NOVOGRADAC & COMPANY LLP®
CERTIFIED PUBLIC ACCOUNTANTS

January 30, 2017

Mr. Marvin Wilmoth
KCG Development
11555 N Meridian St, Suite 400
Carmel, IN 46032

RE: Partner Review of The Exchange appraisal located in Winder, GA.

Dear Mr. Wilmoth:

This letter is to inform you that the attached appraisal report has been reviewed by a partner of Novogradac & Company LLP, for quality assurance purposes, as required by Novogradac & Company LLP partner guidelines.

Very truly yours,
NOVOGRADAC & COMPANY LLP

By_______________________

Partner

A MARKET VALUATION OF

THE EXCHANGE
Due East of 416 Exchange Boulevard
Winder, Barrow County, Georgia 30620

Effective Date: September 11, 2016
Report Date: January 30, 2017

Prepared For

Mr. Marvin Wilmoth
KCG Development
11555 N Meridian Street, Suite 400
Carmel, IN 46032

Prepared By

Novogradac & Company LLP
2325 Lakeview Parkway, Suite 450
Alpharetta, GA 30009
678-867-2333

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January 30, 2017

Mr. Marvin Wilmoth
KCG Development
11555 N Meridian Street, Suite 400
Carmel, IN 46032

Re: The Exchange
Due East of 416 Exchange Boulevard, Winder, Barrow County, Georgia

Dear Mr. Wilmoth:

We are pleased to present our findings with respect to the value of the above-referenced property, The Exchange ("Subject"). The Subject is a proposed 130-unit LIHTC and market rate project. We have previously performed three DCA application market studies, with effective dates of March 22, 2015, March 17, 2016, and a concurrent market study with the effective date of September 11, 2016, on the property that is the subject of this report. As requested we provided several value estimates of both tangible and intangible assets, described and defined below:

- Land Value "As If Vacant".
- 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 25, 30, and 35 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 part of their low income housing tax credit application. Neither this report nor any portion thereof may be used for any other purpose or distributed to third parties without the express written consent of Novogradac and Company LLP ("Novogradac").

This valuation engagement was conducted in accordance with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, which standards incorporate the Uniform Standards of Professional Appraisal Practice (USPAP). In accordance with these standards, we have reported our findings herein in a self-contained report, as defined by USPAP.

Market value is defined as:

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

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

This report complies with the current edition of the Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Standards Board of the Appraisal Foundation and FIRREA Title XI, 12 CFR Part 323(FDIC), and 12 CFR Part 34 (RTC), and the Code of Ethics & of Professional Practice of the Appraisal Institute. It also complies with Appraisal Institute and Georgia Department of Community Affairs (DCA) guidelines.

"As Is" Land Value

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 unencumbered land "as if vacant" in fee simple, as of September 11, 2016, is:

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

Upon Completion Assuming Restricted Rents

The Subject's hypothetical leased fee market value of the real estate assuming achievable LIHTC rental rates, "Upon Completion," as of September 11, 2016, is:

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

Upon Completion Assuming Unrestricted Rents

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

The Subject's hypothetical leased fee market value of the real estate assuming unrestricted operation "Upon Completion," as of September 11, 2016, is:

**THIRTEEN MILLION FOUR HUNDRED THOUSAND DOLLARS
($13,400,000)**

As Complete and Stabilized Restricted

The Subject's estimated leased fee market value "As Complete and Stabilized" assuming achievable LIHTC rental rates, as of September 11, 2016, is:

**NINE MILLION NINE HUNDRED THOUSAND DOLLARS
($9,900,000)**

As Complete and Stabilized Unrestricted

The Subject's estimated leased fee market value "As Complete and Stabilized" assuming unrestricted market rental rates, as of September 11, 2016, is:

**FOURTEEN MILLION ONE HUNDRED THOUSAND DOLLARS
($14,100,000)**

Prospective Market Value as Restricted at 15, 20, 25, 30 and 35 years

The prospective market value at 15 years of the Subject's leased fee interest, subject to the LIHTC rental restrictions in the year 2033, as of September 11, 2016, is:

**ELEVEN MILLION SEVEN HUNDRED THOUSAND DOLLARS
($11,700,000)**

The prospective market value at 20 years of the Subject's leased fee interest, subject to the rental restrictions in the year 2038, as of September 11, 2016, is:

**TWELVE MILLION NINE HUNDRED THOUSAND DOLLARS
($12,900,000)**

The prospective market value at 25 years of the Subject's leased fee interest, subject to the rental restrictions in the year 2043, as of September 11, 2016, is:

**FOURTEEN MILLION THREE HUNDRED THOUSAND DOLLARS
($14,300,000)**

The prospective market value at 30 years of the Subject's leased fee interest, subject to the rental restrictions in the year 2048, as of September 11, 2016, is:

**FIFTEEN MILLION EIGHT HUNDRED THOUSAND DOLLARS
($15,800,000)**

The prospective market value at 35 years of the Subject's leased fee interest, subject to the rental restrictions in the year 2053, as of September 11, 2016, is:

SEVENTEEN MILLION FIVE HUNDRED THOUSAND DOLLARS
($17,500,000)

Prospective Market Value as Proposed Unrestricted at 15, 20, 25, 30 and 35 years

The hypothetical prospective market value at 15 years of the Subject's leased fee interest, as an unrestricted property in the year 2033, as of September 11, 2016, is:

SIXTEEN MILLION FOUR HUNDRED THOUSAND DOLLARS
($16,400,000)

The hypothetical prospective market value at 20 years of the Subject's leased fee interest, as an unrestricted property in the year 2038, as of September 11, 2016, is:

EIGHTEEN MILLION ONE HUNDRED THOUSAND DOLLARS
($18,100,000)

The hypothetical prospective market value at 25 years of the Subject's leased fee interest, as an unrestricted property in the year 2043, as of September 11, 2016, is:

TWENTY MILLION DOLLARS
($20,000,000)

The hypothetical prospective market value at 30 years of the Subject's leased fee interest, as an unrestricted property in the year 2048, as of September 11, 2016, is:

TWENTY TWO MILLION ONE HUNDRED THOUSAND DOLLARS
($22,100,000)

The hypothetical prospective market value at 35 years of the Subject's leased fee interest, as an unrestricted property in the year 2053, as of September 11, 2016, is:

TWENTY FOUR MILLION FOUR HUNDRED THOUSAND DOLLARS
($24,400,000)

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 September 11, 2016, is:

Federal
FIVE MILLION FIVE HUNDRED THOUSAND DOLLARS
($5,500,000)

State
THREE MILLION DOLLARS
($3,000,000)

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 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,

Brain Neukam
Senior Analyst
State Certified General Real Estate Appraiser
Georgia License Number: 329471

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EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

PROPERTY SUMMARY OF SUBJECT

Property Appraised: The Subject (The Exchange) is a proposed mixed-income development that will offer 36 one-bedroom units, 42 two-bedroom unit, and 52 three-bedroom units. The Subject will include LIHTC and HOME units that will be restricted at 50 and 60 percent of AMI, as well as market rate. In total, the property will offer 130 units. The Subject will consist of seven two- and three-story, garden- and townhome-style residential buildings and one one-story clubhouse. The design will feature wood frame construction with brick façade and hardi-plank siding.

Tax Map ID: The Subject site consists of a 12.97 acre portion of a 44.44 acre parcel identified as parcel number WN16-009, according to the Barrow County Assessor. As of the effective date of this report, the Subject site has not been subdivided from the larger parcel.

Land Area: The Subject site is 12.97 acres, according to a purchase and sale agreement provided by the client.

Legal Interest Appraised: The property interest appraised for the "as if vacant" scenario is fee simple. All other scenarios are leased fee interest.

Unit Mix: The following tables summarize the Subject's proposed unit mix and unit sizes. It should be noted that we have utilized the 2015 maximum allowable rents based on Georgia DCA guidelines that requires using the LIHTC rents in effect as of January 1, 2016.

PROPOSED RENTS

Unit Type	Number of Units	Unit Size (SF)	Asking Rent	Utility Allowance (1)	Gross Rent	2015 LIHTC Maximum Allowable Gross Rent	2015 HOME Maximum Allowable Gross Rent	2015 HUD Fair Market Rents
				50% AMI (Low HOME)				
1BR/1BA	8	750	$558	$82	$640	$640	$650	$773
2BR/2BA	10	1,050	$642	$125	$767	$767	$780	$916
3BR/2BA	8	1,100	$704	$182	$886	$886	$901	$1,213
				60% AMI				
1BR/1BA	27	750	$686	$82	$768	$768	N/A	$773
2BR/2BA	30	1,050	$796	$125	$921	$921	N/A	$916
3BR/2BA	34	1,100	$882	$182	$1,064	$1,064	N/A	$1,213
				Market				
1BR/1BA	1	750	$860	N/A	N/A	N/A	N/A	$773
2BR/2BA	2	1,050	$980	N/A	N/A	N/A	N/A	$916
3BR/2BA	10	1,100	$1,100	N/A	N/A	N/A	N/A	$1,213
Total	**130**							

Notes (1) Source of Utility Allowance provided Zeffert & Associate HUD Utility Schedule Model, 6/2016

UNIT MIX AND SQUARE FOOTAGE

Unit Type	Number of Units	Unit Size (SF)	Gross Area
1BR/1BA	36	750	27,000
2BR/2BA	42	1,050	44,100
3BR/2BA	52	1,100	57,200
Total	**130**		**128,300**

Ownership History of the Subject:

According to the Barrow County Assessor's Office, the Subject is currently owned by Gateway Venture Partners, LLC. Based on a purchase and sale agreement date September 7, 2016 provided by the client, KCG Development intends to purchase 12.97 acres of the 44.44 acre parcel for a purchase price of $1,060,000 from Gateway Venture Partners, LLC. There have been no other known transfers of ownership of the Subject over the past three years and it is not currently listed for sale. As discussed in the appraisal, we have concluded to an "as is" value of $1,100,000, which is above the purchase price but appears reasonable.

Highest and Best Use "As If Vacant":

The highest and best use for the property if vacant is 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)
Unencumbered Land Value	130	$8,500	$1,100,000

DIRECT CAPITALIZATION ANALYSIS - "AS COMPLETE"

Scenario	Loss To Lease	Indicated Value (Rounded)
As Complete Restricted	$538,284	$9,400,000
As Complete Unrestricted	$696,879	$13,400,000

DIRECT CAPITALIZATION ANALYSIS - "AS COMPLETE AND STABILIZED"

Scenario	Cap Rate	Net Operating Income	Indicated Value (Rounded)
As Proposed Restricted	6.00%	$609,068	$9,900,000
As Proposed Unrestricted	6.00%	$848,500	$14,100,000

EGIM ANALYSIS - "AS COMPLETE AND STABILIZED"

Scenario	EGIM	Effective Gross Income	Indicated Value (Rounded)
As Proposed Restricted	8.2	$1,204,488	$9,900,000
As Proposed Unrestricted	9.2	$1,533,114	$14,100,000

NOI/UNIT ANALYSIS - "AS COMPLETE AND STABILIZED"

Scenario	Number of Units	Price per unit	Indicated Value (Rounded)
As Proposed Restricted	130	$75,000	$9,800,000
As Proposed Unrestricted	130	$110,000	$14,300,000

VALUE AT LOAN MATURITY - RESTRICTED

	Year	Indicated Value (Rounded)
Restricted	15 years	$11,700,000
Restricted	20 years	$12,900,000
Restricted	25 years	$14,300,000
Restricted	30 years	$15,800,000
Restricted	35 years	$17,500,000

VALUE AT LOAN MATURITY - UNRESTRICTED

	Year	Indicated Value (Rounded)
Unrestricted	15 years	$16,400,000
Unrestricted	20 years	$18,100,000
Unrestricted	25 years	$20,000,000
Unrestricted	30 years	$22,100,000
Unrestricted	35 years	$24,400,000

TAX CREDIT VALUATION

	Credit Amount	Price Per Credit	Indicated Value (Rounded)
Federal LIHTC	$5,220,792	$1.06	$5,500,000
State LIHTC	$5,222,227	$0.58	$3,000,000

FAVORABLE FINANCING VALUATION

	Indicated Value (Rounded)
Restricted & Unrestricted	$1,700,000

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, 25, 30 and 35 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 consists of an 12.97 acre tract as a portion of a larger 44.44 acre parcel identified as parcel number WN16-009 by the Barrow County Assessor that has yet to be subdivided.

Intended Use and Intended User

KCG Development is the client in this engagement. Georgia Department of Community Affairs is an intended user of the report. We understand that the client will use this document as part of an application for Low Income Housing Tax Credits from Georgia Department of Community Affairs. As our client, KCG Development owns this report and permission must be granted from them before another third party can use this document. 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 for the "as if vacant" scenario is fee simple. All other scenarios are leased fee interest.

Date of Inspection and Effective Date of Appraisal
The site was most recently inspected by Novogradac on September 11, 2016. 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.

Extraordinary Assumptions (EA) and Hypothetical Conditions (HC)
We have made an extraordinary assumption that the Subject's plan will be granted a conditional use permit to be developed as proposed. For the purposes of our unrestricted analysis, we have used a hypothetical condition for the Subject assuming unrestricted, conventional operations. Additionally, due to a recent ruling by the Supreme Court of Georgia, we have made the extraordinary assumption that the non-tangible LIHTC valuation will be determined annually with a net present value discount rate of 10 percent. No other hypothetical conditions or extraordinary assumptions were necessary to complete the valuation for the Subject. We have included a more in depth summary of any limiting conditions in the addenda of this report.

Compliance and competency provision
The appraiser is aware of the compliance and competency provisions of USPAP, and within our understanding of those provisions, this report complies with all mandatory requirements, and the authors of this report possess the education, knowledge, technical skills, and practical experience to complete this assignment competently, in conformance with the stated regulations. Moreover, Advisory Opinion 14 acknowledges preparation of appraisals for affordable housing requires

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

Unavailability of information

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

Furniture, Fixtures, and Equipment

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

Ownership and History of Subject

According to the Barrow County Assessor's Office, the Subject is currently owned by Gateway Venture Partners, LLC. Based on a purchase and sale agreement date September 7, 2016 provided by the client, KCG Development intends to purchase 12.97 acres of the 44.44 acre parcel for a purchase price of $1,060,000 from Gateway Venture Partners, LLC. There have been no other known transfers of ownership of the Subject over the past three years and it is not currently listed for sale. As discussed in the appraisal, we have concluded to an "as is" value of $1,100,000, which is above the purchase price but appears reasonable.

REGIONAL AND LOCAL AREA ANALYSIS

REGIONAL AND LOCAL AREA ANALYSIS

ECONOMIC ANALYSIS

The Subject site is located at the northwest intersection of Exchange Boulevard and Exchange Circle in Winder, Barrow County, Georgia. As of the 2010 census, Winder's population was 14,099. The Subject is located within the Atlanta-Sandy Springs-Roswell, GA MSA.

Major Employers

The following table details the major private employers within Barrow County.

MAJOR EMPLOYERS - Barrow County, GA

Company	Employed	Industry
Barrow County School System	2,100	Education
Chico's FAS, Inc.	1,200	Distribution /Call Center
Harrison Poultry	1,100	Poultry
Republic Services	550	Environmental Services
Barrow County Commission	545	Government
Chateau Elan Resort & Winery	350	Tourism
Johns Manville	266	Fiberglass Insulation
Barrow Regional Medical Center	250	Healthcare
Walmart SuperCenter	217	Retail
Schuetz Container Systems	180	Plastic Manufacturing

Data provided by the Chattanooga Area Chamber of Commerce
*Through Sept 2015

As seen in the above table, the top employers within Barrow County are concentrated in the education, call center and poultry industries. The largest employer in Barrow County is Barrow County School System with approximately 2,100 employees. Lower skilled employees in industries such as retail are likely to have incomes in line with the Subject's income restrictions. The top 10 major employers account for less than one percent of the total employment within the MSA.

Employment Contraction/Expansion

We contacted Guy Herring with Barrow County Economic & Community Development, and he provided us the following business expansion information.

- Chateau Elan Resort and Winery completed an $8M expansion to their convention and corporate meeting space facilities in 2015. It is unknown how many jobs this expansion created.

- Republic Services completed an $11M expansion to develop green energy from methane production and other improvements in 2015. It is unknown how many jobs this expansion will created.

- Ft. Yargo State Park, one of the top five most visited parks in the State, is developing the first Master Plan in the State park system that will be used as a model for future State park master plans. The Plan will include facilities for increased day use and overnight stays, improved access, conference space, recreational facilities and connection to Downtown Winder. It is unknown how many jobs this expansion will create.

- Mizuno USA has moved their manufacturing and distribution operations into the 520,000 square foot Duke building in Braselton, investing 16 million dollars in new equipment, three million dollars in building improvements, and 150 new jobs. This relocation and expansion was complete in 2015.

- Trinity Industries has added over 130 new jobs and over two million dollars in new equipment and infrastructure in November 2015.

- Barrow County is investing over one million in the new Park 53 Business Park along University Parkway and Highway 316 through the construction of a new entrance road and associated infrastructure to promote new industrial development and job creation. It is unknown how many jobs this expansion will create. Currently road infrastructure work is taking place, and the County is searching for a development partner.

- Lanier Technical College and the Barrow County Sims Academy for Innovation and Technology have created a Workforce Development Campus adjacent to Park 53 Business Park. Lanier Tech has completed the brand new state of the art 18.4 million dollar facility in concert with the 12 million dollar Barrow County Sims Academy for Innovation and Technology. Both of these institutions provide workforce development and training for new and existing industries. It is unknown how many jobs this expansion created.

- Schutz Container invested 52 million dollars in land, building, and equipment and created 180 jobs throughout 2014 and 2015.

- Olympic Steel completed at 30,000 square foot expansion in 2015. It is unknown how many jobs this expansion created.

- Progress Container recently completed a 60,000 square foot expansion and an additional 100,000 square foot expansion is pending.

- In 2015, major infrastructure improvements were completed at the interchange of Highway 316 and State Route 20. This interchange provides greater access to retail and entertainment opportunities in the county and will help promote additional commercial development.

According to the Worker Adjustment and Retraining Notification (WARN) filings provided by the Georgia Department of Economic Development, between 2014 to year-to-date 2016, there have been three layoffs listed for Barrow County during that time period. In this time, 57 jobs have been affected in the county. These job losses appear negligible relative to the employment base of over 17,000 in the county. No WARN notices have been filed for the year 2016.

WARN NOTICES 2014 to YTD 2016

Barrow County, GA

Employer	Layoff Date	Employees Affected
Huntman Corps Pigments	12/1/2015	9
Multi-Pack Solutions	4/30/2014	48
PUR Foods	1/14/2014	30
Total		**57**

Source: GA Department of Economic Development, 9/2016

Employment and Unemployment Trends

The following table details employment and unemployment trends for the MSA and nation from 2006 to June 2016.

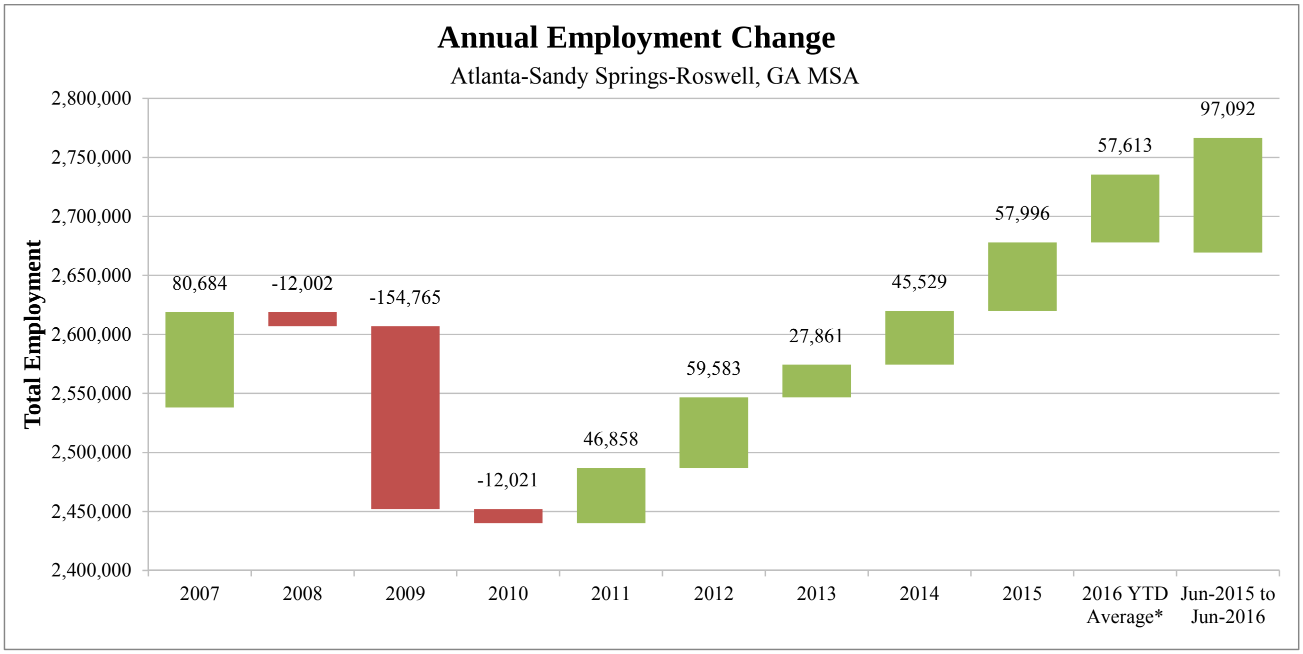
EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

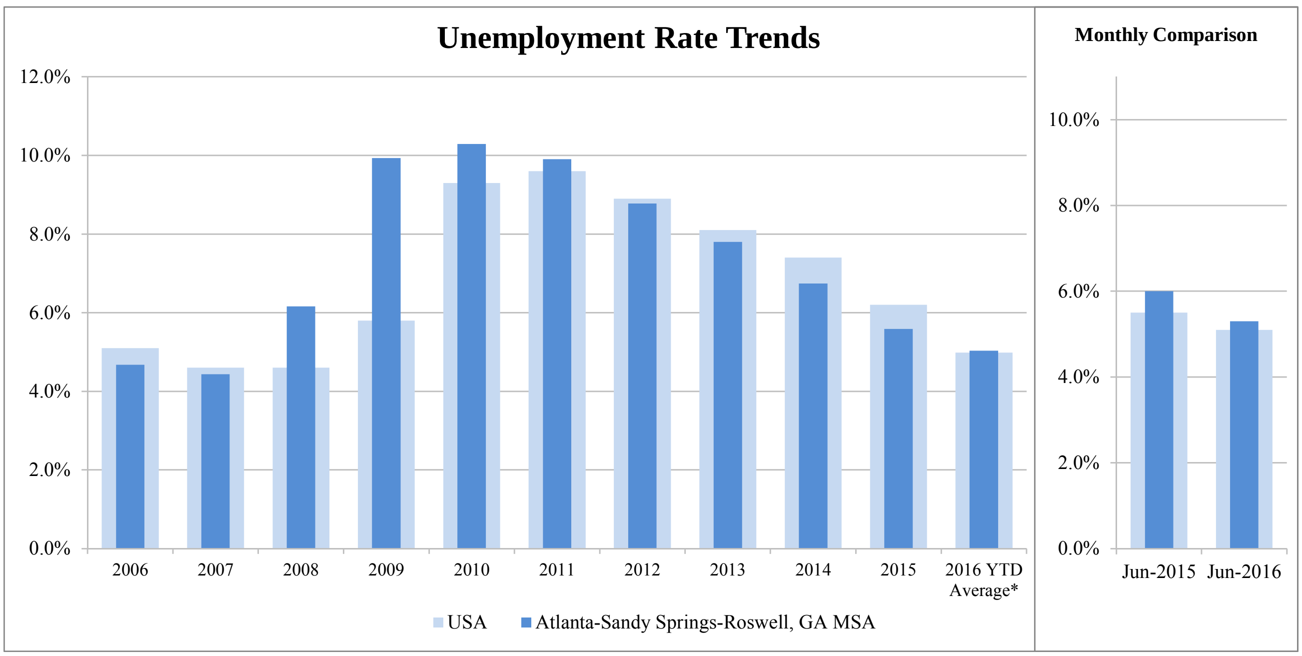
Year	Atlanta-Sandy Springs-Roswell, GA MSA				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2002	2,324,880	-	5.0%	-	136,933,000	-	4.7%	-
2003	2,347,173	1.0%	4.9%	-0.2%	136,485,000	-0.3%	5.8%	1.1%
2004	2,382,163	1.5%	4.8%	-0.1%	137,736,000	0.9%	6.0%	0.2%
2005	2,445,674	2.7%	5.4%	0.6%	139,252,000	1.1%	5.5%	-0.5%
2006	2,538,141	3.8%	4.7%	-0.7%	141,730,000	1.8%	5.1%	-0.4%
2007	2,618,825	3.2%	4.4%	-0.2%	144,427,000	1.9%	4.6%	-0.5%
2008	2,606,822	-0.5%	6.2%	1.7%	146,047,000	1.1%	4.6%	0.0%
2009	2,452,057	-5.9%	9.9%	3.8%	145,362,000	-0.5%	5.8%	1.2%
2010	2,440,037	-0.5%	10.3%	0.4%	139,877,000	-3.8%	9.3%	3.5%
2011	2,486,895	1.9%	9.9%	-0.4%	139,064,000	-0.6%	9.6%	0.3%
2012	2,546,478	2.4%	8.8%	-1.1%	139,869,000	0.6%	8.9%	-0.7%
2013	2,574,339	1.1%	7.8%	-1.0%	142,469,000	1.9%	8.1%	-0.8%
2014	2,619,867	1.8%	6.7%	-1.1%	143,929,000	1.0%	7.4%	-0.7%
2015	2,677,863	2.2%	5.6%	-1.2%	146,305,000	1.7%	6.2%	-1.2%
2016 YTD Average*	2,735,476	2.2%	5.0%	-0.5%	150,749,000	3.0%	5.0%	-1.2%
Jun-2015	2,669,299	-	6.0%	-	149,645,000	-	5.5%	-
Jun-2016	2,766,391	3.6%	5.3%	-0.7%	151,990,000	1.6%	5.1%	-0.4%

Source: U.S. Bureau of Labor Statistics September 2016

*2016 data is through Mar

Historically, total employment levels within the MSA have performed well relative to the nation. Prior to the latest recession, the MSA experienced significant total employment growth from 2002 to 2007. However, the recession of 2007 to 2009 severely impacted total employment levels in the MSA. In 2009, total employment within the MSA decreased 5.9 percent, which exceeded the nation's decline. The MSA's unemployment rate increased substantially over the same period of time. Its unemployment rate peaked in 2010 at 10.3 percent, and has declined in each year since. Since June 2015, total employment in the MSA has increased 3.6 percent compared to 1.6 percent compared to the nation in the same time period. Total employment currently exceeds pre-recessionary levels and is continuing to expand.


Annual Employment Change
Atlanta-Sandy Springs-Roswell, GA MSA
Total Employment
2,800,000
2,750,000
2,700,000
2,650,000
2,600,000
2,550,000
2,500,000
2,450,000
2,400,000
80,684
-12,002
-154,765
-12,021
46,858
59,583
27,861
45,529
57,996
57,613
97,092
2007
2008
2009
2010
2011
2012
2013
2014
2015
2016 YTD Average*
Jun-2015 to Jun-2016


Unemployment Rate Trends
12.0%
10.0%
8.0%
6.0%
4.0%
2.0%
0.0%
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
2016 YTD Average*
USA
Atlanta-Sandy Springs-Roswell, GA MSA
Monthly Comparison
Jun-2015
Jun-2016

Employment by Industry
The following table illustrates employment by industry for the PMA as of 2015.

2015 EMPLOYMENT BY INDUSTRY

	PMA		USA	
Industry	Number Employed	Percent Employed	Number Employed	Percent Employed
Agric/Forestry/Fishing/Hunting	320	0.7%	1,941,156	1.3%
Mining	61	0.1%	997,794	0.7%
Construction	5,920	12.2%	9,392,204	6.4%
Manufacturing	4,855	10.0%	15,651,841	10.6%
Wholesale Trade	2,203	4.6%	3,742,526	2.5%
Retail Trade	6,482	13.4%	17,089,319	11.6%
Transportation/Warehousing	2,162	4.5%	6,200,837	4.2%
Utilities	475	1.0%	1,190,608	0.8%
Information	1,129	2.3%	2,965,498	2.0%
Finance/Insurance	2,102	4.3%	7,026,905	4.8%
Real Estate/Rental/Leasing	1,313	2.7%	2,759,067	1.9%
Prof/Scientific/Tech Services	2,662	5.5%	9,981,082	6.8%
Mgmt of Companies/Enterprises	88	0.2%	115,436	0.1%
Admin/Support/Waste Mgmt Srvcs	1,803	3.7%	6,242,568	4.2%
Educational Services	4,452	9.2%	13,529,510	9.2%
Health Care/Social Assistance	4,331	8.9%	20,205,674	13.7%
Arts/Entertainment/Recreation	548	1.1%	3,193,724	2.2%
Accommodation/Food Services	2,662	5.5%	10,915,815	7.4%
Other Services (excl Publ Adm)	2,790	5.8%	7,548,482	5.1%
Public Administration	2,041	4.2%	7,099,307	4.8%
Total Employment	**48,399**	**100.0%**	**147,789,353**	**100.0%**

Source: Esri Demographics 2010, Novogradac & Company LLP, August 2016

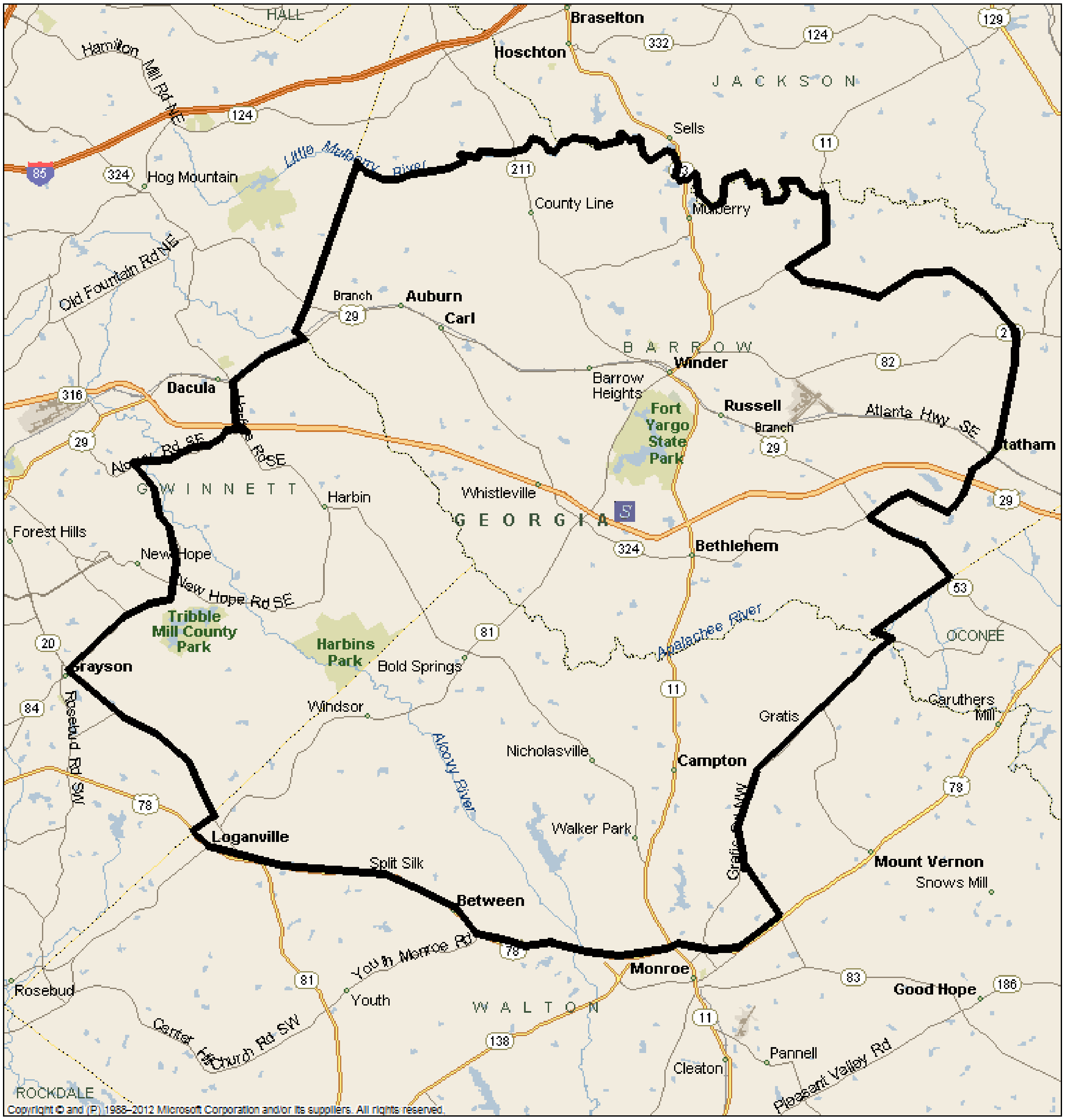
The previous table reflects the workforce for the PMA and the nation. Employment in the PMA is greatest in the retail trade, construction and manufacturing industries, which together account for 35.7 percent of total employment in the PMA. Employment in the PMA is overrepresented in the retail trade and construction sectors. However, the PMA is underrepresented in the healthcare/social assistance and manufacturing sectors. The high concentration of employment in the construction, manufacturing, and retail trade sectors may increases the economic volatility of the area, as these industries are highly susceptible to economic downturns, which is also consistent with the prior employment trends.

Current Economic Recession and Mortgage Crisis
According to RealtyTrac, one in every 1,200 housing units in Winder had received foreclosure filings in July 2016. This compares to one in every 1,332 housing units in Barrow County, one in every 1,596 housing units in the state of Georgia, and one in every 1,532 housing units in the nation at the same time. It appears that Winder has been more greatly affected by the recent mortgage and foreclosure crisis and the local area slightly under-performing the county, state, and nation. However, during our site inspection, there did not appear to be any vacant or abandoned homes in the Subject’s neighborhood.

Conclusion

The largest employers in the PMA are in the retail trade, construction and manufacturing industries, which together account for 35.7 percent of total employment in the PMA. Between June 2015 and June 2016, the unemployment rate in the MSA has decreased 0.7 percentage points. Since June 2015, total employment in the MSA has increased 3.6 percent compared to 1.6 percent compared to the nation in the same time period. Overall, it appears that the local economy was significantly impacted by the recession, but has since surpassed pre-recessionary levels and is currently expanding.

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 City of Winder is located in the Atlanta-Sandy Springs-Roswell, GA Metropolitan Statistical Area (MSA), which was utilized as the Secondary Market Area (SMA).

The PMA for the Subject is mapped above. The boundaries of the PMA are as follows:

North: Mulberry River
East: Highway 11, Highway 211, Barrow County line, Gratis Road,
South: Highway 78
West: Highway 20, Grayson-New Hope Road, Bramlett Shoals Road, Alcovy Road, Highway 8, Barrow County line

This area includes the cities of Auburn, Carl, Winder, Russell, Winder, Campton, Grayson, and Loganville as well as unincorporated parts of Barrow County. The area was defined based on interviews with the local housing authority and property managers at comparable properties. The north boundary of the PMA is approximately eight miles from the Subject site; the eastern boundary of the PMA is approximately six miles from the Subject site; and the southern and western boundaries of the PMA are approximately nine miles from the Subject site. The area was defined based on interviews with the local housing authority, property managers at comparable properties, and the Subject's property manager. The majority of property managers indicated that a significant portion of their tenants come from the local area and the county. We have estimated that 10 percent of the Subject's tenants will come from outside of these boundaries. We have also included the anticipated market entry date of the Subject.

Population Trends

The tables below illustrate population trends for the general population in the PMA, MSA, and nation from 2000 through 2020, including the market entry date.

TOTAL POPULATION

Year	PMA		Atlanta-Sandy Springs-Roswell, GA MSA		USA	
	Number	*Annual Change*	*Number*	*Annual Change*	*Number*	-
2000	69,964	-	4,263,438	-	281,421,906	-
2010	111,682	6.0%	5,286,728	2.4%	308,745,538	1.0%
2015	118,245	1.1%	5,527,230	0.9%	318,536,439	0.6%
Projected Mkt Entry October 2018	123,339	1.3%	5,738,797	1.2%	326,392,427	0.8%
2020	126,082	1.3%	5,852,718	1.2%	330,622,575	0.8%

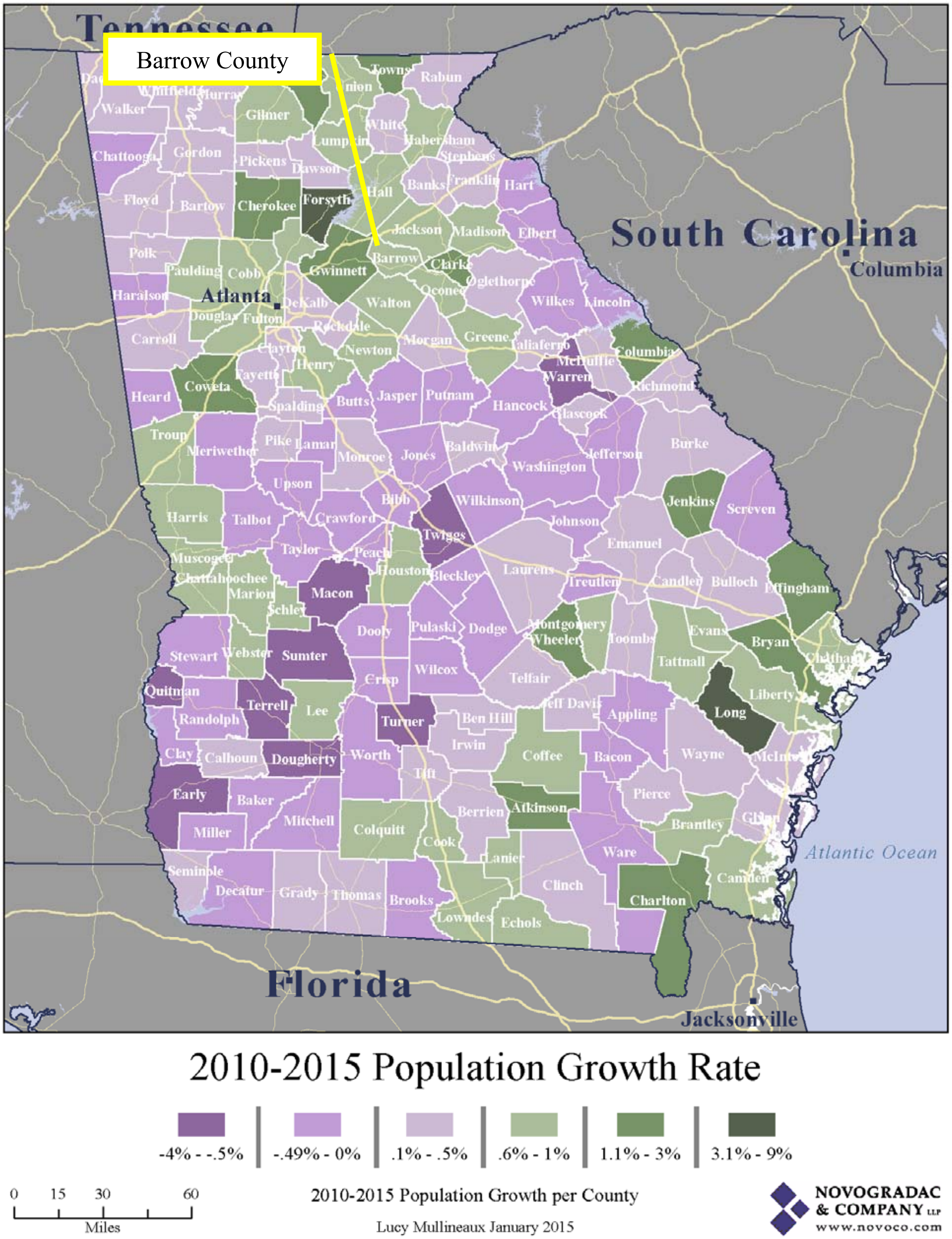
Source: Esri Demographics 2015, Novogradac & Company LLP, September 2016

POPULATION BY AGE IN 2015

Age Cohort	PMA		Atlanta-Sandy Springs-Roswell, GA MSA		USA	
	Number	*Percentage*	*Number*	*Percentage*	*Number*	*Percentage*
0-4	8,791	7.4%	371,886	6.7%	19,799,863	6.2%
5-9	9,086	7.7%	387,048	7.0%	20,344,510	6.4%
10-14	9,408	8.0%	399,704	7.2%	20,559,391	6.5%
15-19	8,045	6.8%	376,375	6.8%	20,881,858	6.6%
20-24	7,434	6.3%	385,828	7.0%	22,924,004	7.2%
25-29	7,553	6.4%	389,860	7.1%	21,816,790	6.8%
30-34	8,031	6.8%	387,615	7.0%	21,473,655	6.7%
35-39	8,394	7.1%	383,343	6.9%	19,766,064	6.2%
40-44	8,864	7.5%	414,369	7.5%	20,273,142	6.4%
45-49	8,592	7.3%	398,674	7.2%	20,491,186	6.4%
50-54	8,567	7.2%	397,500	7.2%	22,396,944	7.0%
55-59	7,257	6.1%	350,838	6.3%	21,895,695	6.9%
60-64	5,687	4.8%	285,360	5.2%	18,945,154	5.9%
65-69	4,955	4.2%	234,503	4.2%	15,996,061	5.0%
70-74	3,225	2.7%	151,299	2.7%	11,328,997	3.6%
75-79	1,984	1.7%	94,524	1.7%	7,884,187	2.5%
80-84	1,235	1.0%	61,073	1.1%	5,668,292	1.8%
85+	1,138	1.0%	57,431	1.0%	6,090,646	1.9%
Total	**118,246**	**100.0%**	**5,527,230**	**100.0%**	**318,536,439**	**100.0%**

Source: Esri Demographics 2015, Novogradac & Company LLP, September 2016

As the table illustrates, the PMA was an area of population growth from 2000 to 2015, though growth decreased significantly from 2010 to 2015. From 2010 to 2015, the population growth in the PMA outpaced population growth in the nation, and was slightly higher than the MSA over the same time period. The population in the PMA is expected to grow 1.3 percent through 2020, which is greater than the nation. The anticipated population growth bodes well for the Subject.


Tennessee
Barrow County
South Carolina
Columbia
Atlanta
Florida
Jacksonville
Atlantic Ocean
Walker
Whitfield
Murray
Gilmer
Towns
Rabun
Union
White
Habersham
Stephens
Lumpkin
Chattooga
Gordon
Pickens
Dawson
Floyd
Bartow
Cherokee
Forsyth
Hall
Banks
Franklin
Hart
Jackson
Madison
Elbert
Polk
Paulding
Cobb
Gwinnett
Barrow
Clarke
Oglethorpe
Haralson
DeKalb
Fulton
Douglas
Walton
Oconee
Wilkes
Lincoln
Carroll
Rockdale
Newton
Morgan
Greene
Clayton
Henry
Taliaferro
McDuffie
Columbia
Warren
Richmond
Coweta
Fayette
Heard
Spalding
Butts
Jasper
Putnam
Hancock
Glascock
Troup
Meriwether
Pike
Lamar
Monroe
Jones
Baldwin
Washington
Jefferson
Burke
Upson
Bibb
Wilkinson
Jenkins
Screven
Harris
Talbot
Crawford
Twiggs
Johnson
Emanuel
Taylor
Peach
Muscogee
Chattahoochee
Marion
Schley
Macon
Houston
Bleckley
Laurens
Treutlen
Candler
Bulloch
Effingham
Dooly
Pulaski
Dodge
Montgomery
Wheeler
Toombs
Evans
Bryan
Stewart
Webster
Sumter
Wilcox
Telfair
Tattnall
Chatham
Quitman
Crisp
Liberty
Long
Terrell
Lee
Turner
Ben Hill
Jeff Davis
Appling
Randolph
Irwin
Clay
Calhoun
Dougherty
Worth
Coffee
Bacon
Wayne
McIntosh
Tift
Early
Baker
Pierce
Berrien
Atkinson
Miller
Mitchell
Colquitt
Brantley
Glynn
Cook
Ware
Lanier
Seminole
Decatur
Grady
Thomas
Brooks
Clinch
Camden
Charlton
Lowndes
Echols
2010-2015 Population Growth Rate
-4% - -.5%
-.49% - 0%
.1% - .5%
.6% - 1%
1.1% - 3%
3.1% - 9%
0
15
30
60
Miles
2010-2015 Population Growth per County
Lucy Mullineaux January 2015
NOVOGRADAC & COMPANY LLP
www.novoco.com

Household Trends

The tables below illustrate household trends for the general population in the PMA, MSA, and nation from 2000 through 2020, including the market entry date.

TOTAL NUMBER OF HOUSEHOLDS

Year	PMA		Atlanta-Sandy Springs-Roswell, GA MSA		USA	
	Number	*Annual Change*	*Number*	*Annual Change*	*Number*	*Annual*
2000	24,229	-	1,559,712	-	105,480,101	-
2010	37,554	5.5%	1,943,885	2.5%	116,716,292	1.1%
2015	39,540	1.0%	2,033,479	0.9%	120,746,349	0.7%
Projected Mkt Entry October 2018	41,127	1.2%	2,113,138	1.2%	123,821,637	0.8%
2020	41,981	1.2%	2,156,032	1.2%	125,477,562	0.8%

Source: Esri Demographics 2015, Novogradac & Company LLP, September 2016

TOTAL NUMBER OF HOUSEHOLDS

Year	PMA		Atlanta-Sandy Springs-Roswell, GA MSA		USA	
	Number	*Annual Change*	*Number*	*Annual Change*	*Number*	*Annual Change*
2000	24,229	-	1,559,712	-	105,480,101	-
2010	37,554	5.5%	1,943,885	2.5%	116,716,292	1.1%
2015	39,540	1.0%	2,033,479	0.9%	120,746,349	0.7%
Projected Mkt Entry October 2018	41,127	1.2%	2,113,138	1.2%	123,821,637	0.8%
2020	41,981	1.2%	2,156,032	1.2%	125,477,562	0.8%

Source: ESRI Demographics 2015, Novogradac & Company LLP, March 2016

AVERAGE HOUSEHOLD SIZE

	PMA		Atlanta-Sandy Springs-Roswell, GA MSA		USA	
Year	*Number*	*Annual Change*	*Number*	*Annual Change*	*Number*	*Annual*
2000	2.86	-	2.68	-	2.59	-
2010	2.96	0.3%	2.68	0.0%	2.58	-0.1%
2015	2.98	0.1%	2.68	0.0%	2.57	0.0%
Projected Mkt Entry October 2018	2.99	0.1%	2.68	0.0%	2.57	0.0%
2020	2.99	0.1%	2.67	0.0%	2.57	0.0%

Source: Esri Demographics 2015, Novogradac & Company LLP, September 2016

AVERAGE HOUSEHOLD SIZE

	PMA		Atlanta-Sandy Springs-Roswell, GA MSA		USA	
Year	*Number*	*Annual Change*	*Number*	*Annual Change*	*Number*	*Annual Change*
2000	2.86	-	2.68	-	2.59	-
2010	2.96	0.3%	2.68	0.0%	2.58	-0.1%
2015	2.98	0.1%	2.68	0.0%	2.57	0.0%
Projected Mkt Entry October 2018	2.99	0.1%	2.68	0.0%	2.57	0.0%
2020	2.99	0.1%	2.67	0.0%	2.57	0.0%

Source: ESRI Demographics 2015, Novogradac & Company LLP, March 2016

As illustrated above, the household growth in the PMA is anticipated to continue through market entry and 2020, at a similar annual rate relative to the MSA. However, both areas are anticipated to have faster growth compared to the nation. The average household size is 2.98 in the PMA, slightly larger than the MSA and the nation. The average household size in the PMA, MSA and the nation is anticipated to remain stable through market entry and 2020. It should be noted, the growth in households in the PMA will increase demand for housing of all types of affordable housing in Winder, especially for two- and three-bedroom units like those offered by the Subject.

Households by Tenure

The table below depicts household growth by tenure from 2000 through 2020.

TENURE PATTERNS PMA

Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	18,988	78.4%	5,241	21.6%
2010	30,207	80.4%	7,347	19.6%
2015	30,574	77.3%	8,966	22.7%
Projected Mkt Entry October 2018	31,762	77.2%	9,364	22.8%
2020	32,402	77.2%	9,579	22.8%

Source: ESRI Demographics 2015, Novogradac & Company LLP, March 2016

In 2015, approximately 77.3 percent of households in the PMA were owner-occupied, while the remaining 22.7 percent are renter-occupied. The percentage of renter households in the PMA is lower than the national average of 36.4 percent (not shown). The percentage of renter-occupied households in the PMA is expected to increase slightly. However, the total number of renter households will increase by 613 households by 2020. This indicates an ongoing need for quality affordable renter housing in the PMA.

