



**A MARKET VALUATION OF
PIEDMONT SENIOR TOWER
3601 Piedmont Road NE
Atlanta, Fulton County, Georgia 30305**

**Inspection Date: April 19, 2017
Effective Date: April 19, 2017
Report Date: June 7, 2017**

Prepared For

**Mr. Jorge Aguirre
Vice President
The Michaels Development Company
3 East Stow Road
Marlton, New Jersey 08053**

Prepared By

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**NOVOGRADAC
& COMPANY** LLP®
CERTIFIED PUBLIC ACCOUNTANTS

June 7, 2017

Mr. Jorge Aguirre
Vice President
The Michaels Development Company
3 East Stow Road
Marlton, New Jersey 08053

Re: Appraisal of Piedmont Senior Tower
3601 Piedmont Road NE, Atlanta, Fulton County, Georgia

Dear Mr. Aguirre:

We are pleased to present our findings with respect to the value of the above-referenced property, Piedmont Senior Tower (“Subject”). The Subject is an existing 208-unit Public Housing community that is proposed for low-income housing tax credit (LIHTC) rehabilitation. Upon completion of the proposed renovation, all of the units will operate under the Rental Assistance Demonstration (RAD) and LIHTC programs and will be income restricted at up to 60 percent AMI, or less. We previously performed appraisals with an effective date of April 24, 2015 and January 12, 2016 on the property that is the Subject of this report. As requested we provided several value estimates of both tangible and intangible assets, described and defined below:

- Land Value.
- Market Value “As Is.”
- Hypothetical Market Value “Upon Completion” –assuming restricted rents.
- Hypothetical Market Value “Upon Completion” –assuming unrestricted rents.
- Hypothetical Market Value “As Complete and Stabilized” –assuming restricted rents.
- Hypothetical Market Value “As Complete and Stabilized” –assuming unrestricted rents.
- Prospective Market Value at loan maturity.
- Valuation of Tax Credits.
- Favorable Financing.

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

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

Market value is defined as:

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

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

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

“As If Vacant” Land Value

As a result of our investigation and analysis, it is our opinion that, subject to the limiting conditions and assumptions contained herein, the unencumbered value of the underlying land in fee simple, as of April 19, 2017, is:

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

“As Is” Value

The Subject’s leased fee market value of the real estate “As Is”, assuming unrestricted operation, as of April 19, 2017 is:

**TWENTY MILLION TWO HUNDRED THOUSAND DOLLARS
(\$20,200,000)**

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

Upon Completion Assuming Unrestricted Rents

The Subject's hypothetical leased fee market value of the real estate assuming unrestricted operation "Upon Completion," on December 1, 2018, the prospective date of completion, with conditions prevailing as of April 19, 2017, is:

**TWENTY-FIVE MILLION TWO HUNDRED THOUSAND DOLLARS
(\$25,200,000)**

As Complete and Stabilized Restricted

The Subject's hypothetical estimated leased fee market value "As Complete and Stabilized" on March 1, 2019, the prospective date of stabilization, assuming proposed restricted CHAP rental rates, with conditions prevailing as of April 19, 2017, is:

**TWELVE MILLION TWO HUNDRED THOUSAND DOLLARS
(\$12,200,000)**

As Complete and Stabilized Unrestricted

The Subject's hypothetical estimated leased fee market value "As Complete and Stabilized" on March 1, 2019, the prospective date of stabilization, assuming unrestricted market rental rates, with conditions prevailing as of April 19, 2017, is:

**TWENTY-SIX MILLION ONE HUNDRED THOUSAND DOLLARS
(\$26,100,000)**

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

The prospective market value at 30 years (loan maturity) of the Subject's leased fee interest, subject to the rental restrictions in the year 2048, as of April 19, 2017, is:

**TWELVE MILLION EIGHT HUNDRED THOUSAND DOLLARS
(\$12,800,000)**

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

The hypothetical prospective market value at 30 years (loan maturity) of the Subject's leased fee interest, as an unrestricted property in the year 2048, as of April 19, 2017, is:

**THIRTY-ONE MILLION FOUR HUNDRED THOUSAND DOLLARS
(\$31,400,000)**

Tax Credit Value

The market value of the tax credits allocated to the Subject over a ten-year period, on a cash equivalent basis and the date of completion, as of April 19, 2017, is:

Federal
EIGHT MILLION DOLLARS
(\$8,000,000)

State
FOUR MILLION SEVEN HUNDRED THOUSAND DOLLARS
(\$4,700,000)

Extraordinary Assumptions – As Is Value

For the “as is” valuation scenario, it is an extraordinary assumption of this report that the Subject’s public housing restrictions will be disposed. The Subject currently operates as a public housing development under a flat rent schedule. This rent schedule is not market-oriented; the Subject essentially operates on a breakeven basis, and not in a profit-generating manner. As a result, the current rent structure is not an accurate basis upon which to value the property.

It is reasonable to assume that any potential buyer would not purchase a property that is not sustainable or does not allow for a reasonable profit. Therefore, our estimate of as is value assumes achievable market rents in the as is condition. Further, we assume that the restrictions affiliated with a public housing development are removed and that the Subject operates with market rents and market-based operating expenses. Based on these assumptions, the Subject, in its as is condition, would be sustainable and operate with a reasonable profit.

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

If appropriate, the scope of our work includes an analysis of current and historical operating information provided by management. This unaudited data was not reviewed or compiled in accordance with the American Institute of Certificate Public Accountants (AICPA), and we assume no responsibility for such unaudited statements.

We also used certain forecasted data in our valuation and applied generally accepted valuation procedures based upon economic and market factors to such data and assumptions. We did not examine the forecasted data or the assumptions underlying such data in accordance with the standards prescribed by the AICPA and, accordingly, do not express an opinion or any other form of assurance on the forecasted data and related assumptions. The financial analyses contained in this report are used in the sense contemplated by the Uniform Standards of Professional Appraisal Practice (USPAP).

Furthermore, there will usually be differences between forecasted and actual results because events and circumstances frequently do not occur as expected, and these differences may be material. We assume no responsibility for updating this report due to events and circumstances occurring after the date of inspection.

Our value conclusion was based on general economic conditions as they existed on the date of the analysis and did not include an estimate of the potential impact of any sudden or sharp rise or decline in general economic conditions from that date to the effective date of our report. Events or transactions that may have occurred subsequent to the effective date of our opinion were not considered. We are not responsible for updating or revising this report based on such subsequent events, although we would be pleased to discuss with you the need for revisions that may be occasioned as a result of changes that occur after the valuation date.

We appreciate this opportunity to be of service. Please contact us if you have any comments or questions.

Respectfully submitted,
Novogradac & Company LLP



John Cole, MAI
State Certified General Real Estate Appraiser
GA License # 375844
Expiration Date: 4/30/2019

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EXECUTIVE SUMMARY

EXECUTIVE SUMMARY**PROPERTY SUMMARY OF SUBJECT****Property Appraised:**

Piedmont Senior Tower (Subject) is an existing age-restricted Public Housing multifamily property in Atlanta, Fulton County, Georgia that will be renovated using Low-income Housing Tax Credit (LIHTC) equity. The Subject will also operate under the Rental Assistance Demonstration (RAD) program with rental assistance on all the units following the proposed renovations. As such, tenants will continue to pay 30 percent of their incomes toward rent. The Subject was originally constructed in 1978 and was substantially renovated and updated in 2001, 2006, and 2007. The Subject currently consists of one 13-story high-rise residential building.

Scope of Renovations:

According to the client, the following details the proposed renovations that are anticipated being complete by December 1, 2018.

Exterior:

- Remove and replace existing roof, flashing, and curbs
- Remove and replace all windows
- Remove and replace three storefront doors
- Install new key card access control system for all exterior doors

Interior:

- Remove and replace all elevator doors
- Remove and replace all interior doors

In-Unit:

- Replace all appliances with energy efficient appliances
- Remove and replace all doors and hardware
- Repaint
- Replace all bathtubs, sinks, and lavatories

General:

- Replace above ground diesel tank that fuels the generator
- Re-commission HVAC and controls
- Replace water pump in mechanical room
- Replace ductless split system
- Replace fan coil units

- Replace all exhaust fans
- Replace central station air handling unit
- Replace hot water pump and heater
- Replace boiler pumps
- Replace stairwell vane axial pressurization fan
- Replace PTAC’s in all units
- Clean and or replace all duct work
- Replace water closets
- Replace hot water storage tank
- Replace fire booster pump and electric fire pump

According to the client, renovations will be done with tenants in place. The hard costs of renovation are \$7,815,124, or approximately \$37,573 per unit.

Parcel ID Number: The Subject is identified by the Fulton County Property Assessor’s office as parcel ID #17-0098-LL0628.

Land Area: The Subject site is approximately 2.05 acres or approximately 89,298 square feet, according to the Fulton County Property Assessor’s office.

Legal Interest Appraised: For the as if vacant scenario, the property interest appraised is fee simple estate subject to any and all encumbrances. For the remaining values, the property interest appraised is leased fee estate.

Current Mix and Performance: The following tables summarize the Subject’s current (i.e., public housing operation) unit mix and unit sizes. It should be noted that there are no reported asking rents; as public housing, tenants pay 30 percent of their monthly income towards rent. The landlord pays all utilities, and this structure will not change post renovation.

CURRENT RENTS

Unit Type	Number of Units	Minimum Tenant Paid Rent	Maximum Tenant Paid Rent	Average Tenant Paid Rent
		<i>Public Housing</i>		
1BR	207	\$0	\$711	\$249
		<i>Manager's Unit</i>		
2BR (Non-Rental)	<u>1</u>	N/A	N/A	<u>N/A</u>
Total	208			\$249

UNIT MIX AND SQUARE FOOTAGE

Unit Type	No. of Units	Size	Net Leasable
			Area
1BR - 409SF	130	409	53,170
1BR - 522SF	14	522	7,308
1BR - 533SF	14	533	7,462
1BR - 548SF	25	548	13,700
1BR - 574SF	24	574	13,776
2BR - 899 SF	<u>1</u>	<u>899</u>	<u>899</u>
Total	208		96,315

The Subject is currently 96 percent occupied at the time of inspection. Vacant units are currently held offline pending renovation. According to data provided by the developer, the Subject has historically operated with an average economic vacancy and collection loss of less than one percent over the past three years.

Proposed Mix:

The Subject will be renovated with LIHTC equity, and the following table illustrates the proposed LIHTC rents, post renovation, assuming no subsidy as well as the proposed CHAP rents. Per DCA requirements, we are referencing the 2016 maximum allowable LIHTC rents in the following table. The proposed CHAP rents are an estimate provided by the developer.

PROPOSED RENTS

Unit Type	Number of Units	CHAP Rent	LIHTC	Utility	Gross Rent	2016 LIHTC	HUD Fair
			Asking Rent	Allowance (1)		Maximum Allowable	Market Rents
<i>60% AMI (RAD/PBRA)</i>							
1BR/1BA	205	\$779	\$759	\$0	\$779	\$759	\$820
2BR/1BA	1	\$933	\$912	\$0	\$933	\$912	\$949
<i>Market Rate</i>							
1BR/1BA	1	\$250	N/A	N/A	N/A	N/A	\$820
<i>Manager Unit</i>							
1BR/1BA	1	N/A	N/A	N/A	N/A	N/A	\$820
Total	208						

Notes (1) All utilities included at Subject

Ownership History of the Subject:

According to the assessor, the Subject property is currently owned by the Housing Authority of the City of Atlanta. There have been no transfers of the Subject property over the past three years. According to the developer, a purchase agreement to acquire the property is pending but has not yet been

finalized, and the purchase price will be dependent upon the analysis contained in this appraisal report.

**Highest and Best Use
“As If Vacant”:**

The highest and best use “as if vacant” would be to construct a 185-unit market rate multifamily development.

**Highest and Best Use
“As Improved”:**

The Subject property currently operates as an age-restricted public housing property, and it is in average condition. As such, the Subject provides a public benefit, and it is not deemed feasible to tear it down for an alternative use. However, the highest and best use of the site, as improved, would be to convert to Section 8 or market rate housing that would allow for increased rent and profitability.

INDICATIONS OF VALUE

AS IF VACANT LAND

Scenario	Units	Price Per Unit	Indicated Value (Rounded)
Land Value Unencumbered	185	\$42,500	\$7,900,000

DIRECT CAPITALIZATION ANALYSIS - "AS IS"

Scenario	Cap Rate	Net Operating Income	Loss to Lease	Indicated Value (Rounded)
As Is	5.25%	\$1,108,776	\$841,622	\$20,200,000

DIRECT CAPITALIZATION ANALYSIS - "AS COMPLETE"

Scenario	Loss To Lease	Indicated Value (Rounded)
As Complete Unrestricted	\$925,034	\$25,200,000

DIRECT CAPITALIZATION ANALYSIS - "AS COMPLETE AND STABILIZED"

Scenario	Cap Rate	Net Operating Income	Indicated Value (Rounded)
As Proposed Restricted	5.25%	\$642,226	\$12,200,000
As Proposed Unrestricted	5.25%	\$1,369,396	\$26,100,000

EGIM ANALYSIS - "AS COMPLETE AND STABILIZED"

Scenario	EGIM	Effective Gross Income	Loss to Lease	Indicated Value (Rounded)
As Is	8.0	\$2,683,571	\$841,622	\$20,700,000
As Proposed Restricted	7.0	\$1,886,743		\$13,200,000
As Proposed Unrestricted	9.0	\$2,917,652		\$26,300,000

NOI/UNIT ANALYSIS - "AS COMPLETE AND STABILIZED"

Scenario	Number of Units	Price per unit	Loss to Lease	Indicated Value (Rounded)
As Is	208	\$100,000	\$841,622	\$20,000,000
As Proposed Restricted	208	\$60,000		\$12,500,000
As Proposed Unrestricted	208	\$125,000		\$26,000,000

VALUE AT LOAN MATURITY - RESTRICTED

Year	Indicated Value (Rounded)	
Restricted	2048	\$12,800,000

VALUE AT LOAN MATURITY - UNRESTRICTED

Year	Indicated Value (Rounded)	
Unrestricted	2048	\$31,400,000

TAX CREDIT VALUATION

	Credit Amount	Price Per Credit	Indicated Value (Rounded)
Federal LIHTC	\$8,214,069	0.97	\$8,000,000
State LIHTC	\$8,214,069	0.57	\$4,700,000

Extraordinary Assumptions – As Is Value

For the “as is” valuation scenario, it is an extraordinary assumption of this report that the Subject’s public housing restrictions will be disposed. The Subject currently operates as a public housing development under a flat rent schedule. This rent schedule is not market-oriented; the Subject essentially operates on a breakeven basis, and not in a profit-generating manner. As a result, the current rent structure is not an accurate basis upon which to value the property.

It is reasonable to assume that any potential buyer would not purchase a property that is not sustainable or does not allow for a reasonable profit. Therefore, our estimate of as is value assumes achievable market rents in the as is condition. Further, we assume that the restrictions affiliated with a public housing development are removed and that the Subject operates with market rents and market-based operating expenses. Based on these assumptions, the Subject, in its as is condition, would be sustainable and operate with a reasonable profit.

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

Exposure Time:

Nine – 12 Months

FACTUAL DESCRIPTION

FACTUAL DESCRIPTION

APPRAISAL ASSIGNMENT AND VALUATION APPROACH

As requested, the appraisers provided several value estimates of both tangible and intangible assets, described and defined below:

- Land Value.
- Market Value “As Is.”
- Hypothetical Market Value “Upon Completion” –assuming restricted rents.
- Hypothetical Market Value “Upon Completion” –assuming unrestricted rents.
- Hypothetical Market Value “As Complete and Stabilized” –assuming restricted rents.
- Hypothetical Market Value “As Complete and Stabilized” –assuming unrestricted rents.
- Prospective Market Value at loan maturity.
- Valuation of Tax Credits.
- Favorable Financing.

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

In the cost approach to value, the value of the land is estimated. Next, the cost of the improvements as if new is estimated. Accrued depreciation is deducted from the estimated cost new to estimate the value of the Subject property in its current condition. The resultant figure indicates the value of the whole property based on cost. Generally, land value is obtained through comparable land sales. Replacement or reproduction costs, as appropriate, are taken from cost manuals, unless actual current cost figures are available. The cost approach is not developed since most investors and developers do not utilize this method. However, we have included a land value based on the scope of work.

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

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

Property Identification

The Subject site is located at 3601 Piedmont Road NE in Atlanta, Fulton County, Georgia. The Subject is identified by the Fulton County Property Assessor's office as parcel ID #17-0098-LL0628.

Intended Use and Intended User

The Michaels Development Company is the client in this engagement. We understand that they will use this document for submittal to the Georgia Department of Community Affairs (DCA) for application to receive low income housing tax credits (LIHTCs). Intended users are those transaction participants who are interested parties and have knowledge of the Section 42 LIHTC program. These could include local housing authorities, state allocating agencies, state lending authorities, LIHTC construction and permanent lenders, and LIHTC syndicators. Georgia DCA is an intended user of this report. As our client, the Michaels Development Company owns this report and permission must be granted from them before another third party can use this document. We assume that by reading this report another third party has accepted the terms of the original engagement letter including scope of work and limitations of liability. We are prepared to modify this document to meet any specific needs of the potential users under a separate agreement.

Property Interest Appraised

For the as if vacant scenario, the property interest appraised is fee simple estate subject to any and all encumbrances. For the remaining values, the property interest appraised is leased fee estate.

Date of Inspection and Effective Date of Appraisal

The site was inspected on April 19, 2017, which will serve as the effective date of this report. In general, we have prepared this report based on our analysis of current market conditions relative to the Subject.

Scope of the Appraisal

For the purposes of this appraisal, the appraiser visually inspected the Subject and comparable data. Individuals from a variety of city agencies as well as the Subject's development team were consulted (in person or by phone). Various publications, both governmental (i.e. zoning ordinances) and private (i.e. Multiple List Services publications) were consulted and considered in the course of completing this appraisal.

The scope of this appraisal is limited to the gathering, verification, analysis and reporting of the available pertinent market data. All opinions are unbiased and objective with regard to value. The appraiser made a reasonable effort to collect, screen and process the best available information relevant to the valuation assignment and has not knowingly and/or intentionally withheld pertinent data from comparative analysis. Due to data source limitations and legal constraints (disclosure laws), however, the appraiser does not certify that all data was taken into consideration. Additional scope of work items are discussed in various sections throughout this report.

Extraordinary Assumptions (EA) and Hypothetical Conditions (HC)

For the purposes of our unrestricted analysis, we have used a hypothetical condition for the Subject assuming unrestricted, conventional operations. We requested but were not provided with a Phase I or PCA report. Thus, we have made an extraordinary assumption that there are no critical repairs or environmental conditions in connection with the Subject that would affect our valuation. Further, we have made an extraordinary assumption that the Subject will maintain its full tax exemption for the as proposed restricted scenario.

Lastly, it is an extraordinary assumption of this report that the Subject's public housing restrictions will be disposed. Therefore, our estimate of as is value assumes achievable market rents in the as is condition. Further, we assume that the restrictions affiliated with a public housing development are removed and that the Subject operates with market rents and market-based operating expenses. No other hypothetical conditions or extraordinary assumptions were necessary to complete the valuation for the Subject. We have included a more in depth summary of any limiting conditions in the addenda of this report.

Compliance and Competency Provision

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

Unavailability of Information

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

Furniture, Fixtures, and Equipment

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

Ownership and History of Subject

According to the assessor, the Subject property is currently owned by the Housing Authority of the City of Atlanta. There have been no transfers of the Subject property over the past three years. According to the developer, a purchase agreement to acquire the property is pending but has not yet been finalized, and the purchase price will be dependent upon the analysis contained in this appraisal report.

REGIONAL AND LOCAL AREA ANALYSIS

REGIONAL AND LOCAL AREA ANALYSIS

ECONOMIC ANALYSIS

The Atlanta-Sandy Springs-Roswell, GA MSA is comprised of Barrow, Bartow, Butts, Carroll, Cherokee, Clayton, Cobb, Coweta, Dawson, DeKalb, Douglas, Fayette, Forsyth, Fulton, Gwinnett, Haralson, Heard, Henry, Jasper, Lamar, Meriwether, Morgan, Newton, Paulding, Pickens, Pike, Rockdale, Spalding, and Walton. Atlanta is the county seat of Fulton County and is located approximately 267 miles inland from the Atlantic Ocean. Atlanta also has good access to major interstates, including Interstate 85, Interstate 75, and Interstate 20. Interstate 85 traverses northeast/southwest and provides access to Alabama to the west and South Carolina to the east and South Carolina. Interstate 75 traverses northwest/southeast and provides access to Tennessee to the north and Florida to the south. Interstate 20 traverses east/west through the central portion of Georgia and provides access to Alabama to the west and South Carolina to the east.

Major Employers

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

MAJOR EMPLOYERS - ATLANTA, GA

Company	Industry	# Employed
Delta Air Lines	Transportation	31,699
Emory University / Emory Healthcare	Education/Healthcare	26,026
The Home Depot	Retail Trade	25,000
Wellstar Health Systems	Healthcare	20,000
AT&T	Communications	17,000
United Parcel Service, Inc.	Logistics	16,231
Northside Hospital	Healthcare	14,577
Piedmont Healthcare	Healthcare	12,906
Marriott International	Hospitality	12,000
Publix Super Markets, Inc.	Retail Trade	9,755
Georgia State University	Education	9,422
Centers for Disease Control and Prevention	Healthcare	9,151
Cox Enterprises	Communications	8,269
Southern Company	Utilities	7,800
Children's Healthcare of Atlanta	Healthcare	7,208

Source: Metro Atlanta Chamber of Commerce, March 2017

As indicated in the table above, the major employers in the MSA are varied and represent a wide range of industries. The four largest employers are in the transportation, education/healthcare, and retail trade industries.

Expansions/Contractions

The following table illustrates business closures and layoffs within Atlanta, GA from 2015 to 2017 YTD, according to the Georgia Department of Labor’s Worker Adjustment and Retraining Notification (WARN) filings.

As illustrated in the previous table, Atlanta experienced multiple WARN filings from 2015 to 2017 YTD for a total of 4,053 jobs affected.

WARN Notices - Atlanta, GA				
Company	Jobs Lost	County	Date	
<i>2017</i>				
DAL Global Services	52	Fulton	2/1/2017	
West Rock	66	Fulton	1/20/2017	
Burris Logistics	167	Fulton	3/20/2017	
Newell Brands	258	Fulton	3/31/2017	
Windstream Communications	55	Fulton	3/1/2017	
<i>2016</i>				
Masterack, Division of Leggett & Platt	121	Fulton	2/29/2016	
GA State University	25	DeKalb	2/2/2016	
Delta Global Services, LLC.	275	Fulton	3/15/2016	
INPAX Shipping Solutions	37	Fulton	1/23/2016	
Metropolitan Atlanta Rapid Transit Authority (MARTA)	371	Fulton	3/25/2016	
American Residential Properties	2	Fulton	2/29/2016	
Advance Auto Parts	8	Fulton	2/16/2016	
Georgia Department of Agriculture	52	N/A	5/1/2016	
Maslow Media Group	1	Fulton	4/30/2016	
Crawford and Company	21	DeKalb	9/30/2016	
Core Logic	36	Fulton	8/29/2016	
EchoStar Technologies LLC.	137	DeKalb	10/1/2016	
Benchmark Brands, Inc.	156	Fulton	8/11/2016	
Hawker Beechcraft	42	DeKalb	11/30/2016	
Coca-Cola European Partners	89	Cobb	12/15/2016	
Holiday Inn Atlanta Perimeter	43	DeKalb	11/20/2016	
Corizon Health	208	Fulton	12/31/2016	
<i>2015</i>				
Generation Mortgage Company	64	Fulton	1/15/2015	
Sony	100	Fulton	2/27/2015	
Quad Graphics	110	DeKalb	2/1/2015	
Infosys McCamish Systems, LLC.	61	Fulton	3/6/2015	
Generation Mortgage Company	25	Fulton	3/31/2015	
Meda Pharmaceuticals	21	Cobb	4/30/2015	
Affinity Specialty Apparel, Inc.	60	Fulton	4/15/2015	
United Airlines	87	Clayton	5/17/2015	
New Breed Leasing of New Jersey, Inc.	89	Fulton	5/26/2015	
The Intown Academy	60	Fulton	5/29/2015	
Generation Mortgage Company	76	Fulton	7/31/2015	
Delta Global Services	N/Av	Clayton	10/1/2015	
Aramark	1078	Fulton	11/15/2015	

Source: Georgia Department of Economic Development, February 2017

As illustrated in the previous table, the PMA experienced several WARN filings from 2015 to 2017 resulting in 4,053 job losses. Relative the size of the economy, the losses will not have a major impact on the local economy.

Metro Atlanta Chamber of Commerce

According to Ms. Kelly Sydney, Vice President of Research, with the Metro Atlanta Chamber of Commerce 2016, was generally a stable year in terms of job growth and expansions in the Atlanta area. Below are the largest expansions in Fulton County for 2016.

EMPLOYMENT EXPANSIONS 2016 - FULTON COUNTY, GA

Company	Industry	Expansion/Opening	Projected Number of New Jobs
Anthem	Healthcare	Expansion	1800
NCR	IT	Expansion	1800
United Parcel Services (UPS)	Logistics	Expansion	1250
Honeywell International	IT	Expansion	800
GE Digital	Digital Operations	Expansion	250
Keysight Technologies	Innovation/R&D	Expansion	241
Rubicon Global	Recycling	Expansion	240
Azalea Health Innovations	Healthcare/IT	Opening	200
Dispersive Technologies	Software Development	Opening	200
Global Payments	Finance/Payment Processing	Expansion	200
Kabbage	Finance/Lending	Expansion	200
KPMG	Management/Software Development	Expansion	200
Equifax	Finance/Credit	Expansion	158
MagicJack	Communications	Opening	150
Emids Technologies	Healthcare/IT	Opening	100
Pindrop Security	Fraud Detection	Expansion	100
Riskalyze	Finance/Software Development	Opening	100
Terminus	Marketing/Automation	Opening	100
Hi-Rez Studios	Gaming	Expansion	75
Akamai Technologies	Internet Provider	Expansion	70
CallRail	Call Center	Opening	70
Springbot	Marketing/Automation	Opening	70
Deliv	Delivery Services	Expansion	60
OnPay/Payroll Center	Finance/Payroll	Expansion	50
Sifted	Catering Services	Expansion	50
Signs	Software Development	Expansion	50
Anthem	Insurance/Healthcare	Expansion	25
Careers in Nonprofits	Non-Profit Staffing	Expansion	25
EngagedMedia	IT/Patient Engagement	Expansion	25
Relex Systems	Software Development	Expansion	25
Turkish Airlines	Logistics	Expansion	25
Volantio	Development	Expansion	25
CMS Payments Intelligence	Consultants	Expansion	15
The Garage	Support Services	Expansion	14
KQ Communications	Marketing	Opening	13
Dense Networks	IT	Expansion	12
Switchyards	Support Services	Expansion	12
PBS Aerospace	Manufacturing	Expansion	10
Total			8,810

Source: Metro Atlanta Chamber of Commerce, February 2017

Employment and Unemployment Trends

The following table details employment and unemployment trends for the MSA and nation from 2002 to February 2017.

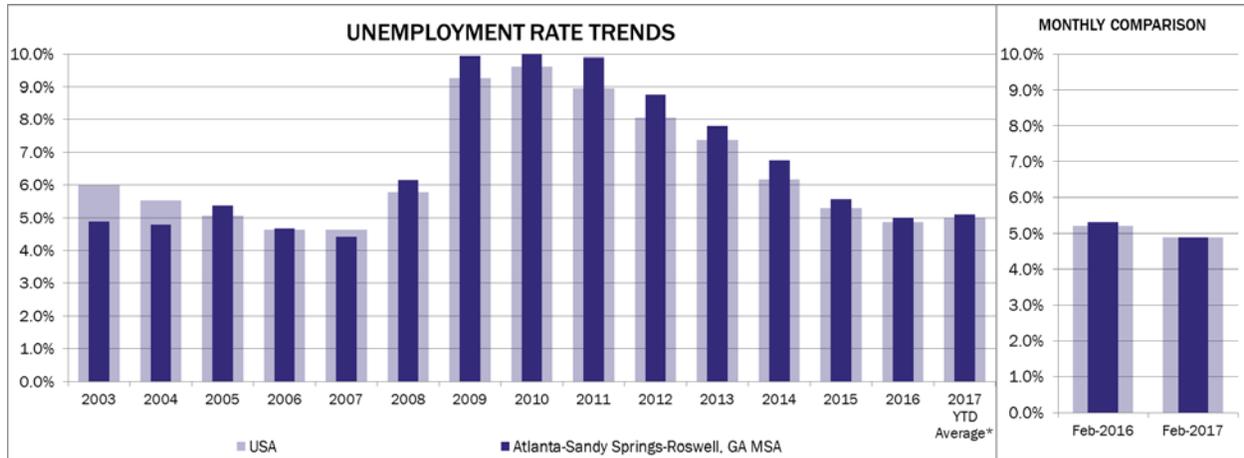
EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)								
Atlanta-Sandy Springs-Roswell, GA MSA					USA			
Year	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2002	2,324,880	-	5.0%	-	136,485,000	-	5.8%	-
2003	2,347,173	1.0%	4.9%	-0.2%	137,736,000	0.9%	6.0%	0.2%
2004	2,382,163	1.5%	4.8%	-0.1%	139,252,000	1.1%	5.5%	-0.5%
2005	2,445,674	2.7%	5.4%	0.6%	141,730,000	1.8%	5.1%	-0.5%
2006	2,538,141	3.8%	4.7%	-0.7%	144,427,000	1.9%	4.6%	-0.5%
2007	2,618,825	3.2%	4.4%	-0.2%	146,047,000	1.1%	4.6%	0.0%
2008	2,606,822	-0.5%	6.2%	1.7%	145,363,000	-0.5%	5.8%	1.2%
2009	2,452,057	-5.9%	9.9%	3.8%	139,878,000	-3.8%	9.3%	3.5%
2010	2,440,037	-0.5%	10.3%	0.4%	139,064,000	-0.6%	9.6%	0.3%
2011	2,486,895	1.9%	9.9%	-0.4%	139,869,000	0.6%	9.0%	-0.7%
2012	2,546,478	2.4%	8.8%	-1.1%	142,469,000	1.9%	8.1%	-0.9%
2013	2,574,339	1.1%	7.8%	-1.0%	143,929,000	1.0%	7.4%	-0.7%
2014	2,619,867	1.8%	6.7%	-1.1%	146,305,000	1.7%	6.2%	-1.2%
2015	2,677,863	2.2%	5.6%	-1.2%	148,833,000	1.7%	5.3%	-0.9%
2016	2,770,683	3.5%	5.0%	-0.6%	151,436,000	1.7%	4.9%	-0.4%
2017 YTD Average*	2,839,862	2.5%	5.1%	0.1%	151,060,500	-0.2%	5.0%	0.1%
Feb-2016	2,716,753	-	5.3%	-	150,060,000	-	5.2%	-
Feb-2017	2,855,099	5.1%	4.9%	-0.4%	151,594,000	1.0%	4.9%	-0.3%

Source: U.S. Bureau of Labor Statistics May 2017

Total employment levels increased annually between 2003 and 2007 in the MSA and the nation. However, between 2008 and 2010, employment levels declined significantly due to the national recession. From February 2016 to February 2017, the MSA’s total employment increased by 5.1 percent, which was significantly greater than the national average of 1.0 percent over the same time period. Although the MSA was negatively affected by the recent national recession, the MSA has been experiencing relatively large increases in employment levels since 2011. Further, employment levels have surpassed pre-recessionary levels and the local economy is in an expansion phase.

The national recession caused a significant increase in unemployment. The unemployment rate in the MSA increased by 1.7 percentage points between 2007 and 2008, and increased another 3.8 percentage points between 2008 and 2009. In 2010, the unemployment rate continued to increase, albeit at a slower rate than the prior two years. These increases in 2008, 2009, and 2010 were greater than the nation in terms of percentage points, indicating that the MSA was more significantly affected by the recent economic recession than the nation as a whole. Unemployment rates have continued to decrease in the MSA since 2011. Between February 2016 and February 2017, the unemployment rate decreased by 0.4 percentage points. The MSA is experiencing the lowest unemployment rate since 2007. Overall, the MSA has recovered from the national recession and total employment has surpassed pre-recessionary levels and the area is currently in an expansion phase.

The tables below provide more illustration of the changes in employment and unemployment rate trends in the MSA.



Employment by Industry

The following table illustrates employment by industry for the PMA as of 2016.

2016 EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Prof/Scientific/Tech Services	13,954	22.2%	10,269,978	6.8%
Healthcare/Social Assistance	6,800	10.8%	21,304,508	14.1%
Finance/Insurance	5,819	9.3%	6,942,986	4.6%
Retail Trade	5,285	8.4%	17,169,304	11.3%
Educational Services	5,127	8.2%	14,359,370	9.5%
Accommodation/Food Services	4,734	7.5%	11,574,403	7.6%
Manufacturing	3,471	5.5%	15,499,826	10.2%
Real Estate/Rental/Leasing	3,070	4.9%	2,946,196	1.9%
Admin/Support/Waste Mgmt Svcs	2,379	3.8%	6,511,707	4.3%
Information	1,961	3.1%	2,862,063	1.9%
Wholesale Trade	1,852	2.9%	4,066,471	2.7%
Construction	1,720	2.7%	9,342,539	6.2%
Other Services (excl Publ Adm)	1,579	2.5%	7,463,834	4.9%
Public Administration	1,532	2.4%	7,093,689	4.7%
Transportation/Warehousing	1,512	2.4%	6,128,217	4.0%
Arts/Entertainment/Recreation	1,371	2.2%	3,416,474	2.3%
Utilities	333	0.5%	1,344,219	0.9%
Agric/Forestry/Fishing/Hunting	210	0.3%	2,253,044	1.5%
Mgmt of Companies/Enterprises	85	0.1%	89,612	0.1%
Mining	9	0.0%	749,242	0.5%
Total Employment	62,803	100.0%	151,387,682	100.0%

Source: Esri Demographics 2016, Novogradac & Company LLP, May 2017

As depicted in the previous table, employment in the PMA is greatest in the professional/scientific/tech services, healthcare, finance/insurance, retail trade and educational service sectors. Combined, these five sectors account for 58.9 percent of total employment in the PMA. The disparity between the PMA and the nation in terms of professional/scientific/technical services is particularly notable. The Subject’s PMA exhibits a higher percentage of employment within the professional/scientific/tech services, finance/insurance, real estate/rental/leasing, and information sectors, while the nation exhibits a higher percentage of employment in industries such

as healthcare/social assistance, retail trade, educational services, and accommodation/food services sectors. Overall, the PMA appears to have significant concentrations of professional/scientific/tech jobs. Additionally, the large presence of healthcare and education jobs, both of which are historically stable, are a positive indication of the stability of the local economy.

Current Economic Recession and Mortgage Crisis

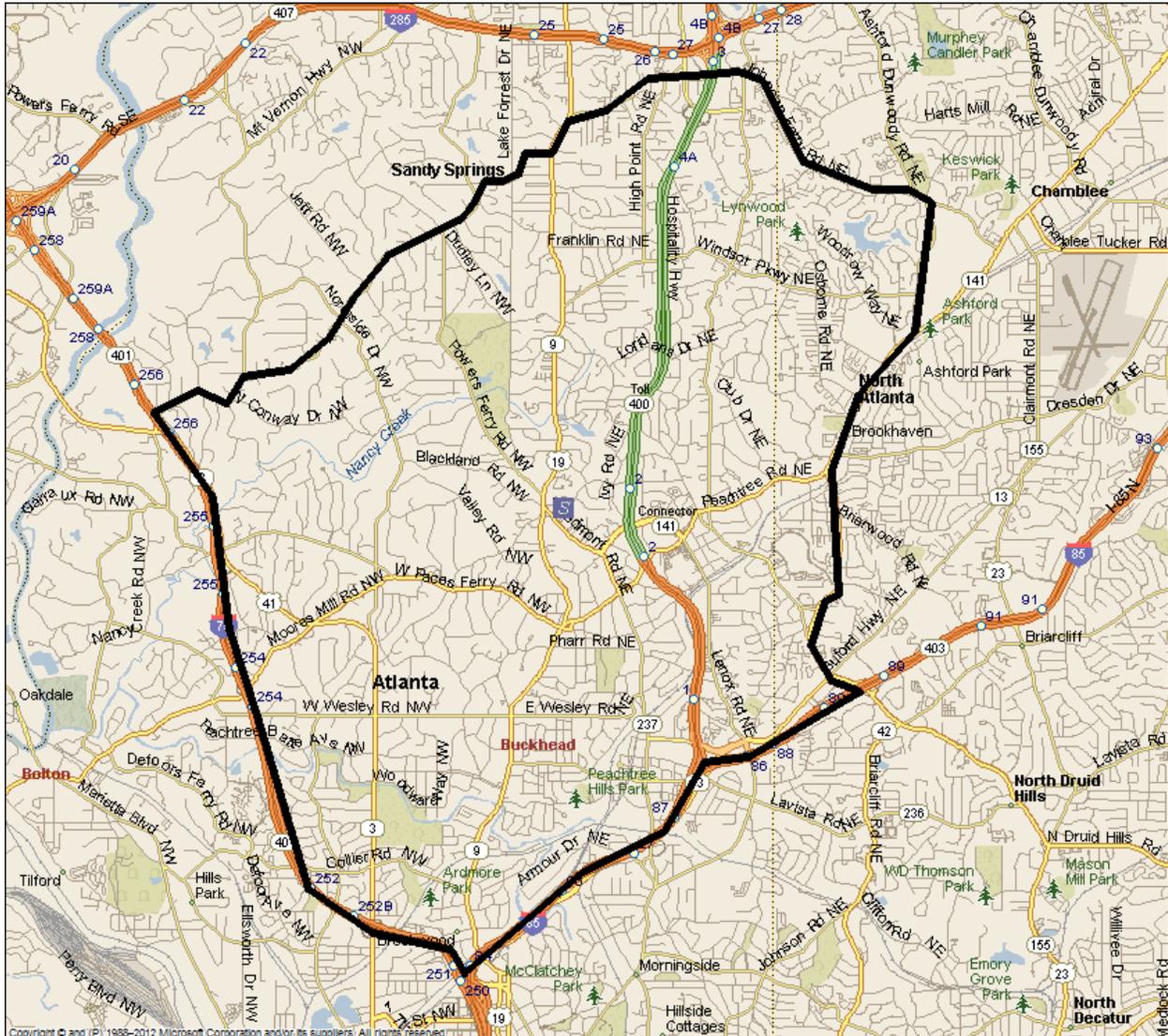
According to www.RealtyTrac.com, one in every 1,828 homes in Atlanta, GA was in foreclosure, and one in every 1,898 homes in Georgia was in foreclosure as of March 2017. Nationally, one in every 1,588 homes was in foreclosure and one in every 1,982 homes in Fulton County was in foreclosure. As indicated, Georgia is outperforming the nation as a whole in terms of foreclosure rates, and both Georgia and Fulton County have significantly lower foreclosure rates than the nation. The median home value in Atlanta is \$206,800 compared to \$154,200 in Georgia and \$196,5600 in the nation. Overall, it appears that the local market is faring better than Georgia as a whole in terms of home values.

Conclusion

Total employment in the MSA has increased every year since 2011. From February 2016 to February 2017, the MSA's total employment increased by 5.1 percent, which was significantly greater than the national average of 1.0 percent over the same time period. Between February 2016 and February 2017, the unemployment rate decreased by 0.4 percentage points. Overall, the local economy is currently in an expansion stage, as total employment rates are above pre-recessionary rates and unemployment rates have been declining since 2011.

The PMA includes various employment options for area residents. The largest employment types in the area are the professional/scientific/tech services sector, finance/insurance sector, and the health care sector. The MSA economy has performed well over the past decade with increased number of employed and a declining unemployment rate. The MSA's economy appears to be in an expansion phase.

PRIMARY MARKET AREA MAP



The following sections will provide an analysis of the demographic characteristics within the market area. Data such as population, households and growth patterns will be studied, to determine if the Primary Market Area (PMA) and the Atlanta-Sandy Springs-Roswell, Georgia MSA are areas of growth or contraction.

The boundaries of the PMA are as follows:

- North – Mt. Paran Rd NW & Johnson Ferry Rd NE
- East – Ashford Dunwoody Road NE, Peachtree Road NE, & North Druid Hills Road BE
- South – Interstate 85
- West- Interstate 75

The PMA consists of the northern portion of Atlanta and was defined based on interviews with the local housing authority, property managers at comparable properties, and the Subject’s property manager, as well as based on our knowledge of the area. We have estimated that approximately 20 percent of the Subject’s tenants originate from outside these boundaries. While we do believe the Subject will experience leakage from outside the PMA boundaries, per the DCA market study guidelines, we have not accounted for leakage in our demand analysis found later in this report. The furthest PMA boundary from the Subject is 4.0 miles.

Population Trends

TOTAL POPULATION

Year	PMA		Atlanta-Sandy Springs-Roswell, GA MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	86,296	-	4,263,438	-	281,421,906	-
2010	100,691	1.7%	5,665,958	3.3%	308,745,538	1.0%
2016	110,822	1.6%	5,665,958	0.0%	323,580,626	0.8%
Projected Mkt Entry December 2018	115,123	1.6%	5,858,011	1.4%	330,224,280	0.8%
2021	119,720	1.6%	6,063,308	1.4%	337,326,118	0.8%

Source: Esri Demographics 2016, Novogradac & Company LLP, May 2017

TOTAL SENIOR POPULATION (62+)

Year	PMA		Atlanta-Sandy Springs-Roswell, GA MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	12,916	-	407,225	-	41,475,021	-
2010	15,462	2.0%	625,999	5.4%	50,358,738	2.1%
2016	18,956	3.6%	803,915	4.5%	60,304,482	3.2%
Projected Mkt Entry December 2018	20,430	3.2%	891,834	4.5%	65,146,072	3.3%
2021	22,007	3.2%	985,817	4.5%	70,321,565	3.3%

Source: Esri Demographics 2016, Novogradac & Company LLP, May 2017

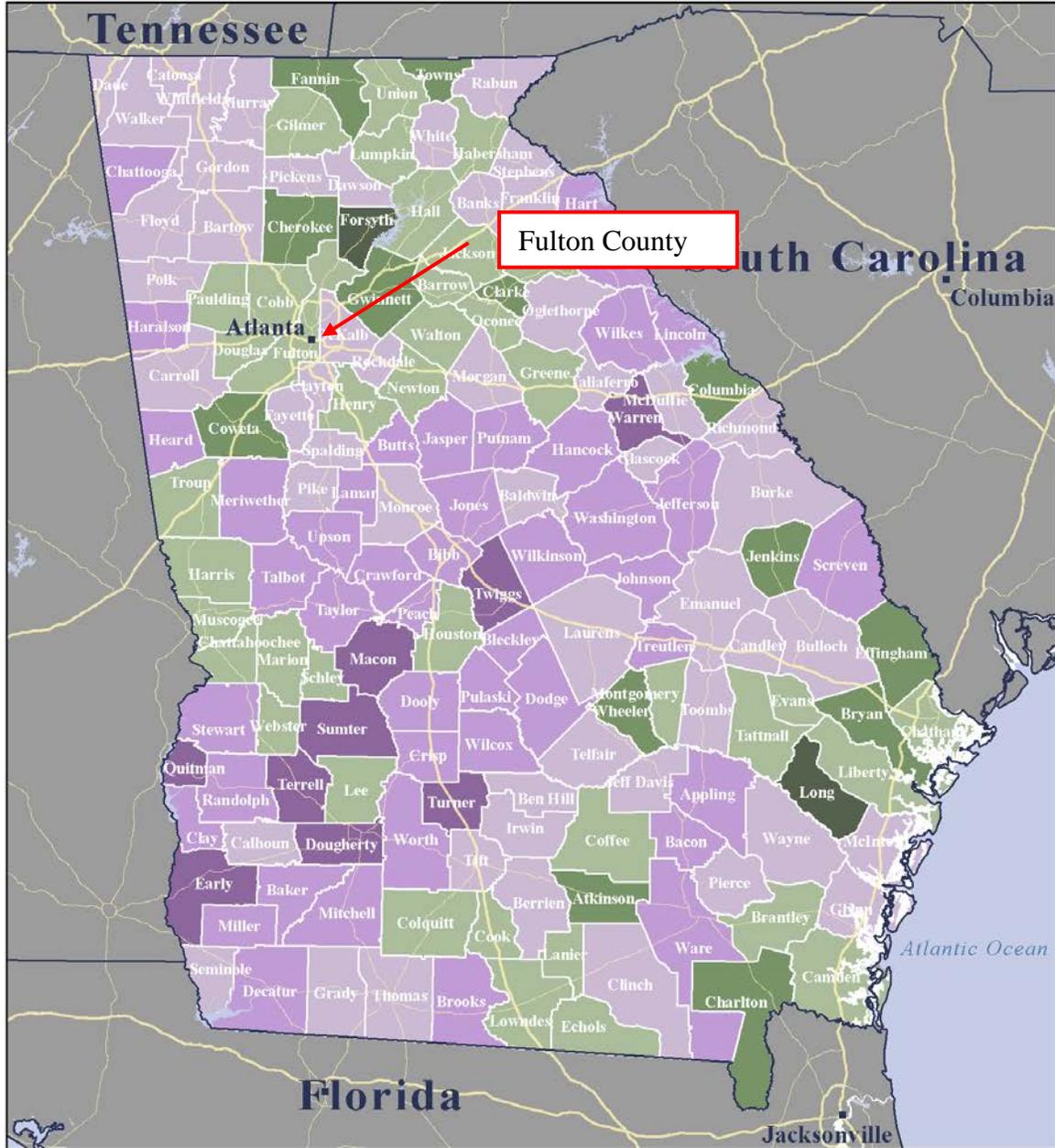
Overall, population growth in the PMA was faster than that of the MSA and the nation from 2010 to 2016. Total population in the PMA is projected to increase at a 1.6 percent annual rate from 2016 to 2021, a growth rate faster than that of the MSA and the nation during the same time period. Further, from 2010 to 2016, the senior population growth in the PMA was faster than that of the nation as a whole but less than that of the MSA. It is expected that the senior population growth will increase 3.2 percent from 2016 to 2021, a slower rate than that of the MSA and the nation as a whole. The senior population is forecast to grow at a significantly faster rate than the general population, which increases demand for age-restricted housing.

POPULATION BY AGE GROUP

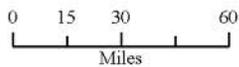
Age Cohort	PMA					Projected Mkt Entry December 2018	2021
	1990	2000	2010	2016			
0-4	3,338	4,497	5,868	5,783	5,793	6,209	
5-9	2,745	3,582	5,516	5,791	5,485	5,795	
10-14	2,343	3,113	4,450	5,524	4,818	5,443	
15-19	2,952	3,279	3,492	4,716	8,004	4,926	
20-24	5,472	6,981	8,083	7,623	13,306	8,411	
25-29	8,176	11,665	12,834	12,705	11,432	13,948	
30-34	7,237	10,080	9,011	10,931	9,205	11,967	
35-39	6,188	7,762	8,509	8,677	7,967	9,769	
40-44	5,804	6,133	7,705	7,909	7,147	8,028	
45-49	4,311	5,567	6,683	7,127	6,918	7,169	
50-54	3,135	5,606	5,916	6,759	6,290	7,087	
55-59	2,640	4,025	5,105	6,099	5,850	6,494	
60-64	2,817	2,719	5,143	5,553	4,971	6,168	
65-69	3,105	2,195	3,457	4,789	3,967	5,166	
70-74	2,605	2,278	2,427	3,489	2,817	4,477	
75-79	2,511	2,455	1,986	2,452	2,130	3,207	
80-84	2,128	1,869	1,879	1,964	3,036	2,307	
85+	1,840	2,488	2,627	2,930	115,122	3,149	
Total	69,347	86,294	100,691	110,821	224,255	119,720	

Source: Esri Demographics 2016, Novogradac & Company LLP, May 2017

The significant population growth between the ages of 25 and 29 is attributed to a growing base of young professionals in the city of Atlanta, as the city has become a popular destination for recent college graduates according to local chamber of commerce sources. In 2016, 14.1 percent of the PMA's population is aged 65 and older, which is the main age range of most tenants at the Subject currently. The projected PMA population growth is expected to outpace the MSA and the nation population growth through 2021.



2010-2015 Population Growth Rate



2010-2015 Population Growth per County

Lucy Mullineaux January 2015



Household Trends

TOTAL NUMBER OF HOUSEHOLDS

Year	PMA		Atlanta-Sandy Springs-Roswell, GA MSA	
	Number	Annual Change	Number	Annual Change
2000	43,087	-	1,559,712	-
2010	50,584	1.7%	1,943,885	2.5%
2016	55,118	1.4%	2,065,785	1.0%
Projected Mkt Entry December 2018	57,161	1.5%	2,131,379	1.3%
2021	59,344	1.5%	2,201,496	1.3%

Source: Esri Demographics 2016, Novogradac & Company LLP, May 2017

TOTAL NUMBER OF SENIOR HOUSEHOLDS (62+)

Year	PMA		Atlanta-Sandy Springs-Roswell, GA MSA	
	Number	Annual Change	Number	Annual Change
2000	8,539	-	253,346	-
2010	9,407	1.0%	362,824	4.3%
2016	12,637	5.5%	498,340	6.0%
Projected Mkt Entry December 2018	13,739	3.6%	549,543	4.3%
2021	14,917	3.6%	604,278	4.3%

Source: Esri Demographics 2016, Novogradac & Company LLP, May 2017

As the previous table illustrates, the PMA was an area with an increasing base of households from 2000 through 2016. Further, the number of households in the PMA is expected to grow at a faster rate than the MSA over the next five years. Senior households also experienced a faster growth rate of 5.5 percent in households from 2010 to 2016. It is expected that senior households will increase 3.6 percent through 2021, a slower rate than that of the MSA. The increasing number of households in the PMA bodes well for the Subject’s demand as a senior project.

AVERAGE HOUSEHOLD SIZE

Year	PMA		Atlanta-Sandy Springs-Roswell, GA MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	1.95	-	2.68	-	2.59	-
2010	1.97	0.1%	2.68	0.0%	2.58	-0.1%
2016	1.99	0.2%	2.70	0.1%	2.59	0.1%
Projected Mkt Entry December 2018	1.99	0.1%	2.71	0.1%	2.59	0.1%
2021	2.00	0.1%	2.72	0.1%	2.60	0.1%

Source: Esri Demographics 2016, Novogradac & Company LLP, May 2017

The average household size in the PMA, at 1.99, is much smaller than the average household sizes in the MSA and nation. The Subject offers one-bedroom rental units targeted to seniors, which generally comprise one and two person households. The average household size in the PMA is appropriate for the Subject’s unit mix and target population.

