Tab 16

Appraisal

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APPRAISAL REPORT

OF THE EXISTING

WILLINGHAM VILLAGE APARTMENTS
96-UNIT "PHASE I"
5 FROST DRIVE
ROME, FLOYD COUNTY, GEORGIA

EHA File 15-109

DATE OF VALUE

January 16, 2015

PREPARED FOR

Mr. Paul Robinson
Vantage Development
1544 South Main Street,
Fyffe, Alabama 35971

And

Georgia Department of Community Affairs (DCA)

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January 19, 2015

Mr. Paul Robinson
Vantage Development
1544 South Main Street,
Fyffe, Alabama 35971

And

Georgia Department of Community Affairs (DCA)

RE: Appraisal Report of the Existing
Willingham Village Apartments
96 Units In "Phase I"
5 Frost Drive
Rome, Floyd County, Georgia 30165

EHA File 15-109

Dear Mr. Robinson,

At your request and authorization, we conducted the inspections, investigations, and analyses necessary to appraise the above referenced property. We have prepared an appraisal report presented in a comprehensive format in accordance with the Georgia Department of Community Affairs (DCA) Appraisal Manual. The purpose of this appraisal is to estimate market value of the fee simple interest in the subject property "as is" market value of the fee simple and leasehold interests in the underlying site, and prospective market value of the leasehold interest in the subject property, "upon completion and stabilization," of the proposed renovations using both restricted and hypothetical unrestricted rents. We were also requested to estimate prospective unrestricted market value at loan maturity, and value of the tax credits. The values reported is predicated upon market conditions prevailing on January 16, 2015, which is the date of inspection. This appraisal is intended for use by the addressee to be used in conjunction with a low income housing tax credit application and is to be compliant with the Georgia Department of Community Affairs (DCA) Appraisal Guide. The Georgia DCA is also an intended user of this report.

The subject of this appraisal is 96 apartment and duplex units situated on 28.902 acres. It is a portion of the larger existing Willingham Village apartment complex, a 172-unit public housing community constructed between 1969 and 1972 and situated on a 46.49 acre site. The entrance to

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the property is located along the west side of North Division Street at Fortune Street approximately three miles northwest of downtown Rome, Floyd County, Georgia. The subject consists of single story duplexes and quadplexes ranging from one- to five- bedrooms. Units range in size from 826 to 1,476 square feet, and average 990 square feet. Construction is masonry and wood frame with brick veneer exteriors and pitched asphalt shingle roofs. Amenities include a leasing office with a business center, a community building (converted residential unit) and a playground. The subject's 74 unrenovated units are of average quality and are generally inferior to similar vintage apartment complexes in Rome, most notably in their lack of air conditioning. The 22 remodeled units are good quality and superior to similar vintage apartment complexes in Rome. On the date of our inspection the overall development had a 500-family waiting list, with all units either occupied, pre-leased or vacant in expectation of remodeling. The property is in overall average condition and 22 of the units have been extensively renovated. The property is owned by the Northwest Georgia Housing Authority (PHA).

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

The following narrative appraisal contains the most pertinent data and analyses upon which our opinions are based. The appraisal was prepared in accordance with the requirements of Title XI of the Federal Financial Institution Reform, Recovery and Enforcement Act of 1989 (FIRREA), the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation, the Code of Professional Ethics and Standards of Professional Conduct of the Appraisal Institute as well as the Department of Community Affairs.

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

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DCA APPRAISAL VALUE ESTIMATES	
Estimate of Market Value of the Leasehold Interest in the Subject "As Is," As of January 16, 2015:	$2,000,000
Per Unit (96):	$20,833
Estimate of Market Value of the Fee Simple Interest in the Underlying 28.902-Acre Subject Site "As If Vacant," As of January 16, 2015:	$325,000
Allocated Market Value of the Leasehold Interest in the Subject Improvements As of January 16, 2015:	$2,000,000
Allocated Market Value of the Leasehold Interest in the Subject Underlying Land As of January 16, 2015:	$0
Estimate of Market Value of the Leasehold Interest in the Subject "Upon Completion," Subject to Restricted Rents, As of January 1, 2016:	$2,500,000
Per Unit (96):	$26,042
Estimate of Market Value of Leasehold Interest in the Subject "At Stabilization," Subject to Restricted Rents, As of June 1, 2016:	$2,650,000
Per Unit (96):	$27,604
Estimate of Hypothetical Market Value of the Leasehold Interest in the Subject "Upon Completion," Assuming Unrestricted/Market Rents, As of January 1, 2016:	$3,500,000
Per Unit (96):	$36,458
Estimate of Hypothetical Market Value of the Leasehold Interest in the Subject "At Stabilization," Assuming Unrestricted/Market Rents, As of June 1, 2016:	$3,700,000
Per Unit (96):	$38,542
Prospective Unrestricted Value At Loan Maturity:	$4,700,000
Value of Tax Credits, As of January 16, 2015:	$5,650,000
Estimate of the Market Value of the Leasehold Interest in the Subject Site "As Is", as of January 16, 2015:	$0
The Willingham Villages 28.902-acre Phase I site is leased by Willingham Village Apartments, LP, from The Northwest Georgia Housing Authority, the current owner. The term for the subject site is 75 years at nominal rent ($1,000/year), to begin on the date of closing on the bond-issue for or in connection with the project. Essentially, the lease indicates the land has virtually no value. Typically, for a project of this type, based on development costs and income levels, there are insufficient revenues to support a residual land value. Further, the improvements are only feasible to construct with the assistance of substantial incentives. Therefore, the land does not contribute value to the leasehold interest in the subject and, thus, was given no further consideration in our analysis.	

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

Respectfully submitted,

EVERSON, HUBER & ASSOCIATES, LC

By:

Ingrid Ott
Certified General Appraiser
Georgia Certificate No. 265709

Timothy P. Huber
Certified General Appraiser
Georgia Certificate No. 6110

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

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. We previously appraised the subject in February and June 2014, and April 2013. We have not performed any 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.
5. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
9. Ingrid Ott inspected the subject and prepared this report under the supervision of Timothy P. Huber, who also inspected the subject.
10. No one provided significant real property appraisal assistance to the persons signing this certification.
11. The reported analyses, opinions and conclusions were developed, and this report has been prepared in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
13. As of the date of this report, we have completed the Standards and Ethics Education Requirement for Candidates of the Appraisal Institute.
14. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Georgia Real Estate Appraiser Classification and Regulation Act, the Rules and Regulations of the Georgia Real Estate Appraisers Board.
15. We have extensive experience in the appraisal of commercial properties and are appropriately certified by the State of Georgia to appraise properties of this type.

Ingrid Ott
Certified General Real Property Appraiser
Georgia Certificate No. 265709

Timothy P. Huber
Certified General Real Property Appraiser
Georgia Certificate No. 6110

Property Name/Address:	Willingham Village Apartments, Phase I 5 Frost Drive Rome, Floyd County, Georgia 30165
Location:	The entrance to the property is located along the west side of North Division Street at Fortune Street approximately three miles northwest of downtown Rome, Floyd County, Georgia.
Parcel Identification:	I13X 357 (Portion)
Property Description:	The subject of this appraisal is 96 apartment and duplex units situated on 28.902 acres. It is a portion of the larger existing Willingham Village apartment complex, a 172-unit public housing community constructed between 1969 and 1972 and situated on a 46.49 acre site. The subject consists of single story duplexes and quadplexes ranging from one- to five-bedrooms. Units range in size from 826 to 1,476 square feet, and average 990 square feet. Construction is masonry and wood frame with brick veneer exteriors and pitched asphalt shingle roofs. Amenities include a leasing office with a business center, a community building (converted residential unit) and a playground. The subject's 74 unrenovated units are of average quality and are generally inferior to similar vintage apartment complexes in Rome, most notably in their lack of air conditioning. The 22 remodeled units are good quality and superior to similar vintage apartment complexes in Rome. On the date of our inspection the overall development had a 500-family waiting list, with all units either occupied, pre-leased or vacant in expectation of remodeling. The property is in overall average condition and 22 of the units have been extensively renovated. The property is owned by the Northwest Georgia Housing Authority (PHA).
Highest and Best Use	As If Vacant: Near term development with a subsidized multifamily residential development or speculative hold for development with a conventional market rate residential development. As Improved: Continued operation as a subsidized multi-family development.
Purpose of the Appraisal:	To estimate market value of the fee simple interest in the subject property "as is" market value of the fee simple and leasehold interests in the underlying site, and prospective market value of the leasehold interest in the subject property, "upon completion and stabilization," of the proposed renovations using both restricted and hypothetical unrestricted rents. We were also requested to estimate prospective unrestricted market value at loan maturity and value of the tax credits.

Intended Use:	For use by the addressee to be used in conjunction with a low income housing tax credit application and is to be compliant with the Georgia Department of Community Affairs (DCA) Appraisal Guide. The Georgia DCA is also an intended user of this report.
Property Rights Appraised:	Fee Simple
Date of Value/Inspection:	January 16, 2015
Date of Report:	January 19, 2015
Est. Marketing Time:	12 months or less

Valuation:

DCA APPRAISAL VALUE ESTIMATES	
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Value of Tax Credits, As of January 16, 2015:	$5,650,000
Estimate of the Market Value of the Leasehold Interest in the Subject Site "As Is", as of January 16, 2015:	$0
The Willingham Villages 28.902-acre Phase I site is leased by Willingham Village Apartments, LP, from The Northwest Georgia Housing Authority, the current owner. The term for the subject site is 75 years at nominal rent ($1,000/year), to begin on the date of closing on the bond-issue for or in connection with the project. Essentially, the lease indicates the land has virtually no value. Typically, for a project of this type, based on development costs and income levels, there are insufficient revenues to support a residual land value. Further, the improvements are only feasible to construct with the assistance of substantial incentives. Therefore, the land does not contribute value to the leasehold interest in the subject and, thus, was given no further consideration in our analysis.	

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PROPERTY IDENTIFICATION

The subject of this appraisal is 96 apartment and duplex units situated on 28.902 acres. It is a portion of the larger existing Willingham Village apartment complex, a 172-unit public housing community constructed between 1969 and 1972 and situated on a 46.49 acre site. The entrance to the property is located along the west side of North Division Street at Fortune Street approximately three miles northwest of downtown Rome, Floyd County, Georgia. The subject consists of single story duplexes and quadplexes ranging from one- to five- bedrooms. Units range in size from 826 to 1,476 square feet, and average 990 square feet. Construction is masonry and wood frame with brick veneer exteriors and pitched asphalt shingle roofs. Amenities include a leasing office with a business center, a community building (converted residential unit) and a playground. The subject's 74 unrenovated units are of average quality and are generally inferior to similar vintage apartment complexes in Rome, most notably in their lack of air conditioning. The 22 remodeled units are good quality and superior to similar vintage apartment complexes in Rome. On the date of our inspection the overall development had a 500-family waiting list, with all units either occupied, pre-leased or vacant in expectation of remodeling. The property is in overall average condition and 22 of the units have been extensively renovated. The property is owned by the Northwest Georgia Housing Authority (PHA). The property is legally identified at tax parcel I13X-357.

OWNERSHIP AND PROPERTY HISTORY

According to the owner, Northwest Georgia Housing Authority has owned the subject for more than thirty years. Floyd County did not have a viewable public tax record for the subject, which is not uncommon for tax-exempt real property. Reportedly, the subject received a multi-phased HUD RAD (Rental Assistance Demonstration) CHAP approval for both phases of the development. The initial CHAP for the subject was awarded on January 1, 2013 with the most recent rent amendment dated October 2, 2014. The CHAP contract will go into effect when the transition is complete. The renovation will reportedly be paid for out of the proceeds from the sale of low income tax housing credits, construction bond proceeds and DCA HOME funds. We are aware of no offers, contracts, or transactions, nor any ownership changes during the past three years.

PURPOSE AND INTENDED USE OF THE APPRAISAL

The purpose of this appraisal is to estimate market value of the fee simple interest in the subject property "as is" market value of the fee simple and leasehold interests in the underlying site, and prospective market value of the leasehold interest in the subject property, "upon completion and stabilization," of the proposed renovations using both restricted and hypothetical unrestricted rents. We were also requested to estimate prospective unrestricted market value at loan maturity and value of the tax credits. This appraisal is intended for use by the addressee to be used in conjunction with a low income housing tax credit application and is to be compliant with the Georgia Department of Community Affairs (DCA) Appraisal Guide. The Georgia DCA is also an intended user of this report.

DATES OF INSPECTION, VALUATION AND REPORT

The value reported is predicated upon market conditions prevailing on January 16, 2015, which is the date of inspection. The date of this report is January 19, 2015. We estimate one year to complete construction, with an "at completion" date of January 1, 2016. The property should be stabilized within six months, so we have used June 1, 2016 as our "as stabilized" date.

DEFINITION OF MARKET VALUE

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

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

PROPERTY RIGHTS APPRAISED

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

> "Fee title" is the greatest right and title an individual can hold in real property. It is "free and clear" ownership subject only to the governmental rights of police power, taxation, eminent domain and escheat reserved to federal, state, and local governments[2].

Since the property is appraised subject to short-term leases, this could be construed to be the leased fee estate. However, we are recognizing the interest appraised as fee simple with the stipulated qualification.

> Leasehold Interest: "The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease."[3]

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[1] The Office of the Comptroller of the Currency under 12 CFR, Part 34, Subpart C-Appraisals, ♣34.42(f), August 24, 1990. This definition is compatible with the definition of market value contained in *The Dictionary of Real Estate Appraisal*, Fourth Edition, and the Uniform Standards of Professional Appraisal Practice adopted by the Appraisal Standards Board of The Appraisal Foundation, 2014-2015 edition. This definition is also compatible with the OTS, FDIC, NCUA, and the Board of Governors of the Federal Reserve System definition of market value.

[2] *The Dictionary of Real Estate Appraisal*, Appraisal Institute, Fifth Edition, 2010; and *The Appraisal of Real Estate*, 13th Edition, Appraisal Institute, 2008.

[3] Source: *The Dictionary of Real Estate Appraisal,* Appraisal Institute, Fifth Edition, 2010.

The subject owner owns the improvements and has the right to collect rent thereon. As such, the owner is in a "sandwich" position, i.e. tenant (lessee) on the land and owner (lessor) on the improvements. The sandwich leasehold position is basically a situation in which one is a lessee in one instance, and the lessor on another, on the same property. A sandwich lease is described as follows:

> "A lease in which an intermediate, or sandwich, leaseholder is the lessee of one party and the lessor of another. The owner of the sandwich lease is neither the fee owner nor the user of the property. He or she may be a leaseholder in a chain of leases, excluding the ultimate sublessee."[1]

APPRAISAL DEVELOPMENT AND REPORTING PROCESS

We completed the following steps for this assignment:

1. Analyzed regional, city, neighborhood, site, and improvement data.
2. Inspected the subject site and improvements, rent comparables and neighborhood.
3. Reviewed data regarding taxes, zoning, utilities, easements, and county services.
4. Considered comparable vacant land and improved sales, as well as comparable rentals. Confirmed data with principals, managers, real estate agents representing principals, reliable third parties, and/or public records, unless otherwise noted.
5. Analyzed the data to arrive at concluded estimates of value via each applicable approach.
6. Reconciled the results of each approach to value employed into a probable range of market value and finally an estimate of value for the subject, as defined herein.
7. Estimated reasonable exposure and marketing times associated with the value estimate.

The site and improvement descriptions included in this report are based on a personal inspection of the subject; a legal description; a survey prepared by Planners and Engineers Collaborative, dated August 15, 2014; discussions with a representative of the owner; a review of public records; and our experience with typical construction features for apartment complexes. Detailed building plans and specifications, a title policy, or formal engineering or geotechnical studies were not available. While the available information is adequate for valuation purposes, our investigations are not a substitute for formal engineering studies or legal investigations.

To develop an opinion of value, we prepared an appraisal report in a comprehensive format, which is intended to comply with the reporting requirements set forth under the

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[1] Source: *The Dictionary of Real Estate Appraisal,* Appraisal Institute, Fifth Edition, 2010.

Standards of Professional Appraisal Practice. In an appraisal report in comprehensive format, all applicable approaches to value are used. The value estimate reflects all known information about the subject, market conditions and available data. This appraisal report incorporates to the fullest extent possible, a practical explanation of the data, reasoning and analysis used to develop the opinion of value. It also includes thorough descriptions of the subject and the market for the property type.

SPECIAL APPRAISAL INSTRUCTIONS

As mentioned above, we were asked to appraise the subject "as is." The following is the generally accepted definition that pertains to the value estimate provided in this report.

Market Value "As Is" On Appraisal Date

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

Prospective Value Upon Completion of Construction

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

Prospective Value Upon Achieving Stabilized Occupancy

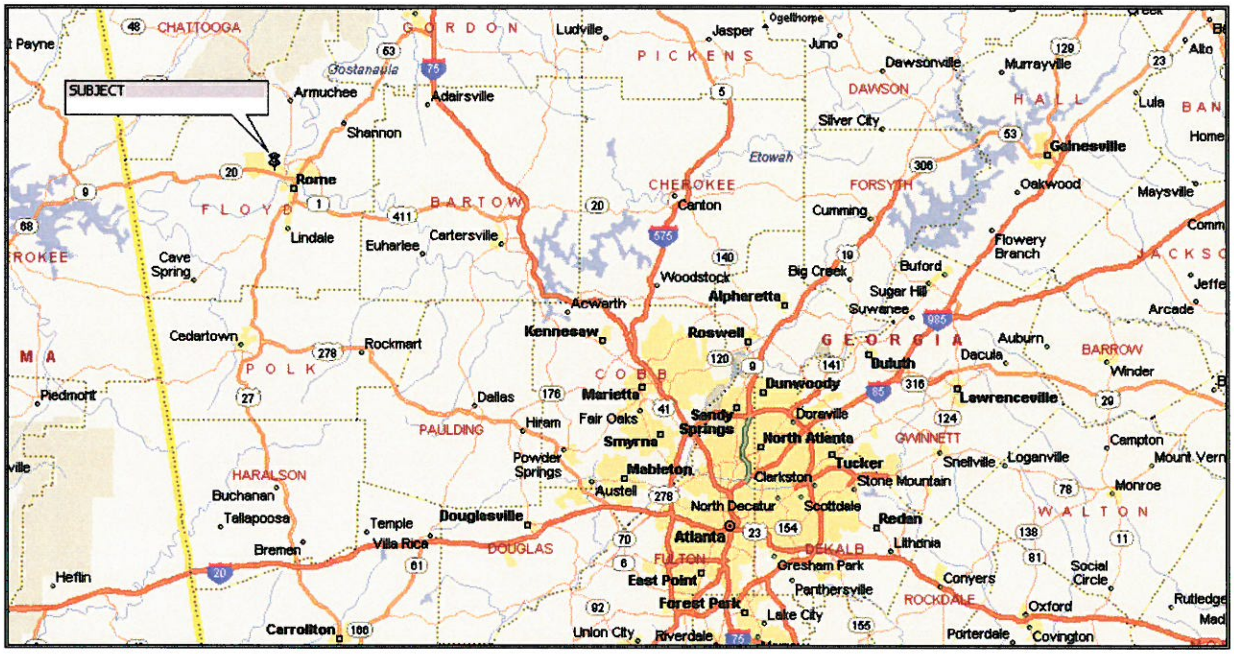
> The value presented assumes the property has attained the optimum level of long-term occupancy which an income producing real estate project is expected to achieve under competent management after exposure for leasing in the open market for a reasonable period of time at terms and conditions comparable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

EXTRODINARY ASSUMPTIONS AND LIMITING CONDITIONS

The subject is a public housing project that is owned by a local housing authority. As such, it is not necessarily operated in the same manner that a privately held physically similar apartment property would be. For this assignment we were asked to appraise the subject "as is." Therefore, it is an extraordinary assumption and limiting condition of this appraisal that the subject will continue to be operated in a similar manner for the foreseeable future.

REGIONAL OVERVIEW

The following section of the report provides an overview of the Rome Metropolitan Statistical Area or MSA, which includes only Floyd County. The following paragraphs contain information from the Georgia Department of Labor website, Rome News-Tribune articles, and various economic development and chamber of commerce news sources.



Recent Performance

Rome's most recent economic coups include the December 2013 announcement that Mohawk Industries will convert two manufacturing facilities in Dalton and Rome, creating 420 new jobs in Dalton and preserving 230 jobs in Rome, and the opening April 13, 2013, of a 1.5 million square foot regional distribution center for Lowe's. Located in nearby Adairsville, the Lowe's center will serve stores in Georgia, Tennessee and Alabama. It currently employs 400 with plans to employ 600 by 2016. It represents the largest new development and employer to come to Georgia in the past several years. Neaton Rome announced an $8 million expansion September 2014 that will add at least fifty jobs. Foss Manufacturing Company announced a three-year plan to add 150 jobs to Rome in September 2012. Shaw Industries announced plans to build a 600,000 SF carpet tile plant along GA140 in Adairsville August 30, 2013, with plans to employ 500 workers. The plant will be on 117 acres and will be in neighboring Bartow County.

Education/healthcare remains one of the few industries experiencing robust expansion in the metro area. Unemployment continues to fall, with December 2012 at 9.4% compared to December 2013 at 7.7%. In contrast to trends in the larger markets, unemployment was 7.4% in Georgia overall and 6.7% nationally. Rome typically lags behind the state and the nation. Monthly figures for Floyd County showed 1,547 people exiting the local labor force between December 2012 and 2013. Department of Labor officials have speculated that many older workers who lost jobs have decided to retire. The GDOL report indicates that the number of jobs in Floyd County increased to 39,500 December of 2013 from 39,200 December of 2012. Unemployment within the City of Rome was 9.1% (final, December 2013), down from 10.2% the previous year.

In a presentation to Rome business leaders at the annual Berry College Business Outlook Conference April 2013, Donald Sabbarese, director of the Coles College of Business Econometric Center at Kennesaw State University, stated that the slow recovery from the recession is due in large part to technological changes that have occurred in the last several years. Sabbarese said companies have money and are investing in capital, but not human capital. While recovery from the economic recession has not been as fast as anyone would have liked, Georgia's economy is better off than it was two or three years ago. Recovery from the recent recession is taking place at a much slower pace than any of the past four recessions, he said. Those four recessions go as far back as 1981, Sabbarese added. Changing technology, he said, has played a role in slowing recovery, because many people out of work need more education to re-enter the workforce. "The technology is so different than it was 10 years ago, so we'll have new job growth but I don't think we'll have anything like we've had in the past recoveries," Sabbarese said. "A lot of people have been unemployed for a long time and I think their skill levels may be antiquated and I think that's another challenge we may have moving forward, but that's what an education system is for."

"Manufacturing is changing," Sabbarese said. "They're losing manufacturing jobs in China because of the technology." He said the economy has been adding an average of 175,000 jobs a month. "That's good but that's not good enough," Sabbarese said. "The economy needs to grow 135,000 jobs a month just to keep up with population growth. That doesn't leave you with many jobs for all those people who are unemployed or lost jobs and are looking for jobs." Georgia, according to the economist, is rebounding a little better than much of the rest of the nation. Looking specifically at the economy of Rome and Floyd County, Sabbarese said that 2008-2009 was particularly rough on the local economy. "It looks like 2013 is going to be pretty solid for you guys and then 2014 looks really solid." Job growth in healthcare services in Floyd County is nearly double the growth across the state. "You have a really great niche. You have some really good hospital services up here," Sabbarese said. "We're still not where we need to be, because payroll taxes have gone up and some other taxes have increased. I don't think people have adjusted to that and, going forward, we're going to see more adjustments in consumer spending." The Kennesaw State economist said that part of what fueled a big run-up in the economy in the middle years of the last decade was the dip in mortgage rates that saw a lot of people re-finance. "A lot of people took that cash out and went on a buying spree." Sabbarese predicted that by 2020 the national debt will easily exceed $20 trillion, and suggested serious tax and entitlement reform will be needed. "Medicare is going to be a bigger problem than Social Security."

Greater Rome Chamber of Commerce President Al Hodge told the conference participants that over the past 19 months seven firms — Lowe's, Kellogg, Neaton, DermaTran, F&P Georgia, Foss Manufacturing and Brugg — have all made significant investments in Rome and Floyd County. Those investments add up to more than $227 million. The projects are ultimately expected to result in the creation of more than 1,000 jobs. In the 2013/2014 annual report, however, the Chamber reported that the tourism industry in Rome had the most growth of any business sector over the period.

Manufacturing

Not everyone is putting a negative spin on the employment figures. "This is certainly welcome news," said Al Hodge, president of the Greater Rome Chamber of Commerce. "It's positive reinforcement that all of the work our private sector folks do, along with the city, county and chamber folks, is paying off." The Chamber chief said the two newest major employers in Rome and Floyd County — Lowe's Regional Distribution Center and Foss Manufacturing in West Rome — are both still hiring. Hodge also said F&P Georgia recently went over the 500-employee mark. However, Doc Kibler, chairman of the Rome-Floyd County Development Authority, said the recovery has been a long, hard struggle. "Luckily, Floyd County has had some good results," Kibler said. "We need more results, so continuing to bring industry and economic development will help us battle this lemming issue of high unemployment."

In smaller economies like Rome, economic development incentives like free land are key in luring employers to the area. The Development Authority of Floyd County went behind closed doors May 13, 2013, to talk about possible acquisition of land for future development. The land acquisition issue could be related to a potential new special purpose, local option sales tax package that the county is considering putting to voters this fall. The Greater Rome Chamber of Commerce economic development officials have hinted for several months that additional large acreage tracts may be necessary to lure new industry to Rome and Floyd County. The Development Authority of Floyd County certainly does not have enough cash in its coffers to acquire additional property on its own. In April 2013, Floyd County Commission Chairman Irwin Bagwell won approval from the Rome-Floyd County Development Authority to foot the entire bill for having a 100 acre parcel, jointly owned by the Development Authority of Floyd County and the Rome Floyd Development Authority, at the intersection of Ga. 53 and Ga. 140 certified as ready for accelerated development. Both authorities are joint owners of the North Floyd Industrial Park off Ga. 140 where Lowe's recently opened its $125 million regional distribution center.

Healthcare

Healthcare has remained a strong buffer for the Rome economy. Job growth in healthcare services in Floyd County is nearly double the growth across the state. As a regional healthcare hub, Rome's medical centers employ 19% of the workforce. As of May 2013, Floyd Medical Center is the largest employer in Floyd County with 2,790 employees, with Harbin Clinic third at 1,226 and Redmond Regional fourth at 1,200. Leading provider Redmond Regional Medical Center injects more than $365 million, or nearly 11% of metro product, into the Rome economy each year through direct and indirect job creation, spending and tax revenues, according to a recent study by the Georgia Hospital Association. The outlook for healthcare is optimistic not only because of an above-average elderly population in Rome but also because of the passage of healthcare reform, which will boost demand for services; a low share of the region's households have health insurance.

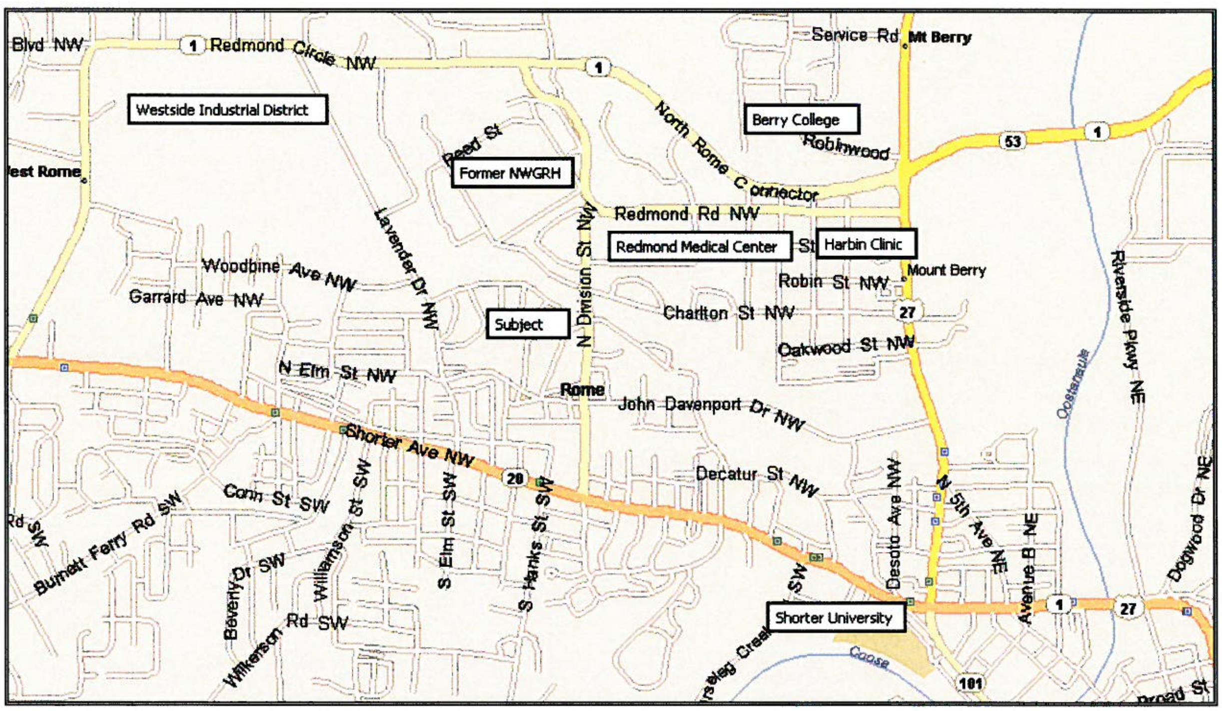
The first class of medical students to attend the Rome campus of the Georgia Regents University Medical College of Georgia will start their training July, 2013. Dr. Ricardo Azziz, president of Georgia Regents University and CEO of the Georgia Regents Health System, spoke to Rome community leaders May 2, 2013 at the Rotary Club meeting. MCG trains 25 percent of the dentists in the state and 20 percent of Georgia's doctors. "Rome is a great partnership," Azziz said. "This has occurred only because of the great collaboration with the community of Rome. Harbin Clinic, Redmond Regional, Floyd Medical Center, these are all institutions that have come together to make this happen." Around 100 local doctors in private practice have signed up and volunteered to teach the medical students — a sign of local enthusiasm Azziz praised. Even though the young physicians are likely to have to go elsewhere for their residency, Azziz said Rome would have a leg up on engaging these students. "They wanted to be here, so you have an incredible opportunity to recruit these individuals to come back to return to Rome," he said. The Rome program is an experiment for MCG. Rather than take classes in a sequential way, students will learn across the disciplines of medicine. Azziz said regional campuses allow students to preview work outside a controlled environment to "get other experiences and understand that medicine is not just Augusta or just the medical school, but it is our community." The physical facility for the incoming students will be located on Georgia Highlands College's downtown Rome campus on Third Avenue. Azziz said the state has invested $500,000 to $600,000 a year into the new regional campus, but it's not a permanent line item on the budget. "At this time the medical college is supporting the campus, but over time we will need to have some designated funding to continue to support this program," he said.

NEIGHBORHOOD OVERVIEW

Location

The entrance to the subject property is located along the west side of North Division Street at Fortune Street approximately three miles northwest of downtown Rome, Floyd County, Georgia.

The subject's neighborhood can generally be defined as a three mile radius around the intersection of North Division Street and Fortune Street. This location is at the northwestern periphery of the city of Rome. A neighborhood map is presented below, showing about a 1.5 mile radius from the subject, and a larger neighborhood map is included in the Addenda. A three-mile radius includes much of downtown Rome and the northwest quadrant of the city. A five-mile radius includes most of the developed area associated with the city of Rome.



Access and Availability of Utilities

Although it is noted that Interstate 75 is accessed about 20 miles east of the subject, access to and through the area is good. The city of Rome is generally accessibly by numerous State and U.S. Highways. The primary traffic arteries in the subject's area include Martha Berry Boulevard (U.S. Highway 27), Veterans Memorial Highway (aka State Route Loop 1, Redmond Circle), U.S. Highway 411, State Route 20, State Route 101, and State

Route 53. The subject has access along the west side of North Division Street, which forks off of Redmond Road/Redmond Circle. Division Street is a north-south artery that connects Redmond Circle/ Veterans Memorial Highway to the north to Shorter Avenue/State Route 20 to the south. Redmond Circle becomes State Route Loop 1 just to the east and Veterans Memorial Highway beyond that. Shorter Avenue/SR20 becomes Martha Berry Boulevard (U.S. Highway 27) and bisects downtown Rome to the southeast of the subject. Martha Berry Boulevard (U.S. Highway 27) is a four-lane roadway that is traveled in a north/south direction through the county and is known as Turner McCall Boulevard in the downtown Rome area. Subsequently, U.S. Highway 27 is one of many major distributing routes for the Southern and Midwestern portion of United States. SR Loop 1 is a four-lane, partial loop roadway that allows access around the northeastern quadrant of Rome with a proposed portion to extend around the southern portion of the city. U.S. Highway 411 is another four-lane roadway that converges south of Downtown Rome and extends in a general southwest/northeast direction, merging with SR 20 in Rome, then extends westerly from Rome to the Georgia-Alabama state lines. Further, U.S. 411/SR 20 also extends eastward from Downtown Rome and provides the most direct access to I-75. SR 101 is a two- to four-lane roadway that allows access generally in a north/south direction that originates at intersection of U.S. Highway 27 and SR 20, and it extends much further south in western-central Georgia terminating into Interstate 20. SR 53 is a two- to four-lane roadway that is traveled in a northeastern/southwestern direction allowing accessibility to the downtown Rome area and extends much further east to the northern portion of Georgia. It should be mentioned, SR 53 bisects the primary road in Downtown Rome – Broad Street.

Additionally, the subject neighborhood has a number of secondary roadways, which enhance accessibility throughout the area. Streets in the subject neighborhood are asphalt paved. There is a combination of overhead and underground utilities, and surface and subsurface drainage. Sidewalks are also common along major roadways at improved locations along with signalized crosswalks. Utilities available in this neighborhood include public water, sanitary sewer, electricity, and natural gas. Standard municipal services include police and fire protection.

Land Use

The subject neighborhood is approximately 75% built out. Development in the subject neighborhood is a mixture of residential (multi- and single-family), commercial/retail, and institutional. The more heavily concentrated areas of commercial and retail development are located within a two- to four-mile radius along Martha Berry Boulevard (U.S. Highway 27) and Shorter Avenue (SR 20). Residential homes (as well as schools and churches) are generally located along secondary roadways adjacent to Martha Berry Boulevard (U.S. Highway 27).

