



A MARKET CONDITIONS AND PROJECT EVALUATION SUMMARY OF

**ASHTON PINES
11115 Colerain Road
St. Marys, Camden County, Georgia**

**Effective Date: May 25, 2011
Report Date: June 15, 2011**

Prepared For

**Ashton Pines Apartments, LP
c/o Mr. Steve Brooks
Integrity Development Partners
348 Enterprise Drive
Valdosta, Georgia 31601**

Prepared By

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**NOVOGRADAC
& COMPANY** LLP
CERTIFIED PUBLIC ACCOUNTANTS

June 15, 2011

Ashton Pines Apartments, LP
c/o Mr. Steve Brooks
Integrity Development Partners
348 Enterprise Drive
Valdosta, Georgia 31601

Re: Market Study for Ashton Pines Apartments in St. Marys, Georgia

Dear Mr. Brooks:

At your request, Novogradac & Company LLP performed a market study of the family rental market in the St. Marys, Camden County, Georgia area relative to the above-referenced Low-Income Housing Tax Credit (LIHTC) project, the (Subject). The purpose of this market study is to assess the viability of the renovations of Ashton Pines, an existing multifamily development consisting of 70 units. Following renovations, units will be restricted to earning 50 and 60 percent of the AMI, or less. The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions. The scope of this report meets the requirements of the Georgia Department of Community Affairs (DCA), including the following:

- Inspecting the site of the proposed Subject and the general location.
- Analyzing appropriateness of the proposed unit mix, rent levels, available amenities and site.
- Estimating market rent, absorption and stabilized occupancy level for the market area.
- Investigating the health and conditions of the multifamily market.
- Calculating income bands, given the proposed Subject rents.
- Estimating the number of income eligible households.
- Reviewing relevant public records and contacting appropriate public agencies.
- Analyzing the economic and social conditions in the market area in relation to the proposed project.
- Establishing the Subject Primary and Secondary Market Area(s) if applicable.
- Surveying competing projects, Low-Income Housing Tax Credit (LIHTC) and market rate.

This report contains, to the fullest extent possible and practical, explanations of the data, reasoning, and analyses that were used to develop the opinions contained herein. The report also includes a thorough analysis of the scope of the study, regional and local demographic and economic studies, and market analyses including conclusions. The depth of discussion contained in the report is specific to the needs of the client. Information included in this report is accurate and the report can be relied upon by DCA as a true assessment of the low-income housing rental market. This report was completed in accordance with DCA market study guidelines. We inform the reader that other users of this document may underwrite the LIHTC rents to a different standard than contained in this report.

Please do not hesitate to contact us if there are any questions regarding the report or if Novogradac & Company, LLP can be of further assistance. It has been our pleasure to assist you with this project.

Respectfully submitted,



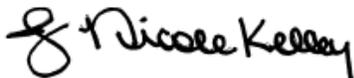
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ASSUMPTIONS AND LIMITING CONDITIONS

1. In the event that the client provided a legal description, building plans, title policy and/or survey, etc., the consultant 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 consultant assumes no responsibility for legal matters, and renders no opinion of property title, which is assumed to be good and merchantable.
3. 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.
4. The report was made assuming responsible ownership and capable management of the property. The analyses and projections 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
5. 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.
6. 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.
7. 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. 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 consultant 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.
8. A consulting analysis market study 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.
9. 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

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10. 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.
11. 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.
12. 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.
13. 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.
14. 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 conclusions contained in this report is based.
15. On all proposed developments, Subject to satisfactory completion, repairs, or alterations, the consulting report is contingent upon completion of the improvements in a workmanlike manner and in a reasonable period of time with good quality materials.
16. 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 consultant and contained in this report.
17. The party for whom this report is prepared has reported to the consultant 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.
18. 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.

19. No in-depth inspection was made of existing plumbing (including well and septic), electrical, or heating systems. The consultant does not warrant the condition or adequacy of such systems.
20. 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.
21. 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.

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Addendum

A. EXECUTIVE SUMMARY AND CONCLUSION

EXECUTIVE SUMMARY AND CONCLUSIONS

1. Project Description:

The Subject (Ashton Pines) is an existing LIHTC property that is located at 11115 Colerain Road in St. Marys, Camden County, Georgia. The Subject was originally built in 1997 and is a two-story garden style, walk-up apartment complex that will be renovated with tax credits. The following table illustrates the unit mix including bedrooms/bathrooms, square footage, income targeting, rents, and utility allowance.

PROPOSED RENTS

Unit Type	Square Footage	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2011 LIHTC Maximum Allowable Gross Rent	2011 HUD Fair Market Rents
<i>50% AMI</i>							
2BR	939	3	\$490	\$180	\$670	\$685	\$672
2BR	952	3	\$490	\$180	\$670	\$685	\$672
3BR	1,161	3	\$550	\$219	\$769	\$790	\$978
3BR	1,174	3	\$550	\$219	\$769	\$790	\$978
<i>60% AMI</i>							
2BR	939	13	\$590	\$180	\$770	\$822	\$672
2BR	952	15	\$590	\$180	\$770	\$822	\$672
3BR	1,161	17	\$668	\$219	\$887	\$948	\$978
3BR	1,174	13	\$668	\$219	\$887	\$948	\$978
Total		70					

Notes (1) Source of Utility Allowance provided by the Developer.

The Subject will offer the following in unit amenities: blinds, carpeting, central air conditioning, balconies/patios, coat closets, dishwashers, garbage disposals, refrigerators, ovens, exterior storage, ceiling fans, walk-in closets, washer and dryer connections, and in unit washers and dryers. Community amenities will include a business center, a clubhouse/community room, on-site management, off-street parking, a playground, a splash pad, and recreation/picnic areas. The Subject’s proposed in unit amenities are extensive and will be slightly superior to superior to those at the comparables.

All of the comparables offer a swimming pool and four of the seven comparables also offer an exercise facility. While the Subject will not offer either of these amenities, it will offer a splash pad following renovations. Overall, the Subject’s community amenities will be generally similar to

those at the comparables. It should be noted that the Subject is currently 100 percent occupied with a 75 household waiting list. Therefore, the lack of these amenities has not impacted the Subject’s performance in the past and we do not believe that they will impact the Subject’s performance following renovations.

The following table compares the Subject’s current rents to the proposed post renovation rents. As illustrated, all rents at the Subject will increase by 10 percent following the \$61,500 per unit renovation.

Current Vs. Proposed Rents

Bedroom Type	AMI Level	Current Rent	Proposed Rent	% Increase
2BR	50%	\$446	\$490	10%
3BR	50%	\$500	\$550	10%
2BR	60%	\$537	\$590	10%
3BR	60%	\$607	\$668	10%

2. Site Description/Evaluation:

The Subject is located on the eastern side of Colerain Road. Surrounding uses consist of vacant land, a child daycare facility, a fire station, an elementary school, and single family homes in overall good condition. The Kings Bay Naval Sub Support Base is also located approximately 1.0 mile east of the site. Residential uses in the immediate area mainly consist of single family homes in overall good condition. These homes are located north and south of the Subject. The majority of the retail and commercial development in the Subject’s neighborhood is located approximately 1.8 miles south of the Subject along Osborne Road (GA Highway 40 East). Retail in the area is generally older and in overall average condition. Retail uses appeared to be 90 percent occupied. Other locational amenities such as the St. Marys Middle School and the local fire department are also located in the vicinity. Overall, the Subject has a desirable location for multifamily housing.

The Subject has good visibility and access from Colerain Road and is located within 5.3 miles of all locational amenities. Overall, the Subject has a desirable location for multifamily housing, which is illustrated by its 100 percent occupancy and lengthy 75 household waiting list.

3. Market Area Definition:

The boundaries of the PMA are as follows: the Satilla River to the north, the Florida/Georgia state line to the south, the Camden County line to the east, and Georgia Highway 110 to the west. The Subject's PMA includes the southern portion of Camden County. Management at the Subject indicated that most of the tenants are from within the St. Marys and Kingsland areas, both of which are included in our PMA. While the Subject does have a few tenants from Jacksonville, we have not included this area in our PMA. We have drawn the southern boundary of our PMA at the Florida/Georgia state line and we have accounted for leakage of approximately 15 percent from outside the PMA boundaries. Management at the LIHTC property Ashton Cove also reported that most tenants are from within the southern portion of the county. While we did interview property managers at conventional rental properties for tenant information, property managers reported that they have a large military population due to the naval base in St. Marys. Due to the military presence, their tenants are coming from all over the country. Therefore, we have not relied heavily on these properties when concluding to our PMA boundaries. Overall, we believe that 85 percent of the Subject's tenants will originate from within the designated PMA.

The furthest boundary from the Subject is 18.6 miles.

4. Community Demographic Data:

As of 2010, there were 44,873 people within the PMA and this number is expected to grow by 1.1 percent annually between 2010 and July 2013. The population in the PMA is expected to continue growing at a rate of 1.1 percent annually through 2015. As of 2010, 59.5 percent of homes in the PMA were owner occupied while 40.5 percent were renter occupied. The large percentage of renter occupied housing is due to the military presence in the PMA. The percentage of renter-occupied units is expected to decrease slightly through 2015. Our demographic analysis indicates that approximately 24.1 percent of households in the PMA are earning between \$20,000 and \$39,999 annually. The majority of these households will income qualify to live at the Subject and will create demand for the Subject's newly renovated units.

As of April 2011, there were only 18 foreclosed properties in the PMA. One in every 522 housing units received a foreclosure filing in the city of St. Marys and one in every

520 housing units received a filing within the county. This is a slightly higher average than the nation, but it is below the state average for Georgia.

5. Economic Data:

Covered employment levels in Camden County increased from 2004 to 2007, but decreased from 2008 through 2010. In 2009, Camden County experienced its highest employment loss of 4.02 percent and then another 6.45 percent in 2009. As of September 2010, the county has lost an additional 4.99 percent of jobs. Within the MSA unemployment decreased slightly in 2006 and in 2007 remained the same. From 2008 to 2009 total employment decreased within the MSA and unemployment increased from 2008 through 2010. The April 2011 year to date average indicates that the unemployment rate has not increased from 2010. However, from 2010 to April 2011, at least 749 jobs have been lost. Year over year total employment from March 2010 to March 2011 has decreased by 0.4 percent. The Camden County Joint Development Authority has noted expansions in the county, but has been unable to provide exact employment figures. Express Scripts, Johnson Gas, Electric Boat Co, Aerospace Missions and Beach tent Company have all expanded within the last year. This will have a positive economic impact on the general MSA.

The largest industries in the County are the trade, transportation, and utilities industries, with 24.3 percent employment. These industries are followed by the leisure and hospitality and professional/business services industries. The percentage of people employed in the educational services, public administration, and accommodation/food services industries is much higher within the County than the nation.

From 2008 to 2010, total employment losses in the MSA were significantly above the national averages. The decreasing total employment is due to layoffs in the services industries (accommodation/food services and healthcare). However, the local economy appears to be improving as year to date numbers indicate that total employment losses in the MSA are significantly lower than in 2009 and 2010. Although the major employers in the area account for a large percentage of the County's employment, these employers are in industries such as public administration (military) and educational services,

which are typically regarded as comparatively stable industries.

6. Project-Specific Affordability And Demand Analysis:

The following table summarizes the demand analysis for the 38 units at the Subject with tenants who will be rent overburdened following renovations. Per DCA requirements, the number of rent overburdened units were calculated using the Subject's tenant relocation spreadsheet.

CAPTURE RATE ANALYSIS CHART

Unit Size	Income limits	Units Proposed*	Total Demand	Supply	Net Demand	Capture Rate
2BR 50%	\$22,971-\$26,500	4	208	41	167	2.4%
3BR 50%	\$26,366-\$31,800	4	173	40	133	3.0%
Overall 50%	\$22,971-\$31,800	8	381	81	300	2.7%
2BR 60%	\$26,400-\$31,800	15	236	84	152	9.9%
3BR 60	\$30,411-\$38,160	15	196	64	132	11.4%
Overall 60%	\$26,400-\$38,160	30	432	148	284	10.6%
Overall Project	\$22,971-\$38,160	38	610	229	381	10.0%

*Only includes rent overburdened units per the tenant relocation sheet

Our demand analysis illustrates that there are a total of 1,499 income qualified renter households in the PMA. **The Subject's capture rates at the 50 and 60 percent AMI levels as well as the overall capture rate are considered low and indicate demand for the Subject.**

7. Competitive Rental Analysis:

We have utilized three family LIHTC properties as comparables in our analysis and all three properties are located in the Subject's PMA and were built between 1999 and 2009. Overall, the availability of family LIHTC data in the market is considered good. We have also included four conventional rental properties in our analysis. All four properties are located within 2.6 miles of the Subject and are in the PMA. Three of these properties were built between 1986 and 1989 and are in overall average condition while one, Brant Creek, was built in 2010 and is in overall excellent condition. Overall, the availability of market rate data is considered good.

Following renovations, the Subject will continue to offer two- and three-bedroom units at 50 and 60 percent AMI. When comparing the Subject's rents to the average market rent, we have not included rents at lower AMI levels given that this artificially lowers the average market rent as those rents are constricted. Including LIHTC rents at lower AMI

levels does reflect an accurate average rent for rents at higher income levels. For example, if the Subject offers 50 and 60 percent AMI rents and there is a distinct difference at comparable properties between rents at the two AMI levels, we have not included the 50 percent AMI rents in the average market rent for the 60 percent AMI comparison. The average rents in the market are \$582 and \$637 for two- and three-bedroom units, respectively, at the 50 percent AMI level and \$631 and \$712 for two- and three-bedroom units at the 60 percent AMI level. The Subject's proposed LIHTC rents all have a seven to 19 percent rental advantage over the average market rents, indicating that they will be affordable in the local market.

Overall vacancy in the market is high at 14.30 percent; however, vacancy among the LIHTC comparables is much lower at 6.88 percent, and two of the three LIHTC comparables have vacancy rates between zero and five percent. The high overall vacancy rate is due to the conventional rental properties, which have a large military tenancy due to the presence of the naval base in St. Marys. Property managers reported that deployments occur several times a year and vacancy rates increase significantly as a direct result. Military tenants do not qualify to live at LIHTC properties. Therefore, the LIHTC market is more stable than the conventional rental market. Management reported that there are no military tenants at the Subject and the property typically maintains a vacancy rate of five percent or less. The Subject's proposed rents represent a 10 percent increase over the current rents. We believe that the proposed rental increases are reasonable given the extensive \$61,500 per unit renovations planned for the Subject, the current LIHTC rents at the comparable properties, and the Subject's strong performance and lengthy waiting list. Overall, we believe that the Subject will continue to maintain a stabilized vacancy rate of five percent or less following renovations.

8. Absorption/Stabilization Estimate:

The Subject is an existing LIHTC property that is currently 100 percent occupied. Renovations will occur with tenants in place and according to the tenant relocation spreadsheet, approximately 38 units will have tenants that are rent overburdened. Per DCA guidelines, we have calculated absorption for these 38 units.

The property manager at Kings Grant Apartments (formerly Kingsland II) reported that the property began leasing at the end of March 2009 and was stabilized by the end of August 2009. This illustrates an absorption rate of 12 units per month, or five months. Based on the absorption pace at Kings Grant Apartments and the 10 percent rental increase proposed at the Subject, we have conservatively estimated that the Subject will lease units at a pace of eight units per month. Assuming that the Subject would need to lease all of its units following renovations, the 70 unit Subject would reach a stabilized occupancy of 93 percent within eight to nine months. Based on the tenant relocation spreadsheet, the Subject will need to lease approximately 38 units. Assuming the Subject leases at a pace of eight units per month, the Subject will reach a stabilized occupancy of 93 percent within five months following renovations.

9. Overall Conclusion:

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property. The Subject is currently 100 percent occupied and has a 75 household waiting list. Tenants will remain in place during renovations so turnover is expected to be minimal and any vacant units will likely be filled from the property's extensive waiting list. The Subject's renovations are expected to total \$61,500 per unit and the Subject will be similar to superior to the existing housing stock following renovations. The Subject's proposed 50 percent and 60 percent AMI rents represent a 10 percent increase over the current rental rates. We believe this increase is reasonable when taking into account the proposed scope of renovations, the Subject's current performance, and the current rents at the LIHTC comparables. When compared to the average market rents, the Subject's proposed rents will have an advantage of seven to 19 percent. Because the Subject is an existing LIHTC property and will not be adding any units to the market and two of the three LIHTC properties have vacancy rates between zero and five percent, the Subject will not impact the existing LIHTC housing stock. Overall, we recommend the Subject as proposed and we believe that it will continue to be successful following renovations.

Summary Table:

(must be completed by the analyst and included in the executive summary)

Development Name:	Ashton Pines	Total # Units: 70
Location:	11115 Colerain Road, St. Marys, Camden County, GA	# LIHTC Units: 70
PMA Boundary:	North: Satilla River, South: Florida/Georgia state line, East: Camden County line, West: GA Hwy 110	
	Farthest Boundary Distance to Subject:	18.6 miles

RENTAL HOUSING STOCK (found on page 93)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	7	994	142	85.7%
Market-Rate Housing	4	718	123	82.9%
Assisted/Subsidized Housing not to include LIHTC	0	0	0	N/Ap
LIHTC	3	276	19	93.1%
Stabilized Comps	7	994	142	85.7%
Properties in Construction & Lease Up	0	0	0	N/Ap

Subject Development					Average Market Rent			Highest Unadjusted Comp Rent	
# Units	# Bedrooms	# Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF*	Advantage	Per Unit	Per SF
4	2BR 50%	2	939	\$490	\$582	\$0.60	19%	\$920	\$0.89
6	2BR 50%	2	952	\$490	\$582	\$0.60	19%	\$920	\$0.89
6	3BR 50%	2	1,161	\$550	\$637	\$0.55	16%	\$1,045	\$0.88
4	3BR 50%	2	1,174	\$550	\$637	\$0.55	16%	\$1,045	\$0.88
12	2BR 60%	2	939	\$590	\$631	\$0.65	7%	\$920	\$0.89
12	2BR 60%	2	952	\$590	\$631	\$0.65	7%	\$920	\$0.89
14	3BR 60%	2	1,161	\$668	\$712	\$0.62	7%	\$1,045	\$0.88
12	3BR 60%	2	1,174	\$668	\$712	\$0.62	7%	\$1,045	\$0.88

*Based on average SF of all comps

DEMOGRAPHIC DATA (found on pages 32, 57)

	2000		2010		2013	
Renter Households	5,165	39.33%	6,309	40.51%	6,507	40.37%
Income-Qualified Renter HHs (LIHTC)	1,188	23.0%	1,451	23.0%	1,499	23.0%
Income-Qualified Renter HHs (MR) (if applicable)	N/Ap	N/Ap	N/Ap	N/Ap	N/Ap	N/Ap

TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on pages 51, 54, 57)

Type of Demand	30%	50%	60%	Market-rate	Other: __	Overall
Renter Household Growth		177	241			309
Existing Households (Overburdened + Substandard)		348	358			534
Homeowner conversion (Seniors)		N/Ap	N/Ap			N/Ap
Secondary Market Area Demand		52	54			80
Less Comparable/Competitive Supply		81	148			229
Net Income-qualified Renter HHs*		496	505			694

CAPTURE RATES (found on pages 52, 55, 58)

Targeted Population	30%	50%	60%	Market-rate	Other: __	Overall
Capture Rate		2.7%	10.6%			10.0%

*Does not match demand analysis as this does not take into account bedroom types and persons per household.

B. PROJECT DESCRIPTION

PROJECT DESCRIPTION

Project Address and Development Location:	The Subject is located at 11115 Colerain Road in St. Marys, Camden County, Georgia.
Construction Type:	The Subject is an existing LIHTC property that consists of five two-story walk-up garden style buildings and one single story non-residential building. Following renovations, all buildings will brick and Hardiplank exterior.
Occupancy Type:	Family.
Special Population Target:	None.
Number of Units by Bedroom Type and AMI Level:	See following property profile.
Unit Size:	See following property profile.
Structure Type:	See following property profile.
Rents and Utility Allowances:	See following property profile.
Existing or Proposed Project Based Rental Assistance:	Currently none of the units operate with Project-Based Rental Assistance and none of the units will have Project-Based Rental Assistance following the renovations.
Proposed Development Amenities:	See following property profile.

Ashton Pines-Post Renovation

Comp# Subject
Effective Rent Date 6/8/2011
Location 11115 Colerain Rd
 St Marys, GA 31558
 Camden County
Units 70
Vacant Units N/A
Vacancy Rate N/A
Type Garden
Year Built / Renovated 1997 / 2013



Market

Program	50%, 60%	Leasing Pace	n/a
Annual Turnover Rate	N/A	Change in Rent (Past Year)	n/a
Units/Month Absorbed	n/a	Concession	
Section 8 Tenants	N/A		

Utilities

A/C	not included -- central	Other Electric	not included
Cooking	not included -- electric	Water	not included
Water Heat	not included -- electric	Sewer	not 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?
2	2	Garden	3	939	\$490	\$0	50%	n/a	N/A	N/A	no
2	2	Garden	3	952	\$490	\$0	50%	n/a	N/A	N/A	no
2	2	Garden	13	939	\$590	\$0	60%	n/a	N/A	N/A	no
2	2	Garden	15	952	\$590	\$0	60%	n/a	N/A	N/A	no
3	2	Garden	3	1,161	\$550	\$0	50%	n/a	N/A	N/A	no
3	2	Garden	3	1,174	\$550	\$0	50%	n/a	N/A	N/A	no
3	2	Garden	17	1,161	\$668	\$0	60%	n/a	N/A	N/A	no
3	2	Garden	13	1,174	\$668	\$0	60%	n/a	N/A	N/A	no

Amenities			
In-Unit	Balcony/Patio Blinds Carpeting Central A/C Coat Closet Dishwasher Exterior Storage Ceiling Fan Garbage Disposal Oven Refrigerator Walk-In Closet Washer/Dryer Washer/Dryer hookup	Security	none
Property	Clubhouse/Meeting Room/Community Room Central Laundry Off-Street Parking On-Site Management Playground Recreation Areas	Premium	none
Services	none	Other	Splash pad
Comments			
Ashton Pines is an existing LIHTC property that will be renovated with tax credits. Proposed net rents for the property's two- and three-bedroom units at 50 percent AMI are \$490 and \$550 respectively. The proposed net rents for the property's two- and three-bedroom units at 60 percent AMI are \$590 and \$668, respectively. Per the developer, the Subject's utility allowances will be \$180 for a one-bedroom unit and \$219 for a two-bedroom unit. This yields a gross rent of \$670 and \$769 for the property's one- and two-bedroom units at 50 percent AMI and \$770 and \$887 for the property's one- and two-bedroom units at 60 percent AMI.			

Scope of Renovations:

The Subject's renovations will total \$4,309,000 or approximately \$61,500 per unit. These renovations are considered extensive and will include but are not limited to:

- New carpeting in all units
- New kitchen cabinets and kitchen appliances
- Updates to the bathrooms
- New HVAC systems
- New washers and dryers in each unit
- New siding on all building exteriors
- Updated landscaping
- New playground equipment
- Addition of a splash pad
- Updates to the clubhouse

Current Rents:

The following table compares the Subject's current rents to the proposed rents.

Current Vs. Proposed Rents

Bedroom Type	AMI Level	Current Rent	Proposed Rent	% Increase
2BR	50%	\$446	\$490	10%
3BR	50%	\$500	\$550	10%
2BR	60%	\$537	\$590	10%
3BR	60%	\$607	\$668	10%

As illustrated, the Subject’s rents will increase 10 percent following renovations.

Current Occupancy: The Subject is currently 100 percent occupied with a 75 household waiting list.

Current Tenant Income: Management indicated that most tenants at the property are earning between \$15,000 and \$30,000 annually.

Placed in Service Date: 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 by July 2013.

Conclusion: Following renovations, the Subject will be a good quality brick and Hardiplank siding two-story walk-up, garden style apartment complex, comparable to most of the inventory in the area. As a newly renovated property, the Subject will not suffer from deferred maintenance, functional obsolescence, or physical obsolescence.

C. SITE EVALUATION

1. Date of Site Visit and Name of Site Inspector:

Brad Weinberg visited the site on May 25, 2011.

2. Physical Features of the Site:

The following illustrates the physical features of the site.