Households by Tenure

The table below depicts household growth by tenure from 2000 through 2021.

TENURE PATTERNS - TOTAL POPULATION								
Year	PMA				Atlanta-Sandy Springs-Roswell, GA MSA			
	Owner-Occupied Units		Renter-Occupied Units		Owner-Occupied Units		Renter-Occupied Units	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
2000	21,483	49.9%	21,604	50.1%	1,041,714	66.8%	517,998	33.2%
2010	25,645	50.7%	24,939	49.3%	1,285,066	66.1%	658,819	33.9%
2016	24,984	45.3%	30,134	54.7%	1,282,688	62.1%	783,097	37.9%
Projected Mkt Entry								
December 2018	25,726	45.0%	31,434	55.0%	1,322,540	62.1%	808,839	37.9%
2021	26,520	44.7%	32,824	55.3%	1,365,140	62.0%	836,356	38.0%

Source: Esri Demographics 2016, Novogradac & Company LLP, May 2017

TENURE PATTERNS - ELDERLY POPULATION (AGE 62+)								
Year	PMA				Atlanta-Sandy Springs-Roswell, GA MSA			
	Owner-Occupied Units		Renter-Occupied Units		Owner-Occupied Units		Renter-Occupied Units	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
2000	5,123	60.0%	3,416	40.0%	203,034	80.1%	50,312	19.9%
2010	6,197	65.9%	3,210	34.1%	280,063	77.2%	82,761	22.8%
2016	7,348	58.1%	5,290	41.9%	374,512	75.2%	123,828	24.8%
Projected Mkt Entry								
December 2018	7,853	57.2%	5,886	42.8%	411,127	74.8%	138,416	25.2%
2021	8,393	56.3%	6,524	43.7%	450,267	74.5%	154,011	25.5%

Source: Esri Demographics 2016, Novogradac & Company LLP, May 2017

The share of senior renter households in the PMA is less than the share of owner households. However, the percentage of senior renter-occupied housing is also well above the national average of approximately 24 percent (not shown). The number of senior renter-occupied units in the PMA is expected to increase by 505 households from 2016 to the market entry date.

Households by Income

The following table depicts household income in 2016, market entry date, and 2021 for the PMA.

Income Cohort	2016		Projected Mkt Entry December 2018		2021	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	3,135	5.7%	3,021	5.3%	3,117	5.3%
\$10,000-19,999	3,018	5.5%	3,526	6.2%	3,025	5.1%
\$20,000-29,999	3,562	6.5%	4,014	7.0%	3,488	5.9%
\$30,000-39,999	4,033	7.3%	3,844	6.7%	3,994	6.7%
\$40,000-49,999	3,841	7.0%	3,640	6.4%	3,847	6.5%
\$50,000-59,999	3,562	6.5%	4,591	8.0%	3,722	6.3%
\$60,000-74,999	4,498	8.2%	6,386	11.2%	4,689	7.9%
\$75,000-99,999	6,149	11.2%	5,247	9.2%	6,638	11.2%
\$100,000-124,999	5,080	9.2%	3,698	6.5%	5,426	9.1%
\$125,000-149,999	3,423	6.2%	4,516	7.9%	3,993	6.7%
\$150,000-199,999	4,236	7.7%	11,550	20.2%	4,816	8.1%
\$200,000+	10,579	19.2%	57,161	100.0%	12,589	21.2%
Total	55,118	100.0%	57,161	194.5%	59,344	100.0%

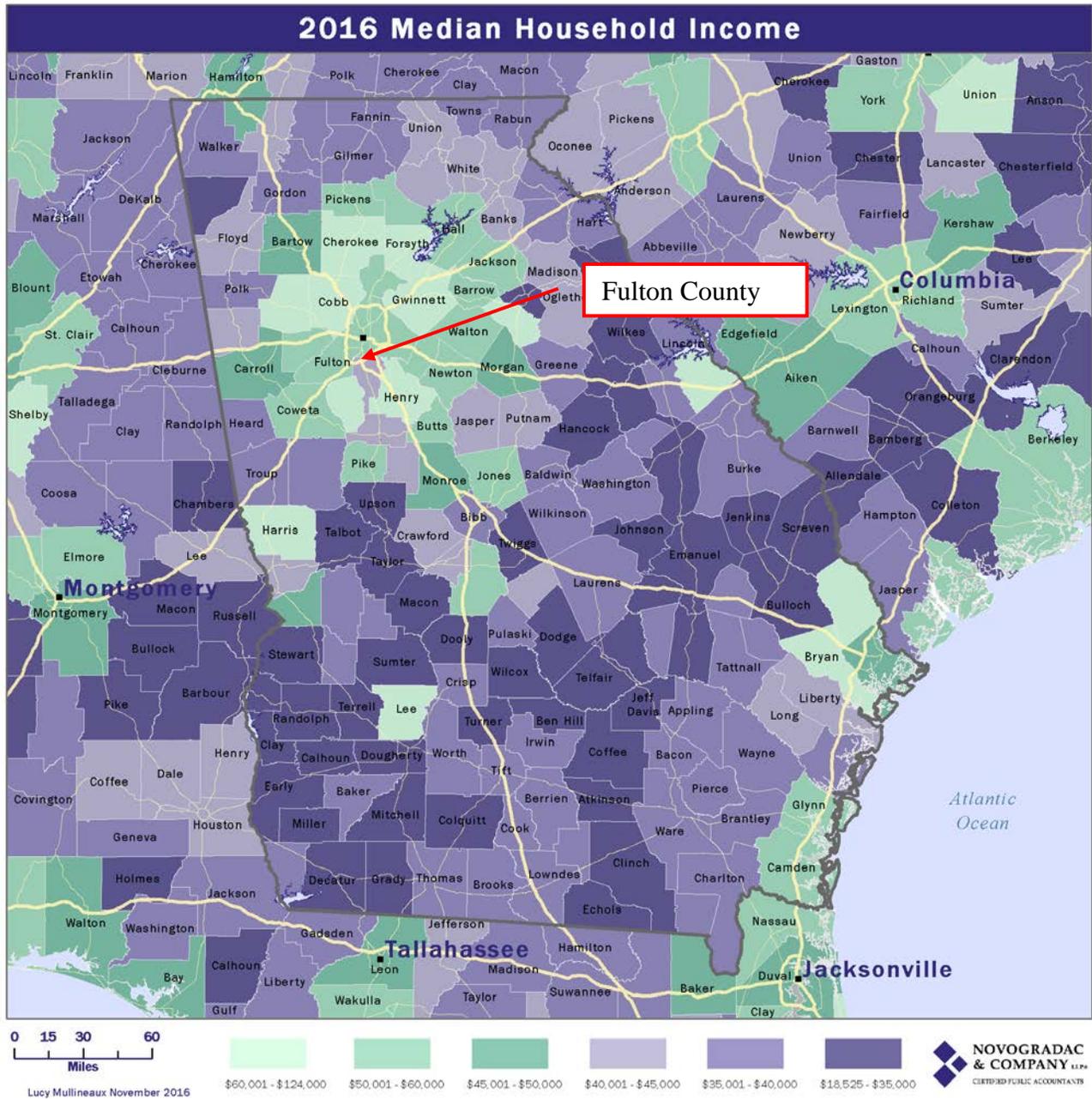
Source: Ribbon Demographics 2007, Novogradac & Company LLP, August 2010

HOUSEHOLD INCOME DISTRIBUTION - PMA (AGE 62+)

Income Cohort	2016		Projected Mkt Entry December 2018		2021	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	1,186	9.4%	1,249	9.1%	1,316	8.8%
\$10,000-19,999	1,277	10.1%	1,326	9.7%	1,380	9.2%
\$20,000-29,999	1,276	10.1%	1,336	9.7%	1,401	9.4%
\$30,000-39,999	847	6.7%	916	6.7%	989	6.6%
\$40,000-49,999	676	5.3%	722	5.3%	772	5.2%
\$50,000-59,999	973	7.7%	1,054	7.7%	1,140	7.6%
\$60,000-74,999	744	5.9%	813	5.9%	886	5.9%
\$75,000-99,999	1,011	8.0%	1,120	8.2%	1,238	8.3%
\$100,000-124,999	1,002	7.9%	1,096	8.0%	1,196	8.0%
\$125,000-149,999	660	5.2%	749	5.4%	843	5.7%
\$150,000-199,999	755	6.0%	832	6.1%	915	6.1%
\$200,000+	2,232	17.7%	2,526	18.4%	2,840	19.0%
Total	12,637	100.0%	13,739	100.0%	14,917	100.0%

Source: Ribbon Demographics 2007, Novogradac & Company LLP, August 2010

Households earning under \$40,000 in the PMA comprise approximately 24.9 percent of all income cohorts in 2016. For senior households, approximately 36.3 percent earn less than \$40,000. The Subject will target households earning between \$22,770 and \$32,400 under the LIHTC program assuming no subsidies and households with incomes as low as \$0 with the RAD program rental assistance; therefore, the Subject should be well-positioned to service this market. As previously noted, all of the existing tenants at the Subject will remain income-qualified.



Conclusion

Senior population growth will increase 3.2 percent from 2016 to 2021, a slower rate than that of the MSA and the nation as a whole. It is expected that senior households will increase 3.6 percent through 2021 as well, which is significantly faster than the general population. However, these growth rates far exceed the general population forecasts. The increasing number of households in the PMA bodes well for the Subject’s demand as a senior project.

The share of senior renter-occupied units in the PMA is less than that of owner-occupied units. However, the percentage of senior renters is much greater than the nation as a whole and the number

of senior renter-occupied units in the PMA is expected to increase by 505 households from 2016 to the market entry date.

Households earning under \$40,000 in the PMA comprise approximately 24.9 percent of all income cohorts in 2016. For senior households, approximately 36.3 percent earn less than \$40,000. Assuming LIHTC operation with no subsidies, the Subject will target households earning between \$22,770 and \$32,400, therefore, the Subject should be well-positioned to service this market. Further, practically all existing tenants at the Subject will remain income-qualified.

Overall, the demographic data points to strong ongoing demand for affordable senior housing.

commercial uses. The multifamily developments in the Subject neighborhood appear to be in average to good condition. Commercial and retail occupancy appeared to be 95 percent. The Subject site is considered “very walkable” by Walkscore with a rating of 72. The Subject site is considered a desirable location for senior rental housing. The site has average proximity to locational amenities.

Positive/Negative Attributes of Site: The Subject’s proximity to retail and other locational amenities as well as its surrounding uses, which are in good condition, are considered positive attributes.

Proximity to Locational Amenities:

The following table details the Subject’s distance from key locational amenities. As illustrated, there is a senior center approximately 5.6 miles from the Subject, as well as a large medical center (Piedmont Hospital) approximately 3.5 miles from the Subject.

LOCATIONAL AMENITIES

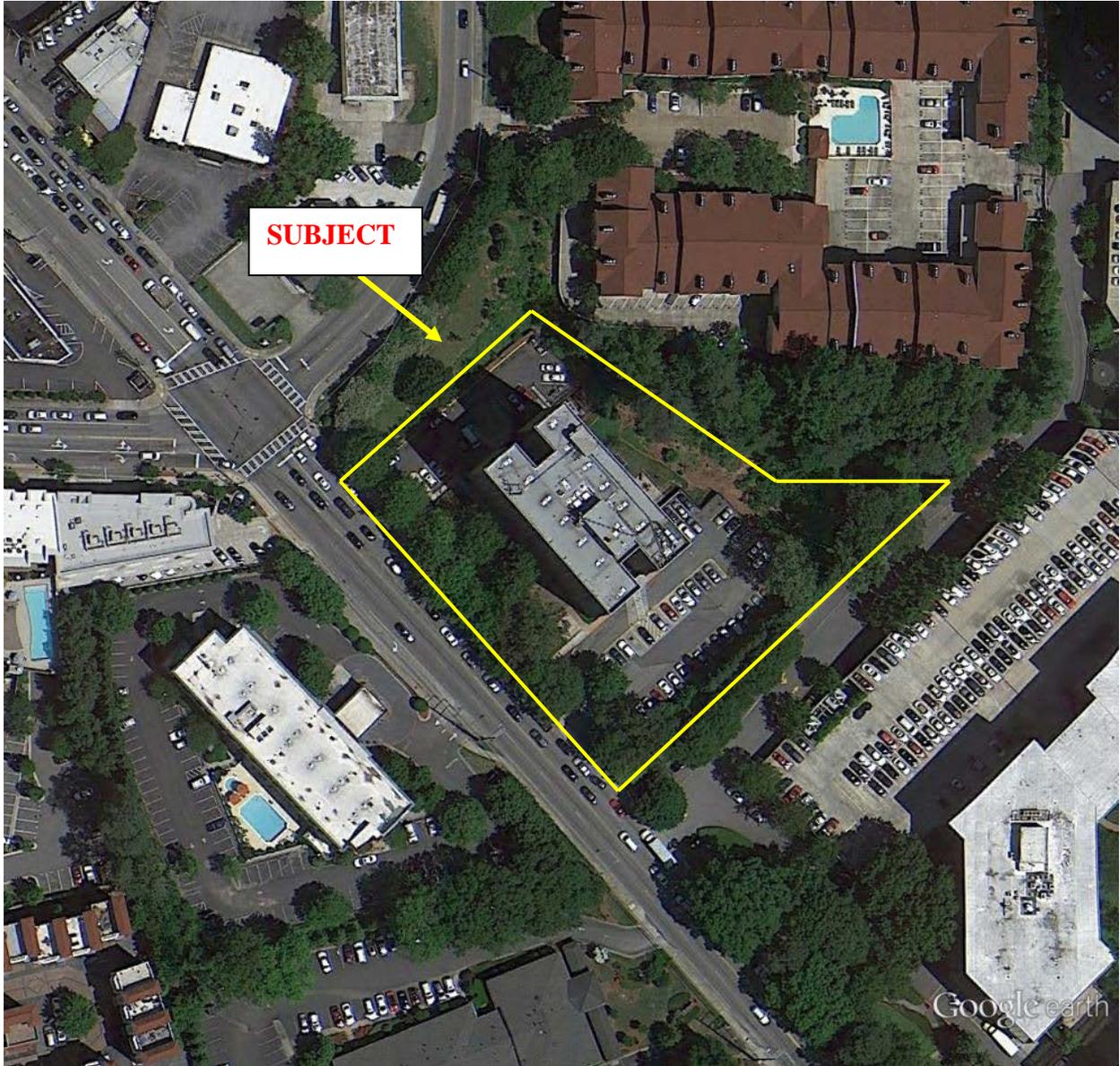
Map Number	Service or Amenity	Distance From Subject
1	Piedmont Road NE Bus Stop	<0.1 Mile
2	WellStreet Buckhead North Urgent Care	<0.1 Mile
3	Regions Bank	<0.1 Mile
4	Walgreens	<0.1 Mile
5	Shell Gas Station	0.3 Mile
6	US Post Office	0.4 Mile
7	Sarah Smith Elementary School	0.6 Mile
8	Kroger Supermarket	0.6 Mile
9	Atlanta Fire Rescue Station 21	0.9 Mile
10	Atlanta Police Department Zone 2	1.2 Miles
11	North Fulton High School	1.6 Miles
12	Frankie Allen Park	1.7 Miles
13	Piedmont Hospital	3.5 Miles
14	Family Dollar	3.7 Miles
15	Northside Shepherd Neighborhood Senior Center	5.6 Miles

LURA: We are unaware of any land use restrictions on the Subject site.

Conclusion: The neighborhood surrounding the Subject consists primarily of residential, retail, and commercial uses. Overall, the Subject is compatible with the surrounding uses and it is a desirable location for senior housing.

DESCRIPTION OF THE SITE

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



Size: The Subject site is approximately 2.05 acres, or approximately 89,298 square feet, according to the Fulton County Property Assessor’s office.

Shape: The site is irregular in shape.

Frontage: The Subject site has frontage along Piedmont Road NE and Habersham Drive NE.

Topography:	The site is generally level.
Visibility/Views:	The Subject has good visibility from Piedmont Road NE and Habersham Drive NE, and limited visibility from Habersham Road NE. Views from the Subject site are of a multifamily development called The Habersham of Buckhead in average condition to the north, commercial uses in good condition to the east, Windgate by Wyndham hotel in good condition to the south, a multifamily development called Tremont Luxury Homes in good condition to the southwest, and a veterinarian clinic in average condition to the west. Overall, views are considered good.
Access and Traffic Flow:	The Subject site can be accessed from Piedmont Road NE, a street that runs directly south of the site and connects to GA-141 to the southeast and GA-9 to the northwest. Piedmont Road NE is a moderately trafficked road with numerous multifamily, hotel, and commercial/retail uses in average to good condition. GA-141 is an east-west highway that provides access to Big Creek to the northeast and GA-400 Toll to the southwest. GA-9 is a north-south highway that provides access to Roswell to the north and downtown Atlanta to the south. Overall, visibility and access to and from the site are considered good.
Drainage:	Appears adequate; however, no specific tests were performed.
Soil and Subsoil Conditions:	We were not provided with soil surveys, but the existing improvements suggest that the soils are adequate.
Flood Plain:	According to www.floodinsights.com , the Subject is located in Zone X (community map number 135157 panel number 0232F dated September 18, 2013) and is located outside the 100 and 500-year flood plains. The Subject site is not located within 250 feet of multiple flood zones.
Environmental, Soil and Subsoil Conditions and Drainage:	We requested, but were not provided with, a Phase I Environmental Report for the Subject. During our site inspection, we walked the Subject's grounds, including the rear of the buildings and the parking lot, and did not observe any obvious indicators of environmental contamination or adverse property condition issues. However, Novogradac & Company LLP does not offer expertise in this field and cannot opine as to the adequacy of the soil conditions, drainage, or existence of

adverse environmental conditions. Thus, we have made an extraordinary assumption that the Subject property is not adversely impacted by environmental issues.

Detrimental Influences:

No detrimental influences were identified.

Conclusion:

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

DESCRIPTION OF IMPROVEMENTS

The Subject was originally constructed in 1978 and was substantially renovated and updated in 2001, 2006, and 2007. The Subject consists of one 13-story high-rise residential building. The developer is now proposing renovation with LIHTC equity, and the renovations are anticipated to be complete by December 2018.

Unit Layout: We have inspected the floor plans at the Subject and they appear market-oriented and functional based on their intended use.

NLA (residential space): The Subject currently has 96,315 square feet of net leasable residential space, as illustrated in the following table. There is no planned reconfiguration of units as part of the renovation.

UNIT MIX AND SQUARE FOOTAGE

Unit Type	No. of Units	Size	Net Leasable
			Area
1BR - 409SF	130	409	53,170
1BR - 522SF	14	522	7,308
1BR - 533SF	14	533	7,462
1BR - 548SF	25	548	13,700
1BR - 574SF	24	574	13,776
2BR - 899 SF	<u>1</u>	<u>899</u>	<u>899</u>
Total	208		96,315

Americans With Disabilities Act of 1990: Based on our inspection, there were no obvious violations of the Americans with Disabilities Acts of 1990. However, it is assumed that any potential ADA issues will be corrected as part of the renovation.

Quality of Construction Condition and Deferred Maintenance: At the time of the inspection, the Subject was in average condition. It is assumed that the Subject will be renovated in a timely manner consistent with the information provided, using average-quality materials in a professional manner. Upon completion, the Subject will be in good condition.

PCA: We requested, but were not provided with, a physical condition assessment report for the Subject. During our site inspection, we inspected a representative of units as well as common areas, and did not observe any obvious or significant critical repairs. It should be noted that any significant critical repairs could have a material impact on our value conclusions.

Scope of Renovations:

According to the client, the following details the proposed LIHTC renovations that are anticipated being complete by December 1, 2018.

Exterior:

- Remove and replace existing roof, flashing, and curbs
- Remove and replace all windows
- Remove and replace three storefront doors
- Install new key card access control system for all exterior doors

Interior:

- Remove and replace all elevator doors
- Remove and replace all interior doors

In-Unit:

- Replace all appliances with energy efficient appliances
- Remove and replace all doors and hardware
- Repaint
- Replace all bathtubs, sinks, and lavatories

General:

- Replace above ground diesel tank that fuels the generator
- Re-commission HVAC and controls
- Replace water pump in mechanical room
- Replace ductless split system
- Replace fan coil units
- Replace all exhaust fans
- Replace central station air handling unit
- Replace hot water pump and heater
- Replace boiler pumps
- Replace stairwell vane axial pressurization fan
- Replace PTAC's in all units
- Clean and or replace all duct work
- Replace water closets
- Replace hot water storage tank
- Replace fire booster pump and electric fire pump

According to the client, renovations will be done with tenants in place. The hard costs of renovation are \$7,815,124, or approximately \$37,573 per unit.

Rents: The following table illustrates the Subject’s current and proposed rents and unit mix.

CURRENT RENTS

Unit Type	Number of Units	Minimum Tenant Paid Rent	Maximum Tenant Paid Rent	Average Tenant Paid Rent
1BR	207	<i>Public Housing</i> \$0	\$711	\$249
2BR (Non-Rental)	<u>1</u>	<i>Manager's Unit</i> N/A	N/A	<u>N/A</u>
Total	208			\$249

PROPOSED RENTS

Unit Type	Number of Units	CHAP Rent	LIHTC Asking Rent	Utility Allowance (1)	Gross Rent	2016 LIHTC Maximum Allowable	HUD Fair Market Rents
<i>60% AMI (RAD/PBRA)</i>							
1BR/1BA	205	\$779	\$759	\$0	\$779	\$759	\$820
2BR/1BA	1	\$933	\$912	\$0	\$933	\$912	\$949
<i>Market Rate</i>							
1BR/1BA	1	\$250	N/A	N/A	N/A	N/A	\$820
<i>Manager Unit</i>							
1BR/1BA	1	N/A	N/A	N/A	N/A	N/A	\$820
Total	208						

Notes (1) All utilities included at Subject

Current Occupancy: At the time of inspection, the Subject was 96 percent occupied and vacant units are being held offline due to the pending renovations. The unit mix currently includes 207 one-bedroom units, and one two-bedroom unit. The two-bedroom unit is a non-rental unit and will be converted to a rental unit, post renovation. The Subject has historically operated with a vacancy and collection loss of less than once percent over the past three years, indicating high demand for the existing Public Housing units.

Current Tenant Income: Actual tenant income data for the existing residents was not available from the client. However, anecdotal evidence indicates that most of the current tenants at the Subject have incomes that would be too low to income-qualify for the Subject without its continuing project-based Rental Assistance through the Housing Authority of Atlanta.

Functional Obsolescence: We have inspected the Subject’s site plans and floor plans and determined the development to be market-oriented and

functional based on its current use as senior apartment units. The Subject will be newly renovated. Thus, the Subject will not suffer from functional obsolescence. It should be noted that we requested but did not receive floor plans for the Subject.

Conclusion:

The Subject is currently an average quality senior apartment complex. Upon rehabilitation, the Subject will be a good-quality apartment complex, comparable or superior to most of the inventory in the area. The Subject appears to be market-oriented and functional.

PROPERTY PROFILE REPORT

Piedmont Senior Tower

Effective Rent Date	5/26/2017
Location	3601 Piedmont Road NE Atlanta, GA 30305 Fulton County County
Distance	N/A
Units	208
Vacant Units	9
Vacancy Rate	4.3%
Type	Highrise (age-restricted) (13 stories)
Year Built/Renovated	1978 / 2001/2006/2007/2018
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Peachtree Highrise & Campbell Stone North Apt.
Tenant Characteristics	Seniors and senior disabled households
Contact Name	N/A
Phone	(404) 365-0557



Market Information

Program	Non-Rental, Section 8
Annual Turnover Rate	12%
Units/Month Absorbed	N/A
HCV Tenants	N/A
Leasing Pace	7 days
Annual Chg. in Rent	N/A
Concession	None

Utilities

A/C	included -- wall
Cooking	included -- gas
Water Heat	included -- gas
Heat	included -- electric
Other Electric	included
Water	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Highrise (13 stories)	1	409	N/A	\$0	Non-Rental	N/A	N/A	N/A	N/A	None
1	1	Highrise (13 stories)	129	409	\$779	\$0	Section 8	N/A	N/A	N/A	N/A	None
1	1	Highrise (13 stories)	14	522	\$779	\$0	Section 8	N/A	N/A	N/A	N/A	None
1	1	Highrise (13 stories)	14	533	\$779	\$0	Section 8	N/A	N/A	N/A	N/A	None
1	1	Highrise (13 stories)	25	548	\$779	\$0	Section 8	N/A	N/A	N/A	N/A	None
1	1	Highrise (13 stories)	1	574	\$250	\$0	Section 8	N/A	N/A	N/A	N/A	None
1	1	Highrise (13 stories)	23	574	\$779	\$0	Section 8	N/A	N/A	N/A	N/A	None
2	1	Highrise (13 stories)	1	899	\$933	\$0	Section 8	N/A	N/A	N/A	N/A	None

Unit Mix

Non-Rental	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Section 8	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	N/A	\$0	N/A	\$0	N/A	1BR / 1BA	\$250 - \$779	\$0	\$250 - \$779	\$0	\$250 - \$779
						2BR / 1BA	\$933	\$0	\$933	\$0	\$933

Piedmont Senior Tower, continued

Amenities

In-Unit

Blinds
Carpeting
Ceiling Fan
Hand Rails
Pull Cords
Wall A/C

Cable/Satellite/Internet
Coat Closet
Garbage Disposal
Oven
Refrigerator

Security

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

Services

Computer Tutoring

Property

Business Center/Computer Lab
Courtyard
Exercise Facility
Non-shelter Services
On-Site Management

Clubhouse/Meeting Room/Community Room
Elevators
Central Laundry
Off-Street Parking
Service Coordination

Premium

Hairdresser / Barber
Housekeeping

Other

None

Comments

Piedmont Senior Tower is a 208-unit public housing development that targets seniors 62+. The property will be renovated using LIHTC and will operate under the RAD program with rental assistance on 206 units following the renovation. As such, tenants will continue to pay 30 percent of income toward rent. It should be noted that the rents included in the profile are the proposed CHAP rents.

Piedmont Senior Tower, continued

Trend Report

Vacancy Rates

2Q15	1Q16
0.5%	4.3%

Trend: Non-Rental

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	N/A	N/A	\$0	N/A	N/A

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	N/A	N/A	\$0	N/A	N/A

Trend: Section 8

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	N/A	\$250 - \$779	\$0	\$250 - \$779	\$250 - \$779

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	N/A	\$933	\$0	\$933	\$933

Trend: Comments

2Q15 Piedmont Senior Tower is a 209-unit public housing development that targets seniors 62+. The property will be renovated using LIHTC and will operate under the RAD program with rental assistance on all units following the renovation. As such, tenants will continue to pay 30 percent of income toward rent. It should be noted that the rents included in the profile are the proposed CHAP rents.

1Q16 Piedmont Senior Tower is a 208-unit public housing development that targets seniors 62+. The property will be renovated using LIHTC and will operate under the RAD program with rental assistance on 206 units following the renovation. As such, tenants will continue to pay 30 percent of income toward rent. It should be noted that the rents included in the profile are the proposed CHAP rents.

Piedmont Senior Tower, continued

Photos



REAL ESTATE ASSESSMENT AND TAXES

The following real estate tax estimate is based upon our interviews with local assessment officials, either in person or via telephone. We do not warrant its accuracy. It is our best understanding of the current system as reported by local authorities. Currently, the assessment of affordable housing properties is a matter of intense debate and in many jurisdictions pending legal action. The issue often surrounds how the intangible value or restricted rents are represented. We cannot issue a legal opinion as to how the taxing authority will assess the Subject. We advise the client to obtain legal counsel to provide advice as to the most likely outcome of a possible reassessment.

Real estate taxes for a property located in Fulton County are based upon a property’s assessed valuation for each tax year. Real estate taxes in this county represent *ad valorem* taxes, meaning a tax applied in proportion to value. The real estate taxes to an individual property may be determined by multiplying the assessed value for the property by a composite rate. We spoke to Lori Brady, a Fulton County assessor, who informed us that multifamily properties in the county are primarily valued with a combination of all three approaches and are assessed at 40 percent of full market value. According to our contact, all properties in the county are reassessed every year on January 1st. Additionally, a recent sale of a property is considered in the reassessment. According to the Fulton County Tax Commissioner, the millage rate for the Subject is \$43.365 per \$1,000 for the combined county and city taxes. The following illustrates the Subject’s current and historical assessment data.

SUBJECT’S CURRENT ASSESSMENT

Year	Parcel ID	Value of Land	Value of Improvements	Total Market Value	Market Value Per Unit	Assessed Value Per Unit
2016	170098LL0628	\$0	\$8,407,300	\$8,407,300	\$40,226	\$16,091
2015	170098LL0628	\$7,190,400	\$8,407,300	\$15,597,700	\$74,630	\$29,852
2014	170098LL0628	\$7,236,300	\$8,407,300	\$15,643,600	\$74,850	\$29,940
2013	170098LL0628	\$7,236,300	\$8,407,300	\$15,643,600	\$74,850	\$29,940

*Land assessed at \$0 in 2016, Subject is tax exempt

The Subject benefits from a full tax exemption. We inquired about the change in the Subject’s fair market value in 2016 with the assessor, however, our calls have not been returned. Thus, the current market value is not market-oriented. According to the developer, the exemption will remain in effect even upon transfer so long as the Subject provides subsidized housing. Thus, we will conclude to a \$0 tax burden for the restricted scenario. The Subject would be taxed based on full assessment for the as is (assuming market rate operation) and hypothetical as proposed unrestricted scenarios. Provided below is a summary of tax comparables in the area, several of which are also included as rent comparables in the Supply Analysis presented later.

COMPARABLE ASSESSMENTS

Property	Type	Year Built	Number of Units	Total Market Value	Assessed Value	Total Assessed Value per Unit
Oak Pointe Apartments	Market	1963/2016	114	\$3,990,000	\$1,596,000	\$14,000
Element at Kirkwood	Market	1970/2016	176	\$7,531,900	\$3,012,760	\$17,118
Metropolitan at Buckhead*	Market	1962/2008	431	\$53,100,700	\$21,240,280	\$49,281
2460 Peachtree*	Market	1985/2009	234	\$44,518,500	\$17,807,400	\$76,100
The Allure*	Market	2001	231	\$42,203,100	\$16,881,240	\$73,079

*Utilized as comparable

The above data indicates an assessed per unit range from \$14,000 to \$76,100 per unit for comparable multifamily properties located in the Subject’s market. The highest market value per unit is reported by 2460 Peachtree, which is a high-rise development, similar to the Subject. As is, the Subject

would likely have a market value per unit below this comparable based on its inferior unit mix. Therefore, we have estimated assessed values per unit of \$32,500 and \$42,500 for the as is and as renovated unrestricted scenarios, respectively. As previously noted, we have concluded to a tax burden of \$0 for the as proposed restricted scenario based on the Subject’s full tax exemption. Further, our estimate in the following table for the as is scenario is below the Subject’s current assessment. However, the Subject is fully tax exempt, and thus, the assessment is not market oriented.

TAXES AS IS SCENARIO

Assessed Value Per Unit	Total Assessed Value	Tax Rate	Estimated Tax Burden	Estimated Tax Burden Per Unit
\$32,500	\$6,792,500	43.365	\$294,557	\$1,409

TAXES AS PROPOSED UNRESTRICTED SCENARIO

Assessed Value Per Unit	Total Assessed Value	Tax Rate	Estimated Tax Burden	Estimated Tax Burden Per Unit
\$42,500	\$8,882,500	43.365	\$385,190	\$1,843

It should be noted that our concluded market values for tax purposes are below our concluded values of the Subject presented later in this report. However, based on our research of improved sales in the county, the market values for tax purposes are approximately 80 to 86 percent of the sales prices. Thus, our concluded tax values appear reasonable.

ZONING

Current Zoning

According to the City of Atlanta Zoning Map the Subject site is zoned RG-5-C, Residential General District Sector 5. The principal residential uses permitted under this zoning code are single-family and multifamily developments. The Subject site is 2.02 acres, or 89,298 square feet. This zoning district allows for a maximum floor-to-area ratio of 3.2. The Subject is currently developed to a floor-to-area ratio of 1.1, well below the requirement for Sector 5 of the General Residential District. RG-5-C requires that properties with an FAR of 1.6 or below have 0.71 parking spaces per residential unit, which would require the Subject to provide a minimum of 149 parking spaces. The Subject offers approximately 50 off-street parking spaces. The current parking is below the required parking spaces. The Subject appears to be a legal, non-conforming use.

According to the City of Atlanta Zoning Ordinances, a nonconforming structure that is destroyed may be rebuilt to its previous nonconforming standards only if the portion destroyed does not exceed 60 percent of its value.

Prospective Zoning Changes

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

COMPETITIVE RENTAL/DEMAND ANALYSIS

COMPETITIVE RENTAL/DEMAND ANALYSIS

SUPPLY ANALYSIS

INTERVIEWS/DISCUSSION

REIS Housing Summary

We consulted a REIS Submarket Trend Futures report from the fourth quarter 2016 for the Atlanta Metro area, which encompasses the Subject, to gather information on the local apartment rental market. According to the report, asking rents in Atlanta metro area increased 1.2 percent in the fourth quarter of 2016, compared to 1.6 percent in the third quarter. The vacancy rate in the fourth quarter was 3.8 percent, an increase of 0.1 percentage points from the previous quarter. Compared to the South Atlantic region, vacancy rates were 4.6 percent over the same time period. Overall, the general rental market appears to be performing well with market indicators pointing to increasing asking rents and low vacancy.

Atlanta's Assisted Housing Programs Department

We attempted to contact the Atlanta Housing Authority several times, but were unable to reach them and no calls were returned. However, we were able to obtain the Utility Allowances from the Housing Authority website, as well as the payment standards. Payment standards for one- and two-bedroom units are \$1,650 and \$2,200. The Subjects asking rents are well below the payment standards. The Subject will maintain a project-based subsidy on 206 out of 208 units post renovation.

LIHTC Competition / Recent and Proposed Construction

We researched the Georgia Department of Community Affairs published list of LIHTC allocations from 2014 - 2016. Over this time period, there have been no allocations in the Subject's PMA.

Planning

We have attempted to contact the City of Atlanta Planning Department multiple times in order to gather information on multifamily project either in the planning stages or currently under construction. At this time none of our phone calls have been returned. However, we were able to gather information from REIS on either proposed, planned, or under construction multifamily developments within the Buckhead Submarket, which are detailed in the table below.

MULTIFAMILY PIPELINE WITHIN PMA

Property Name	Property Address		# Units		stimated Completio
2425 Peachtree Apartments	2425 Peachtree Rd	2.3 Miles	262	Planned	NA
AmlI Piedmont Heights Ph Ii	2323 Piedmont Rd Ne	2.4 Miles	355	Planned	NA
Capital City Plaza Apartments	Tower Place Dr @ Peachtree Rd Ne	7.6 Miles	300	Planned	NA
Crescent Lenox	Oak Valley Rd @ Wright Ave	1.3 Miles	352	Planned	NA
Gables Buckhead	530 E Paces Ferry Rd Ne	1.1 Miles	327	Planned	NA
Stratford	3372 Peachtree Rd	0.8 Miles	362	Planned	2018
The Collection - Ph II	4600 Roswell Rd Ne	1.8 Miles	314	Planned	NA
The Sutton	2965 Peachtree Rd	1.2 Miles	151	Planned	NA
Heights At Lenox Park	Lenox Park Blvd Ne @ Lake Blvd	10.3 Miles	273	Planned	NA
Piedmont Road Apartments	Piedmont Rd @ Peachtree Rd	0.7 Miles	190	Proposed	NA
475 Buckhead Ave	475 Buckhead Ave	1.1 Miles	375	Under Construction	2017
Alexan Apartments	361 Pharr Rd Ne	1.3 Miles	244	Under Construction	2018
AmlI City Place Site D	E Paces Ferry Rd @ Roxboro Rd	1.5 Miles	240	Under Construction	2017
Ardmore & 28Th Apartments Ph Ii	330 Ardmore Cir Nw	3.5 Miles	165	Under Construction	2017
Apogee Buckhead	Peachtree Rd Ne @ Ga-400	1.1 Miles	362	Under Construction	2018
Chastain Heights	225 Franklin Road	2.2Miles	325	Under Construction	NA
Domain At Phipps Plaza	707 Park Ave Ne	1.0 Miles	319	Under Construction	2017
Greyco Partners Residential	2144 Peachtree Rd Nw	1.1 Miles	249	Under Construction	2017
Modera By Mill Creek-Buckhead	3005 Peachtree Rd Ne	1.1 Miles	400	Under Construction	2019
Millworks Apartments	1888 Emery St	3.7 Miles	345	Under Construction	2017

Source : REIS; Novogradac & Company , LLP April 2017

It should be noted that we assume all of these developments will be market rate properties, as they were not listed on the DCA allocation lists. Moreover, none of these properties are known to target seniors. Thus, they will not be directly competitive with the Subject.

SURVEY OF COMPARABLE PROJECTS

Comparable properties are examined on the basis of physical characteristics, i.e. building type, age/quality, level of common amenities, absorption, as well as similarity in rent. We attempted to compare the Subject to complexes from the competing market to provide a broader picture of the health and available supply in the market. Our competitive survey includes 10 “true” comparable properties containing 2,064 units that are 94.2 percent occupied. A detailed matrix describing the individual competitive properties as well as the proposed Subject is provided later in this section. A map illustrating the location of the Subject in relation to comparable properties is also provided in this section. The properties are further profiled in the following write-ups. The property descriptions include information on vacancy, turnover, absorption, age, competition, and the general health of the rental market, when available.

The availability of LIHTC data is considered average; there are several affordable properties in the PMA, but the majority operates with additional subsidies. Thus, we selected four senior LIHTC properties as “true” comparables, two of which are located within the PMA. The availability of market rate data is considered good as there are a sufficient number of market rate properties that are located within the PMA. We have included seven market rate properties in the rental analysis, and all are located within 2.8 miles of the Subject. The comparable market rate properties were constructed or renovated since 2001, and all offer one-bedroom units. Additionally, two of the market rate comparables offer a similar high-rise design as the Subject.

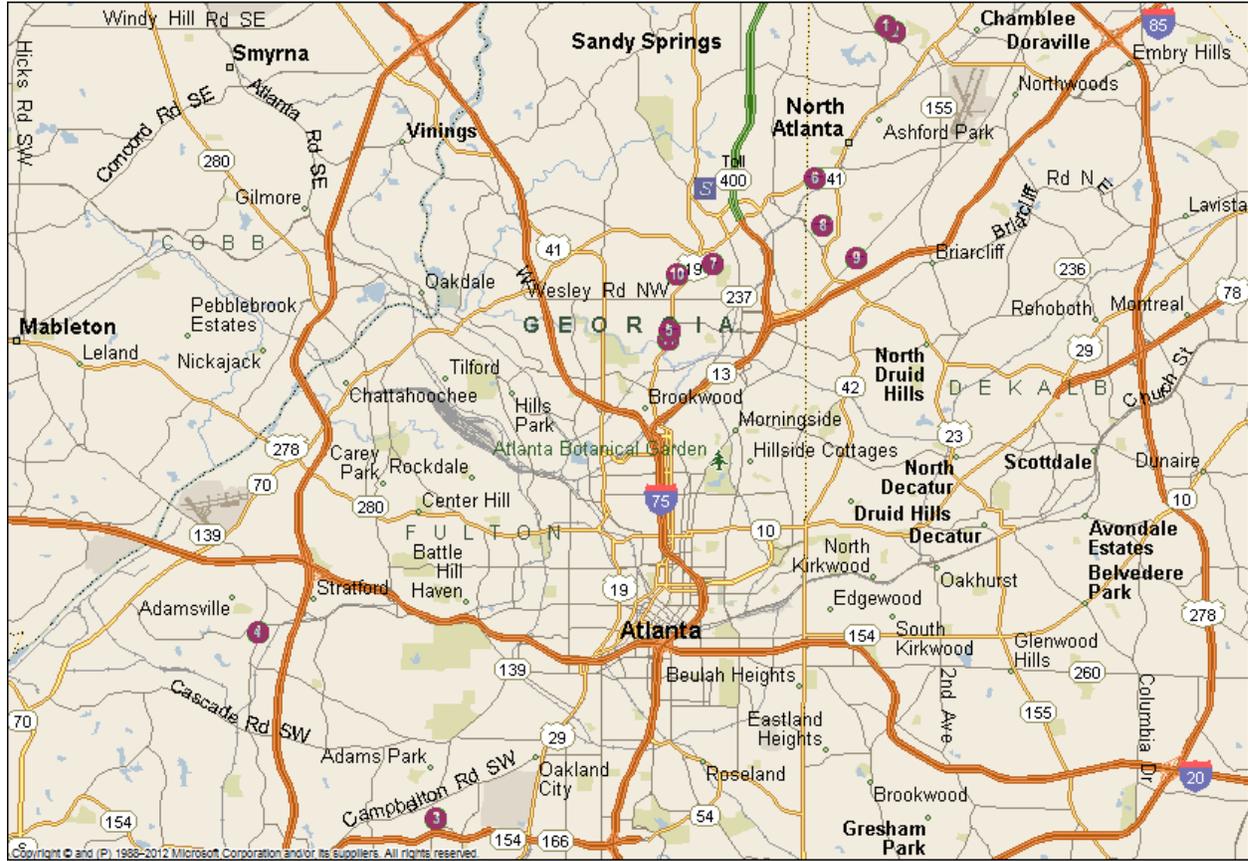
Excluded Properties

The following table illustrates properties within the PMA that have been excluded from our analysis along with their reason for exclusion.

EXCLUDED PROPERTIES

Property Name	Type	Tenancy	Units	Occupancy	Waiting List	Reason for Exclusion
Gates Park Crossing Senior	LIHTC	Senior	153	N/Av	N/Av	Unable to contact
Ashton SF Senior	LIHTC/Market	Senior	60	N/Av	N/Av	Unable to contact
Cove at Red Oak	LIHTC/Section 8	Family	144	N/Av	N/Av	Subsidized rents
Campbell Stone Apartments	LIHTC/PBRA	Senior	342	N/Av	N/Av	Subsidized rents
Columbia Senior Residences	LIHTC/PBRA	Senior	78	N/Av	N/Av	Subsidized rents
Calvin Court	Section 8/Market	Senior	240	N/Av	N/Av	Subsidized rents
Cathedral Towers	Section 8	Senior	195	100%	Yes	Subsidized rents
Jewish Tower	Section 8	Senior	200	100%	Yes	Subsidized rents
Zaban Tower	Section 8	Senior	60	100%	Yes	Subsidized rents

Comparable Rental Property Map



COMPARABLE PROPERTIES

#	Property Name	City	Type	Distance
1	Ashford Landing Senior Residences	Atlanta	LIHTC	4.3 miles
2	Ashford Parkside	Atlanta	LIHTC,	4.3 miles
3	Baptist Gardens	Atlanta	LIHTC	11.2 miles
4	Big Bethel Village	Atlanta	LIHTC,	10.8 miles
5	2460 Peachtree Apartments	Atlanta	Market	2.2 miles
6	3833 Peachtree Apartments	Atlanta	Market	1.9 miles
7	Allure In Buckhead Village	Atlanta	Market	1.1 miles
8	Berkshires At Lenox Park	Atlanta	Market	2.2 miles
9	Esquire Apartments	Atlanta	Market	2.8 miles
10	The Aster At Buckhead	Atlanta	Market	1.4 miles
11	The Haynes House	Atlanta	Market	2.4 miles

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

SUMMARY MATRIX

Comp #	Project	Distance	Type / Built / Renovated	Market / Subsidy	Units	#	%	Restriction	Rent (Adj.)	Size (SF)	Max Rent ?	Wait List?	Units Vacant	Vacancy Rate				
Subject	Piedmont Senior Tower 3601 Piedmont Road NE Atlanta, GA 30305 Fulton County County	n/a	Highrise (age-restricted) (13 stories) 1978 / 2001/2006/2007/2018	LIHTC	1BR / 1BA	129	62.00%	Section 8	\$779	409	yes	N/A	N/A	N/A				
					1BR / 1BA	14	6.70%	Section 8	\$779	522	yes	N/A	N/A	N/A				
					1BR / 1BA	14	6.70%	Section 8	\$779	533	yes	N/A	N/A	N/A				
					1BR / 1BA	25	12.00%	Section 8	\$779	548	yes	N/A	N/A	N/A				
					1BR / 1BA	23	11.10%	Section 8	\$779	574	yes	N/A	N/A	N/A				
					1BR / 1BA	1	0.50%	Market	\$250	574	n/a	N/A	N/A	N/A				
					1BR / 1BA	1	0.50%	Non-Rental	N/A	409	n/a	N/A	N/A	N/A				
					2BR / 1BA	1	0.50%	Section 8	\$933	899	yes	N/A	N/A	N/A				
										208	100%						9	4.30%
					1	Ashford Landing Senior Residences 3521 Blair Circle, NE Atlanta, GA 30319 DeKalb County	4.3 miles	Midrise (age-restricted) (4 stories) 2009 / n/a	LIHTC	1BR / 1BA	29	24.80%	@30% (ACC)	\$429	688	yes	Yes	0
1BR / 1BA	46	39.30%	@60%	\$837						688	yes	Yes	0	0.00%				
1BR / 1BA	19	16.20%	@60% (PBRA)	\$837						688	yes	Yes	0	0.00%				
2BR / 1BA	7	6.00%	@30% (ACC)	\$454						914	yes	Yes	0	0.00%				
2BR / 1BA	10	8.50%	@60%	\$1,005						914	yes	Yes	0	0.00%				
2BR / 1BA	6	5.10%	@60% (PBRA)	\$1,005						914	yes	Yes	0	0.00%				
										117	100%						0	0.00%
2	Ashford Parkside 3522 Blair Circle Atlanta, GA 30319 DeKalb County	4.3 miles	Midrise (age-restricted) (3 stories) 2007 / n/a	LIHTC, Mkt	1BR / 1BA	8	5.30%	@30% (ACC)	\$415	688	yes	Yes	0	0.00%				
					1BR / 1BA	3	2.00%	@30% (Section 8)	\$415	688	yes	Yes	0	0.00%				
					1BR / 1BA	28	18.50%	Market	\$1,005	688	n/a	Yes	0	0.00%				
					2BR / 1BA	14	9.30%	@30% (ACC)	\$500	914	yes	Yes	0	0.00%				
					2BR / 1BA	5	3.30%	@30% (Section 8)	\$500	914	yes	Yes	0	0.00%				
					2BR / 1BA	58	38.40%	Market	\$1,155	914	n/a	Yes	0	0.00%				
					2BR / 2BA	8	5.30%	@30% (ACC)	\$500	1,079	yes	Yes	0	0.00%				
					2BR / 2BA	2	1.30%	@30% (Section 8)	\$500	1,079	yes	Yes	0	0.00%				
					2BR / 2BA	25	16.60%	Market	\$1,180	1,079	n/a	Yes	0	0.00%				
										151	100%						0	0.00%
3	Baptist Gardens 1928 Delowe Drive SW Atlanta, GA 30311 Fulton County	11.2 miles	Lowrise (age-restricted) (3 stories) 2013 / n/a	LIHTC	1BR / 1BA	25	25.00%	@50%	\$673	750	yes	Yes	0	0.00%				
					1BR / 1BA	75	75.00%	@60%	\$740	750	yes	Yes	0	0.00%				
					100	100%							0	0.00%				
4	Big Bethel Village 500 Richard Allen Boulevard SW Atlanta, GA 30331 Fulton County	10.8 miles	Lowrise (age-restricted) (3 stories) 2003 / n/a	LIHTC, Mkt	Studio / 1BA	14	11.70%	@60%	\$650	358	no	Yes	0	0.00%				
					Studio / 1BA	4	3.30%	Market	\$700	358	n/a	No	0	0.00%				
					1BR / 1BA	19	15.80%	@60%	\$750	433	no	Yes	0	0.00%				
					1BR / 1BA	6	5.00%	@60%	\$795	500	n/a	Yes	0	0.00%				
					1BR / 1BA	6	5.00%	@60%	\$795	538	no	Yes	0	0.00%				
					1BR / 1BA	5	4.20%	Market	\$870	433	no	No	0	0.00%				
					1BR / 1BA	3	2.50%	Market	\$890	500	n/a	No	0	0.00%				
					1BR / 1BA	3	2.50%	Market	\$970	538	n/a	No	0	0.00%				
					1.5BR / 1BA	10	8.30%	@60%	\$820	630	no	Yes	0	0.00%				
					1.5BR / 1BA	1	0.80%	Market	\$1,050	630	n/a	No	0	0.00%				
					1.5BR / 1BA	4	3.30%	Market	\$1,050	639	n/a	No	0	0.00%				
					2BR / 2BA	9	7.50%	@60%	\$995	700	no	Yes	0	0.00%				
					2BR / 2BA	26	21.70%	@60%	\$995	759	no	Yes	0	0.00%				
					2BR / 2BA	10	8.30%	Market	\$1,175	759	n/a	No	0	0.00%				
					120	100%						0	0.00%					
5	2460 Peachtree Apartments 2460 Peachtree Road Atlanta, GA 30305 Fulton County	2.2 miles	Highrise (17 stories) 1985 / 2009	Market	1BR / 1BA	30	12.70%	Market	\$1,575	814	n/a	No	N/A	N/A				
					2BR / 2BA	116	49.20%	Market	\$2,007	1,100	n/a	No	N/A	N/A				
					2BR / 2BA	30	12.70%	Market	\$2,206	1,166	n/a	No	N/A	N/A				
					2BR / 2BA	30	12.70%	Market	\$2,102	1,196	n/a	No	N/A	N/A				
					2BR / 2BA	30	12.70%	Market	\$2,172	1,260	n/a	No	N/A	N/A				
					236	100%						16	6.80%					
6	3833 Peachtree Apartments 3833 Peachtree Road NE Atlanta, GA 30319 DeKalb County	1.9 miles	Highrise (17 stories) 1985 / 2006	Market	1BR / 1BA	N/A	N/A	Market	\$1,579	850	n/a	No	N/A	N/A				
					1BR / 1BA	N/A	N/A	Market	\$1,629	950	n/a	No	N/A	N/A				
					2BR / 2BA	N/A	N/A	Market	\$1,846	1,250	n/a	No	N/A	N/A				
					2BR / 2BA	N/A	N/A	Market	\$1,897	1,375	n/a	No	N/A	N/A				
					2BR / 2BA	N/A	N/A	Market	\$1,996	1,400	n/a	No	N/A	N/A				
					232	100%						16	6.90%					
7	Allure In Buckhead Village 360 Pharr Road Atlanta, GA 30305 Fulton County	1.1 miles	Midrise (6 stories) 2001 / n/a	Market	Studio / 1BA	36	13.30%	Market	N/A	700	n/a	No	3	8.30%				
					1BR / 1BA	102	37.60%	Market	\$1,490	1,000	n/a	No	3	2.90%				
					2BR / 1BA	93	34.30%	Market	\$1,895	1,130	n/a	No	1	1.10%				
					2BR / 2BA	40	14.80%	Market	\$1,939	1,175	n/a	No	1	2.50%				
					271	100%						8	3.00%					
8	Berkshires At Lenox Park 2124 Gables Drive Atlanta, GA 30319 DeKalb County	2.2 miles	Garden (3 stories) 1990 / 2007	Market	1BR / 1BA	58	15.50%	Market	\$1,279	600	n/a	No	6	10.30%				
					1BR / 1BA	16	4.30%	Market	\$1,289	650	n/a	No	N/A	N/A				
					1BR / 1BA	132	35.20%	Market	\$1,269	800	n/a	No	N/A	N/A				
					1BR / 1BA	16	4.30%	Market	\$1,442	950	n/a	No	N/A	N/A				
					2BR / 2BA	72	19.20%	Market	\$1,564	1,100	n/a	No	N/A	N/A				
					2BR / 2BA	30	8.00%	Market	\$1,574	1,150	n/a	No	N/A	N/A				
					3BR / 2BA	33	8.80%	Market	\$1,386	1,300	n/a	No	N/A	N/A				
					3BR / 2BA	18	4.80%	Market	\$1,987	1,450	n/a	No	N/A	N/A				
										375	100%						32	8.50%
					9	Esquire Apartments 3102 Buford Hwy NE Atlanta, GA 30329 DeKalb County	2.8 miles	Various (2 stories) 1975 / 2010	Market	1BR / 1BA (Garden)	8	15.40%	Market	\$1,040	820	n/a	No	0
1.5BR / 1BA (Townhouse)	8	15.40%	Market	\$1,140						950	n/a	No	0	0.00%				
2BR / 1BA (Garden)	4	7.70%	Market	\$1,337						1,200	n/a	No	0	0.00%				
2BR / 1.5BA (Townhouse)	24	46.20%	Market	\$1,237						950	n/a	No	1	4.20%				
3BR / 2BA (Garden)	8	15.40%	Market	\$1,617						1,400	n/a	No	0	0.00%				
					52	100%						1	1.90%					
10	The Aster At Buckhead 2900 Pharr Court South Atlanta, GA 30305 Fulton County	1.4 miles	Midrise (4 stories) 2000 / n/a	Market	1BR / 1BA	41	18.30%	Market	\$1,370	675	n/a	No	1	2.40%				
					1BR / 1BA	41	18.30%	Market	\$1,409	786	n/a	No	2	4.90%				
					1BR / 1BA	41	18.30%	Market	\$1,494	885	n/a	No	7	17.10%				
					2BR / 1BA	19	8.50%	Market	\$1,752	1,147	n/a	No	2	10.50%				
					2BR / 1BA	19	8.50%	Market	\$1,697	1,162	n/a	No	4	21.10%				
					2BR / 2BA	46	20.50%	Market	\$1,846	1,279	n/a	No	1	2.20%				
					2BR / 2BA	17	7.60%	Market	\$2,347	1,461	n/a	No	3	17.60%				
					224	100%						20	8.90%					
11	The Haynes House 2420 Peachtree Road Atlanta, GA 30305 Fulton County	2.4 miles	Midrise (6 stories) 2015 / n/a	Market	Studio / 1BA	N/A	N/A	Market	\$1,511	652	n/a	No	N/A	N/A				
					1BR / 1BA	N/A	N/A	Market	\$1,667	790	n/a	No	N/A	N/A				
					2BR / 2BA	N/A	N/A	Market	\$2,154	1,253	n/a	No	N/A	N/A				
					186	100%						26	14.00%					

RENT AND SQUARE FOOTAGE RANKING -- All rents adjusted for utilities and concessions extracted from the market.

