



A MARKET VALUATION OF

HITCH PHASE I

Randolph Street

Savannah, Chatham County, Georgia 31401

Effective Date: May 5, 2014

Report Date: May 14, 2014

Prepared For

Mr. Evan Bilton
Hunt Companies
1020 19th Street NW, Suite 420
Washington, District of Columbia 20036

Prepared By

Novogradac & Company LLP
2325 Lakeview Parkway, Suite 450
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678-867-2333

May 14, 2014

Mr. Evan Bilton
Hunt Companies
1020 19th Street NW, Suite 420
Washington, District of Columbia 20036

Re: Appraisal of Hitch Phase I
Randolph Street, Savannah, Chatham County, Georgia

Dear Mr. Bilton:

We are pleased to present our findings with respect to the value of the above-referenced property, Hitch Phase I (“Subject”). The Subject is a proposed 72-unit LIHTC project, where 57 units will be restricted to households earning 60 percent of AMI or less. Of the 72 units, there will be 34 units that will operate with additional project-based rental assistance and 15 unrestricted market rate units. As requested we provided several value estimates of both tangible and intangible assets, described and defined below:

- Land Value “As Is”.
- Hypothetical Market Value Upon Completion Assuming Restricted Rents.
- Hypothetical Market Value Upon Completion Assuming Unrestricted Rents.
- Hypothetical Market Value “As Complete and Stabilized” – hypothetical value assuming as complete and stabilized with restricted rents.
- Hypothetical Market Value “As Complete and Stabilized” – hypothetical value assuming as complete and stabilized with unrestricted rents.
- Prospective Market Value at 15, 20 (loan maturity), 25, and 30 years.
- Valuation of Tax Credits.
- 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 an appraisal report, as defined by USPAP.

Mr. Evan Bilton
Hunt Companies
May 14, 2013

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.

“As Is” Land Value

The Subject’s indicated restricted “Land Value”, as of May 5, 2014 is:

**SIX HUNDRED TEN THOUSAND DOLLARS
(\$610,000)**

Upon Completion Assuming Restricted Rents

The Subject’s hypothetical market value of the real estate assuming proposed restricted rental rates, “Upon Completion,” as of May 5, 2014, is:

**THREE MILLION ONE HUNDRED THOUSAND
(\$3,100,000)**

Upon Completion Assuming Unrestricted Rents

The Subject’s hypothetical market value of the real estate assuming unrestricted operation “Upon Completion,” as of May 5, 2014, is:

**SIX MILLION SEVEN HUNDRED THOUSAND
(\$6,700,000)**

As Complete and Stabilized Restricted

The Subject’s estimated market value “As Complete and Stabilized” assuming proposed restricted rental rates, as of May 5, 2014, is:

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

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**THREE MILLION TWO HUNDRED THOUSAND
(\$3,200,000)**

As Complete and Stabilized Unrestricted

The Subject's estimated market value "As Complete and Stabilized" assuming unrestricted market rental rates, as of May 5, 2014, is:

**SIX MILLION NINE HUNDRED THOUSAND DOLLARS
(\$6,900,000)**

Prospective Market Value as Restricted at 15, 20 (Loan Maturity), 25 and 30 years

The future prospective market value at 15 years of the Subject's fee simple interest, subject to the rental restrictions in the year 2029, as of May 5, 2014, is:

**THREE MILLION FIVE HUNDRED THOUSAND DOLLARS
(\$3,500,000)**

The future prospective market value at 20 years (loan maturity) of the Subject's fee simple interest, subject to the rental restrictions in the year 2034, as of May 5, 2014, is:

**THREE MILLION EIGHT HUNDRED THOUSAND DOLLARS
(\$4,700,000)**

The future prospective market value at 25 years of the Subject's fee simple interest, subject to the rental restrictions in the year 2039, as of May 5, 2014, is:

**FOUR MILLION ONE HUNDRED THOUSAND DOLLARS
(\$4,100,000)**

The future prospective market value at 30 years of the Subject's fee simple interest, subject to the rental restrictions in the year 2044, as of May 5, 2014, is:

**FOUR MILLION FOUR HUNDRED THOUSAND DOLLARS
(\$4,400,000)**

Prospective Market Value as Proposed Unrestricted at 15, 20 (Loan Maturity), 25 and 30 years

The hypothetical future prospective market value at 15 years of the Subject's fee simple interest, as an unrestricted property in the year 2029, as of May 5, 2014, is:

**SEVEN MILLION FIVE HUNDRED THOUSAND DOLLARS
(\$7,500,000)**

The hypothetical future prospective market value at 20 years (loan maturity) of the Subject's fee simple interest, as an unrestricted property in the year 2034, as of May 5, 2014, is:

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EIGHT MILLION ONE HUNDRED THOUSAND DOLLARS
(\$8,100,000)

The hypothetical future prospective market value at 25 years of the Subject's fee simple interest, as an unrestricted property in the year 2039, as of May 5, 2014, is:

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

The hypothetical future prospective market value at 30 years of the Subject's fee simple interest, as an unrestricted property in the year 2044, as of May 5, 2014, is:

NINE MILLION FOUR HUNDRED THOUSAND DOLLARS
(\$9,400,000)

Tax Credit Value

The market value of the tax credits allocated to the Subject over a ten-year period, on a cash equivalent basis and the date of completion, as of May 5, 2014, is:

Federal
SIX MILLION NINE HUNDRED THOUSAND DOLLARS
(\$6,900,000)

State
TWO MILLION EIGHT HUNDRED THOUSAND DOLLARS
(\$2,800,000)

Favorable Financing

The estimated present value of the favorable financing, as of May 5, 2014, is

ONE MILLION ONE HUNDRED THOUSAND DOLLARS
(\$1,100,000)

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

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

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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,



Brad Weinberg, MAI, CCIM
Partner
Novogradac & Company LLP
GA License #CG221179



Edward R. Mitchell
GA License # 4649
Expiration Date: 4/30/2015
Analyst

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EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

PROPERTY SUMMARY OF SUBJECT

Property Appraised: The Subject (Hitch Phase I) is a proposed LIHTC development that will offer 72 one, two, and three-bedroom units that will include 34 units restricted at will operate with additional project-based rental assistance (RAD/PBRA) as well as 15 unrestricted market rate units. The Subject will consist of four, three-story, walk-up, garden-style buildings and one, one-story clubhouse building that will include a community room, meeting room, computer center, management office, and exercise facility.

Tax Map ID: The Subject is a portion of Tax Map # 85063.

Land Area: The Subject site is approximately 2.88 acres (125,453 square feet).

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

Unit Mix: The following tables summarize the Subject’s proposed unit mix and unit sizes.

PROPOSED RENTS						
Unit Type	Number of Units	Asking Rents	Utility Allowance (1)	Gross Asking Rents	2014 LIHTC Maximum Allowable Rent	HUD Fair Market Rents
<i>60% AMI (RAD/PBRA)</i>						
1BR/1BA	2	\$424	\$105	\$529	\$658	\$725
2BR/2BA	20	\$461	\$124	\$585	\$790	\$860
3BR/2BA	12	\$599	\$156	\$755	\$912	\$1,147
<i>60% AMI</i>						
1BR/1BA	2	\$540	\$105	\$645	\$658	\$725
2BR/2BA	12	\$626	\$124	\$750	\$790	\$860
3BR/2BA	9	\$719	\$156	\$875	\$912	\$1,147
<i>Market Rate</i>						
1BR/1BA	2	\$670	N/A	N/A	N/A	\$725
2BR/2BA	10	\$770	N/A	N/A	N/A	\$860
3BR/2BA	3	\$850	N/A	N/A	N/A	\$1,147
Total	72					

Notes (1) Source of Utility Allowance: Developer

UNIT MIX AND SQUARE FOOTAGE

Unit Type	Number of Units	Unit Size (SF)	Gross Area
1BR/1BA	6	840	5,040
2BR/2BA	42	1,020	42,840
3BR/2BA	<u>24</u>	1,245	<u>29,880</u>
Total	72		77,760

Ownership History of the Subject:

Ownership of the Subject is vested in the Housing Authority of Savannah. There have been no transfers of the Subject property over the past three years.

Highest and Best Use “As Is”:

The highest and best use for the property as is would be to construct a multifamily rental property with financial subsidies. Without subsidies, it would be to hold until the market rent supports construction.

INDICATIONS OF VALUE

AS IS VACANT LAND

Scenario	Units	Price Per Unit	Indicated Value (Rounded)
Land Value	72	\$8,500	\$610,000

DIRECT CAPITALIZATION ANALYSIS - "AS COMPLETE"

Scenario	Loss To Lease	Indicated Value (Rounded)
As Complete Restricted	\$129,245	\$3,100,000
As Complete Unrestricted	\$183,415	\$6,700,000

DIRECT CAPITALIZATION ANALYSIS - "AS COMPLETE AND STABILIZED"

Scenario	Cap Rate	Net Operating Income	Indicated Value (Rounded)
As Proposed Restricted	6.0%	\$190,295	\$3,200,000
As Proposed Unrestricted	6.0%	\$416,517	\$6,900,000

EGIM ANALYSIS - "AS COMPLETE AND STABILIZED"

Scenario	EGIM	Effective Gross Income	Indicated Value (Rounded)
As Proposed Restricted	6.0	\$543,757	\$3,300,000
As Proposed Unrestricted	8.5	\$790,772	\$6,700,000

NOI/UNIT ANALYSIS - "AS COMPLETE AND STABILIZED"

Scenario	Number of Units	Price per unit	Indicated Value (Rounded)
As Proposed Restricted	72	\$46,000	\$3,300,000
As Proposed Unrestricted	72	\$100,000	\$7,200,000

VALUE AT LOAN MATURITY - RESTRICTED

	Year	Indicated Value (Rounded)
Restricted	15 years	\$3,500,000
Restricted	20 years	\$3,800,000
Restricted	25 years	\$4,100,000
Restricted	30 years	\$4,400,000

VALUE AT LOAN MATURITY - UNRESTRICTED

	Year	Indicated Value (Rounded)
Unrestricted	15 years	\$7,500,000
Unrestricted	20 years	\$8,100,000
Unrestricted	25 years	\$8,700,000
Unrestricted	30 years	\$9,400,000

TAX CREDIT VALUATION

	Credit Amount	Price Per Credit	Indicated Value (Rounded)
Federal LIHTC	\$8,119,278	0.85	\$6,900,000
State LIHTC	\$8,119,278	0.34	\$2,800,000

FAVORABLE FINANCING VALUATION

	Indicated Value (Rounded)
Restricted & Unrestricted	\$1,100,000

Exposure Time: Nine – 12 Months

Marketing Period: Nine – 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 Is”.
- Hypothetical Market Value Upon Completion Assuming Restricted Rents.
- Hypothetical Market Value Upon Completion Assuming Unrestricted Rents.
- Hypothetical Market Value “As Complete and Stabilized” – hypothetical value assuming as complete and stabilized with restricted rents.
- Hypothetical Market Value “As Complete and Stabilized” – hypothetical value assuming as complete and stabilized with unrestricted rents.
- Prospective Market Value at 15, 20 (loan maturity), 25, and 30 years.
- Valuation of Tax Credits.
- Favorable Financing.

In determining the value estimates, the appraisers employed the sales comparison and income capitalization approaches to value.

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 cost approach is not developed since most investors and developers do not utilize this method.

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 site is located on Randolph Street in Savannah, Chatham County, Georgia. The Subject is part of Tax Map # 85063.

Intended Use and Intended User

Hunt Companies is the client in this engagement. We understand that they will use this document to assist in funding and loan/investment underwriting. As our client, Hunt Companies owns this report

and permission must be granted from them before another third party can use this document. Hunt Companies 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 on May 5, 2014. 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

Ownership of the Subject is vested in the Housing Authority of Savannah. There have been no transfers of the Subject property over the past three years.

REGIONAL AND LOCAL AREA ANALYSIS

REGIONAL AND LOCAL AREA ANALYSIS

ECONOMIC ANALYSIS

The Savannah MSA is comprised of Bryan, Chatham, and Effingham Counties, and is the third largest metropolitan area in the state of Georgia. Savannah is located approximately 20 miles inland from the Atlantic Ocean and immediately south of Georgia/South Carolina border. The city is home to the headquarters of JCB Inc., a manufacturer of heavy construction and agricultural equipment, and Gulfstream Aerospace Corporation, a manufacturer of business aircraft. Savannah's location on the Atlantic coast provides for both a thriving tourism industry as well as the fourth largest port in the United States. According to the Savannah Area Chamber of Commerce, the Port of Savannah is the fastest growing port in the United States. The Savannah Harbor Expansion Project will further expand the port enabling it to accommodate larger shipping vessels. Working with the U.S. Army Corps of Engineers, the Savannah Harbor Expansion Project received the last of all required federal and state regulatory approvals in 2013. The project is currently ready to move to construction. In addition to the port, both Norfolk Southern Railroad and CSX Transportation have terminals in Savannah providing the city with both port and rail capabilities. Savannah also has excellent access to major interstates, including Interstate 95, which runs south to Miami, Florida and north to the Maine-Canada border.

Major Employers

The diversification of the Savannah economic base is indicated by the following list of the Savannah metro area's 10 largest employers.

MAJOR EMPLOYERS

Savannah, GA

#	Company	Industry	Number of Employees
1	Gulfstream Aerospace Corporation	Manufacturing	9,260
2	Savannah-Chatham County Board of Education	Education	4,808
3	Ft. Stewart/Hunter Army Airfield	Government	4,637
4	Memorial University Medical Center	Healthcare	4,600
5	St. Joseph's/Candler Health System	Healthcare	3,170
6	City of Savannah	Government	2,795
7	Savannah College of Art & Design	Education	1,750
8	Chatham County	Government	1,600
9	Georgia Ports Authority	Shipping Terminal	988
10	Armstrong Atlantic State University	Education	602

Source: Savannah Economic Development Authority, March 2014

As illustrated, eight of the top 10 major employers in Savannah are in relatively stable industries: education, healthcare, and government. However, the largest employer, Gulfstream Aerospace Corporation, is in the manufacturing sector. The manufacturing sector is unstable in times of economic uncertainty. With Savannah being a port city, several companies involving cargo handling are also significant employers in the region.

Expansions/Contractions

The following table lists business closures and layoffs within the city of Savannah from January 2010 to April 2014, according to the Georgia Department of Labor's Worker Adjustment and Retraining Notification (WARN) filings. No filings during 2014 were reported.

SAVANNAH, GEORGIA LAYOFFS/CLOSURES 2010-2013

Effective Date	Company	City	Layoff/Closure	Number Affected
4/5/2013	Veolia Transportation	Savannah	Closure	205
1/4/2013	Roadlink Workforce Solutions	Savannah	Layoff	42
5/31/2012	Sodexo Inc.	Savannah	Closure	214
12/5/2011	Premier Warehousing Ventures, LLC.	Savannah	Closure	108
7/15/2011	Memorial Health	Savannah	Layoff	228
7/6/2011	CSC Applied Technology Group	Savannah	Layoff	444
6/3/2011	Citi Trends, Inc (Savannah Distribution Center)	Savannah	Closure	107
7/22/2010	Cahaba Govt Benefit Administrators, LLC.	Savannah	Closure	155
6/28/2010	Midcoast Aviation DBA Savannah AirCenter	Savannah	Closure	359
3/8/2010	Decrane Aerospace Precision Patterns	Savannah	Closure	90
Total				1,952

Source: Georgia Department of Labor, April 2014

As seen in the previous table, the city of Savannah had 10 WARN filings from 2010 to 2014 for a total of 1,952 jobs affected.

We have conducted additional research to determine recently announced business expansions and economic developments within metropolitan Savannah. On October 24, 2013, the U.S. House of Representatives passed the Water Resources Reform and Development Act. One provision of this act authorizes funding for the Savannah Harbor Expansion Project, which will accommodate larger ships that will soon transit the expanded Panama Canal. According to a press release, Representative Rob Woodall of the Seventh District of Georgia calls this expansion project "the largest economic development and job creation initiative in the State," noting that the newly passed bill is a "win for taxpayers and a catalyst for long-term economic growth." The port, the second largest on the East Coast, is already a vital piece of the local and state economy; this expansion project has the potential to create a multitude of jobs across disciplines relating to the harbor and its expansion. In a January, 2014 article of GPB News, the expansion of Savannah Port is expected to begin in June 2014.

Several business expansions were announced in since 2013, detailed as follows:

- Nordoc Cold Storage announced an expansion of its storage and blast facility in April 2014, which will double the capacity and add 135 jobs to the current facility. Construction is expected to be complete by the first quarter of 2015.
- Chatham County Jail recently (January, 2014) finished an extensive \$71 million renovation which added 400,000 square feet to the existing facility and nearly doubles the number of

inmate bed (to 2,360). Chatham County approximates that 32 new positions will be formed due to the expansion.

- Airframe parts supplier LMI Aerospace announced an expansion in July 2013 that will result in 100 new jobs. LMI supplies the nearby Gulfstream aircraft plant as well as the large Boeing plant in North Charleston, South Carolina.
- Intercat, Inc., a manufacturer of additives for the petroleum refining industry announced a \$45 million expansion in June 2013, which will include 25 new jobs.
- Arizona Chemical, a bio-refiner of pine chemicals, announced in February 2013 the construction of a new science and technology center on its existing campus in Savannah. The current center employs 51 chemists, and the company expects to hire 10 to 20 more. The median salary for chemists at this firm is \$80,000. The company has a total of 202 employees in Savannah.
- Gulfstream, Savannah's largest employer, continues to expand. In January 2013, the company leased a 70,000 square foot building to accommodate 400 employees, 100 of them new hires. In 2006, Gulfstream announced a seven-year \$300 million expansion that would create 1,100 new jobs. That was accomplished in half the time and employment rose by 1,500 jobs. In late 2010, another seven-year \$500 million expansion was announced that would include 1,000 new employees. Just over two years later, the actual number of new employees was 1,700. With a five year backlog in plane orders, it appears that Gulfstream will be busy in the foreseeable future.

The tourism industry plays a major role in the Savannah area. The Savannah Convention and Visitor's Bureau reported approximately 12.4 million visitors in 2012, up 2.5 percent from 2011. Approximately 7.0 million were overnight visitors with the rest being day-trippers. Hotel room and occupancy rates were up from the previous year. Visitor spending was approximately \$2 billion in 2012 and the area's lodging, dining, entertainment, and visitor-related transportation sectors employed over 17,000 people.

Employment and Unemployment Trends

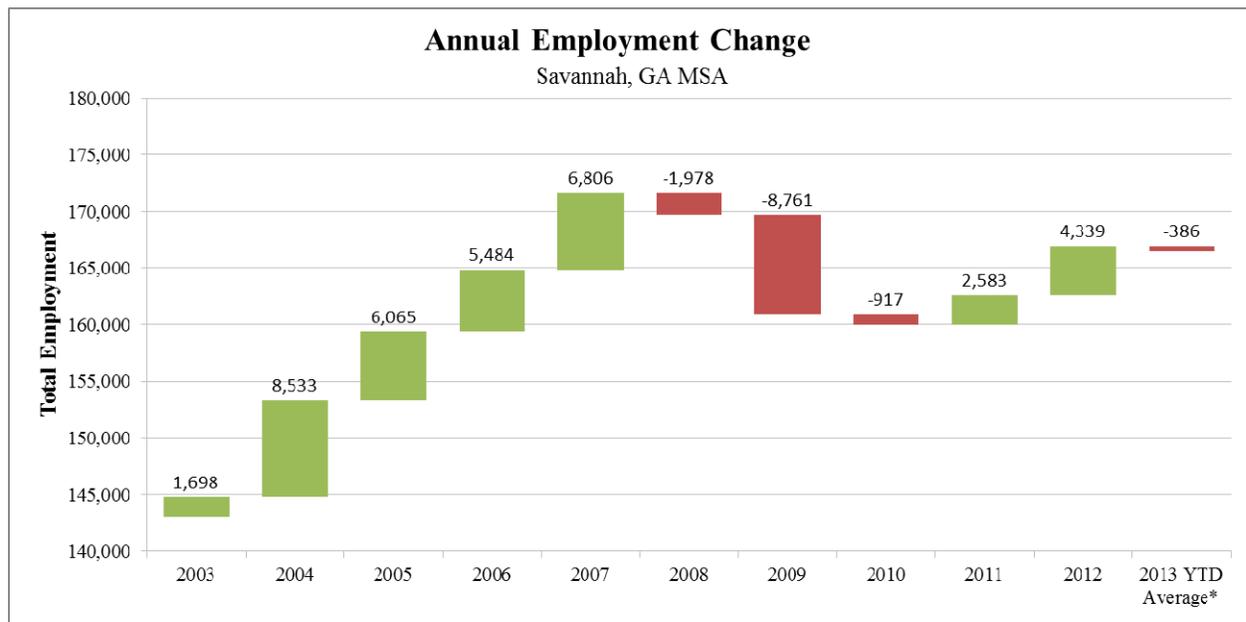
The following table details employment and unemployment trends for the Savannah, GA MSA and nation from 2002 to December 2013.

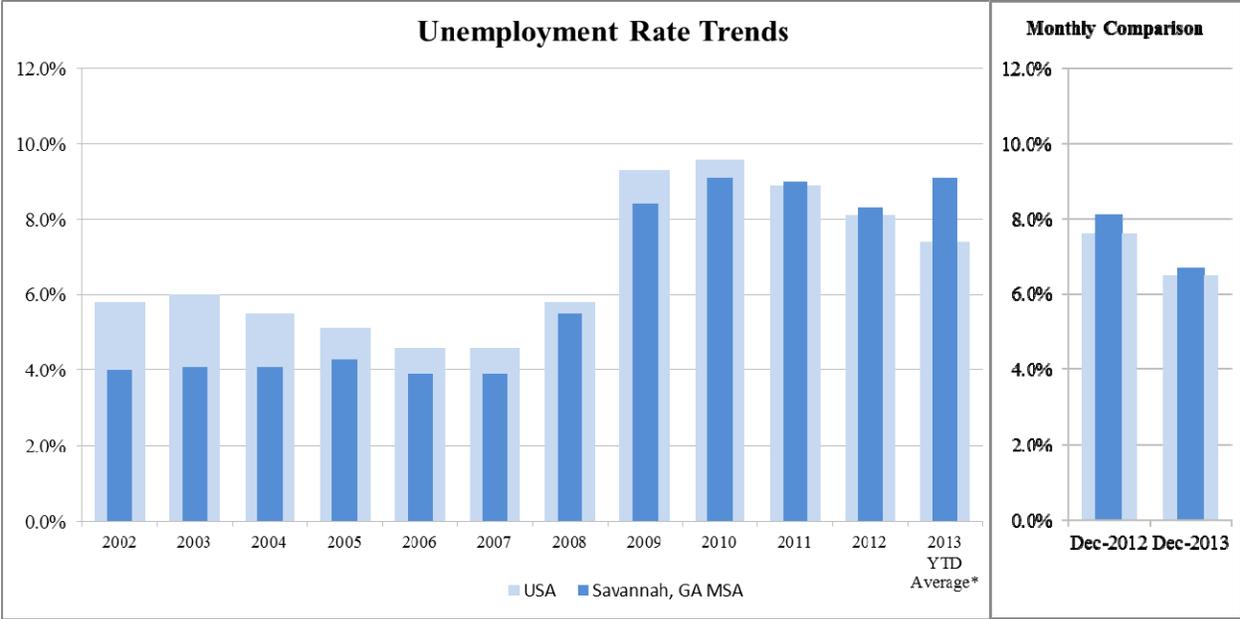
EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

Year	Savannah, GA MSA				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2002	143,053	-	4.0%	-	136,485,000	-	5.8%	-
2003	144,751	1.2%	4.1%	0.1%	137,736,000	0.9%	6.0%	0.2%
2004	153,284	5.9%	4.1%	0.0%	139,252,000	1.1%	5.5%	-0.5%
2005	159,349	4.0%	4.3%	0.2%	141,730,000	1.8%	5.1%	-0.4%
2006	164,833	3.4%	3.9%	-0.4%	144,427,000	1.9%	4.6%	-0.5%
2007	171,639	4.1%	3.9%	0.0%	146,047,000	1.1%	4.6%	0.0%
2008	169,661	-1.2%	5.5%	1.6%	145,362,000	-0.5%	5.8%	1.2%
2009	160,900	-5.2%	8.4%	2.9%	139,877,000	-3.8%	9.3%	3.5%
2010	159,983	-0.6%	9.1%	0.7%	139,064,000	-0.6%	9.6%	0.3%
2011	162,566	1.6%	9.0%	-0.1%	139,869,000	0.6%	8.9%	-0.7%
2012	166,905	2.7%	8.3%	-0.7%	142,469,000	1.9%	8.1%	-0.8%
2013 YTD Average*	166,519	-0.2%	9.1%	0.8%	143,929,333	1.0%	7.4%	-0.7%
Dec-2012	168,509	-	8.1%	-	143,060,000	-	7.6%	-
Dec-2013	165,250	-1.9%	6.7%	-1.4%	144,423,000	1.0%	6.5%	-1.1%

Source: U.S. Bureau of Labor Statistics April 2014

*2013 data is through Dec





Total employment grew every year between 2002 and 2007 in the MSA. The MSA experienced a significant decrease in total employment between 2008 and 2010, when total employment decreased 6.9 percent. The decrease in employment suggests that the national recession negatively impacted the local area. The nation as a whole experienced a smaller decline in total employment than the MSA from 2008 to 2010. The MSA experienced strong employment growth in 2011 and 2012 but slightly decreased in 2013. Total employment in the MSA remains below pre-recession levels.

The unemployment rate in the MSA was lower than that of the nation from 2002 through 2010. However, the unemployment rate in the MSA has remained at rate above the nation since 2011. As of December 2013, the unemployment rate in the MSA was 0.2 percentage points above that of the nation. However, the MSA experienced a moderate decrease in unemployment of 1.4 percentage points between December 2012 and December 2013. As of December 2013, the MSA was experiencing its lowest unemployment level since 2008.

Employment by Industry

The following table illustrates employment by industry for the PMA as of 2013.

2013 EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Accommodation/Food Services	5,747	16.3%	10,849,114	7.6%
Health Care/Social Assistance	5,440	15.5%	20,080,547	14.0%
Retail Trade	4,109	11.7%	16,592,605	11.6%
Educational Services	4,019	11.4%	12,979,314	9.1%
Other Services (excl Publ Adm)	2,178	6.2%	7,850,739	5.5%
Construction	2,169	6.2%	8,291,595	5.8%
Manufacturing	1,639	4.7%	15,162,651	10.6%
Public Administration	1,613	4.6%	6,713,073	4.7%
Transportation/Warehousing	1,567	4.5%	5,898,791	4.1%
Admin/Support/Waste Mgmt Srves	1,567	4.5%	6,316,579	4.4%
Prof/Scientific/Tech Services	1,369	3.9%	9,808,289	6.8%
Arts/Entertainment/Recreation	901	2.6%	3,151,821	2.2%
Wholesale Trade	770	2.2%	3,628,118	2.5%
Finance/Insurance	693	2.0%	6,884,133	4.8%
Information	605	1.7%	2,577,845	1.8%
Real Estate/Rental/Leasing	562	1.6%	2,627,562	1.8%
Utilities	190	0.5%	1,107,105	0.8%
Agric/Forestry/Fishing/Hunting	58	0.2%	1,800,354	1.3%
Mining	0	0.0%	868,282	0.6%
Mgmt of Companies/Enterprises	0	0.0%	97,762	0.1%
Total Employment	35,196	100.0%	143,286,279	100.0%

Source: ESRI Demographics 2010, Novogradac & Company LLP, April 2014

The previous table reflects the workforce for the PMA and the nation. Employment in the PMA is greatest in the accommodation/food services, health care/social assistance, retail trade, and educational services sectors, which together account for 54.9 percent of the total employment in the PMA. The percentage of workers employed in these sectors and the construction sector are higher than the nation as a whole. Conversely, the manufacturing, finance/insurance, prof/scientific/tech services, and agric/forestry/fishing/hunting sectors are more prevalent in the nation when compared to the PMA.

Current Economic Recession and Mortgage Crisis

According to www.RealtyTrac.com, one in every 988 homes in Savannah, GA was under foreclosure, as of March 2014. Nationally, one in every 1,121 homes was under foreclosure and one in every 1,068 homes in Georgia was under foreclosure. As indicated, Savannah has a higher foreclosure rate than Georgia and the nation, as a whole. The median list price for a home in Savannah is \$175,000 compared to \$159,000 in Georgia and \$185,000 in the nation. Overall, it appears that the local market is faring slightly worse than the nation as a whole in terms of foreclosure and growth in home prices.

Conclusion

The largest employers in Savannah are in the manufacturing, education, health care/social assistance, and government sectors. Employment in the PMA is greatest in the accommodation/food services, health care/social assistance, retail trade, and educational services sectors, which together account for 54.9 percent of the total employment in the PMA. This is significantly higher than the nation as a whole. The MSA experienced a significant decrease in total employment between 2008 and 2010, when total employment decreased 6.9 percent. The decrease in employment suggests that the national recession negatively impacted the local area. The nation as a whole experienced a smaller decline in total employment than the MSA from 2008 to 2010. The MSA experienced strong employment growth in 2011 and 2012 but slightly decreased in 2013. The unemployment rate in the MSA has remained at rate above the nation since 2011. As of December 2013, the unemployment rate in the MSA was 0.2 percentage points above that of the nation. However, the MSA experienced a moderate decrease in unemployment of 1.4 percentage points between December 2012 and December 2013.

Primary Market Area Map



The following sections will provide an analysis of the demographic characteristics within the market area. Data such as population, households and growth patterns will be studied, to determine if the Primary Market Area (PMA) and the Secondary Market Area (SMA) are areas of growth or contraction. The Savannah, GA MSA is comprised of Bryan, Chatham, and Effingham counties.

The boundaries of the PMA are as follows:

- North – Savannah River
- South- Derenne Avenue/Highway 21
- East- Wilmington River
- West- Interstate 516/Highway 17

This area includes the majority of the City of Savannah. The area was defined based on interviews with local market participants as well as property managers at comparable properties. Based upon our site inspection, the Subject site is located in the historic district of the Savannah area that

consists of predominantly older uses. This area differs in character to the southern Savannah area, which is more suburban in nature. Many property managers indicated that a significant portion of their tenants come from the immediate Savannah area. Due to access provided by thoroughfares such as Interstate 16, Highway 21, the Southwest Bypass, and Harry Truman Parkway, several property managers indicated that residents come from throughout Chatham County. Per GA DCA's 2014 market study guidelines, GA DCA does not take into account leakage from the PMA.

Population Trends

TOTAL POPULATION

Year	PMA		Savannah, GA MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
1990	90,423	-	257,957	-	248,709,873	-
2000	84,347	-0.7%	292,995	1.4%	281,421,906	1.3%
2013	84,267	0.0%	362,277	1.8%	315,444,544	0.9%
Projected Mkt Entry July 2015	85,900	1.0%	373,161	1.5%	320,009,456	0.7%
2018	88,350	1.0%	389,486	1.5%	326,856,823	0.7%

Source: ESRI Demographics 2013, Novogradac & Company LLP, April 2014

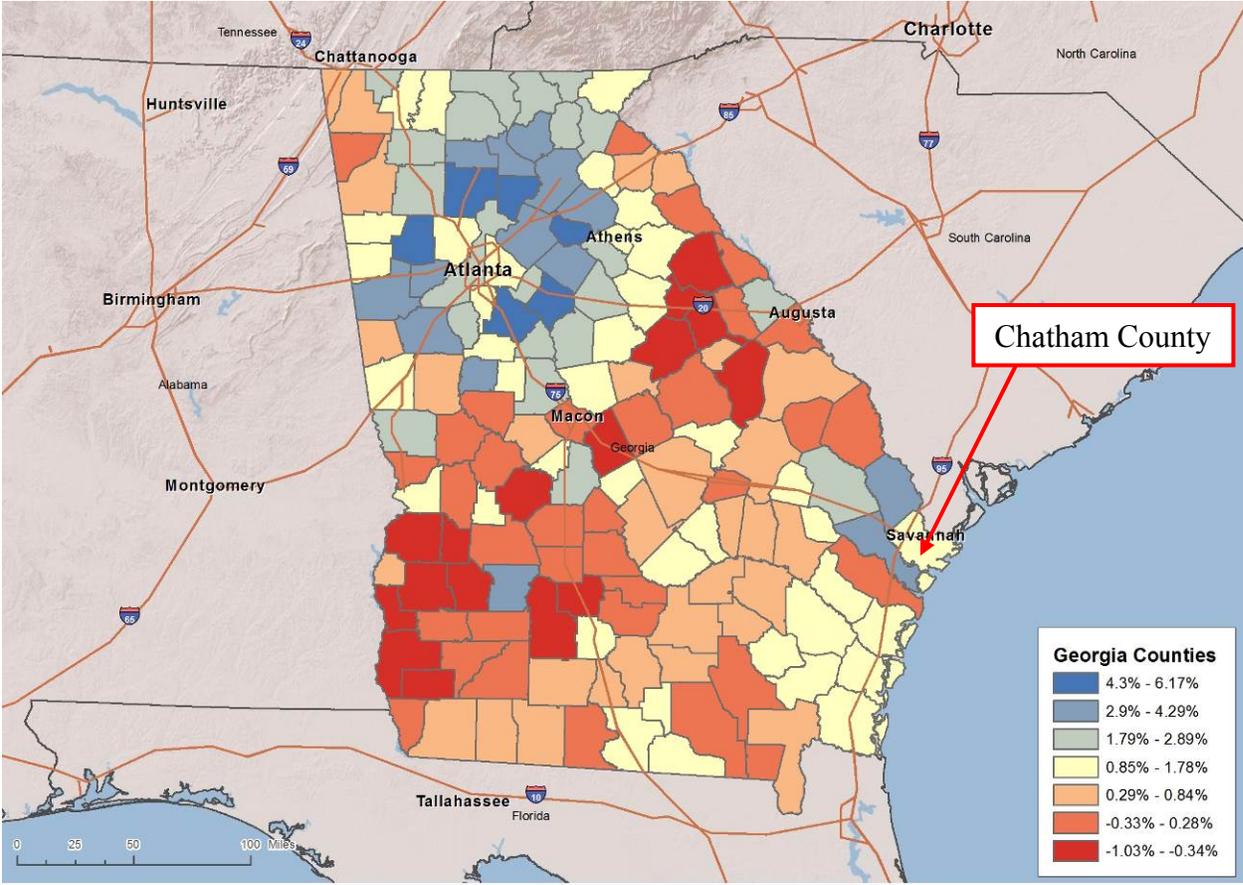
POPULATION BY AGE GROUP

Age Cohort	PMA				
	1990	2000	2013	Projected Mkt Entry July 2015	2018
0-4	7,426	5,876	5,659	5,770	5,937
5-9	6,962	6,401	5,172	5,192	5,223
10-14	6,761	6,349	4,666	4,802	5,006
15-19	6,989	6,782	7,059	7,146	7,276
20-24	7,276	7,558	10,572	10,364	10,053
25-29	7,086	6,104	6,721	6,789	6,892
30-34	6,864	5,366	5,610	5,738	5,931
35-39	6,135	5,623	4,372	4,639	5,040
40-44	5,272	5,651	4,352	4,326	4,286
45-49	4,244	5,283	4,571	4,543	4,502
50-54	3,689	4,875	5,149	5,036	4,867
55-59	3,660	3,693	5,032	5,160	5,353
60-64	4,003	3,185	4,637	4,809	5,067
65-69	4,324	2,894	3,516	3,807	4,243
70-74	3,765	2,856	2,510	2,848	3,356
75-79	2,920	2,558	1,802	1,984	2,258
80-84	1,857	1,809	1,365	1,397	1,445
85+	1,190	1,484	1,503	1,549	1,617
Total	90,423	84,347	84,268	85,902	88,352

Source: ESRI Demographics 2013, Novogradac & Company LLP, April 2014

Total population in the PMA is projected to increase at a 1.0 percent annual rate from 2013 to 2018, a growth rate below that of the Savannah, GA MSA but above the nation as a whole during the same time period. The slow projected growth in the general population is typical of densely population urban areas such as the PMA. In 2013, approximately 39 percent of the PMA's population is 24 years old or younger. The PMA demonstrates a larger 15 to 24 age population when compared to

other age cohorts. The presence of a younger population in the PMA is likely due to the draw of Savannah College of Art & Design (SCAD), Savannah Technical College, and Savannah State University. The projected PMA population growth is expected to outpace the national population growth but lag the MSA population growth.



2000 - 2010 Population Annual Growth Rate



Household Trends

TOTAL NUMBER OF HOUSEHOLDS

Year	PMA		Savannah, GA MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
1990	34,210	-	94,939	-	91,947,410	-
2000	33,603	-0.2%	111,910	1.8%	105,991,193	1.5%
2013	32,348	-0.3%	137,816	1.7%	119,423,008	1.0%
Projected Mkt Entry July 2015	33,086	1.1%	142,254	1.6%	121,224,502	0.8%
2018	34,193	1.1%	148,910	1.6%	123,926,744	0.8%

Source: ESRI Demographics 2013, Novogradac & Company LLP, April 2014

AVERAGE HOUSEHOLD SIZE

<i>Year</i>	PMA		Savannah, GA MSA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2000	2.44	-	2.54	-	2.58	-
2013	2.42	-0.1%	2.53	0.0%	2.57	0.0%
Projected Mkt Entry July 2015	2.41	-0.1%	2.53	0.0%	2.57	0.0%
2018	2.41	-0.1%	2.52	0.0%	2.57	0.0%

Source: ESRI Demographics 2013, Novogradac & Company LLP, April 2014

As the previous table illustrates, the PMA was an area with a declining number of households from 1990 through 2013. However, the number of households in the PMA are projected to increase through the projected market entry date and through 2018. The number of households in the PMAS is expected to grow at a slower rate than the MSA but at a faster rate than the nation as a whole. The increasing number of households in the PMA bodes well for the Subject's proposed unit mix.

The average household size in the PMA, at 2.42, is slightly smaller than, although fairly similar to, the average household sizes in the MSA and nation. The Subject will offer one, two, and three-bedroom units targeted to singles, couples, and families. The average household size in the PMA bodes well for the Subject's proposed unit mix.

Households by Tenure

The table below depicts household growth by tenure from 2000 through 2018.

TENURE PATTERNS PMA

Year	Owner-Occupied	Percentage	Renter-Occupied	Percentage
	Units	Owner-Occupied	Units	Renter-Occupied
2000	16,362	48.7%	17,241	51.3%
2013	13,643	42.2%	18,705	57.8%
Projected Mkt Entry July 2015	14,050	42.5%	19,036	57.5%
2018	14,660	42.9%	19,533	57.1%

Source: ESRI Demographics 2013, Novogradac & Company LLP, April 2014

The percentage of renter-occupied housing units increased significantly from 2000 to 2013. Between 2013 and 2018, the percentage of renter-occupied housing units is expected to decrease slightly. However, the number of renter-occupied units within the PMA will increase over this time period. This trend will also continue through 2018. The percentage of renter-occupied households is and will remain higher than the national average. Nationally, approximately two-thirds of households are homeowners and one-third are renters. This bodes well for the Subject.