Frontage:

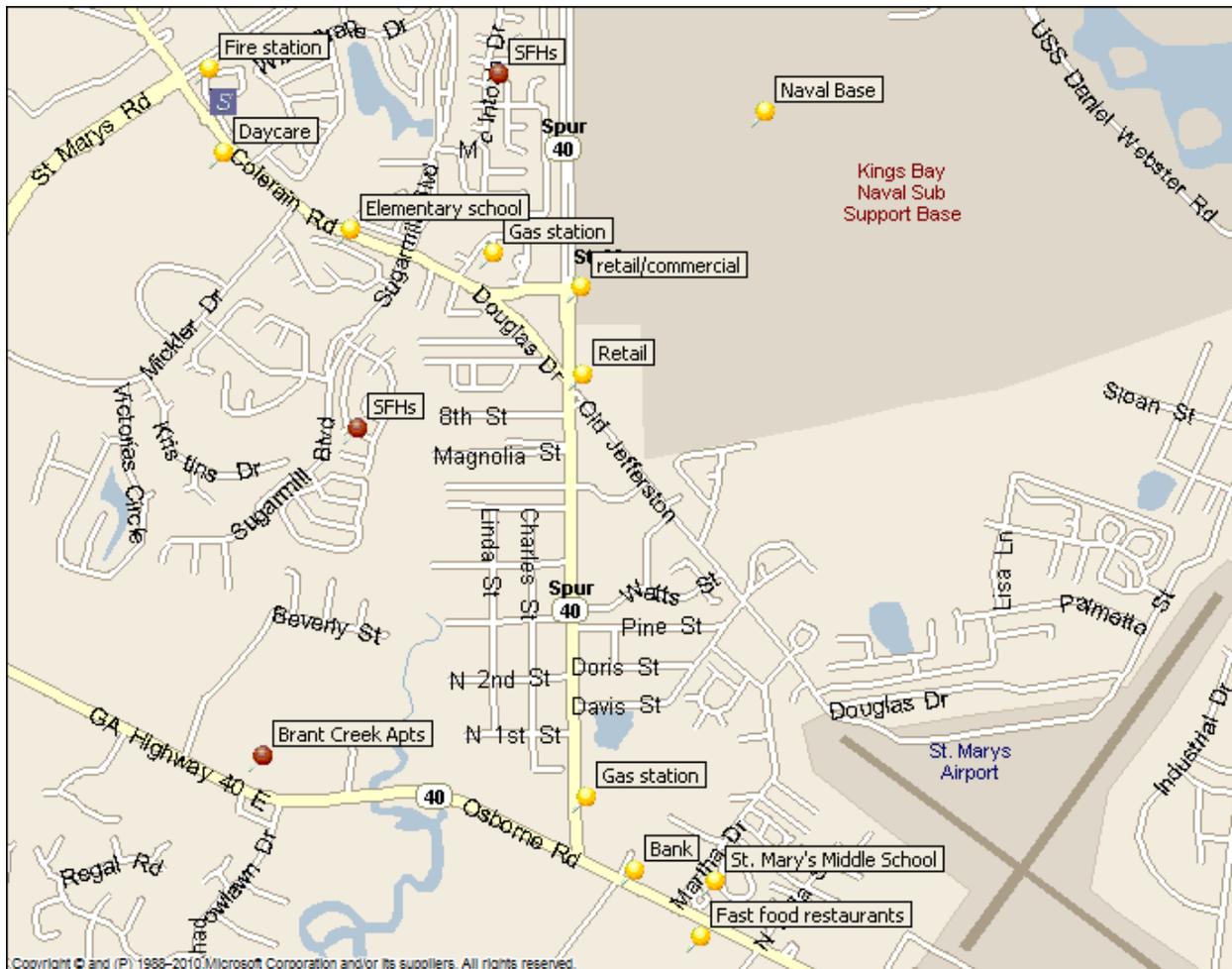
The Subject site has frontage along Colerain Road.

Visibility/Views:

The Subject is located on the western side of Colerain Road and has good visibility and views.

Surrounding Uses:

The following map and pictures illustrate the surrounding land uses.



The Subject is located on the eastern side of Colerain Road. Surrounding uses consist of vacant land, a child daycare facility, a fire station, an elementary school, and single family homes in overall good condition. The Kings Bay Naval Sub Support Base is also located approximately 1.0

mile east of the site. Residential uses in the immediate area mainly consist of single family homes in overall good condition. These homes are located north and south of the Subject. The majority of the retail and commercial development in the Subject's neighborhood is located approximately 1.8 miles south of the Subject along Osborne Road (GA Highway 40 East). Retail in the area is generally older and in overall average condition. Retail uses appeared to be 90 percent occupied. Other locational amenities such as the St. Marys Middle School and the local fire department are also located in the vicinity. Overall, the Subject has a desirable location for multifamily housing.

Positive/Negative Attributes of Site: The Subject has good proximity to retail and other services such as schools and daycare. We did not witness any negative attributes during our field work.

3. Physical Proximity to Locational Amenities:

The Subject site is located on Colerain Road, within walking distance to the both the fire station and the elementary school. The property is easily accessible and is located west of Charlie Smith Sr. Highway, north GA Highway 40, southeast of St. Mary's Rd. and south of Kings Bay Road. It is also located approximately five miles from Interstate 95. The Subject will have access to main routes within a one mile radius. Additionally, all amenities are less than 5.3 miles from the Subject. Retail and grocery stores are less than 2.2 miles from the site. The Kings Bay Naval Base, an employment hub, is 1.0 mile from the Subject. The local hospital is located 1.9 miles east. Overall, access and traffic flow are considered good.

4. Pictures of Site and Adjacent Uses:



Subject



Subject



View southeast on Colerain Rd



View northwest on Colerain Road



View north of Subject



Clubhouse-interior



Typical kitchen



Typical living room



In unit washer/dryer connections



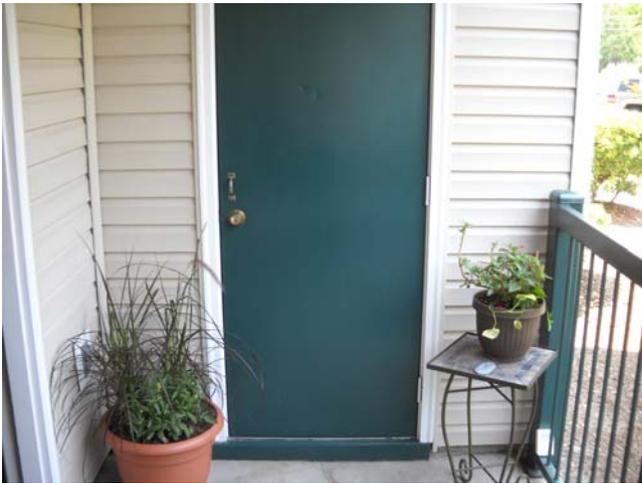
Typical bedroom



Typical bathroom



Balcony/patio



Exterior storage



Clubhouse-exterior



Picnic areas



Off street parking



Playground



Central laundry facility



Management office



Fire Department southeast



Single family home south



Daycare west



Gas station southeast



Retail/commercial southeast



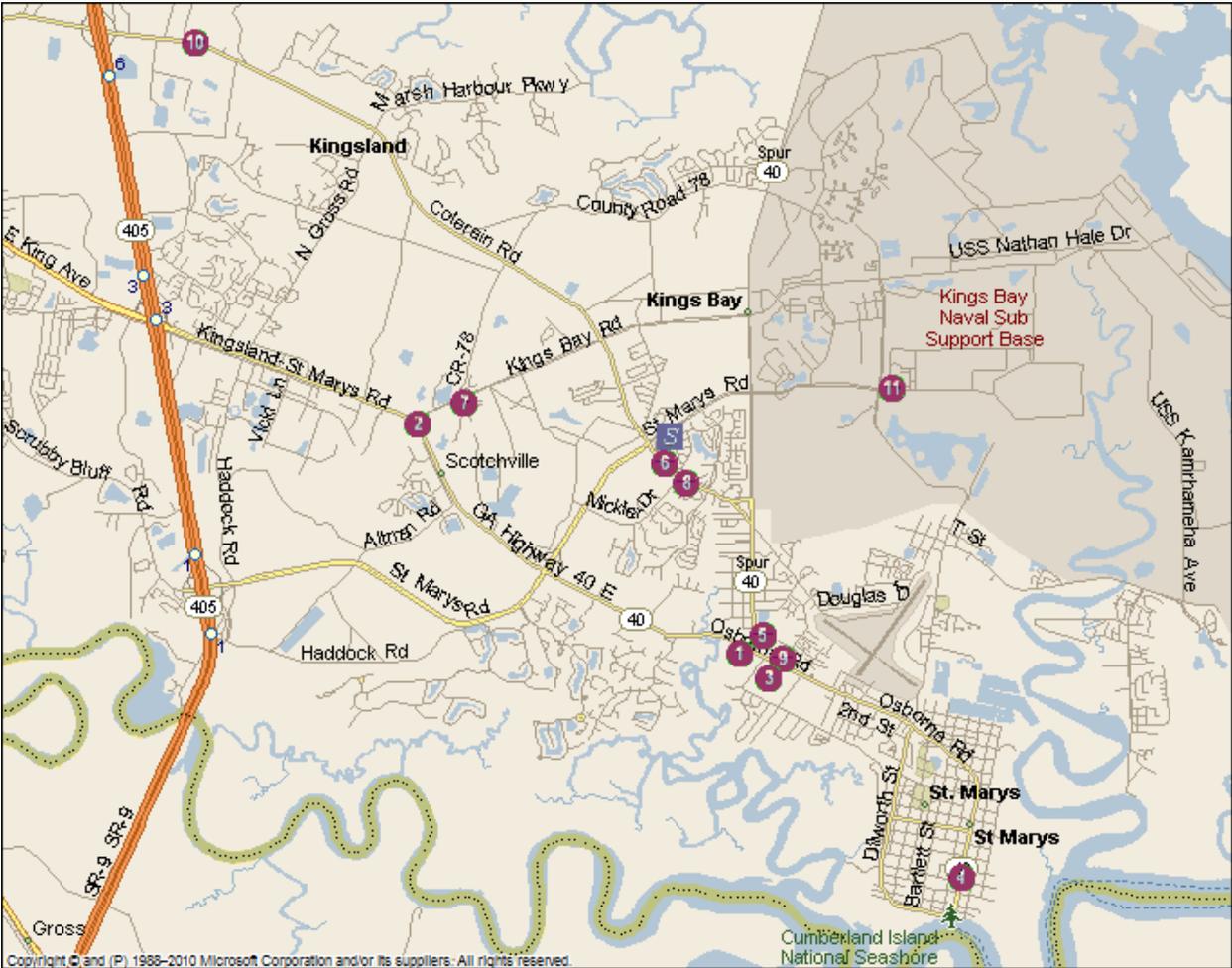
Convenience store southeast



Commercial southeast

5. Proximity to Locational Amenities:

The following table details the Subject’s distance from key locational amenities.



Locational Amenities

Map #	Amenity	Type of Service	Distance from Subject
1	Harvey's Supermarket	Grocer	1.4 miles
2	Wal-Mart Supercenter	Retail	2.2 miles
3	City of St. Mary's Library	Library	1.6 miles
4	St. Mary's Police Department	Police	4.0 miles
5	CVS Pharmacy	Pharmacy	1.6 miles
6	St. Mary's Fire Station	Fire	0.2 miles
7	Southeast GA Health System	Hospital	1.9 miles
8	Mary Lee Clark Elementary School	Elementary School	0.1 miles
9	St. Marys Middle School	Middle School	1.6 miles
10	Camden County High School	High School	5.3 miles
11	Kings Bay Naval Submarine Base	Employment Center	1.0 miles
N/A	N/A	Public Transportation	N/A

6. Description of Land Uses:

The Subject is located on the eastern side of Colerain Road. Surrounding uses consist of vacant land, a child daycare facility, a fire station, an elementary school, and single family homes in overall good condition. The Kings Bay Naval Sub Support Base is also located approximately 1.0 mile east of the site. Residential uses in the immediate area mainly consist of single family homes in overall good condition. These homes are located north and south of the Subject. The majority of the retail and commercial development in the Subject's neighborhood is located approximately 1.8 miles south of the Subject along Osborne Road (GA Highway 40 East). Retail in the area is generally older and in overall average condition. Retail uses appeared to be 90 percent occupied. Other locational amenities such as the St. Marys Middle School and the local fire department are also located in the vicinity. Overall, the Subject has a desirable location for multifamily housing.

7. Multifamily Residential within Two Miles:

There are several multifamily properties within two miles of the Subject site. These properties are generally older and are in overall average condition. The Subject will be superior to these properties following renovations.

8. Existing Assisted Rental Housing

Property Map:

The following map and list identifies all assisted rental housing properties in the PMA.

SUBSIDIZED PROPERTIES IN PMA

Name	Address	City	State	Type	Tenancy	Map Color	Included/ Excluded	Reason for Exclusion	Distance from Subject
Ashton Pines	11115 Colerain Rd.	St. Mary's	GA	LIHTC	Family	Blue	Subject	Subject	Subject
Ashton Cove Apartments	230 N. Gross Rd.	Kingsland	GA	LIHTC	Family	Cyan	Included	N/Ap	5.3 miles
Kings Grant Apartments	500 N. Gross Rd.	Kingsland	GA	LIHTC	Family	Cyan	Included	N/Ap	8.3 miles
Kingsland III	Grove Blvd	Kingsland	GA	LIHTC	Family	Cyan	Excluded	Proposed	8.3 miles
Royal Point Apartments	301 N. Gross Rd.	Kingsland	GA	LIHTC	Family	Cyan	Included	N/Ap	5.8 miles
Old Jefferson Estates	42 Pinehurst Dr.	St. Mary's	GA	LIHTC	Family	Cyan	Excluded	Design not comparable-SFH	1.5 miles
Hilltop Terrace	4059 Martin Luther King Jr. Blvd.	Kingstead	GA	Rural Development	Elderly	Red	Excluded	Rent Subsidized; tenancy not comparable	7.8 miles
Cumberland Village	116 Martha Dr.	St. Mary's	GA	Rural Development	Family	Red	Excluded	Rent Subsidized	1.8 miles
Cottages at Camden	1050 N. Gross Rd.	Kingstead	GA	Section 8	Elderly	Yellow	Excluded	Rent Subsidized; tenancy not comparable	4.3 miles
Cumberland Oaks Apartments	100 Mary Powell Dr.	St. Mary's	GA	Section 8	Family	Yellow	Excluded	Rent Subsidized	1.9 miles
The Pines Apartments	208 Old Jefferson Rd	St. Mary's	GA	Section 8	Family	Yellow	Excluded	Rent Subsidized	1.2 miles

9. Road/Infrastructure

Proposed Improvements:

We did not witness any roadwork near the Subject site during our field work.

10. Access, Ingress/Egress and Visibility of site:

The Subject has good visibility from Colerain Road, a moderately trafficked roadway containing a variety of uses.

11. Environmental Concerns:

None visible upon site inspection.

Detrimental Influences:

There are no significant detrimental influences.

12. Conclusion:

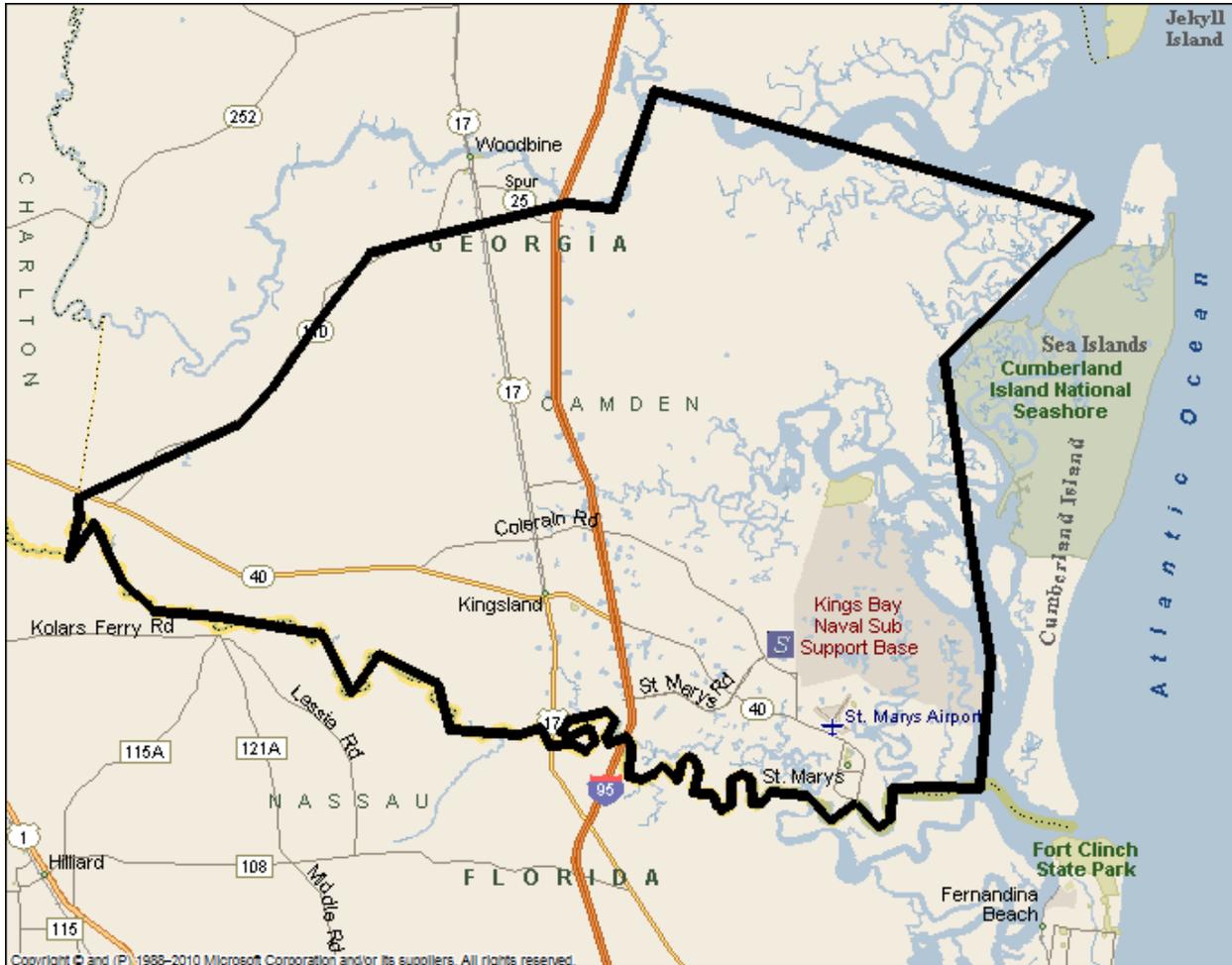
The Subject is located in a mixed use neighborhood and has good visibility from Colerain Road. The Subject is located an adequate distance from locational amenities such as retail, schools, and medical care. Overall, the Subject fits well with the surrounding uses and the Subject's current occupancy rate of 100 percent indicates that it is a desirable location for multifamily housing.

D. MARKET AREA

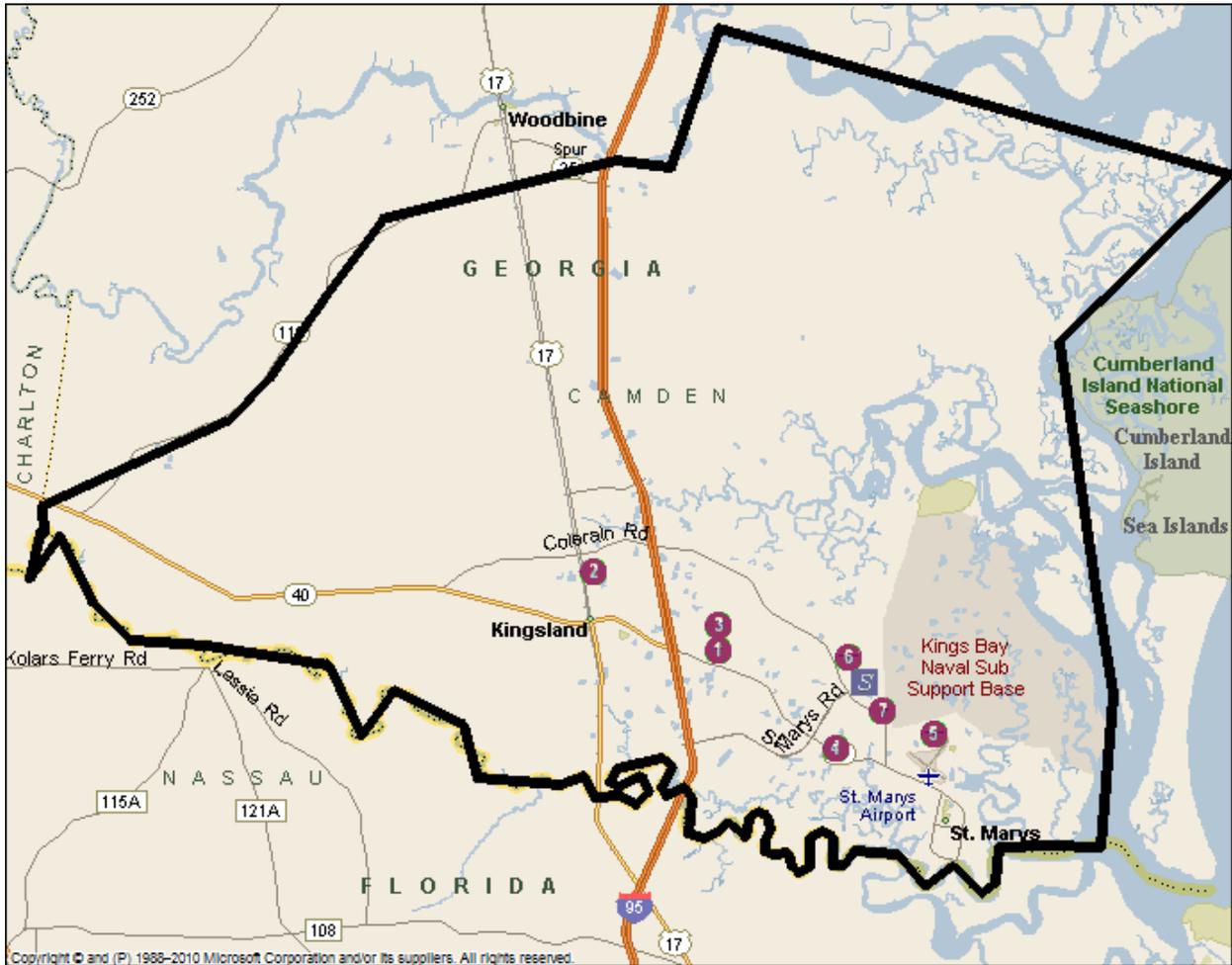
PRIMARY MARKET AREA

For the purpose of this study, it is necessary to define the market area, or the area from which potential tenants for the project are likely to be drawn. In some areas, residents are very much “neighborhood oriented” and are generally very reluctant to move from the area where they have grown up. In other areas, residents are much more mobile and will relocate to a completely new area, especially if there is an attraction such as affordable housing at below market rents.

