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A MARKET VALUATION OF:

ROLLING BENDS PHASE I

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2500 Center Street NW
Atlanta, Fulton County, Georgia 30318

Effective Date: September 14, 2017
Report Date: September 19, 2017

Prepared for:
Wes McLean
Preservation Partners Development III
21515 Hawthorne Boulevard, Suite 390
Torrance, CA 90503

Assignment Code: PPD600V-132

Prepared by:
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Wes McLean
Preservation Partners Development III
21515 Hawthorne Boulevard, Suite 390
Torrance, CA 90503

Re: Appraisal of Rolling Bends Phase I
2500 Center Street NW
Atlanta, Fulton County, Georgia 30318

Dear Mr. McLean:

We are pleased to present our findings with respect to the value of the above-referenced property, Rolling Bends Phase I (Subject). The Subject is an existing 164-unit LIHTC/Section 8 multifamily property that is proposed for Low Income Housing Tax Credit (LIHTC) renovation. It should be noted that this appraisal is only valuing Phase I of the Subject. We are concurrently preparing an appraisal for Phase II of the Subject. The scope of this report meets the requirements of the Georgia Department of Community Affairs (DCA). We are concurrently preparing a DCA application market study for the Subject property. We provided several value estimates of both tangible and intangible assets, described and defined below:

- Land Value.
- Market Value “As Is”
- Prospective Market Value “upon completion and stabilization” – Assuming Restricted Rents.
- Hypothetical Market Value “upon completion and stabilization” – Assuming Unrestricted Rents.
- Prospective Market Value at Loan Maturity Assuming Unrestricted Rents
- Valuation of Tax Credits.
- Favorable Financing.

This letter serves as an introduction to the attached appraisal. Thus, the value opinions expressed in this introduction letter must be taken in context with the full appraisal report. It should be noted that we have simultaneously prepared a market study for property that is the Subject of this report. We have performed no other services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

Preservation Partners Development III is the client in this engagement. We understand that they will use this document for submittal to the Georgia Department of Community Affairs (DCA) as part of a Low Income Housing Tax Credit (LIHTC) application. 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, Preservation Partners Development III 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.

Market value is defined as:

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

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

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

As a result of our investigation and analysis, it is our opinion that, subject to the limiting conditions and assumptions contained herein, the estimated market value of the fee simple interest in the Subject "as if vacant and encumbered" (land value), free and clear of financing, as of September 14, 2017, is:

ONE MILLION ONE HUNDRED TEN THOUSAND DOLLARS
(\$1,110,000)

The Subject's fee simple market value assuming current contract rents "As Is", as of September 14, 2017 is:

TEN MILLION SEVEN HUNDRED THOUSAND DOLLARS
(\$10,700,000)

The Subject's prospective fee simple market value of the real estate assuming restricted rents "As Proposed", on April 2019, as of September 14, 2017 is:

FOURTEEN MILLION SIX HUNDRED THOUSAND DOLLARS
(\$14,600,000)

The Subject's hypothetical leased fee market value of the real estate assuming unrestricted rents "As Proposed", on April 2019, as of September 14, 2017 is:

FOURTEEN MILLION FOUR HUNDRED THOUSAND DOLLARS
(\$14,400,000)

The prospective market value at 30 years (loan maturity) of the Subject's fee simple interest, subject to the rental restrictions in the year 2047, as of September 14, 2017, is:

FIFTEEN MILLION SEVEN HUNDRED THOUSAND DOLLARS
(\$15,700,000)

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

The hypothetical prospective market value at 30 years (loan maturity) of the Subject's fee simple interest, as an unrestricted property in the year 2047, as of September 14, 2017, is:

**FIFTEEN MILLION FIVE HUNDRED THOUSAND DOLLARS
(\$15,500,000)**

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

The HUD contract rents are below market rents for the Subject as is and as renovated. As such, a rent increase based upon the Rent Comparability Study (RCS) would suggest increases are possible. It is a specific extraordinary assumption of this report that an increase in Contract Rents will occur and, as such, we are utilizing achievable market rents in the determination of potential gross income for the property's Section 8 units. This is considered reasonable based on HUD regulations and the expectation of a typical purchaser.

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 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.

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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I. EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

Property Appraised:

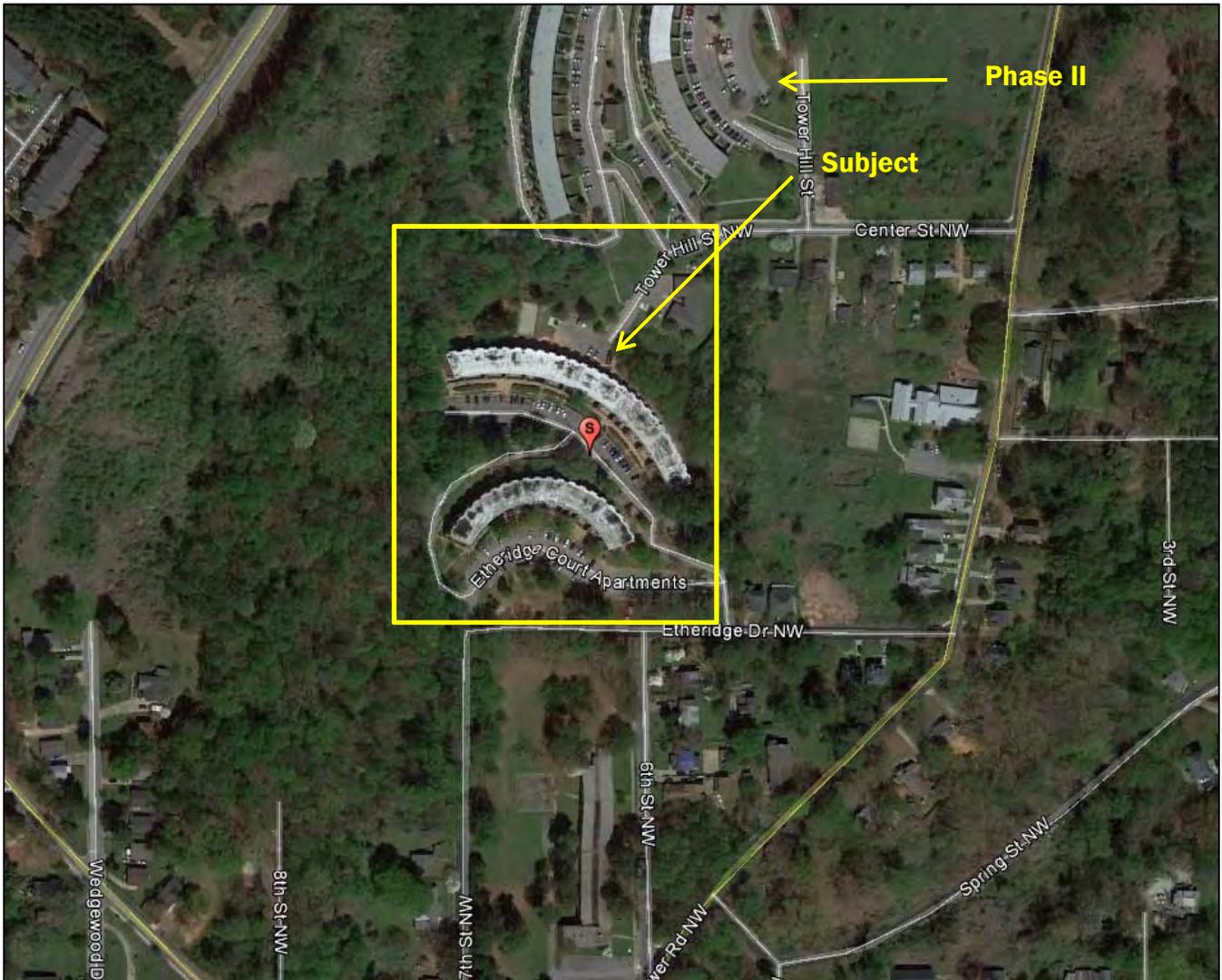
Rolling Bends Phase I (Subject) is an existing 164-unit LIHTC/Section 8 multifamily property located at 2500 Center Street NW, Atlanta, Georgia 30318. The property consists of 10 one-bedroom units, 138 two-bedroom units, and 16 three-bedroom units, within two four-story lowrise-style buildings. Of the 164 units at the property, all are subject to Section 8 restrictions. Following renovations, all of the 164 units will continue to benefit from the HAP contract (Section 8 Contract No. GA06-L000-065), which expires December 31, 2022. According to the rent roll dated May 3, 2017, the Subject is currently 98.8 percent occupied. The buildings are wood frame with brick and vinyl siding exteriors and flat roofs. The Subject was originally constructed in the 1970, renovated in 2002 with LIHTC equity, is generally well maintained, and in overall average condition.

Recent Operation:

The Subject property is currently operating as a LIHTC/Section 8 property. According to the Subject's historical audited financials, the Subject operated with a total vacancy rate (including collection loss) of 8.4 percent in 2015 and 7.4 percent in 2016. Based on a rent roll dated May 3, 2017, the Subject was 98.8 percent occupied with a waiting list of six to 12 months.

Aerial Image:

The following image depicts the Subject site boundaries.



Tax Map ID:

The Subject property is identified by the Fulton County Tax office as parcel 17-0250-LL-051-5.

Land Area:

The size of the Subject site is approximately 10.22 acres, according to the information obtained from the Fulton County Assessor's office.

Legal Interest Appraised:

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

Current Rents and Unit Mix:

Based on a rent roll received May 3, 2017, the current rents at the Subject are based on 30 percent of resident incomes, as the Subject operates as a Section 8 development. The following table illustrates the Subject's current rents and unit mix.

CURRENT RENTS

Unit Type	Unit Size (SF)	Number of Units	Current Contract Rent	Minimum Tenant Paid Rent	Maximum Tenant Paid Rent	Average Tenant Paid Rent
<i>Section 8/LIHTC</i>						
1BR/1BA	616	10	\$725	\$0	\$238	\$82
2BR/1BA	820	138	\$832	\$0	\$430	\$55
3BR/1BA	1,032	16	\$1,021	\$0	\$175	\$38
Total		164				

Based on a rent roll received May 3, 2017, the Subject is currently 98.8 percent occupied and 100 percent pre-leased with a waiting list of six to 12 months in length depending on unit type. According to the Subject's historical audited financials, the Subject operated with a total vacancy rate (including collection loss) of 8.4 percent in 2015 and 7.4 percent in 2016.

Proposed Rents:

The following table illustrates the proposed unit mix. The proposed contract rents are based on our analysis of achievable market rents post-renovation.

PROPOSED RENTS

Unit Type	Unit Size (SF)	Number of Units	Asking LIHTC Rents	Utility Allowance (1)	Gross LIHTC Rents	2016 LIHTC Maximum Rents	Current Contract Rents (2)	Novoco's Proposed Contract Rents
<i>Section 8/60% AMI</i>								
1BD/1BA	616	10	\$653	\$106	\$759	\$759	\$711	\$925
2BD/1BA	820	138	\$793	\$119	\$912	\$912	\$816	\$1,045
3BD/2BA	1,032	16	\$828	\$225	\$1,053	\$1,053	\$1,001	\$1,110
Total		164						

(1) Utility Allowance provided by the developer, and based upon the approved Section 8 utility allowance for the Subject, effective 1/1/2016

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

Scope of Renovations:

The Subject is proposed for renovation with low income housing tax credits (LIHTC). Renovations will reportedly have hard costs of renovations will reportedly be \$30,000 per unit, or \$4,920,000 for the entire property. The scope of renovation will include, but not be limited to the following:

- New kitchen and bathroom cabinets and counter tops
- New windows
- New roof
- New appliances
- New flooring

- New interior LED lighting
- New low flow toilets
- New low flow water faucets
- New paint
- Free wireless internet in units
- New Business Center

Ownership History of the Subject:

The Subject property is currently owned by Etheridge Court Redevelopment Partnership II LP. There have been no transfers in the past three years. Currently, there is a proposed purchase agreement between Preservation Partners Development III (buyer) and Etheridge Court Redevelopment Partnership II LP, an unrelated entity, for a total of \$11,575,000 for Phase I and \$11,575,000 for Phase II, for a total of \$23,150,000, or \$65,395 per unit. Novogradac has concluded to an as is market value of approximately \$10,700,000, for Phase I and \$12,800,000 for Phase II for a total of \$23,500,000, which suggests a slight buyer's advantage.

**Highest and Best Use
"As If Vacant":**

Based on the recent development patterns, the highest and best use "as if vacant" would be to construct a 178-unit multifamily development with subsidy or gap financing, such as LIHTC.

**Highest and Best Use
"As Improved":**

The Subject currently operates as a LIHTC/Section 8 multifamily property in average condition. The property currently generates positive income and it is not deemed feasible to tear it down for an alternative use. Therefore, the highest and best use of the site, as improved, would be to continue to operate as an affordable and market rate multifamily housing development.

Indications of Value

VALUE OF UNDERLYING LAND			
Scenario	Units	Price Per Unit	Indicated Value (Rounded)
Land Value	153	\$7,250	\$1,110,000
DIRECT CAPITALIZATION ANALYSIS - "AS IS"			
Scenario	Cap Rate	Net Operating Income	Indicated Value (Rounded)
As Is*	6.5%	\$698,262	\$10,700,000
DIRECT CAPITALIZATION ANALYSIS - "AS COMPLETE AND STABILIZED"			
Scenario	Cap Rate	Net Operating Income	Indicated Value (Rounded)
As Renovated Restricted*	6.5%	\$947,434	\$14,600,000
As Renovated Unrestricted	6.5%	\$936,017	\$14,400,000
EGIM ANALYSIS - "AS COMPLETE AND STABILIZED"			
Scenario	EGIM	Effective Gross Income	Indicated Value (Rounded)
As Is*	6.0	\$1,780,300	\$10,700,000
As Renovated Restricted*	7.4	\$1,972,162	\$14,600,000
As Renovated Unrestricted	7.4	\$1,951,402	\$14,400,000
NOI/UNIT ANALYSIS - "AS COMPLETE AND STABILIZED"			
Scenario	Number of Units	Price per unit	Indicated Value (Rounded)
As Is	164	\$66,000	\$10,800,000
As Renovated Restricted*	164	\$89,000	\$14,600,000
As Renovated Unrestricted	164	\$88,000	\$14,400,000
VALUE AT LOAN MATURITY - RESTRICTED			
	Year	Indicated Value (Rounded)	
Restricted	30 years	\$15,700,000	
VALUE AT LOAN MATURITY - UNRESTRICTED			
	Year	Indicated Value (Rounded)	
Unrestricted	30 years	\$15,500,000	
TAX CREDIT VALUATION			
	Credit Amount	Price Per Credit	Indicated Value (Rounded)
Federal LIHTC	\$10,227,132	0.98	\$10,020,000
State LIHTC	\$5,931,144	0.58	\$3,440,000

*Assumes Section 8 contract rents are increased to achievable market rents.

Exposure Time: 9-12 Months.

Marketing Period: 9-12 Months.

II. FACTUAL DESCRIPTION

FACTUAL DESCRIPTION

APPRAISAL ASSIGNMENT AND VALUATION APPROACH

As requested, the appraisers provided several value estimates, described and defined below:

- Land Value.
- Market Value “As Is”
- Prospective Market Value “upon completion and stabilization” – Assuming Restricted Rents.
- Hypothetical Market Value “upon completion and stabilization” – Assuming Unrestricted Rents.
- Prospective Market Value at Loan Maturity Assuming Unrestricted Rents
- Valuation of Tax Credits.
- Favorable Financing.

In determining the value estimates, the appraisers employed the sales comparison and income capitalization approaches to value. The property is an existing affordable apartment community. The as is value was estimated via sales comparison approach of similar properties at similar life-cycle stage. Given the Subject’s restricted nature, age, and investment type, the cost approach is not considered a reliable method of valuation. It is generally not used by participants in the marketplace. In lieu of the cost approach, we have provided a land value as if vacant.

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 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.

Property Identification

The Subject property is located at 2500 Center Street NW, Atlanta, Georgia 30318. The Subject property is identified by the Floyd County Assessor’s office parcel number 17-0250-LL-051-5. The Subject just consists of Phase I of the property.

Intended Use and Intended User

Preservation Partners Development III is the client in this engagement. We understand that they will use this document for submittal to the Georgia Department of Community Affairs (DCA) as part of a Low Income Housing Tax Credit (LIHTC) application. 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, Preservation Partners Development III 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, subject to any and all encumbrances, if applicable for each value estimate.

Date of Inspection and Effective Date of Appraisal

The Subject was inspected by Novogradac on September 14, 2017, which will serve as the effective date for this report.

Scope of the Appraisal

For the purposes of this appraisal, Novogradac 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. We believe the scope of work is appropriate for the problem stated.

For the purposes of this appraisal, we have utilized the sales comparison and income approach to complete this assignment based on the scope of work required. In lieu of a cost approach, we have provided a value of the land as if vacant.

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 appraisal 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, and may include minor elements of personal and business property. As immaterial components, no attempt is made to segregate these items.

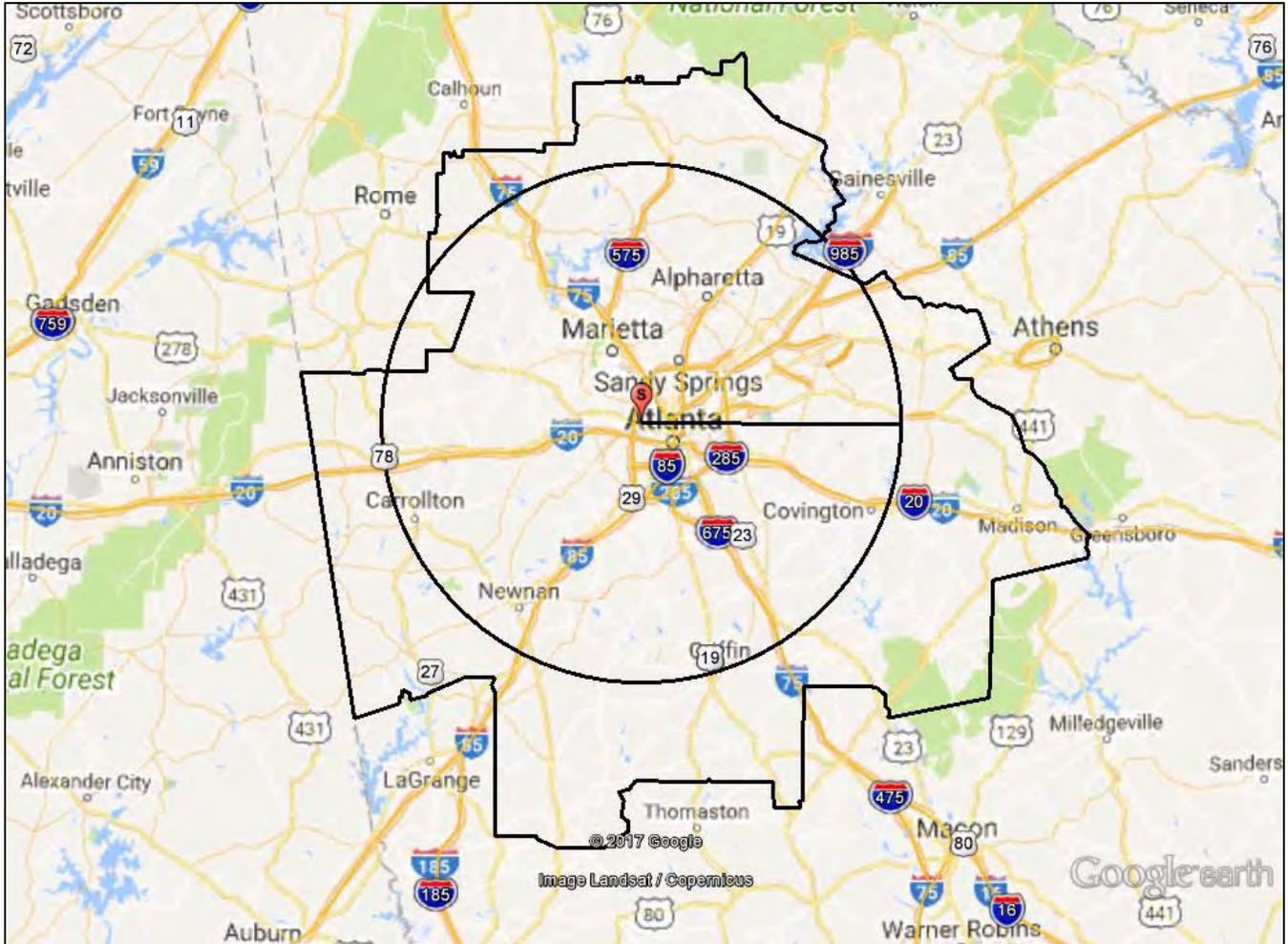
Ownership and History of Subject

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III. REGIONAL AND LOCAL AREA ANALYSIS

REGIONAL AND LOCAL AREA ANALYSIS

The Subject is located in Atlanta, Fulton County, Georgia, in the Atlanta-Sandy Springs-Roswell, Georgia Metropolitan Statistical Area, which consists of 30 counties. A map of the region is detailed below.



ECONOMIC ANALYSIS

Employment by Industry

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

2016 EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Health Care/Social Assistance	1,376	12.6%	21,304,508	14.1%
Accommodation/Food Services	1,282	11.8%	11,574,403	7.6%
Retail Trade	1,163	10.7%	17,169,304	11.3%
Educational Services	1,051	9.7%	14,359,370	9.5%
Admin/Support/Waste Mgmt Svcs	831	7.6%	6,511,707	4.3%
Transportation/Warehousing	817	7.5%	6,128,217	4.0%
Public Administration	739	6.8%	7,093,689	4.7%
Other Services (excl Publ Adm)	660	6.1%	7,463,834	4.9%
Construction	602	5.5%	9,342,539	6.2%
Manufacturing	574	5.3%	15,499,826	10.2%
Finance/Insurance	347	3.2%	6,942,986	4.6%
Wholesale Trade	326	3.0%	4,066,471	2.7%
Prof/Scientific/Tech Services	283	2.6%	10,269,978	6.8%
Real Estate/Rental/Leasing	229	2.1%	2,946,196	1.9%
Arts/Entertainment/Recreation	221	2.0%	3,416,474	2.3%
Information	216	2.0%	2,862,063	1.9%
Agric/Forestry/Fishing/Hunting	71	0.7%	2,253,044	1.5%
Utilities	62	0.6%	1,344,219	0.9%
Mining	17	0.2%	749,242	0.5%
Mgmt of Companies/Enterprises	14	0.1%	89,612	0.1%
Total Employment	10,881	100.0%	151,387,682	100.0%

Source: Esri Demographics 2010, Novogradac & Company LLP, July 2017

The largest industries in the PMA are healthcare/social assistance, accommodation/food services, and retail trade. Positions in these industries account for 35.1 percent of all jobs in the area. The accommodation/food services, administrative/support/waste management services, transportation/warehousing, public administration, and other services sectors are over represented in the PMA. Industries under-represented in the PMA include manufacturing and professional/scientific/tech services sectors. As will be demonstrated in the employment discussion, the manufacturing and retail trade industries have been affected by numerous layoffs and employment decreases. Nationwide, these industries have also been affected by the recession.

Major Employers

The chart below shows the largest employers in Atlanta/Fulton County, GA.

MAJOR EMPLOYERS - ATLANTA METRO AREA

#	Company	City	Industry	Number of Employees
1	Delta Air Lines Inc.	Atlanta	Transportation	31,237
2	Emory University	Atlanta	Educational/Healthcare	29,937
3	Wal-Mart Stores, Inc.	Various	Retail Trade	20,532
4	The Home Depot, Inc.	Various	Retail Trade	20,000
5	AT&T Inc.	Atlanta	Communications	17,882
6	The Kroger Company	Atlanta	Retail Trade	14,753
7	WellStar Health System	Various	Healthcare	13,500
8	Publix Super Markets, Inc.	Marietta	Retail Trade	9,494
9	United States Postal Service	Various	Government	9,385
10	Northside Hospital	Atlanta	Healthcare	9,016
11	The Coca-Cola Company	Atlanta	Retail Trade	8,761
12	United Parcel Service, Inc.	Various	Government	8,727
13	Piedmont Healthcare	Atlanta	Healthcare	8,707
14	Centers for Disease Control and Prevention	Atlanta	Healthcare	8,539
15	Children's Healthcare of Atlanta	Atlanta	Healthcare	7,452

Source: The Metro Atlanta Chamber of Commerce, July 2017

The Atlanta metro area is home to the world headquarters of corporations such as Coca-Cola, Home Depot, United Postal Service, Delta Air Lines, and Turner Broadcasting. The Atlanta metro area is also home to a number of post-secondary educational institutions including Clark Atlanta University, Georgia Institute of Technology, Georgia State University, Emory University, and others. Major employers in the Atlanta metro area represent a wide variety of industries including transportation, education, healthcare, retail trade, communications, and government. While healthcare, education, and government are historically stable industries, retail trade is historically unstable, especially during times of recession.

Employment Expansion/Contractions

The following table illustrates business closures and layoffs within Atlanta since 2016, according to the Georgia Department of Labor’s Worker Adjustment and Retraining Notification (WARN) filings.

WARN NOTICES - ATLANTA, GA

Company	Date	Industry	Number Affected	Layoff/Closure
<i>2017</i>				
B&B Bachrach	8/6/2017	Investment Mgmt.	5	Layoff
Coca-Cola	7/15/2017	Beverage Mfg.	421	Layoff
Dollar Express	6/30/2017	Retail	65	Closure
Millwood, Inc.	6/30/2017	Manufacturing	97	Layoff
Sodexo	6/30/2017	Conglomerate	372	Layoff
Popeyes	6/19/2017	Restaurant	81	Layoff
International Fragrance & Tech	6/4/2017	Manufacturing	85	Layoff
ZEP Inc	6/1/2017	Manufacturing	158	Closure
bebe	5/27/2017	Retail	19	Closure
Sheraton Atlanta Airport Hotel	5/12/2017	Accommodations	145	Layoff
bebe	3/31/2017	Retail	25	Closure
Newell Brands	3/31/2017	Consumer Goods	258	Layoff
Burris Logistics	3/20/2017	Logistics	167	Closure
Windstream Communications	3/1/2017	Telecommunications	55	Layoff
DAL Global Services	2/1/2017	Aircraft Services	52	Closure
West Rock	1/20/2017	Manufacturing	66	Closure
Total			2,071	
<i>2016</i>				
Corizon Health	12/31/2016	Healthcare	208	Layoff
Coca-Cola European Partners	12/15/2016	Beverage Mfg.	89	Layoff
Hawker Beechcraft	11/30/2016	Aerospace Mfg.	42	Layoff
Holiday Inn Atlanta Perimeter	11/20/2016	Accommodations	43	Layoff
Aetna Healthcare	10/25/2016	Insurance	49	Layoff
EchoStar Technologies LLC	10/1/2016	Communications	137	Closure
Crawford and Company	9/30/2016	Insurance	5	Closure
Core Logic	8/29/2016	Finance	26	Layoff
Benchmark Brands, Inc.	8/11/2016	Manufacturing	156	Closure
Georgia Department of Agriculture	5/1/2016	Government	52	Layoff
Maslow Media Group	4/30/2016	Payroll Company	1	Layoff
Metro Atlanta Rapid Transit Authority	3/25/2016	Transportation	371	Layoff
Delta Global Services, LLC	3/15/2016	Staffing Company	275	Layoff
Masterack, Division of Leggett & Platt	2/29/2016	Manufacturing	121	Closure
American Residential Properties	2/29/2016	Real Estate	2	Closure
Advance Auto Parts	2/16/2016	Retail	8	Closure
Georgia State University	2/2/2016	Education	25	Layoff
INPAX Shipping Solutions	1/23/2016	Mail Courier	37	Layoff
Total			1,647	
Grand Total			3,718	

Source: Georgia Department of Labor, Novogradac & Company LLP, July 2017

As illustrated in the above table, there have been 3,718 employees in the area impacted by layoffs or closures since 2016. Despite these job losses that have been reported, there has been growth occurring in the area.

We gathered information on recent local business expansions from the DeKalb County Economic Development Corporation and Development Authority of Fulton County which are detailed following.

EXPANSIONS/NEW ADDITIONS - DEKALB COUNTY 2016-2017 YTD

Company Name	Industry	Jobs
Home Chef	Manufacturing/Distribution	1,200
Sysnet Global Solutions	Cybersecurity	500
YRC Worldwide	Freight Terminal	60
Sifted	Catering Services	50
Phytobiotics	Manufacturing	25
UberOps	Security Systems	25
Carter Retail Equipment	Storage	10

Source: DeKalb County Economic Development Corporation, July 2017

EXPANSIONS/NEW ADDITIONS - FULTON COUNTY 2016-2017 YTD

Company Name	Industry	Jobs
Honeywell International	Manufacturing	800
GE Digital	Technology	250
Keysight Technologies	Manufacturing	241
magicjack	Technology	150
Deliv	Delivery Services	60
CapTech	IT Consulting	50
OnPay/Payroll Center	Payroll Services	50
Sifted	Catering Services	50
Anthem	Healthcare	25
Careers in Nonprofits	Staffing	25
EngagedMedia	Technology	25
Relx Systems	Supply Chain	25
Turkish Airlines	Transportation	25
Volantio	Research and Development	25
CMS Payments Intelligence	Payment Processing	15
The Garage	Technology Services	14

Source: Development Authority of Fulton County, July 2017

As illustrated, there were several additions in a variety of industries including manufacturing, cybersecurity, transportation, technology, software, and healthcare. From 2016 through 2017 year-to-date, there were a total of 3,700 jobs, which helps to counteract the 3,677 layoffs in the county during the same period.

Employment and Unemployment Trends

The following table details employment and unemployment trends for the Atlanta-Sandy Springs-Roswell, GA MSA from 2002 to 2017 year-to-date.

EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

Year	Atlanta-Sandy Springs-Roswell, GA MSA				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2002	2,324,880	-	5.0%	-	136,485,000	-	5.8%	-
2003	2,347,173	1.0%	4.9%	-0.2%	137,736,000	0.9%	6.0%	0.2%
2004	2,382,163	1.5%	4.8%	-0.1%	139,252,000	1.1%	5.5%	-0.5%
2005	2,445,674	2.7%	5.4%	0.6%	141,730,000	1.8%	5.1%	-0.5%
2006	2,538,141	3.8%	4.7%	-0.7%	144,427,000	1.9%	4.6%	-0.5%
2007	2,618,825	3.2%	4.4%	-0.2%	146,047,000	1.1%	4.6%	0.0%
2008	2,606,822	-0.5%	6.2%	1.7%	145,363,000	-0.5%	5.8%	1.2%
2009	2,452,057	-5.9%	9.9%	3.8%	139,878,000	-3.8%	9.3%	3.5%
2010	2,440,037	-0.5%	10.3%	0.4%	139,064,000	-0.6%	9.6%	0.3%
2011	2,486,895	1.9%	9.9%	-0.4%	139,869,000	0.6%	9.0%	-0.7%
2012	2,545,474	2.4%	8.8%	-1.1%	142,469,000	1.9%	8.1%	-0.9%
2013	2,573,040	1.1%	7.8%	-1.0%	143,929,000	1.0%	7.4%	-0.7%
2014	2,620,911	1.9%	6.8%	-1.0%	146,305,000	1.7%	6.2%	-1.2%
2015	2,684,068	2.4%	5.7%	-1.1%	148,833,000	1.7%	5.3%	-0.9%
2016	2,788,476	3.9%	5.1%	-0.6%	151,436,000	1.7%	4.9%	-0.4%
2017 YTD Average*	2,862,541	2.7%	4.8%	-0.3%	152,283,600	0.6%	4.6%	-0.3%
May-2016	2,783,022	-	4.7%	-	151,594,000	-	4.5%	-
May-2017	2,882,848	3.6%	4.5%	-0.2%	153,407,000	1.2%	4.1%	-0.4%

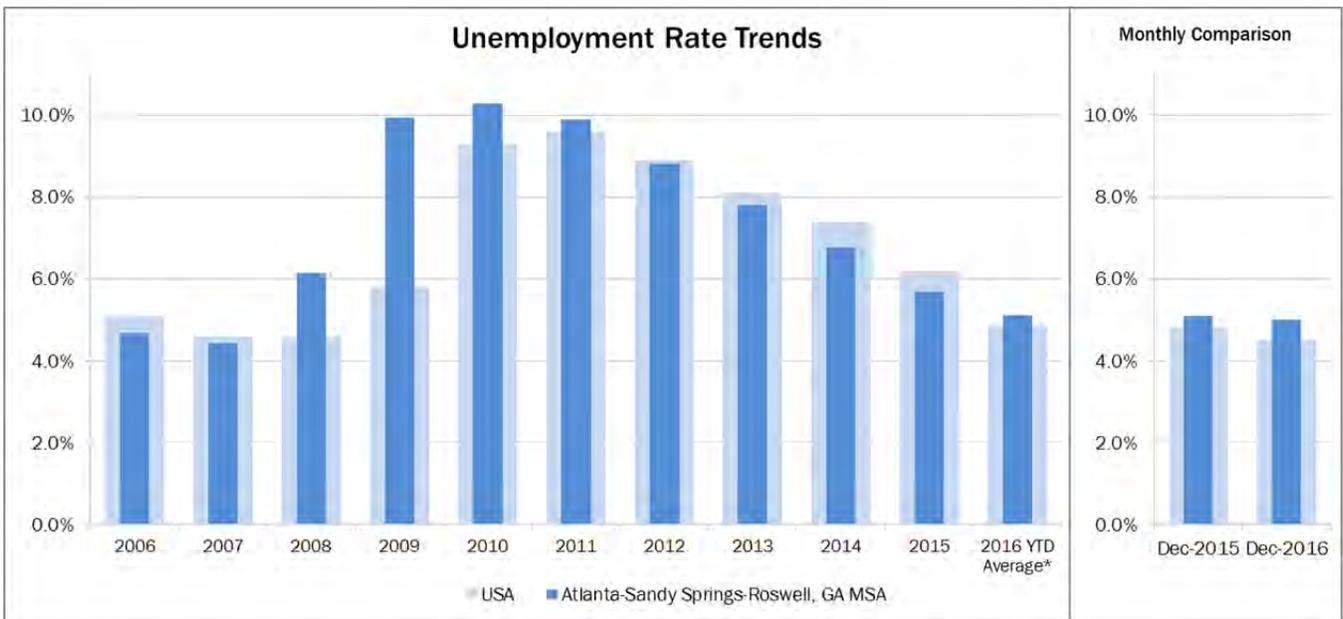
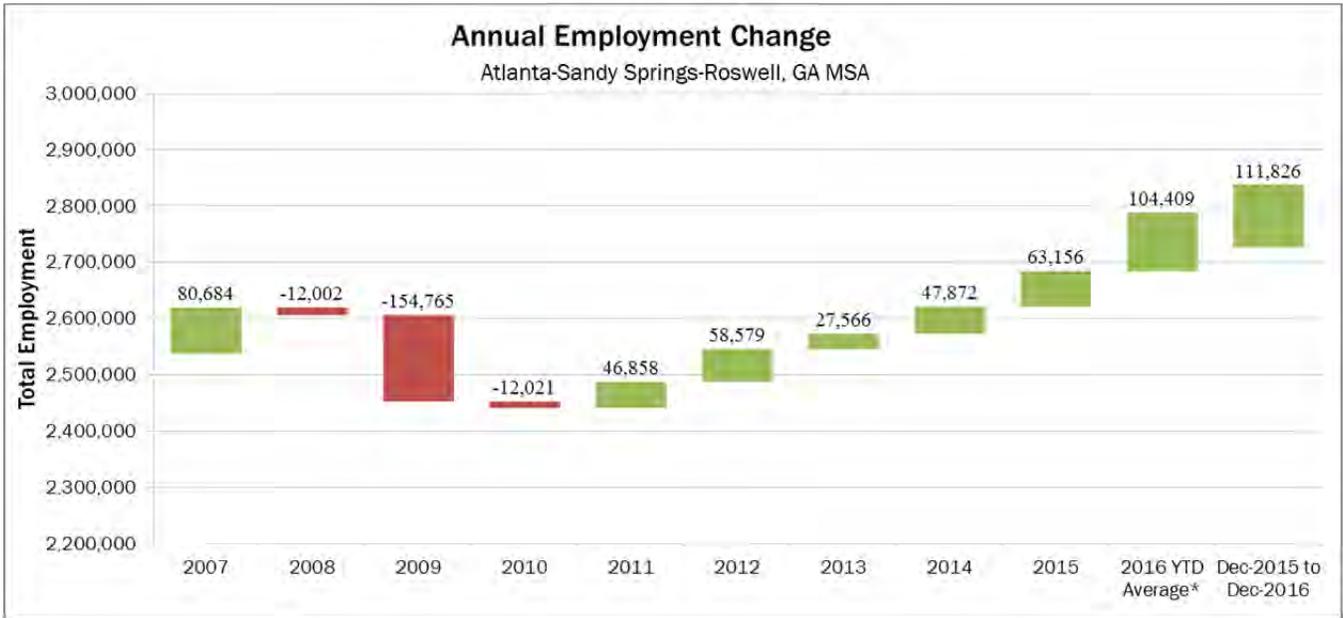
Source: U.S. Bureau of Labor Statistics July 2017

*2017 data is through May

The MSA experienced moderate employment growth prior to the onset of the recession in 2008. The area experienced the negative effects of economic downturn from 2008 to 2010. The most significant loss occurred in 2009. However, the MSA has experienced annual employment growth from 2011 through 2017 year-to-date. In addition, from May 2016 to May 2017, total employment in the MSA increased 3.6 percent, compared to a 1.2 percent increase in the nation as a whole.

Historically, the unemployment rate in the SMA has been slightly higher than the national unemployment rate. During the recession, the MSA's unemployment rate increased at a slightly faster pace than national unemployment rate. The MSA's unemployment rate peaked in 2010 at 10.3 percent, which was 70 basis points higher than the national unemployment rate during this same year. While the unemployment rate has decreased annually since 2011, the unemployment rate in the MSA remains 40 basis points higher than the national average as of May 2017. Total employment surpassed pre-recession levels in 2014, but the unemployment rate remains higher than that of the nation, it does appear that the economy in the MSA has stabilized. This indicates that the area will have continued demand for workforce and affordable housing for the foreseeable future.

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



Conclusion

The largest industries in the PMA are healthcare/social assistance, accommodation/food services, and retail trade. Positions in these industries account for 35.1 percent of all jobs in the area. The four largest employers in the area are Delta Air Lines, Emory University/Emory Healthcare, Wal-Mart Stores, Inc., and The Home Depot. The health care/social assistance sector is resilient during periods of economic downturn. This may help mitigate future job losses should the economy enter another period of instability.

The MSA has experienced annual employment growth from 2011 through 2017 year-to-date. In addition, from May 2016 to May 2017, total employment in the MSA increased 3.6 percent, compared to a 1.2 percent increase in the nation as a whole. While the unemployment rate has decreased annually since 2011, the unemployment rate in the MSA remains 40 basis points higher than the national average as of May 2017. Total employment surpassed pre-recession levels in 2014, but the unemployment rate remains higher than that of the nation, it does appear that the economy in the MSA has stabilized. This indicates that the area will have continued demand for workforce and affordable housing for the foreseeable future.

DEMOGRAPHIC ANALYSIS

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 MSA and the Primary Market Area (PMA) are areas of growth or contraction.

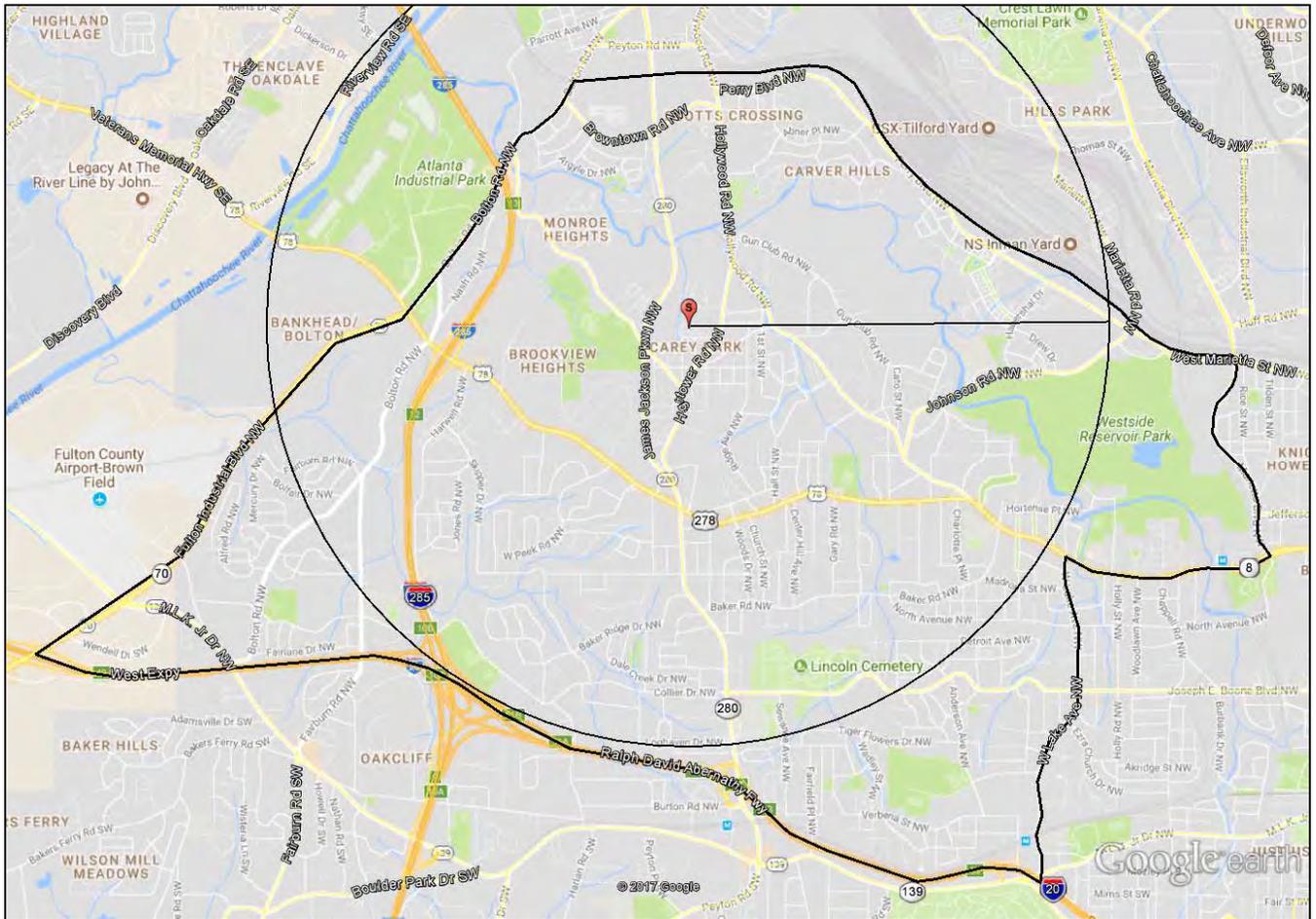
PRIMARY MARKET AREA (PMA)

The PMA is defined as a northwest portion of Atlanta. The distances from the Subject to the farthest boundaries of the PMA in each direction are listed as follows:

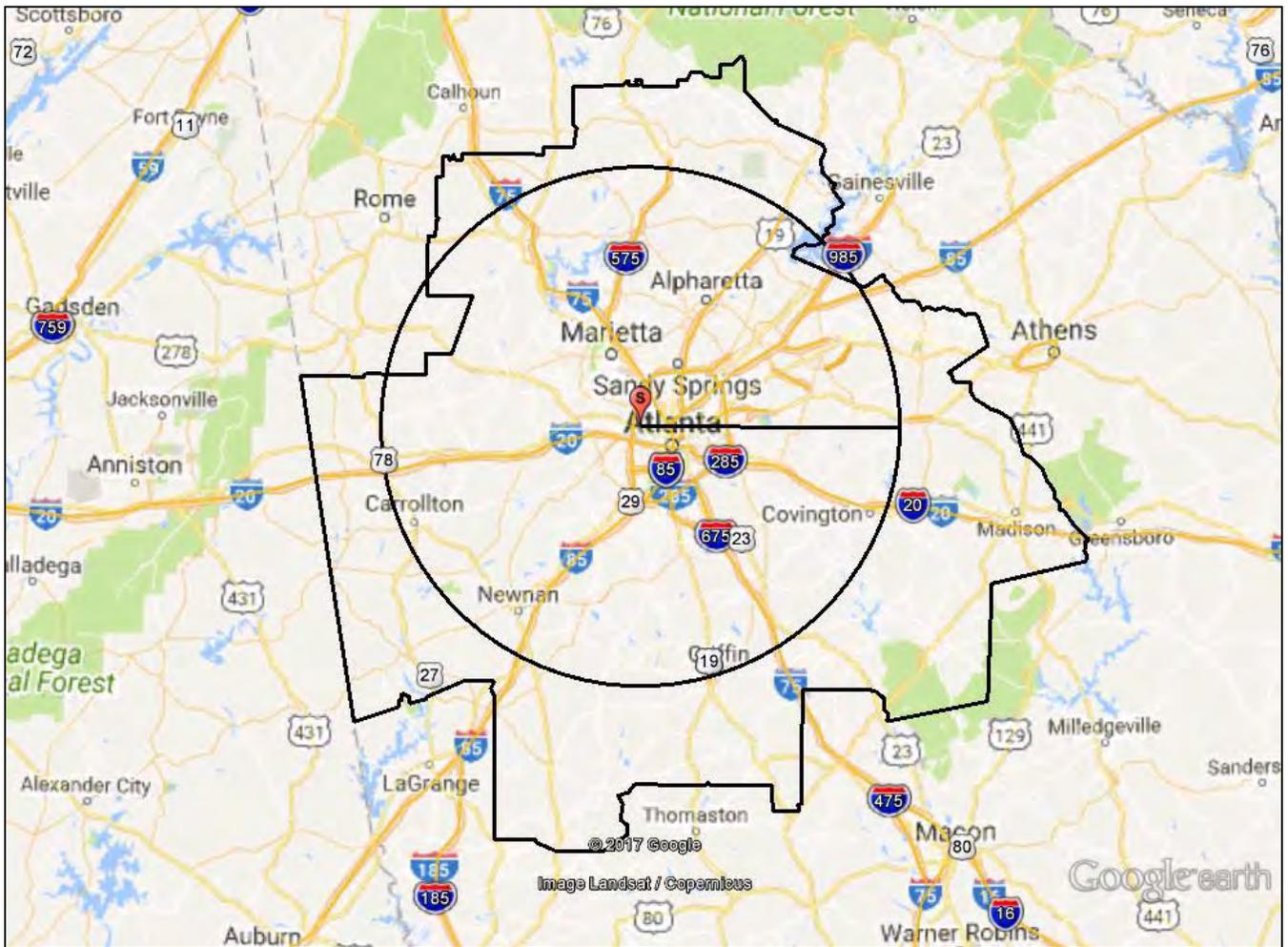
North:	1.3 miles
East:	3.0 miles
South:	3.0 miles
West:	3.5 miles

The PMA was defined based on interviews with the local housing authority, property managers at comparable properties, and the Subject's property manager. While we do believe the Subject will experience leakage from outside the PMA boundaries, per the 2017 market study guidelines, we have not accounted for leakage in our demand analysis found later in this report. The farthest PMA boundary from the Subject is approximately 3.5 miles. The secondary market area (SMA) for the Subject is the Atlanta-Sandy Springs-Roswell, Georgia Metropolitan Statistical Area (MSA), which is comprised of 30 counties. A map of the SMA follows:

Primary Market Area Map



Secondary Market Area Map



Population and Households

The tables below illustrate the population and household trends in the PMA, SMA, and nation from 2000 through 2021.

