



**A MARKET VALUATION OF
SWIFT CREEK**

Located at

**2591 Whites Mill Road
DECATUR, DEKALB COUNTY, GEORGIA 30034**

**Effective Date: October 6, 2016
Report Date: November 30, 2016**

Prepared For

**Mr. Thompson Gooding
Oracle Consulting Services
1221 South 4th Street
Louisville, KY 40203**

Prepared By

**Novogradac & Company LLP
6700 Antioch Road, Suite 450
Merriam, KS 66204
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**NOVOGRADAC
& COMPANY** LLP®
CERTIFIED PUBLIC ACCOUNTANTS

November 30, 2016

Mr. Thompson Gooding
Oracle Consulting Services
1221 South 4th Street
Louisville, KY 40203

Re: Appraisal of Swift Creek
2591 Whites Mill Road, Decatur, DeKalb County, Georgia

Dear Mr. Gooding:

We are pleased to present our findings with respect to the value of the above-referenced property, Swift Creek (“Subject”). The Subject is a proposed new construction 60-unit low income housing tax credits (LIHTC) project, where all 60 units will be restricted to households earning 60 percent of AMI or less. We are concurrently preparing a market study for the Subject for application purposes. Other than the previously listed engagement, we have performed no other services on the Subject in the three years immediately preceding this engagement. As requested we provided several value estimates of both tangible and intangible assets, described and defined below:

- Land Value “As Is”.
- Hypothetical Market Value Upon Completion Assuming Restricted Rents.
- Hypothetical Market Value Upon Completion Assuming Unrestricted Rents.
- Hypothetical Market Value “As Complete and Stabilized” – hypothetical value assuming as complete and stabilized with restricted rents.
- Hypothetical Market Value “As Complete and Stabilized” – hypothetical value assuming as complete and stabilized with unrestricted rents.
- Prospective Market Value at loan maturity.
- Valuation of Tax Credits.
- Favorable Financing.

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

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

Market value is defined as:

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

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

This report complies with FIRREA (1989) regulations.

“As Is” Value

The Subject’s as is value, as of October 6, 2016 is:

**ONE MILLION SIX HUNDRED SEVENTY THOUSAND DOLLARS
(\$1,670,000)**

Upon Completion Assuming Restricted Rents

The Subject’s hypothetical market value of the real estate assuming proposed restricted rental rates, “Upon Completion,” as of October 6, 2016, is:

**FIVE MILLION SIX HUNDRED THOUSAND DOLLARS
(\$5,600,000)**

Upon Completion Assuming Unrestricted Rents

The Subject’s hypothetical market value of the real estate assuming unrestricted operation “Upon Completion,” as of October 6, 2016, is:

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

As Complete and Stabilized Restricted

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

Mr. Thompson Gooding
Oracle Consulting Services
November 30, 2016

The Subject's estimated market value "As Complete and Stabilized" assuming proposed restricted rental rates, as of October 6, 2016, is:

FIVE MILLION SEVEN HUNDRED THOUSAND DOLLARS
(\$5,700,000)

As Complete and Stabilized Unrestricted

The Subject's estimated hypothetical market value "As Complete and Stabilized" assuming unrestricted market rental rates, as of October 6, 2016, is:

SIX MILLION EIGHT HUNDRED THOUSAND DOLLARS
(\$6,800,000)

Prospective Market Value as Restricted 30 years (Loan Maturity),

The prospective market value at 30 years (loan maturity) of the Subject's fee simple interest, subject to the rental restrictions in the year 2046, as of October 6, 2016, is:

SIX MILLION EIGHT HUNDRED THOUSAND DOLLARS
(\$6,800,000)

Prospective Market Value as Proposed Unrestricted at 30 years (Loan Maturity)

The hypothetical prospective market value at 30 years (loan maturity) of the Subject's fee simple interest, as an unrestricted property in the year 2046, as of October 6, 2016, is:

SEVEN MILLION NINE HUNDRED THOUSAND DOLLARS
(\$7,900,000)

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 October 6, 2016, is:

Federal
THREE MILLION SIX HUNDRED FORTY THOUSAND DOLLARS
(\$3,640,000)

State
TWO MILLION DOLLARS
(\$2,000,000)

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

Mr. Thompson Gooding
Oracle Consulting Services
November 30, 2016

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,



Rebecca S. Arthur, MAI
Partner
Certified General Real Estate Appraiser
Rebecca.Arthur@novoco.com



Brian Neukam
Certified General Real Estate Appraiser
GA License #329471
Expiration Date: 3/31/2017

TABLE OF CONTENTS

EXECUTIVE SUMMARY	1
FACTUAL DESCRIPTION	5
REGIONAL AND LOCAL AREA ANALYSIS	9
COMPETITIVE RENTAL/DEMAND ANALYSIS.....	31
HIGHEST AND BEST USE	99
APPRAISAL METHODOLOGY.....	104
INCOME CAPITALIZATION APPROACH.....	116
SALES COMPARISON APPROACH	140
RECONCILIATION	152
ADDENDUM A: ASSUMPTIONS AND LIMITING CONDITIONS, CERTIFICATION	
ADDENDUM B: QUALIFICATION OF CONSULTANTS	
ADDENDUM C: SUBJECT PHOTOS	
ADDENDUM D: FLOOD PLAIN MAP	
ADDENDUM E: DEVELOPER'S BUDGET AND PROFORMA	
ADDENDUM F: SITE PLAN AND FLOOR PLANS	
ADDENDUM G: PURCHASE AGREEMENT	
ADDENDUM H: LICENSE	

EXECUTIVE SUMMARY

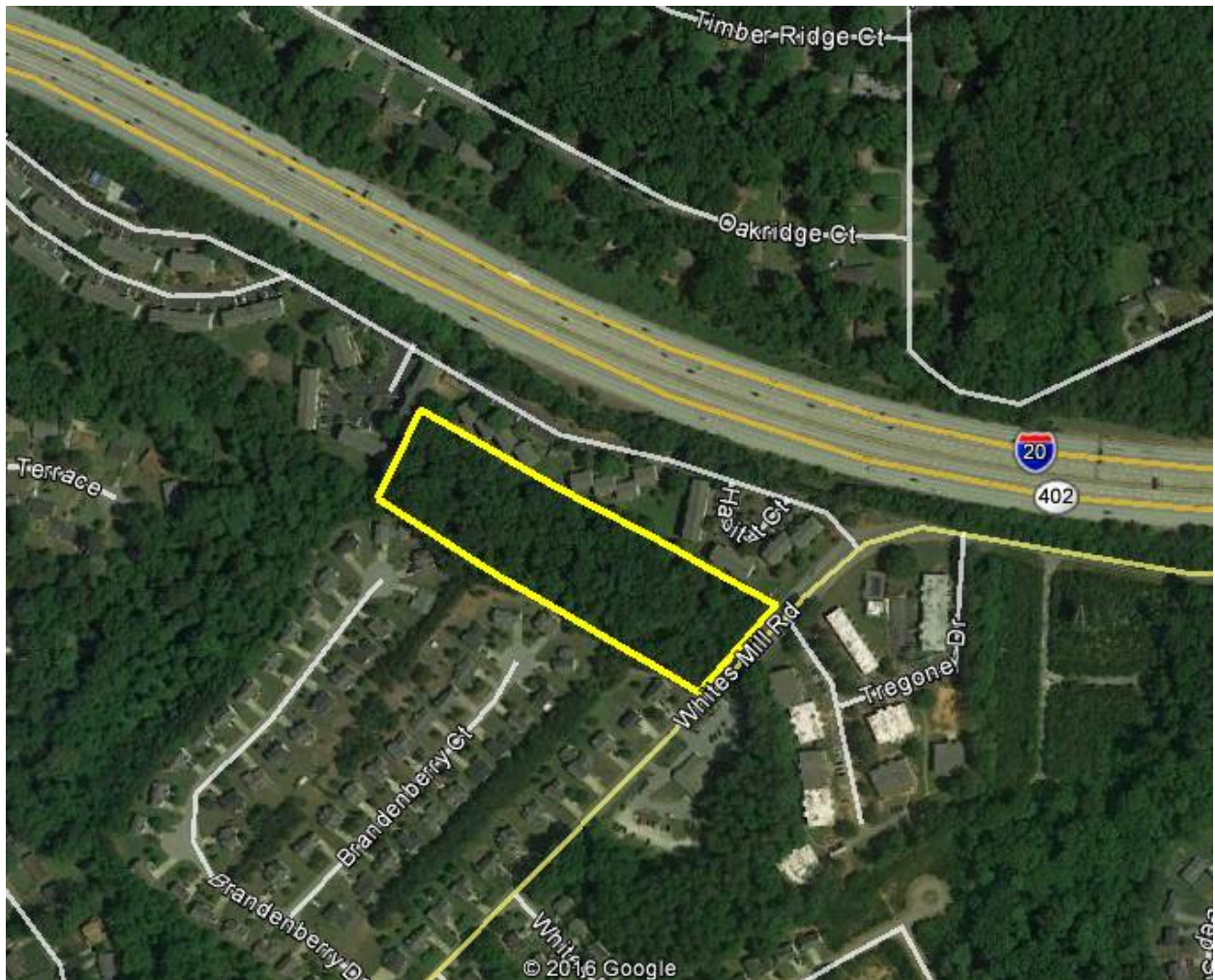
EXECUTIVE SUMMARY

PROPERTY SUMMARY OF SUBJECT

Property Appraised:

Swift Creek (Subject) is a proposed new construction Low-income Housing Tax Credit (LIHTC) development that will offer 60 three-bedroom units restricted to family households earning 60 percent of the AMI or less. The Subject will consist of five, three-story, walk-up, garden-style buildings and one, one-story clubhouse building that will include a management office, community room, computer lab, and fitness center. The Subject is located at 2591 Whites Mill Road, Decatur, DeKalb County, Georgia. An aerial view of the Subject site is included below.

Aerial Image:



Parcel ID Number: The Subject is identified as assessor parcel ID number: 15-118-02-009.

Land Area: The Subject site encompasses 3.8 acres, or approximately 165,528 square feet.

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

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

PROPOSED RENTS						
Unit Type	Number of Units	Unit Size (SF)	Net LIHTC Rents	Utility Allowance (1)	Gross LIHTC Rents	Maximum Allowable Gross LIHTC (2)
60% AMI						
3BR/2BA	60	1,145	\$845	\$125	\$970	\$1,064

(1) Utility Allowance provided by the Georgia DCA (Middle Region), effective 7/1/2015

(2) Rents in effect as of January 1, 2016

UNIT MIX AND SQUARE FOOTAGE			
Unit Type	Number of Units	Unit Size (SF)	Total Area
3BR/2BA	60	1,145	68,700
Total	60		68,700

Ownership History of the Subject:

Ownership of the site is vested in Kenneth W Rountree, Jr. There have been no transfers of the Subject property over the past three years. According to the purchase agreement provided by the client, Kenneth W Rountree, Jr. (seller) will transfer the property to Oracle Consulting Services, LLC (buyer) for a purchase price of \$199,000 in an arm’s length transaction. Our estimated as is value of \$1,670,000 indicates a buyer’s advantage.

Highest and Best Use “As Is”:

The highest and best use for the property as is would be to construct a 152-unit multifamily rental property with financial subsidies. Without subsidies, it would be to hold until the market rent supports construction.

INDICATIONS OF VALUE

AS IS VALUE			
Scenario	Units	Price Per Unit	Indicated Value (Rounded)
Land Value	152	\$11,000	\$1,670,000
COST APPROACH ANALYSIS			
Scenario	Indicated Value (Rounded)		
As Proposed Restricted	\$7,880,000		
DIRECT CAPITALIZATION ANALYSIS - "AS COMPLETE"			
Scenario	Loss To Lease	Indicated Value (Rounded)	
As Complete Restricted	\$123,430	\$5,600,000	
As Complete Unrestricted	\$148,750	\$6,700,000	
DIRECT CAPITALIZATION ANALYSIS - "AS COMPLETE AND STABILIZED"			
Scenario	Cap Rate	Net Operating Income	Indicated Value (Rounded)
As Proposed Restricted	6.00%	\$339,580	\$5,700,000
As Proposed Unrestricted	6.00%	\$405,847	\$6,800,000
EGIM ANALYSIS - "AS COMPLETE AND STABILIZED"			
Scenario	EGIM	Effective Gross Income	Indicated Value (Rounded)
As Proposed Restricted	8.8	\$646,551	\$5,700,000
As Proposed Unrestricted	8.6	\$790,875	\$6,800,000
NOI/UNIT ANALYSIS - "AS COMPLETE AND STABILIZED"			
Scenario	Number of Units	Price per unit	Indicated Value (Rounded)
As Proposed Restricted	60	\$95,000	\$5,700,000
As Proposed Unrestricted	60	\$113,000	\$6,800,000
VALUE AT LOAN MATURITY - RESTRICTED			
	Year	Indicated Value (Rounded)	
Restricted	30 years	\$6,800,000	
VALUE AT LOAN MATURITY - UNRESTRICTED			
	Year	Indicated Value (Rounded)	
Unrestricted	30 years	\$7,900,000	
TAX CREDIT VALUATION			
	Credit Amount	Price Per Credit	Indicated Value (Rounded)
Federal LIHTC	\$3,637,081	1.00	\$3,640,000
State LIHTC	\$3,637,081	0.55	\$2,000,000

Exposure Time: Nine – 12 Months

Marketing Period: Nine – 12 Months

FACTUAL DESCRIPTION

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

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

Property Identification

The Subject site is located at 2591 Whites Mill Road in Decatur, DeKalb County, Georgia. The Subject is identified as parcel ID number: 15-118-02-009.

Intended Use and Intended User

Oracle Consulting Services is the client in this engagement. We understand that they will use this document for LIHTC application purposes. As our client, Oracle Consulting Services owns this report and permission must be granted from them before another third party can use this document. Oracle Consulting Services and Georgia DCA are the intended users. We assume that by reading this report another third party has accepted the terms of the original engagement letter including scope of work and limitations of liability. We are prepared to modify this document to meet any specific needs of the potential users under a separate agreement.

Property Interest Appraised

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

Date of Inspection and Effective Date of Appraisal

The site was inspected on October 6, 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.

Compliance and Competency Provision

The appraiser is aware of the compliance and competency provisions of USPAP, and within our understanding of those provisions, this report complies with all mandatory requirements, and the authors of this report possess the education, knowledge, technical skills, and practical experience to complete this assignment competently, in conformance with the stated regulations. Moreover, Advisory Opinion 14 acknowledges preparation of appraisals for affordable housing requires knowledge and experience that goes beyond typical residential appraisals competency including understanding the various programs, definitions, and pertinent tax considerations involved in the particular assignment applicable to the location and development. We believe our knowledge and experience in the affordable housing industry meets these supplemental standards.

Unavailability of Information

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

Furniture, Fixtures, and Equipment

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

Ownership and History of Subject

Ownership of the site is vested in Kenneth W. Rountree, Jr. There have been no transfers of the Subject property over the past three years. According to the purchase agreement provided by the client, Kenneth W Rountree, Jr. (seller) will transfer the property to Oracle Consulting Services, LLC (buyer) for a purchase price of \$199,000 in an arm's length transaction. Our estimated as is value of \$1,670,000 indicates a buyer's advantage.

REGIONAL AND LOCAL AREA ANALYSIS

REGIONAL AND LOCAL AREA ANALYSIS

ECONOMIC ANALYSIS

The Atlanta-Sandy Springs-Roswell, GA MSA experienced employment growth from 2005 to 2007. Total employment decreased from 2007 to 2010. It should be noted that the MSA lost a significant number of jobs in 2009, which was due to the most recent national recession. However, total employment has continued to increase annually from 2011 to 2016 year-to-date. Between July 2015 and July 2016, total employment increased by 4.3 percent in the MSA, compared to a 1.8 percent increase in the nation. In 2014, total employment reached pre-recessionary levels and continues to grow. Additionally, as of July 2016, the unemployment rate in the MSA was 5.1 percent, which is comparable to the nation. Overall, it appears the MSA was affected by the recent national recession, but appears to have recovered and is in a state of growth. The local economy appears to be diverse and low-paying jobs in the education, retail trade, manufacturing, and government sectors are expected to generate demand for affordable housing in the PMA.

Major Employers

The table below illustrates the major employers in Decatur, GA as provided by the Decatur Downtown Development Authority.

MAJOR EMPLOYERS - DECATUR, GA		
Company	Industry	Number Employed
DeKalb County Government	Government	1000
Emory University Health Systems	Healthcare	822
City Schools of Decatur	Education	556
Agnes Scott College	Education	274
U.S. Postal Service	Government	200
City of Decatur	Government	200
Task Force for Global Health	Healthcare	118
DeVry	Education	120
Decatur Hospital (DeKalb Medical Center)	Healthcare	150
Columbia Theological Seminary	Education	75
Utility Software, Inc.	Tech Manufacturing	56
Gimme Games	Entertainment	50
Wells Fargo	Financial	45

Source: Decatur Downtown Development Authority, 9/2016

The largest employer in Decatur is the DeKalb County Government. Seven of the top 13 employers in the city are from the government and education sectors. Lower skilled employees in these industries are likely to have incomes in line with the Subject's income restrictions. Other industries represented in the major employers in Decatur include healthcare and manufacturing.

Expansions/Contractions

We spoke with Lyn Menne, Assistant City Manager with the City of Decatur Community and Economic Development Department, regarding the current economic environment in Decatur, Georgia. Ms. Menne reported that several retail and restaurant businesses were opening in the area

including: Truman Restaurant, Mellow Mushroom, Scout, Found, Coco & Mischa, Cooking up a Storm, and Rocket Fizz. A couple businesses have recently expanded including: Little Shop of Stories and Task Force for Global Health. Lastly, Ms. Menne noted the closing the restaurant Colbeh. According to Ms. Menne, no businesses have experienced a layoff.

Through further internet research, we found that Whole Foods Market is in advanced discussions to come to the intersection of North Decatur Road and Church Street in Decatur. Additionally, The 17 Steps Gift Shop, Salon Red, and Boogaloos also all closed in 2016.

We also attempted to contact the Georgia Department of Economic Development to obtain Worker Adjustment and Retraining Notification (WARN) filings for DeKalb County; however, as of the date of this report, our emails have not been returned.

Employment and Unemployment Trends

The following table details employment and unemployment trends for the Atlanta-Sandy Springs-Roswell, GA MSA from 2002 through July 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*	2,744,413	2.5%	5.0%	-0.5%	150,990,143	3.2%	5.0%	-1.2%
Jul-2015	2,683,424	-	6.0%	-	149,722,000	-	5.6%	-
Jul-2016	2,799,438	4.3%	5.1%	-0.9%	152,437,000	1.8%	5.1%	-0.5%

Source: U.S. Bureau of Labor Statistics, October 2016

*2016 data is through July

The MSA experienced employment growth from 2005 to 2007. Total employment decreased from 2007 to 2010. It should be noted that the MSA lost a significant number of jobs in 2009, which was due to the most recent national recession. Of note, the job loss in the MSA in 2010 was significantly greater than the nation, and the MSA reached its peak unemployment rate of 5.9 percent the year before in 2009. However, total employment has continued to increase annually from 2011 to 2016 year-to-date. Between July 2015 and July 2016, total employment increased by 4.3 percent in the MSA, compared to a 1.8 percent increase in the nation. In 2014, total employment reached pre-recessionary levels and continues to grow. Additionally, as of July 2016, the unemployment rate in the MSA was 5.1 percent, which is comparable to the nation. Overall, it appears the MSA was affected by the recent national recession, but appears to have recovered and is in a state of growth.

Employment by Industry

The following table illustrates employment by industry for the PMA and nation as of 2015.

2015 EMPLOYMENT BY INDUSTRY				
Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Health Care/Social Assistance	6,943	14.4%	20,205,674	13.7%
Educational Services	5,373	11.1%	13,529,510	9.2%
Retail Trade	4,625	9.6%	17,089,319	11.6%
Accommodation/Food Services	4,176	8.7%	10,915,815	7.4%
Transportation/Warehousing	3,532	7.3%	6,200,837	4.2%
Public Administration	3,314	6.9%	7,099,307	4.8%
Other Services (excl Publ Adm)	2,878	6.0%	7,548,482	5.1%
Admin/Support/Waste Mgmt Srvcs	2,847	5.9%	6,242,568	4.2%
Prof/Scientific/Tech Services	2,792	5.8%	9,981,082	6.8%
Manufacturing	2,465	5.1%	15,651,841	10.6%
Construction	2,217	4.6%	9,392,204	6.4%
Finance/Insurance	2,011	4.2%	7,026,905	4.8%
Information	1,634	3.4%	2,965,498	2.0%
Real Estate/Rental/Leasing	1,222	2.5%	2,759,067	1.9%
Wholesale Trade	990	2.1%	3,742,526	2.5%
Arts/Entertainment/Recreation	817	1.7%	3,193,724	2.2%
Utilities	291	0.6%	1,190,608	0.8%
Mgmt of Companies/Enterprises	53	0.1%	115,436	0.1%
Agric/Forestry/Fishing/Hunting	30	0.1%	1,941,156	1.3%
Mining	0	0.0%	997,794	0.7%
Total Employment	48,210	100.0%	147,789,353	100.0%

Source: ESRI Demographics 2010, Novogradac & Company LLP, 9/2016

The largest sector in the PMA is the health care/social assistance sector, followed by the educational services and retail trade sectors. These three sectors account for 35.1 percent of employment in the PMA. The PMA is overly represented in sectors such as educational services, accommodation/food services, transportation/warehousing, public administration, and administrative/support/waste management services sectors, and underrepresented in the healthcare/social assistance, retail trade, professional/scientific/tech services, manufacturing, and construction sectors compared to the nation as a whole. It should be noted that while the health care/social assistance and educational services sectors are historically stable industries, the retail trade industry is at risk of job loss and closures during times of economic downturn.

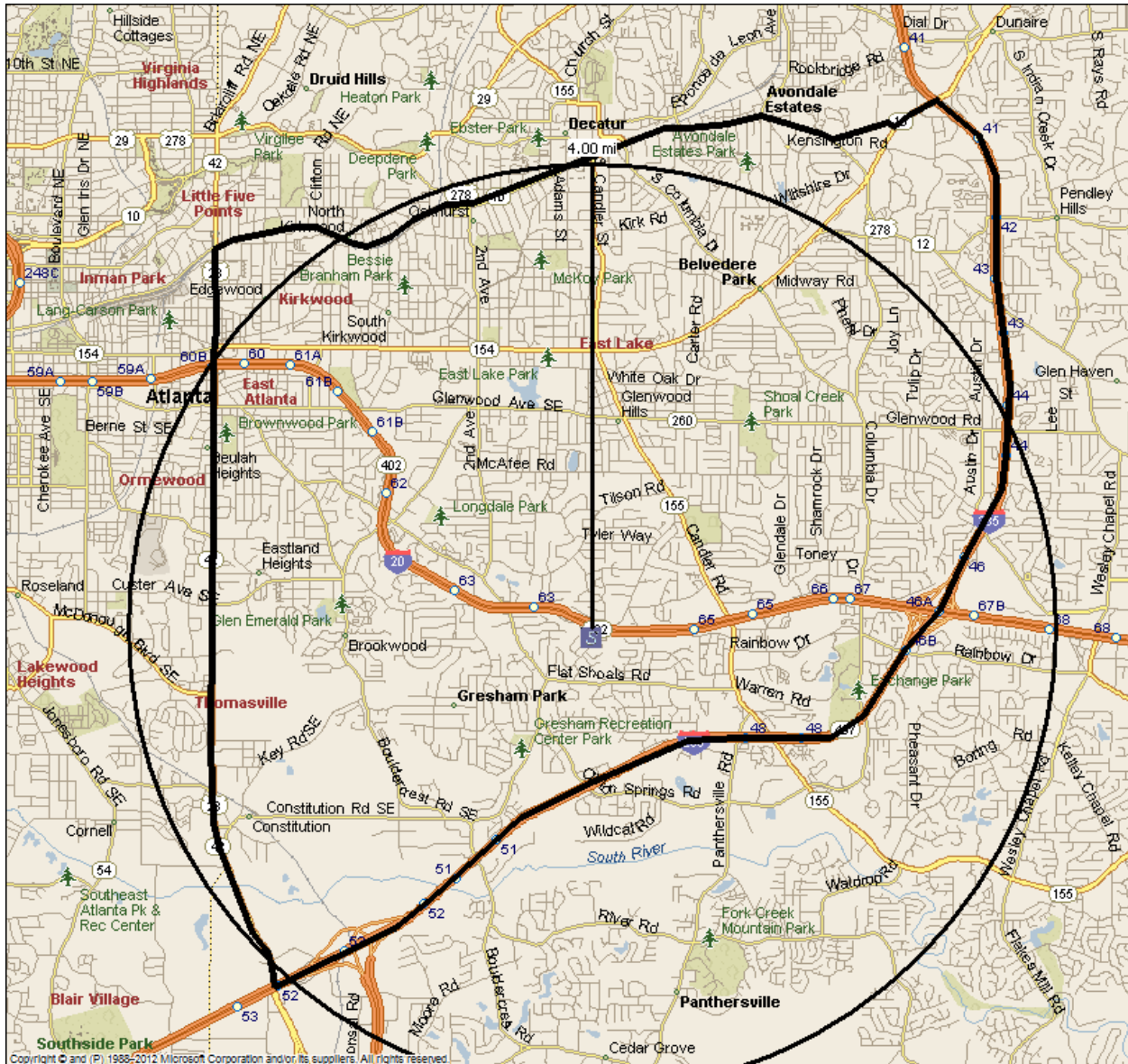
Current Economic Recession and Mortgage Crisis

According to www.RealtyTrac.com, one in every 1,568 homes in DeKalb County, GA was in foreclosure, as of August 2016. Nationally, one in every 1,388 homes was in foreclosure and one in every 1,545 homes in Georgia was in foreclosure. As indicated, DeKalb County has a similar foreclosure rate as Georgia and a slightly lower foreclosure rate than the nation as a whole. Overall, it appears that the local market is faring slightly better than the nation as a whole in terms of foreclosure.

Conclusion

The MSA experienced employment growth from 2005 to 2007. Total employment decreased from 2007 to 2010. It should be noted that the MSA lost a significant number of jobs in 2009, which was due to the most recent national recession. Of note, the job loss in the MSA in 2010 was significantly greater than the nation, and the MSA reached its peak unemployment rate of 5.9 percent the year before in 2009. However, total employment has continued to increase annually from 2011 to 2016 year-to-date. Between July 2015 and July 2016, total employment increased by 4.3 percent in the MSA, compared to a 1.8 percent increase in the nation. In 2014, total employment reached pre-recessionary levels and continues to grow. Additionally, as of July 2016, the unemployment rate in the MSA was 5.1 percent, which is comparable to the nation. Overall, it appears the MSA was affected by the recent national recession, but appears to have recovered and is in a state of growth. The local economy appears to be diverse with low-paying jobs in many employment sectors such as education, retail trade, health care/social assistance, and government that are anticipated to generate demand for affordable housing in the PMA.

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 Atlanta-Sandy Springs-Roswell, GA Metropolitan Statistical Area (MSA) are areas of growth or contraction.

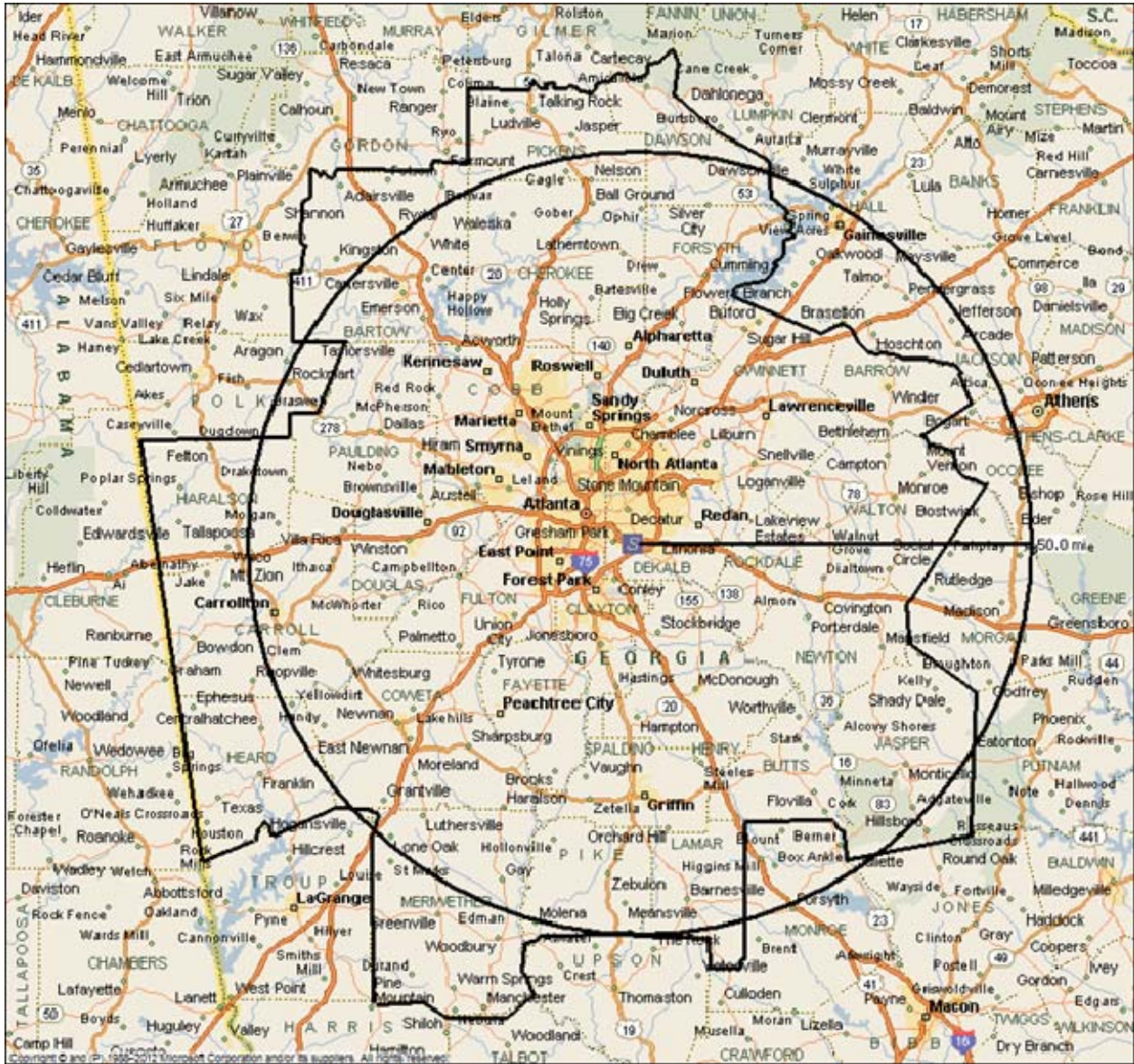
The boundaries of the PMA are as follows:

- North: DeKalb Avenue Northeast, West Howard Avenue, and Mountain Drive
- South: Interstate 285
- East: Interstate 285
- West: Moreland Avenue Southeast

The PMA includes the southern section of the city of Decatur and nearby surrounding unincorporated areas of DeKalb County. The area was defined based on interviews with the local housing authority and property managers at comparable properties. According to management at the majority of the comparables, including all of the LIHTC comparables, the majority of tenants originate from the local Decatur area and DeKalb County. The north boundary of the PMA is approximately 4.0 miles from the Subject site; the eastern boundary of the PMA is approximately 2.6 miles from the Subject site; the southern boundary of the PMA is approximately 1.1 miles from the Subject site; and the western boundary of the PMA is approximately 3.3 miles from the Subject site. We have estimated that approximately 15 percent of the Subject's tenants originate from outside these boundaries. While we do believe the Subject will experience leakage from outside the PMA boundaries, per the 2016 market study guidelines, we have not accounted for leakage in our *Demand Analysis* found later in this report. The furthest PMA boundary from the Subject is 4.0 miles.

For comparison purposes, the secondary market area (SMA) for the Subject is considered to be the Atlanta-Sandy Springs-Roswell, GA Metropolitan Statistical Area (MSA), which consists of 29 counties in northern Georgia. Following is a map of the SMA.

Secondary Market Area Map



Population Trends

The following tables illustrate (a) Total Population, (b) Population by Age Group, and (c) Number of Elderly and Non-Elderly within population in MSA, the PMA and nationally from 2000 through 2020.

TOTAL POPULATION						
Year	PMA		MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	124,304	-	4,263,438	-	281,421,906	-
2010	108,274	-1.3%	5,286,728	2.4%	308,745,538	1.0%
2015	109,039	0.1%	5,527,230	0.9%	318,536,439	0.6%
Projected Mkt Entry	110,969	0.6%	5,711,673	1.2%	325,385,249	0.8%
2020	112,444	0.6%	5,852,718	1.2%	330,622,575	0.8%

Source: ESRI Demographics 2015, Novogradac & Company LLP, 9/2016

POPULATION BY AGE GROUP					
Age Cohort	PMA				
	2000	2010	2015	Projected Mkt Entry	2020
0-4	8,908	7,552	7,038	7,019	7,005
5-9	9,780	6,160	7,132	6,969	6,844
10-14	9,382	5,837	6,048	6,648	7,106
15-19	9,594	6,865	6,136	6,326	6,471
20-24	10,050	7,754	7,468	7,201	6,996
25-29	10,347	9,105	7,900	8,144	8,330
30-34	10,347	9,532	8,782	8,339	8,000
35-39	10,184	8,757	8,663	8,468	8,318
40-44	9,571	7,799	8,080	8,180	8,256
45-49	8,897	7,565	7,329	7,620	7,842
50-54	7,909	7,209	7,097	7,103	7,108
55-59	5,550	6,695	6,762	6,806	6,840
60-64	4,421	6,137	6,301	6,419	6,510
65-69	3,197	4,211	5,662	5,734	5,789
70-74	2,413	2,946	3,719	4,381	4,888
75-79	1,726	1,909	2,420	2,783	3,060
80-84	1,156	1,232	1,382	1,598	1,763
85+	873	1,009	1,122	1,232	1,316
Total	124,305	108,274	109,041	110,968	112,442

Source: ESRI Demographics 2015, Novogradac & Company LLP, 9/2016

From 2010 to 2015, the total population in the PMA increased 0.1 percent annually. This increase is projected to continue through 2020, albeit at a faster rate. During the same period of time, the population in the MSA is projected to also increase, albeit at a faster rate than the PMA.

As of 2015, the largest age cohorts are the 30 to 34 and 35 to 39 cohorts. Approximately 61.7 percent the population in the PMA is comprised of those aged 44 or younger. Overall, the notable presence of families and the projected total population trends in the PMA should bode well for the Subject's affordable units.

Household Trends

TOTAL NUMBER OF HOUSEHOLDS						
Year	PMA		MSA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2000	42,804	-	1,559,712	-	105,480,101	-
2010	41,910	-0.2%	1,943,885	2.5%	116,716,292	1.1%
2015	42,879	0.4%	2,033,479	0.9%	120,746,349	0.7%
Projected Mkt Entry	43,857	0.8%	2,102,926	1.2%	123,427,370	0.8%
2020	44,604	0.8%	2,156,032	1.2%	125,477,562	0.8%

Source: ESRI Demographics 2015, Novogradac & Company LLP, 9/2016

AVERAGE HOUSEHOLD SIZE						
Year	PMA		MSA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2000	2.79	-	2.68	-	2.59	-
2010	2.45	-1.2%	2.68	0.0%	2.58	-0.1%
2015	2.42	-0.2%	2.68	0.0%	2.57	0.0%
Projected Mkt Entry	2.41	-0.1%	2.68	0.0%	2.57	0.0%
2020	2.41	-0.1%	2.67	0.0%	2.57	0.0%

Source: ESRI Demographics 2015, Novogradac & Company LLP, 9/2016

The number of total households in the PMA decreased slightly from 2000 to 2010, but increased from 2010 to 2015. Over the same period of time, both the MSA and nation experienced moderate total household growth. Through market entry and 2020, the number of total households in the PMA is projected to continue to increase. Over the same period of time, the total household growth rate of the MSA is projected to exceed that of the PMA and the nation.

Historically, the PMA has experienced declines in average household sizes, while the MSA and nation have remained stable. Through the market entry date, the average household size in the PMA is expected to decline at a rate of 0.1 percent per annum. The average household size in the nation is expected to remain unchanged through this time period.

Households by Tenure

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

TENURE PATTERNS - TOTAL POPULATION				
Year	PMA			
	Owner-Occupied Units		Renter-Occupied Units	
	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>
2000	24,482	57.2%	18,322	42.8%
2010	24,414	58.3%	17,496	41.7%
2015	23,002	53.6%	19,877	46.4%
Projected Mkt Entry	23,535	53.7%	20,322	46.3%
2020	23,942	53.7%	20,662	46.3%

Source: ESRI Demographics 2015, Novogradac & Company LLP, 9/2016

As of 2015, approximately 53.6 percent of total households in the PMA were owner-occupied, while the remaining 46.4 percent are renter-occupied. The percentage of total renter households in the PMA is above the national average of 37.0 percent (not shown). Through the market entry date and 2020, the percentage of total renter-occupied housing units in the PMA is projected to decrease slightly, while the total number of renter households is expected to increase.

Households by Income

The following table depicts household income in 2015, at market entry, and in 2020 for the PMA.

HOUSEHOLD INCOME DISTRIBUTION - PMA								
Income Cohort	2010		2015		Projected Mkt Entry		2020	
	#	%	#	%	#	%	#	%
\$0-9,999	4,486	10.7%	6,425	15.0%	7,000	16.0%	7,439	16.7%
\$10,000-19,999	5,702	13.6%	7,358	17.2%	7,945	18.1%	8,395	18.8%
\$20,000-29,999	5,565	13.3%	6,782	15.8%	7,237	16.5%	7,586	17.0%
\$30,000-39,999	4,279	10.2%	4,627	10.8%	4,758	10.8%	4,857	10.9%
\$40,000-49,999	4,163	9.9%	3,730	8.7%	3,817	8.7%	3,884	8.7%
\$50,000-59,999	3,401	8.1%	3,108	7.2%	2,987	6.8%	2,896	6.5%
\$60,000-74,999	4,067	9.7%	3,287	7.7%	3,122	7.1%	2,996	6.7%
\$75,000-99,999	4,137	9.9%	3,412	8.0%	3,249	7.4%	3,125	7.0%
\$100,000-124,999	2,525	6.0%	1,893	4.4%	1,715	3.9%	1,578	3.5%
\$125,000-149,999	1,369	3.3%	843	2.0%	790	1.8%	749	1.7%
\$150,000-199,999	1,305	3.1%	1,027	2.4%	883	2.0%	774	1.7%
\$200,000+	912	2.2%	389	0.9%	353	0.8%	326	0.7%
Total	41,910	100.0%	42,879	100.0%	43,857	100.0%	44,604	100.0%

Source: Ribbon Demographics 2015, Novogradac & Company LLP, 9/2016

As of 2015, approximately 58.8 percent of households have annual incomes less than \$40,000. Through 2020, the percentage of households earning less than \$40,000 annually is projected to increase to 63.4 percent. The significant percentage of low-income households in the PMA is a positive indicator for demand of the Subject's affordable units.

Conclusion

From 2010 to 2015, the total population increased by 0.1 percent; however, the population is projected to increase at a faster rate of 0.6 percent through 2020. Similarly, the number of households in the PMA, over the same period of time, is projected to increase. Through 2020, the projected percentage of renter households in the PMA earning less than \$40,000 annually will be 63.4 percent and the majority of renter households will consist of one or two persons. Overall, the projected trends are positive indicators for the Subject's affordable units. 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:

Will Hoedl inspected the site on October 6, 2016.

Physical Features of the Site:

Frontage:

The Subject site has frontage along the west side of Whites Mills Road.

Visibility/Views:

The Subject has good visibility from Whites Mill Road. Views from the Subject site are of undeveloped land, single-family homes, multifamily developments, and a house of worship. Overall, views are considered average.

Surrounding Uses:

The following map and pictures illustrate the surrounding land uses.

