

MARKET FEASIBILITY ANALYSIS

OF

**THE VILLAGE AT CHICKAMAUGA APARTMENTS
53 STATE ROUTE 813 (U.S. HIGHWAY 27 BYPASS)
CHICKAMAUGA, GEORGIA 30707**

FOR

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INTRODUCTION

A. PURPOSE

The purpose of this report is to evaluate the market feasibility of a proposed Low-Income Housing Tax Credit project for seniors age 55+ to be developed in Chickamauga, Georgia by Mr. Jerry Braden of the Braden Group. This market feasibility analysis complies with the requirements established by the Georgia Department of Community Affairs/Georgia Housing and Finance Authority (GDCA/GHFA).

B. METHODOLOGIES

Methodologies used by Vogt Williams & Bowen, LLC include the following:

- The Primary Market Area (PMA) generated for the proposed site is identified. The Site PMA is generally described as the smallest geographic area expected to generate most of the support for the proposed project. Site PMAs are not defined by a radius. The use of a radius is an ineffective approach because it does not consider mobility patterns, changes in socioeconomic or demographic character of neighborhoods, or physical landmarks that might impede development.

Site PMAs are established using a variety of factors including, but not limited to:

- A detailed demographic and socioeconomic evaluation.
 - Interviews with area planners, realtors, and other individuals who are familiar with area growth patterns.
 - A drive-time analysis to the site.
 - Personal observations by the field analyst.
- A field survey of modern apartment developments is conducted. The intent of the field survey is twofold. First, the field survey is used to measure the overall strength of the apartment market. This is accomplished by evaluation of unit mix, vacancies, rent levels, and overall quality of product. The second purpose of the field survey is to establish those projects that are most likely directly comparable to the proposed property.

- Two types of directly comparable properties are identified through the field survey. They include other Section 42 Low-Income Housing Tax Credit developments and market-rate developments that offer unit and project amenities similar to the proposed development. An in-depth evaluation of those two property types provides an indication of the potential of the proposed development.
- Economic and demographic characteristics of the area are evaluated. An economic evaluation includes an assessment of area employment composition, income growth (particularly among the target market), building statistics, and area growth perceptions. The demographic evaluation uses the most recently issued Census information, as well as projections that determine the characteristics of the market when the proposed project opens, and when it achieves a stabilized occupancy.
- Area building statistics and interviews with area officials familiar with area development provides identification of those properties that might be planned or proposed for the area that will have an impact on the marketability of the proposed development. Planned and proposed projects are always in different stages of development. As a result, it is important to establish the likelihood of construction, timing of the project, and its impact on the market and the proposed development.
- An analysis of the proposed project's market support from the number of income-appropriate renter households within the Site PMA based on GDCA's demand estimate guidelines. This capture rate analysis considers all income-qualified renter households. For senior projects, the market analyst is permitted to use conversion of homeowners to renters as an additional support component. Demand is conducted by bedroom type and targeted AMHI for the subject project. The resulting capture rates are compared with acceptable market capture rates for similar types of projects to determine whether the proposed development's capture rate is achievable.
- A determination of market-driven rent for the proposed subject development is conducted. Using a Rent Comparability Grid, the features of the proposed development are compared item by item with the most comparable properties in the market. Adjustments are made for each feature that differs from that of the proposed subject development. These adjustments are then included with the collected rent resulting in a market-driven rent for a unit comparable to the proposed unit. This analysis is done for each bedroom type proposed for the site.

C. REPORT LIMITATIONS

The intent of this report is to collect and analyze significant levels of data to forecast the market success of the subject property within an agreed to time period. Vogt Williams & Bowen, LLC relies on a variety of sources of data to generate this report. These data sources are not always verifiable; however, Vogt Williams & Bowen, LLC makes a significant effort to assure accuracy. While this is not always possible, we believe our effort provides an acceptable standard margin of error. Vogt Williams & Bowen, LLC is not responsible for errors or omissions in the data provided by other sources.

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D. SOURCES

Vogt Williams & Bowen, LLC uses various sources to gather and confirm data used in each analysis. These sources, which are cited throughout this report, include the following:

- The 1990 and 2000 Census on Housing
- Claritas
- Applied Geographic Solutions
- Area Chamber of Commerce
- Georgia Department of Community Affairs
- U.S. Department of Labor
- U.S. Department of Commerce
- Management for each property included in the survey
- Local planning and building officials
- Local Housing Authority representatives
- Real Estate Center at Texas A&M University
- Ribbon Demographic - HISTA

SECTION A. EXECUTIVE SUMMARY

Based on the findings reported in our market study, it is our opinion that a market exists for the 40 Tax Credit or market-rate units proposed at the subject site, assuming it is developed as detailed in this report. Changes in the project's site, rent, amenities, or opening date may alter these findings. Following is a summary of our findings:

The proposed project involves the new construction of The Village at Chickamauga Apartments property in Chickamauga, Georgia. The 40-unit project will be developed using Low-Income Housing Tax Credits and target senior (age 55+) households with incomes of up to 60% of AMHI as well as market-rate renters with no maximum income limitation. The proposed Tax Credit collected rents range from \$315 to \$345, and market-rate rents range from \$325 to \$365. The project will feature numerous amenities that will make it very marketable to seniors, such as elevators and washer/dryer hookups.

Walker County and the Chickamauga Site PMA have an employment base concentrated in three main sectors: Services, Retail Trade, and Manufacturing, which comprise nearly 80% of the workforce in the Site PMA. The area's largest employers are all perceived as stable at this time, with no significant expansions or layoffs expected over the foreseeable future. Employment has grown steadily in the area and unemployment has remained relatively stable since 2000, indicating an increasingly stable, slowly growing local economy. Tourism is also vital to the local area and serves to bring more than 800,000 tourists to the Chickamauga and Chattanooga National Military Park each year.

Given a stable and slowly growing economy in the area, as well as a stable base of employers, we anticipate that demand for housing will grow moderately as the Site PMA continues to grow in population and households. This will result in increased demand for all housing in the future, including affordable rental housing such as what the subject site will offer.

With an anticipated placed in service date of December 31, 2007, we assume initial units at the site will actually begin renting in January 2008. Based on our analysis contained in this report, it is our opinion that the eight market-rate units will reach a stabilized occupancy of 93% within two months of opening, averaging an absorption rate of approximately three to four units per month. It is our opinion that the 32 LIHTC units will reach a stabilized occupancy of 93% within five to six months of opening, with an average absorption rate of five to six units per month.

The proposed subject project will include 32 Tax Credit units that target senior households. We identified two LIHTC projects that target seniors within or near the Chickamauga Site PMA. Note that Woodland Senior is located outside the Site PMA in Lafayette, but is included in this section for the purpose of Tax Credit comparison. It is not included in our demand calculations. These competitive properties and the proposed subject development are summarized as follows:

MAP I.D.	PROJECT NAME	YEAR BUILT	LIHTC UNITS	OCCUPANCY RATE	PHYSICAL CONDITION	TARGET MARKET
SITE	THE VILLAGE AT CHICKAMAUGA APTS.	2008	32*	-	EXCELLENT	SENIORS (55+) 50%, 60% AMHI
10	ROSSVILLE SENIOR VILLAGE	2003	48**	100.0%	VERY GOOD	SENIORS (55+) 50%, 60% AMHI
11	WOODLAND SENIOR	2003	52	100.0%	GOOD	SENIORS (55+) 45%, 50%, 60% AMHI

*Does not include eight market-rate units

**Does not include 12 market-rate units

The two comparable senior properties have a combined occupancy rate of 100.0%. Note that Rossville Senior Village has 71 households on the waiting list, while Woodland Senior does not have a waiting list.

The proposed subject gross rents, \$417 for a one-bedroom unit and \$474 for a two-bedroom unit, will be competitively priced with the other senior LIHTC units in the market, particularly given the inferior quality and features of these competing projects. The proposed development will offer the largest unit sizes (square footage) when compared with the existing senior LIHTC projects in the area. The unit sizes and number of baths will enable the proposed LIHTC units at the site to compete well with the existing low-income units in the market.

The amenity packages included at the proposed subject development will be very competitive with the competing low-income projects. In fact, the subject project will offer features such as a shuffleboard court, library, computer center, and gazebo that are not typically offered in the market or at the comparable properties. The subject development does not appear to be lacking any amenities that would hinder its marketability to operate as a Low-Income Housing Tax Credit project.

The surrounding land uses will have a positive impact on the marketability of the site. Visibility is relatively low and signage will be necessary along U.S. Highway 27. Access is considered good.

The site is within close proximity to shopping, employment, and recreational opportunities. Social services and public safety services are within 4.4 miles of the site. Overall, we consider the site's location and proximity to community services to have a positive impact on the marketability of the site.

Capture rates of the proposed units by bedroom type and AMHI targeted are as follows:

BEDROOM SIZE (SHARE OF DEMAND)	TARGET % OF AMHI	SUBJECT UNITS	TOTAL DEMAND*	SUPPLY**	NET DEMAND	CAPTURE RATE	ABSORPTION	MEDIAN MARKET RENT	SUBJECT RENTS
ONE-BR (50.0%)	50%	8	106	12	94	8.5%	2/MO	\$532	\$417
	60%	4	115	18	97	4.1%	1/MO	\$532	\$417
	MR	4	85	6	79	5.1%	2/MO	\$532	\$325
ONE-BEDROOM	TOTAL	16	200	36	164	9.8%	4/MO	\$532	-
TWO-BR (45.0%)	50%	8	95	12	83	9.6%	1/MO	\$475	\$474
	60%	12	103	6	97	12.4%	2/MO	\$475	\$474
	MR	4	76	6	70	5.7%	2/MO	\$475	\$365
TWO-BEDROOM	TOTAL	24	180	24	156	15.4%	4/MO	\$475	-
THREE-BR (5.0%)	50%	0	11	0	11	-	-	-	-
	60%	0	11	0	11	-	-	-	-
	MR	0	8	0	8	-	-	-	-
THREE-BEDROOM	TOTAL	0	19	0	19	-	-	-	-

*Includes overlap between the targeted income levels at the subject site.

**Directly comparable units built and/or funded in the project market over the projection period.

The capture rates by bedroom type and AMHI are excellent to moderate, ranging from 4.1% for one-bedroom units at 60% AMHI to 12.4% for the two-bedroom units at 60% AMHI. These capture rates are indicators that there is sufficient support for the proposed subject units.

PROPOSED PROJECT CAPTURE RATE LIHTC UNITS	17.7%
PROPOSED PROJECT CAPTURE RATE MARKET-RATE UNITS	5.1%
PROPOSED PROJECT CAPTURE RATE ALL UNITS	12.5%
PROPOSED PROJECT STABILIZATION PERIOD	5 TO 6 MO.

Based on our analysis of the rents, unit sizes (square feet), amenities, location, quality, and occupancy rates of the existing low-income and market-rate comparable properties in the market, it is our opinion that the proposed subject development will be very competitive with these properties and will offer an excellent value, especially at the proposed rents, which are very low in general for this market.

Development of the subject site is expected to have little impact on occupancy rates at the existing comparables, although given the site's larger unit sizes and superior location, we expect the site will be more desirable than Woodland Senior, which could create some vacancies at this project. With 71 households on the waiting list at Rossville Senior Village, this project is expected to have a continuing high occupancy rate.

SECTION B - PROJECT DESCRIPTION

The proposed project involves the new construction of The Village at Chickamauga Apartments property in Chickamauga, Georgia. The 40-unit project will be developed using Low-Income Housing Tax Credits and target senior (age 55+) households with incomes of up to 60% of AMHI as well as market-rate renters with no maximum income limitation. The proposed Tax Credit collected rents range from \$315 to \$345, and market-rate rents range from \$325 to \$365. Additional details of the subject project are as follows:

A. PROJECT DESCRIPTION

- 1. PROJECT NAME:** The Village at Chickamauga Apartments
- 2. PROPERTY LOCATION:** 53 State Route 813
(U.S. Highway 27 bypass)
Chickamauga, Georgia 30707
- 3. PROJECT TYPE:** New construction of a Low-Income Housing Tax Credit project
- 4. UNIT CONFIGURATION AND RENTS:**

TOTAL UNITS	BEDROOM TYPE	BATHS	STYLE	SQUARE FEET	PERCENT OF AMHI	PROPOSED RENTS		
						COLLECTED	UTILITY ALLOWANCE	GROSS
8	1	1	GARDEN	760	50%	\$315	\$102	\$417
4	1	1	GARDEN	760	60%	\$315	\$102	\$417
4	1	1	GARDEN	760	MR	\$325	N/A	\$325
8	2	1	GARDEN	1,002	50%	\$345	\$129	\$474
12	2	1	GARDEN	1,002	60%	\$345	\$129	\$474
4	2	1	GARDEN	1,002	MR	\$365	N/A	\$365
40								

Source: Developer (The Braden Group)

AMHI – Area Median Household Income (Chattanooga, TN – GA MSA)

MR – Market-rate

N/A – Not applicable

- 5. TARGET MARKET:** Low- to moderate-income seniors (age 55+)
- 6. PROJECT DESIGN:** A total of three two-story, elevator-equipped buildings and a clubhouse
- 7. ORIGINAL YEAR BUILT:** Not applicable
- 8. PROJECTED OPENING DATE:** January 2008

9. UNIT AMENITIES:

- REFRIGERATOR
- RANGE
- DISHWASHER
- GARBAGE DISPOSAL
- EMERGENCY CALL SYSTEM
- STORAGE ROOMS
- CARPET
- CENTRAL AIR CONDITIONING
- WINDOW BLINDS
- WASHER/DRYER HOOKUPS
- PATIO/BALCONY

10. COMMUNITY AMENITIES:

- CLUBHOUSE (1,949 SQ. FT.)
- ON-SITE MANAGEMENT
- LIBRARY
- GAZEBO
- SHUFFLEBOARD COURT
- ELEVATOR
- MEETING ROOM
- COMPUTER ROOM
- FITNESS CENTER
- PICNIC AREA
- COMMUNITY GARDEN AREA

11. RESIDENT SERVICES:

- NEIGHBORHOOD WATCH
- SOCIAL PROGRAMS
- SEMI-MONTHLY MOVIES
- READING SERVICE
- RECREATIONAL PROGRAMS
- COMPUTER TRAINING

12. TENANT UTILITY RESPONSIBILITY:

- ELECTRIC HEAT
- ELECTRIC WATER HEAT
- WATER
- ELECTRIC COOKING
- ELECTRIC
- SEWER

13. RENTAL ASSISTANCE: None

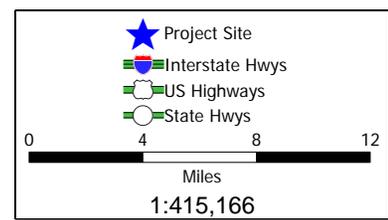
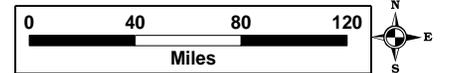
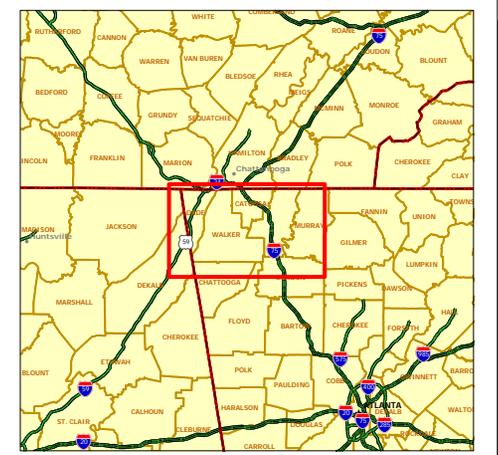
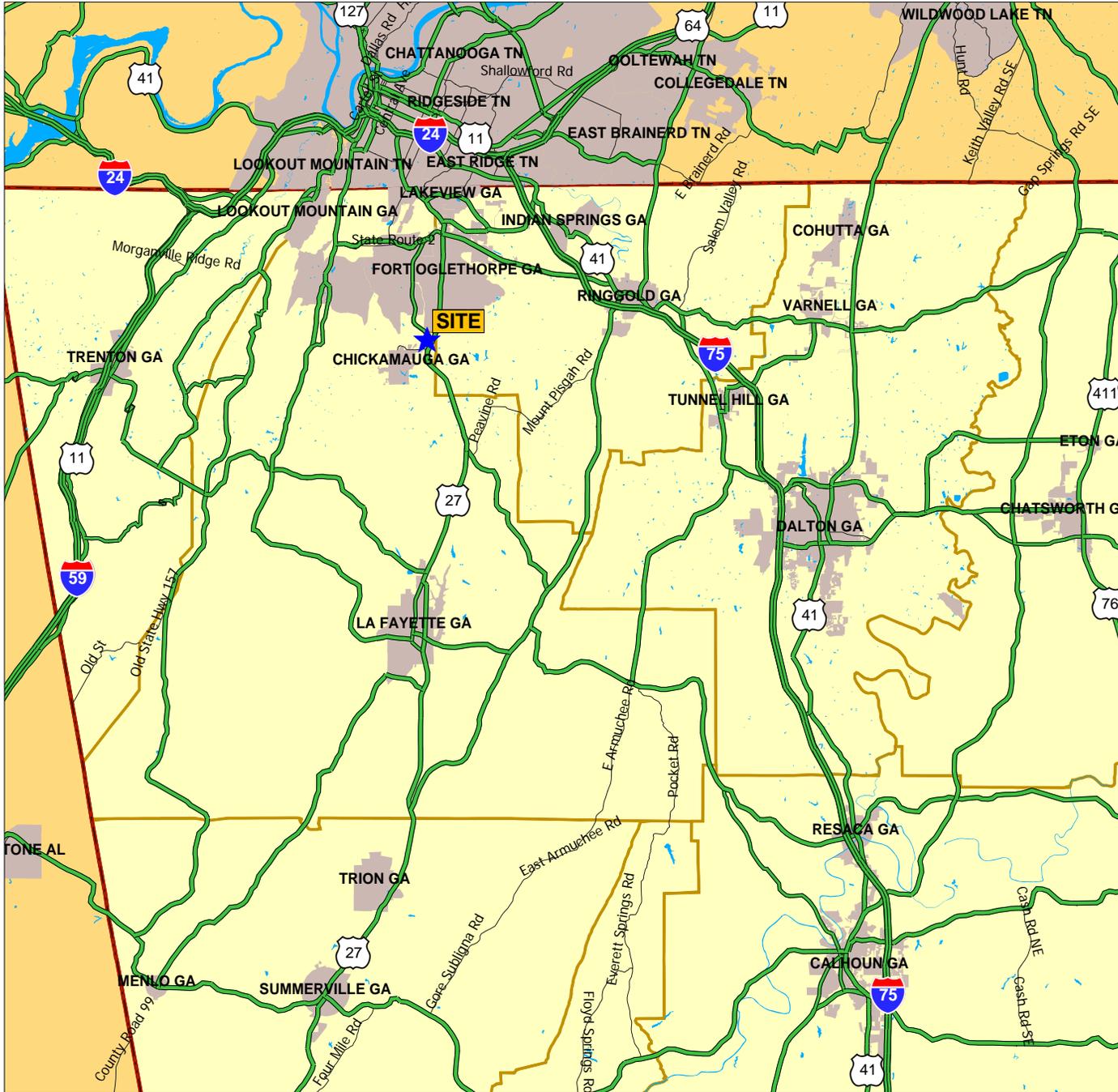
14. PARKING: The subject site will offer 64 open lot parking spaces.

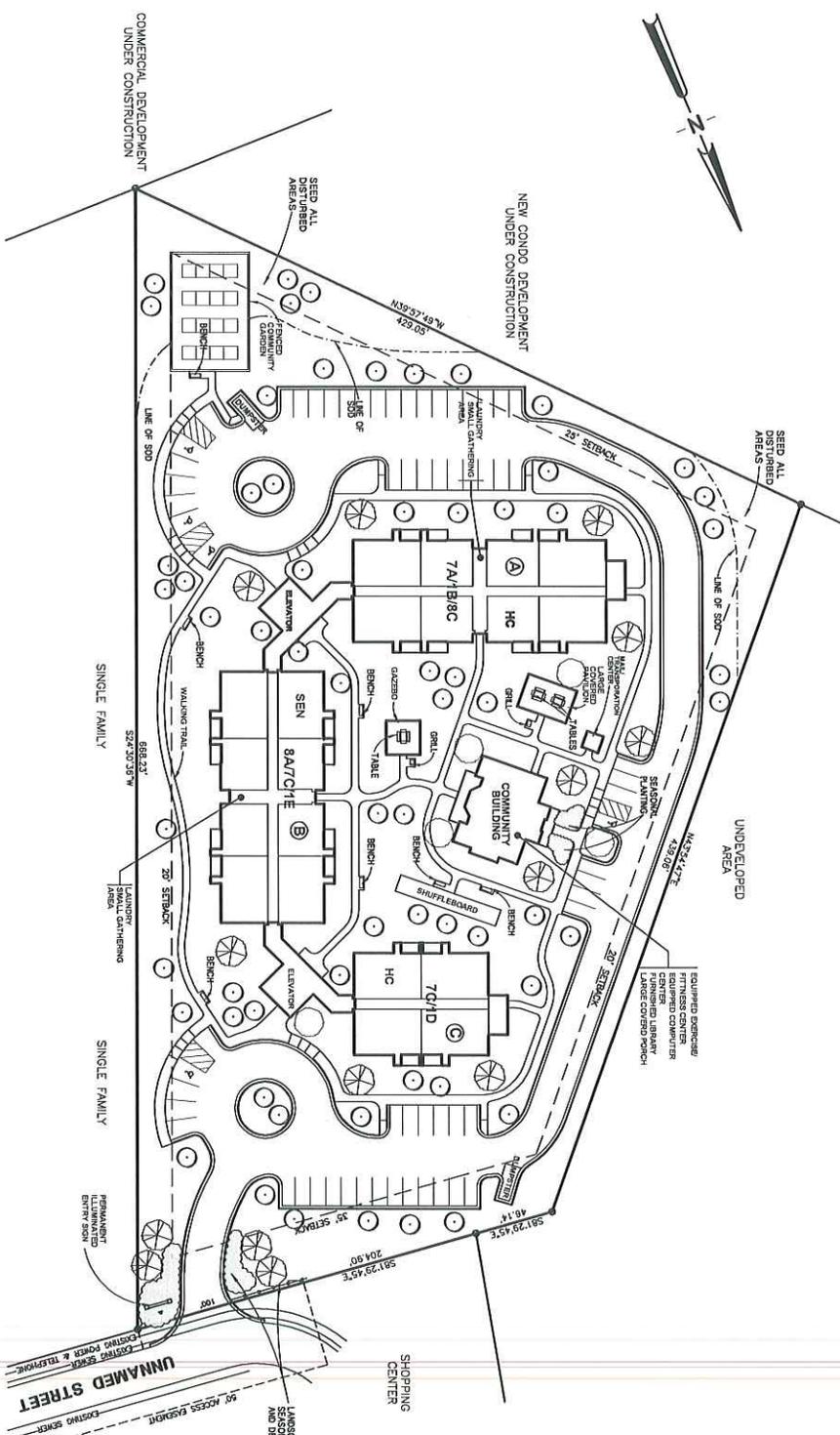
15. CURRENT PROJECT STATUS: Not applicable

16. STATISTICAL AREA: Chattanooga, TN-GA MSA (2006)

A state map, regional map, a map illustrating the site neighborhood, and the site plan are on the following pages.

