

Integra Realty Resources

Atlanta

Appraisal of Real Property

Columbia Creek Apartments

Multifamily Property

50 E. Sandy Circle

Woodstock, Cherokee County, Georgia 30188

Prepared For:

Dominium Development & Acquisition, LLC

Effective Date of the Appraisal:

November 22, 2016

Report Format:

Appraisal Report – Standard Format

IRR - Atlanta

File Number: 101-2016-0619





Columbia Creek Apartments
50 E. Sandy Circle
Woodstock, Georgia



March 30, 2017

Peter Nelson
Staff Associate
Dominium Development & Acquisition, LLC
2905 Northwest Blvd., Suite 150
Plymouth, MN 55441

SUBJECT: Market Value Appraisal
 Columbia Creek Apartments
 50 E. Sandy Circle
 Woodstock, Cherokee County, Georgia 30188
 IRR - Atlanta File No. 101-2016-0619

Dear Mr. Nelson:

Integra Realty Resources – Atlanta is pleased to submit the accompanying appraisal of the referenced property. The purpose of the appraisal is to develop an opinion of the market value as is of the leased fee interest in the property. As requested, we also estimate the prospective market value upon completion/stabilization as if unencumbered by restricted rents and the prospective market value upon completion/stabilization as encumbered by restricted rents. The client for the assignment is Dominium Development & Acquisition, LLC, and the intended use is for loan underwriting purposes.

The subject is an existing multifamily property containing 172 dwelling units. Of the total 172 units, 9 units are restricted for 50% AMI and 128 units are restricted for 60% AMI tenants. The remainder is unencumbered and is allowed to be rented at market rents. The improvements were constructed in 2001 and are 99% leased as of the effective appraisal date. The site area is 14.709 acres or 640,724 square feet.

The appraisal is intended to conform with the Uniform Standards of Professional Appraisal Practice (USPAP), the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute and applicable state appraisal regulations. The appraisal is also prepared in accordance with the appraisal regulations issued in connection with the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA).

To report the assignment results, we use the Appraisal Report option of Standards Rule 2-2(a) of USPAP. As USPAP gives appraisers the flexibility to vary the level of information in an Appraisal Report depending on the intended use and intended users of the appraisal, we adhere to the Integra Realty Resources internal standards for an Appraisal Report – Standard Format. This format summarizes the information analyzed, the appraisal methods employed, and the reasoning that supports the analyses, opinions, and conclusions.

Based on the valuation analysis in the accompanying report, and subject to the definitions, assumptions, and limiting conditions expressed in the report, our opinion of value is as follows:

Value Conclusions			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value As Is	Leased Fee	November 22, 2016	\$13,200,000
Prospective Market Value Upon Completion/Stabilization As If Unencumbered by Restricted Rents	Leased Fee	December 1, 2017	\$22,100,000
Prospective Market Value Upon Completion/Stabilization As Encumbered by Restricted Rents	Leased Fee	December 1, 2017	\$15,100,000
Land Value- Net of Demolition Costs	Fee Simple	November 22, 2016	\$800,000

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

1. We were not provided a property conditions report, therefore we assume the property does not suffer from significant deferred maintenance that would affect the properties usability as a multifamily property.
2. We were not provided a budget or cost estimate for the renovations to the subject property. Therefore, we assume the current estimate of \$4,730,000 will cover the scope of the renovations which were provided to us in a list and noted in the Planned Capital Expenditures section of this report.

The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition contrary to known fact on the effective date of the appraisal but is supposed for the purpose of analysis.

1. The prospective value upon completion/stabilization as if unencumbered by restricted rents applies a hypothetical condition where the property is unencumbered by its current affordable restrictions under the Section 42 Low Income Housing Tax Credit (LIHTC) program. This is contrary to reality and does not reflect an as is value because the subject property is encumbered by these restricted rents until year 2031.

The opinions of value expressed in this report are based on estimates and forecasts that are prospective in nature and subject to considerable risk and uncertainty. Events may occur that could cause the performance of the property to differ materially from our estimates, such as changes in the economy, interest rates, capitalization rates, financial strength of tenants, and behavior of investors, lenders, and consumers. Additionally, our opinions and forecasts are based partly on data obtained from interviews and third party sources, which are not always completely reliable. Although we are of the opinion that our findings are reasonable based on available evidence, we are not responsible for the effects of future occurrences that cannot reasonably be foreseen at this time.

Peter Nelson
Dominium Development & Acquisition, LLC
March 30, 2017
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If you have any questions or comments, please contact the undersigned. Thank you for the opportunity to be of service.

Respectfully submitted,

Integra Realty Resources - Atlanta

A handwritten signature in black ink that reads "Sherry L. Watkins". The signature is written in a cursive, flowing style.

Sherry L. Watkins, MAI, FRICS, ASA
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Summary of Salient Facts and Conclusions

Property Name	Columbia Creek Apartments
Address	50 E. Sandy Circle Woodstock, Cherokee County, Georgia 30188
Property Type	Multifamily - Other
Owner of Record	Columbia Creek, L.P., et al.
Tax ID	15N17A 075 A
Land Area	14.709 acres; 640,724 SF
Number of Units	172
Gross Building Area	223,055 SF
Rentable Floor Area	211,124 SF
Percent Leased	99%
Year Built	2001
Zoning Designation	DT-MR-A, Medium Density Residential
Highest and Best Use - As if Vacant	Multifamily use
Highest and Best Use - As Improved	Continued multifamily use
Exposure Time; Marketing Period	6 months; 6 months
Date of the Report	March 30, 2017

Value Conclusions

Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value As Is	Leased Fee	November 22, 2016	\$13,200,000
Prospective Market Value Upon Completion/Stabilization As If Unencumbered by Restricted Rents	Leased Fee	December 1, 2017	\$22,100,000
Prospective Market Value Upon Completion/Stabilization As Encumbered by Restricted Rents	Leased Fee	December 1, 2017	\$15,100,000
Land Value- Net of Demolition Costs	Fee Simple	November 22, 2016	\$800,000

The values reported above are subject to the definitions, assumptions, and limiting conditions set forth in the accompanying report of which this summary is a part. No party other than Dominion Development & Acquisition, LLC may use or rely on the information, opinions, and conclusions contained in the report. It is assumed that the users of the report have read the entire report, including all of the definitions, assumptions, and limiting conditions contained therein.

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

1. We were not provided a property conditions report, therefore we assume the property does not suffer from significant deferred maintenance that would affect the properties usability as a multifamily property.
2. We were not provided a budget or cost estimate for the renovations to the subject property. Therefore, we assume the current estimate of \$4,730,000 will cover the scope of the renovations which were provided to us in a list and noted in the Planned Capital Expenditures section of this report.

The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition contrary to known fact on the effective date of the appraisal but is supposed for the purpose of analysis.

1. The prospective value upon completion/stabilization as if unencumbered by restricted rents applies a hypothetical condition where the property is unencumbered by its current affordable restrictions under the Section 42 Low Income Housing Tax Credit (LIHTC) program. This is contrary to reality and does not reflect an as is value because the subject property is encumbered by these restricted rents until year 2031.

General Information

Identification of Subject

The subject is an existing multifamily property containing 172 dwelling units. Of the total 172 units, 9 units are restricted for 50% AMI and 128 units are restricted for 60% AMI tenants. The remainder is unencumbered and is allowed to be rented at market rents. The improvements were constructed in 2001 and are 99% leased as of the effective appraisal date. The site area is 14.709 acres or 640,724 square feet. A legal description of the property is in the addenda.

Property Identification

Property Name	Columbia Creek Apartments
Address	50 E. Sandy Circle Woodstock, Georgia 30188
Tax ID	15N17A 075 A
Owner of Record	Columbia Creek, L.P., et al.

Rent Control Regulations

Columbia Creek currently operates under the Section 42 Low Income Housing Tax Credit (LIHTC) program, and has the following restrictions. Buyer must agree to maintain the affordable restrictions through the extended use period, including operating the property in compliance with state and federal regulatory agreements.

- LIHTC LURA: Restricts 9 units at 50% AMI, 128 units at 60% AMI and the remainders are at market rate. LIHTC LURA further stipulates non-profit material participation in the development throughout the term of this agreement
- 1999 Qualified Allocation Plan: The 1999 Georgia Qualified Allocation Plan requires all the 60% AMI units to be rented at 54% AMI rents for the Credit compliance period of the initial 15 years to year end 2016
INITIAL TCCP ENDS: 2016 FINAL YEAR OF

CHEROKEE COUNTY, GA
(ATLANTA-SANDY SPRINGS-ROSWELL, GA HUD METRO FMR AREA)
2016 4-PERSON AMI: \$67,500

2016 INCOME LIMITS	50% AMI	54% AMI	60% AMI
1 person	\$25,900	\$27,972	\$31,080
2 people	\$29,600	\$31,968	\$35,520
3 people	\$33,300	\$35,964	\$39,960
4 people	\$36,950	\$39,906	\$44,340
5 people	\$39,950	\$43,146	\$47,940
6 people	\$42,900	\$46,332	\$51,480

RESTRICTIONS: 2031

54% RENT & 60% INCOME LIMITS - 128 Units				
BEDROOM SIZE	# UNITS	GROSS RENT	DCA NORTHERN EFF. 7/1/14	MAX RENT
2 Bedroom	89	899.00	169.00	730.00
3 Bedroom	39	1,038.00	216.00	822.00

50% RENT & INCOME LIMITS - 9 Units				
BEDROOM SIZE	# UNITS	GROSS RENT	DCA NORTHERN EFF. 7/1/14	MAX RENT
2 Bedroom	6	832.00	169.00	663.00
3 Bedroom	3	961.00	216.00	745.00



Sale History

The most recent closed sale of the subject is summarized as follows:

Sale Date	November 1, 1999
Seller	Jay Brownlee Jr., et al.
Buyer	Columbia Creek, L.P., et al.
Sale Price	\$334,000
Recording Instrument Number	Cherokee WD Bk 3896 Pg 25
Expenditures Since Purchase	The property has since been improved with multifamily apartments.

To the best of our knowledge, no sale or transfer of ownership has taken place within a three-year period prior to the effective appraisal date.

Pending Transactions

The property is under contract of sale as of the effective appraisal date. Information about the contract is summarized as follows:

Contract Date	November 4, 2016
Seller	Columbia Creek, L.P., et al.
Buyer	Dominium Acquisition, LLC & Columbia Creek Investors, LLC (New General Partners & New General/Limited Partner, respectively)
Sale Price	\$12,700,000
Comments	The sellers are noted as "Existing General Partners" and buyers are noted as "New General and General/Limited Partners". In the LURA contract, it is noted that the ownership has been designated as a Nonprofit-Sponsored project. Therefore a qualified nonprofit must own an interest in the property and materially participate in the development and the operation of the property throughout the term of the agreement.

Our Market Value As Is Encumbered by Restricted Rents conclusion of \$13,100,000 is consistent with the contract price.

Purpose of the Appraisal

The purpose of the appraisal is to develop an opinion of the market value as is of the leased fee interest in the property as of the effective date of the appraisal, November 22, 2016. As requested, we also estimate the prospective market value upon completion/stabilization as if unencumbered by restricted rents of the leased fee interest, as of December 1, 2017. In addition, we estimate the prospective market value upon completion/stabilization as encumbered by restricted rents of the leased fee interest, as of December 1, 2017. The date of the report is March 30, 2017. The appraisal is valid only as of the stated effective date or dates.

Definition of Market Value

Market value is defined as:

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

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- 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.”

(Source: Code of Federal Regulations, Title 12, Chapter I, Part 34.42[g]; also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472)

Definition of As Is Market Value

As is market value is defined as, “The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal’s effective date.”

(Source: Appraisal Institute, The Dictionary of Real Estate Appraisal, 6th ed. (Chicago: Appraisal Institute, 2015); also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77471)

Definition of Property Rights Appraised

Leased fee interest is defined as, “A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord-tenant relationship (i.e., a lease).”

Leasehold interest is defined as, “The tenant’s possessory interest created by a lease.”

Lease is defined as, “A contract in which rights to use and occupy land or structures are transferred by the owner to another for a specified period of time in return for a specified rent.”

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

Intended Use and User

The intended use of the appraisal is for loan underwriting purposes. The client and intended user is Dominion Development & Acquisition, LLC. The appraisal is not intended for any other use or user. No party or parties other than Dominion Development & Acquisition, LLC may use or rely on the information, opinions, and conclusions contained in this report.

Applicable Requirements

This appraisal is intended to conform to the requirements of the following:

- Uniform Standards of Professional Appraisal Practice (USPAP);
- Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute;
- Applicable state appraisal regulations;
- Appraisal requirements of Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA), revised June 7, 1994;
- Interagency Appraisal and Evaluation Guidelines issued December 10, 2010;
- Appraisal guidelines of Dominion Development & Acquisition, LLC.

Report Format

This report is prepared under the Appraisal Report option of Standards Rule 2-2(a) of USPAP. As USPAP gives appraisers the flexibility to vary the level of information in an Appraisal Report depending on the intended use and intended users of the appraisal, we adhere to the Integra Realty Resources internal standards for an Appraisal Report – Standard Format. This format summarizes the information analyzed, the appraisal methods employed, and the reasoning that supports the analyses, opinions, and conclusions.

Prior Services

USPAP requires appraisers to disclose to the client any other services they have provided in connection with the subject property in the prior three years, including valuation, consulting, property management, brokerage, or any other services. We have not performed any 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.

Scope of Work

To determine the appropriate scope of work for the assignment, we considered the intended use of the appraisal, the needs of the user, the complexity of the property, and other pertinent factors. Our concluded scope of work is described below.

Valuation Methodology

Appraisers usually consider the use of three approaches to value when developing a market value opinion for real property. These are the cost approach, sales comparison approach, and income capitalization approach. Use of the approaches in this assignment is summarized as follows:

Approaches to Value		
Approach	Applicability to Subject	Use in Assignment
Cost Approach	Not Applicable	Not Utilized
Sales Comparison Approach	Applicable	Utilized
Income Capitalization Approach	Applicable	Utilized

The **income capitalization approach** is the most reliable valuation method for the subject due to the following:

- The probable buyer of the subject would base a purchase price decision primarily on the income generating potential of the property and an anticipated rate of return.
- Sufficient market data regarding income, expenses, and rates of return, is available for analysis.

The **sales comparison approach** is an applicable valuation method because:

- There is an active market for similar properties, and sufficient sales data is available for analysis.
- This approach directly considers the prices of alternative properties having similar utility.

The **cost approach** is not applicable to the assignment considering the following:

- The age of the property would limit the reliability of an accrued depreciation estimate.
- This approach is not typically used by market participants, except for new or nearly new properties.

Research and Analysis

The type and extent of our research and analysis is detailed in individual sections of the report. This includes the steps we took to verify comparable sales, which are disclosed in the comparable sale profile sheets in the addenda to the report. Although we make an effort to confirm the arms-length nature of each sale with a party to the transaction, it is sometimes necessary to rely on secondary verification from sources deemed reliable.

Inspection

Sherry L. Watkins, MAI, FRICS, ASA, conducted an interior and exterior inspection of the property on November 22, 2016.

Interior inspections included a total of 6 units, representing the following unit types: 2 bed 2 bath and 3 bed 2 bath units being five being occupied and one being vacant and in the process of being turned.

Significant Appraisal Assistance

It is acknowledged that Zach Fraysier (Georgia Registered Real Estate Appraiser 351694) made a significant professional contribution to this appraisal, consisting of conducting research on the subject and transactions involving comparable properties, performing appraisal analyses, and assisting in report writing, under the supervision of the persons signing the report.

Economic Analysis

Cherokee County Area Analysis

Cherokee County is located in northern Georgia approximately 43 miles north of Atlanta. It is 422 square miles in size and has a population density of 565 persons per square mile. Cherokee County is part of the Atlanta-Sandy Springs-Roswell, GA Metropolitan Statistical Area, hereinafter called the Atlanta MSA, as defined by the U.S. Office of Management and Budget.

Population

Cherokee County has an estimated 2016 population of 238,294, which represents an average annual 1.8% increase over the 2010 census of 214,346. Cherokee County added an average of 3,991 residents per year over the 2010-2016 period, and its annual growth rate exceeded the Atlanta MSA rate of 1.4%.

Looking forward, Cherokee County's population is projected to increase at a 1.6% annual rate from 2016-2021, equivalent to the addition of an average of 3,843 residents per year. Cherokee County's growth rate is expected to exceed that of the Atlanta MSA, which is projected to be 1.2%.

	Population			Compound Ann. % Chng	
	2010 Census	2016 Est.	2021 Est.	2010 - 2016	2016 - 2021
Cherokee County	214,346	238,294	257,511	1.8%	1.6%
Atlanta MSA	5,286,728	5,736,343	6,102,347	1.4%	1.2%

Source: The Nielsen Company

Employment

Total employment in Cherokee County is currently estimated at 55,195 jobs. Between year-end 2005 and the present, employment rose by 10,597 jobs, equivalent to a 23.8% increase over the entire period. There were gains in employment in seven out of the past ten years despite the national economic downturn and slow recovery. Cherokee County's rate of employment growth over the last decade surpassed that of the Atlanta MSA, which experienced an increase in employment of 8.2% or 188,078 jobs over this period.

A comparison of unemployment rates is another way of gauging an area's economic health. Over the past decade, the Cherokee County unemployment rate has been consistently lower than that of the Atlanta MSA, with an average unemployment rate of 6.0% in comparison to a 7.2% rate for the Atlanta MSA. A lower unemployment rate is a positive indicator.

Recent data shows that the Cherokee County unemployment rate is 4.1% in comparison to a 5.0% rate for the Atlanta MSA, a positive sign that is consistent with the fact that Cherokee County has outperformed the Atlanta MSA in the rate of job growth over the past two years.

Employment Trends

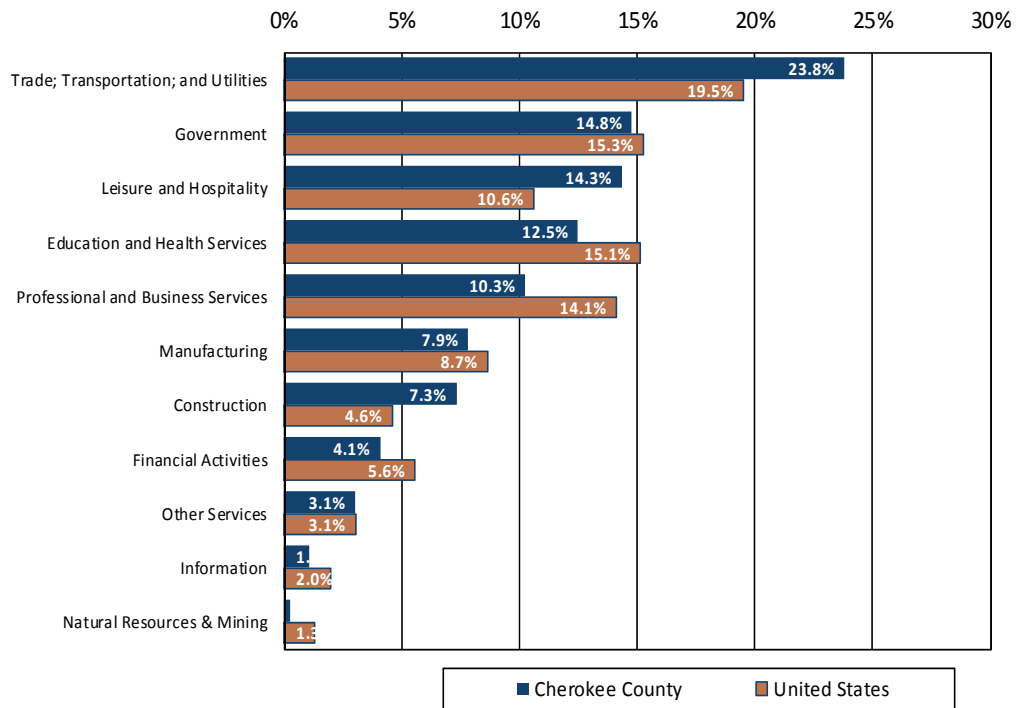
Year	Total Employment (Year End)				Unemployment Rate (Ann. Avg.)	
	Cherokee County	% Change	Atlanta MSA	% Change	Cherokee County	Atlanta MSA
2005	44,598		2,294,133		4.2%	5.4%
2006	48,412	8.6%	2,347,089	2.3%	3.7%	4.7%
2007	48,008	-0.8%	2,367,761	0.9%	3.6%	4.4%
2008	45,985	-4.2%	2,270,752	-4.1%	5.3%	6.2%
2009	43,703	-5.0%	2,150,014	-5.3%	8.9%	9.9%
2010	43,774	0.2%	2,167,155	0.8%	8.8%	10.3%
2011	44,912	2.6%	2,210,116	2.0%	8.2%	9.9%
2012	46,287	3.1%	2,251,291	1.9%	7.1%	8.8%
2013	48,702	5.2%	2,318,359	3.0%	6.2%	7.8%
2014	51,583	5.9%	2,408,012	3.9%	5.5%	6.7%
2015	55,195	7.0%	2,482,211	3.1%	4.6%	5.6%
Overall Change 2005-2015	10,597	23.8%	188,078	8.2%		
Avg Unemp. Rate 2005-2015					6.0%	7.2%
Unemployment Rate - August 2016					4.1%	5.0%

Source: Bureau of Labor Statistics and Economy.com. Employment figures are from the Quarterly Census of Employment and Wages (QCEW). Unemployment rates are from the Current Population Survey (CPS). The figures are not seasonally adjusted.

Employment Sectors

The composition of the Cherokee County job market is depicted in the chart below. A complete data set is not available for the Atlanta MSA, so we will compare Cherokee County to the United States. Total employment for the two areas is broken down by major employment sector, and the sectors are ranked from largest to smallest based on the percentage of Cherokee County jobs in each category.

Employment Sectors - 2015



Source: Bureau of Labor Statistics and Economy.com

Cherokee County has greater concentrations than the United States in the following employment sectors:

1. Trade; Transportation; and Utilities, representing 23.8% of Cherokee County payroll employment compared to 19.5% for the nation overall. This sector includes jobs in retail trade, wholesale trade, trucking, warehousing, and electric, gas, and water utilities.
2. Leisure and Hospitality, representing 14.3% of Cherokee County payroll employment compared to 10.6% for the nation overall. This sector includes employment in hotels, restaurants, recreation facilities, and arts and cultural institutions.
3. Construction, representing 7.3% of Cherokee County payroll employment compared to 4.6% for the nation overall. This sector includes construction of buildings, roads, and utility systems.
4. Unclassified, representing 0.6% of Cherokee County payroll employment compared to 0.2% for the nation overall. 0



Cherokee County is underrepresented in the following sectors:

1. Government, representing 14.8% of Cherokee County payroll employment compared to 15.3% for the nation overall. This sector includes employment in local, state, and federal government agencies.
2. Education and Health Services, representing 12.5% of Cherokee County payroll employment compared to 15.1% for the nation overall. This sector includes employment in public and private schools, colleges, hospitals, and social service agencies.
3. Professional and Business Services, representing 10.3% of Cherokee County payroll employment compared to 14.1% for the nation overall. This sector includes legal, accounting, and engineering firms, as well as management of holding companies.
4. Manufacturing, representing 7.9% of Cherokee County payroll employment compared to 8.7% for the nation overall. This sector includes all establishments engaged in the manufacturing of durable and nondurable goods.

Major Employers

Major employers in Cherokee County are shown in the following table.

Major Employers - Cherokee County	
	Name
1	Bizchair Com
2	Chart, Inc.
3	Dollar Tree Distribution, Inc.
4	Home Depot
5	Northside Hospital
6	Pilgrim's Pride Corporation
7	Publix Super Markets, Inc.
8	The Kroger Company
9	Universal Alloy Corporation
10	Walmart

Source: Georgia Department of Labor Q3 2015

Gross Domestic Product

Gross Domestic Product (GDP) is a measure of economic activity based on the total value of goods and services produced in a defined geographic area. Although GDP figures are not available at the county level, data reported for the Atlanta MSA is considered meaningful when compared to the nation overall, as Cherokee County is part of the MSA and subject to its influence.

Economic growth, as measured by annual changes in GDP, has been somewhat lower in the Atlanta MSA than the United States overall during the past eight years. The Atlanta MSA has grown at a 0.9% average annual rate while the United States has grown at a 1.2% rate. As the national economy improves, the Atlanta MSA has recently performed better than the United States. GDP for the Atlanta MSA rose by 2.9% in 2015 while the United States GDP rose by 2.4%.

The Atlanta MSA has a per capita GDP of \$53,216, which is 7% greater than the United States GDP of \$49,844. This means that Atlanta MSA industries and employers are adding relatively more value to the economy than their counterparts in the United States overall.

Gross Domestic Product				
Year	(\$ Mil)		(\$ Mil)	
	Atlanta MSA	% Change	United States	% Change
2008	285,001		14,718,301	
2009	271,120	-4.9%	14,320,114	-2.7%
2010	272,427	0.5%	14,628,165	2.2%
2011	276,516	1.5%	14,833,679	1.4%
2012	280,911	1.6%	15,126,279	2.0%
2013	285,802	1.7%	15,317,174	1.3%
2014	295,397	3.4%	15,653,000	2.2%
2015	303,903	2.9%	16,023,115	2.4%
Compound % Chg (2008-2015)		0.9%		1.2%
GDP Per Capita 2015	\$53,216		\$49,844	

Source: Bureau of Economic Analysis and Economy.com; data released September 2015. The release of state and local GDP data has a longer lag time than national data. The data represents inflation-adjusted "real" GDP stated in 2009 dollars.

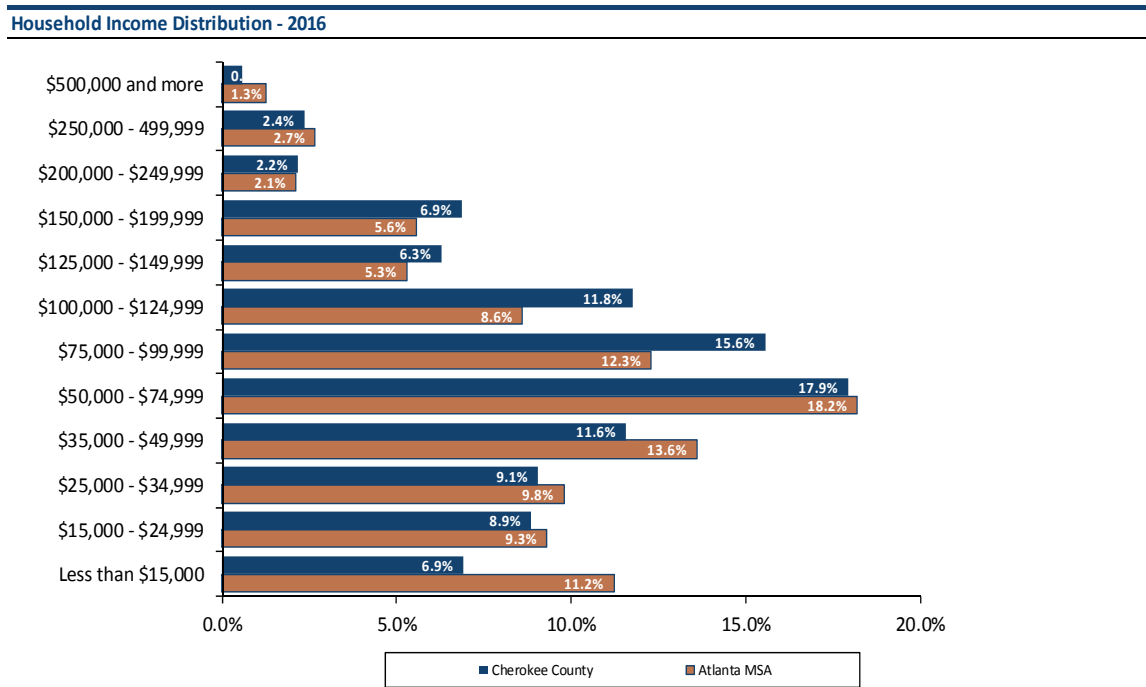
Household Income

Cherokee County is more affluent than the Atlanta MSA. Median household income for Cherokee County is \$68,923, which is 18.2% greater than the corresponding figure for the Atlanta MSA.

Median Household Income - 2016	
	Median
Cherokee County	\$68,923
Atlanta MSA	\$58,310
Comparison of Cherokee County to Atlanta MSA	+ 18.2%

Source: The Nielsen Company

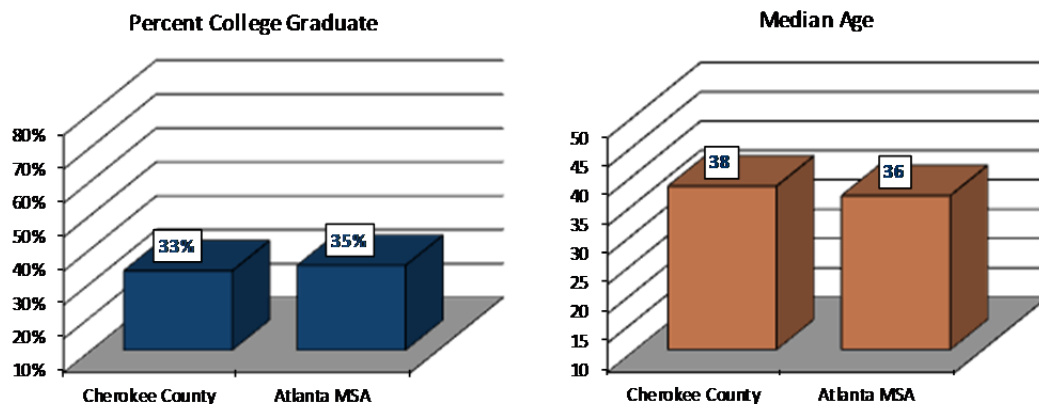
The following chart shows the distribution of households across twelve income levels. Cherokee County has a greater concentration of households in the higher income levels than the Atlanta MSA. Specifically, 46% of Cherokee County households are at the \$75,000 or greater levels in household income as compared to 38% of Atlanta MSA households. A lesser concentration of households is apparent in the lower income levels, as 25% of Cherokee County households are below the \$35,000 level in household income versus 30% of Atlanta MSA households.



Education and Age

Residents of Cherokee County have a slightly lower level of educational attainment than those of the Atlanta MSA. An estimated 33% of Cherokee County residents are college graduates with four-year degrees, versus 35% of Atlanta MSA residents. People in Cherokee County are older than their Atlanta MSA counterparts. The median age for Cherokee County is 38 years, while the median age for the Atlanta MSA is 36 years.

Education & Age - 2016

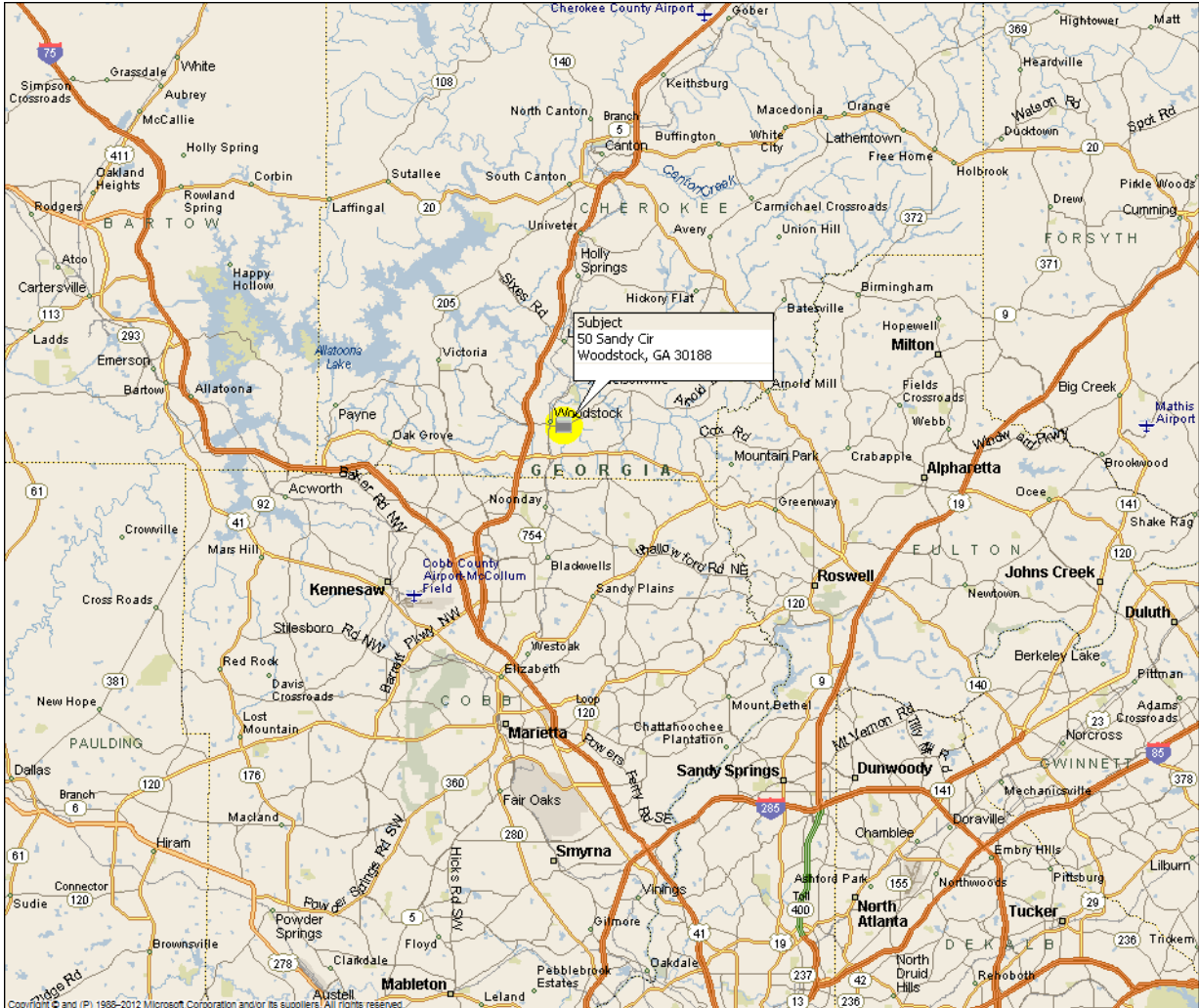


Source: The Nielsen Company

Conclusion

The Cherokee County economy will benefit from a growing population base and a higher level of median household income. Cherokee County experienced growth in the number of jobs and has maintained a consistently lower unemployment rate than the Atlanta MSA over the past decade. Moreover, Cherokee County benefits from being part of the Atlanta MSA, which is the ninth most populous metropolitan area in the country, and generates a higher level of GDP per capita than the nation overall. We anticipate that the Cherokee County economy will grow, strengthening the demand for real estate.

Area Map



Surrounding Area Analysis

Location

The subject is located in Southern Cherokee County approximately two miles from its border with Cobb County. Further delineated, the property is located approximately a half of a mile due east of Downtown Woodstock south of Arnold Mill Road.

Access and Linkages

Primary highway access to the area is via Interstate 575 (I-575) which is just over one mile to the west of the subject property. Overall, the primary mode of transportation in the area is the automobile.

Demand Generators

Woodstock, Georgia is located on the north-side of the Atlanta MSA. Generally, this portion of the MSA is predominately considered commuter areas, which are suburbs from which employees commute to other employment centers to the south. This is evidenced by the disproportionately higher percentage that the Trade/Transportation/Utilities and Leisure/Hospitality sectors represent in the area comparative to the overall Atlanta MSA.

Demographics

A demographic profile of the surrounding area, including population, households, and income data, is presented in the following table.

Surrounding Area Demographics					
2016 Estimates	1-Mile Radius	3-Mile Radius	5-Mile Radius	Atlanta MSA	Cherokee County
Population 2010	5,143	48,368	136,811	5,286,728	214,346
Population 2016	6,097	53,603	146,776	5,736,343	238,294
Population 2021	6,748	57,752	155,409	6,102,347	257,511
Compound % Change 2010-2016	2.9%	1.7%	1.2%	1.4%	1.8%
Compound % Change 2016-2021	2.1%	1.5%	1.1%	1.2%	1.6%
Households 2010	1,902	18,083	48,593	1,943,885	75,936
Households 2016	2,347	20,328	53,116	2,117,123	84,856
Households 2021	2,631	22,011	56,667	2,257,369	91,830
Compound % Change 2010-2016	3.6%	2.0%	1.5%	1.4%	1.9%
Compound % Change 2016-2021	2.3%	1.6%	1.3%	1.3%	1.6%
Median Household Income 2016	\$57,723	\$68,128	\$74,696	\$58,310	\$68,923
Average Household Size	2.6	2.6	2.8	2.7	2.8
College Graduate %	30%	36%	40%	35%	33%
Median Age	36	37	38	36	38
Owner Occupied %	59%	74%	81%	66%	79%
Renter Occupied %	41%	26%	19%	34%	21%
Median Owner Occupied Housing Value	\$180,593	\$186,792	\$198,507	\$183,657	\$222,989
Median Year Structure Built	2000	1996	1993	1992	1999
Avg. Travel Time to Work in Min.	33	36	35	33	35

Source: The Nielsen Company

As shown above, the current population within a 3-mile radius of the subject is 53,603, and the average household size is 2.6. Population in the area has grown since the 2010 census, and this trend is projected to continue over the next five years. Compared to Cherokee County overall, the population within a 3-mile radius is projected to grow at a slower rate.

Median household income is \$68,128, which is lower than the household income for Cherokee County. Residents within a 3-mile radius have a higher level of educational attainment than those of Cherokee County, while median owner occupied home values are considerably lower.

Land Use

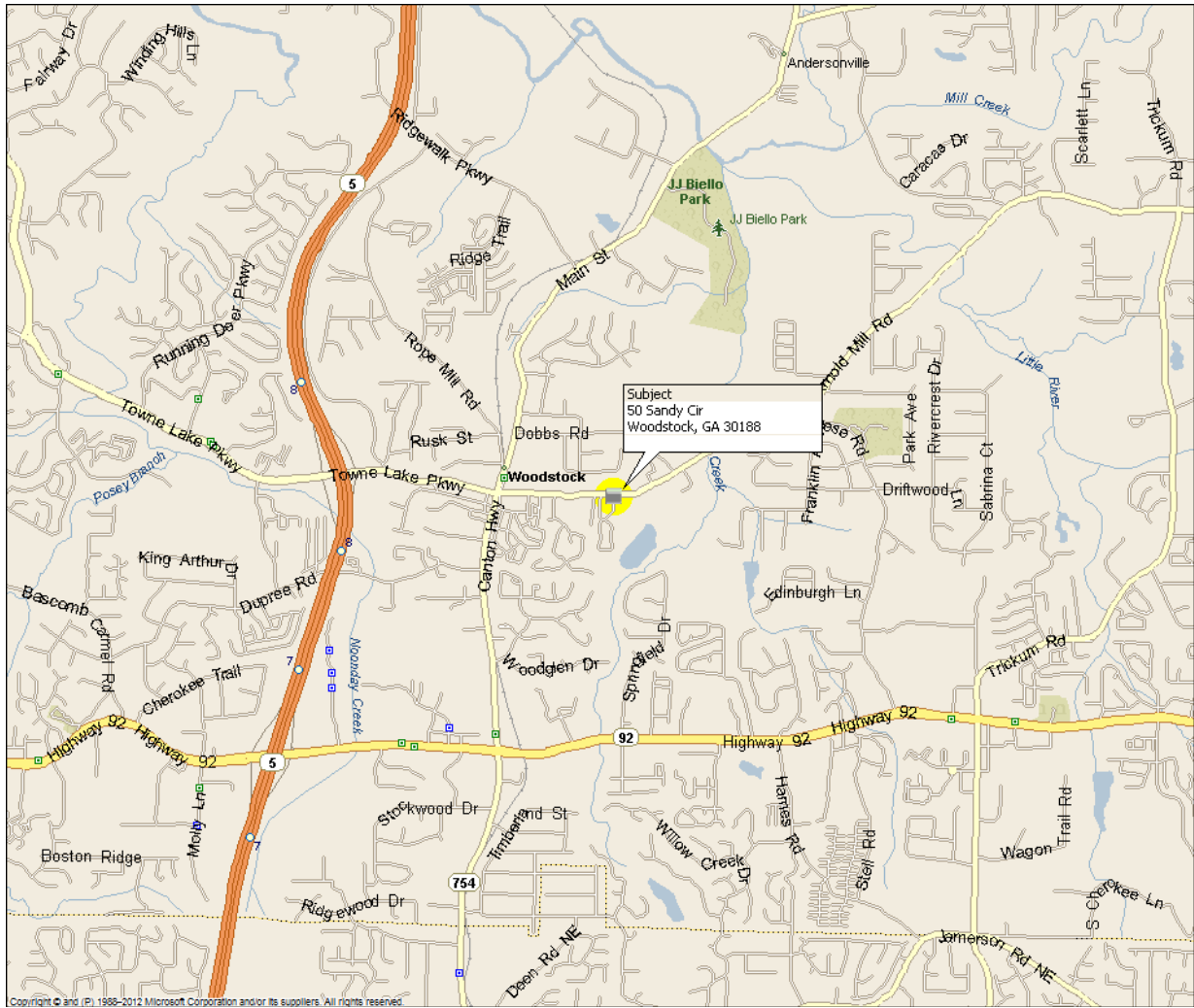
The one mile radius surrounding the subject property is suburban in character and approximately 70% developed.