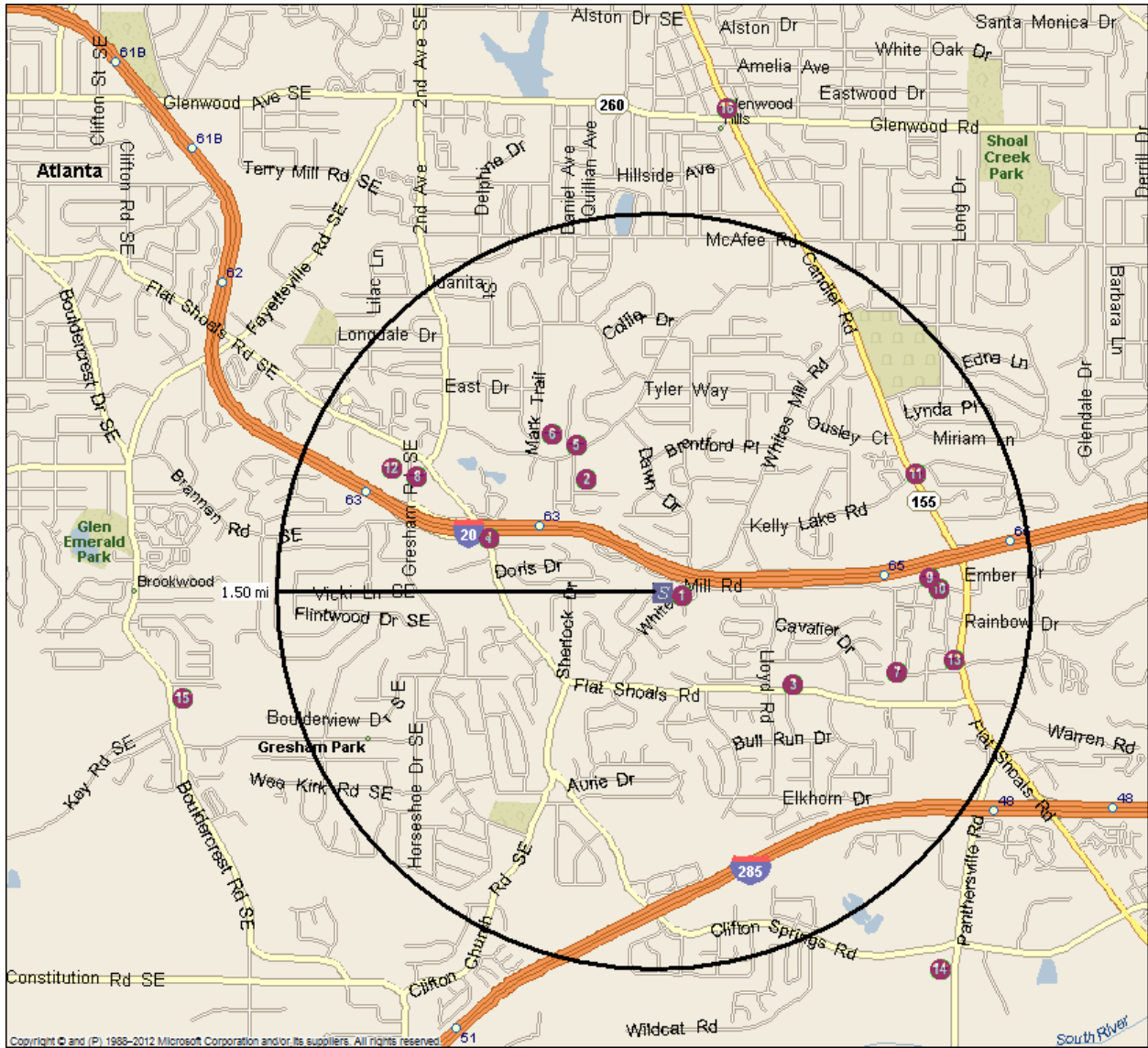


The Subject site is located in a primarily residential neighborhood. The nearby residential uses are in average to good condition. To the immediate north and east of the Subject are two multifamily developments, both in average condition. To the immediate south are single-family homes in average to good condition and a house of worship in good condition and. To the immediate west is a continuation of the same multifamily development to the north and undeveloped wooded land.

Positive/Negative Attributes of Site: There are no significant negative attributes of the Subject site. Positive attributes include close proximity to retail, education, and public transportation. It should be noted that some noise is evident at the Subject site from Interstate 20; however, this is largely mitigated by the separation created by a sound barrier, tree line, and The Woodbridge Apartment Homes and we do not believe it will negatively impact the marketability of the Subject.

Proximity to Locational Amenities:

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



LOCATIONAL AMENITIES					
Map #	Amenity or Service	Distance	Map #	Amenity or Service	Distance
1	Bus Stop	<0.1 miles	9	DeKalb County Police Station	1.0 mile
2	Ronald E. McNair Middle School	0.6 miles	10	SunTrust Bank	1.1 miles
3	Flat Shoals Elementary School	0.6 miles	11	CVS Pharmacy	1.1 miles
4	Texaco	0.8 miles	12	Walmart Supercenter	1.2 miles
5	Mark Trail Park	0.7 miles	13	Big Bear Super Market	1.2 miles
6	NH Scott Recreation	0.8 miles	14	Georgia State University - Perimeter College	1.9 miles
7	Post Office	1.0 mile	15	Ronald E. McNair High School	2.0 miles
8	Gresham Library	1.1 miles	16	Oakhurst Medical Center	2.0 miles

Description of Land Uses:

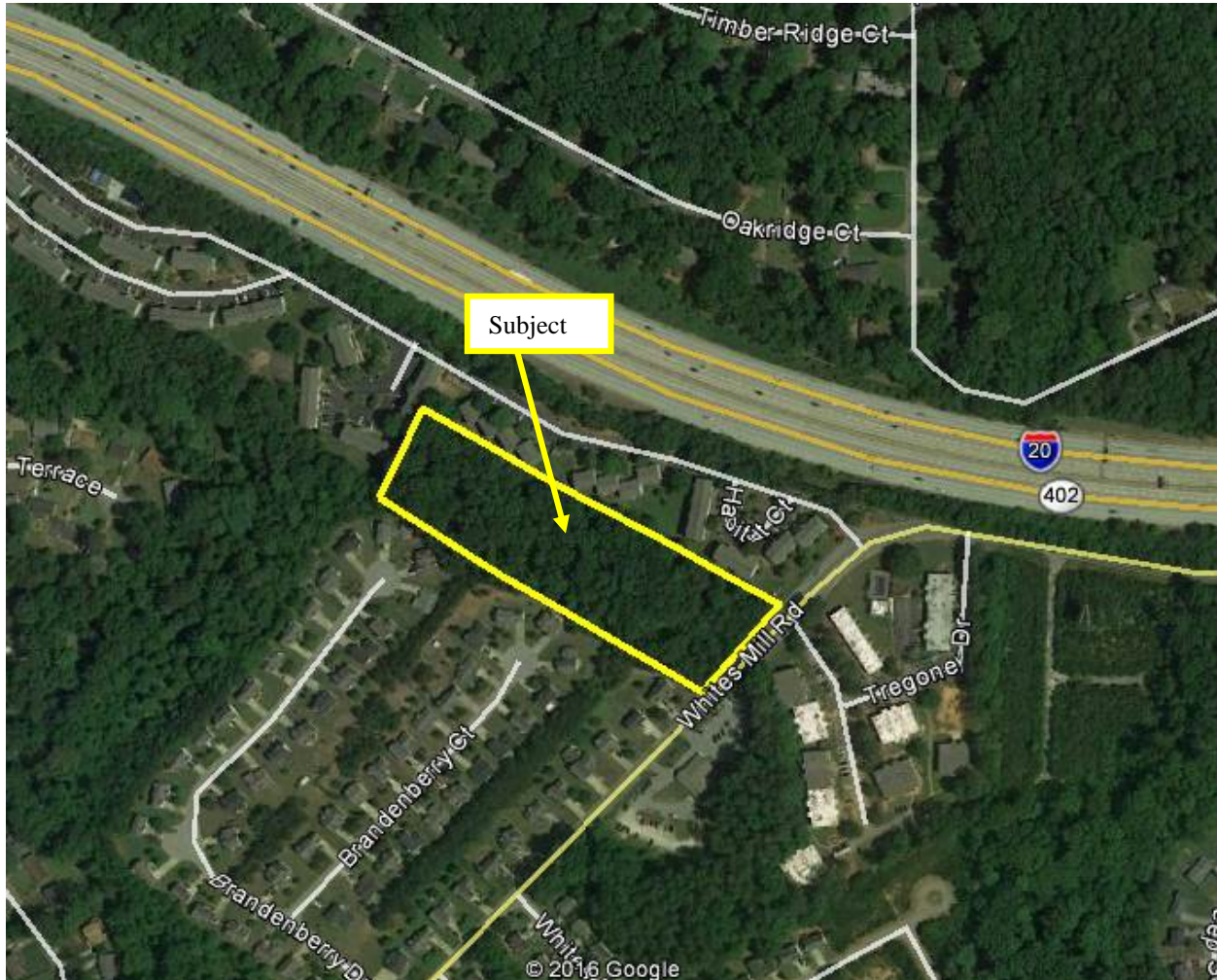
The Subject site is located in a primarily residential in the southern portion of Decatur. The nearby residential and commercial uses are in average to good condition. To the immediate north and west of the Subject site is The Woodridge Apartment Homes in average condition that has been used as a comparable. Further north is Interstate 20 which generally traverses east/west and provides access to downtown Atlanta. To the east of the Subject is Laurel Mill Apartments in average condition, which has not been used as a comparable due to the fact that it is currently undergoing renovations and the property manager was not able to provide details on rents or vacancy. Further east is undeveloped wooded area. To the south of the Subject are single-family homes in average to good condition, which according to Zillow.com, have recently sold for \$50,000 to \$154,900. The nearby retail, located along Candler Road approximately 1.1 miles east of the Subject, appeared to be approximately 80 to 90 percent occupied at the time of inspection. Overall, the Subject site is considered a desirable building site for low-income family multifamily housing and the Subject will be compatible with surrounding uses.

Conclusion:

The neighborhood surrounding the Subject site consists primarily of single-family and multifamily residential uses with commercial uses along arterials. The Subject site is located in the southern portion of Decatur. Overall, the Subject is expected to be compatible with the surrounding uses and it is a desirable location for low-income multifamily housing.

DESCRIPTION OF THE SITE

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



- Size:** The Subject site encompasses 3.8 acres, or approximately 165,528 square feet.
- Shape:** The site is rectangular.
- Frontage:** The Subject site has frontage along the west side of Whites Mills Road.
- Zoning:** According to the DeKalb County Department of Planning and Sustainability, the Subject site is zoned MR-2 (Medium Density Residential – 2) in the Interstate-20 Overlay District. The MR-2 zoning allow cottage housing, attached, multi-family and mixed residential developments. The Subject site is

3.8 acres, or approximately 165,528 square feet. This zoning district allows for a maximum base density of 12 units per acre and a maximum density of 24 units per acre with bonuses. It permits a maximum building height of 45 feet, or three stories. The Subject is also located within the Interstate-20 Overlay District, Tier 2 (Medium-Intensity), which is intended to allow medium-density development in a mixed-use development. The maximum allowable density is 40 dwelling units per acre with a maximum building height of eight stories. According to the DeKalb County Department of Planning and Sustainability, when a property is located in an overlay district, the overlay shall govern. The Subject will be developed to a density of 15.5 units per acre. The Subject's buildings will be three stories in height. Parking requirements will be 1.5 parking spaces per unit. The Subject will offer 60 units. Therefore, it would require 90 parking spaces. The Subject will offer 90 parking spaces. The Subject appears to be a legal, conforming use.

Topography:

The site has a rolling topography that generally slopes downward to the west.

Visibility/Views:

The Subject has good visibility from Whites Mill Road. Views from the Subject site are of undeveloped land, single-family homes, multifamily developments, and a house of worship. Overall, views are considered average.

Access and Traffic Flow:

The Subject will have access via the west side Whites Mill Road, which is a moderately-travelled collector street. Whites Mill Road provides access to Candler Road to the east and Flat Shoals Road to the south. Flat Shoals Road also provides access to Candler Road to the east. Candler Road is a heavily-traveled arterial that provides access Interstate 20. Interstate 20 traverses east/west and provides access to downtown Atlanta and Birmingham, Alabama to the west and Interstate 285 and Columbia, South Carolina to the east. Overall, visibility and access to and from the site are considered average.

Drainage:

Appears adequate; however, no specific tests were performed.

Soil and Subsoil Conditions:

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

Flood Plain:

According to www.floodinsights.com, the Subject is located in Zone X (community map number 130065 panel number 0133J

dated May 16, 2013) and is located outside the 100 and 500-year flood plains.

Environmental:

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

Detrimental Influences:

No detrimental influences were identified. It should be noted that some noise is evident at the Subject site from Interstate 20; however, this is largely mitigated by the separation created by a sound barrier, tree line, and The Woodbridge Apartment Homes and we do not believe it will negatively impact the marketability of the Subject.

Conclusion:

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

DESCRIPTION OF PROPOSED IMPROVEMENTS

PROPERTY PROFILE REPORT

Swift Creek	
Comp#	Subject
Effective	10/6/2016
Location	2591 Whites Mill Road Decatur, GA 30034 DeKalb County
Units	60
Type	Garden (3 stories)
Year Built / Renovated	Proposed 2018
Tenant Characteristics	Families



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

Unit Mix (face rent)											
Beds	Baths	Type	Units	Size (SF)	Rent	Concession	Restriction	Waiting List	Vacant	Vacancy Rate	Max rent?
3	2	Garden (3 stories)	60	1,145	\$845	\$0	@60%	n/a	N/A	N/A	no

Amenities			
In-Unit	Balcony/Patio Blinds Carpeting Central A/C Coat Closet Dishwasher Ceiling Fan Hand Rails Microwave Oven Pull Cords Refrigerator 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	Premium	none
Services	none	Other	Classes

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

NLA (residential space): Approximately 68,700 square feet.

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

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

Scope of Renovations: The Subject will be new construction.

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

PROPOSED RENTS						
Unit Type	Number of Units	Unit Size (SF)	Net LIHTC Rents	Utility Allowance (1)	Gross LIHTC Rents	Maximum Allowable Gross LIHTC (2)
<i>60% AMI</i>						
3BR/2BA	60	1,145	\$845	\$125	\$970	\$1,064

(1) Utility Allowance provided by the Georgia DCA (Middle Region), effective 7/1/2015

(2) Rents in effect as of January 1, 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 an excellent-quality apartment complex, 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 DeKalb County real estate taxing jurisdiction. Real estate taxes for a property located in DeKalb County are based upon a property's assessed valuation. According to Marion Williams, Senior Appraiser for the DeKalb County Assessor's Office, multifamily properties in the county are valued with a combination of income, sales, and cost approaches and are assessed at 40 percent of full market value. In addition, income restricted properties are valued utilizing the income approach assuming an 11 percent capitalization rate, \$4,000 per unit annual expenses, and the effective rents at the property and are also assessed at 40 percent of full market value. According to the DeKalb County Tax Commissioner, the millage rate for the Subject is \$45.34 per \$1,000 for the combined county and city taxes.

The Subject will be taxed based on full assessment for the proposed restricted scenario. We have utilized the income approach to estimate the Subject's tax burden as restricted.

TAX CALCULATION		
Assuming Achievable LIHTC Rents		
	Per Unit	Total
Total Potential Rental Income	\$10,776	\$646,551
Total Operating Expenses	\$4,000	\$240,000
NOI Including Taxes	\$6,776	\$406,551
Cap Rate	11.00%	11.00%
Assessment Ratio	40.0%	40.0%
Indicated Assessed Value	\$24,639	\$1,478,367
Tax Rate	4.5340%	4.5340%
Total Taxes	\$1,117	\$67,029

The following table outlines the assessed values of several LIHTC comparables in the Decatur area.

2016 COMPARABLE ASSESSMENTS						
Property	Property Type	Year Built	Number of Units	Total Value	Assessed Value	Assessed Value Per Unit
Retreat At Edgewood Phase II	LIHTC	2012	40	\$1,380,620	\$552,248	\$13,806
Columbia Mill	LIHTC/Market	2014	100	\$3,412,789	\$1,365,116	\$13,651
Columbia Village	LIHTC	1999	100	\$3,148,800	\$1,259,520	\$12,595
Orchard Walk Apartments	LIHTC/Market	1978 / 2005	204	\$6,421,600	\$2,568,640	\$12,591

Retreat At Edgewood	LIHTC	2011	100	\$2,919,000	\$1,167,600	\$11,676
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Based on the previous table and considering the Subject will offer larger units with higher income potential than the comparables, our estimates of value utilizing the income approach appears market-oriented.

Provided below is a summary of market rate tax comparables in the area, several of which are also included as rent comparables in the Supply Analysis presented later.

2016 COMPARABLE ASSESSMENTS						
Property	Property Type	Year Built	Number of Units	Total Value	Assessed Value	Assessed Value Per Unit
The Place on Ponce	Market	2015	234	\$32,255,100	\$12,902,040	\$55,137
Paces Park	Market	2000	250	\$31,382,100	\$12,552,840	\$50,211
Jackson Square Apartments	Market	1998	380	\$45,317,400	\$18,126,960	\$47,703
Parkway Grand Apartments	Market	2001	313	\$25,150,100	\$10,060,040	\$32,141
The Orleans Of Decatur	Market	2002	120	\$8,127,372	\$3,250,949	\$27,091
Creekside Vista	Market	2008	208	\$9,300,000	\$3,720,000	\$17,885

The above data indicates an assessed per unit range from \$17,885 to \$55,137 per unit for comparable multifamily properties located in the Subject’s market. Per the assessor, unrestricted properties are similarly assessed via the income, sales, and cost approaches. The Subject will be a newly constructed property and will likely receive an assessment at the high end of the range, similar to the most recently constructed property. Therefore, we have estimated an assessed value per unit of \$55,000 for unrestricted scenario.

PROPERTY TAX ESTIMATE - UNRESTRICTED SCENARIO					
Assessed Value	Number of Units	Assessed Value Per Unit	Tax Rate	Indicated Tax Burden	Taxes Per Unit
\$3,300,000	60	\$55,000	4.5340%	\$149,622	\$2,494

Zoning

Current Zoning

According to the DeKalb County Department of Planning and Sustainability, the Subject site is zoned MR-2 (Medium Density Residential – 2) in the Interstate-20 Overlay District. The MR-2 zoning allow cottage housing, attached, multi-family and mixed residential developments. The Subject site is 3.8 acres, or approximately 165,528 square feet. This zoning district allows for a maximum base density of 12 units per acre and a maximum density of 24 units per acre with bonuses. It permits a maximum building height of 45 feet, or three stories. The Subject is also located within the Interstate-20 Overlay District, Tier 2 (Medium-Intensity), which is intended to allow medium-density development in a mixed-use development. The maximum allowable density is 40 dwelling units per acre with a maximum building height of eight stories. According to the DeKalb County Department of Planning and Sustainability, when a property is located in an overlay district, the overlay shall govern. The Subject will be developed to a density of 15.5 units per acre. The Subject’s buildings will be three stories in height. Parking requirements will be 1.5 parking spaces per unit. The Subject will offer 60 units. Therefore, it would require 90 parking spaces. The Subject will offer 90 parking spaces. The Subject appears to be a legal, conforming use.

Prospective Zoning Changes

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

COMPETITIVE RENTAL/DEMAND ANALYSIS

COMPETITIVE RENTAL/DEMAND ANALYSIS

INTERVIEWS/DISCUSSION

Decatur Housing Authority

We spoke with Doug Faust, Executive Director with the Decatur Housing Authority, to gather information pertaining to the use of Housing Choice Vouchers. Mr. Faust reported that the Housing Authority currently administers 868 Housing Choice Vouchers for DeKalb County, all of which are in use, as well as 375 port-ins, for a total served of 1,243 Vouchers. The waiting list is currently closed and consists of approximately 500 households. According to Mr. Faust, no one has been chosen from the waiting list in five years. The payment standards for south DeKalb County are listed below.

PAYMENT STANDARDS			
Studio	One-Bedroom	Two-Bedroom	Three-Bedroom
\$755	\$773	\$916	\$1,158

Source: Decatur Housing Authority, 9/2016

The current payment standards are above the Subject's proposed LIHTC rents.

LIHTC Competition / Recent and Proposed Construction

According to the Georgia Department of Community Affairs, the only property that has been awarded tax credits since 2014 in the Subject's Primary Market Area was Columbia Avondale Senior. Columbia Avondale Senior, which was allocated LIHTCs in 2015, will consist of 92 age-restricted units. The one and two-bedroom units at the property will be restricted at the 50 and 60 percent AMI level, including 15 units that will benefit from project-based rental assistance, as well as market rate units. A construction timeline is not available. As a senior LIHTC property, we do not believe that Columbia Avondale Senior will be competitive to the Subject. In addition, there was one property allocated tax credits in 2016 that will be located just outside the PMA, approximately 1.9 miles southwest of the Subject. This development, known as Abington Perimeter, will offer 61 one, two, and three-bedroom units restricted at 50 and 60 percent of the AMI, as well as 11 unrestricted market rate units. The property is located outside the Subject's PMA; therefore, its units have not been removed from the demand analysis.

Planning

We obtained information from Courtney Frisch, Planner with the City of Decatur Planning and Zoning Department, in order to identify market rate and LIHTC projects recently constructed or proposed in the PMA. Ms. Frisch indicated that there is one multifamily development currently under construction in the PMA. Avondale Station TOD mixed-use development is currently under construction at the southeast corner of East College and Sam's Street. The property will consist of a mix of studios, one, two, and three-bedroom units for a total of 288 market rate units. Ms. Frisch was unaware of a timeline for completion on Avondale Station TOD. According to the developer's website, the development is proposed for a total of 378 market rate units with an estimated completion of the first phase in the second quarter of 2018. Upon completion, the property will not compete with the Subject. It should be noted that Columbia Avondale Senior, as previously discussed is part of the Avondale Station TOD mixed-use development. Ms. Frisch also indicated that a property known as The Calloway is currently in the planning stage; however, no plans have been approved or submitted. As proposed, the property would be a market rate property with 329 units and would not compete with the Subject directly.

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 1,877 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.

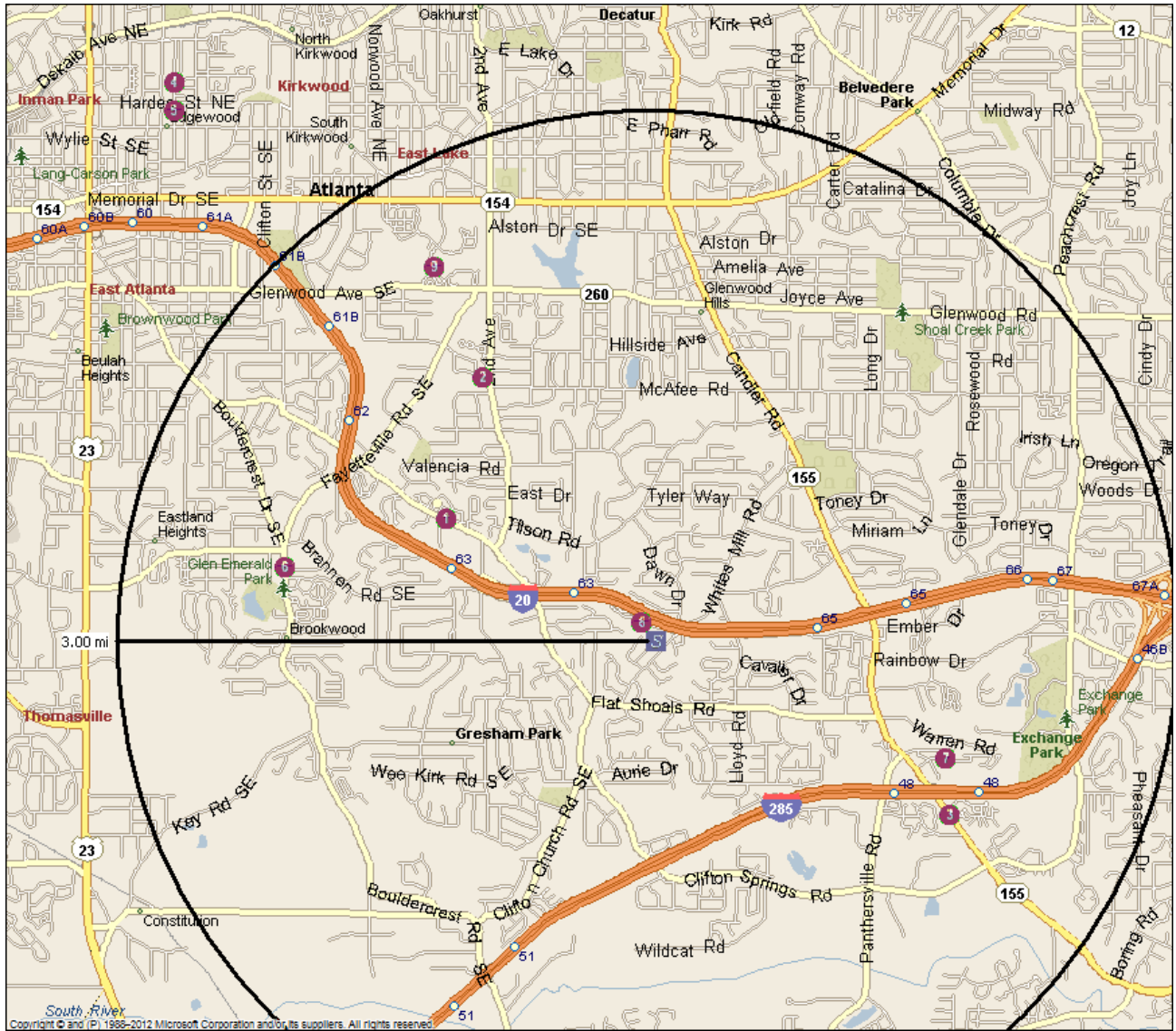
The availability of LIHTC is considered adequate. Four of the five LIHTC comparables are located in the PMA and within 4.2 miles of the Subject and one LIHTC comparable is located just outside the PMA within 1.9 miles of the Subject, which we believe is reasonable.

Aside from the LIHTC comparables, we have also included four market rate comparables. All of the market rate comparables are located within the PMA and within 2.5 miles of the Subject. Overall, we consider the availability of market data to be good.

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

EXCLUDED PROPERTIES IN THE PMA				
Property Name	Address	Type	Tenancy	Reason for Exclusion
Summit Trail	2045 Graham Cir SE	LIHTC	Young Adult	Dissimilar Tenancy
Oakland Court Apartments	97 Sanderson St NE	LIHTC	Family	Dissimilar Unit Mix
DIC Eagles Nest	3002 Ember Dr	LIHTC	Family	Inferior Condition
Delano Place	1575 Line St	LIHTC	Family	Dissimilar Unit Mix
Eagles Run I & II	2000 Bouldercrest Rd SE	LIHTC	Family	Dissimilar Unit Mix
Forest Heights Apartments	1048 Columbia Dr	LIHTC	Family	Dissimilar Unit Mix
The Broadway at East Atlanta	135 E Hill St	LIHTC	Family	Dissimilar Unit Mix
Presley Woods	265 Kirkwood Rd NE	LIHTC/Section 8	Family	Dissimilar Unit Mix
Columbia Citi Homes	165 Marion Pl NE	LIHTC	Family	Dissimilar Unit Mix
Brittany Apartments	3308 Covington Dr	LIHTC	Family	Inferior Condition
Magnolia Circle	100 Dash Lewis Dr	LIHTC	Senior	Age-Restricted
Vineyards of Flatshoals	2115 Vineyard Walk SE	LIHTC	Family	Dissimilar Unit Mix
Whispering Pines	2784 Kelly Lake Rd	LIHTC	Family	Dissimilar Unit Mix
Columbia Senior Residences at Edgewood	1281 Caroline St NE	LIHTC	Senior	Age-Restricted
Highlands at East Atlanta	2051 Flat Shoals Rd SE	LIHTC/Section 8	Family	Inferior Condition
Retreat at Madison Place	3907 Redwing Cir	LIHTC	Senior	Age-Restricted
Candler Forest	2145 Candler Rd	LIHTC	Family	Unable to Contact
Thornberry Apartments	2435 Aylesbury Loop	LIHTC	Family	Unable to Contact
Robins Landing Apartments	3529 Robins Landing Way	LIHTC	Family	Unable to Contact
Forest at Columbia	2505 Columbia Dr	LIHTC	Family	Unable to Contact
Branan Towers	1200 Glenwood Ave SE	Section 8	Senior	Age-Restricted
Paradise East Apartments	1504 Bouldercrest Rd SE	Section 8	Family	Subsidized
Allegre Point Senior Residences	3391 Flat Shoals Rd	Section 8	Senior	Age-Restricted
Community Housing, Inc.	1179 Russell Dr	Section 8	Disabled	Subsidized
Shepherd Center	321 W Hill St	Section 8	Family	Subsidized
Avondale Station	703 Twin Oaks Dr	Market	Family	Dissimilar Unit Mix
The Element at Kirkwood	2035 Memorial Dr SE	Market	Family	Dissimilar Unit Mix
Aspen Woods	3379 Flat Shoals Rd	Market	Family	Unable to Contact
Spring Valley Apartments	2823 Misty Waters Dr	Market	Family	Unable to Contact
Sorelle Apartments	2399 Parkland Dr NE	Market	Family	Dissimilar Unit Mix
Candler East	2425 Candler Rd	Market	Family	Inferior Quality
Hidden Villas	2929 Panthersville Road	Market	Family	Inferior Quality
Coach Townhomes	2721 White Oak Dr	Market	Family	Dissimilar Unit Mix
Rainbow Forest Apartments	3100 Rainbow Forst Cir	Market	Family	Inferior Quality
Manor V Apartments	1403 Custer Ave SE	Market	Family	Dissimilar Unit Mix
Wynhollow Apartments	3859 Austin Cir	Market	Family	Inferior Quality
Colony Ridge Apartments	4373 Glenwood Rd	Market	Family	Inferior Quality
Midway Manor Apartments	3626 Midway Rd	Market	Family	Dissimilar Unit Mix
The Broadway at East Atlanta	1930 Flat Shoals Rd SE	Market	Family	Dissimilar Unit Mix
Edgewood Court Apartments	1572 Hardee St NE	Market	Family	Inferior Quality
Maple Walk Apartments	1160 Maple Walk Cir	Market	Family	Dissimilar Unit Mix
Oak Tree Villas	3564 Kensington Rd	Market	Family	Dissimilar Unit Mix
Windrush Apartments	3841 Kensington Rd	Market	Family	Inferior Quality
Kenridge Apartment Homes	3893 Kensington Rd	Market	Family	Dissimilar Unit Mix
Ridge Stone Townhomes	1055 Holcombe Rd	Market	Family	Inferior Quality
Redan Cove Apartments	3737 Redan Rd	Market	Family	Dissimilar Unit Mix
Waterford Manor Apartment Homes	4015 Covington Hwy	Market	Family	Dissimilar Unit Mix
Valley Bridge Apartments	3937 Glenwood Rd	Market	Family	Inferior Quality
Kingstown Apartments	1609 Line St	Market	Family	Dissimilar Unit Mix
Creekside Forest	3000 Ember Dr	Market	Family	Inferior Quality
Laurel Mill Apartments	2566 Whites Mill Rd	Market	Family	Inferior Quality

Comparable Rental Property Map



COMPARABLE PROPERTIES				
#	Property Name	City	Type	Distance
1	Columbia Mill	Atlanta	LIHTC/Market	1.4 miles
2	Columbia Village	Decatur	LIHTC	1.8 miles
3	Orchard Walk Apartments*	Decatur	LIHTC/Market	1.9 miles
4	Retreat At Edgewood	Atlanta	LIHTC	4.2 miles
5	Retreat At Edgewood Phase II	Atlanta	LIHTC/Market	4.4 miles
6	Ashford East Village	Atlanta	Market	2.2 miles
7	Creeside Vista	Decatur	Market	1.8 miles
8	The Woodridge Apartment Homes	Decatur	Market	0.1 miles
9	Villages Of East Lake I And II	Atlanta	Market/PBRA	2.5 miles

*Located just outside PMA

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	Swift Creek 2591 Whites Mill Road Decatur, GA 30034 DeKalb County	n/a	Garden (3 stories) Proposed	LIHTC	3BR / 2BA	60	100.0%	@60%	\$845	1,145	no		N/A	N/A			
	60					100%	N/A						N/A				
1	Columbia Mill 2239 Flat Shoals Rd SE Atlanta, GA 30316 DeKalb County	1.4 miles	Various (2 stories) 2014 / n/a	LIHTC/ Market	1BR / 1BA (Garden)	10	10.0%	@50%	\$570	670	yes	Yes	0	0.0%			
					1BR / 1BA (Garden)	10	10.0%	@60%	\$700	766	yes	Yes	0	0.0%			
					1BR / 1BA (Garden)	5	5.0%	Market	\$947	766	n/a	Yes	0	0.0%			
					2BR / 2BA (Garden)	17	17.0%	@50%	\$680	1,031	yes	Yes	0	0.0%			
					2BR / 2BA (Garden)	17	17.0%	@60%	\$836	1,031	yes	Yes	0	0.0%			
					2BR / 2BA (Garden)	5	5.0%	Market	\$1,078	1,031	n/a	Yes	0	0.0%			
					2BR / 2.5BA (Townhouse)	6	6.0%	@60%	\$836	1,182	yes	Yes	0	0.0%			
					2BR / 2.5BA (Townhouse)	6	6.0%	Market	\$1,098	1,182	n/a	Yes	0	0.0%			
					3BR / 2BA (Garden)	10	10.0%	@50%	\$751	1,235	yes	Yes	0	0.0%			
					3BR / 2BA (Garden)	10	10.0%	@60%	\$931	1,235	yes	Yes	0	0.0%			
					3BR / 2BA (Garden)	4	4.0%	Market	\$1,240	1,235	n/a	Yes	0	0.0%			
					100	100%										0	0.0%
					2	Columbia Village 100 Jessica Ave Decatur, GA 30032 DeKalb County	1.8 miles	One-story 1999 / n/a	LIHTC	2BR / 2BA	20	20.0%	@50%	\$773	1,008	yes	No
2BR / 2BA	28	28.0%	@60%	\$843						1,008	yes	No	0	0.0%			
3BR / 2BA	18	18.0%	@50%	\$866						1,142	yes	No	0	0.0%			
3BR / 2BA	25	25.0%	@60%	\$955						1,142	yes	No	0	0.0%			
4BR / 2BA	9	9.0%	@60%	\$1,076						1,334	yes	No	0	0.0%			
100	100%															0	0.0%
3	Orchard Walk Apartments 3800 Flat Shoals Parkway Decatur, GA 30034 DeKalb County	1.9 miles	Various (2 stories) 1978 / 2005	LIHTC/ Market	2BR / 1.5BA (Garden)	N/A	N/A	@60%	\$768	1,218	no	No	0	N/A			
					2BR / 1.5BA (Garden)	N/A	N/A	Market	\$783	1,218	n/a	No	2	N/A			
					2BR / 2BA (Townhouse)	N/A	N/A	@60%	\$783	1,245	no	No	0	N/A			
					2BR / 2BA (Townhouse)	N/A	N/A	Market	\$833	1,245	n/a	No	0	N/A			
					3BR / 2BA (Garden)	N/A	N/A	@60%	\$855	1,425	no	No	1	N/A			
					3BR / 2BA (Garden)	N/A	N/A	Market	\$940	1,425	n/a	No	1	N/A			
					3BR / 2.5BA (Townhouse)	N/A	N/A	@60%	\$875	1,522	no	No	0	N/A			
					3BR / 2.5BA (Townhouse)	N/A	N/A	Market	\$950	1,522	n/a	No	0	N/A			
					204	100%										4	2.0%
					4	Retreat At Edgewood 150 Hutchinson Street NE Atlanta, GA 30307 DeKalb County	4.2 miles	Various (2 stories) 2011 / n/a	LIHTC	1BR / 1BA (Garden)	10	10.0%	@60%	\$677	732	no	No
1BR / 1BA (Garden)	10	10.0%	@60%	\$677						789	no	No	0	0.0%			
2BR / 1.5BA (Townhouse)	12	12.0%	@60%	\$777						1,174	no	No	0	0.0%			
2BR / 2BA (Townhouse)	12	12.0%	@60%	\$777						1,253	no	No	0	0.0%			
2BR / 2BA (Townhouse)	12	12.0%	@60%	\$777						1,538	no	No	0	0.0%			
2BR / 2.5BA (Townhouse)	12	12.0%	@60%	\$777						1,229	no	No	0	0.0%			
2BR / 2.5BA (Townhouse)	12	12.0%	@60%	\$777						1,333	no	No	0	0.0%			
3BR / 2.5BA (Townhouse)	7	7.0%	@60%	\$865						1,362	no	No	0	0.0%			
3BR / 2.5BA (Townhouse)	7	7.0%	@60%	\$865						1,568	no	No	0	0.0%			
3BR / 2.5BA (Townhouse)	6	6.0%	@60%	\$865						1,697	no	No	0	0.0%			
100	100%										1	1.0%					
5	Retreat At Edgewood Phase II 37 Hutchinson Street NE Atlanta, GA 30307 DeKalb County	4.4 miles	Various (2 stories) 2012 / n/a	LIHTC/ Market	1BR / 1BA (Garden)	2	5.0%	@50%	\$582	873	no	No	0	0.0%			
					1BR / 1BA (Garden)	27	67.5%	@60%	\$710	873	no	No	0	0.0%			
					1BR / 1BA (Garden)	1	2.5%	Market	\$892	809	n/a	No	0	0.0%			
					3BR / 2.5BA (Townhouse)	2	5.0%	@50%	\$738	1,595	no	No	0	0.0%			
					3BR / 2.5BA (Townhouse)	7	17.5%	@60%	\$911	1,595	no	No	0	0.0%			
					3BR / 2.5BA (Townhouse)	1	2.5%	Market	\$1,236	1,469	n/a	No	0	0.0%			
40	100%										0	0.0%					
6	Ashford East Village 1438 Bouldercrest Road SE Atlanta, GA 30316 DeKalb County	2.2 miles	Various (2 stories) 1979 / Ongoing	Market	1BR / 1BA (Garden)	60	16.2%	Market	\$1,070	815	n/a	No	2	3.3%			
					1BR / 1BA (Garden)	35	9.4%	Market	\$1,000	650	n/a	No	0	0.0%			
					2BR / 1BA (Garden)	30	8.1%	Market	\$1,075	780	n/a	No	0	0.0%			
					2BR / 1BA (Garden)	62	16.7%	Market	\$1,175	945	n/a	No	3	4.8%			
					2BR / 1.5BA (Townhouse)	92	24.8%	Market	\$1,275	1,155	n/a	No	2	2.2%			
					3BR / 2BA (Garden)	62	16.7%	Market	\$1,325	1,095	n/a	No	2	3.2%			
					3BR / 2BA (Garden)	30	8.1%	Market	\$1,200	980	n/a	No	0	0.0%			
					371	100%										9	2.4%
					7	Creekside Vista 3100 Lumbly Drive Decatur, GA 30034 DeKalb County	1.8 miles	Garden (3 stories) 2008 / n/a	Market	1BR / 1BA	N/A	N/A	Market	\$887	766	n/a	No
1BR / 1BA	N/A	N/A	Market	\$887						788	n/a	No	0	N/A			
2BR / 2BA	N/A	N/A	Market	\$998						1,083	n/a	No	1	N/A			
2BR / 2BA	N/A	N/A	Market	\$998						1,119	n/a	No	0	N/A			
3BR / 2BA	N/A	N/A	Market	\$1,070						1,349	n/a	No	0	N/A			
208	100%										2	1.0%					