Chickamauga, GA: Surrounding Region





SCHEMATIC SITE PLAN

SCALE: 1"=40'

OWNER/DEVELOPER	
THE VILLAGE at CHICKAMAGUA, LP 700 BOB ALY SUMMERVILLE, GEORGIA 30077	
ARCHITECT	
MCKEAN & ASSOCIATES ARCHITECTS, LLC 380 EDON ROAD MONTGOMERY, ALABAMA 36106	
LEGEND	COUNT
UNIT 7 - ONE BEDROOM - HANCOCK	9 UNITS
UNIT 8 - TWO BEDROOM - HANCOCK	21 UNITS
UNIT 9 - TWO BEDROOM - HANCOCK	1 UNITS
UNIT 7 - TWO BEDROOM - SENIOR APART	1 UNITS
TOTAL UNITS	40 UNITS

SITE DATA	PARCELS SPACES	64
SITE AREA	LOT ACRES	1
ZONING		C-2

REQUIRED PROJECT/UNIT AMENITIES
<ul style="list-style-type: none"> REFRIGERATOR AND STOVE HVAC SYSTEMS ONE RECREATION AREA - SHUTTLE BOARD ONE-SITE LAUNDRY W/ ONE WASHER AND ONE DRYER PER EVERY 25 UNITS (1 EACH UNIT WITH A COMMUNITY ROOM LEASING OFFICE) SECTORED EXERCISE AREA - COVERED POCKET AT COMMUNITY BUILDING AND GROUND FLOOR LEASING OFFICE INTERIOR ELEVATORS (2) INTERIOR GATHERING AREAS 100% OF THE UNITS ARE ACCESSIBLE & ADAPTABLE EQUIPPED W/AN INSTALLED CALL SYSTEM / Buzzer/Bell AND LIGHT TO THE EXTERIOR.

ADDITIONAL OPTIONAL AMENITIES
<ul style="list-style-type: none"> FENCED COMMUNITY GARDENS WALKING PATH W/ SITTING AREAS LARGE COVERED PAVILION W/ PICNIC TABLES AND BRILL EQUIPPED EXERCISE/FITNESS CENTER EQUIPPED COMPUTER CENTER FURNISHED LIBRARY COMPLETE BUILT-IN FIRE SPRINKLER SYSTEM IN EVERY UNIT AND COMMUNITY BUILDING, INCLUDING EXTERIOR AUDIO AND VISUAL SYSTEM IN-SINK DISPOSAL BUILT-IN DISHWASHER WASHERS & DRYER REQUIRED IN ALL UNITS WASHERS & DRYER TO THE REQUIRED ON-SITE LAUNDRY

EXTERIOR MATERIALS AND SITE DESIGN
<ul style="list-style-type: none"> EXTERIOR WALL FACES IN EXCESS OF 40% BRICK NEW SHUTTERS AND DECORATIVE VENTILATION ELEMENTS COVERED ENTRIES TO ALL BUILDINGS AND UNITS UPGRADED WINDOWS AND FRENCH DOORS UPGRADED INTERIOR DOORS WITH LEVER HARDWARE FRONT ENTRY TO BE DEMARKED WITH AN ATTRACTIVE, PERMANENT, ILLUMINATED ENTRY SIGN AND DECORATIVE FENCING. LANDSCAPE UPGRADE FEATURES ARE BEINGS INDICATED ON THE PLAN. FREESTANDING SHELTERED WALKWAY REPLANTING 5" DIAMETER TREES INTEGRATED WITH THE LANDSCAPING TYPICAL LOCATION FOR NEW TREES IS INDICATED ON THE PLAN. ALL LANDSCAPING WILL MEET DCA REQUIREMENTS.

OPTIONAL ENERGY and INDOOR AIR QUALITY
<ul style="list-style-type: none"> ATMIC INSULATION TO BE R-38 ARI RATED HEAT PUMP (HSFP R10 FOR BOTH HP 1.5 TON UNITS AND HP 2.0 TON UNITS) ARI RATED SEER 14 HVAC DUCTWORK LOCATED IN CONDITIONED SPACE HVAC FRESH AIR INTAKE BEFORE THE RETURN AIR INTAKE RETURN AIR INTAKE/RETURN FILTERS WITH LOWER FLOW RATES THAN THE MEPA STANDARDS CEILING FANS IN LIVING ROOMS, AND ALL BEDROOMS

ACCESSIBILITY STANDARDS
<ul style="list-style-type: none"> ALL UNITS AND ALL COMMUNITY FACILITIES, INCLUDING PARKING LOTS AND RECREATIONAL AREAS, WILL BE ACCESSIBLE TO THE DISABLED IN ACCORDANCE WITH FEDERAL LAW. THERE WILL BE AN ACCESSIBLE ROUTE FROM THE STREET TO THE FRONT PARKING LOT AND COMMUNITY AREA. ALL UNITS DESIGNED AND EQUIPPED AS UNITS FOR THE DISABLED ARE EQUIPPED WITH FRONT LOADING WASHERS AND DRYERS ALL MULTIFAMILY UNITS ON ALL FLOORS INCORPORATE THE FOLLOWING VISIBILITY MODIFICATIONS FOR THE MOBILITY IMPAIRED: CLEAR OPENING OF 32" WIDE AND 80" HIGH SHALL BE A MINIMUM 32" CLEAR OPENING. ALL INTERIOR PASSAGeways SHALL BE A MINIMUM OF 36" WIDE AND EACH UNIT SHALL PROVIDE AT LEAST ONE ACCESSIBLE MEANS OF EGRESS/INGRESS WITH NO-STEP ENTRY FINAL PLANS AND SPECIFICATIONS WILL BE REVIEWED BY A PROFESSIONAL ACCESSIBILITY CONSULTANT TO DETERMINE THAT ALL FEDERAL, STATE AND DCA ACCESSIBILITY GUIDELINES ARE ACCURATELY INCORPORATED INTO PROJECT DESIGN.

SITE UTILITIES INFORMATION										
<table border="1"> <tr> <th>UTILITY</th> <th>CONTACT</th> </tr> <tr> <td>WATER & SEWER</td> <td>OTY, 2000 COLUMBIA AVE P.O. BOX 7864 TAMPA, FL 33634 (770) 375-5777</td> </tr> <tr> <td>ELECTRICITY</td> <td>MARK K. SALLETT GEORGIA POWER CANTERVILLE, GA (770) 397-5553</td> </tr> <tr> <td>GAS</td> <td>NOT APPLICABLE</td> </tr> <tr> <td>TELEPHONE</td> <td>BELOUSOV 8601 385-5984</td> </tr> </table>	UTILITY	CONTACT	WATER & SEWER	OTY, 2000 COLUMBIA AVE P.O. BOX 7864 TAMPA, FL 33634 (770) 375-5777	ELECTRICITY	MARK K. SALLETT GEORGIA POWER CANTERVILLE, GA (770) 397-5553	GAS	NOT APPLICABLE	TELEPHONE	BELOUSOV 8601 385-5984
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GAS	NOT APPLICABLE									
TELEPHONE	BELOUSOV 8601 385-5984									

Sheet Title:	SCHMATIC SITE PLAN
Project No:	06-305
Date:	05-04-06
Drawn By:	dbm
Checked By:	RLM
Sheet No:	SL-1



THE VILLAGE at CHICKAMAGUA
CHICKAMAUGA, GEORGIA

MCKEAN & ASSOCIATES
ARCHITECTS
MONTGOMERY ALABAMA

SECTION C – SITE DESCRIPTION AND EVALUATION

1. LOCATION

The subject site is heavily wooded undeveloped land in the northeastern portion of the city of Chickamauga, Georgia located in Walker County. The subject site is bordered to the east by the Food Lion shopping center. The road that circles behind the shopping center would serve as an easement to the proposed entry for the site. The site is located 13.5 miles south of Chattanooga, Tennessee and 115.0 miles northwest of Atlanta, Georgia. Dan Grenawitzke, an employee of Vogt Williams & Bowen, LLC, inspected the site and area apartments during the week of June 19, 2006.

2. SURROUNDING LAND USES

The subject site is within a developing area of Chickamauga. Surrounding land uses include scattered single-family homes, undeveloped land, various commercial businesses, a church, a bank, a convenient store, and a gas station. Adjacent land uses are detailed as follows:

North -	A heavily wooded area borders the site to the north. Further north are scattered single-family homes in good condition.
East -	The Food Lion shopping strip borders the site to the east. This commercial strip includes a smoke shop, Pizza Hut, Food Lion, Subway, H&R Block, Movie Gallery, and a Taco Bell. Capital Bank is also east of the site, just south of the shopping strip. Further east is Highway 27, a four-lane heavy traffic arterial.
South -	A heavily wooded area borders the site to the south. Beyond this area is some vacant land followed by scattered single-family homes in fair condition. Highway 27 wraps around from east to the south of the subject site. This highway offers various commercial businesses, including Sonic, Huddle House, McDonald's, and Exxon.
West -	A wooded lot borders the site to the west. Vacant land is further west. Heritage Row, northwest of the site, is a condominium subdivision that started selling on the market roughly a year ago. Further northwest is Solid Rock Baptist Church.

Overall, the subject property fits in well with the surrounding land uses and should contribute to the marketability of the site.

3. VISIBILITY AND ACCESS

The subject site is located behind a shopping center off of U.S. Highway 27. Visibility is low and signage along U.S. Highway 27, and signage will be necessary to alert traffic about the subject site's location. A traffic signal controls access to the site area and the adjacent shopping center, and access is considered good. The subject site is west of U.S. Highway 27, a four-lane arterial with heavy traffic.

4. PROXIMITY TO COMMUNITY SERVICES AND INFRASTRUCTURE

a. Commercial/Retail Areas

The area is served by numerous shopping opportunities. Food Lion, a grocery store, is located within 0.1 miles of the subject site. A smoke shop, Pizza Hut, Subway, H&R Block, Movie Gallery, Taco Bell, and a Capital Bank are also located within 0.1 miles. A total of three banks are located within 1.7 miles of the subject site. A Wal-Mart Supercenter and other retail locations are located 4.5 miles northeast of the subject site. Eastgate Town Center is the closest mall, and is located 9.0 miles north of the subject site in Chattanooga. The Brainerd Village shopping center is located 9.4 miles from the subject site.

b. Employers/Employment Centers

The subject site is within close proximity to employment opportunities. A Shaw Industries plant is located 1.4 miles from the site, along with three other operating plants within 8.9 miles from the site. Shaw Industries in La Fayette, the fifth largest industry in the county, is located 14.3 miles from the site. The third largest employer for the Walker county region, Hutcheson Medical Center, is located 4.3 miles from the site.

c. Recreation Areas and Facilities

The city of Chickamauga is in close proximity to numerous recreational opportunities. The Chickamauga and Chattanooga National Park is located 3.9 miles north of the subject site. AMF Fort Lanes, a bowling center, is 4.7 miles north the site.

Two public golf courses are within 5.5 miles of the subject site. The nearest YMCA, North Georgia YMCA, is located in Fort Oglethorpe, 5.0 miles north the subject site.

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d. Entertainment Venues

The city of Chickamauga has limited entertainment. The Walker County Regional Museum is located in Chickamauga, 1.6 miles from the site. Southgate 5 Theatres are located in Fort Oglethorpe, 4.8 miles north of the subject site. AMF Fort Lanes is the closest bowling alley, and is located 4.4 miles north of the site in Fort Oglethorpe.

e. Education Facilities

The Chickamauga City School District serves the subject site area. Chickamauga Elementary School is located 1.9 miles southwest of the subject site. Gordon Lee Middle School is located 2.0 miles southwest of the site. Gordon Lee High School is located 1.9 miles southwest of the site.

f. Social Services

The Chickamauga City Hall, which includes most local government services, is located 0.9 miles west of the site. The Chickamauga Public Library is within 1.8 miles southwest of the site. Two U.S. Post Offices are located within 4.8 miles of the site, one in Fort Oglethorpe and the other in Rock Spring. Chickamauga Older American Center is located 2.0 miles southwest of the subject site, and provides activities and services for older adults.

g. Transportation Services

There is no public transportation that serves the subject site area. The site has convenient access to U.S. Highway 27. Access can only be granted to the subject site by using U.S. Highway 27.

h. Public Safety

The Chickamauga Police Department maintains its main office 0.9 miles west of the site. The Fort Oglethorpe Fire Department, located 4.4 miles north of the subject site, serves the area. The nearest medical facility is Hutcheson Medical Center, located 4.3 miles north of the subject site in Fort Oglethorpe.

5. CRIME ISSUES

The primary source for Crime Risk data is the FBI Uniform Crime Report (UCR). The FBI collects data from each of roughly 16,000 separate law enforcement jurisdictions across the country and compiles this data into the UCR. The most recent update showed an overall coverage rate of 95% of all jurisdictions nationwide with a coverage rate of 97% of all jurisdictions in metropolitan areas.

Applied Geographic Solutions uses the UCR at the jurisdictional level to model each of the seven crime types at other levels of geography. Risk indices are standardized based on the national average. A Risk Index value of 100 for a particular risk indicates that, for the area, the relative probability of the risk is consistent with the average probability of that risk across the United States.

It should be noted that aggregate indices for total crime, personal crime and property crime are not weighted indices, in that a murder is weighted no more heavily than petty theft. Thus, caution should be used when using the aggregate indices.

Total crime risk for the Chickamauga Site PMA is well below the national average with an overall personal crime index of 31 and property crime index of 53. The site is located in a developing area with good quality commercial and residential developments surrounding the site that are not considered to be areas with a significant risk for criminal activity. Total crime risk for Walker County is also well below the national average with indices for personal and property crime of 26 and 62, respectively.

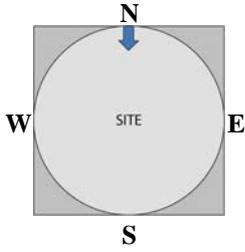
	CRIME RISK INDEX	
	SITE PMA	WALKER COUNTY
TOTAL CRIME	45	47
PERSONAL CRIME	31	26
MURDER	43	44
RAPE	34	30
ROBBERY	17	11
ASSAULT	35	26
PROPERTY CRIME	53	62
BURGLARY	65	77
LARCENY	54	67
MOTOR VEHICLE THEFT	39	41

Source: Applied Geographic Solutions

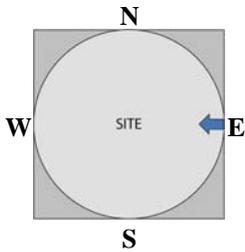
6. SITE PHOTOGRAPHS

Photographs of the subject site are on located on the following pages.

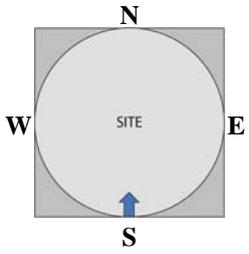
SITE PHOTOGRAPHS



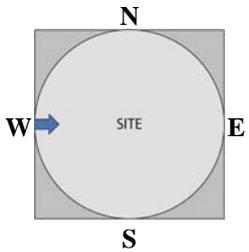
North view of site



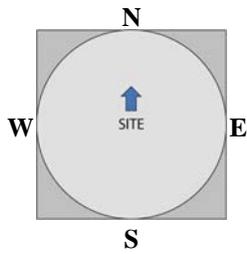
East view of site



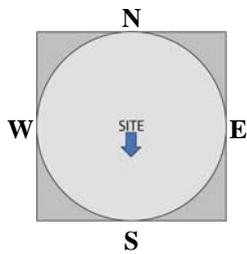
South view of site



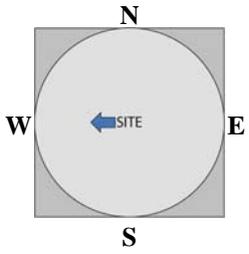
West view of site



North view from site



South view from site

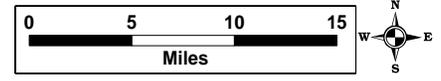
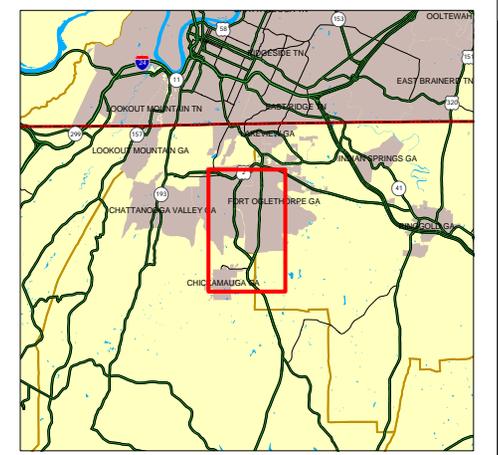
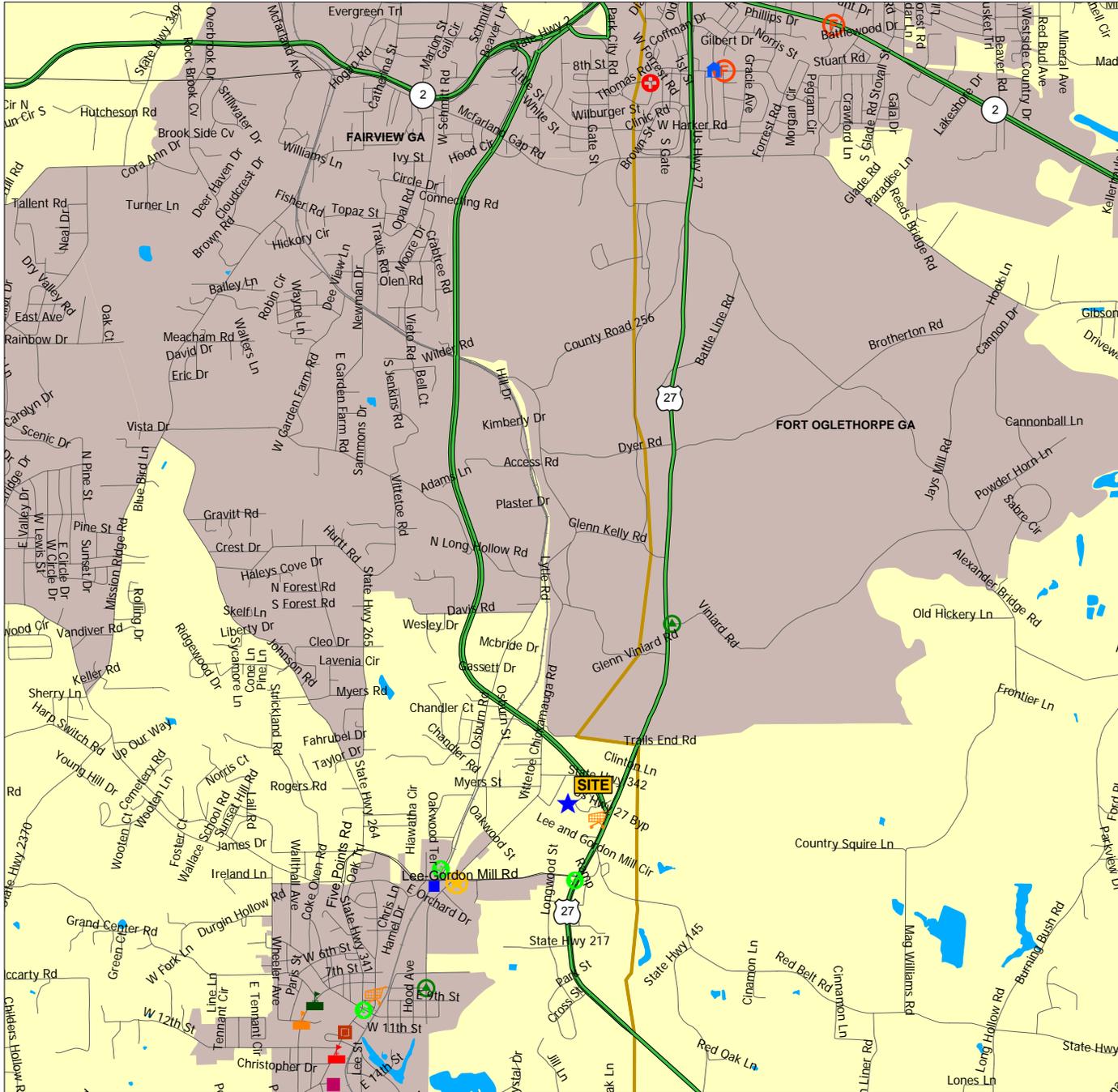


West view from site

7. COMMUNITY SERVICES MAP

A map illustrating the location of community services and the subject site is on the following page.

Chickamauga, GA: Community Services



	Project Site
	Police
	Fire Department
	Med Center
	Grocery
	Post Office
	Senior Center
	Park/Recreation
	Library
	Elementary School
	Middle School
	High School
	Bank
	City Government

0 .4 .8 1.2
Miles
1:45,228

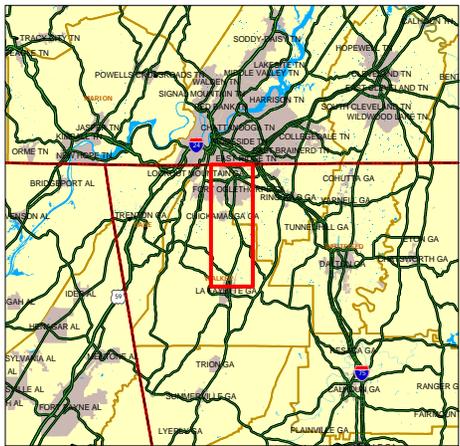
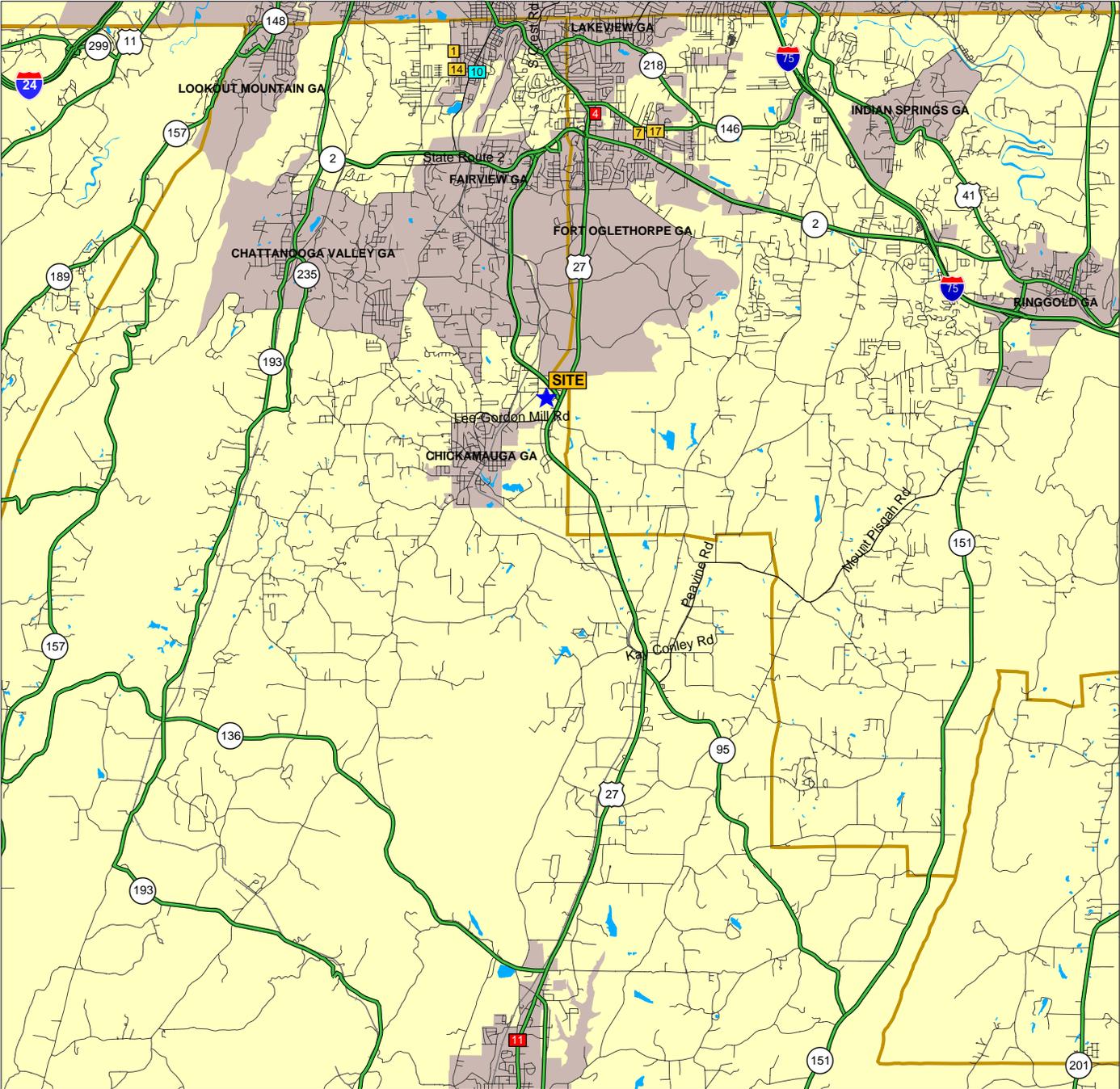
8. NEIGHBORHOOD DEVELOPMENTS/ZONING

The proposed project involves the new construction of 40 senior apartment units in a developing area of Chickamauga, Georgia. Nearby land uses include scattered single-family homes, undeveloped land, various commercial businesses (including a Food Lion grocery store), a church, a bank, and a gas station. These land uses are considered to have a beneficial impact on the subject site. The area is currently zoned for multifamily allowing use, and this use is not expected to change.