Households by Income

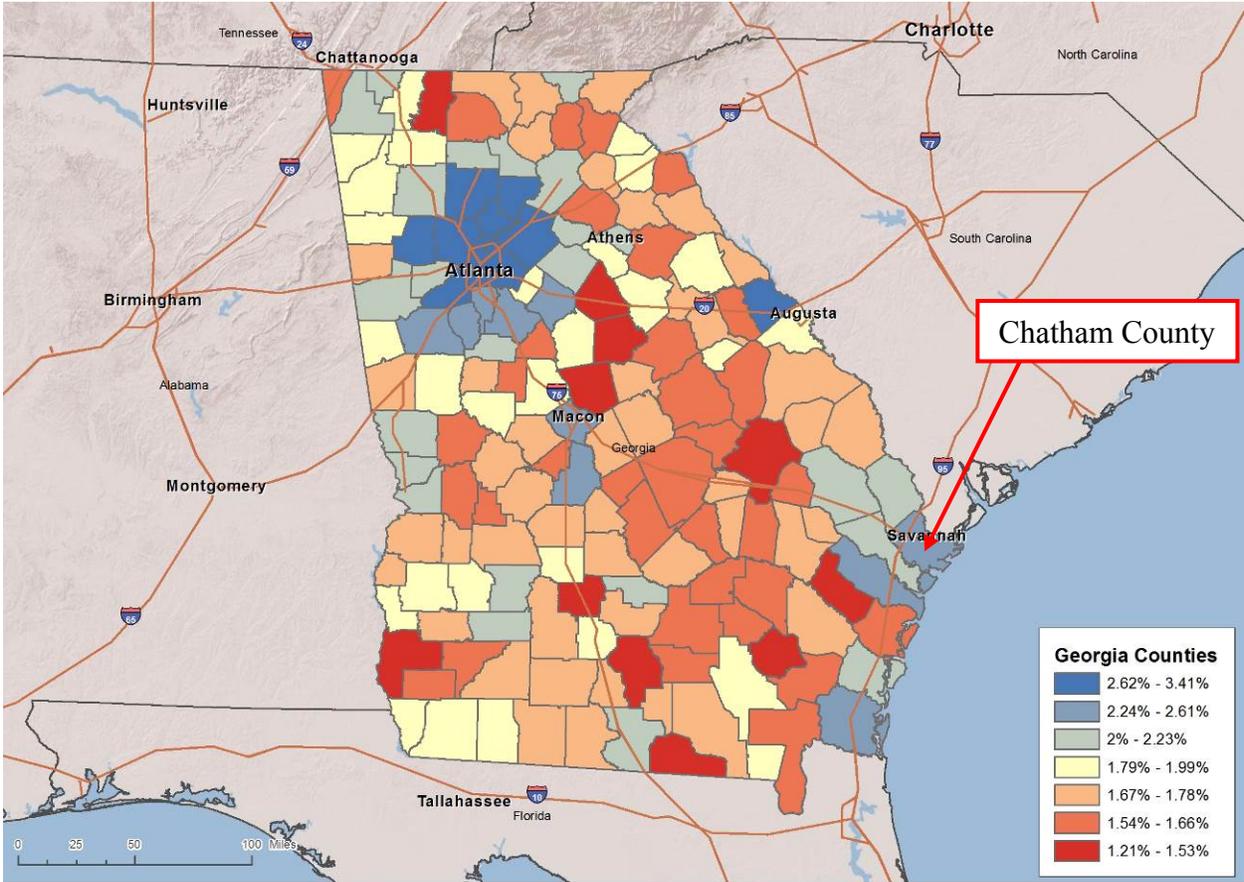
The following table depicts household income in 2013, July 2015, and 2018 for the PMA.

HOUSEHOLD INCOME DISTRIBUTION - PMA

Income Cohort	2013		Projected Mkt Entry July 2015		2018	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	6,355	19.6%	6,525	19.7%	6,780	19.8%
\$10,000-19,999	6,322	19.5%	6,500	19.6%	6,766	19.8%
\$20,000-29,999	5,347	16.5%	5,477	16.6%	5,673	16.6%
\$30,000-39,999	3,665	11.3%	3,741	11.3%	3,855	11.3%
\$40,000-49,999	2,659	8.2%	2,714	8.2%	2,797	8.2%
\$50,000-59,999	2,166	6.7%	2,205	6.7%	2,263	6.6%
\$60,000-74,999	1,902	5.9%	1,931	5.8%	1,974	5.8%
\$75,000-99,999	1,648	5.1%	1,675	5.1%	1,716	5.0%
\$100,000-124,999	979	3.0%	991	3.0%	1,010	3.0%
\$125,000-149,999	538	1.7%	545	1.6%	556	1.6%
\$150,000-199,999	382	1.2%	388	1.2%	398	1.2%
\$200,000+	386	1.2%	394	1.2%	405	1.2%
Total	32,348	100.0%	33,086	100.0%	34,193	100.0%

Source: Ribbon Demographics 2013, Novogradac & Company LLP, April 2014

The three lowest income cohorts have the highest number of households within the PMA. As of 2013, approximately 55.7 percent of households in the PMA earn less than \$29,999. This percentage is expected to increase over 2018. Incomes at the Subject will range from \$0 to \$37,920 (for the 60 percent AMI/project-based subsidized units), \$22,560 to \$37,920 (for the 60 percent AMI restricted units), and from generally \$22,971 to \$88,480 (for the unrestricted units). The large percentage of households in this income cohort is a positive indication of demand for the Subject's units.



2000 - 2010 MHI Annual Growth Rate



CONCLUSION

The PMA has experienced stable or decreasing population and household growth through 2013. However, the population and number of households in the PMA are projected to increase through the projected market entry date and through 2018. The expected increase in population and number of households bodes well for the Subject. Conversely, the MSA has experienced increasing population and household growth through 2013 and is expected to continue so through 2018. The average household size in the PMA, at 2.42, is slightly smaller than, although fairly similar to, the average household sizes in the MSA and nation. Based on the low vacancy rates and waiting lists experienced by many of the rental properties in the market, and the *Demand Analysis* illustrated later in this report, there appears to be adequate demand for the Subject’s affordable units.

NEIGHBORHOOD ANALYSIS

Date of Site Visit and

Name of Site Inspector:

Ed Mitchell visited the site on May 5, 2014.

Physical Features of the Site:

Frontage:

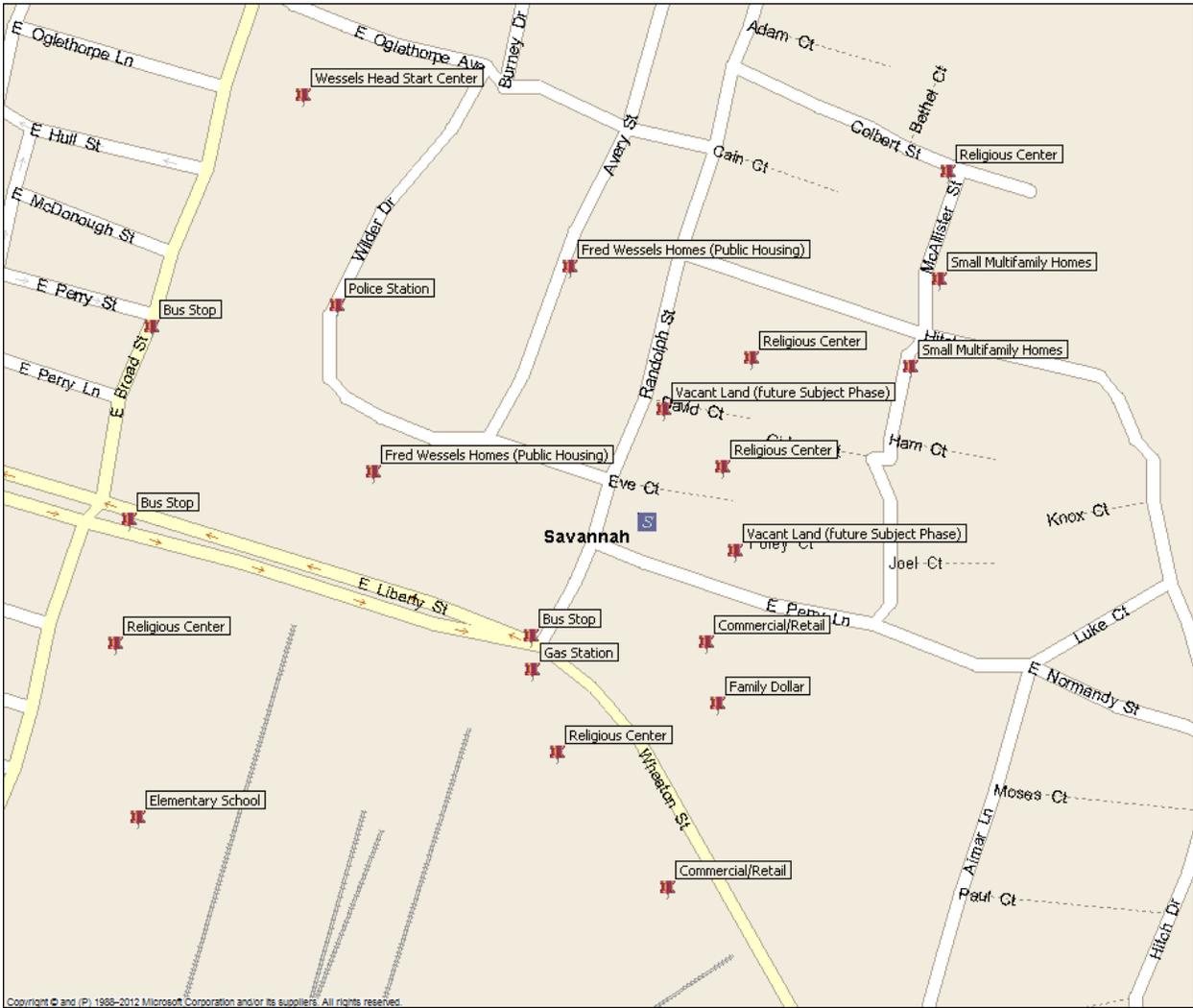
The Subject site has frontage along Randolph Street and East Perry Lane.

Visibility/Views:

The Subject will have good visibility from Randolph Street and East Perry Lane. Views from the Subject site are of multifamily developments, vacant land, religious centers, and various commercial/retail developments. Overall, views are considered good.

Surrounding Uses:

The following map illustrates the surrounding land uses.

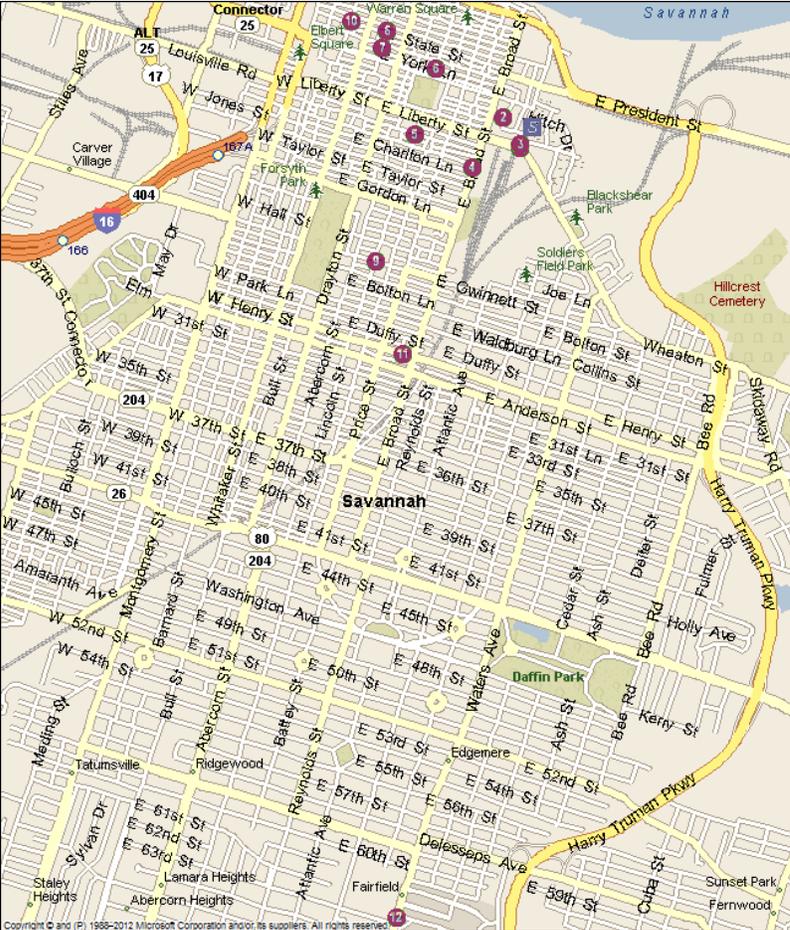


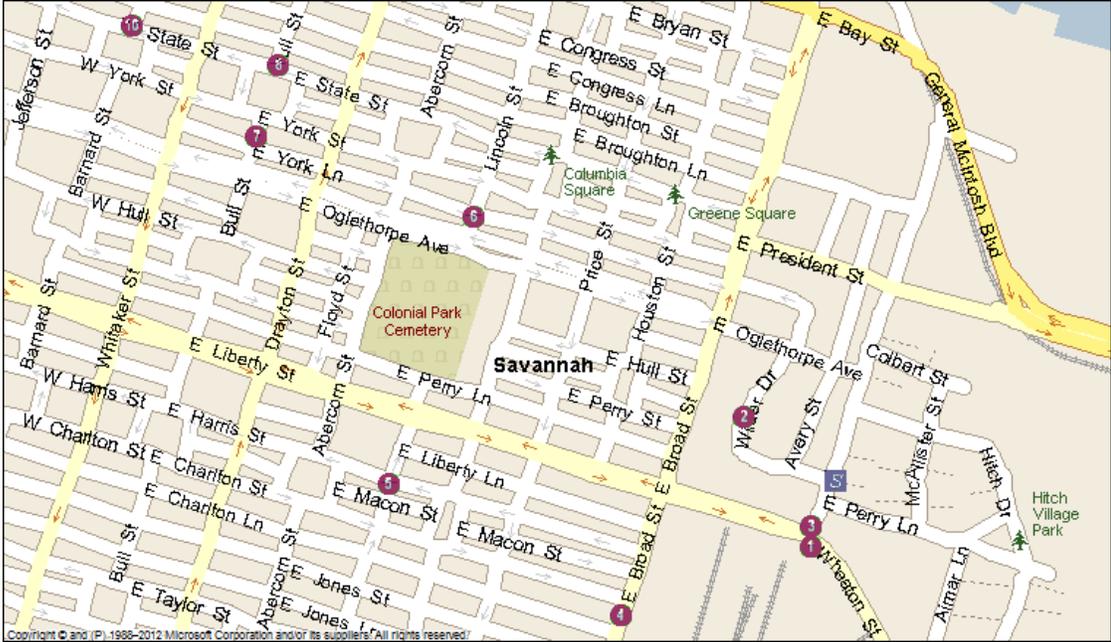
Surrounding uses consist of vacant land (proposed for future phases of the Subject), multifamily developments, a 250 unit public housing development (Fred Wessel’s Homes), religious centers, and commercial/retail facilities. The multifamily developments in the Subject neighborhood appear to be in average to good condition. The Subject site is located in the northeastern quadrant of the central business district. There are various commercial/retail uses in the Subject sites neighborhood. Commercial occupancy appeared to be 95 percent.

Positive/Negative Attributes of Site: The Subject has good proximity to retail and other services. We did not witness any negative attributes during our field work.

Proximity to Locational Amenities:

The following table details the Subject’s distance from key locational amenities.





LOCATIONAL AMENITIES

#	Service	Distance
1	3G Gas Station	0.1 miles
2	Savannah Police Department	0.1 miles
3	Liberty & Randolph Bus Stop (Routes 10 and 27)	0.1 miles
4	East Broad Street School (Elementary & Junior High School)	0.3 miles
5	St Vincents High School	0.5 miles
6	Urgent Care of Historic Savannah	0.5 miles
7	Wells Fargo Bank	0.7 miles
8	CVS Pharmacy	0.8 miles
9	Kroger Supermarket & Pharmacy	1.0 miles
10	US Post Office	1.0 miles
11	Live Oak Public Library	1.7 miles
12	Memorial University Medical Center	3.0 miles

Description of Land Uses:

Surrounding uses consist of commercial/retail developments and multifamily properties. To the immediate north are vacant land (for future phases of the Subject) and a religious center. To the immediate east are vacant land (for future phases of the Subject), a religious center, and the Madison Retail Site. To the immediate south are a religious center, Wheaton Street Investors, Family Dollar, and a bus stop. To the immediate west is Fred Wessels Homes (250 public housing units). Overall, the Subject’s immediate neighborhood is mixed in nature. The Subject site is located in the northeastern quadrant of the central business district. There are numerous commercial/retail uses in the Subject’s neighborhood. Commercial occupancy in the Subject’s neighborhood

appeared to be 95 percent. Overall, the Subject has a desirable location for multifamily housing.

Conclusion:

The neighborhood surrounding the Subject site consists primarily of commercial/retail space and multifamily apartments. The Subject site is located in the northeastern quadrant of the central business district. Overall, the Subject is expected to be compatible with the surrounding uses and it is a desirable location for multifamily housing.

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 encompasses approximately 2.88 acres.
- Shape:** The site is irregular in shape. A copy of the site plan is located at the end of this section.
- Frontage:** The Subject site has frontage along East Perry Lane and Randolph Street.
- Topography:** The site is generally level.
- Visibility/Views:** The Subject will have good visibility from Randolph Street and East Perry Lane. Views from the Subject site are of

multifamily developments, vacant land, religious centers, and various commercial/retail developments. Overall, views are considered good.

Access and Traffic Flow:

The Subject will be accessed via Randolph Street, a four-lane moderately traveled road. Randolph Street is off of East Liberty Street, which provides access to Interstates 516 and 16, approximately 2.8 and 1.1 miles from the Subject, respectively. Interstate 16 is an east-west highway that runs for approximately 167 miles. Both Interstates 516 and 16 provide access to Interstate 95. Interstate 95 is a north-south highway that extends from Florida to New England, passing through Georgia. The Subject site is located approximately 9.7 miles east of Interstate 95.

Drainage:

Appears adequate; however, no specific tests were performed.

Soil and Subsoil Conditions:

We were not provided with soil surveys, but the existing improvements suggest that the soils are adequate.

Flood Plain:

According to www.floodinsights.com, the Subject is located in Zone X (community map number 135163 panel number 0154F dated September 26, 2008) and is located outside the 100 and 500-year flood plains. The Subject site is not located within 250 feet of multiple flood zones.

Environmental:

We were not provided with an environmental assessment. Novogradac and Company LLP are not experts in this field and cannot opine.

Detrimental Influences:

No detrimental influences were identified.

Conclusion:

The Subject will be compatible with the existing surroundings. No detrimental influences were identified in the immediate neighborhood. The Subject is physically capable of supporting a variety of legally permissible uses, and is considered an adequate building site.

Description of Improvements

Property Profile Report

Hitch Phase I	
Comp #	Subject
Effective	5/5/2014
Rent Date	
Location	276 Randolph Street Savannah, GA 31401 Chatham County
Units	72
Vacant Units	N/A
Vacancy Rate	N/A
Type	Garden (3 stories)
Year Built / Renovated	2015 / 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?
1	1	Garden (3 stories)	2	840	\$424	\$0	60% (RAD/PBRA)	N/A	N/A	N/A	no
1	1	Garden (3 stories)	2	840	\$540	\$0	60%	N/A	N/A	N/A	no
1	1	Garden (3 stories)	2	840	\$670	\$0	Market	N/A	N/A	N/A	N/A
2	2	Garden (3 stories)	20	1020	\$461	\$0	60% (RAD/PBRA)	N/A	N/A	N/A	no
2	2	Garden (3 stories)	12	1020	\$626	\$0	60%	N/A	N/A	N/A	no
2	2	Garden (3 stories)	10	1020	\$770	\$0	Market	N/A	N/A	N/A	N/A
3	2	Garden (3 stories)	12	1,245	\$599	\$0	60% (RAD/PBRA)	N/A	N/A	N/A	no
3	2	Garden (3 stories)	9	1,245	\$719	\$0	60%	N/A	N/A	N/A	no
3	2	Garden (3 stories)	3	1,245	\$850	\$0	Market	N/A	N/A	N/A	N/A

Amenities					
In-Unit	Blinds	Security	Intercom (Buzzer)		
	Carpeting		Intercom (Phone)		
	Central A/C		Limited Access		
	Dishwasher		Perimeter Fencing		
	Ceiling Fan				
	Garbage Disposal				
	Microwave				
	Oven				
	Refrigerator				
	Washer/Dryer				
	Washer/Dryer hookup				
	Property		Parking spaces: 74	Premium	none
			Business Center/Computer Lab		
	Clubhouse/Meeting Room/Community Room				
	Exercise Facility				
	Neighborhood Network				
	Off-Street Parking				
	On-Site Management				
	Picnic Area				
	Playground				
	Recreation Areas				
	Service Coordination				
Services	none	Other	none		

Comments
Vinyl Plank flooring in living room and kitchen.

Unit Layout: We have reviewed the proposed floor plans for the Subject and they appear market-oriented and functional.

NLA (residential space): Approximately 77,760 square feet.

Americans With Disabilities Act of 1990: As new construction, we assume that the property will not have any violations of the Americans With Disabilities Act of 1990.

Quality of Construction Condition and Deferred Maintenance: It is assumed that the Subject will be constructed in a timely manner consistent with the information provided, using average-quality materials in a professional manner.

Scope of Renovations: The Subject will be new construction.

Proposed Rents: The following table illustrates the Subject’s proposed rents.

PROPOSED RENTS						
Unit Type	Number of Units	Asking Rents	Utility Allowance (1)	Gross Asking Rents	2014 LIHTC Maximum Allowable Rent	HUD Fair Market Rents
<i>60% AMI (RAD/PBRA)</i>						
1BR/1BA	2	\$424	\$105	\$529	\$658	\$725
2BR/2BA	20	\$461	\$124	\$585	\$790	\$860
3BR/2BA	12	\$599	\$156	\$755	\$912	\$1,147
<i>60% AMI</i>						
1BR/1BA	2	\$540	\$105	\$645	\$658	\$725
2BR/2BA	12	\$626	\$124	\$750	\$790	\$860
3BR/2BA	9	\$719	\$156	\$875	\$912	\$1,147
<i>Market Rate</i>						
1BR/1BA	2	\$670	N/A	N/A	N/A	\$725
2BR/2BA	10	\$770	N/A	N/A	N/A	\$860
3BR/2BA	3	\$850	N/A	N/A	N/A	\$1,147
Total	72					

Notes (1) Source of Utility Allowance: Developer

Current Occupancy: The Subject will be new construction and therefore there is no current occupancy to report.

Current Tenant Income: The Subject will be new construction and therefore there are no current tenant incomes to report.

Functional Obsolescence: The Subject will be newly constructed. We have inspected the Subject’s site plans and floor plans and determined the proposed development to be market-oriented and functional. We assume the Subject will not suffer from functional

obsolescence.

Conclusion:

The Subject will be an excellent-quality apartment complex, comparable or superior to most of the inventory in the area. The proposed Subject appears to be market-oriented and functional.

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 Chatham County real estate taxing jurisdiction. Real estate taxes for a property located in Chatham County are based upon a property's assessed valuation. Market values are assessed predominantly using the income approach for multifamily rental properties. Real estate taxes in Chatham County are based upon 40 percent of the market value. According to the Chatham County Tax Commissioner, the millage rate for the Subject is \$41.419 per \$1,000 for the combined county and city taxes.

2014 COMPARABLE ASSESSMENTS

Property	Property Type	Year Built	Number of Units	Total Value	Assessed Value	Assessed Value Per Unit
Savannah Gardens III	LIHTC/Market	2012	95	\$5,656,114	\$2,262,446	\$23,815
Savannah Gardens I	LIHTC/Market	2011	115	\$5,848,244	\$2,339,298	\$20,342
Montgomery Landing	LIHTC/Market	2005	144	\$5,676,470	\$2,270,588	\$15,768
Oaks at Brandlewood	LIHTC/Market	2003	300	\$13,694,000	\$5,477,600	\$18,259
Chelsea Apartments	Market	1947/1983	136	\$3,418,275	\$1,367,310	\$10,054
Jasmine Place	Market	1979/2005	112	\$6,110,200	\$2,444,080	\$21,822
Walden at Chatham Center	Market	2003	236	\$18,000,000	\$7,200,000	\$30,508

The above data indicates an assessed per unit range from \$10,054 to \$30,508 per unit for comparable multifamily properties located in the Subject's market. Per the assessor, unrestricted and restricted properties are similarly assessed via the income approach. As the previous table demonstrates, the market rate properties have similar assessed values per unit when compared to the LIHTC properties, despite illustrating considerably higher rents. The Subject will be a newly constructed property and will likely receive an assessment at the high end of the range, similar to the properties constructed between 2003 and 2012. Therefore, we have estimated an assessed value per unit of \$23,000 for the restricted scenario. We believe an assessed value of \$30,000 per unit is reasonable for unrestricted scenario given the higher achievable market rents. The following table summarizes our conclusions.

TAXES RESTRICTED SCENARIO

Assessed Value Per Unit	Total Assessed Value	Millage Rate	Estimated Tax Burden	Estimated Tax Burden Per Unit
\$23,000	\$1,656,000	41.419	\$68,590	\$953

TAXES UNRESTRICTED SCENARIO

Assessed Value Per Unit	Total Assessed Value	Millage Rate	Estimated Tax Burden	Estimated Tax Burden Per Unit
\$30,000	\$2,160,000	41.419	\$89,465	\$1,243

Zoning

Current Zoning

According to Charlotte Moore, Planner with Chatham County-Savannah Metropolitan Planning Commission, the Subject site is zoned R-M-25, Multiple-Family Residential District. The principal residential uses permitted under this zoning code are single-family and multifamily developments. The Subject site is 2.88 acres, or 125,453 square feet. This zoning district allows for a maximum density of 25 units per acre. The Subject will be developed to a density of 25 units per acre. It permits a maximum building height of 40 feet, or four stories. The Subject’s buildings will be three stories in height. One and a half parking spaces is required per unit. The Subject will offer 72 units. Therefore, it would require 108 parking spaces. The Subject will offer 74 parking spaces, which is permitted under a variance received by the sponsor. The Subject appears to be 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

Savannah’s Assisted Housing Programs Department

According to Lynn Coleman, Director of the Housing Authority of Savannah’s Assisted Housing Programs Department, the Housing Authority is currently authorized to issue 2,795 vouchers. The Housing Choice Voucher waiting list is currently closed. Ms. Coleman reported that there are over 11,000 households on the waiting list. The following table illustrates the current payment standards.

Payment Standards	
1BR	\$795
2BR	\$886
3BR	\$1,175
4BR	\$1,238

The Subject’s gross LIHTC rents and market rate one and three-bedroom gross rents are below the payment standards. The Subject’s two-bedroom market rate gross rent is above the two-bedroom payment standard in Savannah.

LIHTC Competition / Recent and Proposed Construction

According to the Georgia Department of Community Affairs, the only properties that have been awarded tax credits since 2009 in the Subject’s Primary Market Area were Savannah Gardens Phases I, III, IV, and V, and Sustainable Fellwood III. We have utilized Savannah Gardens I and III as comparables within this report. Savannah Gardens IV is currently under construction and should directly completely with the Subject upon completion in December. Savannah Gardens V was awarded tax credits in 2013 and has not begun construction yet. Upon completion, Savannah Gardens V will also compete with the Subject. Savannah Gardens Phase II, the elderly property, is not a tax credit property. It was financed under the HUD Section 202 program. Sustainable Fellwood III is a senior LIHTC property in the PMA that was placed in service in 2012 and was not utilized as a comparable due to its senior tenancy. The property stabilized in 2012 and is currently 100 percent occupied with a waiting list.

Planning

We spoke with Gary Plumbley, Development Services Planner with the Savannah Metropolitan Planning Commission, in regards to planned, proposed, or recently completed residential development in the Subject’s neighborhood. Mr. Plumbley was unaware of any proposed or recently completed market rate multifamily or single-family developments in the Subject’s neighborhood.

Survey of Comparable Projects

Comparable properties are examined on the basis of physical characteristics, i.e. building type, age/quality, level of common amenities, absorption, as well as similarity in rent. We attempted to compare the Subject to complexes from the competing market to provide a broader picture of the health and available supply in the market. Our competitive survey includes 13 comparable properties containing 1,435 units. A detailed matrix describing the individual competitive properties as well as the proposed Subject is provided in the addenda. A map illustrating the location of the

Subject in relation to comparable properties is also provided in the addenda. The properties are further profiled in the following write-ups. The property descriptions include information on vacancy, turnover, absorption, age, competition, and the general health of the rental market, when available.

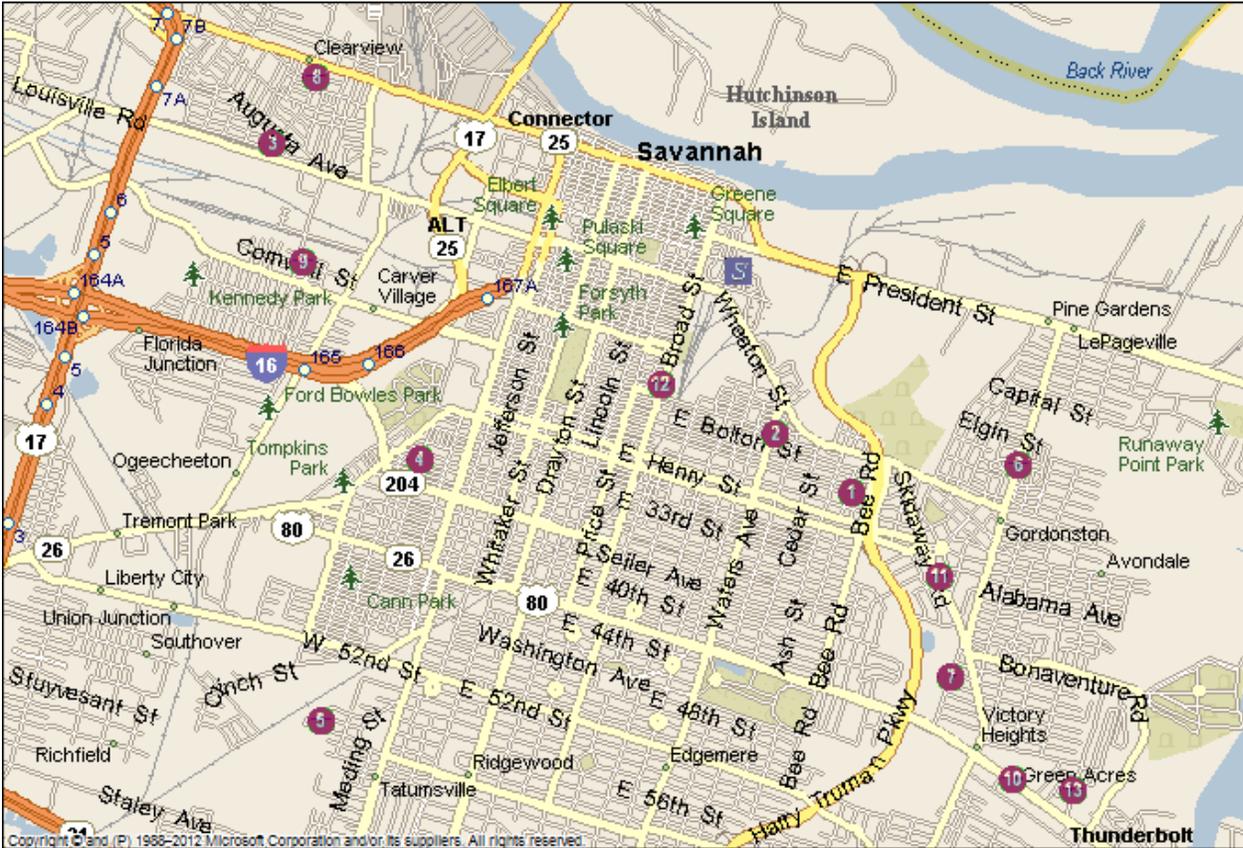
We have included four strictly LIHTC properties, four unrestricted properties, and five mixed properties consisting of LIHTC and unrestricted units in our analysis. Four of the LIHTC/mixed properties also contain public housing units or PBRA units. The affordable properties were constructed or renovated between 2004 and 2012, while the unrestricted market rate comparables were constructed or renovated between 1968 and 2005. All of the comparable properties are located in the PMA. The LIHTC and market rate data is adequate to support our conclusions.

The following table details properties that we have excluded from our analysis.

EXCLUDED PROPERTIES

Property Name	Type	Tenancy	Reason for Exclusion
East Broad Apts	FHA	Family	Could not obtain information.
East Huntingdon Street Housing	LIHTC	Family	Only 14 units
Savannah Gardens V	LIHTC	Family	Proposed
Rose of Sharon	LIHTC/FHA	Elderly	Tenancy not comparable
Savannah Gardens II	HUD 202	Elderly	Subsidized; tenancy not comparable
Savannah Gardens IV	LIHTC/Market	Family	Under construction
Sustainable Fellwood III	LIHTC/PHA/Market	Elderly	Tenancy not comparable
SNAP I, II, III	LIHTC/Section 8/FHA	Family	Subsidized
Telfair Arms	LIHTC/Section 8/FHA	Elderly	Subsidized; tenancy not comparable
Drayton Tower	Market	Family	Could not obtain information.
Hampstead Oaks	Market	Family	Outside of PMA
Kingstown Apartments	Market	Family	Limited unit types
Oaks At Brandlewood	Market	Family	Outside of PMA
River Crossing Apartments	Market	Family	Market
Strathmore Estates	Market	Family	Market
Sunrise Villas	Market	Family	Market
The Fountains At Chatham Parkway	Market	Elderly	Outside of PMA
Courtney Station Apartments	Market/HoDAG	Family	Could not obtain information.
Veranda at Midtown	Market/PBRA/FHA	Elderly	Tenancy not comparable
Savannah Summit	Section 8	Family	Subsidized
Cars V Inc	Section 8	Disabled	Subsidized; tenancy not comparable
Chatham Assoc For Res Sev Inc I	Section 8	Disabled	Subsidized; tenancy not comparable
Chatham Assoc For Res Sev Inc II	Section 8	Disabled	Subsidized; tenancy not comparable
Georgia Infirmary A/ Habersham Place	Section 8	Disabled	Subsidized; tenancy not comparable
Georgia Infirmary B/ Habersham Place	Section 8	Disabled	Subsidized; tenancy not comparable
Ponderosa Forest Apts	Section 8	Family	Subsidized
Presidential Plaza I	Section 8	Family	Subsidized
St. Johns Villa Apartments	Section 8	Elderly	Subsidized; tenancy not comparable
Presidential Plaza II	Section 8/FHA	Family	Subsidized
Thomas Francis Williams Court Apts	Section 8/FHA	Elderly	Subsidized; tenancy not comparable

Comparable Rental Property Map



COMPARABLE PROPERTIES

#	Property Name	City	Type	Distance
1	Ashlet Midtown Phase I	Savannah	LIHTC, Market, Subsidized	1.3 miles
2	Ashley Midtown Phase II	Savannah	LIHTC, Subsidized	0.8 miles
3	Heritage Corner & Heritage Row	Savannah	LIHTC	2.3 miles
4	Heritage Place	Savannah	LIHTC	2.3 miles
5	Montgomery Landing	Savannah	LIHTC, Market	3.6 miles
6	Savannah Gardens I	Savannah	LIHTC	2.0 miles
7	Savannah Gardens III	Savannah	LIHTC, Market	2.3 miles
8	Sustainable Fellwood I	Savannah	LIHTC, Market, Subsidized	2.6 miles
9	Sustainable Fellwood II	Savannah	LIHTC, Market, Subsidized	2.3 miles
10	Alhambra Apartments	Savannah	Market	4.1 miles
11	Chelsea At Five Points	Savannah	Market	1.8 miles
12	Green Growth I	Savannah	Market	0.7 miles
13	Jasmine Place	Savannah	Market	4.2 miles

