



A MARKET VALUATION OF

OAK FOREST APARTMENTS
338 HATTON DRIVE
Scottdale, Dekalb County, Georgia

Effective Date: November 5, 2012
Report Date: November 21, 2012

Prepared For

Mr. R. Andrew Murray
Development Director
Herman & Kittle Properties, Inc.
120 18th Street South, Suite 101
Birmingham, AL 35233

Prepared By

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November 21, 2012

Mr. R. Andrew Murray
Development Director
Herman & Kittle Properties, Inc.
120 18th Street South, Suite 101
Birmingham, AL 35233

Re: Appraisal of Oak Forest Apartments
338 Hatton Drive, Scottdale, Georgia

Dear Mr. Murray:

We are pleased to present our findings with respect to the value of the above-referenced property, Oak Forest Apartments (“Subject”). Upon renovation, the Subject will consist of a 150-unit, low income housing tax credit (LIHTC) multifamily property, and continue to operate with the Section 8 rental assistance subsidy. As requested we provided several value estimates of both tangible and intangible assets, described and defined below:

- Land value “as if vacant.”
- Market Value “As Is” of the fee simple interest of the property.
- Hypothetical Market Value “Upon Completion” – hypothetical value assuming completion and restricted rents.
- Hypothetical Market Value “Upon Completion” – hypothetical value assuming completion and unrestricted rents.
- Hypothetical Market Value “As Complete and Stabilized Restricted” – hypothetical value assuming completion and stabilization with restricted rents.
- Hypothetical Market Value “As Complete and Stabilized Unrestricted” – hypothetical value assuming completion and stabilization with unrestricted rents.
- Prospective Market Value at 20, 25 (Loan Maturity), and 30 years assuming completion in 2015.
- Value of the Low Income Housing Tax Credits (LIHTCs).
- Favorable Financing.

Please refer to the assumptions and limiting conditions regarding the valuation and hypothetical value conclusions.

Our valuation report is for use by the client and their advisors for possible loan collateral purposes. Neither this report nor any portion thereof may be used for any other purpose or distributed to third parties without the express written consent of Novogradac and Company LLP (“Novogradac”).

This valuation engagement was conducted in accordance with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, which standards incorporate

the Uniform Standards of Professional Appraisal Practice (USPAP). In accordance with these standards, we have reported our findings herein in a self-contained report, as defined by USPAP.

Market value is defined as:

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

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised and acting in what they consider their best interest;
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; and,
5. The price represents normal considerations for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.¹

This report complies with FIRREA (1989) regulations and the Georgia Department of Community Affairs.

Underlying Land Value

The indicated "As If Vacant Value of the Land", as of November 5, 2012, is:

ONE MILLION DOLLARS
(\$1,000,000)

"As Is" Value

The Subject's indicated market value "As Is," of the fee simple interest in the Subject, free and clear of financing, as of November 5, 2012, is:

EIGHT MILLION EIGHT HUNDRED THOUSAND DOLLARS
(\$8,800,000)

Upon Completion Assuming Restricted Rents

The Subject's hypothetical market value of the real estate assuming current Section 8 rents "Upon Completion," as of November 5, 2012, is:

NINE MILLION TWO HUNDRED THOUSAND DOLLARS
(\$9,200,000)

¹ 12 C.F.R. Part 34.42(g); 55 Federal Register 34696, August 24, 1990

Mr. R. Andrew Murray
Herman & Kittle Properties, Inc.
November 21, 2012

Upon Completion Assuming Unrestricted Rents

The Subject's hypothetical market value of the real estate assuming unrestricted operation "Upon Completion," as of November 5, 2012, is:

**SEVEN MILLION SEVEN HUNDRED THOUSAND DOLLARS
(\$7,700,000)**

As Complete and Stabilized Assuming Restricted Rents

The Subject's hypothetical estimated market value "As Complete and Stabilized" assuming current Section 8 contract rents, of the fee simple interest in the Subject, free and clear of financing, as of November 5, 2012, is:

**NINE MILLION THREE HUNDRED THOUSAND DOLLARS
(\$9,300,000)**

As Complete and Stabilized Assuming Unrestricted Rents

The Subject's hypothetical estimated market value "As Complete and Stabilized" assuming unrestricted market rental rates, of the fee simple interest in the Subject, free and clear of financing, as of November 5, 2012, is:

**SEVEN MILLION EIGHT HUNDRED THOUSAND DOLLARS
(\$7,800,000)**

Prospective Market Value As Proposed Restricted at 15, 20 (Loan Maturity), and 30 years

The hypothetical prospective market value at 15 years of the Subject's fee simple interest, subject to the rental restrictions in the year 2029 as of November 5, 2012, is:

**ELEVEN MILLION TWO HUNDRED THOUSAND DOLLARS
(\$11,200,000)**

The hypothetical prospective market value at loan maturity (20 years) of the Subject's fee simple interest, subject to the rental restrictions in the year 2034 as of November 5, 2012, is:

**TWELVE MILLION THREE HUNDRED THOUSAND DOLLARS
(\$12,300,000)**

The hypothetical prospective market value at 30 years of the Subject's fee simple interest, subject to the rental restrictions in the year 2044 as of November 5, 2012, is:

**FIFTEEN MILLION DOLLARS
(\$15,000,000)**

Mr. R. Andrew Murray
Herman & Kittle Properties, Inc.
November 21, 2012

Prospective Market Value as Proposed Unrestricted at 15, 20 (Loan Maturity), and 30 years

The hypothetical prospective market value at 15 years of the Subject's fee simple interest, as an unrestricted property in the year 2029 as of November 5, 2012, is:

**NINE MILLION THREE HUNDRED THOUSAND DOLLARS
(\$9,300,000)**

The hypothetical prospective market value at loan maturity (20 years) of the Subject's fee simple interest, as an unrestricted property in the year 2034 as of November 5, 2012, is:

**TEN MILLION THREE HUNDRED THOUSAND DOLLARS
(\$10,300,000)**

The hypothetical prospective market value at 30 years of the Subject's fee simple interest, as an unrestricted property in the year 2044 as of November 5, 2012, is:

**TWELVE MILLION SIX HUNDRED THOUSAND DOLLARS
(\$12,600,000)**

Below Market Debt

The market value of the Subject's below market debt as of November 5, 2012, is:

**TWO MILLION NINE HUNDRED THOUSAND DOLLARS
(\$2,900,000)**

Federal Tax Credit Value

As a result, it is our opinion, based upon prevailing market conditions that the market value of the Federal Low Income Housing Tax Credits allocated to the Subject, on a cash equivalent basis, as of November 5, 2012 is:

**SEVEN MILLION TWO HUNDRED THOUSAND DOLLARS
(\$7,200,000)**

State Tax Credit Value

As a result, it is our opinion, based upon prevailing market conditions that the market value of the State Low Income Housing Tax Credits allocated to the Subject, on a cash equivalent basis, as of November 5, 2012 is:

**TWO MILLION ONE HUNDRED THOUSAND DOLLARS
(\$2,100,000)**

Please refer to the assumptions and limiting conditions regarding the valuation and hypothetical value conclusions.

Mr. R. Andrew Murray
Herman & Kittle Properties, Inc.
November 21, 2012

If appropriate, the scope of our work includes an analysis of current and historical operating information provided by management. This unaudited data was not reviewed or compiled in accordance with the American Institute of Certificate Public Accountants (AICPA), and we assume no responsibility for such unaudited statements.

We also used certain forecasted data in our valuation and applied generally accepted valuation procedures based upon economic and market factors to such data and assumptions. We did not examine the forecasted data or the assumptions underlying such data in accordance with the standards prescribed by the AICPA and, accordingly, do not express an opinion or any other form of assurance on the forecasted data and related assumptions. The financial analyses contained in this report are used in the sense contemplated by the Uniform Standards of Professional Appraisal Practice (USPAP).

Furthermore, there will usually be differences between forecasted and actual results because events and circumstances frequently do not occur as expected, and these differences may be material. We assume no responsibility for updating this report due to events and circumstances occurring after the date of inspection.

Our value conclusion was based on general economic conditions as they existed on the date of the analysis and did not include an estimate of the potential impact of any sudden or sharp rise or decline in general economic conditions from that date to the effective date of our report. Events or transactions that may have occurred subsequent to the effective date of our opinion were not considered. We are not responsible for updating or revising this report based on such subsequent events, although we would be pleased to discuss with you the need for revisions that may be occasioned as a result of changes that occur after the valuation date.

We appreciate this opportunity to be of service. Please contact us if you have any comments or questions.

Respectfully submitted,
Novogradac & Company LLP



Brad Weinberg, MAI, CCIM
Partner
Georgia License #CG221179



Rachel Barnes Denton
Manager
Certified General Appraiser

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EXECUTIVE SUMMARY

EXECUTIVE SUMMARY**PROPERTY SUMMARY OF SUBJECT****Property Appraised:**

Oak Forest Apartments (Subject) is located at 338 Hatton Drive, in Scottdale, Dekalb County, Georgia. The Subject is an existing 150-unit Section 8 rental property that is proposed to be renovated with Low Income Housing Tax Credits (LIHTC). The following table identifies the Subject's parcel number.

Address	Parcel ID Number	Acreage
338 Hatton Drive	18-010-07-073	13.30

Scope of Renovation:

The total hard costs for the renovations are estimated at approximately \$42,250 per unit for a total cost of \$6,337,500.

Exterior: The exterior renovations will include, but are not limited to, new breezeway entries, railings, and lighting, as well as new stairs, cement siding, gutters and downspouts, 30 year shingles, vinyl insulated windows, and new vinyl soffit/fascia, breezeway ceilings, and trim. Renovations to the site include a new mailbox shelter, covered pavilion with picnic tables and barbeque grills, a new playground, new signage and decorative fencing, new concrete stairs, parking lot, sidewalk, and curbing repairs, and more. A new community building will be constructed that will have three offices, a work/storage room, a multipurpose community room, two restrooms, a computer room, children's activity center, library, a large covered porch, and fitness center. Additionally, the laundry facility will be refurbished with new front loading washers.

Interior: The interior renovations include, but are not limited to, new kitchen counters and cabinets, sinks and fittings, refrigerators, ranges, dishwashers, garbage disposals, and microwaves in the kitchens. Existing bathrooms will also be fully renovated with new lavatory fittings/sinks/cabinets, toilets, bathtubs, tub surrounds, and tub fittings. Units will get new carpeting and vinyl throughout as well as new doors, water heaters, heat pumps, and air handlers.

Tax Map ID: The Subject site is identified by the following Tax Map number.

Tax Map Number

18-010/32-E8

Land Area: The Subject site consists of approximately 13.30 acres.

Legal Interest Appraised: The property interest appraised is the fee simple estate, subject to any and all encumbrances, if applicable for each value estimate.

Unit Mix: The following table details the LIHTC net rents and unit mix for the Subject post renovation, as well as the current Section 8 contract rents. The proposed LIHTC two-bedroom rent is set at the current contract rent. The proposed LIHTC three-bedroom rent is set slightly below the current contract rent at the maximum allowable limit. However, the property will continue to collect HAP contract rents post renovation, with tenants paying just 30 percent of their income towards rent.

PROPOSED RENTS							
Unit Type	Number of Units	Size (SF)	Asking Rent	Utility Allowance (1)	Gross Rent	2012 LIHTC Maximum Allowable Gross Rent	Current Contract Rents
<i>60% AMI</i>							
2BR/1BA	110	750	\$835	\$77	\$912	\$936	\$835
3BR/1BA	40	1,050	\$975	\$106	\$1,081	\$1,081	\$1,005
Total	150						

Notes (1) Source of Utility Allowance based off current Section 8 contract

Ownership History of the Subject:

According to the Dekalb County Assessor’s office, the Subject is currently owned by Oak Forest, II LLC. There is a pending purchase agreement dated October 17, 2012 between Oak Forest, II LLC (seller) and Herman & Kittle Properties, Inc. (buyer), for a purchase price of \$8,700,000. It should be noted that the Subject recently sold in 2010 for \$3,350,000 between two related not for profit entities. The previous purchase price was not market oriented. The current purchase price is generally in line with our estimate of the as is value of \$8,800,000, which suggests the purchase price is market oriented.

**Highest and Best Use
“As If Vacant”:**

As illustrated in the cost analysis, market rate multifamily development may not be feasible. Since the gap between the cost feasible market rent and the achievable market rent is small, the Highest and Best Use “As If Vacant” is to develop a 173-unit multifamily complex with additional gap financing or to hold until market rents reach a feasible level.

**Highest and Best Use
“As Improved”:**

The Subject is improved with a Section 8 multifamily property with a history of strong occupancy. The property currently generates a positive return and is not deemed feasible to tear down to allow for alternative uses. Therefore, the Subject’s highest and best use “as improved” is continued operation as an affordable multifamily rental property.

INDICATIONS OF VALUE

LAND VALUE

Underlying	Units	Price Per Unit	Indicated Value (Rounded)
Land Value	173	\$6,000	\$1,000,000

DIRECT CAPITALIZATION ANALYSIS - "AS COMPLETE"

Scenario	Loss To Lease	Indicated Value (Rounded)
As Is	N/A	\$8,800,000
As Stabilized Restricted	\$72,000	\$9,200,000
As Stabilized Unrestricted	\$130,000	\$7,700,000

DIRECT CAPITALIZATION ANALYSIS - "AS COMPLETE AND STABILIZED"

Scenario	Cap Rate	Net Operating Income	Indicated Value (Rounded)
As Is	7.50%	\$659,015	\$8,800,000
As Stabilized Restricted	7.25%	\$675,446	\$9,300,000
As Stabilized Unrestricted	7.25%	\$565,019	\$7,800,000

EGIM ANALYSIS - "AS COMPLETE AND STABILIZED"

Scenario	EGIM	Effective Gross Income	Indicated Value (Rounded)
As Is	5.75	\$1,537,776	\$8,800,000
As Stabilized Restricted	6.00	\$1,537,776	\$9,200,000
As Stabilized Unrestricted	5.50	\$1,414,935	\$7,800,000

NOI/UNIT ANALYSIS - "AS COMPLETE AND STABILIZED"

Scenario	Number of Units	Price per unit	Indicated Value (Rounded)
As Is	150	\$58,000	\$8,700,000
As Stabilized Restricted	150	\$62,000	\$9,300,000
As Stabilized Unrestricted	150	\$52,000	\$7,800,000

FAVORABLE FINANCING VALUE

	Indicated Value (Rounded)
Restricted	\$2,900,000

PROSPECTIVE VALUE AT 15, 20 (Loan Maturity) & 30 YEARS AS RESTRICTED

	Year	# of Units	Indicated Value (Rounded)
As Proposed Restricted	15 years	150	\$11,200,000
As Proposed Restricted	20 years	150	\$12,300,000
As Proposed Restricted	30 years	150	\$15,000,000

PROSPECTIVE VALUE AT 15, 20 (Loan Maturity) & 30 YEARS AS UNRESTRICTED

	Year	# of Units	Indicated Value (Rounded)
As Proposed Unrestricted	15 years	150	\$9,300,000
As Proposed Unrestricted	20 years	150	\$10,300,000
As Proposed Unrestricted	30 years	150	\$12,600,000

VALUE OF FEDERAL TAX CREDITS

Scenario	Credits	Price Per Credit	Value of Tax Credits
As Stabilized Restricted	\$7,880,000	\$0.92	\$7,200,000

VALUE OF STATE TAX CREDITS

Scenario	Credits	Price Per Credit	Value of Tax Credits
As Stabilized Restricted	\$7,880,000	\$0.27	\$2,100,000

Exposure Time:

Six – 12 Months

Marketing Period:

Six – 12 Months

FACTUAL DESCRIPTION

FACTUAL DESCRIPTION

APPRAISAL ASSIGNMENT AND VALUATION APPROACH

As requested, the appraisers provided several value estimates of both tangible and intangible assets, described and defined below:

- Land value “as if vacant.”
- Market Value “As Is” of the fee simple interest of the property.
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- Value of the Low Income Housing Tax Credits (LIHTCs).
- Favorable Financing.

Please refer to the assumptions and limiting conditions regarding the valuation and hypothetical value conclusions.

In determining the value estimates, the appraisers employed the sales comparison and income capitalization approaches to value. The property is currently operating as a Section 8 development. Given the age of the property, and its lack of investor use in the marketplace, the cost approach was not developed. However, we have provided an estimate of land value as if the Subject were vacant.

In the cost approach to value, the value of the land is estimated. Next, the cost of the improvements as if new is estimated. Accrued depreciation is deducted from the estimated cost new to estimate the value of the Subject property in its current condition. The resultant figure indicates the value of the whole property based on cost. Generally, land value is obtained through comparable land sales. Replacement or reproduction costs, as appropriate, are taken from cost manuals, unless actual current cost figures are available.

The sales comparison approach involves a comparison of the appraised property with similar properties that have sold recently. When properties are not directly comparable, sale prices may be broken down into units of comparison, which are then applied to the Subject for an indication of its likely selling price.

The income capitalization approach involves an analysis of the investment characteristics of the property under valuation. The earnings' potential of the property is carefully estimated and converted into an estimate of the property's market value. The Subject was valued using the Direct Capitalization Approach.

Property Identification

The Subject is located at 338 Hatton Drive in Scottdale, Georgia. The site is identified by the following parcel number:

Address	Parcel ID Number	Acreage
338 Hatton Drive	18-010-07-073	13.30

Intended Use and Intended User

Herman & Kittle Properties, Inc. is the client in this engagement. We understand that they will use this document to submit to Georgia Department of Community Affairs (DCA). Intended user include Herman & Kittle Properties, its parent, affiliates, subsidiaries, assigns, and Georgia Department of Community Affairs. As our client, Herman & Kittle Properties owns this report and permission must be granted from them before another third party can use this document. Herman & Kittle Properties is the intended user. We assume that by reading this report another third party has accepted the terms of the original engagement letter including scope of work and limitations of liability. We are prepared to modify this document to meet any specific needs of the potential users under a separate agreement.

Property Interest Appraised

The property interest appraised is fee simple, subject to any and all encumbrances, if applicable for each value estimate.

Date of Inspection and Effective Date of Appraisal

The site was inspected November 5, 2012. In general, we have prepared this report based on our analysis of current market conditions relative to the Subject.

Scope of the Appraisal

For the purposes of this appraisal, the appraiser visually inspected the Subject and comparable data. Individuals from a variety of city agencies as well as the Subject's development team were consulted (in person or by phone). Various publications, both governmental (i.e. zoning ordinances) and private (i.e. Multiple List Services publications) were consulted and considered in the course of completing this appraisal.

The scope of this appraisal is limited to the gathering, verification, analysis and reporting of the available pertinent market data. All opinions are unbiased and objective with regard to value. The appraiser made a reasonable effort to collect, screen and process the best available information relevant to the valuation assignment and has not knowingly and/or intentionally withheld pertinent data from comparative analysis. Due to data source limitations and legal constraints (disclosure laws), however, the appraiser does not certify that all data was taken into consideration. Additional scope of work items are discussed in various sections throughout this report.

Compliance and Competency Provision

The appraiser is aware of the compliance and competency provisions of USPAP, and within our understanding of those provisions, this report complies with all mandatory requirements, and the authors of this report possess the education, knowledge, technical skills, and practical experience to complete this assignment competently, in conformance with the stated regulations. Moreover,

Advisory Opinion 14 acknowledges preparation of appraisals for affordable housing requires knowledge and experience that goes beyond typical residential appraisals competency including understanding the various programs, definitions, and pertinent tax considerations involved in the particular assignment applicable to the location and development. We believe our knowledge and experience in the affordable housing industry meets these supplemental standards.

Unavailability of information

In general, all information necessary to develop an estimate of value of the subject property was available to the appraisers.

Furniture, Fixtures, and Equipment

Removable fixtures such as kitchen appliances and hot water heaters are considered to be real estate fixtures that are essential to the use and operation of the complex. Supplemental income typically obtained in the operation of an apartment complex is included; which may include minor elements of personal and business property. As immaterial components, no attempt is made to segregate these items.

Ownership and History of Subject

According to the DeKalb County Assessor's office, the Subject is currently owned by Oak Forest, II LLC. There is a pending purchase agreement dated October 17, 2012 between Oak Forest, II LLC (seller) and Herman & Kittle Properties, Inc. (buyer), for a purchase price of \$8,700,000. It should be noted that the Subject recently sold in 2010 for \$3,350,000 between two related not for profit entities. The previous purchase price was not market oriented. The current purchase price is generally in line with our estimate of the as is value of \$8,800,000, which suggests the purchase price is market oriented.

REGIONAL AND LOCAL AREA ANALYSIS

REGIONAL AND LOCAL AREA ANALYSIS

ECONOMIC ANALYSIS

The Subject is located in Scottdale, Dekalb County, Georgia. Scottdale has a population of 10,631 residents, according to the 2010 census. Scottdale is situated approximately 11 miles east of downtown Atlanta in Dekalb County. Atlanta is the capital of Georgia and is located in the north central portion of the state.

Major Employers

The following table details the major employers in the MSA. Data was obtained from the *Atlanta Business Chronicle's* Book of Lists.

MAJOR EMPLOYERS

Metro Atlanta

Employer	Industry	Number Employed
Delta Air Lines, Inc.	Transportation	27,000
Wal-Mart Stores, Inc.	Retail	26,000
Gwinnett County Public Schools	Education	20,623
Emory University	Education	17,994
Cobb County School District	Education	14,027
DeKalb County School System	Education	13,267
United States Postal Service- Atl District	Government	10,342
Publix Super Markets Inc.	Retail	9,453
The Home Depot, Inc.	Retail	9,000
Center for Disease Control and Prevention	Research	8,639
WellStar Health System Inc	Healthcare	8,583
Georgia Institute of Technology	Education	7,843
Clayton County Public Schools	Education	7,500
City of Atlanta	Government	7,157

Source: *Atlanta Business Chronicle*, Novogradac & Company LLP, November 2012

As seen in the previous table, the top employers within the MSA are concentrated in the education, government, retail and transportation industries. The largest employer in the MSA, Delta Air Lines, maintains its world headquarters in the MSA, in addition to operating its largest hub at Hartsfield-Jackson Atlanta International Airport (ATL). Other major employers include the majority of countywide public education systems within the MSA.

The largest employers in the MSA are the transportation, education, and retail sectors. Lower skilled employees in these industries are likely to have incomes in line with the Subject's income restrictions. Despite the area's strong foundation in historically stable industries such as education and public administration, these sectors have also experienced layoffs as a result of the recession. Further, the prevalence of the retail trade industry in the Atlanta area exposes the local economy to the lingering effects of the recession.

Employment Contraction/Expansion

The following table lists business closures and layoffs in the Atlanta area in 2011 and 2012 according to Georgia Department of Labor's Worker Adjustment and Retraining Notification (WARN) notices.

WARN NOTICES				
Metro Atlanta - 2011 to 2012				
Company	City	County	Affected Employees	Notification Date
G4s Govt Solutions(Ft Gillem)	Forest Pk	Clayton	26	8/10/2012
Siemens Healthcare Diagnostics	Atlanta	Fulton	113	8/9/2012
The Atlanta Journal-Constitution/Cox Enterprises, Inc.	Douglasville	Douglas	50	8/2/2012
Cbe Group	Atlanta	Fulton	67	7/30/2012
Video Products Distributors, Inc.	Suwanee	Gwinnett	93	7/12/2012
The Atlanta Journal-Constitution/Cox Enterprises	Roswell	Fulton	110	7/10/2012
Meda Pharmaceuticals	Marietta	Cobb	22	7/2/2012
South Fulton Medical Center	East Point	Fulton	80	6/27/2012
The Atlanta Journal-Constitution	Atlanta	Fulton	108	6/12/2012
Ccs Medical/ Mp Total Care Medical	Lawrenceville	Gwinnett	104	6/5/2012
The Atlanta Journal Constitution	Snyrna	Cobb	102	5/8/2012
Eyewonder	Atlanta	Fulton	17	5/7/2012
Waste Management	Alpharetta	Fulton	62	5/4/2012
DAL Global Services	Atlanta	Fulton	170	3/20/2012
Grainger	Alpharetta	Fulton	68	3/16/2012
Bank Of America	College Park	Fulton	57	3/16/2012
Crescent Hotels & Resorts, Llc	Atlanta	Fulton	42	3/2/2012
Csc Applied Technology	Atlanta	Fulton	78	3/1/2012
Maximus	Atlanta	Fulton	25	3/1/2012
Seimens Healthcare	Atlanta	Fulton	28	3/1/2012
Medline Industries	Lithia Springs	Douglas	40	3/1/2012
The Atlanta Journal Constitution	Conyers	Rockdale	80	2/9/2012
Concessions International/Paschals	Atlanta	Fulton	530	2/6/2012
Cox Communications	Atlanta	Dekalb	133	1/27/2012
The Atlanta Journal Constitution	Fayetteville	Fayette	70	1/10/2012
Ryder	Lawrenceville	Gwinnett	34	1/9/2012
Bloomingdale's	Atlanta	Dekalb	141	1/4/2012
Mckesson Technology	Alpharetta	Fulton	174	12/8/2011
Netspend Corp	Atlanta	Dekalb	80	12/6/2011
Hms Host	Lawrenceville	Gwinnett	53	11/22/2011
Thomson Reuters	Atlanta	Cobb	28	11/17/2011
Syms Corp	Norcross	Gwinnett	17	11/7/2011
Syms Corp	Marietta	Cobb	15	11/7/2011
Filene's Basement	Atlanta	Fulton	37	11/7/2011
Southern Ice Cream Specialities	Marietta	Cobb	140	10/31/2011
Kmart	Doraville	Dekalb	70	10/31/2011
Nco Financial Systems	Norcross	Gwinnett	67	10/20/2011
Ccp North America	Stone Mountain	Dekalb	45	10/19/2011
Nordson	Norcross	Gwinnett	70	9/30/2011
Dendreon	Union City	Fulton	117	9/9/2011
Litton Loan Servicing (Lls)	Mcdonough	Henry	191	9/6/2011
Lowe's	Riverdale	Clayton	98	8/15/2011
Kmart Corporation	Doraville	Gwinnett	78	8/9/2011
Decatur Hotel	Decatur	Dekalb	55	8/4/2011
Wsi (Wackenhut)	Fort Mcpherson	Fulton	50	7/27/2011
Prestige Maintenance Usa	Plano	Fulton	114	7/26/2011
Archbrook Laguna	Kennesaw	Cobb	87	7/6/2011
Ch2m Hill	Atlanta	Fulton	21	6/6/2011
Rts (Flextronics Americas)	Atlanta	Fulton	89	5/27/2011
Rr Donnelley	East Point	Fulton	115	5/25/2011
Manheim Metro Atlanta (Manheim Remarketing)	Atlanta	Fulton	171	5/24/2011
Sosi Instrument Management	Marietta	Cobb	90	4/18/2011
Brevard Achievement Center	Forest Park	Clayton	28	4/8/2011
Golden Living Center-Medical Arts	Lawrenceville	Gwinnett	83	4/1/2011
Jcpenney Corporation	Duluth	Gwinnett	32	3/22/2011
Jcpenney Corporation	Morrow	Clayton	127	3/22/2011
Onewest Bank	Norcross	Gwinnett	92	3/21/2011
Visual Pak	Union City	Fulton	15	3/11/2011
The Atlanta Journal Constitution	Kennesaw	Cobb	99	2/24/2011
Total			4,998	

Source: Georgia Department of Labor, Novogradac & Company LLP, 11/2012

As seen in the previous table, there have been a total of 4,998 positions covered by WARN filings throughout 2011 and 2012. We have conducted additional research to determine recently announced business expansions within the MSA. The following table details recently announced expansions within the MSA.

BUSINESS EXPANSIONS*
Atlanta-Sandy Springs-Marietta, GA MSA

Year	Employer	Industry	Location	Jobs
2012	PointClear	Technology	Atlanta	10
2012	Fresenius Medical	Healthcare	Kennesaw	120
2011	ThyssenKrupp	Information	Alpharetta	110
2011	FedEx Ground	Distribution	Norcross	315
2011	Macy's	Retail	Johns Creek	150
2011	Cadiallac Jack	Information	Duluth	40
2010	Hewlett-Packard	Information	Alpharetta	1,000
2010	Vesta	Call Centers	Alpharetta	500
2010	SKC, Inc.	Manufacturing	Covington	120
2010	Novelis, Inc.	Manufacturing	Atlanta	80
2010	Phillips-Van Buren	Distribution	McDonough	150
2010	Callaway Black Group	Branch Office	Atlanta	30
2010	Chart Industries	Manufacturing	Atlanta	80
2010	CT&T	Branch Office & Showroom	Atlanta	40
2010	Endeavor Telecom	Headquarters	Atlanta	120
Total				2,865

*List is not comprehensive

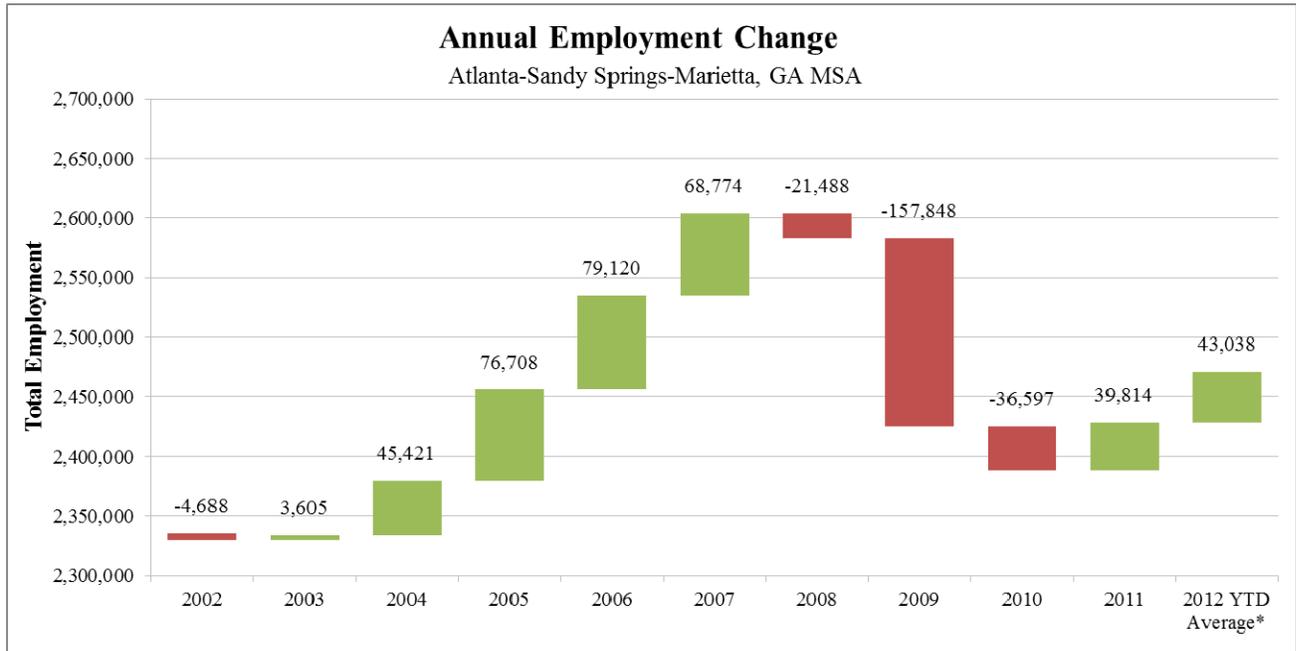
As the previous table demonstrates, expansions in the metropolitan Atlanta market have been in various industries that have been affected by the economic downturn including retail and manufacturing. However, these industries have adapted to the current market including Macy's, which is expanding its e-commerce department. The number of jobs to be created by these expansions is below the number lost according to the 2011 and 2012 WARN filings

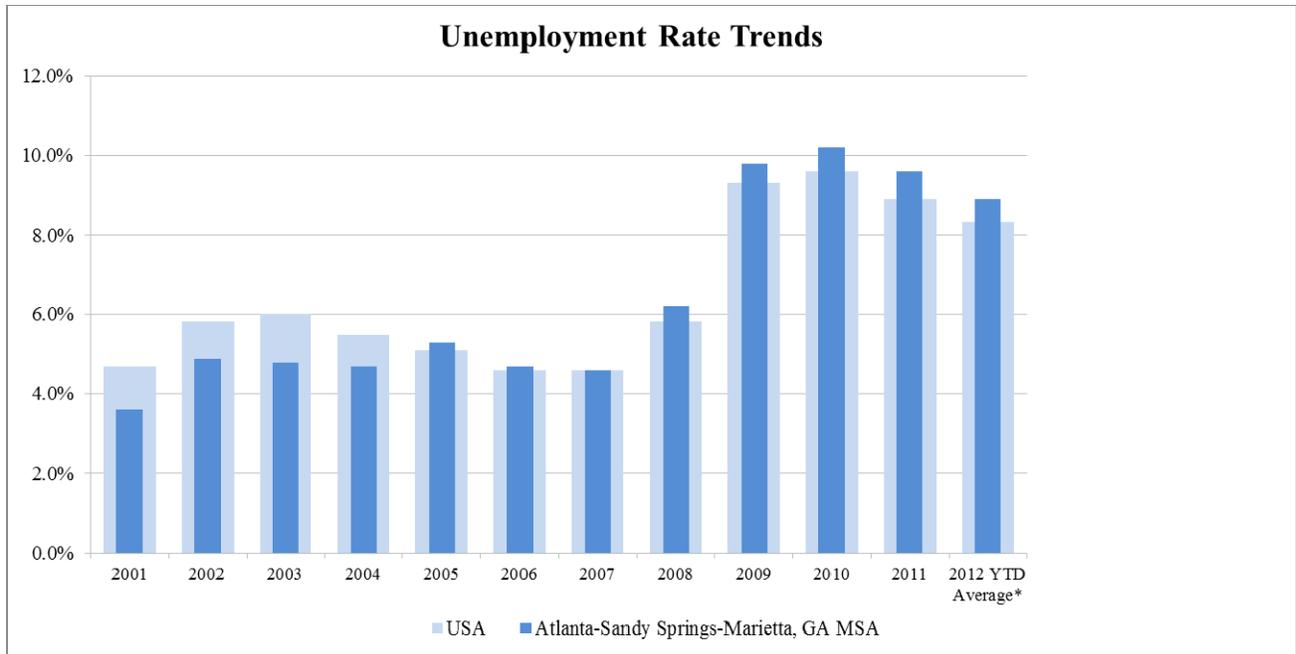
Employment and Unemployment Trends

The table below illustrates the total employed and unemployment rate for the Atlanta-Sandy Springs-Marietta, GA MSA and the nation.

EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)								
Year	Atlanta-Sandy Springs-Marietta, GA MSA				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2001	2,335,175	-	3.6%	-	136,933,000	-	4.7%	-
2002	2,330,487	-0.2%	4.9%	1.3%	136,485,000	-0.3%	5.8%	1.1%
2003	2,334,092	0.2%	4.8%	-0.1%	137,736,000	0.9%	6.0%	0.2%
2004	2,379,513	1.9%	4.7%	-0.1%	139,252,000	1.1%	5.5%	-0.5%
2005	2,456,221	3.2%	5.3%	0.6%	141,730,000	1.8%	5.1%	-0.4%
2006	2,535,341	3.2%	4.7%	-0.6%	144,427,000	1.9%	4.6%	-0.5%
2007	2,604,115	2.7%	4.6%	-0.1%	146,047,000	1.1%	4.6%	0.0%
2008	2,582,627	-0.8%	6.2%	1.6%	145,362,000	-0.5%	5.8%	1.2%
2009	2,424,779	-6.1%	9.8%	3.6%	139,877,000	-3.8%	9.3%	3.5%
2010	2,388,182	-1.5%	10.2%	0.4%	139,064,000	-0.6%	9.6%	0.3%
2011	2,427,996	1.7%	9.6%	-0.6%	139,869,000	0.6%	8.9%	-0.7%
2012 YTD Average*	2,474,656	1.9%	10.2%	0.6%	142,109,000	1.6%	8.3%	-0.6%
Sep-2011	2,431,347	-	9.7%	-	140,502,000	-	8.8%	-
Sep-2012	2,505,004	3.0%	8.4%	-1.3%	143,333,000	2.0%	7.6%	-1.2%

Source: U.S. Bureau of Labor Statistics September 2012
 *2012 data is through Sep





From 2003 through 2007, total MSA employment increased steadily. In 2009, total MSA employment decreased by 6.1 percent, compared to a national employment decrease of 3.8 percent during the same period. This is a result of the recent economic downturn that began in late 2008. However, total employment in the MSA increased 1.7 percent in 2011 and has continued to increase 1.8 percent YTD 2012. By contrast, national employment increased 0.6 percent in 2011 and has continued to increase 0.6 percent YTD 2012. As of September 2012, the unemployment rate in the MSA was at 8.4 percent, which is above the nation at 7.6 percent. Unemployment rates remain relatively high, despite trending downward since the recent peak in 2010. As a result of the recent employment trends, with considerable gains in employment in 2011 and 2012, we believe the MSA is starting to recover from the effects of the recession.

The following table illustrates the distribution of employment sectors by industry within the PMA and the United States.

2011 EMPLOYMENT BY INDUSTRY				
Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Health Care/Social Assistance	3,461	13.3%	18,891,157	13.9%
Retail Trade	3,444	13.3%	15,464,986	11.4%
Educational Services	2,584	10.0%	14,168,096	10.4%
Accommodation/Food Services	2,359	9.1%	9,114,767	6.7%
Prof/Scientific/Tech Services	1,810	7.0%	8,520,310	6.3%
Manufacturing	1,614	6.2%	13,047,475	9.6%
Other Services (excl Publ Adm)	1,459	5.6%	6,679,783	4.9%
Admin/Support/Waste Mgmt Svcs	1,366	5.3%	5,114,479	3.8%
Transportation/Warehousing	1,305	5.0%	5,487,029	4.0%
Information	1,210	4.7%	3,158,778	2.3%
Public Administration	1,191	4.6%	6,916,821	5.1%
Construction	1,089	4.2%	8,872,843	6.5%
Finance/Insurance	1,004	3.9%	6,883,526	5.1%
Wholesale Trade	766	3.0%	4,407,788	3.2%
Real Estate/Rental/Leasing	679	2.6%	2,825,263	2.1%
Arts/Entertainment/Recreation	324	1.2%	2,628,374	1.9%
Utilities	136	0.5%	1,115,793	0.8%
Mgmt of Companies/Enterprises	70	0.3%	202,384	0.1%
Agric/Forestry/Fishing/Hunting	51	0.2%	1,790,318	1.3%
Mining	4	0.0%	723,991	0.5%
Total Employment	25,926	100.0%	136,013,961	100.0%

Source: ESRI Demographics 2011, Novogradac & Company LLP, November 2012

The health care/social assistance, retail trade, and educational services industries employ approximately 36.6 percent of workers in the PMA. The PMA exhibits a higher percentage of workers in the accommodation/food services, information, and retail trade sectors compared to that of the nation. The nation exhibits a higher percentage of workers in the manufacturing, construction, and finance/insurance industries compared to the PMA. It is important to note that the accommodation/food services, retail trade, and construction sectors have all been hit particularly hard as a result of the recent national recession. Both accommodation/food services and retail trade rank among the top four industries within the PMA.

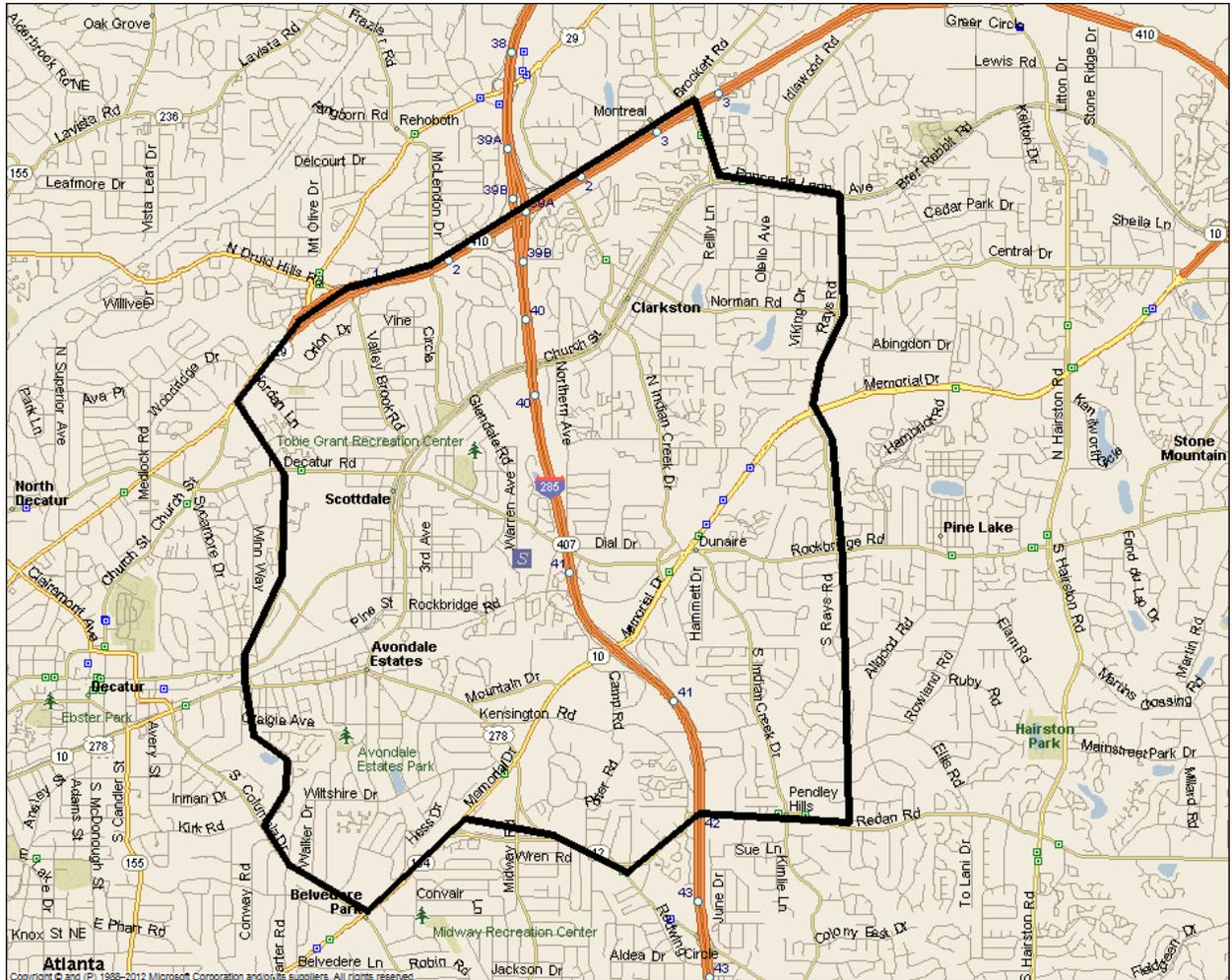
Recent Economic Recession and Mortgage Crisis

According to RealtyTrac.com, one out of every 673 homes in the city of Scottdale received a foreclosure filing in September 2012. This is lower than the county's ratio of one in every 401 homes and the state's ratio of one in every 532 homes. DeKalb County ranked third in the state in terms of the number of foreclosure filings in the month of September 2012 with 760 homes receiving a foreclosure notice.

