004 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 998 square feet. Project/unit amenities include the following: business center, clubhouse, fitness center, laundry facility, gated / controlled access, lihtc (low income housing tax credit), on-site management, dishwasher, in-unit storage, 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 \$0.69 per square foot monthly (\$687/unit), based upon typical lease terms of 12 months. No rent premiums were reported. Utilities included with the rent are trash removal, pest control and no concessions are currently offered. The property is currently 95% leased. This comparable represents a 140-unit LIHTC property, located at the corner of Camp Jordan Parkway and Eads Street in the southeast portion of Chattanooga,

Tennessee. The property, identified as Dogwood Place Apartments, was developed in 2004 and is currently 95% occupied. The comparable offers two- and three-bedroom floor plans, with an average unit size of 998 square feet. Units are individually-metered for water and sewer with the tenant responsible for usage. Additionally, 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	
Savannah Springs	1BR/1BA	560 SF	\$565	\$1.01	
Fort Town Place	1BR/1BA	600 SF	\$575	\$0.96	
Savannah Springs	1BR/1BA	720 SF	\$575	\$0.80	
Woodland Apartments	1BR/1BA	650 SF	\$575	\$0.88	
Subject (CBRE Market Rent Conclusions As Is)	1BR/1BA	550 SF	\$610	\$1.11	
Subject (CBRE Market Rent Conclusions As Is)	1BR/1BA	620 SF	\$610	\$0.98	
Sweetbay	1BR/1BA	800 SF	\$625	\$0.78	
Oglethorpe Ridge	1BR/1BA - 60% AMI	750 SF	\$629	\$0.84	
Lakeshore Apartments	1BR/1BA	576 SF	\$685	\$1.19	
Fountain Brook	1BR/1BA	850 SF	\$700	\$0.82	
Subject (CBRE Post Renovation Contract Rents)	1BR/1BA	550 SF	\$725	\$1.32	
Veranda at the Ridge	1BR/1BA	640 SF	\$735	\$1.15	
Subject (CBRE Post Renovation Contract Rents)	1BR/1BA	620 SF	\$740	\$1.19	
Subject (Maximum Allowable LIHTC)	1BR/1BA	620 SF	\$763	\$1.23	
Subject (Maximum Allowable LIHTC)	1BR/1BA	550 SF	\$763	\$1.39	

Compiled by CBRE

The comparables indicate an average market rent of \$629 per unit or \$0.93/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
Woodland Apartments	2BR/1BA	1,050 SF	\$675	\$0.64
Woodland Apartments	2BR/2BA	1,075 SF	\$700	\$0.65
Fort Town Place	2BR/1BA	900 SF	\$745	\$0.83
Fort Town Place	2BR/1BA	960 SF	\$750	\$0.78
Subject (CBRE Market Rent Conclusions As Is)	2BR/1BA	842 SF	\$765	\$0.91
Fort Town Place	2BR/1.5BA TH	1,024 SF	\$780	\$0.76
Subject (CBRE Market Rent Conclusions As Is)	2BR/1BA	950 SF	\$785	\$0.83
Fort Town Place	2BR/1.5BA	980 SF	\$800	\$0.82
Lakeshore Apartments	2BR/1BA	864 SF	\$815	\$0.94
Savannah Springs	2BR/1.5BA	1,050 SF	\$825	\$0.79
Sweetbay	2BR/1BA	1,040 SF	\$825	\$0.79
Savannah Springs	2BR/2BA	1,302 SF	\$850	\$0.65
Sweetbay	2BR/1.5BA	1,090 SF	\$850	\$0.78
Lakeshore Apartments	2BR/2BA	864 SF	\$865	\$1.00
Veranda at the Ridge	2BR/1.5BA	890 SF	\$865	\$0.97
Fountain Brook	2BR/1.5BA	1,300 SF	\$895	\$0.69
Fort Town Place	2BR/2BA	1,040 SF	\$905	\$0.87
Fountain Brook	2BR/2BA	1,300 SF	\$915	\$0.70
Subject (CBRE Post Renovation Contract Rents)	2BR/1BA	842 SF	\$915	\$1.09
Subject (Maximum Allowable LIHTC)	2BR/1BA	842 SF	\$916	\$1.89
Subject (CBRE Post Renovation Contract Rents)	2BR/1BA	950 SF	\$930	\$0.98

Compiled by CBRE

The comparables indicate an average market rent of \$835 per unit or \$0.81/SF, considering the affordable and market rate units.

Three-Bedroom Units

SUMMARY OF COMPARABLE RENTALS THREE BEDROOM UNITS				
Comparable	Plan Type	Size	Rental Rates	
			\$/Mo.	\$/SF
Woodland Apartments	3BR/2BA	1,200 SF	\$785	\$0.65
Oglethorpe Ridge	3BR/2BA - 60% AMI	1,150 SF	\$825	\$0.72
Subject (CBRE Market Rent Conclusions As Is)	3BR/1.5BA	1,006 SF	\$975	\$0.97
Veranda at the Ridge	3BR/1.5BA	1,292 SF	\$925	\$0.72
Subject (CBRE Post Renovation Contract Rents)	3BR/1.5BA	1,006 SF	\$1,005	\$0.99
Sweetbay	3BR/2BA	1,310 SF	\$1,035	\$0.79
Subject (Maximum Allowable LIHTC)	3BR/1.5BA	1,006 SF	\$1,058	\$1.05

Compiled by CBRE

The comparables indicate an average market rent of \$892 per unit or \$0.72/SF, considering the affordable and market rate units.

Four-Bedroom Units

SUMMARY OF COMPARABLE RENTALS FOUR BEDROOM UNITS				
Comparable	Plan Type	Size	Rental Rates	
			\$/Mo.	\$/SF
Oglethorpe Ridge	4BR/2BA - 60% AMI	1,300 SF	\$899	\$0.69
Subject (CBRE Market Rent Conclusions As Is)	4BR/2BA	1,300 SF	\$1,035	\$0.80
Veranda at the Ridge	4BR/2.5BA	1,512 SF	\$1,075	\$0.71
Subject (CBRE Post Renovation Contract Rents)	4BR/2BA	1,300 SF	\$1,180	\$0.91
Subject (Maximum Allowable LIHTC)	4BR/2BA	1,300 SF	\$1,180	\$0.91
Sweetbay	4BR/2.5BA	2,499 SF	\$1,560	\$0.62

Compiled by CBRE

The comparables indicate an average market rent of \$1,178 per unit or \$0.67/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 achievable market rent conclusions, as is.