The area almost adjacent the subject and ½ to one-mile north of the subject has a great deal of institutional use located along North Division Street. Some of the noteworthy facilities include The Harbin Clinic (Main Campus, Southeast Cardiovascular Institute, and Specialty Center) and Redmond Regional Medical Center (RMC). Harbin Clinic is the largest, privately-owned multi-specialty physician clinic in Georgia. Harbin Clinic physicians reportedly make up the majority of physicians with admitting privileges at both Redmond RMC and Floyd Medical Center (about ½ mile east of the subject). A smaller number of physicians are affiliated with Coosa Clinics, which is also based in Rome. There are 20 Harbin satellite offices located throughout Rome and several surrounding cities in northwest Georgia. Redmond RMC is a 230-bed acute care facility, serving as a referral source for all of northwest Georgia and parts of Alabama. The hospital is fully accredited by the Joint Commission on Accreditation of Healthcare Organizations (JCAHO). With the inclusion of its healthcare partners, the Redmond Medical Center has over 245 physicians with more than 30 specialties and a support staff of approximately 1,200 associates.

Also in this vicinity is the former Northwest Georgia Regional Hospital (NWGRH), which closed in 2011 and does not appear to have been sold or subsequently occupied. NWGRH broke ground in April 1971 for the Redmond Road complex that replaced the 1940s-era military buildings of Battery State Hospital (BSH).

Other institutional uses include Berry College (about one mile northeast of the subject) and Shorter University (approximately one mile southeast of the subject). Berry College is an accredited, private, four-year liberal arts college, which was founded in 1902. This college campus is spans an estimated 26,000 acres of land within Rome, and has just over 2,000 students. Shorter University is also a private, Christian, four-year liberal arts university, which was founded in 1873. The college campus is on 155 acres of land, and an estimated enrollment of 3,500. All of these institutions have a huge influence and a major economic impact on the subject's neighborhood and the City of Rome.

Several large land uses in the area should also be noted as they impact the development pattern and flow of traffic. The most obvious is the already noted Oostanaula River. Due to the topography of the area the river has a fairly wide flood basin, which limits development. Another significant land use is the Richard B. Russell Airport, located in the northern portion of the Rome area. Another noteworthy land use in the area is State Mutual Stadium. Located approximately 1.5 miles west of the subject property along Veterans Memorial Highway, State Mutual Stadium is the home of the Rome Braves, the Class "A" South Atlantic League affiliate of the Atlanta Braves. Completed in 2003, this stadium can accommodate over 5,000 fans and contains 14 luxury boxes, state-of-the-art audiovisual technology, a full-service restaurant, six concession areas, and group pavilion.

Redmond Circle, 1/3 mile north of the subject, is developed with numerous commercial improvements including office/industrial, apartments and shopping centers. Technology Parkway to the north provides access to a partially developed business park. The area along Redmond Circle has more business improvements, while Martha Berry Boulevard/US27/SR1 has a concentration of strip shopping centers, free-standing retail, neighborhood centers and community centers.

Uses in the subject's immediate area include similar residential developments. There is residential development to the south, west and east; and West Central Elementary, Youth Development Center and the former Northwest Georgia Regional Hospital to the north.

Demographics/Growth and Trends

To gain additional insight into the characteristics of the subject neighborhood, we reviewed a demographic study prepared by ESRI. The following information pertains to a three-mile radius around the subject property. The full demographic report is retained in our file.

The demographic information illustrates the moderate growth of the subject neighborhood in terms of population and households since 2000. Over the next five years, this growth slows considerably, with scant losses anticipated in household formation. Employment is fairly well diversified, but weighted toward services and manufacturing positions. In comparison to the population averages for the county, the subject neighborhood's residents have lower incomes and education levels. Proximity to Berry and Shorter Colleges may contribute to a higher percentage of renters. To gain additional insight into the characteristics of the subject's neighborhood, we reviewed a demographic study. The following information primarily pertains to a three-mile radius around the subject. The full demographic study is retained in our files.

DEMOGRAPHICS SUMMARY Three Mile Radius - Frost Drive, Rome, GA 30165			
	2000	**2014**	**2019**
Population	29,965	31,718	31,811
Growth		5.85%	0.29%
Households	11,108	11,354	11,345
Growth		2.21%	-0.08%
		3 Mile Ring	**Floyd County**
Income			
Average HH		$45,375	$53,261
Median HH		$31,654	$38,515
Per Capita		$17,097	$20,291
Median Home Value		$149,789	$173,052
Housing Units			
Renter - Occupied		47%	35%
Owner - Occupied		41%	54%
Vacant		12%	12%
Education Levels (Adults > 25)			
High School Graduate		72%	77%
4-Year College Degree		17%	18%
Largest Employ. Categories			
Services		57%	52%
Retail Trade		9%	10%
Construction		6%	6%
Manufacturing		16%	15%
Finance/Insurance/Real Estate		3%	4%

Source: ESRI based on 2010 Census Estimates

Conclusion

In conclusion, the area is generally characterized as a middle-income neighborhood that is fairly stable. The information indicates that the subject's general area has experienced slow growth in regard to population and number of households in the past, which is not expected to improve in the next five years. Access to and through the area is good, and the area appears to be fairly well served by supportive retail and service businesses. These factors, combined with the high percentage of renters, suggest the area should continue to be a fairly good location for multi-family properties like the subject.

The descriptions in this section are based on a physical inspection of the property, as well as numerous documents referenced in the introduction of this report. A reduced copy of the site plan is presented in the Addenda.

SITE DESCRIPTION

Address: 5 Frost Drive
Rome, Floyd County, Georgia 30165

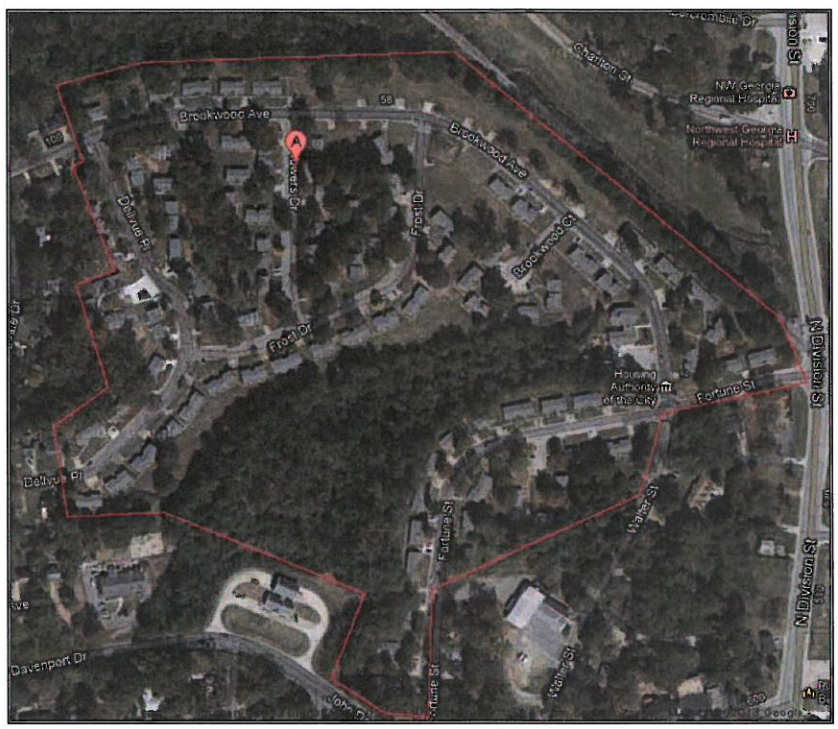
Location: West side of North Division Street at Fortune Street approximately three miles northwest of downtown Rome, Floyd County, Georgia.

Tax Parcel Number: I13X-357 (portion)

Land Area: 28.902 acres per survey

Shape and Frontage: The site is irregular with frontage along several residential roadways, as shown on the following aerial photo and zoning maps. Streets serving the subject are: Brookwood Avenue, Brookwood Court, Dellvue Place, Fortune Street, Frost Drive and Towers Drive.

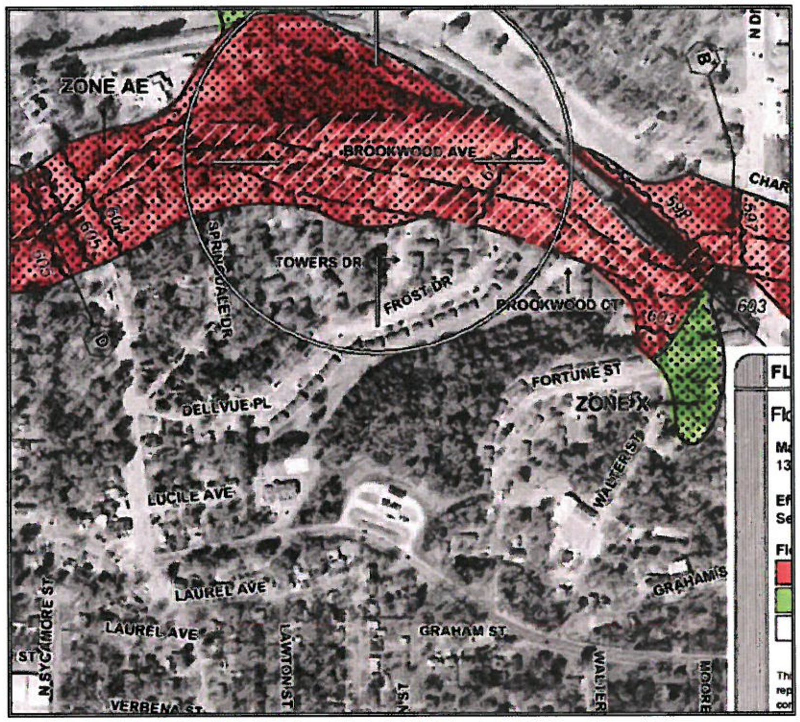
Aerial View of Development:



Ingress and Egress: Access is available to the development from North Division Street to the east and Lavender Drive to the west.

Topography and Drainage:	The site is rolling with the highest elevation along the southern and western sides of the property. From this point, the property slopes downward to the north and east towards a creek. Drainage occurs in multiple directions, and there are storm sewers along the interior streets. At the time of inspection we observed no drainage problems and we assume none exist.
Soils:	We were not provided with a report of Geotechnical exploration for the subject property. In that we have no expertise in this area, we assume the site is able to support the improvements, now and into the future. We saw no evidence to the contrary. We suggest the consultation of a specialist if there are further questions.
Easements:	We assume the only easements are those typically provided for the installation and maintenance of utilities and cross-access easements. We are aware of no detrimental easements and assume that none exist. However, we are not qualified in this legal matter.
Covenants, Conditions, and Restrictions:	We are not aware of any deed restrictions or restricting covenants other than zoning and the Cooperation Agreement with the City of Rome to provide low-income housing. This document is retained in our files. However, this is a legal matter, and we recommend professional counsel for questions of this nature.
Utilities/Services:	Available utilities include electricity, natural gas, public water, sanitary sewer, and telephone service. It should be noted that the subject is all electric. Municipal services that are available include police and fire protection.
Flood Zone:	According to *FloodSource*, the subject tract does not appear to have improvements located in the flood hazard zone. The majority of the overall property is located within Flood Zone X, per the Federal Emergency Management Agency (FEMA), as shown on Flood Insurance Rate Map; Community Panel 13115C0189D dated September 25, 2009. Zone X is defined as "areas determined to be outside the 100- and 500-year flood plains." Should questions exist regarding the requirement to purchase flood insurance, a formal evaluation by a registered land surveyor is suggested. According to property management, several units flooded in this flood-prone designated area several years ago. Those units were razed, and the NWGHA received funds to rebuild. The funds were used to build new units outside the boundaries of the current development. FEMA has recently reevaluated the overall development and added 23 buildings to the area designated as flood zone. These buildings have not flooded in the past, but flood zone designation makes it difficult to secure funding for future renovations at this time. These buildings are not part of the current appraisal.

Flood Map excerpt:



Environmental Issues: A Phase I Environmental Site Assessment was performed by Geotechnical and Environmental Consultants, Inc. (GEC) and dated September 17, 2014. GEC found no obvious environmental concerns or risks associated with the subject property; however, care should be taken during renovation in regard to all detected and suspect asbestos containing materials (ACM) and lead based paint (LBP). We assume that there is no hazardous material on or in the property, including land and improvements, which would cause a loss in value.

Conclusion: The subject site is considered to have adequate overall physical utility for the residential community. This assertion is based on the subject's size, shape, topography, accessibility and exposure, and availability of all utilities and services. Additionally, it is our opinion that the improvements reflect good utilization of the site's physical characteristics.

IMPROVEMENT DESCRIPTION

Construction Class: The class of construction is the basic subdivision in *Marshall Valuation Service* dividing all buildings into five basic groups by type of framing (supporting columns and beams), walls, floors, roof structure, and fireproofing. The subject building features a masonry block frame and a brick veneer exterior. The buildings qualify as average Class D[1] construction.

Competitive Rating: The subject's 74 non-renovated units are perceived in the market as a Class C residential development in terms of quality, features, amenities and age. The 22 renovated units are Class B.

Unit Mix:

UNIT MIX - WILLINGHAM VILLAGE PH I			
Type	No. Units	Unit Heated (SF)	Total Heated (SF)
1BR1BA 50% AMI	7	826	5,782
1BR1BA 60% AMI	29	826	23,954
2BR2BA 50% AMI	9	1,014	9,126
2BR2BA 60% AMI	36	1,014	36,504
3BR2BA 50% AMI	3	1,250	3,750
3BR2BA 60% AMI	8	1,250	10,000
4BR2BA 50% AMI	1	1,476	1,476
4BR2BA 60% AMI	2	1,476	2,952
5BR2BA	1	1,476	1,476
Total / Average	96	990	95,020

Improvement Summary:

Buildings/Units: 96 dwelling units in single-story duplexes, quadplexes, and single-family buildings. Unit mix includes one-, two-, three-, four- and five bedrooms, a leasing office, playground and a community building (converted residential unit).

Building Area (SF): 95,020 (Gross Rentable)

Building Access: Exterior walk-up

Year Built: 1969-1972

Exterior Description

Foundation: Poured, reinforced concrete slab, on grade
Frame: Masonry Block
Exterior Finish: Brick veneer, some vinyl accents
Roof: Pitched, asphalt shingles

[1]Class D buildings are characterized by combustible construction. The exterior walls may be made up of closely spaces wood or steel studs, as in the case of a typical frame house, with an exterior covering of wood siding, shingles, stucco, brick, or stone veneer, or other materials. Floors and roofs are supported on wood or steel joists or trusses or the floor may be a concrete slab on the ground. Upper floors or roofs may consist of wood or metal deck, prefabricated panels or sheathing. (Source: Marshall Valuation Service, January 2014, §1, p. 8)

Interior Living Areas	Walls:	Painted wallboard
	Windows:	Single-pane
	Ceiling:	Painted, 8' height
	Lighting:	Fluorescent and incandescent
	Flooring:	Vinyl composite tile
	Other Features:	All units are equipped with smoke detectors, washer/dryer connections, ceiling fans in master bedroom, blinds, and covered entrances/patios.
Kitchen Areas	Lighting:	Fluorescent and fixtures
	Flooring:	Vinyl composite tile
	Cabinetry:	Wood w/ formica tops
	Equipment:	Gas range/oven, refrigerator, dishwasher
Bath	Lighting:	Incandescent
	Flooring:	Vinyl composite tile
	Equipment:	Porcelain commode, wall hung porcelain sink, ceramic tile shower/tub
Other	HVAC:	Units have no air conditioning. Larger floor plans have some forced air heat. Smaller floorplans have baseboard heat.
	Electrical:	Typical, assumed adequate.
	Interior doors:	Wood
	Exterior doors:	Metal
	Plumbing:	Individual water heaters
Parking and Site Improvements	Surface Parking:	Assumed adequate
	Paving:	Asphalt
	Sidewalks:	Concrete
	Landscaping:	Minimal and mature

Amenities: Amenities include a leasing office with a business center, community building (converted residential unit) and a playground.

Upgraded Units: 22 Units on Dellvue Place were substantially remodeled. Remodeled units are practically new-construction. Exteriors have mission-style pilasters and stone accents, and concrete sidewalks were replaced or repaired where necessary. All windows were replaced with double-pane insulated glass and (according to maintenance) bulletproof window screens. Interiors have new wood kitchen and bathroom cabinets, new wood-plank style ceramic tile floors, new appliances, granite countertops, blinds, storage closets and pantry/linen cabinets, laundry rooms and updated trim, fixtures and hardware. One storage closet is reinforced and can be used as a storm shelter. Remodeled units have central HVAC. After renovation, the remaining 74 units will also have these upgraded features.

Utilities:	The subject units are individually metered for electricity and gas, with the tenants directly responsible for paying those utilities. A surcharge is added to the rent for trash collection. The complex provides water/sewer on the 74 unrenovated units, which will be metered and the responsibility of the tenants after renovation.
Deferred Maintenance/ Capital Issues:	The subject property was completed between 1969 and 1972. It has been adequately maintained and shows typical signs of wear and tear. Some units are in better physical shape than others. Overall, and at the time of our inspection, the property does not appear to suffer from any significant deferred maintenance.
Economic Age and Life:	We estimate the subject's effective age at 25 years. According to *Marshall Valuation Service*, this type of building has a typical life expectancy of 60 years (class C, fair). However, the life expectancy can clearly be extended well beyond a total life of 60 years assuming continued ongoing maintenance and capital replacement, as evidenced by numerous properties that far exceed the typical life expectancy.
Conclusion/Comments:	Overall, the subject is typical of vintage public housing found in the Southeastern United States. It has average interior features and amenities, with average quality construction and exterior appeal. At completion of renovation, the property will be good quality and have good appeal in the market.

ZONING ANALYSIS

The property is subject to the zoning regulations of the City of Rome, Georgia. It is zoned M-R, Multifamily District. This zoning district allows a wide range of uses including residential developments and apartment complexes. Based on our review of the site plan, it appears that the subject property is a conforming use. We recommend contacting the Planning Department for additional questions of this nature.

TAX ANALYSIS

The property is subject to taxation by Floyd County and the City of Rome and is identified as tax parcel I13X 357 (portion). Real estate in Georgia is assessed at 40% of the county assessor's estimated market value. The subject is exempt from taxes and does not have a tax record, appraisal or assessment with Floyd County. Because the subject is public housing, tax exemption is typical.

APARTMENT INVESTMENT MARKET

The following paragraphs were taken from *Emerging Trends in Real Estate 2015*. Multifamily was real estate's trendsetter in the first years of recovery. If you go by just the numbers, the opinions of the *Emerging Trends* survey respondents seem sharply divided. For high-end multifamily, nearly half of the respondents (48 percent) felt it would be smart to divest in 2015, while 30 percent consider it worthwhile to hold for a longer period. Only 21 percent suggest this is a good time to buy. At the more moderate income level, that relationship was reversed. Only 28 percent recommend selling, while holding and acquisition are more attractive, with 37 percent and 35 percent recommending these strategies, respectively, in the year ahead.

The survey subtly distinguishes between the moderate-and upper-income tiers' investment and development prospects. For investment, more moderately priced apartments have the edge. Despite this, the upper-income units have an attractive price-to-cost spread. Survey respondents expect upward cap-rate adjustment, though most of the shift will not happen in 2015 but in the 2016– 2018 period. The sense of urgency to sell just isn't at hand right now.

Developers' preferences for upper end apartments notwithstanding, the depth of demand for luxury rental units goes only so far. Wealthy households prefer to own their homes—and most already do. The bulk of pent-up and emerging demand comes from the battered middle-income and lower-middle-income sector, predominantly renters. As the forecasted gains in employment take hold, millennial sharers, "boomerang children," domestic migrants, and international immigrants represent the bulk of new residential renter demand. Developers may actually be able to "make up in volume what they can't achieve in price." The overarching context is that next year and beyond, the demand fundamentals for moderate apartments continue to look very good. Many interviewees expect the millennials to move into homeownership in some significant numbers, but that won't happen until 2020 or later. One economic forecaster sees terrific opportunities to buy value-add multifamily and suggests as a "best bet" purchasing "B" buildings in "A" markets. Should the acceleration in the job market begin to push incomes up for the middle class—a hope or a reasonable guess, but not a certainty—there could be a nice bump in rents for those Class B apartment buildings. Supply is still on the rise, but a disproportionate share of new construction is at the high end.

As a screening device, one investor looks for markets with science, technology, engineering, and math (STEM) strength— which usually means a big research university drawing young tech and engineering talent in need of apartments, with salaries that are attractive to the owners of rental complexes. The real strength in multifamily, though, is that it is not dependent upon just one demand segment. As local economies grow and the number of jobs rises, rental housing is required. This is not rocket science. Unless you are a contrarian, though, don't expect a rapid upward turnaround for suburban garden apartments. Once a classic vehicle for developers and investors riding the wave out of the center city, these are now out of favor with millennial renters and portfolio managers alike. Still, transaction data show that there's a steady parade of buyers for garden apartment product, which has about a 150-basis-point-higher cap rate than midand high-rise multifamily. As potent as the urbanization trend is, there is still a huge base of suburban units out there—and they are a lot cheaper. Atlanta was ranked 11 out of 75 U.S. Markets to Watch in 2015 (Overall Real Estate Prospects).

According to the *PwC Real Estate Investor Survey – Third Quarter 2014*, Investor sentiment varies with regard to fundamentals in the national apartment market as this sector progresses through the late stages of the expansion phase of the real estate cycle. The *PwC Survey* indicates that overall capitalization rates for apartments in the Southeast Region range from 4.00% to 7.25%, with an average of 5.55% (institutional-grade properties). The average rate is the same as the previous quarter and down 18 basis points from the same period one year ago. It should be noted that National non-institutional-grade capitalization rates on average are 103 basis points higher (Southeast Region is not currently being tracked). Investors indicated inflation assumptions for market rent generally ranging between 2.00% and 4.00%, with an average of 3.15%. Additionally, these investors quoted an expense inflation rate between 2.00% and 4.00%, with an average of 3.00%. Internal rate of return (IRR) requirements for the investors ranged from 6.00% to 10.00%, with an average of 7.70%, the same as the prior quarter and down 25 basis points from the same period one year ago. The average marketing time ranged from 1 to 6 months, with an average of 3.0 months, unchanged from the prior quarter and down from 4.5 months one year ago.

ROME APARTMENT MARKET

Supply

There is no published data with regard to the Rome apartment market. Accordingly, this portion of the market analysis is based on our own survey of the comparables. The Rome rental market is typical of smaller cities, where there are only a few relatively large market rate garden apartment properties, and a substantial portion of smaller, privately owned properties including duplexes.

Multi-family construction in the area has been limited. The most recent apartment projects constructed in the Rome area are two market rate developments that were constructed in 2003 and 2006, Hamilton Ridge and Eastland Court, respectively. These complexes have a combined 158 units and report very high ongoing occupancy. Hamilton

Ridge is a near Class "A" apartment development and Eastland Court is marketed as luxury apartment homes; both are gated and offer some garages. Another smaller, townhome-style complex, Claridge Gate Apartments, was built by the Hamilton Ridge developer in 2004 and has 36 units; it is similarly gated and without amenities. Woodbridge Apartments are in north Rome, and the 28 units were constructed in 2009. Woodbridge has an outdoor pool. The underlying land had been held by the owner for many years. In addition to these more traditional complexes are several downtown loft conversions. Several downtown historic buildings have converted one or two upper floors to loft apartments.

With regard to future changes in supply, the slow growth and economic characteristics of the area will likely discourage significant apartment development, at least for the near term. However, local colleges are having good years with record enrollments, and surveyed complexes reported high occupancy. We are not aware of any planned or proposed multifamily developments in the area.

AREA APARTMENT COMPLEXES

The following paragraphs include information regarding five apartment complexes that we believe provide the best indications of current market rent levels for the subject. All of the comparables are located in the Rome area. Detailed data sheets of the comparables, as well as photographs and a map indicating their location in relation to the subject are included in the Addenda.

Ashland Park –Ashland Park apartment complex is a near Class A project that offers rent restricted units, accepts Section 8 vouchers and has 46 units subject to a Housing Assistance Payments (HAP) contract. The property consists of 184 units and features one-, two-, and three-bedroom garden style apartment units that range in size from 787 to 1,271 square feet, and average 1,106 square feet. Six buildings are three-stories and the others have two-stories with a terrace level. The improvements were completed in 2003, and feature wood-frame construction with painted siding and brick veneer accent exteriors and pitched asphalt shingle roofs. Amenities include a leasing office/clubhouse with a business center, gated entrance, swimming pool, playground, carwash, a gazebo with grill/picnic area, and an activity building with fitness center, laundry facilities, and a children's activities room. The complex also has three detached garage buildings containing a total of 18 spaces/units. It is located along the west side of Broadus Road, just northwest of Calhoun Highway (Georgia Highway 53).

Westminster – Westminster is an average quality Class C market rate apartment complex located just west of Division Street along Redmond Road. The property consists of 184 units and features two- and three-bedroom townhome style apartment units that range in size from 1,120 to 1,320 square feet, and average 1,151 square feet. Buildings are two-stories. The improvements were completed in 1975, and feature wood-frame construction with painted siding and brick veneer accent exteriors and pitched asphalt shingle roofs. Amenities include a leasing office, swimming pool, playground and picnic area. Access and exposure would be considered average. No concessions are currently being offered.

Heritage Pointe – Heritage Pointe is an average quality Class C market rate apartment complex located on the southern side of Redmond Circle. The property consists of 149 units and features one-, two- and three-bedroom townhome and garden style apartment units that range in size from 750 to 1,160 square feet, and average 925 square feet. Buildings are two-stories. The improvements were completed 1970, and feature wood-frame construction with brick exteriors and pitched asphalt shingle roofs. Amenities include a leasing office, swimming pool, playground and laundry facility. Access and exposure are considered average. The property is convenient to public transportation. It accepts Section 8 Vouchers.

Riverwood Park – Riverwood Park is an average quality Class B apartment complex (LIHTC 60%) located just east of Martha Berry Boulevard (SR-1). The property consists of 91 units and features two- and three-bedroom garden style apartment units that range in size from 1,040 to 1,207 square feet, and average 1,104quare feet. The buildings are two-stories. The improvements were completed in 1998, and feature wood-frame construction with vinyl siding and brick veneer exteriors and pitched asphalt shingle roofs. Amenities include a laundry facility. Access and exposure are considered average. The property is convenient to public transportation. No concessions are currently being offered.

Hamilton Ridge – Hamilton Ridge is a good quality Class A market rate apartment complex located along the eastern side of Hamilton Avenue, just north of Shorter Avenue. The property consists of 48 units and features one-, two-, and three-bedroom garden style apartment units that range in size from 642 to 1,425 square feet, and average 1,062 square feet. Buildings are three-stories and include balconies or patios. The improvements were completed in 2003, and feature wood-frame construction with painted siding and stone veneer accent exteriors and pitched asphalt shingle roofs. Amenities include gated entry and storage units, but otherwise limited amenity package. Access and exposure would be considered good. Property typically maintains near 100% occupancy with vacancy only for unit turns and a waiting list.

OCCUPANCY ANALYSIS

There is no published apartment market information for the Rome area. To project a stabilized occupancy for the subject property we considered our rental comparables. The following table illustrates occupancies at five apartment complexes in the Rome area.

RENTAL COMPARABLE OCCUPANCY				
Comp.	Name	Year Built	No. Units	Occupancy
1	Ashland Park (LIHTC, PBRA)	2003	184	86%
2	Westminster (Conventional)	1970	104	89%
3	Heritage Pointe (Conventional	1975	149	86%
4	Riverwood Park (LIHTC)	1998	91	96%
5	Hamilton Ridge (Conventional	2003	48	98%
Total / Weighted Average			576	89%

The above complexes indicate a weighted average occupancy of 89%. It is typical for subsidized properties like the subject to be fully occupied with a waiting list. On the date of our inspection the overall development had a 500-family waiting list, with all units either occupied, pre-leased or vacant in expectation of remodeling. The only vacancies are for typical cleaning and maintenance between tenants. For the purposes of our analysis we estimated a stabilized physical vacancy rate of 3% and additional economic vacancy of 2% for a combined vacancy and collection loss rate of 5%.

COMPETITIVE ANALYSIS

We surveyed five comparable complexes in the area, two of which are income restricted to some degree, and three are market rate properties. All of them are located in the subject's neighborhood. The comparables are all Class-B/C complexes in terms of quality and amenities, built between 1970 and 2003 with unit counts from 48 to 184. The subject's proposed rents and the comparable rents are presented in the following chart. Further details, as well as photographs and a location map, are presented in the Addenda.

One-Bedroom Units

The subject has a one-bedroom, one-bathroom floor plan at 826 square feet. The comparable one-bedroom units range in size from 642 to 787 square feet and average 726 square feet. The subject's floor plan is above the range in size. Effective rents at the comparables range from $480 to $575 ($0.62 to $0.90 per square foot) and average $515 ($0.72 per square foot).

ONE-BEDROOM UNITS					
Comparable No. and Name	Bath Qty.	Size (SF)	Market Rent Per Unit	Market Rent Per SF	Utilities In Rent
Subject - Willingham Village	1.0	826	$449	$0.54	T
1. Ashland Park	1.0	787	$489	$0.62	T
3. Heritage Pointe	1.0	750	$480	$0.64	W, S, T
5. Hamilton Ridge	1.0	642	$575	$0.90	T
Min		642	$480	$0.62	
Max		787	$575	$0.90	
Average		726	$515	$0.72	

The subject older units are most similar to the Heritage Pointe, while the renovated units are more similar to Hamilton Ridge. Considering all of this information, we concluded that the comparables support the contract rent at market for the subject 1BR-plan of **$449**, or $0.54 per square foot. For our hypothetical market scenario, the subject rents should be most similar to Hamilton Ridge at completion. Our hypothetical market rents are $575 at completion.

Two-Bedroom Units

The subject has one 1,014 square foot two-bedroom, two-bathroom floor plan. The comparable two-bedroom units range in size from 950 to 1,157 square feet and average 1,068 square feet. The subject's floor plan is within the range of the comparables. Effective rents at the comparables range from $460 to $735 ($0.44 to $0.70 per square foot) and average $573 ($0.53 per square foot).

TWO-BEDROOM UNITS					
Comparable No. and Name	Bath Qty.	Size (SF)	Market Rent Per Unit	Market Rent Per SF	Utilities In Rent
Subject - Willingham Village	2.0	1,014	$585	$0.58	T
1. Ashland Park	2.0	1,059	$550	$0.52	T
2. Westminster	1.0	1,120	$550	$0.49	W, S, T
3. Heritage Pointe	1.0	950	$545	$0.57	W, S, T
3. Heritage Pointe	1.5	1,150	$595	$0.52	W, S, T
4. Riverwood Park	1.0	1,040	$460	$0.44	T
5. Hamilton Ridge	2.0	1,157	$735	$0.64	T
Min		950	$460	$0.44	
Max		1,157	$735	$0.64	
Average		1,079	$573	$0.53	

The subject older units are most similar to the Heritage Pointe, while the renovated units are more similar to Hamilton Ridge. Considering all of this information, we concluded that the comparables support the contract rent at market for the subject 2BR-plan of **$585**, or $0.58 per square foot. For our hypothetical market scenario, the subject rents should be most similar to Hamilton Ridge at completion. Our hypothetical market rents are $700 at completion.

Three-Bedroom Units

The subject has a three-bedroom, two-bathroom floor plan at 1,250 square feet. The comparable three-bedroom units range in size from 1,160 to 1,425 square feet and average 1,277 square feet. The subject's floor plan is within the range of the comparables. Effective rents at the comparables range from $495 to $880 ($0.41 to $0.62 per square foot) and average $647 ($0.50 per square foot).

THREE-BEDROOM UNITS					
Comparable No. and Name	**Bath Qty.**	**Size (SF)**	**Market Rent Per Unit**	**Market Rent Per SF**	**Utilities In Rent**
Subject - Willingham Village	2.0	1,250	$673	$0.54	T
1. Ashland Park	2.0	1,271	$580	$0.46	T
2. Westminster	2.0	1,320	$650	$0.49	W, S, T
3. Heritage Pointe	2.0	1,160	$630	$0.54	W, S, T
4. Riverwood Park	2.0	1,207	$495	$0.41	T
5. Hamilton Ridge	2.0	1,425	$880	$0.62	T
Min		1,160	$495	$0.41	
Max		1,425	$880	$0.62	
Average		1,277	$647	$0.50	

The subject older units are most similar to the Heritage Pointe, while the renovated units are more similar to Hamilton Ridge. Considering all of this information, we concluded that the comparables support the contract rent at market for the subject 3BR-plan of **$673**, or $0.54 and $0.66 per square foot. For our hypothetical market scenario, the subject rents should be most similar to Hamilton Ridge at completion. Our hypothetical market rents are $750 at completion.

Four- and Five-Bedroom Units

The subject has a four-bedroom, two-bathroom floor plan at 1,476 square feet, and one five-bedroom unit at 1,476 square feet. None of the comparables had four- or five-bedroom floorplans. The subject rents are below that indicated for the largest (and most similar) three-bedroom floorplan. We feel that the contract rent is at market for the subject four and five bedroom floorplans, which are $737 and $801 per month, ranging from $0.50 to $0.59 per square foot. For our hypothetical market scenario, our rents are $800 as is and $850 at completion.

FOUR- AND FIVE-BEDROOM UNITS					
Comparable No. and Name	Bath Qty.	Size (SF)	Market Rent Per Unit	Per SF	Utilities In Rent
Subject - Willingham Village 4BR	2.0	1,476	$737	$0.50	T
Subject - Willingham Village 5BR	2.0	1,476	$801	$0.54	T

SUBJECT'S CHARACTERISTICS / MARKETABILITY

The subject consists of single story duplexes and quadplexes ranging from one- to five- bedrooms. Units range in size from 826 to 1,476 square feet, and average 990 square feet. The improvements feature masonry construction with brick veneer exteriors and pitched asphalt shingle roofs. Amenities include a leasing office with a business center, community building (converted residential unit) and a playground.

Interior features of the units include 8-foot ceilings in all units, fully equipped kitchens including an electric range / oven, refrigerator and dishwasher, washer / dryer connections, and covered entrance porches. Various retail / commercial developments are in proximity to the subject property and throughout the surrounding area. The subject property is minimally landscaped and has fair curb appeal in comparison to market-rate or low-income competitors. Moreover, the subject's 74 unrenovated units are of average quality and are generally inferior to similar vintage apartment complexes in Rome, most notably in their lack of air conditioning. The remodeled units are good quality and similar to superior to the competitive product in Rome.