POPULATION

Year	PMA		SMA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	34,452	-	4,263,438	-	281,421,906	-
2010	28,178	-1.8%	5,286,728	2.4%	308,745,538	1.0%
2017	29,433	0.7%	5,665,958	1.1%	323,580,626	0.8%
Projected Mkt Entry	30,293	1.1%	5,884,501	1.4%	331,140,647	0.8%
2021	30,997	1.1%	6,063,308	1.4%	337,326,118	0.8%

Source: Esri Demographics 2017, Novogradac & Company LLP, July 2017

TOTAL NUMBER OF HOUSEHOLDS

Year	PMA		SMA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	12,099	-	1,559,712	-	105,480,101	-
2010	10,515	-1.3%	1,943,885	2.5%	116,716,292	1.1%
2016	10,921	0.6%	2,065,785	1.0%	121,786,233	0.7%
Projected Mkt	11,231	1.0%	2,140,426	1.3%	124,485,652	0.8%
2021	11,484	1.0%	2,201,496	1.3%	126,694,268	0.8%

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

Between 2000 and 2010 total population in the PMA decreased by 1.8 annually while the SMA experienced a 2.4 percent increase. Population in the PMA is anticipated to continue to grow through 2021, however, at a slower pace than the SMA. The population in the SMA is also anticipated to continue to grow through 2021, but at a faster pace than the nation. Overall, sustained population growth in the PMA and SMA is a positive indication of continued demand for the Subject.

The total number of households in the PMA, from 2000 through 2010 declined at a rate of 1.3 percent per annum, compared to an increase of 2.5 percent annually in the total number of households in the SMA. Over the next five years, growth in the PMA is expected to lag behind growth in the SMA, but slightly outpace the nation.

Household Income

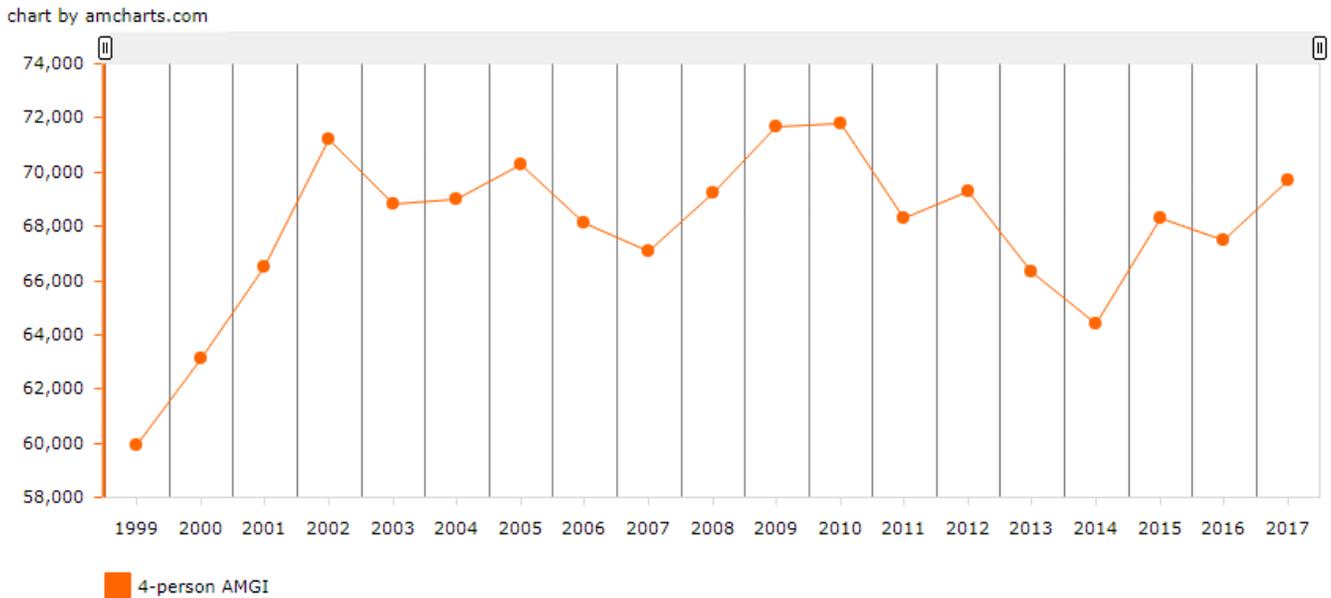
The table below illustrates Median Household Income in the PMA, MSA, and nation from 2000 through 2021.

Year	PMA		SMA		USA	
	Amount	Annual Change	Amount	Annual Change	Amount	Annual Change
2000	\$22,697	-	\$51,619	-	\$42,164	-
2017	\$22,799	0.0%	\$57,792	0.7%	\$54,149	1.7%
Projected Mkt Entry	\$22,993	0.3%	\$62,252	2.8%	\$57,079	1.9%
2021	\$23,151	0.3%	\$65,901	2.8%	\$59,476	2.0%

Source: Esri Demographics 2017, Novogradac & Company LLP, July 2017

The median household income of the PMA is significantly lower than that of the MSA and nation. The growth rate of median household income growth in the PMA is anticipated to be slower than the MSA and the nation through 2021. This bodes well for affordable housing such as the Subject development as very few low income families and will be priced out of affordable developments, maintaining demand for affordable housing of all types.

The following chart illustrates the AMI level for a four-person household in Fulton County.



Display: 4-person AMGI

Average Increase (AMGI): 0.8%/year

Source: Novogradac & Company, LLP, July 2017

Overall, the AMGI has increased at an average annual rate of 0.8 percent between 1999 and 2017. Nationally, 84 percent of counties experienced a decrease in the 2013 AMGI level due to decreased income limits in approximately 50 percent of counties nationwide. The Subject’s area appears to have been affected

by this change. The AMGI has declined in four of the last seven years, and is still 2.9 percent below the 2010 AMGI peak. However, the AMGI increased 3.3 percent from 2016 to 2017.

Conclusion

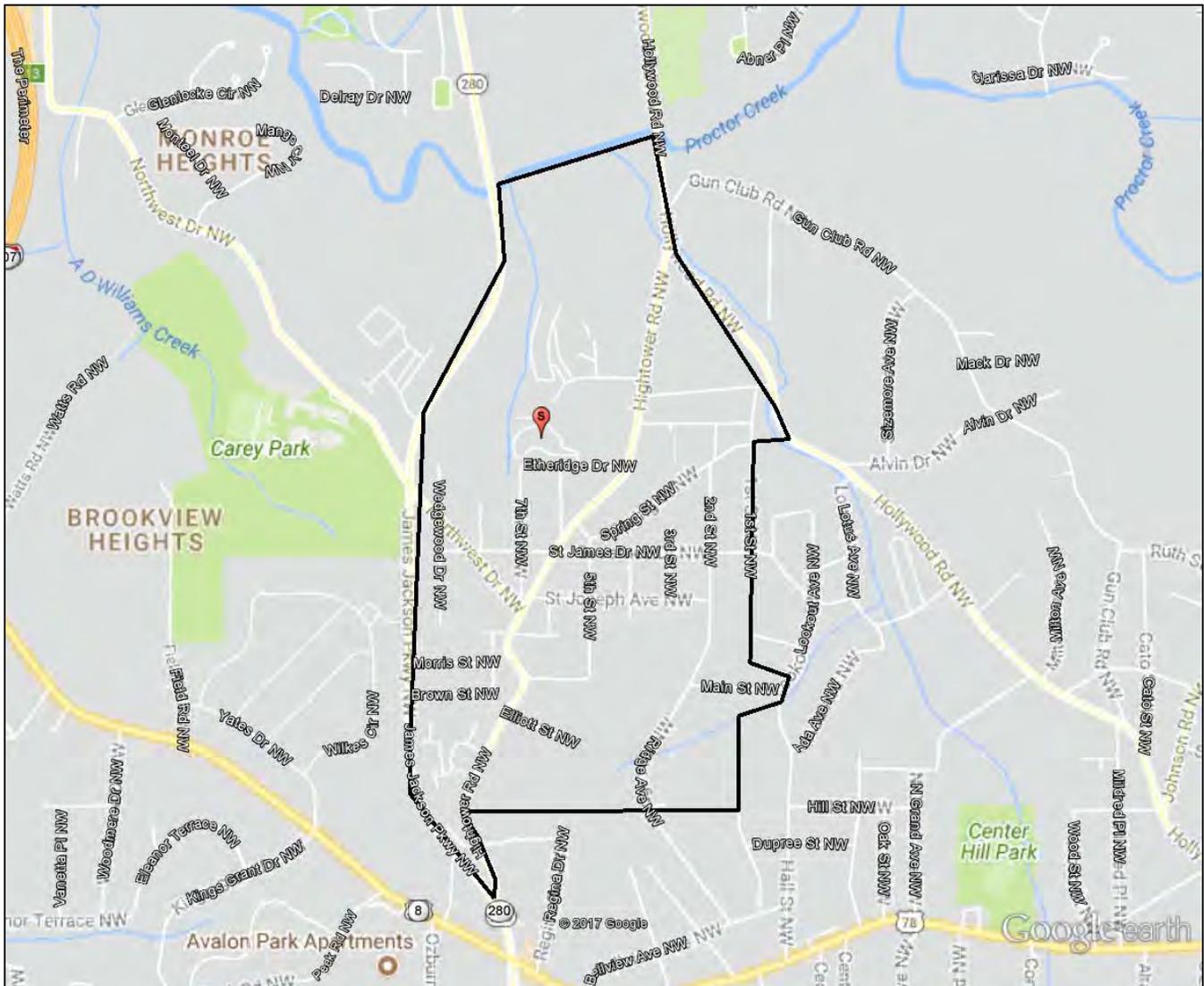
Between 2000 and 2010 total population in the PMA decreased by 1.8 annually while the SMA experienced a 2.4 percent increase. Population in the PMA is anticipated to continue to grow through 2021, however, at a slower pace than the SMA. The current population of the PMA is 29,433 and is expected to increase slightly to 30,189 by 2021. Renter households are concentrated in the lowest income cohorts, with 55.1 percent of renters in the PMA earning less than \$30,000 annually. The Subject will target households earning between \$0 and \$41,820 for its LIHTC units. However, all units will continue to benefit from a Section 8 subsidy post renovation. Overall, while population growth has been modest, the concentration of renter households at the lowest income cohorts indicates significant demand for affordable rental housing in the market.

NEIGHBORHOOD DESCRIPTION AND ANALYSIS

The neighborhood surrounding an apartment property often impacts the property's status, image, class, and style of operation, and sometimes its ability to attract and properly serve a particular market segment. This section investigates the property's neighborhood and evaluates any pertinent location factors that could affect its rent, its occupancy, and overall profitability.

Neighborhood Identification and Boundaries

General neighborhood boundaries include Proctor Creek to the north, James Jackson Parkway NW to the west, Hill Street NW to the south, and Capitol View Avenue NW, Lockout Avenue NW, 1st Street NW, and Hollywood Road NW to the east. A map of the neighborhood is included below.



Public Transportation

Bus: Atlanta is served by the Metropolitan Atlanta Rapid Transit Authority (MARTA). Transportation services are available Monday through Saturday from 5:00 am to 1:00 am and from 6:00 am to 11:30 pm on Sundays. One-way fares are \$2.50, while the one-way senior fare is \$0.95. Weekly and monthly passes are available. There is a bus stop located 0.1 mile from the Subject.

Air: Hartsfield–Jackson Atlanta International Airport is located approximately 10.3 miles south of the Subject. The airport has been the world's busiest airport by passenger traffic since 1998. The airport serves as a major hub for travel throughout the Southeastern United States and has 207 domestic and international gates.

Rail: Atlanta is served by MARTA Light Rail. One-way fares are \$2.50, while the one-way senior fare is \$0.95. Weekly and monthly passes are available. The nearest light rail station to the Subject is located 2.4 miles southeast of the Subject at Bankhead Station. This station averages a 25-minute ride to the Hartsfield–Jackson Atlanta International Airport.

Healthcare

The nearest hospital is Piedmont Atlanta Hospital, which is located 4.6 miles to the northeast of the Subject. The hospital is a 510-bed general medical and surgical hospital that offers a full range of medical services including women's health, orthopedics, 24-hour emergency services, cancer care, family medicine, stroke care and neurologic services, surgery, women's services, home health, and diabetes care.

Higher Education

There are several institutions of higher education located in near the Subject including Georgia State University. Georgia State University is located approximately 8.3 miles southeast of the Subject. Georgia State University is a public university which had an enrollment of 50,972 in 2017. Georgia State University offers more than 250 undergraduate and graduate degree programs spread across eight academic colleges with around 3,500 faculty members.

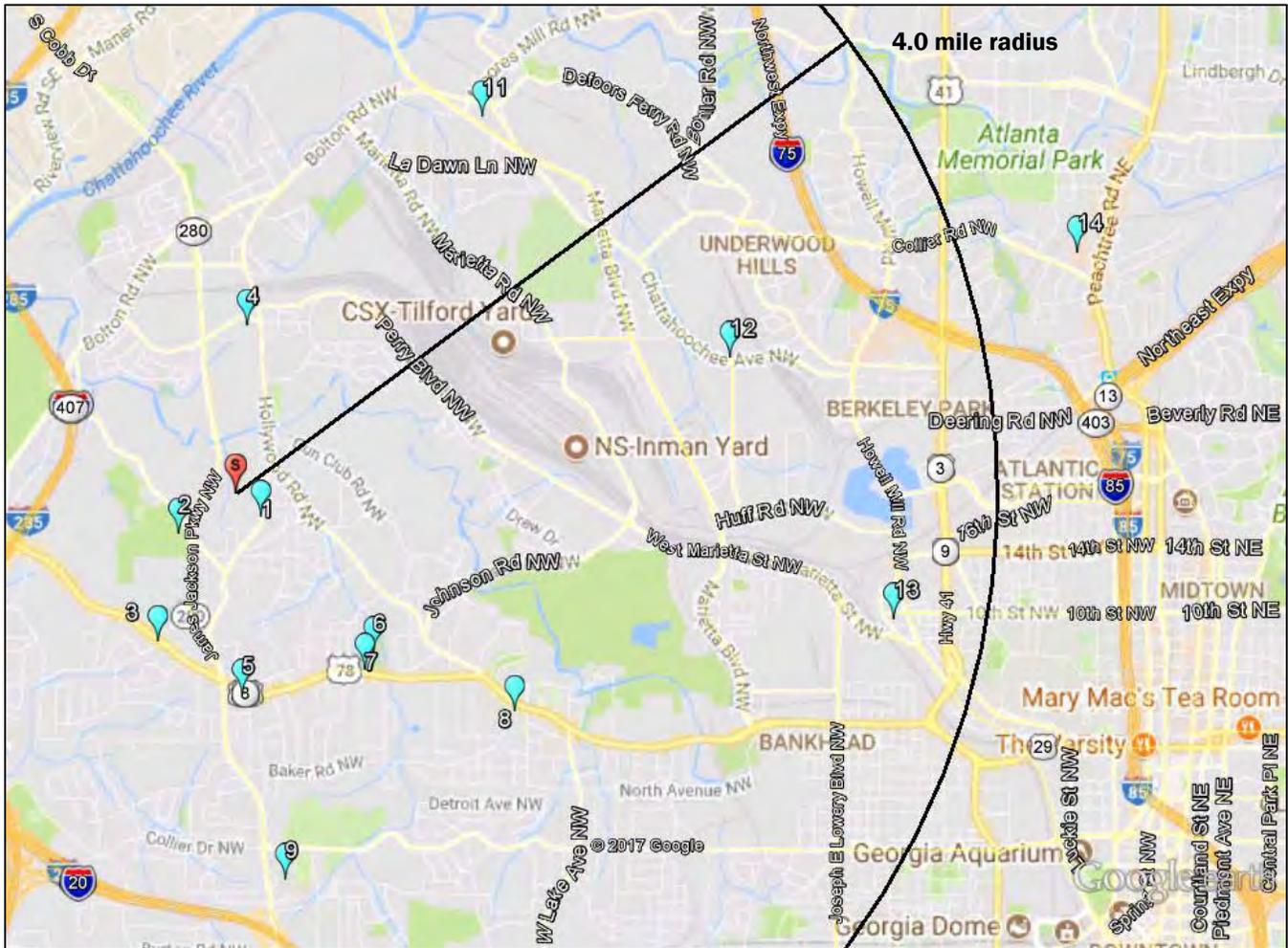
Primary Education

The Subject is located within Atlanta and is served by Atlanta Public Schools (APS). Currently, the district consists of 50 elementary schools, 15 middle schools, and 21 high schools. In addition to four single-gender academies and 13 charter schools, the school system also supports two alternative schools for middle and/or high school students, two community schools, and an adult learning center.

Locational Amenities and Distances from the Site

As illustrated, the Subject will be located within a reasonable proximity to many locational amenities and services. The following maps and table illustrate the surrounding locational amenities and their proximity to the Subject.

Locational Amenities Map



Source: Google Earth, July 2017

LOCATIONAL AMENITIES

Map #	Service or Amenity	Distance
1	Bus Stop	0.2 miles
2	AD Williams Recreation Center	0.4 miles
3	Texaco	0.9 miles
4	Scott Elementary School	0.9 miles
5	Leader Drug Store	1.1 miles
6	Center Hill Park	1.1 miles
7	Atlanta Police Department	1.2 miles
8	Fulton County Dogwood Library	1.9 miles
9	Frederick Douglass High School	2.0 miles
10	Harper/Archer Middle School	2.1 miles
11	Publix Super Market	2.4 miles
12	SunTrust Bank	2.7 miles
13	Post Office	3.5 miles
14	Piedmont Atlanta Hospital	4.6 miles

Adequacy/Availability of Utilities

All utilities are available to the neighborhood.

Neighborhood Description

The Subject is located in a mixed-use neighborhood, consisting of single-family homes, multifamily developments, and commercial uses. To the north of the Subject consists of Rolling Bends Phase II, the second phase of the Subject, in average condition. Further north consists of the Hollywood Cemetery. To the east of the Subject consists of vacant land followed by single-family homes in fair to average condition and The Young Adult Guidance Center in fair to average condition. To the south of the Subject consist of single-family homes in fair condition and vacant land followed by a vacant commercial building in fair condition. To the west of the Subject consists of vacant wooded land followed by Peaks of West Atlanta, a LIHTC/Market rate comparable utilized in this report in average condition followed by Coretta Scott King Academy in average condition. The Subject site is considered “Car-Dependent” by *Walkscore* with a rating of 31 out of 100. The Subject site is considered to be in a desirable location for rental housing. The Subject site is located in a mixed-use neighborhood. The uses surrounding the Subject are in fair to average condition and the site has good proximity to locational amenities, the majority of which are within three miles of the Subject.

Access and Traffic Flow

The Subject site can be accessed via Etheridge Drive NW, lightly traveled neighborhood street. Etheridge Drive NW provides access to Hightower Road NW to the east. Hightower Road NW is a lightly traveled, two-lane connector street that provides access to James Jackson Parkway NW to the south. James Jackson Parkway NW is a moderately traveled arterial that provides access to Donald Lee Hollowell Parkway NW to the south. Donald Lee Hollowell Parkway NW is a moderately traveled arterial that provides access to Interstate 285 to the northwest. Interstate 285 traverses in a loop around the greater Atlanta area, and provides access to Interstate 75 to the north and Interstate 85 to the south. Interstate 75 traverses northwest/southeast and provides access to Chattanooga to the northwest. Interstate 85 traverses northeast/southwest and provides access to Montgomery, AL to the southwest. Overall, access to the site is considered average, while visibility is considered fair.

Visibility/Views

The Subject has good visibility from Tower Hill Street NW and Tower Hill Street, which serves as private drive ways for the Subject. Views to the north and west consist of Phase II of the Subject and undeveloped wooded land. Views to the east and southeast consist of a small commercial building in fair condition and undeveloped vacant land. Views to the south consist of single-family homes, some of which are vacant and in fair condition. Views are considered average.

Crime Statistics

The following table shows personal and property crimes for the PMA and MSA as an index, meaning an index of 100 is average. Any number above 100 is above average compared to the national crime index, while any number below 100 indicates lower than average crime.

2016 CRIME INDICES		
	PMA	SMA
Total Crime*	236	139
Personal Crime*	424	130
Murder	718	155
Rape	198	88
Robbery	544	163
Assault	385	118
Property Crime*	210	140
Burglary	239	147
Larceny	172	134
Motor Vehicle Theft	446	178

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

*Unweighted aggregations

The crime indices in the PMA are significantly above that of the MSA and the nation. The Subject offers perimeter fencing, limited access, patrol, and video surveillance. Six of the comparables offer some form of security feature. The remaining comparable property does not offer any form of security. Given the relatively high crime index indices in the Subject’s neighborhood, we believe the Subject’s security features will positively impact the marketability of the Subject.

Summary

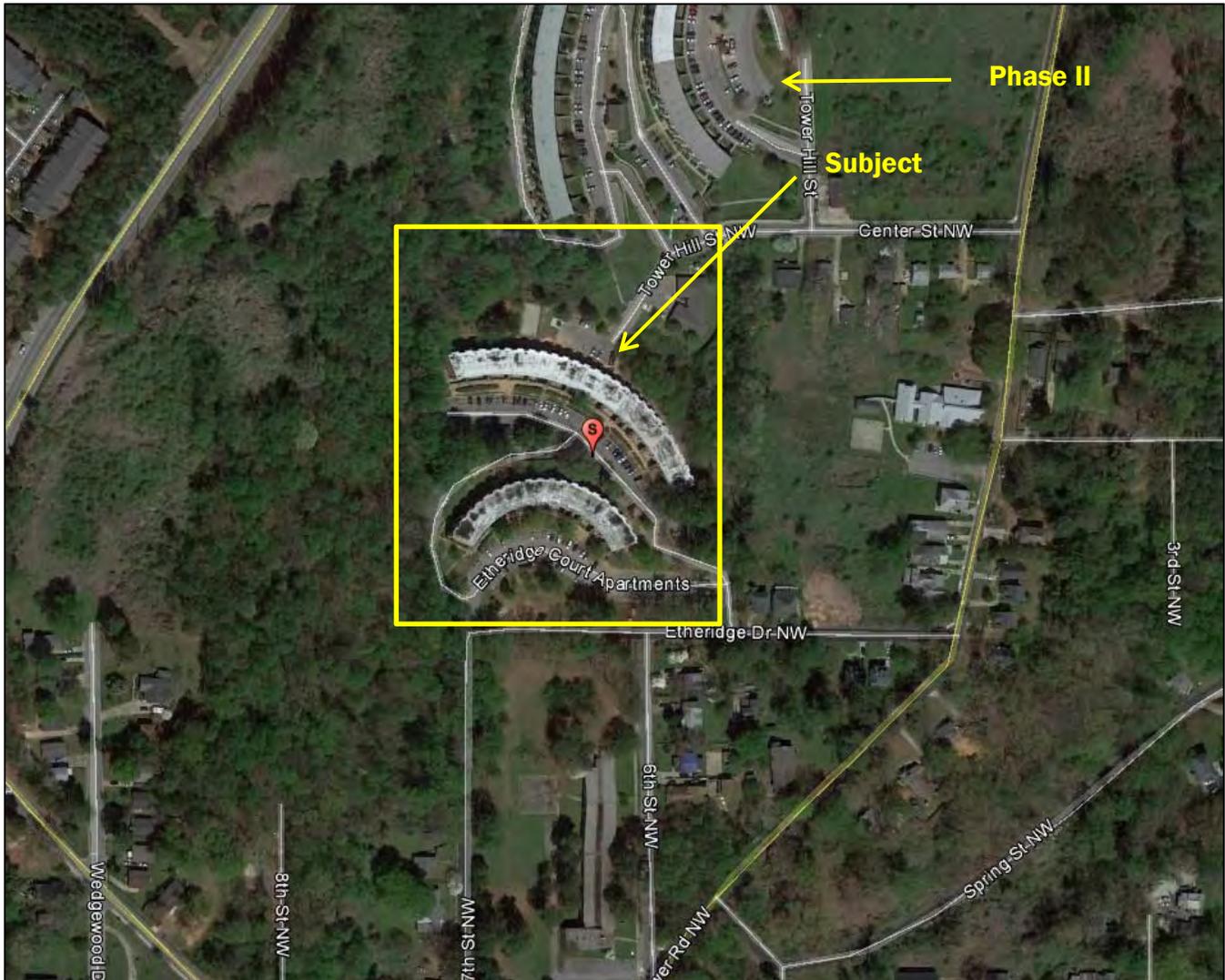
The Subject site is located along the north side of Etheridge Drive NW and has average visibility. Surrounding uses consist of multifamily, commercial, and single-family uses, as well as undeveloped land. The Subject site is considered a desirable location for rental housing. The Subject is located in a mixed-use neighborhood. The uses surrounding the Subject are in fair to good condition and the site has good proximity to locational amenities, which are generally within two miles of the Subject site. The renovation of the Subject, as proposed, will positively impact the neighborhood and will preserve existing affordable housing in the Subject’s PMA.

IV. ANALYSIS OF THE SUBJECT

ANALYSIS OF THE SUBJECT

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 will discuss the physical features of the site, as well as layout, access issues, and traffic flow. An aerial map of the Subject is provided below.



General:	The Subject site is located at 2500 Center Street NW, Atlanta, Fulton County, Georgia 30318. The site is located within Census Tract 86.01, which is a Qualified Census Tract.
APN:	17-0250-LL-051-5.
Size:	Approximately 445,183 square feet or 10.22 acres.
Shape:	The site is rectangular in shape.

Frontage:	The Subject site has frontage along Etheridge Drive NW and Tower Hills Street NW.
Topography	The site is generally level.
Utilities:	All utilities are available to the site.
Contiguous Land Use:	The Subject site is located along the north side of Etheridge Drive NW, which are accessed by Hightower Road NW to the east. Land use to the north consists of Phase II, the second phase of the Subject, in average condition. Land use to the east consists of vacant land followed by single-family homes in fair to average condition and The Young Adult Guidance Center in fair to average condition. Land use to the south consists of single-family homes in fair condition and vacant land followed by a vacant commercial building in fair condition. Land use to the west consists of vacant wooded land. The Subject site is considered “Car-Dependent” by <i>Walkscore</i> with a rating of 31 out of 100. The Subject site is considered to be in a desirable location for rental housing. The Subject site is located in a residential neighborhood. The uses surrounding the Subject are in fair to average condition and the site has good proximity to locational amenities, the majority of which are within three miles of the Subject.
Existing Improvements:	The Subject is an existing 164-unit multifamily development that consists of two four-story lowrise-style residential buildings.
Visibility/Views:	The Subject has good visibility from Tower Hill Street NW and Tower Hill Street, which serves as private drive ways for the Subject. Views to the north and west consist of Phase II of the Subject and undeveloped wooded land. Views to the east and southeast consist of a small commercial building in fair condition and undeveloped vacant land. Views to the south consist of single-family homes, some of which are vacant and in fair condition. Views are considered average.
Density:	The site is currently developed to a density of 16.1 units per acre.
Environmental, Soil and Subsoil Conditions and Drainage:	We requested but were not provided with environmental reports, engineering reports or soil surveys. During our site inspection, we walked the Subject’s grounds, including the rear of the buildings and the parking lot, and did not observe any obvious indicators of environmental contamination or adverse property condition issues. However, Novogradac & Company LLP does not offer expertise in this field and cannot opine as to the adequacy of the soil conditions, drainage, or existence of adverse environmental conditions. Further analysis is beyond the scope of this report. It should be noted that we have made an extraordinary assumption

that there are no adverse environmental conditions that would impact the valuation of the Subject site.

Flood Plain:

According to www.floodinsights.com Community Panel Number 135157 0236F, dated September 18, 2013, the Subject is located in Zone X, which is defined as an area outside of the 100 and 500-year flood plains. Further analysis is beyond the scope of this report.

Existing or Proposed Project-Based Rental Assistance:

Currently, the Subject operates as a LIHTC/Section 8 development. Following renovations, all of the 164 units will continue to benefit from the HAP contract (Section 8 Contract No. GA06-L000-065), which expires December 31, 2022.

Detrimental Influences:

At the time of the site inspection, there were no detrimental influences observed by the appraiser that would adversely impact the marketability of the Subject.

Conclusion:

The Subject site is considered to be in a good location for multifamily use and is physically capable of supporting a variety of legally permissible uses.

DESCRIPTION OF THE IMPROVEMENTS

Details of the Subject’s improvements are summarized on the following page. This information, which was provided by the property manager and confirmed upon our site inspection, is presumed to be accurate.

Property Improvements: Rolling Bends Phase I (Subject) is an existing 164-unit LIHTC/Section 8 multifamily property located at 2500 Center Street NW, Atlanta, Georgia 30318. The property consists of 10 one-bedroom units, 138 two-bedroom units, and 16 three-bedroom units, within two four-story lowrise-style buildings. Of the 164 units at the property, all are subject to Section 8 restrictions. Following renovations, all of the 164 units will continue to benefit from the HAP contract (Section 8 Contract No. GA06-L000-065), which expires December 31, 2022. According to the rent roll dated May 3, 2017, the Subject is currently 98.8 percent occupied. The buildings are wood frame with brick and vinyl siding exteriors and flat roofs. The Subject was originally constructed in the 1970, renovated in 2002 with LIHTC equity, is generally well maintained, and in overall average condition.

Year Built or Date of Construction: The Subject was originally constructed in the 1970, renovated in 2002 with LIHTC equity, is generally well maintained, and in overall average condition. Renovations will occur with tenants in place. Therefore, buildings will be placed back in service on a rolling basis. Renovations are scheduled to be completed in April 2019.

Current Rents and Unit Mix: Based on a rent roll received May 3, 2017, the current rents at the Subject are based on 30 percent of resident incomes, as the Subject operates as a Section 8 development. The following table illustrates the Subject’s current rents and unit mix.

CURRENT RENTS

Unit Type	Unit Size (SF)	Number of Units	Current Contract Rent	Minimum Tenant Paid Rent	Maximum Tenant Paid Rent	Average Tenant Paid Rent
<i>Section 8/LIHTC</i>						
1BR/1BA	616	10	\$725	\$0	\$238	\$82
2BR/1BA	820	138	\$832	\$0	\$430	\$55
3BR/1BA	1,032	16	\$1,021	\$0	\$175	\$38
Total		164				

Based on a rent roll received May 3, 2017, the Subject is currently 98.8 percent occupied and 100 percent pre-leased with a waiting list of six to 12 months in length depending on unit type. According to the Subject’s historical audited financials, the Subject operated with a total vacancy rate (including collection loss) of 7.4 percent in 2016 and 8.4 percent in 2015.

The following table details the unit mix and unit sizes for the Subject based on information provided by property management.

UNIT MIX AND SQUARE FOOTAGE

Unit Type	Number of Units	Unit Size (SF)	Net Area
1BR/1BA	10	616	6,160
2BR/1BA	138	820	113,160
3BR/1BA	16	1032	16,512
Total	164		135,832

Proposed Rents:

The following table illustrates the proposed unit mix. The proposed contract rents are based on our analysis of achievable market rents post-renovation.

PROPOSED RENTS

Unit Type	Unit Size (SF)	Number of Units	Asking LIHTC Rents	Utility Allowance (1)	Gross LIHTC Rents	2016 LIHTC Maximum Rents	Current Contract Rents (2)	Novoco's Proposed Contract Rents
<i>Section 8/60% AMI</i>								
1BD/1BA	616	10	\$653	\$106	\$759	\$759	\$711	\$925
2BD/1BA	820	138	\$793	\$119	\$912	\$912	\$816	\$1,045
3BD/2BA	1,032	16	\$828	\$225	\$1,053	\$1,053	\$1,001	\$1,110
Total		164						

(1) Utility Allowance provided by the developer, and based upon the approved Section 8 utility allowance for the Subject, effective 1/1/2016

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

*All tenants pay 30 percent of their income towards rent, not to exceed the LIHTC rent limits

Scope of Renovations:

The Subject is proposed for renovation with low income housing tax credits (LIHTC). Renovations will reportedly have hard costs of renovations will reportedly be \$30,000 per unit, or \$4,920,000 for the entire property. The scope of renovation will include, but not be limited to the following:

- New kitchen and bathroom cabinets and counter tops
- New windows
- New roof
- New appliances
- New flooring
- New interior LED lighting
- New low flow toilets
- New low flow water faucets
- New paint
- Free wireless internet in units
- New Business Center

Tenancy:	The Subject targets families.
Number of Buildings:	The site has two four-story residential buildings.
Unit Layout:	Based on our physical inspection of representative units, the floor plans appear adequate relative to their intended use and they offer good functional utility.
Construction Details:	The Subject consists of two four-story residential buildings. The Subject offers 164 one, two, and three-bedroom units. The Subject currently exhibits average overall condition. The buildings are wood frame with brick and vinyl siding exteriors and flat roofs.
Utility Structure	Tenants are responsible for all general electric expenses including air-conditioning, electric water heating, electric cooking, and electric heat expenses. The landlord pays for all common area utilities, as well as water, sewer, and trash removal. Post-renovation, the utility structure will remain the same.
Unit Amenities:	The Subject's unit amenities include balcony/patio, blinds, carpeting, central heating and air conditioning, coat closet, garbage disposal, oven, and refrigerator. Post-renovation in-unit amenities will remain the same with addition of free wireless internet in all units.
Development Amenities:	The Subject's community amenities include a basketball court, clubhouse/community room, central laundry facilities, off-street parking, on-site management, and service coordination in addition to offering adult education. Post-renovation, community amenities will include a business center and Wi-Fi.
Parking:	The Subject offers approximately 240 parking spaces off-street parking spaces. The amount of parking appears adequate based on our inspection.
Quality of Construction	The quality of construction is average.
Americans With Disabilities Act of 1990:	We assume the property does not have any violations of the Americans With Disabilities Act of 1990.
Remaining Economic Life:	The Subject's actual age is 47 years based on the original construction of 1970. However, based on a typical economic life of 60 years and the Subject's current average condition as well as the fact the Subject was substantially renovated in 2002, we have estimated the effective age to be 15 years. Thus, the remaining economic life is approximately 45 years.
Quality of Construction:	At the time of the inspection, the Subject was in average condition. The Subject appears to have been completed in a manner consistent with the information provided, using average-quality materials in a professional manner.

Functional Utility:

Based on our site inspection, the Subject does not appear to suffer from functional obsolescence.

Conclusion:

The existing improvements provide good functional utility, and are in average condition given the age of construction. The design of the improvements is consistent with surrounding properties and is considered similar to competing properties.

ROLLING BENDS PHASE I – ATLANTA, GEORGIA – APPRAISAL

PROPERTY PROFILE - AS IS												
Rolling Bends Phase I												
Location	2500 Center Street NW Atlanta, GA 30318 Fulton County											
Distance	1.1 miles											
Units	164											
Vacant Units	2											
Vacancy Rate	1.20%											
Type	Lowrise (4 stories)											
Year Built / Renovated	1970 / 2002											
Market												
Program	@60% (Section 8)				Leasing Pace		Pre-leased to two weeks					
Annual Turnover Rate	N/A				Change in Rent (Past		None reported					
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 – electric				Water		included					
Water Heat	not included – electric				Sewer		included					
Heat	not included – electric				Trash Collection		included					
Unit Mix (face rent)												
Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max rent?	Range
1	1	Lowrise (4 stories)	10	616	\$711	\$0	@60% (Section 8)	Yes	0	0.0%	yes	
2	1	Lowrise (4 stories)	138	820	\$816	\$0	@60% (Section 8)	Yes	1	0.7%	yes	
3	2	Lowrise (4 stories)	16	1,032	\$1,001	\$0	@60% (Section 8)	Yes	1	6.2%	yes	
Amenities												
In-Unit	Balcony/Patio				Security		Limited Access					
	Blinds						Patrol					
	Carpeting						Perimeter Fencing					
	Central A/C						Video Surveillance					
	Coat Closet											
	Garbage Disposal											
	Oven Refrigerator											
Property	Basketball Court				Premium		none					
	Clubhouse/Meeting Room/Community Room											
	Central Laundry											
	Off-Street Parking											
	On-Site Management											
	Service Coordination											
Services	Adult Education				Other		none					
Comments												
Rents listed above are the current contract rents.												

ROLLING BENDS PHASE I – ATLANTA, GEORGIA – APPRAISAL

PROPERTY PROFILE - POST-REHAB													
Rolling Bends Phase I													
Location	2500 Center Street NW Atlanta, GA 30318 Fulton County												
Distance	1.1 miles												
Units	164												
Vacant Units	2												
Vacancy Rate	1.20%												
Type	Lowrise (4 stories)												
Year Built / Renovated	1970 / 2002												
Market													
Program	@60% (Section 8)				Leasing Pace	Pre-leased to two weeks							
Annual Turnover Rate	N/A				Change in Rent (Past	None reported							
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 – electric				Water	included							
Water Heat	not included – electric				Sewer	included							
Heat	not included – electric				Trash Collection	included							
Unit Mix (face rent)													
Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max rent?	Range	
1	1	Lowrise (4 stories)	10	616	\$925	\$0	@60% (Section 8)	Yes	0	0.0%	yes		
2	1	Lowrise (4 stories)	138	820	\$1,045	\$0	@60% (Section 8)	Yes	1	0.7%	yes		
3	2	Lowrise (4 stories)	16	1,032	\$1,110	\$0	@60% (Section 8)	Yes	1	6.2%	yes		
Amenities													
In-Unit	Balcony/Patio Blinds Carpeting Central A/C Coat Closet Garbage Disposal Oven Refrigerator				Security	Limited Access Patrol Perimeter Fencing Video Surveillance							
Property	Basketball Court Business Center/Computer Lab Clubhouse/Meeting Room/Community Room Central Laundry Off-Street Parking On-Site Management Service Coordination Wi-Fi				Premium	none							
Services	Adult Education				Other	none							
Comments													
Rents listed above are the proposed current contract rents based on Novogradac's estimate.													

ASSESSMENT VALUE AND TAXES

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

Real estate taxes for a property located in Fulton County are based upon a property's assessed valuation for each tax year. Real estate taxes in this county represent *ad valorem* taxes, meaning a tax applied in proportion to value. The real estate taxes for an individual property may be determined by multiplying the assessed value for the property by a composite rate. Multifamily properties in the county are valued with a combination of income, sales, and cost approach with a reliance on the sales approach and are assessed at 40 percent of full market value. All properties in the county are reassessed annually or if renovations are done to the property that would impact the value. Additionally, properties are typically reassessed upon sale, if information is available. According to the Fulton County Tax Commissioner, the millage rate for the Subject is \$43.30 per \$1,000 for the combined county and city taxes. The Subject's current tax assessment is listed below.

CURRENT ASSESSMENT AND TAX BURDEN - 2016

Parcel	Total Market Value	Assessed Value	Assessed Value Per Unit	Millage Rate	Indicated Tax Burden	Total Taxes Per Unit
17-0250-LL-051-5	\$4,000,000	\$1,600,000	\$9,756	0.0433	\$69,280	\$422

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

COMPARABLE ASSESSMENTS

Property	Property Type	Year Built	Number of Units	Total Value	Assessed Value	Assessed Value Per Unit
Avalon Park - Family	LIHTC/Market	2008	175	\$9,911,000	\$3,964,400	\$22,654
Columbia Estates	LIHTC/PHA/Market	2004	124	\$4,719,900	\$1,887,960	\$15,225
Dwell At The View	LIHTC/Market	1972 / 2003	216	\$4,500,000	\$1,800,000	\$8,333
Peaks At West Atlanta	LIHTC/Market	2002	214	\$11,936,000	\$4,774,400	\$22,310
Peaks Of MLK*	LIHTC/PHA/Market	2004	183	\$10,900,000	\$4,360,000	\$23,825
Westside Crossing	Market	1965 / 2017	112	\$3,328,100	\$1,331,240	\$11,886

*Located outside of the PMA

The above data indicates an assessed per unit range from \$8,333 to \$23,825 per unit for comparable multifamily properties located in the Subject's market. As is, the Subject would likely receive an assessment toward the lower end of the range of tax comparables. Therefore, we have utilized the Subject's current assessed value of \$9,756 per unit for the as is scenario. Following renovations, the Subject will likely receive an assessment slightly higher, but still towards the lower end of the range. We have estimated an assessed value per unit of \$17,000 for the as renovated scenarios, which is below the developer's estimate of \$28,248 per unit.