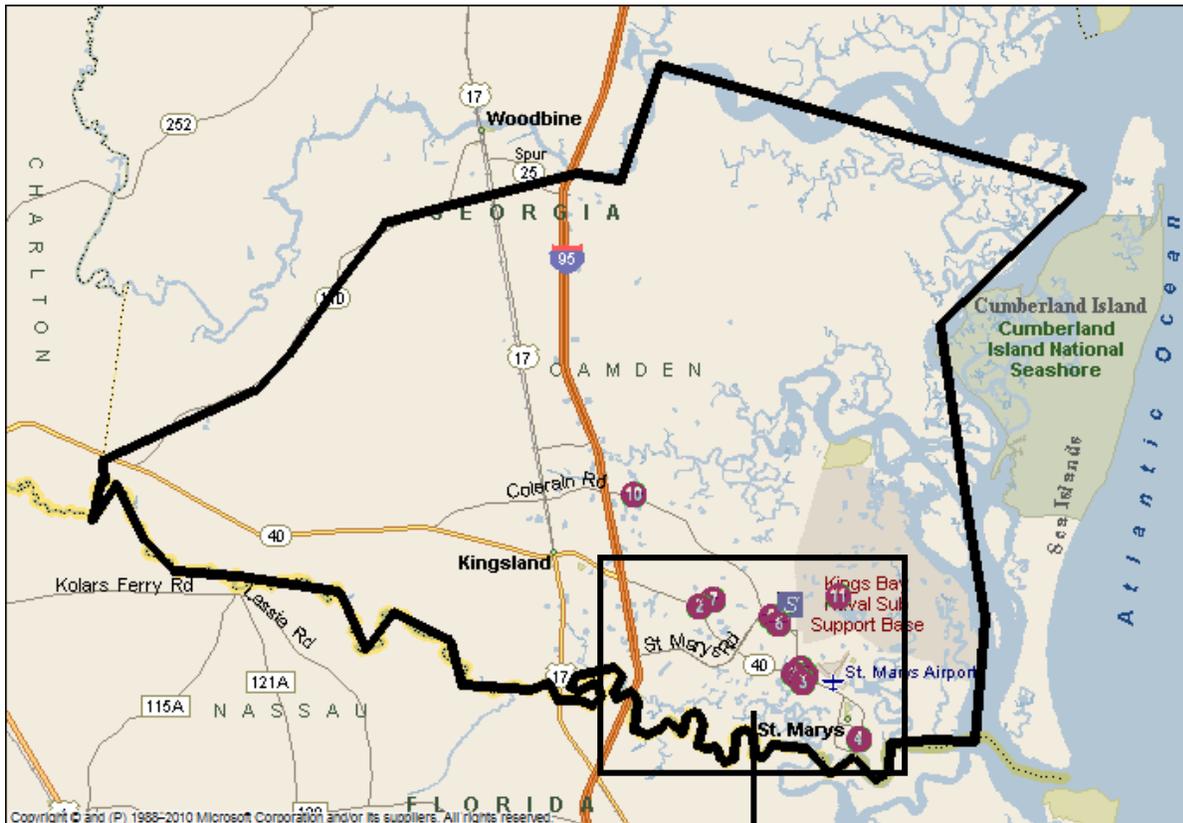
Primary Market Area Map

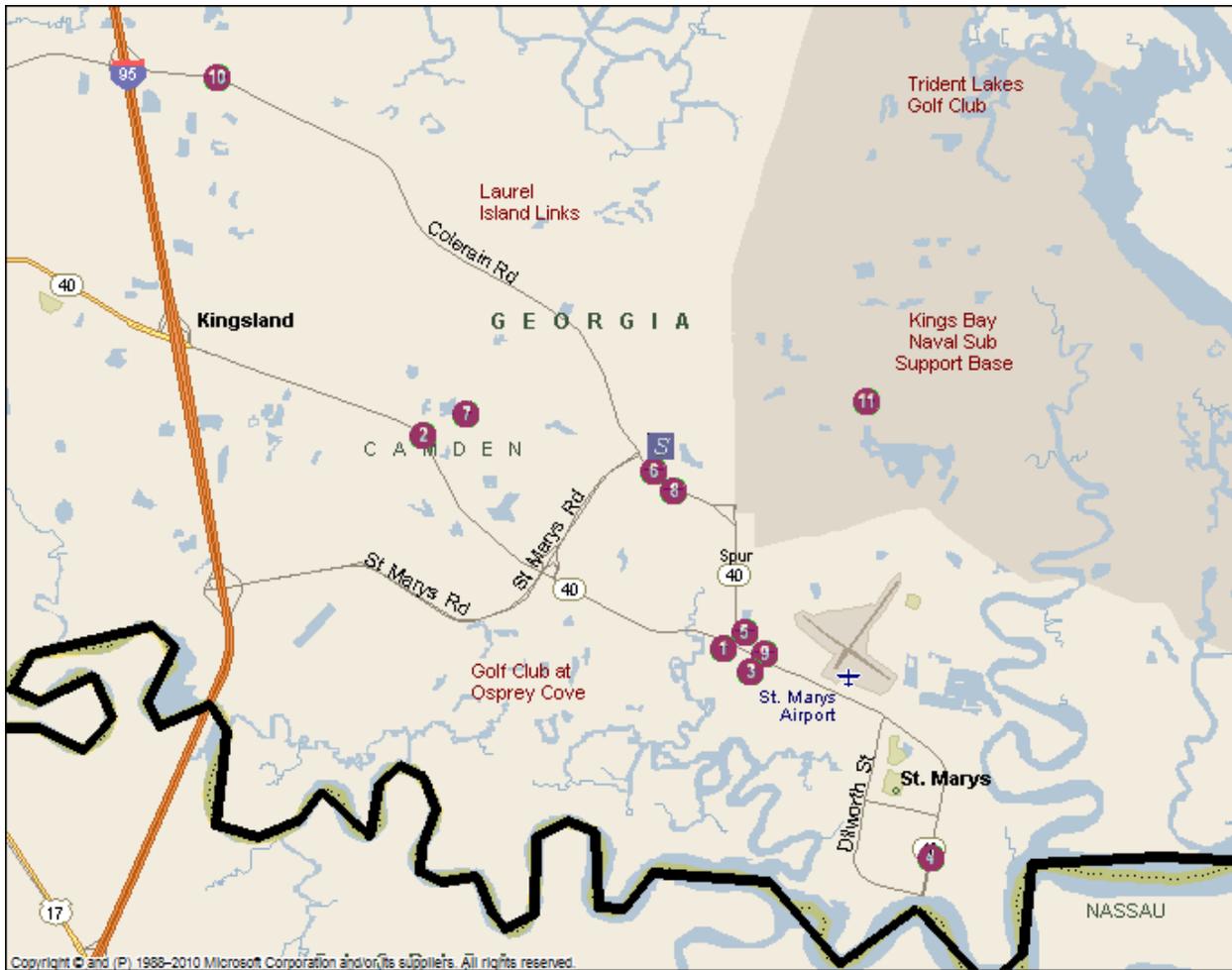


Comparable Properties Map



Locational Amenities Map





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

The boundaries of the PMA are as follows:

- North – The Satilla River
- South- The Florida/Georgia state line
- East-The Camden County line
- West- Georgia Highway 110

The Subject's PMA includes the southern portion of Camden County. Management at the Subject indicated that most of the tenants are from within the St. Marys and Kingsland areas, both of which are included in our PMA. While the Subject does have a few tenants from Jacksonville, we have not included this area in our PMA. We have drawn the southern boundary of our PMA at the Florida/Georgia state line and we have accounted for leakage of approximately 15 percent from outside the PMA boundaries. Management at the LIHTC property Ashton Cove also reported that most tenants are from within the southern portion of the county. While we did interview property managers at conventional rental properties for tenant

information, property managers reported that they have a large military population due to the naval base in St. Marys. Due to the military presence, their tenants are coming from all over the country. Therefore, we have not relied heavily on these properties when concluding to our PMA boundaries. Overall, we believe that 85 percent of the Subject's tenants will originate from within the designated PMA.

E. COMMUNITY DEMOGRAPHIC DATA

COMMUNITY DEMOGRAPHIC DATA

The following sections will provide an analysis of the demographic characteristics within the market area. Data such as population, households and growth patterns will be studied to determine if the Primary Market Area (PMA) and St. Mary's, GA MSA are areas of growth or contraction. The discussions will also describe typical household size and will provide a picture of the health of the community and the economy. The following demographic tables are specific to the populations of the PMA and MSA.

1. Population Trends

The following tables illustrate (a) Total Population, (b) Population by Age Group, within population in MSA, the PMA and nationally from 1990 through 2015.

POPULATION

Year	PMA		St. Mary's, GA MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
1990	26,631	-	30,167	-	248,709,873	-
2000	39,418	4.8%	43,664	4.5%	281,421,906	1.3%
2010	44,873	1.4%	49,602	1.3%	311,212,863	1.0%
Projected Mkt Entry July 2013	46,375	1.1%	51,229	1.1%	318,410,780	0.8%
2015	47,377	1.1%	52,314	1.1%	323,209,391	0.8%

Source: ESRI Demographics 2010, Novogradac & Company LLP, June 2011

POPULATION BY AGE IN 2010

Age Cohort	PMA		St. Mary's, GA MSA		USA	
	Number	Percentage	Number	Percentage	Number	Percentage
0-4	4,343	9.7%	4,596	9.3%	21,296,740	6.8%
5-9	3,719	8.3%	4,023	8.1%	20,832,961	6.7%
10-14	3,241	7.2%	3,590	7.2%	20,369,284	6.5%
15-19	3,203	7.1%	3,562	7.2%	21,883,995	7.0%
20-24	3,645	8.1%	3,889	7.8%	21,459,235	6.9%
25-29	3,863	8.6%	4,099	8.3%	21,517,303	6.9%
30-34	4,239	9.4%	4,454	9.0%	19,852,007	6.4%
35-39	3,604	8.0%	3,920	7.9%	20,531,543	6.6%
40-44	3,271	7.3%	3,599	7.3%	21,232,056	6.8%
45-49	3,237	7.2%	3,614	7.3%	23,163,948	7.4%
50-54	2,651	5.9%	3,069	6.2%	22,315,436	7.2%
55-59	1,965	4.4%	2,326	4.7%	19,742,941	6.3%
60-64	1,489	3.3%	1,814	3.7%	16,544,050	5.3%
65-69	947	2.1%	1,157	2.3%	12,081,110	3.9%
70-74	602	1.3%	773	1.6%	9,033,665	2.9%
75-79	406	0.9%	522	1.1%	7,339,326	2.4%
80-84	260	0.6%	332	0.7%	5,947,153	1.9%
85+	188	0.4%	263	0.5%	6,070,110	2.0%
Total	44,873	100.0%	49,602	100.0%	311,212,863	100.0%

Source: ESRI Demographics 2010, Novogradac & Company LLP, June 2011

Projected annual population growth in the PMA and MSA from 2010 to 2013 is moderately strong and is expected to increase by 1.1 percent annually through the year 2015. The largest age cohorts in the PMA include persons ages 0 to 4 with a high concentration of persons ages 30 to 34. The prevalence of these age groups in conjunction suggests that the PMA has a considerable family population.

2. Household Trends

2a. Total Number of Households, Average Household Size

HOUSEHOLDS

Year	PMA		St. Mary's, GA MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
1990	8,222	-	9,459	-	91,947,410	-
2000	13,131	6.0%	14,705	5.5%	105,480,101	1.5%
2010	15,575	1.8%	17,400	1.8%	116,761,140	1.0%
Projected Mkt Entry July 2013	16,120	1.2%	18,001	1.2%	119,520,218	0.8%
2015	16,483	1.2%	18,402	1.2%	121,359,604	0.8%

Source: ESRI Demographics 2010, Novogradac & Company LLP, June 2011

AVERAGE HOUSEHOLD SIZE

Year	PMA		St. Mary's, GA MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
1990	2.90	-	2.89	-	2.63	-
2000	2.87	-0.1%	2.84	-0.2%	2.59	-0.1%
2010	2.85	-0.1%	2.82	-0.1%	2.59	0.0%
Projected Mkt Entry July 2013	2.85	0.0%	2.82	0.0%	2.59	0.0%
2015	2.84	0.0%	2.81	0.0%	2.60	0.0%

Source: ESRI Demographics 2010, Novogradac & Company LLP, June 2011

Similar to population trends, annual household growth in the PMA was strong at 1.8 percent annually in 2010. This growth was similar to the MSA and greater than national growth. There is a projected increase of 1.2 percent annually through the years 2013 and 2015. The average household size in the PMA, at 2.85, is slightly higher than the MSA and the nation. The Subject offers two- and three-bedroom units and targets larger households.

2b. Households by Tenure

The table below depicts household growth by tenure from 1990 through 2015.

TENURE PATTERNS PMA

Year	Owner-Occupied	Percentage Owner-	Renter-Occupied	Percentage Renter-
	Units	Occupied	Units	Occupied
1990	4,944	60.13%	3,278	39.87%
2000	7,966	60.67%	5,165	39.33%
2010	9,266	59.49%	6,309	40.51%
Projected Mkt Entry July 2013	9,613	59.63%	6,507	40.37%
2015	9,844	59.72%	6,639	40.28%

Source: ESRI Demographics 2010, Novogradac & Company LLP, June 2011

As the table illustrates, households within the PMA are predominately owner-occupied residences. While only slight, the percentage of owner-occupied homes is expected to increase, and the percentage of renter-occupied homes is projected to decrease through 2013 and 2015.

2c. Households by Income

The following table depicts household income in 2010, 2013 and 2015 for the PMA.

HOUSEHOLD INCOME PMA

Income Cohort	PMA						Annual Change 2010 to 2015	
	2010		Projected Mkt Entry July 2013		2015			
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	1,006	6.5%	994	6.2%	985	6.0%	-4	-0.4%
\$10,000-19,999	1,435	9.2%	1377	8.5%	1,339	8.1%	-19	-1.3%
\$20,000-29,999	1,681	10.8%	1637	10.2%	1,608	9.8%	-15	-0.9%
\$30,000-39,999	2,071	13.3%	1939	12.0%	1,852	11.2%	-44	-2.1%
\$40,000-49,999	2,119	13.6%	2063	12.8%	2,026	12.3%	-19	-0.9%
\$50,000-59,999	1,825	11.7%	1887	11.7%	1,928	11.7%	21	1.1%
\$60,000-74,999	2,034	13.1%	2159	13.4%	2,243	13.6%	42	2.1%
\$75,000-99,999	2,063	13.2%	2275	14.1%	2,417	14.7%	71	3.4%
\$100,000+	1,341	8.6%	1788	11.1%	2,086	12.7%	149	11.1%
Total	15,575	100.0%	16,120	100.0%	16,483	100.0%		

Source: Ribbon Demographics 2007, Novogradac & Company LLP, June 2011

The largest income cohort was between \$40,000-\$49,999 in 2010. Only 15.7 percent of households earn less than \$19,999. The larger income cohorts are expected to grow in 2013 through 2015. In both 2013 and 2015 the largest income cohort is expected to be between \$75,000 and \$99,999.

2d. Renter Households by Number of Persons in the Household

The following table illustrates the number of persons per household among renter households.

Renter Households by Number of Persons - PMA

	2000		2010		Projected Mkt Entry July 2013		2015	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
	With 1 Person	1,065	20.6%	1,452	23.0%	1,540	23.7%	1,599
With 2 Persons	1,555	30.1%	1,772	28.1%	1,792	27.5%	1,805	27.2%
With 3 Persons	1,068	20.7%	1,262	20.0%	1,265	19.4%	1,267	19.1%
With 4 Persons	844	16.3%	1,060	16.8%	1,110	17.1%	1,143	17.2%
With 5+ Persons	634	12.3%	763	12.1%	799	12.3%	824	12.4%
Total Renter Households	5,165	100.0%	6,309	100.0%	6,507	100.0%	6,639	100.0%

Source: Ribbon Demographics 2007, Novogradac & Company LLP, June 2011

The largest renter household cohort has remained a two person household from the year 2000 and is expected to continue through 2015. This cohort accounted for 28.1 percent of the population in 2010.

2e and f. Elderly and HFOP

Per DCA’s guidelines, elderly households populations will be based on households who are 62 years and older and HFOP populations will be based on households who are 55 years or older according to the census.

CONCLUSION

The PMA and MSA have demonstrated that they are areas of growth. The population and the number of households are both expected to increase from 2011 to 2015. The largest age cohorts are in the 0-4 age range and 30-34, which account for 17.7 percent of the population. Households and household size are expected to increase in the PMA. In 2010, 59.49 percent of the units in the PMA were owner occupied. The largest income cohort was between \$40,000-\$49,999. Two person households accounted for 28.1 percent of the population in 2010.

F. EMPLOYMENT TRENDS

Employment Trends

The following section provides an analysis of the economic characteristics within the market area. Data such as employment, unemployment, expansions, and major employers will be studied to determine if the Primary Market Area (PMA) and Camden County(GA) are areas of growth or contraction.

Consistent with national trends, the greater MSA and PMA areas have undergone economic contractions over 2008 that are continuing into 2011. Various industries including retail, manufacturing and even historically stable industries such as healthcare and education have experienced layoffs. It is important to note that the local economy is driven by the Kings Bay Naval Submarine Base in which there have been no layoffs that have taken place.

1. Total Jobs

The following table illustrates the total jobs (also known as “covered employment”) in Camden County.

COVERED EMPLOYMENT IN CAMDEN COUNTY

Year	Total Employment	% Change
2001	13,585	
2002	13,690	0.77%
2003	13,511	-1.32%
2004	13,939	3.07%
2005	15,065	7.47%
2006	15,196	0.86%
2007	15,643	2.86%
2008	15,038	-4.02%
2009	14,127	-6.45%
2010 YTD Average*	13,342	-5.88%
Sep-09	14,022	-
Sep-10	13,356	-4.99%

Source: U.S. Bureau of Labor Statistics

*YTD as of Sept 10

Employment levels in Camden County increased from 2004 to 2007, but have decreased from 2008 through 2010. In 2009, Camden County experienced its highest an employment loss of 4.02 percent and then another 6.45 percent in 2009. As of September 2010, the county has lost an additional 4.99 percent of jobs. However, the year to date data indicates that the pace of jobs lost in Camden County is slowing.

2. Total Jobs by Industry

The following table illustrates the total jobs by employment sectors within the County as of third quarter 2009.

2010 Q2 EMPLOYMENT JOBS BY INDUSTRY Camden County, GA

Industry	Number Employed	Percent Employed
Construction	309	3.53%
Education and Health Services	949	10.83%
Financial Activities	925	10.55%
Information	143	1.63%
Leisure and Hospitality	1,861	21.23%
Manufacturing	800	9.13%
Natural Resources and Mining	43	0.49%
Other Services	278	3.17%
Professional and Business Services	1,314	14.99%
Public Administration*	-	-
Trade, Transportation, and Utilities	2,130	24.30%
Unclassified	13	0.15%
Total Employment	8,765	100.00%

*Monthly data is not available

Source: U.S. Bureau of Labor Statistics 2010. Covered Employment

The largest industry in the PMA is trade, transportation and utilities followed by leisure and hospitality and professional and business services. Retail trade and leisure and hospitality are historically unstable sectors during economic recession. However, the percentage of people employed in the educational services, public administration and accommodation/food service industries is much higher within the PMA than the nation. The retail industry also has a slightly higher percentage employed than the nation. It should be noted that monthly data was not available for the Public Administration industry.

3. Major Employers

The diversification of the St. Marys economic base is indicated by the following list of Camden County's 16 largest employers.

MAJOR EMPLOYERS

#	Employer	Industry	Number Employed
1	Kings Bay Submarine Base	Military	8,979
2	Camden County School System	Education	1,462
3	Express Scripts	Call Center	525
4	Lockheed Missiles and Space	Manufacturer	479
5	Camden County Government	Government	422
6	Southeast GA - Health Systems	Healthcare	429
7	Wal-Mart Supercenter	Retail	375
8	VT Group	Government	344
9	Publix Super Market	Retail	127
10	Winn Dixie	Retail	90
11	Osprey Cove Golf Course	Recreation	85
12	Georgia Pacific	Manufacturer	84
13	BAE Systems	Tech Services	67
14	K-Mart	Retail	60
15	TDS Telecom	Telecommunications	40
16	General Dynamics	Tech Services	38
TOTAL			13,606

Source: Camden County Chamber of Commerce, June 2011

The Kings Bay Submarine Base is by far the largest employer, with more people than all other industries combined. The military base employs more people than all other industries combined. Other industries are also heavily represented in the major employers in the county including education, manufacturing, government, healthcare, retail and scientific/technology services. In addition the educational services, public administration and the accommodation/food services industries have a greater percentage employed when compared to the nation. The major employers account for a large portion of the total employment within the county.

Expansions/Contractions

Despite the current recession, the Camden County Joint Development Authority has reported several announcements for expansions in recent months. The following list details these expansions:

- Express Scripts will be expanding through 2011.
- The US Coast Guard Maritime Force Protection Unit expanded in 2011.
- Johnson Gas expanded from Florida to Georgia and leased a site within the Camden County Industrial Park.
- Electric Boat is expected to increase once again.
- Aerospace Missions opened a new branch in Camden County.
- Beachview Tent Rental Company has relocated to Camden County and should add an additional 45 jobs to the workforce. By year end they are hoping to employ 75 people.

While this announced job growth is notable, it does not reflect actual jobs added to the market in 2010. Additionally, Shannon Nettles, from the Joint Development Authority was unable to provide exact employment numbers added to the workforce. The following table illustrates closures and layoffs in the Camden County from 2010 and 2011 (actual and announced).

Camden County Business Closures/Layoffs

Effective Date	Company	City	Industry	Number Affected	Reason	Closure/Layoff
4/6/2011	Bayer Cropscience	Woodbine	Manufacturer	80	Economic Conditions	CL
3/1/2010	Electric Boat Corp	Kings Bay	Manufacturer	10	Economic Conditions	LO
N/Av	Camden County School System	Camden County	Education	388	Economic Conditions	LO
N/Av	Lockheed Martin	St.Mary's	Manufacturer	21	Economic Conditions	LO
N/Av	Camden County Government	Camden County	Government	23	Economic Conditions	LO
N/Av	Southwest GA Health Systems	St.Mary's	Healthcare	201	Economic Conditions	LO
N/Av	General Dynamics	St. Mary's	Manufacturer	115	Economic Conditions	LO
TOTAL				839		

Source: Georgia Department of Labor, June, 2011 and Camden County Chamber of Commerce, June, 2011

As illustrated in the above tables, Camden County lost at least 839 jobs from 2010 to 2011 and is projected to lose more. In addition, according to the Chamber of Commerce, in 2009, 77 companies closed their doors in Camden County. While the announced expansions of at least 75 new jobs will mitigate these losses to some extent, the net change is a loss of 794 jobs.

4. Employment and Unemployment Trends

The following table details employment and unemployment trends for Guilford County from 2000 to 2011 (through April).

EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

Year	St. Mary's, GA MSA				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2000	17,240	-	3.6%	-	136,891,000	-	4.2%	-
2001	17,297	0.3%	3.7%	0.1%	136,933,000	0.0%	4.0%	-0.2%
2002	17,651	2.0%	4.3%	0.6%	136,485,000	-0.3%	4.7%	0.7%
2003	17,707	0.3%	5.3%	1.0%	137,736,000	0.9%	5.8%	1.1%
2004	18,256	3.1%	4.5%	-0.8%	139,252,000	1.1%	6.0%	0.2%
2005	19,618	7.5%	4.6%	0.1%	141,730,000	1.8%	5.5%	-0.5%
2006	20,074	2.3%	4.1%	-0.5%	144,427,000	1.9%	5.1%	-0.4%
2007	20,583	2.5%	4.1%	0.0%	146,047,000	1.1%	4.6%	-0.5%
2008	19,925	-3.2%	5.7%	1.6%	145,362,000	-0.5%	4.6%	0.0%
2009	18,860	-5.3%	8.7%	3.0%	139,877,000	-3.8%	5.8%	1.2%
2010	17,834	-5.4%	9.9%	1.2%	139,064,000	-0.6%	9.3%	3.5%
2011 YTD Average*	18,129	1.7%	9.9%	0.0%	138,578,750	-0.3%	9.6%	0.3%
Apr-2010	17,902	-	9.4%	-	139,302,000	-	9.6%	-
Apr-2011	18,088	1.0%	9.0%	-0.4%	139,661,000	0.3%	9.6%	0.0%

Source: U.S. Bureau of Labor Statistics, Novogradac & Company LLP, June 2011

Camden County experienced fairly strong employment growth in 2005 and 2007. Conversely, the county has experienced total employment declines and unemployment increases from 2008 to 2010 which negated the growth experienced in the previous years. Job losses in these years were significantly above the national averages and are due to layoffs in the services industries. Additionally, although unemployment has historically been equivalent to or below national levels, the 2010 figures indicate a sizeable increase in the local unemployment rate. Additionally, it is important to note that the 2011 YTD data is an average for the whole year through April 2011. However, the YTD average shows improvement. Employment has increased by 1.7 percent and unemployment has remained the same. The area's unemployment rate increased substantially in the early part of 2009 increasing from an average of 5.7 percent from in 2008 to 8.7 percent unemployment in 2009. The national unemployment rate increased by 1.2 points during the same period. Year over, from April 2010 to April 2011, it is indicated that unemployment has decreased by 0.4 points. This is a positive change and should help stabilize the economy.