SUMMARY MATRIX														
Comp #	Project	Distance	Type / Built / Renovated	Market / Subsidy	Units	#	%	Restriction	Rent (Adj.)	Size (SF)	Max Rent?	Wait List?	Units Vacant	Vacancy Rate
8	The Woodridge Apartment Homes 2567 Whites Mill Road Decatur, GA 30034 DeKalb County	0.1 miles	Garden (3 stories) 1976 / 2016	Market	1BR / 1BA	65	30.7%	Market	\$508	800	n/a	No	0	0.0%
					2BR / 2BA	108	50.9%	Market	\$599	1,150	n/a	No	8	7.4%
					3BR / 2BA	39	18.4%	Market	\$824	1,500	n/a	No	4	10.3%
						212	100%							12
9	Villages Of East Lake I And II 460 East Lake Blvd. Atlanta, GA 30317 DeKalb County	2.5 miles	Various 1998/2000 / n/a	Market/ PBRA	1BR / 1BA (Garden)	15	2.8%	Market	\$957	926	n/a	No	N/A	N/A
					1BR / 1BA (Garden)	8	1.5%	Market	\$977	1,026	n/a	No	N/A	N/A
					1BR / 1BA (Garden)	15	2.8%	PBRA	N/A	926	n/a	Yes	N/A	N/A
					1BR / 1BA (Garden)	8	1.5%	PBRA	N/A	1,026	n/a	Yes	N/A	N/A
					2BR / 1.5BA (Townhouse)	25	4.6%	Market	\$1,132	1,200	n/a	No	N/A	N/A
					2BR / 1.5BA (Townhouse)	26	4.8%	PBRA	N/A	1,200	n/a	Yes	N/A	N/A
					2BR / 2BA (Garden)	15	2.8%	Market	\$1,052	1,165	n/a	No	N/A	N/A
					2BR / 2BA (Garden)	84	15.5%	Market	\$1,082	1,282	n/a	No	N/A	N/A
					2BR / 2BA (Garden)	5	0.9%	Market	\$1,098	1,322	n/a	No	N/A	N/A
					2BR / 2BA (Garden)	15	2.8%	PBRA	N/A	1,165	n/a	Yes	N/A	N/A
					2BR / 2BA (Garden)	84	15.5%	PBRA	N/A	1,282	n/a	Yes	N/A	N/A
					2BR / 2BA (Garden)	5	0.9%	PBRA	N/A	1,322	n/a	Yes	N/A	N/A
					3BR / 2BA (Garden)	25	4.6%	Market	\$1,190	1,319	n/a	No	N/A	N/A
					3BR / 2BA (Garden)	20	3.7%	Market	\$1,255	1,400	n/a	No	N/A	N/A
					3BR / 2BA (Garden)	47	8.7%	Market	\$1,190	1,544	n/a	No	N/A	N/A
					3BR / 2BA (Garden)	3	0.6%	Market	\$1,255	1,585	n/a	No	N/A	N/A
					3BR / 2BA (Garden)	26	4.8%	PBRA	N/A	1,319	n/a	Yes	N/A	N/A
					3BR / 2BA (Garden)	20	3.7%	PBRA	N/A	1,400	n/a	Yes	N/A	N/A
					3BR / 2BA (Garden)	47	8.7%	PBRA	N/A	1,544	n/a	Yes	N/A	N/A
					3BR / 2BA (Garden)	3	0.6%	PBRA	N/A	1,585	n/a	Yes	N/A	N/A
					4BR / 2BA (Garden)	18	3.3%	Market	\$1,475	1,812	n/a	No	N/A	N/A
					4BR / 2BA (Garden)	18	3.3%	PBRA	N/A	1,812	n/a	Yes	N/A	N/A
					4BR / 2.5BA (Townhouse)	5	0.9%	Market	\$1,425	1,650	n/a	No	N/A	N/A
					4BR / 2.5BA (Townhouse)	5	0.9%	PBRA	N/A	1,650	n/a	Yes	N/A	N/A
					542	100%							24	4.4%

RENT AND SQUARE FOOTAGE RANKING -- All rents adjusted for utilities and concessions extracted from the market.						
Effective Rent Date:		Oct-16	Units Surveyed:	1,877	Weighted Occupancy:	97.2%
			Market Rate	1,333	Market Rate	96.5%
			Tax Credit	544	Tax Credit	99.1%
Three Bedrooms Two Bath						
	Property	Average				
RENT	Ashford East Village	\$1,325				
	Villages Of East Lake I And II	\$1,255				
	Villages Of East Lake I And II	\$1,255				
	Columbia Mill * (M)	\$1,240				
	Retreat At Edgewood Phase II * (2.5BA M)	\$1,236				
	Ashford East Village	\$1,200				
	Villages Of East Lake I And II	\$1,190				
	Villages Of East Lake I And II	\$1,190				
	Creekside Vista	\$1,070				
	Columbia Village * (60%)	\$955				
	Orchard Walk Apartments * (M)	\$940				
	Columbia Mill * (60%)	\$931				
	Retreat At Edgewood Phase II * (2.5BA 60%)	\$911				
	Columbia Village * (50%)	\$866				
	Retreat At Edgewood * (2.5BA 60%)	\$865				
	Retreat At Edgewood * (2.5BA 60%)	\$865				
	Retreat At Edgewood * (2.5BA 60%)	\$865				
	Orchard Walk Apartments * (60%)	\$855				
	Swift Creek * (60%)	\$845				
	The Woodridge Apartment Homes	\$824				
	Columbia Mill * (50%)	\$751				
	Retreat At Edgewood Phase II * (2.5BA 50%)	\$738				
	SQUARE FOOTAGE	Retreat At Edgewood * (2.5BA 60%)	1,697			
		Retreat At Edgewood Phase II * (2.5BA 50%)	1,595			
		Retreat At Edgewood Phase II * (2.5BA 60%)	1,595			
		Villages Of East Lake I And II	1,585			
		Retreat At Edgewood * (2.5BA 60%)	1,568			
		Villages Of East Lake I And II	1,544			
		The Woodridge Apartment Homes	1,500			
		Retreat At Edgewood Phase II * (2.5BA M)	1,469			
Orchard Walk Apartments * (60%)		1,425				
Orchard Walk Apartments * (M)		1,425				
Villages Of East Lake I And II		1,400				
Retreat At Edgewood * (2.5BA 60%)		1,362				
Creekside Vista		1,349				
Villages Of East Lake I And II		1,319				
Columbia Mill * (50%)		1,235				
Columbia Mill * (60%)		1,235				
Columbia Mill * (M)		1,235				
Swift Creek * (60%)		1,145				
Columbia Village * (50%)		1,142				
Columbia Village * (60%)		1,142				
Ashford East Village	1,095					
Ashford East Village	980					
RENT PER SQUARE FOOT	Ashford East Village	\$1.22				
	Ashford East Village	\$1.21				
	Columbia Mill * (M)	\$1.00				
	Villages Of East Lake I And II	\$0.90				
	Villages Of East Lake I And II	\$0.90				
	Retreat At Edgewood Phase II * (2.5BA M)	\$0.84				
	Columbia Village * (60%)	\$0.84				
	Creekside Vista	\$0.79				
	Villages Of East Lake I And II	\$0.79				
	Villages Of East Lake I And II	\$0.77				
	Columbia Village * (50%)	\$0.76				
	Columbia Mill * (60%)	\$0.75				
	Swift Creek * (60%)	\$0.74				
	Orchard Walk Apartments * (M)	\$0.66				
	Retreat At Edgewood * (2.5BA 60%)	\$0.64				
	Columbia Mill * (50%)	\$0.61				
	Orchard Walk Apartments * (60%)	\$0.60				
	Retreat At Edgewood Phase II * (2.5BA 60%)	\$0.57				
	Retreat At Edgewood * (2.5BA 60%)	\$0.55				
	The Woodridge Apartment Homes	\$0.55				
Retreat At Edgewood * (2.5BA 60%)	\$0.51					
Retreat At Edgewood Phase II * (2.5BA 50%)	\$0.46					

PROPERTY PROFILE REPORT

Columbia Mill

Effective Rent Date 9/08/2016
Location 2239 Flat Shoals Rd SE
 Atlanta, GA 30316
 DeKalb County
Distance 1.4 miles
Units 100
Vacant Units 0
Vacancy Rate 0.0%
Type Various (2 stories)
Year Built/Renovated 2014 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased 5/09/2014
Major Competitors Vineyards at Flat Shoals
Tenant Characteristics Mixed tenancy
Contact Name Jeri
Phone 404-241-7441



Market Information

Program @50%, @60%, Market
Annual Turnover Rate 5%
Units/Month Absorbed 20
HCV Tenants 15%
Leasing Pace Pre-leased
Annual Chg. in Rent Decreased 3% to increased 13%
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)	10	670	\$508	\$0	@50%	Yes	0	0.0%	yes	None
1	1	Garden (2 stories)	10	766	\$638	\$0	@60%	Yes	0	0.0%	yes	None
1	1	Garden (2 stories)	5	766	\$885	\$0	Market	Yes	0	0.0%	N/A	None
2	2	Garden (2 stories)	17	1,031	\$597	\$0	@50%	Yes	0	0.0%	yes	None
2	2	Garden (2 stories)	17	1,031	\$753	\$0	@60%	Yes	0	0.0%	yes	None
2	2	Garden (2 stories)	5	1,031	\$995	\$0	Market	Yes	0	0.0%	N/A	None
2	2.5	Townhouse (2 stories)	6	1,182	\$753	\$0	@60%	Yes	0	0.0%	yes	None
2	2.5	Townhouse (2 stories)	6	1,182	\$1,015	\$0	Market	Yes	0	0.0%	N/A	None
3	2	Garden	10	1,235	\$646	\$0	@50%	Yes	0	0.0%	yes	None
3	2	Garden	10	1,235	\$826	\$0	@60%	Yes	0	0.0%	yes	None
3	2	Garden	4	1,235	\$1,135	\$0	Market	Yes	0	0.0%	N/A	None

Columbia Mill, continued

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$508	\$0	\$508	\$62	\$570	1BR / 1BA	\$638	\$0	\$638	\$62	\$700
2BR / 2BA	\$597	\$0	\$597	\$83	\$680	2BR / 2BA	\$753	\$0	\$753	\$83	\$836
3BR / 2BA	\$646	\$0	\$646	\$105	\$751	2BR / 2.5BA	\$753	\$0	\$753	\$83	\$836
						3BR / 2BA	\$826	\$0	\$826	\$105	\$931

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$885	\$0	\$885	\$62	\$947
2BR / 2BA	\$995	\$0	\$995	\$83	\$1,078
2BR / 2.5BA	\$1,015	\$0	\$1,015	\$83	\$1,098
3BR / 2BA	\$1,135	\$0	\$1,135	\$105	\$1,240

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Garbage Disposal
Refrigerator
Washer/Dryer hookup

Blinds
Central A/C
Dishwasher
Oven
Walk-In Closet

Security

In-Unit Alarm
Intercom (Video)
Limited Access
Perimeter Fencing

Services

None

Property

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

Clubhouse/Meeting
Central Laundry
On-Site Management
Playground

Premium

None

Other

None

Comments

The contact was unable to provide the length of the waiting list.

Columbia Mill, continued

Trend Report

Vacancy Rates

2Q06	1Q07	4Q15	3Q16
10.0%	3.3%	1.0%	0.0%

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2006	2	N/A	\$455	\$0	\$455	\$517
2007	1	N/A	\$499	\$0	\$499	\$561
2015	4	0.0%	\$508	\$0	\$508	\$570
2016	3	0.0%	\$508	\$0	\$508	\$570

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2006	2	N/A	\$555	\$0	\$555	\$638
2007	1	N/A	\$599	\$0	\$599	\$682

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	4	0.0%	\$597	\$0	\$597	\$680
2016	3	0.0%	\$597	\$0	\$597	\$680

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2006	2	N/A	\$655	\$0	\$655	\$760
2007	1	N/A	\$699	\$0	\$699	\$804
2015	4	0.0%	\$646	\$0	\$646	\$751
2016	3	0.0%	\$646	\$0	\$646	\$751

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	4	0.0%	\$638	\$0	\$638	\$700
2016	3	0.0%	\$638	\$0	\$638	\$700

2BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	4	0.0%	\$753	\$0	\$753	\$836
2016	3	0.0%	\$753	\$0	\$753	\$836

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	4	5.9%	\$753	\$0	\$753	\$836
2016	3	0.0%	\$753	\$0	\$753	\$836

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	4	0.0%	\$826	\$0	\$826	\$931
2016	3	0.0%	\$826	\$0	\$826	\$931

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	4	0.0%	\$785	\$0	\$785	\$847
2016	3	0.0%	\$885	\$0	\$885	\$947

2BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	4	0.0%	\$1,050	\$0	\$1,050	\$1,133
2016	3	0.0%	\$1,015	\$0	\$1,015	\$1,098

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	4	0.0%	\$959	\$0	\$959	\$1,042
2016	3	0.0%	\$995	\$0	\$995	\$1,078

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	4	0.0%	\$1,085	\$0	\$1,085	\$1,190
2016	3	0.0%	\$1,135	\$0	\$1,135	\$1,240

Columbia Mill, continued

Trend: Comments

- 2Q06** Columbia Mill has not had any changes in the rents since we last surveyed them. Leasing staff was unsure of their annual turnover rate but stated that when units become available they rent very quickly.
- 1Q07** Contact had no comments about the property.
- 4Q15** The length of the waiting list was not available.
- 3Q16** The contact was unable to provide the length of the waiting list.

Photos



PROPERTY PROFILE REPORT

Columbia Village

Effective Rent Date	9/09/2016
Location	100 Jessica Ave Decatur, GA 30032 DeKalb County
Distance	1.8 miles
Units	100
Vacant Units	0
Vacancy Rate	0.0%
Type	One-story
Year Built/Renovated	1999 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Village of East Lake
Tenant Characteristics	Common employers are daycare centers, hospitals, and schools
Contact Name	Lily
Phone	404.377.2445



Market Information

Program	@50%, @60%
Annual Turnover Rate	5%
Units/Month Absorbed	N/A
HCV Tenants	15%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Kept at max
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	One-story	20	1,008	\$690	\$0	@50%	No	0	0.0%	yes	None
2	2	One-story	28	1,008	\$760	\$0	@60%	No	0	0.0%	yes	None
3	2	One-story	18	1,142	\$761	\$0	@50%	No	0	0.0%	yes	None
3	2	One-story	25	1,142	\$850	\$0	@60%	No	0	0.0%	yes	None
4	2	One-story	9	1,334	\$950	\$0	@60%	No	0	0.0%	yes	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 2BA	\$690	\$0	\$690	\$83	\$773	2BR / 2BA	\$760	\$0	\$760	\$83	\$843
3BR / 2BA	\$761	\$0	\$761	\$105	\$866	3BR / 2BA	\$850	\$0	\$850	\$105	\$955
						4BR / 2BA	\$950	\$0	\$950	\$126	\$1,076

Columbia Village, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Ceiling Fan
Oven
Walk-In Closet

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

Security

In-Unit Alarm
Limited Access
Perimeter Fencing
Video Surveillance

Services

None

Property

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

Clubhouse/Meeting
Off-Street Parking
Picnic Area

Premium

None

Other

None

Comments

The contact was unable to provide rents for the 50 percent AMI units.

Columbia Village, continued

Trend Report

Vacancy Rates

3Q12	2Q13	3Q13	3Q16
4.0%	5.0%	5.0%	0.0%

Trend: @50%

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	3	N/A	\$667	\$0	\$667	\$750
2013	2	N/A	\$690	\$0	\$690	\$773
2013	3	N/A	\$690	\$0	\$690	\$773
2016	3	0.0%	\$690	\$0	\$690	\$773

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	3	N/A	\$781	\$0	\$781	\$886
2013	2	N/A	\$761	\$0	\$761	\$866
2013	3	N/A	\$761	\$0	\$761	\$866
2016	3	0.0%	\$761	\$0	\$761	\$866

4BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	3	N/A	\$850	\$0	\$850	\$976

Trend: @60%

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	3	N/A	\$761	\$0	\$761	\$844
2013	2	N/A	\$735	\$0	\$735	\$818
2013	3	N/A	\$735	\$0	\$735	\$818
2016	3	0.0%	\$760	\$0	\$760	\$843

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	3	N/A	\$850	\$0	\$850	\$955
2013	2	N/A	\$850	\$0	\$850	\$955
2013	3	N/A	\$850	\$0	\$850	\$955
2016	3	0.0%	\$850	\$0	\$850	\$955

4BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	3	N/A	\$950	\$0	\$950	\$1,076
2013	2	N/A	\$950	\$0	\$950	\$1,076
2013	3	N/A	\$950	\$0	\$950	\$1,076
2016	3	0.0%	\$950	\$0	\$950	\$1,076

Trend: Comments

- 3Q12** There is currently no waiting list.
Manager did provide any other details regarding the property.
- 2Q13** The property manager reported that rental demand is picking up and all of the units are pre-leased. Some of rents have decreased slightly, while the two-bedroom @50 increased.
- 3Q13** The property manager reported that rental demand is adequate, and all of the units are pre-leased. Some of rents have decreased slightly, but rents for two-bedroom units at 50 percent of the AMI have increased. The manager stated that the slight decrease is to remain competitive in the market.
- 3Q16** The contact was unable to provide rents for the 50 percent AMI units.

Photos



PROPERTY PROFILE REPORT

Orchard Walk Apartments

Effective Rent Date	9/06/2016
Location	3800 Flat Shoals Parkway Decatur, GA 30034 DeKalb County
Distance	1.9 miles
Units	204
Vacant Units	4
Vacancy Rate	2.0%
Type	Various (2 stories)
Year Built/Renovated	1978 / 2005
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Creekside Vista
Tenant Characteristics	Mostly from southern DeKalb County
Contact Name	Shantel
Phone	404-243-8585



Market Information

Program	@60%, Market
Annual Turnover Rate	12%
Units/Month Absorbed	N/A
HCV Tenants	10%
Leasing Pace	Within 15 days
Annual Chg. in Rent	Decreased 5% to increased 5%
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	1.5	Garden (2 stories)	N/A	1,218	\$685	\$0	@60%	No	0	N/A	no	None
2	1.5	Garden (2 stories)	N/A	1,218	\$700	\$0	Market	No	2	N/A	N/A	None
2	2	Townhouse (2 stories)	N/A	1,245	\$700	\$0	@60%	No	0	N/A	no	None
2	2	Townhouse (2 stories)	N/A	1,245	\$750	\$0	Market	No	0	N/A	N/A	None
3	2	Garden (2 stories)	N/A	1,425	\$750	\$0	@60%	No	1	N/A	no	None
3	2	Garden (2 stories)	N/A	1,425	\$835	\$0	Market	No	1	N/A	N/A	None
3	2.5	Townhouse (2 stories)	N/A	1,522	\$770	\$0	@60%	No	0	N/A	no	None
3	2.5	Townhouse (2 stories)	N/A	1,522	\$845	\$0	Market	No	0	N/A	N/A	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 1.5BA	\$685	\$0	\$685	\$83	\$768	2BR / 1.5BA	\$700	\$0	\$700	\$83	\$783
2BR / 2BA	\$700	\$0	\$700	\$83	\$783	2BR / 2BA	\$750	\$0	\$750	\$83	\$833
3BR / 2BA	\$750	\$0	\$750	\$105	\$855	3BR / 2BA	\$835	\$0	\$835	\$105	\$940
3BR / 2.5BA	\$770	\$0	\$770	\$105	\$875	3BR / 2.5BA	\$845	\$0	\$845	\$105	\$950

Orchard Walk Apartments, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Garbage Disposal
Refrigerator
Washer/Dryer hookup

Blinds
Central A/C
Dishwasher
Oven
Walk-In Closet

Security

Intercom (Buzzer)
Limited Access
Perimeter Fencing

Services

None

Property

Business Center/Computer Lab
Off-Street Parking
Swimming Pool

Central Laundry
On-Site Management

Premium

None

Other

None

Comments

The contact had no additional comments.

Orchard Walk Apartments, continued

Trend Report

Vacancy Rates

3Q14	4Q15	3Q16
1.5%	1.0%	2.0%

Trend: @60%

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	3	N/A	\$655	\$27	\$628	\$711
2015	4	N/A	\$685	\$0	\$685	\$768
2016	3	N/A	\$685	\$0	\$685	\$768

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	3	N/A	\$660	\$28	\$632	\$715
2015	4	N/A	\$665	\$0	\$665	\$748
2016	3	N/A	\$700	\$0	\$700	\$783

3BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	3	N/A	\$753	\$31	\$722	\$827
2015	4	N/A	\$755	\$0	\$755	\$860
2016	3	N/A	\$770	\$0	\$770	\$875

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	3	N/A	\$725	\$30	\$695	\$800
2015	4	N/A	\$745	\$0	\$745	\$850
2016	3	N/A	\$750	\$0	\$750	\$855

Trend: Market

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	3	N/A	\$675	\$28	\$647	\$730
2015	4	N/A	\$735	\$0	\$735	\$818
2016	3	N/A	\$700	\$0	\$700	\$783

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	3	N/A	\$690	\$29	\$661	\$744
2015	4	N/A	\$715	\$0	\$715	\$798
2016	3	N/A	\$750	\$0	\$750	\$833

3BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	3	N/A	\$785	\$33	\$752	\$857
2015	4	N/A	\$830	\$0	\$830	\$935
2016	3	N/A	\$845	\$0	\$845	\$950

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	3	N/A	\$745	\$31	\$714	\$819
2015	4	N/A	\$820	\$0	\$820	\$925
2016	3	N/A	\$835	\$0	\$835	\$940

Trend: Comments

- 3Q14** The vacant units were estimated by the property representative. The representative was unable to comment on the number of tenants using Housing Choice Vouchers.
- 4Q15** Management was unable to provide the number of tenants using Housing Choice Vouchers.
- 3Q16** The contact had no additional comments.

Orchard Walk Apartments, continued

Photos



PROPERTY PROFILE REPORT

Retreat At Edgewood

Effective Rent Date 8/02/2016
Location 150 Hutchinson Street NE
 Atlanta, GA 30307
 Dekalb County
Distance 4.2 miles
Units 100
Vacant Units 1
Vacancy Rate 1.0%
Type Various (2 stories)
Year Built/Renovated 2011 / N/A
Marketing Began N/A
Leasing Began 11/22/2011
Last Unit Leased 4/30/2012
Major Competitors None identified
Tenant Characteristics Mixed tenancy
Contact Name Terri
Phone 404-577-9001



Market Information

Program @60%
Annual Turnover Rate 23%
Units/Month Absorbed 20
HCV Tenants 0%
Leasing Pace Within one month
Annual Chg. in Rent Increased 3 to 4% since 4Q15
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)	10	732	\$615	\$0	@60%	No	1	10.0%	no	None
1	1	Garden (2 stories)	10	789	\$615	\$0	@60%	No	0	0.0%	no	None
2	1.5	Townhouse (2 stories)	12	1,174	\$694	\$0	@60%	No	0	0.0%	no	None
2	2	Townhouse (2 stories)	12	1,253	\$694	\$0	@60%	No	0	0.0%	no	None
2	2	Townhouse (2 stories)	12	1,538	\$694	\$0	@60%	No	0	0.0%	no	None
2	2.5	Townhouse (2 stories)	12	1,229	\$694	\$0	@60%	No	0	0.0%	no	None
2	2.5	Townhouse (2 stories)	12	1,333	\$694	\$0	@60%	No	0	0.0%	no	None
3	2.5	Townhouse (2 stories)	7	1,362	\$760	\$0	@60%	No	0	0.0%	no	None
3	2.5	Townhouse (2 stories)	7	1,568	\$760	\$0	@60%	No	0	0.0%	no	None
3	2.5	Townhouse (2 stories)	6	1,697	\$760	\$0	@60%	No	0	0.0%	no	None

Retreat At Edgewood, continued

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$615	\$0	\$615	\$62	\$677
2BR / 1.5BA	\$694	\$0	\$694	\$83	\$777
2BR / 2BA	\$694	\$0	\$694	\$83	\$777
2BR / 2.5BA	\$694	\$0	\$694	\$83	\$777
3BR / 2.5BA	\$760	\$0	\$760	\$105	\$865

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Exterior Storage
Garbage Disposal
Refrigerator
Washer/Dryer

Blinds
Central A/C
Dishwasher
Ceiling Fan
Oven
Walk-In Closet
Washer/Dryer hookup

Security

In-Unit Alarm

Services

None

Property

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

Clubhouse/Meeting
Garage
On-Site Management
Playground

Premium

None

Other

None

Comments

Management reported strong demand for affordable housing in the local area. The property currently has one vacant one-bedroom unit, which has a pending application. The rents at the property have increased three to four percent since the fourth quarter of 2015. Although the property has a high occupancy rate it does not maintain a waiting list. They operate on a first come first serve basis.

Retreat At Edgewood, continued

Trend Report

Vacancy Rates

3Q13	4Q15	2Q16	3Q16
0.0%	0.0%	0.0%	1.0%

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	3	N/A	\$590	\$0	\$590	\$652
2015	4	0.0%	\$590	\$0	\$590	\$652
2016	2	0.0%	\$590	\$0	\$590	\$652
2016	3	5.0%	\$615	\$0	\$615	\$677

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	3	N/A	\$669	\$0	\$669	\$752
2015	4	0.0%	\$669	\$0	\$669	\$752
2016	2	0.0%	\$669	\$0	\$669	\$752
2016	3	0.0%	\$694	\$0	\$694	\$777

2BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	3	N/A	\$669	\$0	\$669	\$752
2015	4	0.0%	\$669	\$0	\$669	\$752
2016	2	0.0%	\$669	\$0	\$669	\$752
2016	3	0.0%	\$694	\$0	\$694	\$777

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	3	N/A	\$669	\$0	\$669	\$752
2015	4	0.0%	\$669	\$0	\$669	\$752
2016	2	0.0%	\$669	\$0	\$669	\$752
2016	3	0.0%	\$694	\$0	\$694	\$777

3BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	3	N/A	\$735	\$0	\$735	\$840
2015	4	0.0%	\$735	\$0	\$735	\$840
2016	2	0.0%	\$735	\$0	\$735	\$840
2016	3	0.0%	\$760	\$0	\$760	\$865

Trend: Comments

3Q13	The contact reported that demand for apartments at the Retreat at Edgewood has been strong, the wait list has been approximately six months or less.
4Q15	Management reported strong demand for affordable housing in the local area.
2Q16	N/A
3Q16	Management reported strong demand for affordable housing in the local area. The property currently has one vacant one-bedroom unit, which has a pending application. The rents at the property have increased three to four percent since the fourth quarter of 2015. Although the property has a high occupancy rate it does not maintain a waiting list. They operate on a first come first serve basis.

Retreat At Edgewood, continued

Photos



PROPERTY PROFILE REPORT

Retreat At Edgewood Phase II

Effective Rent Date	8/02/2016
Location	37 Hutchinson Street NE Atlanta, GA 30307 DeKalb County
Distance	4.4 miles
Units	40
Vacant Units	0
Vacancy Rate	0.0%
Type	Various (2 stories)
Year Built/Renovated	2012 / N/A
Marketing Began	N/A
Leasing Began	9/04/2012
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Mixed tenancy
Contact Name	Terri
Phone	404-577-9001



Market Information

Program	@50%, @60%, Market
Annual Turnover Rate	27%
Units/Month Absorbed	12
HCV Tenants	0%
Leasing Pace	Within one month
Annual Chg. in Rent	Increased 3 to 5% since 4Q15
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)	2	873	\$520	\$0	@50%	No	0	0.0%	no	None
1	1	Garden (2 stories)	27	873	\$648	\$0	@60%	No	0	0.0%	no	None
1	1	Garden (2 stories)	1	809	\$830	\$0	Market	No	0	0.0%	N/A	None
3	2.5	Townhouse (2 stories)	2	1,595	\$633	\$0	@50%	No	0	0.0%	no	None
3	2.5	Townhouse (2 stories)	7	1,595	\$806	\$0	@60%	No	0	0.0%	no	None
3	2.5	Townhouse (2 stories)	1	1,469	\$1,131	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$520	\$0	\$520	\$62	\$582	1BR / 1BA	\$648	\$0	\$648	\$62	\$710
3BR / 2.5BA	\$633	\$0	\$633	\$105	\$738	3BR / 2.5BA	\$806	\$0	\$806	\$105	\$911
Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent						
1BR / 1BA	\$830	\$0	\$830	\$62	\$892						
3BR / 2.5BA	\$1,131	\$0	\$1,131	\$105	\$1,236						

Retreat At Edgewood Phase II, continued

Amenities

In-Unit

Balcony/Patio
Carpet/Hardwood
Central A/C
Dishwasher
Ceiling Fan
Oven
Walk-In Closet
Washer/Dryer hookup

Blinds
Carpeting
Coat Closet
Exterior Storage
Garbage Disposal
Refrigerator
Washer/Dryer

Security

In-Unit Alarm
Patrol
Video Surveillance

Services

None

Property

Business Center/Computer Lab
Garage
Picnic Area

Clubhouse/Meeting
Off-Street Parking
Playground

Premium

None

Other

None

Comments

Management reported strong demand for affordable housing in the local area. Although the property is 100 percent occupied it does not maintain a waiting list. They operate on a first come first serve basis. It should be noted that the development's sponsor, Mayson Avenue Cooperative, is a non profit that was created to maintain affordable rental housing in the Edgewood neighborhood and rents are kept affordable.

Retreat At Edgewood Phase II, continued

Trend Report

Vacancy Rates

4Q15	1Q16	2Q16	3Q16
2.5%	2.5%	2.5%	0.0%

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	4	0.0%	\$495	\$0	\$495	\$557
2016	1	0.0%	\$495	\$0	\$495	\$557
2016	2	0.0%	\$495	\$0	\$495	\$557
2016	3	0.0%	\$520	\$0	\$520	\$582

3BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	4	0.0%	\$608	\$0	\$608	\$713
2016	1	0.0%	\$608	\$0	\$608	\$713
2016	2	0.0%	\$608	\$0	\$608	\$713
2016	3	0.0%	\$633	\$0	\$633	\$738

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	4	0.0%	\$623	\$0	\$623	\$685
2016	1	0.0%	\$623	\$0	\$623	\$685
2016	2	0.0%	\$623	\$0	\$623	\$685
2016	3	0.0%	\$648	\$0	\$648	\$710

3BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	4	14.3%	\$781	\$0	\$781	\$886
2016	1	14.3%	\$781	\$0	\$781	\$886
2016	2	14.3%	\$781	\$0	\$781	\$886
2016	3	0.0%	\$806	\$0	\$806	\$911

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	4	0.0%	\$809	\$0	\$809	\$871
2016	1	0.0%	\$809	\$0	\$809	\$871
2016	2	0.0%	\$809	\$0	\$809	\$871
2016	3	0.0%	\$830	\$0	\$830	\$892

3BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	4	0.0%	\$1,081	\$0	\$1,081	\$1,186
2016	1	0.0%	\$1,081	\$0	\$1,081	\$1,186
2016	2	0.0%	\$1,081	\$0	\$1,081	\$1,186
2016	3	0.0%	\$1,131	\$0	\$1,131	\$1,236

Trend: Comments

4Q15 Management reported strong demand for affordable housing in the local area.

1Q16 N/A

2Q16 N/A

3Q16 Management reported strong demand for affordable housing in the local area. Although the property is 100 percent occupied it does not maintain a waiting list. They operate on a first come first serve basis. It should be noted that the development's sponsor, Mayson Avenue Cooperative, is a non profit that was created to maintain affordable rental housing in the Edgewood neighborhood and rents are kept affordable.

Retreat At Edgewood Phase II, continued

Photos



PROPERTY PROFILE REPORT

Ashford East Village

Effective Rent Date	9/12/2016
Location	1438 Bouldercrest Road SE Atlanta, GA 30316 DeKalb County
Distance	2.2 miles
Units	371
Vacant Units	9
Vacancy Rate	2.4%
Type	Various (2 stories)
Year Built/Renovated	1979 / Ongoing
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	1/25/2005
Major Competitors	Broadway at East Atlanta
Tenant Characteristics	Mixed tenancy, mostly families
Contact Name	Tora
Phone	404-748-4466



Market Information

Program	Market
Annual Turnover Rate	10%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within one month
Annual Chg. in Rent	Increased 10-15%
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	60	815	\$1,070	\$0	Market	No	2	3.3%	N/A	None
1	1	Garden (2 stories)	35	650	\$1,000	\$0	Market	No	0	0.0%	N/A	None
2	1	Garden (2 stories)	30	780	\$1,075	\$0	Market	No	0	0.0%	N/A	None
2	1	Garden (2 stories)	62	945	\$1,175	\$0	Market	No	3	4.8%	N/A	None
2	1.5	Townhouse (2 stories)	92	1,155	\$1,275	\$0	Market	No	2	2.2%	N/A	None
3	2	Garden (2 stories)	62	1,095	\$1,325	\$0	Market	No	2	3.2%	N/A	None
3	2	Garden (2 stories)	30	980	\$1,200	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$1,000 - \$1,070	\$0	\$1,000 - \$1,070	\$0	\$1,000 - \$1,070
2BR / 1BA	\$1,075 - \$1,175	\$0	\$1,075 - \$1,175	\$0	\$1,075 - \$1,175
2BR / 1.5BA	\$1,275	\$0	\$1,275	\$0	\$1,275
3BR / 2BA	\$1,200 - \$1,325	\$0	\$1,200 - \$1,325	\$0	\$1,200 - \$1,325

Ashford East Village, continued

Amenities

In-Unit

Balcony/Patio
Carpet/Hardwood
Coat Closet
Ceiling Fan
Microwave
Refrigerator
Washer/Dryer

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

Security

Limited Access
Perimeter Fencing

Services

None

Property

Business Center/Computer Lab
Courtyard
Off-Street Parking
Picnic Area
Sport Court
Wi-Fi

Clubhouse/Meeting
Exercise Facility
On-Site Management
Playground
Swimming Pool

Premium

None

Other

None

Comments

Renovated units include new hardwood floors in living areas, new cabinets and granite countertops in kitchens and bathrooms, black appliances, paint, and fixtures throughout. The rent profile reflects renovated rents. Non-renovated units rent for a discount of \$100 to \$175 per month. Each unit offers an in-unit washer/dryer. This property does not accept Housing Choice Vouchers.

Ashford East Village, continued

Trend Report

Vacancy Rates

2Q05	4Q06	4Q15	3Q16
3.7%	21.7%	5.9%	2.4%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2005	2	N/A	\$525	\$0	\$525	\$525
2006	4	20.7%	\$525	\$0	\$525	\$525
2015	4	N/A	\$800	\$0	\$800	\$800
2016	3	2.1%	\$1,000 - \$1,070	\$0	\$1,000 - \$1,070	\$1,000 - \$1,070

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2005	2	N/A	\$655	\$105	\$550	\$550
2006	4	22.5%	\$655	\$0	\$655	\$655
2015	4	N/A	\$925	\$0	\$925	\$925
2016	3	2.2%	\$1,275	\$0	\$1,275	\$1,275

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2005	2	N/A	\$595	\$96	\$499	\$499
2006	4	21.3%	\$595	\$0	\$595	\$595
2015	4	N/A	\$825	\$0	\$825	\$825
2016	3	3.3%	\$1,075 - \$1,175	\$0	\$1,075 - \$1,175	\$1,075 - \$1,175

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2005	2	N/A	\$725	\$26	\$699	\$699
2006	4	22.5%	\$725	\$0	\$725	\$725
2015	4	N/A	\$1,090	\$0	\$1,090	\$1,090
2016	3	2.2%	\$1,200 - \$1,325	\$0	\$1,200 - \$1,325	\$1,200 - \$1,325

Trend: Comments

2Q05	Sun Valley Apartments currently has 12 vacant units and no waiting list. Concessions are in the form of reduced rental rates. 1 bedroom units do not offer any concessions.
4Q06	All rents have remained the same since the last interview. The property currently has 70 vacancies, which management estimated were evenly distributed between bedroom types. Management stated that the property changed management companies three months ago and is now managed by Evergreen Ventures. The current concession is no application fee, a \$150 security deposit, and a \$100 administration fee. Management stated that the property has had good retention since the new management took over, and management's goal is to have the property close to 100 percent occupied within one month. The property no longer accepts Section 8 vouchers. Management reported that most tenants are from the south Atlanta area.
4Q15	The two-bedroom rents decreased two to three percent since October 2015. The three-bedroom rents increased one percent since October 2015. Management could not provide an explanation for the rent decreases. The property offers a dog park and bocce/shuffleboard courts.
3Q16	Renovated units include new hardwood floors in living areas, new cabinets and granite countertops in kitchens and bathrooms, black appliances, paint, and fixtures throughout. The rent profile reflects renovated rents. Non-renovated units rent for a discount of \$100 to \$175 per month. Each unit offers an in-unit washer/dryer. This property does not accept Housing Choice Vouchers.

Photos



PROPERTY PROFILE REPORT

Creekside Vista

Effective Rent Date	9/14/2016
Location	3100 Lumby Drive Decatur, GA 30034 DeKalb County
Distance	1.8 miles
Units	208
Vacant Units	2
Vacancy Rate	1.0%
Type	Garden (3 stories)
Year Built/Renovated	2008 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Mixed tenancy
Contact Name	Jaea
Phone	404-212-9669



Market Information

Program	Market
Annual Turnover Rate	23%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within one week
Annual Chg. in Rent	Increased to MR
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	766	\$825	\$0	Market	No	1	N/A	N/A	None
1	1	Garden (3 stories)	N/A	788	\$825	\$0	Market	No	0	N/A	N/A	None
2	2	Garden (3 stories)	N/A	1,083	\$915	\$0	Market	No	1	N/A	N/A	None
2	2	Garden (3 stories)	N/A	1,119	\$915	\$0	Market	No	0	N/A	N/A	None
3	2	Garden (3 stories)	N/A	1,349	\$965	\$0	Market	No	0	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$825	\$0	\$825	\$62	\$887
2BR / 2BA	\$915	\$0	\$915	\$83	\$998
3BR / 2BA	\$965	\$0	\$965	\$105	\$1,070

Creekside Vista, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Exterior Storage
Garbage Disposal
Refrigerator
Washer/Dryer hookup

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

Security

Limited Access
Perimeter Fencing

Services

None

Property

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

Clubhouse/Meeting
Exercise Facility
Off-Street Parking
Picnic Area
Swimming Pool

Premium

None

Other

Tanning Salon

Comments

The property is a former tax credit property that converted to market rate in October 2015 under new ownership through foreclosure. The property does not accept Housing Choice Vouchers. A unit mix was not provided.

Creekside Vista, continued

Photos



PROPERTY PROFILE REPORT

The Woodridge Apartment Homes

Effective Rent Date	9/08/2016
Location	2567 Whites Mill Road Decatur, GA 30034 DeKalb County
Distance	0.1 miles
Units	212
Vacant Units	12
Vacancy Rate	5.7%
Type	Garden (3 stories)
Year Built/Renovated	1976 / 2016
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Mixed tenancy
Contact Name	Faizah
Phone	404.212.9721



Market Information

Program	Market
Annual Turnover Rate	11%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within three days
Annual Chg. in Rent	None reported
Concession	See comments

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	65	800	\$558	\$50	Market	No	0	0.0%	N/A	None
2	2	Garden (3 stories)	108	1,150	\$649	\$50	Market	No	8	7.4%	N/A	None
3	2	Garden (3 stories)	39	1,500	\$874	\$50	Market	No	4	10.3%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$558	\$50	\$508	\$0	\$508
2BR / 2BA	\$649	\$50	\$599	\$0	\$599
3BR / 2BA	\$874	\$50	\$824	\$0	\$824

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Patrol	None
Carpeting	Central A/C		
Coat Closet	Garbage Disposal		
Oven	Refrigerator		
Washer/Dryer hookup			
Property		Premium	Other
Off-Street Parking	Playground	None	None
Swimming Pool			

The Woodridge Apartment Homes, continued

Comments

The property was formerly known as Highland Club. The property accepts Housing Choice Vouchers; however, the contact was unsure how many were being utilized at this time. The property is running a concession where tenants receive \$300 off the first month's rent, \$200 off the second month's rent, and \$100 off the third month's rent. The property renovated some of their units in spring 2016. The renovations included new appliances, counter tops, light fixtures, and carpet.

The Woodridge Apartment Homes, continued

Trend Report

Vacancy Rates

2Q05	3Q16
N/A	5.7%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2005	2	N/A	\$545	\$65	\$480	\$480
2016	3	0.0%	\$558	\$50	\$508	\$508

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2005	2	N/A	\$619	\$44	\$575	\$575
2016	3	7.4%	\$649	\$50	\$599	\$599

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2005	2	N/A	\$830	\$0	\$830	\$830
2016	3	10.3%	\$874	\$50	\$824	\$824

Trend: Comments

- 2Q05** Highland Club is a garden style market rate property with 212 units. Section 8 vouchers are accepted. The contact at the property had only been there 2 weeks and had minimal information on the community.
- 3Q16** The property was formerly known as Highland Club. The property accepts Housing Choice Vouchers; however, the contact was unsure how many were being utilized at this time. The property is running a concession where tenants receive \$300 off the first month's rent, \$200 off the second month's rent, and \$100 off the third month's rent. The property renovated some of their units in spring 2016. The renovations included new appliances, counter tops, light fixtures, and carpet.