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

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	Hitch Village Phase I 276 Randolph Street Savannah, GA 31401 Chatham County	n/a	Garden (3 stories) 2015 / n/a	@60%, Market	1BR / 1BA	2	2.80%	@60%	\$424	840	no		N/A	N/A
					1BR / 1BA	2	2.80%	@60%	\$540	840	no	N/A	N/A	
					1BR / 1BA	2	2.80%	Market	\$670	840	n/a	N/A	N/A	
					2BR / 1BA	20	27.80%	@60%	\$461	1,020	no	N/A	N/A	
					2BR / 1BA	12	16.70%	@60%	\$626	1,020	no	N/A	N/A	
					2BR / 1BA	10	13.90%	Market	\$770	1,020	n/a	N/A	N/A	
					3BR / 2BA	12	16.70%	@60%	\$599	1,245	no	N/A	N/A	
					3BR / 2BA	9	12.50%	@60%	\$719	1,245	no	N/A	N/A	
					3BR / 2BA	3	4.20%	Market	\$850	1,245	n/a	N/A	N/A	
										72	100%			
1	Ashley Midtown Phase I 1518 E Park Avenue Savannah, GA 31404 Chatham County	1.3 miles	Various (2 stories) 2004 / n/a	@30%, @50%, @60%, Market	2BR / 1BA (Garden)	7	4.20%	@30%	N/A	1,269	n/a	Yes	0	0.00%
					2BR / 1BA (Garden)	6	3.60%	@50%	N/A	1,276	n/a	Yes	0	0.00%
					2BR / 1BA (Garden)	13	7.70%	@60%	\$731	1,269	yes	Yes	0	0.00%
					2BR / 1BA (Garden)	6	3.60%	Market	\$1,019	1,411	n/a	No	0	0.00%
					2BR / 1.5BA (Townhouse)	17	10.10%	@30%	N/A	1,276	n/a	Yes	0	0.00%
					2BR / 1.5BA (Townhouse)	13	7.70%	@50%	N/A	1,254	n/a	Yes	0	0.00%
					2BR / 1.5BA (Townhouse)	33	19.60%	@60%	\$731	1,276	yes	Yes	0	0.00%
					2BR / 1.5BA (Townhouse)	17	10.10%	Market	\$1,019	1,146	n/a	No	1	5.90%
					3BR / 2BA (Garden)	2	1.20%	@30%	N/A	1,377	n/a	Yes	0	0.00%
					3BR / 2BA (Garden)	7	4.20%	@50%	N/A	1,377	n/a	Yes	0	0.00%
					3BR / 2BA (Garden)	4	2.40%	@60%	\$824	1,377	yes	Yes	0	0.00%
					3BR / 2BA (Garden)	3	1.80%	Market	\$1,279	1,200	n/a	No	0	0.00%
					3BR / 2.5BA (Townhouse)	6	3.60%	@30%	N/A	1,467	n/a	Yes	0	0.00%
					3BR / 2.5BA (Townhouse)	10	6.00%	@50%	N/A	1,467	n/a	Yes	0	0.00%
					3BR / 2.5BA (Townhouse)	15	8.90%	@60%	\$824	1,467	yes	Yes	0	0.00%
3BR / 2.5BA (Townhouse)	9	5.40%	Market	\$1,279	1,300	n/a	No	1	11.10%					
					168	100%						2	1.20%	
2	Ashley Midtown Phase II 1110 Graydon Avenue Savannah, GA 31404 Chatham County	0.8 miles	Townhouse 2008 / n/a	@30% (Public Housing), @60%	2BR / 1BA	2	5.30%	@60%	\$724	1,214	yes	Yes	0	0.00%
					2BR / 1.5BA	10	26.30%	@30%	N/A	1,226	n/a	Yes	0	0.00%
					2BR / 1.5BA	6	15.80%	@60%	\$724	1,238	yes	Yes	0	0.00%
					3BR / 2BA	10	26.30%	@30%	N/A	1,407	n/a	Yes	0	0.00%
					3BR / 2BA	1	2.60%	@60%	\$821	1,340	yes	Yes	0	0.00%
					3BR / 2BA	8	21.10%	@60%	\$821	1,400	yes	Yes	0	0.00%
					3BR / 2BA	1	2.60%	@60%	\$821	1,482	yes	Yes	0	0.00%
										38	100%			
3	Heritage Corner & Heritage Row 642 W 41st Street & 824 West 35th Street Savannah, GA 31415 Chatham County	2.3 miles	Garden (2 stories) 2005/2006 / n/a	@30%, @50%, @60%	1BR / 1BA	4	5.70%	@30%	\$244	750	no	3-6 mo	N/A	N/A
					2BR / 2BA	32	45.70%	@50%	\$522	900	no	2-3 mo	N/A	N/A
					2BR / 2BA	17	24.30%	@60%	\$659	900	no	2-3 mo	N/A	N/A
					3BR / 2BA	13	18.60%	@50%	\$591	1,050	no	3-6 mo	N/A	N/A
					3BR / 2BA	4	5.70%	@60%	\$704	1,050	no	3-6 mo	N/A	N/A
										70	100%			
4	Heritage Place 700 W 35th Street Savannah, GA 31415 Chatham County	2.3 miles	Conversion (3 stories) 1930s / 2006	@50%, @60%, Non-Rental	1BR / 1BA	16	18.20%	@50%	\$457	750	no	3-6 mo	N/A	N/A
					1BR / 1BA	11	12.50%	@60%	\$489	750	no	3-6 mo	N/A	N/A
					2BR / 2BA	26	29.50%	@50%	\$486	900	no	2-3 mo	N/A	N/A
					2BR / 2BA	15	17.00%	@60%	\$586	900	no	2-3 mo	N/A	N/A
					2BR / 2BA	2	2.30%	Non-Rental	N/A	900	n/a	0	0.00%	
					3BR / 2BA	12	13.60%	@50%	\$504	1,050	no	3-6 mo	N/A	N/A
					3BR / 2BA	6	6.80%	@60%	\$617	1,050	no	3-6 mo	N/A	N/A
										88	100%			
5	Montgomery Landing 714 W 57th St Savannah, GA 31405 Chatham County	3.6 miles	Garden (2 stories) 2005 / n/a	@30%, @50%, @60%, Market	1BR / 1BA	1	0.70%	@30%	\$247	792	yes	No	0	0.00%
					1BR / 1BA	4	2.80%	@50%	\$487	792	yes	No	0	0.00%
					1BR / 1BA	7	4.90%	@60%	\$579	792	yes	No	0	0.00%
					1BR / 1BA	4	2.80%	Market	\$635	792	n/a	No	0	0.00%
					2BR / 2BA	9	6.20%	@30%	\$299	1,062	yes	No	0	0.00%
					2BR / 2BA	16	11.10%	@50%	\$587	1,062	no	No	0	0.00%
					2BR / 2BA	12	8.30%	@60%	\$679	1,062	no	No	1	8.30%
					2BR / 2BA	11	7.60%	Market	\$735	1,062	n/a	No	2	18.20%
					3BR / 2BA	4	2.80%	@30%	\$331	1,267	yes	No	0	0.00%
					3BR / 2BA	21	14.60%	@50%	\$664	1,267	no	No	0	0.00%
					3BR / 2BA	29	20.10%	@60%	\$775	1,267	no	No	2	6.90%
					3BR / 2BA	10	6.90%	Market	\$860	1,267	no	No	1	10.00%
					4BR / 2BA	1	0.70%	@30%	\$283	1,428	yes	No	0	0.00%
					4BR / 2BA	2	1.40%	@50%	\$654	1,428	no	No	0	0.00%
					4BR / 2BA	9	6.20%	@60%	\$835	1,428	no	No	0	0.00%
4BR / 2BA	4	2.80%	Market	\$910	1,428	n/a	No	0	0.00%					
					144	100%						6	4.20%	
6	Savannah Gardens I Pennsylvania Ave & West Crescent Ave Savannah, GA 31404 Chatham County	2 miles	Garden (3 stories) 2010 / n/a	@30%, @50%, @60%, Non- Rental	1BR / 1BA	1	0.90%	@30%	\$235	750	yes	Yes	0	0.00%
					1BR / 1BA	4	3.50%	@50%	\$463	750	yes	Yes	0	0.00%
					1BR / 1BA	5	4.30%	@60%	\$577	750	yes	Yes	0	0.00%
					2BR / 2BA	3	2.60%	@30%	\$286	950	yes	No	0	0.00%
					2BR / 2BA	27	23.50%	@50%	\$560	950	yes	No	0	0.00%
					2BR / 2BA	33	28.70%	@60%	\$697	950	yes	No	2	6.10%
					2BR / 2BA	1	0.90%	Non-Rental	N/A	950	n/a	N/A	N/A	
					3BR / 2BA	4	3.50%	@30%	\$317	1,150	yes	Yes	0	0.00%
					3BR / 2BA	14	12.20%	@50%	\$633	1,150	yes	Yes	0	0.00%
					3BR / 2BA	18	15.70%	@60%	\$791	1,150	yes	Yes	1	5.60%
					4BR / 2BA	1	0.90%	@30%	\$334	1,350	yes	Yes	0	0.00%
					4BR / 2BA	2	1.70%	@50%	\$687	1,350	yes	Yes	0	0.00%
4BR / 2BA	2	1.70%	@60%	\$864	1,350	yes	Yes	0	0.00%					
					115	100%						3	2.60%	

7	Savannah Gardens III 500 Pennsylvania Ave Savannah, GA 31404 Chatham County	2.3 miles	Garden (3 stories) 2012 / n/a	@50%, @60%, Market, Non- Rental	1BR / 1BA	3	3.20%	@50%	\$450	871	yes	Yes	N/A	N/A
					1BR / 1BA	5	5.30%	@60%	\$565	871	yes	Yes	N/A	N/A
					1BR / 1BA	1	1.10%	Market	\$675	871	n/a	Yes	N/A	N/A
					2BR / 2BA	21	22.10%	@50%	\$545	1,051	yes	No	N/A	N/A
					2BR / 2BA	34	35.80%	@60%	\$680	1,051	yes	No	N/A	N/A
					2BR / 2BA	3	3.20%	Market	\$775	1,051	n/a	No	N/A	N/A
					2BR / 2BA	1	1.10%	Non-Rental	N/A	1,051	n/a	No	N/A	N/A
					3BR / 2BA	9	9.50%	@50%	\$621	1,232	yes	No	N/A	N/A
					3BR / 2BA	17	17.90%	@60%	\$776	1,232	yes	No	N/A	N/A
					3BR / 2BA	1	1.10%	Market	\$900	1,232	n/a	No	N/A	N/A
					95	100%						2	2.10%	
8	Sustainable Fellwood I 1401 Fellwood Dr Savannah, GA 31415 Chatham County	2.6 miles	Various 2009 / n/a	@60%, @60% (Public Housing), Market	1BR / 1BA (Garden)	15	13.60%	@60%	\$547	832	yes	Yes	1	6.70%
					1BR / 1BA (Garden)	9	8.20%	@60%	\$285	832	n/a	Yes	0	0.00%
					1BR / 1BA (Garden)	6	5.50%	Market	\$639	832	n/a	No	1	16.70%
					2BR / 1BA (Garden)	17	15.50%	@60%	\$658	1,060	yes	Yes	0	0.00%
					2BR / 1BA (Garden)	19	17.30%	@60%	\$277	1,060	n/a	Yes	2	10.50%
					2BR / 1BA (Garden)	5	4.50%	Market	\$731	1,060	n/a	No	1	20.00%
					2BR / 1.5BA (Townhouse)	5	4.50%	Market	\$731	1,060	n/a	No	0	0.00%
					3BR / 2BA (Garden)	13	11.80%	@60%	\$750	1,327	yes	Yes	0	0.00%
					3BR / 2BA (Garden)	10	9.10%	@60%	\$263	1,327	n/a	Yes	0	0.00%
					3BR / 2BA (Garden)	2	1.80%	Market	\$817	1,327	n/a	No	0	0.00%
					3BR / 2.5BA (Townhouse)	3	2.70%	Market	\$817	1,327	n/a	No	0	0.00%
					4BR / 2BA (Garden)	3	2.70%	@60%	\$756	1,522	yes	Yes	0	0.00%
					4BR / 2BA (Garden)	2	1.80%	@60%	\$263	1,522	n/a	Yes	1	50.00%
					4BR / 2BA (Garden)	1	0.90%	Market	\$917	1,522	n/a	No	0	0.00%
										110	100%			
9	Sustainable Fellwood II 1300 W Bay St Savannah, GA 31415 Chatham County	2.3 miles	Garden (2 stories) 2011 / n/a	@60%, @60% (Project Based Rental Assistance - PBRA), Market, PHA (Public Housing)	1BR / 1BA	2	1.80%	@60%	\$547	838	yes	No	0	0.00%
					1BR / 1BA	2	1.80%	@60%	\$267	838	n/a	Yes	1	50.00%
					1BR / 1BA	4	3.60%	Market	\$659	838	n/a	No	0	0.00%
					1BR / 1BA	4	3.60%	PHA	\$267	838	n/a	Yes	0	0.00%
					2BR / 2BA	10	9.10%	@60%	\$658	1,072	yes	No	1	10.00%
					2BR / 2BA	15	13.60%	@60%	\$259	1,072	n/a	Yes	0	0.00%
					2BR / 2BA	4	3.60%	Market	\$751	1,072	n/a	No	1	25.00%
					2BR / 2BA	15	13.60%	PHA	\$259	1,072	n/a	Yes	0	0.00%
					3BR / 2BA	15	13.60%	@60%	\$750	1,343	yes	No	0	0.00%
					3BR / 2BA	3	2.70%	Market	\$837	1,343	n/a	No	1	33.30%
					3BR / 3BA	15	13.60%	@60%	\$245	1,343	n/a	Yes	0	0.00%
					3BR / 3BA	21	19.10%	PHA	\$245	1,343	n/a	Yes	0	0.00%
					110	100%					4	3.60%		
10	Alhambra Apartments 2200 East Victory Drive Savannah, GA 31404 Chatham County	4.1 miles	Various (2 stories) 1968 / n/a	Market	1BR / 1BA (Garden)	44	29.30%	Market	\$720	790	n/a	No	0	0.00%
					2BR / 1.5BA (Townhouse)	35	23.30%	Market	\$785	820	n/a	No	2	5.70%
					2BR / 2BA (Garden)	35	23.30%	Market	\$815	975	n/a	No	0	0.00%
					3BR / 2BA (Townhouse)	36	24.00%	Market	\$870	1,072	n/a	No	2	5.60%
					150	100%					4	2.70%		
11	Chelsea At Five Points 1910 Skidaway Rd Savannah, GA 31404 Chatham County	1.8 miles	Garden (2 stories) 1947 / 1983	Market	1BR / 1BA	24	17.60%	Market	\$600	700	n/a	Yes	1	4.20%
					2BR / 1BA	112	82.40%	Market	\$650	850	n/a	Yes	1	0.90%
					136	100%						2	1.50%	
12	Green Growth I 701-709 A E Broad St; 540 E Gwinnett; 543, 506-507 E Hall St; 539 Nicoll St Savannah, GA 31401 Chatham County	0.7 miles	Various 1920s / 2000s	Market	1BR / 1BA (Garden)	7	7.10%	Market	\$729	565	n/a	No	0	0.00%
					2BR / 1BA (Garden)	13	13.10%	Market	\$779	900	n/a	No	0	0.00%
					2BR / 1BA (Garden)	6	6.10%	Market	\$829	900	n/a	No	0	0.00%
					2BR / 1BA (Garden)	6	6.10%	Market	\$879	950	n/a	No	1	16.70%
					2BR / 1BA (Townhouse)	6	6.10%	Market	\$929	950	n/a	No	1	16.70%
					3BR / 1BA (Garden)	46	46.50%	Market	\$979	1,015	n/a	No	1	2.20%
3BR / 1BA (Townhouse)	15	15.20%	Market	\$1,129	1,015	n/a	No	0	0.00%					
					99	100%						3	3.00%	
13	Jasmine Place 2323 Downing Ave Savannah, GA 31404 Chatham County	4.2 miles	Garden (2 stories) 1979 / 2005	Market	2BR / 1.5BA	80	71.40%	Market	\$834	844	n/a	No	5	6.20%
					3BR / 2BA	32	28.60%	Market	\$929	1,144	n/a	No	0	0.00%
					112	100%						5	4.50%	

RENT AND SQUARE FOOTAGE RANKING -- All rents adjusted for utilities and concessions extracted from the market.							
Effective Rent Date:		Apr-14	Units Surveyed:		1435	Weighted Occupancy:	96.40%
			Market Rate:		497	Market Rate:	97.20%
			Tax Credit:		938	Tax Credit:	96.10%
One Bedroom One Bath		Two Bedrooms One Bath			Three Bedrooms Two Bath		
RENT	Property	Average	Property	Average	Property	Average	
	Green Growth I	\$729	Ashley Midtown Phase I * (M)	\$1,019	Ashley Midtown Phase I * (M)	\$1,279	
	Alhambra Apartments	\$720	Green Growth I	\$929	Green Growth I (1BA)	\$1,129	
	Savannah Gardens III * (M)	\$675	Green Growth I	\$879	Green Growth I (1BA)	\$979	
	Hitch Village Phase I * (M)	\$670	Jasmine Place (1.5BA)	\$834	Jasmine Place	\$929	
	Sustainable Fellwood II * (M)	\$659	Green Growth I	\$829	Savannah Gardens III * (M)	\$900	
	Sustainable Fellwood I * (M)	\$639	Alhambra Apartments (1.5BA)	\$785	Alhambra Apartments	\$870	
	Montgomery Landing * (M)	\$635	Green Growth I	\$779	Montgomery Landing * (M)	\$860	
	Chelsea At Five Points	\$600	Savannah Gardens III * (2BA M)	\$775	Hitch Village Phase I * (M)	\$850	
	Montgomery Landing * (60%)	\$579	Hitch Village Phase I * (M)	\$770	Sustainable Fellwood II * (M)	\$837	
	Savannah Gardens I * (60%)	\$577	Sustainable Fellwood II * (2BA M)	\$751	Ashley Midtown Phase I * (60%)	\$824	
	Savannah Gardens III * (60%)	\$565	Montgomery Landing * (2BA M)	\$735	Ashley Midtown Phase II * (60%)	\$821	
	Sustainable Fellwood I * (60%)	\$547	Ashley Midtown Phase I * (60%)	\$731	Ashley Midtown Phase II * (60%)	\$821	
	Sustainable Fellwood II * (60%)	\$547	Sustainable Fellwood I * (M)	\$731	Ashley Midtown Phase II * (60%)	\$821	
	Hitch Village Phase I * (60%)	\$540	Ashley Midtown Phase II * (60%)	\$724	Sustainable Fellwood I * (M)	\$817	
	Heritage Place * (60%)	\$489	Savannah Gardens I * (2BA 60%)	\$697	Savannah Gardens I * (60%)	\$791	
	Montgomery Landing * (50%)	\$487	Savannah Gardens III * (2BA 60%)	\$680	Savannah Gardens III * (60%)	\$776	
	Savannah Gardens I * (50%)	\$463	Montgomery Landing * (2BA 60%)	\$679	Montgomery Landing * (60%)	\$775	
	Heritage Place * (50%)	\$457	Heritage Corner & Heritage Row * (2BA 60%)	\$659	Sustainable Fellwood I * (60%)	\$750	
	Savannah Gardens III * (50%)	\$450	Sustainable Fellwood I * (60%)	\$658	Sustainable Fellwood II * (60%)	\$750	
	Hitch Village Phase I * (60%)	\$424	Sustainable Fellwood II * (2BA 60%)	\$658	Hitch Village Phase I * (60%)	\$719	
	Sustainable Fellwood I * (60%)	\$285	Chelsea At Five Points	\$650	Heritage Corner & Heritage Row * (60%)	\$704	
	Sustainable Fellwood II * (60%)	\$267	Hitch Village Phase I * (60%)	\$626	Montgomery Landing * (50%)	\$664	
	Sustainable Fellwood II * (PHA)	\$267	Montgomery Landing * (2BA 50%)	\$587	Savannah Gardens I * (50%)	\$633	
	Montgomery Landing * (30%)	\$247	Heritage Place * (2BA 60%)	\$586	Savannah Gardens III * (50%)	\$621	
	Heritage Corner & Heritage Row * (30%)	\$244	Savannah Gardens I * (2BA 50%)	\$560	Heritage Place * (60%)	\$617	
	Savannah Gardens I * (30%)	\$235	Savannah Gardens III * (2BA 50%)	\$545	Hitch Village Phase I * (60%)	\$599	
			Heritage Corner & Heritage Row * (2BA 50%)	\$522	Heritage Corner & Heritage Row * (50%)	\$591	
			Heritage Place * (2BA 50%)	\$486	Heritage Place * (50%)	\$504	
			Hitch Village Phase I * (60%)	\$461	Montgomery Landing * (30%)	\$331	
			Montgomery Landing * (2BA 30%)	\$299	Savannah Gardens I * (30%)	\$317	
			Savannah Gardens I * (2BA 30%)	\$286	Sustainable Fellwood I * (60%)	\$263	
			Sustainable Fellwood I * (60%)	\$277			
			Sustainable Fellwood II * (2BA 60%)	\$259			
			Sustainable Fellwood II * (2BA PHA)	\$259			
SQUARE FOOTAGE	Savannah Gardens III * (50%)	871	Ashley Midtown Phase I * (M)	1,411	Ashley Midtown Phase II * (60%)	1,482	
	Savannah Gardens III * (60%)	871	Ashley Midtown Phase I * (60%)	1,269	Ashley Midtown Phase II * (60%)	1,400	
	Savannah Gardens III * (M)	871	Ashley Midtown Phase II * (60%)	1,214	Ashley Midtown Phase I * (60%)	1,377	
	Hitch Village Phase I * (60%)	840	Sustainable Fellwood II * (2BA 60%)	1,072	Sustainable Fellwood II * (60%)	1,343	
	Hitch Village Phase I * (60%)	840	Sustainable Fellwood II * (2BA 60%)	1,072	Sustainable Fellwood II * (M)	1,343	
	Hitch Village Phase I * (M)	840	Sustainable Fellwood II * (2BA M)	1,072	Ashley Midtown Phase II * (60%)	1,340	
	Sustainable Fellwood II * (60%)	838	Sustainable Fellwood II * (2BA PHA)	1,072	Sustainable Fellwood I * (60%)	1,327	
	Sustainable Fellwood II * (60%)	838	Montgomery Landing * (2BA 30%)	1,062	Sustainable Fellwood I * (60%)	1,327	
	Sustainable Fellwood II * (M)	838	Montgomery Landing * (2BA 50%)	1,062	Sustainable Fellwood I * (M)	1,327	
	Sustainable Fellwood II * (PHA)	838	Montgomery Landing * (2BA 60%)	1,062	Montgomery Landing * (30%)	1,267	
	Sustainable Fellwood I * (60%)	832	Montgomery Landing * (2BA M)	1,062	Montgomery Landing * (50%)	1,267	
	Sustainable Fellwood I * (60%)	832	Sustainable Fellwood I * (60%)	1,060	Montgomery Landing * (60%)	1,267	
	Sustainable Fellwood I * (M)	832	Sustainable Fellwood I * (60%)	1,060	Montgomery Landing * (M)	1,267	
	Montgomery Landing * (30%)	792	Sustainable Fellwood I * (M)	1,060	Hitch Village Phase I * (60%)	1,245	
	Montgomery Landing * (50%)	792	Savannah Gardens III * (2BA 50%)	1,051	Hitch Village Phase I * (60%)	1,245	
	Montgomery Landing * (60%)	792	Savannah Gardens III * (2BA 60%)	1,051	Hitch Village Phase I * (M)	1,245	
	Montgomery Landing * (M)	792	Savannah Gardens III * (2BA M)	1,051	Savannah Gardens III * (50%)	1,232	
	Alhambra Apartments	790	Hitch Village Phase I * (60%)	1,020	Savannah Gardens III * (60%)	1,232	
	Heritage Corner & Heritage Row * (30%)	750	Hitch Village Phase I * (60%)	1,020	Savannah Gardens III * (M)	1,232	
	Heritage Place * (50%)	750	Hitch Village Phase I * (M)	1,020	Ashley Midtown Phase I * (M)	1,200	
	Heritage Place * (60%)	750	Savannah Gardens I * (2BA 30%)	950	Savannah Gardens I * (30%)	1,150	
	Savannah Gardens I * (30%)	750	Savannah Gardens I * (2BA 50%)	950	Savannah Gardens I * (50%)	1,150	
	Savannah Gardens I * (50%)	750	Savannah Gardens I * (2BA 60%)	950	Savannah Gardens I * (60%)	1,150	
	Savannah Gardens I * (60%)	750	Green Growth I	950	Jasmine Place	1,144	
	Chelsea At Five Points	700	Green Growth I	950	Alhambra Apartments	1,072	
	Green Growth I	565	Heritage Corner & Heritage Row * (2BA 50%)	900	Heritage Corner & Heritage Row * (50%)	1,050	
			Heritage Corner & Heritage Row * (2BA 60%)	900	Heritage Corner & Heritage Row * (60%)	1,050	
			Heritage Place * (2BA 50%)	900	Heritage Place * (50%)	1,050	
			Heritage Place * (2BA 60%)	900	Heritage Place * (60%)	1,050	
			Green Growth I	900	Green Growth I (1BA)	1,015	
			Green Growth I	900	Green Growth I (1BA)	1,015	
			Chelsea At Five Points	850			
			Jasmine Place (1.5BA)	844			
			Alhambra Apartments (1.5BA)	820			

RENT PER SQUARE FOOT	One Bedroom One Bath		Two Bedrooms One Bath		Three Bedrooms Two Bath	
	Property	Average	Property	Average	Property	Average
	Green Growth I	\$1.29	Jasmine Place (1.5BA)	\$0.99	Green Growth I (1BA)	\$1.11
	Alhambra Apartments	\$0.91	Green Growth I	\$0.98	Ashley Midtown Phase I * (M)	\$1.07
	Chelsea At Five Points	\$0.86	Alhambra Apartments (1.5BA)	\$0.96	Green Growth I (1BA)	\$0.96
	Montgomery Landing * (M)	\$0.80	Green Growth I	\$0.93	Jasmine Place	\$0.81
	Hitch Village Phase I * (M)	\$0.80	Green Growth I	\$0.92	Alhambra Apartments	\$0.81
	Sustainable Fellwood II * (M)	\$0.79	Green Growth I	\$0.87	Savannah Gardens III * (M)	\$0.73
	Savannah Gardens III * (M)	\$0.77	Chelsea At Five Points	\$0.76	Savannah Gardens I * (60%)	\$0.69
	Savannah Gardens I * (60%)	\$0.77	Hitch Village Phase I * (M)	\$0.75	Hitch Village Phase I * (M)	\$0.68
	Sustainable Fellwood I * (M)	\$0.77	Savannah Gardens III * (2BA M)	\$0.74	Montgomery Landing * (M)	\$0.68
	Montgomery Landing * (60%)	\$0.73	Savannah Gardens I * (2BA 60%)	\$0.73	Heritage Corner & Heritage Row * (60%)	\$0.67
	Sustainable Fellwood I * (60%)	\$0.66	Heritage Corner & Heritage Row * (2BA 60%)	\$0.73	Savannah Gardens III * (60%)	\$0.63
	Sustainable Fellwood II * (60%)	\$0.65	Ashley Midtown Phase I * (M)	\$0.72	Sustainable Fellwood II * (M)	\$0.62
	Heritage Place * (60%)	\$0.65	Sustainable Fellwood II * (2BA M)	\$0.70	Sustainable Fellwood I * (M)	\$0.62
	Savannah Gardens III * (60%)	\$0.65	Montgomery Landing * (2BA M)	\$0.69	Ashley Midtown Phase II * (60%)	\$0.61
	Hitch Village Phase I * (60%)	\$0.64	Sustainable Fellwood I * (M)	\$0.69	Montgomery Landing * (60%)	\$0.61
	Savannah Gardens I * (50%)	\$0.62	Heritage Place * (2BA 60%)	\$0.65	Ashley Midtown Phase I * (60%)	\$0.60
	Montgomery Landing * (50%)	\$0.61	Savannah Gardens III * (2BA 60%)	\$0.65	Heritage Place * (60%)	\$0.59
	Heritage Place * (50%)	\$0.61	Montgomery Landing * (2BA 60%)	\$0.64	Ashley Midtown Phase II * (60%)	\$0.59
	Savannah Gardens III * (50%)	\$0.52	Sustainable Fellwood I * (60%)	\$0.62	Hitch Village Phase I * (60%)	\$0.58
	Hitch Village Phase I * (60%)	\$0.50	Sustainable Fellwood II * (2BA 60%)	\$0.61	Sustainable Fellwood I * (60%)	\$0.57
	Sustainable Fellwood I * (60%)	\$0.34	Hitch Village Phase I * (60%)	\$0.61	Heritage Corner & Heritage Row * (50%)	\$0.56
	Heritage Corner & Heritage Row * (30%)	\$0.33	Ashley Midtown Phase II * (60%)	\$0.60	Sustainable Fellwood II * (60%)	\$0.56
	Sustainable Fellwood II * (60%)	\$0.32	Savannah Gardens I * (2BA 50%)	\$0.59	Ashley Midtown Phase II * (60%)	\$0.55
	Sustainable Fellwood II * (PHA)	\$0.32	Heritage Corner & Heritage Row * (2BA 50%)	\$0.58	Savannah Gardens I * (50%)	\$0.55
	Savannah Gardens I * (30%)	\$0.31	Ashley Midtown Phase I * (60%)	\$0.58	Montgomery Landing * (50%)	\$0.52
	Montgomery Landing * (30%)	\$0.31	Montgomery Landing * (2BA 50%)	\$0.55	Savannah Gardens III * (50%)	\$0.50
			Heritage Place * (2BA 50%)	\$0.54	Hitch Village Phase I * (60%)	\$0.48
			Savannah Gardens III * (2BA 50%)	\$0.52	Heritage Place * (50%)	\$0.48
			Hitch Village Phase I * (60%)	\$0.45	Savannah Gardens I * (30%)	\$0.28
			Savannah Gardens I * (2BA 30%)	\$0.30	Montgomery Landing * (30%)	\$0.26
			Montgomery Landing * (2BA 30%)	\$0.28	Sustainable Fellwood I * (60%)	\$0.24
			Sustainable Fellwood I * (60%)	\$0.26	Sustainable Fellwood II * (2BA 60%)	\$0.24
			Sustainable Fellwood II * (2BA 60%)	\$0.24	Sustainable Fellwood II * (2BA PHA)	\$0.24
			Sustainable Fellwood II * (2BA PHA)	\$0.24		

PROPERTY PROFILE REPORT

Ashley Midtown Phase I

Effective Rent Date 4/17/2014

Location 1518 E Park Avenue
Savannah, GA 31404
Chatham County

Distance 1.3 miles

Units 168

Vacant Units 2

Vacancy Rate 1.2%

Type Various (2 stories)

Year Built/Renovated 2004 / N/A

Marketing Began N/A

Leasing Began N/A

Last Unit Leased N/A

Major Competitors Alhambra Apartments, Chelsea, Bradley Pointe

Tenant Characteristics A variety of singles, couples, and families

Contact Name Kenya

Phone (912) 233-3075



Market Information

Program @30%, @50%, @60%, Market

Annual Turnover Rate 20%

Units/Month Absorbed 56

HCV Tenants 10%

Leasing Pace Within two weeks

Annual Chg. in Rent Increased between one and 10 percent

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

Ashley Midtown Phase I, continued

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	7	1,269	N/A	\$0	@30% (Public Housing)	Yes	0	0.0%	N/A	None
2	1	Garden	6	1,276	N/A	\$0	@50% (Public Housing)	Yes	0	0.0%	N/A	None
2	1	Garden	13	1,269	\$702	\$0	@60%	Yes	0	0.0%	yes	None
2	1	Garden	6	1,411	\$990	\$0	Market	No	0	0.0%	N/A	None
2	1.5	Townhouse (2 stories)	17	1,276	N/A	\$0	@30% (Public Housing)	Yes	0	0.0%	N/A	None
2	1.5	Townhouse (2 stories)	13	1,254	N/A	\$0	@50% (Public Housing)	Yes	0	0.0%	N/A	None
2	1.5	Townhouse (2 stories)	33	1,276	\$702	\$0	@60%	Yes	0	0.0%	yes	None
2	1.5	Townhouse (2 stories)	17	1,146	\$990	\$0	Market	No	1	5.9%	N/A	None
3	2	Garden	2	1,377	N/A	\$0	@30% (Public Housing)	Yes	0	0.0%	N/A	None
3	2	Garden	7	1,377	N/A	\$0	@50% (Public Housing)	Yes	0	0.0%	N/A	None
3	2	Garden	4	1,377	\$795	\$0	@60%	Yes	0	0.0%	yes	None
3	2	Garden	3	1,200	\$1,250	\$0	Market	No	0	0.0%	N/A	None
3	2.5	Townhouse (2 stories)	6	1,467	N/A	\$0	@30% (Public Housing)	Yes	0	0.0%	N/A	None
3	2.5	Townhouse (2 stories)	10	1,467	N/A	\$0	@50% (Public Housing)	Yes	0	0.0%	N/A	None
3	2.5	Townhouse (2 stories)	15	1,467	\$795	\$0	@60%	Yes	0	0.0%	yes	None
3	2.5	Townhouse (2 stories)	9	1,300	\$1,250	\$0	Market	No	1	11.1%	N/A	None

Unit Mix

@30%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 1BA	N/A	\$0	N/A	\$29	N/A	2BR / 1BA	N/A	\$0	N/A	\$29	N/A
2BR / 1.5BA	N/A	\$0	N/A	\$29	N/A	2BR / 1.5BA	N/A	\$0	N/A	\$29	N/A
3BR / 2BA	N/A	\$0	N/A	\$29	N/A	3BR / 2BA	N/A	\$0	N/A	\$29	N/A
3BR / 2.5BA	N/A	\$0	N/A	\$29	N/A	3BR / 2.5BA	N/A	\$0	N/A	\$29	N/A
@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 1BA	\$702	\$0	\$702	\$29	\$731	2BR / 1BA	\$990	\$0	\$990	\$29	\$1,019
2BR / 1.5BA	\$702	\$0	\$702	\$29	\$731	2BR / 1.5BA	\$990	\$0	\$990	\$29	\$1,019
3BR / 2BA	\$795	\$0	\$795	\$29	\$824	3BR / 2BA	\$1,250	\$0	\$1,250	\$29	\$1,279
3BR / 2.5BA	\$795	\$0	\$795	\$29	\$824	3BR / 2.5BA	\$1,250	\$0	\$1,250	\$29	\$1,279

Ashley Midtown Phase I, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Dishwasher
Oven
Walk-In Closet

Blinds
Central A/C
Garbage Disposal
Refrigerator
Washer/Dryer

Security

In-Unit Alarm
Video Surveillance

Services

None

Property

Clubhouse/Meeting
Exercise Facility
On-Site Management
Swimming Pool

Courtyard
Off-Street Parking
Playground

Premium

None

Other

None

Comments

The property consists of two and three-bedroom units. For each unit type, some units are subsidized, some rent at 60 percent of AMI, and some rent at market rate. The contact could not provide contract rents for the subsidized units. The two and three-bedroom rents by AMI level do not vary by floor plan; specifically, the 2BR/1BA garden units and the 2BR/1.5BA townhouse units have the same rents as do the 3BR/2BA garden units and the 3BR/2.5BA townhouse units. The contact noted that there is currently a waiting list between three to four years between Ashley Midtown Phase I and Phase II for the LIHTC and subsidized units.

PROPERTY PROFILE REPORT

Ashley Midtown Phase II

Effective Rent Date 4/17/2014
Location 1110 Graydon Avenue
 Savannah, GA 31404
 Chatham County
Distance 0.8 miles
Units 38
Vacant Units 0
Vacancy Rate 0.0%
Type Townhouse
Year Built/Renovated 2008 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors Sister property: Ashley Midtown I
Tenant Characteristics Singles, couples, and families
Contact Name Kenya
Phone 912-236-4628



Market Information

Program @30% (Public Housing), @60%
Annual Turnover Rate 20%
Units/Month Absorbed 11 to 13
HCV Tenants 10%
Leasing Pace Within two weeks
Annual Chg. in Rent Increased up to two percent
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	1	Townhouse	2	1,214	\$695	\$0	@60%	Yes	0	0.0%	yes	None
2	1.5	Townhouse	10	1,226	N/A	\$0	@30% (Public Housing)	Yes	0	0.0%	N/A	None
2	1.5	Townhouse	6	1,238	\$695	\$0	@60%	Yes	0	0.0%	yes	None
3	2	Townhouse	10	1,407	N/A	\$0	@30% (Public Housing)	Yes	0	0.0%	N/A	None
3	2	Townhouse	1	1,340	\$792	\$0	@60%	Yes	0	0.0%	yes	None
3	2	Townhouse	8	1,400	\$792	\$0	@60%	Yes	0	0.0%	yes	None
3	2	Townhouse	1	1,482	\$792	\$0	@60%	Yes	0	0.0%	yes	None

Unit Mix

@30%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 1.5BA	N/A	\$0	N/A	\$29	N/A	2BR / 1BA	\$695	\$0	\$695	\$29	\$724
3BR / 2BA	N/A	\$0	N/A	\$29	N/A	2BR / 1.5BA	\$695	\$0	\$695	\$29	\$724
						3BR / 2BA	\$792	\$0	\$792	\$29	\$821

Ashley Midtown Phase II, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Dishwasher
Garbage Disposal
Oven
Washer/Dryer

Blinds
Central A/C
Ceiling Fan
Microwave
Refrigerator

Security

None

Services

None

Property

Business Center/Computer Lab
Off-Street Parking
Picnic Area
Service Coordination

Clubhouse/Meeting
On-Site Management
Playground

Premium

None

Other

None

Comments

The property consists of two and three-bedroom apartments, some of which are subsidized and some of which rent @60% AMI. The contact was unable to provide contract rents for the subsidized units. The rents for the two-bedroom units do not vary by floor plan; specifically, the 2BR/1BA units and the 2BR/1.5BA units all rent for \$696. The contact noted that there is currently a waiting list between three to four years between Ashley Midtown Phase I and Phase II for the LIHTC and subsidized units.

PROPERTY PROFILE REPORT

Heritage Corner & Heritage Row

Effective Rent Date 4/04/2014
Location 642 W 41st Street & 824 West 35th Street
 Savannah, GA 31415
 Chatham County
Distance 2.3 miles
Units 70
Vacant Units 7
Vacancy Rate 10.0%
Type Garden (2 stories)
Year Built/Renovated 2005/2006 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased 5/02/2006
Major Competitors The Oaks at Brandlewood
Tenant Characteristics Most tenants are families.
Contact Name Alexis Gilliard
Phone (912) 234-8420



Market Information

Program @30%, @50%, @60%
Annual Turnover Rate 20%
Units/Month Absorbed N/A
HCV Tenants 10%
Leasing Pace Within three 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 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)	4	750	\$215	\$0	@30%	3-6 mo	N/A	N/A	no	None
2	2	Garden (2 stories)	32	900	\$493	\$0	@50%	2-3 mo	N/A	N/A	no	None
2	2	Garden (2 stories)	17	900	\$630	\$0	@60%	2-3 mo	N/A	N/A	no	None
3	2	Garden (2 stories)	13	1,050	\$562	\$0	@50%	3-6 mo	N/A	N/A	no	None
3	2	Garden (2 stories)	4	1,050	\$675	\$0	@60%	3-6 mo	N/A	N/A	no	None

Unit Mix

@30%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$215	\$0	\$215	\$29	\$244	2BR / 2BA	\$493	\$0	\$493	\$29	\$522
						3BR / 2BA	\$562	\$0	\$562	\$29	\$591
@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent						
2BR / 2BA	\$630	\$0	\$630	\$29	\$659						
3BR / 2BA	\$675	\$0	\$675	\$29	\$704						

Heritage Corner & Heritage Row, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Ceiling Fan
Hand Rails
Oven
Vaulted Ceilings
Washer/Dryer

Blinds
Central A/C
Dishwasher
Garbage Disposal
Microwave
Refrigerator
Walk-In Closet
Washer/Dryer hookup

Security

Limited Access
Patrol

Services

Adult Education
Afterschool Program

Property

Business Center/Computer Lab
Courtyard
Off-Street Parking
Playground
Service Coordination

Clubhouse/Meeting
Central Laundry
Picnic Area
Recreation Areas

Premium

None

Other

None

Comments

The contact reported that there is a waiting list and it is approximately two months long. The property does accept housing choice vouchers. Currently, there are 13 tenants total using vouchers at Heritage Corner & Heritage Row and Heritage Place. The contact indicated that the turnover rate fluctuates, but estimated that the annual turnover rate is 15 percent. The contact was unable to provide a breakdown of vacancy by unit type, but indicated that there are one, two, and three-bedroom units available. Vacancy is elevated as the manager states that this neighborhood has a higher crime reputation.

PROPERTY PROFILE REPORT

Heritage Place

Effective Rent Date 4/04/2014
Location 700 W 35th Street
 Savannah, GA 31415
 Chatham County
Distance 2.3 miles
Units 88
Vacant Units 7
Vacancy Rate 8.0%
Type Conversion (3 stories)
Year Built/Renovated 1930s / 2006
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors The Oaks at Brandlewood
Tenant Characteristics Most tenants are families.
Contact Name Alexis Gilliard
Phone (912) 234-8420



Market Information

Program @50%, @60%, Non-Rental
Annual Turnover Rate 17%
Units/Month Absorbed N/A
HCV Tenants 10%
Leasing Pace Within three 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 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	Conversion (3 stories)	16	750	\$493	\$0	@50%	3-6 mo	N/A	N/A	no	None
1	1	Conversion (3 stories)	11	750	\$525	\$0	@60%	3-6 mo	N/A	N/A	no	None
2	2	Conversion (3 stories)	26	900	\$530	\$0	@50%	2-3 mo	N/A	N/A	no	None
2	2	Conversion (3 stories)	15	900	\$630	\$0	@60%	2-3 mo	N/A	N/A	no	None
2	2	Conversion (3 stories)	2	900	N/A	\$0	Non-Rental	N/A	0	0.0%	N/A	None
3	2	Conversion (3 stories)	12	1,050	\$562	\$0	@50%	3-6 mo	N/A	N/A	no	None
3	2	Conversion (3 stories)	6	1,050	\$675	\$0	@60%	3-6 mo	N/A	N/A	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$493	\$0	\$493	-\$36	\$457	1BR / 1BA	\$525	\$0	\$525	-\$36	\$489
2BR / 2BA	\$530	\$0	\$530	-\$44	\$486	2BR / 2BA	\$630	\$0	\$630	-\$44	\$586
3BR / 2BA	\$562	\$0	\$562	-\$58	\$504	3BR / 2BA	\$675	\$0	\$675	-\$58	\$617
Non-Rental	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent						
2BR / 2BA	N/A	\$0	N/A	-\$44	N/A						

Heritage Place, continued

Amenities

In-Unit

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

Carpeting
Coat Closet
Ceiling Fan
Oven
Walk-In Closet

Security

Intercom (Buzzer)
Limited Access
Patrol
Perimeter Fencing
Video Surveillance

Services

Adult Education
Afterschool Program

Property

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

Clubhouse/Meeting
Exercise Facility
Off-Street Parking
Picnic Area
Service Coordination

Premium

None

Other

None

Comments

The contact was unable to provide a breakdown of vacancies by unit. Vacancy is somewhat high as the manager states that this property is in a higher crime neighborhood.