The property is subject to requirements of the Northwest Georgia Housing Authority (PHA). In the past, complex income came from a variety of sources including tenant rent payments, HUD Grant subsidy, HUD Capital Grant subsidy, and other tenant revenue. Reportedly, the contract rent will take effect simultaneous with the ground lease and transition to LIHTC through closing on the bonds. This date is still pending, but projected for 1st Quarter 2015. On the date of our inspection the overall development had a 500-family waiting list, with all units either occupied, pre-leased or vacant in expectation of remodeling. As indicated previously, the rental comparables indicate strong historical occupancy rates, though those figures were low on the date of our survey. They ranged from 86% to 96% on the date of our survey, with a weighted average of 89%. With respect to rental rates, the Rome apartment market has not experienced any rate increases over the past year, when we last surveyed the market and comparables. Rental rates have remained largely the same in Rome over the past three years.

If placed on the market, the subject would likely be met with minimal demand from local and regional investors. Given the size of the asset and location outside a major metropolitan area, interest from institutional investors is unlikely. However, once the subsidy is converted to HAP contract rents, there is a market for the complex as an investment.

INCOME/RENT RESTRICTIONS

It is our understanding that the property is planned for comprehensive interior renovation. The renovation will reportedly be paid for out of the proceeds from the sale of low income tax housing credits, construction bond proceeds and DCA HOME funds. When the tax credits are in place, income levels for the units must be at or below 50% or 60% of area median income (AMI). For Rome in 2014, per HUD, area median income is defined at $52,300. The restricted income levels are shown in the following chart. The appropriate utility allowances for after renovation, when the tenant is responsible for all utilities except trash are as follows: 1BR total $82, 2BR total $101, 3BR total $125, 4BR total $153 and 3BR total $181. The units are contracted with the Northwest Georgia Housing Authority and qualified tenants pay 30% of their income towards rent with the Housing Authority paying the difference between this amount and the 60% AMI maximum allowable rent.

MAX RENTS PER AMI INCOME LEVEL											
		#	(Income	x	Rent) / 12 =	Max.	-	Utilities	=	Max.
60% Inc.	1BR	1.5	($23,580	x	30%) / 12 =	$590	-	$82	=	$508
60% Inc.	2BR	3.0	($28,260	x	30%) / 12 =	$707	-	$101	=	$606
60% Inc.	3BR	4.5	($32,640	x	30%) / 12 =	$816	-	$125	=	$691
60% Inc.	4BR	6.0	($36,420	x	30%) / 12 =	$911	-	$153	=	$758
60% Inc.	5BR	7.5	($40,200	x	30%) / 12 =	$1,005	-	$181	=	$824
		#	(Income	x	Rent) / 12 =	Max.	-	Utilities	=	Max.
50% Inc.	1BR	1.5	($19,650	x	30%) / 12 =	$491	-	$82	=	$409
50% Inc.	2BR	3.0	($23,500	x	30%) / 12 =	$588	-	$101	=	$487
50% Inc.	3BR	4.5	($27,200	x	30%) / 12 =	$680	-	$125	=	$555
50% Inc.	4BR	6.0	($30,350	x	30%) / 12 =	$759	-	$153	=	$606
50% Inc.	5BR	7.5	($33,500	x	30%) / 12 =	$838	-	$181	=	$657

REASONABLE EXPOSURE AND MARKETING TIMES

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

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

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

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

HIGHEST AND BEST USE AS IF VACANT

The subject site is generally suitable for many types of development. Due to the site's zoning, specific location, surrounding uses, and physical characteristics, it is best suited for multifamily development. This use is legally permissible and physically possible. It would appear that new multifamily development in the area may be financially feasible, as evidenced by the good occupancy rates of existing market rate apartments in the area. However, the depth of the market is in question given the lack of growth in the Rome area, and rents have not increased appreciably in the market in the last two years. In our opinion, near term development with a subsidized multifamily apartment complex or speculative hold for development with a conventional market rate apartment complex would result in the maximum productive use of the site.

HIGHEST AND BEST USE AS IMPROVED

The existing improvements are a low-rise, multifamily apartment complex that is comprised entirely of public housing units. Current zoning allows such use and is therefore legally permissible. Overall, the layout and design of the buildings is typical in the market, and they provide a complementary use for the area. The exterior and interior design is consistent with that demanded in the market and reflected by similar quality apartment complexes. Further, the property offers floor plans that are functional for their intended use. While it would be physically possible to convert the buildings to another use entirely, based on legal restrictions and design/layout, the improvements are most functionally utilized for their intended use as apartments.

Based on our projected operating levels and our estimates of market value, which are discussed in a subsequent report section, the improvements are capable of providing an adequate return on investment. Therefore, we conclude that the existing apartment development is representative of a financially feasible use. Given that the subject conforms to zoning, is similar to other existing apartment complexes in the market, and can generate an adequate return, we estimate the existing development is the maximally profitable use. Based on the foregoing discussions, we conclude that the highest and best use of the property, as improved, is the continued operation of a subsidized apartment complex.

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

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

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

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

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

Since investors are active in the marketplace for properties similar to the subject, the income approach is particularly applicable to the appraisal. We performed direct capitalization. The sales comparison method of analysis simulates investigations of a typical buyer for properties like the subject. Therefore, this approach was employed for this assignment. Typically, we would not employ the cost approach, as the age of the improvements suggests some incurable physical depreciation that is difficult to quantify. It should also be noted that investors of income producing properties typically do not perform a cost approach, as they are most concerned with the income characteristics of the asset. However, as a requirement of the appraisal, a land valuation is included.

We were asked to provide a value estimate for the subject underlying site. The sales comparison approach is commonly used in the analysis of land value, both by appraisers, and by purchasers and sellers in the market. In this analysis, sale prices of sites that will be put to similar use are compared on a unit basis such as price per square foot, per acre, or per unit. In the case of large-tract "as-if-vacant" land like the subject, sale price per acre is considered to be the appropriate unit of comparison. When ample sales data can be found, adjustments can be determined and applied to provide an indication of value.

Rome has not seen a lot of land sale activity for several years. Growth stalled and existing inventory absorption of homes contributed to a lack of demand for new development. As is common in many areas, but particularly smaller towns, land values can fluctuate widely. Rural and agricultural land may sell for less than $1,000 per acre, while a prime retail site could be near $500,000 per acre. Rome has had almost no commercial land sales over the past five years, but a prime retail site on a major traffic corridor sold for $464,346 an acre ($3,868,000 – 8.33 acres) in March 2012, and a site with commercial potential sold in north Rome in October 2012 for $142,857 an acre ($300,000 - 2.10 acres). The lack of truly comparable sales data and its corollary indication of a lack of demand for developable land makes our analysis more subjective.

LAND SALE COMPARABLES

Our search for comparable land sales produced four recent transactions. These comparables are summarized in the chart below and discussed in the following paragraphs. A location map is presented in the Addenda.

COMPARABLE LAND SALES								
#	Grantor	Grantee	Date of Sale	Price	Financing	Land Area (Acres)	Zoning	Sale Price / Acre
1.)	State Bank & Trust	Paine, Kevin & Mai Lee	Dec-14	$40,000	Cash to Seller	16.230	Res	$2,465
	Comments: The site is located north of US 411 along the east side of Callier Springs Road in southeast Rome. It was bank-owned at the time of sale and marketed for approximately two months. The property is primarily wooded land and is northwest of the large Wal-Mart shopping center. It is zoned Residential and has a paved access drive to the interior of the site, which slopes upward from the feeder road.							
2.)	Hamilton State Bank	Shaan Hospitality	Nov-13	$75,000	Cash to Seller	14.000	C	$5,357
	Comments: The site is located south of US 411 along the east side of Chateau Road in southeast Rome. It was bank-owned at the time of sale and marketed for approximately 18 months. The property is primarily wooded land and is adjacent to two hotel sites, as well as being near apartment complexes. It is zoned Commercial. The site slopes steeply upward from the road and has numerous power lines along the road frontage and the interior.							
3.)	Charter Bank	Kubowski LLC	Oct-13	$425,000	Cash to Seller	130.000	C	$3,269
	Comments: The site is located at the northwest quadrant of East Rome Bypass and US 411 in southeast Rome. It was bank-owned at the time of sale and marketed for approximately five years. The property was subject to litigation after foreclosure and includes flood plain acreage. It is a mixture of wooded and pasture land and contains siginificant utility easements. It is zoned commercial and was intended for mixed-use development that stalled after the owners were not able to secure DOT permission for a curb cut along the bypass.							
4.)	State Mutual Bank	Scott Logistics Corp	Aug-12	$50,000	Cash to Seller	3.880	C	$12,887
	Comments: The site is located along the south side of Vail Parkway west of Technology Parkway NW. It was bank-owned at the time of sale. It is located north of downtown Rome in an area of industrial and business development, and is within a planned business park on a platted lot. It has a level topography and is cleared, with utilities at the site.							

DISCUSSION OF ADJUSTMENTS

We will compare the specific characteristics of each of the comparables to the subject. The next step in the process is to adjust the comparables' sales price per acre to reflect the characteristics of the subject. An adjustment grid, which illustrates our thought processes can be found following the discussions of the specific adjustments.

Conditions Of Sale

All of the comparables were bank owned at the time of sale, suggesting a motivated seller and shorter marketing period to facilitate quick sale. The comparables were adjusted upward.

Market Conditions

The sales occurred between August 2012 and December 2014. The real estate market is still recovering from a severe downturn. The first evidence of market downturn, indicated by longer marketing periods and price reductions, started in the spring of 2007 and grew considerably worse during the summer of 2008. Conditions have not changed appreciably since the date of these transactions, so we did not feel the comparables warranted adjustment for market conditions.

Location

The subject is located on a site northwest of downtown Rome. The area is largely residential with sporadic tracts of undeveloped land. Comparables One, Two and Three are slightly inferior locations south of the city center, and farther from complementary retail development and services, though with good proximity to transportation corridors. These comparables were adjusted upward. Comparable Four has a location similar to the subject north of Rome and was not adjusted.

Access/Exposure

The subject has access and exposure along several secondary streets. Comparable One is located along a residential roadway and is was adjusted upward. Comparables Two, Three and Four have similar access and exposure characteristics to the subject. As such, no adjustment is warranted.

Zoning

The subject is zoned for multi-family development and allows denser development of residential units than single-family zoning. Single family zoning allows denser residential development than agricultural zoning. Commercial zoning typically allows for denser development than multi-family zoning, and has a higher return to the land. Comparable One was adjusted upward for inferior, single-family zoning. Comparables Two, Three and Four were adjusted downward for superior commercial zoning.

Size

Our experience indicates that larger properties typically sell at a lower price per acre, all other factors being equal, illustrating a "quantity discount;" the reverse is true for smaller properties. Comparables One, Two, and Four were adjusted downward for smaller acreage. Comparable Three was adjusted upward, given its larger size in comparison to the subject.

Conclusion

Our adjustment grid is presented in the following chart. The use of actual percentage adjustments is not intended to suggest that we performed a paired sales analysis, as the quantity and quality of data required for this level of analysis was inadequate. Rather, the adjustments are reflective of our perception of what would be applied by the typical buyer.

COMPARABLE LAND SALES ADJUSTMENT GRID				
Sale No.	**1**	**2**	**3**	**4**
Price Per Acre	$2,465	$5,357	$3,269	$12,887
Conditions of Sale	25%	25%	25%	25%
Market Conditions	0%	0%	0%	0%
Adjusted Price/Unit	$3,081	$6,696	$4,087	$16,108
Physical Adjustments				
Location	10%	10%	10%	0%
Access / Exposure	50%	0%	0%	0%
Zoning	25%	-5%	-5%	-5%
Size	-5%	-5%	75%	-25%
Net Adjustment	80%	0%	80%	-30%
Adjusted Indication/Units	$5,545	$6,696	$7,356	$11,276
Indicated Range (including extremes):				
	$5,545	to	$11,276	
Mean:		$7,718		

As shown, prior to adjustments, the comparables indicate a price per acre range from $2,465 to $12,887, with a mean of $7,159. After adjustments, the range is narrowed to a range from $5,545 to $11,276, with a mean of $7,718 per acre. Comparable Four is the most similar to the subject, except for its small size.

The most recent land sale nearest the subject was a commercial parcel that sold for $464,346 per acre (below). While not comparable to the subject in many ways, it does support reconciling to the top of the range indicated by the comparables. Similarly, a commercial parcel north of Rome that sold for $142,857 and acre out of foreclosure supports reconciling to the upper end of the range for a site located near the city center.

	Grantor	Grantee	Date of Sale	Price	Financing	Land Area (Acres)	Zoning	Sale Price / Acre
1.)	NWGA Housing Authority	Madison Retail-Rome, LLC	Mar-12	$3,868,000	Cash to Seller	8.330	C-C	$464,346
	Comments: The site is located at the northwest corner of Turner McCall Boulevard and N 5th Avenue, just east of the intersection of Turner McCall and US 27 / SR 1 / Martha Berry Boulevard in Rome, Georgia. It was improved with a public housing project that has been demolished. It was under contract for sale pending commitment from Publix Supermarkets to anchor a shopping center on the site for an extended period of time. The location is excellent, with excellent visibility and accessibility. The site is regularly shaped, with considerable frontage along the north side of Turner McCall Boulevard. It has a level topography and is zoned C-C.							
2.)	CharterBank	Margaret Lee Properties, LLC	Oct-12	$300,000	Cash to Seller	2.100	GC	$142,857
	Comments: The site is located at the southwest corner of Veterens Memorial Parkway and Braves Boulevard NE / Riverside Parkway NE, with frontage along Chatillon Road to the south. The site was bank owned at the time of sale and sold post-foreclosure. It is located near the Braves baseball stadium and in an area improved with many government and government services buildings. The location north of downtown Rome is very good, with excellent visibility and accessibility. The site is regularly shaped, with considerable frontage along the north side of Turner McCall Boulevard. The site has a level topography. This site is zoned General Commercial.							

We reconciled to the top end of the range, giving weight to comparable four ($11,276) as it gave the best indication of the value of commercial/residential land in the area. Based on the above discussions, we estimate the value of the subject site "as if vacant" at $11,250 per acre. Our estimate of land value is as follows:

ESTIMATED LAND VALUE				
# Acres Units		$/Acre		Total
28.902	X	$11,250	=	$325,148
Rounded:				$325,000

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

The subject is public housing that receives income from several sources: tenant payments, other tenant revenue, HUD Grant Income for Operations, Capital Grant Income, and Fraud Recovery Income. These Income sources are very different and less predictable than typical multi-family income sources. However, this analysis considers the CHAP contract, which will go into effect when the property transitions from public housing to long-term Section 8 rental assistance. The initial CHAP for the subject was awarded on January 1, 2013 with the most recent rent amendment dated October 2, 2014.

POTENTIAL GROSS INCOME

As noted previously, the subject is a public housing project and as such, it does not necessarily operate in the same manner that a privately held property would. In the case of public housing, income generally comes from multiple sources. The tenants pay a percentage of their income toward rent, with the difference in the cost of operations paid for by HUD or other funds. These funds, attributable to the entire 172-unit development and not just the 96 units that are the subject of this appraisal, combined for years 2010, 2011, 2012 and 2013 were $1,060,973, $1,171,642 $1,039,985 and $849,302. The budgeted amount for 2014 is $839,621, but some income sources are likely understated. The historical figures do not include CHAP contract rental income. Below are the provided contract rents.

CONTRACT RENT INCOME			
Willingham Village - Phase I			
Type	No. Units	Monthly Rent	Annual Income
1BR1BA	36	$449	$193,968
2BR2BA	45	$585	$315,900
3BR2BA	11	$673	$88,836
4BR2BA	3	$737	$26,532
5BR2BA	1	$801	$9,612
Total / Average	96	$551	$634,848

As shown in the table above, we project potential gross rental income of $634,848 with the in-place HAP contract for the property "as is." This figure is somewhat above the previously indicated historical rental income range for the subject. It is worth noting that the projected rents are similar to market rents in the area, as evidenced by the rental comparables presented in the addenda.

HYPOTHETICAL MARKET RENT INCOME			
Willingham Village - Phase I - As Is			
Type	No. Units	Monthly Rent	Annual Income
1BR1BA	36	$490	$211,680
2BR2BA	45	$585	$315,900
3BR2BA	11	$625	$82,500
4BR2BA	3	$737	$26,532
5BR2BA	1	$801	$9,612
Total / Average	96	$561	$646,224

As shown in the table above, we project potential gross rental income of $646,224 for the hypothetical rents for the subject "as is."

HYPOTHETICAL MARKET RENT INCOME			
Willingham Village - Phase I - At Completion			
Type	No. Units	Monthly Rent	Annual Income
1BR1BA	36	$575	$248,400
2BR2BA	45	$700	$378,000
3BR2BA	11	$750	$99,000
4BR2BA	3	$800	$28,800
5BR2BA	1	$850	$10,200
Total / Average	96	$664	$764,400

As shown in the table above, we project potential gross rental income of $764,400 for the hypothetical rents for the subject "at completion." When the renovations are completed the subject would be competitive with the newer market complexes in Rome.

OTHER INCOME

Per information provided to us by the property manager, Philip Steers with Northwest Georgia Housing Authority indicated that other income that could be included are work order charges, pet fees, and late fees. Mr. Steers estimated this income at $141.40 per unit or $24,462 annually. Additionally, it was reported that they pass through legal fees in the amount of $1,590, or $9.19 per unit. Other tenant revenue includes garbage fees of $9,953 or $58 per unit. This indicates total other income of $208.59 per unit. The provided historical operating statements indicate other income for 2010, 2011, 2012 and 2013 of $179, $555 $465 and $151 per unit. The budgeted 2014 amount was $199 per unit. Based on this, we included a rounded $210 per unit in our analysis. After consideration of 5% vacancy, the effective gross other income is $199.50, which is supported by the historical operations and the 2014 budget.

VACANCY AND COLLECTION LOSS

On the date of our inspection the overall development had a 500-family waiting list, with all units either occupied, pre-leased or vacant in expectation of remodeling.

Vacancy is minimal because units are only empty long enough to make repairs for new tenants. As long as the subject is fully subsidized, there will be a waiting list and very minimal vacancy. We conclude stabilized economic occupancy of 95% (3% physical and 2% collection loss).

At completion, the subject will be similar to the newer complexes in Rome, which enjoy nearly full ongoing occupancy. For the hypothetical at market scenario, we relied on the comparables and used a 7% vacancy and collections loss.

EFFECTIVE GROSS INCOME

Based on our estimates of potential rental income, other income and vacancy and collection loss, estimated effective gross income for the subject "as is" is calculated at $622,258 or $6,482 per unit. Because rents are not expected to change after renovation, this effective gross income estimate is also used in our "at completion" scenario.

For the hypothetical scenarios at market rent levels, the effective gross income for the subject

EXPENSE ANALYSIS

In deriving an estimate of net income, it is necessary to consider various expenses and allowances ascribable to the operation of a property of this type. We were provided three years of historical operating expenses, and we compared this information to industry standard expenses as published in the 2014 edition of the *Income/Expense Analysis, Conventional Apartments*, published by IREM (Institute of Real Estate Management). Further, we considered recent operating expense data from four apartment projects. The subject's historicals, expense comparables and IREM data are summarized in the following charts.

HISTORICAL OPERATING STATEMENTS - WILLINGHAM VILLAGE 172 Units										
	Actual 2010	Per Unit	Actual 2011	Per Unit	Actual 2012	Per Unit	Actual 2013	Per Unit	Budget 2014	Per Unit
Revenue										
Net Rental Income	$204,988	$1,192	$175,433	$1,020	$182,832	$1,063	$191,900	$1,116	$170,179	$989
Other Tenant Revenue	$11,461	$67	$34,738	$202	$10,058	$58	$10,215	$59	$4,044	$24
HUD Grant Income Operatin	$813,820	$4,732	$865,868	$5,034	$799,912	$4,651	$621,281	$3,612	$631,187	$3,670
Fraud Recovery Income		$0	$150	$1	$1,163	$7	$0	$0	$0	$0
Other Revenue	$30,704	$179	$95,453	$555	$79,964	$465	$25,906	$151	$34,211	$199
Total Revenue	$1,060,973	$6,168	$1,171,642	$6,812	$1,073,929	$6,244	$849,302	$4,938	$839,621	$4,882
Bad Debt	($4,924)	($29)	($7,463)	($43)	($33,944)	($197)	($4,559)	($27)	($3,837)	($22)
Total Collection Losses	($4,924)	($29)	($7,463)	($43)	($33,944)	($197)	($4,559)	($27)	($3,837)	($22)
Effective Gross Income	$1,056,049	$6,140	$1,164,179	$6,768	$1,039,985	$6,046	$844,743	$4,911	$835,784	$4,859
Expenses										
Property Taxes	$5,091	$30	$0	$0	$3,905	$23	$4,723	$27	$5,948	$35
Property Insurance	41,692	$242	54,743	$318	37,803	$220	35,696	$208	28,809	$167
Management Fees	100,338	$583	105,774	$615	116,849	$679	112,576	$655	112,853	$656
Mgmt. as a % of EGI	9.5%		9.1%		11.2%		13.3%		13.5%	
Utilities	160,189	$931	161,953	$942	153,581	$893	186,584	$1,085	133,741	$778
Salaries & Payroll	258,058	$1,500	203,427	$1,183	154,165	$896	174,540	$1,015	244,337	$1,421
Maintenance & Repairs	130,320	$758	238,654	$1,388	215,538	$1,253	216,077	$1,256	213,063	$1,239
Advertising & Promotion	0	$0	0	$0	0	$0	0	$0	0	$0
Administrative	85,399	$497	101,708	$591	120,716	$702	99,351	$578	115,450	$671
Total Expenses	$781,087	$4,541	$866,259	$5,036	$802,557	$4,666	$829,546	$4,823	$854,201	$4,966
As a % of EGI	74.0%		74.4%		77.2%		98.2%		102.2%	
Net Operating Income	**$274,962**	**$1,599**	**$297,920**	**$1,732**	**$237,428**	**$1,380**	**$15,197**	**$88**	**($18,417)**	**($107)**
Capital Grant Income	$492,719	$2,865	$946,831	$5,505	$481,743	$2,801	$0	$0	$0	$0

2014 IREM INCOME & EXPENSE DATA FOR SOUTHEAST - REGION IV

Income & Expense Category (A)	Annual Income & Expense as % of GPI			Annual Income & Expenses Per Unit		
	Low	Median	High	Low	Median	High
Income						
Gross Possible Rents:	90.9%	93.5%	96.3%	$8,163	$9,495	$11,066
Other Income:	3.7%	6.4%	8.8%	$343	$686	$1,000
Gross Possible Income:	100.0%	100.0%	100.0%	$8,576	$10,100	$11,842
Vacancies/Rent Loss:	4.9%	7.6%	12.0%	$478	$755	$1,252
Total Collections:	85.2%	90.6%	94.4%	$7,468	$8,964	$10,507
Expenses (B)						
Real Estate Taxes	5.1%	6.8%	8.5%	$487	$701	$993
Insurance	1.8%	2.7%	3.7%	$189	$268	$397
Management Fee	2.6%	3.6%	4.5%	$304	$363	$451
Total Utilities, Common & Apts	5.8%	6.2%	9.9%	$137	$664	$902
Water/sewer (Common & Apts)	3.4%	4.7%	6.3%	$0	$464	$587
Electric (Common & Apts)	2.3%	1.5%	3.3%	$137	$186	$294
Gas (Common & Apts)	0.1%	0.0%	0.3%	$0	$14	$21
Total Utilities, Common Only	2.1%	4.1%	5.8%	$235	$466	$639
Water/sewer (common only)	1.0%	2.5%	3.7%	$116	$300	$426
Electric (common only)	1.1%	1.5%	1.9%	$119	$158	$198
Gas (common only)	0.0%	0.1%	0.2%	$0	$8	$16
Salaries and Administrative (C)	7.6%	11.2%	18.6%	$785	$1,159	$1,759
Other Administrative	3.1%	5.0%	9.1%	$336	$543	$908
Other Payroll	4.5%	6.2%	9.5%	$450	$616	$851
Maintenance & Repairs	2.2%	3.8%	5.4%	$219	$381	$591
Painting & Redecorating (D)	1.1%	1.7%	2.6%	$113	$185	$278
Grounds Maintenance & Amenitie:	1.5%	2.2%	3.2%	$145	$223	$330
Grounds Maintenance	1.4%	2.0%	2.9%	$135	$203	$300
Recreational/Amenities	0.1%	0.2%	0.3%	$10	$20	$30
Security (D)	0.1%	0.2%	0.7%	$8	$24	$56
Other/Miscellaneous	0.5%	1.5%	13.5%	$59	$154	$847
Other Tax/Fee/Permit	0.0%	0.1%	0.3%	$0	$9	$27
Supplies	0.1%	0.2%	0.5%	$9	$17	$43
Building Services	0.4%	1.0%	1.7%	$50	$99	$168
Other Operating	0.1%	0.5%	11.8%	$9	$55	$678
Total Expenses:	32.8%	40.4%	48.7%	$3,465	$4,222	$5,028
Net Operating Income:	38.9%	47.3%	56.3%	$3,432	$4,844	$6,293

Notes: Survey for Region IV includes 123,665 apartment units with an average unit size of 969 square feet.
(A) *Median* is the middle of the range, *Low* means 25% of the sample is below this figure, *High* mean 25% of the sample is above figure.
(B) Line item expenses do not necessarily correspond to totals due to variances in expenses reported and sizes of reporting complexes.
(C) Includes administrative salaries and expenses, as well as maintenance salaries.
(D) Includes salaries associated with these categories.

Source: 2014 *Income/Expense Analyses:Conventional Apartments* by the Institute of Real Estate Management (IREM).

APARTMENT OPERATING EXPENSE COMPARABLES								
Property Name	Cumberland Crossing		Lakeside Town Center		Evergreen Lost Mountain		Evergreen Magnolia Commons	
Location	Marietta, GA		Marietta, GA		Dallas, GA		Dallas, GA	
No. Units	286		358		206		194	
Avg. Unit Size	1,101		1,091		999		1,157	
Year Built	1973		2003		2000 / 2008		2002	
	Actual	Trended	Actual	Trended	Actual	Trended	Actual	Trended
Effective Date/% Trended	6/2014 TTM	0.25%	2013	2.00%	10/2014 TTM	0.0%	10/2014 TTM	0.0%
Real Estate Taxes	$367	$368	$1,097	$1,119	$777	$777	$812	$812
Insurance	261	262	309	315	232	232	260	$260
Management Fee:	239	240	344	351	375	375	374	$374
% of EGI	3.0%		N/Av		3.5%		3.5%	
Utilities	1,197	1,200	734	749	803	803	850	$850
Salaries & Labor	1,500	1,504	1,264	1,289	839	839	1,439	$1,439
Repairs/Redecorating	670	672	843	860	1,150	1,150	590	$590
Landscaping/Amenities	82	82	186	190	168	168	161	$161
Advertising & Promotion	219	220	159	162	191	191	212	$212
Administrative/Misc.	543	544	129	132	374	374	241	$241
Total Expenses	$5,078	$5,091	$5,166	$5,166	$4,909	$4,909	$4,939	$4,939

Real Estate Taxes

Real Estate taxes were discussed in the Property Analysis section of this report. The subject is exempt from property taxes but does pay some "Payment in lieu of Taxes (PILOT)." PILOT figures were recorded three of the four years in the historicals at $30, $23 and $27 per unit. The estimate of PILOT for the subject next year is $29 per unit. We used $30 per unit in our analysis.

For the estimate of taxes for our hypothetical scenario, we examined comparables apartment complexes in Rome and looked at their tax burden. At completion, the subject would likely be appraised at a level similar to Eastland Court or Hamilton Ridge. We used an estimate of $45,000 per unit for the appraised value. Taxes in the city have a combined mill rate of 35.017. At this rate, the appraised value would be $4,320,000 for annual taxes of $60,665 or $631.93 per unit (rounded to $630).

TAX COMPARABLES - 2014				
Parcel	Property	Units	Total Tax Appraised Value	Tax Value Per Unit
I13Z 240	Hamilton Ridge (Conventional Market Rate)	48	$2,341,010	$48,771
J15W 403	Eastland Court (Conventional Market Rate)	116	$4,703,260	$40,545
I13W 004	Westminster (Conventional Market Rate)	104	$1,615,000	$15,529
I12 016	Heritage Pointe (Conventional Market Rate)	149	$1,250,559	$8,393
K12Y014	Ashland Park	184	$5,083,016	$27,625
Subject	I13X 357	96		

Insurance

For 2010, 2011, 2012 and 2013, actual insurance expenses for the subject were $242, $318, $220 and $208, respectively. 2014 budget was $167. IREM indicates a range of $189 to $397 per unit, and a median of $268 per unit. The comparables indicate insurance expenses within a range of $232 to $315 per unit and average $267. Based upon the foregoing considerations, we estimated insurance expense at $250 per unit. This expense category is similar whether the apartment is subsidized or at market rents.

Management Fee

Management expense for an apartment complex is typically negotiated on a percent of collected revenues (effective gross income, or EGI). This percentage typically ranges from 3.0% to 5.0% for a traditional apartment complex, depending on the size of the complex and position in the market. Public housing properties similar to the subject property often incur higher management fees on a percentage basis as the income is typically lower and the level of management required can be more extensive relative to market rate properties. IREM indicates a range from 2.6% to 4.5% with a median of 3.6%, or $304 to $451 a unit with a median of $363. The comparables indicate a management fee range of $240 to $375 per unit, with an average of $335. The historical operating statements indicate a range for the past few years from 9.1% to 13.3%, with 2014 budgeted at 13.5%, or $583, $615, $679 and $655 per unit. Although higher fees would be anticipated, the historical figures are well above the typical range. We used 6% in our analysis, which equates to $389 per unit. This is just above the median indicated by IREM and is well supported by the actual expense comparables. For the hypothetical scenario, we used 3.5%, which equates to $266 per unit.

Utilities

This expense covers all energy costs related to the leasing office, vacant units, and common areas, including exterior lighting. At some complexes, it also may include trash removal and water/sewer costs for apartments. The subject units are individually metered for electricity and gas, with the tenants directly responsible for paying those utilities. A surcharge is added to the rent for trash collection. The complex provides water/sewer for the units that have not been remodeled. After renovation, the tenant pays this utility directly. For 2010, 2011, 2012 and 2013, actual utilities expenses for the subject were $931, $942, $893 and $1,085, respectively, with the 2014 budget at $778 per unit. IREM indicates a range of $235 to $639 per unit, and a median of $466 per unit. The comparables indicated total utility expenses from $749 to $1,200, with an average of $900. We estimated utilities expense at $900 per unit as is. After renovation, the utilities should be lower, and we estimated that expense at $750 per unit for both the hypothetical and market rate scenario.

Salaries and Payroll

This expense covers all payroll and labor expenses, including direct and indirect expenses. The taxes and benefits portion of this expense also includes the employer's portion of social security taxes, group health insurance and workman's comp insurance. In addition, employees typically incur overtime pay at times. IREM indicates a range of $785 to $1,759 per unit, and a median of $1,159 per unit. However, IREM includes many administrative expenses in this category. The comparables indicate payroll expenses within a range of $839 to $1,504 per unit, with an average of $1,268. For 2010, 2011, 2012 and 2013, actual expenses for the subject were $1,500, $1,183, $896 and $1,015 per unit, respectively. The 2014 budget is projected at $1,421 per unit. We estimated payroll expense at $1,200 per unit as is. We do not anticipate lower salaries at completion, and used this for the restricted and hypothetical scenarios.

Maintenance and Repairs/Painting and Redecorating

This expense category includes the cost of minor repairs to the apartment units, including painting and redecorating. Interior maintenance amounts to cleaning, electrical repairs, exterminating, contract labor for painting, and plumbing repairs. Exterior maintenance amounts to painting, and replacement or repairs to parking lots, roofs, windows, doors, etc. Maintenance and repairs expenses vary considerably from complex to complex and from year to year due to scheduling of repairs and accounting procedures. Apartment owners often list replacement items under "maintenance and repairs" for more advantageous after-tax considerations.

IREM indicates a range of $219 to $591 per unit, and a median of $381 per unit. Turnkey expenses were an additional range of $113 to $278 per unit, and a median of $185 per unit. The comparables indicate combined expenses within a range of $590 to $1,150 per unit, with an average of $818. For 2010, 2011, 2012 and 2013, actual combined repairs and redecorating expenses for the subject were $758, $1,388, $1,253 and $1,256 per unit. The 2014 budget is projected at $1,239 per unit. Landscaping contract expense was included in this category in the historical operating statements, which we have broken out, below. We estimated combined repairs and maintenance “as is” at $1,100 per unit, allocated between maintenance and repairs ($700 per unit) and Redecorating/turnkey ($400 per unit). We also include reserves for replacement/capital expenditures as a separate line item. After renovation, the units will be comparable to new construction and have substantially new components. These upgrades should require less maintenance expenditure. For the as complete scenario at market and restricted rents we used $750 per unit.

Landscaping and Amenities

Landscaping, or grounds maintenance, includes normal grounds landscaping and maintenance and maintenance of amenities. For 2010, 2011, 2012 and 2013, actual expenses for the subject were not itemized, but the 2014 budget is projected at $123 per unit. IREM indicates a range of $145 to $330 per unit, and a median of $223 per unit. The comparables indicate a landscaping/amenities expense from $82 to $190 per unit, with an average of $150. The subject has limited amenities, but extensive grounds. We estimated landscaping and amenities expense at $150 per unit in all of the scenarios.

Advertising and Promotion

This expense category accounts for placement of advertising, commissions, signage, brochures, and newsletters. Advertising and promotion costs are generally closely tied to occupancy. If occupancy is considered high and the market is stable, then the need for advertising is not as significant. However, if occupancy is considered to be low or occupancy tends to fluctuate, then advertising becomes much more critical. Our analysis assumes that the property is operating at stabilized levels. IREM does not provide this expense category. The comparables indicate advertising expenses from $162 to $220 per unit, with an average of $196. The subject is public housing and maintains high stabilized occupancies with a long waiting list. Thus, advertising expenses are minimal to non-existent. For 2010, 2011, 2012 and 2013, actual expenses for the subject were $0. We did not include advertising expense as a line-item in our pro forma for the subject in either restricted rent scenario. For the hypothetical at market proforma, we used $150 per unit.

