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Commercial Real Estate Services

APPRAISAL REPORT, COMPREHENSIVE FORMAT

OF THE PROPOSED

ABBINGTON TRAIL SENIOR APARTMENTS
SOUTHEAST CORNER RICHARD SAILORS PARKWAY
AND FLORENCE ROAD
POWDER SPRINGS, COBB COUNTY, GEORGIA

EHA File 14-167

DATE OF VALUE

June 5, 2014

PREPARED FOR

Ms. Debbie Pauza
Market Manager
Bank of America, NA
119 Cross Center Drive
NC3-176-01-01
Denver, North Carolina 28037

The Principals and Associate Appraisers at EHA are Designated Members, Candidates for Designation, Practicing Affiliates, or Affiliates of the Appraisal Institute.

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ADMINISTRATIVE
Pauline J. Hines

June 16, 2014

Ms. Debbie Pauza
Market Manager
Bank of America, NA
119 Cross Center Drive
NC3-176-01-01
Denver, North Carolina 28037

RE: Appraisal Report, Comprehensive Format, of the Proposed
Abbington Trail Senior Apartments
Southeast Corner Richard Sailors Parkway and Florence Road
Powder Springs, Cobb County, Georgia 30127
EHA File 14-167

Dear Ms. Pauza:

At your request and authorization, we conducted the inspections, investigations, and analyses necessary to appraise the above referenced property. We have prepared an appraisal report in comprehensive format. The purpose of this appraisal is to estimate market value of the fee simple interest in the subject vacant site. Additionally, we have estimated prospective market value of the fee simple interest in the proposed improved property "at completion" and "at stabilization" under two scenarios, using both restricted and hypothetical unrestricted (market) rents. We were also requested to estimate the value of the tax credits and value at loan maturity assuming unrestricted rents. The intended use of the appraisal report is to provide information for use in making business and credit decisions concerning an actual or prospective loan or line of credit. This report is for the use and benefit of, and may be relied upon by, Bank of America, N.A. as Lender, or, Bank of America, N.A. as Administrative Agent for certain Lenders, and each actual and prospective Lender and Participant in such loan or line of credit, and their respective successors, assigns and affiliates, specifically including the Department of Community Affairs (DCA). Our value is predicated upon market conditions prevailing on June 5, 2014, which is the effective date of the appraisal.

The subject property is a proposed 60-unit age-restricted apartment complex situated on a 2.541-acre site. It is located at the southeast corner of Richard Sailors Parkway and Florence Road in Powder Springs, Cobb County, Georgia. This location is fewer than 1.5 miles east of the Paulding County line, and 19 miles west/northwest of the Atlanta CBD. The units will be

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contained in one, three-story elevator building. The unit mix will consist of 57 two-bedroom units and three three-bedroom units, ranging from 1,035 to 1,300 square feet (net leasable), with an average size of 1,048 square feet. The 57 two-bedroom units will be rented to tax credit qualified tenants earning not more than 50% (10 units) or 60% (47 units) of the area median income (AMI). The three, three-bedroom units are not income restricted. Complex amenities will include a covered porch, fitness center, central laundry facility, community room, arts and crafts room and interior gathering areas. Unit Amenities will include fully equipped kitchens with dishwashers, microwaves and disposals; washer and dryer connections; internet and cable access; and emergency pull-cords. Construction will be wood frame on concrete slab with brick veneers and HardiePlank siding exteriors. Reportedly, construction will begin late summer 2014 and take about 12 months to complete. The site is currently partially wooded and generally level. It is our opinion that the subject should conservatively be able to reach stabilized occupancy by January 31, 2016, which is the date we will use for our "as completed and stabilized" value estimate.

The subject is more fully described, legally and physically, within the attached report. Additional data, information and calculations leading to the value conclusion are in the report following this letter. This document in its entirety, including all assumptions and limiting conditions, is an integral part of this letter.

The following narrative appraisal contains the most pertinent data and analyses upon which our opinions are based. The study was prepared in compliance with the requirements of Title XI of the Federal Financial Institution Reform, Recovery and Enforcement Act of 1989 (FIRREA) and the requirements of the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation.

Bank of America makes no warranties or representations regarding this document or the conclusions contained herein.

Our opinion of value was formed based on our experience in the field of real property valuation, as well as the research and analysis set forth in this appraisal. Our concluded income and expenses, subject to the attached Assumptions and Limiting Conditions.

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Estimate of Market Value of the Fee Simple Interest in the Subject 2.541-acre Vacant Site, As of June 5, 2014:	$870,000
Estimate of Market Value of the Fee Simple Interest in the Subject "Upon Completion," Subject to Restricted Rents, As of July 31, 2015:	$2,850,000
Per Unit (60):	$47,500
Estimate of Market Value of the Fee Simple Interest in the Subject "At Stabilization," Subject to Restricted Rents, As of January 31, 2016:	$3,000,000
Per Unit (60):	$50,000
Estimate of Hypothetical Market Value of the Fee Simple Interest in the Subject "Upon Completion," Assuming Unrestricted/Market Rents, As of July 31, 2015:	$6,300,000
Per Unit (60):	$105,000
Estimate of Hypothetical Market Value of the Fee Simple Interest in the Subject "At Stabilization," Assuming Unrestricted/Market Rents, As of January 31, 2016:	$6,500,000
Per Unit (60):	$108,333
Prospective Unrestricted Value At Loan Maturity – 20 Years:	$6,850,000
Prospective Unrestricted Value At Loan Maturity – 30 Years:	$7,500,000
Value of Tax Credits, As of June 5, 2014:	$9,600,000

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It was our pleasure assisting you in this matter. If you have any questions concerning the analysis, or if we can be of further service, please call.

Respectfully submitted,

EVERSON, HUBER & ASSOCIATES, LC

By:

Ingrid Ott
Appraiser
Certified General Appraiser
Georgia Certificate No. 265709

Stephen M. Huber
Principal
Certified General Appraiser
Georgia Certificate No. 1350

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

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. Everson, Huber, and Associates, LLC has not performed any services regarding the subject property within the prior three years, as an appraiser or in any other capacity.
5. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
9. Ingrid Ott inspected the subject and prepared this report under the supervision of Stephen M. Huber, who also inspected the subject.
10. No one provided significant real property appraisal assistance to the persons signing this certification.
11. The reported analyses, opinions and conclusions were developed, and this report has been prepared in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
13. As of the date of this report, we have completed the Standards and Ethics Education Requirement for Candidates of the Appraisal Institute.
14. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Georgia Real Estate Appraiser Classification and Regulation Act, the Rules and Regulations of the Georgia Real Estate Appraisers Board.
15. We have extensive experience in the appraisal of commercial properties and are appropriately certified by the State of Georgia to appraise properties of this type.

Stephen M. Huber	Ingrid Ott
Stephen M. Huber	Ingrid Ott
Principal	Appraiser
Certified General Real Property Appraiser	Certified General Real Property Appraiser
Georgia Certificate No. 1350	Georgia Certificate No. 265709

Property Name/Address:	Proposed Abbington Trail Senior Apartments Southeast Corner Richard Sailors Parkway and Florence Road, Powder Springs, Cobb County, Georgia 30127
Location:	This location is fewer than 1.5 miles east of the Paulding County line, and 19 miles west/northwest of the Atlanta CBD.
Appraisal Identification:	EHA 14-167
Assessor Parcel Nos.:	19080500080 (Portion). The subject 2.541 acres are a portion of a larger 12.27-acre site.
Land Area:	2.541 total acres - per provided land survey
Property Identification:	The subject property is a proposed 60-unit age-restricted apartment complex situated on a 2.541-acre site. The units will be contained in one, three-story elevator building. The unit mix will consist of 57 two-bedroom units and three three-bedroom units, ranging from 1,035 to 1,300 square feet (net leasable), with an average size of 1,048 square feet. The 57 two-bedroom units will be rented to tax credit qualified tenants earning not more than 50% (10 units) or 60% (47 units) of the area median income (AMI). The three, three-bedroom units are not income restricted. Complex amenities will include a covered porch, fitness center, central laundry facility, community room, arts and crafts room and interior gathering areas. Unit Amenities will include fully equipped kitchens with dishwashers, microwaves and disposals; washer and dryer connections; internet and cable access; and emergency pull-cords. Construction will be wood frame on concrete slab with brick veneers and HardiePlank siding exteriors. Reportedly, construction will begin late summer 2014 and take about 12 months to complete. It should be stabilized by January 2016. The site is currently partially wooded and generally level.
Highest and Best Use	As Though Vacant: Development with a multifamily use As Proposed: Development of an apartment complex
Purpose of the Appraisal:	The purpose of this appraisal is to estimate market value of the fee simple interest in the subject vacant site. Additionally, we have estimated prospective market value of the fee simple interest in the proposed improved property “at completion” and “at stabilization” under two scenarios, using both restricted and hypothetical unrestricted (market) rents. We were also requested to estimate the value of the tax credits and value at loan maturity assuming unrestricted rents.
Intended Use:	The intended use of the appraisal report is to provide information for use in making business and credit decisions concerning an actual or prospective loan or line of credit. This report is for the use and benefit of, and may be relied upon by,

	Bank of America, N.A. as Lender, or, Bank of America, N.A. as Administrative Agent for certain Lenders, and each actual and prospective Lender and Participant in such loan or line of credit, and their respective successors, assigns and affiliates, specifically including the Department of Community Affairs (DCA). Bank of America makes no warranties or representations regarding this document or the conclusions contained herein.
Property Rights:	Fee simple interest
Date of As Is Value / Inspection:	June 5, 2014
Date of Report:	June 16, 2014
Estimated Marketing Time:	Six to 12 months

Valuation:

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PROPERTY IDENTIFICATION

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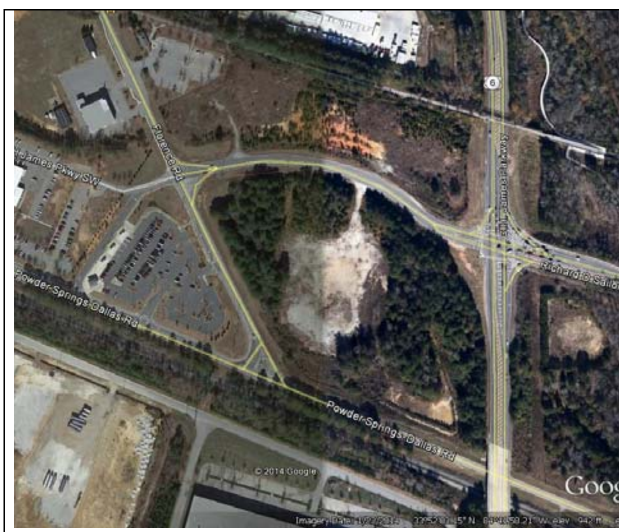
Reportedly, construction will begin late summer 2014 and take about 12 months to complete. It should be stabilized by January 2016. The site is currently partially wooded and generally level. The subject is identified as tax parcel 19080500080 (Portion). The subject 2.541 acres are a portion of a larger 12.27-acre site.



OWNERSHIP AND PROPERTY HISTORY

According to provided purchase documents, the subject site is a portion of a larger 12.27-acre tract owned by GW Investments. According to a representative of the owner, they have owned the land for more than three years. We were provided with a purchase and sale agreement between G.W. Investments and RVLH Acquisitions, LLC, to purchase the subject site for $850,000. An Amendment adds Powder Springs Abbington Trail, LP as assignee. It appears that the purchase agreement applies to the subject portion of the larger 12.27-acre parcel, although the specific site size and location were yet to be determined as of the signing date. According to our analysis, the purchase price is reasonably at market. Our value estimate is based on developable unit, not acreage. We are aware of no other offers, contracts, or transactions, nor any ownership changes during the past three years.

PURPOSE AND INTENDED USE OF THE APPRAISAL

The purpose of this appraisal is to estimate market value of the fee simple interest in the subject vacant site. Additionally, we have estimated prospective market value of the fee simple interest in the proposed improved property "at completion" and "at stabilization" under two scenarios, using both restricted and hypothetical unrestricted (market) rents. We were also requested to estimate the value of the tax credits and value at loan maturity assuming unrestricted rents.

The intended use of the appraisal report is to provide information for use in making business and credit decisions concerning an actual or prospective loan or line of credit. This report is for the use and benefit of, and may be relied upon by, Bank of America, N.A. as Lender, or, Bank of America, N.A. as Administrative Agent for certain Lenders, and each actual and prospective Lender and Participant in such loan or line of credit, and their respective successors, assigns and affiliates, specifically including the Department of Community Affairs (DCA).

DATES OF INSPECTION, VALUATION AND REPORT

The values reported are predicated upon market conditions prevailing on June 5, 2014, which is the date of the most recent inspection and the effective date of the appraisal. We have estimated completion at July 31, 2015 and stabilization by January 31, 2016. The date of report is June 16, 2014.

DEFINITION OF MARKET VALUE

Market value is one of the central concepts of the appraisal practice. Market value is differentiated from other types of value in that it is created by the collective patterns of the market. Market value means the most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby[1]:

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

PROPERTY RIGHTS APPRAISED

We appraised the fee simple interest in the subject site and improvements. Real properties have multiple rights inherent with ownership. These include the right to use the real estate, to occupy, to sell, to lease, or to give away, among other rights. Often referred to as the "bundle of rights", an owner who enjoys all the rights in this bundle owns the fee simple title.

> "Fee title" is the greatest right and title that an individual can hold in real property. It is "free and clear" ownership subject only to the governmental rights of police power, taxation, eminent domain, and escheat reserved to federal, state, and local governments.

Since the proposed completed and stabilized property is appraised subject to short-term leases that will be in place, this situation could be construed to be the leased fee estate. However, we are recognizing the interest appraised as proposed as fee simple with the stipulated qualification.

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[1] The definition of market value is taken from: The Office of the Comptroller of the Currency under 12 CFR, Part 34, Subpart C-Appraisals, ♣34.42(f), August 24, 1990. This definition is compatible with the definition of market value contained in *The Dictionary of Real Estate Appraisal*, Third Edition, and the Uniform Standards of Professional Appraisal Practice adopted by the Appraisal Standards Board of The Appraisal Foundation, 2012/13 edition. This definition is also compatible with the OTS, FDIC, NCUA, and the Board of Governors of the Federal Reserve System definition of market value.

APPRAISAL DEVELOPMENT AND REPORTING PROCESS – SCOPE OF WORK

We completed the following steps for this assignment:

1. Analyzed regional, county, neighborhood, site, and improvement data.
2. Inspected the subject site, comparables and neighborhood.
3. Reviewed data regarding taxes, zoning, utilities, easements, and county/town services.
4. Considered comparable rentals, land and improved sales and listings. Confirmed data with buyers, sellers, brokers, leasing agents, property managers, knowledgeable third parties, news articles, websites and/or various other data sources.
5. Estimated reasonable exposure and marketing times associated with the value estimate.

The site and improvement descriptions included in this report are based on a review of architectural, planning and financial documents provided by the developer; public information and our experience with typical construction features for apartment complexes. We were provided with excerpts of an Environmental Site Assessment prepared by Geotechnical and Environmental Consultants, Inc. dated May 14, 2014; unit floor plans and elevations prepared by Martin Riley Associates dated May 16, 2013, a survey prepared by Terramark dated May 21, 2014; and various other professionally prepared documents referenced throughout the report. Not available were geotechnical reports, site plans or specifications. The available information is adequate for valuation purposes.

To develop an opinion of value, we have prepared an Appraisal Report which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice (USPAP). The value estimate reflects all known information about the subject, market conditions, and available data. This report incorporates comprehensive discussions of the data, reasoning and analysis used to develop an opinion of value. It also includes thorough descriptions of the subject and the market for the property type. The depth of discussion contained in this report is specific to the client's needs and for the intended use stated within the report.

SPECIAL APPRAISAL INSTRUCTIONS

The purpose of this appraisal is to estimate market value of the fee simple interest in the subject vacant site “as is”. Additionally, we have estimated prospective market value of the fee simple interest in the proposed improved property “at completion” and “at stabilization” under two scenarios, using both restricted and hypothetical unrestricted (market) rents. We were also requested to estimate the value of the tax credits and value at loan maturity assuming unrestricted rents. The following commonly accepted definitions pertain to the value estimates provided in this report.

Market Value "As Is" On Appraisal Date

An estimate of the market value of a property in the condition observed upon inspection and as it physically and legally exists without hypothetical conditions, assumptions, or qualifications as of the date the appraisal is prepared.

Prospective Value Upon Completion of Construction

The value presented assumes all proposed construction, conversion, or rehabilitation is completed, or under other specified assumed conditions, as of the future date when such construction completion is projected to occur. If anticipated market conditions indicate that stabilized occupancy is not likely as of the date of completion, this estimate shall reflect the market value of the property in its then "as is" leased state (future cash flows must reflect additional lease-up costs, including tenant improvements and leasing commissions, for all areas not pre-leased). For properties where individual units are to be sold over a period of time, this value should represent that point in time when all construction and development cost have been expensed for that phase, or those phases, under valuation.

Extraordinary Assumptions and Limiting Conditions

It is assumed that the proposed subject will be completed on or before the prospective date of value, in a workmanlike manner, and in accordance with the building plans and specifications relied on for the appraisal.

Prospective Value "At Stabilization"

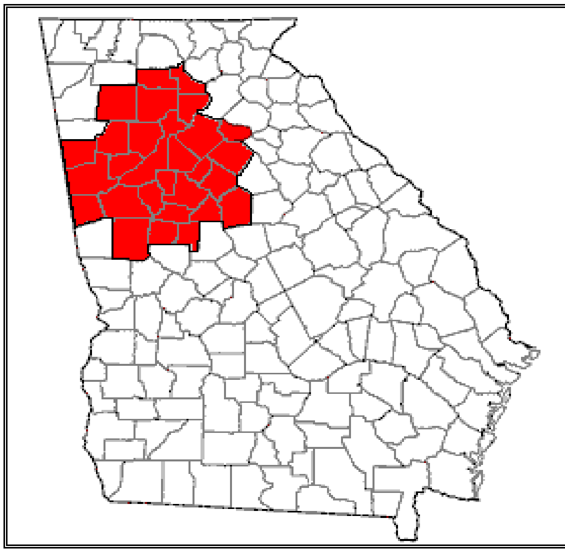
The value presented assumes the property has attained the optimum level of long-term occupancy, which an income-producing real estate project is expected to achieve under competent management after exposure for leasing in the open market for a reasonable period of time at terms and conditions comparable to competitive offerings. The date of stabilization must be estimated and stated within the report.

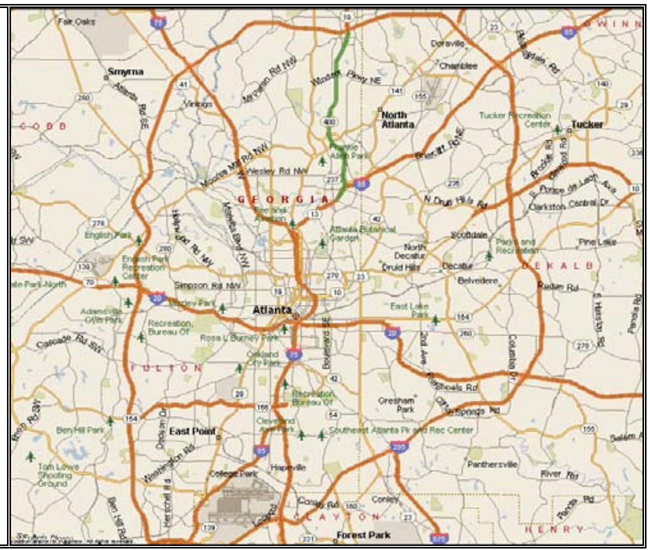
Hypothetical Condition on Appraisal Date

A hypothetical condition is that which is contrary to what exists but is supposed for purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal or economic characteristics of the subject property or about conditions external to the property, such as market conditions or trends, or the integrity of data used in an analysis.

REGIONAL OVERVIEW

The following section of the report provides an overview of the 28-county Atlanta Metropolitan Statistical Area or MSA.





Location and Population

Located in the central, northwestern portion of Georgia, Atlanta is the state's capital and largest city. At almost 5.7 million, the current population of the Atlanta MSA has shown moderately strong growth in recent years. As can be seen in the following table, between 2000 and 2010, the MSA has been growing at a rate over twice as fast as the nation and 1/3 faster than the state of Georgia. From 2010 to 2013, the MSA population growth has more than doubled the national average and significantly exceeded that of the State of Georgia. Since 2010, the fastest growing counties are Forsyth, Fulton and Gwinnett. In terms of absolute growth, the two largest counties, Gwinnett and Fulton, lead the way.

Chief among the factors driving continued expansion of the MSA population are employment opportunities, transportation, climate, standard of living, and Atlanta's dominant position in the southeast for national and international business, industry, and trade. While it is true that most of the growth in the MSA has occurred in the north, available land in that sector is becoming scarce (as the MSA hits the north Georgia mountains and heads towards the Alabama border to the west) and the pattern may more strongly turn to the south and west, where affordable land is available and the strong interstate system facilitates commuting patterns.

The following table shows the Atlanta MSA population trend, county by county, from 1990 to 2013.

ATLANTA METROPOLITAN STATISTICAL AREA (MSA) POPULATION								
					2000 to 2010 Chge.		2010 to 2013 Chge.	
	1990	2000	2010	2013	Number	Percent	Number	Percent
Barrow	29,721	46,144	69,367	71,453	23,223	50%	2,086	3%
Bartow	55,911	76,019	100,157	101,273	24,138	32%	1,116	1%
Butts	15,326	19,522	23,655	23,361	4,133	21%	-294	-1%
Carroll	71,422	87,268	110,527	112,355	23,259	27%	1,828	2%
Cherokee	91,000	141,903	214,346	225,106	72,443	51%	10,760	5%
Clayton	184,100	236,517	259,424	264,220	22,907	10%	4,796	2%
Cobb	453,400	607,751	688,078	717,190	80,327	13%	29,112	4%
Coweta	53,853	89,215	127,317	133,180	38,102	43%	5,863	5%
Dawson	9,429	15,999	22,330	22,686	6,331	40%	356	2%
DeKalb	553,800	665,865	691,893	713,340	26,028	4%	21,447	3%
Douglas	71,700	92,174	132,403	136,379	40,229	44%	3,976	3%
Fayette	62,800	91,263	106,567	108,365	15,304	17%	1,798	2%
Forsyth	44,083	98,407	175,511	195,405	77,104	78%	19,894	11%
Fulton	670,800	816,006	920,581	984,293	104,575	13%	63,712	7%
Gwinnett	356,500	588,448	805,321	859,304	216,873	37%	53,983	7%
Hall	95,984	139,677	179,684	187,745	40,007	29%	8,061	4%
Haralson	21,966	25,690	28,780	28,495	3,090	12%	-285	-1%
Heard	8,628	11,012	11,834	11,558	822	7%	-276	-2%
Henry	59,200	119,341	203,922	211,128	84,581	71%	7,206	4%
Jasper	8,453	11,426	13,900	13,601	2,474	22%	-299	-2%
Lamar	13,038	15,912	18,317	17,959	2,405	15%	-358	-2%
Meriwether	22,441	22,534	21,992	21,232	-542	-2%	-760	-3%
Newton	41,808	62,001	99,958	102,446	37,957	61%	2,488	2%
Paulding	41,611	81,678	142,324	148,950	60,646	74%	6,626	5%
Pickens	14,432	22,983	29,431	29,584	6,448	28%	153	1%
Pike	10,224	13,688	17,869	17,796	4,181	31%	-73	0%
Rockdale	54,500	70,111	85,215	86,919	15,104	22%	1,704	2%
Spalding	54,457	58,417	64,073	63,829	5,656	10%	-244	0%
Walton	38,586	60,687	83,768	85,754	23,081	38%	1,986	2%
MSA Total	3,209,173	4,387,658	5,448,544	5,694,906	1,060,886	24%	246,362	5%
State: Georgia	6,478,216	8,186,453	9,687,653	9,992,167	3,513,951	18%	304,514	3%
U.S.	248,709,873	281,421,906	308,745,538	316,128,839	67,418,966	10%	7,383,301	2%
Source: U.S. Census Bureau								

Employment By Industry

A key factor in Atlanta's population growth is the strength of its regional economy. Atlanta has a vigorous, diverse economic base. Only broad based, overall declines in the national economy are likely to affect the region’s economy to any significant extent. A breakdown of employment by industry sector within the MSA (from The Georgia Department of Labor) is presented below.

MSA INDUSTRY MIX						
	Establishments			Employment		
	2010	2013(11)	% Change	2010	2013(11)	% Change
Construction	11,953	11,396	-4.7%	87,239	82,396	-5.6%
Manufacturing	4,625	4,613	-0.3%	140,948	145,390	3.2%
Finance/Info./Real Estate	18,233	18,611	2.1%	208,611	216,042	3.6%
Wholesale Trade	11,154	11,892	6.6%	127,792	129,422	1.3%
Retail Trade	15,908	16,111	1.3%	241,497	246,255	2.0%
Professional/Tech./Scientific	22,312	23,305	4.5%	154,312	166,473	7.9%
Health Care/Social Assistance	11,791	12,461	5.7%	213,204	237,233	11.3%
Accommodation/Food Services	10,116	10,468	3.5%	197,786	192,782	-2.5%
Transport/Warehousing	3,367	3,821	13.5%	105,839	128,651	21.6%
Adminstration/Support/Waste Mgt.	9,324	9,415	1.0%	161,422	166,190	3.0%
Government	3,112	4,481	44.0%	319,296	321,259	0.6%
All Other	23,143	14,364	-37.9%	176,333	135,406	-23.2%
Total	**145,038**	**140,938**	**-2.8%**	**2,134,279**	**2,167,499**	**1.6%**

** includes private and government sector*
Source: Georgia Department of Labor

As can be seen on this chart, in terms of absolute job numbers, the Trade, Transportation and Utilities sector dominates the Atlanta employment base. The Atlanta Airport complex is a significant factor within this segment. Professional and Business Services, and Government also have high employment figures. From 2012, the small Construction sector has shown the strongest percentage growth, while the Professional and Business Services sector has shown the greatest total growth.

Unemployment

The unemployment rates for the Atlanta MSA over the years have generally equaled or consistently bettered the state and national averages. However, unemployment has been climbing in the state of Georgia, as well as the Atlanta MSA. According to a recent article in the *Atlanta Journal-Constitution*, ex-Georgia's State Labor Commissioner, Michael Thurmond, indicated that the state of Georgia is facing an increasingly difficult economic environment. Economists believe the unemployment rate to be a lagging and somewhat inexact indicator. Critics argue that a slowing economy typically does not immediately shove jobless rates much higher. On the other hand, an improving economy is often accompanied by rising rates as more people seek work. The following table looks at the MSA trend since 2006 and compares it with the state and the nation.

UNEMPLOYMENT RATES - ANNUAL AVERAGES									
	2006	2007	2008	2009	2010	2011	2012	2013	Apr-14
Atlanta MSA	4.7%	4.2%	6.2%	9.6%	10.2%	9.6%	8.7%	7.9%	6.8%
Georgia	4.6%	4.4%	6.2%	9.6%	10.2%	9.8%	9.0%	8.2%	7.0%
U.S.	4.6%	4.6%	5.8%	9.3%	9.6%	8.9%	8.1%	7.4%	6.3%

Source: Bureau of Labor Statistics

Largest Employers

As indicated in the following chart, Atlanta's top employer continues to be Delta Airlines, Emory University, Gwinnett County Public Schools, and AT & T. It is important to note that several of Atlanta's highest profile companies do not quite make the list of largest employers. For example, Coca Cola, Turner Broadcasting, Georgia Pacific, Bank of America, Home Depot (12th) and the Georgia Institute of Technology (14th) were under the threshold.

MAJOR EMPLOYERS - ATLANTA REGION		
Rank	Company	Atlanta Employees
1	Delta Airlines	30,000
2	Emory University	23,898
3	Gwinnett County Public Schools	19,943
4	AT & T	18,339
5	Cobb County Public Schools	13,551
6	DeKalb County Public Schools	12,012
7	Fulton County Public Schools	12,000
8	UPS	10,849
9	WellStar Health System	9,717
10	Publix Super Markets	9,656

Source: *Atlanta Business Chronicle, Book of Lists 2013 - 2014*

Over the last decade major changes have taken place in the Atlanta employment arena. Lockheed, once a leader, has dropped to 18th and may continue to decline. Both GM and Ford decreased their presence in the area with major plant closures. Delta, which is still quite strong, emerged from bankruptcy and merged with Northwest Airlines, and although the Ford and GM plants closed, Kia opened a new $1 billion 2.2 million square-foot auto plant in 2009 just outside the metro area's southwestern boundary near LaGrange, GA. Another major employer began hiring in the Atlanta vicinity in 2013. Caterpillar is opening a large plant in Athens, Georgia (just outside eastern edge of the MSA). By 2015 the plant expects to have hired 1,400 new workers at the Athens plant with indications that another 2,800 new positions would evolve from satellite parts and service plants in the area.

A few other job announcements in 2013 are worthy of note: Athena Health is leasing a large amount of space in Ponce City Market downtown and expects to hire 500. INALFA Roofing Systems is opening a plant in Cherokee County that will hire 300 and Hartsfield International Airport expanded food service operations in 2013, hiring an additional 200 workers.

Income, Median Age, Home Value, and Education

According to a demographic report by STDBOnline, for 2013, the average household income estimate is $72,679 (2010 figure was $85,998), with a median of $54,603. The median home value for the MSA is $153,417 (versus 2010 figure of $145,533). As per the 2013 estimate, 87% of the population had completed high school, and 34% had at least a four-year college degree.

MARKET SECTOR SNAPSHOTS

Retail

According to the *CoStar Retail Report, First Quarter 2014,* the Atlanta retail market experienced a slight improvement in market conditions in the first quarter 2014. The vacancy rate went from 9.2% in the previous quarter to 8.9% in the current quarter. Net absorption was positive 1,052,091 square feet, and vacant sublease space increased by 27,200 square feet. Quoted rental rates increased from fourth quarter 2013 levels, ending at $12.87 per square foot per year. A total of 11 retail buildings with 154,894 square feet of retail space were delivered to the market in the quarter, with 654,455 square feet still under construction at the end of the quarter.

Multi-Family

According to A*tlanta Apartment Market Tracker – Mid-Year 2013* published by Dale Henson Associates, Inc. (most recent available), average monthly effective rents in garden properties in the eleven-county *Tracker* area increased 4.1% from the middle of 2012. Effective rents were up to $808 from $776. At mid-year 2013, Class A apartments showed an increase of 5.0%, Class B apartments increased their effective rent by 4.0%, and Class C units were up 4.7% over the middle of 2012. In addition, concessions were down at $15, from $23 a year earlier. Occupancy in the eleven core counties (garden properties only) increased to 91.8% during mid-year 2013, up from 90.7% the prior year. In fact, 19 of the 29 submarkets either stayed the same or experienced gains in occupancy during 2013. The losses in occupancy were reported by the Dunwoody (high rise only), Midtown (high rise only), Lindbergh (high rise only), Decatur, Buckhead, Henry, North Fulton, Central, Cherokee, and Rockdale markets.

Office

According to the *PwC Real Estate Investor Survey, 1st Quarter 2014,* As the Atlanta office market recovery gains traction, the advantage in the leasing market is shifting towards property owners. Although survey participants agree that leasing incentives are still prevalent in this market, the average amount of free rent declines this quarter to eight months on a ten year lease, down from 9.2 months a year ago. At the same time, the high end of the range for free rent decreases from 14 to 12 months. In 2013, local landlords benefitted from a 3.9%

increase in total office leasing activity compared to the prior year, as per Cushman & Wakefield. The increase is partly due to several major lease deals, and some investors sense the shortage of large blocks of space may serve as a catalyst for new office development in this market. Roughly 660,000 square feet are under construction and set for completion this year. Due to ongoing positive trends in the Atlanta office market, competition is mounting between investors seeking assets here.

Industrial

According to the *CoStar Industrial Report, First Quarter 2014,* the Atlanta Industrial market ended the first quarter 2014 with a vacancy rate of 10.5%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 4,729,105 square feet in the first quarter. Vacant sublease space decreased in the quarter, ending the quarter at 2,176,121 square feet. Rental rates ended the first quarter at $3.94, an increase over the previous quarter. A total of two buildings delivered to the market in the quarter totaling 177,000 square feet, with 4,276,846 square feet still under construction at the end of the quarter.

Tallying industrial building sales of 15,000 square feet or larger, Atlanta industrial sales figures fell during the fourth quarter 2013 in terms of dollar volume compared to the third quarter of 2013. In the fourth quarter, 79 industrial transactions closed with a total volume of $254,305,210. The 79 buildings totaled 7,390,664 square feet and the average price per square foot equated to $34.41 per square foot. That compares to 57 transactions totaling $287,702,448 in the third quarter. The total square footage was 8,839,453 for an average price per square foot of $32.55. Total year-to-date industrial building sales activity in 2013 is down compared to the previous year. In the twelve months of 2013, the market saw 261 industrial sales transactions with a total volume of $823,444,324. The price per square foot has averaged $33.81 this year. In the twelve months of 2012, the market posted 258 transactions with a total volume of $1,146,664,439.

Housing

According to the First Multiple Listing Service (FMLS) statistics overview for the metro Atlanta area, dated February 21, 2014, there were 3,123 closings for single-family detached homes in February 2014. This reflects a decrease of 12% over February 2013. The average sale price was $227,074 versus $199,380 for the same period one year ago. Year-to-date closings for single-family detached homes were 6,199, which reflect a decrease of 9% over YTD 2013. The YTD average sale price was $224,499 versus $191,331 for 2013, representing a 17% increase. Active inventory for single-family detached homes continues to increase with 17,095 active listings as of the end of February 2014 versus 14,331 as of the end of February 2013.

According to a February 21, 2014 report from Metrostudy, a national housing information and consulting firm, the 22 county Atlanta region experienced 13,862 housing starts in 2013, up 67% year over year and new home closings were up 39% coming in at 12,079 units closed (move-ins). According to Eugene James, regional director for Metrostudy, “with housing demand outpacing the low supply of new and resale homes in the region I think we will have another year of huge gains in housing construction activity, probably by at least 25% above the 2013 figures.”

The Atlanta region finished the 2013 year with huge gains in new construction housing starts. By the end of 2013 there were 13,862 annual single family homes either being constructed or built in the region, up 67% from December 2012 when Annual Starts ended the year with 8,311 housing starts. The northern portions of Atlanta (areas above I-20) have experienced the bulk of the housing starts with an 80% market share. But for the first time in many years starts rose significantly in every county, including the exurban markets. For instance, counties located south of I-20, an area hit hard with foreclosures and declining property values, saw housing starts increase by 97% from one year earlier.

Convention Trade

Tourism is a major business in Atlanta. The city hosts on average about 17,000,000 visitors a year. The industry typically generates between three and four billion in annual revenues. Convention and trade show business ranks as Atlanta's largest industry. Estimates vary, but overall annual attendance is approximately three million, with delegates spending an average of almost $200 per person, per day. To accommodate visitors there are approximately 92,000 hotel rooms in the 28-county metro area. As other cities continue to offer increasing competition for Atlanta’s convention business, namely Orlando, Miami, Las Vegas and New Orleans, the city continually strives to improve its facilities. The largest facility, the Georgia World Congress Center (GWCC), completed its expansion from 950,000 to 1.4 million square feet of exhibit space, in 2002. The top trade shows and conventions booked during 2013/14 in Atlanta are shown next.

TOP TRADE SHOWS AND CONVENTIONS IN ATLANTA FOR 2013/2014		
Show	**Estimated or expected No. of Attendees**	**Location**
NCAA Final Four	100,000	Georgia Dome
AmericasMart Gift & Home Furnishings Market Jan.	92,000	AmericasMart Atlanta
AmericasMart Gift & Home Furnishings Market July	91,000	AmericasMart Atlanta
SEC Football Championship	73,000	Georgia Dome
2014 Chik-Fil-A Bowl	72,000	Georgia Dome
Chick-fil-a College Kick-Off	72,000	Georgia Dome
Cheersport	70,000	GWCC
Atlanta Football Classic 2011	60,000	Georgia Dome
Passion Conference	60,000	GWCC
Tampa Bay Big South Qualifier	59,000	GWCC
Source: *Atlanta Business Chronicle, Book of Lists 2013 - 2014*		

Transportation

The Atlanta region's continued emphasis on upgrading the transportation system is a significant factor in the area's economic growth and development. The main focus on improvement has been primarily in three areas over the recent past: the Metropolitan Atlanta Rapid Transit Authority (MARTA) commuter railway project; Hartsfield-Jackson Atlanta International Airport; and the interstate highway system.

MARTA is a public agency that provides mass rail transportation in the two most populated counties of the Atlanta region. Its transit system consists of extensive bus service (over 150 routes) and a heavy-rail, rapid transit system in DeKalb and Fulton Counties. The rail system consists of north-south and east-west lines that intersect near the center of Atlanta's CBD. The system currently consists of 47 miles of rail and 38 stations, including one at Hartsfield Airport. Cobb, Gwinnett and Clayton counties also have bus transit systems that have routes to the CBD, as well as links to other MARTA routes.