Households by Income

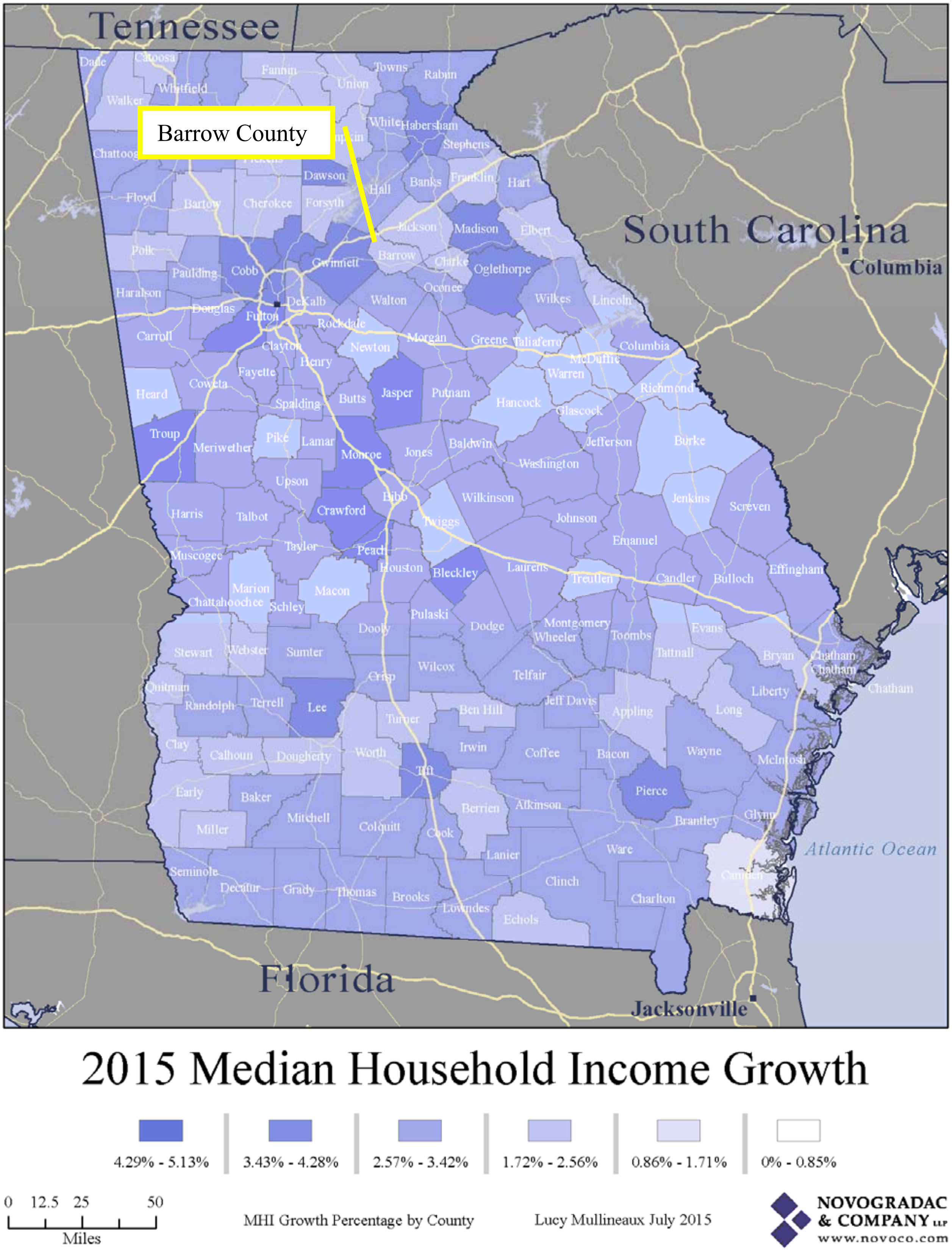
The following table depicts both the general population income in 2010, 2015, at market entry, and in 2020 for the PMA.

HOUSEHOLD INCOME DISTRIBUTION - PMA

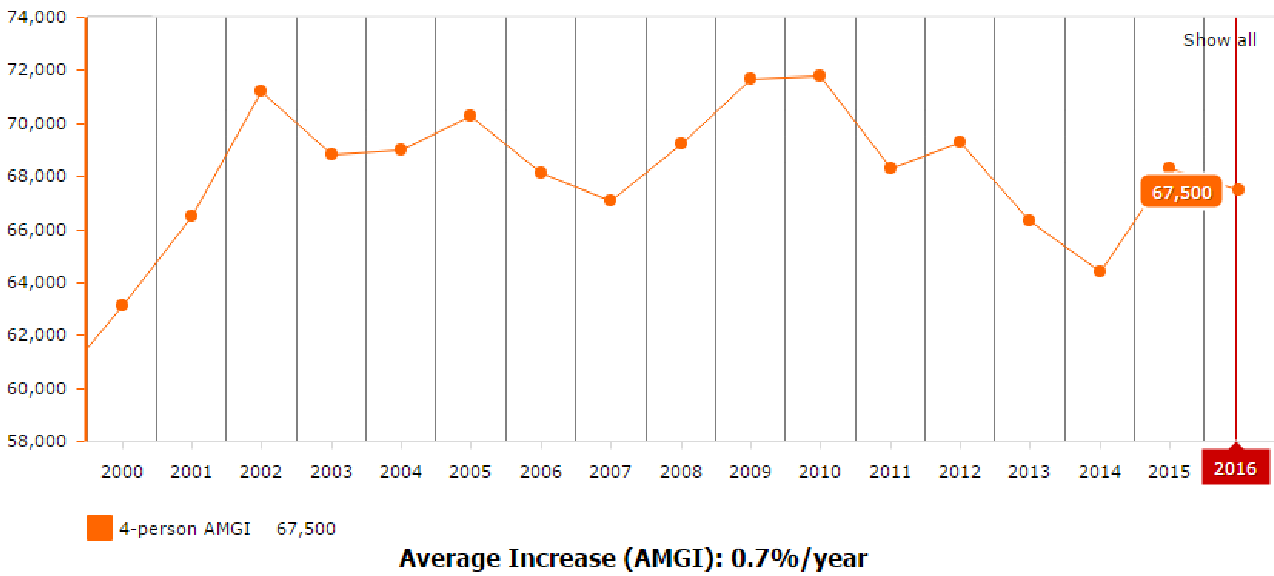
Income Cohort	2010		2015		Projected Mkt Entry October 2018		2020	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
$0-9,999	2,024	5.4%	2,396	6.1%	2,456	6.0%	2,488	5.9%
$10,000-19,999	3,187	8.5%	3,806	9.6%	3,867	9.4%	3,899	9.3%
$20,000-29,999	3,146	8.4%	3,543	9.0%	3,571	8.7%	3,586	8.5%
$30,000-39,999	3,397	9.0%	3,520	8.9%	3,686	9.0%	3,776	9.0%
$40,000-49,999	4,030	10.7%	4,750	12.0%	4,446	10.8%	4,282	10.2%
$50,000-59,999	3,656	9.7%	3,782	9.6%	4,150	10.1%	4,349	10.4%
$60,000-74,999	4,965	13.2%	5,425	13.7%	5,482	13.3%	5,513	13.1%
$75,000-99,999	6,206	16.5%	6,256	15.8%	6,576	16.0%	6,748	16.1%
$100,000-124,999	3,237	8.6%	3,093	7.8%	3,579	8.7%	3,841	9.2%
$125,000-149,999	1,636	4.4%	1,417	3.6%	1,541	3.7%	1,608	3.8%
$150,000-199,999	1,352	3.6%	1,120	2.8%	1,238	3.0%	1,301	3.1%
$200,000+	718	1.9%	432	1.1%	535	1.3%	590	1.4%
Total	**37,554**	**100.0%**	**39,540**	**100.0%**	**41,127**	**100.0%**	**41,981**	**100.0%**

Source: Ribbon Demographics 2014, Novogradac & Company LLP, March 2016

According to the previous tables, 33.5 percent of the households in the PMA make less than $40,000 per year, and 24.6 percent make less than $30,000 per year. This data bodes well for affordable housing in the Subject's area.


Tennessee
Barrow County
South Carolina
Columbia
Florida
Jacksonville
Atlantic Ocean
2015 Median Household Income Growth
4.29% - 5.13%
3.43% - 4.28%
2.57% - 3.42%
1.72% - 2.56%
0.86% - 1.71%
0% - 0.85%
0 12.5 25 50
Miles
MHI Growth Percentage by County
Lucy Mullineaux July 2015
NOVOGRADAC & COMPANY LLP
www.novoco.com

For Section 42 LIHTC rent determination purposes, the AMI is used. The following chart illustrates the AMI level for a four-person household in Barrow County.



Overall, the AMI has increased by an average 0.7 percent annually between 2000 and 2016, but it is still well below the peak in 2010. It should be noted that the AMI in Barrow County decreased between 2012 and 2014, but increased in 2015 before declining again in 2016.Therefore, developments placed in service on or before 2015 will be held harmless at higher maximum allowable levels, while the Subject will be restricted to the lower 2016 maximum allowable rent and income levels. It should be noted that per DCA guidelines, we have utilized the rent and income limits in place as of January 1, 2016, which are the 2015 limits. The Subject's proposed rents for its units at 50 and 60 percent of AMI are set at the 2015 maximum allowable levels, and future rental increases will be limited by market conditions as well as increases in AMI.

Conclusion

The Subject is located in Winder, Barrow County, GA. The population and number of households in the PMA are anticipated to increase at a similar rate to the MSA but significantly faster than the nation through market entry and 2020. 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

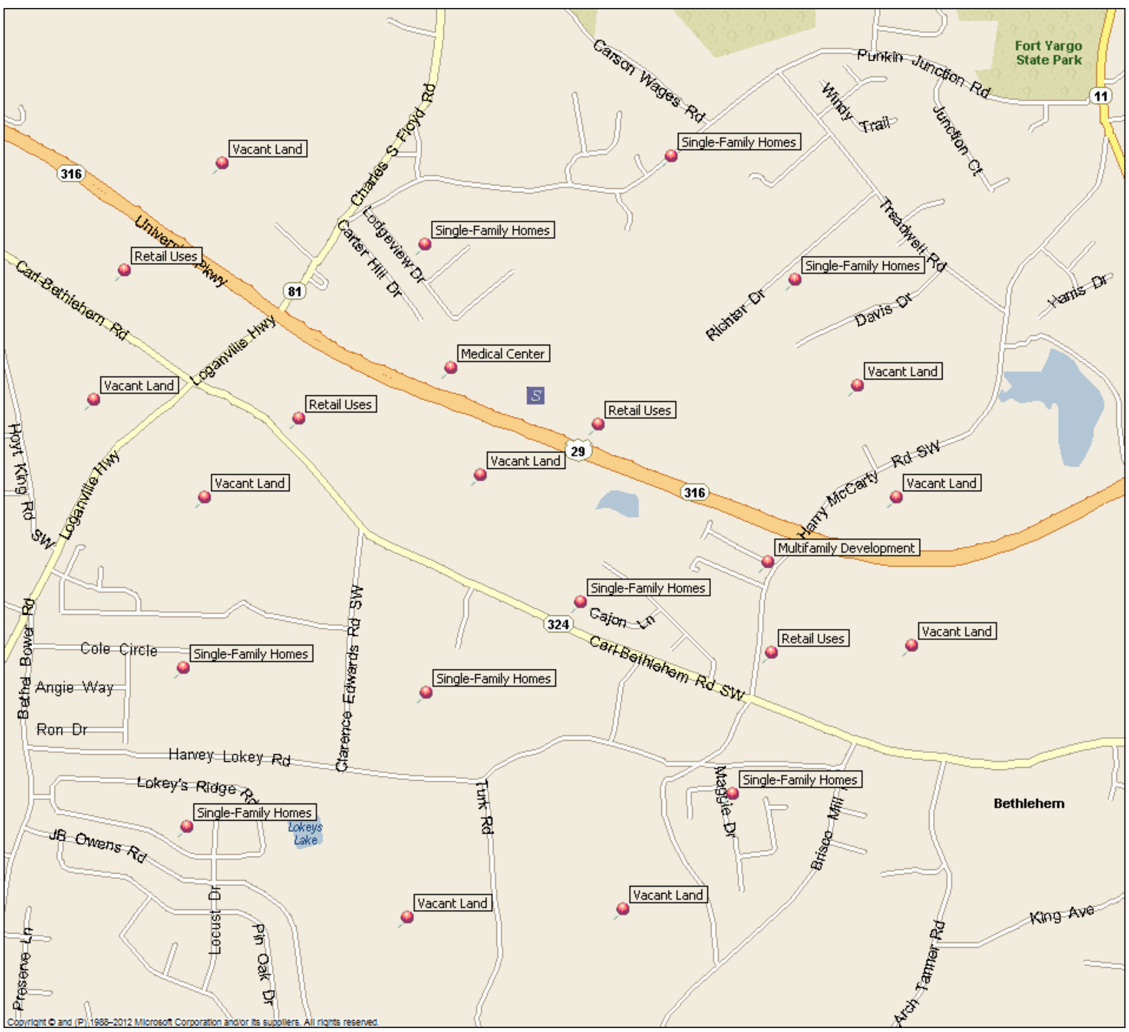
Date of Site Visit and
Name of Site Inspector: Brian Neukam visited the site on September 11, 2016.

Physical Features of the Site:

Frontage: According to site plans from the developer, the Subject will have frontage on a public road called Business Circle which will be constructed as part of the development.

Visibility/Views: The Subject site will have a public road constructed as part of the development and will have good visibility from this roadway. Views include vacant land to the north, east, and west, and retail uses to the south. Overall, views are considered good.

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



The Subject site is located in a developing mixed use neighborhood with retail uses nearby. The residential uses to the north, south, east, and west primarily consist of single family homes typically in average to good condition. There is significant retail and commercial development south and southwest of the Subject site, located along US-2/GA-316 and appeared to be around 95 percent occupied at the time of inspection and in good to condition. Retail and commercial uses along US-2/GA-316 include convenience/grocery stores, restaurants, gas stations, medical clinic, pharmacies, and retail stores. The Subject site is located approximately two miles from the Fort Yargo State Park. The lake offers swimming during permitted times, camping, and other community events.

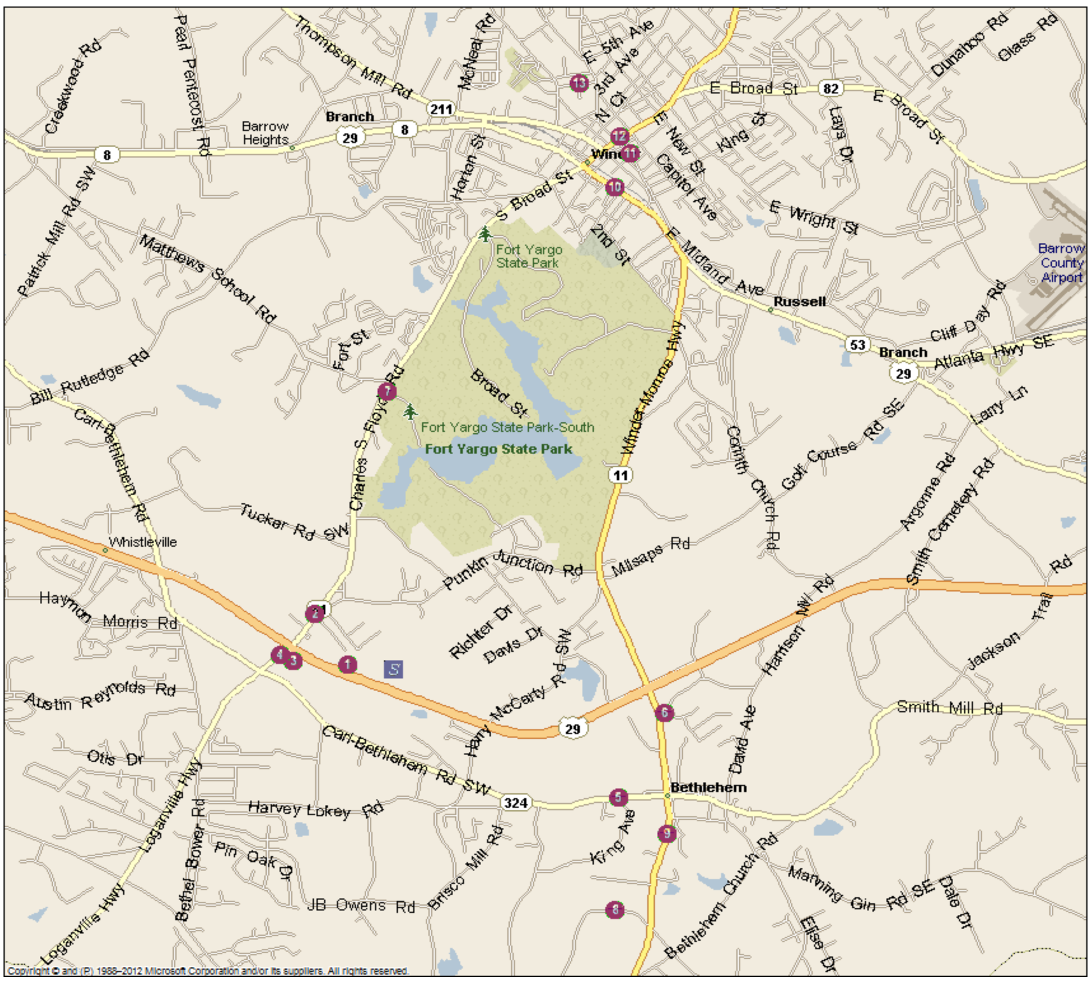
Positive/Negative Attributes of Site: There does not appear to be any negative attributes of the site. Positive attributes include walking distance to retail and commercial uses, Athens Regional Medical Center, and close proximity to the Fort Yargo State Park.

Proximity to Locational Amenities:

The Subject site is located in Winder, Barrow County, Georgia. There are restaurants, convenience/grocery stores, and other retail located within walking distance of the Subject site. It should be noted that additional retail and commercial uses are being constructed adjacent to the east and south of the Subject site. There is also a state a state park that is situated approximately two miles from the Subject site. One property manager indicated that this is an attraction for residents of Winder. Other amenities such as a pharmacy, schools, a post office, banks, and a library are within four miles of the Subject. The proximity of these amenities is considered to be a very desirable attribute for family households.

LOCATIONAL AMENITIES

Map Number	Service or Amenity	Miles from Subject
1	Athens Regional Medical Center	<0.1 Mile
2	Shell Gas Station	0.6 Mile
3	Publix Super Market	0.7 Mile
4	Target Pharmacy	0.7 Mile
5	Snodo Prepartory High School	1.6 Miles
6	Dollar General	1.7 Miles
7	Fort Yargo State Park	1.9 Miles
8	Bethlehem Elementary School	2.0 Miles
9	US Post Office	2.0 Miles
10	First American Bank & Trust	3.4 Miles
11	Winder Police Department	3.7 Miles
12	Winder Fire Department	3.7 Miles
13	Piedmont Regional Library	4.0 Miles



Description of Land Uses:

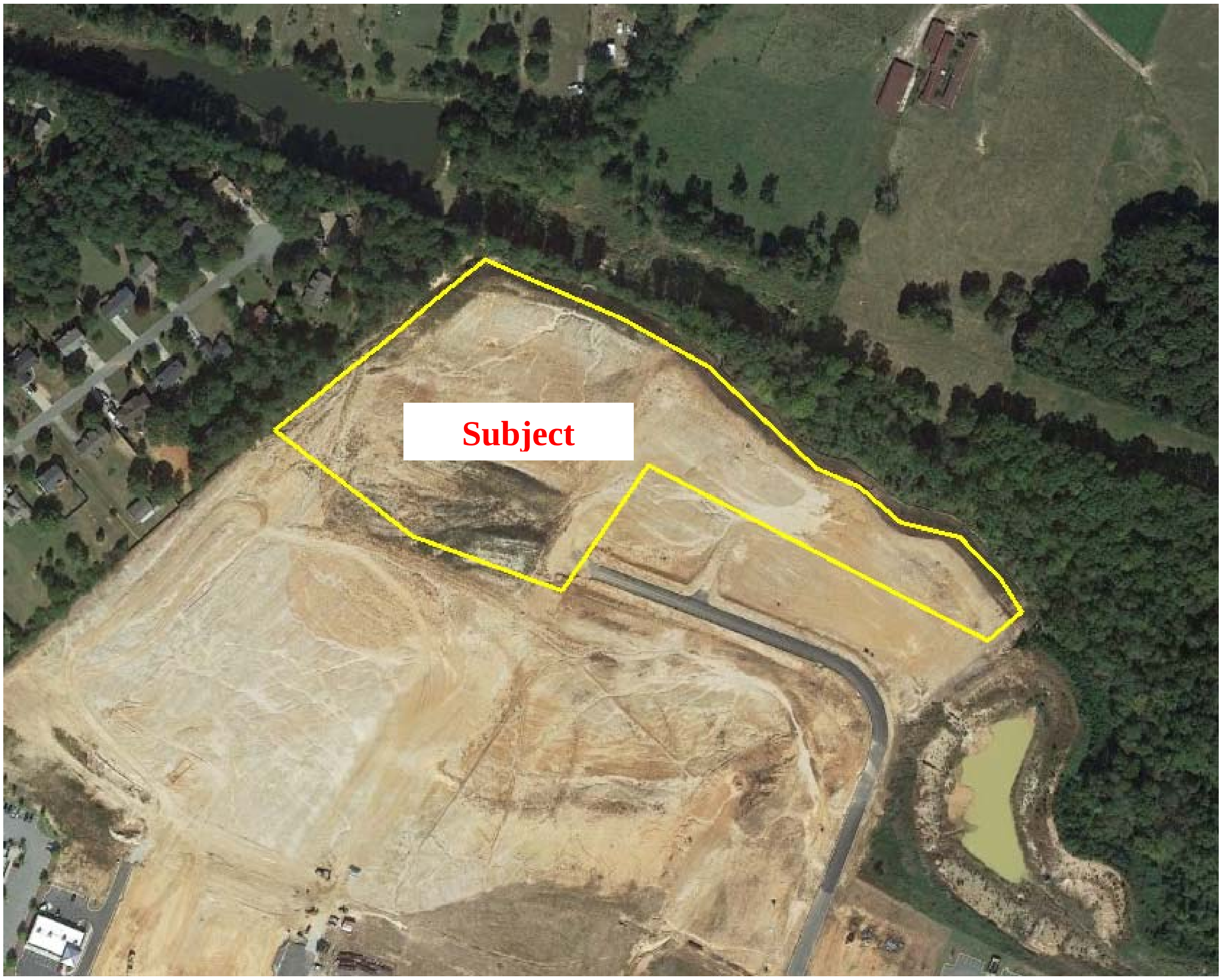
The Subject site is located in a developing mixed use neighborhood with retail uses nearby. The residential uses to the north, south, east, and west primarily consist of single family homes typically in average to good condition. There is significant retail and commercial development south and southeast of the Subject site, located along US-2/GA-316 and appeared to be around 90 percent occupied at the time of inspection and in good condition. Retail/commercial uses along US-2/GA-316 include convenience/grocery stores, restaurants, gas stations, medical center, pharmacies, and retail stores. The Subject site is located approximately two miles from the Fort Yargo State Park. The lake offers swimming during permitted times, camping, and other community events. Overall, the Subject site is considered a desirable building site for multifamily housing and the Subject will be compatible with the surrounding uses.

Conclusion:

The Subject is located less than 0.1 mile from US-29/GA-316, which contains a mixture of newly constructed retail and commercial and residential uses. Retail in the area is in good condition and occupancy appears to be approximately 95 percent. It should be noted that additional retail and commercial uses are planned immediately south of the Subject, along US-29/GA-316. Single-family homes in the immediate area appear to be in average to good condition. The Subject site is within walking distance to retail and commercial uses. Overall, the community presents a desirable location for an affordable, multifamily development and we believe that the Subject will have a positive impact on the local neighborhood.

DESCRIPTION OF THE SITE

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



Size:	The Subject site encompasses approximately 12.97 acres, according to the purchase and sale agreement.
Shape:	The site is irregular in shape. A copy of the site plan is located at the end of this section.
Frontage:	According to site plans from the developer, the Subject will have frontage on Business Circle.
Topography:	The site is generally level.

Visibility/Views:	The Subject site will have good visibility from Business Circle. Overall visibility is considered good.
Access and Traffic Flow:	The Subject will have access from Business Circle. The public road will provide access to Exchange Boulevard, which will also be newly constructed, less than 0.1 mile south of the Subject site. Exchange Boulevard will provide access to GA-316 (US-29) less than one mile from the Subject site. Overall access and traffic flow are considered average.
Drainage:	Appears adequate; however, no specific tests were performed.
Soil and Subsoil Conditions:	We requested but were not provided with a soil report for the Subject. Novogradac & Company LLP does not offer expertise in this field and cannot opine as to the adequacy of the soil conditions, or drainage. Further analysis is beyond the scope of this report.
Flood Plain:	According to www.floodinsights.com Community Panel number 13013C0128C dated December 18, 2009, the Subject site is partially located in Zone X, which is defined as an area outside of 100 and 500-year flood plains. Additionally, less than 10 percent of the Subject site is partially located within Zone AE, which is defined as an area within the 100-year floodplain. According to a site plan provided by the developer, the Subject's residential units will not be located in the flood plain. Further analysis is beyond the scope of this report. Novogradac & Company LLP does not have expertise in this field and cannot opine on this matter.
Environmental:	According to a Phase I Environmental Site Assessment produced by United Consulting and dated June 26, 2015, there are no recognized environmental conditions on the Subject site. No obvious environmental issues were observed during the site inspection. However, Novogradac & Company LLP does not have expertise in this field and cannon opine on this matter. It should be noted that any environmental conditions could potentially have a material impact on our value conclusions.
Detrimental Influences:	No detrimental influences were identified.
LURA:	We are unaware of any land use regulatory agreements in connection with the Subject site.
Conclusion:	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

The Exchange

Comp #	Subject
Effective Rent Date	9/11/2016

Location	East Of 416 Exchange Blvd Winder, GA 30620 Barrow County County
Distance	n/a
Units	130
Vacant Units	N/A
Vacancy Rate	N/A
Type	Garden (2 stories)
Year Built / Renovated	2018 / n/a
Marketing Began	n/a
Leasing Began	n/a
Last Unit Leased	n/a
Major Competitors	n/a
Tenant Characteristics	n/a
Contact Name	n/a
Phone	n/a

Market

Program	@50% (HOME), @60%, Market	**Leasing Pace**	n/a
Annual Turnover Rate	N/A	**Change in Rent**	n/a
Units/Month Absorbed	n/a	**Concession**	
Section 8 Tenants	N/A		

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max rent?	Range
1	1	Garden	8	750	$558	$0	@50% (HOME)	n/a	N/A	N/A	yes	
1	1	Garden	27	750	$686	$0	@60%	n/a	N/A	N/A	yes	
1	1	Garden	1	750	$860	$0	Market	n/a	N/A	N/A	N/A	
2	2	Garden	10	1,050	$642	$0	@50% (HOME)	n/a	N/A	N/A	yes	
2	2	Garden	30	1,050	$796	$0	@60%	n/a	N/A	N/A	yes	
2	2	Garden	2	1,050	$980	$0	Market	n/a	N/A	N/A	N/A	
3	2	Garden	8	1,100	$704	$0	@50% (HOME)	n/a	N/A	N/A	yes	
3	2	Garden	34	1,100	$882	$0	@60%	n/a	N/A	N/A	yes	
3	2	Garden	10	1,100	$1,100	$0	Market	n/a	N/A	N/A	N/A	

Amenities			
In-Unit	Balcony/Patio Blinds Cable/Satellite/Internet Carpeting Central A/C Coat Closet Dishwasher Ceiling Fan Garbage Disposal Microwave Oven Refrigerator Walk-In Closet Washer/Dryer hookup	**Security**	none
Property	Business Center/Computer Lab Clubhouse/Meeting Room/Community Room Exercise Facility Central Laundry Off-Street Parking On-Site Management Picnic Area Playground Swimming Pool	**Premium**	none
Services	none	**Other**	none

Comments
The Exchange is a proposed LIHTC and market-rate development targeting families located due east of 416 Exchange Boulevard in Winder, Barrow County, Georgia 30620.

Unit Layout: We have reviewed the proposed floor plans for the Subject and they appear market-oriented and functional. We have included a copy of the floor plans in the addenda.

NLA (residential space): Approximately 128,300 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, and is anticipated to enter the market in October 2018.

Proposed Rents: The following tables summarize the Subject's proposed unit mix and unit sizes. It should be noted that we have utilized the

2015 maximum allowable rents based on Georgia DCA guidelines that requires using the LIHTC rents in effect as of January 1, 2016.

PROPOSED RENTS

Unit Type	Number of Units	Unit Size (SF)	Asking Rent	Utility Allowance (1)	Gross Rent	2015 LIHTC Maximum Allowable Gross Rent	2015 HOME Maximum Allowable Gross Rent	2015 HUD Fair Market Rents
				50% AMI (Low HOME)				
1BR/1BA	8	750	$558	$82	$640	$640	$650	$773
2BR/2BA	10	1,050	$642	$125	$767	$767	$780	$916
3BR/2BA	8	1,100	$704	$182	$886	$886	$901	$1,213
				60% AMI				
1BR/1BA	27	750	$686	$82	$768	$768	N/A	$773
2BR/2BA	30	1,050	$796	$125	$921	$921	N/A	$916
3BR/2BA	34	1,100	$882	$182	$1,064	$1,064	N/A	$1,213
				Market				
1BR/1BA	1	750	$860	N/A	N/A	N/A	N/A	$773
2BR/2BA	2	1,050	$980	N/A	N/A	N/A	N/A	$916
3BR/2BA	10	1,100	$1,100	N/A	N/A	N/A	N/A	$1,213
Total	**130**							

Notes (1) Source of Utility Allowance provided Zeffert & Associate HUD Utility Schedule Model, 6/2016

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 a good-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 Barrow County real estate taxing jurisdiction. Real estate taxes for a property located in Barrow County are based upon a property's assessed valuation. Real estate taxes in this county are based upon 40 percent of the market value. According to Joey Cofer, Assessor with Barrow County, rental properties are appraised considering all three approaches, but primarily rely on the income approach if the information is available. Properties are assessed every year. Properties are not reassessed after a sale, but the purchase price is considered in the assessed valuation in the subsequent year. The millage rate for the Subject's site is $33.075 per $1,000 of assessed value. The following table outlines the Subject's current assessment.

Additionally, per a Supreme Court of Georgia ruling on September 12, 2016, assessments of LIHTC properties must consider the non-tangible value of the LITHC equity.

SUBJECT'S CURRENT ASSESSMENT

Parcel	Land Value	Total Market Value	Total Assessed Value
WN16-009	$3,469,345	$3,469,345	$1,387,738

2016 COMPARABLE ASSESSMENTS

Property	Property Type	Year Built	Number of Units	Total Market Value	Assessed Value Per Unit
Farmington Hills I	LIHTC	2012	72	$2,706,528	$15,036
Farmington Hills II	LIHTC	2014	72	$2,620,047	$14,556
Alexander Crossing Apartments	LIHTC/Market	2003	240	$13,039,200	$21,732
Altera Riverside Apartments	Market	1998/2016	412	$39,000,000	$37,864
Preserve at Legacy Park	Market	2001-02	498	$53,883,100	$43,280
Durant at Sugarloaf	Market	2002	300	$24,700,000	$32,933

The above data indicates an assessed per unit range from $14,556 to $43,280 per unit for comparable multifamily properties located in the Subject's market. We have estimated an assessed value per unit of $18,000 for the restricted scenario, which appears reasonable as Farmington Hills Phase I and Farmington Hills Phase II offer generally a generally similar unit mix and recent construction date; however, these properties do not offer market rate units. Alexander Crossing offers market rate units, similar to the Subject, but also benefits from a superior unit mix and set asides. We believe an assessed value of $40,000 per unit is reasonable for unrestricted scenario given the comparable assessment data for Altera Riverside and Durant at Sugarloaf, the most similar market rate comparables.

TAXES RESTRICTED SCENARIO

Assessed Value Per Unit	Total Assessed Value	Millage Rate	Estimated Tax Burden	Estimated Tax Burden Per Unit
$18,000	$2,340,000	$33.075	$77,396	$595

TAXES UNRESTRICTED SCENARIO

Assessed Value Per Unit	Total Assessed Value	Millage Rate	Estimated Tax Burden	Estimated Tax Burden Per Unit
$40,000	$5,200,000	$33.075	$171,990	$1,323

As stated previously, the non-tangible LIHTC value will be considered during the 10-year credit disbursement period. The Subject's disbursement is $524,758 in annual LIHTC. We have made the extraordinary assumption that assessments will be determined year-to-year over the disbursement period but adding the net present value of the remaining LIHTC allocation (purchased price value) to the market value of the physical asset, until all the LIHTC are disbursed. This sum will then be multiplied by the current assessment ratio of 40 percent to determine the taxable assessment. We have also made the extraordinary assumption that the discount rate applied to determine the net present value will be 10 percent. The table below illustrates the net present value of the added tax burden associated with the non-tangible LIHTC at the Subject, based on the developer's anticipated federal LIHTC equity pricing of $1.05, state LIHTC equity pricing of $0.58, and a discount rate of 10 percent.

NET PRESENT VALUE OF ADDED TAX FROM NON-TANGIBLE LIHTC INCOME

Year	1	2	3	4	5	6	7	8	9	10
Federal Annual Allocation	$524,758	$524,758	$524,758	$524,758	$524,758	$524,758	$524,758	$524,758	$524,758	$524,758
Federal LIHTC Pricing Per Credit*	$1.050									
State Annual Allocation	$524,695	$524,695	$524,695	$524,695	$524,695	$524,695	$524,695	$524,695	$524,695	$524,695
State LIHTC Pricing Per Credit*	$0.580									
LIHTC Annual Value	$855,319	$855,319	$855,319	$855,319	$855,319	$855,319	$855,319	$855,319	$855,319	$855,319
Estimated Discount Rate	10.00%									
Annual Remaining Value	$5,255,562	$4,925,800	$4,563,061	$4,164,049	$3,725,135	$3,242,330	$2,711,245	$2,127,051	$1,484,437	$777,562
Assessment Ratio	40%									
LIHTC Assessment Amount	$2,102,225	$1,970,320	$1,825,224	$1,665,620	$1,490,054	$1,296,932	$1,084,498	$850,820	$593,775	$311,025
Millage Rate	$0.033075									
LIHTC Annual Tax Burden	$69,531	$65,168	$60,369	$55,090	$49,284	$42,896	$35,870	$28,141	$19,639	$10,287
NPV of Tax Burden	**$298,697**									

*Developer's estimated LIHTC equity pricing

As illustrated, the net present value of the additional tax associated with the non-tangible LIHTC income is $298,697. This amount has been deducted from the restricted valuations presented later in this report.

Zoning

Current Zoning

According to Yvonne Greenway with the City of Winder Planning and Zoning Department, the Subject site is zoned B-2 General Commercial District, which permits retail businesses and any business or profession dispensing goods or services. Multifamily use is allowed only as a conditional use based on the approval of the zoning board of appeals. There is no maximum allowable density prescribed to the B-2 district, and developments are permitted on a case by case basis by a conditional use permit. As previously noted, we have made the extraordinary assumption that the Subject's site plan will be approved as proposed. Thus, the Subject will be a legal, conforming use.

Prospective Zoning Changes

The developer will apply for a conditional use permit.

COMPETITIVE RENTAL/DEMAND ANALYSIS

SUPPLY ANALYSIS

INTERVIEWS/DISCUSSION

Barrow County Housing Authority

We spoke with Nancy Dove, Section 8 Office Director for the Georgia Department of Community Affairs (DCA) Athens Section 8 Department, to gather information pertaining to the use of Housing Choice Vouchers. Ms. Dove reported that the DCA distributes 123 vouchers for Barrow County, and all are in use. In addition, there currently is a waiting list of 162 households. They will give preferences to those who either live or work in the county. The payment standards for the one-, two-, and three-bedroom units are $861, $996, and $1,315 respectively. These are above the Subject's proposed LIHTC and market rate rents.

LIHTC Competition / Recent and Proposed Construction

Based on DCA's allocation lists, there are currently no LIHTC multifamily properties proposed for the Subject's PMA. The three most recently approved developments have all been completed and are stabilized. Additionally, there are no market rate properties proposed, under construction, or that have entered the market in 2013 to 2015. The following properties received LIHTC allocation from 2012 through 2015.

2012-2015 LIHTC AWARDS IN PMA

Project Name	Project Address	City	County	Tenancy	Year Allocated	Proposed Activity	Unit Count
Autry Pines Sr	155 Autry Rd	Auburn	Barrow	Senior	2013	New Construction	64
Farmington Hills II	807 Haymon Morris Road	Winder	Barrow	Family	2012	New Construction	72
MainStreet Braselton	1911 GA 211	Braselton	Barrow	Senior	2012	New Construction	80

- Autry Pines Senior was allocated in 2013 for a proposed LIHTC senior development in Auburn. This development opened in November 2015, and offers 64 one- and two -bedroom units at 50 and 60 percent of AMI. Based on the tenancy of this property, we do not believe it will be directly competitive with the Subject.

- Farmington Hills II is a recently constructed LIHTC family development in Winder that opened in December 2014. This development offers 72 one-, two-, and three-bedroom units at 50 and 60 percent of AMI. This property will directly compete with the Subject, and we have included Farmington Hills II as a comparable property for the purpose of this report. Further, we have deducted these units from the demand analysis per DCA guidelines.

- Mainstreet Braselton was allocated in 2012 for a proposed LIHTC senior development in Winder. The development was completed in November 2014 and offers 79 one- and two-bedroom units at 50 and 60 percent of AMI. Based on the tenancy of this property, we do not believe it directly competes with the Subject.

Planning

We interviewed Yvonne Greenway with the City of Winder Planning and Zoning to determine if any other multifamily apartments were in the planning or construction phases in the city. According to

Ms. Greenway, there are no multifamily developments in the planning or construction stages in Winder.

Barrow County Economic & Community Development Office

Despite several attempts, we were unable to contact the Barrow County Economic & Community Development Office regarding employment expansions and general employment trends in the area. However, we were able to obtain information from local news sources, which reported several announcements for expansions in Barrow County. A list detailing these expansions can be found in the Regional and Local Employment Area Analysis section of the report.

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 nine “true” comparable properties containing 2,014 units. A detailed matrix describing the individual competitive properties as well as the proposed Subject is provided in this section. A map illustrating the location of the Subject in relation to comparable properties is also provided in this section. 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.

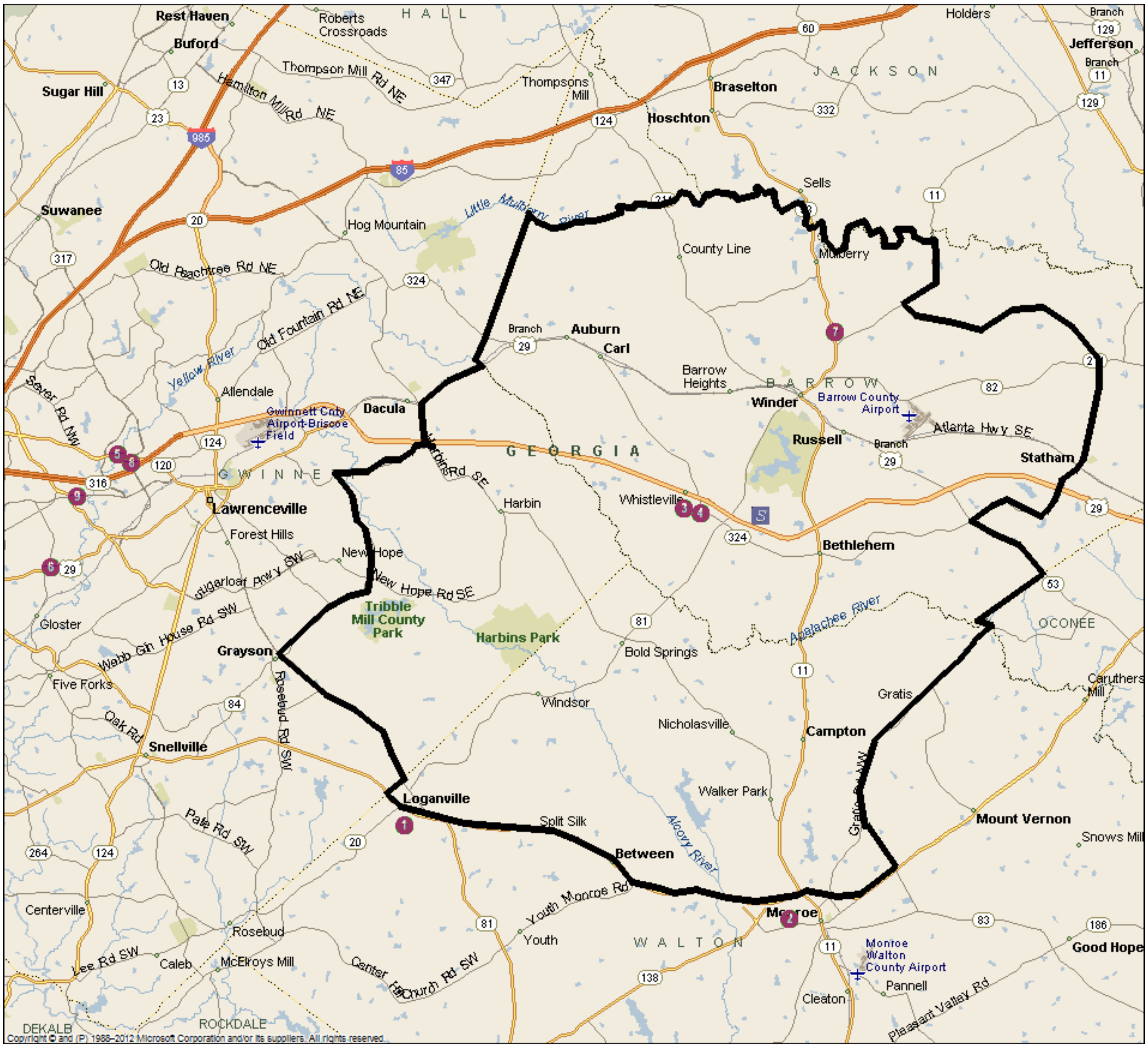
The availability of LIHTC is considered average. We have included four LIHTC and mixed-income properties, two of which are located in the PMA. We have included five market rate properties, but only one is within the PMA. Due to the lack of newly constructed market rate properties in the Subject’s immediate area, we extended our search to nearby Lawrenceville and included four newer market rate comparables, along with one older construction market rate comparable located in Winder. Overall, we consider the availability of market data to be average.

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

EXCLUDED PROPERTIES

Name	City	County	Type	Tenancy	Reason for Exclusion
Statham North Village	Statham	Barrow	USDA	Family	Subsidized rents
Rockspring Apts.	Winder	Barrow	USDA	Family	Subsidized rents
Winder Woods Apts	Winder	Barrow	USDA	Family	Subsidized rents
Mews Apartments	Loganville	Walton	USDA	Family	Subsidized rents
Winding Hollow	Winder	Barrow	Section 8	Senior	Subsidized rents
Ashton Pointe	Monroe	Walton	LIHTC	Family	Unable to contact
Rock Springs Apartments	Winder	Barrow	LIHTC	Family	Unable to contact
Main Street Braselton	Winder	Barrow	LIHTC	Senior	Incomparable tenancy
Autry Pines Senior Village	Auburn	Barrow	LIHTC	Senior	Incomparable tenancy
Main Street Winder	Winder	Barrow	Market	Senior	Incomparable tenancy
Holly Hill Apartments/Winder Villas	Winder	Barrow	Market	Family	Unable to contact
Quail Valley Duplexes	Auburn	Barrow	Market	Family	Incomparable design
Auburn Park Apartments	Auburn	Barrow	Market	Family	Would not participate
Garden Springs	Loganville	Walton	Market	Family	Incomparable design
Meadow Trace Apartments	Loganville	Walton	Market	Family	Would not report current rents
Turtle Creek Villas	Winder	Barrow	Market	Family	Condominium community
Brookwood Townhomes	Winder	Barrow	Market	Family	Inferior condition/Unable to contact
Pine Creek Apartments	Winder	Barrow	Market	Family	Inferior condition

Comparable Rental Property Map



COMPARABLE PROPERTIES				
#	Property Name	City	Type	Distance
1	Alexander Crossing Apartments	Loganville	LIHTC/Mkt	11.8 miles
2	Ashton Pointe	Monroe	LIHTC	10.0 miles
3	Farmington Hills Phase I	Winder	LIHTC	1.8 miles
4	Farmington Hills Phase II	Winder	LIHTC	1.8 miles
5	Altera Riverside Apartments	Lawrenceville	Market	16.2 miles
6	Durant At Sugarloaf	Lawrenceville	Market	18.1 miles
7	Hillcrest Apartments	Winder	Market	4.9 miles
8	Preserve At Legacy Park	Lawrenceville	Market	16.0 miles
9	Sugarloaf Crossing Apartments	Lawrenceville	Market	17.3 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	The Exchange	n/a	Garden	@50%	1BR / 1BA	8	6.20%	@50% (HOME)	$558	750	yes		N/A	N/A
	East Of 416 Exchange Blvd		(2 stories)	(HOME),	1BR / 1BA	27	20.80%	@60%	$686	750	yes		N/A	N/A
	Winder, GA 30620		2018 / n/a	@60%, Market	1BR / 1BA	1	0.80%	Market	$860	750	n/a		N/A	N/A
	Barrow County County				2BR / 2BA	10	7.70%	@50% (HOME)	$642	1,050	yes		N/A	N/A
					2BR / 2BA	30	23.00%	@60%	$796	1,050	yes		N/A	N/A
					2BR / 2BA	2	1.50%	Market	$980	1,050	n/a		N/A	N/A
					3BR / 2BA	8	6.20%	@50% (HOME)	$704	1,100	yes		N/A	N/A
					3BR / 2BA	34	26.10%	@60%	$882	1,100	yes		N/A	N/A
					3BR / 2BA	10	7.70%	Market	$1,100	1,100	n/a		N/A	N/A
						130	100%						N/A	N/A
1	Alexander Crossing Apartments	11.8 miles	Townhouse	@60%, Market	2BR / 2.5BA	120	50.00%	@60%	$790	1,256	yes	Yes	0	0.00%
	100 Alexander Crossing		(2 stories)		2BR / 2.5BA	48	20.00%	Market	$1,000	1,256	n/a	No	0	0.00%
	Loganville, GA 30052		2003 / n/a		3BR / 2BA	48	20.00%	@60%	$895	1,506	yes	Yes	0	0.00%
	Walton County				3BR / 2BA	24	10.00%	Market	$1,175	1,506	n/a	No	0	0.00%
						240	100%						0	0.00%
2	Ashton Pointe	10 miles	Garden	@50%, @60%	1BR / 1BA	4	7.10%	@50%	$500	804	no	Yes	0	0.00%
	429 Plaza Drive		(2 stories)		1BR / 1BA	4	7.10%	@60%	$525	804	no	Yes	0	0.00%
	Monroe, GA 30655		1999 / n/a		2BR / 2BA	10	17.90%	@50%	$594	1,008	no	Yes	0	0.00%
	Walton County				2BR / 2BA	14	25.00%	@60%	$620	1,008	no	Yes	0	0.00%
					3BR / 2BA	10	17.90%	@50%	$650	1,200	no	Yes	0	0.00%
					3BR / 2BA	14	25.00%	@60%	$670	1,200	no	Yes	0	0.00%
						56	100%						0	0.00%
3	Farmington Hills Phase I	1.8 miles	Garden	@50%, @60%	1BR / 1BA	3	4.20%	@50%	$479	740	yes	Yes	0	0.00%
	1506 Farmington Way		(2 stories)		1BR / 1BA	9	12.50%	@60%	$609	740	yes	Yes	0	0.00%
	Winder, GA 30680		2012 / n/a		2BR / 2BA	4	5.60%	@50%	$563	1,150	yes	Yes	0	0.00%
	Barrow County				2BR / 2BA	31	43.10%	@60%	$719	1,150	yes	Yes	0	0.00%
					3BR / 2BA	4	5.60%	@50%	$632	1,250	yes	Yes	0	0.00%
					3BR / 2BA	21	29.20%	@60%	$812	1,250	yes	Yes	0	0.00%
						72	100%						0	0.00%
4	Farmington Hills Phase II	1.8 miles	Garden	@50%, @60%	1BR / 1BA	4	5.60%	@50%	$468	878	yes	Yes	0	0.00%
	807 Haymon Morris Road		2014 / n/a		1BR / 1BA	8	11.10%	@60%	$597	878	yes	Yes	0	0.00%
	Winder, GA 30680				2BR / 2BA	4	5.60%	@50%	$548	1,143	yes	Yes	0	0.00%
	Barrow County County				2BR / 2BA	32	44.40%	@60%	$704	1,143	yes	Yes	0	0.00%
					3BR / 2BA	3	4.20%	@50%	$615	1,328	yes	Yes	0	0.00%
					3BR / 2BA	21	29.20%	@60%	$797	1,328	yes	Yes	0	0.00%
						72	100%						0	0.00%
5	Altera Riverside Apartments	16.2 miles	Garden	Market	1BR / 1BA	96	23.30%	Market	$958	758	n/a	No	N/A	N/A
	1000 Duluth Highway		(4 stories)		1BR / 1BA	98	23.80%	Market	$1,040	949	n/a	No	N/A	N/A
	Lawrenceville, GA 30043		1998 / 2016		2BR / 2BA	126	30.60%	Market	$1,185	1,086	n/a	No	N/A	N/A
	Gwinnett County				2BR / 2BA	92	22.30%	Market	$995	1,244	n/a	No	N/A	N/A
						412	100%						58	14.10%
6	Durant At Sugarloaf	18.1 miles	Garden	Market	1BR / 1BA	60	20.00%	Market	$810	715	n/a	No	0	0.00%
	50 Saint Marlowe Drive		2002 / n/a		1BR / 1BA	48	16.00%	Market	$856	910	n/a	No	0	0.00%
	Lawrenceville, GA 30044				2BR / 1BA	62	20.70%	Market	$980	1,110	n/a	No	2	3.20%
	Gwinnett County				2BR / 2BA	36	12.00%	Market	$997	1,180	n/a	No	5	13.90%
					2BR / 2BA	62	20.70%	Market	$1,009	1,300	n/a	No	0	0.00%
					2BR / 2BA	8	2.70%	Market	$1,039	1,362	n/a	No	0	0.00%
					3BR / 2BA	24	8.00%	Market	$1,187	1,435	n/a	No	0	0.00%
						300	100%						7	2.30%
7	Hillcrest Apartments	4.9 miles	Townhouse	Market	1BR / 1BA	25	24.50%	Market	$478	625	n/a	No	1	4.00%
	490 Gainesville Highway		(2 stories)		2BR / 1.5BA	23	22.50%	Market	$594	940	n/a	No	0	0.00%
	Winder, GA 30680		1989 / n/a		2BR / 1.5BA	44	43.10%	Market	$644	1,225	n/a	No	0	0.00%
	Barrow County				3BR / 1.5BA	10	9.80%	Market	$637	1,250	n/a	No	0	0.00%
						102	100%						1	1.00%
8	Preserve At Legacy Park	16 miles	Garden	Market	1BR / 1BA	N/A	N/A	Market	$969	771	n/a	No	N/A	N/A
	900 Legacy Park Drive		(3 stories)		1BR / 1BA	N/A	N/A	Market	$969	906	n/a	No	N/A	N/A
	Lawrenceville, GA 30043		2001-2002		1BR / 1BA	N/A	N/A	Market	$969	927	n/a	No	N/A	N/A
	Gwinnett County				1BR / 1BA	N/A	N/A	Market	$975	950	n/a	No	N/A	N/A
					1BR / 1BA	N/A	N/A	Market	$990	953	n/a	No	N/A	N/A
					2BR / 2BA	N/A	N/A	Market	$1,099	1,144	n/a	No	N/A	N/A
					2BR / 2BA	N/A	N/A	Market	$1,099	1,154	n/a	No	N/A	N/A
					2BR / 2BA	N/A	N/A	Market	$1,144	1,237	n/a	No	N/A	N/A
					2BR / 2BA	N/A	N/A	Market	$1,200	1,355	n/a	No	N/A	N/A
					3BR / 2BA	N/A	N/A	Market	$1,306	1,462	n/a	No	N/A	N/A
					3BR / 2BA	N/A	N/A	Market	$1,768	1,507	n/a	No	N/A	N/A
					3BR / 2BA	N/A	N/A	Market	$1,306	1,458	n/a	No	N/A	N/A
						498	100%						20	4.00%
9	Sugarloaf Crossing Apartments	17.3 miles	Garden	Market	1BR / 1BA	16	6.10%	Market	$930	660	n/a	No	1	6.20%
	1595 Old Norcross Road		2001 / n/a		1BR / 1BA	62	23.70%	Market	$970	897	n/a	No	5	8.10%
	Lawrenceville, GA 30045				1BR / 1BA	28	10.70%	Market	$1,010	1,075	n/a	No	0	0.00%
	Gwinnett County				2BR / 2BA	132	50.40%	Market	$1,220	1,239	n/a	No	8	6.10%
					3BR / 2BA	24	9.20%	Market	$1,375	1,478	n/a	No	0	0.00%
						262	100%						14	5.30%

PROPERTY PROFILE REPORT

Alexander Crossing Apartments

Effective Rent Date	**8/31/2016**
Location	100 Alexander Crossing Loganville, GA 30052 Walton County
Distance	11.8 miles
Units	240
Vacant Units	0
Vacancy Rate	0.0%
Type	Townhouse (2 stories)
Year Built/Renovated	2003 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Cambridge, The Muses
Tenant Characteristics	Mixed tenancy
Contact Name	Erica
Phone	770-466-2281

Market Information

Program	@60%, Market
Annual Turnover Rate	32%
Units/Month Absorbed	N/A
HCV Tenants	10%
Leasing Pace	Within one week
Annual Chg. in Rent	Increase 2% on market rate units only
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2.5	Townhouse (2 stories)	120	1,256	$790	$0	@60%	Yes	0	0.0%	yes	None
2	2.5	Townhouse (2 stories)	48	1,256	$1,000	$0	Market	No	0	0.0%	N/A	None
3	2	Townhouse (2 stories)	48	1,506	$895	$0	@60%	Yes	0	0.0%	yes	None
3	2	Townhouse (2 stories)	24	1,506	$1,175	$0	Market	No	0	0.0%	N/A	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 2.5BA	$790	$0	$790	$0	$790
3BR / 2BA	$895	$0	$895	$0	$895

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 2.5BA	$1,000	$0	$1,000	$0	$1,000
3BR / 2BA	$1,175	$0	$1,175	$0	$1,175

Alexander Crossing Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	In-Unit Alarm	None
Central A/C	Coat Closet	Perimeter Fencing	
Dishwasher	Exterior Storage		
Ceiling Fan	Garbage Disposal		
Hand Rails	Microwave		
Oven	Pull Cords		
Refrigerator	Vaulted Ceilings		
Walk-In Closet	Washer/Dryer hookup		

Property		Premium	Other
Car Wash	Clubhouse/Meeting	None	None
Exercise Facility	Off-Street Parking		
On-Site Management	Playground		
Swimming Pool			

Comments

The contact reported that the property typically remains fully occupied. A waiting list of seven to ten households is currently maintained for the LIHTC units.