PROPERTY PROFILE REPORT

Montgomery Landing

Effective Rent Date 3/25/2014
Location 714 W 57th St
Savannah, GA 31405
Chatham County
Distance 3.6 miles
Units 144
Vacant Units 6
Vacancy Rate 4.2%
Type Garden (2 stories)
Year Built/Renovated 2005 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors Ashley Midtown, Oaks at Brandlewood, Live Oaks
Tenant Characteristics A variety of singles, couples and families; 2% seniors
Contact Name Danielle
Phone (912) 495-0655



Market Information

Program @30%, @50%, @60%, Market
Annual Turnover Rate 10%
Units/Month Absorbed 20
HCV Tenants N/A
Leasing Pace Within one week
Annual Chg. in Rent No change on average
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

Montgomery Landing, 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 (2 stories)	1	792	\$247	\$0	@30%	No	0	0.0%	yes	None
1	1	Garden (2 stories)	4	792	\$487	\$0	@50%	No	0	0.0%	yes	None
1	1	Garden (2 stories)	7	792	\$579	\$0	@60%	No	0	0.0%	yes	None
1	1	Garden (2 stories)	4	792	\$635	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (2 stories)	9	1,062	\$299	\$0	@30%	No	0	0.0%	yes	None
2	2	Garden (2 stories)	16	1,062	\$587	\$0	@50%	No	0	0.0%	no	None
2	2	Garden (2 stories)	12	1,062	\$679	\$0	@60%	No	1	8.3%	no	None
2	2	Garden (2 stories)	11	1,062	\$735	\$0	Market	No	2	18.2%	N/A	None
3	2	Garden (2 stories)	4	1,267	\$331	\$0	@30%	No	0	0.0%	yes	None
3	2	Garden (2 stories)	21	1,267	\$664	\$0	@50%	No	0	0.0%	no	None
3	2	Garden (2 stories)	29	1,267	\$775	\$0	@60%	No	2	6.9%	no	None
3	2	Garden (2 stories)	10	1,267	\$860	\$0	Market	No	1	10.0%	no	None
4	2	Garden (2 stories)	1	1,428	\$283	\$0	@30%	No	0	0.0%	yes	None
4	2	Garden (2 stories)	2	1,428	\$654	\$0	@50%	No	0	0.0%	no	None
4	2	Garden (2 stories)	9	1,428	\$835	\$0	@60%	No	0	0.0%	no	None
4	2	Garden (2 stories)	4	1,428	\$910	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

@30%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$247	\$0	\$247	\$0	\$247	1BR / 1BA	\$487	\$0	\$487	\$0	\$487
2BR / 2BA	\$299	\$0	\$299	\$0	\$299	2BR / 2BA	\$587	\$0	\$587	\$0	\$587
3BR / 2BA	\$331	\$0	\$331	\$0	\$331	3BR / 2BA	\$664	\$0	\$664	\$0	\$664
4BR / 2BA	\$283	\$0	\$283	\$0	\$283	4BR / 2BA	\$654	\$0	\$654	\$0	\$654
@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$579	\$0	\$579	\$0	\$579	1BR / 1BA	\$635	\$0	\$635	\$0	\$635
2BR / 2BA	\$679	\$0	\$679	\$0	\$679	2BR / 2BA	\$735	\$0	\$735	\$0	\$735
3BR / 2BA	\$775	\$0	\$775	\$0	\$775	3BR / 2BA	\$860	\$0	\$860	\$0	\$860
4BR / 2BA	\$835	\$0	\$835	\$0	\$835	4BR / 2BA	\$910	\$0	\$910	\$0	\$910

Amenities

In-Unit

Balcony/Patio
Carpeting
Dishwasher
Oven
Washer/Dryer hookup

Blinds
Central A/C
Garbage Disposal
Refrigerator

Security

Limited Access
Patrol

Services

None

Property

Clubhouse/Meeting
Elevators
Central Laundry
On-Site Management
Swimming Pool

Courtyard
Exercise Facility
Off-Street Parking
Playground

Premium

None

Other

None

Montgomery Landing, continued

Comments

The contact indicated that due to high demand in the area, management leases on a first come, first serve basis and therefore does not maintain a waiting list. The 30 and 50 percent AMI rents are at the maximum allowable. Rents for these units declined slightly over the past year because of an increased utility allowance.

PROPERTY PROFILE REPORT

Savannah Gardens I

Effective Rent Date	3/25/2014
Location	Pennsylvania Ave & West Crescent Ave Savannah, GA 31404 Chatham County
Distance	2 miles
Units	115
Vacant Units	3
Vacancy Rate	2.6%
Type	Garden (3 stories)
Year Built/Renovated	2010 / N/A
Marketing Began	8/01/2011
Leasing Began	10/01/2011
Last Unit Leased	N/A
Major Competitors	N/A
Tenant Characteristics	Mostly family tenancy; 3-5% seniors
Contact Name	Jeanette
Phone	912-335-4835



Market Information

Program	@30%, @50%, @60%, Non-Rental
Annual Turnover Rate	21%
Units/Month Absorbed	11
HCV Tenants	10%
Leasing Pace	N/A
Annual Chg. in Rent	Increased 1-3%
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
1	1	Garden (3 stories)	1	750	\$235	\$0	@30%	Yes	0	0.0%	yes	None
1	1	Garden (3 stories)	4	750	\$463	\$0	@50%	Yes	0	0.0%	yes	None
1	1	Garden (3 stories)	5	750	\$577	\$0	@60%	Yes	0	0.0%	yes	None
2	2	Garden (3 stories)	3	950	\$286	\$0	@30%	No	0	0.0%	yes	None
2	2	Garden (3 stories)	27	950	\$560	\$0	@50%	No	0	0.0%	yes	None
2	2	Garden (3 stories)	33	950	\$697	\$0	@60%	No	2	6.1%	yes	None
2	2	Garden (3 stories)	1	950	N/A	\$0	Non-Rental	N/A	N/A	N/A	N/A	None
3	2	Garden (3 stories)	4	1,150	\$317	\$0	@30%	Yes	0	0.0%	yes	None
3	2	Garden (3 stories)	14	1,150	\$633	\$0	@50%	Yes	0	0.0%	yes	None
3	2	Garden (3 stories)	18	1,150	\$791	\$0	@60%	Yes	1	5.6%	yes	None
4	2	Garden (3 stories)	1	1,350	\$334	\$0	@30%	Yes	0	0.0%	yes	None
4	2	Garden (3 stories)	2	1,350	\$687	\$0	@50%	Yes	0	0.0%	yes	None
4	2	Garden (3 stories)	2	1,350	\$864	\$0	@60%	Yes	0	0.0%	yes	None

Savannah Gardens I, continued

Unit Mix

@30%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$235	\$0	\$235	\$0	\$235	1BR / 1BA	\$463	\$0	\$463	\$0	\$463
2BR / 2BA	\$286	\$0	\$286	\$0	\$286	2BR / 2BA	\$560	\$0	\$560	\$0	\$560
3BR / 2BA	\$317	\$0	\$317	\$0	\$317	3BR / 2BA	\$633	\$0	\$633	\$0	\$633
4BR / 2BA	\$334	\$0	\$334	\$0	\$334	4BR / 2BA	\$687	\$0	\$687	\$0	\$687
@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Non-Rental	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$577	\$0	\$577	\$0	\$577	2BR / 2BA	N/A	\$0	N/A	\$0	N/A
2BR / 2BA	\$697	\$0	\$697	\$0	\$697						
3BR / 2BA	\$791	\$0	\$791	\$0	\$791						
4BR / 2BA	\$864	\$0	\$864	\$0	\$864						

Amenities

In-Unit

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

Carpeting
Coat Closet
Ceiling Fan
Hand Rails
Oven
Walk-In Closet

Security

None

Services

None

Property

Business Center/Computer Lab
Exercise Facility
Off-Street Parking
Picnic Area
Service Coordination

Clubhouse/Meeting
Central Laundry
On-Site Management
Playground

Premium

None

Other

Arts & Crafts/Activity Center

Comments

The property is maintaining a waiting list two years in length for one-bedrooms, and one year in length for three and four-bedrooms. The property's two-bedroom units have currently exhausted their waiting list. According to management, all of the property's vacant units are pre-leased, and there is strong demand in the area for affordable housing.

PROPERTY PROFILE REPORT

Savannah Gardens III

Effective Rent Date	4/17/2014
Location	500 Pennsylvania Ave Savannah, GA 31404 Chatham County
Distance	2.3 miles
Units	95
Vacant Units	2
Vacancy Rate	2.1%
Type	Garden (3 stories)
Year Built/Renovated	2012 / N/A
Marketing Began	8/01/2012
Leasing Began	11/01/2012
Last Unit Leased	7/01/2013
Major Competitors	N/A
Tenant Characteristics	Mostly families; 3-5% senior
Contact Name	Pam
Phone	912-335-4835



Market Information

Program	@50%, @60%, Market, Non-Rental
Annual Turnover Rate	N/A
Units/Month Absorbed	14
HCV Tenants	10%
Leasing Pace	N/A
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
1	1	Garden (3 stories)	3	871	\$450	\$0	@50%	Yes	N/A	N/A	yes	None
1	1	Garden (3 stories)	5	871	\$565	\$0	@60%	Yes	N/A	N/A	yes	None
1	1	Garden (3 stories)	1	871	\$675	\$0	Market	Yes	N/A	N/A	N/A	None
2	2	Garden (3 stories)	21	1,051	\$545	\$0	@50%	No	N/A	N/A	yes	None
2	2	Garden (3 stories)	34	1,051	\$680	\$0	@60%	No	N/A	N/A	yes	None
2	2	Garden (3 stories)	3	1,051	\$775	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (3 stories)	1	1,051	N/A	\$0	Non-Rental	N/A	N/A	N/A	N/A	None
3	2	Garden (3 stories)	9	1,232	\$621	\$0	@50%	No	N/A	N/A	yes	None
3	2	Garden (3 stories)	17	1,232	\$776	\$0	@60%	No	N/A	N/A	yes	None
3	2	Garden (3 stories)	1	1,232	\$900	\$0	Market	No	N/A	N/A	N/A	None

Savannah Gardens III, continued

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$450	\$0	\$450	\$0	\$450	1BR / 1BA	\$565	\$0	\$565	\$0	\$565
2BR / 2BA	\$545	\$0	\$545	\$0	\$545	2BR / 2BA	\$680	\$0	\$680	\$0	\$680
3BR / 2BA	\$621	\$0	\$621	\$0	\$621	3BR / 2BA	\$776	\$0	\$776	\$0	\$776
Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Non-Rental	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$675	\$0	\$675	\$0	\$675	2BR / 2BA	N/A	\$0	N/A	\$0	N/A
2BR / 2BA	\$775	\$0	\$775	\$0	\$775						
3BR / 2BA	\$900	\$0	\$900	\$0	\$900						

Amenities

In-Unit

Balcony/Patio
 Carpeting
 Coat Closet
 Ceiling Fan
 Hand Rails
 Refrigerator
 Washer/Dryer hookup

Blinds
 Central A/C
 Dishwasher
 Garbage Disposal
 Oven
 Walk-In Closet

Security

Perimeter Fencing
 Video Surveillance

Services

None

Property

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

Clubhouse/Meeting
 Central Laundry
 On-Site Management
 Playground

Premium

None

Other

None

Comments

The property opened in November 2012 and all vacant units are preleased. The manager could not reveal the date the property reached stabilization but we estimate it was around July 2013. Therefore, the indicated absorption rate was approximately 14 units per month. There has been a small number of evictions since the property was completed. According to management, the property is maintaining a waiting list of 100 households for their one-bedroom units, 245 households for their two-bedroom units, and 89 households for their three-bedroom units.

PROPERTY PROFILE REPORT

Sustainable Fellwood I

Effective Rent Date	4/17/2014
Location	1401 Fellwood Dr Savannah, GA 31415 Chatham County
Distance	2.6 miles
Units	110
Vacant Units	6
Vacancy Rate	5.5%
Type	Various
Year Built/Renovated	2009 / N/A
Marketing Began	2/01/2009
Leasing Began	5/31/2009
Last Unit Leased	11/25/2009
Major Competitors	Ashley Midtown, Montgomery Lndg, Live Oak, Bradley
Tenant Characteristics	Most of the tenants are families from the area. Some of the market rate units are rented by students from out of town.
Contact Name	Michael
Phone	(912) 544-0190



Market Information

Program	@60%, @60% (Public Housing), Market
Annual Turnover Rate	5%
Units/Month Absorbed	18
HCV Tenants	10%
Leasing Pace	Within 30 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	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	15	832	\$583	\$0	@60%	Yes	1	6.7%	yes	None
1	1	Garden	9	832	\$321	\$0	@60% (Public Housing)	Yes	0	0.0%	N/A	None
1	1	Garden	6	832	\$675	\$0	Market	No	1	16.7%	N/A	None
2	1	Garden	17	1,060	\$702	\$0	@60%	Yes	0	0.0%	yes	None
2	1	Garden	19	1,060	\$321	\$0	@60% (Public Housing)	Yes	2	10.5%	N/A	None
2	1	Garden	5	1,060	\$775	\$0	Market	No	1	20.0%	N/A	None
2	1.5	Townhouse	5	1,060	\$775	\$0	Market	No	0	0.0%	N/A	None
3	2	Garden	13	1,327	\$808	\$0	@60%	Yes	0	0.0%	yes	None
3	2	Garden	10	1,327	\$321	\$0	@60% (Public Housing)	Yes	0	0.0%	N/A	None
3	2	Garden	2	1,327	\$875	\$0	Market	No	0	0.0%	N/A	None
3	2.5	Townhouse	3	1,327	\$875	\$0	Market	No	0	0.0%	N/A	None
4	2	Garden	3	1,522	\$814	\$0	@60%	Yes	0	0.0%	yes	None
4	2	Garden	2	1,522	\$321	\$0	@60% (Public Housing)	Yes	1	50.0%	N/A	None
4	2	Garden	1	1,522	\$975	\$0	Market	No	0	0.0%	N/A	None

Sustainable Fellwood I, continued

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$321 - \$583	\$0	\$321 - \$583	-\$36	\$285 - \$547	1BR / 1BA	\$675	\$0	\$675	-\$36	\$639
2BR / 1BA	\$321 - \$702	\$0	\$321 - \$702	-\$44	\$277 - \$658	2BR / 1BA	\$775	\$0	\$775	-\$44	\$731
3BR / 2BA	\$321 - \$808	\$0	\$321 - \$808	-\$58	\$263 - \$750	2BR / 1.5BA	\$775	\$0	\$775	-\$44	\$731
4BR / 2BA	\$321 - \$814	\$0	\$321 - \$814	-\$58	\$263 - \$756	3BR / 2BA	\$875	\$0	\$875	-\$58	\$817
						3BR / 2.5BA	\$875	\$0	\$875	-\$58	\$817
						4BR / 2BA	\$975	\$0	\$975	-\$58	\$917

Amenities

In-Unit

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

Blinds
Carpeting
Coat Closet
Ceiling Fan
Oven
Walk-In Closet

Security

Patrol

Services

Afterschool Program
Computer Tutoring

Property

Business Center/Computer Lab
Courtyard
Neighborhood Network
On-Site Management
Playground
Volleyball Court

Clubhouse/Meeting
Central Laundry
Off-Street Parking
Picnic Area
Recreation Areas
Wi-Fi

Premium

None

Other

Planned activities, game

Comments

There is currently a waiting list for the Public Housing and LIHTC units. The contact indicated that there is not a waiting list for the market rate units. The property does accept housing choice vouchers and the contact estimated that ten to twelve tenants currently use them. Cable is not included in the rent but wireless internet is included.

Sustainable Fellwood I, continued

Photos



PROPERTY PROFILE REPORT

Sustainable Fellwood II

Effective Rent Date 4/17/2014

Location 1300 W Bay St
Savannah, GA 31415
Chatham County

Distance 2.3 miles

Units 110

Vacant Units 4

Vacancy Rate 3.6%

Type Garden (2 stories)

Year Built/Renovated 2011 / N/A

Marketing Began 7/01/2011

Leasing Began 7/01/2011

Last Unit Leased 12/31/2011

Major Competitors Ashley Midtown I, II, Montgomery Landing

Tenant Characteristics Most of the tenants are families.

Contact Name Karyn Blackshire

Phone 912-480-4611



Market Information

Program @60%, @60% (Project Based Rental)

Annual Turnover Rate 6%

Units/Month Absorbed 18

HCV Tenants N/A

Leasing Pace Within two 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 included

Sewer included

Trash Collection included

Sustainable Fellwood II, 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 (2 stories)	2	838	\$583	\$0	@60%	No	0	0.0%	yes	None
1	1	Garden (2 stories)	2	838	\$303	\$0	@60% (Project Based Rental Assistance - PBRA)	Yes	1	50.0%	N/A	None
1	1	Garden (2 stories)	4	838	\$695	\$0	Market	No	0	0.0%	N/A	None
1	1	Garden (2 stories)	4	838	\$303	\$0	PHA (Public Housing)	Yes	0	0.0%	N/A	None
2	2	Garden (2 stories)	10	1,072	\$702	\$0	@60%	No	1	10.0%	yes	None
2	2	Garden (2 stories)	15	1,072	\$303	\$0	@60% (Project Based Rental Assistance - PBRA)	Yes	0	0.0%	N/A	None
2	2	Garden (2 stories)	4	1,072	\$795	\$0	Market	No	1	25.0%	N/A	None
2	2	Garden (2 stories)	15	1,072	\$303	\$0	PHA (Public Housing)	Yes	0	0.0%	N/A	None
3	2	Garden (2 stories)	15	1,343	\$808	\$0	@60%	No	0	0.0%	yes	None
3	2	Garden (2 stories)	3	1,343	\$895	\$0	Market	No	1	33.3%	N/A	None
3	3	Garden (2 stories)	15	1,343	\$303	\$0	@60% (Project Based Rental Assistance - PBRA)	Yes	0	0.0%	N/A	None
3	3	Garden (2 stories)	21	1,343	\$303	\$0	PHA (Public Housing)	Yes	0	0.0%	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	\$303 - \$583	\$0	\$303 - \$583	-\$36	\$267 - \$547	1BR / 1BA	\$695	\$0	\$695	-\$36	\$659
2BR / 2BA	\$303 - \$702	\$0	\$303 - \$702	-\$44	\$259 - \$658	2BR / 2BA	\$795	\$0	\$795	-\$44	\$751
3BR / 2BA	\$808	\$0	\$808	-\$58	\$750	3BR / 2BA	\$895	\$0	\$895	-\$58	\$837
3BR / 3BA	\$303	\$0	\$303	-\$58	\$245						
PHA	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent						
1BR / 1BA	\$303	\$0	\$303	-\$36	\$267						
2BR / 2BA	\$303	\$0	\$303	-\$44	\$259						
3BR / 3BA	\$303	\$0	\$303	-\$58	\$245						

Sustainable Fellwood II, continued

Amenities

In-Unit

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

Blinds
Carpeting
Coat Closet
Ceiling Fan
Oven
Walk-In Closet

Security

Patrol

Services

None

Property

Business Center/Computer Lab
Courtyard
Neighborhood Network
On-Site Management
Volleyball Court

Clubhouse/Meeting
Central Laundry
Off-Street Parking
Playground
Wi-Fi

Premium

None

Other

Community garden, gazebo

Comments

The contact reported that rents have not changed in the past year. The contact indicated that there is a short waiting list for the PBRA units, PHA units, and LIHTC units, but there is not a waiting list for the market rate units. The contact noted that the property does accept housing choice vouchers, but did not know the number of tenants currently using them. The contact indicated that the property was almost at 100 percent occupancy within 30 days of opening. Cable is not included in the rent but wireless internet is included.

PROPERTY PROFILE REPORT

Alhambra Apartments

Effective Rent Date 4/17/2014
Location 2200 East Victory Drive
 Savannah, GA 31404
 Chatham County
Distance 4.1 miles
Units 150
Vacant Units 4
Vacancy Rate 2.7%
Type Various (2 stories)
Year Built/Renovated 1968 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors Jasmine Place
Tenant Characteristics Mixed tenancy, some students
Contact Name Daniela, Kathy
Phone 912-354-1968



Market Information

Program Market
Annual Turnover Rate 25%
Units/Month Absorbed N/A
HCV Tenants 0%
Leasing Pace Preleased
Annual Chg. in Rent Increased between three and 14 percent
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
1	1	Garden	44	790	\$720	\$0	Market	No	0	0.0%	N/A	None
2	1.5	Townhouse	35	820	\$785	\$0	Market	No	2	5.7%	N/A	None
2	2	Garden	35	975	\$815	\$0	Market	No	0	0.0%	N/A	None
3	2	Townhouse	36	1,072	\$870	\$0	Market	No	2	5.6%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$720	\$0	\$720	\$0	\$720
2BR / 1.5BA	\$785	\$0	\$785	\$0	\$785
2BR / 2BA	\$815	\$0	\$815	\$0	\$815
3BR / 2BA	\$870	\$0	\$870	\$0	\$870

Alhambra Apartments, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Dishwasher
Garbage Disposal
Refrigerator

Blinds
Central A/C
Ceiling Fan
Oven
Walk-In Closet

Security

Patrol
Perimeter Fencing

Services

None

Property

Car Wash
Central Laundry
On-Site Management
Playground
Wi-Fi

Clubhouse/Meeting
Off-Street Parking
Picnic Area
Swimming Pool

Premium

None

Other

None

Comments

The property does not accept housing choice vouchers. The contact reported that the property has had good traffic recently, and there has been some demand from local students. There is currently no waiting list.

PROPERTY PROFILE REPORT

Chelsea At Five Points

Effective Rent Date	4/01/2014
Location	1910 Skidaway Rd Savannah, GA 31404 Chatham County
Distance	1.8 miles
Units	136
Vacant Units	2
Vacancy Rate	1.5%
Type	Garden (2 stories)
Year Built/Renovated	1947 / 1983
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Kingstown, Alhambra
Tenant Characteristics	Varied tenancy from Savannah. 40% seniors.
Contact Name	Dawson
Phone	912-232-6640



Market Information

Program	Market
Annual Turnover Rate	10%
Units/Month Absorbed	N/A
HCV Tenants	12%
Leasing Pace	A few weeks.
Annual Chg. in Rent	Increased 4%.
Concession	None

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- gas
Heat	not included -- gas
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)	24	700	\$600	\$0	Market	Yes	1	4.2%	N/A	None
2	1	Garden (2 stories)	112	850	\$650	\$0	Market	Yes	1	0.9%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$600	\$0	\$600	\$0	\$600
2BR / 1BA	\$650	\$0	\$650	\$0	\$650

Amenities

In-Unit	Security	Services
Blinds Central A/C Oven Carpet/Hardwood Dishwasher Refrigerator	Video Surveillance	None
Property	Premium	Other
Central Laundry On-Site Management Swimming Pool Off-Street Parking Picnic Area	None	None

Comments

The waiting list consists of two to three households.

Photos



PROPERTY PROFILE REPORT

Green Growth 1

Effective Rent Date 4/21/2014

Location 701-709 A E Broad St; 540 E Gwinnett; 543, 506
-507 E Hall St; 539 Nicoll St
Savannah, GA 31401
Chatham County

Distance 0.7 miles

Units 99

Vacant Units 3

Vacancy Rate 3.0%

Type Various

Year Built/Renovated 1920s / 2000s

Marketing Began N/A

Leasing Began N/A

Last Unit Leased N/A

Major Competitors None

Tenant Characteristics 33% students

Contact Name Angela Breaker - Property Manager

Phone (912) 239-9668



Market Information

Program Market

Annual Turnover Rate 30%

Units/Month Absorbed N/A

HCV Tenants 0%

Leasing Pace Preleased

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
1	1	Garden	7	565	\$700	\$0	Market	No	0	0.0%	N/A	None
2	1	Garden	13	900	\$750	\$0	Market	No	0	0.0%	N/A	None
2	1	Garden	6	900	\$800	\$0	Market	No	0	0.0%	N/A	None
2	1	Garden	6	950	\$850	\$0	Market	No	1	16.7%	N/A	None
2	1	Townhouse	6	950	\$900	\$0	Market	No	1	16.7%	N/A	None
3	1	Garden	46	1,015	\$950	\$0	Market	No	1	2.2%	N/A	None
3	1	Townhouse	15	1,015	\$1,100	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$700	\$0	\$700	\$29	\$729
2BR / 1BA	\$750 - \$900	\$0	\$750 - \$900	\$29	\$779 - \$929
3BR / 1BA	\$950 - \$1,100	\$0	\$950 - \$1,100	\$29	\$979 - \$1,129

Green Growth 1, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Ceiling Fan
Refrigerator
Washer/Dryer hookup

Blinds
Central A/C
Oven
Washer/Dryer

Security

None

Services

None

Property

Off-Street Parking

On-Site Management

Premium

None

Other

None

Comments

The property does not accept housing choice vouchers. The contact indicated that between one and two people move out each month. Several units have washers and dryers in the units, while some units have washer and dryer connections in the units.

PROPERTY PROFILE REPORT

Jasmine Place

Effective Rent Date	4/17/2014
Location	2323 Downing Ave Savannah, GA 31404 Chatham County
Distance	4.2 miles
Units	112
Vacant Units	5
Vacancy Rate	4.5%
Type	Garden (2 stories)
Year Built/Renovated	1979 / 2005
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	River Crossing
Tenant Characteristics	mostly families
Contact Name	Valerie
Phone	(912) 352-7152



Market Information

Program	Market
Annual Turnover Rate	30%
Units/Month Absorbed	N/A
HCV Tenants	5%
Leasing Pace	Within one week to one month
Annual Chg. in Rent	Increased up to two percent
Concession	None

Utilities

A/C	not included -- central
Cooking	not included -- gas
Water Heat	not included -- gas
Heat	not included -- gas
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	1.5	Garden (2 stories)	80	844	\$805	\$0	Market	No	5	6.2%	N/A	None
3	2	Garden (2 stories)	32	1,144	\$900	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 1.5BA	\$805	\$0	\$805	\$29	\$834
3BR / 2BA	\$900	\$0	\$900	\$29	\$929

Amenities

In-Unit	Security	Services
Blinds	Limited Access	None
Central A/C	Perimeter Fencing	
Ceiling Fan		
Oven		
Walk-In Closet		
Carpeting		
Dishwasher		
Garbage Disposal		
Refrigerator		
Washer/Dryer hookup		
Property	Premium	Other
Clubhouse/Meeting	None	None
Central Laundry		
On-Site Management		
Swimming Pool		
Exercise Facility		
Off-Street Parking		
Picnic Area		

Jasmine Place, continued

Comments

The contact indicated there is usually a move-in special but there is none at this time. Further, the contact stated that the property accepts Housing Choice Vouchers and currently has six tenants utilizing vouchers. The contact indicated that leasing pace varies with season, noting that units lease much more quickly in the summer months as opposed to the winter months.

Jasmine Place, continued

Photos



Property Characteristics

Location

The Subject site is located in a mixed-use neighborhood consisting of multifamily properties, commercial/retail developments, and vacant land. The majority of necessary amenities are located within three miles of the Subject site. Commercial and retail uses near the Subject's neighborhood appear to be 95 percent occupied. Overall, the surrounding uses are in average to good condition. The comparable properties are located in Savannah, 0.7 to 4.2 miles from the Subject. All of the comparables are located within close proximity to shopping, restaurants, and local services, similar to the Subject. Below is a location comparison based on zip codes and respective median household incomes and median gross rent.

LOCATION COMPARISON

Property	Zip Code	Median Household Income	Median Gross Rent
Subject	31401	\$21,357	\$809
Ashley Midtown Phase I	31404	\$31,053	\$860
Ashley Midtown Phase II	31404	\$31,053	\$860
Heritage Corner & Heritage Row	31415	\$24,437	\$744
Heritage Place	31415	\$24,437	\$744
Montgomery Landing	31405	\$42,119	\$942
Savannah Gardens I	31404	\$31,053	\$860
Savannah Gardens III	31404	\$31,053	\$860
Sustainable Fellwood I	31415	\$24,437	\$744
Sustainable Fellwood II	31415	\$24,437	\$744
Alhambra Apartments	31404	\$31,053	\$860
Chelsea At Five Points	31404	\$31,053	\$860
Green Growth 1	31401	\$21,357	\$809
Jasmine Place	31404	\$31,053	\$860

Comparables located in zip codes 31401 and 31415 have similar income and rent characteristics as the Subject's location; therefore, we believe that these properties are located in similar locations, except for Heritage Corner & Heritage Row and Heritage Place. According to local market participants, these properties are located in high crime neighborhoods. This observation is confirmed by their on-site management and underperformance discussed later. Therefore, both properties are considered to have inferior locations. Comparables located in zip codes 31404 and 31405 have a slightly superior to superior location, respectively, compared to the Subject, based on income and rent characterizes.

Age, Condition, and Design

The Subject will be newly constructed and will therefore be in excellent condition. The LIHTC comparables were constructed or renovated between 2004 and 2012 and all exhibit good to excellent condition. The market rate comparables were constructed or renovated between 1968 and 2005 and exhibit average to good condition. In terms of condition, the Subject will be similar to Savannah Gardens III and superior to Alhambra Apartments, Chelsea at Five Points, and Green Growth. The Subject will be slightly superior to the remaining comparables, in terms of condition.

The Subject will offer a three-story garden-style design. The comparables offer garden-style and townhouse designs. Overall, it appears that garden-style and townhouse units are all well accepted in the local market. Therefore, we expect the Subject's design to be well received in the local market.

Amenities

A detailed description of amenities included in both the Subject and the comparable properties can be found in the amenity matrix below.

UNIT MATRIX REPORT

	Hitch Village Phase I	Ashley Midtown Phase I	Ashley Midtown Phase II	Heritage Corner & Heritage Row	Heritage Place	Montgomery Landing	Savannah Gardens I	Savannah Gardens III	Sustainable Fellwood I	Sustainable Fellwood II	Alhambra Apartments	Chelsea At Five Points	Green Growth I	Jasmine Place
Comp #	Subject	1	2	3	4	5	6	7	8	9	10	11	12	13
Property Information														
Property Type	Garden (3 stories)	Various (2 stories)	Townhouse	Garden (2 stories)	Conversion (3 stories)	Garden (2 stories)	Garden (3 stories)	Garden (3 stories)	Various	Garden (2 stories)	Various (2 stories)	Garden (2 stories)	Various	Garden (2 stories)
Year Built / Renovated	2015 / n/a	2004 / n/a	2008 / n/a	2005/2006 / n/a	1930s / 2006	2005 / n/a	2010 / n/a	2012 / n/a	2009 / n/a	2011 / n/a	1968 / n/a	1947 / 1983	1920s / 2000s	1979 / 2005
Market (Conv)/Subsidy Type	LHHC, PBRA, Market	LHHC, Market	LHHC, Public Housing	LHHC	LHHC	LHHC, Market	LHHC	LHHC, Market	LHHC, Public Housing, Market	LHHC, Public Housing, PBRA, Market	Market	Market	Market	Market
Utility Adjustments														
Cooking	no	no	no	no	no	no	no	no	no	no	no	no	no	no
Water Heat	no	no	no	no	no	no	no	no	no	no	no	no	no	no
Heat	no	no	no	no	no	no	no	no	no	no	no	no	no	no
Other Electric	no	no	no	no	no	no	no	no	no	no	no	no	no	no
Water	no	no	no	no	yes	no	no	no	yes	yes	no	no	no	no
Sewer	no	no	no	no	yes	no	no	no	yes	yes	no	no	no	no
Trash Collection	yes	no	no	no	yes	yes	yes	yes	yes	yes	yes	yes	no	no
In-Unit Amenities														
Balcony/Patio	no	yes	yes	yes	no	yes	no	yes	yes	yes	yes	no	yes	no
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Cable/Satellite/Internet	no	no	no	no	no	no	no	no	yes	yes	yes	no	no	no
Carpet/Hardwood	no	no	no	no	no	no	no	no	no	no	no	yes	no	no
Carpeting	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	no	yes	yes
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Coat Closet	no	no	no	yes	yes	no	yes	yes	yes	yes	yes	no	no	no
Dishwasher	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	no	yes
Ceiling Fan	yes	no	yes	yes	yes	no	yes	yes	yes	yes	yes	no	yes	yes
Garbage Disposal	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	no	no	yes
Hand Rails	no	no	no	yes	no	no	yes	yes	no	no	no	no	no	no
Microwave	yes	no	yes	yes	no	no	yes	no	no	no	no	no	no	no
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Vaulted Ceilings	no	no	no	yes	no	no	no	no	no	no	no	no	no	no
Walk-In Closet	no	yes	no	yes	yes	no	yes	yes	yes	yes	yes	no	no	yes
Washer/Dryer	yes	yes	yes	yes	no	no	no	no	no	no	no	no	yes	no
Washer/Dryer hookup	yes	no	no	yes	yes	yes	yes	yes	yes	yes	no	no	yes	yes
Property Amenities														
Business Center/Computer Lab	yes	no	yes	yes	yes	no	yes	yes	yes	yes	no	no	no	no
Car Wash	no	no	no	no	no	no	no	no	no	no	yes	no	no	no
Clubhouse/Meeting Room/Community Room	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	no	no	yes
Courtyard	no	yes	no	yes	yes	yes	no	no	yes	yes	no	no	no	no
Elevators	no	no	no	yes	no	yes	no	no	no	no	no	no	no	no
Exercise Facility	yes	yes	no	no	yes	yes	yes	yes	no	no	no	no	no	yes
Central Laundry	no	no	no	yes	yes	yes	yes	yes	yes	yes	yes	no	no	yes
Neighborhood Network	yes	no	no	no	no	no	no	no	yes	yes	no	no	no	no
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
On-Site Management	yes	yes	yes	no	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Picnic Area	yes	no	yes	yes	yes	no	yes	yes	yes	no	yes	yes	no	yes
Playground	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	no	no	no
Recreation Areas	yes	no	no	yes	no	no	no	no	yes	no	no	no	no	no
Service Coordination	yes	no	yes	yes	yes	no	yes	no	no	no	no	no	no	no
Swimming Pool	no	yes	no	no	no	yes	no	no	no	no	yes	yes	no	yes
Valleyhall Court	no	no	no	no	no	no	no	no	yes	yes	no	no	no	no
Wi-Fi	no	no	no	no	no	no	no	no	yes	yes	yes	no	no	no
Services														
Adult Education	no	no	no	yes	yes	no	no	no	no	no	no	no	no	no
Afterschool Program	no	no	no	yes	yes	no	no	no	yes	no	no	no	no	no
Computer Tutoring	no	no	no	no	no	no	no	no	yes	no	no	no	no	no
Security														
In-Unit Alarm	no	yes	no	no	no	no	no	no	no	no	no	no	no	no
Intercom (Buzzer)	yes	no	no	no	yes	no	no	no	no	no	no	no	no	no
Intercom (Phone)	yes	no	no	no	no	no	no	no	no	no	no	no	no	no
Limited Access	yes	no	no	yes	yes	yes	no	no	no	no	no	no	no	yes
Patrol	no	no	no	yes	yes	yes	no	no	yes	yes	yes	no	no	no
Perimeter Fencing	yes	no	no	no	yes	no	no	yes	no	no	yes	no	no	yes
Video Surveillance	no	yes	no	no	yes	no	no	yes	no	no	no	yes	no	no
Premium Amenities														
Other Amenities														
Other	n/a	n/a	n/a	n/a	n/a	n/a	Arts & Crafts	n/a	Planned activities, walking trail	Community garden, gazebo	n/a	n/a	n/a	n/a

Unit Amenities

The Subject will offer blinds, central A/C, dishwashers, ceiling fans, garbage disposals, microwaves, ovens, refrigerators, and washers/dryers in the units. Several of the comparable properties do not offer several of these amenities. However, several of the comparables offer balconies, wireless internet, hardwood, coat closets, hand rails, vaulted ceilings, and walk in closets, which the Subject will not offer. Overall, the Subject will be similar to superior in terms of in-unit amenities when compared to the comparable properties.

Common Area Amenities

The Subject will offer business center/computer lab, clubhouse, meeting room, exercise facility, neighborhood network, on-site management, picnic area, playground, recreation area, and service coordination. Several of the comparable properties do not offer several of these amenities. However, several of the comparables offer car wash, courtyards, swimming pools, volleyball courts, and free Wi-Fi. The Subject will also offer limited access, intercom (phone/buzzer), and perimeter fencing, which the majority of the comparables do not offer. Several of the comparables do, however, offer in-unit alarms, courtesy patrol, and video surveillance. Overall, the Subject will be similar to superior in terms of community amenities when compared to the comparable properties.

Utility Structure

The utility conventions differ at the comparable properties; therefore, we have adjusted “base” or “asking” rents of the comparable properties to “net” rents, reflecting the Subject’s utility convention.

Parking

The Subject will offer 74 free surface parking. All of the comparables offer free surface parking, similar to the Subject. The Subject will be similar to all of the comparables in terms of parking.

MARKET CHARACTERISTICS

Following are relevant market characteristics for the comparable properties surveyed.

Vacancy Levels

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

OVERALL VACANCY

Property Name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Ashlet Midtown Phase I	LIHTC, Market, Subsidized	168	2	1.2%
Ashley Midtown Phase II	LIHTC, Subsidized	38	0	0.0%
Heritage Corner & Heritage Row	LIHTC	70	7	10.0%
Heritage Place	LIHTC	88	7	8.0%
Montgomery Landing	LIHTC, Market	144	6	4.2%
Savannah Gardens I	LIHTC	115	3	2.6%
Savannah Gardens III	LIHTC, Market	95	5	2.1%
Sustainable Fellwood I	LIHTC, Market, Subsidized	110	6	5.5%
Sustainable Fellwood II	LIHTC, Market, Subsidized	110	4	3.6%
Alhambra Apartments	Market	150	4	2.7%
Chelsea At Five Points	Market	136	2	1.5%
Green Growth 1	Market	99	3	3.0%
Jasmine Place	Market	<u>112</u>	<u>5</u>	<u>4.5%</u>
Total		1,435	51	3.6%

The LIHTC comparables reported overall vacancy rates between zero and 10 percent, with an overall weighted vacancy rate of 3.5 percent. Management at Heritage Corner & Heritage Row and Heritage Place indicated an elevated vacancy rate due to a high volume of crimes in the neighborhood. Additionally, management at Sustainable Fellwood I and II indicated the vacant units are pre-leased. Excluding these properties, the overall weighted vacancy rate amongst the LIHTC comparables is 2.3 percent. The market rate comparables reported overall vacancy rates between 1.5 percent and 4.5 percent, with an overall weighted average of 2.8 percent.

Nine of the 13 comparables maintain a waiting list for all or select units. Based on the surveyed properties, we believe that a vacancy rate of four percent and collection loss of one percent is reasonable for the Subject. We will conclude to a vacancy and collections loss rate of five percent for the Subject in both scenarios.

Concessions

None of the comparable properties are offering concessions. We do not expect the Subject to require concessions in order to maintain a stabilized occupancy rate.

Absorption

The following table illustrates the absorption rates reported by the comparable properties in the market.

ABSORPTION

Property Name	Type	Year Built	Number of Units	Units Absorbed / Month
Ashlet Midtown Phase I	LIHTC, Market, Subsidized	2004	168	56
Ashley Midtown Phase II	LIHTC, Subsidized	2008	38	11 to 13
Heritage Corner & Heritage Row	LIHTC	2005/2006	70	N/Av
Heritage Place	LIHTC	1930s/2006	88	N/Av
Montgomery Landing	LIHTC, Market	2005	144	20
Savannah Gardens I	LIHTC	2010	115	11
Savannah Gardens III	LIHTC, Market	2012	95	14
Sustainable Fellwood I	LIHTC, Market, Subsidized	2009	110	18
Sustainable Fellwood II	LIHTC, Market, Subsidized	2011	110	18
Alhambra Apartments	Market	1968	150	N/Av
Chelsea At Five Points	Market	1947	136	N/Av
Green Growth I	Market	1920s	100	N/Av
Jasmine Place	Market	1979	112	N/Av

Seven of the 13 comparables reported recent absorption data. These properties are all LIHTC comparables that were built between 2004 and 2012. The absorption rates range from 11 to 56 units per month, with an average of 23 units per month. The Subject will be new construction; therefore, we estimate that the Subject will stabilize within four to five months, which yields an absorption rate of 14 to 18 units per month.

Waiting Lists

The following table illustrates the presence of waiting lists, where applicable.

