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AN APPRAISAL OF:

LUCY MORGAN
PHASE I

AN APPRAISAL OF:

LUCY MORGAN PHASE I

Located at:
500 Revis Street
LaGrange, Troup County, Georgia 30241

Effective Date: February 2, 2018
Inspection Date: September 21, 2017
Report Date: March 8, 2018

Prepared for:
Mr. Paul Robinson
Vantage Development
1554 South Main Street
Fyffe, AL 35971

Prepared by:
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March 8, 2018

Mr. Paul Robinson
Vantage Development
1554 South Main Street
Fyffe, AL 35971

Re: Appraisal of Lucy Morgan Phase I Redevelopment
500 Revis Street, LaGrange, Troup County, Georgia

Dear Mr. Robinson:

We are pleased to present our findings with respect to the value of the above-referenced development, Lucy Morgan Phase I ("Subject"). The Subject consists of a portion of an existing 182-unit Public Housing community, Lucy Morgan, which is proposed for acquisition/rehabilitation with Low-Income Housing Tax Credits (LIHTC) in two phases. The Subject will consist of the first phase of the redevelopment, offering 85 one, two, three, and four-bedroom units. Of the 85 units, all will operate under the Rental Assistance Demonstration (RAD) program, while 81 will be restricted under the LIHTC program and will be income restricted at 60 percent of area median income (AMI), or less. The remaining four units will be income-restricted at the 80 percent AMI level. Previous work on the Subject property includes an appraisal effective March 2016, an appraisal effective December 2016, and a market study effective September 2017.

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.

Vantage Development 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 the client, the LaGrange Housing Authority and 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 (including Georgia Department of Community Affairs), state lending authorities, LIHTC construction and permanent lenders, and LIHTC syndicators. As our client, Vantage Development, owns this report and permission must be granted from them before another third party can use this document. We assume that by reading this report another third party has accepted the terms of the original engagement letter including scope of work and limitations of liability. We are prepared to modify this document to meet any specific needs of the potential users under a separate agreement.

Please refer to the assumptions and limiting conditions and hypothetical conditions.

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

Market value is defined as:

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

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

This report complies with FIRREA (1989) regulations.

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

“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 value of the underlying land in fee simple, as of February 2, 2018 is:

FOUR HUNDRED TWENTY THOUSAND DOLLARS
($420,000)

“As Is” Value
The Subject’s market value of the real estate “As Is”, as of February 2, 2018, is:

FOUR MILLION TWO HUNDRED THOUSAND DOLLARS
($4,200,000)

The Subject is currently restricted and operated as a HUD Public Housing development. As public housing, the Subject operates under a flat rent schedule. This rent schedule is not market-oriented; the Subject essentially operates on a break-even basis, and not in a profit-generating manner. As such, valuing the Subject assuming public housing restrictions would essentially lend itself to the Subject having little to no value.

The majority of buyers of multifamily developments utilize the income capitalization approach when valuing and determining the fair market value of a multifamily investment. We believe that the current income structure is not an accurate basis upon which to value the property, as it results in no value to the Subject when utilizing the income approach. Based upon our conversations with attorneys specializing in public housing, upon transfer of the property, the existing public housing restrictions could be removed provided that the Housing Authority re-invest the sale proceeds into other affordable units.

The highest and best use of the property, in its as is condition, would to substantially renovate through the RAD process with LIHTCs, or to maintain restricted operations utilizing CHAP award and market oriented operating expense, or to remove the public housing restrictions and operate as an unrestricted development. However, as the purpose of the As Is valuation is to establish the As Is Fair Market Value in support of LIHTC eligible basis, we must recognize that the IRS and state LIHTC allocating agencies do not allow establishing a fair market value for a development by including the added value of receiving a LIHTC allocation (which would then be deemed investment value). Therefore, for our estimate of As Is Fair Market Value, we have determined that the highest and best use of the Subject, in its as is condition, is for conversion to unrestricted operations since this results in a higher value than continued restricted operations (utilizing CHAP rents and assuming market-oriented expenses).

Upon Completion Assuming Restricted Rents
The Subject’s hypothetical market value of the real estate assuming proposed restricted rental rates, “Upon Completion,” as of February 2, 2018, is:

TWO MILLION SEVEN HUNDRED THOUSAND DOLLARS
($2,700,000)

Upon Completion Assuming Unrestricted Rents

The Subject's hypothetical market value of the real estate assuming unrestricted operation "Upon Completion," as of February 2, 2018, is:

FIVE MILLION ONE HUNDRED THOUSAND DOLLARS
($5,100,000)

As Complete and Stabilized Restricted

The Subject's hypothetical estimated market value "As Complete and Stabilized" assuming proposed restricted rental rates, as of February 2, 2018, is:

TWO MILLION EIGHT HUNDRED THOUSAND DOLLARS
($2,800,000)

As Complete and Stabilized Unrestricted

The Subject's hypothetical estimated market value "As Complete and Stabilized" assuming unrestricted market rental rates, as of February 2, 2018, is:

FIVE MILLION THREE HUNDRED THOUSAND DOLLARS
($5,300,000)

Prospective Market Value as Restricted 30 years (Loan Maturity)

The prospective market value at 30 years (loan maturity) of the Subject's fee simple interest, subject to the rental restrictions in the year 2048, as of February 2, 2018, is:

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

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

The hypothetical prospective market value at 30 years (loan maturity) of the Subject's fee simple interest, as an unrestricted property in the year 2048, as of February 2, 2018, is:

SIX MILLION FOUR HUNDRED THOUSAND DOLLARS
($6,400,000)

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 February 2, 2018, is:

Federal
FOUR MILLION THIRTY THOUSAND DOLLARS
($4,030,000)

State
THREE MILLION FOUR HUNDRED TEN THOUSAND DOLLARS
($3,410,000)

Favorable Financing
The market value of the favorable financing provided to the Subject, as of February 2, 2018, is:

NINE HUNDRED THOUSAND DOLLARS
($900,000)

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

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ADDENDUM F: SITE PLAN/SURVEY
ADDENDUM G: LICENSE
ADDENDUM H: GROUND LEASE

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

Property Appraised:

Lucy Morgan Phase I (Subject) is a portion of a larger existing 182-unit Public Housing Development in LaGrange, Troup County, Georgia. The Subject is proposed to be renovated with Low Income Housing Tax Credit (LIHTC) funds and tax exempt bonds, and will offer units to households earning 60 percent of the area median income (AMI) or less for 81 units. Further, the developer anticipates receiving Project-Based Vouchers (PBV) for all 85 existing Public Housing units through the Rental Assistance Demonstration (RAD) program, which will allow the Subject to convert from a traditional Public Housing development to operate with a long-term PBV Housing Assistance Payment (HAP) contract. According to the RAD program, the length of the HAP contract will be 20 years, and it will be subject to annual appropriations. Further, for Public Housing conversions like the Subject, at the end of the contract term, HUD will renew the contract for an additional term, subject to the terms and conditions applicable at the time of renewal.

The Subject was originally constructed in 1953 and received renovations in 2003, 2010, and 2013, including bathroom updates, roofing repairs, and replacement of vent hoods, doors, and handrails. Lucy Morgan consists of 50 residential buildings, one community building, and one administrative building, including a total of 182 residential units. Phase I (Subject) includes 26 one and two-story buildings, one of which will be demolished, while Phase II consists of the remaining 24 residential buildings. A total of 25 buildings with 85 units at the Subject will be rehabilitated, while the remaining four units at Phase I will be demolished. These four units, as well as Phase II, are not considered in our post renovation valuation analyses. The rehabilitation at the Subject will require temporary tenant displacement for a period of four to five months.

Ground Lease:

The developer will enter into a lease with the LaGrange Housing Authority for the ground underlying the Subject buildings. The term of the ground lease will be 75 years for a level annual rent payment of $1,000, or $75,000 over the term of the lease. In exchange, the developer will agree to pay all costs associated with rehabilitation of the facility and all ongoing operational costs. A copy of the ground lease is included in the Addendum. We have assumed no ground lease in the as is scenario and have included the ground lease expense in the as proposed restricted and unrestricted scenarios.

The scope of renovations will be significant for the Subject. Rehabilitation is expected to be completed by February 2019. The estimated total hard cost of the rehabilitation will reportedly be

$6,171,750, or $72,609 per unit. As part of the rehabilitation, the three-bedroom units will have an additional bathroom added. In addition, four units will be demolished. Some other key aspects of the rehabilitation will include the construction of a new gazebo, concrete and drainage repairs, new dumpster enclosures, exterior paint, new windows and shutters, new doors, new signage, interior unit upgrades (flooring, drywall, blinds, cabinets, doors, trim, paint, bathroom fixtures, appliances, and lighting), adding insulation in walls and attics, new HVAC, electrical updates, ADA-compliant unit upgrades, community building updates, and landscaping. The proposed renovations will require a phased relocation of residents into other units within the Housing Authority's portfolio or nearby housing developments and then relocated into renovated units. This relocation will be coordinated with the LaGrange Housing Authority and is estimated to be a four to five month process.

Parcel ID Number: The Subject consists of parcel ID #053-3D-005-001.

Land Area: According to the developer, the Subject development (Phase I) totals approximately 8.0 acres. The Lucy Morgan development in total, which includes Phase II, totals approximately 16.0 acres.

Legal Interest Appraised: The property interest appraised is fee simple estate for the 'as is' scenario and leasehold estate for the as proposed scenarios, subject to any and all encumbrances, if applicable for each value estimate.

Unit Mix: The current unit mix and unit sizes are as follows:

UNIT MIX AND SQUARE FOOTAGE (BEFORE REHABILITION)

Unit Type	Number of Units	Unit Size (SF)	Net Area (SF)
1BR/1BA	13	600	7,800
2BR/1BA	34	795	27,030
3BR/2BA	24	930	22,320
4BR/2BA	18	1,100	19,800
Total	**89**		**76,950**

The Subject has approximately 76,950 square feet of net leasable residential space. As part of the rehabilitation, the three-bedroom units will have an additional bathroom added. Further, four units will be demolished. Some units will also undergo porch additions and reconfiguration of laundry rooms.

The following table illustrates the unit mix post rehabilitation.

UNIT MIX AND SQUARE FOOTAGE (POST REHABILITATION)

Unit Type	Number of Units	Unit Size (SF)	Gross Area (SF)
1BR/1BA	3	517	1,551
1BR/1BA	10	610	6,100
2BR/1BA	7	761	5,327
2BR/1BA	25	785	19,625
3BR/2BA	22	1,013	22,286
4BR/2BA	18	1,201	21,618
TOTAL	**85**		**76,507**

Current Rents: Based on a rent roll dated December 1, 2017 the current rents at the Subject are based on 30 percent of resident incomes, as the Subject operates as Public Housing. The average tenant-paid monthly rent at Lucy Morgan Phase I is $89.

Current Occupancy: Based on a rent roll dated December 1, 2017, the Subject is 88.8 percent occupied.

Proposed Rents: The borrower intends to substantially rehabilitate the Subject utilizing LIHTC funds. Additionally, as previously noted, the Subject will be converted under the RAD program from Public Housing to operate with a PBV HAP contract. It should be noted that under the RAD program, the Subject's rents are established by a Commitment to Enter into a Housing Assistance Payments (CHAP) contract that is issued to the owner upon selection for RAD. The three-bedroom net CHAP rent is $648, or $786 gross. This amount exceeds the 50 percent AMI LIHTC maximum allowable gross rent of $717. Similarly, the four-bedroom CHAP rent is $650, or $810 gross, which exceeds the gross LIHTC 50 percent AMI limit of $800. As such, if the property were to lose its RAD subsidy and operate as LIHTC-only, the maximum allowable net rents would be capped at the maximum allowable LIHTC rents ($579 and $640). The potential gross rental income and proposed rents as restricted are provided in the following tables.

POTENTIAL GROSS RENTAL INCOME - AS RENOVATED RESTRICTED

Unit Type	Number of Units	CHAP Rents	Monthly Gross Rent	Annual Gross Rent
		CHAP/LIHTC		
1BR/1BA	13	$393	$5,109	$61,308
2BR/1BA	32	$474	$15,168	$182,016
3BR/2BA	22	$648	$14,256	$171,072
4BR/2BA	18	$650	$11,700	$140,400
Total	**85**			**$554,796**

PROPOSED RENTS

Unit Type	Number of Units	Proposed Rent	Utility Allowance (1)	Gross Asking Rent	2017 LIHTC Maximum Allowable Gross Rent
			*Public Housing**		
2BR/1BA	1	$474	$116	$590	-
			50% AMI/PBRA		
1BR/1BA	3	$393	$100	$493	$517
2BR/1BA	6	$474	$116	$590	$621
3BR/2BA	4	$648	$138	$786	$717
4BR/2BA	4	$650	$160	$810	$800
			60% AMI/PBRA		
1BR/1BA	10	$393	$100	$493	$621
2BR/1BA	25	$474	$116	$590	$745
3BR/2BA	18	$648	$138	$786	$861
4BR/2BA	14	$650	$160	$810	$960
Total	**85**				

Notes (1) Source of Utility Allowance provided by the RAD/CHAP contract.

*Not LIHTC-eligible; restricted to tenants earning 80 percent AMI or less under Public Housing restrictions.

Based on the detailed analysis contained in this report, the proposed CHAP rents for the one, two, three, and four-bedroom units are below the achievable market rents and conform to RAD guidelines. Further, all tenants will continue to pay 30 percent of their income to rent, not to exceed the lesser of the net CHAP or LIHTC maximum allowable rents.

Ownership History of the Subject:

Ownership of the Subject is vested in the Housing Authority of the City of LaGrange. There have been no transfers of the Subject property over the past three years. According to the developer, the Subject land will remain under Housing Authority ownership, while the improvements will be transferred to a new ownership entity. A purchase agreement has not yet been finalized. However, the developer's sources and uses indicate a total acquisition price of $3,380,000, which is below our as is value of $4,200,000. According to the borrower, the lease agreement with the Housing Authority will be for a term of 75 years with an annual rent of $1,000.

Highest and Best Use "As If Vacant":

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

Highest and Best Use “As Improved”:

The Subject is currently improved with a multifamily property operated as a HUD Public Housing development. As public housing, the Subject operates under a flat rent schedule. This rent schedule is not market-oriented; the Subject essentially operates on a break-even basis, and not in a profit-generating manner. As such, valuing the Subject assuming public housing restrictions would essentially lend itself to the Subject having little to no value.

The highest and best use of the property, in its as is condition, would to substantially renovate through the RAD process with LIHTCs, utilizing the CHAP rents with market-based restricted operating expenses, or to maintain restricted operations utilizing CHAP award and market oriented operating expense, or to remove the public housing restrictions and operate as an unrestricted development. However, as the purpose of the As Is valuation is to establish the As Is Fair Market Value in support of LIHTC eligible basis, we must recognize that the IRS and state LIHTC allocating agencies do not allow establishing a fair market value for a development by including the added value of receiving a LIHTC allocation (which would then be deemed investment value). Therefore, for our estimate of As Is Fair Market Value, we have determined that the highest and best use of the Subject, in its as is condition, is for conversion to unrestricted operations since this results in a higher value than continued restricted operations (utilizing CHAP rents and assuming market-oriented expenses).

INDICATIONS OF VALUE

VALUE OF UNDERLYING LAND

Scenario	Units	Price Per Unit	Indicated Value (Rounded)
Land Value	80	$5,200	$420,000

DIRECT CAPITALIZATION ANALYSIS - "AS IS"

Scenario	Cap Rate	Net Operating Income	Indicated Value (Rounded)
As Is	7.75%		$4,200,000

DIRECT CAPITALIZATION ANALYSIS - "AS COMPLETE"

Scenario		Loss To Lease	Indicated Value (Rounded)
As Complete Restricted		$127,900	$2,700,000
As Complete Unrestricted		$223,906	$5,100,000

DIRECT CAPITALIZATION ANALYSIS - "AS COMPLETE AND STABILIZED"

Scenario	Cap Rate	Net Operating Income	Indicated Value (Rounded)
As Renovated Restricted	7.00%	$195,391	$2,800,000
As Renovated Unrestricted	7.75%	$410,910	$5,300,000

EGIM ANALYSIS - "AS COMPLETE AND STABILIZED"

Scenario	EGIM	Effective Gross Income	Indicated Value (Rounded)
As Is	5.75	$749,004	$4,300,000
As Renovated Restricted	5.00	$548,943	$2,700,000
As Renovated Unrestricted	6.25	$812,844	$5,100,000

NOI/UNIT ANALYSIS - "AS COMPLETE AND STABILIZED"

Scenario	Units	Price Per Unit	Indicated Value (Rounded)
As Is	89	$47,000	$4,200,000
As Renovated Restricted	85	$32,000	$2,700,000
As Renovated Unrestricted	85	$60,000	$5,100,000

VALUE AT LOAN MATURITY - RESTRICTED

		Year	Indicated Value (Rounded)
Restricted		30 years	$3,500,000

VALUE AT LOAN MATURITY - UNRESTRICTED

		Year	Indicated Value (Rounded)
Unrestricted		30 years	$6,400,000

TAX CREDIT VALUATION

	Credit Amount	Price Per Credit	Indicated Value (Rounded)
Combined Federal & State LIHTC	$9,675,599	$1.535	$7,440,000

FAVORABLE FINANCING VALUATION

			Indicated Value (Rounded)
Restricted & Unrestricted			$900,000

Exposure Time:	Nine – 12 Months
Marketing Period:	Nine – 12 Months

The Subject is currently restricted and operated as a HUD Public Housing development. As public housing, the Subject operates under a flat rent schedule. This rent schedule is not market-oriented; the Subject essentially operates on a break-even basis, and not in a profit-generating manner. As such, valuing the Subject assuming public housing restrictions would essentially lend itself to the Subject having little to no value.

The majority of buyers of multifamily developments utilize the income capitalization approach when valuing and determining the fair market value of a multifamily investment. We believe that the current income structure is not an accurate basis upon which to value the property, as it results in no value to the Subject when utilizing the income approach. Based upon our conversations with attorneys specializing in public housing, upon transfer of the property, the existing public housing restrictions could be removed provided that the Housing Authority re-invest the sale proceeds into other affordable units.

The highest and best use of the property, in its as is condition, would to substantially renovate through the RAD process with LIHTCs, utilizing the CHAP rents with market-based restricted operating expenses, or to maintain restricted operations utilizing CHAP award and market oriented operating expense, or to remove the public housing restrictions and operate as an unrestricted development. However, as the purpose of the As Is valuation is to establish the As Is Fair Market Value in support of LIHTC eligible basis, we must recognize that the IRS and state LIHTC allocating agencies do not allow establishing a fair market value for a development by including the added value of receiving a LIHTC allocation (which would then be deemed investment value). Therefore, for our estimate of As Is Fair Market Value, we have determined that the highest and best use of the Subject, in its as is condition, is for conversion to unrestricted operations since this results in a higher value than continued restricted operations (utilizing CHAP rents and assuming market-oriented expenses).

The use of extraordinary assumptions and hypothetical conditions may affect the assignment results.

Please refer to the complete Assumptions and Limiting Conditions in the Addenda of this report.

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.

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The use of extraordinary assumptions and hypothetical conditions may affect the assignment results.

Please refer to the complete Assumptions and Limiting Conditions in the Addenda of this report.

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

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

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

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

Property Identification

The Subject sites are located at 500 Revis Street in LaGrange, Troup County, Georgia 30240. The Subject consists of parcel ID #053-3D-005-001.

Intended Use and Intended User

Vantage Development 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 (including Georgia Department of Community Affairs), state lending authorities, LIHTC construction and permanent lenders, and LIHTC syndicators. As our client, Vantage Development, owns this report and permission must be granted from them before another third party can use this document. We assume that by reading this report another third party has accepted the terms of the original engagement letter including scope of work and limitations of liability. We are prepared to modify this document to meet any specific needs of the potential users under a separate agreement.

Property Interest Appraised

The property interest appraised is fee simple for the ‘as is’ scenario and leasehold for the as proposed scenarios, subject to any and all encumbrances, if applicable for each value estimate.

Date of Inspection and Effective Date of Appraisal

The site was last inspected on September 21, 2017. The market and comparable information was updated on February 2, 2018, which has been utilized 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 have also used a hypothetical condition assuming the Subject's renovations will be completed as proposed as of the effective date of this report.

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.

The use of extraordinary assumptions and hypothetical conditions may affect the assignment results.

Compliance and Competency Provision

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

Unavailability of Information

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

Furniture, Fixtures, and Equipment

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

Ownership and History of Subject

Ownership of the Subject is vested in the Housing Authority of the City of LaGrange. There have been no transfers of the Subject property over the past three years. According to the developer, the Subject land will remain under Housing Authority ownership, while the improvements will be transferred to a new ownership entity. A purchase agreement has not yet been finalized. However, the developer’s sources and uses indicate a total acquisition price of $3,380,000, which is below our as is value of $4,200,000. According to the borrower, the lease agreement with the Housing Authority will be for a term of 75 years with an annual rent of $1,000.

REGIONAL AND LOCAL AREA ANALYSIS

REGIONAL AND LOCAL AREA ANALYSIS

ECONOMIC ANALYSIS

The LaGrange, GA Micropolitan Statistical Area consists of Troup County and includes the cities of LaGrange, Harrisonville, Hogansville, Mountville, and West Point. LaGrange is the county seat of Troup County and located approximately 20 miles from the Georgia/Alabama border in the west central portion of Georgia. LaGrange is home to InterfaceFLOR, a large manufacturer of carpet tile, and Caterpillar's forestry division. Troup County is home to the Kia Motors assembly plant, the only Kia Motors plant in the United States. LaGrange's good access to major interstates, including nearby Interstate 85, provides industrial and commercial access for businesses, such as Wal-Mart's distribution center. Interstate 85 provides access to Atlanta, GA, and Montgomery, AL, as well as other cities throughout the region.

Major Employers

The following chart identifies the major employers in Troup County.

MAJOR EMPLOYERS - TROUP COUNTY, GA (2016)

Employer	Industry	Number Employed
Kia Motors Manufacturing	Manufacturing	3,000
Troup County Board of Education	Education	1,939
West Georgia Health	Health care	1,300
Milliken	Manufacturing	1,099
InterfaceFLOR	Manufacturing	1,000
Wal-Mart	Distribution	960
Sewon America	Manufacturing	912
Troup County	Government	552
Mountville Mills	Manufacturing	550
Caterpillar, Inc.	Manufacturing	480
Procter & Gamble Duracell	Manufacturing	428
City of LaGrange	Government	420
American Home Shield	Insurance	400
Freudenburg-NOK	Manufacturing	261
Emory-Clark Holder	Health care	240
Hamil E Hwa Interior Systems	Manufacturing	225
Trinidad Benham Corp.	Manufacturing	218
Kimberly Clark	Manufacturing	205
ITW DaeLim USA	Manufacturing	200
LaGrange College	Education	180

Source: City of LaGrange Economic Development, 2/2018

The largest employer in Troup County is the Kia automotive plant in West Point. Production at this plant began in 2009, and today it employs approximately 3,000 workers. The Kia facility is located just 11 miles southwest of the Subject. According to Mr. Andy Camp with the LaGrange Department of Economic Development, the auto industry employs over 10,000 in Troup County, and has transformed the region's economy, as several automotive suppliers have opened in Troup County since the Kia facility opened. Major employers in Troup County are concentrated in the manufacturing, education, and healthcare sectors. The manufacturing sector in particular has experienced significant growth over the past five years.

Expansions/Contractions

According to Kelley Bush Development Specialist with the City of LaGrange's Economic Development Department, there have been several expansions and openings in 2016 through 2019 (projected), which are detailed in the following table.

BUSINESS OPENINGS & EXPANSIONS - LAGRANGE, GA

Company	Expansion/ Opening	Location	Investment	# of Jobs Created	Year
Nesper International	Expansion	LaGrange	$1.5 mil	12	2016
Duracell	Expansion	LaGrange	N/Av	50	2016
Courtyard by Marriot	Opening	LaGrange	$5 mil	100	2017
Great Wolf Lodge	Opening	LaGrange	$150 mil	600	2018
Kia Motors	Expansion	West Point	N/Av	150	2018
Sentury Tire	Opening	LaGrange	$530 mil	1,000	2019
Mixed-Use Shopping Center	Opening	LaGrange	N/Av	N/Av	N/Av
Total			**$877 mil**	**2,259**	

Source: LaGrange Economic Development, Novogradac & Company LLP, February 2018

We have reviewed publications by the Georgia Department of Economic Development listing WARN (Worker Adjustment and Retraining Notification Act) filings since 2014. These layoffs are illustrated in the following table.

WARN NOTICES 2014 - 2018 YTD

Effective	Company	City	Layoff/Closure	Number affected
1/16/2015	Johnson Controls, Inc.	West Point	Layoff	103
6/9/2015	Community Action for Improvement	LaGrange	Layoff	200
9/28/2015	Yanfeng Automotive Interiors	West Point	Layoff	39
	Total			**342**

Source: GA Dept. of Labor and GA Dept. of Economic Development, Novogradac & Company LLP, February 2018

As illustrated in the previous table, Troup County experienced three WARN filings from 2014 to year-to-date 2018, totaling 342 jobs lost, only one of which was within the city of LaGrange. Overall, the number of layoffs and closures in the county has been limited over the last three years.

Employment and Unemployment Trends

The following tables detail employment and unemployment trends for the LaGrange, Micropolitan Statistical Area (Troup County) and the nation from 2002 through November 2017.

EMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

	Troup County, GA			USA		
	Total Employment	% Change	Differential from peak	Total Employment	% Change	Differential from peak
2002	27,648	-	-20.3%	136,485,000	-	-9.9%
2003	28,439	2.9%	-18.1%	137,736,000	0.9%	-9.0%
2004	28,246	-0.7%	-18.6%	139,252,000	1.1%	-8.0%
2005	28,127	-0.4%	-19.0%	141,730,000	1.8%	-6.4%
2006	28,574	1.6%	-17.7%	144,427,000	1.9%	-4.6%
2007	28,721	0.5%	-17.3%	146,047,000	1.1%	-3.6%
2008	28,102	-2.2%	-19.0%	145,363,000	-0.5%	-4.0%
2009	26,923	-4.2%	-22.4%	139,878,000	-3.8%	-7.6%
2010	28,788	6.9%	-17.1%	139,064,000	-0.6%	-8.2%
2011	30,705	6.7%	-11.5%	139,869,000	0.6%	-7.6%
2012	32,110	4.6%	-7.5%	142,469,000	1.9%	-5.9%
2013	33,054	2.9%	-4.8%	143,929,000	1.0%	-5.0%
2014	33,476	1.3%	-3.6%	146,305,000	1.7%	-3.4%
2015	33,428	-0.1%	-3.7%	148,833,000	1.7%	-1.7%
2016	34,710	3.8%	0.0%	151,436,000	1.7%	0.0%
2017 YTD Average*	35,293	1.7%	-	153,243,000	1.2%	-
Nov-2016	35,084	-	-	152,385,000	-	-
Nov-2017	35,574	1.4%	-	153,917,000	1.0%	-

Source: U.S. Bureau of Labor Statistics February 2018

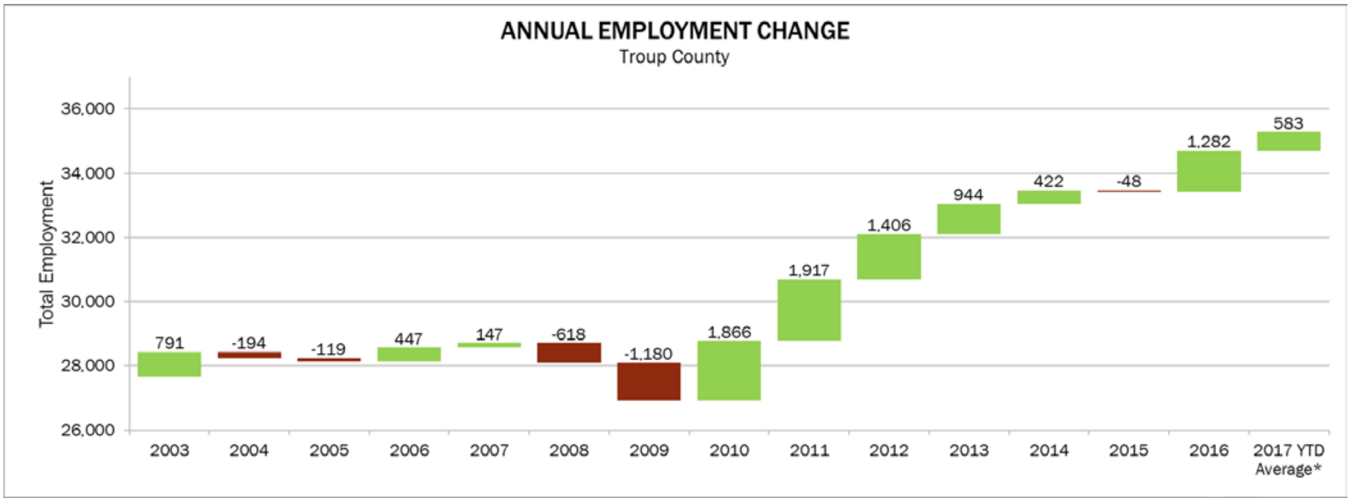
UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

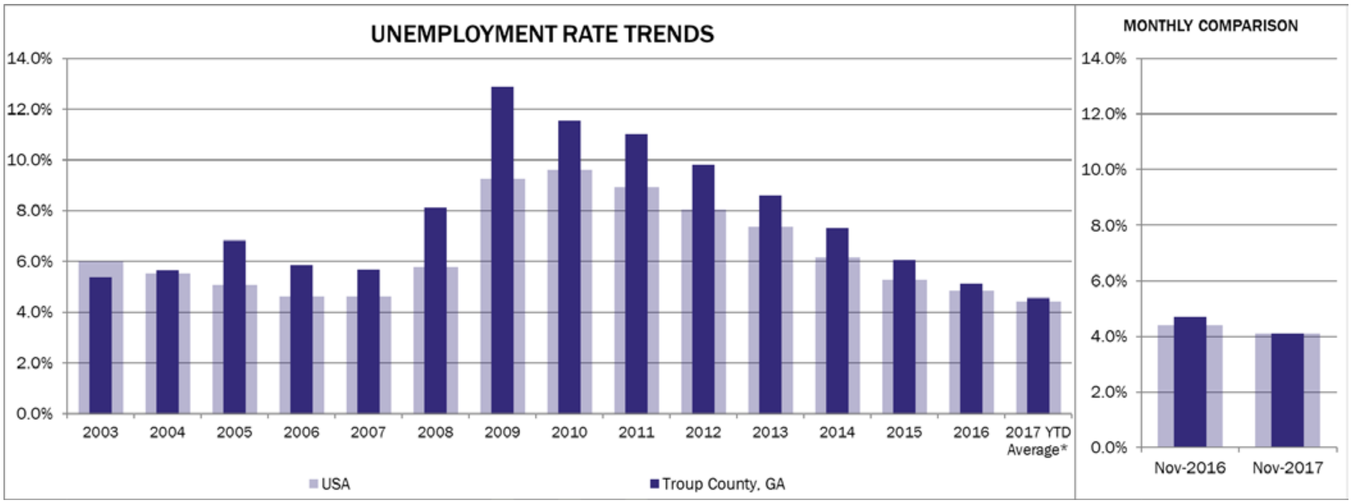
	Troup County, GA			USA		
	Unemployment Rate	Change	Differential from peak	Unemployment Rate	Change	Differential from peak
2002	5.6%	-	0.4%	5.8%	-	1.2%
2003	5.4%	-0.2%	0.3%	6.0%	0.2%	1.4%
2004	5.7%	0.3%	0.5%	5.5%	-0.5%	0.9%
2005	6.8%	1.2%	1.7%	5.1%	-0.5%	0.5%
2006	5.9%	-1.0%	0.7%	4.6%	-0.5%	0.0%
2007	5.7%	-0.2%	0.6%	4.6%	0.0%	0.0%
2008	8.2%	2.5%	3.0%	5.8%	1.2%	1.2%
2009	12.9%	4.7%	7.8%	9.3%	3.5%	4.7%
2010	11.5%	-1.3%	6.4%	9.6%	0.3%	5.0%
2011	11.0%	-0.5%	5.9%	9.0%	-0.7%	4.3%
2012	9.8%	-1.2%	4.7%	8.1%	-0.9%	3.5%
2013	8.6%	-1.2%	3.5%	7.4%	-0.7%	2.8%
2014	7.3%	-1.3%	2.2%	6.2%	-1.2%	1.6%
2015	6.1%	-1.3%	0.9%	5.3%	-0.9%	0.7%
2016	5.1%	-0.9%	0.0%	4.9%	-0.4%	0.3%
2017 YTD Average*	4.6%	-0.6%	-	4.4%	-0.4%	-
Nov-2016	4.7%	-	-	4.4%	-	-
Nov-2017	4.1%	-0.6%	-	4.1%	-0.3%	-

Source: U.S. Bureau of Labor Statistics February 2018

Total employment in Troup County increased in 2006 and 2007, but declined in 2008 and 2009 due to the recession. The decreases in total employment were slightly higher than the decreases experienced by the nation as a whole over the same time period. However, total employment increased 6.9 percent in 2010, exceeding pre-recession levels, and has increased each year since, with the exception of 2015. From November 2016 to November 2017, total employment in Troup County increased 1.4 percent, while an increase of 1.0 percent was experienced in the nation over the same time period.

The unemployment rate in Troup County peaked in 2009 at 12.9 percent, significantly higher than the nation's peak of 9.6 percent in 2010. However, from 2010 through 2017, unemployment levels in the county decreased rapidly. From November 2016 to November 2017, unemployment in the county decreased by 60 basis points, compared to the nation's decrease of 30 basis points. Additionally, as of November 2017, the unemployment rate in Troup County was 4.1 percent, which is equal to the nation. It appears that the county was significantly impacted by the national recession, but recovered at a faster pace than the nation. Overall, consistent decreases in the unemployment rate and significant increases in total employment over the last five years are encouraging.





Employment by Industry

The following table illustrates employment by industry for the PMA and nation as of 2017.

2017 EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Manufacturing	3,456	25.7%	15,589,157	10.1%
Healthcare/Social Assistance	1,523	11.3%	21,941,435	14.2%
Retail Trade	1,507	11.2%	17,038,977	11.0%
Accommodation/Food Services	1,437	10.7%	12,036,513	7.8%
Educational Services	1,197	8.9%	14,390,707	9.3%
Other Services (excl Publ Adm)	692	5.1%	7,493,272	4.8%
Transportation/Warehousing	639	4.8%	6,498,777	4.2%
Construction	635	4.7%	9,872,629	6.4%
Admin/Support/Waste Mgmt Srvcs	539	4.0%	6,968,170	4.5%
Public Administration	386	2.9%	6,982,075	4.5%
Prof/Scientific/Tech Services	338	2.5%	11,068,132	7.1%
Real Estate/Rental/Leasing	316	2.4%	3,130,712	2.0%
Finance/Insurance	259	1.9%	7,200,593	4.6%
Wholesale Trade	147	1.1%	4,064,621	2.6%
Information	132	1.0%	2,741,630	1.8%
Arts/Entertainment/Recreation	108	0.8%	3,448,696	2.2%
Agric/Forestry/Fishing/Hunting	87	0.6%	2,288,795	1.5%
Utilities	39	0.3%	1,401,281	0.9%
Mining	1	0.0%	609,828	0.4%
Mgmt of Companies/Enterprises	0	0.0%	86,740	0.1%
Total Employment	**13,438**	**100.0%**	**154,852,740**	**100.0%**

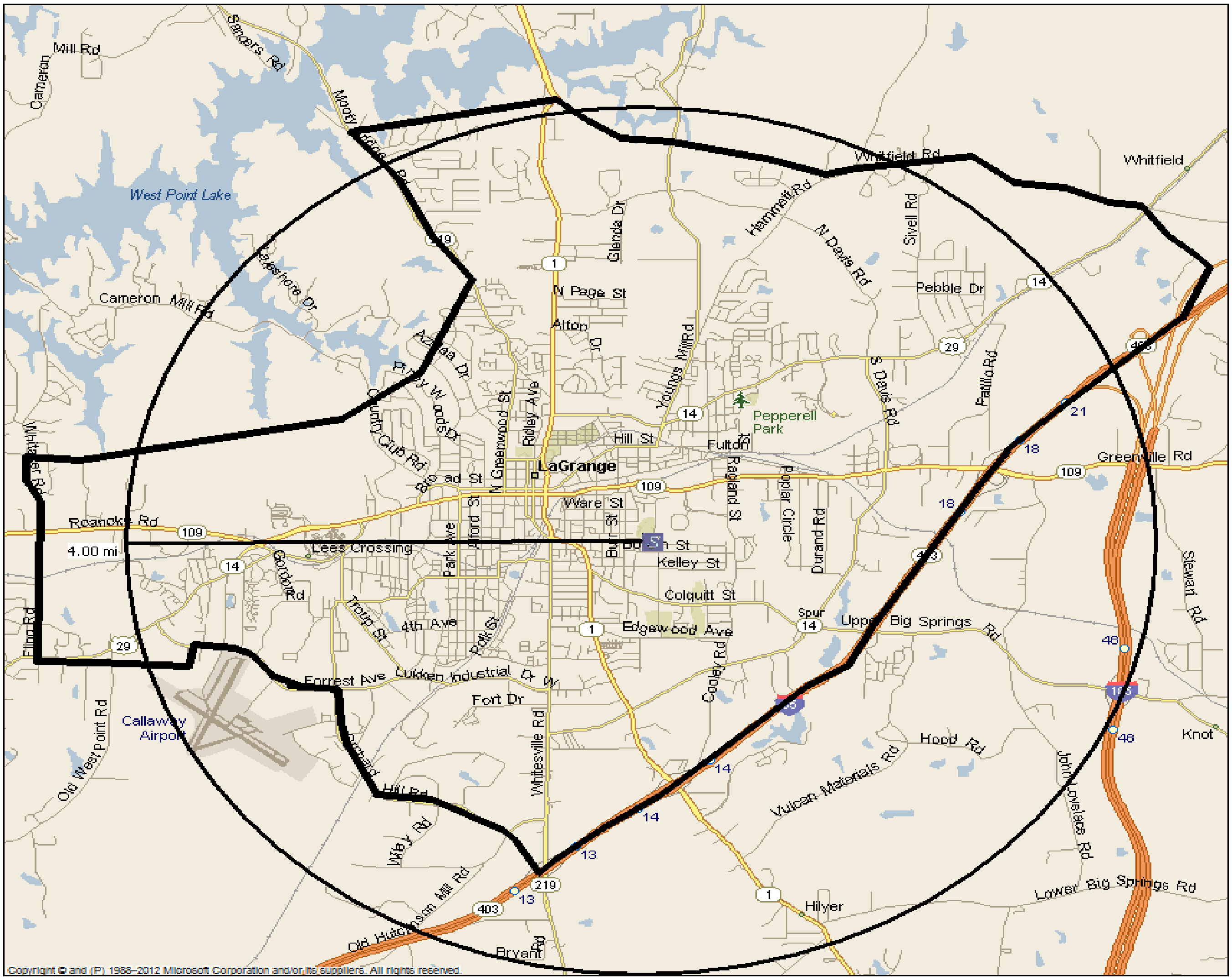
Source: Esri Demographics 2017, Novogradac & Company LLP, February 2018

As depicted above, employment in the PMA is concentrated in the manufacturing, healthcare/social assistance, and retail trade sectors, with 48.3 percent of the population employed in these industries. The manufacturing industry is generally sensitive to economic recessions, while the health care/social assistance sector tends to be more stable. However, given the limited number of recent layoffs, it appears that the manufacturing sector has been generally stable in this market. The PMA employs a significantly greater percentage of workers in the manufacturing and accommodation/food services sectors, while the finance/insurance, healthcare/social assistance, and professional/scientific/technical services sectors are underrepresented in the PMA compared to the nation as a whole.

Conclusion

It appears that Troup County was significantly impacted by the recent national recession, but recovered at a faster pace than the nation. Employment exceeded pre-recession levels in 2010, and total employment has increased each year since, with the exception of a slight 0.1 percent decrease in 2015. From November 2016 to November 2017, total employment in Troup County increased 1.4 percent, while an increase of 1.0 percent was experienced in the nation over the same period. The PMA is significantly rooted in the manufacturing industry, which is considered to be less stable during times of economic downturn, but consistent decreases in the unemployment rate and significant increases in total employment since 2010 indicate that the economy is growing. Further, the manufacturing sector in Troup County is considered stable, with no major contractions in the recent years. Additionally, as other employment sectors grow in the region, Troup County is less reliant on manufacturing as a percentage of total employment, which further illustrates growing stability in the region.

Primary Market Area (PMA) 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 LaGrange, GA Micropolitan Statistical Area, which consists of Troup County, are areas of growth or contraction. The boundaries of the PMA are as follows:

North:	West Point Lake, Whitfield Road
East:	Interstate 85
South:	Interstate 85, Orchard Hill Road
West:	West Point Lake, Fling Road, Whitaker Road

The area consists of the majority of the city of LaGrange 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 15 percent of the Subject's tenants originate from outside these boundaries. The furthest PMA boundary from the Subject is 5.0 miles.

Population Trends

The following tables illustrate (a) Total Population, (b) Population by Age Group, and (c) Number of Elderly and Non-Elderly in the PMA and SMA from 2000 through 2022.

POPULATION

Year	PMA		SMA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	27,641	-	58,769	-	281,038,168	-
2010	30,188	0.9%	67,048	1.4%	308,745,538	1.0%
2017	32,619	0.8%	70,567	0.5%	327,514,334	0.6%
Proj Mkt Entry	33,106	0.9%	71,406	0.8%	331,887,266	0.8%
2022	34,158	0.9%	73,217	0.8%	341,323,594	0.8%

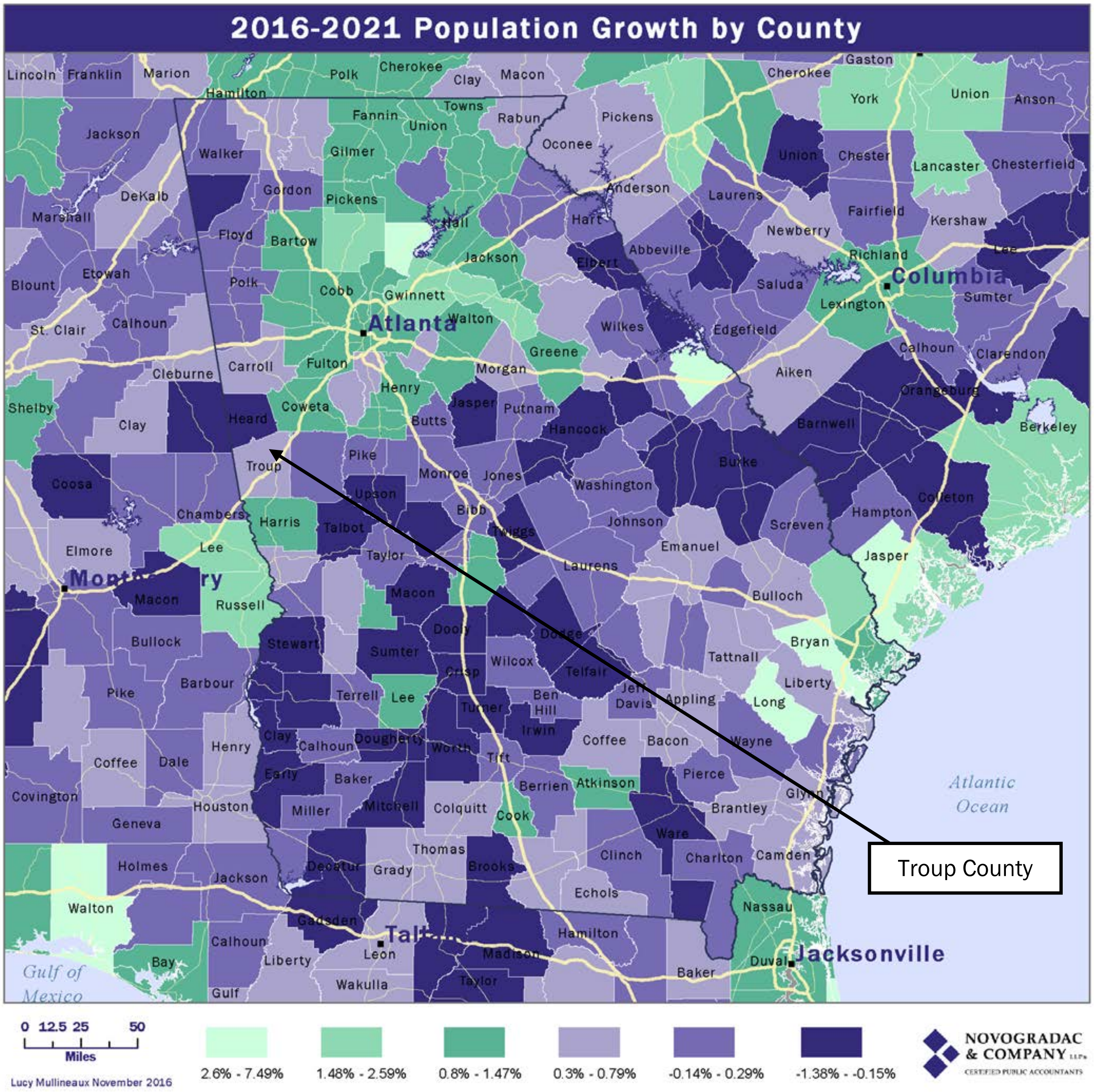
Source: Esri Demographics 2017, Novogradac & Company LLP, February 2018

POPULATION BY AGE GROUP

			PMA		
Age Cohort	2000	2010	2017	Projected Mkt Entry Feb 2019	2022
0-4	2,117	2,475	2,472	2,454	2,563
5-9	2,295	2,234	2,426	2,417	2,470
10-14	2,270	2,193	2,255	2,217	2,445
15-19	2,126	2,463	2,320	2,296	2,440
20-24	2,213	2,417	2,499	2,532	2,332
25-29	1,970	2,066	2,421	2,438	2,336
30-34	1,975	1,891	2,189	2,141	2,429
35-39	1,945	1,866	2,030	1,985	2,256
40-44	1,914	1,841	1,852	1,817	2,029
45-49	1,791	1,969	1,844	1,845	1,840
50-54	1,578	1,915	1,900	1,914	1,832
55-59	1,149	1,679	1,959	1,971	1,898
60-64	959	1,458	1,788	1,763	1,912
65-69	913	1,025	1,506	1,472	1,678
70-74	969	807	1,096	1,040	1,376
75-79	793	713	800	757	1,015
80-84	632	595	578	567	631
85+	526	581	685	686	679
Total	**28,135**	**30,188**	**32,620**	**32,312**	**34,161**

Source: Esri Demographics 2017, Novogradac & Company LLP, February 2018

Overall population growth in the PMA was greater than the county in 2017. Total population in the PMA is projected to increase at a 0.9 percent annual rate from 2017 through 2022, a growth rate slightly above that of Troup County as a whole during the same time period. The largest age cohort is between the ages of 20 to 24 and zero to four, suggesting young families live in the PMA. In 2017, 30.6 percent of the PMA's population is under age 19.