9. MAP OF LOW-INCOME RENTAL HOUSING

A map illustrating the location of low-income rental housing projects (Tax Credit, Rural Development, HUD Section 8, and Public Housing) identified in the Site PMA is included on the following page.

Chickamauga, GA: Low Income Rental Housing



- Project Site
- Interstate Hwys
- US Hwys
- State Hwys
- Govt. Sub.
- Market Rate/Tax Credit
- Tax Credit

0 1 2 3
Miles
1:140,346

10. PLANNED ROAD OR INFRASTRUCTURE IMPROVEMENTS

According to area planning and zoning officials, there are no notable roads or other infrastructure projects underway or planned for the immediate site area. The subject site has convenient access to U.S. Highway 27 and State Route 342. The area has established utilities. Electric service is provided by Georgia Power Company, natural gas service is provided by Walter Gas Company, and water/sewer service is provided by the city of Chickamauga.

11. VISIBLE ENVIRONMENTAL OR OTHER CONCERNS

There were no visible environmental concerns regarding the site.

12. OVERALL SITE EVALUATION

The surrounding land uses will have a positive impact on the marketability of the site. Visibility is relatively low and signage will be necessary along U.S. Highway 27. Access is considered good.

The site is within close proximity to shopping, employment, and recreational opportunities. Social services and public safety services are within 4.4 miles of the site. Overall, we consider the site's location and proximity to community services to have a positive impact on the marketability of the site.

SECTION D – PRIMARY MARKET AREA DELINEATION

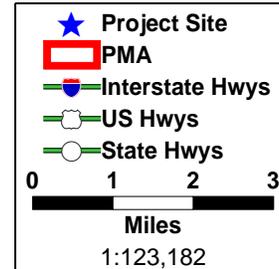
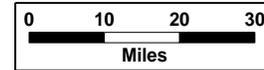
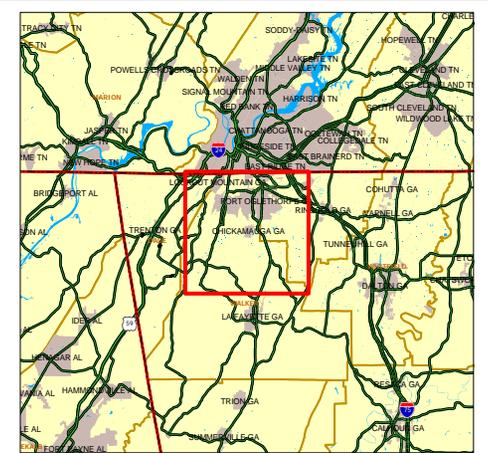
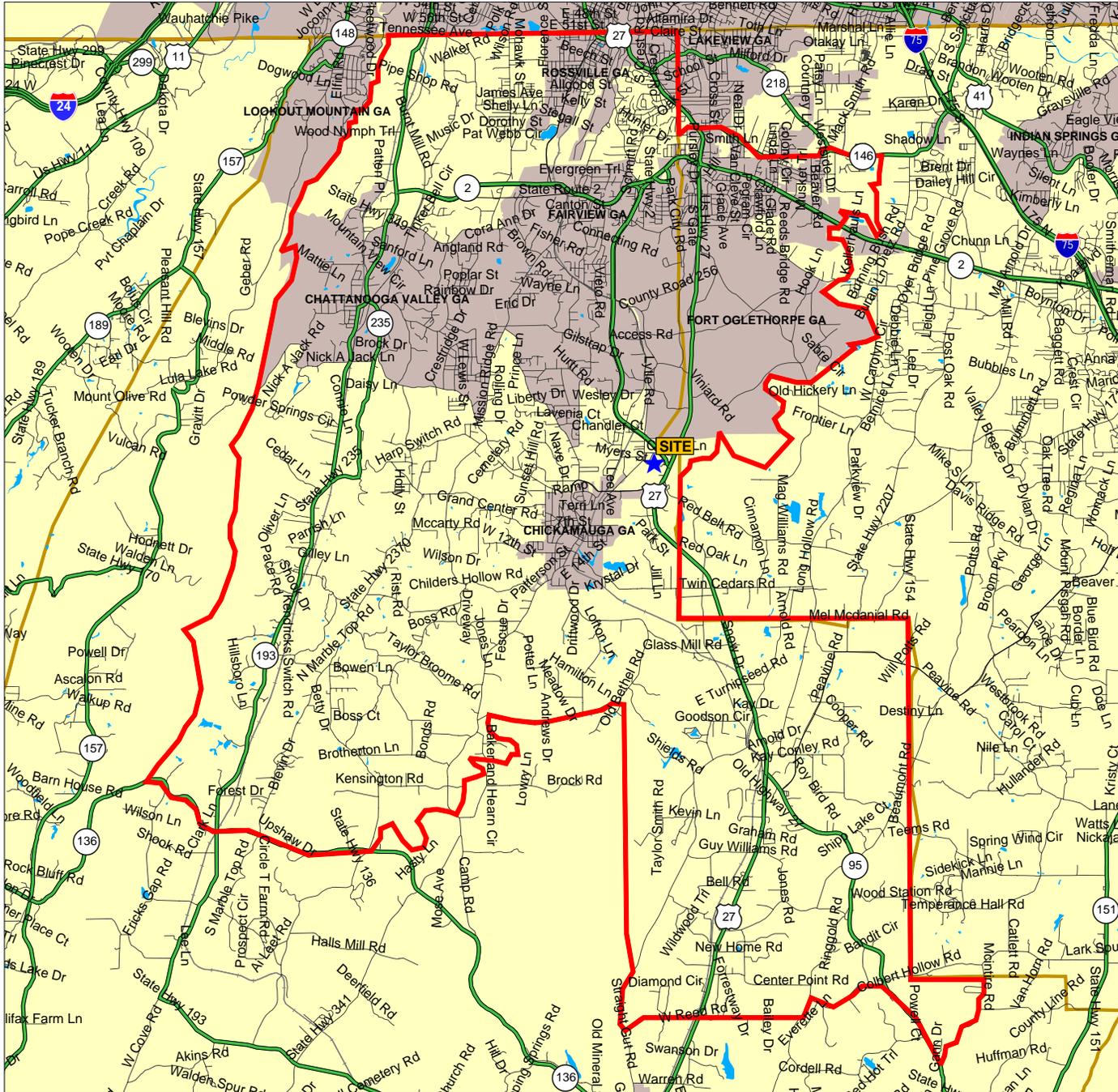
The Site Primary Market Area (PMA) is the geographical area from which approximately 85% of the support for the proposed development is expected to originate. The Chickamauga Site PMA was determined through interviews with area leasing and real estate agents, government officials, and personal observations by our analysts. The personal observations by our analysts include physical and/or socioeconomic differences in the market and a demographic analysis of the area households and population.

The Chickamauga Site PMA includes the census tracts 201, 202, 203.01, 203.02, 205.01, 205.02, 206.01 and 307. Census tract 307 is located in Catoosa County, while the other tracts are located in Walker County. The Site PMA extends north Chickamauga including the areas of Fairview, Chattanooga Valley, and Orchard Hills in Walker County. Further north Rossville and Lakeview were also included. The state line serves as a rough border for the primary market area to the north. The Site PMA extends northeast to include the city of Fort Oglethorpe in Catoosa County. The Site PMA extends south to Rock Spring and west to State Road 93.

The areas of Ringgold, Tunnel Hill, and Dalton in Catoosa County, east of the Site PMA, were excluded, as it was noted that not many people are willing to relocate to Chickamauga from these areas. With the exception of Dalton, these communities do not have large populations. Dalton is known as the carpet capital of the world, and those living and working in Dalton are unlikely to move to Chickamauga. Lafayette to the south and Trenton to the west were both excluded as well. These areas were not included in the Site PMA as they are rural, less developed areas not anticipated to bring a significant number of residents to Chickamauga.

A map delineating the boundaries of the Site PMA is included on the following page.

Chickamauga, GA: Primary Market Area



SECTION E – COMMUNITY DEMOGRAPHIC DATA & MARKET AREA ECONOMY

1. POPULATION TRENDS

The Chickamauga Site PMA population base increased by 978, or 2.3% between 1990 and 2000. The Site PMA population base for 1990, 2000, 2005 (estimated), and 2008 (projected) are summarized as follows:

	YEAR			
	1990 (CENSUS)	2000 (CENSUS)	2005 (ESTIMATED)	2008 (PROJECTED)
POPULATION	42,901	43,879	45,226	46,097
POPULATION CHANGE	-	978	1,347	871
PERCENT CHANGE	-	2.3%	3.1%	1.9%

Source: Census; Claritas; Vogt Williams & Bowen, LLC

The Site PMA experienced stable growth between 2000 and 2005, growing by 1,347, or 3.1%. It is projected that the total population will increase by 871 people, or 1.9%, between 2005 and 2008. This represents an annual growth rate of 0.6% between 2000 and 2008.

The Site PMA population bases by age are summarized as follows:

POPULATION BY AGE	2000 (CENSUS)		2005 (ESTIMATED)		2008 (PROJECTED)		CHANGE 2005-2008	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
17 & UNDER	10,524	24.0%	10,470	23.2%	10,434	22.6%	-36	-0.3%
18 TO 24	3,819	8.7%	4,081	9.0%	4,075	8.8%	-6	-0.1%
25 TO 34	5,791	13.2%	6,227	13.8%	6,216	13.5%	-11	-0.2%
35 TO 44	6,625	15.1%	6,274	13.9%	6,305	13.7%	31	0.5%
45 TO 54	5,894	13.4%	6,192	13.7%	6,289	13.6%	97	1.6%
55 TO 64	4,581	10.4%	4,996	11.0%	5,319	11.5%	323	6.5%
65 TO 74	3,645	8.3%	3,683	8.1%	3,942	8.6%	259	7.0%
75 & HIGHER	3,000	6.8%	3,303	7.3%	3,517	7.6%	214	6.5%
TOTAL	43,879	100.0%	45,226	100.0%	46,097	100.0%	871	1.9%

Source: 2000 Census; Claritas; Vogt Williams & Bowen, LLC

As the preceding table illustrates, the greatest population growth over the next three years will be among those ages 55 and older. This age group is the target group of potential renters for the subject site. Note that all segments of the population are projected to increase, except the youngest portion of the population, which will remain virtually unchanged.

2. HOUSEHOLD TRENDS

Within the Chickamauga Site PMA, the total number of households increased by 1,068 (6.6%) between 1990 and 2000. This equates to an annual average of 0.7%. Household trends within the Chickamauga Site PMA are summarized as follows:

	YEAR			
	1990 (CENSUS)	2000 (CENSUS)	2005 (ESTIMATED)	2008 (PROJECTED)
HOUSEHOLDS	16,201	17,269	18,091	18,575
HOUSEHOLD CHANGE	-	1,068	822	484
PERCENT CHANGE	-	6.6%	4.8%	2.7%
AVERAGE HOUSEHOLD SIZE	2.6	2.5	2.5	2.5

Source: 2000 Census; Claritas; Vogt Williams & Bowen, LLC

Total household growth was positive between 2000 and 2005, and is projected to continue to increase until in 2008 there will be a total of 18,575 households, or an increase of 2.7% over 2005 numbers. This is an increase of 163 households annually over 2000 levels, and an annual rate of 0.9%.

The Site PMA household bases by age are summarized as follows:

HOUSEHOLDS BY AGE	2005 (ESTIMATED)		2008 (PROJECTED)		CHANGE 2005-2008	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
UNDER 25	941	5.2%	947	5.1%	6	0.6%
25 - 34	2,928	16.2%	2,909	15.7%	-19	-0.6%
35 - 44	3,255	18.0%	3,256	17.5%	1	0.0%
45 - 54	3,448	19.1%	3,489	18.8%	41	1.2%
55 - 64	3,004	16.6%	3,186	17.2%	182	6.1%
65 - 74	2,407	13.3%	2,565	13.8%	158	6.6%
75 - 84	1,627	9.0%	1,682	9.1%	55	3.4%
85 & HIGHER	481	2.7%	540	2.9%	59	12.2%
TOTAL	18,091	100.0%	18,574	100.0%	483	2.7%

Source: 2000 Census; Claritas; Vogt Williams & Bowen, LLC

Between 2005 and 2008 the greatest growth among household age groups will be among households between the ages of 55 and 74, which are projected to grow by 340 or 6.3% over the next three years.

Households by tenure are distributed as follows:

TENURE	2000 (CENSUS)		2005 (ESTIMATED)		2008 (PROJECTED)	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
OWNER-OCCUPIED	12,822	74.2%	13,390	74.0%	13,722	73.9%
RENTER-OCCUPIED	4,447	25.8%	4,701	26.0%	4,853	26.1%
TOTAL	17,269	100.0%	18,091	100.0%	18,575	100.0%

Source: 2000 Census; Claritas; Vogt Williams & Bowen, LLC

Currently, 26.0% of all households within the Site PMA are renter-occupied. Note that the share of renter-occupied households in the Site PMA is increasing slowly.

The household sizes among renter households within the Site PMA, based on Census data and estimates, are distributed as follows:

PERSONS PER RENTER HOUSEHOLD	2000 (CENSUS)		2005 (ESTIMATED)	
	HOUSEHOLDS	PERCENT	HOUSEHOLDS	PERCENT
1 PERSON	1,442	32.4%	1,663	35.4%
2 PERSONS	1,224	27.5%	1,225	26.1%
3 PERSONS	643	14.5%	658	14.0%
4 PERSONS	708	15.9%	702	14.9%
5 PERSONS	430	9.7%	453	9.6%
TOTAL	4,447	100.0%	4,701	100.0%

Source: 2000 Census; Claritas; Vogt Williams & Bowen, LLC

One- and two-person households comprise 61.5% of all renter households within the Site PMA. Among renter householders age 55 and older in 2006, the share of one- and two-person households is nearly 94.0%. This is a high share of one- or two-person renter households and a good indication of support for the proposed senior apartment development.

The distribution of all households by income within the Site PMA is summarized as follows:

HOUSEHOLD INCOME	2000 (CENSUS)		2005 (ESTIMATED)		2008 (PROJECTED)	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
LESS THAN \$10,000	2,154	12.5%	2,145	11.9%	2,144	11.5%
\$10,000 - \$19,999	2,762	16.0%	2,656	14.7%	2,609	14.0%
\$20,000 - \$29,999	3,047	17.6%	2,909	16.1%	2,850	15.3%
\$30,000 - \$39,999	2,515	14.6%	2,637	14.6%	2,662	14.3%
\$40,000 - \$49,999	2,313	13.4%	2,162	12.0%	2,166	11.7%
\$50,000 - \$59,999	1,579	9.1%	1,848	10.2%	1,889	10.2%
\$60,000 - \$74,999	1,325	7.7%	1,553	8.6%	1,698	9.1%
\$75,000 - \$99,999	1,001	5.8%	1,276	7.1%	1,422	7.7%
\$100,000 & HIGHER	573	3.3%	905	5.0%	1,134	6.1%
TOTAL	17,269	100.0%	18,091	100.0%	18,574	100.0%
MEDIAN INCOME	\$32,457		\$34,766		\$36,118	

Source: 2000 Census; Claritas; Vogt Williams & Bowen, LLC

Between 2000 and 2005, most of the household growth was among households with incomes of \$60,000 and higher.

The distribution of senior households (age 55+) by income within the Site PMA is summarized as follows:

HOUSEHOLD INCOME (55+)	2000 (CENSUS)		2005 (ESTIMATED)		2008 (PROJECTED)	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
LESS THAN \$10,000	1,350	19.2%	1,269	16.9%	1,307	16.4%
\$10,000 - \$19,999	1,583	22.6%	1,550	20.6%	1,564	19.6%
\$20,000 - \$29,999	1,349	19.2%	1,274	16.9%	1,322	16.6%
\$30,000 - \$39,999	774	11.0%	992	13.2%	1,075	13.5%
\$40,000 - \$49,999	717	10.2%	755	10.0%	753	9.4%
\$50,000 - \$59,999	412	5.9%	539	7.2%	623	7.8%
\$60,000 - \$74,999	354	5.0%	422	5.6%	486	6.1%
\$75,000 - \$99,999	288	4.1%	418	5.6%	462	5.8%
\$100,000 & HIGHER	188	2.7%	300	4.0%	380	4.8%
TOTAL	7,015	100.0%	7,519	100.0%	7,972	100.0%
MEDIAN INCOME	\$24,350		\$27,235		\$28,337	

Source: 2000 Census; Claritas; Vogt Williams & Bowen, LLC

Among senior households age 55 or older, the number of households among most household income levels is projected to grow between 2005 and 2008.

The following tables illustrate renter household income by household size for 2000, 2005, and 2008 for the Site PMA:

RENTER HOUSEHOLDS	2000 CENSUS					
	1-PERSON	2-PERSON	3-PERSON	4-PERSON	5+-PERSON	TOTAL
\$0-\$10,000	669	223	86	63	26	1,067
\$10,000-\$20,000	394	234	161	134	112	1,035
\$20,000-\$30,000	191	272	133	166	82	845
\$30,000-\$40,000	134	218	88	98	60	599
\$40,000-\$50,000	37	115	79	111	21	364
\$50,000-\$60,000	16	57	53	91	66	282
\$60,000+	0	105	44	45	62	256
TOTAL	1,442	1,224	643	708	430	4,447

Source: Ribbon Demographics, Claritas

RENTER HOUSEHOLDS	2006 ESTIMATED					
	1-PERSON	2-PERSON	3-PERSON	4-PERSON	5+-PERSON	TOTAL
\$0-\$10,000	735	205	78	62	29	1,110
\$10,000-\$20,000	479	207	141	116	100	1,042
\$20,000-\$30,000	220	251	130	161	73	836
\$30,000-\$40,000	176	230	94	93	61	655
\$40,000-\$50,000	50	122	82	108	17	380
\$50,000-\$60,000	21	74	67	105	92	358
\$60,000+	0	149	72	64	85	371
TOTAL	1,681	1,238	665	709	458	4,752

Source: Ribbon Demographics, Claritas

RENTER HOUSEHOLDS	2008 PROJECTED					
	1-PERSON	2-PERSON	3-PERSON	4-PERSON	5+-PERSON	TOTAL
\$0-\$10,000	758	193	74	60	27	1,113
\$10,000-\$20,000	503	196	134	109	94	1,036
\$20,000-\$30,000	223	237	125	153	73	811
\$30,000-\$40,000	192	233	96	95	60	676
\$40,000-\$50,000	58	122	84	115	17	396
\$50,000-\$60,000	20	78	70	113	98	380
\$60,000+	0	172	89	77	102	440
TOTAL	1,755	1,231	673	723	471	4,853

Source: Ribbon Demographics, Claritas

The following tables illustrate senior (age 55+) renter household income by household size for 2000, 2005, and 2008 for the Site PMA:

RENTER HOUSEHOLDS 55+	2000 CENSUS					
	1-PERSON	2-PERSON	3-PERSON	4-PERSON	5+-PERSON	TOTAL
\$0-\$10,000	444	32	2	2	1	481
\$10,000-\$20,000	214	88	0	8	0	310
\$20,000-\$30,000	9	51	4	0	11	76
\$30,000-\$40,000	31	34	8	14	0	86
\$40,000-\$50,000	9	17	0	0	0	26
\$50,000-\$60,000	0	10	18	0	0	28
\$60,000+	0	15	0	0	0	15
TOTAL	707	247	32	24	12	1,022

Source: Ribbon Demographics, Claritas

RENTER HOUSEHOLDS 55+	2006 ESTIMATED					
	1-PERSON	2-PERSON	3-PERSON	4-PERSON	5+-PERSON	TOTAL
\$0-\$10,000	494	28	1	2	2	527
\$10,000-\$20,000	282	78	0	7	0	367
\$20,000-\$30,000	9	53	5	0	5	72
\$30,000-\$40,000	48	44	7	11	5	115
\$40,000-\$50,000	10	18	0	0	0	29
\$50,000-\$60,000	2	20	29	2	2	55
\$60,000+	0	31	0	0	0	31
TOTAL	846	273	43	22	14	1,197

Source: Ribbon Demographics, Claritas

RENTER HOUSEHOLDS 55+	2008 PROJECTED					
	1-PERSON	2-PERSON	3-PERSON	4-PERSON	5+-PERSON	TOTAL
\$0-\$10,000	512	28	2	1	1	545
\$10,000-\$20,000	299	79	0	7	0	385
\$20,000-\$30,000	10	56	6	0	5	77
\$30,000-\$40,000	55	47	8	11	6	126
\$40,000-\$50,000	12	20	0	1	0	32
\$50,000-\$60,000	2	22	33	2	2	61
\$60,000+	0	35	0	0	0	35
TOTAL	890	287	49	22	14	1,262

Source: Ribbon Demographics, Claritas

Data from the preceding tables is used in our demand analysis.

3. LABOR FORCE PROFILE

The labor force in the Site PMA is concentrated primarily among three sectors: Services, Retail Trade, and Manufacturing, which combined comprise almost 60.9% of the Site PMA labor force. According to Claritas, employment in the Site PMA as of 2005 was distributed as follows:

SIC GROUP	ESTABLISHMENTS	PERCENT	EMPLOYEES	PERCENT
AGRICULTURE & NATURAL RESOURCES	17	1.2%	57	0.3%
MINING	1	0.1%	4	0.0%
CONSTRUCTION	95	6.5%	788	4.5%
MANUFACTURING	70	4.8%	2,981	16.9%
TRANSPORTATION & UTILITIES	55	3.8%	673	3.8%
WHOLESALE TRADE	61	4.2%	443	2.5%
RETAIL TRADE	411	28.1%	4,257	24.2%
F.I.R.E.	108	7.4%	925	5.3%
SERVICES	582	39.8%	6,458	36.7%
GOVERNMENT	52	3.6%	954	5.4%
NON-CLASSIFIABLE	11	0.8%	68	0.4%
TOTAL	1,463	100.0%	17,608	100.0%

Note: Due to the fact that this survey is conducted of establishments and not of residents, some employees may not live within the Site PMA. However, these employees are included in our labor force calculations because their places of employment are located within the Site PMA.