The interstate highway system in and around Atlanta is well developed. Encircling the city is the six- to 10-lane, 64-mile, I-285. The highway system also includes three major freeways that intersect in the middle of town and radiate out in all directions. These are I-20 (east/west), I-75 (northwest/southeast), and I-85 (northeast/southwest). Additionally, the extension of Georgia Highway 400 from I-285 to I-85 near the downtown connector was completed in 1993. This is Atlanta's first toll road and provides multiple-lane, direct access to the central business district for residents of north Fulton and Forsyth Counties.

Hartsfield-Jackson Atlanta International Airport is the world's largest passenger terminal complex and the world's busiest airport (per *Wikipedia* and other sources). Since 1998, Hartsfield-Jackson has been the busiest airport in the world, thus making it the busiest airport in the history of aviation.

Other Features

Some additional features of Atlanta are 29 degree-granting colleges and universities and the Jimmy Carter Presidential Center. Atlanta is one of few cities with three major professional sports teams: football with the Atlanta Falcons (1998 NFC Champions); basketball with the Atlanta Hawks; and baseball with the Atlanta Braves (1992, 1996, and 2000 National League Champions and 1995 World Series Champions); The Atlanta Thrashers hockey team moved from Atlanta to Winnipeg, Manitoba in June 2011. Additionally, the Atlanta area hosts a major NASCAR race every year (over 100,000 in attendance). Major recreational attractions include Six Flags Over Georgia, Stone Mountain Park, Lakes Sidney Lanier and Allatoona, and multiple museums and theater venues. New attractions in the Atlanta area include the Georgia Aquarium and Atlantic Station.

Over the last decade, Atlanta has been a huge presence in the world of spectator sports. It all started with its selection as the site of the 1996 Summer Olympics. A key factor in that achievement, as well as the city's hosting of the 1994 and 2000 Super Bowls, 2002 and 2007 NCAA Men's Basketball Final Four, 2003 NCAA Women's Basketball Final Four, and major indoor track events, has been the Georgia Dome. This indoor stadium was completed for the Falcons' 1992 football season. A new, state-of-the-art is in the planning stages for the Falcons and should be completed in 2017. Coupled with recent improvements to the nearby Georgia World Congress Center, it has proven to be a big plus for the city. The spin-off from the events has further enhanced Atlanta's reputation as a true international city, not to mention the significant economic impact.

CONCLUSIONS / OUTLOOK

One of the recognized experts on the Atlanta economy is Dr. Rajeev Dhawan of Georgia State University in Atlanta. In late 2013, he released his quarterly forecast for the local economy: “If we can just get through the end of the year, the economy should start looking up for the United States, Georgia, and metro Atlanta.” According to Dr. Dhawan, growth forces have fully taken hold across the country and locally with sustained growth in home building, existing home sales, and auto sales.

“We are doing, like the national economy, maybe a little bit better on the growth on paper,” says Dr. Dhawan. “But in terms of growth and everything, it's just mirroring. We're dealing with the same headwinds and surviving the same way.”

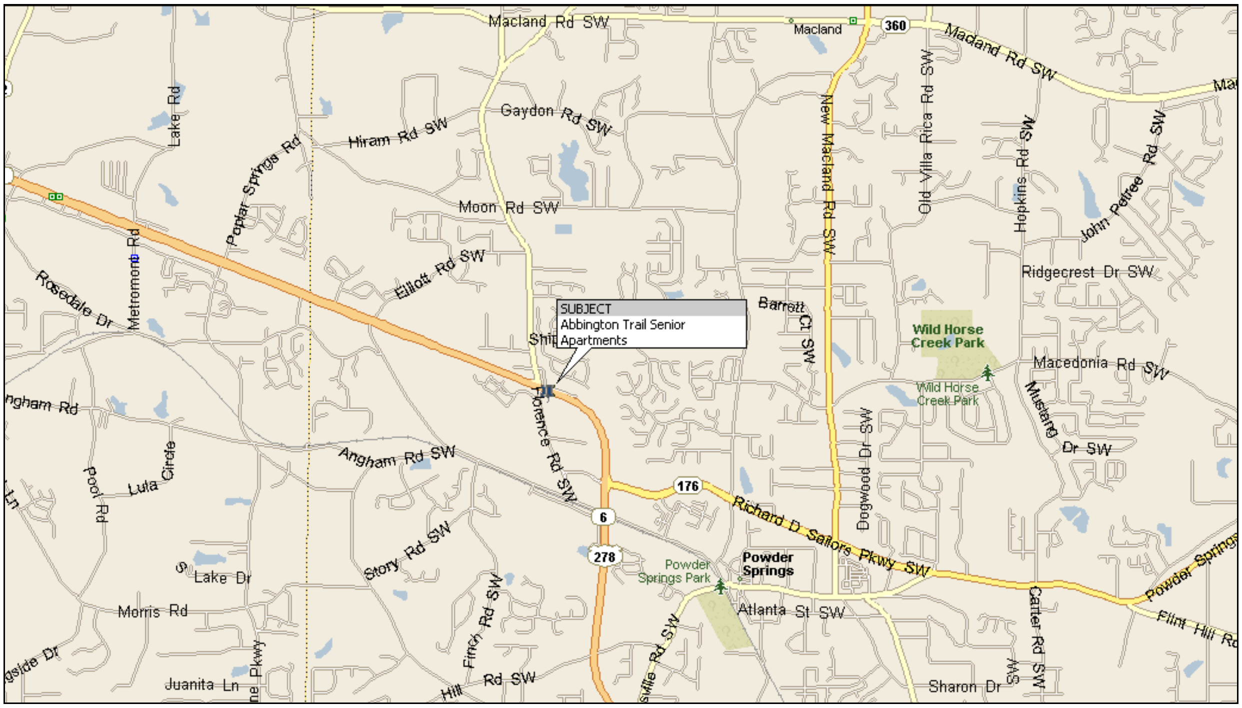
Those headwinds are external forces: fluctuations in the global economy, trouble in the Mideast, and settling on a new federal budget. Dhawan says we'll continue to see job growth in metro Atlanta, though it will be slow until the end of the year. If the headwinds dissipate, he says the national and local economy should pick up next year and even more in 2015.

Another perspective was released in an analysis by PNC Bank. In their third quarter 2013 outlook for Atlanta, they indicated that a severe downturn in the commercial real estate market caused Atlanta to experience a steeper slump than other regional economies during the recession; yet, job growth in the market area is set (going forward) to be stronger than average in later 2013 and 2014. Technical and professional services will continue to be key employment generators. The rebound in these high wage industries will boost above average income growth. The South region is recovering faster than average, which bodes well for the area's transportation and logistics industries. Leisure and hospitality will be sustained by increased demand for convention space and tourism as the U.S. economy continues to expand moderately. Although Federal income tax increases weakened the recovery somewhat in the first half of 2013, the economy's momentum is set to pick back up in the second half of the year as households adjust to the new tax rates and the housing market gains traction. We see the unemployment rate declining to 7.6 percent in the final quarter of 2013 from 8.5 percent in fourth quarter of 2012. The economic recovery will encourage work-seekers to reenter the labor force, implying the unemployment rate will decline more slowly than the better jobs numbers suggest. Longer term, Atlanta will be an above average performer. The Atlanta metropolitan area is the 10th largest metro economy in the United States by real GDP and the largest in the South. Living and business costs, however, compare with metros of smaller size. A diverse industrial structure, strong population growth, reasonable business costs, and high educational attainment lift Atlanta's growth potential above the U.S.'s. Also, its status as a major transportation and logistics hub makes the metro economy a vital player in the South.

NEIGHBORHOOD OVERVIEW

Location

The subject is located at the southeast corner of Richard Sailors Parkway and Florence Road in Powder Springs, Cobb County, Georgia. This location is fewer than 1.5 miles east of the Paulding County line, and 19 miles west/northwest of the Atlanta CBD. Neighborhood boundaries are an approximate three-mile radius around the subject. A neighborhood map is presented on the following page with a larger map, as well as a regional map, included in the Addenda.



Access And Availability Of Utilities

Access to and within the subject neighborhood is good. The subject is approximately 10 miles north of Interstate 20 and 13 miles west of I-75 and I-285. The key roadways in the area are Highway 278 (Wendy Bagwell Parkway), Highway 176 (Richard D. Sailors Parkway), Highway 360 (Powder Springs Road), Highway 6 (Merchants Drive), Highway 120 (Marietta Highway), and Highway 92 (Hiram Acworth Highway). I-20 is the nearest interstate highway and can be accessed via Highways 278, 61 and 92. Highway 278 is the most significant artery providing access to the subject neighborhood. It is a four-lane, northwest / southeast roadway that provides the subject's neighborhood access to Cedartown to the northwest and Interstate 20 and western Cobb County to the southeast. Richard D. Sailors Parkway, the subject's frontage road, is a primary, four-lane artery that connects Highway 278 to points east.

Additionally, the subject neighborhood has a number of secondary roadways, which enhance accessibility throughout the area. Streets in the subject neighborhood are asphalt paved. Public transportation is readily available in the vicinity of the subject – an Xpress park and ride transit exchange is across the street. There is a combination of overhead and underground utilities, and surface and subsurface drainage. Sidewalks are also common at improved locations. Utilities available in this neighborhood include public water, sewer, electricity, and natural gas. Standard municipal services include police and fire protection.

Land Uses

The immediate area surrounding the subject can generally be described as an older mixed-use district, characterized primarily by public / institutional / recreational, older and vacant industrial, and some commercial properties. Off the main roadways there is substantial single-family residential development, much in residential subdivisions.

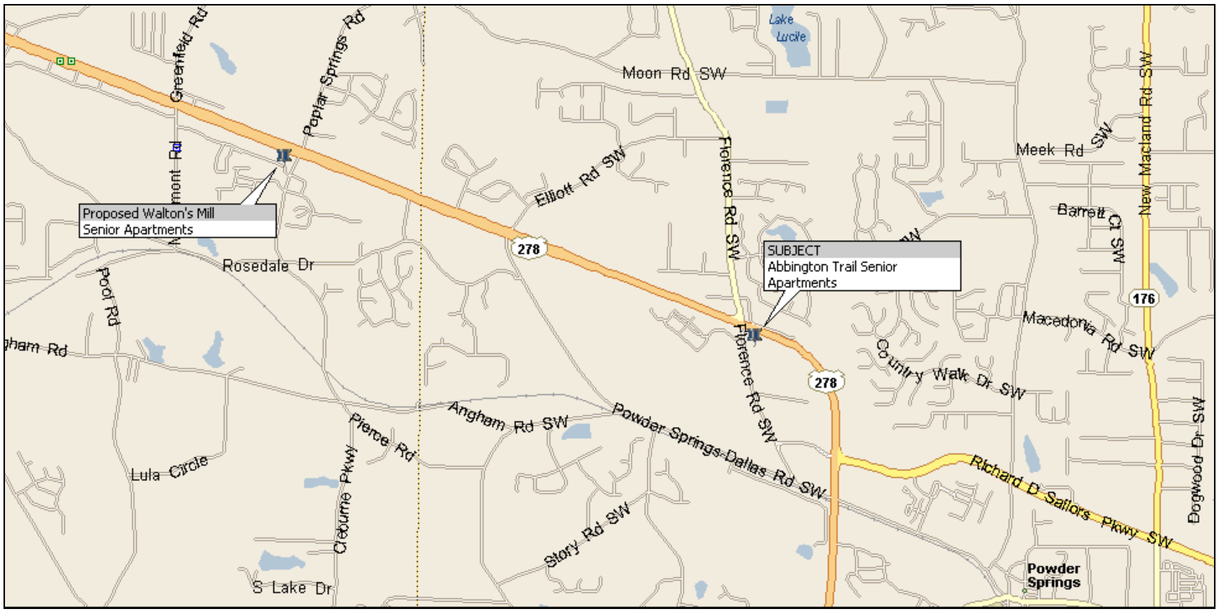
The nearest grocery is a Publix-anchored shopping center about 1.5 miles east of the subject on New MacLand Road. A Kroger-anchored center is 1.5 miles south of the subject on Brownsville Road. A Target center is 2.6 miles northwest of the subject in the Hiram Pavilion, and a Wal-Mart center is 3.7 Miles east of the subject in Marietta.

Riverside Church of God is within walking distance of the subject on the west side of Florence Road. Westgate Church is a little more than half a mile north of the subject, and Grace Baptist church is 1.2 miles northwest of the subject in Hiram. Several other places of worship are within a 2-mile radius of the subject.

The nearest library is 1.6 miles southeast of the subject along Atlanta Street. Powder Springs Park is one mile southeast of the subject. Wild Horse Creek Park is two miles east of the subject. The silver comet trail runs almost parallel to Richard D. Sailors Parkway half a mile north of the subject. The Lucille Creek Trail runs parallel to US 278 one mile east of the subject.

Wellstar Cobb Hospital is 5.6 miles east of the subject in Austell. Wellstar Windy Hill Hospital is 13 miles east of the subject in Marietta. A surgery center is five miles east of the subject in the doctor and medical services buildings surrounding Wellstar Cobb Hospital. Several other medical specialist offices are located in this area.

Legacy at Walton Mill is a proposed 105-unit, Class-A, income restricted senior apartment development. Reportedly, construction began in September 2013 with the first units to be available in August 2014 and completion of all units in November 2014. The 7.244-acre site is located at the southwest quadrant of Highway 278 (Wendy Bagwell Parkway) and Cleburne Parkway in Hiram, Paulding County, Georgia, about 1.5 miles west of the subject. The unit mix will contain one- and two-bedroom floor plans with sizes ranging from 810 to 1,209 gross rentable square feet and an average unit size of 1,042 gross rentable square feet. All of the units will be Low Income Housing Tax Credit (LIHTC) and subject to rent restrictions, and will be age restricted to 62 and older. Tenants' income levels cannot exceed 50% (16 units) and 60% (89 units) of area median income (AMI). All of the units will be contained in one, three-story elevator building and there will be a 4,888 square foot clubhouse/leasing office (attached). Construction will be wood frames on concrete slab with brick veneers and fiber cement siding and trim exteriors. Proposed complex amenities will include a clubhouse/leasing office with community room, fitness center, activity center, and laundry room. Additionally, they intend to partner with local senior service providers to make available a number of services for seniors, including continuing education, transportation to facilitate access to social services/doctors/shopping, senior counseling, recreational activities, grandparent mentoring programs, and preventive health care programs and health screening. This complex will provide direct competition for the subject.



Three other age-restricted apartment complexes are located nearby. Greenbrooke Senior Community is located on Greenfield Road in Paulding County, in the city of Hiram, about 2.5 miles west of the subject. The homes are attached ranch homes with carports. Parkland Manor is a mixed income senior complex located in the west metro Atlanta community of Austell, about six miles east of the subject. It is located near the Wellstar Cobb medical complex. This complex has 99 set-asides for income restricted units. Ashton Arbors is an age-restricted, income-restricted community off Powder Springs Road in west Cobb County less than six miles east of the subject. All units are subject to rent restrictions at 60% Area Median Income.

The immediate area is largely defined by former industrial improvements associated with local rail lines. The rail lines have been converted to trails (Silver Comet Trail and Lucille Creek Trail in particular), and there are public uses, like the public transportation Xpress Park and Ride exchange adjacent the subject property. The subject's intersection is mostly vacant land, but there are commercial improvements along US 278. Uses immediately adjacent to the subject include vacant land for future development to the east, north and south, and Xpress Park and Ride to the west.

Area Demographics/Growth and Trends

To gain additional insight into the characteristics of the subject's neighborhood, we reviewed a demographic study prepared by ESRI through STDBonline.com. The demographic information in the chart illustrates the conditions of this neighborhood in comparison to the MSA.

DEMOGRAPHICS SUMMARY Proposed Abbington Trail Apartments, Powder Springs, GA Three Mile Radius - Richard D Sailors Pky at Florence Road			
	2000	**2013**	**2018**
Population	27,536	34,821	36,347
Growth		26%	4%
Households	9,225	12,079	12,615
Growth		31%	4%
		3 Mile Ring	**Atlanta MSA**
Income			
Average HH		$71,490	$75,181
Median HH		$59,492	$54,635
Per Capita		$24,678	$27,790
Median Home Value		$137,712	$158,071
Housing Units			
Renter - Occupied		19%	33%
Owner - Occupied		72%	57%
Vacant		10%	10%
Average Family Size		3.28	3.25
Education Levels (Adults > 25)			
High School Graduate		87%	88%
4-Year College Degree		27%	35%
Largest Employment Categories			
Services		46%	50%
Retail Trade		13%	12%
Finance, Insurace, Real Estate		7%	7%
Manufacturing		8%	9%
Public Administration		6%	4%

Source: ESRI, based on 2010 Census figures.

As can be seen, the three-mile radius around the subject site experienced very substantial growth over the past decade, though this trend is expected to continue at a much slower pace. Housing in the area has a lower average value than the MSA, and is weighted towards owner-occupancy. Neighborhood households earn similar incomes and have similar high school educational attainment, but lower college degree shares. Employment is diversified but weighted towards services, and retail professions.

Conclusion and Relevance to the Subject Property

In conclusion, the subject property is located in a growing middle-income area of northwestern metropolitan Atlanta. The area has good accessibility, and is well located with respect to availability of labor, supporting services, and surrounding complementary developments. The area's population and households are projected to grow into the foreseeable future. In addition, there has been limited multi-family development in the area for quite some time. These factors suggest the subject area should continue to be a stable location for the subject affordable, age restricted apartments.

The site and improvement descriptions included in this report are based on a review of architectural, planning and financial documents provided by the developer; public information and our experience with typical construction features for apartment complexes. We were provided with excerpts of an Environmental Site Assessment prepared by Geotechnical and Environmental Consultants, Inc. dated May 14, 2014; unit floor plans and elevations prepared by Martin Riley Associates dated May 16, 2013, a survey prepared by Terramark dated May 21, 2014; and various other professionally prepared documents referenced throughout the report. Not available were geotechnical reports, site plans or specifications. The available information is adequate for valuation purposes.

SITE DESCRIPTION

Location: At the southeast corner of Richard Sailors Parkway and Florence Road in Powder Springs, Cobb County, Georgia. This location is fewer than 1.5 miles east of the Paulding County line, and 19 miles west/northwest of the Atlanta CBD.

Satellite Image:

Land Area: 2.541 total acres - per provided land survey

Assessor Parcel Nos.: 19080500080 (Portion). The subject 2.541 acres are a portion of a larger 12.27-acre site.

Property Condition: The subject is currently wooded.

Shape and Frontage: Irregular with approximately 575’ of frontage along the south side of Richard D. Sailors Parkway (Florence Road Connector) and 187’ along the east side of Florence Road.

Ingress and Egress:	According to the provided site plan, access will be available via two one curb cuts, one along the south side of Richard D. Sailors Parkway (Florence Road Connector) and one along the east side of Florence Road.
Topography and Drainage:	The site has a relatively level topography. Our analysis assumes that the property will be improved in such a manner as to promote adequate drainage.
Soils:	We are not aware of any soil problems and we were not provided a soils report. We assume the site can support the existing improvements both now and into the future. We have no expertise in this area. We recommend the consultation of a specialist for further questions of this nature.
Easements:	The provided title survey documents a GA DOT easement along the Richard D. Sailors Parkway roadway. We assume there are numerous easements for various utilities and drainage. In our analysis, we assume there are no easements that are detrimental to the proposed development.
Utilities/Services:	Available utilities include electricity, public water, sanitary sewer, and telephone service. Municipal services that are available include police and fire protection.
Flood Zone:	According to a flood map prepared by Floodscape and provided by ESRI, the subject property is identified on Federal Emergency Management Agency Flood Insurance Rate Map Number 13067C0177G, effective date December 16, 2008, the subject site is located within an area of low flood risk. We are not experts in this area and recommend the consultation of an expert for flood issues or the need to purchase flood insurance.
Environmental Issues:	A Phase One Environmental Site Assessment performed by Geotechnical and Environmental Consultants, Inc., and dated May 19, 2014 found no Recognized Environmental Conditions associated with the site and had no recommended action items. We assume no responsibility for adverse environmental conditions, or for engineering that may be required to discover them.
Conclusion:	The subject site has an adequate shape, size, and topography, with all utilities and services available. It enjoys a good location with respect to surrounding supportive development, major transportation arteries and employment.

IMPROVEMENT DESCRIPTION AS PROPOSED

Construction Class:	The Class of construction is the basic subdivision in *Marshall Valuation Service*, dividing all buildings into five basic groups by type

of framing (supporting columns and beams), walls, floors, roof structure, and fireproofing. The subject building will qualify as Class D[1] construction.

Competitive Rating: The subject will be perceived in its market as a Class A/B Suburban property in terms of quality, features, amenities and age.

Unit Mix:

UNIT MIX Abbington Trail			
Unit Type	No. Units	Net SF	Total Net SF
2BR2BA LIHTC 50%	10	1,035	10,350
2BR2BA LIHTC 60%	47	1,035	48,645
3BR2BA MARKET	3	1,300	3,900
Total/Average	60	1,048	62,895

Improvements:

Improvements:	Buildings/Units:	60 units in one, three-story elevator building.
	Apt. Bldg. Area:	62,895 net rentable heated SF; 1,048 SF average unit size 81,602 gross building area
	Year Built:	July 2015 (estimated completion)
Exterior Description:	Foundation:	Poured, reinforced concrete
	Frame:	Wood frame
	Exterior Walls:	Brick veneers and HardiePlank Siding exteriors
	Roof Cover:	Pitched, architectural asphalt-shingle roofs
Interior Living Areas:	Walls:	Painted drywall
	Windows:	Vinyl, double pane
	Ceiling:	Painted drywall
	Flooring:	Carpet and vinyl
	Appliances:	Refrigerator/Freezer with icemaker, microwave, dishwasher, stove/oven
Other:	HVAC:	Central heat and air
	Electrical/Plumbing:	Typical, assumed adequate
	Bathrooms:	Standard finish, multiple fixtures
	Utilities:	Water, Sewer, and Electricity will be individually metered. Trash pickup will be included in the rent.

[1] Class D buildings are characterized by combustible construction. The exterior walls may be made up of closely spaces wood or steel studs, as in the case of a typical frame house, with an exterior covering of wood siding, shingles, stucco, brick, or stone veneer, or other materials. Floors and roofs are supported on wood or steel joists or trusses or the floor may be a concrete slab on the ground. Upper floors or roofs may consist of wood or metal deck, prefabricated panels or sheathing. (Source: Marshall Valuation Service, January 2012, §1, p. 8)

Site Improvements:	Parking:	Surface parking spaces. A provided preliminary site plan appears to have at least 60 lined spaces. Zoning regulations for age restricted developments often require one space per residential unit. We suggest consulting with Cobb/Powder Springs planning and zoning to confirm compliance when final site plans are available.
	Landscaping:	Minimal

Property Amenities: Complex amenities will include a covered porch, fitness center, central laundry facility, community room, arts and crafts room and interior gathering areas. Unit Amenities will include fully equipped kitchens with dishwashers, microwaves and disposals; washer and dryer connections; internet and cable access; and emergency pull-cords.

Conclusion/Comments: Overall, the subject will be typical of modern, high quality apartment complexes found in the Southeast. It will have interior features and amenities that are demanded by senior tenants, and good quality construction and exterior appeal. In comparison to existing inventory in the market, the project would rate as above average.

ECONOMIC AGE AND LIFE

The subject complex is proposed. According to *Marshall Valuation Service* cost guide (Section 97, page 10, Multiple Residences, Class D), properties of this type have 'typical building lives' of 45 to 55 years. However, this may be extended by a consistent repair schedule. For excellent quality structures the indication is 55 years. It is noted that the foregoing estimates largely pertain to physical life. For purposes of the appraisal we are to estimate *remaining economic life*, which takes other factors into consideration and may vary from remaining physical life. Remaining Economic Life is defined as the estimated period during which improvements will continue to contribute to property value and an estimate of the number of years remaining in the economic life of the structure or structural components as of the date of the appraisal.

Our estimate considers the following factors:

1. The economic make-up of the community and the ongoing demand for the subject type,
2. The relationship between the property and the immediate environment,
3. Architectural design, style and utility from a functional point of view,
4. The trend and rate of change in the characteristics of the neighborhood that affect values,
5. Construction quality, and

6. Physical condition

The subject property is located in an established area of central metropolitan Atlanta. The area has good accessibility, and is well located with respect to availability of labor, supporting services, and surrounding complementary developments. The area's population and households are projected to grow at a moderate pace into the foreseeable future.

The subject neighborhood is in a growing life cycle stage, with new development (or redevelopment) planned and occurring. Some of the competition is the same sort of quality/condition/product type, etc. as the subject, though not age restricted. Some is less upscale. Prevailing underlying land values are stable and recovering, supporting likely ongoing contributory value of the improvements. There are no indications the area will experience any significant changes in the foreseeable future that will impact the economic viability of the subject.

The subject will be good to excellent quality construction with interior corridor-style floor plans. The unit mix and sizes will be consistent with competitive properties in the area and should fit the senior tenant base well. In addition, the subject's construction quality, condition and level of amenities will be consistent with other senior communities. There appears to be demand for similar units, and this demand should bode well for occupancy at the subject.

Considering all of these factors, our estimate of remaining economic life for the subject at completion is 55 years.

UNITS MIX / GROSS RENTS

The subject will have an estimated 62,895 net rentable square feet of apartments contained in 60 units. Each unit measures between 1,035 (57 units) and 1,300 (three units) square feet (average 1,048 square feet). In a later section of this report we will analyze the proposed rents.

ZONING ANALYSIS

According to the City of Powder Springs zoning office, the subject parcels are zoned MXU, Mixed Use. The subject proposed improvements have been specifically approved. We recommend contacting the local planning and development authority for further questions regarding zoning.

TAX ANALYSIS

Real property in Georgia is assessed at 40% of the assessor's estimated "fair market value." Taxes are determined based upon application of the local millage rate. The subject is located inside the city limits for Powder Springs. According to the Cobb County and Powder Springs Tax Commissioner's Offices, the 2013 combined millage rate for Cobb and Powder Springs was $38.460 per $1,000 of assessed value. Total tax burden for the vacant underlying parcel in 2013 was $9,121.

Since the subject is proposed, we must estimate the taxes once the improvements are completed and the property is stabilized. We estimated the subject's taxable value by comparing the property as proposed to similar apartment complexes located in the market area and reviewing the "fair market value" attributed to them by the county. Although many taxing authorities use *Marshall Valuation Service* and/or actual permit values to estimate building cost in their valuation analysis, tax values must be equitable. To estimate taxes we performed a review of several apartment complexes located in the area. The following table indicates the fair market and assessed values of four senior apartment complexes in Cobb County.

2014 SENIOR APARTMENT TAX COMPARABLES				
Comparable	**One**	**Two**	**Three**	**Four**
Name:	Parkland Manor	Ashton Arbors	Legacy Walton Vilage	Alta Ridenour
Address:	3755 Medical Park Drive	2780 Bankstone Drive SW	1570 Roberta Drive	1355 Ridenour Road
Tax ID No.:	19084600040	19062100040	17015302460	20021101620
No. of Units:	150	150	125	252
Year Built:	2006	2005	2007	2005
Avg. Unit Size	860	862	926	988
Value Per Unit:	$60,000	$46,725	$93,186	$71,385
Source: Cobb County Tax Assessor's records				

The subject will be a new complex in a good location. The four comparables present a fair market value range from $46,725 to $93,186 per unit, with an average of $67,824. The unit square footages presented above are based on gross building area (includes common area) divided by the number of units. The first comparable, Parkland Manor, is most similar to the subject physically and is the nearest. Ashton Arbors is also located in west Cobb. We relied on these two comparables, primarily, and reconciled to an estimate for the subject of $60,000 per unit.

Based on the above, we used an appraised value of $60,000 per unit in our analysis, or a total of $3,600,000, which indicates rounded real property ad valorem taxes of $923 per unit, summarized in the following chart.

ASSESSMENT AND TAX ESTIMATE AT COMPLETION				
Total Market Value	Assessed Value	Millage Rate	Indicated Taxes	Per Unit
$3,600,000	$1,440,000	$38.460	$55,382	$923

An overview of regional and local market conditions is a necessary aspect of the appraisal process. The market analysis forms a basis for assessing market area boundaries, supply and demand factors, and indications of financial feasibility. In this section of our report, we will review trends in the investment market relative to apartments in particular. Given that the subject is located within the Atlanta MSA, we will discuss the apartment market and general conditions for this product type in the metro Atlanta area, focusing on data through the second quarter of 2014. This presentation is followed by a discussion of the subject's submarket.

APARTMENT INVESTMENT MARKET

The following paragraphs were taken from *Emerging Trends in Real Estate 2014*. According to the study, moderate- and high-income apartment development prospects, as well as moderate-income investment prospects, remain among the strongest of all sectors rated for 2014 by survey respondents. Unlike last year, however, investors place them behind warehousing. Investment prospects for high-income apartments are lower than those for a wide range of commercial subsectors. The declining appetite for investing in high-income apartments is reflected, in part, in the sharp drop in “buy” recommendations from 44% in 2013 to 21% in 2014. Moderate-income apartments show their strength with an increase in “buy” recommendations for 2014 over 2013 – 38% versus 28%, respectively.

Many interviewees expressed a sentiment similar to the one expressed by a real estate analyst who said that apartments will be “fully supplied, not oversupplied” in 2014. The apartment sector may “flirt with overbuilding, but this industry can lay off the gas pedal fairly quickly.” Even with a strengthening of the single-family housing market, many interviewees are optimistic that multi-family will adjust appropriately. There still may be isolated pockets of over-building, particularly in the luxury market. “The peak of supply is coming this year and next year,” says a REIT executive. “Then what happens? If interest rates move up, can we get the rent to justify new supply? At some point, if costs are going up, how much farther can we push the rents?” Overall, even with a slight uptick in vacancy rates projected as additional units come on the market, rates are projected to remain relatively low in 2014 and for several years beyond, according to REIS.

According to the *PwC Real Estate Investor Survey - First Quarter 2014*, in the face of the largest wave of new supply in five years, investors maintain positive expectations for future rental rate growth in the national apartment market. Additions to apartment stock reached 126,639 units in 2013, and Reis predicts new supply to peak in 2014 at 161,640 units. Investors suggest that there are prospects for both new development and rent growth in certain markets, but remain aware of potential oversupply issues. “The best opportunities are in secondary markets with strong growth, but the challenges include new supply, rising construction costs, and higher interest rates," adds an investor. Survey participants indicate that prices for apartment assets range from 90.0% to 130.0% of replacement cost. The average is 104.5% of replacement cost, which is well above the 99.4% average from a year ago.

The *PwC Survey* indicates that overall capitalization rates for apartments in the Southeast Region range from 4.50% to 7.25%, with an average of 5.65% (institutional-grade properties). The average rate is down eight basis points from the previous quarter and is up seven basis points from the same period one year ago. It should be noted that National noninstitutional-grade capitalization rates on average are 120 basis points higher (Southeast Region is not currently being tracked). Investors indicated inflation assumptions for market rent generally ranging between 2.00% and 4.00%, with an average of 3.05%. Additionally, these investors quoted an expense inflation rate between 2.00% and 4.00%, with an average of 3.00%. Internal rate of return (IRR) requirements for the investors ranged from 6.50% to 10.00%, with an average of 7.85%, down from 7.95% in the prior quarter and 7.90% one year ago. The average marketing time ranged from one to 12 months, with an average of 4.0 months, down from 4.4 months in the prior quarter and 6.2 months one year ago.

ATLANTA MSA APARTMENT MARKET

Inventory And Overall Market Conditions

According to A*tlanta Apartment Market Tracker – Mid-Year 2013* (latest available) published by Dale Henson Associates, Inc., there are over 400,000 apartment units in market rate projects that contain over 50 units in the 11-county Tracker area. During the first half of 2013, there were 15 new starts in the 11-county metro Atlanta area. These complexes along with their respective submarkets and number of units are shown in the chart below.

2013 New Market Rate Starts - 11 County Metro		
Complex Name	**Submarket**	**# of Units**
Alta Brookhaven	Buckhead	230
Broadstone Peachtree	Buckhead	186
Buckhead Atlanta	Buckhead	370
Circle Terminus	Buckhead	360
Rocca at Piazza II	Buckhead	234
131 Ponce de Leon	Central	281
755 North	Central	227
Ponce City Market	Central	204
Trees of Newnan	Coweta	500
100 6th Street	Midtown	320
Circle Howell Mill	Midtown	259
Collier Lofts	Midtown	184
Colonial Homes Redevelopment	Midtown	278
Citizen Perimeter Apartments	Dunwoody	341
Perimeter Town Center	Dunwoody	350
Total		**4,324**

In the first half of 2013, unit starts were 4,324, up significantly from 2,315 during the first half of 2012. New unit market-rate deliveries increased to 1,873 in the 11-county Tracker area during 2013, up from 519 in the first half of 2012. The eleven-county *Tracker* area experienced new unit absorption (new never occupied units) of 1,411, up from 499 in the first half of 2012.

A new age-restricted, income-restricted complex is under construction in Acworth, Georgia, approximately 13 miles north of the subject. This development is a partnership between the Marietta Housing Authority and Walton Communities and will include PBRA units. The complex was proposed as Legacy at School Street Senior Apartments with 100 units in a multi-story building. All 100 units are income restricted, with 15 units at 50% AMI / PBRA, 45 units at 60% AMI / PBRA, and 40 units at 60% AMI. The unit mix is 60 one-bedroom and 40 two bedroom units. Construction began early 2014 and is slated for completion early 2015.

Effective Rent Trends

According to A*tlanta Apartment Market Tracker – Mid-Year 2013* published by Dale Henson Associates, Inc., average monthly effective rents in garden properties in the eleven-county *Tracker* area increased 4.1% from the middle of 2012. Effective rents were up to $808 from $776. At mid-year 2013, Class A apartments showed an increase of 5.0%, Class B apartments increased their effective rent by 4.0%, and Class C units were up 4.7% over the middle of 2012. In addition, concessions were down at $15, from $23 a year earlier.

Occupancy/Occupancy Trends

According to A*tlanta Apartment Market Tracker – Mid-Year 2013*, occupancy in the eleven core counties (garden properties only) increased to 91.8% during mid-year 2013, up from 90.7% the prior year. In fact, 19 of the 29 submarkets either stayed the same or experienced gains in occupancy during 2013. The losses in occupancy were reported by the Dunwoody (high rise only), Midtown (high rise only), Lindbergh (high rise only), Decatur, Buckhead, Henry, North Fulton, Central, Cherokee, and Rockdale markets.

THE SUBJECT'S WEST COBB SUBMARKET

Inventory

According to the Dale Henson reports, the subject is located in the West Cobb submarket. According to the *Mid-Year 2013 Atlanta Apartment Market Tracker*, in the West Cobb submarket, inventory is 3,500 apartment units in 14 properties. For the submarket, there were no units started in 2009; 2010, 2011, 2012 and 2013.

The A*tlanta Apartment Market Tracker – Pipeline Report Year-End 2012* published by Dale Henson Associates, Inc. reports that no properties are in the planning stages in the West Cobb submarket. One property very similar to the subject is under construction approximately 1.5 miles west of the subject in Paulding County. We discuss this project in detail later.

Occupancy

Overall occupancy for the West Cobb submarket at mid-year 2013 was 82.6%, down from 84.0% a year earlier. Occupancy for Class-B properties (no Class A in West Cobb) in this submarket at mid-year 2013 was 93.4%, an increase from 91.3% a year earlier. Occupancy for Class-C properties was 86.7%, an increase from 86.5% a year earlier. Occupancy for Class-D properties was 69.5%, a decrease from 78.2% a year earlier.

The best indicator for market health is the comparables located in the subject's immediate area. We surveyed six comparable apartment complexes in the subject and surrounding submarkets. The comparables reported physical occupancy levels between 83% and 100% with a weighted mean of 95%, indicating strong occupancy for age-restricted communities in the area.

	RENT COMPARABLES - OCCUPANCY				
	Complex	Rent Structure	Year Built	# of Units	Occupancy
1	Greenbrooke	Market	2005	120	100%
2	Parkland Manor	LIHTC 60%	2004	150	98%
3	Ashton Arbors	LIHTC 60%	2005	150	97%
4	Legacy Walton Village	Market, LIHTC 30%, 50% & 60%	2007	125	99%
5	Big Bethel Village	Market, LIHTC 60%	2003	120	83%
6	Alta Ridenour	Market, LIHTC 60%	2005	252	95%
	Weighted Average/Total:			917	95%

Comparables Two through Six have income restricted units, and all are age-restricted senior apartments. All are located in the west metro Atlanta area. Based on this information, we estimate a stabilized physical occupancy of 95% for the subject and an economic occupancy of 93%, which considers physical vacancy and collection loss. This loss is applied to apartment and other income.

Unit Vacancy Rates

Most complex managers do not have and/or divest vacancy rates by specific unit types. When queried, none of the "occupancy" comparable managers noted any abnormal vacancy trends as regard apartment sizes or unit mixes. We therefore project the subject will experience approximate 5% economic vacancies in all unit types.

Concessions

It does not appear that concessions are a significant factor in this submarket. However, in our competitive rent analysis, we will consider effective rent at the comparables and subject.

ABSORPTION

The *Atlanta Apartment Pipeline Report* lists one complex in Cobb County that recently reached stabilization. Highlands of West Village II, located off Hill Street in Mableton, is a non-age-restricted, 179-unit Phase which began construction in October 2011. According to the report, it reached stabilization in December 2012 with an absorption rate of 14.9 units per month. The entire Cobb County submarket absorbed 256 new units in 2012.