2016-2021 Population Growth by County

HOUSEHOLD TRENDS

The following tables illustrate Total Number of Households and Average Household Size within the PMA and SMA from 2000 through 2022.

HOUSEHOLDS

Year	PMA		SMA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	10,510	-	21,927	-	105,403,008	-
2010	11,570	1.0%	24,790	1.3%	116,716,293	1.1%
2017	12,364	0.7%	25,896	0.4%	123,158,898	0.5%
Proj Mkt Entry	12,498	0.7%	26,142	0.6%	124,527,658	0.7%
2022	12,788	0.7%	26,673	0.6%	127,481,298	0.7%

Source: Esri Demographics 2017, Novogradac & Company LLP, February 2018

AVERAGE HOUSEHOLD SIZE

Year	PMA		SMA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	2.55	-	2.61	-	2.59	-
2010	2.49	-0.2%	2.60	0.0%	2.58	-0.1%
2017	2.55	0.2%	2.64	0.1%	2.59	0.1%
Proj Mkt Entry	2.56	0.3%	2.64	0.2%	2.60	0.2%
2022	2.59	0.3%	2.66	0.2%	2.61	0.2%

Source: Esri Demographics 2017, Novogradac & Company LLP, February 2018

Within the PMA, the number of households increased 1.0 percent annually from 2000 to 2010 and at an annual rate of 0.9 percent annually between 2010 and 2017. In 2017, the total number of households was 12,364, and is projected to be 12,788 in 2022. Within the SMA, the total number of households was 25,896 in 2017 and is expected to increase at a rate of 0.6 percent annually through 2022.

As illustrated in the table above, average household size within the PMA remained stable from 2000 to 2017. In 2017, the average household size was to be 2.55 persons and is projected to increase at a rate of 0.3 percent through 2022. Comparatively, the average household size in the SMA is larger than in the PMA. In 2017, the average household size for the SMA was 2.64 persons, which is also anticipated to grow through 2022.

Households by Tenure

The table below depicts household growth by tenure from 2000 through 2022.

TENURE PATTERNS - TOTAL POPULATION

	PMA				SMA			
	Owner-Occupied Units		Renter-Occupied Units		Owner-Occupied Units		Renter-Occupied Units	
Year	Number	%	Number	%	Number	%	Number	%
2000	5,675	54.0%	4,835	46.0%	14,154	64.6%	7,773	35.4%
2010	5,181	44.8%	6,389	55.2%	15,093	60.9%	9,697	39.1%
2017	5,107	41.3%	7,257	58.7%	14,850	57.3%	11,046	42.7%
Proj Mkt Entry	5,181	41.5%	7,317	58.5%	14,990	57.6%	11,152	42.4%
2022	5,340	41.8%	7,448	58.2%	15,293	58.1%	11,380	41.9%

Source: Esri Demographics 2017, Novogradac & Company LLP, February 2018

As indicated, the total number of renter-occupied housing units within the PMA during 2017 was 58.7 percent of the total population. This percentage is projected to remain generally stable through 2022. Comparatively, the total percentage of renter-occupied households within the SMA during 2017 was 42.7 percent, which is projected to decrease slightly through 2022.

HOUSEHOLDS BY INCOME

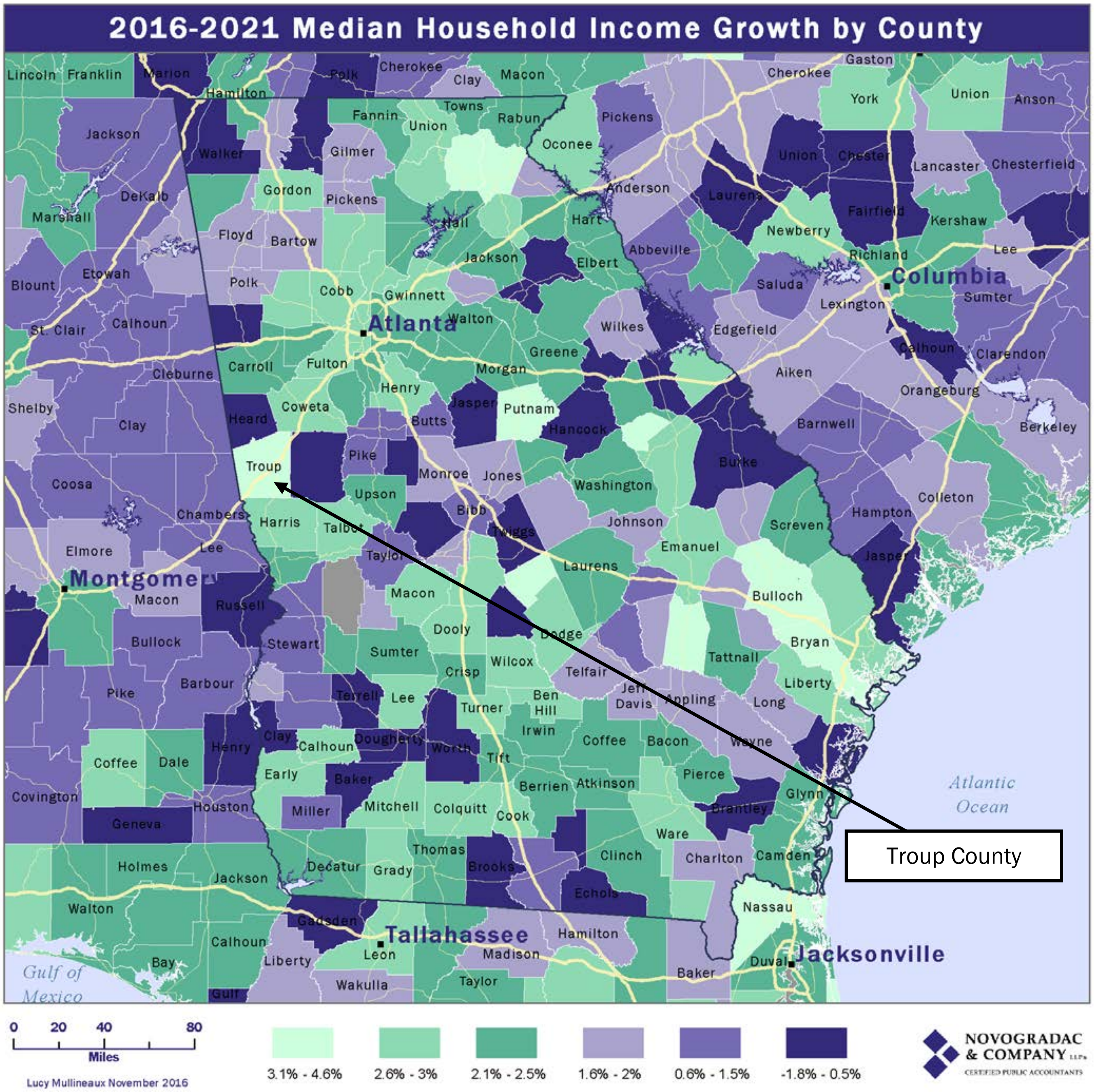
The following table depicts household income in 2010, 2017, projected market entry, and 2022 for the PMA.

HOUSEHOLD INCOME DISTRIBUTION - PMA

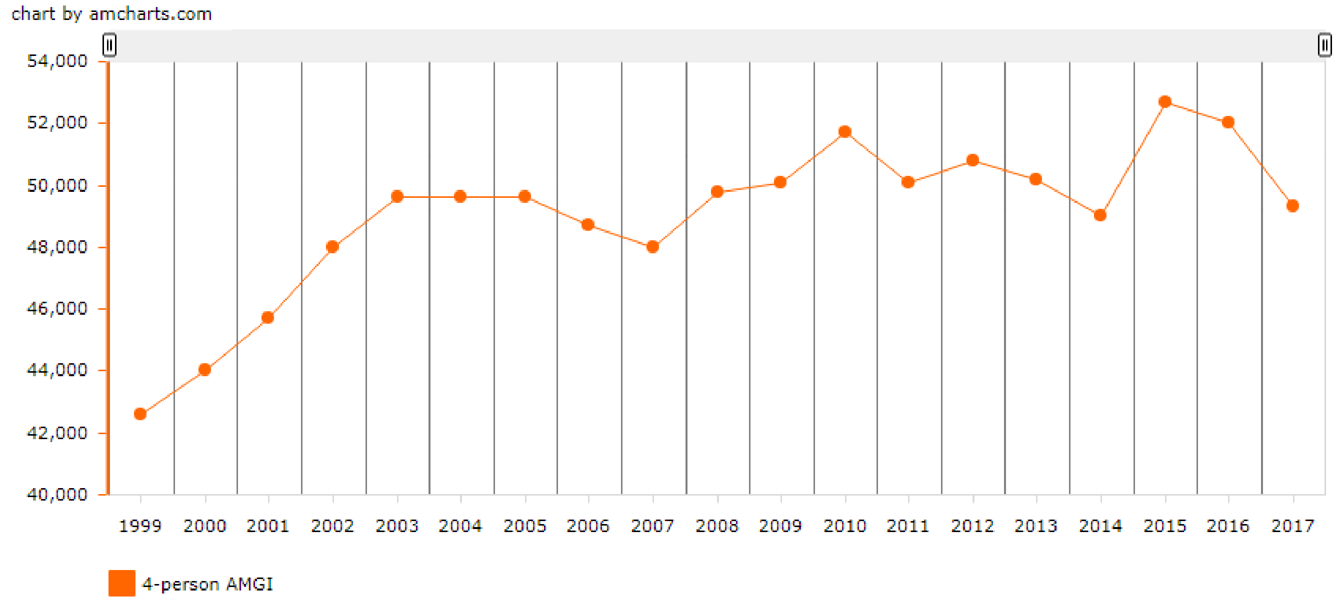
Income Cohort	2010		2017		Mkt Entry Feb 2019		2022	
	Number	%	Number	%	Number	%	Number	%
$0-9,999	1,537	13.3%	1,645	13.3%	1,647	13.4%	1,634	12.6%
$10,000-19,999	1,782	15.4%	2,083	16.8%	2,096	17.1%	2,019	15.6%
$20,000-29,999	1,673	14.5%	1,668	13.5%	1,652	13.5%	1,748	13.5%
$30,000-39,999	1,231	10.6%	1,420	11.5%	1,416	11.5%	1,440	11.1%
$40,000-49,999	997	8.6%	1,214	9.8%	1,209	9.9%	1,235	9.5%
$50,000-59,999	877	7.6%	934	7.5%	923	7.5%	988	7.6%
$60,000-74,999	1,191	10.3%	1,080	8.7%	1,065	8.7%	1,157	8.9%
$75,000-99,999	1,082	9.4%	984	7.9%	962	7.8%	1,094	8.5%
$100,000-124,999	547	4.7%	541	4.4%	523	4.3%	630	4.9%
$125,000-149,999	222	1.9%	303	2.5%	292	2.4%	362	2.8%
$150,000-199,999	192	1.7%	197	1.6%	183	1.5%	267	2.1%
$200,000+	230	2.0%	311	2.5%	299	2.4%	368	2.8%
Total	**11,562**	**100.0%**	**12,380**	**100.0%**	**12,267**	**100.0%**	**12,943**	**100.0%**

Source: Ribbon Demographics 2014, Novogradac & Company LLP, January 2018

Households earning less than $40,000 in the PMA comprise approximately 55.1 percent of the population. The large percentage of low-income renter households is a positive indicator for the continued success of the Subject's affordable rental units.


2016-2021 Median Household Income Growth by County
Atlanta
Columbia
Montgomery
Tallahassee
Jacksonville
Troup
Harris
Coweta
Heard
Carroll
Fulton
Cobb
Gwinnett
Henry
Meriwether
Pike
Upson
Talbot
Muscogee
Gulf of Mexico
Atlantic Ocean
Troup County
0 20 40 80
Miles
Lucy Mullineaux November 2016
3.1% - 4.6%
2.6% - 3%
2.1% - 2.5%
1.6% - 2%
0.6% - 1.5%
-1.8% - 0.5%
NOVOGRADAC & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

The following chart illustrates the AMI level for a four-person household in Troup County from 1999 through 2017.



Display: ☑ 4-person AMGI

Average Increase (AMGI): 0.8%/year

Novogradac & Company LLP, 2/2018

Overall, the AMI has increased by an average of 0.8 percent annually between 1999 and 2017. It is important to note that HUD implemented new methodology procedures for establishing income limits in 2007. The system and underlying data sources that HUD uses to establish income limits is now dependent upon the American Community Survey (ACS), whereas years prior to 2007 had been dependent upon Decennial Census reports. In 2007, two-thirds of the nation experienced flat or decreased AMI levels based largely on this methodology change. As is seen in the previous table, Troup County appears to have been affected by this methodology change. Additionally, 84 percent of counties nationally saw a decrease in the 2013 AMI level, which also appears to have impacted Troup County. Following the substantial nationwide decreases in 2013, over 81 percent of counties in the country experienced growth in AMI in 2015, including Troup County. Furthermore, 84 percent of counties nationwide experienced increases in AMI from 2016 to 2017 and nearly 52 percent of counties have reached their highest AMI to date as of 2017. Troup County is not among those experiencing their highest AMI as of 2017, and in fact saw a decrease in AMI over this period.

Conclusion

Total population in the PMA is projected to increase at a 0.9 percent annual rate from 2017 through 2022, a faster growth rate than that of the SMA during the same time period. The percentage of renter-occupied units in the PMA is expected to remain stable through 2022. Households earning less than $40,000 in the PMA comprise approximately 55.1 percent of the population. The Subject will target households earning between $0 and $45,900, therefore, the Subject should be well-positioned to service this market. Overall, the demographic data points to a growing population with a significant percentage of households within the income band that the Subject would target under the LIHTC program, even without consideration of the RAD program rental assistance.

NEIGHBORHOOD ANALYSIS

Date of Site Visit and Name of Site Inspector: Brian Neukam visited the site. The most recent inspection was on September 21, 2017.

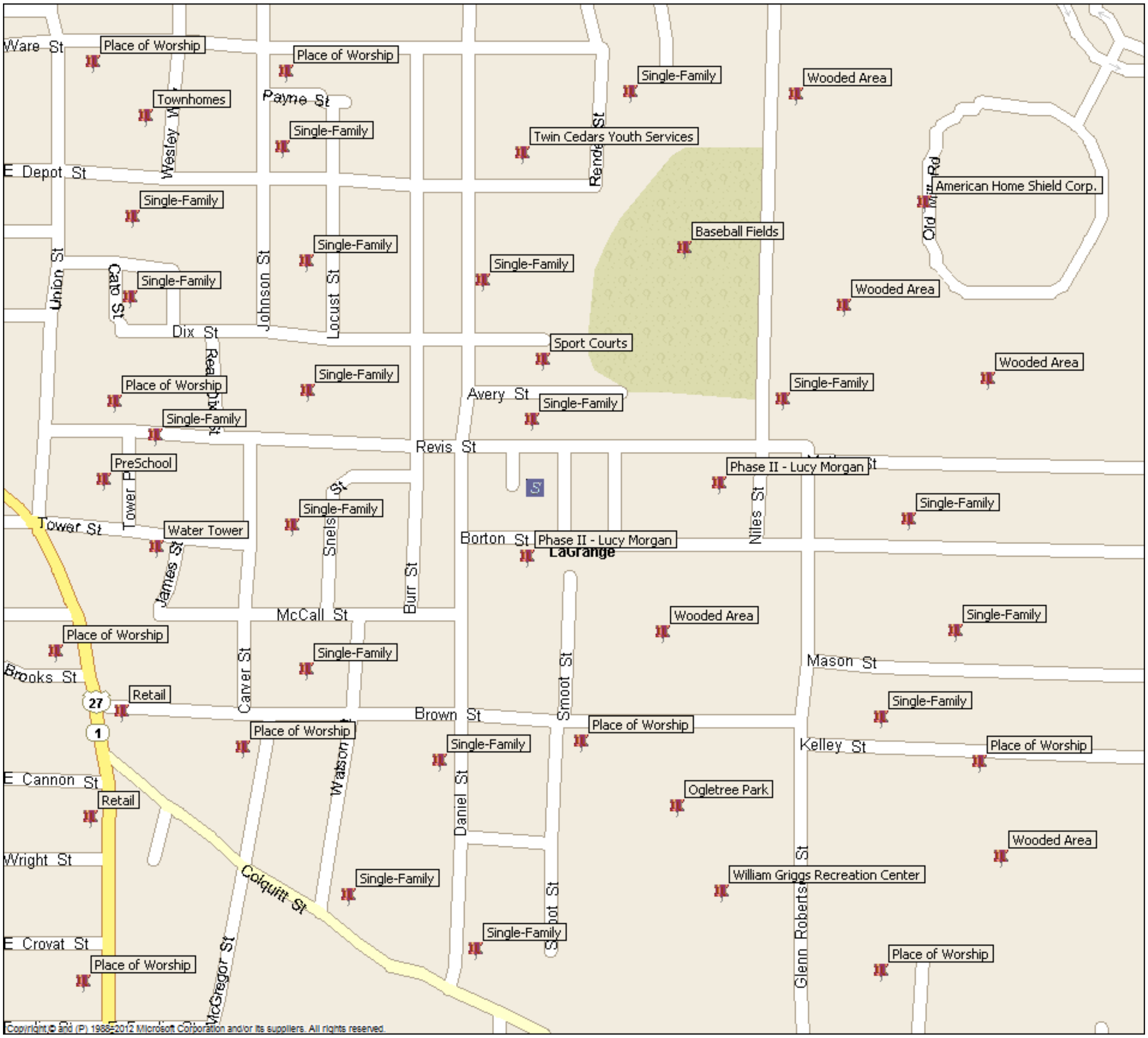
Physical Features of the Site: The following illustrates the physical features of the Subject.

Frontage: The Subject has frontage along the south side of Revis Street, the north side of Borton Street, and the east side of Daniel Street.

Visibility/Views: The Subject has excellent visibility from Revis Street, Borton Street, and Daniel Street. Views to the south and east include Phase II of the Lucy Morgan Development in average condition. Views to the north include vacant land, as well as single-family homes in fair condition. Views west include a wooded area, a place of worship in fair condition, and several small retail/commercial uses in poor to fair condition. Overall, views from Lucy Morgan Phase I are considered fair.

Surrounding Uses: Surrounding uses of the Subject site consist of wooded areas, Lucy Morgan Phase II, places of worship, sport courts and baseball fields, and single-family homes. The single-family developments in the Subject's neighborhood appear to be in fair to average condition. The Subject is located in the southeastern quadrant of LaGrange, approximately one mile southeast of the Central Business District (CBD). There are limited commercial/retail uses in the Subject's neighborhood. The Subject is considered "car dependent" by Walkscore with a rating of 30. The Subject site is considered a reasonable location for family rental housing and has a relatively close proximity to locational amenities.

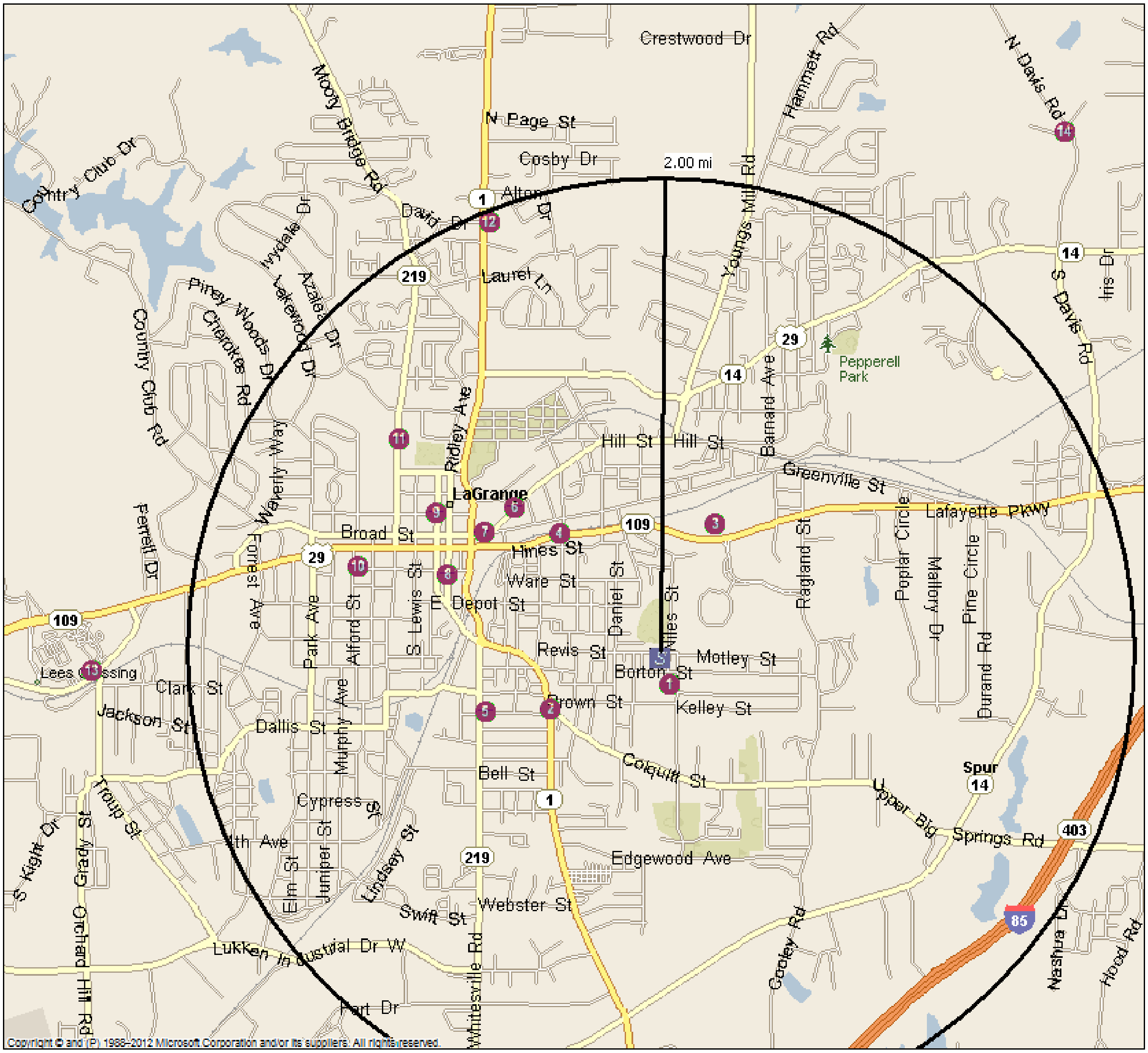
A map of the surrounding land uses is illustrated on the following page.



Positive/Negative Attributes of Site: The site has reasonable proximity to retail and other services. We did not witness any negative attributes during our field work.

Proximity to Locational Amenities:

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



LOCATIONAL AMENITIES

#	Amenity/Service	Distance	#	Amenity/Service	Distance
1	BP Gas Station	0.5 miles	8	Mike Daniel Recreation Ctr.	1.0 mile
2	Post Office	0.7 miles	9	Police Department	1.1 miles
3	Walmart Neighborhood Market	0.7 miles	10	LaGrange Memorial Library	1.3 miles
4	Cannon Street Elementary	0.7 miles	11	LaGrange High School	1.4 miles
5	Fire Department	0.9 miles	12	Walmart Supercenter	2.0 miles
6	CVS	0.9 miles	13	West Georgia Health Center	2.4 miles
7	Bank of America	1.0 mile	14	Gardner Newman Middle	2.9 miles

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.

Ground Lease:	The developer will enter into a lease with the LaGrange Housing Authority for the ground underlying the Subject buildings. The term of the ground lease will be for 75 years for a level annual rent payment of $1,000. A copy of the ground lease is included in the Addenda. We have assumed no ground lease in the as is scenario and have included the ground lease expense in the as proposed restricted and unrestricted scenarios.
Size:	According to the sponsor's survey, the site is approximately 8.0 acres for the underlying land that includes the Subject's 85 units proposed for rehabilitation. The Lucy Morgan development in total is 16.0 acres, which includes both Phase I (Subject) and Phase II.
Shape:	The Subject site is generally rectangular.
Frontage:	The Subject has frontage along the south side of Revis Street, the north side of Borton Street, and the east side of Daniel Street.

Topography: The site slopes downward slightly from northwest to southeast.

Visibility/Views: The Subject has excellent visibility from Revis Street, Borton Street, and Daniel Street. Views to the south and east include Phase II of the Lucy Morgan Development in average condition. Views to the north include vacant land, as well as single-family homes in fair condition. Views west include a wooded area, a place of worship in fair condition, and several small retail/commercial uses in poor to fair condition. Overall, views from Lucy Morgan Phase I are considered fair.

Access and Traffic Flow: The Subject site can be accessed from Borton Street and Revis Street, both of which are two-lane neighborhood streets traversing east/west. Both Borton Street and Revis Street connect to Daniel Street, adjacent to the west of the Subject site. Daniel Street provides access to Brown Street, approximately 0.1 miles south of the Subject. Brown Street, a lightly traveled two-lane roadway, provides access to U.S. Highway 27, approximately 0.4 miles southwest of the Subject. Highway 27 is the main arterial in LaGrange traversing north/south. It provides access to Highway 29 approximately 1.1 miles northwest of the Subject in LaGrange's Central Business District. In addition, it provides access to Interstate 85 approximately 2.6 miles south of the Subject. Interstate 85 is the closest major interstate to LaGrange and provides access to Atlanta to the northeast and Montgomery, AL to the southwest. Overall, access to and from the site is considered average, and traffic flow is light.

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 majority of the Subject site is located in Zone X (community map number 13285C panel number 0142E dated July 3, 2012) outside the 100 and 500-year flood plains. However, a flood zone runs through the Subject site. The Subject site is also located within 250 feet of multiple flood zones. Further analysis is beyond our scope of work; we assume all necessary flood insurance is purchased. A map of the Subject can be found following.

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

Detrimental Influences: No detrimental influences were identified.

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

Property Profile Report - As Is

Lucy Morgan Phase I

Comp # Subject
Effective Rent Date 2/2/2018

Location	611 Borton Street Lagrange, GA 30240 Troup County
Units	89
Vacant Units	19
Vacancy Rate	21.2%
Type	Various
Year Built / Renovated	1953 / n/a
Major Competitors	None identified
Tenant Characteristics	Mixed tenancy, families

Market

Program	Public Housing	**Leasing Pace**	Within 1 week
Annual Turnover Rate	20%	**Change in Rent (Past Year)**	N/A
Units/Month Absorbed	n/a	**Concession**	None
Section 8 Tenants	n/a		

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max rent?
1	1	Garden	13	600	N/A	$0	Public Housing	Yes	N/Av	N/Av	N/A
2	1	Garden/Townhouse	34	795	N/A	$0	Public Housing	Yes	N/Av	N/Av	N/A
3	1	Garden/Townhouse	24	930	N/A	$0	Public Housing	Yes	N/Av	N/Av	N/A
4	2	Garden/Townhouse	18	1,100	N/A	$0	Public Housing	Yes	N/Av	N/Av	N/A

Amenities

In-Unit	Balcony/Patio Blinds Carpeting Central A/C Coat Closet Dishwasher Exterior Storage Microwave Oven Refrigerator Walk-In Closet Washer/Dryer hookup	**Security**	none
Property	Parking spaces: 80 Basketball Court Business Center/Computer Lab Clubhouse/Meeting Room/Community Room Exercise Facility Central Laundry Off-Street Parking On-Site Management Picnic Area Playground Recreation Areas Service Coordination Theatre	**Premium**	none
Services	none	**Other**	none

Comments

Phase I currently consists of 26 one and two-story garden and townhouse-style buildings and is proposed for LIHTC rehabilitation.

Property Profile Report - As Proposed

Lucy Morgan Phase I

Comp #	Subject
Effective Rent Date	2/2/2018
Location	611 Borton Street Lagrange, GA 30240 Troup County
Units	85
Vacant Units	0
Vacancy Rate	0.00%
Type	Various
Year Built / Renovated	1953 / 2019
Major Competitors	None identified
Tenant Characteristics	Mixed tenancy, families

Market

Program	LIHTC/CHAP	**Leasing Pace**	Within 1 week
Annual Turnover Rate	20%	**Change in Rent (Past Year)**	N/A
Units/Month Absorbed	n/a	**Concession**	None
Section 8 Tenants	n/a		

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max rent?
1	1	Garden	6	600	$385	$0	@50% (CHAP)	Yes	0	0.0%	N/A
1	1	Garden	7	600	$385	$0	@60% (CHAP)	Yes	0	0.0%	N/A
2	1	Garden/Townhouse	18	795	$464	$0	@50% (CHAP)	Yes	0	0.0%	N/A
2	1	Garden/Townhouse	12	795	$464	$0	@60% (CHAP)	Yes	0	0.0%	N/A
2	1	Garden/Townhouse	2	795	$464	$0	CHAP	Yes	0	0.0%	N/A
3	2	Garden/Townhouse	9	930	$634	$0	@50% (CHAP)	Yes	0	0.0%	N/A
3	2	Garden/Townhouse	12	930	$634	$0	@60% (CHAP)	Yes	0	0.0%	N/A
3	2	Garden/Townhouse	1	930	$634	$0	CHAP	Yes	0	0.0%	N/A
4	2	Garden/Townhouse	4	1,100	$636	$0	@50% (CHAP)	Yes	0	0.0%	N/A
4	2	Garden/Townhouse	13	1,100	$636	$0	@60% (CHAP)	Yes	0	0.0%	N/A
4	2	Garden/Townhouse	1	1,100	$636	$0	CHAP	Yes	0	0.0%	N/A

Amenities

In-Unit	Balcony/Patio Blinds Carpeting Central A/C Coat Closet Dishwasher Exterior Storage Microwave Oven Refrigerator Walk-In Closet Washer/Dryer hookup	**Security**	none
Property	Parking spaces: 80 Basketball Court Business Center/Computer Lab Clubhouse/Meeting Room/Community Room Exercise Facility Central Laundry Off-Street Parking On-Site Management Picnic Area Playground Recreation Areas Service Coordination Theatre	**Premium**	none
Services	none	**Other**	none

Comments

Phase I of the redevelopment will consist of 85 units. Phase I currently consists of 26 one and two-story garden and townhouse-style buildings; however, one building is proposed to be demolished (four units). CHAP rents are illustrated in the profile. All 85 units post renovation will be RAD units, and tenants will continue to pay 30 percent of income as rent. However, only 81 units will be LIHTC-restricted. Tenant programs through Georgia Star include after school enrichment and career development. The waiting list is shared among all public housing via the LaGrange Housing Authority.

Unit Layout: We have inspected the floor plans at the Subject and they appear market-oriented and functional.

NLA (residential space): The Subject has approximately 76,950 square feet of net leasable residential space. Post rehabilitation, the Subject will have 75,916 square feet or net leasable residential space.

Americans With Disabilities Act of 1990: We assume the property does not have any violations of the Americans With Disabilities Act of 1990.

Quality of Construction Condition and Deferred Maintenance: At the time of the inspection, the Subject was in average condition and there were no signs of deferred maintenance. 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.

Scope of Renovations: The scope of renovations will be significant for the Subject. Rehabilitation is expected to be completed by February 2019. The estimated total hard cost of the rehabilitation will reportedly be $6,171,750, or $72,609 per unit. As part of the rehabilitation, the three-bedroom units will have an additional bathroom added. In addition, four units will be demolished. Some other key aspects of the rehabilitation will include the construction of a new gazebo, concrete and drainage repairs, new dumpster enclosures, exterior paint, new windows and shutters, new doors, new signage, interior unit upgrades (flooring, drywall, blinds, cabinets, doors, trim, paint, bathroom fixtures, appliances, and lighting), adding insulation in walls and attics, new HVAC, electrical updates, ADA-compliant unit upgrades, community building updates, and landscaping. The proposed renovations will require a phased relocation of residents into other units within the Housing Authority's portfolio or nearby housing developments and then relocated into renovated units. This relocation will be coordinated with the LaGrange Housing Authority and is estimated to be a four to five month process.

Current Rents: The current rents at the Subject are based on 30 percent of resident incomes, as the Subject operates as Public Housing. The average tenant-paid monthly rent is approximately $89.

Current Occupancy: The Subject is currently 88.8 percent occupied. The property has historically maintained a waiting list. However, in preparation for renovations, the Housing Authority is not currently accepting applications for the Lucy Morgan Phase I development. The LaGrange Housing Authority currently has a waiting list of 185 households for public housing. According to management, units are being held in preparation for renovations, and the waiting list has been closed for several months.

Current Tenant Income: Most of the current tenants at the Subject have incomes that are too low to income-qualify for the Subject without the continuing project-based Rental Assistance through the LaGrange Housing Authority or the planned assistance through the RAD program. The income range of tenants ranges from $0 to $45,900. Approximately 23 current residents have incomes (above $12,000) that would likely allow them to income-qualify under the LIHTC program income restrictions in the unlikely event that there was no RAD program rental assistance available to residents.

Functional Obsolescence: The Subject will be substantially rehabilitated. We have inspected the property, reviewed the site plans and floor plans, and do not believe the Subject suffers from functional obsolescence. Notably, the Subject’s three-bedroom units currently offer only one bathroom. Comparables in the market offer two-bathrooms in their three-bedroom units. Nonetheless, despite having stabilized occupancy levels historically, as well as a waiting list, the Subject will offer two bathrooms in its three-bedroom units post-renovation.

Conclusion: The Subject is currently an average quality 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.

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 Troup 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 Dan Smith, a Troup County assessor, who informed us that multifamily properties in the county are valued with a combination of the sales, income, and cost approaches and are assessed at 40 percent of full market value. However, affordable properties can be assessed via the income approach only if documentation is provided to the assessor's office. According to our contact, all properties in the county are reassessed every three years. Additionally, properties are typically reassessed upon sale, if information is available. The millage rate for the Subject is $30.16 per $1,000 for the combined county and city taxes.

The Subject benefits from a Payment in Lieu of Taxes (PILOT) agreement. The PILOT is equal to 10 percent of the shelter rent revenue, where shelter rent is defined as total income derived from dwelling and non-dwelling rental income less utility costs. According to the developer, the PILOT will remain in effect even upon transfer so long as the Subject provides subsidized housing. We assume the Subject will have tenant-paid rents similar post renovation as historically collected. The developer has estimated this PILOT to be $87 per unit. As such, we have deferred to this per unit tax burden in the as renovated restricted scenario, which is just below the Subject's historical tax range from 2013 to 2015. The taxes for the Subject for 2016 and 2017 were not available. The following illustrates the Subject's current and historical taxes based on the PILOT.

SUBJECT HISTORICAL TAX BURDEN – AMP 2 (LUCY MORGAN)

Tax Year	Assessed Value	Shelter Rent (Collected Rent Less Utilities)	Tax Rate (Per PILOT Agreement)	Total Tax Bill	Total Taxes Per Unit*
2015	N/A	$153,524	10%	$15,352	$89
2014	N/A	$151,291	10%	$15,129	$88
2013	N/A	$170,211	10%	$17,021	$99

*Includes all 172 units at Lucy Morgan (Phase I and II combined)

The Subject would be taxed based on full assessment for the as is valuation and hypothetical as proposed unrestricted scenario. Provided following is a summary of tax comparables in the area, all of which are also included as rent comparables in the *Supply Analysis* presented later.

2018 COMPARABLE ASSESSMENTS

Property	Type	Year Built	Units	Total Value	Assessed Value	A.V. Per Unit
Lee's Crossing Apartments	Market	1984/1997	320	$8,524,200	$3,409,680	$10,655
Autumn Ridge Apartments	Market	1987/2015	80	$2,213,110	$885,244	$11,066
Whispering Pines	Market	1982-84	216	$10,569,690	$4,227,876	$19,574
Windsor Park	Market	2010	60	$3,985,000	$1,594,000	$26,567
Woodland Trail	Market	2009	236	$20,573,000	$8,229,200	$34,869
Sun Ridge Apartments	Market	2001	192	$10,880,500	$4,352,200	$22,668
Average			**184**	**$9,457,583**	**$3,783,033**	**$20,900**

The previous data indicates an assessed value per unit ranging from $10,655 to $34,869 for comparable multifamily properties located in the Subject's market, exhibiting an average assessed value per unit of $20,900. As is, the Subject would likely receive an assessment on the low end or just below the range. As renovated, we would expect a higher assessment near the middle of the range. Therefore, we have estimated an assessed value per unit of $12,000 and $20,000 for the as is and as renovated unrestricted valuation, respectively. We have assumed a full tax exemption and continuation of the PILOT for the as proposed restricted valuation. It should be noted that as is, the Subject offers 89 units, while the proposed scenario consists of 85 units, as four units will be demolished.

TAXES AS IS UNRESTRICTED SCENARIO (89 UNITS)

Assessed Value Per Unit	Total Assessed Value	Tax Rate Per $1,000	Estimated Tax Burden	Estimated Tax Burden Per Unit
$12,000	$1,068,000	30.16	$32,211	$362

TAXES AS PROPOSED UNRESTRICTED SCENARIO (85 UNITS)

Assessed Value Per Unit	Total Assessed Value	Tax Rate Per $1,000	Estimated Tax Burden	Estimated Tax Burden Per Unit
$20,000	$1,780,000	30.16	$53,685	$632

ZONING

Current Zoning

According to Leigh Threadgill, Senior Planner with LaGrange Community Development Department, Lucy Morgan is zoned R-3, Multifamily Residential, which is primarily intended for multifamily developments. This zoning district allows for a maximum density of 14 units per acre, which would permit approximately 112 units on the 8.0 acres apportioned for Subject's redevelopment plan. The Subject is currently developed at 11.1 units per acre (89 units) and will be redeveloped to 9.75 units per acre (85 units with the demolition of four units). LaGrange parking guidelines require 1.4 spaces per unit, according to Ms. Threadgill. The Subject's buildings will all continue to be one and two-stories in height, and approximately 80 parking spaces are provided (one space per unit). The Subject appears to be a legal, non-conforming use as is and as proposed, due to parking.

Prospective Zoning Changes

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

COMPETITIVE RENTAL ANALYSIS

COMPETITIVE RENTAL ANALYSIS

INTERVIEWS/DISCUSSION

Georgia Department of Community Affairs - Eastman Regional Office

The Georgia Department of Community Affairs (DCA) Eastman Regional Office administers the Housing Choice Voucher program in Troup County along with 123 other counties. The LaGrange Housing Authority has jurisdiction over Public Housing developments only, including the Subject. We contacted Sharon El with the DCA Eastman Regional Office for information regarding the Housing Choice Voucher program. Ms. El indicated that as of 2017, there were approximately 128 Housing Choice Vouchers being utilized in Troup County. There are approximately 100 households on the waiting list, which was last purged in September 2017. The 2017 payment standards in Troup County are illustrated in the table below.

PAYMENT STANDARDS	
1BR	$653
2BR	$824
3BR	$1,198
4BR	$1,213

The Subject will be renovated with LIHTC funding, but tenants will continue to pay 30 percent of income as rent under the RAD program. As such, the property will not accept Housing Choice Vouchers.

LIHTC Competition / Recent and Proposed Construction

According to the Georgia Department of Community Affairs, there has been one property allocated tax credits within the PMA from 2012 through 2017. Phoenix Landing I was approved for LIHTC funding to construct a new affordable housing community for households 55 and older. The proposed development will be the first phase of the rebuild of Ben Harvey Hill, the only other public housing development in LaGrange that currently consists of 238 units. A total of 10 of the 53 existing buildings are proposed to be demolished. Upon completion, Phoenix Landing I will offer 70 one, two, and three-bedroom units income-restricted at 60 percent AMI and will be located approximately one mile southwest of the Subject. The expected completion date will be in 2019. This project will essentially be a sister property of the Subject development and operate with a RAD CHAP contract.

Planning

According to Alton West, Director of the LaGrange Community Development Department, there have been no multifamily developments built within the area since 2009. However, there is a planned 68-unit market rate multifamily development located along Mooty Bridge Road in the northwestern portion of LaGrange. However, this project was proposed approximately five years ago. Mr. West noted that the City has not issued any building permits and could not provide any further details of the development, as it has not been approved. It is unclear whether the developers are still planning to construct this development.

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 12 "true" comparable properties containing 1,707 units that are 94.2 percent occupied. A detailed matrix describing the individual competitive properties as well as the Subject properties is provided later in this section. A map illustrating the location of the Subject sites 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 adequate; there are seven LIHTC properties in the PMA, three of which we selected as "true" comparables. The remaining four are age-restricted and were excluded. 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 nine market rate properties in the rental analysis, and all are located within LaGrange, within 3.2 miles of the Subject. The comparable market rate properties were built between 1982 and 2010, and three properties reported renovations between 2008 and 2015. These projects offer a mix of one, two, three, and four-bedroom units.