Source: 2000 Census; Claritas; Vogt Williams & Bowen, LLC

Typical wages by occupation for the Chattanooga MSA and the state of Georgia are illustrated as follows:

TYPICAL WAGE BY OCCUPATION TYPE		
OCCUPATION TYPE	CHATTANOOGA MSA	GEORGIA
MANAGEMENT OCCUPATIONS	\$76,990	\$86,600
BUSINESS AND FINANCIAL OCCUPATIONS	\$53,580	\$57,540
COMPUTER AND MATHEMATICAL OCCUPATIONS	\$56,060	\$63,460
ARCHITECTURE AND ENGINEERING OCCUPATIONS	\$58,800	\$58,240
COMMUNITY AND SOCIAL SERVICE OCCUPATIONS	\$33,180	\$36,540
ART, DESIGN, ENTERTAINMENT, AND SPORTS MEDICINE OCCUPATIONS	\$32,640	\$42,020
HEALTHCARE PRACTITIONERS AND TECHNICAL OCCUPATIONS	\$54,800	\$55,530
HEALTHCARE SUPPORT OCCUPATIONS	\$22,960	\$21,850
PROTECTIVE SERVICE OCCUPATIONS	\$29,190	\$30,080
FOOD PREPARATION AND SERVING RELATED OCCUPATIONS	\$15,560	\$16,180
BUILDING AND GROUNDS CLEANING AND MAINTENANCE OCCUPATIONS	\$18,410	\$20,180
PERSONAL CARE AND SERVICE OCCUPATIONS	\$20,530	\$22,260
SALES AND RELATED OCCUPATIONS	\$28,440	\$31,310
OFFICE AND ADMINISTRATIVE SUPPORT OCCUPATIONS	\$26,710	\$28,500
CONSTRUCTION AND EXTRACTION OCCUPATIONS	\$33,150	\$32,340
INSTALLATION, MAINTENANCE AND REPAIR OCCUPATIONS	\$34,340	\$37,360
PRODUCTION OCCUPATIONS	\$26,640	\$27,500
TRANSPORTATION AND MOVING OCCUPATIONS	\$27,520	\$28,730

Source: U.S. Department of Labor, Bureau of Labor Statistics

Most Chattanooga MSA annual average blue collar or service sector salaries range from \$15,560 to \$34,340, while most management and other white-collar jobs have annual average salaries of more than \$50,000. The proposed project will target households with incomes of \$12,510 and higher. The area employment base has a significant number of income-appropriate households from which the proposed subject project will be able to draw support. Note that wages in the area are less of a concern for the subject site, which will be age-restricted to seniors 55 or older. We expect that the majority of the residents at the proposed project will be retirees who are no longer active in the workforce.

4. MAJOR EMPLOYERS

The five largest employers within Walker County comprise a total of 5,247 employees. These employers are summarized as follows:

INDUSTRY	BUSINESS TYPE	TOTAL EMPLOYED
ROPER	RANGE MANUFACTURER	1,800
SHAW INDUSTRIES	FIBER & FABRIC MANUFACTURING	1,646
HUTCHESON MEDICAL CENTER	HEALTH CARE	1,400
WALKER COUNTY BOARD OF EDUCATION	EDUCATION	1,334
BLUE BIRD OF NORTH GEORGIA	BUS TRANSPORTATION	400
	TOTAL	5,247

According to local Chamber of Commerce sources and Economic Development representatives, none of the area's major employers are expecting any significant increases or decreases in their employment base in the future.

Besides a strong base in manufacturing and service sector employment, which includes education and healthcare, tourism is also a very important aspect of the Chickamauga area economy, as the site is within 0.5 miles of the Chickamauga and Chattanooga National Military Park. This park attracts approximately 800,000 visitors annually and is a significant source of revenue for the local area as a result of the numerous lodging and retail business that cater to tourists in the area.

5. EMPLOYMENT TRENDS

The employment base has increased by 2,194, or 7.4% since 2000 in Walker County, slightly less growth than the Georgia average of 8.3% over the same period. Note that despite the national recession between 2001 and 2003, employment continued to increase in Walker County and the state.

The following illustrates the total employment base for Walker County and Georgia.

YEAR	TOTAL EMPLOYMENT	
	WALKER COUNTY	GEORGIA
1997	29,114	3,751,699
1998	29,688	3,861,646
1999	30,552	3,951,684
2000	29,496	4,095,362
2001	29,536	4,112,868
2002	29,686	4,118,606
2003	30,083	4,159,543
2004	30,839	4,230,639
2005	31,118	4,346,289
2006*	31,690	4,436,463

*Through April

The unemployment rate in Walker County has remained between 3.5% and 4.9% since 1998. The unemployment rate in Walker County has been very similar to the state unemployment rate over the last several years. Unemployment rates for Walker County and Georgia are illustrated as follow:

YEAR	UNEMPLOYMENT RATE	
	WALKER COUNTY	GEORGIA
1997	5.4%	4.5%
1998	4.5%	4.2%
1999	3.8%	3.8%
2000	3.5%	3.5%
2001	4.3%	4.0%
2002	4.3%	4.9%
2003	4.3%	4.8%
2004	4.3%	4.8%
2005	4.9%	5.3%
2006*	4.9%	4.7%

*Through April

The historically low and relatively stable unemployment rate for Walker County is a good indicator of continuing economic stability in the area. Given the stability of major area employers, this low and stable unemployment rate is expected to continue over the foreseeable future.

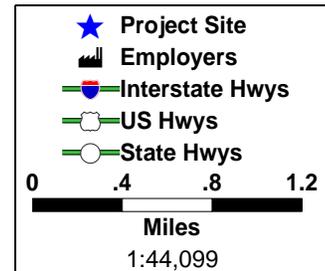
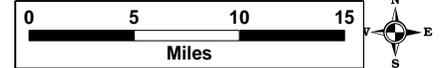
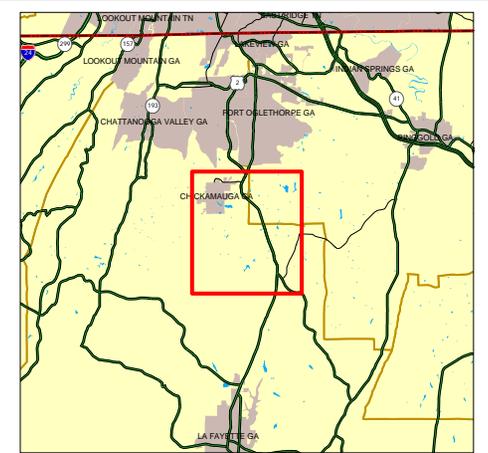
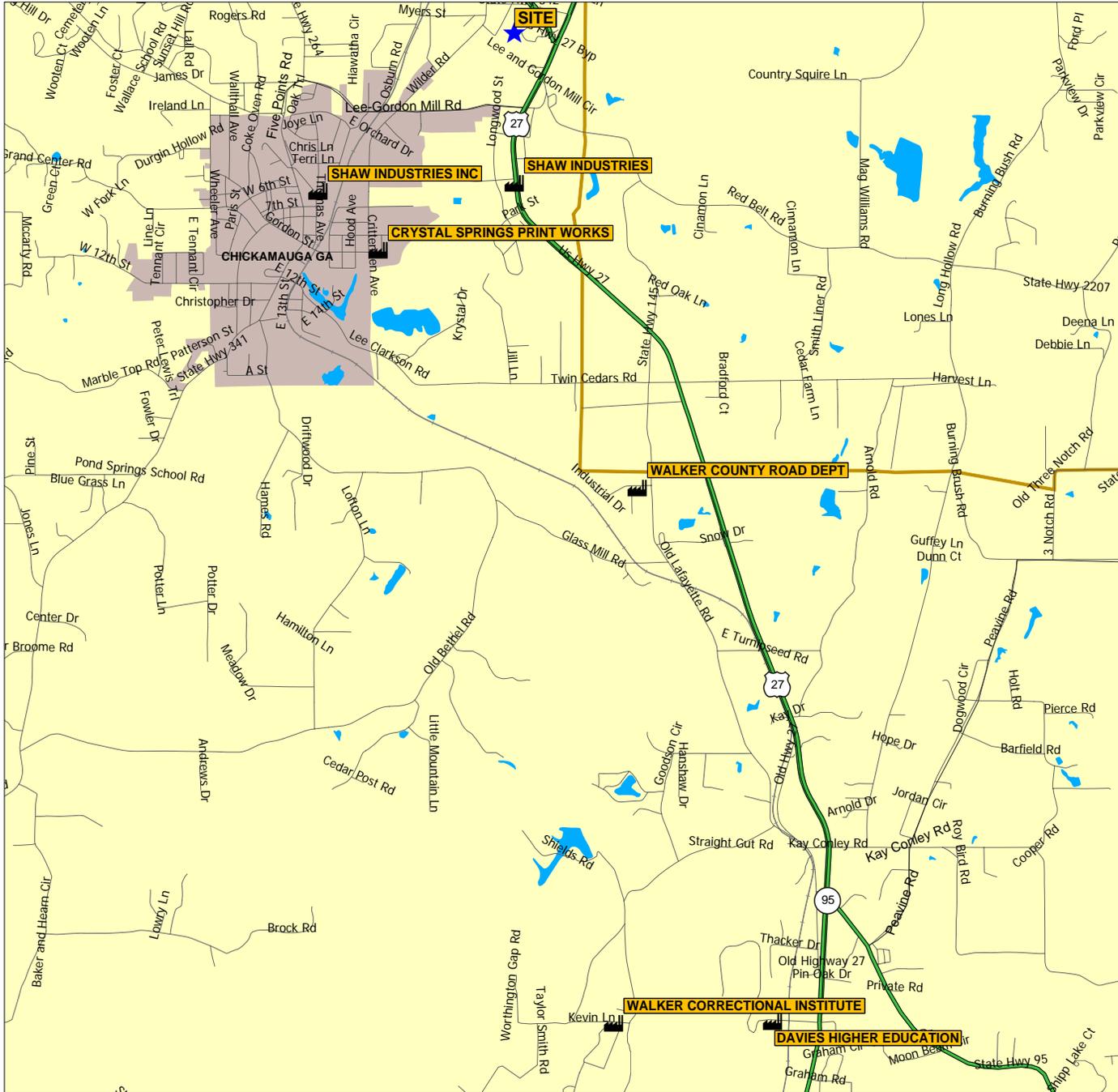
6. ECONOMIC FORECAST

Walker County and the Chickamauga Site PMA have an employment base concentrated in three main sectors: Services, Retail Trade, and Manufacturing, which comprise nearly 80% of the workforce in the Site PMA. The area's largest employers are all perceived as stable at this time, with no significant expansions or layoffs expected over the foreseeable future. Employment has grown steadily in the area and unemployment has remained relatively stable since 2000, indicating an increasingly stable, slowly growing local economy. Tourism is also vital to the local area and serves to bring more than 800,000 tourists to the Chickamauga and Chattanooga National Military Park each year.

Given a stable and slowly growing economy in the area, as well as a stable base of employers, we anticipate that demand for housing will grow moderately as the Site PMA continues to grow in population and households. This will result in increased demand for all housing in the future, including affordable rental housing such as what the subject site will offer.

A map illustrating the location of major area employers is on the following page.

Chickamauga, GA: Employment Centers



SECTION F – PROJECT-SPECIFIC DEMAND ANALYSIS

1. DETERMINATION OF INCOME ELIGIBILITY

The number of income-eligible households necessary to support the project from the Site PMA is an important consideration in evaluating the proposed subject project's potential.

Under the Low-Income Housing Tax Credit program, household eligibility is based on household income not exceeding the targeted percentage of Area Median Household Income (AMHI), depending upon household size.

The subject site is in Walker County, in the Chattanooga, Tennessee-Georgia MSA, which has a four-person median household income of \$52,500 for 2006. The LIHTC units at the subject property will be restricted to older adults (age 55+) households with incomes of up to 50% and 60% of AMHI for the Chattanooga MSA. The following table summarizes the maximum allowable income by household size for the Chattanooga MSA at 50% and 60% of AMHI.

HOUSEHOLD SIZE	MAXIMUM ALLOWABLE INCOME	
	50%	60%
ONE-PERSON	\$18,400	\$22,080
TWO-PERSON	\$21,000	\$25,200
THREE-PERSON	\$23,650	\$28,380
FOUR-PERSON	\$26,250	\$31,500
FIVE-PERSON	\$28,350	\$34,020

a. Maximum Income Limits

The largest proposed units (two-bedroom) at the subject site are expected to house up to two-person older adult households. As such, the maximum allowable income at the subject site is **\$25,200**.

Although there are no maximum income limits for market-rate units, for the purpose of this analysis we have assumed that tenants in the Site PMA will likely not live in the subject rental units if their income is above \$60,000 per year. With HISTA data, we can accurately identify the number of higher income renter households.

b. Minimum Income Requirements

Leasing industry standards typically require households to have rent to income ratios of 27% to 40%. Pursuant to GDCA/GHFA market study guidelines, the maximum rent to income ratio permitted for family projects is 35%, while older person (age 55+) and elderly (age 62+) projects should utilize a 40% income to rent ratio.

The proposed Low-Income Housing Tax Credit units will have a lowest gross rent of \$417 (at 50% and 60% of AMHI). Over a 12-month period, the minimum annual household expenditure (rent plus tenant-paid utilities) at the subject site is \$5,004.

Applying a 40% rent to income ratio to the minimum annual household expenditure yields a minimum annual household income requirement for the Tax Credit units of \$12,510. Applying a 27% rent to income ratio to the lowest proposed gross market-rate rent of \$427 yields a minimum income requirement for the proposed market-rate units of \$18,975.

c. Income-Appropriate Range

Based on the preceding analyses, the income-appropriate ranges required for living at the proposed project with units built to serve households at 50% and 60% of AMHI as well as the market-rate units are as follows:

UNIT TYPE	INCOME RANGE	
	MINIMUM	MAXIMUM
TAX CREDIT (LIMITED TO 50% OF AMHI)	\$12,510	\$21,000
TAX CREDIT (LIMITED TO 60% OF AMHI)	\$12,510	\$25,200
MARKET-RATE	\$18,975	\$60,000

Our demand estimates are based on the preceding income ranges.

2. METHODOLOGY

The following are the demand components as outlined by the Georgia Department of Community Affairs/Georgia Housing and Finance Authority:

- a. **Demand from New Household: New units required in the market area due to projected household growth from migration into the market and growth from existing households in the market should be determined.** *This should be determined using 2000 renter household census data and projecting forward to the anticipated placed in service date of the project using a growth rate established from a reputable source such as Claritas or the State Data Center. This household projected must be limited to the target population, age and income group*

*and the demand for each income group targeted (i.e. 50% of median income) must be shown separately. In instances where a significant number (more than 20%) of proposed units are comprised of three and four bedroom units, please refine the analysis by factoring in the number of large households (generally 5+ persons). A demand analysis, which does not take this into account, may overestimate demand.). Note that our calculations have been reduced to only include **renter-qualified** households.*

b. **Demand from Existing Households:** The second source of demand should be projected from:

- **Rent overburdened households, if any, within the age group, income groups and tenure (renters) targeted for the proposed development.** *In order to achieve consistency in methodology, all analysts should assume that the rent overburdened analysis includes households paying greater than 35% (Family), or greater than 40% (Senior) of their income toward gross rent. Based on the 2000 Census, 29.1% of the Tax Credit eligible renter households were rent-overburdened and 4.1% of the market-rate eligible households were rent overburdened. These households have been included in our demand analysis.*
- **Households living in substandard housing (i.e. units that lack complete plumbing or that are overcrowded).** *Households in substandard housing should be determined based on age, income bands and tenure that apply. The analyst should use their own knowledge of the market area and project to determine if households from substandard housing would be a realistic source of demand. The analyst is encouraged to be conservative in his/her estimate of demand from both households that are rent overburdened or living in substandard housing. Based on the 2000 Census, 6.6% of renter households were living in substandard housing (lacking complete indoor plumbing and overcrowded households/1+ persons per room).*
- **Elderly Homeowners likely to convert to rentership:** *GDCA recognizes that this type of turnover is increasingly becoming a factor in the demand for elderly tax credit housing. This segment should not account for more than 20% of total demand. Due to the difficulty of extrapolating elderly (62 and over) owner households from elderly renter households, analyst may use the total figure for elderly households in the appropriate income band in order to derive this demand figure. Data from interviews with property managers of active projects regarding renters who have come from homeownership should be used to refine the analysis.*

- **Elderly Households relocating from the following situations may also be considered in determining demand:**

- a) *Seniors relocating from other areas outside the Primary or Secondary Market area.*
- b) *Children subsidizing rents for their parents.*
- c) *Seniors moving from their children’s homes that they had been living with.*

If an analyst utilizes these factors in his calculation of demand, specific documentation must be included in support of his conclusions. These factors may not account for more than 20% of the total demand.

- **Housing For Older Persons Rental Demand** *will be calculated at 10% of the Elderly Qualified Rental Households demand for the Primary Market Area.*
- **Demand for HFOP** *will be based on the Gross demand for Elderly Households plus the rental demand for HFOP.*
- *The maximum income limit for Senior developments will be limited to two-person households regardless of the bedroom type proposed.*

- c. **To accommodate for the Secondary Market Area, the Demand from Existing Qualified Households within the Site Primary Market Area will be multiplied by 115% to account for demand from the Secondary Market Area.** *GDCA recommends that the analyst be conservative when developing the Primary Market Area so as to not overstate market demand due to this multiplier effect.*

Within the Site PMA we identified one market-rate and Tax Credit property funded and/or built during the projection period (1999 to current) that is comparable to the proposed subject property. There were no LIHTC rehabilitation properties that entered the market during the projection period.

The property with rents comparable to the site built since 1999 in the Site PMA are summarized as follows:

MAP I.D.	PROJECT NAME	YEAR BUILT	UNITS	UNITS AT TARGETED AMHI		
				50% AMHI	60% AMHI	MARKET-RATE
10	ROSSVILLE SENIOR VILLAGE	2003	60	24	24	12

The competing property has a total of 60 units, of which 24 are at 50% AMHI, 24 are at 60% AMHI, and 12 are market-rate comparable units. These directly comparable units are included in our demand analysis.

The following is a summary of our demand calculations:

DEMAND COMPONENT	PERCENT OF MEDIAN HOUSEHOLD INCOME			
	50% (\$12,510 TO \$21,000)	60% (\$12,510 TO \$25,200)	OVERALL (\$12,510 TO \$25,200)	MARKET-RATE (\$18,975 TO \$60,000)
DEMAND FROM NEW HOUSEHOLDS (AGE- AND INCOME-APPROPRIATE)	296 – 240 = 56	328 – 272 = 56	328 – 272 = 56	335 – 248 = 87
+				
DEMAND FROM EXISTING HOUSEHOLDS (RENTER IN SUBSTANDARD HOUSING)	240 X 6.6% = 16	272 X 6.6% = 18	272 X 6.6% = 18	248 X 6.6% = 16
+				
DEMAND FROM EXISTING HOUSEHOLDS (RENT OVERBURDENED)	240 X 29.1% = 70	272 X 29.1% = 79	272 X 29.1% = 79	248 X 4.1% = 10
+				
DEMAND FROM EXISTING HOUSEHOLDS (ELDERLY HOMEOWNER CONVERSION)	28*	31*	31*	23*
+				
DEMAND FROM EXISTING HFOP RENTAL HOUSEHOLDS	14	15	15	11
=				
DEMAND SUBTOTAL	184	199	199	147
+				
DEMAND FROM SECONDARY MARKET AREA (115% OF DEMAND FROM EXISITNG QUALIFIED HOUSEHOLDS IN SITE PMA)	28	30	30	22
=				
TOTAL DEMAND	212	229	229	169
-				
SUPPLY (DIRECTLY COMPARABLE UNITS BUILT AND/OR FUNDED SINCE 1999)	24	24	48	12
=				
NET DEMAND	188	205	181	157
PROPOSED UNITS	16	16	32	8
CAPTURE RATE	8.5%	7.8%	17.7%	5.1%

* Note that demand is actually significantly higher, and the 20% of demand maximum share pursuant to GDCA guidelines has been applied

The capture rates for the various targeted income levels range from 5.1% to 17.7%, and are considered excellent to moderate capture rates.

Based on our survey of conventional apartments, as well as the distribution of bedroom types in balanced markets, the estimated share of senior demand by bedroom type is distributed as follows:

ESTIMATED DEMAND BY BEDROOM	
BEDROOM TYPE	PERCENT
ONE-BEDROOM	50.0%
TWO-BEDROOM	45.0%
THREE-BEDROOM	5.0%
TOTAL	100.0%

Applying these shares to the income-qualified households yields demand and capture rates of the proposed units by bedroom type as follows:

BEDROOM SIZE (SHARE OF DEMAND)	TARGET % OF AMHI	SUBJECT UNITS	TOTAL DEMAND*	SUPPLY**	NET DEMAND	CAPTURE RATE	ABSORPTION	MEDIAN MARKET RENT	SUBJECT RENTS
ONE-BR (50.0%)	50%	8	106	12	94	8.5%	2/MO	\$532	\$417
	60%	4	115	18	97	4.1%	1/MO	\$532	\$417
	MR	4	85	6	79	5.1%	2/MO	\$532	\$325
ONE-BEDROOM	TOTAL	16	200	36	164	9.8%	4/MO	\$532	-
TWO-BR (45.0%)	50%	8	95	12	83	9.6%	1/MO	\$475	\$474
	60%	12	103	6	97	12.4%	2/MO	\$475	\$474
	MR	4	76	6	70	5.7%	2/MO	\$475	\$365
TWO-BEDROOM	TOTAL	24	180	24	156	15.4%	4/MO	\$475	-
THREE-BR (5.0%)	50%	0	11	0	11	-	-	-	-
	60%	0	11	0	11	-	-	-	-
	MR	0	8	0	8	-	-	-	-
THREE-BEDROOM	TOTAL	0	19	0	19	-	-	-	-

*Includes overlap between the targeted income levels at the subject site.

**Directly comparable units built and/or funded in the project market over the projection period.

The capture rates by bedroom type and AMHI are excellent to moderate, ranging from 4.1% for one-bedroom units at 60% AMHI to 12.4% for the two-bedroom units at 60% AMHI. These capture rates are indicators that there is sufficient support for the proposed subject units.

3. ABSORPTION PROJECTIONS

For the purposes of this analysis, we assume the absorption period at the site begins as soon as the first units are available for occupancy. With an anticipated placed in service date of December 31, 2007, we assume initial units at the site will actually begin renting in January 2008.

Based on our analysis contained in this report, it is our opinion that the eight market-rate units will reach a stabilized occupancy of 93% within two months of opening, averaging an absorption rate of approximately three to four units per month.

It is our opinion that the 32 LIHTC units will reach a stabilized occupancy of 93% within five to six months of opening, with an average absorption rate of five to six units per month.

SECTION G – RENTAL HOUSING ANALYSIS (SUPPLY)

1. OVERVIEW OF RENTAL HOUSING

Based on the 2000 Census, rental housing comprised 4,447 units, or 25.8% of the occupied housing units. The distribution of area housing stock in 2000 and 2005 are summarized on the following table:

HOUSING TYPE	2000 CENSUS		2005 (ESTIMATED)	
	HOUSING UNITS	PERCENT	HOUSING UNITS	PERCENT
TOTAL OCCUPIED	17,269	92.3%	18,091	92.3%
OWNER-OCCUPIED	12,822	74.2%	13,390	74.0%
RENTER-OCCUPIED	4,447	25.8%	4,701	26.0%
VACANT	1,445	7.7%	1,500	7.7%
TOTAL	18,714	100.0%	19,591	100.0%

Based on the 2000 Census, of the 18,714 total housing units in the market, 7.7% were vacant. The share of renters and owners in the market has remained virtually unchanged over the last five years, with the share of renters increasing by only 0.2 percentage points.

We conducted an on-site survey of 17 conventional properties in the Chickamauga Site PMA totaling 1,645 units. Of these properties, 13 are non-subsidized (market-rate or Tax Credit) with 1,216 units. Among these non-subsidized units, 94.7% are occupied. We consider this a good occupancy rate indicative of a market with some non-subsidized units in the supply available for rent. Note that half of the 64 vacancies among non-subsidized units are at Oglethorpe Ridge Apartments, a Tax credit project for families with 32 vacancies among its three- and four-bedroom units. Note that the project offers 44 three-bedroom and 48 four-bedroom units, which seems to be a very large amount of large units for this market, particularly four-bedroom units. Fountain Brook Apartments has a total of 64 units currently under construction, with 40 of 48 units recently completed in phase two already rented.