Land uses immediately surrounding the subject are predominantly single-family residential with some commercial and institutional uses. Woodstock's central business district is located entirely within a one-mile radius of the subject and is approximately one-half of a mile to the west. This area is a pedestrian friendly area with store-fronts and restaurants.

Outlook and Conclusions

The area is in the growth stage of its life cycle. Recent development activity has consisted of The Crestwood at Laurelwood which is a Class A 272 units garden style apartment development completed in April of 2015. The property transacted July 2016 at a 4.75% capitalization rate which reflected \$158,732 per unit. In the past five years, the following has been delivered in this one-mile radius surrounding the subject property: Woodstock West by Walton which is a 308 unit garden-style apartment development built in 2013 which also included 4,834 square feet in store-front retail space and a 8,500 rentable square foot medical office building built in 2011. In addition to the current inventory in this area, there is a Class A 99 unit multi-family property under construction and expected to deliver in January of 2017. We anticipate that property values will increase in the near future.

Surrounding Area Map



Multifamily Market Analysis

Metro Area Overview

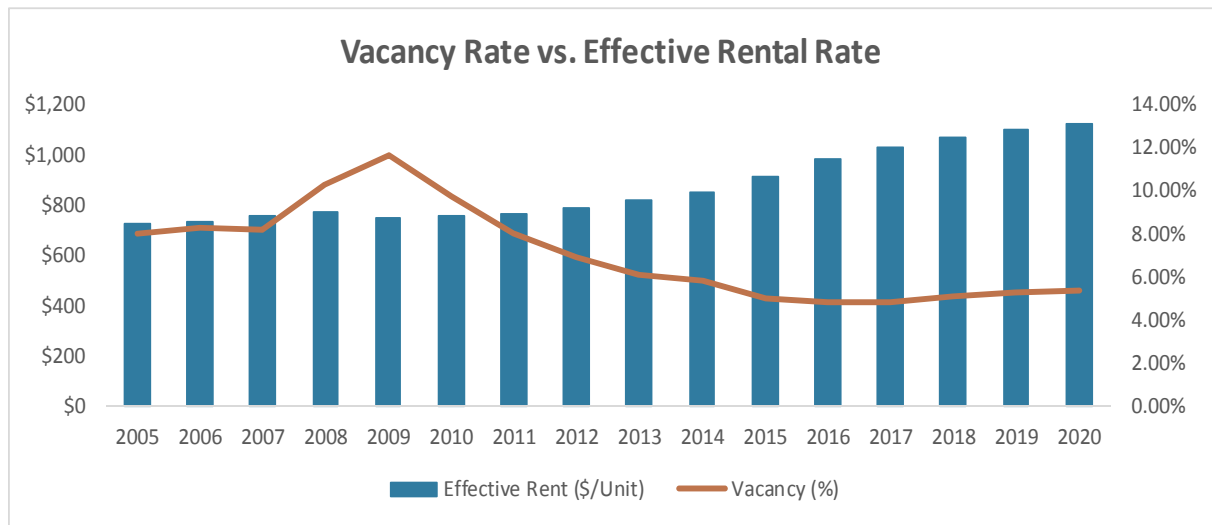
The subject is located in the Atlanta metro area as defined by REIS. Supply and demand indicators, including inventory levels, absorption, vacancy, and rental rates for all classes of space are presented in the ensuing table.

Atlanta Multifamily Market Trends and Forecasts

Year	Inventory (Units)	Occupied (Units)	Vacancy (Units)	Vacancy (%)	Completions (Units)	Absorption (Units)	Effective Rent (\$/Unit)	Effective Rental Rate (% Change)	Gross Revenue (\$/Unit)
2005	339,825	312,675	27,150	8.00%	5,523	7,910	\$725	1.80%	\$753
2006	340,750	312,357	28,393	8.30%	4,405	-318	\$733	1.10%	\$753
2007	345,151	316,829	28,322	8.20%	5,404	4,472	\$759	3.50%	\$775
2008	351,409	315,135	36,274	10.30%	6,802	-1,694	\$769	1.30%	\$773
2009	358,317	316,590	41,727	11.60%	7,006	1,455	\$746	-3.00%	\$746
2010	362,512	327,289	35,223	9.70%	4,491	10,699	\$754	1.20%	\$764
2011	363,447	334,476	28,971	8.00%	2,150	7,187	\$767	1.60%	\$789
2012	364,031	338,834	25,197	6.90%	834	4,358	\$789	2.90%	\$814
2013	366,942	344,597	22,345	6.10%	3,401	5,763	\$818	3.70%	\$849
2014	371,566	349,969	21,597	5.80%	4,888	5,372	\$852	4.20%	\$885
2015	379,163	360,340	18,823	5.00%	7,637	10,371	\$915	7.30%	\$961
Q3 2016	383,935	366,062	17,873	4.70%	1,182	1,327	\$963	1.40%	\$1,017
2016	386,778	368,202	18,576	4.80%	7,615	7,862	\$978	6.90%	\$1,032
2017	392,271	373,331	18,940	4.80%	5,493	5,129	\$1,028	5.10%	\$1,086
2018	396,468	376,396	20,072	5.10%	4,197	3,065	\$1,066	3.70%	\$1,123
2019	400,400	379,012	21,388	5.30%	3,932	2,616	\$1,099	3.10%	\$1,153
2020	402,519	380,654	21,865	5.40%	2,119	1,642	\$1,125	2.40%	\$1,178
2005 - 2015 Average	358,465	329,917	28,547	7.99%	4,776	5,052	\$784	2.33%	\$806

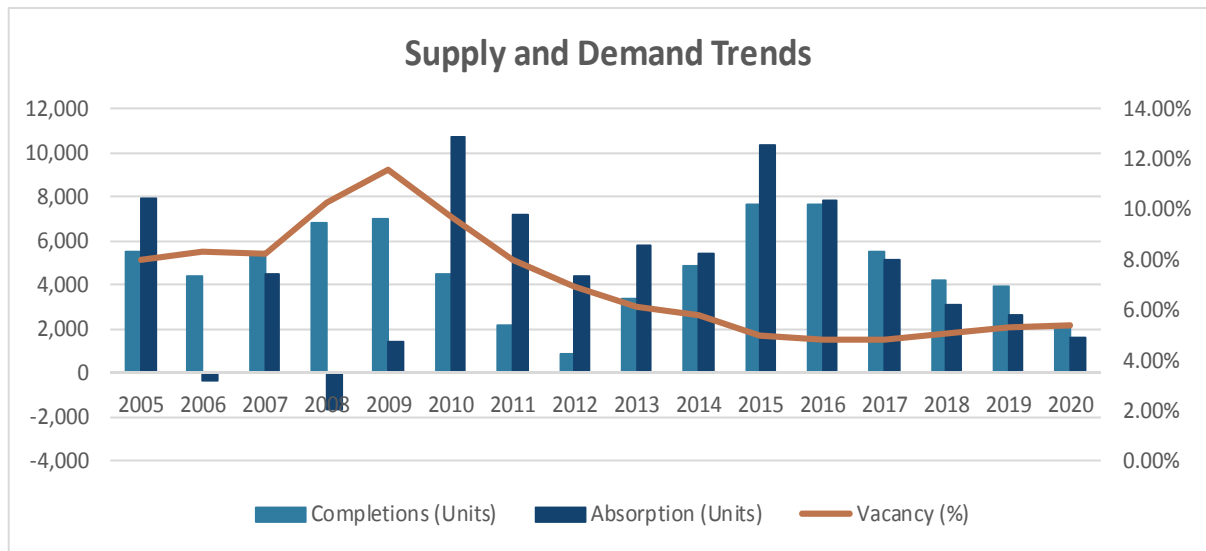
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Market Trends Key Takeaways



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- The current vacancy rate in the metro area is 4.7%; the vacancy rate has decreased by 500 bps from 2010.
- Four-year forecasts project a 5.4% vacancy rate in the metro area, representing an increase of 70 bps by year end 2020.
- Effective rent averages \$963/Unit in the metro area; future rent values are expected to increase by 16.8% to \$1,125/Unit by year end 2020.



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- Inventory in the metro area has increased by 5.9% from 2010, while the occupied stock has increased by 11.8%.
- Between 2010 and 2015, completions have averaged 3,900 Units annually and reached a peak of 7,637 Units in 2015.
- Between 2010 and 2015, absorption figures reached a peak of 10,699 Units in 2010 and a low of 4,358 Units in 2012.

Class B/C Multifamily Market

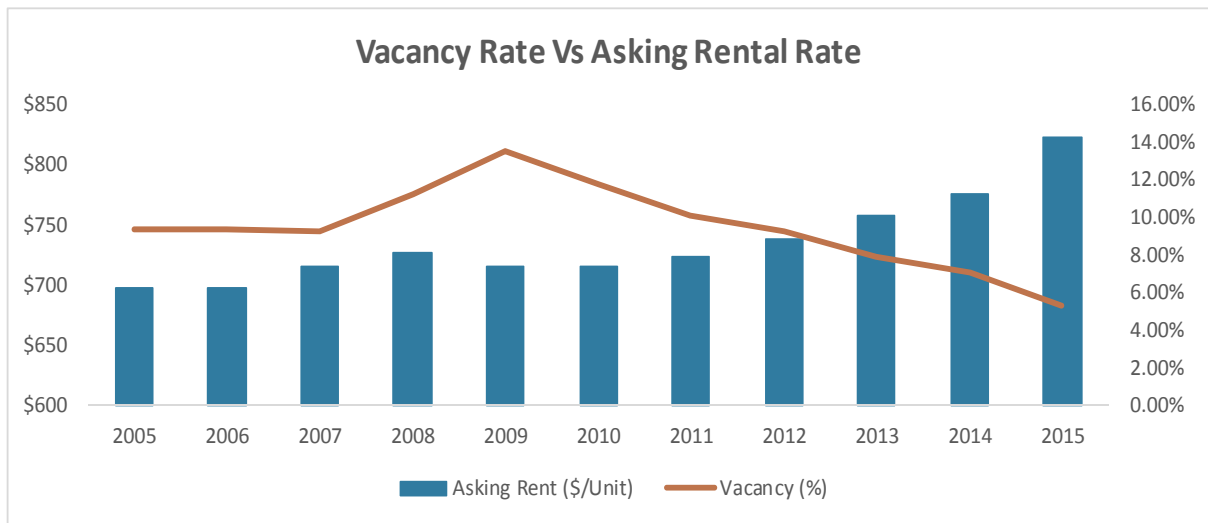
The subject is a Class B property as defined by REIS. Supply and demand indicators, including inventory levels, absorption, vacancy, and rental rates for all Class B/C space in the Atlanta metro area are presented in the following table.

Atlanta Multifamily Class B/C Market Trends

Year	Inventory (Units)	Occupied (Units)	Vacancy (Units)	Vacancy (%)	Completions (Units)	Absorption (Units)	Asking Rent (\$/Unit)	Asking Rental Rate (% Change)	Gross Revenue (\$/Unit)
2005	174,302	158,063	16,239	9.30%	222	306	\$698	0.70%	\$633
2006	171,892	155,767	16,125	9.40%	320	-2,296	\$697	-0.10%	\$632
2007	171,523	155,795	15,728	9.20%	935	28	\$715	2.60%	\$649
2008	172,410	153,179	19,231	11.20%	1,431	-2,616	\$727	1.70%	\$646
2009	173,137	149,786	23,351	13.50%	825	-3,393	\$716	-1.50%	\$619
2010	172,951	152,683	20,268	11.70%	110	2,897	\$716	0.00%	\$632
2011	171,736	154,331	17,405	10.10%	0	1,648	\$723	1.00%	\$650
2012	171,726	156,007	15,719	9.20%	240	1,676	\$738	2.10%	\$670
2013	171,236	157,778	13,458	7.90%	0	1,771	\$757	2.60%	\$698
2014	170,972	158,810	12,162	7.10%	0	1,032	\$776	2.50%	\$721
2015	170,932	161,859	9,073	5.30%	0	3,049	\$823	6.10%	\$779
Q3 2016	170,932	163,109	7,823	4.60%	0	363	\$860	1.20%	\$821
2005 - 2015 Average	172,074	155,823	16,251	9.45%	371	373	\$735	1.61%	\$666

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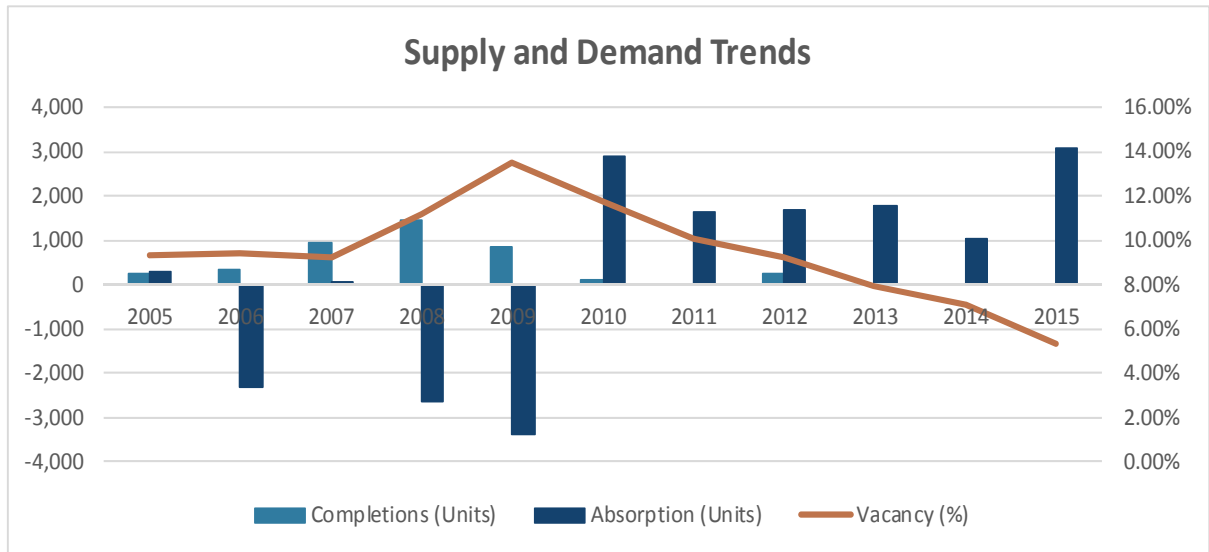
Multifamily Class B/C Market Key Takeaways



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- The current vacancy rate for Class B/C properties in the metro area is 4.6%; the vacancy rate has decreased by 710 bps from 2010.
- Asking rent currently averages \$860/Unit and has increased by 20.1% from 2010.





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- Class B/C metro area inventory has decreased by 1.2% from 2010, while the occupied stock has increased by 6.8%.
- Between 2010 and 2015, completions have averaged 58 Units annually and reached a peak of 240 Units in 2012.
- Between 2010 and 2015, absorption figures reached a peak of 3,049 Units in 2015 and a low of 1,032 Units in 2014.
- Between 2010 and 2015, gross revenue for Class B/C properties in the metro area averaged \$692/Unit and has increased by 26.3%.

Submarket Overview

The subject is located in the Cherokee County submarket. In order to evaluate the market appeal of the subject's submarket in comparison to others in the Atlanta metro area, we compare key supply and demand indicators for all classes of space in the ensuing table.

Atlanta Multifamily Submarket Comparison						
Submarket	Inventory (Buildings)	Inventory (Units)	Asking Rent (\$/Unit)	Vacancy (%)	Free Rent (mos)	Expenses (%)
Roswell/Alpharetta	85	24,777	\$1,179	5.80%	1.19	38.20%
South Fulton	210	33,615	\$841	8.10%	0.70	38.80%
Marietta	156	35,897	\$1,007	3.40%	1.17	38.00%
Sandy Spg/Dunwoody	94	26,002	\$1,107	2.80%	1.01	36.40%
Smyrna	97	24,760	\$1,076	3.20%	1.29	39.70%
North Gwinnett	86	23,306	\$1,073	3.10%	1.29	37.60%
I-20 West	46	9,044	\$873	2.90%	0.75	36.40%
South Gwinnett	117	27,605	\$931	2.50%	1.11	37.30%
I-20 East	56	12,278	\$876	1.90%	1.01	34.90%
Clarkston/Stn Mtn	81	17,210	\$845	6.00%	1.06	38.70%
South DeKalb	21	4,845	\$769	6.50%	1.38	37.80%
Decatur/Avondale	99	17,176	\$990	6.80%	1.58	38.20%
Buckhead	100	24,096	\$1,523	6.70%	1.33	38.40%
North DeKalb	178	37,014	\$1,206	4.80%	1.11	37.90%
Midtown	102	19,661	\$1,523	6.80%	1.65	38.50%
Central I-75 West	57	9,963	\$1,183	4.90%	0.94	37.70%
Clayton/Henry	170	31,460	\$870	3.80%	1.17	37.70%
Cherokee County	28	5,226	\$1,028	2.60%	0.58	36.10%
Market Averages/Totals	1,783	383,935	\$1,050	4.65%	1.13	37.68%

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Cherokee County Submarket Snapshot

- The submarket contains 1.6% of the metro building inventory and 1.4% of the metro unit inventory.
- The submarket's asking rent is \$1,028/Unit which is less than the metro average of \$1,050/Unit.
- The submarket's vacancy rate is 2.60% which is less than the metro average of 4.65%.
- Operating expenses, as a percent of potential rent revenue, average 36.1% in the submarket compared to 37.7% for the overall metro area.
- Average free rent in the subject property's submarket is less than the free rent for the metro area.

In comparison to other submarkets in the region, the Cherokee County submarket is rated as follows:

Submarket Attribute Ratings

Market Size/Stature	Below Average
Market Demand	Stable
Vacancy Trends	Decreasing
Threat of New Supply	Average
Rental Trends	Increasing

Submarket Analysis

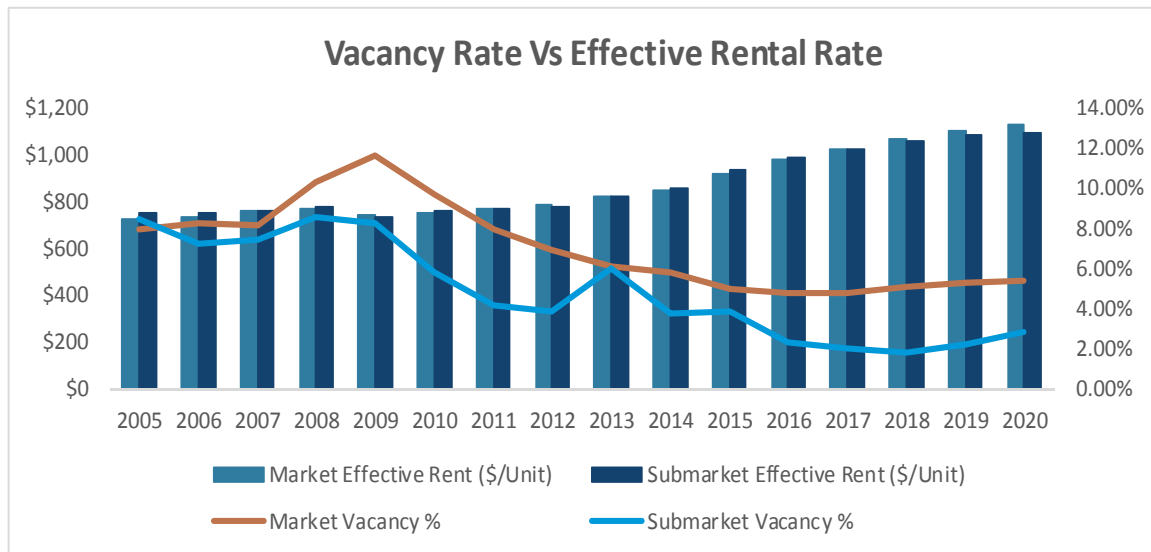
Supply and demand indicators for all classes of space in the Cherokee County submarket are displayed in the following table.

Cherokee County Multifamily Submarket Trends and Forecasts

Year	Inventory (Units)	Occupied (Units)	Vacancy (Units)	Vacancy (%)	Completions (Units)	Absorption (Units)	Effective Rent (\$/Unit)	Effective Rental Rate (% Change)	Gross Revenue (\$/Unit)
2005	3,711	3,396	315	8.50%	234	347	\$756	0.50%	\$758
2006	3,711	3,444	267	7.20%	0	48	\$753	-0.40%	\$764
2007	4,075	3,773	302	7.40%	364	329	\$759	0.80%	\$761
2008	4,217	3,854	363	8.60%	142	81	\$774	2.00%	\$767
2009	4,217	3,867	350	8.30%	0	13	\$734	-5.20%	\$730
2010	4,217	3,972	245	5.80%	0	105	\$763	3.90%	\$768
2011	4,217	4,040	177	4.20%	0	68	\$768	0.70%	\$786
2012	4,217	4,053	164	3.90%	0	13	\$781	1.80%	\$797
2013	4,679	4,398	281	6.00%	462	345	\$819	4.90%	\$820
2014	4,679	4,506	173	3.70%	0	108	\$857	4.50%	\$873
2015	4,951	4,758	193	3.90%	272	252	\$938	9.50%	\$950
Q3 2016	5,226	5,090	136	2.60%	0	29	\$978	2.00%	\$1,001
2016	5,226	5,106	120	2.30%	275	348	\$991	5.70%	\$1,016
2017	5,226	5,121	105	2.00%	0	15	\$1,026	3.50%	\$1,051
2018	5,226	5,132	94	1.80%	0	11	\$1,058	3.10%	\$1,083
2019	5,226	5,111	115	2.20%	0	-21	\$1,082	2.30%	\$1,105
2020	5,226	5,080	146	2.80%	0	-31	\$1,095	1.20%	\$1,109
2005 - 2015 Average	4,263	4,006	257	6.14%	134	155	\$791	2.09%	\$798

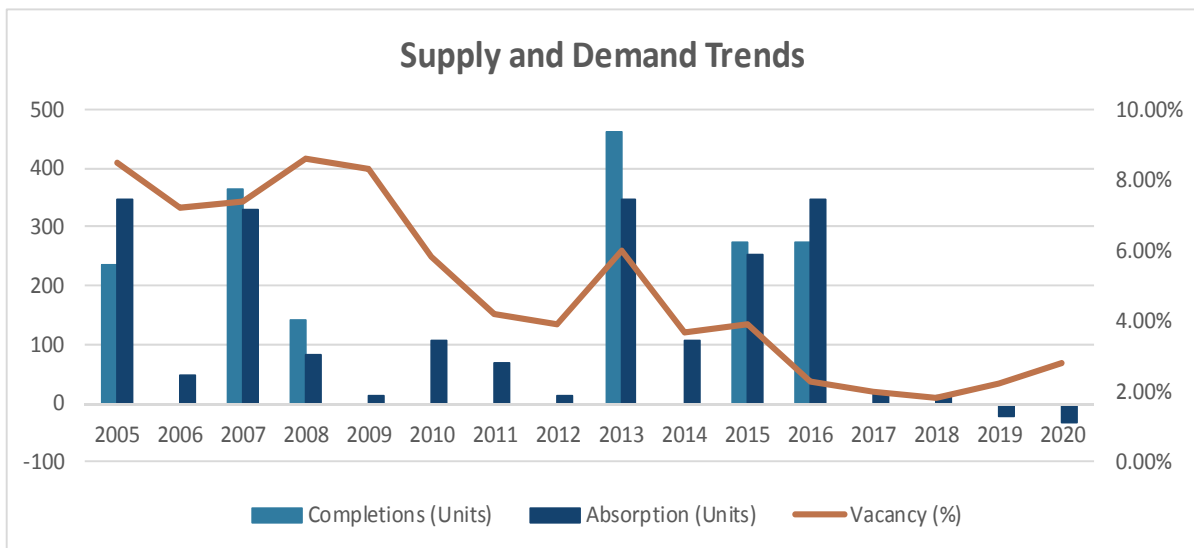
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Cherokee County Submarket Multifamily Trends and Forecasts Key Takeaways



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- The current vacancy rate in the submarket is 2.6%; the vacancy rate has decreased by 320 bps from 2010.
- Four-year forecasts project a 2.80% vacancy rate in the submarket, representing an increase of 20 bps by year end 2020.
- Effective rent averages \$978/Unit in the submarket; future rent values are expected to increase by 12.0% to \$1,095/Unit by year end 2020.



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- The current inventory level of 5,226 Units is expected to remain constant through year end 2020.
- The inventory in the submarket has increased by 23.9% from 2010, while the occupied stock has increased by 28.1%.
- Between 2010 and 2015, completions have averaged 122 Units annually and reached a peak of 462 Units in 2013.
- Between 2010 and 2015, absorption figures reached a peak of 345 Units in 2013 and a low of 13 Units in 2012.

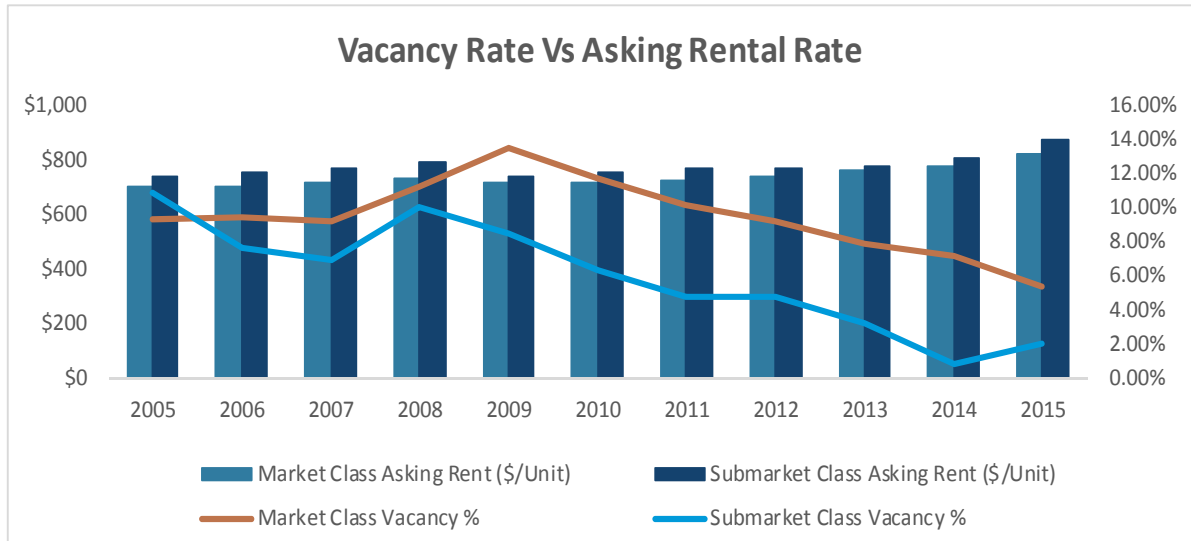
Cherokee County Submarket Class B/C Trends

Supply and demand indicators, including inventory levels, absorption, vacancy, and rental rates for Class B/C space in the submarket are presented in the ensuing table.

Cherokee County Multifamily Class B/C Submarket Trends									
Year	Inventory (Units)	Occupied (Units)	Vacancy (Units)	Vacancy (%)	Completions (Units)	Absorption (Units)	Asking Rent (\$/Unit)	Asking Rental Rate (% Change)	Gross Revenue (\$/Unit)
2005	1,836	1,637	199	10.80%	64	127	\$741	0.70%	\$661
2006	1,836	1,696	140	7.60%	0	59	\$751	1.30%	\$694
2007	2,200	2,049	151	6.90%	364	353	\$764	1.70%	\$712
2008	2,342	2,108	234	10.00%	142	59	\$787	3.00%	\$708
2009	2,342	2,146	196	8.40%	0	38	\$740	-6.00%	\$678
2010	2,342	2,195	147	6.30%	0	49	\$751	1.50%	\$704
2011	2,342	2,232	110	4.70%	0	37	\$768	2.30%	\$732
2012	2,342	2,231	111	4.70%	0	-1	\$770	0.30%	\$734
2013	2,342	2,268	74	3.20%	0	37	\$775	0.60%	\$751
2014	2,342	2,323	19	0.80%	0	55	\$807	4.10%	\$800
2015	2,342	2,296	46	2.00%	0	-27	\$876	8.60%	\$859
Q3 2016	2,342	2,301	41	1.80%	0	10	\$899	0.40%	\$883
2005 - 2015 Average	2,237	2,107	130	5.95%	52	71	\$775	1.65%	\$730

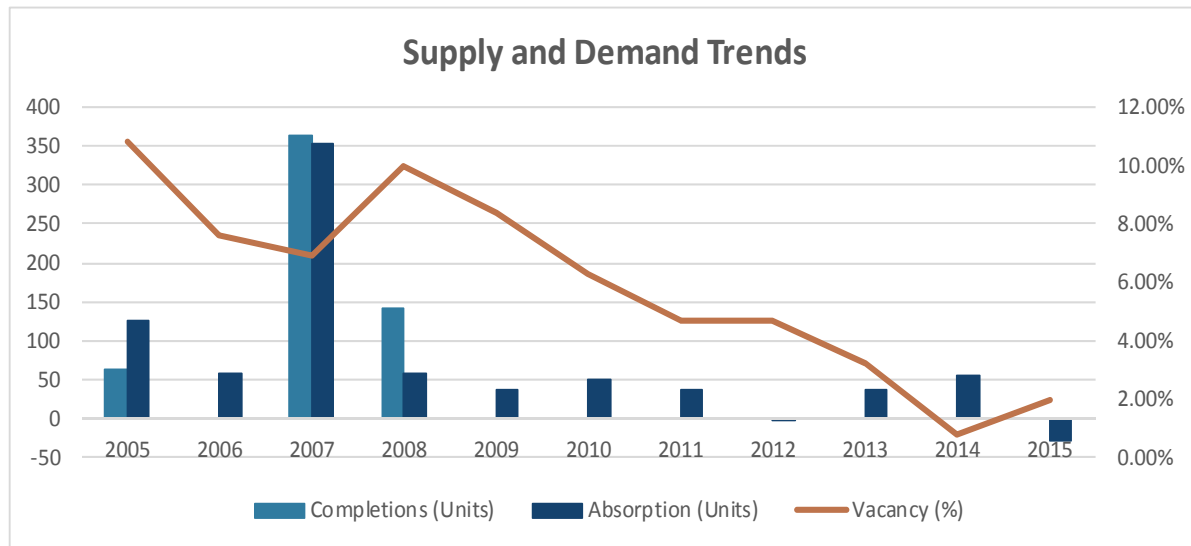
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Cherokee County Submarket Class B/C Trends Key Takeaways



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- The current vacancy rate for Class B/C properties in the submarket is 1.8%; the vacancy rate has decreased by 450 bps from 2010.
- Asking rent currently averages \$899/Unit and has increased by 19.7% from 2010.



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- Class B/C inventory in the submarket has remained constant from 2010, while the occupied stock has increased by 4.8%.
- There have not been any Class B/C completions in the submarket between 2010 and 2015.



- Between 2010 and 2015, absorption figures reached a peak of 55 Units in 2014 and a low of - 27 Units in 2015.
- Between 2010 and 2015, gross revenue for Class B/C properties in the submarket averaged \$763/Unit and has increased by 20.7%.

New and Proposed Construction

The following table summarizes properties that are under construction, planned, and/or proposed in the subject's metro area.

Atlanta Multifamily Construction by Phase and Subtype

Multifamily Subproperty Type	Under Construction		Planned Construction		Proposed Construction	
	Properties	Units	Properties	Units	Properties	Units
Apartment	59	15,338	49	15,433	65	17,012
Condominiums	3	284	7	1,130	9	1,184
Subsidized/Low Income	2	203	1	85	0	0
Townhomes	11	840	6	749	14	1,144
Other	0	0	0	0	1	95
N/A	0	0	0	0	0	0
Totals	75	16,665	63	17,397	89	19,435

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Multifamily Market Construction Key Takeaways

- There are 75 properties under construction, 63 properties in the planned construction phase, and 89 properties in the proposed construction phase in the metro area.
- Apartment properties within the under construction phase have an average size of 260 units and range in size between 60 units and 531 units.
- Apartment properties within the planned construction phase have an average size of 315 units and range in size between 20 units and 850 units.
- Apartment properties within the proposed construction phase have an average size of 262 units and range in size between 10 units and 1,156 units.
- Of the 16,665 units under construction, 92.0% are Apartment properties, 1.7% are Condominium properties, and 5.0% are Townhome properties.
- Of the 17,397 units planned for construction, 88.7% are Apartment properties, 6.5% are Condominium properties, and 4.3% are Townhome properties.
- Of the 19,435 units proposed for construction, 87.5% are Apartment properties, 6.1% are Condominium properties, and 5.9% are Townhome properties.

The following table summarizes properties that are under construction, planned, and/or proposed in the subject's submarket.

Cherokee County Submarket Construction by Phase and Subtype

Multifamily Subproperty Type	Under Construction		Planned Construction		Proposed Construction	
	Properties	Units	Properties	Units	Properties	Units
Apartment	1	89	1	54	0	0
Condominiums	0	0	0	0	0	0
Subsidized/Low Income	0	0	0	0	0	0
Townhomes	0	0	0	0	0	0
Other	0	0	0	0	0	0
N/A	0	0	0	0	0	0
Totals	1	89	1	54	0	0

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Comparable Property Analysis

Most relevant to the subject is the demand and supply of its comparable properties (as defined by REIS) as well as directly competing properties (i.e., peer group). A summary of the comparable and directly competing multifamily properties considered for the subject is shown in the ensuing tables.

Average Submarket Lease Terms

Submarket Free Rent	Submarket Expense Ratio
0.58	36.1

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Comparable Group Summary Stats*

	Low	Mean	Median	High
Current Asking Rent/Unit (\$)	720	1,164	1,117	1,419
Current Vacancy Rate (%)	0.0	1.3	1.0	5.0
Property Size (units)	40	223	224	501
Year Built	1987	2003	2002	2016

*Historical trends include only properties in the Comp Group that have at least five full years of history; aggregated data on rents and vacancies displayed in other tables may therefore not match precisely.

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Comparable Group Summary Stats*

	Studio	1BR	2BR	3BR
Current Asking Rent/Unit (\$)	650	1,024	1,200	1,365
Unit Size (SF)	288	817	1,170	1,454
Units	1	77	107	38
Current Asking Rent/SF	2.26	1.26	1.03	0.96

*Historical trends include only properties in the Comp Group that have at least five full years of history; aggregated data on rents and vacancies displayed in other tables may therefore not match precisely.

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Comparable Property Summary

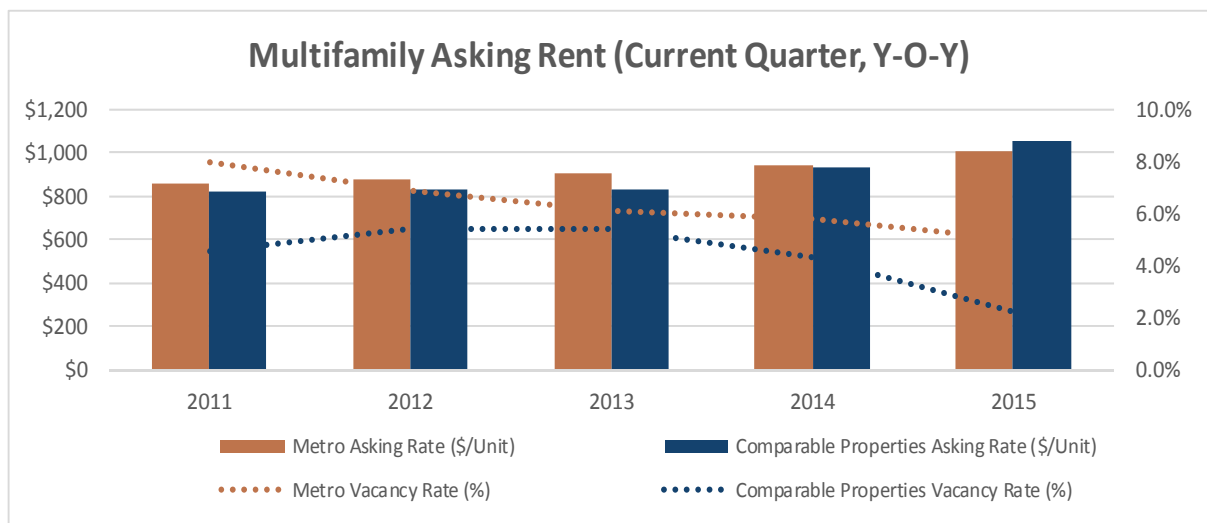
- Average lease terms for comparable properties in the metro area consists of free rent of 0.58 months/lease and an operating expense ratio of 36.1.
- Vacancy rates range between 0.00% and 5.00% with an average vacancy rate of 1.30% across the comparable property set.
- Asking rents range between \$720/Unit and \$1,419/Unit with an average asking rent of \$1,164/Unit.
- A studio, 1BR, 2BR, and 3BR command asking rents of \$650/Unit, \$1,024/Unit, \$1,200/Unit, and \$1,365/Unit respectively.
- A studio, 1BR, 2BR, and 3BR are sized 288 SF, 817 SF, 1,170 SF, and 1,454 SF respectively.
- The comparable properties in the metro area were built between 1987 and 2016.

Multifamily Comparable Property Performance Summary

Year	Quarter	Metro Performance*		Submarket Performance*		Comparable Properties Performance*	
		Asking Rent/Unit (\$)	Vacancy Rate (%)	Asking Rent/Unit (\$)	Vacancy Rate (%)	Asking Rent/Unit (\$)	Vacancy Rate (%)
2011	4	857	8.0	820	4.2	826	4.6
2012	4	874	6.9	829	3.9	828	5.4
2013	4	904	6.1	873	6.0	835	5.4
2014	4	940	5.8	906	3.7	932	4.3
2015	4	1012	5.0	988	3.9	1051	2.2
2015	3	995	5.7	983	4.3	1042	2.5
2015	4	1012	5.0	988	3.9	1051	2.2
2016	1	1033	5.0	990	3.6	1057	1.9
2016	2	1052	4.7	1009	3.2	1093	1.3
2016	3	1067	4.7	1028	2.6	1122	1.1

*Historical trends include only properties in the Comp Group that have at least five full years of history; aggregated data on rents and vacancies displayed in other tables may therefore not match precisely.