Several age-restricted complexes were built in the metro area in last decade. Antioch Manor Phase I has 120 units and reached stabilized occupancy within a year, or an average of ten units per month. Phase II reached stabilized occupancy of its 106 units at a rate of fifteen units per month. Ashley Auburn Pointe absorbed all of its market rate units within three months, and the subsidized units were allocated to tenants, though move-in took a while longer because of the transition process. Alta Johns Creek was completed in 2010 and leased an average of ten units per month until it reached stabilization. In addition, we spoke with Hearthside Johns Creek, which is also located in northeast Atlanta. According to the leasing agent, they started pre-leasing in October 2012 and reached stabilization by early 2013. The 90-unit complex (age 62+) received 49 applications before the end of August 2012.

Given that the subject will by an income restricted property, its absorption period should be comparable to the complexes listed above. Based on our experience with this type property, we forecast absorption at a rate of 10 units per month.

UNDER CONSTRUCTION

Legacy at Walton Mill is a proposed 105-unit, Class-A, income restricted senior apartment development. Reportedly, construction began in September 2013 with the first units to be available in August 2014 and completion of all units in November 2014. The 7.244-acre site is located at the southwest quadrant of Highway 278 (Wendy Bagwell Parkway) and Cleburne Parkway in Hiram, Paulding County, Georgia, about 1.5 miles west of the subject. The unit mix will contain one- and two-bedroom floor plans with sizes ranging from 810 to 1,209 gross rentable square feet and an average unit size of 1,042 gross rentable square feet. All of the units will be Low Income Housing Tax Credit (LIHTC) and subject to rent restrictions, and will be age restricted to 62 and older. Tenants' income levels cannot exceed 50% (16 units) and 60% (89 units) of area median income (AMI). All of the units will be contained in one, three-story elevator building and there will be a 4,888 square foot clubhouse/leasing office (attached). Construction will be wood frames on concrete slab with brick veneers and fiber cement siding and trim exteriors. Proposed complex amenities will include a clubhouse/leasing office with community room, fitness center, activity center, and laundry room. Additionally, they intend to partner with local senior service providers to make available a number of services for seniors, including continuing education, transportation to facilitate access to social services/doctors/shopping, senior counseling, recreational activities, grandparent mentoring programs, and preventive health care programs and health screening. This complex will provide direct competition for the subject.

COMPETITIVE ANALYSIS

We surveyed six comparable complexes in the area, five of which are income restricted to some degree, and all of which are age-restricted senior apartments. The comparables are all Class-B (suburban) complexes in terms of quality and amenities, built between 2003 and 2007 with unit counts from 120 to 252. The subject's proposed rents and the comparable rents are presented in the following charts. Further details, as well as photographs and a location map, are presented in the Addenda.

Two-Bedroom Units – LIHTC 50% & 60%

The subject proposes a 1,035 square foot two-bedroom, two-bathroom floor plan. The comparable two-bedroom units range in size from 760 to 1,151 square feet and average 993 square feet. The subject's proposed floor plan is within the range of the comparables. LIHTC rents at 50% AMI at the comparables are $684 ($0.62 per square foot). LIHTC rents at 60% AMI at the comparables range from $700 to $874 ($0.76 to $0.95 per square foot) and average $814 ($0.83 per square foot). The subject's proposed rent of $568 ($0.55 psf) for the 50% units, and $713 ($0.69 psf) for the 60% units appears reasonable. While they are on the low side, these rents reflect the maximum allowable.

For the hypothetical market rent analysis, we relied on the rents indicated by comparables One, Two and Four and reconciled to $1,000 per month or $0.97 per square foot. This rent is within the range of the comparables on a per-unit and per-square foot basis.

APARTMENT RENT COMPARABLE SUMMARY
TWO-BEDROOM UNITS

	Comparable	Bath	Size	Market Rent		LIHTC (50%)		LIHTC (60%)		
No.	Name	Qty.	(SF)	Per Unit	Per SF	Per Unit	Per SF	Per Unit	Per SF	Utilites
	Subject	2.0	1,035	$1,000	$0.97	$568	$0.55	$713	$0.69	T
1	Greenbrooke	1.5	1,044	$995	$0.95	N/Ap	N/Ap	N/Ap	N/Ap	T
2	Parkland Manor	1.0	922	$999	$1.08	N/Ap	N/Ap	$825	$0.89	T
2	Parkland Manor	2.0	1,037	$999	$0.96	N/Ap	N/Ap	$825	$0.80	T
3	Ashton Arbors	1.0	985	N/Ap	N/Ap	N/Ap	N/Ap	$810	$0.82	WST
4	Legacy Walton Village	2.0	1,100	$960	$0.87	$684	$0.62	$851	$0.77	T
5	Big Bethel Village	2.0	760	$1,555	$2.05	N/Ap	N/Ap	$700	$0.92	T
6	Big Bethel Village	2.0	793	$1,555	$1.96	N/Ap	N/Ap	$750	$0.95	T
6	Alta Ridenour	2.0	1,147	$1,165	$1.02	N/Ap	N/Ap	$874	$0.76	T
6	Alta Ridenour	2.0	1,151	$1,165	$1.01	N/Ap	N/Ap	$874	$0.76	T
	Average of comps		993	$1,174	$1.24	$684	$0.62	$814	$0.83	
	Maximum		1,151	$1,555	$2.05	$684	$0.62	$874	$0.95	
	Minimum		760	$960	$0.87	$684	$0.62	$700	$0.76	

Three-Bedroom Units – Market

The subject proposes a 1,300 square foot three-bedroom, two-bathroom floor plan. The comparable three-bedroom unit is 1,295 square feet. The subject's proposed floor plan is similar, though proposed rents are lower. The comparable is in a superior location. It is rare for age-restricted properties to offer a three-bedroom floorplan, so comparables are limited. This floorplan reflects only three units of the proposed 60 units. We relied on the rents indicated by Comparable Six, and supported the rent by comparing the rent per-square foot with that of the two-bedroom comparables as well. Because the majority of the units at the subject are income restricted, the property will be marketed as a restricted-income complex, and the market rent expectations for the three-bedroom units will be lower than for an all-market-rate property. As an income-restricted property, the subject should be able to achieve $1,000 per month rents. In the hypothetical scenario at all market rents, we estimated market rents at $1,200 per month for the three-bedroom units.

APARTMENT RENT COMPARABLE SUMMARY THREE-BEDROOM UNITS										
	Comparable	Bath	Size	Market Rent		LIHTC (50%)		LIHTC (60%)		
No.	Name	Qty.	(SF)	Per Unit	Per SF	Per Unit	Per SF	Per Unit	Per SF	Utilites
	Subject - Restricted	2.0	1,300	$1,000	$0.77	N/Ap	N/Ap	N/Ap	N/Ap	T
	Subject - Hyp Market	2.0	1,300	$1,200	$0.92	N/Ap	N/Ap	N/Ap	N/Ap	T
6	Alta Ridenour	1.0	1,295	$1,265	$0.98	N/Ap	N/Ap	$989	$0.76	T
	Average of comps		1,295	$1,265	$0.98	N/Ap	N/Ap	$989	$0.76	
	Maximum		1,295	$1,265	$0.98	N/Ap	N/Ap	$989	$0.76	
	Minimum		1,295	$1,265	$0.98	N/Ap	N/Ap	$989	$0.76	

INCOME/RENT RESTRICTIONS

It is our understanding that the property will be financed with proceeds from the syndication of federal and state 4% low income housing tax credits. When the tax credits are in place, income levels for the 57 LIHTC units must be at or below 60% and 50% of area median income (AMI). For Atlanta in 2014, per HUD, area median income is defined at $64,400. The restricted income levels are calculated at 50% and 60% of this figure.

MAXIMUM ALLOWABLE RENT PER AMI LEVEL													
				Income		Rent		Max. Gross				Max. Net
		# Persons	(	Limit	x	%	) / 12 =	Mo. Rent	-	Utilities	=	Mo. Rent
50% Inc.	2BR	3.0	(	$29,000	x	30%	) / 12 =	$725	-	$157	=	$568
60% Inc.	2BR	3.0	(	$34,800	x	30%	) / 12 =	$870	-	$157	=	$713

SUBJECT'S CHARACTERISTICS AND MARKETABILITY

The subject property is a proposed 60-unit age-restricted apartment complex situated on a 2.541-acre site. It is located at the southeast corner of Richard Sailors Parkway and Florence Road in Powder Springs, Cobb County, Georgia. This location is fewer than 1.5 miles east of the Paulding County line, and 19 miles west/northwest of the Atlanta CBD. The units will be contained in one, three-story elevator building. The unit mix will consist of 57 two-bedroom units and three three-bedroom units, ranging from 1,035 to 1,300 square feet (net leasable), with an average size of 1,048 square feet. The 57 two-bedroom units will be rented to tax credit qualified tenants earning not more than 50% (10 units) or 60% (47 units) of the area median income (AMI). The three, three-bedroom units are not income restricted. Complex amenities will include a covered porch, fitness center, central laundry facility, community room, arts and crafts room and interior gathering areas. Unit Amenities will include fully equipped kitchens with dishwashers, microwaves and disposals; washer and dryer connections; internet and cable access; and emergency pull-cords. Construction will be wood frame on concrete slab with brick veneers and HardiePlank siding exteriors. Reportedly, construction will begin late summer 2014 and take about 12 months to complete. It should be stabilized by January 2016. The site is currently partially wooded and generally level.

The subject property is located in an area that grew considerably 2000-2013 and has moderate (4%) growth predicted for the next five years. The area has good accessibility, and is well located with respect to availability of supporting services and surrounding complementary developments. The area's population and households are projected to grow at a moderate pace into the foreseeable future. Income indicators are in line with metro averages, suggesting an adequate pool of qualified tenants. These factors suggest the subject area should continue to be a stable location for the proposed subject age-restricted, affordable apartments. Overall, the proposed subject will be a good quality property in a good location and it is our opinion that if the subject was placed on the market, it would receive a moderate level of demand from a local or regional investor.

REASONABLE EXPOSURE AND MARKETING TIMES

Exposure time is always presumed to precede the effective date of appraisal. It is the estimated length of time the property would have been offered prior to a hypothetical market value sale on the effective date of appraisal. It assumes not only adequate, sufficient, and reasonable time but also adequate, sufficient, and reasonable marketing effort. To arrive at an estimate of exposure time for the subject, we considered direct and indirect market data gathered during the market analysis, the amount of time required for marketing the comparable sales included in this report, broker surveys, as well as information provided by national investor surveys that we regularly review. This information indicated typical exposure periods of less than twelve months for properties similar to the subject. Recent sales of similar quality apartment complexes were marketed for periods of less than twelve months. Therefore, we estimate a reasonable exposure time of 12 months or less.

A reasonable marketing time is the period a prospective investor would forecast to sell the subject immediately after the date of value, at the value estimated. The sources for this information include those used in estimating reasonable exposure time, but also an analysis of the anticipated changes in market conditions following the date of appraisal. Based on the premise that present market conditions are the best indicators of future performance, a prudent investor will forecast that, under the conditions described above, the subject property would require a marketing time of six to 12 months. This seems like a reasonable projection, given the current and projected market conditions.

In appraisal practice, the concept of highest and best use is the premise upon which value is based. The four criteria that the highest and best use must meet are: legal permissibility; physical possibility; financial feasibility; and maximum profitability.

Highest and best use is applied specifically to the use of a site as vacant. In cases where a site has existing improvements, the concluded highest and best use as if vacant may be different from the highest and best use as improved. The existing use will continue, however, until land value, at its highest and best use, exceeds that total value of the property under its existing use plus the cost of removing or altering the existing structure.

HIGHEST AND BEST USE AS VACANT

According the City of Powder Springs zoning office, the subject parcel is zoned MXU, Mixed Use District. Given the subject's specific location and surrounding uses, a zoning change seems unlikely. The site has adequate size and shape, and sufficient access and exposure to allow for nearly all types of allowable uses, but given the surrounding development and site area, it is best suited for some type of moderate-density multi-family use. There are a number of age-restricted multi-family developments in the west metro area that are performing well. High occupancy levels at several comparable property types (subsidized multi-family) in the market suggest there is demand for more apartment units. Market rents, however, would not likely support new development without some sort of subsidy. In our opinion, development of a subsidized multi-family use will result in a maximum productive use of the site. The proposed (subsidized) improvements are a form of the highest and best use of the site as if vacant.

HIGHEST AND BEST USE AS PROPOSED

The proposed improvements should be well suited for use as an apartment complex. It is possible the improvements could be converted to another use entirely, if the costs were justified. Justification seems highly unlikely. Our investigation indicates that there is demand in the area for apartments and age-restricted apartments. Based on our projected operating levels and our estimates of market value, which are discussed in a subsequent report section, the proposed improvements are capable of providing an adequate return on investment, after consideration of the low income housing tax credits. Therefore, we conclude that the proposed apartment development is representative of a financially feasible use. Given that the subject conforms to zoning, will be generally similar to other existing apartment complexes in the market, and can generate an adequate return, we estimate the proposed development is the maximally profitable use. Based on the foregoing discussions, we conclude that the highest and best use of the property, as improved, is the operation of a tax credit apartment complex.

Three basic approaches to value are typically considered. The cost, sales comparison, and income capitalization methodologies are described below.

- The **cost approach** is based on the premise that an informed purchaser will pay no more for the subject than the cost to produce an equivalent substitute. This approach is particularly applicable when the subject property is relatively new and represents the highest and best use of the land, or when relatively unique or specialized improvements are located on the site for which there exist few sales or lease comparables. The first step in the cost approach is to estimate land value (at its highest and best use). The second step is to estimate cost of all improvements. Improvement costs are then depreciated to reflect value loss from physical, functional and external causes. Land value and depreciated improvement costs are then added to indicate a total value.

- The **income approach** involves an analysis of the income-producing capacity of the property on a stabilized basis. The steps involved are: analyzing contract rent and comparing it to comparable rentals for reasonableness; estimating gross rent; making deductions for vacancy and collection losses as well as building expenses; and then capitalizing net income at a market-derived rate to yield an indication of value. The capitalization rate represents the relationship between net income and value.

  Related to the direct capitalization method is discounted cash flow (DCF). In this method of capitalizing future income to a present value, periodic cash flows (which consist of net income less capital costs, per period) and a reversion (if any) are estimated and discounted to present value. The discount rate is determined by analyzing current investor yield requirements for similar investments.

- In the **sales comparison** approach, sales of comparable properties, adjusted for differences, are used to indicate a value for the subject. Valuation is typically accomplished using physical units of comparison such as price per square foot, price per square foot excluding land, price per unit, etc., or economic units of comparison such as a net operating income (NOI) or gross rent multiplier (GRM). Adjustments are applied to the physical units of comparison. Economic units of comparison are not adjusted, but rather are analyzed as to relevant differences, with the final estimate derived based on the general comparisons. The reliability of this approach is dependent upon: (a) availability of comparable sales data; (b) verification of the data; (c) degree of comparability; and (d) absence of atypical conditions affecting the sale price.

For our analysis of the underlying land, we used only the sales comparison approach, which is the typical approach used for land valuation. Development cost information was provided, which was compared for reasonableness to actual costs of similar properties and information published by cost services. However, the construction costs as well as projections of operating income and expenses are considered.

In the analysis of the subject, there are significant weaknesses in the application of the cost approach. Construction of the proposed improvements would likely only be cost effective with subsidy. Investors of income producing properties typically do not perform a cost approach unless the building is new or fairly new, as they are most concerned with the income characteristics of the asset. In addition, the feasibility of this type of project is heavily dependant on the existence of the tax credits. We performed a traditional cost approach, but did not rely on the value indication in the reconciliation. Only consideration of multiple funding and financial incentives makes the proposed project feasible as an investment.

The income approach is particularly applicable to this appraisal since the income producing capability is the underlying factor that would attract investors to the subject property. There is an adequate quality and quantity of income and expense data available to render a reliable and defensible value conclusion. Therefore, this approach was employed for this assignment. We performed the direct capitalization analyses in this approach. It is more direct with fewer subjective variables, and is more commonly relied upon by investors for the subject property type.

In regard to the sales comparison approach, sale prices of income producing properties are highly dependent on income characteristics. For this reason, a comparison of the net income of each property is more indicative of value for the property than comparison of physical units. We also performed a physical adjustment analysis. Given the quality of the comparable sales information that we did obtain, we believe that this approach provides a fairly reliable value estimate.

At the request of our client, in order to comply with DCA appraisal requirements, we are appraising the property under several scenarios, including market rents assuming no rent restrictions. Thus, we must estimate the “hypothetical market value” of the fee simple interest in the subject property without regard to any restrictions.

The sales comparison approach is commonly used in the analysis of multi-family residential land by appraisers, as well as by purchasers and sellers in the market. In this analysis, sale prices of comparable sites are compared on a unit basis such as price per allowable or achievable unit, or price per acre, or price per square foot. Typically, when ample sales data can be found, adjustments can be determined and applied to provide a reasonable indication of value.

Because the subject zoning allows for multi-family use, and is planned for multi-family use, and there are no recent commercial land sales in the area, we will estimate the value of the subject site on a per-unit basis and not a per-acre basis.

DISCUSSION OF THE COMPARABLES

In our valuation of the subject site, we searched for sales of multi-family land sites within the metro-Atlanta area. Our search produced four sales that occurred between August 2012 and April 2014. These comparables are summarized in the following chart. A location map is included in the Addenda.

COMPARABLE MULTI-FAMILY LAND SALES

#	Grantor	Grantee	Date of Sale	Price	Land Area (Acres)	Units Planned	Units / Acre	Sale Price / Acre	Sale Price / Unit
1)	Assmeblage	OTH 12 LLC	Apr-14	$3,530,400	65.49	246	3.76	$53,905	$14,351
	Comments: This property is located along Brittney Place, east of Oak Road, in Lawrenceville, Gwinnett County. This land was listed for sale with a zoning that allows for a 246-unit senior housing/assisted living development. It is approved for 56 villas (1,200SF), 110 independent living units and an 80-bed assisted living facility. Access and exposure are considered average. All typical utilities are available to the site including sewer. The assmblage was resold the same day for $5,600,000 to CRP EAH HP L.L.C.								
2)	Resources For Residents & Communities	MHSE Reynoldstown Senior LP	Jun-13	$800,000	1.23	78	63.41	$650,407	$10,256
	Comments: This property is located along the north side of Marcus Street in Atlanta. According to a representative of the seller, the property was appraised and listed for $1,200,000. She indicated that they wanted to sell for $1,000,000, however, the seller is a non-profit and they came to a mutual agreement that it would serve the greater purpose of Reynoldstown. Because of rising construction cost, they agreed on the lesser amount. The buyer reportedly intends to build an affordable senior apartment complex containing 60 to 80 units (approved for 78 units). The project is filed as the "Reynoldstown Senior Apartments District" at 695 Field Street, targeted to residents over 55 years of age.								
3)	Ralph McGill Partners, LLC	Inland Atlantic Fourth Ward LLC	Dec-12	$3,200,000	2.44	231	94.67	$1,311,475	$13,853
	Comments: This site is located next to AMLI Parkside Apartments at 608 Ralph McGill Boulevard. The property was purchased by Inland Development and is slated for a seven-story multi-family apartment building. The neighboring AMLI apartment building contains 301 units on 5.26 acres, or 57 units per acre. Information available online lists up to 217 units on the 2.44 acre site, but the site plan has 231 units and 158,975 SF. The parcel was purchased from Ivan Allen Partners October 2012 for $2,120,000.								
4)	Argonaut Associates, LP	GA-KSU Holdings, LLC	Aug-12	$4,375,000	18.14	274	15.10	$241,180	$15,967
	Comments: This property is located along along the north side of Busbee Road, west of George Busbee Parkway, in Kennesaw, Cobb County. This land was sold for the development of a 274-unit apartment complex. Access and exposure are considered good. All typical utilities are available to the site including sewer.								

DISCUSSION OF ADJUSTMENTS

Condition of Sale

Comparable One is was an assemblage. Buyers are typically willing to pay more when assembling properties. Comparable One was adjusted downward. A representative of the seller of Comparable Two indicated that the land appraised for $1,200,000 and they wanted to sell for no less than $1,000,000; however, the seller is a non-profit, and they came to a mutual agreement that it would serve the greater purpose of Reynoldstown to sell the land for below the appraised price. Based on this information, we made an upward adjustment to account for the discount. Comparables Three and Four were reportedly arms length transactions and were not adjusted.

Market Conditions

The comparable sales closed between August 2012 and April 2014. Based on our research, land values in the subject market have been generally stable since that time period and the current date of appraisal. Thus, no adjustments are warranted for market conditions.

Location

The subject property is located in a residential and commercial corridor in west metro Atlanta. The area was formerly industrial-oriented and is being redeveloped with more residential and institutional improvements. Comparable Four is in a superior suburban location near a college and was adjusted downward. The rest of the comparables have location characteristics similar enough not to warrant adjustment.

Access/Exposure

The subject has good access and exposure along a primary neighborhood artery. Comparable One is located along a secondary roadway and was adjusted upward. Comparables Two, Three and Four are located along similar roadways and were not adjusted.

Size (# of units)

In terms of the total number of planned/permitted units, value typically tends to decrease per unit for larger projects, indicating a volume discount. The subject is planned for 60 units. Comparables One, Three and Four are proposed to have more units and receive upward adjustment. Comparable Two is similar enough not to warrant adjustment.

Density

On a price per unit basis, a higher density indicates less green space and common area per unit; therefore, a lower density is superior. The subject has a density of approximately 24 units per acre. Comparable One has a lower density and was adjusted downward. Comparables Two and Three have a higher density and were adjusted upward. Comparable Four did not warrant adjustment.

SUMMARY AND COMMENTS

The following adjustment grid illustrates our thought processes in the comparison of these sales to the subject. As shown, prior to adjustment, the comparables present a range of price per unit between $10,256 and $15,967, with an overall mean of $13,607 per unit.

COMPARABLE LAND SALES ADJUSTMENT GRID					
Sale No.	**Subject**	**1**	**2**	**3**	**4**
Date		April-14	June-13	December-12	August-12
Sale Price		$3,530,400	$800,000	$3,200,000	$4,375,000
Acres	2.541	65.493	1.230	2.440	18.140
Units	60	246	78	231	274
Density	23.61	3.76	63.41	94.67	15.10
Price per Unit		$14,351	$10,256	$13,853	$15,967
Conditions of Sale		-5%	25%	0%	0%
Market Conditions		0%	0%	0%	0%
Adjusted Price/Unit		$13,634	$12,821	$13,853	$15,967
Physical Adjustments					
Location		0%	0%	0%	-10%
Access/Exposure		10%	0%	0%	0%
Size (Nbr. Of Units)		5%	0%	5%	5%
Density		-5%	5%	5%	0%
Net Adjustment		10%	5%	10%	-5%
Adjusted Indication		$14,997	$13,462	$15,238	$15,169
Indicated Range:		$13,462	to	$15,238	
Adjusted Mean:			$14,716		

After application of adjustments, the range of indicated price per unit is between $13,462 and $15,238, with a mean of $14,716 per unit. We placed weighted emphasis on Comparable Two ($13,462) because it is the most similar to the subject, a senior project of similar size. Thus, we estimate a value for the subject site (as vacant) at $14,500 per unit, which reflects the following:

ESTIMATED LAND VALUE				
Units		$/Unit		Total
60	X	$14,500	=	$870,000
Rounded:				$870,000

In this section of our report, we will present the developer's estimated costs for the proposed development. We reviewed a development cost budget provided to us by our client and compared the information to that published by *Marshall Valuation Service*. The latter publication is used nationwide by real estate appraisers and analysts to estimate replacement costs for all building types. In our analysis of *Marshall Valuation Service* information, we employed the comparative unit method. This method is based on unit costs of similar structures adjusted for time, location, and physical differences.

We compiled the summary shown in the following chart of the subject's construction costs. As indicated on the chart, the projected total direct and indirect costs for the subject are $10,259,333. This equates to $170,989 per apartment unit and $125.72 per gross square foot.

DEVELOPMENT BUDGET
Abbington Trail
60 Apartment Units - 81,602 Gross SF

Direct Costs	**Total**	**Per Unit**	**Per SF**
Construction	$4,173,773	$52,172	$80.00
Site Preparation	1,093,770	13,672	20.96
Builders Overhead	105,351	1,317	2.02
Builder Profit	316,053	3,951	6.06
General Requirements	316,053	3,951	6.06
Construction Contingency	300,250	3,753	5.75
Construction Period Financing	547,097	6,839	10.49
Government Fees	444,342	5,554	8.52
Furniture & Fixtures	120,000	1,500	2.30
Engineering and Appraisal	42,750	534	0.82
Total Hard Costs	$7,459,439	$93,243	$91.41
Indirect Costs			
Permanent Financing Fees	$74,000	$1,233	$0.91
Tax Credit Fees	115,743	1,929	1.42
Professional Services	388,500	6,475	4.76
Equity Costs	2,500	42	0.03
Marketing & Start Up	219,310	3,655	2.69
ECC 3rd Party Costs	84,440	1,407	1.03
Total Indirect Costs	$884,493	$14,742	$10.84
% Of Direct Costs	11.9%		
Total Direct & Indirect Costs	**$8,343,932**	**$139,066**	**$102.25**
Land Acquisition	$845,000	$14,083	$10.36
Developer Fee	$1,070,401	$17,840	$13.12
Total Development Cost	**$10,259,333**	**$170,989**	**$125.72**

With regard to *Marshall Valuation Service*, as reported in the property description section, the proposed apartment complex is classified as a Class D structure, masonry veneer.

Our review of information included in the cost manual indicates that the buildings will qualify as average to good cost quality multiple residences. *Marshall Valuation Service* cost estimates include the following.

1. Final costs to the owner, including average architect and engineer's fees. These, in turn, include plans, plan check, building permits and survey(s) to establish building lines and grades.
2. Normal interest on building funds during the period of construction plus a processing fee or service charge.
3. Materials, sales taxes on materials, and labor costs.
4. Normal site preparation including finish grading and excavation for foundation and backfill.
5. Utilities from structure to lot line figured for typical setback.
6. Contractor's overhead and profit, including job supervision, workmen's compensation, fire and liability insurance, unemployment insurance, equipment, temporary facilities, security, etc.

As shown in the following chart, after inclusion of costs for built-in appliances and adjustments for current and local cost multipliers, *Marshall's* indication of direct costs for the improvements are between about $78 and $97 per square foot. The provided budgeted hard cost estimate ($91) is within the range. Given their expertise in construction costs of multifamily properties, we believe that the projections of direct costs provided by the developer are reasonable.

MARSHALL VALUATION SERVICES Average Cost Quality Multiple Residences (Senior Citizen), Class D Masonry Veneer					
	Cost Per SF	Current Multiplier	Local Multiplier	Gross SF	Cost
Apartment Buildings	$73.49	1.10	0.94	81,602	$6,200,827
Elevator					$57,750
Appliances	$1,670			60	$100,200
Total Cost					$6,358,777
Cost Per SF					**$77.92**
Good Cost Quality Multiple Residences (Senior Citizen), Class D Masonry Veneer					
	Cost Per SF	Current Multiplier	Local Multiplier	Gross SF	Cost
Apartment Buildings	$92.02	1.10	0.94	81,602	$7,764,323
Elevator					$57,750
Appliances	$1,670			60	$100,200
Total Cost					$7,922,273
Cost Per SF					**$97.08**

INDIRECT COSTS

Indirect costs include such items as legal, title and appraisal fees, contingencies, and other miscellaneous costs. Typically, these costs total 5% to 15% of direct costs, but they are higher for LIHTC properties due to additional financing fees. According to the developer's budget, they project indirect costs at $884,493, or 12% of direct costs. The budgeted amount seems reasonable. For our analysis, we used 12% of direct cost, or $895,133.

BUILDER AND SPONSOR PROFIT AND RISK

Typically, builder and sponsor profit and risk is between 10% and 15% of direct costs. The developer included $1,070,401 or 13%. We used 15% in our analysis.

CONCLUSION

Based on the information presented in this section, the provided costs estimates appear reasonable. The total costs, inclusive of builder and sponsor profit and risk, plus our estimate of land value, are $10,343,488, rounded to $10,350,000, which equates to $172,500 per unit and $126.84 per gross square foot.

COST APPROACH SUMMARY
Abbington Trail Senior Apartments

	Gross SF		Total	Per SF
Direct Costs	81,602		$7,459,439	$91.41
Indirect Costs	12.0%		895,133	10.97
Total Direct and Indirect Costs			$8,354,572	$102.38
Developer's Profit		15%	1,118,916	13.71
Estimated Replacement Cost New of Improvements			$9,473,488	$116.09
Depreciation				
Physical Curable		0		
Physical Incurable		0		
Functional / External		0		
Total Depreciation			$0	$0.00
Estimated Depreciated Replacement Cost			$9,473,488	$116.09
Estimated Land Value			$870,000	$10.66
Indicated Value by Cost Approach			$10,343,488	$126.75
Rounded			$10,350,000	$126.84
Per Apartment Unit			$172,500	

The income capitalization approach to value is based upon an analysis of the economic benefits to be received from ownership of the subject. These economic benefits typically consist of the net operating income projected to be generated by the improvements. There are several methods by which the present value of the income stream may be measured, including direct capitalization and a discounted cash flow analysis. In this section, we used the direct capitalization method. We initially estimated potential rental income, followed by projections of vacancy and collection loss and operating expenses. The resultant net operating income is then capitalized into a value indication based on application of an appropriate overall capitalization rate.

In the case of the subject, we initially valued the property based on its projected income-restricted rents. We also estimated the value based on hypothetical market rents.

SUMMARY RENT RECOMMENDATIONS

As previously discussed in the Market Analysis, we concluded income-restricted rents for the proposed subject two-bedroom plan of $568 for the 50% LIHTC units and $713 for the 60% LIHTC units. The three-bedroom floorplan we estimated rent at $1,000 per unit when the property is operating as an income-restricted complex. This gives a potential gross income of $506,292 or $8,438 per unit (annually).

UNIT MIX AND APPRAISER PROPOSED RENTS
Abbington Trail

Unit Type	No. Units	Net Mkt SF	Net Monthly Rent	Total Income
2BR2BA LIHTC 50%	10	1,035	$568	$68,160
2BR2BA LIHTC 60%	47	1,035	$713	$402,132
3BR2BA MARKET	3	1,300	$1,000	$36,000
Total/Average	60	1,048	$703	$506,292

At hypothetical market rents, as an all market rate complex, the two-bedroom floorplan market rents should be $1,000 per month, and the three-bedroom $1,200 per month.

UNIT MIX AND APPRAISER PROPOSED RENTS
Hypothetical Market Rents
Abbington Trail

Unit Type	No. Units	Net Mkt SF	Net Monthly Rent	Total Income
2BR2BA Market	57	1,035	$1,000	$684,000
3BR2BA Market	3	1,300	$1,200	$43,200
Total/Average	60	1,048	$1,010	$727,200

RENT RESTRICTED ANALYSIS

OTHER INCOME

Other Income in the apartment market is derived from laundry income, forfeited deposits, pet fees, application fees, late payment fees, utility reimbursement income, vending machines, etc. IREM shows a range of $330 to $1,219 with a median of $909 per unit. As a percentage of PGI, IREM shows a range of 3.3% to 10.3% with a median of 8.0%. Typically, other income at income restricted communities is lower than at market rate properties. The developer's budget includes $123 per unit, which seems reasonable. Based on this information, we estimated $125 per unit for other income.

VACANCY AND COLLECTION LOSS

As discussed in the Market Analysis section of this report, we estimate a combined vacancy and collection loss of 7% for the subject as restricted.

EFFECTIVE GROSS INCOME

Based on our estimates of apartment and other income and vacancy and collection loss, effective gross income for the subject would be $477,827, or $7,964 per apartment unit. The developer's projections are $471,038 or $7,851 per unit.

EXPENSE ANALYSIS

In estimating reasonable operating expenses, we gave consideration to the developer's operating budget and industry standard expenses as published in the 2013 edition of the *Income/Expense Analysis – Conventional Apartments* published by IREM (Institute of Real Estate Management). In addition, we considered operating data from four highly similar newer interior corridor apartment complexes operated in various locations in Georgia. The developer's operating expense budget, and IREM data, as well as a combined Expense Analysis Sheet showing the expense comparable data are shown in the following charts.

DEVELOPER PROFORMA Abbington Trail Senior Apartments 60 Apartment Units - 62,895 Rentable SF				
		Total	Per Unit	Per SF
Potential Gross Income		$499,092	$8,318	$7.94
Plus Other Income		7,400	123	0.12
Potential Gross Income		$506,492	$8,442	$8.05
Vacancy and Collection Loss	7.0%	$35,454	$591	$0.56
Effective Gross Income		$471,038	$7,851	$7.49
Expenses				
Real Estate Taxes		$60,000	$1,000	$0.95
Insurance		27,250	454	0.43
Management Fee	6.0%	28,262	471	0.45
Utilities		34,627	577	0.55
Salaries & Labor		0	0	0.00
Maintenance & Repairs		50,000	833	0.79
Advertising & Promotion		0	0	0.00
Administrative/Misc.		40,000	667	0.64
Total Expenses		$240,139	$4,002	$3.82
Reserves		$15,000	250	0.24
Total Operating Expenses		$255,139	$4,252	$4.06
Net Income		$215,898	$3,598	$3.43

2013 IREM INCOME & EXPENSE DATA FOR ATLANTA METRO						
	Annual Inc. & Exp. as % of GPI			Annual Income & Exp Per Unit		
Income & Expense Category (A)	Low	Median	High	Low	Median	High
Income						
Gross Possible Rents:	89.7%	92.1%	96.6%	$7,863	$9,231	$11,058
Other Income:	3.3%	8.0%	10.3%	$330	$909	$1,219
Gross Possible Income:	100.0%	100.0%	100.0%	$8,698	$10,319	$11,764
Vacancies/Rent Loss:	4.5%	8.6%	13.3%	$567	$815	$1,272
Total Collections:	79.4%	87.6%	93.4%	$7,224	$8,913	$10,446
Expenses (B)						
Real Estate Taxes	6.0%	7.6%	9.3%	$456	$733	$939
Insurance	1.3%	2.2%	2.8%	$149	$186	$233
Management Fee	2.4%	3.3%	4.7%	$229	$343	$486
Total Utilities **(1)**	5.5%	7.4%	9.9%	$619	$804	$1,014
Water/sewer (common & Apts)	4.1%	5.5%	7.5%	$471	$600	$771
Electric (common only)	1.3%	1.7%	2.1%	$139	$179	$209
Gas (common only)	0.1%	0.2%	0.3%	$8	$25	$33
Total Utilities **(2)**	5.2%	7.1%	11.1%	$587	$746	$831
Water/sewer (common only)	3.8%	5.2%	8.7%	$439	$542	$589
Electric (common only)	1.3%	1.7%	2.1%	$139	$179	$209
Gas (common only)	0.1%	0.2%	0.3%	$8	$25	$33
Salaries and Administrative (C)	7.4%	9.6%	18.8%	$773	$1,099	$1,575
Other Administrative	2.8%	4.0%	7.5%	$307	$460	$652
Other Payroll	4.6%	5.6%	11.3%	$467	$639	$923
Maintenance & Repairs	2.5%	3.7%	4.8%	$224	$356	$631
Painting & Redecorating (D)	1.1%	1.5%	2.1%	$109	$174	$294
Grounds Maint. & Amenities (D)	1.4%	1.9%	2.4%	$138	$179	$263
Grounds Maintenance	1.3%	1.7%	2.1%	$130	$162	$238
Recreational/Amenities	0.1%	0.2%	0.3%	$9	$17	$26
Security (D)	0.6%	0.2%	1.0%	$17	$43	$86
Other/Miscellaneous	0.4%	1.6%	4.1%	$37	$130	$462
Other Tax/Fee/Permit	0.1%	0.1%	0.2%	$12	$12	$24
Supplies	0.1%	0.4%	0.9%	$12	$58	$116
Building Services	0.3%	0.8%	1.7%	$28	$66	$160
Other Operating	0.1%	0.8%	2.4%	$9	$64	$302
Total Expenses:	32.5%	38.9%	47.6%	$3,855	$4,374	$4,956
Net Operating Income:	30.4%	49.8%	55.3%	$2,883	$5,318	$6,176

Notes: Survey for Atlanta Metro includes 18,296 apartment units with an average unit size of 1,016 square feet.
(A)*Median* is the middle of the range,*Low* means 25% of the sample is below this figure,*High* mean 25% is above.
(B)Line item expenses do not necessarily correspond to totals due to variances in expenses reported and sizes of reporting complexes.
(C)Includes administrative salaries and expenses, as well as maintenance salaries.
(D)Includes salaries associated with these categories.

Source: 2013 *Income/Expense Analyses: Conventional Apartments* by the Institute of Real Estate Management (IREM).