There are four government-subsidized projects in the market with a total of 429 units. These units have an overall occupancy rate of 93.5%. These projects operate under various programs including HUD Section 8 and 236.

According to area apartment managers, rents have increased at an estimated annual rate of 1.5%.

The non-government subsidized apartment market is summarized as follows:

UNIT TYPE	NUMBER OF UNITS	SHARE OF UNITS	VACANT UNITS	VACANCY RATE	MEDIAN GROSS RENT
STUDIO	75	6.2%	2	2.7%	\$360
1-BEDROOM	599	49.3%	19	3.2%	\$532
2-BEDROOM/ 1.0 BATH	79	6.5%	1	1.3%	\$548
2-BEDROOM/ 1.5 BATH	297	24.4%	2	0.7%	\$660
2-BEDROOM/ 2.0 BATH	58	4.8%	6	10.3%	\$882
3-BEDROOM/ 1.5 BATH	46	3.8%	16	34.8%	\$762
3-BEDROOM/ 2.0 BATH	14	1.2%	2	14.3%	\$713
4-BEDROOM/ 2.0 BATH	48	3.9%	16	33.3%	\$825
TOTAL	1,216	100.0%	64	5.3%	

The overall vacancy rate among the 1,216 non-subsidized apartments in the Site PMA is 5.3%, indicating a stable market. Studio and one-bedroom units account for more than 55% of the units in the market, a high share of small household units. Demand is high for one- and two-bedroom unit types, while vacancies are high among three- and four-bedroom units. Note that 32 of the 34 total three- and four-bedroom vacancies are at Oglethorpe Ridge Apartments, a Tax Credit project that is struggling as a result of a virtual lack of management over a recent five-month period, during which several units became vacant that have not since been rented.

We rated each market-rate property surveyed on a scale of A through E. All the market-rate properties were rated based on quality and overall appearance (i.e. aesthetic appeal, building appearance, landscaping, and grounds appearance). Following is a distribution of market-rate units by quality rating, units, and vacancies.

MARKET-RATE			
QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE
A	1	160	8.1%
A-	1	100	0.0%
B+	2	263	0.0%
B	5	414	3.6%
B-	1	20	0.0%
C+	1	62	6.5%

Vacancies are the highest at the Fountain Brook Apartments property, which is rated as an A property and has 48 units that recently finished construction and an additional 64 units under construction. The subject project is anticipated to have a quality rating of A-. This high quality should enhance the proposed project's marketability.

We also rated each Tax Credit property surveyed on quality. Following is a distribution of LIHTC projects by quality rating, units, and vacancies.

TAX CREDIT			
QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE
A	1	97	33.0%
B+	1	48	0.0%
B	1	52	0.0%

The Tax Credit units with vacancies are at the A quality property, Oglethorpe Ridge Apartments, which has had a low occupancy rate for several month now. Note that all of the project’s vacancies are in three- or four-bedroom units.

2. SURVEY OF COMPARABLE/COMPETITIVE PROPERTIES

Tax Credit Units

The proposed subject project will include 32 Low-Income Housing Tax Credit (LIHTC) units that target senior households. We identified two Low-Income Housing Tax Credit projects that target seniors within or near the Chickamauga Site PMA. Note that Woodland Senior is located outside the Site PMA in Lafayette, but is included in this section for the purpose of Tax Credit comparison. It is not included in our demand calculations. These two existing LIHTC projects are considered comparable with the proposed subject development in that they target households with incomes similar to those that will be targeted at the subject site. These competitive properties and the proposed subject development are summarized as follows. (Note: information regarding property address and phone number, contact name, date of contact, and utility responsibility is included in Addendum A-Field Survey of Conventional Rentals of this report):

MAP I.D.	PROJECT NAME	YEAR BUILT/RENOVATED	LIHTC UNITS	OCCUPANCY RATE	PHYSICAL CONDITION	TARGET MARKET
	THE VILLAGE AT CHICKAMAUGA APTS.	2008	32*	-	EXCELLENT	SENIORS (55+) 50%, 60% AMHI
10	ROSSVILLE SENIOR VILLAGE	2003	48**	100.0%	VERY GOOD	SENIORS (55+) 50%, 60% AMHI
11	WOODLAND SENIOR	2003	52	100.0%	GOOD	SENIORS (55+) 45%, 50%, 60% AMHI

*Does not include eight market-rate units

**Does not include 12 market-rate units

The two comparable senior properties have a combined occupancy rate of 100.0%. Note that Rossville Senior Village has 71 households on the waiting list, while Woodland Senior does not have a waiting list. Note that all vacancies among Tax Credit rentals in this market are in larger three- and four-bedroom units at a family LIHTC project that does not compete with senior LIHTC projects.

Gross rents for the competing projects and the proposed rents at the subject site as well as their unit mix and vacancies by bedroom are listed in the following table:

MAP I.D.	PROJECT NAME	GROSS RENT (NUMBER OF LIHTC UNITS/VACANCIES)		SPECIALS/ CONCESSIONS
		ONE- BR.	TWO- BR.	
SITE	THE VILLAGE AT CHICKAMAUGA APTS.	\$417 (12)	\$474 (20)	NONE
10	ROSSVILLE SENIOR VILLAGE	\$414 (30/0)	\$475 (18/0)	NONE
11	WOODLAND SENIOR	\$388 - \$452 (26/0)	\$470 - \$548 (26/0)	NONE

The proposed subject rents, \$417 for a one-bedroom unit and \$474 for a two-bedroom unit will be competitively priced with the other senior LIHTC units in the market, particularly given the inferior quality and features of these competing projects. Neither of the comparable properties is offering rent concessions.

The unit sizes (square feet) and number of bathrooms included in each of the different LIHTC unit types offered in the market are compared with the subject development in the following table.

MAP I.D.	PROJECT NAME	SQUARE FOOTAGE		NUMBER OF BATHS	
		ONE- BR.	TWO- BR.	ONE- BR.	TWO- BR.
SITE	THE VILLAGE AT CHICKAMAUGA APTS.	760	1,002	1.0	1.0
10	ROSSVILLE SENIOR VILLAGE	680	918	1.0	1.0
11	WOODLAND SENIOR	622	872	1.0	1.0

The proposed development will offer the largest unit sizes (square footage) when compared with the existing senior LIHTC projects in the area. The number of baths offered at the subject site is equal to the other LIHTC units in the market. As such, the unit sizes and number of baths will enable the proposed LIHTC units at the site to compete well with the existing low-income units in the market.

The following tables compare the amenities of the subject development with the senior LIHTC projects in the market.

**COMPARABLE PROPERTIES AMENITIES
CHICKAMAUGA, GEORGIA
JULY 2006**

MAP ID	APPLIANCES						UNIT AMENITIES											OTHER		
	RANGE	REFRIGERATOR	ICEMAKER	DISHWASHER	DISPOSAL	MICROWAVE	CENTRAL AC	WINDOW AC	FLOOR COVERING	WASHER AND DRYER	W/D HOOKUP	PATIO/DECK/BALCONY	CEILING FAN	FIREPLACE	BASEMENT	INTERCOM	SECURITY		WINDOW TREATMENTS	E-CALL BUTTONS
SITE	X	X		X	X		X		C		X	X						B	X	STORAGE ROOMS
10	X	X		X			X		C	X							X	B	X	
11	X	X	X	X	X		X		C		X							B	X	

MAP ID	PROJECT AMENITIES																OTHER			
	POOL	ON-SITE MNGT	LAUNDRY	CLUB HOUSE	COMMUNITY SPACE	FITNESS CENTER	JACUZZI / SAUNA	PLAYGROUND	TENNIS COURT	SPORTS COURT	STORAGE	LAKE	ELEVATOR	SECURITY GATE	BUSINESS CENTER	CAR WASH AREA		PICNIC AREA	CONCIERGE SERVICE	SOCIAL SERVICES
SITE		X		X	X	X				X					X		X			GAZEBO COMMUNITY GARDEN
10		X			X	X						X							X	KITCHEN TRAIL, PUTTING GREEN
11		X	X	X	L	X											X			

■ MARKET-RATE
■ MARKET-RATE/TAX CREDIT
■ MARKET-RATE/GOVERNMENT-SUBSIDIZED
■ MARKET-RATE/TAX CREDIT/GOVERNMENT-SUBSIDIZED
■ TAX CREDIT
■ TAX CREDIT/GOVERNMENT-SUBSIDIZED
■ GOVERNMENT-SUBSIDIZED

X - ALL UNITS
S - SOME UNITS
O - OPTIONAL

C - CARPET
H - HARDWOOD
V - VINYL

B - BLINDS
C - CURTAINS
D - DRAPES



The amenity packages included at the proposed subject development will be very competitive with the competing low-income projects. In fact, the subject project will offer features such as a shuffleboard court, library, computer center, and gazebo that are not typically offered in the market or at the comparable properties. The subject development does not appear to be lacking any amenities that would hinder its marketability to operate as a Low-Income Housing Tax Credit project.

Based on our analysis of the rents, unit sizes (square feet), amenities, location, quality, and occupancy rates of the existing low-income properties within the market, it is our opinion that the proposed subject development will be competitive with these properties.

The anticipated occupancy rates of the existing comparable Tax Credit developments following completion and lease-up at the subject site are as follows:

PROJECT	CURRENT OCCUPANCY RATE	ANTICIPATED OCCUPANCY RATE THROUGH 2008
ROSSVILLE SENIOR VILLAGE	100.0%	98.0%
WOODLAND SENIOR	100.0%	94.0%

Development of the subject site is expected to have little impact on occupancy rates at the existing comparables, although given the site's larger unit sizes and superior location, we expect the site will be more desirable than Woodland Senior, which could create some vacancies at this project. With 71 households on the waiting list at Rossville Senior Village, this project is expected to have a continuing high occupancy rate.

Market-rate Units

The proposed project will include eight market-rate units among its 40 total units. The proposed project will be of high quality and will offer a comprehensive amenity package. We identified six properties within the Chickamauga Site PMA that offered quality, rents, and features comparable to the subject project. These competitive market-rate properties and the proposed subject development are summarized as follows:

MAP I.D.	PROJECT NAME	YEAR BUILT	MR UNITS	OCCUPANCY RATE	CONCESSIONS	MILES TO SITE
SITE	THE VILLAGE AT CHICKAMAUGA APTS.	2008	8	-	NONE	-
2	COUNTRY AIRE APTS.	1984	62	93.5%	NONE	9.0
5	FOUNTAIN BROOK APTS.	2000/ 2006	160	91.9%	\$495/MONTH FOR 1 BR. UNIT	5.5
8	PARK KNOLL APTS.	1984	32	100.0%	NONE	5.6
13	PARK LAKE APTS.	1983	207	100.0%	NONE	6.5
15	FORT TOWN PLACE	2002	251	100.0%	NONE	6.9
16	LAKESHORE I APTS.	1987	79	87.3%	NONE	6.1

The comparable properties have a combined occupancy rate of 96.6%. Only Lakeshore I Apartments has an occupancy rate below 90.0%.

Collected rents and unit mixes for units at the competing projects and the proposed rents at the subject site are listed in the following table:

MAP I.D.	PROJECT NAME	COLLECTED RENT (NUMBER OF UNITS/VACANCIES)		
		STUDIO	ONE-BR.	TWO-BR.
SITE	THE VILLAGE AT CHICKAMAUGA APTS.	-	\$325 (4)	\$365 (4)
2	COUNTRY AIRE APTS.	-	\$470 (62/4)	-
5	FOUNTAIN BROOK APTS.	-	\$555-\$575 (100/7)	\$695-\$745 (124/6)
8	PARK KNOLL APTS.	-	-	\$550 (32/0)
13	PARK LAKE APTS.	\$299 (60/0)	\$355-\$445 (115/0)	\$525-\$550 (32/0)
15	FORT TOWN PLACE	-	\$410 (163/0)	\$525-\$575 (88/0)
16	LAKESHORE I APTS.	\$354 (15/2)	\$429 (59/8)	\$569-\$609 (5/0)

The proposed subject rents, \$325 for a one-bedroom unit and \$365 for a two-bedroom unit, are well below the comparable units rents. This will enable the proposed market-rate units to be very competitive. The proposed market-rate units at the subject site will be perceived as an excellent value in the market.

The unit sizes (square feet) and number of bathrooms included in each of the different unit types offered in the market are compared with the subject development in the following table:

MAP I.D.	PROJECT NAME	SQUARE FOOTAGE			NUMBER OF BATHS		
		STUDIO	ONE-BR.	TWO-BR.	STUDIO	ONE-BR.	TWO-BR.
SITE	THE VILLAGE AT CHICKAMAUGA APTS.	-	760	1,002	-	1.0	1.0
2	COUNTRY AIRE APTS.	-	500	-	-	1.0	-
5	FOUNTAIN BROOK APTS.	-	850	1,300	-	1.0	1.5-2.0
8	PARK KNOLL APTS.	-	-	1,000	-	-	1.5
13	PARK LAKE APTS.	350	450-728	958	1.0	1.0	1.5
15	FORT TOWN PLACE	-	600	816-1,024	-	1.0	1.0-1.5
16	LAKESHORE I APTS.	288	576	864	1.0	1.0	1.0-2.0

The proposed development will offer some of the largest units in the market. While the two-bedroom unit offers only one bathroom, this is not considered a major negative, as the project will typically house only one- and two-person households.

The following table compares the amenities of the subject development with the most comparable projects in the market.

**COMPARABLE PROPERTIES AMENITIES
CHICKAMAUGA, GEORGIA
JULY 2006**

MAP ID	APPLIANCES							UNIT AMENITIES										OTHER		
	RANGE	REFRIGERATOR	ICEMAKER	DISHWASHER	DISPOSAL	MICROWAVE	CENTRAL AC	WINDOW AC	FLOOR COVERING	WASHER AND DRYER	W/D HOOKUP	PATIO/DECK/BALCONY	CEILING FAN	FIREPLACE	BASEMENT	INTERCOM	SECURITY		WINDOW TREATMENTS	E-CALL BUTTONS
SITE	X	X		X	X		X		C		X	X						B	X	STORAGE ROOMS
2	X	X						X	C				X					B		
5	X	X		X	X	X	X		C		X	X	X					B		
8	X	X		X		X	X		C		X	X	X					B		
13	X	X		S		S	X		C			X	X					B		
15	X	X		X		X	X		C		X							B		
16	X	X		X			X		C		X	X	X					B		

■ MARKET-RATE
■ MARKET-RATE/TAX CREDIT
■ MARKET-RATE/GOVERNMENT-SUBSIDIZED
■ MARKET-RATE/TAX CREDIT/GOVERNMENT-SUBSIDIZED
■ TAX CREDIT
■ TAX CREDIT/GOVERNMENT-SUBSIDIZED
■ GOVERNMENT-SUBSIDIZED

X - ALL UNITS
S - SOME UNITS
O - OPTIONAL

C - CARPET
H - HARDWOOD
V - VINYL

B - BLINDS
C - CURTAINS
D - DRAPES



**COMPARABLE PROPERTIES AMENITIES
CHICKAMAUGA, GEORGIA
JULY 2006**

MAP ID	PROJECT AMENITIES														OTHER					
	POOL	ON-SITE MNGT	LAUNDRY	CLUB HOUSE	COMMUNITY SPACE	FITNESS CENTER	JACUZZI / SAUNA	PLAYGROUND	TENNIS COURT	SPORTS COURT	STORAGE	LAKE	ELEVATOR	SECURITY GATE		BUSINESS CENTER	CAR WASH AREA	PICNIC AREA	CONCIERGE SERVICE	SOCIAL SERVICES
SITE		X		X	X	X				X					X		X			GAZEBO COMMUNITY GARDEN
2		X	X					X												
5	X	X		X	L	X														
8	X	X	X																	
13	X	X	X						X							X				
15	X					X														
16		X	X					X		X	X						X			

MARKET-RATE
MARKET-RATE/TAX CREDIT
MARKET-RATE/GOVERNMENT-SUBSIDIZED
MARKET-RATE/TAX CREDIT/GOVERNMENT-SUBSIDIZED
TAX CREDIT
TAX CREDIT/GOVERNMENT-SUBSIDIZED
GOVERNMENT-SUBSIDIZED

X - ALL UNITS
S - SOME UNITS
O - OPTIONAL

C - CARPET
H - HARDWOOD
V - VINYL

B - BLINDS
C - CURTAINS
D - DRAPES



The amenity packages included at the proposed subject development will be very competitive with the competing market-rate projects. In fact, the proposed project offers a project amenity package that will be superior to many of the competing properties, which will give it a competitive advantage in the market.

Based on our analysis of the rents, unit sizes (square feet), amenities, location, quality, and occupancy rates of the comparable market-rate properties within the market, it is our opinion that the proposed subject development will be very competitive with these properties, and will have a significant advantage in some cases.

3. SUMMARY OF ASSISTED PROJECTS

There are a total of seven federally subsidized or Tax Credit apartment developments in the Chickamauga Site PMA. They are summarized as follows:

MAP I.D.	PROJECT NAME	TYPE	YEAR BUILT/RENOVATED	TOTAL UNITS	OCCUP.	COLLECTED RENTS			
						ONE-BR.	TWO-BR.	THREE-BR.	FOUR-BR.
1	ROSSVILLE APTS.	GS	1971	110	100.0%	\$272-\$337	\$284-\$352	\$296-\$367	-
4	OGLETHORPE RIDGE APTS.	TAX	1997	97	67.0%	\$410	-	\$625	\$650
7	BATTLEWOOD APTS.	GS	1971/2004	150	82.7%	\$430	\$375-\$452	\$383-\$461	-
10	ROSSVILLE SENIOR VILLAGE	MRT	1989	38*	100.0%	\$330	\$365	-	-
11	WOODLAND SENIOR	TAX	1989	52	100.0%	\$304-\$368	\$361-\$439	-	-
14	HAPPY VALLEY APTS.	GS	1980	68	97.1%	\$511	\$529	\$617	-
17	CATOOSA GARDENS	GS	1976	101	100.0%	SUB	SUB	SUB	SUB
TOTAL				616	90.3%				

*Does not include 12 market-rate units

OCCUP - Occupancy

TAX - Tax Credit

GS – Government-subsidized

TGS – Tax Credit & government-subsidized

MRT – Market-rate and Tax Credit

SUB. - Subsidized

The seven federally subsidized or Tax Credit apartment projects in the market. Have an overall occupancy rate of 90.5%, indicating a modest market among these types of apartments. However, the vast majority of the vacancies are at Oglethorpe Ridge Apartments and Battlewood Apartments, indicating the vacancies at these projects are likely attributed to management and project shortcomings, rather than a soft market, as the other five assisted projects have an occupancy rate of 99.5%, with four projects fully occupied. The proposed project offers no subsidized units, and therefore will not be competitive with federally subsidized projects.

4. PLANNED MULTIFAMILY DEVELOPMENT

Based on our interviews with local building and planning representatives, it was determined that no multifamily projects are planned for the Site PMA.

5. MARKET-DRIVEN RENT ADVANTAGE

We identified six market-rate properties within the Site PMA that we consider most comparable to the proposed subject development. These selected properties are used to derive market rent for a project with characteristics similar to the proposed subject development. It is important to note for the purpose of this analysis we only select market-rate properties. Market-rate properties are used to determine rents that can be achieved in the open market for the proposed subject units without maximum income and rent restrictions.

The basis for the selection of these projects include, but is not limited to, the following factors:

- Surrounding neighborhood characteristics
- Target market (seniors, families, disabled, etc.)
- Unit types offered (garden or townhouse, bedroom types, etc.)
- Building type (single-story, mid-rise, high-rise, etc.)
- Unit and project amenities offered
- Age and appearance of property

Since it is unlikely that any two properties are identical to each other, we adjust the collected rent (the actual rent paid by tenants) of the selected properties according to whether or not they compare favorably or not with the subject development. Rents of projects that have additional or better features than the subject site are adjusted negatively, while projects with inferior or less features are adjusted positively. For example, if the proposed subject project does not have a washer or dryer and a selected property does, then we lower the collected rent of the selected property by the estimated value of a washer and dryer so that we may derive a *market rent advantage* for a project similar to the proposed project.

The rent adjustments used in this analysis are based on various sources including: known charges for additional features within the Site PMA, estimates made by area property managers and realtors, quoted rental rates from furniture rental companies, and the prior experience of Vogt Williams & Bowen, LLC in markets nationwide.

The proposed subject development and the six selected properties include the following:

MAP I.D.	PROJECT NAME	TOTAL UNITS	YEAR BUILT	OCC. RATE	UNIT MIX		
					STUDIO	ONE-BR.	TWO-BR.
SITE	THE VILLAGE AT CHICKAMAUGA APTS.	40	2008	-	-	\$315 - \$325 (16)	\$345 - \$365 (24)
2	COUNTRY AIRE APTS.	62	1984	93.5%	-	\$470 (62)	-
5	FOUNTAIN BROOK APTS.	160	2000/ 2006	91.9%	-	\$555-\$575 (68)	\$695-\$745 (92)
8	PARK KNOLL APTS.	32	1984	100.0%	-	-	\$550 (32)
13	PARK LAKE APTS.	207	1983	100.0%	\$299 (60)	\$355-\$445 (115)	\$525-\$550 (32)
15	FORT TOWN PLACE	251	2002	100.0%	-	\$410 (163)	\$525-\$575 (88)
16	LAKESHORE I APTS.	79	1987	87.3%	\$354 (15)	\$429 (59)	\$569-\$609 (5)

Occ. – Occupancy

The six comparable market-rate properties have a combined occupancy rate of 96.6%. Only Lakeshore I Apartments has an occupancy rate below 90.0%.

The Rent Comparability Grids on the following pages show the collected rents for each of the selected properties and illustrate the adjustments made (as needed) for various features, and location or neighborhood characteristics, as well as quality differences that exist between the selected properties and the proposed subject development.