Effective Rent Date:	May-17	Units Surveyed:	2064	Weighted Occupancy:	94.20%
		Market Rate:	1576	Market Rate:	92.40%
		Tax Credit:	488	Tax Credit:	100.00%

One Bedroom One Bath			Two Bedrooms One Bath			
RENT	Property	Average	Property	Average	Property	Average
	The Haynes House	\$1,667	2460 Peachtree Apartments (2BA)	\$2,206		
	3833 Peachtree Apartments	\$1,629	2460 Peachtree Apartments (2BA)	\$2,172		
	3833 Peachtree Apartments	\$1,579	The Haynes House (2BA)	\$2,154		
	2460 Peachtree Apartments	\$1,575	2460 Peachtree Apartments (2BA)	\$2,102		
	The Aster At Buckhead	\$1,494	2460 Peachtree Apartments (2BA)	\$2,007		
	Allure In Buckhead Village	\$1,490	3833 Peachtree Apartments (2BA)	\$1,996		
	Berkshires At Lenox Park	\$1,442	3833 Peachtree Apartments (2BA)	\$1,897		
	The Aster At Buckhead	\$1,409	Allure In Buckhead Village	\$1,895		
	The Aster At Buckhead	\$1,370	3833 Peachtree Apartments (2BA)	\$1,846		
	Berkshires At Lenox Park	\$1,289	The Aster At Buckhead	\$1,752		
	Berkshires At Lenox Park	\$1,279	The Aster At Buckhead	\$1,697		
	Berkshires At Lenox Park	\$1,269	Berkshires At Lenox Park (2BA)	\$1,574		
	Esquire Apartments	\$1,040	Berkshires At Lenox Park (2BA)	\$1,564		
	Ashford Parkside * (M)	\$1,005	Esquire Apartments	\$1,337		
	Big Bethel Village * (M)	\$970	Big Bethel Village * (2BA M)	\$1,175		
	Big Bethel Village * (M)	\$890	Ashford Parkside * (M)	\$1,155		
	Big Bethel Village * (M)	\$870	Ashford Landing Senior Residences * (60%)	\$1,005		
	Ashford Landing Senior Residences * (60%)	\$837	Ashford Landing Senior Residences * (60%)	\$1,005		
	Ashford Landing Senior Residences * (60%)	\$837	Big Bethel Village * (2BA 60%)	\$995		
	Big Bethel Village * (60%)	\$795	Big Bethel Village * (2BA 60%)	\$995		
	Big Bethel Village * (60%)	\$795	Piedmont Senior Tower * (60%)	\$933		
	Piedmont Senior Tower * (60%)	\$779	Ashford Parkside * (30%)	\$500		
	Piedmont Senior Tower * (60%)	\$779	Ashford Parkside * (30%)	\$500		
	Piedmont Senior Tower * (60%)	\$779	Ashford Landing Senior Residences * (30%)	\$454		
	Piedmont Senior Tower * (60%)	\$779				
	Piedmont Senior Tower * (60%)	\$779				
	Big Bethel Village * (60%)	\$750				
	Baptist Gardens * (60%)	\$740				
	Baptist Gardens * (50%)	\$673				
	Ashford Landing Senior Residences * (30%)	\$429				
	Ashford Parkside * (30%)	\$415				
	Ashford Parkside * (30%)	\$415				
	Piedmont Senior Tower * (M)	\$250				
SF	Allure In Buckhead Village	1,000	3833 Peachtree Apartments (2BA)	1,400		
	3833 Peachtree Apartments	950	3833 Peachtree Apartments (2BA)	1,375		
	Berkshires At Lenox Park	950	2460 Peachtree Apartments (2BA)	1,260		
	The Aster At Buckhead	885	The Haynes House (2BA)	1,253		
	3833 Peachtree Apartments	850	3833 Peachtree Apartments (2BA)	1,250		
	Esquire Apartments	820	Esquire Apartments	1,200		
	2460 Peachtree Apartments	814	2460 Peachtree Apartments (2BA)	1,196		
	Berkshires At Lenox Park	800	2460 Peachtree Apartments (2BA)	1,166		
	The Haynes House	790	The Aster At Buckhead	1,162		
	The Aster At Buckhead	786	Berkshires At Lenox Park (2BA)	1,150		
	Baptist Gardens * (50%)	750	The Aster At Buckhead	1,147		
	Baptist Gardens * (60%)	750	Allure In Buckhead Village	1,130		
	Ashford Landing Senior Residences * (30%)	688	2460 Peachtree Apartments (2BA)	1,100		
	Ashford Landing Senior Residences * (60%)	688	Berkshires At Lenox Park (2BA)	1,100		
	Ashford Landing Senior Residences * (60%)	688	Ashford Landing Senior Residences * (30%)	914		
	Ashford Parkside * (30%)	688	Ashford Landing Senior Residences * (60%)	914		
	Ashford Parkside * (30%)	688	Ashford Landing Senior Residences * (60%)	914		
	Ashford Parkside * (M)	688	Ashford Parkside * (30%)	914		
	The Aster At Buckhead	675	Ashford Parkside * (30%)	914		
	Berkshires At Lenox Park	650	Ashford Parkside * (M)	914		
	Berkshires At Lenox Park	600	Piedmont Senior Tower * (60%)	899		
	Piedmont Senior Tower * (60%)	574	Big Bethel Village * (2BA 60%)	759		
	Piedmont Senior Tower * (M)	574	Big Bethel Village * (2BA M)	759		
	Piedmont Senior Tower * (60%)	548	Big Bethel Village * (2BA 60%)	700		
	Big Bethel Village * (60%)	538				
	Big Bethel Village * (M)	538				
	Piedmont Senior Tower * (60%)	533				
	Piedmont Senior Tower * (60%)	522				
	Big Bethel Village * (60%)	500				
	Big Bethel Village * (M)	500				
	Big Bethel Village * (60%)	433				
	Big Bethel Village * (M)	433				
	Piedmont Senior Tower * (60%)	409				
RPSF	Berkshires At Lenox Park	\$2.13	2460 Peachtree Apartments (2BA)	\$1.89		
	The Haynes House	\$2.11	2460 Peachtree Apartments (2BA)	\$1.82		
	The Aster At Buckhead	\$2.03	2460 Peachtree Apartments (2BA)	\$1.76		
	Big Bethel Village * (M)	\$2.01	2460 Peachtree Apartments (2BA)	\$1.72		
	Berkshires At Lenox Park	\$1.98	The Haynes House (2BA)	\$1.72		
	2460 Peachtree Apartments	\$1.93	Allure In Buckhead Village	\$1.68		
	Piedmont Senior Tower * (60%)	\$1.90	Big Bethel Village * (2BA M)	\$1.55		
	3833 Peachtree Apartments	\$1.86	The Aster At Buckhead	\$1.53		
	Big Bethel Village * (M)	\$1.80	3833 Peachtree Apartments (2BA)	\$1.48		
	The Aster At Buckhead	\$1.79	The Aster At Buckhead	\$1.46		
	Big Bethel Village * (M)	\$1.78	3833 Peachtree Apartments (2BA)	\$1.43		
	Big Bethel Village * (60%)	\$1.73	Berkshires At Lenox Park (2BA)	\$1.42		
	3833 Peachtree Apartments	\$1.71	Big Bethel Village * (2BA 60%)	\$1.42		
	The Aster At Buckhead	\$1.69	3833 Peachtree Apartments (2BA)	\$1.38		
	Big Bethel Village * (60%)	\$1.59	Berkshires At Lenox Park (2BA)	\$1.37		
	Berkshires At Lenox Park	\$1.59	Big Bethel Village * (2BA 60%)	\$1.31		
	Berkshires At Lenox Park	\$1.52	Ashford Parkside * (M)	\$1.26		
	Piedmont Senior Tower * (60%)	\$1.49	Esquire Apartments	\$1.11		
	Allure In Buckhead Village	\$1.49	Ashford Landing Senior Residences * (60%)	\$1.10		
	Big Bethel Village * (60%)	\$1.48	Ashford Landing Senior Residences * (60%)	\$1.10		
	Piedmont Senior Tower * (60%)	\$1.46	Piedmont Senior Tower * (60%)	\$1.04		
	Ashford Parkside * (M)	\$1.46	Ashford Parkside * (30%)	\$0.55		
	Piedmont Senior Tower * (60%)	\$1.42	Ashford Parkside * (30%)	\$0.55		
	Piedmont Senior Tower * (60%)	\$1.36	Ashford Landing Senior Residences * (30%)	\$0.50		
	Esquire Apartments	\$1.27				
	Ashford Landing Senior Residences * (60%)	\$1.22				
	Ashford Landing Senior Residences * (60%)	\$1.22				
	Baptist Gardens * (60%)	\$0.99				
	Baptist Gardens * (50%)	\$0.90				
	Ashford Landing Senior Residences * (30%)	\$0.62				
	Ashford Parkside * (30%)	\$0.60				
	Ashford Parkside * (30%)	\$0.60				
	Piedmont Senior Tower * (M)	\$0.44				

PROPERTY PROFILE REPORT

Ashford Landing Senior Residences

Effective Rent Date	4/19/2017
Location	3521 Blair Circle, NE Atlanta, GA 30319 DeKalb County Intersection: E Johnson Ferry Road
Distance	4.3 miles
Units	117
Vacant Units	0
Vacancy Rate	0.0%
Type	Midrise (age-restricted) (4 stories)
Year Built/Renovated	2009 / N/A
Marketing Began	1/01/2009
Leasing Began	3/23/2009
Last Unit Leased	12/31/2009
Major Competitors	Chamblee Senior Residence, Ashford, Promenade
Tenant Characteristics	Seniors age 62 and older; typical age is 75. Most are from the immediate area, 20% from out of state
Contact Name	Heddy
Phone	770.488.2360



Market Information

Program	@30% (ACC), @60%, @60% (PBRA)
Annual Turnover Rate	10%
Units/Month Absorbed	10
HCV Tenants	10%
Leasing Pace	Immediate
Annual Chg. in Rent	Increased 2.5% for 1BR units at 60% AMI
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Midrise (4 stories)	29	688	\$324	\$0	@30% (ACC)	Yes	0	0.0%	yes	None
1	1	Midrise (4 stories)	46	688	\$732	\$0	@60%	Yes	0	0.0%	yes	None
1	1	Midrise (4 stories)	19	688	\$732	\$0	@60% (PBRA)	Yes	0	0.0%	yes	None
2	1	Midrise (4 stories)	7	914	\$324	\$0	@30% (ACC)	Yes	0	0.0%	yes	None
2	1	Midrise (4 stories)	10	914	\$875	\$0	@60%	Yes	0	0.0%	yes	None
2	1	Midrise (4 stories)	6	914	\$875	\$0	@60% (PBRA)	Yes	0	0.0%	yes	None

Unit Mix

@30%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$324	\$0	\$324	\$105	\$429	1BR / 1BA	\$732	\$0	\$732	\$105	\$837
2BR / 1BA	\$324	\$0	\$324	\$130	\$454	2BR / 1BA	\$875	\$0	\$875	\$130	\$1,005

Ashford Landing Senior Residences, continued

Amenities

In-Unit

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

Carpeting
Coat Closet
Exterior Storage
Hand Rails
Pull Cords
Walk-In Closet
Washer/Dryer hookup

Security

In-Unit Alarm
Limited Access
Perimeter Fencing

Services

Adult Education
Computer Tutoring
Shuttle Service

Property

Business Center/Computer Lab
Courtyard
Exercise Facility
Non-shelter Services
On-Site Management
Service Coordination

Clubhouse/Meeting Room/Community Room
Elevators
Central Laundry
Off-Street Parking
Picnic Area

Premium

Hairdresser / Barber

Other

None

Comments

The contact reported the subsidized and project based rental assistance units have waiting lists through the Housing Authority. The property maintains a waiting list for the LIHTC units which ranges between six to 12 months.

Ashford Landing Senior Residences, continued

Trend Report

Vacancy Rates

2Q15	1Q16	2Q16	2Q17
0.9%	0.0%	0.0%	0.0%

Trend: @30%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	0.0%	\$324	\$0	\$324	\$429
2016	1	0.0%	\$324	\$0	\$324	\$429
2016	2	0.0%	\$324	\$0	\$324	\$429
2017	2	0.0%	\$324	\$0	\$324	\$429

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	0.0%	\$324	\$0	\$324	\$454
2016	1	0.0%	\$324	\$0	\$324	\$454
2016	2	0.0%	\$324	\$0	\$324	\$454
2017	2	0.0%	\$324	\$0	\$324	\$454

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	1.5%	\$714	\$0	\$714	\$819
2016	1	0.0%	\$714	\$0	\$714	\$819
2016	2	0.0%	\$714	\$0	\$714	\$819
2017	2	0.0%	\$732	\$0	\$732	\$837

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	0.0%	\$875	\$0	\$875	\$1,005
2016	1	0.0%	\$875	\$0	\$875	\$1,005
2016	2	0.0%	\$875	\$0	\$875	\$1,005
2017	2	0.0%	\$875	\$0	\$875	\$1,005

Trend: Comments

- 2Q15** There the waiting list for this property is over five years long. The one vacant unit is currently pre-leased.
- 1Q16** There the waiting list for this property is over five years long.
- 2Q16** Management noted that they recently purged the waiting list for eligible applicants, and the current waiting list is roughly six to twelve months.
- 2Q17** The contact reported the subsidized and project based rental assistance units have waiting lists through the Housing Authority. The property maintains a waiting list for the LIHTC units which ranges between six to 12 months.

Photos



PROPERTY PROFILE REPORT

Ashford Parkside

Effective Rent Date	4/19/2017
Location	3522 Blair Circle Atlanta, GA 30319 DeKalb County
Distance	4.3 miles
Units	151
Vacant Units	0
Vacancy Rate	0.0%
Type	Midrise (age-restricted) (3 stories)
Year Built/Renovated	2007 / N/A
Marketing Began	6/01/2007
Leasing Began	11/01/2007
Last Unit Leased	12/31/2007
Major Competitors	Chamblee Senior
Tenant Characteristics	Majority of tenants are from former Johnson Ferry East; Referrals from senior service providers and word-of-mouth; 10% former homeowners
Contact Name	Heddy
Phone	(770) 488-2360



Market Information

Program	@30% (ACC), @30% (Section 8), Market
Annual Turnover Rate	10%
Units/Month Absorbed	75
HCV Tenants	0%
Leasing Pace	Within 14 days
Annual Chg. in Rent	Increased 5% to 13.8%
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Midrise (3 stories)	8	688	\$310	\$0	@30% (ACC)	Yes	0	0.0%	yes	None
1	1	Midrise (3 stories)	3	688	\$310	\$0	@30% (Section 8)	Yes	0	0.0%	yes	None
1	1	Midrise (3 stories)	28	688	\$900	\$0	Market	Yes	0	0.0%	N/A	None
2	1	Midrise (3 stories)	14	914	\$370	\$0	@30% (ACC)	Yes	0	0.0%	yes	None
2	1	Midrise (3 stories)	5	914	\$370	\$0	@30% (Section 8)	Yes	0	0.0%	yes	None
2	1	Midrise (3 stories)	58	914	\$1,025	\$0	Market	Yes	0	0.0%	N/A	None
2	2	Midrise (3 stories)	8	1,079	\$370	\$0	@30% (ACC)	Yes	0	0.0%	yes	None
2	2	Midrise (3 stories)	2	1,079	\$370	\$0	@30% (Section 8)	Yes	0	0.0%	yes	None
2	2	Midrise (3 stories)	25	1,079	\$1,050	\$0	Market	Yes	0	0.0%	N/A	None

Ashford Parkside, continued

Unit Mix

@30%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$310	\$0	\$310	\$105	\$415	1BR / 1BA	\$900	\$0	\$900	\$105	\$1,005
2BR / 1BA	\$370	\$0	\$370	\$130	\$500	2BR / 1BA	\$1,025	\$0	\$1,025	\$130	\$1,155
2BR / 2BA	\$370	\$0	\$370	\$130	\$500	2BR / 2BA	\$1,050	\$0	\$1,050	\$130	\$1,180

Amenities

In-Unit

Blinds
Central A/C
Dishwasher
Garbage Disposal
Microwave
Pull Cords
Walk-In Closet

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

Security

In-Unit Alarm
Limited Access
Perimeter Fencing

Services

Computer Tutoring
Shuttle Service

Property

Business Center/Computer Lab
Courtyard
Exercise Facility
Non-shelter Services
On-Site Management

Clubhouse/Meeting Room/Community Room
Elevators
Central Laundry
Off-Street Parking
Picnic Area

Premium

Hairdresser / Barber

Other

Library, garden, arts and crafts

Comments

The contact reported the subsidized and project based rental assistance units have waiting lists through the Housing Authority. The property maintains a waiting list for the market rate units which ranges between two to three months.

Ashford Parkside, continued

Trend Report

Vacancy Rates

4Q15	1Q16	2Q16	2Q17
0.0%	0.0%	0.0%	0.0%

Trend: @30%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	4	0.0%	\$310	\$0	\$310	\$415
2016	1	0.0%	\$310	\$0	\$310	\$415
2016	2	0.0%	\$310	\$0	\$310	\$415
2017	2	0.0%	\$310	\$0	\$310	\$415

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	4	0.0%	\$370	\$0	\$370	\$500
2016	1	0.0%	\$370	\$0	\$370	\$500
2016	2	0.0%	\$370	\$0	\$370	\$500
2017	2	0.0%	\$370	\$0	\$370	\$500

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	4	0.0%	\$370	\$0	\$370	\$500
2016	1	0.0%	\$370	\$0	\$370	\$500
2016	2	0.0%	\$370	\$0	\$370	\$500
2017	2	0.0%	\$370	\$0	\$370	\$500

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	4	0.0%	\$800	\$0	\$800	\$905
2016	1	0.0%	\$800	\$0	\$800	\$905
2016	2	0.0%	\$800	\$0	\$800	\$905
2017	2	0.0%	\$900	\$0	\$900	\$1,005

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	4	0.0%	\$900	\$0	\$900	\$1,030
2016	1	0.0%	\$900	\$0	\$900	\$1,030
2016	2	0.0%	\$900	\$0	\$900	\$1,030
2017	2	0.0%	\$1,025	\$0	\$1,025	\$1,155

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	4	0.0%	\$1,000	\$0	\$1,000	\$1,130
2016	1	0.0%	\$1,000	\$0	\$1,000	\$1,130
2016	2	0.0%	\$1,000	\$0	\$1,000	\$1,130
2017	2	0.0%	\$1,050	\$0	\$1,050	\$1,180

Trend: Comments

- 4Q15** According to the contact, the property has market rate units. These were listed as the @60% in this profile prior to our most recent interview.
- 1Q16** According to the contact, the waiting list has approximately 15 to 20 applicants at this time.
- 2Q16** Management stated that the current waiting list is at twenty-five households.
- 2Q17** The contact reported the subsidized and project based rental assistance units have waiting lists through the Housing Authority. The property maintains a waiting list for the market rate units which ranges between two to three months.

Photos



PROPERTY PROFILE REPORT

Baptist Gardens

Effective Rent Date	4/18/2017
Location	1928 Delowe Drive SW Atlanta, GA 30311 Fulton County
Distance	11.2 miles
Units	100
Vacant Units	0
Vacancy Rate	0.0%
Type	Lowrise (age-restricted) (3 stories)
Year Built/Renovated	2013 / N/A
Marketing Began	9/01/2012
Leasing Began	1/01/2013
Last Unit Leased	6/01/2013
Major Competitors	None Identified
Tenant Characteristics	Senior tenants 55+ (Av. Age 65-70), mostly drawn from greater ATL
Contact Name	Ebony
Phone	404-753-2500



Market Information

Program	@50%, @60%
Annual Turnover Rate	10%
Units/Month Absorbed	15
HCV Tenants	3%
Leasing Pace	30 days
Annual Chg. in Rent	Increased 5.7% on units set aside at 60% AMI
Concession	None

Utilities

A/C	included -- central
Cooking	included -- electric
Water Heat	included -- electric
Heat	included -- electric
Other Electric	included
Water	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Lowrise (3 stories)	25	750	\$673	\$0	@50%	Yes	0	0.0%	yes	None
1	1	Lowrise (3 stories)	75	750	\$740	\$0	@60%	Yes	0	0.0%	yes	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$673	\$0	\$673	\$0	\$673	1BR / 1BA	\$740	\$0	\$740	\$0	\$740

Amenities

In-Unit

Carpet/Hardwood
Dishwasher
Microwave
Refrigerator

Central A/C
Ceiling Fan
Oven

Security

Limited Access

Services

Shuttle Service

Property

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

Clubhouse/Meeting Room/Community Room
Exercise Facility
Off-Street Parking
Service Coordination

Premium

Delivered Hot Lunches
Hairdresser / Barber
Medical Professional

Other

None

Baptist Gardens, continued

Comments

The contact reported strong demand for affordable senior housing in the area. A waiting list was reported but the length was not provided.

Baptist Gardens, continued

Trend Report

Vacancy Rates

2Q15	4Q15	1Q16	2Q17
0.0%	1.0%	0.0%	0.0%

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	0.0%	\$673	\$0	\$673	\$673
2015	4	0.0%	\$673	\$0	\$673	\$673
2016	1	0.0%	\$673	\$0	\$673	\$673
2017	2	0.0%	\$673	\$0	\$673	\$673

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	0.0%	\$700	\$0	\$700	\$700
2015	4	1.3%	\$700	\$0	\$700	\$700
2016	1	0.0%	\$700	\$0	\$700	\$700
2017	2	0.0%	\$740	\$0	\$740	\$740

Trend: Comments

2Q15	The waiting list was reported to have 20 applicants at this time. The contact noted rents are well below the maximum allowable for the units at 60 percent AMI since max rents would be burdensome for the majority of households at the property.
4Q15	According to the contact, the property maintains a waiting list of 15 households that is shared between all units.
1Q16	N/A
2Q17	The contact reported strong demand for affordable senior housing in the area. A waiting list was reported but the length was not provided.

Photos



PROPERTY PROFILE REPORT

Big Bethel Village

Effective Rent Date	4/19/2017
Location	500 Richard Allen Boulevard SW Atlanta, GA 30331 Fulton County
Distance	10.8 miles
Units	120
Vacant Units	0
Vacancy Rate	0.0%
Type	Lowrise (age-restricted) (3 stories)
Year Built/Renovated	2003 / N/A
Marketing Began	N/A
Leasing Began	1/01/2003
Last Unit Leased	1/01/2004
Major Competitors	Adamsville Place, Lilli R. Campbell.
Tenant Characteristics	Seniors that are 55 years of age or older and some disabled individuals.
Contact Name	Audrey
Phone	404-699-5665



Market Information

Program	@60%, Market
Annual Turnover Rate	10%
Units/Month Absorbed	10
HCV Tenants	8%
Leasing Pace	Within one month
Annual Chg. in Rent	None
Concession	None

Utilities

A/C	included -- wall
Cooking	included -- electric
Water Heat	included -- electric
Heat	included -- electric
Other Electric	included
Water	included
Sewer	included
Trash Collection	included

Big Bethel Village, continued

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
0	1	Lowrise (3 stories)	14	358	\$650	\$0	@60%	Yes	0	0.0%	no	None
0	1	Lowrise (3 stories)	4	358	\$700	\$0	Market	No	0	0.0%	N/A	None
1	1	Lowrise (3 stories)	19	433	\$750	\$0	@60%	Yes	0	0.0%	no	None
1	1	Lowrise (3 stories)	6	500	\$795	\$0	@60%	Yes	0	0.0%	N/A	None
1	1	Lowrise (3 stories)	6	538	\$795	\$0	@60%	Yes	0	0.0%	no	None
1	1	Lowrise (3 stories)	5	433	\$870	\$0	Market	No	0	0.0%	no	None
1	1	Lowrise (3 stories)	3	500	\$890	\$0	Market	No	0	0.0%	N/A	None
1	1	Lowrise (3 stories)	3	538	\$970	\$0	Market	No	0	0.0%	N/A	None
1.5	1	Lowrise (3 stories)	10	630	\$820	\$0	@60%	Yes	0	0.0%	no	None
1.5	1	Lowrise (3 stories)	1	630	\$1,050	\$0	Market	No	0	0.0%	N/A	None
1.5	1	Lowrise (3 stories)	4	639	\$1,050	\$0	Market	No	0	0.0%	N/A	None
2	2	Lowrise (3 stories)	9	700	\$995	\$0	@60%	Yes	0	0.0%	no	None
2	2	Lowrise (3 stories)	26	759	\$995	\$0	@60%	Yes	0	0.0%	no	None
2	2	Lowrise (3 stories)	10	759	\$1,175	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
Studio / 1BA	\$650	\$0	\$650	\$0	\$650	Studio / 1BA	\$700	\$0	\$700	\$0	\$700
1BR / 1BA	\$750 - \$795	\$0	\$750 - \$795	\$0	\$750 - \$795	1BR / 1BA	\$870 - \$970	\$0	\$870 - \$970	\$0	\$870 - \$970
1.5BR / 1BA	\$820	\$0	\$820	\$0	\$820	1.5BR / 1BA	\$1,050	\$0	\$1,050	\$0	\$1,050
2BR / 2BA	\$995	\$0	\$995	\$0	\$995	2BR / 2BA	\$1,175	\$0	\$1,175	\$0	\$1,175

Amenities

In-Unit

Balcony/Patio
Carpet/Hardwood
Dishwasher
Garbage Disposal
Oven
Refrigerator
Wall A/C

Blinds
Coat Closet
Ceiling Fan
Hand Rails
Pull Cords
Walk-In Closet
Washer/Dryer hookup

Security

Limited Access
Patrol
Perimeter Fencing

Services

Shuttle Service

Property

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

Clubhouse/Meeting Room/Community Room
Exercise Facility
Off-Street Parking
Theatre

Premium

Hairdresser / Barber

Other

None

Comments

A waiting list is maintained for all LIHTC units, however the contact was unable to provide the length of the waiting list.

Big Bethel Village, continued

Trend Report

Vacancy Rates

2Q15	4Q15	1Q16	2Q17
1.7%	1.7%	1.7%	0.0%

Trend: @60%

1.5BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	0.0%	\$800	\$0	\$800	\$800
2015	4	0.0%	\$820	\$0	\$820	\$820
2016	1	0.0%	\$820	\$0	\$820	\$820
2017	2	0.0%	\$820	\$0	\$820	\$820

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	0.0%	\$750 - \$795	\$0	\$750 - \$795	\$750 - \$795
2015	4	0.0%	\$750 - \$795	\$0	\$750 - \$795	\$750 - \$795
2016	1	0.0%	\$750 - \$795	\$0	\$750 - \$795	\$750 - \$795
2017	2	0.0%	\$750 - \$795	\$0	\$750 - \$795	\$750 - \$795

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	0.0%	\$995	\$0	\$995	\$995
2015	4	2.9%	\$995	\$0	\$995	\$995
2016	1	2.9%	\$995	\$0	\$995	\$995
2017	2	0.0%	\$995	\$0	\$995	\$995

Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	0.0%	\$650	\$0	\$650	\$650
2015	4	0.0%	\$650	\$0	\$650	\$650
2016	1	0.0%	\$650	\$0	\$650	\$650
2017	2	0.0%	\$650	\$0	\$650	\$650

Trend: Market

1.5BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	0.0%	\$1,050 - \$1,075	\$0	\$1,050 - \$1,075	\$1,050 - \$1,075
2015	4	0.0%	\$1,050 - \$1,075	\$0	\$1,050 - \$1,075	\$1,050 - \$1,075
2016	1	0.0%	\$1,050 - \$1,075	\$0	\$1,050 - \$1,075	\$1,050 - \$1,075
2017	2	0.0%	\$1,050	\$0	\$1,050	\$1,050

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	18.2%	\$805 - \$940	\$0	\$805 - \$940	\$805 - \$940
2015	4	0.0%	\$805 - \$940	\$0	\$805 - \$940	\$805 - \$940
2016	1	0.0%	\$805 - \$940	\$0	\$805 - \$940	\$805 - \$940
2017	2	0.0%	\$870 - \$970	\$0	\$870 - \$970	\$870 - \$970

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	0.0%	\$1,175	\$0	\$1,175	\$1,175
2015	4	10.0%	\$1,175	\$0	\$1,175	\$1,175
2016	1	10.0%	\$1,175	\$0	\$1,175	\$1,175
2017	2	0.0%	\$1,175	\$0	\$1,175	\$1,175

Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	0.0%	\$700	\$0	\$700	\$700
2015	4	0.0%	\$700	\$0	\$700	\$700
2016	1	0.0%	\$700	\$0	\$700	\$700
2017	2	0.0%	\$700	\$0	\$700	\$700

Trend: Comments

2Q15	The contact reported a five to seven household waiting list for the income restricted units at this time.
4Q15	According to the contact, the 1.5 bedroom units at the 60% AMI level experienced an increase of \$20 since our last interview in April of 2015. A waiting list is maintained for all LIHTC units, however the contact was unable to provide the length of the waiting list.
1Q16	A waiting list is maintained for all LIHTC units, however the contact was unable to provide the length of the waiting list.
2Q17	N/A

Photos



PROPERTY PROFILE REPORT

2460 Peachtree Apartments

Effective Rent Date	4/19/2017
Location	2460 Peachtree Road Atlanta, GA 30305 Fulton County Intersection: Terrace Drive NE
Distance	2.2 miles
Units	236
Vacant Units	16
Vacancy Rate	6.8%
Type	Highrise (17 stories)
Year Built/Renovated	1985 / 2009
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Wesley Townson, The Jane, 3833 Peachtree
Tenant Characteristics	Did not disclose
Contact Name	Erika
Phone	404.233.5000



Market Information

Program	Market
Annual Turnover Rate	33%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within 2 weeks
Annual Chg. in Rent	Fluctuate often
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Highrise (17 stories)	30	814	\$1,395	\$0	Market	No	N/A	N/A	N/A	None
2	2	Highrise (17 stories)	116	1,100	\$1,760	\$0	Market	No	N/A	N/A	N/A	None
2	2	Highrise (17 stories)	30	1,166	\$1,959	\$0	Market	No	N/A	N/A	N/A	None
2	2	Highrise (17 stories)	30	1,196	\$1,855	\$0	Market	No	N/A	N/A	N/A	None
2	2	Highrise (17 stories)	30	1,260	\$1,925	\$0	Market	No	N/A	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$1,395	\$0	\$1,395	\$180	\$1,575
2BR / 2BA	\$1,760 - \$1,959	\$0	\$1,760 - \$1,959	\$247	\$2,007 - \$2,206

2460 Peachtree Apartments, continued

Amenities

In-Unit

Balcony/Patio	Blinds
Carpeting	Central A/C
Coat Closet	Dishwasher
Garbage Disposal	Oven
Refrigerator	Walk-In Closet
Washer/Dryer	Washer/Dryer hookup

Security

Limited Access

Services

None

Property

Clubhouse/Meeting Room/Community Room	Elevators
Exercise Facility	Garage
Central Laundry	Off-Street Parking
On-Site Management	Recreation Areas
Swimming Pool	

Premium

None

Other

None

Comments

The contact reported that the property offers concierge service to residents in lieu of an intercom security system. Each unit includes one free garage parking space; additional garage parking is \$50 per space. Additional community amenities include an on-site Zipcar station, arrangement with a dry cleaning pickup and delivery service, and a yoga studio. The contact reported a highly competitive rental market which she attributed as why occupancy rates have been ranging between 91 and 93 percent during the past six months.

2460 Peachtree Apartments, continued

Trend Report

Vacancy Rates

1Q16	4Q16	1Q17	2Q17
2.6%	1.7%	2.1%	6.8%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	N/A	\$1,540	\$0	\$1,540	\$1,720
2016	4	3.3%	\$1,750	\$0	\$1,750	\$1,930
2017	1	3.3%	\$1,823	\$42	\$1,781	\$1,961
2017	2	N/A	\$1,395	\$0	\$1,395	\$1,575

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	N/A	\$1,695 - \$1,900	\$63	\$1,632 - \$1,837	\$1,879 - \$2,084
2016	4	1.5%	\$1,695 - \$1,900	\$0 - \$63	\$1,632 - \$1,900	\$1,879 - \$2,147
2017	1	1.9%	\$2,053 - \$2,275	\$42	\$2,011 - \$2,233	\$2,258 - \$2,480
2017	2	N/A	\$1,760 - \$1,959	\$0	\$1,760 - \$1,959	\$2,007 - \$2,206

Trend: Comments

1Q16 N/A

4Q16 The contact reported that the property offers concierge service to residents in lieu of an intercom security system. Each unit is entitled to one free garage parking space; additional garage parking is \$50 per space. The contact did not report the utilization of garage spaces. Additional community amenities include an on-site Zipcar station, arrangement with a dry cleaning pickup and delivery service, and a yoga studio.

1Q17 The contact reported that the property offers concierge service to residents in lieu of an intercom security system. Each unit is entitled to one free garage parking space; additional garage parking is \$50 per space. The contact did not report the utilization of garage spaces. Additional community amenities include an on-site Zipcar station, arrangement with a dry cleaning pickup and delivery service, and a yoga studio. The property does not accept Housing Choice Vouchers.

2Q17 The contact reported that the property offers concierge service to residents in lieu of an intercom security system. Each unit includes one free garage parking space; additional garage parking is \$50 per space. Additional community amenities include an on-site Zipcar station, arrangement with a dry cleaning pickup and delivery service, and a yoga studio. The contact reported a highly competitive rental market which she attributed as why occupancy rates have been ranging between 91 and 93 percent during the past six months.

Photos



PROPERTY PROFILE REPORT

3833 Peachtree Apartments

Effective Rent Date	4/19/2017
Location	3833 Peachtree Road NE Atlanta, GA 30319 DeKalb County
Distance	1.9 miles
Units	232
Vacant Units	16
Vacancy Rate	6.9%
Type	Highrise (17 stories)
Year Built/Renovated	1985 / 2006
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	1050 Lenox
Tenant Characteristics	Young professionals, singles, 5% seniors
Contact Name	Nadine
Phone	404-267-5320



Market Information

Program	Market
Annual Turnover Rate	30%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Varies
Annual Chg. in Rent	Changes frequently
Concession	\$100 off each month throughout the lease

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Highrise (17 stories)	N/A	850	\$1,499	\$100	Market	No	N/A	N/A	N/A	None
1	1	Highrise (17 stories)	N/A	950	\$1,549	\$100	Market	No	N/A	N/A	N/A	None
2	2	Highrise (17 stories)	N/A	1,250	\$1,699	\$100	Market	No	N/A	N/A	N/A	None
2	2	Highrise (17 stories)	N/A	1,375	\$1,750	\$100	Market	No	N/A	N/A	N/A	None
2	2	Highrise (17 stories)	N/A	1,400	\$1,849	\$100	Market	No	N/A	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$1,499 - \$1,549	\$100	\$1,399 - \$1,449	\$180	\$1,579 - \$1,629
2BR / 2BA	\$1,699 - \$1,849	\$100	\$1,599 - \$1,749	\$247	\$1,846 - \$1,996

3833 Peachtree Apartments, continued

Amenities

In-Unit

Balcony/Patio
Cable/Satellite/Internet
Carpeting
Dishwasher
Garbage Disposal
Oven
Walk-In Closet

Blinds
Carpet/Hardwood
Central A/C
Exterior Storage
Microwave
Refrigerator
Washer/Dryer hookup

Security

Limited Access

Services

None

Property

Business Center/Computer Lab
Elevators
Jacuzzi
Off-Street Parking
Swimming Pool
Theatre

Clubhouse/Meeting Room/Community Room
Exercise Facility
Central Laundry
On-Site Management
Tennis Court

Premium

View

Other

Stainless steel appliances and

Comments

The contact reported occupancy rates have ranged in the low to mid 90's during the past six months. She noted several households move out to the suburbs to purchase homes. Incentives and rent concessions have been more common in the past three to six months to keep occupancy rates from falling below 90 percent.

3833 Peachtree Apartments, continued

Trend Report

Vacancy Rates

4Q13	2Q15	4Q15	2Q17
9.6%	7.2%	1.9%	6.9%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	4	N/A	\$1,070 - \$1,138	\$89 - \$95	\$981 - \$1,043	\$1,161 - \$1,223
2015	2	N/A	\$1,248 - \$1,481	\$104 - \$123	\$1,144 - \$1,358	\$1,324 - \$1,538
2015	4	N/A	\$1,337 - \$1,380	\$112 - \$115	\$1,225 - \$1,265	\$1,405 - \$1,445
2017	2	N/A	\$1,499 - \$1,549	\$100	\$1,399 - \$1,449	\$1,579 - \$1,629

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	4	N/A	\$1,485	\$124	\$1,361	\$1,608
2015	2	N/A	\$1,818	\$152	\$1,666	\$1,913
2015	4	N/A	\$1,675	\$70	\$1,605	\$1,852
2017	2	N/A	\$1,699 - \$1,849	\$100	\$1,599 - \$1,749	\$1,846 - \$1,996

Trend: Comments

- 4Q13** The contact reported the property was renovated in 2006 with new cabinetry, flooring, granite countertops, and stainless steel appliances in an effort to convert into condominiums. At the time, only 31 of the units were sold. Due to the slow pace of sales, the property reverted to rental units when the remaining 209 units were purchased by one ownership group. The property utilizes LRO software pricing but there is a one month free concession offered at this time. The contact reported occupancy has ranged between 90 and 94 percent during the past six months and has a 70 percent tenancy retention rate. The property is 93 percent pre-leased.
- 2Q15** The contact reported occupancy has ranged between 90 and 94 percent during the past six months and has a 70 percent tenancy retention rate. The property is 95 percent pre-leased.
- 4Q15** The property is 95 percent leased. The contact reported there will be increased availability for their one-bedroom units in the near future.
- 2Q17** The contact reported occupancy rates have ranged in the low to mid 90's during the past six months. She noted several households move out to the suburbs to purchase homes. Incentives and rent concessions have been more common in the past three to six months to keep occupancy rates from falling below 90 percent.

Photos



PROPERTY PROFILE REPORT

Allure In Buckhead Village

Effective Rent Date	3/06/2017
Location	360 Pharr Road Atlanta, GA 30305 Fulton County Intersection: Grandview Avenue NE
Distance	1.1 miles
Units	271
Vacant Units	8
Vacancy Rate	3.0%
Type	Midrise (6 stories)
Year Built/Renovated	2001 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Elle at Buckhead, Gramercy, Alexan Buckhead
Tenant Characteristics	None provided
Contact Name	Dana
Phone	404-231-8743



Market Information

Program	Market
Annual Turnover Rate	40%
Units/Month Absorbed	N/A
HCV Tenants	N/A
Leasing Pace	Within one week
Annual Chg. in Rent	Both increase and decrease
Concession	See comments

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
0	1	Midrise (6 stories)	36	700	\$1,168	N/A	Market	No	3	8.3%	N/A	None
1	1	Midrise (6 stories)	102	1,000	\$1,310	\$0	Market	No	3	2.9%	N/A	None
2	1	Midrise (6 stories)	93	1,130	\$1,648	\$0	Market	No	1	1.1%	N/A	None
2	2	Midrise (6 stories)	40	1,175	\$1,692	\$0	Market	No	1	2.5%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
Studio / 1BA	\$1,168	\$0	N/A	\$180	N/A
1BR / 1BA	\$1,310	\$0	\$1,310	\$180	\$1,490
2BR / 1BA	\$1,648	\$0	\$1,648	\$247	\$1,895
2BR / 2BA	\$1,692	\$0	\$1,692	\$247	\$1,939

Allure In Buckhead Village, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Dishwasher
Microwave
Refrigerator
Washer/Dryer

Blinds
Central A/C
Garbage Disposal
Oven
Walk-In Closet
Washer/Dryer hookup

Security

Limited Access

Services

None

Property

Business Center/Computer Lab
Exercise Facility
Central Laundry
On-Site Management

Clubhouse/Meeting Room/Community Room
Garage
Off-Street Parking
Swimming Pool

Premium

None

Other

None

Comments

This property was formerly known as The Allure Apartments and as The Atrium in Buckhead Village prior to that. Garage spaces are limited to one space per resident and are included in the rent. The parking garage is the only area of the property that has video surveillance. Pet rent is \$15 per month. The property uses a pricing software that calculates rents for available units daily; the contact reported average rents for each unit type. The contact reported that the property is typically better than 95 percent occupied, and that current vacancy is seasonal. The property does not accept Housing Choice Vouchers.

Allure In Buckhead Village, continued

Trend Report

Vacancy Rates

4Q15	2Q16	4Q16	1Q17
5.2%	5.2%	3.9%	3.0%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	4	N/A	\$1,310	\$0	\$1,310	\$1,490
2016	2	N/A	\$1,230	\$0	\$1,230	\$1,410
2016	4	N/A	\$1,263	\$53	\$1,210	\$1,390
2017	1	2.9%	\$1,310	\$0	\$1,310	\$1,490

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	1	1.1%	\$1,648	\$0	\$1,648	\$1,895

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	4	N/A	\$1,635	\$0	\$1,635	\$1,882
2016	2	N/A	\$1,550	\$0	\$1,550	\$1,797
2016	4	N/A	\$1,768	\$0	\$1,768	\$2,015
2017	1	2.5%	\$1,692	\$0	\$1,692	\$1,939

Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	4	N/A	\$1,075	\$0	\$1,075	\$1,255
2016	2	N/A	\$1,298	\$0	\$1,298	\$1,478
2016	4	N/A	\$1,103	\$0	\$1,103	\$1,283
2017	1	8.3%	\$1,168	\$0	N/A	N/A

Trend: Comments

4Q15 N/A

2Q16 The contact reported that the property is currently at a typical occupancy level and are offering no concessions.

4Q16 This property was formerly known as The Allure Apartments and as The Atrium in Buckhead Village prior to that. The contact reported that the property is currently at a typical occupancy level. Concessions are currently offered only on one-bedroom units: new tenants pay half price for the first month. Garage spaces are limited to one space per resident and are included in the rent. The parking garage is the only area of the property that has video surveillance. Pet rent is \$15 per month.

1Q17 This property was formerly known as The Allure Apartments and as The Atrium in Buckhead Village prior to that. Garage spaces are limited to one space per resident and are included in the rent. The parking garage is the only area of the property that has video surveillance. Pet rent is \$15 per month. The property uses a pricing software that calculates rents for available units daily; the contact reported average rents for each unit type. The contact reported that the property is typically better than 95 percent occupied, and that current vacancy is seasonal. The property does not accept Housing Choice Vouchers.

Photos



PROPERTY PROFILE REPORT

Berkshires At Lenox Park

Effective Rent Date	4/19/2017
Location	2124 Gables Drive Atlanta, GA 30319 DeKalb County
Distance	2.2 miles
Units	375
Vacant Units	32
Vacancy Rate	8.5%
Type	Garden (3 stories)
Year Built/Renovated	1990 / 2007
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Reserve at Lenox Park
Tenant Characteristics	Families, singles, young professionals. Did not know how many senior hh's
Contact Name	Melissa
Phone	404-445-6493



Market Information

Program	Market
Annual Turnover Rate	30%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	One week
Annual Chg. in Rent	Change frequently
Concession	Reduced app and admin fees

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	58	600	\$1,099	\$0	Market	N/A	6	10.3%	N/A	None
1	1	Garden (3 stories)	16	650	\$1,109	\$0	Market	No	N/A	N/A	N/A	None
1	1	Garden (3 stories)	132	800	\$1,089	\$0	Market	No	N/A	N/A	N/A	None
1	1	Garden (3 stories)	16	950	\$1,262	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (3 stories)	72	1,100	\$1,317	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (3 stories)	30	1,150	\$1,327	\$0	Market	No	N/A	N/A	N/A	None
3	2	Garden (3 stories)	33	1,300	\$1,069	\$0	Market	No	N/A	N/A	N/A	None
3	2	Garden (3 stories)	18	1,450	\$1,670	\$0	Market	No	N/A	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$1,089 - \$1,262	\$0	\$1,089 - \$1,262	\$180	\$1,269 - \$1,442
2BR / 2BA	\$1,317 - \$1,327	\$0	\$1,317 - \$1,327	\$247	\$1,564 - \$1,574
3BR / 2BA	\$1,069 - \$1,670	\$0	\$1,069 - \$1,670	\$317	\$1,386 - \$1,987

Berkshires At Lenox Park, continued

Amenities

In-Unit

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

Blinds
Carpeting
Dishwasher
Oven
Walk-In Closet

Security

Limited Access

Services

None

Property

Business Center/Computer Lab
Elevators
Central Laundry
On-Site Management
Tennis Court

Clubhouse/Meeting Room/Community Room
Exercise Facility
Off-Street Parking
Swimming Pool

Premium

None

Other

None

Comments

The contact reported typical occupancy throughout the past year at between 92 and 95 percent.

Berkshires At Lenox Park, continued

Trend Report

Vacancy Rates

4Q13	2Q15	1Q16	2Q17
2.7%	7.7%	6.7%	8.5%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	4	N/A	\$872 - \$1,293	\$0	\$872 - \$1,293	\$1,052 - \$1,473
2015	2	N/A	\$1,025 - \$1,317	\$0	\$1,025 - \$1,317	\$1,205 - \$1,497
2016	1	N/A	\$1,180 - \$1,425	\$0	\$1,180 - \$1,425	\$1,360 - \$1,605
2017	2	N/A	\$1,089 - \$1,262	\$0	\$1,089 - \$1,262	\$1,269 - \$1,442

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	4	N/A	\$1,385	\$0	\$1,385	\$1,632
2015	2	N/A	\$1,415 - \$1,436	\$0	\$1,415 - \$1,436	\$1,662 - \$1,683
2016	1	N/A	\$1,447 - \$1,514	\$0	\$1,447 - \$1,514	\$1,694 - \$1,761
2017	2	N/A	\$1,317 - \$1,327	\$0	\$1,317 - \$1,327	\$1,564 - \$1,574

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	4	N/A	\$1,786 - \$1,826	\$0	\$1,786 - \$1,826	\$2,103 - \$2,143
2015	2	N/A	\$1,704	\$0	\$1,704	\$2,021
2016	1	N/A	\$1,926 - \$2,048	\$0	\$1,926 - \$2,048	\$2,243 - \$2,365
2017	2	N/A	\$1,069 - \$1,670	\$0	\$1,069 - \$1,670	\$1,386 - \$1,987

Trend: Comments

4Q13	The contact reported typical occupancy throughout the past year at 96 percent. He noted the smaller one bedroom units at 600 and 650 square feet typically perform well, and demand for the three bedroom units is strong as well. Both three bedroom vacancies are pre-leased. The contact could not estimate the number of seniors at the property but noted it is not a significant number. A complete unit mix was not available, but the contact reported a total of 222 one bedroom units, 102 two bedroom units, and 51 three bedroom units.
2Q15	The contact reported typical occupancy throughout the past year at between 92 and 95 percent. A complete unit mix was not available, but the contact reported a total of 222 one bedroom units, 102 two bedroom units, and 51 three bedroom units.
1Q16	N/A
2Q17	The contact reported typical occupancy throughout the past year at between 92 and 95 percent.