WAITING LISTS

Property Name	Type	Length of Waiting List
Ashlet Midtown Phase I	LIHTC, Market, Subsidized	1-2 years (LIHTC & subsidized units)
Ashley Midtown Phase II	LIHTC, Subsidized	1-2 years (LIHTC & subsidized units)
Heritage Corner & Heritage Row	LIHTC	1BR & 3BR 3-6 months, 2BR 2-3 months
Heritage Place	LIHTC	1BR & 3BR 3-6 months, 2BR 2-3 months
Montgomery Landing	LIHTC, Market	None
Savannah Gardens I	LIHTC	1BR 2 years, 3BR & 4BR one year
Savannah Gardens III	LIHTC, Market	1BR 100HH, 2BR 245HH, 3BR 89HH
Sustainable Fellwood I	LIHTC, Market, Subsidized	Short WL (LIHTC & subsidized units)
Sustainable Fellwood II	LIHTC, Market, Subsidized	Short WL (LIHTC & subsidized units)
Alhambra Apartments	Market	None
Chelsea At Five Points	Market	2-3HH
Green Growth I	Market	None
Jasmine Place	Market	None

Nine of the 13 surveyed properties maintain waiting lists, including one of the market rate comparables. Ashley Midtown Phase I and II have a shared waiting list of three to four years for their LIHTC and subsidized units. Sustainable Fellwood I and II and Chelsea at Five Points maintain short waiting lists. The remaining properties which reported waiting lists ranging from several months to several years in length. This is a positive indication of the strength of the market in the local area. Based on the performance of the comparable properties, we expect the Subject to maintain a short waiting list, at a minimum, following stabilization.

Reasonability of Rents

The following table compares the Subject's proposed LIHTC rents with those at the comparables. It should be noted that the rents in the following table have been adjusted for differences in utilities using GA DCA's 2014 utility allowances.

LIHTC Rent Comparison - @60%

Property Name	1BR	2BR	3BR
Hitch Phase I (Subject)	\$540	\$626	\$719
2014 LIHTC Maximum (Net)	\$553	\$666	\$756
Hold Harmless Maximum (Net)	\$579	\$698	\$792
Savannah Gardens I	\$577	\$697	\$791
Montgomery Landing	\$579	\$679	\$775
Sustainable Fellwood I	\$547	\$658	\$750
Sustainable Fellwood II	\$547	\$658	\$750
Ashley Midtown Phase I	-	\$731	\$824
Ashley Midtown Phase II	-	\$724	\$821
Savannah Gardens III	\$565	\$680	\$776
Heritage Corner & Heritage Row	-	\$659	\$704
Heritage Place	\$489	\$586	\$617
Average (excluding Subject)	\$563	\$686	\$774
Achievable Rent	\$553	\$666	\$756

The Subject's one, two, and three-bedroom rents are set below the maximum allowable levels. Five of the eight LIHTC comparables are achieving the maximum allowable levels. These properties appear to be achieving above the 2014 maximum allowable levels but they are held harmless. The AMI in Chatham County decreased over 2013 and 2014, whereas all of the LIHTC comparable were constructed in 2012 or earlier. Therefore, these properties are held harmless to the higher 2012 maximum allowable levels. Heritage Corner & Heritage Row and Heritage Place are the only LIHTC comparables not achieving maximum allowable levels. Management at both of these comparables indicated that their lower rents are the result of negative perceptions of crime in the neighborhood, although both properties maintain waiting lists for all unit types. The performance of these properties appears to be property specific and not reflective of the LIHTC market as a whole. The LIHTC comparables generally have low vacancies and maintain waiting lists, indicating demand for affordable housing units in the market. Overall, the Subject will be similar to superior to the LIHTC comparables in terms of in unit amenities, community amenities, and age/condition. Therefore, we believe the Subject could achieve maximum allowable 60 percent AMI 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 subsidized rents are below the achievable market rates for the Subject's area. The following table shows the similarity of the market rate comparables to the Subject property.

SUBJECT COMPARISON TO MARKET RENTS

Unit Type	Subject	Surveyed Minimum	Surveyed Maximum	Surveyed Average	Achievable Market Rents	Subject Rent Advantage
1 BR @ 60% (RAD/PBRA)	\$424	\$600	\$729	\$676	\$725	42%
2 BR @ 60% (RAD/PBRA)	\$461	\$650	\$1,019	\$772	\$900	49%
3 BR @ 60% (RAD/PBRA)	\$599	\$817	\$1,279	\$965	\$1,100	46%
1 BR @ 60%	\$540	\$600	\$729	\$676	\$725	26%
2 BR @ 60%	\$626	\$650	\$1,019	\$772	\$900	30%
3 BR @ 60%	\$719	\$817	\$1,279	\$965	\$1,100	35%
1 BR (Market Rate)	\$670	\$600	\$729	\$676	\$725	8%
2 BR (Market Rate)	\$770	\$650	\$1,019	\$772	\$900	14%
3 BR (Market Rate)	\$850	\$817	\$1,279	\$965	\$1,100	23%

As illustrated in the previous table, the Subject's proposed 60 percent AMI rents are below the range of the unrestricted units at the comparables, while the proposed unrestricted rents are within the bottom range of the unrestricted units at the comparables. The Subject will be similar to slightly inferior to the comparable market rate properties in terms of location. The comparables with unrestricted units were constructed or renovated between 1968 and 2012 and exhibit average to good condition. In terms of condition, the Subject will be superior to Alhambra Apartments, Chelsea at Five Points, and Green Growth. The Subject will be slightly superior to the remaining market rate comparables. The Subject's proposed one and three-bedroom unit sizes are above the range of market rate comparables, while the Subject's proposed two-bedroom unit size is within the range of market rate comparables. The Subject will offer blinds, central A/C, dishwashers, ceiling fans, garbage disposals, microwaves, ovens, refrigerators, washer/dryer hookups, and washers/dryers within the units. The Subject will also offer a business center (computer lab), clubhouse, meeting room, neighborhood network, off-street parking, on-site management, picnic area, playground, and recreation area, as community amenities. Several of the market rate comparables do not offer these in-unit and community amenities. However, several of surveyed market rate properties offer balconies/patios, walk-in closets, swimming pools, and Wi-Fi, amenities not offered by the proposed Subject. Overall, the Subject will be slightly superior to superior to the market rate properties used in our analysis. Therefore, we believe achievable market rents near the top of the range of surveyed properties are reasonable and achievable. We have set the Subject's achievable market rents at **\$725**, **\$900**, and **\$1,100** for the one, two, and three-bedroom units, respectively.

Indications of Demand

Based upon our market research, demographic calculations and analysis, we believe there is demand for the Subject property as conceived. Strengths of the Subject will include its new construction, in-unit amenities, community amenities, and unit sizes. The Subject's weakness will include its lack of a swimming pool and service coordination, which are offered by several of the comparable properties. Overall, the comparable properties surveyed exhibited an average vacancy rate of 3.3 percent. In addition to strong occupancy levels at most of the comparables, nine of the 13 surveyed

properties maintain waiting lists, including one of the market rate comparables. There is adequate demand for the Subject based on our calculations. We also believe the proposed rents offer value in the market.

The following demand analysis evaluates the potential amount of qualified households, which the Subject would have a fair chance at capturing. The structure of the analysis is based on the guidelines provided by DCA.

1. INCOME RESTRICTIONS

LIHTC rents are based upon a percentage of the Area Median Gross Income (“AMI”), adjusted for household size and utilities. The Georgia Department of Community Affairs (“DCA”) will estimate the relevant income levels, with annual updates. The rents are calculated assuming that the maximum net rent a household will pay is 35 percent of its household income at the appropriate AMI level.

According to DCA, household size is assumed to be 1.5 persons per bedroom for LIHTC rent calculation purposes. For example, the maximum rent for a four-person household in a two-bedroom unit is based on an assumed household size of three persons (1.5 per bedroom).

To assess the likely number of tenants in the market area eligible to live in the Subject, we use Census information as provided by ESRI Information Systems, to estimate the number of potential tenants who would qualify to occupy the Subject as a LIHTC project.

The maximum income levels for the LIHTC restricted units are based upon information obtained from the Rent and Income Limits Guidelines Table as accessed from the DCA website. For the unrestricted market rate units, the maximum income is based on 140 percent AMI.

2. AFFORDABILITY

As discussed above, the maximum income is set by DCA while the minimum is based upon the minimum income needed to support affordability. This is based upon a standard of 35 percent. Lower and moderate-income families typically spend greater than 30 percent of their income on housing. These expenditure amounts can range higher than 50 percent depending upon market area. However, the 30 to 40 percent range is generally considered a reasonable range of affordability. DCA guidelines utilize 35 percent for families and 40 percent for seniors. We will use these guidelines to set the minimum income levels for the demand analysis.

3. DEMAND

The demand for the Subject will be derived from two sources: existing households and new households. These calculations are illustrated in the following tables.

3A. DEMAND FROM NEW HOUSEHOLDS

The number of new households entering the market is the first level of demand calculated. We have utilized 2015, the anticipated date of market entry, as the base year for the analysis. Therefore, 2013 household population estimates are inflated to 2015 by interpolation of the difference between 2013 estimates and 2018 projections. This change in households is considered the gross potential demand for the Subject property. This number is adjusted for income eligibility and renter tenure. In the

following tables this calculation is identified as Step 1. This is calculated as an annual demand number. In other words, this calculates the anticipated new households in 2013. This number takes the overall growth from 2013 to 2018 and applies it to its respective income cohorts by percentage. This number does not reflect lower income households losing population, as this may be a result of simple dollar value inflation.

3B. DEMAND FROM EXISTING HOUSEHOLDS

Demand for existing households is estimated by summing three sources of potential tenants. The first source (**2a.**) is tenants who are rent overburdened. These are households who are paying over 35 percent for family households and 40 percent for senior households of their income in housing costs. This data is interpolated using CHAS data based on appropriate income levels.

The second source (**2b.**) is households living in substandard housing. We will utilize this data to determine the number of current residents that are income eligible, renter tenure, overburdened and/or living in substandard housing and likely to consider the Subject. The third source (**2c.**) is those seniors likely to move from their own homes into rental housing. This source is only appropriate when evaluating senior properties and is determined by interviews with property managers in the PMA. It should be noted that per DCA guidelines, we have lowered demand from seniors who convert to homeownership to be at or below 2.0 percent of total demand.

In general, we will utilize this data to determine the number of current residents that are income eligible, renter tenure, overburdened and/or living in substandard housing and likely to consider the Subject.

3C. SECONDARY MARKET AREA

Per the 2014 GA DCA Qualified Allocation Plan (QAP) and Market Study Manual, GA DCA does not consider demand from outside the Primary Market Area (PMA), including the Secondary Market Area (SMA). Therefore, we have not accounted for leakage from outside the PMA boundaries in our demand analysis.

3D. OTHER

DCA does not consider household turnover to be a source of market demand. Therefore, we have not accounted for household turnover in our demand analysis.

4. NET DEMAND, CAPTURE RATES AND STABILIZATION CALCULATIONS

The following pages will outline the overall demand components added together (3(a), 3(b) and 3(c)) less the supply of competitive developments awarded and/or constructed from 2011 to the present.

ADDITIONS TO SUPPLY

Additions to supply will lower the number of potential qualified households. Pursuant to our understanding of DCA guidelines, we have deducted the following units from the demand analysis.

- Comparable/competitive LIHTC and bond units (vacant or occupied) that have been funded, are under construction, or placed in service in 2012 and 2013.

- Vacancies in projects placed in service prior to 2012 that have not reached stabilized occupancy (i.e. at least 90 percent occupied).
- Comparable/competitive conventional or market rate units that are proposed, are under construction, or have entered the market in 2012 or 2013. As the following discussion will demonstrate, competitive market rate units are those with rent levels that are comparable to the proposed rents at the Subject.

Per GA DCA guidelines, competitive units are defined as those units that are of similar size and configuration and provide alternative housing to a similar tenant population, at rent levels comparative to those proposed for the Subject development.

According to the Georgia Department of Community Affairs, the only properties that have been awarded tax credits since 2009 in the Subject's Primary Market Area were Savannah Gardens Phases I, III, IV, and V, and Sustainable Fellwood III. Savannah Gardens I and III are stabilized and will not affect demand on the Subject. Savannah Gardens IV is currently under construction and should directly complete with the Subject upon completion in December. Savannah Gardens V was awarded tax credits in 2013 and has not begun construction yet. Upon completion, Savannah Gardens V will also compete with the Subject. Sustainable Fellwood III is a senior LIHTC property in the PMA that was placed in service in 2012 and will compete with the Subject. As such, we have deducted the units from Savannah Gardens IV and V and Sustainable Fellwood III from our demand analysis.

PMA OCCUPANCY

Per DCA's guidelines, we have determined the average occupancy rate based on all available competitive conventional and LIHTC properties in the PMA. We have provided a combined average occupancy level for the PMA based on the average occupancy rates reported.

OVERALL OCCUPANCY

Name	Type	Tenancy	Total Units	Vacant Units	Vacancy Rate
East Broad Apartments	FHA	Family	N/Av	N/Av	N/Av
East Huntingdon Street Housing	LIHTC	Family	14	N/Av	N/Av
Heritage Corner & Heritage Row	LIHTC	Family	70	7	10%
Heritage Place	LIHTC	Family	88	7	8%
Montgomery Landing	LIHTC	Family	144	6	4%
Savannah Gardens III	LIHTC	Family	95	2	2%
Rose of Sharon	LIHTC/FHA	Elderly	206	4	2%
Savannah Gardens I	LIHTC/FHA	Family	115	3	3%
Savannah Gardens II	LIHTC/HUD 202	Elderly	39	N/Av	N/Av
Ashley Midtown I	LIHTC/PHA/Market	Family	168	2	1%
Ashley Midtown II	LIHTC/PHA/Market	Family	38	0	0%
Sustainable Fellwood I	LIHTC/PHA/Market	Family	110	6	5%
Sustainable Fellwood II	LIHTC/PHA/Market	Family	110	4	4%
Sustainable Fellwood III	LIHTC/PHA/Market	Elderly	100	1	1%
SNAP I, II, III	LIHTC/Section 8/FHA	Family	233	N/Av	N/Av
Telfair Arms	LIHTC/Section 8/FHA	Elderly	53	1	2%
Alhambra Apartments	Market	Family	150	4	3%
Chelsea at Five Points	Market	Family	136	2	1%
Drayton Tower	Market	Family	182	N/Av	N/Av
Kingstown Apartments	Market	Family	129	4	3%
River Crossing Apartments	Market	Family	176	2	1%
Savannah Summit	Market	Family	138	0	0%
Strathmore Estates	Market	Family	103	31	30%
Sunrise Villas	Market	Family	148	7	5%
Jasmine Place	Market	Family	112	5	4%
Courtney Station Apartments	Market/HoDAG	Family	192	N/Av	N/Av
Green Growth 1	Market	Family	99	3	3%
Veranda at Midtown	Market/PBRA/FHA	Elderly	100	2	2%
Cars V Inc	Section 8	Disabled	5	N/Av	N/Av
Chatham Assoc For Res Sev Inc I	Section 8	Disabled	16	N/Av	N/Av
Chatham Assoc For Res Sev Inc II	Section 8	Disabled	6	N/Av	N/Av
Georgia Infirmary A/ Habersham Place	Section 8	Disabled	11	N/Av	N/Av
Georgia Infirmary B/ Habersham Place	Section 8	Disabled	13	N/Av	N/Av
Ponderosa Forest Apts	Section 8	Family	56	N/Av	N/Av
Presidential Plaza I	Section 8	Family	N/Av	N/Av	N/Av
St. Johns Villa Apartments	Section 8	Elderly	19	0	0%
Presidential Plaza II	Section 8/FHA	Family	N/Av	N/Av	N/Av
Thomas Francis Williams Court Apts	Section 8/FHA	Elderly	151	1	1%
Average					4.0%

The overall occupancy rate in the market is 4.0 percent. We believe an occupancy factor of 95.0 percent for the PMA is reasonable based upon the majority of comparable properties.

Rehab Developments and PBRA

For any properties that are rehab developments, the capture rates will be based on those units that are vacant, or whose tenants will be rent burdened or over income as listed on the Tenant Relocation Spreadsheet.

Per GADCA guidelines all units at the Subject that operate with an additional PBRA subsidy are assumed leasable and therefore the capture rates for the Subject’s subsidized units are zero percent.

Capture Rates

The above calculations and derived capture rates are illustrated in the following tables.

Renter Household Income Distribution 2013-2018							
Hitch Phase I							
PMA							
	2013		Projected Mkt Entry July 2015		2018		Percent Growth
	#	%	#	%	#	%	
\$0-9,999	4,865	26.0%	4,974	26.1%	5,136	26.3%	5.3%
\$10,000-19,999	4,239	22.7%	4,324	22.7%	4,452	22.8%	4.8%
\$20,000-29,999	3,179	17.0%	3,240	17.0%	3,332	17.1%	4.6%
\$30,000-39,999	2,099	11.2%	2,117	11.1%	2,144	11.0%	2.1%
\$40,000-49,999	1,337	7.1%	1,358	7.1%	1,389	7.1%	3.8%
\$50,000-59,999	1,052	5.6%	1,063	5.6%	1,078	5.5%	2.4%
\$60,000-74,999	784	4.2%	801	4.2%	827	4.2%	5.2%
\$75,000-99,999	499	2.7%	504	2.6%	512	2.6%	2.6%
\$100,000-124,999	267	1.4%	271	1.4%	277	1.4%	3.6%
\$125,000-149,999	176	0.9%	177	0.9%	178	0.9%	0.7%
\$150,000-199,999	100	0.5%	102	0.5%	104	0.5%	4.3%
\$200,000+	107	0.6%	106	0.6%	104	0.5%	-2.5%
Total	18,705	100.0%	19,036	100.0%	19,533	100.0%	4.2%

Households by Tenure Projected Mkt Entry July 2015		
	Number	Percentage
Renter	19,036	57.5%
Owner	14,050	42.5%
Total	33,086	100.0%

Renter Household Size for Projected Mkt Entry July 2015		
Size	Number	Percentage
1	6,957	36.5%
2	5,062	26.6%
3	3,086	16.2%
4	1,891	9.9%
5+	2,039	10.7%
Total	19,036	100%

Renter Household Size for 2000		
Size	Number	Percentage
1 Person	6,090	35.3%
2 Person	4,569	26.5%
3 Person	2,643	15.3%
4 Person	1,825	10.6%
5+ Person	2,114	12.3%
Total	17,241	100.0%

60%AMI

Calculation of Potential Household Demand by Income Cohort by % of AMI

Percent of AMI Level		60%				
Minimum Income Limit		\$22,560				
Maximum Income Limit		\$37,920 Five				
Income Category	New Renter Households - Total Change in Households PMA 2013 to Prj Mrkt Entry July 2015		Percent within Renter Households			
	Income Brackets	Cohort	within Bracket			
\$0-9,999	86.53	26.1%	\$0	0.0%	0	
\$10,000-19,999	75.24	22.7%	\$0	0.0%	0	
\$20,000-29,999	56.37	17.0%	\$7,439	74.4%	42	
\$30,000-39,999	36.83	11.1%	\$7,920	79.2%	29	
\$40,000-49,999	23.62	7.1%	\$0	0.0%	0	
\$50,000-59,999	18.49	5.6%	\$0	0.0%	0	
\$60,000-74,999	13.94	4.2%	\$0	0.0%	0	
\$75,000-99,999	8.77	2.6%	\$0	0.0%	0	
\$100,000-124,999	4.72	1.4%	\$0	0.0%	0	
\$125,000-149,999	3.08	0.9%	\$0	0.0%	0	
\$150,000-199,999	1.77	0.5%	\$0	0.0%	0	
\$200,000+	1.84	0.6%	\$0	0.0%	0	
		331	100.0%		71	
Percent of renter households within limits versus total number of renter households					21.47%	

Calculation of New Renter Household Demand by Income Cohort by % of AMI

Percent of AMI Level		60%				
Minimum Income Limit		\$22,560				
Maximum Income Limit		\$37,920 Five				
Income Category	Total Renter Households PMA Prj Mrkt Entry July 2015		Percent within Households within			
	Income Brackets	Cohort	Bracket			
\$0-9,999	4,974	26.1%	\$0	0%	0	
\$10,000-19,999	4,324	22.7%	\$0	0%	0	
\$20,000-29,999	3,240	17.0%	\$7,439	74%	2,410	
\$30,000-39,999	2,117	11.1%	\$9,999	79%	1,677	
\$40,000-49,999	1,358	7.1%	-\$2,080	0%	0	
\$50,000-59,999	1,063	5.6%	\$0	0%	0	
\$60,000-74,999	801	4.2%	\$0	0%	0	
\$75,000-99,999	504	2.6%	\$0	0%	0	
\$100,000-124,999	271	1.4%	\$0	0%	0	
\$125,000-149,999	177	0.9%	\$0	0%	0	
\$150,000-199,999	102	0.5%	\$0	0%	0	
\$200,000+	106	0.6%	\$0	0%	0	
		19,036	100.0%		4,087	
Percent of renter households within limits versus total number of renter households					21.47%	

Does the Project Benefit from Rent Subsidy? (Y/N)	Yes
Type of Housing (Family vs Senior)	Family
Location of Subject (Rural versus Urban)	Urban
Percent of Income for Housing	35%
2000 Median Income	\$25,110
2013 Median Income	\$27,745
Change from 2013 to Prj Mrkt Entry July 2015	\$2,635
Total Percent Change	9.5%
Average Annual Change	0.7%
Inflation Rate	0.7%
Maximum Allowable Income	\$37,920
Maximum Allowable Income Inflation Adjusted	\$37,920
Maximum Number of Occupants	Five
Rent Income Categories	60%
Initial Gross Rent for Smallest Unit	\$658
Initial Gross Rent for Smallest Unit Inflation Adjusted	\$658.00

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	90%	10%	0%	0%	0%	100%
2	0%	30%	70%	0%	0%	0%	100%
3	0%	0%	50%	50%	0%	0%	100%
4	0%	0%	0%	80%	20%	0%	100%
5+	0%	0%	0%	70%	30%	0%	100%

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2013 to Prj Mrkt Entry July 2015

Income Target Population		60%
New Renter Households PMA		331
Percent Income Qualified		21.5%
New Renter Income Qualified Households		71

STEP 2a. Please refer to text for complete explanation.

Demand from Existing Households 2013

Demand form Rent Overburdened Households

Income Target Population		60%
Total Existing Demand		19,036
Income Qualified		21.5%
Income Qualified Renter Households		4,087
Percent Rent Overburdened Prj Mrkt Entry July 2015		38.1%
Rent Overburdened Households		1,559

STEP 2b. Please refer to text for complete explanation.

Demand from Living in Substandard Housing

Income Qualified Renter Households		4,087
Percent Living in Substandard Housing		1.2%
Households Living in Substandard Housing		49

STEP 2c. Please refer to text for complete explanation.

Senior Households Converting from Homeownership

Income Target Population		60%
Total Senior Homeowners		0
Rural Versus Urban	2.0%	
Senior Demand Converting from Homeownership		0

Total Demand

Total Demand from Existing Households		1,608
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		1608
Total New Demand		71
Total Demand (New Plus Existing Households)		1,679

Demand from Seniors Who Convert from Homeownership		0
Percent of Total Demand From Homeownership Conversion		0.0%
Is this Demand Over 2 percent of Total Demand?		No

By Bedroom Demand

One Person	36.5%	614
Two Persons	26.6%	447
Three Persons	16.2%	272
Four Persons	9.9%	167
Five Persons	10.7%	180
Total	100.0%	1,679

To place Person Demand into Bedroom Type Units		
Of one-person households in 1BR units	90%	552
Of two-person households in 1BR units	30%	134
Of one-person households in 2BR units	10%	61
Of two-person households in 2BR units	70%	313
Of three-person households in 2BR units	50%	136
Of three-person households in 3BR units	50%	136
Of four-person households in 3BR units	80%	133
Of five-person households in 3BR units	70%	126
Of four-person households in 4BR units	20%	33
Of five-person households in 4BR units	30%	54
Total Demand		1,679
Check		OK
Total Demand by Bedroom		
1 BR		686
2 BR		510
3 BR		395
Total Demand		1,592
Additions To Supply 2013 to Prj Mrkt Entry July 2015		
1 BR		87
2 BR		73
3 BR		33
Total		193
Net Demand		
1 BR		599
2 BR		437
3 BR		362
Total		1,399
Developer's Unit Mix		
1 BR		2
2 BR		12
3 BR		9
Total		23
Capture Rate Analysis		
1 BR		0.3%
2 BR		2.7%
3 BR		2.5%
Total		1.5%

Market

Calculation of Potential Household Demand by Income Cohort by % of AMI

Percent of AMI Level			Market		
Minimum Income Limit			\$26,571		
Maximum Income Limit			\$88,480 Five		
Income Category	New Renter Households - Total Change in Households PMA 2013 to Prj Mrkt Entry July 2015		Percent within Renter Households		
			Income Brackets	Cohort	within Bracket
\$0-9,999	86.53	26.1%	\$0	0.0%	0
\$10,000-19,999	75.24	22.7%	\$0	0.0%	0
\$20,000-29,999	56.37	17.0%	\$3,428	34.3%	19
\$30,000-39,999	36.83	11.1%	\$9,999	100.0%	37
\$40,000-49,999	23.62	7.1%	\$9,999	100.0%	24
\$50,000-59,999	18.49	5.6%	\$9,999	100.0%	18
\$60,000-74,999	13.94	4.2%	\$9,999	66.7%	9
\$75,000-99,999	8.77	2.6%	\$13,480	53.9%	5
\$100,000-124,999	4.72	1.4%	\$0	0.0%	0
\$125,000-149,999	3.08	0.9%	\$0	0.0%	0
\$150,000-199,999	1.77	0.5%	\$0	0.0%	0
\$200,000+	1.84	0.6%	\$0	0.0%	0
	331	100.0%			112
Percent of renter households within limits versus total number of renter households					33.90%

Calculation of New Renter Household Demand by Income Cohort by % of AMI

Percent of AMI Level			Market		
Minimum Income Limit			\$26,571		
Maximum Income Limit			\$88,480 Five		
Income Category	Total Renter Households PMA Prj Mrkt Entry July 2015		Percent within Households within		
			Income Brackets	Cohort	Bracket
\$0-9,999	4,974	26.1%	\$0	0%	0
\$10,000-19,999	4,324	22.7%	\$0	0%	0
\$20,000-29,999	3,240	17.0%	\$3,428	34%	1,111
\$30,000-39,999	2,117	11.1%	\$9,999	100%	2,117
\$40,000-49,999	1,358	7.1%	\$9,999	100%	1,358
\$50,000-59,999	1,063	5.6%	\$9,999	100%	1,063
\$60,000-74,999	801	4.2%	\$9,999	67%	534
\$75,000-99,999	504	2.6%	\$13,480	54%	272
\$100,000-124,999	271	1.4%	\$0	0%	0
\$125,000-149,999	177	0.9%	\$0	0%	0
\$150,000-199,999	102	0.5%	\$0	0%	0
\$200,000+	106	0.6%	\$0	0%	0
	19,036	100.0%			6,454
Percent of renter households within limits versus total number of renter households					33.90%

Does the Project Benefit from Rent Subsidy? (Y/N)

Type of Housing (Family vs Senior)

Location of Subject (Rural versus Urban)

Percent of Income for Housing

2000 Median Income

2013 Median Income

Change from 2013 to Prj Mrkt Entry July 2015

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

Yes	
Family	
Urban	
35%	
\$25,110	
\$27,745	
\$2,635	
9.5%	
0.7%	
0.7%	Two year adjustment 1.0000
\$88,480	
\$88,480	
Five	
Market	
\$775	
\$775.00	

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	90%	10%	0%	0%	0%	100%
2	0%	30%	70%	0%	0%	0%	100%
3	0%	0%	50%	50%	0%	0%	100%
4	0%	0%	0%	80%	20%	0%	100%
5+	0%	0%	0%	70%	30%	0%	100%

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2013 to Prj Mrkt Entry July 2015

Income Target Population		Market
New Renter Households PMA		331
Percent Income Qualified		33.9%
New Renter Income Qualified Households		112

STEP 2a. Please refer to text for complete explanation.

Demand from Existing Households 2013

Demand form Rent Overburdened Households

Income Target Population		Market
Total Existing Demand		19,036
Income Qualified		33.9%
Income Qualified Renter Households		6,454
Percent Rent Overburdened Prj Mrkt Entry July 2015		38.1%
Rent Overburdened Households		2462

STEP 2b. Please refer to text for complete explanation.

Demand from Living in Substandard Housing

Income Qualified Renter Households		6,454
Percent Living in Substandard Housing		1.2%
Households Living in Substandard Housing		78

STEP 2c. Please refer to text for complete explanation.

Senior Households Converting from Homeownership

Income Target Population		Market
Total Senior Homeowners		0
Rural Versus Urban	2.0%	
Senior Demand Converting from Homeownership		0

Total Demand

Total Demand from Existing Households		2,540
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		2540
Total New Demand		112
Total Demand (New Plus Existing Households)		2,652

Demand from Seniors Who Convert from Homeownership		0
Percent of Total Demand From Homeownership Conversion		0.0%
Is this Demand Over 2 percent of Total Demand?		No

By Bedroom Demand

One Person	36.5%	969
Two Persons	26.6%	705
Three Persons	16.2%	430
Four Persons	9.9%	263
Five Persons	10.7%	284
Total	100.0%	2,652

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	90%	872
Of two-person households in 1BR units	30%	212
Of one-person households in 2BR units	10%	97
Of two-person households in 2BR units	70%	494
Of three-person households in 2BR units	50%	215
Of three-person households in 3BR units	50%	215
Of four-person households in 3BR units	80%	211
Of five-person households in 3BR units	70%	199
Of four-person households in 4BR units	20%	53
Of five-person households in 4BR units	30%	85
Total Demand		2,652
Check		OK

Total Demand by Bedroom

	Market
1 BR	1,084
2 BR	806
3 BR	625
Total Demand	2,514

Additions To Supply 2013 to Prj Mrkt Entry July 2015

	Market
1 BR	8
2 BR	30
3 BR	12
Total	50

Net Demand

	Market
1 BR	1,076
2 BR	776
3 BR	613
Total	2,464

Developer's Unit Mix

	Market
1 BR	2
2 BR	10
3 BR	3
Total	15

Capture Rate Analysis

	Market
1 BR	0.2%
2 BR	1.3%
3 BR	0.5%
Total	0.6%

Overall

Calculation of Potential Household Demand by Income Cohort by % of AMI

Percent of AMI Level			Overall		
Minimum Income Limit			\$22,560		
Maximum Income Limit			\$88,480 Five		
Income Category	New Renter Households - Total Change in Households PMA 2013 to Prj Mrkt Entry July 2015		Income Brackets	Percent within Cohort	Renter Households within Bracket
	\$0-9,999	86.53			
\$10,000-19,999	75.24	22.7%	\$0	0.0%	0
\$20,000-29,999	56.37	17.0%	\$7,439	74.4%	42
\$30,000-39,999	36.83	11.1%	\$9,999	100.0%	37
\$40,000-49,999	23.62	7.1%	\$9,999	100.0%	24
\$50,000-59,999	18.49	5.6%	\$38,480	384.8%	71
\$60,000-74,999	13.94	4.2%	\$0	0.0%	0
\$75,000-99,999	8.77	2.6%	\$0	0.0%	0
\$100,000-124,999	4.72	1.4%	\$0	0.0%	0
\$125,000-149,999	3.08	0.9%	\$0	0.0%	0
\$150,000-199,999	1.77	0.5%	\$0	0.0%	0
\$200,000+	1.84	0.6%	\$0	0.0%	0
	331	100.0%			174
Percent of renter households within limits versus total number of renter households					52.40%

Calculation of New Renter Household Demand by Income Cohort by % of AMI

Percent of AMI Level			Overall		
Minimum Income Limit			\$22,560		
Maximum Income Limit			\$88,480 Five		
Income Category	Total Renter Households PMA Prj Mrkt Entry July 2015		Income Brackets	Percent within Cohort	Households within Bracket
	\$0-9,999	4,974			
\$10,000-19,999	4,324	22.7%	\$0	0%	0
\$20,000-29,999	3,240	17.0%	\$7,439	74%	2,410
\$30,000-39,999	2,117	11.1%	\$9,999	100%	2,117
\$40,000-49,999	1,358	7.1%	\$9,999	100%	1,358
\$50,000-59,999	1,063	5.6%	\$38,480	385%	4,090
\$60,000-74,999	801	4.2%	\$0	0%	0
\$75,000-99,999	504	2.6%	\$0	0%	0
\$100,000-124,999	271	1.4%	\$0	0%	0
\$125,000-149,999	177	0.9%	\$0	0%	0
\$150,000-199,999	102	0.5%	\$0	0%	0
\$200,000+	106	0.6%	\$0	0%	0
	19,036	100.0%			9,975
Percent of renter households within limits versus total number of renter households					52.40%

Does the Project Benefit from Rent Subsidy? (Y/N)

Yes		
Type of Housing (Family vs Senior)	Family	
Location of Subject (Rural versus Urban)	Urban	
Percent of Income for Housing	35%	
2000 Median Income	\$25,110	
2013 Median Income	\$27,745	
Change from 2013 to Prj Mrkt Entry July 2015	\$2,635	
Total Percent Change	9.5%	
Average Annual Change	0.7%	
Inflation Rate	0.7%	Two year adjustment 1.0000
Maximum Allowable Income	\$88,480	
Maximum Allowable Income Inflation Adjusted	\$88,480	
Maximum Number of Occupants	Five	
Rent Income Categories	Overall	
Initial Gross Rent for Smallest Unit	\$658	
Initial Gross Rent for Smallest Unit Inflation Adjusted	\$658.00	

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	90%	10%	0%	0%	0%	100%
2	0%	30%	70%	0%	0%	0%	100%
3	0%	0%	50%	50%	0%	0%	100%
4	0%	0%	0%	80%	20%	0%	100%
5+	0%	0%	0%	70%	30%	0%	100%

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2013 to Prj Mrkt Entry July 2015

Income Target Population		Overall
New Renter Households PMA		331
Percent Income Qualified		52.4%
New Renter Income Qualified Households		174

STEP 2a. Please refer to text for complete explanation.

Demand from Existing Households 2013

Demand form Rent Overburdened Households

Income Target Population		Overall
Total Existing Demand		19,036
Income Qualified		52.4%
Income Qualified Renter Households		9,975
Percent Rent Overburdened Prj Mrkt Entry July 2015		38.1%
Rent Overburdened Households		3805

STEP 2b. Please refer to text for complete explanation.

Demand from Living in Substandard Housing

Income Qualified Renter Households		9,975
Percent Living in Substandard Housing		1.2%
Households Living in Substandard Housing		121

STEP 2c. Please refer to text for complete explanation.

Senior Households Converting from Homeownership

Income Target Population		Overall
Total Senior Homeowners		0
Rural Versus Urban	2.0%	
Senior Demand Converting from Homeownership		0

Total Demand

Total Demand from Existing Households		3,925
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		3925
Total New Demand		174
Total Demand (New Plus Existing Households)		4,099

Demand from Seniors Who Convert from Homeownership		0
Percent of Total Demand From Homeownership Conversion		0.0%
Is this Demand Over 2 percent of Total Demand?		No

By Bedroom Demand

One Person	36.5%	1,498
Two Persons	26.6%	1,090
Three Persons	16.2%	665
Four Persons	9.9%	407
Five Persons	10.7%	439
Total	100.0%	4,099

 To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	90%	1,348
Of two-person households in 1BR units	30%	327
Of one-person households in 2BR units	10%	150
Of two-person households in 2BR units	70%	763
Of three-person households in 2BR units	50%	332
Of three-person households in 3BR units	50%	332
Of four-person households in 3BR units	80%	326
Of five-person households in 3BR units	70%	307
Of four-person households in 4BR units	20%	81
Of five-person households in 4BR units	30%	132
Total Demand		4,099
Check		OK

 Total Demand by Bedroom Overall

1 BR	1,675
2 BR	1,245
3 BR	965
Total Demand	3,886

 Additions To Supply 2013 to Prj Mrkt Entry July 2015 Overall

1 BR	101
2 BR	130
3 BR	58
Total	289

 Net Demand Overall

1 BR	1,574
2 BR	1,115
3 BR	907
Total	3,597

 Developer's Unit Mix Overall

1 BR	4
2 BR	22
3 BR	12
Total	38

 Capture Rate Analysis Overall

1 BR	0.3%
2 BR	2.0%
3 BR	1.3%
Total	1.1%

Conclusions

We have conducted such an analysis to determine a base of demand for the Subject as a tax credit property. This demand analysis does not measure the PMA's or Subject's ability to attract additional or latent demand into the market from elsewhere by offering an affordable option. We believe this to be moderate and therefore the demand analysis is somewhat conservative in its conclusions because this demand is not included.

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 supported and financially feasible, and that results in the highest value. The four criteria that the Highest and Best Use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability. That reasonable and probable use that will support the highest present value of vacant land or improved property, as defined as of the date of the appraisal."

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 is".

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 contains approximately 2.88 acres. The Subject site has generally level topography and an irregular shape. It has good accessibility. The site is considered adequate for a variety of legally permissible uses.

Legally Permissible

According to Charlotte Moore, Planner with Chatham County-Savannah Metropolitan Planning Commission, the Subject site is zoned R-M-25, Multiple-Family Residential District. The principal residential uses permitted under this zoning code are single-family and multifamily developments. The Subject site is 2.88 acres, or 125,453 square feet. This zoning district allows for a maximum density of 25 units per acre. The Subject will be developed to a density of 25 units per acre. It permits a maximum building height of 40 feet, or four stories. The Subject's buildings will be three stories in height. One and a half parking spaces is required per unit. The Subject will offer 72 units. Therefore, it would require 108 parking spaces. The Subject will offer 74 parking spaces, which will be permitted by variance. Based on a site size of 2.88 acres, the site can accommodate up to 72 units per the current zoning restrictions. Due to the height and parking restrictions, the full acreage cannot be dedicated to residential units alone. However, the comparable land sales indicate a density range between 23 and 29 units per acre. Therefore, we believe 25 units per acre, or a 72-unit development is appropriate.

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. As noted in the zoning section, the site can be used for varying densities of residential uses. Given the site attributes, allowable uses and surrounding uses, we believe multifamily residential development is most likely.

In order to determine financial feasibility for a multifamily property scenario, we performed a simple development analysis, based upon the rental and cost data secured during our market investigation. We used a residual technique to determine the cost feasibility of multifamily development. It should be noted that we derived the replacement costs using the price per square foot to construct multifamily development as provided by RS Means.

COST ANALYSIS
As Proposed Unrestricted

Stabilized Overall Capitalization Rate	6%
Typical Economic Life	55
Inferred Annual Building Recapture Rate	1.4%
Inferred Land to Total Value Ratio (M)	7.8%
Land Capitalization Rate	Rl
Building Capitalization Rate (Rl + Recapture Rate)	Rb
$Ro = (Rl * M) + ((1 - M) * Rb)$	
Rl =	4.7%
Rb =	6.1%
Land Value*	\$610,000
Land Capitalization Rate	4.7%
Required Return to Land	\$28,670
Replacement Cost of Improvements	\$7,784,248
Building Capitalization Rate (Rb)	6.1%
Required Return On and Recapture of Improvement Costs	\$474,839
Total Required Net Operating Income	\$503,509
Net Rentable Square Footage	\$60,402
Required NOI per SF of Improvements	\$8.3
Operating Expenses per SF	\$6.2
Required Effective Gross Revenue	\$14.5
Stabilized Vacancy Adjustment Factor	73%
Cost Feasible Market Rent	\$15.26
<u>Market Rent (based on market rental rates)</u>	<u>\$13.62</u>

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

Maximally Productive

Based upon our analysis, new construction of a market rate apartment community is not financially viable without some other source of gap funding, such as Low Income Housing Tax Credits. However, this is not entirely evident by the lack of new market rate multifamily construction in the local area. Therefore, the maximally productive use of this site as if vacant would be to construct a multifamily rental property with financial subsidies. Without subsidies, it would be to hold until the market rent supports construction.