PROPERTY TAX ESTIMATE - AS IS

Parcel	Assessed Value	Number of Units	Assessed Value Per Unit	Tax Rate	Indicated Tax Burden	Taxes Per Unit
17-0250-LL-051-5	\$1,600,000	164	\$9,756	0.0433	\$69,240	\$422

PROPERTY TAX ESTIMATE - AS RENOVATED

Parcel	Assessed Value	Number of Units	Assessed Value Per Unit	Tax Rate	Indicated Tax Burden	Taxes Per Unit
17-0250-LL-051-5	\$2,788,000	164	\$17,000	0.0433	\$120,651	\$736

ZONING

Current Zoning

The Subject is located inside the Atlanta city limits; thus, it must comply with the City of Atlanta’s zoning regulations. According to the City of Atlanta’s Official Zoning Map, the Subject is zoned RG-3, which permits multifamily dwellings. This zoning district permits developments with a maximum floor to area ration (FAR) of 0.696. The Subject is currently improved to a FAR of 0.303, well below the maximum allowable density. According to the zoning ordinance, the Subject is required to offer 1.0 parking spaces per unit. We were not provided with the exact number of parking spaces at the Subject. However, based on our inspection, the Subject appears to offer at least one parking space per unit. Thus, the Subject appears to be a legal, conforming use. Additionally, the parking ratio and density appears consistent with other multifamily properties in the area.

According to the City of Atlanta Zoning Ordinances, should a nonconforming multi-family residential, commercial, or industrial structure, or nonconforming portion of structure be destroyed by any means to an extent of more than 60 percent of its replacement cost at the time of destruction, it shall not be reconstructed except in conformity with the provisions of this chapter.

Potential Zoning Changes

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

V. COMPETITIVE RENTAL ANALYSIS

COMPETITIVE RENTAL ANALYSIS

Tenure

The following table is a summary of the senior population tenure patterns of the housing stock in the PMA.

TENURE PATTERNS PMA				
Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	5,596	46.3%	6,503	53.7%
2010	4,418	42.0%	6,097	58.0%
2016	3,966	36.3%	6,955	63.7%
Projected Mkt Entry April 2019	4,055	36.1%	7,176	63.9%
2021	4,127	35.9%	7,357	64.1%

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

As the table illustrates, owner occupied households comprise 36.3 percent of households in the PMA in 2017. Further, the percentage of renters in the PMA is expected to increase through market entry and through 2021 by 0.2 and 0.4 percent, respectively. Nationally, approximately two-thirds of the population resides in owner-occupied housing units, and one-third resides in renter-occupied housing units. Therefore, a significantly larger percentage of renters exist in the PMA than the nation.

New Supply

We have attempted to contact the City of Atlanta Planning Department multiple times in order to gather information on multifamily project either in the planning stages or currently under construction. At this time none of our phone calls have been returned. Further, we searched REIS to identify any proposed, planned, or under construction multifamily developments within the PMA. According to REIS, there are no proposed, planned, or under construction multifamily developments in the PMA.

LIHTC Competition / Recent and Proposed Construction

According to the DCA Program Awards Database, there have been no properties allocated tax credits in the last five years within the Subject's PMA.

The Subject property is currently 98.8 percent occupied with a waiting list and all of the Subject's 164 units will continue to benefit from a property based rental subsidy post-renovation. Additionally, existing LIHTC, and other affordable properties in the PMA, that are targeted toward families maintain high occupancy rates. Given this information, we do not believe that the renovation of the Subject utilizing tax credits will impact the existing LIHTC properties in the area that are in overall good condition and currently performing well. However, it is possible that the Subject will draw tenants from the older LIHTC, or public housing properties that suffer from deferred maintenance and those that are currently underperforming the market.

Local Housing Authority Discussion

We made multiple attempts to contact the Atlanta Housing Authority in order to determine the number Housing Choice Vouchers currently in use; however, as of the date of this report our calls have not been returned. According to the Atlanta Housing Authority, the Housing Choice Voucher waiting list is closed. The payment standards for Atlanta are listed below.

PAYMENT STANDARDS	
Unit Type	Standard
1 Bedroom	\$950
2 Bedroom	\$1,350
3 Bedroom	\$1,550

The Subject’s proposed rents (absent subsidies) are set below the current payment standards. Therefore, tenants with Housing Choice Vouchers will not pay out of pocket for rent. However, all of the Subject’s unit benefit from a Section 8 contract; as such, tenants will not need to utilized vouchers.

SURVEY OF COMPARABLE PROJECTS

Comparable properties are examined on the basis of physical characteristics, e.g., building type, building age/quality, the level of common amenities, absorption rates, and similarity in rent structure. We attempted to compare the Subject to properties from the competing market, in order to provide a picture of the general economic health and available supply in the market.

Description of Property Types Surveyed/Determination of Number of Units

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 seven “true” comparable properties containing 1,176 units. A detailed matrix describing the individual competitive properties as well as the proposed Subject is provided on the following pages. A map illustrating the location of the Subject in relation to comparable properties is also provided on the following pages. The properties are further profiled in the following write-ups. The property descriptions include information on vacancy, turnover, absorption, age, competition, and the general health of the rental market, when available.

The availability of LIHTC data is considered average; we have included seven comparable properties which offer LIHTC units, six of which are located in within the PMA. One of the comparables, Peaks of MLK, is located just outside of the PMA, within 2.5 miles of the Subject. It should be noted that three of the comparable LIHTC properties feature Public Housing components. Columbia Crest consists of 152-units, 50 of which are set-aside as Public Housing units. However, Columbia Crest offers units at 60 percent AMI as well as market-rate units. Columbia Estates consists of 124-units, 50 of which are set-aside as Public Housing units, while the remaining units are offered at 60 percent AMI and market-rate. Peaks of MLK consists of 183-units, 73 of which feature Project-Based-Rental Assistance (PBRA), while the remaining units are offered at 50 and 60 percent AMI as well as offering market-rate units. Due to the lack of “true” LIHTC comparables in the PMA and surrounding areas, it was necessary to utilize these three comparable properties despite Public Housing components in-place. We believe these comparables are the most comparable properties in the area as they target families, and are located in generally similar areas in terms of access to amenities and employment opportunities.

Finally, it is of note that all of the Subject’s 164 units currently benefit from a Housing Assistance Program (HAP) contract. As such, qualifying tenants will pay only 30 percent of their household income on rent. The comparable affordable properties in the PMA are located between 0.4 and 1.2 miles from the Subject, while the comparable affordable property in the SMA is located 2.5 miles from the Subject.

The availability of new market-rate development offering one, two, and three-bedroom units in the area is fair as most of the newer development is mixed-income and the solely market-rate housing is generally in inferior condition and only offers limited unit types. We have included one conventional property in our analysis of the competitive market. The market-rate property is located in the PMA, 1.0 mile from the Subject. The comparable was built in 1965 and was renovated in 2017. We were unable to identify any new construction market-rate properties in the area. Overall, we believe the market-rate property we have used in our analysis is the most comparable. Other market-rate properties were excluded based on condition, design or tenancy.

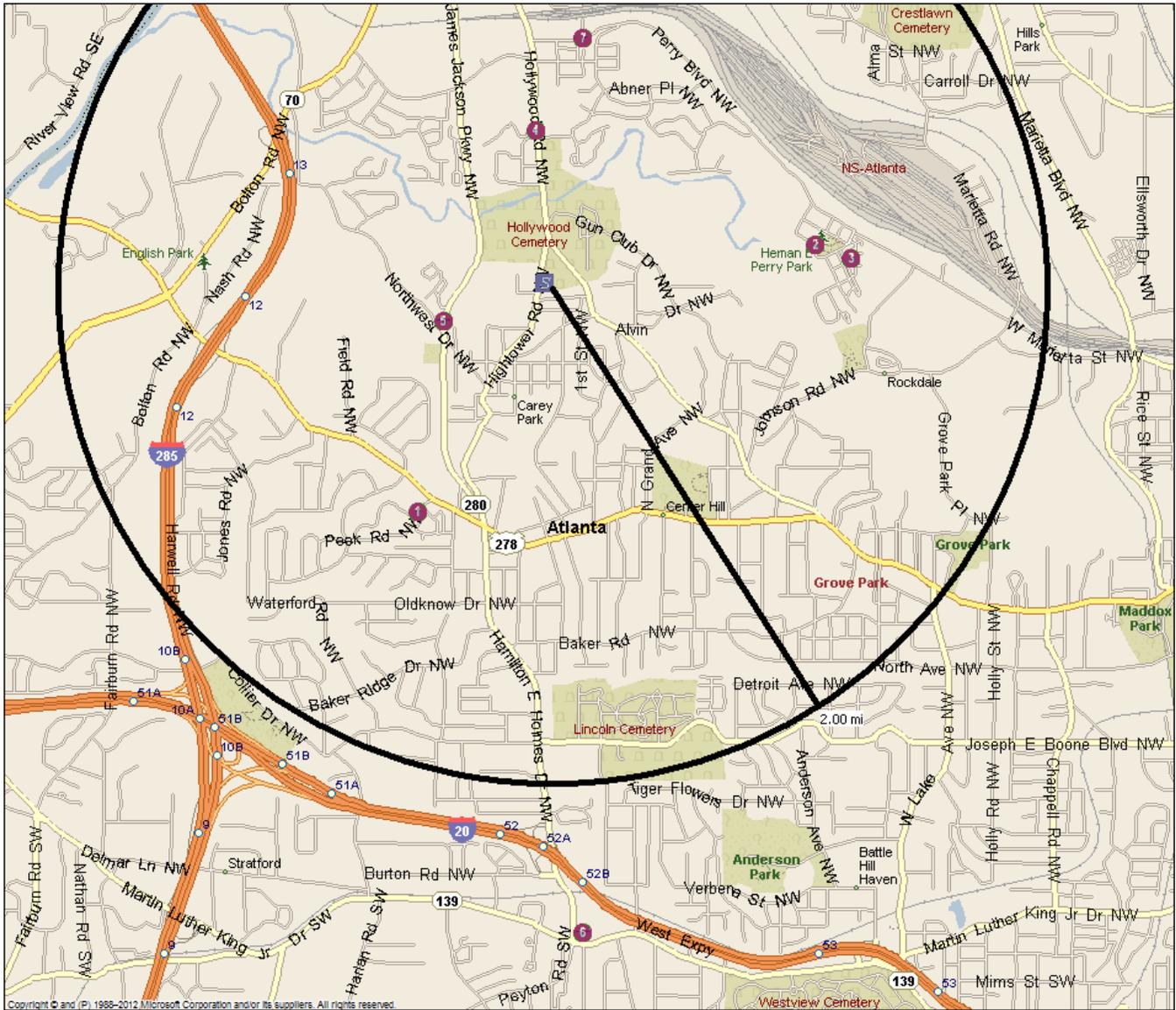
The following table illustrates properties within the PMA that have been excluded from our analysis along with their reason for exclusion.

EXCLUDED PROPERTIES IN THE PMA

Property Name	Program	Location	Tenancy	# of Units	Reason for Exclusion
Faith Hill Apartments	Market	2046 Joseph E. Boone Blvd NW	Family	14	Limited unit types
Windsor Square Townhomes	Market	3804 Martin Luther King Jr Dr SW	Family	124	Inferior Condition
Hagos Park Apartments	Market	3815 Martin Luther King Jr Dr SW	Family	136	Inferior Condition
Collier Heights Apartments	Market	2125 Joseph E. Boone Blvd NW	Family	336	Inferior Condition
Bolton Park	Market	1888 Hollywood Rd NW	Family	209	Inferior Condition
Dwell at Hollywood	Market	1073 Hollywood Rd NW	Family	64	Unable to contact
Riverwood Club Apartments	LIHTC	901 Bolton Rd NW	Family	144	Unable to contact
Dwell At Hollywood	LIHTC	1033 Hollywood Road NW	Family	96	Unable to contact
Columbia Grove	LIHTC	1783 Johnson Road NW	Family	138	Unable to contact
Preserve at Collier Ridge	LIHTC	1000 Harwell Road NW	Family	420	Unable to contact
Avalon Park - Senior	LIHTC	2798 Peak Road NW	Senior	136	Tenancy
Manor at Scott's Crossing	LIHTC/PHA	1671 James Jackson Parkway NW	Family	101	Unable to contact
Flipper Temple	LIHTC/Section 8	2479 Abner Terrace NW	Family	163	More Comparable Properties
Hollywood/Shawnee Apartments	Section 8	1033 Hollywood Road	Senior	112	Tenancy
Johnnie B. More Towers I	Section 8	2451 Donald Lee Hollowell Parkway	Senior	55	Tenancy
Johnnie B. More Towers II	Section 8	2451 Donald Lee Hollowell Parkway	Senior	55	Tenancy
Silvertree Senior	Section 8	359 West Lake Avenue NW	Senior	97	Tenancy

The following pages include individual comparable property profiles, along with a summary table. A map of the comparables, in relation to the Subject, is included on the following page.

Comparable Properties Map



COMPARABLE PROPERTIES

Map #	Property Name	Location	Program	Distance
1	Avalon Park - Family	Atlanta	LIHTC/Market	1.0 miles
2	Columbia Crest	Atlanta	LIHTC/PHA/Market	1.1 miles
3	Columbia Estates	Atlanta	LIHTC/PHA/Market	1.2 miles
4	Dwell At The View	Atlanta	LIHTC/Market	0.6 miles
5	Peaks At West Atlanta	Atlanta	LIHTC/Market	0.4 miles
6	Peaks Of MLK*	Atlanta	LIHTC/PHA/Market	2.6 miles
7	Westside Crossing	Atlanta	Market	1.0 miles

*Located outside of the PMA

ROLLING BENDS PHASE I – ATLANTA, GEORGIA – APPRAISAL

SUMMARY MATRIX

Comp #	Project	Distance	Type / Built / Renovated	Market / Subsidy	Units	#	%	Restriction	Rent (Adj.)	Size (SF)	Max Rent?	Wait List?	Units Vacant	Vacancy Rate					
Subject	Rolling Bends Phase II 2500 Center Street NW Atlanta, GA 30318 Fulton County	-	Lowrise (4 stories) 1974 / 2002	LIHTC/Section 8	1BR / 1BA	22	11.6%	@60% (Section 8)	\$675	616	yes	Yes	0	0.0%					
					2BR / 1BA	158	83.2%	@60% (Section 8)	\$785	820	yes	Yes	1	0.6%					
					3BR / 2BA	10	5.3%	@60% (Section 8)	\$828	1,032	yes	Yes	0	0.0%					
						190	100.0%							1	0.5%				
Subject	Rolling Bends Phase I 2500 Center Street NW Atlanta, GA 30318 Fulton County	-	Lowrise (4 stories) 1970 / 2002	LIHTC/Section 8	1BR / 1BA	10	6.1%	@60% (Section 8)	\$653	616	yes	Yes	0	0.0%					
					2BR / 1BA	138	84.1%	@60% (Section 8)	\$793	820	yes	Yes	1	0.7%					
					3BR / 2BA	16	9.8%	@60% (Section 8)	\$828	1,032	yes	Yes	1	6.2%					
						164	100.0%							2	1.2%				
1	Avalon Park - Family 2798 Peek Rd Atlanta, GA 30318 Fulton County	1 mile	Garden (3 stories) 2008 / n/a	LIHTC/Market	1BR / 1BA	7	4.0%	@30%	\$281	700	yes	Yes	0	0.0%					
					1BR / 1BA	11	6.3%	@50%	\$558	700	yes	Yes	0	0.0%					
					1BR / 1BA	11	6.3%	@60%	\$697	700	no	Yes	0	0.0%					
					1BR / 1BA	11	6.3%	Market	\$861	700	n/a	No	0	0.0%					
					2BR / 1BA	15	8.6%	@30%	\$307	1,044	yes	Yes	0	0.0%					
					2BR / 1BA	25	14.3%	@50%	\$640	1,044	yes	Yes	0	0.0%					
					2BR / 1BA	31	17.7%	@60%	\$807	1,044	no	Yes	0	0.0%					
					2BR / 1BA	29	16.6%	Market	\$976	1,044	n/a	No	1	3.4%					
					3BR / 2BA	5	2.9%	@30%	\$323	1,218	yes	Yes	0	0.0%					
					3BR / 2BA	8	4.6%	@50%	\$708	1,218	yes	Yes	0	0.0%					
					3BR / 2BA	11	6.3%	@60%	\$900	1,218	no	Yes	0	0.0%					
					3BR / 2BA	11	6.3%	Market	\$1,163	1,218	n/a	No	1	9.1%					
						175	100.0%								2	1.1%			
					2	Columbia Crest 1903 Drew Dr NW Atlanta, GA 30318 Fulton County	1.1 miles	Midrise (4 stories) 2005 / n/a	LIHTC/PHA/Market	1BR / 1BA	10	6.6%	@50% (PHA)	N/A	770	n/a	Yes	0	0.0%
										1BR / 1BA	8	5.3%	@60%	\$720	770	yes	No	1	12.5%
										1BR / 1BA	18	11.8%	Market	\$1,074	770	n/a	No	1	5.6%
										2BR / 2BA	24	15.8%	@50% (PHA)	N/A	1,066	n/a	Yes	0	0.0%
2BR / 2BA	16	10.5%	@60%	\$869						1,066	yes	No	0	0.0%					
2BR / 2BA	32	21.1%	Market	\$1,296						1,066	n/a	No	2	6.2%					
3BR / 2BA	16	10.5%	@50% (PHA)	N/A						1,318	n/a	Yes	0	0.0%					
3BR / 2BA	12	7.9%	@60%	\$1,000						1,318	yes	No	1	8.3%					
3BR / 2BA	16	10.5%	Market	\$1,483						1,318	n/a	No	1	6.2%					
	152	100.0%													6	3.9%			
3	Columbia Estates 1710 Noel Street NW Atlanta, GA 30318 Fulton County	1.2 miles	Various 2004 / n/a	LIHTC/PHA/Market						2BR / 2.5BA (Townhouse)	36	29.0%	@50% (PHA)	N/A	1,274	n/a	Yes	0	0.0%
										2BR / 2.5BA (Townhouse)	7	5.6%	@60%	\$795	1,274	yes	No	0	0.0%
										2BR / 2.5BA (Townhouse)	43	34.7%	Market	\$1,166	1,274	n/a	No	0	0.0%
					3BR / 2BA (Garden)	14	11.3%	@50% (PHA)	N/A	1,444	n/a	Yes	0	0.0%					
					3BR / 2BA (Garden)	5	4.0%	@60%	\$908	1,444	yes	No	0	0.0%					
					3BR / 2BA (Garden)	19	15.3%	Market	\$1,263	1,444	n/a	No	0	0.0%					
						124	100.0%								0	0.0%			
4	Dwell At The View 1620 Hollywood Road NW Atlanta, GA 30318 Fulton County	0.6 miles	Garden (3 stories) 1972 / 2003	LIHTC/Market	1BR / 1BA	0	0.0%	@50%	\$627	663	n/a	No	0	N/A					
					1BR / 1BA	0	0.0%	@50%	\$627	687	n/a	No	0	N/A					
					1BR / 1BA	0	0.0%	@60%	\$766	663	n/a	No	0	N/A					
					1BR / 1BA	0	0.0%	@60%	\$766	687	n/a	No	0	N/A					
					1BR / 1BA	36	16.7%	Market	\$825	663	n/a	No	0	0.0%					
					1BR / 1BA	36	16.7%	Market	\$825	687	n/a	No	0	0.0%					
					2BR / 1BA	0	0.0%	@50%	\$710	755	n/a	No	0	N/A					
					2BR / 1BA	0	0.0%	@60%	\$877	755	n/a	No	1	N/A					
					2BR / 1BA	72	33.3%	Market	\$925	755	n/a	No	0	0.0%					
					3BR / 1BA	36	16.7%	Market	\$840	952	n/a	No	1	2.8%					
					3BR / 1BA	36	16.7%	Market	\$840	1,005	n/a	No	0	0.0%					
						216	100.0%								2	0.9%			
					5	Peaks At West Atlanta 1212 James Jackson Parkway Atlanta, GA 30318 Fulton County	0.4 miles	Garden (3 stories) 2002 / n/a	LIHTC/Market	2BR / 2BA	N/A	N/A	@50%	\$723	1,012	yes	Yes	0	N/A
										2BR / 2BA	N/A	N/A	@60%	\$890	1,012	yes	Yes	0	N/A
										2BR / 2BA	N/A	N/A	Market	\$967	1,012	n/a	Yes	0	N/A
3BR / 2BA	N/A	N/A	@50%	\$825						1,211	yes	Yes	0	N/A					
3BR / 2BA	N/A	N/A	@60%	\$1,017						1,211	yes	Yes	0	N/A					
3BR / 2BA	N/A	N/A	Market	\$1,114						1,211	n/a	Yes	0	N/A					
	214	100.0%													0	0.0%			
6	Peaks Of MLK 2423 Martin Luther King Drive Atlanta, GA 30311 Fulton County	2.5 miles	Garden (3 stories) 2004 / n/a	LIHTC/PHA/Market						1BR / 1BA	7	3.8%	@50%	\$610	847	yes	No	0	0.0%
										1BR / 1BA	21	11.5%	@60%	\$748	847	yes	No	0	0.0%
										1BR / 1BA	9	4.9%	Market	\$835	847	n/a	No	0	0.0%
					1BR / 1BA	N/A	N/A	Section 8 (Project Based Rental Assistance - PBRA)	N/A	847	n/a	Yes	0	N/A					
					2BR / 2BA	19	10.4%	@50%	\$723	1,162	yes	No	0	0.0%					
					2BR / 2BA	54	29.5%	@60%	\$862	1,162	yes	No	0	0.0%					
					2BR / 2BA	25	13.7%	Market	\$1,017	1,162	n/a	No	0	0.0%					
					2BR / 2BA	N/A	N/A	Section 8 (Project Based Rental Assistance - PBRA)	N/A	1,162	n/a	Yes	0	N/A					
					3BR / 2BA	9	4.9%	@50%	\$825	1,394	yes	No	0	0.0%					
					3BR / 2BA	27	14.8%	@60%	\$1,037	1,394	yes	No	0	0.0%					
					3BR / 2BA	12	6.6%	Market	\$1,139	1,394	n/a	No	0	0.0%					
					3BR / 2BA	N/A	N/A	Section 8 (Project Based Rental Assistance - PBRA)	N/A	1,394	n/a	Yes	0	N/A					
7	Westside Crossing 2265 Perry Boulevard Atlanta, GA 30318 Fulton County	1 miles	Garden (2 stories) 1965 / 2017	Market	1BR / 1BA	N/A	N/A	Market	\$688	460	n/a	No	2	N/A					
					2BR / 1BA	N/A	N/A	Market	\$788	680	n/a	No	2	N/A					
					3BR / 1BA	N/A	N/A	Market	\$888	840	n/a	No	3	N/A					
						112	100%							7	6.2%				

ROLLING BENDS PHASE I – ATLANTA, GEORGIA – APPRAISAL

UNIT MATRIX REPORT

	Rolling Bends Phase I	Avalon Park - Family	Columbia Crest	Columbia Estates	Dwell At The View	Peaks At West Atlanta	Peaks Of MLK	Westside Crossing
Comp #	Subject	1	2	3	4	5	6	7
Property Information								
Property Type	Lowrise (4 stories)	Garden (3 stories)	Midrise (4 stories)	Various	Garden (3 stories)	Garden (3 stories)	Garden (3 stories)	Garden (2 stories)
Year Built / Renovated	1970 / 2002	2008 / n/a	2005 / n/a	2004 / n/a	1972 / 2003	2002 / n/a	2004 / n/a	1965 / 2017
Market (Conv.)/Subsidy Type	LHTC/Section 8	LHTC/Market	LHTC/PHA/Market	LHTC/PHA/Market	LHTC/Market	LHTC/Market	LHTC/PHA/Market	Market
Utility Adjustments								
Cooking	no	no	no	no	no	no	no	no
Water Heat	no	no	no	no	no	no	no	no
Heat	no	no	no	no	no	no	no	no
Other Electric	no	no	no	no	no	no	no	no
Water	yes	no	no	no	yes	no	no	yes
Sewer	yes	yes	no	no	yes	no	no	yes
Trash Collection	yes	yes	yes	yes	yes	no	no	yes
In-Unit Amenities								
Balcony/Patio	yes	yes	no	yes	yes	yes	yes	no
Blinds	yes	yes	yes	yes	yes	yes	yes	yes
Cable/Satellite/Internet	yes	yes	no	no	no	no	no	no
Carpet/Hardwood	no	no	no	no	no	no	no	yes
Carpeting	yes	yes	yes	yes	yes	yes	yes	no
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes
Coat Closet	yes	yes	yes	yes	yes	yes	no	no
Dishwasher	no	yes	yes	yes	yes	yes	yes	yes
Exterior Storage	no	yes	no	no	no	yes	yes	yes
Ceiling Fan	no	yes	yes	yes	no	yes	yes	no
Garbage Disposal	yes	yes	yes	yes	yes	yes	yes	yes
Microwave	no	no	no	no	no	yes	no	yes
Oven	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes
Vaulted Ceilings	no	no	no	yes	no	yes	no	no
Walk-In Closet	no	yes	yes	yes	yes	no	yes	yes
Washer/Dryer hookup	no	yes	yes	yes	yes	yes	yes	no
Property Amenities								
Basketball Court	yes	no	no	no	no	no	no	no
Business Center/Computer Lab	yes	yes	yes	yes	no	yes	yes	no
Car Wash	no	no	no	no	yes	no	yes	no
Clubhouse/Community Room	yes	yes	yes	yes	yes	yes	no	no
Courtyard	no	no	no	no	no	no	no	yes
Elevators	no	no	yes	yes	no	no	no	no
Exercise Facility	no	yes	yes	yes	yes	yes	yes	no
Garage	no	no	yes	no	no	no	no	no
Central Laundry	yes	yes	yes	yes	yes	yes	yes	yes
Non-shelter Services	no	yes	no	no	no	no	no	no
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes
On-Site Management	yes	yes	yes	yes	yes	yes	yes	yes
Picnic Area	no	yes	no	yes	yes	no	yes	yes
Playground	no	yes	yes	yes	yes	yes	yes	no
Service Coordination	yes	no	no	no	no	no	no	no
Wi-Fi	yes	no	no	no	no	no	no	no
Swimming Pool	no	yes	yes	yes	yes	yes	yes	no
Services								
Adult Education	yes	no	no	no	no	no	no	no
Security								
In-Unit Alarm	no	no	no	no	no	yes	no	no
Intercom (Buzzer)	no	no	no	yes	no	no	no	no
Limited Access	yes	yes	yes	no	yes	yes	yes	no
Patrol	yes	no	no	yes	yes	yes	no	no
Perimeter Fencing	yes	yes	no	no	yes	yes	yes	no
Video Surveillance	yes	no	yes	yes	no	yes	no	no
Premium Amenities								
Other Amenities								
Other	n/a	After School Support	Gazebo, community garden	n/a	n/a	n/a	Across the street from Marta train station	Located on Marta bus line

PROPERTY PROFILE REPORT

Avalon Park - Family

Effective Rent Date	7/19/2017
Location	2798 Peek Rd Atlanta, GA 30318 Fulton County
Distance	1 mile
Units	175
Vacant Units	2
Vacancy Rate	1.1%
Type	Garden (3 stories)
Year Built/Renovated	2008 / N/A
Marketing Began	N/A
Leasing Began	10/01/2007
Last Unit Leased	N/A
Major Competitors	Peaks at MLK, Columbia Commons
Tenant Characteristics	Mixed tenancy, mostly young families.
Contact Name	Glennis
Phone	404-799-3131



Market Information

Program	@30%, @50%, @60%, Market
Annual Turnover Rate	33%
Units/Month Absorbed	17
HCV Tenants	0%
Leasing Pace	Pre-leased
Annual Chg. in Rent	Market rate increased 6 to 9%
Concession	None

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	not included
Sewer	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)	7	700	\$259	\$0	@30%	Yes	0	0.0%	yes	None
1	1	Garden (3 stories)	11	700	\$536	\$0	@50%	Yes	0	0.0%	yes	None
1	1	Garden (3 stories)	11	700	\$675	\$0	@60%	Yes	0	0.0%	no	None
1	1	Garden (3 stories)	11	700	\$839	\$0	Market	No	0	0.0%	N/A	None
2	1	Garden (3 stories)	15	1,044	\$273	\$0	@30%	Yes	0	0.0%	yes	None
2	1	Garden (3 stories)	25	1,044	\$606	\$0	@50%	Yes	0	0.0%	yes	None
2	1	Garden (3 stories)	31	1,044	\$773	\$0	@60%	Yes	0	0.0%	no	None
2	1	Garden (3 stories)	29	1,044	\$942	\$0	Market	No	1	3.4%	N/A	None
3	2	Garden (3 stories)	5	1,218	\$276	\$0	@30%	Yes	0	0.0%	yes	None
3	2	Garden (3 stories)	8	1,218	\$661	\$0	@50%	Yes	0	0.0%	yes	None
3	2	Garden (3 stories)	11	1,218	\$853	\$0	@60%	Yes	0	0.0%	no	None
3	2	Garden (3 stories)	11	1,218	\$1,116	\$0	Market	No	1	9.1%	N/A	None

Avalon Park - Family, continued

Trend Report

Vacancy Rates

3Q15	2Q16	2Q17	3Q17
0.0%	1.1%	1.7%	1.1%

Trend: @30%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	3	0.0%	\$259	\$0	\$259	\$281
2016	2	0.0%	\$259	\$0	\$259	\$281
2017	2	0.0%	\$259	\$0	\$259	\$281
2017	3	0.0%	\$259	\$0	\$259	\$281

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	3	0.0%	\$273	\$0	\$273	\$307
2016	2	0.0%	\$273	\$0	\$273	\$307
2017	2	0.0%	\$273	\$0	\$273	\$307
2017	3	0.0%	\$273	\$0	\$273	\$307

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	3	0.0%	\$276	\$0	\$276	\$323
2016	2	0.0%	\$276	\$0	\$276	\$323
2017	2	0.0%	\$276	\$0	\$276	\$323
2017	3	0.0%	\$276	\$0	\$276	\$323

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	3	0.0%	\$675	\$0	\$675	\$697
2016	2	0.0%	\$675	\$0	\$675	\$697
2017	2	0.0%	\$675	\$0	\$675	\$697
2017	3	0.0%	\$675	\$0	\$675	\$697

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	3	0.0%	\$773	\$0	\$773	\$807
2016	2	0.0%	\$773	\$0	\$773	\$807
2017	2	0.0%	\$773	\$0	\$773	\$807
2017	3	0.0%	\$773	\$0	\$773	\$807

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	3	0.0%	\$853	\$0	\$853	\$900
2016	2	0.0%	\$853	\$0	\$853	\$900
2017	2	0.0%	\$853	\$0	\$853	\$900
2017	3	0.0%	\$853	\$0	\$853	\$900

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	3	N/A	\$536	\$0	\$536	\$558
2016	2	0.0%	\$536	\$0	\$536	\$558
2017	2	0.0%	\$536	\$0	\$536	\$558
2017	3	0.0%	\$536	\$0	\$536	\$558

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	3	N/A	\$606	\$0	\$606	\$640
2016	2	0.0%	\$606	\$0	\$606	\$640
2017	2	0.0%	\$606	\$0	\$606	\$640
2017	3	0.0%	\$606	\$0	\$606	\$640

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	3	N/A	\$661	\$0	\$661	\$708
2016	2	0.0%	\$661	\$0	\$661	\$708
2017	2	0.0%	\$661	\$0	\$661	\$708
2017	3	0.0%	\$661	\$0	\$661	\$708

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	3	N/A	\$720	\$0	\$720	\$742
2016	2	0.0%	\$819	\$0	\$819	\$841
2017	2	9.1%	\$839	\$0	\$839	\$861
2017	3	0.0%	\$839	\$0	\$839	\$861

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	3	N/A	\$820	\$0	\$820	\$854
2016	2	3.4%	\$979	\$0	\$979	\$1,013
2017	2	0.0%	\$999	\$0	\$999	\$1,033
2017	3	3.4%	\$942	\$0	\$942	\$976

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	3	N/A	\$1,116	\$0	\$1,116	\$1,163
2016	2	9.1%	\$1,149	\$0	\$1,149	\$1,196
2017	2	18.2%	\$1,179	\$0	\$1,179	\$1,226
2017	3	9.1%	\$1,116	\$0	\$1,116	\$1,163

Trend: Comments

- 3Q15 The property manager stated that the waiting list comprises 301 households. Between first and second quarter 2015 the waiting list increased by 270 households. The contact also stated that demand for affordable housing in the Atlanta area is very high. Management at the property reported achieving maximum allowable rents.
- 2Q16 The property manager stated that the waiting list is a few month in length for LIHTC units. The contact stated that demand for affordable housing in the Atlanta area is very high. Management indicated that LIHTC rents are still at maximum allowable levels, and she is not aware of any scheduled rent increase for 2016, but indicated the market could likely support a small rent increase. The property does not accept vouchers for any units.
- 2Q17 The property maintains a waiting list for the affordable units that is approximately one year in length. The contact stated that demand for affordable housing in the Atlanta area is very high. Two of the three vacancies are pre-leased.
- 3Q17 The property maintains a waiting list for the affordable units that is one year in length. The contact stated that demand for affordable housing in the Atlanta area is very high.

Photos



PROPERTY PROFILE REPORT

Columbia Crest

Effective Rent Date	7/19/2017
Location	1903 Drew Dr NW Atlanta, GA 30318 Fulton County
Distance	1.1 miles
Units	152
Vacant Units	6
Vacancy Rate	3.9%
Type	Midrise (4 stories)
Year Built/Renovated	2005 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Columbia Estates, Columbia Park Citi
Tenant Characteristics	Mixed tenancy mostly from Atlanta
Contact Name	Jasmine
Phone	404-792-3321



Market Information

Program	@50% (PHA), @60%, Market
Annual Turnover Rate	21%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Pre-leased to two weeks.
Annual Chg. in Rent	None
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Midrise (4 stories)	10	770	N/A	\$0	@50% (PHA)	Yes	0	0.0%	N/A	None
1	1	Midrise (4 stories)	8	770	\$645	\$0	@60%	No	1	12.5%	yes	None
1	1	Midrise (4 stories)	18	770	\$999	\$0	Market	No	1	5.6%	N/A	None
2	2	Midrise (4 stories)	24	1,066	N/A	\$0	@50% (PHA)	Yes	0	0.0%	N/A	None
2	2	Midrise (4 stories)	16	1,066	\$752	\$0	@60%	No	0	0.0%	yes	None
2	2	Midrise (4 stories)	32	1,066	\$1,179	\$0	Market	No	2	6.2%	N/A	None
3	2	Midrise (4 stories)	16	1,318	N/A	\$0	@50% (PHA)	Yes	0	0.0%	N/A	None
3	2	Midrise (4 stories)	12	1,318	\$836	\$0	@60%	No	1	8.3%	yes	None
3	2	Midrise (4 stories)	16	1,318	\$1,319	\$0	Market	No	1	6.2%	N/A	None

Trend Report

Vacancy Rates

3Q15	2Q16	2Q17	3Q17
3.3%	1.3%	4.6%	3.9%

Trend: @50%

1BR / 1BA

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

2BR / 2BA

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

3BR / 2BA

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

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	3	12.5%	\$592	\$0	\$592	\$667
2016	2	0.0%	\$592	\$0	\$592	\$667
2017	2	0.0%	\$645	\$0	\$645	\$720
2017	3	12.5%	\$645	\$0	\$645	\$720

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	3	0.0%	\$673	\$0	\$673	\$790
2016	2	0.0%	\$673	\$0	\$673	\$790
2017	2	0.0%	\$752	\$0	\$752	\$869
2017	3	0.0%	\$752	\$0	\$752	\$869

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	3	0.0%	\$738	\$0	\$738	\$902
2016	2	0.0%	\$738	\$0	\$738	\$902
2017	2	8.3%	\$836	\$0	\$836	\$1,000
2017	3	8.3%	\$836	\$0	\$836	\$1,000

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	3	11.1%	\$999	\$0	\$999	\$1,074
2016	2	5.6%	\$999	\$0	\$999	\$1,074
2017	2	11.1%	\$999	\$0	\$999	\$1,074
2017	3	5.6%	\$999	\$0	\$999	\$1,074

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	3	3.1%	\$1,049	\$0	\$1,049	\$1,166
2016	2	3.1%	\$1,049	\$0	\$1,049	\$1,166
2017	2	9.4%	\$1,179	\$0	\$1,179	\$1,296
2017	3	6.2%	\$1,179	\$0	\$1,179	\$1,296

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	3	6.2%	\$1,099	\$0	\$1,099	\$1,263
2016	2	0.0%	\$1,099	\$0	\$1,099	\$1,263
2017	2	6.2%	\$1,319	\$0	\$1,319	\$1,483
2017	3	6.2%	\$1,319	\$0	\$1,319	\$1,483

Trend: Comments

- 3Q15 The property maintains a 300 household waiting list for their public housing units. The leasing agent estimated the unit mix for Public Housing, LIHTC, and market rate units.
- 2Q16 The property maintains a long waiting list of approximately two years for public housing units. The leasing agent estimated the unit mix for Public Housing, LIHTC, and market rate units. The contact was a temporary employee and was unaware of any planned rent increase, but indicated both LIHTC and market rents have yet to increase in 2016. The contact indicate there is a no waiting list for LIHTC units. Open parking garage parking is included in rent.
- 2Q17 The property maintains a waiting list of approximately two years for Public Housing units. Open parking garage parking is included in rent. The contact reported that four of the vacancies are pre-leased.
- 3Q17 The property maintains a waiting list of approximately two years in length for Public Housing units. Open parking garage parking is included in rent. The contact reported that three of the vacancies are pre-leased.

Photos



PROPERTY PROFILE REPORT

Columbia Estates

Effective Rent Date	7/19/2017
Location	1710 Noel Street NW Atlanta, GA 30318 Fulton County
Distance	1.2 miles
Units	124
Vacant Units	0
Vacancy Rate	0.0%
Type	Various
Year Built/Renovated	2004 / N/A
Marketing Began	6/01/2003
Leasing Began	12/01/2003
Last Unit Leased	2/01/2004
Major Competitors	Columbia Crest, Columbia Park Citi
Tenant Characteristics	Couples and families from Atlanta
Contact Name	Sandra
Phone	404.799.7942



Market Information

Program	@50% (PHA), @60%, Market
Annual Turnover Rate	14%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Pre-leased to one week.
Annual Chg. in Rent	Market rents increased 10%
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2.5	Townhouse (2 stories)	36	1,274	N/A	\$0	@50% (PHA)	Yes	0	0.0%	N/A	None
2	2.5	Townhouse (2 stories)	7	1,274	\$678	\$0	@60%	No	0	0.0%	yes	None
2	2.5	Townhouse (2 stories)	43	1,274	\$1,049	\$0	Market	No	0	0.0%	N/A	None
3	2	Garden (3 stories)	14	1,444	N/A	\$0	@50% (PHA)	Yes	0	0.0%	N/A	None
3	2	Garden (3 stories)	5	1,444	\$744	\$0	@60%	No	0	0.0%	yes	None
3	2	Garden (3 stories)	19	1,444	\$1,099	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2.5BA	N/A	\$0	N/A	\$117	N/A	2BR / 2.5BA	\$678	\$0	\$678	\$117	\$795
3BR / 2BA	N/A	\$0	N/A	\$164	N/A	3BR / 2BA	\$744	\$0	\$744	\$164	\$908
Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent						
2BR / 2.5BA	\$1,049	\$0	\$1,049	\$117	\$1,166						
3BR / 2BA	\$1,099	\$0	\$1,099	\$164	\$1,263						

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Intercom (Buzzer)	None
Carpeting	Central A/C	Patrol	
Coat Closet	Dishwasher	Video Surveillance	
Ceiling Fan	Garbage Disposal		
Oven	Refrigerator		
Vaulted Ceilings	Walk-In Closet		
Washer/Dryer hookup			
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	None
Elevators	Exercise Facility		
Central Laundry	Off-Street Parking		
On-Site Management	Picnic Area		
Playground	Swimming Pool		

Comments

The property maintains an extensive waiting list for the Public Housing units.

Trend Report

Vacancy Rates

1Q15	3Q15	2Q17	3Q17
4.0%	0.0%	0.0%	0.0%

Trend: @50%

2BR / 2.5BA

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

3BR / 2BA

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

Trend: @60%

2BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	0.0%	\$673	\$0	\$673	\$790
2015	3	0.0%	\$673	\$0	\$673	\$790
2017	2	0.0%	\$678	\$0	\$678	\$795
2017	3	0.0%	\$678	\$0	\$678	\$795

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	0.0%	\$738	\$0	\$738	\$902
2015	3	0.0%	\$738	\$0	\$738	\$902
2017	2	0.0%	\$744	\$0	\$744	\$908
2017	3	0.0%	\$744	\$0	\$744	\$908

Trend: Market

2BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	4.7%	\$1,049	\$0	\$1,049	\$1,166
2015	3	0.0%	\$1,049	\$0	\$1,049	\$1,166
2017	2	0.0%	\$1,049	\$0	\$1,049	\$1,166
2017	3	0.0%	\$1,049	\$0	\$1,049	\$1,166

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	15.8%	\$1,099	\$0	\$1,099	\$1,263
2015	3	0.0%	\$1,099	\$0	\$1,099	\$1,263
2017	2	0.0%	\$1,099	\$0	\$1,099	\$1,263
2017	3	0.0%	\$1,099	\$0	\$1,099	\$1,263

Trend: Comments

1Q15	The property is currently 99% leased and management does not anticipate that the LIHTC rents will increase in the near future.
3Q15	This property is fully occupied, which is typical for the development. Management stated the property maintains a waiting list for their project-based units, comprising 684 households. The waiting list has not been opened since April 2013. The property manager stated that demand for affordable housing in the area is extremely high. The development offers one parking space per unit, with some spaces in an uncovered parking lot and the others on the street in front of the property.
2Q17	The property maintains an extensive waiting list of undetermined length for the Public Housing units.
3Q17	The property maintains an extensive waiting list for the Public Housing units.

Photos



PROPERTY PROFILE REPORT

Dwell At The View

Effective Rent Date	7/14/2017
Location	1620 Hollywood Road NW Atlanta, GA 30318 Fulton County
Distance	0.6 miles
Units	216
Vacant Units	2
Vacancy Rate	0.9%
Type	Garden (3 stories)
Year Built/Renovated	1972 / 2003
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Singles, couples, and families from local area
Contact Name	Lindsey
Phone	(404) 799-0074



Market Information

Program	@50%, @60%, Market
Annual Turnover Rate	17%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within one month
Annual Chg. in Rent	Increased 1-7% since 2Q 2017
Concession	Reduced rates for 3BR

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	0	663	\$627	\$0	@50%	No	0	N/A	N/A	None
1	1	Garden (3 stories)	0	687	\$627	\$0	@50%	No	0	N/A	N/A	None
1	1	Garden (3 stories)	0	663	\$766	\$0	@60%	No	0	N/A	N/A	None
1	1	Garden (3 stories)	0	687	\$766	\$0	@60%	No	0	N/A	N/A	None
1	1	Garden (3 stories)	36	663	\$825	\$0	Market	No	0	0.0%	N/A	None
1	1	Garden (3 stories)	36	687	\$825	\$0	Market	No	0	0.0%	N/A	None
2	1	Garden (3 stories)	0	755	\$710	\$0	@50%	No	0	N/A	N/A	None
2	1	Garden (3 stories)	0	755	\$877	\$0	@60%	No	1	N/A	N/A	None
2	1	Garden (3 stories)	72	755	\$925	\$0	Market	No	0	0.0%	N/A	None
3	1	Garden (3 stories)	36	952	\$840	\$0	Market	No	1	2.8%	N/A	None
3	1	Garden (3 stories)	36	1,005	\$840	\$0	Market	No	0	0.0%	N/A	None

Dwell At The View, continued

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$627	\$0	\$627	\$0	\$627	1BR / 1BA	\$766	\$0	\$766	\$0	\$766
2BR / 1BA	\$710	\$0	\$710	\$0	\$710	2BR / 1BA	\$877	\$0	\$877	\$0	\$877

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$825	\$0	\$825	\$0	\$825
2BR / 1BA	\$925	\$0	\$925	\$0	\$925
3BR / 1BA	\$840	\$0	\$840	\$0	\$840

Amenities

In-Unit	Blinds	Security	Services
Balcony/Patio	Central A/C	Limited Access	None
Carpeting	Dishwasher	Patrol	
Coat Closet	Oven	Perimeter Fencing	
Garbage Disposal	Walk-In Closet		
Refrigerator			
Washer/Dryer hookup			

Property	Clubhouse/Meeting Room/Community	Premium	Other
Car Wash	Central Laundry	None	None
Exercise Facility	On-Site Management		
Off-Street Parking	Playground		
Picnic Area			
Swimming Pool			

Comments

Management at the property stated that there are two parking spaces per unit. The property does not accept Housing Choice Vouchers.