According to the REIS Observer, published August 10, 2012, “The local housing market has begun to show some signs of improvement. According to First Multiple Listing Service data as cited by the Chronicle in late June, “the median price of homes in metro Atlanta increased 6.2 percent year-over-year for the month of May.” In addition, the 31,900 homes actively for sale per that month represented a 45 percent year-over-year decline. Additionally, the number of closed sales in May 2012 increased 5.4 percent and the number of pending sales increased almost 32 percent versus the previous May.”

DEMOGRAPHIC ANALYSIS

PRIMARY MARKET AREA MAP



PRIMARY MARKET AREA (PMA)

The delineation of the PMA as well as overall market health assessment is based primarily on a survey of existing apartment projects undertaken by Novogradac & Company LLP and insights gained from resident managers, area planning staff and others familiar with the local rental market. The majority of residents of multifamily properties in the area come from areas east of Atlanta including, but not limited to, Decatur, Avondale Estates, Scottdale, Clarkston, and Stone Mountain. We believe that the Subject's tenants will originate from these areas. This trend was confirmed by the Subject's property manager who indicated that the majority of the current residents are from the local area. Therefore, the PMA is defined as the area south of US Highway 78, west of Rays Road, north of Covington Drive and Redan Road, east of Dekalb Industrial Way, Arcadia Avenue, and South Columbia Drive. While the majority of the Subject's tenants are expected to come from within these boundaries, as a suburb of a large metropolitan area, we do expect moderate leakage from other areas around the Atlanta MSA. As a result, we estimate that approximately 20 percent of the

Subject's tenants will come from outside of the PMA's boundaries. We will analyze demographic trends across the PMA as well as trends across the entire MSA.

The following tables illustrate (a) Total Population and (b) Population by Age Group in the PMA, MSA, and nationally from 1990 through 2016.

POPULATION						
Year	PMA		MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
1990	47,535	-	3,069,425	-	248,709,873	-
2000	59,449	2.5%	4,247,981	3.8%	281,421,906	1.3%
2011	54,327	-0.8%	5,321,132	2.2%	310,307,156	0.9%
Projected Mkt Entry January 2015	54,531	0.1%	5,523,067	1.1%	317,722,181	0.7%
2016	54,619	0.1%	5,609,610	1.1%	320,900,049	0.7%

Source: ESRI Demographics 2011, Novogradac & Company LLP, November 2012

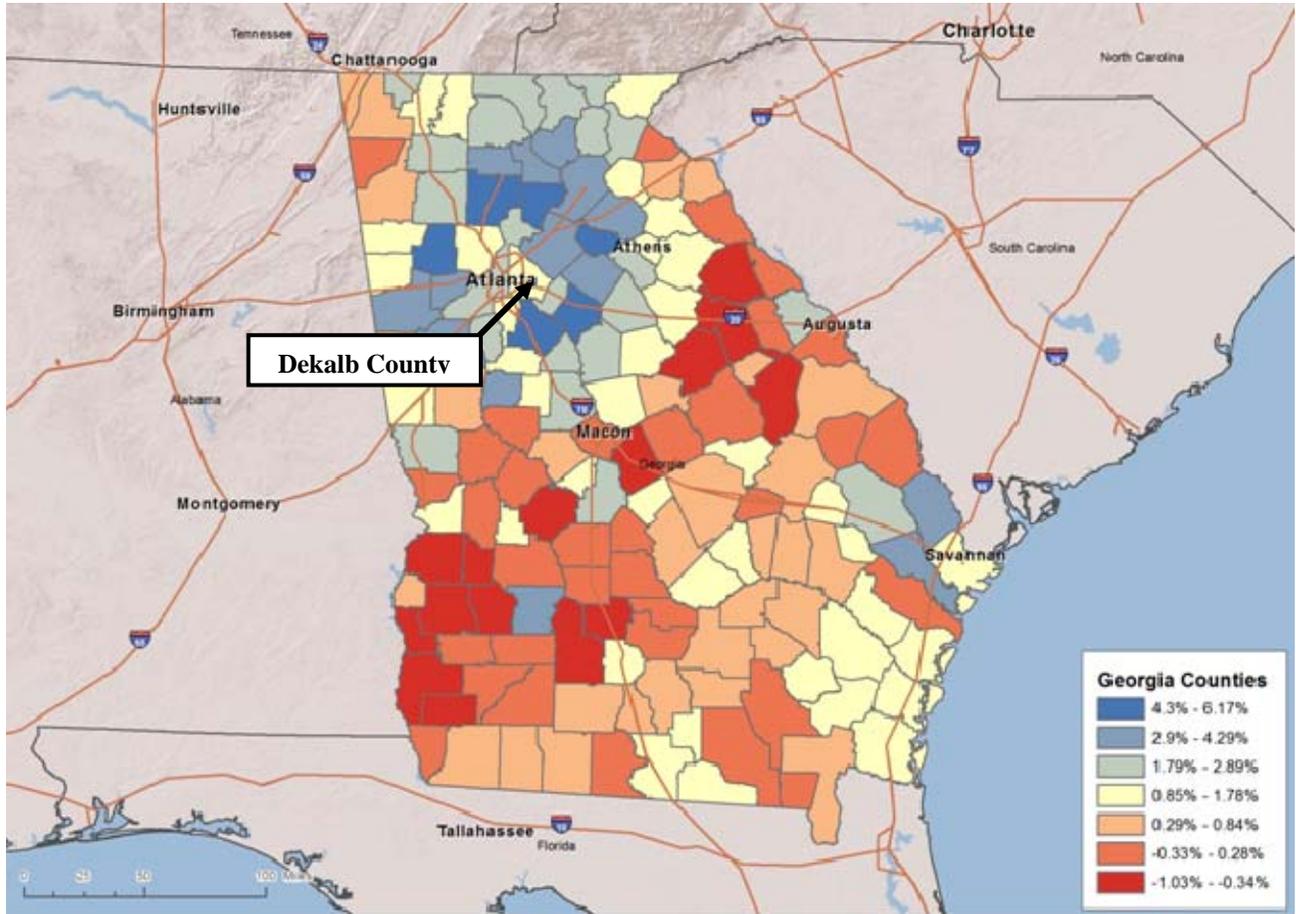
POPULATION BY AGE IN 2011						
Age Cohort	PMA		MSA		USA	
	Number	Percentage	Number	Percentage	Number	Percentage
0-4	4,627	8.5%	378,227	7.1%	20,019,788	6.5%
5-9	3,534	6.5%	395,799	7.4%	20,383,237	6.6%
10-14	3,217	5.9%	392,920	7.4%	20,744,119	6.7%
15-19	3,518	6.5%	378,644	7.1%	22,017,390	7.1%
20-24	4,685	8.6%	345,428	6.5%	21,763,489	7.0%
25-29	5,296	9.7%	381,061	7.2%	21,263,098	6.9%
30-34	4,880	9.0%	391,196	7.4%	20,168,636	6.5%
35-39	4,495	8.3%	419,714	7.9%	20,210,615	6.5%
40-44	4,161	7.7%	414,929	7.8%	20,824,633	6.7%
45-49	3,835	7.1%	408,693	7.7%	22,495,742	7.2%
50-54	3,467	6.4%	366,250	6.9%	22,368,753	7.2%
55-59	2,842	5.2%	306,768	5.8%	19,980,582	6.4%
60-64	2,117	3.9%	257,326	4.8%	17,105,439	5.5%
65-69	1,323	2.4%	176,531	3.3%	12,840,199	4.1%
70-74	814	1.5%	117,050	2.2%	9,505,858	3.1%
75-79	598	1.1%	81,932	1.5%	7,381,354	2.4%
80-84	446	0.8%	56,912	1.1%	5,719,512	1.8%
85+	471	0.9%	51,752	1.0%	5,514,712	1.8%
Total	54,327	100.0%	5,321,132	100.0%	310,307,156	100.0%

Source: ESRI Demographics 2011, Novogradac & Company LLP, November 2012

Population decreased from 2000 to 2011 in the PMA, while the MSA and nation experienced increases over at that same time period. However, the PMA is projected to increase slightly in terms of population through 2016, but at a slower rate when compared to the MSA and nation. Population by age in the PMA has the highest percentage of people aged 25-29, while the MSA's highest

percentage falls within the 35-39 age cohort. The PMA and MSA have a fairly even age cohort distribution.

The map below is a illustrates the annual population growth in the state of Georgia by county.



2000 - 2010 Population Annual Growth Rate



Annual population growth is moderate in the Subject's county with an annual growth rate between 0.85 percent and 1.78 percent

Total Number of Households and Average Household Size

The tables below illustrate total number of households and average household size in the PMA, MSA, and nation from 1990 through 2016.

HOUSEHOLDS						
Year	PMA		MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
1990	18,841	-	1,140,843	-	91,947,410	-
2000	21,295	1.3%	1,554,154	3.6%	105,480,101	1.5%
2011	19,588	-0.7%	1,952,968	2.3%	116,853,382	1.0%
Projected Mkt Entry January 2015	19,528	-0.1%	2,004,562	0.8%	119,086,585	0.5%
2016	19,503	-0.1%	2,026,674	0.8%	120,043,672	0.5%

Source: ESRI Demographics 2011, Novogradac & Company LLP, November 2012

AVERAGE HOUSEHOLD SIZE						
Year	PMA		MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	2.66	-	2.68	-	2.59	-
2011	2.60	-0.2%	2.68	0.0%	2.59	0.0%
Projected Mkt Entry January 2015	2.62	0.2%	2.71	0.3%	2.60	0.2%
2016	2.63	0.2%	2.73	0.3%	2.61	0.2%

Source: ESRI Demographics 2011, Novogradac & Company LLP, November 2012

Annual household growth is projected to decrease between 2011 and 2016, while the MSA and nation are projected to increase over that same time period. The average household size is projected to increase between 2011 and 2016 at a rate similar to the MSA and nation. The Subject will continue to offer two and three-bedroom units, which bodes well given the increase in household size through 2016.

Households by Tenure

The table below depicts household growth by tenure from 1990 through 2016.

TENURE PATTERNS PMA				
Year	Owner-Occupied Units	Percentage Owner- Occupied	Renter-Occupied Units	Percentage Renter- Occupied
1990	7,541	40.0%	11,300	60.0%
2000	8,224	38.6%	13,071	61.4%
2011	7,834	40.0%	11,754	60.0%
Projected Mkt Entry January 2015	7,833	40.1%	11,695	59.9%
2016	7,833	40.2%	11,670	59.8%

Source: ESRI Demographics 2011, Novogradac & Company LLP, November 2012

As the table illustrates, households within the PMA reside in predominately renter-occupied residences. This trend is projected to continue through 2016.

Median Household Income Levels

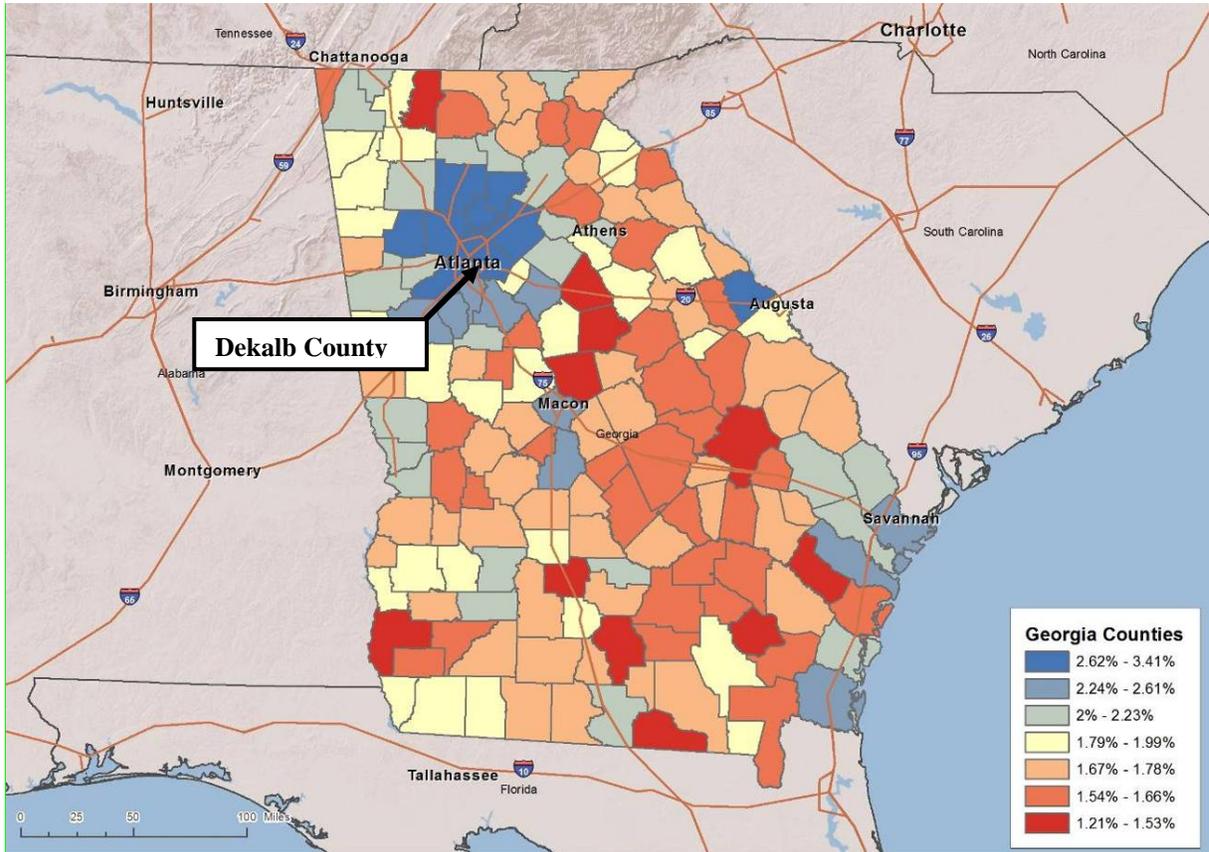
The following table illustrates median household income levels in the PMA, MSA, and nation from 2000 to 2016.

MEDIAN HOUSEHOLD INCOME						
Year	PMA		MSA		USA	
	<i>Amount</i>	<i>Annual Change</i>	<i>Amount</i>	<i>Annual Change</i>	<i>Amount</i>	<i>Annual Change</i>
2000	\$38,704	-	\$51,657	-	\$42,164	-
2011	\$40,019	0.3%	\$55,642	0.7%	\$50,226	1.7%
Projected Mkt Entry January 2015	\$47,026	5.0%	\$64,229	4.4%	\$55,345	2.9%
2016	\$50,029	5.0%	\$67,909	4.4%	\$57,539	2.9%

Source: ESRI Demographics 2011, Novogradac & Company LLP, November 2012

All three areas are experiencing increasing median household incomes. From 2000 to 2011 growth was strongest in the nation followed by growth in the MSA and PMA. This trend is projected to reverse between 2011 and 2016 with the PMA exhibiting the strongest growth rate followed by the MSA and nation. However, even with the projected median household income growth, the PMA will still remain well below that of the MSA and nation through 2016.

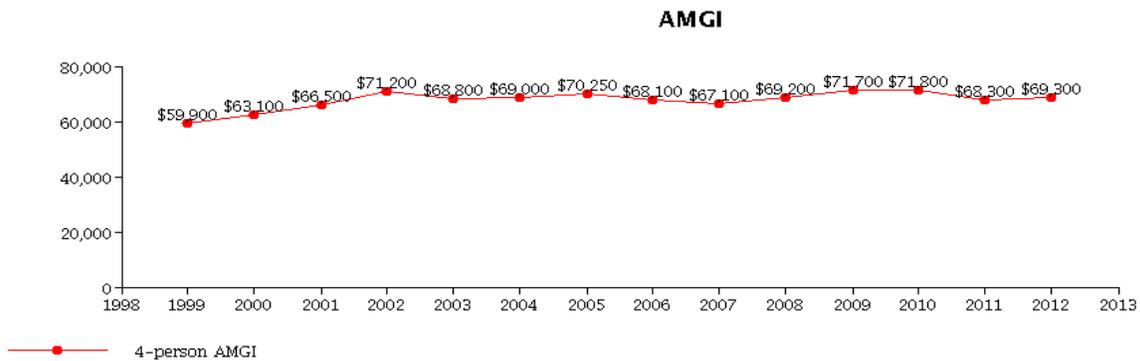
The following map illustrates the annual median household income growth in the state of Georgia by county.



2000 - 2010 MHI Annual Growth Rate



As depicted in the previous image, median household income has grown annually between 2.62 percent and 3.41 percent in the Subject's county.



Source: Novogradac & Company LLP, 11/2012

As illustrated in the previous table, the Atlanta, GA MSA AMI has increased approximately 15.7 percent since 1999.

Conclusion

The PMA is projected to experience a slight increase in population and a slight decrease in household growth through 2016, while experiencing an increase in household size. The median household income in the PMA is projected to increase at a faster rate than the MSA and nation through 2016; however will continue to remain significantly lower than the MSA and nation. This is a good indication of future demand for affordable housing in the Subject's PMA.

NEIGHBORHOOD ANALYSIS

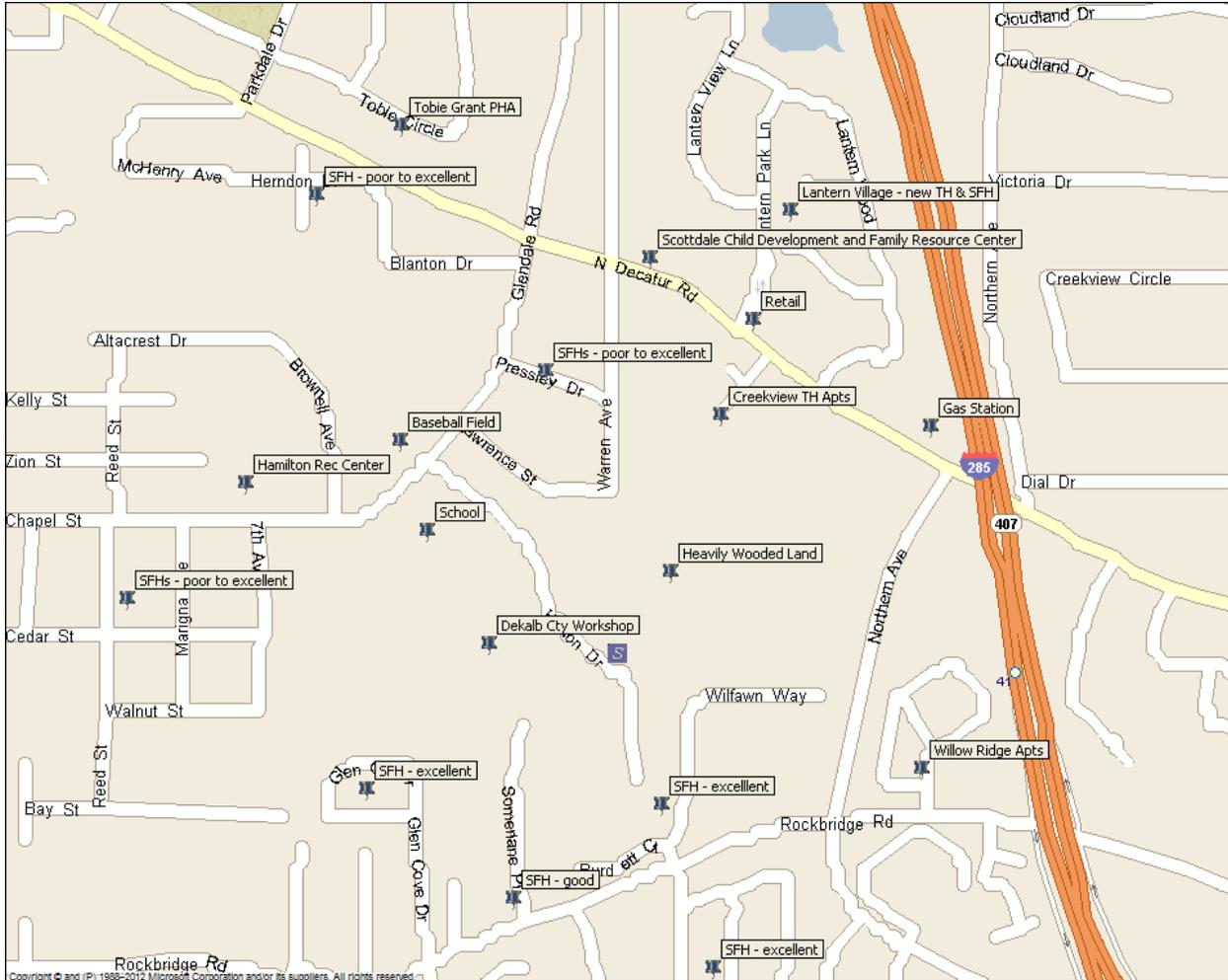
Date of Site Visit and Name of Site Inspector: Nicole Kelley inspected the site on November 5, 2012.

Physical Features of the Site: The following illustrates the physical features of the site.

Frontage: The Subject has frontage along the east and west sides of Hatton Drive.

Visibility/Views: While the property itself is not visible from this intersection, signage for the property does exist at the intersection of Glendale and Hatton Drive providing the Subject with limited visibility. The Subject does have visibility from Hatton Drive. Views are of trees and the Dekalb County maintenance workshop. Views and visibility are considered fair.

Surrounding Uses: The following map and pictures illustrate the surrounding land uses.



The Subject neighborhood consists of a variety of uses including residential, service, and commercial uses. Single-family homes in the Subject's neighborhood range in condition from poor to excellent. New development in the Subject's neighborhood is predominantly that of infill construction and/or substantial renovations. Approximately 60 percent of homes in the Subject's neighborhood (to the north and west) represent either new construction or substantial renovations within the past five to ten years. Single family homes south of the Subject site, along Rockbridge Road, are generally newer and are located within subdivisions that appear to have been built within the past 20 years and many of which were built in the past 10 years. It should be noted that views from the Subject include heavily wooded areas in each direction separating the Subject from surrounding uses.

NORTH- Immediately north of the Subject is heavily wooded land (to the northeast) and single family homes, a baseball

field, and the Dekalb County maintenance workshop building (to the northwest). Homes immediately north of the Subject range in condition from poor to excellent with several boarded and vacant homes, but also a large number of homes that appears to have been constructed within the past ten years. Also located north of the Subject site along North Decatur Road is Lantern Village, a new owner-occupied townhome and single-family home development, a new retail plaza (The Shops at Lantern Ridge), and Creekview Townhome Apartments, which has been utilized as a comparable in this report. Creekview Townhomes was built in the early 2000's and is in good condition. Creekview Townhome Apartments is a 42-unit townhome development that is currently 100 percent occupied. The Scottdale Child Development and Family Assistance Center is also located north of the Subject site.

SOUTH- South of the Subject is wooded land buffers the Subject from uses located to the south. South of the wooded land are single-family home subdivisions including The Village at Avondale, Somerlane, Glen Lake, Rommel Oaks, and Kensington Parc. With the exception of Somerlane, all of these subdivisions appear to have been built in the past ten years. Somerlane appears slightly older but is still in good condition.

EAST- East of the Subject is heavily wooded land, several scattered single-family homes (average condition), and Willow Ridge Apartments, are located east of the Subject site. Willow Ridge Apartments has been utilized as a comparable in this report.

WEST- West of the Subject is heavily wooded land, Robert Shaw Elementary School, Hamilton Community Center including a senior center and daycare facility, and single family homes. Similar to homes located northwest of the Subject, single-family homes to the west of the Subject represent a wide range of development ranging from poor to excellent in terms of condition.

**Positive/Negative Attributes
of Site:**

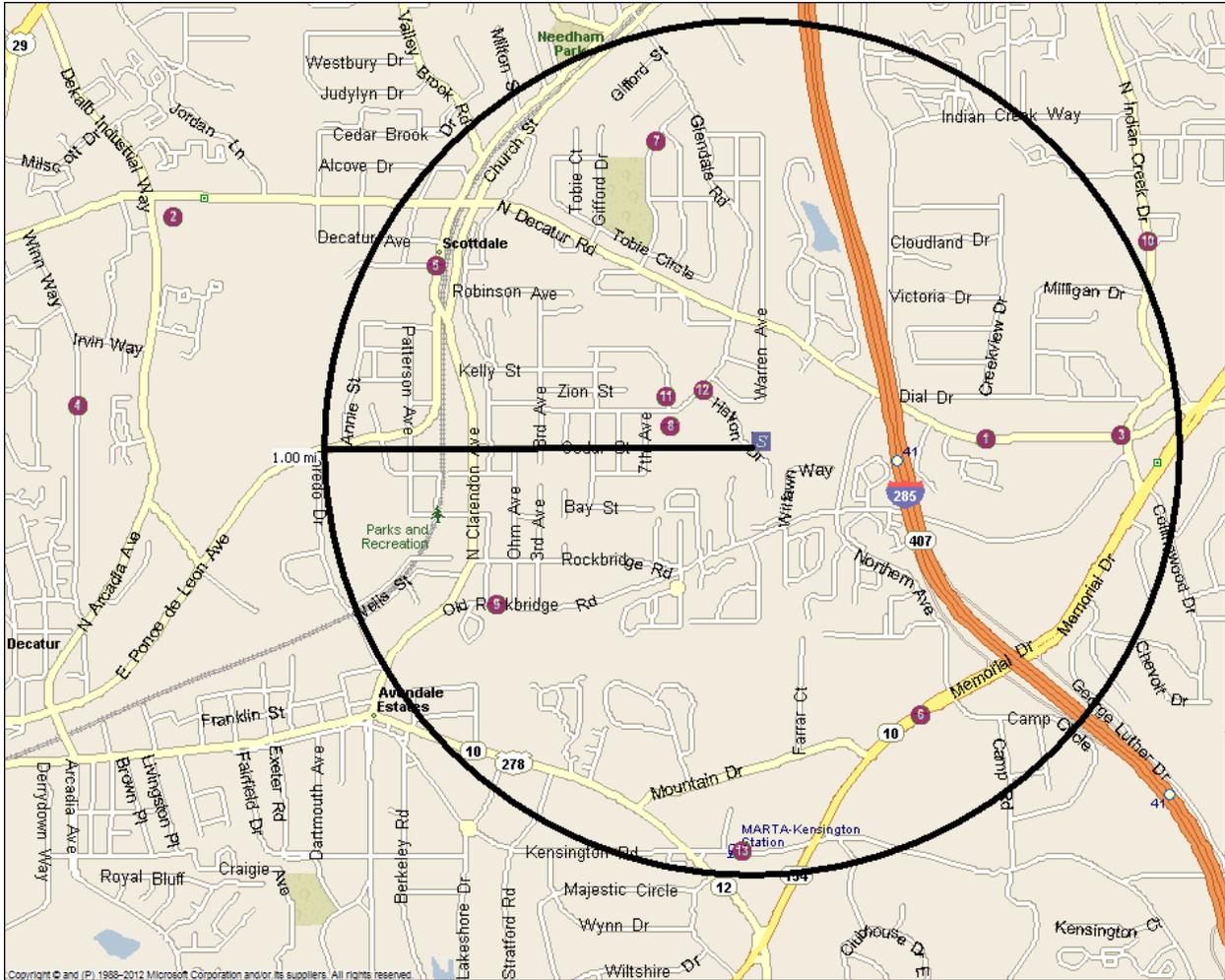
The Subject has good proximity to retail and other services such as public transit. However, many of the developments in the Subject's neighborhood are in poor to fair condition and a significant number of the single family homes are vacant and abandoned. The extensive renovation of the Subject will further the revitalization efforts in the neighborhood and

following renovation the Subject will be compatible with the surrounding land uses and will have a positive impact within the community.

Proximity to Locational Amenities:

The following table and maps detail the Subject's distance from key locational amenities.

PROXIMITY TO LOCAL SERVICES				
Map #	Business	City	Service	Miles from Subject
1	Sam's Wholesale Grocery	Decatur	Grocery	1.1 miles
2	Kroger	Decatur	Grocery	1.8 miles
3	Cvs Pharmacy	Decatur	Drug Store/Pharmacy	1.4 miles
4	Dekalb Medical Center	Decatur	Hospital	2.5 miles
5	US Post Office	Scottdale	Post Office	1.2 miles
6	Dekalb Police Department	Decatur	Police	1.7 miles
7	Tobie Grant Library	Decatur	Library	0.9 miles
8	Robert Shaw Elementary	Scottdale	Elementary School	0.2 miles
9	Avondale Middle School	Avondale Estates	Middle School	1.4 miles
10	Clarkston High	Clarkston	High School	1.9 miles
11	Hamilton Community Center	Scottdale	Park / Recreation Center	0.2 miles
12	MARTA Bus Stop - Route 122	Scottdale	Public Transportation	0.1 miles
13	MARTA Kensington Train Station	Decatur	Public Transportation	2.3 miles



Public Transportation:

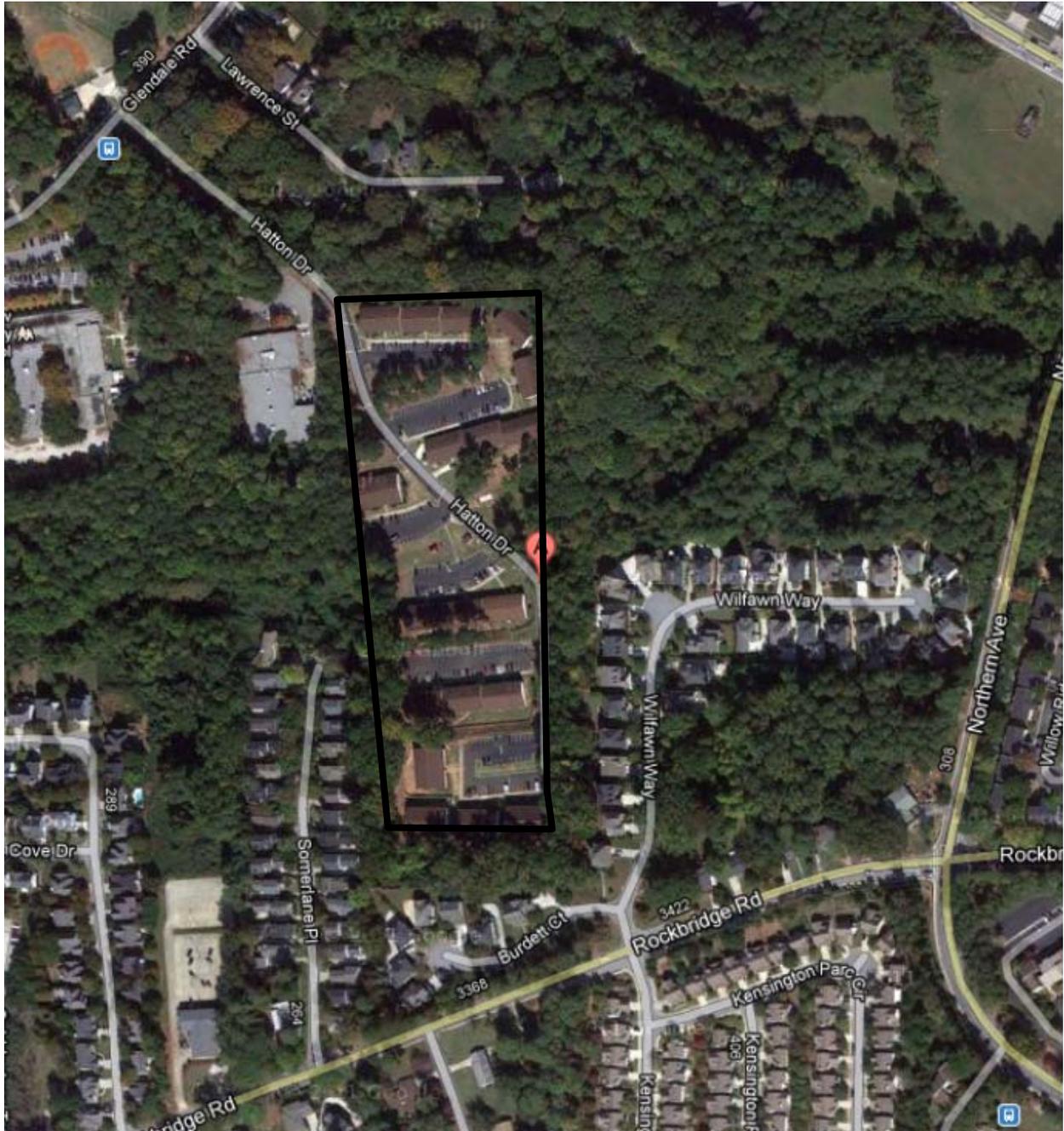
The Metropolitan Atlanta Rapid Transit Authority (MARTA) provides bus and light rail service to residents in Scottdale. According to the bus route maps on MARTA’s website, the closest bus route to the Subject runs along Glendale Road which is less than 0.1 mile from the Subject site. Route 122 runs between the Avondale and Kensington MARTA train stations, the latter of which is the closest station to the Subject at 2.3 miles. The one-way fare costs \$1.75 for adults and is free for children under six years of age.

Conclusion:

The Subject’s neighborhood is a good location for affordable rental housing. All necessary locational amenities are located within approximately three miles of the Subject. The Subject is a compatible use and will be a newly renovated development in a mixed income residential neighborhood.

DESCRIPTION OF THE SITE

The location of a multifamily property can have a substantial negative or positive impact upon the performance, safety and appeal of the project. The site description discusses the physical features of the site, as well as the layout, access issues and traffic flow.



Size:

The Subject site is approximately 13.3 acres, or approximately 579,348 square feet.

- Frontage:** The Subject has frontage along the east and west sides Hatton Drive.
- Topography:** The site is rolling with a steep decline in the middle of the site.
- Utilities:** All utilities are provided to the site.
- Visibility/Views:** While the property itself is not visible from this intersection, signage for the property does exist at the intersection of Glendale and Hatton Drive providing the Subject with limited visibility. The Subject does have visibility from Hatton Drive. Views are of trees and the Dekalb County maintenance workshop. Views and visibility are considered fair.
- Access and Traffic Flow:** The Subject site is accessed from Hatton Drive in Scottdale. Hatton Drive is a neighborhood street that provides access to two uses: the Subject and a Dekalb County maintenance workshop. Hatton Drive connects with Glendale Road less than 0.1 mile from the Subject site. Glendale Road is a neighborhood corridor linking uses such as the Subject, Hamilton Recreation and Senior Centers, and the Robert Shaw Elementary School to the main transportation route in the neighborhood, North Decatur Road. North Decatur Road is a four-lane heavily trafficked road that provides access to Interstate 285 approximately 0.4 miles east of its intersection with Glendale Road. Overall, access and traffic flow are considered average.
- Drainage:** Appears adequate; however, no specific tests were performed.
- Soil and Subsoil Conditions:** No soil test was provided for our review. We assume the soil is acceptable given the existing improvements.
- Flood Plain:** According to www.floodinsights.com, the Subject is located in Zone X (community map number 130065, panel number 0067H, dated May 7, 2001) and is located outside the 100- and 500-year flood plains.
- Environmental:** None visible upon site inspection.
- Detrimental Influences:** There are several boarded vacant single-family homes in the Subject's neighborhood. These homes are not visible from the Subject site and do not appear to have limited new development in the neighborhood. Therefore, we do not believe them to be a detrimental influence.

Conclusion:

No detrimental influences were identified in the Subject's neighborhood. The Subject site is physically capable of supporting a variety of legally permissible uses, and is considered a desirable location for a multifamily development.

DESCRIPTION OF IMPROVEMENTS

Property Profile Report

Oak Forest Apartments - As Renovated

Comp # Subject
Effective Rent Date 11/5/2012

Location 338 Hatton Drive
 Scottdale, GA 30079
 Dekalb County
Distance n/a
Units 150
Vacant Units 2
Vacancy Rate 1.3%
Type Garden
 (2 stories)
Year Built / Renovated 1975/1997/2013

Marketing Began n/a
Leasing Began n/a
Last Unit Leased n/a
Major Competitors All apartment
 communities
 nearby
Tenant Characteristics Families with
 young children,
 mostly local
Contact Name Leasing agent
Phone 404-296-1860



Market			
Program	@60% (Section 8)	Leasing Pace	Pre-leased
Annual Turnover Rate	4%	Change in Rent (Past Year)	None
Units/Month Absorbed	n/a	Concession	None
Section 8 Tenants	N/A		

Utilities			
A/C	not included -- central	Other Electric	not included
Cooking	not included -- electric	Water	not included
Water Heat	not included -- electric	Sewer	not included
Heat	not included -- electric	Trash Collection	included

Unit Mix (face rent)												
Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max rent?	Range
2	1	Garden (2 stories)	110	750	\$835	\$0	@60% (Section 8)	Yes	2	1.82%	no	
3	1	Garden (2 stories)	40	1,050	\$975	\$0	@60% (Section 8)	Yes	0	0.00%	yes	

Amenities			
In-Unit	Blinds Carpeting Central A/C Coat Closet Dishwasher Ceiling Fan Garbage Disposal Microwave Oven Refrigerator Walk-In Closet Washer/Dryer hookup	Security	Perimeter Fencing Video Surveillance
Property	Business Center/Computer Lab Clubhouse/Meeting Room/Community Room Exercise Facility Central Laundry Off-Street Parking On-Site Management Picnic Area Playground Volleyball Court	Premium	none
Services	none	Other	none

Comments
 The property is an existing 150-unit Section 8 property. The property was built in 1974 and appears to have undergone some exterior renovations in the late 1990s. The property consists of 19 two-story garden-style buildings with 110 two-bedroom units and 40 three-bedroom units. Following renovation, all 150 units will operate under the LIHTC program, but will also continue to operate with the Section 8 rental assistance subsidy. Current Section 8 contract rents are \$835 and \$1,005 for the two and three-bedroom units respectively.

Unit Layout: We have inspected the Subject and the unit layout appears to be market-oriented and functional.

Unit Mix: The following table outlines the Subject’s unit mix.

UNIT MIX AND SQUARE FOOTAGE			
Unit Type	Number of Units	Unit Size (SF)	Total Area
2BR/1BA	110	750	82,500
3BR/1BA	40	1,050	42,000
Total	150		124,500

NLA (residential space): Approximately 124,500 square feet.

Americans With Disabilities Act of 1990: Upon renovation, the property will not have any apparent violations of the Americans with Disabilities Act of 1990.

Quality of Construction Condition and Deferred Maintenance: It is assumed that the Subject will be renovated in a timely

manner consistent with the information provided, using average-quality materials in a professional manner. Upon renovation, we assume the Subject property will not have any deferred maintenance issues.

Proposed Rents:

The following table details the LIHTC net rents and unit mix for the Subject post renovation, as well as the current Section 8 contract rents. The proposed LIHTC two-bedroom rent is set at the current contract rent. The proposed LIHTC three-bedroom rent is set slightly below the current contract rent at the maximum allowable limit. However, the property will continue to collect HAP contract rents post renovation, with tenants paying just 30 percent of their income towards rent.

PROPOSED RENTS							
Unit Type	Number of Units	Size (SF)	Asking Rent	Utility Allowance (1)	Gross Rent	2012 LIHTC Maximum Allowable Gross Rent	Current Contract Rents
<i>60% AMI</i>							
2BR/1BA	110	750	\$835	\$77	\$912	\$936	\$835
3BR/1BA	40	1,050	\$975	\$106	\$1,081	\$1,081	\$1,005
Total	150						

Notes (1) Source of Utility Allowance based off current Section 8 contract

Current Rents & Performance:

The Subject is currently 98.7 percent occupied; however, the two vacant units are currently pre-leased. Management noted the property currently maintains an extensive waiting list for both unit types. Management indicated that historically the Subject is 100 percent occupied.

Scope of Renovation:

The total hard costs for the renovations are estimated at approximately \$42,250 per unit for a total cost of \$6,337,500.

Exterior: The exterior renovations will include, but are not limited to, new breezeway entries, railings, and lighting, as well as new stairs, cement siding, gutters and downspouts, 30 year shingles, vinyl insulated windows, and new vinyl soffit/fascia, breezeway ceilings, and trim. Renovations to the site include a new mailbox shelter, covered pavilion with picnic tables and barbeque grills, a new playground, new signage and decorative fencing, new concrete stairs, parking lot, sidewalk, and curbing repairs, and more. A new community building will be constructed that will have three offices, a work/storage room, a multipurpose community room, two restrooms, a computer room, children’s activity center,

library, a large covered porch, and fitness center. Additionally, the laundry facility will be refurbished with new front loading washers.

Interior: The interior renovations include, but are not limited to, new kitchen counters and cabinets, sinks and fittings, refrigerators, ranges, dishwashers, garbage disposals, and microwaves in the kitchens. Existing bathrooms will also be fully renovated with new lavatory fittings/sinks/cabinets, toilets, bathtubs, tub surrounds, and tub fittings. Units will get new carpeting and vinyl throughout as well as new doors, water heaters, heat pumps, and air handlers.

Current Tenant Income:

A tenant income audit was not available at the time of this report; however, according to the developer all current tenants will remain income qualified to reside at the Subject post renovation.

Functional Obsolescence:

The Subject will not suffer from functional obsolescence.

Conclusion:

The Subject is scheduled to undergo an extensive rehabilitation. Upon completion, the Subject will be newly renovated and in good condition, offer a competitive amenity package and will be desirable and well-suited for families in the market.

REAL ESTATE ASSESSMENT AND TAXES

The following real estate tax estimate is based upon our interviews with local assessment officials, either in person or via telephone. We do not warrant its accuracy. It is our best understanding of the current system as reported by local authorities. Currently, the assessment of affordable housing properties is a matter of intense debate and in many jurisdictions pending legal action. The issue often surrounds how the intangible value or restricted rents are represented. We cannot issue a legal opinion as to how the taxing authority will assess the Subject. We advise the client to obtain legal counsel to provide advice as to the most likely outcome of a possible reassessment.