Conclusion – Highest and Best Use “As Is”

The highest and best use for the property as is would be to construct a multifamily rental property with financial subsidies. Without subsidies, it would be to hold until the market rent supports construction.

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 (as though vacant) 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.

In the sales comparison approach, we 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 the sales comparison approach and both the EGIM analysis and the NOI/Unit analysis in valuing the Subject property.

The income capitalization approach requires 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 Subject is an income producing property and this is considered to be the best method of valuation.

APPLICABILITY TO THE SUBJECT PROPERTY

The employment of the Cost Approach in the valuation process is based on the principle of substitution. Investors in the marketplace do not typically rely upon the cost approach. As a result, the cost approach is considered to have only limited use in the valuation of the Subject property. However, we have provided an estimate of land value.

The income capitalization approach requires 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. Because the Subject will be an income producing property, this is considered to be the best method of valuation. A direct capitalization technique is utilized.

In the sales comparison approach, we 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 EGIM and NOI/Unit analyses in valuing the Subject property.

LAND VALUE

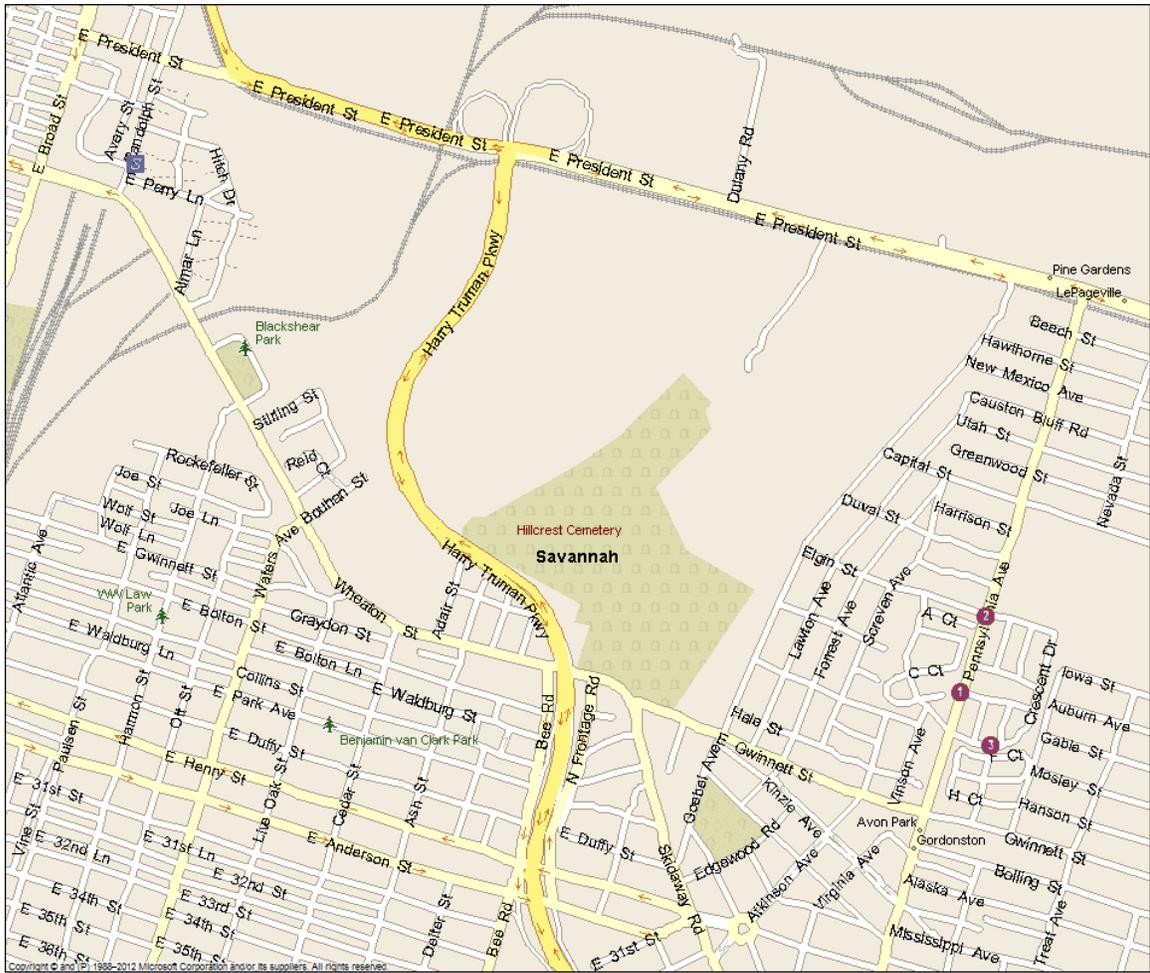
LAND VALUATION

To arrive at an opinion of land value for the Subject site, we have analyzed actual sales of comparable sites in the competitive area. In performing the market valuation, an extensive search for recent transfers of land zoned for multifamily development within the region was made. We were able to locate three land sales occurring between August 2011 and December 2013.

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.

We have valued the land assuming that it is vacant without restrictions on use beyond zoning and physical constraints.

Land Sales Map



The following table summarizes the land sale transactions.

COMPARABLE LAND SALES

Number	Location	City	Sale Date	Price	Acre	Units	Price/Unit
1	514 Pennsylvania Ave.	Savannah, GA	Dec-13	\$1,140,000	4.96	114	\$10,000
2	500 Pennsylvania Ave.	Savannah, GA	Oct-11	\$940,000	3.34	94	\$10,000
3	601-2B Crescent Drive	Savannah, GA	Aug-11	\$400,000	1.40	40	\$10,000

COMPARABLE LAND SALES

Number	Location	City	Buyer	Seller
1	514 Pennsylvania Ave.	Savannah, GA	Mercy Housing Southeast, Inc.	CHSA Development, Inc.
2	500 Pennsylvania Ave.	Savannah, GA	Mercy Housing Georgia X, LP	CHSA Development, Inc.
3	601-2B Crescent Drive	Savannah, GA	Savannah Gardens Senior Residences	CHSA Development, Inc.

ADJUSTMENTS

The following table illustrates adjustments applied to the sale comparables.

Comparable Land Data Adjustment Grid				
	Subject	1	2	3
Location	280 Randolph Street	514 Pennsylvania Ave.	500 Pennsylvania Ave.	601-2B Crescent Drive
City, State	Savannah, GA	Savannah, GA	Savannah, GA	Savannah, GA
Parcel Data				
Zoning	Multifamily	Multifamily	Multifamily	Multifamily
Topography	Level	Level	Level	Level
Shape	Irregular	Irregular	Rectangular	Rectangular
Corner	Yes	Yes	Yes	Yes
Size (SF)	125,453	215,970	145,490	60,984
Size (Acres)	2.9	5.0	3.3	1.4
Units	72	114	94	40
Units Per Acre	25	23	28	29
Sales Data				
Date		Dec-13	Oct-11	Aug-11
Interest		Fee Simple	Fee Simple	Fee Simple
Price		\$1,140,000	\$940,000	\$400,000
Price per Unit		\$10,000	\$10,000	\$10,000
Adjustments				
Property Rights		0	0	0
		\$1,140,000	\$940,000	\$400,000
Financing		0	0	0
		\$1,140,000	\$940,000	\$400,000
Conditions of Sale		0	0	0
		\$1,140,000	\$940,000	\$400,000
Market Conditions		0	0.05	0.05
Adjusted Sale Price		\$1,140,000	\$987,000	\$420,000
Adjusted Price Per Unit		\$10,000	\$10,500	\$10,500
Adjustments				
Location		-15%	-15%	-15%
Zoning		0%	0%	0%
Topography		0%	0%	0%
Shape		0%	-5%	-5%
Size		5%	0%	-5%
Overall Adjustment		-10%	-20%	-25%
Adjusted Price Per Unit		\$9,000	\$8,400	\$7,875
Low		\$7,875		
High		\$9,000		
Mean		\$8,425		
Median		\$8,400		
Conclusion		\$8,500 x	72	\$612,000
Rounded				\$610,000

As illustrated, adjustments have been made based on price differences created by the following factors:

- **Property Rights**
- **Financing**
- **Conditions of Sale**
- **Market Conditions**
- **Location**
- **Zoning**
- **Topography**
- **Shape**
- **Size / Number of Units**

Property Rights

All of the sales used in this analysis represent the conveyance of the fee simple interest in the respective properties. No adjustments are warranted.

Financing

If applicable, the comparable sales must be adjusted for financing terms. The adjustment renders the sale price to cash equivalent terms. All of the sales are considered to be cash equivalent and no adjustment is necessary.

Conditions of Sale

This adjustment is used if there are any unusual circumstances surrounding the transactions such as foreclosures, bulk sales, related parties, assemblages, etc. All of the comparable sales are considered to be market-oriented, arms-length transactions. As a result, no additional adjustments are needed.

Market Conditions

Based on the most recent fourth quarter 2013 report from REIS, market conditions in the Savannah metropolitan area between the end of the 4Q 2012 and the end of the 3Q 2013 experienced a market vacancy increase of 80 basis points. The market vacancy was 6.2 percent as of the fourth quarter 2013 similar to the one year annualized figure of 6.2 percent.

	Vacancy Rates						
	Quarterly			Annualized			
	4Q13	3Q13	YTD Avg	1 Year	3 Year	5 Year	5 Yr Forecast
Savannah	6.2%	5.4%	5.8%	6.2%	7.1%	7.7%	6.6%
South Atlantic	4.8%	4.9%	4.9%	5.0%	5.9%	6.8%	5.2%
United States	4.1%	4.3%	4.3%	4.4%	5.1%	5.9%	4.5%
Period Ending:	12/31/13	09/30/13	12/31/13	12/31/13	12/31/13	12/31/13	12/31/18

Asking rents rose one percent between the end of the 4Q 2012 and the end of the 3Q 2013.

	Asking Rent Growth						
	Quarterly			Annualized			
	4Q13	3Q13	YTD Avg	1 Year	3 Year	5 Year	5 Yr Forecast
Savannah	1.0%	0.7%	0.5%	2.0%	2.0%	1.0%	2.8%
South Atlantic	0.5%	1.0%	0.6%	2.5%	2.4%	1.6%	2.7%
United States	0.8%	1.0%	0.8%	3.0%	2.7%	1.5%	2.8%
Period Ending:	12/31/13	09/30/13	12/31/13	12/31/13	12/31/13	12/31/13	12/31/18

Asking rents from 2010 increased by about two percent annually through 2013. Capitalization rates (not shown in the above tables) decreased by over two percentage points nationwide since late 2010. Based on these figures, it is evident that the regional apartment market continues to recover. Sales two and three were negotiated in 2010 and are adjusted upward by five percent.

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.

LOCATION COMPARISON

Property	Zip Code	Median Household Income	Median Gross Rent
Subject	31401	\$21,357	\$809
Sale 1	31404	\$31,053	\$860
Sale 2	31404	\$31,053	\$860
Sale 3	31404	\$31,053	\$860

All of the comparable sales are located in zip code 31404, whereas the median household income is higher than the Subject’s respective zip code. We have adjusted the comparables downward by 15 percent to account for the slightly superior location.

Zoning / Density

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

Shape

Site characteristics such as access, frontage, visibility, and shape can affect the marketability of sites, making them more or less attractive to investors. The Subject has generally similar access, and visibility as the comparable sales; however, the irregular shape is considered inferior to Sales 2 and 3. Therefore, five percent downward adjustments were applied to Sales 2 and 3.

Size / Number of Units

With respect to size, the pool of potential purchasers decreases as property size (and purchase price) increases. The pricing relationship is not linear and certain property sizes, while different, may not receive differing prices based on the grouping within levels. In this instance, sales one and two have a greater number of units than the Subject, by 42 and 22 units respectively. Therefore we have

adjusted sale one upwards by five percent. Sale three has a lower number than the Subject, therefore we have adjusted this sale downward by five percent.

CONCLUSION OF VALUE

The sales indicate a range of adjusted price per unit from \$7,875 to \$9,000 per unit, with a mean of \$8,425 per unit. We have relied on all three sales in determining the Subject's value and have concluded to a sale price of \$8,500 per unit.

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 May 5, 2014, is:

**SIX HUNDRED AND TEN THOUSAND DOLLARS
(\$610,000)**

INCOME CAPITALIZATION APPROACH

INCOME CAPITALIZATION APPROACH

INTRODUCTION

We were asked to provide several value estimates, including:

- Hypothetical Market Value Upon Completion Assuming Restricted Rents.
- Hypothetical Market Value Upon Completion Assuming Unrestricted Rents.
- Hypothetical Market Value “As Complete and Stabilized” – hypothetical value assuming as complete and stabilized with restricted rents.
- Hypothetical Market Value “As Complete and Stabilized” – hypothetical value assuming as complete and stabilized with unrestricted rents.
- Prospective Market Value at 15, 20 (Loan Maturity), 25, and 30 years.
- Favorable Financing.

The market values “upon completion and stabilization” are prospective value estimates 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 future 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 As Restricted and As Unrestricted as derived in the Supply Section of this report and are calculated as follows.

POTENTIAL GROSS RENTAL INCOME - As Proposed Restricted

Unit Type	Number of Units	Proposed Rents	Monthly Gross Rent	Annual Gross Rent
60% AMI (RAD/PBRA)				
1BR/1BA	2	\$424	\$848	\$10,176
2BR/1BA	20	\$461	\$9,220	\$110,640
3BR/2BA	12	\$599	\$7,188	\$86,256
60% AMI				
1BR/1BA	2	\$553	\$1,106	\$13,272
2BR/1BA	12	\$666	\$7,992	\$95,904
3BR/2BA	9	\$756	\$6,804	\$81,648
Market Rate				
1BR/1BA	2	\$725	\$1,450	\$17,400
2BR/1BA	10	\$900	\$9,000	\$108,000
3BR/2BA	<u>3</u>	\$1,100	\$3,300	<u>\$39,600</u>
Total	72			\$562,584

POTENTIAL GROSS RENTAL INCOME - As Proposed Unrestricted

Unit Type	Number of Units	Achievable Market Rents	Monthly Gross Rent	Annual Gross Rent
1 BR	6	\$725	\$4,350	\$52,200
2 BR	42	\$900	\$37,800	\$453,600
3 BR	<u>24</u>	\$1,100	\$26,400	<u>\$316,800</u>
Total	72			\$822,600

Other Income

The other income category is primarily revenue generated from interest income, late charges, special service fees, vending machines, etc. Three of the four comparables were able to report other income, ranging from \$73 to \$489 per unit, with two of the three comparables reporting \$73 to \$78 per unit in other income. The developer’s budget indicates other income of \$136 per unit. We will conclude to other income of \$136 per unit, which is within the range of the comparables.

Vacancy and Collection Loss

The vacancy rates in the market are generally stable. As indicated in the supply analysis, we have concluded to a vacancy and collections loss rate of 5.0 percent for both scenarios.

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 comparable properties were relied upon in estimating the Subject's operating expenses. The comparable data can be found on the following pages.

It is important to note that the projections of income and expenses are based on the basic assumption that the apartment complex will be managed and staffed by competent personnel and that the property will be professionally advertised and aggressively promoted. The Subject will offer 72 units that target households of all ages. Comparable operating expense data from 2011 to 2013 was collected from properties located in Savannah, Hinesville, and Rincon to serve as a comparison for the Subject's proposed operating budget.

EXPENSE CATEGORY	Novogradac Estimates As Proposed Restricted Savannah, GA		Novogradac Estimates As Proposed Unrestricted Savannah, GA		2013 SUBJECT BUDGETED EXPENSES Savannah, GA		2012 CONFIDENTIAL ACTUAL EXPENSES Hinesville, GA		2012 CONFIDENTIAL ACTUAL EXPENSES Savannah, GA		2011 CONFIDENTIAL ACTUAL EXPENSES Hinesville, GA		2011 CONFIDENTIAL ACTUAL EXPENSES Rincon, GA	
	72		72		72		80		147		128		184	
	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit
OTHER INCOME	\$9,792	\$136	\$9,792	\$136	\$9,798	\$136	\$6,202	\$78	\$71,846	\$489	\$9,392	\$73	N/Av	N/Av
MARKETING														
Advertising / Screening / Credit	\$7,200	\$100	\$5,760	\$80	\$9,000	\$125	\$518	\$6	\$7,855	\$53	\$0	\$0	\$12,880	\$70
SUBTOTAL	\$7,200	\$100	\$5,760	\$80	\$9,000	\$125	\$518	\$6	\$7,855	\$53	\$0	\$0	\$12,880	\$70
ADMINISTRATION														
Legal	\$9,000	\$125	\$5,760	\$80	\$8,000	\$111	\$9,148	\$114	\$2,874	\$20	\$0	\$0	\$0	\$0
Audit	\$13,680	\$190	\$13,680	\$190	\$14,000	\$194	\$672	\$8	\$0	\$0	\$0	\$0	\$0	\$0
Office & Other	\$22,320	\$310	\$21,240	\$295	\$28,500	\$396	\$16,591	\$207	\$46,880	\$319	\$94,252	\$736	\$29,624	\$161
SUBTOTAL	\$45,000	\$625	\$40,680	\$565	\$50,500	\$701	\$26,411	\$330	\$49,754	\$338	\$94,252	\$736	\$29,624	\$161
TOTAL ADMINISTRATION	\$52,200	\$725	\$46,440	\$645	\$59,500	\$826	\$26,929	\$337	\$57,609	\$392	\$94,252	\$736	\$42,504	\$231
MAINTENANCE														
Painting / Turnover / Cleaning	\$3,600	\$50	\$3,600	\$50	\$19,500	\$271	\$4,157	\$52	\$39,214	\$267	\$0	\$0	\$0	\$0
Repairs	\$4,680	\$65	\$4,680	\$65	\$5,000	\$69	\$12,392	\$155	\$56,827	\$387	\$0	\$0	\$75,072	\$408
Elevator	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grounds	\$10,800	\$150	\$10,800	\$150	\$15,500	\$215	\$12,055	\$151	\$53,622	\$365	\$0	\$0	\$19,320	\$105
Pool	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$20,204	\$137	\$0	\$0	\$0	\$0
Supplies/Other	\$14,400	\$200	\$14,400	\$200	\$12,500	\$174	\$0	\$0	\$3,419	\$23	\$84,805	\$663	\$0	\$0
SUBTOTAL	\$33,480	\$465	\$33,480	\$465	\$52,500	\$729	\$28,604	\$358	\$173,286	\$1,179	\$84,805	\$663	\$94,392	\$513
OPERATING														
Contracts	\$7,200	\$100	\$7,200	\$100	\$7,500	\$104	\$0	\$0	\$55,818	\$380	\$0	\$0	\$0	\$0
Exterminating	\$2,520	\$35	\$2,520	\$35	\$3,500	\$49	\$2,292	\$29	\$7,462	\$51	\$0	\$0	\$0	\$0
Security	\$3,600	\$50	\$3,600	\$50	\$2,400	\$33	\$0	\$0	\$1,312	\$9	\$0	\$0	\$0	\$0
SUBTOTAL	\$13,320	\$185	\$13,320	\$185	\$13,400	\$186	\$2,292	\$29	\$64,592	\$439	\$0	\$0	\$0	\$0
TOTAL MAINTENANCE AND OPERATING	\$46,800	\$650	\$46,800	\$650	\$65,900	\$915	\$30,896	\$386	\$237,878	\$1,618	\$84,805	\$663	\$94,392	\$513
PAYROLL														
On-site manager	\$45,000	\$625	\$45,000	\$625	\$45,000	\$625	\$0	\$0	\$32,898	\$224	\$0	\$0	\$0	\$0
Other management staff	\$0	\$0	\$0	\$0	\$0	\$0	\$76,801	\$960	\$0	\$0	\$356,121	\$2,782	\$203,504	\$1,106
Maintenance staff	\$25,000	\$347	\$25,000	\$347	\$45,000	\$625	\$0	\$0	\$40,288	\$274	\$0	\$0	\$0	\$0
Janitorial staff	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Benefits	\$5,000	\$69	\$5,000	\$69	\$0	\$0	\$0	\$0	\$15,025	\$102	\$0	\$0	\$0	\$0
Payroll taxes	\$8,400	\$117	\$8,400	\$117	\$0	\$0	\$0	\$0	\$7,640	\$52	\$0	\$0	\$0	\$0
SUBTOTAL	\$83,400	\$1,158	\$83,400	\$1,158	\$90,000	\$1,250	\$76,801	\$960	\$95,851	\$652	\$356,121	\$2,782	\$203,504	\$1,106
UTILITIES														
Water & Sewer	\$2,074	\$29	\$2,074	\$29	\$1,300	\$18	\$26,267	\$328	\$43,805	\$298	\$14,408	\$113	\$109,112	\$593
Electricity	\$3,676	\$51	\$3,676	\$51	\$13,500	\$188	\$17,713	\$221	\$36,302	\$247	\$15,789	\$123	\$0	\$0
Gas	\$0	\$0	\$0	\$0	\$8,000	\$111	\$1,019	\$13	\$4,843	\$33	\$1,189	\$9	\$0	\$0
Cable Television	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Trash	\$25,056	\$348	\$25,056	\$348	\$0	\$0	\$6,985	\$87	\$15,305	\$104	\$0	\$0	\$0	\$0
SUBTOTAL	\$30,805	\$428	\$30,805	\$428	\$22,800	\$317	\$51,984	\$650	\$100,255	\$682	\$31,386	\$245	\$109,112	\$593
MISCELLANEOUS														
Insurance	\$23,760	\$330	\$23,760	\$330	\$25,000	\$347	\$27,296	\$341	\$43,773	\$298	\$27,631	\$216	\$30,176	\$164
Real Estate Taxes / PILOT	\$68,590	\$953	\$89,465	\$1,243	\$68,590	\$953	\$48,055	\$601	\$119,123	\$810	\$9,631	\$75	\$59,984	\$326
Reserves	\$18,000	\$250	\$18,000	\$250	\$18,000	\$250	\$20,000	\$250	\$36,750	\$250	\$38,400	\$250	\$46,000	\$250
Supportive Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SUBTOTAL	\$110,350	\$1,533	\$131,225	\$1,823	\$111,590	\$1,550	\$95,351	\$1,192	\$199,646	\$1,358	\$75,662	\$591	\$136,160	\$740
MANAGEMENT														
SUBTOTAL	\$29,907	\$415	\$35,585	\$494	\$29,983	\$416	\$0	\$0	\$72,336	\$492	\$0	\$0	\$63,296	\$344
TOTAL EXPENSES	\$353,462	\$4,909	\$374,255	\$5,198	\$379,773	\$5,275	\$281,961	\$3,525	\$763,575	\$5,194	\$642,226	\$5,017	\$648,968	\$3,527

General Administrative

This category includes all professional fees for items such as legal, accounting, and marketing expenses, as well as office supplies and general and administrative costs. This expense is based on an analysis of the Subject's budget and the comparable property expense data. The developer's budget indicates a general administrative expense of \$826 per unit. The comparable expense data ranges from \$231 to \$736 per unit. We have concluded to \$725 per unit for the restricted scenario and \$645 per unit for the unrestricted scenario. According to a Novogradac & Company LLP comprehensive analysis of national 2010 operating expense data (Multifamily Rental Housing Operating Expense Report, 2014), it costs on average approximately \$80 more per unit for administrative costs for low income housing tax credit property nationally than it does for a market-rate property.

Repairs, Maintenance, and Operating

Included in this expense are normal items of repair including roof, painting, decorating, maintenance of public areas, cleaning, etc. The developer's budgeted expense is \$915 per unit. The comparable expense data ranges from \$386 to \$1,618 per unit. Operating expense comparable three was built in 1969 and is the oldest comparable. Operating expense comparables one, two, and four were constructed between 1980 and 2003. Comparable three's repairs, maintenance, and operating expense appears to be somewhat high (\$1,618 per unit) when compared to the remaining properties (which range between \$386 and \$663 per unit). The Subject will be new construction. We have concluded to an expense of \$650 per unit for both scenarios, which is within the range of the comparables and below the developer's estimate.

Payroll

Payroll expenses are directly connected to the administration of the complex, including office, maintenance and management salaries. In addition, employee benefits and employment related taxes are included in the category. The developer has estimated a payroll expense of \$1,250 per unit. The comparable expense data ranges from \$652 to \$2,782 per unit. We estimate a full-time manager and a part-time maintenance employee for the Subject. The following table illustrates Novoco's staffing plan for the Subject.

PAYROLL EXPENSE CALCULATION		
	Expense	Per Unit
Manager's Salary	\$45,000	\$625
Maintenance Salary	\$25,000	\$347
Benefits (\$5,000 per FTE)	\$5,000	\$69
Payroll Taxes (estimated at 12%)	\$8,400	\$117
Total Annual Payroll	\$83,400	\$1,158

Utilities

The landlord will be responsible for trash collection and common area utilities. The Subject's budgeted utility expense is \$317 per unit. Comparable operating expenses indicate a range of \$245 to \$682 per unit. Due to the fact that properties often vary in terms of utility responsibilities, comparisons are difficult. Per GA DCA guidelines, we have relied on GA DCA Utility Allowance and the Utility Allowance provided by the Housing Authority of Savannah to determine the Subject's utility expense.

UTILITY ALLOWANCES

Utility	Paid By	One-bedroom	Two-bedroom	Three-bedroom
Utilities-Electricity	Tenant	\$30	\$34	\$40
Utilities-Electric Heating	Tenant	\$10	\$12	\$15
Utilities-Air Conditioning	Tenant	\$2	\$2	\$3
Utilities-Electric Cooking	Tenant	\$5	\$6	\$7
Utilities-Electric Heated Hot Water	Tenant	\$22	\$26	\$33
Utilities-Water and Sewer Services	Tenant	\$36	\$44	\$58
Utilities-Trash Collection	Landlord	\$29	\$29	\$29
Total Utility Allowance		\$134	\$153	\$185
Total Tenant Paid Utilities		\$105	\$124	\$156

Source: Georgia DCA (Electric Heat Pump), Housing Authority of Savannah, GA, 04/2014

Utility Expense Calculation	One-bedroom	Two-bedroom	Three-bedroom	Total
Unit Mix	6	42	24	72
Electric Annually Per Unit (assuming 5% vacancy/common area)	\$4,968	\$40,320	\$28,224	\$51
Water and Sewer Annually Per Unit (assuming 5% vacancy/common area)	\$2,592	\$22,176	\$16,704	\$29
Total Annual Trash Per Unit	\$2,088	\$14,616	\$8,352	\$348
Total Annual Utility Expense Per Unit				\$428

The developer's budgeted utility expense appears somewhat low based upon GA DCA Utility Allowance and the Utility Allowance provided by the Housing Authority of Savannah. Therefore, we have concluded to an expense of \$428 per unit.

Insurance

The Subject has projected an annual insurance expense of \$347 per unit. The comparables range from \$164 to \$341 per unit. The developer's budgeted expense is slightly higher than the range of comparables. Therefore, we have concluded to an insurance expense of \$330 per unit for both scenarios.

Taxes

Real estate taxes have been previously discussed in the real estate tax analysis.

Replacement Reserves

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 range from \$250 to \$350 per unit per year. We have used an expense of \$250 per unit for all scenarios as the Subject will be new construction.

Management Fees

The typical range for professionally managing an apartment property such as the Subject is 4.0 to 7.0 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. Only one of the comparables reported gross rental income, indicating a management fee of 5.3 percent. Two comparables were able to report a management fee per unit, ranging between \$344 and \$492 per unit. The developer's budgeted management fee is 6.0 percent. We have concluded to a management fee of 5.5 percent (\$415 per unit) for the restricted scenario and a management fee of 4.5 percent (\$494 per unit) for the unrestricted 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 Subject's historical expenses, and the total expenses reported by comparable expense properties.

Comparable Expense Properties		
Total Expense per Unit	W/ Taxes	W/O Taxes
Developer's Budget	\$5,275	\$4,322
Expense Comparable 1	\$3,525	\$2,924
Expense Comparable 2	\$5,194	\$4,384
Expense Comparable 3	\$5,017	\$4,942
Expense Comparable 4	\$3,527	\$3,201
Subject (As Proposed Restricted)	\$4,909	\$3,957
Subject (As Proposed Unrestricted)	\$5,198	\$3,955

The estimated operating expenses for the Subject are slightly below the budget and within the range of comparable properties. The primary differences between the Subject's operating expenses and the that of comparables are the utilities cost and real estate taxes. We believe the estimated expenses for the restricted and unrestricted scenarios are reasonable based upon the comparable expenses.

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

The AMI in Chatham County increased 1.9 percent annually between 2000 and 2014. Since 2012, the AMI in the county has decreased 1.9 percent annually. Several of the LIHTC and market rate

comparables experienced rent growth over the past year. The LIHTC comparables had rent increases between one and 10 percent, while the market rate comparables had rent increases between one and 14 percent. We have increased the income and expense line items by 1.5 percent per annum over the holding period. This is based upon the AMI growth and the market-oriented rent increases of the comparable properties.

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 INVESTOR SURVEY	
National Apartment Market	
Overall Capitalization Rate - Institutional Grade Investments	
Range:	3.50% - 10.00%
Average:	5.79%
Non-Institutional Grade Investments	
Range:	3.75% - 14.00%
Average:	6.99%

Source: PwC Real Estate Investor Survey, Q1 2014

Additionally, we have considered the market extracted capitalization rates in the Savannah market. As discussed in detail later in this report, we have estimated a capitalization rate of 6.0 percent for the Subject.

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 construction 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, a terminal rate of 6.5 percent has been used, which is within the range and is considered reasonable for a non-institutional grade property such as the Subject following construction.

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 present value analysis.

As Proposed Restricted Scenario (Years 1 through 15)

LIHTC Cash Flow Value Derivation of "as complete"															
Fiscal Year	Year 1 2014	Year 2 2015	Year 3 2016	Year 4 2017	Year 5 2018	Year 6 2019	Year 7 2020	Year 8 2021	Year 9 2022	Year 10 2023	Year 11 2024	Year 12 2025	Year 13 2026	Year 14 2027	Year 15 2028
Income															
Low Income Units	\$562,584	\$571,023	\$579,588	\$588,282	\$597,106	\$606,063	\$615,154	\$624,381	\$633,747	\$643,253	\$652,902	\$662,695	\$672,636	\$682,725	\$692,966
Nonresidential	\$9,792	\$9,939	\$10,088	\$10,239	\$10,393	\$10,549	\$10,707	\$10,868	\$11,031	\$11,196	\$11,364	\$11,534	\$11,707	\$11,883	\$12,061
Gross Project Income	\$572,376	\$580,962	\$589,676	\$598,521	\$607,499	\$616,612	\$625,861	\$635,249	\$644,777	\$654,449	\$664,266	\$674,230	\$684,343	\$694,608	\$705,027
Vacancy Allowance	-\$28,619	-\$29,048	-\$29,484	-\$29,926	-\$30,375	-\$30,831	-\$31,293	-\$31,762	-\$32,239	-\$32,722	-\$33,213	-\$33,711	-\$34,217	-\$34,730	-\$35,251
Effective Gross Income	\$543,757	\$551,914	\$560,192	\$568,595	\$577,124	\$585,781	\$594,568	\$603,486	\$612,538	\$621,727	\$631,052	\$640,518	\$650,126	\$659,878	\$669,776
Expenses															
Administrative and Marketing	\$52,200	\$52,983	\$53,778	\$54,584	\$55,403	\$56,234	\$57,078	\$57,934	\$58,803	\$59,685	\$60,580	\$61,489	\$62,411	\$63,347	\$64,298
Maintenance and Operating	\$46,800	\$47,502	\$48,215	\$48,938	\$49,672	\$50,417	\$51,173	\$51,941	\$52,720	\$53,511	\$54,313	\$55,128	\$55,955	\$56,794	\$57,646
Payroll	\$83,400	\$84,651	\$85,921	\$87,210	\$88,518	\$89,845	\$91,193	\$92,561	\$93,949	\$95,359	\$96,789	\$98,241	\$99,715	\$101,210	\$102,728
Utilities	\$30,805	\$31,267	\$31,736	\$32,212	\$32,696	\$33,186	\$33,684	\$34,189	\$34,702	\$35,222	\$35,751	\$36,287	\$36,831	\$37,384	\$37,944
Insurance	\$23,760	\$24,116	\$24,478	\$24,845	\$25,218	\$25,596	\$25,980	\$26,370	\$26,765	\$27,167	\$27,574	\$27,988	\$28,408	\$28,834	\$29,267
Real Estate Taxes	\$68,590	\$69,619	\$70,663	\$71,723	\$72,799	\$73,891	\$74,999	\$76,124	\$77,266	\$78,425	\$79,601	\$80,795	\$82,007	\$83,237	\$84,486
Replacement Reserve	\$18,000	\$18,270	\$18,544	\$18,822	\$19,105	\$19,391	\$19,682	\$19,977	\$20,277	\$20,581	\$20,890	\$21,203	\$21,521	\$21,844	\$22,172
Management Fee	\$29,907	\$30,355	\$30,811	\$31,273	\$31,742	\$32,218	\$32,701	\$33,192	\$33,690	\$34,195	\$34,708	\$35,229	\$35,757	\$36,293	\$36,838
Total Expenses	\$353,462	\$358,764	\$364,145	\$369,607	\$375,151	\$380,779	\$386,490	\$392,288	\$398,172	\$404,145	\$410,207	\$416,360	\$422,605	\$428,944	\$435,378
Net Operating Income	\$190,295	\$193,150	\$196,047	\$198,988	\$201,973	\$205,002	\$208,077	\$211,198	\$214,366	\$217,582	\$220,846	\$224,158	\$227,521	\$230,934	\$234,398
Reversion Calculation															
Terminal Capitalization Rate	6.5%														
Sales Costs	3.0%														
Net Sales Proceeds	\$3,500,000														

As Proposed Restricted Scenario (Years 16 through 30)

LIHTC Cash Flow Value Derivation of "as complete"															
Fiscal Year	Year 16 2029	Year 17 2030	Year 18 2031	Year 19 2032	Year 20 2033	Year 21 2034	Year 22 2035	Year 23 2036	Year 24 2037	Year 25 2038	Year 26 2039	Year 27 2040	Year 28 2041	Year 29 2042	Year 30 2043
Income															
Low Income Units	\$703,361	\$713,911	\$724,620	\$735,489	\$746,521	\$757,719	\$769,085	\$780,621	\$792,330	\$804,215	\$816,279	\$828,523	\$840,951	\$853,565	\$866,368
Nonresidential	\$12,242	\$12,426	\$12,612	\$12,801	\$12,994	\$13,188	\$13,386	\$13,587	\$13,791	\$13,998	\$14,208	\$14,421	\$14,637	\$14,857	\$15,079
Gross Project Income	\$715,603	\$726,337	\$737,232	\$748,290	\$759,515	\$770,907	\$782,471	\$794,208	\$806,121	\$818,213	\$830,486	\$842,944	\$855,588	\$868,422	\$881,448
Vacancy Allowance	-\$35,780	-\$36,317	-\$36,862	-\$37,415	-\$37,976	-\$38,545	-\$39,124	-\$39,710	-\$40,306	-\$40,911	-\$41,524	-\$42,147	-\$42,779	-\$43,421	-\$44,072
Effective Gross Income	\$679,823	\$690,020	\$700,370	\$710,876	\$721,539	\$732,362	\$743,348	\$754,498	\$765,815	\$777,302	\$788,962	\$800,796	\$812,808	\$825,000	\$837,375
Expenses															
Administrative and Marketing	\$65,262	\$66,241	\$67,235	\$68,243	\$69,267	\$70,306	\$71,360	\$72,431	\$73,517	\$74,620	\$75,739	\$76,875	\$78,029	\$79,199	\$80,387
Maintenance and Operating	\$58,511	\$59,389	\$60,279	\$61,184	\$62,101	\$63,033	\$63,978	\$64,938	\$65,912	\$66,901	\$67,904	\$68,923	\$69,957	\$71,006	\$72,071
Payroll	\$104,269	\$105,833	\$107,421	\$109,032	\$110,668	\$112,328	\$114,013	\$115,723	\$117,459	\$119,221	\$121,009	\$122,824	\$124,666	\$126,536	\$128,434
Utilities	\$38,514	\$39,091	\$39,678	\$40,273	\$40,877	\$41,490	\$42,112	\$42,744	\$43,385	\$44,036	\$44,697	\$45,367	\$46,048	\$46,738	\$47,439
Insurance	\$29,706	\$30,151	\$30,603	\$31,062	\$31,528	\$32,001	\$32,481	\$32,969	\$33,463	\$33,965	\$34,474	\$34,992	\$35,516	\$36,049	\$36,590
Real Estate Taxes	\$85,753	\$87,040	\$88,345	\$89,670	\$91,015	\$92,381	\$93,766	\$95,173	\$96,600	\$98,049	\$99,520	\$101,013	\$102,528	\$104,066	\$105,627
Replacement Reserve	\$22,504	\$22,842	\$23,184	\$23,532	\$23,885	\$24,243	\$24,607	\$24,976	\$25,351	\$25,731	\$26,117	\$26,509	\$26,906	\$27,310	\$27,720
Management Fee	\$37,390	\$37,951	\$38,520	\$39,098	\$39,685	\$40,280	\$40,884	\$41,497	\$42,120	\$42,752	\$43,393	\$44,044	\$44,704	\$45,375	\$46,056
Total Expenses	\$441,909	\$448,538	\$455,266	\$462,095	\$469,026	\$476,062	\$483,203	\$490,451	\$497,807	\$505,275	\$512,854	\$520,546	\$528,355	\$536,280	\$544,324
Net Operating Income	\$237,914	\$241,482	\$245,104	\$248,781	\$252,513	\$256,300	\$260,145	\$264,047	\$268,008	\$272,028	\$276,108	\$280,250	\$284,454	\$288,721	\$293,051
Reversion Calculation															
Terminal Capitalization Rate					6.5%					6.5%					6.5%
Sales Costs					3.0%					3.0%					3.0%
Net Sales Proceeds					\$3,800,000					\$4,100,000					\$4,400,000

As Proposed Unrestricted Scenario (Years 1 through 15)