Dwell At The View, continued

Trend Report

Vacancy Rates

3Q15	2Q16	2Q17	3Q17
0.9%	3.2%	1.9%	0.9%

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	3	N/A	\$627	\$0	\$627	\$627

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	3	N/A	\$710	\$0	\$710	\$710

3BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
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Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	3	N/A	\$766	\$0	\$766	\$766

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	3	N/A	\$877	\$0	\$877	\$877

3BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
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Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	3	0.0%	\$625	\$0	\$625	\$625
2016	2	4.2%	\$699 - \$735	\$0	\$699 - \$735	\$699 - \$735
2017	2	0.0%	\$793 - \$813	\$0	\$793 - \$813	\$793 - \$813
2017	3	0.0%	\$825	\$0	\$825	\$825

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	3	0.0%	\$700	\$0	\$700	\$700
2016	2	1.4%	\$810	\$0	\$810	\$810
2017	2	0.0%	\$867	\$0	\$867	\$867
2017	3	0.0%	\$925	\$0	\$925	\$925

3BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	3	2.8%	\$755	\$0	\$755	\$755
2016	2	4.2%	\$850 - \$899	\$0	\$850 - \$899	\$850 - \$899
2017	2	5.6%	\$905 - \$965	\$0	\$905 - \$965	\$905 - \$965
2017	3	1.4%	\$840	\$0	\$840	\$840

Trend: Comments

3Q15	Management at the property stated that there are two parking spaces per unit. The property does not maintain a waiting list or accept tenants utilizing Housing Choice vouchers.
2Q16	Management at the property stated that there are two parking spaces per unit. The property does not maintain a waiting list or accept tenants utilizing Housing Choice vouchers. Management indicated they anticipate filling two of each of the one and three-bedroom units in the immediate future.
2Q17	Management at the property stated that there are two parking spaces per unit. The property does not maintain a waiting list or accept tenants utilizing Housing Choice vouchers.
3Q17	Management at the property stated that there are two parking spaces per unit. The property does not accept Housing Choice Vouchers.

Photos



PROPERTY PROFILE REPORT

Peaks At West Atlanta

Effective Rent Date	7/18/2017
Location	1212 James Jackson Parkway Atlanta, GA 30318 Fulton County
Distance	0.4 miles
Units	214
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (3 stories)
Year Built/Renovated	2002 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Mixed tenancy
Contact Name	Glint
Phone	404-799-8000



Market Information

Program	@50%, @60%, Market
Annual Turnover Rate	11%
Units/Month Absorbed	N/A
HCV Tenants	30%
Leasing Pace	Pre-leased
Annual Chg. in Rent	Kept at max; MR increased 3%
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden (3 stories)	N/A	1,012	\$606	\$0	@50%	Yes	0	N/A	yes	None
2	2	Garden (3 stories)	N/A	1,012	\$773	\$0	@60%	Yes	0	N/A	yes	None
2	2	Garden (3 stories)	N/A	1,012	\$850	\$0	Market	Yes	0	N/A	N/A	None
3	2	Garden (3 stories)	N/A	1,211	\$661	\$0	@50%	Yes	0	N/A	yes	None
3	2	Garden (3 stories)	N/A	1,211	\$853	\$0	@60%	Yes	0	N/A	yes	None
3	2	Garden (3 stories)	N/A	1,211	\$950	\$0	Market	Yes	0	N/A	N/A	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	\$606	\$0	\$606	\$117	\$723	2BR / 2BA	\$773	\$0	\$773	\$117	\$890
3BR / 2BA	\$661	\$0	\$661	\$164	\$825	3BR / 2BA	\$853	\$0	\$853	\$164	\$1,017
Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent						
2BR / 2BA	\$850	\$0	\$850	\$117	\$967						
3BR / 2BA	\$950	\$0	\$950	\$164	\$1,114						

Peaks At West Atlanta, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	In-Unit Alarm	None
Carpeting	Central A/C	Limited Access	
Coat Closet	Dishwasher	Patrol	
Exterior Storage	Ceiling Fan	Perimeter Fencing	
Garbage Disposal	Microwave	Video Surveillance	
Oven	Refrigerator		
Vaulted Ceilings	Washer/Dryer hookup		
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	None
Exercise Facility	Central Laundry		
Off-Street Parking	On-Site Management		
Playground	Swimming Pool		

Comments

The property maintains a waiting list approximately three to six months in length.

Photos



PROPERTY PROFILE REPORT

Peaks Of MLK

Effective Rent Date	7/19/2017
Location	2423 Martin Luther King Drive Atlanta, GA 30311 Fulton County
Distance	2.5 miles
Units	183
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (3 stories)
Year Built/Renovated	2004 / N/A
Marketing Began	N/A
Leasing Began	12/01/2003
Last Unit Leased	12/01/2004
Major Competitors	Columbia Commons, Webster Park, City Views
Tenant Characteristics	Majority families from south Atlanta
Contact Name	Inger
Phone	404-696-4500



Market Information

Program	@50%, @60%, Market, Section 8 (Project)
Annual Turnover Rate	13%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within two weeks
Annual Chg. in Rent	None
Concession	None

Utilities

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

Comments

The property maintains a waiting list of over 2,800 households for the Public Housing units. The contact stated the property consists of 72 Project-Based-Rental Assistance (PBRA) units.

Peaks Of MLK, continued

Trend Report

Vacancy Rates

1Q15	3Q15	2Q17	3Q17
2.2%	0.0%	0.0%	0.0%

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	0.0%	\$535	\$0	\$535	\$610
2015	3	0.0%	\$535	\$0	\$535	\$610
2017	2	0.0%	\$535	\$0	\$535	\$610
2017	3	0.0%	\$535	\$0	\$535	\$610

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	0.0%	\$606	\$0	\$606	\$723
2015	3	0.0%	\$606	\$0	\$606	\$723
2017	2	0.0%	\$606	\$0	\$606	\$723
2017	3	0.0%	\$606	\$0	\$606	\$723

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	0.0%	\$661	\$0	\$661	\$825
2015	3	0.0%	\$661	\$0	\$661	\$825
2017	2	0.0%	\$661	\$0	\$661	\$825
2017	3	0.0%	\$661	\$0	\$661	\$825

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	0.0%	\$780	\$0	\$780	\$855
2015	3	0.0%	\$780	\$0	\$780	\$855
2017	2	0.0%	\$780	\$0	\$780	\$855
2017	3	0.0%	\$760	\$0	\$760	\$835

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	4.0%	\$900	\$0	\$900	\$1,017
2015	3	0.0%	\$900	\$0	\$900	\$1,017
2017	2	0.0%	\$900	\$0	\$900	\$1,017
2017	3	0.0%	\$900	\$0	\$900	\$1,017

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	8.3%	\$975	\$0	\$975	\$1,139
2015	3	0.0%	\$975	\$0	\$975	\$1,139
2017	2	0.0%	\$975	\$0	\$975	\$1,139
2017	3	0.0%	\$975	\$0	\$975	\$1,139

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	4.8%	\$673	\$0	\$673	\$748
2015	3	0.0%	\$673	\$0	\$673	\$748
2017	2	0.0%	\$673	\$0	\$673	\$748
2017	3	0.0%	\$673	\$0	\$673	\$748

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	1.9%	\$745	\$0	\$745	\$862
2015	3	0.0%	\$745	\$0	\$745	\$862
2017	2	0.0%	\$745	\$0	\$745	\$862
2017	3	0.0%	\$745	\$0	\$745	\$862

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	0.0%	\$873	\$0	\$873	\$1,037
2015	3	0.0%	\$873	\$0	\$873	\$1,037
2017	2	0.0%	\$873	\$0	\$873	\$1,037
2017	3	0.0%	\$873	\$0	\$873	\$1,037

Trend: Section 8

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	N/A	N/A	\$0	N/A	N/A
2015	3	N/A	N/A	\$0	N/A	N/A
2017	2	N/A	N/A	\$0	N/A	N/A
2017	3	N/A	N/A	\$0	N/A	N/A

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	N/A	N/A	\$0	N/A	N/A
2015	3	N/A	N/A	\$0	N/A	N/A
2017	2	N/A	N/A	\$0	N/A	N/A
2017	3	N/A	N/A	\$0	N/A	N/A

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	N/A	N/A	\$0	N/A	N/A
2015	3	N/A	N/A	\$0	N/A	N/A
2017	2	N/A	N/A	\$0	N/A	N/A
2017	3	N/A	N/A	\$0	N/A	N/A

Trend: Comments

- 1Q15 The property is 98 percent occupied and 100 percent leased. The property does not accept Housing Choice Vouchers as 73 of the units offer project-based rental assistance. The property maintains a waiting list of over 2,000 households for units with project-based rental assistance.
- 3Q15 The property does not accept Housing Choice Vouchers as 73 of the units offer project-based rental assistance. The property maintains a waiting list of over 2,800 households for units with project-based rental assistance. The waiting list opened December 2012 and closed February 7, 2013. However, the property is still working through their 2010 waiting list. The contact stated that demand for affordable housing in the Atlanta area is very high. Management at the property reported achieving maximum allowable rents.
- 2Q17 The property maintains a waiting list of over 2,800 households for the Public Housing units.
- 3Q17 The property maintains a waiting list of over 2,800 households for the Public Housing units. The contact stated the property consists of 72 Project-Based-Rental Assistance (PBRA) units.

Photos



PROPERTY PROFILE REPORT

Westside Crossing

Effective Rent Date	7/20/2017
Location	2265 Perry Boulevard Atlanta, GA 30318 Fulton County
Distance	1 mile
Units	112
Vacant Units	7
Vacancy Rate	6.2%
Type	Garden (2 stories)
Year Built/Renovated	1965 / 2017
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Mixed tenancy with some seniors
Contact Name	Leasing Agent
Phone	855-903-6712



Market Information

Program	Market
Annual Turnover Rate	32%
Units/Month Absorbed	N/A
HCV Tenants	10%
Leasing Pace	Up to two weeps
Annual Chg. in Rent	None reported
Concession	\$500 off first month

Utilities

A/C	not included -- window
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)	N/A	460	\$730	\$42	Market	No	2	N/A	N/A	None
2	1	Garden (2 stories)	N/A	680	\$830	\$42	Market	No	2	N/A	N/A	None
3	1	Garden (2 stories)	N/A	840	\$930	\$42	Market	No	3	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$730	\$42	\$688	\$0	\$688
2BR / 1BA	\$830	\$42	\$788	\$0	\$788
3BR / 1BA	\$930	\$42	\$888	\$0	\$888

Westside Crossing, continued

Amenities

In-Unit		Security	Services
Blinds	Carpet/Hardwood	None	None
Central A/C	Dishwasher		
Exterior Storage	Garbage Disposal		
Microwave	Oven		
Refrigerator	Walk-In Closet		
Property		Premium	Other
Courtyard	Central Laundry	None	Located on Marta bus line
Off-Street Parking	On-Site Management		
Picnic Area			

Comments

The property is currently offering \$500 off the first months rent as a concession. The property was recently renovated this year. Renovations include updated exteriors, installed wood flooring, new paint, new doors, updated appliances, granite counter-tops in both the kitchen and bathroom, added microwaves, and new fixtures.

Westside Crossing, continued

Trend Report

Vacancy Rates

1Q09	1Q14	2Q17	3Q17
18.9%	8.1%	3.6%	6.2%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	N/A	\$535	\$0	\$535	\$535
2014	1	N/A	\$550	\$151	\$399	\$399
2017	2	N/A	\$719 - \$791	\$0	\$719 - \$791	\$719 - \$791
2017	3	N/A	\$730	\$42	\$688	\$688

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	N/A	\$635	\$0	\$635	\$635
2014	1	N/A	\$650	\$151	\$499	\$499
2017	2	N/A	\$848	\$0	\$848	\$848
2017	3	N/A	\$830	\$42	\$788	\$788

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	2	N/A	\$902	\$0	\$902	\$902

3BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	N/A	\$750	\$0	\$750	\$750
2014	1	N/A	\$750	\$160	\$590	\$590
2017	2	N/A	\$958	\$0	\$958	\$958
2017	3	N/A	\$930	\$42	\$888	\$888

Trend: Comments

1Q09	The contact that management accepts Housing Choice Vouchers but could not comment on the number of tenants using them. The contact refused to comment on market characteristics or to explain why occupancy is low. As of the last interview in May 2007, the property was 94 percent occupied.
1Q14	The property accepts Housing Choice Vouchers; however, the contact could not provide the number of tenants who use them. The contact would not provide any information explaining the above average vacancy rate.
2Q17	No additional comments.
3Q17	The property is currently offering \$500 off the first months rent as a concession. The property was recently renovated this year. Renovations include updated exteriors, installed wood flooring, new paint, new doors, updated appliances, granite counter-tops in both the kitchen and bathroom, added microwaves, and new fixtures.

Photos



PROPERTY CHARACTERISTICS

Following are relevant characteristics of the comparable properties surveyed:

Location

The Subject is located in Atlanta in a mixed-use residential and commercial neighborhood and is proximate to public uses such as parks and schools. Further, the Subject has excellent access to public transportation. The following table compares the Subject to comparable properties.

LOCATION

Property Name	City	Zip Code	Median Rent	Median Household Income	Walk Score
Subject	Atlanta	30318	\$986	\$39,532	31
Avalon Park - Family	Atlanta	30318	\$986	\$39,532	49
Columbia Crest	Atlanta	30318	\$986	\$39,532	10
Columbia Estates	Atlanta	30318	\$986	\$39,532	15
Dwell At The View	Atlanta	30318	\$986	\$39,532	25
Peaks At West Atlanta	Atlanta	30318	\$986	\$39,532	21
Peaks Of MLK*	Atlanta	30311	\$506	\$25,880	59
Westside Crossing	Atlanta	30318	\$986	\$39,532	17

Source: U.S. Census Bureau, Walkscore.com, 7/2017

*Located outside the PMA

As illustrated, the Subject’s neighborhood is similar to slightly superior to the majority of the comparables in terms of median rent and median household income, as well as access to services and amenities. Based on all of these assessments, we believe the Subject has a similar to slightly superior location compared to the majority of the comparables.

Age and Condition

The Subject was originally constructed in 1970 and renovated in 2002 with LIHTCs and currently exhibits average condition overall. Post renovations, the Subject will be in good condition. The LIHTC comparables were constructed or renovated between 2002 and 2008. The market rate comparable was constructed and renovated in 1965 and 2017, respectively. Dwell At The View, Peaks At West Atlanta, and Peaks Of MLK were built ore renovated between 2002 and 2004 and exhibit average condition. The remaining comparables are generally in good condition.

Unit Size

The following table summarizes unit sizes in the market area, and provides a comparison of the Subject’s unit size and the surveyed average unit sizes in the market.

UNIT SIZE COMPARISON					
Unit Type	Subject	Surveyed Minimum	Surveyed Maximum	Surveyed Average	Advantage/Disadvantage
1BR	515	460	847	712	-27.7%
2BR	820	680	1,274	1,018	-19.4%
3BR	1,032	840	1,444	1,236	-16.5%

The Subject’s proposed unit sizes are below the average of the comparable; however, all are within the range of the comparables. However, based on our site inspection, we believe the Subject’s floor plans are functional for the intended use. Thus, we believe the Subject’s unit sizes will be well accepted in the market as an affordable property.

Amenities

A detailed description of amenities included in both the Subject and the comparable properties can be found in the amenity matrix. The matrix has been color coded. Those properties that offer an amenity that the Subject does not offer are shaded in pink, 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 pink. The Subject will offer slightly inferior to inferior in-unit amenities in comparison to the LIHTC and market-rate comparable properties and slightly superior to inferior property amenities. The Subject does not offer dishwashers, ceiling fans, walk-in closets or washer/dry hookups, which the majority of comparables include. Further, the Subject does not offer an exercise facility, picnic area, playground, or swimming pool, which the majority of comparables include. However, the Subject includes a basketball court, service coordination, and free Wi-Fi, which is not offered at any of the comparables. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the market.

Security Features

The Subject currently offers limited access, a courtesy patrol, perimeter fencing, and video surveillance. Six of the comparables offer at least one security feature. Overall, the Subject is considered similar to superior terms of security features.

Utility Structure

Tenants are responsible for all general electric expenses including air-conditioning, electric water heating, electric cooking, and electric heat expenses. The landlord pays for all common area utilities, as well as water, sewer, and trash removal. Post-renovation, the rents will also include free Wi-Fi internet. Since not all of the comparable properties offer similar utility configurations, we have adjusted “base” or “asking” rents of these comparable properties to “net” rents, reflecting the Subject’s utility convention based on a utility allowance schedule provided by the Atlanta Housing Authority, effective July 1, 2016 (the most recent available).

Parking

The Subject offers off-street surface parking for no additional fee, which is similar to all of the comparables. In addition, one of the comparables offers free garage parking. Overall, the Subject is similar to the majority of the comparables in terms of parking.

MARKET CHARACTERISTICS

Following are relevant market characteristics for the comparable properties surveyed.

Absorption

We were able to obtain absorption information from one of the comparable properties, which is illustrated following table.

ABSORPTION					
Property name	Type	Tenancy	Year Built	Number of Units	Units Absorbed / Month
Avalon Park - Family	LIHTC	Family	2008	175	17

Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. The Subject is a proposed renovation of an existing Section 8 property. According the Subject's rent roll, dated May 3, 2017, the property is 98.8 percent occupied with a waiting list, which is typical for the property, according to management. According to the rent roll, all of the tenants in the Subject's units would continue to qualify to remain in place. Assuming the Subject were 100 percent vacant following renovations, the Subject would likely experience a slightly faster re-absorption pace than Avalon Park - Family, due to the benefit of a rental subsidy. The Subject would likely experience a re-absorption pace of 19 to 22 units per month for an absorption period of approximately seven to nine months. Should the Subject not benefit from a rental subsidy post renovation, we believe Subject would experience a somewhat slightly lower re-absorption pace than Avalon Park - Family, of 14 to 16 units per month for an absorption period of approximately ten to twelve months.

Turnover

The following table illustrates reported turnover for the comparable properties.

TURNOVER		
Property name	Rent Structure	Turnover
Avalon Park - Family	LIHTC/Market	33.0%
Columbia Crest	LIHTC/PHA/Market	21.0%
Columbia Estates	LIHTC/PHA/Market	14.0%
Dwell At The View	LIHTC/Market	17.0%
Peaks At West Atlanta	LIHTC/Market	11.0%
Peaks Of MLK*	LIHTC/PHA/Market	13.0%
Westside Crossing	Market	<u>32.0%</u>
Average Turnover		20.0%

*Located outside of the PMA

As illustrated in the table above, turnover rates at the comparable properties ranged from eleven to 33 percent annually, with an average of 20 percent overall. As discussed in the reasonability of rents analysis, we believe the Subject's current asking rents are achievable. Further, all of the Subjects units benefit from HAP contract in which tenants pay 30 percent of income towards rent. Thus, we anticipate the Subject will maintain a turnover rate of 20 percent or less, which is reasonable based on the information reported by the comparables.

Vacancy Levels

The following table summarizes overall weighted vacancy trends at the surveyed properties.

OVERALL VACANCY

Property name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Avalon Park - Family	LIHTC/Market	175	2	1.1%
Columbia Crest	LIHTC/PHA/Market	152	6	3.9%
Columbia Estates	LIHTC/PHA/Market	124	0	0.0%
Dwell At The View	LIHTC/Market	216	2	0.9%
Peaks At West Atlanta	LIHTC/Market	214	0	0.0%
Peaks Of MLK*	LIHTC/PHA/Market	183	0	0.0%
Westside Crossing	Market	112	7	6.2%
Affordable Total		1,064	10	0.9%
Market Total		112	7	6.2%
Total		1,176	17	1.4%

*Located outside of the PMA

As illustrated, vacancy rates in the market range from zero to 6.2 percent, averaging 1.4 percent. Total affordable vacancy is slightly lower, at 0.9 percent. Only four of the comparables report having vacancies. Further, three of the LIHTC comparables are fully occupied, and five of the affordable comparables report maintaining waiting lists. Two of the comparables, Avalon Park – Family and Peaks At West Atlanta, reported maintaining waiting lists for their LIHTC units, while all of the comparable Public Housing units maintain waiting lists. None of the comparable market rate units maintain waiting lists.

The vacancy rate for the market-rate comparable property, Westside Crossing, is 6.2 percent. It should be noted this property recently underwent extensive renovations which include updated exteriors, installed wood flooring, new paint, new doors, updated appliances, granite counter-tops in the kitchen and bathrooms, added microwaves, and new fixtures. Further, the property is offering a concession of \$500 off the first month of rent as a concession to aide in the lease of vacant units. Additionally, the property does not maintain a waiting list. The low to moderate vacancy rate at the comparable properties indicates that there is demand for rental housing in the Subject's PMA.

The Subject is currently 98.8 percent occupied and 100 percent pre-leased with a waiting list. According to the Subject's historical audited financials, the Subject operated with a total vacancy rate (including collection loss) of 8.4 percent in 2015 and 7.4 percent in 2016. Based on recent improved operations, we will conclude to a vacancy and collection loss rate of 5.0 percent in the restricted scenarios and 6.0 percent in the unrestricted scenario.

Concessions

Only one of the comparables reported offering concessions. With limited concessions present in the market, we do not believe that the Subject would need to offer concessions to be competitive both as restricted and hypothetically unrestricted.

Waiting Lists

The following table illustrates the presence of waiting lists, where applicable.

WAITING LISTS		
Property Name	Rent Structure	Waiting List
Avalon Park - Family	LIHTC/Market	One year, all affordable units
Columbia Crest	LIHTC/PHA/Market	Two years, PHA units only
Columbia Estates	LIHTC/PHA/Market	Extensive waiting list, PHA units only
Dwell At The View	LIHTC/Market	None
Peaks At West Atlanta	LIHTC/Market	Three to six months, all unit types
Peaks Of MLK*	LIHTC/PHA/Market	2,800 households, PHA units only
Westside Crossing	Market	None

*Located outside of the PMA

Presently, two of the six comparable affordable properties reported waiting lists for their LIHTC units. Further, five of the six comparable affordable properties reported extensive waiting lists for their Public Housing units. Waiting lists at the LIHTC comparables in the market demonstrate a strong demand for rental housing at lower income levels in the market. Based on the performance of the comparable properties, we expect the Subject to maintain a short waiting list, at a minimum, following stabilization.

Reasonability of Rents

The following table is a comparison of the Subject's proposed rents and the rents at the comparable properties. For the purposes of this analysis, "Base Rents" are the actual rents quoted to the tenant, and are most frequently those rents that potential renters consider when making a housing decision. "Net rents" are rents adjusted for the cost of utilities (adjusted to the Subject's convention) and are used to compensate for the differing utility structures of the Subject and the comparable properties. Net rents represent the actual costs of residing at a property, and help to provide an "apples-to-apples" comparison of rents. Additionally, it is important to note that we compared to conceded rent levels at the comparable properties, when applicable.

LIHTC RENT COMPARISON - @60%

Property Name	1BR	2BR	3BR
Rolling Bends Phase I (Subject)	\$653	\$793	\$828
2016 LIHTC Maximum (Net)	\$653	\$793	\$828
Hold Harmless LIHTC Maximum (Net)	\$726	\$880	\$928
Avalon Park - Family	\$697	\$807	\$900
Columbia Crest	\$720	\$869	\$1,000
Columbia Estates	-	\$795	\$908
Dwell At The View	\$766	\$877	-
Peaks At West Atlanta	-	\$890	\$1,017
Peaks Of MLK*	\$748	\$862	\$1,037
Average (excluding Subject)	\$733	\$850	\$972
NOVOCO's Achievable LIHTC Rent	\$653	\$793	\$828

*Located outside of the PMA

The Subject's proposed rents are below the range and average of the rents at the comparables. Considering the Section 8 subsidy that will be in place for all of the Subject's units, tenants will pay just 30 percent of their income toward rents, making the Subject very affordable. The Subject's proposed LIHTC rents are set at the maximum allowable levels at the 60 percent AMI threshold. Additionally, all of the comparables reported achieving the maximum allowable levels at 60 percent AMI. Further, three of the LIHTC comparables are 100 percent occupied while two waiting lists for their LIHTC units. It should be noted that several of the comparables appear to be over the maximum allowable limits, which is based on a difference in utility allowances.

The Subject, upon renovation, will be considered the most similar to Dwell At The View and Peaks At West Atlanta among the LIHTC comparables. These comparables reported vacancy rates of 0.9 percent and zero percent, respectively, and Peaks At West Atlanta maintains a waiting list. The low vacancy rates and presence of a waiting list at the most similar LIHTC comparables indicates demand in the local area for affordable housing.

The Subject will offer slightly inferior community amenities compared to both Dwell At The View and Peaks At West Atlanta. Further, the Subject will offer slightly inferior unit features as Dwell At The View, but inferior unit features compared to Peaks At West Atlanta. The Subject offers a similar location to Dwell At The View and Peaks At West Atlanta; however, will exhibit slightly superior condition, upon renovation. Additionally, the Subject offers similar unit sizes compared to Dwell At The View, but slightly inferior unit sizes compared to Peaks At West Atlanta. Overall, given the strong occupancy rates of the comparables and all comparables reporting achieving the maximum allowable rents at 60 percent AMI; we believe the Subject's 60 percent rents are achievable at the maximum allowable level.

Achievable Market Rents As Is

Based on the quality of the surveyed comparable properties and the Subject's current quality, we conclude that the restricted 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 as is.

MARKET RENT COMPARISON - AS IS

Property Name	1BR	2BR	3BR
Rolling Bends Phase I (Subject) - @60%	\$653	\$793	\$828
Rolling Bends Phase I (Subject) - Contract Rents	\$711	\$816	\$1,001
Proposed Section 8 Contract Rents - Based on Prelim RCS Prepared by Novogradac & Company LLP	\$835	\$940	\$1,020
Avalon Park - Family	\$861	\$976	\$1,163
Columbia Crest	\$1,074	\$1,296	\$1,483
Columbia Estates	-	\$1,166	\$1,263
Dwell At The View	\$825	\$925	\$840
Peaks At West Atlanta	-	\$967	\$1,114
Peaks Of MLK*	\$835	\$1,017	\$1,139
Westside Crossing	\$688	\$788	\$888
Average (excluding Subject)	\$857	\$1,019	\$1,127

*Located outside of the PMA

As is, the Subject is considered most similar to the market rate comparables Westside Crossing and Dwell At The View. Westside Crossing was constructed in 1965 and renovated in 2017 and exhibits good condition, slightly superior to the condition of the Subject. The Subject offers slightly superior property amenities since Westside Crossing does not offer basketball court, clubhouse, and service coordination. Further, the Subject offers generally slightly superior in-unit amenities compared to Westside Crossing. The Subject's units are all larger than Westside Crossing.

Dwell At The View was constructed in 1972 and renovated in 2003 and exhibits average condition, similar to the Subject. The Subject offers slightly inferior property amenities since Dwell At The View offers car wash, exercise facility, picnic area, playground, and swimming pool. The Subject offers a similar location. The Subject also offers slightly inferior in-unit amenities compared to Dwell At The View. The Subject's two and three-bedroom units are slightly larger than Dwell At The View while the one-bedroom units are slightly smaller. As such, the as is market rents concluded by Novogradac & Company LLP dated May 2017 appear generally supported by the market.

Achievable Market Rents As Renovated

Based on the quality of the surveyed comparable properties and the Subject’s current quality, we conclude that the restricted 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 as proposed.

MARKET RENT COMPARISON - AS PROPOSED

Property Name	1BR	2BR	3BR
Proposed Section 8 Contract Rents - Based on Prelim RCS Prepared by Novogradac & Company LLP	\$925	\$1,045	\$1,110
Avalon Park - Family	\$861	\$976	\$1,163
Columbia Crest	\$1,074	\$1,296	\$1,483
Columbia Estates	-	\$1,166	\$1,263
Dwell At The View	\$825	\$925	\$840
Peaks At West Atlanta	-	\$967	\$1,114
Peaks Of MLK*	\$835	\$1,017	\$1,139
Westside Crossing	\$688	\$788	\$888
Average (excluding Subject)	\$857	\$1,019	\$1,127

As proposed, the Subject is considered most similar to the market rate comparables Westside Crossing and Dwell At The View. Westside Crossing was constructed in 1965 and renovated in 2017 and exhibits good condition, similar to the condition of the Subject, post renovation. The Subject will offer superior property amenities since Westside Crossing does not offer a basketball court, business center, clubhouse, service coordination, or Wi-Fi. Further, the Subject offers generally slightly superior in-unit amenities compared to Westside Crossing. The Subject’s units are all larger than Westside Crossing.

Dwell At The View was constructed in 1972 and renovated in 2003 and exhibits average condition, slightly inferior to the Subject post renovation. The Subject offers slightly inferior property amenities since Dwell At The View offers car wash, exercise facility, picnic area, playground, and swimming pool. The Subject offers a similar location. The Subject also offers slightly inferior in-unit amenities compared to Dwell At The View. The Subject’s two and three-bedroom units are slightly larger than Dwell At The View while the one-bedroom units are slightly smaller. As such, the as is market rents concluded by Novogradac & Company LLP dated May 2017 appear generally supported by the market.

Provided below is an analysis of the Subject’s proposed LIHTC rents in comparison with the comparable unrestricted units. Additionally, the comparable market rate properties have been adjusted to the Subject’s utility convention and any concessions.

Subject Comparison To Market Rents - As Renovated

Unit Type	Subject	Surveyed Min	Surveyed Max	Surveyed Average	Achievable Market Rents	Subject Rent Advantage
1BR @ 60%	\$653	\$688	\$1,074	\$851	\$925	23.3%
2BR @ 60%	\$793	\$788	\$1,296	\$1,019	\$1,045	22.2%
3BR @ 60%	\$828	\$840	\$1,483	\$1,091	\$1,110	24.1%

The Subject’s proposed asking rents for one- and three-bedroom units are below the range of the comparables while the two-bedroom asking rents are within the range of the comparables. The Subject

generally offers a slightly similar location relative to all of the comparables, but is slightly inferior in terms of amenities relative to the majority of the comparables. Additionally, the Subject is considered similar to slightly superior in terms of age and condition. In addition, we have included rent grids in the addendum to further illustrate the Subject's achievable market rents post-renovation.

INDICATIONS OF DEMAND

Based upon our market research, demographic calculations and analysis, we believe there is demand for the Subject property as conceived. Strengths of the Subject will include its will be newly renovated, in-unit amenities, community amenities, and proximity to local amenities. We are not aware of any weaknesses of the Subject development. The affordable comparables reported vacancy rates ranging from zero to 1.0 percent with only two vacant units among them and an overall vacancy rate of 0.5 percent. In addition to strong occupancy levels at all of the stabilized comparables, five of the six affordable comparables and one of the market rate comparables maintain waiting lists. There is adequate demand for the Subject based on our calculations. We also believe the proposed rents offer value in the market.

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

1. Income Restrictions

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

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

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

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

2. Affordability

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

FAMILY INCOME LIMITS				
Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	60% AMI		60% AMI/Section 8	
1BD/1BA	\$26,023	\$32,400	\$0	\$32,400
2BD/1BA	\$31,269	\$36,480	\$0	\$36,480
3BD/2BA	\$36,103	\$43,740	\$0	\$43,740

3. Demand

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

3a. Demand from New Households

The number of new households entering the market is the first level of demand calculated. We have utilized 2019, the anticipated date of market entry, as the base year for the analysis. Therefore, 2017 household population estimates are inflated to 2019 by interpolation of the difference between 2017 estimates and 2019 projections. This change in households is considered the gross potential demand for the Subject property. This number is adjusted for income eligibility and renter tenure. This is calculated as an annual demand number. In other words, this calculates the anticipated new households in 2019. This number takes the overall growth from 2017 to 2019 and applies it to its respective income cohorts by percentage. This number does not reflect lower income households losing population, as this may be a result of simple dollar value inflation.

3b. Demand from Existing Households

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

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

3c. Other

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

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

We have adjusted all of our capture rates based on household size. DCA guidelines indicate that properties with over 20 percent of their proposed units in three and four-bedroom units need to be adjusted to considered larger household sizes. We have incorporated household size adjustments in our capture rates for all of the Subject's units.

4. New Demand, Capture Rates and Stabilization Conclusions

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

Additions to Supply

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

- Comparable/competitive LIHTC and bond units (vacant or occupied) that have been funded, are under construction, or placed in service in 2014 through the present.

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

Per GA DCA guidelines, competitive units are defined as those units that are of similar size and configuration and provide alternative housing to a similar tenant population, at rent levels comparative to those proposed for the Subject development. We were unable to identify any competitive units in the PMA which have been allocated, placed in service, or stabilizing between 2014 and present.

PMA Occupancy

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

OVERALL PMA OCCUPANCY

Property Name	Program	Tenancy	Occupancy
Riverwood Club Apartments	LIHTC	Family	N/Av
Peaks At West Atlanta*	LIHTC	Family	100.0%
Dwell At The View*	LIHTC	Family	99.1%
Columbia Grove	LIHTC	Family	N/Av
Dogwood Apartments/Preserve at Collier Ridge	LIHTC	Family	N/Av
Avalon Park - Family*	LIHTC	Family	98.9%
Avalon Park - Senior	LIHTC	Senior	97.8%
Manor at Scott's Crossing	LIHTC/PHA	Family	100.0%
Columbia Crest*	LIHTC/PHA	Family	96.1%
Columbia Estates*	LIHTC/PHA	Family	100.0%
Flipper Temple	LIHTC/Section 8	Family	N/Av
Hollywood/Shawnee Apartments	Section 8	Senior	100.0%
Johnnie B. More Towers I	Section 8	Senior	98.1%
Johnnie B. More Towers II	Section 8	Senior	100.0%
Silvertree Senior	Section 8	Senior	100.0%
Westside Crossing*	Market	Family	93.8%
Faith Hill Apartments	Market	Family	92.9%
Windsor Square Townhomes	Market	Family	N/Av
Hagos Park Apartments	Market	Family	97.7%
Collier Heights Apartments	Market	Family	N/Av
Bolton Park	Market	Family	100.0%
Dwell at Hollywood	Market	Family	N/Av
Average			98.3%

*Utilized as a comparable

The average occupancy rate of competitive developments in the PMA is 98.3 percent.

Rehab Developments and PBRA

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

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

Of the Subject's 164 units, all will benefit from Section 8 rental assistance and these units are therefore presumed leasable.

5. Capture Rates

The above calculations and derived capture rates are illustrated in the following tables. Note that the demographic data used in the following tables, including tenure patterns, household size and income distribution through the projected market entry date of April 2019 were illustrated in the previous section of this report.

RENTER HOUSEHOLD INCOME DISTRIBUTION - PMA

Income Cohort	2010		2016		Projected Mkt Entry April 2019		2021	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	1,856	30.4%	1,510	21.7%	1,507	21.0%	1,504	20.4%
\$10,000-19,999	1,318	21.6%	1,460	21.0%	1,445	20.1%	1,433	19.5%
\$20,000-29,999	823	13.5%	1,206	17.3%	1,232	17.2%	1,254	17.0%
\$30,000-39,999	770	12.6%	996	14.3%	1,014	14.1%	1,029	14.0%
\$40,000-49,999	263	4.3%	320	4.6%	343	4.8%	363	4.9%
\$50,000-59,999	319	5.2%	403	5.8%	410	5.7%	417	5.7%
\$60,000-74,999	242	4.0%	432	6.2%	459	6.4%	481	6.5%
\$75,000-99,999	195	3.2%	209	3.0%	252	3.5%	287	3.9%
\$100,000-124,999	80	1.3%	101	1.4%	130	1.8%	153	2.1%
\$125,000-149,999	43	0.7%	82	1.2%	97	1.4%	109	1.5%
\$150,000-199,999	101	1.7%	151	2.2%	159	2.2%	166	2.3%
\$200,000+	87	1.4%	86	1.2%	127	1.8%	161	2.2%
Total	6,097	100.0%	6,955	100.0%	7,176	100.0%	7,357	100.0%

Source: Ribbon Demographics 2014, Novogradac & Company LLP, July 2017

ROLLING BENDS PHASE I – ATLANTA, GEORGIA – APPRAISAL

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - 60% WITH SUBSIDY

Minimum Income Limit	\$0		Maximum Income Limit	\$43,740	
Income Category	New Renter Households - Total Change in Households PMA 2016 to Prj Mrkt Entry April 2019		Income Brackets	Percent within Cohort	Renter Households within Bracket
\$0-9,999	46.42	21.0%	9,999	100.0%	46
\$10,000-19,999	44.53	20.1%	9,999	100.0%	45
\$20,000-29,999	37.97	17.2%	9,999	100.0%	38
\$30,000-39,999	31.25	14.1%	9,999	100.0%	31
\$40,000-49,999	10.58	4.8%	3,740	37.4%	4
\$50,000-59,999	12.65	5.7%			
\$60,000-74,999	14.14	6.4%			
\$75,000-99,999	7.76	3.5%			
\$100,000-124,999	3.99	1.8%			
\$125,000-149,999	2.99	1.4%			
\$150,000-199,999	4.90	2.2%			
\$200,000+	3.93	1.8%			
Total	221	100.0%			164

POTENTIAL HOUSEHOLD DEMAND BY INCOME COHORT - 60% WITH SUBSIDY

Minimum Income Limit	\$0		Maximum Income Limit	\$43,740	
Income Category	Total Renter Households PMA Prj Mrkt Entry April 2019		Income Brackets	Percent within Cohort	Households within Bracket
\$0-9,999	1,507	21.0%	\$9,999	100.0%	1,507
\$10,000-19,999	1,445	20.1%	\$9,999	100.0%	1,445
\$20,000-29,999	1,232	17.2%	\$9,999	100.0%	1,232
\$30,000-39,999	1,014	14.1%	\$9,999	100.0%	1,014
\$40,000-49,999	343	4.8%	\$3,740	37.4%	128
\$50,000-59,999	410	5.7%			
\$60,000-74,999	459	6.4%			
\$75,000-99,999	252	3.5%			
\$100,000-124,999	130	1.8%			
\$125,000-149,999	97	1.4%			
\$150,000-199,999	159	2.2%			
\$200,000+	127	1.8%			
Total	7,176	100.0%			5,327

ASSUMPTIONS - 60% AMI WITH SUBSIDY

ASSUMPTIONS - 60% AMI WITH SUBSIDY				
Tenancy	Family	% of Income Towards Housing		35%
Urban/Rural	Urban	Maximum # of Occupants		5
Persons In Household	1BR	2BR	3BR	
1	70%	30%	0%	
2	20%	80%	0%	
3	0%	60%	40%	
4	0%	20%	80%	
5+	0%	0%	100%	

Demand from New Renter Households 2016 to Prj Mrkt Entry April 2019

Income Target Population		60% - With Subsidy
New Renter Households PMA		221
Percent Income Qualified		74.2%
New Renter Income Qualified Households		164

Demand from Existing Households 2017

Demand from Rent Overburdened Households

Income Target Population		60% - With Subsidy
Total Existing Demand		7,176
Income Qualified		74.2%
Income Qualified Renter Households		5,327
Percent Rent Overburdened Prj Mrkt Entry April 2019		36.0%
Rent Overburdened Households		1,915

Demand from Living in Substandard Housing

Income Qualified Renter Households		5,327
Percent Living in Substandard Housing		1.2%
Households Living in Substandard Housing		62

Senior Households Converting from Homeownership

Income Target Population		60% - With Subsidy
Total Senior Homeowners		0
Rural Versus Urban	2.0%	
Senior Demand Converting from Homeownership		0

Total Demand

Total Demand from Existing Households		1,977
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		1977
Total New Demand		164
Total Demand (New Plus Existing Households)		2,141

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

By Bedroom Demand

One Person	31.5%	673
Two Persons	25.6%	549
Three Persons	18.3%	392
Four Persons	10.2%	218
Five Persons	14.4%	308
Total	100.0%	2,141

Capture Rate: 60% - Subsidy in Place

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	70%	471
Of two-person households in 1BR units	20%	110
Of one-person households in 2BR units	30%	202
Of two-person households in 2BR units	80%	439
Of three-person households in 2BR units	60%	235
Of four-person households in 2BR units	20%	44
Of three-person households in 3BR units	40%	157
Of four-person households in 3BR units	80%	175
Of five-person households in 3BR units	100%	308
Total Demand		2,141

	Total Demand (Subject Unit Type)		Additions to Supply		Net Demand
1BR	581	-	0	=	581
2BR	920	-	0	=	920
3BR	640	-	0	=	640
Total	2,141		0		2,141

	Developers Unit Mix		Net Demand		Capture Rate
1BR	10	/	581	=	1.7%
2BR	138	/	920	=	15.0%
3BR	16	/	640	=	2.5%
Total	164		2,141		7.7%

60% AMI – Absent Subsidy

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - 60% ABSENT SUBSIDY

Minimum Income Limit		\$26,023		Maximum Income Limit		\$43,740	
Income Category	New Renter Households - Total Change in Households PMA 2016 to Prj Mrkt Entry April 2019		Income Brackets	Percent within Cohort	Renter Households within Bracket		
\$0-9,999	46.42	21.0%					
\$10,000-19,999	44.53	20.1%					
\$20,000-29,999	37.97	17.2%	3,976	39.8%	15		
\$30,000-39,999	31.25	14.1%	9,999	100.0%	31		
\$40,000-49,999	10.58	4.8%	3,740	37.4%	4		
\$50,000-59,999	12.65	5.7%					
\$60,000-74,999	14.14	6.4%					
\$75,000-99,999	7.76	3.5%					
\$100,000-124,999	3.99	1.8%					
\$125,000-149,999	2.99	1.4%					
\$150,000-199,999	4.90	2.2%					
\$200,000+	3.93	1.8%					
Total	221	100.0%					50

POTENTIAL HOUSEHOLD DEMAND BY INCOME COHORT - 60% ABSENT SUBSIDY

Minimum Income Limit		\$26,023		Maximum Income Limit		\$43,740	
Income Category	Total Renter Households PMA Prj Mrkt Entry April 2019		Income Brackets	Percent within Cohort	Households within Bracket		
\$0-9,999	1,507	21.0%					
\$10,000-19,999	1,445	20.1%					
\$20,000-29,999	1,232	17.2%	\$3,976	39.8%	490		
\$30,000-39,999	1,014	14.1%	\$9,999	100.0%	1,014		
\$40,000-49,999	343	4.8%	\$3,740	37.4%	128		
\$50,000-59,999	410	5.7%					
\$60,000-74,999	459	6.4%					
\$75,000-99,999	252	3.5%					
\$100,000-124,999	130	1.8%					
\$125,000-149,999	97	1.4%					
\$150,000-199,999	159	2.2%					
\$200,000+	127	1.8%					
Total	7,176	100.0%					1,633

ASSUMPTIONS - 60% AMI ABSENT SUBSIDY

Tenancy	Family	% of Income Towards Housing	35%
Urban/Rural	Urban	Maximum # of Occupants	5
Persons in Household	1BR	2BR	3BR
1	70%	30%	0%
2	20%	80%	0%
3	0%	60%	40%
4	0%	20%	80%
5+	0%	0%	100%

Demand from New Renter Households 2016 to Prj Mrkt Entry April 2019

Income Target Population	60% - Absent Subsidy
New Renter Households PMA	221
Percent Income Qualified	22.8%
New Renter Income Qualified Households	50

Demand from Existing Households 2017

Demand form Rent Overburdened Households

Income Target Population	60% - Absent Subsidy
Total Existing Demand	7,176
Income Qualified	22.8%
Income Qualified Renter Households	1,633
Percent Rent Overburdened Prj Mrkt Entry April 2019	36.0%
Rent Overburdened Households	587

Demand from Living in Substandard Housing

Income Qualified Renter Households	1,633
Percent Living in Substandard Housing	1.2%
Households Living in Substandard Housing	19

Senior Households Converting from Homeownership

Income Target Population	60% - Absent Subsidy
Total Senior Homeowners	0
Rural Versus Urban	2.0%
Senior Demand Converting from Homeownership	0

Total Demand

Total Demand from Existing Households	606
Total New Demand	50
Total Demand (New Plus Existing Households)	656

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

By Bedroom Demand

One Person	31.5%	206
Two Persons	25.6%	168
Three Persons	18.3%	120
Four Persons	10.2%	67
Five Persons	14.4%	94
Total	100.0%	656

Capture Rate: 60% - Absent Subsidy

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	70%	144
Of two-person households in 1BR units	20%	34
Of one-person households in 2BR units	30%	62
Of two-person households in 2BR units	80%	135
Of three-person households in 2BR units	60%	72
Of four-person households in 2BR units	20%	13
Of three-person households in 3BR units	40%	48
Of four-person households in 3BR units	80%	54
Of five-person households in 3BR units	100%	94
Total Demand		656

	Total Demand (Subject Unit Type)		Additions to Supply		Net Demand
1BR	178	-	0	=	178
2BR	282	-	0	=	282
3BR	196	-	0	=	196
Total	656		0		656

	Developers Unit Mix		Net Demand		Capture Rate
1BR	10	/	178	=	5.6%
2BR	138	/	282	=	48.9%
3BR	16	/	196	=	8.2%
Total	164		656		25.0%

Conclusions

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

- The number of renter households in the PMA is expected to increase by 0.4 percent between 2016 and 2021. This represents an increase of 402 households.
- The Subject is able to attract a wide range of household sizes in offering one, two, and three-bedroom units.
- This demand analysis does not measure the PMA’s or Subject’s ability to attract additional or latent demand into the market from elsewhere by offering an affordable option. We believe this to be moderate and therefore the demand analysis is somewhat conservative in its conclusions because this demand is not included.