Alexander Crossing Apartments, continued

Trend Report

Vacancy Rates

2Q15	1Q16	2Q16	3Q16
0.0%	1.3%	0.0%	0.0%

Trend: @60%

2BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	0.0%	$790	$0	$790	$790
2016	1	0.0%	$790	$0	$790	$790
2016	2	0.0%	$790	$0	$790	$790
2016	3	0.0%	$790	$0	$790	$790

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	0.0%	$895	$0	$895	$895
2016	1	2.1%	$895	$0	$895	$895
2016	2	0.0%	$895	$0	$895	$895
2016	3	0.0%	$895	$0	$895	$895

Trend: Market

2BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	N/A	$950 - $955	$0	$950 - $955	$950 - $955
2016	1	4.2%	$965	$0	$965	$965
2016	2	0.0%	$998	$0	$998	$998
2016	3	0.0%	$1,000	$0	$1,000	$1,000

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	0.0%	$1,100	$0	$1,100	$1,100
2016	1	0.0%	$1,115	$0	$1,115	$1,115
2016	2	0.0%	$1,175	$0	$1,175	$1,175
2016	3	0.0%	$1,175	$0	$1,175	$1,175

Trend: Comments

2Q15 The contact reported that the property maintains a small waiting list for units renting at 60% of AMI, however the length of the waiting list was not disclosed. Management indicated that the waiting list was recently purged. The contact reported that the price discrepancy between two-bedroom units is due to few units offering bay windows. Since our last interview in March 2015, rents on three-bedroom units have increased less than one percent on units at 60% of AMI and have increased five percent on market rate units. Management was unable to comment on the number of parking spaces the property offers or on the parking utilization rate at the property. The contact indicated that there is a strong demand for affordable housing in the local area.

1Q16 The contact reported that the property maintains a waiting list for units the income restricted units with approximately 75 households.

2Q16 The contact reported that the property typically remains fully occupied.

3Q16 The contact reported that the property typically remains fully occupied. A waiting list of seven to ten households is currently maintained for the LIHTC units.

Alexander Crossing Apartments, continued

Photos

PROPERTY PROFILE REPORT

Ashton Pointe

Effective Rent Date	**8/31/2016**
Location	429 Plaza Drive Monroe, GA 30655 Walton County
Distance	10 miles
Units	56
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (2 stories)
Year Built/Renovated	1999 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None Identified
Tenant Characteristics	Tenants come from Monroe and neighboring towns.
Contact Name	Brandy
Phone	770-266-6717

Market Information

Program	@50%, @60%
Annual Turnover Rate	30%
Units/Month Absorbed	4
HCV Tenants	10%
Leasing Pace	Preleased
Annual Chg. in Rent	Increase 3%-7.1% Jan. 2016
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 (2 stories)	4	804	$500	$0	@50%	Yes	0	0.0%	no	None
1	1	Garden (2 stories)	4	804	$525	$0	@60%	Yes	0	0.0%	no	None
2	2	Garden (2 stories)	10	1,008	$594	$0	@50%	Yes	0	0.0%	no	None
2	2	Garden (2 stories)	14	1,008	$620	$0	@60%	Yes	0	0.0%	no	None
3	2	Garden (2 stories)	10	1,200	$650	$0	@50%	Yes	0	0.0%	no	None
3	2	Garden (2 stories)	14	1,200	$670	$0	@60%	Yes	0	0.0%	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	$500	$0	$500	$0	$500
2BR / 2BA	$594	$0	$594	$0	$594
3BR / 2BA	$650	$0	$650	$0	$650

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	$525	$0	$525	$0	$525
2BR / 2BA	$620	$0	$620	$0	$620
3BR / 2BA	$670	$0	$670	$0	$670

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Exterior Storage	Ceiling Fan		
Garbage Disposal	Oven		
Refrigerator	Vaulted Ceilings		
Washer/Dryer hookup			

Property		Premium	Other
Clubhouse/Meeting	Central Laundry	None	None
Off-Street Parking	On-Site Management		
Playground	Swimming Pool		

Comments

This property profile is for the second phase of a two phase development formerly known as Ashton Pointe I and II. The first phase of this development (Ashton Pointe I) was sold and is now known as Arnold Pointe. The contact reported a waiting list of 10 households and noted the current vacancy is preleased.

Ashton Pointe, continued

Trend Report

Vacancy Rates

1Q15	2Q15	1Q16	3Q16
1.8%	0.0%	1.8%	0.0%

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	0.0%	$474	$0	$474	$474
2015	2	0.0%	$490	$0	$490	$490
2016	1	0.0%	$500	$0	$500	$500
2016	3	0.0%	$500	$0	$500	$500

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	0.0%	$580	$0	$580	$580
2015	2	0.0%	$595	$0	$595	$595
2016	1	0.0%	$594	$0	$594	$594
2016	3	0.0%	$594	$0	$594	$594

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	0.0%	$634	$0	$634	$634
2015	2	0.0%	$650	$0	$650	$650
2016	1	0.0%	$650	$0	$650	$650
2016	3	0.0%	$650	$0	$650	$650

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	0.0%	$474	$0	$474	$474
2015	2	0.0%	$490	$0	$490	$490
2016	1	0.0%	$525	$0	$525	$525
2016	3	0.0%	$525	$0	$525	$525

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	0.0%	$580	$0	$580	$580
2015	2	0.0%	$595	$0	$595	$595
2016	1	7.1%	$620	$0	$620	$620
2016	3	0.0%	$620	$0	$620	$620

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	7.1%	$634	$0	$634	$634
2015	2	0.0%	$650	$0	$650	$650
2016	1	0.0%	$670	$0	$670	$670
2016	3	0.0%	$670	$0	$670	$670

Trend: Comments

1Q15 This property profile is for the second phase of a two phase development formerly known as Ashton Pointe I and II. The first phase of this development (Ashton Pointe I) was sold and is now known as Arnold Pointe.

2Q15 N/A

1Q16 N/A

3Q16 This property profile is for the second phase of a two phase development formerly known as Ashton Pointe I and II. The first phase of this development (Ashton Pointe I) was sold and is now known as Arnold Pointe. The contact reported a waiting list of 10 households and noted the current vacancy is preleased.

Photos

PROPERTY PROFILE REPORT

Farmington Hills Phase I

Effective Rent Date	**8/23/2016**
Location	1506 Farmington Way Winder, GA 30680 Barrow County
Distance	1.8 miles
Units	72
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (2 stories)
Year Built/Renovated	2012 / N/A
Marketing Began	6/01/2012
Leasing Began	9/26/2012
Last Unit Leased	4/30/2013
Major Competitors	None identified
Tenant Characteristics	Tenants from Athens in Clarke County, Gwinnett County and from Barrow County. 20% are seniors
Contact Name	Chrissy
Phone	770-307-0224

Market Information

Program	@50%, @60%
Annual Turnover Rate	27%
Units/Month Absorbed	10.3
HCV Tenants	3%
Leasing Pace	Pre-leased
Annual Chg. in Rent	Approximatley 1% increase
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 (2 stories)	3	740	$479	$0	@50%	Yes	0	0.0%	yes	None
1	1	Garden (2 stories)	9	740	$609	$0	@60%	Yes	0	0.0%	yes	None
2	2	Garden (2 stories)	4	1,150	$563	$0	@50%	Yes	0	0.0%	yes	None
2	2	Garden (2 stories)	31	1,150	$719	$0	@60%	Yes	0	0.0%	yes	None
3	2	Garden (2 stories)	4	1,250	$632	$0	@50%	Yes	0	0.0%	yes	None
3	2	Garden (2 stories)	21	1,250	$812	$0	@60%	Yes	0	0.0%	yes	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	$479	$0	$479	$0	$479
2BR / 2BA	$563	$0	$563	$0	$563
3BR / 2BA	$632	$0	$632	$0	$632

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	$609	$0	$609	$0	$609
2BR / 2BA	$719	$0	$719	$0	$719
3BR / 2BA	$812	$0	$812	$0	$812

Farmington Hills Phase I, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpet/Hardwood	Central A/C		
Coat Closet	Dishwasher		
Ceiling Fan	Garbage Disposal		
Microwave	Oven		
Refrigerator	Walk-In Closet		
Washer/Dryer hookup			

Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting	None	None
Central Laundry	Off-Street Parking		
On-Site Management	Picnic Area		
Playground	Service Coordination		
Swimming Pool			

Comments

The contact reported that the property maintains a waiting list with at least 10 applicants on it between each phase. There is also a "call" list with interested potential tenants that has 119 households on it.

Farmington Hills Phase I, continued

Trend Report

Vacancy Rates

1Q15	2Q15	1Q16	3Q16
0.0%	0.0%	0.0%	0.0%

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	0.0%	$486	$0	$486	$486
2015	2	0.0%	$475	$0	$475	$475
2016	1	0.0%	$475	$0	$475	$475
2016	3	0.0%	$479	$0	$479	$479

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	0.0%	$572	$0	$572	$572
2015	2	0.0%	$560	$0	$560	$560
2016	1	0.0%	$560	$0	$560	$560
2016	3	0.0%	$563	$0	$563	$563

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	0.0%	$642	$0	$642	$642
2015	2	0.0%	$630	$0	$630	$630
2016	1	0.0%	$630	$0	$630	$630
2016	3	0.0%	$632	$0	$632	$632

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	0.0%	$610	$0	$610	$610
2015	2	0.0%	$605	$0	$605	$605
2016	1	0.0%	$605	$0	$605	$605
2016	3	0.0%	$609	$0	$609	$609

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	0.0%	$725	$0	$725	$725
2015	2	0.0%	$715	$0	$715	$715
2016	1	0.0%	$715	$0	$715	$715
2016	3	0.0%	$719	$0	$719	$719

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	0.0%	$785	$0	$785	$785
2015	2	0.0%	$785	$0	$785	$785
2016	1	0.0%	$797	$0	$797	$797
2016	3	0.0%	$812	$0	$812	$812

Trend: Comments

1Q15 The contact reported a small waiting list for the property but many were used to fill the units for the second phase which opened in December of 2014.

2Q15 The contact reported that the property maintains a waiting list with at least two dozen households on it between each phase.

1Q16 N/A

3Q16 The contact reported that the property maintains a waiting list with at least 10 applicants on it between each phase. There is also a "call" list with interested potential tenants that has 119 households on it.

Farmington Hills Phase I, continued

Photos

PROPERTY PROFILE REPORT

Farmington Hills Phase II

Effective Rent Date	**8/23/2016**
Location	807 Haymon Morris Road Winder, GA 30680 Barrow County County
Distance	1.8 miles
Units	72
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden
Year Built/Renovated	Dec. 2014 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None Identified
Tenant Characteristics	Tenants drawn locally and from other nearby counties such as Gwinnett and Clarke CO. 20% are seniors
Contact Name	Chrissy
Phone	770-307-0224

Market Information

Program	@50%, @60%
Annual Turnover Rate	20%
Units/Month Absorbed	14.4
HCV Tenants	2%
Leasing Pace	N/A
Annual Chg. in Rent	Increased 2% on 1x1 units @50% AMI
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	4	878	$468	$0	@50%	Yes	0	0.0%	yes	None
1	1	Garden	8	878	$597	$0	@60%	Yes	0	0.0%	yes	None
2	2	Garden	4	1,143	$548	$0	@50%	Yes	0	0.0%	yes	None
2	2	Garden	32	1,143	$704	$0	@60%	Yes	0	0.0%	yes	None
3	2	Garden	3	1,328	$615	$0	@50%	Yes	0	0.0%	yes	None
3	2	Garden	21	1,328	$797	$0	@60%	Yes	0	0.0%	yes	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	$468	$0	$468	$0	$468
2BR / 2BA	$548	$0	$548	$0	$548
3BR / 2BA	$615	$0	$615	$0	$615

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	$597	$0	$597	$0	$597
2BR / 2BA	$704	$0	$704	$0	$704
3BR / 2BA	$797	$0	$797	$0	$797

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Dishwasher	Ceiling Fan		
Garbage Disposal	Oven		
Refrigerator	Washer/Dryer hookup		

Property		Premium	Other
Clubhouse/Meeting	Exercise Facility	None	None
Central Laundry	Off-Street Parking		
On-Site Management	Picnic Area		
Playground			

Comments

The contact reported that the property maintains a waiting list with at least 10 applicants on it between each phase. There is also a "call" list with interested potential tenants that has 119 households on it.

Trend Report

Vacancy Rates

1Q15	2Q15	1Q16	3Q16
30.6%	0.0%	0.0%	0.0%

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	N/A	$440	$0	$440	$440
2015	2	0.0%	$440	$0	$440	$440
2016	1	0.0%	$458	$0	$458	$458
2016	3	0.0%	$468	$0	$468	$468

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	N/A	$515	$0	$515	$515
2015	2	0.0%	$515	$0	$515	$515
2016	1	0.0%	$548	$0	$548	$548
2016	3	0.0%	$548	$0	$548	$548

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	N/A	$518	$0	$518	$518
2015	2	0.0%	$578	$0	$578	$578
2016	1	0.0%	$616	$0	$616	$616
2016	3	0.0%	$615	$0	$615	$615

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	N/A	$562	$0	$562	$562
2015	2	0.0%	$562	$0	$562	$562
2016	1	0.0%	$597	$0	$597	$597
2016	3	0.0%	$597	$0	$597	$597

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	N/A	$664	$0	$664	$664
2015	2	0.0%	$664	$0	$664	$664
2016	1	0.0%	$704	$0	$704	$704
2016	3	0.0%	$704	$0	$704	$704

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	N/A	$748	$0	$748	$748
2015	2	0.0%	$748	$0	$748	$748
2016	1	0.0%	$797	$0	$797	$797
2016	3	0.0%	$797	$0	$797	$797

Trend: Comments

1Q15 The contact reported the second phase opened in December of 2014 and is currently 70 percent occupied and still in lease up. She was unable to provide the number of those households utilizing Housing Choice Vouchers though she noted it was a limited number.

2Q15 The contact reported the second phase opened in December of 2014 and is currently 96 percent occupied and 100 percent pre-leased. Management was unable to provide the number of those households utilizing Housing Choice Vouchers, however the contact noted that it was a low number.

1Q16 The contact reported a total of 24 households on the waiting list between both phases.

3Q16 The contact reported that the property maintains a waiting list with at least 10 applicants on it between each phase. There is also a "call" list with interested potential tenants that has 119 households on it.

Farmington Hills Phase II, continued

Photos

PROPERTY PROFILE REPORT

Altera Riverside Apartments

Effective Rent Date	**8/03/2016**
Location	1000 Duluth Highway Lawrenceville, GA 30043 Gwinnett County
Distance	16.2 miles
Units	412
Vacant Units	58
Vacancy Rate	14.1%
Type	Garden (4 stories)
Year Built/Renovated	1998 / 2016
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Preserve at Legacy Park, Ten Oaks
Tenant Characteristics	Mixed tenancy mostly from Gwinnett County, 15% from out of state
Contact Name	Dorna
Phone	770-237-2828

Market Information

Program	Market
Annual Turnover Rate	20%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Two weeks
Annual Chg. in Rent	LRO pricing
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 (4 stories)	96	758	$958	$0	Market	No	N/A	N/A	N/A	None
1	1	Garden (4 stories)	98	949	$1,040	$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (4 stories)	126	1,086	$1,185	$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (4 stories)	92	1,244	$995	$0	Market	No	N/A	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	$958 - $1,040	$0	$958 - $1,040	$0	$958 - $1,040
2BR / 2BA	$995 - $1,185	$0	$995 - $1,185	$0	$995 - $1,185

Altera Riverside Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Cable/Satellite/Internet	Carpeting		
Central A/C	Coat Closet		
Dishwasher	Exterior Storage		
Ceiling Fan	Garbage Disposal		
Oven	Refrigerator		
Vaulted Ceilings	Walk-In Closet		
Washer/Dryer	Washer/Dryer hookup		

Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting	View	None
Courtyard	Exercise Facility		
Garage	Central Laundry		
Off-Street Parking	On-Site Management		
Swimming Pool	Tennis Court		

Comments

The contact reported that overall occupancy is currently 86 percent but the property is preleased to 95 percent. The property is under new ownership since the Summer of 2016. Since new ownership, all vacant units have been renovated with new appliances, flooring, washer/dryer in-unit and paint. The contact estimated that 250 of the 412 units have been renovated. This profile reflects renovated unit asking rents.

Trend Report

Vacancy Rates

4Q14	1Q15	1Q16	3Q16
1.5%	2.4%	3.9%	14.1%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	4	N/A	$780 - $810	$0	$780 - $810	$780 - $810
2015	1	N/A	$785 - $815	$0	$785 - $815	$785 - $815
2016	1	3.1%	$840 - $890	$0	$840 - $890	$840 - $890
2016	3	N/A	$958 - $1,040	$0	$958 - $1,040	$958 - $1,040

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	4	N/A	$935 - $960	$0	$935 - $960	$935 - $960
2015	1	N/A	$935 - $960	$0	$935 - $960	$935 - $960
2016	1	4.6%	$985 - $995	$0	$985 - $995	$985 - $995
2016	3	N/A	$995 - $1,185	$0	$995 - $1,185	$995 - $1,185

Trend: Comments

4Q14 N/A

1Q15 The contact reported overall occupancy has remained above 95 percent during the past year.

1Q16 The contact reported overall occupancy has remained above 95 percent during the past year. The property is under new ownership since the Summer of 2016.

3Q16 The contact reported that overall occupancy is currently 86 percent but the property is preleased to 95 percent. The property is under new ownership since the Summer of 2016. Since new ownership, all vacant units have been renovated with new appliances, flooring, washer/dryer in-unit and paint. The contact estimated that 250 of the 412 units have been renovated. This profile reflects renovated unit asking rents.

Photos

PROPERTY PROFILE REPORT

Durant At Sugarloaf

Effective Rent Date	**8/03/2016**
Location	50 Saint Marlowe Drive Lawrenceville, GA 30044 Gwinnett County
Distance	18.1 miles
Units	300
Vacant Units	7
Vacancy Rate	2.3%
Type	Garden
Year Built/Renovated	2002 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Wellington Ridge
Tenant Characteristics	Approximately 50% families. Approximately 50% of tenants from the Lawrenceville/Snellville/Duluth area & 30% from out of state
Contact Name	Tina
Phone	770.237.9441

Market Information

Program	Market
Annual Turnover Rate	38%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within one week
Annual Chg. in Rent	Rents change daily - Yield Star
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	60	715	$810	$0	Market	No	0	0.0%	N/A	None
1	1	Garden	48	910	$856	$0	Market	No	0	0.0%	N/A	None
2	1	Garden	62	1,110	$980	$0	Market	No	2	3.2%	N/A	None
2	2	Garden	36	1,180	$997	$0	Market	No	5	13.9%	N/A	None
2	2	Garden	62	1,300	$1,009	$0	Market	No	0	0.0%	N/A	None
2	2	Garden	8	1,362	$1,039	$0	Market	No	0	0.0%	N/A	None
3	2	Garden	24	1,435	$1,187	$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	$810 - $856	$0	$810 - $856	$0	$810 - $856
2BR / 1BA	$980	$0	$980	$0	$980
2BR / 2BA	$997 - $1,039	$0	$997 - $1,039	$0	$997 - $1,039
3BR / 2BA	$1,187	$0	$1,187	$0	$1,187

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Limited Access	None
Carpeting	Central A/C	Perimeter Fencing	
Dishwasher	Exterior Storage		
Garbage Disposal	Oven		
Refrigerator	Walk-In Closet		
Washer/Dryer hookup			

Property		Premium	Other
Business Center/Computer Lab	Car Wash	None	None
Clubhouse/Meeting	Exercise Facility		
Garage	Central Laundry		
Off-Street Parking	On-Site Management		
Playground	Swimming Pool		
Tennis Court			

Comments

Contact reported 96 percent historic occupancy and noted rents change daily. A premium of $15 to $40 exists for lower-level units and lakeview units. This profile reflects rents without the premium.

Durant At Sugarloaf, continued

Trend Report

Vacancy Rates

1Q15	1Q16	2Q16	3Q16
2.0%	5.0%	1.0%	2.3%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	1.9%	$719 - $823	$0	$719 - $823	$719 - $823
2016	1	N/A	$768 - $794	$0	$768 - $794	$768 - $794
2016	2	N/A	$809 - $876	$0	$809 - $876	$809 - $876
2016	3	0.0%	$810 - $856	$0	$810 - $856	$810 - $856

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	0.0%	$915	$0	$915	$915
2016	1	N/A	$925	$0	$925	$925
2016	2	N/A	$993	$0	$993	$993
2016	3	3.2%	$980	$0	$980	$980

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	2.8%	$888 - $1,000	$0	$888 - $1,000	$888 - $1,000
2016	1	N/A	$927 - $1,021	$0	$927 - $1,021	$927 - $1,021
2016	2	N/A	$974 - $1,043	$0	$974 - $1,043	$974 - $1,043
2016	3	4.7%	$997 - $1,039	$0	$997 - $1,039	$997 - $1,039

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	4.2%	$1,070	$0	$1,070	$1,070
2016	1	N/A	$1,087	$0	$1,087	$1,087
2016	2	N/A	$1,206	$0	$1,206	$1,206
2016	3	0.0%	$1,187	$0	$1,187	$1,187

Trend: Comments

1Q15 N/A

1Q16 Starting rents were provided based on 12 month lease terms. Occupancy rates have ranged between 95 and 98 percent during the past year.

2Q16 Management indicated that the market rate rental market is strong in the local area.

3Q16 Contact reported 96 percent historic occupancy and noted rents change daily. A premium of $15 to $40 exists for lower-level units and lakeview units. This profile reflects rents without the premium.

Durant At Sugarloaf, continued

Photos

PROPERTY PROFILE REPORT

Hillcrest Apartments

Effective Rent Date	**8/23/2016**
Location	490 Gainesville Highway Winder, GA 30680 Barrow County
Distance	4.9 miles
Units	102
Vacant Units	1
Vacancy Rate	1.0%
Type	Townhouse (2 stories)
Year Built/Renovated	1989 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Winder Woods and Winding Hollow
Tenant Characteristics	Large number of hospital employees
Contact Name	Cynthia
Phone	770-867-4007

Market Information

Program	Market
Annual Turnover Rate	20%
Units/Month Absorbed	N/A
HCV Tenants	1%
Leasing Pace	Within a week
Annual Chg. in Rent	Increased 7.7% on smaller 2BR unit
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	Townhouse (2 stories)	25	625	$550	$0	Market	No	1	4.0%	N/A	None
2	1.5	Townhouse (2 stories)	23	940	$700	$0	Market	No	0	0.0%	N/A	None
2	1.5	Townhouse (2 stories)	44	1,225	$750	$0	Market	No	0	0.0%	N/A	None
3	1.5	Townhouse (2 stories)	10	1,250	$800	$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	$550	$0	$550	-$72	$478
2BR / 1.5BA	$700 - $750	$0	$700 - $750	-$106	$594 - $644
3BR / 1.5BA	$800	$0	$800	-$163	$637

Amenities

In-Unit		Security	Services
Blinds	Carpeting	None	None
Central A/C	Coat Closet		
Exterior Storage	Oven		
Refrigerator	Washer/Dryer hookup		

Property		Premium	Other
Central Laundry	Off-Street Parking	None	None
On-Site Management			

Comments

The contact reported strong occupancy so far in 2016, consistently staying at or near 100 percent.

Hillcrest Apartments, continued

Trend Report

Vacancy Rates

4Q14	1Q15	1Q16	3Q16
2.0%	2.0%	0.0%	1.0%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	4	N/A	$535	$0	$535	$463
2015	1	0.0%	$535	$0	$535	$463
2016	1	0.0%	$550	$0	$550	$478
2016	3	4.0%	$550	$0	$550	$478

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	4	N/A	$650 - $700	$0	$650 - $700	$544 - $594
2015	1	3.0%	$650 - $700	$0	$650 - $700	$544 - $594
2016	1	0.0%	$650 - $750	$0	$650 - $750	$544 - $644
2016	3	0.0%	$700 - $750	$0	$700 - $750	$594 - $644

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent

3BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	3	0.0%	$800	$0	$800	$637

3BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	4	N/A	$825	$0	$825	$662
2015	1	0.0%	$825	$0	$825	$662
2016	1	0.0%	$800	$0	$800	$637

Trend: Comments

4Q14 N/A

1Q15 N/A

1Q16 The rents for the one- and larger two-bedroom townhomes increased between 2.8 and 7.1 percent. Rents for the smaller two-bedroom townhomes remained stable while rents for the three-bedroom units decreased 3.1 percent.

3Q16 The contact reported strong occupancy so far in 2016, consistently staying at or near 100 percent.

Photos

PROPERTY PROFILE REPORT

Preserve At Legacy Park

Effective Rent Date	**8/23/2016**
Location	900 Legacy Park Drive Lawrenceville, GA 30043 Gwinnett County Intersection: Legacy Park Dr and Lawrenceville Suwanee Rd
Distance	16 miles
Units	498
Vacant Units	20
Vacancy Rate	4.0%
Type	Garden (3 stories)
Year Built/Renovated	2001-2002 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None Identified
Tenant Characteristics	Diverse tenancy 25% from out of state
Contact Name	Lisa
Phone	678-985-8441

Market Information

Program	Market
Annual Turnover Rate	23%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Five to seven days
Annual Chg. in Rent	Daily Yieldstar system
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	N/A	771	$969	$0	Market	No	N/A	N/A	N/A	None
1	1	Garden (3 stories)	N/A	906	$969	$0	Market	No	N/A	N/A	N/A	None
1	1	Garden (3 stories)	N/A	927	$969	$0	Market	No	N/A	N/A	N/A	None
1	1	Garden (3 stories)	N/A	950	$975	$0	Market	No	N/A	N/A	N/A	None
1	1	Garden (3 stories)	N/A	953	$990	$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (3 stories)	N/A	1,144	$1,099	$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (3 stories)	N/A	1,154	$1,099	$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (3 stories)	N/A	1,237	$1,144	$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (3 stories)	N/A	1,355	$1,200	$0	Market	No	N/A	N/A	N/A	None
3	2	Garden (3 stories)	N/A	1,462	$1,306	$0	Market	No	N/A	N/A	N/A	None
3	2	Garden (3 stories)	N/A	1,507	$1,768	$0	Market	No	N/A	N/A	N/A	None
3	2	Garden (3 stories)	N/A	1,458	$1,306	$0	Market	No	N/A	N/A	N/A	None

Preserve At Legacy Park, continued

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	$969 - $990	$0	$969 - $990	$0	$969 - $990
2BR / 2BA	$1,099 - $1,200	$0	$1,099 - $1,200	$0	$1,099 - $1,200
3BR / 2BA	$1,306 - $1,768	$0	$1,306 - $1,768	$0	$1,306 - $1,768

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Fireplace
Oven
Walk-In Closet
Blinds
Central A/C
Ceiling Fan
Microwave
Refrigerator
Washer/Dryer hookup

Security

None

Services

None

Property

Business Center/Computer Lab
Clubhouse/Meeting
Garage
Off-Street Parking
Playground
Tennis Court
Car Wash
Exercise Facility
Central Laundry
On-Site Management
Swimming Pool

Premium

None

Other

Break

Comments

The contact reported occupancy rates at between 95 and 98 percent during the past 12 months. Activity at the property tends to be highest during August and September.

Preserve At Legacy Park, continued

Trend Report

Vacancy Rates

4Q14	1Q15	1Q16	3Q16
2.4%	2.8%	6.0%	4.0%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	4	N/A	$765 - $920	$0	$765 - $920	$765 - $920
2015	1	N/A	$811 - $989	$0	$811 - $989	$811 - $989
2016	1	N/A	$850 - $956	$0	$850 - $956	$850 - $956
2016	3	N/A	$969 - $990	$0	$969 - $990	$969 - $990

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	4	N/A	$985 - $1,237	$0	$985 - $1,237	$985 - $1,237
2015	1	N/A	$889 - $1,103	$0	$889 - $1,103	$889 - $1,103
2016	1	N/A	$1,022 - $1,055	$0	$1,022 - $1,055	$1,022 - $1,055
2016	3	N/A	$1,099 - $1,200	$0	$1,099 - $1,200	$1,099 - $1,200

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	4	N/A	$1,171 - $1,210	$0	$1,171 - $1,210	$1,171 - $1,210
2015	1	N/A	$1,189 - $1,225	$0	$1,189 - $1,225	$1,189 - $1,225
2016	1	N/A	$1,306 - $1,323	$0	$1,306 - $1,323	$1,306 - $1,323
2016	3	N/A	$1,306 - $1,768	$0	$1,306 - $1,768	$1,306 - $1,768

Trend: Comments

4Q14 N/A

1Q15 The contact reported occupancy rates at between 95 and 98 percent during the past 12 months.

1Q16 N/A

3Q16 The contact reported occupancy rates at between 95 and 98 percent during the past 12 months. Activity at the property tends to be highest during August and September.

Photos

PROPERTY PROFILE REPORT

Sugarloaf Crossing Apartments

Effective Rent Date	**8/03/2016**
Location	1595 Old Norcross Road Lawrenceville, GA 30045 Gwinnett County
Distance	17.3 miles
Units	262
Vacant Units	14
Vacancy Rate	5.3%
Type	Garden
Year Built/Renovated	2001 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	5375 Sugarloaf Apartments
Tenant Characteristics	Mixed tenancy from Gwinnet CO and surrounding areas.
Contact Name	Dana
Phone	770-338-8677

Market Information

Program	Market
Annual Turnover Rate	28%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	One week
Annual Chg. in Rent	Rents stable since Mar, 1% decrease on
Concession	1st month free on vacant units

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	16	660	$930	$0	Market	No	1	6.2%	N/A	None
1	1	Garden	62	897	$970	$0	Market	No	5	8.1%	N/A	None
1	1	Garden	28	1,075	$1,010	$0	Market	No	0	0.0%	N/A	None
2	2	Garden	132	1,239	$1,220	$0	Market	No	8	6.1%	N/A	None
3	2	Garden	24	1,478	$1,375	$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	$930 - $1,010	$0	$930 - $1,010	$0	$930 - $1,010
2BR / 2BA	$1,220	$0	$1,220	$0	$1,220
3BR / 2BA	$1,375	$0	$1,375	$0	$1,375

Sugarloaf Crossing Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	In-Unit Alarm	None
Carpeting	Central A/C	Limited Access	
Dishwasher	Exterior Storage		
Ceiling Fan	Fireplace		
Garbage Disposal	Oven		
Refrigerator	Vaulted Ceilings		
Walk-In Closet	Washer/Dryer hookup		

Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting	None	None
Exercise Facility	Garage		
Central Laundry	Off-Street Parking		
On-Site Management	Playground		
Swimming Pool	Tennis Court		
Wi-Fi			

Comments

The contact noted the local market is strong and thus rent concessions are not currently offered. Contact also noted that storage units rent for $50 monthly.

Sugarloaf Crossing Apartments, continued

Trend Report

Vacancy Rates

4Q14	1Q15	1Q16	3Q16
3.8%	4.6%	8.4%	5.3%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	4	5.7%	$815 - $885	$0 - $17	$815 - $885	$815 - $885
2015	1	9.4%	$755 - $845	$0	$755 - $845	$755 - $845
2016	1	N/A	$930 - $1,010	$0 - $81	$853 - $1,010	$853 - $1,010
2016	3	5.7%	$930 - $1,010	$0	$930 - $1,010	$930 - $1,010

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	4	1.5%	$945	$0	$945	$945
2015	1	1.5%	$1,100	$0	$1,100	$1,100
2016	1	N/A	$1,220	$102	$1,118	$1,118
2016	3	6.1%	$1,220	$0	$1,220	$1,220

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	4	8.3%	$1,205	$0	$1,205	$1,205
2015	1	0.0%	$1,425	$0	$1,425	$1,425
2016	1	N/A	$1,390	$116	$1,274	$1,274
2016	3	0.0%	$1,375	$0	$1,375	$1,375

Trend: Comments

4Q14 Current occupancy has been typical during 2014.

1Q15 The contact noted occupancy rates have ranged between 95 and 98 percent for most of the past year.

1Q16 The contact noted occupancy rates have ranged between 94 and 98 percent for most of the past year. The property is currently offering a free month's rent special in April on current vacancies for leases signed through March.

3Q16 The contact noted the local market is strong and thus rent concessions are not currently offered. Contact also noted that storage units rent for $50 monthly.

Photos

Property Characteristics

Location

The Subject site is located in a well-developed residential neighborhood with retail and commercial uses nearby. The majority of necessary amenities are located within 2.0 miles of the Subject site. Commercial and retail uses near the Subject's neighborhood appear to be 90 percent occupied. Overall, the surrounding uses are in average to good condition. Below is a comparison of the median rents and median household income of the Subject and comparable properties.

LOCATION				
Property Name	**City**	**Zip Code**	**Median HH Income**	**Median Rent**
SUBJECT	**Winder**	**30620**	**$63,776**	**$945**
Alexander Crossing Apartments	Loganville	30052	$64,993	$1,088
Ashton Pointe	Monroe	30655	$43,743	$697
Farmington Hills Phase I	Winder	30680	$51,559	$908
Farmington Hills Phase II	Winder	30680	$51,559	$908
Altera Riverside Apartments	Lawrenceville	30043	$66,486	$1,137
Durant At Sugarloaf	Lawrenceville	30044	$51,604	$1,108
Hillcrest Apartments	Winder	30680	$51,559	$908
Preserve At Legacy Park	Lawrenceville	30043	$66,486	$1,137
Sugarloaf Crossing Apartments	Lawrenceville	30045	$75,884	$1,348

As shown, the comparables located in Lawrenceville offer a generally superior location in terms of median rents. Further, these comparables are located closer to the city of Atlanta, and provided superior access to services and employment. The comparable located in Monroe offers an inferior location in terms of both median rent and median income relative to the Subject. The remaining comparables offer a generally similar location compared to the Subject.

Age, Condition, and Design

The Subject will be newly constructed and will therefore be in excellent condition. Farmington Hills I and Farmington Hills II were constructed in 2012 and 2014, respectively, and are currently in excellent condition, similar to the Subject upon completion. Hillcrest Apartments was constructed in 1989, and currently exhibits fair condition, which is inferior to the Subject. The remaining comparables were constructed or renovated between 1999 and 2016, and currently exhibit good condition, slightly inferior to the Subject.

The Subject will offer a garden-style design. The comparables offer garden-style and townhouse designs, similar to the Subject. Thus, 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. The matrix has been color coded. Those properties that offer an amenity that the Subject does not offer are shaded in red, while those properties that do not offer an amenity that the Subject does offer are shaded in blue. Thus, the inferior properties can be identified by the blue and the superior properties can be identified by the red.

UNIT MATRIX REPORT

	The Exchange	Alexander Crossing Apartments	Ashton Pointe	Farmington Hills Phase I	Farmington Hills Phase II	Altera Riverside Apartments	Durant At Sugarloaf	Hillcrest Apartments	Preserve At Legacy Park	Sugarloaf Crossing Apartments
Comp #	Subject	1	2	3	4	5	6	7	8	9
Property Information										
Property Type	Garden	Townhouse	Garden	Garden	Garden	Garden	Garden	Townhouse	Garden	Garden
Year Built / Renovated	2018 / n/a	2003 / n/a	1999 / n/a	2012 / n/a	2014	1998 / 2016	2002 / n/a	1989 / n/a	2001-2002	2001 / n/a
Market (Conv.)/Subsidy Type	LIHTC/HOME	LIHTC/Mkt	LIHTC	LIHTC	LIHTC	Market	Market	Market	Market	Market
Utility Adjusments										
Cooking	no	no	no	no	no	no	no	no	no	no
Water Heat	no	no	no	no	no	no	no	no	no	no
Heat	no	no	no	no	no	no	no	no	no	no
Other Electric	no	no	no	no	no	no	no	no	no	no
Water	no	no	no	no	no	no	no	yes	no	no
Sewer	no	no	no	no	no	no	no	yes	no	no
Trash Collection	yes	yes	yes	yes	yes	no	no	yes	no	no
In-Unit Amenities										
Balcony/Patio	yes	yes	yes	yes	yes	yes	yes	no	yes	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Cable/Satellite/Internet	yes	no	no	no	no	yes	no	no	no	no
Carpet/Hardwood	no	no	no	yes	no	no	no	no	no	no
Carpeting	yes	no	yes	no	yes	yes	yes	yes	yes	yes
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Coat Closet	yes	yes	yes	yes	no	yes	no	yes	yes	no
Dishwasher	yes	yes	yes	yes	yes	yes	yes	no	no	yes
Exterior Storage	no	yes	yes	no	no	yes	yes	yes	no	yes
Ceiling Fan	yes	yes	yes	yes	yes	yes	no	no	yes	yes
Fireplace	no	no	no	no	no	no	no	no	yes	yes
Garbage Disposal	yes	yes	yes	yes	yes	yes	yes	no	no	yes
Hand Rails	no	no	no	no	no	no	no	no	no	no
Microwave	yes	yes	no	yes	no	no	no	no	yes	no
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Pull Cords	no	yes	no	no	no	no	no	no	no	no
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Vaulted Ceilings	no	yes	yes	no	no	yes	no	no	no	yes
Walk-In Closet	yes	yes	no	yes	no	yes	yes	no	yes	yes
Washer/Dryer	no	no	no	no	no	yes	no	no	no	no
Washer/Dryer hookup	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Property Amenities										
Business Center/Computer Lab	yes	no	no	yes	no	yes	yes	no	yes	yes
Car Wash	no	yes	no	no	no	no	yes	no	yes	no
Clubhouse/Community Room	yes	yes	yes	yes	yes	yes	yes	no	yes	yes
Courtyard	no	no	no	no	no	yes	no	no	no	no
Exercise Facility	yes	yes	no	no	yes	yes	yes	no	yes	yes
Garage	no	no	no	no	no	yes	yes	no	yes	yes
Central Laundry	yes	no	yes	yes	yes	yes	yes	yes	yes	yes
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
On-Site Management	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Picnic Area	yes	no	no	yes	yes	no	no	no	no	no
Playground	yes	yes	yes	yes	yes	no	yes	no	yes	yes
Service Coordination	no	no	no	yes	no	no	no	no	no	no
Swimming Pool	yes	yes	yes	yes	no	yes	yes	no	yes	yes
Tennis Court	no	no	no	no	no	yes	yes	no	yes	yes
Wi-Fi	no	no	no	no	no	no	no	no	no	yes
Garage Fee	N/A	N/A	N/A	N/A	N/A	$65.00	$75.00	N/A	N/A	$75.00
Services										
Security										
In-Unit Alarm	no	yes	no	no	no	no	no	no	no	yes
Limited Access	no	no	no	no	no	no	yes	no	no	yes
Perimeter Fencing	no	yes	no	no	no	no	yes	no	no	no
Premium Amenities										
View	no	no	no	no	no	yes	no	no	no	no
Other Amenities										
Other	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	Break	n/a

Unit Amenities

The Subject will balcony/patio, blinds, cable/satellite/internet, carpeting, central air conditioning, coat closet, dishwasher, ceiling fan, garbage disposal, microwave, oven, refrigerator, walk-in closet, and washer/dryer connections. Many of the comparables offer exterior storage and vaulted ceilings, amenities the Subject does not offer. The Subject will be similar to slightly supeior in terms of in-unit amenities when compared to the comparable properties.

Common Area Amenities

Property amenities will include a computer/business center, clubhouse/meeting room/community room, exercise facility, on-site laundry facility, off-street parking, on-site management, picnic area, playground, and swimming pool. Four of the comparables offer a swimming pool, a common area amenity that the Subject does not offer. The Subject will be slightly superior to the LIHTC comparables in terms of common area amenities, but slightly inferior to the market rate comparables.

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. We have utilized a utility study provided by the developer, and produced by Zeffert & Associates with an effective date of January 14, 2016. A copy of the utility study is included in the addenda of this report.

Parking

The Subject will offer free surface parking. All of the comparables offer free surface parking, similar to the Subject. Atlera Riverside, Durant at Sugarloaf and Sugarloaf Crossing offer garage parking at an additional monthly charges ranging from $65 to $75. Additionally, Preserve at Legacy Park offers attached garages in select units. None of the remaining comparables offer garage parking. The Subject will be similar to the majority of comparables in terms of parking.

MARKET CHARACTERISTICS

Following are relevant market characteristics for the comparable properties surveyed.

Vacancy Levels

OVERALL VACANCY

Property name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Alexander Crossing Apartments	LIHTCMkt	240	0	0.0%
Ashton Pointe	LIHTC	56	0	0.0%
Farmington Hills Phase I	LIHTC	72	0	0.0%
Farmington Hills Phase II	LIHTC	72	0	0.0%
Altera Riverside Apartments	Market	412	58	14.1%
Durant At Sugarloaf	Market	300	7	2.3%
Hillcrest Apartments	Market	102	1	1.0%
Preserve At Legacy Park	Market	498	20	4.0%
Sugarloaf Crossing Apartments	Market	262	14	5.3%
Total		**2,014**	**100**	**5.0%**

As illustrated, vacancy rates in the market range from zero to 14.1 percent, averaging 5.0 percent. All of the LIHTC comparables reported zero vacancies and are currently maintaining a waiting list. The average weighted vacancy rate among the market rate comparables is 6.4 percent. However, the market rate comparable Altera Riverside Apartments reported that the property is currently renovating units as they become vacant, and reported that they are 95 percent preleased. Excluding Altera Riverside Apartments, the average weighted vacancy rate of the market rate comparables is 3.6 percent.

The Subject will be similar to superior to the majority of the market rate and tax credit properties in terms of age and condition and amenities. Thus, we believe that the Subject will have a stabilized vacancy rate at three percent or less for the restricted scenario and five percent for the unrestricted scenario over a typical investment period.

Concessions

None of the comparables is currently offering concessions. Due to the limited amount of concessions in the market, we do not expect the Subject to require concessions in order to maintain a stabilized occupancy rate.

Absorption

We were able to obtain absorption information from two of the recently constructed comparable LIHTC properties. However, we have supplemented this information with absorption data obtained from four recently constructed age-restricted LIHTC in the Subject's area.

ABSORPTION

Property name	Type	Tenancy	Year Built	Number of Units	Units Absorbed / Month
Autry Pines Senior Village	LIHTC	Senior	2015	64	21.3
Farmington Hills Phase I	LIHTC	Family	2012	72	10.3
Farmington Hills Phase II	LIHTC	Family	2015	72	14.4
Hearthside Sugarloaf	LIHTC/Mkt	Senior	2015	110	12
Mainstreet Braselton	LIHTC/Mkt	Senior	2014	80	8.8
Mainstreet Winder	LIHTC	Senior	2013	64	7

As illustrated, absorption rates ranged from seven to 21.3 units per month. Based primarily on the absorption rates reported by the family properties, we anticipate that the Subject would absorb approximately 12 units per month, for an absorption period of 10 months. It should be noted that per DCA guidelines, absorption has been calculated to 93 percent occupancy.