Photos



PROPERTY PROFILE REPORT

Villages Of East Lake I And II

Effective Rent Date 9/13/2016
Location 460 East Lake Blvd.
Atlanta, GA 30317
DeKalb County
Distance 2.5 miles
Units 542
Vacant Units 24
Vacancy Rate 4.4%
Type Various
Year Built/Renovated 1998/2000 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased 2/03/2005
Major Competitors None identified
Tenant Characteristics Mixed tenancy
Contact Name Property Manager
Phone 404-373-9598



Market Information

Program Market/PBRA
Annual Turnover Rate 25%
Units/Month Absorbed N/A
HCV Tenants 0%
Leasing Pace Within one month
Annual Chg. in Rent Increased 0-4%
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

Villages Of East Lake I And II, continued

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	15	926	\$895	\$0	Market	No	N/A	N/A	N/A	None
1	1	Garden (3 stories)	8	1,026	\$915	\$0	Market	No	N/A	N/A	N/A	None
1	1	Garden (3 stories)	15	926	N/A	\$0	PBRA	Yes	N/A	N/A	N/A	None
1	1	Garden (3 stories)	8	1,026	N/A	\$0	PBRA	Yes	N/A	N/A	N/A	None
2	1.5	Townhouse (2 stories)	25	1,200	\$1,049	\$0	Market	No	N/A	N/A	N/A	None
2	1.5	Townhouse (2 stories)	26	1,200	N/A	\$0	PBRA	Yes	N/A	N/A	N/A	None
2	2	Garden (3 stories)	15	1,165	\$969	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (3 stories)	84	1,282	\$999	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (3 stories)	5	1,322	\$1,015	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (3 stories)	15	1,165	N/A	\$0	PBRA	Yes	N/A	N/A	N/A	None
2	2	Garden (3 stories)	84	1,282	N/A	\$0	PBRA	Yes	N/A	N/A	N/A	None
2	2	Garden (3 stories)	5	1,322	N/A	\$0	PBRA	Yes	N/A	N/A	N/A	None
3	2	Garden (3 stories)	25	1,319	\$1,085	\$0	Market	No	N/A	N/A	N/A	None
3	2	Garden (3 stories)	20	1,400	\$1,150	\$0	Market	No	N/A	N/A	N/A	None
3	2	Garden (3 stories)	47	1,544	\$1,085	\$0	Market	No	N/A	N/A	N/A	None
3	2	Garden (3 stories)	3	1,585	\$1,150	\$0	Market	No	N/A	N/A	N/A	None
3	2	Garden (3 stories)	26	1,319	N/A	\$0	PBRA	Yes	N/A	N/A	N/A	None
3	2	Garden (3 stories)	20	1,400	N/A	\$0	PBRA	Yes	N/A	N/A	N/A	None
3	2	Garden (3 stories)	47	1,544	N/A	\$0	PBRA	Yes	N/A	N/A	N/A	None
3	2	Garden (3 stories)	3	1,585	N/A	\$0	PBRA	Yes	N/A	N/A	N/A	None
4	2	Garden (3 stories)	18	1,812	\$1,349	\$0	Market	No	N/A	N/A	N/A	None
4	2	Garden (3 stories)	18	1,812	N/A	\$0	PBRA	Yes	N/A	N/A	N/A	None
4	2.5	Townhouse (2 stories)	5	1,650	\$1,299	\$0	Market	No	N/A	N/A	N/A	None
4	2.5	Townhouse (2 stories)	5	1,650	N/A	\$0	PBRA	Yes	N/A	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	PBRA	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$895 - \$915	\$0	\$895 - \$915	\$62	\$957 - \$977	1BR / 1BA	N/A	\$0	N/A	\$62	N/A
2BR / 1.5BA	\$1,049	\$0	\$1,049	\$83	\$1,132	2BR / 1.5BA	N/A	\$0	N/A	\$83	N/A
2BR / 2BA	\$969 - \$1,015	\$0	\$969 - \$1,015	\$83	\$1,052 - \$1,098	2BR / 2BA	N/A	\$0	N/A	\$83	N/A
3BR / 2BA	\$1,085 - \$1,150	\$0	\$1,085 - \$1,150	\$105	\$1,190 - \$1,255	3BR / 2BA	N/A	\$0	N/A	\$105	N/A
4BR / 2BA	\$1,349	\$0	\$1,349	\$126	\$1,475	4BR / 2BA	N/A	\$0	N/A	\$126	N/A
4BR / 2.5BA	\$1,299	\$0	\$1,299	\$126	\$1,425	4BR / 2.5BA	N/A	\$0	N/A	\$126	N/A

Villages Of East Lake I And II, continued

Amenities

In-Unit

Balcony/Patio
Carpet/Hardwood
Coat Closet
Exterior Storage
Garbage Disposal
Refrigerator
Washer/Dryer hookup

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

Security

In-Unit Alarm
Limited Access
Patrol
Perimeter Fencing

Services

None

Property

Business Center/Computer Lab
Clubhouse/Meeting
Off-Street Parking
Picnic Area
Sport Court
Tennis Court

Car Wash
Central Laundry
On-Site Management
Playground
Swimming Pool

Premium

None

Other

Public golf course

Comments

Village of East Lake I was built in 1998 and Village of East Lake II was built in 2000. Village of East Lake I has gas powered cooking, heat and water. Village of East Lake II had electric powered heat, cooking and hot water. Village of East Lake II's utility structure was used to calculate utility adjustments since it has more units.

Villages Of East Lake I And II, continued

Trend Report

Vacancy Rates

2Q11	2Q12	1Q13	3Q16
0.0%	7.7%	7.7%	4.4%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	2	0.0%	\$719	\$0	\$719	\$781
2012	2	N/A	\$795	\$50	\$745	\$807
2013	1	N/A	\$795	\$50	\$745	\$807
2016	3	N/A	\$895 - \$915	\$0	\$895 - \$915	\$957 - \$977

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	2	0.0%	\$819	\$0	\$819	\$902
2012	2	N/A	\$899 - \$999	\$50	\$849 - \$949	\$932 - \$1,032
2013	1	N/A	\$899 - \$999	\$50	\$849 - \$949	\$932 - \$1,032
2016	3	N/A	\$1,049	\$0	\$1,049	\$1,132

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	2	0.0%	\$819	\$0	\$819	\$902
2012	2	N/A	\$819 - \$999	\$50	\$769 - \$949	\$852 - \$1,032
2013	1	N/A	\$819 - \$999	\$50	\$769 - \$949	\$852 - \$1,032
2016	3	N/A	\$969 - \$1,015	\$0	\$969 - \$1,015	\$1,052 - \$1,098

3BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	2	0.0%	\$919	\$0	\$919	\$1,024
2012	2	N/A	\$969 - \$1,069	\$50	\$919 - \$1,019	\$1,024 - \$1,124
2013	1	N/A	\$969 - \$1,069	\$50	\$919 - \$1,019	\$1,024 - \$1,124
2016	3	N/A	\$1,085 - \$1,150	\$0	\$1,085 - \$1,150	\$1,190 - \$1,255

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	2	0.0%	\$919	\$0	\$919	\$1,024
2012	2	N/A	\$969 - \$1,069	\$50	\$919 - \$1,019	\$1,024 - \$1,124
2013	1	N/A	\$969 - \$1,069	\$50	\$919 - \$1,019	\$1,024 - \$1,124
2016	3	N/A	\$1,085 - \$1,150	\$0	\$1,085 - \$1,150	\$1,190 - \$1,255

4BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	2	0.0%	\$1,019	\$0	\$1,019	\$1,145
2012	2	N/A	\$1,210	\$50	\$1,160	\$1,286
2013	1	N/A	\$1,210	\$50	\$1,160	\$1,286
2016	3	N/A	\$1,299	\$0	\$1,299	\$1,425

4BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	2	0.0%	\$1,019	\$0	\$1,019	\$1,145
2012	2	N/A	\$1,210	\$50	\$1,160	\$1,286
2013	1	N/A	\$1,210	\$50	\$1,160	\$1,286
2016	3	N/A	\$1,349	\$0	\$1,349	\$1,475

Trend: PBRA

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	2	0.0%	N/A	\$0	N/A	N/A
2012	2	N/A	N/A	\$0	N/A	N/A
2013	1	N/A	N/A	\$0	N/A	N/A
2016	3	N/A	N/A	\$0	N/A	N/A

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	2	0.0%	N/A	\$0	N/A	N/A
2012	2	N/A	N/A	\$0	N/A	N/A
2013	1	N/A	N/A	\$0	N/A	N/A
2016	3	N/A	N/A	\$0	N/A	N/A

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	2	0.0%	N/A	\$0	N/A	N/A
2012	2	N/A	N/A	\$0	N/A	N/A
2013	1	N/A	N/A	\$0	N/A	N/A
2016	3	N/A	N/A	\$0	N/A	N/A

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	2	0.0%	N/A	\$0	N/A	N/A
2012	2	N/A	N/A	\$0	N/A	N/A
2013	1	N/A	N/A	\$0	N/A	N/A
2016	3	N/A	N/A	\$0	N/A	N/A

4BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	2	0.0%	N/A	\$0	N/A	N/A
2012	2	N/A	N/A	\$0	N/A	N/A
2013	1	N/A	N/A	\$0	N/A	N/A
2016	3	N/A	N/A	\$0	N/A	N/A

4BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	2	0.0%	N/A	\$0	N/A	N/A
2012	2	N/A	N/A	\$0	N/A	N/A
2013	1	N/A	N/A	\$0	N/A	N/A
2016	3	N/A	N/A	\$0	N/A	N/A

Villages Of East Lake I And II, continued

Trend: Comments

- 2Q11** Management noted that the waiting list for PBRA units is currently closed and is not expected to open for five years or more. An estimate on the number of households on this waiting list was unavailable. Waster and sewer utilities are no longer included in the rent and a flat rate of \$25, \$35, \$45, and \$55 is charged for one, two, three, and four-bedroom units, respectively.
- 2Q12** The concession is \$300 off the first month, \$200 off the second month and \$100 off the third month, on a 12-month lease.
- Property manager stated that the higher priced units have been upgraded/renovated. Thus far, since February 2012, 72 units have been upgraded.
- East Lake Village I was built in 1996 and East Lake Village II was built in 2000. Property manager could not specify the number of units in each phase, but did indicate that East Lake Village II has more units than East Lake Village I. East Lake Village I has gas powered cooking, heat and water. East Lake Village II had electric powered heat, cooking and hot water. East Lake Village II's utility structure was used to calculate utility adjustments since it has more units.
- 1Q13** N/A
- 3Q16** Village of East Lake I was built in 1998 and Village of East Lake II was built in 2000. Village of East Lake I has gas powered cooking, heat and water. Village of East Lake II had electric powered heat, cooking and hot water. Village of East Lake II's utility structure was used to calculate utility adjustments since it has more units.

PROPERTY CHARACTERISTICS

Location

The Subject site is located in a primarily residential neighborhood consisting of single-family homes, multifamily properties, and undeveloped land with commercial/retail developments located along arterials. The majority of necessary amenities are located within 1.2 miles of the Subject site. Commercial and retail uses near the Subject's neighborhood appear to be 80 to 90 percent occupied. Overall, the surrounding uses are in average to good condition. The comparable properties are located in Decatur or nearby areas of Atlanta, 0.1 to 4.2 miles from the Subject. All of the comparables are located within close proximity to shopping, restaurants, and local services, similar to the Subject. Below is a location comparison based on zip codes and respective median household incomes, median home values, and median gross rent.

LOCATION COMPARISON				
Property	Zip Code	Median Household Income	Median Home Value	Median Gross Rent
Subject	30034	\$46,815	\$98,000	\$963
Columbia Mill	30316	\$46,977	\$163,600	\$941
Columbia Village	30032	\$32,264	\$89,200	\$863
Orchard Walk Apartments	30034	\$46,815	\$98,000	\$963
Retreat At Edgewood	30307	\$79,563	\$389,200	\$1,093
Retreat At Edgewood Phase II	30307	\$79,563	\$389,200	\$1,093
Ashford East Village	30316	\$46,977	\$163,600	\$941
Creekside Vista	30034	\$46,815	\$98,000	\$963
The Woodridge Apartment Homes	30034	\$46,815	\$98,000	\$963
Villages of East Lake I And II	30317	\$53,922	\$223,900	\$952

Source: U.S. Census, 9/2016

Comparables located in zip codes 30307 and 30317 have superior locations in terms of median household incomes and median home values, while the comparable in 30032 is slightly inferior to the Subject in terms of median household incomes, median home values, and median gross rent. The remaining comparables have generally similar locations as the Subject.

Age, Condition, and Design

The Subject will be newly constructed and will therefore be in excellent condition. The LIHTC comparables were constructed or renovated between 1999 and 2014 and all exhibit average to excellent condition. The market rate comparables were constructed or renovated between 1979 and 2016 and exhibit average to good condition. In terms of condition, the Subject will be similar to Columbia Mill, and slightly superior to Retreat at Edgewood Phase I and II and Creekside Vista. The Subject will be superior to the remaining comparables, in terms of condition.

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

Amenities

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

UNIT MATRIX REPORT

	Swift Creek	Columbia Mill	Columbia Village	Orchard Walk Apartments	Retreat At Edgewood	Retreat At Edgewood Phase II	Ashford East Village	Creekside Vista	The Woodridge Apartment Homes	Villages Of East Lake I And II
Comp#	Subject	1	2	3	4	5	6	7	8	9
Property Information										
Property Type	Garden (3 stories)	Various (2 stories)	One-Story	Various (2 stories)	Various (2 stories)	Various (2 stories)	Various (2 stories)	Garden (3 stories)	Garden (3 stories)	Various (2-3 stories)
Year Built / Renovated	Proposed	2014 / n/a	1999 / n/a	1978 / 2005	2011 / n/a	2012 / n/a	1979 / Ongoing	2008 / n/a	1976 / 2016	1998/2000 / n/a
Market (Conv./Subsidy Type)	LIHTC	LIHTC/Market	LIHTC	LIHTC/Market	LIHTC	LIHTC/Market	Market	Market	Market	Market/PBRA
Utility Adjustments										
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	yes	no	no	no	no	no	yes	no	yes	no
Sewer	yes	no	no	no	no	no	yes	no	yes	no
Trash Collection	yes	yes	yes	yes	yes	yes	yes	no	yes	yes
In-Unit Amenities										
Balcony/Patio	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Carpet/Hardwood	no	no	no	no	no	yes	yes	no	no	yes
Carpeting	yes	yes	yes	yes	yes	yes	no	yes	yes	no
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	yes	no
Coat Closet	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Dishwasher	yes	yes	yes	yes	yes	yes	yes	yes	no	yes
Exterior Storage	no	no	no	no	yes	yes	no	yes	no	yes
Ceiling Fan	yes	no	yes	no	yes	yes	yes	yes	no	yes
Garbage Disposal	no	yes	yes	yes	yes	yes	yes	yes	yes	yes
Microwave	yes	no	no	no	no	no	yes	no	no	no
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Walk-In Closet	no	yes	yes	yes	yes	yes	yes	yes	no	yes
Washer/Dryer	no	no	no	no	yes	yes	yes	no	no	no
Washer/Dryer hookup	yes	yes	yes	yes	yes	yes	no	yes	yes	yes
Property Amenities										
Business Center/Computer Lab	yes	yes	yes	yes	yes	yes	yes	yes	no	yes
Car Wash	no	no	no	no	no	no	no	no	no	yes
Clubhouse/Community Room	yes	yes	yes	no	yes	yes	yes	yes	no	yes
Courtyard	no	no	no	no	no	no	yes	yes	no	no
Exercise Facility	yes	yes	no	no	yes	no	yes	yes	no	no
Garage	no	no	no	no	yes	yes	no	no	no	no
Central Laundry	yes	yes	yes	yes	no	no	no	yes	no	yes
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
On-Site Management	yes	yes	yes	yes	yes	no	yes	yes	no	yes
Picnic Area	yes	yes	yes	no	yes	yes	yes	yes	no	yes
Playground	yes	yes	yes	no	yes	yes	yes	yes	yes	yes
Sport Court	no	no	no	no	no	no	yes	no	no	yes
Swimming Pool	no	no	no	yes	no	no	yes	yes	yes	yes
Tennis Court	no	no	no	no	no	no	no	no	no	yes
Wi-Fi	no	no	no	no	no	no	yes	no	no	no
Security										
In-Unit Alarm	no	yes	yes	no	yes	yes	no	no	no	yes
Intercom (Buzzer)	no	no	no	yes	no	no	no	no	no	no
Intercom (Video)	no	yes	no	no	no	no	no	no	no	no
Limited Access	no	yes	yes	yes	no	no	yes	yes	no	yes
Patrol	no	no	no	no	no	yes	no	no	yes	yes
Perimeter Fencing	no	yes	yes	yes	no	no	yes	yes	no	yes
Video Surveillance	no	no	yes	no	no	yes	no	no	no	no

Unit Amenities

The Subject will offer balconies/patios, blinds, carpeting, central heat and air conditioning, coat closets, and ceiling fans. Appliances will include a dishwasher, microwave, oven, refrigerator, and washer/dryer connections. Four of the comparables offer exterior storage, all of the comparables offer garbage disposals, eight offer walk-in closets, and three offer in-unit washer/dryers, all of which are in-unit amenities that the Subject will lack. However, one of the comparables does not offer dishwashers, three do not offer ceiling fans, eight do not offer microwaves, and one does not offer washer/dryer connections, all of which are amenities that the Subject will offer. Thus, relative to the LIHTC and market rate comparables, the Subject's in-unit amenity package will be considered similar to slightly inferior.

Common Area Amenities

The Subject will offer a computer lab, community room, exercise facility, picnic area, playground, central laundry, off-street parking, and on-site management. One of the comparables does not offer a business center/computer lab, two do not offer a clubhouse/community room, five comparables do not offer an exercise facility, two do not offer on-site management, two comparables do not offer a picnic area, and one comparable does not offer a playground, all of which are amenities that the Subject will offer. However, one of the comparables offers a car wash, two offer a sport court, and five offer a swimming pool, which are amenities the Subject will lack. Therefore, the Subject's common area amenity package will be considered generally similar to slightly superior to the LIHTC and market rate comparables. However, its security features will be considered inferior to the comparable properties.

Utility Structure

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

Parking

The Subject will offer 90 free surface parking. All of the comparables offer free surface parking, similar to the Subject, while two of the comparables also offer garage parking included in the rent. The Subject will be similar to the majority of the comparables in terms of parking.

MARKET CHARACTERISTICS

Following are relevant market characteristics for the comparable properties surveyed.

Vacancy Levels

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

OVERALL VACANCY				
Property Name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Columbia Mill	LIHTC/Market	100	0	0.0%
Columbia Village	LIHTC	100	0	0.0%
Orchard Walk Apartments*	LIHTC/Market	204	4	2.0%
Retreat At Edgewood	LIHTC	100	1	1.0%
Retreat At Edgewood Phase II	LIHTC/Market	40	0	0.0%
Ashford East Village	Market	371	9	2.4%
Creekside Vista	Market	208	2	1.0%
The Woodridge Apartment Homes	Market	212	12	5.7%
Villages of East Lake I And II	Market/PBRA	542	24	4.4%
Total LIHTC		544	5	0.9%
Total Market		1,333	47	3.5%
Total		1,877	52	2.8%

As illustrated, vacancy rates in the market range from zero to 5.7 percent, averaging 3.5 percent. The average weighted vacancy rate among the LIHTC comparables is 0.9 percent, while the average weighted vacancy rate among the market rate comparables is 3.5 percent. Three of the five LIHTC comparables were fully occupied and all reported vacancy rates of 2.0 percent or lower. We will conclude to a vacancy and collections loss rate of five percent for the Subject in both scenarios.

Concessions

One of the comparable properties is offering concessions. The Woodridge Apartment Homes is offering discounts of the first three month's rent. We do not expect the Subject to require concessions in order to maintain a stabilized occupancy rate.

Absorption

We were able to obtain recent absorption information from two comparable properties. Columbia Mill, a 100-unit LIHTC/market rate comparable was constructed in 2014. Management noted an absorption rate of 20 units per month, or an absorption period of approximately five months. Retreat at Edgewood, a 100-unit LIHTC comparable opened in November of 2011 and completed lease up in April 2012, which equates to an absorption pace of approximately 20 units per month. In addition, Retreat at Edgewood Phase II, a 40-unit LIHTC comparable was originally constructed in 2012. Management noted an absorption rate of 12 units per month, or an absorption period of approximately three months. Based on the comparables, we anticipate that the Subject will absorb 14 to 18 units per month, or an absorption period of approximately three to four 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		
Property Name	Type	Length of Waiting List
Columbia Mill	LIHTC/Market	Yes – Details unavailable
Columbia Village	LIHTC	None
Orchard Walk Apartments*	LIHTC/Market	None
Retreat At Edgewood	LIHTC	None
Retreat At Edgewood Phase II	LIHTC/Market	None
Ashford East Village	Market	None
Creekside Vista	Market	None
The Woodridge Apartment Homes	Market	None
Villages Of East Lake I And II	Market/PBRA	Yes – For affordable units

Two of the nine surveyed properties maintain waiting lists, including one of the LIHTC comparables. This is a positive indication of the strength of the market in the local area. Based on the performance of the comparable properties, we expect the Subject to maintain a short waiting list, at a minimum, following stabilization.

Reasonability of Rents

The following table compares the Subject's proposed LIHTC rents with those at the comparables. It should be noted that the rents in the following table have been adjusted for differences in utilities using the Housing Authority of DeKalb County 2016 utility allowances.

LIHTC RENT COMPARISON - @60%	
Property Name	3BR
Swift Creek (Subject)	\$845
LIHTC Maximum (Net)	\$939
Columbia Mill	\$931
Columbia Village	\$955
Orchard Walk Apartments	\$855 - \$875
Retreat At Edgewood	\$865
Retreat At Edgewood Phase II	\$911
Average (excluding Subject)	\$899
Achievable Rent	\$939

The Subject's proposed three-bedroom LIHTC rents are set below the maximum allowable levels at the 60 percent AMI threshold. Columbia Mill and Columbia Village reported achieving 60 percent rents at the maximum allowable levels. It should be noted that some of the comparable rents may appear to be above maximum allowable rents due to differences in utility allowances used for calculations, as well as placed-in-service dates.

The Subject's proposed 60 percent rent is below the comparable range. The Subject, upon completion, will be considered the most similar to Columbia Mill and Columbia Village. These comparables are both 100 percent occupied and Columbia Mill maintains a waiting list. The low vacancy rates and presence of the waiting lists at the most similar LIHTC comparables indicates demand in the local area for affordable housing.

Relative to the most similar comparables, the Subject's property amenity package will be similar to slightly superior, its in-unit amenity package will be similar to slightly inferior, and its age and condition will be similar to slightly superior. Additionally, the Subject's location will be generally similar. Overall, given the strong occupancy rates and waiting lists of the comparables and reported 60 percent rents achieved at the most similar comparables, we believe the Subject's proposed 60 percent rents are achievable with upward potential to the maximum allowable level.

Achievable Market Rents

Based on the quality of the surveyed comparable properties and the anticipated quality of the proposed Subject, we conclude that the subsidized rents are below the achievable market rates for the Subject's area. The following table shows the similarity of the market rate comparables to the Subject property.

SUBJECT COMPARISON TO MARKET RENTS

Unit Type	Subject	Surveyed Minimum	Surveyed Maximum	Surveyed Average	Achievable Market Rents	Subject Rent Advantage
3 BR @ 60%	\$845	\$824	\$1,325	\$1,140	\$1,150	-27%

As illustrated in the previous table, the Subject's proposed 60 percent AMI rent is toward the low end of the range of the unrestricted units at the comparables. The Subject will be similar to slightly inferior to the comparable market rate properties in terms of location. The comparables with unrestricted units were constructed or renovated between 1979 and 2014 and exhibit average to excellent condition. In terms of condition, the Subject will be similar to Columbia Mill. The Subject will be superior to the remaining market rate comparables. The Subject's proposed unit size is within the range of market rate comparables. The Subject will offer a dishwasher, microwave, oven, refrigerator, and washer/dryer connections within the units. The Subject will also offer a business center (computer lab), clubhouse, exercise facility, on-site management, picnic area, and playground as community amenities. Several of the market rate comparables do not offer these in-unit and community amenities. However, several of surveyed market rate properties offer exterior storage, garbage disposals walk-in closets, in-unit washer/dryers, sports courts, and swimming pools, amenities not offered by the proposed Subject. Overall, the Subject will be similar to slightly superior to the market rate properties used in our analysis, but offer smaller unit sizes. Therefore, we believe achievable market rents slightly higher than the average of the surveyed properties are reasonable and achievable. We have set the Subject's achievable market rents at **\$1,150** for the three-bedroom units.

Indications of Demand

Based upon our market research, demographic calculations and analysis, we believe there is demand for the Subject property as conceived. Strengths of the Subject will include its new construction, in-unit amenities, community amenities, and location. The Subject's weakness will include its smaller unit sizes and lack of a garbage disposals and walk-in closets, which are offered by several of the comparable properties. Overall, the comparable properties surveyed exhibited an average vacancy rate of 2.8 percent, including an average vacancy rate of 0.9 percent among the LIHTC comparables. There is adequate demand for the Subject based on our calculations. We also believe the proposed rents offer value in the market.

DEMAND ANALYSIS

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

1. INCOME RESTRICTIONS

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

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

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

The maximum income levels for the LIHTC restricted units are based upon information obtained from the Rent and Income Limits Guidelines Table as accessed from the DCA website.

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 senior households. 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 May 2018, the anticipated date of market entry, as the base year for the analysis. Therefore, 2015 household population estimates are inflated to May 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 September 2016. This number takes the overall growth from 2015 to May 2018 and applies it to its respective income cohorts by percentage. This number does not reflect lower income households losing population, as this may be a result of simple dollar value inflation.

3B. Demand from Existing Households

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

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

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

3C. Secondary Market Area

Per the 2016 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 or placed in service 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 2014 and 2015.
- Vacancies in projects placed in service prior to 2014 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 from 2014 to present. 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 since 2014, there has been one property allocated tax credits in the Subject's PMA. Columbia Avondale Senior, which was allocated LIHTCs in 2015, will consist of 92 age-restricted units. The one and two-bedroom units at the property will be restricted at the 50 and 60 percent AMI level, including 15 units that will benefit from project-based rental assistance, as well as market rate units. A construction timeline is not available. As a senior LIHTC property, we do not believe that Columbia Avondale Senior will be competitive to the Subject. Therefore, its units have not been removed from the demand analysis.

PMA Occupancy

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

OVERALL PMA OCCUPANCY

Property Name	Type	Tenancy	Occupancy Rate
Summit Trail	LIHTC	Young Adults	100.0%
Oakland Court Apartments	LIHTC	Family	N/Av
DIC Eagles Nest	LIHTC	Family	N/Av
Delano Place	LIHTC	Family	N/Av
Villages of Eastlake I & II*	LIHTC/Market	Family	95.5%
Columbia Village Townhomes*	LIHTC	Family	100.0%
Eagles Run I & II	LIHTC	Family	N/Av
Forest Heights Apartments	LIHTC	Family	N/Av
Forest at Columbia	LIHTC	Family	N/Av
Robins Landing Apartments	LIHTC	Family	N/Av
Thornberry Apartments	LIHTC	Family	N/Av
Columns at East Hill	LIHTC	Family	N/Av
Presley Woods	LIHTC/Section 8	Family	N/Av
Columbia Citi Homes	LIHTC	Family	N/Av
Brittany Apartments	LIHTC	Family	N/Av
Magnolia Circle	LIHTC	Family	N/Av
Retreat at Edgewood*	LIHTC	Family	100.0%
Vineyards of Flatshoals	LIHTC	Family	98.0%
Whispering Pines	LIHTC	Family	N/Av
Columbia Senior Residences at Edgewood	LIHTC	Senior	99.0%
Highlands at East Atlanta	LIHTC/Section 8	Family	98.0%
Retreat at Madison Place	LIHTC	Family	99.0%
Candler Forest	LIHTC	Family	N/Av
Branan Towers	Section 8	Senior	100.0%
Paradise East Apartments	Section 8	Family	100.0%
Allegre Point Senior Residences	Section 8	Senior	N/Av
Community Housing, Inc.	Section 8	Disabled	N/Av
Shepherd Center	Section 8	Family	N/Av
Avondale Station	Market	Family	N/Av
The Elements at Kirkwood	Market	Family	N/Av
Creekside Vista*	Market	Family	99.0%
Coach Townhomes	Market	Family	N/Av
Rainbow Forest Apartments	Market	Family	N/Av
Spring Valley Apartments	Market	Family	N/Av
Ashford East Village*	Market	Family	97.6%
Manor V Apartments	Market	Family	100.0%
Wynhollow Apartments	Market	Family	N/Av
Colony Ridge Apartments	Market	Family	N/Av
Midway Manor Apartments	Market	Family	N/Av
The Broadway at East Atlanta	Market	Family	N/Av
Edgewood Court Apartments	Market	Family	N/Av
Maple Walk Apartments	Market	Family	N/Av
Oak Tree Villas	Market	Family	N/Av
Windrush Apartments	Market	Family	99.0%
Kenridge Apartment Homes	Market	Family	97.0%
Ridge Stone Townhomes	Market	Family	96.0%
Redan Cove Apartments	Market	Family	100.0%
Waterford Manor Apartment Homes	Market	Family	N/Av
Valley Bridge Apartments	Market	Family	N/Av
Kingstown Apartments	Market	Family	100.0%
Candler East*	Market	Family	100.0%
Creekside Forest	Market	Family	N/Av
Aspen Woods	Market	Family	N/Av
Sorelle Apartments*	Market	Family	97.5%
Laurel Mill Apartments	Market	Family	N/Av
The Woodridge Apartment Homes*	Market	Family	94.3%
Columbia Mill*	LIHTC/Market	Family	100.0%
Hidden Villas*	Market	Family	100.0%
Orchard Walk Apartments*	LIHTC/Market	Family	98.0%
			98.7%

*Used as a comparable property

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.

Capture Rates

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

Renter Household Income Distribution 2015 to Projected Market Entry May 2018					
Swift Creek					
PMA					
	2015		Projected Mkt Entry May 2018		Percent Growth
	#	%	#	%	
\$0-9,999	4,186	21.1%	4,447	21.9%	5.9%
\$10,000-19,999	4,418	22.2%	4,657	22.9%	5.1%
\$20,000-29,999	3,649	18.4%	3,847	18.9%	5.1%
\$30,000-39,999	2,346	11.8%	2,311	11.4%	-1.5%
\$40,000-49,999	1,694	8.5%	1,702	8.4%	0.5%
\$50,000-59,999	1,145	5.8%	1,092	5.4%	-4.8%
\$60,000-74,999	984	5.0%	908	4.5%	-8.4%
\$75,000-99,999	757	3.8%	710	3.5%	-6.7%
\$100,000-124,999	339	1.7%	314	1.5%	-8.0%
\$125,000-149,999	149	0.7%	144	0.7%	-3.2%
\$150,000-199,999	152	0.8%	133	0.7%	-14.2%
\$200,000+	57	0.3%	57	0.3%	-0.3%
Total	19,877	100.0%	20,322	100.0%	2.2%

Renter Household Income Distribution Projected Market Entry May 2018			
Swift Creek			
	PMA		Change 2015 to Prj Mkt Entry May 2018
	Projected Mkt Entry May 2018		
	#	%	#
\$0-9,999	4,447	21.9%	97
\$10,000-19,999	4,657	22.9%	102
\$20,000-29,999	3,847	18.9%	84
\$30,000-39,999	2,311	11.4%	51
\$40,000-49,999	1,702	8.4%	37
\$50,000-59,999	1,092	5.4%	24
\$60,000-74,999	908	4.5%	20
\$75,000-99,999	710	3.5%	16
\$100,000-124,999	314	1.5%	7
\$125,000-149,999	144	0.7%	3
\$150,000-199,999	133	0.7%	3
\$200,000+	57	0.3%	1
Total	20,322	100.0%	445

Tenure Prj Mrkt Entry May 2018	
Renter	46.3%
Owner	53.7%
Total	100.0%

Renter Household Size for Prj Mrkt Entry May 2018		
Size	Number	Percentage
1 Person	7,109	35.0%
2 Person	5,133	25.3%
3 Person	3,486	17.2%
4 Person	2,275	11.2%
5+ Person	2,318	11.4%
Total	20,322	100.0%

Renter Household Size for 2000		
Size	Number	Percentage
1 Person	4,717	25.7%
2 Person	4,590	25.1%
3 Person	3,447	18.8%
4 Person	2,557	14.0%
5+ Person	3,011	16.4%
Total	18,322	100.0%

60 Percent AMI Demand

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

Percent of AMI Level		60%			
Minimum Income Limit		\$33,257			
Maximum Income Limit		\$43,740			
Income Category	New Renter Households - Total Change in Households PMA 2015 to Prj Mrkt Entry May 2018		Income Brackets	Percent within Cohort	Renter Households within Bracket
	Number	Percentage			
\$0-9,999	97.33	21.9%		0.0%	0
\$10,000-19,999	101.93	22.9%		0.0%	0
\$20,000-29,999	84.21	18.9%		0.0%	0
\$30,000-39,999	50.58	11.4%	6,742	67.4%	34
\$40,000-49,999	37.25	8.4%	3,740	37.4%	14
\$50,000-59,999	23.91	5.4%		0.0%	0
\$60,000-74,999	19.88	4.5%		0.0%	0
\$75,000-99,999	15.54	3.5%		0.0%	0
\$100,000-124,999	6.88	1.5%		0.0%	0
\$125,000-149,999	3.16	0.7%		0.0%	0
\$150,000-199,999	2.92	0.7%		0.0%	0
\$200,000+	1.24	0.3%		0.0%	0
	445	100.0%			48
Percent of renter households within limits versus total number of renter households					10.8%

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

Percent of AMI Level		60%			
Minimum Income Limit		\$33,257			
Maximum Income Limit		\$43,740			
Income Category	Total Renter Households PMA Prj Mrkt Entry May 2018		Income Brackets	Percent within Cohort	Households within Bracket
	Number	Percentage			
\$0-9,999	4,447	21.9%		0.0%	0
\$10,000-19,999	4,657	22.9%		0.0%	0
\$20,000-29,999	3,847	18.9%		0.0%	0
\$30,000-39,999	2,311	11.4%	\$6,742	67.4%	1,558
\$40,000-49,999	1,702	8.4%	\$3,740	37.4%	637
\$50,000-59,999	1,092	5.4%		0.0%	0
\$60,000-74,999	908	4.5%		0.0%	0
\$75,000-99,999	710	3.5%		0.0%	0
\$100,000-124,999	314	1.5%		0.0%	0
\$125,000-149,999	144	0.7%		0.0%	0
\$150,000-199,999	133	0.7%		0.0%	0
\$200,000+	57	0.3%		0.0%	0
	20,322	100.0%			2,195
Percent of renter households within limits versus total number of renter households					10.8%

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	\$36,167		
2015 Median Income	\$41,334		
Change from 2015 to Proj Mrkt Entry May 2018	\$5,167		
Total Percent Change	12.5%		
Average Annual Change	0.1%		
Inflation Rate	0.1%	Two year adjustment	1.0000
Maximum Allowable Income	\$43,740		
Maximum Allowable Income Inflation Adjusted	\$43,740		
Maximum Number of Occupants	5		
Rent Income Categories	60%		
Initial Gross Rent for Smallest Unit	\$970		
Initial Gross Rent for Smallest Unit Inflation Adjusted	\$970.00		

Persons in Household	OBR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	80%	20%	0%	0%	0%	100%
2	0%	20%	60%	20%	0%	0%	100%
3	0%	0%	40%	60%	0%	0%	100%
4	0%	0%	20%	70%	10%	0%	100%
5+	0%	0%	0%	80%	20%	0%	100%

STEP 1 Please refer to text for complete explanation.

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

Income Target Population		60%
New Renter Households PMA		445
Percent Income Qualified		10.8%
New Renter Income Qualified Households		48

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

Demand from Existing Households 2015

Demand from Rent Overburdened Households

Income Target Population		60%
Total Existing Demand		20,322
Income Qualified		10.8%
Income Qualified Renter Households		2,195
Percent Rent Overburdened Prj Mrkt Entry May 2018		34.6%
Rent Overburdened Households		760

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

Demand from Living in Substandard Housing

Income Qualified Renter Households		2,195
Percent Living in Substandard Housing		0.7%
Households Living in Substandard Housing		16

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		776
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		776
Total New Demand		48
Total Demand (New Plus Existing Households)		824

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

By Bedroom Demand

One Person	35.0%	288
Two Persons	25.3%	208
Three Persons	17.2%	141
Four Persons	11.2%	92
Five Persons	11.4%	94
Total	100.0%	824

To place Person Demand into Bedroom Type Units		
Of one-person households in 1BR units	80%	231
Of two-person households in 1BR units	20%	42
Of one-person households in 2BR units	20%	58
Of two-person households in 2BR units	60%	125
Of three-person households in 2BR units	40%	57
Of four-person households in 2BR units	20%	18
Of two-person households in 3BR units	20%	42
Of three-person households in 3BR units	60%	85
Of four-person households in 3BR units	70%	65
Of five-person households in 3BR units	80%	75
Of four-person households in 4BR units	10%	9
Of five-person households in 4BR units	20%	19
Total Demand		824
Total Demand by Bedroom		60%
3 BR		266
Total Demand		266
Additions To Supply 2015 to Prj Mrkt Entry May 2018		60%
3 BR		0
Total		0
Net Demand		60%
3 BR		266
Total		266
Net Demand		60%
3 BR		266
Total		266
Developer's Unit Mix		60%
3 BR		60
Total		60
Capture Rate Analysis		60%
3 BR		22.5%
Total		22.5%

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 number of households in the PMA is expected to increase 2.3 percent between 2015 to the market entry date. The percentage of renter-occupied households in the PMA is expected to remain stable through the market entry date, although the total number of renter-occupied units is expected to increase by 785 households by 2020.
- 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.

CAPTURE RATE ANALYSIS CHART									
Bedrooms/AMI Level	Total Demand	Additions To Supply	Net Demand	Units Proposed	Capture Rate	Absorption	Average Market Rate	Market Rents Band Min-Max	Proposed Rents
3BR at 60% AMI	266	0	266	60	22.5%	Four Months	\$1,015	\$820 - \$1,325	\$845

Demand and Net Demand	
HH at 60% AMI (\$34,697 to \$43,740)	
Demand from New Households (age and income appropriate)	48
PLUS	+
Demand from Existing Renter Households - Substandard Housing	16
PLUS	+
Demand from Existing Renter Households - Rent Overburdened Households	760
=	
Sub Total	824
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 20% where applicable)	0
Equals Total Demand	824
Less	-
New Supply	0
Equals Net Demand	824

As the analysis illustrates, the Subject's capture rates at the 60 percent AMI level is 22.5 percent. Therefore, we believe there is more than adequate demand for the Subject. Further, the derived capture rates are within the Georgia DCA guidelines.

HIGHEST AND BEST USE

HIGHEST AND BEST USE

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

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

The Dictionary of Real Estate Appraisal, (Sixth Edition, 2015), published by the American Institute of Real Estate Appraisers, defines highest and best use as:

“1. The reasonably probable 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. The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset’s existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid. (IVS) 3. [The] highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future.”

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

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

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

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

HIGHEST AND BEST USE AS VACANT**Physically Possible**

The Subject site contains approximately 3.8 acres, or approximately 165,528 square feet. The Subject site has generally rolling topography and is irregular in shape. It has good accessibility. The site is considered adequate for a variety of legally permissible uses.

Legally Permissible

According to the DeKalb County Department of Planning and Sustainability, the Subject site is zoned MR-2 (Medium Density Residential – 2) in the Interstate-20 Overlay District. The MR-2 zoning allow cottage housing, attached, multi-family and mixed residential developments. This zoning district allows for a maximum base density of 12 units per acre and a maximum density of 24 units per acre with bonuses. It permits a maximum building height of 45 feet, or three stories. The Subject is also located within the Interstate-20 Overlay District, Tier 2 (Medium-Intensity), which is intended to allow medium-density development in a mixed-use development. The maximum allowable density is 40 dwelling units per acre with a maximum building height of eight stories. According to the DeKalb County Department of Planning and Sustainability, when a property is located in an overlay district, the overlay shall govern. Based on a site size of 3.8 acres, the site can accommodate up to 152 units per the current zoning restrictions.

The land sale comparables have actual densities of 22.6 to 74.8 units per acre. Based upon the development patterns in the area, coupled with zoning requirements, we believe the Subject site could support the maximum allowable 40 units per acre, or 152 total units, which is within the range of the comparable land sales.