The following table illustrates demand and net demand for the Subject’s units. Note that these capture rates are not based on appropriate bedroom types, as calculated previously.

Demand and Net Demand

	HH at 60% AMI - With Subsidy (\$0 to \$43,740 income)	HH at 60% AMI - Absent Subsidy (\$26,023 to \$43,740 income)
Demand from New Households (age and income appropriate)	50	164
PLUS		+
Demand from Existing Renter Households - Substandard Housing	19	62
PLUS		+
Demand from Existing Renter Households - Rent Overburdened Households	587	1915
PLUS		+
Secondary Market Demand adjustment IF ANY Subject to 15% Limitation	0	0
Sub Total	656	2,141
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 20% where applicable)	0	0
Equals Total Demand	656	2,141
Less	-	-
Competitive New Supply	0	0
Equals Net Demand	656	2,141

CAPTURE RATE ANALYSIS CHART

Unit Type	Minimum Income	Maximum Income	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Absorption	Average Market Rent	Minimum Market Rent	Maximum Market Rent	Proposed Rents
1BR at 60% AMI/Sec. 8	\$0	\$32,400	10	581	0	581	1.7%	One month	\$851	\$688	\$1,074	\$653
1BR at 60% AMI	\$26,023	\$32,400	10	178	0	178	5.6%	One month	\$851	\$688	\$1,074	\$653
2BR at 60% AMI/Sec. 8	\$0	\$36,480	138	920	0	920	15.0%	6-7 months	\$1,019	\$788	\$1,296	\$793
2BR at 60% AMI	\$31,269	\$36,480	138	282	0	282	48.9%	8-10 months	\$1,019	\$788	\$1,296	\$793
3BR at 60% AMI/Sec. 8	\$0	\$43,740	16	640	0	640	2.5%	One month	\$1,091	\$840	\$1,483	\$828
3BR at 60% AMI	\$36,103	\$43,740	16	196	0	196	8.2%	One month	\$1,091	\$840	\$1,483	\$828
Overall - With Subsidy	\$0	\$43,740	164	2,141	0	2,141	7.7%	7-9 months	-	-	-	-
Overall - Absent Subsidy	\$26,023	\$43,740	164	656	0	656	25.0%	10-11 months	-	-	-	-

As the analysis illustrates, the Subject's capture rates at the 60 percent AMI level with subsidy will range from 1.7 to 15.0 percent, with an overall capture rate of 7.7 percent. Absent subsidy, the Subject's capture rates at the 60 percent AMI level will range from 5.6 to 48.9 percent, with an overall capture rate of 25.0 percent. Therefore, we believe there is adequate demand for the Subject.

VI. HIGHEST AND BEST USE

HIGHEST AND BEST USE

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

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

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

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

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

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

Highest and Best Use As If Vacant

Physically Possible

The Subject site contains 445,183 square feet or approximately 10.22 acres. The parcel is rectangular in shape and exhibits generally level topography. The site has good accessibility from Etheridge Drive NW to the south and Tower Hill Street NW to the north. The site is considered adequate for a variety of legally permissible uses.

Legally Permissible

The Subject is located inside the Atlanta city limits; thus, it must comply with the City of Atlanta's zoning regulations. According to the City of Atlanta's Official Zoning Map, the Subject is zoned RG-3, which permits multifamily dwellings. This zoning district permits developments with a maximum floor to area ratio (FAR) of 0.696. According to the zoning ordinance, the Subject is required to offer 1.0 parking spaces per unit.

The land sale comparables have densities ranging from 17.2 to 71.4 units per acre. Existing improvements in the area range from 12.5 to 28.3 units per acre as the Subject's area is generally made up multifamily developments with lower densities. We believe the Subject site could support approximately 15.0 units per acre or approximately 153 units, which is reasonable based on the Subject's zoning and recent construction in the area.

Financially Feasible

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

The Subject's feasible uses are restricted to those that are allowed by zoning classifications, and are physically possible. As noted in the zoning section, the Subject site could support multifamily development. Based on the Subject's surrounding land uses, the site's physical attributes, and the recent development patterns in the area, multifamily residential development is most likely.

Maximally Productive

Based upon our analysis, the maximally productive use of this site as if vacant would be to construct an affordable or mixed-income multifamily development.

Conclusion

Highest and Best Use "As If Vacant"

Based on the recent development patterns, the highest and best use "as if vacant" would be to construct a 153-unit multifamily development with subsidy or gap financing, such as LIHTC.

Highest and Best Use "As Improved"

The Subject currently operates as a LIHTC/Section 8 multifamily property in average condition. The property currently generates positive income and it is not deemed feasible to tear it down for an alternative use. Therefore, the highest and best use of the site, as improved, would be to continue to operate as an affordable multifamily housing development.

VII. APPRAISAL METHODOLOGY

APPRAISAL METHODOLOGY

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

The cost approach consists of a summation of land value 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 valuation technique was not undertaken since we do not believe the approach would yield a reliable indication of value for the Subject property. However, we have provided an estimate of land value.

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

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

VIII. COST APPROACH

COST APPROACH

The employment of the Cost Approach in the valuation process is based on the principle of substitution. As discussed, this valuation technique was not undertaken since we do not believe the approach would yield a reliable indication of value for the Subject property. This is primarily attributed to the age and condition of the improvements, and the attendant difficulty in accurately estimating accrued physical depreciation. For these reasons, the Cost Approach has not been presented in this report. However, an indication of land value is a component of this engagement.

LAND VALUATION

To arrive at an estimated land value for the Subject site, the appraisers have analyzed actual sales of comparable properties in the competitive area.

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 made 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. The following pages outline our findings.

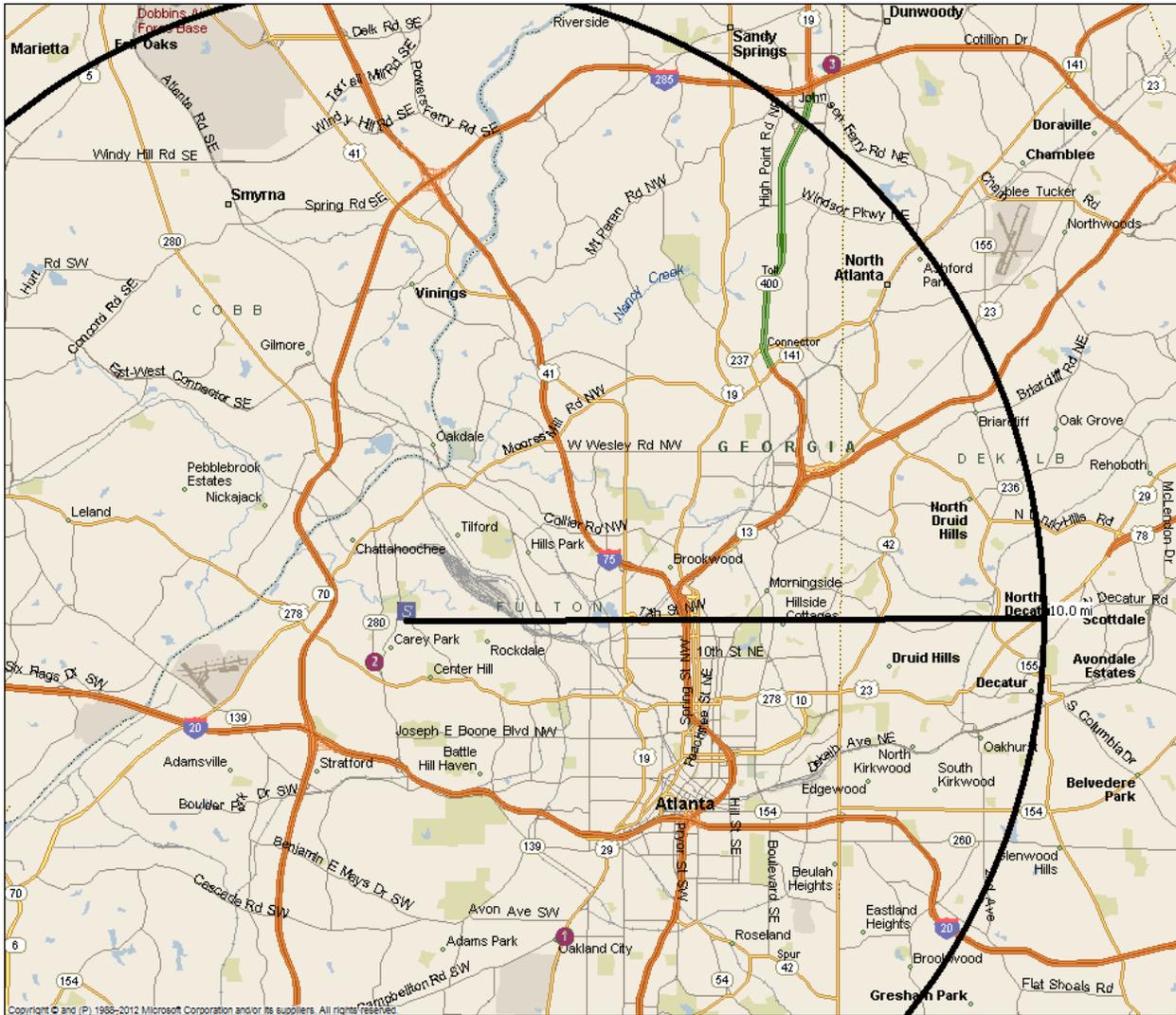
The sales comparison approach typically reflects the actions of buyers and sellers in the marketplace and serves as an excellent benchmark as to what a potential buyer would be willing to pay for the subject property. We have made an extensive search for multifamily comparable land sales that have sold recently. There have been limited land sales in the immediate area. Thus, we included land sales in northwest Georgia and nearby areas. From our research, we selected the best transactions available that represent the most recent competitive alternative sales or contracts in the marketplace.

COMPARABLE LAND SALES

Number	Location	City/State	Sale Date	Price	Acres	Units	Price/Unit
1	1374 Murphy Avenue SW	Atlanta, GA 30310	Sep-16	\$1,300,000	3.09	94	\$13,830
2	954 James Jackson Parkway	Atlanta, GA 30318	Jun-16	\$1,200,000	9.30	160	\$7,500
3	5901 Peachtree Dunwoody Road	Atlanta, GA 30328	Apr-16	\$4,660,000	5.93	425	\$10,965

Throughout our conversations with market participants and buyers and sellers of the comparable sales, the respondents indicated that the purchase price is typically based upon a price per unit. This is typical of the local multifamily market and will be used as a basis for analysis. A location map is presented on the following page.

Comparable Land Sales Map



Land Sale 1



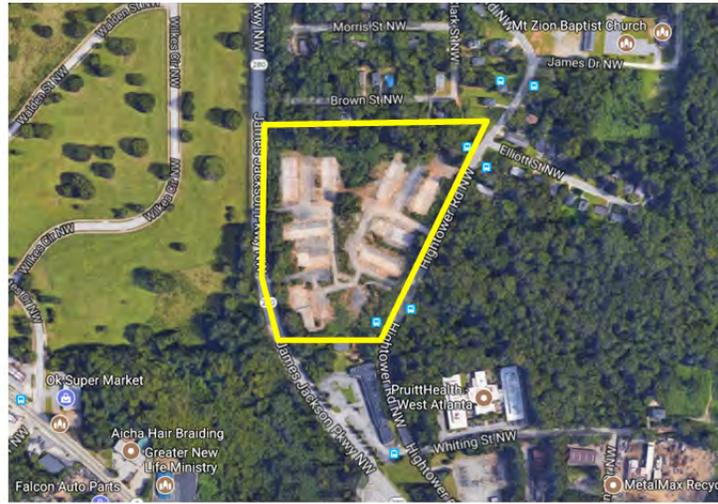
Location:	1374 Murphy Avenue SW Atlanta, GA 30310		
Buyer:	Capitol View Senior Residences I LP		
Seller:	Cliftwood Properties LLC		
Sale Date:	September-16		
Sale Price:	\$1,300,000		
Financing:	Cash		
Number of Units:	94		
Site:	Acre(s)	3.09	
	Square Footage	134,600	
Zoning	Multifamily		
Corner	Yes		
Topography	Level		
Shape	Irregular		
Sale Price:	Per Unit	\$13,830	
	Per Acre	\$420,712	
	Per SF	\$9.66	

Comments:

The site is being improved with a 94-unit senior LIHTC/PBRA development known as Capitol View Senior Residences that offers one and two-bedroom units. The development is currently under construction with expected completion by the end of 2017.

Verification: Georgia DCA, CoStar, Public Records

Land Sale 2



Location: 954 James Jackson Parkway
Atlanta, GA 30318

Buyer: TGB Remington Senior LP
Seller: Hightower Road Apartments LLC
Sale Date: June-16
Sale Price: \$1,200,000
Financing: Cash

Number of Units: 160
Site: Acre(s) 9.30
 Square Footage 405,108
Zoning Multifamily
Corner No
Topography Level
Shape Irregular

Sale Price: Per Unit \$7,500
 Per Acre \$129,032
 Per SF \$2.96

Comments:

The site is being improved with a 160-unit senior LIHTC/Bond development known as The Remington that offers one and two-bedroom units. The development is currently under construction with expected completion by the end of 2017.

Verification: CoStar, Public Records

Land Sale 3



Location:	5901 Peachtree Dunwoody Road Atlanta, GA 30328		
Buyer:	Palasades Venture LLC		
Seller:	AG-APG Palisades Property Owner LLC		
Sale Date:	April-16		
Sale Price:	\$4,660,000		
Financing:	Cash		
Number of Units:	425		
Site:	Acre(s)	5.93	
	Square Footage	258,311	
Zoning	Multifamily		
Corner	No		
Topography	Level		
Shape	Irregular		
Sale Price:	Per Unit	\$10,965	
	Per Acre	\$785,835	
	Per SF	\$18.04	

Comments:

The site was improved with a 425-unit multifamily development known as Palisades Apartments and will consist of one, two, and three-bedroom units. The development is expected to be completed by the end of 2018.

Verification: CoStar, Public Records, Appraiser's File

Explanation of Adjustments

The adjustment grid follows at the end of this section. 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
- Density

Property Rights

We are valuing the fee simple interest in the land. No adjustments are warranted.

Financing

The sales were cash transactions; therefore, no adjustment is necessary.

Conditions of Sale

No unusual conditions existed or are known; therefore, no adjustment is necessary.

Market Conditions

Real estate values change over time. The rate of this change fluctuates due to investors' perceptions and responses to prevailing market conditions. This adjustment category reflects market differences occurring between the effective date of the appraisal and the sale date of comparables, when values have appreciated or depreciated. The comparable sales occurred between May 2014 and March 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.

PwC Real Estate Investor Survey - National Apartment Market Overall Capitalization Rate - Institutional Grade Investments		
Quarter	Cap Rate	Change (bps)
1Q14	5.79	-0.01
2Q14	5.59	-0.2
3Q14	5.51	-0.08
4Q14	5.36	-0.15
1Q15	5.36	0
2Q15	5.3	-0.06
3Q15	5.39	0.09
4Q15	5.35	-0.04
1Q16	5.35	0
2Q16	5.29	-0.06
3Q16	5.25	-0.04
4Q16	5.26	0.01
1Q17	5.33	0.07

Source: PwC Real Estate Investor Survey, Q1 2017

No adjustments have been applied to the comparables as all sales occurred within a relatively close time frame.

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. The following tables illustrate the median gross rent, median home value, and median household income for each land sale, arranged by zip code.

MEDIAN GROSS RENT

Property	Zip Code	Median Rent	Subject Site Differential
Subject	30318	\$986	
1	30310	\$871	13%
2	30318	\$986	0%
3	30328	\$1,137	-13%

Source: U.S. Census, 7/2017

MEDIAN HOME VALUE

Property	Zip Code	Median Home Value	Subject Site Differential
Subject	30318	\$167,200	-
1	30310	\$154,500	8%
2	30318	\$167,200	0%
3	30328	\$350,300	-52%

Source: U.S. Census, 7/2017

MEDIAN HOUSEHOLD INCOME

Property	Zip Code	Median Household Income	Subject Site Differential
Subject	30318	\$39,523	
1	30310	\$37,255	6%
2	30318	\$39,523	0%
3	30328	\$71,900	-45%

Source: U.S. Census, 7/2017

As illustrated, the Subject’s location generally is inferior to Sale 3; as such, we have applied downward adjustments of 30 percent. The Subject is located in the same zip code as Sale 2 and offers a similar location. Sale 1 offers a generally slightly inferior location in terms of median home value, income, and rent. However, Sale 1 is located adjacent to a park and the surrounding improvements are generally in slightly superior condition compared to the Subject; as such, we have applied downward adjustments of 20 percent.

Zoning

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

Topography

The land sales vary in topography, but are generally level and appear to be functional, similar to the Subject. Thus, no adjustments were warranted.

Size

With respect to size, the general convention is that larger properties tend to sell for less on a per unit basis than smaller properties. Conversely, smaller properties typically sell for more per unit than larger properties. The pool of potential purchasers decreases as property size (and purchase price) increases, effectively reducing competition. The pricing relationship is not linear and certain property sizes, while different, may not receive differing prices based on the grouping within levels. The previous highest and best use analysis indicated that the Subject site could support approximately 153 multifamily units based on current zoning. Sale 1 is smaller than the Subject and received a downward adjustment of 30 percent adjustment. Sale 2 is generally similar to the Subject in terms of number of units and no adjustment is warranted. Sale 3 is larger than the Subject and received an upward adjustment of 30 percent.

Land Value Estimate

The land sales grid is presented following:

Comparable Land Data Adjustment Grid				
	Subject	1	2	3
Location	2500 Center Street	1374 Murphy Avenue	954 James Jackson	5901 Peachtree
City, State	Atlanta, GA 30318	Atlanta, GA 30310	Atlanta, GA 30318	Atlanta, GA 30328
Parcel Data				
Zoning	M-R	Multifamily	Multifamily	Multifamily
Topography	Level	Level	Level	Level
Shape	Rectangular	Irregular	Irregular	Irregular
Corner	No	Yes	No	No
Size (SF)	445,183	134,600	405,108	258,311
Size (Acres)	10.2	3.1	9.3	5.9
Units	153	94	160	425
Units Per Acre	15.0	30.4	17.2	71.7
Sales Data				
Date		Sep-16	Jun-16	Apr-16
Interest		Fee Simple	Fee Simple	Fee Simple
Price		\$1,300,000	\$1,200,000	\$4,660,000
Price per Unit		\$13,830	\$7,500	\$10,965
Adjustments				
Property Rights		0	0	0
		\$1,300,000	\$1,200,000	\$4,660,000
Financing		0	0	0
		\$1,300,000	\$1,200,000	\$4,660,000
Conditions of Sale		0	0	0
		\$1,300,000	\$1,200,000	\$4,660,000
Market Conditions		0%	0%	0%
Adjusted Sale Price		\$1,300,000	\$1,200,000	\$4,660,000
Adjusted Price Per Unit		\$13,830	\$7,500	\$10,965
Adjustments				
Location		-20%	0%	-30%
Zoning/Density		0%	0%	0%
Topography		0%	0%	0%
Shape		0%	0%	0%
Size		-30%	0%	5%
Overall Adjustment		-50%	0%	-25%
Adjusted Price Per Unit		\$6,915	\$7,500	\$8,224
Low		\$6,915		
High		\$8,224		
Mean		\$7,546		
Median		\$7,500		
Conclusion		\$7,250	x	153
Rounded				\$1,110,000

The sales indicate a range of adjusted price per unit from \$6,915 to \$8,224 per unit, with a mean of \$7,546 per unit. We have placed emphasis on Sales 1 and 2 in our analysis, as they offer the best indication of value in the market. As such, we believe an indication of \$7,250 per unit is reasonable. This correlates with an indication of land value as follows: 153 units at \$7,250 per unit, equates to \$1,110,000 (rounded).

Land Value – As If Vacant

As a result of our investigation and analysis, it our opinion that, subject to the limiting conditions and assumptions contained herein, the estimated value of the underlying land, as if vacant, of the fee simple interest, as of September 14, 2017, is:

**ONE MILLION ONE HUNDRED TEN THOUSAND DOLLARS
(\$1,110,000)**

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

IX. INCOME CAPITALIZATION APPROACH

INCOME CAPITALIZATION APPROACH

Introduction

We were asked to provide several value estimates, including:

- Market Value “As Is”
- Prospective Market Value “upon completion and stabilization” – Assuming Restricted Rents.
- Hypothetical Market Value “upon completion and stabilization” – Assuming Unrestricted Rents.
- Prospective Market Value at Loan Maturity Assuming Unrestricted Rents
- Valuation of Tax Credits.
- Favorable Financing.

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.

It is important to note that the projections of income and expenses are based on the basic assumption that the apartment complex is managed and staffed by competent personnel and that the property is professionally advertised and aggressively promoted.

The Subject’s “as is” and “as proposed” values were performed via the income capitalization approach.

Income Analysis

Potential Gross Income

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

The potential gross income of the Subject is the total annual income capable of being generated by all sources, including rental revenue and other income sources. The Subject’s potential rental income assuming the current restricted rents and market rents is based upon the achievable rents as derived in the Supply Section of this report and are calculated as follows.

The HUD contract rents are below market rents for the Subject as is and as renovated. As such, a rent increase based upon the Rent Comparability Study (RCS) would suggest increases are possible. It is a specific extraordinary assumption of this report that an increase in Contract Rents will occur and, as such, we are utilizing achievable market rents in the determination of potential gross income for the property’s Section 8 units. This is considered reasonable based on HUD regulations and the expectation of a typical purchaser.

POTENTIAL GROSS RENTAL INCOME - AS IS RESTRICTED

Unit Type	Number of Units	Achievable Rent	Monthly Gross Rent	Annual Gross Rent
		Section 8*		
1BR/1BA	10	\$835	\$8,350	\$100,200
2BR/1BA	138	\$940	\$129,720	\$1,556,640
3BR/1BA	<u>16</u>	\$1,020	\$16,320	<u>\$195,840</u>
Total	164			\$1,852,680

*This assumes current contract rents will be increased to as is achievable market rent levels concluded based on a preliminary RCS prepared by Novogradac & Company LLP

POTENTIAL GROSS RENTAL INCOME - AS PROPOSED RESTRICTED

Unit Type	Number of Units	Achievable Rent	Monthly Gross Rent	Annual Gross Rent
		60% AMI/Section 8*		
1BR/1BA	10	\$925	\$9,250	\$111,000
2BR/1BA	138	\$1,045	\$144,210	\$1,730,520
3BR/1BA	<u>16</u>	\$1,110	\$17,760	<u>\$213,120</u>
Total	164			\$2,054,640

*This assumes current contract rents will be increased to as is achievable market rent levels concluded based on a preliminary RCS prepared by Novogradac & Company LLP

POTENTIAL GROSS RENTAL INCOME - AS PROPOSED UNRESTRICTED

Unit Type	Number of Units	Achievable Rent	Monthly Gross Rent	Annual Gross Rent
		Market		
1BR/1BA	10	\$925	\$9,250	\$111,000
2BR/1BA	138	\$1,045	\$144,210	\$1,730,520
3BR/1BA	<u>16</u>	\$1,110	\$17,760	<u>\$213,120</u>
Total	164			\$2,054,640

Other Income

Other income typically includes revenue generated for laundry fees, vending, late fees, damages and cleaning fees, etc. The Subject's historical data indicated other income ranging from \$115 to \$163 per unit. The comparables report other income ranging from \$250 to \$585 per unit. Based on historical data from the Subject, we estimate other income to be \$130 per unit annually.

Vacancy and Collection Loss

Currently, the Subject is 98.8 percent occupied and 100 percent pre-leased with a waiting list. Based on financial statements supplied by the client, the Subject's vacancy and collection loss has ranged from 5.9 to 8.4 percent over the past two years. As previously discussed in the Supply Analysis, we have concluded to a stabilized vacancy rate of five percent for the Subject property under the restricted scenario and six percent for the unrestricted scenarios, which includes collection loss.

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.

Comparable operating expense data was collected from a combination of affordable and market rate properties in the area. The following table provides additional information on each of the comparable expense properties.

EXPENSE COMPARABLES				
	Comp 1	Comp 2	Comp 3	Comp 4
Year Built	2013	2005/2005	2006	2004
Structure	Garden	Garden	Garden	Garden
Tenancy	Family	Family	Family	Family
Rent Restrictions	LIHTC	LIHTC/Section 8	LIHTC	LIHTC

The comparable data was compared to the three historical datasets for the Subject based on information supplied by the client. We were also provided with the developer’s proposed operating budget for the Subject, which was considered in our analysis.

ROLLING BENDS PHASE I – ATLANTA, GEORGIA – APPRAISAL

EXPENSE CATEGORY	Novogradac Estimates As Is Atlanta, GA		Novogradac Estimates As Proposed Restricted Atlanta, GA		Novogradac Estimates As Proposed Unrestricted Atlanta, GA		Year 1 SUBJECT BUDGETED EXPENSES Atlanta, GA		2016 SUBJECT AUDIT EXPENSES Atlanta, GA		2015 SUBJECT AUDIT EXPENSES Atlanta, GA		2016 CONFIDENTIAL ANNUALIZED EXPENSES Atlanta, GA		2015 CONFIDENTIAL ACTUAL EXPENSES Atlanta, GA		2015 CONFIDENTIAL ACTUAL EXPENSES East Point, GA		2015 CONFIDENTIAL ACTUAL EXPENSES East Point, GA	
	164		164		164		164		164		164		170		250		276		160	
	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit
	\$21,320	\$130	\$21,320	\$130	\$21,320	\$130	\$5,000	\$30	\$26,784	\$163	\$18,904	\$115	\$42,416	\$250	\$111,625	\$447	\$55,287	\$200	\$93,640	\$585
OTHER INCOME																				
MARKETING																				
Advertising / Screening / Credit	\$4,100	\$25	\$4,100	\$25	\$2,460	\$15	\$454	\$3	\$2,778	\$17	\$1,416	\$9	\$4,211	\$25	\$37,128	\$149	\$1,028	\$4	\$12,990	\$81
SUBTOTAL	\$4,100	\$25	\$4,100	\$25	\$2,460	\$15	\$454	\$3	\$2,778	\$17	\$1,416	\$9	\$4,211	\$25	\$37,128	\$149	\$1,028	\$4	\$12,990	\$81
ADMINISTRATION																				
Legal	\$12,300	\$75	\$12,300	\$75	\$10,660	\$65	\$1,500	\$9	\$2,537	\$15	\$22,308	\$136	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Audit	\$4,100	\$25	\$4,100	\$25	\$4,100	\$25	\$9,200	\$56	\$4,800	\$29	\$6,035	\$37	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Office & Other	\$53,300	\$325	\$53,300	\$325	\$48,380	\$295	\$28,508	\$174	\$63,810	\$389	\$49,509	\$302	\$47,605	\$280	\$185,363	\$741	\$147,716	\$535	\$111,433	\$696
SUBTOTAL	\$69,700	\$425	\$69,700	\$425	\$63,140	\$385	\$39,208	\$239	\$71,148	\$434	\$77,852	\$475	\$47,605	\$280	\$185,363	\$741	\$147,716	\$535	\$111,433	\$696
TOTAL ADMINISTRATION	\$73,800	\$450	\$73,800	\$450	\$65,600	\$400	\$39,662	\$242	\$73,926	\$451	\$79,268	\$483	\$51,816	\$305	\$222,491	\$890	\$148,744	\$539	\$124,423	\$778
MAINTENANCE																				
Painting / Turnover / Cleaning	\$19,680	\$120	\$19,680	\$120	\$19,680	\$120	\$0	\$0	\$12,713	\$78	\$30,986	\$189	\$27,150	\$160	\$16,676	\$67	\$0	\$0	\$34,375	\$215
Repairs	\$18,860	\$115	\$8,200	\$50	\$8,200	\$50	\$1,200	\$7	\$78,822	\$481	\$37,344	\$228	\$76,132	\$448	\$230,542	\$922	\$382,297	\$1,385	\$67,396	\$421
Elevator	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$23,142	\$136	\$0	\$0	\$0	\$0	\$0	\$0
Grounds	\$22,140	\$135	\$22,140	\$135	\$22,140	\$135	\$22,800	\$139	\$22,800	\$139	\$21,267	\$130	\$14,393	\$85	\$4,472	\$18	\$12	\$0	\$17,115	\$107
Pool	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Supplies/Other	\$50,840	\$310	\$45,100	\$275	\$45,100	\$275	\$93,520	\$570	\$72,430	\$442	\$12,490	\$76	\$1,925	\$11	\$71,649	\$287	\$26,107	\$95	\$8,849	\$55
SUBTOTAL	\$111,520	\$680	\$95,120	\$580	\$95,120	\$580	\$117,520	\$717	\$186,766	\$1,139	\$102,088	\$622	\$142,742	\$840	\$323,339	\$1,293	\$408,416	\$1,480	\$127,735	\$798
OPERATING																				
Contracts	\$67,240	\$410	\$41,820	\$255	\$41,820	\$255	\$2,400	\$15	\$106,726	\$651	\$22,227	\$136	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Exterminating	\$32,800	\$200	\$32,800	\$200	\$32,800	\$200	\$35,617	\$217	\$35,617	\$217	\$15,418	\$94	\$23,916	\$141	\$10,106	\$40	\$0	\$0	\$2,312	\$14
Security	\$41,000	\$250	\$41,000	\$250	\$41,000	\$250	\$98,400	\$600	\$37,021	\$226	\$38,488	\$235	\$13,425	\$79	\$121,575	\$486	\$0	\$0	\$0	\$0
SUBTOTAL	\$141,040	\$860	\$115,620	\$705	\$115,620	\$705	\$136,417	\$832	\$179,364	\$1,094	\$76,133	\$464	\$37,341	\$220	\$131,681	\$527	\$0	\$0	\$2,312	\$14
TOTAL MAINTENANCE AND OPERATING	\$252,560	\$1,540	\$210,740	\$1,285	\$210,740	\$1,285	\$253,937	\$1,548	\$366,130	\$2,232	\$178,220	\$1,087	\$180,083	\$1,059	\$455,020	\$1,820	\$408,416	\$1,480	\$130,047	\$813
PAYROLL																				
On-site manager	\$45,000	\$274	\$45,000	\$274	\$45,000	\$274	\$28,273	\$172	\$28,273	\$172	\$32,842	\$200	\$48,948	\$288	\$125,576	\$502	\$122,627	\$444	\$79,735	\$498
Other management staff	\$40,000	\$244	\$40,000	\$244	\$40,000	\$244	\$54,057	\$330	\$54,057	\$330	\$42,377	\$258	\$33,536	\$197	\$0	\$0	\$0	\$0	\$0	\$0
Maintenance staff	\$83,000	\$506	\$83,000	\$506	\$83,000	\$506	\$108,053	\$659	\$108,053	\$659	\$89,095	\$543	\$117,278	\$690	\$241,085	\$964	\$110,012	\$399	\$78,165	\$489
Staff Unit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,000	\$71	\$0	\$0	\$0	\$0	\$0	\$0
Benefits	\$20,000	\$122	\$20,000	\$122	\$20,000	\$122	\$27,104	\$165	\$27,039	\$165	\$25,648	\$156	\$29,870	\$176	\$94,681	\$379	\$73,675	\$267	\$37,312	\$233
Payroll taxes	\$20,160	\$123	\$20,160	\$123	\$20,160	\$123	\$16,183	\$99	\$16,065	\$98	\$13,596	\$83	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SUBTOTAL	\$208,160	\$1,269	\$208,160	\$1,269	\$208,160	\$1,269	\$233,670	\$1,425	\$233,488	\$1,424	\$203,557	\$1,241	\$241,632	\$1,421	\$461,342	\$1,845	\$306,314	\$1,110	\$195,212	\$1,220
UTILITIES																				
Water & Sewer	\$223,040	\$1,360	\$198,440	\$1,210	\$198,440	\$1,210	\$199,264	\$1,215	\$205,105	\$1,251	\$278,874	\$1,700	\$108,869	\$640	\$219,971	\$880	\$62,142	\$225	\$86,443	\$540
Electricity	\$15,580	\$95	\$12,300	\$75	\$12,300	\$75	\$26,333	\$161	\$29,259	\$178	\$26,781	\$163	\$0	\$0	\$46,369	\$185	\$99,507	\$361	\$40,494	\$253
Gas	\$2,460	\$15	\$2,460	\$15	\$2,460	\$15	\$2,273	\$14	\$2,273	\$14	\$2,244	\$14	\$9,013	\$53	\$0	\$0	\$19,524	\$71	\$0	\$0
Cable Television/Internet	\$0	\$0	\$36,000	\$20	\$36,000	\$20	\$0	\$0	\$1,738	\$11	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Trash	\$13,120	\$80	\$13,120	\$80	\$13,120	\$80	\$13,473	\$82	\$13,473	\$82	\$12,448	\$76	\$9,469	\$56	\$32,137	\$129	\$0	\$0	\$5,776	\$36
SUBTOTAL	\$254,200	\$1,550	\$229,600	\$1,400	\$229,600	\$1,400	\$241,343	\$1,472	\$251,849	\$1,536	\$320,347	\$1,953	\$127,351	\$749	\$298,477	\$1,194	\$181,173	\$656	\$132,713	\$829
MISCELLANEOUS																				
Insurance	\$68,060	\$415	\$24,108	\$147	\$24,108	\$147	\$24,119	\$147	\$75,722	\$462	\$58,178	\$355	\$36,591	\$215	\$102,280	\$409	\$34,317	\$124	\$39,557	\$247
Real Estate Taxes / PILOT	\$69,240	\$422	\$120,651	\$736	\$120,651	\$736	\$204,437	\$1,247	\$73,895	\$451	\$74,545	\$455	\$188,516	\$1,109	\$149,783	\$599	\$276,386	\$1,001	\$62,980	\$394
Reserves	\$49,200	\$300	\$49,200	\$300	\$49,200	\$300	\$49,200	\$300	\$49,200	\$300	\$49,200	\$300	\$51,000	\$300	\$0	\$0	\$0	\$0	\$0	\$0
Supportive Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SUBTOTAL	\$186,500	\$1,137	\$193,959	\$1,183	\$193,959	\$1,183	\$277,756	\$1,694	\$198,818	\$1,212	\$181,923	\$1,109	\$276,107	\$1,624	\$252,063	\$1,008	\$310,703	\$1,126	\$102,537	\$641
MANAGEMENT																				
SUBTOTAL	\$106,818	\$651	\$108,469	\$661	\$107,327	\$654	\$75,517	\$460	\$111,322	\$679	\$110,305	\$673	\$86,644	\$510	\$174,363	\$697	\$86,857	\$315	\$75,819	\$474
TOTAL EXPENSES	\$1,082,038	\$6,598	\$1,024,728	\$6,248	\$1,015,386	\$6,191	\$1,121,884	\$6,841	\$1,235,532	\$7,534	\$1,073,620	\$6,546	\$963,633	\$5,668	\$1,863,756	\$7,455	\$1,442,207	\$5,225	\$760,751	\$4,755

General Administrative and Marketing

This category includes all professional fees for items such as legal, accounting, marketing, and office. The multifamily comparables indicate an overall administrative and marketing expense ranging from \$305 to \$890 per unit. The Subject's historical expenses ranged from \$434 to \$475 per unit. The Subject's budgeted expenses are \$242 per unit. Based on the historical data and the comparables, we have concluded to a total administration and marketing expense of \$450 per unit in the restricted scenario and \$400 per unit in the unrestricted scenario. There are some slight differences in the individual line items. According to a Novogradac & Company LLP comprehensive analysis of national 2013 operating expense data (Multifamily Rental Housing Operating Expense Report, 2015), it costs on average approximately 10 percent more per unit for administrative costs for low income housing tax credit property nationally than it does for a market-rate property.

Operating, Repairs & Maintenance

Included in this expense are normal costs of operating a multifamily property including painting/decorating, trash removal, ground expenses, and security costs, as well as normal items of repair and maintenance of public areas, cleaning contracts, and pest control. The Subject's historical expenses range from \$1,087 to \$2,232 per unit. The Subject's budgeted expenses are \$1,548 per unit. It should be noted, the 2016 operating, repairs and maintenance expenses are elevated due to damages which occurred at the property, a portion of which was reclaimed via an insurance claim. The comparables indicate a range of \$798 to \$1,480 per unit. Given the age and condition of the subject, we have concluded to an expense of \$1,540 per unit for the as-is scenario, which is within the range of the comparables and the Subject's historical expenses. For the repair and maintenance expense post-renovation, we have concluded an expense of \$1,285 per unit, which is within the range of the comparables and the historical expense range.

Payroll Expenses

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 multifamily comparables indicate a range of \$1,110 to \$1,845 per unit. The Subject's historical expense has ranged from \$1,241 to \$1,471 per unit. The Subjects budgeted expenses are \$1,425 per unit. Overall, we typically find that properties the size of the Subject operate with a staff of one full-time manager, one full-time leasing agent, one full-time maintenance supervisor, and one full-time maintenance technician. Benefits for the Subject's employees are estimated at \$5,000 per full-time employee and payroll taxes equal to 12 percent of the sum of the salaries. In addition, we have accounted for the staff unit. Overall, we have concluded to a payroll expense of \$1,269 per unit for all scenarios, which with the comparable range and appears reasonable.

PAYROLL EXPENSE CALCULATION		
	Expenses	Per Unit
Manager's Salary (Full Time)	\$45,000	\$274
Leasing Agent (Full Time)	\$40,000	\$244
Maintenance Manager (Full Time)	\$43,000	\$262
Maintenance Technician (Full Time)	\$40,000	\$244
Benefits (\$5,000 per FTE)	\$20,000	\$122
Payroll Taxes (estimated at 12%)	\$20,160	\$123
Total Annual Payroll	\$208,160	\$1,269

Utilities

The landlord pays for all common area utilities, as well as water, sewer, and trash removal. Post-renovation, the rents will also include free Wi-Fi internet. Comparable operating results indicate a range of \$656 to \$1,194 per unit. The historical data indicates utility expenses ranging from \$1,536 to \$1,953 per unit. The Subject's budgeted expenses are \$1,472 per unit. Due to the fact that properties often vary in terms of utility responsibilities, comparisons are difficult. Therefore, we have placed the greatest weight on the historical expenses. Based on the current utility structure and the Subject's historical data, we anticipate the Subject would experience a utility expense of approximately \$1,550 per unit, which is slightly below the historical expenses and above the comparable range. We believe that the proposed renovations will improve utility efficiency. According to a June 2014 Stewards of Affordable Housing for the Future (SAHF) article detailing the energy savings of 236 multifamily properties nationally that benefited from the US Department of Housing and Urban Development's Green Retrofit Program (<http://www.sahfnet.org/mfretrofitreport.html>), energy efficiency upgrades averaged an 18 percent reduction in energy [electric] consumption. Also, water consumption in the portfolio was reduced by 26 percent on average. We will conclude to utility expense of \$1,400 per unit for both proposed scenarios, which includes free Wi-Fi for all 164 units and is considered reasonable based on the renovations.

Insurance

Comparable data illustrates a range from \$124 to \$409 per unit. Historically, the Subject's insurance expense ranged from \$355 to \$462 per unit. The Subject has budgeted for \$184 per unit. Overall, we have concluded to insurance costs of \$415 per unit based primarily on the Subject's historical expenses based on the Subject's as is condition. The developer has received insurance quotes for the Subject as renovated; as such, we have concluded to the developer's estimate of \$184 per unit in the renovated scenarios.

Taxes

Please refer to the real estate tax section of this report for further discussion and 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 ranges from \$250 to \$350 per unit per year. New properties typically charge \$200 to \$250 for reserves. We have used an expense of \$300 per unit based on the unit mix, tenancy, and condition of the Subject property.

Management Fees

Historically, the Subject's management fee has ranged from \$673 to \$691 per unit, which equates to 7.1 to 7.4 percent of EGI. The comparables illustrate a range of between \$315 and \$697 per unit or 4.4 to 6.6 percent of EGI. Overall, we have concluded to a management fee percentage of 6.0 percent of EGI for the as is scenario and 5.5 percent for the as renovated scenarios. These estimates are within the range of the comparables on a per unit basis and appear reasonable.

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 total expenses reported by comparable properties utilized in our operating expense analysis.

COMPARABLE EXPENSE PROPERTIES		
Total Expense per Unit	W/ Taxes	W/O Taxes
Subject Year 1 Budgeted Expenses	\$6,841	\$5,594
Subject FY 2016	\$7,534	\$7,083
Subject FY 2015	\$6,546	\$6,092
Expense Comparable 1	\$5,668	\$4,560
Expense Comparable 2	\$7,455	\$6,856
Expense Comparable 3	\$5,225	\$4,224
Expense Comparable 4	\$4,755	\$4,361
Subject (As Is)	\$6,598	\$6,176
Subject (As Proposed Restricted)	\$6,248	\$5,513
Subject (As Proposed Unrestricted)	\$6,191	\$5,456

After excluding taxes, our expense estimates are of the range of the comparable data, slightly below the historical data, and similar developers budgeted expenses. Overall, our estimates appear reasonable and will be utilized in our analysis.

DIRECT CAPITALIZATION

We have provided an estimate of the Subject's as is value. Please see the assumptions and limiting conditions regarding hypothetical conditions.

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

Overall Capitalization Rate

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

Market Extraction

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

SALES COMPARISON

	Property	Year Built	Sale Date	Sale Price	# of Units	Price / Unit	EGIM	Overall Rate
1	Westside Crossing	1965	Sep-16	\$5,040,000	112	\$45,000	5.5	7.1%
2	Moore's Mill Village	1965	Jan-16	\$10,400,000	172	\$60,465	7.0	6.0%
3	Woodland View	1967	Jan-16	\$3,400,000	54	\$62,963	6.8	6.7%
4	The Residences at City Center	1993	Nov-15	\$14,000,000	182	\$76,923	7.2	7.4%
5	Northside Plaza	1992	Jul-15	<u>\$9,700,000</u>	<u>127</u>	<u>\$76,378</u>	<u>7.9</u>	<u>6.2%</u>
	Average			\$8,508,000	129	\$64,346	6.9	6.7%

The sales illustrate a range of overall rates from 6.0 to 7.4 percent, with an average of 6.7 percent. The properties all represent typical market transactions for multifamily market rate properties in the area. It should be noted that we searched for Section 8 and LIHTC multifamily sales in the region; however, we were unable to identify any. Additionally, any potential sale of the Subject property would be constrained by the limitations and penalties of the LIHTC program, specifically the recapture/penalty provision upon transfer. Because of this, there are a very limited number of properties that have sold nationwide, and none locally, that have the restrictions associated with Section 42 provisions. We believe the improved sales we have chosen for our analysis represent the typical multifamily market in the Subject's area. Therefore, we have utilized five conventional market rate multifamily developments in our sales approach.