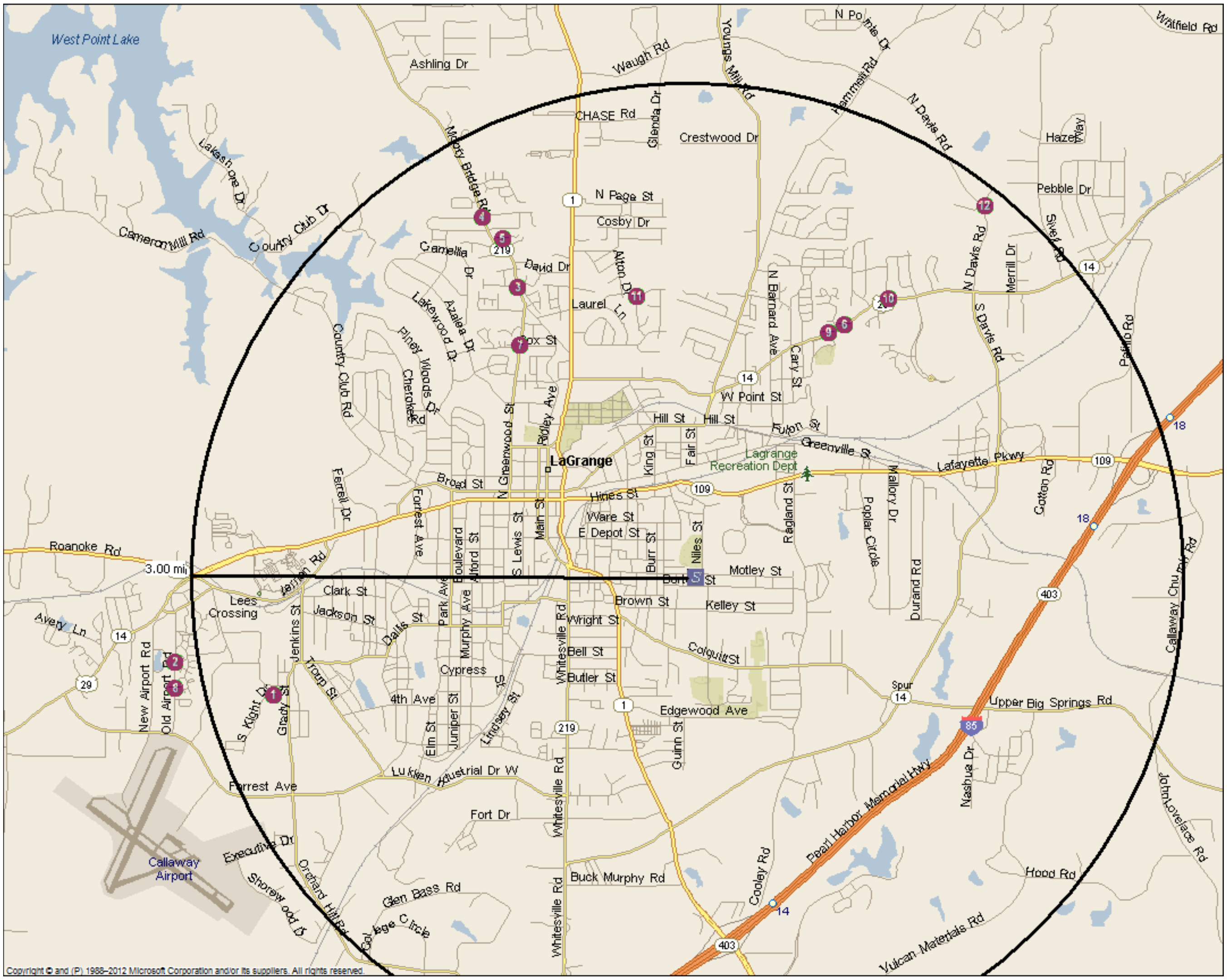
Excluded Properties

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

EXCLUDED PROPERTIES IN PMA

Name	Rent Structure	Tenancy	Units	Reason For Exclusion
Tucker Cottages	LIHTC	Senior	50	Age-Restricted
Dunson School Apartments	Section 8	Senior	28	Age-Restricted/Subsidized
Amberwood Apartments	Section 8	Senior	113	Age-Restricted/Subsidized
Tall Pines Apartments	LIHTC/Section 8	Family	115	Subsidized
Wood Glen Apartments	Section 8	Family	120	Subsidized
Ashton Court	LIHTC	Senior	70	Age-Restricted
Lafayette Village	LIHTC	Senior	43	Age-Restricted

Comparable Rental Property Map



COMPARABLE PROPERTIES

#	Name	City	Type	Distance
1	Laurel Ridge Apartments	LaGrange	LIHTC	2.6 miles
2	Mallard Lake Apartments	LaGrange	LIHTC	3.1 miles
3	Valley Ridge Apartments	LaGrange	LIHTC/Market	2.1 miles
4	Autumn Ridge Apartments	LaGrange	Market	2.6 miles
5	Cameron Crossing	LaGrange	Market	2.4 miles
6	Commons Sunpark	LaGrange	Market	1.9 miles
7	Laurel Crossing	LaGrange	Market	1.8 miles
8	Lee's Crossing Apartments	LaGrange	Market	3.2 miles
9	Sun Ridge Apartments	LaGrange	Market	1.8 miles
10	Whispering Pines	LaGrange	Market	2.1 miles
11	Windsor Park	LaGrange	Market	1.8 miles
12	Woodland Trail	LaGrange	Market	2.9 miles

SUMMARY MATRIX

Comp #	Project	Distance	Type / Built / Renovated	Market / Subsidy	Units	#	%	Restriction	Rent (Adj.)	Size (SF)	Max Rent?	Wait List?	Units Vacant	Vacancy Rate
1	Laurel Ridge Apartments	2.6 miles	Single Family	LIHTC	2BR / 2BA	2	2.9%	@30%	$225	1,059	yes	Yes	0	0.0%
	101 Laurel Ridge Ave E		2008 / n/a		2BR / 2BA	8	11.4%	@50%	$462	1,059	yes	Yes	0	0.0%
	Lagrange, GA 30241				2BR / 2BA	8	11.4%	@60%	$581	1,059	yes	Yes	0	0.0%
	Troup County				2BR / 2BA	1	1.4%	Non-Rental	$0	1,059	n/a	No	0	0.0%
					3BR / 2BA	5	7.1%	@30%	$260	1,156	yes	Yes	0	0.0%
					3BR / 2BA	21	30.0%	@50%	$534	1,156	yes	Yes	0	0.0%
					3BR / 2BA	21	30.0%	@60%	$671	1,156	yes	Yes	0	0.0%
					4BR / 2BA	1	1.4%	@50%	$590	1,358	yes	Yes	0	0.0%
					4BR / 2BA	3	4.3%	@60%	$743	1,358	yes	Yes	1	33.3%
						70	100.0%						1	1.4%
2	Mallard Lake Apartments	3.1 miles	Garden	LIHTC/HOME	1BR / 1BA	6	8.7%	@50%	$385	808	yes	Yes	0	0.0%
	110 Old Airport Rd		(2 stories)		1BR / 1BA	N/A	N/A	@50% (HOME)	$381	808	yes	Yes	0	N/A
	Lagrange, GA 30240		2010 / n/a		1BR / 1BA	2	2.9%	@60%	$483	808	yes	Yes	0	0.0%
	Troup County				1BR / 1BA	N/A	N/A	@60% (HOME)	$450	808	yes	Yes	0	N/A
					1BR / 1BA	1	1.4%	Non-Rental	$0	808	n/a	No	0	0.0%
					2BR / 2BA	24	34.8%	@50%	$462	1,056	yes	Yes	0	0.0%
					2BR / 2BA	N/A	N/A	@50% (HOME)	$456	1,056	yes	Yes	0	N/A
					2BR / 2BA	4	5.8%	@60%	$579	1,056	yes	Yes	0	0.0%
					2BR / 2BA	N/A	N/A	@60% (HOME)	$540	1,056	yes	Yes	0	N/A
					3BR / 2BA	24	34.8%	@50%	$532	1,211	yes	Yes	0	0.0%
					3BR / 2BA	N/A	N/A	@50% (HOME)	$526	1,211	yes	Yes	0	N/A
					3BR / 2BA	8	11.6%	@60%	$667	1,211	yes	Yes	0	0.0%
					3BR / 2BA	N/A	N/A	@60% (HOME)	$661	1,211	yes	Yes	0	N/A
						69	100.0%						0	0.0%
3	Valley Ridge Apartments	2.1 miles	Garden	LIHTC/Market	1BR / 1BA	2	2.5%	@30%	$190	783	yes	Yes	0	0.0%
	950 Mooty Bridge Road		(2 stories)		1BR / 1BA	7	8.7%	@50%	$388	783	yes	Yes	0	0.0%
	Lagrange, GA 30240		2005 / n/a		1BR / 1BA	6	7.5%	@60%	$487	783	yes	Yes	0	0.0%
	Troup County				1BR / 1BA	1	1.3%	Market	$577	783	n/a	Yes	0	0.0%
					2BR / 2BA	5	6.2%	@30%	$230	1,040	yes	Yes	0	0.0%
					2BR / 2BA	20	25.0%	@50%	$467	1,040	yes	Yes	0	0.0%
					2BR / 2BA	18	22.5%	@60%	$586	1,040	yes	Yes	0	0.0%
					2BR / 2BA	5	6.2%	Market	$669	1,040	n/a	Yes	0	0.0%
					3BR / 2BA	2	2.5%	@30%	$261	1,204	yes	Yes	0	0.0%
					3BR / 2BA	6	7.5%	@50%	$535	1,204	yes	Yes	0	0.0%
					3BR / 2BA	6	7.5%	@60%	$672	1,204	yes	Yes	0	0.0%
					3BR / 2BA	2	2.5%	Market	$767	1,204	n/a	Yes	0	0.0%
						80	100.0%						0	0.0%
4	Autumn Ridge Apartments	2.6 miles	Garden	Market	1BR / 1BA	16	20.0%	Market	$633	665	n/a	No	0	0.0%
	1246 Mooty Bridge		(2 stories)		2BR / 1.5BA	48	60.0%	Market	$723	885	n/a	No	4	8.3%
	Lagrange, GA 30240		1987 / 2015		3BR / 2BA	16	20.0%	Market	$790	1,145	n/a	No	0	0.0%
	Troup County													
						80	100.0%						4	5.0%
5	Cameron Crossing	2.4 miles	Garden	Market	2BR / 2BA	102	77.3%	Market	$765	1,064	n/a	No	4	3.9%
	1600 Meadow Terrace		(2 stories)		3BR / 2BA	30	22.7%	Market	$865	1,248	n/a	No	0	0.0%
	Lagrange, GA 30240		1987 / n/a											
	Troup County					132	100.0%						4	3.0%
6	Commons Sunpark	1.9 miles	Garden	Market	1BR / 1BA	48	40.0%	Market	$813	1,076	n/a	No	0	0.0%
	1283 Hogansville Rd		(3 stories)		1BR / 1BA	N/A	N/A	Market	$833	1,076	n/a	No	0	N/A
	Lagrange, GA 30241		2010 / n/a		1BR / 1BA	N/A	N/A	Market	$793	1,076	n/a	No	0	N/A
	Troup County				2BR / 2BA	72	60.0%	Market	$899	1,327	n/a	No	2	2.8%
					2BR / 2BA	N/A	N/A	Market	$929	1,327	n/a	No	0	N/A
					2BR / 2BA	N/A	N/A	Market	$869	1,327	n/a	No	0	N/A
						120	100.0%						2	1.7%
7	Laurel Crossing	1.8 miles	Garden	Market	2BR / 2BA	92	69.7%	Market	$665	1,078	n/a	No	4	4.3%
	101 Park Place		(2 stories)		3BR / 2BA	40	30.3%	Market	$779	1,234	n/a	No	3	7.5%
	Lagrange, GA 30240		1989 / 2008											
	Troup County					132	100.0%						7	5.3%
8	Lee's Crossing Apartments	3.2 miles	Garden	Market	1BR / 1BA	32	10.0%	Market	$704	722	n/a	No	N/A	N/A
	119 Old Airport Rd		(2 stories)		1BR / 1BA	72	22.5%	Market	$830	774	n/a	No	N/A	N/A
	Lagrange, GA 30240		1984/1997 / 2016		2BR / 2BA	96	30.0%	Market	$814	973	n/a	No	N/A	N/A
	Troup County				3BR / 2BA	48	15.0%	Market	$859	1,240	n/a	No	N/A	N/A
					3BR / 2BA	72	22.5%	Market	$978	1,278	n/a	No	N/A	N/A
						320	100.0%						42	13.1%
9	Sun Ridge Apartments	1.8 miles	Garden	Market	1BR / 1BA	40	20.8%	Market	$730	796	n/a	No	0	0.0%
	1235 Hogansville Road		(3 stories)		2BR / 2BA	88	45.8%	Market	$795	1,084	n/a	No	1	1.1%
	Lagrange, GA 30241		2001 / 2017		3BR / 2BA	64	33.3%	Market	$875	1,263	n/a	No	0	0.0%
	Troup County													
						192	100.0%						1	0.5%

10	Whispering Pines	2.1 miles	Garden	Market	1BR / 1BA	60	27.8%	Market	$650	809	n/a	No	4	6.7%
	1515 Hogansville Road		(2 stories)		2BR / 1BA	60	27.8%	Market	$677	1,044	n/a	No	6	10.0%
	Lagrange, GA 30241		1982-84 / n/a		2BR / 2BA	36	16.7%	Market	$728	1,044	n/a	No	2	5.6%
	Troup County				3BR / 2BA	28	13.0%	Market	$806	1,220	n/a	No	2	7.1%
					3BR / 2BA	32	14.8%	Market	$806	1,235	n/a	No	1	3.1%
						216	100.0%						15	6.9%
11	Windsor Park	1.8 miles	Garden	Market	2BR / 1BA	40	66.7%	Market	$798	1,160	n/a	No	0	0.0%
	404 Town Center Dr		(3 stories)		2BR / 1BA	N/A	N/A	Market	$805	1,160	n/a	No	3	N/A
	Lagrange, GA 30241		2010 / n/a		2BR / 1BA	N/A	N/A	Market	$790	1,160	n/a	No	2	N/A
	Troup County				3BR / 2BA	20	33.3%	Market	$898	1,395	n/a	No	0	0.0%
					3BR / 2BA	N/A	N/A	Market	$905	1,395	n/a	No	0	N/A
					3BR / 2BA	N/A	N/A	Market	$890	1,395	n/a	No	0	N/A
						60	100.0%						5	8.3%
12	Woodland Trail	2.9 miles	Garden	Market	1BR / 1BA	27	11.4%	Market	$875	770	n/a	No	3	11.1%
	140 N Davis Road		(3 stories)		1BR / 1BA	20	8.5%	Market	$900	880	n/a	No	3	15.0%
	Lagrange, GA 30241		2009 / n/a		2BR / 2BA	142	60.2%	Market	$960	1,100	n/a	No	10	7.0%
	Troup County				2BR / 2BA	N/A	N/A	Market	$980	1,100	n/a	No	0	N/A
					2BR / 2BA	N/A	N/A	Market	$940	1,100	n/a	No	0	N/A
					3BR / 2BA	47	19.9%	Market	####	1,200	n/a	No	2	4.3%
					3BR / 2BA	N/A	N/A	Market	####	1,200	n/a	No	0	N/A
					3BR / 2BA	N/A	N/A	Market	####	1,200	n/a	No	0	N/A
						236	100.0%						18	7.6%

RENT AND SQUARE FOOTAGE RANKING – All rents adjusted for utilities and concessions extracted from the market.								
	Effective Rent Date:	Feb-18	Units Surveyed:	1,707	Weighted Occupancy:	94.2%		
			Market Rate	1,488	Market Rate	93.4%		
			Tax Credit	219	Tax Credit	99.5%		
	One Bedroom One Bath		Two Bedrooms One Bath		Three Bedrooms Two Bath		Four Bedrooms Two Bath	
	Property	Average	Property	Average	Property	Average	Property	Average
RENT	Woodland Trail	$900	Woodland Trail (2BA)	$980	Woodland Trail	$1,095	Laurel Ridge Apartments * (60%)	$743
	Woodland Trail	$875	Woodland Trail (2BA)	$960	Woodland Trail	$1,085	Lucy Morgan Phase I * (50%)	$636
	Commons Sunpark	$833	Woodland Trail (2BA)	$940	Woodland Trail	$1,075	Lucy Morgan Phase I * (60%)	$636
	Lee's Crossing Apartments	$830	Commons Sunpark (2BA)	$929	Lee's Crossing Apartments	$978	Laurel Ridge Apartments * (50%)	$590
	Commons Sunpark	$813	Commons Sunpark (2BA)	$899	Windsor Park	$905		
	Commons Sunpark	$793	Commons Sunpark (2BA)	$869	Windsor Park	$898		
	Sun Ridge Apartments	$730	Lee's Crossing Apartments (2BA)	$814	Windsor Park	$890		
	Lee's Crossing Apartments	$704	Windsor Park	$805	Sun Ridge Apartments	$875		
	Whispering Pines	$650	Windsor Park	$798	Cameron Crossing	$865		
	Autumn Ridge Apartments	$633	Sun Ridge Apartments (2BA)	$795	Lee's Crossing Apartments	$859		
	Valley Ridge Apartments * (M)	$577	Windsor Park	$790	Whispering Pines	$806		
	Valley Ridge Apartments * (60%)	$487	Cameron Crossing (2BA)	$765	Whispering Pines	$806		
	Mallard Lake Apartments * (60%)	$483	Autumn Ridge Apartments (1.5BA)	$723	Autumn Ridge Apartments	$790		
	Mallard Lake Apartments * (60%)	$450	Whispering Pines	$677	Laurel Crossing	$779		
	Valley Ridge Apartments * (50%)	$388	Valley Ridge Apartments * (2BA M)	$669	Valley Ridge Apartments * (M)	$767		
	Lucy Morgan Phase I * (50%)	$385	Laurel Crossing (2BA)	$665	Valley Ridge Apartments * (60%)	$672		
	Lucy Morgan Phase I * (60%)	$385	Valley Ridge Apartments * (2BA 60%)	$586	Laurel Ridge Apartments * (60%)	$671		
	Mallard Lake Apartments * (50%)	$385	Laurel Ridge Apartments * (2BA 60%)	$581	Mallard Lake Apartments * (60%)	$667		
	Mallard Lake Apartments * (50%)	$381	Mallard Lake Apartments * (2BA 60%)	$579	Mallard Lake Apartments * (60%)	$661		
	Valley Ridge Apartments * (30%)	$190	Mallard Lake Apartments * (2BA 60%)	$540	Lucy Morgan Phase I * (50%)	$634		
			Valley Ridge Apartments * (2BA 50%)	$467	Lucy Morgan Phase I * (60%)	$634		
			Lucy Morgan Phase I * (50%)	$464	Valley Ridge Apartments * (50%)	$535		
			Lucy Morgan Phase I * (60%)	$464	Laurel Ridge Apartments * (50%)	$534		
			Lucy Morgan Phase I * (80%)	$464	Mallard Lake Apartments * (50%)	$532		
			Laurel Ridge Apartments * (2BA 50%)	$462	Mallard Lake Apartments * (50%)	$526		
			Mallard Lake Apartments * (2BA 50%)	$462	Valley Ridge Apartments * (30%)	$261		
			Mallard Lake Apartments * (2BA 50%)	$456	Laurel Ridge Apartments * (30%)	$260		
			Valley Ridge Apartments * (2BA 30%)	$230				
			Laurel Ridge Apartments * (2BA 30%)	$225				
SQUARE FOOTAGE	Commons Sunpark	1,076	Commons Sunpark (2BA)	1,327	Windsor Park	1,395	Laurel Ridge Apartments * (50%)	1,358
	Commons Sunpark	1,076	Commons Sunpark (2BA)	1,327	Windsor Park	1,395	Laurel Ridge Apartments * (60%)	1,358
	Commons Sunpark	1,076	Commons Sunpark (2BA)	1,327	Windsor Park	1,395	Lucy Morgan Phase I * (50%)	1,201
	Woodland Trail	880	Windsor Park	1,160	Lee's Crossing Apartments	1,278	Lucy Morgan Phase I * (60%)	1,201
	Whispering Pines	809	Windsor Park	1,160	Sun Ridge Apartments	1,263		
	Mallard Lake Apartments * (50%)	808	Windsor Park	1,160	Cameron Crossing	1,248		
	Mallard Lake Apartments * (50%)	808	Woodland Trail (2BA)	1,100	Lee's Crossing Apartments	1,240		
	Mallard Lake Apartments * (60%)	808	Woodland Trail (2BA)	1,100	Whispering Pines	1,235		
	Mallard Lake Apartments * (60%)	808	Woodland Trail (2BA)	1,100	Laurel Crossing	1,234		
	Sun Ridge Apartments	796	Sun Ridge Apartments (2BA)	1,084	Whispering Pines	1,220		
	Valley Ridge Apartments * (30%)	783	Laurel Crossing (2BA)	1,078	Mallard Lake Apartments * (50%)	1,211		
	Valley Ridge Apartments * (50%)	783	Cameron Crossing (2BA)	1,064	Mallard Lake Apartments * (50%)	1,211		
	Valley Ridge Apartments * (60%)	783	Laurel Ridge Apartments * (2BA 30%)	1,059	Mallard Lake Apartments * (60%)	1,211		
	Valley Ridge Apartments * (M)	783	Laurel Ridge Apartments * (2BA 50%)	1,059	Mallard Lake Apartments * (60%)	1,211		
	Lee's Crossing Apartments	774	Laurel Ridge Apartments * (2BA 60%)	1,059	Valley Ridge Apartments * (30%)	1,204		
	Woodland Trail	770	Mallard Lake Apartments * (2BA 50%)	1,056	Valley Ridge Apartments * (50%)	1,204		
	Lee's Crossing Apartments	722	Mallard Lake Apartments * (2BA 50%)	1,056	Valley Ridge Apartments * (60%)	1,204		
	Autumn Ridge Apartments	665	Mallard Lake Apartments * (2BA 60%)	1,056	Valley Ridge Apartments * (M)	1,204		
	Lucy Morgan Phase I * (60%)	610	Mallard Lake Apartments * (2BA 60%)	1,056	Woodland Trail	1,200		
	Lucy Morgan Phase I * (50%)	517	Whispering Pines	1,044	Woodland Trail	1,200		
			Valley Ridge Apartments * (2BA 30%)	1,040	Woodland Trail	1,200		
			Valley Ridge Apartments * (2BA 50%)	1,040	Laurel Ridge Apartments * (30%)	1,156		
			Valley Ridge Apartments * (2BA 60%)	1,040	Laurel Ridge Apartments * (50%)	1,156		
			Valley Ridge Apartments * (2BA M)	1,040	Laurel Ridge Apartments * (60%)	1,156		
			Lee's Crossing Apartments (2BA)	973	Autumn Ridge Apartments	1,145		
			Autumn Ridge Apartments (1.5BA)	885	Lucy Morgan Phase I * (50%)	1,013		
			Lucy Morgan Phase I * (60%)	785	Lucy Morgan Phase I * (60%)	1,013		
			Lucy Morgan Phase I * (50%)	761				
			Lucy Morgan Phase I * (80%)	761				
RENT PER SQUARE FOOT	Woodland Trail	$1.14	Woodland Trail (2BA)	$0.89	Woodland Trail	$0.91	Laurel Ridge Apartments * (60%)	$0.55
	Lee's Crossing Apartments	$1.07	Woodland Trail (2BA)	$0.87	Woodland Trail	$0.90	Lucy Morgan Phase I * (50%)	$0.53
	Woodland Trail	$1.02	Woodland Trail (2BA)	$0.85	Woodland Trail	$0.90	Lucy Morgan Phase I * (60%)	$0.53
	Lee's Crossing Apartments	$0.98	Lee's Crossing Apartments (2BA)	$0.84	Lee's Crossing Apartments	$0.77	Laurel Ridge Apartments * (50%)	$0.43
	Autumn Ridge Apartments	$0.95	Autumn Ridge Apartments (1.5BA)	$0.82	Cameron Crossing	$0.69		
	Sun Ridge Apartments	$0.92	Sun Ridge Apartments (2BA)	$0.73	Sun Ridge Apartments	$0.69		
	Whispering Pines	$0.80	Cameron Crossing (2BA)	$0.72	Lee's Crossing Apartments	$0.69		
	Commons Sunpark	$0.77	Commons Sunpark (2BA)	$0.70	Autumn Ridge Apartments	$0.69		
	Commons Sunpark	$0.76	Windsor Park	$0.69	Whispering Pines	$0.66		
	Lucy Morgan Phase I * (50%)	$0.74	Windsor Park	$0.69	Whispering Pines	$0.65		
	Commons Sunpark	$0.74	Windsor Park	$0.68	Windsor Park	$0.65		
	Valley Ridge Apartments * (M)	$0.74	Commons Sunpark (2BA)	$0.68	Windsor Park	$0.64		
	Lucy Morgan Phase I * (60%)	$0.63	Commons Sunpark (2BA)	$0.65	Windsor Park	$0.64		
	Valley Ridge Apartments * (60%)	$0.62	Whispering Pines	$0.65	Valley Ridge Apartments * (M)	$0.64		
	Mallard Lake Apartments * (60%)	$0.60	Valley Ridge Apartments * (2BA M)	$0.64	Laurel Crossing	$0.63		
	Mallard Lake Apartments * (60%)	$0.56	Laurel Crossing (2BA)	$0.62	Lucy Morgan Phase I * (50%)	$0.63		
	Valley Ridge Apartments * (50%)	$0.50	Lucy Morgan Phase I * (50%)	$0.61	Lucy Morgan Phase I * (60%)	$0.63		
	Mallard Lake Apartments * (50%)	$0.48	Lucy Morgan Phase I * (80%)	$0.61	Laurel Ridge Apartments * (60%)	$0.58		
	Mallard Lake Apartments * (50%)	$0.47	Lucy Morgan Phase I * (60%)	$0.59	Valley Ridge Apartments * (60%)	$0.56		
	Valley Ridge Apartments * (30%)	$0.24	Valley Ridge Apartments * (2BA 60%)	$0.56	Mallard Lake Apartments * (60%)	$0.55		
			Laurel Ridge Apartments * (2BA 60%)	$0.55	Mallard Lake Apartments * (60%)	$0.55		
			Mallard Lake Apartments * (2BA 60%)	$0.55	Laurel Ridge Apartments * (50%)	$0.46		
			Mallard Lake Apartments * (2BA 60%)	$0.51	Valley Ridge Apartments * (50%)	$0.44		
			Valley Ridge Apartments * (2BA 50%)	$0.45	Mallard Lake Apartments * (50%)	$0.44		
			Mallard Lake Apartments * (2BA 50%)	$0.44	Mallard Lake Apartments * (50%)	$0.43		
			Laurel Ridge Apartments * (2BA 50%)	$0.44	Laurel Ridge Apartments * (30%)	$0.22		
			Mallard Lake Apartments * (2BA 50%)	$0.43	Valley Ridge Apartments * (30%)	$0.22		
			Valley Ridge Apartments * (2BA 30%)	$0.22				
			Laurel Ridge Apartments * (2BA 30%)	$0.21				

PROPERTY PROFILE REPORT

Laurel Ridge Apartments

Effective Rent Date	2/05/2018
Location	101 Laurel Ridge Ave E Lagrange, GA 30241 Troup County
Distance	2.6 miles
Units	70
Vacant Units	1
Vacancy Rate	1.4%
Type	Single Family
Year Built/Renovated	2008 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Cameron Crossing, Laurel Crossing, Sun Ridge
Tenant Characteristics	Mixed tenancy, families
Contact Name	Kristie
Phone	706-882-7668

Market Information

Program	@30%, @50%, @60%, Non-Rental
Annual Turnover Rate	21%
Units/Month Absorbed	18
HCV Tenants	33%
Leasing Pace	Preleased
Annual Chg. in Rent	Kept at max
Concession	None
Waiting List	473 households with a wait of one to four years

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Single Family	2	1,059	$225	$0	@30%	Yes	0	0.0%	yes	None
2	2	Single Family	8	1,059	$462	$0	@50%	Yes	0	0.0%	yes	None
2	2	Single Family	8	1,059	$581	$0	@60%	Yes	0	0.0%	yes	None
2	2	Single Family	1	1,059	$0	$0	Non-Rental	No	0	0.0%	N/A	None
3	2	Single Family	5	1,156	$260	$0	@30%	Yes	0	0.0%	yes	None
3	2	Single Family	21	1,156	$534	$0	@50%	Yes	0	0.0%	yes	None
3	2	Single Family	21	1,156	$671	$0	@60%	Yes	0	0.0%	yes	None
4	2	Single Family	1	1,358	$590	$0	@50%	Yes	0	0.0%	yes	None
4	2	Single Family	3	1,358	$743	$0	@60%	Yes	1	33.3%	yes	None

Unit Mix

@30%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	$225	$0	$225	$0	$225
3BR / 2BA	$260	$0	$260	$0	$260

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	$462	$0	$462	$0	$462
3BR / 2BA	$534	$0	$534	$0	$534
4BR / 2BA	$590	$0	$590	$0	$590

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	$581	$0	$581	$0	$581
3BR / 2BA	$671	$0	$671	$0	$671
4BR / 2BA	$743	$0	$743	$0	$743

Non-Rental	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	N/A	$0	N/A	$0	N/A

Laurel Ridge Apartments, continued

Amenities

In-Unit

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

Security

None

Services

None

Property

- Business Center/Computer Lab
- Exercise Facility
- Off-Street Parking
- Picnic Area
- Volleyball Court
- Clubhouse/Meeting Room/Community
- Central Laundry
- On-Site Management
- Playground

Premium

None

Other

None

Comments

The contact had no additional comments.

Trend Report

Vacancy Rates

2Q15	1Q16	3Q17	1Q18
0.0%	0.0%	2.9%	1.4%

Trend: @30%

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	0.0%	$217	$0	$217	$217
2016	1	0.0%	$217	$0	$217	$217
2017	3	0.0%	$225	$0	$225	$225
2018	1	0.0%	$225	$0	$225	$225

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	0.0%	$252	$0	$252	$252
2016	1	0.0%	$252	$0	$252	$252
2017	3	0.0%	$260	$0	$260	$260
2018	1	0.0%	$260	$0	$260	$260

Trend: @50%

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	0.0%	$453	$0	$453	$453
2016	1	0.0%	$453	$0	$453	$453
2017	3	0.0%	$462	$0	$462	$462
2018	1	0.0%	$462	$0	$462	$462

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	0.0%	$526	$0	$526	$526
2016	1	0.0%	$526	$0	$526	$526
2017	3	4.8%	$534	$0	$534	$534
2018	1	0.0%	$534	$0	$534	$534

4BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	0.0%	$560	$0	$560	$560
2016	1	0.0%	$560	$0	$560	$560
2017	3	0.0%	$590	$0	$590	$590
2018	1	0.0%	$590	$0	$590	$590

Trend: @60%

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	0.0%	$573	$0	$573	$573
2016	1	0.0%	$573	$0	$573	$573
2017	3	0.0%	$581	$0	$581	$581
2018	1	0.0%	$581	$0	$581	$581

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	0.0%	$663	$0	$663	$663
2016	1	0.0%	$663	$0	$663	$663
2017	3	0.0%	$671	$0	$671	$671
2018	1	0.0%	$671	$0	$671	$671

4BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	0.0%	$710	$0	$710	$710
2016	1	0.0%	$710	$0	$710	$710
2017	3	33.3%	$743	$0	$743	$743
2018	1	33.3%	$743	$0	$743	$743

Trend: Non-Rental

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	0.0%	N/A	$0	N/A	N/A
2016	1	0.0%	N/A	$0	N/A	N/A
2017	3	0.0%	N/A	$0	N/A	N/A
2018	1	0.0%	N/A	$0	N/A	N/A

Trend: Comments

2Q15	The contact reported the property has a waiting list with 60 households at this time.
1Q16	The property maintains a waiting list consisting of over 100 households. It should be noted that we were unable to get an updated survey in December 2016. As such, data from March 2016 is illustrated.
3Q17	Both vacant units are pre-leased, and the waiting list for all unit types is approximately one year in length. Management stated that rents are adjusted to the maximum allowable level each year.
1Q18	The contact had no additional comments.

PROPERTY PROFILE REPORT

Mallard Lake Apartments

Effective Rent Date	2/07/2018
Location	110 Old Airport Rd Lagrange, GA 30240 Troup County Intersection: Old Airport Rd and Parker Place Rd
Distance	3.1 miles
Units	69
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (2 stories)
Year Built/Renovated	2010 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Lee's Crossing
Tenant Characteristics	Long-term tenants from the tri-county area
Contact Name	Dionne
Phone	706-443-5330

Market Information

Program	@50%, @50% (HOME), @60%, @60% (HOME),
Annual Turnover Rate	10%
Units/Month Absorbed	14
HCV Tenants	6%
Leasing Pace	Pre-leased
Annual Chg. in Rent	Kept at max
Concession	None
Waiting List	More than 100 households with a minimum wait time of six months

Utilities

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

Mallard Lake Apartments, continued

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	6	808	$385	$0	@50%	Yes	0	0.0%	yes	None
1	1	Garden (2 stories)	N/A	808	$381	$0	@50% (HOME)	Yes	0	N/A	yes	None
1	1	Garden (2 stories)	2	808	$483	$0	@60%	Yes	0	0.0%	yes	None
1	1	Garden (2 stories)	N/A	808	$450	$0	@60% (HOME)	Yes	0	N/A	yes	None
1	1	Garden (2 stories)	1	808	$0	$0	Non-Rental	No	0	0.0%	N/A	None
2	2	Garden (2 stories)	24	1,056	$462	$0	@50%	Yes	0	0.0%	yes	None
2	2	Garden (2 stories)	N/A	1,056	$456	$0	@50% (HOME)	Yes	0	N/A	yes	None
2	2	Garden (2 stories)	4	1,056	$579	$0	@60%	Yes	0	0.0%	yes	None
2	2	Garden (2 stories)	N/A	1,056	$540	$0	@60% (HOME)	Yes	0	N/A	yes	None
3	2	Garden (2 stories)	24	1,211	$532	$0	@50%	Yes	0	0.0%	yes	None
3	2	Garden (2 stories)	N/A	1,211	$526	$0	@50% (HOME)	Yes	0	N/A	yes	None
3	2	Garden (2 stories)	8	1,211	$667	$0	@60%	Yes	0	0.0%	yes	None
3	2	Garden (2 stories)	N/A	1,211	$661	$0	@60% (HOME)	Yes	0	N/A	yes	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	$381 - $385	$0	$381 - $385	$0	$381 - $385	1BR / 1BA	$450 - $483	$0	$450 - $483	$0	$450 - $483
2BR / 2BA	$456 - $462	$0	$456 - $462	$0	$456 - $462	2BR / 2BA	$540 - $579	$0	$540 - $579	$0	$540 - $579
3BR / 2BA	$526 - $532	$0	$526 - $532	$0	$526 - $532	3BR / 2BA	$661 - $667	$0	$661 - $667	$0	$661 - $667

Non-Rental	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	N/A	$0	N/A	$0	N/A

Amenities

In-Unit

Balcony/Patio
Carpet/Hardwood
Coat Closet
Ceiling Fan
Hand Rails
Oven
Washer/Dryer hookup
Blinds
Central A/C
Dishwasher
Garbage Disposal
Microwave
Refrigerator

Security

None

Services

None

Property

Business Center/Computer Lab
Exercise Facility
Off-Street Parking
Picnic Area
Swimming Pool
Clubhouse/Meeting Room/Community
Central Laundry
On-Site Management
Playground
Wi-Fi

Premium

None

Other

None

Comments

The contact was unable to provide current turnover rate and the number of tenants using Housing Choice Vouchers. The values listed are from 3Q2017

Mallard Lake Apartments, continued

Trend Report

Vacancy Rates

1Q16	4Q16	3Q17	1Q18
0.0%	0.0%	0.0%	0.0%

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	0.0%	$381	$0	$381	$381
2016	4	0.0%	$381	$0	$381	$381
2017	3	0.0%	$385	$0	$385	$385
2018	1	N/A	$381 - $385	$0	$381 - $385	$381 - $385

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	0.0%	$456	$0	$456	$456
2016	4	0.0%	$456	$0	$456	$456
2017	3	0.0%	$462	$0	$462	$462
2018	1	N/A	$456 - $462	$0	$456 - $462	$456 - $462

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	0.0%	$526	$0	$526	$526
2016	4	0.0%	$526	$0	$526	$526
2017	3	0.0%	$532	$0	$532	$532
2018	1	N/A	$526 - $532	$0	$526 - $532	$526 - $532

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	0.0%	$479	$0	$479	$479
2016	4	0.0%	$479	$0	$479	$479
2017	3	0.0%	$483	$0	$483	$483
2018	1	N/A	$450 - $483	$0	$450 - $483	$450 - $483

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	0.0%	$573	$0	$573	$573
2016	4	0.0%	$573	$0	$573	$573
2017	3	0.0%	$579	$0	$579	$579
2018	1	N/A	$540 - $579	$0	$540 - $579	$540 - $579

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	0.0%	$651	$0	$651	$651
2016	4	0.0%	$651	$0	$651	$651
2017	3	0.0%	$667	$0	$667	$667
2018	1	N/A	$661 - $667	$0	$661 - $667	$661 - $667

Trend: Non-Rental

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	0.0%	N/A	$0	N/A	N/A
2016	4	0.0%	N/A	$0	N/A	N/A
2017	3	0.0%	N/A	$0	N/A	N/A
2018	1	0.0%	N/A	$0	N/A	N/A

Trend: Comments

1Q16	The contact stated one-bedroom rents have decreased slightly due to a change in the utility allowance. Washer/dryer hookups are available in all units; however, washer/dryer is only available in handicap units. The property maintains a waiting list of over 300 households.
4Q16	Washer/dryer hookups are available in all units; however, washer/dryer is only available in handicap units. The property maintains a waiting list approximately nine months in length.
3Q17	Washer/dryer hookups are available in all units; however, washer/dryer is only available in handicap units. The property maintains a waiting list approximately nine months in length and includes 270 households. The property manager estimated the number of Housing Choice Voucher tenants.
1Q18	The contact was unable to provide current turnover rate and the number of tenants using Housing Choice Vouchers. The values listed are from 3Q2017

PROPERTY PROFILE REPORT

Valley Ridge Apartments

Effective Rent Date	2/02/2018
Location	950 Mooty Bridge Road Lagrange, GA 30240 Troup County
Distance	2.1 miles
Units	80
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (2 stories)
Year Built/Renovated	2005 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Mix of local area families, singles
Contact Name	Bessie
Phone	(706) 882-1815

Market Information

Program	@30%, @50%, @60%, Market
Annual Turnover Rate	15%
Units/Month Absorbed	10
HCV Tenants	8%
Leasing Pace	Pre-lease
Annual Chg. in Rent	Kept at max
Concession	None
Waiting List	Six months to a year

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	2	783	$233	$0	@30%	Yes	0	0.0%	yes	None
1	1	Garden (2 stories)	7	783	$431	$0	@50%	Yes	0	0.0%	yes	None
1	1	Garden (2 stories)	6	783	$530	$0	@60%	Yes	0	0.0%	yes	None
1	1	Garden (2 stories)	1	783	$620	$0	Market	Yes	0	0.0%	N/A	None
2	2	Garden (2 stories)	5	1,040	$281	$0	@30%	Yes	0	0.0%	yes	None
2	2	Garden (2 stories)	20	1,040	$518	$0	@50%	Yes	0	0.0%	yes	None
2	2	Garden (2 stories)	18	1,040	$637	$0	@60%	Yes	0	0.0%	yes	None
2	2	Garden (2 stories)	5	1,040	$720	$0	Market	Yes	0	0.0%	N/A	None
3	2	Garden (2 stories)	2	1,204	$324	$0	@30%	Yes	0	0.0%	yes	None
3	2	Garden (2 stories)	6	1,204	$598	$0	@50%	Yes	0	0.0%	yes	None
3	2	Garden (2 stories)	6	1,204	$735	$0	@60%	Yes	0	0.0%	yes	None
3	2	Garden (2 stories)	2	1,204	$830	$0	Market	Yes	0	0.0%	N/A	None

Valley Ridge Apartments, continued

Unit Mix

@30%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	$233	$0	$233	-$43	$190
2BR / 2BA	$281	$0	$281	-$51	$230
3BR / 2BA	$324	$0	$324	-$63	$261

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	$431	$0	$431	-$43	$388
2BR / 2BA	$518	$0	$518	-$51	$467
3BR / 2BA	$598	$0	$598	-$63	$535

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	$530	$0	$530	-$43	$487
2BR / 2BA	$637	$0	$637	-$51	$586
3BR / 2BA	$735	$0	$735	-$63	$672

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	$620	$0	$620	-$43	$577
2BR / 2BA	$720	$0	$720	-$51	$669
3BR / 2BA	$830	$0	$830	-$63	$767

Amenities

In-Unit

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

Security

None

Services

None

Property

Basketball Court
Clubhouse/Meeting Room/Community
Central Laundry
On-Site Management
Playground
Business Center/Computer Lab
Exercise Facility
Off-Street Parking
Picnic Area
Swimming Pool

Premium

None

Other

None

Comments

The contact confirmed that the net rents are at the maximum allowable levels. The property maintains an extensive waiting list with an estimated wait time of six months to one year.

Valley Ridge Apartments, continued

Trend Report

Vacancy Rates

2Q14	2Q15	1Q16	1Q18
0.0%	0.0%	0.0%	0.0%

Trend: @30%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	0.0%	$227	$0	$227	$184
2015	2	0.0%	$227	$0	$227	$184
2016	1	0.0%	$233	$0	$233	$190
2018	1	0.0%	$233	$0	$233	$190

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	0.0%	$251	$0	$251	$200
2015	2	0.0%	$274	$0	$274	$223
2016	1	0.0%	$281	$0	$281	$230
2018	1	0.0%	$281	$0	$281	$230

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	0.0%	$285	$0	$285	$222
2015	2	0.0%	$315	$0	$315	$252
2016	1	0.0%	$324	$0	$324	$261
2018	1	0.0%	$324	$0	$324	$261

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	0.0%	$421	$0	$421	$378
2015	2	0.0%	$425	$0	$425	$382
2016	1	0.0%	$431	$0	$431	$388
2018	1	0.0%	$431	$0	$431	$388

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	0.0%	$484	$0	$484	$433
2015	2	0.0%	$511	$0	$511	$460
2016	1	0.0%	$518	$0	$518	$467
2018	1	0.0%	$518	$0	$518	$467

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	0.0%	$554	$0	$554	$491
2015	2	0.0%	$589	$0	$589	$526
2016	1	0.0%	$598	$0	$598	$535
2018	1	0.0%	$598	$0	$598	$535

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	0.0%	$518	$0	$518	$475
2015	2	0.0%	$524	$0	$524	$481
2016	1	0.0%	$530	$0	$530	$487
2018	1	0.0%	$530	$0	$530	$487

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	0.0%	$601	$0	$601	$550
2015	2	0.0%	$630	$0	$630	$579
2016	1	0.0%	$637	$0	$637	$586
2018	1	0.0%	$637	$0	$637	$586

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	0.0%	$689	$0	$689	$626
2015	2	0.0%	$719	$0	$719	$656
2016	1	0.0%	$735	$0	$735	$672
2018	1	0.0%	$735	$0	$735	$672

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	0.0%	$599	$0	$599	$556
2015	2	0.0%	$599	$0	$599	$556
2016	1	0.0%	$620	$0	$620	$577
2018	1	0.0%	$620	$0	$620	$577

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	0.0%	$675	$0	$675	$624
2015	2	0.0%	$689	$0	$689	$638
2016	1	0.0%	$720	$0	$720	$669
2018	1	0.0%	$720	$0	$720	$669

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	0.0%	$789	$0	$789	$726
2015	2	0.0%	$799	$0	$799	$736
2016	1	0.0%	$830	$0	$830	$767
2018	1	0.0%	$830	$0	$830	$767

Trend: Comments

2Q14	Management reported strong demand for affordable units in rental market. The waiting list but the leasing agent could not specify the number on this list.
2Q15	The contact reported an extensive waiting list with a typical wait of six months to one year.
1Q16	The contact confirmed that the net rents are at the maximum allowable levels. The property maintains an extensive waiting list with a typical wait time of six months to one year.
1Q18	The contact confirmed that the net rents are at the maximum allowable levels. The property maintains an extensive waiting list with an estimated wait time of six months to one year.

PROPERTY PROFILE REPORT

Autumn Ridge Apartments

Effective Rent Date	2/02/2018
Location	1246 Mooty Bridge Lagrange, GA 30240 Troup County Intersection: S Chilton Crescent
Distance	2.6 miles
Units	80
Vacant Units	4
Vacancy Rate	5.0%
Type	Garden (2 stories)
Year Built/Renovated	1987 / 2015
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Whispering Pines, Mallard Lake, Laurel Crossing
Tenant Characteristics	Mix of seniors, families, and couples, from the LaGrange area.
Contact Name	Krystal
Phone	706-884-3357

Market Information

Program	Market
Annual Turnover Rate	45%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within one month.
Annual Chg. in Rent	Increase 4-6% since 4Q2016
Concession	None
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	16	665	$680	$0	Market	No	0	0.0%	N/A	None
2	1.5	Garden (2 stories)	48	885	$780	$0	Market	No	4	8.3%	N/A	None
3	2	Garden (2 stories)	16	1,145	$860	$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	$680	$0	$680	-$47	$633
2BR / 1.5BA	$780	$0	$780	-$57	$723
3BR / 2BA	$860	$0	$860	-$70	$790

Amenities

In-Unit

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

Security

- Patrol
- Video Surveillance

Services

None

Property

- Off-Street Parking
- Picnic Area
- Swimming Pool
- On-Site Management
- Playground

Premium

None

Other

None

Comments

This property does not accept housing choice vouchers. Rents provided by the property contact reflect renovated units. Renovations include updated kitchens, bathrooms, flooring, and new appliances.

Trend Report

Vacancy Rates

1Q16	4Q16	3Q17	1Q18
2.5%	1.3%	2.5%	5.0%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	0.0%	$650	$0	$650	$603
2016	4	0.0%	$650	$0	$650	$603
2017	3	N/A	$625 - $680	$0	$625 - $680	$578 - $633
2018	1	0.0%	$680	$0	$680	$633

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	4.2%	$730	$0	$730	$673
2016	4	2.1%	$730	$0	$730	$673
2017	3	N/A	$760 - $780	$0	$760 - $780	$703 - $723
2018	1	8.3%	$780	$0	$780	$723

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	0.0%	$825	$0	$825	$755
2016	4	0.0%	$825	$0	$825	$755
2017	3	N/A	$825 - $860	$0	$825 - $860	$755 - $790
2018	1	0.0%	$860	$0	$860	$790

Trend: Comments

1Q16	The contact noted interior renovations consisting of new flooring, lighting, paint, and fixtures were completed in 2015 following a change in ownership in 2014. The property no longer accepts Housing Choice Vouchers; however, two current tenants are utilizing them.
4Q16	This is a two-story garden-style property offering one, two, and three-bedroom units at market rates. The contact reported that the property does not accept Housing Choice Vouchers, but inherited one tenant using a Housing Choice Voucher from the property's previous owner. The property is not offering any concessions and there is no waiting list. Tenants are a mix of seniors, families, and couples, most coming from the LaGrange area. The contact would not identify major competitors.
3Q17	The range in rents corresponds to whether the unit has been renovated or not. Renovations in 2015 for approximately half of the units included all new kitchens, bathrooms, appliances, and flooring. Management reported that the property does not accept Housing Choice Vouchers, but inherited one tenant using a Housing Choice Voucher from the property's previous owner.
1Q18	This property does not accept housing choice vouchers. Rents provided by the property contact reflect renovated units. Renovations include updated kitchens, bathrooms, flooring, and new appliances.