SENIOR / LIHTC APARTMENT OPERATING EXPENSE COMPARABLES								
Property Name	Legacy at Walton Lakes		Auburn Pointe, Phase I		Legacy at Walton Village		Legacy at Walton Oaks	
Location	Atlanta, GA		Atlanta, GA		Marietta, GA		Augusta, GA	
Apartment Type	Senior-Interior Corridor		Interior Corridor		Senior-Interior Corridor		Senior-Interior Corridor	
No. Units	126		154		125		75	
Avg. Unit Size	1,090		978		926		962	
Year Built	2009		2010		2006		2011	
	Actual	Trended	Actual	Trended	Actual	Trended	Actual	Trended
Effective Date/% Trended	2012	0.0%	2013	0.00%	2012	0.00%	2012	0.00%
Real Estate Taxes	$723	$723	$524	$524	$623	$623	$0*	$0*
Insurance	216	216	213	213	234	234	240	240
Management Fee:	279	279	539	539	244	244	240	240
% of EGI	3.0%		6.0%		3.0%		3.9%	
Utilities	444	444	758	758	390	390	710	710
Salaries & Labor	1,153	1,153	1,701	1,701	1,415	1,415	2,757	2,757
Repairs/Redecorating	291	291	515	515	590	590	487	487
Landscaping/Amenities	186	186	111	111	281	281	115	115
Advert. & Promotion	130	130	157	157	94	94	234	234
Administrative/Misc.	630	630	949	949	548	548	849	849
Total Expenses	$4,052	$4,052	$5,467	$5,467	$4,419	$4,419	$5,632	$5,632
*Tax Exempt								

Real Estate Taxes

As discussed in the Tax Analysis section of this report, the subject apartments will be appraised at completion. We estimated a value of $60,000 per unit for a tax burden of $55,382, which we rounded to $55,000. We estimate real estate taxes at **$917** per unit.

Insurance

IREM indicates a range of $149 to $233 per unit, and a median of $186 per unit. The comparables indicate insurance expenses within a range of $213 to $240 per unit with an average of $226. The developer budgeted $454 per unit. We have estimated the insurance expense similar to that indicated by the comparables and IREM at **$225** per unit.

Management Fee

Management expense for an apartment complex is typically negotiated on a percent of collected revenues (effective gross income, or EGI). This percentage typically ranges between 3.0% to 5.0%, depending on the size of the complex and position in the market. In other words, a large, upscale property might be managed at the lower end of the cost range. IREM indicates a range from 2.4% to 4.7% with a median of 3.3%, or $229 to $486 per unit with a median of $343. The comparables ranged from $240 to $539 per unit with an average of $326 per unit or a range of 3.0% to 6.0% of EGI. It is not unusual for LIHTC properties to have management fees of 6%, since incomes are typically lower. The developer indicated a 6.0% management fee, or $471 per unit, which is reasonable for a LIHTC property. We concluded **6%**, which equates to **$478** per unit.

Utilities

This expense covers all energy costs related to the leasing office, vacant units, and common areas, including exterior lighting. It also typically includes trash removal and water/sewer costs for apartments. IREM indicates a range of $587 to $831 per unit, and a median of $746 per unit. The comparables indicate utilities expenses within a range of $390 to $758 per unit with an average of $576. However, inclusions differ. At the subject complex, tenants will pay all utilities for their unit except trash. Thus, the owner is responsible only for trash. It is also worth noting that the subject will be interior corridor and served by an elevator, which tends to increase operating costs. The developer indicates a total utilities expense of $600 per unit, which seems reasonable. Considering the minimal owner utility liability at the proposed subject (trash and common area water/sewer and electric), we estimate a utility expense of **$600** per unit.

Salaries and Labor

This expense covers all payroll and labor expenses, including direct and indirect expenses. The taxes and benefits portion of this expense also includes the employer's portion of social security taxes, group health insurance and workman's comp insurance. In addition, employees typically incur overtime pay at times. The IREM expense chart reflects combined salaries and administrative expenses within a range of $773 to $1,575 per unit, and a median of $1,099 per unit. The comparables indicate payroll expense within a range of $1,153 to $2,757 per unit (exclusive of administrative) and average $1,757 per unit. The developer did not include an estimate of salaries and labor, and related expenses. We have estimated **$1,000** per unit for total payroll.

Painting And Redecorating (Turnkey) And Maintenance And Repairs - Combined

The allowance for interior decoration typically includes the cost of apartment turnkey, painting, cleaning and carpet shampooing, but not extraordinary expenses such as sheetrock, appliances and other miscellaneous repairs. Interior decoration, or turnkey expense, is based primarily on the number of units vacated during the year. Frequently we discover this category is consolidated with maintenance and repairs. The latter category includes the cost of building and exterior repairs, exterior painting, electrical repairs, plumbing and miscellaneous repairs. It also includes cost to maintain the elevators. Maintenance and repairs expenses vary considerably from complex to complex and from year to year, due primarily to scheduling of repairs and accounting procedures. Apartment owners often list replacement items under "maintenance and repairs" for more advantageous after-tax considerations. Data obtained from IREM indicates a range of $333 to $925 per unit, and a median of $530 per unit for the Atlanta area. The comparables present a combined range of $291 to $590 with an average of $471. The provided budget indicates $833 per unit combined for maintenance and redecorating, but we assume that some of this expense includes maintenance salaries, which we included above. We note that the subject will be new construction and the maintenance and turnover expenses should be low for at least the first few years. We estimate **$500** per unit for repairs and maintenance including turnkey.

Landscaping and Amenities

Landscaping, or grounds maintenance, includes normal grounds landscaping and maintenance. Routine pool maintenance is typically performed by the maintenance personnel at larger complexes. IREM indicates a range of $138 to $263 per unit, and a median of $179 per unit. The comparables indicate a range of $111 to $281 with an average of $173. The provided budget did not include a line item for landscaping and amenities. Although the subject will have an amenity package, there will be minimal green space for landscaping. Based upon this data, we estimate **$75** per unit.

Advertising And Promotion

This expense category accounts for placement of advertising, commissions, signage, brochures, and newsletters. Advertising and promotion costs are generally closely tied to occupancy. If occupancy is considered high and the market is stable, then the need for advertising is not as significant. However, if occupancy is considered to be low or occupancy tends to fluctuate, then advertising becomes much more critical. Our analysis assumes that the property is operating at stabilized levels, however, rent restricted properties typically incur lower advertising expenses. IREM does not separately report advertising expenses. The comparables indicate a range of $94 to $234 per unit with an average of $154. The developer’s budget did not include advertising. Based upon the above discussion, we included a stabilized advertising and promotion cost of **$100** per unit.

Administrative And Miscellaneous Expense

This expense includes such items as legal, accounting, office supplies, answering service, telephone, etc. It is noted that rent restricted properties typically incur higher administrative expenses as the level of paperwork and administrative responsibility is much larger. IREM indicates a range of $37 to $462 per unit, and a median of $130 per unit for the Atlanta area. However, as noted earlier, IREM includes most traditional administrative costs within their Salaries and Administrative cost category. The comparables indicate a range of $548 to $949 with an average of $744 per unit. The provided operating budget includes $667 per unit, but we assume that some of this expense includes administrative salaries, which we included above. Based upon this data, we projected Administrative and Miscellaneous Expense at **$500** per unit.

Reserves for Replacement

Reserves for replacement is an annual allowance for the periodic replacement of roof covers, paving, carpeting, HVAC units, appliances, and other short-lived items. Investors of apartment properties sometimes establish separate accounts for reserves in the pro forma analysis. IREM does not chart this category and it is not included for the comparables. Typically, reserves range from $200 to $300 per unit, depending on age, condition, and size. The developer's budget includes $250 per unit for reserves. It is also important to consider that the subject will be new with many major components under warranty for at least the first couple of years, which should hold reserves/capital expenditures down over the holding period. However, it is also interior corridor and will be served by an elevator. We included reserves in our analysis at **$250** per unit.

Summary of Expenses

The estimated expenses total $278,670 including reserves, which equates to $4,644 per unit ($4,394 without reserves). The developer projected total expenses of $4,252 per unit including reserves ($4,002 without reserves), which is slightly lower than our estimate. Total expenses reported by IREM, which do not include reserves, ranged from $3,855 to $4,956 with a median of $4,374 per unit for Atlanta. Our estimates, not including reserves, are within the range indicated by IREM. The expense comparables, which also do not include reserves, indicate a range of $4,052 to $5,632, with an average of $4,893. Our estimate is within the range indicated by the operating expense comparables (including or excluding reserves). Based upon the prior discussion, we believe our estimates of operating expenses are reasonable and appropriate.

NET OPERATING INCOME

Our estimates of income and expenses for the subject apartments, under the restricted scenario, result in a net operating income projection of $199,157, or $3,319 per unit.

CAPITALIZATION OF NET OPERATING INCOME

Generally, the best method of estimating an appropriate overall rate is through an analysis of recent sales in the market. The following table summarizes capitalization rates extracted from the apartment sales presented in the sales comparison approach.

IMPROVED SALES SUMMARY									
No.	Name Location	Sale Date	Number of Units	Year Built	Price Per Unit	Avg. Unit Size (SF)	Occupancy at Time Of Sale	NOI/Unit at Sale	OAR
1	Parc at Dunwoody, Atlanta, GA	Jan-14	312	1980	$59,728	878	93%	$3,882	6.50%
2	Woodland Ridge, Norcross, GA	Dec-13	302	1986	$57,577	1,018	99%	$4,117	7.15%
3	Jasmine at Winters Chapel, Atlanta, GA	Oct-13	592	1989/2007	$55,743	813	99%	$3,763	6.75%
4	Windridge, Atlanta, GA	Aug-13	272	1982	$56,265	855	96%	$3,770	6.70%
5	Mountain Vista, Stone Mountain, GA	May-13	144	1985	$41,493	1,099	94%	$3,108	7.49%

Capitalization rates reflect the relationship between net operating income and the value of receiving that current and probable future income stream during a certain projection period or remaining economic life. In selecting an appropriate capitalization rate for the subject, we considered those rates indicated by recent sales of properties which are similar to the subject with regard to risk and duration of income, quality and condition of improvements, and remaining economic life. Primary factors that influence overall rates include potential for income increases over both the near and long terms, as well as appreciation potential. Adjustments for dissimilar factors that influence the utility and/or marketability of a property, such as specific location within a market area; land/building ratio; functional efficiency, quality, and condition of improvements; and specific features of the building and land improvements, are inherently reflected by the market in the form of varying market rent levels. As rent levels form the basis for net income levels, the market has, in effect, already made the primary adjustments required for those factors, and any significant adjustments to overall rates based upon these dissimilarities would merely distort the market data.

The overall rates of the comparable properties indicate a range from 6.50% to 7.49%, with a mean of 6.92%. As mentioned in the Market Analysis section, the *PwC Survey* indicates that overall capitalization rates for apartments in the Southeast Region range from 4.50% to 7.25%, with an average of 5.65% (institutional-grade properties). The average rate is down eight basis points from the previous quarter and is up seven basis points from the same period one year ago. It should be noted that National noninstitutional-grade capitalization rates on average are 120 basis points higher (Southeast Region is not currently being tracked). The average marketing time ranged from one to 12 months, with an average of 4.0 months, down from 4.4 months in the prior quarter and 6.2 months one year ago.

Band Of Investment

We also utilized the mortgage-equity procedure, which is presented in the following chart. Under this procedure, the overall capitalization rate considers the returns on the mortgage and equity positions as well as the equity build-up that accrues as the loan principle is paid off. For properties like the subject Steelhead Capital indicates a typical loan-to-value ratio of 75%, a fixed interest rate of 4.34% to 5.09% and a 30-year amortization with a balloon in 10 years. For this analysis, we used an 75% loan-to-value, an interest rate of 4.50%, 30-year amortization, a 10-year balloon, and property appreciation of 2.0% annually (reasonable considering the current market). Equity yield rates are more difficult to ascertain. However, based on discussions with investors and valuation experts, and consideration of alternative investment choices and comparing the risks involved with each, we concluded an equity yield rate of 15% is considered reasonable. As shown on the following chart, the indicated overall capitalization rate based on the foregoing parameters equates to approximately 6.50% (rounded to the nearest 0.25%).

CAPITALIZATION RATE DERIVATION BY MORTGAGE/EQUITY TECHNIQUE

ASSUMPTIONS	
Mortgage Amortization Term	30 Years
Holding Period	10 Years
Mortgage Interest Rate	4.50%
Loan-to-Value Ratio	75%
Annual Constant for Monthly Payments	0.060802
Required Equity Yield Rate	15%
Assumed Net Annual Appreciation	2.00%

CALCULATIONS

Basic Rate Calculation:								
Mortgage:	75%	x	0.060802	=			0.045602	
Equity:	25%	x	0.150000	=			+ 0.037500	
Composite Basic Rate:								0.083102
Credit For Equity Build-up Due to Amortization Over Holding Period:								
Mortgage (Loan-to-Value Ratio):				75%				
Sinking Fund Factor @	15%		For	10 Years		=	0.049252	
Percentage of Loan Principal Repaid After				10 Years		=	19.9103%	
Credit:	75%	x	0.049252	x	0.199103	=		0.007355
Appreciation Factor Over the Holding Period:								
Appreciation Credit @	2%		Over	10 Years		=	21.8994%	
Sinking Fund Factor @	15%		For	10 Years		=	0.049252	
Credit:	21.8994%	x	0.049252			=		0.010786

INDICATED CAPITALIZATION RATE

Basic Rate:		0.083102
Less Credit For Equity Build-up:	-	0.007355
Less Credit For Appreciation:	-	0.010786
INDICATED CAPITALIZATION RATE:		**0.064961**
ROUNDED:		**6.50%**

Capitalization Rate - Conclusion

Based on the information provided by the comparables, the investor survey and the band of investment technique, we estimate an overall rate of between 6.25% and 6.75% (reconciled to 6.50%) as appropriate for the subject.

A summary of the stabilized pro forma income and expense statement, including our capitalized value estimate, is presented in the following chart. As shown, our final value estimate by this method of analysis is a rounded **$3,000,000**, or $50,000 per unit.

STATIC PRO FORMA Abbington Trail 60 Apartment Units - 62,895 Rentable SF		Total	Per Unit	Per SF
Potential Gross Apartment Income		$506,292	$8,438	$8.05
Plus Other Income		7,500	125	0.12
Potential Gross Income		$513,792	$8,563	$8.17
Vacancy and Collection Loss	7.0%	$35,965	$599	$0.57
Effective Gross Income		$477,827	$7,964	$7.60
Expenses				
Real Estate Taxes		$55,000	$917	$0.87
Insurance		13,500	225	0.21
Management Fee	6.0%	28,670	478	0.46
Utilities		36,000	600	0.57
Salaries & Labor		60,000	1,000	0.95
Maintenance & Repairs/Turnkey		30,000	500	0.48
Landscaping		4,500	75	0.07
Advertising & Promotion		6,000	100	0.10
Administrative/Misc.		30,000	500	0.48
Total Expenses		$263,670	$4,394	$4.19
Reserves		$15,000	250	0.24
Total Operating Expenses		$278,670	$4,644	$4.43
Net Income		$199,157	$3,319	$3.17
Overall Rates/Indicated	6.25%	$3,186,511	$53,109	$50.66
Values	6.50%	$3,063,953	$51,066	$48.72
	6.75%	$2,950,474	$49,175	$46.91
Stabilized Reconciled Value		$3,000,000	$50,000	$47.70

HYPOTHETICAL MARKET RENT ANALYSIS

We were also asked to estimate the market value of the subject using hypothetical market rents. We applied the market rent levels, as discussed previously in the market analysis section, to all of the subject's units. This gives a potential gross income of $727,200 or $12,120 per unit (annually).

UNIT MIX AND APPRAISER PROPOSED RENTS
Hypothetical Market Rents
Abbington Trail

Unit Type	No. Units	Net Mkt SF	Net Monthly Rent	Total Income
2BR2BA Market	57	1,035	$1,000	$684,000
3BR2BA Market	3	1,300	$1,200	$43,200
Total/Average	60	1,048	$1,010	$727,200

Market rate complexes typically also have higher other income, which we estimated at $250 per unit or 4.1% of potential gross rental income. Vacancy and credit loss would likely increase slightly to 8%, reasonable for the submarket. At hypothetical market rents, the effective gross income is $696,624 or $11,610 per unit.

A market rate project would also have different expense levels in some categories. In the case of the subject, with its fewer number of units, expenses would still be somewhat higher because it is not large enough to benefit from the economies of scale a larger complex would have (over 200 units, typically). Taxes (based on an appraised value of $70,000 per unit) and advertising will be higher. We also compared the hypothetical market rate expenses to the market-rate expense comparables. Four market-rate expense comparables are shown for support. Placing some reliance on the market rate expense comparables, we increased insurance and maintenance expense, and reduced salaries slightly. We also reduced management to 4% and Administrative to $300/unit because market rate properties are less management intensive than rent restricted properties. As a market-rate property, the subject would be less risky as an investment, and would support a slightly lower capitalization rate as well.

MARKET RATE OPERATING EXPENSE COMPARABLES

Property Name	Summit Place		Ansley at Princeton		Lakeside Town		Parkside Town	
Location	Gainesville, GA		Atlanta, GA		Marietta, GA		Kennesaw, GA	
No. Units	128		306		358		234	
Avg. Unit Size	928		1,001		1,091		1,177	
Year Built	1994		2009		2001		2002	
	Actual	Trended	Actual	Trended	Actual	Trended	Actual	Trended
Effective Date/% Trended	2013	0.0%	2012	2.0%	2013	0.00%	2013*	0.00%
Real Estate Taxes	$630	$630	$1,376	$1,404	$1,097	$1,097	$1,146	$1,146
Insurance	309	309	116	118	309	309	375	375
Management Fee:	352	352	418	426	344	344	248	248
% of EGI	5.0%		3.5%		3.3%		2.2%	
Utilities	522	522	1,267	1,292	734	734	783	783
Salaries & Labor	561	561	1,214	1,238	1,264	1,264	1,208	1,208
Repairs/Redecorating	663	663	326	333	843	843	987	987
Landscaping/Amenities	98	98	199	203	186	186	175	175
Advertising & Promotion	2	2	237	242	159	159	194	194
Administrative/Misc.	179	179	262	267	129	129	160	160
Total Expenses	$3,316	$3,316	$5,415	$5,523	$5,065	$5,065	$5,276	$5,276
Capital Expenses	$143		$271		$195		N/Av	

*Trailing 12 Months

Our estimated expenses total $289,365 including reserves, which equates to $4,823 per unit. If excluding reserves, the estimated expenses are $4,573 per unit. Total expenses reported by IREM, which do not include reserves, ranged from $3,855 to $4,956 with a median of $4,374 per unit for Atlanta. The comparables indicate total expenses within a range of $3,316 to $5,523 per unit and average $4,795. Our estimates (both with or without reserves) are within IREM and the range of the comparables. We feel that our estimates are reasonable. At this income and expense scenario, the value estimate is $6,500,000.

60 Apartment Units - 62,895 Rentable SF		Total	Per Unit	Per SF
Potential Gross Apartment Income		$727,200	$12,120	$11.56
Plus Other Income		30,000	$250	0.48
Potential Gross Income		$757,200	$12,620	$12.04
Vacancy and Collection Loss	8.0%	$60,576	$1,010	$0.96
Effective Gross Income		$696,624	$11,610	$11.08
Expenses				
Real Estate Taxes		$65,000	$1,083	$1.03
Insurance		18,000	300	0.29
Management Fee	4.0%	27,865	464	0.44
Utilities		36,000	600	0.57
Salaries & Labor		54,000	900	0.86
Maintenance & Repairs/Turnkey		39,000	650	0.62
Landscaping		4,500	75	0.07
Advertising & Promotion		12,000	200	0.19
Administrative/Misc.		18,000	300	0.29
Total Expenses		$274,365	$4,573	$4.36
Reserves		$15,000	250	0.24
Total Operating Expenses		$289,365	$4,823	$4.60
Net Income		$407,259	$6,788	$6.48
Overall Rates/Indicated	6.00%	$6,787,651	$113,128	$107.92
Values	6.25%	$6,516,145	$108,602	$103.60
	6.50%	$6,265,524	$104,425	$99.62
Stabilized Reconciled Value		$6,500,000	$108,333	$103.35

The Sales Comparison Approach provides an estimate of market value based on an analysis of recent transactions involving similar properties in the market area. This method is based on the premise that an informed purchaser will pay no more for a property than the cost of acquiring an equally desirable substitute. When there are an adequate number of sales involving truly similar properties, with sufficient information for comparison, a range of values for the subject can be developed. In the analysis of sales, considerations for such factors as changing market conditions over time, location, size, quality, age/condition, and amenities, as well as the terms of the transactions, are all significant variables relating to the relative marketability of the subject property. Any adjustments to the sale price of comparables to provide indications of market value for the subject must be market-derived; thus, the actions of typical buyers and sellers are reflected in the comparison process.

There are various units of comparison available in the evaluation of sales data. The sale price per unit (physical adjustment and NOI) and effective gross income multiplier (EGIM) are most commonly used for apartments. We performed an NOI and physical adjustment analysis. Due to the limited availability of expense information on the comparables, we did not perform an EGIM analysis. The summary chart below provides pertinent details, with additional information pertaining to each transaction, along with a location map, included in the Addenda.

IMPROVED SALES SUMMARY

No.	Name Location	Sale Date	Number of Units	Year Built	Price Per Unit	Avg. Unit Size (SF)	Occupancy at Time Of Sale	NOI/Unit at Sale	OAR
1	Parc at Dunwoody, Atlanta, GA	Jan-14	312	1980	$59,728	878	93%	$3,882	6.50%
2	Woodland Ridge, Norcross, GA	Dec-13	302	1986	$57,577	1,018	99%	$4,117	7.15%
3	Jasmine at Winters Chapel, Atlanta, GA	Oct-13	592	1989/2007	$55,743	813	99%	$3,763	6.75%
4	Windridge, Atlanta, GA	Aug-13	272	1982	$56,265	855	96%	$3,770	6.70%
5	Mountain Vista, Stone Mountain, GA	May-13	144	1985	$41,493	1,099	94%	$3,108	7.49%

DISCUSSION OF SALES

These properties were reportedly built between 1982 and 1989/2007 with unit counts between 144 and 592. The transactions occurred between May 2013 and January 2014. Overall rates indicated by the transactions range between 6.50% and 7.49%, with an average of 6.92%. It should be noted that all of the comparables were in average condition. Sales prices per unit range widely from $41,493 to $59,728. This range appears to fluctuate most with net operating income per unit, which ranges from $3,108 to $4,117.

SALE PRICE PER UNIT / NOI ANALYSIS

While some general observations can be made, isolating physical and locational adjustments in the comparison of income producing comparable sales can be very subjective. This subjectivity is particularly true when the comparables are drawn from different locations. Most investors believe that all these factors are already accounted for in the rental that an income property can achieve and, thus, place most reliance upon net income characteristics as the basis for adjustment. The assumption is that tenants shop and compare, and rent paid in the open market automatically reflects differences in the age and condition of improvements, location, construction, size, amenities, and various other factors.

To further illustrate, we analyzed the net operating income (NOI) generated by each comparable as compared to the subject's projected stabilized income estimated in the income capitalization approach. Basically, by developing a ratio between the subject's and the comparable's net operating income, an adjustment factor can be calculated for each of the individual sales. This factor can then be applied to the comparable's price per unit to render indications for the subject. This process illustrates an attempt to isolate the economic reasoning of buyers. In general, it is a fundamental assumption that the physical characteristics of a project (location, access, design/appeal, condition, etc.) are reflected in the net operating income being generated, and that the resulting price per unit paid for a property has a direct relationship to the net operating income being generated. The following charts depict the calculations involved in developing adjustment factors to be applied to the respective price per unit for the comparables employed.

NET OPERATING INCOME (NOI) ANALYSIS
Restricted Rents - At Stabilization

Sale No.	Subject's NOI/Unit		Comp. NOI/Unit		Multiplier		Sale Price $/Unit		Adjusted $/Unit For Subject
1	$3,319	/	$3,882	=	0.86	X	$59,728	=	$51,366
2	$3,319	/	$4,117	=	0.81	X	$57,577	=	$46,637
3	$3,319	/	$3,763	=	0.88	X	$55,743	=	$49,054
4	$3,319	/	$3,770	=	0.88	X	$56,265	=	$49,513
5	$3,319	/	$3,108	=	1.07	X	$41,493	=	$44,398

As shown, this analysis indicates an adjusted price per unit range for the subject between $44,398 and $51,366 with a mean of $48,194 per unit. Excluding the extremes, the range is $46,637 to $49,513. Comparable Five ($44,398) required the least adjustment due to its similar NOI, but Comparable One ($51,366) is the most recent and reflected the most similar capitalization rate. Based on this analysis, we estimate the value of the subject at a rounded $48,000 per unit, which provides the following value indication.

SALES COMPARISON APPROACH VALUE				
Indicated Value / Unit		Subject Units		Total
$48,000	X	60	=	$2,880,000
Rounded				$2,900,000

Hypothetical Market Rent Analysis

For the sales comparison analysis at hypothetical market rents, we selected five recent sales in metro Atlanta that have net operating incomes similar to the subject's at the hypothetical scenario.

IMPROVED SALES SUMMARY - HIGHER NOI PROPERTIES									
No.	Name Location	Sale Date	Number of Units	Year Built	Price Per Unit	Avg. Unit Size (SF)	Occupancy at Time Of Sale	NOI/Unit at Sale	OAR
1	Parkside at Town Center, Kennesaw	Mar-14	234	2002	$117,000	1,177	96%	$6,224	5.32%
2	Mountain Park Estates Kennesaw, GA	Sep-13	450	2001	$108,889	1,087	97%	$6,533	6.00%
3	Lexington Farms, Alpharetta, GA	Mar-13	352	1995	$118,750	1,077	96%	$7,244	6.10%
4	10 Perimeter Park, Atlanta, GA	Sep-12	230	2008	$114,783	1,030	94%	$6,600	5.75%
5	Stoneleigh at Deerfield, Alpharetta, GA	Aug-12	370	2003	$117,568	949	97%	$6,819	5.80%

For hypothetical market rents, the range is from $110,438 to $127,530 per unit, with an average of $117,166. Comparable Five required the least adjustment and indicated a price per square foot of $116,392. Based on this analysis, we estimate the value of the subject at a rounded $115,000 per unit, which provides the following value indication.

NET OPERATING INCOME (NOI) ANALYSIS Market Rents - At Stabilization									
Sale No.	Subject's NOI/Unit		Comp. NOI/Unit		Multiplier		Sale Price $/Unit		Adjusted $/Unit For Subject
1	$6,772	/	$6,224	=	1.09	X	$117,000	=	$127,530
2	$6,772	/	$6,533	=	1.04	X	$108,889	=	$113,245
3	$6,772	/	$7,244	=	0.93	X	$118,750	=	$110,438
4	$6,772	/	$6,600	=	1.03	X	$114,783	=	$118,226
5	$6,772	/	$6,819	=	0.99	X	$117,568	=	$116,392

SALES COMPARISON APPROACH SUMMARY – HYPOTHETICAL MARKET RENTS		
# Units	$/Unit	Indicated Value
60	$115,000	$6,900,000
Rounded		**$6,900,000**

PHYSICAL ADJUSTMENT ANALYSIS

We also included a physical adjustment grid for the comparables. Adjustments were made for conditions of sale and market conditions, as well as common characteristics including location, access/exposure, size, avg. unit size, quality/amenities and age/condition.

IMPROVED SALES SUMMARY									
No.	Name Location	Sale Date	Number of Units	Year Built	Price Per Unit	Avg. Unit Size (SF)	Occupancy at Time Of Sale	NOI/Unit at Sale	OAR
1	Parc at Dunwoody, Atlanta, GA	Jan-14	312	1980	$59,728	878	93%	$3,882	6.50%
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3	Jasmine at Winters Chapel, Atlanta, GA	Oct-13	592	1989/2007	$55,743	813	99%	$3,763	6.75%
4	Windridge, Atlanta, GA	Aug-13	272	1982	$56,265	855	96%	$3,770	6.70%
5	Mountain Vista, Stone Mountain, GA	May-13	144	1985	$41,493	1,099	94%	$3,108	7.49%

Conditions of Sale

For the restricted rent scenario, the comparable sales were all reportedly arms-length with cash or normal financing. The comparables are adjusted downward to account for limited income expectations due to the subject’s rent restrictions.

Market Conditions

Apartment market conditions have generally improved over the past two years. The sales are recent enough (since May 2013) as to not warrant adjustment for market conditions.

Location

The subject is located in a fairly desirable, though not premium, area of northwest metro Atlanta. Comparables One, Two, Three and Four are located in desirable suburbs of north metro Atlanta and were not adjusted. Comparable Five is located in a neighborhood east of metro Atlanta that would be considered inferior to the subject, and received upward adjustment.

Size / Number of Units

The subject has 60 units. Typically, smaller properties sell for higher per unit prices. Conversely, larger properties tend to sell for lower per unit prices. This represents something of a quantity discount. All of the comparables have higher unit counts and received upward adjustments.

Average Unit Size

The subject has reasonably sized (average 1,048 SF), two-and three-bedroom units. Comparables One, Three and Four have smaller average unit sizes and were adjusted upward.

Quality / Amenities

The subject and comparables have similar amenities. No adjustments are necessary.

Age / Condition

The subject is proposed and will be new at stabilization. All of the comparables are older and received upward adjustment. Comparable Five received a larger upward adjustment because it was marketed as a "Class C" property and was substantially renovated after sale.

SUMMARY AND COMMENTS

The following adjustment grid illustrates our thought processes in the comparison of the comparables to the subject. Prior to adjustment, the comparables present a range of price per unit between $41,493 and $59,728, with a mean of $54,161.

COMPARABLE SALES ADJUSTMENT CHART						
Comparable #	**Subject**	**1**	**2**	**3**	**4**	**5**
Sale Date	N/Ap	Jan-14	Dec-13	Oct-13	Aug-13	May-13
Sale Price	N/Ap	$18,635,000	$17,388,160	$33,000,000	$15,304,000	$5,975,000
# Units	60	312	302	592	272	144
Avg. Unit Size	1,048	878	1,018	813	855	1,099
Year Built	Proposed	1980	1986	1989	1982	1985
Location	Good	Similar	Similar	Similar	Similar	Similar
Price per Unit	N/Ap	$59,728	$57,577	$55,743	$56,265	$41,493
Comparative Analysis						
Conditions of Sale		-30%	-30%	-30%	-30%	-30%
Market Conditions		0%	0%	0%	0%	0%
Adjusted Price/SF		$41,809	$40,304	$39,020	$39,385	$29,045
Physical Adjustments						
Location		0%	0%	0%	0%	30%
Size (# of units)		10%	10%	15%	10%	5%
Average Unit Size		10%	0%	10%	10%	0%
Quality/Amenities		0%	0%	0%	0%	0%
Age/Condition		10%	10%	10%	10%	30%
Net Adjustment		30%	20%	35%	30%	65%
Adjusted Price/SF		$54,352	$48,364	$52,677	$51,201	$47,924
Indicated Range:			$47,924	to	$54,352	
Mean:				$50,904		

After adjustments, the indicated range is $47,924 and $54,352, with a mean of $50,904 per unit. Excluding the extremes, the range is $48,364 to $52,677 with a mean of $50,748. Based on our analysis, we estimate a value for the subject at a rounded $50,000 per unit. Our estimate of value for the subject property, based on a price per unit method is shown as follows.

SALES COMPARISON APPROACH VALUE				
Indicated Value / Unit		**Subject Units**		**Total**
$50,000	X	60	=	$3,000,000
Rounded				$3,000,000

Hypothetical Market Rent Analysis

IMPROVED SALES SUMMARY - HIGHER NOI PROPERTIES									
No.	**Name Location**	**Sale Date**	**Number of Units**	**Year Built**	**Price Per Unit**	**Avg. Unit Size (SF)**	**Occupancy at Time Of Sale**	**NOI/Unit at Sale**	**OAR**
1	Parkside at Town Center, Kennesaw	Mar-14	234	2002	$117,000	1,177	96%	$6,224	5.32%
2	Mountain Park Estates Kennesaw, GA	Sep-13	450	2001	$108,889	1,087	97%	$6,533	6.00%
3	Lexington Farms, Alpharetta, GA	Mar-13	352	1995	$118,750	1,077	96%	$7,244	6.10%
4	10 Perimeter Park, Atlanta, GA	Sep-12	230	2008	$114,783	1,030	94%	$6,600	5.75%
5	Stoneleigh at Deerfield, Alpharetta, GA	Aug-12	370	2003	$117,568	949	97%	$6,819	5.80%

Conditions of Sale

The comparable sales were all reportedly arms-length with cash or normal financing. No adjustment was applied for conditions of sale.

Market Conditions

Apartment market conditions have generally improved over the past two years. The sales are recent enough (since August 2012) as to not warrant adjustment for market conditions.

Location

The subject is located in a fairly desirable, though not premium, area of northwest metro Atlanta. All of the comparables are located in superior north-metro suburbs and were adjusted downward.

Size / Number of Units

The subject has 60 units. Typically, smaller properties sell for higher per unit prices. Conversely, larger properties tend to sell for lower per unit prices. This represents something of a quantity discount. All of the comparables have higher unit counts and received upward adjustments.

Average Unit Size

The subject has reasonably sized (average 1,048 SF), two-and three-bedroom units. Comparables One, Two, Three and Four have similar average unit sizes and were not adjusted. Comparable Five has smaller units and was adjusted upward.

Quality / Amenities

The subject and comparables have similar amenities. No adjustments are necessary.

Age / Condition

The subject is proposed and will be new at stabilization. All of the comparables are older and received upward adjustment.

SUMMARY AND COMMENTS

The following adjustment grid illustrates our thought processes in the comparison of the comparables to the subject. Prior to adjustment, the comparables present a range of price per unit between $108,889 and $118,750, with a mean of $115,398.

COMPARABLE SALES ADJUSTMENT CHART - Hypothetical Market Rents						
Comparable #	**Subject**	**1**	**2**	**3**	**4**	**5**
Sale Date	N/Ap	Mar-14	Sep-13	Mar-13	Sep-12	Aug-12
Sale Price	N/Ap	$27,378,000	$49,000,000	$41,800,000	$26,400,000	$43,500,000
# Units	60	234	450	352	230	370
Avg. Unit Size	1,048	1,177	1,087	1,077	1,030	949
Year Built	Proposed	2002	2001	1995	2008	2003
Location	Good	Superior	Superior	Superior	Superior	Superior
Price per Unit	N/Ap	$117,000	$108,889	$118,750	$114,783	$117,568
Comparative Analysis						
Conditions of Sale		0%	0%	0%	0%	0%
Market Conditions		0%	0%	0%	0%	0%
Adjusted Price/SF		$117,000	$108,889	$118,750	$114,783	$117,568
Physical Adjustments						
Location		-20%	-20%	-20%	-20%	-20%
Size (# of units)		5%	15%	10%	5%	10%
Average Unit Size		0%	0%	0%	0%	5%
Quality/Amenities		0%	0%	0%	0%	0%
Age/Condition		5%	5%	10%	5%	5%
Net Adjustment		-10%	0%	0%	-10%	0%
Adjusted Price/SF		$105,300	$108,889	$118,750	$103,304	$117,568
Indicated Range:			$103,304	to	$118,750	
Mean:				$110,762		
Indicated Range: (Excluding Extremes)			$105,300	to	$117,568	
Mean: Excluding Extremes)				$110,585		

In the hypothetical market rent scenario, there is no adjustment for diminished income expectations. As shown, after adjustments, the indicated range is between $103,304 and $118,750, with a mean of $110,762. Excluding extremes, the range is $105,300 and $117,568 with a mean of $110,585. Based on this information, we estimate value for the subject at a rounded $110,000 per unit. Our estimate of value for the subject property, based on a price per unit method is shown as follows.

SALES COMPARISON APPROACH VALUE				
Indicated Value / Unit		**Subject Units**		**Total**
$110,000	X	60	=	$6,600,000
Rounded				$6,600,000

SALES COMPARISON APPROACH CONCLUSION

The following table summarizes the value indications provided by the methods of analysis presented in the sales comparison approach. Both methods provide similar value indications and both are commonly used in the market. Therefore, we conclude an estimate of value for the subject at stabilization with restricted rents, at **$3,000,000**. With hypothetical market rents, the reconciled value estimate is **$6,600,000**.

SUMMARY OF VALUE ESTIMATES BY SALES COMPARISON APPROACH	
Method	**Indicated Value**
NOI Per Square Foot	$2,900,000
Physical Adjustments	$3,000,000
Reconciled:	**$3,000,000**

SUMMARY OF VALUE ESTIMATES BY SALES COMPARISON APPROACH HYPTHETICAL MARKET RENTS	
Method	**Indicated Value**
NOI Per Square Foot	$6,900,000
Physical Adjustments	$6,600,000
Reconciled:	**$6,600,000**

We were asked to estimate market value of the fee simple interest in the subject vacant site. Additionally, we have estimated prospective market value of the fee simple interest in the proposed improved property "as complete/stabilized" under two scenarios, using both restricted and hypothetical unrestricted (market) rents. We were also requested to estimate the value of the tax credits and value at loan maturity assuming unrestricted rents.

FINAL VALUE ESTIMATES

VACANT LAND

The sales comparison approach was used to estimate the underlying land value, "as is." We found several sales of multi-family land in the metro area. Our analysis yielded the following value indication:

Estimate of Market Value of the Fee Simple Interest in the Subject Vacant Site
"As Is," As of June 5, 2014

EIGHT HUNDRED SEVENTY THOUSAND DOLLARS
$870,000

"AT STABILIZATION" RESTRICTED CONTRACT RENTS

We used the income and sales comparison approaches to estimate market value for the subject property. The indications from each are presented in the following chart.