Photos



PROPERTY PROFILE REPORT

Esquire Apartments

Effective Rent Date	4/19/2017
Location	3102 Buford Hwy NE Atlanta, GA 30329 DeKalb County
Distance	2.8 miles
Units	52
Vacant Units	1
Vacancy Rate	1.9%
Type	Various (2 stories)
Year Built/Renovated	1975 / 2010
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None Identified
Tenant Characteristics	Mixed tenancy including several long term residents of 5+ years
Contact Name	Heddy
Phone	(404) 634-0074



Market Information

Program	Market
Annual Turnover Rate	25%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within a week
Annual Chg. in Rent	Increased 3% to 5%
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden	8	820	\$860	\$0	Market	No	0	0.0%	N/A	None
1.5	1	Townhouse	8	950	\$960	\$0	Market	No	0	0.0%	N/A	None
2	1	Garden	4	1,200	\$1,090	\$0	Market	No	0	0.0%	N/A	None
2	1.5	Townhouse	24	950	\$990	\$0	Market	No	1	4.2%	N/A	None
3	2	Garden	8	1,400	\$1,300	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$860	\$0	\$860	\$180	\$1,040
1.5BR / 1BA	\$960	\$0	\$960	\$180	\$1,140
2BR / 1BA	\$1,090	\$0	\$1,090	\$247	\$1,337
2BR / 1.5BA	\$990	\$0	\$990	\$247	\$1,237
3BR / 2BA	\$1,300	\$0	\$1,300	\$317	\$1,617

Esquire Apartments, continued

Amenities

In-Unit

Balcony/Patio
Cable/Satellite/Internet
Central A/C
Garbage Disposal
Refrigerator

Blinds
Carpeting
Dishwasher
Oven
Washer/Dryer hookup

Security

Limited Access

Services

None

Property

Central Laundry
On-Site Management

Off-Street Parking
Swimming Pool

Premium

None

Other

None

Comments

The contact reported typical occupancy at the property has been consistently at or near 100 percent during the past year. She attributes strong occupancy to stable and responsive management and many residents have been long term tenants of five or more years. The contact stated the property was heavily renovated in 2010 and is well maintained.

Esquire Apartments, continued

Trend Report

Vacancy Rates

4Q10	2Q15	1Q16	2Q17
23.1%	0.0%	3.8%	1.9%

Trend: Market

1.5BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	N/A	\$890	\$0	\$890	\$1,070
2016	1	N/A	\$890	\$0	\$890	\$1,070
2017	2	0.0%	\$960	\$0	\$960	\$1,140

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	4	N/A	\$610	\$0	\$610	\$790
2015	2	N/A	\$790	\$0	\$790	\$970
2016	1	N/A	\$810	\$0	\$810	\$990
2017	2	0.0%	\$860	\$0	\$860	\$1,040

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	N/A	\$990	\$0	\$990	\$1,237
2016	1	N/A	\$1,000	\$0	\$1,000	\$1,247
2017	2	4.2%	\$990	\$0	\$990	\$1,237

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	4	N/A	\$750	\$0	\$750	\$997
2015	2	N/A	\$950	\$0	\$950	\$1,197
2016	1	N/A	\$910	\$0	\$910	\$1,157
2017	2	0.0%	\$1,090	\$0	\$1,090	\$1,337

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	4	N/A	\$990	\$0	\$990	\$1,307
2015	2	N/A	\$1,100	\$0	\$1,100	\$1,417
2016	1	N/A	\$1,100	\$0	\$1,100	\$1,417
2017	2	0.0%	\$1,300	\$0	\$1,300	\$1,617

Trend: Comments

4Q10	Contact stated that the 12 vacant units are in the process of being completely renovated.
2Q15	N/A
1Q16	The contact reported rents increased for the garden style one-bedroom and the two-bedroom townhome style units by one percent and 2.5 percent respectively. One-bedroom townhome units and three-bedroom units remained unchanged and rents for the two-bedroom garden style units decreased 4.3 percent.
2Q17	The contact reported typical occupancy at the property has been consistently at or near 100 percent during the past year. She attributes strong occupancy to stable and responsive management and many residents have been long term tenants of five or more years. The contact stated the property was heavily renovated in 2010 and is well maintained.

Photos



PROPERTY PROFILE REPORT

The Aster At Buckhead

Effective Rent Date	4/18/2017
Location	2900 Pharr Court South Atlanta, GA 30305 Fulton County Intersection: Pharr Road NW
Distance	1.4 miles
Units	224
Vacant Units	20
Vacancy Rate	8.9%
Type	Midrise (4 stories)
Year Built/Renovated	2000 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None Identified
Tenant Characteristics	Mixed tenancy
Contact Name	John
Phone	404.233.5582



Market Information

Program	Market
Annual Turnover Rate	25%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Vareis
Annual Chg. in Rent	Fluctuates
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Midrise (4 stories)	41	675	\$1,190	\$0	Market	No	1	2.4%	N/A	None
1	1	Midrise (4 stories)	41	786	\$1,229	\$0	Market	No	2	4.9%	N/A	None
1	1	Midrise (4 stories)	41	885	\$1,314	\$0	Market	No	7	17.1%	N/A	None
2	1	Midrise (4 stories)	19	1,147	\$1,505	\$0	Market	No	2	10.5%	N/A	None
2	1	Midrise (4 stories)	19	1,162	\$1,450	\$0	Market	No	4	21.1%	N/A	None
2	2	Midrise (4 stories)	46	1,279	\$1,599	\$0	Market	No	1	2.2%	N/A	None
2	2	Midrise (4 stories)	17	1,461	\$2,100	\$0	Market	No	3	17.6%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$1,190 - \$1,314	\$0	\$1,190 - \$1,314	\$180	\$1,370 - \$1,494
2BR / 1BA	\$1,450 - \$1,505	\$0	\$1,450 - \$1,505	\$247	\$1,697 - \$1,752
2BR / 2BA	\$1,599 - \$2,100	\$0	\$1,599 - \$2,100	\$247	\$1,846 - \$2,347

The Aster At Buckhead, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Dishwasher
Oven
Walk-In Closet
Washer/Dryer hookup

Blinds
Central A/C
Garbage Disposal
Refrigerator
Washer/Dryer

Security

In-Unit Alarm
Perimeter Fencing

Services

None

Property

Business Center/Computer Lab
Elevators
Off-Street Parking
Recreation Areas

Clubhouse/Meeting Room/Community Room
Exercise Facility
On-Site Management
Swimming Pool

Premium

None

Other

None

Comments

The property was FKA The Westminster at Buckhead and is under new ownership since January 2017. The contact reported occupancy declined from 94 percent in the past two months as is common when new ownership takes over a property. Renovations are expected to be during 2017 including upgrades to the units although the contact was unsure of the scope. Exterior paint, updated landscaping, and a remodeled clubhouse are also planned for this year.

The Aster At Buckhead, continued

Trend Report

Vacancy Rates

1Q09	4Q11	4Q16	2Q17
12.1%	0.9%	0.9%	8.9%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	N/A	\$785 - \$835	\$0	\$785 - \$835	\$965 - \$1,015
2011	4	N/A	\$1,036 - \$1,120	\$0	\$1,036 - \$1,120	\$1,216 - \$1,300
2016	4	N/A	\$1,268 - \$1,584	\$0	\$1,268 - \$1,584	\$1,448 - \$1,764
2017	2	8.1%	\$1,190 - \$1,314	\$0	\$1,190 - \$1,314	\$1,370 - \$1,494

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	N/A	\$945	\$0	\$945	\$1,192
2011	4	N/A	\$1,220	\$0	\$1,220	\$1,467
2016	4	N/A	\$1,597 - \$1,794	\$0	\$1,597 - \$1,794	\$1,844 - \$2,041
2017	2	15.8%	\$1,450 - \$1,505	\$0	\$1,450 - \$1,505	\$1,697 - \$1,752

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	N/A	\$1,050	\$0	\$1,050	\$1,297
2011	4	N/A	\$1,467	\$0	\$1,467	\$1,714
2016	4	N/A	\$1,979 - \$2,524	\$0	\$1,979 - \$2,524	\$2,226 - \$2,771
2017	2	6.3%	\$1,599 - \$2,100	\$0	\$1,599 - \$2,100	\$1,846 - \$2,347

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	N/A	\$1,490	\$0	\$1,490	\$1,807
2011	4	N/A	\$1,655	\$0	\$1,655	\$1,972

Trend: Comments

1Q09 Contact had no additional comments.

4Q11 The property is formerly known as Camelot at Buckhead and it changed its name to Westminster at Buckhead in 2009. Management is no longer offering concessions. Rents have been raised 11-40% since management was last interviewed in 2009, however the rents are determined by YieldStar and management did not know when the rents had increased over that two year span.

4Q16 N/A

2Q17 The property was FKA The Westminster at Buckhead and is under new ownership since January 2017. The contact reported occupancy declined from 94 percent in the past two months as is common when new ownership takes over a property. Renovations are expected to be during 2017 including upgrades to the units although the contact was unsure of the scope. Exterior paint, updated landscaping, and a remodeled clubhouse are also planned for this year.

Photos



PROPERTY PROFILE REPORT

The Haynes House

Effective Rent Date	4/19/2017
Location	2420 Peachtree Road Atlanta, GA 30305 Fulton County Intersection: Terrace Drive NW
Distance	2.4 miles
Units	186
Vacant Units	26
Vacancy Rate	14.0%
Type	Midrise (6 stories)
Year Built/Renovated	2015 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None Identified
Tenant Characteristics	Did not disclose
Contact Name	Felicia
Phone	404-467-8300



Market Information

Program	Market
Annual Turnover Rate	N/A
Units/Month Absorbed	12
HCV Tenants	0%
Leasing Pace	Preleased to two weeks
Annual Chg. in Rent	Fluctuates frequently
Concession	Month of June free with 13 month lease

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
0	1	Midrise (6 stories)	N/A	652	\$1,441	\$110	Market	No	N/A	N/A	N/A	None
1	1	Midrise (6 stories)	N/A	790	\$1,611	\$124	Market	No	N/A	N/A	N/A	AVG*
1	1	Midrise (6 stories)	N/A	928	\$1,755	\$135	Market	No	N/A	N/A	N/A	HIGH
1	1	Midrise (6 stories)	N/A	652	\$1,468	\$113	Market	No	N/A	N/A	N/A	LOW
2	2	Midrise (6 stories)	N/A	1,253	\$2,066	\$159	Market	No	N/A	N/A	N/A	AVG*
2	2	Midrise (6 stories)	N/A	1,349	\$2,318	\$178	Market	No	N/A	N/A	N/A	HIGH
2	2	Midrise (6 stories)	N/A	1,156	\$1,814	\$140	Market	No	N/A	N/A	N/A	LOW

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
Studio / 1BA	\$1,441	\$110	\$1,331	\$180	\$1,511
1BR / 1BA	\$1,468 - \$1,755	\$113 - \$135	\$1,355 - \$1,620	\$180	\$1,535 - \$1,800
2BR / 2BA	\$1,814 - \$2,318	\$140 - \$178	\$1,674 - \$2,140	\$247	\$1,921 - \$2,387

The Haynes House, continued

Amenities

In-Unit

Balcony/Patio
Carpet/Hardwood
Central A/C
Ceiling Fan
Microwave
Refrigerator
Washer/Dryer

Blinds
Carpeting
Dishwasher
Garbage Disposal
Oven
Walk-In Closet
Washer/Dryer hookup

Security

Limited Access

Services

None

Property

Clubhouse/Meeting Room/Community Room
Elevators
Garage
On-Site Management
Swimming Pool

Courtyard
Exercise Facility
Off-Street Parking
Picnic Area

Premium

None

Other

Stainless steel, granite counters,

Comments

The contact reported occupancy rates have remained below 90 percent so far during 2017. She noted January through March are typically slow in the local rental market but she reported it was especially slower this year. The contact added that it has been a very competitive rental market and stated prospective renter traffic has not improved as it typically does this time of year. The property is offering the month of June free for any leases signed between now and June 1st based on a 13 month lease.

Trend Report

Vacancy Rates

1Q16	4Q16	1Q17	2Q17
19.9%	3.8%	4.8%	14.0%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	N/A	\$1,575 - \$1,825	\$0	\$1,575 - \$1,825	\$1,755 - \$2,005
2016	4	N/A	\$1,750	\$0	\$1,750	\$1,930
2017	1	N/A	\$1,750	\$0	\$1,750	\$1,930
2017	2	N/A	\$1,468 - \$1,755	\$113 - \$135	\$1,355 - \$1,620	\$1,535 - \$1,800

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	N/A	\$2,375 - \$2,750	\$0	\$2,375 - \$2,750	\$2,622 - \$2,997
2016	4	N/A	\$2,680	\$0	\$2,680	\$2,927
2017	1	N/A	\$2,680	\$0	\$2,680	\$2,927
2017	2	N/A	\$1,814 - \$2,318	\$140 - \$178	\$1,674 - \$2,140	\$1,921 - \$2,387

Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	N/A	\$1,275	\$0	\$1,275	\$1,455
2016	4	N/A	\$1,400	\$0	\$1,400	\$1,580
2017	1	N/A	\$1,400	\$0	\$1,400	\$1,580
2017	2	N/A	\$1,441	\$110	\$1,331	\$1,511

Trend: Comments

- 1Q16** The contact reported the property opened at the end of February 2015 and is currently still in lease up at 80 percent occupancy. She noted the property is 85 percent released. Electric vehicle charging stations are offered on site.
- 4Q16** All parking is in the garage, which is currently free. The contact reported that parking fees will be implemented soon, at a rate of \$50 per garage space per month. Additional property amenities include electric vehicle charging stations and parcel package receipt. The contact was unable to provide details on turnover, leasing pace, or annual change in rent.
- 1Q17** Garage parking costs tenants \$100 per space per month. Additional property amenities include electric vehicle charging stations and parcel package receipt. The contact was unable to provide details on turnover, leasing pace, or annual change in rent. The property uses a pricing software that determines rents daily based on available units; the contact reported average rents for each unit type. The property does not accept Housing Choice Vouchers.
- 2Q17** The contact reported occupancy rates have remained below 90 percent so far during 2017. She noted January through March are typically slow in the local rental market but she reported it was especially slower this year. The contact added that it has been a very competitive rental market and stated prospective renter traffic has not improved as it typically does this time of year. The property is offering the month of June free for any leases signed between now and June 1st based on a 13 month lease.

Photos



Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5		Comp #6		Comp #7	
Piedmont Senior Tower 3601 Piedmont Road NE Atlanta, Fulton County		2460 Peachtree Apartments 2460 Peachtree Road Atlanta, Fulton		3833 Peachtree Apartments 3833 Peachtree Road NE Atlanta, Dekalb		Allure In Buckhead Village 360 Pharr Road Atlanta, Fulton		Berkshires At Lenox Park 2124 Gables Drive Atlanta, Dekalb		Esquire Apartments 3102 Buford Hwy NE Atlanta, Dekalb		The Aster At Buckhead 2900 Pharr Court South Atlanta, Fulton		The Haynes House 2420 Peachtree Road Atlanta, Fulton	
Subject		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
A. Rents Charged															
1	\$ Last Rent / Restricted?	\$1,395	N	\$1,499	N	\$1,310	N	\$1,099	N	\$860	N	\$1,190	N	\$1,611	N
2	Date Last Leased (mo/yr)	Apr-17		Apr-17		Mar-17		Apr-17		Apr-17		Apr-17		Apr-17	
3	Rent Concessions	N		Y	(\$100)	N		N		N		N		Y	(\$124)
4	Occupancy for Unit Type	93%		93%		97%		89%		100%		97%		86%	
5	Effective Rent & Rent / sq. ft	\$1,395	\$1.71	\$1,399	\$1.65	\$1,310	\$1.31	\$1,099	\$1.83	\$860	\$1.05	\$1,190	\$1.76	\$1,487	\$1.88
<i>In Parts B thru E, adjust only for differences the subject's market values.</i>															
B. Design, Location, Condition															
6	Structure / Stories	E/13		E/17		E/6		G/3	\$50	G	\$50	E/4		E/6	
7	Yr. Built / Yr. Renovated	1978	1985/2009	1985/2006		2001		1990/2007		1975/2010		2000		2015	
8	Condition / Street Appeal	Average	Excellent (\$250)	Good (\$100)		Good (\$100)		Average		Average		Good (\$100)		Excellent (\$250)	
9	Neighborhood	Good	Good	Excellent (\$75)		Good		Excellent (\$75)		Average	\$75	Good		Good	
10	Same Market? Miles to Subj.	Yes/2.2		Yes/1.9		Yes/1.1		Yes/2.2		Yes/2.8		No/1.4		No/2.4	
C. Unit Equipment / Amenities															
11	# Bedrooms	1		1		1		1		1		1		1	
12	# Bathrooms	1		1		1		1		1		1		1	
13	Unit Interior Sq. Ft.	409	814 (\$170)	850 (\$180)		1000 (\$190)		600 (\$85)		820 (\$105)		675 (\$115)		790 (\$170)	
14	Balcony / Patio	N	Y (\$10)	Y (\$10)		Y (\$10)		Y (\$10)		Y (\$10)		Y (\$10)		Y (\$10)	
15	AC: Central / Wall	WA	C	C		C		C		C		C		C	
16	Range / Refrigerator	R/F	R/F	R/F		R/F		R/F		R/F		R/F		R/F	
17	Microwave / Dishwasher	N	D (\$10)	M/D (\$10)		M/D (\$10)		D (\$10)		D (\$10)		D (\$10)		M/D (\$10)	
18	Washer / Dryer	L	WD/L/HU (\$35)	L/HU (\$10)		WD/L/HU (\$35)		WD/L (\$35)		L/HU (\$10)		WD/HU (\$35)		WD/HU (\$35)	
19	Floor Coverings	C	C	C		C		C		C		C		C	
20	Window Coverings	B	B	B		B		B		B		B		B	
21	Cable / Satellite / Internet	C/S/I	N	C/S/I		N		C/S/I		C/S/I		N		N	
22	Special Features	Pull Cords	\$5		\$5		\$5		\$5		\$5		\$5		\$5
D. Site Equipment / Amenities															
24	Parking (\$ Fee)	L	L G/\$0 (\$25)	L		L G/\$25		L		L		L		L G/\$25	
25	Extra Storage	N	N	Y (\$10)		N		N		N		N		N	
26	Security	Y	Y	Y		Y		Y		Y		Y		Y	
27	Clubhouse / Meeting Rooms	C	C	C		C		C		N	\$10	C		C	
28	Pool / Recreation Areas	E	P/E/R (\$15)	P/E/R (\$15)		P/E (\$10)		P/E/R (\$15)		P	(\$5)	P/E/R (\$15)		P/E (\$10)	
29	Business Ctr / Nbd Network	BC	N	BC		BC		BC		N	\$10	BC		N	\$10
30	Service Coordination	Y	N	N	\$10	N	\$10	N	\$10	N	\$10	N	\$10	N	\$10
31	Non-shelter Services	Y	N	N	\$10	N	\$10	N	\$10	N	\$10	N	\$10	N	\$10
32	Neighborhood Networks														
E. Utilities															
33	Heat (in rent? / type)	Y/E	N/E \$13	N/E \$13		N/E \$13		N/G \$13		N/E \$13		N/E \$13		N/E \$13	
34	Cooling (in rent? / type)	Y/E	N/E \$9	N/E \$9		N/E \$9		N/E \$9		N/E \$9		N/E \$9		N/E \$9	
35	Cooking (in rent? / type)	Y/G	N/E \$35	N/E \$35		N/E \$35		N/E \$35		N/G \$35		N/E \$35		N/E \$35	
36	Hot water (in rent? / type)	Y/G	N/G \$9	N/E \$9		N/E \$9		N/G \$9		N/G \$9		N/E \$9		N/E \$9	
37	Other Electric	Y	N	N	\$39	N	\$39	N	\$39	N	\$39	N	\$39	N	\$39
38	Cold Water / Sewer	Y/Y	N/N \$75	N/N \$75		N/N \$75		N/N \$75		N/N \$75		N/N \$75		N/N \$75	
39	Trash / Recycling	Y	N	N		N		N		N		N		N	
F. Adjustments Recap															
40	# Adjustments B to D	4	(7)	3	(8)	3	(6)	4	(6)	7	(5)	3	(6)	4	(6)
41	Sum Adjustments B to D	\$35	(\$515)	\$25	(\$410)	\$25	(\$355)	\$75	(\$230)	\$170	(\$140)	\$25	(\$285)	\$35	(\$485)
42	Sum Utility Adjustments	\$180		\$180		\$180		\$180		\$180		\$180		\$180	
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net / Gross Adjustments B to E	(\$300)	\$730	(\$205)	\$615	(\$150)	\$560	\$25	\$485	\$210	\$490	(\$80)	\$490	(\$270)	\$700
G. Adjusted & Market Rents															
44	Adjusted Rent (\$ + 43)	\$1,095		\$1,194		\$1,160		\$1,124		\$1,070		\$1,110		\$1,217	
45	Adj Rent / Last rent		78%		80%		89%		102%		124%		93%		76%
46	Estimated Market Rent	\$1,125		\$2.75 Estimated Market Rent / Sq. Ft.											

4/19/2017

Date

Attached are explanations of:

- a. why & how each adjustment was made
- b. how market rent was derived from adjusted rents
- c. how this analysis was used for a similar unit type

Grid was prepared: [] Manually [X] Using HUD's Excel form

form HUD-92273-S8 (04/2002)

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5		Comp #6		Comp #7	
Piedmont Senior Tower		2460 Peachtree Apartments		3833 Peachtree Apartments		Allure In Buckhead Village		Berkshires At Lenox Park		Esquire Apartments		The Aster At Buckhead		The Haynes House	
3601 Piedmont Road NE		2460 Peachtree Road		3833 Peachtree Road NE		360 Pharr Road		2124 Gables Drive		3102 Buford Hwy NE		2900 Pharr Court South		2420 Peachtree Road	
Atlanta, Fulton County		Atlanta, Fulton		Atlanta, Dekalb		Atlanta, Fulton		Atlanta, Dekalb		Atlanta, Dekalb		Atlanta, Fulton		Atlanta, Fulton	
Subject		Data		Data		Data		Data		Data		Data		Data	
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$1,760	N	\$1,699	N	\$1,648	N	\$1,317	N	\$1,090	N	\$1,505	N	\$2,066	N
2	Date Last Leased (mo/yr)	Apr-17		Apr-17		Mar-17		Apr-17		Apr-17		Apr-17		Apr-17	
3	Rent Concessions	N		Y	(\$100)	N		N		N		N		Y	(\$159)
4	Occupancy for Unit Type	93%		93%		98%		91%		100%		89%		86%	
5	Effective Rent & Rent / sq. ft	\$1,760	\$1.60	\$1,599	\$1.28	\$1,648	\$1.46	\$1,317	\$1.20	\$1,090	\$0.91	\$1,505	\$1.31	\$1,907	\$1.52
In Parts B thru E, adjust only for differences the subject's market values.															
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	E/13		E/17		E/6		G/3	\$50	G	\$50	E/4		E/6	
7	Yr. Built / Yr. Renovated	1978		1985/2009		2001		1990/2007		1975/2010		2000		2015	
8	Condition / Street Appeal	Average	(\$250)	Excellent	(\$100)	Good	(\$100)	Average		Average		Good	(\$100)	Excellent	(\$250)
9	Neighborhood	Good		Good	(\$75)	Good		Excellent	(\$75)	Average		Good		Good	
10	Same Market? Miles to Subj.	Yes/2.2		Yes/1.9		Yes/1.1		Yes/2.2		Yes/2.8		Yes/1.4		No/2.4	
C. Unit Equipment / Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	2		2		2		2		2		2		2	
12	# Bathrooms	1	(\$100)	2	(\$100)	1		2	(\$100)	1		1		2	(\$100)
13	Unit Interior Sq. Ft.	899	(\$80)	1100	(\$110)	1130	(\$85)	1100	(\$60)	1200	(\$70)	1147	(\$80)	1253	(\$135)
14	Balcony / Patio	N	(\$10)	Y	(\$10)	Y	(\$10)	Y	(\$10)	Y	(\$10)	Y	(\$10)	Y	(\$10)
15	AC: Central / Wall	WA		C		C		C		C		C		C	
16	Range / Refrigerator	R/F		R/F		R/F		R/F		R/F		R/F		R/F	
17	Microwave / Dishwasher	N	(\$10)	M/D	(\$10)	M/D	(\$10)	D	(\$10)	D	(\$10)	D	(\$10)	M/D	(\$10)
18	Washer / Dryer	L	(\$35)	WD/L/HU	(\$35)	L/HU	(\$10)	WD/L/HU	(\$35)	WD/L	(\$35)	L/HU	(\$10)	WD/HU	(\$35)
19	Floor Coverings	C		C		C		C		C		C		C	
20	Window Coverings	B		B		B		B		B		B		B	
21	Cable / Satellite / Internet	C/S/I		C/S/I		N		C/S/I		C/S/I		N		N	
22	Special Features	Pull Cords	\$5		\$5		\$5		\$5		\$5		\$5		\$5
23															
D. Site Equipment / Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	L	L G/\$0 (\$25)	L		L G/\$25		L		L		L		L G/\$25	
25	Extra Storage	N		Y	(\$10)	N		N		N		N		N	
26	Security	Y		Y		Y		Y		Y		Y		Y	
27	Clubhouse / Meeting Rooms	C		C		C		C		N	\$10	C		C	
28	Pool / Recreation Areas	E		P/E/R	(\$15)	P/E/R	(\$15)	P/E	(\$10)	P/E/R	(\$15)	P	(\$5)	P/E/R	(\$15)
29	Business Ctr / Nbrhd Network	BC	\$10	BC		BC		BC		BC	\$10	BC		BC	\$10
30	Service Coordination	Y	\$10	N	\$10	N	\$10	N	\$10	N	\$10	N	\$10	N	\$10
31	Non-shelter Services	Y	\$10	N	\$10	N	\$10	N	\$10	N	\$10	N	\$10	N	\$10
32	Neighborhood Networks														
E. Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent? / type)	Y/E	\$17	N/E	\$17	N/E	\$17	N/G	\$17	N/G	\$17	N/E	\$17	N/E	\$17
34	Cooling (in rent? / type)	Y/E	\$16	N/E	\$16	N/E	\$16	N/E	\$16	N/E	\$16	N/E	\$16	N/E	\$16
35	Cooking (in rent? / type)	Y/G	\$36	N/E	\$36	N/E	\$36	N/E	\$36	N/G	\$36	N/E	\$36	N/E	\$36
36	Hot water (in rent? / type)	Y/G	\$13	N/E	\$13	N/E	\$13	N/G	\$13	N/G	\$13	N/E	\$13	N/E	\$13
37	Other Electric	Y	\$48	N	\$48	N	\$48	N	\$48	N	\$48	N	\$48	N	\$48
38	Cold Water / Sewer	Y/Y	\$117	N/N	\$117	N/N	\$117	N/N	\$117	N/N	\$117	N/N	\$117	N/N	\$117
39	Trash / Recycling	Y		N		N		N		N		N		N	
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	4	(8)	3	(9)	3	(6)	4	(7)	7	(5)	3	(6)	4	(7)
41	Sum Adjustments B to D	\$35	(\$525)	\$25	(\$440)	\$25	(\$250)	\$75	(\$305)	\$170	(\$105)	\$25	(\$250)	\$25	(\$550)
42	Sum Utility Adjustments	\$247		\$247		\$247		\$247		\$247		\$247		\$247	
43	Net / Gross Adjustments B to E	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
		(\$243)	\$807	(\$168)	\$712	\$22	\$522	\$17	\$627	\$312	\$522	\$22	\$522	(\$268)	\$832
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5 + 43)	\$1,517		\$1,431		\$1,670		\$1,334		\$1,402		\$1,527		\$1,639	
45	Adj Rent / Last rent		86%		84%		101%		101%		129%		101%		79%
46	Estimated Market Rent	\$1,400		\$1.56 Estimated Market Rent / Sq. Ft.											

4/19/2017

Date

Attached are explanations of:

- a. why & how each adjustment was made
- b. how market rent was derived from adjusted rents
- c. how this analysis was used for a similar unit type

Grid was prepared: [] Manually [X] Using HUD's Excel form

form HUD-92273-S8 (04/2002)

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5		Comp #6		Comp #7	
Piedmont Senior Tower		2460 Peachtree Apartments		3833 Peachtree Apartments		Allure In Buckhead Village		Berkshires At Lenox Park		Esquire Apartments		The Aster At Buckhead		The Haynes House	
3601 Piedmont Road NE		2460 Peachtree Road		3833 Peachtree Road NE		360 Pharr Road		2124 Gables Drive		3102 Buford Hwy NE		2900 Pharr Court South		2420 Peachtree Road	
Atlanta, Fulton County		Atlanta, Fulton		Atlanta, Dekalb		Atlanta, Fulton		Atlanta, Dekalb		Atlanta, Dekalb		Atlanta, Fulton		Atlanta, Fulton	
Subject		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
A. Rents Charged															
1	\$ Last Rent / Restricted?	\$1,395	N	\$1,499	N	\$1,310	N	\$1,099	N	\$860	N	\$1,190	N	\$1,611	N
2	Date Last Leased (mo/yr)	Apr-17		Apr-17		Mar-17		Apr-17		Apr-17		Apr-17		Apr-17	
3	Rent Concessions	N		Y	(\$100)	N		N		N		N		Y	(\$124)
4	Occupancy for Unit Type	93%		93%		97%		89%		100%		97%		86%	
5	Effective Rent & Rent / sq. ft	\$1,395	\$1.71	\$1,399	\$1.65	\$1,310	\$1.31	\$1,099	\$1.83	\$860	\$1.05	\$1,190	\$1.76	\$1,487	\$1.88
<i>In Parts B thru E, adjust only for differences the subject's market values.</i>															
B. Design, Location, Condition															
6	Structure / Stories	E/13		E/17		E/6		G/3	\$50	G	\$50	E/4		E/6	
7	Yr. Built / Yr. Renovated	1978/2018		1985/2009		2001		1990/2007		1975/2010		2000		2015	
8	Condition / Street Appeal	Good	(\$150)	Excellent		Good		Average	\$100	Average	\$100	Good		Excellent	(\$150)
9	Neighborhood	Good		Good	(\$75)	Excellent		Good	(\$75)	Excellent	(\$75)	Good		Good	
10	Same Market? Miles to Subj.	Yes/2.2		Yes/1.9		Yes/1.1		Yes/2.2		Yes/2.8		No/1.4		No/2.4	
C. Unit Equipment / Amenities															
11	# Bedrooms	1		1		1		1		1		1		1	
12	# Bathrooms	1		1		1		1		1		1		1	
13	Unit Interior Sq. Ft.	409	\$170	814	(\$170)	850	(\$180)	1000	(\$190)	600	(\$85)	820	(\$105)	675	(\$115)
14	Balcony / Patio	N	(\$10)	Y	(\$10)	Y	(\$10)	Y	(\$10)	Y	(\$10)	Y	(\$10)	Y	(\$10)
15	AC: Central / Wall	WA		C		C		C		C		C		C	
16	Range / Refrigerator	R/F		R/F		R/F		R/F		R/F		R/F		R/F	
17	Microwave / Dishwasher	N	(\$10)	D	(\$10)	M/D	(\$10)	M/D	(\$10)	D	(\$10)	D	(\$10)	M/D	(\$10)
18	Washer / Dryer	L	(\$35)	WD/L/HU	(\$35)	L/HU	(\$10)	WD/L/HU	(\$35)	WD/L	(\$35)	L/HU	(\$10)	WD/HU	(\$35)
19	Floor Coverings	C		C		C		C		C		C		C	
20	Window Coverings	B		B		B		B		B		B		B	
21	Cable / Satellite / Internet	C/S/I		N		C/S/I		N		C/S/I		C/S/I		N	
22	Special Features	Pull Cords	\$5				\$5				\$5				\$5
23															
D. Site Equipment / Amenities															
24	Parking (\$ Fee)	L	L G/\$0	L	(\$25)	L		L G/\$25		L		L		L G/\$25	
25	Extra Storage	N		N	(\$10)	Y		N		N		N		N	
26	Security	Y		Y		Y		Y		Y		Y		Y	
27	Clubhouse / Meeting Rooms	C		C		C		C		C		C		C	
28	Pool / Recreation Areas	E	P/E/R	P/E/R	(\$15)	P/E/R	(\$15)	P/E	(\$10)	P/E/R	(\$15)	P	(\$5)	P/E/R	(\$15)
29	Business Ctr / Nbrhd Network	BC	\$10	N		BC		BC		BC		N	\$10	BC	\$10
30	Service Coordination	Y	\$10	N	\$10	N	\$10	N	\$10	N	\$10	N	\$10	N	\$10
31	Non-shelter Services	Y	\$10	N	\$10	N	\$10	N	\$10	N	\$10	N	\$10	N	\$10
32	Neighborhood Networks														
E. Utilities															
33	Heat (in rent? / type)	Y/E	\$13	N/E	\$13	N/E	\$13	N/G	\$13	N/G	\$13	N/E	\$13	N/E	\$13
34	Cooling (in rent? / type)	Y/E	\$9	N/E	\$9	N/E	\$9	N/E	\$9	N/E	\$9	N/E	\$9	N/E	\$9
35	Cooking (in rent? / type)	Y/G	\$35	N/E	\$35	N/E	\$35	N/E	\$35	N/E	\$35	N/G	\$35	N/E	\$35
36	Hot water (in rent? / type)	Y/G	\$9	N/G	\$9	N/E	\$9	N/G	\$9	N/G	\$9	N/E	\$9	N/E	\$9
37	Other Electric	Y	\$39	N	\$39	N	\$39	N	\$39	N	\$39	N	\$39	N	\$39
38	Cold Water / Sewer	Y/Y	\$75	N/N	\$75	N/N	\$75	N/N	\$75	N/N	\$75	N/N	\$75	N/N	\$75
39	Trash / Recycling	Y		N		N		N		N		N		N	
F. Adjustments Recap															
40	# Adjustments B to D	4	(7)	3	(7)	3	(5)	5	(6)	8	(5)	3	(5)	4	(6)
41	Sum Adjustments B to D	\$35	(\$415)	\$25	(\$310)	\$25	(\$255)	\$175	(\$230)	\$270	(\$140)	\$25	(\$185)	\$25	(\$385)
42	Sum Utility Adjustments	\$180		\$180		\$180		\$180		\$180		\$180		\$180	
43	Net / Gross Adjustments B to E	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
		(\$200)	\$630	(\$105)	\$515	(\$50)	\$460	\$125	\$585	\$310	\$590	\$20	\$390	(\$170)	\$600
G. Adjusted & Market Rents															
44	Adjusted Rent (\$ + 43)	\$1,195		\$1,294		\$1,260		\$1,224		\$1,170		\$1,210		\$1,317	
45	Adj Rent / Last rent		86%		86%		96%		111%		136%		102%		82%
46	Estimated Market Rent	\$1,225		\$3.00 Estimated Market Rent / Sq. Ft.											

4/19/2017

Date

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- a. why & how each adjustment was made
- b. how market rent was derived from adjusted rents
- c. how this analysis was used for a similar unit type

Grid was prepared: [] Manually [X] Using HUD's Excel form

form HUD-92273-S8 (04/2002)

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5		Comp #6		Comp #7	
Piedmont Senior Tower		2460 Peachtree Apartments		3833 Peachtree Apartments		Allure In Buckhead Village		Berkshires At Lenox Park		Esquire Apartments		The Aster At Buckhead		The Haynes House	
3601 Piedmont Road NE		2460 Peachtree Road		3833 Peachtree Road NE		360 Pharr Road		2124 Gables Drive		3102 Buford Hwy NE		2900 Pharr Court South		2420 Peachtree Road	
Atlanta, Fulton County		Atlanta, Fulton		Atlanta, Dekalb		Atlanta, Fulton		Atlanta, Dekalb		Atlanta, Dekalb		Atlanta, Fulton		Atlanta, Fulton	
Subject		Data		Data		Data		Data		Data		Data		Data	
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$1,760	N	\$1,699	N	\$1,648	N	\$1,317	N	\$1,090	N	\$1,505	N	\$2,066	N
2	Date Last Leased (mo/yr)	Apr-17		Apr-17		Mar-17		Apr-17		Apr-17		Apr-17		Apr-17	
3	Rent Concessions	N		Y	(\$100)	N		N		N		N		Y	(\$159)
4	Occupancy for Unit Type	93%		93%		98%		91%		100%		89%		86%	
5	Effective Rent & Rent / sq. ft	\$1,760	\$1.60	\$1,599	\$1.28	\$1,648	\$1.46	\$1,317	\$1.20	\$1,090	\$0.91	\$1,505	\$1.31	\$1,907	\$1.52
In Parts B thru E, adjust only for differences the subject's market values.															
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	E/13		E/17		E/6		G/3	\$50	G	\$50	E/4		E/6	
7	Yr. Built / Yr. Renovated	1978/2018		1985/2009		2001		1990/2007		1975/2010		2000		2015	
8	Condition / Street Appeal	Good	(\$150)	Excellent		Good		Average	\$100	Average	\$100	Good		Excellent	(\$150)
9	Neighborhood	Good		Excellent	(\$75)	Good		Excellent	(\$75)	Average	\$75	Good		Good	
10	Same Market? Miles to Subj.	Yes/2.2		Yes/1.9		Yes/1.1		Yes/2.2		Yes/2.8		No/1.4		No/2.4	
C. Unit Equipment / Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	2		2		2		2		2		2		2	
12	# Bathrooms	1	(\$100)	2	(\$100)	1		2	(\$100)	1		1		2	(\$100)
13	Unit Interior Sq. Ft.	899	(\$80)	1100	(\$110)	1130	(\$85)	1100	(\$60)	1200	(\$70)	1147	(\$80)	1253	(\$135)
14	Balcony / Patio	N	(\$10)	Y	(\$10)	Y	(\$10)	Y	(\$10)	Y	(\$10)	Y	(\$10)	Y	(\$10)
15	AC: Central / Wall	WA		C		C		C		C		C		C	
16	Range / Refrigerator	R/F		R/F		R/F		R/F		R/F		R/F		R/F	
17	Microwave / Dishwasher	N	(\$10)	M/D	(\$10)	M/D	(\$10)	D	(\$10)	D	(\$10)	D	(\$10)	M/D	(\$10)
18	Washer / Dryer	L	(\$35)	WD/L/HU	(\$35)	L/HU	(\$10)	WD/L/HU	(\$35)	L/HU	(\$10)	WD/HU	(\$35)	WD/HU	(\$35)
19	Floor Coverings	C		C		C		C		C		C		C	
20	Window Coverings	B		B		B		B		B		B		B	
21	Cable / Satellite / Internet	C/S/I		C/S/I		N		C/S/I		C/S/I		N		N	
22	Special Features	Pull Cords	\$5		\$5		\$5		\$5		\$5		\$5		\$5
23															
D. Site Equipment / Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	L	L G/\$0 (\$25)	L		L G/\$25		L		L		L		L G/\$25	
25	Extra Storage	N		Y	(\$10)	N		N		N		N		N	
26	Security	Y		Y		Y		Y		Y		Y		Y	
27	Clubhouse / Meeting Rooms	C		C		C		C		N	\$10	C		C	
28	Pool / Recreation Areas	E	P/E/R (\$15)	P/E/R	(\$15)	P/E	(\$10)	P/E/R	(\$15)	P	(\$5)	P/E/R	(\$15)	P/E	(\$10)
29	Business Ctr / Nbrhd Network	BC	\$10	BC		BC		BC		N	\$10	BC		N	\$10
30	Service Coordination	Y	\$10	N	\$10	N	\$10	N	\$10	N	\$10	N	\$10	N	\$10
31	Non-shelter Services	Y	\$10	N	\$10	N	\$10	N	\$10	N	\$10	N	\$10	N	\$10
32	Neighborhood Networks														
E. Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent? / type)	Y/E	\$17	N/E	\$17	N/E	\$17	N/G	\$17	N/G	\$17	N/E	\$17	N/E	\$17
34	Cooling (in rent? / type)	Y/E	\$16	N/E	\$16	N/E	\$16	N/E	\$16	N/E	\$16	N/E	\$16	N/E	\$16
35	Cooking (in rent? / type)	Y/G	\$36	N/E	\$36	N/E	\$36	N/E	\$36	N/G	\$36	N/E	\$36	N/E	\$36
36	Hot water (in rent? / type)	Y/G	\$13	N/E	\$13	N/E	\$13	N/G	\$13	N/G	\$13	N/E	\$13	N/E	\$13
37	Other Electric	Y	\$48	N	\$48	N	\$48	N	\$48	N	\$48	N	\$48	N	\$48
38	Cold Water / Sewer	Y/Y	\$117	N/N	\$117	N/N	\$117	N/N	\$117	N/N	\$117	N/N	\$117	N/N	\$117
39	Trash / Recycling	Y		N		N		N		N		N		N	
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	4	(8)	3	(8)	3	(5)	5	(7)	8	(5)	3	(5)	4	(7)
41	Sum Adjustments B to D	\$35	(\$425)	\$25	(\$340)	\$25	(\$150)	\$175	(\$305)	\$270	(\$105)	\$25	(\$150)	\$35	(\$450)
42	Sum Utility Adjustments	\$247		\$247		\$247		\$247		\$247		\$247		\$247	
43	Net / Gross Adjustments B to E	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
		(\$143)	\$707	(\$68)	\$612	\$122	\$422	\$117	\$727	\$412	\$622	\$122	\$422	(\$168)	\$732
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5 + 43)	\$1,617		\$1,531		\$1,770		\$1,434		\$1,502		\$1,627		\$1,739	
45	Adj Rent / Last rent		92%		90%		107%		109%		138%		108%		84%
46	Estimated Market Rent	\$1,500		\$1.67 Estimated Market Rent / Sq. Ft.											

4/19/2017

Date

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form HUD-92273-S8 (04/2002)

Amenities

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

UNIT MATRIX REPORT

	Piedmont Senior Tower	Ashford Landing Senior Residences	Ashford Parkside	Baptist Gardens	Big Bethel Village	2460 Peachtree Apartments	3833 Peachtree Apartments	Allure In Buckhead Village	Berkshires At Lenox Park	Esquire Apartments	The Aster At Buckhead	The Haynes House
Comp #	Subject	1	2	3	4	5	6	7	8	9	10	11
Property Information												
Property Type	Highrise	Midrise	Midrise	Lowrise	Lowrise	Highrise	Highrise	Midrise	Garden	Garden	Midrise	Midrise
Year Built / Renovated	1978 / 2001/2007/2018	2009	2007	2013	2003	1985 / 2009	1985 / 2006	2001 / n/a	1990 / 2007	1975 / 2010	2000	2015
Market (Conv./Subsidy Type)	LIHTC	LIHTC	Market	LIHTC	Market	Market	Market	Market	Market	Market	Market	Market
Utility Adjustments												
Cooking	yes	no	no	yes	yes	no	no	no	no	no	no	no
Water Heat	yes	no	no	yes	yes	no	no	no	no	no	no	no
Heat	yes	no	no	yes	yes	no	no	no	no	no	no	no
Other Electric	yes	no	no	yes	yes	no	no	no	no	no	no	no
Water	yes	yes	yes	yes	yes	no	no	no	no	no	no	no
Sewer	yes	yes	yes	yes	yes	no	no	no	no	no	no	no
Trash Collection	yes	yes	yes	yes	yes	no	no	no	no	no	no	no
In-Unit Amenities												
Balcony/Patio	no	no	no	no	yes	yes	yes	yes	yes	yes	yes	yes
Blinds	yes	yes	yes	no	yes	yes	yes	yes	yes	yes	yes	yes
Cable/Satellite/Internet	yes	no	no	no	no	no	yes	no	yes	yes	no	no
Carpet/Hardwood	no	no	no	yes	yes	no	yes	no	no	no	no	yes
Carpeting	yes	yes	yes	no	no	yes	yes	yes	yes	yes	yes	yes
Central A/C	no	yes	yes	yes	no	yes	yes	yes	yes	yes	yes	yes
Coat Closet	yes	yes	yes	no	yes	yes	no	no	no	no	no	no
Dishwasher	no	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Exterior Storage	no	yes	no	no	no	no	yes	no	no	no	no	no
Ceiling Fan	yes	no	yes	yes	yes	no	no	no	no	no	no	yes
Garbage Disposal	yes	yes	yes	no	yes	yes	yes	yes	yes	yes	yes	yes
Hand Rails	yes	yes	yes	no	yes	no	no	no	no	no	no	no
Microwave	no	no	yes	yes	no	no	yes	yes	no	no	no	yes
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Pull Cords	yes	yes	yes	no	yes	no	no	no	no	no	no	no
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Walk-In Closet	no	yes	yes	no	yes	yes	yes	yes	yes	no	yes	yes
Wall A/C	yes	no	no	no	yes	no	no	no	no	no	no	no
Washer/Dryer	no	yes	no	no	no	yes	no	yes	yes	no	yes	yes
Washer/Dryer hookup	no	yes	yes	no	yes	yes	yes	yes	no	yes	yes	yes
Property Amenities												
Business Center	yes	yes	yes	yes	yes	no	yes	yes	yes	no	yes	no
Clubhouse	yes	yes	yes	yes	yes	yes	yes	yes	yes	no	yes	yes
Courtyard	yes	yes	yes	no	no	no	no	no	no	no	no	yes
Elevators	yes	yes	yes	yes	yes	yes	yes	no	yes	no	yes	yes
Exercise Facility	yes	yes	yes	yes	yes	yes	yes	yes	yes	no	yes	yes
Garage	no	no	no	no	no	no	yes	yes	no	no	no	yes
Jacuzzi	no	no	no	no	no	no	yes	no	no	no	no	no
Central Laundry	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	no	no
Non-shelter Services	yes	yes	yes	no	no	no	no	no	no	no	no	no
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
On-Site Management	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Picnic Area	no	yes	yes	no	no	no	no	no	no	no	no	yes
Recreation Areas	no	no	no	no	no	yes	no	no	no	no	yes	no
Service Coordination	yes	yes	no	yes	no	no	no	no	no	no	no	no
Swimming Pool	no	no	no	no	no	yes	yes	yes	yes	yes	yes	yes
Tennis Court	no	no	no	no	no	no	yes	no	yes	no	no	no
Theatre	no	no	no	no	yes	no	yes	no	no	no	no	no
Garage Fee	N/A	N/A	N/A	N/A	N/A	N/A	\$45.00	\$25.00	N/A	N/A	N/A	\$25.00
Services												
Adult Education	no	yes	no	no	no	no	no	no	no	no	no	no
Computer Tutoring	yes	yes	yes	no	no	no	no	no	no	no	no	no
Shuttle Service	no	yes	yes	yes	yes	no	no	no	no	no	no	no
Security												
In-Unit Alarm	yes	yes	yes	no	no	no	no	no	no	no	yes	no
Intercom (Buzzer)	yes	no	no	no	no	no	no	no	no	no	no	no
Limited Access	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	no	yes
Patrol	no	no	no	no	yes	no	no	no	no	no	no	no
Perimeter Fencing	yes	yes	yes	no	yes	no	no	no	no	no	yes	no
Video Surveillance	yes	no	no	no	no	no	no	no	no	no	no	no

PROPERTY CHARACTERISTICS

Location

The Subject is located in north Atlanta. The following table details the median rents exhibited in the Subject and comparable neighborhoods.

LOCATION				
Name	Address	Zipcode	Median Gross Rent	Neighborhood
Subject	3601 Piedmont Road NE	30305	\$1,153	Good
Ashford Landing Senior Residences	3521 Blair Circle, NE	30319	\$1,264	Excellent
Ashford Parkside	3522 Blair Circle	30319	\$1,264	Excellent
Baptist Gardens	1928 Delowe Drive SW	30311	\$793	Average
Big Bethel Village	500 Richard Allen Boulevard SW	30331	\$890	Average
2460 Peachtree Apartments	2460 Peachtree Road	30305	\$1,153	Good
3833 Peachtree Apartments	3833 Peachtree Road NE	30319	\$1,264	Excellent
Allure In Buckhead Village	360 Pharr Road	30305	\$1,153	Good
Berkshires At Lenox Park	2124 Gables Drive	30319	\$1,264	Excellent
Esquire Apartments	3102 Buford Hwy NE	30329	\$1,066	Average
The Aster At Buckhead	2900 Pharr Court South	30305	\$1,153	Good
The Haynes House	2420 Peachtree Road	30305	\$1,153	Good

The Subject is in a good location overall. We applied a negative \$75 adjustment for the comparables in excellent locations, and a positive \$75 adjustment for the comparables in average locations, in our rent grids.

Age and Condition

The Subject was originally constructed in 1978, and renovated in 2001, 2006 and 2007. The property is considered to be in average condition as is, and will be in good condition as renovated. 2460 and The Haynes House are in excellent condition, superior to the Subject, post renovation. 3833 Peachtree Apartments, Allure In Buckhead Village, and Berkshires At Lenox Park are in good condition, similar to the Subject post renovation. Esquire Apartments and the Aster at Buckhead are in average condition, inferior the Subject post renovation.

Condition Adjustments - As Renovated Grids

Property	Condition	Adjusted Rent
One-Bedroom Units		
2460 Peachtree Apartments	Excellent	\$1,345
The Haynes House	Excellent	\$1,467
3833 Peachtree Apartments	Good	\$1,294
Allure In Buckhead Village	Good	\$1,260
The Aster At Buckhead	Good	\$1,210
Berkshires At Lenox Park	Average	\$1,124
Esquire Apartments	Average	\$1,070
<i>Avg Difference Between Ex. and Good</i>		\$151
<i>Average Difference Between Good And Average</i>		\$158

In our one- and two-bedroom as proposed grids, we applied a negative \$150 adjustment to the comparables in excellent condition, and a positive \$100 adjustment to the comparables in average

condition. In our one-bedroom as is grids, we applied a negative \$250 adjustment to the comparables in excellent condition, and a negative \$100 adjustment to the comparables in good condition. Additionally, we considered differences in design. The Subject offers a mix of high-rise design, which is superior to Berkshires at Lenox Park and Esquire Apartments, garden-style developments. Thus, we applied a positive \$50 adjustment for design as necessary based on conversations with local managers.

Value of Bathroom

Subject offers one bathroom in two-bedroom unit. Several comparables offer two bathrooms in two-bedroom units. The following tables indicate the premium associated with an additional bathroom at Esquire Apartments and Aster at Buckhead, comparables that offers both one and two bathrooms in its two-bedroom units.