The Subject site is located within the Dekalb County real estate taxing jurisdiction. Real estate taxes for a property located in Dekalb County are based upon a property's assessed valuation. Real estate taxes in this county are based upon 40 percent of the market value. While the contact stated that rental properties are appraised using primarily the income approach, the website indicates that the cost approach is utilized. Therefore, we assume that both methods are likely used in the appraisal process for real estate in Dekalb County. According to the Dekalb County Assessor's office, the millage rate for the Subject's site is \$0.04539. According to the Dekalb County Assessor's office, the Subject is currently under an appeal process and it is anticipated that the Subject will receive a decrease in assessment. The Subject's 2012 assessment per unit is well above the comparables. The following tables outline the Subject's 2012 assessment and historical assessments.

CURRENT ASSESSMENT				
Property Parcel ID	2012 Assessed Value	Assessment Per Unit	2012 Taxes	Estimated Tax Burden per Unit
18-010-07-073	\$2,751,920	\$18,346	\$124,494	\$830

HISTORICAL ASSESSMENT		
Year	Total Assessed Amount	Assessed Value per Unit
2011	\$1,690,152	\$11,268
2010	\$2,428,424	\$16,189
2009	\$2,428,420	\$16,189

The following tax comparables were used to estimate the property taxes for land and improvements (total market value) of the Subject upon completion of the renovations. We focused on the Subject's historical assessments as well as that of several of the comparable rental properties presented later in the Supply Analysis for the tax analysis.

COMPARABLE ASSESSMENTS									
Property	Type	Year Built	Number of Units	Market Value	Market Value Per Unit	Assessed Value	Assessed Value Per Unit	Taxes Paid	Taxes Per Unit
Woodside Village	LIHTC, Market	1974 / 2004	360	\$11,628,000	\$32,300	\$4,651,200	\$12,920	\$211,118	\$586
Clarkston Station	LIHTC	1973 / 2005	356	\$11,392,000	\$32,000	\$4,556,800	\$12,800	\$206,833	\$581
Birch Grove	LIHTC	1973/2002	168	\$5,880,000	\$35,000	\$2,352,000	\$14,000	\$106,757	\$635
Lakeshore	Market	1971 / 2004	652	\$21,000,000	\$32,209	\$8,400,000	\$12,883	\$381,276	\$585
Willow Ridge	Market	1985	157	\$5,699,400	\$36,302	\$2,279,760	\$14,521	\$103,478	\$659
Avondale Crossing	Market	1979 / 1995	156	\$4,500,000	\$28,846	\$1,800,000	\$11,538	\$81,702	\$524
Average - LIHTC							\$13,240		
Average - Market							\$12,981		
Average - All							\$13,110		

Post-renovation, the Subject is expected to be similar to slightly superior to the LIHTC comparable properties and similar to slightly superior to the market rate properties. Therefore, we have concluded to a per unit assessment at the top of the market rate and LIHTC comparables. The following tables outline the estimated post-renovation tax assessment and burden for the Subject. Given the general similarity between assessed values for the LIHTC and market rate comparables, we have concluded to an assessed value of \$14,000 per unit for both the restricted and unrestricted scenarios. This assessment would equal a tax burden of approximately \$635 per unit.

ESTIMATED POST-RENOVATION TAX BURDEN - RESTRICTED					
Assessment Per Unit	Number of Units	Assessed Value	Millage Rate	Tax Burden	Tax Burden Per Unit
\$14,000	150	\$2,100,000	\$0.0454	\$95,319	\$635

ESTIMATED POST-RENOVATION TAX BURDEN - UNRESTRICTED					
Assessment Per Unit	Number of Units	Assessed Value	Millage Rate	Tax Burden	Tax Burden Per Unit
\$14,000	150	\$2,100,000	\$0.0454	\$95,319	\$635

Based on the comparable properties, we will use a tax burden of \$635 per unit for both the as renovated restricted and as-renovated unrestricted scenarios. The developer has projected \$475 per unit for the as renovated restricted scenario which equates to an assessed value of \$10,465 per unit. This appears slightly low based on the Subject’s historical assessments and the comparables; however the developer has indicated that the appeal process is likely to be successful. Given the developer’s projected taxes are below the comparables, we will conclude to an assessment of \$14,000 per unit equating to a tax burden of \$635 per unit, which is more in line with the Subject’s historical assessments.

For the as is scenario, we have estimated that the Subject’s assessed value to be slightly above the 2011 data and slightly below the range of the LIHTC comparables given the Subject’s condition. We have assumed the appeal is successful given that the 2012 assessment is very high and not market oriented. As such, we have concluded to an assessment of \$12,000 per unit which equates to a tax burden of \$545 per unit. We will utilize \$545 per unit for the as is scenario

Zoning

Current Zoning

The Subject site is zoned RM-75, Multifamily Residential. Permitted uses include dwellings (single-family, multifamily, and supportive living), sorority or fraternity house lodging, personal care homes, nursing homes, and day care facilities. The maximum density for multifamily development is 18 units per acre and the maximum height is three stories. The Subject's density is approximately 11.3 units per acre and all of the Subject's buildings are two-stories. Zoning restrictions require 1.75 parking spaces per unit. The Subject offers 262 parking spaces, or approximately 1.75 spaces per unit. The Subject is a legal, conforming use.

Prospective Zoning Changes

We are not aware of any proposed zoning changes at this time.

COMPETITIVE RENTAL/DEMAND ANALYSIS

SUPPLY ANALYSIS

INTERVIEWS/DISCUSSION

In order to ascertain the need for housing and affordable housing in the Subject's area, interviews were conducted with various local officials. The local housing authority and various participants in current development efforts in the Atlanta area were interviewed.

Atlanta Housing Authority

We attempted to contact the Housing Authority of DeKalb County, but were unable to receive a call back from a representative. However, according to the (HADC) website, HADC administers a large amount of vouchers, which makes HADC's Housing Choice Voucher program the third largest in the state. The wait list is currently closed and HADC does not anticipate opening the list in the near future. The following table illustrates the payment standard for the Housing Choice Voucher program in the DeKalb County. It should be noted that given the current payment standards are above the Subject's contract rents, the Subject may want to consider renewing their current Section 8 contract.

PAYMENT STANDARDS	
Studio	\$769
1BR	\$833
2BR	\$926
3BR	\$1,128

Planning Discussion

We spoke with Crystal Smith, Planner for the DeKalb County, who indicated that there were no new multifamily developments proposed or under construction in the Subject's area.

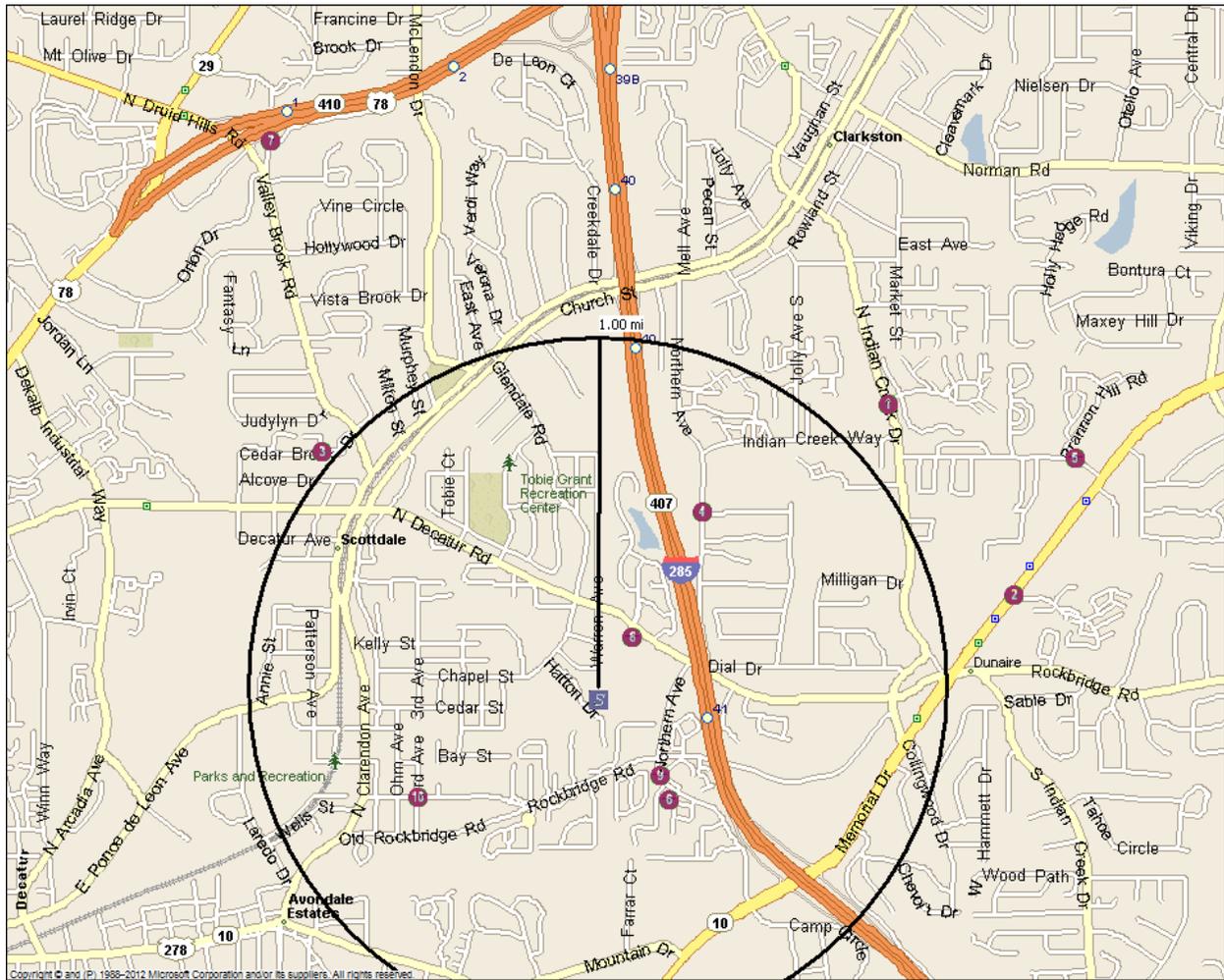
Survey of Comparable Projects

To evaluate the competitive position of the Subject, 2,597 units in ten rental properties were surveyed in depth. We have also visited and surveyed other properties that were excluded from the market survey, either because they are not considered comparable to the Subject or they would not participate in the survey. Property managers were interviewed for information on unit mix, sizes, and absorption rates, unit features and project amenities; tenant profiles; and market trends in general.

The availability of LIHTC data is considered adequate. The market rate data is considered adequate. The majority of the market rate multifamily rental supply in the Subject's market is old and in need of substantial renovation. We have included the five most comparable market rate properties to the Subject based on proximity to the Subject and unit mix. It should be noted that few of the market rate properties in the Subject's neighborhood offer three-bedroom units. Therefore, for the purposes of the rent discussion we have also examined several additional market rate properties to provide additional support for the determination of the Subject's achievable market rents. These properties are typically further from the Subject and less comparable. Overall, LIHTC and market rate data is considered adequate. Property managers were interviewed in depth for market characteristics within the Subject's Primary Market Area. The following table outlines several excluded properties and the reason for exclusion.

EXCLUDED PROPERTIES			
Name	Type	Tenancy	Reason for Exclusion
Peachtree Trace	LIHTC	Family	Less comparable unit mix than other LIHTC properties
Prince Avondale	HOME, Mkt	Family	Less comparable unit mix than other LIHTC properties
Brittany Place	LIHTC, Mkt	Family	On the border of the PMA, less comparable unit mix than other LIHTC properties
Forrest Heights	LIHTC	Family	On the border of the PMA, less comparable unit mix than other LIHTC properties
North Decatur Manor	Market	Family	Property appeared mostly vacant based on site inspection
Fox Crossing	Market	Family	Less comparable unit mix than other LIHTC properties
Clarion Apartments	Market	Family	Further from Subject than other comparable market rate properties
Jackson Square	Market	Family	Further from Subject than other comparable market rate properties
Grayson Park	Market	Family	Further from Subject than other comparable market rate properties
Valley Place	N/Av	Family	Unable to contact management; further from Subject than other comparable properties
Valley Brook	N/Av	Family	Unable to contact management; further from Subject than other comparable properties
Community Housing	Section 8 Disabled	Senior	Tenancy not comparable

Comparable Rental Property Map



COMPARABLE PROPERTIES				
#	Property Name	City	Type	Distance
1	Lakes At Indian Creek	Clarkston	LIHTC	1.2 miles
2	Spring Chase Apartments	Stone Mountain	LIHTC	1.2 miles
3	Sycamore Chase FKA Maple Glen Apartments	Decatur	LIHTC	1.1 miles
4	Tuscany Village	Clarkston	LIHTC/Market	0.6 miles
5	Woodside Village Apartments Fka Mountain Grove	Clarkston	LIHTC/Market	1.5 miles
6	Avondale Crossings	Avondale Estates	Market	0.4 miles
7	Birch Grove FKA Cedar Creek	Decatur	Market	1.8 miles
8	Creekview Townhomes	Scottdale	Market	0.1 miles
9	Oak Creek Apartments	Avondale Estates	Market	0.3 miles
10	Willow Ridge Apartments	Avondale Estates	Market	0.6 miles

The following tables illustrate detailed information in a competitive framework for the Subject and the comparable properties.

Oak Forest Apartments - Scottdale, GA - Appraisal

SUMMARY MATRIX

Comp #	Project	Distance	Type / Built / Renovated	Market / Subsidy	Units	#	%	Restriction	Rent (Adj.)	Size (SF)	Max Rent?	Wait List?	Units Vacant	Vacancy Rate
Subject	Oak Forest Apartments 338 Hatton Drive Scottdale, GA 30079 DeKalb County	n/a	Garden (2 stories) 1975/1997/2013 / n/a	@60% (Section 8)	2BR / 1BA	110	73.3%	@60%	\$835	750	no	Yes	2	1.8%
					3BR / 1BA	40	26.7%	@60%	\$975	1,050	yes	Yes	0	0.0%
						150	100.0%							2
1	Lakes At Indian Creek 751 North Indian Creek Drive Clarkston, GA 30021 DeKalb County	1.2 miles	Various (2 stories) 1970s / 2004	@60%	1BR / 1BA (Garden)	N/A	N/A	@60%	\$525	598	no	No	N/A	N/A
					1BR / 1BA (Garden)	N/A	N/A	@60%	\$535	667	no	No	N/A	N/A
					1BR / 1BA (Garden)	N/A	N/A	@60%	\$545	707	no	No	N/A	N/A
					1BR / 1BA (Garden)	N/A	N/A	@60%	\$555	715	no	No	N/A	N/A
					1BR / 1BA (Garden)	N/A	N/A	Market	\$550	598	n/a	No	N/A	N/A
					1BR / 1BA (Garden)	N/A	N/A	Market	\$560	667	n/a	No	N/A	N/A
					1BR / 1BA (Garden)	N/A	N/A	Market	\$570	707	n/a	No	N/A	N/A
					1BR / 1BA (Garden)	N/A	N/A	Market	\$580	715	n/a	No	N/A	N/A
					2BR / 1BA (Garden)	N/A	N/A	@60%	\$605	800	no	No	N/A	N/A
					2BR / 1BA (Garden)	N/A	N/A	Market	\$620	800	n/a	No	N/A	N/A
					2BR / 2BA (Garden)	N/A	N/A	@60%	\$665	938	no	No	N/A	N/A
					2BR / 2BA (Garden)	N/A	N/A	@60%	\$680	960	no	No	N/A	N/A
					2BR / 2BA (Garden)	N/A	N/A	@60%	\$705	1,000	yes	No	N/A	N/A
					2BR / 2BA (Garden)	N/A	N/A	@60%	\$720	1,016	yes	No	N/A	N/A
					2BR / 2BA (Garden)	N/A	N/A	Market	\$675	938	n/a	No	N/A	N/A
					2BR / 2BA (Garden)	N/A	N/A	Market	\$700	960	n/a	No	N/A	N/A
					2BR / 2BA (Garden)	N/A	N/A	Market	\$730	1,000	n/a	No	N/A	N/A
					2BR / 2BA (Garden)	N/A	N/A	Market	\$750	1,016	n/a	No	N/A	N/A
					2BR / 2BA (Townhouse)	N/A	N/A	@60%	\$750	1,150	no	No	N/A	N/A
					2BR / 2BA (Townhouse)	N/A	N/A	Market	\$800	1,150	n/a	No	N/A	N/A
					3BR / 2BA (Garden)	150	24.9%	@60%	\$825	1,152	no	No	N/A	N/A
					3BR / 2BA (Garden)	N/A	N/A	@60%	\$850	1,177	no	No	N/A	N/A
					3BR / 2BA (Garden)	N/A	N/A	@60%	\$799	1,190	no	No	N/A	N/A
					3BR / 2BA (Garden)	N/A	N/A	@60%	\$900	1,217	no	No	N/A	N/A
					3BR / 2BA (Garden)	N/A	N/A	Market	\$835	1,152	n/a	No	N/A	N/A
					3BR / 2BA (Garden)	N/A	N/A	Market	\$860	1,177	n/a	No	N/A	N/A
					3BR / 2BA (Garden)	N/A	N/A	Market	\$850	1,190	n/a	No	N/A	N/A
3BR / 2BA (Garden)	N/A	N/A	Market	\$925	1,217	n/a	No	N/A	N/A					
3BR / 2.5BA (Townhouse)	30	5.0%	@60%	\$925	1,323	no	No	N/A	N/A					
3BR / 2.5BA (Townhouse)	N/A	N/A	Market	\$1,014	1,323	n/a	No	N/A	N/A					
					603	100.0%							30	5.0%
2	Spring Chase Apartments 4949 Memorial Drive Stone Mountain, GA 30083 DeKalb County	1.2 miles	Garden (2 stories) 1963 / 1998	LIHTC	1BR / 1BA	88	22.9%	@60%	\$456	760	no	No	N/A	N/A
					1BR / 1BA	88	22.9%	@60%	\$479	785	no	No	N/A	N/A
					2BR / 2BA	82	21.4%	@60%	\$534	982	no	No	N/A	N/A
					2BR / 2BA	82	21.4%	@60%	\$599	1,000	no	No	N/A	N/A
					3BR / 2BA	44	11.5%	@60%	\$601	1,220	no	No	N/A	N/A
					384	100.0%							31	8.1%
3	Sycamore Chase FKA Maple Glen Apartments 3117 Cedar Brook Drive Decatur, GA 30033 DeKalb County	1.1 miles	Garden (3 stories) 1975 / 2002	@60%	1BR / 1BA	44	26.8%	@60%	\$579	795	no	No	N/A	N/A
					2BR / 1BA	50	30.5%	@60%	\$649	1,000	no	No	N/A	N/A
					2BR / 2BA	50	30.5%	@60%	\$699	1,080	no	No	N/A	N/A
					3BR / 2BA	20	12.2%	@60%	\$799	1,298	no	No	N/A	N/A
										164	100.0%			
4	Tuscany Village 600 Northern Ave Clarkston, GA 30021 DeKalb County	0.6 miles	Garden (3 stories) n/a / Ren. 2009	@30%, @50%, @60%, Market	1BR / 1BA	7	4.9%	@30%	\$275	800	yes	Yes	0	0.0%
					1BR / 1BA	19	13.2%	@50%	\$544	800	yes	No	0	0.0%
					1BR / 1BA	24	16.7%	@60%	\$679	800	yes	No	0	0.0%
					1BR / 1BA	22	15.3%	Market	\$729	800	n/a	No	0	0.0%
					2BR / 2BA	8	5.6%	@30%	\$320	1,000	yes	Yes	0	0.0%
					2BR / 2BA	18	12.5%	@50%	\$643	1,000	yes	No	0	0.0%
					2BR / 2BA	24	16.7%	@60%	\$805	1,000	yes	No	0	0.0%
					2BR / 2BA	22	15.3%	Market	\$855	1,000	n/a	No	0	0.0%
					144	100.0%							0	0.0%

SUMMARY MATRIX

Comp #	Project	Distance	Type / Built / Renovated	Market / Subsidy	Units	#	%	Restriction	Rent (Adj.)	Size (SF)	Max Rent?	Wait List?	Units Vacant	Vacancy Rate
5	Woodside Village Apartments Fka Mountain Grove 3954 Memorial College Avenue Clarkston, GA 30021 Dekalb County	1.5 miles	Garden (2 stories) 1974 / 2004	Market/LIHTC	1BR / 1BA	113	32.0%	@60%	\$456	818	no	None	N/A	N/A
					1BR / 1BA	13	3.7%	Market	\$481	818	n/a	None	N/A	N/A
					2BR / 1BA	146	41.4%	@60%	\$543	1,064	no	None	N/A	N/A
					2BR / 1BA	16	4.5%	Market	\$568	1,064	n/a	None	N/A	N/A
					3BR / 2BA	54	15.3%	@60%	\$669	1,489	no	None	N/A	N/A
					3BR / 2BA	11	3.1%	Market	\$719	1,489	n/a	None	N/A	N/A
					353	100.0%						18	5.1%	
6	Avondale Crossings 260 Northern Avenue Avondale Estates, GA 30002 Dekalb County	0.4 miles	Garden (2 stories) 1979 / 1995	Market	1BR / 1BA	50	32.1%	Market	\$446	910	n/a	No	N/A	N/A
					2BR / 1BA	42	26.9%	Market	\$566	1,200	n/a	No	N/A	N/A
					2BR / 2BA	42	26.9%	Market	\$612	1,275	n/a	No	N/A	N/A
					3BR / 2BA	22	14.1%	Market	\$667	1,400	n/a	No	N/A	N/A
					156	100.0%						9	5.8%	
7	Birch Grove FKA Cedar Creek 3073 Cedar Creek Pkwy Decatur, GA 30033 Dekalb County	1.8 miles	Garden (2 stories) 1972 / 2002	Market	1BR / 1BA	10	6.0%	Market	\$675	700	n/a	No	N/A	N/A
					2BR / 1BA	50	29.8%	Market	\$665	1,000	n/a	No	N/A	N/A
					2BR / 2BA	60	35.7%	Market	\$775	1,140	n/a	No	N/A	N/A
					3BR / 2BA	48	28.6%	Market	\$850	1,350	n/a	No	N/A	N/A
						168	100.0%							
8	Creekview Townhomes 437 Creekview Court Scottdale, GA 30079 Dekalb County	0.1 miles	Townhouse (2 stories) 2000s / n/a	Market	2BR / 1.5BA	21	50.0%	Market	\$695	1,250	n/a	None	1	4.8%
					2BR / 2.5BA	21	50.0%	Market	\$765	1,400	n/a	None	1	4.8%
						42	100.0%							2
9	Oak Creek Apartments 280 Northern Avenue Avondale Estates, GA 30002 Dekalb County	0.3 miles	Garden (3 stories) 1970 / n/a	Market	Studio / 1BA	65	15.3%	Market	\$398	506	n/a	No	N/A	N/A
					1BR / 1BA	168	39.4%	Market	\$408	704	n/a	No	N/A	N/A
					2BR / 1BA	168	39.4%	Market	\$452	880	n/a	No	N/A	N/A
					2BR / 2BA	25	5.9%	Market	\$488	1,012	n/a	No	N/A	N/A
	426	100.0%								43	10.1%			
10	Willow Ridge Apartments 3548 Rockbridge Road Avondale Estates, GA 30002 Dekalb County	0.6 miles	Garden (3 stories) 1985 / n/a	Market	2BR / 2BA	157	100.0%	Market	\$675	1,065	n/a	No	2	1.3%
						157	100.0%							2

Oak Forest Apartments - Scottdale, GA - Appraisal

RENT AND SQUARE FOOTAGE RANKING -- All rents adjusted for utilities and concessions extracted from the market.					
Effective Rent Date:		Nov-12	Units Surveyed:		2597
			Market Rate		949
			Tax Credit		1648
			Weighted Occupancy:		93.60%
			Market Rate		92.30%
			Tax Credit		94.30%
Two Bedrooms One Bath			Three Bedrooms Two Bath		
RENT	Property	Average	Property	Average	Property
	Tuscany Village * (2BA M)	\$855	Oak Forest Apartments * (60%)	\$975	
	Oak Forest Apartments * (60%)	\$835	Lakes At Indian Creek * (M)	\$925	
	Tuscany Village * (2BA 60%)	\$805	Lakes At Indian Creek * (60%)	\$900	
	Creekview Townhomes (1.5BA)	\$695	Lakes At Indian Creek * (M)	\$860	
	Willow Ridge Apartments (2BA)	\$675	Lakes At Indian Creek * (60%)	\$850	
	Birch Grove FKA Cedar Creek	\$665	Lakes At Indian Creek * (M)	\$850	
	Sycamore Chase FKA Maple Glen Apartments * (60%)	\$649	Birch Grove FKA Cedar Creek	\$850	
	Tuscany Village * (2BA 50%)	\$643	Lakes At Indian Creek * (M)	\$835	
	Lakes At Indian Creek * (M)	\$620	Lakes At Indian Creek * (60%)	\$825	
	Lakes At Indian Creek * (60%)	\$605	Lakes At Indian Creek * (60%)	\$799	
	Spring Chase Apartments * (2BA 60%)	\$599	Sycamore Chase FKA Maple Glen Apartments * (60%)	\$799	
	Woodside Village Apartments Fka Mountain Grove * (M)	\$568	Woodside Village Apartments Fka Mountain Grove * (M)	\$719	
	Avondale Crossings	\$566	Woodside Village Apartments Fka Mountain Grove * (60%)	\$669	
	Woodside Village Apartments Fka Mountain Grove * (60%)	\$543	Avondale Crossings	\$667	
	Spring Chase Apartments * (2BA 60%)	\$534	Spring Chase Apartments * (60%)	\$601	
	Oak Creek Apartments	\$452			
	Tuscany Village * (2BA 30%)	\$320			
SQUARE FOOTAGE	Creekview Townhomes (1.5BA)	1,250	Woodside Village Apartments Fka Mountain Grove * (60%)	1,489	
	Avondale Crossings	1,200	Woodside Village Apartments Fka Mountain Grove * (M)	1,489	
	Willow Ridge Apartments (2BA)	1,065	Avondale Crossings	1,400	
	Woodside Village Apartments Fka Mountain Grove * (60%)	1,064	Birch Grove FKA Cedar Creek	1,350	
	Woodside Village Apartments Fka Mountain Grove * (M)	1,064	Sycamore Chase FKA Maple Glen Apartments * (60%)	1,298	
	Spring Chase Apartments * (2BA 60%)	1,000	Spring Chase Apartments * (60%)	1,220	
	Sycamore Chase FKA Maple Glen Apartments * (60%)	1,000	Lakes At Indian Creek * (60%)	1,217	
	Tuscany Village * (2BA 30%)	1,000	Lakes At Indian Creek * (M)	1,217	
	Tuscany Village * (2BA 50%)	1,000	Lakes At Indian Creek * (60%)	1,190	
	Tuscany Village * (2BA 60%)	1,000	Lakes At Indian Creek * (M)	1,190	
	Tuscany Village * (2BA M)	1,000	Lakes At Indian Creek * (60%)	1,177	
	Birch Grove FKA Cedar Creek	1,000	Lakes At Indian Creek * (M)	1,177	
	Spring Chase Apartments * (2BA 60%)	982	Lakes At Indian Creek * (60%)	1,152	
	Oak Creek Apartments	880	Lakes At Indian Creek * (M)	1,152	
	Lakes At Indian Creek * (60%)	800	Oak Forest Apartments * (60%)	1,050	
	Lakes At Indian Creek * (M)	800			
	Oak Forest Apartments * (60%)	750			
RENT PER SQUARE FOOT	Oak Forest Apartments * (60%)	\$1.11	Oak Forest Apartments * (60%)	\$0.93	
	Tuscany Village * (2BA M)	\$0.86	Lakes At Indian Creek * (M)	\$0.76	
	Tuscany Village * (2BA 60%)	\$0.80	Lakes At Indian Creek * (60%)	\$0.74	
	Lakes At Indian Creek * (M)	\$0.78	Lakes At Indian Creek * (M)	\$0.73	
	Lakes At Indian Creek * (60%)	\$0.76	Lakes At Indian Creek * (M)	\$0.72	
	Birch Grove FKA Cedar Creek	\$0.66	Lakes At Indian Creek * (60%)	\$0.72	
	Sycamore Chase FKA Maple Glen Apartments * (60%)	\$0.65	Lakes At Indian Creek * (60%)	\$0.72	
	Tuscany Village * (2BA 50%)	\$0.64	Lakes At Indian Creek * (M)	\$0.71	
	Willow Ridge Apartments (2BA)	\$0.63	Lakes At Indian Creek * (60%)	\$0.67	
	Spring Chase Apartments * (2BA 60%)	\$0.60	Birch Grove FKA Cedar Creek	\$0.63	
	Creekview Townhomes (1.5BA)	\$0.56	Sycamore Chase FKA Maple Glen Apartments * (60%)	\$0.62	
	Spring Chase Apartments * (2BA 60%)	\$0.54	Spring Chase Apartments * (60%)	\$0.49	
	Woodside Village Apartments Fka Mountain Grove * (M)	\$0.53	Woodside Village Apartments Fka Mountain Grove * (M)	\$0.48	
	Oak Creek Apartments	\$0.51	Avondale Crossings	\$0.48	
	Woodside Village Apartments Fka Mountain Grove * (60%)	\$0.51	Woodside Village Apartments Fka Mountain Grove * (60%)	\$0.45	
	Avondale Crossings	\$0.47			
	Tuscany Village * (2BA 30%)	\$0.32			

PROPERTY PROFILE REPORT

Lakes At Indian Creek

Effective Rent Date 11/01/2012
Location 751 North Indian Creek Drive
Clarkston, GA 30021
DeKalb County
Distance 1.2 miles
Units 603
Vacant Units 30
Vacancy Rate 5.0%
Type Various (2 stories)
Year Built/Renovated 1970s / 2004
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors Woodside Village, Clarkston Station
Tenant Characteristics mixed tenancy
Contact Name Valerie
Phone (404) 296-6442



Market Information

Program @60%
Annual Turnover Rate 26%
Units/Month Absorbed N/A
HCV Tenants 34%
Leasing Pace 15-days
Annual Chg. in Rent Increase
Concession Reduced rates on select floor plans

Utilities

A/C not included -- central
Cooking not included -- electric
Water Heat not included -- electric
Heat not included -- electric
Other Electric not included
Water not included
Sewer not included
Trash Collection not included

Lakes At Indian Creek, continued

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden	N/A	598	\$525	\$0	@60%	No	N/A	N/A	no	None
1	1	Garden	N/A	667	\$535	\$0	@60%	No	N/A	N/A	no	None
1	1	Garden	N/A	707	\$545	\$0	@60%	No	N/A	N/A	no	None
1	1	Garden	N/A	715	\$555	\$0	@60%	No	N/A	N/A	no	None
1	1	Garden	N/A	598	\$550	\$0	Market	No	N/A	N/A	N/A	None
1	1	Garden	N/A	667	\$560	\$0	Market	No	N/A	N/A	N/A	None
1	1	Garden	N/A	707	\$570	\$0	Market	No	N/A	N/A	N/A	None
1	1	Garden	N/A	715	\$580	\$0	Market	No	N/A	N/A	N/A	None
2	1	Garden	N/A	800	\$605	\$0	@60%	No	N/A	N/A	no	None
2	1	Garden	N/A	800	\$620	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden	N/A	938	\$665	\$0	@60%	No	N/A	N/A	no	None
2	2	Garden	N/A	960	\$680	\$0	@60%	No	N/A	N/A	no	None
2	2	Garden	N/A	1,000	\$705	\$0	@60%	No	N/A	N/A	yes	None
2	2	Garden	N/A	1,016	\$720	\$0	@60%	No	N/A	N/A	yes	None
2	2	Garden	N/A	938	\$675	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden	N/A	960	\$700	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden	N/A	1,000	\$730	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden	N/A	1,016	\$750	\$0	Market	No	N/A	N/A	N/A	None
2	2	Townhouse	N/A	1,150	\$750	\$0	@60%	No	N/A	N/A	no	None
2	2	Townhouse	N/A	1,150	\$800	\$0	Market	No	N/A	N/A	N/A	None
3	2	Garden	150	1,152	\$825	\$0	@60%	No	N/A	N/A	no	None
3	2	Garden	N/A	1,177	\$850	\$0	@60%	No	N/A	N/A	no	None
3	2	Garden	N/A	1,190	\$875	\$76	@60%	No	N/A	N/A	no	None
3	2	Garden	N/A	1,217	\$900	\$0	@60%	No	N/A	N/A	no	None
3	2	Garden	N/A	1,152	\$835	\$0	Market	No	N/A	N/A	N/A	None
3	2	Garden	N/A	1,177	\$860	\$0	Market	No	N/A	N/A	N/A	None
3	2	Garden	N/A	1,190	\$885	\$35	Market	No	N/A	N/A	N/A	None
3	2	Garden	N/A	1,217	\$925	\$0	Market	No	N/A	N/A	N/A	None
3	2.5	Townhouse	30	1,323	\$925	\$0	@60%	No	N/A	N/A	no	None
3	2.5	Townhouse	N/A	1,323	\$1,014	\$0	Market	No	N/A	N/A	N/A	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$525 - \$555	\$0	\$525 - \$555	\$0	\$525 - \$555	1BR / 1BA	\$550 - \$580	\$0	\$550 - \$580	\$0	\$550 - \$580
2BR / 1BA	\$605	\$0	\$605	\$0	\$605	2BR / 1BA	\$620	\$0	\$620	\$0	\$620
2BR / 2BA	\$665 - \$750	\$0	\$665 - \$750	\$0	\$665 - \$750	2BR / 2BA	\$675 - \$800	\$0	\$675 - \$800	\$0	\$675 - \$800
3BR / 2BA	\$825 - \$900	\$0 - \$76	\$799 - \$900	\$0	\$799 - \$900	3BR / 2BA	\$835 - \$925	\$0 - \$35	\$835 - \$925	\$0	\$835 - \$925
3BR / 2.5BA	\$925	\$0	\$925	\$0	\$925	3BR / 2.5BA	\$1,014	\$0	\$1,014	\$0	\$1,014

Amenities

In-Unit

Balcony/Patio
Carpeting
Dishwasher
Garbage Disposal
Refrigerator

Blinds
Central A/C
Ceiling Fan
Oven
Washer/Dryer hookup

Security

Perimeter Fencing

Services

None

Property

Business Center/Computer Lab
Exercise Facility
Off-Street Parking
Playground
Tennis Court

Clubhouse/Meeting
Central Laundry
On-Site Management
Sport Court
Volleyball Court

Premium

None

Other

None

Lakes At Indian Creek, continued

Comments

Currently, the three-bedroom unit at 1,190 square feet is on special for \$799-\$850.

Lakes At Indian Creek, continued

Trend Report

Vacancy Rates

3Q07	4Q08	3Q09	4Q12
40.0%	5.0%	7.0%	5.0%

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	3	N/A	\$519	\$43	\$476	\$476
2008	4	6.8%	\$499	\$0	\$499	\$499
2009	3	N/A	\$570	\$31	\$539	\$539
2012	4	N/A	\$525 - \$555	\$0	\$525 - \$555	\$525 - \$555

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	3	N/A	\$679	\$57	\$622	\$622
2008	4	5.7%	\$625	\$0	\$625	\$625
2009	3	N/A	\$617	\$35	\$582	\$582
2012	4	N/A	\$605	\$0	\$605	\$605

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	3	N/A	\$799	\$67	\$732	\$732
2008	4	5.7%	\$650	\$0	\$650	\$650
2009	3	N/A	\$675 - \$760	\$40 - \$47	\$635 - \$713	\$635 - \$713
2012	4	N/A	\$665 - \$750	\$0	\$665 - \$750	\$665 - \$750

3BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	3	N/A	\$908	\$76	\$832	\$832
2008	4	3.3%	\$850	\$0	\$850	\$850
2009	3	N/A	\$805	\$51	\$754	\$754
2012	4	N/A	\$925	\$0	\$925	\$925

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	3	N/A	\$881	\$73	\$808	\$808
2008	4	2.7%	\$725	\$0	\$725	\$725
2009	3	N/A	\$700	\$42	\$658	\$658
2012	4	N/A	\$825 - \$900	\$0 - \$76	\$799 - \$900	\$799 - \$900

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	4	N/A	\$550 - \$580	\$0	\$550 - \$580	\$550 - \$580

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	4	N/A	\$620	\$0	\$620	\$620

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	4	N/A	\$675 - \$800	\$0	\$675 - \$800	\$675 - \$800

3BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	4	N/A	\$1,014	\$0	\$1,014	\$1,014

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	4	N/A	\$835 - \$925	\$0 - \$35	\$835 - \$925	\$835 - \$925

Trend: Comments

3Q07 contact had no further comments.

4Q08 Contact stated that three of the vacancies have applications on them at the current time. There was a three percent rent decrease on the one-bedroom units, a seven percent rent decrease on the two-bedroom one-bath units, and a six percent rent decrease on the three-bedroom townhomes. Decreases were reportedly a result of the weakening economy.

3Q09 The leasing agent reported that management is going through the waiting list to fill the vacant units. Occupancy has decreased from 95 percent in October 2008 to 93 percent. The contact reported that the property last achieved an occupancy rate of 95 percent or more at the end of April or beginning of May 2009. Management attributed the decreased occupancy rate to the state of the economy and increased turnover during the summer season. In order to increase occupancy, management has offered the current concession for two months.

4Q12 Currently, the three-bedroom unit at 1,190 square feet is on special for \$799-\$850.

PROPERTY PROFILE REPORT

Spring Chase Apartments

Effective Rent Date	11/05/2012
Location	4949 Memorial Drive Stone Mountain, GA 30083 DeKalb County
Distance	1.2 miles
Units	384
Vacant Units	31
Vacancy Rate	8.1%
Type	Garden (2 stories)
Year Built/Renovated	1963 / 1998
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Woodside Apartments
Tenant Characteristics	Families
Contact Name	Carrie or Pam
Phone	404.292.4012



Market Information

Program	LIHTC
Annual Turnover Rate	24%
Units/Month Absorbed	N/A
HCV Tenants	54%
Leasing Pace	10-Days
Annual Chg. in Rent	None
Concession	Half off first two month's rent

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	88	760	\$530	\$44	@60%	No	N/A	N/A	no	None
1	1	Garden (2 stories)	88	785	\$555	\$46	@60%	No	N/A	N/A	no	None
2	2	Garden (2 stories)	82	982	\$630	\$53	@60%	No	N/A	N/A	no	None
2	2	Garden (2 stories)	82	1,000	\$700	\$58	@60%	No	N/A	N/A	no	None
3	2	Garden (2 stories)	44	1,220	\$730	\$61	@60%	No	N/A	N/A	no	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$530 - \$555	\$44 - \$46	\$486 - \$509	-\$30	\$456 - \$479
2BR / 2BA	\$630 - \$700	\$53 - \$58	\$577 - \$642	-\$43	\$534 - \$599
3BR / 2BA	\$730	\$61	\$669	-\$68	\$601

Spring Chase Apartments, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Garbage Disposal
Oven
Walk-In Closet

Blinds
Central A/C
Dishwasher
Hand Rails
Refrigerator
Washer/Dryer hookup

Security

None

Services

None

Property

Basketball Court
On-Site Management

Clubhouse/Meeting
Swimming Pool

Premium

None

Other

None

Comments

Contact had no additional comments.

Spring Chase Apartments, continued

Trend Report

Vacancy Rates

2Q06	1Q07	4Q08	4Q12
1.0%	9.1%	7.0%	8.1%

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	4	5.7%	\$530 - \$555	\$0	\$530 - \$555	\$500 - \$525
2012	4	N/A	\$530 - \$555	\$44 - \$46	\$486 - \$509	\$456 - \$479

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	4	6.7%	\$630 - \$700	\$0	\$630 - \$700	\$587 - \$657
2012	4	N/A	\$630 - \$700	\$53 - \$58	\$577 - \$642	\$534 - \$599

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	4	13.6%	\$730	\$0	\$730	\$662
2012	4	N/A	\$730	\$61	\$669	\$601

Trend: Comments

2Q06	Spring Chase Apartments no longer offers tax credit units and staff was unsure when their tax credit program stopped. Only 2% of their community is Section 8. Rents have increased 5%-10% over the past year.
1Q07	The two rents listed above for the 1&2-BR units are lowest rent prices being for no washer/dryer, and the higher rent price being for washer/dryer in-unit. The 3-BR units all come with washer/dryers in-unit.
4Q08	Contact stated that four of the vacancies have applications on file at the present time. There are currently no concessions at this time.
4Q12	Contact had no additional comments.

PROPERTY PROFILE REPORT

Sycamore Chase FKA Maple Glen Apartments

Effective Rent Date 11/12/2012
Location 3117 Cedar Brook Drive
 Decatur, GA 30033
 Dekalb County
Distance 1.1 miles
Units 164
Vacant Units 15
Vacancy Rate 9.1%
Type Garden (3 stories)
Year Built/Renovated 1975 / 2002
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors Valley Brook and Birch Grove
Tenant Characteristics mixed tenancy
Contact Name Management
Phone 404-292-1931



Market Information

Program @60%
Annual Turnover Rate 30%
Units/Month Absorbed N/A
HCV Tenants 12%
Leasing Pace 1-2 weeks
Annual Chg. in Rent Rents change weekly
Concession None

Utilities

A/C not included -- central
Cooking not included -- electric
Water Heat not included -- electric
Heat not included -- electric
Other Electric not included
Water not included
Sewer not included
Trash Collection not included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	44	795	\$579	\$0	@60%	No	N/A	N/A	no	None
2	1	Garden (3 stories)	50	1,000	\$649	\$0	@60%	No	N/A	N/A	no	None
2	2	Garden (3 stories)	50	1,080	\$699	\$0	@60%	No	N/A	N/A	no	None
3	2	Garden (3 stories)	20	1,298	\$799	\$0	@60%	No	N/A	N/A	no	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$579	\$0	\$579	\$0	\$579
2BR / 1BA	\$649	\$0	\$649	\$0	\$649
2BR / 2BA	\$699	\$0	\$699	\$0	\$699
3BR / 2BA	\$799	\$0	\$799	\$0	\$799

Sycamore Chase FKA Maple Glen Apartments, continued

Amenities

In-Unit

Blinds
Central A/C
Garbage Disposal
Refrigerator

Carpeting
Dishwasher
Oven
Washer/Dryer hookup

Security

None

Services

None

Property

Clubhouse/Meeting
Central Laundry
On-Site Management
Swimming Pool

Exercise Facility
Off-Street Parking
Playground

Premium

None

Other

None

Comments

Management noted the property has improved over the past six months and attributes it to the change in management. One-bedroom rents decreased by two percent and the smaller two-bedroom rents increased by three percent over the past year, while the larger two-bedroom and three-bedroom rents remained the same.