FINAL VALUE ESTIMATES –AS COMPLETE AND STABILIZED	
Income Capitalization Approach	$3,000,000
Sales Comparison Approach	$3,000,000

Apartment properties are typically purchased by investors; thus, the income approach most closely parallels the anticipated analysis that would be employed by a likely buyer. Most multifamily buyers place emphasis on this approach, particularly the direct capitalization analysis for existing properties operating at or near stabilization.

The sales comparison approach is predicated on the principle that an investor will pay no more for an existing property than for a comparable property with similar utility. This approach is contingent on the reliability and comparability of available data. We used sales of conventional apartment complexes located in the metro Atlanta market of similar investment quality.

Based on the research and analysis contained in this report, we estimate the market value of the fee simple interest in the subject property, as follows:

Estimate of Market Value of the Fee Simple Interest in the Subject
"As Complete And Stabilized," Subject To Restricted Rents,
As of January 31, 2016

THREE MILLION DOLLARS
$3,000,000

"AT STABILIZATION" HYPOTHETICAL UNRESTRICTED MARKET RENTS

We used the income and sales comparison approaches to estimate market value for the subject property. The indications from each are presented in the following chart.

FINAL VALUE ESTIMATES – UNRESTRICTED RENTS AS COMPLETE AND STABILIZED	
Income Capitalization Approach	$6,500,000
Sales Comparison Approach	$6,600,000

Estimate of Market Value of the Fee Simple Interest in the Subject
"As Complete And Stabilized," Subject To Unrestricted Rents, As of January 31, 2016

SIX MILLION FIVE HUNDRED THOUSAND DOLLARS
$6,500,000

FINAL VALUE ESTIMATES – "UPON COMPLETION"

In order to estimate the prospective value "upon completion of construction," we must deduct those additional costs yet to be incurred in order to achieve stabilization. In the case of the subject, this requires consideration of rent loss, and entrepreneurial profit. These costs are then deducted from our reconciled "at stabilization" value estimates of $3,000,000 assuming restricted rents and $6,500,000 assuming unrestricted or market rents.

Rent loss is calculated for the period between the "as is" value and date of stabilization. The subject will need to lease roughly 56 (Restricted) or 55 (Market) units to reach their respective stabilized operating levels of 93%/92%. As discussed in our Market Analysis, competition among apartments in the subject's market is strong. We estimated that the subject should be able to reach a stabilized operating level within six months from the date of completion, July 31, 2015. Our analysis assumes that the units will be taken down evenly over the stabilization period. Our estimated "at stabilization" effective gross rental incomes are

$477,827 or $39,819 per month (Restricted) and $696,624 or $58,052 per month (Market). Since this loss will be reduced, over time, to zero by the time the property is stabilized, we estimate that the typical buyer of the property would calculate the total loss by taking one-half of these figures or $19,909 ($39,819/2) and $29,026 ($58,052 /2) and then multiplying by the lease-up period of six months. This methodology produces total rent loss of $119,457 and $174,156, respectively.

In addition, investors in destabilized properties expect to make a profit on any additional investment required. According to brokers and buyers/sellers, as well as developers, profit requirements tend to range from 10% to 20% of total cost to achieve stabilization for most property types. The lower end of the range typically applies to single-tenant, build-to-suit type properties with limited risk, while the upper end pertains to multi-tenant, larger properties with extensive marketing and lease-up costs and thus, greater risk. Based on conversations with representatives involved in the sale of similar apartment properties, and considering current market conditions, we estimate an appropriate profit for the subject property at 15%. Thus, we applied a 15% profit to the total rent loss estimates, which equates to $17,919 ($119,457 x 15%) assuming restricted rents and $26,123 ($174,156 x 15%) assuming unrestricted or market rents. When added, the total rounded costs are $150,000 rounded ($119,457 + $17,919 = $137,375) and $200,000 ($174,156 + 17,416 = $200,279). Deducting these amounts from our stabilized values result in the following "upon completion" value estimates using this methodology:

Estimate of Market Value of the Fee Simple Interest in the Subject
"Upon Completion," Subject To Restricted Rents, As of July 31, 2015

TWO MILLION EIGHT HUNDRED FIFTY THOUSAND DOLLARS
$2,850,000

Estimate of Hypothetical Market Value of the Fee Simple Interest in the Subject
"Upon Completion," Assuming Unrestricted Rents, As of July 31, 2015

SIX MILLION THREE HUNDRED THOUSAND DOLLARS
$6,300,000

VALUE ESTIMATE AT LOAN MATURITY ASSUMING UNRESTRICTED RENTS

Assuming annual inflation of 1.50% applied to the NOI at stabilization, with hypothetical market rents, the estimate of market value at loan maturity is presented in the following charts:

MARKET VALUE AT LOAN MATURITY - 20 Years				
Stabilized NOI	Annual Inflation	NOI at Loan Maturity (20 yrs)	Overall Rate at Maturity	Indicated Value at Maturity
$407,259	1.50%	$548,518.88	8.00%	$6,856,486
Rounded				$6,850,000

MARKET VALUE AT LOAN MATURITY - 30 Years				
Stabilized NOI	Annual Inflation	NOI at Loan Maturity (30 yrs)	Overall Rate at Maturity	Indicated Value at Maturity
$407,259	1.50%	$636,578.55	8.50%	$7,489,159
Rounded				$7,500,000

LOW INCOME HOUSING TAX CREDITS

The subject property will be renovated subject to the Georgia Housing Development Agency Low Income Housing Program, and accordingly is eligible to receive tax credits under Section 42 of the Internal Revenue Code. The subject developer intends to syndicate the tax credits, with the proceeds to comprise the tax credit equity source of funds for development.

The LIHTC program provides incentives to developers to provide affordable housing to low-income residents. According to the program, low income qualifies as having income at or below 50% and 60% of the median family income for a particular area. This was discussed in the Market Analysis section of this report. Because the subject is offering 57 of its units to qualified residents, it is allowed to receive Low Income Housing Tax Credits to offset future federal and state income taxes. Should the property be sold or foreclosed upon and resold during the 10-year period, the remaining amount of tax credits is transferable.

Information provided to us indicates the developer has projected a tax credit allocation of $7,155,420 in federal and state tax credits. We were provided information indicating that they will receive $1.35 per dollar for the combined federal and state tax credits.

The market for tax credits has changed significantly over the past few years, and only recent activity could accurately reflect the current market for tax credits. Research indicates the pool of purchasers and demand for tax credits had diminished when the recession began, and pricing had fallen considerably as a result. Rates selling for $0.70 - $0.75 per dollar of tax credit were common. More recently demand has steadily increased and so has pricing, with rates returning to the high $0.80s for Federal and mid to high $0.20s for State tax credits. We were provided information indicating that they will receive $1.01 per dollar for the federal tax credits and $0.34 per dollar of state tax credits.

Based on this data, the contract figures for the subject are considered reasonable. Therefore, utilizing the foregoing figures, the tax credits are projected to generate approximately $9,562,253 ($7,155,420 x 98.99% x $1.35) in proceeds upon sale, which we rounded to **$9,600,000**.

The value estimates provided above are subject to the assumptions and limiting conditions stated throughout this report.

1. Unless otherwise noted in the body of the report, we assumed that title to the property or properties appraised is clear and marketable and that there are no recorded or unrecorded matters or exceptions that would adversely affect marketability or value. We are not aware of any title defects nor were we advised of any unless such is specifically noted in the report. We did not examine a title report and make no representations relative to the condition thereof. Documents dealing with liens, encumbrances, easements, deed restrictions, clouds and other conditions that may affect the quality of title were not reviewed. Insurance against financial loss resulting in claims that may arise out of defects in the subject property's title should be sought from a qualified title company that issues or insures title to real property.

2. We assume that improvements are constructed or will be constructed according to approved architectural plans and specifications and in conformance with recommendations contained in or based upon any soils report(s).

3. Unless otherwise noted in the body of this report, we assumed: that any existing improvements on the property or properties being appraised are structurally sound, seismically safe and code conforming; that all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are, or will be upon completion, in good working order with no major deferred maintenance or repair required; that the roof and exterior are in good condition and free from intrusion by the elements; that the property or properties have been engineered in such a manner that it or they will withstand any known elements such as windstorm, hurricane, tornado, flooding, earthquake, or similar natural occurrences; and, that the improvements, as currently constituted, conform to all applicable local, state, and federal building codes and ordinances. We are not engineers and are not competent to judge matters of an engineering nature. We did not retain independent structural, mechanical, electrical, or civil engineers in connection with this appraisal and, therefore, make no representations relative to the condition of improvements. Unless otherwise noted in the body of the report no problems were brought to our attention by ownership or management. We were not furnished any engineering studies by the owners or by the party requesting this appraisal. If questions in these areas are critical to the decision process of the reader, the advice of competent engineering consultants should be obtained and relied upon. It is specifically assumed that any knowledgeable and prudent 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. Structural problems and/or building system problems may not be visually detectable. If engineering consultants retained should report negative factors of a material nature, or if such are later discovered, relative to the condition of improvements, such information could have a substantial negative impact on the conclusions reported in this appraisal. Accordingly, if negative findings are reported by engineering consultants, we reserve the right to amend the appraisal conclusions reported herein.

4. All furnishings, equipment and business operations, except as specifically stated and typically considered as part of real property, have been disregarded with only real property being considered in the appraisal. Any existing or proposed improvements, on- or off-site, as well as any alterations or repairs considered, are assumed to be completed in a workmanlike manner according to standard practices based upon information submitted. This report may be subject to amendment upon re-inspection of the subject property subsequent to repairs, modifications, alterations and completed new construction. Any estimate of Market Value is as of the date indicated; based upon the information, conditions and projected levels of operation.

5. We assume that all factual data furnished by the client, property owner, owner's representative, or persons designated by the client or owner to supply said data are accurate and correct unless otherwise noted in the appraisal report. We have no reason to believe that any of the data furnished contain any material error. Information and data referred to in this paragraph include, without being limited to, 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 material error in any of the above data could have a substantial impact on the conclusions reported. Thus, we reserve the right to amend our conclusions if errors are revealed. Accordingly, the client-addressee should carefully review all assumptions, data, relevant calculations, and conclusions within 30 days after the date of delivery of this report and should immediately notify us of any questions or errors.

6. The date of value to which any of the conclusions and opinions expressed in this report apply, is set forth in the Letter of Transmittal. Further, that the dollar amount of any value opinion herein rendered is based upon the purchasing power of the American Dollar on that date. This appraisal is based on market conditions existing as of the date of this appraisal. Under the terms of the engagement, we will have no obligation to revise this report to reflect events or conditions which occur subsequent to the date of the appraisal. However, we will be available to discuss the necessity for revision resulting from changes in economic or market factors affecting the subject.

7. We assume no private deed restrictions, limiting the use of the subject property in any way.

8. Unless otherwise noted in the body of the report, we assume that there are no mineral deposits or subsurface rights of value involved in this appraisal, whether they be gas, liquid, or solid. Nor are the rights associated with extraction or exploration of such elements considered unless otherwise stated in this appraisal report. Unless otherwise stated we also assumed that there are no air or development rights of value that may be transferred.

9. We are not aware of any contemplated public initiatives, governmental development controls, or rent controls that would significantly affect the value of the subject.

10. The estimate of Market Value, which may be defined within the body of this report, is subject to change with market fluctuations over time. Market value is highly related to exposure, time promotion effort, terms, motivation, and conclusions surrounding the offering. The value estimate(s) consider the productivity and relative attractiveness of the property, both physically and economically, on the open market.

11. Unless specifically set forth in the body of the report, nothing contained herein shall be construed to represent any direct or indirect recommendation to buy, sell, or hold the properties at the value stated. Such decisions involve substantial investment strategy questions and must be specifically addressed in consultation form.

12. Unless otherwise noted in the body of this report, we assume that no changes in the present zoning ordinances or regulations governing use, density, or shape are being considered. The property is appraised assuming that 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 obtained or renewed for any use on which the value estimates contained in this report is based, unless otherwise stated.

13. This study may not be duplicated in whole or in part without our written consent, nor may this report or copies hereof be transmitted to third parties without said consent. Exempt from this restriction is duplication for the internal use of the client-addressee and/or transmission to attorneys, accountants, or advisors of the client-addressee. Also exempt from this restriction is transmission of the report to any court, governmental authority, or regulatory agency having jurisdiction over the party/parties for whom this appraisal was prepared, provided that this report and/or its contents shall not be published, in whole or in part, in any public document without our written consent. Finally, this report shall not be advertised to the public or otherwise used to induce a third party to purchase the property or to make a “sale” or “offer for sale” of any “security”, as such terms are defined and used in the Securities Act of 1933, as amended. Any third party, not covered by the exemptions herein, who may possess this report, is advised that they should rely on their own independently secured advice for any decision in connection with this property. We shall have no accountability or responsibility to any such third party.

14. Any value estimate provided in the report applies to the entire property, and any pro ration or division of the title into fractional interests will invalidate the value estimate, unless such pro ration or division of interests has been set forth in the report.

15. Any distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. Component values for land and/or buildings are not intended to be used in conjunction with any other property or appraisal and are invalid if so used.

16. The maps, plats, sketches, graphs, photographs and exhibits included in this report are for illustration purposes only and are to be used only to assist in visualizing matters discussed within this report.

Except as specifically stated, data relative to size or area of the subject and comparable properties was obtained from sources deemed accurate and reliable. None of the exhibits are to be removed, reproduced, or used apart from this report.

17. No opinion is intended to be expressed on matters which may require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate appraisers. Values and opinions expressed presume that environmental and other governmental restrictions/conditions by applicable agencies have been met, including but not limited to seismic hazards, flight patterns, decibel levels/noise envelopes, fire hazards, hillside ordinances, density, allowable uses, building codes, permits, licenses, etc. No survey, engineering study or architectural analysis was provided to us unless otherwise stated within the body of this report. If we were not supplied with a termite inspection, survey or occupancy permit, no responsibility or representation is assumed or made for any costs associated with obtaining same or for any deficiencies discovered before or after they are obtained. No representation or warranty is made concerning obtaining these items. We assume 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.

18. Acceptance and/or use of this report constitutes full acceptance of the Assumptions and Limiting Conditions and special assumptions set forth in this report. It is the responsibility of the Client, or client's designees, to read in full, comprehend and thus become aware of the aforementioned assumptions and limiting conditions. We assume no responsibility for any situation arising out of the Client's failure to become familiar with and understand the same. The Client is advised to retain experts in areas that fall outside the scope of the real estate appraisal/consulting profession if so desired.

19. We assume that the subject property will be under prudent and competent management and ownership; neither inefficient or super-efficient.

20. We assume that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined and considered in the appraisal report.

21. No survey of the boundaries of the property was undertaken. All areas and dimensions furnished are presumed correct. It is further assumed that no encroachments to the realty exist.

22. All value opinions expressed herein are as of the date of value. In some cases, facts or opinions are expressed in the present tense. All opinions are expressed as of the date of value, unless specifically noted.

23. The *Americans with Disabilities Act* (ADA) became effective January 26, 1992. Notwithstanding any discussion of possible readily achievable barrier removal construction items in this report, we did not perform a specific compliance survey and analysis of this property to determine whether it is in conformance with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the ADA. If so, this fact could have a negative effect on the value estimated herein. Since we have no specific information relating to this issue, nor are we qualified to make such an assessment, the effect of any possible non-compliance was not considered in estimating the value of the subject property.

24. The value estimate rendered in this report is predicated on the assumption that there is no hazardous material on or in the property that would cause a loss in value. We were not provided with an Environmental Assessment Report. Further, we are not qualified to determine the existence or extent of environmental hazards. If there are any concerns pertaining to environmental hazards for this property, we recommend that an assessment be performed by a qualified engineer.

Google Earth Satellite Image

Reduced Site Plan

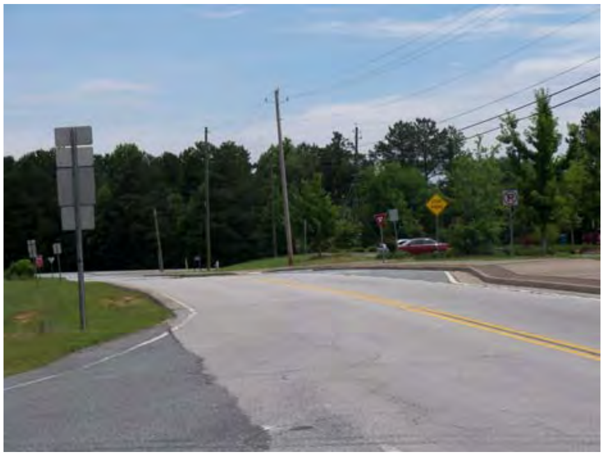
Looking East Along Richard D. Sailors Parkway, Subject On Right

Looking West Along Richard D. Sailors Parkway, Subject On Left

Looking South Across Richard D. Sailors Parkway At Subject

Looking Northwest From Subject At Church, Intersection of Richard D. Sailors Parkway And Florence Road

Looking Northwest Along Florence Road



Looking Southeast Along Florence Road

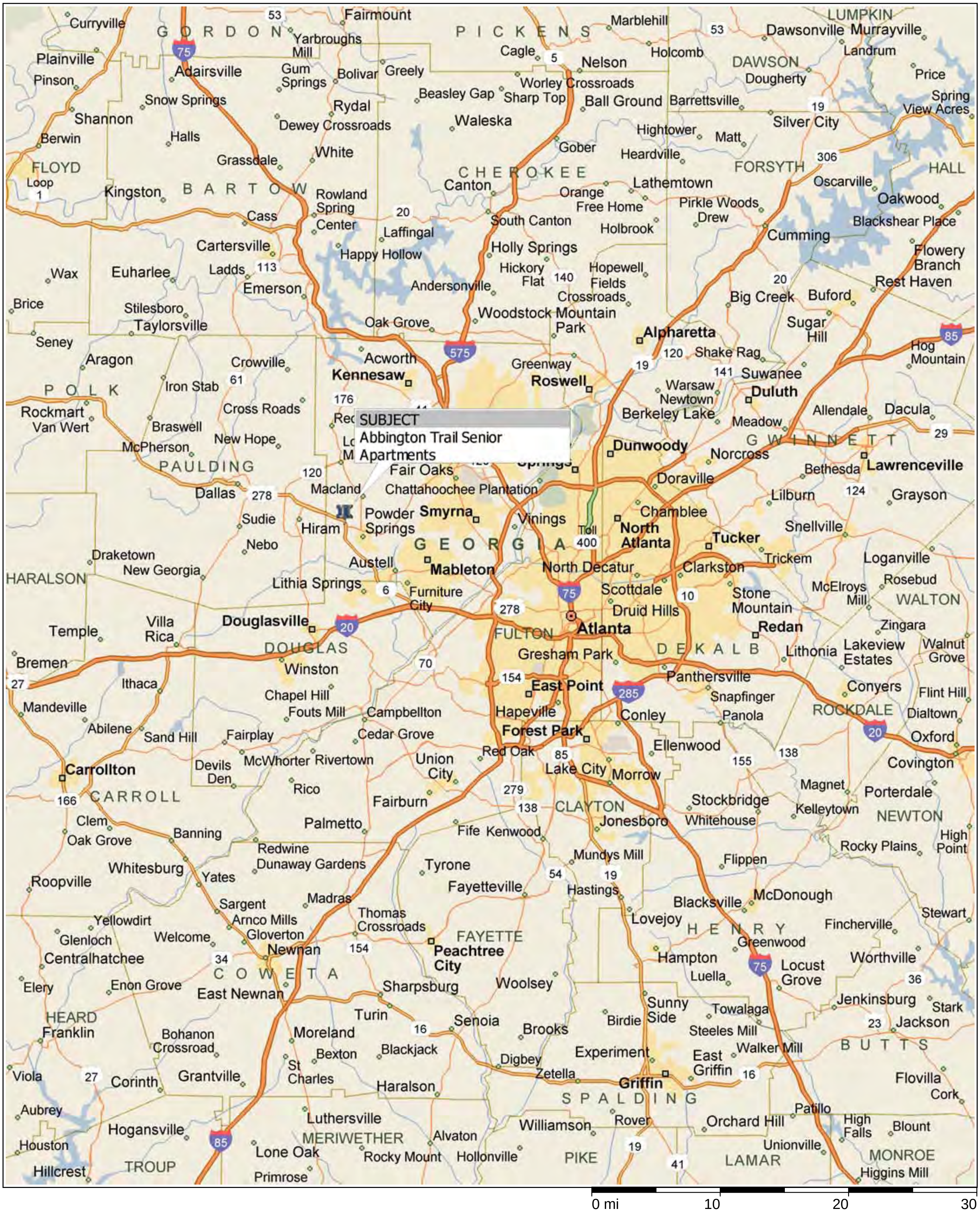
Looking North Across Florence Road, Subject On Right

Looking Southwest Across Florence Road At Xpress Transit Parking Lot

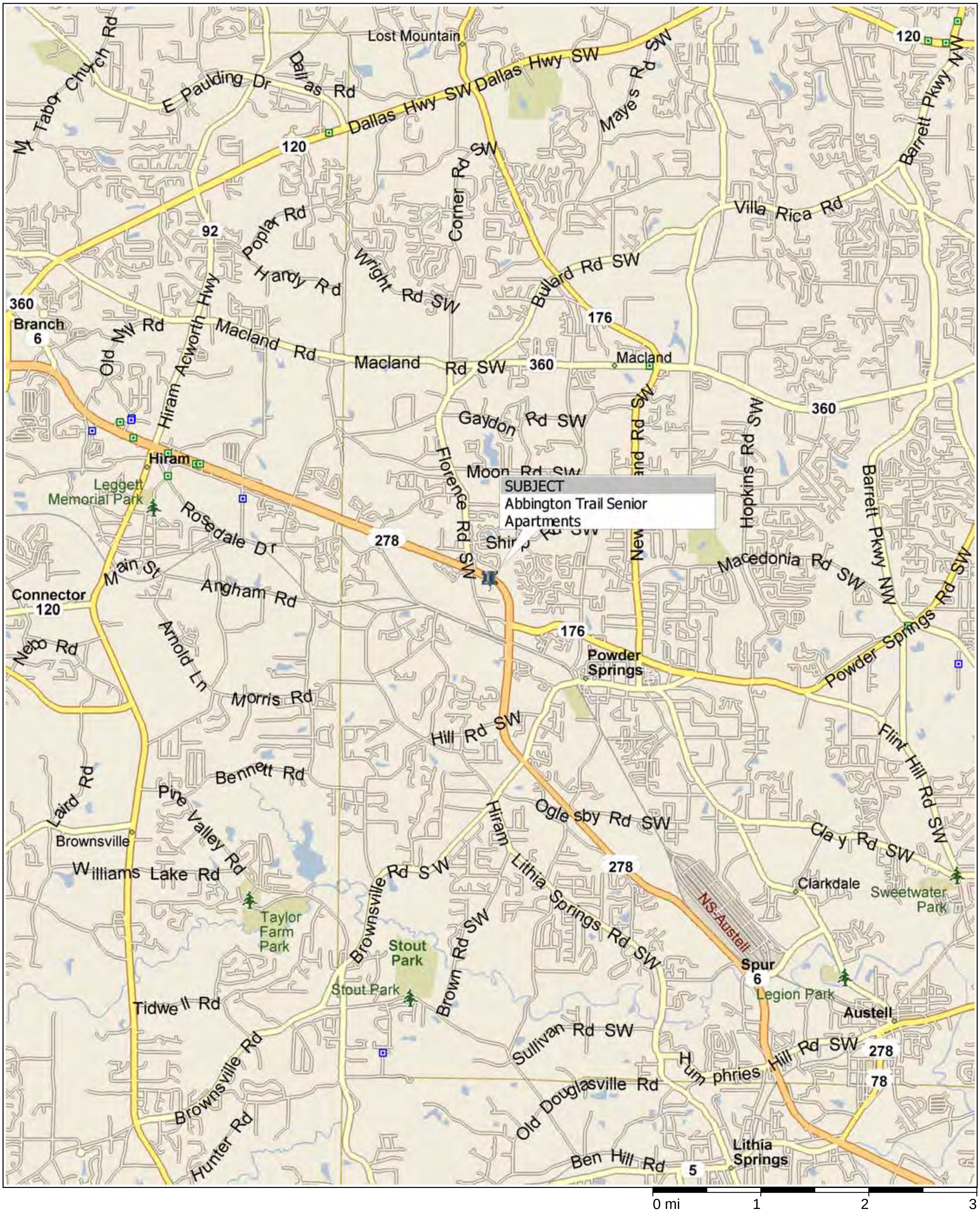
Looking East Across Florence Road At Subject

Looking North At Subject Interior

Region


SUBJECT
Abbington Trail Senior
Apartments
Atlanta
GEORGIA
Curryville
GORDON
Fairmount
Yarbroughs Mill
PICKENS
Marblehill
Dawsonville
LUMPKIN
Murrayville
Landrum
Plainville
Pinson
Adairsville
Gum Springs
Bolivar
Greely
Cagle
Nelson
Holcomb
DAWSON
Dougherty
Price
Worley Crossroads
Beasley Gap
Sharp Top
Ball Ground
Barrettsville
Spring View Acres
Snow Springs
Rydal
Shannon
Dewey Crossroads
Waleska
Silver City
Hightower
Matt
Berwin
Halls
Gober
White
Heardville
FORSYTH
HALL
Grassdale
FLOYD
Loop
CHEROKEE
Canton
Lathemtown
Oscarville
Kingston
BARTOW
Rowland Spring Center
Orange
Free Home
Pirkle Woods
Drew
Oakwood
Cass
Laffingal
South Canton
Holbrook
Blackshear Place
Cumming
Cartersville
Happy Hollow
Holly Springs
Flowery Branch
Wax
Euharlee
Ladds
Hickory Flat
Hopewell Fields Crossroads
Rest Haven
Emerson
Andersonville
Big Creek
Buford
Brice
Stilesboro
Taylorsville
Woodstock
Mountain Park
Oak Grove
Sugar Hill
Seney
Alpharetta
Acworth
Shake Rag
Hog Mountain
Aragon
Crowville
Greenway
Roswell
Suwanee
Kennesaw
Warsaw
Newtown
Duluth
POLK
Iron Stab
Rockmart
Van Wert
Cross Roads
Berkeley Lake
Meadow
Allendale
Dacula
Braswell
New Hope
Dunwoody
GWINNETT
McPherson
PAULDING
Norcross
Bethesda
Lawrenceville
Fair Oaks
Doraville
Dallas
Macland
Chattahoochee Plantation
Lilburn
Grayson
Chamblee
Sudie
Powder Springs
Smyrna
Vinings
North Atlanta
Hiram
Toll
Snellville
Nebo
Tucker
Draketown
New Georgia
Austell
Mableton
North Decatur
Clarkston
Trickem
Loganville
HARALSON
Lithia Springs
Furniture City
Scottdale
Stone Mountain
McElroys Mill
Rosebud
WALTON
Druid Hills
Villa Rica
Douglasville
Redan
Zingara
Temple
FULTON
DEKALB
Lithonia
Lakeview Estates
Walnut Grove
DOUGLAS
Gresham Park
Bremen
Winston
Panthersville
Ithaca
East Point
Conyers
Chapel Hill
Snapfinger
Flint Hill
Mandeville
Fouts Mill
Campbellton
Hapeville
ROCKDALE
Dialtown
Panola
Conley
Abilene
Sand Hill
Fairplay
Cedar Grove
Forest Park
Oxford
Ellenwood
Red Oak
Carrollton
Devils Den
McWhorter
Rivertown
Union City
Lake City
Morrow
Covington
Rico
Magnet
Porterdale
CARROLL
Fairburn
CLAYTON
Stockbridge
Kelleytown
Clem
Palmetto
Jonesboro
Whitehouse
NEWTON
Oak Grove
Banning
Fife
Kenwood
High Point
Redwine
Dunaway Gardens
Rocky Plains
Whitesburg
Mundys Mill
Flippen
Tyrone
Roopville
Yates
Fayetteville
Hastings
Sargent
Madras
McDonough
Blacksville
Yellowdirt
Arnco Mills
Thomas Crossroads
Lovejoy
Stewart
Glenloch
Welcome
Gloverton
FAYETTE
HENRY
Fincherville
Newnan
Peachtree City
Greenwood
Centralhatchee
Hampton
Locust Grove
Worthville
COWETA
Luella
Elery
Enon Grove
Sharpsburg
Woolsey
Jenkinsburg
East Newnan
Sunny Side
Stark
HEARD
Turin
Towaliga
Franklin
Senoia
Birdie
Jackson
Bohanon Crossroad
Moreland
Brooks
Steeles Mill
BUTTS
Bexton
Blackjack
Experiment
East Griffin
Walker Mill
Digbey
Viola
Corinth
Grantville
St Charles
Zetella
Flovilla
Haralson
Griffin
Cork
SPALDING
Aubrey
Luthersville
Patillo
Hogansville
Williamson
Rover
Orchard Hill
High Falls
Blount
MERIWETHER
Alvaton
Houston
Unionville
Lone Oak
MONROE
Hillcrest
TROUP
Rocky Mount
Hollonville
PIKE
LAMAR
Higgins Mill
Primrose
0 mi
10
20
30

Neighborhood



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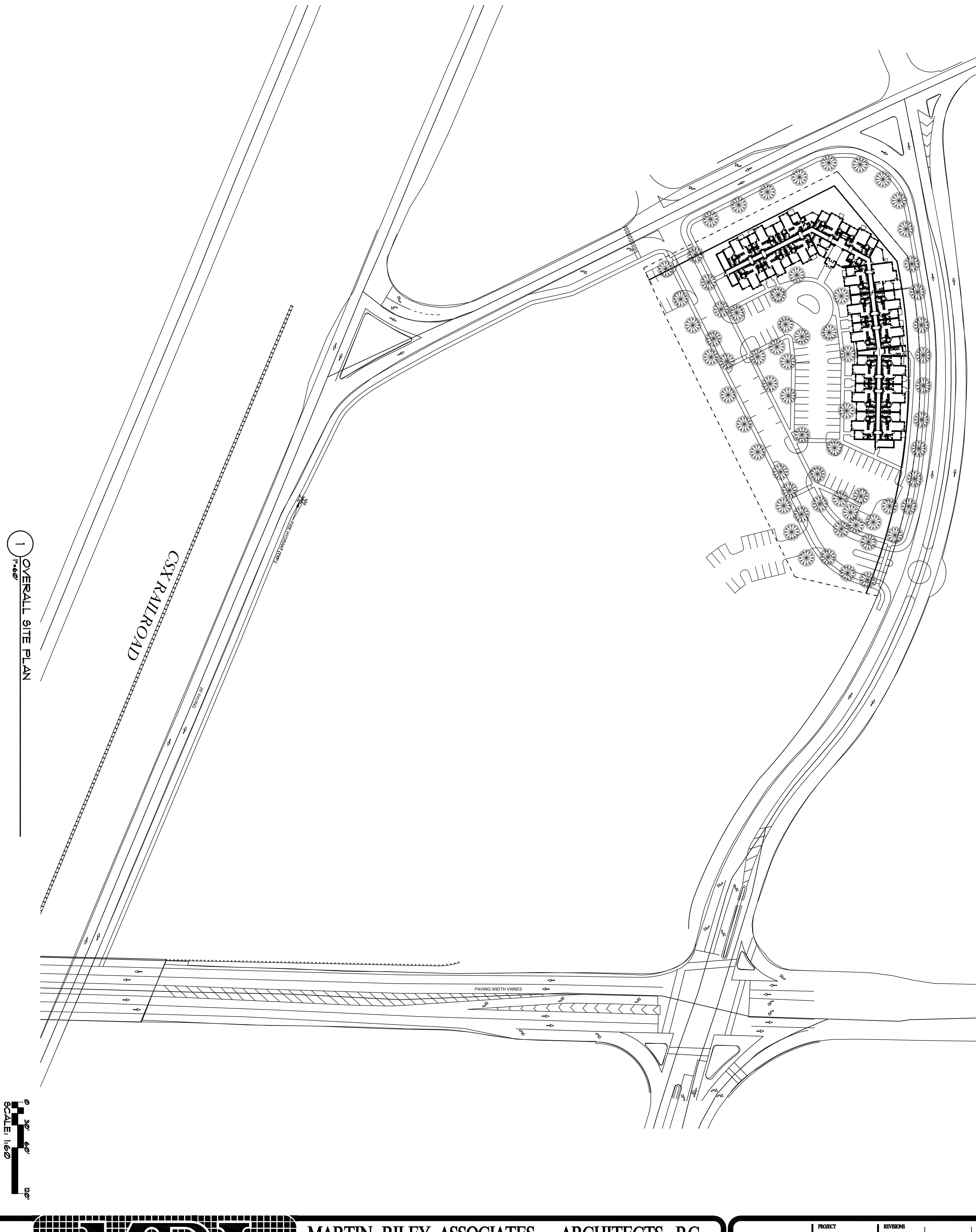

1 OVERALL SITE PLAN
1"=60'

A2.4

MRA

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MARTIN RILEY ASSOCIATES - ARCHITECTS, P.C.
215 CHURCH STREET SUITE 200 DECATUR GEORGIA 30030-3329 404-373-2800

ABBINGTON TRAIL
POWDER SPRINGS, GEORGIA

PROJECT	2013-048
DATE	5/16/13
DRAWN BY / CHECKED BY	DET
REVISIONS	

ALTA/ACSM LAND TITLE SURVEY FOR REA VENTURES GROUP, LLC & OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY

LOCATED IN
LAND LOTS 805, 825 & 826, 19TH DISTRICT
CITY OF POWDER SPRINGS
COBB COUNTY, GEORGIA

SURVEY NOTES

EQUIPMENT USED:
A TOPCON 223 TOTAL STATION WAS USED TO OBTAIN ANGULAR MEASUREMENTS AND DISTANCE MEASUREMENTS.

A TRIMBLE R-8 DUAL FREQUENCY GPS UNIT WAS USED FOR ESTABLISHING CONTROL. A NETWORK ADJUSTED RTK SURVEY WAS PERFORMED AND ADJUSTED BY RELATIVE POSITIONAL ACCURACY.

CLOSURE STATEMENT:
THIS PLAT HAS BEEN CALCULATED FOR CLOSURE AND IS ACCURATE WITHIN ONE FOOT IN 291,125 FEET.

THE FIELD DATA UPON WHICH THIS SURVEY IS BASED, ARE WITHIN THE POSITIONAL TOLERANCES ALLOWED FOR ALTA/ACSM LAND TITLE SURVEYS PER THE 2011 MINIMUM TECHNICAL STANDARDS ESTABLISHED BY ALTA AND ACSM AND WAS ADJUSTED USING THE LEAST SQUARES METHOD.

THE BEARINGS SHOWN ON THIS SURVEY ARE COMPUTED ANGLES BASED ON A GRID BEARING BASE (GA WEST ZONE) NAD83.

ALL HORIZONTAL DISTANCES SHOWN ARE GROUND DISTANCES.MEASURING UNITS OF THIS PLAT ARE IN U.S. SURVEY FEET.

CONTOURS ARE SHOWN AT TWO FOOT INTERVALS. ELEVATIONS ARE BASED ON RTK GLOBAL POSITIONING SYSTEMS OBSERVATION AND ARE RELATIVE TO NAVD 88 DATUM.

INFORMATION REGARDING THE REPUTED PRESENCE, SIZE, CHARACTER, AND LOCATION OF EXISTING UNDERGROUND UTILITIES AND STRUCTURES IS SHOWN HEREON. THERE IS NO CERTAINTY TO THE ACCURACY OF THIS INFORMATION AND IT SHALL BE CONSIDERED IN THAT LIGHT BY THOSE USING THIS DRAWING. THE LOCATION AND ARRANGEMENT OF UNDERGROUND UTILITIES AND STRUCTURES SHOWN HEREON MAY BE INACCURATE AND UTILITIES AND STRUCTURES NOT SHOWN MAY BE ENCOUNTERED. THE OWNER, HIS EMPLOYEES, HIS CONSULTANTS, HIS CONTRACTORS, AND/OR HIS AGENTS SHALL HEREBY DISTINCTLY UNDERSTAND THAT THE SURVEYOR IS NOT RESPONSIBLE FOR THE CORRECTNESS OR SUFFICIENCY OF THIS INFORMATION SHOWN HEREON AS TO SUCH UNDERGROUND INFORMATION.

INFORMATION REGARDING STORM SEWER AND SANITARY SEWER AS SHOWN HEREON, IS BASED ON OBSERVATIONS TAKEN BY TERRAMARK EMPLOYEES AT THE GROUND ELEVATION OF THE EXISTING STRUCTURE. TERRAMARK EMPLOYEES ARE NOT AUTHORIZED TO ENTER A CONFINED SPACE SUCH AS A STRUCTURE. THEREFORE, THERE IS NO CERTAINTY OF THE PIPE SIZES AND PIPE MATERIAL THAT ARE SHOWN ON THIS SURVEY. EXCAVATION BY A CERTIFIED CONTRACTOR IS THE ONLY WAY TO VERIFY PIPE SIZE AND MATERIAL. THE OWNER, HIS EMPLOYEES, HIS CONSULTANTS, HIS CONTRACTORS, AND/OR HIS AGENTS SHALL HEREBY DISTINCTLY UNDERSTAND THAT THE SURVEYOR IS NOT RESPONSIBLE FOR THE CORRECTNESS OR SUFFICIENCY OF THE PIPE INFORMATION SHOWN HEREON.