Value of Bathroom				
Esquire Apartments				
Unit Type	Rent	SF	Rent/SF	
2BR/1BA	\$1,337	1,200	\$1.11	
2BR/2BA	\$1,617	1,400	\$1.16	
<i>Calculation of Value</i>				
1. Diff. in SF of 2BR/ 2BA and 2BR/1BA / 4	=	50		
2. Additional SF x RPSF of larger unit	=	\$58		
3. Diff. in rent for 2BR/ 2BA and 2BR/1BA - SF value	=	\$222		
Value of additional bathroom		\$222		

Value of Bathroom				
Aster at Buckhead				
Unit Type	Rent	SF	Rent/SF	
2BR/1BA	\$1,697	1,162	\$1.46	
2BR/1BA	\$1,846	1,279	\$1.44	
<i>Calculation of Value</i>				
1. Diff. in SF of 2BR/ 1BA and 1BR/1BA / 4	=	29		
2. Additional SF x RPSF of larger unit	=	\$42		
3. Diff. in rent for 2BR/ 1BA and 1BR/1BA - SF value	=	\$107		
Value of additional bathroom		\$107		

According to the comparison table above, the value of an additional bathroom is \$107 to \$222. It should be noted that this is a small sample size and likely does not illustrate the true market premium for an additional bathroom. Thus, we applied a negative \$100 adjustment for a full bathroom in our two-bedroom grids.

Unit Amenities

The Subject’s unit amenities are generally slightly inferior to the LIHTC and market rate comparables, which typically include a balcony/patio, dishwasher, central air conditioning, walk-in closets, and washer/dryer hookups and/or appliances. It should be noted that the Subject’s amenities are designed to appeal to senior tenants. We applied adjustments to unit amenities based on feedback from local property managers.

Common Area Amenities

In terms of project amenities, the Subject is generally similar to slightly superior compared to all of the properties except 3833 Peachtree, which is superior to the Subject. It should be noted that the Subject’s amenities are designed to appeal to senior tenants. We applied adjustments to amenities based on feedback from local property managers.

Utility Structure

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

MARKET CHARACTERISTICS

Following are relevant market characteristics for the comparable properties surveyed.

Vacancy Levels

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

OVERALL VACANCY

Property name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Ashford Landing Senior Residences	LIHTC	117	0	0.00%
Ashford Parkside	LIHTC, Market	151	0	0.00%
Baptist Gardens	LIHTC	100	0	0.00%
Big Bethel Village	LIHTC, Market	120	0	0.00%
2460 Peachtree Apartments	Market	236	16	6.80%
3833 Peachtree Apartments	Market	232	16	6.90%
Allure In Buckhead Village	Market	271	8	3.00%
Berkshires At Lenox Park	Market	375	32	8.50%
Esquire Apartments	Market	52	1	1.90%
The Aster At Buckhead	Market	224	20	8.90%
The Haynes House	Market	<u>186</u>	<u>26</u>	<u>14.00%</u>
Total		2,064	119	5.80%

As illustrated, vacancy rates in the market range from zero to 14.0 percent, averaging 5.8 percent. The LIHTC comparable properties have vacancy rates of zero percent. The market rate properties have vacancy rates of 1.9 to 14.0 percent. It should be noted that Haynes House cited increased market competition for its elevated vacancy rates. As previously noted, all of the LIHTC comparables target seniors, like the Subject.

If allocated, we do not believe that the Subject will impact the performance of the existing LIHTC properties, as they reported significant demand for affordable senior housing in the local market. Moreover, the renovations at the Subject will not create new low-income units, but rather will serve to improve and preserve existing low-income housing stock, while all of the existing tenants will remain income-qualified.

The Subject is currently 96 percent occupied with a waiting list. Vacant units are being held offline pending the Subject’s renovations. According to data provided by the developer, the Subject has historically operated with an average vacancy and collection loss of less than one percent over the past three years. Based on the Subject’s historical performance, as well as the performance of the comparables, we believe the Subject, as a restricted property, would operate with a vacancy rate of three percent or less over a typical investment period. In the hypothetical unrestricted scenario, we believe the Subject would experience a vacancy rate of five percent over a typical investment period.

Absorption

We were able to obtain absorption information from three senior LIHTC comparable properties.

ABSORPTION					
Property name	Type	Tenancy	Year Built	Number of Units	Units Absorbed / Month
Ashford Landing Senior Residences*	LIHTC	Senior	2009	117	10
Ashford Parkside*	LIHTC	Senior	2007	151	75
Baptist Gardens*	LIHTC	Senior	2013	100	15
Big Bethel Village*	LIHTC	Senior	2003	120	10
Steelworks	Market	Family	2014	317	21
Square On Fifth	Market	Family	2015	270	45
University House	Market	Family	2015	268	30
The Haynes House*	Market	Family	2015	186	12

*Utilized as comparable

As illustrated in the previous table, the properties constructed between 2003 and 2015 reported absorption rates of 10 to 75 units per month, with an average of 27 units per month.

Per DCA guidelines, we have calculated the absorption rate for the Subject to achieve 93 percent occupancy. If the Subject were 100 percent vacant following the renovations with a RAD program rental assistance subsidy in place for all the units, we would expect the Subject to experience an absorption pace of 40 units per month, which equates to an absorption period of approximately five months for the Subject to reach 93 percent occupancy. In the unlikely event the RAD program rental assistance was to not be in place following renovations, we still believe the Subject could achieve 93 percent occupancy as an unrestricted property within 7 months. In this scenario, we would anticipate an average absorption rate of 30 units per month.

The Subject is currently 96 percent occupied with a waiting list. DCA requires that the new rent structure will not result in rent increases during the term of existing leases at the Subject. Rent increases will be made gradually, maintaining rents that are affordable to the existing tenants. All current residents will be income-qualified for the Subject under the RAD program subsidy. Further, renovations will occur on a rolling basis with tenants in place. Thus, this absorption analysis is hypothetical.

Similarity Matrix

The following table illustrates the Subject’s similarity to the comparable properties. We inform the reader that other users of this document may underwrite the LIHTC rents to a different standard than contained in this report. The following table shows the similarity of the market rate comparables to the Subject property.

Similarity Matrix

#	Property Name	Type	Property Amenities	Unit Features	Location	Age / Condition	Unit Size	Overall Comparison
1	Ashford Landing Senior Residences	LIHTC	Similar	Superior	Slightly Inferior	Slightly Superior	Superior	20
2	Ashford Parkside	LIHTC, Mkt	Similar	Superior	Slightly Inferior	Slightly Superior	Superior	20
3	Baptist Gardens	LIHTC	Similar	Similar	Slightly Inferior	Superior	Superior	15
4	Big Bethel Village	LIHTC, Mkt	Similar	Slightly Superior	Slightly Inferior	Similar	Similar	0
5	2460 Peachtree Apartments	Market	Similar	Slightly Superior	Similar	Similar	Superior	15
6	3833 Peachtree Apartments	Market	Slightly Superior	Slightly Superior	Similar	Similar	Superior	20
7	Allure In Buckhead Village	Market	Similar	Similar	Similar	Similar	Superior	10
8	Berkshires At Lenox Park	Market	Similar	Superior	Similar	Similar	Similar	10
9	Esquire Apartments	Market	Inferior	Similar	Similar	Slightly Inferior	Superior	-5
10	The Aster At Buckhead	Market	Similar	Superior	Similar	Similar	Superior	20
11	The Haynes House	Market	Similar	Superior	Similar	Superior	Superior	30

*Inferior=-10, slightly inferior=-5, similar=0, slightly superior=5, superior=10.

Achievable Market Rents ‘As Is’

Based on the scope of renovation, we have estimated achievable as-is rents for the Subject ranging from **\$1,125** to **\$1,225** for the one-bedroom units. We have estimated achievable as-is rents for the two-bedroom unit at **\$1,400**. These estimated as-is achievable market rents are supported by the rent grids presented previously. The Subject’s potential rental income as is assumes the achievable unrestricted rents.

Achievable Market Rents ‘As Proposed’

The following table illustrates the Subject’s proposed restricted rents compared to the adjusted market rents in the rent grids at the comparable properties, which were previously provided and discussed.

Subject Comparison To Market Rents - As Renovated

Unit Type	Size (SF)	Subject CHAP Rent	Surveyed Mfn	Surveyed Max	Surveyed Average	Achievable Market Rents	Subject Rent Advantage
1 BR	409	\$779	\$1,170	\$1,317	\$1,239	\$1,225	36%
1 BR	522	\$779	\$1,170	\$1,317	\$1,239	\$1,300	40%
1 BR	533	\$779	\$1,170	\$1,317	\$1,239	\$1,300	40%
1 BR	548	\$779	\$1,170	\$1,317	\$1,239	\$1,300	40%
1 BR	574	\$779	\$1,170	\$1,317	\$1,239	\$1,325	41%
2 BR	899	\$933	\$1,434	\$1,770	\$1,603	\$1,500	38%

We have conducted some additional research on properties in the state to determine the appropriate rent increase in an as renovated scenario versus an as is scenario. Five properties have recently completed a renovation. Below is a table showing the effect of renovations on market-rate properties located in the Atlanta area.

RENOVATED UNIT PRICE INCREASES			
Property Name	City	Increase	Notes
Avondale Station	Decatur	\$150 to \$175	Renovations include updated kitchens, bathrooms and hardware.
Ashford East Village	Atlanta	\$100 to \$175	Renovations include new hardwood floors, new cabinets and granite countertops in kitchens and bathrooms, black appliances, paint and fixtures.
Lakeside Reserve	College Park	\$120 to \$150	Renovations include new appliances, flooring, paint, and fixtures.
Preserve At Cascade	Atlanta	\$250	Renovations include new cabinetry, hardwood flooring, and stainless steel appliances.
Vesta Gardens	Atlanta	\$75 to \$80	Renovations include new tile flooring, back splash, cabinets, counter tops, windows and doors.

As seen in the table above, rents increased \$75 to \$250, post renovations. According to property managers we have interviewed, the amount of increase is dependent on the scope of work with the most significant increases occurring when amenities are added, and improvements are made to the unit interiors and common areas that the residents use on a daily basis. According to the client, the proposed renovations are budgeted at \$7,815,124, or approximately \$37,573 per unit in hard costs. Therefore, we have estimated the value of the renovations at \$100.

As illustrated in the previous table, the Subject's CHAP rents are below the range of the unrestricted units at the comparables. The Subject will be similar to the majority of the comparable market rate properties in terms of location. In terms of age/condition and design, the Subject will be similar to slightly superior to the of the market rate comparables. However, the Subject's unit sizes are generally inferior to the market rate comparables. Additionally, the Subject's amenities are similar to inferior to the majority of the market rate comparables. Overall, based on the Subject's design and renovated condition, we have set the Subject's achievable market rents ranging from **\$1,225** to **\$1,325** for the one-bedroom units. We believe the two-bedroom unit can achieve rent of **\$1,500**. These rents are supported by the rent grids. Based on the quality of the surveyed comparable properties and the anticipated quality of the proposed Subject, we conclude that the subsidized rents are well below the achievable market rates for the Subject's area.

DEMAND ANALYSIS

Indications of Demand

Based upon our market research, demographic calculations and analysis, we believe there is demand for the Subject property as conceived. Strengths of the Subject will include its renovated condition and design. The Subject's weakness will include its smaller unit sizes; however, this is typical for senior properties. Overall, the stabilized comparable properties surveyed exhibited an average vacancy rate of 5.8 percent. Additionally, four of the senior LIHTC properties reported zero vacancies. In addition to strong occupancy levels at most of the comparables, all of the LIHTC surveyed properties maintain waiting lists. There is adequate demand for the Subject based on our calculations. We also believe the proposed rents offer value in the market.

The following demand analysis evaluates the potential amount of qualified households, which the Subject would have a fair chance at capturing. The structure of the analysis is based on the guidelines provided by DCA. It should be noted that the following demand analysis is hypothetical as the Subject is currently 96 percent occupied (vacant units held offline pending renovations), and all existing tenants, except one tenant, will remain income-qualified post renovation while maintaining rental subsidies.

1. INCOME RESTRICTIONS

LIHTC rents are based upon a percentage of the Area Median Gross Income ("AMI"), adjusted for household size and utilities. The Georgia Department of Community Affairs ("DCA") will estimate the relevant income levels, with annual updates. The rents are calculated assuming that the maximum net rent a senior household will pay is 40 percent of its household income at the appropriate AMI level.

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

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

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

2. AFFORDABILITY

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

3. DEMAND

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

3A. DEMAND FROM NEW HOUSEHOLDS

The number of new households entering the market is the first level of demand calculated. We have utilized December 2018, the anticipated date of market entry, as the base year for the analysis. Therefore, 2016 household population estimates are inflated to December 2018 by interpolation of the difference between 2016 estimates and 2021 projections. This change in households is considered the gross potential demand for the Subject property. This number is adjusted for income eligibility and renter tenure. In the following tables this calculation is identified as Step 1. This is calculated as an annual demand number. In other words, this calculates the anticipated new households in December 2018. This number takes the overall growth from 2016 to December 2018 and applies it to its respective income cohorts by percentage. This number does not reflect lower income households losing population, as this may be a result of simple dollar value inflation.

3B. DEMAND FROM EXISTING HOUSEHOLDS

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

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

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

3C. SECONDARY MARKET AREA

Per the 2017 GA DCA Qualified Allocation Plan (QAP) and Market Study Manual, GA DCA does not consider demand from outside the Primary Market Area (PMA), including the Secondary Market Area (SMA). Therefore, we have not accounted for leakage from outside the PMA boundaries in our demand analysis.

3D. OTHER

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

4. NET DEMAND, CAPTURE RATES AND STABILIZATION CALCULATIONS

The following pages will outline the overall demand components added together (3(a), 3(b) and 3(c)) less the supply of competitive developments awarded and/or constructed or placed in service from 2014 to the present.

ADDITIONS TO SUPPLY

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

- Comparable/competitive LIHTC and bond units (vacant or occupied) that have been funded, are under construction, or placed in service in 2014 or sooner.
- Vacancies in projects placed in service prior to 2014 that have not reached stabilized occupancy (i.e. at least 90 percent occupied).
- Comparable/competitive conventional or market rate units that are proposed, are under construction, or have entered the market from 2014 to present. As the following discussion will demonstrate, competitive market rate units are those with rent levels that are comparable to the proposed rents at the Subject.

We researched the Georgia DCA published list of LIHTC allocations from 2014 - 2016. Over this time period, there have been no allocations in the Subject's PMA.

PMA OCCUPANCY

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

OVERALL PMA OCCUPANCY				
Property Name	Type	Tenancy	Units	Occupancy
Ashton SF Senior	LIHTC/Market	Senior	60	N/Av
Gates Park Crossing	LIHTC	Senior	153	N/Av
Cove at Red Oak	LIHTC/Section 8	Family	144	N/Av
Campbell Stone Apartments	LIHTC/PBRA	Senior	342	N/Av
Columbia Senior Residences	LIHTC/PBRA	Senior	78	N/Av
Calvin Court	Section 8/Market	Senior	240	N/Av
Cathedral Towers	Section 8	Senior	195	100%
Jewish Tower	Section 8	Senior	200	100%
Zaban Tower	Section 8	Senior	60	N/Av
The Stratford	Market	Family	269	89%
Post Olgethorpe	Market	Family	250	97%
Chastain Terrace Apartments	N/Av	N/Av	N/Av	92%
Peachtree Garden	Market	Family	523	N/Av
The Brookhaven	Market	Family	735	N/Av
Renaissance on Peachtree	Market	Senior	228	97%
Bell Lenox Park	Market	Family	206	97%
Jefferson at Lenox Park	Market	Family	407	N/Av
Lexington Glen Apartments	N/Av	N/Av	N/Av	N/Av
Berkshires at Lenox Park	Market	Family	375	92%
Reserve at Lenox Park	Market	Family	176	96%
Shephard Biscayne Apartments	N/Av	N/Av	N/Av	N/Av
Post Gardens	Market	Family	398	93%
Glenridge Walk	Market	Family	273	93%
Elle of Buckhead	N/Av	N/Av	N/Av	91%
Metropolitan at Buckhead	Market	Family	431	N/Av
Sterling Collier Hills/Fernwood	Market	Family	120	98%
Colonial Homes Apartments	N/Av	N/Av	N/Av	N/Av
Brookwood Valley	Market	Family	240	N/Av
The Darlington	Market	Family	612	N/Av
Amberidge Apartments	Market	Family	31	100%
Camden Brookwood Apartments	Market	Family	359	N/Av
Buford Apartments	N/Av	N/Av	N/Av	N/Av
The Allure	Market	Family	231	96%
Westminster at Buckhead	Market	Family	224	89%
Chastain Park Apartments	N/Av	N/Av	N/Av	N/Av
Bell at Peachtree	Market	Family	236	N/Av
771 Lindbergh	Market	Family	204	93%
Canlan Walk	Market	Family	425	93%
Belle Isle Apartments/ARIUM Chastain Apartments	Market	Family	212	N/Av
Waterford Place Apartments	Market	Family	180	95%
Peachtree Park Apartments	Market	Family	303	N/Av
Avistele at Andalusia	Market	Family	312	N/Av
Chateau Villa Apartments	Market	Family	125	100%
Park Village Apartments	Market	Family	68	100%
Versailles Apartments	N/Av	N/Av	N/Av	N/Av
1105 Town Brookhaven Apartments	Market	Family	299	94%
Windsor at Brookhaven	Market	Family	287	95%
Post Glen	Market	Family	314	93%
Windsor Hall Apartments	N/Av	N/Av	N/Av	100%
Phipps Place	Market	Family	266	93%
Kingsboro Place Luxury Apartments	Market	Family	152	97%
Tremont Apartment Homes	Market	Family	78	100%
Bryson Square at City Park/The Row at 26th Apartments	N/Av	N/Av	N/Av	85%
Alexan Lenox	Market	Family	305	93%
Pointe at Lenox Park	Market	Family	271	92%
Uptown Buckhead Apartments	N/Av	N/Av	N/Av	87%
Rivers Edge at Peachtree Creek	Market	Family	50	N/Av
The Overlook at Lindbergh/Avana Lenox Apartments	Market	Family	423	N/Av
Archstone-Westchester at Peachtree Valley	Market	Family	349	N/Av
Ivy Chase	Market	Family	216	100%
Wesley Townsend Apartments	Market	Family	144	94%
Uptown Square Apartments	Market	Family	363	95%

Cambridge at Buckhead/Axial Buckhead	Market	Family	168	N/Av
Enclave at Glenridge Gate	N/Av	N/Av	N/Av	N/Av
Post Collier Hills/The Pointe at Collier Hills	Market	Family	396	93%
Gramercy at Buckhead	Market	Family	249	96%
West Paces Park Gate	N/Av	N/Av	N/Av	96%
Post Chastain	Market	Family	558	N/Av
Amlı 3464*	Market	Family	240	30%
Amlı Piedmont Heights*	Market	Family	375	72%
Broadstone Court	Market	Family	250	94%
Camden Paces	Market	Family	369	97%
Cyan On Peachtree	Market	Family	328	N/Av
Elan Lindbergh	Market	Family	358	84%
Hanover East Paces*	Market	Family	375	10%
Skyhouse Buckhead	Market	Family	362	N/Av
Solis Downwood	Market	Family	280	N/Av
The Collection - Ph I	Market	Family	316	N/Av
The Haynes House	Market	Family	188	86%
The Monroe	Market	Family	217	96%
The Residence Buckhead	Market	Family	368	93%
The High Rise At Post Alexander	Market	Family	340	N/Av
Venue Brookwood	Market	Family	250	N/Av
Gables Brookhaven	Market	Family	374	82%
Gables Brookhaven Ph Ii	Market	Family	242	82%
Average				92%

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*Not yet stabilized

Rehab Developments and PBRA

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

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

According to the Georgia DCA market study guidelines, capture rate calculations for proposed renovation developments will be based on those units that are vacant, or whose tenants will be rent burdened or over income as listed on the Tenant Relocation Spreadsheet provided by the applicant. Tenants who are income qualified to remain in the property at the proposed stabilized renovated rents will be deducted from the property unit count prior to determining the applicable capture rates. The Subject has nine vacant units, one over income tenant, and the remaining tenants are income-qualified for their specific unit type assuming LIHTC operation based on the current rent roll. Therefore, we have determined the Subject’s capture rates based on 206 total units, considering the one over-income unit and manager unit as deducted.

The Subject will offer primarily one -bedroom units, and a single two-bedroom unit restricted at 60 percent of AMI. It should be noted that DCA requires that the new rent structure will not result in rent increases during the term of existing leases at the Subject. Rent increases will be made gradually, maintaining rents which are affordable to the existing tenant base. We do not

expect that the Subject will need to re-lease 206 units following renovation. Therefore, our demand analysis is considered conservative and hypothetical.

Capture Rates

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

Renter Household Income Distribution 2016 to Projected Market Entry December 2018						
Piedmont Senior Tower						
PMA						
	2016		Projected Mkt Entry December 2018		Percent	
	#	%	#	%	Growth	
\$0-9,999	859	16.2%	921	15.6%	6.7%	
\$10,000-19,999	844	16.0%	896	15.2%	5.8%	
\$20,000-29,999	723	13.7%	776	13.2%	6.8%	
\$30,000-39,999	430	8.1%	485	8.2%	11.2%	
\$40,000-49,999	311	5.9%	349	5.9%	10.8%	
\$50,000-59,999	423	8.0%	476	8.1%	11.2%	
\$60,000-74,999	233	4.4%	264	4.5%	12.0%	
\$75,000-99,999	379	7.2%	431	7.3%	12.1%	
\$100,000-124,999	332	6.3%	377	6.4%	11.9%	
\$125,000-149,999	206	3.9%	246	4.2%	16.3%	
\$150,000-199,999	225	4.2%	267	4.5%	16.0%	
\$200,000+	326	6.2%	399	6.8%	18.3%	
Total	5,290	100.0%	5,886	100.0%	10.1%	

Renter Household Income Distribution Projected Market Entry December 2018			
Piedmont Senior Tower			
	PMA		Change 2016 to Prj Mrkt Entry December 2018
	Projected Mkt Entry December 2018		
	#	%	#
\$0-9,999	921	15.6%	93
\$10,000-19,999	896	15.2%	91
\$20,000-29,999	776	13.2%	79
\$30,000-39,999	485	8.2%	49
\$40,000-49,999	349	5.9%	35
\$50,000-59,999	476	8.1%	48
\$60,000-74,999	264	4.5%	27
\$75,000-99,999	431	7.3%	44
\$100,000-124,999	377	6.4%	38
\$125,000-149,999	246	4.2%	25
\$150,000-199,999	267	4.5%	27
\$200,000+	399	6.8%	40
Total	5,886	100.0%	597

Tenure Prj Mrkt Entry December 2018	
Owner	57.2%
Renter	42.8%
Total	100.0%

Renter Household Size for Prj Mrkt Entry December 2018		
Size	Number	Percentage
1 Person	4,281	72.7%
2 Person	966	16.4%
3 Person	244	4.2%
4 Person	195	3.3%
5+ Person	201	3.4%
Total	5,886	100.0%

Renter Household Size for 2000		
Size	Number	Percentage
1 Person	2,693	78.8%
2 Person	653	19.1%
3 Person	52	1.5%
4 Person	8	0.2%
5+ Person	10	0.3%
Total	3,416	100.0%

60%AMI

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

Percent of AMI Level		60%			
Minimum Income Limit		\$22,770			
Maximum Income Limit		\$32,400 0			
Income Category	New Renter Households - Total Change in Households PMA 2016 to Prj Mrkt Entry December 2018		Income Brackets	Percent within Cohort	Renter Households within Bracket
	\$0-9,999	93.32			
\$10,000-19,999	90.84	15.2%		0.0%	0
\$20,000-29,999	78.64	13.2%	7,229	72.3%	57
\$30,000-39,999	49.11	8.2%	2,400	24.0%	12
\$40,000-49,999	35.36	5.9%		0.0%	0
\$50,000-59,999	48.21	8.1%		0.0%	0
\$60,000-74,999	26.79	4.5%		0.0%	0
\$75,000-99,999	43.69	7.3%		0.0%	0
\$100,000-124,999	38.19	6.4%		0.0%	0
\$125,000-149,999	24.91	4.2%		0.0%	0
\$150,000-199,999	27.10	4.5%		0.0%	0
\$200,000+	40.45	6.8%		0.0%	0
	597	100.0%			69
Percent of renter households within limits versus total number of renter households					11.51%

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

Percent of AMI Level		60%			
Minimum Income Limit		\$22,770			
Maximum Income Limit		\$32,400 0			
Income Category	Total Renter Households PMA Prj Mrkt Entry December 2018		Income Brackets	Percent within Cohort	Households within Bracket
	\$0-9,999	921			
\$10,000-19,999	896	15.2%		0.0%	0
\$20,000-29,999	776	13.2%	\$7,229	72.3%	561
\$30,000-39,999	485	8.2%	\$2,400	24.0%	116
\$40,000-49,999	349	5.9%		0.0%	0
\$50,000-59,999	476	8.1%		0.0%	0
\$60,000-74,999	264	4.5%		0.0%	0
\$75,000-99,999	431	7.3%		0.0%	0
\$100,000-124,999	377	6.4%		0.0%	0
\$125,000-149,999	246	4.2%		0.0%	0
\$150,000-199,999	267	4.5%		0.0%	0
\$200,000+	399	6.8%		0.0%	0
	5,886	100.0%			677
Percent of renter households within limits versus total number of renter households					11.51%

Does the Project Benefit from Rent Subsidy? (Y/N) Yes
 Type of Housing (Family vs Senior) Senior
 Location of Subject (Rural versus Urban) Urban
 Percent of Income for Housing \$0.40
 2000 Median Income \$65,504
 2016 Median Income \$67,500
 Change from 2016 to Prj Mrkt Entry December 2018 \$1,996
 Total Percent Change 3.0%
 Average Annual Change 0.5%
 Inflation Rate 0.5% Two year adjustment 1.0000
 Maximum Allowable Income \$32,400
 Maximum Allowable Income Inflation Adjusted \$32,400
 Maximum Number of Occupants 2
 Rent Income Categories 60%
 Initial Gross Rent for Smallest Unit \$759
 Initial Gross Rent for Smallest Unit Inflation Adjusted \$759.00

Yes		
Senior		
Urban		
\$0.40		
\$65,504		
\$67,500		
\$1,996		
3.0%		
0.5%		
0.5%	Two year adjustment	1.0000
\$32,400		
\$32,400		
2		
60%		
\$759		
\$759.00		

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	100%	0%	0%	0%	0%	100%
2	0%	40%	60%	0%	0%	0%	100%
3	0%	0%	60%	40%	0%	0%	100%
4	0%	0%	0%	80%	20%	0%	100%
5+	0%	0%	0%	70%	30%	0%	100%

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2016 to Prj Mrkt Entry December 2018

Income Target Population		60%
New Renter Households PMA		597
Percent Income Qualified		11.5%
New Renter Income Qualified Households		69

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

Demand from Existing Households 2016

Demand form Rent Overburdened Households

Income Target Population		60%
Total Existing Demand		5,886
Income Qualified		11.5%
Income Qualified Renter Households		677
Percent Rent Overburdened Prj Mrkt Entry December 2018		27.0%
Rent Overburdened Households		183

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

Demand from Living in Substandard Housing

Income Qualified Renter Households		677
Percent Living in Substandard Housing		0.5%
Households Living in Substandard Housing		3

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

Senior Households Converting from Homeownership

Income Target Population		60%
Total Senior Homeowners		5886
Rural Versus Urban	2.0%	
Senior Demand Converting from Homeownership		5

Total Demand

Total Demand from Existing Households		191
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		191
Total New Demand		69
Total Demand (New Plus Existing Households)		260

Demand from Seniors Who Convert from Homeownership		5
Percent of Total Demand From Homeownership Conversion		1.9%
Is this Demand Over 2 percent of Total Demand?		No

By Bedroom Demand

One Person	72.7%	189
Two Persons	16.4%	43
Three Persons	4.2%	11
Four Persons	3.3%	9
Five Persons	3.4%	9
Total	100.0%	260

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	100%	189
Of two-person households in 1BR units	40%	17
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
Of one-person households in 2BR units	0%	0
Of two-person households in 2BR units	60%	26
Of three-person households in 2BR units	60%	6
Of four-person households in 2BR units	0%	0
Of five-person households in 2BR units	0%	0
Total Demand		260
Check		OK
Total Demand by Bedroom		60%
1 BR		206
2 BR		26
Total Demand		254
Additions To Supply 2016 to Prj Mrkt Entry December 2018		60%
1 BR		0
2 BR		0
Total		0
Net Demand		60%
1 BR		206
2 BR		26
Total		232
Developer's Unit Mix		60%
1 BR		205
2 BR		1
Total		206
Capture Rate Analysis		60%
1 BR		99.4%
2 BR		3.9%
Total		88.9%

Overall with RAD

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

Percent of AMI Level		60%		
Minimum Income Limit		\$0		
Maximum Income Limit		\$32,400 2		
Income Category	New Renter Households - Total Change in Households PMA 2016 to Prj Mrkt Entry December 2018		Renter Households within Bracket	
	Income Brackets	Percent within Cohort		
\$0-9,999	93.32	15.6%	9,999	100.0%
\$10,000-19,999	90.84	15.2%	9,999	100.0%
\$20,000-29,999	78.64	13.2%	9,999	100.0%
\$30,000-39,999	49.11	8.2%	2,400	24.0%
\$40,000-49,999	35.36	5.9%		0.0%
\$50,000-59,999	48.21	8.1%		0.0%
\$60,000-74,999	26.79	4.5%		0.0%
\$75,000-99,999	43.69	7.3%		0.0%
\$100,000-124,999	38.19	6.4%		0.0%
\$125,000-149,999	24.91	4.2%		0.0%
\$150,000-199,999	27.10	4.5%		0.0%
\$200,000+	40.45	6.8%		0.0%
	597	100.0%		275
Percent of renter households within limits versus total number of renter households				46.02%

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

Percent of AMI Level		60%		
Minimum Income Limit		\$0		
Maximum Income Limit		\$32,400 2		
Income Category	Total Renter Households PMA Prj Mrkt Entry December 2018		Households within Bracket	
	Income Brackets	Percent within Cohort		
\$0-9,999	921	15.6%	\$9,999	100.0%
\$10,000-19,999	896	15.2%	\$9,999	100.0%
\$20,000-29,999	776	13.2%	\$9,999	100.0%
\$30,000-39,999	485	8.2%	\$2,400	24.0%
\$40,000-49,999	349	5.9%		0.0%
\$50,000-59,999	476	8.1%		0.0%
\$60,000-74,999	264	4.5%		0.0%
\$75,000-99,999	431	7.3%		0.0%
\$100,000-124,999	377	6.4%		0.0%
\$125,000-149,999	246	4.2%		0.0%
\$150,000-199,999	267	4.5%		0.0%
\$200,000+	399	6.8%		0.0%
	5,886	100.0%		2,709
Percent of renter households within limits versus total number of renter households				46.02%

Does the Project Benefit from Rent Subsidy? (Y/N) Yes
 Type of Housing (Family vs Senior) Senior
 Location of Subject (Rural versus Urban) Urban
 Percent of Income for Housing \$0
 2000 Median Income \$65,504
 2016 Median Income \$67,500
 Change from 2016 to Prj Mrkt Entry December 2018 \$1,996
 Total Percent Change 3.0%
 Average Annual Change 0.5%
 Inflation Rate 0.5% Two year adjustment 1.0000
 Maximum Allowable Income \$32,400
 Maximum Allowable Income Inflation Adjusted \$32,400
 Maximum Number of Occupants 2
 Rent Income Categories 60%
 Initial Gross Rent for Smallest Unit \$759
 Initial Gross Rent for Smallest Unit Inflation Adjusted \$759.00

Yes		
Senior		
Urban		
\$0		
\$65,504		
\$67,500		
\$1,996		
3.0%		
0.5%		
0.5%	Two year adjustment	1.0000
\$32,400		
\$32,400		
2		
60%		
\$759		
\$759.00		

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	100%	0%	0%	0%	0%	100%
2	0%	40%	60%	0%	0%	0%	100%
3	0%	0%	60%	40%	0%	0%	100%
4	0%	0%	0%	80%	20%	0%	100%
5+	0%	0%	0%	70%	30%	0%	100%

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2016 to Prj Mrkt Entry December 2018

Income Target Population		60%
New Renter Households PMA		597
Percent Income Qualified		46.0%
New Renter Income Qualified Households		275

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

Demand from Existing Households 2016

Demand from Rent Overburdened Households

Income Target Population		60%
Total Existing Demand		5,886
Income Qualified		46.0%
Income Qualified Renter Households		2,709
Percent Rent Overburdened Prj Mrkt Entry December 2018		27.0%
Rent Overburdened Households		732

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

Demand from Living in Substandard Housing

Income Qualified Renter Households		2,709
Percent Living in Substandard Housing		0.5%
Households Living in Substandard Housing		13

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

Senior Households Converting from Homeownership

Income Target Population		60%
Total Senior Homeowners		5886
Rural Versus Urban	2.0%	
Senior Demand Converting from Homeownership		20

Total Demand

Total Demand from Existing Households		765
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		765
Total New Demand		275
Total Demand (New Plus Existing Households)		1,040

Demand from Seniors Who Convert from Homeownership		20
Percent of Total Demand From Homeownership Conversion		1.9%
Is this Demand Over 2 percent of Total Demand?		No

By Bedroom Demand

One Person	72.7%	756
Two Persons	16.4%	171
Three Persons	4.2%	43
Four Persons	3.3%	34
Five Persons	3.4%	36
Total	100.0%	1,040

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	100%	756
Of two-person households in 1BR units	40%	68
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
Of one-person households in 2BR units	0%	0
Of two-person households in 2BR units	60%	102
Of three-person households in 2BR units	60%	26
Of four-person households in 2BR units	0%	0
Of five-person households in 2BR units	0%	0
Total Demand		1,040
Check		OK
Total Demand by Bedroom		60%
1 BR		825
2 BR		102
Total Demand		1,014
Additions To Supply 2016 to Prj Mrkt Entry December 2018		60%
1 BR		0
2 BR		0
Total		0
Net Demand		60%
1 BR		825
2 BR		102
Total		927
Developer's Unit Mix		60%
1 BR		205
2 BR		1
Total		206
Capture Rate Analysis		60%
1 BR		24.9%
2 BR		1.0%
Total		22.2%

Conclusions

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

- The number of senior renter households in the PMA is expected to increase by 597 units between 2016 and market entry.
- The senior affordable comparables reported zero vacancy and waiting lists.

- We considered the 206 units at the Subject for capture rate calculations for the Subject, removing the manager unit and the single unit that will be over-income.
- This demand analysis does not measure the PMA's or Subject's ability to attract additional or latent demand into the market from elsewhere by offering an affordable option. We believe this to be moderate and therefore the demand analysis is somewhat conservative in its conclusions because this demand is not included.

CAPTURE RATE ANALYSIS CHART

Unit	Income Limits Min.	Income Limits Max	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Absorption	Average Market Rent	Market Rents Band Min-Max	Proposed LIHTC
1BR @ 60%	\$22,770	\$32,400	205	206	0	206	99%	5 months	\$1,275	\$870-\$1,667	\$759
2BR @ 60%	\$27,360	\$32,400	1	26	0	26	4%	5 months	\$1,766	\$1,155-\$2,347	\$912
1BR w/ RAD	\$0	\$32,400	205	825	0	825	25%	5 months	\$1,275	\$870-\$1,667	\$759
2BR w/ RAD	\$0	\$32,400	1	102	0	102	1%	5 months	\$1,766	\$1,155-\$2,347	\$912

Demand and Net Demand		
	HH at 60% AMI \$22,770 to \$32,400)	All Tax Credit Households
Demand from New Households (age and income appropriate)	69	69
PLUS	+	+
Demand from Existing Renter Households - Substandard Housing	3	3
PLUS	+	+
Demand from Existing Renter Housholds - Rent Overburdened Households	183	183
=		
Sub Total	255	255
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 2% where applicable)	5	5
Equals Total Demand	260	260
Less	-	-
New Supply	0	0
Equals Net Demand	260	260

As the analysis illustrates, the Subject’s overall capture rate when we consider the RAD program rental assistance that will be in place 22.2 percent. Therefore, we believe there is more than adequate demand for the Subject.

HIGHEST AND BEST USE

Highest and Best Use is defined as: "The reasonably probable and legal use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity."²

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

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

The Highest and Best Use determination is a function of neighborhood land use trends, property size, shape, zoning, and other physical factors, as well as the market environment in which the property must compete. Four tests are typically used to determine the highest and best use of a particular property. Thus, the following areas are addressed.

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

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

HIGHEST AND BEST USE AS VACANT

Physically Possible

The Subject site contains approximately 2.05 acres. The Subject site has generally level topography and is irregular in shape. It has good accessibility. The site is considered adequate for a variety of legally permissible uses.

Legally Permissible

According to the City of Atlanta Zoning Map the Subject site is zoned RG-5-C, Residential General District Sector 5. The principal residential uses permitted under this zoning code are single-family and multifamily developments. The Subject site is 2.02 acres, or 89,298 square feet. This zoning district allows for a maximum floor-to-area ratio of 3.2. Based on the average unit mix and unit sizes in the market, as well as the comparable land sales, we believe the Subject could be developed with a total of 185 units, which equates to a density of 90 units per acre. The comparable land sales indicate a density range between 49 and 162 units per acre, but three of the four sales reported 90 units per acre or less. Therefore, our estimate of 185 units appears to be supported by the surrounding uses and development patterns in the area.

Financially Feasible

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

The Subject's feasible uses are restricted to those that are allowed by zoning classifications, and are physically possible. As noted in the zoning section, the site can be used for multifamily uses. Given the Subject's surrounding land uses, the site's physical attributes, development patterns in the area, and demand, multifamily residential is considered the most likely use.

Maximally Productive

Based upon our analysis, new construction of a market rate apartment community is financially viable. Therefore, the maximally productive use of this site as if vacant would be to construct a market rate multifamily rental property.

Highest and Best Use "As If Vacant":

Based on the recent development patterns, the highest and best use "as if vacant" would be to construct a 185-unit market rate multifamily development.

Highest and Best Use "As Improved":

The Subject property currently operates as an age-restricted public housing property, and it is in average condition. The property currently provides a public benefit, and it is not deemed feasible to tear it down for an alternative use. However, the highest and best use of the site, as improved, would be to convert to Section 8 or market rate housing that would allow for increased rent and profitability.

APPRAISAL METHODOLOGY

APPRAISAL METHODOLOGY

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

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

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

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

APPLICABILITY TO THE SUBJECT PROPERTY

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

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

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

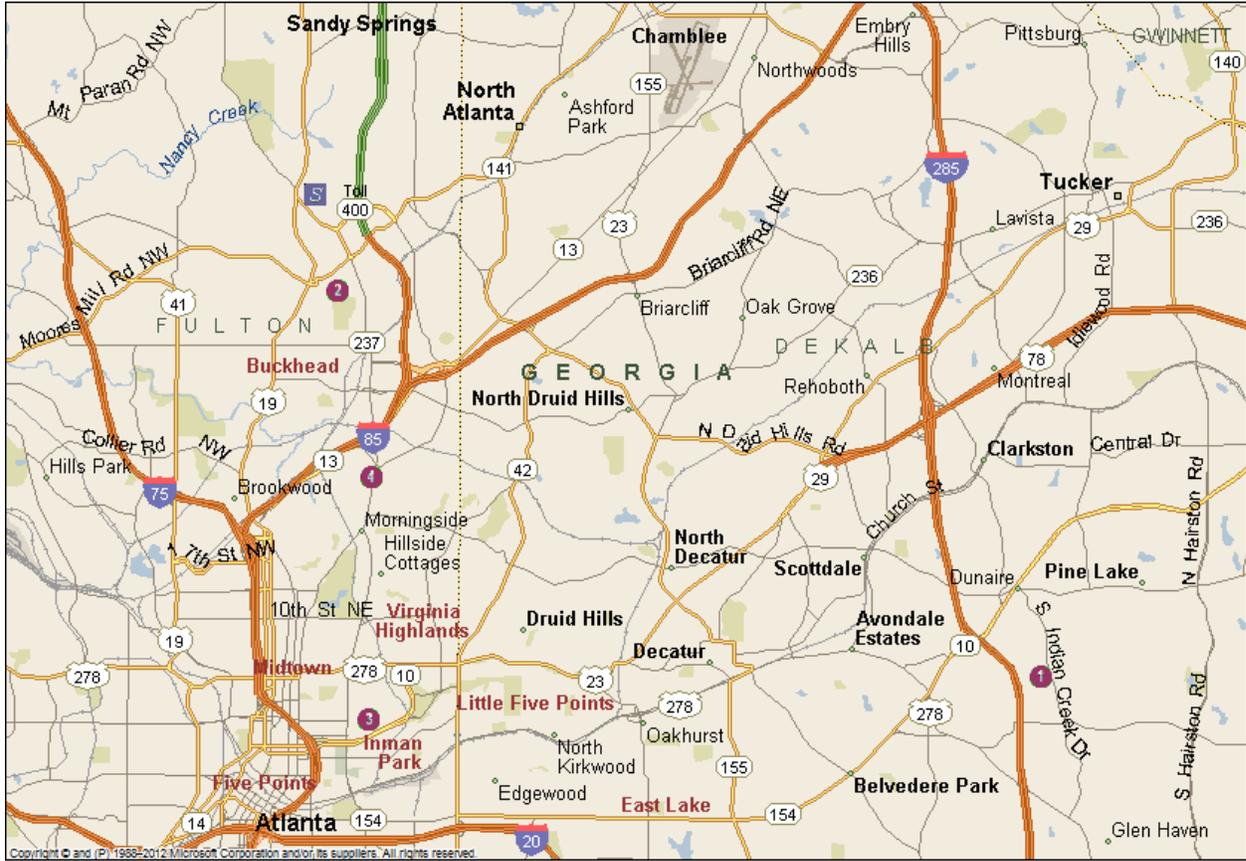
LAND VALUE

LAND VALUATION

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

No two parcels of land are alike; therefore, these sales have been adjusted for various factors including location, size, shape, topography, utility, and marketability. The adjustments are the result of a careful analysis of market data, as well as interviews with various informed buyers, sellers, real estate brokers, builders, and lending institutions. A map of the comparable land sales is included on the following page. Individual descriptions of these land sale transactions are included on the following pages.

Land Sales Map



The following table summarizes the land sale transactions.

COMPARABLE LAND SALES										
Number	Location	City	Buyer	Seller	Sale Date	Price	Acres	Units	Price/Unit	
1	3904 Durham Park Road	Stone Mountain, GA	Manor Indian Creek LP	N/A	May-16	\$1,359,000	5.90	94	\$14,457	
2	475 Buckhead Avenue NE	Atlanta, GA	The Hanover Co	N/A	Nov-14	\$15,000,000	3.63	325	\$46,154	
3	608 Ralph McGill Boulevard	Atlanta, GA	JLB Poncey, LLC	Inland Atlantic Forth Ward LLC	Oct-14	\$5,500,000	2.43	217	\$25,346	
4	1845-1895 Piedmont Avenue	Atlanta, GA	CPT Morningside Heights Associates	Morton Realty Co	Jan-14	\$12,600,000	6.07	300	\$42,000	

Land Sale 1		
Location:		3904 Durham Park Road Stone Mountain, GA
Buyer:		Manor Indian Creek LP
Seller:		N/A
Sale Date:		May-16
Sale Price:		\$1,359,000
Financing:		Cash
Number of Units:		94
Site:	Acre(s)	5.900
	Square Footage	257,004
Zoning		Multifamily
Corner		No
Topography		Level
Shape		Irregular
Sale Price:	Per Unit	\$14,457
	Per Acre	\$230,339
	Per SF	\$5.29
Comments:	The site was purchased in 2016 to construct a 94-unit age-restricted LIHTC property to be known as Manor Indian Creek, which is currently in the initial stages of construction.	
Verification:	DCA, Assessor	

Land Sale 2		
Location:		475 Buckhead Avenue NE Atlanta, GA
Buyer:		The Hanover Co
Seller:		N/A
Sale Date:		November-14
Sale Price:		\$15,000,000
Financing:		Cash
Number of Units:		325
Site:	Acre(s)	3.630
	Square Footage	158,123
Zoning		Multifamily
Corner		No
Topography		Level
Shape		Irregular
Sale Price:	Per Unit	\$46,154
	Per Acre	\$4,132,231
	Per SF	\$94.86
Comments:	The site is developed with Gables Buckhead, a market rate development.	
Verification:	Costar, Public Records	

Land Sale 3		
Location:		608 Ralph McGill Boulevard Atlanta, GA
Buyer:		JLB Poncey, LLC
Seller:		Inland Atlantic Forth Ward LLC
Sale Date:		October-14
Sale Price:		\$5,500,000
Financing:		Cash
Number of Units:		268
Site:	Acre(s)	2.432
	Square Footage	105,938
Zoning		Multifamily
Corner		Yes
Topography		Level
Shape		Rectangular
Sale Price:	Per Unit	\$20,522
	Per Acre	\$2,261,513
	Per SF	\$51.92
Comments:	The broker (Caldwell Zimmerman) confirmed the information about this site. Construction began in 2016 and is nearly complete.	
Verification:	CoStar, Broker	

Land Sale 4		
Location:		1845-1895 Piedmont Avenue Atlanta, GA
Buyer:		CPT Morningside Heights Associates
Seller:		Morton Realty Co
Sale Date:		January-14
Sale Price:		\$12,600,000
Financing:		Cash
Number of Units:		300
Site:	Acre(s)	6.072
	Square Footage	264,475
Zoning		Multifamily
Corner		No
Topography		Level
Shape		Irregular
Sale Price:	Per Unit	\$42,000
	Per Acre	\$2,075,266
	Per SF	\$47.64
Comments:	The site is development with Modera Morningside, a market rate development offering 1, 2 and 3BR units.	
Verification:	CoStar, Public Records	

ADJUSTMENTS

The following table illustrates adjustments applied to the sale comparables.

Comparable Land Data Adjustment Grid						
	Subject	1	2	3	4	
Location	3601 Piedmont Senior Tower Rd NE	3904 Durham Park Road	475 Buckhead Avenue NE	608 Ralph McGill Boulevard	1845-1895 Piedmont Avenue	
City, State	Atlanta, GA	Stone Mountain, GA	Atlanta, GA	Atlanta, GA	Atlanta, GA	
Parcel Data						
Zoning	Multifamily	Multifamily	Multifamily	Multifamily	Multifamily	
Topography	Level	Level	Level	Level	Level	
Shape	Irregular	Irregular	Rectangular	Rectangular	Rectangular	
Corner	No	Yes	Yes	Yes	Yes	
Size (SF)	89,298	257,004	158,123	105,938	105,938	
Size (Acres)	2.1	5.9	3.6	2.4	6.1	
Units	185	94	325	217	300	
Units Per Acre	90	16	90	89	49	
Sales Data						
Date		May-16	Nov-14	Oct-14	Jan-14	
Interest		Fee Simple	Fee Simple	Fee Simple	Fee Simple	
Price		\$1,359,000	\$15,000,000	\$5,500,000	\$12,600,000	
Price per Unit		\$14,457	\$46,154	\$25,346	\$42,000	
Adjustments						
Property Rights		0	0	0	0	
		\$1,359,000	\$15,000,000	\$5,500,000	\$12,600,000	
Financing		0	0	0	0	
		\$1,359,000	\$15,000,000	\$5,500,000	\$12,600,000	
Conditions of Sale		0	0	0	0	
		\$1,359,000	\$15,000,000	\$5,500,000	\$12,600,000	
Market Conditions		0%	5%	5%	5%	
Adjusted Sale Price		\$1,359,000	\$15,750,000	\$5,775,000	\$13,230,000	
Adjusted Price Per Unit		\$14,457	\$48,462	\$26,613	\$44,100	
Adjustments						
Location		60%	0%	45%	5%	
Zoning		0%	0%	0%	0%	
Topography		0%	0%	0%	0%	
Shape		0%	0%	0%	0%	
Size		-5%	0%	0%	0%	
Overall Adjustment		55%	0%	45%	5%	
Adjusted Price Per Unit		\$22,409	\$48,462	\$38,589	\$46,305	
Low	\$22,409					
High	\$48,462					
Mean	\$36,486					
Median	\$38,589					
Conclusion	\$42,500	x	185	\$7,862,500		
Rounded				\$7,900,000		

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

- **Property Rights**
- **Financing**
- **Conditions of Sale**
- **Market Conditions**
- **Location**
- **Zoning**
- **Topography**

- Shape
- Size / Number of Units

Property Rights

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

Financing

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

Conditions of Sale

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

Market Conditions

Real estate values change over time. The rate of this change fluctuates due to investors’ perceptions and responses to prevailing market conditions. This adjustment category reflects market differences occurring between the effective date of the appraisal and the sale date of comparables, when values have appreciated or depreciated. We have analyzed the changes in market conditions of multifamily rental property values. Historical capitalization rate trends are illustrated in following table.

PwC Real Estate Investor Survey - National Apartment Market Overall Capitalization Rate - Institutional Grade Investments		
Quarter	Cap Rate	Change (bps)
1Q14	5.79	-0.01
2Q14	5.59	-0.20
3Q14	5.51	-0.08
4Q14	5.36	-0.15
1Q15	5.36	0.00
2Q15	5.30	-0.06
3Q15	5.39	0.09
4Q15	5.35	-0.04
1Q16	5.35	0.00
2Q16	5.29	-0.06
3Q16	5.25	-0.04
4Q16	5.26	0.01
1Q17	5.33	0.07

Source: PwC Real Estate Investor Survey, Q1 2017

As illustrated above, capitalization rates in the Atlanta market have trended downward somewhat since early 2014. Thus, we applied a positive five percent adjustment to Comparables 2, 3 and 4, which transferred in 2014. No market condition adjustments were warranted for Sale 1.

Location

Location encompasses a number of issues, including location within different market areas with different supply/demand pressures, the character/condition of surrounding development, access, and visibility. It is important to assess which factors truly impact value for different types of real estate.

MEDIAN RENT			
	Zip Code	Median Rent	Differential
Subject	30305	\$1,153	-
1	30083	\$869	25%
2	30305	\$1,153	0%
3	30312	\$974	16%
4	30324	\$1,124	3%

MEDIAN HOUSEHOLD INCOME			
	Zip Code	HH Income	Differential
Subject	30305	\$89,489	-
1	30083	\$38,007	58%
2	30305	\$89,489	0%
3	30312	\$42,169	53%
4	30324	\$61,753	31%

As illustrated, Comparables 1, and 3 offer an inferior location relative to the Subject, and we applied positive 45 to 60 percent adjustments to these two sales. Comparable 4 offers a slightly inferior location and received a positive five percent adjustment. Comparable 2 offers a similar location, and no adjustment is necessary for this sale.

Zoning / Use

The Subject and all of the comparables permit for multifamily/mixed use development and were purchased for such. No adjustments are necessary based on intended use.

Site Restrictions

The Subject site is not encumbered by any known restrictions requiring low income housing, which is similar to the comparables. Therefore, no adjustments are warranted.

Topography

The land sales vary in topography, but are generally level and appear to be functional. Therefore, no adjustments are warranted.

Site Characteristics

The comparable sales did not feature any existing site characteristics that would have impacted value at the time of sale. Therefore, no adjustments are necessary.