5. Map of Site and Major Employment Concentrations

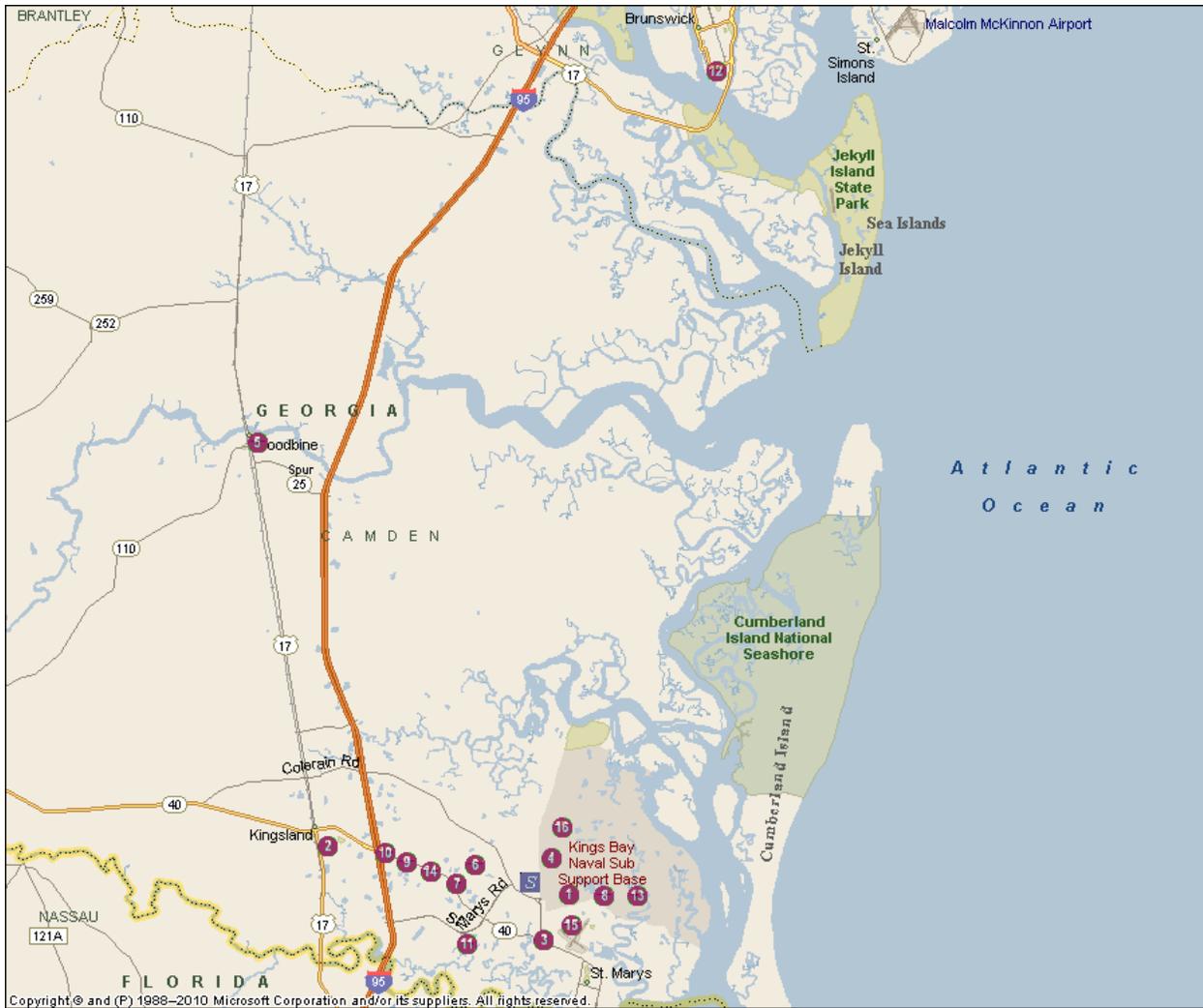
The following table and map detail the largest employers in Camden County.

MAJOR EMPLOYERS

#	Employer	Industry	Number Employed
1	Kings Bay Submarine Base	Military	8,979
2	Camden County School System	Education	1,462
3	Express Scripts	Call Center	525
4	Lockheed Missiles and Space	Manufacturer	479
5	Camden County Government	Government	422
6	Southeast GA - Health Systems	Healthcare	429
7	Wal-Mart Supercenter	Retail	375
8	VT Group	Government	344
9	Publix Super Market	Retail	127
10	Winn Dixie	Retail	90
11	Osprey Cove Golf Course	Recreation	85
12	Georgia Pacific	Manufacturer	84
13	BAE Systems	Tech Services	67
14	K-Mart	Retail	60
15	TDS Telecom	Telecommunications	40
16	General Dynamics	Tech Services	38
TOTAL			13,606

Source: Camden County Chamber of Commerce, June 2011

Ashton Pines, St. Marys, GA; Market Study



Conclusion

Both the population and number of households in the PMA and county have experienced strong growth as they are growing significantly faster than the nation. The income cohort is expected to increase in 2013 and 2015, as well. This strong growth is projected to continue in the future and is likely due to the area's stable Kings Bay Submarine Military Base, as well as the comparatively cheaper, more affordable housing. Kings Bay Naval Base is the largest employer in the county, which bodes well for the Subject and the stability of the local economy. While Camden County's top employers account for a high percentage of the area's total employment, the largest industries in the PMA, military and educational services, are considered stable industries.

Both Camden County and the MSA have stabilizing economies with increasing total employment and decreasing unemployment. In the MSA employment decreased from 2008 to 2010, while unemployment increased slightly from 2008 through 2010. The April 2011 year to date average indicates that unemployment has not increased. Even though there have been a few notable expansions, from 2010 to April 2011, at least 749 jobs have been lost. The year over year unemployment rate in the MSA decreased by 0.4 percentage points from April 2010 to April 2011.

PROJECT-SPECIFIC DEMAND ANALYSIS

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). However, very few senior households have more than two persons. Therefore, we have used a maximum household size of two persons in our analysis.

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.

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 2013, the anticipated date of market entry, as the base year for the analysis. Therefore, 2010 household population estimates are inflated to 2013 by interpolation of the difference between 2010 estimates and 2015 projections. This change in households is considered the gross potential demand for the Subject property. This number is adjusted for income eligibility and renter tenure. In the following tables this calculation is identified as Step 1. This is calculated as an annual demand number. In other words, this calculates the anticipated new households in 2013. This number takes the overall growth from 2000 to 2013 and applies it

to its respective income cohorts by percentage. This number does not reflect lower income households losing population, as this may be a result of simple dollar value inflation.

3B. DEMAND FROM EXISTING HOUSEHOLDS

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

The second source (2b.) is households living in substandard housing. We will utilize this data to determine the number of current residents that are income eligible, renter tenure, overburdened and/or living in substandard housing and likely to consider the Subject. The third source (2c.) is those seniors likely to move from their own homes into rental housing. This source is only appropriate when evaluating senior properties and is determined by interviews with property managers in the PMA. For senior projects we have lowered the demand from seniors who convert to homeownership to be at or below 20 percent.

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

3C. SECONDARY MARKET AREA

To accommodate for the secondary market area, the Demand from Existing Qualified Households within the primary market area will be multiplied by 115% to account for demand from the secondary market area. Management at the Subject indicated that some tenants at the property have moved from Jacksonville, Florida and a few have moved from areas in northern Camden County. Both of these areas are located outside our PMA boundaries. Therefore, we have estimated 15 percent leakage in order to account for these tenants.

3D. OTHER

DCA does not consider household turnover to be a source of market demand.

4. NET DEMAND, CAPTURE RATES AND STABILIZATION CALCULATIONS

The following pages will outline the overall demand components added together (3(a), 3(b) and 3(c)) less the supply of competitive developments awarded and/or constructed from 2000 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 deduct additions to supply allocated since 2000 to present and those that will be constructed through 2013 that are considered directly competitive.

We have also deducted the competitive three-bedroom units at Kingsland III from our demand analysis. This property was allocated in 2010 and is currently proposed. It targets families and will directly compete with the Subject. The following table indicates the competitive units at Kingsland III that have been removed from our demand analysis.

Competitive Property Analysis			
Kingsland III - Proposed		Percent	Comments
1	Location	1.00	Slightly Superior location
2	Affordability	1.00	More affordable
3	Property Type	1.00	Similar amenities
4	Quality	1.00	Slightly superior condition
	Comparability Factor	1.000	

Kingsland III

Unit Type	Number of Units	Comparability Factor	Total Units Deducted
3BR 50%	3	1.00	3
3BR 60%	15	1.00	15

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.

General Market Overview

Property Name	City	Occupancy		Distance from		Reason for Exclusion
		Rate	Type	Subject	Included/Excluded	
Ashton Cove	Kingsland	100.00%	LIHTC	5.3 miles	Included	-
Kings Grant Apartments	Kingsland	95.00%	LIHTC	8.3 miles	Included	-
Royal Point	Kingsland	88.90%	LIHTC	5.8 miles	Included	-
Old Jefferson Estates	St. Marys	99.00%	LIHTC	1.5 miles	Excluded	Single family home design
Brant Creek	St. Marys	91.80%	Market	2.6 miles	Included	-
Harbor Pines	St. Marys	70.00%	Market	2.6 miles	Included	-
Mission Forest	St. Marys	94.20%	Market	1.2 miles	Included	-
Park Place	St. Marys	81.20%	Market	0.6 miles	Included	-
Camden Way	Kingsland	N/Av	Market	5.1 miles	Excluded	Closer, more comparable properties available
Greenbriar Townhomes	Kingsland	N/Av	Market	1.3 miles	Excluded	Closer, more comparable properties available
Colerain Oaks Rental Homes	St. Marys	N/Av	Market	1.3 miles	Excluded	Management unavailable
Madison Square Apartments	St. Marys	N/Av	Market	0.4 miles	Excluded	Management unavailable
Hilltop Terrace	Kingsland	100.00%	Rural Development	7.5 miles	Excluded	34 out of 55 units pay 30% of income towards rent
Cumberland Village	St. Marys	N/Av	Rural Development	2.1 miles	Excluded	13 out of 65 units pay 30% of income towards rent
Cumberland Oaks	St. Marys	95.00%	Section 8	1.9 miles	Excluded	Subsidized Units
The Pines Apartments	St. Marys	N/Av	Section 8	2.1 miles	Excluded	Subsidized Units
Average		91.51%				

NET SUPPLY

The following Competitive Analysis chart may be used to determine the Net Supply number of each bedroom and income category when considering the deduction of properties in the net supply in cases where, for instance, the property is on the edge of the PMA, is a market rate property, or otherwise only partially fulfills the need for units that will be filled by the proposed subject. All properties determined to be competitive with the proposed development will be included in the Competitive Analysis and assigned a Comparability Factor to be used in determining Net Supply in the PMA.

The total Comparability Factor will be applied to each bedroom type for all income segments to determine the number of units to be allocated to the existing property. Total market supply will be comprised of the weighted units supply from the comparable existing properties and all units new to the market area since 2000.

With regards to affordability, we believe the following percent differentials are warranted.

Rent Differential	Adjustment Applied
0-5%	1.00
6-10%	0.75
11-15%	0.50
16-20%	0.25
20%+	0.00

Competitive Property Analysis			
Ashton Cove Apartments - Comparable 1		Percent	Comments
1	Location	1.00	Slightly Superior location
2	Affordability	1.00	Similar affordability
3	Property Type	1.00	Slightly Superior amenities
4	Quality	0.50	Inferior condition
Comparability Factor		0.500	

Competitive Property Analysis			
Kings Grant Apartments - Comparable 2		Percent	Comments
1	Location	1.00	Slightly Superior location
2	Affordability	1.00	More affordable
3	Property Type	1.00	Slightly Superior amenities
4	Quality	1.00	Similar condition
Comparability Factor		1.000	

Competitive Property Analysis			
Royal Point Apartments - Comparable 3		Percent	Comments
	Location	1.00	Slightly Superior location
2	Affordability	1.00	More affordable
3	Property Type	1.00	Slightly Superior amenities
4	Quality	0.50	Similar condition
Comparability Factor		0.500	

Competitive Property Analysis			
Harbor Pines - Comparable 5		Percent	Comments
	Location	0.75	Slightly Inferior location
2	Affordability	1.00	More affordable
3	Property Type	0.75	Slightly Inferior amenities
4	Quality	0.25	Inferior condition
Comparability Factor		0.141	

Competitive Property Analysis			
Mission Forest - Comparable 6		Percent	Comments
	Location	0.75	Slightly Inferior location
2	Affordability	1.00	Similar affordability
3	Property Type	0.75	Slightly Inferior amenities
4	Quality	0.25	Inferior condition
Comparability Factor		0.141	

Competitive Property Analysis			
Park Place - Comparable 7		Percent	Comments
	Location	1.00	Similar location
2	Affordability	0.50	Less affordable
3	Property Type	0.75	Slightly Inferior amenities
4	Quality	0.25	Inferior condition
Comparability Factor		0.094	

Comparable four, Brant Creek, is an unrestricted property that has rents 20 to 30 percent higher than the Subject’s proposed rents. This property is located in the same PMA and offers a similar product type and unit mix; therefore it was included as a comparable as it is indicative of the overall performance of the rental market. However, it should be noted that this property will not compete for tenants given the rental rate disparity.

Competitive Property Analysis

Property Name	Total Number of Units*	Comparability Factor	Units to be Deducted from Demand
Ashton Cove	54	0.500	27
Kings Grant	60	1.000	60
Royal Point	144	0.500	72
Harbor Pines	156	0.141	22
Mission Forest	88	0.141	12
Park Place	186	0.094	17
<u>Kingsland III (proposed)</u>	<u>17</u>	<u>1.000</u>	<u>17</u>

*Total number of comparable units by bedroom type

The following table illustrates the total number of units removed based on existing properties as well as new properties to the market area built since 2000.

Additions To Supply (Cumulative)/Existing Units	50%	60%	Overall
Two Bedroom	41	84	125
Three Bedroom	40	64	104
Total	81	148	229

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. According to the Subject’s tenant relocation sheet, there are 38 units with tenants who will be rent overburdened following renovations. Therefore, we have calculated demand for these 38 units.

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.

Capture Rates

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

Ashton Pines, St. Marys, GA; Market Study

Renter Household Income Distribution 2000 to Projected Market Entry July 2013									
Ashton Pines									
PMA									
	2000		2010		Projected Mkt Entry July 2013		Percent		Growth
	#	%	#	%	#	%	%		
\$0-9,999	526	10.2%	606	9.6%	608	9.4%	9.4%	0.4%	
\$10,000-19,999	863	16.7%	883	14.0%	862	13.2%	13.2%	-2.5%	
\$20,000-29,999	992	19.2%	980	15.5%	961	14.8%	14.8%	-2.0%	
\$30,000-39,999	978	18.9%	1,076	17.1%	1,009	15.5%	15.5%	-6.7%	
\$40,000-49,999	764	14.8%	903	14.3%	879	13.5%	13.5%	-2.8%	
\$50,000-59,999	442	8.6%	671	10.6%	738	11.3%	11.3%	9.0%	
\$60,000-74,999	253	4.9%	445	7.0%	502	7.7%	7.7%	11.4%	
\$75,000-99,999	221	4.3%	451	7.1%	529	8.1%	8.1%	14.8%	
\$100,000+	126	2.4%	293	4.6%	418	6.4%	6.4%	30.0%	
Total	5,165	100.0%	6,309	100.0%	6,507	100.0%	100.0%	3.0%	

Renter Household Income Distribution Projected Market Entry July 2013				
Ashton Pines				
PMA				
	Projected Mkt Entry July 2013		Change 2000 to Prj Mkt Entry July 2013	
	#	%	#	
\$0-9,999	608	9.4%	125	
\$10,000-19,999	862	13.2%	178	
\$20,000-29,999	961	14.8%	198	
\$30,000-39,999	1,009	15.5%	208	
\$40,000-49,999	879	13.5%	181	
\$50,000-59,999	738	11.3%	152	
\$60,000-74,999	502	7.7%	103	
\$75,000-99,999	529	8.1%	109	
\$100,000+	418	6.4%	86	
Total	6,507	100.0%	1,342	

Tenure Prj Mkt Entry July 2013	
Renter	40.4%
Owner	59.6%
Total	100.0%

Renter Household Size for Prj Mkt Entry July 2013		
Size	Number	Percentage
1	1,540	23.7%
2	1,792	27.5%
3	1,265	19.4%
4	1,110	17.1%
5+	799	12.3%
Total	6,507	100.0%

Renter Household Size for 2000		
Size	Number	Percentage
1	1,065	20.6%
2	1,555	30.1%
3	1,068	20.7%
4	844	16.3%
5+	634	12.3%
Total	5,165	100.0%

50% AMI

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

Percent of AMI Level			50%		
Minimum Income Limit			\$22,971		
Maximum Income Limit			\$31,800 5 Persons		
Income Category	New Renter Households - Total Change in Households PMA 2000 to Prj Mrkt Entry July 2013		Income Brackets	Percent within Cohort	Renter Households within Bracket
	\$0-9,999	125			
\$10,000-19,999	178	13.2%		0.0%	0
\$20,000-29,999	198	14.8%	7,028	70.3%	139
\$30,000-39,999	208	15.5%	1,800	18.0%	37
\$40,000-49,999	181	13.5%		0.0%	0
\$50,000-59,999	152	11.3%		0.0%	0
\$60,000-74,999	103	7.7%		0.0%	0
\$75,000-99,999	109	8.1%		0.0%	0
\$100,000+	86	6.4%		0.0%	0
	1,342	100.0%			177
Percent of renter households within limits versus total number of renter households					13.18%

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

Percent of AMI Level			50%		
Minimum Income Limit			\$22,971		
Maximum Income Limit			\$31,800 5 Persons		
Income Category	Total Renter Households PMA Prj Mrkt Entry July 2013		Income Brackets	Percent within Cohort	Households within Bracket
	\$0-9,999	608			
\$10,000-19,999	862	13.2%	0	0.0%	0
\$20,000-29,999	961	14.8%	7,028	70.3%	676
\$30,000-39,999	1,009	15.5%	1,800	18.0%	182
\$40,000-49,999	879	13.5%	0	0.0%	0
\$50,000-59,999	738	11.3%	0	0.0%	0
\$60,000-74,999	502	7.7%	0	0.0%	0
\$75,000-99,999	529	8.1%	0	0.0%	0
\$100,000+	418	6.4%	0	0.0%	0
	6,507	100.0%			857
Percent of renter households within limits versus total number of renter households					13.18%

Does the Project Benefit from Rent Subsidy? (Y/N)

Type of Housing (Family vs Senior)

Location of Subject (Rural versus Urban)

Percent of Income for Housing

2000 Median Income

Projected Mkt Entry July 2013 Median Income

Change from 2000 to Prj Mrkt Entry July 2013

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

No		
Family		
Rural		
35%		
\$41,440		
\$57,909		
\$16,469		
39.7%		
6.6%		
6.6%	Two year adjustment	1.0000
\$31,800		
\$31,800		
5 Persons		
50%		
\$670		
\$670.00		

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	90%	10%	0%	0%	0%	100%
2	0%	20%	80%	0%	0%	0%	100%
3	0%	0%	60%	40%	0%	0%	100%
4	0%	0%	0%	80%	20%	0%	100%
5+	0%	0%	0%	70%	30%	0%	100%

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2000 to Prj Mrkt Entry July 2013

Income Target Population	50%
New Renter Households PMA	1,342
Percent Income Qualified	13.2%
New Renter Income Qualified Households	177

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

Demand from Existing Households 2000

Demand form Rent Overburdened Households

Income Target Population	50%
Total Existing Demand	6,507
Income Qualified	13.2%
Income Qualified Renter Households	857
Percent Rent Overburdened Prj Mrkt Entry July 2013	40.0%
Rent Overburdened Households	343

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

Demand from Living in Substandard Housing

Income Qualified Renter Households	857
Percent Living in Substandard Housing	0.6%
Households Living in Substandard Housing	5

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

Total Demand

Total Demand from Existing Households		348
Adjustment Factor - Leakage from SMA	115%	52
Adjusted Demand from Existing Households		401
Total New Demand		177
Total Demand (New Plus Existing Households)		577

By Bedroom Demand

One Person	23.7%	137
Two Persons	27.5%	159
Three Persons	19.4%	112
Four Persons	17.1%	98
Five Persons	12.3%	71
Total	100.0%	577

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	90%	123
Of two-person households in 1BR units	20%	32
Of one-person households in 2BR units	10%	14
Of two-person households in 2BR units	80%	127
Of three-person households in 2BR units	60%	67
Of three-person households in 3BR units	40%	45
Of four-person households in 3BR units	80%	79
Of five-person households in 3BR units	70%	50
Of four-person households in 4BR units	20%	20
Of five-person households in 4BR units	30%	21

Total Demand 577
 Check OK

Total Demand by Bedroom 50%

2 BR	208
3 BR	173
Total Demand	381

Additions To Supply 2000 to Prj Mrkt Entry July 2013 50%

2 BR	41
3 BR	40
Total	81

Net Demand 50%

2 BR	167
3 BR	133
Total	300

Developer's Unit Mix 50%

2 BR	4
3 BR	4
Total	8

Capture Rate Analysis 50%

2 BR	2.4%
3 BR	3.0%
Total	2.7%

60%AMI

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

Percent of AMI Level		60%			
Minimum Income Limit		\$26,400			
Maximum Income Limit		\$38,160 5 Persons			
Income Category	New Renter Households - Total Change in Households PMA 2000 to Prj Mkt Entry July 2013		Income Brackets	Percent within Cohort	Renter Households within Bracket
	\$0-9,999	125			
\$10,000-19,999	178	13.2%		0.0%	0
\$20,000-29,999	198	14.8%	3,599	36.0%	71
\$30,000-39,999	208	15.5%	8,160	81.6%	170
\$40,000-49,999	181	13.5%		0.0%	0
\$50,000-59,999	152	11.3%		0.0%	0
\$60,000-74,999	103	7.7%		0.0%	0
\$75,000-99,999	109	8.1%		0.0%	0
\$100,000+	86	6.4%		0.0%	0
	1,342	100.0%			241
Percent of renter households within limits versus total number of renter households					17.97%

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

Percent of AMI Level		60%			
Minimum Income Limit		\$26,400			
Maximum Income Limit		\$38,160 5 Persons			
Income Category	Total Renter Households PMA Prj Mkt Entry July 2013		Income Brackets	Percent within Cohort	Households within Bracket
	\$0-9,999	608			
\$10,000-19,999	862	13.2%	0	0.0%	0
\$20,000-29,999	961	14.8%	3,599	36.0%	346
\$30,000-39,999	1,009	15.5%	8,160	81.6%	823
\$40,000-49,999	879	13.5%	0	0.0%	0
\$50,000-59,999	738	11.3%	0	0.0%	0
\$60,000-74,999	502	7.7%	0	0.0%	0
\$75,000-99,999	529	8.1%	0	0.0%	0
\$100,000+	418	6.4%	0	0.0%	0
	6,507	100.0%			1,169
Percent of renter households within limits versus total number of renter households					17.97%

Does the Project Benefit from Rent Subsidy? (Y/N)

Type of Housing (Family vs Senior)

Location of Subject (Rural versus Urban)

Percent of Income for Housing

2000 Median Income

Projected Mkt Entry July 2013 Median Income

Change from 2000 to Prj Mkt Entry July 2013

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

No
Family
Rural
35%
\$41,440
\$57,909
\$16,469
39.7%
6.6%
6.6%
Two year adjustment
1.0000
\$38,160
\$38,160
5 Persons
60%
\$770
\$770.00

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	90%	10%	0%	0%	0%	100%
2	0%	20%	80%	0%	0%	0%	100%
3	0%	0%	60%	40%	0%	0%	100%
4	0%	0%	0%	80%	20%	0%	100%
5+	0%	0%	0%	70%	30%	0%	100%

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2000 to Prj Mrkt Entry July 2013

Income Target Population		60%
New Renter Households PMA		1,342
Percent Income Qualified		18.0%
New Renter Income Qualified Households		241

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

Demand from Existing Households 2000

Demand form Rent Overburdened Households

Income Target Population		60%
Total Existing Demand		6,507
Income Qualified		18.0%
Income Qualified Renter Households		1,169
Percent Rent Overburdened Prj Mrkt Entry July 2013		30.0%
Rent Overburdened Households		351

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

Demand from Living in Substandard Housing

Income Qualified Renter Households		1,169
Percent Living in Substandard Housing		0.6%
Households Living in Substandard Housing		7

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

Total Demand

Total Demand from Existing Households		358
Adjustment Factor - Leakage from SMA	115%	54
Adjusted Demand from Existing Households		412
Total New Demand		241
Total Demand (New Plus Existing Households)		653

By Bedroom Demand

One Person	23.7%	155
Two Persons	27.5%	180
Three Persons	19.4%	127
Four Persons	17.1%	111
Five Persons	12.3%	80
Total	100.0%	653

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	90%	139
Of two-person households in 1BR units	20%	36
Of one-person households in 2BR units	10%	15
Of two-person households in 2BR units	80%	144
Of three-person households in 2BR units	60%	76
Of three-person households in 3BR units	40%	51
Of four-person households in 3BR units	80%	89
Of five-person households in 3BR units	70%	56
Of four-person households in 4BR units	20%	22
Of five-person households in 4BR units	30%	24