STATE WATERS AND BUFFERS AS SHOWN HEREON ARE SUBJECT TO REVIEW BY LOCAL JURISDICTION OFFICIALS. IT IS THE RESPONSIBILITY OF THE LOCAL AUTHORITY TO DETERMINE SPECIFIC WATER CLASSIFICATION. THEREFORE TERRAMARK LAND SURVEYING ACCEPTS NO RESPONSIBILITY IN THE IDENTIFICATION OF SAID WATERS OR BUFFERS IDENTIFIED HEREON.

TERRAMARK LAND SURVEYING, INC. DOES NOT WARRANT THE EXISTENCE OR NON-EXISTENCE OF ANY WETLANDS OR HAZARDOUS WASTE IN THE SURVEY AREA.

THIS PLAT WAS PREPARED FOR THE EXCLUSIVE USE OF THE PERSON, PERSONS OR ENTITY NAMED HEREON. THIS PLAT DOES NOT EXTEND TO ANY UNNAMED PERSON, PERSONS OR ENTITY WITHOUT THE EXPRESS CERTIFICATION BY THE SURVEYOR NAMING SAID PERSON, PERSONS OR ENTITY.

TERRAMARK LAND SURVEYING, INC. DOES NOT WARRANT THE EXISTENCE OR NON-EXISTENCE OF ANY WETLANDS OR HAZARDOUS WASTE IN THE SURVEY AREA.

FIELD WORK FOR THIS PROPERTY WAS COMPLETED ON MAY 16, 2014.

TITLE NOTES

I. ACCORDING TO THE "FIRM" (FLOOD INSURANCE RATE MAP) OF COBB COUNTY, GEORGIA - COMMUNITY PANEL NUMBER 13067C0177G, DATED DEC. 16, 2008. A PORTION OF PARCEL TWO LIES WITHIN A SPECIAL FLOOD HAZARD AREA.

II. SUBJECT PROPERTY HAS ACCESS TO THE PUBLIC RIGHT OF WAY OF FLORENCE ROAD CONNECTOR AND FLORENCE ROAD.

III. AS OF THE DATE OF THIS SURVEY, TITLE TO SUBJECT PROPERTY APPEARS TO LIE VESTED IN G.W. INVESTMENTS, PER DEED RECORDED AMONG THE LAND RECORDS OF COBB COUNTY, GEORGIA IN DEED BOOK 13376, PAGE 850 AND DEED BOOK ?????, PAGE ???.

IV. PROPERTY IS SUBJECT TO ALL EASEMENTS AND RIGHTS OF WAY, RECORDED AND UNRECORDED.

V. THIS SURVEY WAS PREPARED WITH THE BENEFIT OF A TITLE REPORT (COMMITMENT NO.: GA14002982), EFFECTIVE DATE OF JANUARY 5, 2014, PREPARED BY OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY AND RECEIVED ON MAY 6, 2014. APPLICABLE ENCUMBRANCES AND SPECIAL EXCEPTIONS ARE SHOWN BELOW AND/OR ON THIS SURVEY.

PARCEL ONE:

10. EASEMENT TO GEORGIA DEPARTMENT OF TRANSPORTATION, RECORDED AMONG THE AFORESAID LAND RECORDS IN DEED BOOK 4696, PAGE 91. (NO LONGER AFFECTS SUBJECT PROPERTY)

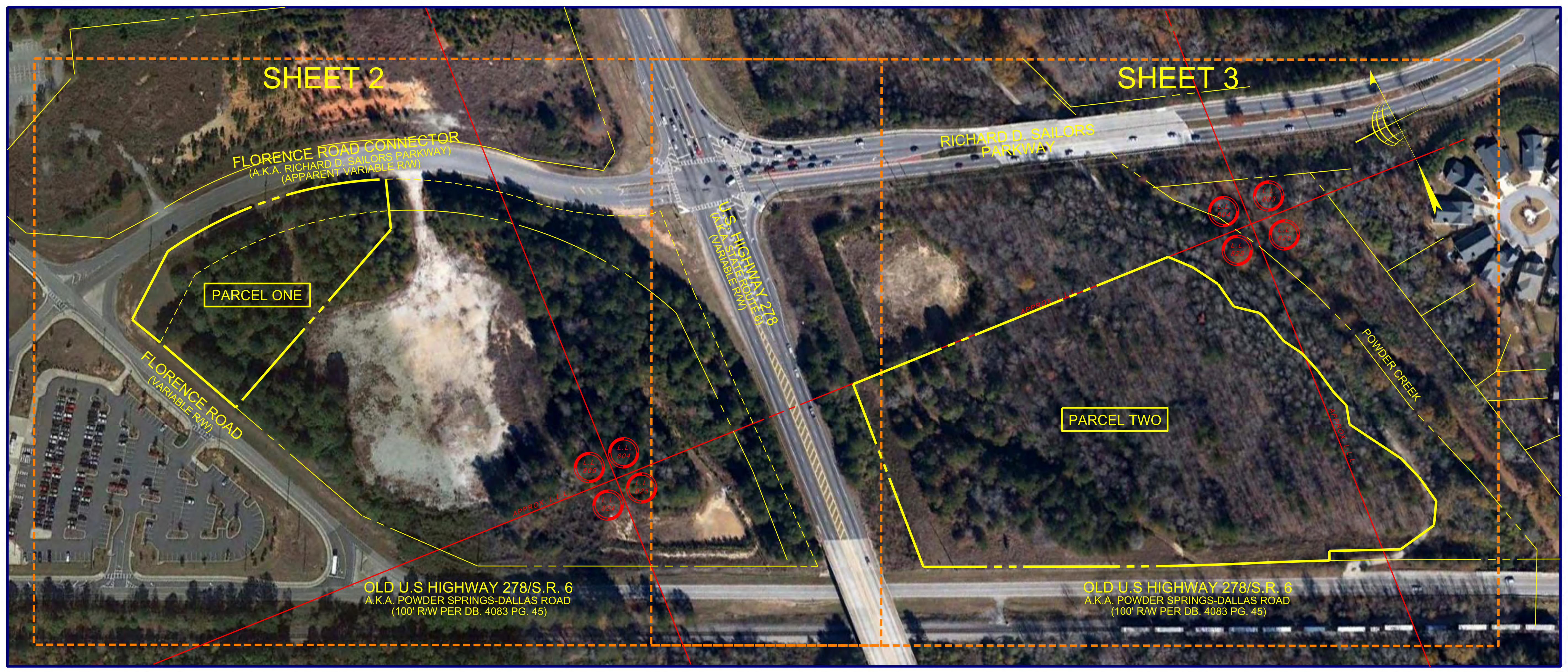
11. RIGHT OF WAY DEED TO COBB COUNTY, GEORGIA, RECORDED AMONG THE AFORESAID LAND RECORDS IN DEED BOOK 10498, PAGE 10. (DOES NOT AFFECT SUBJECT PROPERTY)

12. RIGHT OF WAY EASEMENT TO GREYSTONE POWER CORPORATION, RECORDED AMONG THE AFORESAID LAND RECORDS IN DEED BOOK 10648, PAGE 540. (MAY AFFECT SUBJECT PROPERTY; UNABLE TO DETERMINE LOCATION BASED ON DESCRIPTION)

PARCEL TWO:

NO TITLE INFORMATION PROVIDED

SITE MAP



SITE INFORMATION

PARCEL ONE

CURRENT OWNER: G.W. INVESTMENTS (DB. 13376 PG. 850)

A PORTION OF TAX PARCEL ID # 19080500080

ZONING: CRC (COMMUNITY RETAIL COMMERICAL)

JURISDICTION: CITY OF POWDER SPRINGS

SETBACKS: (NOT AVAILABLE)

PARCEL TWO

CURRENT OWNER: LICKLOG PROPERTIES INC. (DB. 14306 PG. 4660)

A PORTION OF TAX PARCEL ID # 19082500090

ZONING: CRC (COMMUNITY RETAIL COMMERICAL)

JURISDICTION: CITY OF POWDER SPRINGS

SETBACKS: (NOT AVAILABLE)

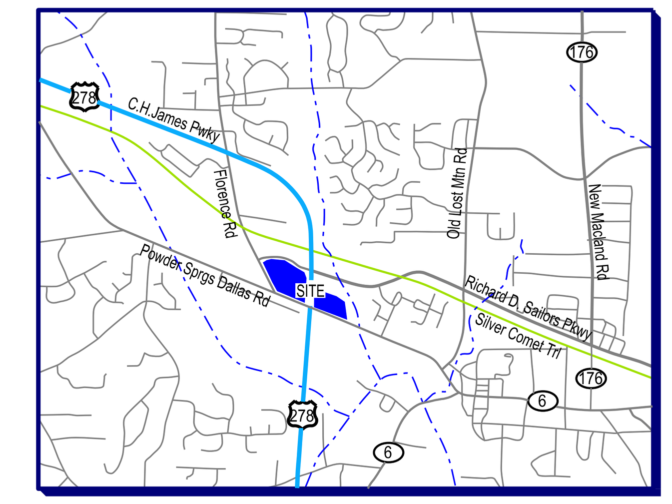
ABBREVIATIONS

A	ARC LENGTH	IPS	IRON PIN SET (CAPPED)
AC	ACRE	N/F	NOW OR FORMERLY
AE	ACCESS EASEMENT	OTP	OPEN TOP PIPE
BSL	BUILDING SETBACK LINE	PB	PLAT BOOK
BW	BARBWIRE	PG	PAGE
CH	CHORD LENGTH	POB	POINT OF BEGINNING
CLF	CHAINLINK FENCE	POC	POINT OF COMMENCEMENT
CMP	CORRUGATED METAL PIPE	R	RADIUS LENGTH
CONC	CONCRETE	R/W	RIGHT OF WAY
CTP	CRIMP TOP PIPE	R/W MON	RIGHT OF WAY MONUMENT
DB	DEED BOOK	RB	REBAR
DIP	DUCTILE IRON PIPE	RCP	REINFORCED CONCRETE PIPE
FDC	FIRE DEPARTMENT CONNECTION	SDE	STORM DRAINAGE EASEMENT
FND	FOUND	SQ. FT.	SQUARE FEET
HDPE	HIGH DENSITY POLYETHYLENE PIPE	SSE	SANITARY SEWER EASEMENT
IPF	IRON PIN FOUND	WPF	WOOD PRIVACY FENCE

LEGEND

CURB AND GUTTER (C&G)
FENCE
STORM DRAIN LINE
SANITARY SEWER
WATER LINE
GAS LINE
UNDERGROUND POWER LINE
OVERHEAD POWER LINE
UNDERGROUND COMMUNICATION
TOPOGRAPHIC CONTOUR
PROPERTY LINE
CATCH BASIN (DWCB)
CATCH BASIN (SWCB)
DROP INLET (DI)
JUNCTION BOX (JB)
HEAD WALL (HW)
CURB INLET (CI)
FLARED END SECTION (FES)
OUTLET CONTROL STRUCTURE
SS MANHOLE (MH)
CLEANOUT (CO)
GREASE TRAP (GT)
IRRIGATION CONTROL VALVE (ICV)
FIRE HYDRANT (FH)
WATER VALVE (WV)
WATER METER (WM)
FIRE DEPT. CONNECTION (FDC)
WATER VALVE MARKER
TRANSFORMER BOX (TX)
AIR CONDITIONER (AC)
ELECTRIC METER (EM)
ELECTRIC UTILITY
LIGHT POLE (LP)
POWER POLE (PP)
UTILITY MANHOLE (UM)
SPOTLIGHT
GAS METER (GM)
GAS VALVE (GV)
TRAFFIC SIGNAL BOX (TSB)
TRAFFIC SIGNAL
FLAG POLE (FP)
MAIL BOX
SIGN
X 1000.00 SPOT ELEVATION
CONCRETE AREA
ASPHALT AREA
GRAVEL AREA
BRICK AREA
TREELINE
PICTURE LOCATION

LOCATION MAP



NOT TO SCALE
LAT - 33°51'59.07"N
LONG - 84°41'48.82"W

LEGAL DESCRIPTION (PARCEL ONE)

Being all that tract or parcel of land lying and being in Land Lot 805, 19th District, Cobb County, Georgia, and being more particularly described as follows:

To find the Point of Beginning, commence at a right of way monument found at the intersection of the Northerly Right-of-Way Line of Powder Springs – Dallas Road, (a variable width right of way) and the Westerly Right-of-Way Line of aforesaid U.S. Highway 278 (a variable width right of way); thence, leaving said point and running with the said line of Powder Springs – Dallas Road, North 67° 13' 52" West, 585.79 feet; thence, North 43° 46' 36" West, 236.44 feet to a point of intersection with the Northeasterly Right of Way Line of Florence Road (a variable width right of way); thence, running with the said line of Florence Road, North 26° 39' 17" West, 312.27 feet to the True Point of Beginning of the herein described tract or parcel of land; thence, leaving the said Point of Beginning and continuing with the said line of Florence Road North 26° 39' 17" West, 187.18 feet to a right of way monument found at the intersection with the Southerly Right of Way Line of Florence Road Connector, A.K.A. Richard Sailors Parkway (a variable width right of way); thence, running North 28° 03' 44" West, 67.86 feet; thence, North 50° 20' 51" East, 144.81 feet; thence, 436.85 feet along the arc of a curve deflecting to the right, having a radius of 769.05 feet and a chord bearing and distance of South 85° 32' 34" East, 431.00 feet; thence, South 16° 51' 37" West, 59.58 feet to a point on the aforesaid line of Richard Sailors Parkway; thence, leaving the said line of Richard Sailors Parkway and running South 16° 51' 37" West, 35.15 feet; thence, South 63° 50' 14" West, 443.23 feet to the Point of Beginning, containing 110,687 square feet or 2.5410 acres of land, more or less.

Property is subject to all easements and rights of way recorded and unrecorded.

LEGAL DESCRIPTION (PARCEL TWO)

Being all that tract or parcel of land lying and being in Land Lot 825 & 826, 19th District, 2nd Section, Cobb County, Georgia, and being more particularly described as follows:

Beginning for the same at a right of way monument found at the intersection of the Northerly Right-of-Way Line of Powder Springs – Dallas Road, (a variable width right of way) and the Easterly Right-of-Way Line of aforesaid U.S. Highway 278 (a variable width right of way); thence, leaving said point and running with the said line of U.S. Highway 278 North 01° 39' 44" East, 367.32 feet to the point of intersection with the South Line of Land Lot 804 of the aforesaid District and Section; thence, leaving the aforesaid line of U.S. Highway 278 and running with the said line of Land Lot 804 South 89° 14' 30" East, 638.12 feet; thence, leaving the aforesaid line of Land Lot 804 and running South 44° 12' 20" East, 50.48 feet; thence, South 33° 36' 48" East, 56.38 feet; thence, South 12° 27' 37" East, 51.84 feet; thence, South 53° 32' 46" East, 48.45 feet; thence, South 27° 05' 31" East, 13.14 feet; thence, South 16° 22' 47" East, 57.34 feet; thence, South 33° 33' 06" East, 40.92 feet; thence, South 19° 31' 41" East, 45.41 feet; thence, South 13° 36' 42" East, 49.78 feet; thence, South 21° 23' 16" East, 34.12 feet; thence, South 13° 22' 26" West, 35.94 feet; thence, South 33° 43' 17" East, 116.71 feet; thence, South 21° 11' 02" East, 47.88 feet; thence, South 12° 48' 34" East, 55.50 feet; thence, South 27° 56' 49" West, 45.63 feet; thence, South 77° 06' 55" West, 77.31 feet to the aforesaid line of Powder Springs – Dallas Road; thence, running with the said line of Powder Springs – Dallas Road North 68° 28' 37" West, 133.80 feet; thence, South 21° 31' 24" West, 18.15 feet; thence, 147.36 feet along the arc of a curve deflecting to the left, having a radius of 5,779.55 feet and a chord bearing and distance of North 69° 12' 26" West, 147.36 feet; thence, 248.83 feet along the arc of a curve deflecting to the right, having a radius of 5,679.55 feet and a chord bearing and distance of North 68° 41' 19" West, 248.81 feet; thence, North 67° 21' 28" West, 366.27 feet to the Point of Beginning, containing 430,459 square feet or 9.8820 acres of land, more or less.

Property is subject to all easements and rights of way recorded and unrecorded.

REFERENCE MATERIAL

1. FINAL PLAT FOR "THE COTTAGES AT SILVER SPRINGS VILLAGE RECORDED IN PB. 204 PG. 04
2. WARRANTY DEED FOR POWDER SPRINGS PARTNERS, L.P. RECORDED IN DB. 9051 PG. 512
3. COBB COUNTY D.O.T. RIGHT OF WAY PLANS PROJECT NUMBER 7404-30
4. RIGHT OF WAY DEED FOR THE CITY OF POWDER SPRINGS RECORDED IN DB. 13259 PG. 250
5. FINAL PLAT FOR FLORENCE ROAD INDUSTRIAL PARK RECORDED IN PB. 213 PG. 60
6. QUIT CLAIM DEED FOR COBB COUNTY RECORDED IN DB. 13422 PG. 807
7. WARRANTY DEED FOR MICHAEL L. HAMMONS RECORDED IN DB. 13411 PG. 5882
8. WARRANTY DEED G.W. INVESTMENTS, INC. RECORDED IN DB. 13376 PG. 850
9. BOUNDARY & TOPOGRAPHIC SURVEY FOR CANDLER DEVELOPMENT. PREPARED BY TERRAMARK LAND SURVEYING, INC. DATED: MARCH 1, 2006
10. TOPOGRAPHIC SURVEY FOR LYNN WILSON PREPARED BY TERRAMARK LAND SURVEYING, INC. DATED: MAY 9, 2006

SURVEYOR'S CERTIFICATE

TO:

THIS IS TO CERTIFY THAT THIS MAP OR PLAT AND THE SURVEY ON WHICH IT IS BASED WERE MADE IN ACCORDANCE WITH THE 2011 MINIMUM STANDARD DETAIL REQUIREMENTS FOR ALTA / ACSM LAND TITLE SURVEYS, JOINTLY ESTABLISHED AND ADOPTED BY ALTA AND NSPS, AND INCLUDES ITEMS (1,2,3,4,6(b),7(a),7(b1),7(C),8,9,10, 11(a),13,14 & 16 OF TABLE A THEREOF. THE FIELD WORK WAS COMPLETED ON MAY 16, 2014. THE DATE OF THE PLAT OR MAP MAY 22, 2014.

THE ORIGINAL OF THIS DOCUMENT WAS SEALED AND SIGNED BY PAUL B. CANNON, GA. RLS #2928

THIS REPRODUCTION IS NOT A CERTIFIED COPY

WILLIAM C. WOHLFORD, JR., RLS
REGISTERED NUMBER: 2577

TerraMark
Professional Land Surveying
TerraMark Land Surveying, Inc.
1396 Bells Ferry Road
Marietta, Georgia 30066
Phone No. (770) 421-1927
Fax. No. (770) 421-0552
www.TerraMark.com
C. O. A.# LSF000810

Project No.	2014-064	No	Revision	Date
Survey Crew:	JR	#1		
		#2		
Drawn By:	KWH	#3		
		#4		
Approved By:	WCW	#5		
		#6		
Date:	5/22/14	#7		
		#8		
Scale:	1"=50'	PATH:	S: SURVEY\ 2014\ 2014-064\ DGN\ ALTA.DGN	

ALTA/ACSM LAND TITLE SURVEY FOR
REA VENTURES GROUP, LLC &
OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY
LOCATED IN
LAND LOTS 805, 825 & 826, 19TH DISTRICT
CITY OF POWDER SPRINGS
COBB COUNTY, GEORGIA

SHEET NO. 1/3

DRAWING# TM 24 X 36

JOB NUMBER T2014-064 PLOT SIZE 24 X 36


ALTA/ACSM LAND TITLE SURVEY FOR
REA VENTURES GROUP, LLC &
OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY
LOCATED IN
LAND LOTS 805, 825 & 826, 19TH DISTRICT
CITY OF POWDER SPRINGS
COBB COUNTY, GEORGIA
SHEET NO. 2/3
TerraMark
Professional Land Surveying
TerraMark Land Surveying, Inc.
1396 Bells Ferry Road
Marietta, Georgia 30066
Phone No. (770) 421-1927
Fax. No. (770) 421-0552
www.TerraMark.com
C.O.A.# LSF000810
Project No. 2014-064
Survey Crew: JR
Drawn By: KWH
Approved By: WCW
Date: 5/19/14
Scale: 1"=50'
U.S. HIGHWAY 278
(A.K.A. STATE ROUTE 6)
(VARIABLE R/W)
RICHARD D. SAILORS PARKWAY
OLD U.S HIGHWAY 278/S.R. 6
A.K.A. POWDER SPRINGS-DALLAS ROAD
(100' R/W PER DB. 4083 PG. 45)
FLORENCE ROAD CONNECTOR
(A.K.A. RICHARD D. SAILORS PARKWAY)
(APPARENT VARIABLE R/W)
FLORENCE ROAD
(VARIABLE R/W)
FUTURE R/W ACQUISITION AREA
PROPOSED R/W ACQUISITION AREA
"FUTURE DEVELOPMENT"
N/F
G W INVESTMENTS
DB. 13376 PG. 848
TPID# 19080500080
PARCEL ONE
TOTAL AREA:
(Including R/W)
110,687 SF
2.5410 AC
GRAVEL AREA
APPROX. L.L.L.
L.L. 804
L.L. 805
L.L. 825
L.L. 824
POB
POC
GUARDRAIL
WIRE FENCE
GRID (GA. WEST ZONE) NAD83
SCALE: 1" = 50'
JOB NUMBER T2014-064 PLOT SIZE 24 X 36

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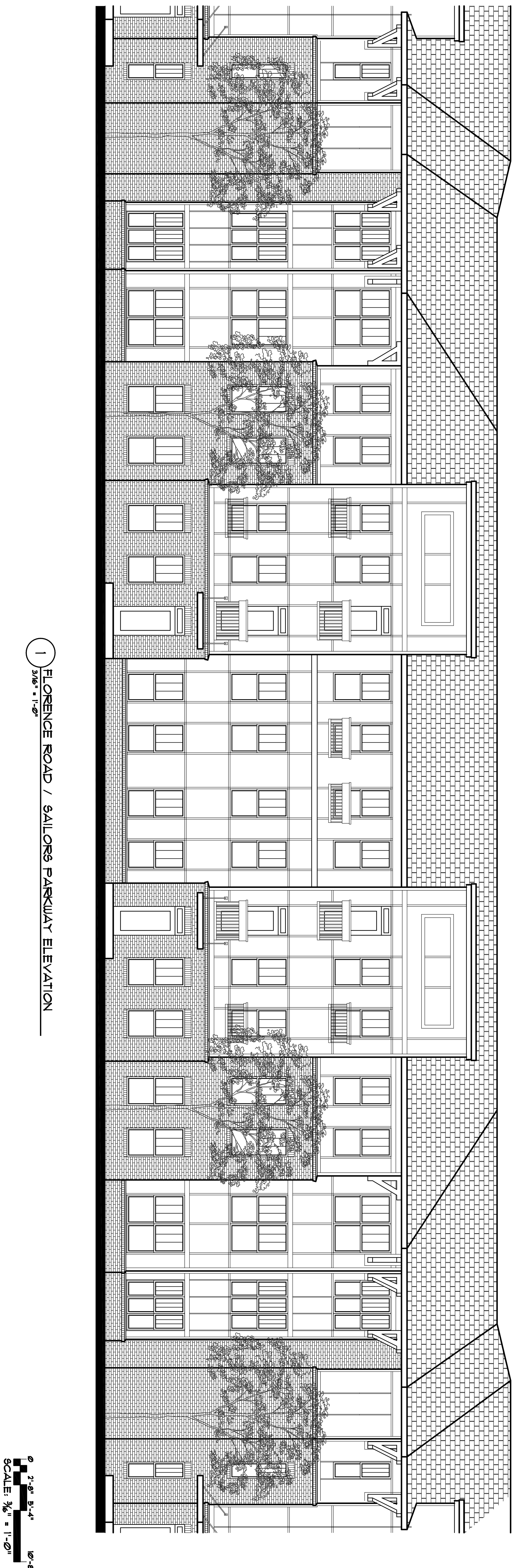

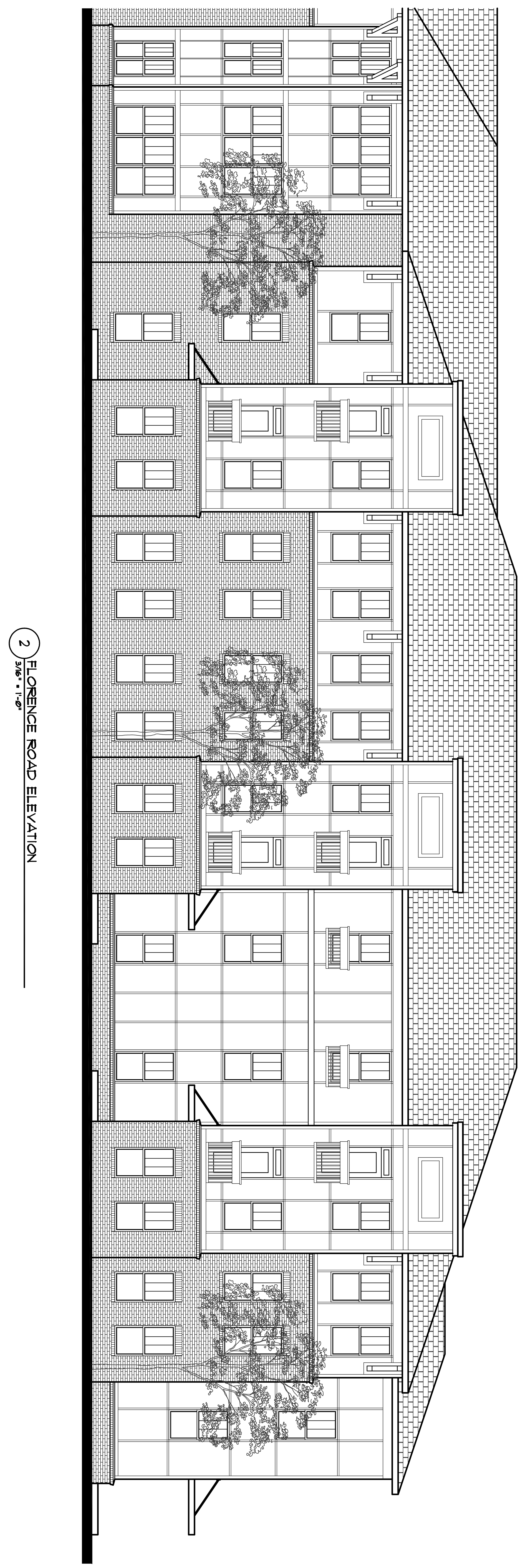

A3.1

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MARTIN RILEY ASSOCIATES - ARCHITECTS, P.C.
215 CHURCH STREET SUITE 200 DECATUR GEORGIA 30030-3329 404-373-2800

ABBINGTON TRAIL
POWDER SPRINGS, GEORGIA

PROJECT	2013-048
DATE	5/16/13
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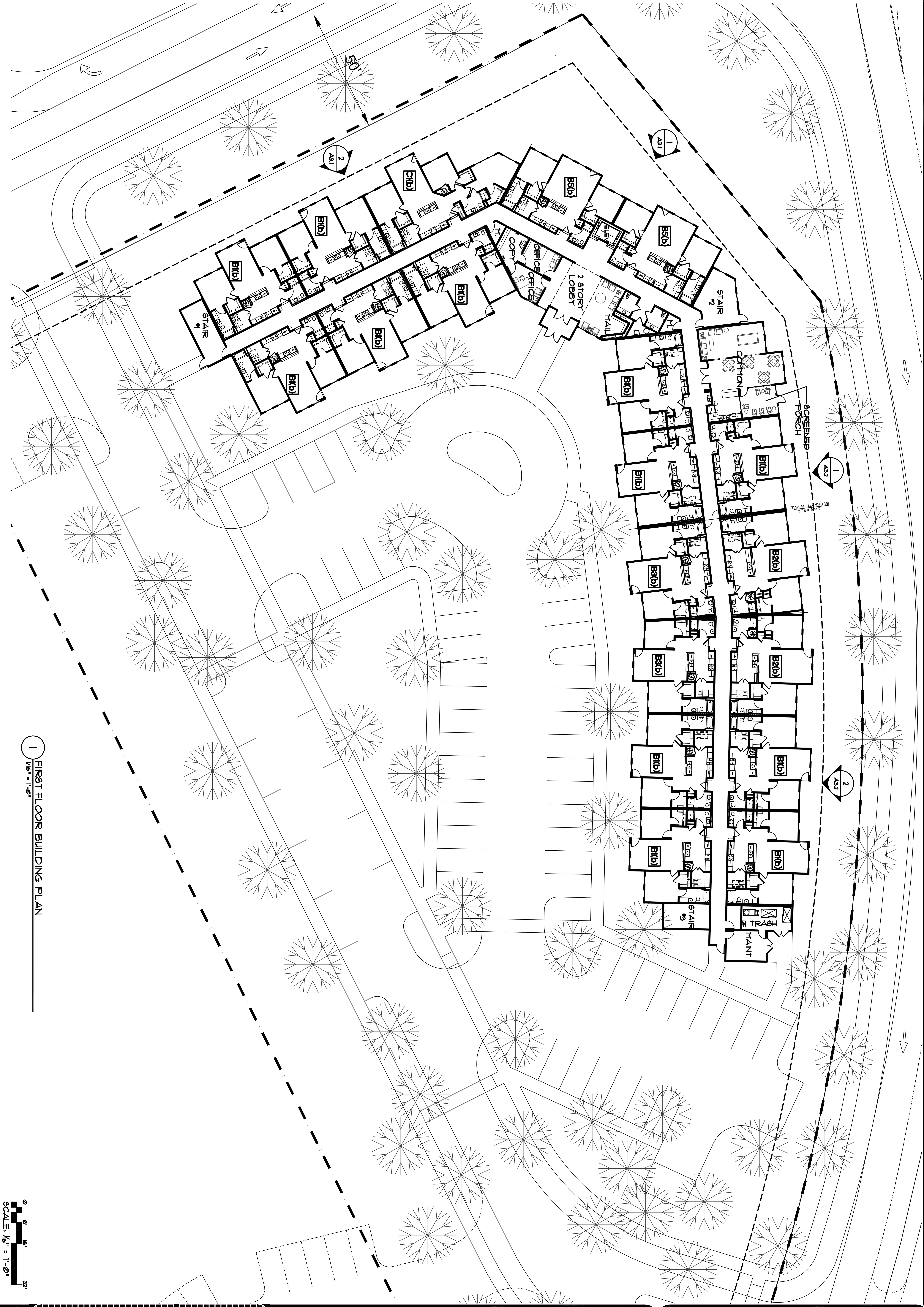


A2.1

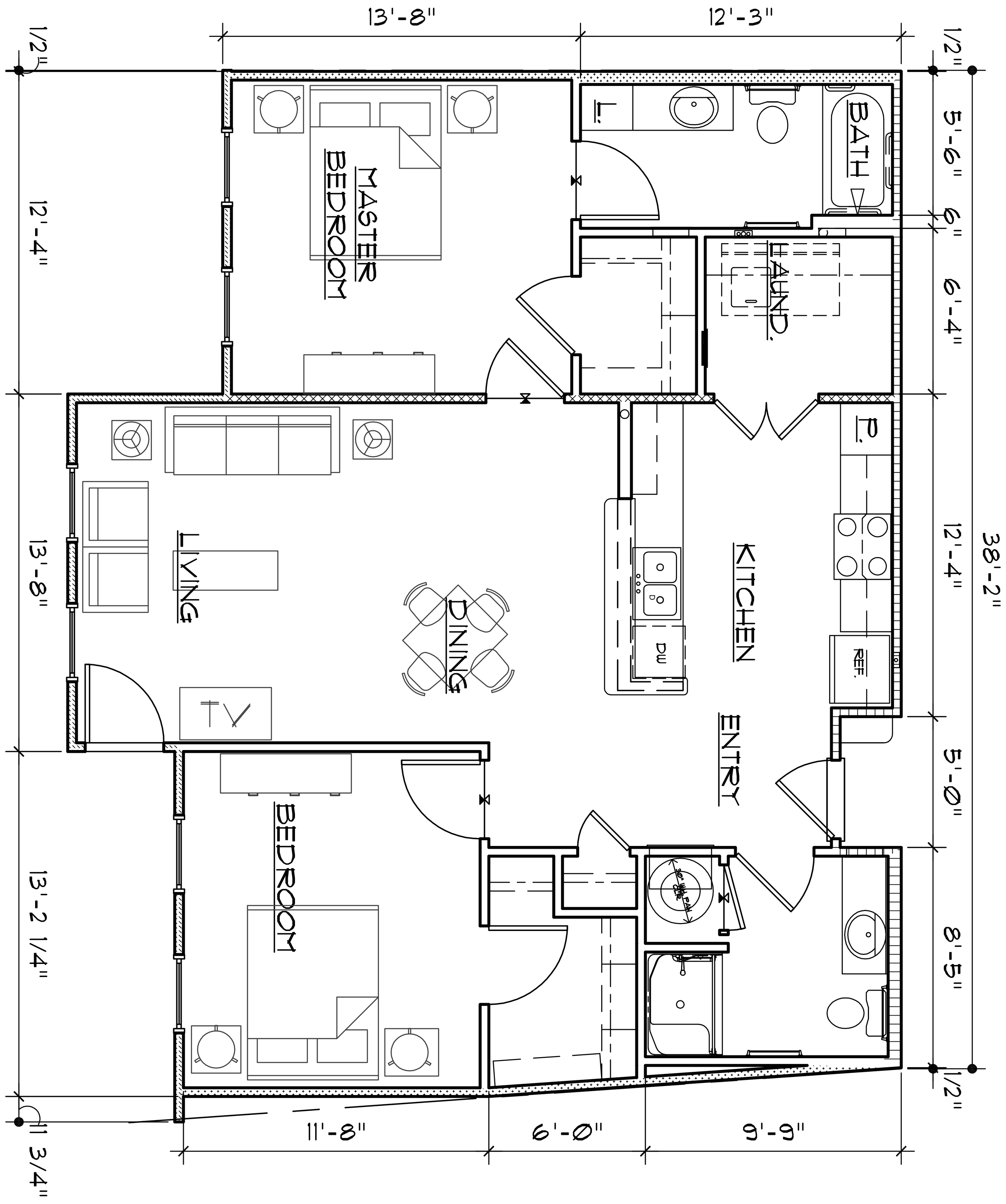
MRA

NOT RELEASED FOR CONSTRUCTION

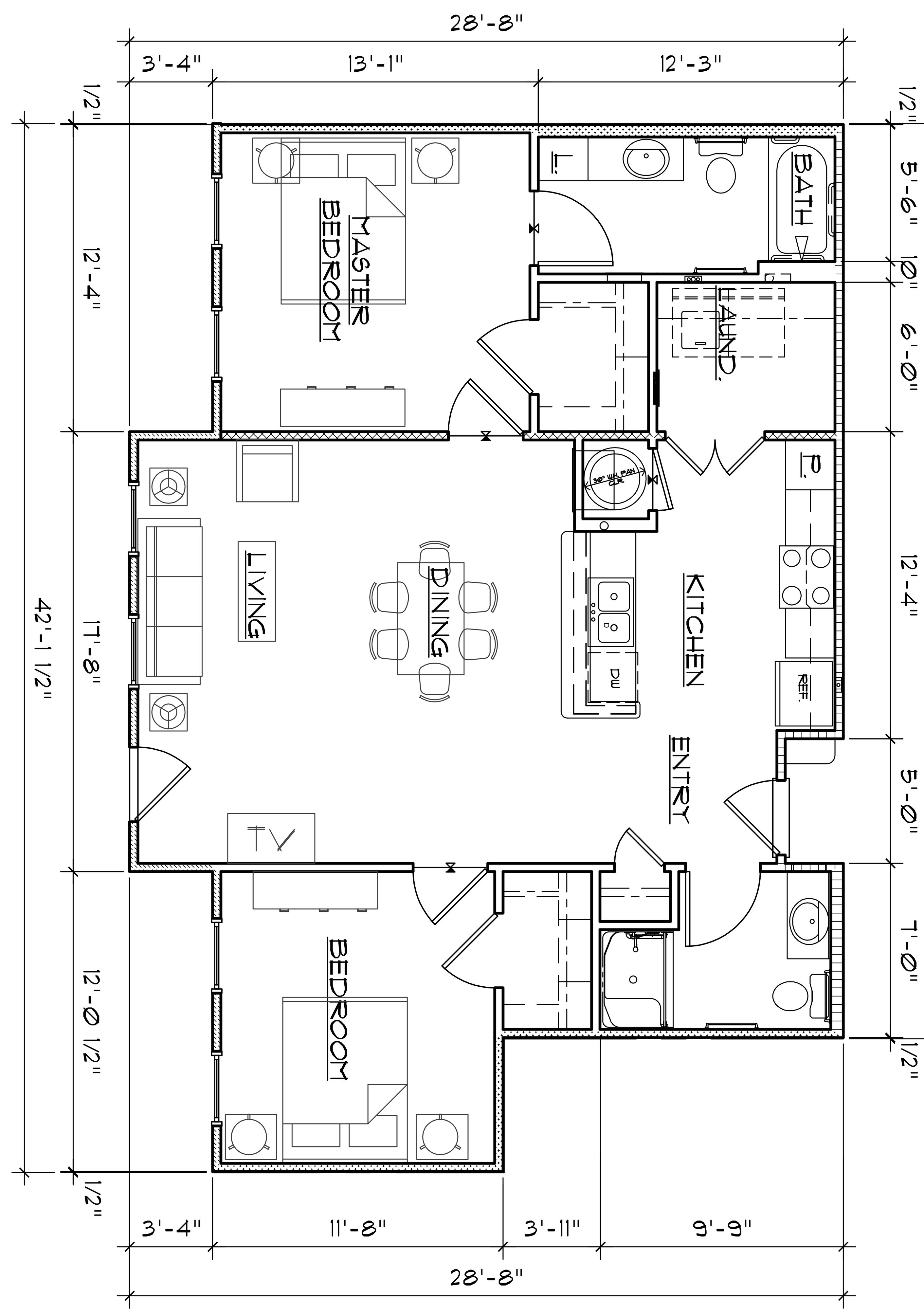
MARTIN RILEY ASSOCIATES - ARCHITECTS, P.C.
215 CHURCH STREET SUITE 200 DECATUR GEORGIA 30030-3329 404-373-2800