Rent Comparability Grid

Unit Type →

ONE BEDROOM

Subject's FHA #:

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
The Village at Chickamauga Apartments		Country Aire Apts.		Fountain Brook Apts.		Park Lake Apts.		Fort Town Place		Lakeshore I Apts.	
53 State Route 813		730 W. James Ave.		100 Brookhaven Circle		950 Park Lake Rd.		Fort Town Dr.		1100 Lakeshore Dr.	
Chickamauga, GA		Rossville, GA		Fort Oglethorpe, GA		Rossville, GA		Fort Oglethorpe, CA		Fort Oglethorpe, GA	
Data		Data		Data		Data		Data		Data	
on		on		on		on		on		on	
Subject		Subject		Subject		Subject		Subject		Subject	
A. Rents Charged		Data		Data		Data		Data		Data	
\$ Last Rent / Restricted?		\$470		\$565		\$445		\$410		\$429	
Date Surveyed		Jun-06		Jun-06		Jun-06		Jun-06		Jun-06	
Rent Concessions		None		Yes (\$70)		None		None		None	
Occupancy for Unit Type		94%		96%		100%		100%		86%	
Effective Rent & Rent/ sq. ft		\$470 0.94		\$495 0.58		\$445 0.61		\$410 0.68		\$429 0.74	
<i>In Parts B thru E, adjust only for differences the subject's market values.</i>											
B. Design, Location, Condition		Data		Data		Data		Data		Data	
Structure / Stories		WU/2		WU/2,3		WU/2		WU/2		R/1	
Yr. Built/Yr. Renovated		1984 \$24		2000 \$8		1983 \$25		2002 \$6		1987 \$21	
Condition /Street Appeal		G \$10		E		G \$10		G \$10		G \$10	
Neighborhood		G		G		G		G		G	
Same Market?		Yes		Yes		Yes		Yes		Yes	
C. Unit Equipment/ Amenities		Data		Data		Data		Data		Data	
# Bedrooms		1		1		1		1		1	
# Baths		1		1		1		1		1	
Unit Interior Sq. Ft.		760		500 \$52		850 (\$18)		728 \$6		600 \$32	
Balcony/ Patio		Y		N \$5		Y		N \$5		Y	
AC: Central/ Wall		C		W \$10		C		C		C	
Range/ refrigerator		R/F		R/F		R/F		R/F		R/F	
Microwave/ Dishwasher		N/Y		N/N \$5		Y/Y (\$5)		Y/Y (\$5)		N/Y	
Washer/Dryer		HU		L \$5		HU		L \$5		HU/L (\$5)	
Floor Coverings		C		C		C		C		C	
Window Coverings		B		B		B		B		B	
Intercom/E-Call Buttons		N/Y		N/N \$2		N/N \$2		N/N \$2		N/N \$2	
Garbage Disposal		Y		N \$5		Y		N \$5		N \$5	
Storage		Y		N \$2		N \$2		N \$2		Y	
D Site Equipment/ Amenities		Data		Data		Data		Data		Data	
Parking (\$ Fee)		LOT/\$0		LOT/\$0		A-GAR (\$50)		LOT/\$0		LOT/\$0	
On-Site Management		Y		Y		Y		N \$5		Y	
Security Gate		N		N		N		N		N	
Clubhouse/ Meeting Rooms		Y/Y		N/N \$10		Y/Y		N/N \$10		N/N \$10	
Pool/ Recreation Areas		F/G/S		N \$9		P/F (\$6)		P/S (\$3)		P/F (\$6)	
Computer Center		Y		N \$2		N \$2		N \$2		N \$2	
Picnic Area		Y		N \$2		N \$2		N \$2		Y	
Library		Y		N \$1		N \$1		N \$1		N \$1	
Social Sevices		Y		N \$10		N \$10		N \$10		N \$10	
E. Utilities		Data		Data		Data		Data		Data	
Heat (in rent?/ type)		N/E		N/E		N/E		N/E		N/E	
Cooling (in rent?/ type)		N/E		N/E		N/E		N/E		N/E	
Cooking (in rent?/ type)		N/E		N/E		N/E		N/E		N/E	
Hot Water (in rent?/ type)		N/E		N/E		N/E		N/E		N/E	
Other Electric		N		N		N		N		N	
Cold Water/ Sewer		N/N		Y/Y (\$11)		N/N		Y/Y (\$11)		N/N	
Trash /Recycling		Y/N		Y/N		Y/N		N/N \$15		N/N \$15	
F. Adjustments Recap		Pos		Neg		Pos		Neg		Pos	
# Adjustments B to D		16		7		3		12		3	
Sum Adjustments B to D		\$154		\$27		(\$29)		\$80		(\$58)	
Sum Utility Adjustments						(\$11)		\$15		(\$11)	
		Net		Gross		Net		Gross		Net	
Net/ Gross Adjmts B to E		\$143		\$165		(\$2)		\$56		\$11	
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
Adjusted Rent (5+ 43)		\$613		\$493		\$456		\$506		\$544	
Adj Rent/Last rent				130%				100%		103%	
Estimated Market Rent		\$500		\$0.66		← Estimated Market Rent/ Sq. Ft					

Appraiser's Signature

Date

Attached are explanations of :

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

Rent Comparability Grid

Unit Type →

TWO BEDROOM

Subject's FHA #:

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
The Village at Chickamauga Apartments		Park Knool Apts.		Fountain Brook Apts.		Park Lake Apts.		Fort Town Place		Lakeshore I Apts.	
53 State Route 813		2212 S. Cedar Ln.		100 Brookhaven Circle		950 Park Lake Rd.		Fort Town Dr.		1100 Lakeshore Dr.	
Chickamauga, GA		Fort Oglethorpe, GA		Fort Oglethorpe, GA		Rossville, GA		Fort Oglethorpe, CA		Fort Oglethorpe, GA	
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1 \$ Last Rent / Restricted?		\$550		\$695		\$538		\$525		\$569	
2 Date Surveyed		Jun-06		Jun-06		Jun-06		Jun-06		Jun-06	
3 Rent Concessions		None		None		None		None		None	
4 Occupancy for Unit Type		100%		96%		100%		100%		100%	
5 Effective Rent & Rent/ sq. ft		\$550	0.55	\$695	0.53	\$538	0.56	\$525	0.64	\$569	0.66
<i>In Parts B thru E, adjust only for differences the subject's market values.</i>											
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6 Structure / Stories	EE/2	WU/2		WU/2,3		WU/2		WU/2		R/1	
7 Yr. Built/Yr. Renovated	2008	1984	\$24	2000	\$8	1983	\$25	2002	\$6	1987	\$21
8 Condition /Street Appeal	E	G	\$10	E		G	\$10	G	\$10	G	\$10
9 Neighborhood	G	G		G		G		G		G	
10 Same Market?		Yes		Yes		Yes		Yes		Yes	
C. Unit Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11 # Bedrooms	2	2		2		2		2		2	
12 # Baths	1	1.5	(\$15)	1.5	(\$15)	1.5	(\$15)	1		1	
13 Unit Interior Sq. Ft.	1002	1000	\$1	1300	(\$60)	958	\$9	816	\$37	864	\$28
14 Balcony/ Patio	Y	Y		Y		Y		N	\$5	Y	
15 AC: Central/ Wall	C	C		C		C		C		C	
16 Range/ refrigerator	R/F	R/F		R/F		R/F		R/F		R/F	
17 Microwave/ Dishwasher	N/Y	Y/Y	(\$5)	Y/Y	(\$5)	Y/Y	(\$5)	Y/Y	(\$5)	N/Y	
18 Washer/Dryer	HU	HU/L	(\$5)	HU		L	\$5	HU		HU/L	(\$5)
19 Floor Coverings	C	C		C		C		C		C	
20 Window Coverings	B	B		B		B		B		B	
21 Intercom/E-Call Buttons	N/Y	N/N	\$2	N/N	\$2	N/N	\$2	N/N	\$2	N/N	\$2
22 Garbage Disposal	Y	N	\$5	Y		N	\$5	N	\$5	N	\$5
23 Storage	Y	N	\$2	N	\$2	N	\$2	N	\$2	Y	
D Site Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24 Parking (\$ Fee)	LOT/\$0	LOT/\$0		LOT/\$0		A-GAR	(\$50)	LOT/\$0		LOT/\$0	
25 On-Site Management	Y	Y		Y		Y		N	\$5	Y	
26 Security Gate	N	N		N		N		N		N	
27 Clubhouse/ Meeting Rooms	Y/Y	N/N	\$10	Y/Y		N/N	\$10	N/N	\$10	N/N	\$10
28 Pool/ Recreation Areas	F/G/S	P	(\$1)	P/F	(\$6)	P/S	(\$3)	P/F	(\$6)	L	\$7
29 Computer Center	Y	N	\$2	N	\$2	N	\$2	N	\$2	N	\$2
30 Picnic Area	Y	N	\$2	N	\$2	N	\$2	N	\$2	Y	
31 Library	Y	N	\$1	N	\$1	N	\$1	N	\$1	N	\$1
32 Social Sevices	Y	N	\$10	N	\$10	N	\$10	N	\$10	N	\$10
E. Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33 Heat (in rent?/ type)	N/E	N/E		N/E		N/E		N/E		N/E	
34 Cooling (in rent?/ type)	N/E	N/E		N/E		N/E		N/E		N/E	
35 Cooking (in rent?/ type)	N/E	N/E		N/E		N/E		N/E		N/E	
36 Hot Water (in rent?/ type)	N/E	N/E		N/E		N/E		N/E		N/E	
37 Other Electric	N	N		N		N		N		N	
38 Cold Water/ Sewer	N/N	Y/Y	(\$13)	N/N		Y/Y	(\$13)	N/N		N/N	
39 Trash /Recycling	Y/N	Y/N		Y/N		Y/N		N/N	\$15	N/N	\$15
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40 # Adjustments B to D		11	4	7	4	12	4	13	2	10	1
41 Sum Adjustments B to D		\$69	(\$26)	\$27	(\$86)	\$83	(\$73)	\$97	(\$11)	\$96	(\$5)
42 Sum Utility Adjustments			(\$13)				(\$13)	\$15		\$15	
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43 Net/ Gross Adjmts B to E		\$30	\$108	(\$59)	\$113	(\$3)	\$169	\$101	\$123	\$106	\$116
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44 Adjusted Rent (5+ 43)		\$580		\$636		\$535		\$626		\$675	
45 Adj Rent/Last rent			105%		92%		99%		119%		119%
46 Estimated Market Rent	\$600	\$0.60	← Estimated Market Rent/ Sq. Ft								

Appraiser's Signature

Date

Attached are explanations of :

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

Based on the preceding Rent Comparability Grids, it was determined that the market-driven rents for units similar to the proposed subject development are \$500 for a one-bedroom unit and \$600 for a two-bedroom unit.

The following table compares the proposed collected rents at the subject site with market-driven rents for selected units.

BEDROOM TYPE	COLLECTED RENT		
	PROPOSED SUBJECT	MARKET-DRIVEN	PROPOSED RENT AS SHARE OF MARKET
ONE-BEDROOM	\$315 - \$325	\$500	63.0% - 65.0%
TWO-BEDROOM	\$345 - \$365	\$600	57.5% - 60.8%

The proposed collected rents are 57.5% to 65.0% of market-driven rents and appear to be excellent values for the subject market. The proposed rents represent a 35.0% to 42.5% market-rent advantage.

6. RENT ADJUSTMENT EXPLANATIONS (RENT COMPARABILITY GRID)

None of the selected properties offer the same amenities as the subject property. As a result, we have made adjustments to the collected rents to reflect the differences between the subject property and the selected properties. The following are explanations (preceded by the line reference number on the comparability grid table) for each rent adjustment made to each selected property.

1. Rents for each property are reported as collected rents. This is the actual rent paid by tenants and does not consider utilities paid by tenants. The rent reported is typical and does not consider rent concessions or special promotions. When multiple rent levels were offered, we included an average rent.

7. Upon completion of construction, the subject project will be the newest property in the market. The selected properties were built between 1983 and 2002. As such, we have adjusted the rents at the selected properties by \$1 per year of age difference to reflect the age of these properties.

8. It is anticipated that the proposed subject project will have an excellent quality finished look and an attractive aesthetic appeal. We have made adjustments for those properties that we consider of inferior quality compared to the subject development.

12. There is a variety of the number of bathrooms offered at each of the selected properties. We have made \$15 per half bathroom adjustments to reflect the difference in the number of bathrooms offered at the site as compared to the competitive properties.

13. There is a wide range of unit sizes (square footage) among the selected properties. We have made adjustments of \$0.20 to the rents of each project that had different unit sizes compared to the subject site. Where there is a range of unit sizes, we have used an average square footage or the square footage of the most similar style unit.
- 14.- 23. The proposed subject project will offer a unit amenity package similar to the selected properties. However, we have made some adjustments for features lacking at the selected properties, and in some cases, we have made adjustments for features the subject property does not offer.
- 24.-32. The proposed project offers a comprehensive project amenities package including a clubhouse with meeting rooms, a fitness center, on-site management, computer room, and library, as well as an outdoor shuffleboard court and a gazebo with picnic area. We have made monetary adjustments to reflect the difference between the proposed subject project's and the selected properties' project amenities.
- 33.-39. We have made adjustments to reflect the differences in utility responsibility at each selected property. The utility adjustments were based on the local housing authority's utility cost estimates.

Once all adjustments to collected rents were made, the rents for each bedroom type were considered to derive a market-driven rent for each bedroom type. Each property was considered and weighed based upon its proximity, amenities, and unit layout compared to the subject site.

SECTION H – INTERVIEWS

Ms. Sandy Lee of Rossville Senior Village stated that there is a very high demand for senior housing in her area. She noted that she has 71 households on her waiting list, and that she could easily fill more senior units. Additionally, she stated that she feels the Chickamauga area might have a difficult time supporting a 60-unit project for seniors, but that a project closer to the size of the proposed project would have a much better chance for success and a high occupancy rate.

Determination of the Primary Market Area for the proposed project is based on interviews with area property managers, real estate agents, and city officials to establish the boundaries of the geographical area from which most of the support for the proposed development is expected to originate.

Interviews were also conducted with Mr. John Culpepper of the Walker County Chamber of Commerce in order to gather economic data such as major employer numbers and information on job growth in Chickamauga and the Walker County economy.

Lastly, area building and planning department officials were interviewed about area apartments and other housing developments as well as infrastructure changes that could affect the Chickamauga area and Walker County.

SECTION I – RECOMMENDATIONS

Based on the findings reported in our market study, it is our opinion that a market exists for the 40 units proposed at the subject site, assuming it is developed as detailed in this report. Changes in the project's site, rent, amenities, or opening date may alter these findings.

Based on our analysis of the rents, unit sizes (square feet), amenities, location, quality, and occupancy rates of the existing low-income and market-rate comparable properties in the market, it is our opinion that the proposed subject development will be very competitive with these properties and will offer an excellent value, especially at the proposed rents, which are very low in general for this market.

Development of the subject site is expected to have little impact on occupancy rates at the existing comparables, although given the site's larger unit sizes and superior location, we expect the site will be more desirable than Woodland Senior, which could create some vacancies at this project. With 71 households on the waiting list at Rossville Senior Village, this project is expected to have a continuing high occupancy rate.

As shown Project Specific Demand Analysis section of this report, the capture rates by bedroom type are excellent to moderate, ranging from 4.1% for one-bedroom units at 60% AMHI to 12.4% for the two-bedroom units at 60% AMHI. These capture rates are indicators that there is sufficient support for the proposed subject units.

Based on our review of the information contained in this report, we do not believe changes are necessary for the proposed project, as units are of excellent size, rents are an exceptional value, and the unit mix appears to be well suited for the market.

SECTION J - SIGNED STATEMENT

I affirm that I, or an individual employed by my company, have made a physical inspection of the market area and that information has been used in the full study of the need and demand for new rental units. To the best of my knowledge, the market can support the demand shown in the study. I understand that any misrepresentation of this statement may result in the denial of further participation in the Georgia Department of Community Affairs 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.

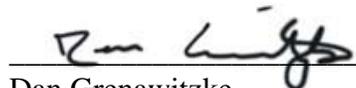
Certified:



Brian Gault

Market Analyst

Date: July 14, 2006



Dan Grenawitzke

Market Analyst

Date: July 14, 2006



Patrick Bowen

Partner

Date: July 14, 2006

SECTION K - QUALIFICATIONS

1. THE COMPANY

Vogt Williams & Bowen, LLC is a real estate research firm established to provide accurate and insightful market forecasts for a broad range client base. The three principals of the firm, Robert Vogt, Tim Williams, and Patrick Bowen have a combined 40 years of real estate market feasibility experience throughout the United States.

Serving real estate developers, syndicators, lenders, state housing finance agencies, and the U.S. Department of Housing and Urban Development (HUD), the firm provides market feasibility studies for affordable housing, market-rate apartments, condominiums, senior housing, student housing, and single-family developments.

2. THE STAFF

Robert Vogt has conducted and reviewed over 5,000 market analyses over the past 26 years for market-rate and Low-Income Housing Tax Credit apartments, as well as studies for single-family, golf course/residential, office, retail and elderly housing throughout the United States. Mr. Vogt is a founding member and the chairman of the National Council of Affordable Housing Market Analysts, a group formed to bring standards and professional practices to market feasibility. He is a frequent speaker at many real estate and state housing conferences. Mr. Vogt has a bachelor's degree in finance, real estate, and urban land economics from The Ohio State University.

Tim Williams has over 20 years of sales and marketing experience, and over six years in the real estate market feasibility industry. He is a frequent speaker at state housing conferences and an active member of the National Council of State Housing Agencies and the National Housing and Rehabilitation Association. Mr. Williams has a bachelor's degree in English from Hobart and William Smith College.

Patrick Bowen has prepared and supervised market feasibility studies for all types of real estate products including affordable family and senior housing, multifamily market-rate housing, and student housing for more than seven years. He has also prepared various studies for submittal as part of HUD 221(d) 3 & 4, HUD 202 developments, and applications for housing for Native Americans. Mr. Bowen has worked closely with many state and federal housing agencies to assist them with their market study guidelines. Mr. Bowen has his bachelor's degree in legal administration (with emphasis on business and law) from The University of West Florida.

Brian Gault has conducted fieldwork and analyzed real estate markets for more than six years in nearly 40 states. In this time, Mr. Gault has conducted a broad range of studies including Low-Income Housing Tax Credit, luxury market-rate apartments, comprehensive community housing assessment, Hope VI redevelopment, student housing analysis, condominium communities, and mixed-use developments. Mr. Gault has his bachelor's degree in public relations from The Ohio University Scripps School of Journalism.

K. David Adamescu has conducted real estate market research and analysis over the past four years for a broad range of products including Low-Income Housing Tax Credit apartments, market-rate apartments, student-targeted housing, condominiums, single-family housing, mixed-use developments, and commercial office space. Mr. Adamescu has participated in over 100 market feasibility studies with sites located in more than 30 states. Mr. Adamescu holds a bachelor's degree in Economics and Masters of City and Regional Planning (with emphasis in urban economics) from The Ohio State University.

Nancy Patzer has been consulting in the areas of economic and community development and housing research for the past nine years. Ms. Patzer has been employed by a number of research organizations including Community Research Partners, United Way of Central Ohio, Retail Planning Associates, the city of Columbus, and Boulevard Strategies. Ms. Patzer has analyzed or conducted field research for over 75 housing markets across the United States. She holds a Bachelor of Science, Journalism degree from the E.W. Scripps School of Journalism, Ohio University.

Davonne Lewis has more than eight years of professional experience in the real estate and construction business. Previously Vice President of a national real estate consulting firm, her experience includes supervising and preparing market feasibility studies for low-income housing. Ms. Lewis has prepared many market studies in numerous states throughout the country and also has a background in the management and administration of real estate construction and real estate appraisal companies. Ms. Lewis was educated at Hardin-Simmons University in Abilene, Texas where she obtained a Bachelor of Behavioral Science degree and is a member of the National Council of Affordable Housing Market Analysts and the Real Estate Council of Austin.

Charlotte Bergdorf has over four years of professional experience in real estate market analysis and has prepared market analyses for Tax Credit syndicators, housing finance agencies, housing authorities, banks, investment banking companies, and real estate developers in many states across the country. Ms. Bergdorf attended the University of Wisconsin-Parkside in Kenosha, earning a bachelor's degree in English with a concentration in writing and has additional experience in journalism. Ms. Bergdorf is also a member of the National Council of Affordable Housing Market Analysts.

David Twehues holds a bachelor's degree in Geographic Information Systems (GIS) and a master's degree in Quantitative and Statistical Methods from The Ohio State University. He has contributed mapping and demographic products to over 250 community development market studies. Mr. Twehues has extensive knowledge in the field of statistics, including experience in mathematical modeling and computer programming, and has two years of experience using GIS in multiple report formats.

Christopher T. Bunch has eight years of professional experience in real estate, including three years experience in the real estate market research field. Mr. Bunch, who holds an Ohio Real Estate Appraisal License, is responsible for preparing market feasibility studies and rent comparability studies for a variety of clients. Mr. Bunch earned a bachelor's degree in Geography with a concentration in Urban and Regional Planning from Ohio University in Athens, Ohio.

Andrew W. Mazak has three years of experience in the real estate market research field. He has conducted and participated in market feasibility studies in numerous markets throughout the United States. Mr. Mazak attended Capital University in Columbus, Ohio, where he graduated with a bachelor's degree in Business Management and Marketing.

June Davis is an administrative assistant with 15 years experience in market feasibility. Ms. Davis has overseen production on over 1,000 market studies for projects throughout the United States.

Field Staff – Vogt Williams & Bowen, LLC maintains a field staff of professionals experienced at collecting critical on-site real estate data. Each member has been fully trained to evaluate site attributes, area competitors, trends in the market, economic characteristics, and a wide range of issues impacting the viability of real estate development.

ADDENDUM A: FIELD SURVEY OF CONVENTIONAL RENTALS

CHICKAMAUGA, GEORGIA

The following section is a field survey of conventional rental properties. These properties were identified through a variety of sources including area apartment guides, yellow page listings, government agencies, the Chamber of Commerce, and our own field inspection. The intent of this field survey is to evaluate the overall strength of the existing rental market, identify trends that impact future development, and identify those properties that would be considered most comparable to the subject site.

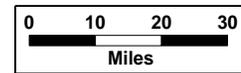
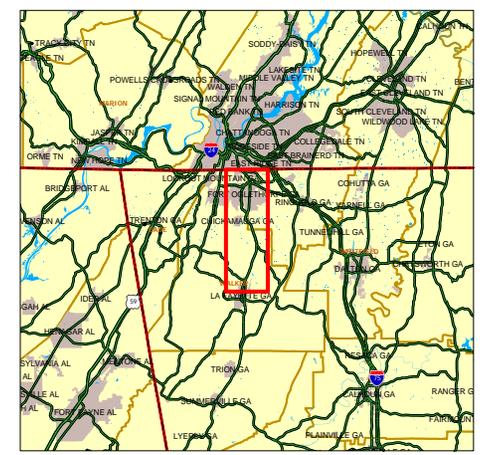
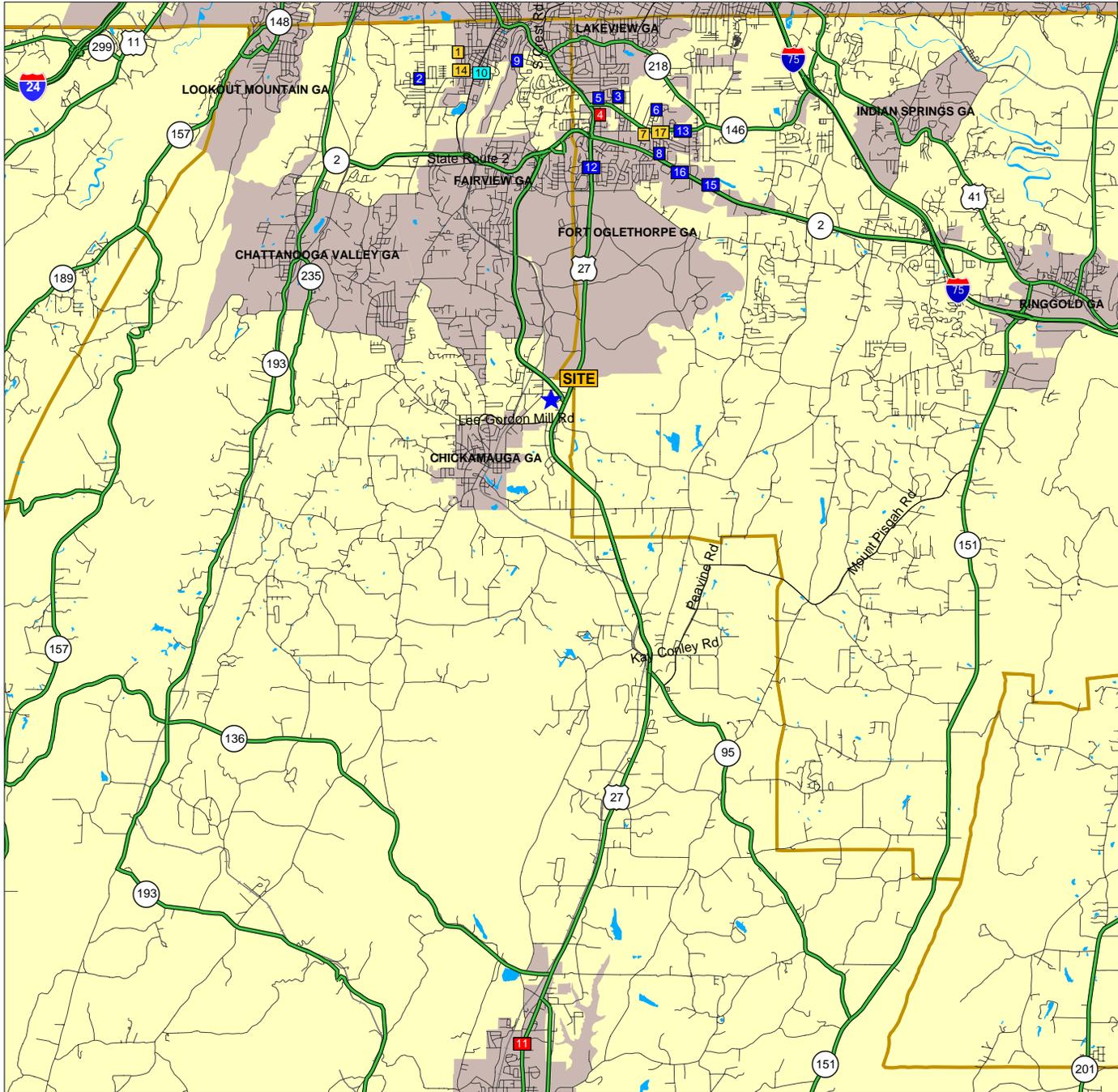
The field survey has been organized by the type of project surveyed. Properties have been color coded to reflect the project type. Projects have been designed as market-rate, Tax Credit, government-subsidized, or a combination of the three project types. The field survey is organized as follows:

- A color-coded map indicating each property surveyed and the project type followed by a list of properties surveyed.
- Properties surveyed by name, address, telephone number, project type, year built or renovated (if applicable), number of floors, total units, occupancy rate, quality rating, rent incentives, and Tax Credit designation. Housing Choice Vouchers and Rental Assistance are also noted here. Note that projects are organized by project type.
- Distribution of non-subsidized and subsidized units and vacancies in properties surveyed.
- Listings for unit and project amenities, parking options, optional charges, utilities (including responsibility), and appliances.
- Collected rent by unit type and bedrooms.
- Unit size by unit type and bedrooms.
- Calculations of rent per square foot (all utilities are adjusted to reflect similar utility responsibility). Data is summarized by unit type.
- An analysis of units, vacancies, and median rent. Where applicable, non-subsidized units are distributed separately.
- An analysis of units added to the area by project construction date and, where applicable, by year of renovation.
- Aggregate data and distributions for all non-subsidized properties are provided for appliances, unit amenities and project amenities.