MARKET RENT CONCLUSIONS - AS IS									
No. Units	Unit Type	Unit Size	Total SF	Monthly Rent			Annual Rent		Annual Total
				\$/Unit	\$/SF	PRI	\$/Unit	\$/SF	
55	1BR/1BA	550	30,250 SF	\$610	\$1.11	\$33,550	\$7,320	\$13.31	\$402,600
12	1BR/1BA	620	7,440 SF	\$610	\$0.98	\$7,320	\$7,320	\$11.81	\$87,840
8	2BR/1BA	842	6,736 SF	\$765	\$0.91	\$6,120	\$9,180	\$10.90	\$73,440
12	2BR/1BA	950	11,400 SF	\$785	\$0.83	\$9,420	\$9,420	\$9.92	\$113,040
10	3BR/1.5BA	1,006	10,060 SF	\$975	\$0.97	\$9,750	\$11,700	\$11.63	\$117,000
4	4BR/2BA	1,300	5,200 SF	\$1,035	\$0.80	\$4,140	\$12,420	\$9.55	\$49,680
101		704 SF	71,086 SF	\$696	\$0.99	\$70,300	\$8,352	\$11.87	\$843,600

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	
55	1BR/1BA	550	30,250 SF	\$725	\$1.32	\$39,875	\$8,700	\$15.82	\$478,500
12	1BR/1BA	620	7,440 SF	\$740	\$1.19	\$8,880	\$8,880	\$14.32	\$106,560
8	2BR/1BA	842	6,736 SF	\$915	\$1.09	\$7,320	\$10,980	\$13.04	\$87,840
12	2BR/1BA	950	11,400 SF	\$930	\$0.98	\$11,160	\$11,160	\$11.75	\$133,920
10	3BR/1.5BA	1,006	10,060 SF	\$1,005	\$1.00	\$10,050	\$12,060	\$11.99	\$120,600
4	4BR/2BA	1,300	5,200 SF	\$1,180	\$0.91	\$4,720	\$14,160	\$10.89	\$56,640
101		704 SF	71,086 SF	\$812	\$1.15	\$82,005	\$9,743	\$13.84	\$984,060

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			Surveyed Average	Rent Advantage
	LIHTC Rent	Surveyed Minimum	Surveyed Maximum		
1BR/1BA - 60% AMI (550 SF)	\$575	\$565	\$735	\$629	9%
1BR/1BA - 60% AMI (620 SF)	\$600	\$565	\$735	\$629	5%
2BR/1BA - 60% AMI (842 SF)	\$650	\$675	\$915	\$835	28%
2BR/1BA - 60% AMI (950 SF)	\$675	\$675	\$915	\$835	24%
3BR/1.5BA - 60% AMI (1,006 SF)	\$775	\$785	\$1,035	\$892	15%
4BR/2BA - 60% AMI (1,300 SF)	\$875	\$899	\$1,560	\$1,178	35%

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 5% to 35% 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 have been no new developments funded in the subject’s PMA over the previous five years.

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	36,766	61.3%	23,211	38.7%
2020 Projected Market Entry	36,642	62.8%	21,718	37.2%
2019	36,984	63.2%	21,519	36.8%
2010	37,597	67.1%	18,473	32.9%
2000	36,151	70.7%	14,991	29.3%

Source: ESRI

As illustrated, the number of renter occupied housing units is lower than the number of owner-occupied housing units, however, is projected to increase through 2024.

Chattanooga, TN Metro Submarket

The following table summarizes historical and projected performance for the overall metropolitan Chattanooga, TN Metro apartment market, as defined by Axiometrics. Fort Oglethorpe is part the Chattanooga MSA. Information for the subject’s submarket is not available.