Financially Feasible

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

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

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

COST ANALYSIS
As Proposed Unrestricted

Stabilized Overall Capitalization Rate		6.00%
Typical Economic Life		55
Inferred Annual Building Recapture Rate		1.4%
Inferred Land to Total Value Ratio (M)		17.3%
Land Capitalization Rate	RI	
Building Capitalization Rate (RI + Recapture Rate)	Rb	
$R_o = (R_I * M) + ((1 - M) * R_b)$		
RI=		4.9%
Rb=		6.3%
Land Value		\$1,670,000
Land Capitalization Rate		4.9%
Required Return to Land		\$81,830
Replacement Cost of Improvements		\$9,667,802
Building Capitalization Rate (Rb)		6.3%
Required Return On and Recapture of Improvement Costs		\$609,072
Total Required Net Operating Income		\$690,902
Net Rentable Square Footage		67,080
Required NOI per SF of Improvements		\$10.3
Operating Expenses per SF		\$5.7
Required Effective Gross Revenue		\$16.0
Stabilized Vacancy Adjustment Factor		80%
Cost Feasible Market Rent		\$16.84
Market Rent (based on market rental rates)		\$12.34

As the table illustrates, a market rate development is not feasible according to this cost analysis. It should be noted that we are aware of new market rate and mixed-income developments under construction and proposed in the market area. That being said, the majority of new development is being constructed using tax credits, HOME funds, or other gap subsidy. Therefore, it is most financially feasible for development with tax credit financing or some other form of gap subsidy.

Maximally Productive

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

Conclusion – Highest and Best Use “As Is”

The highest and best use for the property as is would be to construct a 152-unit multifamily rental property with financial subsidies. Without subsidies, it would be to hold until the market rent supports construction.

APPRAISAL METHODOLOGY

APPRAISAL METHODOLOGY

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

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

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

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

APPLICABILITY TO THE SUBJECT PROPERTY

The 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. This valuation technique was undertaken since, as a new construction development, the approach would yield a reasonably reliable indication of value for 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. 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.

COST APPROACH

COST APPROACH

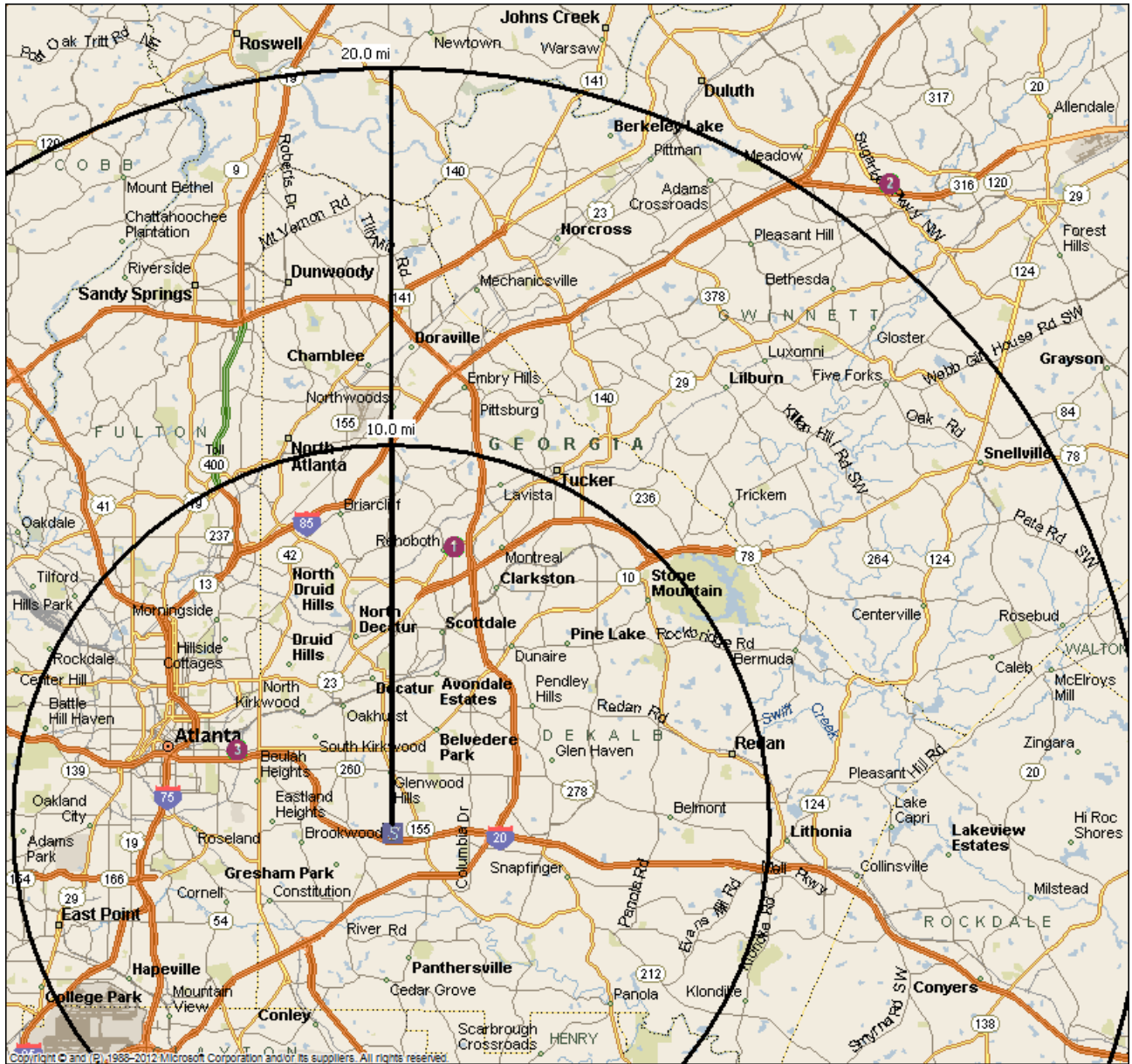
The employment of the Cost Approach in the valuation process is based on the principle of substitution. Investors in the marketplace do not typically rely upon the cost approach. As a result, the cost approach is considered to have only limited use in the valuation of the Subject property. However, the Subject will be new construction. Therefore, the cost approach is considered to be a useful tool and provides the reader with a measure of the economic status within the marketplace.

LAND VALUATION

To arrive at an opinion of land value for the Subject site, we have analyzed actual sales of comparable sites in the competitive area. In performing the market valuation, an extensive search for recent transfers of land zoned for multifamily development within the region was made. We were able to locate three land sales occurring between November 2014 and February 2016.

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



COMPARABLE LAND SALES

#	Location	City	Sale Date	Price	Acres	Units	Price/Unit
1	2671 - 2683 Lawrenceville Highway	Decatur, GA	Feb-16	\$2,550,000	9.29	210	\$12,143
2	1760 Lakes Parkway	Lawrenceville, GA	Dec-15	\$2,657,197	8.22	239	\$11,118
3	841 Memorial Drive SE	Atlanta, GA	Nov-14	\$925,000	1.07	80	\$11,563

Land Sale 1



Location: 2671 - 2683 Lawrenceville Highway
Decatur, GA 30033

Buyer: Decatur Mansions Senior Living, LLC
Seller: TPA-Arrowhead, LLC
Sale Date: February-16
Sale Price: \$2,550,000
Financing: Cash

Number of Units: 210
Site: Acre(s) 9.29
 Square Footage 404,672
Zoning RM-75
Corner No
Topography Level
Shape Irregular

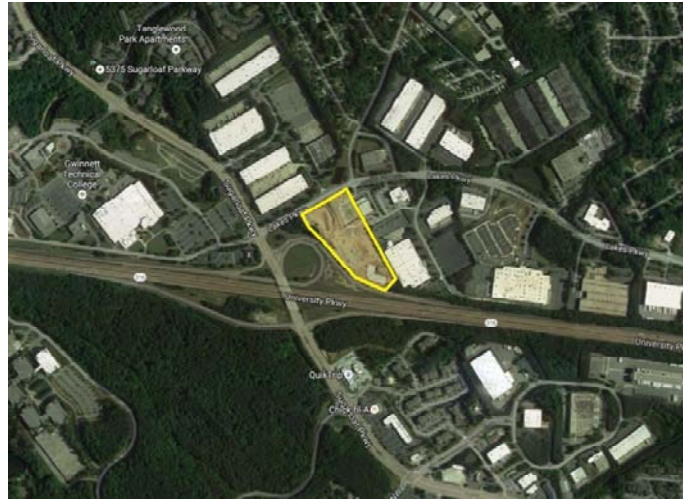
Sale Price: Per Unit \$12,143
 Per Acre \$274,489
 Per SF \$6.30

Comments:

The site is to be developed with a senior residential community that will offer 130 independent living units and 80 assisted living units. The development is currently under construction.

Verification: DeKalb County Planning & Sustainability Department, Appraiser's File

Land Sale 2



Location: 1760 Lakes Parkway
Lawrenceville, GA 30043

Buyer: LIV Development
Seller: Castlelake LP
Sale Date: December-15
Sale Price: \$2,657,197
Financing: Traditional

Number of Units: 239
Site: Acre(s) 8.22
 Square Footage 358,063
Zoning AA030
Corner No
Topography Level
Shape Irregular

Sale Price: Per Unit \$11,118
 Per Acre \$323,260
 Per SF \$7.42

Comments:

The site is being developed with a 239-unit market rate development known as 1760 Sugarloaf Residences. The development will consist of one, two, and three-bedroom units. It is anticipated to be ready for occupancy in April 2017.

Verification: Public Records, Buyer

Land Sale 3



Location:	841 Memorial Drive SE Atlanta, GA 30316	
Buyer:	841 Memorial Drive Holdings, LLC	
Seller:	RES-GA Memorial, LLC	
Sale Date:	November-14	
Sale Price:	\$925,000	
Financing:	Cash	
Number of Units:	80	
Site:	Acre(s)	1.07
	Square Footage	46,609
Zoning	I1	
Corner	No	
Topography	Level	
Shape	Irregular	
Sale Price:	Per Unit	\$11,563
	Per Acre	\$864,486
	Per SF	\$19.85

Comments:

The site has been improved with 841 Memorial, a 80-unit market rate development that was completed in 2016. The development consists of a combination of studio, one, and two-bedroom units.

Verification: Public Records, Buyer, Appraiser's File

ADJUSTMENTS

The following table illustrates adjustments applied to the sale comparables.

Comparable Land Data Adjustment Grid				
	Subject	1	2	3
Location	2591 Whites Mill Road	2671 - 2683 Lawrenceville Highway	1760 Lakes Parkway	841 Memorial Drive SE
City, State	Decatur, GA 30034	Decatur, GA 30033	Lawrenceville, GA 30043	Atlanta, GA 30316
Parcel Data				
Zoning	MR-2	RM-75	AA030	I1
Topography	Level	Level	Level	Level
Shape	Rectangular	Irregular	Irregular	Irregular
Corner	No	No	No	No
Size (SF)	165,528	404,672	358,063	46,609
Size (Acres)	3.8	9.3	8.2	1.1
Units	152	210	239	80
Units Per Acre	40.0	22.6	29.1	74.8
Sales Data				
Date		Feb-16	Dec-15	Nov-14
Interest		Fee Simple	Fee Simple	Fee Simple
Price		\$2,550,000	\$2,657,197	\$925,000
Price per Unit		\$12,143	\$11,118	\$11,563
Adjustments				
Property Rights		0	0	0
Financing		\$2,550,000	\$2,657,197	\$925,000
Conditions of Sale		0	0	0
Market Conditions		\$2,550,000	\$2,657,197	\$925,000
Adjusted Sale Price		\$2,550,000	\$2,657,197	\$925,000
Adjusted Price Per Unit		\$12,143	\$11,118	\$11,563
Adjustments				
Location		-5%	-5%	0%
Zoning		0%	0%	0%
Topography		0%	0%	0%
Shape		0%	0%	0%
Size		0%	0%	-5%
Overall Adjustment		-5%	-5%	-5%
Adjusted Price Per Unit		\$11,536	\$10,562	\$10,984
Low		\$10,562		
High		\$11,536		
Mean		\$11,027		
Median		\$10,984		
Conclusion		\$11,000	x	\$1,672,000
Rounded				\$1,670,000

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

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

Property Rights

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

Financing

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

Conditions of Sale

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

Market Conditions

Real estate values change over time. The rate of this change fluctuates due to investors' 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 comparables, when values have appreciated or depreciated. The comparable sales occurred between November 2014 and February 2016. Overall, capitalization rate trends in the region appear to have generally followed the national capitalization rate trends over the past several years, and are a good indication of changes in market conditions and resulting land value over time.

PwC Real Estate Investor Survey - National Apartment Market Overall Capitalization Rate - Institutional Grade Investments		
Quarter	Cap Rate	Change (bps)
1Q14	5.79	-0.01
2Q14	5.59	-0.20
3Q14	5.51	-0.08
4Q14	5.36	-0.15
1Q15	5.36	0.00
2Q15	5.30	-0.06
3Q15	5.39	0.09
4Q15	5.35	-0.04
1Q16	5.35	0.00
2Q16	5.29	-0.06
3Q16	5.25	-0.04

Source: PwC Real Estate Investor Survey, Q3 2016

All of the sales took place in the 2014 or later in similar market conditions; as such no adjustments have been applied.

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.

MEDIAN GROSS RENT			
	Zip Code	Median Rent	Differential
Subject	30034	\$963	-
1	30033	\$1,034	-7%
2	30043	\$1,137	-15%
3	30316	\$941	2%

Source: US Census, 9/2016

MEDIAN HOUSEHOLD INCOME			
	Zip Code	Household Income	Differential
Subject	30034	\$46,815	-
1	30033	\$59,780	-22%
2	30043	\$66,486	-30%
3	30316	\$46,977	0%

Source: US Census, 9/2016

Sales 1 and 2 are slightly superior to superior to the Subject in terms of median gross rents and median household income and were adjusted downward five percent. Sale 3 is located in an area similar to the Subject and no adjustment is necessary.

Zoning

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

Shape

Site characteristics such as access, frontage, visibility, and shape can affect the marketability of sites, making them more or less attractive to investors. The Subject has generally similar shape, access, and visibility as the comparable sales. No adjustment is warranted.

Size / Number of Units

With respect to size, the pool of potential purchasers decreases as property size (and purchase price) increases. The pricing relationship is not linear and certain property sizes, while different, may not receive differing prices based on the grouping within levels. Sales 1 and 2 are similar to the Subject in terms of size, while Sale 3 is smaller than the Subject and was adjusted downward five percent.

CONCLUSION OF AS IS (LAND VALUE) VALUE

The sales indicate a range of adjusted price per unit from \$10,562 to \$11,536 per unit, with a mean of \$11,027 per unit. We have relied on all three sales in determining the Subject's value and have concluded to a sale price of \$11,000 per unit.

As a result of our investigation and analysis, it is our opinion that, subject to the limiting conditions and assumptions contained herein, the value of the underlying land in fee simple, as of October 6, 2016, is:

ONE SIX HUNDRED SEVENTY THOUSAND DOLLARS
(\$1,670,000)

COST ESTIMATE**Development Costs**

To insure a market based valuation we estimated the hard costs using a cost estimation service, such as Marshall & Swift and/or RS Means Cost Manual. The soft costs are not as effectively compared to market estimates.

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 the aforementioned cost estimation service(s).

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 developer's profit and overhead.

Developer'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 developer'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 developer, 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 developer, 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 developers 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 developers of similar types of properties, an expected profit range would be 10 percent to 20 percent of the overall cost of the improvements including hard costs and land acquisition. Other soft costs typically include financing and legal fees.

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.

The following table illustrates the current RS Means and Marshall & Swift cost per square foot estimates.

MULTIPLE RESIDENCE COST ESTIMATES			
M&S – Multiple Residence		RS Means	
Cost PSF	Assumption	Cost PSF	Assumption
\$100.60	Class C Good Quality	\$123.37	Wood siding & Wood Frame

As illustrated, the RS Means and Marshall & Swift costs per square foot are similar for multifamily residence. We will use both estimates to determine the Subject’s value using the cost approach.

The following table illustrates the cost per square foot for the Subject’s market area based on current townhome construction estimates from Marshall & Swift and RS Means:

		M&S	RS Means
National Cost PSF		\$100.60	\$123.37
Location Adjustment	Atlanta, GA	0.93	0.88
Current Multiplier	Oct-16	1.02	-
Subject Cost PSF		\$95.43	\$108.57

Developer’s Construction Budget

The developer is proposing a budget of \$6,000,048 which includes all hard costs, including labor, materials, overhead, and contractor’s profit. The figure equates to approximately \$89.45 per square foot.

We have estimated a cost of \$95.00 per square foot, which just above the developer’s estimate, and within the range of costs calculated by Marshall and Swift and RS Means. The following table summarizes our estimates.

COST ESTIMATION		
Estimated cost per SF	\$95.00	
Total Area	71,200	Gross Area
FFE*	\$105,600	
Estimated Construction Costs	\$6,869,600	

*Marshall and Swift estimate which includes kitchen equipment, interior, exterior, plumbing, furnishing, electrical and HVAC expenses (\$1,760 per unit)

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

Novoco Cost Estimates		
Number of Units	60	Per Unit
Estimated Hard Cost	\$6,764,000	\$112,733
Estimated FF&E	\$105,600	\$1,760
Total Construction Costs	\$6,869,600	\$114,493
Soft Costs	\$2,662,483	\$44,375
Development Fee*	\$1,222,161	\$20,369
Total Replacement Cost	\$10,754,244	\$179,237

*Based on Developer's Sources and Uses

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 will be newly constructed. Therefore, there is no physical deterioration.

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. As new construction, we assume that the Subject will not suffer from functional obsolescence. We have reviewed the Subject’s plans (and included in *Addendum I*) and the layout of the Subject’s units appears functional and market-oriented.

External Obsolescence

The proposed restricted rent is approximately \$12.34 per square foot. Cost feasible rent is approximately \$16.84 per square foot, as previously discussed in the *Highest and Best Use* analysis. As such, the proposed restricted development is not feasible without additional subsidy or financing such as tax credits. The cost feasibility analysis suggests an external obsolescence of approximately 26.7 percent. The following table summarizes the value via the cost approach, including all deductions for depreciation. The following table summarizes the value via the cost approach:

Summary of Cost Approach			
Total Replacement Cost - All Improvements			\$10,754,244
Depreciation			
	Deferred Maintenance	\$0	
	Physical - Buildings	\$0	
	Functional Obsolescence	\$0	
	External Obsolescence	\$2,872,234	
Total Depreciation			\$2,872,234
Depreciated Replacement Cost - Improvements			\$7,882,010
Land Value			\$0
Indicated Value - Cost Approach			\$7,882,010
Rounded			\$7,880,000

CONCLUSION

In order to arrive at a value for the Subject, we add the estimated site value to the depreciated replacement cost of the proposed improvements. Therefore, the value of the Subject, via the cost approach, as of October 6, 2016, is:

**SEVEN MILLION EIGHT HUNDRED EIGHTY THOUSAND DOLLARS
(\$7,880,000)**

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 loan maturity.
- Valuation of Tax Credits.
- Favorable Financing.

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

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

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

POTENTIAL GROSS INCOME

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

The potential gross income of the Subject is the total annual income capable of being generated by all sources, including rental revenue and other income sources. The Subject's potential rental income assuming both restricted rents and market rents (based on Novogradac's concluded estimate of achievable LIHTC and market rent levels) is based upon the As Restricted and As Unrestricted as derived in the Supply Section of this report and are calculated as follows.

POTENTIAL GROSS RENTAL INCOME - AS PROPOSED RESTRICTED				
Unit Type	Number of Units	Achievable LIHTC Rents	Monthly Gross Rent	Annual Gross Rent
60% AMI				
3BR/2BA	60	\$939	\$56,340	\$676,080
Total	60			\$676,080

POTENTIAL GROSS RENTAL INCOME - AS PROPOSED UNRESTRICTED				
Unit Type	Number of Units	Achievable Market Rents	Monthly Gross Rent	Annual Gross Rent
3BR/2BA	60	\$1,150	\$69,000	\$828,000
Total	60			\$828,000

Other Income

The other income category is primarily revenue generated from interest income, late charges, special service fees, vending machines, etc. The comparables reported other income ranging from \$38 to \$504 per unit. The developer's budget indicates other income of \$75 per unit. We will conclude to other income of \$75 per unit, which is within the range of the comparables and in-line with the developer's budget.

Vacancy and Collection Loss

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

EXPLANATION OF EXPENSES

Typical deductions from the calculated Effective Gross Income fall into three categories on real property: fixed, variable, and non-operating expenses. Historical operating expenses of comparable properties were relied upon in estimating the Subject's operating expenses. The comparable data can be found on the following pages.

It is important to note that the projections of income and expenses are based on the basic assumption that the apartment complex will be managed and staffed by competent personnel and that the property will be professionally advertised and aggressively promoted. The Subject will offer 60 units that target households of all ages. Comparable operating expense data from 2014 was collected from properties located within the MSA in East Point, Forest Park, Atlanta to serve as a comparison for the Subject's proposed operating budget.

EXPENSE CATEGORY	Novogradac Estimates As Proposed Restricted Decatur, GA		Novogradac Estimates As Proposed Unrestricted Decatur, GA		SUBJECT BUDGETED EXPENSES Decatur, GA		2014 CONFIDENTIAL ACTUAL EXPENSES East Point, GA		2014 CONFIDENTIAL ACTUAL EXPENSES East Point, GA		2014 CONFIDENTIAL ACTUAL EXPENSES Forest Park, GA		2014 CONFIDENTIAL ACTUAL EXPENSES Atlanta, GA	
	60		60		60		160		276		168		320	
	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit
OTHER INCOME	\$4,500	\$75	\$4,500	\$75	\$4,500	\$75	\$80,638	\$504	\$99,115	\$359	\$6,385	\$38	\$128,536	\$402
MARKETING														
Advertising / Screening / Credit	\$1,500	\$25	\$1,500	\$25	\$2,000	\$33	\$7,840	\$49	\$2,849	\$10	\$10,830	\$64	\$20,475	\$64
SUBTOTAL	\$1,500	\$25	\$1,500	\$25	\$2,000	\$33	\$7,840	\$49	\$2,849	\$10	\$10,830	\$64	\$20,475	\$64
ADMINISTRATION														
Legal	\$2,100	\$35	\$2,100	\$35	\$2,000	\$33	\$21,484	\$134	\$31,552	\$114	\$8,443	\$50	\$25,769	\$81
Audit	\$6,000	\$100	\$6,000	\$100	\$5,000	\$83	\$9,569	\$60	\$10,500	\$38	\$8,000	\$48	\$10,592	\$33
Office & Other	\$15,000	\$250	\$12,600	\$210	\$3,200	\$53	\$75,929	\$475	\$188,495	\$683	\$40,812	\$243	\$278,982	\$872
SUBTOTAL	\$23,100	\$385	\$20,700	\$345	\$10,200	\$170	\$106,982	\$669	\$230,547	\$835	\$57,255	\$341	\$315,343	\$985
TOTAL ADMINISTRATION	\$24,600	\$410	\$22,200	\$370	\$12,200	\$203	\$114,822	\$718	\$233,396	\$846	\$68,085	\$405	\$335,818	\$1,049
MAINTENANCE														
Painting / Turnover / Cleaning	\$4,500	\$75	\$4,500	\$75	\$0	\$0	\$23,282	\$146	\$92,796	\$336	\$0	\$0	\$48,517	\$152
Repairs	\$10,500	\$175	\$10,500	\$175	\$10,000	\$167	\$17,241	\$108	\$55,321	\$200	\$966	\$6	\$32,380	\$101
Elevator	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grounds	\$4,500	\$75	\$4,500	\$75	\$2,500	\$42	\$12,923	\$81	\$102	\$0	\$202	\$1	\$31,367	\$98
Pool	\$0	\$0	\$0	\$0	\$0	\$0	\$4,704	\$29	\$0	\$0	\$2,916	\$17	\$5,585	\$17
Supplies/Other	\$6,000	\$100	\$6,000	\$100	\$0	\$0	\$14,618	\$91	\$12,746	\$46	\$106,747	\$635	\$83,654	\$261
SUBTOTAL	\$25,500	\$425	\$25,500	\$425	\$12,500	\$208	\$72,768	\$455	\$160,965	\$583	\$110,831	\$660	\$201,503	\$630
OPERATING														
Contracts	\$0	\$0	\$0	\$0	\$10,000	\$167	\$3,130	\$20	\$0	\$0	\$0	\$0	\$10,237	\$32
Exterminating	\$3,000	\$50	\$3,000	\$50	\$2,500	\$42	\$2,176	\$14	\$0	\$0	\$0	\$0	\$6,064	\$19
Security	\$1,500	\$25	\$1,500	\$25	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$26,250	\$82
SUBTOTAL	\$4,500	\$75	\$4,500	\$75	\$12,500	\$208	\$5,306	\$33	\$0	\$0	\$0	\$0	\$42,551	\$133
TOTAL MAINTENANCE AND OPERATING	\$30,000	\$500	\$30,000	\$500	\$25,000	\$417	\$78,074	\$488	\$160,965	\$583	\$110,831	\$660	\$244,054	\$763
PAYROLL														
On-site manager	\$30,000	\$500	\$30,000	\$500	\$30,000	\$500	\$96,396	\$602	\$114,114	\$413	\$88,135	\$525	\$199,131	\$622
Other management staff	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Maintenance staff	\$24,000	\$400	\$24,000	\$400	\$20,000	\$333	\$110,199	\$689	\$108,276	\$392	\$74,824	\$445	\$21,973	\$69
Janitorial staff	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Benefits	\$0	\$0	\$0	\$0	\$0	\$0	\$3,389	\$21	-\$3,052	-\$11	\$22,332	\$133	\$16,109	\$50
Payroll taxes	\$6,480	\$108	\$6,480	\$108	\$0	\$0	\$41,279	\$258	\$78,074	\$283	\$21,657	\$129	\$38,285	\$120
SUBTOTAL	\$60,480	\$1,008	\$60,480	\$1,008	\$50,000	\$833	\$251,263	\$1,570	\$297,412	\$1,078	\$206,948	\$1,232	\$275,498	\$861
UTILITIES														
Water & Sewer	\$49,800	\$830	\$49,800	\$830	\$50,000	\$833	\$86,333	\$540	\$30,563	\$111	\$5,927	\$35	\$209,060	\$653
Electricity	\$10,200	\$170	\$10,200	\$170	\$10,000	\$167	\$40,939	\$256	\$56,933	\$206	\$49,714	\$296	\$99,413	\$311
Gas	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$16,724	\$61	-\$610	-\$4	\$0	\$0
Trash	\$7,500	\$125	\$7,500	\$125	\$7,500	\$125	\$7,836	\$49	\$0	\$0	\$13,881	\$83	\$35,582	\$111
SUBTOTAL	\$67,500	\$1,125	\$67,500	\$1,125	\$67,500	\$1,125	\$135,108	\$844	\$104,220	\$378	\$68,912	\$410	\$344,055	\$1,075
MISCELLANEOUS														
Insurance	\$16,500	\$275	\$16,500	\$275	\$23,938	\$399	\$38,696	\$242	\$49,980	\$181	\$45,474	\$271	\$81,843	\$256
Real Estate Taxes / PILOT	\$67,029	\$1,117	\$149,622	\$2,494	\$61,917	\$1,032	\$72,087	\$451	\$386,771	\$1,401	\$87,501	\$521	\$94,817	\$296
Reserves	\$15,000	\$250	\$15,000	\$250	\$15,000	\$250	\$40,000	\$250	\$69,000	\$250	\$42,000	\$250	\$80,000	\$250
SUBTOTAL	\$98,529	\$1,642	\$181,122	\$3,019	\$100,855	\$1,681	\$150,783	\$942	\$505,751	\$1,832	\$174,975	\$1,042	\$256,660	\$802
MANAGEMENT														
SUBTOTAL	\$25,862	\$431	\$23,726	\$395	\$34,200	\$570	\$60,910	\$381	\$86,715	\$314	\$38,625	\$230	\$123,804	\$387
TOTAL EXPENSES	\$306,971	\$5,116	\$385,028	\$6,417	\$289,755	\$4,829	\$790,960	\$4,944	\$1,388,459	\$5,031	\$668,376	\$3,978	\$1,579,889	\$4,937

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 comparable property expense data. The developer's budget indicates a general administrative expense of \$203 per unit. The comparable expense data ranges from \$405 to \$1,049 per unit with an average of \$754. We have concluded to \$410 per unit for the restricted scenario and \$370 per unit for the unrestricted scenario. According to Novogradac & Company LLP's *Multifamily Rental Housing Operating Expense Report*, it costs on average approximately 10 percent more per unit for administrative costs for a low income housing tax credit property nationally than it does for a market rate property.

Repairs, Maintenance, and Operating

Included in this expense are normal items of repair including roof, painting, decorating, maintenance of public areas, cleaning, etc. The developer's budgeted expense is \$417 per unit. The comparable expense data ranges from \$488 to \$763 per unit. The Subject will be new construction. We have concluded to an expense of \$500 per unit for both scenarios, which is within the range of the comparables.

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 \$833 per unit. The comparable expense data ranges from \$861 to \$1,570 per unit. We estimate a part-time manager and a part-time maintenance employee for the Subject. The following table illustrates Novoco's staffing plan for the Subject.

PAYROLL EXPENSE CALCULATION		
	Expense	Per Unit
Manager's Salary	\$30,000	\$500
Maintenance Salary	\$24,000	\$400
Benefits (\$5,000 per FTE)	\$0	\$0
Payroll Taxes (estimated at 12%)	\$6,480	\$108
Total Annual Payroll	\$60,480	\$1,008

Utilities

The landlord will be responsible for trash collection and common area utilities. The Subject's budgeted utility expense is \$1,125 per unit. Comparable operating expenses indicate a range of \$378 to \$1,075 per unit. Due to the fact that properties often vary in terms of utility responsibilities, comparisons are difficult. Per GA DCA guidelines, we have relied on GA DCA Utility Allowance and the Utility Allowance provided by the Housing Authority of City of Decatur to determine the Subject's utility expense.

UTILITY ALLOWANCES

Utility	Paid By	Three-bedroom
Utilities-Electricity	Tenant	\$56
Utilities-Electric Heating	Tenant	\$10
Utilities-Air Conditioning	Tenant	\$17
Utilities-Electric Cooking	Tenant	\$12
Utilities-Electric Heated Hot Water	Tenant	\$30
Utilities-Water and Sewer Services	Landlord	\$105
Utilities-Trash Collection	Landlord	\$0
Total Utility Allowance		\$230
Total Tenant Paid Utilities		\$125

Source: Housing Authority of City of Decatur, effective 6/1/2015

Utility Expense Calculation	Three-bedroom	Total
Unit Mix	60	60
Electric Annually Per Unit (assuming 5% vacancy/common area)	\$5,472	\$4,500
Water and Sewer Annually Per Unit (assuming 5% vacancy/common area)	\$47,880	\$71,820
Total Annual Trash Per Unit (assuming 5% vacancy/common area)	\$0	\$0
Total Annual Utility Expense Per Unit		\$1,272

The developer's budgeted utility expense appears reasonable based upon the DeKalb Housing Authority Utility Allowance Schedule. Therefore, we have concluded to an expense of \$1,125 per unit.

Insurance

The Subject has projected an annual insurance expense of \$399 per unit. The comparables range from \$181 to \$271 per unit. We have concluded to an insurance expense of \$275 per unit for both scenarios, which is just above the range of the comparables and below the developer's budget.

Taxes

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

Replacement Reserves

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

Management Fees

The typical range for professionally managing an apartment property such as the Subject is 4.0 to 7.0 percent of effective gross rental income, depending upon the size and age of the apartment complex with the latter percentage being charged to smaller or older complexes. This amount will also vary dependent upon what is included in the management task which some would also classify as

administration. The comparables reported management fees of 3.0 to 5.9 percent, or \$230 to \$387 per unit. We have concluded to a management fee of 4.0 percent (\$430 per unit) for the restricted scenario and a management fee of 3.0 percent (\$394 per unit) for the unrestricted scenario.

SUMMARY

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

Comparable Expense Properties		
Total Expense per Unit	W/ Taxes	W/O Taxes
Developer's Budget	\$4,250	N/A
Expense Comparable 1	\$4,944	\$4,493
Expense Comparable 2	\$5,031	\$3,629
Expense Comparable 3	\$3,978	\$3,458
Expense Comparable 4	\$4,937	\$4,641
Subject (As Proposed Restricted)	\$5,108	\$3,998
Subject (As Proposed Unrestricted)	\$6,416	\$3,922

The estimated operating expenses for the Subject are above the developer's budget and within the range of comparable properties. We believe the estimated expenses for the restricted and unrestricted scenarios are reasonable based upon the comparable expenses.

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.

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	Year Built	Sale Date	Sale Price	# of Units	Price / Unit	Effective Gross Income Multiplier	Overall Rate
1	Veranda Knolls Apartments	1997	May-16	\$19,400,000	146	\$132,877	9.1	5.5%
2	Inman Way	1962	Jul-15	\$2,985,000	28	\$106,607	8.3	6.8%
3	Paces Park 250	2000	Dec-14	\$31,500,000	250	\$126,000	10.8	5.7%
4	Ivy Park	1980	Dec-14	\$8,750,000	176	\$49,716	8.9	6.1%
5	Creekside Corners Apartments	2001	Dec-14	\$32,000,000	444	\$72,072	7.5	6.1%
	Average			\$18,927,000	209	\$97,454	8.9	6.0%

The sales illustrate a range of overall rates from 5.5 to 6.8 percent, and the average is 6.0 percent. The properties are all stabilized and represent typical market transactions for multifamily market rate properties in the market area. Overall the Subject is most similar to Sales 1, 3, and 5 in terms of condition. Sales 1 and 2 represent the most recent sales, while Sale 4 is the most similar to the Subject in terms of location. We have concluded to a capitalization rate of 6.0 percent based on market extraction for the Subject in the restricted and unrestricted scenarios, which appear reasonable based on the comparable data.

REIS

REIS data for Atlanta metropolitan area indicates a mean cap rate of 7.3 percent over the past 12 months with a median of 6.7 percent of the same time period. However, as of the second quarter 2016, the mean cap rate decreased to 7.1 percent.

	2Q 2016 Metro Statistics			Metro Statistics - 12 Month Rolling		
	Mean	Median	25th Percentile	Mean	Median	75th Percentile
Cap Rate	7.1%	7.3%	5.4%	7.3%	6.7%	8.8%
Sale Price	\$8,913,500	\$1,616,500	\$2,700,000	\$17,437,901	\$10,000,000	\$25,900,000
Sale Price Per Unit	\$74,240	\$48,958	\$43,156	\$87,737	\$75,918	\$104,000
Number of Units	120	75	66	199	210	280
Number of Floors	2	2	2	3	3	3
Year Built	1983	1971	1968	1987	1984	1994

Source: Reis, 10/2016

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

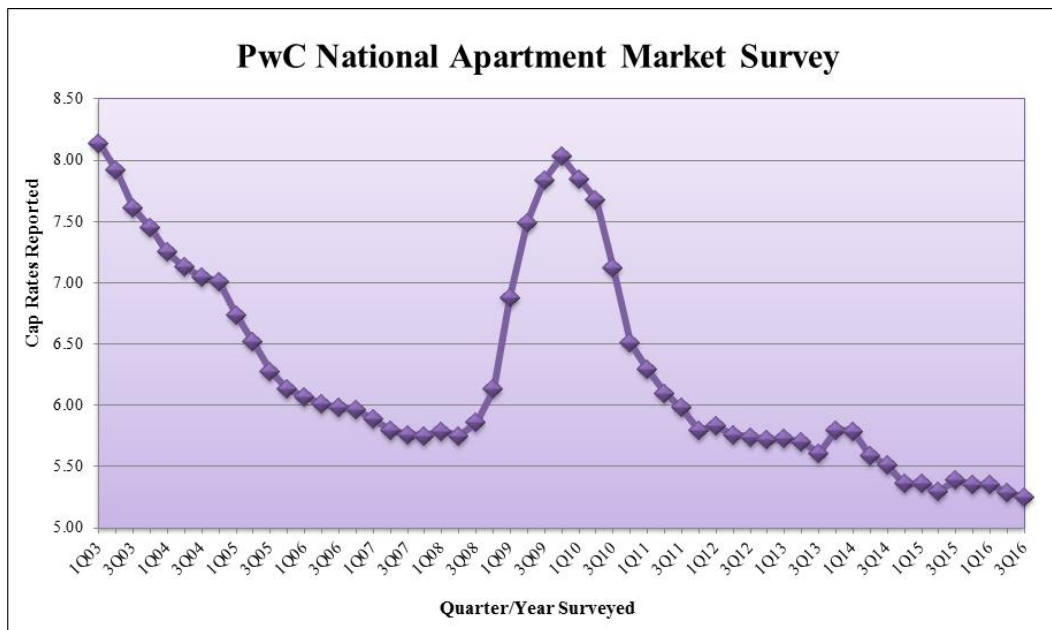
Range: 3.50% - 7.50%
 Average: 5.25%

Non-Institutional Grade Investments

Range: 3.75% - 12.00%
 Average: 6.72%

Source: PwC Real Estate Investor Survey, Q3 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 criteria². Typical “Institutional – Grade” apartment properties are newly constructed, well amenitized, market-rate properties in urban or suburban locations. Rarely could subsidized properties, either new construction or acquisition/rehabilitation, be considered institutional grade real estate. Therefore, for our purpose, the Non-Institutional Grade capitalization rate is most relevant; this is currently 147 basis points higher than the Institutional Grade rate on average. However, local market conditions have significant weight when viewing capitalization rates.



² PwC Real Estate Investor Survey

PwC Real Estate Investor Survey - National Apartment Market					
Overall Capitalization Rate - Institutional Grade Investments					
Quarter	Cap Rate	Change (bps)	Quarter	Cap Rate	Change (bps)
1Q03	8.14	-	1Q10	7.85	-0.18
2Q03	7.92	-0.22	2Q10	7.68	-0.17
3Q03	7.61	-0.31	3Q10	7.12	-0.56
4Q03	7.45	-0.16	4Q10	6.51	-0.61
1Q04	7.25	-0.20	1Q11	6.29	-0.22
2Q04	7.13	-0.12	2Q11	6.10	-0.19
3Q04	7.05	-0.08	3Q11	5.98	-0.12
4Q04	7.01	-0.04	4Q11	5.80	-0.18
1Q05	6.74	-0.27	1Q12	5.83	0.03
2Q05	6.52	-0.22	2Q12	5.76	-0.07
3Q05	6.28	-0.24	3Q12	5.74	-0.02
4Q05	6.13	-0.15	4Q12	5.72	-0.02
1Q06	6.07	-0.06	1Q13	5.73	0.01
2Q06	6.01	-0.06	2Q13	5.70	-0.03
3Q06	5.98	-0.03	3Q13	5.61	-0.09
4Q06	5.97	-0.01	4Q13	5.80	0.19
1Q07	5.89	-0.08	1Q14	5.79	-0.01
2Q07	5.80	-0.09	2Q14	5.59	-0.20
3Q07	5.76	-0.04	3Q14	5.51	-0.08
4Q07	5.75	-0.01	4Q14	5.36	-0.15
1Q08	5.79	0.04	1Q15	5.36	0.00
2Q08	5.75	-0.04	2Q15	5.30	-0.06
3Q08	5.86	0.11	3Q15	5.39	0.09
4Q08	6.13	0.27	4Q15	5.35	-0.04
1Q09	6.88	0.75	1Q16	5.35	0.00
2Q09	7.49	0.61	2Q16	5.29	-0.06
3Q09	7.84	0.35	3Q16	5.25	-0.04
4Q09	8.03	0.19			

Source: PwC Real Estate Investor Survey, Q3 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 third quarter of 2016 have exhibited a slight decrease over capitalization rates from the third quarter of 2015. Overall, we have estimated the capitalization rate of 6.0 percent, which is within the range of the Non-Institutional Grade capitalization rates.

Debt Coverage Ratio

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

The ratio used is:

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

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

$$R_O = \text{D.C.R} \times R_M \times M$$

Where:

R_O = Overall Capitalization Rate

D.C.R = Debt Coverage Ratio

R_M = Mortgage Constant

M = Loan-to-Value Ratio

Band of Investment

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

The formula is:

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

Where:

R_O = Overall Capitalization Rate

M = Loan-to-Value Ratio

R_M = Mortgage Constant

R_E = Equity Dividend

The Mortgage Constant (R_M) is based upon the calculated interest rate from the ten year treasury. The equity dividend rate R_E , also known as the cash on cash return rate, is the rate of return that an equity investor expects on an annual basis. It is a component of the overall return requirement. The equity dividend rate is impacted by the returns on other similar investments as well as the risk profile of the investment market and finally the expectation for future value growth. The equity dividend rate is lower in cases where the market is strong and there is a perception of lower risk related to the return of the investment. Further, the dividend rate is lower in markets that have greater expectation for capital appreciation. In some cases we have seen dividend rates that are zero or even negative, suggesting that buyers are willing to forego an annual return because of a larger expectation of capital appreciation. Of course the converse is also true. Generally we see equity dividend rates ranging from 5.0 to 12.0 percent. In this case, the Subject is located within an urban market. An equity dividend estimate of 6.0 percent is considered reasonable in this analysis.