Market Cash Flow Value Derivation of "as complete"															
Fiscal Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Income															
Low Income Units	\$822,600	\$834,939	\$847,463	\$860,175	\$873,078	\$886,174	\$899,466	\$912,958	\$926,653	\$940,553	\$954,661	\$968,981	\$983,516	\$998,268	\$1,013,242
Nonresidential	\$9,792	\$9,939	\$10,088	\$10,239	\$10,393	\$10,549	\$10,707	\$10,868	\$11,031	\$11,196	\$11,364	\$11,534	\$11,707	\$11,883	\$12,061
Gross Project Income	\$832,392	\$844,878	\$857,551	\$870,414	\$883,471	\$896,723	\$910,173	\$923,826	\$937,683	\$951,749	\$966,025	\$980,515	\$995,223	\$1,010,151	\$1,025,304
Vacancy Allowance	-\$41,620	-\$42,244	-\$42,878	-\$43,521	-\$44,174	-\$44,836	-\$45,509	-\$46,191	-\$46,884	-\$47,587	-\$48,301	-\$49,026	-\$49,761	-\$50,508	-\$51,265
Effective Gross Income	\$790,772	\$802,634	\$814,673	\$826,894	\$839,297	\$851,886	\$864,665	\$877,635	\$890,799	\$904,161	\$917,724	\$931,490	\$945,462	\$959,644	\$974,038
Expenses															
Administrative and Marketing	\$46,440	\$47,137	\$47,844	\$48,561	\$49,290	\$50,029	\$50,780	\$51,541	\$52,314	\$53,099	\$53,896	\$54,704	\$55,525	\$56,357	\$57,203
Maintenance and Operating	\$46,800	\$47,502	\$48,215	\$48,938	\$49,672	\$50,417	\$51,173	\$51,941	\$52,720	\$53,511	\$54,313	\$55,128	\$55,955	\$56,794	\$57,646
Payroll	\$83,400	\$84,651	\$85,921	\$87,210	\$88,518	\$89,845	\$91,193	\$92,561	\$93,949	\$95,359	\$96,789	\$98,241	\$99,715	\$101,210	\$102,728
Utilities	\$30,805	\$31,267	\$31,736	\$32,212	\$32,696	\$33,186	\$33,684	\$34,189	\$34,702	\$35,222	\$35,751	\$36,287	\$36,831	\$37,384	\$37,944
Insurance	\$23,760	\$24,116	\$24,478	\$24,845	\$25,218	\$25,596	\$25,980	\$26,370	\$26,765	\$27,167	\$27,574	\$27,988	\$28,408	\$28,834	\$29,267
Real Estate Taxes	\$89,465	\$90,807	\$92,169	\$93,552	\$94,955	\$96,379	\$97,825	\$99,292	\$100,782	\$102,293	\$103,828	\$105,385	\$106,966	\$108,571	\$110,199
Replacement Reserve	\$18,000	\$18,270	\$18,544	\$18,822	\$19,105	\$19,391	\$19,682	\$19,977	\$20,277	\$20,581	\$20,890	\$21,203	\$21,521	\$21,844	\$22,172
Management Fee	\$35,585	\$44,145	\$44,807	\$45,479	\$46,161	\$46,854	\$47,557	\$48,270	\$48,994	\$49,729	\$50,475	\$51,232	\$52,000	\$52,780	\$53,572
Total Expenses	\$374,255	\$387,895	\$393,714	\$399,619	\$405,614	\$411,698	\$417,873	\$424,141	\$430,503	\$436,961	\$443,515	\$450,168	\$456,921	\$463,775	\$470,731
Net Operating Income	\$416,517	\$414,739	\$420,960	\$427,274	\$433,683	\$440,189	\$446,791	\$453,493	\$460,296	\$467,200	\$474,208	\$481,321	\$488,541	\$495,869	\$503,307
Reversion Calculation															
Terminal Capitalization Rate	6.5%														
Sales Costs	3.0%														
Net Sales Proceeds	\$7,500,000														

As Proposed Unrestricted Scenario (Years 16 through 30)

Market Cash Flow Value Derivation of "as complete"															
Fiscal Year	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
Income															
Low Income Units	\$1,028,441	\$1,043,868	\$1,059,526	\$1,075,418	\$1,091,550	\$1,107,923	\$1,124,542	\$1,141,410	\$1,158,531	\$1,175,909	\$1,193,548	\$1,211,451	\$1,229,623	\$1,248,067	\$1,266,788
Nonresidential	\$12,242	\$12,426	\$12,612	\$12,801	\$12,994	\$13,188	\$13,386	\$13,587	\$13,791	\$13,998	\$14,208	\$14,421	\$14,637	\$14,857	\$15,079
Gross Project Income	\$1,040,683	\$1,056,293	\$1,072,138	\$1,088,220	\$1,104,543	\$1,121,111	\$1,137,928	\$1,154,997	\$1,172,322	\$1,189,907	\$1,207,755	\$1,225,872	\$1,244,260	\$1,262,924	\$1,281,867
Vacancy Allowance	-\$52,034	-\$52,815	-\$53,607	-\$54,411	-\$55,227	-\$56,056	-\$56,896	-\$57,750	-\$58,616	-\$59,495	-\$60,388	-\$61,294	-\$62,213	-\$63,146	-\$64,093
Effective Gross Income	\$988,649	\$1,003,479	\$1,018,531	\$1,033,809	\$1,049,316	\$1,065,056	\$1,081,032	\$1,097,247	\$1,113,706	\$1,130,411	\$1,147,368	\$1,164,578	\$1,182,047	\$1,199,777	\$1,217,774
Expenses															
Administrative and Marketing	\$58,061	\$58,932	\$59,816	\$60,713	\$61,624	\$62,548	\$63,486	\$64,438	\$65,405	\$66,386	\$67,382	\$68,393	\$69,419	\$70,460	\$71,517
Maintenance and Operating	\$58,511	\$59,389	\$60,279	\$61,184	\$62,101	\$63,033	\$63,978	\$64,938	\$65,912	\$66,901	\$67,904	\$68,923	\$69,957	\$71,006	\$72,071
Payroll	\$104,269	\$105,833	\$107,421	\$109,032	\$110,668	\$112,328	\$114,013	\$115,723	\$117,459	\$119,221	\$121,009	\$122,824	\$124,666	\$126,536	\$128,434
Utilities	\$38,514	\$39,091	\$39,678	\$40,273	\$40,877	\$41,490	\$42,112	\$42,744	\$43,385	\$44,036	\$44,697	\$45,367	\$46,048	\$46,738	\$47,439
Insurance	\$29,706	\$30,151	\$30,603	\$31,062	\$31,528	\$32,001	\$32,481	\$32,969	\$33,463	\$33,965	\$34,474	\$34,992	\$35,516	\$36,049	\$36,590
Real Estate Taxes	\$111,852	\$113,530	\$115,233	\$116,961	\$118,716	\$120,496	\$122,304	\$124,138	\$126,001	\$127,891	\$129,809	\$131,756	\$133,732	\$135,738	\$137,774
Replacement Reserve	\$22,504	\$22,842	\$23,184	\$23,532	\$23,885	\$24,243	\$24,607	\$24,976	\$25,351	\$25,731	\$26,117	\$26,509	\$26,906	\$27,310	\$27,720
Management Fee	\$54,376	\$55,191	\$56,019	\$56,859	\$57,712	\$58,578	\$59,457	\$60,349	\$61,254	\$62,173	\$63,105	\$64,052	\$65,013	\$65,988	\$66,978
Total Expenses	\$477,792	\$484,959	\$492,233	\$499,617	\$507,111	\$514,718	\$522,439	\$530,275	\$538,229	\$546,303	\$554,497	\$562,815	\$571,257	\$579,826	\$588,523
Net Operating Income	\$510,857	\$518,520	\$526,298	\$534,192	\$542,205	\$550,338	\$558,593	\$566,972	\$575,477	\$584,109	\$592,870	\$601,763	\$610,790	\$619,952	\$629,251
Reversion Calculation															
Terminal Capitalization Rate					6.5%					6.5%					6.5%
Sales Costs					3.0%					3.0%					3.0%
Net Sales Proceeds					\$8,100,000					\$8,700,000					\$9,400,000

Conclusion**Prospective Market Value as Restricted at 15, 20 (Loan Maturity), 25 and 30 years**

The future prospective market value at 15 years of the Subject's fee simple interest, subject to the rental restrictions in the year 2029, as of May 5, 2014, is:

**THREE MILLION FIVE HUNDRED THOUSAND DOLLARS
(\$3,500,000)**

The future prospective market value at 20 years (loan maturity) of the Subject's fee simple interest, subject to the rental restrictions in the year 2034, as of May 5, 2014, is:

**THREE MILLION EIGHT HUNDRED THOUSAND DOLLARS
(\$3,800,000)**

The future prospective market value at 25 years of the Subject's fee simple interest, subject to the rental restrictions in the year 2039, as of May 5, 2014, is:

**FOUR MILLION ONE HUNDRED THOUSAND DOLLARS
(\$4,100,000)**

The future prospective market value at 30 years of the Subject's fee simple interest, subject to the rental restrictions in the year 2044, as of May 5, 2014, is:

**FOUR MILLION FOUR HUNDRED THOUSAND DOLLARS
(\$4,400,000)**

Prospective Market Value as Proposed Unrestricted at 15, 20 (Loan Maturity), 25 and 30 years

The hypothetical future prospective market value at 15 years of the Subject's fee simple interest, as an unrestricted property in the year 2029, as of May 5, 2014, is:

**SEVEN MILLION FIVE HUNDRED THOUSAND DOLLARS
(\$7,500,000)**

The hypothetical future prospective market value at 20 years (loan maturity) of the Subject's fee simple interest, as an unrestricted property in the year 2034, as of May 5, 2014, is:

**EIGHT MILLION ONE HUNDRED THOUSAND DOLLARS
(\$8,100,000)**

The hypothetical future prospective market value at 25 years of the Subject's fee simple interest, as an unrestricted property in the year 2039, as of May 5, 2014, is:

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

The hypothetical future prospective market value at 30 years of the Subject's fee simple interest, as an unrestricted property in the year 2044, as of May 5, 2014, is:

NINE MILLION FOUR HUNDRED THOUSAND DOLLARS
(\$9,400,000)

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

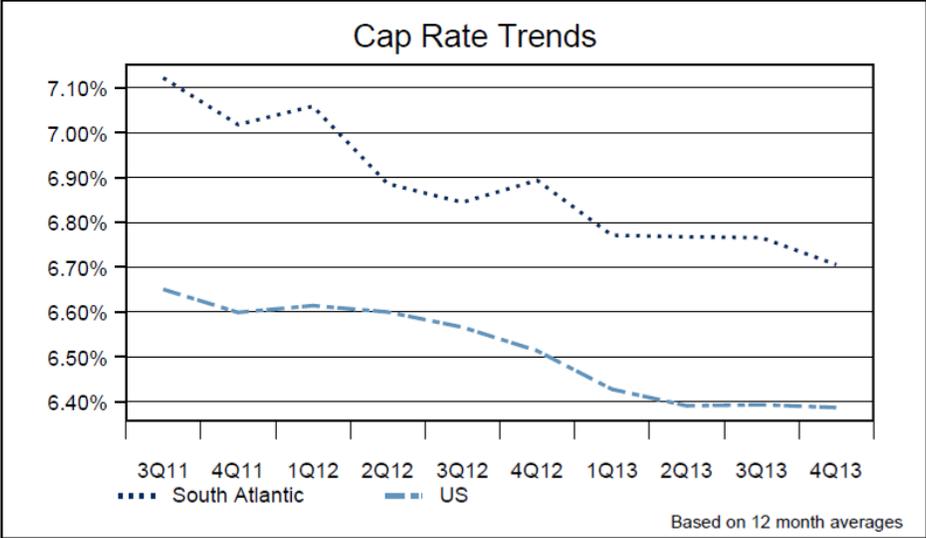
	Property	Sale Date	Sale Price	# of Units	Price / Unit	Effective Gross Income Multiplier	Overall Rate
1	Turtle Creek Apartments	Sep-13	\$7,500,000	144	\$52,083	6.6	6.0%
2	Courtney Station Apartments	Apr-13	\$35,250,000	300	\$117,500	10.7	5.5%
3	Carrington Square Apartments	Feb-13	\$30,540,000	288	\$106,042	7.7	5.5%
4	Preston Grove Apartments	Aug-12	\$18,950,000	192	\$98,698	9.8	6.0%
5	Walden at Chatham Center	May-12	<u>\$26,000,000</u>	<u>236</u>	<u>\$110,169</u>	<u>9.5</u>	<u>6.1%</u>
	Average		\$23,648,000	232	\$96,898	8.9	5.8%

The properties are all stabilized and represent typical market transactions for multifamily properties in central Georgia. The primary factor that influences the selection of a rate is the Subject's condition and location. The sales illustrate a range of overall rates from 5.5 percent to 6.1 percent and occurred between May 2012 and September 2013. It appears that capitalization rates have remained stable in the region during this time period. Comparable sales two, three, and five were constructed between 2004 and 2008 and are the most similar to the proposed Subject in terms of age and condition. Comparables one and four were constructed between 1983 and 1999 and are slightly inferior to the Subject in terms of age and condition. Sale two is located in a generally similar location as the Subject. Comparables sales one, three, four, and five are located in Savannah or Pooler, between six and 13 miles from the Subject, within slightly superior to superior locations. Further, all the sales have superior number of units. We believe a capitalization rate of 6.0 percent is considered reasonable based on market extraction for the Subject.

REIS capitalization rate data is not available for Savannah, Chatham County, or any of the surrounding counties. Therefore, this data was not presented in the report.

Real Capital Analytics Market Report

Real Capital Analytics (RCA) produces a quarterly report called ‘market trends and trades’ for the South Atlantic as a whole. The report analyzes recent capitalization rate trends and examines recent sale trends by submarket, property size, and location.



Overall capitalization rates in South Atlantic markets have ranged between 6.7 and 7.1 percent over the past several years. The 4Q2014 mean and median cap rates for the South Atlantic region are 6.6 and 6.8 percent, respectively. Based on the RCA data, we will conclude to a RCA-derived capitalization rate of 6.0 percent for the Subject. This considers the market data as well as the capitalization rate trends in the South Atlantic markets over the past year.

The PwC Real Estate Investor Survey

The PwC Real Estate Investor Survey tracks capitalization rates utilized by national investors in commercial and multifamily real estate. The following summarizes the information for the national multifamily housing market:

PwC REAL ESTATE INVESTOR SURVEY	
National Apartment Market	
Overall Capitalization Rate - Institutional Grade Investments	
Range:	3.50% - 10.00%
Average:	5.79%
Non-Institutional Grade Investments	
Range:	3.75% - 14.00%
Average:	6.99%

Source: PwC Real Estate Investor Survey, Q1 2014

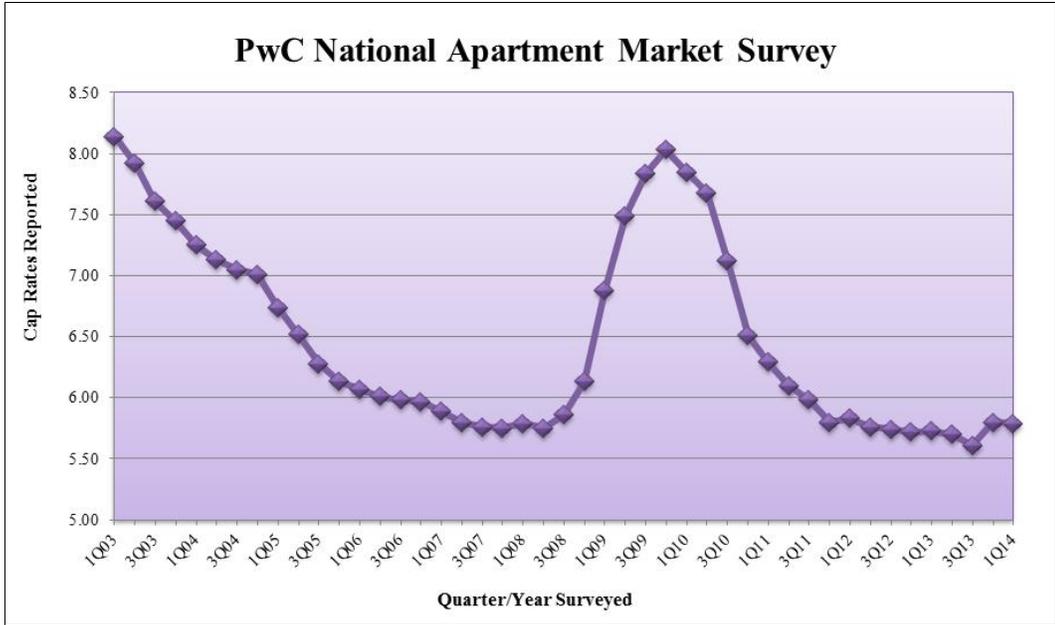
The PwC Real Estate Investor Survey defines “Institutional – Grade” real estate as real property investments that are sought out by institutional buyers and have the capacity to meet generally prevalent institutional investment criteria². Typical “Institutional – Grade” apartment properties are

² PwC Real Estate Investor Survey

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 120 basis points higher than the Institutional Grade rate on average. However, local market conditions have significant weight when viewing capitalization rates.

PwC Real Estate Investor Survey - National Apartment Market 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
4Q12	5.72	-0.02
1Q13	5.73	0.01
2Q13	5.70	-0.03
3Q13	5.61	-0.09
4Q13	5.80	0.19
1Q14	5.79	-0.01

Source: PwC Real Estate Investor Survey, Q1 2014



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 decreased through the third quarter of 2013. Capitalization rates subsequently increased by 19 basis points through the fourth quarter of 2013, followed by a modest decrease of one basis point through the first quarter of 2014. Capitalization rates have increased by six basis points over the last 12 months. Overall, we have estimated the capitalization rate of 6.0 percent, which is 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:

$$\text{Net Operating Income} / \text{Annual Debt Service} = \text{Debt Coverage Ratio}$$

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 Mortgage Constant (R_M) is based upon the calculated interest rate from the ten year treasury. The equity dividend rate R_E , also known as the cash on cash return rate, is the rate of return that an equity investor expects on an annual basis. It is a component of the overall return requirement. The equity dividend rate is impacted by the returns on other similar investments as well as the risk profile of the investment market and finally the expectation for future value growth. The equity dividend rate is lower in cases where the market is strong and there is a perception of lower risk related to the return of the investment. Further, the dividend rate is lower in markets that have greater expectation for capital appreciation. In some cases we have seen dividend rates that are zero or even negative, suggesting that buyers are willing to forego an annual return because of a larger expectation of capital appreciation. Of course the converse is also true. Generally we see equity dividend rates ranging from two to 10 percent. In this case, the Subject is located within an urban market. An equity dividend estimate of 6.0 percent is considered reasonable in this analysis.

The following table summarizes calculations for the two previously discussed methods of capitalization rate derivation. We will utilize a market oriented interest rate of 5.75 percent. Based on our work files, the typical amortization period is 25 to 30 years and the loan to value ratio is 70 to 80 percent with interest rates between 5.00 and 6.00 percent. Additionally, information provided in the February 2014 issue of the *Tax Credit Advisor* indicates Fannie Mae interest rates ranging from 3.75 to 5.75 percent. Therefore, we believe a 5.0 percent interest rate with a 30 year amortization period and a loan to value of 80 percent is reasonable. The following table illustrates the band of investment for the Subject property

CAPITALIZATION RATE DERIVATION

Inputs and Assumptions		Interest Rate Calculations	
DCR	1.25	Treasury Bond Basis*	
Rm	0.07	10 Year T Bond Rate	2.75%
Interest (per annum)*	5.00%	Interest rate spread	300
Amortization (years)	30	Interest Rate (per annum)	5.00%
M	80%		
Re	6%		

Debt Coverage Ratio

$$R_o = DCR \times R_m \times M$$

$$6.44\% = 1.25 \times 0.06 \times 80\%$$

Band of Investment

$$R_o = (M \times R_m) + ((1-M) \times R_e)$$

$$6.35\% = (80\% \times 0.06) + (20\% \times 6\%)$$

* Source: Bloomberg.com, 04/2014

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	6.0%
Real Capital Analytics	6.0%
PwC Survey	6.0%
Debt Coverage Ratio	6.4%
Band of Investment	6.4%

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

- Current market health
- Existing competition
- Subject’s construction type and tenancy and physical appeal
- The anticipated demand growth in the Subject sub-market
- The demand growth expected over the next three years
- Local market overall rates

The four approaches indicate a range from 6.0 to 6.4 percent. Therefore, we reconciled to a 6.0 percent capitalization rate for all 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 Proposed Restricted		As Proposed Unrestricted	
Apartment Rentals	Market Unit Mix	Rent	Total Revenue	Rent	Total Revenue
1 BR @ 60% (RAD/PBRA)	2	\$424	\$10,176	\$725	\$17,400
2 BR @ 60% (RAD/PBRA)	20	\$461	\$110,640	\$900	\$216,000
3 BR @ 60% (RAD/PBRA)	12	\$599	\$86,256	\$1,100	\$158,400
1 BR @ 60%	2	\$540	\$12,960	\$725	\$17,400
2 BR @ 60%	12	\$666	\$95,904	\$900	\$129,600
3 BR @ 60%	9	\$756	\$81,648	\$1,100	\$118,800
1 BR (Market Rate)	2	\$725	\$17,400	\$725	\$17,400
2 BR (Market Rate)	10	\$900	\$108,000	\$900	\$108,000
3 BR (Market Rate)	3	\$1,100	\$39,600	\$1,100	\$39,600
Total Potential Rental Income	72	\$651	\$562,584	\$952	\$822,600
Other Income					
Miscellaneous		\$136	\$9,792	\$136	\$9,792
Residential Potential Revenues		\$7,950	\$572,376	\$11,561	\$832,392
Vacancy		-\$397	-\$28,619	-\$578	-\$41,620
Vacancy and Collections Loss Percentage			-5%		-5%
Effective Gross Income		\$7,552	\$543,757	\$10,983	\$790,772

Operating Expenses

		As Proposed Restricted		As Proposed Unrestricted	
Administration and Marketing		\$725	\$52,200	\$645	\$46,440
Maintenance and Operating		\$650	\$46,800	\$650	\$46,800
Payroll		\$1,158	\$83,400	\$1,158	\$83,400
Utilities		\$428	\$30,805	\$428	\$30,805
Property & Liability Insurance		\$330	\$23,760	\$330	\$23,760
Real Estate and Other Taxes		\$953	\$68,590	\$1,243	\$89,465
Replacement Reserves		\$250	\$18,000	\$250	\$18,000
Management Fee	5.5%	\$415	\$29,907	4.5%	\$35,585
Total Operating Expenses		\$4,909	\$353,462	\$5,198	\$374,255
Expenses as a ratio of EGI			65%		47%

Valuation

	As Proposed Restricted	As Proposed Unrestricted
Net Operating Income	\$2,643	\$5,785
Capitalization Rate	6%	6%
Indicated Value "rounded"	\$3,200,000	\$6,900,000

	As Complete Restricted	As Complete Unrestricted
Number of Months to lease to Stabilized 95%*	5	5
Income loss	\$119,245 21%	\$173,415 21%
Initial market costs	\$10,000	\$10,000
Total loss to lease	\$129,245	\$183,415
Value as complete	\$3,070,755	\$6,716,585
As Complete Value Rounded	\$3,100,000	\$6,700,000

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 Complete Restricted	\$129,245	\$3,100,000
As Complete Unrestricted	\$183,415	\$6,700,000

DIRECT CAPITALIZATION ANALYSIS - "AS COMPLETE AND STABILIZED"

Scenario	Cap Rate	Net Operating Income	Indicated Value (Rounded)
As Proposed Restricted	6.0%	\$190,295	\$3,200,000
As Proposed Unrestricted	6.0%	\$416,517	\$6,900,000

The Subject’s hypothetical market value of the real estate assuming the proposed LIHTC rents “As Complete”, via the Income Capitalization Approach, as of May 5, 2014 is:

**THREE MILLION ONE HUNDRED THOUSAND DOLLARS
(\$3,100,000)**

The Subject’s hypothetical market value of the real estate assuming the achievable unrestricted rents “As Complete”, via the Income Capitalization Approach, as of May 5, 2014 is:

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

The Subject’s hypothetical market value of the real estate assuming the proposed LIHTC rents “As Complete and Stabilized”, via the Income Capitalization Approach, as of May 5, 2014 is:

**THREE MILLION TWO HUNDRED THOUSAND DOLLARS
(\$3,200,000)**

The Subject’s hypothetical market value of the real estate assuming the achievable unrestricted rents “As Complete and Stabilized”, via the Income Capitalization Approach, as of May 5, 2014 is:

**SIX MILLION NINE HUNDRED THOUSAND DOLLARS
(\$6,900,000)**

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

Below Market Debt

The developer has indicated that there will be a \$1,706,000 RHFF soft mortgage with a term of 40 years and an interest rate of 0.5 percent. We have assumed a steady escalation of payment through year 20 and a balloon payment at year 30.

Favorable Financing Assumptions - Hitch Village Phase I		RHFF Mortgage	
Principal	\$1,706,000	Market Financing Assumptions	
Interest Rate	0.005	Principal	\$1,706,000
Term of Loan	40	Interest Rate	0.05
		Term of Loan	30

Year	Principal	Interest	Total	Year	Principal	Interest	Total	Differential	Discount Rate	Present Value
1	\$1,931	\$8,442	\$10,373	1	\$25,170	\$84,728	\$109,898	\$99,525	95%	\$94,786
2	\$2,043	\$8,248	\$10,291	2	\$26,457	\$83,441	\$109,898	\$99,607	91%	\$90,347
3	\$2,167	\$8,053	\$10,221	3	\$27,811	\$82,087	\$109,898	\$99,677	86%	\$86,105
4	\$2,306	\$7,858	\$10,164	4	\$29,234	\$80,664	\$109,898	\$99,734	82%	\$82,051
5	\$2,463	\$7,661	\$10,124	5	\$30,730	\$79,169	\$109,898	\$99,774	78%	\$78,175
6	\$2,640	\$7,464	\$10,104	6	\$32,302	\$77,596	\$109,898	\$99,794	75%	\$74,468
7	\$2,843	\$7,266	\$10,108	7	\$33,954	\$75,944	\$109,898	\$99,790	71%	\$70,919
8	\$3,077	\$7,066	\$10,143	8	\$35,692	\$74,207	\$109,898	\$99,755	68%	\$67,518
9	\$3,350	\$6,866	\$10,216	9	\$37,518	\$72,380	\$109,898	\$99,682	64%	\$64,256
10	\$3,673	\$6,664	\$10,337	10	\$39,437	\$70,461	\$109,898	\$99,561	61%	\$61,122
11	\$4,060	\$6,462	\$10,522	11	\$41,455	\$68,443	\$109,898	\$99,376	58%	\$58,103
12	\$4,534	\$6,258	\$10,792	12	\$43,576	\$66,322	\$109,898	\$99,106	56%	\$55,186
13	\$5,127	\$6,054	\$11,180	13	\$45,805	\$64,093	\$109,898	\$98,718	53%	\$52,352
14	\$5,888	\$5,848	\$11,736	14	\$48,149	\$61,750	\$109,898	\$98,162	51%	\$49,578
15	\$6,904	\$5,642	\$12,546	15	\$50,612	\$59,286	\$109,898	\$97,352	48%	\$46,828
16	\$8,326	\$5,434	\$13,760	16	\$53,201	\$56,697	\$109,898	\$96,138	46%	\$44,042
17	\$10,460	\$5,225	\$15,685	17	\$55,923	\$53,975	\$109,898	\$94,213	44%	\$41,105
18	\$14,017	\$5,016	\$19,032	18	\$58,784	\$51,114	\$109,898	\$90,866	42%	\$37,757
19	\$21,130	\$4,805	\$25,935	19	\$61,792	\$48,106	\$109,898	\$83,963	40%	\$33,227
20	\$42,473	\$4,593	\$47,066	20	\$64,953	\$44,945	\$109,898	\$62,832	38%	\$23,681
21	\$42,686	\$4,380	\$47,066	21	\$68,276	\$41,622	\$109,898	\$62,832	36%	\$22,553
22	\$42,900	\$4,166	\$47,066	22	\$71,770	\$38,129	\$109,898	\$62,832	34%	\$21,479
23	\$43,115	\$3,951	\$47,066	23	\$75,441	\$34,457	\$109,898	\$62,832	33%	\$20,456
24	\$43,331	\$3,735	\$47,066	24	\$79,301	\$30,597	\$109,898	\$62,832	31%	\$19,482
25	\$43,548	\$3,518	\$47,066	25	\$83,358	\$26,540	\$109,898	\$62,832	30%	\$18,555
26	\$43,766	\$3,300	\$47,066	26	\$87,623	\$22,275	\$109,898	\$62,832	28%	\$17,671
27	\$43,985	\$3,081	\$47,066	27	\$92,106	\$17,792	\$109,898	\$62,832	27%	\$16,829
28	\$44,206	\$2,860	\$47,066	28	\$96,818	\$13,080	\$109,898	\$62,832	26%	\$16,028
29	\$44,427	\$2,639	\$47,066	29	\$101,772	\$8,126	\$109,898	\$62,832	24%	\$15,265
30	\$1,164,624	\$2,416	\$1,167,040	30	\$106,979	\$2,919	\$109,898	-\$1,057,142	23%	-\$244,599
Total	\$1,706,000	\$164,971	\$1,870,971	Total	\$1,706,000	\$1,590,944	\$3,296,944	\$1,425,973		\$1,135,326
									Rounded	\$1,100,000

As the calculations above show, the first and second mortgages will have 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 VALUATION

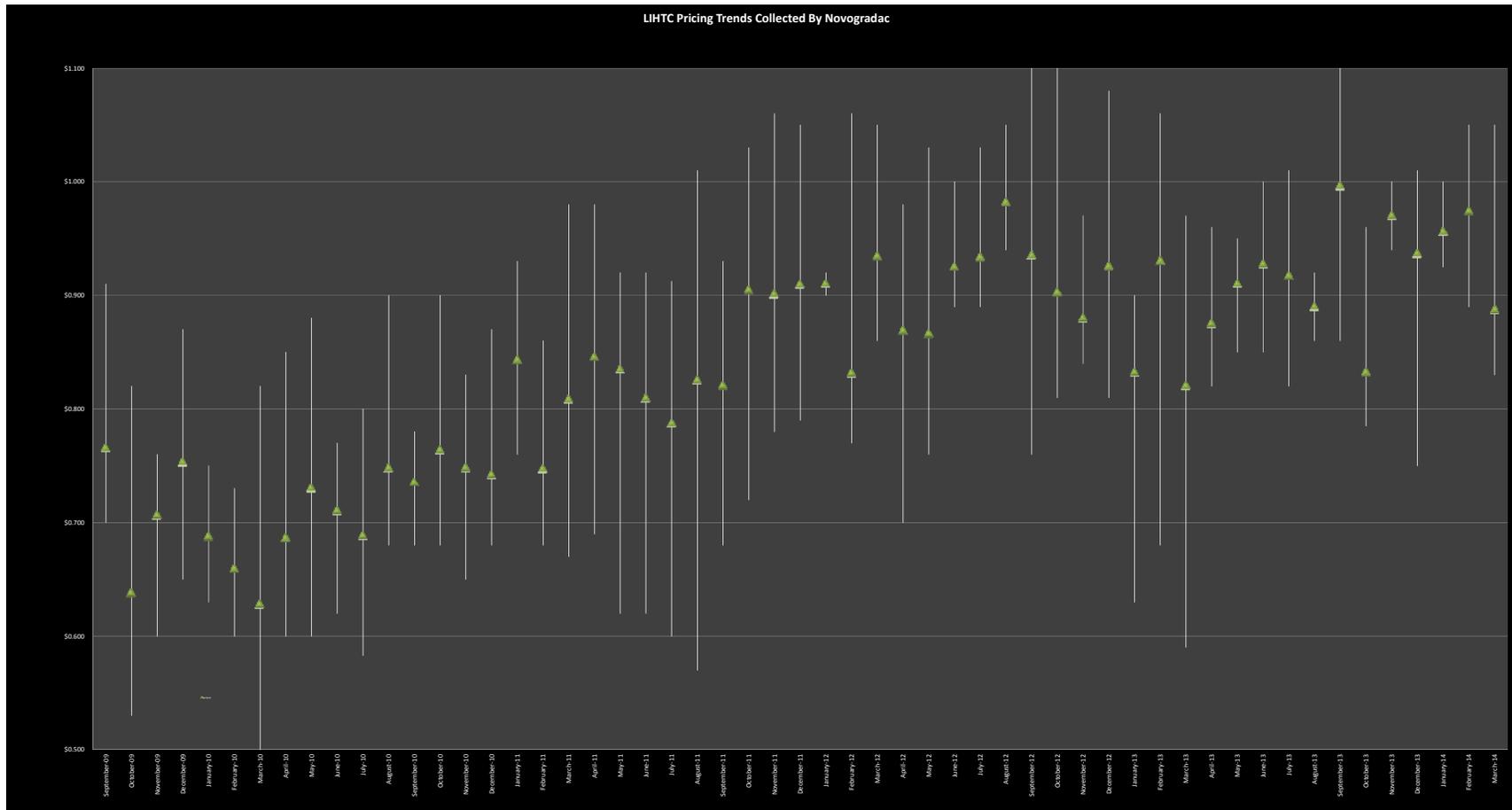
	Indicated Value (Rounded)
Restricted & Unrestricted	\$1,100,000

VALUATION - TAX CREDIT EQUITY

We were asked to value the federal tax credits. A 10-year federal tax credit incentive program encumbers the Subject. The Subject is a proposed multifamily LIHTC and market rate property. We were asked to value the tax credits.

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. The developer expects to receive a total LIHTC allocation of \$16,238,556 (\$8,119,278 federal tax credit equity and \$8,119,278 Georgia State tax credit equity, respectively).

Valuation of LIHTC is typically done by a sales approach. The industry typically values and analyzes the LIHTC transaction on a dollar per credit basis. Novogradac & Company LLP conducts monthly surveys in which we contact developers, syndicators and consultants involved in LIHTC transactions to obtain information on recent LIHTC pricing. The following graph illustrates LIHTC pricing trends. The graph illustrates the average price achieved on a monthly basis for the projects included in our survey.



As the previous table illustrates, tax credit raise rates in recent months have ranged from \$0.82 to \$1.00 per credit. The pricing above reflects transactions similar to Subject. As part of the yield analysis and pricing determination investors consider, among other factors, construction risk, lease-up risk and timing of the credits. The Subject will be located in Savannah, GA, which is a tertiary market, offer a mixed-income design, and will be new construction. Tax credit pricing has trended down over the past several months and has settled in the mid-\$0.80 range. We will conclude to a price of \$0.85 per credit for the Subject's federal tax credits.

The following table illustrates Georgia state tax credit pricing in 2012 and 2013.

GEORGIA STATE TAX CREDIT PRICING			
Closing Date	Price Per Credit	Location	Type
2013	\$0.30	Griffin	New Construction
2013	\$0.25	Auburn	New Construction
2012	\$0.25	Ellijay	New Construction
2012	\$0.25	Cairo	Acquisition/Rehabilitation
2012	\$0.26	Locust Grove	New Construction
2012	\$0.34	Atlanta	Acquisition/Rehabilitation
2012	\$0.34	Union City	Acquisition/Rehabilitation

According to recent data, the Georgia state credit pricing ranged from \$0.25 to \$0.34 in 2012 and 2013. Atlanta, Union City, and Griffin are metropolitan markets, similar to the proposed Subject's market. Therefore, we will conclude to a price of \$0.34 per credit for the Subject's state tax credits. The following table details our conclusions.

Federal and State Tax Credit Value		
	Value	Pricing
Total credits	\$8,119,278	
Annual amount	\$811,928	
Federal	\$6,901,386	\$0.85
State	\$2,760,555	\$0.34
Total Value	\$9,661,941	

We believe a price of approximately \$0.85 per credit for federal tax credits and \$0.34 for state tax credits is reasonable. This rate results in a total tax credit value of approximately \$6,400,000 (rounded). This value is effective as of May 5, 2014.

Federal
SIX MILLION NINE HUNDRED THOUSAND DOLLARS
(\$6,900,000)

State
TWO MILLION EIGHT HUNDRED THOUSAND DOLLARS
(\$2,800,000)

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

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.

Comparable Sales Map



SALES COMPARISON

	Property	Sale Date	Sale Price	# of Units	Price / Unit	Effective Gross Income Multiplier	Overall Rate
1	Turtle Creek Apartments	Sep-13	\$7,500,000	144	\$52,083	6.6	6.0%
2	Courtney Station Apartments	Apr-13	\$35,250,000	300	\$117,500	10.7	5.5%
3	Carrington Square Apartments	Feb-13	\$30,540,000	288	\$106,042	7.7	5.5%
4	Preston Grove Apartments	Aug-12	\$18,950,000	192	\$98,698	9.8	6.0%
5	Walden at Chatham Center	May-12	<u>\$26,000,000</u>	<u>236</u>	<u>\$110,169</u>	<u>9.5</u>	<u>6.1%</u>
	Average		\$23,648,000	232	\$96,898	8.9	5.8%

Comparable Sale 1

Name: Turtle Creek Apartments
Location: 11910 White Bluff Road
Savannah, GA 31419



Buyer: Jars Residential Properties Inc.
Seller: Stonemark Management
Sale Date: Sep-13
Sale Price: \$7,500,000

Financing: Conventional
Number of Units: 144
Year Built: 1983
Site: 14.42

Units of Comparison:
Effective Gross Income: \$1,140,480
EGIM 6.6
Total Expenses: \$690,480
Net Operating Income: \$450,000
Net Operating Income per Unit: \$3,125
Overall Rate with Reserves: 6.0%
Sale Price per Unit: \$52,083

Comments:

The property offers one and two-bedroom units in two-story garden-style buildings. Community amenities include a swimming pool and clubhouse, picnic area, and car wash. This property is a component of a 1031 exchange, although it did not affect conditions of this sale. The property was 96 percent occupied at the time of sale. The owner confirmed the sales price, effective gross income, and capitalization rate.

Verification: Costar, Owner - Jim Sewell of Jars Residential Properties (843-681-7484)

Comparable Sale 2

Name: Courtney Station Apartments
Location: 285 Park Avenue
Savannah, GA 31408



Buyer: BRT Realty Trust
Seller: ContraVest
Sale Date: Apr-13
Sale Price: \$35,250,000

Financing: Conventional
Number of Units: 300
Year Built: 2008
Site: 20

Units of Comparison:
Effective Gross Income: \$3,288,750
EGIM 10.7
Total Expenses: \$1,350,000
Net Operating Income: \$1,938,750
Net Operating Income per Unit: \$6,463
Overall Rate with Reserves: 5.5%
Sale Price per Unit: \$117,500

Comments:

This upscale property includes one, two, and three-bedroom units in three-story garden buildings. It was 95 percent occupied at the time of sale. Amenities include a clubhouse, swimming pool, and optional garage parking among others. The broker confirmed gross and net income as well as the capitalization rate.

Verification: Costar, Broker (Kris Mikkelson, Engler Financial Group, 678-992-2000)

Comparable Sale 3

Name: Carrington Square Apartments
Location: 280 Blue Moon Crossing
Pooler, GA 31322



Buyer: Savannah Housing Partners II, LLC
Seller: SG Carrington Square LLC
Sale Date: Feb-13
Sale Price: \$30,540,000

Financing: Conventional
Number of Units: 288
Year Built: 2007
Site: 15.11

Units of Comparison:
Effective Gross Income: \$3,964,700
EGIM 7.7
Total Expenses: \$2,285,000
Net Operating Income: \$1,679,700
Net Operating Income per Unit: \$5,832
Overall Rate with Reserves: 5.5%
Sale Price per Unit: \$106,042

Comments:

This property consists of 88 one-bedroom units, 112 two-bedroom units, and 88 three-bedroom units with rents ranging from \$850 to \$1,140. The property was in good condition at the time of the sale and was approximately 91 percent occupied. The income and capitalization rate information was confirmed with the broker.

Verification: Costar, Broker (Kris Mikkelson, Engler Financial Group, 678-992-2000)

Comparable Sale 4

Name: Preston Grove Apartments
Location: 1825 Grove Point Road
Savannah, GA 31419



Buyer: SC Capital Master Fund LLC
Seller: America First Real Estate Group
Sale Date: Aug-12
Sale Price: \$18,950,000

Financing: Conventional
Number of Units: 192
Year Built: 1999
Site: 15.95

Units of Comparison:
Effective Gross Income: \$1,938,600
EGIM 9.8
Total Expenses: \$801,600
Net Operating Income: \$1,137,000
Net Operating Income per Unit: \$5,922
Overall Rate with Reserves: 6.0%
Sale Price per Unit: \$98,698

Comments:

This property consists of 56 one-bedroom units, 112 two-bedroom units, and 24 three-bedroom units with rents ranging from \$920 to \$1,275. The property was in good condition at the time of the sale and was approximately 97 percent occupied. The income and capitalization rate information was confirmed with the broker.