Sycamore Chase FKA Maple Glen Apartments, continued

Trend Report

Vacancy Rates

4Q08	1Q11	4Q12
7.3%	22.0%	9.1%

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	4	0.0%	\$658	\$0	\$658	\$658
2011	1	N/A	\$585	\$0	\$585	\$585
2012	4	N/A	\$579	\$0	\$579	\$579

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	4	6.0%	\$724	\$20	\$704	\$704
2011	1	N/A	\$625	\$0	\$625	\$625
2012	4	N/A	\$649	\$0	\$649	\$649

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	4	8.0%	\$774	\$39	\$735	\$735
2011	1	N/A	\$699	\$0	\$699	\$699
2012	4	N/A	\$699	\$0	\$699	\$699

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	4	25.0%	\$874	\$74	\$800	\$800
2011	1	N/A	\$799	\$0	\$799	\$799
2012	4	N/A	\$799	\$0	\$799	\$799

Trend: Comments

- 4Q08** Sycamore Chase is a LIHTC property offering one, two, and three-bedroom apartment homes. There are currently 12 vacancies in which two of the vacancies have applications on file. The property was formerly known as Maple Glen before Prominent Realtors took over management of the property in March of 2008. The current concession consists of reduced rental rates.
- 1Q11** The property changed management several months ago, and was 67 percent occupied. The current manager indicated that the previous manager was not taking care of the property. The property has approximately 20 percent seniors, but could not indicate their bedroom preference. The one bedrooms are leasing the fastest.
- 4Q12** Management noted the property has improved over the past six months and attributes it to the change in management. One-bedroom rents decreased by two percent and the smaller two-bedroom rents increased by three percent over the past year, while the larger two-bedroom and three-bedroom rents remained the same.

PROPERTY PROFILE REPORT

Tuscany Village

Effective Rent Date 11/08/2012
Location 600 Northern Ave
 Clarkston, GA 30021
 Dekalb County
Distance 0.6 miles
Units 144
Vacant Units 0
Vacancy Rate 0.0%
Type Garden (3 stories)
Year Built/Renovated N/A / Ren. 2009
Marketing Began N/A
Leasing Began 11/01/2009
Last Unit Leased 4/01/2010
Major Competitors None Identified
Tenant Characteristics Family
Contact Name Kim
Phone 404-585-4424



Market Information

Program @30%, @50%, @60%, Market
Annual Turnover Rate 17%
Units/Month Absorbed 24
HCV Tenants 14%
Leasing Pace 2-3 Weeks
Annual Chg. in Rent 3-11% increase and decrease
Concession None

Utilities

A/C not included -- central
Cooking not included -- electric
Water Heat not included -- electric
Heat not included -- electric
Other Electric not included
Water not included
Sewer not included
Trash Collection not included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	7	800	\$275	\$0	@30%	Yes	0	0.0%	yes	None
1	1	Garden (3 stories)	19	800	\$544	\$0	@50%	No	0	0.0%	yes	None
1	1	Garden (3 stories)	24	800	\$679	\$0	@60%	No	0	0.0%	yes	None
1	1	Garden (3 stories)	22	800	\$729	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (3 stories)	8	1,000	\$320	\$0	@30%	Yes	0	0.0%	yes	None
2	2	Garden (3 stories)	18	1,000	\$643	\$0	@50%	No	0	0.0%	yes	None
2	2	Garden (3 stories)	24	1,000	\$805	\$0	@60%	No	0	0.0%	yes	None
2	2	Garden (3 stories)	22	1,000	\$855	\$0	Market	No	0	0.0%	N/A	None

Tuscany Village, continued

Unit Mix

@30%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$275	\$0	\$275	\$0	\$275	1BR / 1BA	\$544	\$0	\$544	\$0	\$544
2BR / 2BA	\$320	\$0	\$320	\$0	\$320	2BR / 2BA	\$643	\$0	\$643	\$0	\$643
@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$679	\$0	\$679	\$0	\$679	1BR / 1BA	\$729	\$0	\$729	\$0	\$729
2BR / 2BA	\$805	\$0	\$805	\$0	\$805	2BR / 2BA	\$855	\$0	\$855	\$0	\$855

Amenities

In-Unit

Balcony/Patio
Carpeting
Dishwasher
Garbage Disposal
Refrigerator

Blinds
Central A/C
Ceiling Fan
Oven
Washer/Dryer hookup

Security

Limited Access
Patrol
Perimeter Fencing

Services

Afterschool Program
Daycare

Property

Business Center/Computer Lab
Exercise Facility
Off-Street Parking
Picnic Area
Swimming Pool

Clubhouse/Meeting
Central Laundry
On-Site Management
Playground

Premium

None

Other

None

Comments

Contact indicated that cable is mandatory for all residents, and is an additional \$35 fee. The waiting list is one year long for the 30 percent AMI units.

Tuscany Village, continued

Trend Report

Vacancy Rates

3Q09	2Q10	4Q12
N/A	8.3%	0.0%

Trend: @30%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	3	N/A	\$329	\$0	\$329	\$329
2010	2	N/A	\$329	\$0	\$329	\$329
2012	4	0.0%	\$275	\$0	\$275	\$275

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	3	N/A	\$388	\$0	\$388	\$388
2010	2	N/A	\$388	\$0	\$388	\$388
2012	4	0.0%	\$320	\$0	\$320	\$320

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	3	N/A	\$596	\$0	\$596	\$596
2010	2	N/A	\$596	\$0	\$596	\$596
2012	4	0.0%	\$544	\$0	\$544	\$544

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	3	N/A	\$680	\$0	\$680	\$680
2010	2	N/A	\$680	\$0	\$680	\$680
2012	4	0.0%	\$643	\$0	\$643	\$643

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	3	N/A	\$608	\$0	\$608	\$608
2010	2	N/A	\$608	\$0	\$608	\$608
2012	4	0.0%	\$679	\$0	\$679	\$679

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	3	N/A	\$680	\$0	\$680	\$680
2010	2	N/A	\$680	\$0	\$680	\$680
2012	4	0.0%	\$805	\$0	\$805	\$805

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	3	N/A	\$680	\$0	\$680	\$680
2010	2	N/A	\$680	\$0	\$680	\$680
2012	4	0.0%	\$729	\$0	\$729	\$729

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	3	N/A	\$700	\$0	\$700	\$700
2010	2	N/A	\$700	\$0	\$700	\$700
2012	4	0.0%	\$855	\$0	\$855	\$855

Trend: Comments

- 3Q09** This is a Subject property. The property is currently undergoing substantial renovations with an estimated \$47,000 per unit construction cost.
- 2Q10** The property recently had substantial renovations with an estimated \$47,000 per unit construction cost.
- 4Q12** Contact indicated that cable is mandatory for all residents, and is an additional \$35 fee. The waiting list is one year long for the 30 percent AMI units.

PROPERTY PROFILE REPORT

Woodside Village Apartments Fka Mountain Grove

Effective Rent Date	11/05/2012
Location	3954 Memorial College Avenue Clarkston, GA 30021 DeKalb County
Distance	1.5 miles
Units	353
Vacant Units	18
Vacancy Rate	5.1%
Type	Garden (2 stories)
Year Built/Renovated	1974 / 2004
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Clarkston Station, The Lakes at Indian Creek
Tenant Characteristics	Mixed tenancy
Contact Name	Jessica
Phone	404-292-8595



Market Information

Program	Market/LIHTC
Annual Turnover Rate	21%
Units/Month Absorbed	N/A
HCV Tenants	11%
Leasing Pace	1 month
Annual Chg. in Rent	None
Concession	\$100 off first month's rent

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	113	818	\$499	\$13	@60%	None	N/A	N/A	no	None
1	1	Garden (2 stories)	13	818	\$524	\$13	Market	None	N/A	N/A	N/A	None
2	1	Garden (2 stories)	146	1,064	\$599	\$13	@60%	None	N/A	N/A	no	None
2	1	Garden (2 stories)	16	1,064	\$624	\$13	Market	None	N/A	N/A	N/A	None
3	2	Garden (2 stories)	54	1,489	\$750	\$13	@60%	None	N/A	N/A	no	None
3	2	Garden (2 stories)	11	1,489	\$800	\$13	Market	None	N/A	N/A	N/A	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$499	\$13	\$486	-\$30	\$456	1BR / 1BA	\$524	\$13	\$511	-\$30	\$481
2BR / 1BA	\$599	\$13	\$586	-\$43	\$543	2BR / 1BA	\$624	\$13	\$611	-\$43	\$568
3BR / 2BA	\$750	\$13	\$737	-\$68	\$669	3BR / 2BA	\$800	\$13	\$787	-\$68	\$719

Woodside Village Apartments Fka Mountain Grove, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Exterior Storage
Oven
Walk-In Closet
Washer/Dryer hookup

Blinds
Central A/C
Dishwasher
Garbage Disposal
Refrigerator
Washer/Dryer

Security

Limited Access
Perimeter Fencing

Services

Afterschool Program
Computer Tutoring

Property

Business Center/Computer Lab
Clubhouse/Meeting
Central Laundry
On-Site Management
Playground

Car Wash
Exercise Facility
Off-Street Parking
Picnic Area
Swimming Pool

Premium

None

Other

None

Comments

No additional comments.

Woodside Village Apartments Fka Mountain Grove, continued

Trend Report

Vacancy Rates

3Q07	4Q08	3Q09	4Q12
8.1%	3.1%	5.9%	5.1%

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	3	N/A	\$599	\$50	\$549	\$519
2008	4	0.0%	\$599	\$0	\$599	\$569
2009	3	N/A	\$599	\$0	\$599	\$569
2012	4	N/A	\$499	\$13	\$486	\$456

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	3	N/A	\$719	\$60	\$659	\$616
2008	4	4.8%	\$719	\$20	\$699	\$656
2009	3	N/A	\$699	\$0	\$699	\$656
2012	4	N/A	\$599	\$13	\$586	\$543

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	3	N/A	\$799	\$66	\$733	\$665
2008	4	0.0%	\$799	\$0	\$799	\$731
2009	3	0.0%	\$777	\$0	\$777	\$709
2012	4	N/A	\$750	\$13	\$737	\$669

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	3	N/A	\$650	\$54	\$596	\$566
2008	4	7.7%	\$650	\$0	\$650	\$620
2009	3	N/A	\$650	\$0	\$650	\$620
2012	4	N/A	\$524	\$13	\$511	\$481

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	3	N/A	\$750	\$63	\$687	\$644
2008	4	12.5%	\$750	\$0	\$750	\$707
2009	3	N/A	\$725	\$0	\$725	\$682
2012	4	N/A	\$624	\$13	\$611	\$568

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	3	N/A	\$899	\$75	\$824	\$756
2008	4	9.1%	\$899	\$0	\$899	\$831
2009	3	0.0%	\$948	\$0	\$948	\$880
2012	4	N/A	\$800	\$13	\$787	\$719

Trend: Comments

3Q07	The contact stated that there is not enough affordable housing to meet the demand in this area.
4Q08	Contact stated that two of the vacancies have applications on them at the present time. Rental rates have remained the same since our last survey. The concession consists of reduced rates to \$699 for a two-bedroom at the 60% AMI.
3Q09	The contact reported that in the current market, 94 percent is a typical occupancy rate for the property. The property was last 96 percent occupied or more in April 2009. According to the last interview in December 2008, the property maintained a 97 percent occupancy rate. The leasing agent could not report vacancy by unit type but indicated that all of the three-bedroom units are occupied and that the majority of vacancies are among LIHTC units due to the application restrictions.
4Q12	No additional comments.

PROPERTY PROFILE REPORT

Avondale Crossings

Effective Rent Date 11/05/2012
Location 260 Northern Avenue
 Avondale Estates, GA 30002
 Dekalb County
Distance 0.4 miles
Units 156
Vacant Units 9
Vacancy Rate 5.8%
Type Garden (2 stories)
Year Built/Renovated 1979 / 1995
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors Oak Creek Apartments
Tenant Characteristics mixed from the area
Contact Name Lisa
Phone 404-297-8662



Market Information

Program Market
Annual Turnover Rate 26%
Units/Month Absorbed N/A
HCV Tenants 0%
Leasing Pace 2-Weeks
Annual Chg. in Rent None
Concession \$199 move-in special

Utilities

A/C not included -- central
Cooking not included -- electric
Water Heat not included -- electric
Heat not included -- electric
Other Electric not included
Water not included
Sewer not included
Trash Collection not included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	50	910	\$469	\$23	Market	No	N/A	N/A	N/A	None
2	1	Garden (2 stories)	42	1,200	\$599	\$33	Market	No	N/A	N/A	N/A	None
2	2	Garden (2 stories)	42	1,275	\$650	\$38	Market	No	N/A	N/A	N/A	None
3	2	Garden (2 stories)	22	1,400	\$710	\$43	Market	No	N/A	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$469	\$23	\$446	\$0	\$446
2BR / 1BA	\$599	\$33	\$566	\$0	\$566
2BR / 2BA	\$650	\$38	\$612	\$0	\$612
3BR / 2BA	\$710	\$43	\$667	\$0	\$667

Avondale Crossings, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Dishwasher
Garbage Disposal
Refrigerator
Walk-In Closet

Blinds
Central A/C
Ceiling Fan
Oven
Vaulted Ceilings
Washer/Dryer hookup

Security

None

Services

None

Property

Central Laundry
On-Site Management
Recreation Areas

Off-Street Parking
Playground
Swimming Pool

Premium

None

Other

None

Comments

No additional comments.

Avondale Crossings, continued

Trend Report

Vacancy Rates

4Q08	4Q12
9.0%	5.8%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	4	6.0%	\$670	\$0	\$670	\$670
2012	4	N/A	\$469	\$23	\$446	\$446

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	4	9.5%	\$680	\$0	\$680	\$680
2012	4	N/A	\$599	\$33	\$566	\$566

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	4	11.9%	\$700	\$0	\$700	\$700
2012	4	N/A	\$650	\$38	\$612	\$612

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	4	9.1%	\$745	\$0	\$745	\$745
2012	4	N/A	\$710	\$43	\$667	\$667

Trend: Comments

4Q08 Avondale Crossings is a market rate property offering one, two, and three-bedroom apartment homes. There are currently 14 vacancies in which one of the vacancies has an application on file. Contact stated that rental rates have remained stable over the past year.

4Q12 No additional comments.

PROPERTY PROFILE REPORT

Birch Grove FKA Cedar Creek

Effective Rent Date 11/05/2012
Location 3073 Cedar Creek Pkwy
 Decatur, GA 30033
 Dekalb County
Distance 1.8 miles
Units 168
Vacant Units 17
Vacancy Rate 10.1%
Type Garden (2 stories)
Year Built/Renovated 1972 / 2002
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors Valley Place
Tenant Characteristics Tenants are mostly families.
Contact Name Ms. Harrison
Phone 404.292.2511



Market Information

Program Market
Annual Turnover Rate 27%
Units/Month Absorbed N/A
HCV Tenants 8%
Leasing Pace 7 - Days
Annual Chg. in Rent Increase
Concession Reduced rate on small 2BR

Utilities

A/C not included -- central
Cooking not included -- electric
Water Heat not included -- electric
Heat not included -- electric
Other Electric not included
Water not included
Sewer not included
Trash Collection included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	10	700	\$675	\$0	Market	No	N/A	N/A	N/A	None
2	1	Garden (2 stories)	50	1,000	\$715	\$50	Market	No	N/A	N/A	N/A	None
2	2	Garden (2 stories)	60	1,140	\$775	\$0	Market	No	N/A	N/A	N/A	None
3	2	Garden (2 stories)	48	1,350	\$850	\$0	Market	No	N/A	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$675	\$0	\$675	\$0	\$675
2BR / 1BA	\$715	\$50	\$665	\$0	\$665
2BR / 2BA	\$775	\$0	\$775	\$0	\$775
3BR / 2BA	\$850	\$0	\$850	\$0	\$850

Birch Grove FKA Cedar Creek, continued

Amenities

In-Unit

Balcony/Patio
Cable/Satellite/Internet
Central A/C
Refrigerator
Washer/Dryer hookup

Blinds
Carpeting
Oven
Walk-In Closet

Security

None

Services

None

Property

Basketball Court
Clubhouse/Meeting
Playground
Tennis Court

Car Wash
Exercise Facility
Swimming Pool
Volleyball Court

Premium

None

Other

None

Comments

Contact stated that the property is no longer LIHTC. Currently, the two-bedroom one-bath units are on special for \$665 per month.

Birch Grove FKA Cedar Creek, continued

Trend Report

Vacancy Rates

1Q06	2Q07	4Q08	4Q12
33.9%	3.6%	8.9%	10.1%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	4	N/A	\$675	\$0	\$675	\$675

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	4	N/A	\$715	\$50	\$665	\$665

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	4	N/A	\$775	\$0	\$775	\$775

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	4	N/A	\$850	\$0	\$850	\$850

Trend: Comments

1Q06 Current Interview (03/15/2006): Cedar Creek is a tax credit property offering one-, two-, and three-bedroom units restricted at the 60 percent AMI level. The regular rents are listed in the rent table. However, the property has been running the following concession for the past three months and plans to end the concession at the end of March 2006: \$399, %550, \$600, \$690 for a 12-month lease on a one-bedroom, small two-bedroom, large two-bedroom, and three-bedroom, respectively. Management reported that the rents recorded in the previous interview were likely special rates rather than the market rates. The market rents have increased in the past year and the special rate rents are constantly changing based on demand and occupancy level. The 2002 renovations included all interior and some exterior. Although some of the tenants had to be moved during the renovations, most of the tenants remained on the property during the renovations. Management reported that there is a definite need for more tax credit housing in the area.

Original Interview (11/15/2004): Cedar Creek is a market/tax credit property with 168 units and an occupancy rate of 94%. This property is located in the Decatur submarket.

2Q07 Contact was unable to specify a number or, a percentage for the Annual Turnover Rate. The property does accept Section 8 Tenants however, contact was unable to specify the total amount of tenants utilizing vouchers at this time.

4Q08 Contact stated that three of the vacancies have applications on them at the present time. There was a four percent decrease on the one-bedroom units, and a three percent increase on the two-bedroom one-bath units. The decrease was reportedly a result of the weakening economy. All other units remained the same.

4Q12 Contact stated that the property is no longer LIHTC. Currently, the two-bedroom one-bath units are on special for \$665 per month.

PROPERTY PROFILE REPORT

Creekview Townhomes

Effective Rent Date	11/02/2012
Location	437 Creekview Court Scottsdale, GA 30079 DeKalb County
Distance	0.1 miles
Units	42
Vacant Units	2
Vacancy Rate	4.8%
Type	Townhouse (2 stories)
Year Built/Renovated	2000s / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Sister property: Fox Crossing
Tenant Characteristics	N/A
Contact Name	Sarah
Phone	(404) 636-9629



Market Information

Program	Market
Annual Turnover Rate	25%
Units/Month Absorbed	N/A
HCV Tenants	15%
Leasing Pace	1-3 weeks
Annual Chg. in Rent	None
Concession	None

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	1.5	Townhouse (2 stories)	21	1,250	\$695	\$0	Market	None	1	4.8%	N/A	None
2	2.5	Townhouse (2 stories)	21	1,400	\$765	\$0	Market	None	1	4.8%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 1.5BA	\$695	\$0	\$695	\$0	\$695
2BR / 2.5BA	\$765	\$0	\$765	\$0	\$765

Amenities

In-Unit	Security	Services
Blinds	In-Unit Alarm	None
Central A/C		
Garbage Disposal		
Refrigerator		
Carpeting		
Dishwasher		
Oven		
Washer/Dryer hookup		
Property	Premium	Other
Off-Street Parking	None	None

Comments

Management had no additional comments

Creekview Townhomes, continued

Trend Report

Vacancy Rates

4Q08	4Q12
0.0%	4.8%

Trend: Market

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	4	0.0%	\$700	\$33	\$667	\$667
2012	4	4.8%	\$695	\$0	\$695	\$695

2BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	4	0.0%	\$700	\$33	\$667	\$667
2012	4	4.8%	\$765	\$0	\$765	\$765

Trend: Comments

4Q08 The contact reported that all units are renting for \$700 per month regardless of floorplan. The contact could not report a unit breakdown; therefore, we have divided the units evenly between the two floorplans. The contact stated that some units offer gas utilities while others are total electric. We have listed the utilities as total electric. There are currently no vacancies but there are three scheduled move outs by the end of October. Only trash collection services and in-unit alarms are included in the rent.

4Q12 Management had no additional comments

PROPERTY PROFILE REPORT

Oak Creek Apartments

Effective Rent Date	11/05/2012
Location	280 Northern Avenue Avondale Estates, GA 30002 DeKalb County
Distance	0.3 miles
Units	426
Vacant Units	43
Vacancy Rate	10.1%
Type	Garden (3 stories)
Year Built/Renovated	1970 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Willow Ridge and Avondale Crossings
Tenant Characteristics	mixed tenancy
Contact Name	Sylvia
Phone	404-292-9724



Market Information

Program	Market
Annual Turnover Rate	27%
Units/Month Absorbed	N/A
HCV Tenants	9%
Leasing Pace	2-Weeks
Annual Chg. in Rent	Increase
Concession	\$99 for first month's rent

Utilities

A/C	included -- central
Cooking	included -- electric
Water Heat	included -- electric
Heat	included -- electric
Other Electric	not included
Water	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
0	1	Garden (3 stories)	65	506	\$498	\$33	Market	No	N/A	N/A	N/A	None
1	1	Garden (3 stories)	168	704	\$540	\$37	Market	No	N/A	N/A	N/A	None
2	1	Garden (3 stories)	168	880	\$621	\$44	Market	No	N/A	N/A	N/A	None
2	2	Garden (3 stories)	25	1,012	\$660	\$47	Market	No	N/A	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
Studio / 1BA	\$498	\$33	\$465	-\$67	\$398
1BR / 1BA	\$540	\$37	\$503	-\$95	\$408
2BR / 1BA	\$621	\$44	\$577	-\$125	\$452
2BR / 2BA	\$660	\$47	\$613	-\$125	\$488

Oak Creek Apartments, continued

Amenities

In-Unit

Balcony/Patio
Cable/Satellite/Internet
Central A/C
Garbage Disposal
Oven

Blinds
Carpeting
Dishwasher
Microwave
Refrigerator

Security

None

Services

None

Property

Business Center/Computer Lab
Central Laundry
On-Site Management

Clubhouse/Meeting
Off-Street Parking

Premium

None

Other

None

Comments

No additional comments.

Oak Creek Apartments, continued

Trend Report

Vacancy Rates

4Q08	4Q12
20.0%	10.1%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	4	N/A	\$485	\$0	\$485	\$390
2012	4	N/A	\$540	\$37	\$503	\$408

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	4	N/A	\$536	\$0	\$536	\$411
2012	4	N/A	\$621	\$44	\$577	\$452

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	4	N/A	\$612	\$0	\$612	\$487
2012	4	N/A	\$660	\$47	\$613	\$488

Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	4	N/A	\$448	\$0	\$448	\$381
2012	4	N/A	\$498	\$33	\$465	\$398

Trend: Comments

4Q08	Oak Creek Apartments is a market rate property offering studio, one, and two-bedroom apartments. Contact stated that the current vacancy rate is high due to move outs and relocation. Contact was unable to provide a complete breakdown of the vacancies per unit type. Historical vacancy for the property was not available.
4Q12	No additional comments.

PROPERTY PROFILE REPORT

Willow Ridge Apartments

Effective Rent Date 11/02/2012
Location 3548 Rockbridge Road
 Avondale Estates, GA 30002
 Dekalb County
Distance 0.6 miles
Units 157
Vacant Units 2
Vacancy Rate 1.3%
Type Garden (3 stories)
Year Built/Renovated 1985 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors Avondale Crossings
Tenant Characteristics mixed tenancy
Contact Name Management
Phone 404-299-9320



Market Information

Program Market
Annual Turnover Rate 13%
Units/Month Absorbed N/A
HCV Tenants 0%
Leasing Pace 5-7 Days
Annual Chg. in Rent None
Concession None

Utilities

A/C not included -- central
Cooking not included -- electric
Water Heat not included -- electric
Heat not included -- electric
Other Electric not included
Water not included
Sewer not included
Trash Collection not included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden (3 stories)	157	1,065	\$675	\$0	Market	No	2	1.3%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 2BA	\$675	\$0	\$675	\$0	\$675

Amenities

In-Unit

Balcony/Patio
 Cable/Satellite/Internet
 Central A/C
 Ceiling Fan
 Oven
 Washer/Dryer hookup

Blinds
 Carpeting
 Dishwasher
 Garbage Disposal
 Refrigerator

Security

None

Services

None

Property

Central Laundry
 On-Site Management
 Swimming Pool

Off-Street Parking
 Playground
 Tennis Court

Premium

None

Other

None

Comments

Management had no additional comments.

Willow Ridge Apartments, continued

Trend Report

Vacancy Rates

4Q08	4Q12
1.3%	1.3%

Trend: Market

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	4	1.3%	\$650	\$0	\$650	\$650
2012	4	1.3%	\$675	\$0	\$675	\$675

Trend: Comments

4Q08	Willow Ridge is a market rate property offering two-bedroom apartment homes. There are currently two vacancies in which neither one has an application on file at the present time.
4Q12	Management had no additional comments.

PROPERTY CHARACTERISTICS

Location

The Subject's neighborhood is predominantly residential and has experienced a moderate amount of infill development and revitalization efforts within the past five to ten years. In addition to residential uses, the neighborhood has both a community center (with a daycare facility) and an elementary school. Overall, the Subject's neighborhood is considered good. However, because of the Subject's lack of visibility from a major transportation thoroughfare, the Subject's overall location is considered average. With the exception of Avondale Crossing, Oak Creek, and Willow Ridge, all of the comparables have superior visibility when compared to the Subject. The Subject's limited visibility however, does not appear to have had a negative impact on the success of the property in the past. Additionally, the Subject's proximity to a park, community center, daycare facility, and elementary school appear to counter the lack of visibility. Overall, the Subject's location is and will continue to be competitive in the market.

Age, Condition, and Design

The comparable properties range in size from 42 to 426 units, with an average of 259 units. The Subject property consists of 150 total units, which is below the typical size found within the market, particularly among affordable developments which average 329 units.

The Subject was constructed in 1974 and underwent exterior renovations in the late 1990s. While the exterior is in average condition, the remainder of the property is in fair condition and in need of substantial renovations. Upon renovation, the Subject will be in good condition. All of the LIHTC comparable properties were built prior to the 1970s and were renovated between 1997 and 2009. These properties are in average to good condition. Avondale Crossings and Oak Creek Apartments were built in the 1970s and although Avondale Crossings underwent renovations in the mid 1990s, both properties are in poor to fair overall condition. Willow Ridge is in average condition and Creekview Townhomes in good condition. Overall, as a substantial rehabilitation, the Subject will be similar to Tuscan Village and Creekview Townhome Apartments and superior to the remaining comparable properties with regards to age/condition.

Unit Size

The following table illustrates the unit sizes of the Subject and the comparable properties.

UNIT SIZE COMPARISON					
Unit Type	Subject	Surveyed Min	Surveyed Max	Surveyed Average	Advantage/Disadvantage
2 BR	750	800	1,400	1,037	-38%
3 BR	1,050	1,152	1,489	1,273	-21%

The Subject's units are the smallest units in the market. Despite this disadvantage, the Subject has historically maintained high levels of occupancy. Therefore, although we do expect the smaller unit sizes to be a marketing disadvantage, because the Subject will continue to operate with its Section 8 subsidy following the proposed renovations, it is not likely to have a substantial impact on the Subject's ability to maintain a high occupancy rate. However, we have accounted for the smaller than average unit sizes in our determination of achievable market rents.

Parking

The Subject offers 262 parking spaces, or approximately 1.75 spaces per unit. The Subject site appears to offer adequate surface parking. All of the comparables also offer free, off-street parking. Overall, the Subject will be generally similar to the comparables in the market in terms of parking.

A detailed description of amenities included in both the Subject and the comparable properties can be found in the following amenity matrix. The matrix has been color coded. Those properties that offer an amenity that the Subject does not offer are shaded in red, while those properties that do not offer an amenity that the Subject does offer are shaded in blue. Thus, the inferior properties can be identified by the blue and the superior properties can be identified by the red.

UNIT MATRIX REPORT

	Oak Forest Apartments	Lakes At Indian Creek	Spring Chase Apartments	Sycamore Chase FKA Maple Glen Apartments	Tuscany Village	Woodside Village Apartments Fka Mountain Grove	Avondale Crossings	Birch Grove FKA Cedar Creek	Creekview Townhomes	Oak Creek Apartments	Willow Ridge Apartments
Comp#	Subject	1	2	3	4	5	6	7	8	9	10
Property Information											
Property Type	Garden (2 stories)	Various (2 stories)	Garden (2 stories)	Garden (3 stories)	Garden (3 stories)	Garden (2 stories)	Garden (2 stories)	Garden	Townhouse (2 stories)	Garden (3 stories)	Garden (3 stories)
Year Built / Renovated	1975/1997/2013 / n/a	1970s / 2004	1963 / 1998	1975 / 2002	n/a / Ren. 2009	1974 / 2004	1979 / 1995	1972 / 2002	2000s / n/a	1970 / n/a	1985 / n/a
Market (Conv.)/Subsidy Type	@60% (Section 8)	@60%	LIHTC	@60%	@30%, @50%, @60%, Market	Market/LIHTC	Market	Market	Market	Market	Market
Utility Adjustments											
Cooking	no	no	no	no	no	no	no	no	no	yes	no
Water Heat	no	no	no	no	no	no	no	no	no	yes	no
Heat	no	no	no	no	no	no	no	no	no	yes	no
Other Electric	no	no	no	no	no	no	no	no	no	no	no
Water	no	no	yes	no	no	yes	no	no	no	yes	no
Sewer	no	no	yes	no	no	yes	no	no	no	yes	no
Trash Collection	yes	no	yes	no	no	yes	no	yes	yes	yes	no
In-Unit Amenities											
Balcony/Patio	no	yes	yes	no	yes	yes	yes	yes	no	yes	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Cable/Satellite/Internet	no	no	no	no	no	no	no	yes	no	yes	yes
Carpeting	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Coat Closet	yes	no	yes	no	no	yes	no	no	no	no	no
Dishwasher	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Exterior Storage	no	no	no	no	no	yes	no	no	no	no	no
Ceiling Fan	no	yes	no	no	yes	no	yes	no	no	no	yes
Garbage Disposal	yes	yes	yes	yes	yes	yes	yes	no	yes	yes	yes
Hand Rails	no	no	yes	no	no	no	no	no	no	no	no
Microwave	yes	no	no	no	no	no	no	no	no	yes	no
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Vaulted Ceilings	no	no	no	no	no	no	yes	no	no	no	no
Walk-In Closet	yes	no	yes	no	no	yes	yes	yes	no	no	no
Washer/Dryer	no	no	no	no	no	yes	no	no	no	no	no
Washer/Dryer hookup	no	yes	yes	yes	yes	yes	yes	yes	yes	no	yes
Property Amenities											
Basketball Court	no	no	yes	no	no	no	no	yes	no	no	no
Business Center/Computer Lab	yes	yes	no	no	yes	yes	no	no	no	yes	no
Car Wash	no	no	no	no	no	yes	no	yes	no	no	no
Clubhouse/Meeting Room/Community Room	yes	yes	yes	yes	yes	yes	no	yes	no	yes	no
Exercise Facility	yes	yes	no	yes	yes	yes	no	yes	no	no	no
Central Laundry	yes	yes	no	yes	yes	yes	yes	no	no	yes	yes
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
On-Site Management	yes	yes	yes	yes	yes	yes	yes	no	no	yes	yes
Picnic Area	yes	no	no	no	yes	yes	no	no	no	no	no
Playground	yes	yes	no	yes	yes	yes	yes	yes	no	no	yes
Recreation Areas	no	no	no	no	no	no	yes	no	no	no	no
Sport Court	no	yes	no	no	no	no	no	no	no	no	no
Swimming Pool	no	no	yes	yes	yes	yes	yes	yes	no	no	yes
Tennis Court	no	yes	no	no	no	no	no	yes	no	no	yes
Volleyball Court	yes	yes	no	no	no	no	no	yes	no	no	no
Services											
Afterschool Program	no	no	no	no	yes	yes	no	no	no	no	no
Computer Tutoring	no	no	no	no	no	yes	no	no	no	no	no
Daycare	no	no	no	no	yes	no	no	no	no	no	no
Security											
In-Unit Alarm	no	no	no	no	no	no	no	no	yes	no	no
Limited Access	no	no	no	no	yes	yes	no	no	no	no	no
Patrol	no	no	no	no	yes	no	no	no	no	no	no
Perimeter Fencing	yes	yes	no	no	yes	yes	no	no	no	no	no
Video Surveillance	yes	no	no	no	no	no	no	no	no	no	no
Premium Amenities											
Other Amenities											
Other	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Amenities

With the exception of a balcony/patio and washer/dryer connections (which are common in the market and not offered by the Subject), microwaves (which are not common in the market but will be offered by the Subject), the Subject's unit amenities will be similar to those offered by comparable properties. The Subject's main weakness with regards to community amenities will be the lack of a swimming pool. However, this weakness is mitigated by the Subject's computer center, covered pavilion and picnic area, and volleyball court, all of which are not common in the market. It should be noted that the market rate properties in particular offer a limited community amenity package. Overall, the Subject's amenity package is expected to be competitive in the market.

MARKET CHARACTERISTICS

Following are relevant market characteristics for the comparable properties surveyed.

Vacancy Levels

The following table illustrates current vacancy reported by the comparable properties in the market.

OVERALL VACANCY				
Property Name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Lakes At Indian Creek	LIHTC	603	30	5.0%
Spring Chase Apartments	LIHTC	384	31	8.1%
Sycamore Chase FKA Maple Glen Apartments	LIHTC	164	15	9.1%
Tuscany Village	LIHTC/Market	144	0	0.0%
Woodside Village Apartments Fka Mountain Grove	LIHTC/Market	353	18	5.1%
Avondale Crossings	Market	156	9	5.8%
Birch Grove FKA Cedar Creek	Market	168	17	10.1%
Creekview Townhomes	Market	42	2	4.8%
Oak Creek Apartments	Market	426	43	10.1%
Willow Ridge Apartments	Market	157	2	1.3%
Total		2,597	167	6.4%

All of the LIHTC properties reported vacancy rates of 9.1 percent and below with an average of 5.7 percent. Market rate properties reported vacancy rates ranging from zero to 10.1 percent with three of the comparables reporting vacancy of 5.8 percent or less and the remaining two reporting higher vacancy rates of 10.1 percent. The two market rate properties reporting high vacancy rates are Birch Creek and Oak Creek Apartments. Birch Creek was formerly a LIHTC development, but now is operating as a market rate development. Management noted that the current vacancy rate is considered normal for the Subject since converting to a market rate development. However, the property is currently offering a special on the smaller two-bedroom units as a way to increase occupancy. It should be noted that Oak Creek is achieving the lowest rents in the market indicating that the high vacancy at the property is property specific and may be a result of poor management. The Subject is currently 98.7 percent occupied; however, the two vacant units are currently pre-leased. Management noted the property currently maintains an extensive waiting list for both unit types. Further, the Subject has a history of high occupancy. For the as is and as renovated restricted scenarios we have concluded to vacancy and collection loss of four percent. For the as renovated unrestricted scenario we have concluded to vacancy and collection loss of six percent.

Concessions

The following table illustrates concessions offered by comparable properties.

CONCESSIONS		
Comparable Property	Type	Concessions Offered
Lakes At Indian Creek	LIHTC	3BR.2ba: \$35-\$76
Spring Chase Apartments	LIHTC	1BR.1ba: \$44-\$46; 2BR.2ba: \$53-\$58; 3BR.2ba: \$61
Sycamore Chase FKA Maple Glen Apartments	LIHTC	N/A
Tuscany Village	LIHTC/Market	N/A
Woodside Village Apartments Fka Mountain Grove	LIHTC/Market	1BR.1ba: \$13; 2BR.1ba: \$13; 3BR.2ba: \$13
Avondale Crossings	Market	1BR.1ba: \$23; 2BR.1ba: \$33; 2BR.2ba: \$38; 3BR.2ba: \$43
Birch Grove FKA Cedar Creek	Market	2BR.1ba: \$50
Creekview Townhomes	Market	N/A
Oak Creek Apartments	Market	Studio.1ba: \$33; 1BR.1ba: \$37; 2BR.1ba: \$44; 2BR.2ba: \$47
Willow Ridge Apartments	Market	N/A

As illustrated six of the ten comparable properties are currently offering concessions including three of the five affordable properties. Generally, concessions in the market range from \$100 off to one month free. The Subject does not offer concessions and we do not expect it to have to offer concessions following the renovations.

Absorption

The newest comparable in the market is Tuscany Village. Tuscany Village was a substantial renovation of the former Barron Estates. Due to the extent of the renovations, the property was 100 percent vacant at the time of completion. This property started releasing units in November 2009 and was fully leased within six months, which equates to an absorption rate of approximately 24 units per month. The Subject is currently 98.7 percent occupied; however, the two vacant units are currently pre-leased. Management noted the property currently maintains an extensive waiting list for both unit types. Further, the Subject has a history of high occupancy and according to the developer, renovations will occur with the tenants in place in order to minimize tenant disruption. The developer estimates that a 75 percent occupancy rate will be maintained throughout the renovation process. Therefore, the Subject will likely have to release approximately 25 percent (35 units) of its units following the renovations. Based on the demand analysis, current vacancy rates in the market, demographic trends, and the Subject's historical performance and rent subsidy, we have estimated an absorption rate of 30 units per month or approximately one month to become fully stabilized. Assuming the Subject were 100 percent vacant following the renovations, this absorption rate equates to an absorption period of approximately five months. If the Subject were to lose its Section 8 subsidy and convert to a market rate development, we estimate a slightly slower absorption pace of 15 units per month for an absorption period of approximately ten months assuming the Subject was 100 percent vacant.

Waiting Lists

Only one of the comparables currently maintains a waiting list. Tuscany Village, the newest LIHTC development in the area, currently maintains a year long waiting list for the 30 percent AMI units. The Subject currently maintains an extensive waiting list for both unit types and will continue to do so post renovation, as long the Subject continues to benefit from the Section 8 contract. If the

Subject were to lose the Section 8 contract, we would not anticipate the Subject to maintain a waiting list.

Reasonability of Rents

All of the Subject’s units will operate under the Section 8 program with tenants paying 30 percent of their income in rent each month. Based on the quality of the surveyed comparable properties and the anticipated quality of the proposed Subject, we conclude that the Subject’s current contract rental rates are above market. Given the Subject’s current condition, amenities offered, and the rents being achieved at the comparables, we believe the current contract rents are above market. However, the determination of achievable “As Is” rents is outside the scope of this engagement and we have utilized the current Section 8 rents for the “As Is” scenario. It should be noted that the Subject’s proposed post-renovation two-bedroom rent is identical to the current contract rent, while the proposed three-bedroom rent is slightly below the current contract due to the fact that it is over the maximum allowable LIHTC limit.

PROPOSED RENTS							
Unit Type	Number of Units	Size (SF)	Asking Rent	Utility Allowance (1)	Gross Rent	2012 LIHTC Maximum Allowable Gross Rent	Current Net Contract Rents
<i>60% AMI</i>							
2BR/1BA	110	750	\$835	\$77	\$912	\$936	\$835
3BR/1BA	40	1,050	\$975	\$106	\$1,081	\$1,081	\$1,005
Total	150						

Notes (1) Source of Utility Allowance based off current Section 8 contract

Comparable LIHTC Rents

The Subject’s LIHTC two-bedroom 60 percent AMI unit rent is below the maximum allowable level, while the three-bedroom 60 percent AMI rent is set at the maximum allowable level. The following table illustrates the Subject’s LIHTC rents compared to the LIHTC rents of the comparable LIHTC properties. The rents have been adjusted for variance in utilities, as well as concessions. It should be noted that none of the comparables are achieving maximum allowable rents.

LIHTC RENT COMPARISON - @60%		
Property Name	2BR	3BR
Oak Forest Apartments (Subject)	\$835	\$975
LIHTC Maximum (Net)	\$859	\$975
Lakes At Indian Creek	\$605-\$750	\$799-\$925
Tuscany Village	\$805	-
Sycamore Chase FKA Maple Glen Apartments	\$649-\$699	\$799
Woodside Village Apartments Fka Mountain Grove	\$543	\$669
Spring Chase Apartments	\$534-\$599	\$601
Average (excluding Subject)	\$663	\$796

The Subject is most comparable to Tuscany Village in terms of location, amenities offered, and size.

Tuscany Village is a 144-unit LIHTC/Market development that offers one and two-bedroom units at the 60 percent AMI level. Tuscany Village is located approximately 0.6 miles from the Subject in a similar location. Tuscany Village is in good condition, which is similar to the renovated Subject. Tuscany Village offers larger unit sizes. Tuscany Village offers slightly superior in unit community amenities. The Subject currently has a vacancy rate of 1.3 percent, while Tuscany Village has a zero percent vacancy rate. Assuming the Subject did not operate with a Section 8 subsidy, we believe the Subject would need to lower the proposed LIHTC rents to be in line with Tuscany Village in order to be competitive within the market. However, for the as renovated restricted scenario we have utilized the Subject's current contract rents.

Achievable Market Rents

Based on the quality of the surveyed comparable properties and the anticipated quality of the proposed Subject, we conclude that the Subject's current proposed rents are above the achievable market rates for the Subject's area. The following table shows both market rent comparisons and achievable market rents. The table below only includes unrestricted market rents.