Administrative and Miscellaneous Expense

This expense includes such items as legal, accounting, office supplies, answering service, telephone, etc. For 2010, 2011, 2012 and 2013, actual expenses for the subject were $497, $591, $702 and $578, respectively. The 2014 budget is projected at $671 per unit. IREM indicates a range of $59 to $847 per unit, and a median of $154 per unit. The comparables indicate administrative expenses from $132 to $544 per unit, with an average of $232. The subject is a public housing complex, which typically incurs a fair amount of administrative expenses. In the case of the subject, we also included protective services in this category. We estimated administrative expense at $600 per unit, relying on historical expenses, for both restricted rent proformas. For the hypothetical at market proforma, we used $250 per unit.

Reserves for Replacement

Reserves for replacement is an annual allowance for the periodic replacement of roof covers, paving, carpeting, HVAC units, appliances, and other short-lived items. Investors of apartment properties sometimes establish separate accounts for reserves in the pro forma analysis. IREM does not chart this category, nor was it included in the comparables. Typically, reserves range from $150 to $350 per unit, depending on age, condition, and size. This category was not provided in the historicals, though capital expenditures were likely included in repairs and maintenance. We used $300 per unit in our analysis.

Summary of Expenses

Our estimated expenses total $472,215 including reserves, which equates to $4,919 per unit. If excluding reserves, the estimated expenses are $4,619 per unit. For the subject at completion, the total expenses are $424,215 or $4,419 per unit, including reserves. For the hypothetical at market scenario, the total expenses are $450,817 or $4,696 per unit. Total expenses reported by IREM, which do not include reserves, ranged from $3,465 to $5,028 with a median of $4,222 per unit. The expense comparables indicate total expenses per unit from $4,909 to $5,166, with an average $5,026, not including reserves. Our estimates are within the range of IREM and the comparables. Based upon the prior discussion, we believe our estimates of operating expenses are appropriate. Our estimates of income and expenses for the subject apartments result in net operating income projections of $150,042 or $1,563 per unit as is, $198,042 or $2,063 per unit at completion, and $278,823 or $2,904 per unit at hypothetical market rents.

CAPITALIZATION OF NET OPERATING INCOME

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

The following table summarizes capitalization rates extracted from the apartment sales presented in the sales comparison approach.

COMPARABLE SALES SUMMARY								
No.	Name Location	Sale Date	Number of Units	Year Built	Price Per Unit	Avg. Unit Size (SF)	NOI/Unit at Sale	OAR
1	Woodbridge, Rome	Jul-14	28	2009	$58,929	1,146	$4,413	7.49%
2	Waterbury, Athens	Jun-14	53	1985	$34,302	609	$2,463	7.18%
3	Somerpoint, Marietta	Feb-14	144	1971	$44,444	960	$3,111	7.00%
4	The Vineyards, Cartersville	Jul-13	152	1997	$62,829	989	$4,587	6.59%
5	Riverwalk Apartments, Rome	Mar-13	18	1976	$24,722	727	$2,101	8.50%

The overall rates of the comparable properties indicate a range from 7.00% to 8.00% and average 7.39%. The sales occurred within the 18 months. The five comparable sales utilized are located in metropolitan Atlanta and three have an NOI per unit similar to that projected for the subject. With the exception of Comparables One and Five, the properties are older, though not as old as the subject, and range in unit size from 28 to 152. An important factor to consider is the location of the subject property. Rome is a small market. Student housing demands from local schools help keep occupancies high at market-rate complexes. Two of the comparables are in the Rome market. Few newer complexes have been built in the last five years, keeping competition minimal. The subject would warrant a cap rate toward the middle of the range indicated by the comparables.

As mentioned in the Market Analysis section, *PwC Survey* indicates that overall capitalization rates for apartments in the Southeast Region range from 4.00% to 7.25%, with an average of 5.55% (institutional-grade properties). The average rate is the same as the previous quarter and down 18 basis points from the same period one year ago.

Capitalization Rate - Conclusion

Based on the information provided by the comparables and the investor surveys, we estimate an overall rate of between 7.25% and 7.75% (reconciled to 7.50%) as appropriate for the subject.

A summary of the stabilized pro forma income and expense statements, including our capitalized value estimates, are presented in the following charts.

STATIC PRO FORMA ANALYSIS - AS IS				
Willingham Village				
96 Units - 95,020 Rentable SF				
		Total	Per Unit	Per SF
Potential Gross Rental Income		$634,848	$6,613	$6.68
Other Income		20,160	210	0.21
Potential Gross Income		655,008	$6,823	$6.89
Vacancy & Collection Loss	5.0%	32,750	341	0.34
Effective Gross Income		$622,258	$6,482	$6.55
Expenses				
Real Estate Taxes		$2,880	$30	$0.03
Insurance		24,000	250	0.25
Management Fee	6.0%	37,335	389	0.39
Utilities		86,400	900	0.91
Salaries & Labor		115,200	1,200	1.21
Maintenance & Repairs		105,600	1,100	1.11
Landscaping		14,400	150	0.15
Advertising & Promotion		0	0	0.00
Administrative/Miscellaneous		57,600	600	0.61
Total Expenses		$443,415	$4,619	$4.67
Reserves		$28,800	$300	$0.30
Total Operating Expenses		$472,215	$4,919	$4.97
Net Income		$150,042	$1,563	$1.58
Overall Rates/Indicated	7.25%	$2,069,547	$21,558	$21.78
Values	7.50%	$2,000,562	$20,839	$21.05
	7.75%	$1,936,028	$20,167	$20.37
Stabilized Reconciled Value		$2,000,000	$20,833	$21.05

STATIC PRO FORMA ANALYSIS - AT COMPLETION				
Willingham Village				
96 Units - 95,020 Rentable SF				
		Total	Per Unit	Per SF
Potential Gross Rental Income		$634,848	$6,613	$6.68
Other Income		20,160	210	0.21
Potential Gross Income		655,008	$6,823	$6.89
Vacancy & Collection Loss	5.0%	32,750	341	0.34
Effective Gross Income		$622,258	$6,482	$6.55
Expenses				
Real Estate Taxes		$2,880	$30	$0.03
Insurance		24,000	250	0.25
Management Fee	6.0%	37,335	389	0.39
Utilities		72,000	750	0.76
Salaries & Labor		115,200	1,200	1.21
Maintenance & Repairs		72,000	750	0.76
Landscaping		14,400	150	0.15
Advertising & Promotion		0	0	0.00
Administrative/Miscellaneous		57,600	600	0.61
Total Expenses		$395,415	$4,119	$4.16
Reserves		$28,800	$300	$0.30
Total Operating Expenses		$424,215	$4,419	$4.46
Net Income		$198,042	$2,063	$2.08
Overall Rates/Indicated	7.25%	$2,731,616	$28,454	$28.75
Values	7.50%	$2,640,562	$27,506	$27.79
	7.75%	$2,555,383	$26,619	$26.89
Stabilized Reconciled Value		$2,640,000	$27,500	$27.78

HYPOTHETICAL MARKET PRO FORMA ANALYSIS - AT COMPLETION				
Willingham Village				
96 Units - 95,020 Rentable SF				
		Total	Per Unit	Per SF
Potential Gross Rental Income		$764,400	$7,963	$8.04
Other Income		20,160	210	0.21
Potential Gross Income		784,560	$8,173	$8.26
Vacancy & Collection Loss	7.0%	54,919	572	0.58
Effective Gross Income		$729,641	$7,600	$7.68
Expenses				
Real Estate Taxes		$60,480	$630	$0.64
Insurance		24,000	250	0.25
Management Fee	3.5%	25,537	266	0.27
Utilities		72,000	750	0.76
Salaries & Labor		115,200	1,200	1.21
Maintenance & Repairs		72,000	750	0.76
Landscaping		14,400	150	0.15
Advertising & Promotion		14,400	150	0.15
Administrative/Miscellaneous		24,000	250	0.25
Total Expenses		$422,017	$4,396	$4.44
Reserves		$28,800	$300	$0.30
Total Operating Expenses		$450,817	$4,696	$4.74
Net Income		$278,823	$2,904	$2.93
Overall Rates/Indicated	7.25%	$3,845,840	$40,061	$40.47
Values	7.50%	$3,717,645	$38,725	$39.12
	7.75%	$3,597,721	$37,476	$37.86
Stabilized Reconciled Value		$3,700,000	$38,542	$38.94

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

There are various units of comparison available in the evaluation of sales data. The sale price per unit (NOI) and effective gross income multiplier (EGIM) are most commonly used for apartments. Based on the available information, we used the NOI approach. We first performed a physical adjustment analysis. The summary chart below provides pertinent details, with additional information pertaining to each transaction, along with a location map, included in the Addenda.

The Sales Comparison Approach provides an estimate of market value based on an analysis of recent transactions involving similar properties in the market area. This method is based on the premise that an informed purchaser will pay no more for a property than the cost of acquiring an equally desirable substitute. When there are an adequate number of sales involving truly similar properties, with sufficient information for comparison, a range of values for the subject can be developed.

COMPARABLE SALES SUMMARY

No.	Name Location	Sale Date	Number of Units	Year Built	Price Per Unit	Avg. Unit Size (SF)	NOI/Unit at Sale	OAR
1	Woodbridge, Rome	Jul-14	28	2009	$58,929	1,146	$4,413	7.49%
2	Waterbury, Athens	Jun-14	53	1985	$34,302	609	$2,463	7.18%
3	Somerpoint, Marietta	Feb-14	144	1971	$44,444	960	$3,111	7.00%
4	The Vineyards, Cartersville	Jul-13	152	1997	$62,829	989	$4,587	6.59%
5	Riverwalk Apartments, Rome	Mar-13	18	1976	$24,722	727	$2,101	8.50%

DISCUSSION OF SALES

The comparable sales used in this analysis are located in north Georgia and three of the five have net operating incomes similar to the subject. The sales are of overall average quality apartment complexes built between 1971 and 2009. The transactions occurred between March 2013 and July 2014, and involve properties ranging in size from 18 to 152 units with average unit sizes between 727 and 1,146 square feet. Sale prices per unit range from $24,722 to $62,829. Net operating incomes for the comparables range from $2,101 to $4,587 per unit. Overall rates indicated by the transactions range between 6.59% and 8.50%, with a mean of 7.35%. The subject's estimated NOI per unit is $1,563 as is, and $2,063 at completion, which are below the range of the comparables. In the hypothetical scenario at market rents, the NOI is $2,904, at the low end of the range indicated by the comparables.

SALE PRICE PER UNIT / NOI ANALYSIS AS IS

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

NET OPERATING INCOME (NOI) ANALYSIS - AS IS

Sale No.	Subject's NOI/Unit		Comp. NOI/Unit		Multiplier		Sale Price $/Unit		Adjusted $/Unit For Subject
1	$1,563	/	$4,413	=	0.35	X	$58,929	=	$20,625
2	$1,563	/	$2,463	=	0.63	X	$34,302	=	$21,610
3	$1,563	/	$3,111	=	0.50	X	$44,444	=	$22,222
4	$1,563	/	$4,587	=	0.34	X	$62,829	=	$21,362
5	$1,563	/	$2,101	=	0.74	X	$24,722	=	$18,294

As shown, for the as-is scenario, this analysis indicates an adjusted price per unit range for the subject between approximately $18,294 and $22,222. The adjusted comparables indicate an average price per unit of $20,823. Comparable One, the most recent comparable sale, indicates an adjusted price of $20,625. Comparables Two and Five required the least adjustment and indicated adjusted prices of $21,610 and $18,294 per unit, respectively. Based on this analysis of the sales, we estimate the value of the subject at $20,500 per unit.

SALES COMPARISON APPROACH VALUE – AS IS				
Indicated Value / Unit		Subject Units		Total
$20,500	X	96	=	$1,968,000
Rounded and Reconciled				$2,000,000

PHYSICAL ADJUSTMENT ANALYSIS

Adjustments to the comparables were made for conditions of sale along with common characteristics including location, number of units, average unit size and age and condition/quality.

Adjustments were applied to the comparison to the subject as is in the Conditions of Sale category for diminished income expectations. These adjustments were scaled by the NOI per unit at the time of sale. All of the sales were arms-length, with normal financing. The sales were all recent, within the past two years, and were not adjusted for market conditions. The three comparables with superior locations in Athens (a college town with a healthy rental market), Marietta (metro Atlanta) and Cartersville (closer to metro Atlanta and traffic corridors) were adjusted downward. The three comparables with substantially fewer units were adjusted downward. Typically, smaller properties (number of units) sell for higher per unit prices. Conversely, larger properties tend to sell for lower per unit prices. This represents something of a quantity discount. Comparable One was adjusted downward for having a larger average unit size. Comparables Two and Five were adjusted upward for having a smaller average unit size. As for average unit size, larger units tend to be easier to market because they are preferred by renters. Complexes with smaller average unit sizes are considered inferior. Comparables One and Four were adjusted downward for newer construction, superior amenities and condition. Comparables Two and Three were also adjusted for newer or remodeled construction.

COMPARABLE SALES ADJUSTMENT CHART - AS IS						
Sale No.	**Subject**	**1**	**2**	**3**	**4**	**5**
Sale Date	N/Ap	Jul-14	May-14	Feb-14	Jul-13	Mar-13
Sale Price	N/Ap	$1,650,000	$1,818,000	$6,400,000	$9,424,000	$445,000
# Units	96	28	53	144	152	18
Avg. Unit Size	990	1,146	609	960	989	727
Year Built	1969	2009	1985	1971	1997	1976
Price per Unit	N/Ap	$58,929	$34,302	$44,444	$62,000	$24,722
Comparative Analysis						
Conditions of Sale		-35%	-10%	-20%	-35%	0%
Market Conditions		0%	0%	0%	0%	0%
Adjusted Price/SF		$38,304	$30,872	$35,556	$40,300	$24,722
Physical Adjustments						
Location		0%	-25%	-35%	-25%	0%
Size (# of units)		-10%	-10%	0%	0%	-20%
Avg. Unit Size		-10%	10%	0%	0%	5%
Age/Condition		-25%	-10%	-10%	-25%	0%
Net Adjustment		-45%	-35%	-45%	-50%	-15%
Adjusted Price/SF		$21,067	$20,067	$19,556	$20,150	$21,014
Indicated Range:			$19,556	to	$21,067	
Mean:				$20,371		

As shown above, after adjustments, the indicated range is $19,556 to $23,150, with a mean of $20,371 per unit. Considering this information, we estimate the value of the subject at $20,500 per unit.

SALES COMPARISON – PHYSICAL ADJUSTMENT AS IS				
Indicated Value / Unit		**Subject Units**		**Total**
$20,500	X	96	=	$1,968,000
Reconciled/Rounded				**$2,000,000**

SALES COMPARISON APPROACH CONCLUSION – AS IS

We conclude an estimate of value for the subject, by the sales comparison approach, at **$2,000,000**.

SALE PRICE PER UNIT / NOI ANALYSIS – AT COMPLETION

NET OPERATING INCOME (NOI) ANALYSIS - AT COMPLETION									
Sale No.	Subject's NOI/Unit		Comp. NOI/Unit		Multiplier		Sale Price $/Unit		Adjusted $/Unit For Subject
1	$2,063	/	$4,413	=	0.47	X	$58,929	=	$27,697
2	$2,063	/	$2,463	=	0.84	X	$34,302	=	$28,814
3	$2,063	/	$3,111	=	0.66	X	$44,444	=	$29,333
4	$2,063	/	$4,587	=	0.45	X	$62,829	=	$28,273
5	$2,063	/	$2,101	=	0.98	X	$24,722	=	$24,228

As shown, for the at completion scenario, this analysis indicates an adjusted price per unit range for the subject between approximately $24,228 and $29,333. The adjusted comparables indicate an average price per unit of $27,669. Comparable One, the most recent comparable sale, indicates an adjusted price of $27,697. Comparables Two and Five required the least adjustment and indicated adjusted prices of $28,814 and $24,228 per unit, respectively. Based on this analysis of the sales, we estimate the value of the subject at $27,500 per unit.

SALES COMPARISON APPROACH VALUE				
Indicated Value / Unit		Subject Units		Total
$27,500	X	96	=	$2,640,000
Rounded and Reconciled				$2,640,000

PHYSICAL ADJUSTMENT ANALYSIS

Adjustments to the comparables were made for conditions of sale along with common characteristics including location, number of units, average unit size and age and condition/quality.

Adjustments were applied to the comparison to the subject as is in the Conditions of Sale category for diminished income expectations. These adjustments were scaled by the NOI per unit at the time of sale. All of the sales were arms-length, with normal financing. The sales were all recent, within the past two years, and were not adjusted for market conditions. The three comparables with superior locations in Athens (a college town with a healthy rental market), Marietta (metro Atlanta) and Cartersville (closer to metro Atlanta and traffic corridors) were adjusted downward. The three comparables with substantially fewer units were adjusted downward. Typically, smaller properties (number of units) sell for higher per unit prices. Conversely, larger properties tend to sell for lower per unit prices. This represents something of a quantity discount. Comparable One was adjusted downward for having a larger average unit size. Comparables Two and Five were adjusted upward for having a smaller average unit size. As for average unit size, larger units tend to be easier to market because they are preferred by renters. Complexes with smaller average unit sizes are considered inferior. Comparables One and Four were adjusted downward for newer construction, superior amenities and condition. Comparables Two and Three were also adjusted for newer or remodeled construction.

COMPARABLE SALES ADJUSTMENT CHART - AT COMPLETION						
Sale No.	**Subject**	**1**	**2**	**3**	**4**	**5**
Sale Date	N/Ap	Jul-14	Jun-14	Feb-14	Jul-13	Mar-13
Sale Price	N/Ap	$1,650,000	$1,818,000	$6,400,000	$9,424,000	$445,000
# Units	96	28	53	144	152	18
Avg. Unit Size	990	1,146	609	960	989	727
Year Built	1969	2009	1985	1971	1997	1976
Price per Unit	N/Ap	$58,929	$34,302	$44,444	$62,000	$24,722
Comparative Analysis						
Conditions of Sale		-35%	-10%	-20%	-35%	0%
Market Conditions		0%	0%	0%	0%	0%
Adjusted Price/SF		$38,304	$30,872	$35,556	$40,300	$24,722
Physical Adjustments						
Location		0%	-20%	-30%	-20%	0%
Size (# of units)		-10%	-10%	0%	0%	-10%
Avg. Unit Size		-10%	10%	0%	0%	5%
Age/Condition		-10%	10%	10%	-10%	20%
Net Adjustment		-30%	-10%	-20%	-30%	15%
Adjusted Price/SF		$26,813	$27,785	$28,444	$28,210	$28,431
Indicated Range:			$26,813	to	$28,444	
Mean:				$27,936		

As shown above, after adjustments, the indicated range is $25,958 to $28,444, with a mean of $27,442 per unit. Considering this information, we estimate the value of the subject at $27,500 per unit.

SALES COMPARISON – PHYSICAL ADJUSTMENT				
Indicated Value / Unit		**Subject Units**		**Total**
$28,000	X	96	=	$2,688,000
Reconciled/Rounded				**$2,700,000**

SALES COMPARISON APPROACH CONCLUSION – AT COMPLETION

We conclude an estimate of value for the subject at completion, by the sales comparison approach, at **$2,650,000**.

SALE PRICE PER UNIT / NOI ANALYSIS – HYPOTHETICAL MARKET RENTS AT COMPLETION

NET OPERATING INCOME (NOI) ANALYSIS - HYPOTHETICAL AT COMPLETION									
Sale No.	Subject's NOI/Unit		Comp. NOI/Unit		Multiplier		Sale Price $/Unit		Adjusted $/Unit For Subject
1	$2,904	/	$4,413	=	0.66	X	$58,929	=	$38,893
2	$2,904	/	$2,463	=	1.18	X	$34,302	=	$40,476
3	$2,904	/	$3,111	=	0.93	X	$44,444	=	$41,333
4	$2,904	/	$4,587	=	0.63	X	$62,829	=	$39,582
5	$2,904	/	$2,101	=	1.38	X	$24,722	=	$34,116

As shown, for the at completion scenario, this analysis indicates an adjusted price per unit range for the subject between approximately $34,116 and $41,333. The adjusted comparables indicate an average price per unit of $38,880. Comparable One, the most recent comparable sale, indicates an adjusted price of $38,893. Comparable Three required the least adjustment and indicated an adjusted price of $41,333 per unit, respectively. Based on this analysis of the sales, we estimate the value of the subject at $39,000 per unit.

SALES COMPARISON APPROACH VALUE				
Indicated Value / Unit		Subject Units		Total
$39,000	X	96	=	$3,744,000
Rounded and Reconciled				$3,750,000

PHYSICAL ADJUSTMENT ANALYSIS

Adjustments to the comparables were made for conditions of sale along with common characteristics including location, number of units, average unit size and age and condition/quality.

Adjustments were applied to the comparison to the subject as is in the Conditions of Sale category for diminished income expectations. These adjustments were scaled by the NOI per unit at the time of sale. All of the sales were arms-length, with normal financing. The sales were all recent, within the past two years, and were not adjusted for market conditions. The three comparables with superior locations in Athens (a college town with a healthy rental market), Marietta (metro Atlanta) and Cartersville (closer to metro Atlanta and traffic corridors) were adjusted downward. The three comparables with substantially fewer units were adjusted downward. Typically, smaller properties (number of units) sell for higher per unit prices. Conversely, larger properties tend to sell for lower per unit prices. This represents something of a quantity discount. Comparable One was adjusted downward for having a larger average unit size. Comparables Two and Five were adjusted upward for having a smaller average unit size. As for average unit size, larger units tend to be easier to market because they are preferred by renters. Complexes with smaller average unit sizes are considered inferior. Comparables One and Four were adjusted downward for newer construction, superior amenities and condition. Comparables Two and Three were also adjusted for newer or remodeled construction.

COMPARABLE SALES ADJUSTMENT CHART - HYPOTHETICAL MARKET RENTS						
Sale No.	**Subject**	**1**	**2**	**3**	**4**	**5**
Sale Date	N/Ap	Jul-14	Jun-14	Feb-14	Jul-13	Mar-13
Sale Price	N/Ap	$1,650,000	$1,818,000	$6,400,000	$9,424,000	$445,000
# Units	96	28	53	144	152	18
Avg. Unit Size	990	1,146	609	960	989	727
Year Built	1969	2009	1985	1971	1997	1976
Price per Unit	N/Ap	$58,929	$34,302	$44,444	$62,000	$24,722
Comparative Analysis						
Conditions of Sale		-10%	20%	0%	-10%	25%
Market Conditions		0%	0%	0%	0%	0%
Adjusted Price/SF		$53,036	$41,162	$44,444	$55,800	$30,903
Physical Adjustments						
Location		0%	-20%	-30%	-20%	0%
Size (# of units)		-10%	-10%	0%	0%	-10%
Avg. Unit Size		-10%	10%	0%	0%	5%
Age/Condition		-10%	10%	10%	-10%	20%
Net Adjustment		-30%	-10%	-20%	-30%	15%
Adjusted Price/SF		$37,125	$37,046	$35,556	$39,060	$35,538
Indicated Range:			$35,538	to	$39,060	
Mean:				$36,865		

As shown above, after adjustments, the indicated range is $35,538 to $39,060, with a mean of $36,865 per unit. Considering this information, we estimate the value of the subject at $37,000 per unit.

SALES COMPARISON – PHYSICAL ADJUSTMENT				
Indicated Value / Unit		**Subject Units**		**Total**
$37,000	X	96	=	$3,552,000
Reconciled/Rounded				**$3,600,000**

SALES COMPARISON APPROACH CONCLUSION – AT COMPLETION, HYPOTHETICAL MARKET RENTS

We conclude an estimate of value for the subject at completion, by the sales comparison approach, at **$3,700,000**.

We were asked to estimate market value of the fee simple interest in the subject property "as is" market value of the fee simple and leasehold interests in the underlying site, and prospective market value of the leasehold interest in the subject property, "upon completion and stabilization," of the proposed renovations using both restricted and hypothetical unrestricted rents. We were also requested to estimate prospective unrestricted market value at loan maturity and value of the tax credits.

VALUE ESTIMATE – UNDERLYING SITE "AS IF VACANT"

The sales comparison approach was used to estimate the underlying land value, "as if vacant." We found several sales, though a lack of activity in the Rome area, and the correlating lack of demand for vacant land for development, makes this approach somewhat subjective. Our analysis yielded the following value indication:

Estimate of Market Value of the Fee Simple Interest in the Underlying Subject Site "As If Vacant," As of January 16, 2015

THREE HUNDRED TWENTY FIVE THOUSAND DOLLARS
$325,000

VALUE ESTIMATE – "AS IS"

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

FINAL VALUE ESTIMATES	
Income Capitalization Approach	$2,000,000
Sales Comparison Approach	$2,000,000

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

The sales comparison approach is predicated on the principle that an investor will pay no more for an existing property than for a comparable property with similar utility. This approach is contingent on the reliability and comparability of available data. We did discover sales of similar developments in metropolitan Atlanta, with similar physical characteristics, and of generally similar investment quality.

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

Estimate of Market Value of the Fee Simple Interest in the Subject
"As Is," As of January 16, 2015

TWO MILLION DOLLARS
$2,000,000

FINAL VALUE ESTIMATE – "AT STABILIZATION"

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

FINAL VALUE ESTIMATES – RESTRICTED AS COMPLETE	
Income Capitalization Approach	$2,640,000
Sales Comparison Approach	$2,650,000
FINAL VALUE ESTIMATES – MARKET – AS COMPLETE	
Income Capitalization Approach	$3,700,000
Sales Comparison Approach	$3,700,000

Estimate of Market Value of the Leasehold Interest in the Subject
"As Complete And Stabilized," Subject To Restricted Rents, As of June 1, 2016

TWO MILLION SIX HUNDRED FIFTY THOUSAND DOLLARS
$2,650,000

Estimate of Market Value of the Leasehold Interest in the Subject
"As Complete And Stabilized," Subject To Hypothetical Market Rents,
As of June 1, 2016

THREE MILLION SEVEN HUNDRED THOUSAND DOLLARS
$3,700,000

FINAL VALUE ESTIMATES – "UPON COMPLETION"

In order to estimate the prospective value "upon completion of renovation," we must deduct those additional costs yet to be incurred in order to achieve stabilization. In the case of the subject, this requires consideration of rent loss, and entrepreneurial profit. These costs are then deducted from our reconciled "at stabilization" value estimates of $2,650,000 assuming restricted rents and $3,700,000 assuming unrestricted or market rents.

Rent loss is calculated for the period between the "as is" value and date of stabilization. The subject will need to lease roughly 91/89 units to reach their respective stabilized operating levels of 95% / 93%. Tenants will shift into existing vacant units as units are renovated, so a minimal loss of tenants is anticipated. As discussed in our Market Analysis, competition among apartments in the subject's market is strong. We estimated that the subject should be able to reach a stabilized operating level within six months from the date of completion, September 1, 2016. Our analysis assumes that the units will be taken down evenly over the stabilization period. Our estimated "at stabilization" effective gross rental incomes are $622,258 or $51,855 per month (Restricted) and $729,641 or $60,803 per month (Market). The development will never be completely vacant, since tenants will move into units as they are completed. Since this loss will be reduced, over time, to zero by the time the property is stabilized, we estimate that the typical buyer of the property would calculate the total loss by taking one-half of these figures or $25,927 ($51,855/2) and $30,402 ($60,803/2) and then multiplying by the lease-up period of six months. This methodology produces total rent loss of $155,565 and $182,410, respectively.

In addition, investors in destabilized properties expect to make a profit on any additional investment required. According to brokers and buyers/sellers, as well as developers, profit requirements tend to range from 10% to 20% of total cost to achieve stabilization for most property types. The lower end of the range typically applies to single-tenant, build-to-suit type properties with limited risk, while the upper end pertains to multi-tenant, larger properties with extensive marketing and lease-up costs and thus, greater risk. Based on conversations with representatives involved in the sale of similar apartment properties, and considering the subject's condition and the current market conditions, we estimate an appropriate profit for the subject property at 10%. Thus, we applied a 10% profit to the total rent loss estimates, which equates to $15,556 ($155,565 x 10%) assuming restricted rents and $18,241 ($182,410 x 10%) assuming unrestricted or market rents. When added, the total rounded costs are $150,000 ($155,565 + 15,556 = $171,121) and $200,000 ($182,410 + 18,241 = $200,651). Deducting these amounts from our stabilized values result in the following "upon completion" value estimates using this methodology:

Estimate of Market Value of the Leasehold Interest in the Subject "Upon Completion," Subject To Restricted Rents, As of January 1, 2015

TWO MILLION FIVE HUNDRED THOUSAND DOLLARS
$2,500,000

Estimate of Hypothetical Market Value of the Leasehold Interest in the Subject "Upon Completion," Assuming Unrestricted/Market Rents, As of January 1, 2015

THREE MILLION FIVE HUNDRED THOUSAND DOLLARS
$3,500,000

VALUE ESTIMATE AT LOAN MATURITY ASSUMING UNRESTRICTED RENTS

Assuming annual inflation of 1.50% applied to the NOI at stabilization and an 8.00% overall rate (50 basis points above our unrestricted rate), the estimate of market value at loan maturity, assuming unrestricted rents, is **$3,200,000**.

MARKET VALUE AT LOAN MATURITY				
Stabilized NOI	**Annual Inflation**	**NOI at Loan Maturity (20 yrs)**	**Overall Rate at Maturity**	**Indicated Value at Maturity**
$278,823	1.50%	$375,534.15	8.00%	$4,694,177
Rounded				$4,700,000

LOW INCOME HOUSING TAX CREDITS

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

The LIHTC program provides incentives to developers to provide affordable housing to low-income residents. According to the program, low income qualifies as having income at or below 60% of the median family income for a particular area. This was discussed in the Market Analysis section of this report. Because the subject is offering all 96 of its units to qualified residents, it is allowed to receive Low Income Housing Tax Credits to offset future federal and state income taxes. Should the property be sold or foreclosed upon and resold during the 10-year period, the remaining amount of tax credits is transferable.

Information provided to us indicates the developer has projected a total tax credit allocation of $5,661,051. According to Paul Robinson, a representative of the developer and our client, the Investor in the tax credits is RBC and Sugarcreek Realty. Reportedly, RBC is the federal investor and they are purchasing the credits at $0.91 and Sugarcreek is purchasing the state credits at $0.44 ($1.35 per dollar total).

The market for tax credits has changed significantly over the past few years, and only recent activity could accurately reflect the current market for tax credits. Research indicates the pool of purchasers and demand for tax credits had diminished when the recession began, and pricing had fallen considerably as a result. Rates selling for $0.70 - $0.75 per dollar of tax credit were common. More recently demand has steadily increased and so has pricing. Several recent agreements we have seen range from $0.86 to $0.90 per dollar for federal and $0.33 to $0.45 per dollar for state (about $1.16 to $1.35 per dollar combined). In addition, the numbers have been steadily increasing.

Based on this data, the contract figures for the subject are considered reasonable, if slightly aggressive. Therefore, utilizing the foregoing figures, the tax credits are projected to generate, upon sale, approximately $5,661,051 in federal and state proceeds, which we rounded to **$5,650,000**.

The value estimates presented in this report are subject to the assumptions and limiting conditions stated throughout this appraisal.

ADDENDUM A - ASSUMPTIONS AND LIMITING CONDITIONS

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

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

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

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

5. We assume that all factual data furnished by the client, property owner, owner's representative, or persons designated by the client or owner to supply said data are accurate and correct unless otherwise noted in the appraisal report. We have no reason to believe that any of the data furnished contain any material error. Information and data referred to in this paragraph include, without being limited to, numerical street addresses, lot and block numbers, Assessor's Parcel Numbers, land dimensions, square footage area of the land, dimensions of the improvements, gross building areas, net rentable areas, usable areas, unit count, room count, rent schedules, income data, historical operating expenses, budgets, and related data. Any material error in any of the above data could have a substantial impact on the conclusions reported. Thus, we reserve the right to amend our conclusions if errors are revealed. Accordingly, the client-addressee should carefully review all assumptions, data, relevant calculations, and conclusions within 30 days after the date of delivery of this report and should immediately notify us of any questions or errors.

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

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

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

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

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

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

12. Unless otherwise noted in the body of this report, we assume that no changes in the present zoning ordinances or regulations governing use, density, or shape are being considered. The property is appraised assuming that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, nor national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report is based, unless otherwise stated.