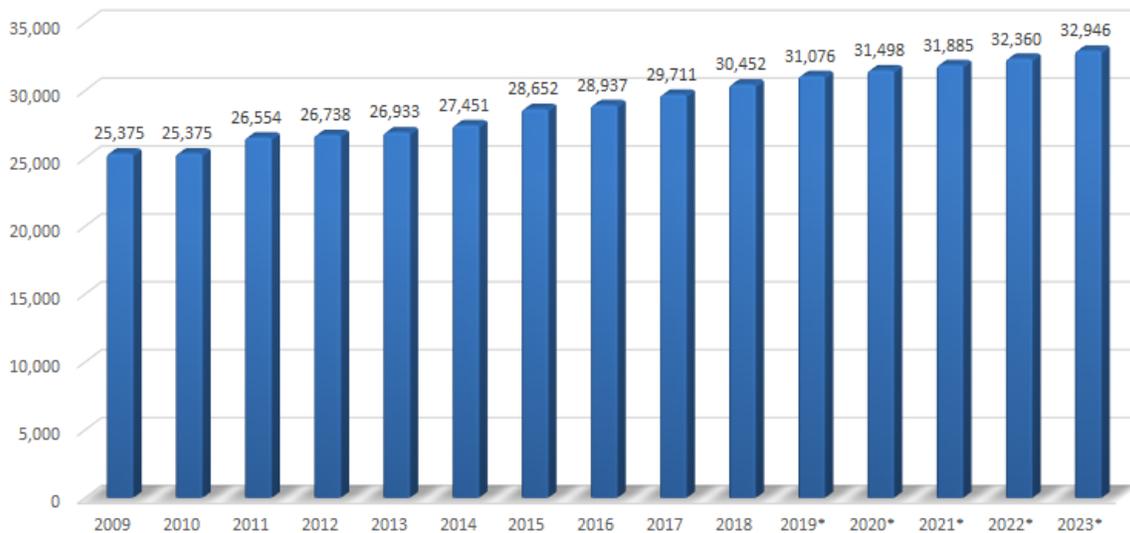
CHATTANOOGA, TN METRO APARTMENT MARKET

Year Ending	Inventory (Units)	Completions (Units)	Occupied Stock (Units)	Occupancy	Effective Rent (\$/Unit / Mo.)	Effective Rent Change	Net Absorption (Units)
2009	25,375	232	23,830	93.9%	\$656	-3.66%	536
2010	25,375	0	24,061	94.8%	\$721	8.08%	231
2011	26,554	1,179	25,319	95.4%	\$694	4.72%	1,261
2012	26,738	184	25,682	96.1%	\$750	4.18%	362
2013	26,933	195	25,425	94.4%	\$744	0.01%	-258
2014	27,451	518	26,021	94.8%	\$766	1.17%	598
2015	28,652	1,201	27,483	95.9%	\$801	3.06%	1,460
2016	28,937	285	27,490	95.0%	\$840	3.35%	9
2017	29,711	774	28,457	95.8%	\$888	1.84%	967
2018	30,452	833	29,347	96.4%	\$908	2.62%	889
2019 Q1	30,558	106	29,226	95.6%	\$918	1.18%	-123
2019 Q2	30,845	287	29,620	96.0%	\$937	1.58%	397
2019 Q3*	30,923	78	29,717	96.1%	\$940	0.32%	106
2019 Q4*	31,076	153	29,678	95.5%	\$943	0.32%	-39
2020*	31,498	422	30,081	95.5%	\$959	1.88%	403
2021*	31,885	387	30,514	95.7%	\$976	1.58%	433
2022*	32,360	476	30,969	95.7%	\$999	2.43%	455
2023*	32,946	586	31,430	95.4%	\$1,022	2.38%	462

* Future Projected Data according to Axiometrics

Source: Axiometrics, 2nd Quarter 2019

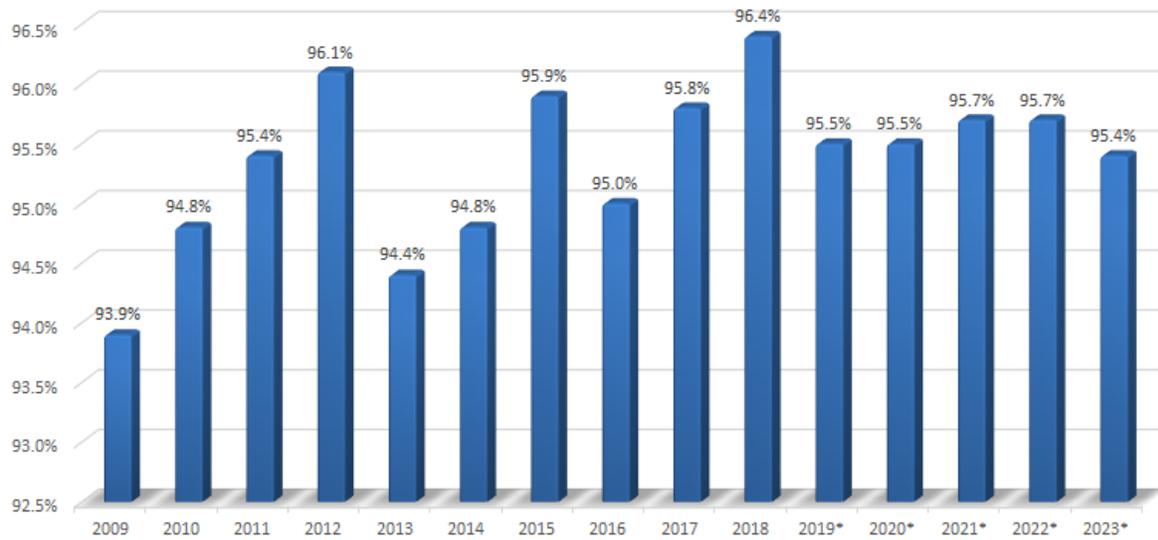
The Chattanooga, TN Metro apartment market consists of approximately 30,845 units of apartment space. Historical Inventory is indicated in the table below.

HISTORICAL INVENTORY: CHATTANOOGA, TN METRO APARTMENT MARKET

* Future Projected Data according to Axiometrics

Source: Axiometrics, 2nd Quarter 2019

Occupancy

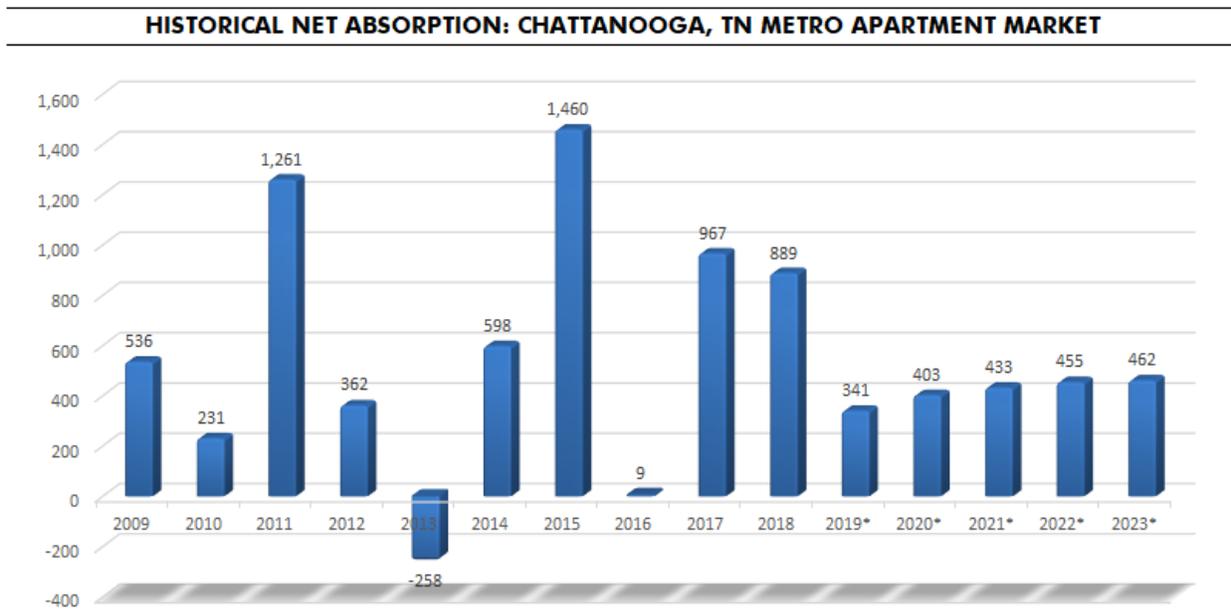
HISTORICAL OCCUPANCY: CHATTANOOGA, TN METRO APARTMENT MARKET

* Future Projected Data according to Axiometrics

Source: Axiometrics, 2nd Quarter 2019

As of 2nd Quarter 2019, there was approximately 29,620 units of occupied apartment space, resulting in an occupancy rate of 96.0% for the overall market. This reflects an increase from the previous quarter's occupancy of 95.6%, and no change from an occupancy rate of 96.0% for the same quarter last year.