Size / Number of Units

With respect to size, the pool of potential purchasers decreases as property size (and purchase price) increases. The pricing relationship is not linear and certain property sizes, while different, may not receive differing prices based on the grouping within levels. Sale 1 is superior to the Subject, and

received a negative five percent adjustment. All of the remaining sales are relatively similar to the Subject in terms of size, and no adjustments were necessary.

CONCLUSION OF VALUE

The sales indicate a range of adjusted price per unit from \$22,409 to \$48,462 per unit, with a mean of \$36,043 per unit. Sale 1 appears to be an outlier and we have placed the least weight on this sale. We relied primarily on Sales 2 and 4 which required the least net adjustments. We have concluded to a sale price of \$42,500 per unit.

As a result of our investigation and analysis, it is our opinion that, subject to the limiting conditions and assumptions contained herein, the unencumbered value of the underlying land in fee simple, as of April 19, 2017, is:

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

INCOME CAPITALIZATION APPROACH

INCOME CAPITALIZATION APPROACH

INTRODUCTION

We were asked to provide several value estimates, including:

- Market Value “As Is.”
- Hypothetical Market Value “Upon Completion” –assuming unrestricted rents.
- Hypothetical Market Value “As Complete and Stabilized” –assuming restricted rents.
- Hypothetical Market Value “As Complete and Stabilized” –assuming unrestricted rents.
- Prospective Market Value at loan maturity.

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

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

The Subject’s “as is” and hypothetical future market values and “Upon Completion and Stabilization” is determined using Direct Capitalization.

POTENTIAL GROSS INCOME

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

The potential gross income of the Subject is the total annual income capable of being generated by all sources, including rental revenue and other income sources. The Subject’s potential rental income as is assumes the achievable as is unrestricted rents derived in the Supply Section of this report, while the potential rental income as proposed restricted assumes the RAD program CHAP rents. The as proposed unrestricted income assumes the achievable as renovated unrestricted rents. It should be noted that the manager’s unit is currently a two-bedroom unit, but upon transfer of ownership will become a one-bedroom unit. It should be noted that while the one market rate unit in the as proposed restricted scenario is eligible for market rents, we believe this is unlikely due to the fact that the Subject will continue to operate as a public housing development.

POTENTIAL GROSS RENTAL INCOME - As Is

Unit Type	Number of Units	Achievable Market Rents	Monthly Gross Rent	Annual Gross Rent
1BR - 409SF	130	\$1,125	\$146,250	\$1,755,000
1BR - 522SF	14	\$1,200	\$16,800	\$201,600
1BR - 533SF	14	\$1,200	\$16,800	\$201,600
1BR - 548SF	25	\$1,200	\$30,000	\$360,000
1BR - 574SF	24	\$1,225	\$29,400	\$352,800
<i>Manager Unit</i>				
2BR - 899 SF	<u>1</u>	-	-	-
Total	208			\$2,871,000

POTENTIAL GROSS RENTAL INCOME - As Proposed Restricted

Unit Type	Number of Units	RAD Program CHAP Rents/Achievable Rent	Monthly Gross Rent	Annual Gross Rent
<i>60% AMI (RAD/PBRA)</i>				
1BR - 409SF	129	\$779	\$100,491	\$1,205,892
1BR - 522SF	14	\$779	\$10,906	\$130,872
1BR - 533SF	14	\$779	\$10,906	\$130,872
1BR - 548SF	25	\$779	\$19,475	\$233,700
1BR - 574SF	23	\$779	\$17,917	\$215,004
2BR - 899 SF	1	\$933	\$933	\$11,196
<i>Manager Unit</i>				
1BR - 409SF	1	-	-	-
<i>Market Rate</i>				
1BR - 574SF	<u>1</u>	\$250	\$250	<u>\$3,000</u>
Total	208			\$1,930,536

POTENTIAL GROSS RENTAL INCOME - As Proposed Unrestricted

Unit Type	Number of Units	Achievable Market Rents	Monthly Gross Rent	Annual Gross Rent
1BR - 409SF	129	\$1,225	\$158,025	\$1,896,300
1BR - 522SF	14	\$1,300	\$18,200	\$218,400
1BR - 533SF	14	\$1,300	\$18,200	\$218,400
1BR - 548SF	25	\$1,300	\$32,500	\$390,000
1BR - 574SF	24	\$1,325	\$31,800	\$381,600
2BR - 899 SF	1	\$1,500	\$1,500	\$18,000
<i>Manager Unit</i>				
1BR - 409SF	<u>1</u>	-	-	-
Total	208			\$3,122,700

Other Income

The other income category is primarily revenue generated from late charges, special service fees, vending machines, etc. The comparables were able to report other income, ranging from \$25 to \$110 per unit. The Subject's historical other income ranges from \$38 to \$348 per unit, with three years exceeding \$300 per unit. The developer's budget indicates other income of \$42 per unit. According to the developer, the Subject's historical other income appears inflated due to rental subsidies, while the developer's budget includes only other income generated from central laundry and other tenant charges. Thus, we will conclude to other income of \$70 per unit, which is at the middle of the

comparable range but appears reasonable based on the limited sources of other income going forward.

Vacancy and Collection Loss

The Subject is currently 96 percent occupied with a waiting list. It should be noted that vacant units are being held offline pending the Subject's renovations. According to data provided by the developer, the Subject has historically operated with an average vacancy and collection loss of less than one percent over the past three years. Based on the Subject's historical performance, as well as the performance of the comparables, we believe the Subject, as a restricted property, would operate with a vacancy rate of three percent or less over a typical investment period. In the unrestricted scenario, we believe the Subject would hypothetically experience a vacancy rate of five percent over a typical investment period. Additionally, we have included an additional two percent collection loss in the unrestricted scenario. We believe collection loss is negligible in the restricted scenario, which is also supported by the Subject's historical information.

EXPLANATION OF EXPENSES

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

It is important to note that the projections of income and expenses are based on the basic assumption that the apartment complex will be managed and staffed by competent personnel and that the property will be professionally advertised and aggressively promoted. The Subject offers 208 units that target senior households. Upon completion of renovations, the Subject will continue to target seniors. The Subject's historical fiscal year 2012, 2013, 2014 and 2016 expenses, as well as comparable operating expense data from 2013 to 2016 from properties located in Atlanta serve as the basis of comparison. It should be noted that we were unable to obtain 2015 historic financials. It should also be noted that the historical expenses do not necessarily provide a good representation of market oriented expenses for the Subject, as they are based on public housing operating subsidies and operations. We have also included the Subject's proposed operating budget.

EXPENSE CATEGORY	Novogradac Estimates As Is Unrestricted Atlanta, GA		Novogradac Estimates As Proposed Restricted Atlanta, GA		Novogradac Estimates As Proposed Unrestricted Atlanta, GA		SUBJECT BUDGETED EXPENSES Atlanta, GA		FY 2016 SUBJECT ACTUAL EXPENSES Atlanta, GA		FY 2014 SUBJECT ACTUAL EXPENSES Atlanta, GA		FY 2013 SUBJECT ACTUAL EXPENSES Atlanta, GA		FY 2012 SUBJECT ACTUAL EXPENSES Atlanta, GA	
	208		208		208		208		208		208		208		208	
	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit
OTHER INCOME	\$14,560	\$70	\$14,560	\$70	\$14,560	\$70	\$8,736	\$42	\$7,870	\$38	\$64,521	\$310	\$66,820	\$321	\$72,732	\$350
MARKETING																
Advertising / Screening / Credit	\$2,080	\$10	\$2,080	\$10	\$2,080	\$10	\$3,661	\$18	\$396	\$2	\$446	\$2	\$2,355	\$11	\$547	\$3
SUBTOTAL	\$2,080	\$10	\$2,080	\$10	\$2,080	\$10	\$3,661	\$18	\$396		\$446	\$2	\$2,355	\$11	\$547	\$3
ADMINISTRATION																
Legal	\$3,120	\$15	\$3,120	\$15	\$3,120	\$15	\$0	\$0	\$3,683	\$18	\$3,022	\$15	\$2,236	\$11	\$2,236	\$11
Audit	\$5,200	\$25	\$15,600	\$75	\$5,200	\$25	\$14,125	\$68	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Office & Other	\$93,600	\$450	\$93,600	\$450	\$93,600	\$450	\$107,930	\$519	\$36,675	\$176	\$107,489	\$517	\$126,692	\$609	\$256,993	\$1,236
SUBTOTAL	\$101,920	\$490	\$112,320	\$540	\$101,920	\$490	\$122,055	\$587	\$40,358	\$194	\$110,511	\$531	\$128,928	\$620	\$259,229	\$1,246
TOTAL ADMINISTRATION	\$104,000	\$500	\$114,400	\$550	\$104,000	\$500	\$125,716	\$604	\$40,754	\$196	\$110,957	\$533	\$131,283	\$631	\$259,776	\$1,249
MAINTENANCE																
Painting / Turnover / Cleaning	\$31,200	\$150	\$26,000	\$125	\$26,000	\$125	\$23,392	\$112	\$18,343	\$88	\$14,873	\$72	\$35,678	\$172	\$48,118	\$231
Repairs	\$171,600	\$825	\$93,600	\$450	\$93,600	\$450	\$53,801	\$259	\$61,534	\$296	\$213,605	\$1,027	\$219,446	\$1,055	\$241,870	\$1,163
Elevator	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,849	\$38	\$9,841	\$47	\$11,239	\$54	\$10,912	\$52
Grounds	\$13,520	\$65	\$13,520	\$65	\$13,520	\$65	\$11,187	\$54	\$7,594	\$37	\$13,541	\$65	\$13,639	\$66	\$11,497	\$55
Pool	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Supplies/Other	\$54,080	\$260	\$54,080	\$260	\$54,080	\$260	\$62,954	\$303	\$36,528	\$176	\$53,073	\$255	\$54,188	\$261	\$85,095	\$409
SUBTOTAL	\$270,400	\$1,300	\$187,200	\$900	\$187,200	\$900	\$151,334	\$728	\$131,848	\$634	\$304,933	\$1,466	\$334,190	\$1,607	\$397,492	\$1,911
OPERATING																
Contracts	\$31,200	\$150	\$31,200	\$150	\$31,200	\$150	\$54,716	\$263	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Exterminating	\$15,600	\$75	\$15,600	\$75	\$15,600	\$75	\$15,255	\$73	\$24,805	\$119	\$6,971	\$34	\$5,064	\$24	\$5,298	\$25
Security	\$10,400	\$50	\$10,400	\$50	\$10,400	\$50	\$10,783	\$52	\$87,154	\$419	\$136,223	\$655	\$139,764	\$672	\$136,478	\$656
SUBTOTAL	\$57,200	\$275	\$57,200	\$275	\$57,200	\$275	\$80,754	\$388	\$111,959	\$538	\$143,194	\$688	\$144,828	\$696	\$141,776	\$682
TOTAL MAINTENANCE AND OPERATING	\$327,600	\$1,575	\$244,400	\$1,175	\$244,400	\$1,175	\$232,088	\$1,116	\$243,807	\$1,172	\$448,127	\$2,154	\$479,018	\$2,303	\$539,268	\$2,593
PAYROLL																
On-site manager	\$100,000	\$481	\$100,000	\$481	\$100,000	\$481	\$54,147	\$260	\$138,899	\$668	\$138,442	\$666	\$138,966	\$668	\$153,542	\$738
Other management staff	\$0	\$0	\$0	\$0	\$0	\$0	\$78,161	\$376	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Maintenance staff	\$125,000	\$601	\$125,000	\$601	\$125,000	\$601	\$143,608	\$690	\$161,053	\$774	\$155,688	\$749	\$172,311	\$828	\$147,511	\$709
Janitorial staff	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Benefits	\$22,500	\$108	\$22,500	\$108	\$22,500	\$108	\$40,545	\$195	\$48,150	\$231	\$54,428	\$262	\$51,230	\$246	\$36,953	\$178
Payroll taxes	\$27,000	\$130	\$27,000	\$130	\$27,000	\$130	\$29,300	\$141	\$22,592	\$109	\$22,848	\$110	\$25,853	\$124	\$26,938	\$130
SUBTOTAL	\$274,500	\$1,320	\$274,500	\$1,320	\$274,500	\$1,320	\$345,761	\$1,662	\$370,694	\$1,782	\$371,406	\$1,786	\$388,360	\$1,867	\$364,944	\$1,755
UTILITIES																
Water & Sewer	\$98,800	\$475	\$88,400	\$425	\$88,400	\$425	\$103,586	\$498	\$96,020	\$462	\$98,657	\$474	\$82,562	\$397	\$177,166	\$852
Electricity	\$185,120	\$890	\$171,600	\$825	\$171,600	\$825	\$183,630	\$883	\$182,974	\$880	\$186,021	\$894	\$173,827	\$836	\$216,194	\$1,039
Gas	\$47,840	\$230	\$41,600	\$200	\$41,600	\$200	\$51,793	\$249	\$45,461	\$219	\$48,095	\$231	\$44,122	\$212	\$48,766	\$234
Trash	\$7,280	\$35	\$7,280	\$35	\$7,280	\$35	\$15,255	\$73	\$12,361	\$59	\$7,858	\$38	\$5,596	\$27	\$7,024	\$34
SUBTOTAL	\$339,040	\$1,630	\$308,880	\$1,485	\$308,880	\$1,485	\$354,264	\$1,703	\$336,816	\$1,619	\$340,631	\$1,638	\$306,107	\$1,472	\$449,150	\$2,159
MISCELLANEOUS																
Insurance	\$83,200	\$400	\$83,200	\$400	\$83,200	\$400	\$83,200	\$400	\$0	\$0	\$26,116	\$126	\$26,500	\$127	\$24,020	\$115
Real Estate Taxes / PILOT	\$293,147	\$1,409	\$0	\$0	\$383,347	\$1,843	\$0	\$0	\$0	\$0	\$11,057	\$53	\$11,057	\$53	-\$10,287	-\$49
Reserves	\$72,800	\$350	\$62,400	\$300	\$62,400	\$300	\$62,400	\$300	\$62,700	\$300	\$62,400	\$300	\$62,400	\$300	\$62,400	\$300
Supportive Services	\$0	\$0	\$62,400	\$300	\$0	\$0	\$60,000	\$288	\$107,095	\$515	\$106,367	\$511	\$118,917	\$572	\$143,640	\$691
SUBTOTAL	\$449,147	\$2,159	\$208,000	\$1,000	\$528,947	\$2,543	\$205,600	\$988	\$169,795	\$816	\$205,940	\$990	\$218,874	\$1,052	\$219,773	\$1,057
MANAGEMENT																
SUBTOTAL	\$80,507	\$387	\$94,337	\$454	\$87,530	\$421	\$86,097	\$414	\$124,146	\$597	\$126,779	\$610	\$87,555	\$421	\$85,096	\$409
TOTAL EXPENSES	\$1,574,795	\$7,571	\$1,244,517	\$5,983	\$1,548,256	\$7,444	\$1,349,526	\$6,488	\$1,286,012	\$6,183	\$1,603,840	\$7,711	\$1,611,197	\$7,746	\$1,918,007	\$9,221

EXPENSE CATEGORY	Novogradac Estimates As Is Unrestricted Atlanta, GA		Novogradac Estimates As Proposed Restricted Atlanta, GA		Novogradac Estimates As Proposed Unrestricted Atlanta, GA		SUBJECT BUDGETED EXPENSES Atlanta, GA		2016 CONFIDENTIAL ACTUAL EXPENSES Atlanta, GA		2016 ANNUALIZED CONFIDENTIAL ACTUAL EXPENSES Atlanta, GA		2014 CONFIDENTIAL ACTUAL EXPENSES Lithonia, GA		2013 CONFIDENTIAL ACTUAL EXPENSES Atlanta, GA	
	208		208		208		208		204		170		120		305	
	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit
OTHER INCOME	\$14,560	\$70	\$14,560	\$70	\$14,560	\$70	\$8,736	\$42	\$25,271	\$124	\$42,416	\$250	\$48,826	\$407	\$126,944	\$416
MARKETING																
Advertising / Screening / Credit	\$2,080	\$10	\$2,080	\$10	\$2,080	\$10	\$3,661	\$18	\$0	\$0	\$4,211	\$25	\$10,010	\$83	\$33,642	\$110
SUBTOTAL	\$2,080	\$10	\$2,080	\$10	\$2,080	\$10	\$3,661	\$18	\$0	\$0	\$4,211	\$25	\$10,010	\$83	\$33,642	\$110
ADMINISTRATION																
Legal	\$3,120	\$15	\$3,120	\$15	\$3,120	\$15	\$0	\$0	\$10,425	\$51	\$16,232	\$95	\$16,100	\$134	\$11,141	\$37
Audit	\$5,200	\$25	\$15,600	\$75	\$5,200	\$25	\$14,125	\$68	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Office & Other	\$93,600	\$450	\$93,600	\$450	\$93,600	\$450	\$107,930	\$519	\$70,380	\$345	\$31,282	\$184	\$18,535	\$154	\$126,382	\$414
SUBTOTAL	\$101,920	\$490	\$112,320	\$540	\$101,920	\$490	\$122,055	\$587	\$80,805	\$396	\$47,514	\$279	\$34,635	\$289	\$137,523	\$451
TOTAL ADMINISTRATION	\$104,000	\$500	\$114,400	\$550	\$104,000	\$500	\$125,716	\$604	\$80,805	\$396	\$51,725	\$304	\$44,645	\$372	\$171,165	\$561
MAINTENANCE																
Painting / Turnover / Cleaning	\$31,200	\$150	\$26,000	\$125	\$26,000	\$125	\$23,392	\$112	\$0	\$0	\$27,150	\$160	\$22,784	\$190	\$5,597	\$18
Repairs	\$171,600	\$825	\$93,600	\$450	\$93,600	\$450	\$53,801	\$259	\$2,720	\$13	\$0	\$0	\$0	\$0	\$4,444	\$15
Elevator	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$23,142	\$136	\$0	\$0	\$0	\$0
Grounds	\$13,520	\$65	\$13,520	\$65	\$13,520	\$65	\$11,187	\$54	\$0	\$0	\$14,393	\$85	\$16,131	\$134	\$24,417	\$80
Pool	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$28,122	\$138	\$0	\$0	\$0	\$0	\$3,228	\$11
Supplies/Other	\$54,080	\$260	\$54,080	\$260	\$54,080	\$260	\$62,954	\$303	\$76,923	\$377	\$78,057	\$459	\$26,959	\$225	\$95,210	\$312
SUBTOTAL	\$270,400	\$1,300	\$187,200	\$900	\$187,200	\$900	\$151,334	\$728	\$107,765	\$528	\$142,742	\$840	\$65,874	\$549	\$132,896	\$436
OPERATING																
Contracts	\$31,200	\$150	\$31,200	\$150	\$31,200	\$150	\$54,716	\$263	\$0	\$0	\$0	\$0	\$0	\$0	\$113,686	\$373
Exterminating	\$15,600	\$75	\$15,600	\$75	\$15,600	\$75	\$15,255	\$73	\$15,024	\$74	\$23,916	\$141	\$0	\$0	\$5,983	\$20
Security	\$10,400	\$50	\$10,400	\$50	\$10,400	\$50	\$10,783	\$52	\$77,495	\$380	\$13,425	\$79	\$0	\$0	\$0	\$0
SUBTOTAL	\$57,200	\$275	\$57,200	\$275	\$57,200	\$275	\$80,754	\$388	\$92,519	\$454	\$37,341	\$220	\$0	\$0	\$119,669	\$392
TOTAL MAINTENANCE AND OPERATING	\$327,600	\$1,575	\$244,400	\$1,175	\$244,400	\$1,175	\$232,088	\$1,116	\$200,284	\$982	\$180,083	\$1,059	\$65,874	\$549	\$252,565	\$828
PAYROLL																
On-site manager	\$100,000	\$481	\$100,000	\$481	\$100,000	\$481	\$54,147	\$260	\$56,200	\$275	\$48,948	\$288	\$36,754	\$306	\$0	\$0
Other management staff	\$0	\$0	\$0	\$0	\$0	\$0	\$78,161	\$376	\$22,006	\$108	\$45,536	\$268	\$48,520	\$404	\$243,272	\$798
Maintenance staff	\$125,000	\$601	\$125,000	\$601	\$125,000	\$601	\$143,608	\$690	\$185,239	\$908	\$117,278	\$690	\$36,413	\$303	\$66,986	\$220
Janitorial staff	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Benefits	\$22,500	\$108	\$22,500	\$108	\$22,500	\$108	\$40,545	\$195	\$75,869	\$372	\$29,870	\$176	\$29,556	\$246	\$28,437	\$93
Payroll taxes	\$27,000	\$130	\$27,000	\$130	\$27,000	\$130	\$29,300	\$141	\$0	\$0	\$0	\$0	\$0	\$0	\$29,271	\$96
SUBTOTAL	\$274,500	\$1,320	\$274,500	\$1,320	\$274,500	\$1,320	\$345,761	\$1,662	\$339,314	\$1,663	\$241,632	\$1,421	\$151,243	\$1,260	\$367,966	\$1,206
UTILITIES																
Water & Sewer	\$98,800	\$475	\$88,400	\$425	\$88,400	\$425	\$103,586	\$498	\$369,849	\$1,813	\$9,013	\$53	\$0	\$0	\$6,604	\$22
Electricity	\$185,120	\$890	\$171,600	\$825	\$171,600	\$825	\$183,630	\$883	\$48,504	\$238	\$108,869	\$640	\$95,413	\$795	\$88,470	\$290
Gas	\$47,840	\$230	\$41,600	\$200	\$41,600	\$200	\$51,793	\$249	\$1,384	\$7	\$0	\$0	\$0	\$0	\$0	\$0
Trash	\$7,280	\$35	\$7,280	\$35	\$7,280	\$35	\$15,255	\$73	\$31,962	\$157	\$9,469	\$56	\$14,416	\$120	\$9,308	\$31
SUBTOTAL	\$339,040	\$1,630	\$308,880	\$1,485	\$308,880	\$1,485	\$354,264	\$1,703	\$451,699	\$2,214	\$127,351	\$749	\$109,829	\$915	\$104,382	\$342
MISCELLANEOUS																
Insurance	\$83,200	\$400	\$83,200	\$400	\$83,200	\$400	\$83,200	\$400	\$90,745	\$445	\$36,591	\$215	\$37,802	\$315	\$70,931	\$233
Real Estate Taxes / PILOT	\$293,147	\$1,409	\$0	\$0	\$383,347	\$1,843	\$0	\$0	\$87,866	\$431	\$188,516	\$1,109	\$75,451	\$629	\$516,013	\$1,692
Reserves	\$72,800	\$350	\$62,400	\$300	\$62,400	\$300	\$62,400	\$300	\$0	\$300	\$0	\$300	\$0	\$300	\$91,500	\$300
Supportive Services	\$0	\$0	\$62,400	\$300	\$0	\$0	\$60,000	\$288	\$0	\$0	\$0	\$0	\$0	\$0	\$3,505	\$11
SUBTOTAL	\$449,147	\$2,159	\$208,000	\$1,000	\$528,947	\$2,543	\$205,600	\$988	\$178,611	\$876	\$225,107	\$1,324	\$113,253	\$944	\$681,949	\$2,236
MANAGEMENT																
SUBTOTAL	\$80,507	\$387	\$94,337	\$454	\$87,530	\$421	\$86,097	\$414	\$128,442	\$630	\$86,644	\$510	\$56,181	\$468	\$115,383	\$378
TOTAL EXPENSES	\$1,574,795	\$7,571	\$1,244,517	\$5,983	\$1,548,256	\$7,444	\$1,349,526	\$6,488	\$1,379,155	\$6,761	\$916,753	\$5,393	\$541,025	\$4,509	\$1,693,410	\$5,552

General Administrative

This category includes all professional fees for items such as legal, accounting, and marketing expenses, as well as office supplies and general and administrative costs. Historically, the Subject's administrative expense has ranged from \$196 to \$1,249 per unit. Three of the four years of historic financials indicate \$631 per unit or less. It should be noted that the Subject had an expense for "outsourced services" of approximately \$840 per unit in 2012, which inflated the administrative expenses. The developer's budget indicates a general administrative expense of \$604 per unit. The comparable expense data ranges from \$304 to \$561 per unit but three of the four comparables indicate \$396 per unit or less. We have concluded to \$550 per unit for the as proposed restricted scenario and \$500 per unit for the unrestricted scenarios. According to a Novogradac & Company LLP comprehensive analysis of national operating expense data, it costs on average approximately \$55 more per unit for administrative costs for low income housing tax credit property nationally than it does for a market-rate property.

Repairs, Maintenance, and Operating

Included in this expense are normal items of repair including roof, painting, decorating, maintenance of public areas, cleaning, etc. Historically, the Subject's maintenance and operating expenses per unit have ranged from \$1,172 to \$2,593 per unit with a decreasing trend. Three years of historical financials exceed \$2,100 per unit. It should be noted that the historicals appear to include some capital expenditures, as well as security expenses of more than \$600 per unit. A significantly lower security expense estimates seems reasonable based on the security expenses reported by the comparables, as well as the relatively low crime rates in the Subject's PMA. The developer's total budgeted expense for maintenance is \$1,116 per unit. The comparable expense data ranges from \$549 to \$1,059 per unit, but three of the comparables reported \$828 per unit or less. For the purposes of our analysis, we have also considered the fact that the Subject has a senior tenancy and a unit mix of almost all one-bedroom units. The Subject will be newly renovated. We have concluded to an expense of \$1,575 per unit for the as is scenario and \$1,175 per unit for both proposed scenarios, which is above the range of the comparables but similar to the developer's as renovated budget. Based on the Subject's high-rise design, our estimate appears reasonable.

Payroll

Payroll expenses are directly connected to the administration of the complex, including office, maintenance and management salaries. In addition, employee benefits and employment related taxes are included in the category. The Subject has historically had payroll expenses ranging from 1,755 to \$1,867 per unit. The developer estimates a payroll expense of \$1,662 per unit. It should be noted that the historical and budgeted payroll expenses do not include a social services coordinator, as this is handled in a separate line item. The comparable expense data ranges from \$1,206 to \$1,663 per unit, but three of the comparables indicate \$1,421 per unit or less. For a property the size of the Subject, we would estimate one full-time manager, one full-time assistant manager, two full-time maintenance persons, and a part-time maintenance person. Benefits are estimated at \$5,000 per full-time staff and \$2,500 per part-time staff, and payroll taxes are estimated at 12 percent. The following table illustrates Novoco's staffing plan for the Subject for all scenarios.

PAYROLL EXPENSE CALCULATION

	Expenses	Per Unit
Office Staff	\$100,000	\$481
Maintenance Staff	\$125,000	\$601
Benefits (\$5,000 per FTE)	\$22,500	\$108
Payroll Taxes (estimated at 12%)	\$27,000	\$130
Total Annual Payroll	\$274,500	\$1,320

As illustrated, we have concluded to a payroll expense of \$1,320 per unit for all scenarios, which is below the historical range but within the comparable range.

Utilities

The landlord will continue to be responsible for all utilities. Historically, the Subject's utility expenses ranged from \$1,472 to \$2,149 per unit, with the two most recent periods reporting \$1,640 per unit or less. The Subject's budgeted expense is \$1,703 per unit. Further, based on the scope of work, we believe that the proposed renovations will improve utility efficiency. We concluded to a utility expense of \$1,630 per unit for the as is scenario and will conclude to utility expenses of \$1,485 per unit for both proposed scenarios, which is below the developers budget.

Insurance

Comparable data illustrates a range from \$215 to \$445 per unit. The historical expenses have ranged from \$0 to \$127 per unit, and the budgeted expense is \$400 per unit. The historical data appears too low relative to the comparable data. Therefore, we have concluded to insurance costs of \$400 per unit for all scenarios, which is similar to the developer's budgeted insurance expense and within the comparable range.

Taxes

Real estate taxes have been previously discussed in the real estate tax analysis. As previously noted, the Subject will maintain a full tax exemption for the restricted scenario.

Replacement Reserves

The reserve for replacement allowance is often considered a hidden expense of ownership not normally seen on an expense statement. Reserves must be set aside for future replacement of items such as the roof, HVAC systems, parking area, appliances and other capital items. It is difficult to ascertain market information for replacement reserves, as it is not a common practice in the marketplace for properties of the Subject's size and investment status. Underwriting requirements for replacement reserve for existing properties typically range from \$250 to \$350 per unit per year. Thus, we have used an expense of \$350 per unit for the as is scenario and \$300 for the as proposed scenarios.

Supportive Services

The Subject provides supportive services, and historically, the supportive services expenses have ranged from \$511 to \$691 per unit, and the developer has estimated an expense of \$288 per unit. We believe this is a reasonable estimate, and have concluded to a supportive services estimate of \$300 per unit for the as renovated restricted scenario.

Management Fees

The typical range for professionally managing an apartment property such as the Subject is 4.0 to 7.0 percent of effective gross rental income, depending upon the size and age of the apartment complex with the latter percentage being charged to smaller or older complexes. This amount will also vary dependent upon what is included in the management task which some would also classify as administration. The comparables reported a management fee ranging from four to six percent, or \$378 to \$630 per unit. Historically, the Subject has operated with management fee of three to seven percent. The developer's budget indicates a management fee of six percent. We have concluded to a management fee of 5.0 percent for the as renovated restricted scenario and a management fee of 3.0 percent for the unrestricted scenarios.

SUMMARY

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

Comparable Expense Properties		
Total Expense per Unit	Total	W/O Taxes & Utilities
Developer's Budget	\$6,488	\$4,785
Subject FY 2016	\$6,183	\$4,563
Subject FY 2014	\$7,711	\$6,020
Subject FY 2013	\$7,746	\$6,221
Subject FY 2012	\$9,221	\$7,111
Expense Comparable 1	\$6,761	\$4,116
Expense Comparable 2	\$5,393	\$3,535
Expense Comparable 3	\$4,509	\$2,965
Expense Comparable 4	\$5,552	\$3,518
Subject (As Is)	\$7,571	\$4,532
Subject (As Proposed Restricted)	\$5,983	\$4,498
Subject (As Proposed Unrestricted)	\$7,444	\$4,116

The estimated operating expenses for the Subject are below the budget and historical ranges but above the range of the comparables. As previously noted, the historical expenses are not market oriented expenses for the Subject, as they are based on public housing operating subsidies and operations. We believe that the estimated expenses for the restricted and unrestricted scenarios are reasonable based upon the comparable expenses.

DIRECT CAPITALIZATION

We have provided an estimate of the Subject's "as is" and prospective value assuming completion and stabilization as of the date of value. *Please see the assumptions and limiting conditions regarding hypothetical conditions.*

To quantify the income potential of the Subject, a direct capitalization of a stabilized cash flow is employed. In this analytical method, we estimate the present values of future cash flow expectations by applying the appropriate overall capitalization rate to the forecast net operating income.

Overall Capitalization Rate

In order to estimate the appropriate capitalization rate, we relied upon several methods, discussed below.

Market Extraction

The table below summarizes the recent improved sales of the most comparable properties that were used in our market extraction analysis:

SALES COMPARISON

	Property	Sale Date	Sale Price	# of Units	Price / Unit	EGIM	Overall Rate
1	Elan Lindbergh	Sep-16	\$84,630,000	358	\$236,397	12.7	5.4%
2	The Pointe at Lenox Park	Aug-16	\$39,125,000	271	\$144,373	10.4	5.5%
3	Uptown Buckhead	Mar-15	\$32,500,000	216	\$150,463	11.0	5.1%
4	M789 Atlanta	Nov-14	\$55,625,000	300	\$185,417	12.9	4.5%
5	Bell at Peachtree	Nov-14	<u>\$45,600,000</u>	<u>234</u>	<u>\$194,872</u>	<u>12.2</u>	<u>5.1%</u>
	Average		\$51,496,000	276	\$182,304	11.8	5.1%

The properties are all stabilized and represent typical market transactions for multifamily properties in the Atlanta metro area. The primary factors that influence the selection of a rate is the Subject's condition and location. The sales illustrate a range of overall rates from 4.5 to 5.5 percent and occurred between November 2014 and September 2016. The comparable sales were constructed or renovated between 1989 and 2015 and will be generally similar to superior to the Subject in terms of age/condition. Additionally, Comparables 4 and 5 both offer high-rise designs, similar to the Subject. The Subject offers a similar to slightly superior location relative to most of the comparables. Further, all the sales have a generally similar number of units. Lastly, it should be noted that the Subject offers an inferior unit mix relative to all of the sales. Overall, we believe a capitalization rate of 5.25 percent is considered reasonable based on market extraction for the Subject.

The PwC Real Estate Investor Survey

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

PwC REAL ESTATE INVESTOR SURVEY

National Apartment Market

Overall Capitalization Rate - Institutional Grade Investments

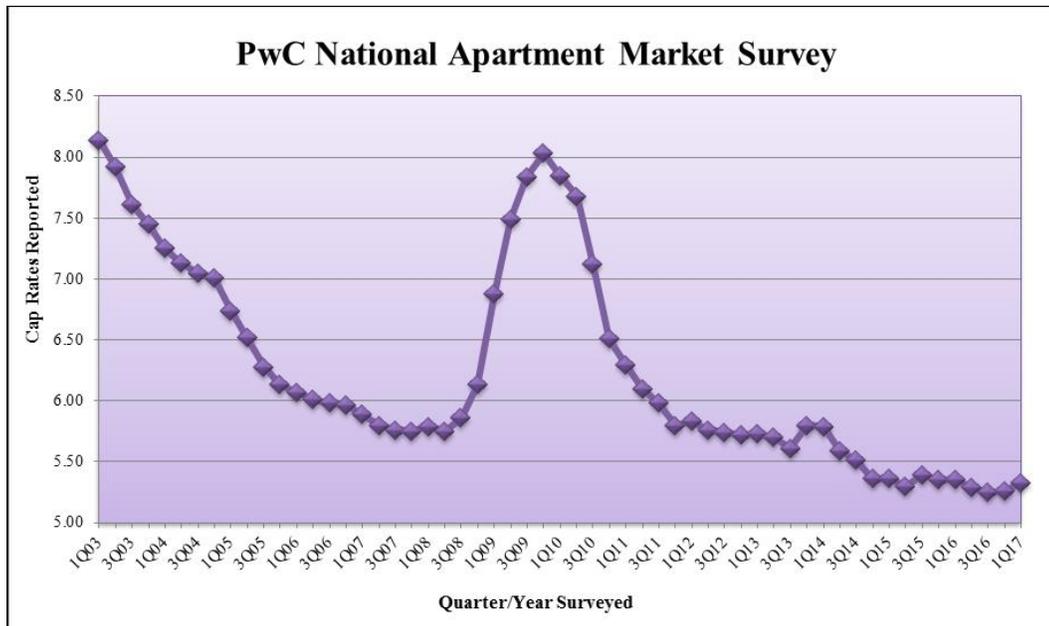
Range: 3.50% - 8.00%
 Average: 5.33%

Non-Institutional Grade Investments

Range: 3.75% - 12.00%
 Average: 7.08%

Source: PwC Real Estate Investor Survey, Q1 2017

The *PwC Real Estate Investor Survey* defines “Institutional – Grade” real estate as real property investments that are sought out by institutional buyers and have the capacity to meet generally prevalent institutional investment criteria³. Typical “Institutional – Grade” apartment properties are newly constructed, well amenitized, market-rate properties in urban or suburban locations. Rarely could subsidized properties, either new construction or acquisition/rehabilitation, be considered institutional grade real estate. Therefore, for our purpose, the Non-Institutional Grade capitalization rate is most relevant; this is currently 175 basis points higher than the Institutional Grade rate on average. However, local market conditions have significant weight when viewing capitalization rates.



³ PwC Real Estate Investor Survey

PwC Real Estate Investor Survey - National Apartment Market Overall Capitalization Rate - Institutional Grade Investments					
Quarter	Cap Rate	Change (bps)	Quarter	Cap Rate	Change (bps)
1Q03	8.14	-	2Q10	7.68	-0.17
2Q03	7.92	-0.22	3Q10	7.12	-0.56
3Q03	7.61	-0.31	4Q10	6.51	-0.61
4Q03	7.45	-0.16	1Q11	6.29	-0.22
1Q04	7.25	-0.20	2Q11	6.10	-0.19
2Q04	7.13	-0.12	3Q11	5.98	-0.12
3Q04	7.05	-0.08	4Q11	5.80	-0.18
4Q04	7.01	-0.04	1Q12	5.83	0.03
1Q05	6.74	-0.27	2Q12	5.76	-0.07
2Q05	6.52	-0.22	3Q12	5.74	-0.02
3Q05	6.28	-0.24	4Q12	5.72	-0.02
4Q05	6.13	-0.15	1Q13	5.73	0.01
1Q06	6.07	-0.06	2Q13	5.70	-0.03
2Q06	6.01	-0.06	3Q13	5.61	-0.09
3Q06	5.98	-0.03	4Q13	5.80	0.19
4Q06	5.97	-0.01	1Q14	5.79	-0.01
1Q07	5.89	-0.08	2Q14	5.59	-0.20
2Q07	5.80	-0.09	3Q14	5.51	-0.08
3Q07	5.76	-0.04	4Q14	5.36	-0.15
4Q07	5.75	-0.01	1Q15	5.36	0.00
1Q08	5.79	0.04	2Q15	5.30	-0.06
2Q08	5.75	-0.04	3Q15	5.39	0.09
3Q08	5.86	0.11	4Q15	5.35	-0.04
4Q08	6.13	0.27	1Q16	5.35	0.00
1Q09	6.88	0.75	2Q16	5.29	-0.06
2Q09	7.49	0.61	3Q16	5.25	-0.04
3Q09	7.84	0.35	4Q16	5.26	0.01
4Q09	8.03	0.19	1Q17	5.33	0.07
1Q10	7.85	-0.18			

Source: PwC Real Estate Investor Survey, Q1 2017

As the graph indicates, the downward trend through early 2007 is clear. The average capitalization rate decreased 225 basis points over a four-year period from 2003 to 2007. However, capitalization rates stabilized in 2007 and began a steep increase in late 2008. They appear to have peaked in the fourth quarter of 2009 and have generally decreased through the first quarter of 2015. Capitalization rates as of the first quarter of 2017 have exhibited a slight decrease over capitalization rates from the first quarter of 2016. Overall, we have estimated a capitalization rate of 5.25 percent, which is within the range of the Non-Institutional Grade capitalization rates.

Debt Coverage Ratio

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

The ratio used is:

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

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

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

Where:

R_O = Overall Capitalization Rate

D.C.R = Debt Coverage Ratio

R_M = Mortgage Constant

M = Loan-to-Value Ratio

Band of Investment

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

The formula is:

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

Where:

R_O = Overall Capitalization Rate

M = Loan-to-Value Ratio

R_M = Mortgage Constant

R_E = Equity Dividend

The equity dividend rate (R_E) also known as the cash on cash return rate, is the rate of return that an equity investor expects on an annual basis. It is a component of the overall return requirement. The equity dividend rate is impacted by the returns on other similar investments as well as the risk profile of the investment market and finally the expectation for future value growth. The equity dividend rate is lower in cases where the market is strong and there is a perception of lower risk related to the return of the investment. Further, the dividend rate is lower in markets that have greater expectation for capital appreciation. In some cases we have seen dividend rates that are zero or even negative, suggesting that buyers are willing to forego an annual return because of a larger expectation of capital appreciation. Of course the converse is also true. Generally we see equity dividend rates ranging from two to 10 percent. In this case, the Subject is located within a primary apartment market with strong growth. As a result, an equity dividend estimate of 4.0 percent is considered reasonable in this analysis.

The Mortgage Constant (R_M) is based upon the calculated interest rate from the ten year treasury. We have utilized 4.0 percent as our estimate of equity return. The following table summarizes calculations for the two previously discussed methods of capitalization rate derivation. We will utilize a market oriented interest rate of 4.5 percent. Based on our work files, the typical amortization period is 25 to 30 years and the loan to value ratio is 70 to 80 percent with interest rates between 4.50 and 6.00 percent. Therefore, we believe a 4.5 percent interest rate with a 30 year amortization period and a loan to value of 70 percent is reasonable. The following table illustrates

the band of investment for the Subject property.

CAPITALIZATION RATE DERIVATION

Inputs and Assumptions		Interest Rate Calculations	
DCR	1.2	Treasury Bond Basis*	
Rm	0.06	10 Year T Bond Rate	2.50%
Interest (per annum)*	4.50%	Interest rate spread	200
Amortization (years)	30	Interest Rate (per annum)	4.50%
M	70%		
Re	4%		

Debt Coverage Ratio

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

$$5.11\% = 1.20 \times 0.06 \times 70\%$$

Band of Investment

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

$$5.46\% = (70\% \times 0.06) + (30\% \times 4\%)$$

* Source: Bloomberg.com, 5/2017

Conclusion of Overall Rate Selection

After reviewing the appropriate methods for developing an overall rate, the following ranges of overall capitalization rates are indicated:

CAPITALIZATION RATE SELECTION SUMMARY

Method	Indicated Rate
Market Extraction	5.25%
PwC Survey	5.25%
Debt Coverage Ratio	5.11%
Band of Investment	5.46%

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

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

The four approaches indicate a range from 5.11 to 5.46 percent. Therefore, we reconciled to a 5.25 percent capitalization rate for all scenarios based primarily upon the market-extracted rates. A summary of the direct capitalization analysis for these scenarios can be found on the following pages.

Direct Capitalization Technique Year One Operating Statement

Expense Analysis

Operating Revenues

			As Is Unrestricted		As Proposed Restricted		As Proposed Unrestricted	
Total Potential Rental Income	208	208	\$1,150	\$2,871,000	\$773	\$1,930,536	\$1,251	\$3,122,700
Other Income								
Miscellaneous			\$70	\$14,560	\$70	\$14,560	\$70	\$14,560
Residential Potential Revenues			\$13,873	\$2,885,560	\$9,351	\$1,945,096	\$15,083	\$3,137,260
Vacancy			-\$971	-\$201,989	-\$281	-\$58,353	-\$1,056	-\$219,608
Vacancy and Collections Loss Percentage				-7%		-3%		-7%
Effective Gross Income			\$12,902	\$2,683,571	\$9,071	\$1,886,743	\$14,027	\$2,917,652

Operating Expenses

			As Is Unrestricted		As Proposed Restricted		As Proposed Unrestricted	
Administration and Marketing			\$500	\$104,000	\$550	\$114,400	\$500	\$104,000
Maintenance and Operating*			\$1,575	\$327,600	\$1,475	\$306,800	\$1,175	\$244,400
Payroll			\$1,320	\$274,500	\$1,320	\$274,500	\$1,320	\$274,500
Utilities			\$1,630	\$339,040	\$1,485	\$308,880	\$1,485	\$308,880
Property & Liability Insurance			\$400	\$83,200	\$400	\$83,200	\$400	\$83,200
Real Estate and Other Taxes			\$1,409	\$293,147	\$0	\$0	\$1,843	\$383,347
Replacement Reserves			\$350	\$72,800	\$300	\$62,400	\$300	\$62,400
Management Fee	3.0%	5.0%	\$387	\$80,507	\$454	\$94,337	\$421	\$87,530
Total Operating Expenses			\$7,571	\$1,574,795	\$5,983	\$1,244,517	\$7,444	\$1,548,256
Expenses as a ratio of EGI				59%		66%		53%

Valuation

Valuation

			As Is Unrestricted		As Proposed Restricted		As Proposed Unrestricted	
Net Operating Income			\$5,331	\$1,108,776	\$3,088	\$642,226	\$6,584	\$1,369,396
Capitalization Rate				5.25%		5.25%		5.25%
Indicated Value "rounded"				\$21,100,000		\$12,200,000		\$26,100,000

Cost of Stabilization

For each unrestricted value, we have assumed that the Subject would need to re-lease all 208 units. As previously noted, we have assumed an absorption rate of 30 units per month, which equates to an absorption period of 7 months in the unrestricted scenarios. Additionally, we have added \$10,000 in estimated marketing costs over this time period. Therefore, we have deducted a total cost of stabilization of approximately \$850,000 to \$900,000 for the various scenarios, as illustrated in the table below. The indicated value has been adjusted by this amount to arrive at the as is value.

	As Is Unrestricted		As Complete Unrestricted	
Number of Months to lease to Stabilized 93%	7		7	
Income loss	\$841,622	29%	\$915,034	29%
Initial market costs	\$10,000		\$10,000	
Total loss to lease	\$851,622		\$925,034	
Value as complete	\$20,248,378		\$25,174,966	
As Complete Value Rounded	\$20,200,000		\$25,200,000	

Conclusion

The following table summarizes the findings of the previously conducted direct capitalization analysis.

DIRECT CAPITALIZATION ANALYSIS - "AS IS"

Scenario	Cap Rate	Net Operating Income	Loss to Lease	Indicated Value (Rounded)
As Is	5.25%	\$1,108,776	\$841,622	\$20,200,000

DIRECT CAPITALIZATION ANALYSIS - "AS COMPLETE"

Scenario	Loss To Lease	Indicated Value (Rounded)
As Complete Unrestricted	\$925,034	\$25,200,000

DIRECT CAPITALIZATION ANALYSIS - "AS COMPLETE AND STABILIZED"

Scenario	Cap Rate	Net Operating Income	Indicated Value (Rounded)
As Proposed Restricted	5.25%	\$642,226	\$12,200,000
As Proposed Unrestricted	5.25%	\$1,369,396	\$26,100,000

The Subject’s leased fee market value of the real estate “As Is”, via the Income Capitalization Approach, as of April 19, 2017 is:

**TWENTY MILLION TWO HUNDRED THOUSAND DOLLARS
(\$20,200,000)**

The Subject’s hypothetical leased fee market value of the real estate assuming the achievable unrestricted rents “As Complete”, on December 1, 2018 via the Income Capitalization Approach, as of April 19, 2017 is:

**TWENTY-FIVE MILLION TWO HUNDRED THOUSAND DOLLARS
(\$25,200,000)**

The Subject’s hypothetical leased fee market value of the real estate assuming the proposed RAD CHAP rents “As Complete and Stabilized”, on March 1, 2019 via the Income Capitalization Approach, as of April 19, 2017 is:

TWELVE MILLION TWO HUNDRED THOUSAND DOLLARS
(\$12,200,000)

The Subject's hypothetical leased fee market value of the real estate assuming the achievable unrestricted rents "**As Complete and Stabilized**", on March 1, 2019 via the Income Capitalization Approach, as of April 19, 2017 is:

TWENTY- SIX MILLION ONE HUNDRED THOUSAND DOLLARS
(\$26,100,000)

Extraordinary Assumptions – As Is Value

For the "as is" valuation scenario, it is an extraordinary assumption of this report that the Subject's public housing restrictions will be disposed. The Subject currently operates as a public housing development under a flat rent schedule. This rent schedule is not market-oriented; the Subject essentially operates on a breakeven basis, and not in a profit-generating manner. As a result, the current rent structure is not an accurate basis upon which to value the property.

It is reasonable to assume that any potential buyer would not purchase a property that is not sustainable or does not allow for a reasonable profit. Therefore, our estimate of as is value assumes achievable market rents in the as is condition. Further, we assume that the restrictions affiliated with a public housing development are removed and that the Subject operates with market rents and market-based operating expenses. Based on these assumptions, the Subject, in its as is condition, would be sustainable and operate with a reasonable profit.

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

PROSPECTIVE MARKET VALUE AT LOAN MATURITY

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

Income and Expense Growth Projections

The AMI in Fulton County increased approximately 0.7 percent annually between 2000 and 2016. However, since 2010, the AMI in the county has decreased from \$71,800 to \$67,500. Several of the market rate and LIHTC comparables experienced rent growth over the past year. Overall, we have increased the income line items by 2.5 percent per annum and expenses by 3.0 percent per annum over the holding period.

Terminal Capitalization Rate

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

PwC REAL ESTATE INVESTOR SURVEY**National Apartment Market****Overall Capitalization Rate - Institutional Grade Investments**

Range:	3.50% - 8.00%
Average:	5.33%

Non-Institutional Grade Investments

Range:	3.75% - 12.00%
Average:	7.08%

Source: PwC Real Estate Investor Survey, Q1 2017

Additionally, we have considered the market extracted capitalization rates in the Atlanta market. As discussed in detail later in this report, we have estimated a going in capitalization rate of 5.25 percent for the Subject.

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

- Anticipated annual capture of the Subject.
- The anticipated demand growth in the market associated with both local residential and corporate growth.
- The Subject's construction and market position.
- Local market overall rates.

In view of the preceding data, observed rate trends, and careful consideration of the Subject's physical appeal and economic characteristics, a terminal rate of 7.25 percent has been used, which is within the range and is considered reasonable for a non-institutional grade property such as the Subject following renovation.

VALUATION ANALYSIS

Based upon the indicated operating statements and the discount rate discussion above, we developed a cash flow for the Subject. The following pages illustrate the cash flow and present value analysis.