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Multifamily Comparable Properties

Property Name	County	Submarket	Size (units)	Year built	Class	Current Asking Rent	Vacancy Rate (%)
Bell Woodstock Phi & Ii	Cherokee County	Cherokee County	496	2000	A	\$1,278	0.40%
Heritage At Riverstone	Cherokee	Cherokee County	238	2001	BC	\$1,014	0.42%
Park At Towne Lake	Cherokee	Cherokee County	242	1998	A	\$1,290	1.65%
Ridgewalk Apartments	Cherokee	Cherokee County	135	2005	A	\$1,059	1.48%
The Crest At Laurelwood	Cherokee County	Cherokee County	270	2015	A	\$1,310	0.37%
Lancaster Ridge Apartments	Cherokee	Cherokee County	144	1995	BC	\$1,071	4.17%
Canterbury Ridge	Cherokee	Cherokee County	212	1999	BC	\$1,107	1.89%
Sky Ridge Apartments	Cherokee	Cherokee County	120	1987	BC	\$720	0.00%
Walden Pond Apartments	Cherokee	Cherokee County	124	2002	BC	\$777	0.81%
Walden Crossing Apartments	Cherokee County	Cherokee County	264	2002	BC	\$1,137	1.14%
Terraces At Towne Lake	Cherokee	Cherokee County	501	1997	BC	\$1,067	3.59%
Harbor Creek Ph I+Ii	Cherokee	Cherokee County	414	2004	BC	\$1,352	1.69%
Park 9	Cherokee County	Cherokee County	275	2016	A	\$1,210	1.09%
Avonlea At Towne Lake Ph Ii	Cherokee	Cherokee County	154	2013	A	\$1,181	0.00%
Avonlea At Towne Lake	Cherokee	Cherokee County	247	2000	A	\$1,185	0.00%
Alexander Ridge	Cherokee	Cherokee County	98	2002	BC	\$1,003	1.02%
River Ridge At Canton	Cherokee	Cherokee County	55	2008	BC	\$808	0.00%
The Height At Towne Lake	Cherokee	Cherokee County	194	2001	A	\$1,157	1.03%
Riverview Apartments	Cherokee County	Cherokee County	138	2008	BC	\$1,127	0.00%
Woodstock West By Walton	Cherokee	Cherokee County	308	2013	A	\$1,419	1.95%
Whispering Trace Townhomes	Cherokee County	Cherokee County	40	1990	BC	\$900	5.00%
The Atlantic Bridge Mill	Cherokee	Cherokee County	236	2000	A	\$1,087	0.42%

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Multifamily Market Outlook and Conclusions

Relevant vacancy rate indications are summarized as follows:

Vacancy Rate Indications

Market Segment	Vacancy Rates
Atlanta Metro Area	4.7%
Atlanta Metro Area Class B/C	4.6%
Cherokee County Submarket Area	2.6%
Cherokee County Submarket Area Class B/C	1.8%
Directly Comparable Properties	1.3%

Based on the key metro and submarket area trends, construction outlook, and the performance of competing properties, IRR expects the mix of property fundamentals and economic conditions in the Atlanta metro area to have a positive impact on the subject property's performance in the near-term.

Property Analysis

Land Description and Analysis

Land Description

Land Area	14.709 acres; 640,724 SF
Source of Land Area	Survey
Primary Street Frontage	Arnold Mill Road - 130 feet
Shape	Irregular
Corner	No
Topography	Generally level and at street grade
Drainage	No problems reported or observed
Environmental Hazards	None reported or observed
Ground Stability	No problems reported or observed

Flood Area Panel Number	13057C0332D
Date	September 29, 2006
Zone	X
Description	Outside of 500-year floodplain
Insurance Required?	No

Zoning; Other Regulations

Zoning Jurisdiction	City of Woodstock
Zoning Designation	DT-MR-A
Description	Medium Density Residential
Legally Conforming?	Appears to be legally conforming
Zoning Change Likely?	No
Permitted Uses	multi-family residential
Rent Control	Yes
Other Land Use Regulations	None observed other than those set forth in the code of ordinance.

Utilities

Service	Provider
Water	City of Woodstock
Sewer	City of Woodstock
Electricity	Georgia Power
Natural Gas	Several Providers
Local Phone	Several Providers

We are not experts in the interpretation of zoning ordinances. An appropriately qualified land use attorney should be engaged if a determination of compliance with zoning is required.

Rent Control Regulations

Columbia Creek currently operates under the Section 42 Low Income Housing Tax Credit (LIHTC) program, and has the following restrictions. Buyer must agree to maintain the affordable restrictions through the extended use period, including operating the property in compliance with state and federal regulatory agreements.

CHEROKEE COUNTY, GA
 (ATLANTA-SANDY SPRINGS-ROSWELL, GA HUD METRO FMR AREA)
 2016 4-PERSON AMI: \$67,500

2016 INCOME LIMITS	50% AMI	54% AMI	60% AMI
1 person	\$25,900	\$27,972	\$31,080
2 people	\$29,600	\$31,968	\$35,520
3 people	\$33,300	\$35,964	\$39,960
4 people	\$36,950	\$39,906	\$44,340
5 people	\$39,950	\$43,146	\$47,940
6 people	\$42,900	\$46,332	\$51,480

- LIHTC LURA: Restricts 9 units at 50% AMI, 128 units at 60% AMI and the remainders are at market rate. LIHTC LURA further stipulates non-profit material participation in the development throughout the term of this agreement

- 1999 Qualified Allocation Plan: The 1999 Georgia Qualified Allocation Plan requires all the 60% AMI units to be rented at 54% AMI rents for the Credit compliance period of the initial 15 years to year end 2016

INITIAL TCCP ENDS: 2016

FINAL YEAR OF RESTRICTIONS: 2031

-The above information is from an Offering Memorandum prepared by CBRE.

54% RENT & 60% INCOME LIMITS - 128 Units				
BEDROOM SIZE	# UNITS	GROSS RENT	DCA NORTHERN EFF. 7/1/14	MAX RENT
2 Bedroom	89	899.00	169.00	730.00
3 Bedroom	39	1,038.00	216.00	822.00

50% RENT & INCOME LIMITS - 9 Units				
BEDROOM SIZE	# UNITS	GROSS RENT	DCA NORTHERN EFF. 7/1/14	MAX RENT
2 Bedroom	6	832.00	169.00	663.00
3 Bedroom	3	961.00	216.00	745.00



Easements, Encroachments and Restrictions

There appears to be an access driveway along the eastern border of the property to the Georgia Power easement on the adjacent parcel and the Woodstock Waste Water Treatment. The access driveway encroaches approximately 25 feet into the subject property for the length of approximately 780 feet. Since this encroachment is located on the border of the property, it is not seen to have an adverse effect on the subject property.

Based upon a review of the property survey, there do not appear to be any easements, encroachments, or restrictions that would adversely affect value. Our valuation assumes no adverse impacts from easements, encroachments, or restrictions, and further assumes that the subject has clear and marketable title.

We were not provided a current title report to review. We are not aware of any easements, encroachments, or restrictions that would adversely affect value. Our valuation assumes no adverse impacts from easements, encroachments, or restrictions, and further assumes that the subject has clear and marketable title.

Conclusion of Land Analysis

Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses including those permitted by zoning. We are not aware of any other particular restrictions on development.

Improvements Description and Analysis

The subject is an existing multifamily property containing 172 dwelling units. Of the total 172 units, 9 units are restricted for 50% AMI and 128 units are restricted for 60% AMI tenants. The remainder is unencumbered and is allowed to be rented at market rents. The improvements were constructed in 2001 and are 99% leased as of the effective appraisal date. The site area is 14.709 acres or 640,724 square feet.

Improvements Description

Name of Property	Columbia Creek Apartments
General Property Type	Multifamily
Property Sub Type	Other
Competitive Property Class	B
Percent Leased	99%
Number of Buildings	8 apartment building and a clubhouse/leasing office
Stories	6 apartment buildings are 3-story; 2 apartment buildings are 2-stories
Construction Class	D
Construction Type	Wood frame
Construction Quality	Average
Condition	Average
Number of Units	172
Units per Acre (Density)	11.7
Gross Building Area (SF)	223,055
Rentable Floor Area (SF)	211,124
Land Area (SF)	640,724
Floor Area Ratio (RFA/Land SF)	0.33
Building Area Source	Other
Year Built	2001
Actual Age (Yrs.)	15
Estimated Effective Age (Yrs.)	10
Estimated Economic Life (Yrs.)	50
Remaining Economic Life (Yrs.)	40
Number of Parking Spaces	380
Source of Parking Count	As-Built Survey
Parking Type	380 surface spaces including eight handicap spaces and one van space at community center
Parking Spaces/Unit	2.2

Construction Details

Foundation	Concrete Slab
Structural Frame	Wood Frame
Exterior Walls	Brick and Hardiplank
Roof	Gable Roof with Composite Shingles
HVAC	Split system with air handler inside and air condensed outside
Sprinklers	Yes
Security	Deadbolt and Peephole
Entry Type	Exterior Breezeway
Interior Walls	Gypsum Board and Wainscot
Floor Cover	Vinyl and Carpet
Ceiling Heights	8'
Laundry Facilities	Dishwasher, Disposal, Dual Stainless Sink, Refrig./Freezer with Ice-maker
Gates/Fencing	Gated Entrance

Unit Mix and Occupancy

Floor Plan	Units	% of Total	Avg. Unit Size	Total SF	Occupied Units	Vacant Units	% Occupied
2 bed 2 bath Market Units							
2 bed 2 bath- market rents	24	14.0%	1,167	28,008	24	0	100%
Total/Average	24	14.0%	1,167	28,008	24	0	100%
3 bed 2 bath Market Units							
3 bed 2 bath- market rents	10	5.8%	1,367	13,670	10	0	100%
Total/Average	10	5.8%	1,367	13,670	10	0	100%
2 bed 2 bath Tax Credit Units							
2 bed 2 bath- tax credit 50%	6	3.5%	1,167	7,002	6	0	100%
2 bed 2 bath- tax credit 60%	90	52.3%	1,167	105,030	88	2	98%
Total/Average	96	55.8%	1,167	112,032	94	2	98%
3 bed 2 bath Tax Credit Units							
3 bed 2 bath- tax credit 50%	3	1.7%	1,367	4,101	3	0	100%
3 bed 2 bath- tax credit 60%	39	22.7%	1,367	53,313	39	0	100%
Total/Average	42	24.4%	1,367	57,414	42	0	100%
Total Units	172	100.0%	1,227	211,124	170	2	99%

*Includes employee and model units, as applicable.

Unit Features and Project Amenities			
Unit Features	At Subject	Project Amenities	At Subject
Patios/Balcony		Gated Entrance	x
Fireplace		Swimming Pool	x
Vaulted Ceilings		Spa/Hot Tub	
Dishwasher	x	Sauna	
Disposal	x	Covered Parking	
Trash Compactor		Garage/Under Building	
Washer/Dryer Hookup	x	Tennis Court	
Washer/Dryer In Unit		Playground	x
Storage in Unit		Clubhouse/Rec. Bldg.	
Air Conditioning	x	Fitness Room	x
Carpets/Drapes/Blinds	x	Racquet Ball	
Walk-in Closets	x	Volleyball	
		Basketball	
		Laundry Facility	x
		Storage	
		Security	x

Improvements Analysis

Quality and Condition

The quality and condition of the subject is considered to be consistent with that of competing properties.

Functional Utility

The improvements appear to be adequately suited to their current use, and there do not appear to be any significant items of functional obsolescence.

Planned Capital Expenditures

Expenditures for various capital items considered to be necessary are identified in the following table. To estimate the amounts of these expenditures, we rely on discussions with the buyer's representative. At the time of this report the exact scope of renovations was not available. The renovations current estimate of total construction hard cost including builder profit, overhead, and contingency is estimated to be \$4,730,000. The scope of the renovations is listed below:

Site Improvements

- Replace Existing Picnic Table and Grills
- New Playground Equipment
- Substantial Renovation and Reconfiguration of Existing Clubhouse
- New clubhouse furniture and fitness equipment
- New pool furniture
- Landscaping improvements
- Parking Lot Sealcoat and Restriping
- Sidewalk and Curb Replacement/Repair
- New Building, Unit, and Site Signage
- New CMU Trash Enclosures
- Pool Repair as Needed
- Tree Trimming
- New LED site lighting
- Camera/jet sewer lines
- Grading/drainage corrections, as needed

Interior

- New Lighting Fixture Package in All Units
- Replace Kitchen Cabinet and Bathroom Vanity Door/Drawer Fronts
- Add hardware to cabinets/vanities
- Professionally Clean Bathtubs/Surrounds
- Replace Kitchen Appliances on an as Needed Basis
- Replace Bathroom Accessories
- Replace Carpet on an as Needed Basis
- Replace vinyl flooring on as needed basis
- ADA Unit Upgrades
- Add Electronic FOB/Deadbolts at Unit Entries
- New Plumbing Fixtures (Faucets, Shower Heads, Mixing Valves)
- Install washers/dryers in all units

Exterior

- Power wash/Paint Exterior Siding
- Paint unit entry doors
- Replace all Roofs
- Replace all Gutters and Downspouts
- New LED exterior building lighting
- New unit entry lighting

ADA Compliance

Based on our inspection and information provided, we are not aware of any ADA issues. However, we are not expert in ADA matters, and further study by an appropriately qualified professional would be recommended to assess ADA compliance.

The As-Built Survey provided to us states that *nine of the 172 units are specially designed for handicap requirements of the Georgia Accessibility Code*. According to the rent roll, there are three 2 bed 2 bath-market units, four 2 bed 2 bath- 60% Tax Credit units, and four 3 bed 2 bath- 60% Tax Credit units which are handicap accessible. The rent roll indicates a total of 11 units which are handicap accessible units which differs from the nine units indicated in the dated As-Built Survey.

Hazardous Substances

An environmental assessment report was not provided for review and environmental issues are beyond our scope of expertise. No hazardous substances were observed during our inspection of the improvements; however, we are not qualified to detect such substances. Unless otherwise stated, we assume no hazardous conditions exist on or near the subject.

Personal Property

No personal property items were observed that would have any material contribution to market value.

Conclusion of Improvements Analysis

In comparison to other competitive properties in the region, the subject improvements are rated as follows:

Improvements Ratings

Design and Appearance	Average
Age/Condition	Average
Room Sizes and Layouts	Above Average
Bathrooms	Average
Kitchens	Average
Landscaping	Average
Unit Features	Average
Project Amenities	Average

Overall, the quality, condition, and functional utility of the improvements are average for their age and location.



Entry signage on Arnold Mill Road
(Photo Taken on November 22, 2016)



Looking easterly along Arnold Mill Road
(Photo Taken on November 22, 2016)



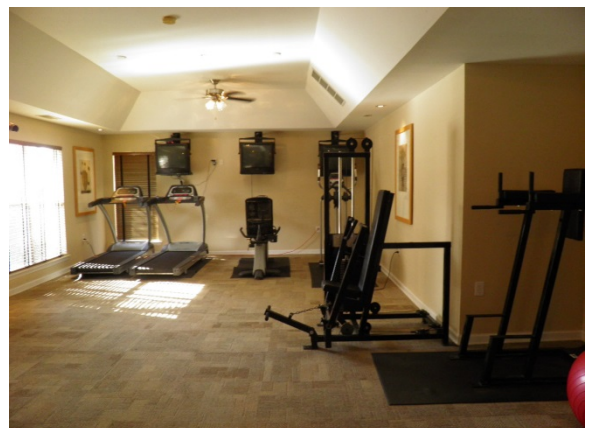
Looking westerly along Arnold Mill Road
(Photo Taken on November 22, 2016)



Gated entrance
(Photo Taken on November 22, 2016)



Leasing office/clubhouse
(Photo Taken on November 22, 2016)



Fitness room
(Photo Taken on November 22, 2016)



Pool area
(Photo Taken on November 22, 2016)



Laundry facility
(Photo Taken on November 22, 2016)



Exterior of an apartment building
(Photo Taken on November 22, 2016)



Playground area
(Photo Taken on November 22, 2016)



Typical kitchen
(Photo Taken on November 22, 2016)



Typical living room
(Photo Taken on November 22, 2016)



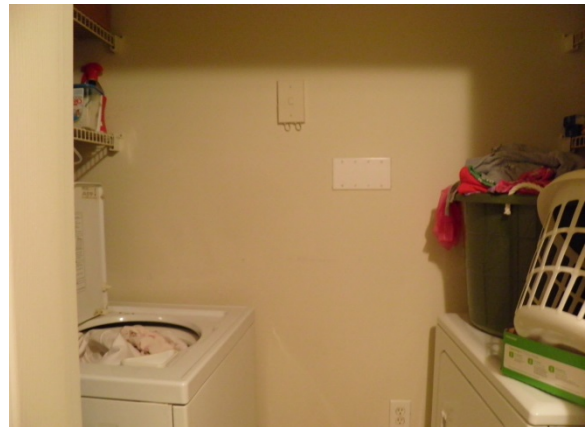
Dining area
(Photo Taken on November 22, 2016)



Typical Bedroom
(Photo Taken on November 22, 2016)



Bathroom
(Photo Taken on November 22, 2016)



Utility closet with W/D hook-up (W/D not included)
(Photo Taken on November 22, 2016)



Vacant unit being turned- Living room
(Photo Taken on November 22, 2016)



Vacant unit being turned- Bedroom
(Photo Taken on November 22, 2016)



Typical exterior of apartment building
(Photo Taken on November 22, 2016)



Typical exterior of apartment building
(Photo Taken on November 22, 2016)



Typical exterior of apartment building- side
(Photo Taken on November 22, 2016)

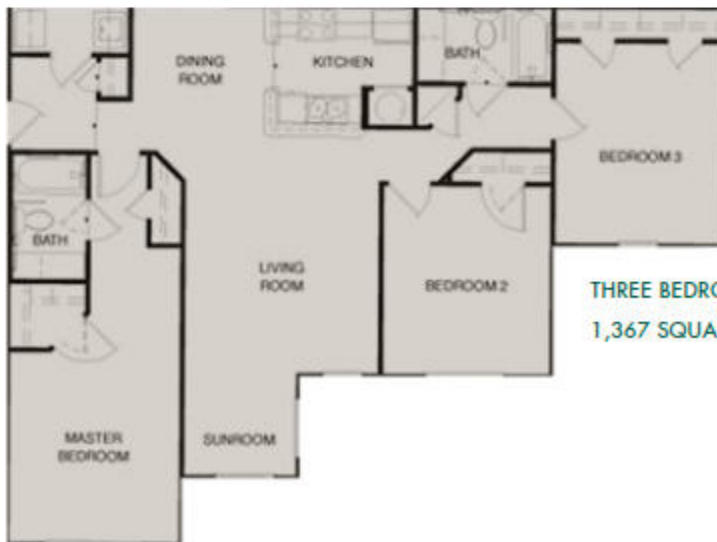
Floor Plans

FLOOR PLANS

TWO BEDROOM | TWO BATH
1,167 SQUARE FEET



THREE BEDROOM | TWO BATH
1,367 SQUARE FEET



Real Estate Taxes

In Georgia, the Assessor estimates the Fair Market Value (FMV) of a property. The Assessor's FMV estimate for the subject is \$5,775,000, thus the subject's assessed value is \$2,310,000 (40% of \$5,775,000). The amount of the tax is based on 100% of the assessed value of the property and the millage rate, which is set by various taxing authorities.

Real estate taxes and assessments for the current tax year are shown in the following table.

Taxes and Assessments - 2016

Tax ID	Assessed Value			Taxes and Assessments		
	Land	Improvements	Total	Ad Valorem		
				Tax Rate	Taxes	Total
15N17A 075 A	\$509,280	\$1,800,720	\$2,310,000	3.290600%	\$76,013	\$76,013

Assessor's Market Value

Tax ID	Land	Improvements	Total
15N17A 075 A	\$1,273,200	\$4,501,800	\$5,775,000

Tax History

Tax Year	Total Assessed Value	Tax Rate	Ad Valorem		% Change
			Taxes	Total	
2013	\$2,035,860	2.65740%	\$54,101	\$54,101	
2014	\$2,100,000	2.60220%	\$54,646	\$54,646	1.0%
2015	\$2,310,000	2.59640%	\$59,977	\$59,977	9.8%
2016	\$2,310,000	3.29060%	\$76,013	\$76,013	26.7%

Based on the concluded market value of the subject, the assessed value appears low.

Effective January 1, 2011, Georgia enacted Senate Bill 346 which states that if an arm's length sale occurs, then the Assessor's Fair Market Value (FMV) is a maximum of the sale price in the following tax year. Additionally, a sale of the subject at a higher price than the current FMV does not automatically result in a higher assessment for the subject because the Tax Assessor is required to have equitable assessed values among properties of the same classification.

The subject's assessment and real estate taxes will increase substantially in 2017 if the property sells at the pending sale price of \$12,700,000. In the following grid, we provide tax comparables in order to reflect how taxes are expected to increase. In the pro-forma provided to the appraiser, the real estate taxes are calculated based on a fair market value which is approximately 90% of the pending sale price.

Tax Comparables

No.	Property Name	Number of Units	Total Assessed Value	Assessed Value/Unit	Total Taxes	Taxes/Unit
1	Gregory Lane Apartments	112	\$1,686,280	\$15,056	\$49,093	\$438
2	Alta Ridgewalk	340	\$8,882,960	\$26,126	\$228,639	\$672
Subject	Columbia Creek Apartments	172	\$2,310,000	\$13,430	\$76,013	\$442

Highest and Best Use

Process

Before a property can be valued, an opinion of highest and best use must be developed for the subject site, both as if vacant, and as improved or proposed. By definition, the highest and best use must be:

- Physically possible.
- Legally permissible under the zoning regulations and other restrictions that apply to the site.
- Financially feasible.
- Maximally productive, i.e., capable of producing the highest value from among the permissible, possible, and financially feasible uses.

As If Vacant

Physically Possible

The physical characteristics of the site do not appear to impose any unusual restrictions on development. The site is large enough for multifamily development and has all utilities available. Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for multi-family or residential uses.

Legally Permissible

The site is zoned DT-MR-A, Medium Density Residential. Permitted uses include multi-family residential. To our knowledge, there are no legal restrictions such as easements or deed restrictions that would effectively limit the use of the property. Given prevailing land use patterns in the area, only multifamily use is given further consideration in determining highest and best use of the site, as though vacant.

Financially Feasible

Based on our analysis of the market, there is currently adequate demand for multifamily use in the subject's area. It appears that a newly developed multifamily use on the site would have a value commensurate with its cost. Therefore, multifamily use is considered to be financially feasible.

Maximally Productive

There does not appear to be any reasonably probable use of the site that would generate a higher residual land value than multifamily use. Accordingly, it is our opinion that multifamily use, developed to the normal market density level permitted by zoning, is the maximally productive use of the property.

As Improved

The subject site is developed with 172 units consisting of eight garden-style apartment buildings, which is consistent with the highest and best use of the site as if it were vacant. The subject property is a rent restricted property. *LIHTC LURA: Restricts 9 units at 50% AMI, 128 units at 60% AMI and the remainders are at market rate. LIHTC LURA further stipulates non-profit material participation in the development throughout the term of this (current) agreement.*

The existing improvements are currently leased and produce a significant positive cash flow that we expect will continue. Therefore, a continuation of this use is concluded to be financially feasible.

Based on our analysis, there does not appear to be any alternative use that could reasonably be expected to provide a higher present value than the current use, and the value of the existing improved property exceeds the value of the site, as if vacant. For these reasons, continued multifamily use is concluded to be maximally productive and the highest and best use of the property as improved.

Most Probable Buyer

Taking into account the size and characteristics of the property, the likely buyer is a regional or national investor such as a partnership or a REIT.

Valuation

Valuation Methodology

Appraisers usually consider three approaches to estimating the market value of real property. These are the cost approach, sales comparison approach and the income capitalization approach.

The **cost approach** assumes that the informed purchaser would pay no more than the cost of producing a substitute property with the same utility. This approach is particularly applicable when the improvements being appraised are relatively new and represent the highest and best use of the land or when the property has unique or specialized improvements for which there is little or no sales data from comparable properties.

The **sales comparison approach** assumes that an informed purchaser would pay no more for a property than the cost of acquiring another existing property with the same utility. This approach is especially appropriate when an active market provides sufficient reliable data. The sales comparison approach is less reliable in an inactive market or when estimating the value of properties for which no directly comparable sales data is available. The sales comparison approach is often relied upon for owner-user properties.

The **income capitalization approach** reflects the market's perception of a relationship between a property's potential income and its market value. This approach converts the anticipated net income from ownership of a property into a value indication through capitalization. The primary methods are direct capitalization and discounted cash flow analysis, with one or both methods applied, as appropriate. This approach is widely used in appraising income-producing properties.

Reconciliation of the various indications into a conclusion of value is based on an evaluation of the quantity and quality of available data in each approach and the applicability of each approach to the property type.

The methodology employed in this assignment is summarized as follows:

Approaches to Value		
Approach	Applicability to Subject	Use in Assignment
Cost Approach	Not Applicable	Not Utilized
Sales Comparison Approach	Applicable	Utilized
Income Capitalization Approach	Applicable	Utilized

Land Valuation- Net of Demolition Costs

The client has requested an opinion of land value for the subject site net of demolition costs. Based upon an estimate of demolition costs prepared by ZMG Construction, Inc., total demolition costs for the subject property are estimated at \$833,071.50. In order to develop an opinion of Land Value- Net of Demolition Costs, we have first estimated a land value for the subject site as-if-vacant and have deducted the demolition costs estimate.

To develop an opinion of the subject's land value, as if vacant and available to be developed to its highest and best use, we utilize the sales comparison approach. Our search for comparable sales focused on transactions within the following parameters:

- Location: Southern Cherokee County and Northern Cobb County
- Size: 8 to 24 acres
- Use: Vacant land zoned for residential and multi-family uses
- Transaction Date: January 2015 to Current

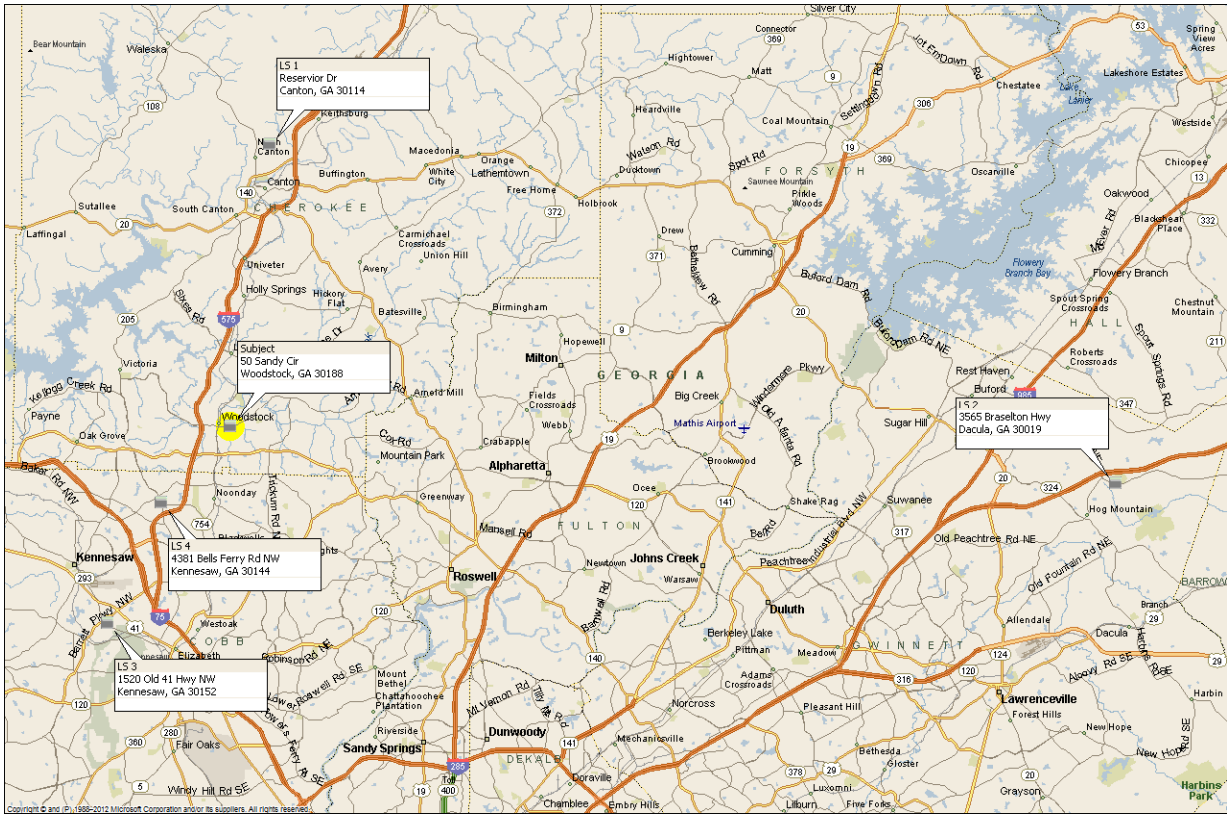
For this analysis, we use price per unit as the appropriate unit of comparison because market participants typically compare sale prices and property values on this basis. The most relevant sales are summarized in the following table.

Summary of Comparable Land Sales

No.	Name/Address	Sale Date; Status	Sale Price	SF; Acres	Units; Density (Units/Ac.)	Zoning	\$/Unit	\$/SF Land
1	Vacant Multifamily Land 125 Reservoir Dr. Canton Cherokee County GA Tax ID: 14N22A-00000-060-00Q Grantor: Sweetwater Property Investments, LLC Grantee: The Grand Reserve at Canton LLC	Aug-16 Closed	\$3,384,292	895,158 20.55	306 14.9	Planned Shopping Center	\$11,060	\$3.78
<p><i>Comments: This was the fee simple transaction of 20.55 acres of multifamily land proposed to be improved with 306 apartment units. The buyer put down 21.1% and the seller financed the remainder \$2,669,034. In the confirmation process with the listing broker, it was noted that the property required rezoning/plan amendment which required the seller to contribute \$75,000 to the city towards improvement of Reservoir Drive. The broker also noted that the sale price was at market with the exception of the premium for rough grading which in his opinion was not considered in the sale price. The property had previously been listed for \$7,950,000 for 45.3 acres of which the property made up 20.55 acres of the total.</i></p>								
2	Proposed IL Land- Dacula, GA 3565 Georgia Hwy 124 (Bra Dacula Gwinnett County GA Tax ID: Grantor: CML Mulberry, LLC Grantee: Hamilton Mill II	Mar-16 Closed	\$1,460,000	473,933 10.88	120 11.0	General Business District	\$12,167	\$3.08
<p><i>Comments: The property was listed for \$1,660,000. Previously, the site was residential zoned and the site was proposed to be developed with a multi-family development. Then, in 2015, the property was re-zoned as commercial. The buyer intends to construct an 120-unit ILF on the site.</i></p>								
3	Walton Senior Living 1520 Old 41 Hwy. NW. Kennesaw Cobb County GA Tax ID: 2002120-160 Grantor: James J. Smith, as Trustee Grantee: Teague Investments, LP	Dec-15 Closed	\$1,000,000	152,460 3.50	75 21.4	Residential Multifamily with Senior Living Overlay	\$13,333	\$6.56
<p><i>Comments: The property was purchased by Walton Communities for development of 75 senior living units. The site is located adjacent to Walton Ridenour apartments.</i></p>								
4	Vacant Multifamily Land 4381 Bells Ferry Rd. NW. Kennesaw Cobb County GA Tax ID: 16-0148-0-011-0, 16-0148-0-012-0, 16-0148-0-013-0, 16-0148-0-014-0, 16-0148-0-015-0 Grantor: 40-59 Hampton Street LLC Grantee: Canterfield of Kennesaw LLC	Mar-15 Closed	\$1,500,000	466,963 10.72	177 16.5	Residential Senior Living	\$8,475	\$3.21
<p><i>Comments: The seller broker who confirmed the 3/3/2015 transaction noted that the site was initially rezoned from O-I to RSL in 2006 when a developer planned to develop a 300 unit age restricted apartment building. The development was deemed economically unfeasible at the time and the owner went bankrupt. The recent buyer is developing an age restricted facility which is less dense than the originally planned development. The facility will be completed in May 2017 and will consist of 91 assisted living units, 75 independent living units, one triplex villa and four duplex villas.</i></p>								
Subject				640,724	172	Medium		
Columbia Creek Apartments				14.71	11.7	Density Residential		
Woodstock, GA								



Comparable Land Sales Map





Sale 1
Vacant Multifamily Land



Sale 2
Proposed IL Land- Dacula, GA



Sale 3
Walton Senior Living



Sale 4
Vacant Multifamily Land

Analysis and Adjustment of Sales

The sales are compared to the subject and adjusted to account for material differences that affect value. Adjustments are considered for the following factors, in the sequence shown below.

Adjustment Factor	Accounts For	Comments
Market Conditions	Changes in the economic environment over time that affect the appreciation and depreciation of real estate.	Some appreciation has occurred in the market area, warranting an annual upward adjustment of 2%.
Location	Market or submarket area influences on sale price; surrounding land use influences.	Land sales 2 through 4 had superior respective locations, warranting downward adjustments.
Shape and Topography	Primary physical factors that affect the utility of a site for its highest and best use.	Land Sale 3 was downward adjusted for having superior shape. Land Sale 4 was upward adjusted for having inferior rolling topography which would cost more to develop.

The following table summarizes the adjustments we make to each sale.

Land Sales Adjustment Grid					
	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Name	Columbia Creek Apartments	Vacant Multifamily Land	Proposed IL Land-Dacula, GA	Walton Senior Living	Vacant Multifamily Land
Address	50 E. Sandy Circle	125 Reservoir Dr.	3565 Georgia Hwy 124 (Braselton Hwy)	1520 Old 41 Hwy. NW.	4381 Bells Ferry Rd. NW.
City	Woodstock	Canton	Dacula	Kennesaw	Kennesaw
County	Cherokee	Cherokee	Gwinnett	Cobb	Cobb
State	Georgia	GA	GA	GA	GA
Sale Date		Aug-16	Mar-16	Dec-15	Mar-15
Sale Status		Closed	Closed	Closed	Closed
Sale Price		\$3,384,292	\$1,460,000	\$1,000,000	\$1,500,000
Square Feet	640,724	895,158	473,933	152,460	466,963
Usable Acres	14.71	20.55	10.88	3.50	10.72
Number of Units	172	306	120	75	177
Topography	Generally level and at street grade	Rolling	Level	Level	Rolling
Shape	Irregular	Irregular	Irregular	Rectangular	Irregular
Zoning Description	Medium Density Residential	Planned Shopping Center	General Business District	Residential Multifamily with Senior Living Overlay	Residential Senior Living
Price per Unit		\$11,060	\$12,167	\$13,333	\$8,475
Property Rights		Fee Simple	Fee Simple	Fee Simple	Fee Simple
% Adjustment		-	-	-	-
Financing Terms		Seller financing	Cash to seller	Cash to seller	Cash to seller
% Adjustment		-15%	-	-	-
Conditions of Sale		-	-	-	-
% Adjustment		-	-	-	-
Market Conditions	11/22/2016	Aug-16	Mar-16	Dec-15	Mar-15
Annual % Adjustment	2%	-	1%	2%	3%
Cumulative Adjusted Price		\$9,401	\$12,288	\$13,600	\$8,729
Location		-	-10%	-10%	-15%
Shape and Topography		-	-	-5%	10%
Net \$ Adjustment		\$0	-\$1,229	-\$2,040	-\$436
Net % Adjustment		0%	-10%	-15%	-5%
Final Adjusted Price		\$9,401	\$11,060	\$11,560	\$8,292
Overall Adjustment		-15%	-9%	-13%	-2%
Range of Adjusted Prices		\$8,292 - \$11,560			
Average		\$10,078			
Indicated Value		\$9,500			

Land Value Conclusion- As if Vacant

Prior to adjustment, the sales reflect a range of \$8,475 - \$13,333 per unit. After adjustment, the range is narrowed to \$8,292 - \$11,560 per unit, with an average of \$10,078 per unit. We give most weight to land sales 1 which are most similar to the subject in location. The reconciled price per unit was towards the lower end of the range because the subject property is located near a waste water treatment plant.

Land Value Conclusion

Indicated Value per Unit	\$9,500
Subject Units	<u>172</u>
Indicated Value	\$1,634,000

Land Value Conclusion- Net of Demolition Costs

As previously mentioned, we have been provided with an estimate of total demolition costs for the subject's improvements totaling \$833,071.50. We have deducted these costs from our land value conclusion – as if vacant in order to develop an estimate of land value net of demolition costs.

Based on the preceding analysis, we reach a land value conclusion as follows:

Land Value Conclusion

Indicated Value per Unit	\$9,500
Subject Units	<u>172</u>
Indicated Value	\$1,634,000
Adjustments	
Total Demolition Costs	<u>-\$833,072</u>
Total Adjustments	-\$833,072
Indicated Value	\$800,929
Rounded	\$800,000

Sales Comparison Approach

The sales comparison approach develops an indication of value by comparing the subject to sales of similar properties. The steps taken to apply this approach are:

- Identify relevant property sales;
- Research, assemble, and verify pertinent data for the most relevant sales;
- Analyze the sales for material differences in comparison to the subject;
- Reconcile the analysis of the sales into a value indication for the subject.

To apply the sales comparison approach, we searched for sale transactions within the following parameters:

- Property Type: LIHTC Garden-style/Mid-rise apartments
- Location: Atlanta MSA
- Size: 100 to 300 units
- Age/Quality: Built after 1990 to current
- Transaction Date: January 2015 to current

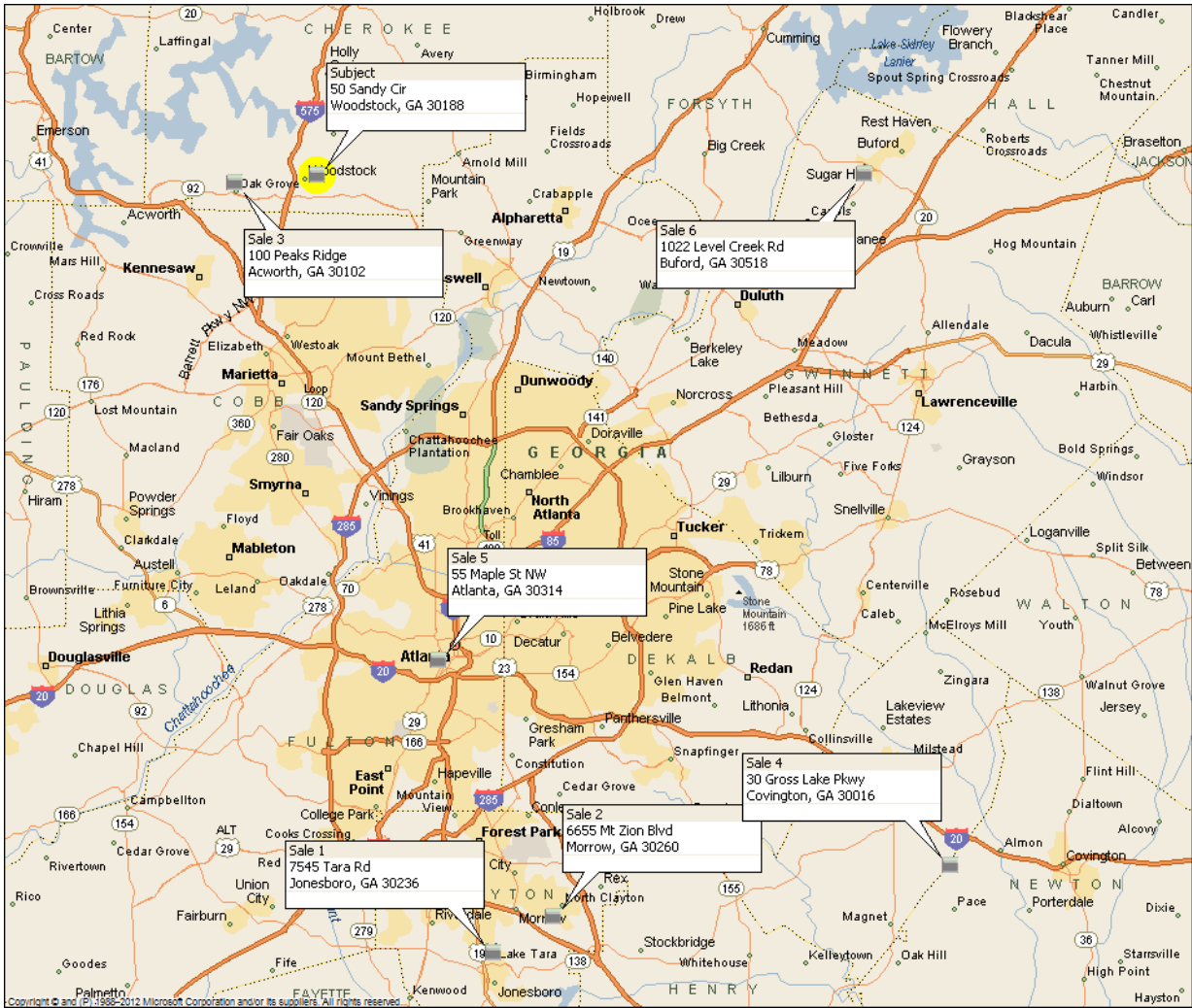
For this area of the subject, we use price per unit as the appropriate unit of comparison because market participants typically compare sale prices and property values on this basis. The most relevant sales are summarized in the following table.