Net Absorption



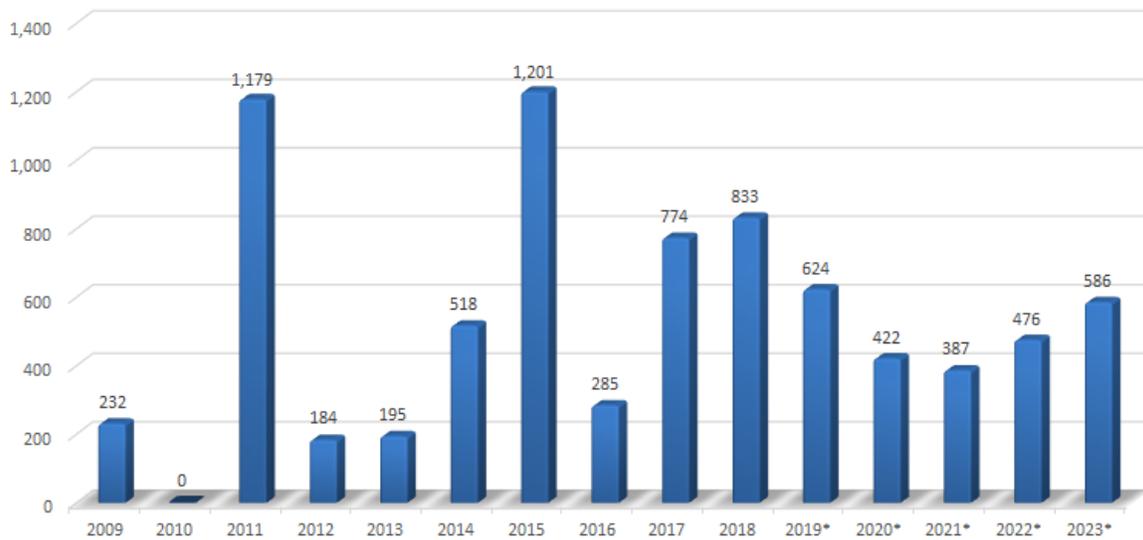
* Future Projected Data according to Axiometrics

Source: Axiometrics, 2nd Quarter 2019

The area experienced positive 397 units of net absorption for the current quarter. This indicates an improvement from the previous quarter's negative 123 units of net absorption, and indicates an improvement from the positive 370 units of net absorption from a year ago. Overall, the area has experienced positive 274 units of net absorption for the current year-to-date period.

Completions

HISTORICAL COMPLETIONS: CHATTANOOGA, TN METRO APARTMENT MARKET



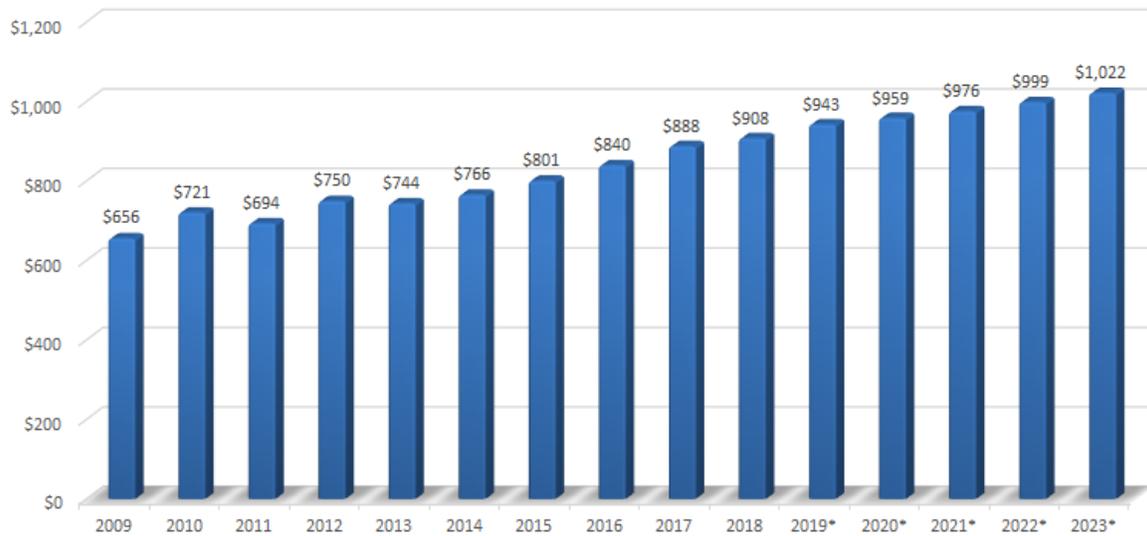
* Future Projected Data according to Axiometrics

Source: Axiometrics, 2nd Quarter 2019

The area had completions of positive 287 units for the current quarter, which indicates an increase from the previous quarter's completions of positive 106 units, and an increase from completions of positive 184 units from a year ago. Overall, the area has achieved completions of positive 393 units for the current year-to-date period.

Effective Rent

HISTORICAL EFFECTIVE RENT: CHATTANOOGA, TN METRO APARTMENT MARKET



* Future Projected Data according to Axiometrics

Source: Axiometrics, 2nd Quarter 2019

The area achieved average effective rent of \$937, which indicates a slight increase from the previous quarter's effective rent of \$918, and an increase from the effective rent of \$887 from a year ago.

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, Chattanooga, TN is experiencing 1 foreclosure in every 3,142 housing units. The subject's zip code of 30742 is experiencing 1 foreclosure for every 1,612 housing units. Overall, the subject's zip code is experiencing a higher rate of foreclosures than the city, 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 subsidizes 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 101 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 inferior 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 100% 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 able to locate two multifamily developments that were recently completed just outside of the subject's PMA in downtown Chattanooga. 1400 Chestnut, located at 1400 Chestnut Street in Chattanooga, TN is a mid-rise development that opened in 2018 and offers 200 one and two-bedroom units. The property is currently 83% occupied and conversations with the property manager indicated an absorption rate of approximately 20 units per month.