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

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

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

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

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

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

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

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

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

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

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

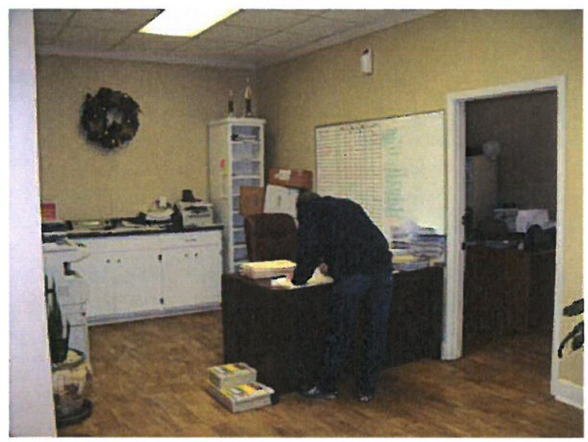
23. The *Americans with Disabilities Act* (ADA) became effective January 26, 1992. Notwithstanding any discussion of possible readily achievable barrier removal construction items in this report, we did not perform a specific compliance survey and analysis of this property to determine whether it is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

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

Looking South On Brookwood Street

Looking North On Brookwood Street

Leasing Office And Community Building



Leasing Office

Foyer To Community Building

Business Training Center

Nurse Training Area

Kitchen For Community Center Classes

Unit Exteriors

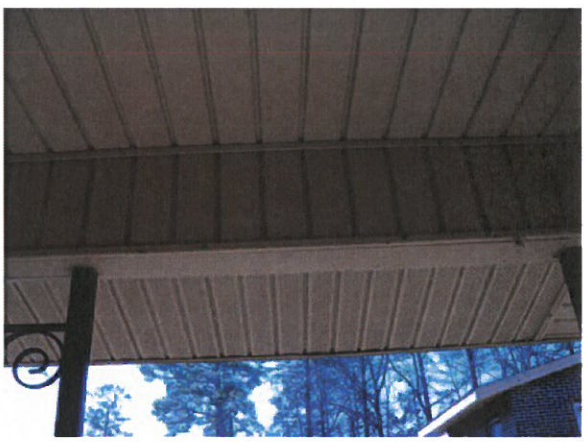
Unit Exteriors

Unit Exteriors

Unit Exteriors

Unit Exteriors

Unit Exteriors



Unit Exteriors

Unit Exteriors

Unit Exteriors

Unit Exteriors

Unit Exteriors - Remodeled

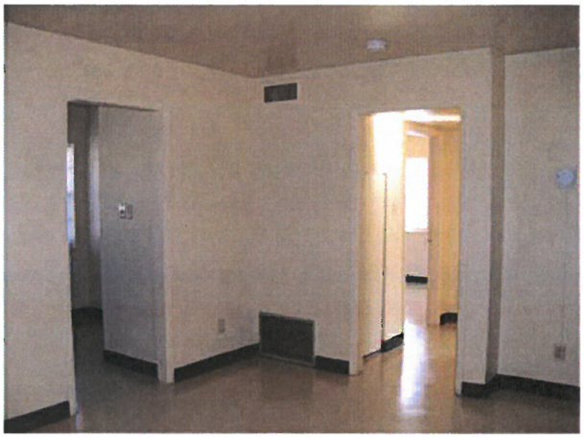
Unit Exteriors - Remodeled

Unit Exteriors - Remodeled

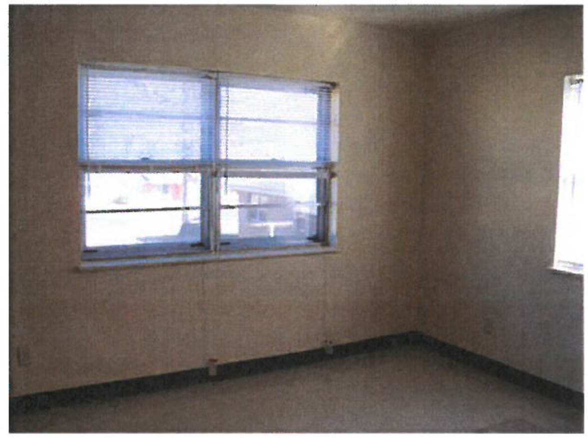
Community Playground

View Of Homes From Street

Community Playground



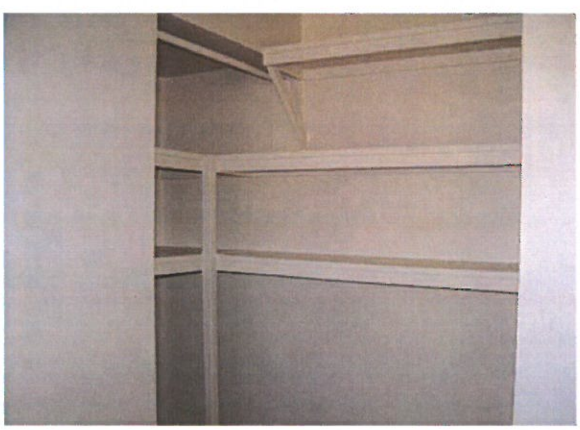
One Bedroom Living Area



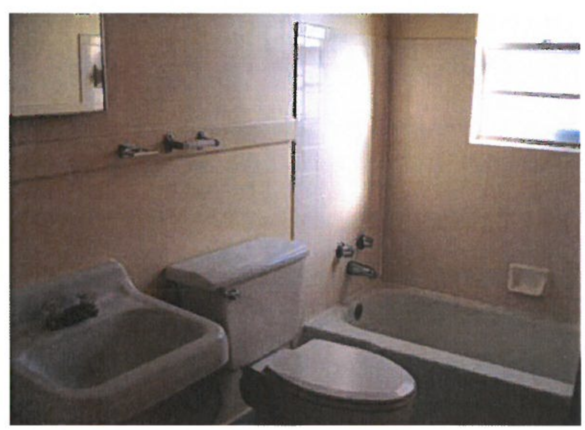
One Bedroom Bedroom

One Bedroom Typical Light Fixture

One Bedroom Kitchen

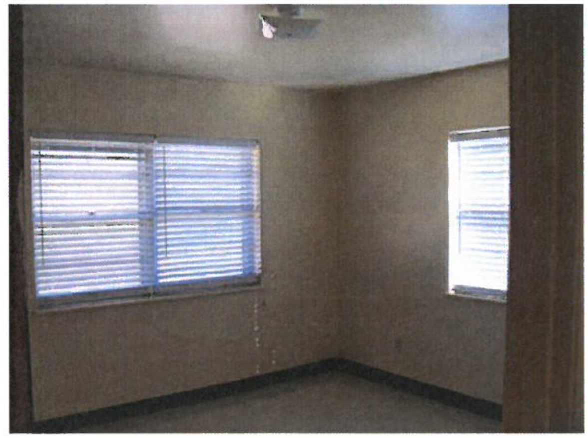


One Bedroom Kitchen Pantry



One Bedroom Bathroom

Two Bedroom Bathroom

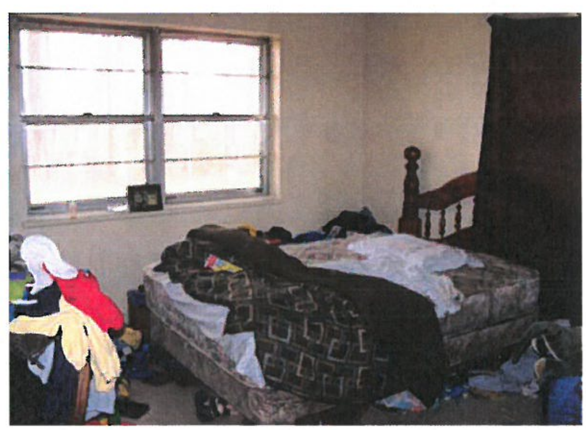


Two Bedroom Bedroom

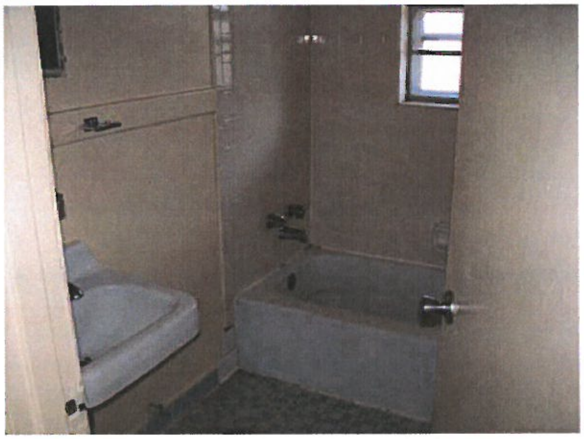
Two Bedroom Pantry

Two Bedroom Kitchen

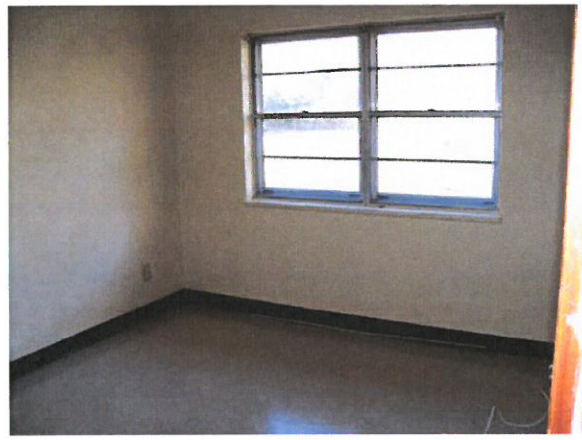
Two Bedroom Bedroom



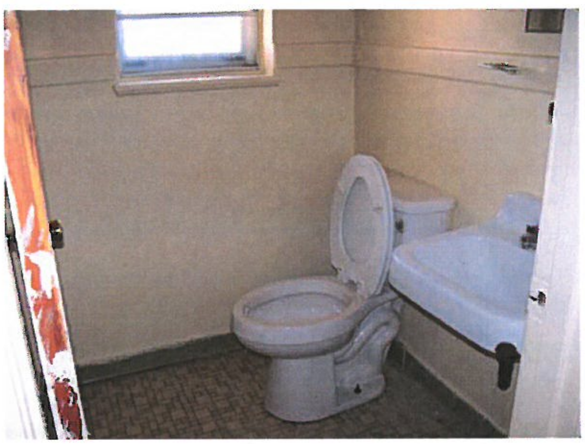
Three Bedroom Bedroom



Three Bedroom Bathroom

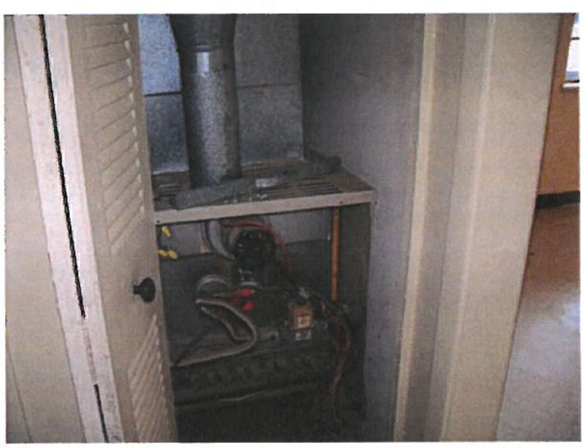


Four Bedroom Bedroom

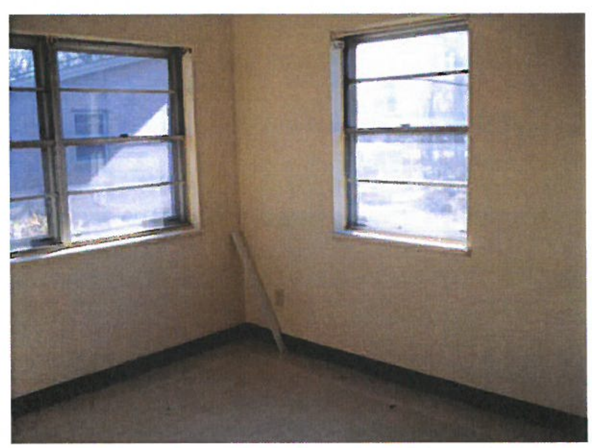


Four Bedroom Bathroom

Three Bedroom Kitchen



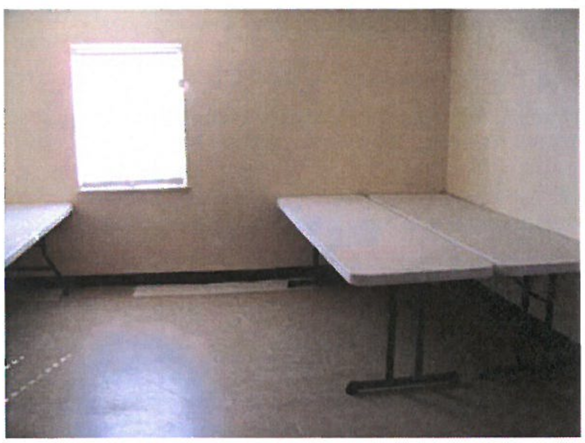
Three Bedroom Appliance Closet



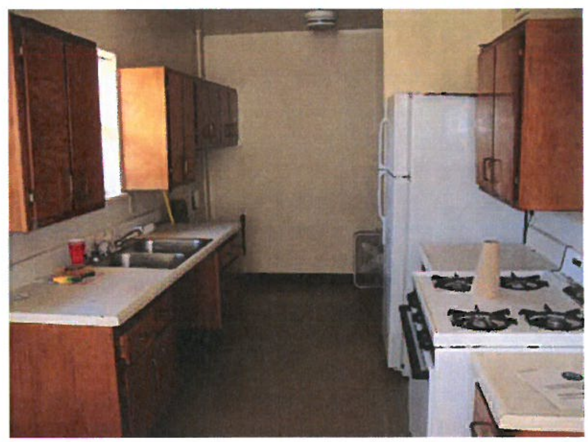
Three Bedroom Living Room

Community Building

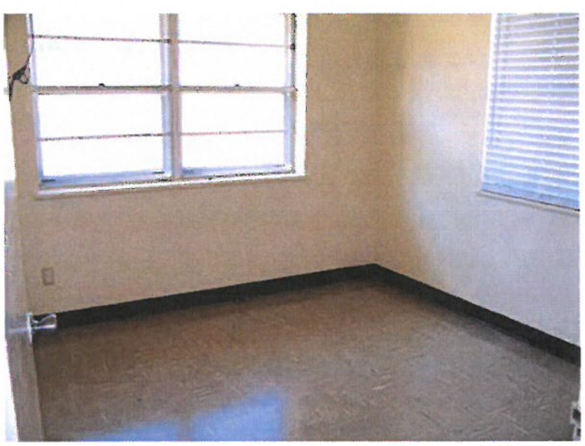
Community Building



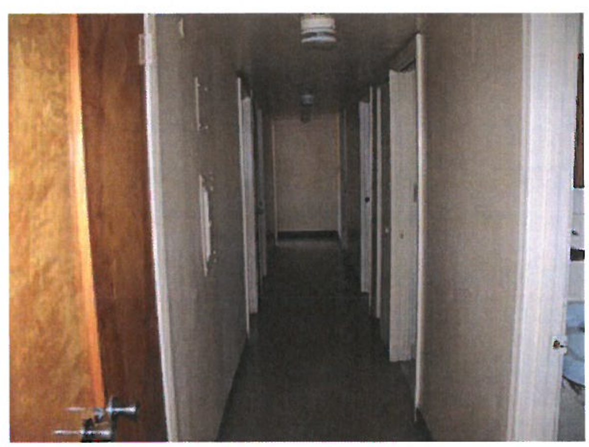
Community Building / Five Bedroom



Five Bedroom Kitchen

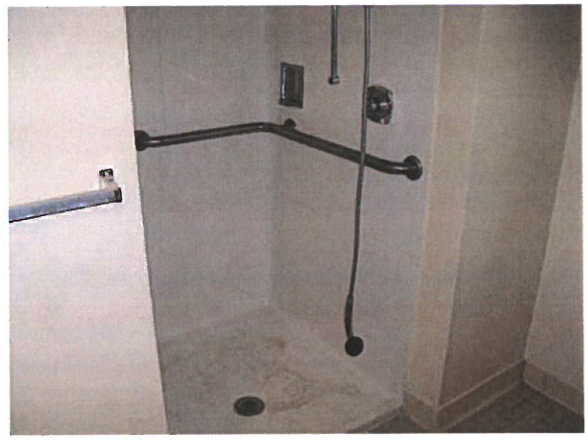


Five Bedroom Bedroom

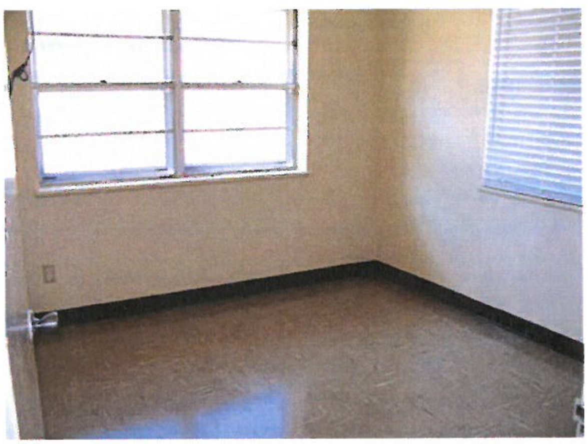


Five Bedroom Long Hallway To Bedrooms

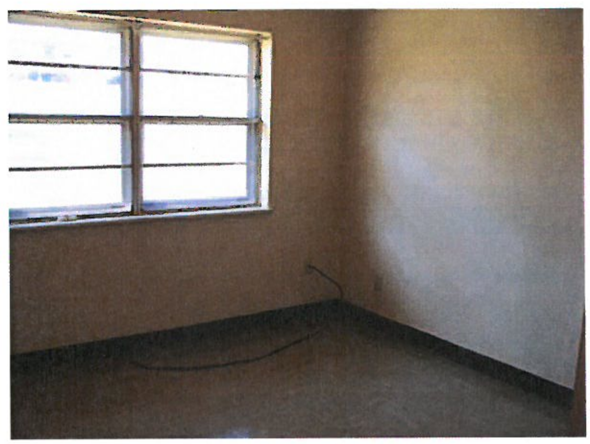
Five Bedroom First Bathroom



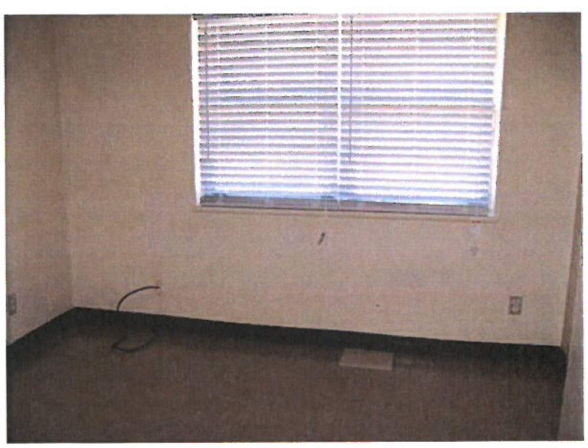
Five Bedroom Second Bathroom



Five Bedroom Bedroom



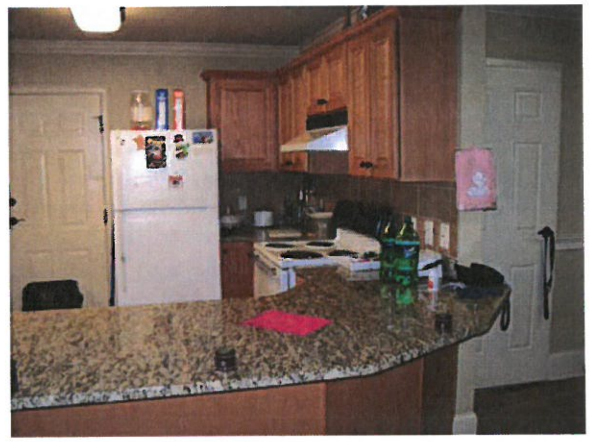
Five Bedroom Bedroom



Five Bedroom Bedroom

Four Bedroom Hallway To Bedrooms

Remodeled Three Bedroom Kitchen



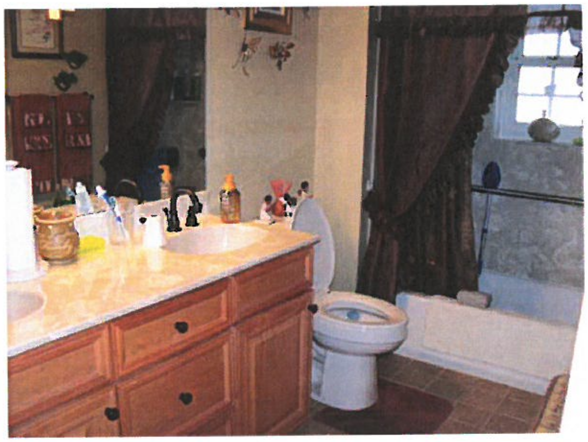
Remodeled Three Bedroom Kitchen

Remodeled Three Bedroom Hallway

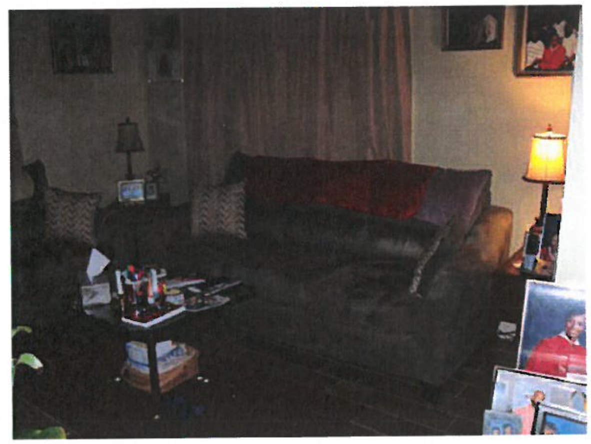
Remodeled Two Bedroom Laundry Room

Remodeled Three Bedroom Bathroom

Remodeled Three Bedroom Bathroom

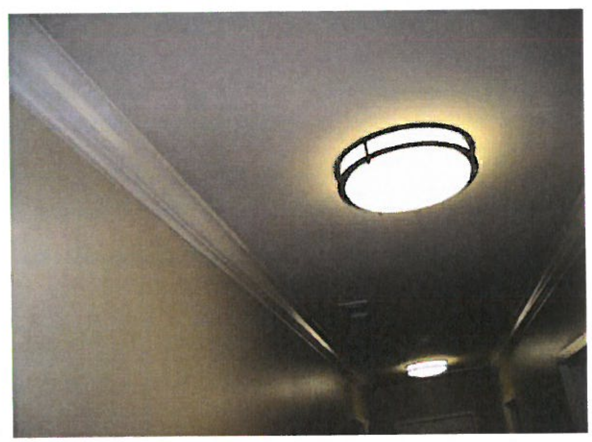


Remodeled Two Bedroom Bathroom



Remodeled Two Bedroom Bedroom

Remodeled Details – Ceramic Plank Floors, Upgraded Trim

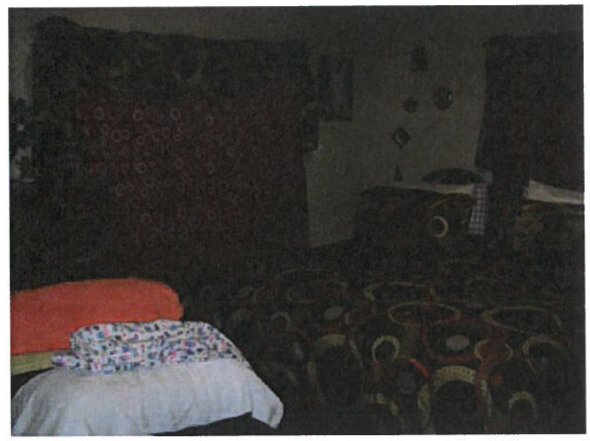


Remodeled Details – Upgraded Trim

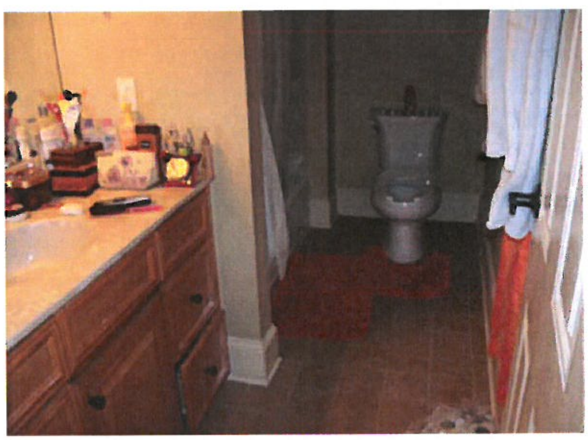
Remodeled Dining Room Three Bedroom

Remodeled Three Bedroom Kitchen

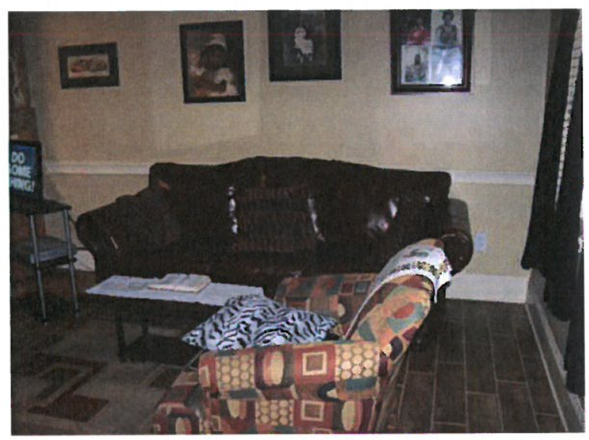
Remodeled Storage Closet



Remodeled Two Bedroom Bedroom

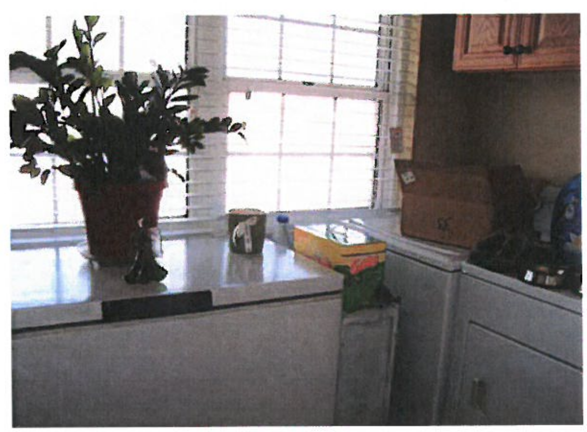


Remodeled Three Bedroom Bathroom



Remodeled One Bedroom Living Room

Remodeled One Bedroom Kitchen

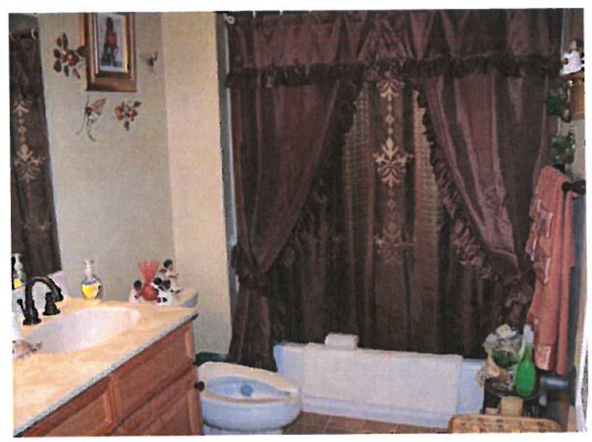


Remodeled Two Bedroom Laundry

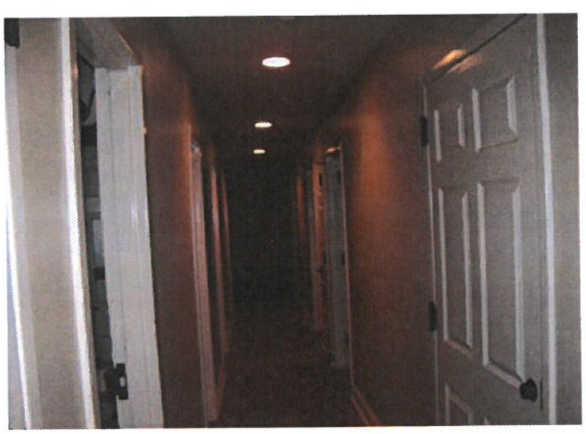
Remodeled Two Bedroom Kitchen

Remodeled Two Bedroom Living Room

Remodeled Five Bedroom Living Room



Remodeled Two Bedroom Bathroom

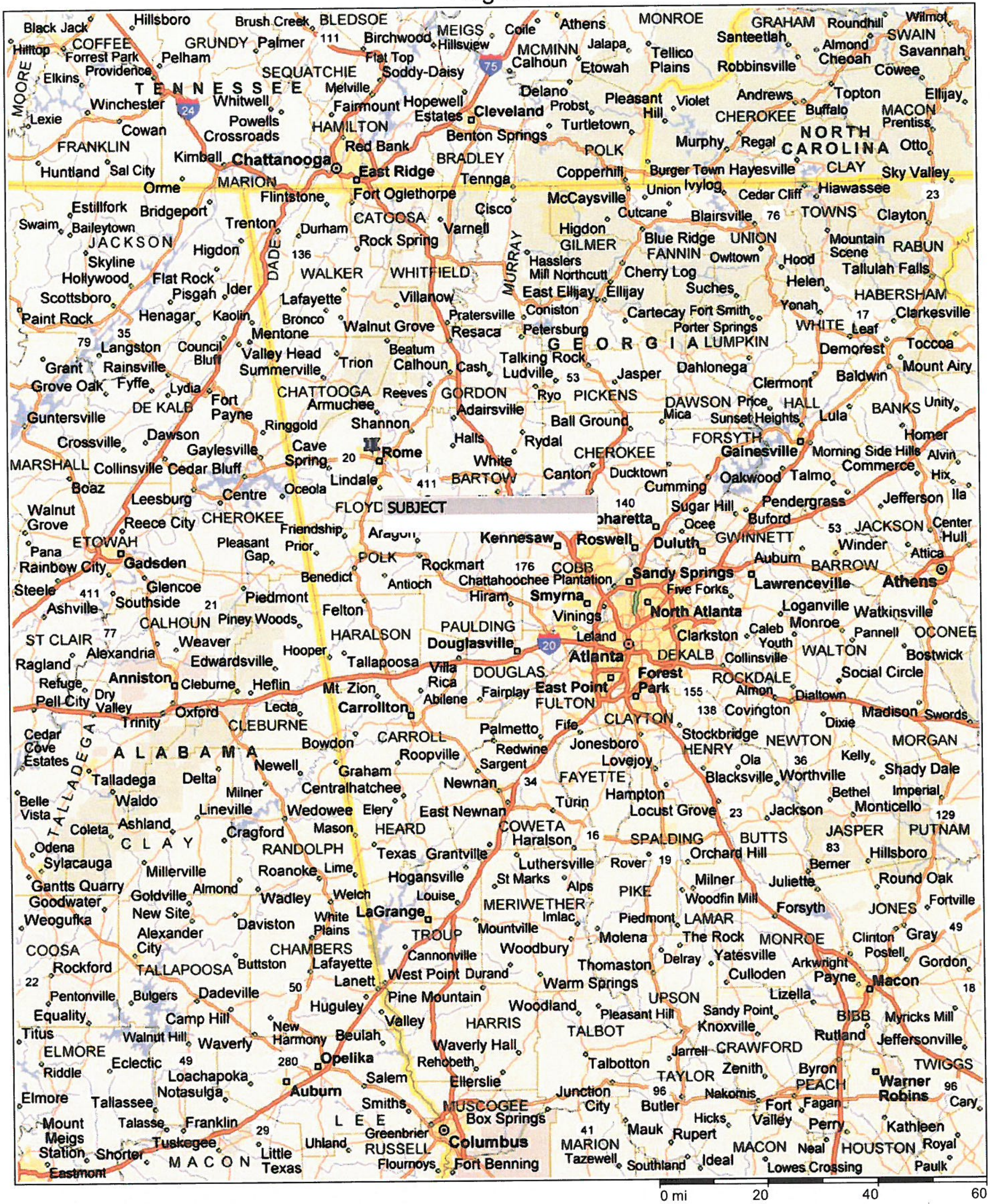


Remodeled Five Bedroom Hallway

Remodeled Five Bedroom Kitchen

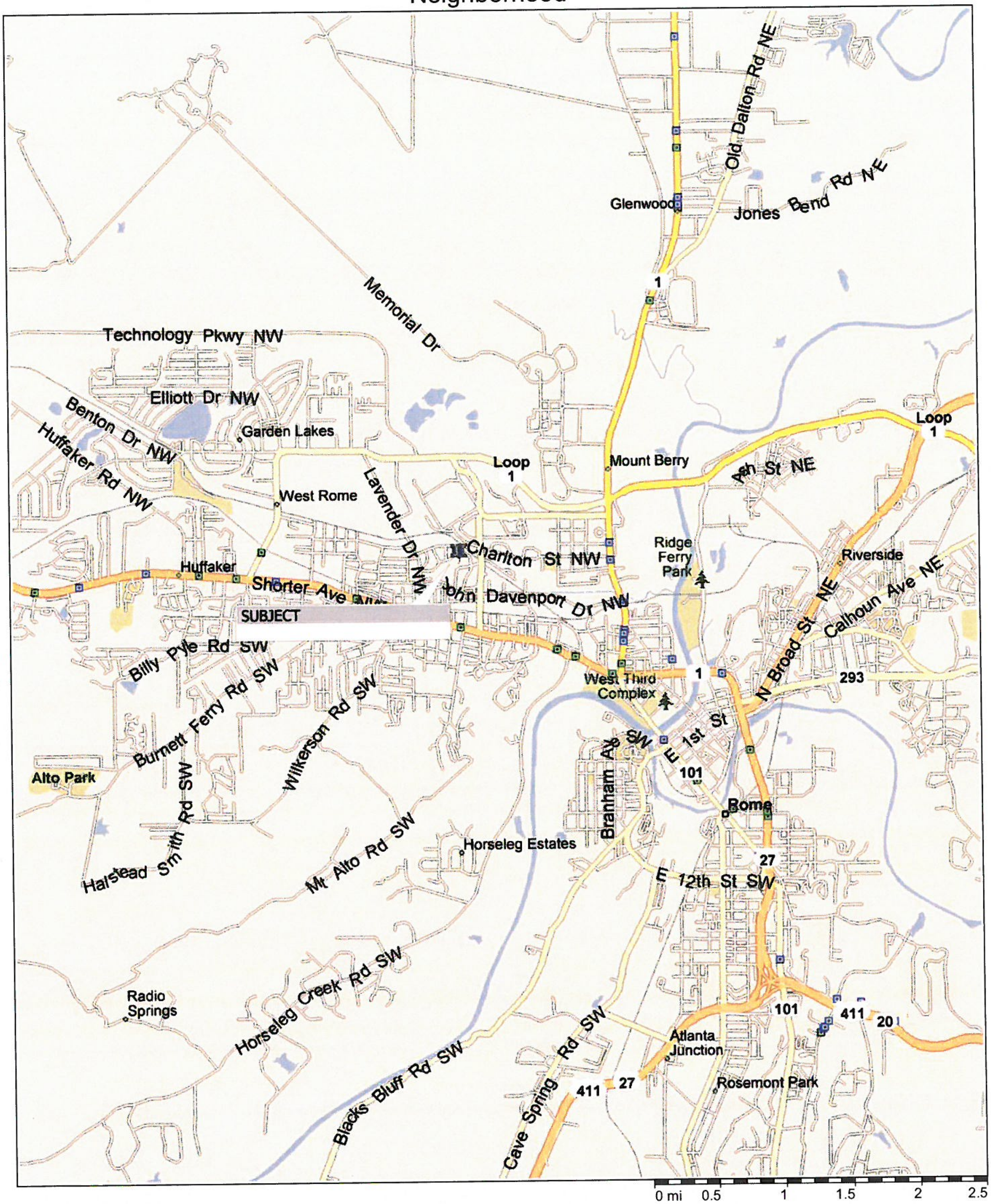
ADDENDUM C – LOCATION MAPS

Region

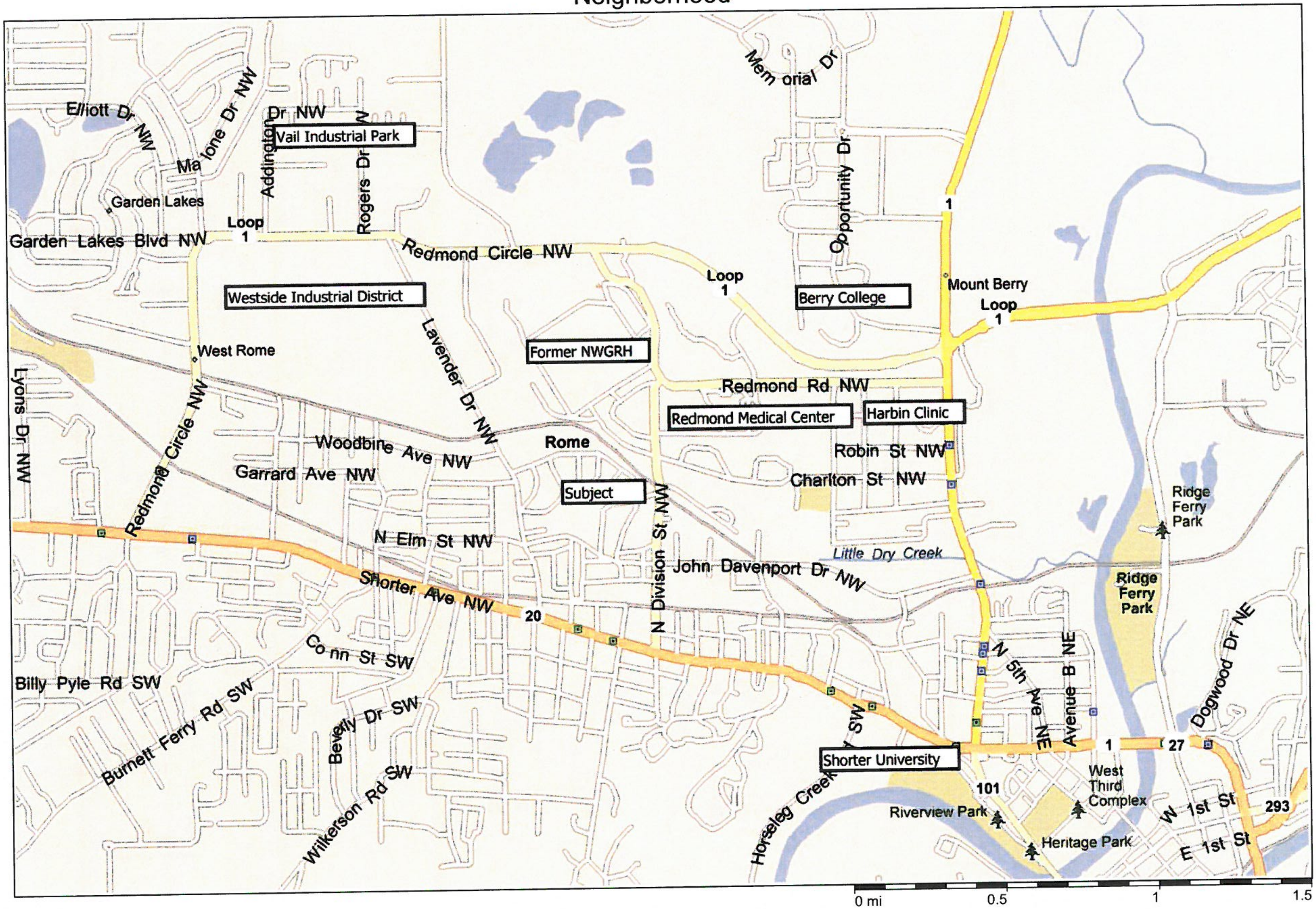


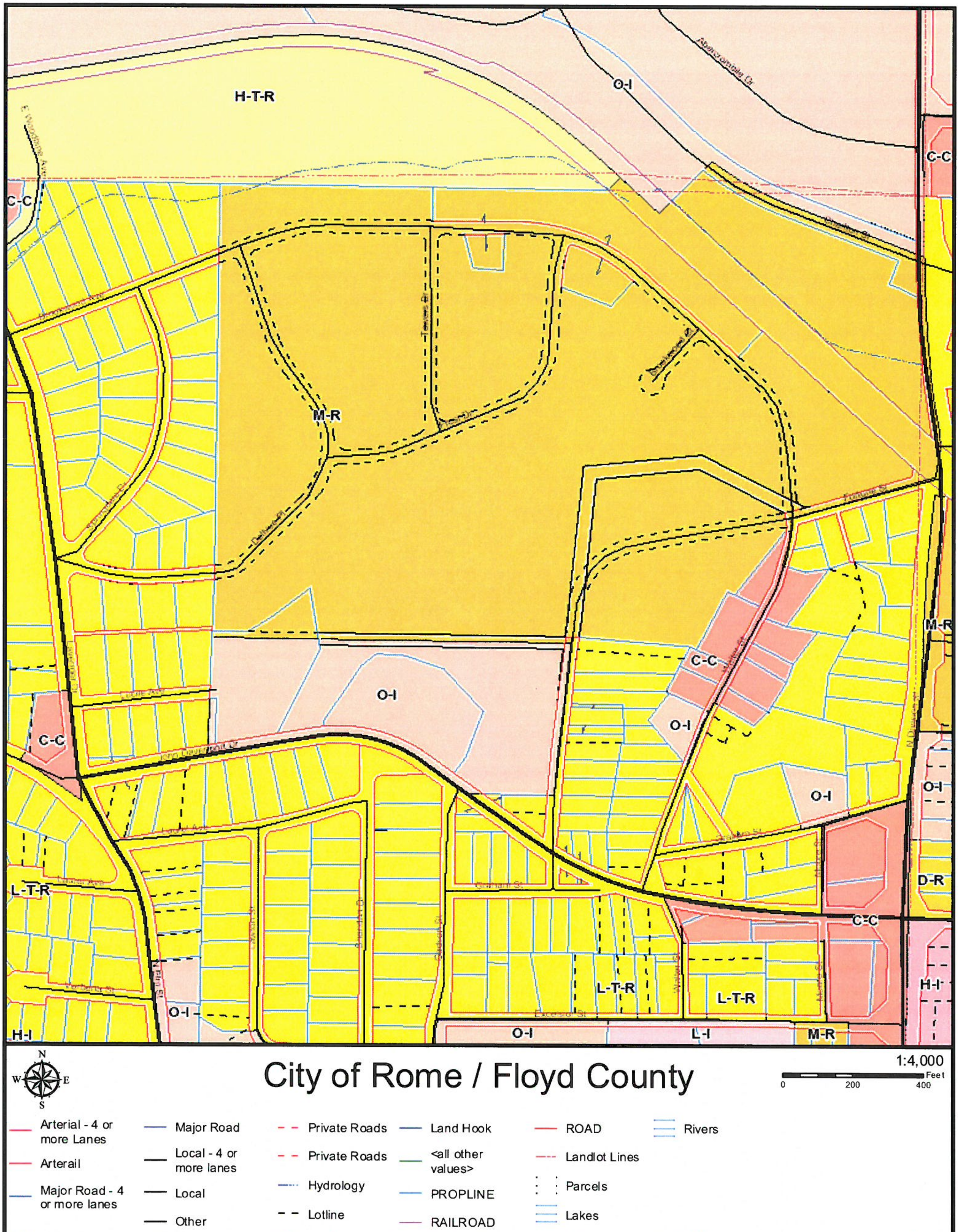
TENNESSEE
NORTH CAROLINA
GEORGIA
ALABAMA
Black Jack
Hillsboro
Brush Creek
BLEDSOE
MEIGS
Coile
Athens
MONROE
GRAHAM
Roundhill
Wilmot
Hilltop
COFFEE
Forrest Park
GRUNDY
Palmer
Birchwood
Hillsview
MCMINN
Jalapa
Tellico Plains
Santeetlah
Almond
SWAIN
Savannah
Cheoah
Cowee
MOORE
Elkins
Providence
Pelham
SEQUATCHIE
Flat Top
Soddy-Daisy
Calhoun
Etowah
Robbinsville
Lexie
Winchester
Whitwell
Melville
Fairmount
Hopewell Estates
Cleveland
Delano
Probst
Pleasant Hill
Violet
Andrews
Topton
Ellijay
FRANKLIN
Cowan
Powells Crossroads
HAMILTON
Benton Springs
Turtletown
CHEROKEE
Buffalo
MACON
Prentiss
Otto
Huntland
Sal City
Kimball
Chattanooga
Red Bank
BRADLEY
POLK
Murphy
Regal
Orme
MARION
East Ridge
Tennga
Copperhill
Burger Town
Hayesville
CLAY
Sky Valley
Flintstone
Fort Oglethorpe
McCaysville
Union
Ivylog
Cedar Cliff
Hiawassee
Estillfork
Bridgeport
Cisco
Cutcane
Blairsville
TOWNS
Clayton
Swaim
Baileytown
Trenton
CATOOSA
Varnell
Higdon
Blue Ridge
UNION
Mountain Scene
RABUN
JACKSON
Durham
Rock Spring
GILMER
FANNIN
Owltown
Hood
Tallulah Falls
Skyline
Higdon
DADE
WALKER
WHITFIELD
MURRAY
Hasslers Mill
Northcutt
Cherry Log
Helen
HABERSHAM
Hollywood
Flat Rock
Ider
East Ellijay
Ellijay
Suches
Scottsboro
Pisgah
Lafayette
Villanow
Coniston
Cartecay
Fort Smith
Yonah
Clarkesville
Paint Rock
Henagar
Kaolin
Bronco
Walnut Grove
Pratersville
Resaca
Petersburg
Porter Springs
WHITE
Leaf
Langston
Council Bluff
Mentone
Valley Head
Beatum
LUMPKIN
Demorest
Toccoa
Grant
Rainsville
Summerville
Trion
Calhoun
Cash
Talking Rock
Ludville
Jasper
Dahlonega
Mount Airy
Grove Oak
Fyffe
Lydia
CHATTOOGA
Reeves
GORDON
Ryo
PICKENS
Clermont
Baldwin
Guntersville
DE KALB
Fort Payne
Armuchee
Adairsville
DAWSON
Price
HALL
BANKS
Unity
Ringgold
Shannon
Ball Ground
Mica
Sunset Heights
Lula
Homer
Crossville
Dawson
Gaylesville
Cave Spring
Rome
Halls
Rydal
FORSYTH
Gainesville
Morning Side Hills
Alvin
MARSHALL
Collinsville
Cedar Bluff
White
CHEROKEE
Commerce
Hix
Boaz
Lindale
BARTOW
Canton
Ducktown
Oakwood
Talmo
Leesburg
Centre
Oceola
Cumming
Pendergrass
Jefferson
Walnut Grove
FLOYD
SUBJECT
Sugar Hill
Buford
Reece City
CHEROKEE
Friendship
Aragon
Prior
Kennesaw
Roswell
Alpharetta
Ocee
GWINNETT
JACKSON
Center Hull
ETOWAH
Pana
Pleasant Gap
POLK
Duluth
Winder
Attica
Rainbow City
Gadsden
Benedict
Rockmart
COBB
Chattahoochee Plantation
Auburn
BARROW
Steele
Glencoe
Antioch
Hiram
Smyrna
Sandy Springs
Lawrenceville
Athens
Ashville
Southside
Piedmont
Five Forks
North Atlanta
Loganville
Watkinsville
CALHOUN
Piney Woods
Felton
Vinings
Clarkston
Monroe
Pannell
OCONEE
ST CLAIR
Weaver
HARALSON
PAULDING
Caleb Youth
WALTON
Ragland
Alexandria
Edwardsville
Hooper
Tallapoosa
Douglasville
Leland
Atlanta
DEKALB
Collinsville
Bostwick
Refuge
Anniston
Cleburne
Heflin
Villa Rica
DOUGLAS
Forest Park
ROCKDALE
Social Circle
Pell City
Dry Valley
Lecta
Mt. Zion
Abilene
Fairplay
East Point
Almon
Dialtown
Oxford
FULTON
Covington
Madison
Swords
Trinity
CLEBURNE
Carrollton
CLAYTON
Dixie
Cedar Cove Estates
Bowdon
CARROLL
Palmetto
Fife
Stockbridge
NEWTON
MORGAN
Roopville
Redwine
Jonesboro
HENRY
Kelly
Newell
Graham
Sargent
Lovejoy
Ola
Worthville
Shady Dale
Talladega
Delta
Centralhatchee
Newnan
FAYETTE
Blacksville
Bethel
Imperial
TALLADEGA
Belle Vista
Waldo
Milner
Lineville
Wedowee
Elery
Turin
Hampton
Monticello
East Newnan
Locust Grove
Jackson
Coleta
Ashland
Cragford
Mason
HEARD
COWETA
Haralson
SPALDING
BUTTS
JASPER
PUTNAM
Odena
CLAY
RANDOLPH
Orchard Hill
Berner
Hillsboro
Sylacauga
Millerville
Texas
Grantville
Luthersville
Rover
Roanoke
Lime
Hogansville
St Marks
Alps
Milner
Juliette
Round Oak
Gantts Quarry
Almond
PIKE
Goodwater
Goldville
Wadley
Welch
Louise
MERIWETHER
Woodfin Mill
Forsyth
JONES
Fortville
Weogufka
New Site
Daviston
White Plains
LaGrange
Imlac
Piedmont
LAMAR
Alexander City
CHAMBERS
TROUP
Mountville
Molena
The Rock
MONROE