The following table summarizes calculations for the two previously discussed methods of capitalization rate derivation. We will utilize a market oriented interest rate of 4.62 percent. Based on our work files, the typical amortization period is 25 to 30 years and the loan to value ratio is 70 to 80 percent with interest rates between 4.00 and 6.00 percent. Therefore, we believe a 4.62 percent interest rate with a 30-year amortization period and a loan to value of 80 percent is reasonable. The following table illustrates the band of investment for the Subject property.

CAPITALIZATION RATE DERIVATION			
Inputs and Assumptions		Interest Rate Calculations	
DCR	1.3	Treasury Bond Basis*	
Rm	0.06	10 Year T Bond Rate (10/2016)	1.62%
Interest (per annum)*	4.62%	Interest rate spread	300
Amortization (years)	30	Interest Rate (per annum, rounded)	4.62%
M	80%		
Re	6.0%		
Debt Coverage Ratio			
	Ro	= DCR X Rm X M	
	6.41%	= 1.30 X 0.06 X 80%	
Band of Investment			
	Ro	= (M X Rm) + ((1-M) X Re)	
	6.13%	= (80% X 0.06 + 20% X 6%)	

* Source: Bloomberg.com, 10/2016

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%
REIS	7.10%
PwC Survey	6.00%
Debt Coverage Ratio	6.41%
Band of Investment	6.13%

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 five approaches indicate a range from 6.00 to 7.10 percent. We have reconciled to a 6.00 percent capitalization rate for both 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					
<i>Operating Revenues</i>					
		As Proposed Restricted		As Proposed Unrestricted	
	As Proposed Unit Mix	Rent	Total Revenue	Rent	Total Revenue
Apartment Rentals 3BR/2BA @60%	60	\$939	\$676,080	\$1,150	\$828,000
Total Potential Rental Income	60	\$939	\$676,080	\$1,150	\$828,000
Other Income Miscellaneous		\$75	\$4,500	\$75	\$4,500
Residential Potential Revenues		\$11,343	\$680,580	\$13,875	\$832,500
Vacancy		-\$567	-\$34,029	-\$694	-\$41,625
Vacancy and Collections Loss Percentage			-5%		-5%
Effective Gross Income		\$10,776	\$646,551	\$13,181	\$790,875
<i>Operating Expenses</i>					
		As Proposed Restricted		As Proposed Unrestricted	
Administration and Marketing		\$410	\$24,600	\$370	\$22,200
Maintenance and Operating		\$500	\$30,000	\$500	\$30,000
Payroll		\$1,008	\$60,480	\$1,008	\$60,480
Utilities		\$1,125	\$67,500	\$1,125	\$67,500
Property & Liability Insurance		\$275	\$16,500	\$275	\$16,500
Real Estate and Other Taxes		\$1,117	\$67,029	\$2,494	\$149,622
Replacement Reserves		\$250	\$15,000	\$250	\$15,000
Management Fee	4.0% 3.0%	\$431	\$25,862	\$395	\$23,726
Total Operating Expenses		\$5,116	\$306,971	\$6,417	\$385,028
Expenses as a ratio of EGI			47%		49%
<i>Valuation</i>					
		As Stabilized Restricted		As Stabilized Unrestricted	
Net Operating Income		\$5,660	\$339,580	\$6,764	\$405,847
Capitalization Rate			6.00%		6.00%
Indicated Value "rounded"			\$5,700,000		\$6,800,000
		As Complete Restricted		As Complete Unrestricted	
Number of Months to lease to Stabilized 93%		4		4	
Income loss		\$113,430	17%	\$138,750	17%
Initial market costs		\$10,000		\$10,000	
Total loss to lease		\$123,430		\$148,750	
Value as complete		\$5,576,570		\$6,651,250	
As Complete Value Rounded		\$5,600,000		\$6,700,000	

Cost of Stabilization

For the as complete values, we conservatively estimate the Subject would reach stabilized 93 percent occupancy within four months of completion, or an approximate absorption rate of 14 units per month. Additionally, we have added \$10,000 in estimated marketing costs over this time period. Therefore, we have deducted a total cost of stabilization, as illustrated in the previous table. The indicated value has been adjusted by this amount to arrive at the as complete value.

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		\$123,430	\$5,600,000
As Complete Unrestricted		\$148,750	\$6,700,000
DIRECT CAPITALIZATION ANALYSIS - "AS COMPLETE AND STABILIZED"			
Scenario	Cap Rate	Net Operating Income	Indicated Value (Rounded)
As Proposed Restricted	6.00%	\$339,580	\$5,700,000
As Proposed Unrestricted	6.00%	\$405,847	\$6,800,000

The Subject's hypothetical market value of the real estate assuming the proposed LIHTC rents "As Complete", via the Income Capitalization Approach, as of October 6, 2016 is:

FIVE MILLION SIX HUNDRED THOUSAND DOLLARS
(\$5,600,000)

The Subject's hypothetical market value of the real estate assuming the achievable unrestricted rents "As Complete", via the Income Capitalization Approach, as of October 6, 2016 is:

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

The Subject's hypothetical market value of the real estate assuming the proposed LIHTC rents "As Complete and Stabilized", via the Income Capitalization Approach, as of October 6, 2016 is:

FIVE MILLION SEVEN HUNDRED THOUSAND DOLLARS
(\$5,700,000)

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 October 6, 2016 is:

SIX MILLION EIGHT HUNDRED THOUSAND DOLLARS
(\$6,800,000)

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

Prospective Market Value at Loan Maturity

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

Income and Expense Growth Projections

The AMI in DeKalb County has increased 0.7 percent annually between 1999 and 2016. Since 2010, the AMI in the county has decreased 1.0 percent annually. Several of the LIHTC and market rate comparables experienced rent growth over the past year of one to four percent. It should be noted that all of the LIHTC comparables reported rent increases or kept rents at the maximum allowable levels. We have increased the income and expense line items by 1.0 percent per annum over the holding period. This is based upon the AMI growth and the market-oriented rent increases of the comparable properties.

Terminal Capitalization Rate

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

PwC REAL ESTATE INVESTOR SURVEY	
National Apartment Market	
Overall Capitalization Rate - Institutional Grade Investments	
Range:	3.50% - 7.50%
Average:	5.25%
Non-Institutional Grade Investments	
Range:	3.75% - 12.00%
Average:	6.72%

Source: PwC Real Estate Investor Survey, Q3 2016

Additionally, we have considered the market extracted capitalization rates in the Decatur market. As discussed in detail earlier in this report, we have estimated a going in capitalization rate of 6.0 percent for the Subject in both scenarios.

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 in the

restricted and unrestricted scenarios, which is within the range and is considered reasonable for a non-institutional grade property such as the Subject following construction.

This is calculated using estimated 2047 NOI, assuming linear income and expense growth. The terminal capitalization rates were derived from the reconciled rates discussed later in this appraisal; however, we have added 50 basis points to the reconciled capitalization rates to reach our terminal rate. The higher rate is due to the length of the holding period prior to disposition after 2047.

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)

Restricted Cash Flow Value Derivation of "as complete"															
Fiscal Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Income															
Low Income Units	\$676,080	\$682,841	\$689,669	\$696,566	\$703,532	\$710,567	\$717,673	\$724,849	\$732,098	\$739,419	\$746,813	\$754,281	\$761,824	\$769,442	\$777,137
Nonresidential	\$4,500	\$4,545	\$4,590	\$4,636	\$4,683	\$4,730	\$4,777	\$4,825	\$4,873	\$4,922	\$4,971	\$5,021	\$5,071	\$5,121	\$5,173
Gross Project Income	\$680,580	\$687,386	\$694,260	\$701,202	\$708,214	\$715,296	\$722,449	\$729,674	\$736,971	\$744,340	\$751,784	\$759,302	\$766,895	\$774,564	\$782,309
Vacancy Allowance	-\$34,029	-\$34,369	-\$34,713	-\$35,060	-\$35,411	-\$35,765	-\$36,122	-\$36,484	-\$36,849	-\$37,217	-\$37,589	-\$37,965	-\$38,345	-\$38,728	-\$39,115
Effective Gross Income	\$646,551	\$653,017	\$659,547	\$666,142	\$672,804	\$679,532	\$686,327	\$693,190	\$700,122	\$707,123	\$714,195	\$721,336	\$728,550	\$735,835	\$743,194
Expenses															
Administrative and Marketing	\$24,600	\$24,846	\$25,094	\$25,345	\$25,599	\$25,855	\$26,113	\$26,375	\$26,638	\$26,905	\$27,174	\$27,445	\$27,720	\$27,997	\$28,277
Maintenance and Operating	\$30,000	\$30,300	\$30,603	\$30,909	\$31,218	\$31,530	\$31,846	\$32,164	\$32,486	\$32,811	\$33,139	\$33,470	\$33,805	\$34,143	\$34,484
Payroll	\$60,480	\$61,085	\$61,696	\$62,313	\$62,936	\$63,565	\$64,201	\$64,843	\$65,491	\$66,146	\$66,808	\$67,476	\$68,150	\$68,832	\$69,520
Utilities	\$67,500	\$68,175	\$68,857	\$69,545	\$70,241	\$70,943	\$71,653	\$72,369	\$73,093	\$73,824	\$74,562	\$75,308	\$76,061	\$76,821	\$77,590
Insurance	\$16,500	\$16,665	\$16,832	\$17,000	\$17,170	\$17,342	\$17,515	\$17,690	\$17,867	\$18,046	\$18,226	\$18,409	\$18,593	\$18,779	\$18,966
Real Estate Taxes	\$67,029	\$67,699	\$68,376	\$69,060	\$69,751	\$70,448	\$71,153	\$71,864	\$72,583	\$73,309	\$74,042	\$74,782	\$75,530	\$76,285	\$77,048
Replacement Reserve	\$15,000	\$15,150	\$15,302	\$15,455	\$15,609	\$15,765	\$15,923	\$16,082	\$16,243	\$16,405	\$16,569	\$16,735	\$16,902	\$17,071	\$17,242
Management Fee	\$25,862	\$26,121	\$26,382	\$26,646	\$26,912	\$27,181	\$27,453	\$27,728	\$28,005	\$28,285	\$28,568	\$28,853	\$29,142	\$29,433	\$29,728
Total Expenses	\$306,971	\$310,041	\$313,141	\$316,273	\$319,435	\$322,630	\$325,856	\$329,115	\$332,406	\$335,730	\$339,087	\$342,478	\$345,903	\$349,362	\$352,855
Net Operating Income	\$339,580	\$342,976	\$346,405	\$349,869	\$353,368	\$356,902	\$360,471	\$364,075	\$367,716	\$371,393	\$375,107	\$378,858	\$382,647	\$386,473	\$390,338
Reversion Calculation															
Terminal Capitalization Rate	6.00%														6.00%
Sales Costs	3.0%														3.0%
Net Sales Proceeds															\$6,300,000

As Proposed Restricted Scenario (Years 16 through 30)

Restricted Cash Flow Value Derivation of "as complete"															
Fiscal Year	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047
Income															
Low Income Units	\$784,908	\$792,757	\$800,685	\$808,691	\$816,778	\$824,946	\$833,196	\$841,527	\$849,943	\$858,442	\$867,027	\$875,697	\$884,454	\$893,298	\$902,231
Nonresidential	\$5,224	\$5,277	\$5,329	\$5,383	\$5,436	\$5,491	\$5,546	\$5,601	\$5,657	\$5,714	\$5,771	\$5,829	\$5,887	\$5,946	\$6,005
Gross Project Income	\$790,132	\$798,034	\$806,014	\$814,074	\$822,215	\$830,437	\$838,741	\$847,129	\$855,600	\$864,156	\$872,798	\$881,526	\$890,341	\$899,244	\$908,237
Vacancy Allowance	-\$39,507	-\$39,902	-\$40,301	-\$40,704	-\$41,111	-\$41,522	-\$41,937	-\$42,356	-\$42,780	-\$43,208	-\$43,640	-\$44,076	-\$44,517	-\$44,962	-\$45,412
Effective Gross Income	\$750,626	\$758,132	\$765,713	\$773,370	\$781,104	\$788,915	\$796,804	\$804,772	\$812,820	\$820,948	\$829,158	\$837,449	\$845,824	\$854,282	\$862,825
Expenses															
Administrative and Marketing	\$28,560	\$28,845	\$29,134	\$29,425	\$29,719	\$30,017	\$30,317	\$30,620	\$30,926	\$31,235	\$31,548	\$31,863	\$32,182	\$32,504	\$32,829
Maintenance and Operating	\$34,829	\$35,177	\$35,529	\$35,884	\$36,243	\$36,606	\$36,972	\$37,341	\$37,715	\$38,092	\$38,473	\$38,858	\$39,246	\$39,639	\$40,035
Payroll	\$70,215	\$70,918	\$71,627	\$72,343	\$73,066	\$73,797	\$74,535	\$75,280	\$76,033	\$76,794	\$77,561	\$78,337	\$79,120	\$79,912	\$80,711
Utilities	\$78,365	\$79,149	\$79,941	\$80,740	\$81,547	\$82,363	\$83,186	\$84,018	\$84,859	\$85,707	\$86,564	\$87,430	\$88,304	\$89,187	\$90,079
Insurance	\$19,156	\$19,348	\$19,541	\$19,736	\$19,934	\$20,133	\$20,334	\$20,538	\$20,743	\$20,951	\$21,160	\$21,372	\$21,585	\$21,801	\$22,019
Real Estate Taxes	\$77,819	\$78,597	\$79,383	\$80,177	\$80,979	\$81,788	\$82,606	\$83,432	\$84,267	\$85,109	\$85,960	\$86,820	\$87,688	\$88,565	\$89,451
Replacement Reserve	\$17,415	\$17,589	\$17,765	\$17,942	\$18,122	\$18,303	\$18,486	\$18,671	\$18,857	\$19,046	\$19,236	\$19,429	\$19,623	\$19,819	\$20,018
Management Fee	\$30,025	\$30,325	\$30,629	\$30,935	\$31,244	\$31,557	\$31,872	\$32,191	\$32,513	\$32,838	\$33,166	\$33,498	\$33,833	\$34,171	\$34,513
Total Expenses	\$356,384	\$359,948	\$363,547	\$367,183	\$370,855	\$374,563	\$378,309	\$382,092	\$385,913	\$389,772	\$393,670	\$397,606	\$401,582	\$405,598	\$409,654
Net Operating Income	\$394,242	\$398,184	\$402,166	\$406,188	\$410,249	\$414,352	\$418,495	\$422,680	\$426,907	\$431,176	\$435,488	\$439,843	\$444,241	\$448,684	\$453,171
Reversion Calculation															
Terminal Capitalization Rate					6.50%					6.50%					6.50%
Sales Costs					3.0%					3.0%					3.0%
Net Sales Proceeds					\$6,100,000					\$6,400,000					\$6,800,000

As Proposed Unrestricted Scenario (Years 1 through 15)

Market Cash Flow Value Derivation of "as complete"

Fiscal Year	Year 1 2018	Year 2 2019	Year 3 2020	Year 4 2021	Year 5 2022	Year 6 2023	Year 7 2024	Year 8 2025	Year 9 2026	Year 10 2027	Year 11 2028	Year 12 2029	Year 13 2030	Year 14 2031	Year 15 2032
Income															
Low Income Units	\$828,000	\$836,280	\$844,643	\$853,089	\$861,620	\$870,236	\$878,939	\$887,728	\$896,605	\$905,571	\$914,627	\$923,773	\$933,011	\$942,341	\$951,765
Nonresidential	\$4,500	\$4,545	\$4,590	\$4,636	\$4,683	\$4,730	\$4,777	\$4,825	\$4,873	\$4,922	\$4,971	\$5,021	\$5,071	\$5,121	\$5,173
Gross Project Income	\$832,500	\$840,825	\$849,233	\$857,726	\$866,303	\$874,966	\$883,716	\$892,553	\$901,478	\$910,493	\$919,598	\$928,794	\$938,082	\$947,463	\$956,937
Vacancy Allowance	-\$41,625	-\$42,041	-\$42,462	-\$42,886	-\$43,315	-\$43,748	-\$44,186	-\$44,628	-\$45,074	-\$45,525	-\$45,980	-\$46,440	-\$46,904	-\$47,373	-\$47,847
Effective Gross Income	\$790,875	\$798,784	\$806,772	\$814,839	\$822,988	\$831,218	\$839,530	\$847,925	\$856,404	\$864,968	\$873,618	\$882,354	\$891,178	\$900,090	\$909,090
Expenses															
Administrative and Marketing	\$22,200	\$22,422	\$22,646	\$22,873	\$23,101	\$23,332	\$23,566	\$23,801	\$24,039	\$24,280	\$24,523	\$24,768	\$25,016	\$25,266	\$25,518
Maintenance and Operating	\$30,000	\$30,300	\$30,603	\$30,909	\$31,218	\$31,530	\$31,846	\$32,164	\$32,486	\$32,811	\$33,139	\$33,470	\$33,805	\$34,143	\$34,484
Payroll	\$60,480	\$61,085	\$61,696	\$62,313	\$62,936	\$63,565	\$64,201	\$64,843	\$65,491	\$66,146	\$66,808	\$67,476	\$68,150	\$68,832	\$69,520
Utilities	\$67,500	\$68,175	\$68,857	\$69,545	\$70,241	\$70,943	\$71,653	\$72,369	\$73,093	\$73,824	\$74,562	\$75,308	\$76,061	\$76,821	\$77,590
Insurance	\$16,500	\$16,665	\$16,832	\$17,000	\$17,170	\$17,342	\$17,515	\$17,690	\$17,867	\$18,046	\$18,226	\$18,409	\$18,593	\$18,779	\$18,966
Real Estate Taxes	\$149,622	\$151,118	\$152,629	\$154,156	\$155,697	\$157,254	\$158,827	\$160,415	\$162,019	\$163,639	\$165,276	\$166,929	\$168,598	\$170,284	\$171,987
Replacement Reserve	\$15,000	\$15,150	\$15,302	\$15,455	\$15,609	\$15,765	\$15,923	\$16,082	\$16,243	\$16,405	\$16,569	\$16,735	\$16,902	\$17,071	\$17,242
Management Fee	\$23,726	\$31,951	\$32,271	\$32,594	\$32,920	\$33,249	\$33,581	\$33,917	\$34,256	\$34,599	\$34,945	\$35,294	\$35,647	\$36,004	\$36,364
Total Expenses	\$385,028	\$396,866	\$400,835	\$404,843	\$408,892	\$412,981	\$417,111	\$421,282	\$425,494	\$429,749	\$434,047	\$438,387	\$442,771	\$447,199	\$451,671
Net Operating Income	\$405,847	\$401,917	\$405,937	\$409,996	\$414,096	\$418,237	\$422,419	\$426,643	\$430,910	\$435,219	\$439,571	\$443,967	\$448,406	\$452,891	\$457,419

Reversion Calculation

Terminal Capitalization Rate	6.00%														6.00%	
Sales Costs	3.0%															3.0%
Net Sales Proceeds																\$7,400,000

As Proposed Unrestricted Scenario (Years 16 through 30)

Market Cash Flow Value Derivation of "as complete"															
Fiscal Year	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047
Income															
Low Income Units	\$961,282	\$970,895	\$980,604	\$990,410	\$1,000,314	\$1,010,317	\$1,020,421	\$1,030,625	\$1,040,931	\$1,051,340	\$1,061,854	\$1,072,472	\$1,083,197	\$1,094,029	\$1,104,969
Nonresidential	\$5,224	\$5,277	\$5,329	\$5,383	\$5,436	\$5,491	\$5,546	\$5,601	\$5,657	\$5,714	\$5,771	\$5,829	\$5,887	\$5,946	\$6,005
Gross Project Income	\$966,507	\$976,172	\$985,933	\$995,793	\$1,005,751	\$1,015,808	\$1,025,966	\$1,036,226	\$1,046,588	\$1,057,054	\$1,067,625	\$1,078,301	\$1,089,084	\$1,099,975	\$1,110,974
Vacancy Allowance	-\$48,325	-\$48,809	-\$49,297	-\$49,790	-\$50,288	-\$50,790	-\$51,298	-\$51,811	-\$52,329	-\$52,853	-\$53,381	-\$53,915	-\$54,454	-\$54,999	-\$55,549
Effective Gross Income	\$918,181	\$927,363	\$936,637	\$946,003	\$955,463	\$965,018	\$974,668	\$984,415	\$994,259	\$1,004,201	\$1,014,243	\$1,024,386	\$1,034,630	\$1,044,976	\$1,055,426
Expenses															
Administrative and Marketing	\$25,774	\$26,031	\$26,292	\$26,554	\$26,820	\$27,088	\$27,359	\$27,633	\$27,909	\$28,188	\$28,470	\$28,755	\$29,042	\$29,333	\$29,626
Maintenance and Operating	\$34,829	\$35,177	\$35,529	\$35,884	\$36,243	\$36,606	\$36,972	\$37,341	\$37,715	\$38,092	\$38,473	\$38,858	\$39,246	\$39,639	\$40,035
Payroll	\$70,215	\$70,918	\$71,627	\$72,343	\$73,066	\$73,797	\$74,535	\$75,280	\$76,033	\$76,794	\$77,561	\$78,337	\$79,120	\$79,912	\$80,711
Utilities	\$78,365	\$79,149	\$79,941	\$80,740	\$81,547	\$82,363	\$83,186	\$84,018	\$84,859	\$85,707	\$86,564	\$87,430	\$88,304	\$89,187	\$90,079
Insurance	\$19,156	\$19,348	\$19,541	\$19,736	\$19,934	\$20,133	\$20,334	\$20,538	\$20,743	\$20,951	\$21,160	\$21,372	\$21,585	\$21,801	\$22,019
Real Estate Taxes	\$173,706	\$175,444	\$177,198	\$178,970	\$180,760	\$182,567	\$184,393	\$186,237	\$188,099	\$189,980	\$191,880	\$193,799	\$195,737	\$197,694	\$199,671
Replacement Reserve	\$17,415	\$17,589	\$17,765	\$17,942	\$18,122	\$18,303	\$18,486	\$18,671	\$18,857	\$19,046	\$19,236	\$19,429	\$19,623	\$19,819	\$20,018
Management Fee	\$36,727	\$37,095	\$37,465	\$37,840	\$38,219	\$38,601	\$38,987	\$39,377	\$39,770	\$40,168	\$40,570	\$40,975	\$41,385	\$41,799	\$42,217
Total Expenses	\$456,188	\$460,750	\$465,357	\$470,011	\$474,711	\$479,458	\$484,252	\$489,095	\$493,986	\$498,926	\$503,915	\$508,954	\$514,044	\$519,184	\$524,376
Net Operating Income	\$461,994	\$466,614	\$471,280	\$475,993	\$480,752	\$485,560	\$490,416	\$495,320	\$500,273	\$505,276	\$510,328	\$515,432	\$520,586	\$525,792	\$531,050
Reversion Calculation															
Terminal Capitalization Rate					6.50%					6.50%					6.50%
Sales Costs					3.0%					3.0%					3.0%
Net Sales Proceeds					\$7,200,000					\$7,500,000					\$7,900,000

Conclusion

Prospective Market Value as Restricted 30 years (Loan Maturity),

The prospective market value at 30 years (loan maturity) of the Subject's fee simple interest, subject to the rental restrictions in the year 2047, as of October 6, 2016, is:

**SIX MILLION EIGHT HUNDRED THOUSAND DOLLARS
(\$6,800,000)**

Prospective Market Value as Proposed Unrestricted at 30 years (Loan Maturity)

The hypothetical prospective market value at 30 years (loan maturity) of the Subject's fee simple interest, as an unrestricted property in the year 2047, as of October 6, 2016, is:

**SEVEN MILLION NINE HUNDRED THOUSAND DOLLARS
(\$7,900,000)**

Below Market Debt

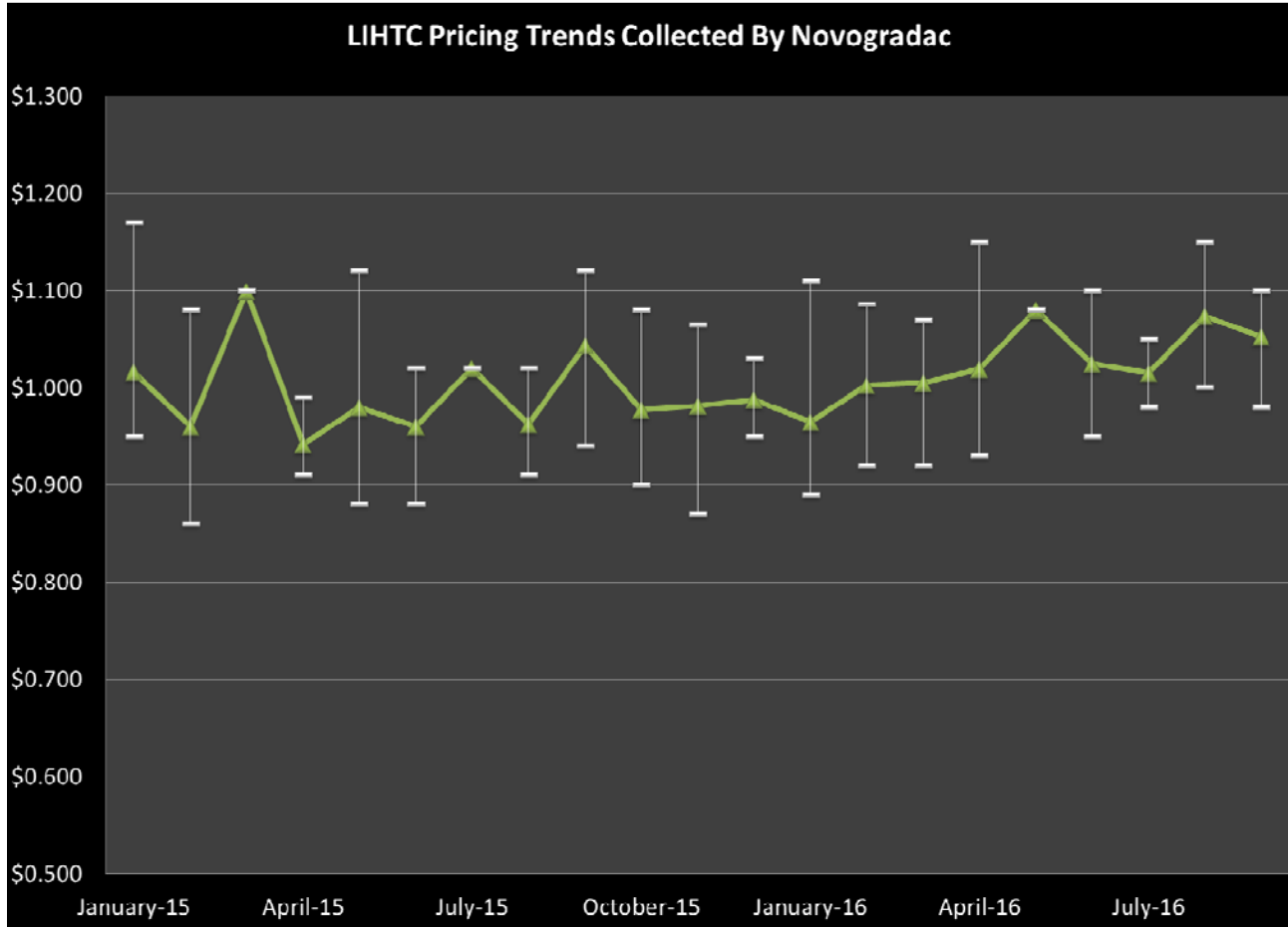
The developer has indicated that they will receive a permanent loan. The permanent loan will be in the amount of \$4,148,364 and will bear an interest at a fixed rate of approximately 4.50 percent per annum with a 360-month (30-year) term. The rate and terms are market-oriented; therefore, there is no favorable financing value.

VALUATION - TAX CREDIT EQUITY

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

As an incentive to participate in the low-income housing program the developer is awarded "tax credits" which provide the incentive to construct and rehabilitate affordable housing in otherwise financially infeasible markets. The tax credit program was created by the Internal Revenue Code Section 42, and is a Federal tax program administered by the states. The developer expects to receive a total LIHTC allocation of \$5,637,475 (\$3,637,081 federal tax credit equity and \$2,000,394 Georgia State tax credit equity, respectively).

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



As the previous table illustrates, tax credit raise rates in recent months have ranged from \$0.95 to \$1.15 per credit. The pricing above reflects transactions similar to Subject. As part of the yield analysis and pricing determination investors consider, among other factors, construction risk, lease-up risk and timing of the credits. The Subject will be located in Decatur, GA, which is a tertiary market and will be newly constructed with LIHTC equity. Tax credit pricing has trended upward over the past several months and has settled in the upper \$0.90s to lower \$1.00 range. The developer’s budget is \$1.00 per credit. We believe that the developer’s budget is reasonable and conclude to \$1.00 per credit.

The following table illustrates Georgia state tax credit pricing in 2013 to 2016.

GEORGIA STATE TAX CREDIT PRICING			
Closing Date	Price Per Credit	Location	Type
2016	\$0.55	Albany	New Construction
2015	\$0.52	Atlanta	Acquisition/Rehabilitation
2015	\$0.35	Fort Valley	Acquisition/Rehabilitation
2014	\$0.32	Union City	New Construction
2013	\$0.30	Griffin	New Construction

According to recent data, the Georgia state credit pricing ranged from \$0.30 to \$0.55 in 2013 through 2016. However, we also contacted a Georgia state LIHTC investor. Our conversations indicated a range of \$0.55 to \$0.60 per credit in 2016. The developer's budget is \$0.55 per credit. Therefore, based on our conversations, we believe that the developer's budget is reasonable and conclude to \$0.55 per credit.

FEDERAL AND STATE TAX CREDIT VALUE		
	Value	Pricing
Total credits	\$5,637,475	
Annual amount	\$563,748	
Federal	\$3,637,081	\$100.00
State	\$2,000,394	\$0.55
Total Value	\$5,637,475	

We believe a price of approximately \$1.00 per credit for federal tax credits and \$0.55 for state tax credits is reasonable. This rate results in a total tax credit value of approximately \$5,640,000 (rounded). This value is effective as of October 6, 2016.

Federal
THREE MILLION SIX HUNDRED FORTY THOUSAND DOLLARS
(\$3,640,000)

State
TWO MILLION DOLLARS
(\$2,000,000)

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

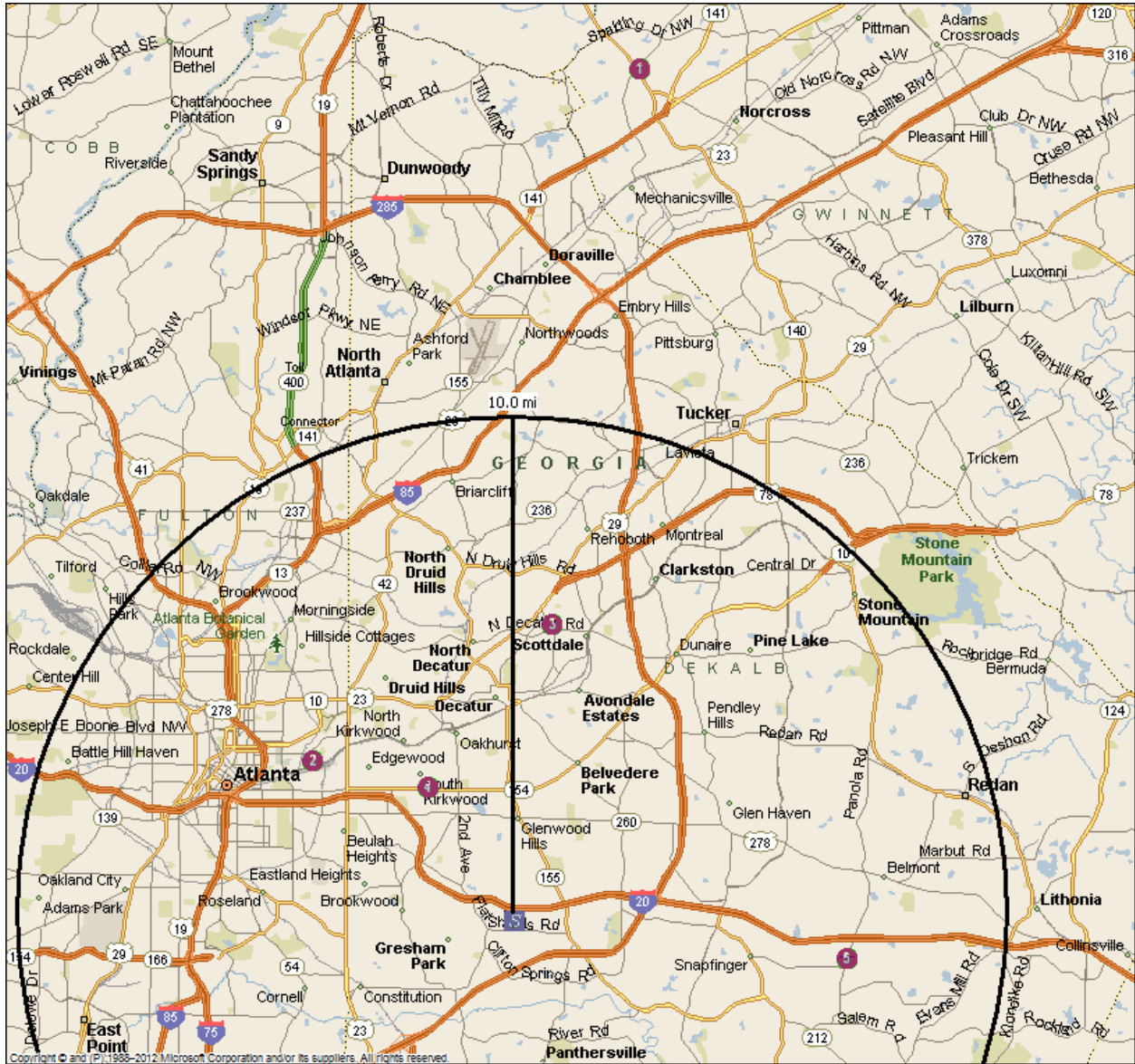
SALES COMPARISON APPROACH

SALES COMPARISON APPROACH

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

The following pages supply the analyzed sale data and will conclude with a value estimate.

Comparable Sales Map



SALES COMPARISON

Property	Year Built	Sale Date	Sale Price	# of Units	Price / Unit	Effective Gross Income Multiplier	Overall Rate	
1	Veranda Knolls Apartments	1997	May-16	\$19,400,000	146	\$132,877	9.1	5.5%
2	Inman Way	1962	Jul-15	\$2,985,000	28	\$106,607	8.3	6.8%
3	Paces Park 250	2000	Dec-14	\$31,500,000	250	\$126,000	10.8	5.7%
4	Ivy Park	1980	Dec-14	\$8,750,000	176	\$49,716	8.9	6.1%
5	Creekside Corners Apartments	2001	Dec-14	\$32,000,000	444	\$72,072	7.5	6.1%
	Average			\$18,927,000	209	\$97,454	8.9	6.0%

Comparable Sale 1

Name: Veranda Knolls Apartments
Location: 100 Ivey Park Lane
 Norcross, GA 30092



Buyer: Brookline Investment Group
Seller: White Oak Partners
Sale Date: May-16
Sale Price: \$19,400,000

Financing: Conventional
Number of Units: 146
Year Built: 1997
Site: 11.7 Acres

Units of Comparison:

Effective Gross Income:	\$2,137,833
EGIM	9.1
Total Expenses:	\$1,064,328
Net Operating Income:	\$1,073,505
Net Operating Income per Unit:	\$7,353
Overall Rate with Reserves:	5.53%
Sale Price per Unit:	\$132,877

Comments:

Veranda Knolls Apartments offers 146 one, two and three-bedroom units. It was 98 percent occupied at time of sale. Information was verified through the listing broker, Kevin Geiger of CBRE.

Verification: Costar, Listing Broker Kevin Geiger, CBRE

Comparable Sale 2

Name: Inman Way
Location: 70 Spruce Street
 Atlanta, GA 30307



Buyer: Pantheon Piedmont, LLC
Seller: Schottenstein Realty Company
Sale Date: Jul-15
Sale Price: \$2,985,000

Financing: Conventional
Number of Units: 28
Year Built: 1962
Site: 0.69 Acres

Units of Comparison:

Effective Gross Income:	\$359,780
EGIM	8.3
Total Expenses:	\$156,800
Net Operating Income:	\$202,980
Net Operating Income per Unit:	\$7,249
Overall Rate with Reserves:	6.80%
Sale Price per Unit:	\$106,607

Comments:

The property consists of 28 two-bedroom units. The property occupancy rate was unknown at the time of sale. The sale price, capitalization rate, and expenses were verified with buyer broker, Andy Lundsberg with Bull Realty Inc.

Verification: Appraiser's File, Listing Broker, Andy Lundsberg, Bull Realty

Comparable Sale 3

Name: **Paces Park 250**
Location: 100 Paces Park Drive
 Decatur, GA 30033



Buyer: Inwood Holdings, LLC
Seller: GE Capital Corporation
Sale Date: Dec-14
Sale Price: \$31,500,000

Financing: Conventional
Number of Units: 250
Year Built: 2000
Site: 10.49 Acres

Units of Comparison:

Effective Gross Income:	\$2,904,750
EGIM	10.8
Total Expenses:	\$1,125,000
Net Operating Income:	\$1,779,750
Net Operating Income per Unit:	\$7,119
Overall Rate with Reserves:	5.7%
Sale Price per Unit:	\$126,000

Comments:

This property offers one, two, and three-bedroom units and was reported 97 percent occupied and in good condition at the time of the sale. The broker confirmed the sale price, date, and capitalization rate. Expenses were estimated by Novogradac at \$,4500 per unit.

Verification: Appraiser's File, Listing Broker, Chris Spain, Cushman & Wakefield

Comparable Sale 4

Name: Ivy Park
Location: 2035 Memorial Drive SE
 Atlanta, GA 30317



Buyer: Courland Partners
Seller: Domum Equity I
Sale Date: Dec-14
Sale Price: \$8,750,000

Financing: Conventional
Number of Units: 176
Year Built: 1980
Site: 15.46 Acres

Units of Comparison:

Effective Gross Income:	\$1,416,375
EGIM	8.9
Total Expenses:	\$880,000
Net Operating Income:	\$536,375
Net Operating Income per Unit:	\$5,566
Overall Rate with Reserves:	6.13%
Sale Price per Unit:	\$49,716

Comments:

The property consists of 92 one-bedroom units and 84 two-bedroom units. Occupancy was approximately 98 percent occupied at time of sale and in average condition. The sale price, capitalization rate, and expenses were verified with the broker, Tyler Averitt of National Multi Housing Advisors.

Verification: Appraiser's File, Listing Broker, Tyler Averitt, National Multi Housing Advisors

Comparable Sale 5

Name: Creekside Corners Apartments
Location: 5301 W. Fairington Parkway
 Lithonia, GA 30038



Buyer: HPI Creekside, LLC
Seller: Tumberry Gardens Associates, LLC
Sale Date: Dec-14
Sale Price: \$32,000,000

Financing: Conventional
Number of Units: 444
Year Built: 2001
Site: 36.45 Acres

Units of Comparison:
 Effective Gross Income: \$4,283,000
 EGIM 7.5
 Total Expenses: \$2,331,000
 Net Operating Income: \$1,952,000
 Net Operating Income per Unit: \$4,396
 Overall Rate with Reserves: 6.10%
 Sale Price per Unit: \$72,072

Comments:

This three-story, garden-style property offers 166 one-bedroom, 244 two-bedroom units, and 34 three-bedroom units. The property was reportedly 93 percent occupied at the time of transfer. All information was verified with the broker, Joshua Goldfarb of Regional Multi Housing Advisors.