As Proposed Restricted Scenario (Years 1 through 15)

Restricted Cash Flow Value Derivation of "as complete"															
Fiscal Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Income															
Low Income Units	\$1,930,536	\$1,978,799	\$2,028,269	\$2,078,976	\$2,130,951	\$2,184,224	\$2,238,830	\$2,294,801	\$2,352,171	\$2,410,975	\$2,471,249	\$2,533,031	\$2,596,356	\$2,661,265	\$2,727,797
Nonresidential	\$14,560	\$14,924	\$15,297	\$15,680	\$16,072	\$16,473	\$16,885	\$17,307	\$17,740	\$18,183	\$18,638	\$19,104	\$19,582	\$20,071	\$20,573
Gross Project Income	\$1,945,096	\$1,993,723	\$2,043,566	\$2,094,656	\$2,147,022	\$2,200,698	\$2,255,715	\$2,312,108	\$2,369,911	\$2,429,158	\$2,489,887	\$2,552,135	\$2,615,938	\$2,681,336	\$2,748,370
Vacancy Allowance	-\$58,353	-\$59,812	-\$61,307	-\$62,840	-\$64,411	-\$66,021	-\$67,671	-\$69,363	-\$71,097	-\$72,875	-\$74,697	-\$76,564	-\$78,478	-\$80,440	-\$82,451
Effective Gross Income	\$1,886,743	\$1,933,912	\$1,982,259	\$2,031,816	\$2,082,611	\$2,134,677	\$2,188,044	\$2,242,745	\$2,298,813	\$2,356,284	\$2,415,191	\$2,475,570	\$2,537,460	\$2,600,896	\$2,665,919
Expenses															
Administrative and Marketing	\$114,400	\$117,832	\$121,367	\$125,008	\$128,758	\$132,621	\$136,600	\$140,698	\$144,918	\$149,266	\$153,744	\$158,356	\$163,107	\$168,000	\$173,040
Maintenance and Operating	\$306,800	\$316,004	\$325,484	\$335,249	\$345,306	\$355,665	\$366,335	\$377,325	\$388,645	\$400,304	\$412,314	\$424,683	\$437,423	\$450,546	\$464,063
Payroll	\$274,500	\$282,735	\$291,217	\$299,954	\$308,952	\$318,221	\$327,767	\$337,600	\$347,728	\$358,160	\$368,905	\$379,972	\$391,371	\$403,113	\$415,206
Utilities	\$308,880	\$318,146	\$327,691	\$337,522	\$347,647	\$358,077	\$368,819	\$379,883	\$391,280	\$403,018	\$415,109	\$427,562	\$440,389	\$453,601	\$467,209
Insurance	\$83,200	\$85,696	\$88,267	\$90,915	\$93,642	\$96,452	\$99,345	\$102,326	\$105,395	\$108,557	\$111,814	\$115,168	\$118,623	\$122,182	\$125,847
Real Estate Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Replacement Reserve	\$62,400	\$64,272	\$66,200	\$68,186	\$70,232	\$72,339	\$74,509	\$76,744	\$79,046	\$81,418	\$83,860	\$86,376	\$88,967	\$91,637	\$94,386
Management Fee	\$94,337	\$96,696	\$99,113	\$101,591	\$104,131	\$106,734	\$109,402	\$112,137	\$114,941	\$117,814	\$120,760	\$123,779	\$126,873	\$130,045	\$133,296
Total Expenses	\$1,244,517	\$1,281,381	\$1,319,339	\$1,358,424	\$1,398,668	\$1,440,108	\$1,482,777	\$1,526,714	\$1,571,954	\$1,618,538	\$1,666,505	\$1,715,897	\$1,766,755	\$1,819,123	\$1,873,046
Net Operating Income	\$642,226	\$652,531	\$662,921	\$673,392	\$683,943	\$694,569	\$705,266	\$716,031	\$726,859	\$737,745	\$748,685	\$759,674	\$770,705	\$781,773	\$792,872
Reversion Calculation															
Terminal Capitalization Rate	7.25%														
Sales Costs	3.0%														
Net Sales Proceeds															

As Proposed Restricted Scenario (Years 16 through 30)

Restricted Cash Flow Value Derivation of "as complete"

Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048
\$2,795,992	\$2,865,892	\$2,937,539	\$3,010,977	\$3,086,252	\$3,163,408	\$3,242,493	\$3,323,556	\$3,406,644	\$3,491,811	\$3,579,106	\$3,668,583	\$3,760,298	\$3,854,306	\$3,950,663
\$21,087	\$21,614	\$22,155	\$22,709	\$23,276	\$23,858	\$24,455	\$25,066	\$25,693	\$26,335	\$26,993	\$27,668	\$28,360	\$29,069	\$29,796
\$2,817,079	\$2,887,506	\$2,959,694	\$3,033,686	\$3,109,528	\$3,187,266	\$3,266,948	\$3,348,622	\$3,432,337	\$3,518,146	\$3,606,099	\$3,696,252	\$3,788,658	\$3,883,374	\$3,980,459
-\$84,512	-\$86,625	-\$88,791	-\$91,011	-\$93,286	-\$95,618	-\$98,008	-\$100,459	-\$102,970	-\$105,544	-\$108,183	-\$110,888	-\$113,660	-\$116,501	-\$119,414
\$2,732,567	\$2,800,881	\$2,870,903	\$2,942,675	\$3,016,242	\$3,091,648	\$3,168,940	\$3,248,163	\$3,329,367	\$3,412,601	\$3,497,916	\$3,585,364	\$3,674,998	\$3,766,873	\$3,861,045
\$178,231	\$183,578	\$189,086	\$194,758	\$200,601	\$206,619	\$212,818	\$219,202	\$225,778	\$232,552	\$239,528	\$246,714	\$254,115	\$261,739	\$269,591
\$477,984	\$492,324	\$507,094	\$522,306	\$537,976	\$554,115	\$570,738	\$587,861	\$605,496	\$623,661	\$642,371	\$661,642	\$681,491	\$701,936	\$722,994
\$427,662	\$440,492	\$453,707	\$467,318	\$481,337	\$495,778	\$510,651	\$525,970	\$541,749	\$558,002	\$574,742	\$591,984	\$609,744	\$628,036	\$646,877
\$481,225	\$495,662	\$510,532	\$525,848	\$541,623	\$557,872	\$574,608	\$591,846	\$609,601	\$627,889	\$646,726	\$666,128	\$686,112	\$706,695	\$727,896
\$129,623	\$133,512	\$137,517	\$141,642	\$145,892	\$150,268	\$154,777	\$159,420	\$164,202	\$169,128	\$174,202	\$179,428	\$184,811	\$190,356	\$196,066
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$97,217	\$100,134	\$103,138	\$106,232	\$109,419	\$112,701	\$116,082	\$119,565	\$123,152	\$126,846	\$130,652	\$134,571	\$138,608	\$142,767	\$147,050
\$136,628	\$140,044	\$143,545	\$147,134	\$150,812	\$154,582	\$158,447	\$162,408	\$166,468	\$170,630	\$174,896	\$179,268	\$183,750	\$188,344	\$193,052
\$1,928,571	\$1,985,745	\$2,044,617	\$2,105,238	\$2,167,660	\$2,231,935	\$2,298,121	\$2,366,272	\$2,436,448	\$2,508,709	\$2,583,117	\$2,659,736	\$2,738,632	\$2,819,872	\$2,903,527
\$803,995	\$815,135	\$826,285	\$837,437	\$848,583	\$859,713	\$870,819	\$881,891	\$892,919	\$903,892	\$914,799	\$925,628	\$936,366	\$947,001	\$957,518

7.25%
3.0%
\$12,800,000

As Proposed Unrestricted Scenario (Years 1 through 15)

Market Cash Flow Value Derivation of "as complete"

Fiscal Year	Year 1 2019	Year 2 2020	Year 3 2021	Year 4 2022	Year 5 2023	Year 6 2024	Year 7 2025	Year 8 2026	Year 9 2027	Year 10 2028	Year 11 2029	Year 12 2030	Year 13 2031	Year 14 2032	Year 15 2033
Income															
Low Income Units	\$3,122,700	\$3,200,768	\$3,280,787	\$3,362,806	\$3,446,877	\$3,533,048	\$3,621,375	\$3,711,909	\$3,804,707	\$3,899,824	\$3,997,320	\$4,097,253	\$4,199,684	\$4,304,676	\$4,412,293
Nonresidential	\$14,560	\$14,924	\$15,297	\$15,680	\$16,072	\$16,473	\$16,885	\$17,307	\$17,740	\$18,183	\$18,638	\$19,104	\$19,582	\$20,071	\$20,573
Gross Project Income	\$3,137,260	\$3,215,692	\$3,296,084	\$3,378,486	\$3,462,948	\$3,549,522	\$3,638,260	\$3,729,216	\$3,822,447	\$3,918,008	\$4,015,958	\$4,116,357	\$4,219,266	\$4,324,748	\$4,432,866
Vacancy Allowance	-\$219,608	-\$225,098	-\$230,726	-\$236,494	-\$242,406	-\$248,467	-\$254,678	-\$261,045	-\$267,571	-\$274,261	-\$281,117	-\$288,145	-\$295,349	-\$302,732	-\$310,301
Effective Gross Income	\$2,917,652	\$2,990,593	\$3,065,358	\$3,141,992	\$3,220,542	\$3,301,055	\$3,383,582	\$3,468,171	\$3,554,875	\$3,643,747	\$3,734,841	\$3,828,212	\$3,923,917	\$4,022,015	\$4,122,566
Expenses															
Administrative and Marketing	\$104,000	\$107,120	\$110,334	\$113,644	\$117,053	\$120,565	\$124,181	\$127,907	\$131,744	\$135,696	\$139,767	\$143,960	\$148,279	\$152,728	\$157,309
Maintenance and Operating	\$244,400	\$251,732	\$259,284	\$267,062	\$275,074	\$283,327	\$291,826	\$300,581	\$309,599	\$318,887	\$328,453	\$338,307	\$348,456	\$358,910	\$369,677
Payroll	\$274,500	\$282,735	\$291,217	\$299,954	\$308,952	\$318,221	\$327,767	\$337,600	\$347,728	\$358,160	\$368,905	\$379,972	\$391,371	\$403,113	\$415,206
Utilities	\$308,880	\$318,146	\$327,691	\$337,522	\$347,647	\$358,077	\$368,819	\$379,883	\$391,280	\$403,018	\$415,109	\$427,562	\$440,389	\$453,601	\$467,209
Insurance	\$83,200	\$85,696	\$88,267	\$90,915	\$93,642	\$96,452	\$99,345	\$102,326	\$105,395	\$108,557	\$111,814	\$115,168	\$118,623	\$122,182	\$125,847
Real Estate Taxes	\$383,347	\$394,847	\$406,692	\$418,893	\$431,460	\$444,404	\$457,736	\$471,468	\$485,612	\$500,180	\$515,186	\$530,641	\$546,561	\$562,957	\$579,846
Replacement Reserve	\$62,400	\$64,272	\$66,200	\$68,186	\$70,232	\$72,339	\$74,509	\$76,744	\$79,046	\$81,418	\$83,860	\$86,376	\$88,967	\$91,637	\$94,386
Management Fee	\$87,530	\$89,718	\$91,961	\$94,260	\$96,616	\$99,032	\$101,507	\$104,045	\$106,646	\$109,312	\$112,045	\$114,846	\$117,718	\$120,660	\$123,677
Total Expenses	\$1,548,256	\$1,594,266	\$1,641,646	\$1,690,435	\$1,740,677	\$1,792,414	\$1,845,691	\$1,900,555	\$1,957,051	\$2,015,229	\$2,075,140	\$2,136,834	\$2,200,364	\$2,265,787	\$2,333,157
Net Operating Income	\$1,369,396	\$1,396,327	\$1,423,712	\$1,451,557	\$1,479,865	\$1,508,641	\$1,537,890	\$1,567,617	\$1,597,824	\$1,628,518	\$1,659,701	\$1,691,378	\$1,723,553	\$1,756,229	\$1,789,409
Reversion Calculation															
Terminal Capitalization Rate	7.25%														
Sales Costs	3.0%														
Net Sales Proceeds															

As Proposed Unrestricted Scenario (Years 16 through 30)

Market Cash Flow Value Derivation of "as complete"

Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048

\$4,522,601	\$4,635,666	\$4,751,557	\$4,870,346	\$4,992,105	\$5,116,908	\$5,244,830	\$5,375,951	\$5,510,350	\$5,648,109	\$5,789,311	\$5,934,044	\$6,082,395	\$6,234,455	\$6,390,316
\$21,087	\$21,614	\$22,155	\$22,709	\$23,276	\$23,858	\$24,455	\$25,066	\$25,693	\$26,335	\$26,993	\$27,668	\$28,360	\$29,069	\$29,796
\$4,543,688	\$4,657,280	\$4,773,712	\$4,893,055	\$5,015,381	\$5,140,766	\$5,269,285	\$5,401,017	\$5,536,043	\$5,674,444	\$5,816,305	\$5,961,712	\$6,110,755	\$6,263,524	\$6,420,112
-\$318,058	-\$326,010	-\$334,160	-\$342,514	-\$351,077	-\$359,854	-\$368,850	-\$378,071	-\$387,523	-\$397,211	-\$407,141	-\$417,320	-\$427,753	-\$438,447	-\$449,408
\$4,225,630	\$4,331,270	\$4,439,552	\$4,550,541	\$4,664,305	\$4,780,912	\$4,900,435	\$5,022,946	\$5,148,520	\$5,277,233	\$5,409,163	\$5,544,392	\$5,683,002	\$5,825,077	\$5,970,704

\$162,029	\$166,889	\$171,896	\$177,053	\$182,365	\$187,836	\$193,471	\$199,275	\$205,253	\$211,411	\$217,753	\$224,285	\$231,014	\$237,944	\$245,083
\$380,767	\$392,190	\$403,956	\$416,075	\$428,557	\$441,414	\$454,656	\$468,296	\$482,345	\$496,815	\$511,719	\$527,071	\$542,883	\$559,170	\$575,945
\$427,662	\$440,492	\$453,707	\$467,318	\$481,337	\$495,778	\$510,651	\$525,970	\$541,749	\$558,002	\$574,742	\$591,984	\$609,744	\$628,036	\$646,877
\$481,225	\$495,662	\$510,532	\$525,848	\$541,623	\$557,872	\$574,608	\$591,846	\$609,601	\$627,889	\$646,726	\$666,128	\$686,112	\$706,695	\$727,896
\$129,623	\$133,512	\$137,517	\$141,642	\$145,892	\$150,268	\$154,777	\$159,420	\$164,202	\$169,128	\$174,202	\$179,428	\$184,811	\$190,356	\$196,066
\$597,242	\$615,159	\$633,614	\$652,622	\$672,201	\$692,367	\$713,138	\$734,532	\$756,568	\$779,265	\$802,643	\$826,722	\$851,524	\$877,069	\$903,381
\$97,217	\$100,134	\$103,138	\$106,232	\$109,419	\$112,701	\$116,082	\$119,565	\$123,152	\$126,846	\$130,652	\$134,571	\$138,608	\$142,767	\$147,050
\$126,769	\$129,938	\$133,187	\$136,516	\$139,929	\$143,427	\$147,013	\$150,688	\$154,456	\$158,317	\$162,275	\$166,332	\$170,490	\$174,752	\$179,121
\$2,402,533	\$2,473,975	\$2,547,545	\$2,623,305	\$2,701,322	\$2,781,662	\$2,864,395	\$2,949,592	\$3,037,326	\$3,127,673	\$3,220,712	\$3,316,522	\$3,415,186	\$3,516,789	\$3,621,419

\$1,823,096	\$1,857,295	\$1,892,007	\$1,927,236	\$1,962,983	\$1,999,250	\$2,036,040	\$2,073,354	\$2,111,194	\$2,149,559	\$2,188,451	\$2,227,870	\$2,267,816	\$2,308,288	\$2,349,285
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7.25%
3.0%
\$31,400,000

Conclusion

Prospective Market Value as Restricted 30 years

The prospective market value at 30 years of the Subject's leased fee interest, subject to the rental restrictions in the year 2048, as of April 19, 2017, is:

**TWELVE MILLION EIGHT HUNDRED THOUSAND DOLLARS
(\$12,800,000)**

Prospective Market Value as Unrestricted at 30 years

The hypothetical prospective market value at 30 years of the Subject's leased fee interest, as an unrestricted property in the year 2048, as of April 19, 2017, is:

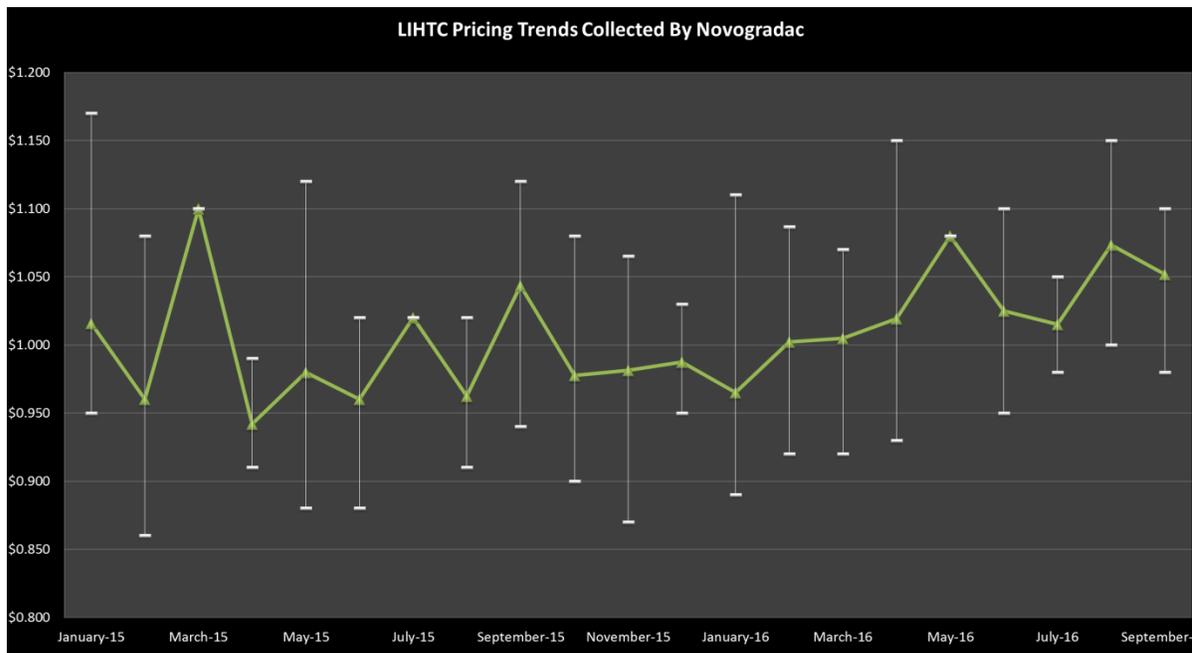
**THIRTY-ONE MILLION FOUR HUNDRED THOUSAND DOLLARS
(\$31,400,000)**

VALUATION - TAX CREDIT EQUITY

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

As an incentive to participate in the low-income housing program the developer is awarded “tax credits” which provide the incentive to construct and rehabilitate affordable housing in otherwise financially infeasible markets. The tax credit program was created by the Internal Revenue Code Section 42, and is a Federal tax program administered by the states. The developer anticipates receiving tax a federal tax credit allocation of \$821,489 annually. A state tax credit allocation of the same amount, \$821,489, is also anticipated. The annual allocation will be received for ten years at 99.99 percent, for a total of \$16,428,137.

Valuation of LIHTC is typically done by a sales comparison approach. The industry typically values and analyzes the LIHTC transaction on a dollar per credit basis. Based on information provided by the developer, it appears that the federal tax credits will be purchased at a price of \$0.97 per tax credit, and state tax credits at \$0.57 per tax credit which appears reasonable. Novogradac & Company LLP conducts monthly surveys in which we contact developers, syndicators and consultants involved in LIHTC transactions to obtain information on recent LIHTC pricing. The following graph illustrates LIHTC pricing trends. The graph illustrates the average price achieved on a monthly basis for the projects included in our survey.



As the previous table illustrates, tax credit raise rates in recent months have ranged from \$0.98 to \$1.15 per credit. Pricing has been trending upwards the past year. As part of the yield analysis and pricing determination investors consider, among other factors, construction risk, lease-up risk and timing of the credits. The developer estimates receiving \$0.97 per low income housing tax credit, which is slightly below the range of recent pricing patterns.

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

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

According to recent data, the Georgia state credit pricing ranged from \$0.30 to \$0.55 in 2013 through 2016. However, we also contacted a Georgia state LIHTC investor. Our conversations indicated a range of \$0.55 to \$0.60 per credit in 2017. The developer's budget is \$0.57 per credit. Therefore, based on our conversations, we believe that the developer's budget is reasonable and conclude to \$0.57 per credit.

Federal and State Tax Credit Value		
	Value	Pricing
Total credits	\$16,428,137	
Annual amount	\$1,642,814	
Federal	\$7,967,646	\$0.97
State	\$4,682,019	\$0.57
Total Value	\$12,649,666	

We believe a price of approximately \$0.97 per credit for federal tax credits and \$0.57 for state tax credits is reasonable. This rate results in a total tax credit value of approximately \$12,600,000 (rounded). This value is effective as of April 19, 2017.

Election Impact on Pricing

Based on recent conversations with investors and market participants, it is likely that LIHTC pricing will decrease over the near term based on the potential of tax reform, which would cause a decrease in current pricing levels. Further, it is reasonable to assume that investors will hedge against possible future tax reform and reduce pricing levels currently based on the 10 year credit. Per our conversations with market participants, pricing is anticipated to move downward between \$0.08 and \$0.14 per credit for 9% LIHTC deals, while the decrease would be at the higher end of the range for 4% projects. However, it should be noted that if tax reform does not happen, then there should be no change on LIHTC pricing. Additionally, demand should remain strong and the current pause with investors is tied to the determination of the interim tax level to utilize and the impact it will have on pricing. Based on conversations with the borrower, the tax credit pricing referenced in the proforma has already been updated to reflect final pricing. Since it reflects current market conditions, we have utilized the tax credit pricing in our analysis.

Federal
EIGHT MILLION DOLLARS
(\$8,000,000)

State
FOUR MILLION SEVEN HUNDRED THOUSAND DOLLARS
(\$4,700,000)

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

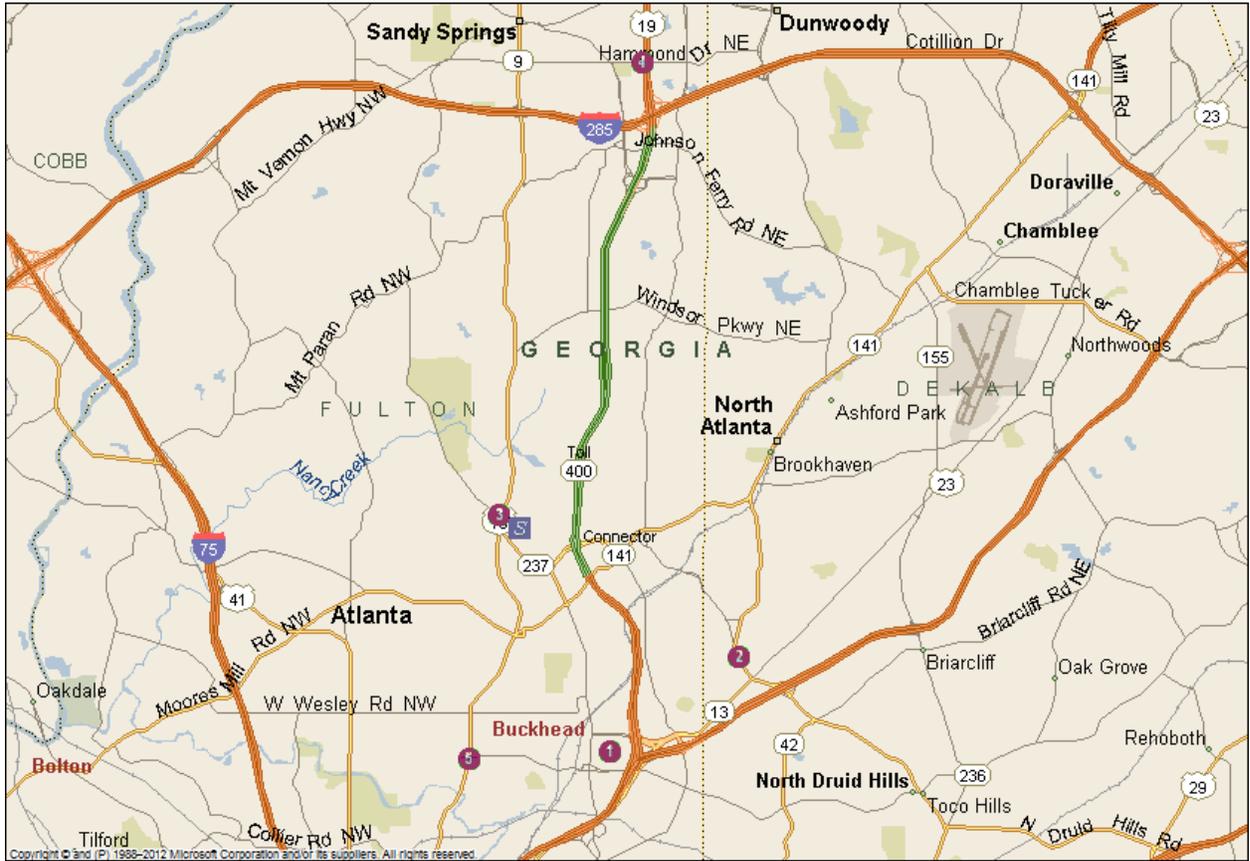
SALES COMPARISON APPROACH

SALES COMPARISON APPROACH

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

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

Comparable Sales Map



Comparable Sale 1

Name: Elan Lindbergh
Location: 741 Morosgo Dr NE
 Atlanta, GA 30324



Seller: Elan Lindbergh Prop Owner LLC
Buyer: AVR Realty Company LLC
Sale Date: Sep-16
Sale Price: \$84,630,000

Financing: Conventional
Number of Units: 358
Year Built: 2015
Site: 4.8 Acres

Units of Comparison:

Effective Gross Income:	\$6,675,705
EGIM	12.7
Total Expenses:	\$2,148,000
Net Operating Income:	\$4,527,705
Net Operating Income per Unit:	\$12,647
Overall Rate with Reserves:	5.35%
Sale Price per Unit:	\$236,397

Comments:

This midrise market rate property consists of studio, one- and two-bedroom units. The property was 82 percent occupied at the time of sale. The sale price, transaction date, occupancy, and capitalization rate were confirmed by CoStar. We attempted, but were unsuccessful, in confirming the sales information with parties knowledgeable of the transaction and presume information reported by CoStar to be accurate. Novogradac & Company LLP estimated expenses at \$6,000 per unit.

Verification: Costar, Public Records

Comparable Sale 2

Name: **The Pointe at Lenox Park**
Location: 1900 N Druid Hills NE
 Brookhaven, GA 30319



Seller: Lenox Park Apartment Partners LLC
Buyer: Pointe at Lenox Park 271 LLC
Sale Date: Aug-16
Sale Price: \$39,125,000

Financing: Conventional
Number of Units: 271
Year Built: 1986/2014
Site: 11.2 Acres

Units of Comparison:

Effective Gross Income:	\$3,777,875
EGIM	10.4
Total Expenses:	\$1,626,000
Net Operating Income:	\$2,151,875
Net Operating Income per Unit:	\$7,940
Overall Rate with Reserves:	5.5%
Sale Price per Unit:	\$144,373

Comments:

This garden-style market rate property consists of 219 one- and 52 two-bedroom units. The property was 95 percent occupied at the time of sale. The sale price, capitalization rate, sale date, and occupancy were confirmed by CoStar. We attempted, but were unsuccessful, in confirming the sales information with parties knowledgeable of the transaction and presume information reported by CoStar to be accurate. Novogradac & Company LLP estimated expenses at \$6,000 per unit.

Verification: Costar, Public Records

Comparable Sale 3

Name: Uptown Buckhead
Location: 3707 Roswell RD NE
 Atlanta, GA



Buyer: Resource Real Estate Opportunity REIT II
Seller: The Shoptaw Group
Sale Date: Mar-15
Sale Price: \$32,500,000

Financing: Conventional
Number of Units: 216
Year Built: 1989
Site: 5.35

Units of Comparison:

Effective Gross Income:	\$2,953,500
EGIM	11.0
Total Expenses:	\$1,296,000
Net Operating Income:	\$1,657,500
Net Operating Income per Unit:	\$7,674
Overall Rate with Reserves:	5.10%
Sale Price per Unit:	\$150,463

Comments:

This property offers one and two-bedroom units, which range in size from 550 to 950 square feet. At the time of sale the property was 92 percent occupied. The listing broker confirmed the sales date, sales price, and proforma cap rate. Expenses were estimated by Novogradac at \$6,000 per unit.

Verification: Costar, Broker- David Gutting w/ JLL, Assessor

Comparable Sale 4

Name: M789 Atlanta
Location: 789 Hammond Dr
 Atlanta, GA



Buyer: M789, LP
Seller: Park Towers II Development, LLC
Sale Date: Nov-14
Sale Price: \$55,625,000

Financing: Conventional
Number of Units: 300
Year Built: 1999
Site: 1.86

Units of Comparison:

Effective Gross Income:	\$4,303,125
EGIM	12.9
Total Expenses:	\$1,800,000
Net Operating Income:	\$2,503,125
Net Operating Income per Unit:	\$8,344
Overall Rate with Reserves:	4.5%
Sale Price per Unit:	\$185,417

Comments:

The property offers one-, two-, and three-bedroom units in a high-rise building. The property was reportedly 98 percent occupied at the time of sale. The broker confirmed the sales price and capitalization rate. We estimated expenses at \$6,000 per unit.

Verification: Costar, Broker (Sean Jenry with Moran & Company)

Comparable Sale 5

Name: Bell at Peachtree
Location: 2460 Peachtree Rd NW
 Atlanta, GA



Buyer: WRPV XII Peachtree Battle Atlanta, LLC
Seller: Bennington Properties, LLC
Sale Date: Nov-14
Sale Price: \$45,600,000

Financing: Conventional
Number of Units: 234
Year Built: 1984/2009
Site: 2.98 acres

Units of Comparison:
 Effective Gross Income: \$3,729,600
 EGIM 12.2
 Total Expenses: \$1,404,000
 Net Operating Income: \$2,325,600
 Net Operating Income per Unit: \$9,938
 Overall Rate with Reserves: 5.1%
 Sale Price per Unit: \$194,872

Comments:

This high-rise property includes one- and two-bedroom units. It was 96 percent occupied at the time of sale. The broker confirmed the sale price and capitalization rate. We estimated expenses at \$6,000 per unit.

Verification: Costar, Broker (Sarah Steere with JLL)

VALUATION ANALYSIS

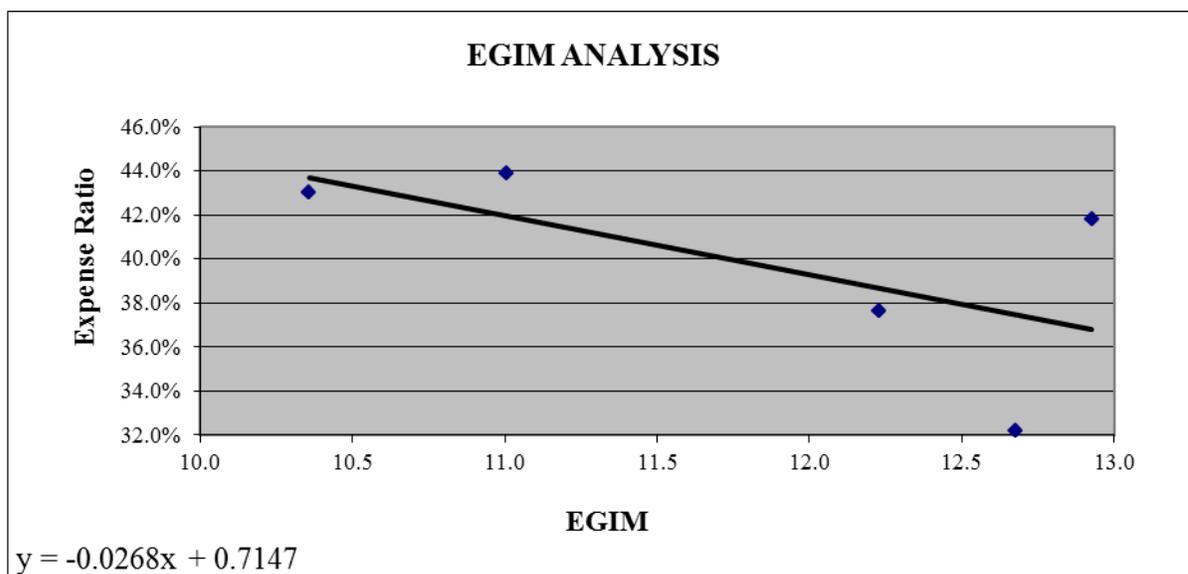
The sales selected for this analysis are summarized in the following table.

SALES COMPARISON

	Property	Sale Date	Sale Price	# of Units	Price / Unit	EGIM	Overall Rate
1	Elan Lindbergh	Sep-16	\$84,630,000	358	\$236,397	12.7	5.4%
2	The Pointe at Lenox Park	Aug-16	\$39,125,000	271	\$144,373	10.4	5.5%
3	Uptown Buckhead	Mar-15	\$32,500,000	216	\$150,463	11.0	5.1%
4	M789 Atlanta	Nov-14	\$55,625,000	300	\$185,417	12.9	4.5%
5	Bell at Peachtree	Nov-14	<u>\$45,600,000</u>	<u>234</u>	<u>\$194,872</u>	<u>12.2</u>	<u>5.1%</u>
	Average		\$51,496,000	276	\$182,304	11.8	5.1%

EGIM Analysis

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



Comparable Sales and Subject Scenarios Arrayed by Expense Ratio

	Sale Price	EGI	Expenses	Expense Ratio	EGIM
As Is Restricted	\$21,500,000	\$2,683,571	\$1,574,795	59%	8.0
As Proposed Restricted	\$12,300,000	\$1,886,743	\$1,244,517	66%	6.5
As Proposed Unrestricted	\$26,300,000	\$2,917,652	\$1,548,256	53%	9.0
Comparable #1	\$84,630,000	\$6,675,705	\$2,148,000	32%	12.7
Comparable #2	\$39,125,000	\$3,777,875	\$1,626,000	43%	10.4
Comparable #3	\$32,500,000	\$2,953,500	\$1,296,000	44%	11.0
Comparable #4	\$55,625,000	\$4,303,125	\$1,800,000	42%	12.9
Comparable #5	\$45,600,000	\$3,729,600	\$1,404,000	38%	12.2

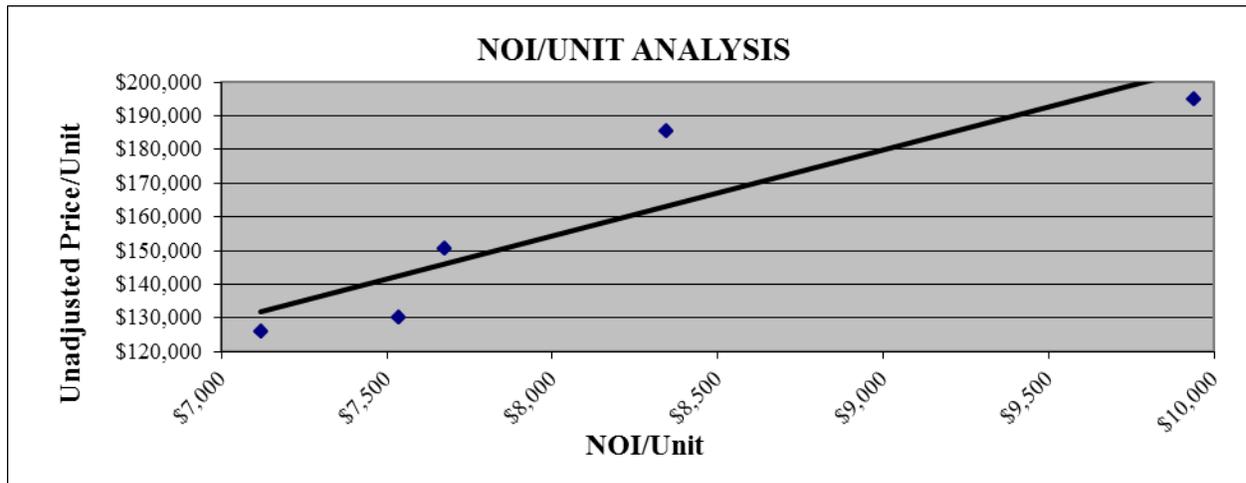
We have estimated EGIMs of 7.0 to 9.0 for the restricted and unrestricted scenarios. The Subject's indicated value using the EGIM method is presented in the following table.

EGIM ANALYSIS - "AS COMPLETE AND STABILIZED"				
Scenario	EGIM	Effective Gross Income	Loss to Lease	Indicated Value (Rounded)
As Is	8.0	\$2,683,571	\$841,622	\$20,700,000
As Proposed Restricted	6.5	\$1,886,743		\$12,300,000
As Proposed Unrestricted	9.0	\$2,917,652		\$26,300,000

NOI/UNIT ANALYSIS

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

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



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

NOI/UNIT ANALYSIS

As Is

No.	Subject's Stabilized NOI/Unit	/	Sale's NOI/Unit	=	Adjustment Factor	x	Unadjusted Price/Unit	=	Adjusted Price/Unit
1	\$5,331	/	\$12,647	=	0.42	X	\$236,397	=	\$99,638
2	\$5,331	/	\$7,940	=	0.67	X	\$144,373	=	\$96,921
3	\$5,331	/	\$7,674	=	0.69	X	\$150,463	=	\$104,523
4	\$5,331	/	\$8,344	=	0.64	X	\$185,417	=	\$118,459
5	\$5,331	/	<u>\$9,938</u>	=	<u>0.54</u>	X	<u>\$194,872</u>	=	<u>\$104,523</u>
			\$9,309		0.59		\$182,304		\$104,813

NOI/UNIT ANALYSIS

As Proposed Restricted

No.	Subject's Stabilized NOI/Unit	/	Sale's NOI/Unit	=	Adjustment Factor	x	Unadjusted Price/Unit	=	Adjusted Price/Unit
1	\$3,088	/	\$12,647	=	0.24	X	\$236,397	=	\$57,713
2	\$3,088	/	\$7,940	=	0.39	X	\$144,373	=	\$56,139
3	\$3,088	/	\$7,674	=	0.40	X	\$150,463	=	\$60,542
4	\$3,088	/	\$8,344	=	0.37	X	\$185,417	=	\$68,614
5	\$3,088	/	<u>\$9,938</u>	=	<u>0.31</u>	X	<u>\$194,872</u>	=	<u>\$60,542</u>
			\$9,309		0.34		\$182,304		\$60,710

NOI/UNIT ANALYSIS

As Proposed Unrestricted

No.	Stabilized NOI/Unit	/	Sale's NOI/Unit	=	Adjustment Factor	x	Unadjusted Price/Unit	=	Adjusted Price/Unit
1	\$6,584	/	\$12,647	=	0.52	X	\$236,397	=	\$123,059
2	\$6,584	/	\$7,940	=	0.83	X	\$144,373	=	\$119,702
3	\$6,584	/	\$7,674	=	0.86	X	\$150,463	=	\$129,091
4	\$6,584	/	\$8,344	=	0.79	X	\$185,417	=	\$146,303
5	\$6,584	/	<u>\$9,938</u>	=	<u>0.66</u>	X	<u>\$194,872</u>	=	<u>\$129,091</u>
			\$9,309		0.73		\$182,304		\$129,449

Based upon the comparable properties, we have concluded to a price per unit similar or slightly below the average. The values via the NOI per unit analysis are summarized below.

NOI/UNIT ANALYSIS - "AS COMPLETE AND STABILIZED"

Scenario	Number of Units	Price per unit	Loss to Lease	Indicated Value (Rounded)
As Is	208	\$100,000	\$841,622	\$20,000,000
As Proposed Restricted	208	\$60,000		\$12,500,000
As Proposed Unrestricted	208	\$125,000		\$26,000,000

Conclusion

We utilized the EGIM, the NOI/Unit, and the per unit adjustment analyses to estimate the Subject's value using the sales comparison approach. These two methods must be reconciled into a single

value estimate. Both techniques provide a reasonable indication of the Subject's value. While the EGIM analysis is considered to be a reasonable method of valuation, the NOI/unit analysis is typically considered to be the better approach due to its concentration on NOI or a point more reflective of investor returns, and its use with relation to the sales prices.

The Subject's leased fee market value of the real estate "As Is", via the Sale Comparison Approach, as of April 19, 2017 is:

TWENTY MILLION DOLLARS
(\$20,000,000)

The Subject's hypothetical leased fee market value of the real estate As Restricted assuming the proposed RAD CHAP rents "As Complete and Stabilized", on March 1, 2019 via the Sales Comparison Approach, as of April 19, 2017 is:

TWELVE MILLION FIVE HUNDRED THOUSAND DOLLARS
(\$12,500,000)

The Subject's hypothetical leased fee market value of the real estate assuming achievable market rents "As Complete and Stabilized", on March 1, 2019 via the Sales Comparison Approach, as of April 19, 2017 is:

TWENTY SIX MILLION DOLLARS
(\$26,000,000)

Extraordinary Assumptions – As Is Value

For the "as is" valuation scenario, it is an extraordinary assumption of this report that the Subject's public housing restrictions will be disposed. The Subject currently operates as a public housing development under a flat rent schedule. This rent schedule is not market-oriented; the Subject essentially operates on a breakeven basis, and not in a profit-generating manner. As a result, the current rent structure is not an accurate basis upon which to value the property.

It is reasonable to assume that any potential buyer would not purchase a property that is not sustainable or does not allow for a reasonable profit. Therefore, our estimate of as is value assumes achievable market rents in the as is condition. Further, we assume that the restrictions affiliated with a public housing development are removed and that the Subject operates with market rents and market-based operating expenses. Based on these assumptions, the Subject, in its as is condition, would be sustainable and operate with a reasonable profit.

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

RECONCILIATION

RECONCILIATION

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

AS IF VACANT LAND				
Scenario	Units	Price Per Unit	Indicated Value (Rounded)	
Land Value Unencumbered	185	\$42,500	\$7,900,000	
DIRECT CAPITALIZATION ANALYSIS - "AS IS"				
Scenario	Cap Rate	Net Operating Income	Loss to Lease	Indicated Value (Rounded)
As Is	5.25%	\$1,108,776	\$841,622	\$20,200,000
DIRECT CAPITALIZATION ANALYSIS - "AS COMPLETE"				
Scenario	Loss To Lease		Indicated Value (Rounded)	
As Complete Unrestricted	\$925,034		\$25,200,000	
DIRECT CAPITALIZATION ANALYSIS - "AS COMPLETE AND STABILIZED"				
Scenario	Cap Rate	Net Operating Income	Indicated Value (Rounded)	
As Proposed Restricted	5.25%	\$642,226	\$12,200,000	
As Proposed Unrestricted	5.25%	\$1,369,396	\$26,100,000	
EGIM ANALYSIS - "AS COMPLETE AND STABILIZED"				
Scenario	EGIM	Effective Gross Income	Loss to Lease	Indicated Value (Rounded)
As Is	8.0	\$2,683,571	\$841,622	\$20,700,000
As Proposed Restricted	6.5	\$1,886,743		\$12,300,000
As Proposed Unrestricted	9.0	\$2,917,652		\$26,300,000
NOI/UNIT ANALYSIS - "AS COMPLETE AND STABILIZED"				
Scenario	Number of Units	Price per unit	Loss to Lease	Indicated Value (Rounded)
As Is	208	\$100,000	\$841,622	\$20,000,000
As Proposed Restricted	208	\$60,000		\$12,500,000
As Proposed Unrestricted	208	\$125,000		\$26,000,000
VALUE AT LOAN MATURITY - RESTRICTED				
Year			Indicated Value (Rounded)	
Restricted			2048	\$12,800,000
VALUE AT LOAN MATURITY - UNRESTRICTED				
Year			Indicated Value (Rounded)	
Unrestricted			2048	\$31,400,000
TAX CREDIT VALUATION				
	Credit Amount	Price Per Credit	Indicated Value (Rounded)	
Federal LIHTC	\$8,214,069	0.97	\$8,000,000	
State LIHTC	\$8,214,069	0.57	\$4,700,000	

The value indicated by the income capitalization approach is a reflection of a prudent investor’s analysis of an income producing property. In this approach, income is analyzed in terms of quantity, quality, and durability. Due to the fact that the Subject will be an income producing in nature, this approach is the most applicable method of valuing the Subject property. Furthermore, when valuing the intangible items it is the only method of valuation considered.

The sales comparison approach reflects an estimate of value as indicated by the sales market. In this

approach, we searched the local market for transfers of similar type properties. These transfers were analyzed for comparative units of value based upon the most appropriate indices (i.e. \$/Unit, OAR, etc.). Our search revealed several sales over the past three years. While there was substantial information available on each sale, the sales varied in terms of location, quality of income stream, condition, etc. As a result, the appraisers used both an EGIM and a NOI/unit analysis. These analyses provide a good indication of the Subject's market value.

In the final analysis, we considered the influence of the two approaches in relation to one another and in relation to the Subject. In the case of the Subject several components of value can only be valued using either the income or sales comparison approach.

“As If Vacant” Land Value

As a result of our investigation and analysis, it is our opinion that, subject to the limiting conditions and assumptions contained herein, the unencumbered value of the underlying land in fee simple, as of April 19, 2017, is:

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

“As Is” Value

The Subject's leased fee market value of the real estate “As Is”, as of April 19, 2017 is:

**TWENTY MILLION TWO HUNDRED THOUSAND DOLLARS
(\$20,200,000)**

Upon Completion Assuming Unrestricted Rents

The Subject's hypothetical leased fee market value of the real estate assuming unrestricted operation “Upon Completion,” on December 1, 2018, the prospective date of completion, as of April 19, 2017, is:

**TWENTY-FIVE MILLION TWO HUNDRED THOUSAND DOLLARS
(\$25,200,000)**

As Complete and Stabilized Restricted

The Subject's hypothetical estimated leased fee market value “As Complete and Stabilized” on March 1, 2019, the prospective date of stabilization, assuming proposed restricted rental rates, as of April 19, 2017, is:

**TWELVE MILLION TWO HUNDRED THOUSAND DOLLARS
(\$12,200,000)**

As Complete and Stabilized Unrestricted

The Subject's hypothetical estimated leased fee market value “As Complete and Stabilized” on March 1, 2019, the prospective date of stabilization, assuming unrestricted market rental rates, as of April 19, 2017, is:

TWENTY-SIX MILLION ONE HUNDRED THOUSAND DOLLARS
(\$26,100,000)

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

The prospective market value at 30 years (loan maturity) of the Subject's leased fee interest, subject to the rental restrictions in the year 2048, as of April 19, 2017, is:

TWELVE MILLION EIGHT HUNDRED THOUSAND DOLLARS
(\$12,800,000)

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

The hypothetical prospective market value at 30 years (loan maturity) of the Subject's leased fee interest, as an unrestricted property in the year 2048, as of April 19, 2017, is:

THIRTY-ONE MILLION FOUR HUNDRED THOUSAND DOLLARS
(\$31,400,000)

Tax Credit Value

The market value of the tax credits allocated to the Subject over a ten-year period, on a cash equivalent basis and the date of completion, as of April 19, 2017, is:

Federal
EIGHT MILLION DOLLARS
(\$8,000,000)

State
FOUR MILLION SEVEN HUNDRED THOUSAND DOLLARS
(\$4,700,000)

Extraordinary Assumptions – As Is Value

For the "as is" scenario, it is an extraordinary assumption of this report that the Subject's public housing restrictions will be disposed. The Subject currently operates as a public housing development under a flat rent schedule. This rent schedule is not market-oriented; the Subject essentially operates on a breakeven basis, and not in a profit-generating manner. As a result, the current rent structure is not an accurate basis upon which to value the property.

It is reasonable to assume that any potential buyer would not purchase a property that is not sustainable or does not allow for a reasonable profit. Therefore, our estimate of as is value assumes achievable market rents in the as is condition. Further, we assume that the restrictions affiliated with a public housing development are removed and that the Subject operates with market rents and market-based operating expenses. Based on these assumptions, the Subject, in its as is condition, would be sustainable and operate with a reasonable profit.

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

Reasonable Exposure Time:

Statement 6, Appraisal Standards to USPAP notes that reasonable exposure time is one of a series of conditions in most market value definitions. Exposure time is always presumed to proceed the effective date of the appraisal.

It is defined as the “estimated length of time the property interests appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market.” Based on our read of the market, historical information provided by the *PwC Investor Survey* and recent sales of apartment product, an exposure time of nine to 12 months appears adequate.

Addendum A

Assumptions and Limiting Conditions, Certification

ASSUMPTIONS AND LIMITING CONDITIONS

1. In the event that the client provided a legal description, building plans, title policy and/or survey, etc., the appraiser has relied extensively upon such data in the formulation of all analyses.
2. The legal description as supplied by the client is assumed to be correct and the author assumes no responsibility for legal matters, and renders no opinion of property title, which is assumed to be good and merchantable.
3. All encumbrances, including mortgages, liens, leases, and servitudes, were disregarded in this valuation unless specified in the report. It was recognized, however, that the typical purchaser would likely take advantage of the best available financing, and the effects of such financing on property value were considered.
4. All information contained in the report which others furnished was assumed to be true, correct, and reliable. A reasonable effort was made to verify such information, but the author assumes no responsibility for its accuracy.
5. The report was made assuming responsible ownership and capable management of the property.
6. The sketches, photographs, and other exhibits in this report are solely for the purpose of assisting the reader in visualizing the property. The author made no property survey, and assumes no liability in connection with such matters. It was also assumed there is no property encroachment or trespass unless noted in the report.
7. The author of this report assumes no responsibility for hidden or unapparent conditions of the property, subsoil or structures, or the correction of any defects now existing or that may develop in the future. Equipment components were assumed in good working condition unless otherwise stated in this report.
8. It is assumed that there are no hidden or unapparent conditions for the property, subsoil, or structures, which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering, which may be required to discover such factors.
9. The investigation made it reasonable to assume, for report purposes, that no insulation or other product banned by the Consumer Product Safety Commission has been introduced into the Subject premises. Visual inspection by the appraiser did not indicate the presence of any hazardous waste. It is suggested the client obtain a professional environmental hazard survey to further define the condition of the Subject soil if they deem necessary.
10. Any distribution of total property value between land and improvements applies only under the existing or specified program of property utilization. Separate valuations for land and buildings must not be used in conjunction with any other study or appraisal and are invalid if so used.

11. A valuation estimate for a property is made as of a certain day. Due to the principles of change and anticipation the value estimate is only valid as of the date of valuation. The real estate market is non-static and change and market anticipation is analyzed as of a specific date in time and is only valid as of the specified date.
12. Possession of the report, or a copy thereof, does not carry with it the right of publication, nor may it be reproduced in whole or in part, in any manner, by any person, without the prior written consent of the author particularly as to value conclusions, the identity of the author or the firm with which he or she is connected. Neither all nor any part of the report, or copy thereof shall be disseminated to the general public by the use of advertising, public relations, news, sales, or other media for public communication without the prior written consent and approval of the appraiser. Nor shall the appraiser, firm, or professional organizations of which the appraiser is a member be identified without written consent of the appraiser.
13. Disclosure of the contents of this report is governed by the Bylaws and Regulations of the professional appraisal organization with which the appraiser is affiliated: specifically, the Appraisal Institute.
14. The author of this report is not required to give testimony or attendance in legal or other proceedings relative to this report or to the Subject property unless satisfactory additional arrangements are made prior to the need for such services.
15. The opinions contained in this report are those of the author and no responsibility is accepted by the author for the results of actions taken by others based on information contained herein.
16. Opinions of value contained herein are estimates. There is no guarantee, written or implied, that the Subject property will sell or lease for the indicated amounts.
17. All applicable zoning and use regulations and restrictions are assumed to have been complied with, unless nonconformity has been stated, defined, and considered in the appraisal report.
18. It is assumed that all required licenses, permits, covenants or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
19. On all appraisals, subject to satisfactory completion, repairs, or alterations, the appraisal report and value conclusions are contingent upon completion of the improvements in a workmanlike manner and in a reasonable period of time. A final inspection and value estimate upon the completion of said improvements should be required.
20. All general codes, ordinances, regulations or statutes affecting the property have been and will be enforced and the property is not subject to flood plain or utility restrictions or moratoriums, except as reported to the appraiser and contained in this report.