Clinton
Gray
COOSA
Cannonville
Woodbury
Yatesville
Postell
Rockford
TALLAPOOSA
Buttston
Lafayette
Thomaston
Delray
Arkwright
Gordon
Lanett
West Point
Durand
Culloden
Payne
Macon
Pentonville
Bulgers
Dadeville
Warm Springs
UPSON
Lizella
Huguley
Pine Mountain
Woodland
Pleasant Hill
Sandy Point
BIBB
Myricks Mill
Equality
Camp Hill
Valley
HARRIS
Knoxville
Titus
New Harmony
Beulah
TALBOT
Rutland
Jeffersonville
ELMORE
Walnut Hill
Waverly
Waverly Hall
Jarrell
CRAWFORD
Riddle
Eclectic
Opelika
Rehobeth
Talbotton
Zenith
Byron
TWIGGS
Loachapoka
Salem
Ellerslie
TAYLOR
Warner Robins
Elmore
Tallassee
Notasulga
Auburn
Junction City
Nakomis
PEACH
Cary
Smiths
MUSCOGEE
Butler
Fort Valley
Fagan
Mount Meigs
Talasse
Franklin
LEE
Box Springs
Hicks
Perry
Kathleen
Station
Shorter
Tuskegee
Greenbrier
Columbus
Mauk
Rupert
Royal
Eastmont
MACON
Little Texas
Uhland
RUSSELL
MARION
MACON
Neal
HOUSTON
Flournoys
Fort Benning
Tazewell
Southland
Ideal
Lowes Crossing
Paulk
0 mi
20
40
60

Neighborhood



Neighborhood





H-T-R
O-I
C-C
M-R
C-C
O-I
O-I
O-I
L-T-R
D-R
C-C
L-T-R
L-T-R
H-I
O-I
H-I
O-I
L-I
M-R
City of Rome / Floyd County
1:4,000
Feet
0
200
400
Arterial - 4 or more Lanes
Arterail
Major Road - 4 or more lanes
Major Road
Local - 4 or more lanes
Local
Other
Private Roads
Private Roads
Hydrology
Lotline
Land Hook
<all other values>
PROPLINE
RAILROAD
ROAD
Landlot Lines
Parcels
Lakes
Rivers

ADDENDUM D – SITE DOCUMENTS / FLOOD MAP

LEGAL DESCRIPTION

ALL THAT TRACT OR PARCEL OF LAND lying and being in Land Lot(s) 201 of the 23rd District, 3rd Section, City of Rome, Floyd County, Georgia and being more particularly described as follows:

Commencing at an iron pin found at the intersection of the Southwesterly Right-of-Way Central Georgia Railroad (100' Right-of-Way) and the Land Lot line common to Land Lot 200 & 201;

Thence leaving the Southwesterly Right-of-Way Central Georgia Railroad (100' Right-of-Way) and traveling along the Land Lot line common to Land Lot 200 & 201 in a Westerly direction, North 89 degrees 22 minutes 47 seconds West, a distance of 488.61 feet to a point;

Thence continuing along said Land Lot line, North 89 degrees 21 minutes 46 seconds West, a distance of 592.79 feet to a 1" rod found;

Thence leaving the Land Lot line common to Land Lot 200 & 201, South 01 degrees 14 minutes 36 seconds West, a distance of 262.13 feet to a point, said point being the TRUE POINT OF BEGINNING;

Thence North 70 degrees 29 minutes 11 seconds East, a distance of 198.73 feet to a point;

Thence South 17 degrees 03 minutes 16 seconds East, a distance of 68.94 feet to a point;

Thence North 90 degrees 00 minutes 00 seconds East, a distance of 144.99 feet to a point;

Thence South 00 degrees 00 minutes 00 seconds East, a distance of 148.64 feet to a point;

Thence North 90 degrees 00 minutes 00 seconds East, a distance of 109.64 feet to a point;

Thence North 00 degrees 00 minutes 00 seconds East, a distance of 50.00 feet to a point;

Thence North 90 degrees 00 minutes 00 seconds East, a distance of 349.64 feet to a point;

Thence South 81 degrees 42 minutes 36 seconds East, a distance of 146.02 feet to a point;

Thence South 04 degrees 35 minutes 30 seconds West, a distance of 97.08 feet to a point;

Thence North 90 degrees 00 minutes 00 seconds East, a distance of 132.24 feet to a point;

Thence North 53 degrees 35 minutes 41 seconds East, a distance of 113.15 feet to a point;

Thence South 50 degrees 42 minutes 23 seconds East, a distance of 249.19 feet to a point;

Thence South 20 degrees 45 minutes 44 seconds East, a distance of 66.65 feet to a point;

Thence South 48 degrees 18 minutes 51 seconds West, a distance of 462.44 feet to a point;

Thence South 36 degrees 42 minutes 24 seconds West, a distance of 115.53 feet to a point;

Thence South 25 degrees 45 minutes 33 seconds West, a distance of 103.96 feet to a point;

Thence South 75 degrees 50 minutes 14 seconds East, a distance of 69.06 feet to a point;

Thence North 67 degrees 25 minutes 28 seconds East, a distance of 105.88 feet to a point;

Thence South 62 degrees 19 minutes 01 seconds East, a distance of 69.94 feet to a point;

Thence South 02 degrees 56 minutes 43 seconds West, a distance of 149.24 feet to a point;

Thence North 89 degrees 54 minutes 58 seconds West, a distance of 195.69 feet to a point on the Northwestern Right-of-Way line of Fortune St (40' Right-of-Way);

Thence continuing along said Right-of-Way line in a Southwesterly direction, South 06 degrees 45 minutes 50 seconds West, a distance of 452.21 feet to a point;

Thence leaving the Northwestern Right-of-Way line of Fortune St (40' Right-of-Way), South 89 degrees 43 minutes 29 seconds West, a distance of 159.37 feet to a point on the Northeastern Right-of-Way line of John Davenport Dr (60' Right-of-Way);

Thence continuing along said Right-of-Way, North 53 degrees 41 minutes 39 seconds West, a distance of 112.78 feet to a 5/8" rebar found;

Thence leaving the Northeastern Right-of-Way line of John Davenport Dr (60' Right-of-Way) North 35 degrees 49 minutes 13 seconds East, a distance of 50.90 feet to a point;

Thence North 21 degrees 25 minutes 13 seconds East, a distance of 140.00 feet to a point;

Thence North 42 degrees 33 minutes 47 seconds West, a distance of 163.00 feet to a point;

Thence North 68 degrees 00 minutes 47 seconds West, a distance of 114.50 feet to a point;

Thence North 85 degrees 20 minutes 47 seconds West, a distance of 79.70 feet to a point;

Thence South 63 degrees 41 minutes 13 seconds West, a distance of 54.30 feet to a point;

Thence South 41 degrees 41 minutes 13 seconds West, a distance of 65.50 feet to a point;

Thence South 23 degrees 11 minutes 13 seconds West, a distance of 122.50 feet to a point;

Thence South 01 degrees 12 minutes 27 seconds East, a distance of 15.66 feet to a 5/8" rebar found on Northeastern Right-of-Way line of John Davenport Dr (60' Right-of-Way);

Thence continuing along said Right-of-Way, along an arc of a curve to 80.44 feet along an arc of a curve to the left, said curve having an arc distance of 80.44 feet and a radius of 452.45 feet and being subtended by a chord bearing of South 82 degrees 59 minutes 05 seconds West, a distance of 80.30 feet to a point;

Thence continuing along said Right-of-Way, South 80 degrees 50 minutes 18 seconds West, a distance of 69.25 feet to a 5/8" rebar found;

Thence leaving the Northeastern Right-of-Way line of John Davenport Dr (60' Right-of-Way) North 26 degrees 43 minutes 35 seconds East, a distance of 262.71 feet to a point;

Thence North 09 degrees 27 minutes 23 seconds West, a distance of 175.46 feet to a 5/8" rebar found;

Thence South 52 degrees 27 minutes 59 seconds West, a distance of 137.57 feet to a point;

Thence South 57 degrees 05 minutes 48 seconds West, a distance of 80.85 feet to a point;

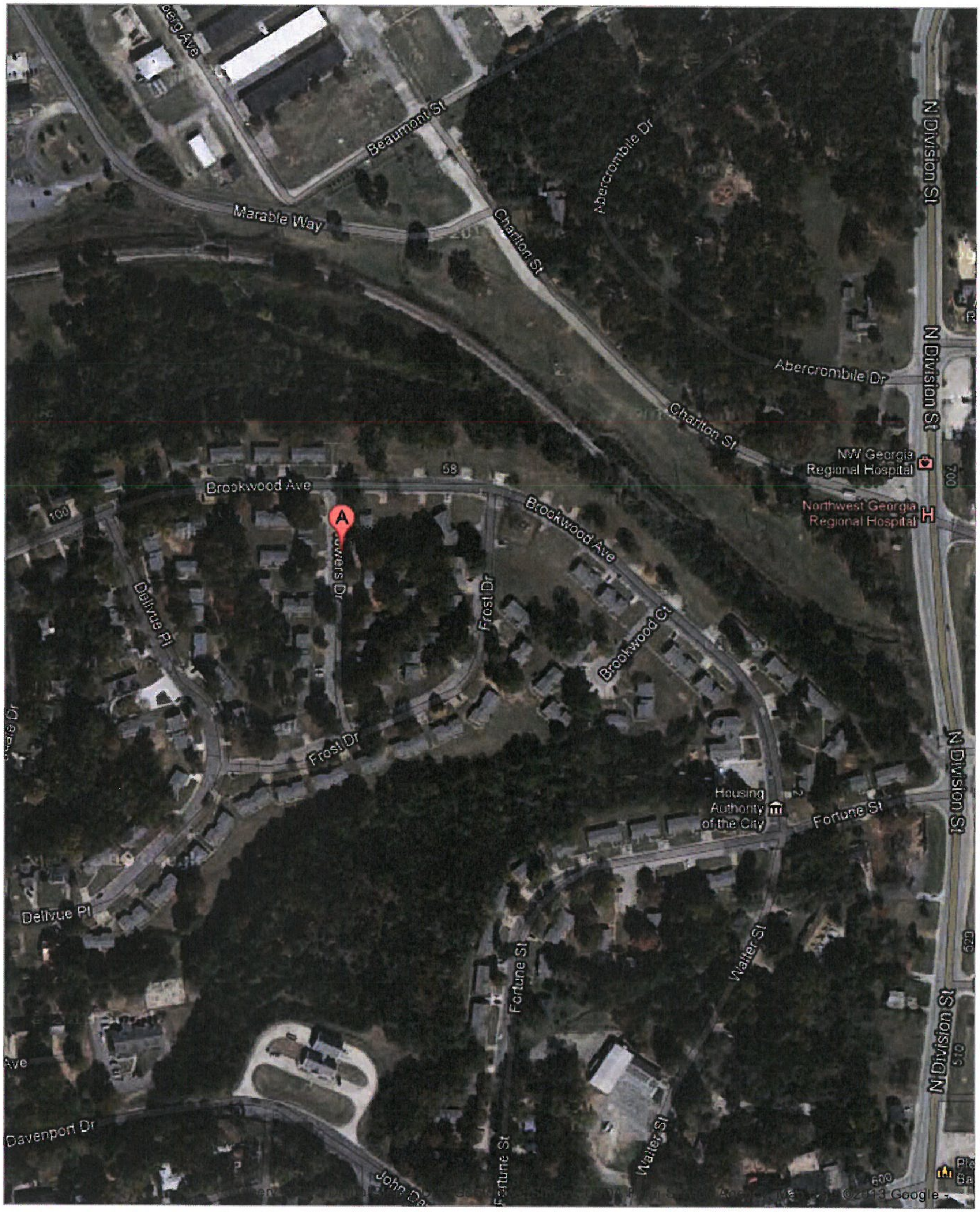
Thence South 89 degrees 58 minutes 18 seconds West, a distance of 105.86 feet to a point;

Thence North 01 degrees 14 minutes 36 seconds East, a distance of 1,011.28 feet to a point, said point being the TRUE POINT OF BEGINNING.

Said tract containing 28.902 acres.

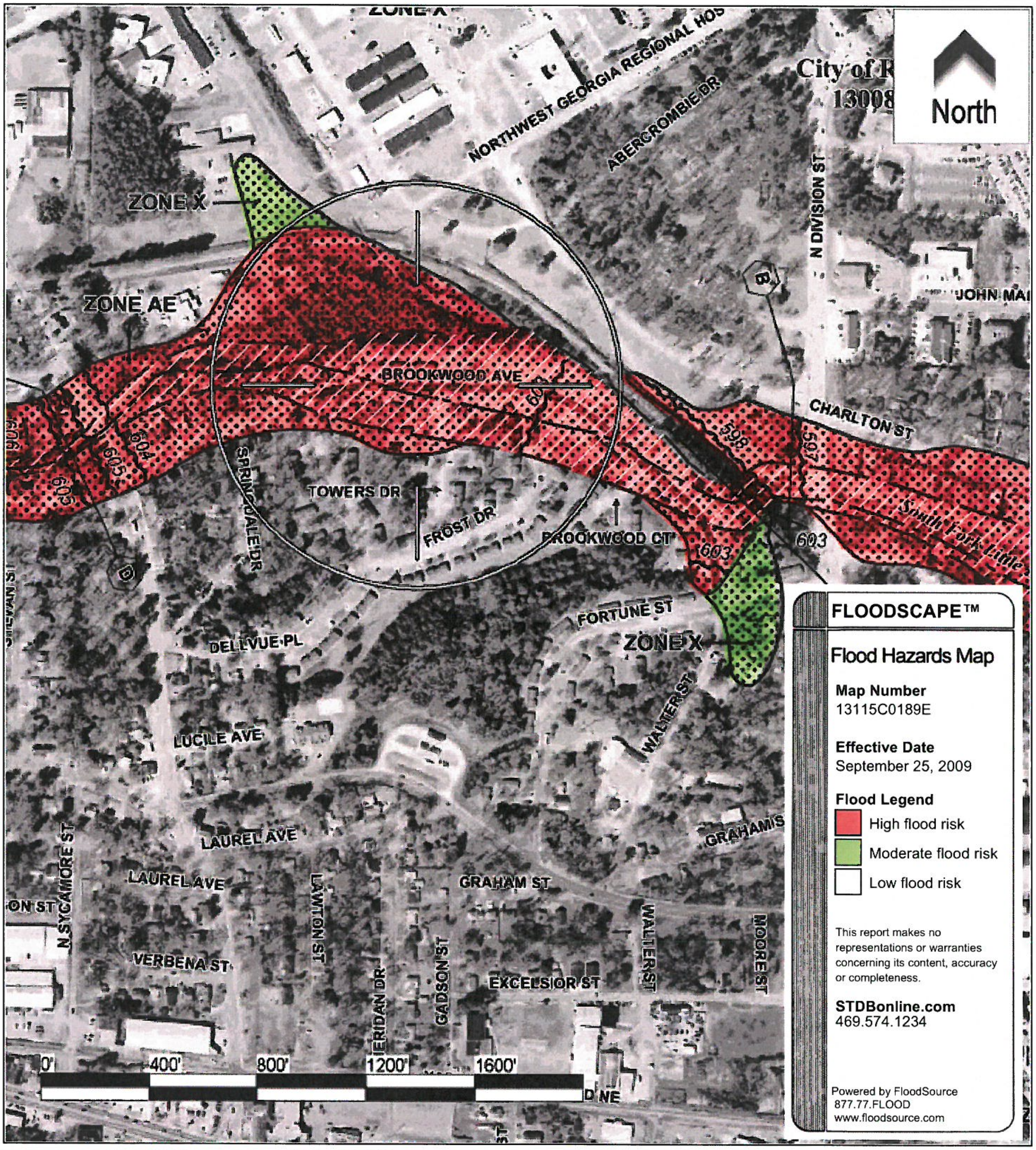
To see all the details that are visible on the screen, use the "Print" link next to the map.

Google



STDBONLINE.com FLOODSOURCE FLOODSCAPE™

PROPERTY ADDRESS:
12+Brookwood+Ave+NW%2C+Rome%2C+Georgia%2C+30165



FLOODSCAPE™

Flood Hazards Map

Map Number
13115C0189E

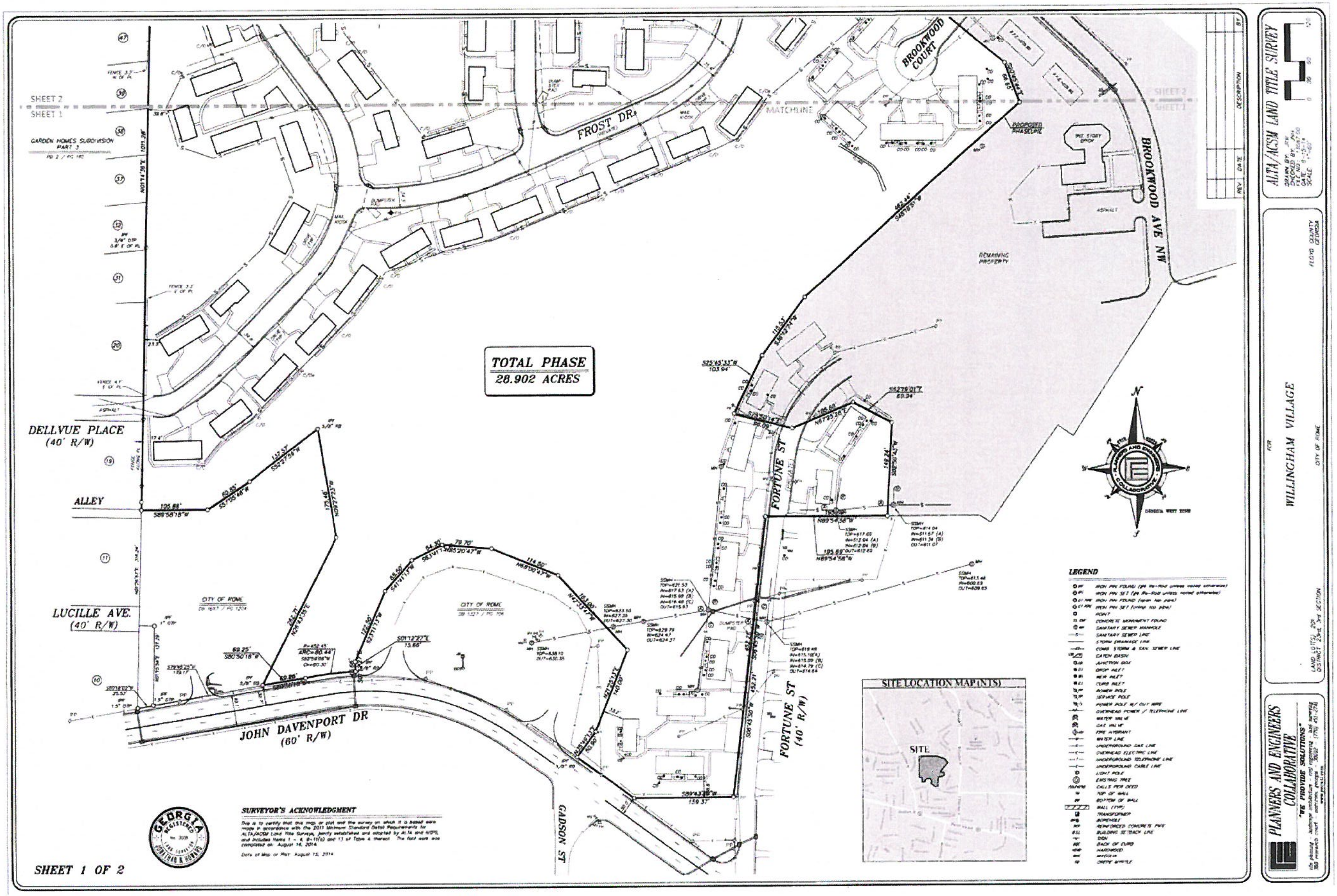
Effective Date
September 25, 2009

Flood Legend
- High flood risk
- Moderate flood risk
- Low flood risk

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

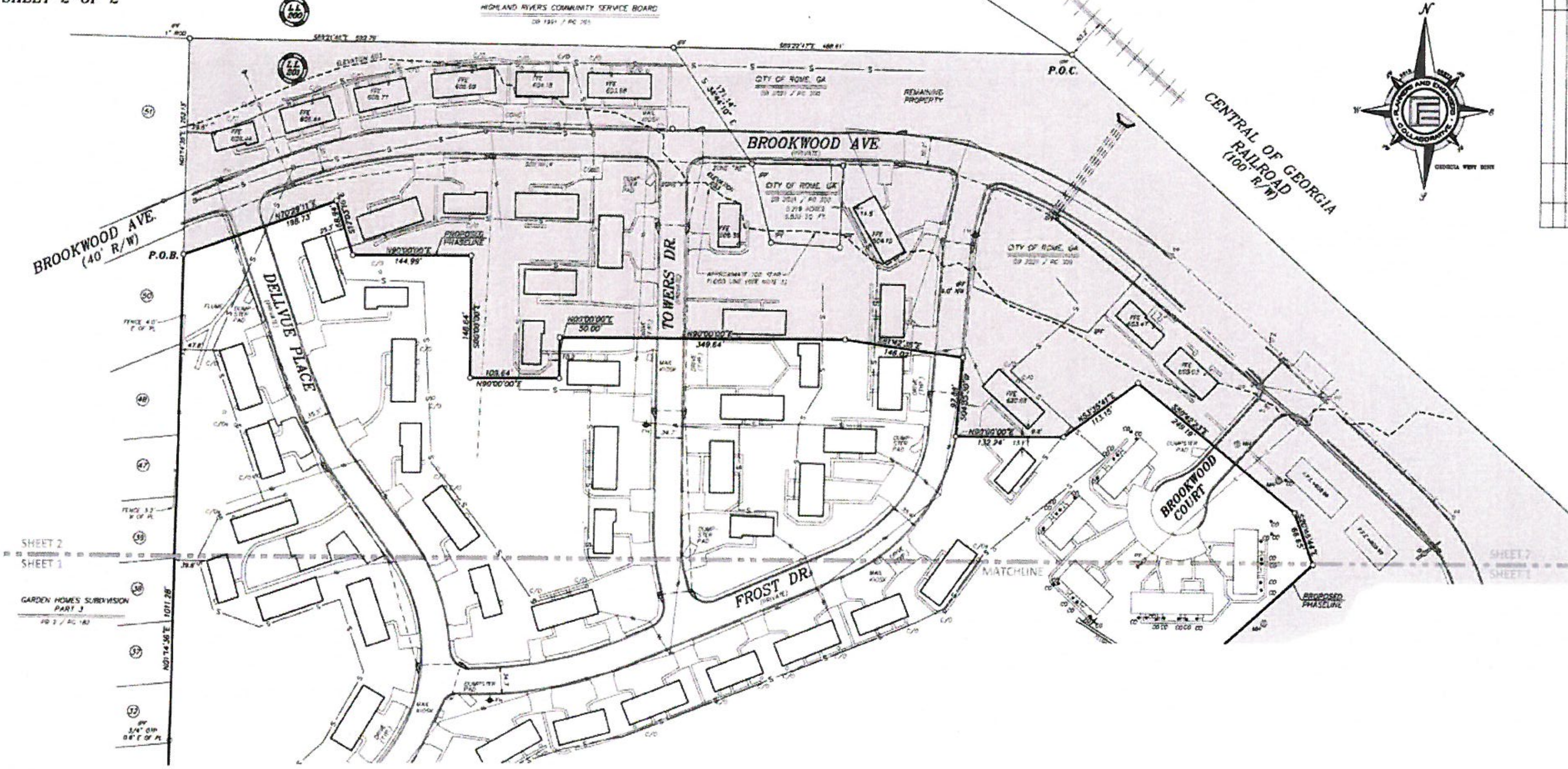
STDBonline.com
469.574.1234

Powered by FloodSource
877.77.FLOOD
www.floodsource.com



TOTAL PHASE
28.902 ACRES
BROOKWOOD AVE NW
BROOKWOOD COURT
FROST DR
FORTUNE ST
FORTUNE ST (40' R/W)
GADSON ST
JOHN DAVENPORT DR (60' R/W)
DELLVUE PLACE (40' R/W)
ALLEY
LUCILLE AVE. (40' R/W)
MATCHLINE
SHEET 2
SHEET 1
REMAINING PROPERTY
PROPOSED PHASELINE
CITY OF ROME
GARDEN HOMES SUBDIVISION PART 3
LEGEND
SITE LOCATION MAP(NTS)
SITE
SURVEYOR'S ACKNOWLEDGMENT
SHEET 1 OF 2
ALTA/ACSM LAND TITLE SURVEY
WILLINGHAM VILLAGE
PLANNERS AND ENGINEERS COLLABORATIVE
"WE PROVIDE SOLUTIONS"

SHEET 2 OF 2



THE FIELD DATA UPON WHICH THIS MAP OR PLAT IS BASED HAS A CLOSURE OF ONE FOOT IN 85,804 FEET, AND AN ANGULAR ERROR OF 00' 00' 02" PER ANGLE POINT AND WAS ADJUSTED USING THE COMPASS ADJUSTMENT RULE.