- A rent distribution is provided for all market-rate and non-subsidized Tax Credit units by unit type. Note that rents are adjusted to reflect common utility responsibility.
- Aggregation of projects by utility responsibility (market-rate and non-subsidized Tax Credit only).
- A utility allowance worksheet.

Note that other than the property listing following the map, data is organized by project types. Market-rate properties (blue designation) are first followed by variations of market-rate and Tax Credit properties. Non-government subsidized Tax Credit properties are red and government-subsidized properties are yellow. See the color codes at the bottom of each page for specific project types.

Chickamauga, GA: Apartment Locations



- ★ Project Site
- Interstate Hwys
- US Hwys
- State Hwys
- Govt. Sub.
- Market Rate
- Market Rate/Tax Credit
- Tax Credit

Miles
1:140,346

**MAP IDENTIFICATION LIST
CHICKAMAUGA, GEORGIA
JULY 2006**

MAP ID	PROJECT NAME	PROJECT TYPE	YEAR BUILT	TOTAL UNITS	VACANT	OCCUPANCY RATE	DISTANCE TO SITE*
1	ROSSVILLE APTS.	GSS	1971	110	0	100%	8.6
2	COUNTRY AIRE APTS.	MRR	1984	62	4	94%	9.0
3	CLOUD SPRINGS TOWNHOUSES	MRR	1973	44	0	100%	5.7
4	OGLETHORPE RIDGE APTS.	TAX	1997	97	32	67%	5.4
5	FOUNTAIN BROOK APTS.	MRR	2000	160	13	92%	5.5
6	SAVANNAH SPRINGS APTS.	MRR	1997	100	0	100%	6.3
7	BATTLEWOOD APTS.	GSS	1971	150	26	83%	5.9
8	PARK KNOLL APTS.	MRR	1984	32	0	100%	5.7
9	WOODLAND APTS.	MRR	1976	52	5	90%	7.5
10	ROSSVILLE SENIOR VILLAGE	MRT	2003	60	0	100%	8.1
11	WOODLAND SENIOR	TAX	2003	52	0	100%	13.0
12	LAKEVIEW PLACE	MRR	1972	20	0	100%	4.3
13	PARK LAKE APTS.	MRR	1983	207	0	100%	6.6
14	HAPPY VALLEY APTS.	GSS	1980	68	2	97%	8.3
15	FORT TOWN PLACE	MRR	2002	251	0	100%	6.9
16	LAKESHORE I APTS.	MRR	1987	79	10	87%	6.1
17	CATOOSA GARDENS	GSS	1976	101	0	100%	5.8

PROJECT TYPE	PROJECTS SURVEYED	TOTAL UNITS	VACANT	OCCUPANCY RATE
MRR	10	1,007	32	96.8%
MRT	1	60	0	100.0%
TAX	2	149	32	78.5%
GSS	4	429	28	93.5%

* - DRIVE DISTANCE (MILES)

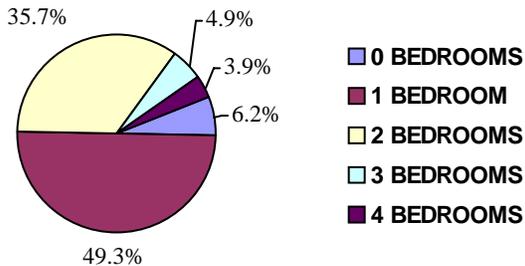
■	MARKET-RATE
■	MARKET-RATE/TAX CREDIT
■	MARKET-RATE/GOVERNMENT-SUBSIDIZED
■	MARKET-RATE/TAX CREDIT/GOVERNMENT-SUBSIDIZED
■	TAX CREDIT
■	TAX CREDIT/GOVERNMENT-SUBSIDIZED
■	GOVERNMENT-SUBSIDIZED

**DISTRIBUTION OF
UNITS AND VACANCIES
CHICKAMAUGA, GEORGIA
JULY 2006**

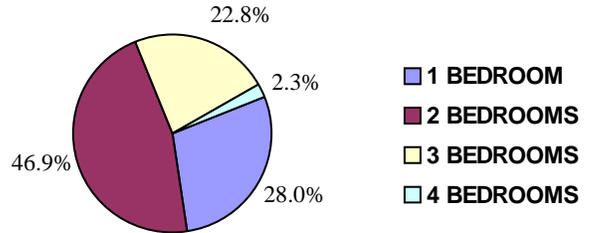
NON-SUBSIDIZED UNITS						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
0	1	75	6.2%	2	2.7%	\$360
1	1	599	49.3%	19	3.2%	\$532
2	1	79	6.5%	1	1.3%	\$548
2	1.5	297	24.4%	2	0.7%	\$660
2	2	58	4.8%	6	10.3%	\$882
3	1.5	46	3.8%	16	34.8%	\$762
3	2	14	1.2%	2	14.3%	\$713
4	2	48	3.9%	16	33.3%	\$825
TOTAL		1,216	100.0%	64	5.3%	
64 UNITS UNDER CONSTRUCTION						
SUBSIDIZED UNITS						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	
1	1	120	28.0%	3	2.5%	
2	1	201	46.9%	17	8.5%	
3	1	88	20.5%	8	9.1%	
3	2	10	2.3%	0	0.0%	
4	2	10	2.3%	0	0.0%	
TOTAL		429	100.0%	28	6.5%	
GRAND TOTAL		1,645	-	92	5.6%	

DISTRIBUTION OF UNITS BY BEDROOM TYPE

NON-SUBSIDIZED



SUBSIDIZED



**PROJECT LISTING
CHICKAMAUGA, GEORGIA
JULY 2006**

MAP ID	NAME / LOCATION	BUILDING INFORMATION	CONTACT / QUALITY RATING	COMMENTS/ RENT INCENTIVES
2	COUNTRY AIRE APTS. 730 W. JAMES AVE. ROSSVILLE, GA 30741 (706) 858-0140	Project Type MRR Year Built 1984 Year Renovated Floors 2 Total Units 62 Occupancy Rate 93.5%	Contact JOE CONTACT IN PERSON Quality Rating C+	
3	CLOUD SPRINGS TOWNHOUSES 15 GREENWAY DR. FORT OGLETHORPE, GA 30742 (706) 858-0049	Project Type MRR Year Built 1973 Year Renovated Floors 2 Total Units 44 Occupancy Rate 100.0%	Contact BETTY CONTACT IN PERSON Quality Rating B Waiting List 3-4 WEEKS	BUILT IN 1973 & 1982
5	FOUNTAIN BROOK APTS. 100 BROOKHAVEN CIR. FORT OGLETHORPE, GA 30742 (706) 866-9441	Project Type MRR Year Built 2000 Year Renovated 2006 Floors 2,3 Total Units 160 Occupancy Rate 91.9%	Contact NO NAME GIVEN CONTACT IN PERSON Quality Rating A	BUILDING PHASE II; 40 OF 48 FINISHED UNITS HAVE BEEN LEASED; 64 UNITS STILL UNDER CONSTRUCTION 1-BR: \$495/MO. WITH 6-12 MO. LEASE
6	SAVANNAH SPRINGS APTS. 35 SAVANNAH WY. FORT OGLETHORPE, GA 30742 (706) 858-8995	Project Type MRR Year Built 1997 Year Renovated Floors 2 Total Units 100 Occupancy Rate 100.0%	Contact RAY CONTACT IN PERSON Quality Rating A- Waiting List 8 HOUSEHOLDS	
8	PARK KNOLL APTS. 2212 S. CEDAR LN. FORT OGLETHORPE, GA 30742 (706) 866-7532	Project Type MRR Year Built 1984 Year Renovated Floors 2 Total Units 32 Occupancy Rate 100.0%	Contact DWIGHT CONTACT IN PERSON Quality Rating B Waiting List 2 HOUSEHOLDS	
9	WOODLAND APTS. 1591 PARK CITY RD. ROSSVILLE, GA 30741 (706) 861-5497	Project Type MRR Year Built 1976 Year Renovated Floors 3 Total Units 52 Occupancy Rate 90.4%	Contact VICKI CONTACT IN PERSON Quality Rating B	ACCEPTS HCV; SQUARE FOOTAGE ESTIMATED
12	LAKEVIEW PLACE VILLAGE DR. & LAKEVIEW DR. FORT OGLETHORPE, GA 30742 (706) 866-8958	Project Type MRR Year Built 1972 Year Renovated Floors 1,2 Total Units 20 Occupancy Rate 100.0%	Contact RONALD CONTACT IN PERSON Quality Rating B-	SOME 2-BR UNITS ARE GARDEN-STYLE

■	MARKET-RATE
■	MARKET-RATE/TAX CREDIT
■	MARKET-RATE/GOVERNMENT-SUBSIDIZED
■	MARKET-RATE/TAX CREDIT/GOVERNMENT-SUBSIDIZED
■	TAX CREDIT
■	TAX CREDIT/GOVERNMENT-SUBSIDIZED
■	GOVERNMENT-SUBSIDIZED

**PROJECT LISTING
CHICKAMAUGA, GEORGIA
JULY 2006**

MAP ID	NAME / LOCATION	BUILDING INFORMATION	CONTACT / QUALITY RATING	COMMENTS/ RENT INCENTIVES
13	PARK LAKE APTS. 950 PARK LAKE RD. ROSSVILLE, GA 30741 (706) 861-1666	Project Type MRR Year Built 1983 Year Renovated Floors 2 Total Units 207 Occupancy Rate 100.0%	Contact MARTY CONTACT IN PERSON Quality Rating B	GARAGE PRICE RANGE \$55-\$65/MONTH; PHASE I UNITS HAVE MICROWAVES & DISHWASHERS
15	FORT TOWN PLACE FORT TOWN DR. FORT OGLETHORPE, GA 30742 (423) 593-4360	Project Type MRR Year Built 2002 Year Renovated Floors 2 Total Units 251 Occupancy Rate 100.0%	Contact JONATHAN, JAY CONTACT IN PERSON Quality Rating B+ Waiting List 5-6 HOUSEHOLDS	
16	LAKESHORE I APTS. 1100 LAKESHORE DR. FORT OGLETHORPE, GA 30742 (706) 861-5518	Project Type MRR Year Built 1987 Year Renovated Floors 1 Total Units 79 Occupancy Rate 87.3%	Contact CHARLOTTE CONTACT IN PERSON Quality Rating B	
10	ROSSVILLE SENIOR VILLAGE 1300 MC FARLAND AVE. ROSSVILLE, GA 30741 (706) 861-3934	Project Type MRT Year Built 2003 Year Renovated Floors 2 Total Units 60 Occupancy Rate 100.0%	Contact SANDY CONTACT IN PERSON Quality Rating B+ Waiting List 71 HOUSEHOLDS	TAX CREDIT @ 50% & 60% AMHI (48 UNITS) & MARKET-RATE (12 UNITS); 100% SENIOR (55+)
4	OGLETHORPE RIDGE APTS. 1252 CLOUD SPRINGS LN. FORT OGLETHORPE, GA 30742 (706) 858-3880	Project Type TAX Year Built 1997 Year Renovated Floors 2 Total Units 97 Occupancy Rate 67.0%	Contact JOE CONTACT IN PERSON Quality Rating A Waiting List 1BR: 6-12 MONTHS	TAX CREDIT @ 60% AMHI; PROBLEMS WITH RENTING 3- & 4-BR UNITS DUE TO MANAGEMENT & POOR MAINTENANCE
11	WOODLAND SENIOR 1201 W. NORTH MAIN ST. LA FAYETTE, GA 30728 (706) 639-9595	Project Type TAX Year Built 2003 Year Renovated Floors 1 Total Units 52 Occupancy Rate 100.0%	Contact CAROL CONTACT IN PERSON Quality Rating B	TAX CREDIT @ 45%, 50% & 60% AMHI; 100% SENIOR (55+); YEAR BUILT ESTIMATED; 100% OCCUPANCY 3/2006
1	ROSSVILLE APTS. 800 WALKER AVE. ROSSVILLE, GA 30741 (706) 866-4783	Project Type GSS Year Built 1971 Year Renovated Floors 2 Total Units 110 Occupancy Rate 100.0%	Contact ANN, FRANK CONTACT IN PERSON Quality Rating B- Waiting List 2 MONTHS	GOVERNMENT-SUBSIDIZED, HUD SECTIONS 8 & 236; SQUARE FOOTAGE ESTIMATED

█	MARKET-RATE
█	MARKET-RATE/TAX CREDIT
█	MARKET-RATE/GOVERNMENT-SUBSIDIZED
█	MARKET-RATE/TAX CREDIT/GOVERNMENT-SUBSIDIZED
█	TAX CREDIT
█	TAX CREDIT/GOVERNMENT-SUBSIDIZED
█	GOVERNMENT-SUBSIDIZED

**PROJECT LISTING
CHICKAMAUGA, GEORGIA
JULY 2006**

MAP ID	NAME / LOCATION	BUILDING INFORMATION	CONTACT / QUALITY RATING	COMMENTS/ RENT INCENTIVES
7	BATTLEWOOD APTS. 1830 FANT DR. FORT OGLETHORPE, GA 30742 (706) 861-1111	Project Type GSS Year Built 1971 Year Renovated 2004 Floors 2 Total Units 150 Occupancy Rate 82.7%	Contact LINDA CONTACT IN PERSON Quality Rating B Waiting List 3-BR: 3-6 MONTHS	GOVERNMENT-SUBSIDIZED, HUD SECTIONS 8 & 236
14	HAPPY VALLEY APTS. 1209 INDIAN AVE. ROSSVILLE, GA 30741 (706) 861-3145	Project Type GSS Year Built 1980 Year Renovated Floors 2 Total Units 68 Occupancy Rate 97.1%	Contact MONICA CONTACT IN PERSON Quality Rating B Waiting List 2 & 3BR: 1-9 MONTHS	GOVERNMENT-SUBSIDIZED, HUD SECTION 8; WAIT LIST: 2-BR 1-3 MONTHS, 3-BR 6-9 MONTHS
17	CATOOSA GARDENS 17 DAHLIA LN. FORT OGLETHORPE, GA 30742 (706) 861-3712	Project Type GSS Year Built 1976 Year Renovated Floors 1 Total Units 101 Occupancy Rate 100.0%	Contact SHEILA CONTACT IN PERSON Quality Rating B Waiting List 6-12 MONTHS	GOVERNMENT-SUBSIDIZED, HUD SECTION 8; SQUARE FOOTAGE ESTIMATED; MANY SENIORS

■	MARKET-RATE
■	MARKET-RATE/TAX CREDIT
■	MARKET-RATE/GOVERNMENT-SUBSIDIZED
■	MARKET-RATE/TAX CREDIT/GOVERNMENT-SUBSIDIZED
■	TAX CREDIT
■	TAX CREDIT/GOVERNMENT-SUBSIDIZED
■	GOVERNMENT-SUBSIDIZED

**UNIT AMENITIES
CHICKAMAUGA, GEORGIA
JULY 2006**

MAP ID	CENTRAL AC	WINDOW AC	FLOOR COVERING	WASHER AND DRYER	W/D HOOKUP	PATIO/DECK/BALCONY	CEILING FAN	FIREPLACE	BASEMENT	INTERCOM	SECURITY	WINDOW TREATMENTS	E-CALL BUTTONS	OTHER
2		X	C				X					B		
3	X		C	X		X	S					B		
5	X		C		X	X	X					B		
6	X		C		X		X					B		
8	X		C		X	X	X					B		
9	X		C			X	S					B		
12	X		C		X	X						B		
13	X		C			X	X					B		
15	X		C		X							B		
16	X		C		X	X	X					B		
10	X		C	X						X		B	X	
4	X		C		X	X	S					B		
11	X		C		X							B	X	
1	X		C									B		
7	X		C									B		
14	X		C		X							B		
17	X		C	S								B		

MARKET-RATE
MARKET-RATE/TAX CREDIT
MARKET-RATE/GOVERNMENT-SUBSIDIZED
MARKET-RATE/TAX CREDIT/GOVERNMENT-SUBSIDIZED
TAX CREDIT
TAX CREDIT/GOVERNMENT-SUBSIDIZED
GOVERNMENT-SUBSIDIZED

X - ALL UNITS
S - SOME UNITS
O - OPTIONAL

C - CARPET
H - HARDWOOD
V - VINYL

B - BLINDS
C - CURTAINS
D - DRAPES



**PROJECT AMENITIES
CHICKAMAUGA, GEORGIA
JULY 2006**

MAP ID	POOL	ON-SITE MNGT	LAUNDRY	CLUB HOUSE	COMMUNITY SPACE	FITNESS CENTER	JACUZZI / SAUNA	PLAYGROUND	TENNIS COURT	SPORTS COURT	STORAGE	LAKE	ELEVATOR	SECURITY GATE	BUSINESS CENTER	CAR WASH AREA	PICNIC AREA	CONCIERGE SERVICE	SOCIAL SERVICES	OTHER
2		X	X					X												
3		X																		
5	X	X		X	L	X														
6		X																		
8	X	X	X																	
9	X	X	X														X			
12																				
13	X	X	X							X						X				
15	X					X														
16		X	X					X			X	X					X			
10		X			X	X						X							X	KITCHEN TRAIL, PUTTING GREEN
4	X	X		X	L	X				X										
11		X	X	X	L	X											X			
1		X	X																	
7		X	X					X												
14		X						X												
17		X	X																	

█	MARKET-RATE
█	MARKET-RATE/TAX CREDIT
█	MARKET-RATE/GOVERNMENT-SUBSIDIZED
█	MARKET-RATE/TAX CREDIT/GOVERNMENT-SUBSIDIZED
█	TAX CREDIT
█	TAX CREDIT/GOVERNMENT-SUBSIDIZED
█	GOVERNMENT-SUBSIDIZED

○ - OPTIONAL



**PARKING OPTIONS AND OPTIONAL CHARGES
CHICKAMAUGA, GEORGIA
JULY 2006**

MAP ID	PARKING OPTIONS					OPTIONAL CHARGES					
	ATTACHED GARAGE	DETACHED GARAGE	OFF STREET PARKING	SURFACE PARKING	CARPORT	PARKING GARAGE	GARAGE	FURNISHED UNITS	VAULTED CEILINGS	VIEW/LOCATION	OTHER
2				X							
3				X							
5		O		X			\$80				STORAGE(\$55)
6				X							
8				X							
9				X							
12				X							
13	X			X			\$60				STORAGE(\$25)
15				X							
16				X							
10				X							
4				X							
11				X							
1				X							
7				X							
14				X							
17				X							

MARKET-RATE	X - ALL UNITS
MARKET-RATE/TAX CREDIT	S - SOME UNITS
MARKET-RATE/GOVERNMENT-SUBSIDIZED	O - OPTIONAL
MARKET-RATE/TAX CREDIT/GOVERNMENT-SUBSIDIZED	
TAX CREDIT	
TAX CREDIT/GOVERNMENT-SUBSIDIZED	
GOVERNMENT-SUBSIDIZED	



**UTILITIES AND APPLIANCES
CHICKAMAUGA, GEORGIA
JULY 2006**

MAP ID	UTILITIES												APPLIANCES							
	GENERAL ELECTRIC	TYPE OF HEAT	PAYOR HEAT	TYPE OF HOT WATER	PAYOR HOT WATER	TYPE OF COOKING	PAYOR COOKING	WATER	SEWER	TRASH PICK UP	PAYOR CABLE	INTERNET	TELEPHONE	RANGE	REFRIGERATOR	ICEMAKER	DISHWASHER	DISPOSAL	MICROWAVE	OTHER
2	T	E	T	E	T	E	T	L	L	L	L	T	T	X	X					
3	T	G	T	E	T	E	T	L	L	L	T	T	T	X	X		X			
5	T	E	T	E	T	E	T	T	T	L	T	T	T	X	X		X	X	X	
6	T	E	T	E	T	E	T	L	L	L	T	T	T	X	X		X	X	X	
8	T	E	T	E	T	E	T	L	L	L	T	T	T	X	X		X		X	
9	T	E	T	E	T	E	T	L	L	L	L	T	T	X	X		X	X		
12	T	E	T	E	T	E	T	T	T	T	T	T	T	S	S					
13	T	E	T	E	T	E	T	L	L	L	T	T	T	X	X		S		S	
15	T	E	T	E	T	E	T	T	T	T	T	T	T	X	X		X		X	
16	T	E	T	E	T	E	T	T	T	T	T	T	T	X	X		X			
10	T	E	T	E	T	E	T	L	L	L	T	T	T	X	X		X			
4	T	G	T	G	T	G	T	L	L	L	T	T	T	X	X		X			
11	T	E	T	G	T	E	T	L	L	L	T	T	T	X	X	X	X	X		
1	T	E	T	E	T	E	T	L	L	L	T	T	T	X	X					
7	T	E	T	E	T	E	T	L	L	L	T	T	T	X	X					
14	T	G	T	G	T	G	T	L	L	L	T	T	T	X	X					
17	T	E	T	E	T	E	T	L	L	L	T	T	T	X	X					

█	MARKET-RATE
█	MARKET-RATE/TAX CREDIT
█	MARKET-RATE/GOVERNMENT-SUBSIDIZED
█	MARKET-RATE/TAX CREDIT/GOVERNMENT-SUBSIDIZED
█	TAX CREDIT
█	TAX CREDIT/GOVERNMENT-SUBSIDIZED
█	GOVERNMENT-SUBSIDIZED