ABBINGTON TRAIL
POWDER SPRINGS, GEORGIA

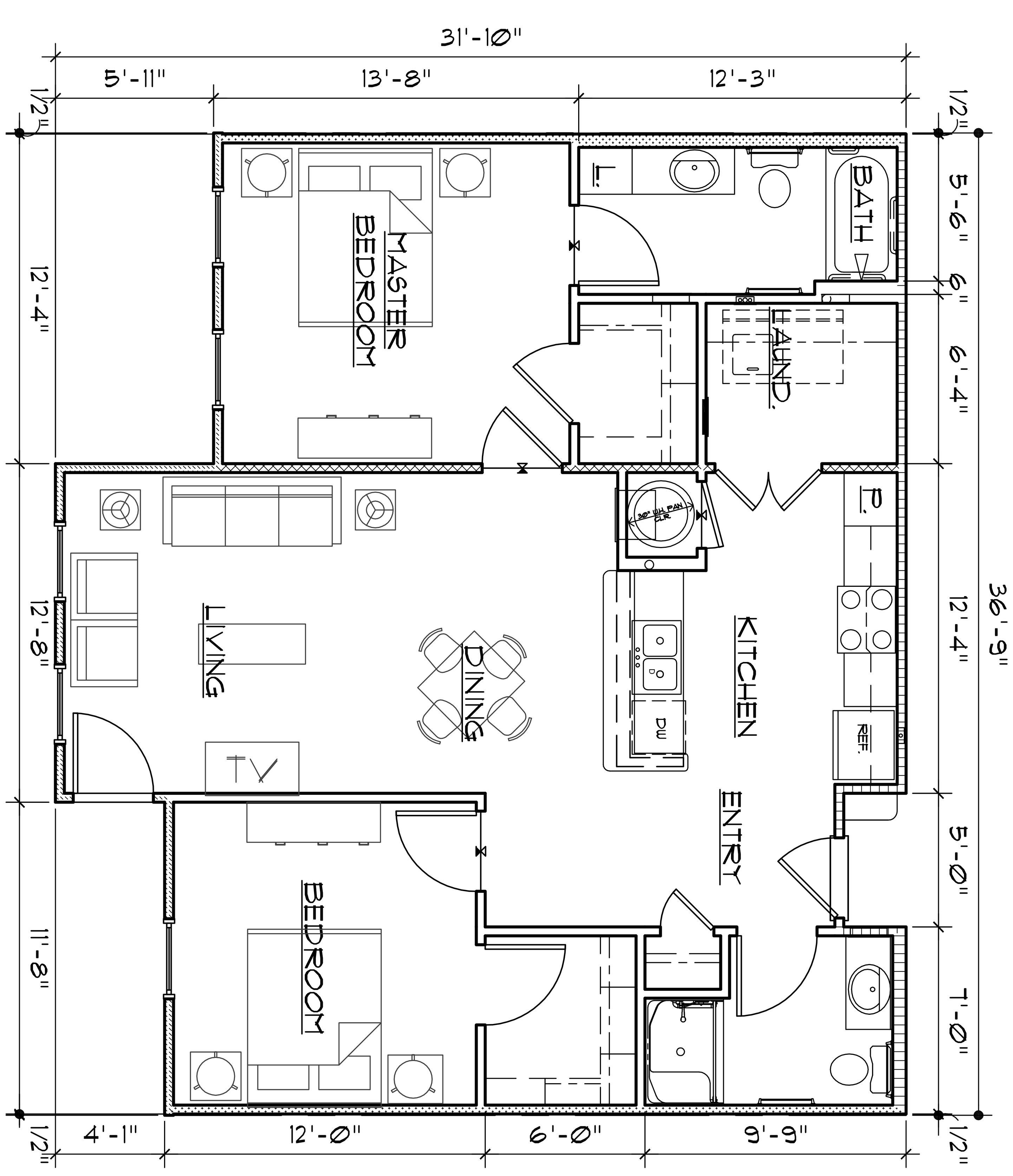
PROJECT	REVISIONS
2013-048	
DATE	
5/16/13	
DRAWN BY / CHECKED BY	
DET	



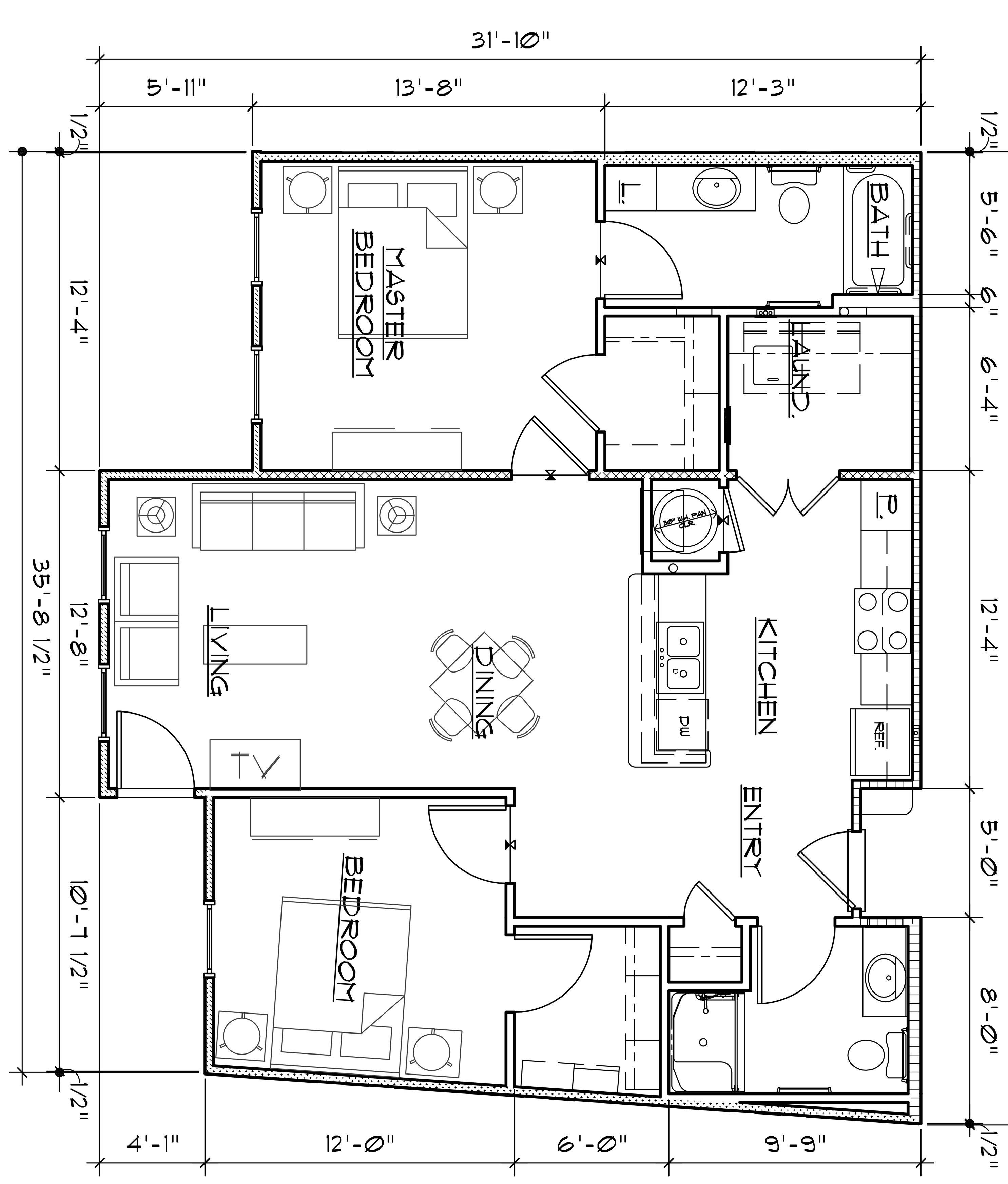
3 TWO BEDROOM "B2(b)" UNIT PLAN
1/4" = 1'-0"
(6 TOTAL B2 UNITS)
1,041 SF PAINT TO PAINT
1,096 SF GROSS



4 TWO BEDROOM "B4(b)" UNIT PLAN
1/4" = 1'-0"
(6 TOTAL B4 UNITS)
990 SF PAINT TO PAINT
1,038 SF GROSS



1 TWO BEDROOM "B1(b)" UNIT PLAN
1/4" = 1'-0"
(38 TOTAL B1 UNITS)
987 SF PAINT TO PAINT
1,035 SF GROSS



2 TWO BEDROOM "B3(b)" UNIT PLAN
1/4" = 1'-0"
(6 TOTAL B3 UNITS)
987 SF PAINT TO PAINT
1,035 SF GROSS

0' 2' 4' 8'
SCALE: 1/4" = 1'-0"

A1.1

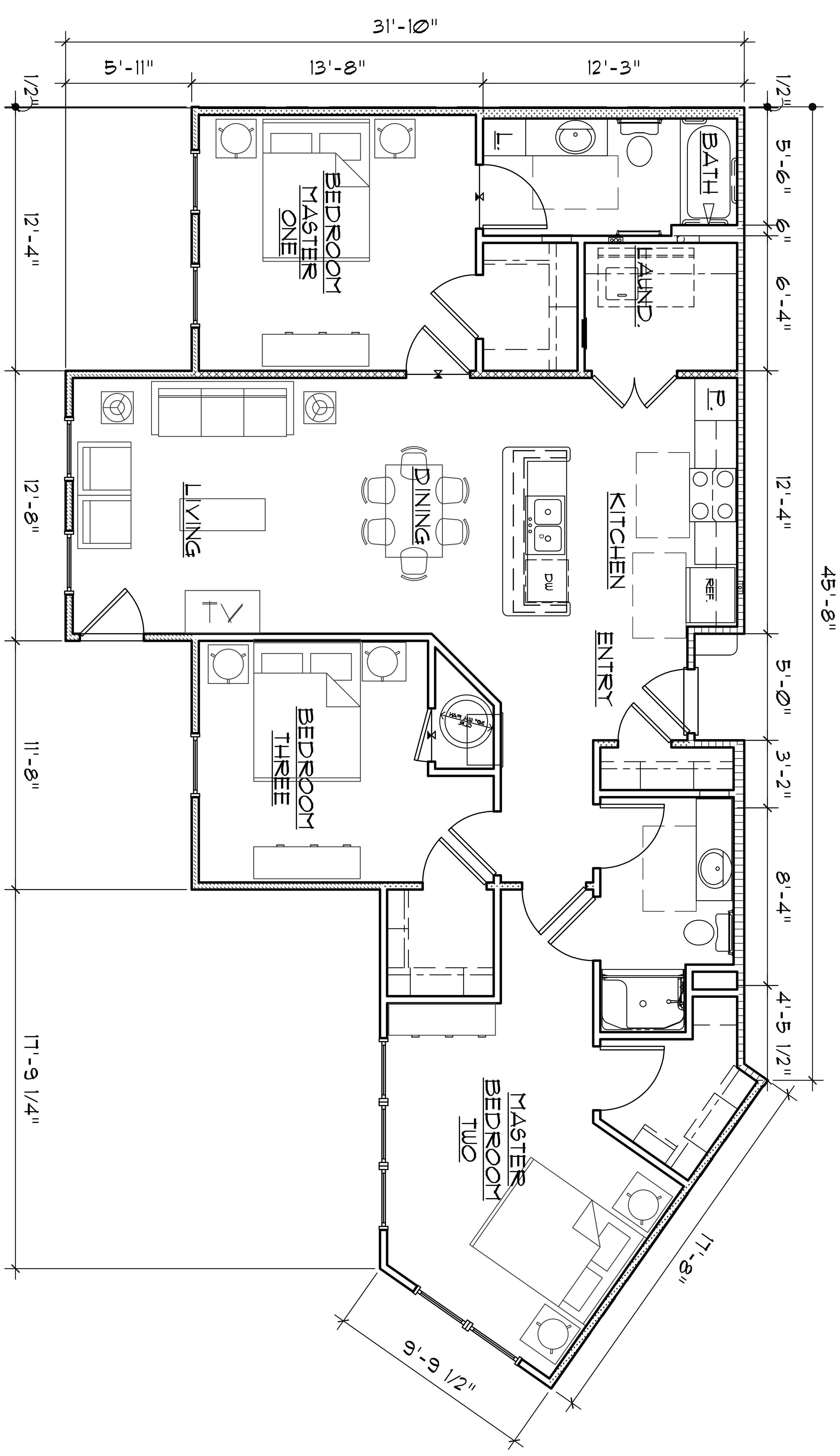
MRA

NOT RELEASED FOR CONSTRUCTION

MARTIN RILEY ASSOCIATES - ARCHITECTS, P.C.
215 CHURCH STREET SUITE 200 DECATUR GEORGIA 30030-3329 404-373-2800

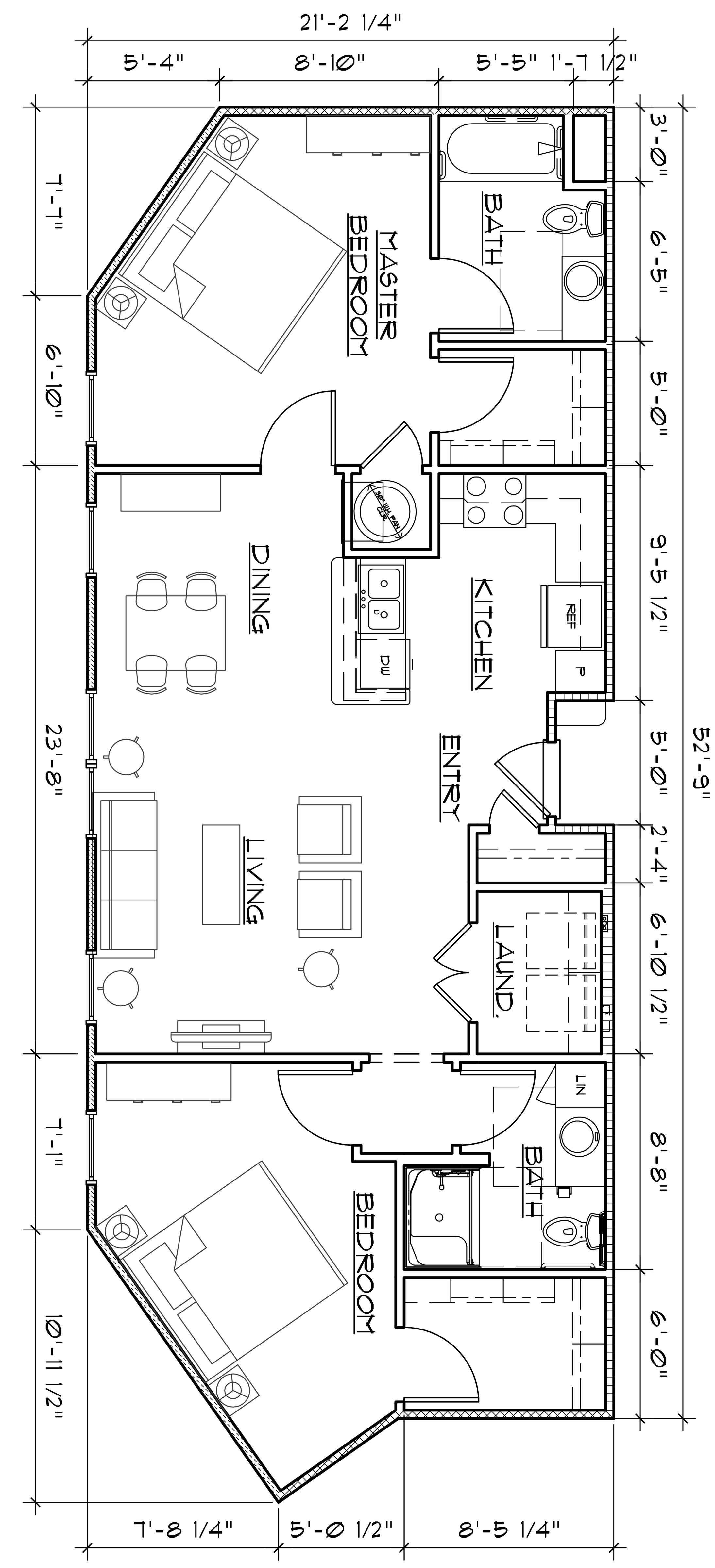
ABBINGTON TRAIL
POWDER SPRINGS, GEORGIA

PROJECT	2013-048
DATE	5/16/13
DRAWN BY / CHECKED BY	DET
REVISIONS	



(3 TOTAL C1 UNITS)

1 THREE BEDROOM "C1(b)" UNIT PLAN
1/4" = 1'-0"
1212 SF PAINT TO PAINT
1,333 SF GROSS



(1 TOTAL B4 UNIT)

2 TWO BEDROOM "B4(b)" UNIT PLAN
1/4" = 1'-0"
1,028 SF PAINT TO PAINT
1,077 SF GROSS

SCALE: 1/4" = 1'-0"

A1.2

MRA

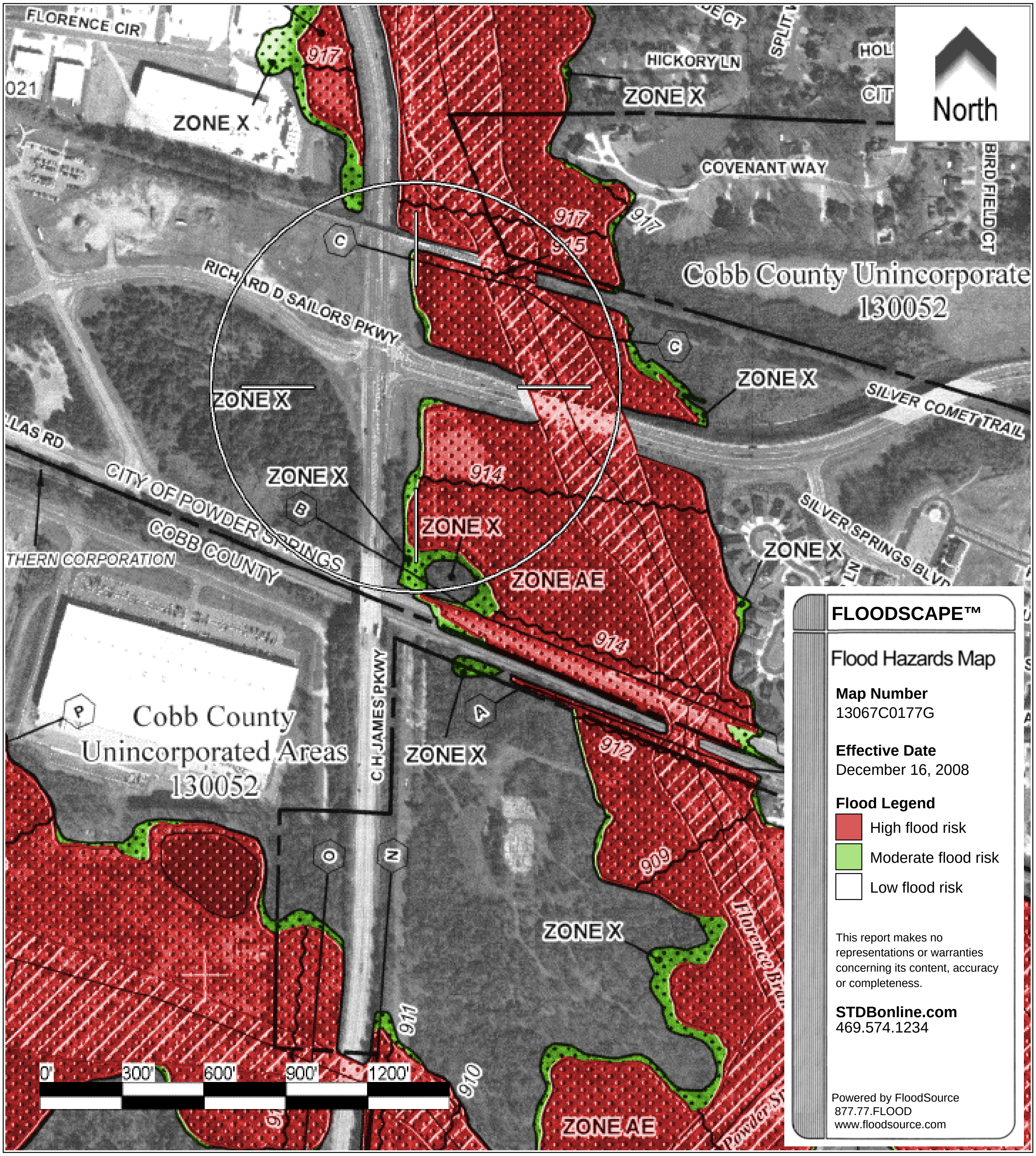
MARTIN RILEY ASSOCIATES - ARCHITECTS, P.C.
215 CHURCH STREET SUITE 200 DECATUR GEORGIA 30030-3329 404-373-2800

ABBINGTON TRAIL
POWDER SPRINGS, GEORGIA

NOT RELEASED FOR CONSTRUCTION

PROJECT	REVISIONS
2013-048	
DATE 5/16/13	
DRAWN BY / CHECKED BY DET	

PROPERTY ADDRESS:
Lat: 4010973.161520, Lon: -9428359.615306



FLOODSCAPE™

Flood Hazards Map

Map Number
13067C0177G

Effective Date
December 16, 2008

Flood Legend

High flood risk

Moderate flood risk

Low flood risk

This report makes no representations or warranties concerning its content, accuracy or completeness.

STDBonline.com
469.574.1234

Powered by FloodSource
877.77.FLOOD
www.floodsource.com

THE CITY OF Powder Springs

Patricia C. Vaughn
Mayor

June 10, 2013

Georgia Department of Community Affairs
Office of Affordable Housing
60 Executive Park South, NE
Atlanta, GA 30329

RE: Zoning Certification for Abbington Trail
Parcel #19080500080 located on Florence Road and Richard D. Sailors Pkwy, Powder Springs, Cobb County

The above referenced property is currently zoned MXU (Mixed Use) and designated a part of a Community Activity Center within the Powder Springs Comprehensive Land Use Plan (the "Land Use Plan"). The Land Use Plan classification and the approved zoning on the property allows for a 60-unit age restricted independent living facility.

The application to develop the facility was presented to the City of Powder Springs in a public hearing before the Mayor and Council. The developer has been approved to construct 60 units of senior housing in a 3-story elevator building. The property is sufficiently zoned for that proposed use.

The City is supportive of the proposed development and looks forward to receiving word of approval from DCA. Please let me know if I can be of further assistance or provide any additional information.

Sincerely,

Patricia C. Vaughn

Patricia C. Vaughn
Mayor

C: Wendy Butler, Esq.
Community Development Department, Powder Springs

OPERATING INCOME AND EXPENSES

OPERATIONS COMMENCE	7/1/2015
Number of Months in 1st Year	6
BASE RENTAL INCOME	361,800
2015 Rental Income	94,973
2016 Rental Income	369,036
Annual Increase	102.0%
BASE OTHER INCOME - (Occupancy Based)	
2015 Other Income	-
2016 Other Income	-
Annual Increase	102.0%
BASE OTHER INCOME - (Non-Occupancy Based)	
2015 Other Income	-
2016 Other Income	-
Annual Increase	100.0%
Vacancy	7.0%
Management Fee Per Unit	$ 42.00
BASE OPERATING EXPENSES	240,000
2015 Operating Expenses	63,000
2016 Operating Expenses	247,200
Annual Increase	103.00%
Replacement Reserves	$ 15,000
$ 250.00 /per unit	
2015 Replacement Reserves	$ -
2016 Replacement Reserves	$ 15,450
Annual Increase	103%

RENTAL INCOME

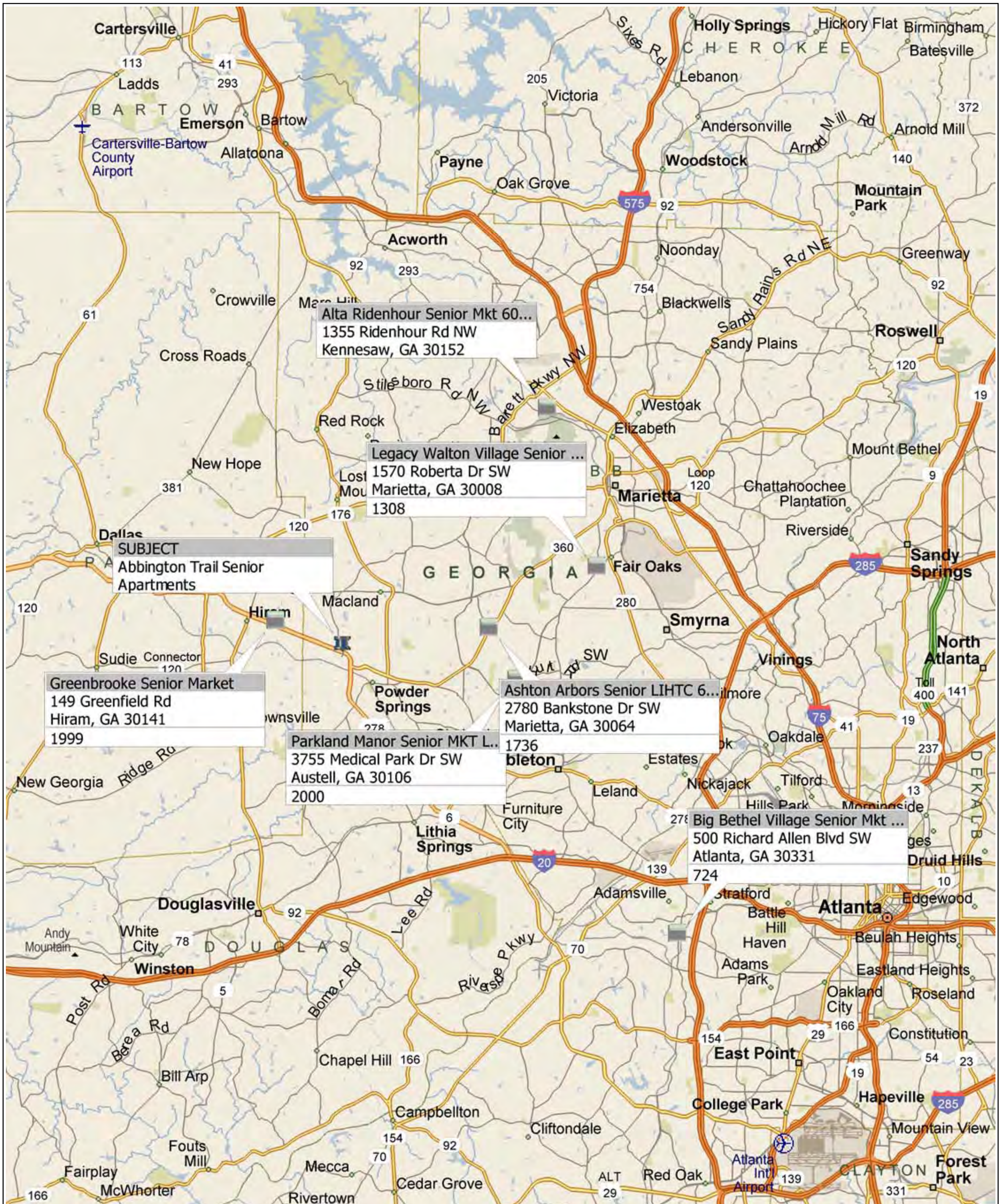
Type of Unit	No. of Units	Square Feet	Gross Rent per Month	Utility Allowance	Max Net Rent per Month	Underwritten Rents	Total Rent per Month	Total Annual Rent
Low Income Units								
1 Bedroom @ 50%	0		622	-	622	385	-	-
1 Bedroom @ 60%	0		747	-	747	430	-	-
2 Bedrooms @ 50%	10	1,035	746	157	589	425	4,250	51,000
2 Bedrooms @ 60%	47	1,035	896	157	739	500	23,500	282,000
3 Bedrooms @ Market	3	1,300	800	-	800	800	2,400	28,800
	60						30,150	361,800

RENT UP SCHEDULE

Year	Month	No. of Units	Rental Income $ 502.50	Occup Based Other Inc. $ -	Vacancy 7.0%	Non-Occup Bas Other Inc. -	Operating Exp/Mo/Un $ 333.33	Tax Credits Mo/Un $ 983.77	NOI
2015	Jan	-	-	-	-	-	-	-	-
	Feb	-	-	-	-	-	-	-	-
	Mar	-	-	-	-	-	-	-	-
	Apr	-	-	-	-	-	-	-	-
	May	-	-	-	-	-	-	-	-
	Jun	-	-	-	-	-	-	-	-
	Jul	9	4,523	-	-	-	3,000	-	1,522
	Aug	18	9,045	-	-	-	6,000	-	3,045
	Sep	27	13,568	-	-	-	9,000	-	4,567
	Oct	36	18,090	-	-	-	12,000	-	6,090
	Nov	45	22,613	-	-	-	15,000	-	7,612
	Dec	54	27,135	-	-	-	18,000	-	9,135
			94,973	-	-	-	63,000	-	31,972

OPERATING EXPENSES		Per Unit
Maintenance & operating	$ 50,000	833
Utilities	$ 34,627	577
Administrative	$ 40,000	667
Taxes	$ 60,000	1,000
Insurance	$ 27,250	454
Management Fee	$ 28,123	469
	240,000	4,000
Replacement Reserves	$ 15,000	
Total Operating Costs	$ 255,000	
Cost Per Unit Before Res	4,000	
Cost Per Unit After Res	$ 4,250	

Rent Comparables



0 mi 2 4 6 8 10 12

Multi-Family Lease No. 1

Property Identification

Record ID 1999
Property Type Senior
Property Name Greenbrooke
Address 149 Greenfield Road, Hiram, Paulding County, Georgia 30141
Location North of Hwy. 278, West of Greenfield Rd.

Management Co. Homeplace Communities
Verification Jill - Leasing Agent; 770-943-4044, June 05, 2014; Confirmed by Doug Rivers

Unit Mix

Unit Type	No. of Units	Size SF	Rent/Mo.	Mo. Rent/SF
2/1.5	120	1,044	$995	$0.95

Occupancy 100%
Total Units 120
Unit Size Range 0 - 1044
Avg. Unit Size 1,044
Avg. Rent/Unit $995
Avg. Rent/SF $0.95
Net SF 125,280

Physical Data

Construction Type Attached Ranch Homes
Electrical Assumed Adequate
HVAC Pad Mount
Stories Single Story Ranch Style
Utilities with Rent Trash Collection
Unit Amenities Patios/Balconies, Ceiling Fans, Washer/Dryer Connections, Carports
Project Amenities Clubhouse, Community Center, Storage Units, Activities
Year Built 2005
Condition Good

Remarks

Greenbrooke Senior Community is located on Greenfield Road in Paulding County, in the city of Hiram, Georgia. The homes are attached ranch homes with carports. Complex sits on a 25.25-acre site. Age minimum is 55.

Multi-Family Lease No. 2

Property Identification

Record ID	2000
Property Type	Senior Tax Credit
Property Name	Parkland Manor
Address	3755 Medical Park Drive, Austell, Cobb County, Georgia 30106
Location	South of Hurt Rd., Northwest of Austell Rd.
Management Co.	Dominium
Verification	Leasing Agent; 770-739-5660, June 05, 2014

Unit Mix

Unit Type	No. of Units	Size SF	Rent/Mo.	Mo. Rent/SF
1/1 LIHTC 60%		641	$749	$1.17
1/1 MKT	30	647	$749	$1.16
1/1	30	849	$749	$0.88
1/1	30	886	$749	$0.85
1/1	15	950	$749	$0.79
2/1 LIHTC 60%	30	922	$825	$0.89
2/1 MKT		922	$999	$1.08
2/2 LIHTC 60%		1,037	$825	$0.80
2/2 MKT	15	1,037	$999	$0.96

Occupancy	98%, 100% Pre-leased
Total Units	150
Unit Size Range	641 - 1037
Avg. Unit Size	860

Multi-Family Lease No. 2 (Cont.)

Avg. Rent/Unit	$789
Avg. Rent/SF	$0.92
Net SF	128,925

Physical Data

Construction Type	Mid-rise Elevator, Interior Corridor
HVAC	Pad-Mount
Stories	3
Floor Height	9 ft
Utilities with Rent	Cable, Trash Collection
Unit Amenities	Patios/Balconies, Ceiling Fans, Microwaves, Washer and Dryer, Dishwasher
Project Amenities	Clubhouse, Exercise/Fitness, Business Center, Shuffle board, Salon
Year Built	2004
Condition	Good

Remarks

This mixed income senior complex is located in the west metro Atlanta community of Austell. It is located near a large medical complex. Agent indicated utilities average about $80 per unit and are billed in a lump sum. Complex has 99 set-asides for income restricted units.

Multi-Family Lease No. 3

Property Identification

Record ID	1736
Property Type	Senior Tax Credit
Property Name	Ashton Arbors
Address	2780 Bankstone Drive SW, Marietta, Cobb County, Georgia 30064
Location	SW?C Bankstone Dr. and Powder Springs Rd.
Management Co.	Ambling
Verification	Gloria - Leasing Agent; 770-420-2301, June 05, 2014

Unit Mix

Unit Type	No. of Units	Size SF	Rent/Mo.	Mo. Rent/SF
1BR1BA 60%LIHTC	66	705	$700	$0.99
2BR1BA 60%LIHTC	84	985	$810	$0.82

Occupancy	97%
Total Units	150
Unit Size Range	705 - 985
Avg. Unit Size	862
Avg. Rent/Unit	$762
Avg. Rent/SF	$0.88
Net SF	129,270

Physical Data

Construction Type	HardiePlank on concrete slab
Electrical	Assumed Adequate
HVAC	Assumed Adequate

Multi-Family Lease No. 3 (Cont.)

Stories	3
Utilities with Rent	Water, Sewer, Trash Collection
Unit Amenities	Ceiling Fans, Washer/Dryer Connections, Keyed Building Entry
Project Amenities	Clubhouse, Laundry, Exercise/Fitness, Computer Center, Picnic Area, Hair Salon
Year Built	2005
Condition	Good

Remarks

Ashton Arbors is an age-restricted, income-restricted community off Powder Springs Road in west Cobb County. All units are subject to rent restrictions at 60% Area Median Income. Each building has an elevator. No specials are being offered.

Multi-Family Lease No. 4

Property Identification

Record ID	1308
Property Type	Senior Tax Credit
Property Name	Legacy at Walton Village
Address	1570 Roberta Drive, Marietta, Cobb County, Georgia 30008
Location	East Marietta
Verification	Anne - Leasing Agent; 770-590-3981, June 05, 2014; Confirmed by Doug Rivers

Unit Mix

Unit Type	No. of Units	Size SF	Rent/Mo.	Mo. Rent/SF
1/1 MKT	10	750	$850	$1.13
1/1 60% AMI	16	750	$717	$0.96
1/1 50% AMI	17	750	$578	$0.77
1/1 30% AMI	19	750	$301	$0.40
2/2 MKT	10	1,100	$960	$0.87
2/2 60% AMI	16	1,100	$851	$0.77
2/2 50% AMI	18	1,100	$684	$0.62
2/2 30% AMI	19	1,100	$351	$0.32

Occupancy	99%
Rent Premiums	Yes
Total Units	125
Unit Size Range	750 - 1100
Avg. Unit Size	926

Multi-Family Lease No. 4 (Cont.)

Avg. Rent/Unit	$622
Avg. Rent/SF	$0.67
Net SF	115,800

Physical Data

Construction Type	Brick/Wood
Electrical	Assumed Adequate
HVAC	Assumed Adequate
Stories	3
Utilities with Rent	Trash Collection, None
Unit Amenities	Patios/Balconies, Ceiling Fans, Washer/Dryer Connections
Project Amenities	Outdoor Pool, Clubhouse, Laundry, Exercise/Fitness
Parking	Surface
Year Built	2007
Condition	Good

Remarks

This active senior community (55+) is located in northwestern metro Atlanta in Marietta, Cobb County, GA. The 125-unit complex opened in 2007 and is 99% occupied. There are no specials currently being offered. Tenants are responsible for all utilities except trash. This complex offers market-rate, as well as 30%, 50% and 60% LIHTC units. According to the leasing agent, they reached stabilized occupancy in about six months.