PROPERTY PROFILE REPORT

Cameron Crossing

Effective Rent Date	2/02/2018
Location	1600 Meadow Terrace Lagrange, GA 30240 Troup County
Distance	2.4 miles
Units	132
Vacant Units	4
Vacancy Rate	3.0%
Type	Garden (2 stories)
Year Built/Renovated	1987 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Laurel Crossing, Lee's Crossing, Whispering Pines
Tenant Characteristics	Mixed tenancy from within 10 miles, manufacturing plant workers
Contact Name	Sarah
Phone	706-883-6224

Market Information

Program	Market
Annual Turnover Rate	45%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within two weeks.
Annual Chg. in Rent	Incr. 3.0-10.8% since 3Q2017
Concession	None
Waiting List	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
2	2	Garden (2 stories)	102	1,064	$750	$0	Market	No	4	3.9%	N/A	None
3	2	Garden (2 stories)	30	1,248	$850	$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	$750	$0	$750	$15	$765
3BR / 2BA	$850	$0	$850	$15	$865

Cameron Crossing, continued

Amenities

In-Unit

- Balcony/Patio
- Carpeting
- Coat Closet
- Exterior Storage
- Garbage Disposal
- Oven
- Vaulted Ceilings
- Washer/Dryer hookup
- Blinds
- Central A/C
- Dishwasher
- Fireplace
- Microwave
- Refrigerator
- Walk-In Closet

Security

- Patrol

Services

- None

Property

- Clubhouse/Meeting Room/Community
- Central Laundry
- On-Site Management
- Playground
- Exercise Facility
- Off-Street Parking
- Picnic Area
- Swimming Pool

Premium

- None

Other

- None

Comments

The contact had no additional comments.

Trend Report

Vacancy Rates

1Q16	4Q16	3Q17	1Q18
2.3%	9.1%	5.3%	3.0%

Trend: Market

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	2.9%	$749	$0	$749	$764
2016	4	N/A	$633	$0	$633	$648
2017	3	4.9%	$677	$0	$677	$692
2018	1	3.9%	$750	$0	$750	$765

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	0.0%	$825	$0	$825	$840
2016	4	N/A	$825	$0	$825	$840
2017	3	6.7%	$825	$0	$825	$840
2018	1	0.0%	$850	$0	$850	$865

Trend: Comments

1Q16	The property utilizes Yieldstar. The property does not accept Housing Choice Vouchers.
4Q16	The property does not accept Housing Choice Vouchers.
3Q17	Property uses YieldStar, so rents fluctuate daily.
1Q18	The contact had no additional comments.

PROPERTY PROFILE REPORT

Commons Sunpark

Effective Rent Date	2/02/2018
Location	1283 Hogansville Rd Lagrange, GA 30241 Troup County Intersection: Newnan Street
Distance	1.9 miles
Units	120
Vacant Units	2
Vacancy Rate	1.7%
Type	Garden (3 stories)
Year Built/Renovated	2010 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Woodland Trails
Tenant Characteristics	Mixed tenancy, mostly families from the area.
Contact Name	Lisa
Phone	706-882-4770

Market Information

Program	Market
Annual Turnover Rate	30%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Two to three weeks.
Annual Chg. in Rent	Fluct. 2.4-7.4% since 3Q2017
Concession	None
Waiting List	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	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	48	1,076	$835	$0	Market	No	0	0.0%	N/A	AVG
1	1	Garden (3 stories)	N/A	1,076	$855	$0	Market	No	0	N/A	N/A	HIGH
1	1	Garden (3 stories)	N/A	1,076	$815	$0	Market	No	0	N/A	N/A	LOW
2	2	Garden (3 stories)	72	1,327	$925	$0	Market	No	2	2.8%	N/A	AVG
2	2	Garden (3 stories)	N/A	1,327	$955	$0	Market	No	0	N/A	N/A	HIGH
2	2	Garden (3 stories)	N/A	1,327	$895	$0	Market	No	0	N/A	N/A	LOW

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	$815 - $855	$0	$815 - $855	-$22	$793 - $833
2BR / 2BA	$895 - $955	$0	$895 - $955	-$26	$869 - $929

Commons Sunpark, continued

Amenities

In-Unit

- Balcony/Patio
- Carpet/Hardwood
- Coat Closet
- Exterior Storage
- Garbage Disposal
- Oven
- Vaulted Ceilings
- Washer/Dryer hookup
- Blinds
- Central A/C
- Dishwasher
- Ceiling Fan
- Microwave
- Refrigerator
- Walk-In Closet

Security

- Limited Access
- Perimeter Fencing
- Video Surveillance

Services

None

Property

- Business Center/Computer Lab
- Clubhouse/Meeting Room/Community
- Central Laundry
- On-Site Management
- Recreation Areas
- Tennis Court
- Car Wash
- Exercise Facility
- Off-Street Parking
- Playground
- Swimming Pool
- Wi-Fi

Premium

None

Other

Putting green, tanning beds

Comments

The contact was unable to provide the current turnover rate. The value listed is from 3Q2017. The range in rents corresponds to whether the unit is on the first floor or not. Ground-floor units exhibit the higher rents. Management stated that there is a flat water fee of $30 per month for one-bedroom units and $40 per month for two-bedroom units.

Trend Report

Vacancy Rates

1Q16	4Q16	3Q17	1Q18
3.3%	1.7%	5.8%	1.7%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	0.0%	$810	$0	$810	$788
2016	4	4.2%	$835	$40	$795	$773
2017	3	N/A	$795 - $835	$0	$795 - $835	$773 - $813
2018	1	N/A	$815 - $855	$0	$815 - $855	$793 - $833

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	5.0%	$980	$0	$980	$954
2016	4	0.0%	$965 - $995	$75	$890 - $920	$864 - $894
2017	3	N/A	$965 - $995	$0	$965 - $995	$939 - $969
2018	1	N/A	$895 - $955	$0	$895 - $955	$869 - $929

Trend: Comments

1Q16	The property utilizes YieldStar and rents change daily. The contact noted that first floor units rent at a premium of $30 per month; base rents are reflected in the rent profile. The property does not accept Housing Choice Vouchers.
4Q16	This is a three-story garden-style property offering one and two-bedroom units at market rates. Base rents are illustrated in the profile, as units on the first floor rent for a premium. The contact reports a water allowance of $30 per month for one-bedroom units and $40 per month for two-bedroom units. Most tenants are from the LaGrange area. Vacant units are typically leased within one week. Additional amenities include a putting green and tanning beds at no additional cost to tenants.
3Q17	The range in rents corresponds to whether the unit is on the first floor or not. Ground-floor units exhibit the higher rents. Management stated that there is a flat water fee of $30 per month for one-bedroom units and $40 per month for two-bedroom units.
1Q18	The contact was unable to provide the current turnover rate. The value listed is from 3Q2017. The range in rents corresponds to whether the unit is on the first floor or not. Ground-floor units exhibit the higher rents. Management stated that there is a flat water fee of $30 per month for one-bedroom units and $40 per month for two-bedroom units.

PROPERTY PROFILE REPORT

Laurel Crossing

Effective Rent Date	2/02/2018
Location	101 Park Place Lagrange, GA 30240 Troup County
Distance	1.8 miles
Units	132
Vacant Units	7
Vacancy Rate	5.3%
Type	Garden (2 stories)
Year Built/Renovated	1989 / 2008
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Sun Ridge, Whispering Pines, Woodland Trail
Tenant Characteristics	Mixed tenancy, families & contract workers
Contact Name	Bill
Phone	706-883-6291

Market Information

Program	Market
Annual Turnover Rate	60%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within ten days
Annual Chg. in Rent	Incr. 1-2% since 3Q2017
Concession	First month free on all units
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden (2 stories)	92	1,078	$725	$60	Market	No	4	4.3%	N/A	None
3	2	Garden (2 stories)	40	1,234	$850	$71	Market	No	3	7.5%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	$725	$60	$665	$0	$665
3BR / 2BA	$850	$71	$779	$0	$779

Laurel Crossing, continued

Amenities

In-Unit

- Balcony/Patio
- Carpet/Hardwood
- Coat Closet
- Exterior Storage
- Fireplace
- Microwave
- Refrigerator
- Washer/Dryer hookup
- Blinds
- Central A/C
- Dishwasher
- Ceiling Fan
- Garbage Disposal
- Oven
- Walk-In Closet

Security

- Patrol

Services

- None

Property

- Clubhouse/Meeting Room/Community
- Off-Street Parking
- Picnic Area
- Recreation Areas
- Exercise Facility
- On-Site Management
- Playground
- Swimming Pool

Premium

- None

Other

- None

Comments

The contact had no additional comments.

Trend Report

Vacancy Rates

1Q16	4Q16	3Q17	1Q18
4.5%	0.0%	5.3%	5.3%

Trend: Market

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	3.3%	$775	$0	$775	$775
2016	4	0.0%	$731	$0	$731	$731
2017	3	4.3%	$718	$0	$718	$718
2018	1	4.3%	$725	$60	$665	$665

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	7.5%	$875	$0	$875	$875
2016	4	0.0%	$825	$0	$825	$825
2017	3	7.5%	$833	$0	$833	$833
2018	1	7.5%	$850	$71	$779	$779

Trend: Comments

1Q16	The property utilizes YieldStar and rents change daily. The property does not accept Housing Choice Vouchers.
4Q16	The property does not accept Housing Choice Vouchers.
3Q17	Three of the vacant units are pre-leased. This property uses YieldStar, and rents fluctuate daily.
1Q18	The contact had no additional comments.

PROPERTY PROFILE REPORT

Lee's Crossing Apartments

Effective Rent Date	2/02/2018
Location	119 Old Airport Rd Lagrange, GA 30240 Troup County
Distance	3.2 miles
Units	320
Vacant Units	42
Vacancy Rate	13.1%
Type	Garden (2 stories)
Year Built/Renovated	1984/1997 / 2016
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Whispering Pines, Cameron and Laurel Crossing
Tenant Characteristics	Mixed tenancy, families
Contact Name	Rhonda
Phone	706-884-1120

Market Information

Program	Market
Annual Turnover Rate	11%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	One week.
Annual Chg. in Rent	Fluct. 4.1-11.1% since 3Q2017
Concession	None
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	32	722	$704	$0	Market	No	N/A	N/A	N/A	None
1	1	Garden (2 stories)	72	774	$830	$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (2 stories)	96	973	$814	$0	Market	No	N/A	N/A	N/A	AVG
3	2	Garden (2 stories)	48	1,240	$859	$0	Market	No	N/A	N/A	N/A	None
3	2	Garden (2 stories)	72	1,278	$978	$0	Market	No	N/A	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	$704 - $830	$0	$704 - $830	$0	$704 - $830
2BR / 2BA	$814	$0	$814	$0	$814
3BR / 2BA	$859 - $978	$0	$859 - $978	$0	$859 - $978

Lee's Crossing Apartments, continued

Amenities

In-Unit

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

Security

None

Services

None

Property

- Exercise Facility
- Off-Street Parking
- Picnic Area
- Recreation Areas
- Central Laundry
- On-Site Management
- Playground
- Swimming Pool

Premium

None

Other

Pet park, planned community

Comments

The contact was unable to provide a breakdown of vacancies by unit type.

Lee's Crossing Apartments, continued

Trend Report

Vacancy Rates

1Q16	4Q16	3Q17	1Q18
2.2%	7.8%	12.8%	13.1%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	2.9%	$646 - $732	$0	$646 - $732	$646 - $732
2016	4	N/A	$727 - $803	$61 - $67	$666 - $736	$666 - $736
2017	3	N/A	$734 - $750	$0	$734 - $750	$734 - $750
2018	1	N/A	$704 - $830	$0	$704 - $830	$704 - $830

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	2.1%	$745	$0	$745	$745
2016	4	N/A	$822	$69	$753	$753
2017	3	N/A	$750	$0	$750	$750
2018	1	N/A	$814	$0	$814	$814

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	1.7%	$760 - $871	$0	$760 - $871	$760 - $871
2016	4	N/A	$843 - $911	$70 - $76	$773 - $835	$773 - $835
2017	3	N/A	$795 - $880	$0	$795 - $880	$795 - $880
2018	1	N/A	$859 - $978	$0	$859 - $978	$859 - $978

Trend: Comments

1Q16	The contact noted that some units have screened-in porches. The property utilizes Yield Star and rents change daily. The property does not accept Housing Choice Vouchers.
4Q16	This is a two-story garden-style property offering one, two, and three-bedroom units at market rates. Rent ranges are as follows: Smaller one-bedroom units rent for between $700 and $754 per month; Larger one-bedrooms rent for between $750 and $856 per month; Two-bedroom units rent for between $800 and $844 per month; Smaller three-bedroom units rent for between $825 and $860 per month; Larger three-bedroom units rent for between $850 and $972 per month. The contact reported a current concession where new tenants do not pay rent for the first month. The property does not accept Housing Choice Vouchers. The property does not have an elevator anywhere on site. The contact reports that vacancy is currently high because of the season, and the property should be below 5 percent vacancy in January.
3Q17	Renovations in 2016 included new kitchens, bathrooms, and flooring. Management reported that vacancy is typically elevated in the summer months, and that the property should be below 5 percent vacancy by January. Management was unable to provide a breakdown of vacancies by unit type. The property is offering a $200 gift card to tenants who sign a lease in August.
1Q18	The contact was unable to provide a breakdown of vacancies by unit type.

PROPERTY PROFILE REPORT

Sun Ridge Apartments

Effective Rent Date	2/02/2018
Location	1235 Hogansville Road Lagrange, GA 30241 Troup County Intersection: Newnan Street
Distance	1.8 miles
Units	192
Vacant Units	1
Vacancy Rate	0.5%
Type	Garden (3 stories)
Year Built/Renovated	2001 / 2017
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Lee's Crossing, Commons Sun Park, Woodland Park
Tenant Characteristics	Mixed tenancy, families & contract workers
Contact Name	Lianne
Phone	(706) 845-8446

Market Information

Program	Market
Annual Turnover Rate	6%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	One to two weeks
Annual Chg. in Rent	Fluct. 1.4-5.4% since 3Q2017
Concession	None
Waiting List	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	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)	40	796	$730	$0	Market	No	0	0.0%	N/A	None
2	2	Garden (3 stories)	88	1,084	$795	$0	Market	No	1	1.1%	N/A	None
3	2	Garden (3 stories)	64	1,263	$875	$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	$730	$0	$730	$0	$730
2BR / 2BA	$795	$0	$795	$0	$795
3BR / 2BA	$875	$0	$875	$0	$875

Sun Ridge Apartments, continued

Amenities

In-Unit

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

Security

Patrol

Services

None

Property

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

Premium

None

Other

Putting green, lake

Comments

Management stated that there is a flat water fee of $30 for one-bedroom units, $40 for two-bedroom units, and $50 for three-bedroom units.

Trend Report

Vacancy Rates

1Q16	4Q16	3Q17	1Q18
2.6%	2.6%	2.1%	0.5%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	2.5%	$684	$0	$684	$684
2016	4	N/A	$720	$0	$720	$720
2017	3	2.5%	$720	$0	$720	$720
2018	1	0.0%	$730	$0	$730	$730

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	2.3%	$756	$0	$756	$756
2016	4	N/A	$795	$0	$795	$795
2017	3	2.3%	$795	$0	$795	$795
2018	1	1.1%	$795	$0	$795	$795

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	3.1%	$879	$0	$879	$879
2016	4	N/A	$925	$0	$925	$925
2017	3	1.6%	$925	$0	$925	$925
2018	1	0.0%	$875	$0	$875	$875

Trend: Comments

1Q16	The contact could not provide an explanation why the rents have fluctuated in the past year. The property does not accept Housing Choice Vouchers.
4Q16	This is a three-story garden-style property offering one, two, and three-bedroom units at market rates. The contact reported no concessions and could not provide vacancy levels by unit type. The property does not have an elevator anywhere on site.
3Q17	Renovations in 2017 included new flooring, cabinetry, counter tops, and appliances. Management stated that three of the vacant units are pre-leased.
1Q18	Management stated that there is a flat water fee of $30 for one-bedroom units, $40 for two-bedroom units, and $50 for three-bedroom units.

PROPERTY PROFILE REPORT

Whispering Pines

Effective Rent Date	2/02/2018
Location	1515 Hogansville Road Lagrange, GA 30241 Troup County Intersection: King Arthur Drive
Distance	2.1 miles
Units	216
Vacant Units	15
Vacancy Rate	6.9%
Type	Garden (2 stories)
Year Built/Renovated	1982-84 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Lee's Crossing, Cameron Crossing, Laurel Crossing
Tenant Characteristics	Mixed tenancy, families from within 10 miles.
Contact Name	Kelcey
Phone	706-882-1833

Market Information

Program	Market
Annual Turnover Rate	25%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within one weeks.
Annual Chg. in Rent	Remained stable since 3Q2017
Concession	$99 rent for first month on all units.
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	60	809	$700	$50	Market	No	4	6.7%	N/A	None
2	1	Garden (2 stories)	60	1,044	$760	$83	Market	No	6	10.0%	N/A	None
2	2	Garden (2 stories)	36	1,044	$785	$57	Market	No	2	5.6%	N/A	None
3	2	Garden (2 stories)	28	1,220	$870	$64	Market	No	2	7.1%	N/A	None
3	2	Garden (2 stories)	32	1,235	$870	$64	Market	No	1	3.1%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	$700	$50	$650	$0	$650
2BR / 1BA	$760	$83	$677	$0	$677
2BR / 2BA	$785	$57	$728	$0	$728
3BR / 2BA	$870	$64	$806	$0	$806

Whispering Pines, continued

Amenities

In-Unit

Balcony/Patio
Cable/Satellite/Internet
Central A/C
Dishwasher
Fireplace
Oven
Washer/Dryer hookup
Blinds
Carpet/Hardwood
Coat Closet
Ceiling Fan
Garbage Disposal
Refrigerator

Security

None

Services

None

Property

Car Wash
Central Laundry
On-Site Management
Swimming Pool
Volleyball Court
Exercise Facility
Off-Street Parking
Playground
Tennis Court

Premium

None

Other

None

Comments

The contact was unable to provide current turnover rate. The value listed is from 3Q2017. Basic cable and internet service is included in the rent. An additional concession of $30 off rent each month is available for two-bedroom one-bathroom units.

Whispering Pines, continued

Trend Report

Vacancy Rates

1Q16	4Q16	3Q17	1Q18
4.6%	7.9%	4.6%	6.9%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	0.0%	$700	$0	$700	$700
2016	4	N/A	$700	$50	$650	$650
2017	3	3.3%	$700	$0	$700	$700
2018	1	6.7%	$700	$50	$650	$650

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	0.0%	$760	$0	$760	$760
2016	4	N/A	$760	$55	$705	$705
2017	3	5.0%	$760	$0	$760	$760
2018	1	10.0%	$760	$83	$677	$677

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	0.0%	$785	$0	$785	$785
2016	4	N/A	$785	$57	$728	$728
2017	3	2.8%	$785	$0	$785	$785
2018	1	5.6%	$785	$57	$728	$728

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	16.7%	$870	$0	$870	$870
2016	4	N/A	$870	$64	$806	$806
2017	3	6.7%	$870	$0	$870	$870
2018	1	5.0%	$870	$64	$806	$806

Trend: Comments

1Q16	The property is under new ownership as of November 2015 and updates units with new carpet, cabinets, and countertops as they become available. The property does not accept Housing Choice Vouchers.
4Q16	This is a two-story garden-style property offering one, two, and three-bedroom units at market rate. The contact reported 8 percent total vacancy, but could not detail vacancy by unit type. The contact attributes the high vacancy rate to the season, and expects the property will be better than 95 percent occupied by January. Other utilities included in the rent are cable and pest control. The contact could not detail how much either service costs. The property does not have an elevator anywhere on site. No security features are offered beyond deadbolts on unit doors. The property is currently offering a move-in special: new tenants who move by November 15th pay $99 in rent for the month of November, and return to regular market rates in December.
3Q17	Basic cable and internet service is included in the rent.
1Q18	The contact was unable to provide current turnover rate. The value listed is from 3Q2017. Basic cable and internet service is included in the rent. An additional concession of $30 off rent each month is available for two-bedroom one-bathroom units.

PROPERTY PROFILE REPORT

Windsor Park

Effective Rent Date	2/02/2018
Location	404 Town Center Dr Lagrange, GA 30241 Troup County
Distance	1.8 miles
Units	60
Vacant Units	5
Vacancy Rate	8.3%
Type	Garden (3 stories)
Year Built/Renovated	2010 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Woodland Trails, Sun Park, Sun Ridge The Gardens
Tenant Characteristics	Locals and families relocating from Alabama and Atlanta who work in manufacturing plants in the area.
Contact Name	Lakeisha
Phone	706-443-5551

Market Information

Program	Market
Annual Turnover Rate	10%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within two months
Annual Chg. in Rent	Incr. 2.9-3.3% since 3Q2017
Concession	None
Waiting List	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
2	1	Garden (3 stories)	40	1,160	$783	$0	Market	No	0	0.0%	N/A	AVG
2	1	Garden (3 stories)	N/A	1,160	$790	$0	Market	No	3	N/A	N/A	HIGH
2	1	Garden (3 stories)	N/A	1,160	$775	$0	Market	No	2	N/A	N/A	LOW
3	2	Garden (3 stories)	20	1,395	$883	$0	Market	No	0	0.0%	N/A	AVG
3	2	Garden (3 stories)	N/A	1,395	$890	$0	Market	No	0	N/A	N/A	HIGH
3	2	Garden (3 stories)	N/A	1,395	$875	$0	Market	No	0	N/A	N/A	LOW

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 1BA	$775 - $790	$0	$775 - $790	$15	$790 - $805
3BR / 2BA	$875 - $890	$0	$875 - $890	$15	$890 - $905

Windsor Park, continued

Amenities

In-Unit

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

Security

Limited Access
Perimeter Fencing

Services

None

Property

Clubhouse/Meeting Room/Community
On-Site Management
Playground
Off-Street Parking
Picnic Area

Premium

None

Other

None

Comments

The range in leasing rates corresponds to whether the unit is on the first floor or not, with ground-floor rents being $15 more per month.

Windsor Park, continued

Trend Report

Vacancy Rates

1Q16	4Q16	3Q17	1Q18
1.7%	8.3%	8.3%	8.3%

Trend: Market

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	N/A	$750	$0	$750	$765
2016	4	N/A	$750	$0	$750	$765
2017	3	N/A	$750 - $790	$0	$750 - $790	$765 - $805
2018	1	N/A	$775 - $790	$0	$775 - $790	$790 - $805

2BR / 2BA

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

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	N/A	$850	$0	$850	$865
2016	4	N/A	$850	$0	$850	$865
2017	3	N/A	$850 - $890	$0	$850 - $890	$865 - $905
2018	1	N/A	$875 - $890	$0	$875 - $890	$890 - $905

Trend: Comments

1Q16	Second floor units are charged a premium of $40 per month. Base rents are reflected in the the rent profile. The contact identified that the tenancy consists of locals and tenants relocating from Alabama and Atlanta who work in manufacturing plants in the area. The property does not accept Housing Choice Vouchers.
4Q16	Units on the first floor are offered for a premium of $40 per month. Base rents are reflected in the the rent profile. The contact identified that the tenancy consists of locals and tenants relocating from Alabama and Atlanta who work in manufacturing plants in the area. The property does not accept Housing Choice Vouchers.
3Q17	The range in rents correspond to whether the unit is on the first floor or not, with ground-floor rents being $40 more per month.
1Q18	The range in leasing rates corresponds to whether the unit is on the first floor or not, with ground-floor rents being $15 more per month.

PROPERTY PROFILE REPORT

Woodland Trail

Effective Rent Date	2/02/2018
Location	140 N Davis Road Lagrange, GA 30241 Troup County
Distance	2.9 miles
Units	236
Vacant Units	18
Vacancy Rate	7.6%
Type	Garden (3 stories)
Year Built/Renovated	2009 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Sun Park, Sun Commons
Tenant Characteristics	Mixed tenancy, mostly families from the area.
Contact Name	Shelby
Phone	706-884-8000

Market Information

Program	Market
Annual Turnover Rate	50%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within one week.
Annual Chg. in Rent	Increased 1.9% since 3Q2017
Concession	None
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	27	770	$860	$0	Market	No	3	11.1%	N/A	None
1	1	Garden (3 stories)	20	880	$885	$0	Market	No	3	15.0%	N/A	None
2	2	Garden (3 stories)	142	1,100	$945	$0	Market	No	10	7.0%	N/A	AVG
2	2	Garden (3 stories)	N/A	1,100	$965	$0	Market	No	0	N/A	N/A	HIGH
2	2	Garden (3 stories)	N/A	1,100	$925	$0	Market	No	0	N/A	N/A	LOW
3	2	Garden (3 stories)	47	1,200	$1,070	$0	Market	No	2	4.3%	N/A	AVG
3	2	Garden (3 stories)	N/A	1,200	$1,080	$0	Market	No	0	N/A	N/A	HIGH
3	2	Garden (3 stories)	N/A	1,200	$1,060	$0	Market	No	0	N/A	N/A	LOW

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	$860 - $885	$0	$860 - $885	$15	$875 - $900
2BR / 2BA	$925 - $965	$0	$925 - $965	$15	$940 - $980
3BR / 2BA	$1,060 - $1,080	$0	$1,060 - $1,080	$15	$1,075 - $1,095

Woodland Trail, continued

Amenities

In-Unit

- Balcony/Patio
- Carpeting
- Coat Closet
- Exterior Storage
- Garbage Disposal
- Refrigerator
- Walk-In Closet
- Blinds
- Central A/C
- Dishwasher
- Ceiling Fan
- Oven
- Vaulted Ceilings
- Washer/Dryer hookup

Security

Patrol

Services

None

Property

- Business Center/Computer Lab
- Garage
- On-Site Management
- Playground
- Swimming Pool
- Exercise Facility
- Off-Street Parking
- Picnic Area
- Recreation Areas
- Wi-Fi

Premium

None

Other

Nature trail, dog park

Comments

The range in rents corresponds to the unit's floor level, with lower-level units exhibiting higher rents. Water is covered by a flat fee of $40 for one-bedroom units, $50 for two-bedroom units, and $60 for three-bedroom units.

Woodland Trail, continued

Trend Report

Vacancy Rates

1Q16	4Q16	3Q17	1Q18
0.8%	3.0%	0.4%	7.6%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	2.1%	$825 - $850	$0	$825 - $850	$840 - $865
2016	4	0.0%	$850 - $875	$46 - $48	$804 - $827	$819 - $842
2017	3	2.1%	$860 - $885	$0	$860 - $885	$875 - $900
2018	1	12.8%	$860 - $885	$0	$860 - $885	$875 - $900

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	0.0%	$905	$15	$890	$905
2016	4	2.1%	$925	$52	$873	$888
2017	3	N/A	$925 - $965	$0	$925 - $965	$940 - $980
2018	1	N/A	$925 - $965	$0	$925 - $965	$940 - $980

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	2.1%	$1,006	$0	$1,006	$1,021
2016	4	8.5%	$1,035	$61	$974	$989
2017	3	N/A	$1,040 - $1,060	$0	$1,040 - $1,060	$1,055 - $1,075
2018	1	N/A	$1,060 - $1,080	$0	$1,060 - $1,080	$1,075 - $1,095

Trend: Comments

1Q16	The contact noted that the property was purchased under new management in 3Q 2015. The property does not accept Housing Choice Vouchers.
4Q16	This is a three-story garden-style property offering one, two, and three-bedroom units at market rates. On the day of the interview, rent ranges were as follows: Two-bedroom units range from $905 to $945 per month; Three-bedroom units range from $1,025 to $1,045 per month. The property is currently offering $300 off first month's rent for new tenants. The property does not have an elevator anywhere on site. Tenants pay $75 per month for individual garage parking.
3Q17	The range in rents corresponds to the unit's floor level, with lower-level units exhibiting higher rents. Water, sewer, and trash is covered by a flat fee of $35 for one-bedroom units, $45 for two-bedroom units, and $55 for three-bedroom units.
1Q18	The range in rents corresponds to the unit's floor level, with lower-level units exhibiting higher rents. Water is covered by a flat fee of $40 for one-bedroom units, $50 for two-bedroom units, and $60 for three-bedroom units.

Amenities

A detailed description of amenities included in both the Subject and the comparable properties can be found in the amenity matrix below. The matrix has been color coded. Those properties that offer an amenity that the Subject does not offer are shaded in red, while those properties that do not offer an amenity that the Subject does offer are shaded in blue. Thus, the inferior properties can be identified by the blue and the superior properties can be identified by the red.

UNIT MATRIX REPORT

	Lucy Morgan Phase I	Laurel Ridge Apartments	Mallard Lake Apartments	Valley Ridge Apartments	Autumn Ridge Apartments	Cameron Crossing	Commons Sunpark	Laurel Crossing	Lee's Crossing Apartments	Sun Ridge Apartments	Whispering Pines	Windsor Park	Woodland Trail
Comp #	**Subject**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**
Property Information													
Property Type	Townhouse (2 stories)	Single Family	Garden (2 stories)	Garden (2 stories)	Garden (2 stories)	Garden (2 stories)	Garden (3 stories)	Garden (2 stories)	Garden (2 stories)	Garden (3 stories)	Garden (2 stories)	Garden (3 stories)	Garden (3 stories)
Year Built / Renovated	1953 / Proposed	2008 / n/a	2010 / n/a	2005 / n/a	1987 / 2015	1987 / n/a	2010 / n/a	1989 / 2008	1984/1997 / 2016	2001 / 2017	1982-84 / n/a	2010 / n/a	2009 / n/a
Market (Conv.)/Subsidy Type	LIHTC/Public Housing	LIHTC	LIHTC/HOME	LIHTC/Market	Market	Market	Market	Market	Market	Market	Market	Market	Market
Utility Adjusments													
Cooking	no	no	no	no	no	no	no	no	no	no	no	no	no
Water Heat	no	no	no	no	yes	no	no	no	no	no	no	no	no
Heat	no	no	no	no	no	no	no	no	no	no	no	no	no
Other Electric	no	no	no	no	no	no	no	no	no	no	no	no	no
Water	no	no	no	yes	yes	no	no	no	no	no	no	no	no
Sewer	no	no	no	yes	yes	no	yes	no	no	no	no	no	no
Trash Collection	yes	yes	yes	yes	yes	no	yes	yes	yes	yes	yes	no	no
In-Unit Amenities													
Balcony/Patio	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Cable/Satellite/Internet	no	no	no	no	no	no	no	no	no	no	yes	no	no
Carpet/Hardwood	no	no	yes	no	yes	no	yes	yes	yes	no	yes	no	no
Carpeting	yes	yes	no	yes	no	yes	no	no	yes	yes	no	yes	yes
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Coat Closet	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Dishwasher	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Exterior Storage	yes	no	no	no	no	yes	yes	yes	no	yes	no	yes	yes
Ceiling Fan	no	no	yes	yes	yes	no	yes	yes	yes	no	yes	yes	yes
Fireplace	no	no	no	no	no	yes	no	yes	yes	no	yes	no	no
Garbage Disposal	no	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	no	yes
Hand Rails	no	no	yes	no	no	no	no	no	no	no	no	no	no
Microwave	yes	yes	yes	no	no	yes	yes	yes	no	yes	no	no	no
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Vaulted Ceilings	no	no	no	no	no	yes	yes	no	no	no	no	no	yes
Walk-In Closet	yes	yes	no	yes	yes	yes	yes	yes	yes	yes	no	yes	yes
Washer/Dryer	no	no	no	no	no	no	no	no	yes	no	no	no	no
Washer/Dryer hookup	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Property Amenities													
Basketball Court	yes	no	no	yes	no	no	no	no	no	no	no	no	no
Business Center/Computer Lab	yes	yes	yes	yes	no	no	yes	no	no	yes	no	no	yes
Car Wash	no	no	no	no	no	no	yes	no	no	yes	yes	no	no
Clubhouse/Community Room	yes	yes	yes	yes	no	yes	yes	yes	no	yes	no	yes	no
Exercise Facility	yes	yes	yes	yes	no	yes	yes	yes	yes	yes	yes	no	yes
Garage	no	no	no	no	no	no	no	no	no	yes	no	no	yes
Central Laundry	yes	yes	yes	yes	no	yes	yes	no	yes	yes	yes	no	no
Off-Street Parking	yes	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	yes
Picnic Area	yes	yes	yes	yes	yes	yes	no	yes	yes	no	no	yes	yes
Playground	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Recreation Areas	yes	no	no	no	no	no	yes	yes	yes	no	no	no	yes
Service Coordination	yes	no	no	no	no	no	no	no	no	no	no	no	no
Swimming Pool	no	no	yes	yes	yes	yes	yes	yes	yes	yes	yes	no	yes
Tennis Court	no	no	no	no	no	no	yes	no	no	yes	yes	no	no
Theatre	yes	no	no	no	no	no	no	no	no	no	no	no	no
Volleyball Court	no	yes	no	no	no	no	no	no	no	yes	yes	no	no
Wi-Fi	no	no	yes	no	no	no	yes	no	no	no	no	no	yes
Garage Fee	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	$75.00	N/A	N/A	$100.00
Security													
Limited Access	no	no	no	no	no	no	yes	no	no	no	no	yes	no
Patrol	yes	no	no	no	yes	yes	no	yes	no	yes	no	no	yes
Perimeter Fencing	no	no	no	no	no	no	yes	no	no	no	no	yes	no
Video Surveillance	no	no	no	no	yes	no	yes	no	no	no	no	no	no
Other Amenities													
Other	n/a	n/a	n/a	n/a	n/a	n/a	Putting green, tanning beds	n/a	Pet park, planned community activities	Putting green, lake	n/a	n/a	Nature trail, dog park

Unit Amenities

Overall, the Subject will be considered generally similar to Laurel Ridge Apartments, Valley Ridge Apartments, Autumn Ridge Apartments, Lee's Crossing Apartments, Sun Ridge Apartments, and Windsor Park Apartments, and slightly inferior to the remainder of the comparables in terms of in-unit amenities.

Common Area Amenities

In terms of project amenities, the Subject is generally superior to the comparables. A majority of the comparables do not offer a basketball court, recreation areas, service coordination, or media/theatre room. Further, several comparables do not offer a business center or picnic area, which are offered at the Subject. Overall, we believe that the Subject's common area amenities are similar to superior than the comparable properties.

Utility Structure

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

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	Tenancy	Total Units	Vacant Units	Vacancy Rate
Laurel Ridge Apartments	LIHTC	Family	70	1	1.4%
Mallard Lake Apartments	LIHTC	Family	69	0	0.0%
Valley Ridge Apartments	LIHTC/ Market	Family	80	0	0.0%
Autumn Ridge Apartments	Market	Family	80	4	5.0%
Cameron Crossing	Market	Family	132	4	3.0%
Commons Sunpark	Market	Family	120	2	1.7%
Laurel Crossing	Market	Family	132	7	5.3%
Lee's Crossing Apartments	Market	Family	320	42	13.1%
Sun Ridge Apartments	Market	Family	192	1	0.5%
Whispering Pines	Market	Family	216	15	6.9%
Windsor Park	Market	Family	60	5	8.3%
Woodland Trail	Market	Family	236	18	7.6%
Total LIHTC			**219**	**1**	**0.5%**
Total Market Rate			**1,488**	**98**	**6.6%**
Overall Total			**1,707**	**99**	**5.8%**

The vacancy rates among the multifamily comparables range from zero to 13.1 percent, with an overall vacancy rate of 5.8 percent. Only one LIHTC property reported any vacancy, with an overall LIHTC vacancy rate of 0.5 percent. The market rate comparables we surveyed have vacancy rates ranging from 0.5 to 13.1 percent. The average market rate vacancy rate is 6.6 percent, indicating a stable market. According to the Housing Authority, the Subject has operated at less than five percent vacancy and collection loss over the past three years. We will conclude to a vacancy and collection loss rate of 5.0 percent for the unrestricted scenarios and 3.0 percent for the restricted scenario.

Absorption

We were able to obtain absorption information from three comparable properties, illustrated in the following table.

ABSORPTION

Property Name	Rent Structure	Tenancy	Year Built	Number of Units	Units Absorbed / Month
Laurel Ridge Apartments	LIHTC	Family	2008	70	18
Mallard Lake Apartments	LIHTC	Family	2010	69	14
Valley Ridge Apartments	LIHTC/ Market	Family	2005	80	10

As per DCA guidelines, we have calculated the absorption at comparables as the time necessary to achieve 93 percent occupancy. Mallard Lake Apartments is the most recently completed and established apartment property we surveyed. This project opened in 2010 and averaged an absorption rate of 14 units per month. One other LIHTC property we surveyed, Laurel Ridge Apartments, provided a historical absorption rate of 18 units per month. Given the tight range of absorption rates, we have considered both projects in our estimation of absorption for the Subject following completion of renovations.

Per DCA guidelines, we have calculated the absorption rate for the Subject to achieve 93 percent occupancy. If the Subject was hypothetically 100 percent vacant following the renovations with a RAD program rental assistance subsidy in place for all the units, which is very unlikely given the relocation plan, we would expect the Subject to experience an absorption pace of approximately 15 units per month, which equates to an absorption period of five to six months for the 85 total units in Phase I 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 at the proposed rent levels within a year. In this scenario, we would anticipate an average absorption rate of 12 units per month, with stabilization occurring within approximately six to seven months.

DCA requires that the new rent structure will not result in rent increases during the term of existing leases at the Subject. All current residents will continue to pay 30 percent of income as rent. We anticipate that with renovations occurring on a rolling basis, the Subject will likely achieve stabilized 93 percent occupancy within less than five months of completing renovations.

Achievable Market Rents 'As Proposed'

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

SUBJECT COMPARISON TO MARKET RENTS

Unit Type	Subject	Surveyed Min	Surveyed Max	Surveyed Average	Achievable Market Rents as Renovated	Subject Rent Advantage
1 BR	$385	$620	$885	$769	$675	43%
2 BR	$464	$665	$965	$817	$775	40%
3 BR	$634	$779	$1,080	$900	$875	28%
4 BR*	$636	$1,295	$1,550	$1,420	$975	35%

*Surveyed Min, Max, and Average for four-bedroom units indicative of classified listings

As illustrated in the previous table, the Subject's proposed CHAP rents are well below the range of the unrestricted rents at the comparables. It should be noted that we have supplemented our rent analysis with four-bedroom classified listings in LaGrange and surrounding areas due to the limited availability of four-bedroom market rate units. The Subject will be similar to the comparable market rate properties in terms of location. The comparables with unrestricted units were constructed or renovated between 1982 and 2010 and exhibit average to good condition. In terms of condition, the Subject will be similar to slightly superior to the market rate comparables. The Subject offers a competitive design that includes a mix of single-story duplexes, one and two-story flat-style apartments, and two-story townhouses. However, the Subject's unit sizes are inferior to all of the market rate comparables. The Subject's unit and community amenities will be competitive. However, several of the surveyed market rate properties offer garbage disposals, ceiling fans, hardwood flooring, sport courts, and swimming pools, amenities not offered by the proposed Subject. Overall, the Subject will be generally superior in terms of design, generally similar in terms of amenities, and inferior in terms of unit sizes. We believe achievable market rents toward the low end of the range of surveyed properties, and below the reported averages, are reasonable and achievable.

Additionally, we supplemented our analysis with current four-bedroom classified listings in the area. The table following details our findings.

FOUR-BEDROOM CLASSIFIED LISTINGS

Address	Unit Type	Unit Size (SF)	Asking Rent	Rent PSF	Amenities
209 Boston Dr., LaGrange, GA	4BR/2BA	2,150	$1,550	$0.72	Garage, Yard, Fireplace
2626 Bartley Rd., LaGrange, GA	4BR/2BA	2,842	$1,295	$0.46	Sunroom, Yard, Carport
119 View Pointe Dr., LaGrange, GA	4BR/2.5BA	2,404	$1,400	$0.58	Yard, Deck, Carport, W/D
109 Churchill Dr., LaGrange, GA	4BR/3BA	1,698	$1,350	$0.80	Garage, Yard, Master suite
306 Springdale Dr., LaGrange, GA	4BR/2BA	2,202	$1,350	$0.61	Fireplace, Deck, Basement
118 Cedar Ridge, LaGrange, GA	4BR/2.5BA	2,786	$1,495	$0.54	Fireplace, Bonus room, Basement
113 Starmount Dr., LaGrange, GA	4BR/2BA	1,736	$1,500	$0.86	W/D, Garage, Deck
Average		**2,260**	**$1,420**	**$0.63**	

Source: Hotpads.com, 2/2018

The average four-bedroom asking rent is $1,420. Note that this rent is not inclusive of any tenant-paid utility costs. The Subject's proposed four-bedroom CHAP rent of $636 is below the range of asking rents of the four-bedroom single-family home classifieds. This will benefit the marketability of the Subject's four-bedroom units.

Achievable Market Rents 'As Is'

The estimated as-is achievable market rents are lower than most adjusted rents at the market rate comparable properties. This is due to units at the Subject's units being smaller than comparable unit sizes, as well as the Subject offering an inferior number of bathrooms in its three-bedroom units. All of the comparables are also newer than the Subject and in better condition. The following table illustrates the achievable as is unrestricted rents.

Achievable As Is Market Rents	
Lucy Morgan Phase I	
1BR/1BA	$575
2BR/1BA	$675
3BR/1BA	$775
4BR/2BA	$875

The Subject's potential rental income as is assumes the achievable as is unrestricted rents derived above, 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.

HIGHEST AND BEST USE

HIGHEST AND BEST USE

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

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

The Dictionary of Real Estate Appraisal (Sixth Edition, 2015), published by the American Institute of Real Appraisal Institute, defines Highest and Best Use as:

"The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity."

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

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

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

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

HIGHEST AND BEST USE AS VACANT

Physically Possible

According to the developer, the Subject site is approximately 8.0 acres for the underlying land that includes the units proposed for rehabilitation. The Subject site has generally level topography and a generally rectangular shape. The site is considered adequate for a variety of legally permissible uses.

Legally Permissible

The site is zoned R-3, Multifamily Residential, which is primarily intended for multifamily developments. This zoning district allows for a maximum density of 14 units per acre. LaGrange parking guidelines require 1.4 spaces per unit. Other nearby multifamily properties within LaGrange exhibit densities ranging from 7.2 to 11.4 units per acre. Therefore, we believe a density toward the middle of the density range is more in line with the supply and demand within the market, and conclude to a density of 10 units per acre, or 80 units for the Subject site.

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

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

Highest and Best Use "As If Vacant":

The Subject's highest and best use "as if vacant" is to hold for future development when market rents rise to the level of cost feasibility. Alternatively, an 80-unit multifamily rental property would be feasible with gap financing such as tax exempt bonds and tax credits.

Highest and Best Use "As Improved":

The Subject is currently improved with a multifamily property operated as a HUD Public Housing development. As public housing, the Subject operates under a flat rent schedule. This rent schedule is not market-oriented; the Subject essentially operates on a break-even basis, and not in a profit-generating manner. As such, valuing the Subject assuming public housing restrictions would essentially lend itself to the Subject having little to no value.

The highest and best use of the property, in its as is condition, would to substantially renovate through the RAD process with LIHTCs, utilizing the CHAP rents with market-based restricted operating expenses, or to maintain restricted operations utilizing CHAP award and market oriented operating expense, or to remove the public housing restrictions and operate as an unrestricted development. However, as the purpose of the As Is valuation is to establish the As Is Fair Market Value in support of LIHTC eligible basis, we must recognize that the IRS and state LIHTC allocating agencies do not allow establishing a fair market value for a development by including the added value of receiving a LIHTC allocation (which would then be deemed investment value). Therefore, for our estimate of As Is Fair Market Value, we have determined that the highest and best use of the Subject, in its as is condition, is for conversion to unrestricted operations since this results in a higher value than continued restricted operations (utilizing CHAP rents and assuming market-oriented expenses).

APPRAISAL METHODOLOGY

APPRAISAL METHODOLOGY

The valuation process begins with an estimate of the highest and best use of the Subject property considered as though vacant, and as improved. Once determined the property is then valued according to its highest and best use.

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 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.

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.

Applicability to the Subject Property

The cost approach consists of a summation of land value (as though vacant) and the cost to reproduce or replace the improvements, less appropriate deductions for depreciation. Reproduction cost is the cost to construct a replica of the Subject improvements. Replacement cost is the cost to construct improvements having equal utility. This approach is not generally relied upon by investors. However, we have developed a land value in this analysis based on the scope of work.

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 EGIM and NOI per unit analyses 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.

COST APPROACH

COST APPROACH

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

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 was not developed based on the age of the Subject property and the fact most investors do not use this method. However, we have included a land valuation based on the scope of work.