Market Value As Is Encumbered by Restricted Rents – all comparables in the grid below are sales of LIHTC properties.

Summary of Comparable Improved Sales

No.	Name/Address	Sale Date; Status	Yr. Blt.; # Stories; % Occ.	# Units; Rentable SF; Avg Unit SF	Sale Price	\$/Unit; \$/SF	NOI/Unit; NOI/SF; Exp. Ratio	Cap Rate
1	Pointe Clear 7545 Tara Rd. Jonesboro Clayton County GA	Jul-16 Closed	1998 3 100%	230 246,336 1,064	\$13,900,000	\$60,435 \$56.43	\$4,351 \$4.06 –	7.20%
<i>Comments: This is the sale of the 230-unit apartment complex located at 7545 Tara Road in Jonesboro, GA. The property sold on July 25, 2016 for \$13,900,000 or \$60,435 per unit. The property was 100% occupied at the time of sale. The property traded at a 7.2% cap rate.</i>								
2	Baywood Park 6655 Mt. Zion Blvd. Morrow Clayton County GA	Jun-16 Closed	1995 2 95%	120 140,000 1,119	\$6,632,352	\$55,270	– – –	–
<i>Comments: According to CoStar and Public Record, this transaction was arm's length and cash to seller- buyer obtained financing.</i>								
3	The Peaks of Bells Ferry 100 Peaks Rdg. Acworth Cherokee County GA	Jun-16 Closed	2003 3 87%	248 284,000 1,141	\$18,500,000	\$74,597 \$65.14	\$4,103 \$3.58 –	5.50%
<i>Comments: The in-place cap rate at the time of sale was 5.50%. The buyer stated that the cap rate was lower than market rates for Tax Credit multifamily properties in the area due to occupancy issues- 87% occupied at TOS. The firm which purchased the property is a national investor who has stabilized the property at an 96% occupancy rate as of 11/16/2016 (per rent survey). The buyer representative stated that their proforma cap rate was set at 6.47% and that typical capitalization rates in the area of tax credit multifamily properties are around 6.50%.</i>								
4	Orchard Cove Apartments 30 Gross Lake Dr. Covington Newton County GA	May-15 Recorded	2000 2 96%	188 206,568 1,099	\$11,000,000	\$58,511 \$53.25	\$4,066 \$3.70 –	6.95%
<i>Comments: The property was 96% occupied at the time of sale. The cap rate of 6.95% was based on in-place income/expenses. The property is nearing the end of its LIHTC compliance period so there is upside income potential as the property transitions to market rent.</i>								
5	The Courtyard at Maple 55 Maple St. NW. Atlanta Fulton County GA	May-15 Closed	1993 3 97%	182 222,285 911	\$14,000,000	\$76,923 \$62.98	\$3,188 \$2.61 67%	4.14%
<i>Comments: This property sold for \$14,000,000. or \$76,923 per unit. The cap rate of 4.14% is based on in-place income/expenses. The proforma cap rate is about 7% with much lower expenses and higher rents forecast. This is a 60% LIHTC and 40% market rent property.</i>								
6	Plantation Ridge 1022 Level Creek Rd. Sugar Hill Gwinnett County GA	Mar-15 Closed	1998 2 92%	218 244,152 1,120	\$16,005,000	\$73,417 \$65.55	– – –	–
<i>Comments: This is the sale of the 218-unit apartment complex located at 1022 Level Creek Road in Sugar Hill, Georgia. The property sold on March 18, 2015 for \$16,005,000 or \$73,417 per unit. The property was 92% occupied at the time of sale.</i>								
Subject			2001	172			\$7,078	
Columbia Creek Apartments			6	211,124			\$5.77	
Woodstock, GA			99%	1,227			42%	

Comparable Improved Sales Map





Sale 1
Pointe Clear



Sale 2
Baywood Park



Sale 3
The Peaks of Bells Ferry



Sale 4
Orchard Cove Apartments



Sale 5
The Courtyard at Maple



Sale 6
Plantation Ridge

Analysis and Adjustment of Sales

The sales are compared to the subject and adjusted to account for material differences that affect value. Adjustments are considered for the following factors, in the sequence shown below.

Adjustment Factor	Accounts For	Comments
Market Conditions	Changes in the economic environment over time that affect the appreciation and depreciation of real estate.	Some appreciation has occurred in the market area warranting an upward adjustment of 2% per year.
Location	Market or submarket area influences on sale price; surrounding land use influences.	Sales 1, 2 and 4 were upward adjusted for being located in areas were often reflect lower prices than the subject's submarket area. Sales 5 and 6 were downward adjusted for being located in an urban area and an area which often reflects higher sale prices, respectively.
Age/Condition	Effective age; physical condition.	Sale 5 was upward adjusted for being a sale of a property which was older than the subject property.
Project Amenities	Amenities available to the entire property.	Sale 2 was upward adjusted for having inferior project amenities.
Average Unit Size	Average residential unit floor area.	Sales 1, 4 and 5 were upward adjusted for having smaller average unit sizes. Typically larger floor plans have greater potential to bring in higher rents.
Economic Characteristics	Non-stabilized occupancy, above/below market rents, rent control, and other economic factors.	Sales 2, 4 and 6 were upward adjusted for having a lower occupancy rate. At the time of sale, Sale 3 was not stabilized. The upward adjustment is tempered by the fact that the broker who confirmed the sale stated the sale was set at a 5.50% cap rate which is below the otherwise typical 6.5% market cap rate. Sale 5 produced lower NOI per unit, warranting an upward adjustment.

Improved Sales Adjustment Grid

	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5	Comparable 6
Property Name	Columbia Creek Apartments	Pointe Clear	Baywood Park	The Peaks of Bells Ferry	Orchard Cove Apartments	The Courtyard at Maple	Plantation Ridge
Address	50 E. Sandy Circle	7545 Tara Rd.	6655 Mt. Zion Blvd.	100 Peaks Rdg.	30 Gross Lake Dr.	55 Maple St. NW.	1022 Level Creek Rd.
City	Woodstock	Jonesboro	Morrow	Acworth	Covington	Atlanta	Sugar Hill
County	Cherokee	Clayton	Clayton	Cherokee	Newton	Fulton	Gwinnett
State	Georgia	GA	GA	GA	GA	GA	GA
Sale Date		Jul-16	Jun-16	Jun-16	May-15	May-15	Mar-15
Sale Status		Closed	Closed	Closed	Recorded	Closed	Closed
Sale Price		\$13,900,000	\$6,632,352	\$18,500,000	\$11,000,000	\$14,000,000	\$16,005,000
Rentable Floor Area	211,124	246,336	140,000	284,000	206,568	222,285	244,152
Number of Units	172	230	120	248	188	182	218
Year Built	2001	1998	1995	2003	2000	1993	1998
Year Renovated	-	-	2011/2012	-	-	-	-
Avg SF Per Unit	1,227	1,064	1,119	1,141	1,099	911	1,120
Occupancy	99%	100%	95%	87%	96%	97%	92%
NOI per Unit	\$3,674	\$4,351	-	\$4,103	\$4,066	\$3,188	-
Price per Unit		\$60,435	\$55,270	\$74,597	\$58,511	\$76,923	\$73,417
Property Rights		Leased Fee	Leased Fee	Leased Fee	Leased Fee	Leased Fee	Leased Fee
% Adjustment		-	-	-	-	-	-
Financing Terms		Cash to seller	Cash to seller - buyer obtained	Cash to seller	Cash to seller	Cash to seller	Cash to seller
% Adjustment		-	-	-	-	-	-
Conditions of Sale		-	-	-	-	-	-
% Adjustment		-	-	-	-	-	-
Market Conditions	11/22/2016	Jul-16	Jun-16	Jun-16	May-15	May-15	Mar-15
Annual % Adjustment	2%	1%	1%	1%	3%	3%	3%
Cumulative Adjusted Price		\$61,039	\$55,822	\$75,343	\$60,266	\$79,231	\$75,620
Location		10%	10%	-	5%	-15%	-5%
Age/Condition		-	-	-	-	5%	-
Project Amenities		-	5%	-	-	-	-
Unit Size		5%	-	-	5%	10%	-
Economic Characteristics		-	5%	10%	5%	10%	10%
Net \$ Adjustment		\$9,156	\$11,164	\$7,534	\$9,040	\$7,923	\$3,781
Net % Adjustment		15%	20%	10%	15%	10%	5%
Final Adjusted Price		\$70,195	\$66,987	\$82,877	\$69,306	\$87,154	\$79,401
Overall Adjustment		16%	21%	11%	18%	13%	8%
Range of Adjusted Prices		\$66,987 - \$87,154					
Average		\$75,987					
Indicated Value		\$76,000					



Adjustments for unit features and project amenities are based on information in the following table.

Unit Features and Project Amenities							
	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5	Sale 6
Unit Features							
Patios/Balcony		x	x		x		x
Fireplace		x					
Vaulted Ceilings		x				x	
Dishwasher	x		x	x	x	x	x
Disposal	x		x	x	x	x	x
Trash Compactor							
Washer/Dryer Hookup	x	x	x	x	x	x	x
Washer/Dryer In Unit							
Storage in Unit							x
Air Conditioning	x	x	x	x	x	x	x
Carpets/Draperies/Blinds	x	x	x	x	x	x	x
Walk-in Closets	x	x	x	x	x	x	x
Comparison to Subject		Similar	Similar	Similar	Similar	Similar	Similar
Project Amenities							
Gated Entrance	x	x		x	x	x	
Swimming Pool	x	x		x	x	x	x
Spa/Hot Tub							
Sauna							
Covered Parking							
Garage/Under Building					x		
Tennis Court					x		
Playground	x	x	x	x	x	x	x
Clubhouse/Rec. Bldg.		x	x	x			
Fitness Room	x	x	x	x	x	x	x
Racquet Ball							
Volleyball			x				
Basketball			x				
Laundry Facility	x	x	x	x	x	x	x
Storage							
Security	x	x					
Comparison to Subject		Similar	Inferior	Similar	Similar	Similar	Similar

Value Indication

Prior to adjustment, the sales reflect a range of \$55,270 - \$76,923 per unit. After adjustment, the range is narrowed to \$66,987 - \$87,154 per unit, with an average of \$75,987 per unit. Most weight in the reconciliation was given to 1, 4 and 5 which are stabilized properties with known NOI per unit.

Value Indication by Sales Comparison

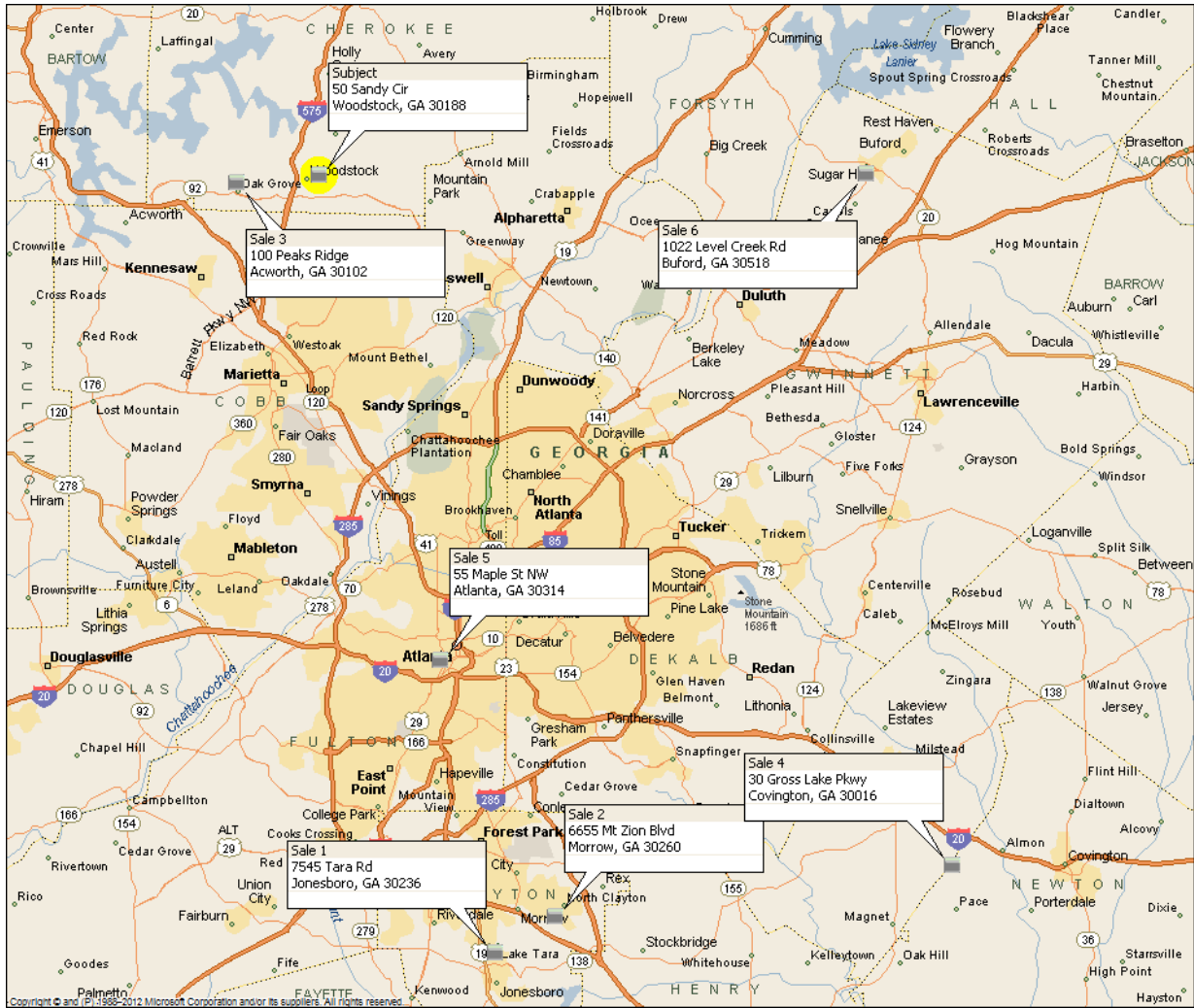
Indicated Value per Unit	\$76,000
Subject Units	172
Indicated Value	\$13,072,000
Rounded	\$13,100,000
Indicated Value	\$13,072,000
Rounded	\$13,100,000

Prospective Market Value Upon Completion/Stabilization As If Unencumbered By Restricted Rents

Summary of Comparable Improved Sales

No.	Name/Address	Sale Date; Status	Yr. Blt.; # Stories; % Occ.	# Units; Rentable SF; Avg Unit SF	Sale Price	\$/Unit; \$/SF	NOI/Unit; NOI/SF; Exp. Ratio	Cap Rate
1	Rock Creek at Vinings f/k/a Aventure at Vinings 3385 Atlanta Rd. Smyrna Cobb County GA	Jun-16 Closed	1991 3 97%	403 362,700 992	\$57,400,000	\$142,432 \$158.26	– – –	–
<i>Comments: This is the sale of the 403-unit apartment complex located at 3385 Atlanta Rd SE in Smyrna, GA. The property sold on June 22, 2016 for \$57,400,000 or \$142,432 per unit. The property was 96.5% occupied at the time of sale.</i>								
2	1000 Spalding f/k/a Spalding Crossing 1000 Spalding Dr. Atlanta Fulton County GA	Sep-15 Closed	1996 3 92%	252 249,342 991	\$40,731,000	\$161,631	\$7,519 \$7.60 45%	4.65%
<i>Comments: This 252-unit apartment complex sold on September 24, 2015 for \$40,731,000. The property was 92% occupied at the time of sale. The property traded at a 4.65% cap rate based on in-place income and expenses. The \$40,731,000 does not include personal property of \$269,000 that was reported on public records at the time of sale.</i>								
3	St. Andrews 10055 Jones Bridge Rd. Alpharetta Fulton County GA	Sep-15 Closed	1996 2 98%	228 288,338 1,265	\$38,325,000	\$168,092 \$132.92	– – –	–
<i>Comments: This is the sale of the 228-unit apartment complex located at 10055 Jones Bridge Road in Alpharetta. The property sold on September 24, 2015 for \$38,325,000 or \$168,092 per acre. The property was approximately 98% occupied at the time of sale. Prior to the sale, the seller renovated the exterior and community amenities of the property. The seller has anticipated a value add renovation of 30% of the units. The renovated units were renting for approximately \$280 more per month than the non-renovated units.</i>								
4	Wesley St. James f/k/a Residences at Morgan Falls 7785 Roswell Road Atlanta DeKalb County GA	Feb-15 Closed	1996 3 97%	504 519,414 1,031	\$54,000,000	\$107,143 \$103.96	\$6,268 \$6.08 –	5.85%
<i>Comments: This is the sale of the 504-unit apartment complex located at 7785 Roswell Road in Atlanta. The property sold on February 9, 2015 for \$54,000,000 or \$107,143 per unit. The property was 97% occupied at the time of sale. The property sold with a 5.85% cap rate.</i>								
Subject			2001	172			\$4,616	
Columbia Creek Apartments			3	211,124			\$3.76	
Woodstock, GA			99%	1,227			51%	

Comparable Improved Sales Map





Sale 1
Rock Creek at Vinings f/k/a Aventine at Vinings



Sale 2
1000 Spalding f/k/a Spalding Crossing



Sale 3
St. Andrews



Sale 4
Wesley St. James f/k/a Residences at Morgan Falls

Analysis and Adjustment of Sales

The sales are compared to the subject and adjusted to account for material differences that affect value. Adjustments are considered for the following factors, in the sequence shown below.

Adjustment Factor	Accounts For	Comments
Market Conditions	Changes in the economic environment over time that affect the appreciation and depreciation of real estate.	Some appreciation has occurred in the market area warranting an upward adjustment of 2% per year.
Location	Market or submarket area influences on sale price; surrounding land use influences.	All sales were downward adjusted for having superior location.
Project Size	Inverse relationship that often exists between project size and unit value.	Sales 1 and 4 were upward adjusted for being larger project sizes, which would reflect a lower price per unit.
Age/Condition	Effective age; physical condition.	Sales 1, 3 and 4 were upward adjusted for being older in age than the subject property after extensive renovations are completed.
Average Unit Size	Average residential unit floor area.	Sales 1, 2 and 4 were upward adjusted for having smaller average unit sizes. Typically larger floor plans have greater potential to bring in higher rents.
Economic Characteristics	Non-stabilized occupancy, above/below market rents, rent control, and other economic factors.	Sale 2 was downward adjusted for having a higher NOI per unit.

Improved Sales Adjustment Grid

	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Property Name	Columbia Creek Apartments	Rock Creek at Vinings f/k/a Aventine at Vinings	1000 Spalding f/k/a Spalding Crossing	St. Andrews	Wesley St. James f/k/a Residences at Morgan Falls
Address	50 E. Sandy Circle	3385 Atlanta Rd.	1000 Spalding Dr.	10055 Jones Bridge Rd.	7785 Roswell Road
City	Woodstock	Smyrna	Atlanta	Alpharetta	Atlanta
County	Cherokee	Cobb	Fulton	Fulton	DeKalb
State	Georgia	GA	GA	GA	GA
Sale Date		Jun-16	Sep-15	Sep-15	Feb-15
Sale Status		Closed	Closed	Closed	Closed
Sale Price		\$57,400,000	\$40,731,000	\$38,325,000	\$54,000,000
Rentable Floor Area	211,124	362,700	249,342	288,338	519,414
Number of Units	172	403	252	228	504
Year Built	2001	1991	1996	1996	1996
Year Renovated	2017	—	2015-2016	—	—
Avg SF Per Unit	1,227	992	991	1,265	1,031
Occupancy	99%	97%	92%	98%	97%
NOI per Unit	\$6,011	—	\$7,519	—	\$6,268
Price per Unit		\$142,432	\$161,631	\$168,092	\$107,143
Property Rights		Leased Fee	Leased Fee	Leased Fee	Leased Fee
% Adjustment		—	—	—	—
Financing Terms		Cash to seller	Cash to seller	Cash to seller	Cash to seller
% Adjustment		—	—	—	—
Conditions of Sale		—	—	—	—
% Adjustment		—	—	—	—
Market Conditions	12/1/2017	Jun-16	Sep-15	Sep-15	Feb-15
Annual % Adjustment	2%	3%	4%	4%	6%
Cumulative Adjusted Price		\$146,705	\$168,096	\$174,816	\$113,571
Location		-10%	-15%	-15%	-15%
Project Size		10%	—	—	10%
Age/Condition		10%	—	10%	10%
Quality		—	-5%	—	-5%
Unit Features		-5%	-5%	-5%	-5%
Unit Size		5%	5%	—	5%
Economic Characteristics		—	-20%	—	—
Net \$ Adjustment		\$14,670	-\$67,238	-\$17,482	\$0
Net % Adjustment		10%	-40%	-10%	0%
Final Adjusted Price		\$161,375	\$100,858	\$157,334	\$113,571
Overall Adjustment		13%	-38%	-6%	6%
Range of Adjusted Prices		\$100,858 - \$161,375			
Average		\$133,285			
Indicated Value		\$135,000			

Unit Features and Project Amenities

	Subject	Sale 1	Sale 2	Sale 3	Sale 4
Unit Features					
Patios/Balcony		x	x	x	x
Fireplace		x	x	x	x
Vaulted Ceilings			x		x
Dishwasher	x	x	x	x	x
Disposal	x	x	x		
Trash Compactor					
Washer/Dryer Hookup	x	x	x	x	x
Washer/Dryer In Unit			x		
Storage in Unit					x
Air Conditioning	x	x	x	x	x
Carpets/Drapes/Blinds	x	x	x	x	x
Walk-in Closets	x	x	x		
<hr/>					
Comparison to Subject		Superior	Superior	Superior	Superior
<hr/>					
Project Amenities					
Gated Entrance	x	x	x	x	x
Swimming Pool	x	x	x	x	x
Spa/Hot Tub					
Sauna					
Covered Parking			x		
Garage/Under Building					x
Tennis Court		x		x	x
Playground	x	x		x	
Clubhouse/Rec. Bldg.		x	x		x
Fitness Room	x	x	x	x	x
Racquet Ball					
Volleyball					
Basketball					
Laundry Facility	x	x		x	x
Storage					
Security	x				
<hr/>					
Comparison to Subject		Similar	Similar	Similar	Similar

Value Indication

Prior to adjustment, the sales reflect a range of \$107,143 - \$168,092 per unit. After adjustment, the range is narrowed to \$100,858 - \$161,375 per unit, with an average of \$133,285 per unit. We give greatest weight to sale 3 because it was a similar size property, was stabilized property and was located on the northern Atlanta MSA area.

Price per Unit Analysis

Indicated Value per Unit	\$135,000
Subject Units	<u>172</u>
Indicated Value	\$23,220,000
Rounded	\$23,200,000

Note: "Completed/Stabilized As if Unencumbered by Restricted Rents" Value Indications listed in the above chart is subject to a hypothetical condition where 100% of the subject property's units could be leased at market rents. This is contrary to the current state of the subject property, however the value estimation was provided at the request of the client.

Income Capitalization Approach

The income capitalization approach converts anticipated economic benefits of owning real property into a value estimate through capitalization. The steps taken to apply the income capitalization approach are:

- Analyze the revenue potential of the property.
- Consider appropriate allowances for vacancy, collection loss, and operating expenses.
- Calculate net operating income by deducting vacancy, collection loss, and operating expenses from potential income.
- Apply the most appropriate capitalization method, either direct capitalization or discounted cash flow analysis, or both, to convert anticipated net income to an indication of value.

The two most common capitalization methods are direct capitalization and discounted cash flow analysis. In direct capitalization, a single year's expected income is divided by an appropriate capitalization rate to arrive at a value indication. In discounted cash flow analysis, anticipated future net income streams and a future resale value are discounted to a present value at an appropriate yield rate.

In this analysis, we use only direct capitalization because investors in this property type typically rely more on this method. First we will estimate the market rent of the subject assuming it is not encumbered with restricted rents and assuming the property has undergone substantial renovation.

Occupancy and Rental Rates

The unit mix, occupancy status, and rental rates at the subject are shown in the following tables.

Unit Mix and Occupancy

Floor Plan	Units	% of Total	Avg. Unit Size	Total SF	Occupied Units	Vacant Units	% Occupied
2 bed 2 bath Market Units							
2 bed 2 bath- market rents	24	14.0%	1,167	28,008	24	0	100%
Total/Average	24	14.0%	1,167	28,008	24	0	100%
3 bed 2 bath Market Units							
3 bed 2 bath- market rents	10	5.8%	1,367	13,670	10	0	100%
Total/Average	10	5.8%	1,367	13,670	10	0	100%
2 bed 2 bath Tax Credit Units							
2 bed 2 bath- tax credit 50%	6	3.5%	1,167	7,002	6	0	100%
2 bed 2 bath- tax credit 60%	90	52.3%	1,167	105,030	88	2	98%
Total/Average	96	55.8%	1,167	112,032	94	2	98%
3 bed 2 bath Tax Credit Units							
3 bed 2 bath- tax credit 50%	3	1.7%	1,367	4,101	3	0	100%
3 bed 2 bath- tax credit 60%	39	22.7%	1,367	53,313	39	0	100%
Total/Average	42	24.4%	1,367	57,414	42	0	100%
Total Units	172	100.0%	1,227	211,124	170	2	99%

*Includes employee and model units, as applicable.

Unit Mix and Occupancy

Unit Type	Unit Size	Total Units	Vacant Units	Occ. Units*	% Occ.
2 bed 2 bath Market	1,167	24	0	24	100%
3 bed 2 bath Market	1,367	10	0	10	100%
2 bed 2 bath Tax Credit	1,167	96	2	94	98%
3 bed 2 bath Tax Credit	1,367	42	0	42	100%
TOTAL/AVG.	1,227	172	2	170	99%

*Includes employee and model units, as applicable

As of the effective valuation date, the subject is 99% leased and occupied. The property is considered to be at stabilized occupancy.

The chart below is based on asking rents for the subject ignoring the rent restrictions and condition of the property prior to renovation. After renovation, market rent is expected to increase substantially for the non-restricted units.

Subject Rental Rates

Unit Type	Average Unit Size	Total Units	Asking Rent ¹		Contract Rent ²	
			Average	Avg. \$/SF	Average	Avg. \$/SF
2 bed 2 bath Market	1,167	24	\$850	\$0.73	\$766	\$0.66
3 bed 2 bath Market	1,367	10	\$950	\$0.69	\$811	\$0.59
2 bed 2 bath Tax Credit	1,167	96	\$850	\$0.73	\$766	\$0.66
3 bed 2 bath Tax Credit	1,367	42	\$950	\$0.69	\$811	\$0.59
TOTAL/AVG.	1,227	172	\$880	\$0.72	\$780	\$0.63

1. Includes employee & model units, if any.

2. Figures are for tenant-occupied units only. Excludes any employee or model units.

Utilities Expenses

Tenant-Paid Utilities	Owner-Paid-Utilities
In-Unit Electric	Common Area Electric
Water	Common Area Water
Sewer	-the owner is reimbursed for water and sewer expenses
Trash	

Market Rent Analysis

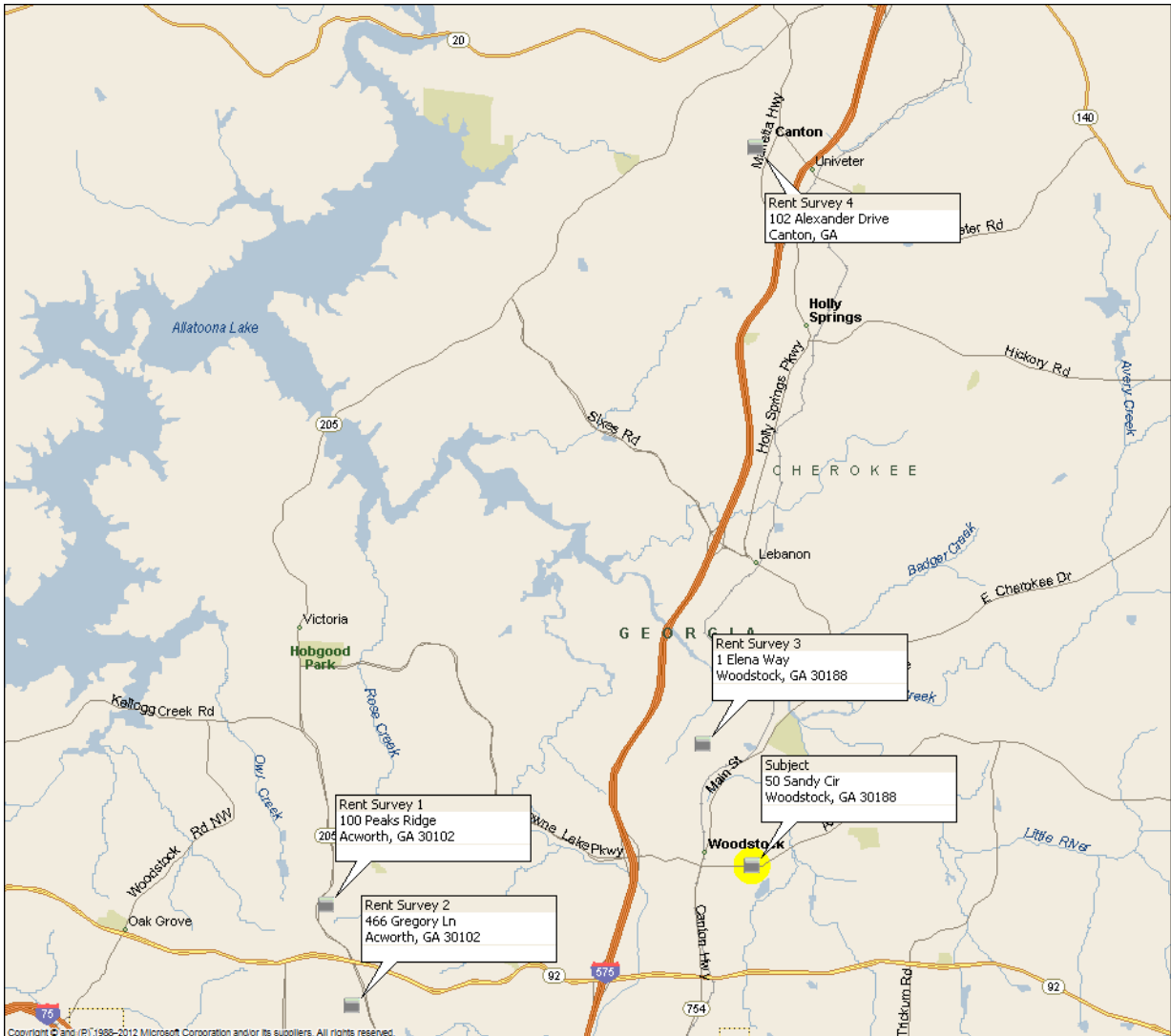
In addition to contract rent, our analysis considers the market rent of each basic unit type within the subject. To estimate market rent, we analyze comparable rentals most relevant to the subject in terms of location, property type, building age, and quality. The comparables are summarized in the following table.

Summary of Comparable Rentals

No.	Property Name; Address	Survey Date	Yr Built; Stories	Unit Mix	# Units; % Occ.	Avg. Unit SF	Avg. Rent/ Month	Avg. Rent/ SF
1	The Peaks of Bells Ferry 100 Peaks Rdg. Acworth	11/16/2016	2003 3		248 96%			
				1x1 market	12	874	-	-
				1x1 TC 60%	50	874	-	-
				2x2 market	25	1,149	\$1,000	\$0.87
				2x2 TC 60%	98	1,149	\$940	\$0.82
				3x2 market	12	1,388	\$1,150	\$0.83
				3x2 TC 60%	51	1,388	\$1,091	\$0.79
	Tenant-Paid Utilities:		In-Unit Electric					
	Unit Features:		Air Conditioning, Carpets/Drapes/Blinds, Dishwasher, Disposal, Walk-in Closets, Washer/Dryer Hookup					
	Project Amenities:		Clubhouse/Rec. Bldg., Fitness Room, Gated Entrance, Laundry Facility, Playground, Swimming Pool					
	Comments:		At the time of survey, the property was 96% occupied. The tenant is responsible for in-unit electric which is billed by Cobb EMC. Water/sewer and trash are included in the base rents. The property is under new management as of July 2016 and has a waiting list for three bedroom units. The tenants are predominantly families.					
2	Gregory Lane 466 Gregory Ln. Acworth	11/16/2016	1996 2		112 94%			
				2x2	-	1,050	\$835	\$0.80
				3x2	-	1,200	\$935	\$0.78
	Tenant-Paid Utilities:		In-Unit Electric, Sewer, Water					
	Unit Features:		Patio/Balcony, Dishwasher, Washer/Dryer Hookup, Air Conditioning, Carpets/Drapes/Blinds, Walk-in Closets					
	Project Amenities:		Swimming Pool, Playground, Clubhouse/Rec. Bldg., Laundry Facility					
	Comments:		At the time of survey, the property was 96% occupied. The management is in the process of leasing all units at market rents.					
3	Alta Ridgewalk 1 Elena Way Woodstock	11/16/2016	2004 3		340 98%			
				1 x 1	114	764	-	-
				2 x 2 market	50	1,018	\$1,100	\$1.08
				3 x 2 market	16	1,547	\$1,200	\$0.78
				2 x 2 TC 60%	120	1,018	\$865	\$0.85
				3 x 2 TC 60%	38	1,547	\$993	\$0.64
	Tenant-Paid Utilities:		In-Unit Electric, Sewer, Water					
	Unit Features:		Air Conditioning, Carpets/Drapes/Blinds, Dishwasher, Disposal, Walk-in Closets, Washer/Dryer Hookup					
	Project Amenities:		Swimming Pool, Garage/Under Building, Tennis Court, Playground, Clubhouse/Rec. Bldg., Fitness Room, Laundry Facility, Gated Entrance, Storage, Volleyball					
	Comments:		At the time of survey, the property was 98% occupied.					
4	Alexander Ridge 102 Alexander Ridge Canton	11/17/2016	2001 3		272 98%			
				1BR/1BA	-	801	-	-
				2x2 Market	-	1,002	\$1,000	\$1.00
				3x2 Market	-	1,200	\$1,100	\$0.92
				2x2 TC 50%	-	1,002	\$657	\$0.66
				3x2 TC 50%	-	1,200	\$741	\$0.62
				2x2 TC 60%	-	1,002	\$824	\$0.82
				3x2 TC 60%	-	1,200	\$933	\$0.78
	Tenant-Paid Utilities:		In-Unit Electric, Sewer, Water					
	Unit Features:		Air Conditioning, Patios/Balcony, Ceiling Fans, Range-Refrig., Dishwasher, Washer/Dryer Hookup, Carpets/Drapes/Blinds, Walk-in Closets, Disposal					
	Project Amenities:		Clubhouse/Rec. Bldg., Fitness Room, Laundry Facility, Gated Entrance, Swimming Pool, Playground					
	Comments:		At the time of the survey the property was 98% occupied. Water sewer is handled through a third-party billing provider One-Point and water is individually metered. Georgia Power provides electricity and tenants pay all electric directly to the provider.					



Comparable Rentals Map





Rent Survey 1
The Peaks of Bells Ferry



Rent Survey 2
Gregory Lane



Rent Survey 3
Alta Ridgewalk



Rent Survey 4
Alexander Ridge

Rental Analysis Factors

Our analysis of the comparable rentals considers the following elements of comparison.

Rental Analysis Factors	
Tenant Paid Utilities	Utilities costs for which tenants are responsible.
Unit Size	Floor area in square feet.
Location	Market or submarket area influences on rent; surrounding land use influences.
Age/Condition	Effective age; physical condition.
Quality	Construction quality, market appeal, functional utility.
Unit Features	Features included in individual residential units.
Project Amenities	Amenities available to the entire property.

Rent Survey 1 is The Peaks of Bells Ferry, a 248 unit property located at 100 Peaks Rdg., Acworth, Cherokee County, GA. The tenant was responsible for less utility expenses. Therefore the rate was downward adjusted.

Rent Survey 2 is Gregory Lane, a 112 unit property located at 466 Gregory Ln., Acworth, Cherokee County, GA. This comparable was downward adjusted for having patios/balconies and therefore having superior unit features.

Rent Survey 3 is Alta Ridgewalk, a 340 unit property located at 1 Elena Way, Woodstock, Cherokee County, GA. No adjustments were deemed necessary for this comparable.

Rent Survey 4 is Alexander Ridge, a 272 unit property located at 102 Alexander Ridge, Canton, Cherokee County, GA. This comparable was downward adjusted for having patios/balconies and therefore having superior unit features.

Analysis of Comparable Rentals- Prospective Market Value Upon Completion/Stabilization As If Unencumbered by Restricted Rents

Rental Adjustment Grid - 2 bed 2 bath Market

	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Property Name	Columbia Creek Apartments	The Peaks of Bells Ferry	Gregory Lane	Alta Ridgewalk	Alexander Ridge
Address	50 E. Sandy Circle	100 Peaks Rdg.	466 Gregory Ln.	1 Elena Way	102 Alexander Ridge
City	Woodstock	Acworth	Acworth	Woodstock	Canton
County	Cherokee	Cherokee	Cherokee	Cherokee	Cherokee
State	Georgia	GA	GA	GA	GA
Survey Date		Nov-16	Nov-16	Nov-16	Nov-16
Unit Type	2 bed 2 bath Market	2x2 market	2x2	2 x 2 market	2x2 Market
Average Unit SF	1,167	1,149	1,050	1,018	1,002
Average Rent/Mo	\$850	\$1,000	\$835	\$1,100	\$1,000
Rent/SF	\$0.73	\$0.87	\$0.80	\$1.08	\$1.00
Year Built	2001	2003	1996	2004	2001
Average Rent/Month		\$1,000	\$835	\$1,100	\$1,000
Utilities Adjustment					
\$ Adjustment		-\$50	-	-	-
Size Adjustment					
% Adjustment	50%				
\$ Adjustment		\$7.83	\$46.52	\$80.50	\$82.34
Cumulative Adjusted Rent		\$958	\$882	\$1,181	\$1,082
Unit Features		-	-\$25	-	-\$25
Net \$ Adjustment		\$0	-\$25	\$0	-\$25
Net % Adjustment		0%	-3%	0%	-2%
Final Adjusted Price		\$958	\$857	\$1,181	\$1,057
Overall Adjustment		-4%	3%	7%	6%

Summary Indicators	Range	Average	Average/SF
Comparables - Adjusted	\$857 - \$1,181	\$1,013	-
Subject Contract Rents	\$766 - \$766	\$766	\$0.66
Recent Subject Leases	\$800 - \$800	\$800	\$0.69
Subject Asking Rent	\$850 - \$850	\$850	\$0.73
Concluded Market Rent	\$1,000 (\$0.86/SF)		

Our estimate of market rent assumes the subject has been renovated. As such, the market rent is above the average of the comparables.