Verification: Costar; Broker (Derrick Bloom, Jones Lang LaSalle, 404-995-2287)

Comparable Sale 5

Name: Walden at Chatham Center
Location: 100 Walden Lane
Savannah, GA 31405



Buyer: SW Walden-Savannah LLC
Seller: WW Walden at Chatham LLC
Sale Date: May-12
Sale Price: \$26,000,000

Financing: Conventional
Number of Units: 236
Year Built: 2004
Site: 17.68

Units of Comparison:
Effective Gross Income: \$2,734,612
EGIM 9.5
Total Expenses: \$1,148,612
Net Operating Income: \$1,586,000
Net Operating Income per Unit: \$6,720
Overall Rate with Reserves: 6.1%
Sale Price per Unit: \$110,169

Comments:

This property consists of 92 one-bedroom units, 120 two-bedroom units, and 24 three-bedroom units with rents ranging from \$820 to \$1,265. The property was in good condition at the time of the sale and was approximately 96 percent occupied. The financial information was confirmed with the broker.

Verification: Costar; Broker (Derrick Bloom, Jones Lang LaSalle, 404-995-2287)

VALUATION ANALYSIS

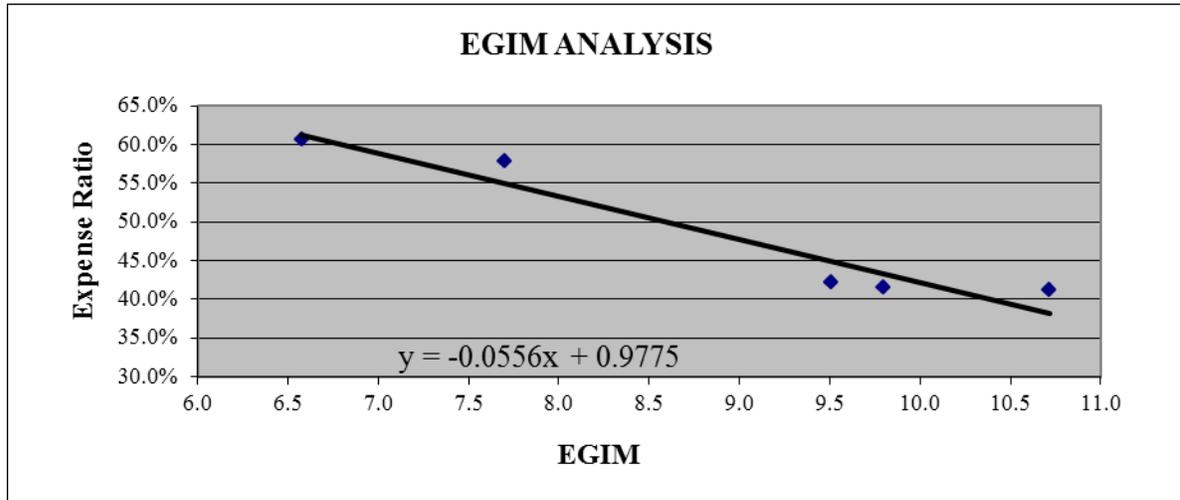
The sales selected for this analysis are summarized in the following table.

SALES COMPARISON

	Property	Sale Date	Sale Price	# of Units	Price / Unit	Effective Gross Income Multiplier	Overall Rate
1	Turtle Creek Apartments	Sep-13	\$7,500,000	144	\$52,083	6.6	6.0%
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5	Walden at Chatham Center	May-12	\$26,000,000	236	\$110,169	9.5	6.1%
	Average		\$23,648,000	232	\$96,898	8.9	5.8%

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.



	Sale Price	EGI	Expenses	Expense Ratio	EGIM
As Proposed Restricted	\$3,300,000	\$543,757	\$353,462	65%	6.0
As Proposed Unrestricted	\$6,700,000	\$790,772	\$374,255	47%	8.5
Comparable #1	\$7,500,000	\$1,140,480	\$690,480	61%	6.6
Comparable #2	\$35,250,000	\$3,288,750	\$1,350,000	41%	10.7
Comparable #3	\$30,540,000	\$3,964,700	\$2,285,000	58%	7.7
Comparable #4	\$18,950,000	\$1,938,600	\$801,600	41%	9.8
Comparable #5	\$26,000,000	\$2,734,612	\$1,148,612	42%	9.5

We have estimated EGIMs of 6.5 to 10.0 for the restricted and unrestricted scenarios. The Subject’s indicated value using the EGIM method is presented in the following table.

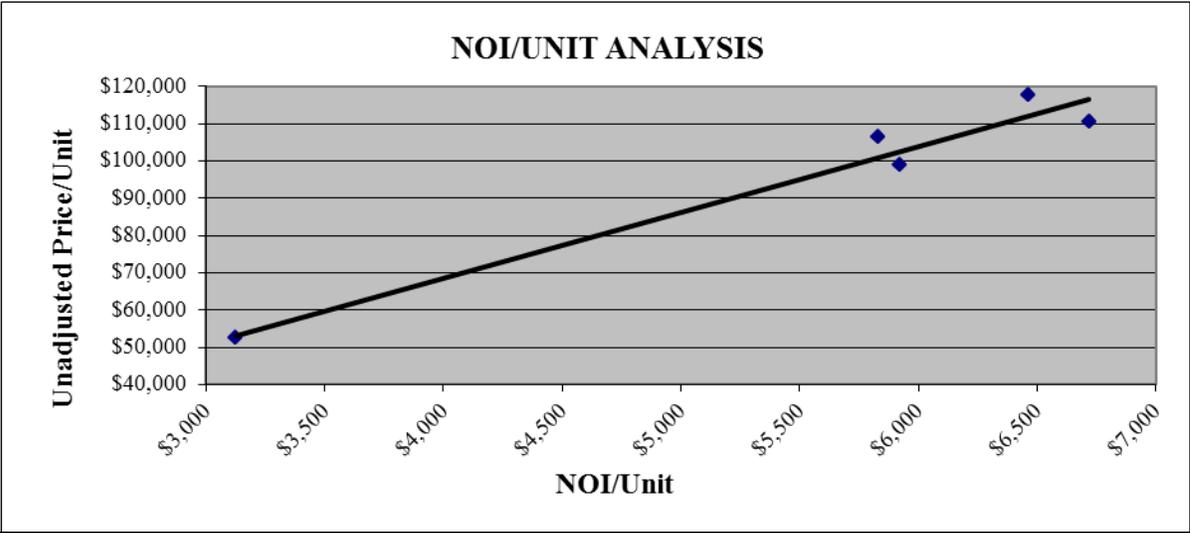
EGIM ANALYSIS - "AS COMPLETE AND STABILIZED"

Scenario	EGIM	Effective Gross Income	Indicated Value (Rounded)
As Proposed Restricted	6.0	\$543,757	\$3,300,000
As Proposed Unrestricted	8.5	\$790,772	\$6,700,000

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 Proposed Restricted**

No.	Subject's Stabilized NOI/Unit	/	Sale's NOI/Unit	=	Adjustment Factor	x	Unadjusted Price/Unit	=	Adjusted Price/Unit
1	\$2,643	/	\$3,125	=	0.85	X	\$52,083	=	\$44,050
2	\$2,643	/	\$6,463	=	0.41	X	\$117,500	=	\$48,054
3	\$2,643	/	\$5,832	=	0.45	X	\$106,042	=	\$48,054
4	\$2,643	/	\$5,922	=	0.45	X	\$98,698	=	\$44,050
5	\$2,643	/	\$6,720	=	0.39	X	\$110,169	=	\$43,328
			\$5,612		0.51		\$96,898		\$45,507

NOI/UNIT ANALYSIS**As Proposed Unrestricted**

No.	Subject's Stabilized NOI/Unit	/	Sale's NOI/Unit	=	Adjustment Factor	x	Unadjusted Price/Unit	=	Adjusted Price/Unit
1	\$5,785	/	\$3,125	=	1.85	X	\$52,083	=	\$96,416
2	\$5,785	/	\$6,463	=	0.90	X	\$117,500	=	\$105,181
3	\$5,785	/	\$5,832	=	0.99	X	\$106,042	=	\$105,181
4	\$5,785	/	\$5,922	=	0.98	X	\$98,698	=	\$96,416
5	\$5,785	/	\$6,720	=	0.86	X	\$110,169	=	\$94,835
			\$5,612		1.12		\$96,898		\$99,606

Comparable sales one, two, and three were constructed between 1983 and 2008 and are the most similar to the proposed Subject in terms of age and condition. Comparables one and four were constructed between 1983 and 1999 and are slightly inferior to the Subject in terms of age and condition. Sale two is located in a generally similar location as the Subject. Comparables sales one, three, four, and five are located in Savannah or Pooler, between six and 13 miles from the Subject. Based upon the comparable properties, we have concluded to a price per unit within the middle of the range. 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 Proposed Restricted	72	\$46,000	\$3,300,000
As Proposed Unrestricted	72	\$100,000	\$7,200,000

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 prospective market value of the real estate As Restricted assuming the proposed LIHTC rents "**As Complete and Stabilized**", via the Sales Comparison Approach, as of May 5, 2014 is:

THREE MILLION THREE HUNDRED THOUSAND DOLLARS
(\$3,300,000)

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 May 5, 2014 is:

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

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 with LIHTC restrictions and without restricted operations. We considered the traditional approaches in the estimation of the Subject's value. The resulting value estimates are presented following:

AS IS VACANT LAND

Scenario	Units	Price Per Unit	Indicated Value (Rounded)
Land Value	72	\$8,500	\$610,000

DIRECT CAPITALIZATION ANALYSIS - "AS COMPLETE"

Scenario	Loss To Lease	Indicated Value (Rounded)
As Complete Restricted	\$129,245	\$3,100,000
As Complete Unrestricted	\$183,415	\$6,700,000

DIRECT CAPITALIZATION ANALYSIS - "AS COMPLETE AND STABILIZED"

Scenario	Cap Rate	Net Operating Income	Indicated Value (Rounded)
As Proposed Restricted	6.0%	\$190,295	\$3,200,000
As Proposed Unrestricted	6.0%	\$416,517	\$6,900,000

EGIM ANALYSIS - "AS COMPLETE AND STABILIZED"

Scenario	EGIM	Effective Gross Income	Indicated Value (Rounded)
As Proposed Restricted	6.0	\$543,757	\$3,300,000
As Proposed Unrestricted	8.5	\$790,772	\$6,700,000

NOI/UNIT ANALYSIS - "AS COMPLETE AND STABILIZED"

Scenario	Number of Units	Price per unit	Indicated Value (Rounded)
As Proposed Restricted	72	\$46,000	\$3,300,000
As Proposed Unrestricted	72	\$100,000	\$7,200,000

VALUE AT LOAN MATURITY - RESTRICTED

	Year	Indicated Value (Rounded)
Restricted	15 years	\$3,500,000
Restricted	20 years	\$3,800,000
Restricted	25 years	\$4,100,000
Restricted	30 years	\$4,400,000

VALUE AT LOAN MATURITY - UNRESTRICTED

	Year	Indicated Value (Rounded)
Unrestricted	15 years	\$7,500,000
Unrestricted	20 years	\$8,100,000
Unrestricted	25 years	\$8,700,000
Unrestricted	30 years	\$9,400,000

TAX CREDIT VALUATION

	Credit Amount	Price Per Credit	Indicated Value (Rounded)
Federal LIHTC	\$8,119,278	0.85	\$6,900,000
State LIHTC	\$8,119,278	0.34	\$2,800,000

FAVORABLE FINANCING VALUATION

	Indicated Value (Rounded)
Restricted & Unrestricted	\$1,100,000

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 will be an 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.

“As Is” Land Value

The Subject's indicated restricted “Land Value”, as of May 5, 2014 is:

**SIX HUNDRED TEN THOUSAND DOLLARS
(\$610,000)**

Upon Completion Assuming Restricted Rents

The Subject's hypothetical market value of the real estate assuming proposed restricted rental rates, “Upon Completion,” as of May 5, 2014, is:

**THREE MILLION ONE HUNDRED THOUSAND
(\$3,100,000)**

Upon Completion Assuming Unrestricted Rents

The Subject's hypothetical market value of the real estate assuming unrestricted operation “Upon Completion,” as of May 5, 2014, is:

**SIX MILLION SEVEN HUNDRED THOUSAND
(\$6,700,000)**

As Complete and Stabilized Restricted

The Subject's estimated market value “As Complete and Stabilized” assuming proposed restricted rental rates, as of May 5, 2014, is:

**THREE MILLION TWO HUNDRED THOUSAND
(\$3,200,000)**

As Complete and Stabilized Unrestricted

The Subject's estimated market value "As Complete and Stabilized" assuming unrestricted market rental rates, as of May 5, 2014, is:

SIX MILLION NINE HUNDRED THOUSAND DOLLARS
(\$6,900,000)

Prospective Market Value as Restricted at 15, 20 (Loan Maturity), 25 and 30 years

The future prospective market value at 15 years of the Subject's fee simple interest, subject to the rental restrictions in the year 2029, as of May 5, 2014, is:

THREE MILLION FIVE HUNDRED THOUSAND DOLLARS
(\$3,500,000)

The future prospective market value at 20 years (loan maturity) of the Subject's fee simple interest, subject to the rental restrictions in the year 2034, as of May 5, 2014, is:

THREE MILLION EIGHT HUNDRED THOUSAND DOLLARS
(\$4,700,000)

The future prospective market value at 25 years of the Subject's fee simple interest, subject to the rental restrictions in the year 2039, as of May 5, 2014, is:

FOUR MILLION ONE HUNDRED THOUSAND DOLLARS
(\$4,100,000)

The future prospective market value at 30 years of the Subject's fee simple interest, subject to the rental restrictions in the year 2044, as of May 5, 2014, is:

FOUR MILLION FOUR HUNDRED THOUSAND DOLLARS
(\$4,400,000)

Prospective Market Value as Proposed Unrestricted at 15, 20 (Loan Maturity), 25 and 30 years

The hypothetical future prospective market value at 15 years of the Subject's fee simple interest, as an unrestricted property in the year 2029, as of May 5, 2014, is:

SEVEN MILLION FIVE HUNDRED THOUSAND DOLLARS
(\$7,500,000)

The hypothetical future prospective market value at 20 years (loan maturity) of the Subject's fee simple interest, as an unrestricted property in the year 2034, as of May 5, 2014, is:

EIGHT MILLION ONE HUNDRED THOUSAND DOLLARS
(\$8,100,000)

The hypothetical future prospective market value at 25 years of the Subject's fee simple interest, as an unrestricted property in the year 2039, as of May 5, 2014, is:

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

The hypothetical future prospective market value at 30 years of the Subject's fee simple interest, as an unrestricted property in the year 2044, as of May 5, 2014, is:

NINE MILLION FOUR HUNDRED THOUSAND DOLLARS
(\$9,400,000)

Tax Credit Value

The market value of the tax credits allocated to the Subject over a ten-year period, on a cash equivalent basis and the date of completion, as of May 5, 2014, is:

Federal
SIX MILLION NINE HUNDRED THOUSAND DOLLARS
(\$6,900,000)

State
TWO MILLION EIGHT HUNDRED THOUSAND DOLLARS
(\$2,800,000)

Favorable Financing

The estimated present value of the favorable financing, as of May 5, 2014, is

ONE MILLION ONE HUNDRED THOUSAND DOLLARS
(\$1,100,000)

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 12 months or less 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 nine 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.

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.

SPECIFIC ASSUMPTIONS

The terms of the subsidy programs are preliminary as of the appraisal's effective date, May 5, 2014; therefore, any description of such terms is intended to reflect the current expectations and perceptions of market participants along with available factual data. The terms should be judged on the information available when the forecasts are made, not whether specific items in the forecasts or programs are realized. The program terms outlined in this report, as of May 5, 2014, form the basis upon which the value estimates are made. Novogradac & Co. LLP cannot be held responsible for unforeseen events that alter the stated terms subsequent to the date of this report.

The prospective value estimates reported herein are prepared using assumptions stated in this report which are based on the owner's/developer's plan to complete the Subject. As of May 5, 2014, the Subject's completion date is in 2014.

Prospective value estimates, which are by the nature hypothetical estimates, are intended to reflect the current expectations and perceptions of market participants along with available factual data. They should be judged on the market support for the forecasts when made, not whether specific items in the forecasts are realized. The market conditions outlined in the report will be as of the last inspection date of the Subject, and these conditions will form the basis upon which the prospective value estimates are made. Novogradac & Co. LLP cannot be held responsible for unforeseen events that alter market conditions and/or the proposed property improvements subsequent to the date of the report.

At the clients' request we appraised the Subject property under a hypothetical condition. The hypothesis is that the developer proposes to use private financing and assistance from Low Income Housing Tax Credits to construct the Subject.

CERTIFICATION

The undersigned hereby certify that:

We have no present or contemplated future interest in the real estate that is the subject of this appraisal report; the values expressed in this report are not based in whole or part upon race, color, or national origin of the current/prospective owners or occupants; We have no personal interest or bias with respect to the subject matter of this appraisal report or the parties involved;

Our compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event; The appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan;

This appraisal report sets forth all of the limiting conditions (imposed by the terms of this assignment or by the undersigned) affecting the analyses, opinions, and conclusions contained in this report; our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice and FIRREA;

This appraisal report has been made in conformity with and is subject to the requirements of the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute; the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives;

K. David Adamescu and Mariam Abdelhamid provided significant professional assistance to the persons signing this report. Brad E. Weinberg and Ed Mitchell reviewed comparable market data incorporated in this report.

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 has completed the requirements of the continuing education program of the Appraisal Institute.



Brad Weinberg, MAI, CCIM
Partner
GA License #CG221179



Edward R. Mitchell
GA License # 4649
Expiration Date: 4/30/2015
Analyst

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 Florida – Certified General Real Estate Appraiser; No. RZ3249
State of Georgia – Certified General Real Property Appraiser; No. 221179
State of Maryland – Certified General Real Estate Appraiser; No. 6048
State of New Jersey – Certified General Real Estate Appraiser; No. 42RG00224900
State of Ohio – Certified General Real Estate Appraiser; No. 2006007302
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.
- On a national basis, conduct market studies and appraisals of proposed new construction and existing properties under the HUD Multifamily Accelerated Processing program. This includes projects under the 221(d)3, 221(d)4, 223(f), and 232 programs.
- 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

EDWARD R. MITCHELL

I. Education

University of Alabama, Tuscaloosa, Alabama
Master of Science – Financial Planning (05/2014)

University of Alabama, Tuscaloosa, Alabama
Graduate Certificate (Half Master's) Conflict Management, Negotiation, and Mediation

University of Alabama, Tuscaloosa, Alabama
Bachelor of Science – Human Environmental Science

San Antonio College, San Antonio, Texas
Associate of Arts – Real Estate Management

II. Professional Experience

Analyst; Novogradac & Company LLP (September 2013 – Present)
Senior Appraiser; Valbridge Property Advisors
Managing Partner; Consolidated Equity, Inc.
Appraiser; Schultz, Carr, Bissette
Disposition Manager; Resolution Trust Corporation (RTC)

III. Assignments

- Currently conducts market feasibility studies and appraisals of proposed new construction and existing Low-Income Housing Tax Credit (LIHTC) properties.
- Over 20 years' experience in real estate appraisal, investment, development, and construction in Texas, Florida, and Georgia. Past appraisal assignments include all types of vacant and improved commercial property and special use properties such as rail corridors, Right-of-Way corridors, and recycling plants.

IV. Licensure

- State Certified General Real Property Appraiser (Georgia)
- Licensed Real Estate Salesperson (Georgia)
- Appraisal Institute – Candidate for Designation

STATEMENT OF PROFESSIONAL QUALIFICATIONS

K. DAVID ADAMESCU

I. Education

The Ohio State University, Columbus, OH
Masters of City and Regional Planning
Bachelors of Arts, Economics

II. Professional Experience

Real Estate Analyst, Novogradac & Company LLP
Project Director, VWB Research
Field Analyst, The Danter Company

III. Real Estate Assignments

A representative of assignments relating to research and market feasibility studies includes:

- Written and supervised the production of affordable rental housing market studies for projects located throughout the continental United States as well as Alaska. The preponderance of experience is with the Section 42 Low-income Housing Tax Credit, HUD Section 8, and USDA Rural Development programs.
- Additional experience authoring market feasibility analyses for market-rate rental housing, condominium housing, single-family housing, senior-oriented housing, seasonal housing, retail, office, golf course/marina resorts, and mixed-use developments.
- Assisted in numerous appraisals of proposed LIHTC rental housing, commercial office, and commercial retail properties. Analysis typically includes physical inspection of the property and market, concept analysis, demographic and economic analysis, demand and absorption projections, comparable surveying, supply analysis and rent determination, operating expense analysis to determine cost estimates, capitalization rate determination, valuation utilizing the three approaches to value, insurable value estimation, and LIHTC equity valuation.
- Conducted special research for highest and best use evaluations, the impact of “green” development principals on marketability, and seasonal housing dynamics.
- Reviewed third-party market studies and appraisals for investors in the secondary market.

Addendum C
Subject Photos



Subject site (fenced)



Subject site (fenced)



Subject site (fenced)



Vacant Land for future Subject phases



Public Housing in neighborhood (Fred Wessel's)



Commercial in neighborhood



Commercial in neighborhood



Religious Center in neighborhood



Commercial in neighborhood



Commercial in neighborhood



Commercial in neighborhood



Commercial in neighborhood



Duplexes in neighborhood



Small multifamily in neighborhood



Duplexes in neighborhood



Office building in neighborhood

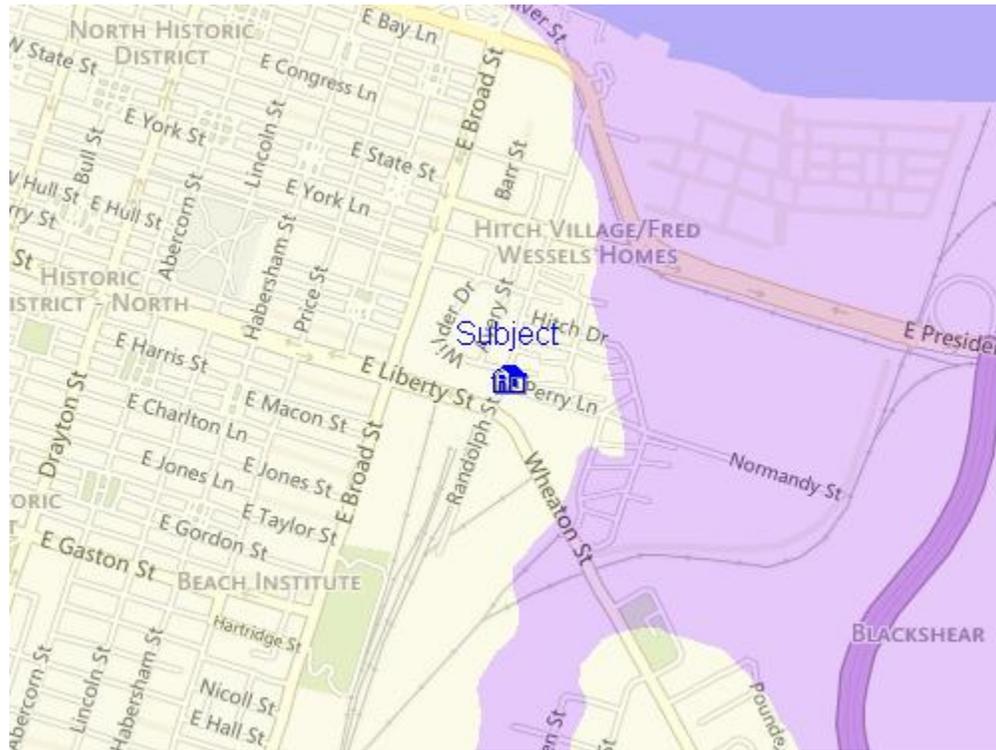


Small multifamily in neighborhood



Commercial and for-sale condominiums

Addendum D
Flood Plain Map



Flood Map 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
- Floodway areas
- Floodway areas with velocity hazard
- Areas of undetermined but possible flood hazards
- Areas not mapped on any published FIRM

Addendum E
Developer's Budget and Proforma

ROBERT HITCH VILLAGE PHASE I

DEVELOPMENT COST PROFORMA

02-Apr-14

72 UNITS

47.2% RAD/PBRA LIHTC
31.9% LIHTC (60% AMI)
20.8% Market Rate

USES

	TOTAL COSTS	CONSTR. TAX CREDIT BASIS	ACQ'SITION CREDIT BASIS	STATE TAX CREDIT BASIS	DEPRECIABLE BASIS	PER UNIT COST
ACQUISITION COSTS						
Land	\$ -	-	-	-	-	-
Building	-	-	-	-	-	-
Total Acquisition Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
HARD CONSTRUCTION COSTS						
Site Work	400,000	400,000		400,000	400,000	5,556
Residential Construction	6,120,000	6,120,000		6,120,000	6,120,000	85,000
General Requirements	6.00% 413,655	413,655		413,655	413,655	5,745
Contractor's Overhead	2.00% 137,885	137,885		137,885	137,885	1,915
Contractor's Profit	6.00% 413,655	413,655		413,655	413,655	5,745
Construction Conting. (Max. \$500k)	5.00% 374,260	374,260		374,260	374,260	5,198
Total Hard Construction Costs	\$ 7,859,455	\$ 7,859,455		7,859,455	\$ 7,859,455	\$ 109,159
SOFT COSTS						
Architecture & Engineering						
Architect Planning and Design	250,000	250,000		250,000	250,000	3,472
Civil Engineering	75,000	75,000		75,000	75,000	1,041.67
Materials Testing	40,000	40,000		40,000	40,000	555.56
LEED/Earthcraft Consultant	20,000	20,000		20,000	20,000	277.78
Architect Construction Supervision	15,000	15,000		15,000	15,000	208
LEED/Earthcraft Certification	20,000	20,000		20,000	20,000	278
ADA/504 Compliance Inspections	4,800	4,800		4,800	4,800	66.67
Total A&E Costs	\$ 424,800	\$ 424,800		\$ 424,800	\$ 424,800	\$ 5,900
Legal Fees						
Syndicator/Investor Counsel	30,000	-		-	-	417
Partnership and Organization	30,000	3,000		3,000	3,000	417
Real Estate Counsel	30,000	30,000		30,000	30,000	417
Tax Opinion	20,000	-		-	-	278
Lender's Counsel	35,000	35,000		35,000	35,000	486
Total Legal Fees	145,000	68,000		68,000	68,000	2,014
Insurance						
Builders Risk	75,000	75,000		75,000	75,000	1,042
Liability Insurance	50,000	50,000		50,000	50,000	694
Hazard Insurance	50,000	50,000		50,000	50,000	694
Total Insurance Costs	175,000	175,000		175,000	175,000	2,431
Finance Fees						
First Construction Mortgage @ fee of	1.00% 8,555	8,555		8,555	8,555	119
Equity Bridge Constr. Loan @ fee of	1.00% 61,120	61,120		61,120	61,120	849
Permanent Loan @ fee of	0.50% 4,278	-		-	-	59
Other Lender Due Diligence Fees	42,000	42,000		42,000	42,000	583
Tax Credit Issuer Fees	25,000	-		-	-	347
DCA Application Fee	6,500	-		-	-	90
DCA Allocation Fee	8.00% 66,843	-		-	-	928
DCA Compliance Monitoring Fee	56,000	-		-	-	778
DCA Final Inspection Fee	3,000	-		-	-	42
Total Finance Fees	273,295	111,675	-	111,675	111,675	3,796

ROBERT HITCH VILLAGE PHASE I

Page 2
02-Apr-14

USES CONT'D

		<u>TOTAL COSTS</u>	<u>CONSTR. TAX CREDIT BASIS</u>	<u>ACQ'SITION CREDIT BASIS</u>	<u>STATE TAX CREDIT BASIS</u>	<u>DEPRECIABLE BASIS</u>	<u>PER UNIT COST</u>
Other Soft Costs							
Construction Permits		40,000	40,000		40,000	40,000	556
Payment and Performance Bond	1.0%	65,200	65,200		65,200	65,200	906
Utility Capacity Fees		-	-		-	-	-
Land Disturbance Fee		10,000	10,000		10,000	10,000	139
Third Party Cost Certification		15,000	15,000		15,000	15,000	208
Survey		14,000	14,000		14,000	14,000	194
Survey (As-Built)		7,500	7,500		7,500	7,500	104
Geotech/Soil Investigation		15,000	15,000		15,000	15,000	208
Appraisal		10,000	10,000		10,000	10,000	139
Market Study		7,500	7,500		7,500	7,500	104
Environmental Reports		10,000	10,000		10,000	10,000	139
Furniture, Fixtures & Equipment		75,000	75,000		75,000	75,000	1,042
Accounting		20,000	12,000		12,000	12,000	278
Construction Period Property Taxes		25,000	25,000		25,000	25,000	347
Lender Inspection Fees		20,000	20,000		20,000	20,000	278
Marketing		75,000	-		-	-	1,042
First Mortgage Construction Interest	4.00%	10,161	10,161		10,161	10,161	141
Equity Bridge Loan Interest @	5.00%	297,905	297,905		297,905	297,905	4,138
Title and Recording		40,000	40,000		40,000	40,000	556
Total Other Soft Costs		757,266	674,266		674,266	674,266	10,518
Reserves							
Rent-up Reserve (no. of months)	4	107,042	-		-	-	1,487
Operating Def Reserve (no. of mo.)	7	226,413	-		-	-	3,145
Total Reserves		333,455	-		-	-	4,631
Developer Fee (max \$1.8 million)	15.00%	1,383,174	1,383,174		1,383,174	1,383,174	19,211
TOTAL USES		\$11,351,444	\$10,696,369		10,696,369	\$10,696,369	\$157,659

PERMANENT SOURCES					DCA AGGREGATE COST LIMIT:	
			<u>% of Sources</u>	<u>Rate</u>		
First Mortgage Loan	\$11,882	\$855,500	7.536%	4.00%	\$12,009,504	
Federal Tax Credit Equity	95,158	6,851,375	60.357%	\$0.82	WITHIN DCA COST LIMITS?	
Georgia State Tax Credit Equity	26,890	1,936,077	17.056%	\$0.35	YES	
Construction Period Income	0	0	0.000%		Hard/Total Cost Ratio: 69.2%	
G P Equity	1	100	0.001%		HAS Leverage 1,708,392	
HAS Loan	23,728	1,708,392	15.050%		% TDC: 15.05%	
Total Sources	\$157,659	\$11,351,444			15% of TDC: \$1,702,717	
					Leverage Shortfall: \$0	

ROBERT HITCH VILLAGE PHASE I

RENT SCHEDULE

TOTAL No. of UNITS **72**
 RAD/PBRA LIHTC Units (60% AMI) **47.2%**
 CONVENTIONAL LIHTC UNITS (60% AMI) **31.9%**
 MARKET RATE UNITS **20.8%**

RAD/PBRA LIHTC UNITS (60% AMI and Below)										47.2% of total units	
Bedrooms	Total Units	Bedroom Size Percentage	Project-Based Section 8 Rent	60% AMI Rent Limit	90% of Section 8 Rents	90% of LIHTC Rents	Utility Allowance	Net Allowable Tenant Rent	Aggregate Monthly Rent		
0	0	0.0%	-	-	-	-	-	-	-	-	-
1	2	5.9%	529	658	476	592	113	363	-	-	726
2	20	58.8%	585	790	526	711	133	393	-	-	7,860
3	12	35.3%	755	912	679	820	167	512	-	-	6,144
4	0	0.0%	-	-	-	-	-	-	-	-	-
Totals	34						413	1,268			14,730
Annual RAD Revenue:			\$176,760								

LIHTC UNITS @ 60% of AMI										31.9% of total units	
Bedrooms	Total Units	Bedroom Size Percentage	60% AMI Rent Limit	90% of LIHTC Rents	Utility Allowance	Net allowable Tenant Rent	Aggregate Monthly Rent				
0	0	0.0%	-	-	-	-	-	-	-	-	-
1	2	8.7%	658	592	113	479	958	-	-	-	958
2	12	52.2%	790	711	133	578	6,936	-	-	-	6,936
3	9	39.1%	912	820	167	653	5,877	-	-	-	5,877
4	0	0.0%	-	-	-	-	-	-	-	-	-
Totals	23										\$13,771
Annual Conventional LIHTC Revenue:			\$165,252								

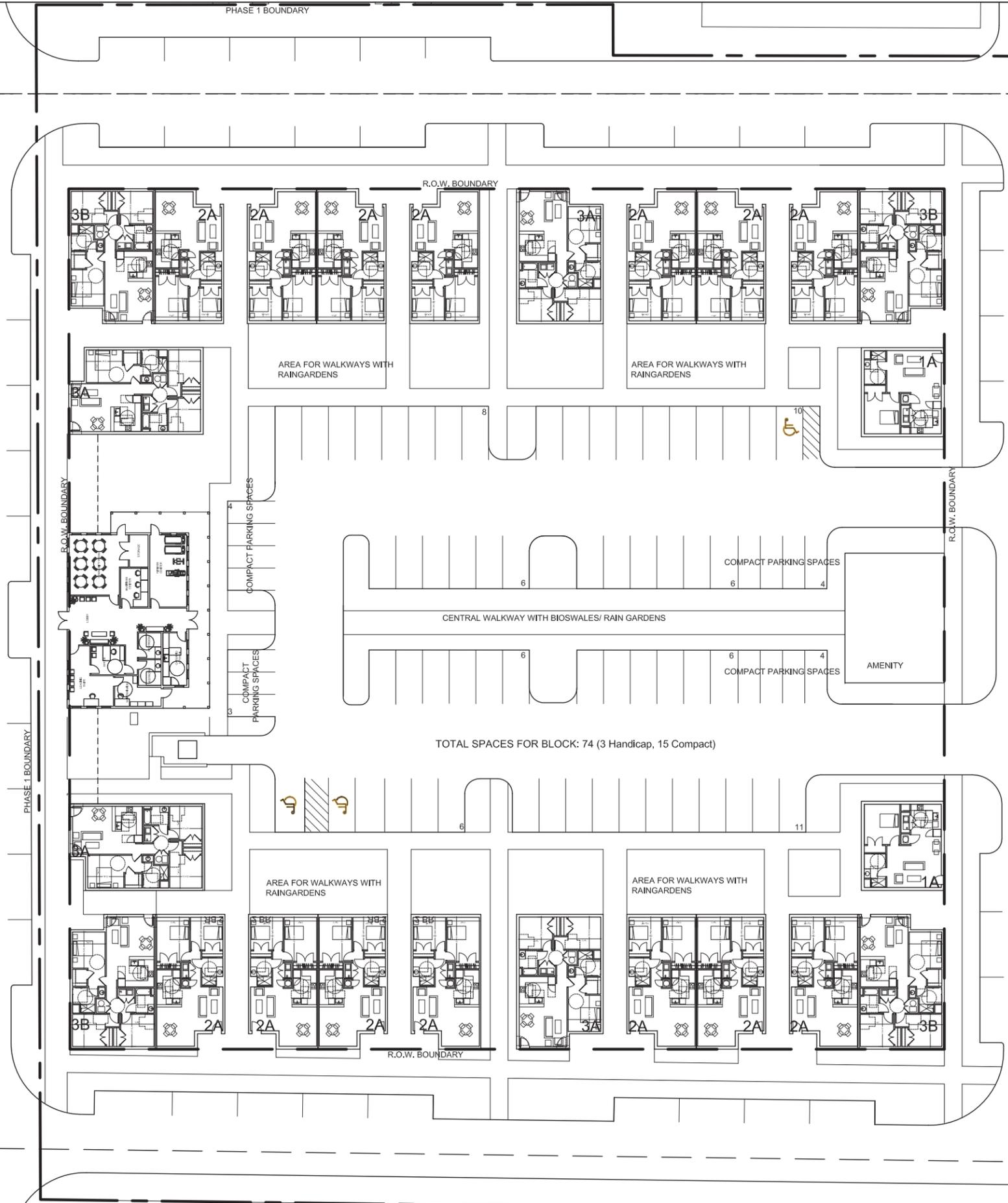
MARKET RATE					20.8% of total units	
Bedrooms	Total Units	Market Rent	Aggregate Monthly Rent			
0	0	-	-	-	-	-
1	2	700	1,400	-	-	-
2	10	800	8,000	-	-	-
3	3	975	2,925	-	-	-
4	0	-	-	-	-	-
Totals	15					12,325
Annual Market Rate Revenue:			\$147,900			

SUMMARY UNIT MIX AND REVENUE TABLE							
Bedrooms	RAD/PBRA LIHTC (60% AMI)	Conventional LIHTC (60% AMI)	Market Rate	Total Units	% by Bedroom Size	Monthly Revenue	
0	0	0	0	0	0.0%	-	
1	2	2	2	6	8.3%	3,084	
2	20	12	10	42	58.3%	22,796	
3	12	9	3	24	33.3%	14,946	
4	0	0	0	0	0.0%	-	
Totals	34	23	15	72	100.0%	40,826	
%	47.2%	31.9%	20.8%	100.0%			
AGGREGATE ANNUAL REVENUE						\$489,912	

ROBERT HITCH VILLAGE PHASE I

DETAILED OPERATING STATEMENT			
GROSS REVENUE		Total	Per Unit
Gross Rent Receipts		489,912	6,804
less: vacancy & collection loss @	7.0%	(34,294)	(476)
plus: other income at	2.0%	9,798	136
EFFECTIVE GROSS INCOME		465,416	6,464
OPERATING EXPENSES			
<u>On-Site Staff Costs</u>			
Management Salaries and Benefits	45,000		625
Maintenance Salaries and Benefits	45,000		625
		90,000	1,250
<u>Off-Site Office Costs</u>			
Office Supplies and Postage	15,500		215
Telephone	6,500		90
Travel	3,000		42
Leased Furniture/Equipment	3,500		49
		28,500	396
<u>Maintenance Expenses</u>			
Contracted Repairs	7,500		104
General Repairs	5,000		69
Grounds Maintenance	15,500		215
Extermination	3,500		49
Maintenance Supplies	12,500		174
Redecorating	19,500		271
		63,500	882
<u>On-Site Security</u>			
Contracted Guard	-		-
Electronic Alarm System	2,400		33
		2,400	33
<u>Professional Services</u>			
Legal	8,000		111
Accounting	14,000		194
Advertising	9,000		125
Other (describe here)	-		-
Subtotal		31,000	431
<u>Utilities</u>			
Electricity	13,500		188
Natural Gas	-		-
Water&Sewer	8,000		111
Trash Collection	1,300		18
		22,800	317
<u>Taxes and Insurance</u>			
Real Estate Taxes	30,000		417
Insurance	25,000		347
Other	-		-
Subtotal		55,000	764
Management Fee	6.0%	27,925	388
TOTAL OPERATING EXPENSES		321,125	4,460
Replacement Reserve	\$250 per unit per year	18,000	250
TOTAL ANNUAL EXPENSES		339,125	4,710
TOTAL ANNUAL OPERATING INCOME		\$126,291	

Addendum F
Site Plans



PHASE 1 BOUNDARY

FUTURE PHASE

PHASE 1 BOUNDARY

R.O.W. BOUNDARY

R.O.W. BOUNDARY

R.O.W. BOUNDARY

R.O.W. BOUNDARY

REDEVELOPMENT OF HITCH VILLAGE - SITE PLAN

project: 10357-00



04 . 07 . 2014

Addendum G
Letters of Intent (Not Applicable)

Addendum G
License

STATE OF GEORGIA
REAL ESTATE APPRAISERS BOARD

EDWARD ROGERS MITCHELL

4649

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

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

D. SCOTT MURPHY
Chairperson

JEFF A. LAWSON
KEITH STONE
MARILYN R. WATTS

SANDRA MCALISTER WINTER
Vice Chairperson

23466664

EDWARD ROGERS MITCHELL

4649
Status ACTIVE

ORIGINALLY LICENSED

02/04/1994

END OF RENEWAL
04/30/2014

CERTIFIED GENERAL REAL PROPERTY
APPRAISER

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

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



WILLIAM L. ROGERS, JR.
Real Estate Commissioner

23466664

EDWARD ROGERS MITCHELL

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Real Estate Commissioner

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