Chestnut Flats, located at 2108 Chestnut Street in Chattanooga, TN is a low-rise development that opened in 2019 and offers 199 one, two and three-bedroom units rent and income restricted at 60% of the AMI. The property is currently 15% occupied and conversations with the property manager indicated an absorption rate of approximately 15 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 to five-month period considering the length of waiting lists at comparable subsidized properties. Absent the current subsidies we believe the property would achieve a stabilized occupancy within a seven-month period.

Interviews

Georgia Department of Community Affairs

We attempted to contact 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 Catoosa County, GA. We were unable to get a response after multiple attempts and messages left.

Planning

We contacted Rick Quarles, Building Official with the Fort Oglethorpe Planning and Zoning Department for information on any planned or proposed multifamily developments in the subject's PMA. He was unaware of any multifamily developments within the PMA that were planned, proposed or under construction.

Chattanooga Office of Economic and Community Development

We attempted to contact the Chattanooga Office of Economic and Community Development for an interview, but our calls and emails were not returned. We performed additional research on the Chattanooga Office of Economic and Community Development as well as the Greater Chattanooga Economic Partnership for information regarding economic expansions in the area. We were unable to locate any major expansions or contractions in the area in recent years.

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 90% to 95% occupied with an average of 93.3%. The conventional comparables indicate an average of 97.9%. 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 Lakeshore Apartments
 Address 1100 Lakeshore Drive
 Fort Oglethorpe, GA 30742
 United States

Government Tax Agency Catoosa
 Govt./Tax ID 00040018

Unit Mix Detail

Rate Timeframe	Monthly				
Unit Type	No.	%	Size (sf)	Rent	Rent / sf
Studio	15	19%	288	\$610	\$2.12
1BR/1BA	59	75%	576	\$685	\$1.19
2BR/1BA	3	4%	864	\$815	\$0.94
2BR/2BA	2	3%	864	\$865	\$1.00
Totals/Avg	79			\$680	\$1.26



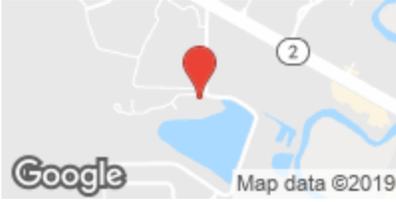
Improvements

Land Area	9.100 ac	Status	Existing
Net Rentable Area (NRA)	42,624 sf	Year Built	1986
Total # of Units	79 Unit	Year Renovated	2010
Average Unit Size	540 sf	Condition	Average
Floor Count	1	Exterior Finish	Wood
Property Features	On-Site Management		
Project Amenities	Laundry Facility		
Unit Amenities	Black Appliances, Carpeted Flooring, Ceiling Fans, Granite Countertops, Range / Oven, Refrigerator, Vinyl Flooring, Washer / Dryer Connections		

Rental Survey

Occupancy	100%	Utilities Included in Rent	None
Lease Term	12 Mo(s).	Rent Premiums	None
Tenant Profile	Middle Class	Concessions	None
Survey Date	07/2019	Owner	N/A
Survey Notes	Property Contact (Linda): 706-861-5518	Management	N/A

Map & Comments



This comparable represents a 79-unit Cardinal built apartment property, located on Lakeshore Drive. The property identified as Lakeshore Apartments, was developed in 1986 and is 100% occupied. Management indicated this property usually stays fully occupied. The property offers studio, one- and two-bedroom floor plans with an average unit size of 540 square feet. There are no utilities included in the monthly rental rates. Due to occupancy, no concessions are currently being offered.

Property Name Savannah Springs
 Address 35 Savannah Way
 Fort Oglethorpe, GA 30742
 United States

Government Tax Agency Catoosa
 Govt./Tax ID 0002H04100B

Unit Mix Detail

Rate Timeframe	Monthly				
Unit Type	No.	%	Size (sf)	Rent	Rent / sf
Efficiency	1	1%	336	\$400	\$1.19
1BR/1BA	38	40%	560	\$565	\$1.01
1BR/1BA	2	2%	720	\$575	\$0.80
2BR/1.5BA	12	13%	1,050	\$825	\$0.79
2BR/2BA	41	44%	1,302	\$850	\$0.65
Totals/Avg	94			\$721	\$0.76



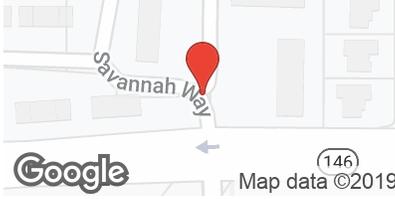
Improvements

Land Area	9.900 ac	Status	Existing
Net Rentable Area (NRA)	90,438 sf	Year Built	1997
Total # of Units	94 Unit	Year Renovated	N/A
Average Unit Size	962 sf	Condition	Average
Floor Count	2	Exterior Finish	Brick
Property Features	N/A		
Project Amenities	Laundry Facility		
Unit Amenities	8-Foot Ceilings, Carpeted Flooring, Dishwasher, Hardwood Flooring, Laminate Countertops, Microwave Oven, Range / Oven, Refrigerator, Tub / Shower Combo, Washer / Dryer Connections , White / Beige Appliances		

Rental Survey

Occupancy	98%	Utilities Included in Rent	Trash & Pest Control
Lease Term	12 Mo(s).	Rent Premiums	None
Tenant Profile	Middle-Income Groups	Concessions	See Comments
Survey Date	07/2019	Owner	N/A
Survey Notes	Property Contact: 706-956-8115	Management	On-site

Map & Comments



This comparable represents a 94-unit apartment property located in Fort Oglethorpe, Catoosa County, Georgia. The property, identified as Savannah Springs, was developed between 1998 and 2002 and is currently 98% occupied. The comparable offers efficiency, one- and two-bedroom floor plans, with an average unit size of 962 square feet. All units feature washer/dryer connections and ceiling fans. Units are sub-metered for water and sewer with the tenant responsible for usage. Trash removal and pest control are included in the monthly rental rates. The 2 bedroom units are townhome style apartments.