Rental Adjustment Grid - 3 bed 2 bath Market

	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Property Name	Columbia Creek Apartments	The Peaks of Bells Ferry	Gregory Lane	Alta Ridgewalk	Alexander Ridge
Address	50 E. Sandy Circle	100 Peaks Rdg.	466 Gregory Ln.	1 Elena Way	102 Alexander Ridge
City	Woodstock	Acworth	Acworth	Woodstock	Canton
County	Cherokee	Cherokee	Cherokee	Cherokee	Cherokee
State	Georgia	GA	GA	GA	GA
Survey Date		Nov-16	Nov-16	Nov-16	Nov-16
Unit Type	3 bed 2 bath Market	3x2 market	3x2	3 x 2 market	3x2 Market
Average Unit SF	1,367	1,388	1,200	1,547	1,200
Average Rent/Mo	\$950	\$1,150	\$935	\$1,200	\$1,100
Rent/SF	\$0.69	\$0.83	\$0.78	\$0.78	\$0.92
Year Built	2001	2003	1996	2004	2001
Average Rent/Month		\$1,150	\$935	\$1,200	\$1,100
Utilities Adjustment					
\$ Adjustment		-\$60	-	-	-
Size Adjustment					
% Adjustment	50%				
\$ Adjustment		-\$9	\$65	-\$70	\$77
Cumulative Adjusted Rent		\$1,081	\$1,000	\$1,130	\$1,177
Unit Features		-	-\$25	-	-\$25
Net \$ Adjustment		\$0	-\$25	\$0	-\$25
Net % Adjustment		0%	-2%	0%	-2%
Final Adjusted Price		\$1,081	\$975	\$1,130	\$1,152
Overall Adjustment		-6%	4%	-6%	5%

Summary Indicators	Range	Average	Average/SF
Comparables - Adjusted	\$975 - \$1,152	\$1,085	-
Subject Contract Rents	\$811 - \$811	\$811	\$0.59
Recent Subject Leases	\$875 - \$875	\$875	\$0.64
Subject Asking Rent	\$950 - \$950	\$950	\$0.69
Concluded Market Rent	\$1,150 (\$0.84/SF)		

Unit Features and Project Amenities					
	Subject	Rent 1	Rent 2	Rent 3	Rent 4
	Columbia Creek Apartments	The Peaks of Bells Ferry	Gregory Lane	Alta Ridgewalk	Alexander Ridge
Unit Features					
Patios/Balcony			x		x
Fireplace					
Vaulted Ceilings					
Dishwasher	x	x	x	x	x
Disposal	x	x		x	x
Trash Compactor					
Washer/Dryer Hookup	x	x	x	x	x
Washer/Dryer In Unit					
Storage in Unit					
Air Conditioning	x	x	x	x	x
Carpets/Draperies/Blinds	x	x	x	x	x
Walk-in Closets	x	x	x	x	x
Comparison to Subject		Similar	Superior	Similar	Superior
Project Amenities					
Gated Entrance	x	x		x	x
Swimming Pool	x	x	x	x	x
Spa/Hot Tub					
Sauna					
Covered Parking					
Garage/Under Building				x	
Tennis Court				x	
Playground	x	x	x	x	x
Clubhouse/Rec. Bldg.		x	x	x	x
Fitness Room	x	x		x	x
Racquet Ball					
Volleyball				x	
Basketball					
Laundry Facility	x	x	x	x	x
Storage				x	
Security	x				
Comparison to Subject		Similar	Similar	Similar	Similar

Market Rent Conclusion

Based on the preceding analysis of comparable rentals, market rent is estimated for each unit type as shown in the table that follows.

Market Rent Conclusions							
Unit Type	Total Units	Avg. Unit Size	Average Contract Rent	Average Asking Rent	Typical Recent Leases	Market Rent/Month	Market Rent/SF
2 bed 2 bath Market	24	1,167	\$766	\$850	\$800	\$1,000	\$0.86
3 bed 2 bath Market	10	1,367	\$811	\$950	\$875	\$1,150	\$0.84
2 bed 2 bath Tax Credit	96	1,167	\$766	\$850	\$697	\$1,000	\$0.86
3 bed 2 bath Tax Credit	42	1,367	\$811	\$950	\$781	\$1,150	\$0.84
Total/Avg.	172	1,227	\$780	\$880	\$742	\$1,045	\$0.85

The market rents on the previous page are applied to project the Prospective Market Value Upon Completion/Stabilization As If Unencumbered by Restricted Rents. However, as outlined in the following section, this is contrary to the current situation at the subject property as it is encumbered by restricted rents. A hypothetical condition was made for this prospective value and was provided at the client’s request.

Rent Control Regulations

Columbia Creek currently operates under the Section 42 Low Income Housing Tax Credit (LIHTC) program, and has the following restrictions. Buyer must agree to maintain the affordable restrictions through the extended use period, including operating the property in compliance with state and federal regulatory agreements.

CHEROKEE COUNTY, GA
 (ATLANTA-SANDY SPRINGS-ROSWELL, GA HUD METRO FMR AREA)
 2016 4-PERSON AMI: \$67,500

2016 INCOME LIMITS	50% AMI	54% AMI	60% AMI
1 person	\$25,900	\$27,972	\$31,080
2 people	\$29,600	\$31,968	\$35,520
3 people	\$33,300	\$35,964	\$39,960
4 people	\$36,950	\$39,906	\$44,340
5 people	\$39,950	\$43,146	\$47,940
6 people	\$42,900	\$46,332	\$51,480

- LIHTC LURA: Restricts 9 units at 50% AMI, 128 units at 60% AMI and the remainders are at market rate. LIHTC LURA further stipulates non-profit material participation in the development throughout the term of this agreement
- 1999 Qualified Allocation Plan: The 1999 Georgia Qualified Allocation Plan requires all the 60% AMI units to be rented at 54% AMI rents for the Credit compliance period of the initial 15 years to year end 2016
 INITIAL TCCP ENDS: 2016 FINAL YEAR OF

RESTRICTIONS: 2031

54% RENT & 60% INCOME LIMITS - 128 Units				
BEDROOM SIZE	# UNITS	GROSS RENT	DCA NORTHERN EFF. 7/1/14	MAX RENT
2 Bedroom	89	899.00	169.00	730.00
3 Bedroom	39	1,038.00	216.00	822.00
50% RENT & INCOME LIMITS - 9 Units				
BEDROOM SIZE	# UNITS	GROSS RENT	DCA NORTHERN EFF. 7/1/14	MAX RENT
2 Bedroom	6	832.00	169.00	663.00
3 Bedroom	3	961.00	216.00	745.00



Income and Expenses - Prospective Market Value Upon Completion/Stabilization As If Unencumbered by Restricted Rents

Potential Gross Rent

The following table summarizes the potential gross rent of the subject based on contract rent from leased units plus market rent applied to vacant units. The total of these amounts is compared to the potential rent that would be generated if the entire property were leased at market rates.

Potential Gross Rent						
Unit Type	Total Units	Potential Rent at Contract (1)	Avg. Contract Rent/Unit	Market Rent/Unit	Potential Rent at Market	Contract As % of Market
Leased Units						
2 bed 2 bath Market	22	\$202,188	\$766	\$1,000	\$264,000	77%
3 bed 2 bath Market	10	\$97,260	\$811	\$1,150	\$138,000	70%
2 bed 2 bath Tax Credit	94	\$786,432	\$697	\$1,000	\$1,128,000	70%
3 bed 2 bath Tax Credit	42	\$393,866	\$781	\$1,150	\$579,600	68%
Total Leased	168	\$1,479,746	\$734	\$1,046	\$2,109,600	70%
Employee/Model Units						
2 bed 2 bath Market	2	\$24,000	\$1,000	\$1,000	\$24,000	100%
Total Employee/Model	2	\$24,000	\$1,000	\$1,000	\$24,000	100%
Vacant Units						
2 bed 2 bath Tax Credit	2	\$24,000	\$1,000	\$1,000	\$24,000	100%
Total Vacant	2	\$24,000	\$1,000	\$1,000	\$24,000	100%
Grand Total	172	\$1,527,746	\$740	\$1,045	\$2,157,600	71%

¹ Contract rent for leased units; vacant and employee/model units, if any, at market.

In our the projection of the Prospective Market Value Upon Completion/Stabilization As If Unencumbered by Restricted Rents for the subject, rental income is based on market rents being applied to 100% of the units. Income is projected for the 12-month period following the effective date of the appraisal.

Employee/Model Units

Market rent is assigned to employee and model units in our income projections. Rent loss attributable to these units is then deducted as an expense.

Expense Reimbursements

Income is generated from tenant obligations to reimburse the owner for water and sewer. The tenant pays a flat rate to the landlord based on their respective floor plan.

Vacancy & Collection Loss

Stabilized vacancy and collection loss is estimated at 4.0%. This estimate considers the submarket vacancy rate and vacancy rates at competing properties.

Concessions

A deduction is made to reflect income loss due to free rent and other tenant concessions that are customary at the subject and also typical in the market. These concessions are approximately 1.0% of potential gross income.

Expenses

Operating expenses are estimated based on the operating history of the subject, expense data from comparable properties, and industry benchmarks, as summarized in the following tables.

Operating History and Projections

	Actual 2013	Actual 2014	Actual 2015	6 Months Annualized 2016	Budget 2016	IRR Projection
Income						
Rental Income	\$1,556,640	\$1,535,233	\$1,497,713	\$1,556,692	\$1,616,979	\$2,157,600
Expense Reimbursements	86,840	107,678	107,883	101,178	103,200	105,000
Potential Gross Income*	\$1,643,480	\$1,642,911	\$1,605,596	\$1,657,870	\$1,720,179	\$2,262,600
Vacancy & Collection Loss @ 4.0%	-\$329,675	-\$159,602	-\$68,309	-\$92,074	-\$80,849	-90,504
Concessions @ 1.0%	-50,545	-29,127	-11,185	-10,498	0	-22,626
Other Income	43,948	33,838	39,082	36,351	37,840	37,000
Effective Gross Income	\$1,307,208	\$1,488,019	\$1,565,184	\$1,591,649	\$1,677,170	\$2,186,470
Expenses						
Real Estate Taxes	\$75,470	\$75,181	\$83,444	\$78,960	\$150,675	\$150,000
Insurance	41,505	41,882	41,972	41,498	50,052	50,000
Utilities	194,745	201,381	200,360	193,881	180,600	190,000
Repairs/Maintenance	137,702	157,047	151,262	150,872	116,100	103,200
Painting & Decorating	42,170	36,121	43,185	39,196	0	34,400
Payroll/Benefits	246,723	254,654	269,304	265,208	223,600	250,000
Advertising & Marketing	9,513	3,232	1,543	485	32,680	25,800
General/Administrative Management	48,218	44,365	46,954	41,492	38,700	34,400
Replacement Reserves	130,238	147,224	154,516	155,455	75,473	87,459
	0	0	0	0	60,200	43,729
Total Expenses	\$926,285	\$961,088	\$992,540	\$967,047	\$928,080	\$968,988
Net Operating Income	\$380,923	\$526,931	\$572,644	\$624,602	\$749,090	\$1,217,482
Operating Expense Ratio**	70.9%	64.6%	63.4%	60.8%	51.7%	42.3%
Income per Unit						
Rental Income	\$9,050	\$8,926	\$8,708	\$9,051	\$9,401	\$12,544
Expense Reimbursements	\$505	\$626	\$627	\$588	\$600	\$610
Potential Gross Income per Unit	\$9,555	\$9,552	\$9,335	\$9,639	\$10,001	\$13,155
Vacancy & Collection Loss @ 4.0%	-\$1,917	-\$928	-\$397	-\$535	-\$470	-\$526
Concessions @ 1.0%	-294	-169	-65	-61	0	-132
Other Income	256	197	227	211	220	215
Effective Gross Income per Unit	\$7,600	\$8,651	\$9,100	\$9,254	\$9,751	\$12,712
Expenses per Unit						
Real Estate Taxes	\$439	\$437	\$485	\$459	\$876	\$872
Insurance	241	244	244	241	291	291
Utilities	1,132	1,171	1,165	1,127	1,050	1,105
Repairs/Maintenance	801	913	879	877	675	600
Painting & Decorating	245	210	251	228	0	200
Payroll/Benefits	1,434	1,481	1,566	1,542	1,300	1,453
Advertising & Marketing	55	19	9	3	190	150
General/Administrative Management	280	258	273	241	225	200
	757	856	898	904	439	508
Replacement Reserves	0	0	0	0	350	254
Total Expenses per Unit	\$5,385	\$5,588	\$5,771	\$5,622	\$5,396	\$5,634
NOI per Unit	\$2,215	\$3,064	\$3,329	\$3,631	\$4,355	\$7,078
Number of Units	172	172	172	172	172	172

*IRR projected income is the total potential income attributable to the property before deduction of vacancy and collection loss. Historical income is the actual income that has been collected by the property owner.

**Replacement reserves, if any, are excluded from total expenses for purposes of determining the Operating Expense Ratio.

Expense Analysis per Unit									
	Comp Data*			Subject					
	Comp 1	Comp 2	Comp 3	Historical and Projected Expenses					
Year Built	2003	1996	1997	2001					
Number of Units	256	280	136	172					
Operating Data Type	Pro-forma	Pro-forma	Pro-forma	Actual	Actual	Actual	Annualized	Budget	IRR
Year	2016	2016	2016	2013	2014	2015	2016	2016	Projection
Real Estate Taxes	\$871	\$1,185	\$990	\$439	\$437	\$485	\$459	\$876	\$872
Insurance	\$221	\$223	\$194	\$241	\$244	\$244	\$241	\$291	\$291
Utilities	\$874	\$995	\$712	\$1,132	\$1,171	\$1,165	\$1,127	\$1,050	\$1,105
Repairs/Maintenance	\$149	\$524	\$705	\$801	\$913	\$879	\$877	\$675	\$600
Painting & Decorating	\$247	\$193	\$275	\$245	\$210	\$251	\$228	\$0	\$200
Payroll/Benefits	\$1,040	\$1,167	\$1,700	\$1,434	\$1,481	\$1,566	\$1,542	\$1,300	\$1,453
Advertising & Marketing	\$145	\$169	\$219	\$55	\$19	\$9	\$3	\$190	\$150
General/Administrative Management	\$238	\$401	\$312	\$280	\$258	\$273	\$241	\$225	\$200
Replacement Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$350	\$254
Total	\$4,158	\$5,196	\$5,531	\$5,385	\$5,588	\$5,771	\$5,622	\$5,396	\$5,634
Operating Expense Ratio	44.6%	46.0%	51.7%	70.9%	64.6%	63.4%	60.8%	51.7%	42.3%

Capitalization Rate Selection

A capitalization rate is used to convert net income into an indication of value. Selection of an appropriate capitalization rate considers the future income pattern of the property and investment risk associated with ownership. We consider the following data in selecting a capitalization rate for the subject.

LIHTC Comparables

Capitalization Rate Comparables

No.	Property Name	Year Built	Sale Date	% Occup.	No. Units	Price/Unit	Cap Rate
1	Pointe Clear	1998	7/25/2016	100%	230	\$60,435	7.20%
2	Baywood Park	1995	6/13/2016	95%	120	\$55,270	—
3	The Peaks of Bells Ferry	2003	6/3/2016	87%	248	\$74,597	5.50%
4	Orchard Cove Apartments	2000	5/12/2015	96%	188	\$58,511	6.95%
5	The Courtyard at Maple	1993	5/5/2015	97%	182	\$76,923	4.14%
6	Plantation Ridge	1998	3/18/2015	92%	218	\$73,417	—
Average (Mean) Cap Rate:							5.95%

Comparables 1 and 4 which were stabilized properties at the time of sale. Comparable 3 had an occupancy rate of 87% at the time of sale and has since been stabilized at market and restricted rents. The broker noted that the capitalization rate was below market and that the purchaser paid the sale price they did because they specialize in stabilizing properties and have a good track record in doing so. The sale broker who verified sale 3 provided a surveyed market cap rate of 6.00 to 6.50% for LIHTC properties in Cherokee County. His interview is in the below table. Further, the comparable 5 cap rate had superior urban location but was operating at a lower NOI per unit at the time of sale and therefore reflected a below market capitalization rate.

Market Participant Survey - Capitalization Rates

Respondent	Cap Rate	Comments
Greg Cygan- Aspen Square Management	6.00 to 6.50%	Mr. Cygan stated that a typical capitalization rate of a stabilized tax credit multifamily property in the Atlanta MSA is around 6.00% to 6.50%.

Market Rent Comparables

Capitalization Rate Comparables

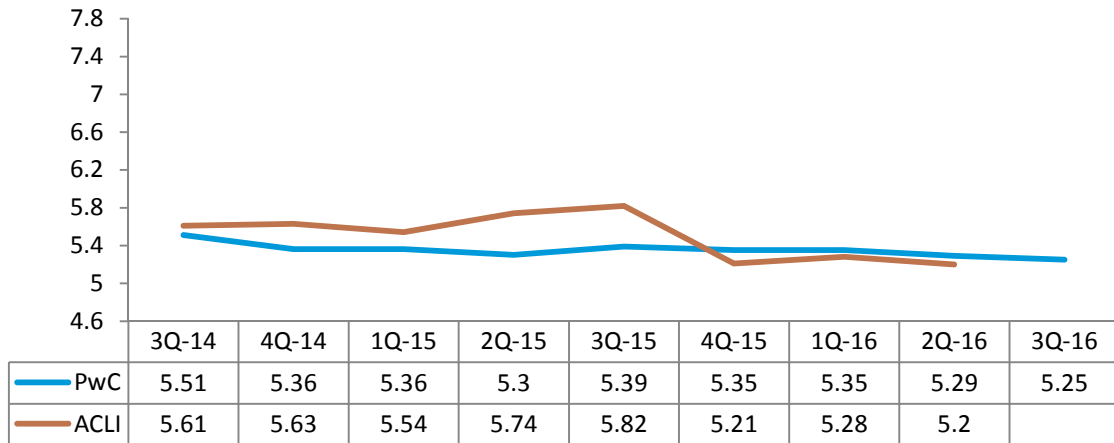
No.	Property Name	Year Built	Sale Date	% Occup.	No. Units	Price/Unit	Cap Rate
1	Rock Creek at Vinings f/k/a Aventine at Vinings	1991	6/22/2016	97%	403	\$142,432	-
2	1000 Spalding f/k/a Spalding	1996	9/24/2015	92%	252	\$161,631	4.65%
3	St. Andrews	1996	9/24/2015	98%	228	\$168,092	-
4	Wesley St. James f/k/a Residences at Morgan Falls	1996	2/9/2015	97%	504	\$107,143	5.85%
Average (Mean) Cap Rate:							5.25%

Capitalization Rate Surveys – Multifamily Properties

	IRR-ViewPoint Mid Year 2016 National Urban Multifamily	IRR-ViewPoint Mid Year 2016 National Suburban Multifamily	PwC 3Q-16 National Apartment	ACLI 2Q-16 National Apartment
Range	3.75% - 7.75%	4.00% - 6.75%	3.50% - 7.50%	NA
Average	5.33%	5.46%	5.25%	5.46%

Source: IRR-Viewpoint 2015; PwC Real Estate Investor Survey; American Council of Life Insurers Investment

Multifamily Capitalization Rate Trends



PwC- PwC Real Estate Investor Survey - National Apartment Market

ACLI - American Council of Life Insurers Investment Bulletin - Apartment Properties

Band of Investment Method

Mortgage/Equity Assumptions

Loan To Value Ratio	75%
Interest Rate	4.50%
Amortization (Years)	25
Mortgage Constant	0.0667
Equity Ratio	25%
Equity Dividend Rate	7.00%

Weighted Average of Mortgage and Equity Requirements

Mortgage Requirement	75%	x	6.67% =	5.00%
Equity Requirement	25%	x	7.00% =	1.75%

Indicated Capitalization Rate

6.75%

Rounded

6.75%

Based on an analysis of the preceding data, a going-in capitalization rate for the subject is indicated within a range of 5.00% to 7.00%. To reach a capitalization rate conclusion, we consider each of the following investment risk factors to gauge its impact on the rate. The direction of each arrow in the following table indicates our judgment of an upward, downward, or neutral influence of each factor.

Risk Factor	Issues	Impact on Rate
Income Characteristics	Stability of occupancy, above/below market rents, rent control.	↔
Competitive Market Position	Construction quality, appeal, condition, effective age, functional utility.	↔
Location	Market area demographics and life cycle trends; proximity issues; access and support services.	↓
Market	Vacancy rates and trends; rental rate trends; supply and demand.	↔
Highest & Best Use	Upside potential from redevelopment, adaptation, expansion.	↔
Overall Impact		↔

Indicated Capitalization Rate:

Capitalization Rate Conclusion	
Going-In Capitalization Rate	5.50%

Direct Capitalization Analysis

Net operating income is divided by the capitalization rate to indicate the stabilized value of the subject. Valuation of the subject by direct capitalization is shown in the table that follows.

Direct Capitalization Analysis			
		Annual	\$/Unit
INCOME			
Rental Income		\$2,157,600	\$12,544
Expense Reimbursements		\$105,000	\$610
Potential Gross Income		\$2,262,600	\$13,155
Vacancy & Collection Loss	4.00%	-\$90,504	-\$526
Concessions	1.00%	-\$22,626	-\$132
Other Income		\$37,000	\$215
Effective Gross Income		\$2,186,470	\$12,712
EXPENSES			
Real Estate Taxes		\$150,000	\$872
Insurance		\$50,000	\$291
Utilities		\$190,000	\$1,105
Repairs/Maintenance		\$103,200	\$600
Painting & Decorating		\$34,400	\$200
Payroll/Benefits		\$250,000	\$1,453
Advertising & Marketing		\$25,800	\$150
General/Administrative		\$34,400	\$200
Management	4.00%	\$87,459	\$508
Replacement Reserves		\$43,729	\$254
Total Expenses		\$968,988	\$5,634
NET OPERATING INCOME		\$1,217,482	\$7,078
Capitalization Rate		5.50%	
Indicated Value		\$22,136,033	\$128,698
Rounded		\$22,100,000	\$128,488

Income Approach: Prospective Market Value Upon Completion/Stabilization As Encumbered by Restricted Rents Market Rent Conclusion

We expect maximum rents for the restricted rent units to be achieved after renovations have been completed.

Market Rent Conclusions

Unit Type	Total Units	Avg. Unit Size	Average Contract Rent	Average Asking Rent	Typical Recent Leases	Market Rent/ Month	Market Rent/SF
2 bed 2 bath Market	24	1,167	\$766	\$850	\$800	\$1,000	\$0.86
3 bed 2 bath Market	10	1,367	\$811	\$950	\$875	\$1,150	\$0.84
2 bed 2 bath TC 50%	6	1,167	\$665	\$663	\$663	\$663	\$0.57
3 bed 2 bath TC 50%	3	1,367	\$745	\$745	\$745	\$745	\$0.54
2 bed 2 bath TC 60%	90	1,167	\$699	\$730	\$730	\$730	\$0.63
3 bed 2 bath TC 60%	39	1,367	\$784	\$822	\$795	\$822	\$0.60
Total/Avg.	172	1,227	\$734	\$778	\$761	\$811	\$0.66

The above market rents are applied to project the Prospective Market Value Upon Completion / Stabilization As Encumbered by Restricted Rents. Rent Control Regulations

54% RENT & 60% INCOME LIMITS - 128 Units				
BEDROOM SIZE	# UNITS	GROSS RENT	DCA NORTHERN EFF. 7/1/14	MAX RENT
2 Bedroom	89	899.00	169.00	730.00
3 Bedroom	39	1,038.00	216.00	822.00
50% RENT & INCOME LIMITS - 9 Units				
BEDROOM SIZE	# UNITS	GROSS RENT	DCA NORTHERN EFF. 7/1/14	MAX RENT
2 Bedroom	6	832.00	169.00	663.00
3 Bedroom	3	961.00	216.00	745.00

Potential Gross Rent

The following table summarizes the potential gross rent of the subject based on contract rent from leased units plus market rent applied to vacant units. The total of these amounts is compared to the potential rent that would be generated if the entire property were leased at market rates.

Potential Gross Rent

Unit Type	Total Units	Potential Rent at Contract (1)	Avg. Contract Rent/Unit	Market Rent/Unit	Potential Rent at Market	Contract As % of Market
Leased Units						
2 bed 2 bath Market	22	\$202,188	\$766	\$1,000	\$264,000	77%
3 bed 2 bath Market	10	\$97,260	\$811	\$1,150	\$138,000	70%
2 bed 2 bath TC 50%	6	\$47,844	\$665	\$663	\$47,736	100%
3 bed 2 bath TC 50%	3	\$26,820	\$745	\$745	\$26,820	100%
2 bed 2 bath TC 60%	88	\$738,588	\$699	\$730	\$770,880	96%
3 bed 2 bath TC 60%	39	\$367,046	\$784	\$822	\$384,696	95%
Total Leased	168	\$1,479,746	\$734	\$810	\$1,632,132	91%
Employee/Model Units						
2 bed 2 bath Market	2	\$24,000	\$1,000	\$1,000	\$24,000	100%
Total Employee/Model	2	\$24,000	\$1,000	\$1,000	\$24,000	100%
Vacant Units						
2 bed 2 bath TC 60%	2	\$17,520	\$730	\$730	\$17,520	100%
Total Vacant	2	\$17,520	\$730	\$730	\$17,520	100%
Grand Total	172	\$1,521,266	\$737	\$811	\$1,673,652	91%

¹ Contract rent for leased units; vacant and employee/model units, if any, at market.

In our the projection of the Prospective Market Value Upon Completion/Stabilization As Encumbered by Restricted Rents for the subject, rental income is based on market rents for unrestricted units and maximum allowable rents for restricted units. Income is projected for the 12-month period following the effective date of the appraisal.

Employee/Model Units

Market rent is assigned to employee and model units in our income projections. Rent loss attributable to these units is then deducted as an expense.

Expense Reimbursements

Income is generated from tenant obligations to reimburse the owner for water and sewer. The tenant pays a flat rate to the landlord based on their respective floor plan.

Vacancy & Collection Loss

Stabilized vacancy and collection loss is estimated at 3.0%. This estimate considers the submarket vacancy rate and vacancy rates at competing properties.

Concessions

A deduction is made to reflect income loss due to free rent and other tenant concessions that are customary at the subject and also typical in the market. These concessions are approximately 1.0% of potential gross income.

Expenses

Operating expenses are estimated based on the operating history of the subject, expense data from comparable properties, and industry benchmarks, as summarized in the following tables.

Direct Capitalization Analysis

Net operating income is divided by the capitalization rate to indicate the stabilized value of the subject. Valuation of the subject by direct capitalization is shown in the table that follows.

Direct Capitalization Analysis			
		Annual	\$/Unit
INCOME			
Rental Income		\$1,673,652	\$9,731
Expense Reimbursements		\$105,000	\$610
Potential Gross Income		\$1,778,652	\$10,341
Vacancy & Collection Loss	3.00%	-\$53,360	-\$310
Concessions	0.56%	-\$10,000	-\$58
Other Income		\$37,000	\$215
Effective Gross Income		\$1,752,292	\$10,188
EXPENSES			
Real Estate Taxes		\$150,000	\$872
Insurance		\$42,000	\$244
Utilities		\$181,000	\$1,052
Repairs/Maintenance		\$120,000	\$698
Painting & Decorating		\$34,400	\$200
Payroll/Benefits		\$230,000	\$1,337
Advertising & Marketing		\$3,000	\$17
General/Administrative		\$42,000	\$244
Management	4.50%	\$78,853	\$458
Replacement Reserves		\$43,000	\$250
Total Expenses		\$924,253	\$5,374
NET OPERATING INCOME		\$828,039	\$4,814
Capitalization Rate		5.50%	
Indicated Value		\$15,055,260	\$87,531
Rounded		\$15,100,000	\$87,791

Income Approach: Market Value As-Is

Based on the preceding analysis of comparable rentals, market rent is estimated for each unit type as shown in the table that follows.

Market Rent Conclusions

Unit Type	Total Units	Avg. Unit Size	Average Contract Rent	Average Asking Rent	Typical Recent Leases	Market Rent/ Month	Market Rent/SF
2 bed 2 bath Market	24	1,167	\$766	\$850	\$800	\$850	\$0.73
3 bed 2 bath Market	10	1,367	\$811	\$950	\$875	\$950	\$0.69
2 bed 2 bath TC 50%	6	1,167	\$665	\$663	\$663	\$663	\$0.57
3 bed 2 bath TC 50%	3	1,367	\$745	\$745	\$745	\$745	\$0.54
2 bed 2 bath TC 60%	90	1,167	\$699	\$730	\$730	\$730	\$0.63
3 bed 2 bath TC 60%	39	1,367	\$784	\$822	\$795	\$822	\$0.60
Total/Avg.	172	1,227	\$734	\$778	\$761	\$778	\$0.63

During the inspection, the management of the subject property noted that the market units were previously leased for too low of rates considering comparable property's success at achieving higher rates. However, of recent the property has been achieving asking rents and moreover maximum rents for the restricted units. In the income projection, we utilize a 50/50 blend of contract rents and market rents since the property will remain leased below market rents until tenant turnover occurs at the property.

Rent Control Regulations

54% RENT & 60% INCOME LIMITS - 128 Units				
BEDROOM SIZE	# UNITS	GROSS RENT	DCA NORTHERN EFF. 7/1/14	MAX RENT
2 Bedroom	89	899.00	169.00	730.00
3 Bedroom	39	1,038.00	216.00	822.00
50% RENT & INCOME LIMITS - 9 Units				
BEDROOM SIZE	# UNITS	GROSS RENT	DCA NORTHERN EFF. 7/1/14	MAX RENT
2 Bedroom	6	832.00	169.00	663.00
3 Bedroom	3	961.00	216.00	745.00

Analysis of Comparable Rentals- Market Value As-Is

Since the subject property is not achieving maximum rents under its current rent restrictions, we provide actual rents in the market area which are set at 50% and 60% AMI.

Rental Adjustment Grid - 2 bed 2 bath Market

	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Property Name	Columbia Creek Apartments	The Peaks of Bells Ferry	Gregory Lane	Alta Ridgewalk	Alexander Ridge
Address	50 E. Sandy Circle	100 Peaks Rdg.	466 Gregory Ln.	1 Elena Way	102 Alexander Ridge
City	Woodstock	Acworth	Acworth	Woodstock	Canton
County	Cherokee	Cherokee	Cherokee	Cherokee	Cherokee
State	Georgia	GA	GA	GA	GA
Survey Date		Nov-16	Nov-16	Nov-16	Nov-16
Unit Type	2 bed 2 bath Market	2x2 TC 60%	2x2	2 x 2 TC 60%	2x2 TC 60%
Average Unit SF	1,167	1,149	1,050	1,018	1,002
Average Rent/Mo	\$850	\$940	\$835	\$865	\$824
Rent/SF	\$0.73	\$0.82	\$0.80	\$0.85	\$0.82
Year Built	2001	2003	1996	2004	2001
Average Rent/Month		\$940	\$835	\$865	\$824
Utilities Adjustment					
\$ Adjustment		-\$50	-	-	-
Size Adjustment					
% Adjustment	50%				
\$ Adjustment		\$7.36	\$46.52	\$63.30	\$67.84
Cumulative Adjusted Rent		\$897	\$882	\$928	\$892
Unit Features		-	-\$25	-	-\$25
Net \$ Adjustment		\$0	-\$25	\$0	-\$25
Net % Adjustment		0%	-3%	0%	-3%
Final Adjusted Price		\$897	\$857	\$928	\$867
Overall Adjustment		-5%	3%	7%	5%

Summary Indicators	Range	Average	Average/SF
Comparables - Adjusted	\$857 - \$928	\$887	-
Subject Contract Rents	\$766 - \$766	\$766	\$0.66
Recent Subject Leases	\$800 - \$800	\$800	\$0.69
Subject Asking Rent	\$850 - \$850	\$850	\$0.73
Concluded Market Rent	\$850 (\$0.73/SF)		

Rental Adjustment Grid - 3 bed 2 bath Market

	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Property Name	Columbia Creek Apartments	The Peaks of Bells Ferry	Gregory Lane	Alta Ridgewalk	Alexander Ridge
Address	50 E. Sandy Circle	100 Peaks Rdg.	466 Gregory Ln.	1 Elena Way	102 Alexander Ridge
City	Woodstock	Acworth	Acworth	Woodstock	Canton
County	Cherokee	Cherokee	Cherokee	Cherokee	Cherokee
State	Georgia	GA	GA	GA	GA
Survey Date		Nov-16	Nov-16	Nov-16	Nov-16
Unit Type	3 bed 2 bath Market	3x2 market	3x2	3 x 2 market	3x2 Market
Average Unit SF	1,367	1,388	1,200	1,547	1,200
Average Rent/Mo	\$950	\$1,150	\$935	\$1,200	\$1,100
Rent/SF	\$0.69	\$0.83	\$0.78	\$0.78	\$0.92
Year Built	#N/A	2003	1996	2004	2001
Average Rent/Month		\$1,150	\$935	\$1,200	\$1,100
Utilities Adjustment					
\$ Adjustment		-\$60	-	-	-
Size Adjustment					
% Adjustment	50%				
\$ Adjustment		-\$9	\$65	-\$70	\$77
Cumulative Adjusted Rent		\$1,081	\$1,000	\$1,130	\$1,177
Unit Features		-	-\$25	-	-\$25
Net \$ Adjustment		\$0	-\$25	\$0	-\$25
Net % Adjustment		0%	-2%	0%	-2%
Final Adjusted Price		\$1,081	\$975	\$1,130	\$1,152
Overall Adjustment		-6%	4%	-6%	5%

Summary Indicators	Range	Average	Average/SF
Comparables - Adjusted	\$975 - \$1,152	\$1,085	-
Subject Contract Rents	\$811 - \$811	\$811	\$0.59
Recent Subject Leases	\$875 - \$875	\$875	\$0.64
Subject Asking Rent	\$950 - \$950	\$950	\$0.69
Concluded Market Rent	\$950 (\$0.69/SF)		

Rental Adjustment Grid - 2 bed 2 bath Tax Credit 50%

	Subject	Comparable 1
Property Name	Columbia Creek Apartments	Alexander Ridge
Address	50 E. Sandy Circle	102 Alexander Ridge
City	Woodstock	Canton
County	Cherokee	Cherokee
State	Georgia	GA
Survey Date		Nov-16
Unit Type	2 bed 2 bath Tax Credit 50%	2x2 TC 50%
Average Unit SF	1,167	1,002
Average Rent/Mo	\$663	\$657
Rent/SF	\$0.57	\$0.66
Year Built	2001	2001
Average Rent/Month		\$657
Utilities Adjustment \$ Adjustment		—
Size Adjustment % Adjustment	50%	
\$ Adjustment		\$54
Cumulative Adjusted Rent		\$711
Net \$ Adjustment		\$0
Net % Adjustment		0%
Final Adjusted Price		\$711
Overall Adjustment		8%
Summary Indicators		Range
Comparables - Adjusted		\$711 - \$711
Subject Contract Rents		\$665 - \$665
Recent Subject Leases		\$663 - \$663
Subject Asking Rent		\$663 - \$663
Concluded Market Rent		\$663 (\$0.57/SF)

The subject property is currently achieving maximum rents for the 2 bed 2 bath 50% units.

Rental Adjustment Grid - 3 bed 2 bath Tax Credit 50%

	Subject	Comparable 1
Property Name	Columbia Creek Apartments	Alexander Ridge
Address	50 E. Sandy Circle	102 Alexander Ridge
City	Woodstock	Canton
County	Cherokee	Cherokee
State	Georgia	GA
Survey Date		Nov-16
Unit Type	3 bed 2 bath Tax Credit 50%	3x2 TC 50%
Average Unit SF	1,367	1,200
Average Rent/Mo	\$745	\$741
Rent/SF	\$0.54	\$0.62
Year Built	#N/A	2001
Average Rent/Month		\$741
Utilities Adjustment \$ Adjustment		–
Size Adjustment % Adjustment	50%	
\$ Adjustment		\$52
Cumulative Adjusted Rent		\$793
Age/Condition		–
Net \$ Adjustment		\$0
Net % Adjustment		0%
Final Adjusted Price		\$793
Overall Adjustment		7%
Summary Indicators		Range
Comparables - Adjusted		\$793 - \$793
Subject Contract Rents		\$745 - \$745
Recent Subject Leases		\$745 - \$745
Subject Asking Rent		\$745 - \$745
Concluded Market Rent		\$745 (\$0.54/SF)

The subject property is currently achieving maximum rents for the 3 bed 2 bath 50% units.

Rental Adjustment Grid - 2 bed 2 bath TC 60%

	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Property Name	Columbia Creek Apartments	The Peaks of Bells Ferry	Gregory Lane	Alta Ridgewalk	Alexander Ridge
Address	50 E. Sandy Circle	100 Peaks Rdg.	466 Gregory Ln.	1 Elena Way	102 Alexander Ridge
City	Woodstock	Acworth	Acworth	Woodstock	Canton
County	Cherokee	Cherokee	Cherokee	Cherokee	Cherokee
State	Georgia	GA	GA	GA	GA
Survey Date		Nov-16	Nov-16	Nov-16	Nov-16
Unit Type	2 bed 2 bath TC 60%	2x2 TC 60%	2x2	2 x 2 TC 60%	2x2 TC 60%
Average Unit SF	1,167	1,149	1,050	1,018	1,002
Average Rent/Mo	\$730	\$940	\$835	\$865	\$824
Rent/SF	\$0.63	\$0.82	\$0.80	\$0.85	\$0.82
Year Built	#N/A	2003	1996	2004	2001
Average Rent/Month		\$940	\$835	\$865	\$824
Utilities Adjustment					
\$ Adjustment		-\$50	-	-	-
Size Adjustment					
% Adjustment	50%				
\$ Adjustment		\$7	\$47	\$63	\$68
Cumulative Adjusted Rent		\$897	\$882	\$928	\$892
Unit Features		-	-\$25	-	-\$25
Net \$ Adjustment		\$0	-\$25	\$0	-\$25
Net % Adjustment		0%	-3%	0%	-3%
Final Adjusted Price		\$897	\$857	\$928	\$867
Overall Adjustment		-5%	3%	7%	5%

Summary Indicators	Range	Average	Average/SF
Comparables - Adjusted	\$857 - \$928	\$887	-
Subject Contract Rents	\$699 - \$699	\$699	\$0.60
Recent Subject Leases	\$730 - \$730	\$730	\$0.63
Subject Asking Rent	\$730 - \$730	\$730	\$0.63
Concluded Market Rent	\$730 (\$0.63/SF)		

The subject property' recent leases have been achieving maximum rents for the 2 bed 2 bath 60% units.

Rental Adjustment Grid - 3 bed 2 bath TC 60%

	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Property Name	Columbia Creek Apartments	The Peaks of Bells Ferry	Gregory Lane	Alta Ridgewalk	Alexander Ridge
Address	50 E. Sandy Circle	100 Peaks Rdg.	466 Gregory Ln.	1 Elena Way	102 Alexander Ridge
City	Woodstock	Acworth	Acworth	Woodstock	Canton
County	Cherokee	Cherokee	Cherokee	Cherokee	Cherokee
State	Georgia	GA	GA	GA	GA
Survey Date		Nov-16	Nov-16	Nov-16	Nov-16
Unit Type	3 bed 2 bath TC 60%	3x2 TC 60%	3x2	3 x 2 TC 60%	3x2 TC 60%
Average Unit SF	1,367	1,388	1,200	1,547	1,200
Average Rent/Mo	\$822	\$1,091	\$935	\$993	\$933
Rent/SF	\$0.60	\$0.79	\$0.78	\$0.64	\$0.78
Year Built	#N/A	2003	1996	2004	2001
Average Rent/Month		\$1,091	\$935	\$993	\$933
Utilities Adjustment					
\$ Adjustment		-\$60	-	-	-
Size Adjustment					
% Adjustment	50%				
\$ Adjustment		-\$8	\$65	-\$58	\$65
Cumulative Adjusted Rent		\$1,023	\$1,000	\$935	\$998
Unit Features		-	-\$25	-	-\$25
Net \$ Adjustment		\$0	-\$25	\$0	-\$25
Net % Adjustment		0%	-2%	0%	-3%
Final Adjusted Price		\$1,023	\$975	\$935	\$973
Overall Adjustment		-6%	4%	-6%	4%

Summary Indicators	Range	Average	Average/SF
Comparables - Adjusted	\$935 - \$1,023	\$976	-
Subject Contract Rents	\$784 - \$784	\$784	\$0.57
Recent Subject Leases	\$795 - \$795	\$795	\$0.58
Subject Asking Rent	\$822 - \$822	\$822	\$0.60
Concluded Market Rent	\$822 (\$0.60/SF)		

Potential Gross Rent

The following table summarizes the potential gross rent of the subject based on contract rent from leased units plus market rent applied to vacant units. The total of these amounts is compared to the potential rent that would be generated if the entire property were leased at market rates.