SUBJECT COMPARISON TO MARKET RENTS						
Unit Type	Subject 60%/Section 8	Surveyed Min	Surveyed Max	Surveyed Average	Achievable Market Rents	Subject Rent Advantage
2 BR	\$835	\$452	\$855	\$670	\$800	-4%
3 BR	\$975	\$667	\$925	\$840	\$900	-8%

As illustrated, the Subject's proposed two-bedroom rental rate is toward the high end of the rental range and the three-bedroom rental rate is above the rental range of the comparables. Of the comparable properties offering market rate units, Creekview Townhomes and Lakes at Indian Creek are the most comparable. Creekview Townhomes is the closest and most comparable fully market rate property to the proposed Subject. Following renovations, the Subject will be in good condition similar to that of Creekview Townhomes. Although the Subject offers significantly smaller units and are not of the townhome design, the Subject's amenity package is superior to that of Creekview Townhomes which offers no common area amenities. Additionally, the Subject's proximity to additional neighborhood amenities such as a park, daycare facility, elementary school, and community center provides the Subject with an additional advantage over Creekside Townhomes. Therefore, we believe that the Subject should achieve post-renovation rents above those at Creekside Townhomes.

Lakes at Indian Creek is a mixed income development offering both LIHTC and unrestricted market rate units. The property was renovated in 2004 and exhibits good condition. The Subject will be similar to Lakes at Indian Creek with regards to amenities and condition, but offer slightly smaller unit sizes. Therefore, we believe that the Subject should achieve slightly lower rents than those being achieved by this property. The Subject will be slightly superior to superior to the remaining market comparables.

Given the majority of the market rate housing stock in the Subject's market will be inferior to the Subject following renovations and many of these properties do not offer three-bedroom units, we have also included rent data from three additional market rate properties (Clarion Apartments, Grayson Park, and Jackson Square) located within several miles of the Subject. All three of the properties included in the supplemental analysis are located on the western border of the PMA closer to downtown Decatur. This location is considered superior to that of the Subject; however, these properties are all in good condition and indicative of achievable rents for properties that have been well maintained. Clarion Apartments was built in 1990, Grayson Park in 1998, and Jackson Square in 2000. The following table illustrates rents being achieved at these properties compared to the Subject's proposed rents.

SUBJECT COMPARISON TO MARKET RENTS – SUPPLEMENTAL DATA*				
Unit Type	Subject @ 60% AMI (Section 8)	Surveyed Min	Surveyed Max	Surveyed Average
2 BR	\$835	\$859	\$1,184	\$1,051
3 BR	\$975	\$1,075	\$1,479	\$1,253

*Includes rents from Jackson Square, Clarion Apartments, and Grayson Park.

As illustrated, these properties are achieving significantly higher rents than properties in the Subject's neighborhood that are inferior in condition when compared to the Subject. The Subject's achievable market rents are below the range of rents being achieved by these properties. Therefore, the Subject's achievable market rents appear reasonable.

Primary Housing Void

The Subject will target very low income households given the HAP contract that will remain in place. There are very few developments in the area that offer very low income units as most of the LIHTC developments only offer units at the 60 percent AMI level. The Subject has historically maintained high levels of occupancy and will continue to do so post renovation. The Subject will continue to fill a void by offering units to very low income households.

Affect of Subject on Other Affordable Units in Market

Given the Subject's targeted tenancy and the strong historical performance, we do not believe that the Subject will negatively impact other affordable properties in the market.

Indications of Demand

Based upon our market research, demographic calculations and analysis, we believe there is demand for the Subject property as conceived. The Subject has historically maintained high levels of occupancy and will continue to do so post renovation.

Per Georgia DCA market study guidelines, any fully subsidized property is considered leasable and capture rates are not necessary. Therefore, we have not performed a demand analysis.

Highest and Best Use

Highest and Best Use may be defined as that legal use which will yield the highest net present value to the land, or that land use which may reasonably be expected to produce the greatest net return over a given period of time.

Investors continually attempt to maximize profits on invested capital. The observations of investor activities in the area are an indication of that use which can be expected to produce the greatest net return to the land. The principle of conformity holds, in part, that conformity in use is usually a highly desirable adjunct of real property, since it creates and/or maintains maximum value, and it is maximum value which affords the owner maximum returns.

The Dictionary of Real Estate Appraisal (Fifth Edition, 2010), published by the American Institute of Real Estate Appraisers, defines Highest and Best Use as:

"The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. Alternatively, the probable use of land or improved property - specific with respect to the user and timing of the use - that is adequately supported and results in the highest present value."

It is to be recognized that in cases where a site has existing improvements on it, the Highest and Best Use may very well be determined to be different from the existing use. The existing use will continue, however, unless and until land value in its Highest and Best Use exceeds the total value of the property in its existing use. Implied in this definition is that the determination of Highest and Best Use takes into account the contribution of a specific use to the community and the community's development goals, as well as the benefits of that use to individual property owners. The principle of Highest and Best Use may be applied to the site if vacant, and to the site as it is improved.

The Highest and Best Use determination is a function of neighborhood land use trends, property size, shape, zoning, and other physical factors, as well as the market environment in which the property must compete. In arriving at the estimate of Highest and Best Use, the Subject site is analyzed "as if vacant," meaning vacant and available for development, and also "as improved."

Four tests are typically used to determine the Highest and Best Use of a particular property. Thus, the following areas are addressed.

1. **Physically Possible:** The uses which it is physically possible to put on the site in question.
2. **Legally Permissible:** The uses that are permitted by zoning and deed restrictions on the site in question.
3. **Feasible Use:** The possible and permissible uses that will produce any net return to the owner of the site.
4. **Maximally Productive:** Among the feasible uses, the use that will produce the highest net return or the highest present worth.

Highest and Best Use As Vacant

Physically Possible

The Subject site is approximately 13.3 acres, or approximately 579,348 square feet. The Subject site is sloping which limits the amount of development to some extent. The site is located outside of a flood zone. Overall, the site is considered physically adequate for a variety of legally permissible uses. It should be noted that several of the legally permissible uses are less attractive uses for the site based on the sites topography and limited visibility, specifically a daycare facility or sorority or fraternity house lodging.

Legally Permissible

The Subject site is zoned RM-75, Multifamily Residential. Permitted uses include dwellings (single-family, multifamily, and supportive living), sorority or fraternity house lodging, personal care homes, nursing homes, and day care facilities. The maximum density for multifamily development is 18 units per acre and the maximum height is three stories. Zoning restrictions require 1.75 parking spaces per unit.

If the Subject site was vacant, the site could legally be improved with a maximum of 239 units for a density of 18 units per acre. However, based on the improvements of other multifamily properties in the Subject's market, a maximum density does not appear achievable. The following table illustrates the densities of several of the rent comparable properties utilized in this report.

DENSITY OF RENT COMPARABLES

Property	Zoning	Number of Units	Acres	Density (units/acre)
Sycamore Chase	RM85	164	14.25	12
Clarkston Station	R75	356	28.90	12
Birch Grove	RM85	168	14.00	12
Lakeshore	RM85	652	51.78	13
Avondale Crossing	RM85	156	11.87	13
Woodside Village	RM100	360	24.07	15
Willow Ridge	N/Av	157	10.51	15
Oak Creek	RM85	426	17.40	24
Average				14

As illustrated, seven of the eight comparables are improved at densities ranging from 12 to 15 units per acre. One property, Oak Creek, is improved at a substantially higher density. It should be noted that the Subject site is rolling with a steep slope in the middle of the site. Therefore, it is not likely that the entire site would be improved. Similarly, many of the comparables are located on hilly sites which may explain the lower densities. We have relied more heavily on the seven properties with similar densities and will conclude to a maximum density of 13 units per acre for the Subject site for a total of 173 units.

Financially Feasible

The cost of the land limits those uses that are financially feasible for the site. Any uses of the Subject site that provide a financial return to the land in excess of the cost of the land are those uses that are financially feasible. The Subject's feasible uses are restricted to those that are allowed by

zoning classifications, and are physically possible. While there are single-family homes in the neighborhood, many of the newly constructed homes remain vacant indicating that new for-sale single-family home construction may not be feasible given the current state of the housing market. Therefore, multifamily construction is the most likely for the site.

Maximally Productive

Apartments, such as the Subject's proposed use, will produce an ongoing income stream, which will typically produce an overall higher return to the land. Given the subject's location, surrounding development and economic viability, the maximally productive use of the site, as if vacant, is for multifamily development with financial subsidies.

COST ANALYSIS

As Stabilized Unrestricted

Stabilized Overall Capitalization Rate	7.25%
Typical Economic Life	55.0
Inferred Annual Building Recapture Rate	1.36%
Inferred Land to Total Value Ratio (M)	9.7%
Land Capitalization Rate	RI
Building Capitalization Rate (RI + Recapture Rate)	Rb
$R_o = (RI * M) + ((1 - M) * R_b)$	
RI=	6.0%
Rb=	7.4%
Land Value	\$1,000,000
Land Capitalization Rate	6.0%
Required Return to Land	\$60,000
Replacement Cost of Improvements	\$10,341,250
Building Capitalization Rate (Rb)	7.4%
Required Return On and Recapture of Improvement Costs	\$765,253
Total Required Net Operating Income	\$825,253
Net Rentable Square Footage	124,500
Required NOI per SF of Improvements	\$6.63
Operating Expenses per SF	\$6.92
Required Effective Gross Revenue	\$13.54
Stabilized Vacancy Adjustment Factor	\$0.68
Cost Feasible Market Rent	\$14.22
Market Rent (based on market rental rates)	\$12.73

As the table illustrates, a market rate development is not feasible according to this cost analysis.

Highest and Best Use “As If Vacant”

As illustrated in the cost analysis, market rate multifamily development may not be feasible. Since the gap between the cost feasible market rent and the achievable market rent is small, the Highest and Best Use “As If Vacant” is to develop a 173-unit multifamily complex with additional gap financing or to hold until market rents reach a feasible level.

Highest and Best Use “As Is”

The Subject is currently a Section 8 multifamily property with a history of strong occupancy. The property currently generates a positive return and is not deemed feasible to tear down to allow for alternative uses. Therefore, the Subject’s highest and best use “as improved” is continued operation as an affordable multifamily rental property.

APPRAISAL METHODOLOGY

APPRAISAL METHODOLOGY

Contemporary appraisers usually gather and process data according to the discipline of the three approaches to value.

The cost approach consists of a summation of land value and the cost to reproduce or replace the improvements, less appropriate deductions for depreciation. Reproduction cost is the cost to construct a replica of the Subject improvements. Replacement cost is the cost to construct improvements having equal utility.

The sales comparison approach involves a comparison of the appraised property with similar properties that have sold recently. When properties are not directly comparable, sale prices may be broken down into units of comparison, which are then applied to the Subject for an indication of its likely selling price.

The income capitalization approach involves an analysis of the investment characteristics of the property under valuation. The earnings' potential of the property is carefully estimated and converted into an estimate of the property's market value.

APPLICABILITY TO THE SUBJECT PROPERTY

The employment of the Cost Approach in the valuation process is based on the principle of substitution. This approach is least effective with properties of a similar age and condition as the Subject. Investors in the marketplace do not typically rely upon the cost approach. The difficulty in accurately estimating economic obsolescence further weakens the reliability of this approach. Therefore, the cost approach is considered to have only limited use in the valuation of the Subject property. It is not used by participants in the marketplace, and has not been fully developed. However, we have provided a land value.

In the sales comparison approach, appraisers estimate the value of a property by comparing it with similar, recently sold properties in surrounding or competing areas. Inherent in this approach is the principle of substitution, which holds that when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property, assuming that no costly delay is encountered in making the substitution. There is adequate information to use both the NOI/unit and the EGIM analysis in valuing the Subject property.

The income capitalization approach requires an estimation of the anticipated economic benefits of ownership, gross and net incomes, and capitalization of these estimates into an indication of value using investor yield or return requirements. Yield requirements reflect the expectations of investors in terms of property performance, risk and alternative investment possibilities. The proposed Subject will be an income producing property and this is considered to be the best method of valuation.

COST APPROACH

COST APPROACH

LAND VALUATION

To arrive at an estimated land value for the Subject site, the appraisers have analyzed actual sales of comparable properties in the competitive area.

The sales comparison approach typically reflects the actions of buyers and sellers in the marketplace and serves as an excellent benchmark as to what a potential buyer would be willing to pay for the subject property. We researched the Subject's market area for recent sales of comparable vacant land sales. From our research, we selected the best transactions available that represent the most recent competitive alternative sales or contracts in the marketplace.

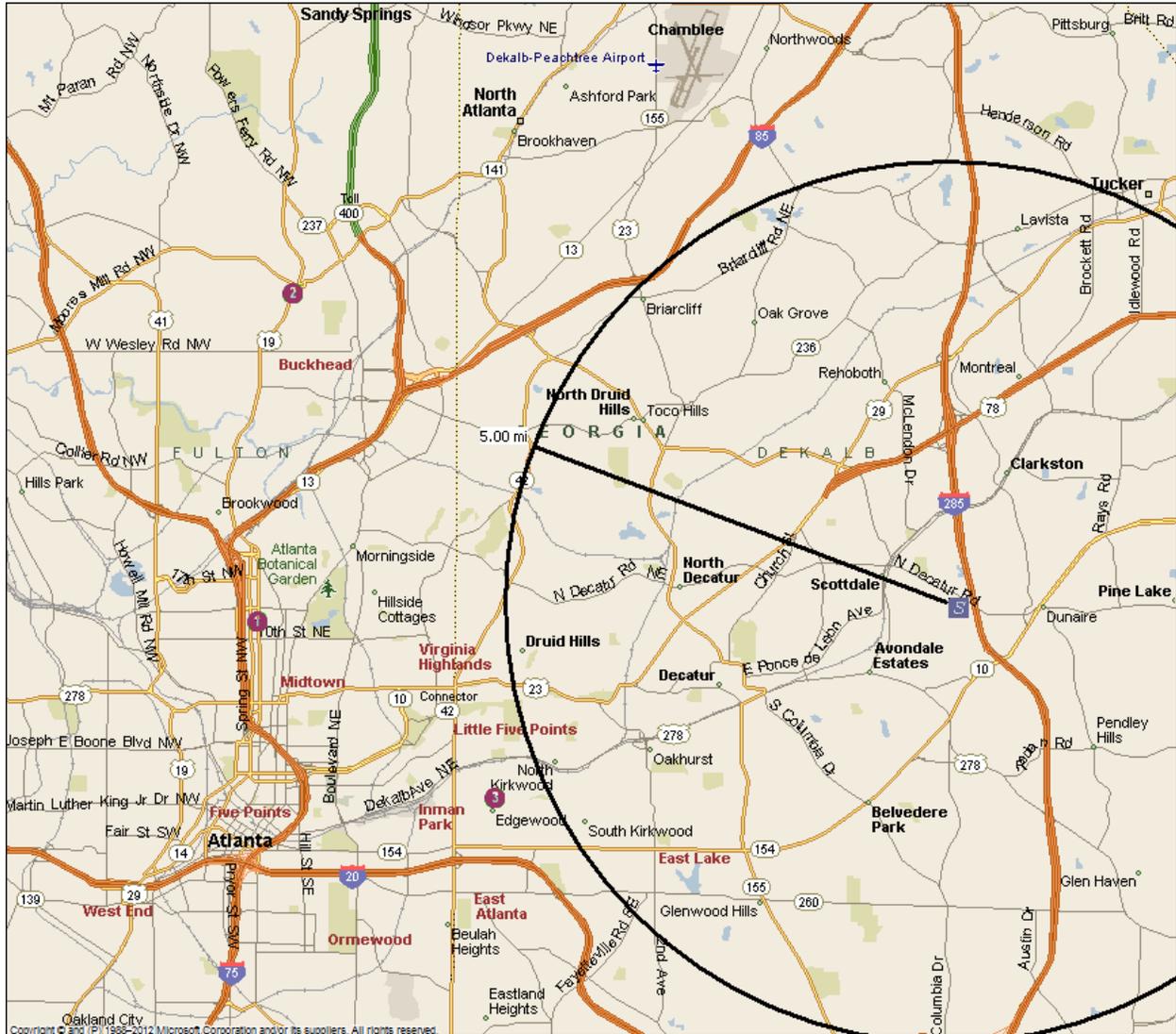
No two parcels of land are alike; therefore, these sales have been adjusted for various factors including location, size, shape, topography, utility, and marketability. The adjustments are the result of a careful analysis of market data, as well as interviews with various informed buyers, sellers, real estate brokers, builders, and lending institutions. A map of the comparable land sales is included on the following page. Individual descriptions of these land sale transactions are included on the following pages.

The table below provides a summary of the sales used:

COMPARABLE LAND SALES							
Number	Location	City	Sale Date	Price	SF	# Units	Price per Unit
1	1144 Spring Street NW	Atlanta	Dec-11	\$2,500,000	46,609	320	\$7,813
2	3035 Peachtree Road NE	Atlanta	Jun-11	\$3,800,000	93,654	373	\$10,188
3	1412 Hardee Street NE	Atlanta	Sep-10	\$900,000	307,534	100	\$9,000
Average							\$9,000

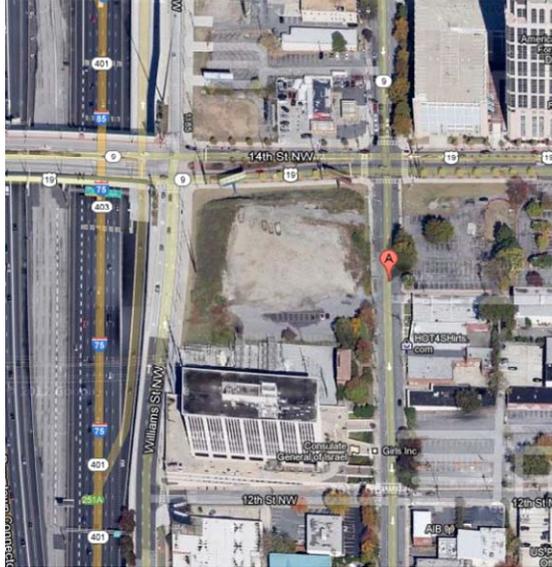
Throughout our conversations with market participants and buyers and sellers of the comparable sales, the respondents indicated that the purchase price is typically based upon a price per unit. This is typical of the multifamily market and will be used as a basis for analysis. The table above indicates a range in price from approximately \$7,813 to \$10,188 per unit. The location map and land sale profiles are presented on the following pages.

Land Sales Map



Land Sale 1

Location: 1144 Spring Street NW
Atlanta, GA



Buyer: NGI 1084 West Peachtree LLC
Seller: SBC West Peachtree LLC
Legal/Lot: 17-0107-0004-031
Sale Date: December-11
Sale Price: \$2,500,000
Financing: Cash

Number of Units: 320
Site: Acre(s) 1.070
 Square Footage 46,609
Zoning: Multifamily
Corner: Yes
Topography: Level
Shape: Rectangular

Sale Price: Per Unit \$7,813
 Per Acre \$2,336,449
 Per SF \$53.64

Comments:
 The property is for a proposed 320-unit development called Skyhouse Midtown Apartments.

Verification: Public Records

Land Sale 2

Location: 3035 Peachtree Road NE
Atlanta, GA



Buyer: Oliver McMillan
Seller: N/A
Legal/Lot 17-0099-0008-001
Sale Date: June-11
Sale Price: \$3,800,000
Financing: Cash

Number of Units: 373
Site: Acre(s) 2.150
 Square Foo 93,654
Zoning Multifamily
Corner Yes
Topography Level
Shape Rectangular

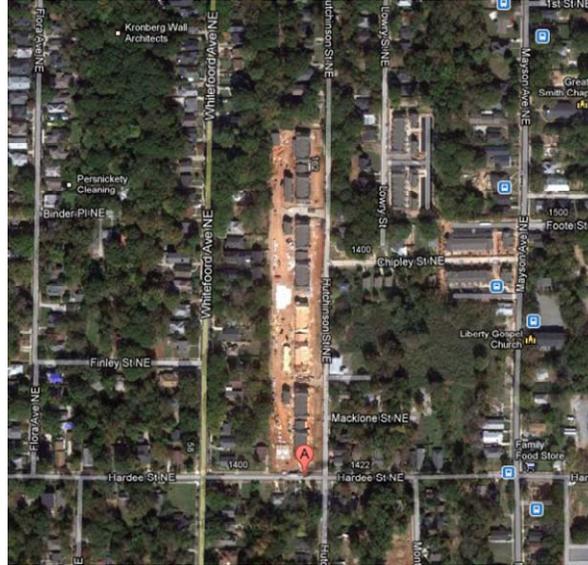
Sale Price: Per Unit \$10,188
 Per Acre \$1,767,442
 Per SF \$41

Comments:
 The property is called Village at Buckhead and is currently under construction.

Verification: Lessee, Public Records

Land Sale 3

Location: 1412 Hardee Street NE
Atlanta, GA



Buyer: Edgewood Townhomes, LP
Seller: Mayson Avenue Cooperative, LLC
Legal/Lot: N/A
Sale Date: September-10
Sale Price: \$900,000
Financing: Cash

Number of Units: 100
Site: Acre(s) 7.060
 Square Foo 307,534
Zoning Multifamily
Corner Yes
Topography Level
Shape Irregular

Sale Price: Per Unit \$9,000
 Per Acre \$127,479
 Per SF \$2.93

Comments:
 This transaction is a market-oriented, long-term ground lease. The term of the lease is 65 years (through 2075) and the ground rent is market-oriented. The project is a scattered site (within the same neighborhood) townhome development that broke ground in September 2010.

Verification: CoStar, Fulton County Assessor

ADJUSTMENTS

The following table illustrates adjustments applied to the sale comparables.

Comparable Land Data Adjustment Grid				
	Subject	1	2	3
Location	Oak Forest	1144 Spring Street NW	3035 Peachtree Road NE	1412 Hardee Street NE
City, State	Scottsdale, GA	Atlanta, GA	Atlanta, GA	Atlanta, GA
Parcel Data				
Zoning	Multifamily	Multifamily	Multifamily	Multifamily
Topography	Rolling	Level	Level	Level
Shape	Irregular	Rectangular	Rectangular	Rectangular
Corner	No	Yes	Yes	Yes
Size (Acres)	13.30	1.07	2.15	7.06
Size (SF)	579,348	46,706	93,848	307,534
Units	173	320	373	100
Units Per Acre	13	299	173	14
Sales Data				
Date		Dec-11	Jun-11	Sep-10
Interest		Fee Simple	Fee Simple	Ground Lease
Price		\$2,500,000	\$3,800,000	\$900,000
Price per Unit		\$7,813	\$10,188	\$9,000
Adjustments				
Property Rights		0	0	0
		\$2,500,000	\$3,800,000	\$900,000
Financing		0	0	0
		\$2,500,000	\$3,800,000	\$900,000
Conditions of Sale		0	0	0
		\$2,500,000	\$3,800,000	\$900,000
Market Conditions		0%	0%	0%
Adjusted Sale Price		\$2,500,000	\$3,800,000	\$900,000
Adjusted Price Per Unit				
Adjusted Price Per Unit		\$7,813	\$10,188	\$9,000
Adjustments				
Location		-30.0%	-45.0%	-30.0%
Zoning		0.0%	0.0%	0.0%
Flood Plain		0.0%	0.0%	0.0%
Shape		0.0%	0.0%	0.0%
Size		5.0%	5.0%	-5.0%
Overall Adjustment		-25.0%	-40.0%	-35.0%
Adjusted Price Per Unit		\$5,859	\$6,113	\$5,850
Summary				
Low	\$5,850			
High	\$6,113			
Mean	\$5,941			
Median	\$5,859			
Conclusion	\$6,000	x	173	\$1,038,000
Overall Conclusion				\$1,038,000
Rounded				\$1,000,000

Conditions of Sale

No unusual conditions existed or are known; therefore, no adjustment is necessary.

Market Conditions

The comparable sales took place between 2010 and 2011. According to realtors and brokers in the area, vacant land has not appreciated in this area as development and financing is harder to secure. Therefore, we have not adjusted the sales for market conditions.

Property Rights Conveyed

Two of the sales used in this analysis represent the conveyance of the fee simple interest in the respective properties. One of the sales is encumbered by a long-term ground lease. However, due to the long-term nature of the ground lease, the market oriented annual lease fee, and the frequency of long-term ground leases in the market, no adjustments were made. Therefore, no adjustments are applied to any of the sales under this adjustment category.

Financing

Information on the financing of the transactions was unavailable at the time of the sale; therefore, no adjustment is necessary.

Location

Location encompasses a number of issues, including location within different market areas with different supply/demand pressures, the character/condition of surrounding development, access, and visibility. It is important to assess which factors truly impact value for different types of real estate. We have addressed this issue (as well as the remaining elements of comparison) on a comparable-by-comparable basis. The following table illustrates the median home sales prices for each land sale by zip code and will be used to determine an appropriate adjustment for the Subject as compared to the comparables.

AVERAGE HOME SALE PRICE			
Property	Zip Code	Avg. Home Value	Differential With Subject Site
Subject	30079	\$186,499	
Comp 1	30309	\$398,384	-53%
Comp 2	30310	\$484,816	-62%
Comp 3	30307	\$338,444	-45%

Source: Trulia.com 11/2012

All of the comparables are in superior locations compared to the Subject in terms of median home price and received 30 to 45 percent downward adjustments.

Zoning

All of the land sales' zoning permits multifamily development; therefore no adjustments are necessary.

Size / Number of Units

With respect to size, the general convention is that larger properties tend to sell for less on a per unit basis than smaller properties. The pool of potential purchasers decreases as property size (and purchase price) increases, effectively reducing competition. The pricing relationship is not linear and certain property sizes, while different, may not receive differing prices based on the grouping within levels. Comparables 1 and 2 can be developed with more units than the Subject; therefore upward adjustments of five percent are applied. Comparable 3 can be developed with a fewer number of units and received a five percent downward adjustment.

CONCLUSION OF VALUE

The sales indicate a range of adjusted price per unit from \$5,850 to \$6,113 per unit. Based on the most recent sales data, we have concluded to a value of \$6,000 per unit, which is within the range of the most recent sales and is reasonable given the Subject's location.

As a result of our investigation and analysis, it is our opinion that, subject to the limiting conditions and assumptions contained herein, the value of the underlying land in fee simple, as of November 5, 2012, is:

**ONE MILLION DOLLARS
(\$1,000,000)**

INCOME CAPITALIZATION APPROACH

INCOME CAPITALIZATION APPROACH

INTRODUCTION

We were asked to provide several value estimates, including:

- Land value “as if vacant.”
- Market Value “As Is” of the fee simple interest of the property.
- Hypothetical Market Value “Upon Completion” – hypothetical value assuming completion and restricted rents.
- Hypothetical Market Value “Upon Completion” – hypothetical value assuming completion and unrestricted rents.
- Hypothetical Market Value “As Complete and Stabilized Restricted” – hypothetical value assuming completion and stabilization with restricted rents.
- Hypothetical Market Value “As Complete and Stabilized Unrestricted” – hypothetical value assuming completion and stabilization with unrestricted rents.
- Prospective Market Value at 20, 25 (Loan Maturity), and 30 years assuming completion in 2015.
- Value of the Low Income Housing Tax Credits (LIHTCs).
- Favorable Financing.

The market values “upon completion and stabilization” are prospective values estimate based upon the anticipated benefits and timing of encumbrances and the development plan as proposed by the developer, as described in the “Description of Improvements” section of this report. *Please see attached assumptions and limiting conditions for additional remarks concerning hypothetical value estimates.*

The Income Capitalization Approach to value is based upon the premise that the value of an income-producing property is largely determined by the ability of the property to produce future economic benefits. The value of such a property to the prudent investor lies in anticipated annual cash flows and an eventual sale of the property. An estimate of the property’s market value is derived via the capitalization of these future income streams.

The Subject’s prospective market value under the restricted scenario and “Upon Completion and Stabilization” is determined using Direct Capitalization.

POTENTIAL GROSS INCOME

In our search for properties comparable to the Subject, we concentrated on obtaining information on those projects considered similar to the Subject improvements on the basis of location, size, age, condition, design, quality of construction and overall appeal. In our market analysis we provided the results of our research regarding properties considered generally comparable or similar to the Subject.

The potential gross income of the Subject is the total annual income capable of being generated by all sources, including rental revenue and other income sources. The Subject's potential rental income assuming both restricted rents and market rents is based upon the proposed rents as derived in the Supply Section of this report and are calculated as follows.

POTENTIAL GROSS RENTAL INCOME - As Is Restricted

Unit Type	Number of Units	Current Section 8 Rents	Monthly Gross Rent	Annual Gross Rent
Section 8				
2BR/1BA	110	\$835	\$91,850	\$1,102,200
3BR/1BA	40	\$1,005	\$40,200	\$482,400
Total	150			\$1,584,600

POTENTIAL GROSS RENTAL INCOME - As Renovated Restricted

Unit Type	Number of Units	Current Section 8 Rents	Monthly Gross Rent	Annual Gross Rent
LIHTC/Section 8				
2BR/1BA	110	\$835	\$91,850	\$1,102,200
3BR/1BA	40	\$1,005	\$40,200	\$482,400
Total	150			\$1,584,600

POTENTIAL GROSS RENTAL INCOME - As Renovated Unrestricted

Unit Type	Number of Units	Achievable Market Rents	Monthly Gross Rent	Annual Gross Rent
2BR/1BA	110	\$800	\$88,000	\$1,056,000
3BR/1BA	40	\$900	\$36,000	\$432,000
Total	150			\$1,488,000

As previously mention in our reasonability of rents section, all of the Subject's units will operate under the Section 8 program with tenants paying 30 percent of their income in rent each month. Based on the quality of the surveyed comparable properties and the anticipated quality of the proposed Subject, we conclude that the Subject's current contract rental rates are above market. Given the Subject's current condition, amenities offered, and the rents being achieved at the comparables, we believe the current contract rents are above market. However, the determination of achievable "As Is" rents is outside the scope of this engagement and we have utilized the current restrictions for the "As Is" scenario.

Other Income

Other income includes fees from interest income, late charges, special service fees, etc. The other income level for the comparable properties ranges from \$164 to \$835 per unit with an average of \$397 per unit. When removing the high outlier, the average decreases to \$178 per unit. In 2011, the Subject reported other income \$124 per unit. The developer's budget illustrates other income of \$94 per unit. Based on the 2011 data and the comparables, the developer's estimate seems slightly low; as such, we have estimated an other income of \$115 per unit for each scenario, which is below the 2011 historical data and slightly above the developer's budget.

Vacancy and Collection Loss

As previously mentioned, the overall market vacancy rate is 6.4 percent. Vacancy was higher at market rate properties; however this was due in part to the inferior condition of these properties when compared to the LIHTC developments. The two market rate properties that were in average to good condition both reported vacancy rates of less than five percent. The Subject's property manager indicated that occupancy at the Subject is typically 100 percent and currently maintains an extensive waiting list. In 2011, the Subject had a vacancy and collection loss of 2.2 percent. For the as is and as renovated restricted scenarios we have concluded to a vacancy and collection loss factor of four percent. For the as renovated unrestricted scenario we have concluded to vacancy and collection loss of six percent.

Explanation of Expenses

Typical deductions from the calculated Effective Gross Income fall into three categories on real property: fixed, variable, and non-operating expenses. Historical operating expenses of the Subject and operating expenses of comparable properties were relied upon in evaluating the Subject's operating expense budget. It should be noted that the Subject sold in 2010 and the new owner was unable to furnish the 2009 and 2010 operating expenses; as such, we have utilized the Subject's 2011 operating expenses the developer's proposed year one budget for our analysis. It should also be noted that there were several capital expenditures in the 2011 maintenance expenses, which has skewed the 2011 expenses upward significantly from the previous years. All three of the comparable properties are located in the Atlanta area. The comparable data can be found on the following pages:

EXPENSE CATEGORY	Novogradac Estimates As Is Restricted Scottdale, GA		Novogradac Estimates As Renovated Restricted Scottdale, GA		Novogradac Estimates As Renovated Unrestricted Scottdale, GA		Year 1 Budget SUBJECT BUDGETED EXPENSES Scottdale, GA		2011 SUBJECT Historical EXPENSES Scottdale, GA		2011 CONFIDENTIAL ACTUAL EXPENSES Atlanta, GA		2011 CONFIDENTIAL ACTUAL EXPENSES Atlanta, GA		2011 CONFIDENTIAL ACTUAL EXPENSES Atlanta, GA	
	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit
OTHER INCOME	\$17,250	\$115	\$17,250	\$115	\$17,250	\$115	\$14,100	\$94	\$18,604	\$124	\$91,039	\$835	\$46,190	\$192	\$44,085	\$164
MARKETING																
Advertising / Screening / Credit	\$3,750	\$25	\$3,750	\$25	\$3,750	\$25	\$3,500	\$23	\$3,669	\$24	\$2,567	\$24	\$6,134	\$26	\$35,620	\$132
SUBTOTAL	\$3,750	\$25	\$3,750	\$25	\$3,750	\$25	\$3,500	\$23	\$3,669	\$24	\$2,567	\$24	\$6,134	\$26	\$35,620	\$132
ADMINISTRATION																
Legal	\$15,000	\$100	\$15,000	\$100	\$15,000	\$100	\$7,000	\$47	\$28,485	\$190	\$0	\$0	\$0	\$0	\$0	\$0
Audit	\$18,750	\$125	\$18,750	\$125	\$18,750	\$125	\$6,000	\$40	\$5,954	\$40	\$0	\$0	\$0	\$0	\$0	\$0
Office & Other	\$37,500	\$250	\$37,500	\$250	\$30,000	\$200	\$23,500	\$157	\$56,411	\$376	\$71,970	\$660	\$40,772	\$170	\$166,693	\$620
SUBTOTAL	\$71,250	\$475	\$71,250	\$475	\$63,750	\$425	\$36,500	\$243	\$90,850	\$606	\$71,970	\$660	\$40,772	\$170	\$166,693	\$620
TOTAL ADMINISTRATION	\$75,000	\$500	\$75,000	\$500	\$67,500	\$450	\$40,000	\$267	\$94,519	\$630	\$74,537	\$684	\$46,906	\$195	\$202,313	\$752
MAINTENANCE																
Painting / Turnover / Cleaning	\$11,250	\$75	\$11,250	\$75	\$11,250	\$75	\$26,250	\$175	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Repairs	\$33,750	\$225	\$18,750	\$125	\$18,750	\$125	\$37,500	\$250	\$117,613	\$784	\$81,440	\$747	\$141,217	\$588	\$301,807	\$1,122
Elevator	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grounds	\$18,750	\$125	\$18,750	\$125	\$18,750	\$125	\$20,000	\$133	\$26,112	\$174	\$0	\$0	\$0	\$0	\$0	\$0
Pool	\$11,250	\$75	\$11,250	\$75	\$11,250	\$75	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Supplies/Other	\$22,500	\$150	\$22,500	\$150	\$22,500	\$150	\$0	\$0	\$47,687	\$318	\$0	\$0	\$0	\$0	\$0	\$0
SUBTOTAL	\$97,500	\$650	\$82,500	\$550	\$82,500	\$550	\$83,750	\$558	\$191,412	\$1,276	\$81,440	\$747	\$141,217	\$588	\$301,807	\$1,122
OPERATING																
Contracts	\$15,000	\$100	\$15,000	\$100	\$15,000	\$100	\$0	\$0	\$60,512	\$403	\$0	\$0	\$0	\$0	\$0	\$0
Exterminating	\$3,750	\$25	\$3,750	\$25	\$3,750	\$25	\$5,000	\$33	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Security	\$18,750	\$125	\$18,750	\$125	\$18,750	\$125	\$40,000	\$267	\$152,547	\$1,017	\$0	\$0	\$0	\$0	\$0	\$0
SUBTOTAL	\$37,500	\$250	\$37,500	\$250	\$37,500	\$250	\$45,000	\$300	\$213,059	\$1,420	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL MAINTENANCE AND OPERATING	\$135,000	\$900	\$120,000	\$800	\$120,000	\$800	\$128,750	\$858	\$404,471	\$2,696	\$81,440	\$747	\$141,217	\$588	\$301,807	\$1,122
PAYROLL																
On-site manager	\$40,000	\$267	\$40,000	\$267	\$40,000	\$267	\$52,015	\$347	\$54,022	\$360	\$111,287	\$1,021	\$307,389	\$1,281	\$411,787	\$1,531
Other management staff	\$36,000	\$240	\$36,000	\$240	\$36,000	\$240	\$31,824	\$212	\$34,789	\$232	\$0	\$0	\$0	\$0	\$0	\$0
Maintenance staff	\$74,000	\$493	\$74,000	\$493	\$74,000	\$493	\$69,368	\$462	\$109,149	\$728	\$0	\$0	\$0	\$0	\$0	\$0
Janitorial staff	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Benefits	\$20,000	\$133	\$20,000	\$133	\$20,000	\$133	\$13,374	\$89	\$18,469	\$123	\$0	\$0	\$0	\$0	\$0	\$0
Payroll taxes	\$18,000	\$120	\$18,000	\$120	\$18,000	\$120	\$12,700	\$85	\$16,429	\$110	\$0	\$0	\$0	\$0	\$0	\$0
SUBTOTAL	\$188,000	\$1,253	\$188,000	\$1,253	\$188,000	\$1,253	\$179,281	\$1,195	\$232,858	\$1,552	\$111,287	\$1,021	\$307,389	\$1,281	\$411,787	\$1,531
UTILITIES																
Water & Sewer	\$112,500	\$750	\$105,000	\$700	\$105,000	\$700	\$120,000	\$800	\$135,087	\$901	\$111,287	\$1,021	\$407,921	\$1,700	\$216,964	\$807
Electricity	\$97,500	\$650	\$90,000	\$600	\$90,000	\$600	\$90,000	\$600	\$33,258	\$222	\$0	\$0	\$0	\$0	\$0	\$0
Gas	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$76,757	\$512	\$0	\$0	\$0	\$0	\$0	\$0
Cable Television	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Trash	\$22,500	\$150	\$22,500	\$150	\$22,500	\$150	\$10,500	\$70	\$37,827	\$252	\$0	\$0	\$0	\$0	\$0	\$0
SUBTOTAL	\$232,500	\$1,550	\$217,500	\$1,450	\$217,500	\$1,450	\$220,500	\$1,470	\$282,929	\$1,886	\$111,287	\$1,021	\$407,921	\$1,700	\$216,964	\$807
MISCELLANEOUS																
Insurance	\$52,500	\$350	\$52,500	\$350	\$52,500	\$350	\$52,500	\$350	\$72,452	\$483	\$26,388	\$242	\$84,620	\$353	\$51,885	\$193
Real Estate Taxes / PILOT	\$81,750	\$545	\$95,319	\$635	\$95,319	\$635	\$71,250	\$475	\$76,714	\$511	\$27,258	\$250	\$67,664	\$282	\$119,340	\$444
Reserves	\$52,500	\$350	\$52,500	\$350	\$52,500	\$350	\$52,500	\$350	\$52,500	\$350	\$38,150	\$350	\$84,000	\$350	\$94,150	\$350
Supportive Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SUBTOTAL	\$186,750	\$1,245	\$200,319	\$1,335	\$200,319	\$1,335	\$176,250	\$1,175	\$201,666	\$1,344	\$91,796	\$842	\$236,284	\$985	\$265,375	\$987
MANAGEMENT																
SUBTOTAL	\$61,511	\$410	\$61,511	\$410	\$56,597	\$377	\$55,373	\$369	\$69,644	\$464	\$25,975	\$238	\$71,124	\$296	\$129,927	\$483
TOTAL EXPENSES	\$878,761	\$5,858	\$862,330	\$5,749	\$849,916	\$5,666	\$800,154	\$5,334	\$1,286,087	\$8,574	\$496,322	\$4,553	\$1,210,841	\$5,045	\$1,528,173	\$5,681

General Administrative and Marketing

This category includes all professional fees for items such as legal, accounting, bad debt, and marketing. This expense is based on an analysis of the Subject's budget and historical expenses and the comparable property expense data. The Subject's 2011 expense for this category was \$630 per unit. The comparable expense data ranges from \$195 to \$752 with an average of \$544 per unit. Two of the three comparables incurred administrative and marketing expenses ranging from \$684 to \$752 with an average of \$718. The third comparable is a low outlier. The Subject has historically incurred similar administrative expenses when compared to the comparables. The developer's pro forma of \$267 appears understated based both on the Subject's 2011 historical expense as well as the expenses of the comparable properties. The primary explanations for the low projections are due to significantly lower legal/collections and office/other expenses. Overall, we will conclude to a general administrative expense of \$450 per unit for the unrestricted scenario and a slightly higher expense of \$500 for the restricted scenarios given the additional administrative duties associated with a subsidized development. While our concluded expenses are well above the developer's projections, they are more in line with the Subject's 2011 historical expense and the comparables.

Maintenance & Operating

Included in this expense are normal items of repair including roof, painting, decorating, maintenance of public areas, cleaning, etc. The budgeted costs are \$858 per unit. Historically, the Subject's 2011 expense for this category was \$2,696 per unit. However, it should be noted that according to the developer there were a number of capital expenditures in the 2011 budget, which has skewed these expense line items upward significantly. The comparable expense data ranges from \$588 to \$1,122 with an average of \$819 per unit. The developer's projections are within the range of the comparable properties and well below the 2011 historical data. We will conclude to a maintenance expense of \$800 for the as renovated scenarios, which is more in line with expenses incurred by the comparable properties as well as the Subject's historical expenses. Conversely, for the as is scenario we will conclude to maintenance expenses of \$900 per unit which is still well below the Subject's 2011 expense, but reasonable considering the capital expenditures associated with the 2011 expenses.

Payroll

This category includes all payroll, personnel, and benefits expenses. The developer's budget indicates payroll and benefits costs of \$1,195 per unit. The Subject's 2011 expense for this category was \$1,552 per unit. Comparable properties reported payroll expenses ranging from \$1,021 to \$1,531 with an average of \$1,278 per unit. The developer's projections are below the 2011 expenses and within the range of the comparable properties. The following table illustrates likely staffing expenditures at a property such as the Subject.

PAYROLL EXPENSE CALCULATION

	Expense	Per Unit
Manager's Salary (1)	\$40,000	\$267
Leasing Agent (1)	\$36,000	\$240
Maintenance Supervisor (1)	\$39,000	\$260
Maintenance Worker (1)	\$35,000	\$233
Total Salaries	\$150,000	\$1,000
Benefits (\$5,000 per FTE)	\$20,000	\$133
Payroll Taxes (estimated at 12%)	\$18,000	\$120
Total Annual Payroll	\$153,000	\$1,253

We believe that the Subject can operate with one manager, one leasing agent, one maintenance supervisor, and one maintenance employee. We have estimated a payroll expense of \$1,253 per unit for all scenarios which is below the Subject's 2011 payroll expenses and within the range of the comparable properties, but slightly above the developer's projection.