21. The party for whom this report is prepared has reported to the appraiser there are no original existing condition or development plans that would subject this property to the regulations of the Securities and Exchange Commission or similar agencies on the state or local level.
22. Unless stated otherwise, no percolation tests have been performed on this property. In making the appraisal, it has been assumed the property is capable of passing such tests so as to be developable to its highest and best use, as detailed in this report.
23. No in-depth inspection was made of existing plumbing (including well and septic), electrical, or heating systems. The appraiser does not warrant the condition or adequacy of such systems.
24. No in-depth inspection of existing insulation was made. It is specifically assumed no Urea Formaldehyde Foam Insulation (UFFI), or any other product banned or discouraged by the Consumer Product Safety Commission has been introduced into the appraised property. The appraiser reserves the right to review and/or modify this appraisal if said insulation exists on the Subject property.

Extraordinary Assumptions – As Is Value

For the “as is” scenario, it is an extraordinary assumption of this report that the Subject’s public housing restrictions will be disposed. The Subject currently operates as a public housing development under a flat rent schedule. This rent schedule is not market-oriented; the Subject essentially operates on a breakeven basis, and not in a profit-generating manner. As a result, the current rent structure is not an accurate basis upon which to value the property.

It is reasonable to assume that any potential buyer would not purchase a property that is not sustainable or does not allow for a reasonable profit. Therefore, our estimate of as is value assumes achievable market rents in the as is condition. Further, we assume that the restrictions affiliated with a public housing development are removed and that the Subject operates with market rents and market-based operating expenses. Based on these assumptions, the Subject, in its as is condition, would be sustainable and operate with a reasonable profit.

Acceptance of and/or use of this report constitute acceptance of all assumptions and the above conditions. Estimates presented in this report are not valid for syndication purposes.

SPECIFIC ASSUMPTIONS

The terms of the subsidy programs are preliminary as of the appraisal's effective date, April 19, 2017; therefore, any description of such terms is intended to reflect the current expectations and perceptions of market participants along with available factual data. The terms should be judged on the information available when the forecasts are made, not whether specific items in the forecasts or programs are realized. The program terms outlined in this report, as of April 19, 2017, form the basis upon which the value estimates are made. Novogradac & Co. LLP cannot be held responsible for unforeseen events that alter the stated terms subsequent to the date of this report.

The prospective value estimates reported herein are prepared using assumptions stated in this report which are based on the owner's/developer's plan to complete the Subject. As of April 19, 2017, the Subject's completion date is in December 1, 2018.

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

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

CERTIFICATION

- The statements of fact contained in this report are true and correct;
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions;
- We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved;
- We previously performed DCA application appraisals and market studies with effective dates of April 24, 2015 and January 12, 2016 on the property that is the Subject of this report. With exception of these reports, we have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment;
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment;
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results;
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal;
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*;
- John Cole has made a personal inspection of the property that is the Subject of this report, and reviewed all comparable and market data and is competent to perform such analyses. Constantine Caloudas provided significant appraisal assistance.
- No one provided significant real property appraisal assistance to the persons signing this certification, aside from those listed above.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives. As of the date of this report, John Cole, MAI has completed the Standards and Ethics Education Requirements for Practicing Affiliates of the Appraisal Institute.



John Cole, MAI
State Certified General Real Estate Appraiser
GA License # 375844
Expiration Date: 4/30/2019

***Addendum B
Qualifications of Consultants***

**STATEMENT OF PROFESSIONAL QUALIFICATIONS
JOHN D. COLE**

I. EDUCATION

University of Texas – Austin, Texas (1999)
Master of Business Administration – Finance Concentration, Real Estate
Specialization

California Polytechnic State University – San Luis Obispo, California (1992)
Bachelor of Science in Civil/Environmental Engineering

II. LICENSING AND PROFESSIONAL AFFILIATION

Designated Member of the Appraisal Institute (MAI)
Member of National Council of Housing Market Analysts (NCHMA)

Certified General Real Estate Appraiser – State of Texas (1335358-G)
Certified General Real Estate Appraiser – State of Arizona (31931)
Certified General Real Estate Appraiser – State of Louisiana (G2092)
Certified General Real Estate Appraiser – State of Mississippi (GA-857)
Certified General Real Estate Appraiser – State of Florida (RZ3595)
Certified General Real Estate Appraiser – State of California (3002119)
Certified General Real Estate Appraiser – State of Illinois (553.002415)
Certified General Real Estate Appraiser – State of Minnesota (40474904)

III. PROFESSIONAL TRAINING

MAI Comprehensive Four Part Exam
Demonstration Appraisal Report - Capstone
National USPAP and USPAP Updates
Advanced Concepts and Case Studies
Advanced Market Analysis and Highest & Best Use
Advanced Sales Comparison and Cost Approaches
Advanced Income Capitalization
General Appraiser Report Writing and Case Studies
Residential & Commercial Valuation of Solar
Litigation Appraising

IV. PROFESSIONAL EXPERIENCE

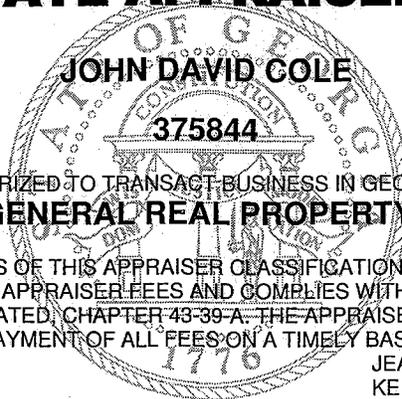
Novogradac & Company LLP, Partner (2002 to Present)
NAI/Commercial Industrial Properties Company, Director of Operations (1999 to 2001)
Asset Recovery Fund, Financial Analyst Internship (1998 to 1999)
Stratus Properties, Market Research Analyst Internship (1997 to 1998)
Dames & Moore (URS Corporation), Project Manager and Engineer (1992 to 1997)

V. REAL ESTATE ASSIGNMENTS

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

- Managed and conducted more than 400 market and feasibility studies for multifamily and student housing on a national basis. Special concentration in Section 42 Low Income Housing Tax Credit (LIHTC) Properties. Local housing authorities, developers, syndicators and lenders have utilized these studies to assist in the financial underwriting and design of these properties. Expertise in evaluating unit mix, estimating demand, analyzing rental rates, selecting competitive properties and assessing overall market feasibility.
- Managed and conducted appraisals of multifamily housing developments (primarily LIHTC properties). Appraisal assignments have typically involved determining the as is, as if complete, and as if complete and stabilized values. Additionally, encumbered and unencumbered values were typically derived. The three traditional approaches to value are developed with special methodologies included to value tax credit equity, below market financing and PILOT agreements.
- Managed and conducted appraisals on existing and proposed U.S. Department of Agriculture (USDA) Rural Development properties. These assignments were performed in compliance with USDA underwriting guidelines, in accordance with USDA Handbook 3560, Chapter 7 and attachments.
- Completed and managed numerous Section 8 rent comparability studies (RCS) in accordance with HUD's Section 8 Renewal Policy and Chapter 9 for various property owners and local housing authorities. These properties were typically undergoing recertification under HUD's Mark to Market Program.
- Performed market studies and appraisals of proposed new construction and existing properties under the HUD Multifamily Accelerated Processing (MAP) program. These reports meet the requirements outlined in HUD Handbook 4465.1 and Chapter 7 of the HUD MAP Guide for 221(d)4 and 223(f) programs, as well as the LIHTC Pilot Program.
- Performed valuations of General and/or Limited Partnership Interests in a real estate transaction, as well as LIHTC Year 15 valuation analysis.
- Assisted in the preparation of the Fair Market Value analyses for solar panel installations, wind turbine installations, and other renewable energy assets in connection with financing and structuring analyses performed by various clients. The reports are used by clients to evaluate with their advisors certain tax consequences applicable to ownership. Additionally, the reports can be used in connection with the application for the federal grant identified as Section 1603 American Recovery & Reinvestment Act of 2009 and in the ITC funding process.

STATE OF GEORGIA REAL ESTATE APPRAISERS BOARD



JOHN DAVID COLE

375844

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

JEANMARIE HOLMES
KEITH STONE

JEFF A. LAWSON
Vice Chairperson

5308303

JOHN DAVID COLE

375844
Status ACTIVE

END OF RENEWAL
04/30/2018

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



LYNN DEMPSEY
Real Estate Commissioner

5308303

JOHN DAVID COLE

375844
Status ACTIVE

END OF RENEWAL
04/30/2018

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



LYNN DEMPSEY
Real Estate Commissioner

5308303

COLE, JOHN
 11044 RESEARCH BLVD
 SUITE 400 BUILDING C
 AUSTIN, TX 78759

Addendum C
Subject Photos



Subject exterior



Subject exterior



Subject exterior



Subject exterior



Subject exterior



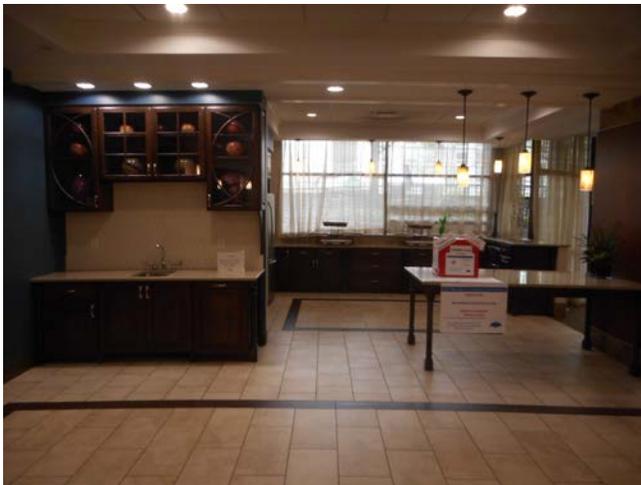
Subject exterior



Picnic area



Billiards room



Community kitchen



Exercise room



Business center



Mail center



Maintenance



Community Bathroom



Central laundry



Leasing office



Leasing office



Typical hallway



Typical living room



Typical bathroom



Typical bedroom



Typical kitchen



Typical view



View east along Piedmont Road NE



View west along Piedmont Road NE



Grocery store



Typical retail uses



Typical commercial uses

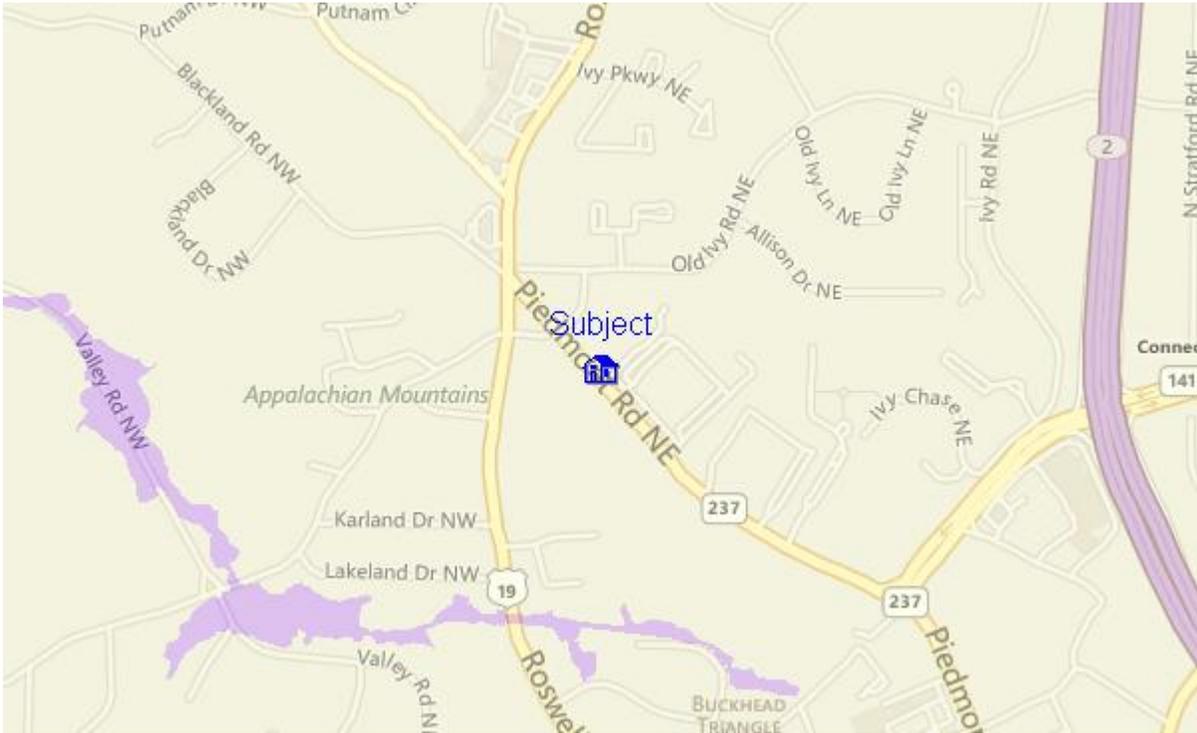


Typical hotel



Typical condos

Addendum D
Flood Plain Map



Flood Map Legend

Flood Zones

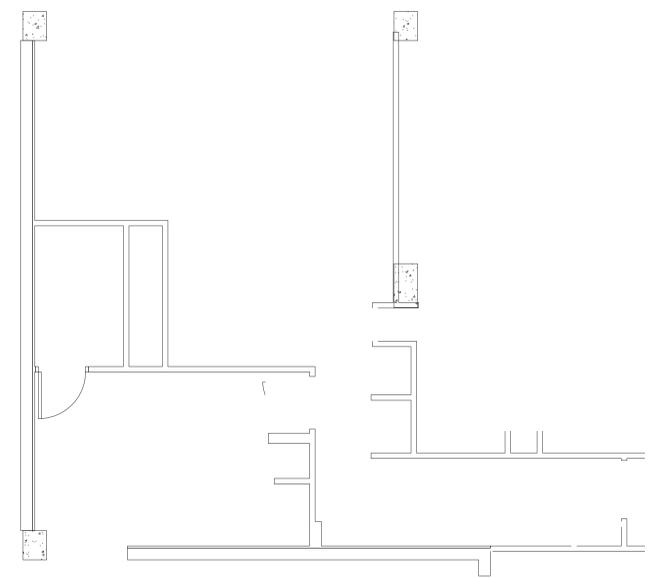
- Areas inundated by 500-year flooding
- Areas outside of the 100- and 500-year floodplains
- Areas inundated by 100-year flooding
- Areas inundated by 100-year flooding with velocity
- Floodway areas
- Floodway areas with velocity hazard
- Areas of undetermined but possible flood hazards
- Areas not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

Addendum E
Developer's Budget and Proforma

COMMUNITY:		Piedmont Tower			94.2%	
BASE YEAR OPERATING BUDGET						
RENTAL UNITS		207				
NON-INCOME UNITS		1	TOTAL	PHA	NON-PHA	Comments
TOTAL UNITS		208	ALL UNITS	UNITS	UNITS	
				0%	100%	
PHA INCOME (TOTAL)						
EST TENANT SHARE			\$ -	\$ -		
EST HUD SHARE			\$ -	\$ -		
PBV INCOME			\$ -		\$ -	
OTHER AFFORDABLE UNIT INCOME			\$ 1,812,576		\$ 1,812,576	
LIHTC ONLY INCOME			\$ -		\$ -	
MARKET RENTS			\$ -		\$ -	
GROSS TENANT RENTS			\$ 1,812,576	\$ -	\$ 1,812,576	
VACANCIES AND ADJUSTMENTS		TOTALS	\$ 90,629	\$ -	\$ 90,629	
PHA TENANTS		5%	\$ -	\$ -		
PHA HUD SHARE		5%	\$ -	\$ -		
PBV UNITS		5%	\$ -		\$ -	
OTHER AFFORDABLE UNIT INCOME		5%	\$ 90,629		\$ 90,629	
LIHTC ONLY INCOME		5%	\$ -		\$ -	
MARKET RENTS		0%	\$ -		\$ -	
NET TENANT RENTS			\$ 1,721,947	\$ -	\$ 1,721,947	
LAUNDRY AND COIN INCOME		3	\$ 6,240	\$ -	\$ 6,240	
MISCELLANEOUS INCOME		1	\$ 2,496	\$ -	\$ 2,496	
GROSS NON RESIDENTIAL INCOME			\$ 8,736	\$ -	\$ 8,736	
VACANCIES		0.00%	\$ -	\$ -	\$ -	
NET NON-RESIDENTIAL INCOME			\$ 8,736	\$ -	\$ 8,736	
COMMERCIAL INCOME						
SF		-			\$ -	
NET RATE per SF		20				
VACANCIES		10.00%	\$ -		\$ -	
NET COMMERCIAL INCOME			\$ -	\$ -	\$ -	
NET NON-RES & COMM INCOME			\$ 8,736	\$ -	\$ 8,736	
TOTAL ANNUAL INCOME			\$ 1,730,683	\$ -	\$ 1,730,683	
ADVERTISING						
	\$ 17.60		\$ 3,661	\$ -	\$ 3,661	Per Revenue Unit
RENTING EXPENSES						
	\$ 34.25		\$ 7,123	\$ -	\$ 7,123	Per Revenue Unit
OFFICE SALARIES						
	\$ 375.77		\$ 78,161	\$ -	\$ 78,161	Persons @ \$20,000 Each
OFFICE SUPPLIES						
	\$ 108.68		\$ 22,605	\$ -	\$ 22,605	Per Revenue Unit
OFFICE EQUIPMENT						
	\$ 21.73		\$ 4,520	\$ -	\$ 4,520	Per Revenue Unit
MANAGEMENT FEE:						
RESIDENTIAL			\$ 86,097	\$ -	\$ 86,097	6% Imputed Rents
Rate		5.00%				
PUPM		\$ 34.49				
Imputed Residential Net Rents		\$ 1,721,947				
COMMERCIAL			\$ -	\$ -	\$ -	
Rate		0.00%				
Commercial Net Rents		\$ -				
ASSET MANAGEMENT		1.00%	\$ 18,126	\$ -	\$ 18,126	
MANAGER SALARY						
	\$ 260.32		\$ 54,147	\$ -	\$ 54,147	Persons @ \$45,000 Each
LEGAL						
	\$ -		\$ -	\$ -	\$ -	Per Revenue Unit
AUDIT						
	\$ 67.91		\$ 14,125	\$ -	\$ 14,125	
BOOKKEEPING FEES						
	\$ 160.93		\$ 33,474	\$ -	\$ 33,474	Per Revenue Unit Per Mth
TELEPHONE						
	\$ 36.67		\$ 7,628	\$ -	\$ 7,628	
SOCIAL SERVICES SUPPLIES						
	\$ -		\$ -	\$ -	\$ -	Persons @ \$22,000 each
SOCIAL SERVICES CONTRACT						
	\$ 288.46		\$ 60,000	\$ -	\$ 60,000	
TRAINING AND TRAVEL						
	\$ 17.11		\$ 3,560	\$ -	\$ 3,560	
TAX CREDIT IRM ADMIN						
	\$ 28.34		\$ 5,894	\$ -	\$ 5,894	Per LIHTC Unit Per Mth
OTHER: AGENCY COMPLIANCE						
	\$ 24.04		\$ 5,000	\$ -	\$ 5,000	Per Unit
TOTAL ADMINISTRATION			\$ 404,122	\$ -	\$ 404,122	
UNIFORM EXPENSE						
	\$ 9.78		\$ 2,034	\$ -	\$ 2,034	\$450 per employee
JANITOR PAYROLL						
	\$ 690.43		\$ 143,608	\$ -	\$ 143,608	1 @ \$50,000; 4 @ \$25,000
JANITOR SUPPLIES						
	\$ 68.45		\$ 14,238	\$ -	\$ 14,238	
ELECTRICITY						
	\$ 882.84		\$ 183,630	\$ -	\$ 183,630	Per unit per month comp
WATER and SEWER						
	\$ 498.01		\$ 103,586	\$ -	\$ 103,586	Per unit per month comp
GAS						
	\$ 249.01		\$ 51,793	\$ -	\$ 51,793	
EXTERMINATING						
	\$ 73.34		\$ 15,255	\$ -	\$ 15,255	Per unit per month comp
TRASH REMOVAL						
	\$ 73.34		\$ 15,255	\$ -	\$ 15,255	Per unit per month comp
MISC. OPERATING						
	\$ 122.24		\$ 25,426	\$ -	\$ 25,426	
OTHER: GENERAL CLEANING						
	\$ -		\$ -	\$ -	\$ -	
OTHER:						
	\$ -		\$ -	\$ -	\$ -	
TOTAL OPERATING			\$ 554,828	\$ -	\$ 554,828	

COMMUNITY:		Piedmont Tower			94.2%
BASE YEAR OPERATING BUDGET					
		TOTAL	PHA	NON-PHA	
SECURITY	\$ 51.84	\$ 10,783	\$ -	\$ 10,783	Per unit per month
GROUNDS	\$ 53.79	\$ 11,187	\$ -	\$ 11,187	
REPAIRS:	\$ 258.66	\$ 53,801	\$ -	\$ 53,801	Per Unit
SERVICE CONTRACTS	\$ 263.06	\$ 54,716	\$ -	\$ 54,716	
MAINTENANCE EQUIPMENT	\$ -	\$ -	\$ -	\$ -	
MISC. MAINTENANCE	\$ 102.19	\$ 21,256	\$ -	\$ 21,256	
PAINTING AND DECORATING	\$ 112.46	\$ 23,392	\$ -	\$ 23,392	
TURNOVERS/REDECORATING	\$ -	\$ -	\$ -	\$ -	
CYCLICAL PAINTING	\$ -	\$ -	\$ -	\$ -	Per Unit
CARPET REPLACEMENT	\$ -	\$ -	\$ -	\$ -	
TOTAL MAINTENANCE		\$ 175,135	\$ -	\$ 175,135	
REAL ESTATE TAXES					
PHA	\$ -	\$ -	\$ -	\$ -	Amt per PHA Unit
Section 8	\$ -	\$ -	\$ -	\$ -	Amt per Sec. 8 Unit
Other Affordable	\$ -	\$ -	\$ -	\$ -	Amt per Other Aff Unit
LIHTC-Only	\$ -	\$ -	\$ -	\$ -	Amt per LIHTC-Only Unit
Market	\$ -	\$ -	\$ -	\$ -	Amt per Mkt Unit
Commercial	0.004%	\$ -	\$ -	\$ -	Rate per Square Foot
Land		\$ -	\$ -	\$ -	
PROPERTY INSURANCE	\$ 400.00	\$ 83,200	\$ -	\$ 83,200	Per Unit
PAYROLL TAXES		\$ 29,300	\$ -	\$ 29,300	Rate on Payroll
PAYROLL	\$ 275,917	\$ -			
RATE	0%	\$ -			
HEALTH INSURANCE					
NO. EMPLOYEES	-	\$ 30,888	\$ -	\$ 30,888	Rate Per Mth Per Employee
MONTHLY PREMIUM	-	\$ -			
WORKERS COMP	3.5%	\$ 9,657	\$ -	\$ 9,657	Rate on Payroll
TOTAL TAXES AND INSURANCE		\$ 153,045	\$ -	\$ 153,045	
RESERVE FOR REPLACEMENT					
FAMILY	\$ -	\$ -	\$ -	\$ -	Amt per Unit
ELDERLY	\$ 350	\$ 72,800	\$ -	\$ -	
TOTAL PROVISIONS		\$ 72,800	\$ -	\$ -	
TOTAL MISCELLANEOUS		\$ -			
TOTAL EXPENSES		\$ 1,359,930	\$ -	\$ 1,287,130	
Per Unit Expenses		6,538	#DIV/0!	6,188	
PUPM		544.84	#DIV/0!	515.68	
TOTAL ANNUAL INCOME		\$ 1,730,683	\$ -	\$ 1,730,683	
NET OPERATING INCOME		\$ 370,753	\$ -	\$ 443,553	

Addendum F
Site Plans



Addendum G
Letters of Intent



May 17, 2017

Mr. Jorge Aguirre
Vice President
Piedmont Road Senior Tower, LLC
c/o The Michaels Development Company
3355 Lenox Road NE, Suite 750
Atlanta, Georgia 30326

RE: Partnership: Piedmont Road Senior Tower, LLC (the "Partnership")
Property Name: Piedmont Road Senior Tower (the "Project")
City/State: Atlanta, Georgia

Dear Mr. Aguirre:

Thank you for the opportunity to submit a proposal on the Piedmont Road Senior Tower. Riverside Capital ("Riverside") is pleased to provide to you this equity commitment subject to the terms and conditions set forth herein. Upon your approval of this commitment letter, Riverside will continue its due diligence and will commence a closing ("Closing") of an investment by a Fund sponsored by Riverside (the "Riverside Fund") in the Partnership.

In making this proposal, Riverside is relying upon the following information:

I. PROJECT DESCRIPTION

- A) Acquisition / Rehabilitation
- B) Unit Mix/Design:
 - i) # of Units: 208 units.
 - ii) Set Aside Requirements: The unit breakdown is:
 - a. Two-hundred six (206) one-bedroom units rented at 60% AMI,
 - b. One (1) two-bedroom unit rented at 60% AMI, and
 - c. One (1) non-revenue producing manager's unit.

It is currently anticipated that two (2) of the 206 one-bedroom units will contain tenants (existing tenants) who are over the 60% AMI income level.

- iii) Tenant Population: The Project will target senior-oriented tenants and non-elderly disabled tenants.

- C) Development Team:
 - i) The Michaels Development Company (the “Developer”)
 - ii) Piedmont Senior-Michaels, LLC and a To-Be-Formed Non-Profit General Partner (collectively, the “General Partner”)
 - iii) The General Contractor entity has not been determined at this time but will be subject to approval by Riverside.
 - iv) Interstate Realty Management (the “Management Company”). The Management Company shall receive a management fee payable by the Partnership on an annual basis in such amount as the Partnership shall approve, currently estimated at 5.0% of EGI.
 - v) The Atlanta Housing Authority shall receive an Asset Management Fee payable by the Partnership on an annual basis of 1.0% of EGI
 - vi) The Michaels Development Company I, LP (the “Guarantor”), subject to Riverside’s review and approval of financial statements.

- D) Rental Assistance:
 - i) Number of Units: 207 units.
 - ii) Amount: To be determined.
 - iii) Term: Not less than 15 years.
 - iv) Source: 207 units will be assisted through the HUD Rental Assistance Demonstration (“RAD”) Program.

- E) Timing:
 - i) Construction Start Date: September 2017.
 - ii) Construction Completion Date: November 2018.
 - iii) 100% Occupancy Date: December 2018.

II. TAX CREDIT INFORMATION

1. Reserved or Allocated Federal Credits: \$821,489.
2. Estimated Partnership Annual Federal Credits: \$821,489.
3. Riverside Fund’s Share of Partnership Annual Federal Credits: 99.99%.
4. Estimated Riverside Fund Annual Federal Credits: \$821,407.
5. Estimated Riverside Fund Total Federal Credits: \$8,214,066.
6. Applicable Fraction: 98.56%.
7. Applicable Percentage: 3.24%, floating for the acquisition eligible basis and 3.24%, floating for the rehabilitation eligible basis.
8. First Credit Year: 2018.
9. Estimated State Tax Credits: \$821,489.
10. Estimated Partnership Annual State Credits: \$821,489.
11. Riverside Fund’s Share of Partnership Annual State Credits: 99.99%.
12. Estimated Riverside Fund Annual State Credits: \$821,407.
13. Estimated Riverside Fund Total State Credits: \$8,214,066.

III. CAPITAL CONTRIBUTIONS

- A) Estimated \$0.97 per dollar of the Riverside Fund Total Credits (“Credit Price”) and an estimated \$0.57 per dollar of the Riverside Fund’s State Credits, subject to market conditions and availability of funds. Based on the Credit Price, Riverside proposes to make capital contributions to the Partnership in the aggregate amount of approximately \$12,649,661 (“Capital

Commitment”), of which \$7,967,644 relates to the Federal Tax Credit equity and \$4,682,017 relates to the State Tax Credit equity.

- B) **Installment Payment of the Capital Commitment:**
1. \$1,897,450 (15%) at Closing, of which \$50,000 shall be paid directly to Riverside in payment of its legal fee.
 2. \$6,324,831 (50%) upon the later to occur of October 1, 2018 and Construction Completion (including receipt of final Certificates of Occupancy).
 3. \$4,427,380 (35%) at the later of January 1, 2019 or Stabilized Operations, which consists of the closing of all Permanent Financing, stabilized physical occupancy of 93% of the units by qualified tenants at pro forma rents and qualified leases for 90 consecutive days, funding of all required reserves and 3 months at a 1.20x Debt Coverage Ratio, tax filing information and Forms 8609 are received and audited financials for the year of breakeven operations are available. (“Stabilization Capital Contribution”). If the final 8609 is not available at the time of Stabilization Capital Contribution, up to 4% of total equity may be withheld from the Stabilization Capital Contribution and released when the final 8609 is available.

IV. ADJUSTERS

- A) Change in Credits: The Capital Commitment contributions are based on actual credits delivered. If actual Riverside Fund Total Credits are less than the estimated amount, the Capital Commitment will be reduced by the shortfall times the Credit Price. The foregoing adjuster will apply if actual credits are less than the estimate for any reason. If actual Riverside Fund Total Credits are greater than the estimated amount (“Excess Credits”) and such Excess Credits are not attributable to an additional reservation of Credits, then the Riverside Fund Total Capital will be increased by an amount equal to the Excess Credits times the Credit Price, but Riverside Fund Total Capital shall not exceed 105% of the Capital Commitment unless further approved by the Riverside Fund. Riverside Fund will specify the terms, if any, under which it will purchase any Excess Credits attributable to an additional reservation of Credits, and/or those that would otherwise cause capital contributions to exceed 105% of the Capital Commitment. If those terms provide for a credit price less than the Credit Price, the General Partners can accept or reject those terms. Any Excess Credits that the Riverside Fund is unwilling to buy or that the General Partners are unwilling to sell at the price specified by the Riverside Fund shall be allocated to the General Partners.
- B) Timing Adjuster: The Capital Commitment of the Riverside Fund shall be reduced by \$0.59 per Federal Credit and \$0.41 per State Credit of the shortfall between the Federal and State Credits actually delivered and the Federal and State Credits estimated to be delivered in 2018 and 2019. Currently, it is estimated that the Partnership will deliver (i) \$770,396 of Federal Credits and \$770,396 of State Credits in 2018 and (ii) the full amount of Federal and State Credits in 2019.

V. GENERAL PARTNER OBLIGATIONS

- A) Construction Completion: The General Partner will guarantee construction completion in accordance with approved plans and specifications and will pay for any construction costs, costs to achieve permanent loan closing, costs necessary to fund reserves required to be funded at or before permanent loan closing, and that the debt service on the permanent financing will not exceed an amount that would allow the Partnership to achieve Stabilized Operations within a reasonable time. Any excess costs will not be considered loans or capital contributions. However, the General Partners will also advance funds as needed during construction if proceeds of financing and/or capital contributions are not yet available to pay such costs. Such advances will be repaid, without interest, once such sources of funds become available.
- B) Operating Deficits:
- a. The General Partner will guarantee operating deficits to the Partnership until the Project has achieved Stabilized Operations;
 - b. Commencing with the final Capital Contribution, the General Partners will guaranty that the Partnership will have sufficient funds to remain current in its obligations and that General Partners will make subordinated, interest-free loans to the Partnership to the extent necessary to meet obligations, including Asset Management Fee, debt service, and the funding of reserves, for the period beginning with the Stabilization Capital Contribution and ending five (5) years following the Stabilization Capital Contribution if each of the following is true:
 - (1) The Project's achievement of 1.15x Debt Coverage Ratio calculated for the last preceding calendar year;
 - (2) The Partnership is current with regards to all liabilities;
 - (3) The balance in the Operating Reserve Account must not be less than the original Operating Reserve account balance.

Notwithstanding any termination of the Operating Deficit Guaranty Period or any limitation on the maximum liability of the General Partners under the Operating Deficit Guaranty, the General Partners shall also be responsible throughout the entire Compliance Period for deficits attributable to the failure to obtain or the loss of any property tax abatement expected to be received by the Project. During the Due Diligence period, documentation will be reviewed to quantify and cap or eliminate this guaranty.

Operating deficit loans shall not bear interest and shall be payable on a subordinated basis from available cash, including Cash from Operations and Sale Proceeds.

The maximum obligations of the General Partners under this Operating Deficit Guaranty will not exceed \$775,000 (approximately six (6) months of projected operating expenses and replacement reserves).

- C) Tax Credit Guaranty: The General Partners will guaranty that expected Credits will be available to the Riverside Fund and Credits taken will not be recaptured. If the actual annual Credits available to the Riverside Fund in any year are lower than the Credits expected, the General Partners shall reimburse the Riverside Fund for the shortfall on a dollar for dollar basis. If it is determined that the shortfall in Credits will apply to future years as well, General Partners will refund an amount equal to the present value of those future credits. If the Riverside Fund is subject to recapture (including disallowance of credits) of previously claimed credits, the General Partners shall reimburse the Riverside Fund for its recapture amount. To the extent that payments in respect of the Tax Credit Guaranty are taxable, the payments shall be grossed-up to reimburse the Riverside Fund for the tax liability.

This guaranty shall apply to a period that ends at the end of the LIHTC compliance period.

The General Partners will not be obligated if the reduction in the amount of Credits or recapture is a result of:

- (i) the transfer of the Limited Partner's Interest in the Partnership;
- (ii) a Change in tax law;
- (iii) the substantial damage or destruction of all or any portion of the Apartment Complex that is not repaired and/or restored within 24 months due to (i) Force Majeure, (ii) any requirement imposed upon the Apartment Complex under any local or State law, rule or regulation that cannot be satisfied by the Partnership or General Partner using commercially reasonable methods or on commercially reasonable terms, or (iii) the lack of sufficient insurance proceeds provided that the Partnership has obtained any maintained the insurance coverages required under this Agreement to the extent operating revenues are available to do so and the General Partner has complied with its obligation to discharge Operating Deficits pursuant to this Agreement; provided, however, the damage or destruction of any portion of the Apartment Complex located in Verona, Mississippi will not be considered an Excluded Event unless the General Partner has successful obtained a variance for that portion of the Apartment Complex causing it to no longer be a legal non-conforming use; or
- (iv) noncompliance arising from tenant fraud that remains uncured after diligent and good faith efforts by the General Partner and the Management Agent to correct the non-

compliance within a reasonable period of time after such fraud is discovered.

To the extent that the General Partners have no obligation to compensate the Riverside Fund for reduced or recaptured Credits or fail to make payments due to the Riverside Fund under the Tax Credit Guaranty, the amounts necessary to compensate the Riverside Fund, plus interest, will be paid as a priority from all available cash, including Cash From Operations or Sale Proceeds. In the case in which the General Partners are obligated to make payments under the Tax Credit Guaranty but fail to do so, such cash distributions shall not reduce the General Partners' obligations except to the extent that cash distributions paid to the Riverside Fund would have otherwise been paid to the General Partners.

The Tax Credit Guaranty will apply to the State Tax Credits being acquired by the Riverside Fund, as well.

- D) Repurchase: In the event that certain events occur, the Riverside Fund shall have the right to require the General Partners to repurchase the Riverside Fund's interest for a price that equals the Investor's Capital Contributions paid to date plus actual out of pocket costs to the Investor plus interest at Prime plus 4% and any tax liability attributable to such payment less any net tax credits received. Examples of such events include failure to complete construction, achieve breakeven operations or achieve Stabilized Operations by agreed-upon dates, failure to replace withdrawn commitments for, or close, permanent financing, loss of rental assistance, failure to qualify for at least seventy (70%) of the expected Credits, etc.

VI. GUARANTOR OBLIGATIONS

- A) Guarantor shall have a minimum unencumbered net worth of \$10,000,000 (\$2,000,000 liquid). Distributions from entity guarantors shall be restricted to the extent that any distribution would reduce the net worth of the Guarantors below the prescribed minimums.
- B) Guarantors unconditionally guarantee that the General Partners will perform certain obligations under the partnership agreement, including guaranties, repurchase obligations and the obligation to make a capital contribution as and when required to pay deferred development fee and that the developer will perform all of its obligations under the Development Agreement.
- C) Guarantors shall provide such due diligence information as is necessary for Riverside to ascertain their ability to perform under the guaranty of the General Partner's and Developer's obligations. Such information may include, without limitation, organizational and authority documentation for entity Guarantors, financial and tax return information, industry experience, references, credit inquiries and similar information. By execution of this letter, Guarantors agree to provide this information and authorize Riverside to make third-party inquiries with respect to such matters.

VII. RESERVES

- A) Replacement Reserve: \$72,800 per year (\$350 per unit per year) beginning at the earlier of six months after completion of construction or the first month of Stabilized Operations, increased by 3% per year thereafter. In the aggregate, no more than \$10,000 will be withdrawn from the Replacement Reserve in any calendar year without the approval of the Riverside Fund.
- B) Operating Reserve: \$772,233 to be funded into the operating reserve account (the "Operating Reserve Account") at the time of the funding of the Stabilization Capital Contribution. Such Operating Reserve Account shall be maintained for the duration of the Compliance Period (after which, funds on deposit may be released and distributed as Net Cash Flow) and shall be used exclusively to pay for Operating Deficits incurred by the Partnership after the date of the Stabilization Capital Contribution; provided however, that all withdrawals from the Operating Reserve Account that would cause aggregate draws in any one fiscal year to exceed \$20,000.00 shall be made only with the consent of the Riverside Fund, which shall not be unreasonably withheld, delayed or conditioned. Operating Deficits shall be funded from the Operating Reserve during the five-year Operating Deficit Guaranty period but the Operating Reserve balance must be replenished prior to the release of the Operating Deficit Guaranty.

VIII. FINANCING

- A. Construction Financing – Short-Term Tax Exempt Bond Draw Down
 - a. Lender: To be determined
 - b. Amount: \$15,000,000
 - c. Rate: Currently estimated to be 2.75%.
 - d. Term: 24 months
- B. Permanent Financing - First Mortgage – AHA Capital Loan
 - a. Not to Exceed Amount: \$2,181,192.
 - b. Lender: Atlanta Housing Authority
 - c. Funds during Construction.
 - d. Non-recourse.
 - e. Not tax-exempt bond financed.
 - f. Term (years): 15 years
 - g. Amortization period (years): 15 years
 - h. Interest rate: Estimated to be 2.00%.
 - i. Annual Payment: Estimated to be \$168,434.
- C. Permanent Financing - Second Mortgage – AHA Purchase Money Note
 - a. Not to Exceed Amount: \$12,600,000
 - b. Lender: Atlanta Housing Authority
 - c. Funds during Construction.

- d. Non-recourse.
 - e. Not tax-exempt bond financed.
 - f. Term (years): 65 years
 - g. Amortization period (years): A portion of the AHA Purchase Money Note, currently estimated to be \$9,900,000, will be amortized over 65 years, with payments based on available cash flow. The remaining \$2,700,000 will not amortize and will have all payments deferred until maturity.
 - h. Interest rate: The interest rate shall be the greater of 2.00% and the long-term Applicable Federal Rate at the time of the Closing of the AHA Purchase Money Note. The rate is currently estimate to be 2.75% (May 2017 AFR).
 - i. Annual Payment: Based on available cash flow after payment of any deferred fee and Asset Management fees.
- D. Permanent Financing - Third Mortgage – AHP Loan
- a. Not to Exceed Amount: \$500,000.
 - b. Lender: FHLB AHP Program
 - c. Funds during Construction.
 - d. Non-recourse.
 - e. Not tax-exempt bond financed.
 - f. Term (years): 50 years
 - g. Amortization period (years): N/A, soft debt financing.
 - h. Interest rate: Not to be below AFR at the time of Closing.
 - i. Annual Payment: N/A, soft loan with payments deferred until maturity
- E. Grants: N/A.
- F. State Credits: As previously detailed, it is anticipated that the project will qualify for annual Georgia State Tax Credits of \$821,489 per year.
- G. Income from Operations: N/A.

IX. DEVELOPER FEE

- A) Estimated Development Fee: \$2,500,000.
- B) Development Fee is currently estimated to be paid as follows:
 - 1. \$750,000 (30% of non-deferred portion) at Closing.
 - 2. \$625,000 (25% of non-deferred portion) upon the Second Capital Contribution.
 - 3. The balance of the non-deferred portion will be paid at the Stabilization Capital Contribution.
- C) If necessary, part of the development fee, currently estimated to be \$0, will be deferred beyond the date of the Riverside Fund's final capital contribution installment, without interest and shall be paid in accordance with the terms of allocations of Cash from Operations and Cash from Sale or Refinancing.

The General Partners agree that to the extent any deferred development fee has not been repaid from cash flow at the end of thirteen (13) years from the date the property is placed in service (or at the time of removal of the General Partners), they will contribute sufficient capital so that the Partnership can pay any amount of the deferred fee outstanding at that time.

- D) If the Development Fee is fully paid (no deferred development fee), but there are excess sources of funds, such funds shall be used to pay down the AHA Capital Loan detailed in Section VIII(B) of this Letter of Intent.

X. ALLOCATION OF DISTRIBUTIONS

- A) Asset Management Fee: The Riverside Fund shall receive an annual asset management fee of \$7,500, increasing at 3% per year prior to any cash distributions. The Asset Management Fee shall begin once the Project has been placed in service and shall be prorated for the year that the Project is placed in service. The fee shall be cumulative to the extent unpaid in any year and shall be payable from sale proceeds of the property to the extent not previously paid. The fee will accrue if there are no funds or other obligations to pay and will be paid from available sources prior to any distribution or reimbursement to the GP, Developer, or Guarantor.
- B) Net Cash Flow Distributions. Distributions of net cash flow, as defined in the Partnership Agreement, but generally all cash receipts less cash expenditures (e.g., payment of debt service, property management fee and asset management fee), will be made within ninety (90) days after the end of each fiscal year as follows:
- i. Pay Investor for any amounts due as a result of any unpaid Credit Adjuster amount to be outlined in the Project Documents and not reimbursed by the Guarantors
 - ii. Distribute funds to the Partners as necessary and enable them to pay taxes on their respective shares of taxable income from the Partnership
 - iii. Voluntary Partner Loans
 - iv. Asset Management Fees
 - v. Deferred Developer Fee
 - vi. Replenish Operating Deficit Reserve
 - vii. Payments of AHA Purchase Money Note per 15-year Proforma
 - viii. Negative Cash Flow Loans (General Partner loans to the partnership to fund Operating Deficits)
 - ix. The balance 85% to the General Partner and 15% to the Investor.

In all events, the Riverside Fund must receive at least 10% of the amount available for distributions to partners and payment of incentive management fees to the General Partners.

- C) Distributions upon Sale, Liquidation or Refinance. Net proceeds resulting from any sale, liquidation or refinance will be distributed as follows:

- i. Debts and obligations, including any outstanding balance of the AHA Purchase Money Note and any expenses associated with sale or refinancing
- ii. Pay STCC for any amounts due as a result of any unpaid Credit Adjuster amounts to be outlined in the Project Documents and not reimbursed by the Guarantors
- iii. Voluntary Partners Loans
- iv. Asset Management Fees
- v. Deferred Developer Fee
- vi. Negative Cash Flow Loans
- vii. Funding any required Reserves (if refinancing)
- viii. \$1,000 to the Special Limited Partner
- ix. The balance, 80% of the General Partner and 20% to Investor.

The distribution of Cash from Sale or Refinancing shall be subject to the requirement of the Internal Revenue Code that liquidating distributions be made in accordance with capital accounts.

The Investor Member will provide the Atlanta Housing Authority a Right of First Refusal for the purchase of their interest in the New Owner Entity upon the expiration of the Tax Credit compliance period for a price which is not less than the principal amount of outstanding indebtedness secured by the building, all Federal, State, and local taxes attributable to such sale and any amounts due to the Riverside Fund under the Tax Credit Guaranty. The amount of the purchase price attributable to taxes payable by the Riverside Fund, if any, shall be distributed to the Riverside Fund. The decision to sell the property (and thus trigger the right of first refusal) shall be subject to the approval of the Riverside Fund.

XI. ALLOCATIONS OF PROFITS AND LOSSES

1. Operating Profits and Losses: 99.99% Riverside Fund; 0.009% General Partner and 0.001% Riverside Special Limited Partner.
2. Gain or Loss on Sale: So as to bring the capital accounts into the ratios that will allow Proceeds of Sale to be distributed 80% to the General Partners and 20% to the Riverside Fund, to the extent possible given the requirements of the Internal Revenue Code and the Treasury Regulations.
3. Operating Income and Losses Prior to Credit Delivery: At the discretion of the Riverside Fund, Operating Income and Losses attributable to the period prior to the start of Credit delivery may be specially allocated to the General Partners.

XII. DEPRECIABLE BASIS

In the event that the General Partner is a tax exempt entity, allocations shall be structured as qualified allocations, so that the underlying building owned by the Partnership shall be depreciated over 27.5 years using the straight line method and the personal property and site improvements owned by the Partnership shall be depreciated over 5 and 15 years.

In the event that the General Partner is controlled by a tax exempt entity, it will make the election described in Section 168(h)(6)(F)(ii) of the Code, so that the underlying building owned by the Partnership shall be depreciated over 27.5 years using the straight line method and the personal property and site improvements owned by the Partnership shall be depreciated over 5 and 15 years.

XIII. DEFINITIVE DOCUMENTS

All of the terms and conditions of the investment shall be set forth in definitive documents to be negotiated by the parties including but not limited to an Amended and Restated Limited Partnership Agreement, together with certain closing exhibits (including various Guaranty Agreements). Such documents shall be consistent with the terms and conditions set forth in this letter with such changes as the parties may agree are appropriate. Once executed, the definitive documents shall supersede this letter, which shall be of no further force or effect. Riverside will begin preparation of the definitive documents upon the completion of our due diligence to our satisfaction, as determined in our sole discretion.

XIV. THE RIVERSIDE FUND EXIT RIGHTS

The Riverside Fund shall have the right to require the General Partners to acquire its interest after the end of the compliance period subject to all then existing liens and encumbrances to title for an amount equal to \$100. If the General Partners fail to acquire the Riverside Fund's interest, then the Riverside Fund shall have the right, without the concurrence of the General Partners, to order a sale of the Project.

XV. OTHER ASSUMPTIONS TO CLOSING

1. Prior to Closing, there shall have been no changes in tax laws or Treasury pronouncements, or changes in interpretations of existing tax issues that would materially and adversely affect this investment.
2. In the event an investment in the Partnership requires HUD Previous Participation Certification (HUD Form 2530), the Riverside Fund and its investor members are willing and able to request and obtain HUD 2530 approval in accordance with the filing requirements promulgated by HUD.
3. Riverside and the Riverside Fund's review and approval in its sole discretion of all due diligence materials, including the construction and permanent loan commitments, proposed extended use agreement, real estate, plans and specifications, market study (including any additional market studies determined by the Riverside Fund and the fund to be necessary), basis for the Credits, operating budgets, construction and lease-up budgets, current financial statements of the General Partners, other guarantors and their affiliates, verification of background information to be provided by the General Partners and their affiliates, and references to be provided by the General Partners.
4. Satisfactory inspection of the property by Riverside and the Riverside Fund investors.

5. Approval by the Investment Committee of Riverside and the Riverside Fund investors of the terms and conditions of the investment in their sole discretion based on then current market conditions.
6. The negotiation of definitive documents as described herein (and this Agreement shall terminate if all such documents are not executed and delivered by the Closing date).
7. During underwriting and due diligence, Riverside will review the rental assistance agreement and market conditions, and may in its sole discretion determine that a Rental Assistance Transition Reserve or Rental Assistance Loss Guarantee be required as a requirement of Closing.

XVI. TERM

The initial term of this Agreement shall be for a period of six (6) months from the date of this letter with a closing (Closing Date) no later than November 1, 2017, providing that Riverside may terminate this Agreement by giving at least 10 days written notice if it determines, in the exercise of its sole discretion that the conditions to closing are unlikely to be met. Riverside may extend the term of this Agreement up to 90 days beyond the initial term and both parties can agree in writing to an extension beyond that date. If due diligence activities and negotiation of definitive documents continue beyond termination of this Agreement, the parties shall not be bound hereunder, but only to the extent provided in definitive documents or other written agreements that are actually executed and delivered.

XVII. EXCLUSIVITY

You acknowledge that the Riverside Fund will expend significant effort and expense, and may forego other investment opportunities, in connection with its best efforts to effect a Closing. You agree that you will not solicit or entertain any offers by other parties to acquire an equity interest in the Partnership during the Term of this Agreement. Furthermore, you agree to pay the Riverside Fund its \$50,000 legal reimbursement fee and to reimburse it for the due diligence expenses, regardless of whether or not the Investment closes, unless such failure to close was due to Riverside inability to obtain Investment Committee or Investor approval.

The Partnership must provide at its expense a legal opinion acceptable to Riverside. If required by an Investor in connection with its admission to the Riverside Fund subsequent to the Closing of the Investment, such opinion must be updated and reissued at Partnership expense.

XVIII. LEGAL FEES

At the Closing, the Partnership shall pay \$50,000 to the Riverside Fund as a legal reimbursement fee in respect of the costs associated with the due diligence process and preparation of Partnership documents and legal opinions. You will be responsible for payment of the \$50,000 legal reimbursement fee whether or not the Investment closes, unless such failure to close was due to Riverside inability to effect the Closing.

XIX. CONFIDENTIALITY

This letter is delivered to you with the understanding that neither it nor its substance shall be disclosed to any third party except those who are in a confidential relationship with you, or where the same is required by law.

XX. IDENTITY OF INTEREST

- A) Riverside Capital, LLC is an affiliate of the Developer.
- B) Interstate Realty Management Company is an affiliate of the Developer.

XXI. DUE DILIGENCE AND REPORTING REQUIREMENTS

The specific information required by the Riverside Fund prior to Closing, as a condition of making its capital contribution, and on an ongoing basis throughout the term of the Company, are as follows:

- A. Before closing, the Riverside Fund will require receipt of those items set forth in the due diligence checklist.
- B. Before making its various capital contribution installments, the Riverside Fund will require receipt of those items set forth in the LPA.

XXII. ACCEPTANCE

If these terms and conditions are acceptable to you, please sign and return one copy of this memorandum. If not accepted by June 1, 2017, this offer shall terminate.

By acceptance of this letter, you authorize Riverside Capital to make any credit inquiries that we may deem necessary as part of our underwriting process. These credit inquiries may be performed on the General Partners, Guarantors, or any significant business operation of General Partners or Guarantors. This authorization also applies to follow-up credit inquiries that we may deem necessary after our admission to the Partnership.

Sincerely,



Rick Slagle
Vice President
Riverside Capital

Accepted:



By: General Partner - Piedmont Senior-Michaels, LLC
Milton R. Pratt, Jr. - Vice President



By: Guarantor - Michaels Development Company I, L.P.
John J. O'Donnell, Executive Vice President & COO