Multi-Family Lease No. 5

Property Identification

Record ID	724
Property Type	Senior Tax Credit
Property Name	Big Bethel Village
Address	500 Richard Allen Blvd. SW, Atlanta, Fulton County, Georgia 30331
Verification	Yvette and Audrey; 404 699 5665, June 05, 2013

Unit Mix

Unit Type	No. of Units	Size SF	Rent/Mo.	Mo. Rent/SF
Studio Mkt	4	360	$895	$2.49
Studio 60%	14	360	$500	$1.39
1BR/1BA Mkt	5	434	$1,125	$2.59
1BR/1BA 60%	19	434	$550	$1.27
1BR/1BA Den Mkt	6	505	$1,355	$2.68
1BR/1BA Den 60%	12	505	$600	$1.19
1BR/1BA Den Mkt	2	630	$1,555	$2.47
1BR/1BA Den 60%	10	630	$650	$1.03
2BR/2BA Mkt	10	760	$1,555	$2.05
2BR/2BA 60%	26	760	$700	$0.92
2BR/2BA Mkt	3	793	$1,555	$1.96
2BR/2BA 60%	9	793	$750	$0.95

Multi-Family Lease No. 5 (Cont.)

Occupancy	83% physical/87% pre-lease
Rent Premiums	Gracious Living Package
Total Units	120
Unit Size Range	360 - 793
Avg. Unit Size	587
Avg. Rent/Unit	$806
Avg. Rent/SF	$1.37
Net SF	70,422

<u>Physical Data</u>

Construction Type	Wood frame/composite siding
Electrical	Assumed adequate
HVAC	Individually controlled
Stories	3
Utilities with Rent	Electricity, Water, Cable, Gas, Sewer, Trash Collection
Unit Amenities	Patios/Balconies, Icemakers, Full Kitchen
Project Amenities	Clubhouse, Laundry, Exercise/Fitness, Gated Entrance, Elevators, Beauty Salon/Barber
Parking	Surface
Year Built	2003
Condition	Good

<u>Remarks</u>

This complex is located in west Atlanta, south of I-20 and just west of I-285. This community offers a Gracious Living Package that includes meals, housekeeping, transportation, all utilities and other services. The rates range from $265 per month for the studio units to $655 per month for the two-bedroom units. This fee is mandatory for the market-rate units and optional for the LIHTC units. The displayed effective rents do not include the service package fees. Additional community amenities include a fitness/wellness center, library with computer stations, billiards room, juice bar and lounge, chapel, various activity rooms, and community and private dining rooms. The leasing agent said the market rate units had higher occupancy than the income-restricted units. Rents and occupancy are down since our last survey.

Big Bethel Village

Unit Type	No. of Units	Size SF	Gross Mkt Rent/Mo.	Less Meal Package	Net rent w/Utilities	Less Utilities	Net Rent	Mo. Rent/SF
Studio Mkt	4	360	$1,195	$200	$995	$100	$895	$2.49
Studio 60%	14	360	$600	$0	$600	$100	$500	$1.39
1BR/1BA Mkt	5	434	$1,425	$200	$1,225	$100	$1,125	$2.59
1BR/1BA 60%	19	434	$650	$0	$650	$100	$550	$1.27
1BR/1BA Den Mkt	6	520	$1,655	$200	$1,455	$100	$1,355	$2.61
1BR/1BA Den 60%	12	520	$700	$0	$700	$100	$600	$1.15
1BR/1BA Den Mkt	2	630	$1,855	$200	$1,655	$100	$1,555	$2.47
1BR/1BA Den 60%	10	630	$750	$0	$750	$100	$650	$1.03
2BR/2BA Mkt	10	760	$2,155	$400	$1,755	$200	$1,555	$2.05
2BR/2BA 60%	26	760	$800	$0	$800	$100	$700	$0.92
2BR/2BA Mkt	3	793	$2,155	$400	$1,755	$200	$1,555	$1.96
2BR/2BA 60%	9	793	$850	$0	$850	$100	$750	$0.95

Multi-Family Lease No. 6

Property Identification

Record ID	1306
Property Type	Senior Tax Credit
Property Name	Alta Ridenour
Address	1355 Ridenour Road, Kennesaw, Cobb County, Georgia 30152
Location	Near Hwy. 41 and Barrett Pkwy.
Management Co.	Wood Partners
Verification	Leasing Agent - Dana; 770 426 5143, June 05, 2014; Confirmed by Doug Rivers

Unit Mix

Unit Type	No. of Units	Size SF	Rent/Mo.	Mo. Rent/SF
1/1 MKT	14	853	$880	$1.03
1/1 60% AMI	130	853	$734	$0.86
2/2 MKT	5	1,147	$1,165	$1.02
2/2 60% AMI	43	1,147	$874	$0.76
2/2 MKT	3	1,151	$1,165	$1.01
2/2 60% AMI	43	1,151	$874	$0.76
3/2 MKT	3	1,295	$1,265	$0.98
3/2 60% AMI	11	1,295	$989	$0.76

Occupancy	95%/98% preleased
Rent Premiums	No
Total Units	252
Unit Size Range	853 - 1295
Avg. Unit Size	988
Avg. Rent/Unit	$821

Multi-Family Lease No. 6 (Cont.)

Avg. Rent/SF	$0.83
Net SF	248,964

Physical Data

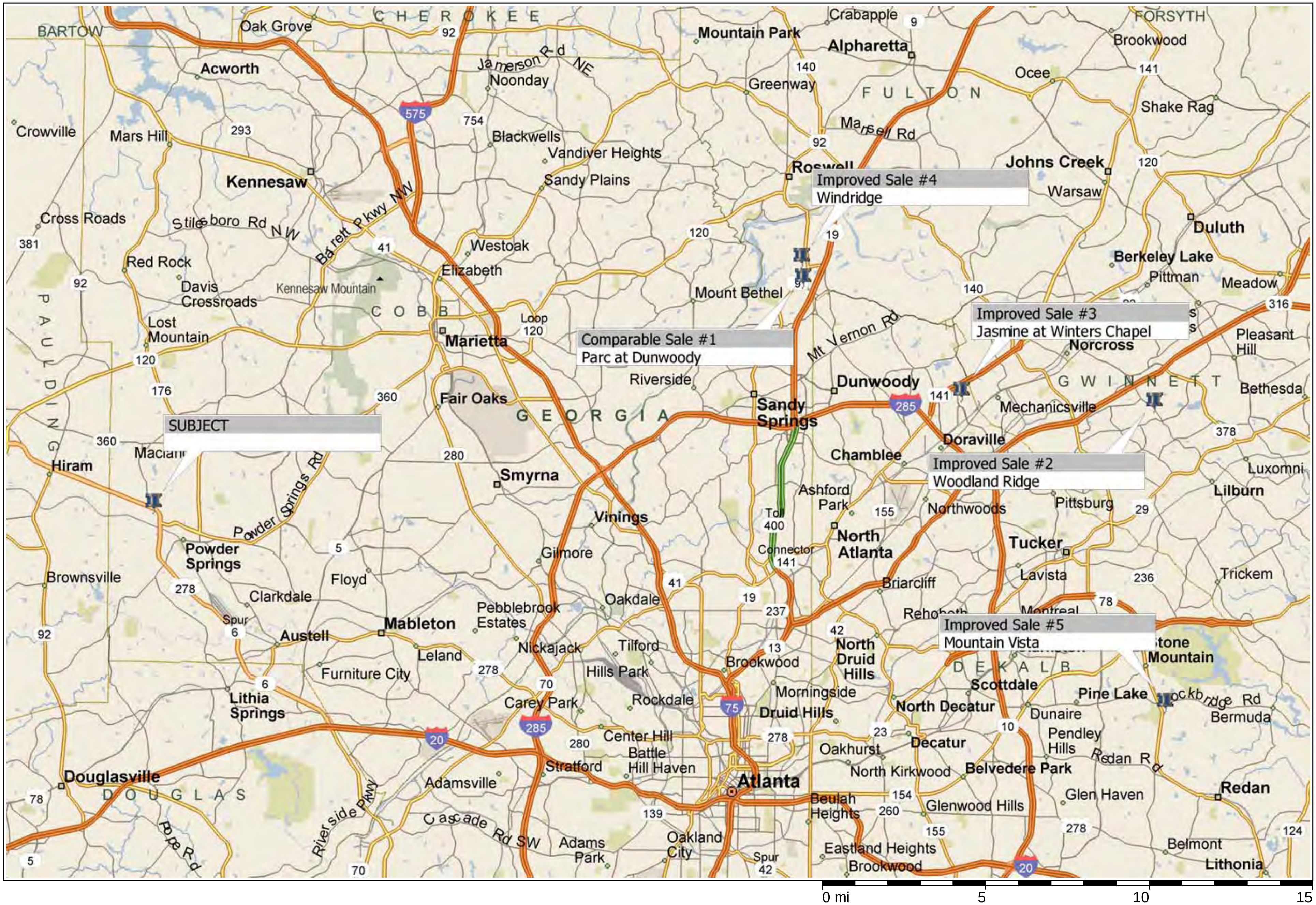
Construction Type	Brick/Wood
Electrical	Assumed adequate
HVAC	Assumed adequate
Stories	4
Utilities with Rent	Trash Collection
Unit Amenities	Patios/Balconies, Ceiling Fans, Washer/Dryer Connections, Washers and Dryers Included
Project Amenities	Clubhouse, Exercise/Fitness, Activities Room
Parking	Surface
Year Built	2005
Condition	Good

Remarks

This active senior's complex is located in northwestern metro Atlanta in Kennesaw, Cobb County, GA. The property was built in 2005 and features 252 units with a current physical occupancy of 95%. Tenants are responsible for all utilities except trash and it is all electric. 90% of the units are LIHTC units available to those making 60% or less of the area median income. Twenty of these units are PBRA units.

ADDENDUM G – IMPROVED SALE COMPARABLES / LOCATION MAP

Improved Sales



Multi-Family Sale No. 1

<u>Property Identification</u>

Record ID	791
Property Type	Garden
Property Name	Parc at Dunwoody
Address	1067 Pitts Road, Atlanta, Fulton County, Georgia 30350
Tax ID	17-0024-LL-073-4

<u>Sale Data</u>

Grantor	CRP TBG Parc at Dunwoody LLC
Grantee	WRH Parc at Dunwoody, LLLP
Sale Date	January 01, 2014
Deed Book/Page	5393/0539
Property Rights	Leased Fee
Conditions of Sale	Arm's Length
Financing	Cash to Seller
Sale Price	$18,635,000

<u>Land Data</u>

Land Size	26.036 Acres or 1,134,128 SF
Zoning	A, Medium Density Apartments
Topography	Sloped
Utilities	All Available
Shape	Irregular
Landscaping	Minimal
Fencing	Yes, Perimeter
Flood Info	13121C0151E, outside flood zone

Multi-Family Sale No. 1 (Cont.)

Unit Mix

Unit Type	**No. of Units**	**Size SF**
1BR/1BA	144	718
2BR/1BA	48	839
2BR/2BA	92	1,008
3BR/2BA	16	1,235
3BR/2BA	12	1,500

Total Units	312
Avg. Unit Size	878
Net SF	273,996

General Physical Data

No. of Buildings	42
Construction Type	Wood Frame, Vinyl siding
Parking	607 / 296 covered
Stories	1 & 2
Ceiling Height	8 feet
Unit Amenities	Patios/Balconies, Fireplaces, Ceiling Fans, Washer/Dryer Connections
Project Amenities	2 Outdoor Pools, Outdoor Tennis, Clubhouse, Laundry, Sports Court, Exercise/Fitness, Gated, Grills
Year Built	1980
Condition	Average

Income Analysis

Net Operating Income	$1,211,280

Indicators

Sale Price/Gross SF	$68.01
Sale Price/Unit	$59,728
Occupancy at Sale	93%
Overall or Cap Rate	6.5%
NOI/SF	$4.42 Gross
NOI/Unit	$3,882

Remarks

The Parc at Dunwoody is a 312-unit gated apartment community situated on a 26.036-acre site. It consists of 42 one- and two-story apartment buildings, built in 1980, with a separate community building that houses the leasing office and various amenities. The property is located along the southwest side of Pitts Road, west of Colquitt Road and GA 400. This location is 15 miles north of downtown Atlanta. Basic construction is wood framing, with vinyl siding exterior, and pitched, asphalt-shingled roofs. Exterior stairs are steel and concrete, with concrete sidewalks and breezeways. Interior features include: textured or smooth painted drywall, carpeted living areas and vinyl flooring in the kitchen and baths, fiberglass shower surround, wood or painted wood cabinetry in kitchen and bath, formica countertops, washer/dryer connections (2/2 and 3/2 floorplans), ceiling fans in living area, and walk-in master closets. Each unit has a patio/balcony and small storage room. The property has 607 parking spaces, 296 of which are covered. Property amenities include onsite management, gated entry, two outdoor pools, business center, exercise rooms, laundry facilities in one-bedroom buildings, two basketball courts, and three tennis courts.

It was reported that the property sold at an in-place cap rate of 6.5% suggesting a trailing 12-month NOI of $1,211,275.

Multi-Family Sale No. 2

<u>Property Identification</u>

Record ID	1002
Property Type	Garden
Property Name	Woodland Ridge
Address	1355 Indian Trail Road, Norcross, Gwinnett County, Georgia 30093
Tax ID	R6186-007

<u>Sale Data</u>

Grantor	Woodland Ridge Apartments, LLC
Grantee	Villabar Woodland Limited
Sale Date	December 01, 2013
Deed Book/Page	52704/0765
Property Rights	Leased Fee
Conditions of Sale	Arm's Length
Financing	Cash to Seller
Sale Price	$17,388,160

<u>Land Data</u>

Land Size	23.310 Acres or 1,015,384 SF
Topography	Gently Rolling
Utilities	All Available
Shape	Irregular

Multi-Family Sale No. 2 (Cont.)

Unit Mix

Unit Type	**No. of Units**	**Size SF**
1/1	35	782
1/1	34	872
1/1	35	917
1/1	34	965
2/2	71	1,043
2/2	71	1,142
2/2.5	4	1,319
2/2.5	5	1,304
2/2.5	4	1,368
2/2.5	4	1,425
2/2.5	5	1,456

Total Units	302
Avg. Unit Size	1,018
Net SF	307,306

General Physical Data

No. of Buildings	33
Construction Type	Wood Frame w/siding
Stories	2 & 3
Unit Amenities	Patios/Balconies, Fireplaces, Ceiling Fans
Project Amenities	Outdoor Pool, Outdoor Tennis, Clubhouse, Laundry, Exercise/Fitness
Year Built	1986
Condition	Average

Income Analysis

Net Operating Income	$1,243,250

Indicators

Sale Price/Gross SF	$56.58
Sale Price/Unit	$57,577
Occupancy at Sale	99%
Overall or Cap Rate	7.15%
NOI/SF	$4.05 Gross
NOI/Unit	$4,117

Remarks

This is the sale of the Woodland Ridge apartment complex located along Indian Trail Road in Norcross, GA. It was built in 1986 and renovated in 2000. It is considered to be in overall average condition. Access and exposure are considered average. The 7.15% cap rate was based on the 12-month trailing NOI.

Multi-Family Sale No. 3

Property Identification	
Record ID	988
Property Type	Garden
Property Name	Jasmine at Winters Chapel
Address	4335 Winters Chapel Road, Atlanta, Fulton County, Georgia 30360
Tax ID	18-340-02-009, 003
Sale Data	
Grantor	Winters Chapel 592, LLC
Grantee	ROC II GA Jasmine, LLC
Sale Date	October 01, 2013
Deed Book/Page	24068/0493
Property Rights	Lease Fee
Conditions of Sale	Arm's Length
Financing	Cash to Seller
Sale Price	$33,000,000
Land Data	
Land Size	42.200 Acres or 1,838,232 SF
Zoning	RM85
Topography	Gently Rolling
Utilities	All Available
Shape	Irregular
Avg. Unit Size	813
Net SF	481,674

Multi-Family Sale No. 3 (Cont.)

General Physical Data	
No. of Buildings	34
Construction Type	Wood frame w/siding & brick veneer
Stories	3
Unit Amenities	Patios/Balconies, Fireplaces, Ceiling Fans, Icemakers, Washer/Dryer Connections, Microwaves
Project Amenities	Outdoor Pool, Outdoor Tennis, Clubhouse, Sports Court, Exercise/Fitness, Garages Available, Business Center, Pet Area
Year Built	1989
Condition	Average to good
Income Analysis	
Net Operating Income	$2,227,500
Indicators	
Sale Price/Net Rentable SF	$68.51
Sale Price/Unit	$55,743
Occupancy at Sale	99%
Overall or Cap Rate	6.75%
NOI/SF	$4.62 Net Rentable
NOI/Unit	$3,763

Remarks

This is the sale of a 592-unit garden apartment in Atlanta. It was reportedly 99% occupied at the time of sale. The property was originally built in 1989 and renovated in 2007. It is considered to be in overall average to good condition. Access and exposure are average.

Multi-Family Sale No. 4

<u>Property Identification</u>	
Record ID	976
Property Type	Garden
Property Name	Windridge
Address	1800 Windridge Drive, Atlanta, Fulton County, Georgia 30350
Tax ID	17-0025-LL-061
<u>Sale Data</u>	
Grantor	Windridge, LLC
Grantee	Windridge Multifamily Ptrs, LLC
Sale Date	August 01, 2013
Deed Book/Page	52958-0632
Property Rights	Leased Fee
Conditions of Sale	Arm's Length
Financing	Cash to Seller
Sale Price	$15,304,000
<u>Land Data</u>	
Land Size	26.500 Acres or 1,154,340 SF
Topography	Gently rolling
Utilities	All Available
Shape	Irregular
Avg. Unit Size	855
Net SF	232,680

Multi-Family Sale No. 4

General Physical Data

No. of Buildings	17
Stories	3
Unit Amenities	Patios/Balconies, Ceiling Fans, Washer/Dryer Connections
Project Amenities	Outdoor Pool, Clubhouse, Laundry, Exercise/Fitness
Year Built	1982
Condition	Average

Income Analysis

Net Operating Income	$1,025,370

Indicators

Sale Price/Net Rentable SF	$65.77
Sale Price/Unit	$56,265
Occupancy at Sale	96%
Overall or Cap Rate	6.7%
NOI/SF	$4.41 Net Rentable
NOI/Unit	$3,770

Remarks

This is the sale of a garden apartment complex in Atlanta, GA. It was built in 1982 and is considered to be in overall average condition. Access and exposure are considered average. It was reported that the complex was 96% occupied at the time of sale.

Multi-Family Sale No. 5

<u>Property Identification</u>	
Record ID	954
Property Type	Garden & Townhomes
Property Name	Mountain Vista (AKA Chimney Trace)
Address	490 South Stone Mountain Lithonia Road, Stone Mountain, DeKalb County, Georgia 30088
<u>Sale Data</u>	
Grantor	Vista Chimney Trace, LLC
Grantee	Mountain Vista Partners
Sale Date	May 16, 2013
Deed Book/Page	23782-0330
Property Rights	Fee Simple
Marketing Time	4 Months
Conditions of Sale	Arms Length
Financing	Conventional
Verification	Judy MacManus; 770-594-1915, August 15, 2013; Other sources: CoStar, Marketing Package, Confirmed by Jon Reiss

Multi-Family Sale No. 5 (Cont.)

Sale Price	$5,975,000
<u>Land Data</u>	
Land Size	14.150 Acres or 616,374 SF
Avg. Unit Size	1,099
Net SF	158,292
<u>General Physical Data</u>	
No. of Buildings	22
Construction Type	Wood Frame With Vinyl Siding
Electrical	Assumed Adequate
HVAC	Assumed Adequate
Parking	Surface
Stories	2/3
Utilities with Rent	Trash Collection
Unit Amenities	Patios/Balconies, Washer/Dryer Connections
Project Amenities	Outdoor Pool, Clubhouse, Laundry, Exercise/Fitness
Year Built	1985
Condition	Average to Good
<u>Income Analysis</u>	
Effective Gross Income	$1,112,600
Expenses	$665,041
Net Operating Income	$447,554
<u>Indicators</u>	
Sale Price/Gross SF	$37.75
Sale Price/Unit	$41,493
Occupancy at Sale	94%
EGIM	5.37
Expenses/SF	$4.20 Gross
Expenses/Unit	$4,618
Expenses as % of EGI	59.77%
Overall or Cap Rate	7.49%
NOI/SF	$2.83 Gross
NOI/Unit	$3,108

<u>Remarks</u>

This is the sale of a 144-unit, Class-C, market-rate apartment development located just west of Stone Mountain Park in east metro Atlanta, DeKalb County, GA. The property was built in 1985 and recently received a major renovation. It was 94% occupied at the time of sale and sold after four months on the market at an asking price of $6,840,000. It sold at a 7.49% overall rate based on 2012 full year actual income and expenses inclusive of reserves.

DEVELOPMENT COSTS

PREDEVLOPMENT	
Property Appraisal	7,050
Market Study	5,600
Environmental Report	9,300
Soil Borings	7,300
Boundry & Topographical Survey	9,000
Accessibility Inspections	4,500
Subtotal	**42,750**
ACQUISITION	
Land	840,000
Broker Fee	-
Acquisition Legal	5,000
Existing Structures	-
Subtotal	**845,000**
SITE IMPROVEMENTS	
Site Preperation (On-site)	1,093,770
Site Preperation (Off-site)	-
Subtotal	**1,093,770**
UNIT/BUILDING CONSTRUCTION	
Unit/Building constrution/Rehab Cost	4,173,773.86
Project Amenities / Accessory Buildings	-
Construction Contingency	300,250
Subtotal	**4,474,024**
CONTRACTOR SERVICES	
Builder's Overhead	105,351
Builder Profit	316,053
General Requirements	316,053
Subtotal	**737,456**
CONSTRUCTION PERIOD FINANCING	
Construction Loan Fee	79,251
Construction Loan Interest	376,346
Construction Legal Fees	20,000
Construction Period Real Estate Taxes	35,000
Construction Insurance	25,000
Construction Loan Inspection Fees	11,500
Subtotal	**547,097**
PROFESSIONAL SERVICES	
Architectual Fee- Design & Supervision	168,000
Architectual Fee- Earthcraft	
Eng.(Conductivity, Planning, Site, Environ, Permit)	52,000
Real Estate Attorney	140,000
Accounting	28,500
Subtotal	**388,500**
LOCAL GOVERNMENT FEES	
Building Permits	18,867
Payment and Performance Bond	43,614
Water & Seweer Tap Fees	381,861
Misc	-
Subtotal	**444,342**

PERMANENT FINANCING FEES	
Permanent Loan Fees	6,000
Permanent Loan Legal and Conversion Fee	35,000
Title and Recording Fees	25,000
As-Built Survey	8,000
Bond Issuance Premium	-
Cost of Issuance / Underwriter's Discount	-
Subtotal	**74,000**
DCA-RELATED COSTS	
DCA Loan Application Fee (less DCA Mk St)	-
Tax Credit Application Fee (less DCA Mk St)	6,500
DCA-Commissioned Market Study	-
DCA Waiver Fees	1,000
LIHTC Allocation Processing Fee	57,243
LIHTC Compliance Monitoring Fee	48,000
DCA Front End Analysis Fee (HOME)	-
DCA Final Inspection Fee	3,000
Subtotal	**115,743**
EQUITY COSTS	
Partnership Organization Fees	2,500
Tax Credit Legal Opinion	-
Syndication Expenses	-
Subtotal	**2,500**
DEVELOPER'S FEE	
Developer's Overhead	
Consultant's Fee	-
Developer's Fee	1,070,401
Subtotal	**1,070,401**
START-UP AND RESERVES	
Marketing	9,000
Rent-Up Reserves	63,750
Operating Deficit Reserve	146,560
Replacement Reserves	0
Furniture, Fixtures, and Equipment	120,000
Subtotal	**339,310**
OTHER COSTS	
ECC 3rd Party Cost	84,440
Subtotal	**84,440**
TOTAL DEVELOPMENT COST	**10,259,333**

1 BR @ 126,647	0
2 BR @ 154,003	8,778,171
3 BR @ 199,229	597,687
	9,375,858

Bank of America

Award Confirmation Letter

Supplier is hereby authorized to perform the Statement of Work detailed below. Supplier acknowledges that this confirmation letter is a summary of select contract terms and conditions which is provided for convenience. To view the complete agreement electronically accepted by Supplier, Supplier is referred to Bank of America's Commercial Valuation Services Information Management System.

Supplier: Statement of Work			
Service Type ID:	14-003036-APR01-001	**Supplier:**	Everson, Huber & Associates, LLC
Service:	Appraisal (Order)	**Supplier Representative:**	Steve Huber
Borrower:	Powder Springs Abbington Trail, LP	**Agreement Number:**	VSIMS20477.14.1

Award Terms and Conditions		
Sourcing Manager:	Debbie Pauza, Market Manager	**Other Terms or Conditions:**
Date Awarded:	04/10/2014	Note new appraisal requirements effective 12/09/13 attached. All appraisal reports must include both exposure time and marketing time as a condition of this award. Include copies of licenses/certifications in the addenda. Please reconcile previous values with current values in letter of transmittal (when applicable) and make prior services disclosure in certification. USPAP requirement - please indicate that this is an Appraisal Report. DATA AND ACCESS REQUEST MUST BE MADE WITHIN 5 BUSINESS DAYS
Fees:	USD 4,600	
Bank Contact:	Debbie Pauza	
Contact Phone:	704.951.8229	
Appraisal Type:	Self-contained	
Certification:	Contracted Appraiser Must Sign	

Service Delivery Requirements

Due Date	**Description**
05/05/2014	Time is of the essence. Review of all attachments and initial communication with identified project or property contacts must occur within five days of engagement. Liquidated damages may be assessed if the Statement of Work (SOW), including the delivery of all reports and requested data, is incomplete by the listed due date. Damages will be assessed at a rate of 5% of the negotiated fee for each day (cumulative) the SOW remains incomplete. Damages will not be imposed for delays resulting from circumstances beyond the appraiser's control if timely notice is provided; such circumstances to be judged for their validity solely by the Sourcing Manager. Individual standalone reports to be provided for each listed property unless instructed otherwise in this agreement.

Service Definition

Currency	**Premise**	**Qualifier**	**Interest Appraised**	**Allocations**	**Description**
USD	Market Value	As-Is	Fee Simple	Real Estate	
USD	Market Value	As-Is	Not Applicable	Real Estate	Market Value of Tax Credits
USD	Prospective Market Value	Upon Completion of Construction	Fee Simple	Real Estate	Restricted Rents
USD	Prospective Market Value	Upon Stabilization	Fee Simple	Real Estate	Restricted Rents
USD	Prospective Market Value	Upon Completion of Construction	Fee Simple	Real Estate	Market Rents
USD	Prospective Market Value	Upon Stabilization	Fee Simple	Real Estate	Market Rents
USD	Prospective Hypothetical Value	Other	Fee Simple	Real Estate	Value at end of 20 years post-construction completion
USD	Prospective Hypothetical Value	Other	Fee Simple	Real Estate	Value at end of 30 years post-construction completion

Policies and Procedures

Bank of America is in the process of transitioning to Argus 16. Until such time that version 16 is operational, all Argus-based DCF analyses and associated files must be compatible with Argus version 15 or earlier. Notwithstanding this requirement, the vendor is responsible to ensure compliance with Argus software license agreements.

The certification requirement may not be delegated by the contracted appraiser without prior review and prequalification of the designee by Bank of America. If certification will be delegated by the contracted appraiser, identification of the primary appraiser for each report is required, and those appraisers must be on Bank of America's approved fee panel. Contingent names may be listed if a decision will not be finalized at the time of bid. Use the Bid Comments section for up to three designees. Otherwise, upload a separate document detailing each primary appraiser by property.

Supplier is required to review, update and/or enter key summary information about the property appraised and associated value conclusions as part of this service.

All appraisal reports must include both exposure time (as required by USPAP) and marketing time in your appraisal as a condition of this award.

Include the following statement in the Letter of Transmittal and the Intended Use Section of the report: 'The intended use of the appraisal report is to provide information for use in making business and credit decisions concerning an actual or prospective loan or line of credit. This report is for the use and benefit of, and may be relied upon by, Bank of America, N.A. as Lender, or , Bank of America, N.A. as Administrative Agent for certain Lenders, and each actual and prospective Lender and Participant in such loan or line of credit, and their respective successors, assigns and affiliates.'

Reappraisal assignments must document and explain assumption changes and resulting value differences for all Bank of America assignments completed within the prior two years.

Estimate remaining economic life for the subject property.

All appraisal reports (including all addendum and related attachments) and invoices must be uploaded to VSIMS in Adobe Acrobat-compatible format (PDF). Document security must be set to allow Commenting, Copying and Extracting of Content for use in the Bank's review function. Documents may be otherwise restricted from changes subject to the supplier's personal security preference. Additional Microsoft and Argus documents may be uploaded in their native format, where appropriate. Vendors are prohibited from accepting payment for services rendered from anyone other than Bank of America, N.A., its successors and/or assigns unless otherwise specified within this agreement.

Include the statement: "Bank of America makes no warranties or representations regarding this document or the conclusions contained herein." in your transmittal letter.

Addressee and Distribution Instructions

Report Distribution	**Name**	**Address**	**CD/DVD**	**Bound**	**Comments**
Addressee, Recipient and Intended User	Debbie Pauza, Market Manager	Bank of America, NA | 119 Cross Center Drive| NC3-176-01-01| Denver, NC 28037	0	0	

Documents ***(content available online only)***

Reference Documents	APPRAISAL REQUIREMENTS_12-9-13_12122013_103938.pdf

Award Confirmation Letter

	VSIMS APPRAISAL SUBMISSION CHECKLIST_02202013_202718.pdf

Project Contacts

Name	Company / Role	Telephone	Comments

Property Contact ***(additional contacts may be listed for each property. Refer to the online property profile for details)***

Name	Company / Role	Telephone	Comments
Eric Buffenbarger	CFO- Rea Ventures	(404) 250-4093	ericbuffenbarger@reaventures.com

Properties ***(detailed descriptions may be viewed online or downloaded)***

#	Property Type	Property Address
1	Multi-Family - LIHTC Tax Credits	Richard D Sailors Pkway and U S Highway 278, Powder Springs, GA

Award Amendments

Date Amended	Revised Due Date	Revised Fee	Revised Statement of Work
06/05/2014 10:03:50	06/16/2014	USD 4,600	Appraiser has started to receive requested information so we're setting this back up and revising delivery date.
06/13/2014 16:04:41	06/17/2014	USD 5,000	Adding additional values as well as Georga DCA as an additional intended user.

QUALIFICATIONS OF
STEPHEN M. HUBER
EVERSON, HUBER & ASSOCIATES, LC
3535 Roswell Road, Suite 55, Marietta, Georgia 30062
(770) 977-3000, Ext. 302
Fax: (770) 977-3490
E-mail: shuber@ehalc.com

EXPERIENCE

Twenty-five years appraisal experience as an independent fee appraiser with regional and national firms based in Atlanta, Georgia. Partner of Everson, Huber & Associates, LC since establishment in January 1995. Prior employers were CB Commercial Real Estate Group, Inc. - Appraisal Services (1991-1995), and McColgan & Company, Inc. (1986-1991). Appraisals have been performed on virtually all types of commercial real estate located throughout the eastern portion of the nation. Property types appraised include apartments, condominiums, subdivisions, hotels, industrial, office, and retail. Numerous major and secondary markets have been visited, including such cities as Atlanta, Augusta, Birmingham, Charlotte, Charleston, Chattanooga, Cincinnati, Columbus, Columbia, Huntsville, Knoxville, Louisville, Macon, Memphis, Miami, Mobile, Montgomery, Nashville, Orlando, Raleigh, Richmond, Savannah, Tampa, Tallahassee, and Washington D.C. Appraisal assignments have been prepared for financial institutions, government entities, insurance companies, portfolio advisors, private investors, and owners.

CERTIFICATION

Certified General Real Property Appraiser: State of Georgia - Certificate Number CG001350
Certified General Real Property Appraiser: State of Alabama - Certificate Number C00625
Certified General Real Property Appraiser: State of Tennessee - Certificate Number 3855

EDUCATION

Bachelor of Science in Business Administration, Major in Finance,
Bowling Green State University, Bowling Green, Ohio

Appraisal Institute courses and seminars completed are as follows:

Course 1A-1	Basic Appraisal Principles
Course 1A-2	Basic Valuation Procedures
Course 1B-A	Capitalization Theory & Techniques, Part A
Course 1B-B	Capitalization Theory & Techniques, Part B
Course 2-1	Case Studies in Real Estate Valuation
Course 2-2	Report Writing and Valuation Analysis
Course 410	Standards of Professional Practice, Part A (USPAP)
Course 420	Standards of Professional Practice, Part B
Seminar	Rates, Ratios, and Reasonableness
Seminar	Demonstration Appraisal Report Writing - Nonresidential
Seminar	Computerized Income Approach to Hotel/Motel Market Studies and Valuations
Seminar	Affordable Housing Valuation

Continuing education courses completed during last five years include:

2010-2011 National USPAP
Appraising And Analyzing Retail Shopping Centers For Mortgage Underwriting
Subdivision Valuation
Expert Witness Testimony
Business Practices And Ethics – Appraisal Institute
Appraiser Liability
Private Appraisal Assignments
Modular Home Appraising
Tax Free Exchanges
Valuation of Detrimental Conditions

PROFESSIONAL

Candidate for Designation of the Appraisal Institute

STATE OF GEORGIA

REAL ESTATE APPRAISERS BOARD

STEPHEN MICHAEL HUBER

1350

IS AUTHORIZED TO TRANSACT BUSINESS IN GEORGIA AS A

CERTIFIED GENERAL REAL PROPERTY APPRAISER

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

D. SCOTT MURPHY
Chairperson

SANDRA MCALISTER WINTER
Vice Chairperson

JEFF A. LAWSON
KEITH STONE
MARILYN R. WATTS

62117551

STEPHEN MICHAEL HUBER

**1350**
Status **ACTIVE**

ORIGINALLY LICENSED **07/11/1991**

END OF RENEWAL **12/31/2014**

CERTIFIED GENERAL REAL PROPERTY APPRAISER

THIS LICENSE EXPIRES IF YOU FAIL TO PAY RENEWAL FEES OR IF YOU FAIL TO COMPLETE ANY REQUIRED EDUCATION IN A TIMELY MANNER.

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

WILLIAM L. ROGERS, JR.
Real Estate Commissioner

62117551

STEPHEN MICHAEL HUBER

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62117551

QUALIFICATIONS OF
INGRID OTT
EVERSON, HUBER & ASSOCIATES, LC
3535 Roswell Road, Suite 55
Marietta, Georgia 30062
(770) 977-3000, Ext. 314
E-mail: iott@ehalc.com

EXPERIENCE

Associate appraiser with Everson, Huber & Associates, LC, since September 2003. Appraisal assignments have been performed on many types of commercial real estate located throughout metro Atlanta and the southeastern United States. These property types include vacant land, apartments, HUD, age-restricted, PBRA and LIHTC apartments; medical buildings and cancer treatment centers, light manufacturing buildings, single- and multi-tenant office buildings, single- and multi-tenant warehouse/distribution buildings, hangars and airport-based businesses, entertainment complexes, hotel/motels, shopping centers, residential subdivisions, mixed-use developments, youth therapeutic camps, residential treatment centers, schools, churches, restaurants, shopping centers and freestanding retail buildings. Appraisal assignments have been prepared for financial institutions and owners.

EDUCATION

Masters of Arts, Economic Geography, University of Georgia, Athens, Georgia

Bachelor of Business Administration, Major in Marketing and Distribution, University of Georgia, Athens, Georgia

Professional courses/tests by America's Real Estate Academy (This course fulfills the requirements of Chapter 539-2 under Rules and Regulations of the Georgia Real Estate Appraisers Board.):

Appraisal Principles
Appraisal Applications
USPAP

Appraisal Institute and professional courses/tests and seminars as follows:

Course 310	Basic Income Capitalization
Course 320	General Applications
Course 330	Apartment Appraisal: Concepts and Applications
Course 510	Advanced Income Capitalization
Course 520	Highest & Best Use & Market Analysis
Course 540	Report writing and Valuation Analysis

CERTIFICATION

State Certified General Real Property Appraiser: State of Georgia - Certificate Number 265709

PROFESSIONAL

Candidate for Designation of the Appraisal Institute

STATE OF GEORGIA

REAL ESTATE APPRAISERS BOARD

INGRID N OTT

265709

IS AUTHORIZED TO TRANSACT BUSINESS IN GEORGIA AS A

CERTIFIED GENERAL REAL PROPERTY APPRAISER

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D. SCOTT MURPHY
Chairperson

SANDRA MCALISTER WINTER
Vice Chairperson

JEFF LAWSON
KEITH STONE
MARILYN R. WATTS

37225717

INGRID N OTT **ORIGINALLY LICENSED** **09/05/2003**

**265709**
Status **ACTIVE**

END OF RENEWAL **07/31/2014**

CERTIFIED GENERAL REAL PROPERTY APPRAISER

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Real Estate Commissioner

37225717

INGRID N OTT **ORIGINALLY LICENSED** **09/05/2003**

**265709**
Status **ACTIVE**

END OF RENEWAL **07/31/2014**

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