Waiting Lists

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

WAITING LISTS

Comparable Property	Type	Waiting List
Alexander Crossing Apartments	LIHTC/Mkt	7-10 Households
Ashton Pointe	LIHTC	10 Households
Farmington Hills Phase I	LIHTC	10 Households
Farmington Hills Phase II	LIHTC	10 Households
Altera Riverside Apartments	Market	None
Durant At Sugarloaf	Market	None
Hillcrest Apartments	Market	None
Preserve At Legacy Park	Market	None
Sugarloaf Crossing Apartments	Market	None

Four of the nine surveyed properties maintain waiting lists. All of the LIHTC comparable properties reported maintaining waiting lists, while none of the market rate comparables reported waiting lists. Based on the performance of the comparable properties, we expect the Subject to maintain a short waiting list.

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 the Subject’s property specific utility allowances produced by Zeffert & Associates. It should be noted that two of the LIHTC comparables were place in service prior to 2009; thus, are held harmless at higher maximum allowable rents. Farmington Hills II is also restricted by the 2015 LIHTC maximum allowable levels. Farmington Hills I is held harmless at the 2012 LIHTC maximum allowable levels, while the remaining comparables are held harmless at the 2016 Hera Special maximum allowable levels.

LIHTC Rent Comparison - @50%			
Property Name	**1BR**	**2BR**	**3BR**
The Exchange (Subject)	$558	$642	$704
2015 HOME Maximum (Net)	**$568**	**$655**	**$709**
2015 LIHTC Maximum (Net)	**$558**	**$642**	**$704**
2016 HERA Special LIHTC Maximum (Net)*	**$553**	**$637**	**$689**
2012 Held Harmless LIHTC Maximum (Net)**	**$510**	**$585**	**$629**
Ashton Pointe*	$500	$594	$650
Farmington Hills Phase I**	$479	$563	$632
Farmington Hills Phase II	$468	$548	$615
Average (excluding Subject)	**$482**	**$568**	**$632**

*2016 HERA Special rent limits

**2012 Held Harmless rent limits

LIHTC Rent Comparison - @60%			
Property Name	**1BR**	**2BR**	**3BR**
The Exchange (Subject)	$686	$796	$882
2015 LIHTC Maximum (Net)	**$686**	**$796**	**$882**
2016 HERA Special LIHTC Maxmimum (Net)*	**$692**	**$804**	**$881**
Alexander Crossing Apartments*	-	$790	$895
Ashton Pointe*	$525	$620	$670
Farmington Hills Phase I	$609	$719	$812
Farmington Hills Phase II	$597	$704	$797
Average (excluding Subject)	**$577**	**$708**	**$794**

*2016 HERA Special rent limits

**2012 Held Harmless rent limits

The Subject will offer units at 50 percent of AMI, which are set at the 2015 maximum allowable level. Three of the LITHC comparables offers units at this set aside. Further, all of these comparables reported achieving rents at the maximum allowable levels at this set aside. The Subject’s rents at 60 percent of AMI are set at the 2015 maximum allowable levels, and are within the range of the rents reported at the comparable properties for the two- and three-bedroom units but above the range for the one-bedroom units. Alexander Crossing, Farmington Hills Phase I and Farmington Hills Phase II reported maximum allowable rents at this set aside. It should be noted that these properties appear to be achieving rents slightly below the maximum allowable levels. However, this is likely due to difference in utility allowances. The Subject will offer a similar to slightly superior condition relative to all of the LIHTC comparables, and a similar to slightly inferior location. The overall vacancy rate in the market for the LIHTC comparables is very low and all of the LIHTC properties reported maintaining waiting lists. The Subject will be most similar to Farmington Hills I and II overall, as these are the newest LIHTC properties, and both are located in Winder. Thus, we believe the Subject could achieve rents similar to those being achieved at Farmington Hills I and II at the maximum allowable levels. As such, we believe the proposed rents at the maximum allowable level are achievable for all units. Thus, the Subject’s proposed rents will be used in the restricted valuation.

Achievable Market Rents

Based on the quality of the surveyed comparable properties and the anticipated quality of the proposed Subject, we conclude that the LIHTC 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	Proposed Asking Rents	Surveyed Min	Surveyed Max	Surveyed Average	Achievable Market Rents	Subject Rent Advantage
1BR @ 50%	$558	$478	$1,040	$917	$875	36%
2BR @ 50%	$642	$594	$1,220	$1,015	$990	35%
3BR @ 50%	$704	$637	$1,768	$1,251	$1,200	41%
1BR @ 60%	$686	$478	$1,040	$917	$875	22%
2BR @ 60%	$796	$594	$1,220	$1,015	$990	20%
3BR @ 60%	$882	$637	$1,768	$1,251	$1,200	27%
1BR Market	$860	$478	$1,040	$917	$875	2%
2BR Market	$985	$594	$1,220	$1,015	$990	1%
3BR Market	$1,100	$637	$1,768	$1,251	$1,200	8%

Hillcrest Apartments is the most similar market rate property in terms of location, and this property reported rents at the low end of the range. However, this property was constructed in 1989 and will be inferior to the Subject in terms of amenities, condition, and unit sizes. Thus, we did not put significant weight on this property in determining the achievable market rent for the Subject. The remaining market rate comparables are located in Lawrenceville, which is a slightly superior location relative to the Subject. Durant at Sugarloaf offers slightly superior unit sizes and property amenities compared to the Subject, but offers slightly inferior condition and inferior in-unit amenities. Alterra Riverside offers similar amenities and unit sizes, and a slightly inferior condition, compared to the Subject. Overall, these are the most similar market rate comparables. A comparison to Durant at Sugarloaf and Alterrra Riverside is detailed in the table below.

Subject Comparison with Durant at Sugarloaf					
Unit Type	Subject Rent	Square Feet	Durant at Sugarloaf Rent	Square Feet	Subject Rent Advantage
1BR @ 50%	$558	900	$856	910	35%
2BR @ 50%	$642	1,100	$980	1,110	34%
3BR @ 50%	$704	1,300	$1,187	1,435	41%
Unit Type	Subject Rent	Square Feet	Durant at Sugarloaf Rent	Square Feet	Subject Rent Advantage
1BR @ 60%	$686	900	$856	910	20%
2BR @ 60%	$796	1,100	$980	1,110	19%
3BR @ 60%	$882	1,300	$1,187	1,435	26%
Unit Type	Subject Rent	Square Feet	Durant at Sugarloaf Rent	Square Feet	Subject Rent Advantage
1BR Market	$860	900	$856	910	0%
2BR Market	$985	1,100	$980	1,110	-1%
3BR Market	$1,100	1,300	$1,187	1,435	7%

Subject Comparison with Alterra Riverside					
Unit Type	Subject Rent	Square Feet	Alterra Riverside Rent	Square Feet	Subject Rent Advantage
1BR @ 50%	$558	900	$958	949	42%
2BR @ 50%	$642	1,100	$995	1,086	35%
Unit Type	Subject Rent	Square Feet	Alterra Riverside Rent	Square Feet	Subject Rent Advantage
1BR @ 60%	$686	900	$958	949	28%
2BR @ 60%	$796	1,100	$995	1,110	20%
Unit Type	Subject Rent	Square Feet	Alterra Riverside Rent	Square Feet	Subject Rent Advantage
1BR Market	$860	900	$958	949	10%
2BR Market	$985	1,100	$995	1,086	1%

We believe the Subject can achieve market rents slightly above those of Durant at Sugarloaf based on the Subject's superior condition and competitive in-unit amenities package. Furthermore, we believe the Subject can achieve rents similar to slightly below those at Alterra Riverside due to the comparables' slightly superior location and slightly superior amenity offerings.

Based on the comparable data, and the Subject's superior condition, competitive unit sizes and amenities, we believe one-, two and three-bedroom achievable market rents within the range of surveyed properties and slightly above the rents being achieved a Durant at Sugarloaf and similar to slightly below the rents being achieved at Altera Riverside. We have set the Subject's achievable market rents at **$875, $990,** and **$1,200** 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 adequate demand for the Subject property. The Subject will be superior in terms of condition to all of the comparables. The Subject's proposed rents are within the range of the LIHTC comparables and appear achievable. Additionally, all of the LITHC comparables maintain a short waiting list, indicating demand for good quality units. Overall, we believe there is demand for the Subject given its excellent condition and competitive amenities and unit sizes.

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 senior 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 are based upon information obtained from the Rent and Income Limits Guidelines Table as accessed from the DCA website.

For the market rate units, we have calculated the minimum allowable income at 35 percent of the proposed rent and maximum allowable income at 100 percent of 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 2018, the anticipated date of market entry, as the base year for the analysis. Therefore, 2015 household population estimates are inflated to 2018 by interpolation of the difference between 2015 estimates and 2020 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 2018. This number takes the overall growth from 2015 to 2017 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.

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 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 2013 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 2013 to 2015.
- Vacancies in projects placed in service prior to 2013 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 2013 to 2015. 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.

Based on DCA's allocation lists, there are currently no LIHTC multifamily properties proposed for the Subject's PMA. Additionally, there are no market rate properties proposed, under construction, or that have entered the market in 2013 to 2015. The following properties received LIHTC allocation from 2012 through 2015.

2012-2015 LIHTC AWARDS IN PMA

Project Name	Project Address	City	County	Tenancy	Year Allocated	Proposed Activity	Unit Count
Autry Pines Sr	155 Autry Rd	Auburn	Barrow	Senior	2013	New Construction	64
Farmington Hills II	807 Haymon Morris Road	Winder	Barrow	Family	2012	New Construction	72
MainStreet Braselton	1911 GA 211	Braselton	Barrow	Senior	2012	New Construction	80

- Autry Pines Senior was allocated in 2013 for a proposed LIHTC senior development in Auburn. This development opened in November 2015, and offers 64 one- and two -bedroom units at 50 and 60 percent of AMI. Based on the proposed tenancy of this property, we do not believe it will be directly competitive with the Subject.

- Farmington Hills II is a recently constructed LIHTC family development in Winder that opened in December 2014. This development offers 72 one-, two-, and three-bedroom units at 50 and 60 percent of AMI. This property will directly compete with the Subject, and we have included Farmington Hills II as a comparable property for the purpose of this report. Further, we have deducted these units from the demand analysis per DCA guidelines.

- Mainstreet Braselton was allocated in 2012 for a proposed LIHTC senior development in Winder. The development was completed in November 2014 and offers 79 one- and two-bedroom units at 50 and 60 percent of AMI. Based on the proposed tenancy of this property, we do not believe it directly competes with the Subject.

Farmington Hills II is the only allocated property that will directly compete with the Subject. This property was placed in service in 2014; thus, per DCA guidelines, we have deducted the 72 units at this property from our analysis.

Additionally, we interviewed Yvonne Greenway with the City of Winder Planning and Zoning to determine if any other multifamily apartments were in the planning or construction phases in the city. According to Ms. Greenway, there are no multifamily developments in the planning or construction stages in Winder.

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 total competitive units in the PMA. The bold properties were included as comparables.

GENERAL MARKET OVERVIEW

Name	Occupancy Rate	Address	City	County	State	Type	Tenancy	Included/ Excluded	Reason for Exclusion	Distance from Subject
Statham North Village	100%	379 Sunset Drive	Statham	Barrow	GA	USDA	Family	Excluded	Subsidized rents	5.8 miles
Rockspring Apts.	N/Av	187 S. Broad Street	Winder	Barrow	GA	USDA	Family	Excluded	Subsidized rents	1.2 miles
Winder Woods Apts	100%	206 2nd Street	Winder	Barrow	GA	USDA	Family	Excluded	Subsidized rents	0.5 miles
Mews Apartments	100%	249 Meadows Drive	Loganville	Walton	GA	USDA	Family	Excluded	Subsidized rents	14.5 miles
Winding Hollow	95%	174 S Broad Street	Winder	Barrow	GA	Section 8	Senior	Excluded	Subsidized rents	1.1 miles
Farmington Hills Phase II	**100%**	**807 Haymon Morris Road**	**Winder**	**Barrow**	**GA**	**LIHTC**	**Family**	**Included**	**N/A**	**4.4 miles**
Rock Springs Apartments	N/Av	604 Boss Hardy Road	Winder	Barrow	GA	LIHTC	Family	Excluded	Unable to contact	5.7 miles
Farmington Hills	**100%**	**1506 Farmington Way**	**Winder**	**Barrow**	**GA**	**LIHTC**	**Family**	**Included**	**N/A**	**4.4 miles**
Main Street Braselton	100%	450 Jefferson Highway	Winder	Barrow	GA	LIHTC	Senior	Included	N/A	1.8 miles
Autry Pines Senior Village	100%	155 Autry Road	Auburn	Barrow	GA	LIHTC	Senior	Included	N/A	7.4 miles
Main Street Winder	100%	454 Jefferson Highway	Winder	Barrow	GA	Market	Senior	Included	N/A	1.8 miles
Hillcrest Apartments	**99%**	**490 Gainesville Highway**	**Winder**	**Barrow**	**GA**	**Market**	**Family**	**Included**	**N/A**	**1.9 miles**
Holly Hill Apartments/Winder Villas	N/Av	291 Apperson Drive	Winder	Barrow	GA	Market	Family	Excluded	Unable to contact	1.5 miles
Quail Valley Duplexes	100%	275 Carter Road	Auburn	Barrow	GA	Market	Family	Excluded	Incomparable design	5.8 miles
Auburn Park Apartments	N/Av	196 Parks Mill Road	Auburn	Barrow	GA	Market	Family	Excluded	Would not participate	6.7 miles
Garden Springs	93%	3855 Grady Smith Road	Loganville	Walton	GA	Market	Family	Excluded	Incomparable design	12.3 miles
Meadow Trace Apartments	92%	610 Bay Creek Road	Loganville	Walton	GA	Market	Family	Excluded	Would not report current rents	14.1 miles
Turtle Creek Villas	N/Av	114 Turtle Creek Drive	Winder	Barrow	GA	Market	Family	Excluded	Condominium community	14.0 miles
Brookwood Townhomes	N/Av	124 2nd Street	Winder	Barrow	GA	Market	Family	Excluded	Inferior condition/Unable to contact	0.5 miles
Pine Creek Apartments	99%	282 Apperson Drive	Winder	Barrow	GA	Market	Family	Excluded	Inferior condition	1.6 miles

As the previous table demonstrates, the overall occupancy rate in the PMA is stable at approximately 98 percent. As previously noted, Farmington Hills II was placed in service in 2014, and, per DCA guidelines, we deducted its units from our analysis. It should be noted that the market rate comparable Altera Riverside reported an occupancy rate below 90 percent. However, property management reported that units are currently being held offline as the property is currently undergoing renovations as tenants vacate. The historic occupancy of the property does not indicate persistent issues with high vacancy. Further, asking rents for this comparable have increased since our most recent survey of the property in the first quarter of 2016. Thus, we have not deducted the vacant units from demand, as they are intentionally being held offline for renovations and the high vacancy is not indicative of the overall market. None of the remaining comparables reported an occupancy rate of less than 90 percent. Thus, no units have been deducted from our net demand calculations as all comparable properties are stabilized.

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.

Units that are subsidized with PBRA or whose rents are more than 20 percent lower than the rent for other units of the same bedroom size in the same AMI band and comprise less than 10 percent of total units in the same AMI band will not be used in determining project demand. In addition, any units, if priced 30 percent lower than the average market rent for the bedroom type in any income segment, will be assumed to be leasable in the market and deducted from the total number of units in the project for determining capture rates.

As new construction, this methodology does not apply to the Subject.

Capture Rates

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

Renter Household Income Distribution 2015 to Projected Market Entry October 2018					
The Exchange					
PMA					
	2015		Projected Mkt Entry October 2018		Percent
	#	%	#	%	Growth
$0-9,999	1,058	11.8%	1,100	11.7%	3.8%
$10,000-19,999	1,855	20.7%	1,840	19.6%	-0.8%
$20,000-29,999	1,197	13.4%	1,229	13.1%	2.6%
$30,000-39,999	1,030	11.5%	1,103	11.8%	6.6%
$40,000-49,999	972	10.8%	911	9.7%	-6.7%
$50,000-59,999	732	8.2%	809	8.6%	9.6%
$60,000-74,999	847	9.4%	869	9.3%	2.6%
$75,000-99,999	687	7.7%	764	8.2%	10.1%
$100,000-124,999	226	2.5%	297	3.2%	23.8%
$125,000-149,999	182	2.0%	212	2.3%	14.4%
$150,000-199,999	99	1.1%	132	1.4%	25.2%
$200,000+	82	0.9%	98	1.0%	16.7%
Total	8,966	100.0%	9,364	100.0%	4.3%

Renter Household Income Distribution Projected Market Entry October 2018			
The Exchange			
	PMA		
	Projected Mkt Entry October 2018		Change 2015 to Prj Mrkt Entry October 2018
	#	%	#
$0-9,999	1,100	11.7%	47
$10,000-19,999	1,840	19.6%	78
$20,000-29,999	1,229	13.1%	52
$30,000-39,999	1,103	11.8%	47
$40,000-49,999	911	9.7%	39
$50,000-59,999	809	8.6%	34
$60,000-74,999	869	9.3%	37
$75,000-99,999	764	8.2%	32
$100,000-124,999	297	3.2%	13
$125,000-149,999	212	2.3%	9
$150,000-199,999	132	1.4%	6
$200,000+	98	1.0%	4
Total	9,364	100.0%	398

Tenure Prj Mrkt Entry October 2018	
Renter	22.8%
Owner	77.2%
Total	100.0%

Renter Household Size for Prj Mrkt Entry October 2018		
Size	Number	Percentage
1 Person	2,191	23.4%
2 Person	2,211	23.6%
3 Person	1,720	18.4%
4 Person	1,491	15.9%
5+ Person	1,752	18.7%
Total	9,364	100.0%

Renter Household Size for 2000		
Size	Number	Percentage
1 Person	1,306	24.9%
2 Person	1,492	28.5%
3 Person	1,016	19.4%
4 Person	751	14.3%
5+ Person	676	12.9%
Total	5,241	100.0%

50% AMI

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

Percent of AMI Level				**50%**	
Minimum Income Limit			$21,943		
Maximum Income Limit			$36,850	5 persons	
Income Category	New Renter Households - Total Change in Households PMA 2015 to Prj Mrkt Entry October 2018		Income Brackets	Percent within Cohort	Renter Households within Bracket
$0-9,999	46.81	11.7%		0.0%	0
$10,000-19,999	78.29	19.6%		0.0%	0
$20,000-29,999	52.28	13.1%	8,056	80.6%	42
$30,000-39,999	46.95	11.8%	6,850	68.5%	32
$40,000-49,999	38.75	9.7%		0.0%	0
$50,000-59,999	34.43	8.6%		0.0%	0
$60,000-74,999	36.98	9.3%		0.0%	0
$75,000-99,999	32.50	8.2%		0.0%	0
$100,000-124,999	12.64	3.2%		0.0%	0
$125,000-149,999	9.02	2.3%		0.0%	0
$150,000-199,999	5.62	1.4%		0.0%	0
$200,000+	4.16	1.0%		0.0%	0
	398	100.0%			74
Percent of renter households within limits versus total number of renter households					18.64%

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

Percent of AMI Level				**50%**	
Minimum Income Limit			$21,943		
Maximum Income Limit			$36,850	5 persons	
Income Category	Total Renter Households PMA Prj Mrkt Entry October 2018		Income Brackets	Percent within Cohort	Households within Bracket
$0-9,999	1,100	11.7%		0.0%	0
$10,000-19,999	1,840	19.6%		0.0%	0
$20,000-29,999	1,229	13.1%	$8,056	80.6%	990
$30,000-39,999	1,103	11.8%	$6,850	68.5%	756
$40,000-49,999	911	9.7%		0.0%	0
$50,000-59,999	809	8.6%		0.0%	0
$60,000-74,999	869	9.3%		0.0%	0
$75,000-99,999	764	8.2%		0.0%	0
$100,000-124,999	297	3.2%		0.0%	0
$125,000-149,999	212	2.3%		0.0%	0
$150,000-199,999	132	1.4%		0.0%	0
$200,000+	98	1.0%		0.0%	0
	9,364	100.0%			1,746
Percent of renter households within limits versus total number of renter households					18.64%

Does the Project Benefit from Rent Subsidy? (Y/N)	No		
Type of Housing (Family vs Senior)	Family		
Location of Subject (Rural versus Urban)	Urban		
Percent of Income for Housing	35%		
2000 Median Income	$49,542		
2015 Median Income	$62,892		
Change from 2015 to Prj Mrkt Entry October 2018	$13,350		
Total Percent Change	21.2%		
Average Annual Change	0.2%		
Inflation Rate	0.2%	Two year adjustment	1.0000
Maximum Allowable Income	$36,850		
Maximum Allowable Income Inflation Adjusted	$36,850		
Maximum Number of Occupants	5 persons		
Rent Income Categories	50%		
Initial Gross Rent for Smallest Unit	$640		
Initial Gross Rent for Smallest Unit Inflation Adjusted	$640.00		

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	90%	10%	0%	0%	0%	100%
2	0%	20%	80%	0%	0%	0%	100%
3	0%	0%	60%	40%	0%	0%	100%
4	0%	0%	0%	100%	0%	0%	100%
5+	0%	0%	0%	100%	0%	0%	100%

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2015 to Prj Mrkt Entry October 2018		
Income Target Population		50%
New Renter Households PMA		398
Percent Income Qualified		18.6%
New Renter Income Qualified Households		74

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

Demand from Existing Households 2015

Demand form Rent Overburdened Households		
Income Target Population		50%
Total Existing Demand		9,364
Income Qualified		18.6%
Income Qualified Renter Households		1,746
Percent Rent Overburdened Prj Mrkt Entry October 2018		25.5%
Rent Overburdened Households		445

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

Demand from Living in Substandard Housing		
Income Qualified Renter Households		1,746
Percent Living in Substandard Housing		0.7%
Households Living in Substandard Housing		12

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

Senior Households Converting from Homeownership		
Income Target Population		50%
Total Senior Homeowners		0
Rural Versus Urban	2.0%	
Senior Demand Converting from Homeownership		0

Total Demand		
Total Demand from Existing Households		456
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		456
Total New Demand		74
Total Demand (New Plus Existing Households)		531
Demand from Seniors Who Convert from Homeownership		0
Percent of Total Demand From Homeonwership Conversion		0.0%
Is this Demand Over 2 percent of Total Demand?		No

By Bedroom Demand		
One Person	23.4%	124
Two Persons	23.6%	125
Three Persons	18.4%	98
Four Persons	15.9%	85
Five Persons	18.7%	99
Total	100.0%	531

To place Person Demand into Bedroom Type Units		
Of one-person households in 1BR units	90%	112
Of two-person households in 1BR units	20%	25
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
Of one-person households in 2BR units	10%	12
Of two-person households in 2BR units	80%	100
Of three-person households in 2BR units	60%	59
Of four-person households in 2BR units	0%	0
Of five-person households in 2BR units	0%	0
Of one-person households in 3BR units	0%	0
Of two-person households in 3BR units	0%	0
Of three-person households in 3BR units	40%	39
Of four-person households in 3BR units	100%	85
Of five-person households in 3BR units	100%	99
Total Demand		531
Check		OK

Total Demand by Bedroom	50%
0 BR	0
1 BR	137
2 BR	171
3 BR	223
Total Demand	531

Additions To Supply 2015 to Prj Mrkt Entry October 2018	50%
1 BR	4
2 BR	4
3 BR	3
Total	11

Net Demand	50%
1 BR	133
2 BR	167
3 BR	220
Total	520

Net Demand	50%
1 BR	133
2 BR	167
3 BR	220
Total	520

Developer's Unit Mix	50%
1 BR	8
2 BR	10
3 BR	8
Total	26

Capture Rate Analysis	50%
1 BR	6.0%
2 BR	6.0%
3 BR	3.6%
Total	5.0%

60% AMI

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

Percent of AMI Level			**60%**		
Minimum Income Limit			$26,331		
Maximum Income Limit			$44,220 5 persons		
Income Category	New Renter Households - Total Change in Households PMA 2015 to Prj Mrkt Entry October 2018		Income Brackets	Percent within Cohort	Renter Households within Bracket
$0-9,999	46.81	11.7%		0.0%	0
$10,000-19,999	78.29	19.6%		0.0%	0
$20,000-29,999	52.28	13.1%	3,668	36.7%	19
$30,000-39,999	46.95	11.8%	9,999	100.0%	47
$40,000-49,999	38.75	9.7%	4,220	42.2%	16
$50,000-59,999	34.43	8.6%		0.0%	0
$60,000-74,999	36.98	9.3%		0.0%	0
$75,000-99,999	32.50	8.2%		0.0%	0
$100,000-124,999	12.64	3.2%		0.0%	0
$125,000-149,999	9.02	2.3%		0.0%	0
$150,000-199,999	5.62	1.4%		0.0%	0
$200,000+	4.16	1.0%		0.0%	0
	398	100.0%			82
Percent of renter households within limits versus total number of renter households					20.70%

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

Percent of AMI Level			**60%**		
Minimum Income Limit			$26,331		
Maximum Income Limit			$44,220 5 persons		
Income Category	Total Renter Households PMA Prj Mrkt Entry October 2018		Income Brackets	Percent within Cohort	Households within Bracket
$0-9,999	1,100	11.7%		0.0%	0
$10,000-19,999	1,840	19.6%		0.0%	0
$20,000-29,999	1,229	13.1%	$3,668	36.7%	451
$30,000-39,999	1,103	11.8%	$9,999	100.0%	1,103
$40,000-49,999	911	9.7%	$4,220	42.2%	384
$50,000-59,999	809	8.6%		0.0%	0
$60,000-74,999	869	9.3%		0.0%	0
$75,000-99,999	764	8.2%		0.0%	0
$100,000-124,999	297	3.2%		0.0%	0
$125,000-149,999	212	2.3%		0.0%	0
$150,000-199,999	132	1.4%		0.0%	0
$200,000+	98	1.0%		0.0%	0
	9,364	100.0%			1,939
Percent of renter households within limits versus total number of renter households					20.70%

Does the Project Benefit from Rent Subsidy? (Y/N)	No		
Type of Housing (Family vs Senior)	Family		
Location of Subject (Rural versus Urban)	Urban		
Percent of Income for Housing	35%		
2000 Median Income	$49,542		
2015 Median Income	$62,892		
Change from 2015 to Prj Mrkt Entry October 2018	$13,350		
Total Percent Change	21.2%		
Average Annual Change	0.2%		
Inflation Rate	0.2%	Two year adjustment	1.0000
Maximum Allowable Income	$44,220		
Maximum Allowable Income Inflation Adjusted	$44,220		
Maximum Number of Occupants	5 persons		
Rent Income Categories	60%		
Initial Gross Rent for Smallest Unit	$768		
Initial Gross Rent for Smallest Unit Inflation Adjusted	$768.00		

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	90%	10%	0%	0%	0%	100%
2	0%	20%	80%	0%	0%	0%	100%
3	0%	0%	60%	40%	0%	0%	100%
4	0%	0%	0%	100%	0%	0%	100%
5+	0%	0%	0%	100%	0%	0%	100%

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2015 to Prj Mrkt Entry October 2018		
Income Target Population		60%
New Renter Households PMA		398
Percent Income Qualified		20.7%
New Renter Income Qualified Households		82

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

Demand from Existing Households 2015

Demand form Rent Overburdened Households		
Income Target Population		60%
Total Existing Demand		9,364
Income Qualified		20.7%
Income Qualified Renter Households		1,939
Percent Rent Overburdened Prj Mrkt Entry October 2018		25.5%
Rent Overburdened Households		494

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

Demand from Living in Substandard Housing		
Income Qualified Renter Households		1,939
Percent Living in Substandard Housing		0.7%
Households Living in Substandard Housing		13

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		507
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		507
Total New Demand		82
Total Demand (New Plus Existing Households)		589
Demand from Seniors Who Convert from Homeownership		0
Percent of Total Demand From Homeonwership Conversion		0.0%
Is this Demand Over 2 percent of Total Demand?		No

By Bedroom Demand		
One Person	23.4%	138
Two Persons	23.6%	139
Three Persons	18.4%	108
Four Persons	15.9%	94
Five Persons	18.7%	110
Total	100.0%	589

To place Person Demand into Bedroom Type Units		
Of one-person households in 1BR units	90%	124
Of two-person households in 1BR units	20%	28
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
Of one-person households in 2BR units	10%	14
Of two-person households in 2BR units	80%	111
Of three-person households in 2BR units	60%	65
Of four-person households in 2BR units	0%	0
Of five-person households in 2BR units	0%	0
Of one-person households in 3BR units	0%	0
Of two-person households in 3BR units	0%	0
Of three-person households in 3BR units	40%	43
Of four-person households in 3BR units	100%	94
Of five-person households in 3BR units	100%	110
Total Demand		589
Check		OK

Total Demand by Bedroom	60%
1 BR	152
2 BR	190
3 BR	247
Total Demand	589

Additions To Supply 2015 to Prj Mrkt Entry October 2018	60%
1 BR	8
2 BR	32
3 BR	21
Total	61

Net Demand	60%
1 BR	144
2 BR	158
3 BR	226
Total	528

Net Demand	60%
1 BR	144
2 BR	158
3 BR	226
Total	528

Developer's Unit Mix	60%
1 BR	27
2 BR	30
3 BR	34
Total	91

Capture Rate Analysis	60%
1 BR	18.8%
2 BR	19.0%
3 BR	15.0%
Total	17.2%

Market Rate

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

Percent of AMI Level			**Market Rate**		
Minimum Income Limit			$29,486		
Maximum Income Limit			$73,700 5 persons		
Income Category	New Renter Households - Total Change in Households PMA 2015 to Prj Mrkt Entry October 2018		Income Brackets	Percent within Cohort	Renter Households within Bracket
$0-9,999	46.81	11.7%		0.0%	0
$10,000-19,999	78.29	19.6%		0.0%	0
$20,000-29,999	52.28	13.1%	513	5.1%	3
$30,000-39,999	46.95	11.8%	9,999	100.0%	47
$40,000-49,999	38.75	9.7%	9,999	100.0%	39
$50,000-59,999	34.43	8.6%	9,999	100.0%	34
$60,000-74,999	36.98	9.3%	13,700	91.3%	34
$75,000-99,999	32.50	8.2%		0.0%	0
$100,000-124,999	12.64	3.2%		0.0%	0
$125,000-149,999	9.02	2.3%		0.0%	0
$150,000-199,999	5.62	1.4%		0.0%	0
$200,000+	4.16	1.0%		0.0%	0
	398	100.0%			157
Percent of renter households within limits versus total number of renter households					39.30%

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

Percent of AMI Level			**Market Rate**		
Minimum Income Limit			$29,486		
Maximum Income Limit			$73,700 5 persons		
Income Category	Total Renter Households PMA Prj Mrkt Entry October 2018		Income Brackets	Percent within Cohort	Households within Bracket
$0-9,999	1,100	11.7%		0.0%	0
$10,000-19,999	1,840	19.6%		0.0%	0
$20,000-29,999	1,229	13.1%	$513	5.1%	63
$30,000-39,999	1,103	11.8%	$9,999	100.0%	1,103
$40,000-49,999	911	9.7%	$9,999	100.0%	911
$50,000-59,999	809	8.6%	$9,999	100.0%	809
$60,000-74,999	869	9.3%	$13,700	91.3%	794
$75,000-99,999	764	8.2%		0.0%	0
$100,000-124,999	297	3.2%		0.0%	0
$125,000-149,999	212	2.3%		0.0%	0
$150,000-199,999	132	1.4%		0.0%	0
$200,000+	98	1.0%		0.0%	0
	9,364	100.0%			3,680
Percent of renter households within limits versus total number of renter households					39.30%

Does the Project Benefit from Rent Subsidy? (Y/N)	No		
Type of Housing (Family vs Senior)	Family		
Location of Subject (Rural versus Urban)	Urban		
Percent of Income for Housing	35%		
2000 Median Income	$49,542		
2015 Median Income	$62,892		
Change from 2015 to Prj Mrkt Entry October 2018	$13,350		
Total Percent Change	21.2%		
Average Annual Change	0.2%		
Inflation Rate	0.2%	Two year adjustment	1.0000
Maximum Allowable Income	$73,700		
Maximum Allowable Income Inflation Adjusted	$73,700		
Maximum Number of Occupants	5 persons		
Rent Income Categories	Market Rate		
Initial Gross Rent for Smallest Unit	$860		
Initial Gross Rent for Smallest Unit Inflation Adjusted	$860.00		

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	90%	10%	0%	0%	0%	100%
2	0%	20%	80%	0%	0%	0%	100%
3	0%	0%	60%	40%	0%	0%	100%
4	0%	0%	0%	100%	0%	0%	100%
5+	0%	0%	0%	100%	0%	0%	100%

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2015 to Prj Mrkt Entry October 2018		
Income Target Population		Market Rate
New Renter Households PMA		398
Percent Income Qualified		39.3%
New Renter Income Qualified Households		157

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

Demand from Existing Households 2015

Demand form Rent Overburdened Households		
Income Target Population		Market Rate
Total Existing Demand		9,364
Income Qualified		39.3%
Income Qualified Renter Households		3,680
Percent Rent Overburdened Prj Mrkt Entry October 2018		25.5%
Rent Overburdened Households		937

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

Demand from Living in Substandard Housing		
Income Qualified Renter Households		3,680
Percent Living in Substandard Housing		0.7%
Households Living in Substandard Housing		25

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

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

Total Demand		
Total Demand from Existing Households		962
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		962
Total New Demand		157
Total Demand (New Plus Existing Households)		1,119
Demand from Seniors Who Convert from Homeownership		0
Percent of Total Demand From Homeonwership Conversion		0.0%
Is this Demand Over 2 percent of Total Demand?		No

By Bedroom Demand		
One Person	23.4%	262
Two Persons	23.6%	264
Three Persons	18.4%	205
Four Persons	15.9%	178
Five Persons	18.7%	209
Total	100.0%	1,119

To place Person Demand into Bedroom Type Units		
Of one-person households in 1BR units	90%	236
Of two-person households in 1BR units	20%	53
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
Of one-person households in 2BR units	10%	26
Of two-person households in 2BR units	80%	211
Of three-person households in 2BR units	60%	123
Of four-person households in 2BR units	0%	0
Of five-person households in 2BR units	0%	0
Of one-person households in 3BR units	0%	0
Of two-person households in 3BR units	0%	0
Of three-person households in 3BR units	40%	82
Of four-person households in 3BR units	100%	178
Of five-person households in 3BR units	100%	209
Total Demand		1,119
Check		OK

Total Demand by Bedroom	Market Rate
1 BR	288
2 BR	361
3 BR	470
Total Demand	1,119

Additions To Supply 2015 to Prj Mrkt Entry October 2018	Market Rate
1 BR	0
2 BR	0
3 BR	0
Total	0

Net Demand	Market Rate
1 BR	288
2 BR	361
3 BR	470
Total	1,119

Net Demand	Market Rate
1 BR	288
2 BR	361
3 BR	470
Total	1,119

Developer's Unit Mix	Market Rate
1 BR	1
2 BR	2
3 BR	10
Total	13

Capture Rate Analysis	Market Rate
1 BR	0.3%
2 BR	0.6%
3 BR	2.1%
Total	1.2%

Overall LIHTC Demand

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

Percent of AMI Level				**Overall**	
Minimum Income Limit			$21,943		
Maximum Income Limit			$44,220 5 persons		
Income Category	New Renter Households - Total Change in Households PMA 2015 to Prj Mrkt Entry October 2018		Income Brackets	Percent within Cohort	Renter Households within Bracket
$0-9,999	46.81	11.7%		0.0%	0
$10,000-19,999	78.29	19.6%		0.0%	0
$20,000-29,999	52.28	13.1%	8,056	80.6%	42
$30,000-39,999	46.95	11.8%	9,999	100.0%	47
$40,000-49,999	38.75	9.7%	4,220	42.2%	16
$50,000-59,999	34.43	8.6%		0.0%	0
$60,000-74,999	36.98	9.3%		0.0%	0
$75,000-99,999	32.50	8.2%		0.0%	0
$100,000-124,999	12.64	3.2%		0.0%	0
$125,000-149,999	9.02	2.3%		0.0%	0
$150,000-199,999	5.62	1.4%		0.0%	0
$200,000+	4.16	1.0%		0.0%	0
	398	100.0%			105
Percent of renter households within limits versus total number of renter households					26.46%

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

Percent of AMI Level				**Overall**	
Minimum Income Limit			$21,943		
Maximum Income Limit			$44,220 5 persons		
Income Category	Total Renter Households PMA Prj Mrkt Entry October 2018		Income Brackets	Percent within Cohort	Households within Bracket
$0-9,999	1,100	11.7%		0.0%	0
$10,000-19,999	1,840	19.6%		0.0%	0
$20,000-29,999	1,229	13.1%	$8,056	80.6%	990
$30,000-39,999	1,103	11.8%	$9,999	100.0%	1,103
$40,000-49,999	911	9.7%	$4,220	42.2%	384
$50,000-59,999	809	8.6%		0.0%	0
$60,000-74,999	869	9.3%		0.0%	0
$75,000-99,999	764	8.2%		0.0%	0
$100,000-124,999	297	3.2%		0.0%	0
$125,000-149,999	212	2.3%		0.0%	0
$150,000-199,999	132	1.4%		0.0%	0
$200,000+	98	1.0%		0.0%	0
	9,364	100.0%			2,478
Percent of renter households within limits versus total number of renter households					26.46%

Does the Project Benefit from Rent Subsidy? (Y/N)	No		
Type of Housing (Family vs Senior)	Family		
Location of Subject (Rural versus Urban)	Urban		
Percent of Income for Housing	35%		
2000 Median Income	$49,542		
2015 Median Income	$62,892		
Change from 2015 to Prj Mrkt Entry October 2018	$13,350		
Total Percent Change	21.2%		
Average Annual Change	0.2%		
Inflation Rate	0.2%	Two year adjustment	1.0000
Maximum Allowable Income	$44,220		
Maximum Allowable Income Inflation Adjusted	$44,220		
Maximum Number of Occupants	5 persons		
Rent Income Categories	Overall		
Initial Gross Rent for Smallest Unit	$640		
Initial Gross Rent for Smallest Unit Inflation Adjusted	$640.00		

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	90%	10%	0%	0%	0%	100%
2	0%	20%	80%	0%	0%	0%	100%
3	0%	0%	60%	40%	0%	0%	100%
4	0%	0%	0%	100%	0%	0%	100%
5+	0%	0%	0%	100%	0%	0%	100%

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2015 to Prj Mrkt Entry October 2018		
Income Target Population		Overall
New Renter Households PMA		398
Percent Income Qualified		26.5%
New Renter Income Qualified Households		105

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

Demand from Existing Households 2015

Demand form Rent Overburdened Households		
Income Target Population		Overall
Total Existing Demand		9,364
Income Qualified		26.5%
Income Qualified Renter Households		2,478
Percent Rent Overburdened Prj Mrkt Entry October 2018		25.5%
Rent Overburdened Households		631

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

Demand from Living in Substandard Housing		
Income Qualified Renter Households		2,478
Percent Living in Substandard Housing		0.7%
Households Living in Substandard Housing		17

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		648
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		648
Total New Demand		105
Total Demand (New Plus Existing Households)		753
Demand from Seniors Who Convert from Homeownership		0
Percent of Total Demand From Homeonwership Conversion		0.0%
Is this Demand Over 2 percent of Total Demand?		No

By Bedroom Demand		
One Person	23.4%	176
Two Persons	23.6%	178
Three Persons	18.4%	138
Four Persons	15.9%	120
Five Persons	18.7%	141
Total	100.0%	753

To place Person Demand into Bedroom Type Units		
Of one-person households in 1BR units	90%	159
Of two-person households in 1BR units	20%	36
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
Of one-person households in 2BR units	10%	18
Of two-person households in 2BR units	80%	142
Of three-person households in 2BR units	60%	83
Of four-person households in 2BR units	0%	0
Of five-person households in 2BR units	0%	0
Of one-person households in 3BR units	0%	0
Of two-person households in 3BR units	0%	0
Of three-person households in 3BR units	40%	55
Of four-person households in 3BR units	100%	120
Of five-person households in 3BR units	100%	141
Total Demand		753
Check		OK

Total Demand by Bedroom	Overall
1 BR	194
2 BR	243
3 BR	316
Total Demand	753

Additions To Supply 2015 to Prj Mrkt Entry October 2018	Overall
1 BR	12
2 BR	36
3 BR	24
Total	72

Net Demand	Overall
1 BR	182
2 BR	207
3 BR	292
Total	681

Net Demand	Overall
1 BR	182
2 BR	207
3 BR	292
Total	681

Developer's Unit Mix	Overall
1 BR	35
2 BR	40
3 BR	42
Total	117

Capture Rate Analysis	Overall
1 BR	19.2%
2 BR	19.3%
3 BR	14.4%
Total	17.2%

Overall Demand

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

Percent of AMI Level				**Overall**	
Minimum Income Limit			$21,943		
Maximum Income Limit			$73,700 5 persons		
Income Category	New Renter Households - Total Change in Households PMA 2015 to Prj Mrkt Entry October 2018		Income Brackets	Percent within Cohort	Renter Households within Bracket
$0-9,999	46.81	11.7%		0.0%	0
$10,000-19,999	78.29	19.6%		0.0%	0
$20,000-29,999	52.28	13.1%	8,056	80.6%	42
$30,000-39,999	46.95	11.8%	9,999	100.0%	47
$40,000-49,999	38.75	9.7%	9,999	100.0%	39
$50,000-59,999	34.43	8.6%	9,999	100.0%	34
$60,000-74,999	36.98	9.3%	13,700	91.3%	34
$75,000-99,999	32.50	8.2%		0.0%	0
$100,000-124,999	12.64	3.2%		0.0%	0
$125,000-149,999	9.02	2.3%		0.0%	0
$150,000-199,999	5.62	1.4%		0.0%	0
$200,000+	4.16	1.0%		0.0%	0
	398	100.0%			196
Percent of renter households within limits versus total number of renter households					49.20%

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

Percent of AMI Level				**Overall**	
Minimum Income Limit			$21,943		
Maximum Income Limit			$73,700 5 persons		
Income Category	Total Renter Households PMA Prj Mrkt Entry October 2018		Income Brackets	Percent within Cohort	Households within Bracket
$0-9,999	1,100	11.7%		0.0%	0
$10,000-19,999	1,840	19.6%		0.0%	0
$20,000-29,999	1,229	13.1%	$8,056	80.6%	990
$30,000-39,999	1,103	11.8%	$9,999	100.0%	1,103
$40,000-49,999	911	9.7%	$9,999	100.0%	911
$50,000-59,999	809	8.6%	$9,999	100.0%	809
$60,000-74,999	869	9.3%	$13,700	91.3%	794
$75,000-99,999	764	8.2%		0.0%	0
$100,000-124,999	297	3.2%		0.0%	0
$125,000-149,999	212	2.3%		0.0%	0
$150,000-199,999	132	1.4%		0.0%	0
$200,000+	98	1.0%		0.0%	0
	9,364	100.0%			4,607
Percent of renter households within limits versus total number of renter households					49.20%

Does the Project Benefit from Rent Subsidy? (Y/N)	No		
Type of Housing (Family vs Senior)	Family		
Location of Subject (Rural versus Urban)	Urban		
Percent of Income for Housing	35%		
2000 Median Income	$49,542		
2015 Median Income	$62,892		
Change from 2015 to Prj Mrkt Entry October 2018	$13,350		
Total Percent Change	21.2%		
Average Annual Change	0.2%		
Inflation Rate	0.2%	Two year adjustment	1.0000
Maximum Allowable Income	$73,700		
Maximum Allowable Income Inflation Adjusted	$73,700		
Maximum Number of Occupants	5 persons		
Rent Income Categories	Overall		
Initial Gross Rent for Smallest Unit	$640		
Initial Gross Rent for Smallest Unit Inflation Adjusted	$640.00		

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	90%	10%	0%	0%	0%	100%
2	0%	20%	80%	0%	0%	0%	100%
3	0%	0%	60%	40%	0%	0%	100%
4	0%	0%	0%	100%	0%	0%	100%
5+	0%	0%	0%	100%	0%	0%	100%

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2015 to Prj Mrkt Entry October 2018

Income Target Population		Overall
New Renter Households PMA		398
Percent Income Qualified		49.2%
New Renter Income Qualified Households		196

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

Demand from Existing Households 2015

Demand form Rent Overburdened Households

Income Target Population		Overall
Total Existing Demand		9,364
Income Qualified		49.2%
Income Qualified Renter Households		4,607
Percent Rent Overburdened Prj Mrkt Entry October 2018		25.5%
Rent Overburdened Households		1173

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

Demand from Living in Substandard Housing

Income Qualified Renter Households		4,607
Percent Living in Substandard Housing		0.7%
Households Living in Substandard Housing		31

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		1,204
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		1204
Total New Demand		196
Total Demand (New Plus Existing Households)		1,400

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

By Bedroom Demand

One Person	23.4%	328
Two Persons	23.6%	331
Three Persons	18.4%	257
Four Persons	15.9%	223
Five Persons	18.7%	262
Total	100.0%	1,400

To place Person Demand into Bedroom Type Units		
Of one-person households in 1BR units	90%	295
Of two-person households in 1BR units	20%	66
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
Of one-person households in 2BR units	10%	33
Of two-person households in 2BR units	80%	264
Of three-person households in 2BR units	60%	154
Of four-person households in 2BR units	0%	0
Of five-person households in 2BR units	0%	0
Of one-person households in 3BR units	0%	0
Of two-person households in 3BR units	0%	0
Of three-person households in 3BR units	40%	103
Of four-person households in 3BR units	100%	223
Of five-person households in 3BR units	100%	262
Total Demand		1,400
Check		OK

Total Demand by Bedroom	Overall
1 BR	361
2 BR	451
3 BR	588
Total Demand	1,400

Additions To Supply 2015 to Prj Mrkt Entry October 2018	Overall
1 BR	12
2 BR	36
3 BR	24
Total	72

Net Demand	Overall
1 BR	349
2 BR	415
3 BR	564
Total	1,328

Net Demand	Overall
1 BR	349
2 BR	415
3 BR	564
Total	1,328

Developer's Unit Mix	Overall
1 BR	36
2 BR	42
3 BR	52
Total	130

Capture Rate Analysis	Overall
1 BR	10.3%
2 BR	10.1%
3 BR	9.2%
Total	9.8%

Conclusions

We have conducted such an analysis to determine a base of demand for the Subject as a tax credit property. Several factors affect the indicated capture rates and are discussed following.

- The percentage of renter households in the PMA is expected to increase 0.1 percentage points between 2015 and the market entry date, from 23.2 percent to 23.3 percent. Further, 398 renter households will be added to the PMA during this time period for a total of 9,364 renter households.

- 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 is defined as: "The reasonably probable and legal use of property 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 productivity.[2]"

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 highest value. The principle of conformity holds, in part, that conformity in use is usually a highly desirable adjunct of real property, since it generally helps create and/or maintains maximum value.

It is to be recognized that in cases where a site has existing improvements on it, the highest and best use may 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 community 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. 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 to 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.

[2] Source: Appraisal Institute, The Dictionary of Real Estate Appraisal, 6th ed. (Chicago: Appraisal Institute, 2015).

HIGHEST AND BEST USE AS IF VACANT

Physically Possible

The Subject site contains approximately 12.97 acres. The Subject site has generally level topography, an irregular shape. It should be noted that less than 10 percent of the Subject site is located within a flood plain; however, according to a site plan provided by the developer, the Subject's dwelling units will not be located within the floodplain. It has average accessibility. The site is considered adequate for a variety of legally permissible uses.

Legally Permissible

According to Yvonne Greenway with the City of Winder Planning and Zoning Department, the Subject site is zoned B-2 General Commercial District, which permits retail businesses and any business or profession dispensing goods or services. Multifamily use is allowed only as a conditional use based on the approval of the zoning board of appeals. There is no maximum allowable density prescribed to the B-2 district, and developments are permitted on a case by case basis by a conditional use permit. The comparable land sales range in density from 2.3 to 16.7 units per acre. The Subject's proposed density is within the comparable range, at 10 units per acre, and appears consistent with surrounding uses in Barrow County. Thus, we have made an extraordinary assumption that Subject would be issued a special use permit to be developed as proposed with 130 units.

Financially Feasible

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

The Subject's feasible uses are restricted to those that are allowed by zoning classifications, and are physically possible. As noted in the zoning section, the site can be used for varying densities of multifamily residential uses. Given the site attributes, allowable uses and surrounding uses, we believe multifamily residential development is most likely.

The following analysis evaluates the financial feasibility of the Subject property as proposed.