Potential Gross Rent

Unit Type	Total Units	Potential Rent at Contract (1)	Avg. Contract Rent/Unit	Market Rent/Unit	Potential Rent at Market	Contract As % of Market
Leased Units						
2 bed 2 bath Market	22	\$202,188	\$766	\$850	\$224,400	90%
3 bed 2 bath Market	10	\$97,260	\$811	\$950	\$114,000	85%
2 bed 2 bath TC 50%	6	\$47,844	\$665	\$663	\$47,736	100%
3 bed 2 bath TC 50%	3	\$26,820	\$745	\$745	\$26,820	100%
2 bed 2 bath TC 60%	88	\$738,588	\$699	\$730	\$770,880	96%
3 bed 2 bath TC 60%	39	\$367,046	\$784	\$822	\$384,696	95%
Total Leased	168	\$1,479,746	\$734	\$778	\$1,568,532	94%
Employee/Model Units						
2 bed 2 bath Market	2	\$20,400	\$850	\$850	\$20,400	100%
Total Employee/Model	2	\$20,400	\$850	\$850	\$20,400	100%
Vacant Units						
2 bed 2 bath TC 60%	2	\$17,520	\$730	\$730	\$17,520	100%
Total Vacant	2	\$17,520	\$730	\$730	\$17,520	100%
Grand Total	172	\$1,517,666	\$735	\$778	\$1,606,452	94%

¹ Contract rent for leased units; vacant and employee/model units, if any, at market.

In our the projection of the Market Value As-Is value for the subject, rental income is based on a mixture of recent leases supported by higher market rents and several maximum allowable lease rates for the performing restricted rent units. Income is projected for the 12-month period following the effective date of the appraisal.

Employee/Model Units

Market rent is assigned to employee and model units in our income projections. Rent loss attributable to these units is then deducted as an expense.

Expense Reimbursements

Income is generated from tenant obligations to reimburse the owner for water and sewer. The tenant pays a flat rate to the landlord based on their respective floor plan.

Vacancy & Collection Loss

Stabilized vacancy and collection loss is estimated at 3.0%. This estimate considers the submarket vacancy rate and vacancy rates at competing properties.

Concessions

A deduction is made to reflect income loss due to free rent and other tenant concessions that are customary at the subject and also typical in the market. These concessions are approximately 1.0% of potential gross income.

Expenses

Operating expenses are estimated based on the operating history of the subject, expense data from comparable properties, and industry benchmarks, as summarized in the following tables.

Direct Capitalization Analysis

Net operating income is divided by the capitalization rate to indicate the stabilized value of the subject. Valuation of the subject by direct capitalization is shown in the table that follows.

Direct Capitalization Analysis			
		Annual	\$/Unit
INCOME			
Rental Income		\$1,562,059	\$9,082
Expense Reimbursements		\$105,000	\$610
Potential Gross Income		\$1,667,059	\$9,692
Vacancy & Collection Loss	3.00%	-\$50,012	-\$291
Concessions	0.60%	-\$10,000	-\$58
Other Income		\$37,000	\$215
Effective Gross Income		\$1,644,047	\$9,558
EXPENSES			
Real Estate Taxes		\$150,000	\$872
Insurance		\$42,000	\$244
Utilities		\$181,000	\$1,052
Repairs/Maintenance		\$120,000	\$698
Painting & Decorating		\$34,400	\$200
Payroll/Benefits		\$230,000	\$1,337
Advertising & Marketing		\$3,000	\$17
General/Administrative		\$42,000	\$244
Management	4.50%	\$73,982	\$430
Replacement Reserves		\$43,000	\$250
Total Expenses		\$919,382	\$5,345
NET OPERATING INCOME		\$724,665	\$4,213
Capitalization Rate		5.50%	
Indicated Value		\$13,175,725	\$76,603
Rounded		\$13,200,000	\$76,744

Reconciliation and Conclusion of Value

The values indicated by our analyses are as follows:

Summary of Value Indications

	Market Value As Is	Prospective Market Value Upon Completion/Stabilization As If Unencumbered by Restricted Rents	Prospective Market Value Upon Completion/Stabilization As Encumbered by Restricted Rents
Cost Approach	Not Used	Not Used	Not Used
Sales Comparison Approach	\$13,100,000	\$23,200,000	Not Used
Income Capitalization Approach	\$13,200,000	\$22,100,000	\$15,100,000
Reconciled	\$13,200,000	\$22,100,000	\$15,100,000

The income capitalization approach is given the greatest weight because it is the most reliable valuation method for the subject. The sales comparison approach is given less weight because it does not directly consider the income characteristics of the property. The cost approach is not applicable to the subject and is not used. Accordingly, our value opinion follows.

Value Conclusions

Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value As Is	Leased Fee	November 22, 2016	\$13,200,000
Prospective Market Value Upon Completion/Stabilization As If Unencumbered by Restricted Rents	Leased Fee	December 1, 2017	\$22,100,000
Prospective Market Value Upon Completion/Stabilization As Encumbered by Restricted Rents	Leased Fee	December 1, 2017	\$15,100,000
Land Value- Net of Demolition Costs	Fee Simple	November 22, 2016	\$800,000

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

1. We were not provided a property conditions report, therefore we assume the property does not suffer from significant deferred maintenance that would affect the properties usability as a multifamily property.
2. We were not provided a budget or cost estimate for the renovations to the subject property. Therefore, we assume the current estimate of \$4,730,000 will cover the scope of the renovations which were provided to us in a list and noted in the Planned Capital Expenditures section of this report.

The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition contrary to known fact on the effective date of the appraisal but is supposed for the purpose of analysis.

1. The prospective value upon completion/stabilization as if unencumbered by restricted rents applies a hypothetical condition where the property is unencumbered by its current affordable restrictions under the Section 42 Low Income Housing Tax Credit (LIHTC) program. This is contrary to reality and does not reflect an as is value because the subject property is encumbered by these restricted rents until year 2031.

The opinions of value expressed in this report are based on estimates and forecasts that are prospective in nature and subject to considerable risk and uncertainty. Events may occur that could cause the performance of the property to differ materially from our estimates, such as changes in the economy, interest rates, capitalization rates, financial strength of tenants, and behavior of investors, lenders, and consumers. Additionally, our opinions and forecasts are based partly on data obtained from interviews and third party sources, which are not always completely reliable. Although we are of the opinion that our findings are reasonable based on available evidence, we are not responsible for the effects of future occurrences that cannot be reasonably foreseen at this time.

Exposure Time

Exposure time is the length of time the subject property would have been exposed for sale in the market had it sold on the effective valuation date at the concluded market value. Based on the concluded market values stated previously, it is our opinion that the probable exposure time is 6 months.

Marketing Period

Marketing time is an estimate of the amount of time it might take to sell a property at the concluded market value immediately following the effective date of value. We estimate the subject's marketing period at 6 months.

Insurable Replacement Cost

An estimate of insurable replacement cost based on the calculator method of Marshall Valuation Service is shown in the following table. In the absence of specific instructions from the client], this estimate is based on the replacement cost new of the building improvements. From the total of these amounts, we deduct insurance exclusions.

The following are not considered in our estimate: land value, site improvement costs, entrepreneurial profit, depreciation, and costs to demolish damaged structures.

We have not viewed the specific policy that is in effect or may be written for the subject, nor have we been given specific instructions by the client on what is to be included in, or excluded from, the insurable replacement cost estimate. Moreover, methodologies for developing these estimates vary between underwriters. Therefore, reliance should not be placed on our estimate unless the client independently determines that the items included in our estimate are consistent with the terms of the subject's insurance coverage.

We are not experts in estimating replacement costs for insurable value purposes. We recommend the engagement of an appropriately qualified professional if a definitive estimate of insurable replacement cost is required.

Estimate of Insurable Replacement Cost

Replacement Cost New - Building Improvements

<i>Bldg Name</i>	<i>MVS Building Type</i>	<i>MVS Class</i>	<i>Quality</i>	<i>Quantity</i>	<i>Unit</i>	<i>Unit Cost</i>	<i>Cost New</i>
Columbia Creek Apartments	Multiple Residences	D	Average	223,055	SF	\$69.49	\$15,500,092
Subtotal - Building Improvements							\$15,500,092
Less: Insurance Exclusions							
Other						8.0%	\$1,240,007
Total Exclusions						8.0%	\$1,240,007
Insurable Replacement Cost							\$14,260,085
Rounded:							\$14,260,000

Certification

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 have not performed any 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 as well as applicable state appraisal regulations.
9. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. We certify that to the best of our knowledge and belief, our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Georgia Real Estate Appraiser Classification and Regulation Act and the Rules and Regulations of the Georgia Real Estate Appraisers Board.
12. Sherry L. Watkins, MAI, FRICS, ASA, made a personal inspection of the property that is the subject of this report.
13. Significant real property appraisal assistance was provided by Zach Fraysier (Georgia Registered Real Estate Appraiser 351694) who has not signed this certification.

14. We have experience in appraising properties similar to the subject and are in compliance with the Competency Rule of USPAP.
15. As of the date of this report, Sherry L. Watkins, MAI, FRICS, ASA has completed the continuing education program for Designated Members of the Appraisal Institute.



Sherry L. Watkins, MAI, FRICS, ASA
Certified General Real Estate Appraiser
Georgia Certificate # CG001536

Assumptions and Limiting Conditions

This appraisal and any other work product related to this engagement are limited by the following standard assumptions, except as otherwise noted in the report:

1. The title is marketable and free and clear of all liens, encumbrances, encroachments, easements and restrictions. The property is under responsible ownership and competent management and is available for its highest and best use.
2. There are no existing judgments or pending or threatened litigation that could affect the value of the property.
3. There are no hidden or undisclosed conditions of the land or of the improvements that would render the property more or less valuable. Furthermore, there is no asbestos in the property.
4. The revenue stamps placed on any deed referenced herein to indicate the sale price are in correct relation to the actual dollar amount of the transaction.
5. The property is in compliance with all applicable building, environmental, zoning, and other federal, state and local laws, regulations and codes.
6. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

This appraisal and any other work product related to this engagement are subject to the following limiting conditions, except as otherwise noted in the report:

1. An appraisal is inherently subjective and represents our opinion as to the value of the property appraised.
2. The conclusions stated in our appraisal apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events.
3. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated.
4. No environmental impact studies were either requested or made in conjunction with this appraisal, and we reserve the right to revise or rescind any of the value opinions based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the appraisal assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
5. Unless otherwise agreed to in writing, we are not required to give testimony, respond to any subpoena or attend any court, governmental or other hearing with reference to the property without compensation relative to such additional employment.
6. We have made no survey of the property and assume no responsibility in connection with such matters. Any sketch or survey of the property included in this report is for illustrative purposes only and should not be considered to be scaled accurately for size. The appraisal

- covers the property as described in this report, and the areas and dimensions set forth are assumed to be correct.
7. No opinion is expressed as to the value of subsurface oil, gas or mineral rights, if any, and we have assumed that the property is not subject to surface entry for the exploration or removal of such materials, unless otherwise noted in our appraisal.
 8. We accept no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal descriptions and other legal matters such as legal title, geologic considerations such as soils and seismic stability; and civil, mechanical, electrical, structural and other engineering and environmental matters. Such considerations may also include determinations of compliance with zoning and other federal, state, and local laws, regulations and codes.
 9. The distribution of the total valuation in the report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. The appraisal report shall be considered only in its entirety. No part of the appraisal report shall be utilized separately or out of context.
 10. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the persons signing the report.
 11. Information, estimates and opinions contained in the report and obtained from third-party sources are assumed to be reliable and have not been independently verified.
 12. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute predictions of future operating results.
 13. If the property is subject to one or more leases, any estimate of residual value contained in the appraisal may be particularly affected by significant changes in the condition of the economy, of the real estate industry, or of the appraised property at the time these leases expire or otherwise terminate.
 14. Unless otherwise stated in the report, no consideration has been given to personal property located on the premises or to the cost of moving or relocating such personal property; only the real property has been considered.
 15. The current purchasing power of the dollar is the basis for the values stated in the appraisal; we have assumed that no extreme fluctuations in economic cycles will occur.
 16. The values found herein are subject to these and to any other assumptions or conditions set forth in the body of this report but which may have been omitted from this list of Assumptions and Limiting Conditions.
 17. The analyses contained in the report necessarily incorporate numerous estimates and assumptions regarding property performance, general and local business and economic

- conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates, and the variations may be material.
18. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific survey or analysis of the property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. We claim no expertise in ADA issues, and render no opinion regarding compliance of the subject with ADA regulations. Inasmuch as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, a specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.
 19. The appraisal report is prepared for the exclusive benefit of the Client, its subsidiaries and/or affiliates. It may not be used or relied upon by any other party. All parties who use or rely upon any information in the report without our written consent do so at their own risk.
 20. No studies have been provided to us indicating the presence or absence of hazardous materials on the subject property or in the improvements, and our valuation is predicated upon the assumption that the subject property is free and clear of any environment hazards including, without limitation, hazardous wastes, toxic substances and mold. No representations or warranties are made regarding the environmental condition of the subject property. Integra Realty Resources – Atlanta, Integra Realty Resources, Inc., Integra Strategic Ventures, Inc. and/or any of their respective officers, owners, managers, directors, agents, subcontractors or employees (the "Integra Parties"), shall not be responsible for any such environmental conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because we are not experts in the field of environmental conditions, the appraisal report cannot be considered as an environmental assessment of the subject property.
 21. The persons signing the report may have reviewed available flood maps and may have noted in the appraisal report whether the subject property is located in an identified Special Flood Hazard Area. We are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the property, and the value conclusion is predicated on the assumption that wetlands are non-existent or minimal.
 22. Integra Realty Resources – Atlanta is not a building or environmental inspector. Integra Atlanta does not guarantee that the subject property is free of defects or environmental problems. Mold may be present in the subject property and a professional inspection is recommended.
 23. The appraisal report and value conclusions for an appraisal assume the satisfactory completion of construction, repairs or alterations in a workmanlike manner.
 24. It is expressly acknowledged that in any action which may be brought against any of the Integra Parties, arising out of, relating to, or in any way pertaining to this engagement, the

- appraisal reports, and/or any other related work product, the Integra Parties shall not be responsible or liable for any incidental or consequential damages or losses, unless the appraisal was fraudulent or prepared with intentional misconduct. It is further acknowledged that the collective liability of the Integra Parties in any such action shall not exceed the fees paid for the preparation of the appraisal report unless the appraisal was fraudulent or prepared with intentional misconduct. Finally, it is acknowledged that the fees charged herein are in reliance upon the foregoing limitations of liability.
25. Integra Realty Resources – Atlanta, an independently owned and operated company, has prepared the appraisal for the specific intended use stated elsewhere in the report. The use of the appraisal report by anyone other than the Client is prohibited except as otherwise provided. Accordingly, the appraisal report is addressed to and shall be solely for the Client’s use and benefit unless we provide our prior written consent. We expressly reserve the unrestricted right to withhold our consent to your disclosure of the appraisal report or any other work product related to the engagement (or any part thereof including, without limitation, conclusions of value and our identity), to any third parties. Stated again for clarification, unless our prior written consent is obtained, no third party may rely on the appraisal report (even if their reliance was foreseeable).
26. The conclusions of this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, data obtained in public records, interviews, existing trends, buyer-seller decision criteria in the current market, and research conducted by third parties, and such data are not always completely reliable. The Integra Parties are not responsible for these and other future occurrences that could not have reasonably been foreseen on the effective date of this assignment. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we are of the opinion that our findings are reasonable based on current market conditions, we do not represent that these estimates will actually be achieved, as they are subject to considerable risk and uncertainty. Moreover, we assume competent and effective management and marketing for the duration of the projected holding period of this property.
27. All prospective value opinions presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraph, several events may occur that could substantially alter the outcome of our estimates such as, but not limited to changes in the economy, interest rates, and capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. It is assumed that conditions reasonably foreseeable at the present time are consistent or similar with the future.
28. The appraisal is also subject to the following:

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

1. We were not provided a property conditions report, therefore we assume the property does not suffer from significant deferred maintenance that would affect the properties usability as a multifamily property.
2. We were not provided a budget or cost estimate for the renovations to the subject property. Therefore, we assume the current estimate of \$4,730,000 will cover the scope of the renovations which were provided to us in a list and noted in the Planned Capital Expenditures section of this report.

The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition contrary to known fact on the effective date of the appraisal but is supposed for the purpose of analysis.

1. The prospective value upon completion/stabilization as if unencumbered by restricted rents applies a hypothetical condition where the property is unencumbered by its current affordable restrictions under the Section 42 Low Income Housing Tax Credit (LIHTC) program. This is contrary to reality and does not reflect an as is value because the subject property is encumbered by these restricted rents until year 2031.
-

Addendum A
Appraiser Qualifications

Sherry L. Watkins, MAI, FRICS, ASA

Experience

Senior Managing Director/Principal for the Atlanta, GA office of Integra Realty Resources, the nation's largest national valuation and consulting firm. Primary responsibilities include managing staff of 12 analysts, valuation, market analysis, and consulting engagements involving multifamily, office, retail, industrial, manufacturing, land, subdivisions, and special use properties, for corporate clients, pension fund advisors, banks and financial institutions, developers and investors, law firms, government, life insurance companies, and individuals. Also completes valuations of hotels, car washes, gas stations, and other going concerns. Actively engaged in real estate valuation and consulting assignments since the late 1980s. Specialty is multifamily properties including: market rent properties, affordable housing, and valuations for Fannie Mae DUS, Freddie Mac, and HUD. Ms. Watkins is MAP certified.

Prior work experience includes Managing Director at PGP Valuation Inc./Colliers International and Associate Director at Cushman & Wakefield. Senior Appraiser at C. Spencer Powell/RSP Associates and Oregon Department of Revenue.

Professional Activities & Affiliations

Appraisal Institute Atlanta Chapter LDAC Attendee Years 1, 2, and 3

Appraisal Institute Atlanta Chapter 2016 Treasurer

Appraisal Institute Board of Directors

Member: Appraisal Institute (MAI)

Member: Royal Institution of Chartered Surveyors (FRICS)

Member: CREW

Member: American Society of Appraisers (ASA - Accredited Senior Appraiser)

Former Appraisal Institute Regional Representative

Former Appraisal Institute General Admissions Chairman

Licenses

Alabama, Certified Real Estate Appraiser, G00613, Expires September 2017

Florida, Certified General Real Estate Appraiser, RZ3004, Expires November 2016

Georgia, Certified General Real Estate Appraiser, CG001536, Expires September 2017

Louisiana, Certified General Real Estate Appraiser, G3735, Expires December 2016

Mississippi, Certified General Real Estate Appraiser, GA-1052, Expires November 2016

South Carolina, Certified General Real Estate Appraiser, CG4578, Expires June 2018

Tennessee, Certified General Real Estate Appraiser, 00003563, Expires November 2016

Education

Bachelor of Science in Business Administration, Georgia State University, Atlanta, Georgia.

Completed all courses required by the Appraisal Institute for MAI designation as well as numerous real estate related courses and seminars. Currently certified by the Appraisal Institute's voluntary program of continuing education for its designated members. Completed HUD Multifamily Accelerated Processing (MAP).

Recently completed AI - Fundamentals of Separating Real Property, Personal Property, FF&E, Uniform Appraisal Standards for Federal Land Acquisitions, Complex Litigation

swatkins@irr.com - 404-836-7925

Integra Realty Resources
Atlanta

1100 Peachtree Street, NE
Suite 350
Atlanta, GA 30309

T 404-897-1866
F 404-897-1053

irr.com



Sherry L. Watkins, MAI, FRICS, ASA

Education (Cont'd)

Appraisal Case Studies, and Conservation Easements & Your Taxes.

Recently completed ASA - BV 201 Introduction to Business Valuation and Allocation of Going Concerns.

Qualified Before Courts & Administrative Bodies

Qualified as an expert witness in various courts and administrative bodies including U.S Federal Bankruptcy Court, and Superior Courts in Bibb, Cobb, DeKalb, Fulton, Gwinnett, Douglas, Dawson, and Henry Counties in Georgia.

Miscellaneous

Featured as a Women of Influence 2010 in the Real Estate Forum July/August 2010.

Is an IRR Certified Reviewer.

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STATE OF GEORGIA
REAL ESTATE APPRAISERS BOARD

SHERRY LYNN WATKINS

1536

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

RONALD M. HECKMAN
JEANMARIE HOLMES
KEITH STONE

JEFF A. LAWSON
Vice Chairperson

46530756

SHERRY LYNN WATKINS

1536
Status ACTIVE

CERTIFIED GENERAL REAL PROPERTY
APPRAISER

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

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

ORIGINALLY LICENSED

08/09/1991

END OF RENEWAL
09/30/2017



WILLIAM L. ROGERS, JR.
Real Estate Commissioner

46530756

SHERRY LYNN WATKINS

1536
Status ACTIVE

CERTIFIED GENERAL REAL PROPERTY
APPRAISER

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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

46530756

Integra Realty Resources, Inc.

Corporate Profile

Integra Realty Resources, Inc. offers the most comprehensive property valuation and counseling coverage in North America with 58 independently owned and operated offices located throughout the United States and the Caribbean. Integra was created for the purpose of combining the intimate knowledge of well-established local firms with the powerful resources and capabilities of a national company. Integra offers integrated technology, national data and information systems, as well as standardized valuation models and report formats for ease of client review and analysis. Integra's local offices have an average of 25 years of service in the local market, and virtually all are headed by a Senior Managing Director who is an MAI member of the Appraisal Institute.

A listing of IRR's local offices and their Senior Managing Directors follows:

ATLANTA, GA - Sherry L. Watkins, MAI, FRICS
AUSTIN, TX - Randy A. Williams, MAI, SR/WA, FRICS
BALTIMORE, MD - G. Edward Kerr, MAI, MRICS
BIRMINGHAM, AL - Rusty Rich, MAI, MRICS
BOISE, ID - Bradford T. Knipe, MAI, ARA, CCIM, CRE, FRICS
BOSTON, MA - David L. Cary, Jr., MAI, MRICS
CHARLESTON, SC - Cleveland "Bud" Wright, Jr., MAI
CHARLOTTE, NC - Fitzhugh L. Stout, MAI, CRE, FRICS
CHICAGO, IL - Eric L. Enloe, MAI, FRICS
CINCINNATI/DAYTON, OH - Gary S. Wright, MAI, FRICS, SRA
CLEVELAND, OH - Douglas P. Sloan, MAI
COLUMBIA, SC - Michael B. Dodds, MAI, CCIM
COLUMBUS, OH - Bruce A. Daubner, MAI, FRICS
DALLAS, TX - Mark R. Lamb, MAI, CPA, FRICS
DENVER, CO - Brad A. Weiman, MAI, FRICS
DETROIT, MI - Anthony Sanna, MAI, CRE, FRICS
FORT WORTH, TX - Gregory B. Cook, MAI, SR/WA
GREENSBORO, NC - Nancy Tritt, MAI, SRA, FRICS
HARTFORD, CT - Mark F. Bates, MAI, CRE, FRICS
HOUSTON, TX - David R. Dominy, MAI, CRE, FRICS
INDIANAPOLIS, IN - Michael C. Lady, MAI, SRA, CCIM, FRICS
JACKSON, MS - John R. Praytor, MAI
JACKSONVILLE, FL - Robert Crenshaw, MAI, FRICS
KANSAS CITY, MO/KS - Kenneth Jaggars, MAI, FRICS
LAS VEGAS, NV - Charles E. Jack IV, MAI
LOS ANGELES, CA - John G. Ellis, MAI, CRE, FRICS
LOS ANGELES, CA - Matthew J. Swanson, MAI
LOUISVILLE, KY - Stacey Nicholas, MAI, MRICS
MEMPHIS, TN - J. Walter Allen, MAI, FRICS

MIAMI/PALM BEACH, FL - Anthony M. Graziano, MAI, CRE, FRICS
MINNEAPOLIS, MN - Michael F. Amundson, MAI, CCIM, FRICS
NAPLES, FL - Carlton J. Lloyd, MAI, FRICS
NASHVILLE, TN - R. Paul Perutelli, MAI, SRA, FRICS
NEW JERSEY COASTAL - Halvor J. Egeland, MAI
NEW JERSEY NORTHERN - Matthew S. Krauser, CRE, FRICS
NEW YORK, NY - Raymond T. Cirz, MAI, CRE, FRICS
ORANGE COUNTY, CA - Steve Calandra, MAI
ORLANDO, FL - Christopher Starkey, MAI, MRICS
PHILADELPHIA, PA - Joseph D. Pasquarella, MAI, CRE, FRICS
PHOENIX, AZ - Walter "Tres" Winus III, MAI, FRICS
PITTSBURGH, PA - Paul D. Griffith, MAI, CRE, FRICS
PORTLAND, OR - Brian A. Glanville, MAI, CRE, FRICS
PROVIDENCE, RI - Gerard H. McDonough, MAI, FRICS
RALEIGH, NC - Chris R. Morris, MAI, FRICS
RICHMOND, VA - Kenneth L. Brown, MAI, CCIM, FRICS
SACRAMENTO, CA - Scott Beebe, MAI, FRICS
ST. LOUIS, MO - P. Ryan McDonald, MAI, FRICS
SALT LAKE CITY, UT - Darrin W. Liddell, MAI, FRICS, CCIM
SAN DIEGO, CA - Jeff A. Greenwald, MAI, SRA, FRICS
SAN FRANCISCO, CA - Jan Kleczewski, MAI, FRICS
SARASOTA, FL - Carlton J. Lloyd, MAI, FRICS
SEATTLE, WA - Allen N. Safer, MAI, MRICS
SYRACUSE, NY - William J. Kimball, MAI, FRICS
TAMPA, FL - Bradford L. Johnson, MAI, MRICS
TULSA, OK - Owen S. Ard, MAI
WASHINGTON, DC - Patrick C. Kerr, MAI, FRICS, SRA
WILMINGTON, DE - Douglas L. Nickel, MAI, FRICS
CARIBBEAN/CAYMAN ISLANDS - James Andrews, MAI, FRICS





CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
2/24/2016

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must be endorsed. If **SUBROGATION IS WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Arthur J. Gallagher & Co. Insurance Brokers of CA, Inc LIC#0726293 505 N. Brand Boulevard, Suite 600 Glendale CA 91203	CONTACT NAME: LARealEstateCerts@ajg.com PHONE (A/C, No, Ext): 818-539-1247 E-MAIL ADDRESS: LARealEstateCerts@ajg.com	FAX (A/C, No): 818-539-1804	
	INSURER(S) AFFORDING COVERAGE		NAIC #
INSURED INTEREA-03 Integra-Atlanta Real Estate Advisors LLC 1100 Peachtree Street NE Suite 350 Atlanta, GA 30309	INSURER A : APPRAISAL GUARDIAN SERIES OF FORTRE		
	INSURER B : LLOYD'S OF LONDON SYNDICATE 3624		
	INSURER C :		
	INSURER D :		
	INSURER E :		
INSURER F :			

COVERAGES

CERTIFICATE NUMBER: 245256064

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

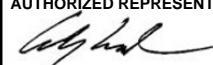
INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC <input type="checkbox"/> OTHER:						EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$ \$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input type="checkbox"/> RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	<input type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A					<input type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
B B A	Errors & Omissions Errors & Omissions *E&O Deductible Reimbursement			MPL1531199.16 MPL1531199.16 *PRFDR46APP200306922015TC	3/14/2016 3/14/2016 3/14/2016	3/14/2017 3/14/2017 3/14/2017	Each Claim \$2,000,000 Aggregate Limit \$10,000,000 EaClaim/Aggregate* \$150,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Location: 1100 Peachtree Street, NE, Suite 350, Atlanta, GA 30309-4503
Evidence only.
*Policy is subject to \$25,000 Self-Insured Retention/Deductible payable by local office.
This certificate of insurance is not a policy of insurance and does not affirmatively or negatively amend, extend or alter the coverage afforded by the policy to which the certificate of insurance makes reference.

CERTIFICATE HOLDER

CANCELLATION

Evidence Only - Atlanta	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE 

Addendum B

Financials and Property Information



Cherokee County, GA - Real Estate Search



Cherokee County Web Site

[Real Estate Search](#) [Sales Search](#) [?](#)

[Show Details...](#)

Search Results **click on a parcel number below to continue** [Hide Details...](#)

Parcel #	Buildings	Property Address	Account #	Owner Name	Owner Name	Unit/Type	Legal Description	PIN
15N17A 075 A	9	50 SANDY CR 07	1068787	COLUMBIA CREEK, L. P.	COLUMBIA RESIDENTIAL	14.690 AC	LL 1095,1066; 15TH D	15-1066-0034

Selected Parcel Info

[Hide Details...](#)

Parcel #: 15N17A 075 A PIN: 15-1066-0034	Neighborhood: 91000 - APARTMENTS	Building Value: 4,173,800
Account #: 1068787	Legal Description: LL 1095,1066; 15TH D	Outbuilding Value: 328,000
Owner Name: COLUMBIA CREEK, L. P. & COLUMBIA RESIDENTIAL	Land Units: 14.690 AC	Land Value: 1,273,200
Exempt:		Parcel Value Total: 5,775,000
Exemptions:		Deferred Value: 0
		Taxable Value: 5,775,000

[Land](#) [Building](#) [OBXF](#) [Sales](#) [Property Record Cards](#) [Owners](#)

BLDG	AYB	EYB	Heated Area	Non-Heated Area	Total Area	Appraised Value	Building Name	Property Address	Use Model	%Good	Base Rate	Replacement Cost New	Strata	Exemptions
BLDG: 1	2001	2001	30,716	2,688	33,404	500,000	COLUMBIA CREEK BLDG 1	50 SANDY CR 07	61 05	60.0%	52.430	1,666,802	C	
BLDG: 2	2001	2001	30,716	2,688	33,404	500,000	COLUMBIA CREEK BLDG 2	220 ARNOLD MILL RD 07	61 05	60.0%	52.430	1,666,802	C	
BLDG: 3	2001	2001	19,476	1,792	21,268	500,000	BLDG 3	220 ARNOLD MILL RD 07	61 05	60.0%	53.500	1,080,326	C	
BLDG: 4	2001	2001	30,716	2,688	33,404	500,000	COLUMBIA CREEK BLDG 4	220 ARNOLD MILL RD 07	61 05	60.0%	52.430	1,666,802	C	
BLDG: 5	2001	2001	30,716	2,688	33,404	500,000	COLUMBIA CREEK BLDG 5	220 ARNOLD MILL RD 07	61 05	60.0%	52.430	1,666,802	C	
BLDG: 6	2001	2001	30,716	2,688	33,404	500,000	COLUMBIA CREEK BLDG 6	220 ARNOLD MILL RD 07	61 05	60.0%	52.430	1,666,802	C	
BLDG: 7	2001	2001	30,716	2,688	33,404	500,000	COLUMBIA CREEK BLDG 7	220 ARNOLD MILL RD 07	61 05	60.0%	52.430	1,666,802	C	
BLDG: 8	2001	2001	16,112	896	17,008	500,000	COLUMBIA CREEK BLDG 8	220 ARNOLD MILL RD 07	61 05	60.0%	51.360	845,899	C	
BLDG: 9	2001	2001	3,171	424	3,595	173,800	CLUBHOUSE	220 ARNOLD MILL RD 07	77 07	70.0%	73.280	244,829	C	

Building Use/Model Descriptions

USE	Model	Historic Indicator
61 - TOWNHOUSE APARTMENT	05 - APARTMENTS	N/A

Building Adjustments

Nbhd Modifier	Category	Code	Description	Value
Quality		3	Average	1.0000
Size		3	Size	0.9700

Building Depreciation

Code	Description	Rate
FOBS	Functional Obsolescence Standard	0.15000 0.25000

Sub Area Information

Sub Area Type	Description	Actual Area	% Of Base	Effective Area	Replacement Cost New
FUS	Upper Story, Finished	20,228	100	20,228	1,060,554
FOP	Porch, Open, Finished	2,688	040	1,075	56,362
BAS	Base Living Area	10,488	100	10,488	549,886

Structural Elements

Element	Point Value	%
Air Conditioning Type	6.000	100
Ceiling & Insulation	4.000	100
Commercial Heat & Air	0.000	100
Exterior Walls	0.000	50
Exterior Walls	27.000	50
Fireplace	0.000	100
Foundation	5.000	100
Heating Fuel	1.000	100
Heating Type	3.000	100
Interior Floor Cover	0.000	50
Interior Floor Cover	5.000	50
Interior Wall Construction	22.000	100
Plumbing Fixtures	10.000	
Roofing Cover	2.000	100
Roofing Structure	8.000	100
Structural Frame	3.000	100
Sub Floor System	5.000	100

Building OBXF

Bldg #	Code	Description	Length	Width	Units	Unit Price	Condition Factor	L/B	Actual Year Built	Effective Year Built	Annual Depreciation	Depreciation Override	Net % Good	Appraised Value	Exemptions
1	42	SPRINKLER	0	0	30,716	1.30	100	B	2001	2001	28.0%		72	28,750	

All information on this site is prepared for the inventory of real property found within Cherokee County. All data is compiled from recorded deeds, plats, and other public records and data. Users of this data are hereby notified that the aforementioned public information sources should be consulted for verification of the information. All information contained herein was created for the Cherokee County's internal use. Cherokee County, its employees and agents make no warranty as to the correctness or accuracy of the information set forth on this site whether express or implied, in fact or in law, including without limitation the implied warranties of merchantability and fitness for a particular use.

If you have any questions about the data displayed on this website please contact the Cherokee County Assessor's Office at 678-493-6120. For technical problems related to this website, please contact the Cherokee County Assessor's Office at 678-493-6120.

8957PRNA 4/25/16 K

*****AUTO**3-DIGIT 303
 3984608 8957-RNA 76379 1 1 1
 COLUMBIA CREEK, L. P.
 COLUMBIA RESIDENTIAL
 C/O BRAD BARNES
 PO BOX 7888
 ATLANTA GA 30357-0888



Official Tax Matter - 2016 Tax Year

This correspondence constitutes an official notice of ad valorem assessment for the tax year shown above.

Annual Assessment Notice Date: 5/16/2016

Last date to file a written appeal: 6/30/2016

***** This is not a tax bill - Do not send payment *****

County property records are available online at: cherokeega.com

The amount of your ad valorem tax bill for the year shown above will be based on the **Appraised** (100%) and **Assessed** (40%) values specified in **BOX 'B'** of this notice. **You have the right to submit an appeal regarding this assessment to the County Board of Tax Assessors.** If you wish to file an appeal, you must do so in writing no later than 45 days after the date of this notice. If you do not file an appeal by this date, your right to file an appeal will be lost. Appeal forms which may be used are available at <https://dor.georgia.gov/documents/property-tax-appeal-assessment-form>.

At the time of filing your appeal you must select one of the following appeal methods:

A

- (1) County Board of Equalization (value, uniformity, denial of exemption, or taxability)
- (2) Arbitration (value)
- (3) County Hearing Officer (value or uniformity, on non-homestead real property or wireless personal property valued, in excess of \$750,000)

All documents and records used to determine the current value are available upon request. For further information regarding this assessment and filing an appeal, you may contact the county Board of Tax Assessors which is located at 2782 MARIETTA HWY SUITE 200, CANTON, GA 30114 and which may be contacted by telephone at: 678-493-6120. Your staff contacts are GREGG @ 678-493-6132, SANDY @ 678-493-6134 & BERRIE @ 678-493-6133.

Additional information on the appeal process may be obtained at <https://dor.georgia.gov/property-tax-real-and-personal-property>

Account Number	Property ID Number	Acreage	Tax Dist	Covenant Year	Homestead
1068787	15N17A 075 A	14.69	7	0	
Property Description		LL 1095,1066; 15TH D			
Property Address		50 SANDY CR			
	Taxpayer Returned Value	Previous Year Fair Market Value	Current Year Fair Market Value	Current Year Other Value	
100% Appraised Value	0	5,775,000	5,775,000	0	
40% Assessed Value	0	2,310,000	2,310,000	0	

B

REASONS FOR ASSESSMENT NOTICE

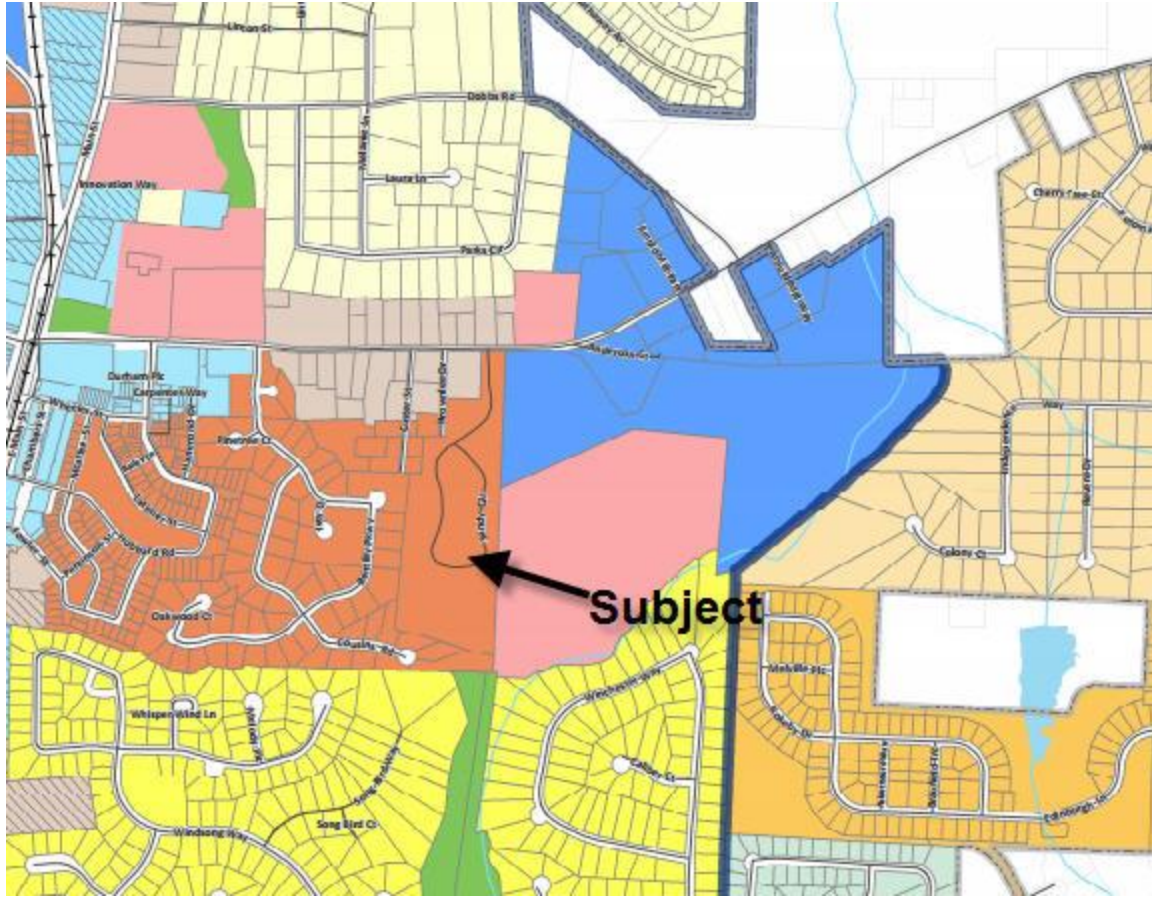
27-ANNUAL NOTICE OF ASSESSMENT

The estimate of your ad valorem tax bill for the current year is based on the previous or most applicable year's millage rate and the fair market value contained in this notice. The actual tax bill you receive may be more or less than this estimate. This estimate may not include all eligible exemptions.