Total Demand 653

Check OK

Total Demand by Bedroom 60%

2 BR 236

3 BR 196

Total Demand 432

Additions To Supply 2000 to Prj Mrkt Entry July 2013 60%

2 BR 84

3 BR 64

Total 148

Net Demand 60%

2 BR 152

3 BR 132

Total 284

Developer's Unit Mix 60%

2 BR 15

3 BR 15

Total 30

Capture Rate Analysis 60%

2 BR 9.9%

3 BR 11.4%

Total 10.6%

Overall

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

Percent of AMI Level			Overall		
Minimum Income Limit			\$22,971		
Maximum Income Limit			\$38,160 5 Persons		
Income Category	New Renter Households - Total Change in Households PMA 2000 to Prj Mrkt Entry July 2013		Income Brackets	Percent within Cohort	Renter Households within Bracket
	\$0-9,999	125			
\$10,000-19,999	178	13.2%		0.0%	0
\$20,000-29,999	198	14.8%	7,028	70.3%	139
\$30,000-39,999	208	15.5%	8,160	81.6%	170
\$40,000-49,999	181	13.5%		0.0%	0
\$50,000-59,999	152	11.3%		0.0%	0
\$60,000-74,999	103	7.7%		0.0%	0
\$75,000-99,999	109	8.1%		0.0%	0
\$100,000+	86	6.4%		0.0%	0
	1,342	100.0%			309
Percent of renter households within limits versus total number of renter households			23.04%		

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

Percent of AMI Level			Overall		
Minimum Income Limit			\$22,971		
Maximum Income Limit			\$38,160 5 Persons		
Income Category	Total Renter Households PMA Prj Mrkt Entry July 2013		Income Brackets	Percent within Cohort	Households within Bracket
	\$0-9,999	608			
\$10,000-19,999	862	13.2%	0	0.0%	0
\$20,000-29,999	961	14.8%	7,028	70.3%	676
\$30,000-39,999	1,009	15.5%	8,160	81.6%	823
\$40,000-49,999	879	13.5%	0	0.0%	0
\$50,000-59,999	738	11.3%	0	0.0%	0
\$60,000-74,999	502	7.7%	0	0.0%	0
\$75,000-99,999	529	8.1%	0	0.0%	0
\$100,000+	418	6.4%	0	0.0%	0
	6,507	100.0%			1,499
Percent of renter households within limits versus total number of renter households			23.04%		

Does the Project Benefit from Rent Subsidy? (Y/N)

Type of Housing (Family vs Senior)

Location of Subject (Rural versus Urban)

Percent of Income for Housing

2000 Median Income

Projected Mkt Entry July 2013 Median Income

Change from 2000 to Prj Mrkt Entry July 2013

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

No		
Family		
Rural		
35%		
\$41,440		
\$57,909		
\$16,469		
39.7%		
6.6%		
6.6%	Two year adjustment	1.0000
\$38,160		
\$38,160		
5 Persons		
Overall		
\$670		
\$670.00		

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	90%	10%	0%	0%	0%	100%
2	0%	20%	80%	0%	0%	0%	100%
3	0%	0%	60%	40%	0%	0%	100%
4	0%	0%	0%	80%	20%	0%	100%
5+	0%	0%	0%	70%	30%	0%	100%

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2000 to Prj Mrkt Entry July 2013

Income Target Population	Overall
New Renter Households PMA	1,342
Percent Income Qualified	23.0%
New Renter Income Qualified Households	309

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

Demand from Existing Households 2000

Demand form Rent Overburdened Households

Income Target Population	Overall
Total Existing Demand	6,507
Income Qualified	23.0%
Income Qualified Renter Households	1,499
Percent Rent Overburdened Prj Mrkt Entry July 2013	35.0%
Rent Overburdened Households	525

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

Demand from Living in Substandard Housing

Income Qualified Renter Households	1,499
Percent Living in Substandard Housing	0.6%
Households Living in Substandard Housing	9

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

Total Demand

Total Demand from Existing Households		534
Adjustment Factor - Leakage from SMA	115%	80
Adjusted Demand from Existing Households		614
Total New Demand		309
Total Demand (New Plus Existing Households)		923

By Bedroom Demand

One Person	23.7%	218
Two Persons	27.5%	254
Three Persons	19.4%	179
Four Persons	17.1%	157
Five Persons	12.3%	113
Total	100.0%	923

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	90%	197
Of two-person households in 1BR units	20%	51
Of one-person households in 2BR units	10%	22
Of two-person households in 2BR units	80%	203
Of three-person households in 2BR units	60%	108
Of three-person households in 3BR units	40%	72
Of four-person households in 3BR units	80%	126
Of five-person households in 3BR units	70%	79
Of four-person households in 4BR units	20%	31
Of five-person households in 4BR units	30%	34
Total Demand		923
Check		OK

Total Demand by Bedroom	Overall
2 BR	333
3 BR	277
Total Demand	610

Additions To Supply 2000 to Prj Mrkt Entry July 2013	Overall
2 BR	125
3 BR	104
Total	229

Net Demand	Overall
2 BR	208
3 BR	173
Total	381

Developer's Unit Mix	Overall
2 BR	19
3 BR	19
Total	38

Capture Rate Analysis	Overall
2 BR	9.1%
3 BR	11.0%
Total	10.0%

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 households in the PMA is expected to increase 1.2 percent between 2010 and 2013.
- This demand analysis does not measure the PMA's or Subject's ability to attract additional or latent demand into the market from elsewhere by offering an affordable option. We believe this to be moderate and therefore the demand analysis is somewhat conservative in its conclusions because this demand is not included.

CAPTURE RATE ANALYSIS CHART

Unit Size	Income limits	Units Proposed*	Total Demand	Supply	Net Demand	Capture Rate	Absorption	Average Market Rent	Market Rents Band Min-Max	Proposed Rents
2BR 50%	\$22,971-\$26,500	4	208	41	167	2.4%	5 months	\$582	\$441-\$920	\$490
3BR 50%	\$26,366-\$31,800	4	173	40	133	3.0%	5 months	\$637	\$499-\$1,045	\$550
Overall 50%	\$22,971-\$31,800	8	381	81	300	2.7%	5 months	-	\$441-\$1,045	-
2BR 60%	\$26,400-\$31,800	15	236	84	152	9.9%	5 months	\$631	\$475-\$920	\$590
3BR 60	\$30,411-\$38,160	15	196	64	132	11.4%	5 months	\$712	\$575-\$1,045	\$668
Overall 60%	\$26,400-\$38,160	30	432	148	284	10.6%	5 months	-	\$475-\$1,045	-
Overall Project	\$22,971-\$38,160	38	610	229	381	10.0%	5 months	-	\$441-\$1,045	-

*Only includes rent overburdened units per the tenant relocation sheet

Demand and Net Demand

	HH at 50% AMI (min to max income)	HH at 60% AMI (min to max income)	All Tax Credit Households
Demand from New Households (age and income appropriate)	177	241	309
PLUS	+	+	+
Demand from Existing Renter Households - Substandard Housing	5	7	9
PLUS	+	+	+
Demand from Existing Renter Housholds - Rent Overburdened	343	351	525
PLUS	+	+	+
Secondary Market Demand adjustment IF ANY Subject to 15%	52	54	80
Sub Total	577	653	923
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 20% where applicatble)	0	0	0
Equals Total Demand	577	653	923
Less	-	-	-
Supply of comparable LIHTC or Market Rate housing units built and/or planned in the projected market between 2000 and the present	81	148	229
Equals Net Demand	496	505	695

As the analysis illustrates, the Subject's capture rates at the 50 percent AMI level will range from 2.4 to 3.0 percent, with an overall capture rate of 2.7 percent. The Subject's 60 percent AMI capture rates range from 9.9 to 11.4 percent, with an overall capture rate of 10.6 percent. The overall capture rate for the project's 50 and 60 percent units is 10.0 percent. Therefore, we believe there is adequate demand for the Subject.

H. COMPETITIVE RENTAL ANALYSIS

Survey of Comparable Projects

Comparable properties are examined on the basis of physical characteristics, i.e. building type, age/quality, level of common amenities, absorption, as well as similarity in rent. We attempted to compare the Subject to complexes from the competing market to provide a broader picture of the health and available supply in the market. Our competitive survey includes eight “true” comparable properties containing 994 units. A detailed matrix describing the individual competitive properties as well as the proposed Subject is provided in the addenda. A map illustrating the location of the Subject in relation to comparable properties is also provided in the addenda. 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.

We have utilized three family LIHTC properties as comparables in our analysis and all three properties are located in the Subject’s PMA and were built between 1999 and 2009. Overall, the availability of family LIHTC data in the market is considered good. We have also included four conventional rental properties in our analysis. All four properties are located within 2.6 miles of the Subject and are in the PMA. Three of these properties were built between 1986 and 1989 and are in overall average condition while one, Brant Creek, was built in 2010 and is in overall excellent condition. Overall, the availability of market rate data is considered good.

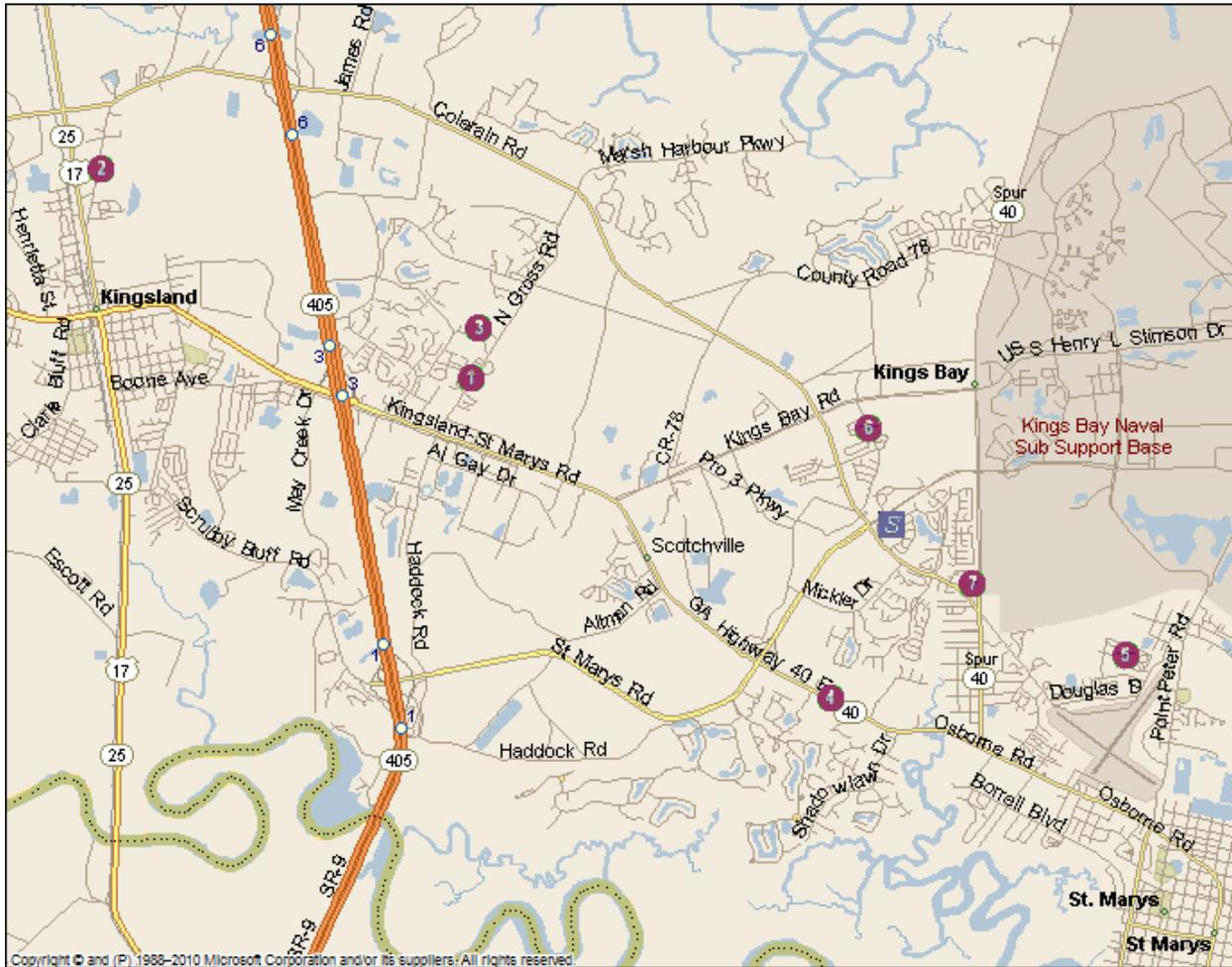
General Market Overview/Included/Excluded Properties

The following table illustrates properties that are within the PMA or a similar market areas. The table highlights vacancy. Some of these properties have been included as “true comparables.”

General Market Overview

Property Name	City	Occupancy	Type	Distance from		Reason for Exclusion
		Rate		Subject	Included/Excluded	
Ashton Cove	Kingsland	100.00%	LIHTC	5.3 miles	Included	-
Kings Grant Apartments	Kingsland	95.00%	LIHTC	8.3 miles	Included	-
Royal Point	Kingsland	88.90%	LIHTC	5.8 miles	Included	-
Old Jefferson Estates	St. Marys	99.00%	LIHTC	1.5 miles	Excluded	Single family home design
Brant Creek	St. Marys	91.80%	Market	2.6 miles	Included	-
Harbor Pines	St. Marys	70.00%	Market	2.6 miles	Included	-
Mission Forest	St. Marys	94.20%	Market	1.2 miles	Included	-
Park Place	St. Marys	81.20%	Market	0.6 miles	Included	-
Camden Way	Kingsland	N/Av	Market	5.1 miles	Excluded	Closer, more comparable properties available
Greenbriar Townhomes	Kingsland	N/Av	Market	1.3 miles	Excluded	Closer, more comparable properties available
Colerain Oaks Rental Homes	St. Marys	N/Av	Market	1.3 miles	Excluded	Management unavailable
Madison Square Apartments	St. Marys	N/Av	Market	0.4 miles	Excluded	Management unavailable
Hilltop Terrace	Kingsland	100.00%	Rural Development	7.5 miles	Excluded	34 out of 55 units pay 30% of income towards rent
Cumberland Village	St. Marys	N/Av	Rural Development	2.1 miles	Excluded	13 out of 65 units pay 30% of income towards rent
Cumberland Oaks	St. Marys	95.00%	Section 8	1.9 miles	Excluded	Subsidized Units
The Pines Apartments	St. Marys	N/Av	Section 8	2.1 miles	Excluded	Subsidized Units
Average		91.51%				

Comparable Rental Property Map



COMPARABLE PROPERTIES

#	Property Name	City	Type	Distance
1	Ashton Cove Apartments	Kingsland	LIHTC	5.3 miles
2	Kings Grant Apartments (aka Kingsland II)	Kingsland	LIHTC	8.3 miles
3	Royal Point Apartments	Kingsland	LIHTC	5.8 miles
4	Brant Creek	St Marys	Market	2.6 miles
5	Harbor Pines Apartments	St Marys	Market	2.6 miles
6	Mission Forest Apartments	St Marys	Market	1.2 miles
7	Park Place	St Marys	Market	0.6 miles

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

SUMMARY MATRIX

Comp #	Project	Distance	Type / Built / Renovated	Market / Subsidy	Units	#	%	Restriction	Rent (Adj.)	Size (SF)	Max Rent?	Wait List?	Units Vacant	Vacancy Rate					
Subject	Ashton Pines-Post Renovation 11115 Colerain Rd St Marys, GA 31558 Camden County	n/a	Garden 1997 / 2013	50%, 60%	2BR / 2BA	3	4.29%	50%	\$490	939	no		N/A	N/A					
					2BR / 2BA	3	4.29%	50%	\$490	952	no	N/A	N/A						
					2BR / 2BA	13	18.57%	60%	\$590	939	no	N/A	N/A						
					2BR / 2BA	15	21.43%	60%	\$590	952	no	N/A	N/A						
					3BR / 2BA	3	4.29%	50%	\$550	1,161	no	N/A	N/A						
					3BR / 2BA	3	4.29%	50%	\$550	1,174	no	N/A	N/A						
					3BR / 2BA	17	24.29%	60%	\$668	1,161	no	N/A	N/A						
					3BR / 2BA	13	18.57%	60%	\$668	1,174	no	N/A	N/A						
						70	100%										N/A	N/A	
					1	Ashton Cove Apartments 230 N Gross Rd Kingsland, GA 31548 Camden County	5.3 miles	Garden 1999	45%, 50%	1BR / 1BA	15	20.80%	45%	\$342	764	no	250 HH	0	0.00%
1BR / 1BA	3	4.20%	50%	\$395						764	no	250 HH	0	0.00%					
2BR / 2BA	32	44.40%	45%	\$401						984	no	250 HH	0	0.00%					
2BR / 2BA	6	8.30%	50%	\$464						984	no	250 HH	0	0.00%					
3BR / 2BA	13	18.10%	45%	\$454						1,184	no	250 HH	0	0.00%					
3BR / 2BA	3	4.20%	50%	\$527						1,184	no	250 HH	0	0.00%					
	72	100%															0	0.00%	
2	Kings Grant Apartments (aka Kingsland II) 500 N. Grove Blvd Kingsland, GA 31548 Camden County	8.3 miles	Garden (2 stories) 2009	50%, 60%						2BR / 2BA	7	11.70%	50%	\$451	900	no	2 HH	0	0.00%
										2BR / 2BA	20	33.30%	60%	\$565	900	no	No	3	15.00%
										3BR / 2BA	14	23.30%	50%	\$513	1,100	no	2 HH	0	0.00%
					3BR / 2BA	19	31.70%	60%	\$596	1,100	no	No	0	0.00%					
						60	100%									3	5.00%		
3	Royal Point Apartments 301 N Gross Rd Kingsland, GA 31548 Camden County	5.8 miles	Garden (3 stories) 2000	50%, 60%	2BR / 2BA	30	20.80%	50%	\$441	990	no	None	N/A	N/A					
					2BR / 2BA	N/A	N/A	60%	\$555	990	no	None	N/A	N/A					
					3BR / 2BA	30	20.80%	50%	\$499	1,189	no	None	N/A	N/A					
					3BR / 2BA	N/A	N/A	60%	\$644	1,189	no	None	N/A	N/A					
						144	100%									16	11.10%		
4	Brant Creek 4450 Highway 40 East St Marys, GA 31558 Camden County	2.6 miles	Garden (3 stories) 2010	Market	1BR / 1BA	N/A	N/A	Market	\$735	757	n/a	None	0	N/A					
					1BR / 1BA	56	28.60%	Market	\$695	757	n/a	None	4	7.10%					
					2BR / 2BA	N/A	N/A	Market	\$920	1,029	n/a	None	0	N/A					
					2BR / 2BA	128	65.30%	Market	\$865	1,029	n/a	None	12	9.40%					
					3BR / 2BA	12	6.10%	Market	\$1,045	1,186	n/a	None	0	0.00%					
	196	100%									16	8.20%							
5	Harbor Pines Apartments 2000 Harbor Pine Dr St Marys, GA 31558 Camden County	2.6 miles	Garden (2 stories) 1989	Market	1BR / 1BA	44	22.00%	Market	\$475	750	n/a	None	N/A	N/A					
					2BR / 2BA	112	56.00%	Market	\$475	950	n/a	None	N/A	N/A					
					3BR / 2BA	44	22.00%	Market	\$575	1,100	n/a	None	N/A	N/A					
						200	100%									60	30.00%		
6	Mission Forest Apartments 999 Mission Trace Dr St Marys, GA 31558 Camden County	1.2 miles	Garden (2 stories) 1986	Market	1BR / 1BA	16	15.40%	Market	\$441	750	n/a	None	1	6.20%					
					2BR / 2BA	88	84.60%	Market	\$506	950	n/a	None	5	5.70%					
						104	100%									6	5.80%		
7	Park Place 11919 Colerain Rd St Marys, GA 31558 Camden County	0.6 miles	Garden (2 stories) 1988	Market	1BR / 1BA	32	14.70%	Market	\$466	700	n/a	None	N/A	N/A					
					2BR / 1BA	77	35.30%	Market	\$556	950	n/a	None	N/A	N/A					
					2BR / 2BA	77	35.30%	Market	\$606	950	n/a	None	N/A	N/A					
					3BR / 2BA	32	14.70%	Market	\$698	1,100	n/a	None	N/A	N/A					
						218	100%									41	18.80%		

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

Effective Rent Date:	Jun-11	Units Surveyed:	994	Weighted Occupancy:	85.70%
		Market Rate	718	Market Rate	82.90%
		Tax Credit	276	Tax Credit	93.10%

Two Bedrooms Two Bath

Three Bedrooms Two Bath

	Property	Average	Property	Average	Property	Average
RENT	Brant Creek	\$920	Brant Creek	\$1,045		
	Brant Creek	\$865	Park Place	\$698		
	Park Place	\$606	Ashton Pines-post Renovation * (60%)	\$668		
	Ashton Pines-post Renovation * (60%)	\$590	Ashton Pines-post Renovation * (60%)	\$668		
	Ashton Pines-post Renovation * (60%)	\$590	Royal Point Apartments * (60%)	\$644		
	Kings Grant Apartments (aka Kingsland II) * (60%)	\$565	Kings Grant Apartments (aka Kingsland II) * (60%)	\$596		
	Royal Point Apartments * (60%)	\$555	Harbor Pines Apartments	\$575		
	Mission Forest Apartments	\$506	Ashton Pines-post Renovation * (50%)	\$550		
	Ashton Pines-post Renovation * (50%)	\$490	Ashton Pines-post Renovation * (50%)	\$550		
	Ashton Pines-post Renovation * (50%)	\$490	Ashton Cove Apartments * (50%)	\$527		
	Harbor Pines Apartments	\$475	Kings Grant Apartments (aka Kingsland II) * (50%)	\$513		
	Ashton Cove Apartments * (50%)	\$464	Royal Point Apartments * (50%)	\$499		
	Kings Grant Apartments (aka Kingsland II) * (50%)	\$451	Ashton Cove Apartments * (45%)	\$454		
	Royal Point Apartments * (50%)	\$441				
	Ashton Cove Apartments * (45%)	\$401				
SQUARE FOOTAGE	Brant Creek	1,029	Royal Point Apartments * (50%)	1,189		
	Brant Creek	1,029	Royal Point Apartments * (60%)	1,189		
	Royal Point Apartments * (50%)	990	Brant Creek	1,186		
	Royal Point Apartments * (60%)	990	Ashton Cove Apartments * (45%)	1,184		
	Ashton Cove Apartments * (45%)	984	Ashton Cove Apartments * (50%)	1,184		
	Ashton Cove Apartments * (50%)	984	Ashton Pines-post Renovation * (50%)	1,174		
	Ashton Pines-post Renovation * (50%)	952	Ashton Pines-post Renovation * (60%)	1,174		
	Ashton Pines-post Renovation * (60%)	952	Ashton Pines-post Renovation * (50%)	1,161		
	Ashton Pines-post Renovation * (60%)	952	Ashton Pines-post Renovation * (60%)	1,161		
	Harbor Pines Apartments	950	Kings Grant Apartments (aka Kingsland II) * (50%)	1,100		
	Mission Forest Apartments	950	Kings Grant Apartments (aka Kingsland II) * (60%)	1,100		
	Park Place	950	Harbor Pines Apartments	1,100		
	Ashton Pines-post Renovation * (50%)	939	Park Place	1,100		
	Ashton Pines-post Renovation * (60%)	939				
	Kings Grant Apartments (aka Kingsland II) * (50%)	900				
Kings Grant Apartments (aka Kingsland II) * (60%)	900					
RENT PER SQUARE FOOT	Brant Creek	\$0.89	Brant Creek	\$0.88		
	Brant Creek	\$0.84	Park Place	\$0.63		
	Park Place	\$0.64	Ashton Pines-post Renovation * (60%)	\$0.58		
	Ashton Pines-post Renovation * (60%)	\$0.63	Ashton Pines-post Renovation * (60%)	\$0.57		
	Kings Grant Apartments (aka Kingsland II) * (60%)	\$0.63	Kings Grant Apartments (aka Kingsland II) * (60%)	\$0.54		
	Ashton Pines-post Renovation * (60%)	\$0.62	Royal Point Apartments * (60%)	\$0.54		
	Royal Point Apartments * (60%)	\$0.56	Harbor Pines Apartments	\$0.52		
	Mission Forest Apartments	\$0.53	Ashton Pines-post Renovation * (50%)	\$0.47		
	Ashton Pines-post Renovation * (50%)	\$0.52	Ashton Pines-post Renovation * (50%)	\$0.47		
	Ashton Pines-post Renovation * (50%)	\$0.51	Kings Grant Apartments (aka Kingsland II) * (50%)	\$0.47		
	Kings Grant Apartments (aka Kingsland II) * (50%)	\$0.50	Ashton Cove Apartments * (50%)	\$0.45		
	Harbor Pines Apartments	\$0.50	Royal Point Apartments * (50%)	\$0.42		
	Ashton Cove Apartments * (50%)	\$0.47	Ashton Cove Apartments * (45%)	\$0.38		
	Royal Point Apartments * (50%)	\$0.45				
	Ashton Cove Apartments * (45%)	\$0.41				

PROPERTY PROFILE REPORT

Ashton Cove Apartments

Effective Rent Date 3/08/2011
Location 230 N Gross Rd
 Kingsland, GA 31548
 Camden County
Distance 5.3 miles
Units 72
Vacant Units 0
Vacancy Rate 0.0%
Type Garden
Year Built/Renovated 1999 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors None
Tenant Characteristics 50% seniors, 50% families
Contact Name Reese
Phone (912) 510-7007



Market Information

Program @45%, @50%
Annual Turnover Rate 6%
Units/Month Absorbed N/A
HCV Tenants 21%
Leasing Pace 1 week
Annual Chg. in Rent Rents increased in January 2011
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	Garden	15	764	\$342	\$0	@45%	250 HH	0	0.0%	yes	None
1	1	Garden	3	764	\$395	\$0	@50%	250 HH	0	0.0%	yes	None
2	2	Garden	32	984	\$401	\$0	@45%	250 HH	0	0.0%	yes	None
2	2	Garden	6	984	\$464	\$0	@50%	250 HH	0	0.0%	yes	None
3	2	Garden	13	1,184	\$454	\$0	@45%	250 HH	0	0.0%	yes	None
3	2	Garden	3	1,184	\$527	\$0	@50%	250 HH	0	0.0%	yes	None

Unit Mix

@45%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$342	\$0	\$342	\$0	\$342	1BR / 1BA	\$395	\$0	\$395	\$0	\$395
2BR / 2BA	\$401	\$0	\$401	\$0	\$401	2BR / 2BA	\$464	\$0	\$464	\$0	\$464
3BR / 2BA	\$454	\$0	\$454	\$0	\$454	3BR / 2BA	\$527	\$0	\$527	\$0	\$527

Ashton Cove Apartments, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Exterior Storage
Garbage Disposal
Refrigerator

Blinds
Central A/C
Dishwasher
Ceiling Fan
Oven
Washer/Dryer hookup

Security

None

Services

None

Property

Clubhouse/Meeting
Off-Street Parking
Picnic Area
Swimming Pool

Central Laundry
On-Site Management
Playground

Premium

None

Other

None

Comments

The property is typically 100 percent occupied with a waiting list. Half of the people on the waiting list are seniors. There is sufficient demand for senior housing in St. Mary's, with an estimated 70 units. Seniors are generally in the one and two bedroom units. Management also indicated that there is demand for additional family units as well, given the large number of families on their waiting list.