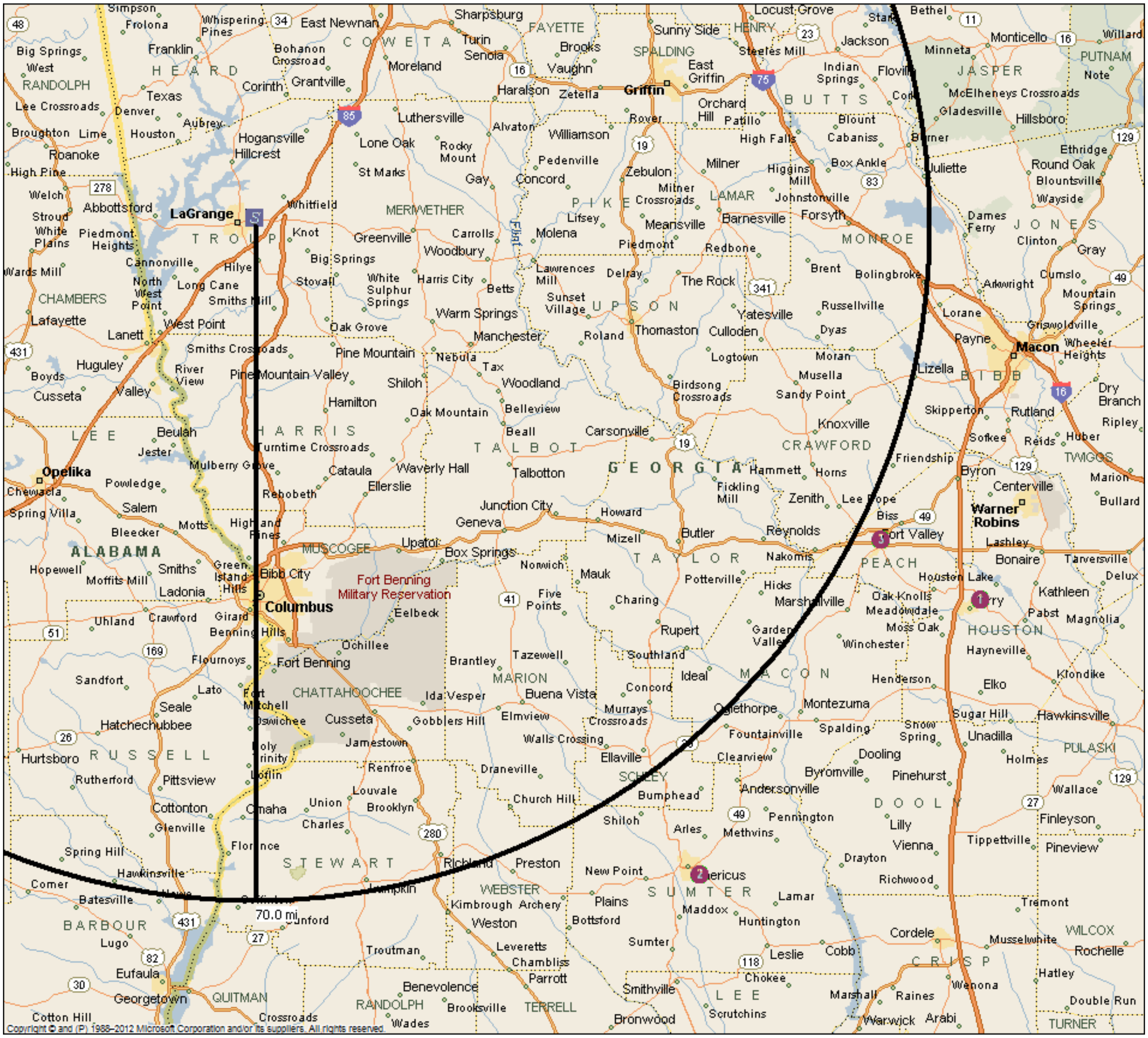
LAND VALUATION

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 unable to locate any land sales within the county, as the Subject is located in a rural area. As such, we expanded our search to other rural areas in Georgia to locate comparable land sales. We were able to locate four land sales occurring between May 2014 and October 2015.

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.

We have valued the land assuming that it is vacant without restrictions on use beyond zoning and physical constraints.

Land Sales Map



The following table summarizes the land sale transactions.

COMPARABLE LAND SALES

#	Location	City	Sale Date	Price	Acres	Units	Price/Unit
1	SWC of Gray Rd & Houston Lake Rd	Perry, GA	Oct-15	$550,000	23.80	100	$5,500
2	Felder Street	Americus, GA	Jul-15	$320,000	12.00	64	$5,000
3	3460 Highway 341	Fort Valley, GA	May-14	$295,000	9.16	60	$4,917

Land Sale 1

Location:		SWC of Gray Rd & Houston Lake Rd Perry, GA

Buyer:		Perry Place Partner
Seller:		BLDHP Inc.
Sale Date:		October-15
Sale Price:		$550,000
Financing:		Cash
Number of Units:		100
Site:	Acre(s)	23.800
	Square Footage	1,036,728
Zoning		Multifamily
Corner		Yes
Topography		Level
Shape		Irregular
Sale Price:	Per Unit	$5,500
	Per Acre	$23,109
	Per SF	$0.53

Comments:

The site is developed with a 100-unit LIHTC/market rate development known as Oliver Place. The development was completed in 2016 and consists of 24 one-bedroom, 44 two-bedroom, and 32 three-bedroom units; units are offered at the 50 and 60 percent AMI levels, as well as market rate.

Verification: CoStar, Georgia DCA, Public Records

Land Sale 2

Location:		Felder Street Americus, GA

Buyer:		Southwestern Estates LP
Seller:		Randolph B. Jones, Jr.
Sale Date:		July-15
Sale Price:		$320,000
Financing:		Cash
Number of Units:		64
Site:	Acre(s)	12.000
	Square Footage	522,720
Zoning		Multifamily
Corner		No
Topography		Level
Shape		Irregular
Sale Price:	Per Unit	$5,000
	Per Acre	$26,667
	Per SF	$0.61

Comments:

The site is currently improved with Southwestern Estates, a 64-unit LIHTC development that was awarded funding in 2014 and completed in 2016. The development consists of a combination of one, two, and three-bedroom units offered at the 50 and 60 percent AMI levels.

Verification: CoStar, Georgia DCA, Public Records

Land Sale 3

Location:		3460 Highway 341 Fort Valley, GA

Buyer:		Reserve at Hampton LP
Seller:		Belflower, Stephen H.
Sale Date:		May-14
Sale Price:		$295,000
Financing:		Cash
Number of Units:		60
Site:	Acre(s)	9.160
	Square Footage	399,010
Zoning		Multifamily
Corner		Yes
Topography		Level
Shape		Irregular
Sale Price:	Per Unit	$4,917
	Per Acre	$32,205
	Per SF	$0.74

Comments:

The site is currently improved with The Reserve at Hampton, a 60-unit LIHTC development that offers one, two, and three-bedroom units restricted at the 50 and 60 percent AMI levels.

Verification: CoStar, Georgia DCA, Public Records

ADJUSTMENTS

The following table illustrates adjustments applied to the sale comparables.

Comparable Land Data Adjustment Grid

		Subject	**1**	**2**	**3**
Location		500 Revis St.	SWC of Gray Rd & Houston Lake Rd	Felder Street	3460 Highway 341
City, State		LaGrange, GA	Perry, GA	Americus, GA	Fort Valley, GA
Parcel Data					
	Zoning	Multifamily	Multifamily	Multifamily	Multifamily
	Topography	Level	Level	Level	Level
	Shape	Irregular	Irregular	Irregular	Irregular
	Corner	Yes	Yes	No	Yes
	Size (SF)	348,480	1,036,728	522,720	399,010
	Size (Acres)	8.0	23.80	12.00	9.16
	Units	80	100	64	60
	Units Per Acre	10.0	4.2	5.3	6.6
Sales Data					
	Date		Oct-15	Jul-15	May-14
	Interest		Fee Simple	Fee Simple	Fee Simple
	Price		$550,000	$320,000	$295,000
	Price per Unit		$5,500	$5,000	$4,917
Adjustments					
	Property Rights		0	0	0
			$550,000	$320,000	$295,000
	Financing		0	0	0
			$550,000	$320,000	$295,000
	Conditions of Sale		0	0	0
			$550,000	$320,000	$295,000
	Market Conditions		0%	0%	0%
Adjusted Sale Price			$550,000	$320,000	$295,000
Adjusted Price Per Unit			$5,500	$5,000	$4,917
Adjustments					
	Location		-5%	5%	5%
	Zoning/Density		0%	0%	0%
	Topography/Shape		0%	0%	0%
	Shape		0%	0%	0%
	Size/Number of Units		0%	0%	0%
Overall Adjustment			-5%	5%	5%
Adjusted Price Per Unit			$5,225	$5,250	$5,163
Low		$5,163			
High		$5,250			
Mean		$5,213			
Median		$5,225			
Conclusion		$5,200	x	80	$416,000
Rounded					**$420,000**

Explanation of Adjustments

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

The comparable sales occurred between May 2014 and October 2015. According to the PwC Real Estate Investment Survey, capitalization rates decreased approximately 27 basis points between the second quarter of 2015 and fourth quarter 2017. Overall, capitalization rate trends in the region appear to have generally followed the national capitalization rate trends over the past several years, and are a good indication of changes in market conditions and resulting land value over time. The table following illustrates multifamily capitalization rates over this time period.

PwC Real Estate Investor Survey - National Apartment Market
Overall Capitalization Rate - Institutional Grade Investments

Quarter	Cap Rate	Change (bps)
2Q14	5.59	-
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
2Q17	5.40	0.07
3Q17	5.35	-0.05
4Q17	5.32	-0.03

Source: PwC Real Estate Investor Survey, Q4 2017

We have not adjusted for market conditions as the change in capitalization rates has been negligible.

Location

Location encompasses a number of issues, including location within different market areas with different supply/demand pressures, the character/condition of surrounding development, access, and visibility. It is important to assess which factors truly impact value for different types of real estate. We have addressed this issue (as well as the remaining elements of comparison) on a comparable-by-comparable basis. We considered demographic differences among the comparables, as well as specific neighborhood locations. We have compared the Subject's location to the comparables in terms of median rent, median household income, and median home value, as illustrated following.

MEDIAN RENT

	Zip Code	Median Rent	Differential With Subject Site
Subject	30241	**$875**	-
1	31069	$786	11.3%
2	31709	$683	28.1%
3	31030	$640	36.7%

Source: City-Data.com, 2/2018

MEDIAN HOUSEHOLD INCOME

	Zip Code	Median Rent	Differential With Subject Site
Subject	30241	**$42,915**	-
1	31069	$50,816	-15.5%
2	31709	$34,627	23.9%
3	31030	$34,712	23.6%

Source: City-Data.com, 2/2018

MEDIAN HOME VALUE

	Zip Code	Median Rent	Differential With Subject Site
Subject	30241	**$123,977**	-
1	31069	$157,718	-21.4%
2	31709	$120,980	2.5%
3	31030	$109,548	13.2%

Source: City-Data.com, 2/2018

We have adjusted Sale 1 downward by five percent to account for the slightly superior location, while Sales 2 and 3 were adjusted upward by five percent for their slightly inferior location.

Zoning/Density

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

Topography/Shape

The sales are all generally level and appear to have functional shapes. 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. The sales offer a generally similar number of units as the Subject and have not been adjusted for size.

CONCLUSION OF VALUE

The sales indicate a range of adjusted price per unit from $5,163 to $5,250 per unit, with a mean of $5,213 per unit. We have given weight to all three sales in determining the Subject's value and have concluded to a sale price of $5,200 per unit.

LAND VALUE – AS IF VACANT

Therefore, as a result of our investigation and analysis, it is our opinion that, subject to the limiting conditions and assumptions contained herein, our opinion of the unencumbered fee simple market value of the Subject as if vacant, free and clear of financing, as of February 2, 2018 is:

FOUR HUNDRED TWENTY THOUSAND DOLLARS
($420,000)

Please refer to the complete Assumptions & Limiting Conditions in the Addenda.

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 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.

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

Under the LIHTC program, an owner subjects his ownership to certain restrictions in exchange for various benefits. These restrictions and benefits generate intangible values in addition to the underlying tangible real estate value.

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 values are determined using Direct Capitalization.

POTENTIAL GROSS INCOME

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

The potential gross income of the Subject is the total annual income capable of being generated by all sources, including rental revenue and other income sources. The Subject's potential rental income 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.

POTENTIAL GROSS RENTAL INCOME - AS IS UNRESTRICTED

Unit Type	Number of Units	Achievable Market Rents	Monthly Gross Rent	Annual Gross Rent
1BR/1BA	13	$575	$7,475	$89,700
2BR/1BA	34	$675	$22,950	$275,400
3BR/1BA	24	$775	$18,600	$223,200
4BR/2BA	18	$875	$15,750	$189,000
Total	**89**			**$777,300**

POTENTIAL GROSS RENTAL INCOME - AS RENOVATED RESTRICTED

Unit Type	Number of Units	CHAP/LIHTC Rents	Monthly Gross Rent	Annual Gross Rent
1BR/1BA	13	$393	$5,109	$61,308
2BR/1BA	32	$474	$15,168	$182,016
3BR/2BA	22	$648	$14,256	$171,072
4BR/2BA	18	$650	$11,700	$140,400
Total	**85**			**$554,796**

POTENTIAL GROSS RENTAL INCOME - AS RENOVATED UNRESTRICTED

Unit Type	Number of Units	Achievable Market Rents	Monthly Gross Rent	Annual Gross Rent
1BR/1BA	13	$675	$8,775	$105,300
2BR/1BA	32	$775	$24,800	$297,600
3BR/2BA	22	$875	$19,250	$231,000
4BR/2BA	18	$975	$17,550	$210,600
Total	**85**			**$844,500**

OTHER INCOME

The other income category is primarily revenue generated from late charges, special service fees, vending machines, etc. The comparables reported a range of $0 to $1,026 per unit for other income. The developer's budget indicates other income of $128 per unit. We will conclude to other income of $125 per unit, which is within the comparable range and similar to the developer's budget.

VACANCY AND COLLECTION LOSS

The vacancy rates in the market are generally stable. As indicated in the supply analysis, we have concluded to a vacancy and collections loss rate of 3.0 percent for the restricted scenario and 5.0 percent for the unrestricted scenarios.

EXPLANATION OF EXPENSES

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

It is important to note that the projections of income and expenses are based on the basic assumption that the apartment complex will be managed and staffed by competent personnel and that the property will be professionally advertised and aggressively promoted. The Subject currently offers 89 units that target households of all ages, and will offer 85 units post rehabilitation. The Subject's historical operating expenses were unavailable, as the Subject is part of a larger portfolio owned by the LaGrange Housing Authority, and operating expenses are not typically broken out by property. The comparable data illustrates operating expenses from 2015 for properties located in Macon, Columbus, Forest Park, and McDonough and serve as the basis of comparison. We have also considered the post renovation budget.

	Novogradac Estimates As Is Unrestricted LaGrange, GA		Novogradac Estimates As Renovated Restricted LaGrange, GA		Novogradac Estimates As Renovated Unrestricted LaGrange, GA		SUBJECT BUDGETED POST REHAB EXPENSES LaGrange, GA		2015 CONFIDENTIAL ACTUAL EXPENSES Macon, GA		2015 CONFIDENTIAL ACTUAL EXPENSES Columbus, GA		2015 CONFIDENTIAL ACTUAL EXPENSES McDonough, GA		2015 CONFIDENTIAL ACTUAL EXPENSES Forest Park, GA	
	89		85		85		85		74		120		240		168	
EXPENSE CATEGORY	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	$11,125	$125	$10,625	$125	$10,625	$125	$10,860	$128	$0	$0	$43,277	$361	$246,255	$1,026	$16,596	$99
MARKETING																
Advertising / Screening / Credit	$890	$10	$1,700	$20	$1,000	$10	$500	$6	$795	$11	$393	$3	$15,848	$66	$9,265	$55
SUBTOTAL	**$890**	**$10**	**$1,700**	**$20**	**$850**	**$10**	**$500**	**$6**	**$795**	**$11**	**$393**	**$3**	**$15,848**	**$66**	**$9,265**	**$55**
ADMINISTRATION																
Legal	$5,340	$60	$5,100	$60	$5,100	$60	$3,250	$38	$0	$0	$0	$0	$0	$0	$0	$0
Audit	$6,230	$70	$7,225	$85	$5,950	$70	$4,250	$50	$17,755	$240	$3,086	$26	$23,806	$99	$17,201	$102
Office & Other	$13,350	$150	$13,600	$160	$12,750	$150	$15,800	$186	$25,047	$338	$160,320	$1,336	$147,297	$614	$37,037	$220
SUBTOTAL	**$24,920**	**$280**	**$25,925**	**$305**	**$23,800**	**$280**	**$23,300**	**$274**	**$42,802**	**$578**	**$163,406**	**$1,362**	**$171,103**	**$713**	**$54,238**	**$323**
TOTAL ADMINISTRATION	**$25,810**	**$290**	**$27,625**	**$325**	**$24,650**	**$290**	**$23,800**	**$280**	**$43,597**	**$589**	**$163,799**	**$1,365**	**$19,795**	**$82**	**$63,503**	**$378**
MAINTENANCE																
Painting / Turnover / Cleaning	$13,350	$150	$8,500	$100	$8,500	$100	$10,625	$125	$0	$0	$0	$0	$0	$0	$0	$0
Repairs	$17,800	$200	$17,000	$200	$17,000	$200	$12,750	$740	$58,108	$785	$88,083	$734	$161,253	$672	$102,641	$611
Elevator	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Grounds	$8,900	$100	$8,500	$100	$8,500	$100	$15,150	$178	$0	$0	$0	$0	$0	$0	$5,422	$32
Pool	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Supplies/Other	$13,350	$150	$12,750	$150	$12,750	$150	$13,800	$162	$56,232	$760	$20,292	$169	$0	$0	$0	$0
SUBTOTAL	**$53,400**	**$600**	**$46,750**	**$550**	**$46,750**	**$550**	**$52,325**	**$616**	**$114,340**	**$1,545**	**$108,375**	**$903**	**$161,253**	**$672**	**$108,063**	**$643**
OPERATING																
Contracts	$13,350	$150	$4,250	$50	$4,250	$50	$12,750	$150	$0	$0	$0	$0	$3,727	$16	$0	$0
Exterminating	$4,450	$50	$4,250	$50	$4,250	$50	$13,700	$161	$0	$0	$0	$0	$0	$0	$0	$0
Security	$5,785	$65	$5,525	$65	$5,525	$65	$15,000	$80	$758	$10	$0	$0	$0	$0	$0	$0
SUBTOTAL	**$23,585**	**$265**	**$14,025**	**$165**	**$14,025**	**$165**	**$41,450**	**$488**	**$758**	**$10**	**$0**	**$0**	**$3,727**	**$16**	**$0**	**$0**
TOTAL MAINTENANCE AND OPERATING	**$76,985**	**$865**	**$60,775**	**$715**	**$60,775**	**$715**	**$93,775**	**$1,103**	**$115,098**	**$1,555**	**$108,375**	**$903**	**$164,980**	**$687**	**$108,063**	**$643**
PAYROLL																
On-site manager	$40,000	$449	$40,000	$471	$40,000	$471	$45,000	$1,060	$43,227	$584	$103,209	$860	$140,720	$586	$94,100	$560
Other management staff	$0	$0	$0	$0	$0	$0	$15,000	$176	$0	$0	$0	$0	$0	$0	$0	$0
Maintenance staff	$50,000	$562	$50,000	$588	$50,000	$588	$54,000	$635	$42,274	$571	$46,024	$384	$93,755	$391	$80,375	$478
Janitorial staff	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Benefits	$10,000	$112	$10,000	$118	$10,000	$118	$0	$0	$22,040	$298	$59,891	$499	$55,566	$232	$57,020	$339
Payroll taxes	$10,800	$121	$10,800	$127	$10,800	$127	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
SUBTOTAL	**$110,800**	**$1,245**	**$110,800**	**$1,304**	**$110,800**	**$1,304**	**$114,000**	**$1,341**	**$107,541**	**$1,453**	**$209,124**	**$1,743**	**$290,041**	**$1,209**	**$231,495**	**$1,378**
UTILITIES																
Water & Sewer	$28,480	$320	$25,500	$300	$25,500	$300	$5,000	$59	$46,866	$633	$13,966	$116	$162,516	$677	$4,330	$26
Electricity	$17,800	$200	$17,000	$200	$17,000	$200	$0	$0	$9,372	$127	$17,829	$149	$52,350	$218	$46,068	$274
Gas	$22,250	$250	$17,000	$200	$17,000	$200	$18,028	$212	$10,291	$139	$25,218	$210	-$1,652	-$7	$2,087	$12
Trash	$8,900	$100	$8,500	$100	$8,500	$100	$0	$0	$0	$0	$0	$0	$0	$0	$15,929	$95
SUBTOTAL	**$77,430**	**$870**	**$68,000**	**$800**	**$68,000**	**$800**	**$23,028**	**$271**	**$66,529**	**$899**	**$57,013**	**$475**	**$213,214**	**$888**	**$68,414**	**$407**
MISCELLANEOUS																
Insurance	$22,784	$256	$21,760	$256	$21,760	$256	$21,000	$256	$16,699	$226	$44,956	$375	$61,210	$255	$42,670	$254
Real Estate Taxes / PILOT	$32,211	$362	$7,395	$87	$53,685	$632	$7,408	$87	$20,054	$271	$21,517	$179	$226,355	$943	$87,495	$521
Reserves	$31,150	$350	$29,750	$350	$29,750	$350	$29,750	$350	$25,900	$350	$42,000	$350	$84,000	$350	$58,800	$350
Miscellaneous	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
SUBTOTAL	**$86,145**	**$968**	**$58,905**	**$693**	**$105,195**	**$1,238**	**$58,158**	**$684**	**$62,653**	**$847**	**$108,473**	**$904**	**$371,565**	**$1,548**	**$188,965**	**$1,125**
MANAGEMENT																
SUBTOTAL	**$29,960**	**$337**	**$27,447**	**$323**	**$32,514**	**$383**	**$30,905**	**$364**	**$51,450**	**$695**	**$52,503**	**$438**	**$0**	**$0**	**$39,640**	**$236**
TOTAL EXPENSES	**$407,130**	**$4,574**	**$353,552**	**$4,159**	**$401,934**	**$4,729**	**$343,666**	**$4,043**	**$446,868**	**$6,039**	**$699,287**	**$5,827**	**$1,059,595**	**$4,415**	**$700,080**	**$4,167**

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. The developer's budget indicates a general administrative expense of $280 per unit. The comparable expense data ranges from $82 to $1,365 per unit. Excluding the high outlier, the range is from $82 to $589.

The developer will enter into a lease with the Housing Authority of LaGrange (HAS) for the ground underlying the proposed Subject buildings. The term of the ground lease will be for 75 years for a level annual rent payment of $1,000, or $12 per unit. We have considered the ground lease expense in the as proposed restricted scenario.

We have concluded to $290 for the unrestricted scenarios and $325 per unit for the as proposed restricted scenario, inclusive of the ground lease payment, which are within the range of the comparables. According to a Novogradac & Company LLP comprehensive analysis of national 2015 operating expense data (Multifamily Rental Housing Operating Expense Report, 2016), it costs on average approximately 10 percent more per unit for administrative costs for an affordable property nationally than it does for a market-rate property.

Repairs, Maintenance, and Operating

Included in this expense are normal items of repair including roof, painting, decorating, maintenance of public areas, cleaning, etc. The developer's budgeted expense is $1,103 per unit. The comparable expense data ranges from $643 to $1,555 per unit, with an average of $941. Excluding the high outlier, the range is $643 to $903 per unit, with an average of $739. The Subject will be newly renovated. We have concluded to an expense of $865 per unit for the as is scenario and $715 per unit for both proposed scenarios, which are within the range of the comparables.

Payroll

Payroll expenses are directly connected to the administration of the complex, including office, maintenance and management salaries. In addition, employee benefits and employment related taxes are included in the category. The developer estimates a payroll expense of $1,341 per unit. The comparable expense data ranges from $1,209 to $1,743 per unit. We estimate one full-time manager and one full-time maintenance manager for the Subject as is and as proposed. The following table illustrates our staffing plan for the Subject for the as is scenario and the as proposed (restricted/unrestricted) scenarios.

PAYROLL EXPENSE CALCULATION

	As Is (89 Units)		As Proposed (85 Units)	
	Expenses	Per Unit	Expense	Per Unit
Manager's Salary (Full Time)	$40,000	$449	$40,000	$471
Maintenance Salary (Full Time)	$50,000	$562	$50,000	$588
Benefits ($5,000 per FTE)	$10,000	$112	$10,000	$118
Payroll Taxes (estimated at 12%)	$10,800	$121	$10,800	$127
Total Annual Payroll	**$110,800**	**$1,245**	**$110,800**	**$1,304**

Utilities

The tenant will continue to be responsible for all utilities except for water, sewer, and trash collection. The landlord will also pay common area and vacant unit utilities. The Subject's budgeted expense is $271 per unit, which appears low and unsupported, as it does not include an estimated expense for electricity. We believe that the proposed renovations will improve utility efficiency. We will conclude to utility expense of $800 per unit for both proposed scenarios, which is above the developers budget, and $870 per unit for the as is scenario; both estimated are within the range of comparables ($407 to $899 per unit).

Insurance

Comparable data illustrates a range from $226 to $375 per unit, with an average of $277. The budgeted expense is $256 per unit, which appears reasonable. As such, we have deferred to the developer's budgeted expense of $256 in all scenarios, which is within the range of the comparables.

Taxes

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

Replacement Reserves

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

Management Fees

The typical range for professionally managing an apartment property such as the Subject is 3.0 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. Three of the comparables reported gross rental income, indicating a management fee of 2.0 to 7.0 percent. These three comparables were able to report a management fee per unit, ranging between $236 and $695. The developer's budget indicates a management fee of 6.0 percent. We have concluded to a management fee of 5.0 percent for the as renovated restricted scenario and a management fee of 4.0 percent for the as is and as renovated 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 expenses reported by four comparable properties.

COMPARABLE EXPENSE SUMMARY

Total Expense per Unit	With Taxes	Without Taxes
Developer's Post Rehab Budget	$4,043	$3,956
Expense Comparable 1	$6,039	$5,768
Expense Comparable 2	$5,827	$5,648
Expense Comparable 3	$4,415	$3,472
Expense Comparable 4	$4,167	$3,646
Subject (As Is Unrestricted)	**$4,574**	**$4,213**
Subject (As Proposed Restricted)	**$4,159**	**$4,072**
Subject (As Proposed Unrestricted)	**$4,729**	**$4,097**

The estimated operating expenses for the Subject are slightly above the budget, but within the range of the comparables. The budget appears to be slightly aggressive for a property of the Subject's age, and we have tempered our conclusions with the operating expense comparables in the area. We believe that the estimated expenses for the restricted and unrestricted scenarios are reasonable based upon the comparable expenses.

Prospective Market Value at Loan Maturity

To quantify the 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 Troup County increased 0.8 percent annually between 1999 and 2017. Since 2014, the AMI in the county has increased just 0.6 percent overall. Several of the LIHTC and market rate comparables experienced slight rent growth over the past year. The LIHTC comparables keep rents at the maximum allowable levels, while the market rate comparables reported rent fluctuations from one to 11 percent. We have increased the income and expense line items by 1.0 percent per annum over the holding period. This is based upon the AMI growth and the market-oriented rent increases of the comparable properties.

Terminal Capitalization Rate

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

PwC REAL ESTATE INVESTOR SURVEY

National Apartment Market

Overall Capitalization Rate - Institutional Grade Investments	
Range:	3.50%-7.50%
Average:	5.32%
Non-Institutional Grade Investments	
Range:	3.75% - 11.50%
Average:	7.07%

Source: PwC Real Estate Investor Survey, Q4 2017

Additionally, we have considered the market extracted capitalization rates in the LaGrange market. As discussed in detail later in this report, we have estimated a going in capitalization rate of 7.75 percent for the Subject in the unrestricted scenarios and 7.00 percent for the restricted scenario.

The average terminal cap rate (5.74 percent) is approximately 42 basis points higher than the average overall capitalization rate (5.32 percent).

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 8.25 percent has been used in the unrestricted scenario and 7.50 percent in the restricted scenario, which are within the range and considered reasonable for a non-institutional grade property such as the Subject following completion.

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"

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Fiscal Year	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Income															
Low Income Units	$554,796	$560,344	$565,947	$571,607	$577,323	$583,096	$588,927	$594,816	$600,765	$606,772	$612,840	$618,968	$625,158	$631,410	$637,724
Nonresidential	$11,125	$11,236	$11,349	$11,462	$11,577	$11,692	$11,809	$11,928	$12,047	$12,167	$12,289	$12,412	$12,536	$12,661	$12,788
Gross Project Income	$565,921	$571,580	$577,296	$583,069	$588,900	$594,789	$600,737	$606,744	$612,811	$618,939	$625,129	$631,380	$637,694	$644,071	$650,512
Vacancy Allowance	-$16,978	-$17,147	-$17,319	-$17,492	-$17,667	-$17,844	-$18,022	-$18,202	-$18,384	-$18,568	-$18,754	-$18,941	-$19,131	-$19,322	-$19,515
Effective Gross Income	$548,943	$554,433	$559,977	$565,577	$571,233	$576,945	$582,714	$588,542	$594,427	$600,371	$606,375	$612,439	$618,563	$624,749	$630,996
Expenses															
Administrative and Marketing	$27,625	$27,901	$28,180	$28,462	$28,747	$29,034	$29,324	$29,618	$29,914	$30,213	$30,515	$30,820	$31,129	$31,440	$31,754
Maintenance and Operating	$60,775	$61,383	$61,997	$62,617	$63,243	$63,875	$64,514	$65,159	$65,811	$66,469	$67,133	$67,805	$68,483	$69,168	$69,859
Payroll	$110,800	$111,908	$113,027	$114,157	$115,299	$116,452	$117,616	$118,793	$119,981	$121,180	$122,392	$123,616	$124,852	$126,101	$127,362
Utilities	$68,000	$68,680	$69,367	$70,060	$70,761	$71,469	$72,183	$72,905	$73,634	$74,371	$75,114	$75,865	$76,624	$77,390	$78,164
Insurance	$21,760	$21,978	$22,197	$22,419	$22,644	$22,870	$23,099	$23,330	$23,563	$23,799	$24,037	$24,277	$24,520	$24,765	$25,013
Real Estate Taxes	$7,395	$7,469	$7,544	$7,619	$7,695	$7,772	$7,850	$7,928	$8,008	$8,088	$8,169	$8,250	$8,333	$8,416	$8,500
Replacement Reserve	$29,750	$30,048	$30,348	$30,651	$30,958	$31,268	$31,580	$31,896	$32,215	$32,537	$32,863	$33,191	$33,523	$33,858	$34,197
Management Fee	$21,958	$22,177	$22,399	$22,623	$22,849	$23,078	$23,309	$23,542	$23,777	$24,015	$24,255	$24,498	$24,743	$24,990	$25,240
Total Expenses	$348,063	$351,543	$355,059	$358,609	$362,195	$365,817	$369,476	$373,170	$376,902	$380,671	$384,478	$388,323	$392,206	$396,128	$400,089
Net Operating Income	$200,881	$202,889	$204,918	$206,968	$209,037	$211,128	$213,239	$215,371	$217,525	$219,700	$221,897	$224,116	$226,357	$228,621	$230,907
Reversion Calculation															
Terminal Capitalization Rate	7.50%														7.5%
Sales Costs	3.0%														3.0%
Net Sales Proceeds															$3,000,000

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
Fiscal Year	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048
Income															
Low Income Units	$644,101	$650,542	$657,047	$663,618	$670,254	$676,957	$683,726	$690,563	$697,469	$704,444	$711,488	$718,603	$725,789	$733,047	$740,377
Nonresidential	$12,916	$13,045	$13,175	$13,307	$13,440	$13,575	$13,710	$13,847	$13,986	$14,126	$14,267	$14,410	$14,554	$14,699	$14,846
Gross Project Income	$657,017	$663,587	$670,223	$676,925	$683,694	$690,531	$697,436	$704,411	$711,455	$718,570	$725,755	$733,013	$740,343	$747,746	$755,224
Vacancy Allowance	-$19,711	-$19,908	-$20,107	-$20,308	-$20,511	-$20,716	-$20,923	-$21,132	-$21,344	-$21,557	-$21,773	-$21,990	-$22,210	-$22,432	-$22,657
Effective Gross Income	$637,306	$643,679	$650,116	$656,617	$663,183	$669,815	$676,513	$683,279	$690,111	$697,012	$703,983	$711,022	$718,133	$725,314	$732,567
Expenses															
Administrative and Marketing	$32,072	$32,392	$32,716	$33,044	$33,374	$33,708	$34,045	$34,385	$34,729	$35,076	$35,427	$35,781	$36,139	$36,501	$36,866
Maintenance and Operating	$70,558	$71,263	$71,976	$72,696	$73,423	$74,157	$74,899	$75,648	$76,404	$77,168	$77,940	$78,719	$79,506	$80,301	$81,104
Payroll	$128,635	$129,922	$131,221	$132,533	$133,858	$135,197	$136,549	$137,915	$139,294	$140,687	$142,093	$143,514	$144,950	$146,399	$147,863
Utilities	$78,946	$79,735	$80,533	$81,338	$82,151	$82,973	$83,803	$84,641	$85,487	$86,342	$87,205	$88,077	$88,958	$89,848	$90,746
Insurance	$25,263	$25,515	$25,770	$26,028	$26,288	$26,551	$26,817	$27,085	$27,356	$27,629	$27,906	$28,185	$28,467	$28,751	$29,039
Real Estate Taxes	$8,585	$8,671	$8,758	$8,846	$8,934	$9,023	$9,114	$9,205	$9,297	$9,390	$9,484	$9,578	$9,674	$9,771	$9,869
Replacement Reserve	$34,539	$34,884	$35,233	$35,585	$35,941	$36,301	$36,664	$37,030	$37,401	$37,775	$38,152	$38,534	$38,919	$39,308	$39,701
Management Fee	$25,492	$25,747	$26,005	$26,265	$26,527	$26,793	$27,061	$27,331	$27,604	$27,880	$28,159	$28,441	$28,725	$29,013	$29,303
Total Expenses	$404,090	$408,131	$412,212	$416,334	$420,498	$424,703	$428,950	$433,239	$437,572	$441,947	$446,367	$450,830	$455,339	$459,892	$464,491
Net Operating Income	$233,216	$235,548	$237,904	$240,283	$242,686	$245,113	$247,564	$250,039	$252,540	$255,065	$257,616	$260,192	$262,794	$265,422	$268,076
Reversion Calculation															
Terminal Capitalization Rate					7.5%					7.5%					7.5%
Sales Costs					3.0%					3.0%					3.0%
Net Sales Proceeds					$3,100,000					$3,300,000					$3,500,000

As Proposed Unrestricted Scenario (Years 1 through 15)

Market Cash Flow Value Derivation of "as complete"															
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Fiscal Year	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Income															
Low Income Units	$844,500	$852,945	$861,474	$870,089	$878,790	$887,578	$896,454	$905,418	$914,472	$923,617	$932,853	$942,182	$951,604	$961,120	$970,731
Nonresidential	$11,125	$11,236	$11,349	$11,462	$11,577	$11,692	$11,809	$11,928	$12,047	$12,167	$12,289	$12,412	$12,536	$12,661	$12,788
Gross Project Income	$855,625	$864,181	$872,823	$881,551	$890,367	$899,270	$908,263	$917,346	$926,519	$935,784	$945,142	$954,594	$964,140	$973,781	$983,519
Vacancy Allowance	-$42,781	-$43,209	-$43,641	-$44,078	-$44,518	-$44,964	-$45,413	-$45,867	-$46,326	-$46,789	-$47,257	-$47,730	-$48,207	-$48,689	-$49,176
Effective Gross Income	$812,844	$820,972	$829,182	$837,474	$845,848	$854,307	$862,850	$871,479	$880,193	$888,995	$897,885	$906,864	$915,933	$925,092	$934,343
Expenses															
Administrative and Marketing	$24,650	$24,897	$25,145	$25,397	$25,651	$25,907	$26,166	$26,428	$26,692	$26,959	$27,229	$27,501	$27,776	$28,054	$28,335
Maintenance and Operating	$60,775	$61,383	$61,997	$62,617	$63,243	$63,875	$64,514	$65,159	$65,811	$66,469	$67,133	$67,805	$68,483	$69,168	$69,859
Payroll	$110,800	$111,908	$113,027	$114,157	$115,299	$116,452	$117,616	$118,793	$119,981	$121,180	$122,392	$123,616	$124,852	$126,101	$127,362
Utilities	$68,000	$68,680	$69,367	$70,060	$70,761	$71,469	$72,183	$72,905	$73,634	$74,371	$75,114	$75,865	$76,624	$77,390	$78,164
Insurance	$21,760	$21,978	$22,197	$22,419	$22,644	$22,870	$23,099	$23,330	$23,563	$23,799	$24,037	$24,277	$24,520	$24,765	$25,013
Real Estate Taxes	$53,685	$54,222	$54,764	$55,312	$55,865	$56,423	$56,987	$57,557	$58,133	$58,714	$59,301	$59,894	$60,493	$61,098	$61,709
Replacement Reserve	$29,750	$30,048	$30,348	$30,651	$30,958	$31,268	$31,580	$31,896	$32,215	$32,537	$32,863	$33,191	$33,523	$33,858	$34,197
Management Fee	$32,514	$32,839	$33,167	$33,499	$33,834	$34,172	$34,514	$34,859	$35,208	$35,560	$35,915	$36,275	$36,637	$37,004	$37,374
Total Expenses	$401,934	$405,953	$410,012	$414,113	$418,254	$422,436	$426,661	$430,927	$435,236	$439,589	$443,985	$448,425	$452,909	$457,438	$462,012
Net Operating Income	$410,910	$415,019	$419,169	$423,361	$427,595	$431,871	$436,189	$440,551	$444,957	$449,406	$453,900	$458,440	$463,024	$467,654	$472,331
Reversion Calculation															
Terminal Capitalization Rate	8.25%														8.25%
Sales Costs	3.0%														3.0%
Net Sales Proceeds															$5,600,000

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
Fiscal Year	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048
Income															
Low Income Units	$980,438	$990,243	$1,000,145	$1,010,147	$1,020,248	$1,030,450	$1,040,755	$1,051,163	$1,061,674	$1,072,291	$1,083,014	$1,093,844	$1,104,782	$1,115,830	$1,126,989
Nonresidential	$12,916	$13,045	$13,175	$13,307	$13,440	$13,575	$13,710	$13,847	$13,986	$14,126	$14,267	$14,410	$14,554	$14,699	$14,846
Gross Project Income	$993,354	$1,003,288	$1,013,320	$1,023,454	$1,033,688	$1,044,025	$1,054,465	$1,065,010	$1,075,660	$1,086,417	$1,097,281	$1,108,254	$1,119,336	$1,130,530	$1,141,835
Vacancy Allowance	-$49,668	-$50,164	-$50,666	-$51,173	-$51,684	-$52,201	-$52,723	-$53,251	-$53,783	-$54,321	-$54,864	-$55,413	-$55,967	-$56,526	-$57,092
Effective Gross Income	$943,686	$953,123	$962,654	$972,281	$982,004	$991,824	$1,001,742	$1,011,760	$1,021,877	$1,032,096	$1,042,417	$1,052,841	$1,063,369	$1,074,003	$1,084,743
Expenses															
Administrative and Marketing	$28,618	$28,904	$29,193	$29,485	$29,780	$30,078	$30,378	$30,682	$30,989	$31,299	$31,612	$31,928	$32,247	$32,570	$32,896
Maintenance and Operating	$70,558	$71,263	$71,976	$72,696	$73,423	$74,157	$74,899	$75,648	$76,404	$77,168	$77,940	$78,719	$79,506	$80,301	$81,104
Payroll	$128,635	$129,922	$131,221	$132,533	$133,858	$135,197	$136,549	$137,915	$139,294	$140,687	$142,093	$143,514	$144,950	$146,399	$147,863
Utilities	$78,946	$79,735	$80,533	$81,338	$82,151	$82,973	$83,803	$84,641	$85,487	$86,342	$87,205	$88,077	$88,958	$89,848	$90,746
Insurance	$25,263	$25,515	$25,770	$26,028	$26,288	$26,551	$26,817	$27,085	$27,356	$27,629	$27,906	$28,185	$28,467	$28,751	$29,039
Real Estate Taxes	$62,326	$62,950	$63,579	$64,215	$64,857	$65,506	$66,161	$66,822	$67,491	$68,165	$68,847	$69,536	$70,231	$70,933	$71,643
Replacement Reserve	$34,539	$34,884	$35,233	$35,585	$35,941	$36,301	$36,664	$37,030	$37,401	$37,775	$38,152	$38,534	$38,919	$39,308	$39,701
Management Fee	$37,747	$38,125	$38,506	$38,891	$39,280	$39,673	$40,070	$40,470	$40,875	$41,284	$41,697	$42,114	$42,535	$42,960	$43,390
Total Expenses	$466,632	$471,299	$476,012	$480,772	$485,580	$490,435	$495,340	$500,293	$505,296	$510,349	$515,452	$520,607	$525,813	$531,071	$536,382
Net Operating Income	$477,054	$481,825	$486,643	$491,509	$496,424	$501,389	$506,402	$511,466	$516,581	$521,747	$526,964	$532,234	$537,556	$542,932	$548,361
Reversion Calculation															
Terminal Capitalization Rate					8.25%					8.25%					8.25%
Sales Costs					3.0%					3.0%					3.0%
Net Sales Proceeds					$5,800,000					$6,100,000					$6,400,000

Conclusion

Prospective Market Value as Restricted 30 years (Loan Maturity)

The prospective market value at 30 years (loan maturity) of the Subject's fee simple interest, subject to the rental restrictions in the year 2048, as of February 2, 2018, is:

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

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

The hypothetical prospective market value at 30 years (loan maturity) of the Subject's fee simple interest, as an unrestricted property in the year 2048, as of February 2, 2018, is:

SIX MILLION FOUR HUNDRED THOUSAND DOLLARS
($6,400,000)

DIRECT CAPITALIZATION

We have provided various value indications, per the scope of work. 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. 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	City, State	Year Built	Sale Date	Sale Price	# of Units	Price / Unit	Effective Gross Income Multiplier	Overall Rate
1	Walden Pointe	Griffin, GA 30224	1998	Jun-17	$15,000,000	216	$69,444	7.9	6.3%
2	Gleneagle Apartments	Griffin, GA 30223	1987	Nov-16	$3,720,000	60	$62,000	6.8	7.5%
3	Brighton Farms Apartments	Newnan, GA	1972	Jun-16	$10,306,000	134	$76,910	7.9	6.6%
4	Autumn Ridge	LaGrange, GA	1978	Mar-14	$2,175,000	80	$27,188	4.4	9.8%
	Average				**$7,800,250**	**123**	**$58,886**	**6.8**	**7.5%**

The properties are all stabilized and represent typical market transactions for multifamily properties in west-central Georgia. The primary factors that influences the selection of a rate is the Subject's condition and location. The sales illustrate a range of overall rates from 6.3 percent to 9.8 percent and occurred between March 2014 and June 2017. It appears that capitalization rates have compressed during this time. All of the sales were constructed between 1972 and 1998 and are slightly superior to the Subject in terms of age and condition. One of the sales is located in LaGrange, while the remaining three comparables are located within 45 miles of the Subject in the communities of Newnan and Griffin, which are generally similar locations. Further, Sales 1 and 3 have a larger number of units, yet are considered small enough to attract similar institutional investors. We believe a capitalization rate of 7.75 percent, which is just above the average, is considered reasonable based on market extraction for the Subject, given the recent downward trend exhibited by the sales, despite a rate of 9.8 percent exhibited by the one sale in LaGrange, which occurred in 2014 and is the oldest sale.

Following the most recent national recession, properties operating with project-based rental assistance located in larger markets began to more closely track overall capitalization rates. However, rent-assisted properties located in smaller, tertiary markets continued to offer an advantage relative to the overall market with regard to capitalization rates. This is due to the stability offered by rent-assisted properties in areas with lower overall rental demand. As a result of the Subject's location in a tertiary market, we believe that the reconciled capitalization rate for the restricted value would be approximately 75 to 100 basis points lower than an unrestricted capitalization rate based upon the conventional sales comparables of 7.00 percent.

REIS and CoStar capitalization rate data is not available for LaGrange, Troup County, or any of the surrounding counties. Therefore, this data was not presented in the report.

The PwC Real Estate Investor Survey

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

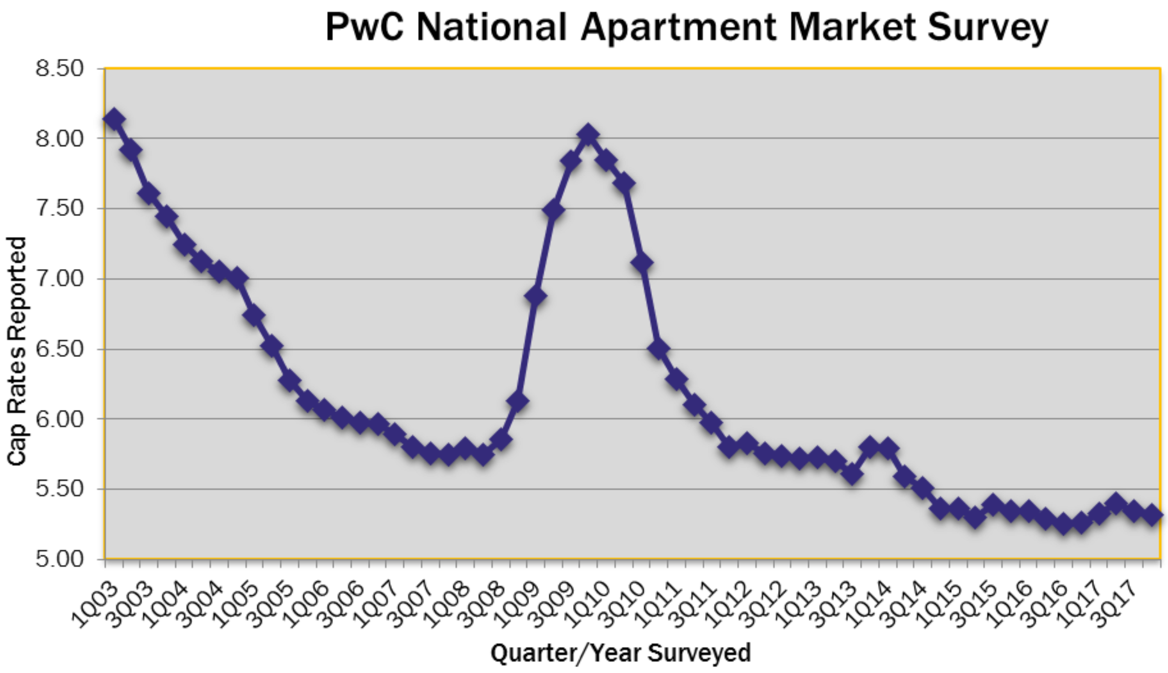
PwC REAL ESTATE INVESTOR SURVEY

National Apartment Market

Overall Capitalization Rate - Institutional Grade Investments	
Range:	3.50%-7.50%
Average:	5.32%
Non-Institutional Grade Investments	
Range:	3.75% - 11.50%
Average:	7.07%

Source: PwC Real Estate Investor Survey, Q4 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 criteria[2]. 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.