Utilities

The Subject's 2011 utilities expense was \$1,886 per unit. The developer's budget indicates a utility expense of \$1,470. The expense comparable properties ranged from \$807 to \$1,700 per unit with an average of \$1,176 per unit. The comparable property utility expenses are unreliable since they have differing utility structures when compared to the Subject. We have relied upon historic data and the developer's budget and have concluded to an expense of \$1,550 per unit for the as is scenario and \$1,450 for the as renovated scenario given the Subject's improved energy efficiency post renovation.

Insurance

The Subject has projected an annual expense of \$350 per unit for insurance. The 2011 expense for the Subject was \$483 per unit. The comparables range from \$193 to \$353 with an average of \$263 per unit. The developer's estimate is within these range of the comparable properties but below the 2011 insurance expense; for the purposes of this analysis we conclude to an insurance expense of \$350 per unit which is similar to the developer's estimate and within the range of the comparables.

Taxes

As previously explained, we have estimated real estate taxes of \$545 per unit for the as is scenario and \$635 for the as renovated scenarios.

Reserves for Replacement

The reserve for replacement allowance is often considered a hidden expense of ownership not normally seen on an expense statement. Reserves must be set aside for future replacement of items such as the roof, HVAC systems, parking area, appliances and other capital items. It is difficult to ascertain market information for replacement reserves, as it is not a common practice in the marketplace for properties of the Subject's size and investment status. Underwriting requirements for replacement reserve for existing properties typically ranges from \$250 to \$350 per unit per year, with newly constructed developments having a lower replacement reserve expense. We have used a reserve expense of \$350 per unit for each scenario.

Management Fees

The typical range for professionally managing an apartment property such as the Subject is 4.0 to 6.0 percent of effective gross rental income, depending upon the size and age of the apartment complex with the latter percentage being charged to smaller or older complexes. This amount will also vary dependent upon what is included in the management task which some would also classify as administration. The Subject's 2011 management fee was 4.2 percent or \$464 per unit. The developer has budgeted four percent for the Subject following renovation. Comparable properties reported management fees of approximately four to five percent with expenses ranging from \$238 to \$483 with an average of \$339 per unit. The developer's projected expense of four percent appears reasonable. We will conclude to a management fee expense of 4.0 percent for each scenario.

SUMMARY

Operating expenses were estimated based upon the comparable expenses. In the following table, we compared the total operating expenses per unit proposed by the Subject with the total expenses reported by comparable expense properties.

Comparable Expense Properties	
Total Expense per Unit	
Developer's Budget	\$5,334
2011 Historical	\$8,574
Expense Comparable 1	\$4,553
Expense Comparable 2	\$5,045
Expense Comparable 3	\$5,681
Subject (As Is)	\$5,858
Subject (As Renovated Restricted)	\$5,749
Subject (As Renovated Unrestricted)	\$5,666

It should also be noted that there were several capital expenditures in the 2011 maintenance expenses, which has skewed the 2011 expenses upward significantly from the previous years. The Subject's as is restricted expenses are slightly above the comparables and the developer's budget, but well below the 2011 historical expenses. The as renovated restricted expenses are also slightly above the comparables and the developer's budget, but well below the 2011 historical expenses. The as renovated unrestricted expenses are within the range of the comparables and the developer's budget, but well below the 2011 historical expenses. The difference in expenses and the developer's budget is primarily due to difference in taxes and administration expenses. We believe these expenses are reasonable and have been utilized in our valuation.

DIRECT CAPITALIZATION

We have provided an estimate of the Subject's prospective value assuming completion and stabilization as of the date of value, for the restricted rate scenario. *Please see the assumptions and limiting conditions regarding hypothetical conditions.*

To quantify the income potential of the Subject, a direct capitalization of a stabilized cash flow is

employed. In this analytical method, we estimate the present values of future cash flow expectations by applying the appropriate overall capitalization rate to the forecast net operating income.

Overall Capitalization Rate

In order to estimate the appropriate capitalization rate, we relied upon several methods, discussed below.

Market Extraction

The table below summarizes the recent improved sales of the most comparable properties that were used in our market extraction analysis.

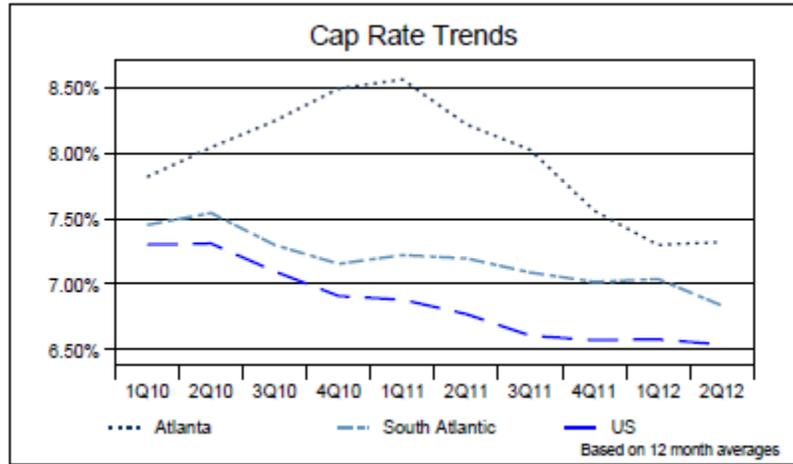
SALES COMPARISON							
Property	Sale Date	Sale Price	# of Units	Price / Unit	Effective Gross		
					Income Multiplier	Overall Rate	
1	Berkshire at Howell Station	Mar-12	\$14,862,380	228	\$65,186	7.70	7.1%
2	Bellingham Apartments	Feb-12	\$15,650,000	201	\$77,861	7.84	7.1%
3	Tree Lodge	Jul-11	\$20,000,000	308	\$64,935	7.51	7.4%
4	La Vista Crossing	Jun-11	\$10,775,000	240	\$44,896	7.51	7.4%
	Average		\$15,321,845	244	\$63,219	7.64	7.2%

The comparable improved sales illustrate a range of overall rates from 7.1 percent to 7.4 percent, with an average of 7.2 percent. The properties are all stabilized and represent typical market transactions for multifamily properties in the Atlanta market area. The Subject is most similar to Comparable four in terms of location. All of the remaining sales are considered slightly superior to superior to the Subject in terms of location. The comparable sales were constructed between 1969 and 2001. The Subject will be recently renovated and in similar condition to Comparable one, two, and three, and slightly superior to Comparable four in terms of age and condition. The Subject will be slightly smaller than the comparables, which range in size from 201 to 308 units. Given the Subject's unit mix, unit sizes, age, and condition, we believe that a capitalization rate of 7.50 percent for the as is scenario and 7.25 percent for the as renovated scenarios are reasonable based on market extraction.

According to REIS.com, the average 12 month rolling cap rate for 2012 in Atlanta is 7.3 percent with a median cap rate of 7.0 percent. The following table outlines the second quarter and 12 month rolling statistics for the Atlanta metro area.

	2Q 2012 Metro Statistics			Metro Statistics - 12 Month Rolling		
	Mean	Median	25th Percentile	Mean	Median	75th Percentile
Cap Rate	7.4%	7.1%	5.5%	7.3%	7.0%	8.9%
Sale Price	\$27,075,300	\$25,075,000	\$1,012,500	\$14,729,937	\$7,003,000	\$23,687,049
Sale Price Per Unit	\$71,932	\$67,188	\$24,203	\$70,977	\$59,219	\$91,182
Number of Units	376	332	64	208	230	305
Number of Floors	3	3	2	3	2	3
Year Built	1989	1989	1970	1987	1984	1998

The following graph displays the average cap rates from the first quarter of 2010 to the second quarter of 2012 for Atlanta, the South Atlantic region, and US.



Real Capital Analytics Market Report

Real Capital Analytics (RCA) produces a quarterly report called ‘market trends and trades’ for the Atlanta metro area. The report analyzes recent capitalization rate trends and examines recent sale trends by submarket, property size, and location. The following table is extracted from the RCA 3rd Quarter 2012 report for the Atlanta market.

Market Snapshot				
Current Market Statistics				Cumulative Monthly Volume \$ (mil)
	Q3 '12 to Date	Deals Pending	Combined Total	Last Quarter
Volume (mil)	\$539.0	\$339.0	\$878.0	\$949.9
No. of props	31	18	49	34
Total units	8,435	4,159	12,594	12,669
Avg Price/unit*	\$69,399	\$0	\$69,399	\$78,146
Avg Cap Rate*	—%	—%	—%	—%

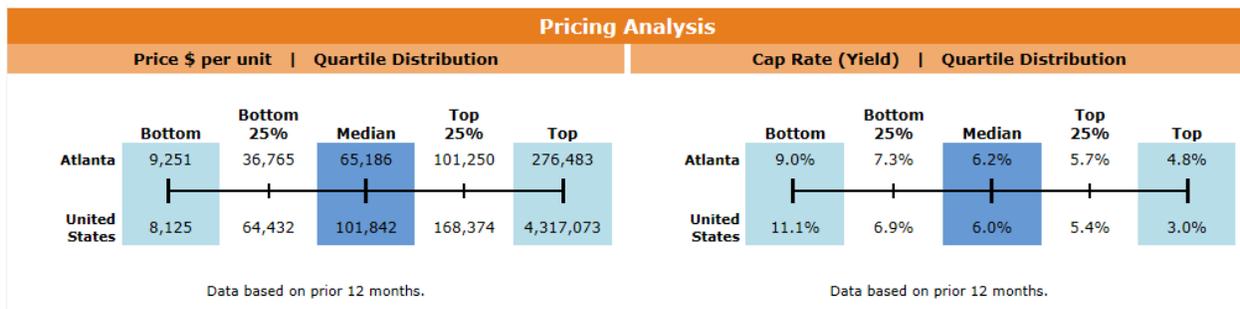
*Pricing and Cap-Rate figures are calculated based on well-qualified deals that also include area statistics

Source: Real Capital Analytics, Q3 2012 Market Trends and Trades

Year-to-date volume: \$2,066.5
Year-over-year chg: 41%

Historical Market Performance					
		Atlanta		United States	
		Actual	Chg vs Prior	Actual	Chg vs Prior
Volume (mil)	Prior 12 mos (thru Q2 '12)	\$2,568.7	49%	\$59,519.5	34%
	Q2 '12	\$949.9	65%	\$16,270.9	40%
No. of props	Prior 12 mos (thru Q2 '12)	118	31%	3,014	34%
	Q2 '12	34	3%	830	29%
Total units	Prior 12 mos (thru Q2 '12)	35,425	27%	587,705	30%
	Q2 '12	12,669	78%	168,319	49%
Avg Price/unit	Prior 12 mos (thru Q2 '12)	\$73,848	27%	\$111,640	4%
	Q2 '12	\$78,146	-6%	\$104,982	-8%
Avg Cap Rate (Yield)	Prior 12 mos (thru Q2 '12)	6.4%	-49 bps	6.2%	-26 bps
	Q2 '12	—%	N/A	6.1%	-5 bps

Source: Real Capital Analytics, Q3 2012 Market Trends and Trades



Source: Real Capital Analytics, Q3 2012 Market Trends and Trades

The average capitalization rates reported in the different submarkets range from 4.8 percent to 9.0 percent, with median rate of 6.2 percent. Based on the RCA data, we will conclude to a RCA-derived capitalization rate of 7.25 percent for the Subject. This considers the market data as well as the capitalization rate trends nationally over the past year.

The PwC Survey

The *PwC* survey tracks capitalization rates utilized by national investors in commercial and multi-family real estate. The following summarizes the information for the national multi-family housing market:

PwC REAL ESTATE INVESTMENT SURVEY	
National Apartment Market	
Overall Capitalization Rate - Institutional Grade Investments	
Range:	3.75% - 10.0%
Average:	5.74%
Non-Institutional Grade Investments	
Range:	4.0% - 14.0%
Average:	7.30%

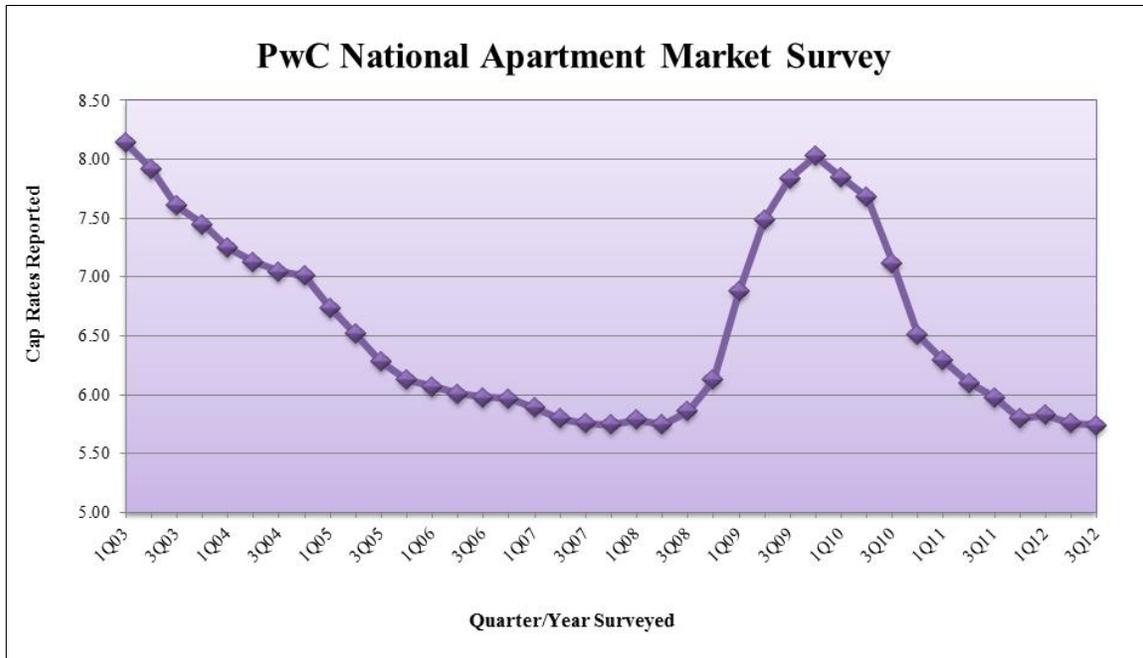
Source: PwC Survey, Q3 2012

The PwC Real Estate Investor Survey defines “Institutional – Grade” real estate as real property investments that are sought out by institutional buyers and have the capacity to meet generally prevalent institutional investment criteria². Typical “Institutional – Grade” apartment properties are newly constructed, well amenitized, market rate properties in urban or suburban locations. Rarely could subsidized properties, either new construction or acquisition/rehabilitation, be considered institutional grade real estate. Therefore, for our purpose, the Non-institutional Grade capitalization rate is most relevant; this is currently 156 basis points higher than the Institutional Grade rate on average. However, local market conditions have significant weight when viewing capitalization rates.

² PwC Real Estate Investor Survey

PwC Real Estate Investment Survey - National Apartment Overall Capitalization Rate - Institutional Grade Investments		
Quarter	Cap Rate	Change (bps)
1Q03	8.14	-
2Q03	7.92	-0.22
3Q03	7.61	-0.31
4Q03	7.45	-0.16
1Q04	7.25	-0.20
2Q04	7.13	-0.12
3Q04	7.05	-0.08
4Q04	7.01	-0.04
1Q05	6.74	-0.27
2Q05	6.52	-0.22
3Q05	6.28	-0.24
4Q05	6.13	-0.15
1Q06	6.07	-0.06
2Q06	6.01	-0.06
3Q06	5.98	-0.03
4Q06	5.97	-0.01
1Q07	5.89	-0.08
2Q07	5.80	-0.09
3Q07	5.76	-0.04
4Q07	5.75	-0.01
1Q08	5.79	0.04
2Q08	5.75	-0.04
3Q08	5.86	0.11
4Q08	6.13	0.27
1Q09	6.88	0.75
2Q09	7.49	0.61
3Q09	7.84	0.35
4Q09	8.03	0.19
1Q10	7.85	-0.18
2Q10	7.68	-0.17
3Q10	7.12	-0.56
4Q10	6.51	-0.61
1Q11	6.29	-0.22
2Q11	6.10	-0.19
3Q11	5.98	-0.12
4Q11	5.80	-0.18
1Q12	5.83	0.03
2Q12	5.76	-0.07
3Q12	5.74	-0.02

Source: PwC, Q3 2012



As the graph indicates, the downward trend through early 2007 is clear. The average capitalization rate decreased 225 basis points over a four-year period from 2003 to 2007. However, capitalization rates stabilized in 2007 and began a steep increase in late 2008. They appear to have peaked in the fourth quarter of 2009 and have been decreasing since that point, except for the first quarter of 2012. Capitalization rates have decreased by 34 basis points over the last 12 months. Overall, we have estimated capitalization rate of 7.50 percent for the as is scenario and 7.25 percent for the as renovated scenarios, which are within the range of the non-institutional grade capitalization rates.

Debt Coverage Ratio

The debt coverage ratio (DCR) is frequently used as a measure of risk by lenders wishing to measure the margin of safety and by purchasers analyzing leveraged property. It can be applied to test the reasonableness of a project in relation to lender loan specifications. Lenders typically use the debt coverage ratio as a quick test to determine project feasibility. The debt coverage ratio has two basic components: the properties net operating income and its annual debt service (represented by the mortgage constant).

The ratio used is:

Net Operating Income/ Annual Debt Service = Debt Coverage Ratio

One procedure by which the debt coverage ratio can be used to estimate the overall capitalization rate is by multiplying the debt coverage ratio by the mortgage constant and the lender required loan-to-value ratio. The indicated formula is:

$$R_O = D.C.R \times R_M \times M$$

Where:

- R_O = Overall Capitalization Rate
- D.C.R = Debt Coverage Ratio
- R_M = Mortgage Constant
- M = Loan-to-Value Ratio

Band of Investment

This method involves deriving the property’s equity dividend rate from the improved comparable sales and applying it, at current mortgage rate and terms, to estimate the value of the income stream.

The formula is:

$$R_O = M \times R_M + (1-M) \times R_E$$

Where:

- R_O = Overall Capitalization Rate
- M = Loan-to-Value Ratio
- R_M = Mortgage Constant
- R_E = Equity Dividend

The equity return (R_E) has experienced significant downward pressures as real estate investments have been in favor with institutional investors who have been weary of the stock market and are looking for better returns than government securities. In general, equity dividends rates have fallen to as low as 7.0 percent and generally range from 8.0 to 12.0 percent. Given the market conditions an estimate of 10.00 percent has been used. Per Bloomberg.com, the 10-year T-Bond rate as of the date of this report is 1.625 percent. We have used a 350 basis point spread for an interest rate of 5.12 percent. This is illustrated in the following table.

CAPITALIZATION RATE DERIVATION

Inputs and Assumptions		Interest Rate Calculations			
DCR	1.3	<i>Treasury Bond Basis*</i>			
Rm	0.0653	10 Year T Bond Rate			1.62%
Interest (per annum)*	5.12%	Interest rate spread			350
Amortization (years)	30	Interest Rate (per annum)			5.12%
M	80%				
Re	10.00%				

<i>Debt Coverage Ratio</i>							
Ro	=	DCR	X	Rm	X	M	
6.79%	=	1.3	X	0.0653	X	80%	

<i>Band of Investment</i>								
Ro	=	(M	X	Rm)	+	((1-M)	X	Re)
7.22%	=	80%	X	0.0653	+	20%	X	10.00%

* Source: Bloomberg.com, 11/2012.

Conclusion of Overall Rate Selection

After reviewing the appropriate methods for developing an overall rate, the following ranges of overall capitalization rates are indicated:

CAPITALIZATION RATE SELECTION SUMMARY

Method	Indicated Rate
Market Extraction	7.25% to 7.50%
PwC Survey	7.25% to 7.50%
RCA Survey	7.25%
REIS	7.30%
Debt Coverage Ratio	6.79%
Band of Investment	7.22%

The following issues impact the determination of a capitalization rate for the Subject:

- Strength of the local market
- Existing competition
- New renovation

The six approaches indicate a range from 6.79 to 7.50 percent, a tight range. Therefore, we reconciled to a 7.50 percent capitalization rate for the as is scenario and 7.25 percent capitalization rate for the as renovated scenarios based primarily upon the market-extracted rates. A summary of the direct capitalization analysis for these scenarios can be found on the following pages.

Direct Capitalization Technique Year One Operating Statement

Expense Analysis

Operating Revenues

	As Is Restricted			As Stabilized Restricted		As Stabilized Unrestricted	
	Market Unit	Rent	Total Revenue	Rent	Total Revenue	Rent	Total Revenue
Apartment Rentals	Mix						
2BR/1BA	110	\$835	\$1,102,200	\$835	\$1,102,200	\$800	\$1,056,000
3BR/1BA	40	\$1,005	\$482,400	\$1,005	\$482,400	\$900	\$432,000
Total Potential Rental Income	150	\$880	\$1,584,600	\$880.33	\$1,584,600	\$827	\$1,488,000
<u>Other Income</u>							
Miscellaneous		\$115	\$17,250	\$115	\$17,250	\$115	\$17,250
Residential Potential Revenues		\$10,679	\$1,601,850	\$10,679	\$1,601,850	\$10,035	\$1,505,250
<u>Vacancy</u>		(\$427)	(\$64,074)	(\$427)	(\$64,074)	(\$602)	(\$90,315)
Vacancy Percentage			-4%		-4%		-6%
Effective Gross Income		\$10,252	\$1,537,776	\$10,252	\$1,537,776	\$9,433	\$1,414,935

Operating Expenses

Operating Expenses

	As Is Restricted			As Stabilized Restricted		As Stabilized Unrestricted	
Administration and Marketing		\$500	\$75,000	\$500	\$75,000	\$450	\$67,500
Maintenance and Operating		\$900	\$135,000	\$800	\$120,000	\$800	\$120,000
Payroll		\$1,253	\$188,000	\$1,253	\$188,000	\$1,253	\$188,000
Utilities		\$1,550	\$232,500	\$1,450	\$217,500	\$1,450	\$217,500
Property & Liability Insurance		\$350	\$52,500	\$350	\$52,500	\$350	\$52,500
Real Estate and Other Taxes		\$545	\$81,750	\$635	\$95,319	\$635	\$95,319
Replacement Reserves		\$350	\$52,500	\$350	\$52,500	\$350	\$52,500
Management Fee	4.0%	\$410	\$61,511	\$410	\$61,511	\$377	\$56,597
Total Operating Expenses		\$5,858	\$878,761	\$5,749	\$862,330	\$5,666	\$849,916
Expenses as a ratio of EGI			57.14%		56.08%		60.07%

Valuation

Valuation

	As Is Restricted		As Stabilized Restricted		As Stabilized Unrestricted	
Net Operating Income	\$4,393	\$659,015	\$4,503	\$675,446	\$3,767	\$565,019
Capitalization Rate		7.50%		7.25%		7.25%
Indicated Value "rounded"		\$8,800,000		\$9,300,000		\$7,800,000

	As Complete Restricted	As Complete Restricted	As Complete Unrestricted	As Complete Unrestricted
Number of Units to lease to Stabilized 95'*	N/A	30	30	
Number of Months to lease to Stabilized 95%*		1	2	
Income loss		\$66,744	4.2%	\$125,438
Initial market costs		\$5,000		\$5,000
Total loss to lease Rounded		\$72,000		\$130,000
Value as complete		\$9,228,000		\$7,670,000
As Complete Value Rounded		\$9,200,000		\$7,700,000

The Subject's prospective future market value assuming the contract rents and "As Complete" is determined using Direct Capitalization and deducting anticipated costs to achieve stabilization which are comprised of rent loss during lease-up and additional marketing expenses during lease-up. Previously, we have estimated an absorption rate of 30 units per month as restricted and 15 units per month as unrestricted. At this pace, the Subject will reach a stabilized occupancy of 95 percent in one month as a restricted property and two months as an unrestricted property. Rent loss over the absorption period is estimated to be 4.2 and 8.3 percent of annual income under the restricted and unrestricted scenarios, respectively. Extraordinary expenses include additional marketing costs associated with the development's market entry, estimated at \$5,000 over the absorption period. Total lease-up costs under the restricted scenario equate to \$72,000 (rounded) while lease up costs under the unrestricted scenario equate to \$130,000 (rounded).

Conclusion

The following table summarizes the findings of the previously conducted direct capitalization analysis.

DIRECT CAPITALIZATION ANALYSIS - "AS COMPLETE"

Scenario	Loss To Lease	Indicated Value (Rounded)
As Is	N/A	\$8,800,000
As Stabilized Restricted	\$72,000	\$9,200,000
As Stabilized Unrestricted	\$130,000	\$7,700,000

DIRECT CAPITALIZATION ANALYSIS - "AS COMPLETE AND STABILIZED"

Scenario	Cap Rate	Net Operating Income	Indicated Value (Rounded)
As Is	7.50%	\$659,015	\$8,800,000
As Stabilized Restricted	7.25%	\$675,446	\$9,300,000
As Stabilized Unrestricted	7.25%	\$565,019	\$7,800,000

The Subject's market value of the real estate assuming current Section 8 contract rents and encumbrances "**As Is**", via the Income Capitalization Approach, as of November 5, 2012 is:

EIGHT MILLION EIGHT HUNDRED THOUSAND DOLLARS
(\$8,800,000)

The Subject's hypothetical market value of the real estate assuming the current Section 8 contract rents "**As Complete**", via the Income Capitalization Approach, as of November 5, 2012 is:

NINE MILLION TWO HUNDRED THOUSAND DOLLARS
(\$9,200,000)

The Subject's hypothetical market value of the real estate assuming unrestricted rents "**As Complete**", via the Income Capitalization Approach, as of November 5, 2012 is:

SEVEN MILLION SEVEN HUNDRED THOUSAND DOLLARS
(\$7,700,000)

The Subject's hypothetical market value of the real estate assuming the current Section 8 contract rents "**As Complete and Stabilized**", via the Income Capitalization Approach, as of November 5, 2012 is:

NINE MILLION THREE HUNDRED THOUSAND DOLLARS
(\$9,300,000)

The Subject's hypothetical market value of the real estate assuming the achievable market rents and encumbrances "**As Complete and Stabilized**", via the Income Capitalization Approach, as of November 5, 2012 is:

SEVEN MILLION EIGHT HUNDRED THOUSAND DOLLARS
(\$7,800,000)

Please refer to the assumptions and limiting conditions regarding the valuation and hypothetical value conclusions.

Prospective Market Value at Loan Maturity

To quantify the income potential of the Subject, a future cash flow is employed. In this analytical method, we estimate the present values of future cash flow expectations by applying the appropriate terminal capitalization and discount rates. As examined earlier, we believe there is ample demand in the income ranges targeted by the management of the Subject to support a stable cash flow. Therefore, the restrictions do not affect the risk of the Subject investment. We based our valuation on market-derived reversion and discount rates. It should be noted that we have only utilized the future cash flow analysis to identify the prospective market value at loan maturity.

Income and Expense Growth Projections

We have increased the income and expense line items by 2.0 percent per annum over the holding period. This is based upon the AMI growth and market-oriented rent increases previously discussed and general inflation. According to REIS data, the Atlanta-Sandy Springs-Marietta MSA has experienced rental rate increases over the past five years. The following table illustrates the rental rate increases.

ATLANTA-SANDY SPRINGS-MARIETTA, GA MSA	
Year	Rental Rate Increase
2008	1.80%
2009	0.20%
2010	1.90%
2011	3.40%
2012	1.30%

Based on the data in the previous tables, we believe a 2.0 percent increase is considered reasonable.

Terminal Capitalization Rate

In order to estimate the appropriate capitalization rate, we used the *PwC Real Estate Investor Survey*. The following summarizes this survey:

PwC REAL ESTATE INVESTMENT SURVEY	
National Apartment Market	
Overall Capitalization Rate - Institutional Grade Investments	
Range:	3.75% - 10.0%
Average:	5.74%
Non-Institutional Grade Investments	
Range:	4.0% - 14.0%
Average:	7.30%

Source: PwC Survey, Q3 2012

The following issues impact the determination of a residual capitalization rate for the Subject:

- Anticipated annual capture of the Subject.
- The anticipated demand growth in the market associated with both local residential and corporate growth.
- The Subject's new renovation and market position.
- Local market overall rates.

In view of the preceding data, observed rate trends, and careful consideration of the Subject's physical appeal and economic characteristics, we have loaded our as renovated direct capitalization rate with 50 basis points for a terminal rate of 7.75 percent, which is within the range and is considered reasonable for a non-institutional grade property such as the Subject.

VALUATION ANALYSIS

Based upon the indicated operating statements and the discount rate discussion above, we developed a cash flow for the Subject. The following pages illustrate the cash flow and indicated prospective values.

As Proposed Restricted Scenario (Years 1 through 15)

Cash Flow Value Derivation of "as complete"												
Fiscal Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 11	Year 12	Year 13	Year 14	Year 15
	2015	2016	2017	2018	2019	2020	2021	2025	2026	2027	2028	2029
Income												
Low Income Units	\$1,584,600	\$1,616,292	\$1,648,618	\$1,681,590	\$1,715,222	\$1,749,526	\$1,784,517	\$1,931,619	\$1,970,251	\$2,009,656	\$2,049,849	\$2,090,846
Nonresidential	\$17,250	\$17,595	\$17,947	\$18,306	\$18,672	\$19,045	\$19,426	\$21,028	\$21,448	\$21,877	\$22,315	\$22,761
Gross Project Income	\$1,601,850	\$1,633,887	\$1,666,565	\$1,699,896	\$1,733,894	\$1,768,572	\$1,803,943	\$1,952,646	\$1,991,699	\$2,031,533	\$2,072,164	\$2,113,607
Vacancy Allowance	(\$219,301)	(\$65,355)	(\$66,663)	(\$67,996)	(\$69,356)	(\$70,743)	(\$72,158)	(\$78,106)	(\$79,668)	(\$81,261)	(\$82,887)	(\$84,544)
Effective Gross Income	\$1,382,549	\$1,568,532	\$1,599,902	\$1,631,900	\$1,664,538	\$1,697,829	\$1,731,786	\$1,874,540	\$1,912,031	\$1,950,272	\$1,989,277	\$2,029,063
Expenses												
Administrative and Marketing	\$75,000	\$76,500	\$78,030	\$79,591	\$81,182	\$82,806	\$84,462	\$91,425	\$93,253	\$95,118	\$97,020	\$98,961
Maintenance and Operating	\$120,000	\$122,400	\$124,848	\$127,345	\$129,892	\$132,490	\$135,139	\$146,279	\$149,205	\$152,189	\$155,233	\$158,337
Payroll	\$188,000	\$191,760	\$195,595	\$199,507	\$203,497	\$207,567	\$211,719	\$229,171	\$233,754	\$238,429	\$243,198	\$248,062
Utilities	\$217,500	\$221,850	\$226,287	\$230,813	\$235,429	\$240,138	\$244,940	\$265,131	\$270,434	\$275,843	\$281,359	\$286,987
Insurance	\$52,500	\$53,550	\$54,621	\$55,713	\$56,828	\$57,964	\$59,124	\$63,997	\$65,277	\$66,583	\$67,914	\$69,273
Real Estate Taxes	\$95,319	\$97,225	\$99,170	\$101,153	\$103,176	\$105,240	\$107,345	\$116,193	\$118,517	\$120,888	\$123,305	\$125,771
Replacement Reserve	\$52,500	\$53,550	\$54,621	\$55,713	\$56,828	\$57,964	\$59,124	\$63,997	\$65,277	\$66,583	\$67,914	\$69,273
Management Fee	\$55,302	\$62,741	\$63,996	\$65,276	\$66,582	\$67,913	\$69,271	\$74,982	\$76,481	\$78,011	\$79,571	\$81,163
Total Expenses	\$856,121	\$879,577	\$897,168	\$915,112	\$933,414	\$952,082	\$971,124	\$1,051,176	\$1,072,199	\$1,093,643	\$1,115,516	\$1,137,826
Net Operating Income	\$526,428	\$688,955	\$702,734	\$716,789	\$731,124	\$745,747	\$760,662	\$823,365	\$839,832	\$856,629	\$873,761	\$891,237
Reversion Calculation												
Terminal Capitalization Rate	7.75%											
Sales Costs	3.0%											
Net Sales Proceeds	\$11,200,000											

As Proposed Unrestricted Scenario (Years 1 through 15)

Cash Flow Value Derivation of "as complete"												
Fiscal Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 11	Year 12	Year 13	Year 14	Year 15
	2015	2016	2017	2018	2019	2020	2021	2025	2026	2027	2028	2029
Income												
Low Income Units	\$1,488,000	\$1,517,760	\$1,548,115	\$1,579,078	\$1,610,659	\$1,642,872	\$1,675,730	\$1,813,864	\$1,850,141	\$1,887,144	\$1,924,887	\$1,963,384
Nonresidential	\$17,250	\$17,595	\$17,947	\$18,306	\$18,672	\$19,045	\$19,426	\$21,028	\$21,448	\$21,877	\$22,315	\$22,761
Gross Project Income	\$1,505,250	\$1,535,355	\$1,566,062	\$1,597,383	\$1,629,331	\$1,661,918	\$1,695,156	\$1,834,891	\$1,871,589	\$1,909,021	\$1,947,201	\$1,986,145
Vacancy Allowance	(\$327,033)	(\$92,121)	(\$93,964)	(\$95,843)	(\$97,760)	(\$99,715)	(\$101,709)	(\$110,093)	(\$112,295)	(\$114,541)	(\$116,832)	(\$119,169)
Effective Gross Income	\$1,178,217	\$1,443,234	\$1,472,098	\$1,501,540	\$1,531,571	\$1,562,203	\$1,593,447	\$1,724,798	\$1,759,294	\$1,794,480	\$1,830,369	\$1,866,977
Expenses												
Administrative and Marketing	\$67,500	\$68,850	\$70,227	\$71,632	\$73,064	\$74,525	\$76,016	\$82,282	\$83,928	\$85,606	\$87,318	\$89,065
Maintenance and Operating	\$120,000	\$122,400	\$124,848	\$127,345	\$129,892	\$132,490	\$135,139	\$146,279	\$149,205	\$152,189	\$155,233	\$158,337
Payroll	\$188,000	\$191,760	\$195,595	\$199,507	\$203,497	\$207,567	\$211,719	\$229,171	\$233,754	\$238,429	\$243,198	\$248,062
Utilities	\$217,500	\$221,850	\$226,287	\$230,813	\$235,429	\$240,138	\$244,940	\$265,131	\$270,434	\$275,843	\$281,359	\$286,987
Insurance	\$52,500	\$53,550	\$54,621	\$55,713	\$56,828	\$57,964	\$59,124	\$63,997	\$65,277	\$66,583	\$67,914	\$69,273
Real Estate Taxes	\$95,319	\$97,225	\$99,170	\$101,153	\$103,176	\$105,240	\$107,345	\$116,193	\$118,517	\$120,888	\$123,305	\$125,771
Replacement Reserve	\$52,500	\$53,550	\$54,621	\$55,713	\$56,828	\$57,964	\$59,124	\$63,997	\$65,277	\$66,583	\$67,914	\$69,273
Management Fee	\$47,129	\$57,729	\$58,884	\$60,062	\$61,263	\$62,488	\$63,738	\$68,992	\$70,372	\$71,779	\$73,215	\$74,679
Total Expenses	\$840,448	\$866,915	\$884,253	\$901,938	\$919,977	\$938,376	\$957,144	\$1,036,043	\$1,056,764	\$1,077,900	\$1,099,457	\$1,121,447
Net Operating Income	\$337,769	\$576,319	\$587,845	\$599,602	\$611,594	\$623,826	\$636,303	\$688,755	\$702,530	\$716,580	\$730,912	\$745,530
Reversion Calculation												
Terminal Capitalization Rate	7.75%											
Sales Costs	3.0%											
Net Sales Proceeds	\$9,300,000											

Conclusion

The following table summarizes the conclusions of the Future Cash Flow Analysis.

PROSPECTIVE VALUE AT 15, 20 (Loan Maturity) & 30 YEARS AS RESTRICTED

	Year	# of Units	Indicated Value (Rounded)
As Proposed Restricted	15 years	150	\$11,200,000
As Proposed Restricted	20 years	150	\$12,300,000
As Proposed Restricted	30 years	150	\$15,000,000

PROSPECTIVE VALUE AT 15, 20 (Loan Maturity) & 30 YEARS AS UNRESTRICTED

	Year	# of Units	Indicated Value (Rounded)
As Proposed Unrestricted	15 years	150	\$9,300,000
As Proposed Unrestricted	20 years	150	\$10,300,000
As Proposed Unrestricted	30 years	150	\$12,600,000

Prospective Market Value As Proposed Restricted at 15, 20 (Loan Maturity), and 30 years

The hypothetical prospective market value at 15 years of the Subject's fee simple interest, subject to the rental restrictions in the year 2029 as of November 5, 2012, is:

**ELEVEN MILLION TWO HUNDRED THOUSAND DOLLARS
(\$11,200,000)**

The hypothetical prospective market value at loan maturity (20 years) of the Subject's fee simple interest, subject to the rental restrictions in the year 2034 as of November 5, 2012, is:

**TWELVE MILLION THREE HUNDRED THOUSAND DOLLARS
(\$12,300,000)**

The hypothetical prospective market value at 30 years of the Subject's fee simple interest, subject to the rental restrictions in the year 2044 as of November 5, 2012, is:

**FIFTEEN MILLION DOLLARS
(\$15,000,000)**

Prospective Market Value as Proposed Unrestricted at 15, 20 (Loan Maturity), and 30 years

The hypothetical prospective market value at 15 years of the Subject's fee simple interest, as an unrestricted property in the year 2029 as of November 5, 2012, is:

**NINE MILLION THREE HUNDRED THOUSAND DOLLARS
(\$9,300,000)**

The hypothetical prospective market value at loan maturity (20 years) of the Subject's fee simple interest, as an unrestricted property in the year 2034 as of November 5, 2012, is:

**TEN MILLION THREE HUNDRED THOUSAND DOLLARS
(\$10,300,000)**

The hypothetical prospective market value at 30 years of the Subject's fee simple interest, as an unrestricted property in the year 2044 as of November 5, 2012, is:

TWELVE MILLION SIX HUNDRED THOUSAND DOLLARS
(\$12,600,000)

Below Market Debt

The permanent loan totals \$11,600,000 with a 35 year amortization term and an interest rate of 3.00 percent. Given that the interest rate for the loan is below the current market interest rate, there is value to the debt. The value of the below market debt is calculated by comparing a market debt stream to the proposed debt and bringing the difference to a present value using the market interest rate. The table following illustrates the comparison of the debt assumptions.

Favorable Financing Assumptions				Market Financing Assumptions							
Principal		\$11,600,000		Principal		\$11,600,000					
Interest Rate		3.000%		Interest Rate		5.120%					
Term of Loan		35		Term of Loan		35					
Year	Principal	Interest	Total	Year	Principal	Interest	Total	Differential	Discount Rate	Present Value	
1	\$190,314	\$345,397	\$535,711	1	\$122,134	\$591,080	\$713,214	\$177,503	0.9513	\$168,857	
2	\$196,103	\$339,609	\$535,711	2	\$128,536	\$584,678	\$713,214	\$177,503	0.9050	\$160,633	
3	\$202,067	\$333,644	\$535,711	3	\$135,274	\$577,941	\$713,214	\$177,503	0.8609	\$152,809	
4	\$208,213	\$327,498	\$535,711	4	\$142,365	\$570,850	\$713,214	\$177,503	0.8190	\$145,366	
5	\$214,546	\$321,165	\$535,711	5	\$149,827	\$563,387	\$713,214	\$177,503	0.7791	\$138,286	
6	\$221,072	\$314,639	\$535,711	6	\$157,681	\$555,533	\$713,214	\$177,503	0.7411	\$131,551	
7	\$227,796	\$307,915	\$535,711	7	\$165,946	\$547,268	\$713,214	\$177,503	0.7050	\$125,143	
8	\$234,725	\$300,987	\$535,711	8	\$174,645	\$538,569	\$713,214	\$177,503	0.6707	\$119,048	
9	\$241,864	\$293,847	\$535,711	9	\$183,800	\$529,414	\$713,214	\$177,503	0.6380	\$113,250	
10	\$249,221	\$286,491	\$535,711	10	\$193,434	\$519,780	\$713,214	\$177,503	0.6069	\$107,734	
11	\$256,801	\$278,910	\$535,711	11	\$203,574	\$509,640	\$713,214	\$177,503	0.5774	\$102,486	
12	\$264,612	\$271,100	\$535,711	12	\$214,245	\$498,969	\$713,214	\$177,503	0.5493	\$97,495	
13	\$272,660	\$263,051	\$535,711	13	\$225,476	\$487,739	\$713,214	\$177,503	0.5225	\$92,746	
14	\$280,954	\$254,758	\$535,711	14	\$237,295	\$475,920	\$713,214	\$177,503	0.4971	\$88,229	
15	\$289,499	\$246,212	\$535,711	15	\$249,733	\$463,481	\$713,214	\$177,503	0.4728	\$83,932	
16	\$298,304	\$237,407	\$535,711	16	\$262,824	\$450,390	\$713,214	\$177,503	0.4498	\$79,844	
17	\$307,378	\$228,334	\$535,711	17	\$276,601	\$436,613	\$713,214	\$177,503	0.4279	\$75,955	
18	\$316,727	\$218,985	\$535,711	18	\$291,100	\$422,114	\$713,214	\$177,503	0.4071	\$72,255	
19	\$326,360	\$209,351	\$535,711	19	\$306,359	\$406,855	\$713,214	\$177,503	0.3872	\$68,736	
20	\$336,287	\$199,425	\$535,711	20	\$322,418	\$390,796	\$713,214	\$177,503	0.3684	\$65,388	
21	\$346,515	\$189,196	\$535,711	21	\$339,319	\$373,895	\$713,214	\$177,503	0.3504	\$62,203	
22	\$357,055	\$178,656	\$535,711	22	\$357,106	\$356,109	\$713,214	\$177,503	0.3334	\$59,174	
23	\$367,915	\$167,796	\$535,711	23	\$375,825	\$337,390	\$713,214	\$177,503	0.3171	\$56,291	
24	\$379,106	\$156,606	\$535,711	24	\$395,525	\$317,689	\$713,214	\$177,503	0.3017	\$53,550	
25	\$390,637	\$145,075	\$535,711	25	\$416,258	\$296,957	\$713,214	\$177,503	0.2870	\$50,941	
26	\$402,518	\$133,193	\$535,711	26	\$438,078	\$275,137	\$713,214	\$177,503	0.2730	\$48,460	
27	\$414,761	\$120,950	\$535,711	27	\$461,041	\$252,173	\$713,214	\$177,503	0.2597	\$46,100	
28	\$427,376	\$108,335	\$535,711	28	\$485,208	\$228,006	\$713,214	\$177,503	0.2471	\$43,855	
29	\$440,375	\$95,336	\$535,711	29	\$510,642	\$202,572	\$713,214	\$177,503	0.2350	\$41,719	
30	\$453,770	\$81,942	\$535,711	30	\$537,409	\$175,805	\$713,214	\$177,503	0.2236	\$39,687	
31	\$467,572	\$68,140	\$535,711	31	\$565,580	\$147,635	\$713,214	\$177,503	0.2127	\$37,754	
32	\$481,793	\$53,918	\$535,711	32	\$595,227	\$117,988	\$713,214	\$177,503	0.2023	\$35,915	
33	\$496,448	\$39,264	\$535,711	33	\$626,428	\$86,787	\$713,214	\$177,503	0.1925	\$34,166	
34	\$511,548	\$24,164	\$535,711	34	\$659,264	\$53,950	\$713,214	\$177,503	0.1831	\$32,502	
35	\$527,107	\$8,605	\$535,711	35	\$693,822	\$19,392	\$713,214	\$177,503	0.1742	\$30,918	
Total	\$11,600,000	\$7,149,901	\$18,749,901	Total	\$11,600,000	\$13,362,503	\$24,962,503	\$6,212,602		\$2,862,977	
										Rounded	\$2,900,000

As the calculations above show, the loan has economic value. There is additional value in the fact that it allows the property to obtain more up-front financing and have a lower debt service.