Ashton Cove Apartments, continued

Trend Report

Vacancy Rates

2Q08	1Q10	1Q11
0.0%	0.0%	0.0%

Trend: @45%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	0.0%	\$322	\$0	\$322	\$322
2011	1	0.0%	\$342	\$0	\$342	\$342

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	0.0%	\$378	\$0	\$378	\$378
2011	1	0.0%	\$401	\$0	\$401	\$401

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	0.0%	\$429	\$0	\$429	\$429
2011	1	0.0%	\$454	\$0	\$454	\$454

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	2	N/A	\$317	\$0	\$317	\$317
2010	1	0.0%	\$372	\$0	\$372	\$372
2011	1	0.0%	\$395	\$0	\$395	\$395

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	2	N/A	\$373	\$0	\$373	\$373
2010	1	0.0%	\$438	\$0	\$438	\$438
2011	1	0.0%	\$464	\$0	\$464	\$464

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	2	N/A	\$421	\$0	\$421	\$421
2010	1	0.0%	\$498	\$0	\$498	\$498
2011	1	0.0%	\$527	\$0	\$527	\$527

Trend: Comments

2Q08 The contact would not comment on market characteristics but reported that the property typically remains 100 percent occupied with a waiting list. Management estimated income restrictions but was unable to provide confirmed AMI restrictions for the property. Management refused to provide additional information during the site visit. Therefore, based on the rents being achieved at the property in comparison to rents at other competing properties in the market, we assumed that this property operates with units at the 50 and 60 percent AMI levels.

1Q10 The property is always 100 percent occupied with a waiting list.

1Q11 The property is typically 100 percent occupied with a waiting list. Half of the people on the waiting list are seniors. There is sufficient demand for senior housing in St. Mary's, with an estimated 70 units. Seniors are generally in the one and two bedroom units. Management also indicated that there is demand for additional family units as well, given the large number of families on their waiting list.

PROPERTY PROFILE REPORT

Kings Grant Apartments (aka Kingsland II)

Effective Rent Date	3/08/2011
Location	500 N. Grove Blvd Kingsland, GA 31548 Camden County
Distance	8.3 miles
Units	60
Vacant Units	3
Vacancy Rate	5.0%
Type	Garden (2 stories)
Year Built/Renovated	2009 / N/A
Marketing Began	N/A
Leasing Began	3/28/2009
Last Unit Leased	8/31/2009
Major Competitors	Ashton Cove, Old Jefferson, Ashton Pines
Tenant Characteristics	N/A
Contact Name	Jackie
Phone	912-882-7220



Market Information

Program	@50%, @60%
Annual Turnover Rate	50%
Units/Month Absorbed	11-12
HCV Tenants	40%
Leasing Pace	Prelease
Annual Chg. in Rent	Rents increased in September 2011
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden (2 stories)	7	900	\$495	\$0	@50%	2 HH	0	0.0%	no	None
2	2	Garden (2 stories)	20	900	\$609	\$0	@60%	No	3	15.0%	no	None
3	2	Garden (2 stories)	14	1,100	\$565	\$0	@50%	2 HH	0	0.0%	no	None
3	2	Garden (2 stories)	19	1,100	\$648	\$0	@60%	No	0	0.0%	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 2BA	\$495	\$0	\$495	-\$44	\$451	2BR / 2BA	\$609	\$0	\$609	-\$44	\$565
3BR / 2BA	\$565	\$0	\$565	-\$52	\$513	3BR / 2BA	\$648	\$0	\$648	-\$52	\$596

Kings Grant Apartments (aka Kingsland II), continued

Amenities

In-Unit

Carpeting
Coat Closet
Ceiling Fan
Hand Rails
Oven
Refrigerator

Central A/C
Dishwasher
Garbage Disposal
Microwave
Pull Cords
Washer/Dryer hookup

Security

Patrol

Services

None

Property

Basketball Court
Clubhouse/Meeting
Central Laundry
On-Site Management
Playground
Swimming Pool

Business Center/Computer Lab
Exercise Facility
Off-Street Parking
Picnic Area
Sport Court

Premium

None

Other

None

Comments

There is demand for senior one bedroom units, and some senior two bedroom units. Some seniors prefer the second bedroom unit for visiting family members. The vacant units are a result of layoffs and evictions. The property manager indicated that rents could be increased if the economy improves. There are two pending applications on vacant units. Management also reported a need for family LIHTC units in the area, particularly two- and three-bedroom units.

Kings Grant Apartments (aka Kingsland II), continued

Trend Report

Vacancy Rates

1Q10	3Q10	1Q11
5.0%	1.7%	5.0%

Trend: @50%

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	0.0%	\$464	\$0	\$464	\$420
2010	3	0.0%	\$464	\$0	\$464	\$420
2011	1	0.0%	\$495	\$0	\$495	\$451

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	7.1%	\$534	\$0	\$534	\$482
2010	3	0.0%	\$534	\$0	\$534	\$482
2011	1	0.0%	\$565	\$0	\$565	\$513

Trend: @60%

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	5.0%	\$589	\$0	\$589	\$545
2010	3	0.0%	\$589	\$0	\$589	\$545
2011	1	15.0%	\$609	\$0	\$609	\$565

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	5.3%	\$628	\$0	\$628	\$576
2010	3	5.3%	\$628	\$0	\$628	\$576
2011	1	0.0%	\$648	\$0	\$648	\$596

Trend: Comments

- 1Q10** The contact indicated there was a great need for senior properties in the area, but that this property was not a good fit for seniors because of the lack of elevators. The contact indicated there were between one and two people moving out each month due to the economy; we used two to conservatively estimate the annual turnover rate. Contact indicated the property began leasing March 28, and was leased up by August 2009, but could not give an exact date; therefore, we estimated August 31, 2009. Contact also informed us that rents for three bedrooms at 60% AMI levels decreased from \$672 per month to \$628 per month since opening.
- 3Q10** Management indicated that the property began leasing March 28, and stabilized by September 2009; therefore, we estimated August 31, 2009. Contact also informed us that rents for three bedrooms at 60% AMI levels decreased from \$672 per month to \$628 per month since opening. Management reported that three-bedroom units and units at 50 percent AMI are in high demand and that the property offers mobility impaired units, which can be difficult to lease. If a mobility impaired household resides in a unit but the household is not certified, that household can be given notice if a certified mobility impaired prospective tenant applies. Management indicated that there are no true conventional or unrestricted properties comparables in the area and that Royal Point is not considered a major competitor because of occupancy issues related to high management turnover. Ashton Pines is considered a competitor; however, management at Kings Grant indicated that the property lacks amenities. Overall, management believes there is demand for additional LIHTC housing particularly as an estimated 10 percent of three-bedroom traffic is also looking for four-bedroom units.
- 1Q11** There is demand for senior one bedroom units, and some senior two bedroom units. Some seniors prefer the second bedroom unit for visiting family members. The vacant units are a result of layoffs and evictions. The property manager indicated that rents could be increased if the economy improves. There are two pending applications on vacant units. Management also reported a need for family LIHTC units in the area, particularly two- and three-bedroom units.

PROPERTY PROFILE REPORT

Royal Point Apartments

Effective Rent Date	3/08/2011
Location	301 N Gross Rd Kingsland, GA 31548 Camden County
Distance	5.8 miles
Units	144
Vacant Units	16
Vacancy Rate	11.1%
Type	Garden (3 stories)
Year Built/Renovated	2000 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Ashton Cove, Willow Way, Camden Way
Tenant Characteristics	Majority from Camden Cty including St Marys; Avg HH size is 3 persons, 2% senior
Contact Name	Daniel; Jessica
Phone	(912) 729-7135



Market Information

Program	@50%, @60%
Annual Turnover Rate	25%
Units/Month Absorbed	N/A
HCV Tenants	10%
Leasing Pace	7 days
Annual Chg. in Rent	Rents increased in January 2011 on
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden (3 stories)	30	990	\$485	\$0	@50%	None	N/A	N/A	no	None
2	2	Garden (3 stories)	N/A	990	\$599	\$0	@60%	None	N/A	N/A	no	None
3	2	Garden (3 stories)	30	1,189	\$551	\$0	@50%	None	N/A	N/A	yes	None
3	2	Garden (3 stories)	N/A	1,189	\$696	\$0	@60%	None	N/A	N/A	yes	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 2BA	\$485	\$0	\$485	-\$44	\$441	2BR / 2BA	\$599	\$0	\$599	-\$44	\$555
3BR / 2BA	\$551	\$0	\$551	-\$52	\$499	3BR / 2BA	\$696	\$0	\$696	-\$52	\$644

Royal Point Apartments, continued

Amenities

In-Unit

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

Carpeting
Coat Closet
Ceiling Fan
Oven
Walk-In Closet

Security

None

Services

None

Property

Basketball Court
Exercise Facility
Off-Street Parking
Playground

Clubhouse/Meeting
Central Laundry
On-Site Management
Swimming Pool

Premium

None

Other

None

Comments

The property manager indicated that occupancy fluctuated between 90 and 98 percent. Some of the seniors are in three bedroom units. According to management seven of the vacant units are pre-leased. Management indicated that there is demand for LIHTC units targeting families as well as seniors.

Royal Point Apartments, continued

Trend Report

Vacancy Rates

2Q08	1Q10	3Q10	1Q11
4.2%	13.9%	11.1%	11.1%

Trend: @50%

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	2	N/A	\$438	\$0	\$438	\$394
2010	1	N/A	\$481	\$0	\$481	\$437
2010	3	N/A	\$481	\$0	\$481	\$437
2011	1	N/A	\$485	\$0	\$485	\$441

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	2	N/A	\$497	\$0	\$497	\$445
2010	1	N/A	\$548	\$0	\$548	\$496
2010	3	N/A	\$548	\$0	\$548	\$496
2011	1	N/A	\$551	\$0	\$551	\$499

Trend: @60%

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	2	N/A	\$558	\$0	\$558	\$514
2010	1	N/A	\$599	\$0	\$599	\$555
2010	3	N/A	\$599	\$0	\$599	\$555
2011	1	N/A	\$599	\$0	\$599	\$555

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	2	N/A	\$638	\$0	\$638	\$586
2010	1	N/A	\$659	\$0	\$659	\$607
2010	3	N/A	\$659	\$0	\$659	\$607
2011	1	N/A	\$696	\$0	\$696	\$644

Trend: Comments

- 2Q08** The contact reported that there is definite demand for affordable housing as there is inadequate supply in the area. The contact also reported that tenants probably cannot afford higher rents than what is currently offered at the property.
- 1Q10** The contact reported that they are currently leasing to ten applicants in the next two to three weeks. The contact also reported that they will lower the deposit or waive the application fee if the applicants credit report is good.
- 3Q10** The contact reported that the property typically remains 90 percent occupied, a rate that was last achieved in mid-May 2010. Management indicated that the majority of tenants are employed at Wal-Mart or the military base and that neither have appeared to have laid off employees. Management attributed low occupancy at the property to slow traffic. There has only been one eviction in recent months; therefore, nonpayment does not appear to be an issue.
- 1Q11** The property manager indicated that occupancy fluctuated between 90 and 98 percent. Some of the seniors are in three bedroom units. According to management seven of the vacant units are pre-leased. Management indicated that there is demand for LIHTC units targeting families as well as seniors.

PROPERTY PROFILE REPORT

Brant Creek

Effective Rent Date 3/08/2011
Location 4450 Highway 40 East
 St Marys, GA 31558
 Camden County
Distance 2.6 miles
Units 196
Vacant Units 16
Vacancy Rate 8.2%
Type Garden (3 stories)
Year Built/Renovated 2010 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors N/A
Tenant Characteristics N/A
Contact Name Amy
Phone (912) 729-3101



Market Information

Program Market
Annual Turnover Rate N/A
Units/Month Absorbed 20
HCV Tenants 0%
Leasing Pace 20 per month
Annual Chg. in Rent Rents increased 1% in November 2010
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	Garden (3 stories)	N/A	757	\$735	\$0	Market	No	0	N/A	N/A	HIGH*
1	1	Garden (3 stories)	56	757	\$695	\$0	Market	No	4	7.1%	N/A	LOW*
2	2	Garden (3 stories)	N/A	1,029	\$920	\$0	Market	No	0	N/A	N/A	HIGH*
2	2	Garden (3 stories)	128	1,029	\$865	\$0	Market	No	12	9.4%	N/A	LOW*
3	2	Garden (3 stories)	12	1,186	\$1,045	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$695 - \$735	\$0	\$695 - \$735	\$0	\$695 - \$735
2BR / 2BA	\$865 - \$920	\$0	\$865 - \$920	\$0	\$865 - \$920
3BR / 2BA	\$1,045	\$0	\$1,045	\$0	\$1,045

Brant Creek, continued

Amenities

In-Unit

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

Blinds
Carpeting
Dishwasher
Oven
Walk-In Closet

Security

None

Services

None

Property

Car Wash
Exercise Facility
Central Laundry
On-Site Management
Playground

Clubhouse/Meeting
Garage
Off-Street Parking
Picnic Area
Swimming Pool

Premium

None

Other

None

Comments

The property initially offered a one month free concession to expedite lease-up. The property manager could not comment on how many seniors there were at the property, but indicated that there were a few. Rents range based on floor and availability.

PROPERTY PROFILE REPORT

Harbor Pines Apartments

Effective Rent Date 3/08/2011
Location 2000 Harbor Pine Dr
 St Marys, GA 31558
 Camden County
Distance 2.6 miles
Units 200
Vacant Units 60
Vacancy Rate 30.0%
Type Garden (2 stories)
Year Built/Renovated 1989 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors Park Place
Tenant Characteristics 40% military
Contact Name Anitra; Michelle
Phone (912) 882-7330



Market Information

Program Market
Annual Turnover Rate 60%
Units/Month Absorbed N/A
HCV Tenants 1%
Leasing Pace 2 months
Annual Chg. in Rent Steadily decreasing
Concession Reduced rents

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	44	750	\$475	\$0	Market	None	N/A	N/A	N/A	None
2	2	Garden (2 stories)	112	950	\$475	\$0	Market	None	N/A	N/A	N/A	None
3	2	Garden (2 stories)	44	1,100	\$575	\$0	Market	None	N/A	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$475	\$0	\$475	\$0	\$475
2BR / 2BA	\$475	\$0	\$475	\$0	\$475
3BR / 2BA	\$575	\$0	\$575	\$0	\$575

Harbor Pines Apartments, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Dishwasher
Garbage Disposal
Refrigerator

Blinds
Central A/C
Exterior Storage
Oven
Washer/Dryer hookup

Security

Patrol

Services

None

Property

Basketball Court
Off-Street Parking
Playground
Tennis Court

Clubhouse/Meeting
On-Site Management
Swimming Pool

Premium

None

Other

None

Comments

Management reported that occupancy rates at market rate properties in the area fluctuate significantly throughout the year due to military deployments. Management also stated that the LIHTC rental market is much more stable than the conventional market due to the low military tenancy at these properties.

Harbor Pines Apartments, continued

Trend Report

Vacancy Rates

2Q08	1Q10	1Q11
4.0%	25.0%	30.0%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	2	4.5%	\$575	\$0	\$575	\$575
2010	1	N/A	\$625	\$125	\$500	\$500
2011	1	N/A	\$475	\$0	\$475	\$475

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	2	5.4%	\$625	\$0	\$625	\$625
2010	1	N/A	\$675	\$171	\$504	\$504
2011	1	N/A	\$475	\$0	\$475	\$475

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	2	0.0%	\$695	\$0	\$695	\$695
2010	1	N/A	\$775	\$75	\$700	\$700
2011	1	N/A	\$575	\$0	\$575	\$575

Trend: Comments

- 2Q08** The contact reported that demand for housing is stable in the area and that current supply appears to be meeting demand. Turnover is high at the property due to military deployments. Harbor Pines was allocated tax credits in 1987 or 1988 but currently operates as a market rate property.
- 1Q10** Management indicated that the property was 97 to 99 percent occupied in second quarter 2010. However, occupancy has since dropped due to the completion of a project on the military base. An estimated 45 tenants were employed doing temporary contract work, which has been completed. Therefore, management is currently offering a concession in order to lease the units.
- 1Q11** Management reported that occupancy rates at market rate properties in the area fluctuate significantly throughout the year due to military deployments. Management also stated that the LIHTC rental market is much more stable than the conventional market due to the low military tenancy at these properties.

PROPERTY PROFILE REPORT

Mission Forest Apartments

Effective Rent Date	3/04/2011
Location	999 Mission Trace Dr St Marys, GA 31558 Camden County
Distance	1.2 miles
Units	104
Vacant Units	6
Vacancy Rate	5.8%
Type	Garden (2 stories)
Year Built/Renovated	1986 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Park Place, Harbor Pines, Camden Way
Tenant Characteristics	70-75% military; Majority singles or families
Contact Name	Leasing agent
Phone	(912) 882-4444



Market Information

Program	Market
Annual Turnover Rate	46%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	1-2 weeks
Annual Chg. in Rent	Rents decreased in October 2010
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	16	750	\$475	\$0	Market	None	1	6.2%	N/A	None
2	2	Garden (2 stories)	88	950	\$550	\$0	Market	None	5	5.7%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$475	\$0	\$475	-\$34	\$441
2BR / 2BA	\$550	\$0	\$550	-\$44	\$506

Amenities

In-Unit	Security	Services
Blinds	None	None
Central A/C		
Dishwasher		
Garbage Disposal		
Refrigerator		
Washer/Dryer hookup		
Carpeting		
Coat Closet		
Ceiling Fan		
Oven		
Walk-In Closet		
Property	Premium	Other
Clubhouse/Meeting	None	None
Off-Street Parking		
Picnic Area		
Sauna		
Central Laundry		
On-Site Management		
Playground		
Swimming Pool		

Mission Forest Apartments, continued

Comments

The high turnover is due to military tenants. Approximately five of the tenants are seniors, or five percent. The property manager believes there is demand for senior housing in St. Marys. Management also stated that while the conventional rental market is saturated, there is demand for additional units targeting low income families. Occupancy was as low as 70 percent during the spring of 2010 due to military deployments.

Mission Forest Apartments, continued

Trend Report

Vacancy Rates

2Q08	1Q11
2.9%	5.8%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	2	0.0%	\$550	\$0	\$550	\$516
2011	1	6.2%	\$475	\$0	\$475	\$441

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	2	3.4%	\$600	\$0	\$600	\$556
2011	1	5.7%	\$550	\$0	\$550	\$506

Trend: Comments

2Q08 The contact reported that the property is typically 97 percent occupied and that the estimated \$50 rent increase that occurred in January 2008 is feasible. The contact could not identify where tenants are coming from as the majority are transferred from other military bases.

1Q11 The high turnover is due to military tenants. Approximately five of the tenants are seniors, or five percent. The property manager believes there is demand for senior housing in St. Marys. Management also stated that while the conventional rental market is saturated, there is demand for additional units targeting low income families. Occupancy was as low as 70 percent during the spring of 2010 due to military deployments.

PROPERTY PROFILE REPORT

Park Place

Effective Rent Date	3/08/2011
Location	11919 Colerain Rd St Marys, GA 31558 Camden County
Distance	0.6 miles
Units	218
Vacant Units	41
Vacancy Rate	18.8%
Type	Garden (2 stories)
Year Built/Renovated	1988 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None due to superior condition, higher price point
Tenant Characteristics	90% military, Camden Cty Medical Center, schools, police department; Avg is 4 person HH; 2% senior
Contact Name	Tina
Phone	(912) 673-6001



Market Information

Program	Market
Annual Turnover Rate	28%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	1 week
Annual Chg. in Rent	Increased 2-3% Nov 2007
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	32	700	\$500	\$0	Market	None	N/A	N/A	N/A	None
2	1	Garden (2 stories)	77	950	\$600	\$0	Market	None	N/A	N/A	N/A	None
2	2	Garden (2 stories)	77	950	\$725	\$75	Market	None	N/A	N/A	N/A	None
3	2	Garden (2 stories)	32	1,100	\$825	\$75	Market	None	N/A	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$500	\$0	\$500	-\$34	\$466
2BR / 1BA	\$600	\$0	\$600	-\$44	\$556
2BR / 2BA	\$725	\$75	\$650	-\$44	\$606
3BR / 2BA	\$825	\$75	\$750	-\$52	\$698

Park Place, continued

Amenities

In-Unit

Blinds
Central A/C
Exterior Storage
Garbage Disposal
Oven
Vaulted Ceilings
Washer/Dryer hookup

Carpeting
Dishwasher
Ceiling Fan
Microwave
Refrigerator
Walk-In Closet

Security

Patrol

Services

None

Property

Clubhouse/Meeting
Central Laundry
On-Site Management
Tennis Court

Exercise Facility
Off-Street Parking
Swimming Pool

Premium

None

Other

Fishing pond, walking path

Comments

The property has suffered from the poor economy over the past several years; however, management reported that the local economy has begun to improve. The property is currently 96.5 percent pre-leased. The one bedroom units stay full. There are four unleased two bedroom units and one three bedroom unleased unit. The property manager believed there was demand for low income senior and family housing in St. Mary's.

Park Place, continued

Trend Report

Vacancy Rates

2Q08	1Q11
4.1%	18.8%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	2	3.1%	\$605	\$0	\$605	\$571
2011	1	N/A	\$500	\$0	\$500	\$466

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	2	2.6%	\$705	\$0	\$705	\$661
2011	1	N/A	\$600	\$0	\$600	\$556

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	2	7.8%	\$725	\$0	\$725	\$681
2011	1	N/A	\$725	\$75	\$650	\$606

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	2	0.0%	\$825	\$0	\$825	\$773
2011	1	N/A	\$825	\$75	\$750	\$698

Trend: Comments

- 2Q08** The contact reported that the market has slowed due to the economy as the property is typically 97 percent occupied. The property last maintained a 97 percent occupancy rate in February 2008. The contact attributed the slower market to the economy and tenants moving to affordable properties, for which there is a high demand according to the contact.
- 1Q11** The property has suffered from the poor economy over the past several years; however, management reported that the local economy has begun to improve. The property is currently 96.5 percent pre-leased. The one bedroom units stay full. There are four unleased two bedroom units and one three bedroom unleased unit. The property manager believed there was demand for low income senior and family housing in St. Mary's.