The primary factors that influences the selection of an overall rate is the Subject's condition, size, location, and market conditions. In terms of condition, the Subject is considered similar to all of the comparable sales. The Subject property offers a similar to slightly inferior location relative to the sales. In terms of size, the Subject is most similar to Sales 2 and 4. Given the most recent trends and forecasts of national capitalization rates as well as conversations with local brokers and anecdotal evidence, the Subject is considered to offer similar to slightly inferior market condition relative to the sales.

Considering the Subject's location and product type, a capitalization rate of 6.50 percent is estimated based on market extraction for the Subject.

The PwC Real Estate Investor Survey

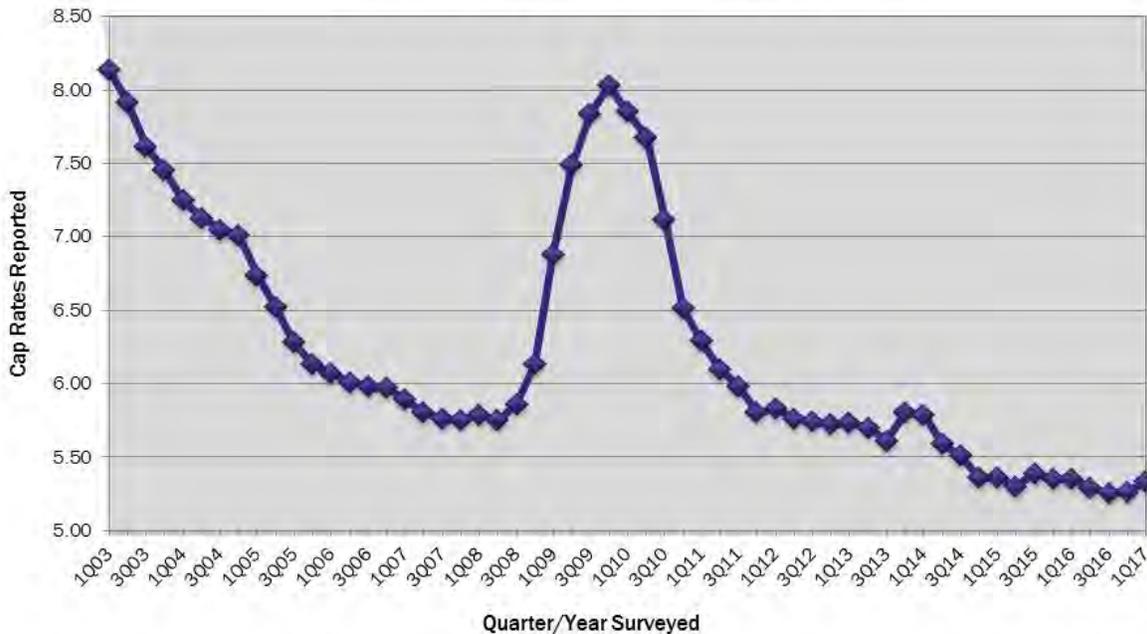
The *PwC Real Estate Investor Survey* tracks capitalization rates utilized by national investors in commercial and multifamily real estate. The following summarizes the information for the national multifamily housing market:

PwC REAL ESTATE INVESTOR SURVEY	
National Apartment Market	
Overall Capitalization Rate - Institutional Grade Investments	
Range:	3.50% - 8.00%
Average:	5.33%
Non-Institutional Grade Investments	
Range:	3.75% - 12.00%
Average:	7.08%

Source: PwC Real Estate Investor Survey, Q1 2017

The *PwC Real Estate Investor Survey* defines “Institutional – Grade” real estate as real property investments that are sought out by institutional buyers and have the capacity to meet generally prevalent institutional investment criteria³. Typical “Institutional – Grade” apartment properties are newly constructed, well amenitized, market-rate properties in urban or suburban locations. Rarely could subsidized properties, either new construction or acquisition/rehabilitation, be considered institutional grade real estate. Therefore, for our purpose, the Non-Institutional Grade capitalization rate is most relevant; this is currently 171 basis points higher than the Institutional Grade rate on average. However, local market conditions have significant weight when viewing capitalization rates.

PwC National Apartment Market Survey



³ PwC Real Estate Investor Survey

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

Source: PwC Real Estate Investor Survey, Q1 2017

As the graph indicates, the downward trend through early 2007 is clear. The average capitalization rate decreased 225 basis points over a four-year period from 2003 to 2007. However, capitalization rates stabilized in 2007 and began a steep increase in late 2008. They appear to have peaked in the fourth quarter of 2009 and have generally decreased through the first quarter of 2015. Capitalization rates as of the first quarter of 2017 have exhibited a slight decrease over capitalization rates from the first quarter of 2016. Overall, we have estimated a capitalization rate of 6.50 percent, which is within the range of the Non-Institutional Grade capitalization rates.

Debt Coverage Ratio

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

The ratio used is:

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

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

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

Where:

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

Band of Investment

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

The formula is:

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

Where:

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

The Mortgage Constant (RM) is based upon the calculated interest rate from the ten year treasury. We have utilized 6.0 percent as our estimate of equity return. The following table summarizes calculations for the two previously discussed methods of capitalization rate derivation. We will utilize a market oriented interest rate of 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 4.50 and 6.00 percent. Therefore, we believe a 5.50 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	1.25		Treasury Bond Basis*				
Rm	0.07		10 Year T Bond Rate (7/2017)		2.35%		
Interest (per annum)*	5.35%		Interest rate spread		300		
Amortization (years)	30		Interest Rate (per annum, rounded)		5.35%		
M	80%						
Re	6.0%						
Debt Coverage Ratio							
	Ro	=	DCR	X	Rm	X	M
	6.70%	=	1.25	X	0.07	X	80%
Band of Investment							
	Ro	=	(M	X	Rm)	+	((1-M) X Re)
	6.56%	=	80%	X	0.07	+	20% X 6%

* Source: Bloomberg.com, 7/2017

REIS

The following table indicates the cap rate trends of recent sale data within the Atlanta Metro submarket.

	2Q 2017 Metro Statistics		Metro Statistics - 12 Month Rolling			
	Mean	Median	25th Percentile	Mean	Median	75th Percentile
Cap Rate	7.1%	6.6%	5.6%	7.1%	6.6%	8.2%
Sale Price	\$31,180,217	\$21,632,000	\$5,612,500	\$24,136,665	\$17,624,550	\$32,425,000
Sale Price Per Unit	\$112,346	\$86,753	\$50,206	\$100,663	\$87,007	\$125,213
Number of Units	278	245	143	240	226	299
Number of Floors	3	2	2	3	3	3
Year Built	1992	1987	1971	1989	1986	1999

The mean cap rate within the Atlanta metro as of the second quarter 2017 is currently 6.6 percent. The 12-month rolling mean cap rate is currently 7.1 percent.

Conclusion of Overall Rate Selection

CAPITALIZATION RATE SELECTION SUMMARY	
Method	Indicated Rate
Market Extraction	6.50%
PwC Survey	6.50%
REIS	6.60%
Debt Coverage Ratio	6.70%
Band of Investment	6.56%

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

- Current market health
- Existing competition
- Subject's construction type, tenancy and physical appeal

- The demand growth expected over the next three years
- Local market overall rates
-

The various approaches indicate a range from 6.50 to 6.70 percent. We reconciled to a 6.50 percent capitalization rate based primarily upon the market-extracted rate.

Indication of Value

A summary of the direct capitalization analysis is located on the following page.

DIRECT CAPITALIZATION TECHNIQUE - YEAR ONE OPERATING STATEMENT										
EXPENSE ANALYSIS										
Operating Revenues										
	As Is Unit Mix	As Proposed		As Is Restricted*		As Renovated Restricted*		As Renovated Unrestricted		
		Restricted Unit Mix	Unrestricted Unit Mix	Average Rent	Total Revenue	Average Rent	Total Revenue	Average Rent	Total Revenue	
Apartment Rentals										
1BR/1BA - Sec. 8	10	10	10	\$835	\$100,200	\$925	\$111,000	\$925	\$111,000	
2BR/1BA - Sec. 8	138	138	138	\$940	\$1,556,640	\$1,045	\$1,730,520	\$1,045	\$1,730,520	
3BR/1BA - Sec. 8	16	16	16	\$1,020	\$195,840	\$1,110	\$213,120	\$1,110	\$213,120	
Total Potential Rental Income	164	164	164	\$941	\$1,852,680	\$1,044	\$2,054,640	\$1,044	\$2,054,640	
Other Income										
Miscellaneous				\$130	\$21,320	\$130	\$21,320	\$130	\$21,320	
Residential Potential Revenues				\$11,427	\$1,874,000	\$12,658	\$2,075,960	\$12,658	\$2,075,960	
Vacancy				-\$571	-\$93,700	-\$633	-\$103,798	-\$759	-\$124,558	
Vacancy and Collections Loss Percentage					-5%		-5%		-6%	
Effective Gross Income				\$10,855	\$1,780,300	\$12,025	\$1,972,162	\$11,899	\$1,951,402	
Operating Expenses										
				As Is Restricted*		As Renovated Restricted*		As Renovated Unrestricted		
Administration and Marketing				\$450	\$73,800	\$450	\$73,800	\$400	\$65,600	
Maintenance and Operating				\$1,540	\$252,560	\$1,285	\$210,740	\$1,285	\$210,740	
Payroll				\$1,269	\$208,160	\$1,269	\$208,160	\$1,269	\$208,160	
Utilities				\$1,550	\$254,200	\$1,400	\$229,600	\$1,400	\$229,600	
Property & Liability Insurance				\$415	\$68,060	\$147	\$24,108	\$147	\$24,108	
Real Estate and Other Taxes				\$422	\$69,240	\$736	\$120,651	\$736	\$120,651	
Replacement Reserves				\$300	\$49,200	\$300	\$49,200	\$300	\$49,200	
Management Fee	6.0%	5.5%	5.5%	\$651	\$106,818	\$661	\$108,469	\$654	\$107,327	
Total Operating Expenses				\$6,598	\$1,082,038	\$6,248	\$1,024,728	\$6,191	\$1,015,386	
Expenses as a ratio of EGI					61%		52%		52%	
Valuation										
				As Is Restricted*		As Renovated Restricted*		As Renovated Unrestricted		
Net Operating Income				\$4,258	\$698,262	\$5,777	\$947,434	\$5,707	\$936,017	
Capitalization Rate					6.50%		6.50%		6.50%	
Indicated Value "rounded"					\$10,700,000		\$14,600,000		\$14,400,000	

*Assumes Section 8 contract rents are increased to achievable market rents.

Conclusion

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

The Subject’s prospective market value of the real estate assuming the proposed rents “As Is”, via the Income Capitalization Approach, as of September 14, 2017, is:

**TEN MILLION SEVEN HUNDRED THOUSAND DOLLARS
(\$10,700,000)**

The Subject’s prospective market value of the real estate assuming the achievable restricted rents “As Complete and Stabilized”, via the Income Capitalization Approach, on April 2019, as of September 14, 2017, is:

**FOURTEEN MILLION SIX HUNDRED THOUSAND DOLLARS
(\$14,600,000)**

The Subject’s hypothetical market value of the real estate assuming the achievable unrestricted rents “As Complete and Stabilized”, via the Income Capitalization Approach, on April 2019, as of September 14, 2017, is:

**FOURTEEN MILLION FOUR HUNDRED THOUSAND DOLLARS
(\$14,400,000)**

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

PROSPECTIVE MARKET VALUE AT LOAN MATURITY

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

Income and Expense Growth Projections

The AMI in Floyd County has increased at an average annual rate of 0.8 percent between 1999 and 2017. The AMI within this county has decreased in three of the last five years and few of the LIHTC and market rate comparables experienced rent growth over the past year. All of the LIHTC comparables reported achieving the maximum allowable rent levels. The market rate comparable reported no change in rents. We have increased the income and expense line items by one percent per annum over the holding period. This is based upon the slight AMI growth in Floyd County.

Terminal Capitalization Rate

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

PwC REAL ESTATE INVESTOR SURVEY	
National Apartment Market	
Overall Capitalization Rate - Institutional Grade Investments	
Range:	3.50% - 8.00%
Average:	5.33%
Non-Institutional Grade Investments	
Range:	3.75% - 12.00%
Average:	7.08%

Source: PwC Real Estate Investor Survey, Q1 2017

Additionally, we have considered the market extracted capitalization rates in the Atlanta market. As noted previously, we have estimated a capitalization rate of 6.50 percent for the Subject.

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

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

In view of the preceding data, observed rate trends, and careful consideration of the Subject's physical appeal and economic characteristics, a terminal rate of 7.25 percent has been used for year 15 and 7.75 for years 20 thru 30, which is within the range and is considered reasonable for a non-institutional grade property such as the Subject following construction.

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	Year 16	
Fiscal Year	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	
Income																	
Low Income Units	\$2,054,640	\$2,075,186	\$2,095,938	\$2,116,898	\$2,138,067	\$2,159,447	\$2,181,042	\$2,202,852	\$2,224,881	\$2,247,130	\$2,269,601	\$2,292,297	\$2,315,220	\$2,338,372	\$2,361,756	\$2,385,373	
Nonresidential	\$21,320	\$21,533	\$21,749	\$21,966	\$22,186	\$22,408	\$22,632	\$22,858	\$23,087	\$23,317	\$23,551	\$23,786	\$24,024	\$24,264	\$24,507	\$24,752	
Gross Project Income	\$2,075,960	\$2,096,720	\$2,117,687	\$2,138,864	\$2,160,252	\$2,181,855	\$2,203,673	\$2,225,710	\$2,247,967	\$2,270,447	\$2,293,151	\$2,316,083	\$2,339,244	\$2,362,636	\$2,386,262	\$2,410,125	
Vacancy Allowance	-\$103,798	-\$104,836	-\$105,884	-\$106,943	-\$108,013	-\$109,093	-\$110,184	-\$111,286	-\$112,398	-\$113,522	-\$114,658	-\$115,804	-\$116,962	-\$118,132	-\$119,313	-\$120,506	
Effective Gross Income	\$1,972,162	\$1,991,884	\$2,011,802	\$2,031,920	\$2,052,240	\$2,072,762	\$2,093,490	\$2,114,425	\$2,135,569	\$2,156,925	\$2,178,494	\$2,200,279	\$2,222,282	\$2,244,504	\$2,266,949	\$2,289,619	
Expenses																	
Administrative and Marketing	\$73,800	\$74,538	\$75,283	\$76,036	\$76,797	\$77,565	\$78,340	\$79,124	\$79,915	\$80,714	\$81,521	\$82,336	\$83,160	\$83,991	\$84,831	\$85,680	
Maintenance and Operating	\$210,740	\$212,847	\$214,976	\$217,126	\$219,297	\$221,490	\$223,705	\$225,942	\$228,201	\$230,483	\$232,788	\$235,116	\$237,467	\$239,842	\$242,240	\$244,663	
Payroll	\$208,160	\$210,242	\$212,344	\$214,467	\$216,612	\$218,778	\$220,966	\$223,176	\$225,407	\$227,662	\$229,938	\$232,238	\$234,560	\$236,905	\$239,275	\$241,667	
Utilities	\$229,600	\$231,896	\$234,215	\$236,557	\$238,923	\$241,312	\$243,725	\$246,162	\$248,624	\$251,110	\$253,621	\$256,157	\$258,719	\$261,306	\$263,919	\$266,558	
Insurance	\$24,108	\$24,349	\$24,593	\$24,838	\$25,087	\$25,338	\$25,591	\$25,847	\$26,106	\$26,367	\$26,630	\$26,897	\$27,165	\$27,437	\$27,712	\$27,989	
Real Estate Taxes	\$120,651	\$121,857	\$123,076	\$124,307	\$125,550	\$126,805	\$128,073	\$129,354	\$130,647	\$131,954	\$133,273	\$134,606	\$135,952	\$137,312	\$138,685	\$140,072	
Replacement Reserve	\$49,200	\$49,692	\$50,189	\$50,691	\$51,198	\$51,710	\$52,227	\$52,749	\$53,277	\$53,809	\$54,347	\$54,891	\$55,440	\$55,994	\$56,554	\$57,120	
Management Fee	\$118,330	\$119,513	\$120,708	\$121,915	\$123,134	\$124,366	\$125,609	\$126,865	\$128,134	\$129,415	\$130,710	\$132,017	\$133,337	\$134,670	\$136,017	\$137,377	
Total Expenses	\$1,034,588	\$1,044,934	\$1,055,384	\$1,065,937	\$1,076,597	\$1,087,363	\$1,098,236	\$1,109,219	\$1,120,311	\$1,131,514	\$1,142,829	\$1,154,258	\$1,165,800	\$1,177,458	\$1,189,233	\$1,201,125	
Net Operating Income	\$937,574	\$946,949	\$956,419	\$965,983	\$975,643	\$985,399	\$995,253	\$1,005,206	\$1,015,258	\$1,025,410	\$1,035,665	\$1,046,021	\$1,056,481	\$1,067,046	\$1,077,717	\$1,088,494	
Reversion Calculation																	
Terminal Capitalization Rate	7.25%															7.25%	
Sales Costs	3.0%															3.0%	
Net Sales Proceeds																\$14,400,000	

As Proposed Restricted Scenario (Years 16 through 30)

Restricted Cash Flow Value Derivation of "as complete"															
Fiscal Year	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047
Income															
Low Income Units	\$2,385,373	\$2,409,227	\$2,433,319	\$2,457,652	\$2,482,229	\$2,507,051	\$2,532,122	\$2,557,443	\$2,583,017	\$2,608,848	\$2,634,936	\$2,661,285	\$2,687,898	\$2,714,777	\$2,741,925
Nonresidential	\$24,752	\$24,999	\$25,249	\$25,502	\$25,757	\$26,014	\$26,275	\$26,537	\$26,803	\$27,071	\$27,341	\$27,615	\$27,891	\$28,170	\$28,452
Gross Project Income	\$2,410,125	\$2,434,226	\$2,458,569	\$2,483,154	\$2,507,986	\$2,533,066	\$2,558,396	\$2,583,980	\$2,609,820	\$2,635,918	\$2,662,278	\$2,688,900	\$2,715,789	\$2,742,947	\$2,770,377
Vacancy Allowance	-\$120,506	-\$121,711	-\$122,928	-\$124,158	-\$125,399	-\$126,653	-\$127,920	-\$129,199	-\$130,491	-\$131,796	-\$133,114	-\$134,445	-\$135,789	-\$137,147	-\$138,519
Effective Gross Income	\$2,289,619	\$2,312,515	\$2,335,640	\$2,358,997	\$2,382,587	\$2,406,412	\$2,430,477	\$2,454,781	\$2,479,329	\$2,504,122	\$2,529,164	\$2,554,455	\$2,580,000	\$2,605,800	\$2,631,858
Expenses															
Administrative and Marketing	\$85,680	\$86,536	\$87,402	\$88,276	\$89,158	\$90,050	\$90,951	\$91,860	\$92,779	\$93,706	\$94,643	\$95,590	\$96,546	\$97,511	\$98,486
Maintenance and Operating	\$244,663	\$247,109	\$249,580	\$252,076	\$254,597	\$257,143	\$259,714	\$262,311	\$264,935	\$267,584	\$270,260	\$272,962	\$275,692	\$278,449	\$281,233
Payroll	\$241,667	\$244,084	\$246,525	\$248,990	\$251,480	\$253,995	\$256,535	\$259,100	\$261,691	\$264,308	\$266,951	\$269,621	\$272,317	\$275,040	\$277,790
Utilities	\$266,558	\$269,224	\$271,916	\$274,635	\$277,382	\$280,156	\$282,957	\$285,787	\$288,645	\$291,531	\$294,446	\$297,391	\$300,365	\$303,368	\$306,402
Insurance	\$27,989	\$28,269	\$28,551	\$28,837	\$29,125	\$29,416	\$29,711	\$30,008	\$30,308	\$30,611	\$30,917	\$31,226	\$31,538	\$31,854	\$32,172
Real Estate Taxes	\$140,072	\$141,472	\$142,887	\$144,316	\$145,759	\$147,217	\$148,689	\$150,176	\$151,678	\$153,194	\$154,726	\$156,274	\$157,836	\$159,415	\$161,009
Replacement Reserve	\$57,120	\$57,691	\$58,268	\$58,850	\$59,439	\$60,033	\$60,634	\$61,240	\$61,852	\$62,471	\$63,096	\$63,727	\$64,364	\$65,008	\$65,658
Management Fee	\$137,377	\$138,751	\$140,138	\$141,540	\$142,955	\$144,385	\$145,829	\$147,287	\$148,760	\$150,247	\$151,750	\$153,267	\$154,800	\$156,348	\$157,911
Total Expenses	\$1,201,125	\$1,213,136	\$1,225,268	\$1,237,520	\$1,249,896	\$1,262,394	\$1,275,018	\$1,287,769	\$1,300,646	\$1,313,653	\$1,326,789	\$1,340,057	\$1,353,458	\$1,366,992	\$1,380,662
Net Operating Income	\$1,088,494	\$1,099,379	\$1,110,373	\$1,121,476	\$1,132,691	\$1,144,018	\$1,155,458	\$1,167,013	\$1,178,683	\$1,190,470	\$1,202,374	\$1,214,398	\$1,226,542	\$1,238,808	\$1,251,196
Reversion Calculation															
Terminal Capitalization Rate						7.75%					7.75%				7.75%
Sales Costs						3.0%					3.0%				3.0%
Net Sales Proceeds						\$14,200,000					\$14,900,000				\$15,700,000

As Proposed Unrestricted Scenario (Years 1 through 15)

Market Cash Flow Value Derivation of "as complete"															
Fiscal Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Income															
Low Income Units	\$2,054,640	\$2,075,186	\$2,095,938	\$2,116,898	\$2,138,067	\$2,159,447	\$2,181,042	\$2,202,852	\$2,224,881	\$2,247,130	\$2,269,601	\$2,292,297	\$2,315,220	\$2,338,372	\$2,361,756
Nonresidential	\$21,320	\$21,533	\$21,749	\$21,966	\$22,186	\$22,408	\$22,632	\$22,858	\$23,087	\$23,317	\$23,551	\$23,786	\$24,024	\$24,264	\$24,507
Gross Project Income	\$2,075,960	\$2,096,720	\$2,117,687	\$2,138,864	\$2,160,252	\$2,181,855	\$2,203,673	\$2,225,710	\$2,247,967	\$2,270,447	\$2,293,151	\$2,316,083	\$2,339,244	\$2,362,636	\$2,386,262
Vacancy Allowance	-\$124,558	-\$125,803	-\$127,061	-\$128,332	-\$129,615	-\$130,911	-\$132,220	-\$133,543	-\$134,878	-\$136,227	-\$137,589	-\$138,965	-\$140,355	-\$141,758	-\$143,176
Effective Gross Income	\$1,951,402	\$1,970,916	\$1,990,626	\$2,010,532	\$2,030,637	\$2,050,944	\$2,071,453	\$2,092,167	\$2,113,089	\$2,134,220	\$2,155,562	\$2,177,118	\$2,198,889	\$2,220,878	\$2,243,087
Expenses															
Administrative and Marketing	\$65,600	\$66,256	\$66,919	\$67,588	\$68,264	\$68,946	\$69,636	\$70,332	\$71,035	\$71,746	\$72,463	\$73,188	\$73,920	\$74,659	\$75,406
Maintenance and Operating	\$210,740	\$212,847	\$214,976	\$217,126	\$219,297	\$221,490	\$223,705	\$225,942	\$228,201	\$230,483	\$232,788	\$235,116	\$237,467	\$239,842	\$242,240
Payroll	\$208,160	\$210,242	\$212,344	\$214,467	\$216,612	\$218,778	\$220,966	\$223,176	\$225,407	\$227,662	\$229,938	\$232,238	\$234,560	\$236,905	\$239,275
Utilities	\$229,600	\$231,896	\$234,215	\$236,557	\$238,923	\$241,312	\$243,725	\$246,162	\$248,624	\$251,110	\$253,621	\$256,157	\$258,719	\$261,306	\$263,919
Insurance	\$24,108	\$24,349	\$24,593	\$24,838	\$25,087	\$25,338	\$25,591	\$25,847	\$26,106	\$26,367	\$26,630	\$26,897	\$27,165	\$27,437	\$27,712
Real Estate Taxes	\$120,651	\$121,857	\$123,076	\$124,307	\$125,550	\$126,805	\$128,073	\$129,354	\$130,647	\$131,954	\$133,273	\$134,606	\$135,952	\$137,312	\$138,685
Replacement Reserve	\$49,200	\$49,692	\$50,189	\$50,691	\$51,198	\$51,710	\$52,227	\$52,749	\$53,277	\$53,809	\$54,347	\$54,891	\$55,440	\$55,994	\$56,554
Management Fee	\$107,327	\$118,255	\$119,438	\$120,632	\$121,838	\$123,057	\$124,287	\$125,530	\$126,785	\$128,053	\$129,334	\$130,627	\$131,933	\$133,253	\$134,585
Total Expenses	\$1,015,386	\$1,035,394	\$1,045,748	\$1,056,206	\$1,066,768	\$1,077,435	\$1,088,210	\$1,099,092	\$1,110,083	\$1,121,184	\$1,132,395	\$1,143,719	\$1,155,157	\$1,166,708	\$1,178,375
Net Operating Income	\$936,017	\$935,522	\$944,877	\$954,326	\$963,869	\$973,508	\$983,243	\$993,076	\$1,003,006	\$1,013,036	\$1,023,167	\$1,033,398	\$1,043,732	\$1,054,170	\$1,064,711
Reversion Calculation															
Terminal Capitalization Rate	7.25%														
Sales Costs	3.0%														
Net Sales Proceeds	\$14,200,000														

As Proposed Unrestricted Scenario (Years 16 through 30)

Market Cash Flow Value Derivation of "as complete"															
Fiscal Year	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047
Income															
Low Income Units	\$2,385,373	\$2,409,227	\$2,433,319	\$2,457,652	\$2,482,229	\$2,507,051	\$2,532,122	\$2,557,443	\$2,583,017	\$2,608,848	\$2,634,936	\$2,661,285	\$2,687,898	\$2,714,777	\$2,741,925
Nonresidential	\$24,752	\$24,999	\$25,249	\$25,502	\$25,757	\$26,014	\$26,275	\$26,537	\$26,803	\$27,071	\$27,341	\$27,615	\$27,891	\$28,170	\$28,452
Gross Project Income	\$2,410,125	\$2,434,226	\$2,458,569	\$2,483,154	\$2,507,986	\$2,533,066	\$2,558,396	\$2,583,980	\$2,609,820	\$2,635,918	\$2,662,278	\$2,688,900	\$2,715,789	\$2,742,947	\$2,770,377
Vacancy Allowance	-\$144,608	-\$146,054	-\$147,514	-\$148,989	-\$150,479	-\$151,984	-\$153,504	-\$155,039	-\$156,589	-\$158,155	-\$159,737	-\$161,334	-\$162,947	-\$164,577	-\$166,223
Effective Gross Income	\$2,265,518	\$2,288,173	\$2,311,055	\$2,334,165	\$2,357,507	\$2,381,082	\$2,404,893	\$2,428,942	\$2,453,231	\$2,477,763	\$2,502,541	\$2,527,566	\$2,552,842	\$2,578,370	\$2,604,154
Expenses															
Administrative and Marketing	\$76,160	\$76,921	\$77,690	\$78,467	\$79,252	\$80,044	\$80,845	\$81,653	\$82,470	\$83,295	\$84,128	\$84,969	\$85,819	\$86,677	\$87,543
Maintenance and Operating	\$244,663	\$247,109	\$249,580	\$252,076	\$254,597	\$257,143	\$259,714	\$262,311	\$264,935	\$267,584	\$270,260	\$272,962	\$275,692	\$278,449	\$281,233
Payroll	\$241,667	\$244,084	\$246,525	\$248,990	\$251,480	\$253,995	\$256,535	\$259,100	\$261,691	\$264,308	\$266,951	\$269,621	\$272,317	\$275,040	\$277,790
Utilities	\$266,558	\$269,224	\$271,916	\$274,635	\$277,382	\$280,156	\$282,957	\$285,787	\$288,645	\$291,531	\$294,446	\$297,391	\$300,365	\$303,368	\$306,402
Insurance	\$27,989	\$28,269	\$28,551	\$28,837	\$29,125	\$29,416	\$29,711	\$30,008	\$30,308	\$30,611	\$30,917	\$31,226	\$31,538	\$31,854	\$32,172
Real Estate Taxes	\$140,072	\$141,472	\$142,887	\$144,316	\$145,759	\$147,217	\$148,689	\$150,176	\$151,678	\$153,194	\$154,726	\$156,274	\$157,836	\$159,415	\$161,009
Replacement Reserve	\$57,120	\$57,691	\$58,268	\$58,850	\$59,439	\$60,033	\$60,634	\$61,240	\$61,852	\$62,471	\$63,096	\$63,727	\$64,364	\$65,008	\$65,658
Management Fee	\$135,931	\$137,290	\$138,663	\$140,050	\$141,450	\$142,865	\$144,294	\$145,736	\$147,194	\$148,666	\$150,152	\$151,654	\$153,171	\$154,702	\$156,249
Total Expenses	\$1,190,159	\$1,202,061	\$1,214,081	\$1,226,222	\$1,238,484	\$1,250,869	\$1,263,378	\$1,276,012	\$1,288,772	\$1,301,659	\$1,314,676	\$1,327,823	\$1,341,101	\$1,354,512	\$1,368,057
Net Operating Income	\$1,075,359	\$1,086,112	\$1,096,973	\$1,107,943	\$1,119,022	\$1,130,213	\$1,141,515	\$1,152,930	\$1,164,459	\$1,176,104	\$1,187,865	\$1,199,744	\$1,211,741	\$1,223,858	\$1,236,097
Reversion Calculation															
Terminal Capitalization Rate					7.75%					7.75%					7.75%
Sales Costs					3.0%					3.0%					3.0%
Net Sales Proceeds					\$14,000,000					\$14,700,000					\$15,500,000

Conclusion

Prospective Market Value as Restricted 30 years (Loan Maturity)

The prospective market value at 30 years (loan maturity) of the Subject's fee simple interest, subject to the rental restrictions in the year 2047, as of September 14, 2017, is:

FIFTEEN MILLION SEVEN HUNDRED THOUSAND DOLLARS
(\$15,700,000)

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

The hypothetical prospective market value at 30 years (loan maturity) of the Subject's fee simple interest, as an unrestricted property in the year 2047, as of September 14, 2017, is:

FIFTEEN MILLION FIVE HUNDRED THOUSAND DOLLARS
(\$15,500,000)

BELOW MARKET DEBT

The developer has indicated that they will receive a permanent loan. The permanent loan will be in the amount of \$12,083,000 and will bear an interest at a fixed rate of approximately 4.25 percent per annum with a 480-month (40-year) term. The rate and terms are market-oriented; therefore, there is no favorable financing value.

INTANGIBLE VALUE OF LOW INCOME HOUSING TAX CREDITS

Construction of the Subject has been financed in part by federal tax credit equity. According to the developer’s Sources and Uses statement, the Subject will apply to receive Low Income Housing Tax Credits and we were asked to value the tax credits.

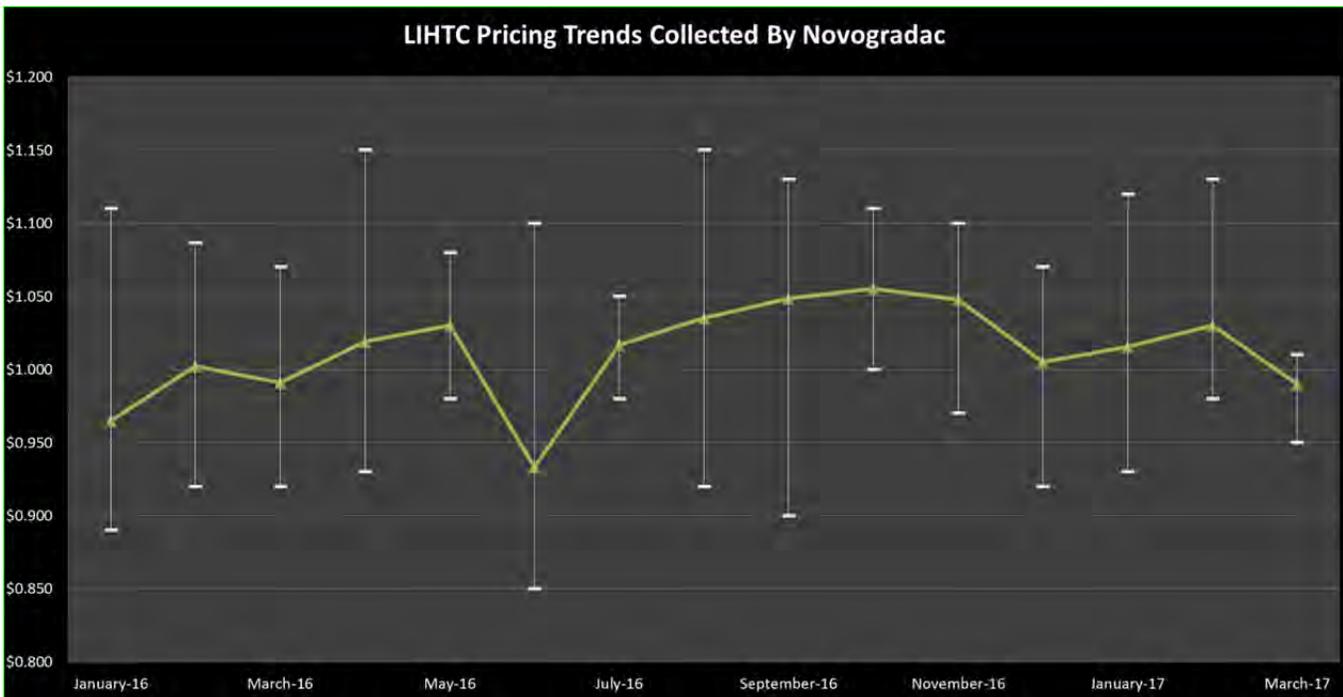
Low Income Housing Tax Credits

A fifteen-year federal tax credit and a fifteen year state tax credit incentive program will encumber the Subject. The median household income statistics establish the maximum allowable rent levels. The Subject’s rent structure includes units that will be restricted to those earning 60 percent of the AMI or less.

As an incentive to participate in the low-income housing program the developer is awarded “tax credits” which provide the incentive to construct and rehabilitate affordable housing in otherwise financially infeasible markets. The tax credit program was created by the Internal Revenue Code Section 42, and is a Federal tax program administered by the states. The developer anticipates receiving a federal tax credit allocation of \$1,022,713 annually. The annual allocation will be received for ten years at 99.99 percent, for a total of \$10,227,132.

The developer anticipates receiving a state tax credit allocation of \$1,022,713 annually. The annual allocation will be received for ten years at 99.99 percent, for a total of \$10,227,132.

Valuation of LIHTC is typically done by a sales comparison approach. The industry typically values and analyzes the LIHTC transaction on a dollar per credit basis. Based on information provided by the developer, it appears that the federal tax credits will be purchased at a price of \$0.98 per tax credit, while the state tax credits will be purchased at a price of \$0.58 per tax credit, which appears reasonable. Novogradac & Company LLP conducts monthly surveys in which we contact developers, syndicators and consultants involved in LIHTC transactions to obtain information on recent LIHTC pricing. The following graph illustrates LIHTC pricing trends. The following graph illustrates the average federal tax credit price achieved on a monthly basis for the projects included in our survey.



As the previous table illustrates, federal tax credit raise rates in recent months have ranged from \$0.93 to \$1.13 per credit. Pricing has been trending upwards the past year. As part of the yield analysis and pricing determination investors consider, among other factors, construction risk, lease-up risk and timing of the credits. The developer estimates receiving \$0.98 per low income housing tax credit, which is within the range of recent pricing patterns.

Election Impact on Pricing

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

The following table illustrates Georgia state tax credit pricing in 2015 and 2016, the most recent data available.

GEORGIA STATE TAX CREDIT PRICING			
Closing Date	Price Per Credit	Location	Type
2016	\$0.52	Atlanta	Rehabilitation
2016	\$0.55	Albany	New Construction
2016	\$0.40	Marietta	New Construction
2016	\$0.40	Augusta	New Construction
2015	\$0.52	Atlanta	Acquisition/Rehabilitation
2015	\$0.49	Stone Mountain	New Construction
2015	\$0.49	Decatur	New Construction
2015	<u>\$0.52</u>	Atlanta	Acquisition/Rehabilitation
Average	\$0.49		

According to recent data, the Georgia state credit pricing ranged from \$0.40 to \$0.55 over the past two years. However, we have interviewed two investors that have active letters of intent to purchase state tax credits and they indicated that prices have been steady in recent months. Our conversations indicated a range of \$0.55 to \$0.60 per credit in the last six months, and we conclude to a value of \$0.58 per credit for the Subject's state tax credits. The total value of the tax credits is summarized in the following table.

Federal and State Tax Credit Value		
	Value	Pricing
Total credits (Federal)	\$10,227,132	
Annual amount (Federal)	\$1,022,713	\$0.98
Total credits (State)	\$5,931,144	
Annual amount (State)	\$593,114	\$0.58
Federal	\$10,022,589	
State	<u>\$3,440,064</u>	
Total Value	\$13,462,653	

The concluded value of the tax credits is supported by the reported sales price of the Subject credits and is considered reasonable. Based on the preceding analysis, the tax credit values are as follows:

Federal

**TEN MILLION TWENTY-TWO THOUSAND DOLLARS
(\$10,022,000)**

State

**THREE MILLION FOUR HUNDRED FOURTY THOUSAND DOLLARS
(\$3,440,000)**

X. SALES COMPARISON APPROACH

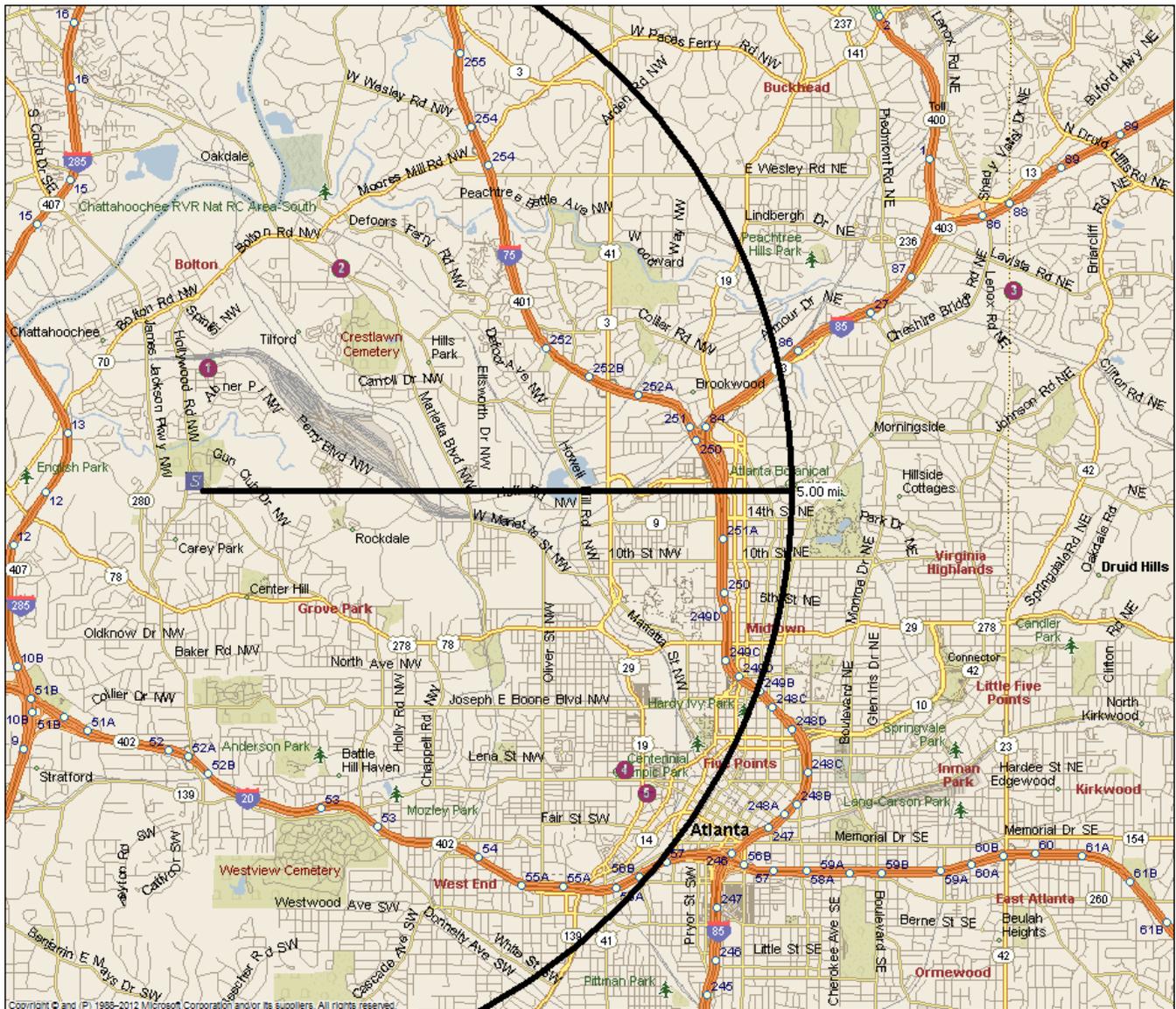
SALES COMPARISON APPROACH

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 hypothetical purchasers willing to buy or lease. It should be noted, the sales utilized represent the best sales available. 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.

As previously discussed, we searched for Section 8 and LIHTC multifamily sales in the area and were not able to locate any. It should be noted that any potential sale of the Subject property would be constrained by the limitations and penalties of the LIHTC program, specifically the recapture/penalty provision upon transfer. Because of this, there are a limited number of properties that have sold nationwide, and only one locally, that have the restrictions associated with Section 42 provisions. We believe the improved sales we have chosen for our analysis represent the typical multifamily market in the Subject's area. Therefore, we have utilized five conventional market rate developments in our sales approach.

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

Improved Sales Map



SALES COMPARISON

Property	Year Built	Sale Date	Sale Price	# of Units	Price / Unit	EGIM	Overall Rate
1 Westside Crossing	1965	Sep-16	\$5,040,000	112	\$45,000	5.5	7.1%
2 Moore's Mill Village	1965	Jan-16	\$10,400,000	172	\$60,465	7.0	6.0%
3 Woodland View	1967	Jan-16	\$3,400,000	54	\$62,963	6.8	6.7%
4 The Residences at City Center	1993	Nov-15	\$14,000,000	182	\$76,923	7.2	7.4%
5 Northside Plaza	1992	Jul-15	\$9,700,000	127	\$76,378	7.9	6.2%
Average			\$8,508,000	129	\$64,346	6.9	6.7%

Comparable Sale 1

Name: Westside Crossing
 Location: 2265 Perry Boulevard NW
 Atlanta, GA 30318



Buyer: Greenleaf Capital
 Seller: AKO Real Estate Group LLC
 Sale Date: Sep-16
 Sale Price: \$5,040,000

Financing: Conventional
 Number of Units: 112
 Year Built: 1965
 Site: 4.8 Acres

Units of Comparison:

Effective Gross Income:	\$920,160
EGIM	5.5
Total Expenses:	\$560,000
Net Operating Income:	\$360,160
Net Operating Income per Unit:	\$3,216
Overall Rate with Reserves:	7.15%
Sale Price per Unit:	\$45,000

Comments:

Westside Crossing offers 112 one, two and three-bedroom units. The development was utilized as a rent comparable in our report. Sale price, date, and capitalization rate were verified by the buying broker, Trey Burgess with Lee & Associates. Novogradac estimated expenses to be \$5,000 per unit.

Verification: Costar, Broker, Public Record

Comparable Sale 2

Name: Moore's Mill Village
 Location: 3453 Coronet Way NW
 Atlanta, Georgia 30318



Buyer: MSC Moores Mill II LLC
 Seller: 2453 Coronet LLC
 Sale Date: Jan-16
 Sale Price: \$10,400,000

Financing: Conventional
 Number of Units: 172
 Year Built: 1965
 Site: 7.1 Acres

Units of Comparison:

Effective Gross Income:	\$1,469,500
EGIM	7.1
Total Expenses:	\$845,500
Net Operating Income:	\$624,000
Net Operating Income per Unit:	\$3,628
Overall Rate with Reserves:	6.00%
Sale Price per Unit:	\$60,465

Comments:

Moore's Mill Village offers 172 one, two and three-bedroom units. The development was reportedly 95 percent occupied at the time of sale. All information was confirmed by the buying broker, Chandler Brown of Greystone Brown Real Estate.