COST ANALYSIS

As Proposed Unrestricted

Stabilized Overall Capitalization Rate		6.00%
Typical Economic Life		55.0
Inferred Annual Building Recapture Rate		1.36%
Inferred Land to Total Value Ratio (M)		5.4%
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		$1,100,000
Land Capitalization Rate		4.7%
Required Return to Land		$51,700
Replacement Cost of Improvements		$20,262,211
Building Capitalization Rate (Rb)		6.1%
Required Return On and Recapture of Improvement Costs		$1,235,995
Total Required Net Operating Income		$1,287,695
Net Rentable Square Footage		142,312
Required NOI per SF of Improvements		$9.05
Operating Expenses per SF		$4.81
Required Effective Gross Revenue		$13.86
Stabilized Vacancy Adjustment Factor		$0.69
Cost Feasible Market Rent		**$14.55**
Market Rent (based on market rental rates)		**$11.42**

Maximally Productive

The analysis indicates market rate development is not feasible in the current market. Market rents do not support feasible construction without additional gap subsidy. Therefore, if available, the maximally productive use of this site as if vacant would be to construct a multifamily rental property using tax credit equity, favorable financing, or other gap subsidies.

Highest and Best Use “As If Vacant”

The Subject’s highest and best use “as if vacant” is to hold for future development when market rents rise to the level of cost feasibility. Alternatively, a multifamily rental property would be feasible with gap financing such as tax exempt bonds and tax credits.

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 based on the scope of work.

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.

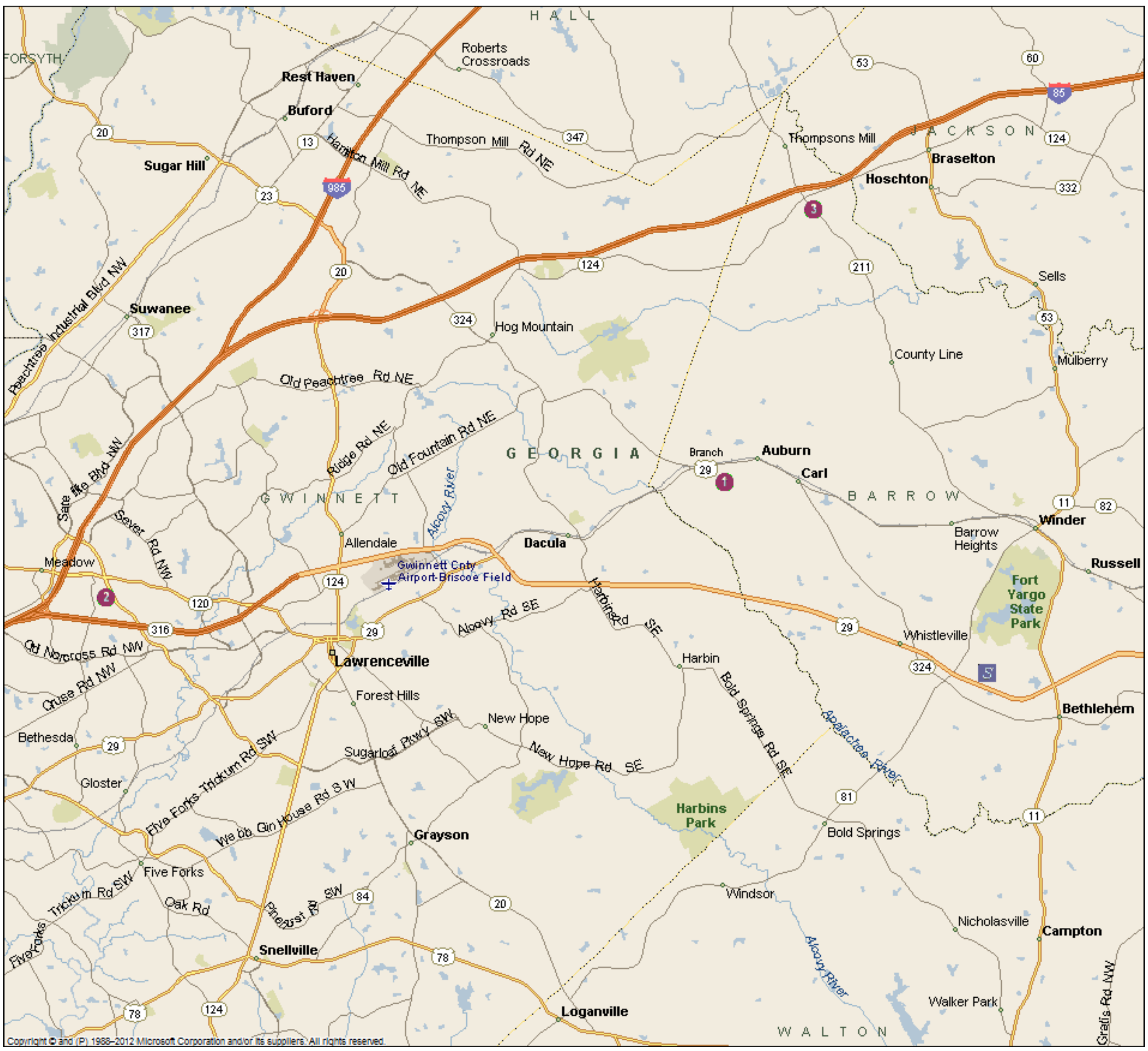
LAND VALUE

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 intended for multifamily use. We were able to locate three land sales in the region occurring between May 2014 and August 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.

Land Sales Map



Land Sale 1		
Location:		155 Autry Rd Auburn, GA 30011
Buyer:		Autry Pines Senior Village, LP
Seller:		Gwinnett Community Bank
Sale Date:		May-14
Sale Price:		$435,000
Financing:		Cash
Number of Units:		34
Site:	Acre(s)	14.74
	Square Footage	642,074
Zoning		Multifamily
Corner		No
Topography		Level
Shape		Irregular
Sale Price:	Per Unit	$12,794
	Per Acre	$29,512
	Per SF	$0.68

Comments:

This site was purchased to construct a 34-unit age-restricted LIHTC multifamily property. The development was completed in November 2015, and is known as Autry Pines Senior Village.

Verification: Public Records, Appraiser's Files

Land Sale 2		
Location:		5600 Sugarloaf Pkwy Lawrenceville, GA 30043
Buyer:		Hearthside Sugarloaf, LP
Seller:		HJE Simpson, LP
Sale Date:		September-13
Sale Price:		$1,050,000
Financing:		Cash
Number of Units:		110
Site:	Acre(s)	6.6
	Square Footage	287,496
Zoning		Multifamily
Corner		No
Topography		Level
Shape		Rectangular
Sale Price:	Per Unit	$9,545
	Per Acre	$159,091
	Per SF	$3.65

Comments:

This site was purchased to construct a 110-unit age-restricted LIHTC multifamily property. The development was completed in April 2015, and is known at Hearthside Sugarloaf.

Verification: Public Records, Appraiser's Files

Land Sale 3		
Location:		1018 Beaver Dam Road Braselton, GA 30548
Buyer:		Braselton Court LP
Seller:		PB Real Estate LLC
Sale Date:		Aug-13
Sale Price:		$907,900
Financing:		Cash
Number of Units:		80
Site:	Acre(s)	11.40
	Square Footage	496,584
Zoning		Multifamily
Corner		No
Topography		Level
Shape		Rectangular
Sale Price:	Per Unit	$11,349
	Per Acre	$79,640
	Per SF	$1.83

Comments:
This site was purchased to construct an 80-unit age-restricted multifamily property. The development was completed in November 2014, and is known as Mainstreet Braselton.

Verification: Public Records, Appraiser's Files

The following table summarizes the vacant land sale transactions.

COMPARABLE LAND SALES

Number	Location	City	Sale Date	Price	Units	Price/Unit
1	155 Autry Rd	Auburn, GA 30011	May-14	$435,000	34	$12,794
2	5600 Sugarloaf Pkwy	Lawrenceville, GA 30043	Sep-13	$1,050,000	110	$9,545
3	1018 Beaver Dam Road	Braselton, GA 30548	Aug-13	$907,900	80	$11,349

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
Real estate values vary over time due to changes in market conditions. The rate of this change fluctuates due to investor’s perceptions and responses to prevailing market conditions. This adjustment category reflects market differences occurring between the effective date of the appraisal and the sale date of the comparables, when values have appreciated or depreciated. We have analyzed sale/resale data of tracts, and considered the changes in market conditions of comparable properties. The comparable land sales sold from August 2013 to May 2014. Market conditions have improved over this time period and continue to appreciate currently in the greater Atlanta area. To illustrate the significant appreciation in the area, we located one improved sale that has transferred more than once over the past 24 months. The improved sale, which was not utilized as a sales comparable for this report as we were unable to confirm the capitalization rate, Elysian at Ten Oaks

transferred previously in June 2014 for a purchase price of $29,000,000 in a market-oriented transaction. This property was sold in February 2016 for a purchase price of $37,250,000 in a market-oriented transaction. Thus, this multifamily property appreciated approximately 1.4 percent per month during this time period. Based on this data, the rental market in Subject's immediate area continues to exhibit strong performance and high appreciation rates. As such, we have applied a positive 15 percent adjustment for the land sales that occurred in 2014 and a positive 25 percent adjustment for the land sales that occurred in 2013 for improved market conditions.

Location

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

MEDIAN RENT

	Zip Code	Median Rent	Differential
Subject	30620	$945	-
1	30011	$898	5%
2	30043	$1,137	-20%
3	30548	$1,176	-24%

Source: US Census, 9/2016

MEDIAN HOUSEHOLD INCOME

	Zip Code	HH Income	Differential
Subject	30620	$63,776	-
1	30011	$58,146	9%
2	30043	$66,486	-4%
3	30548	$78,401	-23%

Source: US Census, 9/2016

As illustrated in the previous tables, it appears that the Sale 2 and 3 are located in superior locations, when compared to the Subject. Therefore, we have adjusted sales comparables 2 and 3 downward by adjustments ranging from 15 to 25 percent. Sale 1 represents a generally similar location, and no adjustments were warranted.

Zoning

As previously noted, we have made an extraordinary assumption that the Subject would receive a conditional use approval for multifamily development. All of the comparables are zoned to allow for multifamily development. Therefore, no adjustments are necessary for allowable uses in zoning.

Site Characteristics

The land sales appear to have generally level topography. Therefore, no adjustments are necessary. However, the Subject site is partially located within a 100-year floodplain on its northern border.

Thus, we have applied a negative 15 percent adjustment to each of the sales, which do not have similar flood plain issues.

Shape
All land sales have functional shapes; therefore, no adjustments are necessary.

Size / Number of Units
With respect to size, the general convention is that larger properties tend to sell for less on a per unit basis than smaller properties. Conversely, smaller properties typically sell for more per unit than larger properties. The pool of potential purchasers decreases as property size (and purchase price) increases, effectively reducing competition. The pricing relationship is not linear and certain property sizes, while different, may not receive differing prices based on the grouping within levels.

The previous highest and best use analysis indicated that the Subject site could support approximately 130 multifamily units. Sale 1 is significantly smaller than the Subject in terms of size; thus, we have applied a negative 25 percent adjustment to this sale for superior size. The remaining sales were to be developed with a generally similar number of units and no adjustment was warranted to these sales for size.

Comparable Land Data Adjustment Grid					
		Subject	1	2	3
Location		The Exchange	155 Autry Rd	5600 Sugarloaf Pkwy	1018 Beaver Dam Road
City, State		Winder, GA 30620	Auburn, GA 30011	Lawrenceville, GA 30043	Braselton, GA 30548
Parcel Data					
	Zoning	Multifamily	Multifamily	Multifamily	Multifamily
	Topography	Level	Level	Level	Level
	Shape	Irregular	Irregular	Rectangular	Rectangular
	Corner	No	No	No	No
	Size (SF)	503,554	642,074	287,496	496,584
	Size (Acres)	11.56	14.74	6.60	11.40
	Units	130	34	110	80
	Units Per Acre	11.2	2.3	16.7	7.0
Sales Data					
	Date		May-14	Sep-13	Aug-13
	Interest		Fee Simple	Fee Simple	Fee Simple
	Price		$435,000	$1,050,000	$907,900
	Price per Unit		$12,794	$9,545	$11,349
Adjustments					
	Property Rights		0	0	0
			$435,000	$1,050,000	$907,900
	Financing		0	0	0
			$435,000	$1,050,000	$907,900
	Conditions of Sale		0	0	0
			$435,000	$1,050,000	$907,900
	Market Conditions		15.0%	25%	25%
Adjusted Sale Price			$500,250	$1,312,500	$1,134,875
Adjusted Price Per Unit			$14,713	$11,932	$14,186
Adjustments					
	Location		0.0%	-15.0%	-25.0%
	Zoning		0.0%	0.0%	0.0%
	Site Characteristics		-15.0%	-15.0%	-15.0%
	Shape		0.0%	0.0%	0.0%
	Size		-25.0%	0.0%	0.0%
Overall Adjustment			-40.0%	-30.0%	-40.0%
Adjusted Price Per Unit			$8,828	$8,352	$8,512
Low		$8,352			
High		$8,828			
Mean		$8,564			
Median		$8,512			
Conclusion		$8,500	x	130	$1,105,000
Rounded					$1,100,000

CONCLUSION OF VALUE

The sales indicate a range of adjusted price per unit from $8,352 to $8,828 per unit, with a mean of $8,564 per unit. We have relied on all three sales in determining the Subject's value. Therefore, we conclude to a sale price of $8,500 per unit for the land as if vacant.

As a result of our investigation and analysis, it is our opinion that, subject to the limiting conditions and assumptions contained herein, the unencumbered value of the underlying land "as if vacant" in fee simple, as of September 11, 2016, is:

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

Development Costs

Since the Subject will be new construction, the development budget can be useful. However, to insure a market based valuation we estimated the hard costs based on the borrower's budget, RS Means and Marshall & Swift. The soft costs are not as effectively compared to market estimates. The cost of typical tax credit syndications is unique and not easily compared to other transactions. Therefore, we relied upon other development budgets for these costs.

Direct Costs

We compared the direct costs associated with construction of a property to the costs of a property with similar utility as the subject. These costs include construction costs, landscaping costs, and site improvement costs. These are estimated by using RS Means and Marshall & Swift and correlated to the local market using a multiplier.

Indirect Cost

Indirect costs must be added to the direct costs to arrive at a total cost new estimate. Indirect costs include construction loan fees (including interest on the property during construction, appraisal fees, points, etc.), taxes on the land during the construction period, and borrower's profit and overhead.

Borrower's Profit and Overhead: Entrepreneurial profit is accounted for as an indirect cost. If the Cost Approach is to provide a reliable indication of value, the appraiser must add to the cost a figure that represents the entrepreneurial or borrower's profit that is reflected in the market. It is a return to the investor based on his entrepreneurial skills and abilities.

An investor in real property, especially a borrower, gives up a certain amount of liquidity in development, and his risk is based upon his past experience in the field, his forecasting ability with respect to the real estate/business cycle, his expertise in management, and timing. These items are somewhat speculative and tend to be within a fairly wide profit range, depending upon a combination of the preceding items.

Essentially, entrepreneurial profit is a market-derived figure that reflects the amount that the entrepreneur, or borrower, expects to receive in addition to costs. Depending on market practice, this type of profit may be measured as a percentage of (1) direct costs, (2) direct and indirect costs, (3) direct and indirect costs plus land value, and (4) the value of the completed project.

Appraisers often derive an appropriate figure for profit expectation from market analysis. By analyzing recent sales of new properties in the same market, we calculated entrepreneurial profit as the difference between the sale price and the sum of direct costs, indirect costs and current market land value. An appraiser can also survey borrowers to determine entrepreneurial profit. However, the amount of entrepreneurial profit varies with factors such as economic conditions and property type, so a typical relationship between this profit and other costs is difficult to establish.

In conversations with borrowers of similar types of properties, an expected profit range would be 10 percent to 20 percent of the overall hard costs. Other soft costs typically include financing and legal fees. For LIHTC development these are often significant totaling 20 to 30 percent of total hard costs.

Estimated Costs

There are several data providers that estimate the cost to construct and replace multifamily properties. Two that are most commonly relied upon are Marshall & Swift and RS Means.

Marshall & Swift produces *Marshall Valuation Service*, which is marketed as an appraisal guide. It is primarily used by residential and commercial appraisers to develop replacement costs, depreciated values, and insurable values. Comparative cost indices are published quarterly. The data is based on the publishers' valuation experience, appraisal review, and analysis of the costs of new buildings.

RS Means published *Square Foot Costs* is intended for use by those involved with construction cost estimating, including contractors, owners, architects, engineers, and facilities managers. The data can also be used to develop preliminary project cost estimates and to measure the impact of modifying design and materials on construction costs.

A 2005 report produced by the NAHB Research Center called *Construction Cost Indices,* examined construction costs for HUD Section 202 and 811 supportive housing programs. The goal of the report was to analyze actual project costs using major construction cost industry indices and to determine the accuracy of industry indices. The report concluded that RS Means has the highest correlation with actual construction costs; however, actual average costs were generally below the RS Means estimate, by approximately 10 percent. Actual costs ranged from 75 percent of the RS Means estimate to 145 percent of the estimate.

The following table illustrates the current RS Means and Marshall & Swift cost per square foot estimates for a variety of multifamily building types.

	M&S		RS Means	
	Cost PSF	**Assumption**	**Cost PSF**	**Assumption**
Garden (1-3 story)	$73.64	Class C, average quality	$146.20	Stucco on concrete, wood joist
Midrise (4-7 story)	$80.95	Class C, average quality	$165.20	Decorative concrete block, steel frame
Highrise (8+)	$112.09	Class C, average quality	$186.00	Face brick, concrete block backup, steel frame
Townhouse	$79.00	Class D, average quality	$121.74	Stucco on wood frame, two-story
SF	$89.37	Class D, average quality	$128.15	Stucco on wood frame, one-story

As illustrated, the RS Means and Marshall & Swift costs per square foot vary considerably for multifamily construction. Further, the two cost estimators use different location-based factors to adjust the national cost estimates to local estimates. We will use both estimates to determine the Subject's value using the cost approach.

We have utilized the garden style data in this analysis since that is the predominant construction design at the Subject. The following table illustrates the cost per square foot for properties for the Subject's market area. The tables also show the borrower's overall cost per square foot:

		M&S	RS Means	Developer	Novoco Estimate
National Cost PSF		$73.64	$146.20	N/Ap	N/Ap
Location Adjustment	Atlanta, GA	0.94	0.88	N/Ap	N/Ap
Subject Cost PSF		$69.22	$128.66	$98.76	$98.76

The developer's budget is within the range of the cost estimators, and appears reasonable given the small number of units proposed at the Subject. Therefore, we will utilize $90.34 per square foot, which is within the range of the cost estimates and similar to the developer's budget.

The following tables summarize our estimates.

Cost Estimation		
Estimated cost per SF	$98.76	Per Developer
Total Area	149,428	Gross Area
FFE	$325,000	
Estimated Construction Costs	**$15,082,470**	

*FFE estimate includes kitchen equipment, interior, exterior, plumbing, furnishing, electrical and HVAC expenses ($2,500 per unit)

Our overall cost estimates for the Subject are illustrated in the following table.

Novoco Cost Estimates		
Number of Units	130	Per Unit
Estimated Hard Cost	$15,082,470	$116,019
Estimated FF&E	$325,000	$2,500
Total Construction Costs	**$15,407,470**	**$118,519**
Soft Costs	$3,236,494	$24,896
Development Costs	$1,618,247	$12,448
Total Replacement Cost	**$20,262,211**	**$155,863**

Accrued Depreciation
Accrued depreciation is a loss in value from the reproduction or replacement cost of improvements due to any cause as of the date of appraisal. It may also be defined as the difference between reproduction or replacement cost of an improvement and its market value as of the date of appraisal. The value difference may emanate from physical deterioration, functional obsolescence, external obsolescence, or any combination of these sources.

Physical Deterioration
Curable: This involves an estimate of deferred maintenance and is applicable to items subject to current repair.

Incurable: This reflects loss in value due to the physical departs of the structure. The Subject is proposed new construction. Therefore, there is no depreciation.

Functional Obsolescence
This reflects loss in value due to poor plan, outmoded style or design, architectural super-adequacy, or inadequacy. If incurable functional obsolescence exists, one must charge off additional cost of ownership in the replacement method, if any. Due to its new condition, the Subject will not suffer from functional obsolescence.

External Obsolescence
The cost feasibility analysis suggests an external obsolescence of approximately one percent.

COST ANALYSIS
As Proposed Restricted

Stabilized Overall Capitalization Rate		6.00%
Typical Economic Life		55.0
Inferred Annual Building Recapture Rate		1.36%
Inferred Land to Total Value Ratio (M)		5.4%
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		$1,100,000
Land Capitalization Rate		4.7%
Required Return to Land		$51,700
Replacement Cost of Improvements		$20,262,211
Building Capitalization Rate (Rb)		6.1%
Required Return On and Recapture of Improvement Costs		$1,235,995
Total Required Net Operating Income		$1,287,695
Net Rentable Square Footage		142,312
Required NOI per SF of Improvements		$9.05
Operating Expenses per SF		$4.81
Required Effective Gross Revenue		$13.86
Stabilized Vacancy Adjustment Factor		$0.69
Cost Feasible Market Rent		**$14.55**
Market Rent (based on restricted rental rates)		**$8.66**
Rent Differential		$5.89
Yielded Economic Obsolescence		**40.50%**

The following tables summarize the value via the cost approach:

Summary of Cost Approach				
Total Replacement Cost - All Improvements			$20,262,211	
Depreciation				
	Deferred Maintenance	$0		
	Physical - Buildings	$0		
	Functional Obsolescence	$0		
	External Obsolescence	$8,207,059		
Total Depreciation			$8,207,059	
Depreciated Replacement Cost - Improvements				$12,055,151
Land Value				$1,100,000
Indicated Value - Cost Approach				$13,155,151
Rounded				$13,200,000

CONCLUSION

In order to arrive at a Replacement Cost value for the Subject, we added the estimated land value to the replacement cost of the improvements. Therefore, the value of the Subject "as if complete" in October 1, 2018, via the cost approach, as of September 11, 2016, is:

THIRTEEN MILLION TWO HUNDRED THOUSAND DOLLARS
($13,200,000)

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, 25, 30, and 35 years.

The market values “upon completion and stabilization” are hypothetical 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 hypothetical market values under the restricted and unrestricted scenarios are 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 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	Achievable LIHTC Rents	Monthly Gross Rent	Annual Gross Rent
		50% AMI		
1BR	8	$558	$4,464	$53,568
2BR	10	$642	$6,420	$77,040
3BR	8	$704	$5,632	$67,584
		60% AMI		
1BR	27	$686	$18,522	$222,264
2BR	30	$796	$23,880	$286,560
3BR	34	$882	$29,988	$359,856
		Market		
1BR	1	$875	$875	$10,500
2BR	2	$990	$1,980	$23,760
3BR	10	$1,200	$12,000	$144,000
Total	**130**			**$1,245,132**

POTENTIAL GROSS RENTAL INCOME - As Proposed Unrestricted

Unit Type	Number of Units	Achievable Market Rents	Monthly Gross Rent	Annual Gross Rent
1BR	36	$875	$31,500	$378,000
2BR	42	$990	$41,580	$498,960
3BR	52	$1,200	$62,400	$748,800
Total	**130**			**$1,625,760**

Other Income

The other income category is primarily revenue generated from interest income, late charges, special service fees, vending machines, etc. The comparables range from $286 to $775 per unit. The developer's budget indicates other income of $169 per unit. We will conclude to other income of $175 per unit, which is below the range of the comparables but similar to the developer's budget.

Vacancy and Collection Loss

As indicated in the supply analysis, we have concluded to a vacancy rate of 3.0 percent for the restricted scenario and 5.0 percent the unrestricted scenario. Additionally, we have concluded to a 2.0 percent collection loss, for a total vacancy and collection loss of 5.0 percent in the restricted scenario and 7.0 percent in the unrestricted scenario.

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 130 units. Comparable operating expense data from 2011 to 2012 was collected from properties located in Griffin, Mableton, Covington, and Atlanta to serve as a comparison for the Subject's proposed operating budget.

	Novogradac Estimates As Proposed Restricted Winder, GA 130		Novogradac Estimates As Proposed Unrestricted Winder, GA 130		SUBJECT BUDGETED EXPENSES Winder, GA 130		T-12 February 2016 CONFIDENTIAL ACTUAL EXPENSES Griffin, GA 128		T-12 March 2015 CONFIDENTIAL ACTUAL EXPENSES Mableton, GA 137		2014 CONFIDENTIAL ACTUAL EXPENSES Covington, GA 188		2013 CONFIDENTIAL ACTUAL EXPENSES Atlanta, GA 320	
EXPENSE CATEGORY	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit
OTHER INCOME	$22,750	$175	$22,750	$175	$25,974	$200	$36,631	$286	$86,603	$632	$145,686	$775	$101,461	$317
MARKETING														
Advertising / Screening / Credit	$9,750	$75	$13,000	$100	$13,000	$100	$20,282	$158	$11,015	$80	$13,683	$73	$10,956	$34
SUBTOTAL	**$9,750**	**$75**	**$13,000**	**$100**	**$13,000**	**$100**	**$20,282**	**$158**	**$11,015**	**$80**	**$13,683**	**$73**	**$10,956**	**$34**
ADMINISTRATION														
Legal	$13,000	$100	$13,000	$100	$5,000	$38	$0	$0	$9,618	$70	$17,998	$96	$34,690	$108
Audit	$16,250	$125	$6,500	$50	$7,500	$58	$0	$0	$7,140	$52	$6,000	$32	$9,592	$30
Office & Other	$26,000	$200	$26,000	$200	$41,400	$318	$24,193	$189	$38,768	$283	$30,381	$162	$199,602	$624
SUBTOTAL	**$55,250**	**$425**	**$45,500**	**$350**	**$53,900**	**$415**	**$24,193**	**$189**	**$55,526**	**$405**	**$54,379**	**$289**	**$243,884**	**$762**
TOTAL ADMINISTRATION	**$65,000**	**$500**	**$58,500**	**$450**	**$66,900**	**$515**	**$44,475**	**$347**	**$66,541**	**$486**	**$68,062**	**$362**	**$254,840**	**$796**
MAINTENANCE														
Painting / Turnover / Cleaning	$22,750	$175	$22,750	$175	$26,000	$200	$31,568	$247	$41,058	$300	$34,832	$185	$45,083	$141
Repairs	$13,000	$100	$13,000	$100	$29,250	$225	$20,795	$162	$17,735	$129	$28,511	$152	$19,741	$62
Elevator	$0	$0	$0	$0	$0	$0	$0	$0	$0	0	$0	0	$0	0
Grounds	$16,250	$125	$16,250	$125	$32,500	$250	$18,286	$143	$24,205	$177	$24,713	$131	$32,182	$101
Pool	$0	$0	$0	$0	$5,000	$38	$0	$0	$4,236	$31	$2,530	$13	$4,948	$15
Supplies/Other	$29,250	$225	$29,250	$225	$0	$0	$7,532	$59	$12,984	$95	$9,469	$50	$209,617	$655
SUBTOTAL	**$81,250**	**$625**	**$81,250**	**$625**	**$92,750**	**$713**	**$78,181**	**$611**	**$100,218**	**$732**	**$100,055**	**$532**	**$311,571**	**$974**
OPERATING														
Contracts	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$2,031	$6
Exterminating	$3,250	$25	$3,250	$25	$6,500	$50	$3,510	$27	$2,383	$17	$3,050	$16	$4,079	$13
Security	$0	$0	$0	$0	$0	$0	$383	$3	$661	$5	$675	$4	$23,225	$73
SUBTOTAL	**$3,250**	**$25**	**$3,250**	**$25**	**$6,500**	**$50**	**$3,893**	**$30**	**$3,044**	**$22**	**$3,725**	**$20**	**$29,335**	**$92**
TOTAL MAINTENANCE AND OPERATING	**$84,500**	**$650**	**$84,500**	**$650**	**$99,250**	**$763**	**$82,074**	**$641**	**$103,262**	**$754**	**$103,780**	**$552**	**$340,906**	**$1,065**
PAYROLL														
On-site manager	$50,000	$385	$50,000	$385	$48,000	$369	$76,717	$599	$37,011	$270	$43,379	$231	$142,746	$446
Other management staff	$40,000	$308	$40,000	$308	$24,750	$190	$0	$0	$0	$0	$89,175	$474	$24,824	$78
Maintenance staff	$50,000	$385	$50,000	$385	$41,600	$320	$59,397	$464	$34,168	$249	$68,286	$363	$157,022	$491
Janitorial staff	$0	$0	$0	$0	$0	$0	$0	$0	$59,658	$435	$0	$0	$0	$0
Benefits	$15,000	$115	$15,000	$115	$10,332	$79	$28,902	$226	$43,276	$316	$0	$0	$23,997	$75
Payroll taxes	$16,800	$129	$16,800	$129	$9,728	$75	$0	$0	$11,647	$85	$12,969	$69	$54,761	$171
SUBTOTAL	**$171,800**	**$1,322**	**$171,800**	**$1,322**	**$134,410**	**$1,034**	**$165,016**	**$1,289**	**$185,760**	**$1,356**	**$213,809**	**$1,137**	**$403,350**	**$1,260**
UTILITIES														
Water & Sewer	$16,250	$125	$16,250	$125	$13,000	$100	$12,702	$99	$67,473	$493	$136,955	$728	$180,000	$563
Electricity	$16,250	$125	$16,250	$125	$19,500	$150	$18,564	$145	$42,964	$314	$33,825	$180	$73,047	$228
Gas	$0	$0	$0	$0	$0	$0	$5,100	$40	$0	$0	$0	$0	$0	$0
Cable Television	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Trash	$32,500	$250	$32,500	$250	$9,750	$75	$2,144	$17	$20,227	$148	$18,874	$100	$31,980	$100
SUBTOTAL	**$65,000**	**$500**	**$65,000**	**$500**	**$42,250**	**$325**	**$38,510**	**$301**	**$130,664**	**$954**	**$189,654**	**$1,009**	**$285,027**	**$891**
MISCELLANEOUS														
Insurance	$39,000	$300	$39,000	$300	$32,500	$250	$39,094	$305	$45,500	$332	$59,224	$315	$79,296	$248
Real Estate Taxes / PILOT	$77,396	$595	$171,990	$1,323	$88,400	$680	$89,550	$700	$60,824	$444	$94,250	$501	$75,777	$237
Reserves	$32,500	$250	$32,500	$250	$32,500	$250	$32,000	$250	$34,250	$250	$47,000	$250	$80,000	$250
Supportive Services	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
SUBTOTAL	**$148,896**	**$1,145**	**$243,490**	**$1,873**	**$153,400**	**$1,180**	**$160,644**	**$1,255**	**$140,574**	**$1,026**	**$200,474**	**$1,066**	**$235,073**	**$735**
MANAGEMENT														
SUBTOTAL	**$60,224**	**$463**	**$61,325**	**$472**	**$57,897**	**$445**	**$48,742**	**$381**	**$73,794**	**$539**	**$82,024**	**$436**	**$109,591**	**$342**
TOTAL EXPENSES	**$595,420**	**$4,580**	**$684,615**	**$5,266**	**$554,107**	**$4,262**	**$539,461**	**$4,215**	**$700,595**	**$5,114**	**$857,803**	**$4,563**	**$1,628,787**	**$5,090**

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 $515 per unit. The comparable expense data ranges from $347 to $796 per unit. We have concluded to $500 per unit for the restricted scenario and $450 per unit for the unrestricted scenario. These estimates are near the high end of the comparable range, but slightly below the developer's budget. Since restricted properties typically have higher administrative expenses when compared to unrestricted properties because of compliance issues, we have concluded to an unrestricted expense of $50 per unit less than the restricted scenarios.

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 $763 per unit, which appears high. The comparable expense data ranges from $552 to $1,065 per unit, with two comparables reporting $641 or less. The Subject will be new construction. As such, we believe a conclusion towards the low end of the range is reasonable. 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 $1,034 per unit, which appears low. The comparable expense data ranges from $1,137 to $1,356 per unit. We estimate a full-time manager, full-time leasing agent, and full-time maintenance employee for the Subject. Benefits are estimated at $5,000 per full-time employee. Payroll taxes equal to 12 percent of the sum of the salaries. We have concluded to $1,322 per unit for payroll expense, which is below the developer's budget, but within the range of comparables. The following table illustrates Novoco's staffing plan for the Subject.

PAYROLL EXPENSE CALCULATION

	Expense	Per Unit
Manager's Salary	$50,000	$385
Leasing Agent Salary	$40,000	$308
Maintenance Salary	$50,000	$385
Benefits	$15,000	$115
Payroll Taxes (estimated at 12%)	$16,800	$129
Total Annual Payroll	**$171,800**	**$1,322**

Utilities

The landlord will be responsible for trash expenses. The Subject's budgeted utility expense is $325 per unit. Comparable operating results indicate a range of $430 to $1,022 per unit, but two of the comparables indicate $846 per unit or less. Due to the fact that properties often vary in terms of utility responsibilities, comparisons are difficult. Due to the Subject's new construction, we have relied on the Subject's property specific utility allowances produced by Zeffert & Associates to determine the Subject's utility expense. It should be noted that the property specific utility allowances provided by the developer do not include an allowance for trash. Thus, we have relied on the Georgia DCA utility allowances for the middle region to estimate trash expenses.

UTILITY ALLOWANCES				
Utility	**Paid By**	**One-bedroom**	**Two-bedroom**	**Three-bedroom**
Utilities-Electricity	Tenant	$30.00	$38.00	$46.00
Utilities-Electric Heating	Tenant	$12.00	$14.00	$15.00
Utilities-Air Conditioning	Tenant	$8.00	$13.00	$19.00
Utilities-Electric Cooking	Tenant	$5.00	$8.00	$10.00
Utilities-Electric Heated Hot Water	Tenant	$13.00	$16.00	$19.00
Utilities-Water and Sewer Services	Tenant	$72.00	$75.00	$117.00
Utilities-Trash Collection	Landlord	$21.00	$21.00	$21.00
Total Utility Allowance		**$161.00**	**$185.00**	**$247.00**
Total Tenant Paid Utilities		$140.00	$164.00	$226.00
Source: Georgia Department of Community Affairs, Northern Region, 6/2015				

Utility Expense Calculation	One-bedroom	Two-bedroom	Three-bedroom	Total
Unit Mix	36	42	52	130
Electric Annually Per Unit (assuming 7%/common area)	$29,376	$44,856	$68,016	$77
Water and Sewer Annually Per Unit (assuming 7% vacancy/common area)	$31,104	$37,800	$73,008	$76
Trash Expenses Per Unit	$9,072	$10,584	$13,104	$252
Total Annual Utility Expense Per Unit				**$405**

The developer's budgeted utility expense appears slightly low based on the above utility estimates. We have concluded to an expense of $500 per unit.

Insurance

The Subject has projected an annual insurance expense of $250 per unit. The comparables range from $248 to $332 per unit, with three of the comparables reporting $305 per unit or more. The developer's budgeted expense appears slightly low but is within the range of comparables. We have concluded to an insurance expense of $300 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 and have family tenancy.

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. The comparables reported management fees of $342 to $539 per unit. The developer's budgeted management fee is 5.0 percent. We have concluded to a management fee of

5.0 percent for the restricted scenario and a management fee of 4.0 percent 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	
Developer's Budget	$4,262
Expense Comparable 1	$4,215
Expense Comparable 2	$5,114
Expense Comparable 3	$4,563
Expense Comparable 4	$5,090
Subject (As Proposed Restricted)	**$4,580**
Subject (As Proposed Unrestricted)	**$5,266**

Comparable Expense Properties (Excluding Taxes/Utilities/RR)

Total Expense per Unit	
Developer's Budget	$3,007
Expense Comparable 1	$2,964
Expense Comparable 2	$3,466
Expense Comparable 3	$2,803
Expense Comparable 4	$3,712
Subject (As Proposed Restricted)	**$3,235**
Subject (As Proposed Unrestricted)	**$3,193**

The estimated operating expenses for the Subject are below the budget, but within the range of comparable properties, excluding taxes and utility expenses. 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 prospective income potential of the Subject, a future cash flow is employed, per Georgia DCA guidelines. In this analytical method, we estimate the present values of future cash flow expectations by applying the appropriate terminal capitalization and discount rates. As examined earlier, we believe there is ample demand in the income ranges targeted by the management of the Subject to support a stable cash flow. Therefore, the restrictions do not affect the risk of the Subject investment. We based our valuation on market-derived reversion and discount rates. It should be noted that we have only utilized the future cash flow analysis to identify the prospective market value at loan maturity.

Income and Expense Growth Projections

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

Atlanta-Sandy Springs-Marietta, GA MSA

Year	Rental Rate Increase
2011	1.30%
2012	2.00%
2013	3.40%
2014	3.90%
2015	7.00%

Source: REIS, 9/2016

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% - 8.00%
Average:	5.29%
Non-Institutional Grade Investments	
Range:	3.75% - 12.00%
Average:	6.76%

Source: PwC Real Estate Investor Survey, Q2 2016

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. It should be noted that we have added 50 basis points to the reconciled capitalization rate to reach our terminal rate. The higher rate is due to the length of the holding period prior to disposition. According to *The Appraisal of Real Estate, 13th Edition*, "the terminal, or residual, capitalization rate forecast is generally, though not necessarily higher than the going-in capitalization rate. The terminal capitalization rate must reflect the reduction in remaining economic life of the property and the greater risk associated with estimating NOI at the end of the projection period." We have considered these factors in our determination of an appropriate upward adjustment applied to the going-in capitalization rate.

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 stabilized"

	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
Fiscal Year	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**
Income															
Low Income Units	$1,245,132	$1,270,035	$1,295,435	$1,321,344	$1,347,771	$1,374,726	$1,402,221	$1,430,265	$1,458,871	$1,488,048	$1,517,809	$1,548,165	$1,579,128	$1,610,711	$1,642,925
Nonresidential	$22,750	$23,205	$23,669	$24,142	$24,625	$25,118	$25,620	$26,133	$26,655	$27,188	$27,732	$28,287	$28,853	$29,430	$30,018
Gross Project Income	$1,267,882	$1,293,240	$1,319,104	$1,345,487	$1,372,396	$1,399,844	$1,427,841	$1,456,398	$1,485,526	$1,515,236	$1,545,541	$1,576,452	$1,607,981	$1,640,141	$1,672,943
Vacancy Allowance	($63,394)	($64,662)	($65,955)	($67,274)	($68,620)	($69,992)	($71,392)	($72,820)	($74,276)	($75,762)	($77,277)	($78,823)	($80,399)	($82,007)	($83,647)
Effective Gross Income	$1,204,488	$1,228,578	$1,253,149	$1,278,212	$1,303,776	$1,329,852	$1,356,449	$1,383,578	$1,411,250	$1,439,475	$1,468,264	$1,497,629	$1,527,582	$1,558,134	$1,589,296
Expenses															
Administrative and Marketing	$65,000	$66,300	$67,626	$68,979	$70,358	$71,765	$73,201	$74,665	$76,158	$77,681	$79,235	$80,819	$82,436	$84,084	$85,766
Maintenance and Operating	$84,500	$86,190	$87,914	$89,672	$91,466	$93,295	$95,161	$97,064	$99,005	$100,985	$103,005	$105,065	$107,166	$109,310	$111,496
Payroll	$171,800	$175,236	$178,741	$182,316	$185,962	$189,681	$193,475	$197,344	$201,291	$205,317	$209,423	$213,612	$217,884	$222,242	$226,686
Utilities	$65,000	$66,300	$67,626	$68,979	$70,358	$71,765	$73,201	$74,665	$76,158	$77,681	$79,235	$80,819	$82,436	$84,084	$85,766
Insurance	$39,000	$39,780	$40,576	$41,387	$42,215	$43,059	$43,920	$44,799	$45,695	$46,609	$47,541	$48,492	$49,461	$50,451	$51,460
Real Estate Taxes	$77,396	$78,943	$80,522	$82,133	$83,775	$85,451	$87,160	$88,903	$90,681	$92,495	$94,345	$96,232	$98,156	$100,119	$102,122
Replacement Reserve	$32,500	$33,150	$33,813	$34,489	$35,179	$35,883	$36,600	$37,332	$38,079	$38,841	$39,617	$40,410	$41,218	$42,042	$42,883
Management Fee	$60,224	$61,429	$62,657	$63,911	$65,189	$66,493	$67,822	$69,179	$70,562	$71,974	$73,413	$74,881	$76,379	$77,907	$79,465
Total Expenses	$595,420	$607,328	$619,475	$631,864	$644,502	$657,392	$670,540	$683,950	$697,629	$711,582	$725,814	$740,330	$755,136	$770,239	$785,644
Net Operating Income	$609,068	$621,249	$633,674	$646,348	$659,275	$672,460	$685,909	$699,628	$713,620	$727,893	$742,450	$757,300	$772,445	$787,894	$803,652
Reversion Calculation															
Terminal Capitalization Rate	6.50%														6.50%
Sales Costs	3.0%														3.0%
Net Sales Proceeds															$12,000,000
NPV LIHTC Tax Burden															-$298,697
Net Sales Proceeds															**$11,700,000**

As Proposed Restricted Scenario (Years 16 through 30)

Year 16 2034	Year 17 2035	Year 18 2036	Year 19 2037	Year 20 2038	Year 21 2039	Year 22 2040	Year 23 2041	Year 24 2042	Year 25 2043	Year 26 2044	Year 27 2045	Year 28 2046	Year 29 2047	Year 30 2048
$1,675,784	$1,709,299	$1,743,485	$1,778,355	$1,813,922	$1,850,201	$1,887,205	$1,924,949	$1,963,448	$2,002,717	$2,042,771	$2,083,626	$2,125,299	$2,167,805	$2,211,161
$30,619	$31,231	$31,855	$32,493	$33,142	$33,805	$34,481	$35,171	$35,874	$36,592	$37,324	$38,070	$38,832	$39,608	$40,400
$1,706,402	$1,740,530	$1,775,341	$1,810,848	$1,847,065	$1,884,006	$1,921,686	$1,960,120	$1,999,322	$2,039,309	$2,080,095	$2,121,697	$2,164,131	$2,207,413	$2,251,562
($85,320)	($87,027)	($88,767)	($90,542)	($92,353)	($94,200)	($96,084)	($98,006)	($99,966)	($101,965)	($104,005)	($106,085)	($108,207)	($110,371)	($112,578)
$1,621,082	$1,653,504	$1,686,574	$1,720,305	$1,754,711	$1,789,806	$1,825,602	$1,862,114	$1,899,356	$1,937,343	$1,976,090	$2,015,612	$2,055,924	$2,097,043	$2,138,983
$87,481	$89,231	$91,016	$92,836	$94,693	$96,587	$98,518	$100,489	$102,498	$104,548	$106,639	$108,772	$110,948	$113,167	$115,430
$113,726	$116,000	$118,320	$120,687	$123,101	$125,563	$128,074	$130,635	$133,248	$135,913	$138,631	$141,404	$144,232	$147,117	$150,059
$231,220	$235,845	$240,561	$245,373	$250,280	$255,286	$260,391	$265,599	$270,911	$276,330	$281,856	$287,493	$293,243	$299,108	$305,090
$87,481	$89,231	$91,016	$92,836	$94,693	$96,587	$98,518	$100,489	$102,498	$104,548	$106,639	$108,772	$110,948	$113,167	$115,430
$52,489	$53,539	$54,609	$55,702	$56,816	$57,952	$59,111	$60,293	$61,499	$62,729	$63,984	$65,263	$66,569	$67,900	$69,258
$104,164	$106,247	$108,372	$110,540	$112,751	$115,006	$117,306	$119,652	$122,045	$124,486	$126,976	$129,515	$132,105	$134,747	$137,442
$43,741	$44,616	$45,508	$46,418	$47,346	$48,293	$49,259	$50,244	$51,249	$52,274	$53,320	$54,386	$55,474	$56,583	$57,715
$81,054	$82,675	$84,329	$86,015	$87,736	$89,490	$91,280	$93,106	$94,968	$96,867	$98,805	$100,781	$102,796	$104,852	$106,949
$801,357	$817,384	$833,732	$850,406	$867,414	$884,763	$902,458	$920,507	$938,917	$957,696	$976,849	$996,386	$1,016,314	$1,036,640	$1,057,373
$819,725	$836,120	$852,842	$869,899	$887,297	$905,043	$923,144	$941,607	$960,439	$979,648	$999,241	$1,019,225	$1,039,610	$1,060,402	$1,081,610
				6.50%					6.50%					6.50%
				3.0%					3.0%					3.0%
				$13,200,000					$14,600,000					$16,100,000
				-$298,697					-$298,697					-$298,697
				$12,900,000					**$14,300,000**					**$15,800,000**

As Proposed Restricted Scenario (Years 31 through 35)

Year 31 2049	Year 32 2050	Year 33 2051	Year 34 2052	Year 35 2053
$2,255,384	$2,300,492	$2,346,502	$2,393,432	$2,441,300
$41,208	$42,033	$42,873	$43,731	$44,605
$2,296,593	$2,342,525	$2,389,375	$2,437,163	$2,485,906
($114,830)	($117,126)	($119,469)	($121,858)	($124,295)
$2,181,763	$2,225,398	$2,269,906	$2,315,304	$2,361,611
$117,739	$120,093	$122,495	$124,945	$127,444
$153,060	$156,121	$159,244	$162,429	$165,677
$311,192	$317,416	$323,764	$330,239	$336,844
$117,739	$120,093	$122,495	$124,945	$127,444
$70,643	$72,056	$73,497	$74,967	$76,466
$140,191	$142,995	$145,855	$148,772	$151,748
$58,869	$60,047	$61,248	$62,473	$63,722
$109,088	$111,270	$113,495	$115,765	$118,081
$1,078,522	$1,100,093	$1,122,096	$1,144,539	$1,167,431
$1,103,241	$1,125,305	$1,147,810	$1,170,766	$1,194,180
				6.50%
				3.0%
				$17,800,000
				-$298,697
				$17,500,000

As Proposed Unrestricted Scenario (Years 1 through 15)

Market Cash Flow Value Derivation of "as stabilized"															
	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**
Fiscal Year	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**
Income															
Low Income Units	$1,625,760	$1,658,275	$1,691,441	$1,725,270	$1,759,775	$1,794,970	$1,830,870	$1,867,487	$1,904,837	$1,942,934	$1,981,792	$2,021,428	$2,061,857	$2,103,094	$2,145,156
Nonresidential	$22,750	$23,205	$23,669	$24,142	$24,625	$25,118	$25,620	$26,133	$26,655	$27,188	$27,732	$28,287	$28,853	$29,430	$30,018
Gross Project Income	$1,648,510	$1,681,480	$1,715,110	$1,749,412	$1,784,400	$1,820,088	$1,856,490	$1,893,620	$1,931,492	$1,970,122	$2,009,524	$2,049,715	$2,090,709	$2,132,523	$2,175,174
Vacancy Allowance	($115,396)	($117,704)	($120,058)	($122,459)	($124,908)	($127,406)	($129,954)	($132,553)	($135,204)	($137,909)	($140,667)	($143,480)	($146,350)	($149,277)	($152,262)
Effective Gross Income	$1,533,114	$1,563,777	$1,595,052	$1,626,953	$1,659,492	$1,692,682	$1,726,536	$1,761,066	$1,796,288	$1,832,214	$1,868,858	$1,906,235	$1,944,360	$1,983,247	$2,022,912
Expenses															
Administrative and Marketing	$58,500	$59,670	$60,863	$62,081	$63,322	$64,589	$65,881	$67,198	$68,542	$69,913	$71,311	$72,737	$74,192	$75,676	$77,190
Maintenance and Operating	$84,500	$86,190	$87,914	$89,672	$91,466	$93,295	$95,161	$97,064	$99,005	$100,985	$103,005	$105,065	$107,166	$109,310	$111,496
Payroll	$171,800	$175,236	$178,741	$182,316	$185,962	$189,681	$193,475	$197,344	$201,291	$205,317	$209,423	$213,612	$217,884	$222,242	$226,686
Utilities	$65,000	$66,300	$67,626	$68,979	$70,358	$71,765	$73,201	$74,665	$76,158	$77,681	$79,235	$80,819	$82,436	$84,084	$85,766
Insurance	$39,000	$39,780	$40,576	$41,387	$42,215	$43,059	$43,920	$44,799	$45,695	$46,609	$47,541	$48,492	$49,461	$50,451	$51,460
Real Estate Taxes	$171,990	$175,430	$178,938	$182,517	$186,168	$189,891	$193,689	$197,562	$201,514	$205,544	$209,655	$213,848	$218,125	$222,487	$226,937
Replacement Reserve	$32,500	$33,150	$33,813	$34,489	$35,179	$35,883	$36,600	$37,332	$38,079	$38,841	$39,617	$40,410	$41,218	$42,042	$42,883
Management Fee	$61,325	$78,189	$79,753	$81,348	$82,975	$84,634	$86,327	$88,053	$89,814	$91,611	$93,443	$95,312	$97,218	$99,162	$101,146
Total Expenses	$684,615	$713,945	$728,224	$742,788	$757,644	$772,797	$788,253	$804,018	$820,098	$836,500	$853,230	$870,295	$887,700	$905,454	$923,564
Net Operating Income	$848,500	$849,832	$866,829	$884,165	$901,848	$919,885	$938,283	$957,049	$976,190	$995,714	$1,015,628	$1,035,940	$1,056,659	$1,077,792	$1,099,348
Reversion Calculation															
Terminal Capitalization Rate	6.50%														6.50%
Sales Costs	3.0%														3.0%
Net Sales Proceeds															$16,400,000