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[2] PwC Real Estate Investor Survey

PwC Real Estate Investor Survey - National Apartment Market
Overall Capitalization Rate - Institutional Grade Investments

Quarter	Cap Rate	Change (bps)	Quarter	Cap Rate	Change (bps)
1Q03	8.14	-	3Q10	7.12	-0.56
2Q03	7.92	-0.22	4Q10	6.51	-0.61
3Q03	7.61	-0.31	1Q11	6.29	-0.22
4Q03	7.45	-0.16	2Q11	6.10	-0.19
1Q04	7.25	-0.20	3Q11	5.98	-0.12
2Q04	7.13	-0.12	4Q11	5.80	-0.18
3Q04	7.05	-0.08	1Q12	5.83	0.03
4Q04	7.01	-0.04	2Q12	5.76	-0.07
1Q05	6.74	-0.27	3Q12	5.74	-0.02
2Q05	6.52	-0.22	4Q12	5.72	-0.02
3Q05	6.28	-0.24	1Q13	5.73	0.01
4Q05	6.13	-0.15	2Q13	5.70	-0.03
1Q06	6.07	-0.06	3Q13	5.61	-0.09
2Q06	6.01	-0.06	4Q13	5.80	0.19
3Q06	5.98	-0.03	1Q14	5.79	-0.01
4Q06	5.97	-0.01	2Q14	5.59	-0.20
1Q07	5.89	-0.08	3Q14	5.51	-0.08
2Q07	5.80	-0.09	4Q14	5.36	-0.15
3Q07	5.76	-0.04	1Q15	5.36	0.00
4Q07	5.75	-0.01	2Q15	5.30	-0.06
1Q08	5.79	0.04	3Q15	5.39	0.09
2Q08	5.75	-0.04	4Q15	5.35	-0.04
3Q08	5.86	0.11	1Q16	5.35	0.00
4Q08	6.13	0.27	2Q16	5.29	-0.06
1Q09	6.88	0.75	3Q16	5.25	-0.04
2Q09	7.49	0.61	4Q16	5.26	0.01
3Q09	7.84	0.35	1Q17	5.33	0.07
4Q09	8.03	0.19	2Q17	5.40	0.07
1Q10	7.85	-0.18	3Q17	5.35	-0.05
2Q10	7.68	-0.17	4Q17	5.32	-0.03

Source: PwC Real Estate Investor Survey, Q4 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 second quarter of 2015. Capitalization rates as of the fourth quarter of 2017 have exhibited a slight increase over capitalization rates from the fourth quarter of 2016. Overall, we have estimated a capitalization rate of 7.75 percent, which is within the range of the Non-Institutional Grade capitalization rates.

Debt Coverage Ratio

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

The ratio used is:

Net Operating Income/ Annual Debt Service = Debt Coverage Ratio

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

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

Where:

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

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

The formula is:

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

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

The Mortgage Constant (RM) is based upon the calculated interest rate from the ten year treasury. The equity dividend rate RE, 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 four to 12 percent. In this case, the Subject is located within a rural market. An equity dividend estimate of 10.0 percent is considered reasonable in this analysis.

The following table summarizes calculations for the two previously discussed methods of capitalization rate derivation. We will utilize a market oriented interest rate of 5.35 percent. Based on our work files, the typical amortization period is 25 to 30 years and the loan to value ratio is 70 to 80 percent with interest rates between 4.00 and 6.00 percent. Therefore, we believe a 5.35 percent interest rate with a 30 year amortization period and a loan to value of 80 percent is reasonable. The following table illustrates the band of investment for the Subject property.

CAPITALIZATION RATE DERIVATION

Inputs and Assumptions		Interest Rate Calculations	
DCR	1.4	Treasury Bond Basis*	
Rm	0.07	10 Year T Bond Rate (12/2016)	2.85%
Interest (per annum)*	5.35%	Interest rate spread	250
Amortization (years)	30	Interest Rate (per annum, rounded)	5.35%
M	80%		
Re	10.0%		

Debt Coverage Ratio									
	Ro	=	DCR	X	Rm	X	M		
	7.51%	=	1.40	X	0.07	X	80%		
Band of Investment									
	Ro	=	(M	X	Rm)	+	((1-M)	X	Re)
	7.36%		80%	X	0.07	+	20%	X	10%

* Source: Bloomberg.com, 2/2018

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	7.00-7.75%
PwC Survey	7.50%
Debt Coverage Ratio	7.51%
Band of Investment	7.36%

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 7.00 to 7.75 percent. Therefore, we reconciled to a 7.75 percent capitalization rate for the unrestricted scenarios and a 7.00 percent capitalization rate for the restricted scenario, 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 Renovated Restricted		As Renovated Unrestricted	
Apartment Rentals	As Is Unit Mix	As Proposed Unit Mix	Rent	Total Revenue	Rent	Total Revenue	Rent	Total Revenue
1BR/1BA - CHAP	13	13	$575	$89,700	$393	$61,308	$675	$105,300
2BR/1BA - CHAP	34	32	$675	$275,400	$474	$182,016	$775	$297,600
3BR/2BA - CHAP	24	22	$775	$223,200	$648	$171,072	$875	$231,000
4BR/2BA - CHAP	18	18	$875	$189,000	$650	$140,400	$975	$210,600
Total Potential Rental Income	89	85	$728	$777,300	$544	$554,796	$828	$844,500
Other Income								
Miscellaneous			$125	$11,125	$125	$11,125	$125	$11,125
Residential Potential Revenues			$8,859	$788,425	$6,658	$565,921	$10,066	$855,625
Vacancy			-$443	-$39,421	-$200	-$16,978	-$503	-$42,781
Vacancy and Collections Loss Percentage				-5%		-3%		-5%
Effective Gross Income			$8,416	$749,004	$6,458	$548,943	$9,563	$812,844

Operating Expenses

				As Is Unrestricted		As Renovated Restricted		novated Unrest	
Administration and Marketing				$290	$25,810	$325	$27,625	$290	$24,650
Maintenance and Operating				$865	$76,985	$715	$60,775	$715	$60,775
Payroll				$1,245	$110,800	$1,304	$110,800	$1,304	$110,800
Utilities				$870	$77,430	$800	$68,000	$800	$68,000
Property & Liability Insurance				$256	$22,784	$256	$21,760	$256	$21,760
Real Estate and Other Taxes				$362	$32,211	$87	$7,395	$632	$53,685
Replacement Reserves				$350	$31,150	$350	$29,750	$350	$29,750
Management Fee	4.0%	5.0%	4.0%	$337	$29,960	$323	$27,447	$383	$32,514
Total Operating Expenses				$4,574	$407,130	$4,159	$353,552	$4,729	$401,934
Expenses as a ratio of EGI					54%		64%		49%

Valuation

	As Is Unrestricted		As Renovated Restricted		As Renovated Unrestricted	
Net Operating Income	$3,841	$341,874	$2,299	$195,391	$4,834	$410,910
Capitalization Rate		7.75%		7.00%		7.75%
Indicated Value "rounded"		**$4,400,000**		**$2,800,000**		**$5,300,000**

	As Is Unrestricted		As Renovated Unrestricted		As Renovated Unrestricted	
Number of Months to lease to Stabilized - 93%	6	-	5		6	
Income loss	$197,106	25%	$117,900	21%	$213,906	25%
Initial market costs	$10,000		$10,000		$10,000	
Total loss to lease	$207,106		$127,900		$223,906	
Value as complete	$4,192,894		$2,672,100		$5,076,094	
As Complete Value Rounded	**$4,200,000**		**$2,700,000**		**$5,100,000**	

Cost of Stabilization

For the As Is Value, based upon the highest and best use in its as is condition, which is for conversion of the Subject to market rate operation, we have assumed that the Subject would need to re-lease all 85 units under conventional operations. As previously noted, we have assumed an absorption period of six months in the unrestricted scenarios and five months in the restricted scenario. Additionally, we have added $10,000 in estimated marketing costs over this time period. Therefore, we have deducted a total cost of stabilization, as illustrated above. The indicated value has been adjusted by this amount to arrive at each value as completed.

Conclusion

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

DIRECT CAPITALIZATION ANALYSIS - "AS IS"

Scenario	Indicated Value (Rounded)
As Is Unrestricted	$4,200,000

DIRECT CAPITALIZATION ANALYSIS - "AS COMPLETE"

Scenario	Loss To Lease	Indicated Value (Rounded)
As Complete Restricted	$127,900	$2,700,000
As Complete Unrestricted	$223,906	$5,100,000

DIRECT CAPITALIZATION ANALYSIS - "AS COMPLETE AND STABILIZED"

Scenario	Cap Rate	Net Operating Income	Indicated Value (Rounded)
As Complete Restricted	7.00%	$195,391	$2,800,000
As Complete Unrestricted	7.75%	$410,910	$5,300,000

The Subject's market value of the real estate "As Is", via the Income Capitalization Approach, as of February 2, 2018 is:

FOUR MILLION TWO HUNDRED THOUSAND DOLLARS
($4,200,000)

The Subject is currently restricted and operated as a HUD Public Housing development. As public housing, the Subject operates under a flat rent schedule. This rent schedule is not market-oriented; the Subject essentially operates on a break-even basis, and not in a profit-generating manner. As such, valuing the Subject assuming public housing restrictions would essentially lend itself to the Subject having little to no value.

The majority of buyers of multifamily developments utilize the income capitalization approach when valuing and determining the fair market value of a multifamily investment. We believe that the current income structure is not an accurate basis upon which to value the property, as it results in no value to the Subject when utilizing the income approach. Based upon our conversations with attorneys specializing in public housing, upon transfer of the property, the existing public housing restrictions could be removed provided that the Housing Authority re-invest the sale proceeds into other affordable units.

The highest and best use of the property, in its as is condition, would to substantially renovate through the RAD process with LIHTCs, utilizing the CHAP rents with market-based restricted operating expenses, or to maintain restricted operations utilizing CHAP award and market oriented operating expense, or to remove the public housing restrictions and operate as an unrestricted development. However, as the purpose of the As Is valuation is to establish the As Is Fair Market Value in support of LIHTC eligible basis, we must recognize that the IRS and state LIHTC allocating agencies do not allow establishing a fair market value for a development by including the added value of receiving a LIHTC allocation (which would then be deemed investment value). Therefore, for our estimate of As Is Fair Market Value, we have determined that the highest and best use of the Subject, in its as is condition, is for conversion to unrestricted operations since *this results in a higher value than continued restricted operations (utilizing CHAP rents and assuming market-oriented expenses).*

The use of extraordinary assumptions and hypothetical conditions may affect the assignment results.

The Subject's hypothetical market value of the real estate assuming the proposed RAD program CHAP rents "As Complete", via the Income Capitalization Approach, as of February 2, 2018 is:

TWO MILLION SEVEN HUNDRED THOUSAND DOLLARS
(**$2,700,000**)

The Subject's hypothetical market value of the real estate assuming the achievable unrestricted rents "As Complete", via the Income Capitalization Approach, as of February 2, 2018 is:

FIVE MILLION ONE HUNDERD THOUSAND DOLLARS
(**$5,100,000**)

The Subject's hypothetical market value of the real estate assuming the proposed RAD program CHAP rents "As Complete and Stabilized", via the Income Capitalization Approach, as of February 2, 2018 is:

TWO MILLION EIGHT HUNDRED THOUSAND DOLLARS
(**$2,800,000**)

The Subject's hypothetical market value of the real estate assuming the achievable unrestricted rents "As Complete and Stabilized", via the Income Capitalization Approach, as of February 2, 2018 is:

FIVE MILLION THREE HUNDRED THOUSAND DOLLARS
(**$5,300,000**)

Below Market Debt

The developer has indicated that there will be a $2,300,000 amortizing mortgage with an interest rate of 1.0 percent and a 25-year term.

The value of the below market debt is calculated by comparing a market debt stream to the proposed debt and bringing the difference to a present value using the market interest rate. The following illustrates the comparison of debt assumptions.

Favorable Financing Assumptions		Market Financing Assumptions	
Principal	$2,500,000	Principal	$2,500,000
Interest Rate	1.000%	Interest Rate	5.350%
Term of Loan	25	Term of Loan	25

Year	Principal	Interest	Total	Year	Principal	Interest	Total	Differential	Discount Rate	Present Value
1	$88,466	$24,595	$113,062	1	$48,988	$132,560	$181,549	$68,487	0.9492	$65,009
2	$89,355	$23,707	$113,062	2	$51,674	$129,874	$181,549	$68,487	0.9010	$61,708
3	$90,253	$22,809	$113,062	3	$54,508	$127,041	$181,549	$68,487	0.8553	$58,574
4	$91,160	$21,902	$113,062	4	$57,496	$124,052	$181,549	$68,487	0.8118	$55,599
5	$92,075	$20,986	$113,062	5	$60,649	$120,899	$181,549	$68,487	0.7706	$52,776
6	$93,000	$20,061	$113,062	6	$63,975	$117,574	$181,549	$68,487	0.7315	$50,096
7	$93,935	$19,127	$113,062	7	$67,482	$114,066	$181,549	$68,487	0.6943	$47,552
8	$94,878	$18,183	$113,062	8	$71,183	$110,366	$181,549	$68,487	0.6591	$45,137
9	$95,831	$17,230	$113,062	9	$75,086	$106,463	$181,549	$68,487	0.6256	$42,845
10	$96,794	$16,268	$113,062	10	$79,203	$102,346	$181,549	$68,487	0.5938	$40,669
11	$97,767	$15,295	$113,062	11	$83,545	$98,003	$181,549	$68,487	0.5637	$38,604
12	$98,749	$14,313	$113,062	12	$88,126	$93,422	$181,549	$68,487	0.5350	$36,643
13	$99,741	$13,321	$113,062	13	$92,959	$88,590	$181,549	$68,487	0.5079	$34,782
14	$100,743	$12,319	$113,062	14	$98,056	$83,493	$181,549	$68,487	0.4821	$33,016
15	$101,755	$11,307	$113,062	15	$103,432	$78,116	$181,549	$68,487	0.4576	$31,339
16	$102,777	$10,285	$113,062	16	$109,103	$72,445	$181,549	$68,487	0.4344	$29,748
17	$103,809	$9,252	$113,062	17	$115,086	$66,463	$181,549	$68,487	0.4123	$28,237
18	$104,852	$8,209	$113,062	18	$121,396	$60,152	$181,549	$68,487	0.3914	$26,803
19	$105,906	$7,156	$113,062	19	$128,052	$53,496	$181,549	$68,487	0.3715	$25,442
20	$106,970	$6,092	$113,062	20	$135,074	$46,475	$181,549	$68,487	0.3526	$24,150
21	$108,044	$5,018	$113,062	21	$142,480	$39,069	$181,549	$68,487	0.3347	$22,924
22	$109,130	$3,932	$113,062	22	$150,292	$31,256	$181,549	$68,487	0.3177	$21,759
23	$110,226	$2,836	$113,062	23	$158,533	$23,015	$181,549	$68,487	0.3016	$20,654
24	$111,333	$1,728	$113,062	24	$167,226	$14,323	$181,549	$68,487	0.2863	$19,606
25	$112,452	$610	$113,062	25	$176,395	$5,153	$181,549	$68,487	0.2717	$18,610
Total	**$2,500,000**	**$326,543**	**$2,826,543**	**Total**	**$2,500,000**	**$2,038,715**	**$4,538,715**	**$1,712,171**		**$932,280**
Balloon	**$0**									**$0**
									Total	**$932,280**
									Rounded	**$900,000**

As illustrated in the previous table, the value difference between the Subject's debt and market rate debt, discounted to present value, is **$900,000.**

VALUATION - TAX CREDIT EQUITY

We were asked to value the federal tax credits. A 10-year federal tax credit incentive program encumbers the Subject. The Subject is an existing public housing development proposed for renovation with LIHTC funding through RAD conversion.

As an incentive to participate in the low-income housing program the developer is awarded "tax credits" which provide the incentive to construct and rehabilitate affordable housing in otherwise financially infeasible markets. The tax credit program was created by the Internal Revenue Code Section 42, and is a Federal tax program administered by the states. The developer expects to receive a total LIHTC allocation of $9,676,107 ($5,042,920 in federal and $4,633,183 in state credits). The limited partner's share is 99.99 percent, which equates $5,042,416 for federal tax credits.

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

As the previous table illustrates, federal tax credit raise rates in the last year have ranged from $0.77 to $1.02 per credit. 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 $0.80 per tax credit for the federal credits, which is within the range of recent pricing patterns.

Tax Reform and Impact on Pricing

After the election, there was a pause created by the discussions in Congress about potential tax reform legislation. After several months, investors moved back into the market and factored some level of change in the tax rate as well as other potential changes from tax reform legislation being discussed at that time. In the end, the Tax Cuts and Jobs Act of 2017, signed into law at the end of 2017, has a variety of elements that were different from what was considered likely earlier in the year. As a result, the final impact of the new legislation on the tax credit market is uncertain and impossible to predict as of the date of value. Additionally, it will likely take several months to fully understand the impacts of the legislation on corporate investors and the impact on credit pricing. Thus, we have made the extraordinary assumption that the market will stabilize and pricing will be generally consistent with recent conversations with investors. Overall, we have conservatively utilized the estimated federal tax credit pricing of $0.80 in our analysis. Additional information regarding the state tax credit pricing follows.

The following table illustrates Georgia state tax credit pricing for 2016 and 2017, the most recent available.

GEORGIA STATE TAX CREDIT PRICING

Year	Price Per Credit	Location	Type
2017	$0.60	Decatur	Rehabilitation
2017	$0.60	Atlanta	Rehabilitation
2017	$0.55	Savannah	Rehabilitation
2016	$0.52	Atlanta	Rehabilitation
2016	$0.55	Albany	New Construction
2016	$0.40	Marietta	New Construction
2016	$0.40	Augusta	New Construction
Average	**$0.51**		

According to recent data, the Georgia state credit pricing ranged from $0.40 to $0.60 over the past two years, with an increasing trend. However, we have interviewed two investors that are active in the market, which indicated a range of $0.56 to $0.67 per credit in 2018. However, due to tax reform, state tax credits should increase in value as a result of the loss of the deductibility of state tax payments at the federal level. The theoretical economic "ceiling" for state credits will likely be in the high $0.70s; however, there are other factors at play, such as direct investments, CRA needs, and pricing structuring when the syndicator/investor is purchasing both the state and federal credits. The developer has indicated quoted pricing of $0.735 per state credit; although high, this is within the range of where we believe state credit pricing will fall, and given that the client has a letter of intent at this price point, while also taking a discount on the federal pricing previously quoted prior to tax reform, we have deferred to the furnished pricing. The total value of the tax credits is summarized in the following table.

Federal and State Tax Credit Value

	Value	Pricing
Total Credits	$9,675,599	
Annual Amount	$967,560	
Federal	$5,042,416	$0.800
State	$4,633,183	$0.735
Total Value	**$7,440,000**	

We believe a price of approximately $0.800 per credit for federal tax credits and $0.735 for state tax credits is reasonable and results in a total tax credit value of approximately $7,440,000 (rounded), effective as of February 2, 2018.

Federal
FOUR MILLION THIRTY THOUSAND DOLLARS
($4,030,000)

State
THREE MILLION FOUR HUNDRED TEN THOUSAND DOLLARS
($3,410,000)

Please refer to the complete Assumptions & Limiting Conditions in the Addenda.

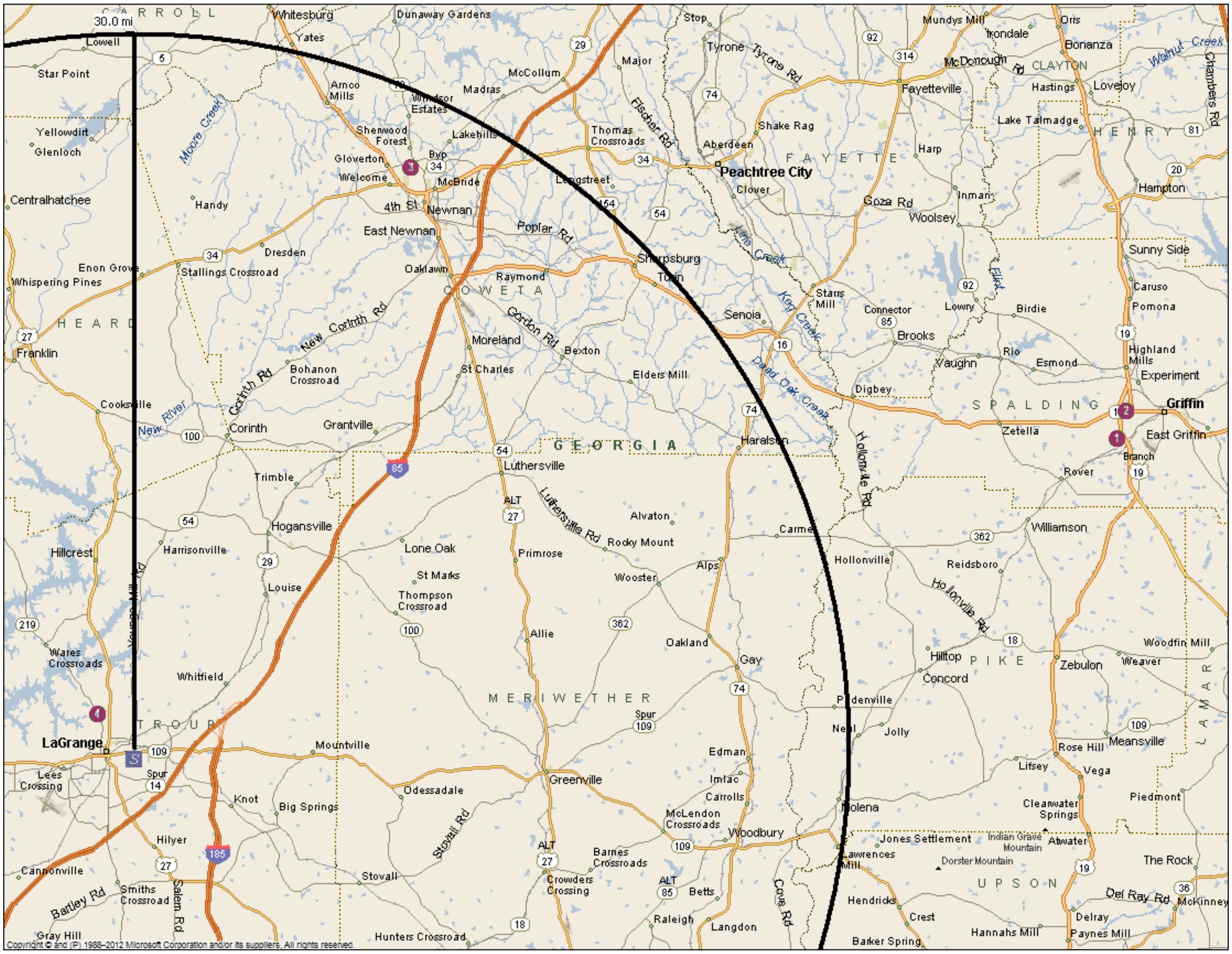
SALES COMPARISON APPROACH

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:	Walden Pointe
Location:	701 Carver Road Griffin, GA 30224

Buyer:	Southwood Walden Pointe LLC	
Seller:	Walden Pointe Apartments LLC	
Sale Date:	Jun-17	
Sale Price:	$15,000,000	
Financing:	Conventional	
Number of Units:	216	
Year Built:	1998	
Site:	38.28	Acres

Units of Comparison:

Effective Gross Income:	$1,909,500
EGIM	7.9
Total Expenses:	$972,000
Net Operating Income:	$937,500
Net Operating Income per Unit:	$4,340
Overall Rate with Reserves:	6.25%
Sale Price per Unit:	$69,444

Comments:

The property was 98 percent occupied at the time of sale and offers 72 one-bedroom, 112 two-bedroom, and 32 three-bedroom units. The broker, Andrew Mays, confirmed the capitalization rate of 6.25 percent, but was unable to confirm operating expenses. As such, expenses were estimated at $4,500 per unit.

Verification: CoStar, Broker (Andrew Mays, Berkadia - 404-445-1066)

Comparable Sale 2

Name:	Gleneagle Apartments
Location:	1515 Georgia Highway 16 W Griffin, GA 30223

Buyer:	Gleneagle Partners LLC	
Seller:	Gleneagles Apartments LLC	
Sale Date:	Nov-16	
Sale Price:	$3,720,000	
Financing:	Conventional	
Number of Units:	60	
Year Built:	1987	
Site:	5.87	Acres

Units of Comparison:

Effective Gross Income:	$549,000
EGIM	6.8
Total Expenses:	$270,000
Net Operating Income:	$279,000
Net Operating Income per Unit:	$4,650
Overall Rate with Reserves:	7.50%
Sale Price per Unit:	$62,000

Comments:

The property was 95 percent occupied at the time of sale and in good condition. The broker, Ken Fletcher, confirmed the capitalization rate of 7.5 percent, but was unable to confirm opertating expenses. As such, expenses were estimated at $4,500 per unit.

Verification: CoStar, Broker (Ken Fletcher, Fletcher & Company - 770-227-4008)

Comparable Sale 3

Name:	Brighton Farms Apartments
Location:	80 Christian Dr. Newnan, GA

Buyer:	BLE Brighton LLC	
Seller:	Brighton Farms LLC	
Sale Date:	Jun-16	
Sale Price:	$10,306,000	
Financing:	Conventional	
Number of Units:	134	
Year Built:	1972	
Site:	22.37	Acres

Units of Comparison:

Effective Gross Income:	$1,297,678
EGIM	7.9
Total Expenses:	$614,390
Net Operating Income:	$683,288
Net Operating Income per Unit:	$5,099
Overall Rate with Reserves:	6.63%
Sale Price per Unit:	$76,910

Comments:

This market rate property offers one, two, and three-bedroom units and was 98 percent occupied at the time of sale. Prior to the sale, the property recieved minor renovations.

Verification: CoStar, Broker (Robbie O'Bryan - Cushman & Wakefield -404.442.5600)

Comparable Sale 4

Name:	Autumn Ridge
Location:	1246 Mooty Bridge Rd. LaGrange, GA

Buyer:	G2 Autumn Ridge LLC	
Seller:	Versaille Apartments LLC	
Sale Date:	Mar-14	
Sale Price:	$2,175,000	
Financing:	Conventional	
Number of Units:	80	
Year Built:	1978	
Site:	11.08	Acres

Units of Comparison:

Effective Gross Income:	$491,211
EGIM	4.4
Total Expenses:	$278,271
Net Operating Income:	$212,940
Net Operating Income per Unit:	$2,662
Overall Rate with Reserves:	9.79%
Sale Price per Unit:	$27,188

Comments:

This market rate property offers one, two, and three-bedroom units and was 93 percent occupied at the time of sale.

Verification: Public Records, Broker (Taylor Bird - Multi Housing Advisors, LLC -404.645.7222)

VALUATION ANALYSIS

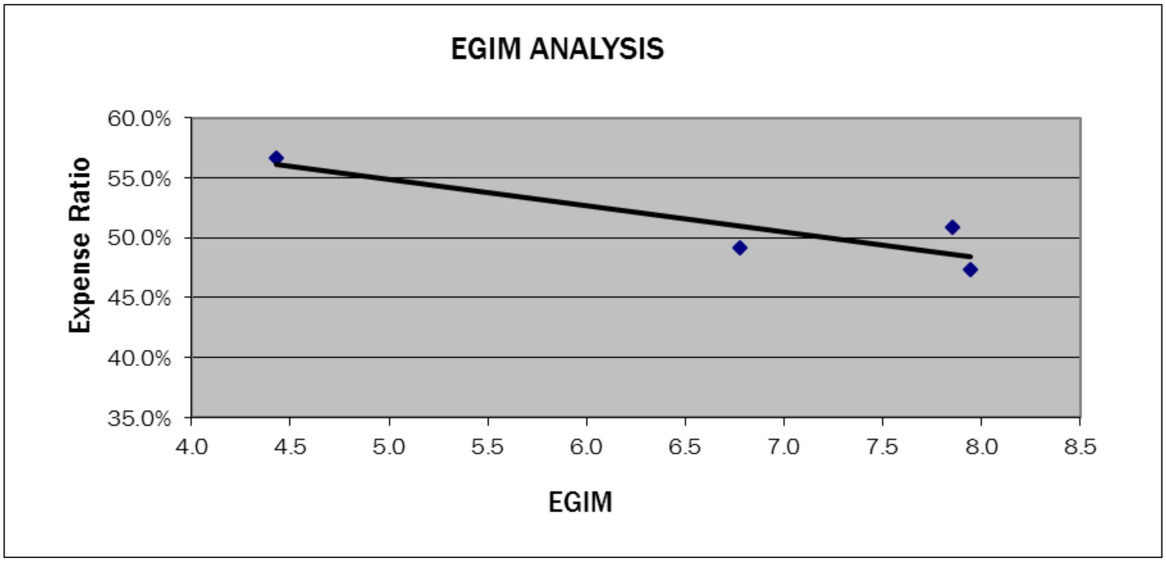
The sales selected for this analysis are summarized in the following table.

SALES COMPARISON

	Property	City, State	Year Built	Sale Date	Sale Price	# of Units	Price / Unit	Effective Gross Income Multiplier	Overall Rate
1	Walden Pointe	Griffin, GA 30224	1998	Jun-17	$15,000,000	216	$69,444	7.9	6.3%
2	Gleneagle Apartments	Griffin, GA 30223	1987	Nov-16	$3,720,000	60	$62,000	6.8	7.5%
3	Brighton Farms Apartments	Newnan, GA	1972	Jun-16	$10,306,000	134	$76,910	7.9	6.6%
4	Autumn Ridge	LaGrange, GA	1978	Mar-14	$2,175,000	80	$27,188	4.4	9.8%
	Average				**$7,800,250**	**123**	**$58,886**	**6.8**	**7.5%**

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.



EGIM ANALYSIS

	Sale Price	EGI	Expenses	Expense Ratio	EGIM
As Is Restricted	**$4,300,000**	**$749,004**	**$407,130**	**54%**	**5.75**
As Renovated Restricted	**$2,700,000**	**$548,943**	**$353,552**	**64%**	**5.00**
As Renovated Unrestricted	**$5,100,000**	**$812,844**	**$401,934**	**49%**	**6.25**
Comparable #3	$10,306,000	$1,297,678	$614,390	47%	7.94
Comparable #1	$15,000,000	$1,909,500	$972,000	51%	7.86
Comparable #2	$3,720,000	$549,000	$270,000	49%	6.78
Comparable #4	$2,175,000	$491,211	$278,271	57%	4.43

We have estimated EGIMs of 5.00 to 6.25 for the restricted and unrestricted scenarios, which are within the range of the comparables. The Subject's indicated value using the EGIM method is presented in the following table.

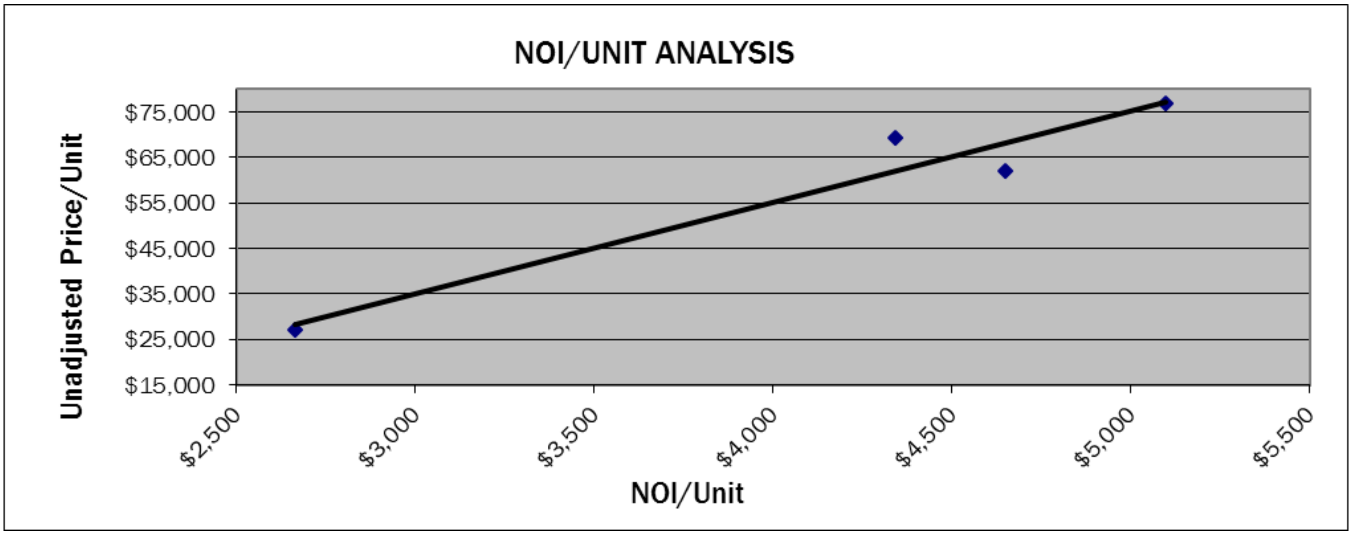
EGIM ANALYSIS - "AS COMPLETE AND STABILIZED"

	EGIM	Effective Gross Income	Indicated Value (Rounded)
As Is	5.75	$749,004	$4,300,000
As Renovated Restricted	5.00	$548,943	$2,700,000
As Renovated Unrestricted	6.25	$812,844	$5,100,000

NOI/UNIT ANALYSIS

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

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



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

NOI/UNIT ANALYSIS

As Is

No.	Subject's Stabilized NOI/Unit	/	Sale's NOI/Unit	=	Adjustment Factor	x	Unadjusted Price/Unit	=	Adjusted Price/Unit
1	$3,841	/	$4,340	=	0.89	X	$69,444	=	$61,460
2	$3,841	/	$4,650	=	0.83	X	$62,000	=	$51,217
3	$3,841	/	$5,099	=	0.75	X	$76,910	=	$57,938
4	$3,841	/	$2,662	=	1.44	X	$27,188	=	$39,235
			$4,188		**0.98**		**$58,886**		**$52,463**

NOI/UNIT ANALYSIS

As Renovated Restricted

No.	Subject's Stabilized NOI/Unit	/	Sale's NOI/Unit	=	Adjustment Factor	x	Unadjusted Price/Unit	=	Adjusted Price/Unit
1	$2,299	/	$4,340	=	0.53	X	$69,444	=	$36,780
2	$2,299	/	$4,650	=	0.49	X	$62,000	=	$30,650
3	$2,299	/	$5,099	=	0.45	X	$76,910	=	$34,671
4	$2,299	/	$2,662	=	0.86	X	$27,188	=	$23,479
			$4,188		**0.58**		**$58,886**		**$31,395**

NOI/UNIT ANALYSIS

As Renovated Unrestricted

No.	Subject's Stabilized NOI/Unit	/	Sale's NOI/Unit	=	Adjustment Factor	x	Unadjusted Price/Unit	=	Adjusted Price/Unit
1	$4,834	/	$4,340	=	1.11	X	$69,444	=	$77,348
2	$4,834	/	$4,650	=	1.04	X	$62,000	=	$64,457
3	$4,834	/	$5,099	=	0.95	X	$76,910	=	$72,915
4	$4,834	/	$2,662	=	1.82	X	$27,188	=	$49,378
			$4,188		**1.23**		**$58,886**		**$66,024**

Comparable Sale 4 offers the most similar location, while Sale 1 the most recent. Sales 3 and 4 are the most similar to the Subject in terms of age and condition as is, while Sales 1 and 2 are most similar to condition post renovation. Based upon the comparable properties, we have concluded to a price per unit within the range. Value indications via the NOI per unit analysis are summarized below.

NOI/UNIT - "AS COMPLETE AND STABILIZED"

	# of Units	Price Per Unit	Indicated Value (Rounded)
As Is	89	$47,000	$4,200,000
As Renovated Restricted	85	$32,000	$2,700,000
As Renovated Unrestricted	85	$60,000	$5,100,000

Conclusion

We utilized the EGIM and the NOI/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 market value of the real estate "As Is", via the Sale Comparison Approach, as of February 2, 2018 is:

FOUR MILLION TWO HUNDRED THOUSAND DOLLARS
($4,200,000)

The Subject's prospective market value of the real estate As Restricted assuming the proposed RAD program CHAP rents "As Complete and Stabilized", via the Sales Comparison Approach, as of February 2, 2018 is:

TWO MILLION SEVEN HUNDRED THOUSAND DOLLARS
($2,700,000)

The Subject's hypothetical market value of the real estate assuming achievable market rents "As Complete and Stabilized", via the Sales Comparison Approach, as of February 2, 2018 is:

FIVE MILLION ONE HUNDRED THOUSAND DOLLARS
($5,100,000)

The Subject is currently restricted and operated as a HUD Public Housing development. As public housing, the Subject operates under a flat rent schedule. This rent schedule is not market-oriented; the Subject essentially operates on a break-even basis, and not in a profit-generating manner. As such, valuing the Subject assuming public housing restrictions would essentially lend itself to the Subject having little to no value.

The majority of buyers of multifamily developments utilize the income capitalization approach when valuing and determining the fair market value of a multifamily investment. We believe that the current income structure is not an accurate basis upon which to value the property, as it results in no value to the Subject when utilizing the income approach. Based upon our conversations with attorneys specializing in public housing, upon transfer of the property, the existing public housing restrictions could be removed provided that the Housing Authority re-invest the sale proceeds into other affordable units.

The highest and best use of the property, in its as is condition, would to substantially renovate through the RAD process with LIHTCs, utilizing the CHAP rents with market-based restricted operating expenses, or to maintain restricted operations utilizing CHAP award and market oriented operating expense, or to remove the public housing restrictions and operate as an unrestricted development. However, as the purpose of the As Is valuation is to establish the As Is Fair Market Value in support of LIHTC eligible basis, we must recognize that the IRS and state LIHTC allocating agencies do not allow establishing a fair market value for *a development by including the added value of receiving a LIHTC allocation (which would then be deemed investment value). Therefore, for our estimate of As Is Fair Market Value, we have determined that the highest and best use of the Subject, in its as is condition, is for conversion to unrestricted operations since this results in a higher value than continued restricted operations (utilizing CHAP rents and assuming market-oriented expenses).*

The use of extraordinary assumptions and hypothetical conditions may affect the assignment results.

Please refer to the assumptions and limiting conditions and hypothetical conditions.

RECONCILIATION

RECONCILIATION

We were asked to provide various value estimates for the Subject, presented following:

VALUE OF UNDERLYING LAND

Scenario	Units	Price Per Unit	Indicated Value (Rounded)
Land Value	80	$5,200	$420,000

DIRECT CAPITALIZATION ANALYSIS - "AS IS"

Scenario	Cap Rate	Net Operating Income	Indicated Value (Rounded)
As Is	7.75%		$4,200,000

DIRECT CAPITALIZATION ANALYSIS - "AS COMPLETE"

Scenario		Loss To Lease	Indicated Value (Rounded)
As Complete Restricted		$127,900	$2,700,000
As Complete Unrestricted		$223,906	$5,100,000

DIRECT CAPITALIZATION ANALYSIS - "AS COMPLETE AND STABILIZED"

Scenario	Cap Rate	Net Operating Income	Indicated Value (Rounded)
As Renovated Restricted	7.00%	$195,391	$2,800,000
As Renovated Unrestricted	7.75%	$410,910	$5,300,000

EGIM ANALYSIS - "AS COMPLETE AND STABILIZED"

Scenario	EGIM	Effective Gross Income	Indicated Value (Rounded)
As Is	5.75	$749,004	$4,300,000
As Renovated Restricted	5.00	$548,943	$2,700,000
As Renovated Unrestricted	6.25	$812,844	$5,100,000

NOI/UNIT ANALYSIS - "AS COMPLETE AND STABILIZED"

Scenario	Units	Price Per Unit	Indicated Value (Rounded)
As Is	89	$47,000	$4,200,000
As Renovated Restricted	85	$32,000	$2,700,000
As Renovated Unrestricted	85	$60,000	$5,100,000

VALUE AT LOAN MATURITY - RESTRICTED

		Year	Indicated Value (Rounded)
Restricted		30 years	$3,500,000

VALUE AT LOAN MATURITY - UNRESTRICTED

		Year	Indicated Value (Rounded)
Unrestricted		30 years	$6,400,000

TAX CREDIT VALUATION

	Credit Amount	Price Per Credit	Indicated Value (Rounded)
Combined Federal & State LIHTC	$9,675,599	$1.535	$7,440,000

FAVORABLE FINANCING VALUATION

			Indicated Value (Rounded)
Restricted & Unrestricted			$900,000

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 estimated unencumbered market value of the fee simple interest in the Subject "as if vacant" (land value), free and clear of financing, as of February 2, 2018 is:

FOUR HUNDRED TWENTY THOUSAND DOLLARS
($420,000)

"As Is" Value

The Subject's market value of the real estate "As Is", as of February 2, 2018, is:

FOUR MILLION TWO HUNDRED THOUSAND DOLLARS
($4,200,000)

The Subject is currently restricted and operated as a HUD Public Housing development. As public housing, the Subject operates under a flat rent schedule. This rent schedule is not market-oriented; the Subject essentially operates on a break-even basis, and not in a profit-generating manner. As such, valuing the Subject assuming public housing restrictions would essentially lend itself to the Subject having little to no value.

The majority of buyers of multifamily developments utilize the income capitalization approach when valuing and determining the fair market value of a multifamily investment. We believe that the current income structure is not an accurate basis upon which to value the property, as it results in no value to the Subject when utilizing the income approach. Based upon our conversations with attorneys specializing in public housing, upon transfer of the property, the existing public housing restrictions could be removed provided that the Housing Authority re-invest the sale proceeds into other affordable units.

The highest and best use of the property, in its as is condition, would to substantially renovate through the RAD process with LIHTCs, utilizing the CHAP rents with market-based restricted operating expenses, or to maintain restricted operations utilizing CHAP award and market oriented operating expense, or to remove the public housing restrictions and operate as an unrestricted development. However, as the purpose of the As Is valuation is to establish the As Is Fair Market Value in support of LIHTC eligible basis, we must recognize that the IRS and state LIHTC allocating agencies do not allow establishing a fair market value for a development by including the added value of receiving a LIHTC allocation (which would then be deemed investment value). Therefore, for our estimate of As Is Fair Market Value, we have determined that the highest and best use of the Subject, in its as is condition, is for conversion to unrestricted operations since this results in a higher value than continued restricted operations (utilizing CHAP rents and assuming market-oriented expenses).

Please refer to the complete Assumptions & Limiting Conditions in the Addenda.

Upon Completion Assuming Restricted Rents

The Subject's hypothetical market value of the real estate assuming proposed restricted rental rates, "Upon Completion," as of February 2, 2018, is:

TWO MILLION SEVEN HUNDRED THOUSAND DOLLARS
($2,700,000)

Upon Completion Assuming Unrestricted Rents

The Subject's hypothetical market value of the real estate assuming unrestricted operation "Upon Completion," as of February 2, 2018, is:

FIVE MILLION ONE HUNDRED THOUSAND DOLLARS
($5,100,000)

As Complete and Stabilized Restricted

The Subject's hypothetical estimated market value "As Complete and Stabilized" assuming proposed restricted rental rates, as of February 2, 2018, is:

TWO MILLION EIGHT HUNDRED THOUSAND DOLLARS
($2,800,000)

As Complete and Stabilized Unrestricted

The Subject's hypothetical estimated market value "As Complete and Stabilized" assuming unrestricted market rental rates, as of February 2, 2018, is:

FIVE MILLION THREE HUNDRED THOUSAND DOLLARS
($5,300,000)

Prospective Market Value as Restricted 30 years (Loan Maturity)
The prospective market value at 30 years (loan maturity) of the Subject's fee simple interest, subject to the rental restrictions in the year 2048, as of February 2, 2018, is:

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

Prospective Market Value as Proposed Unrestricted at 30 years (Loan Maturity)
The hypothetical prospective market value at 30 years (loan maturity) of the Subject's fee simple interest, as an unrestricted property in the year 2048, as of February 2, 2018, is:

SIX MILLION FOUR HUNDRED THOUSAND DOLLARS
($6,400,000)

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 February 2, 2018, is:

Federal
FOUR MILLION THIRTY THOUSAND DOLLARS
($4,030,000)

State
THREE MILLION FOUR HUNDRED TEN THOUSAND DOLLARS
($3,410,000)

Favorable Financing
The market value of the favorable financing provided to the Subject, as of February 2, 2018, is:

NINE HUNDRED THOUSAND DOLLARS
($900,000)

MARKETING TIME PROJECTION:

Marketing Time is defined as the period from the date of initial listing to the settlement date. The projected marketing time for the Subject property "as is" will vary greatly, depending upon the aggressiveness of the marketing agent, the method of marketing, the market that is targeted, interest rates and the availability of credit at the time the property is marketed, the supply and demand of similar properties for sale or having been recently purchased, and the perceived risks at the time it is marketed.