C

Taxing Authority	Other Exempt	Homestead Exempt	Net Taxable Value	Millage	Estimated Tax
COUNTY INCORP			2,310,000	5.72	13,213.20
STATE TAX			2,310,000	0	0
SCHOOL M&O			2,310,000	19.45	44,929.50
WOODSTOCK			2,310,000	6.992	16,151.52
PARK BOND			2,310,000	0.744	1,718.64
SCHOOL BOND			2,310,000	0	0
				0	0

Total Estimated Tax 76,012.86





MAP DATA

FEMA Special Flood Hazard Area: **No**
 Map Number: **13057C0332D**
 Zone: **X**
 Map Date: **September 29, 2006**
 FIPS: **13057**

MAP LEGEND

- Areas inundated by 500-year flooding
- Areas inundated by 100-year flooding
- Velocity Hazard
- Protected Areas
- Floodway
- Subject Area

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EXHIBIT A

(Legal Description of the Project)

All that tract or parcel of land being in Land Lots 1066 and 1095, 15th District, 2nd Section, Cherokee County, Georgia, and being more particularly described as follows:

Beginning at an iron pin located on the south right-of-way of Arnold Mill Road (50 A/W) at the intersection of the east line of Land Lots 1066 (also being the common line between Land Lots 1066 & 1065) and running thence S 0° 02' 50" W along the east line of said Land Lot 1066 a distance of 1,130.75 feet to an iron pin located at the west side of a 100 foot Georgia Power Company easement; thence running along the west side of said easement S 5° 42' 00" W a distance of 509.00 feet to an iron pin in Land Lot 1095; thence running N 76° 11' 40" W a distance of 509.72 feet to an iron pin; thence running N 3° 27' 40" E along the east border of Heartwood Subdivision a distance of 858.00 feet to an iron pin; thence running N 87° 26' 20" E a distance of 85.00 feet to an iron pin; thence running N 00° 00' 00" E a distance of 200.00 feet to an iron pin; thence running N 87° 26' 20" E a distance of 110.03 feet across the end of and to the east side of Brownlee Road (30' right-of-way private road); thence running along the east side of Brownlee Road N 00° 00' 55" W a distance of 205.22 feet to an iron pin; thence running N 89° 59' 05" E a distance of 199.70 feet to an iron pin; thence running N 0° 02' 50" E a distance of 245.58 feet to an iron pin on the south right-of-way of Arnold Hill Road; thence running along the south right-of-way of Arnold Hill Road S 89° 46' 10" E a distance of 100.00 feet to an iron pin at the east line of Land Lot 1066 and the point of beginning.

Said tract contains 14.59 acres.
(639.939 SQ. FT.)

[To be confirmed upon receipt of Title Commitment.]



October 31, 2016

Development & Acquisitions
 Dominion
 2905 Northwest Blvd. Suite 150
 Plymouth, MN 55441

ZMG Construction is pleased to provide the following estimate for Columbia Creek Apartments at 50 Sandy Circle, Woodstock, GA 30188

If any further information is needed please feel free to contact me. I appreciate the opportunity afforded to ZMG Construction, Inc.

Description Of Work	Qty	UM	Unit Cost	Total Cost	Notes
Abandon and disconnect all electrical, mechanical, plumbing and gas systems	172	Units	\$425.00	\$73,100.00	
Demolition of apartment buildings and ancillary structures	126,482	SF	2.40	\$285,849.00	Structures and foundations
Abandonment and demolition of underground utilities	14.7	Acres	\$6,250.00	\$91,875.00	Gas, sewer, water and storm
Infrastructure demolition	14.7	Acres	\$8,855.00	\$130,168.50	Roads, walkways, fences and curbing
Environmental investigation/Testing	1	LS	\$30,000.00	\$30,000.00	Asbestos, Radon and Lead(Allowance)
Disposal Fees	1	LS	\$125,864.00	\$125,864.00	
Grading/Landscape restoration	1	LS	\$96,215.00	\$96,215.00	

Total estimated amount	\$833,071.50
-------------------------------	---------------------

Adam Taylor

ZMG Construction, Inc.
 Director of Business Development

ZMG Construction, Inc.

477 Commerce Way • Longwood, Florida 32750 • (407) 865-5771 • (407) 865-5472 (fax) • ataylor@zmgconstruction.com

Addendum C
Comparable Data



Location & Property Identification

Property Name:	Vacant Multifamily Land
Sub-Property Type:	Residential, Multifamily
Address:	125 Reservoir Dr.
City/State/Zip:	Canton, GA 30114
County:	Cherokee
Market Orientation:	Suburban
IRR Event ID:	1460966



Sale Information

Sale Price:	\$3,384,292
Effective Sale Price:	\$3,384,292
Sale Date:	08/31/2016
Sale Status:	Closed
Eff. Price/Unit:	\$11,060 /Apt. Unit
\$/Acre(Gross):	\$164,686
\$/Land SF(Gross):	\$3.78
\$/Acre(Usable):	\$164,686
\$/Land SF(Usable):	\$3.78
\$/Unit:	\$11,060 /Apt. Unit
Grantor/Seller:	Sweetwater Property Investments, LLC
Grantee/Buyer:	The Grand Reserve at Canton LLC
Property Rights:	Fee Simple
% of Interest Conveyed:	100.00
Exposure Time:	33 (months)
Financing:	Seller financing
Terms of Sale:	\$715,258 down and \$2,669,034 financed by the seller
Document Type:	Warranty Deed
Recording No.:	14032-450
Verified By:	Zach Fraysier
Verification Date:	02/22/2017
Confirmation Source:	Kurt Cooper- Associate Broker at Coldwell Banker Commercial

Verification Type:	Confirmed-Buyer Broker
Secondary Verific. Source:	Assessor, CoStar

Improvement and Site Data

MSA:	Atlanta MSA
Legal/Tax/Parcel ID:	14N22A-00000-060-00Q
Acres(Usable/Gross):	20.55/20.55
Land-SF(Usable/Gross):	895,158/895,158
Usable/Gross Ratio:	1.00
No. of Units (Potential):	306
No. of Units/Unit Type:	306/Apt. Units
Shape:	Irregular
Topography:	Rolling
Corner Lot:	Yes
Density-Unit/Gross Acre:	14.89
Density-Unit/Usable Acre:	14.89
Zoning Code:	PSC
Zoning Desc.:	Planned Shopping Center
Utilities Desc.:	All utilities were available.
Source of Land Info.:	Broker

Comments

This was the fee simple transaction of 20.55 acres of multifamily land proposed to be improved with 306 apartment units. The buyer put down 21.1% and the seller financed the remainder \$2,669,034. In the confirmation process with the listing broker, it was noted that the property required rezoning/plan amendment which required the seller to contribute \$75,000 to the city

Comments (Cont'd)

towards improvement of Reservoir Drive. The broker also noted that the sale price was at market with the exception of the premium for rough grading which in his opinion was not considered in the sale price. The property had previously been listed for \$7,950,000 for 45.3 acres of which the property made up 20.55 acres of the total.

This is a rough graded, rolling lot which is proposed for development of a 306 unit multifamily property.

Location & Property Identification

Property Name:	Proposed IL Land- Dacula, GA
Sub-Property Type:	Residential, Multifamily
Address:	3565 Georgia Hwy 124 (Braselton Hwy)
City/State/Zip:	Dacula, GA 30019
County:	Gwinnett
Market Orientation:	Suburban
IRR Event ID:	1295951



Sale Information

Sale Price:	\$1,460,000
Effective Sale Price:	\$1,460,000
Sale Date:	03/26/2016
Sale Status:	Closed
\$/SF GBA:	\$1460000.00
\$/SF NRA:	\$1460000.00
Eff. Price/Unit:	\$12,167 /Unit
\$/Acre(Gross):	\$134,191
\$/Land SF(Gross):	\$3.08
\$/Acre(Usable):	\$134,191
\$/Land SF(Usable):	\$3.08
\$/Unit:	\$12,167 /Apt. Unit
\$/Land SF(Potential):	\$1,460,000.00
Grantor/Seller:	CML Mulberry, LLC
Grantee/Buyer:	Hamilton Mill II
Assemblage:	No
Portfolio Sale:	No
Assets Sold:	Real estate only
Property Rights:	Fee Simple
Exposure Time:	9 (months)
Financing:	Cash to seller
Document Type:	Warranty Deed
Verified By:	Mr. Todd Deitemyer, MAI
Verification Date:	03/26/2016
Confirmation Source:	Tax/Deed records

Verification Type: Confirmed-Buyer

Improvement and Site Data

MSA:	Atlanta-Sandy Springs-Roswell, GA
GBA-SF:	1
NRA-SF:	1
Acres(Usable/Gross):	10.88/10.88
Land-SF(Usable/Gross):	473,932/473,932
Usable/Gross Ratio:	1.00
No. of Units (Potential):	120
Density-Unit/Gross Acre:	11.03
Density-Unit/Usable Acre:	11.03
Zoning Code:	C2
Zoning Desc.:	General Business District
Source of Land Info.:	Public Records

Comments

The property was listed for \$1,660,000. Previously, the site was residential zoned and the site was proposed to be developed with a multi-family development. Then, in 2015, the property was re-zoned as commercial. The buyer intends to construct an 120-unit ILF on the site. This property is located on the south side of Braselton hwy. This is the planned independent living facility site by Aspire Development Partners which is expected to total 120 units. This is located adjacent to the developer's

Comments (Cont'd)

assisted living and memory care facility which is operated by the same company that will operate the independent living facility.

Location & Property Identification

Property Name:	Walton Senior Living
Sub-Property Type:	Residential, Multifamily
Address:	1520 Old 41 Hwy. NW.
City/State/Zip:	Kennesaw, GA 30152
County:	Cobb
Market Orientation:	Suburban
Property Location:	Northeast corner of Old Highway 41 and Oakridge Drive
IRR Event ID:	1423612



Sale Information

Sale Price:	\$1,000,000
Effective Sale Price:	\$1,000,000
Sale Date:	12/07/2015
Recording Date:	12/10/2015
Sale Status:	Closed
\$/Acre(Gross):	\$285,714
\$/Land SF(Gross):	\$6.56
\$/Acre(Usable):	\$285,714
\$/Land SF(Usable):	\$6.56
\$/Unit:	\$13,333 /Approved Unit
Grantor/Seller:	James J. Smith, as Trustee
Grantee/Buyer:	Teague Investments, LP
Assets Sold:	Real estate only
Property Rights:	Fee Simple
% of Interest Conveyed:	100.00
Financing:	Cash to seller
Document Type:	Trust Deed
Recording No.:	Deed Book 15298, page 4274
Verified By:	Stephanie Tarrer
Verification Date:	11/21/2016
Verification Type:	Secondary Verification
Secondary Verific. Source:	CoStar, Assessor, Deed, News Article

Operating Expenses: \$7,453

Sale Analysis

Proposed Use Desc.: Apartment Units ...

Improvement and Site Data

MSA:	Atlanta
Legal/Tax/Parcel ID:	2002120-160
Acres(Usable/Gross):	3.50/3.50
Land-SF(Usable/Gross):	152,460/152,460
Usable/Gross Ratio:	1.00
No. of Units (Potential):	75
Shape:	Rectangular
Topography:	Level
Vegetation:	Trees and grasses
Corner Lot:	Yes
Frontage Feet:	462
Frontage Desc.:	Old Highway 41 NW
Frontage Type:	2 way, 1 lane each way
Traffic Control at Entry:	Stop sign
Traffic Flow:	Moderate
AccessibilityRating:	Average
Visibility Rating:	Good
Zoning Code:	RM-8
Zoning Desc.:	Residential Multifamily with Senior Living Overlay
Environmental Issues:	No

Operating Data and Key Indicators

Improvement and Site Data (Cont'd)

Flood Plain:	No
Utilities Desc.:	All utilities available.
Source of Land Info.:	Other

Comments

The property was purchased by Walton Communities for development of 75 senior living units. The site is located adjacent to Walton Ridenour apartments.

The property is located in a developing area of Cobb County. The adjacent uses include multifamily and vacant land.

Location & Property Identification

Property Name:	Vacant Multifamily Land
Sub-Property Type:	Residential, Multifamily
Address:	4381 Bells Ferry Rd. NW.
City/State/Zip:	Kennesaw, GA 30144
County:	Cobb
Market Orientation:	Suburban
IRR Event ID:	1421199



Sale Information

Sale Price:	\$1,500,000
Effective Sale Price:	\$1,500,000
Sale Date:	03/03/2015
Sale Status:	Closed
Eff. Price/Unit:	\$8,475 /Apt. Unit
\$/Acre(Gross):	\$139,925
\$/Land SF(Gross):	\$3.21
\$/Acre(Usable):	\$139,925
\$/Land SF(Usable):	\$3.21
Grantor/Seller:	40-59 Hampton Street LLC
Grantee/Buyer:	Canterfield of Kennesaw LLC
Property Rights:	Fee Simple
% of Interest Conveyed:	100.00
Exposure Time:	60 (months)
Financing:	Cash to seller
Document Type:	Warranty Deed
Recording No.:	15223-249
Verified By:	Zach Fraysier
Verification Date:	11/16/2016
Confirmation Source:	Tom Garland at NAI Brannen Goddard
Verification Type:	Confirmed-Seller Broker
Secondary Verific. Source:	Assessor, CoStar, Deed

Legal/Tax/Parcel ID:	16-0148-0-011-0, 16-0148-0-012-0, 16-0148-0-013-0, 16-0148-0-014-0, 16-0148-0-081-0, 16-0149-0-022-0, 16-0149-0-023-0
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Acres(Usable/Gross):	10.72/10.72
Land-SF(Usable/Gross):	466,963/466,963
Usable/Gross Ratio:	1.00
No. of Units/Unit Type:	177/Apt. Units
Shape:	Irregular
Topography:	Rolling
Corner Lot:	No
Density-Unit/Gross Acre:	16.51
Density-Unit/Usable Acre:	16.51
Zoning Code:	RSL
Zoning Desc.:	Residential Senior Living
Utilities:	Electricity, Water Public, Sewer, Gas
Utilities Desc.:	All utilities available
Source of Land Info.:	Broker

Comments

The seller broker who confirmed the 3/3/2015 transaction noted that the site was initially rezoned from O-I to RSL in 2006 when a developer planned to develop a 300 unit age restricted apartment building. The development was deemed economically unfeasible at the time and the owner went bankrupt. The recent buyer is developing an

Improvement and Site Data

MSA:	Atlanta MSA
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Comments (Cont'd)

age restricted facility which is less dense than the originally planned development. The facility will be completed in May 2017 and will consist of 91 assisted living units, 75 independent living units, one triplex villa and four duplex villas.

This is a vacant lot currently being improved by Medical Development Corp with a senior living facility. The lot allows for 300 multifamily units. However, the property to be completed in May 2017 will only be 177 units.

Location & Property Identification

Property Name:	Pointe Clear
Sub-Property Type:	LIHTC
Address:	7545 Tara Rd.
City/State/Zip:	Jonesboro, GA 30236
County:	Clayton
Submarket:	Clayton/Henry
Market Orientation:	Suburban
IRR Event ID:	1383701



Occupancy at Time of Sale: 100.00%

Sale Information

Sale Price:	\$13,900,000
Effective Sale Price:	\$13,900,000
Sale Date:	07/25/2016
Sale Status:	Closed
\$/SF GBA:	\$56.43
\$/SF NRA:	\$56.43
Eff. Price/Unit:	\$60,435 /Apt. Unit
Grantor/Seller:	Pointe Clear Apartments, LLC
Grantee/Buyer:	Pointe Clear Owner, LLC
Property Rights:	Leased Fee
Financing:	Cash to seller
Document Type:	Deed
Recording No.:	10935/222
Rent Controlled:	Yes
Subsidy Comments:	LIHTC
Verified By:	Kristina Prestwich
Verification Date:	08/23/2016
Verification Type:	Secondary Verification
Secondary Verific. Source:	Assessor, CoStar

Improvement and Site Data

MSA:	Atlanta-Sandy Springs-Marietta, GA Metropolitan Statistical Area
Legal/Tax/Parcel ID:	13208A A001
GBA-SF:	246,336
NRA-SF:	246,336
Acres(Usable/Gross):	21.96/21.96
Land-SF(Usable/Gross):	956,360/956,360
Usable/Gross Ratio:	1.00
No. of Units (Potential):	264
Year Built:	1998
Property Class:	B
M&S Class:	D
Construction Quality:	Average
Improvements Cond.:	Average
Exterior Walls:	Wood siding
Construction Desc.:	Wood frame
No. of Buildings/Stories:	9/3
No. of Units/Unit Type:	230/Apt. Units
Multi-Tenant/Condo.:	Yes/No
Total Parking Spaces:	500
Park. Ratio 1000 SF GLA:	2.03
No. Surface Spaces:	500
Park. Ratio 1000 SF GBA:	2.03
Parking Ratio(/Unit):	2.17

Operating Data and Key Indicators

Net Operating Income:	\$ 1,000,800
Cap Rate - Derived:	7.20%

Occupancy

Improvement and Site Data (Cont'd)

Shape:	Irregular
Topography:	Level
Corner Lot:	No
Frontage Feet:	1241
Frontage Desc.:	Tara Road
Frontage Type:	2 way, 1 lane each way
Traffic Control at Entry:	None
Traffic Flow:	Moderate
AccessibilityRating:	Average
Visibility Rating:	Average
Density-Unit/Gross Acre:	10.47
Density-Unit/Usable Acre:	10.47
Bldg. to Land Ratio FAR:	0.26
Zoning Code:	RM
Zoning Desc.:	Multiple Family Residential
Flood Plain:	No
Flood Zone:	Outside of 500-year floodplain
Flood Zone Designation:	X
Comm. Panel No.:	13063C0086E
Date:	09/05/2007
Utilities:	Electricity, Water Public, Sewer, Gas, Telephone, CableTV
Source of Land Info.:	Other

Gated Entrance	Patios/Balcony
Swimming Pool	Central AC
Playground	Vaulted Ceilings
Clubhouse/Rec. Bldg.	Fireplace
Fitness Room	Washer/Dryer Hookup
Laundry Facility	Walk-in Closets
Security	Carpets/Drapes/Blinds
	Modern Kitchens
	Air Conditioning

Comments

This is the sale of the 230-unit apartment complex located at 7545 Tara Road in Jonesboro, GA. The property sold on July 25, 2016 for \$13,900,000 or \$60,435 per unit. The property was 100% occupied at the time of sale. The property traded at a 7.2% cap rate. Pointe Clear is a 230-unit, LIHTC property located in Jonesboro. The community offers one-, two- and three-bedroom units. All of the units are set aside at 60% AMI.

Unit Mix

No. of Bed-rooms	No. of Bath-rooms	No. of Units	Approx. Units SF	Total Units SF	% of Total
1.00	1.00	50	804	40,200	16.4%
2.00	2.00	80	1,044	83,520	34.1%
2.00	2.00	20	1,070	21,400	8.7%
3.00	2.00	80	1,244	99,520	40.7%
		<u>230</u>		<u>244,640</u>	

Project & Unit Amenities

Location & Property Identification

Property Name: Baywood Park
 Sub-Property Type: LIHTC
 Address: 6655 Mt. Zion Blvd.
 City/State/Zip: Morrow, GA 30260
 County: Clayton
 Submarket: Clayton/Henry
 Market Orientation: Suburban

IRR Event ID: 1389368



Sale Information

Sale Price: \$6,632,352
 Effective Sale Price: \$6,632,352
 Sale Date: 06/13/2016
 Sale Status: Closed
 \$/SF GBA: \$47.37
 \$/SF NRA: \$47.37
 Eff. Price/Unit: \$55,270 /Apt. Unit
 Grantor/Seller: VCP Baywood LLC (Verden Capital Properties)
 Grantee/Buyer: Elite Street Capital Baywood Equity DE LP
 Property Rights: Leased Fee
 % of Interest Conveyed: 100.00
 Financing: Cash to seller - buyer obtained financing
 Terms of Sale: Buyer made 17.1% (\$1,132,352 down payment) and obtained \$5,500,000 from Greystone Servicing Corporation, Inc.
 Document Type: Warranty Deed
 Recording No.: Clayton WD Bk 10909 Pg 550
 Verified By: Zach Fraysier
 Verification Date: 09/07/2016
 Verification Type: Secondary Verification
 Secondary Verific. Source: CoStar, Deed

Occupancy

Occupancy at Time of Sale: 95.00%

Improvement and Site Data

MSA: Atlanta-Sandy Springs-Marietta, GA Metropolitan Statistical Area
 GBA-SF: 140,000
 NRA-SF: 140,000
 Acres(Usable/Gross): 26.80/26.80
 Land-SF(Usable/Gross): 1,167,408/1,167,408
 Usable/Gross Ratio: 1.00
 Year Built: 1995
 Most Recent Renovation: 2011/2012
 Property Class: B
 M&S Class: D
 Construction Quality: Average
 Improvements Cond.: Average
 Exterior Walls: Brick
 Construction Desc.: Two-story wood frame, garden style apartments.
 No. of Units/Unit Type: 120/Apt. Units
 Multi-Tenant/Condo.: Yes/No
 Total Parking Spaces: 240
 Park. Ratio 1000 SF GLA: 1.71
 Park. Ratio 1000 SF GBA: 1.71
 Parking Ratio(/Unit): 2.00

Improvement and Site Data (Cont'd)

Density-Unit/Gross Acre:	4.48
Density-Unit/Usable Acre:	4.48
Bldg. to Land Ratio FAR:	0.12
Zoning Desc.:	RM, Clayton County
Source of Land Info.:	Other

Unit Mix

No. of Bed-rooms	No. of Bath-rooms	No. of Units	Approx. Units SF	Total Units SF	% of Total
2.00	2.00	40	1,004	40,160	29.9%
3.00	2.00	40	1,153	46,120	34.3%
3.00	2.00	40	1,201	48,040	35.8%
		<u>120</u>		<u>134,320</u>	

Project & Unit Amenities

Clubhouse/Rec. Bldg.	Patios/Balcony
Basketball	Washer/Dryer Hookup
Volleyball	Central AC
Laundry Facility	Carpets/Drapes/Blinds
Fitness Room	Walk-in Closets
Playground	Modern Kitchens
	Ceiling Fans
	Air Conditioning
	Dishwasher
	Disposal

Comments

According to CoStar and Public Record, this transaction was arm's length and cash to seller- buyer obtained financing.

Baywood is a 120-unit, LIHTC community, located in Morrow. The community offers two- and three-bedroom units. Of the units, 13 are set aside at 50% and the balance is set aside at 60%.

Location & Property Identification

Property Name:	The Peaks of Bells Ferry
Sub-Property Type:	LIHTC
Address:	100 Peaks Rdg.
City/State/Zip:	Acworth, GA 30102
County:	Cherokee
Submarket:	Cherokee County
Market Orientation:	Suburban
IRR Event ID:	1421036



Sale Information

Sale Price:	\$18,500,000
Effective Sale Price:	\$18,500,000
Sale Date:	06/03/2016
Sale Status:	Closed
\$/SF GBA:	\$65.14
\$/SF NRA:	\$65.14
Eff. Price/Unit:	\$74,597 /Apt. Unit
Grantor/Seller:	The Peaks at Bells Ferry LP
Grantee/Buyer:	Deancurt Acworth, LLC (Aspen Square Management)
Property Rights:	Leased Fee
% of Interest Conveyed:	100.00
Financing:	Cash to seller
Terms of Sale:	The buyer noted that the transaction was cash to seller and explicitly stated that there was no debt assumption which is contrary to CoStar record which was unconfirmed information.
Document Type:	Warranty Deed
Recording No.:	13900-139
Rent Controlled:	Yes
Rent Subsidized:	Yes
Subsidy Comments:	80% of the units are leased at 60% AMI

Verified By:	Zach Fraysier
Verification Date:	11/16/2016
Confirmation Source:	Greg Cygan at Aspen Square Management
Verification Type:	Confirmed-Buyer
Secondary Verific. Source:	Assessor, CoStar, Deed

Operating Data and Key Indicators

Operating Data Type:	In Place
Vacancy Rate:	13%
Net Operating Income:	\$ 1,017,500
Cap Rate - Derived:	5.50%

Occupancy

Occupancy at Time of Sale:	87.00%
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Improvement and Site Data

MSA:	Atlanta MSA
Legal/Tax/Parcel ID:	015N06-00000-129-000-0000
GBA-SF:	284,000
NRA-SF:	284,000
Acres(Usable/Gross):	15.48/15.48
Land-SF(Usable/Gross):	674,308/674,308
Usable/Gross Ratio:	1.00
Year Built:	2003
Property Class:	B
M&S Class:	D
Construction Quality:	Average

Improvement and Site Data (Cont'd)

Improvements Cond.:	Average
Construction Desc.:	Brick veneer and vinyl siding on wood
No. of Buildings/Stories:	11/3
No. of Units/Unit Type:	248/Apt. Units
Total Parking Spaces:	300
Park. Ratio 1000 SF GLA:	1.06
No. Surface Spaces:	300
Park. Ratio 1000 SF GBA:	1.06
Parking Ratio(/Unit):	1.21
Density-Unit/Gross Acre:	16.02
Density-Unit/Usable Acre:	16.02
Bldg. to Land Ratio FAR:	0.42
Zoning Code:	RM16
Zoning Desc.:	Multifamily
Source of Land Info.:	Public Records

to occupancy issues- 87% occupied at TOS. The firm which purchased the property is a national investor who has stabilized the property at an 96% occupancy rate as of 11/16/2016 (per rent survey). The buyer representative stated that their pro-forma cap rate was set at 6.47% and that typical capitalization rates in the area of tax credit multifamily properties are around 6.50%. This property is 80% LIHTC 60% AMI units consisting of 1 to 3 beds. The remainder is marketed/leased at market rents. The amenities are typical for multifamily in Cherokee County.

Unit Mix

No. of Bed-rooms	No. of Bath-rooms	No. of Units	Approx. Units SF	Total Units SF	% of Total
1.00	1.00	12	874	10,488	3.7%
1.00	1.00	50	874	43,700	15.4%
2.00	2.00	25	1,149	28,725	10.2%
2.00	2.00	98	1,149	112,602	39.8%
3.00	2.00	12	1,388	16,656	5.9%
3.00	2.00	51	1,388	70,788	25.0%
		<u>248</u>		<u>282,959</u>	

Project & Unit Amenities

Clubhouse/Rec. Bldg.	Air Conditioning
Fitness Room	Carpets/Drapes/Blinds
Gated Entrance	Dishwasher
Laundry Facility	Disposal
Playground	Walk-in Closets
Swimming Pool	Washer/Dryer Hookup

Comments

The in-place cap rate at the time of sale was 5.50%. The buyer stated that the cap rate was lower than market rates for Tax Credit multifamily properties in the area due

Location & Property Identification

Property Name:	Orchard Cove Apartments
Sub-Property Type:	LIHTC
Address:	30 Gross Lake Dr.
City/State/Zip:	Covington, GA 30016
County:	Newton
Submarket:	Covington/W Conyers
Market Orientation:	Suburban
IRR Event ID:	1146371



Sale Information

Sale Price:	\$11,000,000
Effective Sale Price:	\$11,000,000
Sale Date:	05/12/2015
Sale Status:	Recorded
\$/SF GBA:	\$52.10
\$/SF NRA:	\$53.25
Eff. Price/Unit:	\$58,511 /Apt. Unit
Grantor/Seller:	Orchard Cove Ltd Partnership
Grantee/Buyer:	VCP Orchard Cove, LLC
Property Rights:	Leased Fee
Financing:	Cash to seller
Document Type:	Deed
Recording No.:	3331-0222
Rent Subsidized:	Yes
Subsidy Comments:	This is a LIHTC property and also market rent units.
Verified By:	Sherry L. Watkins, MAI, FRICS, ASA
Verification Date:	06/16/2015
Confirmation Source:	Robbie O'Bryan, MHA, CoStar, Public Records
Verification Type:	Confirmed-Seller Broker

Operating Data and Key Indicators

Operating Data Type:	In Place
Vacancy Rate:	4%

Net Operating Income:	\$ 764,500
Cap Rate - Derived:	6.95%

Occupancy

Occupancy at Time of Sale:	96.00%
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Improvement and Site Data

MSA:	Atlanta-Sandy Springs-Marietta, GA Metropolitan Statistical Area
GBA-SF:	211,127
NRA-SF:	206,568
Acres(Usable/Gross):	16.78/16.78
Land-SF(Usable/Gross):	730,936/730,936
Usable/Gross Ratio:	1.00
Year Built:	2000
Property Class:	B
M&S Class:	D
Construction Quality:	Average
Improvements Cond.:	Average
Construction Desc.:	Brick and vinyl siding
No. of Buildings/Stories:	14/2
No. of Units/Unit Type:	188/Apt. Units
Multi-Tenant/Condo.:	Yes/No
Roof,Heating,AC Comm.:	Central HVAC, split system with FWA furnace
Density-Unit/Gross Acre:	11.20
Density-Unit/Usable Acre:	11.20

Improvement and Site Data (Cont'd)

Bldg. to Land Ratio FAR:	0.29
Zoning Code:	RMF
Zoning Desc.:	Residential MF
Source of Land Info.:	Other

Unit Mix

No. of Bed-rooms	No. of Bath-rooms	No. of Units	Approx. Units SF	Total Units SF	% of Total
1.00	1.00	4	794	3,176	1.5%
1.00	1.00	24	794	19,056	9.2%
1.00	1.00	16	850	13,600	6.6%
2.00	2.00	4	1,119	4,476	2.2%
2.00	2.00	72	1,119	80,568	39.0%
2.00	2.00	32	1,176	37,632	18.2%
3.00	2.00	2	1,320	2,640	1.3%
3.00	2.00	22	1,320	29,040	14.1%
3.00	2.00	12	1,365	16,380	7.9%
		188	206,568		

Project & Unit Amenities

Gated Entrance	Dishwasher
Swimming Pool	Disposal
Garage/Under Building	Washer/Dryer Hookup
Tennis Court	Walk-in Closets
Playground	Patios/Balcony
Fitness Room	Walk-in Closets
Fitness Room	Carpets/Drapes/Blinds
	Walk-in Closets
Laundry Facility	Air Conditioning
	Ceiling Fans

Comments

The property was 96% occupied at the time of sale. The cap rate of 6.95% was based on in-place income/expenses. The property is nearing the end of its LIHTC compliance period so there is upside income potential as the property transitions to market rent.

Location & Property Identification

Property Name:	The Courtyard at Maple
Sub-Property Type:	LIHTC
Address:	55 Maple St. NW.
City/State/Zip:	Atlanta, GA 30314
County:	Fulton
Submarket:	Central I-75 West
Market Orientation:	Suburban
IRR Event ID:	1131692



Sale Information

Sale Price:	\$14,000,000
Effective Sale Price:	\$14,000,000
Sale Date:	05/05/2015
Sale Status:	Closed
\$/SF GBA:	\$62.98
\$/SF NRA:	\$62.98
Eff. Price/Unit:	\$76,923 /Unit
Grantor/Seller:	BBRC Parcel 25, LLC/Vine City Redevelopment
Grantee/Buyer:	Domain Courtyard Apartments, LLC
Property Rights:	Leased Fee
Financing:	Cash to seller
Document Type:	Deed
Recording No.:	55596-0510
Verified By:	Sherry L. Watkins, MAI, FRICS, ASA
Verification Date:	09/01/2016
Confirmation Source:	Confidential Confirmation, Offering Memorandum
Verification Type:	Confirmed-Other

Operating Data and Key Indicators

Operating Data Type:	In Place
Vacancy Rate:	3%
Effective Gross Income:	\$1,740,096
Operating Expenses:	\$1,159,893

Net Operating Income:	\$ 580,203
Expense Ratio:	66.66%
Reserves Included:	Yes
Management Included:	Yes
Cap Rate - Derived:	4.14%
EGIM - Derived:	8.05

Occupancy

Occupancy at Time of Sale:	97.00%
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Improvement and Site Data

Legal/Tax/Parcel ID:	14-0083-0008-114
GBA-SF:	222,285
NRA-SF:	222,285
Acres(Usable/Gross):	7.33/7.33
Land-SF(Usable/Gross):	319,294/319,294
Usable/Gross Ratio:	1.00
Year Built:	1993
Property Class:	B
Construction Quality:	Average
Construction Desc.:	Masonry
No. of Buildings/Stories:	9/3
Elevators/Count:	Yes/0
Density-Unit/Gross Acre:	24.83
Density-Unit/Usable Acre:	24.83
Bldg. to Land Ratio FAR:	0.70
Source of Land Info.:	Other

Unit Mix

No. of Bed-rooms	No. of Bath-rooms	No. of Units	Approx. Units SF	Total Units SF	% of Total
1.00	1.00	12	575	6,900	4.2%
1.00	1.00	24	722	17,328	10.5%
2.00	1.00	15	848	12,720	7.7%
2.00	1.00	9	848	7,632	4.6%
2.00	2.00	2	850	1,700	1.0%
2.00	2.00	62	968	60,016	36.2%
2.00	2.00	40	968	38,720	23.4%
3.00	2.00	18	1,150	20,700	12.5%
		<u>182</u>		<u>165,716</u>	

Project & Unit Amenities

Fitness Room	Air Conditioning
Gated Entrance	Carpets/Drapes/Blinds
Laundry Facility	Dishwasher
Playground	Disposal
Swimming Pool	Range-Refrig.
	Vaulted Ceilings
	Walk-in Closets
	Washer/Dryer Hookup

Comments

This property sold for \$14,000,000. or \$76,923 per unit. The cap rate of 4.14% is based on in-place income/expenses. The proforma cap rate is about 7% with much lower expenses and higher rents forecast. This is a 60% LIHTC and 40% market rent property. The tax credit units are only two bedroom units.

Location & Property Identification

Property Name:	Plantation Ridge
Sub-Property Type:	LIHTC
Address:	1022 Level Creek Rd.
City/State/Zip:	Sugar Hill, GA 30518
County:	Gwinnett
Submarket:	North Gwinnett
Market Orientation:	Suburban
IRR Event ID:	1296211



Sale Information

Sale Price:	\$16,005,000
Effective Sale Price:	\$16,005,000
Sale Date:	03/18/2015
Sale Status:	Closed
\$/SF GBA:	\$65.55
\$/SF NRA:	\$65.55
Eff. Price/Unit:	\$73,417 /Apt. Unit
Grantor/Seller:	Level Creek Partners, LP
Grantee/Buyer:	Tralee Affordable Bulldog I, LLC
Property Rights:	Leased Fee
Financing:	Cash to seller
Document Type:	Deed
Recording No.:	53455-0640
Verified By:	Kristina Prestwich
Verification Date:	03/28/2016
Confirmation Source:	CoStar, Public record, PT61
Verification Type:	Secondary Verification

MSA:	Atlanta-Sandy Springs-Marietta, GA Metropolitan Statistical Area
Legal/Tax/Parcel ID:	R7291 045
GBA-SF:	244,152
NRA-SF:	244,152
Acres(Usable/Gross):	17.55/17.55
Land-SF(Usable/Gross):	764,478/764,478
Usable/Gross Ratio:	1.00
Year Built:	1998
Property Class:	B
M&S Class:	D
Construction Quality:	Average
Improvements Cond.:	Average
Construction Desc.:	Wood framing
No. of Buildings/Stories:	15/2
No. of Units/Unit Type:	218/Apt. Units
Multi-Tenant/Condo.:	Yes/No
Total Parking Spaces:	436
Park. Ratio 1000 SF GLA:	1.79
Park. Ratio 1000 SF GBA:	1.79
Parking Ratio(/Unit):	2.00
Elevators/Count:	None
Density-Unit/Gross Acre:	12.42
Density-Unit/Usable Acre:	12.42
Bldg. to Land Ratio FAR:	0.32
Zoning Desc.:	RM, Multifamily
Source of Land Info.:	Public Records

Operating Data and Key Indicators

Vacancy Rate:	8%
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Occupancy

Occupancy at Time of Sale:	92.00%
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Improvement and Site Data

Unit Mix

No. of Bed-rooms	No. of Bath-rooms	No. of Units	Approx. Units SF	Total Units SF	% of Total
1.00	1.00		885		
2.00	2.00		1,086		
3.00	2.00		1,284		
1.00	1.00		885		
2.00	2.00		1,086		
3.00	2.00		1,284		

Project & Unit Amenities

Fitness Room	Air Conditioning
Laundry Facility	Carpets/Drapes/Blinds
Playground	Dishwasher
Swimming Pool	Disposal
	Patios/Balcony
	Range-Refrig.
	Storage in Unit
	Walk-in Closets
	Washer/Dryer Hookup

Comments

This is the sale of the 218-unit apartment complex located at 1022 Level Creek Road in Sugar Hill, Georgia. The property sold on March 18, 2015 for \$16,005,000 or \$73,417 per unit. The property was 92% occupied at the time of sale.

The subject is an existing multifamily property containing 218 dwelling units. The improvements were constructed in 1998. The site area is 17.55 acres, or 764,478 square feet. The subject is encumbered by LIHTC restrictions requiring that a minimum of 130 of the units be rented to tenants earning no more than 60% of the Area Median Income (AMI).

Location & Property Identification

Property Name:	Rock Creek at Vinings f/k/a Aventine at Vinings
Sub-Property Type:	Conventional, Garden/Low Rise
Address:	3385 Atlanta Rd.
City/State/Zip:	Smyrna, GA 30080
County:	Cobb
Submarket:	Smyrna
Market Orientation:	Suburban
IRR Event ID:	1420964



Sale Information

Sale Price:	\$57,400,000
Effective Sale Price:	\$57,400,000
Sale Date:	06/22/2016
Sale Status:	Closed
\$/SF GBA:	\$158.26
\$/SF NRA:	\$158.26
Eff. Price/Unit:	\$142,432 /Apt. Unit
Grantor/Seller:	Rock Creek at Ashford, LLC
Grantee/Buyer:	Blue Atlantic Vinings, LLC
Property Rights:	Leased Fee
Financing:	Cash to seller
Document Type:	Deed
Recording No.:	15349/264
Rent Controlled:	No
Rent Subsidized:	No
Verified By:	Kristina Prestwich
Verification Date:	11/16/2016
Verification Type:	Secondary Verification
Secondary Verific. Source:	CoStar

Operating Data and Key Indicators

Vacancy Rate:	4%
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Occupancy

Occupancy at Time of Sale: 96.50%

Improvement and Site Data

MSA:	Atlanta-Sandy Springs-Marietta, GA Metropolitan Statistical Area
Legal/Tax/Parcel ID:	17-0699-01-001-0, 17-0741-0-041-0 and 17-0742-0-011-0
GBA-SF:	362,700
NRA-SF:	362,700
Acres(Usable/Gross):	33.10/33.10
Land-SF(Usable/Gross):	1,441,836/1,441,836
Usable/Gross Ratio:	1.00
Year Built:	1991
Property Class:	B
M&S Class:	D
Construction Quality:	Average
Improvements Cond.:	Average
Construction Desc.:	Wood frame
No. of Buildings/Stories:	18/3
No. of Units/Unit Type:	403/Apt. Units
Multi-Tenant/Condo.:	Yes/No
Total Parking Spaces:	674
Park. Ratio 1000 SF GLA:	1.86
No. Surface Spaces:	674
Park. Ratio 1000 SF GBA:	1.86

Improvement and Site Data (Cont'd)

Parking Ratio(/Unit):	1.67
Density-Unit/Gross Acre:	12.18
Density-Unit/Usable Acre:	12.18
Bldg. to Land Ratio FAR:	0.25
Zoning Code:	RM12
Zoning Desc.:	Multifamily Residential
Source of Land Info.:	Other

Unit Mix

No. of Bed-rooms	No. of Bath-rooms	No. of Units	Approx. Units SF	Total Units SF	% of Total
	1.00	32	523	16,736	4.2%
1.00	1.00	48	581	27,888	7.0%
1.00	1.00	36	672	24,192	6.1%
2.00	1.00	48	889	42,672	10.7%
2.00	2.00	72	1,104	79,488	19.9%
2.00	2.00	69	1,142	78,798	19.7%
2.00	2.00	72	1,216	87,552	21.9%
3.00	2.00	26	1,627	42,302	10.6%
		<u>403</u>		<u>399,628</u>	

Project & Unit Amenities

Gated Entrance	Washer/Dryer Hookup
Swimming Pool	Fireplace
Playground	Air Conditioning
Fitness Room	Carpets/Drapes/Blinds
Clubhouse/Rec. Bldg.	Dishwasher
Laundry Facility	Disposal
Tennis Court	Patios/Balcony
	Walk-in Closets

Comments

This is the sale of the 403-unit apartment complex located at 3385 Atlanta Rd SE in Smyrna, GA. The property sold on June 22, 2016 for \$57,400,000 or \$142,432 per unit. The property was 96.5% occupied at the time of sale.