Verification: Appraiser's File, Listing Broker, Joshua Goldfarb, Regional Multi Housing Advisors

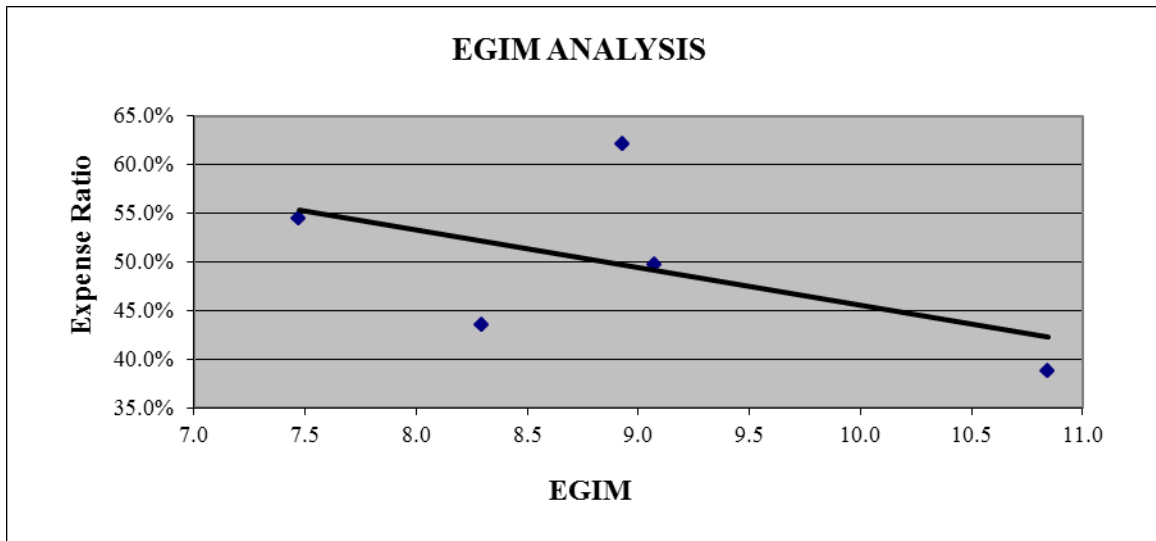
VALUATION ANALYSIS

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

SALES COMPARISON								
	Property	Year Built	Sale Date	Sale Price	# of Units	Price / Unit	Effective Gross Income Multiplier	Overall Rate
1	Veranda Knolls Apartments	1997	May-16	\$19,400,000	146	\$132,877	9.1	5.5%
2	Inman Way	1962	Jul-15	\$2,985,000	28	\$106,607	8.3	6.8%
3	Paces Park 250	2000	Dec-14	\$31,500,000	250	\$126,000	10.8	5.7%
4	Ivy Park	1980	Dec-14	\$8,750,000	176	\$49,716	8.9	6.1%
5	Creekside Corners Apartments	2001	Dec-14	\$32,000,000	444	\$72,072	7.5	6.1%
	Average			\$18,927,000	209	\$97,454	8.9	6.0%

EGIM Analysis

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



	Sale Price	EGI	Expenses	Expense Ratio	EGIM
As Proposed Restricted	\$5,700,000	\$646,551	\$306,971	47%	8.8
As Proposed Unrestricted	\$6,800,000	\$790,875	\$385,028	49%	8.6
Comparable #1	\$19,400,000	\$2,137,833	\$1,064,328	50%	9.1
Comparable #2	\$2,985,000	\$359,780	\$156,800	44%	8.3
Comparable #3	\$31,500,000	\$2,904,750	\$1,125,000	39%	10.8
Comparable #4	\$8,750,000	\$1,416,375	\$880,000	62%	8.9
Comparable #5	\$32,000,000	\$4,283,000	\$2,331,000	54%	7.5

We have estimated an EGIM of 8.7 for both the restricted and unrestricted scenarios. The Subject's indicated value using the EGIM method is presented in the following table.

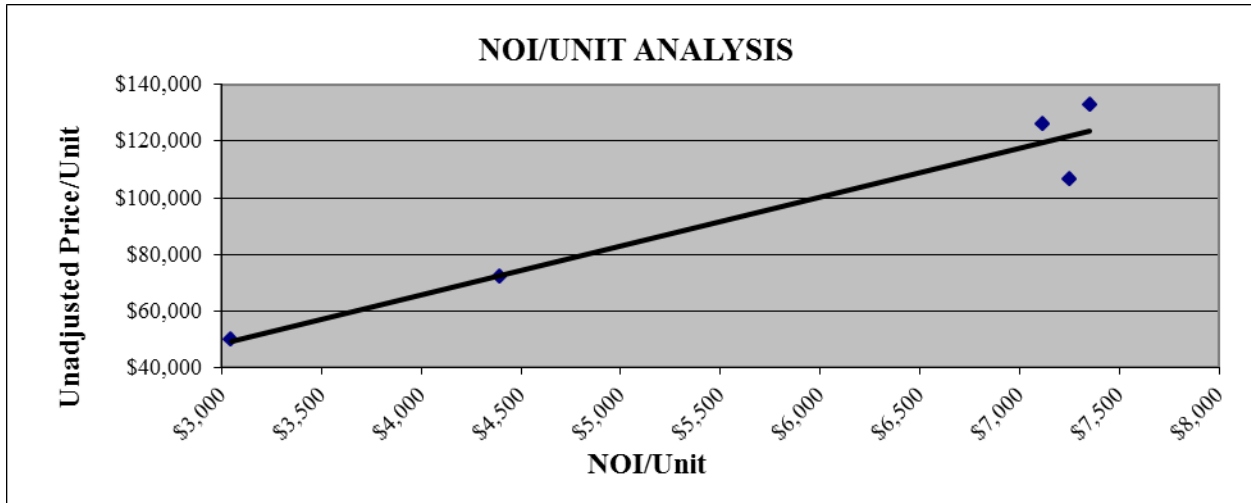
EGIM ANALYSIS - "AS COMPLETE AND STABILIZED"

Scenario	EGIM	Effective Gross Income	Indicated Value (Rounded)
As Proposed Restricted	8.8	\$646,551	\$5,700,000
As Proposed Unrestricted	8.6	\$790,875	\$6,800,000

NOI/UNIT ANALYSIS

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

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



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

NOI/UNIT ANALYSIS

As Proposed Restricted

No.	Subject's Stabilized NOI/Unit	/	Sale's NOI/Unit	=	Adjustment Factor	x	Unadjusted Price/Unit	=	Adjusted Price/Unit
1	\$5,660	/	\$7,353	=	0.77	X	\$132,877	=	\$102,279
2	\$5,660	/	\$7,249	=	0.78	X	\$106,607	=	\$83,230
3	\$5,660	/	\$7,119	=	0.80	X	\$126,000	=	\$100,171
4	\$5,660	/	\$3,048	=	1.86	X	\$49,716	=	\$92,327
5	\$5,660	/	\$4,396	=	1.29	X	\$72,072	=	\$92,781
			\$5,833		1.10		\$97,454		\$94,158

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	\$6,764	/	\$7,353	=	0.92	X	\$132,877	=	\$122,239
2	\$6,764	/	\$7,249	=	0.93	X	\$106,607	=	\$99,472
3	\$6,764	/	\$7,119	=	0.95	X	\$126,000	=	\$119,719
4	\$6,764	/	\$3,048	=	2.22	X	\$49,716	=	\$110,344
5	\$6,764	/	\$4,396	=	1.54	X	\$72,072	=	\$110,887
			\$5,833		1.31		\$97,454		\$112,532

Comparable Sales 1, 3, and 5 were constructed between 1997 and 2001 and are the most similar to the proposed Subject in terms of age and condition. Sales 2 and 4 were constructed in 1962 and 1980 and are slightly inferior to the Subject in terms of age and condition. Based upon the comparable properties, we have concluded to a price per unit within the middle of the range. Value indications via the NOI per unit analysis are summarized below.

NOI/UNIT ANALYSIS - "AS COMPLETE AND STABILIZED"

Scenario	Number of Units	Price per unit	Indicated Value (Rounded)
As Proposed Restricted	60	\$95,000	\$5,700,000
As Proposed Unrestricted	60	\$113,000	\$6,800,000

Conclusion

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

The Subject's prospective market value of the real estate As Restricted assuming the proposed LIHTC rents "**As Complete and Stabilized**", via the Sales Comparison Approach, as of October 6, 2016 is:

FIVE MILLION SEVEN HUNDRED THOUSAND DOLLARS
(\$5,700,000)

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 October 6, 2016 is:

SIX MILLION EIGHT HUNDRED THOUSAND DOLLARS
(\$6,800,000)

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

RECONCILIATION

RECONCILIATION

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

AS IS VALUE				
Scenario	Units	Price Per Unit	Indicated Value (Rounded)	
Land Value	152	\$11,000	\$1,670,000	
COST APPROACH ANALYSIS				
Scenario	Indicated Value (Rounded)			
As Proposed Restricted	\$7,880,000			
DIRECT CAPITALIZATION ANALYSIS - "AS COMPLETE"				
Scenario	Loss To Lease	Indicated Value (Rounded)		
As Complete Restricted	\$123,430	\$5,600,000		
As Complete Unrestricted	\$148,750	\$6,700,000		
DIRECT CAPITALIZATION ANALYSIS - "AS COMPLETE AND STABILIZED"				
Scenario	Cap Rate	Net Operating Income	Indicated Value (Rounded)	
As Proposed Restricted	6.00%	\$339,580	\$5,700,000	
As Proposed Unrestricted	6.00%	\$405,847	\$6,800,000	
EGIM ANALYSIS - "AS COMPLETE AND STABILIZED"				
Scenario	EGIM	Effective Gross Income	Indicated Value (Rounded)	
As Proposed Restricted	8.8	\$646,551	\$5,700,000	
As Proposed Unrestricted	8.6	\$790,875	\$6,800,000	
NOI/UNIT ANALYSIS - "AS COMPLETE AND STABILIZED"				
Scenario	Number of Units	Price per unit	Indicated Value (Rounded)	
As Proposed Restricted	60	\$95,000	\$5,700,000	
As Proposed Unrestricted	60	\$113,000	\$6,800,000	
VALUE AT LOAN MATURITY - RESTRICTED				
		Year	Indicated Value (Rounded)	
Restricted		30 years	\$6,800,000	
VALUE AT LOAN MATURITY - UNRESTRICTED				
		Year	Indicated Value (Rounded)	
Unrestricted		30 years	\$7,900,000	
TAX CREDIT VALUATION				
		Credit Amount	Price Per Credit	Indicated Value (Rounded)
Federal LIHTC		\$3,637,081	1.00	\$3,640,000
State LIHTC		\$3,637,081	0.55	\$2,000,000

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 three 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 cost, income, or sales comparison approach.

“As Is” Value

The Subject's as is value, as of October 6, 2016 is:

**ONE MILLION SIX HUNDRED SEVENTY THOUSAND DOLLARS
(\$1,670,000)**

Upon Completion Assuming Restricted Rents

The Subject's hypothetical market value of the real estate assuming proposed restricted rental rates, “Upon Completion,” as of October 6, 2016, is:

**FIVE MILLION SIX HUNDRED THOUSAND DOLLARS
(\$5,600,000)**

Upon Completion Assuming Unrestricted Rents

The Subject's hypothetical market value of the real estate assuming unrestricted operation “Upon Completion,” as of October 6, 2016, is:

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

As Complete and Stabilized Restricted

The Subject's estimated market value “As Complete and Stabilized” assuming proposed restricted rental rates, as of October 6, 2016, is:

**FIVE MILLION SEVEN HUNDRED THOUSAND DOLLARS
(\$5,700,000)**

As Complete and Stabilized Unrestricted

The Subject's estimated hypothetical market value "As Complete and Stabilized" assuming unrestricted market rental rates, as of October 6, 2016, is:

SIX MILLION EIGHT HUNDRED THOUSAND DOLLARS
(\$6,800,000)

Prospective Market Value as Restricted 30 years (Loan Maturity),

The prospective market value at 30 years (loan maturity) of the Subject's fee simple interest, subject to the rental restrictions in the year 2046, as of October 6, 2016, is:

SIX MILLION EIGHT HUNDRED THOUSAND DOLLARS
(\$6,800,000)

Prospective Market Value as Proposed Unrestricted at 30 years (Loan Maturity)

The hypothetical prospective market value at 30 years (loan maturity) of the Subject's fee simple interest, as an unrestricted property in the year 2046, as of October 6, 2016, is:

SEVEN MILLION NINE HUNDRED THOUSAND DOLLARS
(\$7,900,000)

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 October 6, 2016, is:

Federal
THREE MILLION SIX HUNDRED FORTY THOUSAND DOLLARS
(\$3,640,000)

State
TWO MILLION DOLLARS
(\$2,000,000)

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, October 6, 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 October 6, 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 October 6, 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 undersigned hereby certify that, to the best of our knowledge and belief:

- 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, and conclusions;
- We have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved;
- We are concurrently preparing an application market study for the Subject. Other than the aforementioned project, we have performed no other services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment;
- We have no bias with respect to any property that is the subject of this report or to the parties involved with this assignment;
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results;
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal;
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*;
- Will Hoedl has made a personal inspection of the Subject property and comparable market data, and provided significant professional assistance to the appraisers in the form of data collection and analysis. Rebecca S. Arthur, Brian Neukam, and Abby Cohen have not personally inspected the Subject property, but have reviewed Subject and comparable market data incorporated in this report;
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- 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, Rebecca S. Arthur, MAI has completed the continuing education program for Designated members of the Appraisal Institute.



Rebecca S. Arthur, MAI
Certified General Real Estate Appraiser



Brian Neukam
Certified General Real Estate Appraiser
GA License #329471
Expiration Date: 3/31/2017

Addendum B

Qualifications of Consultants

STATEMENT OF PROFESSIONAL QUALIFICATIONS
REBECCA S. ARTHUR, MAI

I. Education

University of Nebraska, Lincoln, Nebraska
Bachelor of Science in Business Administration – Finance

Appraisal Institute
Designated Member (MAI)

II. Licensing and Professional Affiliation

Designated Member of the Appraisal Institute (MAI)
 Kansas City Chapter of the Appraisal Institute Board of Directors – 2013 & 2014
Member of Commercial Real Estate Women (CREW) Network
Member of National Council of Housing Market Analysts (NCHMA)

State of Arizona Certified General Real Estate Appraisal No. 31992
State of California Certified General Real Estate Appraiser No. AG041010
State of Hawaii Certified General Real Estate Appraiser No. CGA-1047
State of Iowa Certified General Real Estate Appraiser No. CG03200
State of Indiana Certified General Real Estate Appraiser No. CG41300037
State of Kansas Certified General Real Estate Appraiser No. G-2153
State of Michigan Certified General Real Estate Appraiser No. 1201074011
State of Minnesota Certified General Real Estate Appraiser No. 40219655
State of Missouri Certified General Real Estate Appraiser No. 2004035401
State of Louisiana Certified General Real Estate Appraiser No. 4018
State of Texas Certified General Real Estate Appraiser No. TX-1338818-G

III. Professional Experience

Partner, Novogradac & Company LLP
Principal, Novogradac & Company LLP
Manager, Novogradac & Company LLP
Real Estate Analyst, Novogradac & Company LLP
Corporate Financial Analyst, Deloitte & Touche LLP

IV. Professional Training

Forecasting Revenue, June 2015
Discounted Cash Flow Model, June 2015
Business Practices and Ethics, April 2015
USPAP Update, May 2014
HUD MAP Training – June 2013
The Appraiser as an Expert Witness: Preparation & Testimony, April 2013
How to Analyze and Value Income Properties, May 2011

Appraising Apartments – The Basics, May 2011
HUD MAP Third Party Tune-Up Workshop, September 2010
HUD MAP Third Party Valuation Training, June 2010
HUD LEAN Third Party Training, January 2010
National Uniform Standards of Professional Appraisal Practice, April 2010
MAI Comprehensive Four Part Exam, July 2008
Report Writing & Valuation Analysis, December 2006
Advanced Applications, October 2006
Highest and Best Use and Market Analysis, July 2005
HUD MAP – Valuation Advance MAP Training, April 2005
Advanced Sales Comparison and Cost Approaches, April 2005
Advanced Income Capitalization, October 2004
Basic Income Capitalization, September 2003
Appraisal Procedures, October 2002
Appraisal Principals, September 2001

V. Real Estate Assignments

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

- In general, have managed and conducted numerous market analyses and appraisals for various types of commercial real estate since 2001, with an emphasis on multifamily housing and land.
- Have managed and conducted numerous market and feasibility studies for multifamily housing. Properties types include Section 42 Low Income Housing Tax Credit (LIHTC) Properties, Section 8, USDA and/or conventional. Local housing authorities, developers, syndicators, HUD and lenders have used these studies to assist in the financial underwriting and design of multifamily properties. Analysis typically includes; unit mix determination, demand projections, rental rate analysis, competitive property surveying, and overall market analysis. The Subjects include both new construction and rehabilitation properties in both rural and metro regions throughout the United States and its territories.
- Have managed and conducted numerous appraisals of multifamily housing. Appraisal assignments typically involved determining the as is, as if complete and the as if complete and stabilized values. Additionally, encumbered LIHTC and unencumbered values were typically derived. The three traditional approaches to value are developed with special methodologies included to value tax credit equity, below market financing and PILOT agreements.
- Performed market studies and appraisals of proposed new construction and existing properties under the HUD Multifamily Accelerated Processing (MAP) program. These reports meet the requirements outlined in HUD Handbook 4465.1 and Chapter 7 of the HUD MAP Guide for 221(d)(4) and 223(f) programs, as well as the LIHTC PILOT Program.
- Performed numerous market study/appraisals assignments for USDA RD properties in several states in conjunction with acquisition rehabilitation redevelopments. Documents are

used by states, FannieMae, USDA, and the developer in the underwriting process. Market studies are compliant to State, FannieMae, and USDA requirements. Appraisals are compliant to FannieMae and USDA HB-1-3560 Chapter 7 and Attachments.

- Completed numerous FannieMae and FreddieMac appraisals of affordable and market rate multi-family properties for DUS Lenders.
- Managed and Completed numerous Section 8 Rent Comparability Studies in accordance with HUD's Section 8 Renewal Policy and Chapter 9 for various property owners and local housing authorities.
- Managed and conducted various City and County-wide Housing Needs Assessments in order to determine the characteristics of existing housing, as well as determine the need for additional housing within designated areas.
- Performed numerous valuations of the General and/or Limited Partnership Interest in a real estate transaction, as well as LIHTC Year 15 valuation analysis.

VI. Speaking Engagements

A representative sample of industry speaking engagements follows:

- Institute for Professional Education and Development (IPED): Tax Credit Seminars
- Institute for Responsible Housing Preservation (IRHP): Annual Meetings
- Midwest FHA Lenders Conference: Annual Meetings
- National Council of Housing Market Analysts (NCHMA): Seminars and Workshops
- Nebraska's County Assessors: Annual Meeting
- Novogradac & Company LLP: LIHTC, Developer and Bond Conferences
- AHF Live! Affordable Housing Finance Magazine Annual Conference
- Kansas Housing Conference
- California Council for Affordable Housing Meetings

**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.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

ABBY M. COHEN

I. Education

The Pennsylvania State University, University Park, PA
Bachelor of Arts

II. Licensing and Professional Affiliation

State of Maryland Appraiser Trainee License #32192
Designated Member of the National Council of Housing Market Analysts (NCHMA)
Member of Commercial Real Estate Women (CREW) Network

III. Professional Experience

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

IV. Professional Training

General Appraiser Report Writing and Case Studies, February 2015
General Appraiser Sales Comparison Approach, February 2015
General Appraiser Site Valuation and Cost Approach, February 2015
Expert Witness for Commercial Appraisers, January 2015
Commercial Appraisal Review, January 2015
Real Estate Finance Statistics and Valuation Modeling, December 2014
General Appraiser Income Approach Part II, December 2014
General Appraiser Income Approach Part I, November 2014
General Appraiser Market Analysis and Highest & Best Use, November 2014
IRS Valuation Summit, October 2014
15-Hour National USPAP Equivalent, April 2013
Basic Appraisal Procedures, March 2013
Basic Appraisal Principles, January 2013

V. Real Estate Assignments

A representative sample of Asset Management, Due Diligence, and Valuation Engagements includes:

- Performed a variety of asset management services for a lender including monitoring and reporting property performance on a monthly basis. Data points monitored include economic vacancy, levels of concessions, income and expense levels, NOI and status of capital projects. Data used to determine these effects on the project's ability to meet its income-dependent obligations.
- Performed asset management services for lenders and syndicators on underperforming assets to identify significant issues facing the property and recommend solutions. Scope of work included analysis of deferred maintenance and property condition, security issues, signage, marketing strategy, condition of units upon turnover and staffing plan. Performed a physical inspection of the assets, to include interior and exterior of property and assessed how the property compares to competition. Analyzed operating expense results.

- Prepared market studies for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties, on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis, and operating expenses analysis. Property types include proposed multifamily, senior independent living, large family, and acquisition with rehabilitation. Completed market studies in all states.
- Assisted in appraisals of proposed new construction, rehabilitation, and existing Low-Income Housing Tax Credit properties, USDA Rural Development, and market rate multifamily developments. Analysis includes property screenings, valuation analysis, rent comparability studies, expense comparability analysis, determination of market rents, and general market analysis.
- Assisted in appraisal work for retail and commercial properties in various parts of the country for various lenders. The client utilized the study for underwriting purposes.
- Conducted market studies for projects under the HUD Multifamily Accelerated Processing program.
- Assisted in appraisals of proposed new construction properties under the HUD Multifamily Accelerated Processing program.
- Assisted in the preparation of Rent Comparability Studies for expiring Section 8 contracts for subsidized properties located throughout the United States. Engagements included site visits to the subject property, interviewing and inspecting potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.
- Performed all aspects of data collection and data mining for web-based rent reasonableness systems for use by local housing authorities.
- Completed numerous analyses of overall reasonableness with regard to Revenue Procedure 2014-12. Transactions analyzed include projects involving the use of Historic Tax Credits, New Markets Tax Credits and Investment Tax Credits. Fees and arrangements tested for reasonableness include developer fees, construction management fees, property management fees, asset management fees, various leasing-related payments and overall master lease terms.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

William C. Hoedl

I. EDUCATION

University of Denver – Denver, Colorado

Master of Science in Real Estate, *2009*

University of Kansas – Lawrence, Kansas

Bachelor of Science in Finance, *2006*

II. PROFESSIONAL EXPERIENCE

Real Estate Analyst - Novogradac & Company LLP

Asset Acquisitions Specialist - Madison Liquidity Investors, LLC

Investment Analyst – Resolute Investments, Inc.

Real Estate Analyst – Prior & Associates, LLC

III. REAL ESTATE ASSIGNMENTS

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

- Prepared market studies for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties, on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis, and operating expenses analysis. Property types include proposed multifamily, senior independent living, assisted living, large family, and acquisition with rehabilitation.
- Prepared Rent Comparability Studies for expiring Section 8 contracts and USDA contracts for subsidized properties located throughout the United States. Engagements included site visits to the subject property, interviewing and inspecting potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.
- Assisted in appraisals of proposed new construction, rehabilitation, and existing Low-Income Housing Tax Credit properties. Analysis includes property screenings, valuation analysis, capitalization rate analysis, rent comparability studies, expense comparability analysis, determination of market rents, and general market analysis. Assisted in land appraisals for lenders and investment banks.
- Researched and analyzed local and national economy and economic indicators for specific projects throughout the United States. Research included employment industries analysis, employment historical trends and future outlook, and demographic analysis.
- Examined local and national housing market statistical trends and potential outlook in order to determine sufficient demand for specific projects throughout the United States.

Addendum C
Subject Photos



View of Subject site facing northwest



View of Subject site facing west



View of Subject site facing southwest



View of Subject site facing south



View of Subject site facing south



View of Subject site facing south



View of Subject site facing east



View of Subject site facing northeast



View along Whites Mill Road facing northeast



View along Whites Mill Road facing southwest



View of The Woodridge Apartment Homes to the west



View of The Woodridge Apartment Homes to the north



The Woodridge Apartment Homes to the north



View toward Interstate 20 from The Woodridge Apartment Homes



Bus stop located along Whites Mill Road



View of Laurel Mill Apartments to the east



Laurel Mill Apartments to the east



Single-family homes to the south of the Subject site (facing the Subject site)



Single-family home to the south of the Subject site (facing the Subject site)



Single-family home to the south

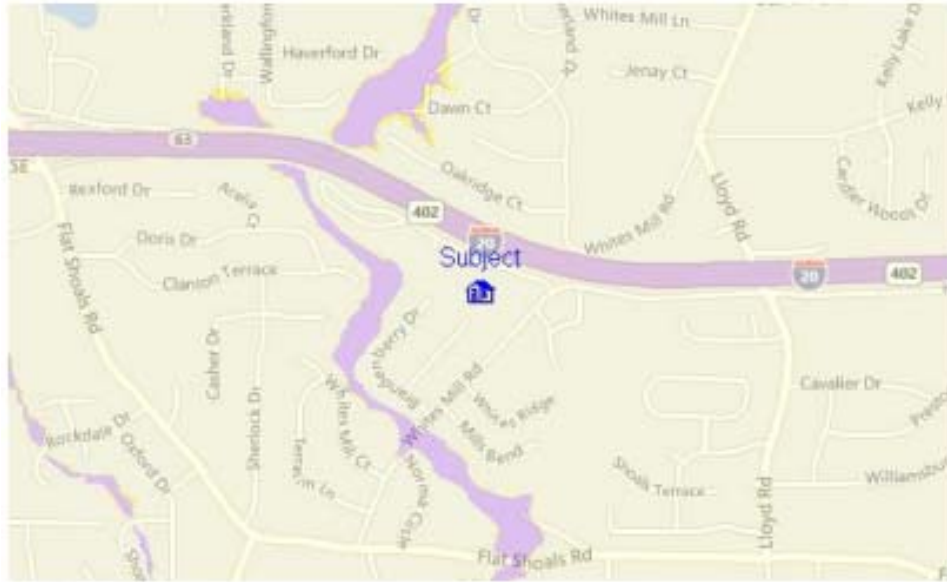


Single-family home to the south



House of worship to the south

Addendum D
Flood Plain Map



FloodMap Legend

Flood Zones

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

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Addendum E
Developer's Budget and Proforma

PART SEVEN - OPERATING PRO FORMA - 2016-0 Swift Creek, Decatur, DeKalb County

I. OPERATING ASSUMPTIONS

Revenue Growth	2.00%
Expense Growth	3.00%
Reserves Growth	3.00%
Vacancy & Collection Loss	7.00%
Ancillary Income Limit	2.00%

Please Note: Green-shaded cells are unlocked for your use and contain references/formulas that may be overwritten if needed.

Asset Management Fee Amount (include total charged by all lenders/investors)	9,660	Yr 1 Asset Mgt Fee Percentage of EGI:	-1.69%
Property Mgt Fee Growth Rate (choose one):		Yr 1 Prop Mgt Fee Percentage of EGI:	6.00%
Expense Growth Rate (3.00%)	No	--> If Yes, indicate Yr 1 Mgt Fee Amt:	
Percent of Effective Gross Income	Yes	--> If Yes, indicate actual percentage:	6.000%

II. OPERATING PRO FORMA

May 2016 Revision v5

Year	1	2	3	4	5	6	7	8	9	10
Revenues	608,400	620,568	632,979	645,639	658,552	671,723	685,157	698,860	712,838	727,094
Ancillary Income	4,500	4,590	4,682	4,775	4,871	4,968	5,068	5,169	5,272	5,378
Vacancy	(42,903)	(43,761)	(44,636)	(45,529)	(46,440)	(47,368)	(48,316)	(49,282)	(50,268)	(51,273)
Other Income (OI)	-	-	-	-	-	-	-	-	-	-
OI Not Subject to Mgt Fee	-	-	-	-	-	-	-	-	-	-
Expenses less Mgt Fee	(240,555)	(247,772)	(255,205)	(262,861)	(270,747)	(278,869)	(287,235)	(295,852)	(304,728)	(313,870)
Property Mgmt	(34,200)	(34,884)	(35,581)	(36,293)	(37,019)	(37,759)	(38,515)	(39,285)	(40,071)	(40,872)
Reserves	(15,000)	(15,450)	(15,914)	(16,391)	(16,883)	(17,389)	(17,911)	(18,448)	(19,002)	(19,572)
NOI	280,242	283,291	286,326	289,341	292,335	295,305	298,248	301,162	304,042	306,886
Mortgage A	(233,535)	(233,535)	(233,535)	(233,535)	(233,535)	(233,535)	(233,535)	(233,535)	(233,535)	(233,535)
Mortgage B	-	-	-	-	-	-	-	-	-	-
Mortgage C	-	-	-	-	-	-	-	-	-	-
D/S Other Source	-	-	-	-	-	-	-	-	-	-
DCA HOME Cash Resrv.	-	-	-	-	-	-	-	-	-	-
Asset Mgmt	(9,660)	(9,660)	(9,660)	(9,660)	(9,660)	(9,660)	(9,660)	(9,660)	(9,660)	(9,660)
DDF	(37,047)	(40,096)	(43,131)	(46,146)	(49,140)	(52,110)	(55,053)	(57,967)	(60,847)	(63,691)
Cash Flow	-	-	-	-	-	-	-	-	-	-
DCR Mortgage A	1.20	1.21	1.23	1.24	1.25	1.26	1.28	1.29	1.30	1.31
DCR Mortgage B										
DCR Mortgage C										
DCR Other Source										
Total DCR	1.20	1.21	1.23	1.24	1.25	1.26	1.28	1.29	1.30	1.31
Oper Exp Coverage Ratio	1.97	1.95	1.93	1.92	1.90	1.88	1.87	1.85	1.84	1.82
Mortgage A Balance	3,756,004	3,713,986	3,669,764	3,623,221	3,574,236	3,522,681	3,468,420	3,411,313	3,351,209	3,287,951
Mortgage B Balance										
Mortgage C Balance										
Other Source Balance										
DDF Balance	478,842	438,746	395,615	349,470	300,330	248,219	193,166	135,199	74,352	10,662

PART SEVEN - OPERATING PRO FORMA - 2016-0 Swift Creek, Decatur, DeKalb County

I. OPERATING ASSUMPTIONS

Revenue Growth	2.00%
Expense Growth	3.00%
Reserves Growth	3.00%
Vacancy & Collection Loss	7.00%
Ancillary Income Limit	2.00%

Please Note: Green-shaded cells are unlocked for your use and contain references/formulas that may be overwritten if needed.

Asset Management Fee Amount (include total charged by all lenders/investors)	9,660	Yr 1 Asset Mgt Fee Percentage of EGI:	-1.69%
Property Mgt Fee Growth Rate (choose one):		Yr 1 Prop Mgt Fee Percentage of EGI:	6.00%
Expense Growth Rate (3.00%)	No	--> If Yes, indicate Yr 1 Mgt Fee Amt:	
Percent of Effective Gross Income	Yes	--> If Yes, indicate actual percentage:	6.000%

II. OPERATING PRO FORMA

May 2016 Revision v5

Year	11	12	13	14	15	16	17	18	19	20
Revenues	741,636	756,469	771,598	787,030	802,771	818,826	835,203	851,907	868,945	886,324
Ancillary Income	5,485	5,595	5,707	5,821	5,938	6,056	6,178	6,301	6,427	6,556
Vacancy	(52,299)	(53,344)	(54,411)	(55,500)	(56,610)	(57,742)	(58,897)	(60,075)	(61,276)	(62,502)
Other Income (OI)	-	-	-	-	-	-	-	-	-	-
OI Not Subject to Mgt Fee	-	-	-	-	-	-	-	-	-	-
Expenses less Mgt Fee	(323,286)	(332,984)	(342,974)	(353,263)	(363,861)	(374,777)	(386,020)	(397,601)	(409,529)	(421,815)
Property Mgmt	(41,689)	(42,523)	(43,374)	(44,241)	(45,126)	(46,028)	(46,949)	(47,888)	(48,846)	(49,823)
Reserves	(20,159)	(20,764)	(21,386)	(22,028)	(22,689)	(23,370)	(24,071)	(24,793)	(25,536)	(26,303)
NOI	309,690	312,449	315,160	317,820	320,423	322,967	325,444	327,852	330,185	332,438
Mortgage A	(233,535)	(233,535)	(233,535)	(233,535)	(233,535)	(233,535)	(233,535)	(233,535)	(233,535)	(233,535)
Mortgage B	-	-	-	-	-	-	-	-	-	-
Mortgage C	-	-	-	-	-	-	-	-	-	-
D/S Other Source	-	-	-	-	-	-	-	-	-	-
DCA HOME Cash Resrv.	-	-	-	-	-	-	-	-	-	-
Asset Mgmt	(9,660)	(9,660)	(9,660)	(9,660)	(9,660)	(9,660)	(9,660)	(9,660)	(9,660)	(9,660)
DDF	(10,662)	-	-	-	-	-	-	-	-	-
Cash Flow	55,833	69,254	71,965	74,625	77,228	79,772	82,249	84,657	86,990	89,243
DCR Mortgage A	1.33	1.34	1.35	1.36	1.37	1.38	1.39	1.40	1.41	1.42
DCR Mortgage B										
DCR Mortgage C										
DCR Other Source										
Total DCR	1.33	1.34	1.35	1.36	1.37	1.38	1.39	1.40	1.41	1.42
Oper Exp Coverage Ratio	1.80	1.79	1.77	1.76	1.74	1.73	1.71	1.70	1.68	1.67
Mortgage A Balance	3,221,374	3,151,304	3,077,557	2,999,941	2,918,251	2,832,276	2,741,789	2,646,555	2,546,323	2,440,832
Mortgage B Balance										
Mortgage C Balance										
Other Source Balance										
DDF Balance	-	-	-	-	-	-	-	-	-	-

PART SEVEN - OPERATING PRO FORMA - 2016-0 Swift Creek, Decatur, DeKalb County

I. OPERATING ASSUMPTIONS

Revenue Growth	2.00%
Expense Growth	3.00%
Reserves Growth	3.00%
Vacancy & Collection Loss	7.00%
Ancillary Income Limit	2.00%

Please Note: Green-shaded cells are unlocked for your use and contain references/formulas that may be overwritten if needed.

Asset Management Fee Amount (include total charged by all lenders/investors)	9,660	Yr 1 Asset Mgt Fee Percentage of EGI:	-1.69%
Property Mgt Fee Growth Rate (choose one):		Yr 1 Prop Mgt Fee Percentage of EGI:	6.00%
Expense Growth Rate (3.00%)	No	--> If Yes, indicate Yr 1 Mgt Fee Amt:	
Percent of Effective Gross Income	Yes	--> If Yes, indicate actual percentage:	6.000%

II. OPERATING PRO FORMA

May 2016 Revision v5

Year	21	22	23	24	25	26	27	28	29	30
Revenues	904,050	922,131	940,574	959,386	978,573	998,145	1,018,108	1,038,470	1,059,239	1,080,424
Ancillary Income	6,687	6,820	6,957	7,096	7,238	7,383	7,530	7,681	7,835	7,991
Vacancy	(63,752)	(65,027)	(66,327)	(67,654)	(69,007)	(70,387)	(71,795)	(73,231)	(74,695)	(76,189)
Other Income (OI)	-	-	-	-	-	-	-	-	-	-
OI Not Subject to Mgt Fee	-	-	-	-	-	-	-	-	-	-
Expenses less Mgt Fee	(434,469)	(447,503)	(460,928)	(474,756)	(488,999)	(503,669)	(518,779)	(534,342)	(550,372)	(566,884)
Property Mgmt	(50,819)	(51,836)	(52,872)	(53,930)	(55,008)	(56,108)	(57,231)	(58,375)	(59,543)	(60,734)
Reserves	(27,092)	(27,904)	(28,742)	(29,604)	(30,492)	(31,407)	(32,349)	(33,319)	(34,319)	(35,348)
NOI	334,606	336,682	338,662	340,538	342,306	343,957	345,485	346,884	348,144	349,260
Mortgage A	(233,535)	(233,535)	(233,535)	(233,535)	(233,535)	(233,535)	(233,535)	(233,535)	(233,535)	(233,535)
Mortgage B	-	-	-	-	-	-	-	-	-	-
Mortgage C	-	-	-	-	-	-	-	-	-	-
D/S Other Source	-	-	-	-	-	-	-	-	-	-
DCA HOME Cash Resrv.	-	-	-	-	-	-	-	-	-	-
Asset Mgmt	(9,660)	(9,660)	(9,660)	(9,660)	(9,660)	(9,660)	(9,660)	(9,660)	(9,660)	(9,660)
DDF	-	-	-	-	-	-	-	-	-	-
Cash Flow	91,411	93,487	95,467	97,343	99,111	100,762	102,290	103,689	104,949	106,065
DCR Mortgage A	1.43	1.44	1.45	1.46	1.47	1.47	1.48	1.49	1.49	1.50
DCR Mortgage B										
DCR Mortgage C										
DCR Other Source										
Total DCR	1.43	1.44	1.45	1.46	1.47	1.47	1.48	1.49	1.49	1.50
Oper Exp Coverage Ratio	1.65	1.64	1.62	1.61	1.60	1.58	1.57	1.55	1.54	1.53
Mortgage A Balance	2,329,806	2,212,954	2,089,970	1,960,534	1,824,306	1,680,930	1,530,031	1,371,214	1,204,063	1,028,142
Mortgage B Balance										
Mortgage C Balance										
Other Source Balance										
DDF Balance	-	-	-	-	-	-	-	-	-	-

PART SEVEN - OPERATING PRO FORMA - 2016-0 Swift Creek, Decatur, DeKalb County

I. OPERATING ASSUMPTIONS

Revenue Growth	2.00%
Expense Growth	3.00%
Reserves Growth	3.00%
Vacancy & Collection Loss	7.00%
Ancillary Income Limit	2.00%

Please Note: Green-shaded cells are unlocked for your use and contain references/formulas that may be overwritten if needed.