As Proposed Unrestricted Scenario (Years 16 through 30)

Year 16 2034	Year 17 2035	Year 18 2036	Year 19 2037	Year 20 2038	Year 21 2039	Year 22 2040	Year 23 2041	Year 24 2042	Year 25 2043	Year 26 2044	Year 27 2045	Year 28 2046	Year 29 2047	Year 30 2048
$2,188,059	$2,231,820	$2,276,456	$2,321,986	$2,368,425	$2,415,794	$2,464,110	$2,513,392	$2,563,660	$2,614,933	$2,667,232	$2,720,576	$2,774,988	$2,830,488	$2,887,097
$30,619	$31,231	$31,855	$32,493	$33,142	$33,805	$34,481	$35,171	$35,874	$36,592	$37,324	$38,070	$38,832	$39,608	$40,400
$2,218,677	$2,263,051	$2,308,312	$2,354,478	$2,401,568	$2,449,599	$2,498,591	$2,548,563	$2,599,534	$2,651,525	$2,704,555	$2,758,646	$2,813,819	$2,870,096	$2,927,498
($155,307)	($158,414)	($161,582)	($164,813)	($168,110)	($171,472)	($174,901)	($178,399)	($181,967)	($185,607)	($189,319)	($193,105)	($196,967)	($200,907)	($204,925)
$2,063,370	$2,104,637	$2,146,730	$2,189,665	$2,233,458	$2,278,127	$2,323,690	$2,370,164	$2,417,567	$2,465,918	$2,515,237	$2,565,541	$2,616,852	$2,669,189	$2,722,573
$78,733	$80,308	$81,914	$83,552	$85,223	$86,928	$88,666	$90,440	$92,249	$94,094	$95,975	$97,895	$99,853	$101,850	$103,887
$113,726	$116,000	$118,320	$120,687	$123,101	$125,563	$128,074	$130,635	$133,248	$135,913	$138,631	$141,404	$144,232	$147,117	$150,059
$231,220	$235,845	$240,561	$245,373	$250,280	$255,286	$260,391	$265,599	$270,911	$276,330	$281,856	$287,493	$293,243	$299,108	$305,090
$87,481	$89,231	$91,016	$92,836	$94,693	$96,587	$98,518	$100,489	$102,498	$104,548	$106,639	$108,772	$110,948	$113,167	$115,430
$52,489	$53,539	$54,609	$55,702	$56,816	$57,952	$59,111	$60,293	$61,499	$62,729	$63,984	$65,263	$66,569	$67,900	$69,258
$231,476	$236,105	$240,828	$245,644	$250,557	$255,568	$260,679	$265,893	$271,211	$276,635	$282,168	$287,811	$293,567	$299,439	$305,428
$43,741	$44,616	$45,508	$46,418	$47,346	$48,293	$49,259	$50,244	$51,249	$52,274	$53,320	$54,386	$55,474	$56,583	$57,715
$103,168	$105,232	$107,337	$109,483	$111,673	$113,906	$116,184	$118,508	$120,878	$123,296	$125,762	$128,277	$130,843	$133,459	$136,129
$942,035	$960,875	$980,093	$999,695	$1,019,689	$1,040,083	$1,060,884	$1,082,102	$1,103,744	$1,125,819	$1,148,335	$1,171,302	$1,194,728	$1,218,622	$1,242,995
$1,121,335	$1,143,762	$1,166,637	$1,189,970	$1,213,769	$1,238,045	$1,262,806	$1,288,062	$1,313,823	$1,340,099	$1,366,901	$1,394,239	$1,422,124	$1,450,567	$1,479,578
				6.50%					6.50%					6.50%
				3.0%					3.0%					3.0%
				$18,100,000					$20,000,000					$22,100,000

As Proposed Unrestricted Scenario (Years 31 through 35)

Year 31 2049	Year 32 2050	Year 33 2051	Year 34 2052	Year 35 2053
$2,944,839	$3,003,736	$3,063,811	$3,125,087	$3,187,589
$41,208	$42,033	$42,873	$43,731	$44,605
$2,986,048	$3,045,769	$3,106,684	$3,168,818	$3,232,194
($209,023)	($213,204)	($217,468)	($221,817)	($226,254)
$2,777,024	$2,832,565	$2,889,216	$2,947,000	$3,005,940
$105,965	$108,084	$110,246	$112,451	$114,700
$153,060	$156,121	$159,244	$162,429	$165,677
$311,192	$317,416	$323,764	$330,239	$336,844
$117,739	$120,093	$122,495	$124,945	$127,444
$70,643	$72,056	$73,497	$74,967	$76,466
$311,536	$317,767	$324,122	$330,605	$337,217
$58,869	$60,047	$61,248	$62,473	$63,722
$138,851	$141,628	$144,461	$147,350	$150,297
$1,267,855	$1,293,212	$1,319,076	$1,345,458	$1,372,367
$1,509,170	$1,539,353	$1,570,140	$1,601,543	$1,633,574
				6.50%
				3.0%
				$24,400,000

Conclusion

VALUE AT LOAN MATURITY - RESTRICTED

	Year	Indicated Value (Rounded)
Restricted	15 years	$11,700,000
Restricted	20 years	$12,900,000
Restricted	25 years	$14,300,000
Restricted	30 years	$15,800,000
Restricted	35 years	$17,500,000

VALUE AT LOAN MATURITY - UNRESTRICTED

	Year	Indicated Value (Rounded)
Unrestricted	15 years	$16,400,000
Unrestricted	20 years	$18,100,000
Unrestricted	25 years	$20,000,000
Unrestricted	30 years	$22,100,000
Unrestricted	35 years	$24,400,000

Prospective Market Value as Restricted at 15, 20, 25, 30 and 35 years

The prospective market value at 15 years of the Subject's leased fee interest, subject to the LIHTC rental restrictions in the year 2033, as of September 11, 2016, is:

ELEVEN MILLION SEVEN HUNDRED THOUSAND DOLLARS
($11,700,000)

The prospective market value at 20 years of the Subject's leased fee interest, subject to the rental restrictions in the year 2038, as of September 11, 2016, is:

TWELVE MILLION NINE HUNDRED THOUSAND DOLLARS
($12,900,000)

The prospective market value at 25 years of the Subject's leased fee interest, subject to the rental restrictions in the year 2043, as of September 11, 2016, is:

FOURTEEN MILLION THREE HUNDRED THOUSAND DOLLARS
($14,300,000)

The prospective market value at 30 years of the Subject's leased fee interest, subject to the rental restrictions in the year 2048, as of September 11, 2016, is:

FIFTEEN MILLION EIGHT HUNDRED THOUSAND DOLLARS
($15,800,000)

The prospective market value at 35 years of the Subject's leased fee interest, subject to the rental restrictions in the year 2053, as of September 11, 2016, is:

SEVENTEEN MILLION FIVE HUNDRED THOUSAND DOLLARS

($17,500,000)

Prospective Market Value as Proposed Unrestricted at 15, 20, 25, 30 and 35 years
The hypothetical prospective market value at 15 years of the Subject's leased fee interest, as an unrestricted property in the year 2033, as of September 11, 2016, is:

SIXTEEN MILLION FOUR HUNDRED THOUSAND DOLLARS
($16,400,000)

The hypothetical prospective market value at 20 years of the Subject's leased fee interest, as an unrestricted property in the year 2038, as of September 11, 2016, is:

EIGHTEEN MILLION ONE HUNDRED THOUSAND DOLLARS
($18,100,000)

The hypothetical prospective market value at 25 years of the Subject's leased fee interest, as an unrestricted property in the year 2043, as of September 11, 2016, is:

TWENTY MILLION DOLLARS
($20,000,000)

The hypothetical prospective market value at 30 years of the Subject's leased fee interest, as an unrestricted property in the year 2048, as of September 11, 2016, is:

TWENTY TWO MILLION ONE HUNDRED THOUSAND DOLLARS
($22,100,000)

The hypothetical prospective market value at 35 years of the Subject's leased fee interest, as an unrestricted property in the year 2053, as of September 11, 2016, is:

TWENTY FOUR MILLION FOUR HUNDRED THOUSAND DOLLARS
($24,400,000)

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	Pointe at Sugarloaf	Jun-16	$31,725,000	324	$97,917	9.91	5.50%
2	Hawthorne at Sugarloaf	Feb-16	$34,500,000	260	$132,692	11.25	5.50%
3	Legacy of Athens	Jan-16	$13,450,000	240	$56,042	6.88	6.50%
4	Madison at River Sound	Mar-15	$58,550,000	586	$99,915	9.68	5.83%
	Average		**$34,556,250**	**353**	**$96,641**	**9.43**	**5.83%**

The properties are all stabilized and represent typical market transactions for multifamily properties in the Atlanta MSA. The factors that influence the selection of a rate is the Subject's condition and location, since all of the sales are fairly recent. The sales illustrate a range of overall rates from 5.5 percent to 6.5 percent and occurred between June 2016 and March 2015.

It should be noted that we searched for LIHTC multifamily sales in the area; however, we were unable to identify any. Additionally, any potential sale of the Subject property would be constrained by the limitations and penalties of the LIHTC program, specifically the recapture/penalty provision upon transfer. Because of this, there are a very limited number of properties that have sold nationwide, and none locally, that have the restrictions associated with Section 42 provisions. As such, our selection of comparable sales does not include properties that are similarly restricted by LIHTC regulations. However, we believe the improved sales we have chosen for our analysis represent the typical multifamily market in the Subject's area. Therefore, we have utilized four conventional market rate multifamily developments in our sales approach.

Sale 2, Hawthorne at Sugarloaf, was constructed in 2007 and will be the most similar to the proposed Subject in terms of age and condition. Sales 1 and 4 were constructed in 1997 and 1996, respectively, and will be slightly inferior to the Subject upon completion. Sale 3 was constructed in 1970, and reported renovations in 2011. Based on the site inspection, this property will be inferior to the Subject once complete. All of the sales are located in slightly superior locations relative to the

Subject. The Subject is slightly superior to each of the comparables in terms of size. We believe a capitalization rate of 6.0 percent is considered reasonable based on market extraction for the Subject.

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% - 8.00%
Average:	5.29%
Non-Institutional Grade Investments	
Range:	3.75% - 12.00%
Average:	6.76%

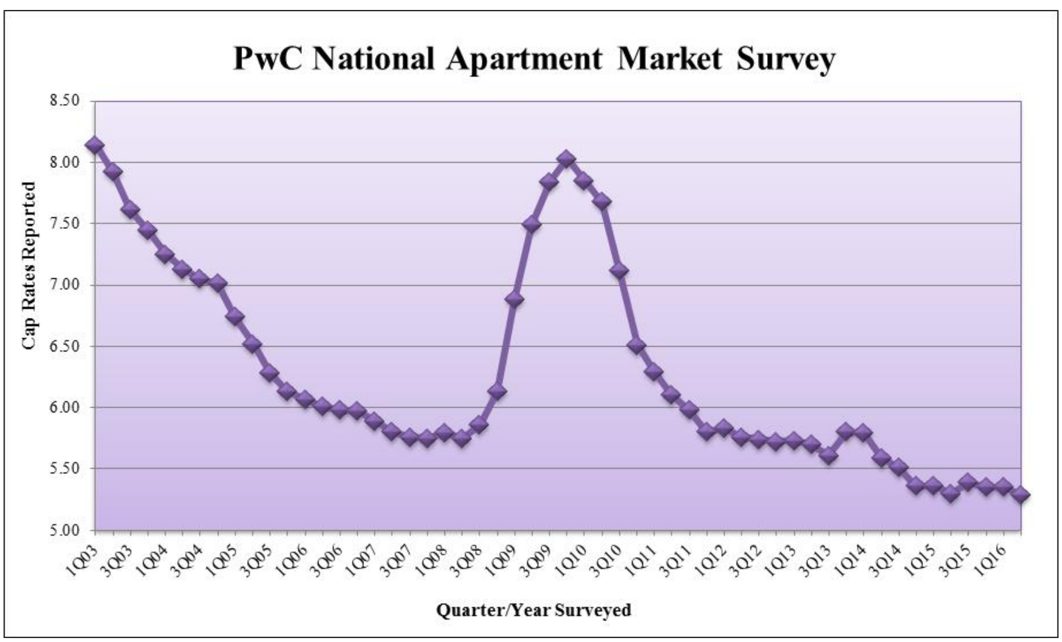
Source: PwC Real Estate Investor Survey, Q2 2016

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 criteria[3]. Typical "Institutional – Grade" apartment properties are newly constructed, well amenitized, market rate properties in urban or suburban locations. Rarely could subsidized properties, either new construction or acquisition/rehabilitation, be considered institutional grade real estate. Therefore, for our purpose, the Non-Institutional Grade capitalization rate is most relevant; this is currently 147 basis points higher than the Institutional Grade rate on average. However, local market conditions have significant weight when viewing capitalization rates.

[3] PwC Real Estate Investor Survey

PwC Real Estate Investor Survey - National Apartment Market Overall Capitalization Rate - Institutional Grade Investments					
Quarter	Cap Rate	Change (bps)	Quarter	Cap Rate	Change (bps)
1Q03	8.14	-	4Q09	8.03	0.19
2Q03	7.92	-0.22	1Q10	7.85	-0.18
3Q03	7.61	-0.31	2Q10	7.68	-0.17
4Q03	7.45	-0.16	3Q10	7.12	-0.56
1Q04	7.25	-0.20	4Q10	6.51	-0.61
2Q04	7.13	-0.12	1Q11	6.29	-0.22
3Q04	7.05	-0.08	2Q11	6.10	-0.19
4Q04	7.01	-0.04	3Q11	5.98	-0.12
1Q05	6.74	-0.27	4Q11	5.80	-0.18
2Q05	6.52	-0.22	1Q12	5.83	0.03
3Q05	6.28	-0.24	2Q12	5.76	-0.07
4Q05	6.13	-0.15	3Q12	5.74	-0.02
1Q06	6.07	-0.06	4Q12	5.72	-0.02
2Q06	6.01	-0.06	1Q13	5.73	0.01
3Q06	5.98	-0.03	2Q13	5.70	-0.03
4Q06	5.97	-0.01	3Q13	5.61	-0.09
1Q07	5.89	-0.08	4Q13	5.80	0.19
2Q07	5.80	-0.09	1Q14	5.79	-0.01
3Q07	5.76	-0.04	2Q14	5.59	-0.20
4Q07	5.75	-0.01	3Q14	5.51	-0.08
1Q08	5.79	0.04	4Q14	5.36	-0.15
2Q08	5.75	-0.04	1Q15	5.36	0.00
3Q08	5.86	0.11	2Q15	5.30	-0.06
4Q08	6.13	0.27	3Q15	5.39	0.09
1Q09	6.88	0.75	4Q15	5.35	-0.04
2Q09	7.49	0.61	1Q16	5.35	0.00
3Q09	7.84	0.35	2Q16	5.29	-0.06

Source: PwC Real Estate Investor Survey, Q2 2016



As the graph indicates, the downward trend through early 2007 is clear. The average capitalization rate decreased 225 basis points over a four-year period from 2003 to 2007. However, capitalization rates stabilized in 2007 and began a steep increase in late 2008. They appear to have peaked in the fourth quarter of 2009 and have generally decreased through the first quarter of 2016. Capitalization rates as of the second quarter of 2016 have exhibited a slight decrease over capitalization rates from the second quarter of 2015. Overall, we have estimated a 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:

Net Operating Income/ Annual Debt Service = Debt Coverage Ratio

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

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

Where:

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

Band of Investment

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

The formula is:

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

Where:

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

The Mortgage Constant (R_M) is based upon the calculated interest rate from the ten year treasury. We used 5.0 percent as our estimate of equity return based on the Subject's location. The following table summarizes calculations for the two previously discussed methods of capitalization rate derivation. We will utilize a market-oriented interest rate of 5.0 percent. Based on our work files, the typical amortization period is 25 to 30 years and the loan to value ratio is 75 to 80 percent with interest rates between 5.0 and 6.0 percent. Therefore, we believe a 5.0 percent interest rate with a 30-year amortization period and a loan to value of 75 percent is reasonable. The following table illustrates the capitalization rates for the Subject property.

CAPITALIZATION RATE DERIVATION

Inputs and Assumptions		Interest Rate Calculations	
DCR	1.2	*Treasury Bond Basis**	
Rm	0.0644	10 Year T Bond Rate (3/14)	1.75%
Interest (per annum)*	5.00%	Interest rate spread	325
Amortization (years)	30	Interest Rate (per annum)	5.00%
M	75%		
Re	5.00%		

Debt Coverage Ratio											
	Ro	=	DCR	X	Rm	X	M				
	5.80%	=	1.2	X	0.0644	X	75%				
Band of Investment											
	Ro	=	(M	X	Rm)	+	((1-M)	X	Re)		
	6.08%		75%	X	0.0644	+	25%	X	5.00%		

* Source: Bloomberg.com, 9/2016

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	6.00%
PwC Survey	6.00%
Debt Coverage Ratio	5.80%
Band of Investment	6.08%

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 5.8 to 6.08 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

Apartment Rentals	Market Unit Mix	As Proposed Restricted Rent	As Proposed Restricted Total Revenue		As Proposed Unrestricted Rent	As Proposed Unrestricted Total Revenue
1BR/1BA @ 50%	8	$558	$53,568		$875	$84,000
2BR/2BA @ 50%	10	$642	$77,040		$990	$118,800
3BR/2BA @ 50%	8	$704	$67,584		$1,200	$115,200
1BR/1BA @ 60%	27	$686	$222,264		$875	$283,500
2BR/2BA @ 60%	30	$796	$286,560		$990	$356,400
3BR/2BA @ 60%	34	$882	$359,856		$1,200	$489,600
1BR/1BA Market	1	$875	$10,500		$875	$10,500
2BR/2BA Market	2	$990	$23,760		$990	$23,760
3BR/2BA Market	10	$1,200	$144,000		$1,200	$144,000
Total Potential Rental Income	**130**	**$798**	**$1,245,132**		**$1,042**	**$1,625,760**
Other Income						
Miscellaneous		$175	$22,750		$175	$22,750
Residential Potential Revenues		**$9,753**	**$1,267,882**		**$12,681**	**$1,648,510**
Vacancy		($488)	($63,394)		($888)	($115,396)
Vacancy and Collections Loss Percentage			-5%			-7%
Effective Gross Income		**$9,265**	**$1,204,488**		**$11,793**	**$1,533,114**

Operating Expenses

		As Proposed Restricted			As Proposed Unrestricted	
Administration and Marketing		$500	$65,000		$450	$58,500
Maintenance and Operating		$650	$84,500		$650	$84,500
Payroll		$1,322	$171,800		$1,322	$171,800
Utilities		$500	$65,000		$500	$65,000
Property & Liability Insurance		$300	$39,000		$300	$39,000
Real Estate and Other Taxes		$595	$77,396		$1,323	$171,990
Replacement Reserves		$250	$32,500		$250	$32,500
Management Fee	5.0%	$463	$60,224	4.0%	$472	$61,325
Total Operating Expenses		**$4,580**	**$595,420**		**$5,266**	**$684,615**
Expenses as a ratio of EGI			**49.43%**			**44.66%**

Valuation

	As Proposed Restricted		As Proposed Unrestricted	
Net Operating Income	$4,685	$609,068	$6,527	$848,500
Capitalization Rate		6.00%		6.00%
Indicate Value "rounded"		**$10,200,000**		**$14,100,000**
NPV LIHTC Tax Burden		($298,697)		N/Ap
Indicated Value "rounded"		**$9,900,000**		**$14,100,000**

	As Complete Restricted		As Complete Unrestricted	
Number of Months to lease to Stabilized 95%*	10		10	
Income loss	$528,284	41.7%	$686,879	41.7%
Initial market costs	$10,000		$10,000	
Total loss to lease	$538,284		$696,879	
Value as complete	$9,361,716		$13,403,121	
As Complete Value Rounded	**$9,400,000**		**$13,400,000**	

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	$538,284	$9,400,000
As Complete Unrestricted	$696,879	$13,400,000

DIRECT CAPITALIZATION ANALYSIS - "AS COMPLETE AND STABILIZED"

Scenario	Cap Rate	Net Operating Income	Indicated Value (Rounded)
As Proposed Restricted	6.00%	$609,068	$9,900,000
As Proposed Unrestricted	6.00%	$848,500	$14,100,000

The Subject's hypothetical market value of the real estate assuming the achievable LIHTC rents **"As Complete",** via the Income Capitalization Approach, as of September 11, 2016 is:

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

The Subject's hypothetical market value of the real estate assuming the achievable unrestricted rents **"As Complete",** via the Income Capitalization Approach, as of September 11, 2016 is:

THIRTEEN MILLION FOUR HUNDRED THOUSAND DOLLARS
($13,400,000)

The Subject's hypothetical market value of the real estate assuming the achievable LIHTC rents **"As Complete and Stabilized",** via the Income Capitalization Approach, as of September 11, 2016 is:

NINE MILLION NINE HUNDRED THOUSAND DOLLARS
($9,900,000)

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 September 11, 2016 is:

FOURTEEN MILLION ONE HUNDRED THOUSAND DOLLARS
($14,100,000)

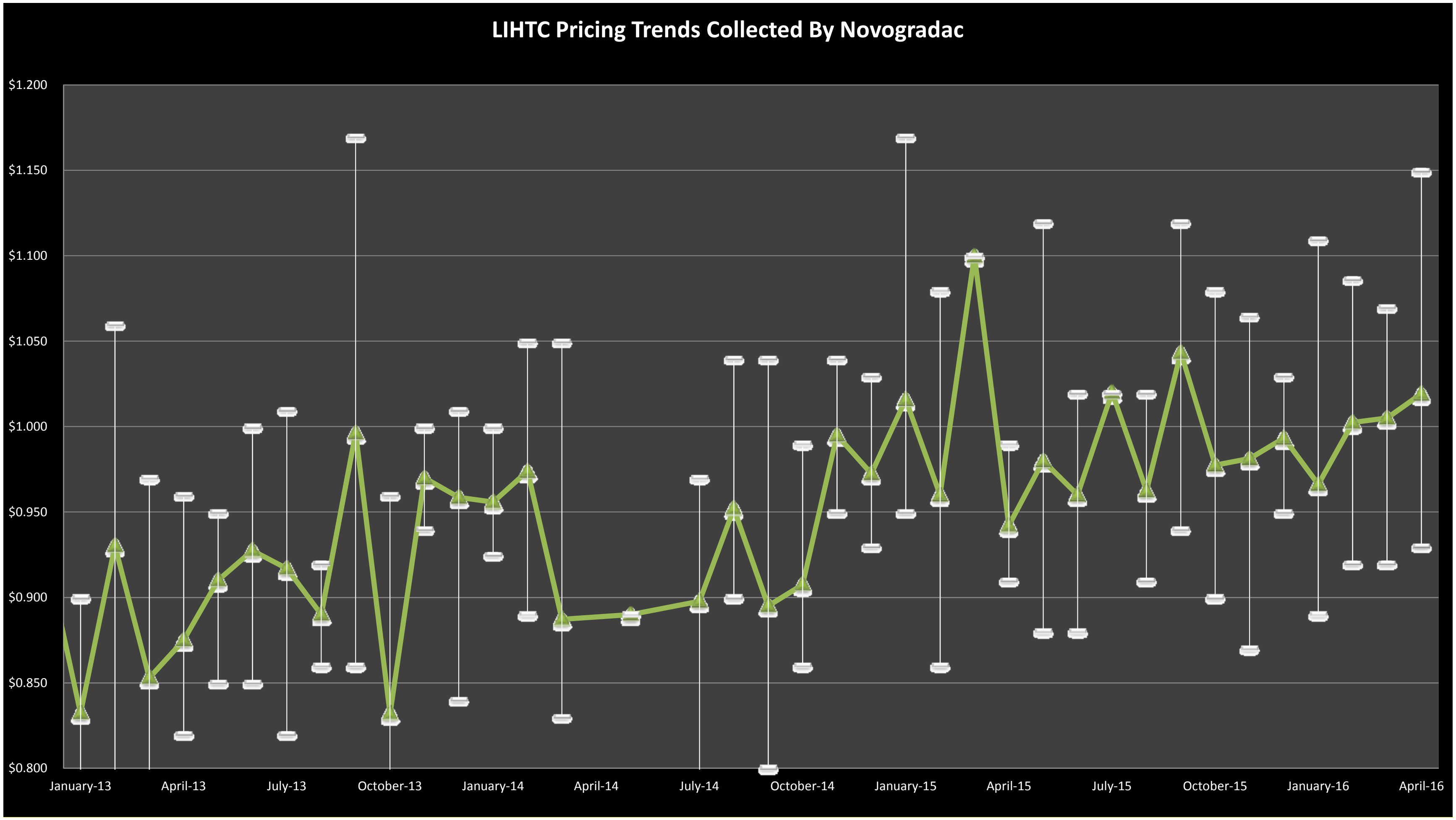
Please refer to the assumptions and limiting conditions regarding the valuation and hypothetical value conclusions.

VALUATION - TAX CREDIT EQUITY

We were asked to value the federal and state low income housing tax credits. A 10-year federal tax credit incentive program encumbers the Subject. The Subject is a proposed multifamily LIHTC 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. According to an executed LOI provided by the developer, the Subject expects to receive an annual LIHTC allocation of $527,406, which equates to a total amount of $5,274,060 and state tax credits of $527,551, which equates to a total amount of $5,275,510.

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.


LIHTC Pricing Trends Collected By Novogradac
$1.200
$1.150
$1.100
$1.050
$1.000
$0.950
$0.900
$0.850
$0.800
January-13
April-13
July-13
October-13
January-14
April-14
July-14
October-14
January-15
April-15
July-15
October-15
January-16
April-16

As the previous table illustrates, tax credit raise rates in recent months have ranged from $0.59 to $1.15 per credit. Data indicates pricing has trended up slightly over the past year. 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 Winder, GA and will be new construction. Based on recent conversations with investors and market participants, it is likely that LIHTC pricing will decrease over the near term based on the potential of tax reform, which would cause a decrease in current pricing levels. Further, it is reasonable to assume that investors will hedge against possible future tax reform and reduce pricing levels currently based on the 10 year credit. Per our conversations with market participants, pricing is anticipated to move downward between $0.08 and $0.14 per credit for 9% LIHTC deals, while the decrease would be at the higher end of the range for 4% projects. However, it should be noted that if tax reform does not happen, then there should be no change on LIHTC pricing. Additionally, demand should remain strong and the current pause with investors is tied to the determination of the interim tax level to utilize and the impact it will have on pricing.

Furthermore, the developer has received an executed LOI for pricing of $1.06 per credit for federal LIHTC credits and $0.58 for state LIHTC credits in exchange for 98.99 percent limited partnership interest. It appears the federal LIHTC price per credit is reasonable based historical data. Thus, we have concluded to a price per unit of $1.06 for federal LIHTC credits.

The following table details our conclusions.

TAX CREDIT VALUATION

	Credit Amount	Price Per Credit	Indicated Value (Rounded)
Federal LIHTC	$5,220,792	$1.06	$5,500,000
State LIHTC	$5,222,227	$0.58	$3,000,000

Federal
FIVE MILLION FIVE HUNDRED THOUSAND DOLLARS
($5,500,000)

State
THREE MILLION DOLLARS
($3,000,000)

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

Below Market Debt

The Subject property will benefit from below-market financing from HOME funds. Based on information provided by the developer, the terms of the HOME funds are $3,000,000 principal at 1.0 percent interest amortized for 35 years. To estimate the value of the favorable financing, we have performed a discounted cash flow analysis comparing the terms of the HOME financing to market terms. It should be noted that we have utilized a market interest rate of 7.0 percent in this scenario based on the fact this scenario reflects a forward commitment and new construction.

Favorable Financing Assumptions	
Principle	$3,000,000
Interest Rate	1.000%
Term of Loan	35

Market Financing Assumptions	
Principle	$3,000,000
Interest Rate	7.000%
Term of Loan	30

Year	Principle	Interest	Total	Year	Principle	Interest	Total	Differential	Discount Rate	Present Value
1	$71,952	$29,671	$101,623	1	$30,474	$209,035	$239,509	$137,886	0.9346	$128,865
2	$72,675	$28,948	$101,623	2	$32,677	$206,832	$239,509	$137,886	0.8734	$120,435
3	$73,405	$28,218	$101,623	3	$35,040	$204,469	$239,509	$137,886	0.8163	$112,556
4	$74,142	$27,480	$101,623	4	$37,573	$201,936	$239,509	$137,886	0.7629	$105,193
5	$74,887	$26,736	$101,623	5	$40,289	$199,220	$239,509	$137,886	0.7130	$98,311
6	$75,640	$25,983	$101,623	6	$43,201	$196,308	$239,509	$137,886	0.6663	$91,879
7	$76,399	$25,223	$101,623	7	$46,324	$193,185	$239,509	$137,886	0.6227	$85,868
8	$77,167	$24,456	$101,623	8	$49,673	$189,836	$239,509	$137,886	0.5820	$80,251
9	$77,942	$23,681	$101,623	9	$53,264	$186,245	$239,509	$137,886	0.5439	$75,001
10	$78,725	$22,898	$101,623	10	$57,114	$182,395	$239,509	$137,886	0.5083	$70,094
11	$79,516	$22,107	$101,623	11	$61,243	$178,266	$239,509	$137,886	0.4751	$65,509
12	$80,315	$21,308	$101,623	12	$65,670	$173,839	$239,509	$137,886	0.4440	$61,223
13	$81,122	$20,501	$101,623	13	$70,418	$169,091	$239,509	$137,886	0.4150	$57,218
14	$81,937	$19,686	$101,623	14	$75,508	$164,001	$239,509	$137,886	0.3878	$53,475
15	$82,760	$18,863	$101,623	15	$80,967	$158,542	$239,509	$137,886	0.3624	$49,976
16	$83,591	$18,032	$101,623	16	$86,820	$152,689	$239,509	$137,886	0.3387	$46,707
17	$84,431	$17,192	$101,623	17	$93,096	$146,413	$239,509	$137,886	0.3166	$43,651
18	$85,279	$16,344	$101,623	18	$99,826	$139,683	$239,509	$137,886	0.2959	$40,796
19	$86,136	$15,487	$101,623	19	$107,042	$132,467	$239,509	$137,886	0.2765	$38,127
20	$87,001	$14,622	$101,623	20	$114,780	$124,729	$239,509	$137,886	0.2584	$35,632
21	$87,875	$13,748	$101,623	21	$123,078	$116,431	$239,509	$137,886	0.2415	$33,301
22	$88,758	$12,865	$101,623	22	$131,975	$107,534	$239,509	$137,886	0.2257	$31,123
23	$89,650	$11,973	$101,623	23	$141,516	$97,993	$239,509	$137,886	0.2109	$29,087
24	$90,550	$11,073	$101,623	24	$151,746	$87,763	$239,509	$137,886	0.1971	$27,184
25	$91,460	$10,163	$101,623	25	$162,715	$76,794	$239,509	$137,886	0.1842	$25,405
26	$92,379	$9,244	$101,623	26	$174,478	$65,031	$239,509	$137,886	0.1722	$23,743
27	$93,307	$8,316	$101,623	27	$187,091	$52,418	$239,509	$137,886	0.1609	$22,190
28	$94,244	$7,379	$101,623	28	$200,616	$38,893	$239,509	$137,886	0.1504	$20,738
29	$95,191	$6,432	$101,623	29	$215,118	$24,390	$239,509	$137,886	0.1406	$19,382
30	$96,147	$5,476	$101,623	30	$230,669	$8,839	$239,509	$137,886	0.1314	$18,114
31	$97,113	$4,510	$101,623	31	-	-	-	-	-	-
32	$98,089	$3,534	$101,623	32	-	-	-	-	-	-
33	$99,074	$2,549	$101,623	33	-	-	-	-	-	-
34	$100,069	$1,554	$101,623	34	-	-	-	-	-	-
35	$101,075	$548	$101,623	35	-	-	-	-	-	-
Total	$3,000,000	$556,800	$3,556,800	Total	$3,000,000	$4,185,267	$7,185,267	$4,136,581		$1,711,034
									Total	$1,711,034
									Rounded	**$1,700,000**

The market value of the Subject's below market debt, as of September 11, 2016 is:

ONE MILLION SEVEN HUNDRED THOUSAND DOLLARS
($1,700,000)

SALES COMPARISON APPROACH

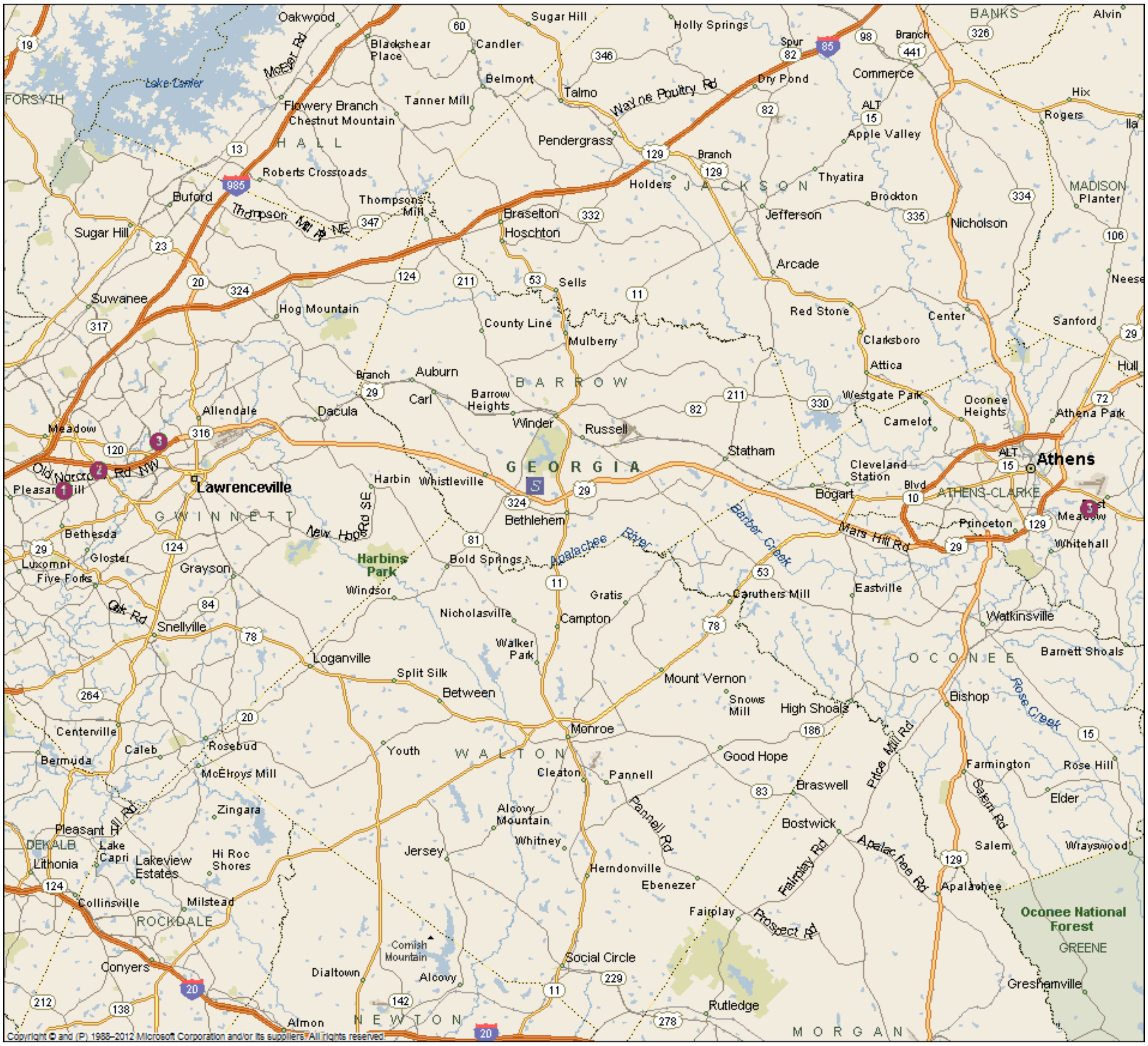
SALES COMPARISON APPROACH

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

It should be noted that we searched for LIHTC multifamily sales in the area; however, we were unable to identify any. Additionally, any potential sale of the Subject property would be constrained by the limitations and penalties of the LIHTC program, specifically the recapture/penalty provision upon transfer. Because of this, there are a very limited number of properties that have sold nationwide, and none locally, that have the restrictions associated with Section 42 provisions. As such, our selection of comparable sales does not include properties that are similarly restricted by LIHTC regulations. However, we believe the improved sales we have chosen for our analysis represent the typical multifamily market in the Subject's area. Therefore, we have utilized four conventional market rate multifamily developments in our sales approach.

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	Pointe at Sugarloaf	Jun-16	$31,725,000	324	$97,917	9.91	5.50%
2	Hawthorne at Sugarloaf	Feb-16	$34,500,000	260	$132,692	11.25	5.50%
3	Legacy of Athens	Jan-16	$13,450,000	240	$56,042	6.88	6.50%
4	Madison at River Sound	Mar-15	$58,550,000	586	$99,915	9.68	5.83%
	Average		**$34,556,250**	**353**	**$96,641**	**9.43**	**5.83%**

Comparable Sale 1

Name:	**Pointe at Sugarloaf**
Location:	2800 Herrington Woods Ct Lawrenceville, GA 30044

Buyer:	2800 at Sweetwater, LLC
Seller:	Atlanta Herrington Road Partners, Ltd.
Sale Date:	Jun-16
Sale Price:	$31,725,000
Financing:	Conventional
Number of Units:	324
Year Built:	1997
Site:	35.52

Units of Comparison:

Effective Gross Income:	$3,202,875
EGIM	9.91
Total Expenses:	$1,458,000
Net Operating Income:	$1,744,875
Net Operating Income per Unit:	$5,385
Overall Rate with Reserves:	5.50%
Sale Price per Unit:	$97,917

Comments:

This market rate property offers 72 one-, 168 two-, 66 three-bedroom, and 18 four-bedroom units in garden-style buildings. At the time of sale, the property was 93 percent occupied. The property is a former LIHTC property that is beyond its extended use period. The seller, Taylor Morales with Concord Management, confirmed the sales price and transaction date. The capitalization rate was provided by CoStar. Novogradac & Company LLP has estimated expenses at $4,500 per unit.

Verification: CoStar, Broker

Comparable Sale 2

Name:	**Hawthorne at Sugarloaf**
Location:	4975 Sugarloaf Pkwy Lawrenceville, GA 30044

Buyer:	Hawthorne Residential Partners, LLC
Seller:	Sugarloaf Apartments, LLC
Sale Date:	Feb-16
Sale Price:	$34,500,000
Financing:	Conventional
Number of Units:	260
Year Built:	2007
Site:	3.34

Units of Comparison:

Effective Gross Income:	$3,067,500
EGIM	11.25
Total Expenses:	$1,170,000
Net Operating Income:	$1,897,500
Net Operating Income per Unit:	$7,298
Overall Rate with Reserves:	5.50%
Sale Price per Unit:	$132,692

Comments:

This market rate property offers 96 one-, 124 two-, and 40 three-bedroom units in garden-style buildings. At the time of sale, the property was 90 percent occupied. CoStar confirmed the sales price, sales date, capitalization rate and NOI. We attempted, but were unable to contact parties knowledgeable of the transaction. Novogradac & Company LLP has estimated expenses at $4,500 per unit.

Verification: CoStar, Public Records

Comparable Sale 3

Name:	**Legacy of Athens**
Location:	100 Ashley Dr Athens, GA 30605

Buyer:	Athens United LLC
Seller:	Athens Legacy LP
Sale Date:	Jan-16
Sale Price:	$13,450,000
Financing:	Conventional
Number of Units:	240
Year Built:	1970/2011
Site:	N/Av

Units of Comparison:

Effective Gross Income:	$1,954,250
EGIM	6.88
Total Expenses:	$1,080,000
Net Operating Income:	$874,250
Net Operating Income per Unit:	$3,643
Overall Rate with Reserves:	6.50%
Sale Price per Unit:	$56,042

Comments:

This market rate property offers one-, two-, and three-bedroom units in two-story garden-style buildings. At the time of sale, rents ranged from $559 to $839 and the development was 95 percent occupied. The broker, Robert Stickel with Multi Housing Advisors, LLC, confirmed the capitalization rate and NOI. Novogradac & Company LLP has estimated expenses at $4,500 per unit.

Verification: CoStar, Broker

Comparable Sale 4

Name:	**Madison at River Sound**
Location:	980 Walther Blvd Lawrenceville, GA 30043

Seller:	Madison at River Sound - EP320, LLC
Buyer:	Madison at River Sound, LLC
Sale Date:	Mar-15
Sale Price:	$58,550,000
Financing:	Conventional
Number of Units:	586
Year Built:	1996
Site:	43.13

Units of Comparison:

Effective Gross Income:	$6,050,465
EGIM	9.7
Total Expenses:	$2,637,000
Net Operating Income:	$3,413,465
Net Operating Income per Unit:	$2,197
Overall Rate with Reserves:	5.83%
Sale Price per Unit:	$99,915

Comments:

This market rate property offers 234 one-, 300 two-, and 52 three-bedroom units in garden-style buildings. At the time of sale, rents ranged from $774 to $1,110. CoStar confirmed the sales price, sales date, capitalization rate and NOI. We attempted, but were unable to contact parties knowledgeable of the transaction. Novogradac & Company LLP has estimated expenses at $4,500 per unit.

Verification: CoStar, Public Records

VALUATION ANALYSIS

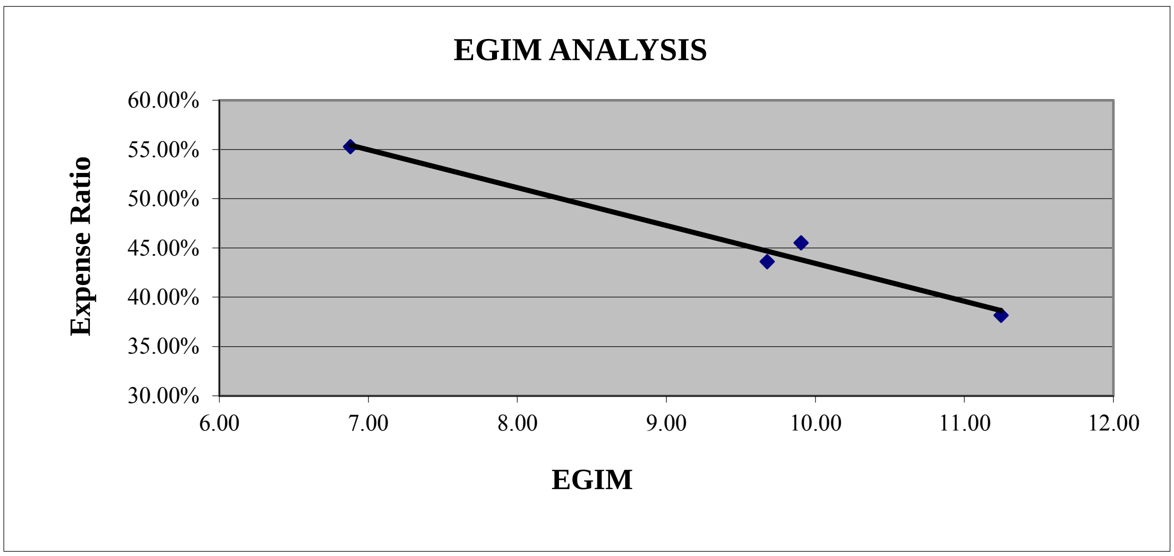
The sales selected for this analysis are summarized in the following table.

SALES COMPARISON

	Property	Sale Date	Sale Price	# of Units	Price / Unit	Effective Gross Income Multiplier	Overall Rate
1	Pointe at Sugarloaf	Jun-16	$31,725,000	324	$97,917	9.91	5.50%
2	Hawthorne at Sugarloaf	Feb-16	$34,500,000	260	$132,692	11.25	5.50%
3	Legacy of Athens	Jan-16	$13,450,000	240	$56,042	6.88	6.50%
4	Madison at River Sound	Mar-15	$58,550,000	586	$99,915	9.68	5.83%
	Average		**$34,556,250**	**353**	**$96,641**	**9.43**	**5.83%**

EGIM Analysis

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



Comparable Sales and Subject Scenarios Arrayed by Expense Ratio					
	Sale Price	EGI	Expenses	Expense Ratio	EGIM
As Proposed Restricted	**$9,900,000**	**$1,204,488**	**$595,420**	**49.43%**	**8.2**
As Proposed Unrestricted	**$14,100,000**	**$1,533,114**	**$684,615**	**44.66%**	**9.2**
Comparable #1	$31,725,000	$3,202,875	$1,458,000	45.52%	9.9
Comparable #2	$34,500,000	$3,067,500	$1,170,000	38.14%	11.2
Comparable #3	$13,450,000	$1,954,250	$1,080,000	55.26%	6.9
Comparable #4	$58,550,000	$6,050,465	$2,637,000	43.58%	9.7

We have estimated EGIMs of 8.2 to 9.2for the restricted and unrestricted scenarios, respectively. The Subject's indicated value using the EGIM method is presented in the following table.