Location & Property Identification

Property Name:	1000 Spalding f/k/a Spalding Crossing
Sub-Property Type:	Conventional, Garden/Low Rise
Address:	1000 Spalding Dr.
City/State/Zip:	Atlanta, GA 30350
County:	Fulton
Submarket:	Sandy Spg/Dunwoody
Market Orientation:	Suburban
IRR Event ID:	1248463



Sale Information

Sale Price:	\$40,731,000
Effective Sale Price:	\$40,731,000
Sale Date:	09/24/2015
Sale Status:	Closed
\$/SF GBA:	\$163.35
\$/SF NRA:	\$163.35
Eff. Price/Unit:	\$161,631 /Apt. Unit
Grantor/Seller:	Spalding Crossing Associates, LP
Grantee/Buyer:	Spalding Crossing Holdings, LLC
Property Rights:	Leased Fee
Financing:	Cash to seller
Document Type:	Warranty Deed
Recording No.:	55414-238
Verified By:	Sherry L. Watkins, MAI, FRICS, ASA
Confirmation Source:	Confidential, CoStar, and public record
Verification Type:	Confirmed-Other

Operating Data and Key Indicators

Operating Data Type:	In Place
Vacancy Rate:	8%
Effective Gross Income:	\$3,438,259

Operating Expenses:	\$1,543,454
Net Operating Income:	\$ 1,894,805
Expense Ratio:	44.89%
Reserves Included:	No
Management Included:	Yes
Cap Rate - Derived:	4.65%
EGIM - Derived:	11.85

Occupancy

Occupancy at Time of Sale:	92.00%
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Improvement and Site Data

MSA:	Atlanta-Sandy Springs-Marietta, GA Metropolitan Statistical Area
Legal/Tax/Parcel ID:	17 0022 LL 058 7
GBA-SF:	249,342
NRA-SF:	249,342
Acres(Usable/Gross):	10.67/10.67
Land-SF(Usable/Gross):	464,785/464,785
Usable/Gross Ratio:	1.00
Year Built:	1996
Most Recent Renovation:	2015-2016
Property Class:	A-
M&S Class:	D
Construction Quality:	Good

Improvement and Site Data (Cont'd)

Improvements Cond.:	Good
Construction Desc.:	Wood framing
No. of Buildings/Stories:	12/3
No. of Units/Unit Type:	252/Apt. Units
Multi-Tenant/Condo.:	Yes/No
Total Parking Spaces:	378
Park. Ratio 1000 SF GLA:	1.52
No. Surface Spaces:	378
Park. Ratio 1000 SF GBA:	1.52
Parking Ratio(/Unit):	1.50
Density-Unit/Gross Acre:	23.62
Density-Unit/Usable Acre:	23.62
Bldg. to Land Ratio FAR:	0.54
Zoning Code:	A-L
Zoning Desc.:	Apartment Limited Dwelling District
Source of Land Info.:	Other

Swimming Pool	Patios/Balcony
Gated Entrance	Washer/Dryer Hookup
Fitness Room	Dishwasher
Clubhouse/Rec. Bldg.	Disposal
Covered Parking	Fireplace
	Central AC
	Vaulted Ceilings
	Air Conditioning
	Carpets/Drapes/Blinds
	Walk-in Closets
	Washer/Dryer In Unit

Comments

This 252-unit apartment complex sold on September 24, 2015 for \$40,731,000. The property was 92% occupied at the time of sale. The property traded at a 4.65% cap rate based on in-place income and expenses. The \$40,731,000 does not include personal property of \$269,000 that was reported on public records at the time of sale.

This is a Class A- apartment complex located in Dunwoody near GA-400. In addition to typical Class A amenities there are detached and attached garages, stackable washer/dryers in smaller 1 BR units, fireplaces in select units, and all units are electric.

Unit Mix

No. of Bed-rooms	No. of Bath-rooms	No. of Units	Approx. Units SF	Total Units SF	% of Total
1.00	1.00	37	675	24,975	10.0%
1.00	1.00	22	675	14,850	5.9%
1.00	1.00	31	842	26,102	10.4%
1.00	1.00	25	842	21,050	8.4%
2.00	1.00	22	1,024	22,528	9.0%
2.00	1.00	22	1,024	22,528	9.0%
2.00	2.00	40	1,204	48,160	19.2%
2.00	2.00	35	1,204	42,140	16.8%
3.00	2.50	8	1,489	11,912	4.7%
3.00	2.50	3	1,489	4,467	1.8%
3.00	2.50	5	1,512	7,560	3.0%
3.00	2.50	3	1,512	4,536	1.8%
		<u>253</u>		<u>250,808</u>	

Project & Unit Amenities

Location & Property Identification

Property Name:	St. Andrews
Sub-Property Type:	Conventional, Garden/Low Rise
Address:	10055 Jones Bridge Rd.
City/State/Zip:	Alpharetta, GA 30022
County:	Fulton
Submarket:	Roswell/Alpharetta
Market Orientation:	Suburban
IRR Event ID:	1227873



Sale Information

Sale Price:	\$38,325,000
Effective Sale Price:	\$38,325,000
Sale Date:	09/24/2015
Sale Status:	Closed
\$/SF GBA:	\$132.92
\$/SF NRA:	\$132.92
Eff. Price/Unit:	\$168,092 /Apt. Unit
Grantor/Seller:	St. Andrews, LLC
Grantee/Buyer:	SG St. Andrews, LLC
Property Rights:	Leased Fee
Financing:	Cash to seller
Document Type:	Deed
Recording No.:	55409-0448
Verified By:	Kristina Prestwich
Verification Date:	10/13/2015
Confirmation Source:	CoStar, Public record, PT61
Verification Type:	Secondary Verification

Operating Data and Key Indicators

Vacancy Rate:	2%
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Occupancy

Occupancy at Time of Sale:	98.00%
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Improvement and Site Data

MSA:	Atlanta-Sandy Springs-Marietta, GA Metropolitan Statistical Area
Legal/Tax/Parcel ID:	11-0190-0060-012
GBA-SF:	288,338
NRA-SF:	288,338
Acres(Usable/Gross):	36.26/36.26
Land-SF(Usable/Gross):	1,579,485/1,579,485
Usable/Gross Ratio:	1.00
Year Built:	1996
Property Class:	B
M&S Class:	D
Construction Quality:	Average
Improvements Cond.:	Average
Construction Desc.:	Wood frame
No. of Buildings/Stories:	25/2
No. of Units/Unit Type:	228/Apt. Units
Multi-Tenant/Condo.:	Yes/No
Total Parking Spaces:	684
Park. Ratio 1000 SF GLA:	2.37
Park. Ratio 1000 SF GBA:	2.37
Parking Ratio(/Unit):	3.00
Density-Unit/Gross Acre:	6.29
Density-Unit/Usable Acre:	6.29
Bldg. to Land Ratio FAR:	0.18
Zoning Desc.:	C1C, Fulton County
Source of Land Info.:	Other

Project & Unit Amenities

Gated Entrance	Patios/Balcony
Swimming Pool	Fireplace
Tennis Court	Central AC
Fitness Room	Dishwasher
Playground	Washer/Dryer Hookup
Laundry Facility	Air Conditioning
	Carpets/Drapes/Blinds
	Ceiling Fans

Comments

This is the sale of the 228-unit apartment complex located at 10055 Jones Bridge Road in Alpharetta. The property sold on September 24, 2015 for \$38,325,000 or \$168,092 per acre. The property was approximately 98% occupied at the time of sale. Prior to the sale, the seller renovated the exterior and community amenities of the property. The seller has anticipated a value add renovation of 30% of the units. The renovated units were renting for approximately \$280 more per month than the non-renovated units. There are detached garages available for rent. All units have fireplaces.

Location & Property Identification

Property Name:	Wesley St. James f/k/a Residences at Morgan Falls
Sub-Property Type:	Conventional, Garden/Low Rise
Address:	7785 Roswell Road
City/State/Zip:	Atlanta, GA 30350
County:	DeKalb
Submarket:	Sandy Spg/Dunwoody
Market Orientation:	Suburban
IRR Event ID:	1208471



Sale Information

Sale Price:	\$54,000,000
Effective Sale Price:	\$54,000,000
Sale Date:	02/09/2015
Sale Status:	Closed
\$/SF GBA:	\$103.96
\$/SF NRA:	\$103.96
Eff. Price/Unit:	\$107,143 /Apt. Unit
Grantor/Seller:	Morgan Falls Apt Property, LLC
Grantee/Buyer:	RMF Apartments, LLC
Property Rights:	Leased Fee
Financing:	Cash to seller
Document Type:	Deed
Recording No.:	54611-0139
Verified By:	Kristina Prestwich
Verification Date:	08/19/2015
Confirmation Source:	CoStar, Public record, PT61
Verification Type:	Secondary Verification

Operating Data and Key Indicators

Vacancy Rate:	3%
Net Operating Income:	\$ 3,159,000
Cap Rate - Derived:	5.85%

Occupancy

Occupancy at Time of Sale: 97.00%

Improvement and Site Data

MSA:	Atlanta-Sandy Springs-Marietta, GA Metropolitan Statistical Area
Legal/Tax/Parcel ID:	17-0031-LL-059
GBA-SF:	519,414
NRA-SF:	519,414
Acres(Usable/Gross):	37.87/37.87
Land-SF(Usable/Gross):	1,649,617/1,649,617
Usable/Gross Ratio:	1.00
Year Built:	1996
Property Class:	A
Construction Quality:	Good
Improvements Cond.:	Good
Construction Desc.:	wood frame
No. of Buildings/Stories:	23/3
No. of Units/Unit Type:	504/Apt. Units
Total Parking Spaces:	743
Park. Ratio 1000 SF GLA:	1.43
Park. Ratio 1000 SF GBA:	1.43
Parking Ratio(/Unit):	1.47
Density-Unit/Gross Acre:	13.31
Density-Unit/Usable Acre:	13.31
Bldg. to Land Ratio FAR:	0.31

Improvement and Site Data (Cont'd)

Zoning Desc.:	O&I
Source of Land Info.:	Other

Unit Mix

No. of Bed-rooms	No. of Bath-rooms	No. of Units	Approx. Units SF	Total Units SF	% of Total
1.00	1.00	118	715	84,370	16.2%
1.00	1.00	90	841	75,690	14.6%
1.00	1.00	60	889	53,340	10.3%
2.00	2.00	118	1,224	144,432	27.8%
2.00	2.00	54	1,269	68,526	13.2%
3.00	2.00	64	1,454	93,056	17.9%
		504		519,414	

Project & Unit Amenities

Gated Entrance	Patios/Balcony
Clubhouse/Rec. Bldg.	Storage in Unit
Laundry Facility	Vaulted Ceilings
Swimming Pool	Central AC
Fitness Room	Carpets/Drapes/Blinds
Tennis Court	Ceiling Fans
Garage/Under Building	Fireplace
	Washer/Dryer Hookup
	Air Conditioning

Comments

This is the sale of the 504-unit apartment complex located at 7785 Roswell Road in Atlanta. The property sold on February 9, 2015 for \$54,000,000 or \$107,143 per unit. The property was 97% occupied at the time of sale. The property sold with a 5.85% cap rate.

Location & Property Identification

Property Name: The Peaks of Bells Ferry
 Sub-Property Type: LIHTC
 Address: 100 Peaks Rdg.
 City/State/Zip: Acworth, GA 30102
 County: Cherokee
 Submarket: Cherokee County
 Market Orientation: Suburban

 IRR Event ID: 1421049



Property Data

Survey Date: 11/16/2016
 No. of Buildings/Stories: 11/3
 No. of Units/Unit Type: 248/Apt. Units
 Rent Controlled: Yes
 Property Class: B
 Vacancy @ Survey: 4.00%
 Yr. Built/Yr. Renov.: 2003/
 Construction Type: Brick veneer and vinyl siding on wood
 Land Size (Ac.): 15.48

Project & Unit Amenities

Project Amenities: Clubhouse/Rec. Bldg., Fitness Room, Gated Entrance, Laundry Facility, Playground, Swimming Pool
 Unit Amenities: Air Conditioning, Carpets/Drapes/Blinds, Dishwasher, Disposal, Walk-in Closets, Washer/Dryer Hookup
 Landlord Pays: Trash, Sewer, Water
 Tenant Pays: In-Unit Electric
 Survey Comp./Contact: Sicilia at The Peaks of Bells Ferry- Property Mana/

Unit Mix

Unit Information	Rms/BR/Bth	No. of Units	Vacant Units	SF Per Unit	Base Rent	\$/SF Effective	Unit Comments
1x1 market	/1/1.0	12	INA	874			
1x1 TC 60%	/1/1.0	50	INA	874			
2x2 market	/2/2.0	25	INA	1,149	\$1000	\$0.87	
2x2 TC 60%	/2/2.0	98	INA	1,149	\$940	\$0.82	
3x2 market	/3/2.0	12	INA	1,388	\$1150	\$0.83	
3x2 TC 60%	/3/2.0	51	INA	1,388	\$1091	\$0.79	

Comments

Comments (Cont'd)

At the time of survey, the property was 96% occupied. The tenant is responsible for in-unit electric which is billed by Cobb EMC. Water/sewer and trash are included in the base rents. The property is under new management as of July 2016 and has a waiting list for three bedroom units. The tenants are predominantly families. This property is 80% LIHTC 60% AMI units consisting of 1 to 3 beds. The remainder is marketed/leased at market rents. The amenities are typical for multifamily in Cherokee County.

Location & Property Identification

Property Name: Gregory Lane
 Sub-Property Type: Conventional, Garden/Low Rise
 Address: 466 Gregory Ln.
 City/State/Zip: Acworth, GA 30102
 County: Cherokee
 Submarket: Cherokee County
 Market Orientation: Suburban

 IRR Event ID: 1421301



Property Data

Survey Date: 11/16/2016
 No. of Buildings/Stories: 4/2
 Multi-Tenant/Condo.: Yes/No
 Rent Controlled: Yes
 Property Class: B
 Vacancy @ Survey: 6.00%
 Yr. Built/Yr. Renov.: 1996/
 Land Size (Ac.): 3.29

Project & Unit Amenities

Landlord Pays: Trash
 Tenant Pays: In-Unit Electric, Sewer, Water
 Survey Comp./Contact: Property Management/

Unit Mix

Unit Information	Rms/BR/Bth	No. of Units	Vacant Units	SF Per Unit	Base Rent	\$/SF Effective	Unit Comments
2x2	/2/2.0		INA	1,050	\$835	\$0.80	
3x2	/3/2.0		INA	1,200	\$935	\$0.78	

Comments

At the time of survey, the property was 96% occupied. The management is in the process of leasing all units at market rents.

Location & Property Identification

Property Name: Alta Ridgewalk
 Sub-Property Type: LIHTC
 Address: 1 Elena Way
 City/State/Zip: Woodstock, GA 30188
 County: Cherokee
 Submarket: Cherokee County
 Market Orientation: Suburban

 IRR Event ID: 1421317



Property Data

Survey Date: 11/16/2016
 No. of Buildings/Stories: 14/3
 No. of Units/Unit Type: 340/Apt. Units
 Multi-Tenant/Condo.: Yes/No
 Rent Controlled: Yes
 Property Class: A
 Vacancy @ Survey: 2.00%
 Yr. Built/Yr. Renov.: 2004/
 Construction Type: Brick veneer and vinyl siding on wood structure
 Land Size (Ac.): 28.35

Project & Unit Amenities

Project Amenities: Swimming Pool, Garage/Under Building, Tennis Court, Playground, Clubhouse/Rec. Bldg., Fitness Room, Laundry Facility, Gated Entrance, Storage, Volleyball
 Unit Amenities: Air Conditioning, Carpets/Drapes/Blinds, Dishwasher, Disposal, Walk-in Closets, Washer/Dryer Hookup
 Landlord Pays: Trash
 Tenant Pays: In-Unit Electric, Sewer, Water
 Survey Comp./Contact: Property management/

Unit Mix

Unit Information	Rms/BR/Bth	No. of Units	Vacant Units	SF Per Unit	Base Rent	\$/SF Effective	Unit Comments
1 x 1	/1/1.0	114	INA	764			
2 x 2 market	/2/2.0	50	INA	1,018	\$1100	\$1.08	
3 x 2 market	/3/2.0	16	INA	1,547	\$1200	\$0.78	
2 x 2 TC 60%	/2/2.0	120	INA	1,018	\$865	\$0.85	
3 x 2 TC 60%	/3/2.0	38	INA	1,547	\$993	\$0.64	

Comments

At the time of survey, the property was 98% occupied.

Comments (Cont'd)

There are 1-3 bed floor plans offered at market and at 60% AMI rents.

Location & Property Identification

Property Name: Alexander Ridge
 Sub-Property Type: LIHTC
 Address: 102 Alexander Ridge
 City/State/Zip: Canton, GA 30114
 County: Cherokee
 Submarket: Cherokee County
 Market Orientation: Suburban

 IRR Event ID: 1421580



Property Data

Survey Date: 11/17/2016
 No. of Units/Unit Type: 272/Apt. Units
 Rent Controlled: Yes
 Property Class: B
 Vacancy @ Survey: 2.00%
 Yr. Built/Yr. Renov.: 2001/
 Construction Type: Wood frame
 Land Size (Ac.): 19.78

Project & Unit Amenities

Project Amenities: Clubhouse/Rec. Bldg., Fitness Room, Laundry Facility, Gated Entrance, Swimming Pool, Playground
 Unit Amenities: Air Conditioning, Patios/Balcony, Ceiling Fans, Range-Refrig., Dishwasher, Washer/Dryer Hookup, Carpets/Drapes/Blinds, Walk-in Closets, Disposal
 Landlord Pays: Trash
 Tenant Pays: In-Unit Electric, Sewer, Water
 Survey Comp./Contact: Corey- Property Management/

Unit Mix

Unit Information	Rms/BR/Bth	No. of Units	Vacant Units	SF Per Unit	Base Rent	\$/SF Effective	Unit Comments
1BR/1BA	/1/1.0		INA	801			
2x2 Market	/2/2.0		INA	1,002	\$1000	\$1.00	
3x2 Market	/3/2.0		INA	1,200	\$1100	\$0.92	
2x2 TC 50%	/2/2.0		INA	1,002	\$657	\$0.66	
3x2 TC 50%	/3/2.0		INA	1,200	\$741	\$0.62	
2x2 TC 60%	/2/2.0		INA	1,002	\$824	\$0.82	
3x2 TC 60%	/3/2.0		INA	1,200	\$933	\$0.78	

Comments

At the time of the survey the property was 98% occupied. Water sewer is handled through a third-party billing provider One-Point and water is individually metered. Georgia Power provides electricity and tenants pay all electric directly to the provider.

This property has both market rent and rent restricted units.

Addendum D
Engagement Letter





October 28, 2016

Mr. Peter Nelson
Staff Associate
Development & Acquisitions
Dominium
2905 Northwest Blvd, #150
Plymouth, MN 55441

SUBJECT: Proposal/Authorization for Valuation and Consulting Services
Columbia Creek Apartments
50 Sandy Circle
Woodstock, GA 30188 (the "Subject Property")

Dear Mr. Nelson:

Integra Realty Resources – Minneapolis/St. Paul appreciates the opportunity to provide this proposal for valuation and counseling services to Woodstock Leased Housing Associates I, LLLP (the "Client") for the above-captioned property.

It is our mutual understanding that the purpose of this appraisal is to provide various opinions of the market value of the fee simple estate in the Subject Property and that the intended use of the report is for acquisition and financing purposes. The value to be estimated include:

- Land value as if vacant
- As-is market value (restricted rents)
- Prospective market value upon completion and as stabilized (restricted rents)
- Prospective market value upon completion and as stabilized (market rents)
- Value of the seller financing
- If personal property, FF&E or intangible items are not part of the transaction or value estimate, a statement to such effect will be included

The appraisal and report will be prepared in a summary format in conformance with and subject to the Standards of Professional Practice and Code of Ethics of the Appraisal Institute and the *Uniform Standards of Professional Appraisal Practice* (USPAP) developed by the Appraisal Standards Board of the Appraisal Foundation. The report will also meet the Georgia DCA Requirements. The appraisal will consider all applicable approaches to value as

Mr. Peter Nelson
Dominium
October 28, 2016
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determined during the course of our research and analysis and reporting. A land value as vacant will be estimated in the course of this assignment.

Our fee for this assignment will be \$7,500, inclusive of all expenses. We will provide three (3) copies of the report; however, additional copies of the report are available at an additional cost. The current minimum cost for each additional copy is \$100 per copy. The report will be completed and delivered to you by November 28, 2016.

Additional fees will be charged on an hourly basis for any work which exceeds the scope of this proposal, including performing additional valuation scenarios, additional research and conference calls or meetings with any party which exceed the time allotted for an assignment of this nature.

The terms of Attachment I apply to this engagement and are hereby incorporated by reference.

In order to complete this assignment in the designated time, we will require as much of the available information as possible, as identified in Attachment II, within three business days after the execution of this engagement letter. Any delays in the receipt of this information or in the access to the property will automatically extend the final delivery date of the report as proposed. Furthermore, the appraisal report and conclusions therein will be predicated upon the accuracy and completeness of the information provided by the owner of the property and set forth in Attachment II. In the absence of some of this information, the appraisers will attempt to obtain this information from other sources and/or may require the use of Extraordinary Limiting Conditions and Assumptions within the appraisal report.

The appraisal report will be limited by our standard Assumptions and Limiting Conditions and any Extraordinary Assumptions and Limiting Conditions, which become apparent or necessary during the course of the assignment. A copy of the standard Assumptions and Limiting Conditions is set forth in Attachment III.

The purpose of the appraisal report is to estimate the market value of the Subject Property on behalf of the Client as the intended user of the appraisal report. The intended use of the appraisal report is to assist the Client, as the intended user of the appraisal report, in evaluating the Subject Property for internal asset valuation purposes. Without first obtaining our prior written consent, the use of the appraisal report by anyone other than the Client is prohibited. Accordingly, the appraisal report will be addressed to and shall be solely for the Client's use and benefit unless we provide our prior written consent. Unless our prior written consent is obtained, no third party may rely on the appraisal report (even if their reliance was foreseeable).

In the event the Client provides a copy of this appraisal to, or permits reliance thereon by, any person or entity not authorized by Integra - Minneapolis/St. Paul, the Client agrees to indemnify and hold harmless Integra - Minneapolis/St. Paul, its affiliates and its shareholders, directors, officers and employees, from and against all damages, expenses, claims and costs, including attorneys' fees, incurred in investigating and defending any claim

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arising from or in any way connected to the use of, or reliance upon, the review appraisal by any such unauthorized person or entity.

If the appraisal is referred to or included in any offering material or prospectus, the appraisal shall be deemed referred to or included for informational purposes only and Integra - Minneapolis/St. Paul, its employees and the appraisers have no liability to such recipients. Integra - Minneapolis/St. Paul disclaims any and all liability to any party other than the Client which retained Integra - Minneapolis/St. Paul to prepare the appraisal.

If this proposal is acceptable, please authorize us to proceed by executing this letter agreement where noted below and returning one copy to the undersigned. Thank you for considering us for this assignment and we look forward to working with you. Please call if you wish to discuss this proposal or the assignment any further.

Sincerely,

INTEGRA REALTY RESOURCES – MINNEAPOLIS/ST. PAUL



Michael F. Amundson, MAI, CCIM, FRICS
Senior Managing Director

Attachments

AGREED & ACCEPTED THIS 1 DAY OF November, 2016.

BY: **Dominium**



AUTHORIZED SIGNATURE

Pete Nelson

NAME (PRINT)

ATTACHMENT I

ADDITIONAL TERMS

This assignment is subject to the following terms:

1. **Completion Date Estimate:** Integra – Minneapolis/St. Paul agrees to use reasonable commercial efforts to complete this report as per the attached letter agreement. Said completion date is an estimate and does not take into consideration pre-trial or court time as well as delays beyond the control of Integra – Minneapolis/St. Paul such as illness, lack of specific necessary data and/or Acts of God.
2. **Database/Marketing:** Both parties acknowledge that real estate appraisal requires current and historical market data to competently analyze the Subject Property. Accordingly, the Client agrees that: (i) the data collected by Integra – Minneapolis/St. Paul in this assignment will remain the property of Integra – Minneapolis/St. Paul; and (ii) with respect to any data provided by the Client, Integra – Minneapolis/St. Paul and its partner companies may utilize, sell and include such data (either in the aggregate or individually), in their marketing materials, the Integra database and derivative products so long as **the identity of the Client is kept confidential**. The Client agrees that all data already in the public domain may be utilized on an unrestricted basis.
3. **Litigation:** In the event Integra – Minneapolis/St. Paul is called upon to provide testimony or receives a subpoena concerning any suit or proceeding or otherwise become involved in any litigation relating to this engagement or assignment, in which Integra – Minneapolis/St. Paul is not a party, Integra – Minneapolis/St. Paul will make every reasonable effort to assist the Client and give such testimony. The Client agrees to compensate Integra – Minneapolis/St. Paul at its then current rates, on an hourly basis, plus reimbursement for all expenses incurred as a result of said litigation. In addition to the foregoing, the following terms are applicable:

(a) Review and trial preparation (if applicable) in-office, will be billed at standard hourly rates; outside office rates may apply to conferences, depositions and testimony. Our current in-office rates are as follows:

Managing Director Michael F. Amundson, MAI, CCIM, FRICS	\$300.00/hour
Executive Directors, Directors or Principals (Other MAIs)	\$200.00-\$300.00/hour
Senior Analyst (State Certified General R.E. Appraisers)	\$150.00-\$200.00/hour
Analyst/Researcher	\$50.00-\$125.00/hour

(b) All reports for which testimony is required must be disclosed prior to report authorization.

(c) All fees for reports, conferences and depositions must be paid prior to hearings and trial.

(d) Scheduling of casework and appearances will be made with due consideration for the time of all persons involved. Every effort to comply with reasonable requests for appearances will be made. Once an appointment, deposition or appearance is scheduled, that time is set aside. Therefore, if the appearance is canceled, or the reserved time is abandoned for whatever reason, the following cancellation charges will apply:

- | | |
|-----------------------------|------------------|
| 1. More than one week | No Charge |
| 2. 48 Hours prior | \$300.00 |
| 3. Less than 48 Hours prior | \$600.00 |
| 4. A Stand-by Charge of | \$300.00 per day |

(e) Due to the difficulty associated with accurately forecasting the number of hours which may be required with the research, hearing and/or trial preparation, deposition time, client/expert conferences, etc., we will maintain contemporaneous time and expense records and will provide you invoices on a 30 day billing cycle. The Client agrees to pay Integra – Minneapolis/St. Paul at the time the invoice is submitted and acknowledges payment to Integra – Minneapolis/St. Paul is not contingent upon any set outcome, result or award to the Client.

4. **Limitations of Liability:** It is expressly agreed that in any action which may be brought against Integra – Minneapolis/St. Paul, Integra Realty Resources, Inc. or their respective officers, owners, managers, directors, agents, subcontractors or employees (the “Integra Parties”), arising out of, relating to, or in any way pertaining to this engagement, the appraisal reports, or any estimates or information contained therein, the Integra Parties shall not be responsible or liable for an incidental or consequential damages or losses, unless the appraisal was fraudulent or prepared with gross negligence. It is further agreed that the collective liability of the Integra Parties in any such action shall not exceed the fees paid for the preparation of the appraisal report unless the appraisal was fraudulent or prepared with gross negligence. Finally, it is agreed that the fees charged herein are in reliance upon the foregoing limitations of liability.

In the event the Client provides our work or permits reliance thereon by, any person or entity not authorized by Integra - Minneapolis/St. Paul in writing to use or rely thereon, Client hereby agrees to indemnify and hold Integra - Minneapolis/St. Paul, its affiliates and the respective shareholders, directors, officers and employees, harmless from and against all damages, expenses, claims and costs, including attorneys’ fees, incurred in investigating and defending any claim arising from or in any way connected to the use of, or reliance upon our work by any such unauthorized person or entity.

You acknowledge that any opinions and conclusions expressed by professionals employed by Integra - Minneapolis/St. Paul during this assignment are representations made as them as employees and not as individuals. Our responsibility is limited to you as Client, and use of our product by third parties shall be solely at the risk of you and/or third parties.

5. Late Fees; Etc.: Unless arrangements are made otherwise, a late charge of 15% per annum, commencing thirty (30) days after the receipt of invoice will be charged on any balance not paid; however, in no event shall this delinquency rate of interest exceed the maximum rate permitted by law. We shall also be entitled to recover our costs (including attorneys' fees), associated with collecting any amounts owed or otherwise incurred in connection with this engagement.
6. Cancellation: In the event the assignment is canceled prior to completion, an invoice will be prepared reflecting the percentage of work completed as of that date. Any credits to the Client will be promptly refunded or any remaining balances to Integra – Minneapolis/St. Paul will be indicated on the invoice.
7. Responding to Review: We agree to respond to your review of our report within five (5) business days of your communication to us. Correspondingly, you will have twenty-one (21) days from receipt of our report to communicate your review. We reserve the right to bill you for responding to your review beyond this time period.
8. Special Experts: Any out-of-pocket expenses incurred during this assignment for special experts will be billed at cost and included on the invoice. Should the Client request the assistance of Integra – Minneapolis/St. Paul in hiring a special expert to contribute to this assignment (including but not limited to, a surveyor, environmental consultant, land planner, architect, engineer, business, personal property, machinery and equipment appraiser, among others), the Client agrees to perform their own due diligence to qualify said special expert. The Client agrees and acknowledges it is solely responsible in paying for the services of said special expert. Furthermore, the Client acknowledges that Integra – Minneapolis/St. Paul is not responsible for the actions and findings of the special expert and agrees to hold Integra – Minneapolis/St. Paul harmless from any and all damages that may arise out of the Client's reliance on the special expert.
9. Duration of Quote: This proposal and fees quoted are valid for a period of seven (7) calendar days from the date hereof. If not retained by the Client, the fact that we made the foregoing proposal of professional services will not preclude us from performing professional services for another client on the property.
10. Marketpoint/Template: The Client acknowledges that IRR-Marketpoint, our appraisal templates and Interconnect software is proprietary and confidential. Accordingly, the Client agrees not to use such software or make such software available for the use of any third party.

ATTACHMENT II
REQUEST FOR INFORMATION

Please forward the following information to our office so we can provide the proposed services within the agreed upon time frame as discussed above. If you care to send the information as you gather it if you like, please forward the physical data such as the site plan, previous engineering reports and/or property reports describing the physical attributes of the property and all financial information such as rent roll and income and expense statements first as these items are the most time sensitive and should be received immediately to meet the time requirements of this assignment. If, at this time, you are certain you will not be providing any specific items noted below, please cross out the item and mark "NA" next to the item so that we will be notified that the information is not available and will not be forthcoming.

1. Site plan, if available. (Preferably, an AS BUILT PLAN showing an outline of building/s drawn to scale. Please do not send reductions so original scale may be used for measurement purposes.
2. Building plans, if available.
3. Prior engineering report or physical descriptions from prior appraisals or asset management report, if available.
4. Leasing brochures and/or other marketing materials, if available.
5. If the property has been offered for sale within the last two years, a copy of the offering memorandum or investment book.
6. Past feasibility or market studies and economic impact studies as well as any relevant information collected from third party sources.
7. Agreements of Sale/Options to Buy (current or during last three years), if any.
8. Income and expense statements for the past three years plus year-to-date income and expense statements. *Please sign and date.*
9. Operating budget for current year, if available.
10. Management contracts.
11. Copy of most recent real estate tax bill. Please advise if there has been a recent assessment increase.
12. Title report, Legal Description, or copy of deed. Provide a written statement of five year history of legal property owner. *Please advise, if there any deed restrictions or encumbrances, easements or cross easements.*
13. Personal property inventory, if available.
14. Occupancy rates for the last three years, if not revealed in the financial statements.
15. Ground leases, if any.
16. Approximate actual construction costs, if built during the past three years.
17. Environmental audits and studies disclosing any wetlands, hazardous wastes or other environmental conditions such as asbestos or radon.
18. List of any known major repairs and improvements needed.

19. Aerial photos, if available.
20. Three year history of capital improvements.
21. Name of contact person for the on-site physical inspection.
- 22. For Apartment Property**
23. Unit mix showing rentable area and asking rent by unit type
24. Scaled apartment unit plans showing layouts and measurements so that rentable area can be confirmed, if available.
25. Rent roll showing tenant name, apartment number, dates of leases and the type of apartment, asking/market rents for each apartment, and contractual rent for each apartment unit. *Please sign and date the rent roll for certification purposes.*
26. Terms of leases and/rent roll for leased commercial space or roof top rentals. Copies of commercial leases are desirable. If any commercial leases provide for pass through of operating expenses over a base year stop, please provide the dollar amount of the base year stop.
- 27. For Industrial, office, retail property**
28. Rent Roll (please sign and date) and copies of leases, including addenda and all amendments. Please indicate which leases may have early termination provisions, expansion and/or purchase options. Please identify any tenants who have initiated discussions to renew, terminate or renegotiate/modify their lease(s), or who have given notice to terminate. Proposed terms for such re-negotiations should be revealed.
29. Provide letters of intent to lease or other any outstanding lease proposals that have a reasonable likelihood of being finalized into executed leases.
30. Prior Argus files, if any.
31. List of outstanding leasing commissions brokers and terms of future payments.
32. Financial information such as Annual Statements or credit report/ratings on any major tenant in the building.
33. CAM and real estate tax reimbursement worksheets or listing of base year operating expenses, if applicable.
34. Three-year history of tenant retail sales, if available.
- For lodging property:**
35. Terms of leases if any and/rent roll for leased commercial space or roof top rentals.
36. ADR and Occupancy rates for the last three years, if not revealed in the financial statements.
37. Business Plan and Marketing Strategy, if any for the upcoming fiscal year.
38. Terms of franchise agreement and management agreement, if any.

ATTACHMENT III

ASSUMPTIONS & LIMITING CONDITIONS

This appraisal is based on the following assumptions, except as otherwise noted in the report.

- a) The title is marketable and free and clear of all liens, encumbrances, encroachments, easements and restrictions. The property is under responsible ownership and competent management and is available for its highest and best use.
- b) There are no existing judgments or pending or threatened litigation that could affect the value of the property.
- c) There are no hidden or undisclosed conditions of the land or of the improvements that would render the property more or less valuable. Furthermore, there is no asbestos in the property.
- d) The revenue stamps placed on any deed referenced herein to indicate the sale price are in correct relation to the actual dollar amount of the transaction.
- e) The property is in compliance with all applicable building, environmental, zoning, and other federal, state and local laws, regulations and codes.
- f) The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

This appraisal is subject to the following limiting conditions, except as otherwise noted in the report.

1. An appraisal is inherently subjective and represents our opinion as to the value of the property appraised.
2. The conclusions stated in our appraisal apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events.
3. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated.
4. No environmental impact studies were either requested or made in conjunction with this appraisal, and we reserve the right to revise or rescind any of the value opinions based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the appraisal assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
5. Unless otherwise agreed to in writing, we are not required to give testimony, respond to any subpoena or attend any court, governmental or other hearing with reference to the property without compensation relative to such additional employment.
6. We have made no survey of the property and assume no responsibility in connection with such matters. Any sketch or survey of the property included in this report is for illustrative purposes only and should not be considered to be scaled accurately for size. The appraisal covers the property as described in this report, and the areas and dimensions set forth are assumed to be correct.

7. No opinion is expressed as to the value of subsurface oil, gas or mineral rights, if any, and we have assumed that the property is not subject to surface entry for the exploration or removal of such materials, unless otherwise noted in our appraisal.
8. We accept no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal descriptions and other legal matters such as legal title, geologic considerations, such as soils and seismic stability, and civil, mechanical, electrical, structural and other engineering and environmental matters.
9. The distribution of the total valuation in the report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. The appraisal report shall be considered only in its entirety. No part of the appraisal report shall be utilized separately or out of context.
10. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the person signing the report.
11. Information, estimates and opinions contained in the report, obtained from third-party sources are assumed to be reliable and have not been independently verified.
12. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute predictions of future operating results.
13. If the property is subject to one or more leases, any estimate of residual value contained in the appraisal may be particularly affected by significant changes in the condition of the economy, of the real estate industry, or of the appraised property at the time these leases expire or otherwise terminate.
14. No consideration has been given to personal property located on the premises or to the cost of moving or relocating such personal property; only the real property has been considered.
15. The current purchasing power of the dollar is the basis for the value stated in our appraisal; we have assumed that no extreme fluctuations in economic cycles will occur.
16. The value found herein is subject to these and to any other assumptions or conditions set forth in the body of this report but which may have been omitted from this list of Assumptions and Limiting Conditions.
17. The analyses contained in the report necessarily incorporate numerous estimates and assumptions regarding property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates, and the variations may be material.

18. The *Americans with Disabilities Act (ADA)* became effective January 26, 1992. We have not made a specific survey or analysis of any property to determine whether the physical aspects of the improvements meet the *ADA* accessibility guidelines. In as much as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, we cannot comment on compliance to *ADA*. Given that compliance can change with each owner's financial ability to cure non-accessibility, the value of the subject does not consider possible non-compliance. A specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.
19. The appraisal report is prepared for the exclusive benefit of the Client, its subsidiaries and/or affiliates. It may not be used or relied upon by any other party. All parties who use or rely upon any information in the report without our written consent do so at their own risk.
20. No studies have been provided to us indicating the presence or absence of hazardous materials on the Subject Property or in the improvements, and our valuation is predicated upon the assumption that the Subject Property is free and clear of any environment hazards including, without limitation, hazardous wastes, toxic substances and mold. No representations or warranties are made regarding the environmental condition of the Subject Property and the person signing the report shall not be responsible for any such environmental conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because we are not experts in the field of environmental conditions, the appraisal report cannot be considered as an environmental assessment of the Subject Property.
21. The person signing the report may have reviewed available flood maps and may have noted in the appraisal report whether the Subject Property is located in an identified Special Flood Hazard Area. We are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the property, and the value conclusion is predicated on the assumption that wetlands are non-existent or minimal.
22. Integra is not a building or environmental inspector. Integra does not guarantee that the Subject Property is free of defects or environmental problems. Mold may be present in the Subject Property and a professional inspection is recommended.
23. The appraisal report and value conclusion for an appraisal assumes the satisfactory completion of construction, repairs or alterations in a workmanlike manner.
24. It is expressly acknowledged that in any action which may be brought against Integra – Minneapolis/St. Paul, Integra Realty Resources, Inc. or their respective officers, owners, managers, directors, agents, subcontractors or employees (the "Integra Parties"), arising out of, relating to, or in any way pertaining to this engagement, the appraisal reports, or any estimates or information contained therein, the Integra Parties shall not be responsible or liable for an incidental or consequential damages or losses, unless the appraisal was fraudulent or prepared with gross negligence. It is further acknowledged that the collective liability of the Integra Parties in any such action shall not exceed the fees paid for the preparation of the appraisal report unless the appraisal was fraudulent or prepared with

gross negligence. Finally, it is acknowledged that the fees charged herein are in reliance upon the foregoing limitations of liability.

25. Integra – Minneapolis/St. Paul, an independently owned and operated company shall prepare the appraisal for the specific purpose so stated elsewhere in this proposal. The intended use of the appraisal is stated in the General Information section of the report. The use of the appraisal report by anyone other than the Client is prohibited except as otherwise provided. Accordingly, the appraisal report will be addressed to and shall be solely for the Client's use and benefit unless we provide our prior written consent. Unless our prior written consent is obtained, no third party may rely on the appraisal report (even if their reliance was foreseeable). In addition, Integra – Minneapolis/St. Paul shall not disclose the results of this appraisal without American United Life Insurance Company's consent.
26. The conclusions of this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, data obtained in public record, interviews, existing trends, buyer-seller decision criteria in the current market, and research conducted by third parties, and such data are not always completely reliable. Integra Realty Resources, Inc. and the undersigned are not responsible for these and other future occurrences that could not have reasonably been foreseen on the effective date of this assignment. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we are of the opinion that our findings are reasonable based on current market conditions, we do not represent that these estimates will actually be achieved, as they are subject to considerable risk and uncertainty. Moreover, we assume competent and effective management and marketing for the duration of the projected holding period of this property.
27. All prospective value estimates presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraph, several events may occur that could substantially alter the outcome of our estimates such as, but not limited to changes in the economy, interest rates, and capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. It is assumed that conditions reasonably foreseeable at the present time are consistent or similar with the future.

As will be determined during the course of the assignment, additional extraordinary or hypothetical conditions may be required in order to complete the assignment. The appraisal shall also be subject to those assumptions.