Discussions with area Realtors indicate that a marketing period of nine to 12 months is reasonable for properties such as the Subject. This is supported by data obtained on several of the comparable sales and consistent with information obtained from the PwC survey. This estimate assumes a strong advertising and marketing program during the marketing period.

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

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

ADDENDUM A

Assumptions and Limiting Conditions, Certification

ASSUMPTIONS AND LIMITING CONDITIONS

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

of the specified date.

12. Possession of the report, or a copy thereof, does not carry with it the right of publication, nor may it be reproduced in whole or in part, in any manner, by any person, without the prior written consent of the author particularly as to value conclusions, the identity of the author or the firm with which he or she is connected. Neither all nor any part of the report, or copy thereof shall be disseminated to the general public by the use of advertising, public relations, news, sales, or other media for public communication without the prior written consent and approval of the appraiser. Nor shall the appraiser, firm, or professional organizations of which the appraiser is a member be identified without written consent of the appraiser.

13. Disclosure of the contents of this report is governed by the Bylaws and Regulations of the professional appraisal organization with which the appraiser is affiliated: specifically, the Appraisal Institute.

14. The author of this report is not required to give testimony or attendance in legal or other proceedings relative to this report or to the Subject property unless satisfactory additional arrangements are made prior to the need for such services.

15. The opinions contained in this report are those of the author and no responsibility is accepted by the author for the results of actions taken by others based on information contained herein.

16. Opinions of value contained herein are estimates. There is no guarantee, written or implied, that the Subject property will sell or lease for the indicated amounts.

17. All applicable zoning and use regulations and restrictions are assumed to have been complied with, unless nonconformity has been stated, defined, and considered in the appraisal report.

18. It is assumed that all required licenses, permits, covenants or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

19. On all appraisals, subject to satisfactory completion, repairs, or alterations, the appraisal report and value conclusions are contingent upon completion of the improvements in a workmanlike manner and in a reasonable period of time. A final inspection and value estimate upon the completion of said improvements should be required.

20. All general codes, ordinances, regulations or statutes affecting the property have been and will be enforced and the property is not subject to flood plain or utility restrictions or moratoriums, except as reported to the appraiser and contained in this report.

21. The party for whom this report is prepared has reported to the appraiser there are no original existing condition or development plans that would subject this property to the regulations of the Securities and Exchange Commission or similar agencies on the state or local level.

22. Unless stated otherwise, no percolation tests have been performed on this property. In making the appraisal, it has been assumed the property is capable of passing such tests so as to be developable

to its highest and best use, as detailed in this report.

23. No in-depth inspection was made of existing plumbing (including well and septic), electrical, or heating systems. The appraiser does not warrant the condition or adequacy of such systems.

24. No in-depth inspection of existing insulation was made. It is specifically assumed no Urea Formaldehyde Foam Insulation (UFFI), or any other product banned or discouraged by the Consumer Product Safety Commission has been introduced into the appraised property. The appraiser reserves the right to review and/or modify this appraisal if said insulation exists on the Subject property.

Extraordinary Assumptions – As Is Value

The Subject is currently restricted and operated as a HUD Public Housing development. As public housing, the Subject operates under a flat rent schedule. This rent schedule is not market-oriented; the Subject essentially operates on a break-even basis, and not in a profit-generating manner. As such, valuing the Subject assuming public housing restrictions would essentially lend itself to the Subject having little to no value.

The majority of buyers of multifamily developments utilize the income capitalization approach when valuing and determining the fair market value of a multifamily investment. We believe that the current income structure is not an accurate basis upon which to value the property, as it results in no value to the Subject when utilizing the income approach. Based upon our conversations with attorneys specializing in public housing, upon transfer of the property, the existing public housing restrictions could be removed provided that the Housing Authority re-invest the sale proceeds into other affordable units.

The highest and best use of the property, in its as is condition, would to substantially renovate through the RAD process with LIHTCs, utilizing the CHAP rents with market-based restricted operating expenses, or to maintain restricted operations utilizing CHAP award and market oriented operating expense, or to remove the public housing restrictions and operate as an unrestricted development. However, as the purpose of the As Is valuation is to establish the As Is Fair Market Value in support of LIHTC eligible basis, we must recognize that the IRS and state LIHTC allocating agencies do not allow establishing a fair market value for a development by including the added value of receiving a LIHTC allocation (which would then be deemed investment value). Therefore, for our estimate of As Is Fair Market Value, we have determined that the highest and best use of the Subject, in its as is condition, is for conversion to unrestricted operations since this results in a higher value than continued restricted operations (utilizing CHAP rents and assuming market-oriented expenses).

The use of extraordinary assumptions and hypothetical conditions may affect the assignment results.

Specific Assumptions

The terms of the subsidy programs are preliminary as of the appraisal's effective date, February 2, 2018; 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 February 2, 2018, 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 February 2, 2018, the Subject's completion date is in 2019.

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 rehabilitate the Subject.

CERTIFICATION

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

- The statements of fact contained in this report are true and correct;
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions;
- We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved;
- We have performed no services on the Subject in the three years immediately preceding this assignment, with the exception of an appraisal effective March 2016, an appraisal update effective December 2016, and a market study effective September 2017;
- 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*;
- The Subject site was last inspected on September 21, 2017 by Brian Neukam. Rachel Denton has not made a personal inspection of the property that is the Subject of this report;
- No one provided significant real property appraisal assistance to the persons signing this certification with the exception of Sara Nachbar;
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute;
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives;
- As of the date of this report, Rachel Denton has completed the continuing education program for Designated Members of the Appraisal Institute;

Rachel Denton, MAI
Partner
Certified General Real Estate Appraiser

Brian Neukam
Certified General Real Estate Appraiser
GA License #329471
Expiration Date: 6/30/2018

ADDENDUM B

Qualifications of Consultants

STATEMENT OF PROFESSIONAL QUALIFICATIONS
RACHEL BARNES DENTON, MAI

I. EDUCATION

Cornell University, Ithaca, NY
School of Architecture, Art & Planning, Bachelor of Science in City & Regional Planning

II. LICENSING AND PROFESSIONAL AFFILIATION

Designated Member of the Appraisal Institute
Member of National Council of Housing Market Analysts (NCHMA)
Member of Commercial Real Estate Women (CREW) Network
- 2011 and 2012 Communications Committee Co-Chair for the Kansas City CREW Chapter
- 2013 Director of Communications and Board Member for Kansas City CREW
- 2014 Secretary and Board Member for Kansas City CREW
- 2015 and 2016 Treasurer and Board Member for Kansas City CREW

State of Arkansas Certified General Real Estate Appraiser No. CG3527
State of California Certified General Real Estate Appraiser No. AG044228
State of Colorado Certified General Real Estate Appraiser No. 100031319
State of Hawaii Certified General Real Estate Appraiser No. CGA1048
State of Illinois Certified General Real Estate Appraiser No. 553.002012
State of Kansas Certified General Real Estate Appraiser No. G-2501
State of Minnesota Certified General Real Estate Appraiser No. 40420897
State of Missouri Certified General Real Estate Appraiser No. 2007035992
State of New Mexico Certified General Real Estate Appraiser No. 03424-G
State of Oklahoma Certified General Real Estate Appraiser No. 13085CGA
State of Oregon Certified General Real Estate Appraiser No. C000951
State of Texas Certified General Real Estate Appraiser No. 1380396

III. PROFESSIONAL EXPERIENCE

Novogradac & Company LLP, Partner
Novogradac & Company LLP, Principal
Novogradac & Company LLP, Manager
Novogradac & Company LLP, Senior Real Estate Analyst

IV. PROFESSIONAL TRAINING

Educational requirements successfully completed for the Appraisal Institute:
- Appraisal Principals, September 2004
- Basic Income Capitalization, April 2005
- Uniform Standards of Professional Appraisal Practice, November 2005
- Advanced Income Capitalization, August 2006
- General Market Analysis and Highest & Best Use, July 2008
- Advanced Sales Comparison and Cost Approaches, June 2009
- Advanced Applications, June 2010
- General Appraiser Report Writing and Case Studies, July 2014
- Standards and Ethics (USPAP and Business Practices and Ethics)
- MAI Designation General Comprehensive Examination, January 2015
- MAI Demonstration of Knowledge Report, April 2016

Completed HUD MAP Training, Columbus, Ohio, May 2010

Have presented and spoken at both national Novogradac conferences and other industry events, including the National Council of Housing Market Analysts (NCHMA) Annual Meetings and FHA Symposia, Institute for Professional and Executive Development (IPED) conferences, and state housing conferences, such as Housing Colorado.

V. REAL ESTATE ASSIGNMENTS

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

In general, have managed and conducted numerous market analyses and appraisals for various types of commercial real estate since 2003, with an emphasis on affordable multifamily housing.

Conducted and managed appraisals of proposed new construction, rehab and existing Low-Income Housing Tax Credit properties, Section 8 Mark-to-Market properties, HUD MAP Section 221(d)(4) and 223(f) properties, USDA Rural Development, and market rate multifamily developments on a national basis. Analysis includes property screenings, economic and demographic analysis, determination of the Highest and Best Use, consideration and application of the three traditional approaches to value, and reconciliation to a final value estimate. Both tangible real estate values and intangible values in terms of tax credit valuation, beneficial financing, and PILOT are considered. Additional appraisal assignments completed include commercial land valuation, industrial properties for estate purposes, office buildings for governmental agencies, and leasehold interest valuation. Typical clients include developers, lenders, investors, and state agencies.

Managed and conducted market studies for proposed Low-Income Housing Tax Credit, HUD MAP, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties, on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis and operating expense analysis. Property types include proposed multifamily, senior independent living, large family, acquisition/rehabilitation, historic rehabilitation, adaptive reuse, and single family developments. Typical clients include developers, state agencies, syndicators, investors, and lenders.

Completed and have overseen numerous Rent Comparability Studies in accordance with HUD's Section 8 Renewal Policy and Chapter 9 for various property owners and local housing authorities. The properties were typically undergoing recertification under HUD's Mark to Market Program.

Performed and managed market studies and appraisals of proposed new construction and existing properties insured and processed 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.

Performed and have overseen numerous market study/appraisal assignments for USDA RD properties in several states in conjunction with acquisition/rehabilitation redevelopments. Documents are used by states, lenders, USDA, and the developer in the underwriting process. Market studies are compliant to State, lender, and USDA requirements. Appraisals are compliant to lender requirements and USDA HB-1-3560 Chapter 7 and Attachments.

Performed appraisals for estate valuation and/or donation purposes for various types of real estate, including commercial office, industrial, and multifamily assets. These engagements were conducted in accordance with the Internal Revenue Service's Real Property Valuation Guidelines, Section 4.48.6 of the Internal Revenue Manual.

Conducted a Highest and Best Use Analysis for a proposed two-phase senior residential development for a local Housing Authority in the western United States. Completed an analysis of existing and proposed senior supply of all types, including both renter and owner-occupied options, and conducted various demand analyses in order to determine level of need and ultimate highest and best use of the site.

Prepared a three-year Asset Management tracking report for a 16-property portfolio in the southern United States. Data points monitored include economic vacancy, levels of concessions, income and operating expense levels, NOI and status of capital projects. Data used to determine these effects on the project's ability to meet its income-dependent obligations.

Performed various community-wide affordable housing market analyses and needs assessments for communities and counties throughout the Midwest and Western states. Analysis included demographic and demand forecasts, interviews with local stakeholders, surveys of existing and proposed affordable supply, and reconciliation of operations at existing supply versus projected future need for affordable housing. Additional analyses included identification of housing gaps, potential funding sources, and determination of appropriate recommendations. These studies are typically used by local, state, and federal agencies in order to assist with housing development and potential financing.

Managed a large portfolio of Asset Management reports for a national real estate investor. Properties were located throughout the nation, and were diverse in terms of financing, design, tenancy, and size. Information compiled included income and expenses, vacancy, and analysis of property's overall position in the market.

Performed appraisals of LIHTC assets for Year 15 purposes; valuations of both the underlying real estate asset and partnership interests have been completed. These reports were utilized to assist in potential disposition options for the property, including sale of the asset, buyout of one or more partners, or potential conversion to market rate.

STATEMENT OF PROFESSIONAL QUALIFICATIONS
BRIAN NEUKAM

EDUCATION

Georgia Institute of Technology, Bachelor of Industrial Engineering, 1995

State of Georgia Certified General Real Property Appraiser No. 329471
State of South Carolina Certified General Appraiser No. 7493

PROFESSIONAL TRAINING

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

EXPERIENCE

Novogradac & Company LLP, Manager, December 2016-present
Novogradac & Company LLP, Senior Real Estate Analyst, September 2015- December 2016
J Lawson & Associates, Associate Appraiser, October 2013- September 2015
Carr, Lawson, Cantrell, & Associates, Associate Appraiser, July 2007-October 2013

REAL ESTATE ASSIGNMENTS

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

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

ADDENDUM C

Subject Photos

PHOTOGRAPHS OF SUBJECT SITE AND NEIGHBORHOOD


Exterior of Subject


Exterior of Subject


Exterior of Subject


Exterior of Subject


Exterior of Subject


Exterior of Subject

Playground

Playground and picnic area

Signage

Management office exterior

Management office

Computer lab/business center

Community room

Community room kitchen

Mailboxes

Community building exterior

Community building interior

Community building kitchen


Typical living area


Typical kitchen


Typical bathroom


Washer hookups in kitchen

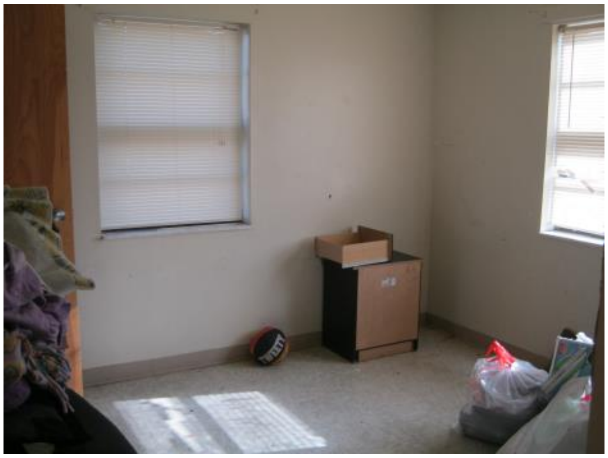

Typical bedroom


Typical bedroom

Typical living area

Typical kitchen

Typical in-unit stairwell



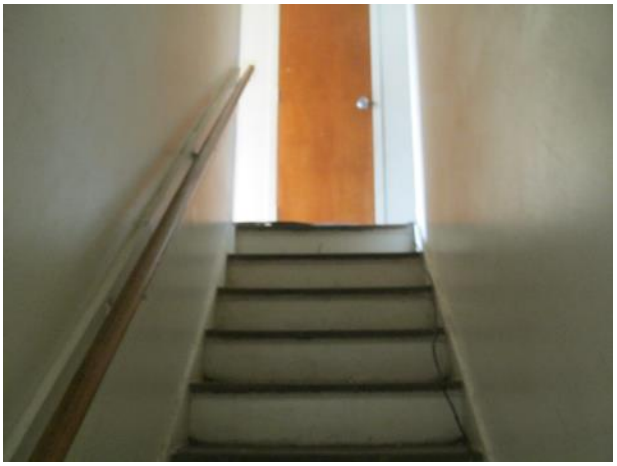
Typical bedroom

Typical bedroom closet

Typical bathroom

Typical living area

Typical kitchen with washer hookups



Typical in-unit stairwell

Typical bedroom

Typical bedroom

Typical bathroom

Single-family homes east of Subject

Single-family homes east of Subject

Ogletree Park southeast of Subject

Retail west of Subject

Retail west of Subject

Place of worship north of Subject

Single-family homes southwest of Subject

Single-family homes southwest of Subject

Typical retail uses along Highway 27

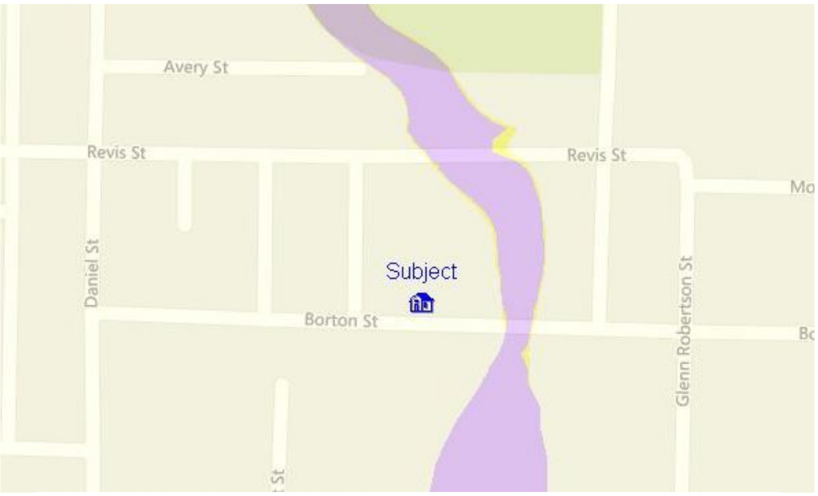
Typical retail uses along Lafayette Parkway

View west on Borton Street

View east on Borton Street

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

PART THREE - SOURCES OF FUNDS - Lucy Morgan I , , Troup County

I. GOVERNMENT FUNDING SOURCES (check all that apply)

Yes	Tax Credits		No	FHA Risk Share	No	Georgia TCAP *	
No	Historic Rehab Credits		No	FHA Insured Mortgage	No	USDA 515	
Yes	Tax Exempt Bonds: $	9,400,000	No	Replacement Housing Funds	No	USDA 538	
No	Taxable Bonds		No	McKinney-Vento Homeless	No	USDA PBRA	
No	CDBG		No	FHLB / AHP *	No	Section 8 PBRA	
No	HUD 811 Rental Assistance Demonstration (RAD)		No	NAHASDA	Yes	Other PBRA - Source:	HUD RAD Sec 8 Rents
Yes	DCA HOME * -- Amt $	2,500,000	No	Neigborhood Stabilization Program *	No	National Housing Trust Fund	
No	Other HOME * -- Amt $		No	HUD CHOICE Neighborhoods	Yes	Public Housing Capital Improvement Funds	
	Other HOME - Source					Specify *Administrator* of Other Funding Type here	

*This source may possibly trigger Uniform Relocation Act and/or HUD 104(d) reqmts. Check with source. For DCA HOME, refer to Relocation Manual. DCA HOME amount from DCA Consent Ltr.

II. CONSTRUCTION FINANCING

Financing Type		Name of Financing Entity	Amount	Effective Interest Rate	Term (In Months)
Mortgage A		DCA HOME Funds	150,000	0.000%	15
Mortgage B		Tax Exempt Bonds	9,212,860	5.240%	15
Mortgage C		Seller Take Back note	3,591,000	0.000%	
Federal Grant					
State, Local, or Private Grant					
Deferred Developer Fees					
Federal Housing Credit Equity		US Bank Federal	746,214		
State Housing Credit Equity		Us Bank State	685,652		
Other Type (specify)		GP Equity	100		
Other Type (specify)	LHA- Capital Improvement Loan	LaGrange Housing Authority	600,000		
Other Type (specify)					
Total Construction Financing:			14,985,826		
Total Construction Period Costs from Development Budget:			13,362,916		
Surplus / (Shortage) of Construction funds to Construction costs:			1,622,910		

III. PERMANENT FINANCING

Financing Type		Name of Financing Entity	Principal Amount	Effective Int Rate	Term (Years)	Amort. (Years)	Annual Debt Service in Year One	Loan Type
Mortgage A (Lien Position 1)		DCA HOME Funds	2,500,000	1.000%	25	25	113,062	Amortizing
Mortgage B (Lien Position 2)		LHA Seller Take Back Note	3,591,000	2.260%	30	30	0	Cash Flow
Mortgage C (Lien Position 3)		LHA Capital Improvement Loan	1,200,000	0.000%	30	30		Cash Flow
Other:		GP Equity	100					
Foundation or charity funding*								
Deferred Devlpr Fee	0.67%		14,377	2.650%	15	15		Cash Flow

Total Cash Flow for Years 1 - 15: 283,991

DDF Percent of Cash Flow (Yrs 1-15) 7.530% 7.530%

Cash flow covers DDF P&I? Yes

Federal Grant				
State, Local, or Private Grant				
Federal Housing Credit Equity		US Bank	5,042,920	
State Housing Credit Equity		US Bank	4,633,183	
Historic Credit Equity				
Invstmt Earnings: T-E Bonds				
Invstmt Earnings: Taxable Bonds				
Income from Operations				
Other:				
Other:				
Other:				
Total Permanent Financing:			16,981,580	
Total Development Costs from Development Budget:			16,981,580	
Surplus/(Shortage) of Permanent funds to development costs:			0	

Equity Check	+ / -	TC Equity % of TDC
5,042,920	0.00	30%
4,633,183	0.25	27%
		57%

*Foundation or charity funding to cover costs exceeding DCA cost limit (see Appendix I, Section II).

IV. APPLICANT COMMENTS AND CLARIFICATIONS

The deferred developer fee will be paid out of cash flow and will be paid within a 10 year period.

IV. DCA COMMENTS - DCA USE ONLY

PART THREE - SOURCES OF FUNDS - Lucy Morgan I , , Troup County

GOVERNMENT FUNDING SOURCES (check all that apply)

DCA COMMENTS - DCA Use Only

CONSTRUCTION FINANCING

DCA COMMENTS - DCA Use Only

PERMANENT FINANCING

DCA COMMENTS - DCA Use Only

NOTE: Row size may be increased or decreased as needed. Press and hold Alt-Enter to start new paragraphs in the same box.

PART FOUR - USES OF FUNDS - Lucy Morgan I , , Troup County

I. DEVELOPMENT BUDGET

				TOTAL COST	New Construction Basis	Acquisition Basis	Rehabilitation Basis	Amortizable or Non-Depreciable Basis
PRE-DEVELOPMENT COSTS						PRE-DEVELOPMENT COSTS		
Property Appraisa				18,400			18,400	
Market Study				11,500			11,500	
Environmental Report(s				65,200			65,200	
Soil Borings								
Boundary and Topographical Surve				40,000			40,000	
Zoning/Site Plan Fees								
Other: RAD PCNA Toolkit/PNA				21,750			21,750	
Other:								
Other: << Enter description here; provide detail & justification in tab Part IV-b >>								
			Subtotal	156,850	-	-	156,850	-
ACQUISITION						ACQUISITION		
Land								
Site Demolitior				35,000				35,000
Acquisition Legal Fees (if existing structures								
Existing Structures				3,780,000		3,780,000		
			Subtotal	3,815,000		3,780,000		35,000
LAND IMPROVEMENTS						LAND IMPROVEMENTS		
Site Construction (On-site)	Per acre:	104,156		833,250			833,250	
Site Construction (Off-site)								
			Subtotal	833,250	-	-	833,250	-
STRUCTURES						STRUCTURES		
Residential Structures - New Constructior								
Residential Structures - Rehat				6,013,750			6,013,750	
Accessory Structures (ie. community bldg, maintenance bldg, etc.) - New Cons								
Accessory Structures (ie. community bldg, maintenance bldg, etc.) - Reha				66,000			66,000	
			Subtotal	6,079,750	-	-	6,079,750	-
CONTRACTOR SERVICES	DCA Limit		14.000%			CONTRACTOR SERVICES		
Builder Profit:	6.000%	414,780	6.000%	414,780			414,780	
Builder Overhead	2.000%	138,260	2.000%	138,260			138,260	
General Requirements*	6.000%	414,780	6.000%	414,780			414,780	
*See QAP: General Requirements policy	14.000%	967,820	*Subtotal*	967,820	-	-	967,820	-
OTHER CONSTRUCTION HARD COSTS (Non-GC work scope items done by Owner)						OTHER CONSTRUCTION HARD COSTS (Non-GC work scope items done by Owner)		
Other:								

Total Construction Hard Costs
7,880,820.00

Average TCHC: *92,715.53 per Res'l unit* *92,715.53 per unit* *100.48 per total sq ft*
103.00 per Res'l unit SF *103.00 per unit sq ft*

			TOTAL COST	New Construction Basis	Acquisition Basis	Rehabilitation Basis	Amortizable or Non-Depreciable Basis
CONSTRUCTION CONTINGENCY					CONSTRUCTION CONTINGENCY		
Construction Contingency	May exceed limit!	10.01%	789,000			789,000	

I. DEVELOPMENT BUDGET *(cont'd)*

			TOTAL COST	New Construction Basis	Acquisition Basis	Rehabilitation Basis	Amortizable or Non-Depreciable Basis
CONSTRUCTION PERIOD FINANCING					CONSTRUCTION PERIOD FINANCING		
Bridge Loan Fee							
Bridge Loan Interest							
Construction Loan Fee			94,000			94,000	
Construction Loan Interest			360,000			253,043	106,957
Construction Legal Fees							
Construction Period Inspection Fees			34,500			34,500	
Construction Period Real Estate Tax			7,408			7,408	
Construction Insurance			57,648			57,648	
Title and Recording Fees			30,000			30,000	
Payment and Performance bonds			75,000			75,000	
Other: Cost of Bond Issuance and Underwriting			269,500				269,500
Other: << Enter description here; provide detail & justification in tab Part IV-b >>							
		Subtotal	928,056	-	-	551,599	376,457
PROFESSIONAL SERVICES					PROFESSIONAL SERVICES		
Architectural Fee - Desigr			187,000			187,000	
Architectural Fee - Supervisior			37,400			37,400	
Green Building Consultant Fee	Max: 20,000						
Green Building Program Certification Fee (LEED or Earthcraft			21,768			21,768	
Accessibility Inspections and Plan Reviev			20,200			20,200	
Construction Materials Testing							
Engineering			25,000			25,000	
Real Estate Attorney			127,500			127,500	
Accounting			50,000			25,000	25,000
As-Built Survey			5,000			5,000	
Other: << Enter description here; provide detail & justification in tab Part IV-b >>							
		Subtotal	473,868	-	-	448,868	25,000
LOCAL GOVERNMENT FEES	*Avg per unit:*	*54*			LOCAL GOVERNMENT FEES		
Building Permits			4,619			4,619	
Impact Fees							
Water Tap Fees	*waived?*	*No*					
Sewer Tap Fees	*waived?*	*No*					
		Subtotal	4,619	-	-	4,619	-
PERMANENT FINANCING FEES					PERMANENT FINANCING FEES		
Permanent Loan Fees			30,000				30,000
Permanent Loan Legal Fees			25,000				25,000
Title and Recording Fees			15,000				15,000
Bond Issuance Premium							
Cost of Issuance / Underwriter's Discount							
Other: << Enter description here; provide detail & justification in tab Part IV-b >>							
		Subtotal	70,000				70,000

I. DEVELOPMENT BUDGET *(cont'd)*

			TOTAL COST	New Construction Basis	Acquisition Basis	Rehabilitation Basis	Amortizable or Non-Depreciable Basis
DCA-RELATED COSTS					DCA-RELATED COSTS		
DCA HOME Loan Pre-Application Fee ($1000 FP/JV, $500 NP							
Tax Credit Application Fee ($6500 ForProf/JntVent, $5500 NonProf			15,750				15,750
DCA Waiver and Pre-approval Fees			2,500				2,500
LIHTC Allocation Processing Fee		*50,429*	49,753				49,753
LIHTC Compliance Monitoring Fee		*68,000*	68,000				68,000
DCA HOME Front End Analysis Fee (when ID of Interest; $3000)			2,700				2,700
DCA Final Inspection Fee (Tax Credit only - no HOME; $3000			3,000				3,000
Other: << Enter description here; provide detail & justification in tab Part IV-b >>							
Other: << Enter description here; provide detail & justification in tab Part IV-b >>							
		Subtotal	141,703				141,703
EQUITY COSTS					EQUITY COSTS		
Partnership Organization Fees			2,500				2,500
Tax Credit Legal Opinion			2,500				2,500
Syndicator Legal Fees			25,000				25,000
Other: << Enter description here; provide detail & justification in tab Part IV-b >>							
		Subtotal	30,000				30,000
DEVELOPER'S FEE					DEVELOPER'S FEE		
Developer's Overhead		0.000%					
Consultant's Fee		0.000%					
Guarantor Fees		0.000%					
Developer's Profit		100.000%	2,158,155			2,158,155	
		Subtotal	2,158,155	-	-	2,158,155	-
START-UP AND RESERVES					START-UP AND RESERVES		
Marketing			30,000				30,000
Rent-Up Reserves		79,161	78,993				78,993
Operating Deficit Reserve		214,852	214,516				214,516
Replacement Reserve							
Furniture, Fixtures and Equipment	Proposed Avg Per Unit:	588	50,000			50,000	
Other:							
		Subtotal	373,509	-	-	50,000	323,509
OTHER COSTS					OTHER COSTS		
Relocation			160,000			160,000	
Other: Community Improvement Fund							
		Subtotal	160,000	-	-	160,000	-
TOTAL DEVELOPMENT COST (TDC)			16,981,580	-	3,780,000	12,199,911	1,001,669

Average TDC Per: *Unit:* 199,783.29 *Square Foot:* 216.52

II. TAX CREDIT CALCULATION - BASIS METHOD

			New Construction Basis	4% Acquisition Basis	Rehabilitation Basis
Subtractions From Eligible Basis					
Amount of federal grant(s) used to finance qualifying development costs					
Amount of nonqualified nonrecourse financing					
Costs of Nonqualifying units of higher quality					
Nonqualifying excess portion of higher quality units					
Historic Tax Credits (Residential Portion Only)					
Other <Enter detailed description here; use Comments section if needed>					
Total Subtractions From Basis:			0		0
Eligible Basis Calculation					
Total Basis			0	3,780,000	12,199,911
Less Total Subtractions From Basis (see above)			0		0
Total Eligible Basis			0	3,780,000	12,199,911
Eligible Basis Adjustment (DDA/QCT Location or State Designated Boost)	Type:	DDA/QCT	100.00%		130.00%
Adjusted Eligible Basis			0	3,780,000	15,859,884
Multiply Adjusted Eligible Basis by Applicable Fraction			98.82%	98.82%	98.82%
Qualified Basis			0	3,735,529	15,673,297
Multiply Qualified Basis by Applicable Credit Percentage			9.00%	3.25%	3.25%
Maximum Tax Credit Amount			0	121,405	509,382
Total Basis Method Tax Credit Calculation				630,787	

III. TAX CREDIT CALCULATION - GAP METHOD

Equity Gap Calculation

Project Cost Limit (PCL) - Explain in Comments if Applicant's PCL calculation > QAP PCL.	16,967,207	If TDC > QAP Total PCL, provide amount of funding from foundation or charitable organization to cover the cost exceeding the PCL:			If proposed project has Historic Designation, indicate below (Y/N):	
Total Development Cost (TDC, PCL, or TDC less Foundation Funding; explain in Comments if TDC > PCL)	16,967,207					
Subtract Non-LIHTC (excluding deferred fee) Source of Funds	7,291,100					
Equity Gap	9,676,107	Funding Amount		0	Hist Desig	
Divide Equity Gap by 10	/ 10					
Annual Equity Required	967,611		Federal		State	
Enter Final Federal and State Equity Factors (not including GP contribution)	1.5350	=	0.8000	+	0.7350	
Total Gap Method Tax Credit Calculation	630,365					

TAX CREDIT PROJECT MAXIMUM - Lower of Basis Method, Gap Method or DCA Limit: 630,365

TAX CREDIT REQUEST - Cannot exceed Tax Credit Project Maximum, but may be lower: 630,365

IV. TAX CREDIT ALLOCATION - Lower of Tax Credit Request and Tax Credit Project Maximum

630,365

V. APPLICANT COMMENTS AND CLARIFICATIONS

The amount of the credits requested will change during the closing process based on the fluctuation of the credit percentages as we move closer to closing. For the purposes of submitting the application, we kept the credit percentage that equals the credit percentage the US Bank has underwritten the development. The amount of credits requested is 630,365 which does not agree to the US Bank LOIs. US Bank LOIs support the credit amount of 621,904 which was based on teh tax credit percentage as of January 2018.

VI. DCA COMMENTS - DCA USE ONLY

PART FOUR - USES OF FUNDS - Lucy Morgan I , , Troup County

DEVELOPMENT BUDGET

DCA COMMENTS - DCA Use Only

	PRE-DEVELOPMENT COSTS
0.00	
	ACQUISITION
0.00	
	LAND IMPROVEMENTS
0.00	
	STRUCTURES
0.00	
	CONTRACTOR SERVICES
0.00	
	OTHER CONSTRUCTION HARD COSTS (Non-GC work scope items done by Owner
	CONSTRUCTION CONTINGENCY

DEVELOPMENT BUDGET (cont'd)

DCA COMMENTS - DCA Use Only

	CONSTRUCTION PERIOD FINANCING
0.00	
	PROFESSIONAL SERVICES
0.00	
	LOCAL GOVERNMENT FEES
0.00	
	PERMANENT FINANCING FEES
0.00	

DEVELOPMENT BUDGET (cont'd)

DCA COMMENTS - DCA Use Only

	DCA-RELATED COSTS
0.00	
	EQUITY COSTS
0.00	
	DEVELOPER'S FEE
0.00	
	START-UP AND RESERVES
0.00	
	OTHER COSTS
0.00	
0.00	

TAX CREDIT CALCULATION - BASIS METHOD

Subtractions From Eligible Basis

0.00

Eligible Basis Calculation

TAX CREDIT CALCULATION - GAP METHOD

NOTE: Row size may be increased or decreased as needed. Press and hold Alt-Enter to start new paragraphs in the same box.

EXHIBIT A

IDENTIFICATION OF UNITS ("CONTRACT UNITS") BY SIZE AND APPLICABLE CONTRACT RENTS

The Contract Rents below for the subject project are based on Fiscal Year 2014 Federal Appropriations and assumptions regarding applicable rent caps. The final RAD contracts rents, which will be reflected in the RAD HAP contract, will be based on Fiscal Year 2014 Federal Appropriations, as well as applicable program rent caps and Operating Cost Adjustment Factors (OCAFs), and, as such, may change. In addition, prior to conversion, the PHA must provide HUD updated utility allowances to be included in the HAP contract.

Existing PIC Development Number: GA026000002
Updated PIC Development Number* (for tracking purposes only): GA026000002MP1
New Project Name* (for tracking purposes only): LUCY MORGAN HOMES PHASE 1

Number of Contract Units	Number of Bedrooms	Contract Rent	Utility Allowance	Gross Rent
13	1	$393	$100	$493
32	2	$474	$116	$590
22	3	$648	$138	$786
18	4	$650	$160	$810

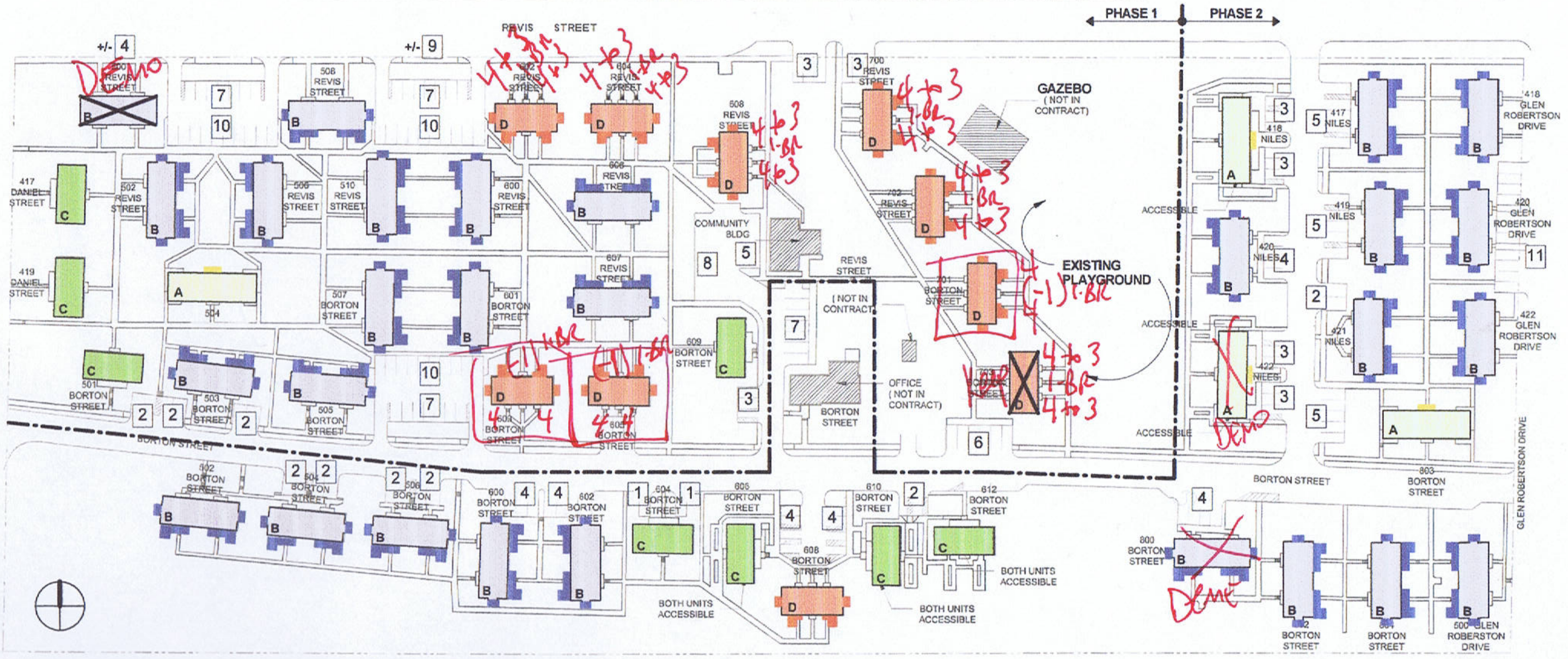
Please note that this rent schedule includes the 2015, 2016, 2017 and 2018 OCAF adjustment that the PHA is eligible for, and will be confirmed during the Financing Plan review.

*The revised PIC and Project name are only applicable as references for the RAD conversion. No formal changes to PIC have been made.

ADDENDUM F

Site Plans

Bk Moore
12-23-15



PHASE 1 LEGEND

	Building	1 Bdrm	2 Bdrm	3 Bdrm	4 Bdrm	
	Total	1 Bath	1 Bath	2 Bath	2 Bath	Unit Total
A Unit	1	4	2			6
B Unit	11		2	2		44
C Unit	4		2			8
D Unit	4	1			2	12
D Unit reduction	4	1		2		12
Total	**24**	**12**	**32**	**30**	**8**	**82**

Original = 13 34 24 18 = 89
-3 -2 +12 -12
-2 -2
-2
10 30 32 6 = 78 Apts

LAGRANGE HOUSING AUTHORITY
LUCY MORGAN

LAGRANGE, GEORGIA
Make3 Project No.201515

LUCY MORGAN SITE PLAN

1" = 100'-0"
12/22/15

LEGEND

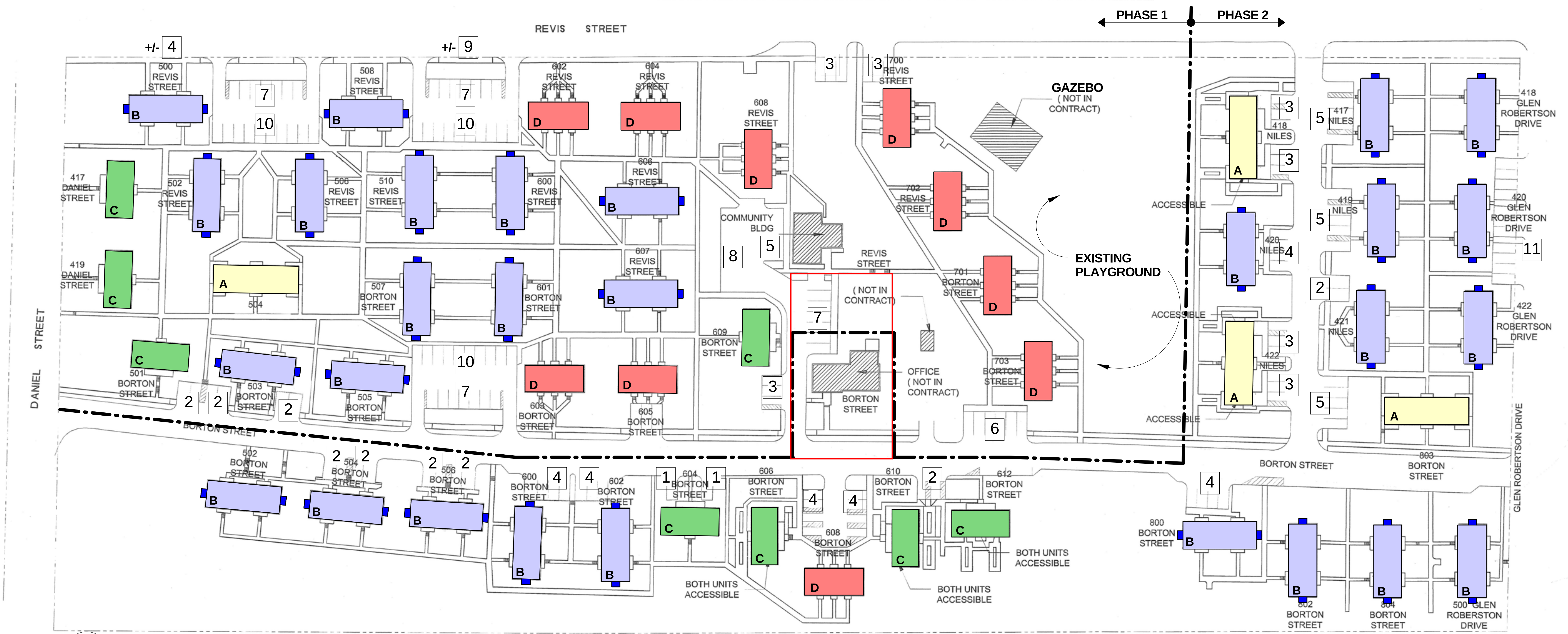
🟩	HOUSING TYPE A	🟩	HOUSING TYPE C
▨	HOUSING TYPE B	🟧	HOUSING TYPE D
▨	NEW ADDITIONS (NEW PORCH, 1st FLOOR LAUNDRY, 2nd FLOOR BATH ADD.)	#	PARKING SPACE COUNT
		✕	TO BE DEMOLISHED

Phase 2
1-BR 2 3 4 BR
13 46 32 2 = 93 Apts.
-4 -2 -2
-2
9 42 30 2 = 83 Apts

THE VANTAGE GROUP

Make3
architecture / planning / design
1075 Brady Avenue NW Atlanta, Georgia 30318
t 404.876.5510 w make3arch.com

78
+83
161 Total



1 Site Plan Lucy Morgan
100 1" = 100'-0"

PHASE 1 LEGEND

	Building	1 Bdrm	2 Bdrm	3 Bdrm	4 Bdrm	
	Total	1 Bath	2 Bath	2 Bath	2 Bath	Unit Total
A Unit	1	4	2			6
B Unit	12		2	2		48
C Unit	4		2			8
D Unit	9	1			2	27
Total	26	13	34	24	18	89

LEGEND

🟨	HOUSING TYPE A	🟩	HOUSING TYPE C
🟪	HOUSING TYPE B	🟥	HOUSING TYPE D
🟦	HOUSING TYPE B, ADDITION (1st FLOOR LAUNDRY, 2nd FLOOR BATH ADD.)	X	PARKING SPACES

LAGRANGE HOUSING AUTHORITY
LUCY MORGAN

LAGRANGE, GEORGIA
Make3 Project No.201515

LUCY MORGAN IMPROVEMENTS

1" = 100'-0"
11/13/15

The
Vantage Group /
Make3
architecture / planning / design

1075 Brady Avenue NW
Atlanta, Georgia 30318
t 404.876.5510
w make3arch.com

ADDENDUM G

License

STATE OF GEORGIA
REAL ESTATE APPRAISERS BOARD

BRIAN CURTIS NEUKAM

329471

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

JEFF A. LAWSON
Vice Chairperson

JEANMARIE HOLMES
KEITH STONE

20214650

BRIAN CURTIS NEUKAM

 # 329471
Status ACTIVE

ORIGINALLY LICENSED
12/17/2007

END OF RENEWAL
03/31/2018

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

CRAIG COFFEE
Real Estate Commissioner

20214650

BRIAN CURTIS NEUKAM
329471
Status ACTIVE
ORIGINALLY LICENSED 12/17/2007
END OF RENEWAL 03/31/2018
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
CRAIG COFFEE
Real Estate Commissioner
20214650

ADDENDUM H

Ground Lease/Use Agreement

Lucy Morgan- Phase I

Land Cost Validation

2016 Federal Home Loan Bank – San Francisco

LaGrange Housing Authority will be entering into a long-term land Lease with the to-be formed tax credit partnership. The lease will be no lease than 75 years and annual payments will be no more than $1000. Attached is a copy of the draft ground lease to be executed prior to closing.

EXHIBIT B

GROUND LEASE AGREEMENT

THIS GROUND LEASE AGREEMENT, dated effective as of [DATED DATE] (this "Lease"), is made and entered into by and between **LAGRANGE HOUSING AUTHORITY**, a Georgia municipal housing authority (the "Lessor"), and **[PARTNERSHIP]**, a limited partnership duly organized and existing under the laws of the State of Georgia ("Lessee"). Terms identified by initial capital letters are defined in Article One hereof.