Verification: Costar, Broker, Public Record

Comparable Sale 3

Name: Woodland View
 Location: 1195 NE Woodland Avenue
 Atlanta, GA 30324



Buyer: 300 Woodland LLC
 Seller: 1195 Woodland Apartments LLC
 Sale Date: Jan-16
 Sale Price: \$3,400,000
 Financing: Conventional
 Number of Units: 54
 Year Built: 1967
 Site: **1.64** Acres

Units of Comparison:

Effective Gross Income:	\$521,690
EGIM	6.5
Total Expenses:	\$295,250
Net Operating Income:	\$226,440
Net Operating Income per Unit:	\$4,193
Overall Rate with Reserves:	6.66%
Sale Price per Unit:	\$62,963

Comments:

Woodland View offers 54 one and two-bedroom units. At the time of sale, it was 95 percent occupied. All information was confirmed with the listing broker, Tyler Averitt of Cushman and Wakefield.

Verification: Costar, Broker, Public Record

Comparable Sale 4

Name: The Residences at City Center
 Location: 55 Maple Street NW
 Atlanta, Georgia 30314



Buyer: Domain Courtyard Apartments LLC
 Seller: Vine City Redevelopment Partners Ltd. LP
 Sale Date: Nov-15
 Sale Price: \$14,000,000
 Financing: Conventional
 Number of Units: 182
 Year Built: 1993
 Site: 7.33 Acres

Units of Comparison:

Effective Gross Income:	\$1,946,000
EGIM	7.2
Total Expenses:	\$910,000
Net Operating Income:	\$1,036,000
Net Operating Income per Unit:	\$5,692
Overall Rate with Reserves:	7.40%
Sale Price per Unit:	\$76,923

Comments:

The Residences at City Center offers 182 one, two, and three-bedroom units. Sale price, date, and NOI were verified by CoStar. Novogradac estimated expenses at \$5,000 per unit.

Verification: Public Record, CoStar

Comparable Sale 5

Name: Northside Plaza
 Location: 440 Markham Street SW
 Atlanta, Georgia 30313



Buyer: SE Realty Partners V LLC
 Seller: TAJ Atlanta LLC
 Sale Date: Jul-15
 Sale Price: \$9,700,000

Financing: Conventional
 Number of Units: 127
 Year Built: 1992
 Site: 2.23 Acres

Units of Comparison:

Effective Gross Income:	\$1,233,420
EGIM	7.9
Total Expenses:	\$635,000
Net Operating Income:	\$598,420
Net Operating Income per Unit:	\$4,712
Overall Rate with Reserves:	6.17%
Sale Price per Unit:	\$76,378

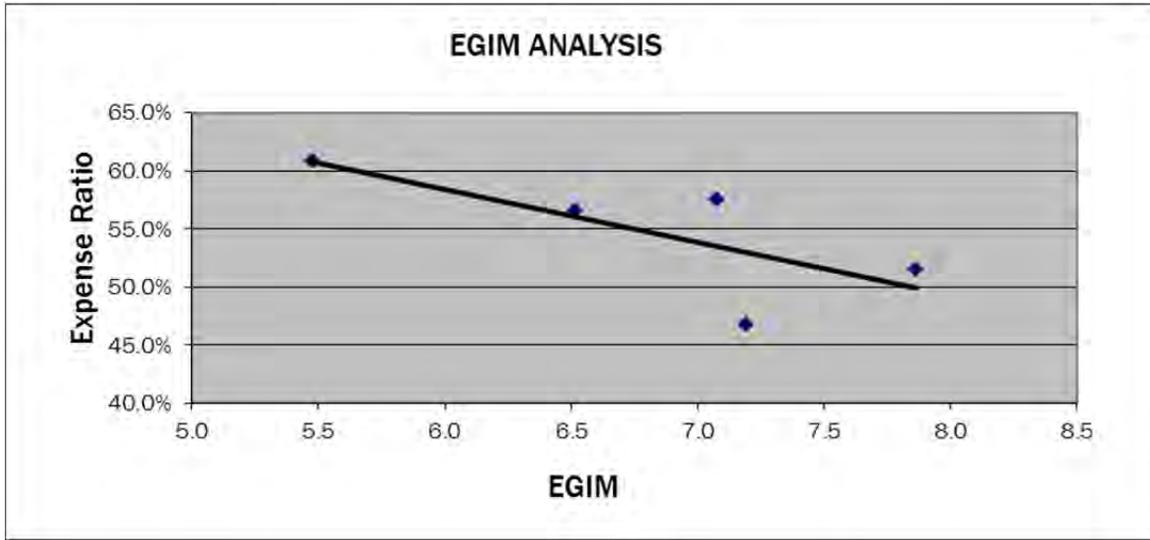
Comments:

This property consists of 127 one and two-bedroom, 111 of which are market rate while remaining operating a LIHTC units. The property features a fitness center, central laundry facilities, and a swimming pool. The details of this transaction were confirmed by CoStar. Novogradac estimated expenses at \$5,000 per unit.

Verification: CoStar, Public Record

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.



EGIM ANALYSIS

	Sale Price	EGI	Expenses	Expense Ratio	EGIM
As Is Restricted	\$10,700,000	\$1,780,300	\$1,082,038	60.8%	6.0
As Renovated Restricted	\$14,600,000	\$1,972,162	\$1,024,728	52.0%	7.4
As Renovated Unrestricted	\$14,400,000	\$1,951,402	\$1,015,386	52.0%	7.4
Comparable #1	\$5,040,000	\$920,160	\$560,000	60.9%	5.5
Comparable #2	\$10,400,000	\$1,469,500	\$845,500	57.5%	7.1
Comparable #3	\$3,400,000	\$521,690	\$295,250	56.6%	6.5
Comparable #4	\$14,000,000	\$1,946,000	\$910,000	46.8%	7.2
Comparable #5	\$9,700,000	\$1,233,420	\$635,000	51.5%	7.9

We have estimated an EGIM of 6.0 for the as is scenario, 7.4 for the as renovated restricted scenario, and 7.4 for the as renovated unrestricted scenario. The Subject’s indicated value using the EGIM method is presented in the following table.

EGIM ANALYSIS - "AS COMPLETE AND STABILIZED"

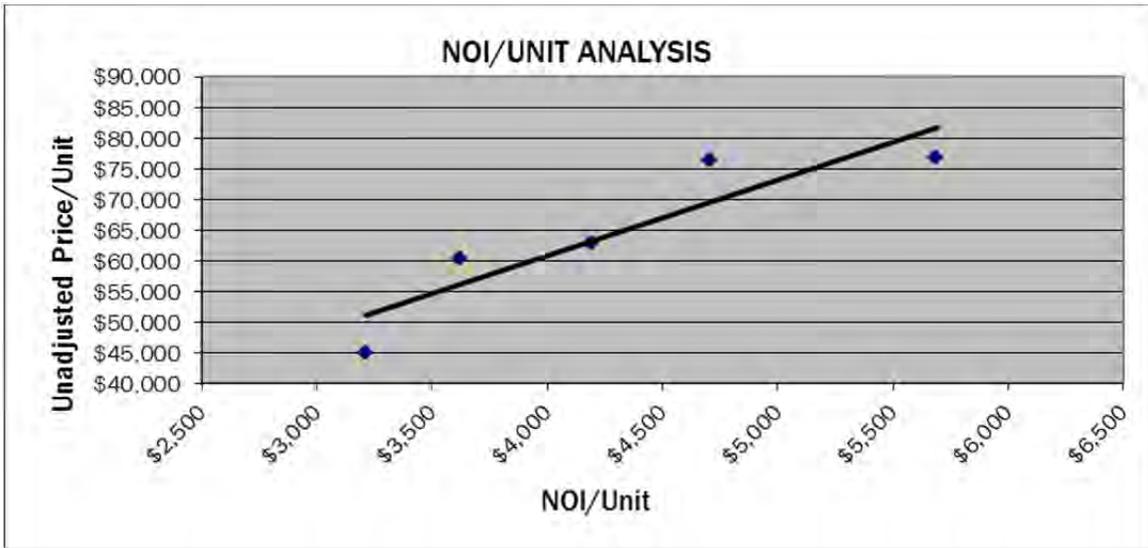
Scenario	EGIM	Effective Gross Income	Indicated Value (Rounded)
As Is*	6.0	\$1,780,300	\$10,700,000
As Renovated Restricted*	7.4	\$1,972,162	\$14,600,000
As Renovated Unrestricted	7.4	\$1,951,402	\$14,400,000

*Assumes Section 8 contract rents are increased to achievable market rents.

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	\$4,258	/	\$3,216	=	1.32	X	\$45,000	=	\$59,581
2	\$4,258	/	\$3,628	=	1.17	X	\$60,465	=	\$70,962
3	\$4,258	/	\$4,193	=	1.02	X	\$62,963	=	\$63,929
4	\$4,258	/	\$5,692	=	0.75	X	\$76,923	=	\$57,536
5	\$4,258	/	<u>\$4,712</u>	=	<u>0.90</u>	X	<u>\$76,378</u>	=	<u>\$69,014</u>
			\$4,288		1.03		\$64,346		\$64,205

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	\$5,777	/	\$3,216	=	1.80	X	\$45,000	=	\$80,843
2	\$5,777	/	\$3,628	=	1.59	X	\$60,465	=	\$96,284
3	\$5,777	/	\$4,193	=	1.38	X	\$62,963	=	\$86,742
4	\$5,777	/	\$5,692	=	1.01	X	\$76,923	=	\$78,068
5	\$5,777	/	<u>\$4,712</u>	=	<u>1.23</u>	X	<u>\$76,378</u>	=	<u>\$93,642</u>
			\$4,288		1.40		\$64,346		\$87,116

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	\$5,707	/	\$3,216	=	1.77	X	\$45,000	=	\$79,868
2	\$5,707	/	\$3,628	=	1.57	X	\$60,465	=	\$95,124
3	\$5,707	/	\$4,193	=	1.36	X	\$62,963	=	\$85,697
4	\$5,707	/	\$5,692	=	1.00	X	\$76,923	=	\$77,127
5	\$5,707	/	<u>\$4,712</u>	=	<u>1.21</u>	X	<u>\$76,378</u>	=	<u>\$92,514</u>
			\$4,288		1.38		\$64,346		\$86,066

Comparable Sale 1, 2, and 3 were constructed between 1965 and 1967 and will be slightly inferior to the proposed Subject in terms of age and condition. Sale 4 and 5 were constructed between 1992 and 1993 and will be most similar to the Subject in terms of age and condition. Sales 1 and 2 are the most similar to the Subject in terms of location. Based upon the comparable properties, we have concluded to a price per unit within the middle of the range. Value indications via the NOI per unit analysis are summarized below.

NOI/UNIT ANALYSIS - "AS COMPLETE AND STABILIZED"

Scenario	Number of Units	Price per unit	Indicated Value (Rounded)
As Is	164	\$66,000	\$10,800,000
As Renovated Restricted*	164	\$89,000	\$14,600,000
As Renovated Unrestricted	164	\$88,000	\$14,400,000

Conclusion

The Subject’s prospective market value of the real estate assuming the proposed rents “As Is”, via the Sales Comparison Approach, as of September 14, 2017, is:

**TEN MILLION EIGHT HUNDRED THOUSAND DOLLARS
(\$10,800,000)**

The Subject’s prospective market value of the real estate assuming the achievable restricted rents “As Complete and Stabilized”, via the Sales Comparison Approach, on April 2019, as of September 14, 2017, is:

**FOURTEEN MILLION SIX HUNDRED THOUSAND DOLLARS
(\$14,600,000)**

The Subject’s hypothetical market value of the real estate assuming the achievable unrestricted rents “As Complete and Stabilized”, via the Sales Comparison Approach, on April 2019, as of September 14, 2017, is:

**FOURTEEN MILLION FOUR HUNDRED THOUSAND DOLLARS
(\$14,400,000)**

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

XI. RECONCILIATION

RECONCILIATION

We were asked to provide an estimate of the Subject's "as is" value. We considered the traditional approaches in the estimation of the Subject's value. The resulting value estimates are presented following:

VALUE OF UNDERLYING LAND			
Scenario	Units	Price Per Unit	Indicated Value (Rounded)
Land Value	153	\$7,250	\$1,110,000
DIRECT CAPITALIZATION ANALYSIS - "AS IS"			
Scenario	Cap Rate	Net Operating Income	Indicated Value (Rounded)
As Is*	6.5%	\$698,262	\$10,700,000
DIRECT CAPITALIZATION ANALYSIS - "AS COMPLETE AND STABILIZED"			
Scenario	Cap Rate	Net Operating Income	Indicated Value (Rounded)
As Renovated Restricted*	6.5%	\$947,434	\$14,600,000
As Renovated Unrestricted	6.5%	\$936,017	\$14,400,000
EGIM ANALYSIS - "AS COMPLETE AND STABILIZED"			
Scenario	EGIM	Effective Gross Income	Indicated Value (Rounded)
As Is*	6.0	\$1,780,300	\$10,700,000
As Renovated Restricted*	7.4	\$1,972,162	\$14,600,000
As Renovated Unrestricted	7.4	\$1,951,402	\$14,400,000
NOI/UNIT ANALYSIS - "AS COMPLETE AND STABILIZED"			
Scenario	Number of Units	Price per unit	Indicated Value (Rounded)
As Is	164	\$66,000	\$10,800,000
As Renovated Restricted*	164	\$89,000	\$14,600,000
As Renovated Unrestricted	164	\$88,000	\$14,400,000
VALUE AT LOAN MATURITY - RESTRICTED			
	Year	Indicated Value (Rounded)	
Restricted	30 years	\$15,700,000	
VALUE AT LOAN MATURITY - UNRESTRICTED			
	Year	Indicated Value (Rounded)	
Unrestricted	30 years	\$15,500,000	
TAX CREDIT VALUATION			
	Credit Amount	Price Per Credit	Indicated Value (Rounded)
Federal LIHTC	\$10,227,132	0.98	\$10,020,000
State LIHTC	\$5,931,144	0.58	\$3,440,000

*Assumes Section 8 contract rents are increased to achievable market rents.

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 is 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 two 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 sales price/unit analysis. These analyses provide a good indication of the Subject's market value.

The cost approach is, on occasion, one of the main steps of the appraisal process. The value indicated by this approach is derived by first estimating the value of the land. Next, the replacement cost of the improvements, less depreciation from all causes is added to the land value. In essence, value by this approach consists of land value plus the depreciated value of the improvements. As discussed, this method was not relied upon due to a lack of accurate cost data, the difficulty in estimating accrued depreciation and the fact that most market participants do not place any reliance on this approach for properties of this age. However, we have provided an indication of land value as if vacant.

In the final analysis, the appraisers have considered the influence of the three approaches in relation to one another and in relation to the Subject. The Subject is an income producing property, and a prudent investor would be more interested in the value indication derived using the income approach.

As a result of our investigation and analysis, it is our opinion that, subject to the limiting conditions and assumptions contained herein, the estimated market value of the fee simple interest in the Subject "as if vacant and encumbered" (land value), free and clear of financing, as of September 14, 2017, is:

**ONE MILLION ONE HUNDRED TEN THOUSAND DOLLARS
(\$1,110,000)**

The Subject's fee simple market value assuming current contract rents "As Is", as of September 14, 2017 is:

**TEN MILLION SEVEN HUNDRED THOUSAND DOLLARS
(\$10,700,000)**

The Subject's prospective fee simple market value of the real estate assuming restricted rents "As Proposed", on April 2019, as of September 14, 2017 is:

**FOURTEEN MILLION SIX HUNDRED THOUSAND DOLLARS
(\$14,600,000)**

The Subject's hypothetical leased fee market value of the real estate assuming unrestricted rents "As Proposed", on April 2019, as of September 14, 2017 is:

**FOURTEEN MILLION FOUR HUNDRED THOUSAND DOLLARS
(\$14,400,000)**

The prospective market value at 30 years (loan maturity) of the Subject's fee simple interest, subject to the rental restrictions in the year 2047, as of September 14, 2017, is:

**FIFTEEN MILLION SEVEN HUNDRED THOUSAND DOLLARS
(\$15,700,000)**

The hypothetical prospective market value at 30 years (loan maturity) of the Subject's fee simple interest, as an unrestricted property in the year 2047, as of September 14, 2017, is:

**FIFTEEN MILLION FIVE HUNDRED THOUSAND DOLLARS
(\$15,500,000)**

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

The HUD contract rents are below market rents for the Subject as is and as renovated. As such, a rent increase based upon the Rent Comparability Study (RCS) would suggest increases are possible. It is a specific extraordinary assumption of this report that an increase in Contract Rents will occur and, as such, we are utilizing achievable market rents in the determination of potential gross income for the property's Section 8 units. This is considered reasonable based on HUD regulations and the expectation of a typical purchaser.

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-twelve months appears adequate.

ADDENDUM A

Assumptions and Limiting Conditions, Certification

ASSUMPTIONS AND LIMITING CONDITIONS

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

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

systems. The appraiser does not warrant the condition or adequacy of such systems.

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

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

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



Rebecca S. Arthur, MAI
Certified General Real Estate Appraiser



Brian Neukam
Certified General Real Estate Appraiser
GA License #329471
Expiration Date: 3/31/2018

ADDENDUM B

Qualifications of Consultants

**STATEMENT OF PROFESSIONAL QUALIFICATIONS
REBECCA S. ARTHUR, MAI**

I. Education

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

Appraisal Institute
Designated Member (MAI)

II. Licensing and Professional Affiliation

Member of Kansas Housing Association
Board of Directors 2017 - Present
Designated Member of the Appraisal Institute (MAI)
Kansas City Chapter of the Appraisal Institute Board of Directors – 2013 & 2014
Member of National Council of Housing Market Analysts (NCHMA)
Member of Commercial Real Estate Women (CREW) Network

State of Arkansas Certified General Real Estate Appraisal No. CG2682
State of Arizona Certified General Real Estate Appraisal No. 31992
State of California Certified General Real Estate Appraiser No. AG041010
State of Hawaii Certified General Real Estate Appraiser No. CGA-1047
State of Iowa Certified General Real Estate Appraiser No. CG03200
State of Indiana Certified General Real Estate Appraiser No. CG41300037
State of Kansas Certified General Real Estate Appraiser No. G-2153
State of Minnesota Certified General Real Estate Appraiser No. 40219655
State of Missouri Certified General Real Estate Appraiser No. 2004035401
State of Louisiana Certified General Real Estate Appraiser No. 4018
State of Texas Certified General Real Estate Appraiser No. TX-1338818-G

III. Professional Experience

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

IV. Professional Training

Various Continuing Education Classes as required by licensing, 2016 & 2017
USPAP Update, January 2016
Forecasting Revenue, June 2015
Discounted Cash Flow Model, June 2015
Business Practices and Ethics, April 2015
HUD MAP Training – June 2013
The Appraiser as an Expert Witness: Preparation & Testimony, April 2013
How to Analyze and Value Income Properties, May 2011
Appraising Apartments – The Basics, May 2011
HUD MAP Third Party Tune-Up Workshop, September 2010

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

V. Real Estate Assignments

A representative sample of Valuation or Consulting Engagements includes:

- In general, have managed and conducted numerous market analyses and appraisals for various types of commercial real estate since 2001, with an emphasis on multifamily housing and land.
- Have managed and conducted numerous market and feasibility studies for multifamily housing. Properties types include Section 42 Low Income Housing Tax Credit (LIHTC) Properties, Section 8, USDA and/or conventional. Local housing authorities, developers, syndicators, HUD and lenders have used these studies to assist in the financial underwriting and design of multifamily properties. Analysis typically includes; unit mix determination, demand projections, rental rate analysis, competitive property surveying, and overall market analysis. The Subjects include both new construction and rehabilitation properties in both rural and metro regions throughout the United States and its territories.
- Have managed and conducted numerous appraisals of multifamily housing. Appraisal assignments typically involved determining the as is, as if complete and the as if complete and stabilized values. Additionally, encumbered LIHTC and unencumbered values were typically derived. The three traditional approaches to value are developed with special methodologies included to value tax credit equity, below market financing and PILOT agreements.
- Performed market studies and appraisals of proposed new construction and existing properties under the HUD Multifamily Accelerated Processing (MAP) program. These reports meet the requirements outlined in HUD Handbook 4465.1 and Chapter 7 of the HUD MAP Guide for 221(d)(4) and 223(f) programs, as well as the LIHTC PILOT Program.
- Performed numerous market study/appraisals assignments for USDA RD properties in several states in conjunction with acquisition rehabilitation redevelopments. Documents are used by states, FannieMae, USDA, and the developer in the underwriting process. Market studies are compliant to State, FannieMae, and USDA requirements. Appraisals are compliant to FannieMae and USDA HB-1-3560 Chapter 7 and Attachments.
- Completed numerous FannieMae and FreddieMac appraisals of affordable and market rate multi-family properties for DUS Lenders.
- Managed and Completed numerous Section 8 Rent Comparability Studies in accordance with

HUD's Section 8 Renewal Policy and Chapter 9 for various property owners and local housing authorities.

- Managed and conducted various City and County-wide Housing Needs Assessments in order to determine the characteristics of existing housing, as well as determine the need for additional housing within designated areas.
- Performed numerous valuations of the General and/or Limited Partnership Interest in a real estate transaction, as well as LIHTC Year 15 valuation analysis.

VI. Speaking Engagements

A representative sample of industry speaking engagements follows:

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

STATEMENT OF PROFESSIONAL QUALIFICATIONS

MATTHEW A. HUMMEL

I. EDUCATION

Rockhurst University – Kansas City, Missouri

Master of Business Administration - Concentration in Management and International, 2008

University of Missouri-Columbia

Bachelor of Business Administration - Finance and Banking, 2006

II. LICENSING AND PROFESSIONAL AFFILIATION

Appraisal Institute Candidate for Designation

State of Kansas Certified General Real Estate Appraiser No. G-2959
State of Washington Certified General Real Estate Appraiser No. 1102285
State of California Certified General Real Estate Appraiser No. 3002505
State of Missouri Certified General Real Estate Appraiser No. 2014030618
State of Texas Certified General Real Estate Appraiser No. TX1380146-G
State of New Mexico Certified General Real Estate Appraiser No. 03446-L
State of Michigan Certified General Real Estate Appraiser No. 201075419
State of Minnesota Certified General Real Estate Appraiser No. 40460257
State of Illinois Certified General Real Estate Appraiser No. 553.002534

III. PROFESSIONAL EXPERIENCE

Manager - Novogradac & Company LLP
Real Estate Analyst - Novogradac & Company LLP
Researcher - Novogradac & Company LLP
December 2010 to Present

Investor Reporting Analyst - KeyBank Real Estate Capital
Insurance Specialist - KeyBank Real Estate Capital
May 2009 to December 2010

IV. PROFESSIONAL TRAINING

Educational requirements successfully completed for the Appraisal Institute

- Basic Appraisal Principles - March 2012
- Basic Appraisal Procedures - December 2012
- Statistics, Modeling, and Finance - April 2013
- General Appraiser Market Analysis Highest and Best Use - April 2013
- National Uniform Standards of Professional Appraisal Practice - May 2013
- General Appraiser Sales Comparison Approach - June 2013
- General Appraiser Site Valuation and Cost Approach - July 2013
- General Report Writing and Case Studies - August 2013
- General Appraiser Income Approach - September 2013
- Commercial Appraisal Review - September 2013
- Expert Witness for Commercial Appraisers - October 2013
- Supervisor - Trainee Course - December 2014
- The Nuts and Bolts of Green Building - March 2015
- Even Odder - More Oddball Appraisal - March 2015
- Mortgage Fraud - April 2015
- 2014-2015 National USPAP Course - April 2015
- 2016-2017 National USPAP Course - March 2017

V. REAL ESTATE ASSIGNMENTS

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

- Prepared and managed market studies and appraisals for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties, on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis, and operating expenses analysis. Property types include proposed multifamily, senior independent living, assisted living, large family, and acquisition with rehabilitation.
- Prepared and managed Rent Comparability Studies for expiring Section 8 contracts and USDA contracts for subsidized properties located throughout the United States. Engagements included site visits to the subject property, interviewing and inspecting potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.
- 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
- Researched and analyzed local and national economy and economic indicators for specific projects throughout the United States. Research included employment industries analysis, employment historical trends and future outlook, and demographic analysis.
- Examined local and national housing market statistical trends and potential outlook in order to determine sufficient demand for specific projects throughout the United States.
- Performed and managed market studies and appraisals of proposed new construction and existing properties under the HUD Multifamily Accelerated Processing (MAP) program. These reports meet the requirements outlined in HUD Handbook 4465.1 and Chapter 7/Appendix 7 of the HUD MAP Guide for 221(d)(4) and 223(f) programs.

VI. SPEAKING ENGAGEMENTS

- Novogradac LIHTC 101 Workshop
- Mississippi Housing Corporation Panel Speaker
- Indiana Housing Corporation Panel Speaker

**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

Subject Photos



Subject signage



View of the Subject's Leasing Office



View of the Subject



View of the Subject



View of the Subject



View of the Subject



View of the Subject



View of the Subject



Parking area



View of the Subject



Parking area



Laundry area



Leasing office



Leasing office



Living room



Kitchen



Balcony



Bathroom



Coat closet



Kitchen



Bathroom



Bathroom



Bedroom



Bedroom



Living room



Bedroom



Bathroom



Bedroom



Living area



Kitchen



View of community room



View of wooded area to the north



View of retail to the east



View of wooded area to the east



View of wooded area to the west



View of Rolling Bends Phase II to the south



View east along Center Street NW



View west along Center Street NW



Typical single-family home in the Subject's neighborhood



Typical single-family home in the Subject's neighborhood



Typical single-family home in the Subject's neighborhood



Typical single-family home in the Subject's neighborhood

ADDENDUM D

Rent Roll

Affordable Rent Roll with Lease Charges
 Property: Rolling Bends I (e3)
 As Of Date: 05/03/2017
 Balance Month: 05/2017

Unit	Unit Type	Unit Sq Ft	Unit/Lease Status	Resident	Name	Market Charge Rent Code	Amount	U.R. Amount	Resident Deposit	Lease From	Lease Expiration	Move In Date	Move Out Date	Balance
Rolling Bends I (e3)														
Current/Notice Residents														
A101	e3-a	516.00	Occupied No Notice	10017437	Mahan, Klauna	725.00 rent hap	0.00 802.00	77.00	444.00	11/17/2016	10/31/2017	11/17/2016		266.00
						Total	802.00							
A102	e3-a	522.00	Occupied No Notice	e3a102	Treadwell, Anita	725.00 rent hap	103.00 622.00	0.00	60.00	10/1/2010	9/30/2011	10/8/2003		682.00
						Total	725.00							
A103	e3-c	1,044.00	Occupied No Notice	10000062	Pierce, Kelli	1,021.00 rent hap	0.00 1,202.00	181.00	0.00	4/27/2016	3/30/2017	4/27/2016		-131.00
						Total	1,202.00							
A105	e3-c	1,044.00	Occupied No Notice	10001347	Bynum, Quonitra	1,021.00 rent hap	88.00 933.00	0.00	171.00	6/1/2015	5/30/2016	6/1/2015		1,108.00
						Total	1,021.00							
A108	e3-a	522.00	Occupied No Notice	10017476	Hobbs, Eloise	725.00 rent hap	109.00 616.00	0.00	216.00	11/1/2016	10/31/2017	11/1/2016		779.00
						Total	725.00							
A109	e3-c	1,044.00	Occupied No Notice	10015901	Cooper, Vanita	1,021.00 rent hap	175.00 846.00	0.00	412.00	10/7/2015	9/30/2016	10/7/2015		1,126.00
						Total	1,021.00							
A111	e3-a	522.00	Occupied No Notice	10002980	Favors, Gwendolyn	725.00 rent hap	103.00 622.00	0.00	177.00	9/1/2009	8/31/2010	9/21/2007		785.00
						Total	725.00							
A112	e3-a	522.00	Occupied No Notice	10010221	Henderson, Cheryl	725.00 rent hap	0.00 802.00	77.00	66.00	3/1/2012	3/31/2013	3/1/2012		862.00
						Total	802.00							
A113	e3-a	522.00	Occupied No Notice	10017932	Atwater, Stanley	725.00 rent hap	238.00 487.00	0.00	345.00	4/28/2017	3/31/2018	4/28/2017		560.00
						Total	725.00							
A115	e3-a	522.00	Occupied No Notice	10000658	Nash, Tammy	725.00 rent hap	0.00 807.00	82.00	103.00	1/4/2016	12/31/2016	1/4/2016		2,199.00
						Total	807.00							
A116	e3-a	522.00	Occupied No Notice	10016460	Smith, Levada	725.00 rent hap	124.00 601.00	0.00	227.00	3/11/2016	2/28/2017	3/11/2016		821.00
						Total	725.00							
A117	e3-c	1,044.00	Occupied No Notice	e3a117	Woodruff, Tiffany	1,021.00 rent hap	0.00 1,207.00	186.00	188.00	10/1/2009	9/30/2010	10/8/2003		1,295.00
						Total	1,207.00							
A119	e3-a	522.00	Occupied No Notice	10016559	Brooks, Aneesah	725.00 rent hap	0.00 802.00	77.00	50.00	6/2/2016	5/30/2017	6/2/2016		862.00
						Total	802.00							
A120	e3-a	522.00	Occupied No Notice	10000076	Jones, Keith	725.00 rent	139.00	0.00	199.00	4/1/2009	3/31/2010	4/22/2005		1,067.00

Affordable Rent Roll with Lease Charges
 Property: Rolling Bends I (e3)
 As Of Date: 05/03/2017
 Balance Month: 05/2017

Unit	Unit Type	Unit Sq Ft	Unit/ Lease Status	Resident	Name	Market Charge Rent Code	Amount	U.R. Amount	Resident Deposit	Lease From	Lease Expiration	Move In Date	Move Out Date	Balance
						hap	586.00							
						Total	725.00							
A201	e3-b	740.00	Occupied No Notice	10016454	Rainwater, Nicole	832.00 rent	0.00	95.00	204.00	3/4/2016	2/28/2017	3/4/2016		995.00
						hap	927.00							
						Total	927.00							
A202	e3-b	740.00	Occupied No Notice	10009195	Conner, Shyneetra	832.00 rent	88.00	0.00	176.00	7/1/2012	6/30/2013	7/14/2011		1,277.00
						hap	744.00							
						Total	832.00							
A203	e3-b	740.00	Occupied No Notice	e3a203	McClure, Runtonia	832.00 rent	0.00	90.00	109.00	11/1/2009	10/31/2010	11/18/2003		1,000.00
						hap	922.00							
						Total	922.00							
A204	e3-b	740.00	Notice Unrented	10016459	Ballard, Tanesha	952.00	0.00	0.00	242.00	3/17/2016	2/28/2017	3/17/2016	5/29/2017	1,192.00
						Total	0.00							
A205	e3-b	740.00	Occupied No Notice	10016685	Swain, Sharonda	832.00 rent	0.00	95.00	387.00	4/21/2016	3/31/2017	4/21/2016		1,209.53
						hap	927.00							
						Total	927.00							
A206	e3-b	740.00	Occupied No Notice	10016376	Bowen, Markini	832.00 rent	0.00	95.00	59.00	2/15/2016	1/31/2017	3/17/2016		995.00
						hap	927.00							
						Total	927.00							
A207	e3-b	740.00	Occupied No Notice	10012226	Wooten, Shulonda	832.00 rent	0.00	68.00	55.00	8/21/2013	8/31/2014	8/21/2013		1,022.00
						hap	900.00							
						Total	900.00							
A208	e3-b	740.00	Occupied No Notice	10001722	Gooden, Shekia	832.00 rent	359.00	0.00	314.00	2/1/2008	1/31/2009	2/1/2007		939.00
						hap	473.00							
						Total	832.00							
A209	e3-b	740.00	Occupied No Notice	10008624	Patterson, Chanterri	832.00 rent	0.00	87.00	356.00	2/1/2016	1/31/2017	2/8/2011		987.00
						hap	919.00							
						Total	919.00							
A210	e3-b	740.00	Occupied No Notice	10015164	Welch, Corteisha	832.00 rent	0.00	95.00	248.00	6/11/2015	5/31/2016	6/11/2015		786.00
						hap	927.00							
						Total	927.00							
A211	e3-b	740.00	Occupied No Notice	e3a211	Duffey, Annie	832.00 rent	61.00	0.00	50.00	10/1/2009	9/30/2010	10/1/2003		896.00
						hap	771.00							
						Total	832.00							
A212	e3-b	74.00	Occupied No Notice	e3a212	Boone, Latasha	832.00 rent	88.00	0.00	59.00	6/1/2009	5/31/2010	6/18/2004		895.00
						hap	744.00							
						Total	832.00							
A213	e3-b	740.00	Occupied No Notice	10004034	Garrett, Tequila	832.00 rent	0.00	95.00	232.00	6/1/2009	5/31/2010	6/6/2008		995.00
						hap	927.00							
						Total	927.00							
A214	e3-b	740.00	Occupied No Notice	e3a214	Collins, Jennifer	832.00 rent	100.00	0.00	200.00	10/1/2009	9/30/2010	10/1/2003		894.00

Affordable Rent Roll with Lease Charges
 Property: Rolling Bends I (e3)
 As Of Date: 05/03/2017
 Balance Month: 05/2017

Unit	Unit	Unit/	Market Charge			U.R.	Resident	Lease	Lease	Move In	Move Out			
Unit	Type	Sq Ft	Lease Status	Resident	Name	Rent Code	Amount	Amount	Deposit	From	Expiration	Date	Date	Balance
						hap	732.00							
						Total	832.00							
A215	e3-b	740.00	Occupied No Notice	10009906	Wiggins, Shavion	832.00 rent	110.00	0.00	119.00	1/1/2014	12/31/2014	1/5/2012		960.00
						hap	722.00							
						Total	832.00							
A216	e3-b	740.00	Occupied No Notice	10016573	Lindsey, Jaquail	832.00 rent	0.00	90.00	268.00	4/21/2016	3/31/2017	4/21/2016		990.00
						hap	922.00							
						Total	922.00							
A217	e3-b	740.00	Occupied No Notice	10013933	Harris, Tomekia	832.00 rent	388.00	0.00	143.00	6/13/2014	6/30/2015	6/13/2014		455.00
						hap	444.00							
						Total	832.00							
A218	e3-b	740.00	Occupied No Notice	10017869	Bell, Alexis	832.00 rent	0.00	95.00	50.00	2/27/2017	1/31/2018	2/27/2017		1,044.00
						hap	927.00							
						Total	927.00							
A219	e3-b	740.00	Occupied No Notice	10010243	Handspike, Tanikka	832.00 rent	0.00	95.00	311.00	3/1/2015	2/28/2016	3/23/2012		995.00
						hap	927.00							
						Total	927.00							
A220	e3-b	740.00	Occupied No Notice	10017501	Cofield, Melanie	832.00 rent	0.00	95.00	50.00	12/21/2016	11/30/2017	12/21/2016		995.00
						hap	927.00							
						Total	927.00							
A301	e3-b	740.00	Occupied No Notice	10014062	Haynes, Saneada	832.00 rent	264.00	0.00	95.00	7/31/2014	6/30/2015	7/31/2014		1,007.00
						hap	568.00							
						Total	832.00							
A302	e3-b	740.00	Occupied No Notice	10012618	Williams, Marquisa	832.00 rent	0.00	95.00	193.00	11/1/2014	10/30/2015	11/27/2013		926.00
						hap	927.00							
						Total	927.00							
A303	e3-b	740.00	Occupied No Notice	10017550	Duffey, Charlene	832.00 rent	0.00	95.00	0.00	11/18/2016	10/30/2017	11/18/2016		2,592.45
						hap	927.00							
						Total	927.00							
A304	e3-b	740.00	Occupied No Notice	e3a304	Williams, Carolyn	832.00 rent	51.00	0.00	382.00	10/1/2009	9/30/2010	10/1/2003		849.00
						hap	781.00							
						Total	832.00							
A305	e3-b	740.00	Occupied No Notice	10004390	Harris, Donese	832.00 rent	0.00	84.00	59.00	8/1/2009	7/31/2010	8/27/2008		983.00
						hap	916.00							
						Total	916.00							
A306	e3-b	740.00	Occupied No Notice	10004569	Hogan, Arlethea	832.00 rent	134.00	0.00	106.00	10/1/2010	9/30/2011	10/1/2009		927.00
						hap	698.00							
						Total	832.00							
A307	e3-b	740.00	Occupied No Notice	e3a307	Thomas, Adrienne	832.00 rent	0.00	95.00	50.00	10/1/2009	9/30/2010	10/1/2003		995.00
						hap	927.00							
						Total	927.00							

Affordable Rent Roll with Lease Charges
 Property: Rolling Bends I (e3)
 As Of Date: 05/03/2017
 Balance Month: 05/2017

Unit	Unit Type	Unit Sq Ft	Unit/Lease Status	Resident	Name	Market Charge		U.R. Amount	Resident Deposit	Lease From	Lease Expiration	Move In Date	Move Out Date	Balance
						Rent Code	Amount							
A308	e3-b	740.00	Occupied No Notice	10016943	Gilbert, Tiffany	832.00 rent	86.00	0.00	206.00	7/19/2016	7/1/2017	7/19/2016		923.00
						hap	746.00							
						Total	832.00							
A309	e3-b	740.00	Occupied No Notice	10015430	Watts, Tameka	832.00 rent	284.00	0.00	93.00	6/26/2015	5/31/2016	6/26/2015		1,017.00
						hap	548.00							
						Total	832.00							
A310	e3-b	740.00	Occupied No Notice	10002939	Paris, Erika	832.00 rent	152.00	0.00	224.00	9/1/2009	8/31/2010	9/7/2007		875.00
						hap	680.00							
						Total	832.00							
A311	e3-b	740.00	Occupied No Notice	10016264	Atkins, Destiny	832.00 rent	0.00	90.00	50.00	2/16/2016	1/31/2017	2/16/2016		990.00
						hap	922.00							
						Total	922.00							
A312	e3-b	740.00	Occupied No Notice	10014066	Shockley, Jasmine	832.00 rent	0.00	72.00	271.00	7/31/2014	6/30/2015	7/31/2014		987.00
						hap	904.00							
						Total	904.00							
A313	e3-b	740.00	Occupied No Notice	10014135	Mason, Verica	832.00 rent	0.00	95.00	113.00	8/6/2014	8/31/2015	8/6/2014		976.00
						hap	927.00							
						Total	927.00							
A314	e3-b	740.00	Occupied No Notice	e3b105	Hudson, Sherricka	832.00 rent	0.00	95.00	63.00	2/3/2017	1/28/2018	2/3/2017		1,210.00
						hap	927.00							
						Total	927.00							
A315	e3-b	740.00	Occupied No Notice	10017811	Askew, Ashley	832.00 rent	0.00	95.00	50.00	2/10/2017	1/28/2018	2/10/2017		985.13
						hap	927.00							
						Total	927.00							
A316	e3-b	740.00	Occupied No Notice	10017984	Bailey, Antionelle	816.00 rent	0.00	14.00	106.00	4/3/2017	3/31/2018	4/3/2017		1,605.00
						hap	830.00							
						Total	830.00							
A317	e3-b	740.00	Occupied No Notice	10001557	Dennard, Nicole	816.00 rent	36.00	0.00	210.00	1/1/2010	12/31/2010	1/5/2007		1,208.00
						hap	780.00							
						Total	816.00							
A318	e3-b	740.00	Occupied No Notice	10008102	Watts, Talesha	832.00 rent	0.00	48.00	190.00	11/1/2011	10/31/2012	11/5/2010		948.00
						hap	880.00							
						Total	880.00							
A319	e3-b	740.00	Occupied No Notice	10007319	Meredith, Sonja	832.00 rent	0.00	95.00	77.00	6/7/2011	5/31/2012	6/7/2010		973.00
						hap	927.00							
						Total	927.00							
A320	e3-b	740.00	Occupied No Notice	10016703	Carter, Tonisha	832.00 rent	0.00	73.00	50.00	6/2/2016	5/31/2017	6/2/2016		973.00
						hap	905.00							
						Total	905.00							
A401	e3-b	740.00	Occupied No Notice	e3a401	Faust, Rufus	832.00 rent	107.00	0.00	200.00	11/1/2009	10/31/2010	11/6/2003		932.00
						hap	725.00							
						Total	832.00							

Affordable Rent Roll with Lease Charges
 Property: Rolling Bends I (e3)
 As Of Date: 05/03/2017
 Balance Month: 05/2017

Unit	Unit Type	Unit Sq Ft	Unit/ Lease Status	Resident	Name	Market Charge Rent Code	Amount	U.R. Amount	Resident Deposit	Lease From	Lease Expiration	Move In Date	Move Out Date	Balance
A402	e3-b	740.00	Occupied No Notice	e3a402	Jenkins, Nashanta	832.00 rent	63.00	0.00	59.00	10/1/2009	9/30/2010	9/30/2004		1,195.49
						hap	769.00							
						Total	832.00							
A403	e3-b	740.00	Occupied No Notice	10008949	Jackson, Tomesha	832.00 rent	207.00	0.00	252.00	4/1/2012	3/31/2013	4/22/2011		856.00
						hap	625.00							
						Total	832.00							
A404	e3-b	740.00	Occupied No Notice	10001785	Vereen, Crystal	832.00 rent	0.00	95.00	170.00	2/1/2009	1/31/2010	2/19/2007		995.00
						hap	927.00							
						Total	927.00							
A405	e3-b	740.00	Occupied No Notice	10017937	Johnson, Ashley	816.00 rent	0.00	73.00	0.00	4/11/2017	3/31/2018	4/11/2017		1,532.00
						hap	889.00							
						Total	889.00							
A406	e3-b	740.00	Occupied No Notice	10013857	Little, Jalisa	832.00 rent	274.00	0.00	170.00	5/1/2015	4/30/2016	5/30/2014		898.00
						hap	558.00							
						Total	832.00							
A407	e3-b	740.00	Occupied No Notice	10004576	Reid, Debra	832.00 rent	30.00	0.00	75.00	6/1/2010	5/31/2011	6/5/2009		1,007.00
						hap	802.00							
						Total	832.00							
A408	e3-b	740.00	Occupied No Notice	e3a408	Moon, Tomica	832.00 rent	0.00	40.00	317.00	10/1/2009	9/30/2010	10/1/2003		934.00
						hap	872.00							
						Total	872.00							
A409	e3-b	740.00	Occupied No Notice	10014862	Stanley, LaChelsa	832.00 rent	14.00	0.00	232.00	6/11/2015	5/31/2016	6/11/2015		488.00
						hap	818.00							
						Total	832.00							
A410	e3-b	740.00	Occupied No Notice	e3a410	Burton, Anita	832.00 rent	328.00	0.00	327.00	10/1/2009	9/30/2010	10/1/2003		836.00
						hap	504.00							
						Total	832.00							
A411	e3-b	740.00	Occupied No Notice	10013852	Dawson, Phyllis	832.00 rent	351.00	0.00	409.00	5/1/2015	4/30/2016	5/30/2014		961.00
						hap	481.00							
						Total	832.00							
A412	e3-b	740.00	Occupied No Notice	10014503	Robinson, Nicole	832.00 rent	64.00	0.00	214.00	12/1/2014	11/30/2015	12/1/2014		1,639.00
						hap	768.00							
						Total	832.00							
A413	e3-b	740.00	Occupied No Notice	10009970	Compton, Ashley	832.00 rent	0.00	92.00	50.00	1/27/2012	1/31/2013	1/27/2012		1,463.00
						hap	924.00							
						Total	924.00							
A414	e3-b	740.00	Occupied No Notice	10016684	Lucas, Akerra	832.00 rent	0.00	95.00	129.00	4/21/2016	3/31/2017	4/21/2016		1,518.48
						hap	927.00							
						Total	927.00							
A415	e3-b	740.00	Occupied No Notice	e3a101	Brantley, Aretha	832.00 rent	430.00	0.00	426.00	2/1/2012	1/31/2013	10/8/2003		899.00
						hap	402.00							