Property Name Fort Town Place
 Address 304 Fort Town Drive
 Fort Oglethorpe, GA 30741
 United States

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

Unit Mix Detail

Rate Timeframe	Monthly				
Unit Type	No.	%	Size (sf)	Rent	Rent / sf
Studio	4	1%	500	\$475	\$0.95
1BR/1BA	148	50%	600	\$575	\$0.96
2BR/1BA	38	13%	900	\$745	\$0.83
2BR/1BA	38	13%	960	\$750	\$0.78
2BR/1.5BA	53	18%	980	\$800	\$0.82
2BR/1.5BA TH	1	0%	1,024	\$780	\$0.76
2BR/2BA	12	4%	1,040	\$905	\$0.87
Totals/Avg	294			\$673	\$0.87



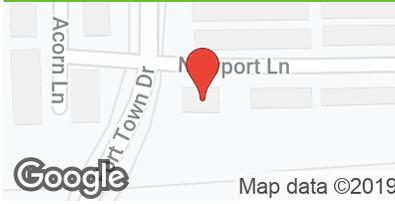
Improvements

Land Area	17.740 ac	Status	Existing
Net Rentable Area (NRA)	226,924 sf	Year Built	2005
Total # of Units	294 Unit	Year Renovated	N/A
Average Unit Size	772 sf	Condition	Good
Floor Count	1	Exterior Finish	Vinyl Siding
Property Features	Pitched Roofs, Surface Parking		
Project Amenities	Playground, Pool		
Unit Amenities	Dishwasher, Granite Countertops, Microwave Oven, Range / Oven, Refrigerator, Stainless Steel Appliances, Washer / Dryer Connections		

Rental Survey

Occupancy	98%	Utilities Included in Rent	Trash Removal
Lease Term	12 Mo(s).	Rent Premiums	See comments
Tenant Profile	Middle-Income	Concessions	None
Survey Date	07/2019	Owner	N/A
Survey Notes	Property Contact: (Antonio) 706.866.1114	Management	Colony

Map & Comments



This comparable represents a 152-unit apartment property, located on Mack Smith Road, just off Highway 2A, between Lowe's and Goody's in Rossville. The property, identified as Fort Town Place, was developed in 2002 and is currently 98% occupied. This property currently has a waiting list. The comparable offers one- and two-bedroom floor plans, with an average unit size of 739 square feet. The property charges a \$20 rental premium for select one-bedrooms that have a dishwasher. Pricing varies for two-bedroom floor plans for base level unit without garage, townhouse, or unit with an attached garage. Units are sub-metered for water and sewer with the tenant responsible for usage. Due to occupancy, no concessions are currently being offered. All units feature washer/dryer connections and microwaves.

Property Name Fountain Brook
 Address 100 Brookhaven Circle
 Ft. Oglethorpe, GA 30742
 United States
 Government Tax Agency Catoosa
 Govt./Tax ID 0002D057, 0002D05700A



Unit Mix Detail

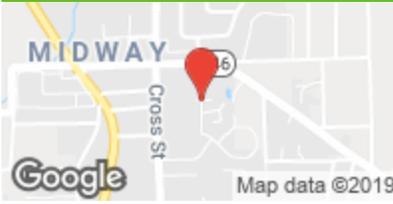
Rate Timeframe	Monthly				
Unit Type	No.	%	Size (sf)	Rent	Rent / sf
1BR/1BA	44	39%	850	\$700	\$0.82
2BR/1.5BA	12	11%	1,300	\$895	\$0.69
2BR/2BA	56	50%	1,300	\$915	\$0.70
Totals/Avg	112			\$828	\$0.74

Improvements

Land Area	0.000 ac	Status	Existing
Net Rentable Area (NRA)	125,800 sf	Year Built	2001
Total # of Units	112 Unit	Year Renovated	N/A
Average Unit Size	1,123 sf	Condition	Good
Floor Count	2	Exterior Finish	Brick Veneer
Property Features	N/A		
Project Amenities	Clubhouse, Pool		
Unit Amenities	Ceiling Fans, Ceramic Tile Flooring, Dishwasher, Microwave Oven, Private Patios / Balconies, Range / Oven, Refrigerator, Washer / Dryer Connections		

Rental Survey

Occupancy	99%	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: 706-866.9441	Management	On-Site

Map & Comments

This comparable represents a 112-unit apartment property, located just north of Joy Street, along Cross Street, off Hwy 2A, in Fort Oglethorpe. The property, identified as Fountain Brook, was developed in 2001 and is currently 99% occupied. The leasing agent indicated that there are 19 detached garages that rent for \$100 per unit. In addition, there are 12 storage units on the property that rent for \$50 and \$60 per unit per month. The units feature ceiling fans, crown molding, ceramic tile, built-in microwaves, and washer/ dryer connections. Units are sub-metered for water and sewer with the tenant responsible for usage. No concessions are currently offered.

Property Name Woodland Apartments
 Address 1591 Park City Road
 Rossville, GA 30741
 United States

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

Unit Mix Detail

Rate Timeframe	Monthly				
Unit Type	No.	%	Size (sf)	Rent	Rent / sf
1BR/1BA	13	25%	650	\$575	\$0.88
2BR/1BA	13	25%	1,050	\$675	\$0.64
2BR/2BA	13	25%	1,075	\$700	\$0.65
3BR/2BA	13	25%	1,200	\$785	\$0.65
Totals/Avg	52			\$684	\$0.69

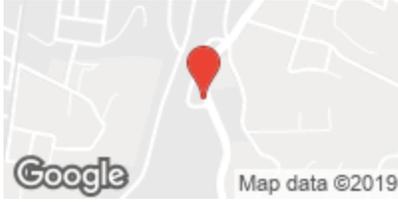


Improvements

Land Area	6.360 ac	Status	Existing
Net Rentable Area (NRA)	53,885 sf	Year Built	1972
Total # of Units	52 Units	Year Renovated	N/A
Average Unit Size	1,036 sf	Condition	Average
Floor Count	2	Exterior Finish	Vinyl Siding
Property Features	Gated / Controlled Access, Individual Split Systems, Pitched Roofs		
Project Amenities	Laundry Facility		
Unit Amenities	8-Foot Ceilings, Dishwasher, Laminate Countertops, Plank Flooring, Range / Oven, Refrigerator, White / Beige Appliances		

Rental Survey

Occupancy	95%	Utilities Included in Rent	Water, sewer, trash removal, and 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	Leasing Agent (Cindy) - 706-866-4783	Management	N/A

Map & Comments

The Woodland Apartments are located along Park City Road in Rossville, GA. The community includes 52 units, 13 one bedroom units, 26 two bedroom units, and 13 three bedroom units with an average unit size of 1,036 square feet. The community was built in 1972 and features a vinyl siding exterior. Amenities include a laundry facility and onsite management. The property is currently 95% occupied. No concessions were reported.