RECITALS:

WHEREAS, the Lessor owns certain real property located in LaGrange, Troup County, Georgia; and

WHEREAS, the Lessee is a Georgia limited partnership organized for the purpose of developing and operating safe, sanitary and affordable housing to the residents of Troup County, Georgia; and

WHEREAS, the Lessor desires to lease one or more tracts of approximately _____ acres of land identified on Exhibit "A" (the "Land") located at ________________, Troup County, Georgia, to the Lessee, and the Lessee will develop, renovate and operate thereon improvements consisting, initially, of _________ residential apartment units and one community building (the "Facility"), for use by Eligible Tenants; and

WHEREAS, all necessary consents and approvals have been obtained in connection with the Lessor's entry into this Lease upon the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the mutual covenants, conditions and agreements which follow, the parties hereby agree as follows:

ARTICLE ONE
DEFINITIONS

Section 1.01 Definitions. Capitalized terms used in this Lease shall have the following meanings unless the context clearly otherwise requires.

"Affiliate" means, with respect to a designated Person, any other Person who or that, directly or indirectly, controls, is controlled by or is under common control with such designated Person. For purposes of this definition, the term "control" (including the correlative meanings of the terms "controlled by" and "under common control with"), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of such Person, whether through ownership of voting securities or by contract or otherwise.

“Applicable Laws” means all present and future statutes, regulations, ordinances, resolutions and orders of any Governmental Authority.

“Award” means any payment or other compensation received or receivable as a consequence of a Taking from or on behalf of any Governmental Authority or any other Person vested with the power of eminent domain.

“Compliance Period” has the meaning set forth in Section 10.05 hereof.

“Date of Opening” means the date the first building in the Facility is placed into service for residential occupancy and use.

“Effective Date” means the date of closing on the bond-issue for or in connection with the Project.

“Eligible Tenant” means an individual having a level of income contemplated by Section 42(g) of the Internal Revenue Code of 1986, as amended, whereby the Premises will qualify as a low-income housing project.

“Event of Default” means the occurrence of any event or condition described as an event of default in Section 10.01 hereof.

“Expiration Date” means the expiration date of this Lease.

“Facility” means all improvements constructed on, over, under or across the Land, including the buildings containing ___ residential units together with the community building(s) for use by Eligible Tenants and the Facility Equipment, which improvments have been sold and transferred to [PARTNERSHIP] by way of an [**Asset Purchase Agreement entered into between the parties, dated ________________**].

“Facility Equipment” means any furniture, furnishings, equipment, machinery and other personal property used in connection with the operation of the Premises which is not permanently affixed to the Land or Facility, which personal property has been sold and transferred to [PARTNERSHIP] by way of an [**Asset Purchase Agreement entered into between the parties, dated ___________**].

“Force Majeure” means any (a) act of God, landslide, lightning, earthquake, hurricane, tornado, blizzard and other adverse and inclement weather, fire, explosion, flood, act of a public enemy, war, blockade, insurrection, riot or civil disturbance; (b) labor dispute, strike, work slowdown or work stoppage; (c) order or judgment of any Governmental Authority, if not the result of willful or negligent action of the Lessee; (d) adoption of or change in any Applicable Laws after the date of execution of this Lease; (e) any actions by the Lessor which may cause delay; or (f) any other similar cause or similar event beyond the reasonable control of the Lessee.

“Foreclosure” means a foreclosure or deed or other legal conveyance in lieu of foreclosure.

"HFA" means the the Georgia Department of Community Affairs.

"Governmental Authority" means any and all entities, courts, boards, agencies, commissions, offices, divisions, subdivisions, departments, bodies or authorities of any nature whatsoever of any governmental unit (Federal, state, county, district, municipality, city or otherwise) whether now or hereafter in existence, having jurisdiction over the Premises.

"Gross Revenues" means all gross receipts of the Lessee from operation of the Premises, computed on a cash basis and otherwise in a manner reasonably agreed upon between the Lessor and the Lessee, including all occupancy or rental payments and interest earned on tenants' security deposits.

"Land" means that certain parcel of real property located in Troup County, Georgia, as more specifically described on Exhibit "A" hereto.

"Lease" has the meaning set forth in the Preamble.

"Lessee" means [PARTNERSHIP], a Georgia limited partnership, together with its successors and permitted assigns.

"Lessor" means LaGrange Housing Authority.

"Limited Partners" means, collectively, [INVESTOR], and their respective successors and assigns.

"Occupant" means an Eligible Tenant who has entered into a contractual arrangement to occupy space in the Facility.

"Permitted Assignee" means (a) any Permitted Mortgagee, any purchaser at a Foreclosure, any Affiliate of a Permitted Mortgagee or any other Person selected by a Permitted Mortgagee (or its successors or assigns) subsequent to a Foreclosure of a Permitted Mortgage or (b) any Affiliate of the Lessee.

"Permitted Mortgage" has the meaning set forth in Section 6.01 hereof.

"Permitted Mortgagee" has the meaning set forth in Section 6.02 hereof. The initial Permitted Mortgagees shall be [____________], and the Lessor.

"Person" means an individual; a trust; an estate; a Governmental Authority; or a partnership, joint venture, corporation, company, firm or any other entity whatsoever.

"Premises" means the Land and the Facility.

"Rent" has the meaning set forth in Section 3.01 hereof.

"Sales Contract" has the meaning set forth in Section 13.01 hereof.

"Standstill Provision" has the meaning set forth in Section 10.05 hereof.

"State" means the State of Georgia.

"Taking" means the actual or constructive condemnation or the actual or constructive acquisition by condemnation, eminent domain or similar proceeding by or at the direction of any Governmental Authority or other Person with the power of eminent domain.

"Term" means the period described in Section 2.02 hereof.

Section 1.02 Construction. For purposes of this Lease, except as otherwise expressly provided or unless the context clearly otherwise requires:

(a) The words "herein," "hereof" and "hereunder" and other similar words refer to this Lease as a whole and not to any particular Article, Section or other subdivision, the word "includes" or "including" shall mean "including without limitation" and the word "or" shall have the inclusive meaning represented by the phrase "and/or".

(b) The section, article and other headings in this Lease are for reference purposes and shall not control or affect the construction of this Lease or the interpretation hereof in any respect.

(c) All accounting terms which are not defined in this Lease have the meanings assigned to them in accordance with generally accepted accounting principles.

(d) Any pronouns, however and wherever used in this Lease, and of whatever gender, shall include natural persons and corporations and associations of every kind and character and both the singular and the plural and refer to both genders.

(e) Any terms defined elsewhere in this Lease have the meanings attributed to them where defined.

ARTICLE TWO
LEASE OF PROPERTY - TERM OF LEASE

Section 2.01 Lease of Premises. Effective as of the Effective Date, the Lessor hereby lets, demises and rents the Land, together with any right, title and interest of the Lessor in and to the Facility, including all improvements, alterations, additions, and fixtures thereto, and Facility Equipment located on the Land and the Lessee hereby rents and leases the Land from the Lessor. The Lessee, by execution of this Lease, accepts the leasehold estate in the Land herein demised, subject only to the matters set forth on Exhibit "B" attached hereto, to have and to hold the Premises, together with all and singular the rights, privileges and appurtenances thereto attaching or anywise belonging, exclusively to the Lessee, its successors and assigns, for the term set forth in Section 2.02 hereof, subject to the covenants, agreements, terms, provisions and limitations herein set forth.

Section 2.02 Term. This Lease shall commence on the Effective Date and, unless sooner terminated as herein provided, shall continue and remain in full force and effect for a term ("Term") ending seventy-five (75) years from the Date of Opening at which time this Lease shall terminate and the Facility and all Facility Equipment will become the sole property of the Lessor.

Section 2.03 Warranty of Peaceful Possession. The Lessor covenants that, subject to the Lessee's payment of Rent and performance and observation of the covenants and agreements herein contained and provided to be performed by the Lessee, the Lessee shall and may peaceably and quietly have, hold, occupy, use and enjoy the Premises during the Term and may exercise all of its rights hereunder. The Lessor agrees to warrant and forever defend the Lessee's right to such occupancy, use and enjoyment of the Premises against the claims of any and all Persons whomsoever lawfully claiming the same, or any part thereof, subject only to the provisions of this Lease and the matters listed on Exhibit "B" attached hereto. Except as otherwise expressly agreed between the Lessee and the Lessor, the Premises shall not be subject to any service contracts entered by the Lessee during the Term hereof, provided, however, that easements, subleases, licenses or service contracts to or for the benefit of any Person providing laundry, cable television, utility and data transmission services to the Facility shall be deemed approved by the Lessor. The Lessor covenants that it shall not grant any mortgage or lien on or in respect of its fee interest in the Land unless the same is expressly subject and subordinate to this Lease or any new lease entered into pursuant to the provisions of Section 6.02 F hereof.

Section 2.04 Tax Exemption. Consistent with O.C.G.A. Section 8-3-8, the Facility is subject to a private enterprise agreement and is occupied or reserved for occupancy to persons of low income and will qualify for exemption from all local government ad valorem property taxes in the same manner as all other property owned by Lessor. Lessor hereby designates this Lease as a private enterprise agreement, in accordance with O.C.G.A. 8-3-3(13.1). Lessee will not be responsible for the payment of any local government ad valorem property taxes on the Facility, which shall be occupied or reserved for occupancy solely by low income households in accordance with this Lease unless and to the extent that the aforesaid property tax exemption is eliminated through the act or fault of Lessee.

ARTICLE THREE
RENT

Section 3.01 Rent. Rent is $1,000.00 (the "Rent") per year during the Term, totaling $75,000.00 for the term of the Lease. The Rent shall not be paid yearly, but instead shall be capitalized. The Rent shall not be paid yearly, but instead shall be capitalized and paid as of the date hereof.

ARTICLE FOUR
USE OF PREMISES

Section 4.01 Purpose of Lease. The purpose of this Lease is a predominantly public one. Lessor is entering into this Lease with Lessee in order to address the shortage of decent, safe, sanitary and affordable housing in the LaGrange through the utilization of public and private resources. The fact that one or more of the partners of Lessee will be private entities that may derive some monetary benefit from this Lease does not divest this Lease of its predominately public purpose. In addition, Lessor is making a loan to Lessee and will participate as a partner in Lessee.

ARTICLE FIVE
CONSTRUCTION

Section 5.01 Lessee to Pay Costs. The Lessee will develop and construct, or rehabilitate, and thereafter operate, the Facility at its own cost and expense, including any costs associated with plan review and procurement of building and other required permits. The Lessor shall not have any financial obligation or other obligation of any kind under this Lease except as specifically set forth herein.

Section 5.02 Improvements and Personal Property. All of the Facility and the Facility Equipment shall be the property of the Lessee during the Term of this Lease. At the expiration of the Term hereof, all right, title and interest in and to the Facility and the Facility Equipment shall vest in the Lessor, free and clear of any rights, claims or interest of the Lessee.

Section 5.03 No Representations. Except for the express representations and warranties of the Lessor set forth in this Lease, the Lessee's execution of this Lease shall be conclusive evidence of Lessee's acceptance of the Land in an "as is" condition.

ARTICLE SIX
ENCUMBRANCES

Section 6.01 Mortgage of Leasehold. Lessee may mortgage, grant a lien upon or a security interest in (or assign as collateral) Lessee's leasehold estate in the Premises, the Facility, the Facility Equipment and/or Lessee's other rights to the Gross Revenues without the prior written consent of the Lessor (a "Permitted Mortgage").

Section 6.02 Lessor's Agreements. The Lessor hereby agrees to the following for the benefit of the holder of any debt secured by a Permitted Mortgage or beneficiary of a Permitted Mortgage (individually, a "Permitted Mortgagee" and, collectively, the "Permitted Mortgagees"):

A. The Lessor shall not terminate this Lease (or Lessee's rights hereunder) upon the occurrence of any Event of Default without first advising such Permitted Mortgagees and the Limited Partners, in writing, of such Event of Default and permitting either such Permitted Mortgagees or either of the Limited Partners to cure such Event of Default on behalf of the Lessee within one-hundred twenty (120) days after the Lessor has given notice to such Permitted Mortgagees. If, during such one-hundred twenty (120) day period, the Permitted Mortgagees or either of the Limited Partners undertakes to cure such Event of Default but is unable, by reason of the nature of the default involved, to cure such failure within such period and continues to attempt to cure such Event of Default diligently and without unnecessary delays, the Lessor shall not terminate this Lease. Further, if any Event of Default is not cured within such one-hundred twenty (120) day period, or such longer period as provided in the immediately preceding sentence, and (1) a Permitted Mortgagee shall have given the notices necessary to commence Foreclosure of the liens of its Permitted Mortgage prior to the expiration of such period (unless the Permitted Mortgagee is enjoined or stayed from giving such notices or exercising its right of Foreclosure, in which event such one-hundred twenty (120) day period shall be extended by the period of such injunction or stay), and (2) the purchaser or assignee at the Foreclosure fully cures any Event of Default reasonably susceptible of being cured by the purchaser or assignee at the Foreclosure within one-hundred twenty (120) days after completion of such Foreclosure, then the Lessor will not terminate this Lease (or Lessee's rights hereunder) because of the occurrence of such Event of Default, provided that Foreclosure is diligently prosecuted. The Lessor shall accept amounts paid or actions taken by or on behalf of any Permitted Mortgagee or the Limited Partners to cure any Event of Default. Nothing contained in this Section 6.02A shall be construed to obligate a Permitted Mortgagee or the Limited Partners either to cure any Event of Default or Foreclose the liens and security interests under its Permitted Mortgage as a consequence of an Event of Default regardless of whether such Event of Default is subsequently cured. If the Permitted Mortgagees, the purchaser or the assignee at Foreclosure, or the Limited Partners cures all defaults reasonably susceptible of being cured by such Permitted Mortgagees, purchaser or assignee, then all other defaults shall no longer be deemed to be Events of Default hereunder.

B. Those Events of Default, which by their very nature, may not be cured by the Permitted Mortgagees (as, for example, the bankruptcy of the Lessee) shall not constitute grounds for the enforcement of rights, recourses or remedies hereunder by the Lessor, including termination of the Lease, if a Permitted Mortgagee either before or after a Foreclosure of its Permitted Mortgage (1) makes all payments and performs all obligations hereunder capable of being performed by the Permitted Mortgagee and (2) thereafter continues to comply with those provisions of this Lease with which, by their very nature, the Permitted Mortgagee may comply.

C. If a Permitted Mortgagee enforces the rights and remedies pursuant to the terms of its Permitted Mortgage (including Foreclosure of any liens or security interests encumbering the estates, the Facility and Facility Equipment and rights of the Lessee under this Lease) such enforcement shall not constitute an Event of Default by the Lessee hereunder.

D. If a Permitted Mortgagee should foreclose the liens and security interests of its Permitted Mortgage and should, as a result of such Foreclosure, succeed to any of the rights of the Lessee hereunder, then such Permitted Mortgagee shall be subject to all the terms and conditions of this Lease and shall be entitled to all the rights and benefits of this Lease; provided, however, that (1) such Permitted Mortgagee shall not be liable for any act or omission of the Lessee; (2) such Permitted Mortgagee shall not be bound by any amendment, modification, alteration, approval, consent, surrender or waiver of or under the terms of this Lease made without the prior written consent of such Permitted Mortgagee; (3) such Permitted Mortgagee shall not have the obligation to pay Rent; (4) such Permitted Mortgagee shall be entitled to assign all or any portion of its interest in the leasehold estate and/or Gross Revenues, without the consent of the Lessor; and (5) upon the written request of such Permitted Mortgagee, the Lessor shall reaffirm, in writing, the validity of this Lease and that this Lease is in full force and effect. The Lessor acknowledges and agrees for itself and its successors and assigns that this Lease does not constitute a waiver by any such Permitted Mortgagee of any of its rights under any Permitted Mortgage or in any way release the Lessee from its obligations to comply with the terms, provisions, conditions, representations, warranties, agreements or clauses of such Permitted Mortgage or any other security interest.

E. The Lessor and Lessee will not agree to a modification, alteration, amendment or the release or surrender of this Lease without the prior written consent of each Permitted Mortgagee and the Limited Partners.

F. In the event of the termination of this Lease prior to the Expiration Date, except by a Taking pursuant to Article Twelve hereof, the Lessor will serve upon all Permitted Mortgagees written notice that this Lease has been terminated together with a statement of any and all sums which would have at that time been due under the Lease but for such termination and of all other Events of Default, if any, under this Lease then known to the Lessor, whereupon the Permitted Mortgagee holding the most senior Permitted Mortgage shall have the option to obtain a new lease of the Premises by giving notice to the Lessor to such effect within sixty (60) days after receipt by such Permitted Mortgagee of notice of such termination, and with each junior Permitted Mortgagee having an additional fifteen (15) days to exercise such option, in order of seniority of Permitted Mortgagees, which new lease shall be (1) effective as of the date of termination of this Lease, (2) for the remainder of the Term, and (3) at the same Rent and upon all of the agreements, terms, covenants and conditions hereof. Upon the execution of such new lease, the lessee named therein shall pay any and all sums which at the time of the execution thereof would be due under this Lease but for such termination, but shall not be responsible for any expenses of the Lessor, including, without limitation, reasonable attorney’s fees, court costs and disbursements incurred by the Lessor in connection with the Event of Default and such termination, the recovery of possession of the Premises and the preparation, execution and delivery of such new lease. The limitations on the Permitted Mortgagee’s responsibility to cure Events of Default imposed by Section 6.02B hereof shall apply to this Section 6.02F.

G. All notices given hereunder by the Lessor to the Lessee and by the Lessee to the Lessor shall also be given concurrently to each Permitted Mortgagee and the Limited Partners who have previously designated its address in writing to the Lessor or whose address is listed on Exhibit “C” hereto.

H. The liability of a Permitted Mortgagee under this Lease shall be limited to the Permitted Mortgagee’s interest in the leasehold estate of the Lessee and the period during which the Permitted Mortgagee may own the interest of the Lessee hereunder. Upon the Permitted Mortgagee's assignment or transfer of its rights and interests in and to this Lease to a third party, the Permitted Mortgagee shall have no further liability for any obligations arising after such transfer date, which liability shall be borne by the assignee or transferee.

ARTICLE SEVEN
MAINTENANCE AND REPAIR

Section 7.01 Utilities. The Lessee shall pay or cause to be paid all charges, including any connection fees, for water, gas, electricity, sewer, telecommunications and any other utilities installed in and used at the Premises throughout the Term.

Section 7.02 Maintenance and Repairs. Throughout the term of this Lease, the Lessee shall keep and maintain, or cause to be kept and maintained, the Premises and all facilities located thereon in a good state of repair.

Section 7.03 Renovation of Improvements. The Lessee shall have the right at any time and from time to time to do such major or minor alterations, renovation or repair work to any portion of the Facility as the Lessee determines is reasonably necessary.

Section 7.04 Damage to Improvements. Subject to the other terms of this Lease, in the event any portion of the Facility is damaged by fire or otherwise, regardless of the extent of such damage or destruction, as soon as practicable thereafter, but in no event longer than ninety (90) days following the date of such damage or destruction, the Lessee shall commence the work of repair, reconstruction or replacement of the damaged or destroyed building or improvement and prosecute the same with reasonable diligence to completion, so that the Facility shall be restored to substantially the same size, function and value as the Facility existing prior to the damage. All or any portion of the insurance proceeds payable as a consequence of a casualty affecting the Facility shall be deposited with and disbursed by the Permitted Mortgagee holding the Permitted Mortgage with the most senior lien priority in accordance with such Permitted Mortgagee's loan documents or contractual agreements with the Lessee pending the completion of repairs to the Facility. Subsequently, if the insurance proceeds are not used to rebuild the Facility, the proceeds shall be distributed between Lessor and Lessee, with the value of the Facility going to Lessee. If any available insurance proceeds (after payment of all or any portin of such insurance proceeds towards amounts owed under any Permitted Mortgage) are insufficient, in the reasonable judgment of the Lessee, to permit restoration in accordance with the terms of this Lease, or if payment of the insurance proceeds is contested or not settled promptly for any reason, then the Lessor shall grant an appropriate extension of the time for commencing repairs to allow the Lessee to obtain reasonable replacement financing or to obtain the insurance proceeds. If the Lessee shall in good faith be unable to (a) obtain reasonable replacement financing to restore the Facility to substantially the same size, function and value as the Facility existed prior to the damage or (b) obtain the insurance proceeds from the Permitted Mortgagee, then the Lessee (with the Permitted Mortgagee's prior written approval, if applicable) may terminate this Lease by giving written notice thereof to the Lessor and the Limited Partners and assigning to the Lessor any and all insurance claims arising therefrom. In the event of termination pursuant to this Section 7.04, this Lease shall terminate ten (10) days following the date of such notice with the same force and effect as if such date were the date herein fixed for the expiration of the Term. Rent applicable to the Term shall be applied to pay Lessor any amount due under this Lease.

ARTICLE EIGHT
CERTAIN LIENS PROHIBITED

Section 8.01 No Mechanics' Liens. Except as permitted in Section 8.02 hereof, the Lessee shall not suffer or permit any mechanics' liens or other liens to be enforced against the Lessor's Interest nor against the Lessee's leasehold interest in the Premises by reason of a failure to pay for any work, labor, services or materials supplied or claimed to have been supplied to the Lessee or to anyone holding the Premises or any part thereof through or under the Lessee. The Lessee shall at all times during construction or reconstruction cause payment and performance bonds to be in place covering all work and/or materials provided therefor.

Section 8.02 Release of Recorded Liens. If any such mechanics' liens or materialmen's liens shall be recorded against the Premises, the Lessee shall cause the same to be released of record or, in the alternative, if the Lessee in good faith desires to contest the same, the Lessee shall be privileged to do so, but in such case the Lessee hereby agrees to indemnify and save the Lessor harmless from all liability for damages occasioned thereby and shall, in the event of a judgment of foreclosure on said mechanics' lien, cause the same to be discharged and released prior to the execution of such judgment. In the event the Lessor reasonably considers the Lessor's Interest to be endangered by any such liens and so notifies the Lessee, the Limited Partners and each Permitted Mortgagee, and the Lessee or any Permitted Mortgagee fails to provide adequate security for the payment of such liens in the form of a surety bond, cash deposit or cash equivalent or indemnity agreement satisfactory to the Lessor within thirty (30) days following receipt of such notice, then the Lessor, at the Lessor's sole discretion, may discharge such liens and recover from the Lessee immediately as net Rent under this Lease the amounts to be paid, with interest thereon from the date paid by the Lessor until repaid by the Lessee at the rate of ten percent (10%) per annum.

ARTICLE NINE
INSURANCE AND INDEMNIFICATION

Section 9.01 Indemnification by Lessee. Excluding the acts or omissions of the Lessor, its employees or agents, the Lessee shall indemnify and save harmless the Lessor, its agents, officers and employees, from and against any and all liability claims, demands, damages, expenses, fees, fines, penalties, suits, proceedings, actions and causes of action of any and every kind and nature arising or growing out of or in any way connected with the Lessee's use, occupancy, management, operation or control of the Premises. This obligation to indemnify shall include the reasonable fees and costs of legal counsel, third-party investigation costs and all other reasonable costs, expenses and liabilities from the first notice that any claim or demand has been made; provided, however, that, unless prevented by a conflict of interest, the Lessee and the Lessor shall use the same counsel if such counsel is approved by the Lessor, which approval shall not be unreasonably withheld or delayed. It is expressly understood and agreed that the Lessee is and shall be deemed to be an independent contractor responsible to all parties for its respective acts or omissions and that the Lessor shall in no way be responsible therefor.

Section 9.02 Lessor Not Liable. The Lessor shall not be liable for any damage to either persons or property sustained by the Lessee or other persons and caused by any act or omission of any occupant of the Facility. Lessee agrees to hold harmless and indemnify Lessor for any such loss or damage of whatever nature, including reasonable costs and attorney fees.

Section 9.03 Insurance. The Lessee shall at all times continuously maintain without interruption, with respect to the Premises, for the duration of this Lease and any extensions thereof, insurance issued by a company or companies qualified, permitted or authorized to conduct business in the State of Georgia in the following types and amounts:

TYPE	AMOUNT
(1) Comprehensive General (Public) Liability - to include coverage for the following where the exposure exists: (a) Premises/Operations (b) Independent Contractors (c) Products/Completed Operations (d) Personal Injury (e) Contractual Liability (f) Explosion, collapse and underground property damage	Combined Single Limit for Bodily Injury and Property Damage in an amount acceptable to the Lessor Representative, not less than $1,000,000.
(2) All Risk Property Damage Insurance - for coverage being for physical damage to the property of the Lessee including improvements to the Land.	Coverage for 100% of the replacement cost of the Facility.
(3) Builder's Risk Insurance - all risk of physical loss during term of the Construction Agreement and until the Facility is substantially completed.	Coverage for 100% of the replacement cost of the Facility.

However, the Builder's Risk Insurance need only be maintained until the completion of the construction, or rehabilitation, of the Facility as set forth in more detail in Article Five.

Section 9.04 Lessor Additional Insured. The Lessee agrees that with respect to the above required insurance, the Lessor shall:

A. Be named on the Property Insurance Policy and Comprehensive General Liability Policy as an additional named insured. The Lessor agrees to endorse insurance checks or otherwise release insurance proceeds promptly, provided no Event of Default is continuing hereunder. The Lessor shall, regardless of the existence of an Event of Default, promptly endorse insurance checks or otherwise release insurance proceeds payable to (or to be held by) a Permitted Mortgagee if such Permitted Mortgagee's Permitted Mortgage so requires.

B. Be provided with thirty (30) days advance notice, in writing, of the cancellation of or material change in any required insurance coverage.

C. Be provided with a certificate evidencing the above required insurance at the time the policies are required to be obtained and thereafter with certificates evidencing renewals or replacements of said policies of insurance at least thirty (30) days prior to the expiration or cancellation of any such policies.

Section 9.05 Subrogation. Anything in this Lease to the contrary notwithstanding, the Lessor and the Lessee each hereby waives any and all rights of recovery, claims, actions or causes of action against the other, its agents, officers and employees for any injury, death, loss or damage that may occur to Persons or the Premises, or any personal property of such party therein, by reason of fire, the elements or any other cause which is insured against under the terms of the policies of insurance that are maintained by the Lessor or the Lessee or that the Lessee is required to provide hereunder, regardless of cause or origin, including negligence by the party hereto, its agents, officers or employees, and each party covenants that no insurer shall hold any right of subrogation against the other, except in the cases (and only in these cases) that (i) such waiver of subrogation invalidates coverage under such policy, and/or (ii) Lessee fails to fulfill its obligations set forth in Section 9.04(A).

ARTICLE TEN
DEFAULT AND REMEDIES

Section 10.01 Events of Default. Any one of the following events shall be deemed to be an "Event of Default" by the Lessee under this Lease.

A. The Lessee fails to pay any sum required to be paid to the Lessor under the terms and provisions of this Lease and such failure shall not be cured within thirty (30) days after the Lessee's receipt of written notice from the Lessor of such failure.

B. The taking by execution of the Lessee's leasehold estate or any interest thereon for the benefit of any Person, other than a Permitted Mortgagee or purchaser at a Foreclosure.

C. The Lessee fails to perform any other covenant or agreement, other than the payment of money, to be performed by the Lessee under the terms and provisions of this Lease and such failure is not cured within one hundred twenty (120) days after receipt of written notice from the Lessor of such failure; provided that if, during such one hundred twenty (120) day period, the Lessee takes action to cure such failure but is unable, by reason of the nature of the work involved, to cure such failure within such period and continues such work thereafter diligently and without unnecessary delays, such failure shall not constitute an Event of Default hereunder.

D. A court having jurisdiction enters an order for relief in any involuntary case commenced against the Lessee, as a debtor, under the Federal Bankruptcy Code, as now or hereafter constituted, or enters a decree or order appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of or for the Lessee or any substantial part of the properties of the Lessee or ordering the winding up or liquidation of the affairs of the Lessee, and the continuance of any such decree or order unstayed and in effect for a period of one hundred twenty (120) consecutive days.

E. The commencement by the Lessee of a voluntary case under the Federal Bankruptcy Code, as now or hereafter constituted, or the consent or acquiescence by the Lessee to the commencement of a case under such Code or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of or for the Lessee or any substantial part of the properties of the Lessee.

Section 10.02 Right to Expel. The Permitted Mortgagee shall have the right to expel the Lessee without the consent of the Lessor upon the occurrence of an Event of Default and assume the position of the Lessee with all rights and duties under this Lease.

Section 10.03 Lessor’s Rights Upon Default. Subject to the rights of all Permitted Mortgagees and the Limited Partners under Article Six and Section 10.02 hereof, upon the occurrence and during the continuance of an Event of Default, the Lessor may at its option (i) prepay the amount of all Permitted Mortgagees and acquire all of the Lessee’s right, title and interest hereunder in and to the Facility, free and clear of all liens and encumbrances, (ii) declare this Lease and all rights and interests created by it to be terminated, (iii) seek any and all remedies and damages occasioned by the Event of Default or (iv) seek any other remedies and causes of action available at law or in equity.

Section 10.04 Right To Relet Premises. Upon the Lessor’s exercise of the election to terminate this Lease pursuant to Section 10.03(ii), the Lessor shall take possession of the Premises and shall use reasonable efforts to relet the same for the remainder of the Term for the account of the Lessee upon such terms as the Lessor is able to obtain. Any termination of this Lease shall not relieve the Lessee from the payment of sums then due and payable to the Lessor or any claim for accrued damages against the Lessee. Any such termination shall not prevent the Lessor from enforcing the payment of any sums or from claiming damages by any remedy provided for by law or from recovering damages from the Lessee for any Event of Default.

Section 10.05 Standstill. Notwithstanding the foregoing, so long as [INVESTOR] (or an affiliate thereof) and/or Georgia Fund 2014 X LLC (or an affiliate thereof) is a limited partner of the Lessee, Lessor will not terminate or attempt to terminate this Lease or exercise any other rights or remedies it may have under Article Ten of this Lease. Lessor waives no rights or remedies it may have under the Lease, but merely agrees not to enforce those rights or remedies until the end of the Compliance Period (as such term is defined in the Borrower's Second Amended and Restated Agreement of Limited Partnership).

ARTICLE ELEVEN
DEFAULT BY LESSOR

Section 11.01 Lessor Defaults. If the Lessor fails to perform any of its respective obligations or covenants under this Lease, then the Lessee shall be entitled to enforce any one or more of the following rights and remedies:

A. The Lessee shall be entitled to cease paying all amounts owed to the Lessor under this Lease; and

B. The Lessee shall be entitled to require the Lessor to specifically perform its obligations under this Lease or restrain or enjoin the Lessor from continuing the activities that constitute the default of the Lessor.

ARTICLE TWELVE
CONDEMNATION

Section 12.01 Condemnation Of Entire Premises. Upon the permanent Taking of substantially all of the Premises (such that a reasonable amount of reconstruction would not make the Land and Facility economically feasible as a low income housing development as reasonably determined by the Lessee), this Lease shall terminate and expire as of the date of such Taking, and both the Lessee and the Lessor shall thereupon be released from any liability thereafter accruing hereunder. The Lessee and the Permitted Mortgagee shall each receive notice of any proceedings relating to a Taking and shall each have the right to participate therein.

Section 12.02 Payment Of Awards. Upon the Taking of all or any portion of the Premises, the Lessee shall be entitled (free of any claim by the Lessor) to the Award for the value of its interest in the Premises and its rights under this Lease and damages to any of its other property, together with any other compensation or benefits paid as a consequence of the interruption of the Lessee's business.

Section 12.03 Repair After Condemnation. Should a Taking occur that does not result in termination as provided by Section 12.01 hereof, the Lessee, at its expense, shall commence and proceed with reasonable diligence to repair or reconstruct the Facility. Any and all such repairs or reconstruction shall be subject to prior reasonable approval of the Lessor. Notwithstanding the foregoing provisions of this Section 12.03, if the Award payable as a consequence of a Taking (after payment of all or any portion of such Award towards amounts owed under any Permitted Mortgage) is insufficient, in the reasonable judgment of the Lessee, to permit such restoration, then the Lessee, with the prior written approval of the Limited Partners and all Permitted Mortgagees (a copy of which approval must be delivered to the Lessor), may terminate this Lease by written notice to the Lessor in which event, at the request of the Lessor, the Lessee shall demolish the Facility, at the Lessee's sole cost and expense, and shall restore the Land to substantially the same condition as it existed on the date of this Lease. All or any portion of the Award payable to the Lessee as a consequence of a Taking affecting the Premises shall be deposited with and disbursed by the Permitted Mortgagee (holding the Permitted Mortgage with the most senior lien priority) pending the completion of the restoration of the Premises. In the event of termination pursuant to this Section 12.03, this Lease shall terminate ten (10) days after the date of such notice with the same force and effect as if such date were the date herein fixed for the expiration of the Term, and the Rent shall be apportioned and paid at the time of such termination.

ARTICLE THIRTEEN
ASSIGNMENT AND OTHER RIGHTS

Section 13.01 Assignment By Lessee. Without first obtaining the prior written consent of the Lessor, the Lessee shall not have any right or authority to sell or assign the Lessee's leasehold estate created by this Lease and the other rights of the Lessee hereunder except to any Permitted Assignee or Affiliate thereof, subject to the condition of any loan agreement to which the Lessee is a party and so long as such assignee or affiliate unconditionally assumes the Lessee's obligations hereunder. Any such request for written consent of Lessor shall include a complete copy of the agreement for the sale or assignment of the Lessee's leasehold estate (the "Sales Contract"). Lessor shall have the right of first refusal to acquire the Lessee's leasehold estate on the same terms and conditions as contained in the Sales Contract. If the Lessor does not exercise its right of first refusal by delivering notice of such exercise to Lessee within sixty (60) days of Lessee's request for written consent to the sale or assignment, the Lessor's written consent shall be deemed granted. If Lessor exercies its right of first refusal to acquire Lessee's leasehold estate, the leasehold estate and the fee estate shall not merge without the consent of all Permitted Mortgagees.

Section 13.02 Transfers Or Mortgages Of Lessor's Interest. Any and all mortgages or liens placed or suffered by the Lessor encumbering the Lessor's Interest shall be expressly subject and subordinate to this Lease, to all obligations of the Lessor hereunder, and to all of the rights, titles, interests and estates of the Lessee created or arising hereunder. The obligations of the Lessee under this Lease shall survive any conveyance, foreclosure or other transfer of the Lessor's interest, and the Lessee shall not be relieved of such obligations as a consequence of such conveyance, foreclosure or other transfer. Furthermore, any Person succeeding to the Lessor's Interest as a consequence of any such conveyance, foreclosure or other transfer shall succeed to all of the obligations of the Lessor hereunder.

ARTICLE FOURTEEN
COMPLIANCE CERTIFICATES

Section 14.01 Lessor Compliance. The Lessee agrees, at any time and from time to time upon not less than thirty (30) days prior written notice by the Lessor, to execute, acknowledge and deliver to the Lessor or to such other party as the Lessor shall reasonably request, a statement in writing certifying (a) that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and stating the modifications), (b) to the best of its knowledge, whether or not there are then existing any offsets or defenses against the enforcement of any of the terms, covenants or conditions hereof upon the part of the Lessee to be performed (and if so specifying the same), (c) the dates to which the Rent and other charges have been paid, and (d) the dates of commencement and expiration of the Term, it being intended that any such statement delivered pursuant to this Section may be relied upon by any prospective purchaser of the Lessor's Interest.

Section 14.02 Lessee Compliance. The Lessor agrees, at any time and from time to time, upon not less than thirty (30) days prior written notice by the Lessee, to execute, acknowledge and deliver to the Lessee a statement in writing, addressed to the Lessee or to such other party as the Lessee shall request, certifying (a) that this Lease is unmodified and in full force and effect (or if there have been modifications that the same is in full force and effect as modified and stating the modifications); (b) the dates to which the Rent and other charges have been paid; (c) whether an Event of Default has occurred and is continuing hereunder (and stating the nature of any such Event of Default); (d) whether an event has occurred which, after giving of notice or the passage of time (or both) would result in an Event of Default (and stating the nature of any such event); and (e) the dates of commencement and expiration of the Term. Any such statement delivered pursuant to this Section may be relied upon by any prospective assignee, sublessee or Permitted Mortgagee of this Lease or by any assignee or prospective assignee of any Permitted Mortgage.

SECTION FIFTEEN
FORCE MAJEURE

Section 15.01 Discontinuance During Force Majeure. Whenever a period of time is herein prescribed for action to be taken by the Lessee or a Permitted Mortgagee, there shall be excluded from the computation of any such period of time, any delays due to Force Majeure. The Lessor shall not be obligated to recognize any delay caused by Force Majeure unless the Lessee or such Permitted Mortgagee shall, within ten (10) days after the Lessee or such Permitted Mortgagee is aware of the existence of an event of Force Majeure, notify the Lessor thereof.

SECTION SIXTEEN
MISCELLANEOUS

Section 16.01 Notices. Notices or communications to the Lessor or the Lessee required or appropriate under this Lease shall be in writing, sent by (a) personal delivery, or (b) expedited delivery service with proof of delivery, or (c) registered or certified United States mail, postage prepaid, or (d) prepaid telecopy if confirmed by expedited delivery service or by mail in the manner previously described, addressed as follows:

if to the Lessee: [PARTNERSHIP]

with a copy to: [INVESTOR]

.

and

if to the Lessor:
LaGrange Housing Authority
201 Chatham Street
LaGrange, Georgia 30240-5313
Attn: Executive Director

with a copy to:
Mr. Stewart Duggan
BRINSON ASKEW BERRY
P.O. Box 5007
Rome, Georgia 30162-5007
isduggan@brinson-askew.com

or to such other address or to the attention of such other person as hereafter shall be designated in writing by such party. Any such notice or communication shall be deemed to have been given either at the time of personal delivery or, in the case of delivery service, telecopy or mail, upon receipt. The notices provided to the Lessee under this Lease shall not be effective against any Permitted Mortgagee, unless such notices are sent to the Permitted Mortgagee pursuant to Section 6.02 hereof and at the address set forth in Exhibit "C" or as otherwise provided.

Section 16.02 Relationship Of Parties. Nothing contained herein shall be deemed or construed by the parties hereto, or by any third party, as creating the relationship of principal and agent, partners, joint venturers, or any other similar such relationship, between the parties hereto. It is understood and agreed that no provision contained herein nor any acts of the parties hereto creates a relationship other than the relationship of the Lessor and the Lessee.

Section 16.03 Memorandum Of Lease. The Lessor and the Lessee agree to execute in recordable form a Memorandum of Lease in substantially the form of Exhibit "D" attached hereto, which shall be recorded in the Office of the Clerk, Superior Court, Troup County, Georiga.

Section 16.04 Attorneys' Fees. If either party is required to commence legal proceedings relating to this Lease, the prevailing party shall be entitled to recover and receive reimbursement for its reasonable attorneys' fees and costs of suit.

Section 16.05 Approvals. Whenever approvals are required of either party hereunder, if no objection is made to a written proposal or request for approval within the time period specified for response herein, such approval shall be deemed to have been given. If no time period is specified for a response to a proposal or request for approval, a reasonable time not to exceed ten (10) days from the date of such proposal or request shall apply unless the parties otherwise agree in writing.

Section 16.06 State Law To Apply. This Lease shall be construed under and in accordance with the laws of the State of Georgia.

Section 16.07 Rights Cumulative. All rights, options, and remedies of the Lessor and the Lessee contained in this Lease shall be construed and held to be cumulative and no one of them shall be exclusive of the other. The Lessor and the Lessee shall each have the right to pursue any one or all of such remedies or any other remedy or relief which may be provided by law or in equity whether or not stated in this Lease.

Section 16.08 Nonwaiver. No waiver by the Lessor or the Lessee of a breach of any of the covenants, conditions or restrictions of this Lease shall constitute a waiver of any subsequent breach of any of the covenants, conditions or restrictions of this Lease. The failure of the Lessor or the Lessee to insist in any one or more cases upon the strict performance of any of the covenants of the Lease, or to exercise any option herein contained, shall not be construed as a waiver or relinquishment for the future of such covenant or option. Receipt or acceptance by the Lessor of Rent with knowledge of the breach of any agreement herein or covenant hereof shall not be deemed a waiver of such breach. No waiver, change, modification or discharge by the Lessor or the Lessee of any provision of this Lease shall be deemed to have been made or shall be effective unless expressed in writing and signed by the party to be charged.

Section 16.09 Counterparts. This agreement may be executed in multiple counterparts, each of which shall be deemed an original.

Section 16.10 Severability. If any severable clause or provision of this Lease is determined to be illegal, invalid or unenforceable under present or future laws effective during the Term of this Lease, then and in that event, it is the intention of the parties hereto that the remainder of this Lease shall not be affected thereby.

Section 16.11 Entire Agreement. This Lease, together with the exhibits attached hereto, contains the final and entire agreement between the parties hereto and contains all of the terms and conditions agreed upon regarding the lease of the Land, and no other agreements, oral or otherwise, regarding the Lease of the Land shall be deemed to exist or to bind the parties hereto; it being the intent of the parties that neither shall be bound by any term, condition or representations not herein written pertaining to the Lease of the Land.

Section 16.12 Amendment. No amendment, modification or alteration of this Lease shall be binding unless the same be in writing, dated on or subsequent to the date hereof and duly executed by the parties hereto. No such amendment, modification or alteration, and no termination of this Lease, shall be effective without the prior written consent of each Permitted Mortgagee and the Limited Partners.

Section 16.13 Successors And Assigns. All of the covenants, agreements, terms and conditions to be observed and performed by the parties hereto shall be applicable to and binding upon their respective successors and assigns including any successor by merger or consolidation of the Lessor into another public authority or similar entity.

Section 16.14 Tax Burden and Benefit of Ownership. The parties hereto agree that so long as this Lease is in effect, the Lessee shall be the owner for tax purposes and shall be possessed with the benefits and burdens of ownership for tax purposes, including, without limitation, the right of Lessee to claim all depreciation, losses, federal tax credits and state tax credits on Lessee’s income tax returns in connection with the Facility.

SECTION SEVENTEEN
HUD REQUIREMENT

Section 17.01 HUD Addendum. Notwithstanding any other clause or provision in this Lease and so long as the Rental Assistance Demonstration Use Agreement dated as of substantially even date herewith, as amended from time to time (the “Use Agreement”) is in effect, the following provisions shall apply:

A. If any of the provisions of this Lease conflict with the terms of the Use Agreement, the provisions of the Use Agreement shall control.

B. The provisions in this Section 17.01 are required to be inserted into this Lease by HUD and may not be amended without HUD’s prior written approval.

C. Violation of the Use Agreement constitutes a default of this Lease.

D. Notwithstanding any other contract, document or other arrangement, upon termination of this ground lease, title to the real property leased herein shall remain vested in Lessor and title to the buildings, fixtures, improvements, trade fixtures and equipment that belong to Lessee shall vest in [Lessee].

E. Neither the Lessee nor any of its partners shall have any authority to:

   i. Take any action in violation of the Use Agreement; or

   ii. Fail to renew the HAP Contract (as such term is defined in the Borrower’s Second Amended and Restated Agreement of Limited Partnership) upon such terms and conditions applicable at the time of renewal when offered for renewal by the Lessor or HUD.

F. Except to the extent permitted by the HAP Contract or Use Agreement and the normal operation of the Project, neither the Lessee nor any partners shall have any authority without the consent of Lessor to sell, transfer, convey, assign, mortgage, pledge, sublease or otherwise dispose of, at any time, the Project as defined in the Use Agreement or any part thereof.

[SIGNATURES FOLLOW]

IN WITNESS WHEREOF, the duly authorized officers of the Lessor and the Lessee have executed this Ground Lease Agreement as of the date first set forth above.

LESSOR: **LAGRANGE HOUSING AUTHORITY**

By: ______________________________
Zsa Zsa Heard, Executive Director

(Corporate Seal)

LESSEE: **[PARTNERSHIP]**,

EXHIBIT “A”

DESCRIPTION OF THE LAND

EXHIBIT “B”

PERMITTED ENCUMBRANCES

EXHIBIT “C”

ADDRESSES OF PERMITTED MORTGAGEE

EXHIBIT “D”

MEMORANDUM OF LEASE

After Recording Please Return to:

STATE OF COUNTY OF

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE (this “Agreement”) dated as of March [__], 2015 between **LAGRANGE HOUSING AUTHORITY**, a Georgia municipal housing authority (the “Lessor”), and **[PARTNERSHIP]**, a limited partnership duly organized and existing under the laws of the State of Georgia (“Lessee”).

WITNESSETH:

WHEREAS, the Lessor and the Lessee, have entered into a Ground Lease Agreement of even date herewith (the “Lease”) with a term ending seventy-five (75) years from the Date of Opening as such term is defined in the Lease, with respect to the real property described in Exhibit “A” attached hereto and made a part hereof by reference, and other property described therein.

NOW, THEREFORE, the Lessor and Lessee have caused this Memorandum of Lease to be executed in their respective names and their respective seals to be hereunto affixed and attested by their duly authorized officers, all as of the date first above written, to give record of notice of such Lease.

[SIGNATURES FOLLOW]

LESSOR:	**LAGRANGE HOUSING AUTHORITY**,

By: ______________________________
Zsa Zsa Heard, Executive Director

LESSEE:	**[PARTNERSHIP]**