FAVORABLE FINANCING VALUE

	Indicated Value (Rounded)
Restricted	\$2,900,000

INTANGIBLE VALUE OF LOW INCOME HOUSING TAX CREDITS

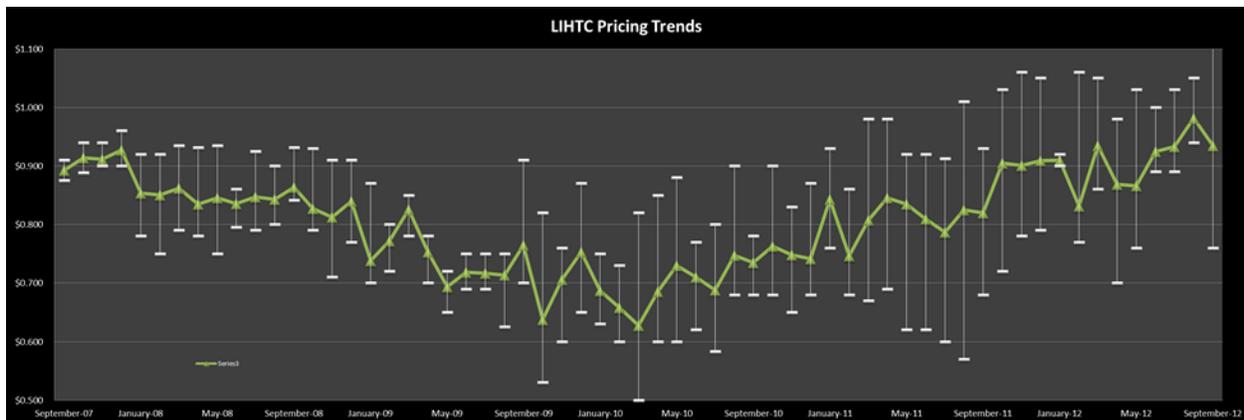
Renovation of the Subject will be financed in part by federal and state tax credit equity. According to the developer’s Sources and Uses statement, the Subject is received Low Income Housing Tax Credits and we were asked to value the tax credits.

Low Income Housing Tax Credits

We were asked to value the federal and state credits. A 10-year federal tax credit incentive program encumbers the Subject. The Subject will be a LIHTC/Section 8 property that will offer income restricted units to households earning 60 percent of the AMI or less. All units will continue to receive a Section 8 overlay.

As an incentive to participate in the low-income housing program the developer is awarded “tax credits” which provide the incentive to construct and rehabilitate affordable housing in otherwise financially infeasible markets. The tax credit program was created by the Internal Revenue Code Section 42, and is a Federal tax program administered by the states. According to the pro forma given by the developer, the Subject will receive a total credit allocation of approximately \$7,888,000 in federal tax credits.

Valuation of LIHTC is typically done by a sales comparison approach. The industry typically values and analyzes the LIHTC transaction on a dollar per credit basis. Over the past year, LIHTC pricing has increased. The following table summarizes details regarding recent LIHTC sales of which Novogradac and Company LLP has direct knowledge.



According to the developer, the tax credits have been given a price of approximately \$0.92 per \$1.00 for federal credits, which is within the range of recent credit pricing. Given the previous data as well as the fact that the Subject will be subsidized by a Section 8 contract, we believe a price of \$0.92 per credit is reasonable. This falls within the range of transactions reported in the last six months for federal tax credits. Therefore, it is our opinion, based upon prevailing market conditions that the market value of the federal tax credits on a cash equivalent basis is (rounded):.

Therefore, total equity received from the sale of the Tax Credits for the Subject is as follows:

VALUE OF FEDERAL TAX CREDITS

Scenario	Credits	Price Per Credit	Value of Tax Credits
As Stabilized Restricted	\$7,880,000	\$0.92	\$7,200,000

As a result, it is our opinion, based upon prevailing market conditions that the market value of the Federal Low Income Housing Tax Credits allocated to the Subject, on a cash equivalent basis, as of November 5, 2012 is:

**SEVEN MILLION TWO HUNDRED THOUSAND DOLLARS
(\$7,200,000)**

Based on information from the developer, the Subject has received a total allocation of \$7,888,000. Recent state credit prices for which we are aware range from \$0.25 to \$0.30 per credit. Therefore, the proposed price of \$0.27 per credit is reasonable. Based upon prevailing market conditions the market value of the state tax credits on a cash equivalent basis is:

VALUE OF STATE TAX CREDITS

Scenario	Credits	Price Per Credit	Value of Tax Credits
As Stabilized Restricted	\$7,880,000	\$0.27	\$2,100,000

**TWO MILLION ONE HUNDRED THOUSAND DOLLARS
(\$2,100,000)**

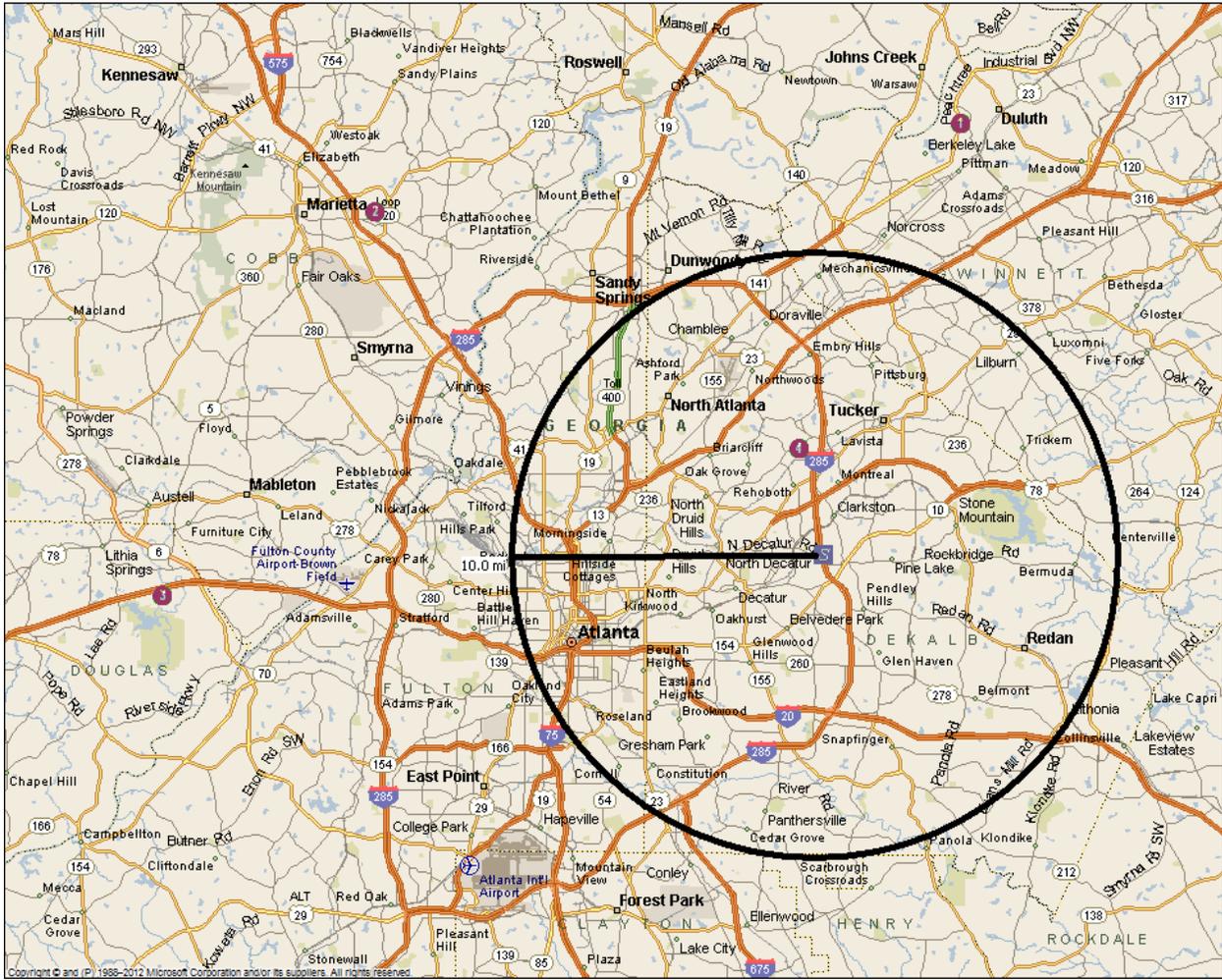
SALES COMPARISON APPROACH

SALES COMPARISON APPROACH

The sales comparison approach to value is a process of comparing market data; that is, the price paid for similar properties, prices asked by owners, and offers made by prospective purchasers willing to buy or lease. Market data is good evidence of value because it represents the actions of users and investors. The sales comparison approach is based on the principle of substitution, which states that a prudent investor would not pay more to buy or rent a property than it will cost them to buy or rent a comparable substitute. The sales comparison approach recognizes that the typical buyer will compare asking prices and work through the most advantageous deal available. In the sales comparison approach, the appraisers are observers of the buyer's actions. The buyer is comparing those properties that constitute the market for a given type and class.

The following pages supply the analyzed sale data and will conclude with a value estimate considered reasonable. We have included four sales from the Atlanta area in our PMA. All sales occurred in the last two years.

Comparable Sales Map



Comparable Sale 1

Name: **Berkshire at Howell Station**
Location: 3655 Peachtree Industrial Blvd
 Duluth, GA



Buyer: Ocean Howell Station LLC
Seller: BVF Howell Station
Document Number: N/A
Sale Date: Mar-12
Sale Price: \$14,862,380

Financing: Conventional
Number of Units: 228
Year Built: 1985/2007
Site: 28.57 acres

Units of Comparison:

Effective Gross Income:	\$1,930,569
EGIM	7.70
Total Expenses:	\$868,496
Net Operating Income:	\$1,062,073
Net Operating Income per Unit:	\$4,658
Overall Rate with Reserves:	7.15%
Sale Price per Unit:	\$65,186

Comments:

This property offers one and two-bedroom townhouse style units. Occupancy at the time of sale was reported to be 95%. The average unit sizes range from 900 to 1,200 square feet. The property offers a basketball court, swimming pool, tennis court, and clubhouse. The information reported was confirmed by the buyer, Ocean Howell Station LLC.

Verification: Public Records, Appraiser File, Buyer

Comparable Sale 2

Name: Bellingham Apartments
Location: 1625 Roswell Road
 Marietta, GA



Buyer: Bellingham Apartments of Atlanta
Seller: Fairfield Residential LLC
Document Number: N/A
Sale Date: Feb-12
Sale Price: \$15,650,000

Financing: Conventional
Number of Units: 201
Year Built: 1996/2008
Site: 13.51 acres

Units of Comparison:

Effective Gross Income:	\$1,995,130
EGIM	7.84
Total Expenses:	\$890,702
Net Operating Income:	\$1,104,428
Net Operating Income per Unit:	\$5,495
Overall Rate with Reserves:	7.06%
Sale Price per Unit:	\$77,861

Comments:

This property offers 26 one, 105 two, and 70 three-bedroom units. The rents range from \$660 to \$1,049. The information reported was confirmed by Bellingham Apartments of Atlanta (855-884-6559).

Verification: Public Records, Appraiser File, Buyer

Comparable Sale 3

Name: Tree Lodge
Location: 1600 Blairs Bridge Road
 Douglasville, GA



Buyer: CFI ERI Lavista Apartments LLC
Seller: Sabino La Vista Crossing LLC
Document Number: N/A
Sale Date: Jul-11
Sale Price: \$20,000,000

Financing: Conventional
Number of Units: 308
Year Built: 2001
Site: 37.25

Units of Comparison:

Effective Gross Income:	\$3,058,000
EGIM	7.51
Total Expenses:	\$1,540,000
Net Operating Income:	\$1,518,000
Net Operating Income per Unit:	\$4,929
Overall Rate with Reserves:	7.36%
Sale Price per Unit:	\$64,935

Comments:

The total expenses were estimated at \$5,000 per unit. The property contains 144 one, 132 two, and 32 three-bedroom units. The average unit size is 1,017 square feet. The information reported was confirmed by Cushman & Wakefield of Georgia, Inc (404-853-5200).

Verification: Broker, Public records, Appraiser File

Comparable Sale 4

Name: La Vista Crossing
Location: 3797 Lavista Road
 Tucker, GA



Seller: CFI ERI Lavista Apartments LLC
Buyer: Sabino La Vista Crossing LLC
Document Number: N/A
Sale Date: Jun-11
Sale Price: \$10,775,000

Financing: Conventional
Number of Units: 240
Year Built: 1969
Site: 23.60

Units of Comparison:

Effective Gross Income:	\$2,240,036
EGIM	7.51
Total Expenses:	\$1,268,984
Net Operating Income:	\$971,052
Net Operating Income per Unit:	\$4,046
Overall Rate with Reserves:	7.36%
Sale Price per Unit:	\$44,896

Comments:

This property offers one-, two-, and three-bedroom townhouse style units. Occupancy at the time of sale was reported to be 96%. The average unit size is 1,059 square feet. The information reported was confirmed by Brown Realty Advisors, Inc (770-594-1915).

Verification: Public Records, Appraiser File, Brown Realty Advisors

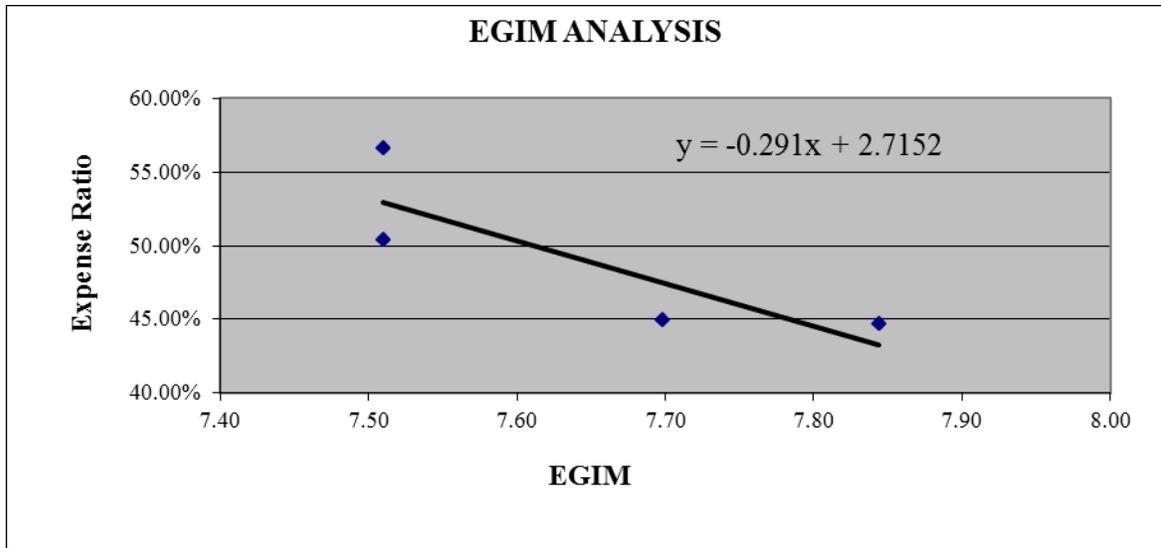
VALUATION ANALYSIS

The sales selected for this analysis are summarized in the following table.

SALES COMPARISON							
Property	Sale Date	Sale Price	# of Units	Price / Unit	Effective Gross		
					Income Multiplier	Overall Rate	
1	Berkshire at Howell Station	Mar-12	\$14,862,380	228	\$65,186	7.70	7.1%
2	Bellingham Apartments	Feb-12	\$15,650,000	201	\$77,861	7.84	7.1%
3	Tree Lodge	Jul-11	\$20,000,000	308	\$64,935	7.51	7.4%
4	La Vista Crossing	Jun-11	\$10,775,000	240	\$44,896	7.51	7.4%
Average			\$15,321,845	244	\$63,219	7.64	7.2%

EGIM Analysis

We first estimate the Subject’s value using the EGIM analysis. The EGIM compares the ratios of sales price to the annual gross income for the property, less a deduction for vacancy and collection loss. A reconciled multiplier for the Subject is then used to convert the Subject’s anticipated effective gross income into an estimate of value. The following chart highlights the correlation between the EGIM and the expense ratios reported by the comparable sales utilized in our analysis.



Comparable Sales and Subject Scenarios Arrayed by Expense Ratio					
	Sale Price	EGI	Expenses	Expense Ratio	EGIM
As Is	\$8,800,000	\$1,537,776	\$878,761	57.14%	5.75
As Stabilized Restricted	\$9,200,000	\$1,537,776	\$862,330	56.08%	6.00
As Stabilized Unrestricted	\$7,800,000	\$1,414,935	\$849,916	60.07%	5.50
Comparable #1	\$14,862,380	\$1,930,569	\$868,496	44.99%	7.7
Comparable #3	\$20,000,000	\$3,058,000	\$1,540,000	50.36%	7.5
Comparable #2	\$15,650,000	\$1,995,130	\$890,702	44.64%	7.8
Comparable #4	\$10,775,000	\$2,240,036	\$1,268,984	56.65%	7.5

We acknowledge the limited accuracy of this estimate since the majority of the Subject’s operating expense ratios are at the top of the range of the comparable properties. The Subject’s indicated

values using the EGIM method are presented in the following table.

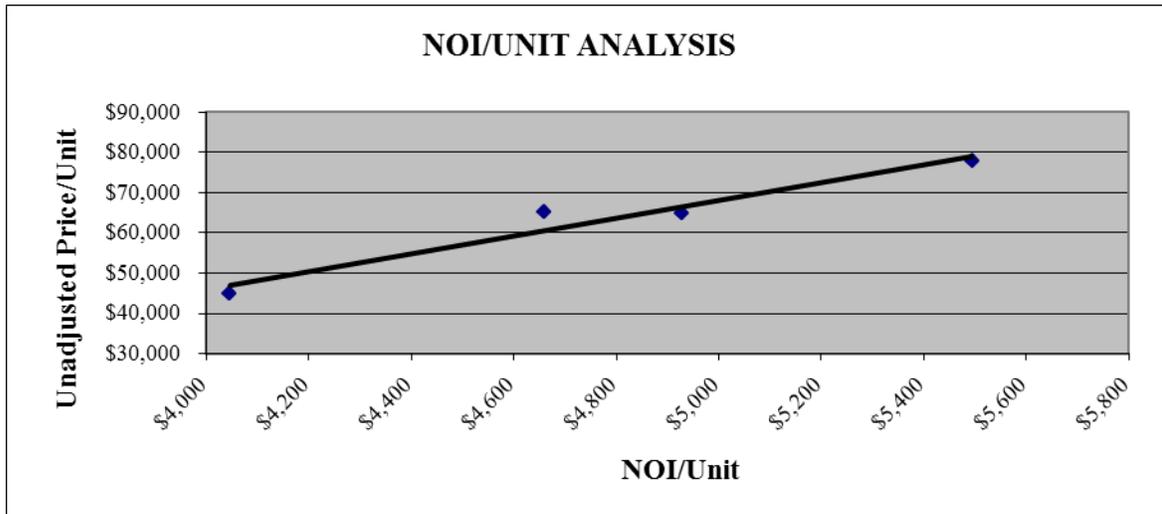
EGIM ANALYSIS - "AS COMPLETE AND STABILIZED"

Scenario	EGIM	Effective Gross Income	Indicated Value (Rounded)
As Is	5.75	\$1,537,776	\$8,800,000
As Stabilized Restricted	6.00	\$1,537,776	\$9,200,000
As Stabilized Unrestricted	5.50	\$1,414,935	\$7,800,000

NOI/UNIT ANALYSIS

The available sales data also permits the use of the NOI/Unit analysis. This NOI/Unit analysis examines the income potential of a property relative to the price paid per unit. The sales indicate that, in general, investors are willing to pay more for properties with greater income potential. Based on this premise, we are able to gauge the Subject's standing in our market survey group, thereby estimating a value on a price per unit applicable to the Subject. This analysis allows us to provide a quantitative adjustment process and avoids qualitative, speculative adjustments.

To estimate an appropriate price/unit for the Subject, we examined the change in NOI/Unit and how it affects the price/unit. By determining the percent variance of the comparable properties NOI/Unit to the Subject, we determine an adjusted price/unit for the Subject. As the graph illustrates there is a direct relationship between the NOI and the sale price of the comparable properties.



The tables below summarize the calculated adjustment factors and the indicated adjusted prices.

NOI/UNIT ANALYSIS

As Is

No.	Subject's Stabilized NOI/Unit	/	Sale's NOI/Unit	=	Adjustment Factor	x	Unadjusted Price/Unit	=	Adjusted Price/Unit
1	\$4,393	/	\$4,658	=	0.943	X	\$65,186	=	\$61,481
2	\$4,393	/	\$5,495	=	0.800	X	\$77,861	=	\$62,256
3	\$4,393	/	\$4,929	=	0.891	X	\$64,935	=	\$57,884
4	\$4,393	/	\$4,046	=	1.086	X	\$44,896	=	\$48,750
			\$4,782		0.930		\$63,219		\$57,593

NOI/UNIT ANALYSIS

As Stabilized Restricted

No.	Subject's Stabilized NOI/Unit	/	Sale's NOI/Unit	=	Adjustment Factor	x	Unadjusted Price/Unit	=	Adjusted Price/Unit
1	\$4,503	/	\$4,658	=	0.967	X	\$65,186	=	\$63,013
2	\$4,503	/	\$5,495	=	0.820	X	\$77,861	=	\$63,808
3	\$4,503	/	\$4,929	=	0.914	X	\$64,935	=	\$59,328
4	\$4,503	/	\$4,046	=	1.113	X	\$44,896	=	\$49,966
			\$4,782		0.953		\$63,219		\$59,029

NOI/UNIT ANALYSIS

As Stabilized Unrestricted

No.	Subject's Stabilized NOI/Unit	/	Sale's NOI/Unit	=	Adjustment Factor	x	Unadjusted Price/Unit	=	Adjusted Price/Unit
1	\$3,767	/	\$4,658	=	0.809	X	\$65,186	=	\$52,712
2	\$3,767	/	\$5,495	=	0.686	X	\$77,861	=	\$53,376
3	\$3,767	/	\$4,929	=	0.764	X	\$64,935	=	\$49,628
4	\$3,767	/	\$4,046	=	0.931	X	\$44,896	=	\$41,797
			\$4,782		0.797		\$63,219		\$49,378

All of the sales are within a relatively close range. The Subject is most similar to Comparable four in terms of location. All of the remaining sales are considered slightly superior to superior to the Subject in terms of location. The comparable sales were constructed between 1969 and 2001. The Subject will be recently renovated and in similar condition to Comparable one, two, and three, and slightly superior to Comparable four in terms of age and condition. While we have taken all four sales into account when concluding to a per unit value, we have relied most heavily on comparables one and four and have concluded to a value between these two comparables. Value indications via the NOI per unit analysis are summarized below.

NOI/UNIT ANALYSIS - "AS COMPLETE AND STABILIZED"

Scenario	Number of Units	Price per unit	Indicated Value (Rounded)
As Is	150	\$58,000	\$8,700,000
As Stabilized Restricted	150	\$62,000	\$9,300,000
As Stabilized Unrestricted	150	\$52,000	\$7,800,000

Conclusion

We utilized the EGIM, the NOI/Unit, and the per unit adjustment analyses to estimate the Subject's value using the sales comparison approach. These two methods must be reconciled into a single value estimate. Both techniques provide a reasonable indication of the Subject's value. While the EGIM analysis is considered to be a reasonable method of valuation, the NOI/unit analysis is typically considered to be the better approach due to its concentration on NOI or a point more reflective of investor returns, and its use with relation to the sales prices.

The Subject's market value of the real estate assuming current Section 8 contract rents and encumbrances "As Is," via the Sales Comparison Approach, as of November 5, 2012 is:

EIGHT MILLION SEVEN HUNDRED THOUSAND DOLLARS
(\$8,700,000)

The Subject's hypothetical market value of the real estate assuming the proposed restricted rents "As Complete and Stabilized," via the Sales Comparison Approach, as of November 5, 2012 is:

NINE MILLION THREE HUNDRED THOUSAND DOLLARS
(\$9,000,000)

The Subject's hypothetical market value of the real estate assuming achievable market rents "As Complete and Stabilized," via the Sales Comparison Approach, as of November 5, 2012 is:

SEVEN MILLION EIGHT HUNDRED THOUSAND DOLLARS
(\$7,800,000)

Please refer to the assumptions and limiting conditions regarding the valuation and hypothetical value conclusions.

RECONCILIATION

RECONCILIATION

We were asked to provide an estimate of the Subject's value as is, as complete, and as complete and stabilized with restricted rents, and as complete and as complete and stabilized and stabilized with no restrictions, along with various other tangible and intangible components. *Please see the assumptions and limiting conditions regarding hypothetical value conclusions.*

We considered the traditional approaches in the estimation of the Subject's value. The resulting value estimates are presented following:

LAND VALUE

Underlying	Units	Price Per Unit	Indicated Value (Rounded)
Land Value	173	\$6,000	\$1,000,000

DIRECT CAPITALIZATION ANALYSIS - "AS COMPLETE"

Scenario	Loss To Lease	Indicated Value (Rounded)
As Is	N/A	\$8,800,000
As Stabilized Restricted	\$72,000	\$9,200,000
As Stabilized Unrestricted	\$130,000	\$7,700,000

DIRECT CAPITALIZATION ANALYSIS - "AS COMPLETE AND STABILIZED"

Scenario	Cap Rate	Net Operating Income	Indicated Value (Rounded)
As Is	7.50%	\$659,015	\$8,800,000
As Stabilized Restricted	7.25%	\$675,446	\$9,300,000
As Stabilized Unrestricted	7.25%	\$565,019	\$7,800,000

EGIM ANALYSIS - "AS COMPLETE AND STABILIZED"

Scenario	EGIM	Effective Gross Income	Indicated Value (Rounded)
As Is	5.75	\$1,537,776	\$8,800,000
As Stabilized Restricted	6.00	\$1,537,776	\$9,200,000
As Stabilized Unrestricted	5.50	\$1,414,935	\$7,800,000

NOI/UNIT ANALYSIS - "AS COMPLETE AND STABILIZED"

Scenario	Number of Units	Price per unit	Indicated Value (Rounded)
As Is	150	\$58,000	\$8,700,000
As Stabilized Restricted	150	\$62,000	\$9,300,000
As Stabilized Unrestricted	150	\$52,000	\$7,800,000

FAVORABLE FINANCING VALUE

	Indicated Value (Rounded)
Restricted	\$2,900,000

PROSPECTIVE VALUE AT 15, 20 (Loan Maturity) & 30 YEARS AS RESTRICTED

	Year	# of Units	Indicated Value (Rounded)
As Proposed Restricted	15 years	150	\$11,200,000
As Proposed Restricted	20 years	150	\$12,300,000
As Proposed Restricted	30 years	150	\$15,000,000

PROSPECTIVE VALUE AT 15, 20 (Loan Maturity) & 30 YEARS AS UNRESTRICTED

	Year	# of Units	Indicated Value (Rounded)
As Proposed Unrestricted	15 years	150	\$9,300,000
As Proposed Unrestricted	20 years	150	\$10,300,000
As Proposed Unrestricted	30 years	150	\$12,600,000

VALUE OF FEDERAL TAX CREDITS

Scenario	Credits	Price Per Credit	Value of Tax Credits
As Stabilized Restricted	\$7,880,000	\$0.92	\$7,200,000

VALUE OF STATE TAX CREDITS

Scenario	Credits	Price Per Credit	Value of Tax Credits
As Stabilized Restricted	\$7,880,000	\$0.27	\$2,100,000

The value indicated by the income capitalization approach is a reflection of a prudent investor's analysis of an income producing property. In this approach, income is analyzed in terms of quantity, quality, and durability. Due to the fact that the Subject is income producing in nature, this approach is the most applicable method of valuing the Subject property. Furthermore, when valuing the intangible items it is the only method of valuation considered.

The sales comparison approach reflects an estimate of value as indicated by the sales market. In this approach, we searched the local market for transfers of similar type properties. These transfers were analyzed for comparative units of value based upon the most appropriate indices (i.e. \$/Unit, OAR, etc.). Our search revealed several sales over the past three years. While there was substantial information available on each sale, the sales varied in terms of location, quality of income stream, condition, etc. As a result, the appraisers used both an EGIM and a NOI/unit analysis. These analyses provide a good indication of the Subject's market value.

In the final analysis, we considered the influence of the two approaches in relation to one another and in relation to the Subject. In the case of the Subject several components of value can only be valued using either the income or sales comparison approach.

Underlying Land Value

The indicated "As If Vacant Value of the Land", as of November 5, 2012, is:

**ONE MILLION DOLLARS
(\$1,000,000)**

"As Is" Value

The Subject's indicated market value "As Is," of the fee simple interest in the Subject, free and clear of financing, as of November 5, 2012, is:

**EIGHT MILLION EIGHT HUNDRED THOUSAND DOLLARS
(\$8,800,000)**

Upon Completion Assuming Restricted Rents

The Subject's hypothetical market value of the real estate assuming current Section 8 rents "Upon Completion," as of November 5, 2012, is:

**NINE MILLION TWO HUNDRED THOUSAND DOLLARS
(\$9,200,000)**

Upon Completion Assuming Unrestricted Rents

The Subject's hypothetical market value of the real estate assuming unrestricted operation "Upon Completion," as of November 5, 2012, is:

**SEVEN MILLION SEVEN HUNDRED THOUSAND DOLLARS
(\$7,700,000)**

As Complete and Stabilized Assuming Restricted Rents

The Subject's hypothetical estimated market value "As Complete and Stabilized" assuming current Section 8 contract rents, of the fee simple interest in the Subject, free and clear of financing, as of November 5, 2012, is:

**NINE MILLION THREE HUNDRED THOUSAND DOLLARS
(\$9,300,000)**

As Complete and Stabilized Assuming Unrestricted Rents

The Subject's hypothetical estimated market value "As Complete and Stabilized" assuming unrestricted market rental rates, of the fee simple interest in the Subject, free and clear of financing, as of November 5, 2012, is:

**SEVEN MILLION EIGHT HUNDRED THOUSAND DOLLARS
(\$7,800,000)**

Prospective Market Value As Proposed Restricted at 15, 20 (Loan Maturity), and 30 years

The hypothetical prospective market value at 15 years of the Subject's fee simple interest, subject to the rental restrictions in the year 2029 as of November 5, 2012, is:

**ELEVEN MILLION TWO HUNDRED THOUSAND DOLLARS
(\$11,200,000)**

The hypothetical prospective market value at loan maturity (20 years) of the Subject's fee simple interest, subject to the rental restrictions in the year 2034 as of November 5, 2012, is:

**TWELVE MILLION THREE HUNDRED THOUSAND DOLLARS
(\$12,300,000)**

The hypothetical prospective market value at 30 years of the Subject's fee simple interest, subject to the rental restrictions in the year 2044 as of November 5, 2012, is:

**FIFTEEN MILLION DOLLARS
(\$15,000,000)**

Prospective Market Value as Proposed Unrestricted at 15, 20 (Loan Maturity), and 30 years

The hypothetical prospective market value at 15 years of the Subject's fee simple interest, as an unrestricted property in the year 2029 as of November 5, 2012, is:

**NINE MILLION THREE HUNDRED THOUSAND DOLLARS
(\$9,300,000)**

The hypothetical prospective market value at loan maturity (20 years) of the Subject's fee simple interest, as an unrestricted property in the year 2034 as of November 5, 2012, is:

**TEN MILLION THREE HUNDRED THOUSAND DOLLARS
(\$10,300,000)**

The hypothetical prospective market value at 30 years of the Subject's fee simple interest, as an unrestricted property in the year 2044 as of November 5, 2012, is:

**TWELVE MILLION SIX HUNDRED THOUSAND DOLLARS
(\$12,600,000)**

Below Market Debt

The market value of the Subject's below market debt as of November 5, 2012, is:

**TWO MILLION NINE HUNDRED THOUSAND DOLLARS
(\$2,900,000)**

Federal Tax Credit Value

As a result, it is our opinion, based upon prevailing market conditions that the market value of the Federal Low Income Housing Tax Credits allocated to the Subject, on a cash equivalent basis, as of November 5, 2012 is:

**SEVEN MILLION TWO HUNDRED THOUSAND DOLLARS
(\$7,200,000)**

State Tax Credit Value

As a result, it is our opinion, based upon prevailing market conditions that the market value of the State Low Income Housing Tax Credits allocated to the Subject, on a cash equivalent basis, as of November 5, 2012 is:

**TWO MILLION ONE HUNDRED THOUSAND DOLLARS
(\$2,100,000)**

Please refer to the assumptions and limiting conditions regarding the valuation and hypothetical value conclusions.

MARKETING TIME PROJECTION:

Marketing Time is defined as the period from the date of initial listing to the settlement date. The projected marketing time for the Subject property "as is" will vary greatly, depending upon the aggressiveness of the marketing agent, the method of marketing, the market that is targeted, interest rates and the availability of credit at the time the property is marketed, the supply and demand of similar properties for sale or having been recently purchased, and the perceived risks at the time it is marketed.

Discussions with area Realtors indicate that a marketing period of six to 12 months is reasonable for properties such as the Subject. This is supported by data obtained on several of the comparable sales and consistent with information obtained from the PwC survey. This estimate assumes a strong advertising and marketing program during the marketing period.

Reasonable Exposure Time:

Statement 6, Appraisal Standards to USPAP notes that reasonable exposure time is one of a series of conditions in most market value definitions. Exposure time is always presumed to proceed the effective date of the appraisal.

It is defined as the "estimated length of time the property interests appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market." Based on our read of the market, historical information provided by the *PwC Investor Survey* and recent sales of apartment product, an exposure time of six to 12 months appears adequate.

ADDENDUM A
Assumptions and Limiting Conditions, Certification

ASSUMPTIONS AND LIMITING CONDITIONS

1. In the event that the client provided a legal description, building plans, title policy and/or survey, etc., the appraiser has relied extensively upon such data in the formulation of all analyses.
2. The legal description as supplied by the client is assumed to be correct and the author assumes no responsibility for legal matters, and renders no opinion of property title, which is assumed to be good and merchantable.
3. All encumbrances, including mortgages, liens, leases, and servitudes, were disregarded in this valuation unless specified in the report. It was recognized, however, that the typical purchaser would likely take advantage of the best available financing, and the effects of such financing on property value were considered.
4. All information contained in the report which others furnished was assumed to be true, correct, and reliable. A reasonable effort was made to verify such information, but the author assumes no responsibility for its accuracy.
5. The report was made assuming responsible ownership and capable management of the property.
6. The sketches, photographs, and other exhibits in this report are solely for the purpose of assisting the reader in visualizing the property. The author made no property survey, and assumes no liability in connection with such matters. It was also assumed there is no property encroachment or trespass unless noted in the report.
7. The author of this report assumes no responsibility for hidden or unapparent conditions of the property, subsoil or structures, or the correction of any defects now existing or that may develop in the future. Equipment components were assumed in good working condition unless otherwise stated in this report.
8. It is assumed that there are no hidden or unapparent conditions for the property, subsoil, or structures, which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering, which may be required to discover such factors.
9. The investigation made it reasonable to assume, for report purposes, that no insulation or other product banned by the Consumer Product Safety Commission has been introduced into the Subject premises. Visual inspection by the appraiser did not indicate the presence of any hazardous waste. It is suggested the client obtain a professional environmental hazard survey to further define the condition of the Subject soil if they deem necessary.
10. Any distribution of total property value between land and improvements applies only under the existing or specified program of property utilization. Separate valuations for land and buildings must not be used in conjunction with any other study or appraisal and are invalid if so used.

11. A valuation estimate for a property is made as of a certain day. Due to the principles of change and anticipation the value estimate is only valid as of the date of valuation. The real estate market is non-static and change and market anticipation is analyzed as of a specific date in time and is only valid as of the specified date.
12. Possession of the report, or a copy thereof, does not carry with it the right of publication, nor may it be reproduced in whole or in part, in any manner, by any person, without the prior written consent of the author particularly as to value conclusions, the identity of the author or the firm with which he or she is connected. Neither all nor any part of the report, or copy thereof shall be disseminated to the general public by the use of advertising, public relations, news, sales, or other media for public communication without the prior written consent and approval of the appraiser. Nor shall the appraiser, firm, or professional organizations of which the appraiser is a member be identified without written consent of the appraiser.
13. Disclosure of the contents of this report is governed by the Bylaws and Regulations of the professional appraisal organization with which the appraiser is affiliated: specifically, the Appraisal Institute.
14. The author of this report is not required to give testimony or attendance in legal or other proceedings relative to this report or to the Subject property unless satisfactory additional arrangements are made prior to the need for such services.
15. The opinions contained in this report are those of the author and no responsibility is accepted by the author for the results of actions taken by others based on information contained herein.
16. Opinions of value contained herein are estimates. There is no guarantee, written or implied, that the Subject property will sell or lease for the indicated amounts.
17. All applicable zoning and use regulations and restrictions are assumed to have been complied with, unless nonconformity has been stated, defined, and considered in the appraisal report.
18. It is assumed that all required licenses, permits, covenants or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
19. On all appraisals, subject to satisfactory completion, repairs, or alterations, the appraisal report and value conclusions are contingent upon completion of the improvements in a workmanlike manner and in a reasonable period of time. A final inspection and value estimate upon the completion of said improvements should be required.
20. All general codes, ordinances, regulations or statutes affecting the property have been and will be enforced and the property is not subject to flood plain or utility restrictions or moratoriums, except as reported to the appraiser and contained in this report.
21. The party for whom this report is prepared has reported to the appraiser there are no original

existing condition or development plans that would subject this property to the regulations of the Securities and Exchange Commission or similar agencies on the state or local level.

22. Unless stated otherwise, no percolation tests have been performed on this property. In making the appraisal, it has been assumed the property is capable of passing such tests so as to be developable to its highest and best use, as detailed in this report.
23. No in-depth inspection was made of existing plumbing (including well and septic), electrical, or heating systems. The appraiser does not warrant the condition or adequacy of such systems.
24. No in-depth inspection of existing insulation was made. It is specifically assumed no Urea Formaldehyde Foam Insulation (UFFI), or any other product banned or discouraged by the Consumer Product Safety Commission has been introduced into the appraised property. The appraiser reserves the right to review and/or modify this appraisal if said insulation exists on the Subject property.
25. Acceptance of and/or use of this report constitute acceptance of all assumptions and the above conditions. Estimates presented in this report are not valid for syndication purposes.

CERTIFICATION

- The statements of fact contained in this report are true and correct;
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, conclusions, and recommendations;
- We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest with respect to the parties involved;
- We have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment;
- We have no bias with respect to any property that is the subject of this report or to the parties involved with this assignment;
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results;
- 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;
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice;
- Nicole Kelley has made a personal inspection of the property that is the subject of this report. Matt Hummel has gathered comparable market data incorporated in this report and is competent to perform such analyses. No one other than those listed on this page provided any significant real property appraisal assistance.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives. As of the date of this report, Brad E. Weinberg, MAI, CCIM and Rachel B. Denton have completed the requirements of the continuing education program of the Appraisal Institute



Brad Weinberg, MAI, CCIM
Partner
Georgia License #221179



Rachel B. Denton
Manager
Certified General Appraiser

ADDENDUM B
Qualifications of Consultants

CURRICULUM VITAE
BRAD E. WEINBERG, MAI, CCIM

I. Education

University of Maryland, Masters of Science in Accounting & Financial Management
University of Maryland, Bachelors of Arts in Community Planning

II. Licensing and Professional Affiliations

MAI Member, Appraisal Institute, No. 10790
Certified Investment Member (CCIM), Commercial Investment Real Estate Institute
Member, Urban Land Institute
Member, National Council of Affordable Housing Market Analysts (NCAHMA)

State of Alabama – Certified General Real Estate Appraiser; No. G00628
Washington, D.C. – Certified General Real Estate Appraiser; No. GA10340
State of Georgia – Certified General Real Property Appraiser; No. 221179
State of Maryland – Certified General Real Estate Appraiser; No. 6048
State of South Carolina – Certified General Real Estate Appraiser; No. 4566

III. Professional Experience

Partner, Novogradac & Company LLP
President, Capital Realty Advisors, Inc.
Vice President, The Community Partners Realty Advisory Services Group, LLC
President, Weinberg Group, Real Estate Valuation & Consulting
Manager, Ernst & Young LLP, Real Estate Valuation Services
Senior Appraiser, Joseph J. Blake and Associates
Senior Analyst, Chevy Chase F.S.B.
Fee Appraiser, Campanella & Company

IV. Professional Training

Appraisal Institute Coursework and Seminars Completed for MAI Designation and Continuing Education Requirements

Commercial Investment Real Estate Institute (CIREI) Coursework and Seminars Completed for CCIM Designation and Continuing Education Requirements

V. Speaking Engagements and Authorship

Numerous speaking engagements at Affordable Housing Conferences throughout the Country

Participated in several industry forums regarding the Military Housing Privatization Initiative

Authored “New Legislation Emphasizes Importance of Market Studies in Allocation Process,” *Affordable Housing Finance*, March 2001

VI. Real Estate Assignments

A representative sample of Due Diligence, Consulting or Valuation Engagements includes:

- On a national basis, conduct market studies and appraisals for proposed Low-Income Housing Tax Credit properties. Analysis includes preliminary property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis and operating expense analysis to determine appropriate cost estimates.
- Developed a Flat Rent Model for the Trenton Housing Authority. Along with teaming partner, Quadel Consulting Corporation, completed a public housing rent comparability study to determine whether the flat rent structure for public housing units is reasonable in comparison to similar, market-rate units. THA also requested a flat rent schedule and system for updating its flat rents. According to 24 CFR 960.253, public housing authorities (PHAs) are required to establish flat rents, in order to provide residents a choice between paying a “flat” rent, or an “income-based” rent. The flat rent is based on the “market rent”, defined as the rent charged for a comparable unit in the private, unassisted market at which a PHA could lease the public housing unit after preparation for occupancy. Based upon the data collected, the consultant will develop an appropriate flat rent schedule, complete with supporting documentation outlining the methodology for determining and applying the rents. We developed a system that THA can implement to update the flat rent schedule on an annual basis.
- As part of an Air Force Privatization Support Contractor team (PSC) to assist the Air Force in its privatization efforts. Participation has included developing and analyzing housing privatization concepts, preparing the Request for Proposal (RFP), soliciting industry interest and responses to housing privatization RFP, Evaluating RFP responses, and recommending the private sector entity to the Air Force whose proposal brings best value to the Air Force. Mr. Weinberg has participated on numerous initiatives and was the project manager for Shaw AFB and Lackland AFB Phase II.
- Conducted housing market analyses for the U.S. Army in preparation for the privatization of military housing. This is a teaming effort with Parsons Corporation. These analyses were done for the purpose of determining whether housing deficits or surpluses exist at specific installations. Assignment included local market analysis, consultation with installation housing personnel and local government agencies, rent surveys, housing data collection, and analysis, and the preparation of final reports.
- Developed a model for the Highland Company and the Department of the Navy to test feasibility of developing bachelor quarters using public-private partnerships. The model was developed to test various levels of government and private sector participation and contribution. The model was used in conjunction with the market analysis of two test sites to determine the versatility of the proposed development model. The analysis included an analysis of development costs associated with both MILCON and private sector standards as well as the potential market appeal of the MILSPECS to potential private sector occupants.