THIS MAP OR PLAT HAS BEEN CALCULATED FOR CLOSURE AND IS FOUND TO BE ACCURATE TO WITHIN ONE FOOT IN 258,309 FEET.

EQUIPMENT USED:

ANGULAR: TOPCON GTS-302 TOTAL STATION

LINEAR: TOPCON GTS-302 TOTAL STATION

NOTES

1. THE UNDERGROUND UTILITIES SHOWN HAVE BEEN LOCATED FROM FIELD SURVEY INFORMATION AND EXISTING DRAWINGS. THIS SURVEYOR MAKES NO GUARANTEE THAT THE UNDERGROUND UTILITIES SHOWN COMPRISE ALL SUCH UTILITIES IN THE AREA, EITHER IN SERVICE OR ABANDONED. THE SURVEYOR FURTHER DOES NOT WARRANT THAT THE UNDERGROUND UTILITIES SHOWN ARE IN THE EXACT LOCATION INDICATED ALTHOUGH HE DOES CERTIFY THAT THEY ARE LOCATED AS ACCURATELY AS POSSIBLE FROM INFORMATION SUPPLIED AND TO THE SURVEYOR'S BEST KNOWLEDGE ARE APPROXIMATELY AS SHOWN. THE SURVEYOR HAS NOT PHYSICALLY LOCATED THE UNDERGROUND UTILITIES.
2. I HAVE EXAMINED THE FEDERAL EMERGENCY MANAGEMENT AGENCY FLOOD INSURANCE RATE MAP FOR FLOYD COUNTY, GEORGIA AND INCORPORATED AREAS, COMMUNITY PANEL NUMBER 13115C0189E, PANEL 189 OF 425, EFFECTIVE DATE SEPTEMBER 25, 2009 AND FOUND PORTIONS OF THE PROPERTY SHOWN HEREON TO FALL WITHIN A DESIGNATED FLOOD ZONE "A" (AREAS OF 100 YEAR FLOOD). THE FLOOD LINE SHOWN HEREON WAS FIELD-RUN AT ELEVATION 603.
3. THE ORTHOMETRIC HEIGHTS (ELEVATIONS AND CONTOURS) SHOWN HEREON WERE DETERMINED BY GPS OBSERVATIONS AND WERE ADJUSTED BY PLANNERS AND ENGINEERS COLLABORATIVE IN APRIL 2014. NORTH AMERICAN DATUM OF 1983 (NAD83), NORTH AMERICAN VERTICAL DATUM OF 1988 (NAVD88), GEORGIA WEST ZONE STATE PLANE COORDINATES.
4. THE TERM "CERTIFICATION" RELATING TO PROFESSIONAL ENGINEERING AND LAND SURVEYING SERVICES SHALL MEAN A SIGNED STATEMENT BASED UPON FACTS AND KNOWLEDGE KNOWN TO THE REGISTRANT AND IS NOT A GUARANTEE OR WARRANTY, EITHER EXPRESSED OR IMPLIED.
5. THE PROPOSED PARCELS SHOWN HEREON MAY OR MAY NOT CONSTITUTE A LEGAL SUBDIVISION.
6. NO ZONING INFORMATION PROVIDED FOR BUILDING SETBACKS.
7. ALL BUILDINGS ARE ONE STORY BRICK.
8. THE APPROXIMATE LOCATION OF THE SEWER LINE SHOWN HEREON WAS TAKEN FROM PHYSICAL EVIDENCE FOUND OF CLEAN-OUTS AND MANHOLES IN CONJUNCTION WITH THE UTILITY PLANS LISTED IN REFERENCE 1.

REFERENCES

1. Utility Plans by Bobby J. Tobey Architect dated April 18, 1966.

TITLE EXCEPTIONS

Stewart Title Guarantee Company's commitment number 130.0718(LO) with an effective date of April 1, 2014 was used in the preparation of this survey and the listed exceptions are as follows.

10. Sewer Agreement between O. P. Willingham and B. S. Elliott and Garden Homes Development Company, dated August 10, 1946, filed for record May 10, 1947 at 11:45 a.m., recorded in Deed Book 210, Page 325, Records of Floyd County, Georgia, is vague in its description and cannot determine if it affects the subject property.

11. Easement from O. P. Willingham to Georgia Power Company, dated May 10, 1948, filed for record June 24, 1948 at 10:00 a.m., recorded in Deed Book 229, Page 358, aforesaid Records, does not affect the subject property, affects property along Central Avenue.

12. Declaration of Trust by the Housing Authority of the City of Rome, Georgia, a public body corporate and politic duly created and organized pursuant to and in according with the provisions of the laws of the State of Georgia, dated August 25, 1962, filed for record August 26, 1959 at 4:30 p.m., recorded in Deed Book 477, Page 110, aforesaid Records, as amended by Amendment to Declaration of Trust for Project No. GA-5-8 by the Housing Authority of the City of Rome, Georgia, a public body corporate and politic duly created and organized pursuant to and in according with the laws of the State of Georgia, dated May 9, 1983, filed for record May 16, 1983 at 10:55 a.m., recorded in Deed Book 879, Page 620, aforesaid Records, affects the subject property, is blanket in nature and cannot be plotted.

13. Water Easement by and between The Housing Authority of the City of Rome, Georgia, and the City of Rome, a municipal corporation, dated February 15, 1996, filed for record March 6, 1996 at 1:17 p.m., recorded in Deed Book 1327, Page 769, aforesaid Records, does not affect the subject property, affects property to the south of subject.

14. Sewer Easement by and between The Housing Authority of the City of Rome, Georgia, and the City of Rome, a municipal corporation, dated February 15, 1996, filed for record March 6, 1996 at 1:17 p.m., recorded in Deed Book 1327, Page 772, aforesaid Records, does not affect the subject property, affects property to the south of subject.

15. Sanitary Sewer Easement by and between Housing Authority of the City of Rome, Georgia, and City of Rome, a Georgia municipal corporation, dated October ______ 2002, filed for record December 23, 2002 at 10:26 a.m., recorded in Deed Book 1751, Page 762, aforesaid Records, does not affect the subject property, affects property to the south of subject.

16. Sanitary Sewer Easement by and between Housing Authority of the City of Rome, Georgia, and City of Rome, a Georgia municipal corporation, dated October ______ 2002, filed for record December 23, 2002 at 10:26 a.m., recorded in Deed Book 1751, Page 765, aforesaid Records, does not affect the subject property, affects property to the south of subject.

17. Drainage Easement and Detention Facility Agreement by and between Housing Authority of the City of Rome, Georgia, and City of Rome, a Georgia municipal corporation, dated October ______ 2002, filed for record December 23, 2002 at 10:26 a.m., recorded in Deed Book 1751, Page 768, aforesaid Records, does not affect the subject property, affects property to the south of subject.

LEGAL DESCRIPTION

ALL THAT TRACT OR PARCEL OF LAND lying and being in Land Lot(s) 201 of the 23rd District, 3rd Section, City of Rome, Floyd County, Georgia and being more particularly described as follows:

Commencing at an iron pin found at the intersection of the Southeasterly Right-of-Way Central Georgia Railroad (100' Right-of-Way) and the Land Lot line common to Land Lot 200 & 201; Thence leaving the Southeasterly Right-of-Way Central Georgia Railroad (100' Right-of-Way) and traveling along the Land Lot line common to Land Lot 200 & 201 in a Westerly direction, North 89 degrees 22 minutes 47 seconds West, a distance of 469.61 feet to a point; Thence continuing along said Land Lot line, North 89 degrees 21 minutes 46 seconds West, a distance of 592.76 feet to a 1" rod found; Thence leaving the Land Lot line common to Land Lot 200 & 201, South 01 degrees 14 minutes 38 seconds West, a distance of 262.13 feet to a point, said point being the TRUE POINT OF BEGINNING; Thence North 70 degrees 29 minutes 11 seconds East, a distance of 198.73 feet to a point; Thence South 17 degrees 03 minutes 16 seconds East, a distance of 58.84 feet to a point; Thence North 90 degrees 00 minutes 00 seconds East, a distance of 144.99 feet to a point; Thence South 00 degrees 00 minutes 00 seconds East, a distance of 148.64 feet to a point; Thence North 90 degrees 00 minutes 00 seconds East, a distance of 109.64 feet to a point; Thence North 00 degrees 00 minutes 00 seconds East, a distance of 50.00 feet to a point; Thence North 90 degrees 00 minutes 00 seconds East, a distance of 349.64 feet to a point; Thence South 81 degrees 42 minutes 28 seconds East, a distance of 146.03 feet to a point; Thence South 04 degrees 35 minutes 30 seconds West, a distance of 97.08 feet to a point; Thence North 90 degrees 00 minutes 00 seconds East, a distance of 132.24 feet to a point; Thence North 53 degrees 35 minutes 41 seconds East, a distance of 113.15 feet to a point; Thence South 50 degrees 42 minutes 23 seconds East, a distance of 249.18 feet to a point; Thence South 20 degrees 45 minutes 44 seconds East, a distance of 66.65 feet to a point; Thence South 48 degrees 18 minutes 51 seconds West, a distance of 442.44 feet to a point; Thence South 38 degrees 42 minutes 24 seconds West, a distance of 115.53 feet to a point; Thence South 25 degrees 45 minutes 33 seconds West, a distance of 103.28 feet to a point; Thence South 75 degrees 50 minutes 14 seconds East, a distance of 62.06 feet to a point; Thence North 67 degrees 25 minutes 29 seconds East, a distance of 105.65 feet to a point; Thence South 62 degrees 19 minutes 01 seconds East, a distance of 59.84 feet to a point; Thence South 02 degrees 56 minutes 43 seconds West, a distance of 149.24 feet to a point; Thence North 83 degrees 54 minutes 58 seconds West, a distance of 185.69 feet to a point on the Northeastern Right-of-Way line of Fortune St (40' Right-of-Way); Thence continuing along said Right-of-Way line in a Southwesterly direction, South 06 degrees 45 minutes 50 seconds West, a distance of 652.21 feet to a point; Thence leaving the Northeastern Right-of-Way line of Fortune St (40' Right-of-Way), South 89 degrees 43 minutes 29 seconds West, a distance of 159.37 feet to a point on the Northeastern Right-of-Way line of John Davenport Dr (60' Right-of-Way); Thence continuing along said Right-of-Way, North 53 degrees 41 minutes 32 seconds West, a distance of 112.78 feet to a 5/8" rebar found; Thence leaving the Northeastern Right-of-Way line of John Davenport Dr (60' Right-of-Way) North 36 degrees 49 minutes 13 seconds East, a distance of 50.90 feet to a point; Thence North 21 degrees 25 minutes 13 seconds East, a distance of 140.00 feet to a point; Thence North 62 degrees 33 minutes 47 seconds West, a distance of 163.00 feet to a point; Thence North 68 degrees 00 minutes 47 seconds West, a distance of 114.80 feet to a point; Thence North 85 degrees 20 minutes 47 seconds West, a distance of 79.76 feet to a point; Thence South 63 degrees 41 minutes 13 seconds West, a distance of 54.30 feet to a point; Thence South 41 degrees 41 minutes 13 seconds West, a distance of 85.50 feet to a point; Thence South 23 degrees 11 minutes 13 seconds West, a distance of 122.50 feet to a point; Thence South 01 degrees 17 minutes 27 seconds East, a distance of 15.66 feet to a 5/8" rebar found on Northeastern Right-of-Way line of John Davenport Dr (60' Right-of-Way); Thence continuing along said Right-of-Way, along an arc of a curve to 80.44 feet along an arc of a curve to the left, said curve having an arc distance of 80.44 feet and a radius of 452.45 feet and being subtended by a chord bearing of South 82 degrees 59 minutes 05 seconds West, a distance of 80.35 feet to a point; Thence continuing along said Right-of-Way, South 80 degrees 50 minutes 19 seconds West, a distance of 89.25 feet to a 5/8" rebar found; Thence leaving the Northeastern Right-of-Way line of John Davenport Dr (60' Right-of-Way) North 26 degrees 43 minutes 35 seconds East, a distance of 262.71 feet to a point; Thence North 09 degrees 27 minutes 23 seconds West, a distance of 175.46 feet to a 5/8" rebar found; Thence South 52 degrees 27 minutes 53 seconds West, a distance of 137.57 feet to a point; Thence South 57 degrees 05 minutes 48 seconds West, a distance of 80.85 feet to a point; Thence South 88 degrees 58 minutes 18 seconds West, a distance of 105.83 feet to a point; Thence North 01 degrees 14 minutes 38 seconds East, a distance of 1,011.28 feet to a point, said point being the TRUE POINT OF BEGINNING.

Said tract containing 28.902 acres.

REV	DATE	DESCRIPTION	BY

ALTA/ACSM LAND TITLE SURVEY

DRAWN BY: JFW
CHECKED BY: JDH
FILE NO: T208720
DATE: 6-15-14
SCALE: 1"=60'

0 30 60 120

FOR

WILLINGHAM VILLAGE

LAND LOT(S) 201
DISTRICT 23rd, 3rd SECTION

CITY OF ROME

FLOYD COUNTY GEORGIA

PLANNERS AND ENGINEERS COLLABORATIVE

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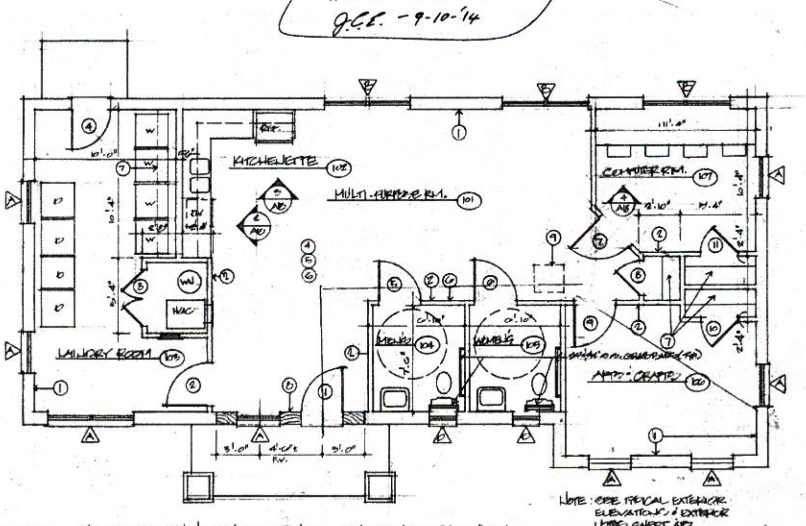
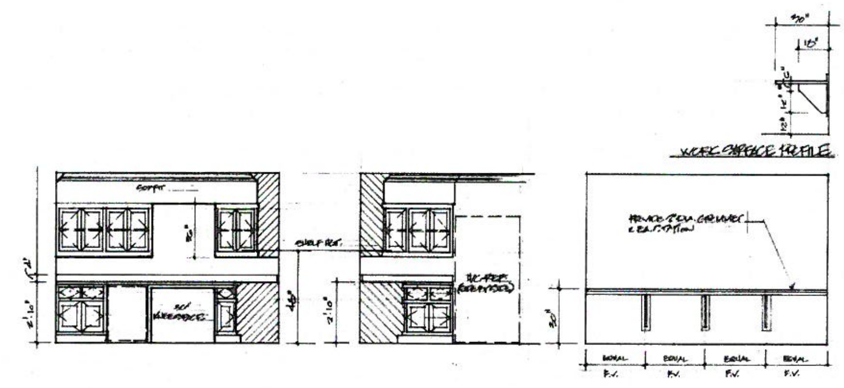
GENERAL NOTES

1. NEW 1/2" GYP. BOARD ON EXISTING WOOD STUDS. PROVIDE R-13 BATT INSULATION. PROVIDE NEW "DEAD WOOD" AS REQUIRED.
2. NEW 2x4 WOOD STUD WALLS. 1/2" GYP. BOARD BOTH SIDES. NEW "DEAD WOOD" AS REQUIRED.
3. EXISTING CMU WITH 1x4 FURRING STRIPS. PROVIDE NEW 1/2" GYP. BOARD AND 3/4" FOAM INSULATION PANELS BETWEEN FURRING STRIPS.
4. NEW 1/2" GYP. BOARD CEILING ON EXISTING WOOD TRUSS. NOTE: LEVEL BOTTOM CHORD OF TRUSS AS NEEDED.
5. PROVIDE MIN. R-38 BLOWN IN INSULATION IN ATTIC.
6. PROVIDE SOUND BATTS IN STUD WALLS AT BATHS.
7. PROVIDE VINYL COATED WIRE SHELVING AT CLOTHES CLOSETS. (3) SHELVES AT LINEN CLOSETS.
8. PROVIDE NEW 2x4 EXTERIOR WOOD STUD WALL WITH P.T. SILL PLATE, 1/2" OSB SHEATHING AND BUILDING FABRIC AT FORMER PRE-FAB WALL LOCATION.
9. PROVIDE AT EACH UNIT 22"x 30" PRE-FINISHED LOCKING ATTIC ACCESS PANEL.
10. PROVIDE PRE-FINISHED PLUMBING ACCESS PANELS AT BATHTUBS WHERE FEASIBLE.
11. PROVIDE 2" FAUX WOOD BLINDS AT ALL WINDOWS EXCEPT THOSE LOCATED AT SHOWERS.
12. PROVIDE 4" DARK BRONZE APARTMENT NOS. FOR EACH APARTMENT.
13. ALL ACCESSIBLE BATHTUBS TO HAVE (2) GRAB BARS. (1) 18" AND "42". PROVIDE BLOCKING IN WALLS FOR FUTURE GRAB BARS AT ALL APTS.
14. CONTRACTOR TO PROVIDE 2% SPARE WINDOWS,DOORS AND TILE OR A MIN. OF ONE, WHICHEVER IS GREATER.
15. CONTRACTOR TO PROVIDE "GREEN BOARD" WATER RESISTANT GYP. BOARD BACKING AT SHOWERS.
16. ALL UNITS TO BE TREATED FOR TERMITES UPON COMPLETION DEMOLITION.
17. PROVIDE CHAIR RAIL IN LIVING/DINING AREAS. INVERTED HOWE CASING. COORDINATE HEIGT IN FIELD WITH ARCHITECT.
18. ALL ROOMS TO RECEIVE SHOE MOULDING (PAINT GRADE).
19. 4" TH. X 48" X 48" CONCRETE PAD.
20. INSTALL FIRE SUPPRESSION SYSTEM AT RANGES IN ALL APTS. "STOVETOP FIRESTOP #675-3". (2) AT EACH APT.
21. INSTALL ATTIC DRAFTSTOP BETWEEN APTS. USE 1/2" GYP BOARD OR 1/2" OSB SHEATHING. SEAL ALL SEAMS. INSTALL FROM CEILING TO ROOF DECK AND SOFFIT TO SOFFIT.
22. AT THE PREVIOUSLY RENOVATED 23 UNITS AS DEPICTED ON PLAN 1-A ON CIVIL PLANS PROVIDE THE FOLLOWING SCOPE OF WORK:
    A. INSTALL FIRE SUPPRESSION SYSTEM BY "STOVETOP FIRESTOP #675-3.
    B. INSTALL ADDITIONAL 12" OF INSULATION IN ATTIC.
    C. PROVIDE DRAFTSTOP WALLS PER NOTE 21 IN THE GENERAL NOTES.
23. SEE BUILDING TYPE "E" DEMOLITION PLAN SHEET A12 AND TYPICAL DEMOLITION NOTES SHEET A1.
24. SEE BUILDING TYPE "E" NEW EXTERIOR ELEVATIONS SHEET A15 AND TYPICAL EXTERIOR NOTES SHEET A3.
25. RAISE EXISTING PORCH SLAB 6" +/- TO PROVIDE BARRIER FREE ADA ACCESS. 6" 3000 PSI CONCRETE WITH 6X6 10/10 WWM. CHAMFER EXPOSED EDGES.

CHANGE TWO DOORS (EXIT) (SWING)
ADD EMERGENCY LIGHTS
ADD EXIT SIGNS
ADD FIRE EXTINGUISHER(S)
J.C.E. - 9-10-'14



1 A18 NEW COMMUNITY BUILDING - BUILDING TYPE "D" 1/4"=1'-0"



2 A18 KITCHENETTE ELEVATION 3/8"=1'-0"

3 A18 KITCHENETTE ELEV. 3/8"=1'-0"

4 A18 COMPUTER RM. ELEVATION 3/8"=1'-0"

J·O·N·E·S ARCHITECTS, L.L.C.
808 AVENUE B, STE C, ROME, GA 30165
770-547-2221 wnjala@aol.com

STATE OF GEORGIA REGISTERED ARCHITECT

WILLINGHAM VILLAGE RENOVATION
DCA PROJECT# 2014HN-007
ROME, GEORGIA

WILLINGHAM, LP
1544 SOUTH MAIN STREET
FYFFE, ALABAMA 35971

NO.	REVISIONS	DATE
2	ADDENDUM 2	

JOB NO.	13013
DRAWN BY	WNJ
DATE	
SCALE	SEE PLAN

SHEET A18

2/A2 KITCHEN ELEVATION

3/A2 KITCHEN ELEVATION

4/A2 BATH VANITY ELEV

1/A2 KITCHEN ELEVATION

6/A2 KITCHEN ELEVATION

7/A2 KITCHEN ELEV

GENERAL NOTES

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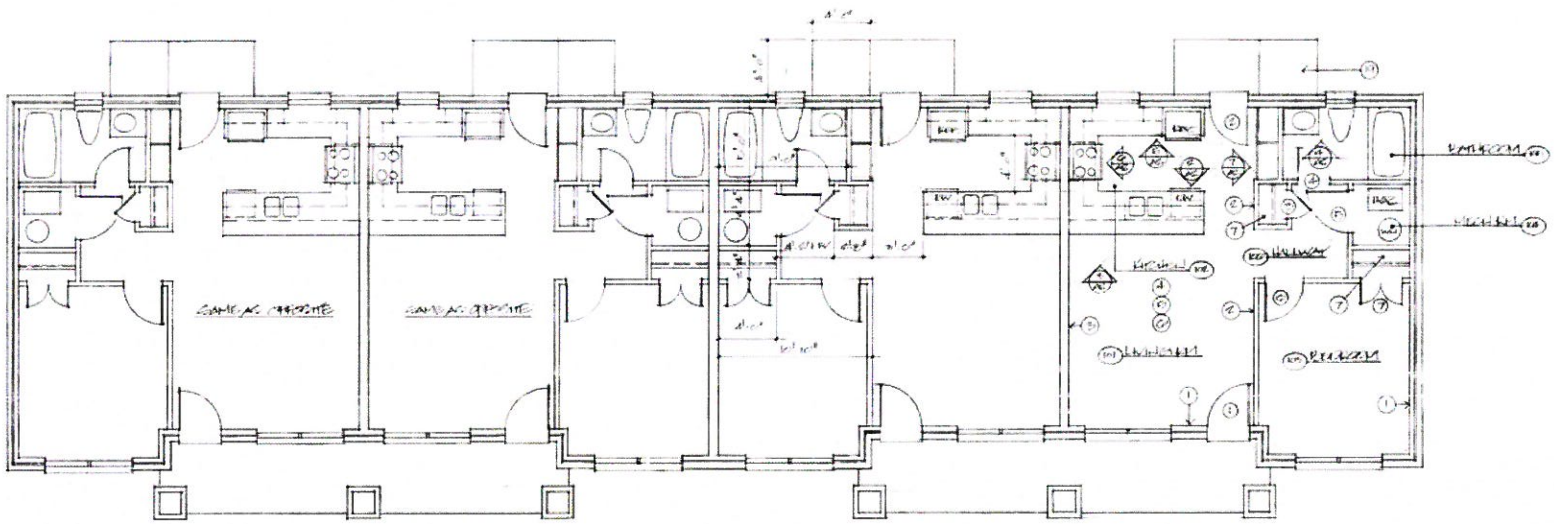
15. CONTRACTOR TO PROVIDE "GREEN BOARD" WATER RESISTANT GYP. BOARD BACKING AT SHOWERS.
16. ALL UNITS TO BE TREATED FOR TERMITES UPON COMPLETION DEMOLITION.
17. N/A ~~PROVIDE CHAIR RAIL IN LIVING/DINING AREAS. INVERTED WOOD CASING. COORDINATE HEIGHT IN FIELD WITH ARCHITECT.~~
18. ALL ROOMS TO RECEIVE SHOE MOULDING (PAINT GRADE)
19. ~~4" TH. X 48" X 48" CONCRETE PAD.~~ PRE-FAB PAD
20. INSTALL FIRE SUPPRESSION SYSTEM AT RANGES IN ALL APTS. "STOVETOP FIRESTOP #676-3" (2) AT EACH APT.
21. INSTALL ATTIC DRAFTSTOP BETWEEN APTS. USE 1/2" GYP BOARD OR 1/2" OSB SHEATHING. SEAL ALL SEAMS. INSTALL FROM CEILING TO ROOF DECK AND SOFFIT TO SOFFIT.
22. AT THE PREVIOUSLY RENOVATED UNITS AS DEPICTED ON PLAN 1-A ON CIVIL PLANS PROVIDE THE FOLLOWING SCOPE OF WORK.
    A. INSTALL FIRE SUPPRESSION SYSTEM BY "STOVETOP FIRESTOP #676-3
    B. ~~INSTALL ADDITIONAL 12" OF INSULATION IN ATTIC~~
    C. ~~PROVIDE DRAFTSTOP WALLS PER NOTE 20 IN THE GENERAL NOTES~~



1/A2 NEW FLOOR PLAN - BUILDING TYPE 'A'

JONES ARCHITECTS, L.L.C.
519 BROAD ST., STE 100, ROME, GA 30161

WILLINGHAM VILLAGE RENOVATION

DCA PROJECT # 2014HN-007

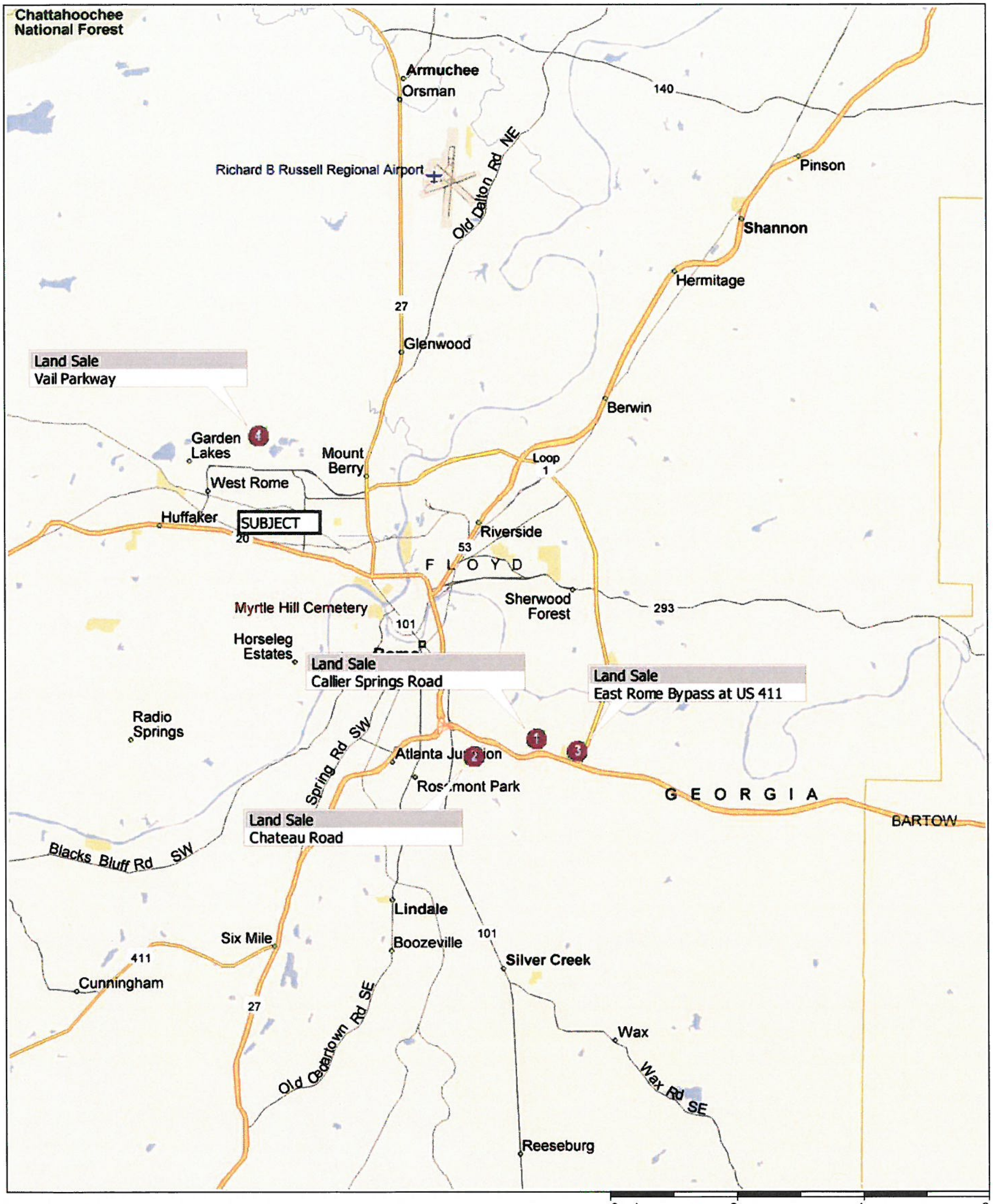
ROME, GEORGIA

WILLINGHAM, LP
344 SOUTH MAIN STREET
FYFFE, ALABAMA

NO.	REVISIONS	DATE
1	ADDENDUM 1	5/6/14
3	ADDENDUM 3	9/5/14

SHEET A2

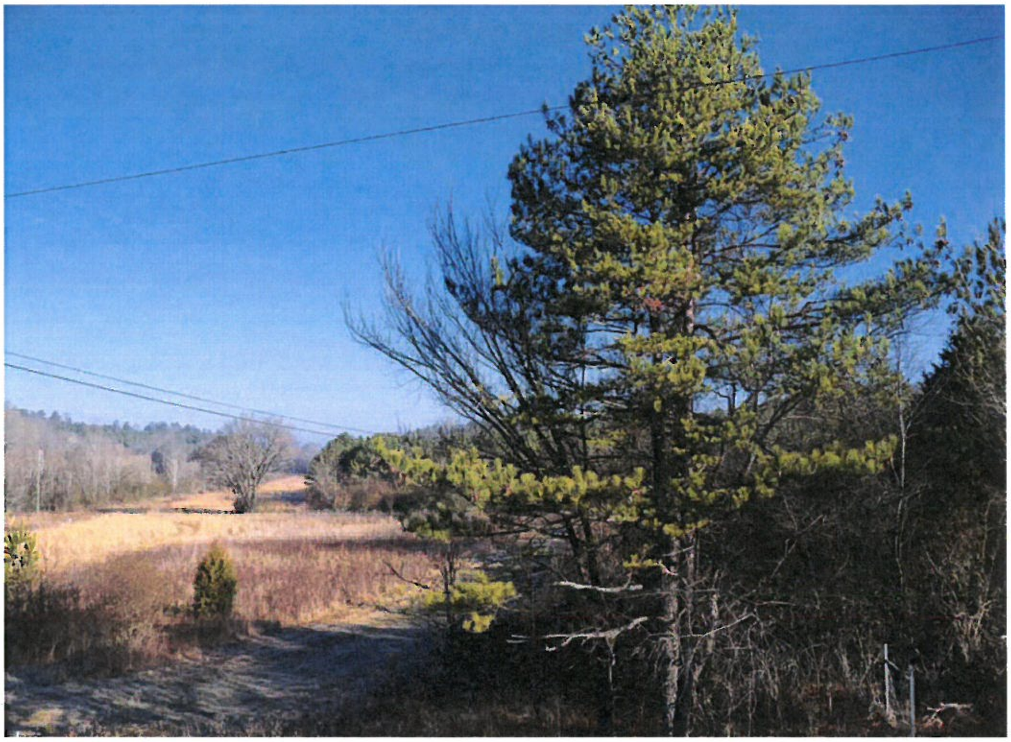
Land Sales



Chattahoochee National Forest
Armuchee
Orsman
140
Richard B Russell Regional Airport
Old Dalton Rd NE
Pinson
Shannon
Hermitage
27
Glenwood
Land Sale
Vail Parkway
Berwin
Garden Lakes
Mount Berry
Loop 1
West Rome
Huffaker
SUBJECT
20
Riverside
53
FLOYD
Sherwood Forest
293
Myrtle Hill Cemetery
101
Horseleg Estates
Land Sale
Callier Springs Road
Land Sale
East Rome Bypass at US 411
Radio Springs
Spring Rd SW
Atlanta Junction
Rosemont Park
GEORGIA
BARTOW
Land Sale
Chateau Road
Blacks Bluff Rd SW
Lindale
Six Mile
Boozeville
101
Silver Creek
411
Cunningham
27
Old Cedartown Rd SE
Wax
Wax Rd SE
Reeseburg
0 mi
2
4
6