Affordable Rent Roll with Lease Charges
 Property: Rolling Bends I (e3)
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Unit	Unit Type	Unit Sq Ft	Unit/Lease Status	Resident	Name	Market Charge	Amount	U.R. Amount	Resident Deposit	Lease From	Lease Expiration	Move In Date	Move Out Date	Balance
A416	e3-b	740.00	Occupied No Notice	10009782	Brooks, Franca	832.00 rent hap	48.00 784.00	0.00	149.00	11/22/2011	11/30/2012	11/22/2011		896.00
						Total	832.00							
A417	e3-b	740.00	Notice Unrented	10016766	Tatum, Keishayla	832.00 rent hap	152.00 680.00	0.00	272.00	6/10/2016	5/31/2017	6/10/2016	4/28/2017	1,064.00
						Total	832.00							
A418	e3-b	740.00	Occupied No Notice	10017500	Clark, Geraldine	832.00 rent hap	85.00 747.00	0.00	205.00	12/9/2016	11/30/2017	12/9/2016		928.56
						Total	832.00							
A419	e3-b	740.00	Occupied No Notice	10015813	Jerrells, Tanesha	832.00 rent hap	0.00 927.00	95.00	144.00	9/18/2015	8/31/2016	9/18/2015		997.00
						Total	927.00							
A420	e3-b	740.00	Occupied No Notice	10016587	Newman, Carl	832.00 rent hap	96.00 736.00	0.00	59.00	5/19/2016	4/30/2017	5/19/2016		900.00
						Total	832.00							
B101	e3-c	1,044.00	Occupied No Notice	10004844	Williams, Shenika	1,021.00 rent hap	0.00 1,223.00	202.00	72.00	1/29/2015	12/31/2015	1/29/2015		1,311.00
						Total	1,223.00							
B103	e3-c	1,044.00	Occupied No Notice	10009050	Thomas, Takeyla	1,021.00 rent hap	0.00 1,223.00	202.00	66.00	5/26/2011	5/31/2012	6/1/2011		1,311.00
						Total	1,223.00							
B105	e3-c	1,044.00	Vacant Unrented Not Ready	VACANT	VACANT	1,021.00	0.00	0.00	0.00					0.00
						Total	0.00							
B107	e3-c	1,044.00	Occupied No Notice	10000583	Britt, Cynethia	1,021.00 rent hap	105.00 916.00	0.00	216.00	11/1/2013	10/30/2014	3/20/2006		1,094.00
						Total	1,021.00							
B115	e3-c	1,044.00	Occupied No Notice	10003464	Jones, Lisa	1,021.00 rent hap	31.00 990.00	0.00	50.00	1/1/2009	12/31/2009	1/17/2008		1,164.00
						Total	1,021.00							
B117	e3-c	1,044.00	Occupied No Notice	10012644	White, Nichole	1,021.00 rent hap	0.00 1,223.00	202.00	301.00	4/13/2017	3/30/2018	4/13/2017		1,194.00
						Total	1,223.00							
B119	e3-c	1,044.00	Occupied No Notice	e3b222	Daniely, Grace	1,021.00 rent hap	0.00 1,140.00	119.00	206.00	9/1/2013	8/31/2014	6/25/2014		1,686.00
						Total	1,140.00							
B121	e3-c	1,044.00	Occupied No Notice	10000581	Waller, Patrice	1,021.00 rent hap	99.00 922.00	0.00	62.00	3/1/2009	2/28/2010	3/17/2006		1,168.00
						Total	1,021.00							
B123	e3-c	1,044.00	Occupied No Notice	e3a209	Newell, Erica	1,021.00 rent hap	0.00 1,107.00	86.00	50.00	10/1/2009	9/30/2010	10/1/2003		1,493.00
						Total	1,107.00							

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 As Of Date: 05/03/2017
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Unit	Unit Type	Unit Sq Ft	Unit/Lease Status	Resident	Name	Market Charge	Amount	U.R. Amount	Resident Deposit	Lease From	Lease Expiration	Move In Date	Move Out Date	Balance
						Total	1,107.00							
B125	e3-c	1,044.00	Occupied No Notice	10003313	Russell, Regina	1,021.00 rent hap	0.00 1,220.00	199.00	279.00	1/4/2016	12/31/2016	1/4/2016		1,314.00
						Total	1,220.00							
B201	e3-b	740.00	Occupied No Notice	10013892	Young, Warnika	832.00 rent hap	0.00 927.00	95.00	184.00	5/30/2014	5/30/2015	5/30/2014		972.00
						Total	927.00							
B202	e3-b	740.00	Occupied No Notice	10001238	Godwin, Cinda	832.00 rent hap	0.00 927.00	95.00	188.00	11/18/2016	10/30/2017	11/18/2016		1,878.06
						Total	927.00							
B203	e3-b	740.00	Occupied No Notice	10002251	Powell, Zenia	832.00 rent hap	304.00 528.00	0.00	238.00	4/1/2010	3/31/2011	4/13/2007		1,141.00
						Total	832.00							
B204	e3-b	740.00	Occupied No Notice	10001625	Wallace, Alysia	832.00 rent hap	0.00 927.00	95.00	86.00	1/1/2010	12/31/2010	1/17/2007		1,509.00
						Total	927.00							
B205	e3-b	740.00	Occupied No Notice	e3b205	Knight, Meanda	832.00 rent hap	361.00 471.00	0.00	59.00	7/1/2009	6/30/2010	7/16/2004		4,019.00
						Total	832.00							
B206	e3-b	740.00	Occupied No Notice	10014779	Leigh, Lacreitia	832.00 rent hap	88.00 744.00	0.00	118.00	2/23/2015	1/31/2016	2/23/2015		972.00
						Total	832.00							
B207	e3-b	740.00	Notice Unrented	10015693	Romelus, Oninda	832.00 rent hap	0.00 927.00	95.00	92.00	11/12/2016	10/31/2017	11/12/2015	4/30/2017	1,816.00
						Total	927.00							
B208	e3-b	740.00	Occupied No Notice	10009872	Leigh, Shiya	832.00 rent hap	77.00 755.00	0.00	115.00	12/22/2011	12/31/2012	12/22/2011		1,034.00
						Total	832.00							
B209	e3-b	740.00	Occupied No Notice	10017082	Martin, Likesha	832.00 rent hap	267.00 565.00	0.00	387.00	8/2/2016	7/31/2017	8/2/2016		632.00
						Total	832.00							
B210	e3-b	740.00	Occupied No Notice	10003797	Smith, Makeeta	832.00 rent hap	0.00 927.00	95.00	92.00	4/16/2008	3/31/2009	4/16/2008		566.00
						Total	927.00							
B211	e3-b	740.00	Occupied No Notice	10006022	Henderson, Jasmine	832.00 rent hap	0.00 927.00	95.00	87.00	8/1/2010	7/31/2011	8/19/2009		1,061.00
						Total	927.00							
B212	e3-b	740.00	Notice Rented	10016027	Adams, Ashley	832.00 rent hap	0.00 927.00	95.00	139.00	11/2/2015	10/31/2017	11/2/2015	5/7/2017	-585.00
						Total	927.00							
B213	e3-b	740.00	Occupied No Notice	10013929	Flagg, Marlesha	832.00 rent	0.00	95.00	59.00	6/16/2015	6/30/2016	6/16/2014		999.00

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Unit	Unit Type	Unit Sq Ft	Unit/ Lease Status	Resident	Name	Market Charge Rent Code	Amount	U.R. Amount	Resident Deposit	Lease From	Lease Expiration	Move In Date	Move Out Date	Balance
						hap	927.00							
						Total	927.00							
B214	e3-b	740.00	Occupied No Notice	10006079	Harris, Michelle	832.00 rent	0.00	95.00	183.00	9/1/2010	8/31/2011	9/1/2009		538.00
						hap	927.00							
						Total	927.00							
B215	e3-b	740.00	Notice Unrented	10009742	Johnson, Jereca	832.00 rent	0.00	95.00	54.00	11/1/2016	10/31/2017	11/11/2011	4/30/2017	1,530.00
						hap	927.00							
						Total	927.00							
B216	e3-b	740.00	Occupied No Notice	10002936	Jones, Shatora	832.00 rent	0.00	95.00	119.00	9/1/2009	8/31/2010	9/6/2007		1,025.00
						hap	927.00							
						Total	927.00							
B217	e3-b	740.00	Occupied No Notice	10004447	Hogan, Chynna	832.00 rent	0.00	95.00	59.00	9/1/2009	8/31/2010	9/4/2008		995.00
						hap	927.00							
						Total	927.00							
B218	e3-b	740.00	Notice Unrented	10010261	Shaw, Laresha	832.00 rent	0.00	95.00	143.00	3/1/2017	2/28/2018	3/28/2012	5/7/2017	1,049.00
						hap	927.00							
						Total	927.00							
B219	e3-b	740.00	Occupied No Notice	10004092	McCluster, Lagretta	832.00 rent	0.00	95.00	86.00	6/1/2009	5/31/2010	6/20/2008		995.00
						hap	927.00							
						Total	927.00							
B220	e3-b	740.00	Occupied No Notice	10016574	Mayes, Ebony	832.00 rent	0.00	95.00	148.00	4/1/2016	3/31/2017	4/1/2016		1,039.00
						hap	927.00							
						Total	927.00							
B221	e3-b	740.00	Notice Unrented	10002961	Allen, Shaneka	832.00 rent	177.00	0.00	95.00	9/1/2016	8/31/2017	9/18/2007	4/21/2017	1,777.00
						hap	655.00							
						Total	832.00							
B222	e3-b	740.00	Occupied No Notice	10014773	Mahan, Jasmine	832.00 rent	0.00	95.00	164.00	3/13/2015	2/29/2016	3/13/2015		1,199.00
						hap	927.00							
						Total	927.00							
B223	e3-b	740.00	Occupied No Notice	10003421	Haynes, CG	832.00 rent	0.00	95.00	167.00	1/1/2010	12/31/2010	1/7/2008		995.00
						hap	927.00							
						Total	927.00							
B224	e3-b	740.00	Occupied No Notice	10016654	Chapman, Rasheda	832.00 rent	278.00	0.00	50.00	5/13/2016	4/30/2017	5/13/2016		2,492.80
						hap	554.00							
						Total	832.00							
B225	e3-b	740.00	Occupied No Notice	10017838	Glass, LaShavian	832.00 rent	0.00	37.00	83.00	2/28/2017	1/31/2018	2/28/2017		997.20
						hap	869.00							
						Total	869.00							
B226	e3-b	740.00	Occupied No Notice	10018091	Rainwater, Danielle	832.00 rent	89.00	0.00	209.00	4/17/2017	3/31/2018	4/17/2017		1,179.00
						hap	743.00							
						Total	832.00							

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Unit	Unit Type	Unit Sq Ft	Unit/Lease Status	Resident	Name	Market Charge		U.R. Amount	Resident Deposit	Lease From	Lease Expiration	Move In Date	Move Out Date	Balance
						Rent Code	Amount							
B301	e3-b	740.00	Occupied No Notice	10011516	Bailey, Shukela	832.00 rent	0.00	95.00	59.00	3/1/2014	2/28/2015	3/11/2013		935.00
						hap	927.00							
						Total	927.00							
B302	e3-b	740.00	Occupied No Notice	10014744	Whatley, Keshonnia	832.00 rent	72.00	0.00	48.00	2/6/2015	1/31/2016	2/6/2015		974.00
						hap	760.00							
						Total	832.00							
B303	e3-b	740.00	Occupied No Notice	10018078	White, Crishan	832.00 rent	0.00	95.00	50.00	4/7/2017	3/31/2018	4/7/2017		1,669.00
						hap	927.00							
						Total	927.00							
B304	e3-b	740.00	Occupied No Notice	10011515	Reaves, Demetriuna	832.00 rent	0.00	95.00	50.00	3/1/2015	2/28/2016	3/8/2013		884.00
						hap	927.00							
						Total	927.00							
B305	e3-b	740.00	Occupied No Notice	10018090	James, Tatiana	832.00 rent	0.00	95.00	0.00	5/1/2017	4/30/2018	5/1/2017		977.00
						hap	927.00							
						Total	927.00							
B306	e3-b	740.00	Vacant Rented Not Ready	VACANT	VACANT	832.00	0.00	0.00	0.00					0.00
						Total	0.00							
B307	e3-b	740.00	Occupied No Notice	10015690	Mitchell, Ruby	832.00 rent	0.00	95.00	396.00	11/5/2015	10/31/2016	11/5/2015		1,380.00
						hap	927.00							
						Total	927.00							
B308	e3-b	740.00	Occupied No Notice	10010811	Franklin, Kendra	832.00 rent	0.00	95.00	59.00	8/1/2016	7/31/2016	8/15/2012		1,055.00
						hap	927.00							
						Total	927.00							
B309	e3-b	740.00	Occupied No Notice	10017246	Copeland, Chartereus	832.00 rent	100.00	0.00	220.00	9/27/2016	8/31/2017	9/27/2016		955.00
						hap	732.00							
						Total	832.00							
B310	e3-b	740.00	Occupied No Notice	10004431	Davis, Monique	832.00 rent	0.00	84.00	376.00	4/1/2011	3/31/2012	4/9/2010		1,023.00
						hap	916.00							
						Total	916.00							
B311	e3-b	740.00	Occupied No Notice	10016429	Lyons, Brenda	832.00 rent	0.00	79.00	123.00	2/22/2016	1/31/2017	2/22/2016		1,264.00
						hap	911.00							
						Total	911.00							
B312	e3-b	740.00	Occupied No Notice	10017833	Parks, Brittany	832.00 rent	0.00	9.00	0.00	2/24/2017	1/31/2018	2/24/2017		1,214.00
						hap	841.00							
						Total	841.00							
B313	e3-b	740.00	Occupied No Notice	10004910	Webb, Kimmia	832.00 rent	0.00	95.00	115.00	11/1/2009	10/31/2010	11/12/2008		995.00
						hap	927.00							
						Total	927.00							
B314	e3-b	740.00	Occupied No Notice	10011567	Hill, Kecia	832.00 rent	0.00	95.00	60.00	3/22/2013	3/31/2014	3/22/2013		1,010.00
						hap	927.00							
						Total	927.00							

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Unit	Unit Type	Sq Ft	Unit/Lease Status	Resident	Name	Market Charge	Rent Code	Amount	U.R. Amount	Resident Deposit	Lease From	Lease Expiration	Move In Date	Move Out Date	Balance
B315	e3-b	740.00	Occupied No Notice	10015380	Daniels, Myeshia	832.00 rent		45.00	0.00	204.00	7/29/2015	6/30/2016	7/29/2015		1,073.00
						hap		787.00							
						Total		832.00							
B316	e3-b	740.00	Occupied No Notice	10015929	Dotson, Tayana	832.00 rent		51.00	0.00	123.00	3/9/2017	2/28/2018	3/9/2016		1,015.00
						hap		781.00							
						Total		832.00							
B317	e3-b	740.00	Occupied No Notice	10016284	Lynch, Melody	832.00 rent		0.00	48.00	224.00	3/9/2016	2/28/2017	3/1/2017		1,026.00
						hap		880.00							
						Total		880.00							
B318	e3-b	740.00	Occupied No Notice	10017020	Woodruff, Natasha	832.00 rent		241.00	0.00	361.00	9/9/2016	8/31/2017	9/9/2016		987.70
						hap		591.00							
						Total		832.00							
B319	e3-b	740.00	Occupied No Notice	10009357	Jackson, Tasha	832.00 rent		169.00	0.00	194.00	8/2/2011	9/30/2012	8/2/2011		2,007.00
						hap		663.00							
						Total		832.00							
B320	e3-b	740.00	Occupied No Notice	10014922	Harbin, Shakena	832.00 rent		0.00	95.00	60.00	4/10/2016	3/31/2017	4/10/2015		1,005.00
						hap		927.00							
						Total		927.00							
B321	e3-b	740.00	Occupied No Notice	10011087	Hardeman, Quantisia	832.00 rent		0.00	95.00	50.00	10/30/2012	10/31/2013	10/30/2012		1,034.00
						hap		927.00							
						Total		927.00							
B322	e3-b	740.00	Occupied No Notice	10005798	Barnes, Kenyatta	832.00 rent		0.00	95.00	62.00	7/1/2016	6/30/2017	7/6/2009		1,070.00
						hap		927.00							
						Total		927.00							
B323	e3-b	740.00	Occupied No Notice	10014769	Walker, Shanique	832.00 rent		0.00	87.00	331.00	4/10/2015	3/31/2016	4/10/2015		1,005.00
						hap		919.00							
						Total		919.00							
B324	e3-b	740.00	Occupied No Notice	10008919	Brooks, April	832.00 rent		0.00	95.00	276.00	4/15/2011	4/30/2012	4/15/2011		1,025.00
						hap		927.00							
						Total		927.00							
B325	e3-b	740.00	Occupied No Notice	10017747	Carter, Neosha	816.00 rent		0.00	29.00	90.00	1/26/2017	12/31/2017	1/26/2017		911.88
						hap		845.00							
						Total		845.00							
B326	e3-b	740.00	Occupied No Notice	10015242	Myhand, Demetricka	832.00 rent		0.00	95.00	197.00	6/26/2015	5/31/2016	6/26/2015		1,295.00
						hap		927.00							
						Total		927.00							
B401	e3-b	740.00	Occupied No Notice	10014724	Smith, Shiquiti	832.00 rent		0.00	95.00	89.00	2/5/2015	1/31/2016	2/5/2015		1,019.00
						hap		927.00							
						Total		927.00							
B402	e3-b	740.00	Occupied No Notice	10016661	Morrison, Bethany	832.00 rent		0.00	72.00	50.00	4/21/2016	3/31/2017	4/21/2016		1,142.18
						hap		904.00							
						Total		904.00							

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Unit	Unit	Unit	Unit/			Market Charge	U.R.	Resident	Lease	Lease	Move In	Move Out		
Unit	Type	Sq Ft	Lease Status	Resident	Name	Rent Code	Amount	Amount	Deposit	From	Expiration	Date	Date	Balance
B403	e3-b	740.00	Occupied No Notice	10016944	Heard, Jasmine	832.00 rent	0.00	95.00	625.00	7/19/2016	8/31/2017	7/19/2016		1,498.40
						hap	927.00							
						Total	927.00							
B404	e3-b	740.00	Occupied No Notice	e3b404	Henderson, LaQuanda	832.00 rent	0.00	26.00	96.00	8/1/2009	7/31/2010	8/20/2004		868.00
						hap	858.00							
						Total	858.00							
B405	e3-b	740.00	Occupied No Notice	10001822	Vereen, Quinnella	832.00 rent	0.00	95.00	277.00	2/1/2009	1/31/2010	2/26/2007		1,075.00
						hap	927.00							
						Total	927.00							
B406	e3-b	740.00	Occupied No Notice	10017870	Nunn, Millicent	832.00 rent	0.00	39.00	81.00	3/1/2017	2/28/2018	3/1/2017		974.68
						hap	871.00							
						Total	871.00							
B407	e3-b	740.00	Occupied No Notice	10015034	Lewis, Shaunea	832.00 rent	143.00	0.00	263.00	10/11/2016	9/30/2017	10/11/2016		940.00
						hap	689.00							
						Total	832.00							
B408	e3-b	740.00	Occupied No Notice	10017251	Jinks, Corliss	832.00 rent	18.00	0.00	138.00	9/22/2016	8/30/2017	9/22/2016		977.00
						hap	814.00							
						Total	832.00							
B409	e3-b	740.00	Occupied No Notice	10017793	Brown, Lancelot	816.00 rent	99.00	0.00	218.00	2/3/2017	1/31/2018	2/3/2017		823.44
						hap	717.00							
						Total	816.00							
B410	e3-b	740.00	Occupied No Notice	10004977	Douglas, Tempestt	832.00 rent	0.00	95.00	56.00	11/1/2009	10/31/2010	11/26/2008		1,148.00
						hap	927.00							
						Total	927.00							
B411	e3-b	740.00	Occupied No Notice	10018051	Clemons, Rakisha	832.00 rent	206.00	0.00	309.00	3/31/2017	2/28/2018	3/31/2017		1,893.00
						hap	626.00							
						Total	832.00							
B412	e3-b	740.00	Occupied No Notice	10016797	Heard, Parancia	832.00 rent	0.00	95.00	94.00	5/23/2016	4/30/2017	5/23/2016		1,000.00
						hap	927.00							
						Total	927.00							
B413	e3-b	740.00	Occupied No Notice	10014286	Hardy, Trentoria	832.00 rent	0.00	84.00	174.00	9/12/2014	9/30/2015	9/12/2014		1,004.00
						hap	916.00							
						Total	916.00							
B414	e3-b	740.00	Occupied No Notice	10017563	Hillman, Quarnisha	832.00 rent	0.00	18.00	102.00	1/31/2017	12/31/2017	1/31/2017		909.31
						hap	850.00							
						Total	850.00							
B415	e3-b	740.00	Occupied No Notice	10016588	Hannah, Shakka	832.00 rent	102.00	0.00	497.00	4/22/2016	3/31/2017	4/22/2016		823.00
						hap	730.00							
						Total	832.00							
B416	e3-b	740.00	Occupied No Notice	10014592	Mackey, Octavia	832.00 rent	0.00	72.00	296.00	12/30/2014	11/30/2015	12/30/2014		982.00
						hap	904.00							

Affordable Rent Roll with Lease Charges
 Property: Rolling Bends I (e3)
 As Of Date: 05/03/2017
 Balance Month: 05/2017

Unit	Unit Type	Unit Sq Ft	Unit/Lease Status	Resident	Name	Market Charge Rent Code	Amount	U.R. Amount	Resident Deposit	Lease From	Lease Expiration	Move In Date	Move Out Date	Balance
						Total	904.00							
B417	e3-b	740.00	Occupied No Notice	10015318	Hunter, Shacora	832.00 rent hap	0.00 927.00	95.00	345.00	7/2/2015	6/30/2016	7/2/2015		1,498.00
						Total	927.00							
B418	e3-b	740.00	Occupied No Notice	10005114	King, Cristy	832.00 rent hap	0.00 904.00	72.00	59.00	12/1/2009	11/30/2010	12/31/2008		987.00
						Total	904.00							
B419	e3-b	740.00	Occupied No Notice	10002649	Heard, Patricia	832.00 rent hap	0.00 927.00	95.00	188.00	7/1/2009	6/30/2010	7/11/2007		1,005.00
						Total	927.00							
B420	e3-b	740.00	Occupied No Notice	10014705	Leigh, Le'Shania	832.00 rent hap	0.00 927.00	95.00	101.00	1/29/2015	12/31/2015	1/29/2015		1,012.00
						Total	927.00							
B421	e3-b	740.00	Occupied No Notice	10011455	Briley, Keiona	832.00 rent hap	0.00 863.00	31.00	283.00	2/22/2013	2/28/2014	2/22/2013		949.00
						Total	863.00							
B422	e3-b	740.00	Occupied No Notice	10016941	Jones, Shuntae	832.00 rent hap	0.00 927.00	95.00	262.00	9/27/2016	8/31/2017	9/27/2016		1,195.28
						Total	927.00							
B423	e3-b	740.00	Occupied No Notice	10016875	Smith, LaQuonda	832.00 rent hap	205.00 627.00	0.00	325.00	6/24/2016	5/30/2017	6/24/2016		896.00
						Total	832.00							
B424	e3-b	740.00	Occupied No Notice	10008792	Lambert, Ebony	832.00 rent hap	0.00 927.00	95.00	213.00	3/1/2012	3/1/2013	3/18/2011		2,193.00
						Total	927.00							
B425	e3-b	740.00	Occupied No Notice	10015179	Rainwater, Nikelle	832.00 rent hap	0.00 927.00	95.00	63.00	6/26/2015	5/31/2016	6/26/2015		1,008.00
						Total	927.00							
B426	e3-b	740.00	Occupied No Notice	10006388	Butler, Jenika	832.00 rent hap	0.00 927.00	95.00	132.00	11/1/2010	10/31/2011	11/13/2009		986.00
						Total	927.00							
Future Residents/Applicants														
B212	e3-b	740.00	Notice Rented	10018140	Smith, Mizan	952.00	0.00	0.00	0.00	5/28/2017	4/30/2018	5/28/2017		0.00
						Total	0.00							
B306	e3-b	740.00	Vacant Rented Not Ready	10018139	Price, Jatore	952.00	0.00	0.00	0.00	5/5/2017	4/30/2018	5/5/2017		0.00
						Total	0.00							
(e3)	Total					136,400.00	142,693.00	9,098.00	26,507.00					174,847.57

Summary Groups	Square Footage	Market Rent	Lease Charges	Security Deposit	Other Deposits	# Of Units	% Unit Occupancy	% SqFt Occupancy	Balance
Current/Notice Residents			142,693.00	26,507.00	0.00				174,847.57

Affordable Rent Roll with Lease Charges
 Property: Rolling Bends I (e3)
 As Of Date: 05/03/2017
 Balance Month: 05/2017

Unit	Unit	Unit/	Market Charge		U.R.	Resident	Lease	Lease	Move In	Move Out					
Unit	Type	Sq Ft	Lease Status	Resident	Name	Rent Code	Amount	Amount	Deposit	From	Expiration	Date	Date	Balance	
Future Residents/Applicants								0.00	0.00					0.00	
Occupied Units							119,500.00	134,547.00				160	98.76	98.52	
Vacant Units							1,784.00	1,853.00				2	1.23	1.47	
Totals							121,284.00	136,400.00	142,693.00	26,507.00	0.00	162	100.00	100.00	174,847.57

Summary of Charges by Charge Code
 (Current/Notice residents only)
 Note: 50059 Tenants only.

Charge Code	Amount
hap	133,837.00
rent	8,856.00
Utility Reimbursement	9,098.00
Total	151,791.00

Summary of Charges by Charge Code
 (Current/Notice residents only)
 Note: This table does not include rent and hap charges for 50059 tenants.

Charge Code	Amount
Total	0.00

ADDENDUM E

Purchase Agreement



2155 HAWTHORNE, SUITE 390, TORRANCE, CA 90503-6514
(310)802-6670 TEL • (310)802-6680 FAX

June 30, 2017

Best and Final Letter of Intent

Doug Childers
Managing Director
HFF, L.P.
3424 Peachtree Road NE, Suite 1750
Atlanta, Georgia 30326

Subject: Atlanta Portfolio
Allen Hills – 458 affordable family units – 3086 Middleton Rd NW, Atlanta, GA
Rolling Bend Ph 1&2 – 354 affordable family units – 2500 Center St NW, Atlanta, GA

Preservation Partners Development III LLC (“PPD”) is very interested in purchasing Allen Hills and Rolling Bends Apartments, consisting of 812 affordable family community units in three separate properties. Our proposed purchase price is \$52,150,000.00 for the Atlanta Portfolio with an earnest money deposit of \$1,500,000.00. The initial amount of \$500,000.00 will be released 3 days after the execution of the Purchase and Sale Agreement. All payments are credited to the purchase price.

The remaining amounts will be released to the Seller under the following terms:

1. \$500,000.00 will be released upon completion of the Due Diligence period. The Due Diligence period shall be 45 days from execution of the Purchase and Sale Agreement.
2. \$500,000.00 will be released upon HUD approval of the Assignment and Assumption Agreements of the Section 8 HAP Contracts.

The following is the summary of the purchase price for each of the three properties:

- | | |
|--|------------------|
| 1. Allen Hills Apartments | \$ 29,000,000.00 |
| 2. Rolling Bends Apartments - Phase I | \$ 11,575,000.00 |
| 3. Rolling Bends Apartments - Phase II | \$ 11,575,000.00 |

PPD will acquire all three properties with a bridge loan structure, and will close escrow within 3 months of execution of the Purchase and Sale Agreement. PPD may request and Seller will grant, two 30 day extensions to the escrow closing date. PPD will deposit \$250,000.00 per each extension. The extension deposits will be non-refundable and credited to the purchase price. Seller will be responsible for any prepayment penalty or defeasance cost associated with the

June 30, 2017

payoff of the current loan, brokerage commission and the county, city, and state transfer tax. Seller will also have all of the down units up, operational and rented prior to the closing date.

The development team consists of PPD staff along with Nixon Peabody LLP and Applegate & Thorne-Thomsen, P.C.; a bridge loan lender such as RED Capital LLC; and professional property management provided by Evergreen Real Estate. The PPD resume and property list is attached. Nixon Peabody LLP would be tasked with the assignment and assumption of the current Section 8 HAP contracts and all necessary HUD approvals for this transaction.

With your approval as evidenced by execution of this letter agreement below, we will draft a formal Purchase and Sale Agreement.

Sincerely,

Accepted:



William Szymczak
President
Preservation Partners Development III LLC

By: _____
Title: _____
Seller: _____

Accepted:

By: _____
Title: _____
Seller: _____

ADDENDUM F

Site and Floor Plans

ADDENDUM G

Rent Comparability Grids

Subject		Comp #1		Comp #3		Comp #4		Comp #5	
Rolling Bends Apartments		Columbia Crest		Peaks Of MLK		Dwell At The View		Stanford Village Apartments	
2500 Center St. NW		1903 Drew Dr NW		2423 Martin Luther King Drive		1620 Hollywood Road NW		2265 Perry Boulevard	
Atlanta, Fulton		Atlanta, Fulton		Atlanta, Fulton		Atlanta, Fulton		Atlanta, Fulton	
Subject									
A. Rents Charged		Data \$ Adj		Data \$ Adj		Data \$ Adj		Data \$ Adj	
1	\$ Last Rent / Restricted?	\$899	N	\$780	N	\$793	N	\$791	N
2	Date Last Leased (mo/yr)	Apr-17		May-17		Apr-17		May-17	
3	Rent Concessions	N		N		N		N	
4	Occupancy for Unit Type	100%		100%		100%		96%	
5	Effective Rent & Rent / sq. ft	\$899	\$1.17	\$780	\$0.92	\$793	\$1.20	\$791	\$1.11
<i>In Parts B thru E, adjust only for differences the subject's market values.</i>									
B. Design, Location, Condition		Data \$ Adj		Data \$ Adj		Data \$ Adj		Data \$ Adj	
6	Structure / Stories	WU/4	E/4	G/3		G/3		G/2	
7	Yr. Built / Yr. Renovated	1974/2002/Proposed	2005	2004		1972		1970s/2013	
8	Condition / Street Appeal	G		G		F	\$135	A	\$55
9	Neighborhood	G		A	\$125	G		G	
10	Same Market? Miles to Subj.		Yes/1.1	No/2.5		Yes/0.6		Yes/1	
C. Unit Equipment / Amenities		Data \$ Adj		Data \$ Adj		Data \$ Adj		Data \$ Adj	
11	# Bedrooms	1		1		1		1	
12	# Bathrooms	1		1		1		1	
13	Unit Interior Sq. Ft.	616	(\$45)	847	(\$53)	663	(\$14)	710	(\$26)
14	Balcony / Patio	Y	\$10	Y		Y		N	\$10
15	AC: Central / Wall	C		C		C		WI	
16	Range / Refrigerator	R/F		R/F		R/F		R/F	
17	Microwave / Dishwasher	N	(\$10)	D	(\$10)	D	(\$10)	D	(\$10)
18	Washer / Dryer	L	(\$15)	L/HU	(\$15)	L/HU	(\$15)	L/HU	(\$15)
19	Floor Coverings	N		N		C	(\$10)	N	
20	Window Coverings	B		B		B		B	
21	Cable / Satellite / Internet	Y - Free WiFi	\$25	N	\$25	N	\$25	N	\$25
22	Special Features	N	Gazebo, community garden (\$5)						
23									
D. Site Equipment / Amenities		Data \$ Adj		Data \$ Adj		Data \$ Adj		Data \$ Adj	
24	Parking (\$ Fee)	L	L G/\$0 (\$35)	L		L		L CP/\$0 (\$15)	
25	Extra Storage	N		Y	(\$10)	N		Y	(\$10)
26	Security	Y		Y		Y		N	\$10
27	Clubhouse / Meeting Rooms	C/		N	\$10	C/	N	N	\$10
28	Pool / Recreation Areas	R	P/E/R (\$15)	P/E/R	(\$15)	P/E/R	(\$15)	P/E	(\$10)
29	Business Ctr / Nbhnd Network	BC		BC		N	\$10	N	\$10
30	Service Coordination	Y	\$25	N	\$25	N	\$25	N	\$25
31	Non-shelter Services	N		N		N		N	
32	Neighborhood Networks	N		N		N		N	
E. Utilities		Data \$ Adj		Data \$ Adj		Data \$ Adj		Data \$ Adj	
33	Heat (in rent? / type)	N/E		N/E		N/E		N/E	
34	Cooling (in rent? / type)	N/E		N/E		N/E		N/E	
35	Cooking (in rent? / type)	N/E		N/E		N/E		N/E	
36	Hot water (in rent? / type)	N/E		N/E		N/E		N/E	
37	Other Electric	N		N		N		N	
38	Cold Water / Sewer	Y/Y	\$75	N/N	\$75	Y/Y		N/N	\$75
39	Trash / Recycling	Y		N		Y		Y	
F. Adjustments Recap		Pos Neg		Pos Neg		Pos Neg		Pos Neg	
40	# Adjustments B to D	3	(6)	4	(5)	4	(5)	7	(6)
41	Sum Adjustments B to D	\$60	(\$125)	\$185	(\$103)	\$195	(\$64)	\$145	(\$96)
42	Sum Utility Adjustments	\$75		\$75		\$75		\$75	
43	Net / Gross Adjustments B to E	\$10	\$260	\$157	\$363	\$131	\$259	\$134	\$306
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5 + 43)	\$909		\$937		\$924		\$925	
45	Adj Rent / Last rent		101%		120%		117%		117%
46	Estimated Market Rent	\$925	\$1.50 Estimated Market Rent / Sq. Ft.						

Appraiser's Signature

Grid was prepared: Manually Using HUD's Excel form

5/9/2017

Date

Attached are
explanations of:

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

form HUD-92273-S8 (04/2002)

Subject		Comp #1	Comp #2	Comp #3	Comp #4	Comp #5					
Rolling Bends Apartments		Columbia Crest	Columbia Estates	Peaks Of MLK	Dwell At The View	Stanford Village Apartments					
2500 Center St. NW		1903 Drew Dr NW	1710 Noel Street NW	2423 Martin Luther King Drive	1620 Hollywood Road NW	2265 Perry Boulevard					
Atlanta, Fulton		Atlanta, Fulton	Atlanta, Fulton	Atlanta, Fulton	Atlanta, Fulton	Atlanta, Fulton					
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$1,049	N	\$1,049	N	\$900	N	\$867	N	\$848	N
2	Date Last Leased (mo/yr)	Apr-17		Apr-17		May-17		Apr-17		May-17	
3	Rent Concessions	N		N		N		N		N	
4	Occupancy for Unit Type	100%		100%		100%		100%		96%	
5	Effective Rent & Rent / sq. ft	\$1,049	\$0.98	\$1,049	\$0.82	\$900	\$0.77	\$867	\$1.15	\$848	\$0.98
<i>In Parts B thru E, adjust only for differences the subject's market values.</i>											
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	WU/4		G/3		G/3		G/3		G/2	
7	Yr. Built / Yr. Renovated	1974/2002/Proposed		2005		2004		1972		1970s/2013	
8	Condition / Street Appeal	G		G		G		F	\$150	A	\$70
9	Neighborhood	G		G		A	\$125	G		G	
10	Same Market? Miles to Subj.	Yes/1.1		Yes/1.2		No/2.5		Yes/0.6		Yes/1	
C. Unit Equipment / Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	2		2		2		2		2	
12	# Bathrooms	1		2	(\$35)	2	(\$35)	1		1	
13	Unit Interior Sq. Ft.	820		1066	(\$61)	1274	(\$93)	755	\$19	863	(\$11)
14	Balcony / Patio	Y	\$10	Y		Y		Y		N	\$10
15	AC: Central / Wall	C		C		C		C		W	
16	Range / Refrigerator	R/F		R/F		R/F		R/F		R/F	
17	Microwave / Dishwasher	N	(\$10)	D	(\$10)	D	(\$10)	D	(\$10)	D	(\$10)
18	Washer / Dryer	L	(\$15)	L/HU	(\$15)	L/HU	(\$15)	L/HU	(\$15)	L/HU	(\$15)
19	Floor Coverings	N		N		N		C	(\$10)	N	
20	Window Coverings	B		B		B		B		B	
21	Cable / Satellite / Internet	Y - Free WiFi		N	\$25	N	\$25	N	\$25	N	\$25
22	Special Features			Gazebo, community garden	(\$5)						
23											
D. Site Equipment / Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	L		L		L		L		L CP/\$0	(\$15)
25	Extra Storage	N		N		Y	(\$10)	N		Y	(\$10)
26	Security	Y		Y		Y		Y		N	
27	Clubhouse / Meeting Rooms	C/		C/		N	\$10	C/		N	\$10
28	Pool / Recreation Areas	R	(\$15)	P/E/R	(\$15)	P/E/R	(\$15)	P/E/R	(\$15)	P/E	(\$10)
29	Business Ctr / Nhd Network	N		BC		BC		N	\$10	N	\$10
30	Service Coordination	Y	\$25	N	\$25	N	\$25	N	\$25	N	\$25
31	Non-shelter Services	N		N		N		N		N	
32	Neighborhood Networks	N		N		N		N		N	
E. Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent? / type)	N/E		N/E		N/E		N/E		N/E	
34	Cooling (in rent? / type)	N/E		N/E		N/E		N/E		N/E	
35	Cooking (in rent? / type)	N/E		N/E		N/E		N/E		N/E	
36	Hot water (in rent? / type)	N/E		N/E		N/E		N/E		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water / Sewer	Y/Y	\$117	N/N	\$117	N/N	\$117	Y/Y		N/N	\$117
39	Trash / Recycling	Y		Y		N		Y		Y	
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	3	(7)	2	(5)	4	(6)	5	(4)	6	(6)
41	Sum Adjustments B to D	\$60	(\$176)	\$50	(\$183)	\$185	(\$151)	\$229	(\$50)	\$150	(\$71)
42	Sum Utility Adjustments	\$117		\$117		\$117		\$117		\$117	
43	Net / Gross Adjustments B to E	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
		\$1	\$353	(\$16)	\$350	\$151	\$453	\$179	\$279	\$196	\$338
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5 + 43)	\$1,050		\$1,033		\$1,051		\$1,046		\$1,044	
45	Adj Rent / Last rent		100%		98%		117%		121%		123%
46	Estimated Market Rent	\$1,045		\$1.27 Estimated Market Rent / Sq. Ft.							

Appraiser's Signature

5/9/2017
Date

Attached are
explanations of:

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

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

form HUD-92273-S8 (04/2002)

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Rolling Bends Apartments		Columbia Crest		Columbia Estates		Peaks Of MLK		Dwell At The View		Stanford Village Apartments	
2500 Center St. NW		1903 Drew Dr NW		1710 Noel Street NW		2423 Martin Luther King Drive		1620 Hollywood Road NW		2265 Perry Boulevard	
Atlanta, Fulton		Atlanta, Fulton		Atlanta, Fulton		Atlanta, Fulton		Atlanta, Fulton		Atlanta, Fulton	
Subject		Subject		Subject		Subject		Subject		Subject	
A. Rents Charged		Data \$ Adj		Data \$ Adj		Data \$ Adj		Data \$ Adj		Data \$ Adj	
1	\$ Last Rent / Restricted?	\$1,099	N	\$1,099	N	\$975	N	\$905	N	\$958	N
2	Date Last Leased (mo/yr)	Apr-17		Apr-17		May-17		Apr-17		May-17	
3	Rent Concessions	N		N		N		N		N	
4	Occupancy for Unit Type	100%		100%		100%		88%		96%	
5	Effective Rent & Rent / sq. ft	\$1,099	\$0.83	\$1,099	\$0.76	\$975	\$0.70	\$905	\$0.95	\$958	\$0.80
<i>In Parts B thru E, adjust only for differences the subject's market values.</i>											
B. Design, Location, Condition		Data \$ Adj		Data \$ Adj		Data \$ Adj		Data \$ Adj		Data \$ Adj	
6	Structure / Stories	WU/4		E/4		G/3		G/3		G/2	
7	Yr. Built / Yr. Renovated	1974/2002/Proposed		2005		2004		1972		1970s/2013	
8	Condition / Street Appeal	G		G		G		F	\$140	A	\$55
9	Neighborhood	G		G		A	\$125	G		G	
10	Same Market? Miles to Subj.		Yes/1.1		Yes/1.2		No/2.5		Yes/0.6		Yes/1
C. Unit Equipment / Amenities		Data \$ Adj		Data \$ Adj		Data \$ Adj		Data \$ Adj		Data \$ Adj	
11	# Bedrooms	3		3		3		3		3	
12	# Bathrooms	2		2		2		1	\$35	1	\$35
13	Unit Interior Sq. Ft.	1,032		1318	(\$60)	1444	(\$78)	1394	(\$63)	952	\$19
14	Balcony / Patio	Y	\$10	Y		Y		Y		N	\$10
15	AC: Central / Wall	C		C		C		C		W	
16	Range / Refrigerator	R/F		R/F		R/F		R/F		R/F	
17	Microwave / Dishwasher	N	(\$10)	D	(\$10)	D	(\$10)	D	(\$10)	D	(\$10)
18	Washer / Dryer	L	(\$15)	L/HU	(\$15)	L/HU	(\$15)	L/HU	(\$15)	L/HU	(\$15)
19	Floor Coverings	N		N		N		C	(\$10)	N	
20	Window Coverings	B		B		B		B		B	
21	Cable / Satellite / Internet	Y - Free WiFi		N	\$25	N	\$25	N	\$25	N	\$25
22	Special Features		Gazebo, community garden (\$5)								
23											
D. Site Equipment / Amenities		Data \$ Adj		Data \$ Adj		Data \$ Adj		Data \$ Adj		Data \$ Adj	
24	Parking (\$ Fee)	L	L G/\$0 (\$35)	L		L		L		L CP/\$0	(\$15)
25	Extra Storage	N		N		Y	(\$10)	N		Y	(\$10)
26	Security	Y		Y		Y		Y		N	
27	Clubhouse / Meeting Rooms	C/		C/		N	\$10	C/		N	\$10
28	Pool / Recreation Areas	R	P/E/R (\$15)	P/E/R	(\$15)	P/E/R	(\$15)	P/E/R	(\$15)	P/E	(\$10)
29	Business Ctr / Nhd Network	N	BC	BC		BC		N	\$10	N	\$10
30	Service Coordination	Y	\$25	N	\$25	N	\$25	N	\$25	N	\$25
31	Non-shelter Services	N		N		N		N		N	
32	Neighborhood Networks	N		N		N		N		N	
E. Utilities		Data \$ Adj		Data \$ Adj		Data \$ Adj		Data \$ Adj		Data \$ Adj	
33	Heat (in rent? / type)	N/E		N/E		N/E		N/E		N/E	
34	Cooling (in rent? / type)	N/E		N/E		N/E		N/E		N/E	
35	Cooking (in rent? / type)	N/E		N/E		N/E		N/E		N/E	
36	Hot water (in rent? / type)	N/E		N/E		N/E		N/E		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water / Sewer	Y/Y	\$75	N/N	\$75	N/N	\$75	Y/Y		N/N	\$75
39	Trash / Recycling	Y		Y		N		Y		Y	
F. Adjustments Recap		Pos Neg		Pos Neg		Pos Neg		Pos Neg		Pos Neg	
40	# Adjustments B to D	3	(6)	2	(4)	4	(5)	6	(4)	7	(6)
41	Sum Adjustments B to D	\$60	(\$140)	\$50	(\$118)	\$185	(\$113)	\$254	(\$50)	\$170	(\$94)
42	Sum Utility Adjustments	\$75		\$75		\$75		\$75		\$75	
43	Net / Gross Adjustments B to E	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
		(\$5)	\$275	\$7	\$243	\$147	\$373	\$204	\$304	\$151	\$339
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5 + 43)	\$1,094		\$1,106		\$1,122		\$1,109		\$1,109	
45	Adj Rent / Last rent		100%		101%		115%		123%		116%
46	Estimated Market Rent	\$1,110		\$1.08 Estimated Market Rent / Sq. Ft.							

Appraiser's Signature

5/9/2017
Date

Attached are
explanations of:

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

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

form HUD-92273-S8 (04/2002)