**STATEMENT OF PROFESSIONAL QUALIFICATIONS
RACHEL BARNES DENTON**

I. EDUCATION

Cornell University, Ithaca, NY
School of Architecture, Art & Planning, Bachelor of Science in City & Regional Planning

II. LICENSING AND PROFESSIONAL AFFILIATION

Associate Member of the Appraisal Institute
Member of National Council of Affordable Housing Market Analysts (NCAHMA)
Member of Commercial Real Estate Women (CREW) Network
2011 Communications Committee Co-Chair for the Kansas City CREW Chapter

State of Arkansas Certified General Real Estate Appraiser No. CG3527N
State of California Certified General Real Estate Appraiser No. AG044228
State of Colorado Certified General Real Estate Appraiser No. 100031319
State of Illinois Certified General Real Estate Appraiser No. 553.002012
State of Kansas Certified General Real Estate Appraiser No. G-2501
State of Missouri Certified General Real Estate Appraiser No. 2007035992
State of Oregon Certified General Real Estate Appraiser No. C000951

III. PROFESSIONAL EXPERIENCE

Novogradac & Company LLP, Manager
Novogradac & Company LLP, Senior Real Estate Analyst

IV. PROFESSIONAL TRAINING

Educational requirements successfully completed for the Appraisal Institute:
Appraisal Principals, September 2004
Basic Income Capitalization, April 2005
Uniform Standards of Professional Appraisal Practice, November 2005
Advanced Income Capitalization, August 2006
General Market Analysis and Highest & Best Use, July 2008
Advanced Sales Comparison and Cost Approaches, June 2009
Advanced Applications, June 2010
Standards and Ethics (USPAP and Business Practices and Ethics) – Current for 2010 to 2015 Cycle

HUD MAP Training, Columbus, Ohio, May 2010

V. REAL ESTATE ASSIGNMENTS

A representative sample of Due Diligence, Consulting, or Valuation Engagements includes:

In general, have managed and conducted numerous market analyses and appraisals for various types of commercial real estate since 2003, with an emphasis on affordable multifamily housing.

Conducted and managed appraisals of proposed new construction, rehab and existing Low-Income Housing Tax Credit properties, Section 8 Mark-to-Market properties, HUD MAP Section 221(d)(4) and 223(f) properties, USDA Rural Development, and market rate multifamily developments on a national basis. Analysis includes property screenings, economic and demographic analysis, determination of the Highest and Best Use, consideration and application of the three traditional approaches to value, and reconciliation to a final value estimate. Both tangible real estate values and intangible values in terms of tax credit valuation, beneficial financing, and PILOT are considered. Additional appraisal assignments completed include commercial land valuation, industrial properties for estate purposes, office buildings for governmental agencies, and leasehold interest valuation. Typical clients include developers, lenders, investors, and state agencies.

Managed and conducted market studies for proposed Low-Income Housing Tax Credit, HUD MAP, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties, on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis and operating expense analysis. Property types include proposed multifamily, senior independent living, large family, acquisition/rehabilitation, historic rehabilitation, adaptive reuse, and single family developments. Typical clients include developers, state agencies, syndicators, investors, and lenders.

Completed and have overseen numerous Rent Comparability Studies in accordance with HUD's Section 8 Renewal Policy and Chapter 9 for various property owners and local housing authorities. The properties were typically undergoing recertification under HUD's Mark to Market Program.

Performed and managed market studies and appraisals of proposed new construction and existing properties under the HUD Multifamily Accelerated Processing (MAP) program. These reports meet the requirements outlined in HUD Handbook 4465.1 and Chapter 7/Appendix 7 of the HUD MAP Guide for 221(d)(4) and 223(f) programs.

Performed and have overseen numerous market study/appraisal assignments for USDA RD properties in several states in conjunction with acquisition/rehabilitation redevelopments. Documents are used by states, lenders, USDA, and the developer in the underwriting process. Market studies are compliant to State, lender, and USDA requirements. Appraisals are compliant to lender requirements and USDA HB-1-3560 Chapter 7 and Attachments.

Performed appraisals for estate valuation and/or donation purposes for various types of real estate, including commercial office, industrial, and multifamily assets. These engagements were conducted in accordance with the Internal Revenue Service's Real Property Valuation Guidelines, Section 4.48.6 of the Internal Revenue Manual.

Conducted a Highest and Best Use Analysis for a proposed two-phase senior residential development for a local Housing Authority in the western United States. Completed an analysis of existing and proposed senior supply of all types, including both renter and owner-occupied options, and conducted various demand analyses in order to determine level of need and ultimate highest and best use of the site.

Prepared a three-year Asset Management tracking report for a 16-property portfolio in the southern United States. Data points monitored include economic vacancy, levels of concessions, income and operating expense levels, NOI and status of capital projects. Data used to determine these effects on the project's ability to meet its income-dependent obligations.

Performed a community-wide affordable housing market analysis for a medium-sized city in the Midwest. Analysis included demographic and demand forecasts, interviews with local stakeholders, surveys of existing and proposed affordable supply, and reconciliation of operations at existing supply versus projected future need for affordable housing.

ADDENDUM C
Subject Photos



Subject



Subject



Subject



Subject



Subject



Subject



Subject parking lot



View of playground



View of receptacle area



View of laundry facility



View of laundry facility



View of typical kitchen



View of typical living room



View of typical bedroom



View of typical bathroom



View of typical bedroom



View of typical bedroom



View of typical kitchen



View of typical dining room



View of typical stairway



View of typical bathroom



View along Hatton Drive to the northwest



View along Hatton Drive to the southeast



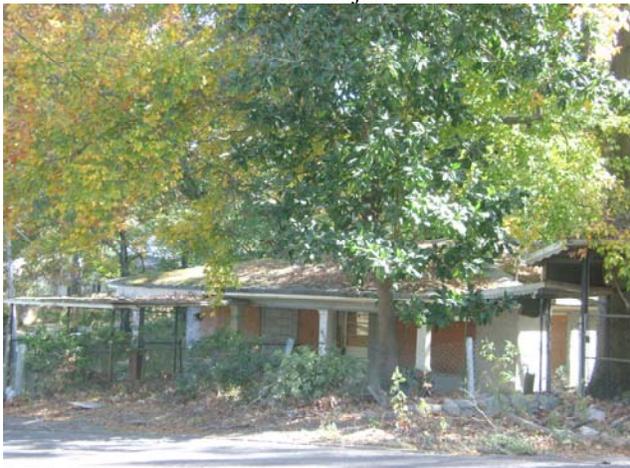
View of typical single family home north of the Subject



View of Dekalb County maintenance workshop adjacent to the Subject



View of sport fields northwest of the Subject



View of typical single family home north of the Subject



View to the northeast along Glendale Road



View of retail northwest of the Subject along Glendale Road



View of retail northwest of the Subject along Glendale Road



View of gas station north of the Subject along Glendale Road



View of typical single family home south of the Subject



View of typical single family home south of the Subject



View of typical single family home north of the Subject



View of typical single family home



View of wooded area east of the Subject

ADDENDUM D
Flood Plain Map



FloodInsights test results for :

338 HATTON DR, SCOTSDALE,GA 30079

Geocoding Accuracy: S5 (Very Accurate) - single valid address match, point located at an interpolated position along street line segment

Flood Zone Determinations

[Test Description](#)

SFHA (Flood Zone) Within 250 feet of multiple flood zones?
 Out No

Zone	Community	Community Name	Panel	Panel Date	Cobra	Map Number
X	130065	UNINCORPORATED AREA	0067H	May 07, 2001	OUT	13089C0067H
FIPS Code	Census Tract					
13089	0221.00					

Zoom In //
 Zoom Out //
 Manual Placement [What's This? //](#)
 Distance //
 1.23 Zoom Level (Miles)

Display Layer	On/Off
Flood Zone Determinations	<input checked="" type="checkbox"/>
<input type="button" value="ReDraw Map"/>	
<p><i>Note: Some map information may not appear as zoom level changes.</i></p>	

FloodMap Legend

Flood Zones

- Areas inundated by 500-year flooding
- Areas outside of the 100- and 500-year floodplains
- Areas inundated by 100-year flooding
- Areas inundated by 100-year flooding with velocity hazard
- Floodway areas
- Floodway areas with velocity hazard
- Areas of undetermined but possible flood hazards
- Areas not mapped on any published FIRM

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new address

birds-eye geocoding

print

copy map

faq's

save as pdf

exit

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[Questions?](#) Contact CDS 617.737.4444

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[Awarded US Patent #7636901](#)

ADDENDUM E
Developer's Budget and Proforma

Oak Forest Apts

Apartment Rents & Income

										Construction / Rehab Phase:			Stabilized Rent Assisted Units:					
RENTAL INCOME	# Units	FMR	Rent Schedule	Utility Allowance	Max. Rent by Tenant	Project Rents	Monthly Income	Annual Income	Sq. Ft. Per Unit	Rent Per Sq. Ft.	Current Rents	Monthly Income	Annual Income	# RA Units	RA Rents	RA Overhang	Monthly Income	Annual Income
Get Gross Rents																		
TAX CREDIT UNITS																		
Studio (30% AMI)	0	\$1,000.0	\$315.0	\$0.0	\$315.0	\$0.0	\$0.0	\$0.0	835.0	\$0.00	\$300.0	\$0.0	\$0.0	0	\$350.0	\$350.0	\$0.0	\$0.0
Studio (40% AMI)	0	1,000.0	315.0	0.0	315.0	0.0	0.0	0.0	835.0	0.00	300.0	0.0	0.0	0	350.0	350.0	0.0	0.0
Studio (50% AMI)	0	1,000.0	315.0	0.0	315.0	0.0	0.0	0.0	835.0	0.00	300.0	0.0	0.0	0	350.0	350.0	0.0	0.0
Studio (60% AMI)	0	1,000.0	315.0	0.0	315.0	0.0	0.0	0.0	835.0	0.00	300.0	0.0	0.0	0	350.0	350.0	0.0	0.0
1 BR/1 Bath (30% AMI)	0	1,000.0	315.0	0.0	315.0	0.0	0.0	0.0	835.0	0.00	450.0	0.0	0.0	0	500.0	500.0	0.0	0.0
1 BR/1 Bath (40% AMI)	0	1,000.0	450.0	0.0	450.0	0.0	0.0	0.0	835.0	0.00	450.0	0.0	0.0	0	500.0	500.0	0.0	0.0
1 BR/1 Bath (50% AMI)	0	1,000.0	550.0	0.0	550.0	0.0	0.0	0.0	835.0	0.00	450.0	0.0	0.0	0	500.0	500.0	0.0	0.0
1 BR/1 Bath (60% AMI)	0	1,000.0	589.0	0.0	589.0	0.0	0.0	0.0	835.0	0.00	448.0	0.0	0.0	0	448.0	448.0	0.0	0.0
2 BR/2 Bath (30% AMI)	0	1,000.0	378.0	77.0	301.0	301.0	0.0	0.0	1,096.0	0.27	550.0	0.0	0.0	0	600.0	299.0	0.0	0.0
2 BR/2 Bath (40% AMI)	0	1,000.0	478.0	77.0	401.0	401.0	0.0	0.0	1,096.0	0.37	550.0	0.0	0.0	0	600.0	199.0	0.0	0.0
2 BR/1 Bath (50% AMI)	0	1,000.0	757.0	77.0	680.0	680.0	0.0	0.0	910.0	0.75	550.0	0.0	0.0	0	600.0	(80.0)	0.0	0.0
2 BR/1 Bath (60% AMI)	110	842.0	936.0	77.0	859.0	757.8	83,358.0	1,000,296.0	860.0	0.88	835.0	91,850.0	1,102,200.0	110	835.0	77.2	8,492.0	101,904.0
3 BR/2 Bath (30% AMI)	0	1,000.0	438.0	106.0	332.0	332.0	0.0	0.0	1,280.0	0.26	650.0	0.0	0.0	0	700.0	368.0	0.0	0.0
3 BR/2 Bath (40% AMI)	0	1,000.0	550.0	106.0	444.0	444.0	0.0	0.0	1,280.0	0.35	650.0	0.0	0.0	0	700.0	256.0	0.0	0.0
3 BR/2 Bath (50% AMI)	0	1,000.0	700.0	106.0	594.0	594.0	0.0	0.0	1,280.0	0.46	650.0	0.0	0.0	0	700.0	106.0	0.0	0.0
3 BR/2 Bath (60% AMI)	40	1,025.0	1,081.0	106.0	975.0	922.5	36,900.0	442,800.0	1,290.0	0.72	1,005.0	40,200.0	482,400.0	40	1,005.0	82.5	3,300.0	39,600.0
4 BR/2 Bath (30% AMI)	0	1,000.0	488.0	0.0	488.0	0.0	0.0	0.0	1,377.0	0.00	750.0	0.0	0.0	0	800.0	800.0	0.0	0.0
4 BR/2 Bath (40% AMI)	0	1,000.0	650.0	0.0	650.0	0.0	0.0	0.0	1,377.0	0.00	750.0	0.0	0.0	0	800.0	800.0	0.0	0.0
4 BR/2 Bath (50% AMI)	0	1,000.0	800.0	0.0	800.0	0.0	0.0	0.0	1,377.0	0.00	750.0	0.0	0.0	0	800.0	800.0	0.0	0.0
4 BR/2 Bath (60% AMI)	0	1,000.0	912.0	0.0	912.0	0.0	0.0	0.0	1,377.0	0.00	508.0	0.0	0.0	0	508.0	508.0	0.0	0.0
MARKET RATE UNITS																		
Studio (Mkt. Rate)	0					\$0.0	\$0.0	\$0.0	835.0	\$0.00	\$200.0	\$0.0	\$0.0					
1 BR/1 Bath (Mkt. Rate)	0					0.0	0.0	0.0	835.0	0.00	200.0	0.0	0.0					
2 BR/1 Bath (Mkt. Rate)	0					842.0	0.0	0.0	910.0	0.93	550.0	0.0	0.0					
3 BR/1 Bath (Mkt. Rate)	0					1,025.0	0.0	0.0	860.0	1.19	550.0	0.0	0.0					
4 BR/2 Bath (Mkt. Rate)	0					0.0	0.0	0.0	1,377.0	0.00	200.0	0.0	0.0					
Total											\$132,050.0	\$1,584,600.0						
# of Bedrooms Square Feet																		
Total 30% Units	0	0	0	0	0	0	0	0	0	0								
Percent at 30%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%								
Total 40% Units	0	0	0	0	0	0	0	0	0	0								
Percent at 40%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%								
Total 50% Units	0	0	0	0	0	0	0	0	0	0								
Percent at 50%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%								
Total 60% Units	0	110	40	0	150	340	145,800											
Percent at 60%	0.00%	0.00%	73.33%	26.67%	0.00%	100.00%	100.00%	100.00%										
Total Tax Credit	0	0	110	40	0	150	340	145,800										
Percent Tax Credit	0.00%	0.00%	73.33%	26.67%	0.00%	100.00%	100.00%	100.00%										
Total Market Rate	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	0	0	0										
Percent Market						0.00%												
Total TC and Mkt.	0	0	110	40	0	150	340	145,800										
Percent of Total	0.00%	0.00%	73.33%	26.67%	0.00%	100.00%												
Monthly TC Income \$120,258.0 Avg. TC Rent 801.7 Monthly Mkt. Income 0.0 Avg. Mkt. Rent #DIV/0! Annual Gross Potential Rents \$1,443,096.0																		
Vacancy Multiple (i.e. # of times higher than property)																		
Other Income	# Units																	
Garages	0			\$60.0	3			\$0.0										
Storage Units	0			25.0	3			0.0										
Laundry Income	150			1.5				2,700.0										
Pet Fees	16			0.0				0.0										
Admin Fee	8			25.0				2,400.0										
Latte Fee	15			50.0				9,000.0										
SBC Fee	0			0.0				0.0										
Cable TV (Satellite)	0			0.0				0.0										
Total Annual								\$14,100.0										
Gross Potential Rents								\$1,443,096.0										
Plus: Other Income								14,100.0										
Potential Gross Income								\$1,457,196.0										
Less: Vacancy/Bed Debt								(72,859.8)										
Effective Gross Income								\$1,384,336.2										

Oak Forest Apts

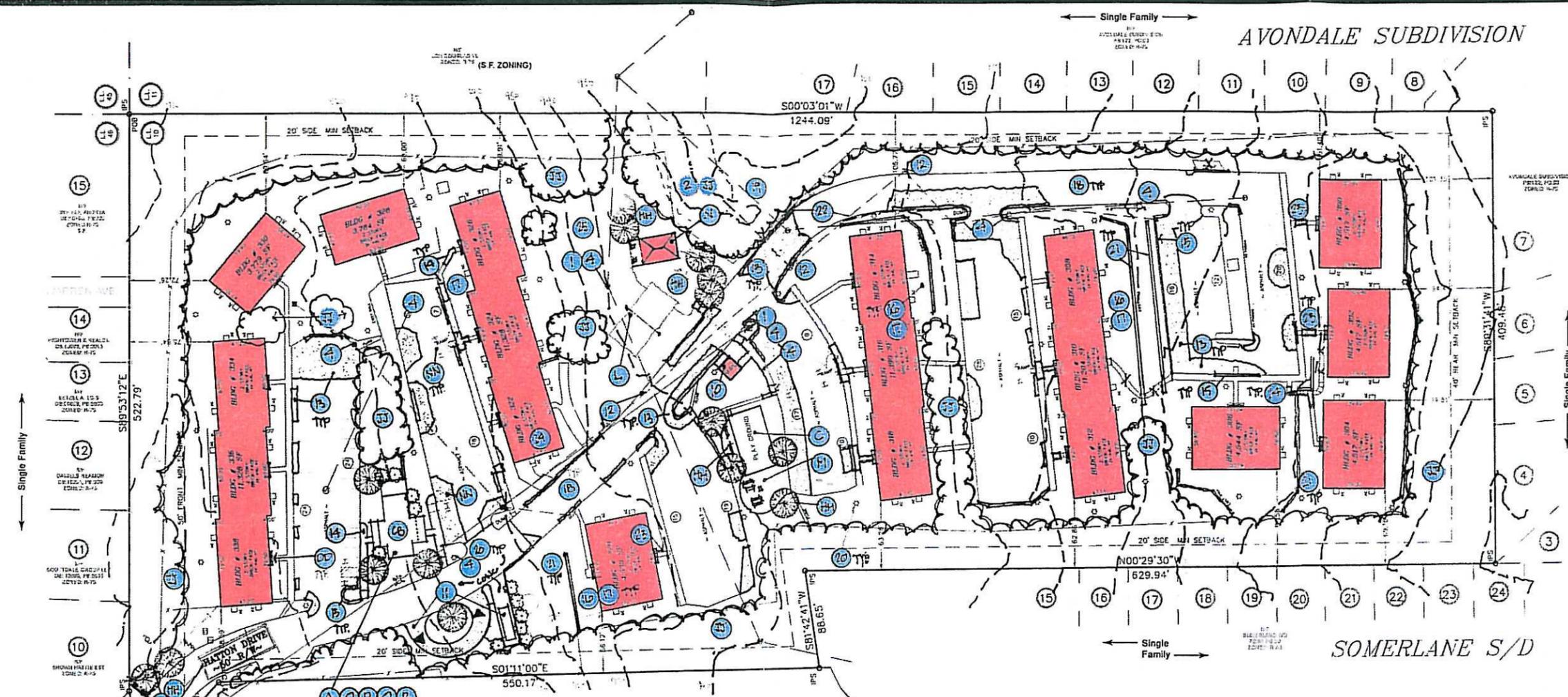
Operating Expenses

	Annual (Stabilized)	Per Unit	Comments
Employee Compensation			
Manager (before taxes, ins., & processing fee)	52,015.0	\$346.77	Reduced staffing from 5 employees to 4
Asst. Mgr. (before taxes, ins., & processing fee)	31,824.0	212.16	
Maint. Super (before taxes, ins., & processing fee)	39,520.0	263.47	
Maint. Tech (before taxes, ins., & processing fee)	29,848.0	198.99	
1/2 Leasing Agent/Compliance (before taxes, ins. & processing fee)	0.0	0.00	
Maint. Tech 30/hrs (before taxes, ins., & processing fee)	0.0	0.00	
Bonus	0.0	0.00	
Health Insurance (\$5460 per employee)	2.0 10,920.0	72.80	Portfolio avg is 50% of employees use our insurance
Payroll Taxes	12,700.3	84.67	
Workman's Compensation	2,454.0	16.36	
Total Employee Compensation	\$179,281.4	\$1,195.21	
Maintenance			
Grounds Maintenance	\$20,000.0	\$133.33	Current owner has a full time Groundskeeper. HKP will use grounds contract
Swimming Pool	0.0	0.00	
Snow Removal	0.0	0.00	
Elevator	0.0	0.00	
Exterminating	5,000.0	33.33	
Painting & Cleaning	26,250.0	175.00	Based on portfolio averages
General Repairs & Maintenance	37,500.0	250.00	Based on portfolio averages
Trash Removal	10,500.0	70.00	Trash contract is based on national contract pricing
Total Maintenance	\$99,250.0	\$661.67	
Utilities			
Electric/Gas	\$600.0 \$90,000.0	\$600.00	
Water/Sewer (Not Submetered)	800.0 120,000.0	800.00	
Total Utilities	\$210,000.0	\$1,400.00	
Administrative			
Management Fee	4.0% \$55,373.4	\$369.16	4% is typical management fee for HKP for this size property
Accounting Fees	6,000.0	40.00	
Audit	0.0	0.00	
Advertising	3,500.0	23.33	
Asset Management Fee (Above Line)	0.0	0.00	
Bank Charges	500.0	3.33	
Compliance Fee	\$0.0	0.00	
Fees & Subscriptions	3,000.0	20.00	
Legal Fees	5,000.0	33.33	Owner had extraordinary legal fees in 2011. Based on portfolio avg.
Office Supplies	7,000.0	46.67	
Telephone	5,000.0	33.33	
Training	2,500.0	16.67	
Travel	2,500.0	16.67	
Miscellaneous Administrative Expense	0.0	0.00	
Computer Support / Service	3,500.0	23.33	
Contributions	0.0	0.00	
Meals & Entertainment	500.0	3.33	
Public Sale Fees	0.0	0.00	
Shipping & Postage	1,000.0	6.67	
Security	40,000.0	266.67	Based on site assessment of security needs
Total Administrative	\$135,373.4	\$902.49	
Taxes, Insurance, & Reserves			
Interest Income	\$0.0	\$0.00	
Real Estate Taxes	71,250.0	475.00	RE Tax estimate determined by Don Shannon
Insurance	350,000	350.00	
Annual Replacement Reserve	350,000	350.00	
Total Operating	\$176,250.0	\$1,175.00	
Ground Lease Payment as Operating Expense	3.00% \$0.0	\$0.00	
Total Expenses	\$800,154.8	\$5,334.37	

Oak Forest Apts
15-Year Cash Flow Projection

YEAR	1.0	2.0	3.0	4.0	5.0	6.0	7.0	8.0	9.0	10.0	11.0	12.0	13.0	14.0	15.0
GROSS INCOME	\$1,443,096.0	\$1,471,957.9	\$1,501,397.1	\$1,531,425.0	\$1,562,053.5	\$1,593,294.6	\$1,625,160.5	\$1,657,663.7	\$1,690,817.0	\$1,724,633.3	\$1,759,126.0	\$1,794,308.5	\$1,830,194.7	\$1,866,798.6	\$1,904,134.5
Rental Assistance Overhang	141,504.0	144,334.1	147,220.8	150,165.2	153,168.5	156,231.8	159,365.9	162,543.6	165,794.5	169,110.4	172,492.6	175,942.4	179,461.3	183,050.5	186,711.5
Other Income	14,100.0	14,382.0	14,669.6	14,963.0	15,262.3	15,567.5	15,878.9	16,196.5	16,520.4	16,850.8	17,187.8	17,531.6	17,882.2	18,239.9	18,604.7
GROSS POTENTIAL INCOME	1,598,700.0	1,630,674.0	1,663,287.5	1,696,553.2	1,730,484.3	1,765,094.0	1,800,395.9	1,836,403.8	1,873,131.9	1,910,594.5	1,948,806.4	1,987,782.5	2,027,538.2	2,068,088.9	2,109,450.7
Vacancy	(79,935.0)	(81,533.7)	(83,164.4)	(84,827.7)	(86,524.2)	(88,254.7)	(90,019.8)	(91,820.2)	(93,656.6)	(95,529.7)	(97,440.3)	(99,389.1)	(101,376.9)	(103,404.4)	(105,472.5)
EFFECTIVE INCOME	\$1,518,765.0	\$1,549,140.3	\$1,580,123.1	\$1,611,725.6	\$1,643,960.1	\$1,676,839.3	\$1,710,376.1	\$1,744,583.6	\$1,779,475.3	\$1,815,064.8	\$1,851,366.1	\$1,888,393.4	\$1,926,161.2	\$1,964,684.5	\$2,003,978.2
Operating Costs (except taxes and reserves)	(\$676,404.8)	(\$696,696.9)	(\$717,597.9)	(\$739,125.8)	(\$761,299.6)	(\$784,138.6)	(\$807,662.7)	(\$831,892.6)	(\$856,849.4)	(\$882,554.8)	(\$909,031.5)	(\$936,302.4)	(\$964,391.5)	(\$993,323.3)	(\$1,023,123.0)
RE Taxes	(71,250.0)	(73,387.5)	(75,589.1)	(77,856.8)	(80,192.5)	(82,598.3)	(85,076.2)	(87,628.5)	(90,257.4)	(92,965.1)	(95,754.0)	(98,627.6)	(101,585.5)	(104,633.0)	(107,772.0)
Tax Abatement	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Operating Expenses	(\$747,654.8)	(\$770,084.4)	(\$793,187.0)	(\$816,982.6)	(\$841,492.1)	(\$866,736.8)	(\$892,738.9)	(\$919,521.1)	(\$947,106.7)	(\$975,519.9)	(\$1,004,785.5)	(\$1,034,929.1)	(\$1,065,977.0)	(\$1,097,956.3)	(\$1,130,895.0)
Reserve for Replacement	(\$52,500.0)	(\$54,075.0)	(\$55,697.3)	(\$57,368.2)	(\$59,089.2)	(\$60,861.9)	(\$62,687.7)	(\$64,568.4)	(\$66,505.4)	(\$68,500.6)	(\$70,555.6)	(\$72,672.3)	(\$74,852.4)	(\$77,098.0)	(\$79,411.0)
Ground Lease Payment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EXPENSES	(\$800,154.8)	(\$824,159.4)	(\$848,884.2)	(\$874,350.8)	(\$900,581.3)	(\$927,598.7)	(\$955,426.7)	(\$984,089.5)	(\$1,013,612.2)	(\$1,044,020.5)	(\$1,075,341.1)	(\$1,107,601.4)	(\$1,140,829.4)	(\$1,175,054.3)	(\$1,210,305.9)
% of EGI (w/out abatement)	52.7%	53.2%	53.7%	54.2%	54.8%	55.3%	55.9%	56.4%	57.0%	57.5%	58.1%	58.7%	59.2%	59.8%	60.4%
NET OPERATING INCOME	\$718,610.2	\$724,980.9	\$731,238.9	\$737,374.8	\$743,378.8	\$749,240.6	\$754,949.4	\$760,494.1	\$765,863.1	\$771,044.2	\$776,024.9	\$780,792.0	\$785,331.8	\$789,630.2	\$793,672.2
NOI Adjusted for Tax Abatement	\$718,610.2	\$724,980.9	\$731,238.9	\$737,374.8	\$743,378.8	\$749,240.6	\$754,949.4	\$760,494.1	\$765,863.1	\$771,044.2	\$776,024.9	\$780,792.0	\$785,331.8	\$789,630.2	\$793,672.2
DEBT SERVICE															
Interest on 1st Mortgage	(\$322,271.5)	(\$316,655.1)	(\$310,879.4)	(\$304,939.9)	(\$298,832.0)	(\$292,550.8)	(\$286,091.5)	(\$279,448.9)	(\$272,618.0)	(\$265,593.3)	(\$258,369.4)	(\$250,940.6)	(\$243,301.1)	(\$235,444.9)	(\$227,366.0)
Interest on 2nd Mortgage	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest on HOME Loan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest on Contingent Note	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Principal on 1st	(198,024.3)	(203,640.7)	(209,416.4)	(215,355.9)	(221,463.9)	(227,745.1)	(234,204.4)	(240,846.9)	(247,677.9)	(254,702.5)	(261,926.4)	(269,355.2)	(276,994.7)	(284,850.9)	(292,929.9)
Principal on 2nd	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Principal on HOME Loan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
LOC Fee on 1st	(52,441.1)	(51,527.1)	(50,587.3)	(49,620.8)	(48,626.9)	(47,604.8)	(46,553.7)	(45,472.8)	(44,361.3)	(43,218.2)	(42,042.7)	(40,833.9)	(39,590.7)	(38,312.4)	(36,997.7)
LOC Fee on 2nd	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FHLB Fee on 1st	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FHLB Fee on 2nd	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Remarketing Fee	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Trustee Fee	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest Rate Cap Escrow	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Ground Lease Payment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL DEBT SERVICE	(\$572,736.9)	(\$571,823.0)	(\$570,883.2)	(\$569,916.7)	(\$568,922.8)	(\$567,900.7)	(\$566,849.6)	(\$565,768.7)	(\$564,657.1)	(\$563,514.0)	(\$562,338.5)	(\$561,129.7)	(\$559,886.6)	(\$558,608.2)	(\$557,293.6)
1st Mortgage DCR (w/out abatement)	1.25x	1.27x	1.28x	1.29x	1.31x	1.32x	1.33x	1.34x	1.36x	1.37x	1.38x	1.39x	1.40x	1.41x	1.42x
Combined DCR (w/out abatement)	1.25x	1.27x	1.28x	1.29x	1.31x	1.32x	1.33x	1.34x	1.36x	1.37x	1.38x	1.39x	1.40x	1.41x	1.42x
Combined DCR (w/out RA)	1.02x	1.03x	1.04x	1.04x	1.05x	1.06x	1.07x	1.08x	1.08x	1.09x	1.09x	1.09x	1.10x	1.10x	1.11x
Breakeven Interest Rate (EGI-Exp-DS other than Interest)/(Senior + Sub Debt)	4.04%	4.05%	4.06%	4.07%	4.08%	4.09%	4.09%	4.09%	4.09%	4.09%	4.09%	4.09%	4.09%	4.09%	4.09%
Breakeven Ratio (DS+Exp)/(GPI)	85.88%	85.81%	85.36%	85.13%	84.92%	84.73%	84.55%	84.40%	84.26%	84.14%	84.04%	83.95%	83.89%	83.83%	83.79%
EXCESS CASH FLOW	\$145,873.3	\$153,157.9	\$160,355.7	\$167,458.2	\$174,456.0	\$181,339.9	\$188,099.8	\$194,725.4	\$201,206.0	\$207,530.2	\$213,686.4	\$219,662.3	\$225,445.2	\$231,022.0	\$236,378.7
Asset Management Fee	(\$5,000.0)	(\$5,000.0)	(\$5,000.0)	(\$5,000.0)	(\$5,000.0)	(\$5,000.0)	(\$5,000.0)	(\$5,000.0)	(\$5,000.0)	(\$5,000.0)	(\$5,000.0)	(\$5,000.0)	(\$5,000.0)	(\$5,000.0)	(\$5,000.0)
Deferred Development Fee	(140,873.3)	(148,157.9)	(86,196.7)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Contingent Note Principal	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Incentive Management Fee	(0.0)	(0.0)	(62,243.1)	(146,212.3)	(152,510.4)	(158,705.9)	(164,789.8)	(170,752.9)	(176,585.4)	(182,277.0)	(187,817.7)	(193,196.1)	(198,400.7)	(203,419.8)	(208,240.8)
AVAILABLE CASH FLOW	\$0.0	\$0.0	\$6,915.9	\$16,245.8	\$16,945.6	\$17,634.0	\$18,310.0	\$18,972.5	\$19,620.6	\$20,253.0	\$20,868.6	\$21,466.2	\$22,044.5	\$22,602.2	\$23,137.9
GP Share	\$0.0	\$0.0	\$6,224.3	\$14,621.2	\$15,251.0	\$15,870.6	\$16,479.0	\$17,075.3	\$17,658.5	\$18,227.7	\$18,781.8	\$19,319.6	\$19,840.1	\$20,342.0	\$20,824.1
LP Share	\$0.0	\$0.0	\$691.6	\$1,624.6	\$1,694.6	\$1,763.4	\$1,831.0	\$1,897.3	\$1,962.1	\$2,025.3	\$2,086.9	\$2,146.6	\$2,204.5	\$2,260.2	\$2,313.8
LP Cash-on-Cash Return	0.00%	0.00%	0.01%	0.02%	0.02%	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%
Error, Check Splits rror, Check Splits															
Value (w/out abatement)	\$11,055,541.5	\$11,153,551.6	\$11,249,828.8	\$11,344,227.8	\$11,436,596.9	\$11,526,777.9	\$11,614,605.9	\$11,699,909.3	\$11,782,509.1	\$11,862,219.0	\$11,938,844.8	\$12,012,184.6	\$12,082,028.1	\$12,148,156.4	\$12,210,342.0
Assumed Cap Rate (w/out abatement)	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	
Value/Cost	50.36%	50.80%	51.24%	51.67%	52.09%	52.50%	52.90%	53.29%	53.67%	54.03%	54.38%	54.71%	55.03%	55.33%	55.62%
NOI/Cost	3.27%	3.30%	3.33%	3.36%	3.39%	3.41%	3.44%	3.46%	3.49%	3.51%	3.53%	3.56%	3.58%	3.60%	3.62%
Senior Loan Balance (1st only)	\$11,600,000.0	\$11,309,111.6	\$11,102,837.1	\$10,890,712.2	\$10,672,570.9	\$10,448,242.7	\$10,217,552.1	\$9,980,318.6	\$9,736,356.6	\$9,485,475.3	\$9,227,478.6	\$8,962,164.4	\$8,689,325.4	\$8,408,748.1	\$8,120,213.1
LTV	104.9%	101.4%	98.7%	96.0%	93.3%	90.6%	88.0%	85.3%	82.6%	80.0%	77.3%	74.6%	71.9%	69.2%	66.5%
Debt Stack (rates based on applicable debt only - not additive)															
Interest on 1st Mortgage	2.800%	2.800%	2.800%	2.800%	2.800%	2.800%	2.800%	2.800%	2.800%	2.800%	2.800%	2.800%	2.800%	2.800%	2.800%
Interest on 2nd Mortgage	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Interest on HOME Loan	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Interest on Contingent Note	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Principal on 1st	1.720%														

ADDENDUM F
Site Plans



- Project Design**
 Exterior Wall Finishes:
 BB. Exterior wall faces have more than 40% masonry
- Attractive Features**
 CC. Addition of decorative exterior elements for new and existing buildings
 DD. Addition or redesign of covered building entries for new and existing buildings
- Major Building Component Materials and Upgrades**
 EE. Concentric sliding exterior finishes
 FF. Upgraded roofing materials
- Landscaping and Site Design Features**
 GG. Site entry delineated with permanent illuminated sign piers, and decorative fencing
 III. Upgraded landscaping at areas of community use
 II. Xeriscaping, areas of native plantings
 JJ. Areas of preservation of existing trees and vegetation
- Accessibility**
 KK. Third-Party Report from review of construction documents per DCA template and requirements.
 LL. All units equipped for the disabled to include front loading washers and dryers
 MM. All units shall be equipped with loop handles on all cabinet doors, lever door handles and lever faucets throughout

- Amenities and Architectural Enhancements**
- THRESHOLD**
 Required Amenities
 Project Amenities:
 A. Community Building with covered porch.
 B. Washers and dryers are installed and maintained in every unit at no additional cost to tenants. on-site laundry is not required.
 C. Equipped Recreation Area: Playground
- Unit Amenities:**
 D. HVAC Systems
 E. Refrigerators
 F. Stoves
 G. Carbon Monoxide Fire Suppression System installed above range cook top
- SCORING**
 Optional Amenities
 Unit Amenities:
 H. Microwaves
 I. Disposal
 J. Built-in Dishwasher in each unit
 K. Washers and dryer installed and maintained in every unit at no additional cost to tenant
- Site Amenities:**
 L. Equipped play court: Volleyball
 M. Picnic area with tables and grills
 N. Covered pavilion w/ picnic barbecue facilities
 O. Furnished children's activity center
 P. Furnished library
 Q. Equipped computer center
 R. Furnished exercise/fitness center
- Energy Efficiency and Indoor Air Quality Requirements**
 S. Attic insulation to R-38
 T. Heat pump with E.O. HSPF
 U. ARI rated SEER 14 cooling equipment
 V. Locate HVAC ductwork in conditioned spaces
 W. Installation of two low flow fixtures
 X. HVAC system fresh air intake before return air infiltration
 Y. Common area lighting with EnergyStar rating and controls
 Z. EnergyStar ceiling fans in rooms listed in scoring criteria
 AA. EnergyStar bath exhaust with timer and humidistat control

**Oak Forest
 Conceptual Site Plan Notes**

- Conceptual Site Plan Notes:
- Existing utilities and their easements do not affect the redevelopment.
- No flood plain or state waters on site to be disturbed.
- Existing structures are to remain.
- Water, sewer, & power available on the site.
- Project has paved access from Halton Drive.
- Property Zoning: RML75 allows multifamily development. Site plan conforms to requirements.
- Project complies with the GA Energy Code.
- Basic design, appliances, and equipment meet the requirements of the Architectural Manual.
- Project, when built, will comply with the ADA, Section 504, GA Accessibility Code, and DCA requirements. The Fair Housing Act does not apply as this complex was first put in service prior to 1992.
- Refurbished shelter with new mailboxes.
- New compactor dumpster, concrete drive and surround.
- Repair/Replacement of storm piping and structures from stream crossing up hill in both directions.
- Repair deteriorated portions of asphalt drive and parking areas.
- Repair/Replace areas of deteriorated concrete sidewalk.
- Repair/Replace areas of damaged concrete curbing.
- Rework final grade around apartments assuring positive fall slope away from buildings.
- Downspouts to be piped into new yard drainage system.
- Seal and re-stripe parking lot.
- IV sewer lines.
- New Electric services (G.P.) along with new (G.P.) site lighting.
- Replace all tie walls with modular block.
- Replace/Repair all site guard handrails.
- Replace/Repair concrete site stairs.
- Expand maintenance into old laundry.
- Additional play equipment to remain.



OAK FOREST, (SCOTDALE) DEKALB GA
RENOVATION OF 150 APARTMENT HOMES
 110 2BR 1BA APARTMENTS
 40 3BR 2BA APARTMENTS
 NEW COMMUNITY BUILDING, ACCESSIBLE ON BOTH LEVELS
 PARKING WILL BE RESTRIPTED TO PROVIDE 262 SPACES
 - 5% mobility impaired units (8)
 - 2% hearing and/or visually impaired (3) units
 - 10 min heap parking spaces included in count above (NN)

MARTIN RILEY ASSOCIATES - ARCHITECTS, P.C.
 25 CHURCH STREET SUITE 200 DECATUR GEORGIA 30030-3229 404-375-2800
 OAK FOREST, (SCOTDALE) DEKALB GA CONCEPTUAL SITE PLAN
 RENOVATION OF 150 APARTMENT HOMES



ADDENDUM G
Letters of Intent (N/Ap)

ADDENDUM G
License

STATE OF GEORGIA
REAL ESTATE APPRAISERS BOARD

BRAD ELLIOTT WEINBERG
221179

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.

CHARLES B. BRAMLETT
Chairperson

WILLIAM R. COLEMAN, JR.
D. SCOTT MURPHY
MARILYN R. WATTS

SANDRA MCALISTER WINTER
Vice Chairperson

33230666

BRAD ELLIOTT WEINBERG

221179
Status ACTIVE

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

ORIGINALLY LICENSED

05/05/2000

END OF RENEWAL
06/30/2013



WILLIAM L. ROGERS, JR.
Real Estate Commissioner

33230666

BRAD ELLIOTT WEINBERG

221179
Status ACTIVE

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