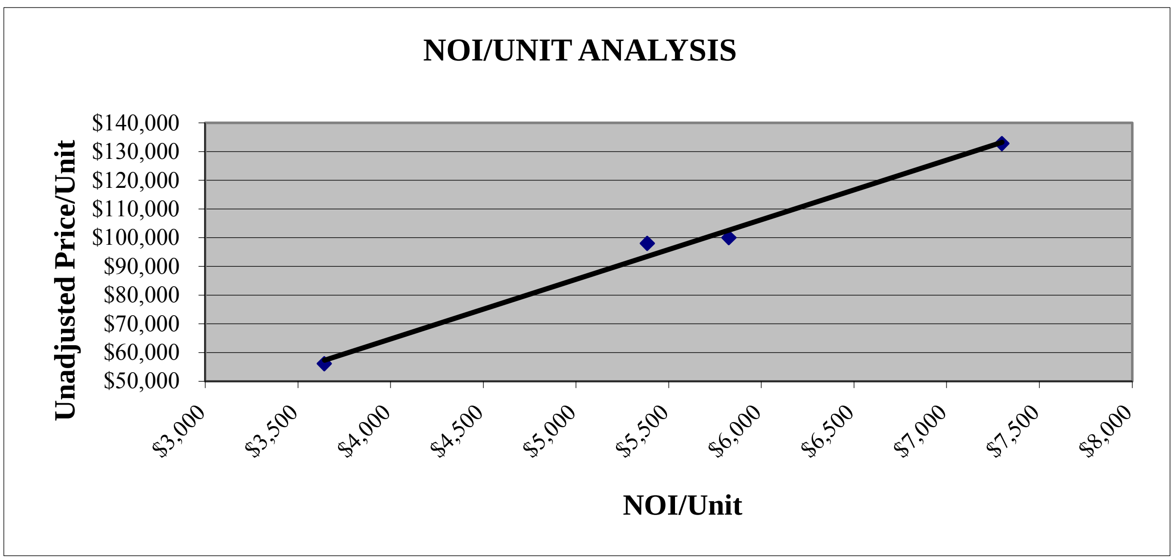
EGIM ANALYSIS - "AS COMPLETE AND STABILIZED"

Scenario	EGIM	Effective Gross Income	Indicated Value (Rounded)
As Proposed Restricted	8.2	$1,204,488	$9,900,000
As Proposed Unrestricted	9.2	$1,533,114	$14,100,000

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	$4,685	/	$5,385	=	0.870	X	$97,917	=	$85,184
2	$4,685	/	$7,298	=	0.642	X	$132,692	=	$85,184
3	$4,685	/	$3,643	=	1.286	X	$56,042	=	$72,079
4	$4,685	/	$5,825	=	0.804	X	$99,915	=	$80,363
			$5,538		**0.901**		**$96,641**		**$80,703**

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	$6,527	/	$5,385	=	1.212	X	$97,917	=	$118,671
2	$6,527	/	$7,298	=	0.894	X	$132,692	=	$118,671
3	$6,527	/	$3,643	=	1.792	X	$56,042	=	$100,414
4	$6,527	/	$5,825	=	1.120	X	$99,915	=	$111,954
			$5,538		**1.255**		**$96,641**		**$112,428**

Sale 2, Hawthorne at Sugarloaf, was constructed in 2007 and will be the most similar to the proposed Subject in terms of age and condition. Sales 1 and 4 were constructed in 1997 and 1996, respectively, and will be slightly inferior to the Subject upon completion. Sale 3 was constructed in 1970, and reported renovations in 2011. Based on the site inspection, this property will be inferior to the Subject once complete. All of the sales are located in slightly superior locations relative to the Subject. Based upon the comparable properties, we have concluded to a price per unit slightly below the adjusted price per unit average. 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	130	$75,000	$9,800,000
As Proposed Unrestricted	130	$110,000	$14,300,000

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 hypothetical market value of the real estate As Restricted assuming the achievable LIHTC rents **"As Complete and Stabilized",** via the Sales Comparison Approach, as of September 11, 2016 is:

NINE MILLION EIGHT HUNDRED THOUSAND DOLLARS
($9,800,000)

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 September 11, 2016 is:

FOURTEEN MILLION THREE HUNDRED THOUSAND DOLLARS
($14,300,000)

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:

DIRECT CAPITALIZATION ANALYSIS - "AS COMPLETE"

Scenario	Loss To Lease	Indicated Value (Rounded)
As Complete Restricted	$538,284	$9,400,000
As Complete Unrestricted	$696,879	$13,400,000

DIRECT CAPITALIZATION ANALYSIS - "AS COMPLETE AND STABILIZED"

Scenario	Cap Rate	Net Operating Income	Indicated Value (Rounded)
As Proposed Restricted	6.00%	$609,068	$9,900,000
As Proposed Unrestricted	6.00%	$848,500	$14,100,000

EGIM ANALYSIS - "AS COMPLETE AND STABILIZED"

Scenario	EGIM	Effective Gross Income	Indicated Value (Rounded)
As Proposed Restricted	8.2	$1,204,488	$9,900,000
As Proposed Unrestricted	9.2	$1,533,114	$14,100,000

NOI/UNIT ANALYSIS - "AS COMPLETE AND STABILIZED"

Scenario	Number of Units	Price per unit	Indicated Value (Rounded)
As Proposed Restricted	130	$75,000	$9,800,000
As Proposed Unrestricted	130	$110,000	$14,300,000

VALUE AT LOAN MATURITY - RESTRICTED

	Year	Indicated Value (Rounded)
Restricted	15 years	$11,700,000
Restricted	20 years	$12,900,000
Restricted	25 years	$14,300,000
Restricted	30 years	$15,800,000
Restricted	35 years	$17,500,000

VALUE AT LOAN MATURITY - UNRESTRICTED

	Year	Indicated Value (Rounded)
Unrestricted	15 years	$16,400,000
Unrestricted	20 years	$18,100,000
Unrestricted	25 years	$20,000,000
Unrestricted	30 years	$22,100,000
Unrestricted	35 years	$24,400,000

TAX CREDIT VALUATION

	Credit Amount	Price Per Credit	Indicated Value (Rounded)
Federal LIHTC	$5,220,792	$1.06	$5,500,000
State LIHTC	$5,222,227	$0.58	$3,000,000

FAVORABLE FINANCING VALUATION

	Indicated Value (Rounded)
Restricted & Unrestricted	$1,700,000

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

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 unencumbered land "as if vacant" in fee simple, as of September 11, 2016, is:

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

Upon Completion Assuming Restricted Rents

The Subject's hypothetical leased fee market value of the real estate assuming achievable LIHTC rental rates, "Upon Completion," as of September 11, 2016, is:

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

Upon Completion Assuming Unrestricted Rents

The Subject's hypothetical leased fee market value of the real estate assuming unrestricted operation "Upon Completion," as of September 11, 2016, is:

THIRTEEN MILLION FOUR HUNDRED THOUSAND DOLLARS
($13,400,000)

As Complete and Stabilized Restricted

The Subject's estimated leased fee market value "As Complete and Stabilized" assuming achievable LIHTC rental rates, as of September 11, 2016, is:

NINE MILLION NINE HUNDRED THOUSAND DOLLARS
($9,900,000)

As Complete and Stabilized Unrestricted

The Subject's estimated leased fee market value "As Complete and Stabilized" assuming unrestricted market rental rates, as of September 11, 2016, is:

FOURTEEN MILLION ONE HUNDRED THOUSAND DOLLARS
($14,100,000)

Prospective Market Value as Restricted at 15, 20, 25, 30 and 35 years

The prospective market value at 15 years of the Subject's leased fee interest, subject to the LIHTC rental restrictions in the year 2033, as of September 11, 2016, is:

ELEVEN MILLION SEVEN HUNDRED THOUSAND DOLLARS
($11,700,000)

The prospective market value at 20 years of the Subject's leased fee interest, subject to the rental restrictions in the year 2038, as of September 11, 2016, is:

TWELVE MILLION NINE HUNDRED THOUSAND DOLLARS
($12,900,000)

The prospective market value at 25 years of the Subject's leased fee interest, subject to the rental restrictions in the year 2043, as of September 11, 2016, is:

FOURTEEN MILLION THREE HUNDRED THOUSAND DOLLARS
($14,300,000)

The prospective market value at 30 years of the Subject's leased fee interest, subject to the rental restrictions in the year 2048, as of September 11, 2016, is:

FIFTEEN MILLION EIGHT HUNDRED THOUSAND DOLLARS
($15,800,000)

The prospective market value at 35 years of the Subject's leased fee interest, subject to the rental restrictions in the year 2053, as of September 11, 2016, is:

SEVENTEEN MILLION FIVE HUNDRED THOUSAND DOLLARS
($17,500,000)

Prospective Market Value as Proposed Unrestricted at 15, 20, 25, 30 and 35 years

The hypothetical prospective market value at 15 years of the Subject's leased fee interest, as an unrestricted property in the year 2033, as of September 11, 2016, is:

SIXTEEN MILLION FOUR HUNDRED THOUSAND DOLLARS
($16,400,000)

The hypothetical prospective market value at 20 years of the Subject's leased fee interest, as an unrestricted property in the year 2038, as of September 11, 2016, is:

EIGHTEEN MILLION ONE HUNDRED THOUSAND DOLLARS
($18,100,000)

The hypothetical prospective market value at 25 years of the Subject's leased fee interest, as an unrestricted property in the year 2043, as of September 11, 2016, is:

TWENTY MILLION DOLLARS
($20,000,000)

The hypothetical prospective market value at 30 years of the Subject's leased fee interest, as an unrestricted property in the year 2048, as of September 11, 2016, is:

TWENTY TWO MILLION ONE HUNDRED THOUSAND DOLLARS
($22,100,000)

The hypothetical prospective market value at 35 years of the Subject's leased fee interest, as an unrestricted property in the year 2053, as of September 11, 2016, is:

TWENTY FOUR MILLION FOUR HUNDRED THOUSAND DOLLARS
($24,400,000)

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 September 11, 2016, is:

Federal
FIVE MILLION FIVE HUNDRED THOUSAND DOLLARS
($5,500,000)

State
THREE MILLION DOLLARS
($3,000,000)

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, September 11, 2016; 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 September 11, 2016, 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 September 11, 2016, the Subject's completion date is in 2018.

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 statements of fact contained in this report are true and correct;
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, conclusions, and recommendations;
- We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest with respect to the parties involved;
- We have previously performed two DCA application market studies, with effective dates of March 22, 2015 and March 17, 2016, on the property that is the subject of this report. The appraisal division has performed no other services in any capacity regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment;
- We have no bias with respect to any property that is the subject of this report or to the parties involved with this assignment;
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results;
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal;
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice;
- Brian Neukam has made a personal inspection of the property that is the subject of this report and comparable market data incorporated in this report and is competent to perform such analyses. Nick Doffing did not make a personal inspection of the property, but did provide significant professional assistance. Brian Neukam oversaw all data collection and reporting in this appraisal. John Cole provided a final review of this report. No one other than those listed on this page provided any significant real property appraisal assistance.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives. As of the date of this report, Brian Neukam has completed the Standards and Ethics Education Requirements for Candidates/Practicing Affiliates of the Appraisal Institute.

Brain Neukam
Senior Analyst
State Certified General Real Estate Appraiser
Georgia License Number: 329471

Addendum B

Qualifications of Consultants

STATEMENT OF PROFESSIONAL QUALIFICATIONS
BRIAN NEUKAM

EDUCATION
Georgia Institute of Technology, Bachelor of Industrial Engineering, 1995

State of Georgia Certified General Real Property Appraiser No. 329471

PROFESSIONAL TRAINING
National USPAP and USPAP Updates
General Appraiser Market Analysis and Highest & Best Use
General Appraiser Sales Comparison Approach
General Appraiser Site Valuation and Cost Approach
General Appraiser Income Capitalization Approach I and II
General Appraiser Report Writing and Case Studies

EXPERIENCE
Novogradac & Company LLP, Real Estate Analyst, September 2015- Present
J Lawson & Associates, Associate Appraiser, October 2013- September 2015
Carr, Lawson, Cantrell, & Associates, Associate Appraiser, July 2007-October 2013

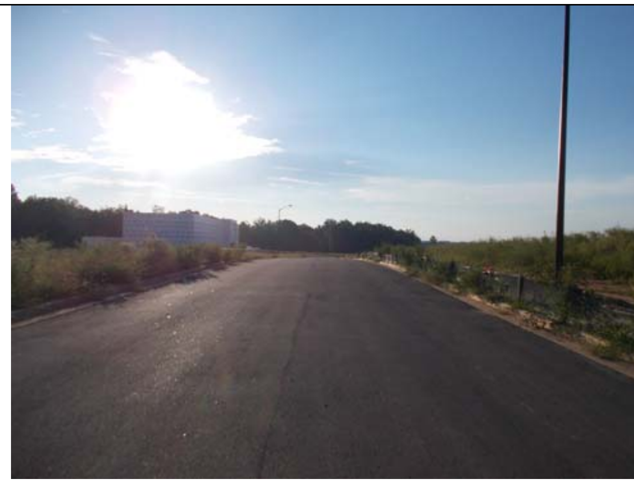
REAL ESTATE ASSIGNMENTS
A representative sample of due diligence, consulting or valuation assignments includes:

- Prepare market studies and appraisals throughout the U.S. for proposed and existing family and senior Low-Income Housing Tax Credit (LIHTC), market rate, HOME financed, USDA Rural Development, and HUD subsidized properties. Appraisal assignments involve determining the as is, as if complete, and as if complete and stabilized values.
- Conduct physical inspections of subject properties and comparables to determine condition and evaluate independent physical condition assessments.
- Performed valuations of a variety of commercial properties throughout the Southeast which included hotels, gas stations and convenience stores, churches, funeral homes, full service and fast-food restaurants, stand-alone retail, strip shopping centers, distribution warehouse and manufacturing facilities, cold storage facilities, residential and commercial zoned land, and residential subdivision lots. Intended uses included first mortgage, refinance, foreclosure/repossession (REO), and divorce.
- Employed discounted cash flow analysis (utilizing Argus or Excel) to value income-producing properties and prepare or analyze cash flow forecasts.
- Reviewed and analyzed real estate leases, including identifying critical lease data such as commencement/expiration dates, various lease option types, rent and other income, repair and maintenance obligations, Common Area Maintenance (CAM), taxes, insurance, and other important lease clauses.

Addendum C
Subject Photos

The Exchange – Winder, Georgia
Source: Brian Neukam
Date: 9/11/2016

SUBJECT SIGNAGE



BUSINESS CIRCLE (EAST VIEW)

SUBJECT SITE LOOKING WEST

SUBJECT SITE LOOKING NORTH

SUBJECT SITE LOOKING SOUTH

SUBJECT SITE

The Exchange – Winder, Georgia
Source: Brian Neukam
Date: 9/11/2016

SUBJECT SITE

SUBJECT SITE

FUTURE DEVELOPMENT ON BUSINESS CIRCLE

FUTURE DEVELOPMENT ON BUSINESS CIRCLE

RETAIL USES IN SUBJECT'S NEIGHBORHOOD

RETAIL USES IN SUBJECT'S NEIGHBORHOOD

The Exchange – Winder, Georgia
Source: Brian Neukam
Date: 9/11/2016

RETAIL USES IN SUBJECT'S NEIGHBORHOOD

RETAIL USES IN SUBJECT'S NEIGHBORHOOD

RETAIL USES IN SUBJECT'S NEIGHBORHOOD

RETAIL USES IN SUBJECT'S NEIGHBORHOOD

GAS STATION IN SUBJECT'S NEIGHBORHOOD

RECENTLY CONSTRUCTED VACANT COMMERCIAL SPACE SUBJECT'S NEIGHBORHOOD

The Exchange – Winder, Georgia
Source: Brian Neukam
Date: 9/11/2016

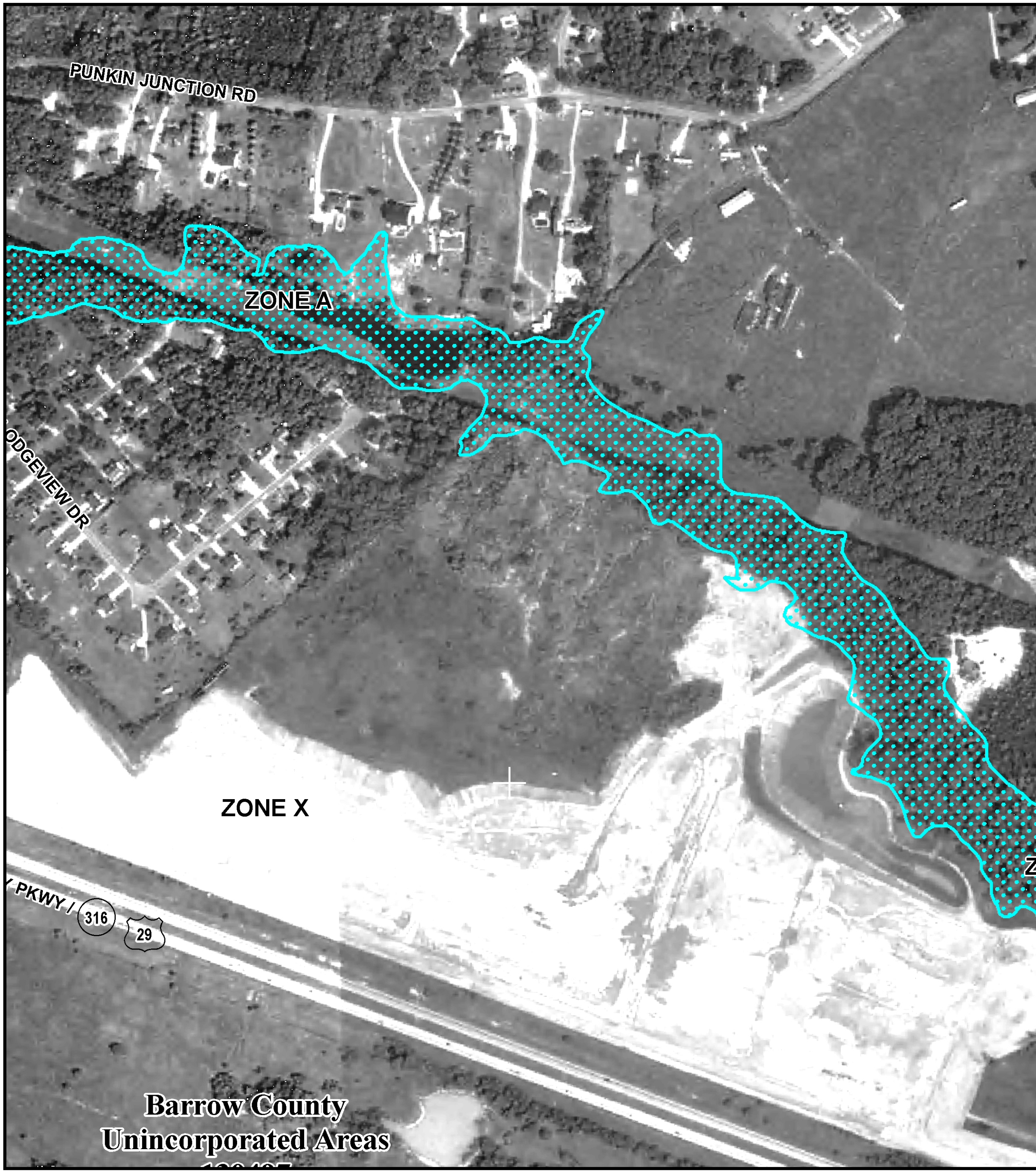
SINGLE-FAMILY RESIDENCE IN SUBJECT'S NEIGHBORHOOD (1)

SINGLE-FAMILY RESIDENCE IN SUBJECT'S NEIGHBORHOOD (2)

SINGLE-FAMILY RESIDENCE IN SUBJECT'S NEIGHBORHOOD (3)

SINGLE-FAMILY RESIDENCE IN SUBJECT'S NEIGHBORHOOD (4)

Addendum D
Flood Plain Map



MAP SCALE 1" = 500'

250 0 500 1000
FEET
METERS

PANEL 0128C

NFIP

NATIONAL FLOOD INSURANCE PROGRAM

FIRM

FLOOD INSURANCE RATE MAP

BARROW COUNTY, GEORGIA

AND INCORPORATED AREAS

PANEL 128 OF 175

(SEE MAP INDEX FOR FIRM PANEL LAYOUT)

CONTAINS:

COMMUNITY	NUMBER	PANEL	SUFFIX
BARROW COUNTY	130497	0128	C
BETHLEHEM, TOWN OF	130272	0128	C
WINDER, CITY OF	130234	0128	C

Notice to User: The **Map Number** shown below should be used when placing map orders; the **Community Number** shown above should be used on insurance applications for the subject community.

MAP NUMBER
13013C0128C

EFFECTIVE DATE
DECEMBER 18, 2009

Federal Emergency Management Agency

This is an official copy of a portion of the above referenced flood map. It was extracted using F-MIT On-Line. This map does not reflect changes or amendments which may have been made subsequent to the date on the title block. For the latest product information about National Flood Insurance Program flood maps check the FEMA Flood Map Store at www.msc.fema.gov

Addendum E
Developer's Budget and Proforma

The Exchange

CONSTRUCTION SOURCES AND USES

SOURCES	
Construction-to-Perm Loan	-
Construction Loan	16,000,000
Bridge Financing	-
Secondary Financing	-
Grant	-
Cash from Operations	-
Interest Income	-
GP Equity	100
Syndication Proceeds	3,848,638
Owner Contribution / Deferred Fees	(858,101)
TOTAL SOURCES	18,990,637

USES	
Land Acquisition Costs	1,060,000
Construction Costs	13,305,240
Architectural / Survey / Engineering	433,600
Const. Interest & Lender Costs	880,000
Permanent Financing Costs	177,000
Rent Reserves (Budget)	138,527
Replacement Reserve	-
Subsidy Reserve	-
Real Estate Tax Escrow	-
Insurance Escrow	-
Other Reserve	-
Debt Service Reserve	-
Operating Reserve	-
Permits / Contingencies / Other Costs	1,972,216
Developer Fees / Costs	1,024,054
TOTAL USES	18,990,637

PERMANENT SOURCES AND USES

SOURCES		
Permanent Loan	40.64%	8,500,000
Construction Loan	0.00%	-
Bridge Financing	0.00%	-
Secondary Financing	14.34%	3,000,000
Grant	0.00%	-
Cash from Operations	0.00%	-
Interest Income	0.00%	-
GP Equity	0.00%	100
Syndication Proceeds	40.89%	8,552,530
Owner Contribution / Deferred Fees	4.13%	864,532
TOTAL SOURCES	100.00%	20,917,162

USES	
Land Acquisition Costs	1,060,000
Construction Costs	13,305,240
Architectural / Survey / Engineering	433,600
Const. Interest & Lender Costs	880,000
Permanent Financing Costs	177,000
Rent Reserves (Budget)	138,527
Replacement Reserve	-
Subsidy Reserve	-
Real Estate Tax Escrow	-
Insurance Escrow	-
Other Reserve	-
Debt Service Reserve	-
Operating Reserve	510,579
Permits / Contingencies / Other Costs	1,972,216
Developer Fees / Costs	2,440,000
TOTAL USES	20,917,162

The Exchange

A. Development Budget

		Total Project Cost	Total Project Cost Per Unit	Total Budgeted Costs	Total Budgeted Cost Per Unit	Residential	Commercial	Depreciable Residential	Depreciable Commercial	Percentage Amount
	Acquisition									
1	Land Cost or Value	1,060,000	8154	1,060,000	8,154	1,060,000	-	XXXXXXXX	XXXXXXXX	
7	**Total Acquisition Costs**	1,060,000	8,154	1,060,000	8,154	1,060,000	-	-	-	
	New Construction		AIA New Construction	13,305,240						
15	Site Work	1,300,000	10,000	1,300,000	10,000	1,300,000	-	1,235,000	-	
16	Structure	10,371,263	79,779	10,371,263	79,779	10,371,263	-	10,371,263	-	
18	General Requirements	700,276	5,387	700,276	5,387	700,276	-	700,276	-	6.0%
19	Contractor Overhead	233,425	1,796	233,425	1,796	233,425	-	233,425	-	2.0%
20	Contractor Profit	700,276	5,387	700,276	5,387	700,276	-	700,276	-	6.0%
21	**Total New Const. Costs**	13,305,240	102,348	13,305,240	102,348	13,305,240	-	13,240,240	-	
	Architectural Fees									
22	Design	303,000	2,331	303,000	2,331	303,000	-	303,000	-	2.3%
23	Supervision	60,600	466	60,600	466	60,600	-	60,600	-	
24	**Total Architectural Costs**	363,600	2,797	363,600	2,797	363,600	-	363,600	-	
25	**Total Survey and Engineering**	70,000	538	70,000	538	70,000	-	70,000	-	0.8%
	Construction Interest and Fees									
		Months of Interest in Budget		605,127						
26	Construction Loan Interest	620,000	4,769	620,000	4,769	620,000	-	589,000	-	
29	Financing Fee	160,000	1,231	160,000	1,231	160,000	-	160,000	-	1.0%
31	Builder's Risk / Liability Insurance	65,000	500	65,000	500	65,000	-	65,000	-	
32	Title and Recording	35,000	269	35,000	269	35,000	-	35,000	-	
33	**Total Const. Interest and Fees**	880,000	6,769	880,000	6,769	880,000	-	849,000	-	
	Permanent Financing									
34	Financing Fee	85,000	654	85,000	654	85,000	-	XXXXXXXX	XXXXXXXX	1.0%
35	Legal	25,000	192	25,000	192	25,000	-	XXXXXXXX	XXXXXXXX	
36	Title & Recording	17,000	131	17,000	131	17,000	-	XXXXXXXX	XXXXXXXX	
37	Bond Issuing + Financing Costs	50,000	385	50,000	385	50,000	-	XXXXXXXX	XXXXXXXX	
39	**Total Permanent Financing Costs**	177,000	1,362	177,000	1,362	177,000	-	XXXXXXXX	XXXXXXXX	

The Exchange

A. Development Budget

		Total Project Cost	Total Project Cost Per Unit	Total Budgeted Costs	Total Budgeted Cost Per Unit	Residential	Commercial	Depreciable Residential	Depreciable Commercial	Percentage Amount
	Legal Fees									
40	Lender Legal Costs Paid by Applicant	100,000	769	100,000	769	100,000	-	100,000	-	
41	Other *(Owners Legal and Accounting*)	40,000	308	40,000	308	40,000	-	40,000	-	
42	Third Party Investor Expenses	50,000	385	50,000	385	50,000	-	XXXXXXXX	XXXXXXXX	
43	**Total Attorney Costs**	190,000	1,462	190,000	1,462	190,000	-	140,000	-	
	Reserves									
	6.0	Months of Operating Expenses & Debt Service Covered by Operating & Debt Service Reserves								
44	Rent Reserves (Budget)	138,527	1,066	138,527	1,066	138,527	-	XXXXXXXX	XXXXXXXX	
51	Operating Reserve	510,579	3,928	510,579	3,928	510,579	-	XXXXXXXX	XXXXXXXX	
52	**Total Reserve Costs**	649,106	4,993	649,106	4,993	649,106	-	XXXXXXXX	XXXXXXXX	
53	**Total Appraisal and Market Study Costs**	20,000	154	20,000	154	20,000	-	20,000	-	20,000
	Contingencies			3.76%		Hard Contingency Percentage				
54	Hard Cost Contingency - New Construction	500,000	3,846	500,000	3,846	500,000	-	500,000	-	5.0%
56	Soft Cost Contingency	25,000	192	25,000	192	25,000	-	25,000	-	
57	**Total Contingency Costs**	525,000	4,038	525,000	4,038	525,000	-	525,000	-	
	Other									
58	Tax Credit Application Fees	149,880	1,153	149,880	1,153	149,880	-	XXXXXXXX	XXXXXXXX	
59	Environmental Audit and Soils Engineering	15,000	115	15,000	115	15,000	-	15,000	-	
60	Impact Fees	-	-	-	-	-	-	-	-	
61	Tap Fees	613,000	4,715	613,000	4,715	613,000	-	613,000	-	
62	Permits	66,726	513	66,726	513	66,726	-	66,726	-	
63	Inspection Fees	10,110	78	10,110	78	10,110	-	10,110	-	
64	Plan and Cost Review	15,000	115	15,000	115	15,000	-	15,000	-	
65	Marketing Costs	15,000	115	15,000	115	15,000	-	XXXXXXXX	XXXXXXXX	
66	Brokerage & Consulting Fees	-	-	-	-	-	-	-	-	
67	Furnishings	250,000	1,923	250,000	1,923	250,000	-	250,000	-	
68	Syndication Costs	-	-	-	-	-	-	XXXXXXXX	XXXXXXXX	
69	Other	102,500	788	102,500	788	102,500	-	102,500	-	
70	**Total Other Costs**	1,237,216	9,517	1,237,216	9,517	1,237,216	-	1,072,336	-	
71	**Sub Total Residential Costs**	18,477,162	142,132	18,477,162	142,132	18,477,162	-	16,280,176	-	
	Developer Costs									
72	Developer Overhead / Profit	2,440,000	18,769	2,440,000	18,769	2,440,000	-	2,440,000	-	15.0%
76	**Total Developer Costs**	2,440,000	18,769	2,440,000	18,769	2,440,000	-	2,440,000	-	
77	**Total Project Costs**	20,917,162	160,901	20,917,162	160,901	20,917,162	-	18,720,176	-	

Rent Schedule For: **The Exchange**

County:	**Barrow**	MSA:	Atlanta
2015 Median Income Limits:	**67,500**		
City Population (2014 est)	-		
County Population (2014 est)	-		

AMI Trends Over Time

2015	67,500
2010	-
2005	-

Affordable	AMI Rent Level	Units	Bathrooms	Square Feet	Projected LIHTC Rent	Max. Compl. Rent	Utility Allowance	Max Net Rent	Annual Project Rent	Annual Sec. 42 Rent	Lower of	Proposed Rent
Studio	30%	-	-	-	-	354	-	354	-	-	-	-
	40%	-	-	-	-	473	-	472	-	-	-	-
	50%	-	-	-	-	591	-	590	-	-	-	-
	50%	-	-	-	-	591	-	590	-	-	-	-
	60%	-	-	-	-	709	-	708	-	-	-	-
	60%	-	-	-	-	709	-	708	-	-	-	-
One Bedroom	30%	-	-	-	-	380	82	297	-	-	-	-
	40%	-	-	-	-	506	82	424	-	-	-	-
	50%	-	-	-	-	633	82	550	-	-	-	-
	50%	8	24	900	550	633	82	550	52,800	52,800	52,800	550
	60%	27	24	900	677	759	82	677	219,348	219,348	219,348	677
	60%	-	-	-	-	759	82	677	-	-	-	-
Two Bedroom	30%	-	-	-	-	456	125	330	-	-	-	-
	40%	-	-	-	-	608	125	482	-	-	-	-
	50%	-	-	-	-	759	125	634	-	-	-	-
	50%	10	20	1,100	634	759	125	634	76,080	76,080	76,080	634
	60%	30	60	1,100	786	911	125	786	282,960	282,960	282,960	786
	60%	-	-	-	-	911	125	786	-	-	-	-
Three Bedroom	30%	-	-	-	-	527	182	344	-	-	-	-
	40%	-	-	-	-	702	182	520	-	-	-	-
	50%	-	-	-	-	878	182	695	-	-	-	-
	50%	8	16	1,300	695	878	182	695	66,720	66,720	66,720	695
	60%	34	68	1,300	871	1,053	182	871	355,368	355,368	355,368	871
	60%	-	-	-	-	1,053	182	871	-	-	-	-
Four Bedroom	30%	-	-	-	-	587	-	587	-	-	-	-
	40%	-	-	-	-	783	-	783	-	-	-	-
	50%	-	-	-	-	979	-	978	-	-	-	-
	50%	-	-	-	-	979	-	978	-	-	-	-
	60%	-	-	-	-	1,175	-	1,174	-	-	-	-
	60%	-	-	-	-	1,175	-	1,174	-	-	-	-
Total Affordable Units		117							1,053,276	1,053,276	1,053,276	
Total Square Feet		130,100							*Over / (Under)*	-		

Manager's	Units	Bathrooms	Square Feet	Projected Rent	60% Rent	Annual Rent
Studio	-	-	-	-	709	-
One Bedroom	-	-	-	-	759	-
Two Bedroom	-	-	-	-	911	-
Three Bedroom	-	-	-	-	1,053	-
Four Bedroom	-	-	-	-	1,175	-
Total Manager's Units	-					-
Total Square Feet	-					

Project Unit Mix		
Unit Type	**Number**	**% of Total**
Studio	-	0.00%
One Bedroom	36	27.69%
Two Bedroom	42	32.31%
Three Bedroom	52	40.00%
Four Bedroom	-	0.00%
Totals	**130**	**100.00%**

Market Rate	Units	Bathrooms	Square Feet	Projected Rent	60% Rent	Annual Rent
Studio	-	-	-	-	709	-
	-	-	-	-	709	-
One Bedroom	1	-	900	860	759	10,320
	-	-	-	-	759	-
Two Bedroom	2	-	1,100	980	911	23,520
	-	-	-	-	911	-
Three Bedroom	10	-	1,300	1,100	1,053	132,000
	-	-	-	-	1,053	-
Four Bedroom	-	-	-	-	1,175	-
	-	-	-	-	1,175	-
Total Market Rate Units	13					165,840
Total Square Feet	16,100					

Average Affordability		
Unit Type	**Number**	**Percent**
30%	-	0.00%
40%	-	0.00%
50%	-	0.00%
50%	26	20.00%
60%	91	70.00%
60%	-	0.00%
Totals	**117**	**90.00%**

Total Units	130	**Gross Potential Rent**	1,219,116
Total Square Feet	146,200		

Physical Occupancy Percentage	90.00%
Square Foot Occupancy Percentage	88.99%

The Exchange
Stabilized Operations

			Projection of Operations	% of Gross Potential Rent	Income/Expenses Per Unit
Reserve Escalation:	3.00%				
Revenue Escalation:	2.00%				
Expense Escalation:	3.00%			# of units	130
Taxes Escalation:	3.00%				
Vacancy Loss:	7.00%				
Commercial Vacancy Loss:	10.00%				
Other Income:	$ 170	per unit			
Replacement Reserve:	$ 250	per unit			
Income					
Total Gross Potential Rent:			$ 1,219,116	100%	9,378
Residential Vacancy Loss:			$ (87,156)	-7%	(670)
Commercial Vacancy Loss:			$ -	0%	-
Uncollected Rent:			$ -	0%	-
Net Rental Revenue:			$ 1,131,960	93%	8,707
Other Income:					
Commercial Income:			$ -	0%	-
Subsidy Overhang:			$ -	0%	-
Laundry:			$ 3,900	0%	30
NSF / Pet Deposits:			$ -	0%	-
Miscellaneous:			$ 22,074	2%	170
Total Income:			$ 1,157,934	95%	8,907
Operating Expenses:					
Payroll:			$ 134,410	11%	1,034
Management Fees:	$0.00	pupm	$ 57,897	5%	445
Administrative:			$ 66,900	5%	515
Repairs and Maintenance:			$ 61,750	5%	475
Grounds Maintenance:			$ 37,500	3%	288
Utilities:			$ 42,250	3%	325
Property Taxes:			$ 88,400	7%	680
Insurance:			$ 32,500	3%	250
Replacement Reserve			$ 32,500	3%	250
Other			$ -	0%	-
Other			$ -	0%	-
Other			$ -	0%	-
Other			$ -	0%	-
Total Operating Expenses:			**$ 554,106**	45%	4,262
Net Operating Income:			**$ 603,827**	50%	4,645
Debt Service:			$ 467,052	38%	3,593
Net Cash Flow:			**$ 136,775**	11%	1,052

First Mortgage		$ 8,500,000	Proposed Financing - P01 TBD TBD	
NOI:	**Stabilization Yr DCR**	$ 603,827	Bond	Tax Exempt
Required DCR:	**1.36**	1.20	Mandatory, Amortizing	
Interest Rate:	1st	4.25%		0.00%
Amortization:		35	Term	35
Annual Debt Service:	**Stabilized DCR**	$ 467,052		
MIP:	**1.29**			
	1st			
Secondary Financing:		3,000,000	P02 HOME	
Interest Rate:		1.00%	Soft, Amortizing	
Amortization:		35		
Annual Debt Service:		$ 101,623		

			Annual (Stabilized)	Per Unit
Employee Compensation				
Manager (before taxes, ins., & processing fee)		$	48,000	369.23
Asst. Mgr. (before taxes, ins., & processing fee)		$	-	0.00
Maint. Super (before taxes, ins., & processing fee)		$	41,600	320.00
Maint. Tech (before taxes, ins., & processing fee)		$	-	0.00
1/2 Leasing Agent/Compliance (before taxes, ins. & processing fee)		$	15,000	115.38
Maint. Tech 30/hrs (before taxes, ins., & processing fee)		$	-	0.00
Commissions		$	9,750	75.00
Health Insurance ($4,200 per employee)	2	$	8,400	64.62
Payroll Taxes		$	9,728	74.83
Workman's Compensation		$	1,932	14.86
Total Employee Compensation		**$**	**134,410**	**1,033.92**
Maintenance				
Grounds Maintenance		$	32,500	250.00
Swimming Pool		$	5,000	38.46
Snow Removal		$	-	0.00
Elevator		$	-	0.00
Exterminating		$	6,500	50.00
Painting & Cleaning		$	26,000	200.00
General Repairs & Maintenance		$	29,250	225.00
Trash Removal		$	9,750	75.00
Total Maintenance		**$**	**109,000**	**838.46**
Utilities				
Electric/Gas	$ 150	$	19,500	150.00
Water/Sewer (Not Submetered)	$ 100	$	13,000	100.00
Total Utilities		**$**	**32,500**	**250.00**
Administrative				
Management Fee	5%	$	57,897	445.36
Accounting Fees		$	7,500	57.69
Accounts Payable		$	-	0.00
Advertising		$	13,000	100.00
Asset Management Fee (Above Line)		$	-	0.00
Bank Charges		$	4,800	36.92
Compliance Fee		$	-	0.00
Fees & Subscriptions		$	2,500	19.23
Legal Fees		$	5,000	38.46
Office Supplies		$	5,500	42.31
Telephone		$	12,000	92.31
Training		$	3,000	23.08
Travel		$	500	3.85
Miscellaneous (Van, Insomniac, etc.)		$	-	0.00
Computer Support / Service		$	7,600	58.46
Contributions		$	-	0.00
Meals & Entertainment		$	500	3.85
Public Sale Fees		$	-	0.00
Shipping & Postage		$	-	0.00
Security		$	5,000	38.46
Total Administrative		**$**	**124,797**	**959.97**
Taxes, Insurance, & Reserves				
Interest Income		$	-	0.00
Real Estate Taxes	$ 680	$	88,400	680.00
Insurance	$ 250	$	32,500	250.00
Annual Replacement Reserve	$ 250	$	32,500	250.00
Total Operating		**$**	**153,400**	**1,180.00**
Ground Lease Payment as Operating Expense		$	-	0.00
Total Expenses		**$**	**554,106**	4,262.36

The Exchange **Debt Summary**

Loan ID#	Lender	Loan Program Name	Perm Amount	Construction Amount	Rate	Amort	Term	Attributes	Payment	MIP	Issuer Fee	Servicing Fee	Guarantee Fee	Trustee Fee	Other Fee	Total Fee	Recourse/ Non-Recourse	Related/ Unrelated	T/E	% of Cash	Comments
C01	TBD	Construction & HOME	$ -	$ 16,000,000	3.50%			Construction only	$ 560,000								Recourse		Yes		
C02			$ -																		
C03			$ -	$ -																	
C04			$ -	$ -																	
P01	TBD	TBD	$ 8,500,000	$ -	4.25%	35	35	Mandatory, Amortizing	$ 467,052								Non-Recourse		No		
P02		HOME	$ 3,000,000	$ -	1.00%	35	35	Soft, Amortizing	$ 101,623								Non-Recourse		No		
P03			$ -	$ -																	
P04			$ -	$ -																	
P05			$ -	$ -																	
P06			$ -	$ -																	
P07			$ -	$ -																	
P08			$ -	$ -																	
P09			$ -	$ -																	
P10			$ -	$ -																	

Stabilized Escalation	The Exchange			Depreciation and Amortization Assumptions				
Lease Up %	1.42%	79.49%	108.24%	Depreciation Term	27.5	Real Property	40	Commercial Real Property
Expense %			112.55%	Land Improvements	$ 5,000	Per Unit	20	Commercial Site Improvements
Tax %			112.55%	Personal Property	$ 3,000	Per Unit	10	Commercial Personal Property
Reserve %			115.93%	Amortized Loan Fees	35	Years		
				Amortized Tax Credit Fees	15	Years		
5.88%				Broker's Fee	27.5	Years		

			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	Year 16 End of Compliance	Year 17
			2017	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**
Reserve Escalation:	3.00%																		
Revenue Escalation:	2.00%																		
Expense Escalation:	3.00%																		
Taxes Escalation:	3.00%																		
Vacancy Loss:	7.00%																		
Commercial Vacancy Loss:	10.00%																		
Other Income:	$ 170	per unit																	
Replacement Reserve:	$ 250	per unit																	
Income																			
Total Gross Potential Rent:			17,366	969,041	1,319,610	1,346,003	1,372,923	1,400,381	1,428,389	1,456,956	1,486,096	1,515,818	1,546,134	1,577,057	1,608,598	1,640,770	1,673,585	1,707,057	1,741,198
Residential Vacancy Loss:			-1241.542735	(69,278)	(94,341)	(96,228)	(98,152)	(100,115)	(102,117)	(104,160)	(106,243)	(108,368)	(110,535)	(112,746)	(115,001)	(117,301)	(119,647)	(122,040)	(124,481)
Net Rental Revenue:			16,125	899,763	1,225,270	1,249,775	1,274,770	1,300,266	1,326,271	1,352,797	1,379,853	1,407,450	1,435,599	1,464,311	1,493,597	1,523,469	1,553,938	1,585,017	1,616,717
Other Income:																			
Laundry:			56	3,100	4,221	4,306	4,392	4,480	4,569	4,661	4,754	4,849	4,946	5,045	5,146	5,249	5,354	5,461	5,570
NSF / Pet Deposits:			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous:			314	17,546	23,894	24,371	24,859	25,356	25,863	26,380	26,908	27,446	27,995	28,555	29,126	29,709	30,303	30,909	31,527
Total Income:			16,495	920,409	1,253,385	1,278,452	1,304,021	1,330,102	1,356,704	1,383,838	1,411,515	1,439,745	1,468,540	1,497,911	1,527,869	1,558,426	1,589,595	1,621,387	1,653,814
Operating Expenses:																			
Payroll:			1,915	106,839	151,279	155,818	160,492	165,307	170,266	175,374	180,635	186,055	191,636	197,385	203,307	209,406	215,688	222,159	228,824
Management Fees:		**5.00%**	825	46,020	62,669	63,923	65,201	66,505	67,835	69,192	70,576	71,987	73,427	74,896	76,393	77,921	79,480	81,069	82,691
Administrative:			953	53,177	75,297	77,555	79,882	82,279	84,747	87,289	89,908	92,605	95,383	98,245	101,192	104,228	107,355	110,576	113,893
Repairs and Maintenance:			880	49,083	69,500	71,585	73,733	75,945	78,223	80,570	82,987	85,476	88,041	90,682	93,402	96,204	99,091	102,063	105,125
Grounds Maintenance:			534	29,808	42,207	43,473	44,777	46,120	47,504	48,929	50,397	51,909	53,466	55,070	56,722	58,424	60,176	61,982	63,841
Utilities:			602	33,583	47,553	48,979	50,449	51,962	53,521	55,127	56,780	58,484	60,238	62,046	63,907	65,824	67,799	69,833	71,928
Property Taxes:			1,259	70,267	99,495	102,480	105,554	108,721	111,982	115,342	118,802	122,366	126,037	129,818	133,713	137,724	141,856	146,112	150,495
Insurance:			463	25,833	36,579	37,676	38,807	39,971	41,170	42,405	43,677	44,988	46,337	47,727	49,159	50,634	52,153	53,718	55,329
Replacement Reserve			-	25,833	32,500	32,500	32,500	32,500	37,676	37,676	37,676	37,676	37,676	43,677	43,677	43,677	43,677	43,677	50,634
Total Operating Expenses:			7,430	440,444	617,079	633,989	651,395	669,310	692,925	711,904	731,439	751,546	772,243	799,546	821,473	844,043	867,275	891,188	922,759
Net Operating Income:			9,064	479,965	636,306	644,463	652,627	660,792	663,779	671,934	680,075	688,199	696,297	698,364	706,396	714,383	722,320	730,199	731,055
Debt Service:			-	116,763	467,052	467,052	467,052	467,052	467,052	467,052	467,052	467,052	467,052	467,052	467,052	467,052	467,052	467,052	467,052
Net Cash Flow:			9,064	363,202	169,254	177,411	185,575	193,740	196,727	204,882	213,024	221,147	229,245	231,313	239,344	247,331	255,268	263,147	264,003
DCR					**1.36**	**1.38**	**1.40**	**1.41**	**1.42**	**1.44**	**1.46**	**1.47**	**1.49**	**1.50**	**1.51**	**1.53**	**1.55**	**1.56**	**1.57**
Asset Man. Fee LP			5,000	5,100	5,202	5,306	5,412	5,520	5,631	5,743	5,858	5,975	6,095	6,217	6,341	6,468	6,597	6,729	6,864
Remaining Cash Flow Balance			4,064	358,102	164,052	172,105	180,163	188,220	191,096	199,138	207,165	215,171	223,150	225,096	233,002	240,863	248,670	256,417	257,139
Deferred Dev. Fee			4,064	358,102	164,052	172,105	166,208	-	-	-	-	-	-						
Balance of Def. Dev. Fee		864,532	860,468	502,365	338,313	166,208	-	-	-	-	-	-							
Remaining Cash Flow Balance			-	-	-	-	13,955	188,220	191,096	199,138	207,165	215,171	223,150	225,096	233,002	240,863	248,670	256,417	257,139
SMF. to Local GP		**90%**	-	-	-	-	12,559	169,398	171,986	179,224	186,449	193,654	200,835	202,586	209,702	216,777	223,803	230,776	231,425
IMF. to Local GP		**0%**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dist. to Investor		10%	-	-	-	-	1,395	18,822	19,110	19,914	20,717	21,517	22,315	22,510	23,300	24,086	24,867	25,642	25,714

The Exchange

117 Units

Lease-Up Schedule

Assumptions

Initial Occupancy:	20	Units	Initial Month	12
Monthly Lease-Up:	14	Units		

Year	**2017**	Units Rented	Percentage Rented	Tax Credits	Year	**2018**	Units Rented	Percentage Rented	Tax Credits	Year	**2019**	Units Rented	Percentage Rented	Tax Credits
Month	January	-	0%	-	Month	January	34	29%	12,706	Month	January	117	100%	43,725
	February	-	0%	-		February	48	41%	17,938		February	117	100%	43,725
	March	-	0%	-		March	62	53%	23,170		March	117	100%	43,725
	April	-	0%	-		April	76	65%	28,402		April	117	100%	43,725
	May	-	0%	-		May	90	77%	33,634		May	117	100%	43,725
	June	-	0%	-		June	104	89%	38,866		June	117	100%	43,725
	July	-	0%	-		July	117	100%	43,725		July	117	100%	43,725
	August	-	0%	-		August	117	100%	43,725		August	117	100%	43,725
	September	-	0%	-		September	117	100%	43,725		September	117	100%	43,725
	October	-	0%	-		October	117	100%	43,725		October	117	100%	43,725
	November	-	0%	-		November	117	100%	43,725		November	117	100%	43,725
	December	20	17%	7,474		December	117	100%	43,725		December	117	100%	43,725
Total		20	17%	7,474	Total		117	100%	417,065	Total		117	100%	524,695
Weighted Average		2	1%				93	79%				117	100%	

Months in Service	0.0
Number of Buildings	10
Year Last Building Placed-In-Service for Tax Credit Delivery	**2018**

Construction & Lease-up Timeline

Closing	March 1, 2017
Start of Construction	March 1, 2017
Completion of 1st Building	December 1, 2018
Completion of Last Building	June 1, 2018
Lease-up Start:	December 1, 2017
Lease-up Complete:	July 1, 2018
Stabilization:	October 1, 2018
8609s:	November 1, 2018

Tax Credit Analysis **The Exchange**

Acquisition Cost:	1,060,000	New Construction / Rehabilitation Costs:	18,720,176	(Incl. Developer's Fees)
Additional Acquisition Costs	-	Additional Acquisition Costs	-	
Less: Ineligible Structure - Commercial	-	Less: Depreciable, non-eligible items	-	
Less: Land	(1,060,000)	Less: Historic Credits	-	
Adjusted Eligible Basis	-	Less: Energy Credits	-	
		Adjusted Eligible Basis	18,720,176	
Credit Percentage	3.15%	Credit Percentage	3.15%	
Annual Credit	-	Annual Credit	589,686	
Total Credit	-	Total Credit	5,896,856	
DDA or QCT Boost	100%	Supportable Tax Credits	5,247,475	
		Surplus / (Shortfall) of Credits	(4,752,525)	
Percent Low Income	89%			
Total Qualified Basis	16,658,652			
Total Available Credits	5,247,475	Total Credits per Developer	10,000,000	Full 10 year credit amount
Investor Ownership	99.99%			
			IRR	
Tax Credits for Syndication	5,246,951		**5.88%**	
Price per Credit	$ 1.050			
		Price Asked by Developer	$ 1.000	
Total LIHTC equity Raised	5,509,298			
State Credit Percentage	30%			
Total State Credits (100%)	5,247,475			
Total State Credits for Synd	5,246,951			
Price per State Credit	$ 0.58			
Total State Credit Equity Raised	3,043,231			
Total Tax Credit Equity Raised:	8,552,530			
Total Investment	8,552,530	0.00%		

The Exchange

			Closing										
			0	1	2	3	4	5	6	7	8	9	10
	Construction	**Permanent**	**Mar-17**	**Mar-17**	**Apr-17**	**May-17**	**Jun-17**	**Jul-17**	**Aug-17**	**Sep-17**	**Oct-17**	**Nov-17**	**Dec-17**
Sources													
Permanent Loan	-	8,500,000											
Construction-to-Perm Loan	16,000,000	-	-	3,682,758	872,981	872,981	872,981	872,981	872,981	872,981	872,981	872,981	872,981
Bridge Financing	-	-	-	-	-	-	-	-	-	-	-	-	-
Secondary Financing	-	3,000,000	-										
Grant	-	-	-										
Cash from Operations	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Income	-	-	-										
GP Equity	100	100	100										
Syndication Proceeds	3,848,638	8,552,530	1,282,879	-	-	-	-	-	-	-	-	-	-
Owner Contribution / Deferred Fees	(858,101)	864,532											
Subtotal	**18,990,637**	**20,917,162**	**1,282,979**	**3,682,758**	**872,981**	**872,981**	**872,981**	**872,981**	**872,981**	**872,981**	**872,981**	**872,981**	**872,981**
	-	-											
Uses													
Land Acquisition Costs	1,060,000	1,060,000	1,060,000										
Construction Costs	13,305,240	13,305,240	-	798,314	798,314	798,314	798,314	798,314	798,314	798,314	798,314	798,314	798,314
Architectural / Survey / Engineering	433,600	433,600	433,600										
Const. Interest & Lender Costs	880,000	880,000	260,000	41,333	41,333	41,333	41,333	41,333	41,333	41,333	41,333	41,333	41,333
Permanent Financing Costs	177,000	177,000	177,000										
Rent Reserves (Budget)	138,527	138,527	138,527										
Replacement Reserve	-	-	-										
Operating Reserve	-	510,579	-										
Permits / Contingencies / Other Costs	1,472,216	1,472,216	1,472,216										
Hard Cost Contingency	500,000	500,000	-	33,333	33,333	33,333	33,333	33,333	33,333	33,333	33,333	33,333	33,333
Developer Fees / Costs (Hard Fee)	1,024,054	1,575,468	551,414	-	-	-	-	-	-	-	-	-	-
Developer Fees / Costs (Deferred)		864,532											
Subtotal	**18,990,637**	**20,917,162**	**4,092,756**	**872,981**	**872,981**	**872,981**	**872,981**	**872,981**	**872,981**	**872,981**	**872,981**	**872,981**	**872,981**
	-	-											
Funding Gap (Surplus)				-	-	-	-	-	-	-	-	-	-
Construction Loan - Draw Schedule			-	3,682,758	872,981	872,981	872,981	872,981	872,981	872,981	872,981	872,981	872,981
Construction Loan - Cumulative Draw			-	3,682,758	4,555,739	5,428,720	6,301,701	7,174,682	8,047,663	8,920,644	9,793,626	10,666,607	11,539,588
Draw Remaining			16,000,000	12,317,242	11,444,261	10,571,280	9,698,299	8,825,318	7,952,337	7,079,356	6,206,374	5,333,393	4,460,412
Average Draw				*23%*	*26%*	*28%*	*31%*	*34%*	*37%*	*39%*	*42%*	*45%*	*48%*
Construction Loan - Interest		4%	-	10,741	13,288	15,834	18,380	20,926	23,472	26,019	28,565	31,111	33,657
Construction Loan - Draw down (yes/no)?													