Land Sale Comparable – Callier Springs Road

Land Sale Comparable – Chateau Road

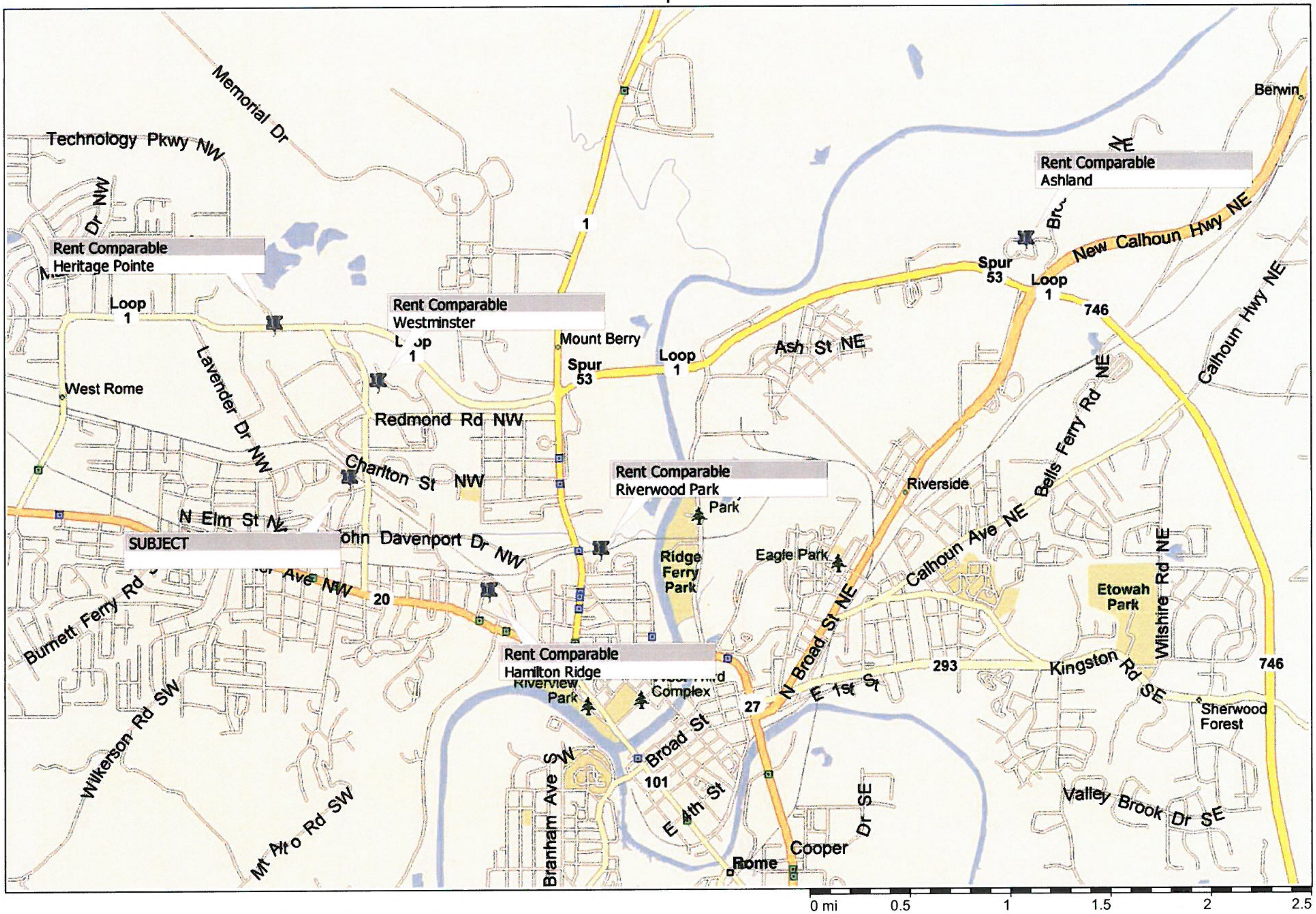


Land Sale Comparable – East Rome Bypass

Land Sale Comparable – Vail Parkway

ADDENDUM F – RENTAL COMPARABLES / LOCATION MAP

Rent Comparables



Multi-Family Lease No. 1

Property Identification	
Record ID	1458
Property Type	Townhomes
Property Name	Westminster
Address	600 Redmond Road, Rome, Floyd County, Georgia 30165
On-Site Manager	Yes
Verification	Tina Schaab; on site, January 16, 2015; Confirmed by Ingrid Ott

Unit Mix

Unit Type	No. of Units	Size SF	Rent/Mo.	Mo. Rent/SF
2BR/1.5BA	88	1,120	$550	$0.49
3BR/2.5BA	16	1,320	$650	$0.49

Occupancy	89%
Total Units	104
Unit Size Range	1120 - 1320
Avg. Unit Size	1,151
Avg. Rent/Unit	$565
Avg. Rent/SF	$0.49

Multi-Family Lease No. 1 (Cont.)

Net SF	119,680

Physical Data

Construction Type	Wood Frame
Electrical	Assumed adequate
HVAC	Pad-mount heat pump
Stories	2
Utilities with Rent	Water, Sewer, Trash Collection
Unit Amenities	Washer/Dryer Connections, Tenants can buy ceiling fans and install
Project Amenities	Outdoor Pool, Playground
Year Built	1970
Condition	Average

Remarks

This is an average quality Class C market rate apartment complex located just west of Division Street along Redmond Road. Access and exposure would be considered average. No concessions are currently being offered. The property accepts Section 8 Vouchers

Multi-Family Lease No. 2

Property Identification

Record ID	1459
Property Type	Garden & Townhomes
Property Name	Heritage Pointe
Address	1349 Redmond Road, Rome, Floyd County, Georgia 30165
On-Site Manager	Yes
Verification	Property Manager; 706-235-0409, January 16, 2015; Laura Branam

Unit Mix

Unit Type	No. of Units	Size SF	Rent/Mo.	Mo. Rent/SF
1BR/1BA	48	750	$480	$0.64
2BR/1BA	40	950	$545	$0.57
2BR/1.5BA	33	1,150	$595	$0.52
3BR/2BA	28	1,160	$630	$0.54

Occupancy	86%
Total Units	149
Unit Size Range	750 - 1160
Avg. Unit Size	925

Multi-Family Lease No. 2 (Cont.)

Avg. Rent/Unit	$530
Avg. Rent/SF	$0.57
Net SF	144,430

Physical Data

Construction Type	Wood Frame with Brick
Electrical	Assumed Adequate
HVAC	Pad Mount
Stories	2
Utilities with Rent	Water, Sewer, Trash Collection
Unit Amenities	Patios/Balconies, Ceiling Fans, Washer/Dryer Connections
Project Amenities	Outdoor Pool, Laundry, Playground
Year Built	1970
Condition	Average

Remarks

This development is a conventional (market rate), average quality Class C market rate apartment complex located on the southern side of Redmond Circle in the western portion of Rome. Access and exposure would be considered average. The property is convenient to public transportation. Security deposit is $200 to $400 depending on credit history of tenant and level of recent renovations to the specific unit. Application fee is $25. Pets under 25lbs are permitted, but there is a $300 pet fee.

Multi-Family Lease No. 3

Property Identification	
Record ID	1460
Property Type	Garden/LIHTC
Property Name	Riverwood Park
Address	525 W 13th Street, Rome, Floyd County, Georgia 30165
Verification	January 16, 2015

Unit Mix

Unit Type	No. of Units	Size SF	Rent/Mo.	Mo. Rent/SF
2BR/2BA	56	1,040	$460	$0.44
3BR/2BA	35	1,207	$495	$0.41

Occupancy	96%
Total Units	91
Unit Size Range	1040 - 1207
Avg. Unit Size	1,104
Avg. Rent/Unit	$473
Avg. Rent/SF	$0.43

Multi-Family Lease No. 3 (Cont.)

Net SF	100,485

Physical Data

Stories	2
Utilities with Rent	Trash Collection
Unit Amenities	Ceiling Fans, Washer/Dryer Connections
Project Amenities	Laundry
Year Built	1998
Condition	Average

Remarks

This average quality Class C apartment complex is located just east of Martha Berry Boulevard (SR-1) just northwest of the Rome CBD. It offers units to families with incomes at, or below 50% & 60% of area median income. Access and exposure would be considered average. The property is convenient to public transportation. No concessions are currently being offered. Security deposit is $350 and application fee is $40 for an individual and $60 for a married couple. Pets are not permitted. Property is all electric.

Multi-Family Lease No. 4

Property Identification

Record ID	1462
Property Type	Garden
Property Name	Hamilton Ridge
Address	72 Hamilton Avenue, Rome, Floyd County, Georgia 30165
Location	NW Georgia
Management Co.	Harvey Given Co.
Verification	Harvey Given Co. - Agent; 706-291-9191, January 16, 2015; Colin Doss, Confirmed by Ingrid Ott

Unit Mix

Unit Type	No. of Units	Size SF	Rent/Mo.	Mo. Rent/SF
1BR/1BA	12	642	$575	$0.90
2BR/2BA	30	1,157	$735	$0.64
3BR/2BA	6	1,425	$880	$0.62

Occupancy	98%
Total Units	48
Unit Size Range	642 - 1425

Multi-Family Lease No. 4 (Cont.)

Avg. Unit Size	1,062
Avg. Rent/Unit	$713
Avg. Rent/SF	$0.67
Net SF	50,964

Physical Data

Construction Type	Masonry / HardiePlank
Electrical	Assumed Adequate
HVAC	Assumed Adequate
Stories	3
Utilities with Rent	Trash Collection
Unit Amenities	Patios/Balconies, Ceiling Fans, Washer/Dryer Connections
Project Amenities	Gated, Storage Units, Garages
Parking	Surface / Garages
Year Built	2003
Condition	Very Good

Remarks

This is a Class A- market-rate apartment complex located along the eastern side of Hamilton Avenue, just north of Shorter Avenue, in Rome, Floyd County, GA. This property is a gated community with a limited amenity package. Access and exposure would be considered good. No concessions are currently being offered and the property reportedly maintains 100% occupancy with a waiting list. The property has garages that rent for $55 per month (10X20) and storage units for $45 (9X10). Rents shown are for 12-month lease. Rents for a six month lease are $615, $810 and $950. The management office is in downtown Rome at 4 E. 6th Street.

Multi-Family Lease No. 5

Property Identification	
Record ID	1671
Property Type	Garden LIHTC
Property Name	Ashland Park Apartments
Address	10 Ashland Park Boulevard, Rome, Floyd County, Georgia 30161
Tax ID	K12Y-014

Verification Office Manager and Assistant; on site, January 16, 2015

Unit Mix

Unit Type	No. of Units	Size SF	Rent/Mo.	Mo. Rent/SF
1BR1BA	18	787	$489	$0.62
1BR1BA PBRA	6	787	$453	$0.58
2BR2BA	70	1,059	$550	$0.52
2BR2BA PBRA	18	1,059	$520	$0.49
3BR2BA	50	1,271	$580	$0.46
3BR2BA PBRA	22	1,271	$593	$0.47

Occupancy 86%

Multi-Family Lease No. 5 (Cont.)

Total Units	184
Unit Size Range	787 - 1271
Avg. Unit Size	1,106
Avg. Rent/Unit	$551
Avg. Rent/SF	$0.50
Net SF	203,592

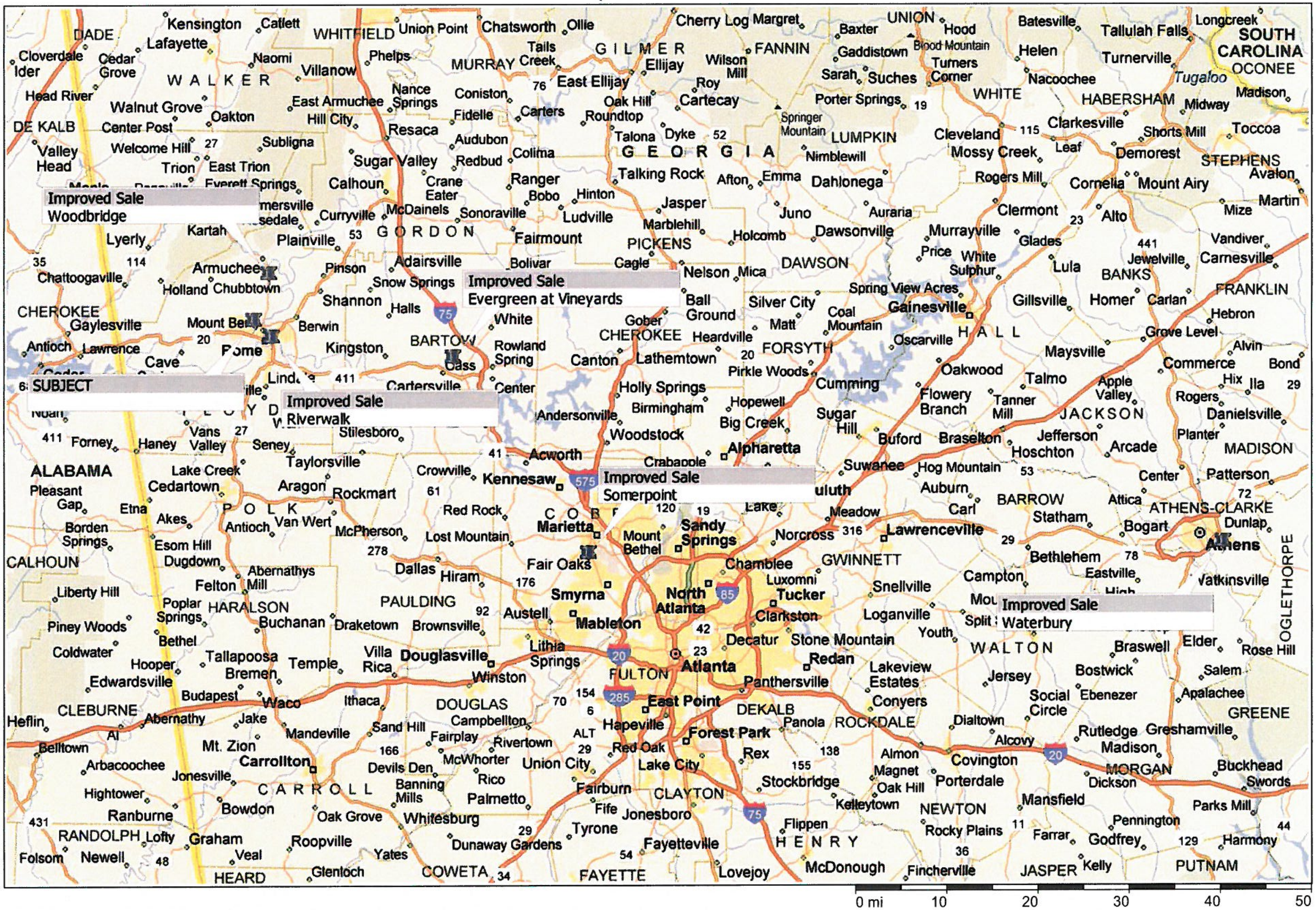
<u>Physical Data</u>	
No. of Buildings	8
Construction Type	Wood Frame, brick and siding exterior
Stories	2 to 3
Utilities with Rent	Trash Collection
Unit Amenities	Patios/Balconies, Ceiling Fans, Washer/Dryer Connections, 18 Detached garage buildings
Project Amenities	Outdoor Pool, Clubhouse, Laundry, Exercise/Fitness, Business Center, Playground, gated entrance
Year Built	2003
Condition	Good

<u>Remarks</u>

Ashland Park apartment complex is a near Class A project that offers rent restricted units. It consists of 184 units and offers one-, two-, and three-bedroom garden style apartment units situated on a 16.052-acre site. The improvements were completed in 2003, and feature wood-frame construction with painted siding and brick veneer accent exteriors, with pitched asphalt shingle roofs. Amenities include a leasing office/clubhouse with a business center, gated entrance, swimming pool, playground, carwash, a gazebo with grill/picnic area, and an activity building with fitness center, laundry facilities, and a children's activities room. The complex also has three detached garage buildings containing a total of 18 spaces/units. The property is subject to requirements under the Low Income Housing Tax Credit (LIHTC) program and includes rent restrictions; 100% of the apartments are tax credit units that are leased to tenants with incomes no greater than 60% of area median. Effective March 10, 2011 46 units became subject to the housing assistance payments (HAP) contract entered into between Northwest Georgia Housing Authority (PHA) and Ashland Park Partners, LP (owner) for a period of five years.

ADDENDUM G – IMPROVED SALE COMPARABLES / LOCATION MAP

Improved Sales



Multi-Family Sale No. 1

Property Identification

Record ID	1049
Property Type	Garden
Property Name	Woodbridge
Address	4469 Martha Berry Highway, Rome, Floyd County, Georgia 30165
Tax ID	J10Y313

Sale Data

Grantor	Dabrad Company, Inc
Grantee	Woodbridge Apartments, LLC
Sale Date	July 02, 2014
Deed Book/Page	2398/486
Property Rights	Leased Fee
Marketing Time	20 months
Conditions of Sale	Arms Length
Verification	KW Commercial; 770-324-5364, October 28, 2014; Jason Free
Sale Price	$1,650,000

Land Data

Land Size	2.110 Acres or 91,912 SF

Multi-Family Sale No. 1 (Cont.)

Unit Mix

Unit Type	No. of Units	Size SF	Rent/Mo.	Mo. Rent/SF
2/2	24	1,100		
3/2.5 TH	4	1,420		

Total Units	28
Avg. Unit Size	1,146
Net SF	32,080

General Physical Data

No. of Buildings	4
Construction Type	Wood Frame / HardiePlank Siding
Electrical	Assumed Adequate
HVAC	Assumed Adequate
Parking	Surface
Stories	2
Utilities with Rent	Water, Sewer, Trash Collection
Unit Amenities	Washer/Dryer Connections, Granite Countertops
Project Amenities	Outdoor Pool
Year Built	2009
Condition	Very Good

Income Analysis

Effective Gross Income	$205,774
Expenses	$82,205
Net Operating Income	$123,569

Indicators

Sale Price/Net SF	$51.43
Sale Price/Unit	$58,929
Occupancy at Sale	95%
EGIM	8.02
Expenses/SF	$2.56 Net
Expenses/Unit	$2,936
Expenses as % of EGI	39.95%
Overall or Cap Rate	7.49%
NOI/SF	$3.85 Net
NOI/Unit	$4,413

Remarks

This 28-unit, Class-B, garden-style apartment complex is located along the west side of Martha Berry Highway in Rome, Floyd County, GA. It sits on a 2.11-acre site. The building improvements consist of four, two-story apartment buildings that were built in 2009. Construction is wood frame with HardiePlank siding exteriors and pitched asphalt shingled roofs. The unit mix includes two- and three-bedroom floor plans that are 1,100 and 1,420 square feet, respectively. Effective rents at the time of sale ranged from $650 to $875 and include water, sewer and trash. Property amenities include a swimming pool. The property was in very good condition at time of sale. Interior finishes are of good quality. Access and exposure are good. The original asking price was $2,000,000 and it was on the market for 20 months. The capitalization rate is based on FY 2013 income and expenses in place at time of sale, not including reserves.

Multi-Family Sale No. 2

<u>Property Identification</u>	
Record ID	1062
Property Type	Garden
Property Name	Waterbury Apartments
Address	1375 College Station Road, Athens, Clarke County, Georgia 30605
Tax ID	182B007H
<u>Sale Data</u>	
Grantor	1375 College Station Road, LLC
Grantee	Waterbury Apartments, LLC
Sale Date	June 30, 2014
Deed Book/Page	4232-201
Property Rights	Fee Simple
Marketing Time	63 Days
Conditions of Sale	Arms Length
Financing	Conventional
Verification	Taylor Bird - MHA; 404.645.7222, December 19, 2014; Other sources: Costar, Confirmed by Jon Reiss
Sale Price	$1,818,000

Multi-Family Sale No. 2 (Cont.)

Land Data	
Land Size	4.090 Acres or 178,160 SF
Avg. Unit Size	609
Net SF	32,256
General Physical Data	
Construction Type	Wood
Electrical	Assumed Adequate
HVAC	Assumed Adequate
Parking	Surface
Stories	One
Year Built	1985
Condition	Average
Income Analysis	
Net Operating Income	$130,532
Indicators	
Sale Price/Leasable SF	$56.36
Sale Price/Unit	$34,302
Occupancy at Sale	94%
Overall or Cap Rate	7.18%
NOI/SF	$4.05 Leasable
NOI/Unit	$2,463

Remarks

This property is located along College Station Road in southeast Athens, Clarke County, GA. The property features 53 units in several one-story cardinal style buildings. There are no property amenities. Complex sold after 63 days on the market at an overall rate of 7.18% based on trailing 3 income and trailing 12 expenses, inclusive of reserves.

Multi-Family Sale No. 3

<u>Property Identification</u>	
Record ID	1067
Property Type	Low Rise
Property Name	Somerpoint
Address	1788 Austell Road, Marietta, Cobb County, Georgia 30008
Tax ID	17013400070; multiple
<u>Sale Data</u>	
Grantor	Seasons SP, LLC
Grantee	Somerpoint Apartments, LLC
Sale Date	February 03, 2014
Deed Book/Page	15136/752
Property Rights	Fee Simple
Marketing Time	2 months
Conditions of Sale	Arms Length
Financing	$4,783,000 (75%)
Verification	Apartment Realty Advisors; 404-495-7306, January 07, 2015; Chad DeFoor
Sale Price	$6,400,000

Multi-Family Sale No. 3 (Cont.)

Land Data	
Land Size	2.300 Acres or 100,188 SF
Zoning	RM12
Topography	Rolling
Utilities	All Typical

Unit Mix

Unit Type	No. of Units	Size SF	Rent/Mo.	Mo. Rent/SF
1/1.0	44	925		
2/1.0	100	975		

Total Units	144
Avg. Unit Size	960
Net SF	138,200
General Physical Data	
Stories	2
Year Built	1971
Condition	Average
Income Analysis	
Net Operating Income	$448,000
Indicators	
Sale Price/Net Rentable SF	$46.31
Sale Price/Unit	$44,444
Occupancy at Sale	92%
Overall or Cap Rate	7%
NOI/SF	$3.24 Net Rentable
NOI/Unit	$3,111

Remarks

This low-rise apartment complex is located along the northwest side of Austell Road, roughly 0.75-mile west of South Cobb Drive. Reportedly, the improvements were renovated in 1996 and were in average condition at time of sale. Access and exposure are average. The reported capitalization rate is based on actual income and expenses at time of sale.

Multi-Family Sale No. 4

Property Identification

Record ID	977
Property Type	Garden
Property Name	Evergreen at the Vineyards
Address	11 Sheffield Place, Cartersville, Bartow County, Georgia 30121
Tax ID	0070-0163-013

Sale Data

Grantor	Evergreen at the Vineyards, LLC
Grantee	Big Vineyards GA, LLC
Sale Date	July 01, 2013
Deed Book/Page	2633-0808
Property Rights	Leased Fee
Marketing Time	7 mos
Conditions of Sale	Arm's Length
Financing	Cash to Seller
Sale Price	$9,424,000

Land Data

Land Size	11.460 Acres or 499,198 SF
Topography	Gently Rolling
Utilities	All Available
Shape	Irregular
Avg. Unit Size	989

Net SF	150,800

General Physical Data

Stories	3
Unit Amenities	Patios/Balconies, Fire places, Ceiling Fans, Washer/Dryer Connections
Project Amenities	Outdoor Pool, Clubhouse, Laundry, Exercise/Fitness
Year Built	1997
Condition	Average

Income Analysis

Net Operating Income	$621,151

Indicators

Sale Price/Net Rentable SF	$62.49
Sale Price/Unit	$62,000
Occupancy at Sale	95%
Overall or Cap Rate	6.59%
NOI/SF	$4.12 Net Rentable
NOI/Unit	$4,087

Remarks

This is the sale of a garden apartment complex in Cartersville, GA. It was built in 1997 and is considered to be in overall average condition. Access and exposure are considered average. It was reported that this complex was originally put on the market in April 2013 at $9,700,000. It was 95% occupied at the time of sale.

Multi-Family Sale No. 5

Property Identification	
Record ID	1055
Property Type	Townhomes
Property Name	Riverwalk Apartments
Address	511 Plaza Place, Rome, Floyd County, Georgia 30161
Sale Data	
Grantor	Peoples Community National Bank
Grantee	511 Plaza Place, LLC
Sale Date	March 28, 2013
Marketing Time	4 Months
Conditions of Sale	REO Sale
Verification	Jason Free - KW Commercial; 770-324-5364, November 20, 2014; Confirmed by Jon Reiss
Sale Price	$445,000
Land Data	
Land Size	2.500 Acres or 108,900 SF

Unit Mix

Unit Type	No. of Units	Size SF	Rent/Mo.	Mo. Rent/SF
1/1	12	650		
2/1.5	6	880		

Total Units	18
Avg. Unit Size	727
Net SF	13,080

Multi-Family Sale No. 5 (Cont.)

General Physical Data	
Construction Type	Brick/Vinyl
Electrical	Assumed Adequate
HVAC	Assumed Adequate
Parking	Surface
Stories	2
Project Amenities	Laundry
Year Built	1976
Condition	Average
Income Analysis	
Net Operating Income	$37,825
Indicators	
Sale Price/Net SF	$34.02
Sale Price/Unit	$24,722
Occupancy at Sale	90%
Overall or Cap Rate	8.5%
NOI/SF	$2.89 Net
NOI/Unit	$2,101

Remarks

This is the sale of an 18-unit, Class-C apartment complex located on the southwest side of Rome, Floyd County, GA. This was a bank owned site that was exposed to the market for four months prior to going under contract. According to the listing agent, it was an arms length transaction and sold for market value at the time. It closed at an 8.50% cap rate based on actual income and expenses at the time of sale.

ADDENDUM H – ENGAGEMENT LETTER

EHA

EVERSON,
HUBER &
ASSOCIATES, LC

Commercial Real Estate Services

3535 Roswell Road, Suite 55
Marietta, Georgia 30062
Phone: (770) 977-3000
Fax: (770) 977-3490

Web Site: www.ehalc.com

PRINCIPALS
Larry A. Everson, MAI, CCIM
Stephen M. Huber

ASSOCIATE APPRAISERS
Timothy P. Huber
Ingrid N. Ott
Jon A. Reiss
Tobin B. Jorgensen
George H. Corry III
A. Mason Carter

RESEARCH
Douglas M. Rivers

ADMINISTRATIVE
Pauline J. Hines

January 31, 2014

Mr. Doug Braden
Northwest Georgia Housing Authority
800 N. 5th Ave NE
Rome, GA 30165

Mr. Paul Robinson
Vantage Development
1544 South Main Street,
Fyffe, AL 35971

RE: Proposal for Self-Contained Appraisal Report of the Existing
Willingham Village - Apartments
12 Brookwood Avenue NW
Rome, Floyd County, Georgia 30165

Dear Mr. Braden and Mr. Robinson,

At your request, we are pleased to submit this letter of engagement to provide a self-contained appraisal report in accordance with the Georgia Department of Community Affairs (DCA) Appraisal Manual of the above referenced property. The purpose of the appraisal is to estimate the current market value of the fee simple interest in the subject "as is" as well as the fee simple interest in the underlying site. The report is intended for use by the Northwest Georgia Housing Authority and Vantage Development as part of a Low Income Housing Tax Credit (LIHTC) application for acquisition/renovation.

Our fee for this assignment is $4,500. Half of the fee is due at the time of engagement as a retainer ($2,250), with the balance due upon completion of the assignment. We will provide to you, or parties designated by you, an electronic draft of the report by February 13, 2014. Upon notification we will subsequently produce three (3) hard copies of the report. Timely delivery of the report is dependant on receipt of the signed engagement letter, retainer, and requested information needed to complete the assignment. The information request list and invoice for retainer follow this engagement letter.

Our compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event, such as the approval of a loan.

Additional work requested by the client beyond the appraisal will be billed at our prevailing hourly rate. This includes, but is not limited to,

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ASSOCIATES, LC

Commercial Real Estate Services

preparation for court testimony, depositions, or other proceedings relevant to our value opinion, and actual time devoted to the proceeding.

The report will be prepared in conformity with, and will be subject to, the requirements of the Code of Professional Ethics and Standards of Professional Conduct of the Appraisal Institute. It will also be prepared in compliance with the requirements of Title XI of the Federal Financial Institution Reform, Recovery and Enforcement Act of 1999 (FIRREA), the requirements of the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation.

Please authorize us to proceed by signing below and returning the document back to me via email (thuber@ehalc.com) or fax (770-977-3490). If you have any questions or wish to discuss this proposal please call me at 770-977-3000, extension 305. We appreciate this opportunity to be of service to you.

Respectfully submitted,

EVERSON, HUBER & ASSOCIATES, LC

Timothy P. Huber

Timothy P. Huber
Certified General Real Property Appraiser
Georgia Certificate No. 6110

AGREED AND ACCEPTED

Sandra Hudson DB — Executive Director

Signature — Title

Sandra Hudson — 2/3/14

Name (type or print) — Date

QUALIFICATIONS OF
TIMOTHY P. HUBER
EVERSON, HUBER & ASSOCIATES, LC

3535 Roswell Road, Suite 55
Marietta, Georgia 30062
(770) 977-3000, Ext. 305
Fax: (770) 977-3490
E-mail: thuber@ehalc.com

EXPERIENCE

Associate Commercial Appraiser with Everson, Huber & Associates LC, since 1996. Prior employers were Ackerman & Company as Director of Research (1994-1996), and McColgan & Company as Research Associate (1993-1994). Appraisals have been performed on virtually all types of commercial real estate. Locations of proper ties appraised include 18 states, but most are concentrated in the Southeast. Major metropolitan areas include such cities as Atlanta, Augusta, Columbus, Macon, Savannah, Albany, GA; Chattanooga, Knoxville, Memphis, Nashville, Jackson, TN; Charlotte, Durham, Greensboro, Raleigh, Winston-Salem, NC; New Orleans, Shreveport, LA; Dallas, Houston, TX; Orlando, Tallahassee, Tampa, FL; Birmingham, Huntsville, AL .; Lexington, KY; Richmond, VA; St. Louis, MO; Cleveland, OH; Indianapolis, IN; and Detroit, MI. Clients have included large and small financial institutions, and government agencies.

EDUCATION

Bachelor of Science, dual Majors in Finance and Economics, Kennesaw State University, Kennesaw, Georgia.

The Appraiser Registration/Licensure Program, Georgia Institute of Real Estate. (This course fulfills the requirements of Chapter 539-2 under Rules and Regulati ons of the Georgia Real Estate Appraisers Board.)

Appraisal Institute courses as follows:

Course 410	Standards of Professional Practice, Part A (USPAP)
Course 420	Standards of Professional Practice, Part B
Course 400	National USPAP Update Course
Course 310	Basic Income Capitalization
Course 320	General Applications
Course 510	Advanced Income Capitalization
Course 520	Highest & Best Use and Market Analysis
Course 540	Report Writing and Valuation Analysis
Course 550	Advanced Applications

CERTIFICATION/ LICENSE

Certified General Real Property Appraiser: State of Georgia - License Number 6110
Certified General Real Property Appraiser: State of Florida - License Number RZ3001
Licensed Real Estate Salesperson: State of Georgia - License Number 174377

PROFESSIONAL

Associate Member of the Appraisal Institute

STATE OF GEORGIA

REAL ESTATE APPRAISERS BOARD

TIMOTHY PATRICK HUBER

6110

IS AUTHORIZED TO TRANSACT BUSINESS IN GEORGIA AS A

CERTIFIED GENERAL REAL PROPERTY APPRAISER

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

D. SCOTT MURPHY
Chairperson

SANDRA MCALISTER WINTER
Vice Chairperson

JEFF A. LAWSON
KEITH STONE
MARILYN R. WATTS

30551150

TIMOTHY PATRICK HUBER

**6110**
Status **ACTIVE**

ORIGINALLY LICENSED
06/06/1997

END OF RENEWAL
06/30/2015

CERTIFIED GENERAL REAL PROPERTY APPRAISER

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

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

WILLIAM L. ROGERS, JR.
Real Estate Commissioner

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QUALIFICATIONS OF
INGRID OTT

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

EXPERIENCE

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

EDUCATION

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

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

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

Appraisal Principles
Appraisal Applications
USPAP

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

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

CERTIFICATION

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

PROFESSIONAL

Candidate for Designation of the Appraisal Institute

STATE OF GEORGIA
REAL ESTATE APPRAISERS BOARD

INGRID N OTT

265709

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D. SCOTT MURPHY
Chairperson

SANDRA MCALISTER WINTER
Vice Chairperson

RONALD M. HECKMAN
JEFF A. LAWSON
KEITH STONE
MARILYN R. WATTS

37225720

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ORIGINALLY LICENSED
09/05/2003

**265709**
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07/31/2015

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