Property Name Veranda at the Ridge
 Address 1408-C Mana Lane
 Chattanooga, TN 37412
 United States

Government Tax Agency Hamilton
 Govt./Tax ID 169P A 010

Unit Mix Detail

Rate Timeframe	Monthly				
Unit Type	No.	%	Size (sf)	Rent	Rent / sf
1BR/1BA	14	15%	594	\$720	\$1.21
1BR/1BA	14	15%	640	\$735	\$1.15
2BR/1.5BA	22	24%	890	\$865	\$0.97
3BR/2BA	15	16%	1,069	\$900	\$0.84
3BR/1.5BA	15	16%	1,292	\$925	\$0.72
4BR/2.5BA	13	14%	1,512	\$1,075	\$0.71
Totals/Avg	93			\$868	\$0.88



Improvements

Land Area	7.910 ac	Status	Existing
Net Rentable Area (NRA)	91,927 sf	Year Built	1972
Total # of Units	93 Unit	Year Renovated	N/A
Average Unit Size	988 sf	Condition	Average
Floor Count	2	Exterior Finish	Brick
Property Features	On-Site Management, Surface Parking		
Project Amenities	Pool		
Unit Amenities	Dishwasher, Laminate Countertops, Microwave Oven, Plank Flooring, Private Patios / Balconies, Range / Oven, Refrigerator, Tub / Shower Combo, Washer / Dryer Connections , White / Beige Appliances		

Rental Survey

Occupancy	98%	Utilities Included in Rent	None
Lease Term	12 Mo(s).	Rent Premiums	Level, lease term
Tenant Profile	Mixed	Concessions	None
Survey Date	07/2019	Owner	Brookside Properties, Inc.
Survey Notes	Leasing Agent (Sheila) 423-867-1389	Management	Owner

Map & Comments



This comparable represents a 93-unit Class B multifamily garden style property located along Mana Lane in Chattanooga, Tennessee. The property, identified as Veranda at the Ridge, was developed in 1972 and was 98% occupied at the time of survey. The comparable offers one-, two-, three-, and four-bedroom floor plans with an average unit size of 988 square feet. Community amenities include a leasing office, swimming pool and BBQ/picnic area. Units amenities include a fully equipped kitchen, vinyl wood flooring, oversized closets, double stainless sinks, contemporary lighting package, washer/dryer connections, and a private balcony/patio. Additionally, at the time of survey management was not offering any concessions.

Property Name Sweetbay
 Address 3623 Fountain Avenue
 East Ridge, TN 37412
 United States

Government Tax Agency Hamilton
 Govt./Tax ID 156M H 002

Unit Mix Detail

Rate Timeframe	Monthly				
Unit Type	No.	%	Size (sf)	Rent	Rent / sf
1BR/1BA	29	36%	800	\$625	\$0.78
2BR/1BA	5	6%	1,040	\$825	\$0.79
2BR/1.5BA	25	31%	1,090	\$850	\$0.78
3BR/2BA	20	25%	1,310	\$1,035	\$0.79
4BR/2.5BA	1	1%	2,499	\$1,560	\$0.62
Totals/Avg	80			\$822	\$0.78



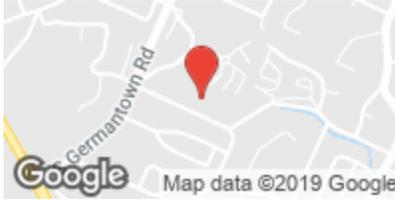
Improvements

Land Area	5.040 ac	Status	Existing
Net Rentable Area (NRA)	84,349 sf	Year Built	1974
Total # of Units	80 Unit	Year Renovated	2016
Average Unit Size	1,054 sf	Condition	Good
Floor Count	3	Exterior Finish	Brick Veneer
Property Features	On-Site Management, Surface Parking		
Project Amenities	Clubhouse, Fitness Center, Laundry Facility, Pool		
Unit Amenities	Carpeted Flooring, Ceiling Fans, Dishwasher, Range / Oven, Refrigerator, Vinyl Flooring, Washer / Dryer, White / Beige Appliances		

Rental Survey

Occupancy	96%	Utilities Included in Rent	Water/sewer, trash removal, pest control
Lease Term	12 Mo(s).	Rent Premiums	Lease term
Tenant Profile	Lower income	Concessions	None
Survey Date	07/2019	Owner	Niraj Sheth
Survey Notes	Leasing Agent: Bethany (423.355.5133)	Management	Lexington

Map & Comments



This rent comparable represents an 80-unit Class C multifamily garden-style property located along Fountain Avenue in East Ridge, Tennessee. The property was developed in 1969, renovated in 2016 and was 96% occupied at the time of survey. The property offers one-, two-, three- and four-bedroom floor plans with an average unit size of 1,054 square feet. Community amenities include a clubhouse, fitness center, laundry facility, and swimming pool. Unit amenities include a fully equipped kitchen and vinyl plank flooring. Management stated water/sewer, trash removal, and pest control are included in the quoted rent. Additionally, at the time of survey management was not offering any concessions.

Property Name Oglethorpe Ridge
 Address 1252 Cloud Springs Lane
 Fort Oglethorpe, GA 30742
 United States

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

Unit Mix Detail

Rate Timeframe	Monthly				
Unit Type	No.	%	Size (sf)	Rent	Rent / sf
1BR/1BA - 60% AMI	18	18%	750	\$629	\$0.84
3BR/2BA - 60% AMI	50	51%	1,150	\$825	\$0.72
4BR/2BA - 60% AMI	30	31%	1,300	\$899	\$0.69
Totals/Avg	98			\$812	\$0.72



Improvements

Land Area	13.950 ac	Status	Existing
Gross Building Area (GBA)	110,000 sf	Year Built	1997
Total # of Units	98 Unit	Year Renovated	N/A
Average Unit Size	1,122 sf	Condition	Average
Floor Count	2	Exterior Finish	Vinyl Siding
Property Features	N/A		

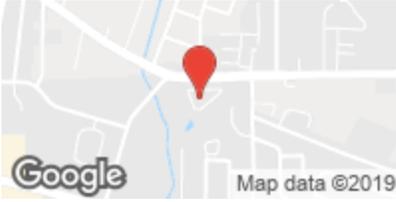
Project Amenities Barbeque Area, Basketball Court, Clubhouse, Playground, Pool