					Completion				**Stabilization**	**8609s**	
11	12	13	14	15	16	17	18	19	20	21	
Jan-18	**Feb-18**	**Mar-18**	**Apr-18**	**May-18**	**Jun-18**	**Jul-18**	**Aug-18**	**Sep-18**	**Oct-18**	**Nov-18**	**Total**
											-
									8,500,000		8,500,000
872,981	872,981	872,981	872,981	872,981	(762,594)	-	-	-	(15,141,898)	-	0
-	-	-	-	-	-	-	-	-	-	-	-
									3,000,000		3,000,000
											-
-	-	-	-	-	-	-	-	-	-	-	-
											-
											100
-	-	-	-	-	2,565,759	-	-	-	4,703,891	-	8,552,530
										864,532	864,532
872,981	**872,981**	**872,981**	**872,981**	**872,981**	**1,803,164**	**-**	**-**	**-**	**1,061,993**	**864,532**	**20,917,162**
											-
											-
											-
											1,060,000
798,314	798,314	798,314	798,314	798,314	1,330,524	-	-	-	-	-	13,305,240
											433,600
41,333	41,333	41,333	41,333	41,333	-	-	-	-	-	-	880,000
											177,000
									-		138,527
									-		-
									510,579		510,579
											1,472,216
33,333	33,333	33,333	33,333	33,333	0	-	-	-	-	-	500,000
-	-	-	-	-	472,640	-	-	-	551,414		1,575,468
										864,532	864,532
872,981	**872,981**	**872,981**	**872,981**	**872,981**	**1,803,164**	**-**	**-**	**-**	**1,061,993**	**864,532**	**20,917,162**
-	-	-	-	-	-	-	-	-	0	0	
872,981	872,981	872,981	872,981	872,981	(762,594)	-	-	-	(15,141,898)	-	0
12,412,569	13,285,550	14,158,531	15,031,512	15,904,493	15,141,899	15,141,899	15,141,899	15,141,899	0	0	
3,587,431	2,714,450	1,841,469	968,488	95,507	858,101	858,101	858,101	858,101	-	-	
50%	*53%*	*56%*	*58%*	*61%*	*63%*	*65%*	*67%*	*68%*	*65%*	*62%*	
36,203	38,750	41,296	43,842	46,388	44,164	44,164	44,164	44,164	0	0	605,127

Addendum F
Site Plans

01 A.010 SITE PLAN
SCALE: 1" = 40'-0"

NORTH

scale: 1" = 40'-0"
0 40 80 120 160

Building #	Type	1BR	2BR	3BR	TOTAL UNIT
1	A	12	12	0	24
2	D	0	0	5	5
3	B	0	6	18	24
4	A	12	12	0	24
5	C	0	0	24	24
6	A	12	12	0	24
7	D	0	0	5	5
TOTAL		36	42	52	130

Building Type	# of Each	1BR	2BR	3BR	Total/ Building	Total 1BR	Total 2BR	Total 3BR	Total Units
A	3	12	12	0	24	36	36	0	72
B	1	0	6	18	24	0	6	18	24
C	1	0	0	24	24	0	0	24	24
D	2	0	0	5	5	0	0	10	10
Total	7					36	42	52	130

Parking:	
Street	232
Garage	0
Total	232

Amenities		
Location	Amenity Type	Notes
Site	Equipped Playground	3 Pieces of Equipment; areas separated by age group; accessible
	Covered Pavillion	With 3 Picnic tables and 3 BBQ Grills
Clubhouse	Community Room	With kitchen, seating area, coffee table
	Exterior Gathering Area	Covered by Roof
	On Site Laundry	6 Washers, 6 Dryers, open outside of business hours
	Equipped Computer Center	150sf min; 6 computers, one printer, 1 fax
	Furnished Extercise Room	200sf min; 6 pieces of equipmentl; mirrored wall; open outisde business hours

pd
ponko designs, llc
2056 n alabama st.
indianapolis, in 46202
574.850.2270
wponko@gmail.com

DEVELOPER
KCG DEVELOPMENT
KCG Development
11555 N. Meridian Street, Suite 400
Carmel, IN 46032

SEAL

PROJECT TITLE
the exchange
apartment buildings
due east of 416 exchange blvd.
winder, ga 30620
barrow county

ISSUED FOR:	DATE
REVIEW	01.27.2016

REVISIONS

MARK	DESCRIPTION	DATE
1	ADDENDUM NO.	DATE

DO NOT SCALE PRINTS - USE FIGURED DIMENSIONS ONLY

JOB NO.
15.003

SHEET TITLE
ARCHITECTURAL SITE PLAN

SHEET NUMBER
A.010

Addendum G
Letters of Intent

November 29, 2016

KCG Development, LLC
11555 N. Meridian, Suite 400
Carmel, IN 46032
Attention: RJ Pasquesi

Re: The Exchange Apartments, a proposed 130-unit affordable housing development located in Winder, Barrow County, Georgia to be acquired, rehabilitated, owned and operated by The Exchange Development, LP, a Georgia limited partnership (the "Partnership"), in compliance with Section 42 and Section 47 of the *Internal Revenue Code of 1986* ("IRC" or "Code")

Dear Mr. Pasquesi:

Alliant Capital, Ltd. ("Alliant") is an investment partnership that invests in real estate projects that will qualify for and be allocated IRC Section 42 low-income housing tax credits ("LIHTCs"). This letter agreement summarizes the principal business terms subject to execution of an acceptable Limited Partnership Agreement under which Alliant or its assignees (including one or more investment partnerships affiliated with Alliant) would purchase a 98.99% limited partnership interest in the Partnership.

I. Property Information and Assumptions

Our willingness to acquire an interest in the Partnership is based upon the following information, which you have provided to us. We may update and adjust our proposal to reflect changes in these assumptions and other information which becomes available during our due diligence and underwriting review.

A. The Exchange Apartments will consist of 130 multifamily apartment units in 10 buildings located due east of 416 Exchange Blvd in Winder, Barrow County, Georgia, 30620 (hereinafter referred to as the "Property" or the "Project").

B. The Project is expected to be allocated automatic "4%" LIHTCs (a) 2016 Federal LIHTCs in the amount of $527,551 per annum by virtue of an allocation of tax-exempt bonds from the Housing Authority of the city of Winder (the "Issuer") and (b) State tax credits in the amount of $527,551 per annum. The Project's carryover allocation/allocation is not derived from any non-profit set aside.

C. One hundred seventeen units will be occupied in compliance with LIHTC requirements; thirteen units will be occupied by market rate residents (*i.e.,* 10%). Twenty-six units (*i.e.*, 20%) will be rented to households whose income does not exceed 50% of the area median income, with the remaining 91 units (*i.e.*, 70%) will be rented to households whose income does not exceed 60% of the area median income.

D. The following debt financing is expected to be available to finance the construction of the Project:

1. Construction financing provided by Bank of America through its tax-exempt loan financing in the aggregate principal amount of $13,893,867, with an interest rate acceptable to the Investor (currently 1 month LIBOR plus 1.95%), a term of 24 months and repayable interest only prior to stabilization of the Project.

Performance of all construction loan obligations required by any lender will be jointly and severally guaranteed by the General Partner and by entities and/or individuals specified by the applicable lender.

E. The following permanent debt financing is expected to be available to the Partnership for the benefit of the Project:

1. Financing provided by Citibank in the principal amount of $8,500,000, with a fixed interest rate not to exceed 5% per annum (all-in), a term of 18 years and an amortization period of at least 35 years after stabilization of the Project, which financing must provide a minimum 1.15:1.00 debt service coverage.

2. Construction and permanent nonrecourse financing are subject to the terms and conditions of the Home Loan agreement which will provide a loan in the principal amount of $3,000,000 available at closing and bearing no interest during construction. Post completion, the loan will bear interest at 1% and payments will be made based on available cash flow in excess of a 1.15 DSCR. The HOME loan will have a term and amortization period matching the first permanent loan.

All of the permanent debt financing for the Project will be nonrecourse to the Partnership and its General Partner and will be secured by a mortgage on the Property, in the order of priority acceptable to the Investor. None of the permanent debt financing is expected to convert from construction financing prior to the completion of the Project, or to be subject to amortization of principal, prior to the time the Property achieves full completion, 90% occupancy in compliance with LIHTC requirements and 1.15:1.00 debt service coverage (or such lower amount as approved by the lender and investor) on must-pay debt financing for three consecutive months. No financing secured in whole or in part by the Property may be cross-collateralized or cross-defaulted with any other financing. No limited partner shall be required to grant any security interest in its partnership interest in the Partnership or its LIHTCs to secure any financing.

If the Partnership is the beneficiary of any grant, the receipt of such grant shall be structured such that there shall be no income to the Partnership, or such income shall be specially allocated to the General Partner.

The Bonds described above must finance at least 50% of the aggregate basis of each building in the Project and the land on which such building is located in accordance with IRC Section 42(h)(4).

F. Specific events are projected to occur as follows:

1. Closing of the construction financing and admission of Alliant to the Partnership: March 2017
2. Start of construction of the Property: March 2017
3. Substantial completion of construction: June 2018
4. Closing of the permanent financing: October 2018

G. The estimated annual Federal LIHTCs to be generated by the Partnership (based upon projected $527,506 of Federal LIHTCs available to the Partnership) and allocated to the 98.99% Limited Partner are as follows:

$415,100 for 2018;
$522,222 for each of the years 2019 through 2027; and
$ 107,123 for 2028.

H. The Project will constitute "residential rental property" eligible for 27.5-year straight-line depreciation under the IRC.

I. Within 10 days of the execution hereof, you will provide to Alliant's designated accountant complete financial projections for the Property, to the extent not already provided, including:

1. The sources and uses of the development funds.

2. The rents and operating expenses for the Property projected through the initial compliance period.
3. Financing assumptions.
4. LIHTC delivery and eligible/qualified basis calculations.

If the materials supplied to date do not provide this information, this letter is subject to a review of such data once supplied.

J. The General Partner and the Developer shall warrant that they have performed suitable and adequate due diligence as is customary in the industry and that no condition adverse to the development and operation of the Property, and the pro formas presented, have been discovered that has not been disclosed to Alliant.

K. The equity projected to be available to the Partnership from the syndication of the State HTC's and 1% of the federal LIHTC's is not less than $3,115,936 (assuming a price of $.58 for the State HTC's). Any shortfall in the amount of equity actually realized from the syndication of the State Credits shall be provided by the General Partner or the Guarantor, and any interest in the Partnership to be provided to the purchaser(s) of the State Credits shall be passive and must not alter, diminish, reduce or otherwise affect the interest of the Investor or the Administrative Limited Partner in the Partnership, or the benefits, rights and remedies available to the Investor or the Administrative Limited Partner in the Partnership. If the Partnership is the beneficiary of any grant or income from the sale of the state credits, the receipt of such grant/sale proceeds shall be structured such that there shall be no income to the Partnership, or such income shall be specially allocated to the General Partner or to the State Limited Partner.

II. Property Ownership

The Property is to be owned by the Partnership, *i.e.*, The Exchange Development, LP a limited partnership duly formed in the State of Georgia.

The Property is to be developed by KCG Development, LLC, a Florida limited liability company (the "Developer").

The General Partner of the Partnership is The Exchange GP, LLC, a Georgia limited liability company (the "General Partner").

An investment partnership owned or controlled by Alliant will be the initial Investor Limited Partner (also hereinafter referred to as either the "Investor" or "Limited Partner"). Alliant will have the right to substitute a fund sponsored by Alliant or its assignees, which may include one or more investors other than Alliant. A portion of the Alliant interest will be owned by a separate entity to be designated by Alliant (the "Administrative Limited Partner"). The role and rights of the Administrative Limited Partner are set forth elsewhere in this document.

III. Equity Capital and Contribution Schedule

A. Subject to the terms of this letter agreement, the Limited Partner will contribute equity capital in the total amount equal to $1.06 per dollar of LIHTC available to the Limited Partner over the full 10-year credit period. The equity based upon annual Federal LIHTCs of $522,224 (98.99% of $527,551) will be $5,535,557. Notwithstanding the foregoing, the pricing of $1.06 per dollar of LIHTC will only be binding on Alliant for a period of the earlier of the closing date pursuant to this agreement or 150 days from the date of this letter. Thereafter, Alliant may modify the price per $1.06 of LIHTC, to reflect market conditions, in the exercise of its reasonable discretion. In the event that any transaction participant other than Alliant does not approve the schedule of equity contributions set forth below, the parties will negotiate in good faith an alternate schedule of equity contributions, provided that the General Partner, Developer and all Guarantors each acknowledge and agree that the equity amount paid per dollar of LIHTC as set forth in this Section III.A may be reduced as a result of any such alternate schedule of equity contributions. If additional tax credits are obtained, then the capital contribution shall be increased proportionately; provided, however, that the total equity taking into account any additional tax credits shall not exceed 110% of the total equity of $5,535,557 as set forth herein. The equity will be paid in installments upon the achievement of certain benchmarks as set forth below for payment of each installment of equity capital. The Partnership Agreement will list additional conditions applicable to each installment, including, but not limited to, (a) satisfactory title to the Property (including, but not limited to, an ALTA title insurance policy with a “Fairway” endorsement and non-imputation endorsement), (b) no occurrence of bankruptcies of the General Partner, (c) the issuance of a tax opinion by the Limited Partner’s counsel which shall comply with the requirements of US Treasury Circular 230, and shall include an opinion that the material tax benefits projected to be available to the Investor "should" be realized by the Investor, (d) compliance with LIHTC requirements, (e) maintenance of required insurance, and (f) receipt of other customary documents or information required or requested by the Administrative Limited Partner as set forth in the Limited Partnership Agreement; such conditions to be further negotiated between Alliant and the General Partner.

B. Based on the terms of this letter agreement and the information, projections, and assumptions you have provided to us, equity contributions will be made to the Partnership by the Investor at the times and in the amounts set forth below:

1. $830,344 (15.00%) will be funded upon the latest to occur of: (a) the Limited Partner's admission into the Partnership, (b) issuance and delivery of the Bonds and closing and initial funding of all of the construction financing for the Project (as described in Section I, paragraph D above), (c) receipt of the commitments for all of the permanent financing for the Project (as described in Section I, paragraph E above), (d) receipt of all approvals required for the construction of the Project, including all required permits (or permit ready letter showing permits are imminent) therefore; and (e) funding of at least $467,390 of the equity from the syndication of the State Credits; such funds to be used solely for site acquisition, development and construction costs, as reasonably acceptable to the Administrative Limited Partner

2. $1,660,667 (30.00%) will be funded upon the latest to occur of: (a) lien-free completion of construction of all the improvements sufficient for all residential rental units to be "placed in service" pursuant to IRC Section 42 and Section 103 (unless a lien is less than $100,000 and a bond is being provided), (b) the issuance of all required temporary certificates of occupancy permitting immediate occupancy of all 130 residential rental units, (c) receipt of the draft cost certification by an independent firm of certified public accountants (acceptable to the Administrative Limited Partner), (d) April 10, 2018 and (e) satisfaction of all conditions precedent to the payments set forth in paragraphs B.1 of this section; (f) funding of $934,781 of the equity from the sale of the State Credits; such funds to be used for required construction costs, as reasonably acceptable to the Administrative Limited Partner. If all other requirements are met except for the date above, the payment in this section may be made subject to an adjustment which would make the payment yield neutral to the investor.

3. $2,944,556 (53.85%) will be funded upon the latest to occur of: (a) Rental Achievement (as hereinafter defined) and 90% occupancy of the residential rental units by qualified tenants (*i.e.*, tenants meeting the requirements of IRC Section 42), in each case for three consecutive months, (b) permanent loan closing; (c) receipt of the final cost certification by an independent firm of certified public accountants (acceptable to the Administrative Limited Partner), (d) the receipt of all required permanent certificates of occupancy permitting immediate occupancy of all 130 residential rental units, (e) October 10, 2018 and (f) satisfaction of all conditions precedent to the

payments set forth in paragraphs B.1 and B.2 of this section, and (g) funding of $1,677,965 of the equity from the sale of the State Credits; such funds to be used for unpaid development costs, to fund the initial operating deficit reserves, and finally to pay development fee, all as reasonably acceptable to the Administrative Limited Partner. If all other requirements are met except for the date above, the payment in this section may be made subject to an adjustment which would make the payment yield neutral to the investor.

4. $63,987 (1.15%) will be funded upon the latest to occur of: (a) the issuance of an IRS Form 8609 for each building in the Project, (b) October 10, 2018 and (c) satisfaction of all conditions precedent to the payments set forth in paragraphs B.1, B.2 and B.3 of this section, and(d) funding of all $35,800 of the equity from the sale of the State Credits ; such funds to be used for unpaid development costs, and finally to pay development fee, all as reasonably acceptable to the Administrative Limited Partner. Notwithstanding the foregoing requirements of this paragraph B.4., in the event that at the time the conditions precedent to the payment set forth in paragraph B.4. have been satisfied, the Partnership has not been issued its federal income tax return and K-1s for the first year of the credit period for all of the buildings of the Project, the Investor will fund $13,987 of the fourth installment of the Investor's capital contribution and the balance, $50,000, will be funded upon the receipt of the Partnership's federal income tax return and K-1s for such first year of the credit period, as reasonably acceptable to the Administrative Limited Partner. If all other requirements are met except for the date above, the payment in this section may be made subject to an adjustment which would make the payment yield neutral to the investor.

IV. General Partner Obligations

A. Guarantor. All of the representations, warranties and obligations of the General Partner shall be guaranteed, jointly and severally, by ADC Communities, Inc. and RJ Pasquesi, and by such other entities and/or individuals involved in the Project with a reasonable net worth as approved by the Administrative Limited Partner (collectively, the "Guarantor").

B. Construction Completion. The General Partner, the Developer and the Guarantor shall guarantee commencement of construction within 30 days after Investor admission to the Partnership and the substantial completion of the Property in accordance with the approved plans and specifications therefore and its placement in service for purposes of IRC Section 42 and Section 47 by August 2018 or other date as agreed to by the state allocating agency (the "Construction Completion Guaranty").

The construction contract shall include 100% payment and performance bonds in favor of the Partnership or a letter of credit, in form and substance acceptable to the Administrative Limited Partner, in an amount equal to 15% of hard construction costs insuring completion in accordance with the approved construction budget. The General Partner shall provide a construction time line to the Administrative Limited Partner and provide a monthly construction update reporting on progress. In the event it appears that the completion date will not be met, the Administrative Limited Partner shall give notice of such to the Developer, and the Developer shall have 60 days to remedy the situation and bring the construction back on schedule to the reasonable satisfaction of the Administrative Limited Partner.

C. Development Deficits. If at any time the total sources of debt and equity available to the Partnership for payment of all Development Costs (excluding the Development Fee) fall short of those costs, the shortfall (*i.e.*, the "Development Deficits") will be contributed to the Partnership, without reimbursement, by the General Partner. The obligation to fund Development Deficits shall be guaranteed by the Developer and the Guarantor. As used herein, the term "Development Costs" means, without limitation, (a) all costs and expenses of acquiring, developing, constructing and equipping the Project, (b) all costs of obtaining construction and permanent financing for the Project, repaying or discharging any construction financing, and the funding of all required reserves, (c) any shortfall in the principal amount of permanent financing and (d) all operating expenses of the Partnership arising on or prior to Rental Achievement.

D. Qualified Lease-Up;Occupancy. The General Partner and the Guarantor shall guarantee the lease-up of the residential rental units of the Property by qualified tenants (*i.e.*, tenants meeting the requirements of IRC Section 42) and achieve Occupancy by October 2018. As used herein, the term "Occupancy" means occupancy of 100% of the residential rental units of the Project by qualified tenants for a period of three consecutive months.

E. Rental Achievement. The General Partner and the Guarantor shall guarantee Rental Achievement by January 2019. As used herein, the term "Rental Achievement" means a level of Occupancy sustained for a period of three consecutive months at rent levels which produce a Debt Service Coverage Ratio with respect to all must-pay permanent financing of 1.15:1.00 for each of such three consecutive months, and the term "Debt Service Coverage Ratio" means the ratio of net income remaining after the subtraction of all operating expenses and required reserve deposits on an annualized basis to the payment of required debt service for the same period.

F. Operating Deficits. The General Partner and the Guarantor will guarantee and agree to advance to the Partnership sufficient funds, for a period of 60 months following the date Rental Achievement is attained (the "Operating Deficit Guaranty Period"), to fund Operating Deficits. As used herein, the term "Operating Deficits" means the excess of operating expenses, debt service payments and required reserve deposits over gross revenues of a recurring nature from normal operations actually collected. Any such advance will be in the form of an "operating loan" that will not bear interest and will be paid from Cash Flow and/or Sale or Refinancing Proceeds as set forth in the section entitled "Sharing of Tax and Cash Benefits" below. Upon the expiration of the Operating Deficit Guaranty Period, the guaranty will be released if and when the project achieves the following benchmarks; (1) a DSC ratio of 1.15 for the preceding twelve months based on the audited financial report, (2)there are no material defaults under the partnership agreement, (3) all asset management fees and reporting are current and (4) there have been no draws on the operating and debt service reserve account unless such funds have been replenished as part of the release mechanism. The obligations under this guaranty shall not exceed $525,000.

G. Voluntary Loans. During the Operating Deficit Guaranty Period, the Limited Partner will have the right, but not the obligation, to make loans to the Partnership to cover Operating Deficits if the General Partner does not do so. After the Operating Deficit Guaranty Period, to the extent borrowings are permitted, they may be made from the General Partner or the Limited Partner or their respective affiliates. To the extent any partner of the Partnership, or any affiliate of such partner, lends any monies to the Partnership, such loan shall be a voluntary, unsecured loan to the Partnership, which shall bear interest at prime plus 2% per annum and shall be repayable out of Cash Flow immediately following the adjuster payment to the Limited Partner as set forth in the section entitled "Sharing of Tax and Cash Benefits" below.

H. Tax Benefits. The General Partner shall make representations as to the amount of LIHTCs to be available to the Investor. Therefore, an adjustment to the equity contribution of the Investor shall be made under any or all of the following circumstances:

1. If (a) the Project has not been placed in service as required, or if (b) upon the issuance of IRS Forms 8609 for any or all of the buildings comprising the Project, or if (c) there is a determination of taxability with respect to the Bonds, or if (d) it is determined that the actual amount of tax credits is less than projected, the Limited Partner's capital contribution shall be reduced by

an amount equal to 100% of the value of the shortfall based on the credit pricing indicated herein. If the actual amount of tax credits delivered during the first and second years of the compliance period are less than projected, the Limited Partner's capital contribution shall be decreased by the difference in the net present values of the actual amount of tax credits delivered to the Limited Partner vs. the projected amount of tax credits shown in paragraph 1(g) above, delivered in the first and second years and eleventh and twelfth years, using a discount rate of 10% compounded quarterly. Subject to investor approval, any downward timing adjustor shall be a yield neutral event. To the extent that the tax credit adjuster is greater than the then unpaid portion of the Limited Partner's capital contribution, the General Partner and Guarantor shall, from its own funds, pay to the Partnership and cause the Partnership to pay to the Limited Partner the amount of such adjustment payment owed to the Limited Partner.

2. If the actual amount of tax credits for any year is less than projected for other reasons, including, but not limited to, the failure of the Partnership to operate the Project so as to have 100% of the residential rental units eligible for the tax credits (but not including a change in the Code or a transfer by the Limited Partner of its interest), or upon the recapture of tax credits not resulting from a change in the Code or a transfer by the Limited Partner of its interest, the Limited Partner's capital contribution shall be reduced by an amount equal to 100% of such shortfall or recapture. To the extent that the tax credit adjuster is greater than the then unpaid portion of the Limited Partner's contribution, the General Partner and Guarantor shall, from its own funds, pay to the Partnership and cause the Partnership to pay to the Limited Partner the amount of such adjustment payment owed to the Limited Partner.

3. If, at any time prior to the last day of the Compliance Period, it is determined that the actual amount of tax credits for any year is less than projected as a result of issues identified in IRS Technical Advice Memoranda 200043015, 200043016, 200043017, 200044004 and/or 200044005, thereby causing a shortfall or recapture of tax credits, the Limited Partner's capital contribution shall be reduced by an amount equal to 100% of such shortfall or recapture. To the extent that the tax credit adjuster is greater than the then unpaid portion of the Limited Partner's contribution, the General Partner and Guarantor, shall, from its own funds, pay to the Partnership and cause the Partnership to pay to the Limited Partner the amount of such adjustment payment owed to the Limited Partner.

4. If the actual amount of Federal LIHTCs delivered during 2018 and 2019 are more than projected, the Limited Partner's capital contribution shall be increased by the difference in the net present values of the actual amount of Federal LIHTCs delivered to the Limited Partner vs. the projected amount of Federal LIHTCs shown in paragraph 1(g) above, delivered in the first and second years and eleventh and twelfth years, using a discount rate of 8.25% compounded quarterly and assuming an equity price of $1.06 per dollar of LIHTC. Any upward adjustor payment is conditional on the investors closing into the Fund prior to the anticipated delivery of credits and the payment is a yield neutral event.

   With regards to timing adjusters in sections 1 and 4 above, the negative adjustor calculation is equal to .614 times the shortfall in credits below the amount in paragraph 1(g) above and the positive adjuster is equal to .547 times the credits delivered above the amount in paragraph 1(g) above.

5. Any amount owing to the Limited Partner under this Section H shall be guaranteed by the General Partner and the Guarantor and increased by an amount equal to any interest (including, without limitation, the recapture amount provided for in IRC Section 42(j)(2)(B)) or penalties resulting from any such recapture plus prime plus 2% per annum from the date as of which such amount is determined to have become due until the date such payment is made. Nothing contained herein shall be construed to relieve the General Partner or the Guarantor of its liability to make any such adjustment payments.

6. If the actual amount of tax credits for any year is less than projected for other reasons, including, but not limited to, the failure of the Partnership to operate the Project so as to have 100% of the residential rental units eligible for the tax credits (but not including a change in the Code or a transfer by the Limited Partner of its interest), or upon the recapture of tax credits not resulting from a change in the Code or a transfer by the Limited Partner of its interest, the Limited Partner's capital contribution shall be reduced by an amount equal to 100% of such shortfall or recapture. To the extent that the tax credit adjuster is greater than the then unpaid portion of the Limited Partner's contribution, the General Partner shall, from its own funds, pay to the Partnership and cause the Partnership to pay to the Limited Partner the amount of such adjustment payment owed to the Limited Partner. If, at any time prior to the last day of the Compliance Period, it is determined that the actual amount of tax credits for any year is less than projected as a result of issues identified in IRS Technical Advice Memoranda 200043015,

200043016, 200043017, 200044004 and/or 200044005, thereby causing a shortfall or recapture of tax credits, the Limited Partner's capital contribution shall be reduced by an amount equal to 100% of such shortfall or recapture. To the extent that the tax credit adjuster is greater than the then unpaid portion of the Limited Partner's contribution, the General Partner and Guarantor, shall, from its own funds, pay to the Partnership and cause the Partnership to pay to the Limited Partner the amount of such adjustment payment owed to the Limited Partner.

7. Any amount owing to the Limited Partner under this Section H shall be guaranteed by the General Partner and the Guarantor and increased by an amount equal to any interest (including, without limitation, the recapture amount provided for in IRC Section 42(j)(2)(B)) or penalties resulting from any such recapture plus prime plus 2% per annum from the date as of which such amount is determined to have become due until the date such payment is made. Nothing contained herein shall be construed to relieve the General Partner or the Guarantor of its liability to make any such adjustment payments.

I. Environmental Indemnity. The General Partner shall represent and warrant that, to its best knowledge, (i) the Project is not in violation of any federal, state or local law, ordinance or regulation relating to industrial hygiene or to the environmental conditions on, under or about the Project, and (ii) no Hazardous Substance has been used, generated, manufactured, stored or disposed of on, under or about the Property or transported to or from the Property. In connection with the acquisition of the Project, the Partnership and the General Partner shall undertake all appropriate inquiry into the previous ownership and uses of the Property and provide a Phase I Environmental Site Assessment consistent with the current ASTM Standard E1527-13, and completed less than 180 days prior to closing. The General Partner will provide a radon (post completion and if in an area deemed a high radon area by the investor) assessment. The General Partner and the Guarantor hereby agree to indemnify and hold harmless the Partnership, Limited Partner and the Administrative Limited Partner, and their respective partners, directors, officers, employees and agents from and against any and all liability directly or indirectly arising out of the use, generation, manufacture, storage or disposal of Hazardous Substance on, under or about the Project. The foregoing indemnification obligation of the General Partner and the Guarantor shall survive the termination of the compliance period.

The term "Hazardous Substance" means any substance defined as a hazardous substance, hazardous material, hazardous waste, toxic substance or toxic waste in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601 et seq.; the Hazardous Materials Transportation Act, as amended, 39 U.S.C. Section 1801 et seq.; the Resource Conservation and Recovery Act, as amended, 42 U.S.C. Section 6901 et seq.; or any similar applicable state or local law; or in any regulation adopted or publication promulgated pursuant to any said law.

J. General Partner Withdrawal. If the General Partner voluntarily withdraws, its interest shall terminate and such General Partner shall have no further right to participate in the management or operation of the Partnership or to receive any future allocations, distributions or any other funds or assets of the Partnership, nor shall it be entitled to receive or to be paid by the Partnership any further payments of fees (including fees which have been earned but are unpaid) or to be repaid any outstanding advances or loans made by it to the Partnership. If the General Partner involuntarily withdraws, its interest shall revert to a limited partner interest, but it shall not be entitled to participate in the management of the Partnership's business or to participate in any allocations or distributions payable to the Limited Partner or the Administrative Limited Partner. A General Partner that involuntarily withdraws shall be entitled to share in the allocations and distributions at the same times and in the same manner as such withdrawing General Partner would have otherwise received as a General Partner, as reduced by the amount required to compensate any successor General Partner for assuming the obligations of a General Partner. The Partnership Agreement shall further detail the procedure for determining the timing and the value to be paid to a terminated or withdrawn General Partner by the Partnership.

K. General Partner Defaults. In the event of a material default by the General Partner, the Partnership Agreement shall grant the right to cause the Administrative Limited Partner to remove the General Partner (which will result in a liquidation of all its interests) and be converted into a managing General Partner which will have exclusive authority to conduct the business of the Partnership. The defaulting General Partner will be removed as a General Partner at the election of the Administrative Limited Partner fifteen (15) days after notice thereof has been given by the Administrative Limited Partner; provided, however, that if the Administrative Limited Partner reasonably agrees that such breach is of the type that cannot reasonably be cured within fifteen (15) days, the Administrative Limited Partner shall not have the right to remove a General Partner with respect to such breach for a ninety (90) day period after such notice is given so long as such General Partner is diligently pursuing a cure of such breach at all times during such ninety (90) day period and accomplishes such cure within such ninety (90) day period. The defaulting General Partner will remain liable for its pre-termination obligations. A "material default" shall include any event in which the General Partner (a) materially violates its fiduciary responsibilities as a General Partner of the Partnership; (b) materially breaches any provision of any project document, including the Partnership Agreement and any loan documents, and such breach is not cured within 90 days; (c) willfully violates any law, regulation or order applicable to the Partnership which has or is likely to have a material adverse effect on the Partnership or the Project; or (d) becomes bankrupt.

L. Repurchase. The General Partner and the Guarantor shall be obligated to repurchase the partnership interests of the Investor and the Administrative Limited Partner in the Partnership if certain requisite thresholds are not met, including, without limitation, (a) the failure to complete the construction of the Project by the date required under the IRC, or by the tax credit allocating agency to preserve the LIHTCs or the tax-exempt status of the Bonds, (b) the failure to achieve qualified lease-up of the Property and Occupancy by January 2019, as required herein, (c) the failure to attain Rental Achievement by March 2019, as required herein, (d) any acceleration of the construction or permanent financing of the Project or the commencement of any action to foreclose any mortgage covering the Project or the exercise by any lender of any power of sale or similar remedy affecting the Project prior to the end of the Operating Deficit Guaranty Period, (e) the failure to achieve conversion of the construction financing to permanent financing for the Project within the time frame provided for in the financing commitments and documents therefor, or the termination of any commitment for permanent financing prior to closing and full funding thereunder, (f) the failure to submit the final cost certification, together with all required ancillary documentation, to the tax credit allocating agency in a timely manner, or to receive an IRS Form 8609 for each building in the Project by the date required under the IRC or by the tax credit allocating agency to preserve the LIHTCs, (g) a casualty shall have occurred and the insurance proceeds shall be insufficient to restore the Project or the Project shall not be restored within 24 months following such casualty, (h) the Project shall have become ineligible for 20% or more of the projected amount of LIHTCs, (i) a determination of taxability with respect to the Bonds.

The repurchase price for the partnership interests of the Investor and the Administrative Limited Partner shall be the amount contributed to the Partnership together with interest thereon at the rate of prime plus 2%.

V. Contingency; Reserves

The construction budget shall include a hard cost contingency of $500,000, the maximum allowed by the Georgia Department of Community Affairs.

The Partnership shall establish a replacement reserve for capital improvements (which may be held with the permanent lender if required by such permanent lender) and make contributions of the greater of (i) that amount required by the permanent lender, and (ii) $300 per unit per year, to be adjusted based on the CPI every five years.

In addition, the General Partner shall establish an initial rent reserve in an amount to be determined but at least $138,527, and an initial operating deficit reserve in an amount equal to the greater of six months of operating expenses and mandatory debt service or $534,774 which shall be funded from the funds in Section III, paragraph B.3 and shall be maintained throughout the Compliance Period. 50% of the operating reserve may be used prior to the funding of guarantor obligations, given that replenishment of the reserve is a condition for release from the operating deficit guaranty. Any unexpended funds in the lease-up reserve shall be deposited into the operating deficit reserve but will not increase the required balance of the Operating Reserve.

VI. Compensation

A. Property Management Fees. The management agent will be entitled to a Property Management Fee not exceeding 5% of gross revenues. If the management agent is affiliated with the General Partner, the Developer, or any Guarantor, the management agent will be required to defer and accrue, without interest, its management fee in the event that the Project is not generating sufficient revenue to pay all of the Project's expenses.

B. Asset Management Fee. The Partnership will pay, subject to the availability of cash flow, an annual Asset Management Fee ("AMF") to Alliant or its designated affiliate or agent in the amount of $5,000, payable $2,500 on April 1st and the balance on October 1st of each year, commencing in the year Stabilization is attained. The AMF will not be adjusted annually. Payment of the AMF is not covered by the Operating Deficit Loan Guaranty and shall accrue without interest until there is sufficient cash available to pay accrued AMF as set forth in the section entitled "Sharing of Tax and Cash Benefits" below.

C. Development Fee. The General Partner shall be paid a Development Fee in the amount of $2,440,000 (but not to exceed the maximum amount allowed by the LIHTC allocating agency), to be paid under a development agreement (acceptable to the Administrative Limited Partner) from the funds in paragraph B. of Section III as follows: (i) $599,229 or approximately 35% from the funds in paragraph B.1, (ii) $564,987 or approximately 33% from the funds in paragraph B.2, (iii) $447,867 or approximately 26% from the funds in paragraph B.3, and (iv) $100,000 or approximately 6% from the funds in paragraph B.4. Based upon the information you have provided, $1,712,083 of the Development Fee is projected to be available to be payable from sources and uses. Any portion of the Development Fee which has not been paid by the thirteenth anniversary of the completion of the Property shall be paid from the proceeds of an advance from the General Partner to the Partnership in an amount equal to the unpaid portion of the Development Fee, payment of which advance shall be guaranteed by the Guarantor.

VII. Sharing of Tax and Cash Benefits

A. During Property Operations. All tax profits, losses, and credits from operations will be allocated 99.99% to the Investor and 0.01% to the General Partner.

Cash Flow from operations ("Cash Flow" is defined as all operating revenues remaining after the payment of operating expenses, debt service, and funding of all required reserves, will be distributed as follows:

1. In the event that the General Partner and Guarantor do not meet its obligation under Section IV.H (“Tax Benefit Section”) then to the Limited Partner, to make any tax credit adjuster payment not previously made.
2. To replenish funds expended from the operating deficit reserve.
3. To the payment of any debts, excluding any unpaid Development Fee and operating loans, owed to the Partners and/or their affiliates, until all such debts have been paid in full.
4. To the payment of the AMF plus all accrued AMF unpaid from prior years.
5. To the payment of any unpaid Development Fee, until such fee has been paid in full.
6. To the payment of any operating loans made by the General Partner or its affiliates to cover Operating Deficits during the Operating Deficit Guaranty Period.
7. To the payment of any loans made by the General Partner or its affiliates to cover Financing Shortfalls,
8. 90% to the General Partner as an Incentive Management Fee.
9. The balance, 10%, to the Partners in accordance with their ownership percentages.

B. From Sale or Refinancing. Taxable profits and/or losses from a sale of the Property will be allocated among the Partners of the Partnership to adjust capital accounts as required by the IRC and in accordance with sale proceeds distributions.

Proceeds of a Sale or Refinancing ("Sale or Refinancing Proceeds") will be distributed as follows:

1. To the payment in full of all Partnership debts except those due to Partners and/or their affiliates.
2. In the event that the General Partner and Guarantor do not meet its obligations under Section IV.H ("Tax Benefit Section") then to the Limited Partner, to make any tax credit adjuster payment not previously made.
3. To the payment of the AMF plus all accrued AMF unpaid from prior years.
4. To the payment of any debts owed to Partners and/or their affiliates until all such debts have been paid in full.
5. The balance, 90% to the General Partner and 10% to the Limited Partner.

VIII. Other Matters

A. Partnership Accountants. The Administrative Limited Partner shall have the right to designate the Partnership Accountants through the end of the fiscal year in which the IRS Forms 8609 have been issued, Rental Achievement has been achieved, and the tax returns for the first year of the credit period have been finalized. Thereafter, the identity of the Partnership Accountants shall be subject to Investor approval, which approval shall not be unreasonably withheld. The Accountants initially will be Tidwell Group (subject to the approval of the Administrative Limited Partner). Cost certification shall be prepared by the Partnership Accountants (or such other accountants as determined by the Administrative Limited Partner) as a development expense of the Partnership.

B. Management Agent. The identity of the Property Management Agent shall be subject to Investor approval. The initial Management Agent is TBD (subject to the approval of the Administrative Limited Partner); provided, however, that the Administrative Limited Partner shall have the right to designate the Management Agent after the end of the Operating Deficit Guaranty Period. The term of the management agreement shall not exceed one year without Investor's consent. At the request of the Administrative Limited Partner, the General Partner shall replace the Management Agent (a) if there exists any building code violation (which is not timely cured within 7 days), or (b) if the Management Agent fails to comply with any applicable IRC Section 42 LIHTC compliance rule and/or reporting requirement (which is not timely cured within 30 days), or (c) if any LIHTC unit is occupied by tenants who do not meet the requirements of IRC Section 42, or (d) on account of the Management Agent's willful misconduct or gross negligence, or (e) if, after the expiration of the Operating Deficit Guaranty Period, there occurs an Operating Deficit for any six-month consecutive period. If the Management Agent is affiliated with the General Partner, the Developer, or any Guarantor, the Management Agent shall be subject to termination upon any removal of the General Partner.

C. Reporting Requirements. The General Partner and the Management Agent shall cause to be furnished to the Limited Partner monthly balance sheets, income statements and rent rolls for the Partnership. In addition, the Partnership's draft audit and Federal and State tax returns shall be delivered within 60 days after year-end with final audit and Federal and State tax returns shall be delivered within 90 days after year-end. Because the parties hereto acknowledge that actual damages would be impossible to determine, the General Partner shall pay liquidated damages of $100.00 per day.

D. Indemnification. The Partnership shall indemnify the General Partner and the Limited Partners against claims by and loss to third parties arising from the performance of their duties carried out in good faith and without gross negligence or willful misconduct. In turn, the General Partner shall indemnify the Partnership and the Limited Partners for loss arising from acts or omissions of the General Partner or its affiliates which do not comply with foregoing standards or which arise from any material misrepresentations, breach of representations, warranties or covenants, breach of fiduciary obligations to the Limited Partners, or failure to disclose information prior to admission of the Limited Partners.

E. Rights of the Administrative Limited Partner. Subject to other specific references to the rights of the Investor or Administrative Limited Partner, the rights of the Administrative Limited Partner shall include, without limitation, the right to remove a General Partner, and the right to approve a sale of any material Partnership assets, expansion, refinancing or material modification of Partnership debt; the identity of the Management Agent and of the Partnership Accountants; material changes in the design or construction of the Property; appointment of a managing General Partner; withdrawal of a General Partner; admission of any additional Limited Partner; amendment of the Partnership Agreement; and other rights to be specifically negotiated in the Partnership Agreement.

F. Sale of Property.

Commencing on the first day following the end of the Credit Period (the "Buy-Out Period"), the General Partner or such Affiliate thereof as the General Partner may designate at or after notice of exercise of an option (the “LP Interest Purchaser”), shall have the right to purchase the Interests of the Administrative Limited Partner and the Investor Limited Partner (the "Buy-Out Option") for a purchase price at fair market value. Any such notice of intent to exercise the Buy-Out Option shall be given any time after July 31 of the last year of the Credit Period and shall specify a closing date upon or after Commencement of the Buy-Out Period and within 180 days of the date of notice. The sale of the Interests of the Administrative Limited

Partner and Investor Limited Partner pursuant to the Buy-Out Option shall not constitute a deemed sale of the Apartment Complex.

If the option above is not exercised, at the end of the initial compliance period, the Administrative Limited Partner shall have the right to compel the General Partner to market the Property for sale. After receipt of such instruction, the General Partner shall have a period of one year to sell the Property. In the event the Property is not sold within one year, the Administrative Limited Partner and General Partner shall agree on the value of the Property and determine the amount of dollars that would result to each Partner from a hypothetical sale at the agreed upon purchase price. The General Partner shall then have a period of 30 days to purchase the interests of the Limited Partners for the greater of (a) the amount each would receive from the hypothetical sale or (b) the amount of federal, state and local tax liability that the Limited Partners would incur as a result of such sale.

In the event that the General Partner and the Administrative Limited Partner cannot agree on a value of the Property, each will appoint an appraiser and each appraiser will appoint a third. The average of the three appraisals shall be the agreed upon value.

If the General Partner does not complete such purchase, then the Administrative Limited Partner shall have the right to market the Property for sale and, in the event that the Administrative Limited Partner obtains a buyer, the General Partner shall cause the Partnership to sell the property to such buyer. Alternatively, the Administrative Limited Partner may purchase the General Partner's interest for its hypothetical net proceeds.

G. Insurance Requirements. Insurance meeting the requirements of the Investor shall be in effect at the time of the admission of the Investor to the Partnership. Such insurance shall be maintained by, and at the expense of, the Partnership with the Investor named as an additional insured in all cases (other than with respect to title insurance). Such insurance shall include, without limitation, physical hazard insurance, business interruption/loss of rents, public liability, property insurance, title insurance, and, if the property lies in an applicable flood or earthquake zone) insurance relating to losses due to flooding and earth movement.

H. Confidentiality. All persons and entities related in any manner to the General Partner, the Developer, the Partnership or the Project shall maintain all information and materials with respect to the Project or Partnership received by or disclosed to such person or entity in confidence.

I. Sole-Purpose Entity. The Partnership's sole purpose shall be the development and operation of the Project.

J. General Tax Credit Requirements. The Partnership documents will require the general partners of the Partnership to take any and all actions required to ensure the Project will qualify and will continue to qualify for the Tax Credits, and not take any action which would disqualify the Project for the Tax Credits, during the entire 15-year compliance period under IRC Section 42. Legal counsel to the General Partner shall provide such legal opinions, including, without limitation, legal opinions pertaining to the Partnership, the Project, state law, federal taxation, LIHTC matters, as may be required by the Investor and its legal counsel. Ultimately, the transaction structure is subject to the approval of the Investor's tax counsel.

IX. Syndication

Alliant shall have the right to substitute a fund sponsored by Alliant or its assignees, which may include one or more investors other than Alliant, as the Investor in the Partnership. In connection therewith, the General Partner, Developer and all Guarantors shall cooperate fully with Alliant and consent unconditionally, to effectuate any such syndication, including, without limitation, the execution and delivery of an assignment agreement in connection with the substitution of such fund and the delivery by their respective legal counsel, and a the Limited Partner's expense, of a legal opinion pertaining to, among other things, the enforceability of such assignment and the limited liability afforded to the assignees by virtue of such assignment.

X. Closing Process

Our agreement to make the investment described in this letter agreement is subject to the accuracy of the information you have provided and will provide to us to allow the satisfactory completion of our due diligence review of the Property and the transaction and our mutual agreement on the terms of the closing documents.

Upon our receipt of your executed copy of this letter agreement and the LIHTC award (consistent with the assumptions set forth herein) issued by the tax credit allocating agency, Alliant will promptly begin its due diligence process by commencing a market review and architectural/ engineering review and such other reviews as are consistent with our standard due diligence process. Such an undertaking shall not impose any liability upon Alliant or its agents for the content, results, or conclusions of such reviews, nor to consummate the transaction contemplated herein. A list of our due diligence and closing requirements will be forwarded to you under separate transmittal within seven days of receipt of your executed copy of this letter and such LIHTC award issued by the tax credit allocating agency. Each of the closing requirements must be met and must be approved by us unless waived by us.

Upon our receipt of your executed copy of this letter agreement and such LIHTC award issued by the tax credit allocating agency, Alliant will commence preparation of the Partnership Agreement, form opinion letters and other related documents incorporating the terms of this letter agreement for your review. Upon the closing, the Partnership shall be required to pay $30,000 to the Investor on account of the costs associated with the preparation of such documents and with the due diligence, underwriting and closing process. The General Partner, Developer and all Guarantors shall be responsible for payment of the lesser of such amount or actual third part costs incurred in the event that the transaction does not close for any reason, including but not limited to the determination by any party other than Alliant not to proceed with the closing contemplated hereunder, or the determination by Alliant that the due diligence and closing requirements are not or cannot be met, or a transaction participant other than Alliant modifies the terms and conditions of the transaction contemplated hereunder. The General Partner, Developer and all Guarantors acknowledge and agree that such $30,000 is fair and reasonable compensation to Alliant for the costs and expenses incurred by Alliant in connection with the due diligence, underwriting and closing process for the transaction contemplated hereunder.

In recognition of the time and expense to be spent by Alliant in evaluating this transaction prior to closing, all partners of the Partnership and their respective principals, and the principals of the developer, will deal exclusively with Alliant with respect to the transactions noted in this letter agreement until this letter agreement is terminated by mutual consent. You hereby confirm that no other party presently has any right to acquire an interest in the Property or the Partnership.

Concurrently herewith, the General Partner shall deliver to Alliant copies of any and all equity proposals that have been executed by the Partnership, the General Partner or any affiliate thereof, to be able to review such proposals for termination provisions. Should any enforceable proposals exist, the General Partner, the Guarantor and their respective owners shall fully indemnify, defend, protect and hold harmless the Partnership, Alliant and Alliant's affiliates from and against any loss, cost, damage, liability, action, cause of action, suit or expense, including, without limitation, attorneys fees and court costs that may result from the breach or termination of such proposals.

Please execute and promptly return to us a copy of this letter agreement. The terms herein shall expire 15 business days after the date of this letter if your signed copy has not been received by us.

Very truly yours,

Alliant Capital, Ltd.

By: Alliant, Inc., its General Partner

By: ______________________

Jen Erixon
Senior Vice President

The foregoing is hereby agreed to and confirmed:

The Exchange Development, LP

By: The Exchange GP, LLC, its General Partner

By: R.J. Pasquesi

Name: R.J. Pasquesi
Title: President

Date: November 29, 2016

The Exchange GP, LLC

By: R.J. Pasquesi

Name: R.J. Pasquesi
Title: President

Date: November 29, 2016

Addendum H
License

STATE OF GEORGIA
REAL ESTATE APPRAISERS BOARD

BRIAN CURTIS NEUKAM

329471

IS AUTHORIZED TO TRANSACT BUSINESS IN THE STATE OF GEORGIA IN THE CAPACITY AS

CERTIFIED GENERAL REAL PROPERTY APPRAISER

THE PRIVILEGE AND RESPONSIBILITIES HEREWITH ARE CONTINGENT UPON THE REQUISITE FEES AND ALL OTHER REQUIREMENTS OF THE OFFICIAL CODE OF GEORGIA ANNOTATED, CHAPTER 43-39A. THE APPRAISER IS SOLELY RESPONSIBLE FOR THE PAYMENT OF ALL FEES ON A TIMELY BASIS.

D. SCOTT MURPHY
Chairperson

RONALD M. HECKMAN
JEANMARIE HOLMES
KEITH STONE

JEFF A. LAWSON
Vice Chairperson

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