2. The following information is provided as required by DCA:

Housing Choice Vouchers

TENANTS WITH VOUCHERS

Comparable Property	Type	Housing Choice Voucher Tenants
Ashton Cove Apartments	LIHTC	21%
Kings Grant Apartments (aka Kingsland II)	LIHTC	40%
Royal Point Apartments	LIHTC	10%
Brant Creek	Market	0%
Harbor Pines Apartments	Market	1%
Mission Forest Apartments	Market	0%
Park Place	Market	0%
Average		10%

Average voucher tenancy in the market is low at 11 percent. The four LIHTC properties reported a voucher tenancy of 22 percent, which is above the overall market average. Kings Grant Apartments reported the highest voucher tenancy at 40 percent, with the other LIHTC properties reporting voucher tenancies between 10 and 21 percent. Management at the Subject reported that currently 14 percent of the tenants are using vouchers. Overall, it does not appear that the local market is dependent on voucher holders and we do not anticipate that the Subject will be dependent on voucher holders following renovations.

Lease Up History

The Subject is an existing LIHTC property that is currently 100 percent occupied. Renovations will occur with tenants in place and according to the tenant relocation spreadsheet, approximately 38 units will have tenants that are rent overburdened. Per DCA guidelines, we have calculated absorption for these 38 units.

The property manager at Kings Grant Apartments (formerly Kingsland II) reported that the property began leasing at the end of March 2009 and was stabilized by the end of August 2009. This illustrates an absorption rate of 12 units per month, or five months. Based on the absorption pace at Kings Grant Apartments and the 10 percent rental increase proposed at the Subject, we have conservatively estimated that the Subject will lease units at a pace of eight units per month. Assuming that the Subject would need to lease all of its units following renovations, the 70 unit Subject would reach a stabilized occupancy of 93 percent within eight to nine months. Based on the tenant relocation spreadsheet, the Subject will need to lease approximately 38 units. Assuming the Subject leases at a pace of eight units per month, the Subject will reach a stabilized occupancy of 93 percent within five months following renovations.

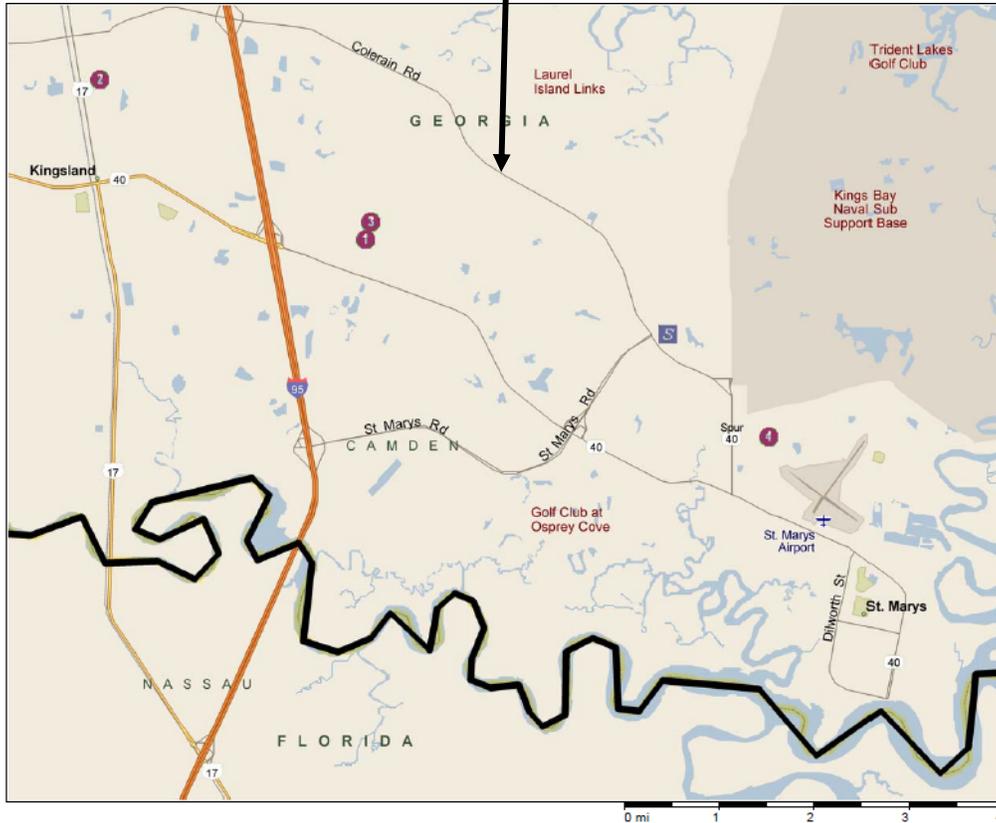
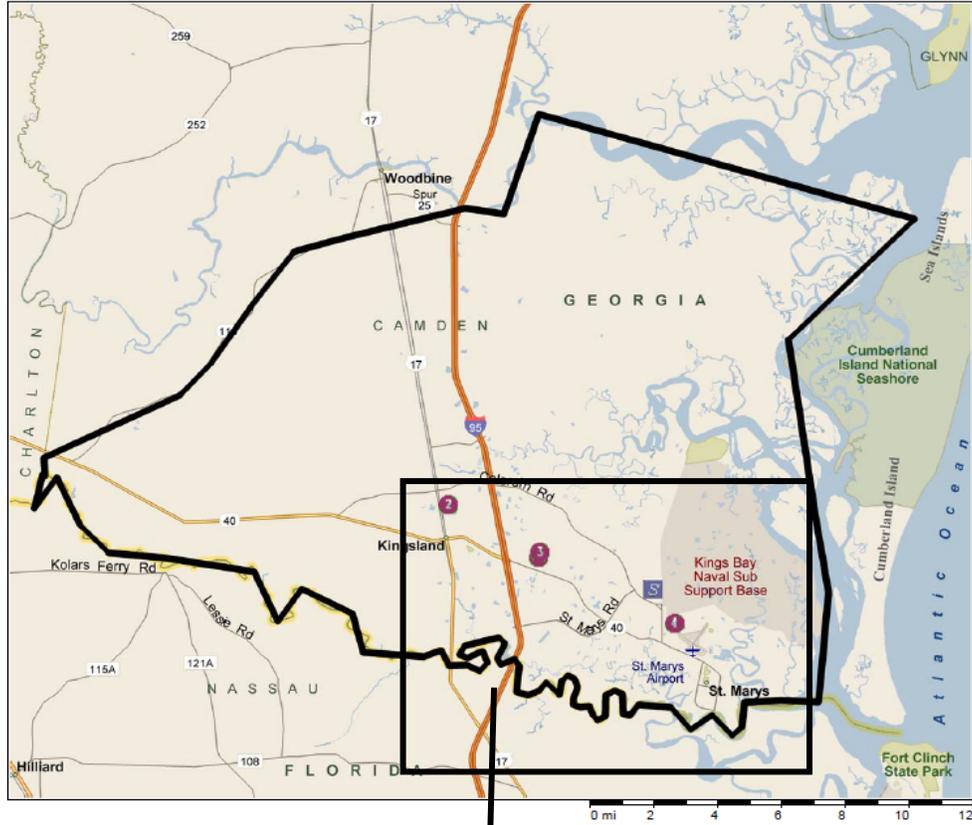
Phased Developments

N/Ap.

Rural Areas

Although the Subject is located in a rural area, there is a sufficient number of comparables located within the PMA and we have not utilized classified listings in our supply analysis.

3. COMPETITIVE PROJECT MAP



LIHTC in PMA

#	Property Name	City	Type	Distance
1	Ashton Cove Apartments	Kingsland	LIHTC	2.7 miles
2	Kings Grant Apartments (aka Kingsland II)	Kingsland	LIHTC	6.8 miles
3	Royal Point Apartments	Kingsland	LIHTC	2.7 miles
4	Old Jefferson Estates	St. Mary's	LIHTC	1.5 miles

4. Amenities

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

UNIT MATRIX REPORT

	Ashton Pines-Post Renovation	Ashton Cove Apartments	Kings Grant Apartments (aka Kingsland II)	Royal Point Apartments	Brant Creek	Harbor Pines Apartments	Mission Forest Apartments	Park Place
Comp #	Subject	1	2	3	4	5	6	7
Property Information								
Property Type	Garden	Garden	Garden (2 stories)	Garden (3 stories)	Garden (3 stories)	Garden (2 stories)	Garden (2 stories)	Garden (2 stories)
Year Built / Renovated	1997 / 2013	1999	2009	2000	2010	1989	1986	1988
Market (Conv./Subsidy Type)	50% , 60%	45% , 50%	50% , 60%	50% , 60%	Market	Market	Market	Market
In-Unit Amenities								
Balcony/Patio	yes	yes	no	no	yes	yes	no	no
Blinds	yes	yes	yes	yes	yes	yes	yes	yes
Cable/Satellite/Internet	no	no	no	no	yes	no	no	no
Carpeting	yes	yes	yes	yes	yes	yes	yes	yes
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes
Coat Closet	yes	yes	yes	yes	no	no	yes	no
Dishwasher	yes	yes	yes	yes	yes	yes	yes	yes
Exterior Storage	yes	yes	no	no	no	yes	no	yes
Ceiling Fan	yes	yes	yes	yes	no	no	yes	yes
Garbage Disposal	yes	yes	yes	yes	yes	yes	yes	yes
Hand Rails	no	no	no	no	no	no	no	no
Microwave	no	no	yes	no	no	no	no	yes
Oven	yes	yes	yes	yes	yes	yes	yes	yes
Pull Cords	no	no	no	no	no	no	no	no
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes
Vaulted Ceilings	no	no	no	no	no	no	no	yes
Walk-In Closet	yes	no	no	yes	yes	no	yes	yes
Washer/Dryer	yes	no	no	no	no	no	no	no
Washer/Dryer hookup	yes	yes	yes	yes	yes	yes	yes	yes
Property Amenities								
Basketball Court	no	no	yes	yes	no	yes	no	no
Business Center/Computer Lab	yes	no	yes	no	no	no	no	no
Car Wash	no	no	no	no	yes	no	no	no
Clubhouse/Meeting Room/Community Room	yes	yes	yes	yes	yes	yes	yes	yes
Exercise Facility	no	no	yes	yes	yes	no	no	yes
Garage	no	no	no	no	yes	no	no	no
Central Laundry	no	yes	yes	yes	yes	no	yes	yes
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes
On-Site Management	yes	yes	yes	yes	yes	yes	yes	yes
Picnic Area	yes	yes	yes	no	yes	no	yes	no
Playground	yes	yes	yes	yes	yes	yes	yes	no
Recreation Areas	yes	no	no	no	no	no	no	no
Sauna	no	no	no	no	no	no	yes	no
Sport Court	no	no	yes	no	no	no	no	no
Swimming Pool	no	yes	yes	yes	yes	yes	yes	yes
Tennis Court	no	no	no	no	no	yes	no	yes
Services								
Security								
Patrol	no	no	yes	no	no	yes	no	yes
Premium Amenities								
Other Amenities								
Other	Splash pad	n/a	n/a	n/a	n/a	n/a	n/a	Fishing pond, walking path

During renovations, washers and dryers will be added to each unit and a splash pad will also be added to the community amenities. None of the comparables offer in unit washers and dryers and several do not offer balconies/patios or walk-in closets. Post renovations, the Subject's in unit amenities will be slightly superior to those offered by the comparables. All of the comparables offer a swimming pool and four of the seven comparables also offer an exercise facility. While the Subject will not offer a swimming pool, it will offer a splash pad. Overall, the Subject's community amenities will be generally similar to those at the comparables. It should be noted that the Subject is currently 100 percent occupied with a 75 household waiting list. Therefore, the lack of these amenities have not impacted the Subject's performance in the past and we do not believe that they will impact the Subject's performance following renovations.

5. Selection of Comparables

The Subject will target family households. Therefore, per DCA's guidelines, senior properties were not included.

6. Vacancy

The following table illustrates the vacancy rates in the market.

OVERALL VACANCY

Property Name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Ashton Cove Apartments	LIHTC	72	0	0.00%
Kings Grant Apartments (aka Kingsland II)	LIHTC	60	3	5.00%
Royal Point Apartments	LIHTC	144	16	11.10%
Brant Creek	Market	196	16	8.20%
Harbor Pines Apartments	Market	200	60	30.00%
Mission Forest Apartments	Market	104	6	5.80%
Park Place	Market	218	41	18.80%
Total-LIHTC	-	276	19	6.88%
Total-Market	-	718	123	17.13%
Overall Total	-	994	142	14.30%

Overall vacancy in the market is high at 14.30 percent; however, vacancy among the LIHTC comparables is much lower at 6.88 percent. Two of the three LIHTC comparables have vacancy rates between zero and five percent. Management at Royal Point Apartments indicated that vacancy at the property has fluctuated between two and 10 percent over the last year. Currently, seven of the 16 vacancies are pre-leased, for an effective vacancy rate of 6.25 percent. Management at Kings Grant Apartments reported that there are two applications pending on their three vacant units. Management at Ashton Cove indicated that the property is typically 100 percent occupied and maintains a waiting list. The current waiting list contains approximately 250 households, which indicates demand for affordable housing in the market. The Subject is currently 100 percent occupied and has a waiting list of 75 households. The Subject's proposed rents represent a 10 percent increase over the current rents. We believe that the proposed rental increases are reasonable given the \$61,500 per unit renovation planned for the Subject. Because the Subject will be the renovation of an existing LIHTC property, it will not be adding any units

to the market and we believe that the Subject will continue to maintain a stabilized occupancy rate above 93 percent following renovations.

Vacancy among the market rate comparables is high at 17.13 percent. The high vacancy is typical for conventional properties in the area due to their heavy reliance on military tenants. The two properties with the highest vacancy rates, Harbor Pines and Park Place, reported military tenancies between 40 and 90 percent, respectively and property managers indicated that there was recently a military deployment which has increased their vacancy rates significantly. Market rate property managers reported that because the majority of their tenants are in the military, their vacancy rates can fluctuate significantly from month to month depending on when the deployments are scheduled. This explains why vacancy rates at the conventional comparables can fluctuate so greatly within a year. It should be noted that while management at Park Place reported a vacancy rate of 18.8 percent, all but 10 of the vacancies are pre-leased for an effective vacancy rate of 4.6 percent.

7. Properties Under Construction and Proposed

There is one family LIHTC property proposed in the PMA. Kingsland III was allocated tax credits in 2010 and is currently proposed. Detail on the property can be found below.

1. **Address:** Grove Boulevard, Kingsland, GA
2. **Name of owner:** WH Gross
3. **Number of units:** 28
4. **Unit Configuration/Rent Structure:**

Kingsland III		
Unit Type	Number of Units	Proposed Rent
3BR 50%	3	\$486
4BR 50%	2	\$513
3BR 60%	15	\$506
4BR 60%	8	\$533
Total	28	

5. **Estimated date of market entry:** January 2012

There are no new family LIHTC or market rate properties that are proposed or under construction in the PMA.

8. Rental Advantage

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

Ashton Pines, St. Marys, GA; Market Study

Similarity Matrix

#	Property Name	Type	Property Amenities	Unit Features	Location	Age / Condition	Unit Size	Overall Comparison
1	Ashton Cove Apartments	LIHTC	Similar	Slightly Inferior	Slightly Superior	Inferior	Similar	-10
2	Kings Grant Apartments (aka Kingsland II)	LIHTC	Slightly Superior	Inferior	Slightly Superior	Similar	Slightly Inferior	-5
3	Royal Point Apartments	LIHTC	Slightly Superior	Inferior	Slightly Superior	Inferior	Similar	-10
4	Brant Creek	Market	Slightly Superior	Inferior	Superior	Similar	Slightly Superior	10
5	Harbor Pines Apartments	Market	Similar	Inferior	Slightly Inferior	Inferior	Slightly Inferior	-30
6	Mission Forest Apartments	Market	Similar	Inferior	Slightly Inferior	Inferior	Similar	-25
7	Park Place	Market	Similar	Inferior	Similar	Inferior	Slightly Inferior	-15

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

The rental rates at the LIHTC properties are compared to the Subject's proposed 50 and 60 percent AMI rents in the following table.

LIHTC Rent Comparison - @50%

Property Name	2BR	3BR
Ashton Pines-post Renovation (Subject)	\$490	\$550
LIHTC Maximum (Net)	\$505	\$571
Kings Grant Apartments (aka Kingsland II)	\$451	\$513
Royal Point Apartments	\$441	\$499
Ashton Cove Apartments	\$464	\$527
Average (excluding Subject)	\$452	\$513

LIHTC Rent Comparison - @60%

Property Name	2BR	3BR
Ashton Pines-post Renovation (Subject)	\$590	\$668
LIHTC Maximum (Net)	\$642	\$729
Royal Point Apartments	\$555	\$644
Kings Grant Apartments (aka Kingsland II)	\$565	\$596
Average (excluding Subject)	\$560	\$620

The Subject's proposed 50 percent AMI rents are slightly above most of the rents at the comparables. The most similar rents to the Subject's rents are those at Ashton Cove, the Subject's sister property. This comparable is currently 100 percent occupied with a 250 household waiting list, which indicates that its rents are achievable and that it could likely achieve higher rents. This property will be slightly inferior to the Subject following renovations and it is reasonable to assume that the Subject can achieve rents above this property. The Subject's proposed 50 percent AMI rents represent a 10 percent increase over the current rents. We believe that this increase is reasonable given the extensive \$61,500 per unit renovations planned for the Subject, and the Subject's property manager reported that tenants could likely afford this rental increase and would be willing to pay the proposed rents in order to live at a newly renovated property. Further, the Subject is currently 100 percent occupied with a 75 household waiting list, which suggest that it could likely achieve rents above its current rents, even without renovations. Overall, we believe that the Subject's proposed 50 percent AMI rents

are achievable and that the Subject will continue to maintain a high occupancy rate following renovations.

The Subject's proposed two-bedroom 60 percent AMI rents are \$25 to \$35 above the current rents at Royal Point Apartments and Kings Grant Apartments and they represent a 10 percent increase over the Subject's current rents. The Subject's proposed three-bedroom 60 percent AMI rents are \$23 above the current rents at Kings Grant Apartments and \$72 above the current rents at Royal Point Apartments. The Subject's proposed three-bedroom 60 percent AMI rents also represent a 10 percent increase over the Subject's current rents. Following renovations, the Subject will be generally similar to Kings Grant Apartments and slightly superior to Royal Point Apartments. Kings Grant Apartments is currently 95 percent occupied and management indicated that there are two applications pending on the three vacant units. Further, management at Kings Grant Apartments reported that now that the local economy is improving, the property could likely raise rents \$25 to \$30 without impacting occupancy. Although Royal Point Apartments has an occupancy rate of 88.9 percent, seven of the 16 vacant units are pre-leased for an effective occupancy rate of 93.8 percent. Following renovations, the Subject will be superior to this property in terms of age/condition and in unit amenities. Additionally, the Subject is achieving three-bedroom rents \$11 above the current rents at Royal Point Apartments in its pre-renovation state and is 100 percent occupied with a 75 household waiting list. Therefore, it is reasonable to assume that the Subject can achieve rents above this property after undergoing a \$61,500 per unit renovation. Overall, we believe that the Subject's proposed 60 percent AMI rents are reasonable given the current rents at the comparables, the extensive renovations planned for the Subject, and the Subject's strong performance and lengthy waiting list.

Analysis of "Market Rents"

Per DCA's market study guidelines, "average market rent is to be a reflection of rents that are achieved in the market. In other words, the rents the competitive properties are currently receiving. Average market rent is not "Achievable unrestricted market rent." In an urban market with many tax credit comps, the average market rent might be the weighted average of those tax credit comps. In cases where there are few tax credit comps, but many market rate comps with similar unit designs and amenity packages, then the average market rent might be the weighted average of those market rate comps. In a small rural market there may be neither tax credit comps nor market rate comps with similar positioning as the subject. In a case like that the average market rent would be a weighted average of whatever rents were present in the market."

When comparing the Subject's rents to the average market rent, we have not included rents at lower AMI levels given that this artificially lowers the average market rent as those rents are constricted. Including rents at lower AMI levels does reflect an accurate average rent for rents at higher income levels. For example, if the Subject offers 50 and 60 percent AMI rents and there is a distinct difference at comparable properties between rents at the two AMI levels, we have not included the 50 percent AMI rents in the average market rent for the 60 percent AMI comparison.

The overall average and the maximum and minimum adjusted rents for the market properties surveyed are illustrated in the table below in comparison with net rents for the Subject.

Subject Comparison To Market Rents*

Unit Type	Subject	Surveyed Min	Surveyed Max	Surveyed Average	Subject Rent Advantage Over Surveyed Average	Achievable Market Rents
2 BR 50%	\$490	\$441	\$920	\$582	19%	\$750
3 BR 50%	\$550	\$499	\$1,045	\$637	16%	\$875
2 BR 60%	\$590	\$475	\$920	\$631	7%	\$750
3 BR 60%	\$668	\$575	\$1,045	\$712	7%	\$875

*Includes both LIHTC and market rate comparables

As illustrated the Subject’s proposed 50 and 60 percent AMI rents will have a seven to 19 percent rent advantage over the average market rents. Given this rent advantage, the Subject’s proposed rents appear reasonable and will offer value in the local market.

For the purposes of the appraisal of this property, we have determined the achievable market or unrestricted rent for the Subject if the Subject were to operate as a conventional rental property. Three of the four conventional comparables were built between 1986 and 1989 and will be significantly inferior to the Subject in terms of age and condition following renovations. The Subject’s renovations will total approximately \$61,500 per unit and are considered extensive. Brant Creek is the newest conventional rental property in the market. This property opened in 2010 and is 2.6 miles from the Subject. It currently has an occupancy rate of 92 percent. This property will be superior to the Subject in terms of community amenities and location and it will also be slightly superior in terms of unit sizes. Therefore, we believe that the Subject’s achievable rents should be set below the current rents at Brant Creek but above the market rents at the older conventional rental comparables. We have set the Subject’s achievable market rents at \$750 and \$875 for a two- and three-bedroom unit, respectively. The Subject’s proposed LIHTC rents are well below the achievable market rents, indicating a significant rental advantage for the Subject.

9. LIHTC Competition – Recent Allocations within 10 Miles

According to information on Georgia Department of Community Affairs LIHTC allocation lists, there has been one family property allocated in the PMA in the last two years. The family LIHTC property Kingsland III was allocated in 2010 and is currently proposed. This property will offer 28 three- and four-bedroom single family homes at 50 and 60 percent AMI. Of the 28 proposed units, 18 will directly compete with the Subject’s units. These 18 units have been removed from our demand analysis. A breakdown of the proposed property’s unit types and rents can be found in the following table.

Kingsland III

Unit Type	Number of Units	Proposed Rent
3BR 50%	3	\$486
4BR 50%	2	\$513
3BR 60%	15	\$506
4BR 60%	8	\$533
Total	28	

10. Rental Trends in the PMA

The following table is a summary of the 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
1990	4,944	60.13%	3,278	39.87%
2000	7,966	60.67%	5,165	39.33%
2010	9,266	59.49%	6,309	40.51%
Projected Mkt Entry				
July 2013	9,613	59.63%	6,507	40.37%
2015	9,844	59.72%	6,639	40.28%

Source: ESRI Demographics 2010, Novogradac & Company LLP, June 2011

As the table illustrates, households within the PMA are predominately owner-occupied residences. While only slight, the percentage of owner-occupied homes is expected to increase, and the percentage of renter-occupied homes is projected to decrease through 2013 and 2015. Nationally, approximately two-thirds of households are homeowners and one-third are renters. The PMA has a lower percentage of renter households than the nation as a whole, which is largely due to the limited multifamily housing options in the PMA. Even though the PMA has a higher portion of owner households than the national average, the owner-occupied market still does not promote affordable housing choices for low and moderate-income people.

Historical Vacancy

The following table illustrates the historical vacancy at the comparable properties when available.

Historical Vacancy

Comparable Property	Type	Total Units	2QTR 2008	1QTR 2010	1QTR 2011	2QTR 2011
Ashton Cove Apartments	LIHTC	72	0.00%	0.00%	0.00%	0.00%
Kings Grant Apartments (aka Kingsland II)	LIHTC	60	N/Av	5.00%	5.00%	5.00%
Royal Point Apartments	LIHTC	144	4.20%	13.90%	11.10%	11.10%
Brant Creek	Market	196	N/Av	N/Av	8.20%	8.20%
Harbor Pines Apartments	Market	200	4.00%	25.00%	30.00%	N/Av
Mission Forest Apartments	Market	104	2.90%	N/Av	5.80%	5.80%
Park Place	Market	218	4.10%	N/Av	18.80%	N/Av
		994	-	-	14.30%	-

As the table above illustrates, average vacancy among the three LIHTC properties has improved slightly from 2010 to 2011. Property managers indicated that vacancy at the conventional rental properties can fluctuate greatly from month to month due to military deployments. Therefore, it is likely that the low vacancy rates at the three conventional properties in 2008 was due to our survey taking place before military deployments whereas our 2010 and 2011 surveys (both of which were during the first quarter) took place after military deployments. The Subject is an existing LIHTC property that is 100 percent occupied with a 75 household waiting list. We believe that the Subject will continue to maintain a high occupancy rate following renovations.