Asset Management Fee Amount (include total charged by all lenders/investors)	9,660	Yr 1 Asset Mgt Fee Percentage of EGI:	-1.69%
Property Mgt Fee Growth Rate (choose one):		Yr 1 Prop Mgt Fee Percentage of EGI:	6.00%
Expense Growth Rate (3.00%)	No	--> If Yes, indicate Yr 1 Mgt Fee Amt:	
Percent of Effective Gross Income	Yes	--> If Yes, indicate actual percentage:	6.000%

II. OPERATING PRO FORMA

May 2016 Revision v5

Year	31	32	33	34	35
Revenues	1,102,032	1,124,073	1,146,554	1,169,486	1,192,875
Ancillary Income	8,151	8,314	8,480	8,650	8,823
Vacancy	(77,713)	(79,267)	(80,852)	(82,469)	(84,119)
Other Income (OI)	-	-	-	-	-
OI Not Subject to Mgt Fee	-	-	-	-	-
Expenses less Mgt Fee	(583,890)	(601,407)	(619,449)	(638,033)	(657,173)
Property Mgmt	(61,948)	(63,187)	(64,451)	(65,740)	(67,055)
Reserves	(36,409)	(37,501)	(38,626)	(39,785)	(40,979)
NOI	350,224	351,025	351,656	352,109	352,372
Mortgage A	(233,535)	(233,535)	(233,535)	(233,535)	(233,535)
Mortgage B	-	-	-	-	-
Mortgage C	-	-	-	-	-
D/S Other Source	-	-	-	-	-
DCA HOME Cash Resrv.	-	-	-	-	-
Asset Mgmt	(9,660)	(9,660)	(9,660)	(9,660)	(9,660)
DDF	-	-	-	-	-
Cash Flow	107,029	107,830	108,461	108,914	109,177
DCR Mortgage A	1.50	1.50	1.51	1.51	1.51
DCR Mortgage B					
DCR Mortgage C					
DCR Other Source					
Total DCR	1.50	1.50	1.51	1.51	1.51
Oper Exp Coverage Ratio	1.51	1.50	1.49	1.47	1.46
Mortgage A Balance	842,991	648,124	443,032	227,179	0
Mortgage B Balance					
Mortgage C Balance					
Other Source Balance					
DDF Balance	-	-	-	-	-

Addendum F
Site Plan and Floor Plans



BUILDING / AMENITY REFERENCE LEGEND	
1	BUILDING 01 (Qty. 12) 3 - Bedroom Units
2	BUILDING 02 (Qty. 12) 3 - Bedroom Units
3	BUILDING 03 (Qty. 12) 3 - Bedroom Units
4	BUILDING 04 (Qty. 12) 3 - Bedroom Units
5	BUILDING 05 (Qty. 12) 3 - Bedroom Units

SITE DATA	
ZONING:	MR-2
SITE AREA:	3.7 ACRES
TOTAL PROPOSED UNITS:	60 Units
SITE DENSITY:	16.2 Units / Acre
TOTAL PARKING SPACES REQUIRED: (1.25 Spaces per Unit)	75 Spaces
TOTAL PARKING SPACES PROVIDED:	75 Spaces

SITE AMENITY REFERENCE LEGEND	
A	COMMUNITY BUILDING (2,000 Sq. Ft.) <ul style="list-style-type: none"> ■ Office / Waiting ■ ADA-Compliant Restrooms ■ Open Meeting Space ■ Computer Area ■ Fitness Room
B	GAZEBO
C	PICNIC PAVILION
D	EQUIPPED PLAYGROUND
E	DUMPSTER ENCLOSURE

FILE NUMBER
2016-##

ORACLE DESIGN GROUP, INC.
 Development Services
 1221 South Fourth Street
 Louisville, Kentucky 40203
 502-526-0001 fax 502-526-0003

ARCHITECT'S SEAL

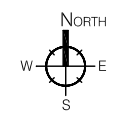
DATE:
31 October 2016

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SWIFT CREEK
 2591 WHITES MILL ROAD
 DECATUR, GEORGIA 30034

SHEET NUMBER:
01

CONCEPTUAL SITE DEVELOPMENT PLAN





**ORACLE
DESIGN GROUP, INC.**
Development Services
1221 South Fourth Street
Louisville, Kentucky 40203
502-526-0001 fax 502-526-0003

ARCHITECT'S SEAL

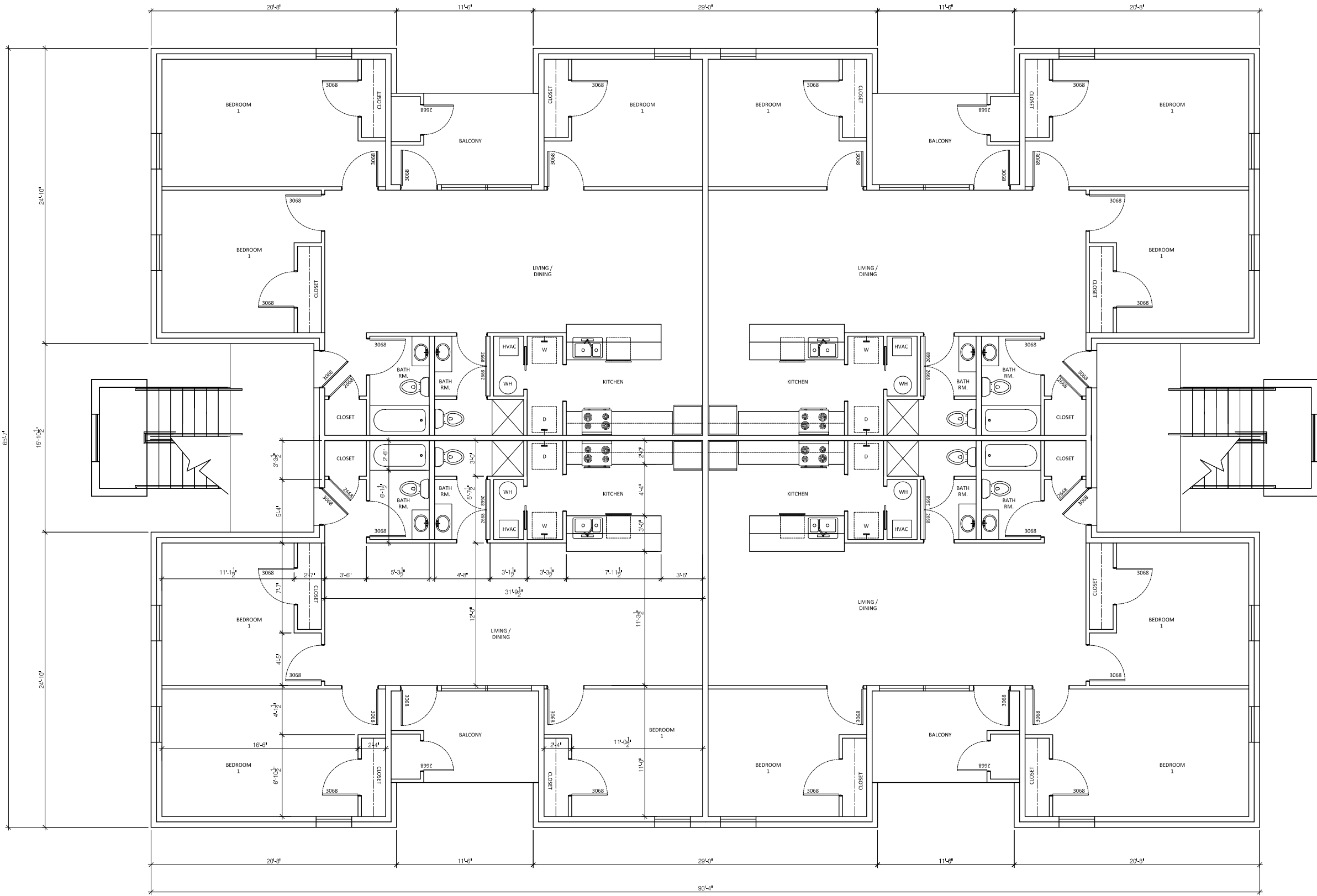
DATE:
31 October 2016

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SWIFT CREEK
2591 WHITES MILL ROAD
DECATUR, GEORGIA 30034

SHEET NUMBER:

02



TYPICAL BUILDING FLOOR PLAN





**ORACLE
DESIGN GROUP, INC.**
Development Services
1221 South Fourth Street
Louisville, Kentucky 40203
502-526-0001 fax 502-526-0003

ARCHITECT'S SEAL

DATE:
31 October 2016

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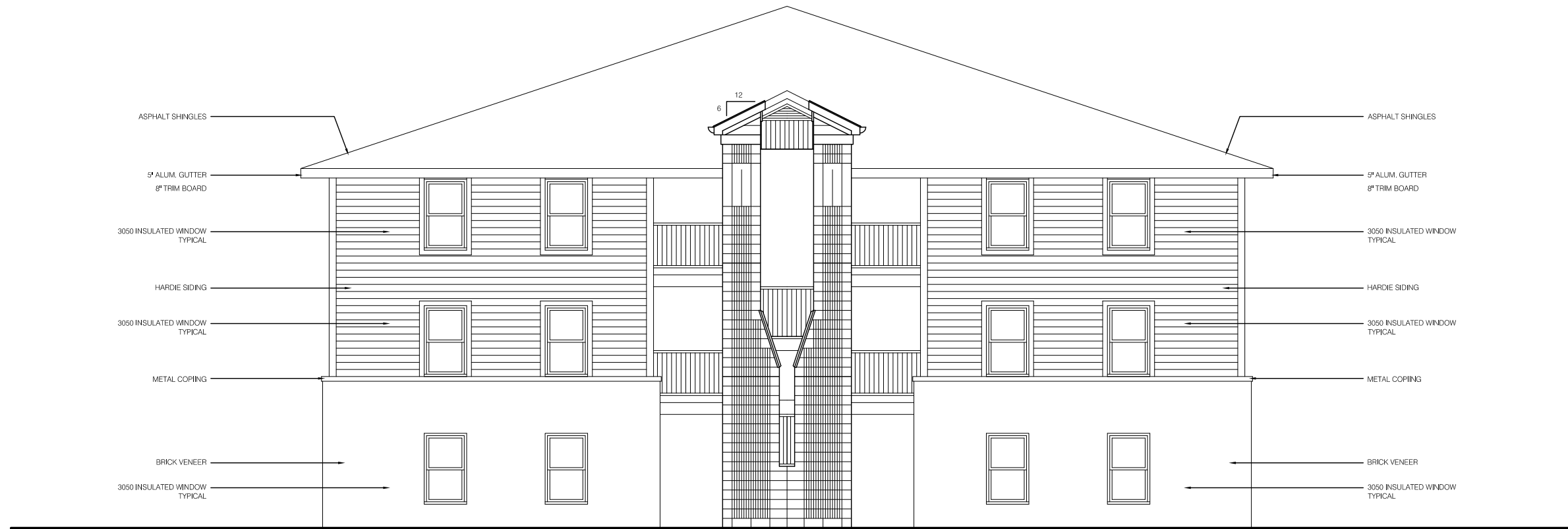
SWIFT CREEK
2591 WHITES MILL ROAD
DECATUR, GEORGIA 30034

SHEET NUMBER:

03



FRONT ELEVATION



SIDE ELEVATION

TYPICAL BUILDING ELEVATIONS





**ORACLE
DESIGN GROUP, INC.**

Development Services
1221 South Fourth Street
Louisville, Kentucky 40203
502-526-0001 fax 502-526-0003

ARCHITECT'S SEAL

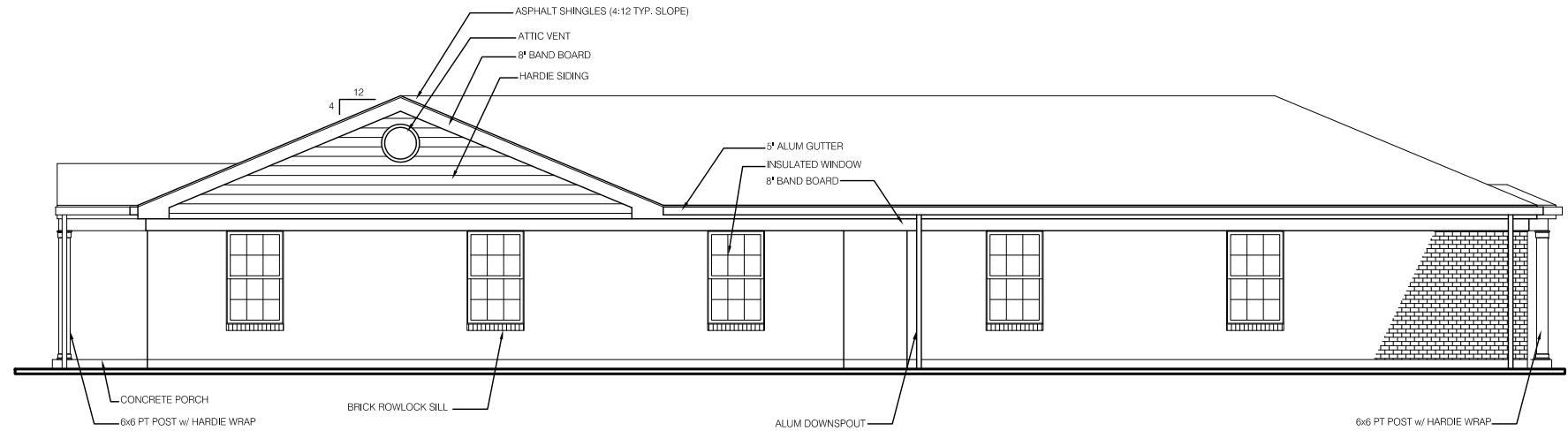
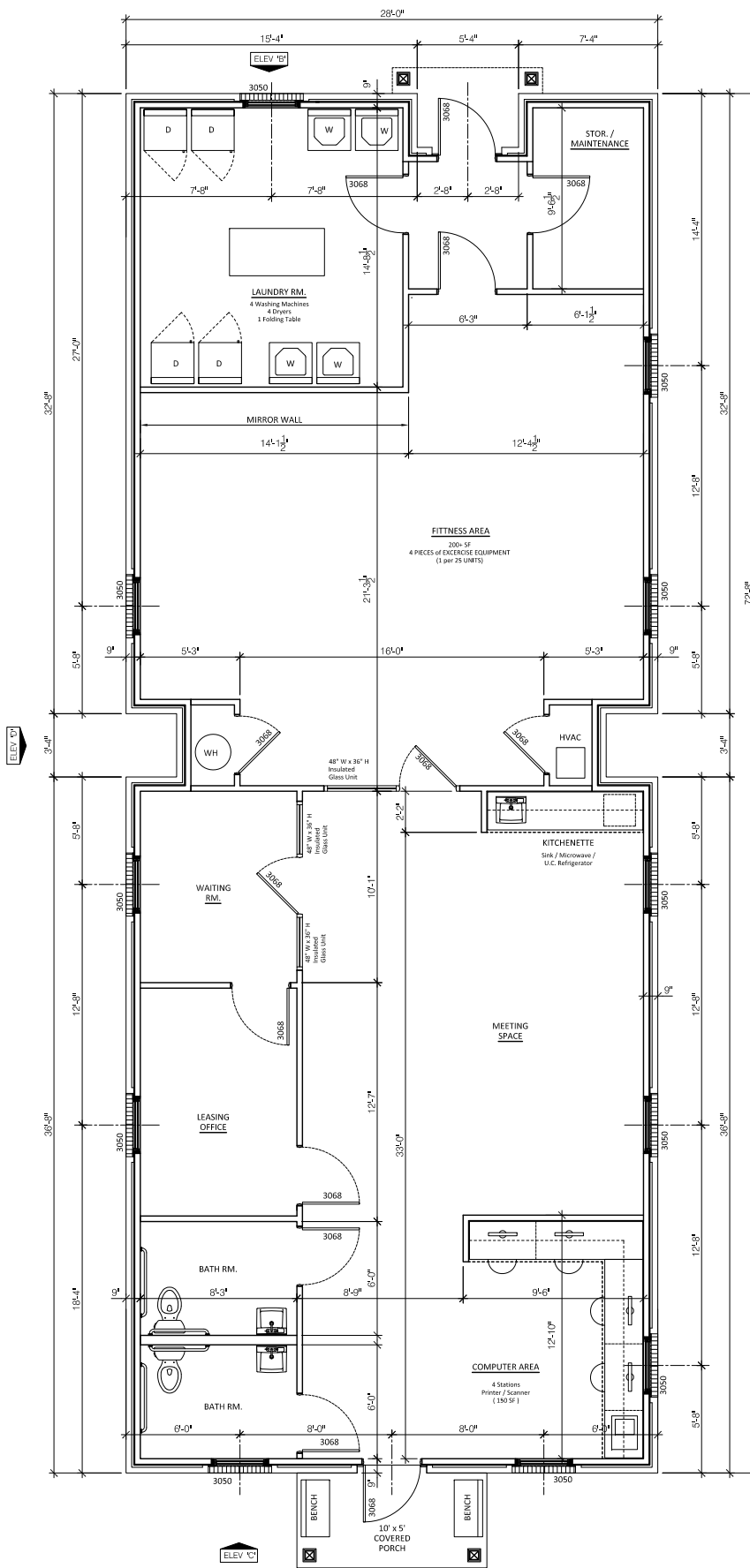
DATE:
31 October 2016

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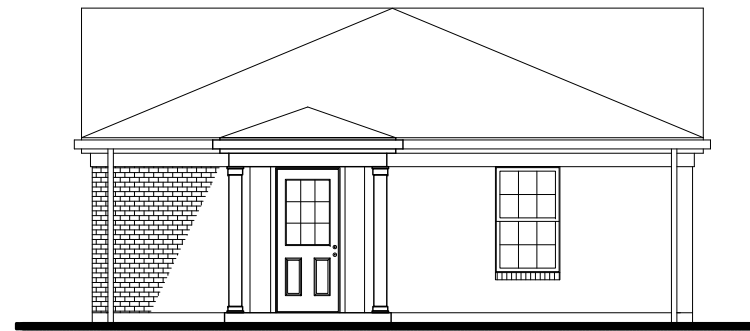
SWIFT CREEK
2591 WHITES MILL ROAD
DECATUR, GEORGIA 30034

SHEET NUMBER:

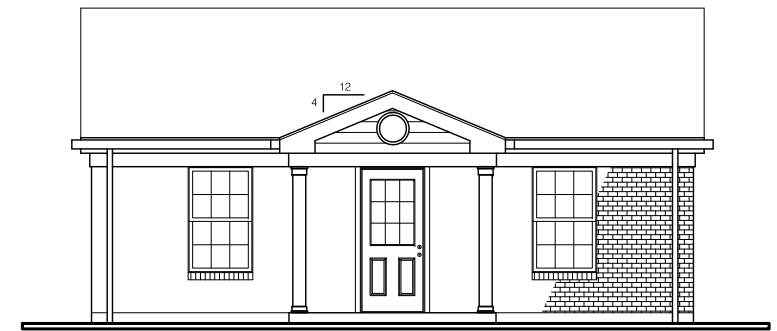
04



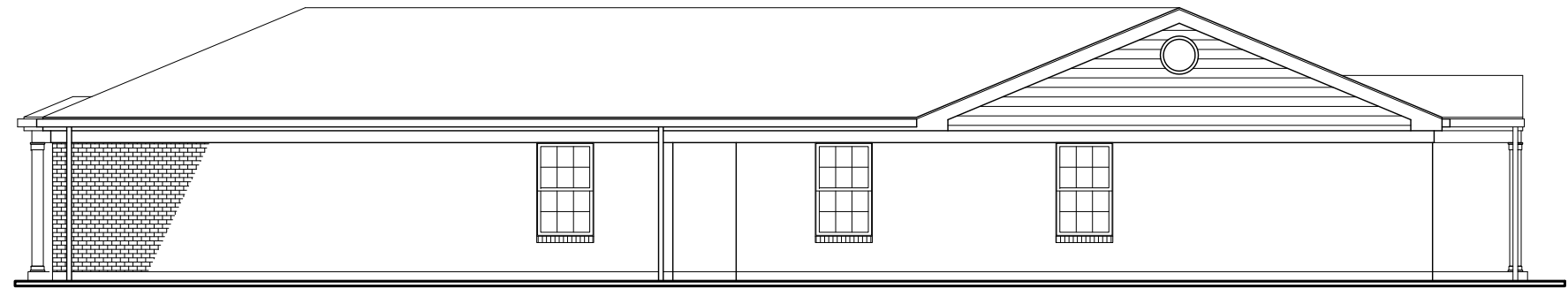
ELEVATION 'A'



ELEVATION 'B'



ELEVATION 'C'



ELEVATION 'D'

COMMUNITY ROOM FLOOR PLAN + ELEVATIONS



Addendum G
Purchase Agreement

REAL ESTATE PURCHASE CONTRACT

ORACLE CONSULTING SERVICES, LLC, a Kentucky limited liability company, or its assignee ("Buyer"), whose principal address is 1221 S. 4th Street, Louisville, Kentucky 40203 ("Buyer's Address"), hereby agrees to buy and **KENNETH W. ROUNTREE, JR.** ("Seller"), whose principal address is 405 Serena Lane, Canton, GA30115 ("Seller's Address") hereby agree to sell, for the consideration and upon the terms hereinafter set forth, that +/- 3.8-acre parcel (DeKalb County, Georgia parcel #1511802 009) at 2591 Whites Mill Road, Decatur, GA in DeKalb County, Georgia, and further described on Exhibit A attached hereto and made a part hereof ("Real Estate"), together with all easements, rights and appurtenances relating to the above-described Real Estate, and all Seller's right, title, and interest in and to any streets, roadways, alleys and/or sidewalks, both public and private, on or adjacent to the Real Estate (hereinafter, with the Real Estate, collectively called the "Premises"). The exact legal description of the Premises shall be substituted for the foregoing description and inserted in the General Warranty Deed (the "Deed") referred to in Article IV below.

ARTICLE I - Purchase Price

The purchase price for the Premises shall be One Hundred and Ninety-Nine Thousand and 00/100 Dollars (\$199,000.00) (the "Purchase Price"), payable on the day of closing (the "Closing Date") by cash, cashier's check, certified check or wire transfer.

ARTICLE II - Closing

2.01 Unless otherwise extended by the provisions of this Real Estate Purchase Contract (this "Contract"), the closing of this transaction (the "Closing") shall be held no later than March 31, 2017 (the "Closing Deadline").

2.02 The Closing shall be held at the office of the local agent for the title company preparing the "Commitment" as defined in Article V (the "Title Insurance Company") or such other place as mutually agreed to by the parties.

2.03 Possession of the Premises shall be given to Buyer at the Closing.

ARTICLE III – Earnest Money & Deposits

3.01 Buyer will deposit with the Title Insurance Company, as escrow agent, within five (5) business days after the Effective Date, the sum of Four Thousand and 00/100 Dollars (\$4,000.00) (the "Earnest Money") which Buyer and Seller agree shall be held in trust by the Title Insurance Company. Buyer may elect to terminate this Contract for any or no reason prior to the expiration of the Inspection Period, and upon such termination the Deposit shall be promptly returned to Buyer.

3.02 Upon the award of Low Income Housing Tax Credits (anticipated by January 31, 2017), Buyer shall deposit with the Title Insurance Company the sum of Twenty Thousand and 00/100 Dollars (\$20,000.00), which Buyer and Seller agree shall be held in trust by the Title Insurance Company, as escrow agent ("Good Faith Deposit").

3.03 In the event Buyer desires to extend the Closing Deadline, Buyer may extend the Closing Deadline by a period of thirty (30) days with the deposit of an additional Five Thousand and 00/100 dollars (\$5,000.00) with Title Insurance Company ("Extension Deposit") which Buyer and Seller agree shall be held in trust by the Title Insurance Company, as escrow agent. This right to extend the Closing Deadline may be exercised by the Buyer up to a maximum of three (3) times, each requiring a separate Extension Deposit, for a maximum extension of ninety (90) days.

3.04 After the expiration of the Inspection Period, cancellation of the Contract due to Buyer's uncured default or wrongful failure to close the transaction shall result in the release of the Earnest Money, Good Faith Deposit, and any Extension Deposit or other monies deposited with the Title Insurance Company at the time of the cancellation (collectively, the "Deposits") from the Title Insurance Company to Seller.

3.05 As a material inducement to Buyer's execution hereof, all parties and signatories to this Contract agree that it would be impracticable and extremely difficult to fix actual damages in case of Buyer's default, that the amount of the Deposits is a reasonable estimate of such damages, and that Seller shall retain the Deposit as liquidated damages, which shall be the sole remedy of all parties against the Buyer.

3.06 Furthermore, Seller and any Broker(s) agree that with any release to Seller of the Deposits, Seller and any Broker(s) shall no longer have any cause of action or claim against Buyer in law or in equity, including specific performance, and Buyer shall be fully released from any action of Seller arising out of Buyer's alleged breach of this Contract. The parties further agree that the Deposit is a reasonable sum considering all of the circumstances existing as of the date of this Contract.

3.07 At the Closing, the entire amount of any and all Deposits, including all Earnest Money, Good Faith Deposit, and any Extension Deposit or other monies deposited with the Title Insurance Company or paid to Seller shall be credited to the Purchase Price.

ARTICLE IV - Deed and Other Documents

4.01 Seller shall convey the Premises to Buyer by recordable General Warranty Deed, conveying good and marketable title of record to the Real Estate, in fee simple, free and clear of all liens and encumbrances except for a lien of real property taxes not yet due and payable and other exceptions approved in writing by Buyer. The Deed shall contain a release of dower, curtesy and/or other marital rights, if applicable, as required by state law.

4.02 All local, municipal, county, state and federal documentary stamp, transfer and/or conveyance taxes and fees shall be paid by Seller at the Closing.

4.03 Any and all easements and other rights specified in this Contract shall be conveyed, transferred and assigned to Buyer by appropriate recordable documents.

4.04 Seller shall execute and deliver with the Deed such other documents as may be required by

any governmental entity or by the Title Insurance Company as a condition to the issuance of its policy of title insurance in accordance with Article V, including, but not limited to:

- (a) The standard affidavit required by the Title Insurance Company for the removal of the standard preprinted exceptions from the title insurance policy;
- (b) A Certificate of Non-Foreign Status or other evidence satisfactory to Buyer and the Title Insurance Company confirming that Buyer is not required to withhold or pay to the Internal Revenue Service any part of the "amount realized" as such term is defined in the Internal Revenue Code of 1986, as amended, and the regulations promulgated pursuant thereto; and
- (c) such evidence of Seller's authority to convey the Premises as the Title Insurance Company or Buyer may request.

ARTICLE V - Title Insurance

5.01 Buyer shall order a title insurance commitment (the "Commitment") issued by the Title Insurance Company in which the Title Insurance Company commits that upon delivery and recordation of the Deed and other documents provided for in this Contract, it will issue, at its usual rate, an ALTA form B owner's policy with extended coverage or comparable form, insuring access to the Premises and such other endorsements as Buyer may request (the "Policy"), insuring Buyer in the total amount of the Purchase Price, fee simple title to the Premises subject only to (a) the lien for real estate taxes not yet due and payable; (b) exceptions approved in writing by Buyer; and/or (c) such liens as are to be released and discharged at the Closing. Seller agrees to provide to Buyer and the Title Insurance Company all title information in Seller's possession relating to the Premises together with a copy of the most recent tax bills relating to the Premises.

5.02 Without limiting the foregoing or being limited thereby, the standard exceptions for parties in possession, mechanics' and materialmen's liens and matters which would be disclosed by an accurate survey shall be eliminated from the Policy.

5.03 Buyer shall bear all costs and expenses incurred in connection with the issuance of the Commitment, Policy and any endorsements thereto which are required to conform the Policy to the terms and conditions of this Contract.

5.04 Buyer shall notify Seller in writing of any defects in title prior to the expiration of the "Inspection Period" as hereinafter defined. Seller shall then have twenty (20) days after receipt of such notice in which to cure such defects and furnish to Buyer satisfactory proof that such defects have been cured. Seller agrees to use its best efforts to cure such defects, which efforts will include, but not be limited to, the expenditure of money. If Seller fails or is unable to cure such title defects within such twenty (20) day period, Buyer shall have the option, to be exercised in its sole discretion, to (i) proceed with Closing of this transaction subject to such title defects, or (ii) terminate this Contract, in which event the Title Insurance Company shall return to Buyer any and all Deposits then being held by it. Notwithstanding the foregoing, Buyer shall have the right to object to any new title exceptions which are identified between the date the title commitment is originally issued and the

Closing Date.

ARTICLE VI - Taxes and Assessments

6.1 Seller shall pay or credit against the Purchase Price all unpaid real estate taxes, including penalties and interest, for all tax years preceding the Closing Date, and shall credit a portion of such taxes for the tax year in which the Closing is held, prorated through the date of Closing. The proration of such taxes shall be based on a 365-day year and on the most recently available rate and valuation and the amount so computed and adjusted shall be final.

6.2 Seller shall pay any special assessments which (a) are a lien on the Premises on the Closing Date, whether such assessments are past due, then due or thereafter to become due or (b) are not a lien but are then known and will be payable in whole or in part after the Closing Date.

6.3 Seller is responsible for the payment of any and all agricultural tax recoupment charges and/or deferred real estate taxes.

ARTICLE VII - Conditions to Closing

7.01 Inspection Period. Buyer and Seller agree that Buyer shall have 60 days from the Effective Date (the "Inspection Period") within which to perform such inspections and investigations of the Premises as it desires, including but not limited to the soil condition, environmental conditions, zoning, land use restrictions, survey, appraisal and utilities all as set forth in this Article 7. All such inspections and investigations shall be performed at Buyer's expense. If at any time prior to the end of the Inspection Period, Buyer shall determine, in its sole discretion, that any condition or characteristic of the Premises shall render the Premises unsuitable or undesirable for its intended purpose, Buyer may give notice of such determination to Seller and the Title Insurance Company. Upon the giving of such notice by Buyer, the Title Insurance Company shall return any Deposits to Buyer, this Contract shall thereupon become null and void, and neither party will have any further obligation hereunder. In the event Buyer does not give notice to Seller that it has found the Premises unsuitable or undesirable prior to the expiration of the Inspection Period, Buyer shall have waived its right to terminate the contract due to the unsuitability of any provision of this Article 7.01.

7.02 Buyer, at its sole discretion, may elect to extend the Inspection Period by a period of thirty (30) days with the deposit of an additional Two Thousand and 00/100 dollars (\$2,000.00) with Title Insurance Company ("Inspection Period Extension Deposit") which Buyer and Seller agree shall be held in trust by the Title Insurance Company, as escrow agent. This Inspection Period Extension Deposit shall be held in escrow, released in accordance with any other Deposits, and credited against the Purchase Price.

7.03 Buyer's obligation to close this transaction is subject to the satisfaction, in the sole determination of Buyer, of the following conditions and covenants:

- (a) Zoning. Buyer shall, during the Inspection Period and at its own expense, confirm that the Premises is zoned and is of sufficient size to permit the construction of

residential housing consisting of approximately 66 three-bedroom apartment units ("Buyer's Intended Use"). Buyer's obligation to close this transaction is expressly conditioned upon the zoning of the Premises for this Intended Use, and any change in the zoning, interpretation of the existing zoning, or any other circumstance related to zoning which prevents Buyer from utilizing the Premises for its Intended Use after initially confirming the zoning shall relieve Buyer of its obligation to close this transaction. If the Premises must be rezoned and/or if any zoning variances are required for Buyer's Intended Use, Seller agrees to cooperate with Buyer in the rezoning process. Seller agrees to execute any applications or other documents and make such other appearances as reasonably requested by Buyer in order to obtain any necessary approvals.

- (b) Permits. Buyer, at its cost, shall have obtained, upon terms and conditions satisfactory to Buyer, all necessary permits, licenses, variances and approvals (collectively, the "Permits") pertaining to the building, occupancy, signs, utilities, curb cuts, driveways (including ingress and egress to and from public thoroughfares), use, environmental controls, and any other permits which, in the sole judgment of Buyer, are necessary for Buyer's Intended Use. Seller agrees to execute any applications or other documents and make such other appearances as reasonably requested by Buyer in order to obtain the Permits
- (c) Easements. Buyer shall have obtained at or prior to Closing all other easements or licenses deemed necessary by Buyer upon terms and conditions acceptable to Buyer. Seller agrees to reasonably cooperate with Buyer in obtaining any such easements or licenses.
- (d) Lot Split/Survey. The Premises shall not be located in a flood plain and the survey shall confirm that the Premises totals a minimum of three and eight tenths (3.8) acres, net of any wetlands or waterways and free of any easements or restrictions related to wetlands or waterways under the jurisdiction of the Army Corp. of Engineers, the State of Georgia or any other governmental entity or agency.
- (e) Title Insurance. Buyer shall have obtained a satisfactory Commitment in accordance with Article V above.
- (f) Seller's Performance. Seller shall have performed all terms, covenants and obligations required of Seller hereunder.
- (g) Financial Feasibility. Buyer must have determined, in its sole discretion, that the purchase and development of the Premises for Buyer's Intended Use is financially feasible, and shall have obtained a binding commitment for debt and equity financing in amounts and on terms satisfactory to Buyer in its sole discretion. This condition to closing shall expire and become null and void thirty (30) days following the award of Low Income Housing Tax Credits, as described in Article 7.03(h) below.
- (h) Receipt of LIHTC Allocation. The Premises shall have received an allocation of

Section 42 Low Income Housing Tax Credits and/or Historic Tax Credits, if applicable, from the appropriate agency in an amount deemed sufficient by Buyer, in its sole discretion.

7.04 Seller shall, within seven (7) days of the "Effective Date" as defined in Article 12.07, deliver to Buyer copies of any environmental reports, title commitments or policies, surveys, soil tests or other inspection reports regarding the Premises which Seller has in Seller's possession.

7.05 Buyer and Seller agree that Buyer shall have until the Closing Deadline to perform such inspections and investigations of the Premises as set forth in Article 7.03. The performance of Buyer of its obligations under this Contract to purchase the Premises is expressly conditioned upon Buyer's satisfaction of all the conditions set forth in Articles 7.03 and 7.04.

ARTICLE IX - Notices

Unless otherwise provided herein, all notices shall be in writing and shall be deemed effective upon the earlier of either (a) the day of personal delivery or refusal to accept personal delivery, (b) upon acknowledged receipt if sent by deposit in the U.S. Mail, marked Certified or Registered, return receipt requested, with postage prepaid or (c) upon acknowledged receipt if sent by a nationally recognized overnight courier service marked for overnight delivery to Seller at Seller's Address, and to Buyer at Buyer's Address, Attention: Caryn A. Winter with a copy to Lewis Diaz, Esq., Dinsmore & Shohl LLP, 255 E. 5th Street, Cincinnati, Ohio 45202.

ARTICLE X – Seller's Representations, Warranties and Covenants

10.01 Seller represents, warrants and covenants to Buyer as to the following matters, and shall be deemed to remake all of the follow representations, warranties and covenants as of the Closing Date.

(a) All covenants, conditions, restrictions, easements and similar matters affecting the Premises have been complied with.

(b) The continued compliance with all legal requirements relating to the Premises is not dependent on facilities located at any other property; and compliance by any other property with any legal requirements applicable to the other property is not dependent on the Premises.

(c) There is no pending or threatened litigation, arbitration, administrative action or examination, claim, or demand whatsoever relating to the Premises. No attachments, execution proceedings, liens, assignments or insolvency proceedings are pending or threatened against Seller or the Premises or contemplated by Seller. Seller is not contemplating the institution of insolvency proceedings.

(d) Seller has no knowledge of any pending or contemplated eminent domain, condemnation, or other governmental or quasi-governmental taking of any part or all of the Premises, including, but not limited to, any action that would compromise access to the

Premises due to changes in public roads or impact the availability of utilities to the Premises. Seller has no knowledge of any pending moratorium or other action which would impact construction on the Premises.

(e) Seller has not been notified of any possible future improvements by any public authority, any part of the cost of which might be assessed against any part of the Premises.

(f) On the Closing Date the Premises shall be unoccupied and free of any lease or other right of possession or claim of right of possession by any person or entity other than Buyer.

(g) To the best of Seller's knowledge, Seller (i) has not used the Premises for the storage, treatment, generation, production or disposal of any toxic or hazardous waste, material or substance nor does Seller have knowledge of such use by others; (ii) has not caused or permitted and has no knowledge of the release of any toxic or hazardous waste, material or substance on or off site of the Premises; (iii) has not received any notice from any governmental authority or other agency concerning the removal of any toxic or hazardous waste, material or substance from the Premises; and (iv) has disclosed to Buyer the location of all underground storage tanks on the Premises (if any).

(h) No event has occurred with respect to the Premises which would constitute a violation of any applicable environmental law, ordinance or regulation.

(i) Seller owns good, marketable and indefeasible fee simple title to the Premises, subject only to the lien of current, non-delinquent real estate taxes and, to the best of its knowledge, subject to no easements or other encumbrances which would interfere, prevent or frustrate the use of the Premises for Buyer's Intended Use.

(j) The execution and delivery of this Contract have been duly authorized and validly executed and delivered by Seller, and will not (i) constitute or result in the breach of or default under any oral or written agreement to which Seller is a party or which affects the Premises; (ii) constitute or result in a violation of any order, decree or injunction with respect to which Seller and/or the Premises is bound; (iii) cause or entitle any party to have a right to accelerate or declare a default under any oral or written agreement to which Seller is a party or which affects the Premises; and or (iv) violate any provision of any municipal, state or federal law, statutory or otherwise, to which Seller or the Premises may be subject.

In the event any of the above representations and warranties shall be untrue or misleading when made, Seller shall indemnify Buyer for all costs and liabilities incurred, including reasonable attorney fees, as a result of such untrue or misleading representation and warranty.

10.02 As an inducement to Seller to enter into this Contract, Buyer represents and warrants that Buyer has the right, power and authority to purchase the Premises in accordance with the terms and conditions of this Contract and that Buyer has validly executed and delivered this Contract.

10.03 Except as is expressly provided in this Contract, Buyer acknowledges that neither Seller nor

any agent, attorney, employee or representative of Seller has made any representations as to the physical nature or condition of the Premises.

10.04 During the term of this Contract, Seller shall:

- (a) not transfer any of the Premises or create on the Premises any easements, liens, mortgages, encumbrances or other interests that would affect the Premises or Seller's ability to comply with the terms of this Contract;
- (b) not enter into any contracts or other commitments regarding the Premises, either with any governmental authorities (including, but not limited to, zoning changes, site plan approvals, density shifts, or platting or replatting) or with any private person or party, without having first obtained the prior written consent of Buyer thereto in each instance;
- (c) promptly disclose in writing to Buyer any change in any facts or circumstances which would make any of the representations and warranties set forth in Article 10.01 inaccurate, incomplete or misleading; and
- (d) be solely liable for the payment of all costs and expenses, liabilities, obligations and claims arising out of matters which shall have occurred during Seller's ownership of the Premises.

10.05 In the event of Seller's failure to meet any of its obligations under this Agreement, any and all Deposit(s), Good Faith Deposit(s), Extension Deposit(s), or other payments or deposits made from Buyer to Seller or deposited with the Title Insurance Company shall be immediately returned to Buyer, as described in Article III.

ARTICLE XI – Conditions Precedent to Closing

Notwithstanding the prior satisfaction or waiver of any condition in Article 7, or the expiration of the Inspection Period, Seller and Buyer acknowledge and agree that Buyer's obligation to consummate the transaction contemplated by this Contract shall terminate upon the occurrence of any of the following conditions at any time prior to Closing:

- (a) A breach or violation of any representation and warranty made by Seller under this Contract.
- (b) A breach by Seller of any covenant, agreement, or obligation set forth in this Contract.
- (c) An unacceptable exception to title is noted on any title update, unless such exception arises as a result of acts done or suffered to be done by Buyer.
- (d) An environmental condition has first occurred, has been first disclosed, or has first manifested itself, which condition constitutes a Hazardous Substance.

In the event that any condition described in this Article remains unsatisfied as of the Closing, in Buyer's sole judgment, then Buyer may elect to proceed with Closing, waiving any such condition, or Buyer may, by written notice, terminate this Contract, and shall receive a full and prompt refund of all Deposits and neither party shall have any further obligations hereunder.

ARTICLE XII - Miscellaneous

12.01 This Contract shall inure to the benefit of and bind the parties hereto, their respective heirs, executors, administrators, personal and/or legal representatives, successors and assigns. Without limiting any of Buyer's rights, Buyer shall have the right to assign its interest, in whole or in part, in this Contract. Buyer shall notify Seller of such assignment; to the extent the assignment is of less than all of Buyer's contractual rights to the Premises, Buyer shall designate what portion of contractual rights in the Premises are being assigned what portion Buyer is retaining.

12.02 This Contract constitutes the entire agreement between the parties and there are no representations, oral or written, relating to the Premises or to this transaction which have not been incorporated herein. Any agreement hereafter made shall be ineffective to change, modify or discharge this Contract in whole or in part unless such agreement is in writing and signed by both parties.

12.03 The headings of the Articles hereof have been inserted for convenience only and shall in no way modify or restrict any provisions hereof or be used to construe any such provisions.

12.04 If two or more persons constitute the Seller, the word "Seller" shall be construed as if it reads "Sellers" throughout this Contract.

12.05 This Contract shall be construed, interpreted and enforced in accordance with the laws of the state where the Real Estate is located, without regard to the principles of that state's conflicts of law. In the event of the bringing of any action or suit by either party against the other arising out of this Contract, the party in whose favor final judgment shall be entered shall be entitled to recover from the other party all costs and expenses of suit, including reasonable attorney's fees.

12.06 This Contract may be executed in multiple counterparts, each of which shall be considered to be an original document.

12.07 The Effective Date shall be the date of the last execution hereof.

12.08 Time is of the essence hereof.

12.09 Any condition or right of termination, cancellation or rescission granted by this Contract to Seller or Buyer may be waived by such party provided such waiver is in writing.

12.10 If the time period or date by which any right, option or election provided under this Contract must be exercised, or by which any act required hereunder must be performed, or by which the

closing must be held, expires or occurs on a Saturday, Sunday, or legal or bank holiday, then such time period or date shall be automatically extended through the close of business on the next regularly scheduled business day.

ARTICLE XIII - Broker

Buyer represents and warrants to Seller that no real estate brokers or agents have been used or consulted in connection with Buyer's purchase of the Premises and covenants and agrees to defend, indemnify and save Seller harmless from any actions, damages, fees, real estate commissions, costs and/or expenses (including reasonable attorneys' fees) resulting from or claimed to be due on account of its purchase of the Premises due to the acts of the indemnifying party.

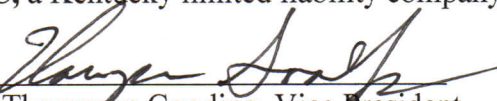
Seller, having engaged for its sole benefit a real estate broker in connection with the purchase and sale of the Premises, hereby covenants and agrees to defend, indemnify and save Buyer harmless from any actions, damages, fees, real estate commissions, costs and/or expenses (including reasonable attorneys' fees) resulting from or claimed to be due on account of the purchase and sale of the Real Estate due to the acts of the indemnifying party. Seller and Seller's Real Estate Broker represent and covenant that Buyer shall have no obligation to any real estate broker which has been contracted by Seller in connection with this transaction.

The parties have executed this Real Estate Purchase Contract as of the date and year first written below.

[Signatures on following Pages]

BUYER:

**ORACLE CONSULTING SERVICES,
LLC**, a Kentucky limited liability company

By: 
Thompson Gooding, Vice President

Signed by Buyer this ~~26~~²⁸
day of August 2016.

SELLER:

KENNETH W. ROUNTREE, JR.,

By: Kenneth W. Rountree Jr

Name: Kenneth W Rountree Jr.

Signed by Seller this 29
day of August 2016.

SELLER'S REAL ESTATE BROKER:

GLORIA N. SMITH,

By: Gloria N Smith

Name: Gloria N Smith

Signed by Broker this 26
day of August 2016.

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Exhibit A – Legal Description

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