Unit Amenities Carpeted Flooring, Dishwasher, Plank Flooring, Private Patios / Balconies, Range / Oven, Refrigerator, Tub / Shower Combo, Washer / Dryer Connections

Rental Survey

Occupancy	90%	Utilities Included in Rent	Cold Water, Sewer, and Trash Removal
Lease Term	12 Mo(s).	Rent Premiums	None
Tenant Profile	Middle-Income Groups	Concessions	See Comments
Survey Date	07/2019	Owner	Chatt Battle Station
Survey Notes	Property Contact: (706) 858-3880	Management	N/A

Map & Comments



This comparable represents a 98-unit apartment property and is considered to feature average overall market appeal. The property, identified as Oglethorpe Ridge, was developed in 1997 and is currently 90% occupied. The comparable offers one-, three-, and four-bedroom floor plans, with an average unit size of 1,122 square feet. Washer/dryer connections are included in all units. This property is a tax credit complex with 60% AMI income restrictions. Water, sewer, and trash removal are included in the monthly rental rates. As a concession, management is offering a \$1 move-in special for the first month's rent when signing a 12-month lease. In addition, the \$35 application fee is reduced down to \$17.50.

Property Name Stone Ridge Park
 Address 1020 W 37th Street
 Chattanooga, TN 37410
 United States

Government Tax Agency Hamilton
 Govt./Tax ID 155N-A-001

Unit Mix Detail

Rate Timeframe	Monthly				
Unit Type	No.	%	Size (sf)	Rent	Rent / sf
1 BR, 1 BA - 60% AMI	10	14%	800	\$589	\$0.74
2 BR, 2 BA - 60% AMI	36	51%	1,049	\$702	\$0.67
3 BR, 2 BA - 60% AMI	24	34%	1,200	\$870	\$0.72
Totals/Avg	70			\$743	\$0.70



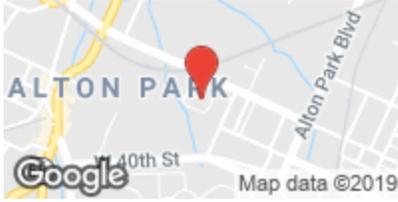
Improvements

Land Area	5.100 ac	Status	Existing
Net Rentable Area (NRA)	74,564 sf	Year Built	2005
Total # of Units	70 Unit	Year Renovated	N/A
Average Unit Size	1,065 sf	Condition	Good
Floor Count	3	Exterior Finish	Fiber Cement Plank
Property Features	LIHTC (Low Income Housing Tax Credit), On-Site Management		
Project Amenities	Business Center, Clubhouse, Fitness Center, Playground, Pool		
Unit Amenities	Dishwasher, Range / Oven, Refrigerator, Washer / Dryer Connections		

Rental Survey

Occupancy	95%	Utilities Included in Rent	Water, sewer, trash
Lease Term	12 Mo(s).	Rent Premiums	None
Tenant Profile	Low Income	Concessions	None
Survey Date	08/2019	Owner	N/A
Survey Notes	Property Contact: Robert (423-822-0660)	Management	LEDIC

Map & Comments



This comparable represents a 70-unit, Class B income restricted multi-family property located along W 37th Street in Chattanooga, Tennessee. The property, identified as Stone Ridge Park, was developed in 2005 and is currently 99% occupied. The property was developed using the Low Income Housing Tax Credit Program. The property offers one-, two-, and three-bedroom floor plans with an average of 1,065 square feet. Community amenities include surface parking and unit amenities include a fully equipped kitchen and window coverings. Additionally, management is not currently offering any concessions.

Property Name Dogwood Place
 Address 201 Eads Street
 East Ridge, TN 37412
 United States

Government Tax Agency Hamilton
 Govt./Tax ID 158O-A-022.45

Unit Mix Detail

Rate Timeframe	Monthly				
Unit Type	No.	%	Size (sf)	Rent	Rent / sf
2 BR, 1 BA - 50%	28	20%	908	\$546	\$0.60
2 BR, 2 BA - 60%	70	50%	951	\$686	\$0.72
3 BR, 2 BA - 60%	42	30%	1,137	\$784	\$0.69
Totals/Avg	140			\$687	\$0.69



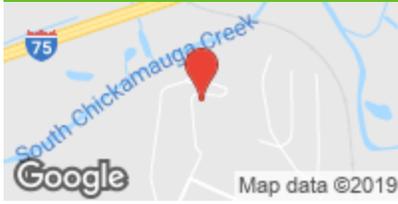
Improvements

Land Area	9.710 ac	Status	Existing
Net Rentable Area (NRA)	139,748 sf	Year Built	2004
Total # of Units	140 Unit	Year Renovated	N/A
Average Unit Size	998 sf	Condition	Good
Floor Count	3	Exterior Finish	Vinyl Siding
Property Features	Gated / Controlled Access, LIHTC (Low Income Housing Tax Credit), On-Site Management		
Project Amenities	Business Center, Clubhouse, Fitness Center, Laundry Facility		
Unit Amenities	Dishwasher, In-Unit Storage, Private Patios / Balconies, Range / Oven, Refrigerator, Vaulted / Cathedral Ceilings, Washer / Dryer Connections		

Rental Survey

Occupancy	95%	Utilities Included in Rent	Trash removal, pest control
Lease Term	12 Mo(s).	Rent Premiums	None
Tenant Profile	Low Income	Concessions	None
Survey Date	08/2019	Owner	Formidable Enterprises INC
Survey Notes	2017 Tax Appr Value \$7,109,100	Management	Owner (423) 892.0560

Map & Comments



This comparable represents a 140-unit LIHTC property, located at the corner of Camp Jordan Parkway and Eads Street in the southeast portion of Chattanooga, Tennessee. The property, identified as Dogwood Place Apartments, was developed in 2004 and is currently 95% occupied. The comparable offers two- and three-bedroom floor plans, with an average unit size of 998 square feet. Units are individually-metered for water and sewer with the tenant responsible for usage. Additionally, management is not currently offering any concessions.

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



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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



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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

IS AUTHORIZED TO TRANSACT BUSINESS IN GEORGIA AS A
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State of Georgia
Real Estate Commission
Suite 1000 - International Tower
229 Peachtree Street, N.E.
Atlanta, GA 30303-1605



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Real Estate Commissioner

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