Change in Rental Rates

The following table illustrates changes in rents at the comparables over the past year.

RENT GROWTH		
Comparable Property	Rent Structure	Rent Growth
Ashton Cove Apartments	LIHTC	Increase
Kings Grant Apartments (aka Kingsland II)	LIHTC	Increase
Royal Point Apartments	LIHTC	Increase on select units
Brant Creek	Market	Increase of 1%
Harbor Pines Apartments	Market	Decrease
Mission Forest Apartments	Market	Decrease
Park Place	Market	None

As illustrated, all three of the LIHTC properties reported rental increases over the past year. Two of the conventional rental properties decreased rents after military deployments in an attempt to increase their occupancy rates. The Subject’s proposed rents will be competitive with the existing LIHTC properties and given the scope of renovations planned for the Subject, it is possible that he Subject will experience regular rental increases following renovations.

11. Impact of Foreclosed, Abandoned and Vacant Structures

According to www.realtytrac.com, as of April 2011, there were 8,479 foreclosure properties in all of Georgia. One in every 479 housing units has received a foreclosure filing. This is higher than the national average of one in every 593 properties. There are 18 foreclosed properties in the city of St Mary’s or one in every 522 housing units. The foreclosure rate is slightly lower in the city. The county reported that one in every 520 housing units received a foreclosure filing in April. The county and city average is lower than the state average, but not the national average.

12. Primary Housing Void

The Subject is 100 percent occupied with a waiting list of 75 households. Additionally, the LIHTC property Ashton Cove is 100 percent occupied with a 250 household waiting list. The long waiting lists at these properties indicate a housing void in the market. As the renovation of an existing LIHTC property, the Subject will not add any additional units to the market and will not help to fill the housing void in the local market.

13. Affect of Subject on Other Affordable Units in Market

As a renovation of an existing tax credit property, the Subject will not be adding any units to the local market. Therefore, we do not believe the Subject will affect other affordable units in the market as tenants are expected to remain in place post renovation.

Conclusions

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property. The Subject is currently 100 percent occupied and has a 75 household waiting list. Tenants will remain in place during renovations so turnover is expected to be minimal and any vacant units will likely be filled form the property’s extensive waiting list. The Subject’s renovations are expected to total \$61,500 per unit and the Subject will be similar to superior to the existing housing stock following renovations. The Subject’s

proposed 50 percent and 60 percent AMI rents represent a 10 percent increase over the current rental rates. We believe this increase is reasonable when taking into account the proposed scope of renovations, the Subject's current performance, and the current rents at the LIHTC comparables. When compared to the average market rents, the Subject's proposed rents will have an advantage of seven to 19 percent. Because the Subject is an existing LIHTC property and will not be adding any units to the market and two of the three LIHTC properties have vacancy rates between zero and five percent, the Subject will not impact the existing LIHTC housing stock. Overall, we recommend the Subject as proposed and we believe that it will continue to be successful following renovations.

I. ABSORPTION & STABILIZATION RATES

Stabilization/Absorption Rate

The Subject is an existing LIHTC property that is currently 100 percent occupied. Renovations will occur with tenants in place and according to the tenant relocation spreadsheet, approximately 38 units will have tenants that are rent overburdened. Per DCA guidelines, we have calculated absorption for these 38 units.

The property manager at Kings Grant Apartments (formerly Kingsland II) reported that the property began leasing at the end of March 2009 and was stabilized by the end of August 2009. This illustrates an absorption rate of 12 units per month, or five months. Based on the absorption pace at Kings Grant Apartments and the 10 percent rental increase proposed at the Subject, we have conservatively estimated that the Subject will lease units at a pace of eight units per month. Assuming that the Subject would need to lease all of its units following renovations, the 70 unit Subject would reach a stabilized occupancy of 93 percent within eight to nine months. Based on the tenant relocation spreadsheet, the Subject will need to lease approximately 38 units. Assuming the Subject leases at a pace of eight units per month, the Subject will reach a stabilized occupancy of 93 percent within five months following renovations.

J. INTERVIEWS

Georgia Department of Community Affairs, Carrollton Regional Office

According to Courtney Milles, of the Georgia Department of Community Affairs Waycross Regional Office, the department currently has 154 Housing Choice Vouchers under contract in Camden County. There are 11 people currently searching for homes and an additional 38 on the waitlist. The current payment standard for Camden County can be found in the following table.

Payment Standards	
1BR	\$565
2BR	\$681
3BR	\$991
4BR	\$1,195

Payment standards for the county are 110 percent of FMR. The Subject’s gross rents at 50 and 60 percent AMI are well below the payment standard.

Planning

We interviewed Shannon Nettles from the Camden County Joint Development Authority. She stated that there are no multi-family developments either proposed or under construction. The only recent development is of Camden County Industrial Park located off Highway 40 in Kingsland. These are commercial buildings for local businesses. In addition, Altamaha Technical College selected a site for development of a new college campus near Exit 7 off Interstate 95. A survey and a Phase 1 are in progress at this time. Ms. Nettles also stated that all available information can be found on the Camden County’s JDA website.

Additional interviews can be found in the comments section of the property profiles.

K. CONCLUSIONS AND RECOMMENDATIONS

CONCLUSIONS

- Both the population and number of households in the PMA and county have experienced strong growth as they are growing significantly faster than the nation. The income cohort is expected to increase in 2013 and 2015, as well. This strong growth is projected to continue in the future and is likely due to the area's stable Kings Bay Submarine Military Base, as well as the comparatively cheaper, more affordable housing. Kings Bay Naval Base is the largest employer in the county, which bodes well for the Subject and the stability of the local economy. While Camden County's top employers account for a high percentage of the area's total employment, the largest industries in the PMA, military and educational services, are considered stable industries.

Both Camden County and the MSA have stabilizing economies with increasing total employment and decreasing unemployment. In the MSA employment decreased from 2008 to 2010, while unemployment increased slightly from 2008 through 2010. The April 2011 year to date average indicates that unemployment has not increased. Even though there have been a few notable expansions, from 2010 to April 2011, at least 749 jobs have been lost. The year over year unemployment rate in the MSA decreased by 0.4 percentage points from April 2010 to April 2011.

- The Subject's capture rates at the 50 percent AMI level will range from 2.4 to 3.0 percent, with an overall capture rate of 2.7 percent. The Subject's 60 percent AMI capture rates range from 9.9 to 11.4 percent, with an overall capture rate of 10.6 percent. The overall capture rate for the project's 50 and 60 percent units is 10.0 percent. Therefore, we believe there is adequate demand for the Subject.
- The Subject is an existing LIHTC property that is currently 100 percent occupied. Renovations will occur with tenants in place and according to the tenant relocation spreadsheet, approximately 38 units will have tenants that are rent overburdened. Per DCA guidelines, we have calculated absorption for these 38 units.

The property manager at Kings Grant Apartments (formerly Kingsland II) reported that the property began leasing at the end of March 2009 and was stabilized by the end of August 2009. This illustrates an absorption rate of 12 units per month, or five months. Based on the absorption pace at Kings Grant Apartments and the 10 percent rental increase proposed at the Subject, we have conservatively estimated that the Subject will lease units at a pace of eight units per month. Assuming that the Subject would need to lease all of its units following renovations, the 70 unit Subject would reach a stabilized occupancy of 93 percent within eight to nine months. Based on the tenant relocation spreadsheet, the Subject will need to lease approximately 38 units. Assuming the Subject leases at a pace of eight units per month, the Subject will reach a stabilized occupancy of 93 percent within five months following renovations.

- Overall vacancy in the market is high at 14.30 percent; however, vacancy among the LIHTC comparables is much lower at 6.88 percent. Two of the three LIHTC comparables have vacancy rates between zero and five percent. Management at Royal Point Apartments indicated that vacancy at the property has fluctuated between two and

10 percent over the last year. Currently, seven of the 16 vacancies are pre-leased, for an effective vacancy rate of 6.25 percent. At 144 units, this property is significantly larger than the other three LIHTC comparables and it is possible that the large number of units has contributed to the higher vacancy rate at this property. Management at Kings Grant Apartments reported that there are two applications pending on their three vacant units. Management at Ashton Cove indicated that the property is typically 100 percent occupied and maintains a waiting list. The current waiting list contains approximately 250 households, which indicates demand for affordable housing in the market. The Subject is currently 100 percent occupied and has a waiting list of 75 households. The Subject's proposed rents represent a 10 percent increase over the current rents. We believe that the proposed rental increases are reasonable given the \$61,500 per unit renovation planned for the Subject. Because the Subject will be the renovation of an existing LIHTC property, it will not be adding any units to the market and we believe that the Subject will continue to maintain a stabilized occupancy rate above 93 percent following renovations.

Vacancy among the market rate comparables is high at 17.13 percent. The high vacancy is typical for conventional properties in the area due to their heavy reliance on military tenants. The two properties with the highest vacancy rates, Harbor Pines and Park Place, reported military tenancies between 40 and 90 percent, respectively and property managers indicated that there was recently a military deployment which has increased their vacancy rates significantly.

- The Subject is currently 100 percent occupied with a 75 household waiting list. Additionally, the LIHTC property Ashton Cove is 100 percent occupied with a 250 household waiting list and the LIHTC Kings Grant Apartments has a two household waiting list for its 50 percent AMI units. Given the Subject's current performance, it is likely that it will continue to maintain a waiting list following renovations.
- Strengths of the Subject will include its newly renovated condition and its extensive in unit amenities. The Subject is also located within close proximity to locational amenities such as retail and schools. Because the Subject is 100 percent occupied and renovations will occur with tenants in place, the Subject will not have to lease a significant number of units following renovations and any units vacated will likely be leased from the 75 household waiting list. As the demand analysis indicates, there is ample demand for the Subject.
- Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property. The Subject is currently 100 percent occupied and has a 75 household waiting list. Tenants will remain in place during renovations so turnover is expected to be minimal and any vacant units will likely be filled from the property's extensive waiting list. The Subject's renovations are expected to total \$61,500 per unit and the Subject will be similar to superior to the existing housing stock following renovations. The Subject's proposed 50 percent and 60 percent AMI rents represent a 10 percent increase over the current rental rates. We believe this increase is reasonable when taking into account the proposed scope of renovations, the Subject's current performance, and the current rents at the LIHTC comparables. When compared to the average market rents, the Subject's proposed rents will have an advantage of seven to 19 percent. Because the Subject is an existing LIHTC property and

will not be adding any units to the market and two of the three LIHTC properties have vacancy rates between zero and five percent, the Subject will not impact the existing LIHTC housing stock. Overall, we recommend the Subject as proposed and we believe that it will continue to be successful following renovations.

Recommendations

- We recommend the Subject as proposed.

L. SIGNED STATEMENT REQUIREMENTS

I affirm that I (or one of the persons signing below) have made a physical inspection of the market area and the subject property and that information has been used in the full study of the need and demand for the proposed units. To the best of my knowledge, the market can (cannot) support the project as shown in the study. I understand that any misrepresentation of this statement may result in the denial of further participation in DCA's rental housing programs. I also affirm that I have no interest in the project or relationship with the ownership entity and my compensation is not contingent on this project being funded.



H. Blair Kincer, MAI
Partner
Novogradac & Company LLP

6-15-2011

Date



Brad Weinberg, MAI CCIM
Partner

6-15-2011

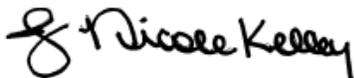
Date



Michalena M. Sukenik
Principal

6-15-2011

Date



J. Nicole Kelley
Real Estate Analyst

6-15-2011

Date

M. MARKET STUDY REPRESENTATION

Novogradac & Company LLP states that DCA may rely on the representation made in the market study provided and this document is assignable to other lenders that are parties to the DCA loan transaction.



H. Blair Kincer, MAI
Partner
Novogradac & Company LLP

6-15-2011

Date



Brad Weinberg, MAI CCIM
Partner

6-15-2011

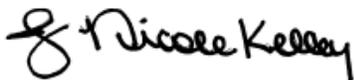
Date



Michalena M. Sukenik
Principal

6-15-2011

Date



J. Nicole Kelley
Real Estate Analyst

6-15-2011

Date

N. QUALIFICATIONS

STATEMENT OF PROFESSIONAL QUALIFICATIONS

H. BLAIR KINCER, MAI, CRE

I. Education

Duquesne University, Pittsburgh, Pennsylvania
Masters in Business Administration
Graduated Summa Cum Laude

West Virginia University, Morgantown, West Virginia
Bachelor of Science in Business Administration
Graduated Magna Cum Laude

II. Licensing and Professional Affiliation

Member of the Appraisal Institute (MAI)
Member, The Counselors of Real Estate (CRE)
Member, National Council of Affordable Housing Market Analysts (NCAHMA)
Past Member Frostburg Housing Authority

Certified General Real Estate Appraiser, No. 31534 – State of Arizona
Certified General Real Estate Appraiser, No. RCG1046 – State of Connecticut
Certified General Real Estate Appraiser, No. CG100026242 – State of Colorado
Certified General Real Estate Appraiser, No. 4206 – State of Kentucky
Certified General Real Estate Appraiser, No. 1326 – State of Maryland
Certified General Real Estate Appraiser, No. GA-805 – State of Mississippi
Certified General Real Estate Appraiser, No. 46000039124 – State of New York
Certified General Real Estate Appraiser, No. A6765 – State of North Carolina
Certified General Real Estate Appraiser, No. GA001407L – Commonwealth of Pennsylvania
Certified General Real Estate Appraiser, No. 5930 – State of South Carolina
Certified General Real Estate Appraiser, No. 3918 – State of Tennessee
Certified General Real Estate Appraiser, No. 4001004822 – Commonwealth of Virginia
Certified General Real Estate Appraiser, No. 1101008 – State of Washington
Certified General Real Estate Appraiser, No. CG360 – State of West Virginia

III. Professional Experience

Partner, Novogradac & Company LLP
Vice President, Capital Realty Advisors, Inc.
Vice President - Acquisitions, The Community Partners Development Group, LLC
Commercial Loan Officer/Work-Out Specialist, First Federal Savings Bank of Western MD
Manager - Real Estate Valuation Services, Ernst & Young LLP
Senior Associate, Joseph J. Blake and Associates, Inc.
Senior Appraiser, Chevy Chase, F.S.B.
Senior Consultant, Pannell Kerr Forster

IV. Professional Training

Have presented at and attended various IPED and Novogradac conferences regarding the affordable housing industry. Have done presentations on the appraisal and market analysis of Section 8 and 42 properties. Have spoken regarding general market analysis topics.

Obtained the MAI designation in 1998 and maintained continuing education requirements since.

V. Real Estate Assignments – Examples

In general, have managed and conducted numerous market analyses and appraisals for all types of commercial real estate since 1988.

- Performed numerous appraisals for the US Army Corps of Engineers US Geological Survey and the GSA. Property types included Office, Hotel, Residential, Land, Gymnasium, warehouse space, border patrol office. Properties located in varied locations such as the Washington, DC area, Yuma, AZ, Moscow, ID, Blaine, WA, Lakewood, CO, Seattle, WA
- Performed appraisals of commercial properties such as hotels, retail strip centers, grocery stores, shopping centers etc for properties in various locations throughout Pennsylvania, New Jersey, Maryland, New York for Holiday, Fenoglio, Fowler, LP and Three Rivers Bank.
- Have managed and conducted numerous market and feasibility studies for affordable housing. Properties are generally Section 42 Low Income Housing Tax Credit Properties. Local housing authorities, developers, syndicators and lenders have used these studies to assist in the financial underwriting and design of LIHTC properties. Analysis typically includes; unit mix determination, demand projections, rental rate analysis, competitive property surveying and overall market analysis. An area of special concentration has been the category of Senior Independent living properties. Work has been national in scope.
- Provided appraisal and market studies for a large portfolio of properties located throughout the United States. The reports provided included a variety of property types including vacant land, office buildings, multifamily rental properties, gas stations, hotels, retail buildings, industrial and warehouse space, country clubs and golf courses, etc. The portfolio included more than 150 assets and the work was performed for the SBA through Metec Asset Management LLP.
- Have managed and conducted numerous appraisals of affordable housing (primarily LIHTC developments). 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 numerous appraisals in 17 states of proposed new construction and existing properties under the HUD Multifamily Accelerated Processing program. These appraisals meet the requirements outlined in HUD Handbook 4465.1 and Chapter 7 of the HUD MAP Guide.

H. Blair Kincer

Qualifications

Page 3

- 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 appraisals of affordable and market rate multi-family properties for Fannie DUS Lenders. Currently have ongoing assignment relationships with several DUS Lenders.
- In accordance with HUD's Section 8 Renewal Policy and Chapter 9, Mr. Kincer has completed numerous Rent Comparability Studies for various property owners and local housing authorities. The properties were typically undergoing recertification under HUD's Mark to Market Program.

CURRICULUM VITAE
BRAD E. WEINBERG, MAI, CCIM

I. Education

University of Maryland, Masters of Science in Accounting & Financial Management
University of Maryland, Bachelors of Arts in Community Planning

II. Licensing and Professional Affiliations

MAI Member, Appraisal Institute, No. 10790
Certified Investment Member (CCIM), Commercial Investment Real Estate Institute
Member, Urban Land Institute
Member, National Council of Affordable Housing Market Analysts (NCAHMA)

State of Alabama – Certified General Real Estate Appraiser; No. G00628
Washington, D.C. – Certified General Real Estate Appraiser; No. GA10340
State of Georgia – Certified General Real Property Appraiser; No. 221179
State of Maryland – Certified General Real Estate Appraiser; No. 6048
State of South Carolina – Certified General Real Estate Appraiser; No. 4566

III. Professional Experience

Partner, Novogradac & Company LLP
President, Capital Realty Advisors, Inc.
Vice President, The Community Partners Realty Advisory Services Group, LLC
President, Weinberg Group, Real Estate Valuation & Consulting
Manager, Ernst & Young LLP, Real Estate Valuation Services
Senior Appraiser, Joseph J. Blake and Associates
Senior Analyst, Chevy Chase F.S.B.
Fee Appraiser, Campanella & Company

IV. Professional Training

Appraisal Institute Coursework and Seminars Completed for MAI Designation and Continuing Education Requirements

Commercial Investment Real Estate Institute (CIRESI) Coursework and Seminars Completed for CCIM Designation and Continuing Education Requirements

V. Speaking Engagements and Authorship

Numerous speaking engagements at Affordable Housing Conferences throughout the Country

Participated in several industry forums regarding the Military Housing Privatization Initiative

Authored “New Legislation Emphasizes Importance of Market Studies in Allocation Process,” *Affordable Housing Finance*, March 2001

VI. Real Estate Assignments

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

- On a national basis, conduct market studies and appraisals for proposed Low-Income Housing Tax Credit properties. Analysis includes preliminary property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis and operating expense analysis to determine appropriate cost estimates.
- Developed a Flat Rent Model for the Trenton Housing Authority. Along with teaming partner, Quadel Consulting Corporation, completed a public housing rent comparability study to determine whether the flat rent structure for public housing units is reasonable in comparison to similar, market-rate units. THA also requested a flat rent schedule and system for updating its flat rents. According to 24 CFR 960.253, public housing authorities (PHAs) are required to establish flat rents, in order to provide residents a choice between paying a “flat” rent, or an “income-based” rent. The flat rent is based on the “market rent”, defined as the rent charged for a comparable unit in the private, unassisted market at which a PHA could lease the public housing unit after preparation for occupancy. Based upon the data collected, the consultant will develop an appropriate flat rent schedule, complete with supporting documentation outlining the methodology for determining and applying the rents. We developed a system that THA can implement to update the flat rent schedule on an annual basis.
- As part of an Air Force Privatization Support Contractor team (PSC) to assist the Air Force in its privatization efforts. Participation has included developing and analyzing housing privatization concepts, preparing the Request for Proposal (RFP), soliciting industry interest and responses to housing privatization RFP, Evaluating RFP responses, and recommending the private sector entity to the Air Force whose proposal brings best value to the Air Force. Mr. Weinberg has participated on numerous initiatives and was the project manager for Shaw AFB and Lackland AFB Phase II.
- Conducted housing market analyses for the U.S. Army in preparation for the privatization of military housing. This is a teaming effort with Parsons Corporation. These analyses were done for the purpose of determining whether housing deficits or surpluses exist at specific installations. Assignment included local market analysis, consultation with installation housing personnel and local government agencies, rent surveys, housing data collection, and analysis, and the preparation of final reports.
- Developed a model for the Highland Company and the Department of the Navy to test feasibility of developing bachelor quarters using public-private partnerships. The model was developed to test various levels of government and private sector participation and contribution. The model was used in conjunction with the market analysis of two test sites to determine the versatility of the proposed development model. The analysis included an analysis of development costs associated with both MILCON and private sector standards as well as the potential market appeal of the MILSPECS to potential private sector occupants.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

MICHALENA M. SUKENIK

I. Education

Union College, Schenectady, New York
Bachelor of Arts in Cultural Anthropology
Union College Study Abroad, St. Lucy, Barbados

II. Professional Experience

Principal, Novogradac & Company LLP (Start date: September 2002 - present)
Dallas / Fort Worth and Atlanta Research Manager, CoStar Group, Inc.
Senior Research Analyst / Newswire Editor, CoStar Group, Inc.

III. Professional Training and Continuing Education

Member, National Council of Affordable Housing Market Analysts (NCAHMA)
Attended HUD Community Development Block Grant (CDBG) 30th Anniversary Conference, September 13-14, 2004, Washington, DC
Successfully completed "Introduction to Commercial Real Estate Analysis" and "Financial Analysis for Commercial Real Estate Investment"

IV. Real Estate Assignments

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

- Conducted numerous market and feasibility studies for affordable housing. Properties are generally Section 42 Low Income Housing Tax Credit Properties. Local housing authorities, developers, syndicators and lenders have used these studies to assist in the financial underwriting and design of LIHTC properties. Analysis typically includes; unit mix determination, demand projections, rental rate analysis, competitive property surveying and overall market analysis.
- Prepared a comprehensive city wide housing market analysis for the City of Biloxi, MS which included a housing needs assessment.
- Prepared a comprehensive neighborhood housing market analysis for the New Orleans East neighborhood in New Orleans, LA for the Louisiana Housing and Finance Agency. The study focused on the housing and economic trends Pre- and Post- Hurricane Katrina and overall housing needs in that neighborhood.
- Assisted in preparing an approved HUD Consolidated Plan for the City of Gainesville, GA; which included a housing and homeless needs assessment, market analysis, non-housing needs analysis, and a strategic plan, which conformed to 24CFR Part 91, Consolidated Plan Regulations for the ensuing five-year period (2004-2009).
- Assisted in preparing a comprehensive senior housing study in Seattle, Washington for the Seattle Housing Authority. This study evaluated the Seattle Housing Authority's affordable senior housing project for their position within the entire city's senior housing market. The research involved analysis of the senior population by neighborhood, income, household size, racial composition, and tenure.
- Conducted market studies for senior projects in Alabama, Alaska, Arizona, California, Colorado, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kentucky, Louisiana, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nevada, New Jersey, New York, North Carolina, Oregon, Pennsylvania, South Carolina, Tennessee, Texas, Utah, Virginia, West Virginia, Washington, and Wisconsin.
- Assisted in appraisals of proposed new construction and existing Low-Income Housing Tax Credit properties.
- Assisted in the preparation of Rent Comparability Studies and HUD MAP Market Studies according to HUD guidelines.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

NICOLE KELLEY

I. Education

Auburn University, Auburn, Alabama
Bachelor of Science in Business Administration
Auburn University, Auburn, Alabama
Master of Business Administration

II. Professional Experience

Analyst, Novogradac & Company LLP (Start Date: May 2006 – Present)
Intern, Bullock Mannelly Partners
Graduate Assistant, Auburn University College of Business

III. Research Assignments

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

- Assisted with market studies of proposed new construction and existing Low-Income Housing Tax Credit (LIHTC) properties. Market analysis includes preliminary property screenings, market analysis, comparable rent surveys, and demand analysis.
- Assisted in appraisals of proposed new construction and existing Low-Income Housing Tax Credit properties.
- Assisted in the preparation of Rent Comparability Studies according to HUD guidelines.