T	TENANT
L	LANDLORD

E	ELECTRIC
G	GAS
O	OTHER

X	ALL UNITS
S	SOME UNITS
O	OPTIONAL



**COLLECTED RENT DETAIL
CHICKAMAUGA, GEORGIA
JULY 2006**

MAP ID	GARDEN UNITS					TOWNHOUSE UNITS			
	STUDIO	1 BR	2 BR	3 BR	4+ BR	1 BR	2 BR	3 BR	4+ BR
2		\$470							
3							\$520		
5		\$555 to \$575	\$695 to \$745						
6		\$400 to \$450					\$550 to \$600		
8			\$550						
9		\$400	\$500 to \$525	\$600 to \$650					
12							\$375 to \$425	\$450 to \$525	
13	\$299	\$355 to \$445	\$525 to \$550						
15		\$410	\$525				\$575		
16	\$354	\$429	\$569 to \$609						
10		\$330 to \$375	\$350 to \$365						
4		\$410		\$625	\$650				
11		\$304 to \$368	\$361 to \$439						

■	MARKET-RATE
■	MARKET-RATE/TAX CREDIT
■	MARKET-RATE/GOVERNMENT-SUBSIDIZED
■	MARKET-RATE/TAX CREDIT/GOVERNMENT-SUBSIDIZED
■	TAX CREDIT
■	TAX CREDIT/GOVERNMENT-SUBSIDIZED
■	GOVERNMENT-SUBSIDIZED

**SQUARE FOOT DETAIL
CHICKAMAUGA, GEORGIA
JULY 2006**

MAP ID	GARDEN STYLE UNITS (SQ.FT)					TOWNHOUSE UNITS (SQ.FT.)			
	STUDIO	1 BR	2 BR	3 BR	4+ BR	1 BR	2 BR	3 BR	4+ BR
2		500							
3							1200		
5		850	1300						
6		560 to 670					1050 to 1370		
8			1000						
9		700	900	1100					
12							850 to 1000	1200	
13	350 to 450	450 to 728	958						
15		600	816				1024		
16	288	576	864						
10		680	918						
4		731		1150	1306				
11		622	872						
1		650	850	1050					
7		700	900	1100					
14		624	888	1090					
17		600	800	1000	1140				

■	MARKET-RATE
■	MARKET-RATE/TAX CREDIT
■	MARKET-RATE/GOVERNMENT-SUBSIDIZED
■	MARKET-RATE/TAX CREDIT/GOVERNMENT-SUBSIDIZED
■	TAX CREDIT
■	TAX CREDIT/GOVERNMENT-SUBSIDIZED
■	GOVERNMENT-SUBSIDIZED

**PRICE PER SQUARE FOOT
CHICKAMAUGA, GEORGIA
JULY 2006**

STUDIO UNITS

MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
13	PARK LAKE APTS.	1	350 to 450	\$360	\$0.80 to \$1.03
16	LAKESHORE I APTS.	1	288	\$447	\$1.55

ONE-BEDROOM UNITS

MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
2	COUNTRY AIRE APTS.	1	500	\$534	\$1.07
5	FOUNTAIN BROOK APTS.	1	850	\$662 to \$682	\$0.78 to \$0.80
6	SAVANNAH SPRINGS APTS.	1	560 to 670	\$484 to \$534	\$0.80 to \$0.86
9	WOODLAND APTS.	1	700	\$464	\$0.66
13	PARK LAKE APTS.	1	450 to 728	\$439 to \$529	\$0.73 to \$0.98
15	FORT TOWN PLACE	1	600	\$532	\$0.89
16	LAKESHORE I APTS.	1	576	\$551	\$0.96
10	ROSSVILLE SENIOR VILLAGE	1	680	\$414 to \$459	\$0.61 to \$0.68
4	OGLETHORPE RIDGE APTS.	1	731	\$499	\$0.68
11	WOODLAND SENIOR	1	622	\$388 to \$452	\$0.62 to \$0.73

TWO-BEDROOM UNITS

MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
3	CLOUD SPRINGS TOWNHOUSES	1.5	1200	\$632	\$0.53
5	FOUNTAIN BROOK APTS.	1.5 to 2	1300	\$832 to \$882	\$0.64 to \$0.68
6	SAVANNAH SPRINGS APTS.	1.5	1050 to 1370	\$660 to \$710	\$0.52 to \$0.63
8	PARK KNOLL APTS.	1.5	1000	\$660	\$0.66
9	WOODLAND APTS.	1 to 2	900	\$590 to \$615	\$0.66 to \$0.68
12	LAKEVIEW PLACE	1.5	850 to 1000	\$527 to \$577	\$0.58 to \$0.62
13	PARK LAKE APTS.	1.5	958	\$635 to \$660	\$0.66 to \$0.69
15	FORT TOWN PLACE	1	816	\$677	\$0.83
		1.5	1024	\$727	\$0.71
16	LAKESHORE I APTS.	1 to 2	864	\$721 to \$761	\$0.83 to \$0.88
10	ROSSVILLE SENIOR VILLAGE	1	918	\$460 to \$475	\$0.50 to \$0.52
11	WOODLAND SENIOR	1	872	\$470 to \$548	\$0.54 to \$0.63

THREE-BEDROOM UNITS

MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
9	WOODLAND APTS.	2	1100	\$713 to \$763	\$0.65 to \$0.69

■	MARKET-RATE
■	MARKET-RATE/TAX CREDIT
■	MARKET-RATE/GOVERNMENT-SUBSIDIZED
■	MARKET-RATE/TAX CREDIT/GOVERNMENT-SUBSIDIZED
■	TAX CREDIT
■	TAX CREDIT/GOVERNMENT-SUBSIDIZED
■	GOVERNMENT-SUBSIDIZED



**PRICE PER SQUARE FOOT
CHICKAMAUGA, GEORGIA
JULY 2006**

THREE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
12	LAKEVIEW PLACE	1.5 to 2	1200	\$635 to \$710	\$0.53 to \$0.59
4	OGLETHORPE RIDGE APTS.	1.5	1150	\$762	\$0.66

FOUR+ BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
4	OGLETHORPE RIDGE APTS.	2	1306	\$825	\$0.63

	MARKET-RATE
	MARKET-RATE/TAX CREDIT
	MARKET-RATE/GOVERNMENT-SUBSIDIZED
	MARKET-RATE/TAX CREDIT/GOVERNMENT-SUBSIDIZED
	TAX CREDIT
	TAX CREDIT/GOVERNMENT-SUBSIDIZED
	GOVERNMENT-SUBSIDIZED

**AVERAGE GROSS RENT PER SQUARE FOOT
BY UNIT TYPE AND BEDROOM
CHICKAMAUGA, GEORGIA
JULY 2006**

MARKET-RATE			
UNIT TYPE	ONE BR	TWO BR	THREE BR
GARDEN	\$0.88	\$0.68	\$0.67
TOWNHOUSE	\$0.00	\$0.62	\$0.56

TAX CREDIT (NON-SUBSIDIZED)			
UNIT TYPE	ONE BR	TWO BR	THREE BR
GARDEN	\$0.65	\$0.57	\$0.66
TOWNHOUSE	\$0.00	\$0.00	\$0.00

COMBINED			
UNIT TYPE	ONE BR	TWO BR	THREE BR
GARDEN	\$0.86	\$0.66	\$0.66
TOWNHOUSE	\$0.00	\$0.62	\$0.56

**PROJECTS AND UNITS
BY QUALITY RATING
CHICKAMAUGA, GEORGIA
JULY 2006**

MARKET-RATE PROJECTS AND UNITS

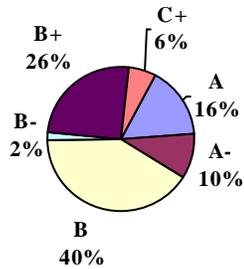
QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE	MEDIAN GROSS RENT		
				ONE BR	TWO BR	THREE BR
A	1	160	8.1%	\$662	\$832	\$0
A-	1	100	0.0%	\$534	\$660	\$0
B+	2	263	0.0%	\$532	\$727	\$0
B	5	414	3.6%	\$529	\$635	\$713
B-	1	20	0.0%	\$0	\$527	\$635
C+	1	62	6.5%	\$534	\$0	\$0

TAX CREDIT PROJECTS AND UNITS

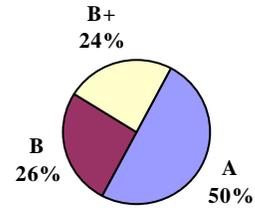
QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE	MEDIAN GROSS RENT		
				ONE BR	TWO BR	THREE BR
A	1	97	33.0%	\$499	\$0	\$762
B+	1	48	0.0%	\$414	\$475	\$0
B	1	52	0.0%	\$452	\$548	\$0

DISTRIBUTION OF UNITS BY QUALITY RATING

MARKET-RATE UNITS



TAX CREDIT UNITS



**DISTRIBUTION OF MARKET-RATE AND TAX CREDIT PROJECTS
BY UNITS AND YEAR BUILT
CHICKAMAUGA, GEORGIA
JULY 2006**

YEAR RANGE	PROJECTS	UNITS	VACANT*	% VACANT	TOTAL UNITS	DISTRIBUTION
Before 1960	0	0	0	0.0%	0	0.0%
1960 to 1969	0	0	0	0.0%	0	0.0%
1970 to 1979	3	116	5	4.3%	116	9.5%
1980 to 1989	4	380	14	3.7%	496	31.3%
1990 to 1994	0	0	0	0.0%	496	0.0%
1995 to 1999	2	197	32	16.2%	693	16.2%
2000 to 2001	1	160	13	8.1%	853	13.2%
2002	1	251	0	0.0%	1104	20.6%
2003	2	112	0	0.0%	1216	9.2%
2004	0	0	0	0.0%	1216	0.0%
2005	0	0	0	0.0%	1216	0.0%
2006*	0	0	0	0.0%	1216	0.0%
TOTAL	13	1216	64	5.3%	1216	100.0 %

**DISTRIBUTION OF MARKET-RATE AND TAX CREDIT PROJECTS
BY UNITS AND YEAR RENOVATED**

YEAR RANGE	PROJECTS	UNITS	VACANT*	% VACANT	TOTAL UNITS	DISTRIBUTION
Before 1960	0	0	0	0.0%	0	0.0%
1960 to 1969	0	0	0	0.0%	0	0.0%
1970 to 1979	0	0	0	0.0%	0	0.0%
1980 to 1989	0	0	0	0.0%	0	0.0%
1990 to 1994	0	0	0	0.0%	0	0.0%
1995 to 1999	0	0	0	0.0%	0	0.0%
2000 to 2001	0	0	0	0.0%	0	0.0%
2002	0	0	0	0.0%	0	0.0%
2003	0	0	0	0.0%	0	0.0%
2004	0	0	0	0.0%	0	0.0%
2005	0	0	0	0.0%	0	0.0%
2006*	1	160	13	8.1%	160	100.0%
TOTAL	1	160	13	8.1%	160	100.0 %

* BOTH TABLES BASED ON SURVEY DATE OF JULY 2006

NOTE: THE UPPER TABLE (DISTRIBUTION OF MARKET-RATE AND TAX CREDIT PROJECTS) INCLUDES ALL OF THE UNITS INCLUDED IN THE LOWER TABLE.



**DISTRIBUTION OF APPLIANCES
AND UNIT AMENITIES
CHICKAMAUGA, GEORGIA
JULY 2006**

APPLIANCES			
APPLIANCE	PROJECTS	PERCENT	UNITS*
RANGE	13	100.0%	1,216
REFRIGERATOR	13	100.0%	1,216
ICEMAKER	1	7.7%	52
DISHWASHER	11	84.6%	1,134
DISPOSAL	4	30.8%	364
MICROWAVE	5	38.5%	750

UNIT AMENITIES			
AMENITY	PROJECTS	PERCENT	UNITS*
AC - CENTRAL	12	92.3%	1,154
AC - WINDOW	1	7.7%	62
FLOOR COVERING	13	100.0%	1,216
WASHER/DRYER	2	15.4%	104
WASHER/DRYER HOOK-UP	8	61.5%	791
PATIO/DECK/BALCONY	8	61.5%	691
CEILING FAN	9	69.2%	833
FIREPLACE	0	0.0%	
BASEMENT	0	0.0%	
INTERCOM SYSTEM	0	0.0%	
SECURITY SYSTEM	1	7.7%	60
WINDOW TREATMENTS	13	100.0%	1,216
FURNISHED UNITS	0	0.0%	
E-CALL BUTTON	2	15.4%	112

* - DOES NOT INCLUDE UNITS WHERE APPLIANCES / AMENITIES ARE OPTIONAL; ONLY INCLUDES MARKET-RATE OR NON-GOVERNMENT SUBSIDIZED TAX CREDIT

**DISTRIBUTION OF PROJECT AMENITIES
CHICKAMAUGA, GEORGIA
JULY 2006**

PROJECT AMENITIES			
AMENITY	PROJECTS	PERCENT	UNITS
POOL	6	46.2%	799
ON SITE MANAGEMENT	11	84.6%	945
LAUNDRY	6	46.2%	484
CLUB HOUSE	3	23.1%	309
MEETING ROOM	1	7.7%	369
FITNESS CENTER	5	38.5%	620
JACUZZI/SAUNA	0	0.0%	
PLAYGROUND	2	15.4%	141
TENNIS COURT	0	0.0%	
SPORTS COURT	2	15.4%	304
STORAGE	1	7.7%	79
LAKE	2	15.4%	139
ELEVATOR	0	0.0%	
SECURITY GATE	0	0.0%	
BUSINESS CENTER	0	0.0%	
CAR WASH AREA	1	7.7%	207
PICNIC AREA	3	23.1%	183
CONCIERGE SERVER	0	0.0%	
SOCIAL SERVICE PACKAGE	1	7.7%	60

**RENT ANALYSIS
BY BEDROOM TYPE
CHICKAMAUGA, GEORGIA
JULY 2006**

STUDIO UNITS				
GROSS RENT	UNITS	DISTRIBUTION	VACANT	%
\$425 - \$449	15	20.0%	2	13.3%
\$400 - \$424	0	0.0%	0	0.0%
\$375 - \$399	0	0.0%	0	0.0%
\$350 - \$374	60	80.0%	0	0.0%
TOTAL	75	100.0%	2	2.7%
MEDIAN GROSS RENT \$360				

ONE-BEDROOM UNITS				
GROSS RENT	UNITS	DISTRIBUTION	VACANT	%
\$675 - \$699	34	5.7%	4	11.8%
\$650 - \$674	34	5.7%	3	8.8%
\$625 - \$649	0	0.0%	0	0.0%
\$600 - \$624	0	0.0%	0	0.0%
\$575 - \$599	0	0.0%	0	0.0%
\$550 - \$574	59	9.8%	8	13.6%
\$525 - \$549	306	51.1%	4	1.3%
\$500 - \$524	0	0.0%	0	0.0%
\$475 - \$499	27	4.5%	0	0.0%
\$450 - \$474	45	7.5%	0	0.0%
\$425 - \$449	57	9.5%	0	0.0%
\$400 - \$424	30	5.0%	0	0.0%
\$375 - \$399	7	1.2%	0	0.0%
TOTAL	599	100.0%	19	3.2%
MEDIAN GROSS RENT \$532				

**RENT ANALYSIS
BY BEDROOM TYPE
CHICKAMAUGA, GEORGIA
JULY 2006**

TWO-BEDROOM UNITS				
GROSS RENT	UNITS	DISTRIBUTION	VACANT	%
\$875 - \$899	46	10.6%	3	6.5%
\$850 - \$874	0	0.0%	0	0.0%
\$825 - \$849	46	10.6%	3	6.5%
\$800 - \$824	0	0.0%	0	0.0%
\$775 - \$799	0	0.0%	0	0.0%
\$750 - \$774	3	0.7%	0	0.0%
\$725 - \$749	72	16.6%	0	0.0%
\$700 - \$724	30	6.9%	0	0.0%
\$675 - \$699	16	3.7%	0	0.0%
\$650 - \$674	75	17.3%	0	0.0%
\$625 - \$649	60	13.8%	0	0.0%
\$600 - \$624	10	2.3%	2	20.0%
\$575 - \$599	18	4.1%	1	5.6%
\$550 - \$574	0	0.0%	0	0.0%
\$525 - \$549	27	6.2%	0	0.0%
\$500 - \$524	0	0.0%	0	0.0%
\$475 - \$499	18	4.1%	0	0.0%
\$450 - \$474	13	3.0%	0	0.0%
TOTAL	434	100.0%	9	2.1%
MEDIAN GROSS RENT \$660				
THREE-BEDROOM UNITS				
GROSS RENT	UNITS	DISTRIBUTION	VACANT	%
\$750 - \$774	50	83.3%	17	34.0%
\$725 - \$749	0	0.0%	0	0.0%
\$700 - \$724	8	13.3%	1	12.5%
\$675 - \$699	0	0.0%	0	0.0%
\$650 - \$674	0	0.0%	0	0.0%
\$625 - \$649	2	3.3%	0	0.0%
TOTAL	60	100.0%	18	30.0%
MEDIAN GROSS RENT \$762				

**RENT ANALYSIS
BY BEDROOM TYPE
CHICKAMAUGA, GEORGIA
JULY 2006**

FOUR+ BEDROOM UNITS				
GROSS RENT	UNITS	DISTRIBUTION	VACANT	%
\$825 - \$849	48	100.0%	16	33.3%
TOTAL	48	100.0%	16	33.3%
MEDIAN GROSS RENT \$825				
GRAND TOTAL	1,216	100.0%	64	5.3%

**DISTRIBUTION OF UTILITIES
BY PROJECTS AND UNITS
CHICKAMAUGA, GEORGIA
JULY 2006**

<u>UTILITY (WHO PAYS)</u>	<u>NUMBER OF PROJECTS</u>	<u>NUMBER OF UNITS</u>	<u>DISTRIBUTION OF UNITS</u>
HEAT			
<u>TENANT</u>			
ELECTRIC	14	1,436	79.5%
GAS	3	209	11.6%
			<u>100.0 %</u>
COOKING FUEL			
<u>TENANT</u>			
ELECTRIC	15	1,480	81.9%
GAS	2	165	9.1%
			<u>100.0 %</u>
HOT WATER			
<u>TENANT</u>			
ELECTRIC	14	1,428	79.0%
GAS	3	217	12.0%
			<u>100.0 %</u>
ELECTRIC			
TENANT	17	1,645	91.0%
			<u>100.0 %</u>
WATER			
LANDLORD	13	1,135	62.8%
TENANT	4	510	28.2%
			<u>100.0 %</u>
SEWER			
LANDLORD	13	1,135	62.8%
TENANT	4	510	28.2%
			<u>100.0 %</u>
TRASH PICK UP			
LANDLORD	14	1,295	71.7%
TENANT	3	350	19.4%
			<u>100.0 %</u>

**UTILITY ALLOWANCES
 GEORGIA DEPARTMENT OF COMMUNITY AFFAIRS
 JULY 2006**

BR	UNIT TYPE	HEATING				WATER		COOKING		ELECTRIC WATER	SEWER	TRASH	CABLE	
		GAS	ELECTRIC	STEAM	OTHER	GAS	ELECTRIC	GAS	ELECTRIC					
0	GARDEN	\$20	\$19	\$0	\$31	\$14	\$14	\$5	\$4	\$24	\$8	\$9	\$15	\$20
1	GARDEN	\$29	\$26	\$0	\$43	\$19	\$19	\$8	\$6	\$33	\$11	\$12	\$15	\$20
1	TOWNHOUS	\$29	\$26	\$0	\$43	\$19	\$19	\$8	\$6	\$33	\$11	\$12	\$15	\$20
2	GARDEN	\$36	\$34	\$0	\$55	\$24	\$25	\$9	\$8	\$43	\$13	\$14	\$15	\$20
2	TOWNHOUS	\$36	\$34	\$0	\$55	\$24	\$25	\$9	\$8	\$43	\$13	\$14	\$15	\$20
3	GARDEN	\$45	\$41	\$0	\$67	\$29	\$30	\$11	\$10	\$52	\$18	\$19	\$15	\$20
3	TOWNHOUS	\$45	\$41	\$0	\$67	\$29	\$30	\$11	\$10	\$52	\$18	\$19	\$15	\$20
4	GARDEN	\$58	\$53	\$0	\$86	\$36	\$39	\$14	\$12	\$67	\$22	\$24	\$15	\$20
4	TOWNHOUS	\$58	\$53	\$0	\$86	\$36	\$39	\$14	\$12	\$67	\$22	\$24	\$15	\$20

ADDENDUM B. COMPARABLE PROPERTY PHOTOS

2

COUNTRY AIRE APTS.



5

FOUNTAIN BROOK APTS.



8

PARK KNOLL APTS.



10

ROSSVILLE SENIOR VILLAGE



11

WOODLAND SENIOR



13

PARK LAKE APTS.



15

FORT TOWN PLACE



16

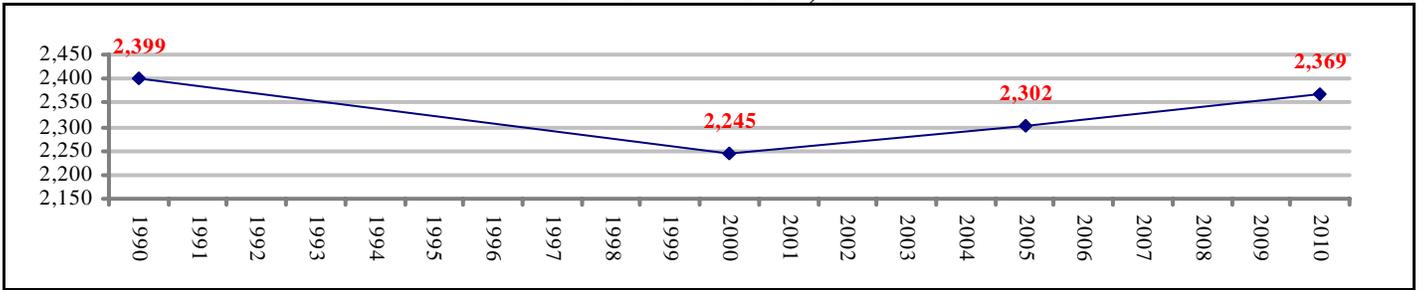
LAKESHORE I APTS.



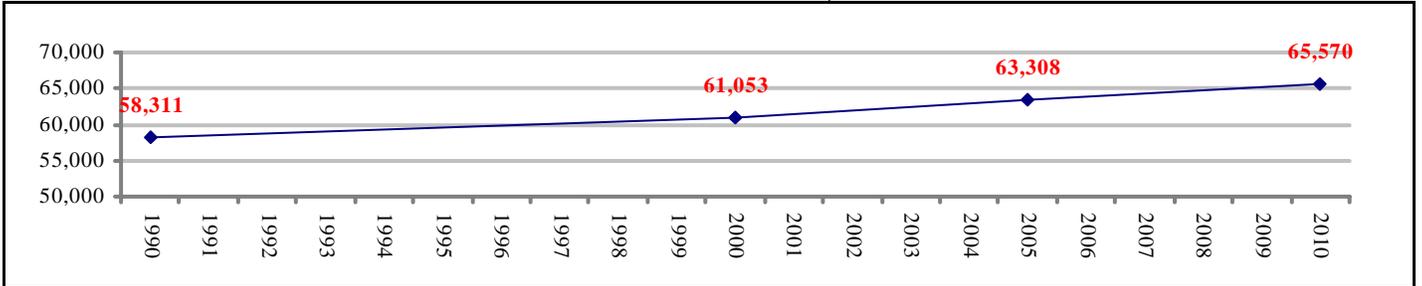
ADDENDUM C. AREA DEMOGRAPHICS

POPULATION - 1990, 2000(CENSUS), 2005(ESTIMATE), 2010(PROJECTION)

CHICKAMAUGA, GA



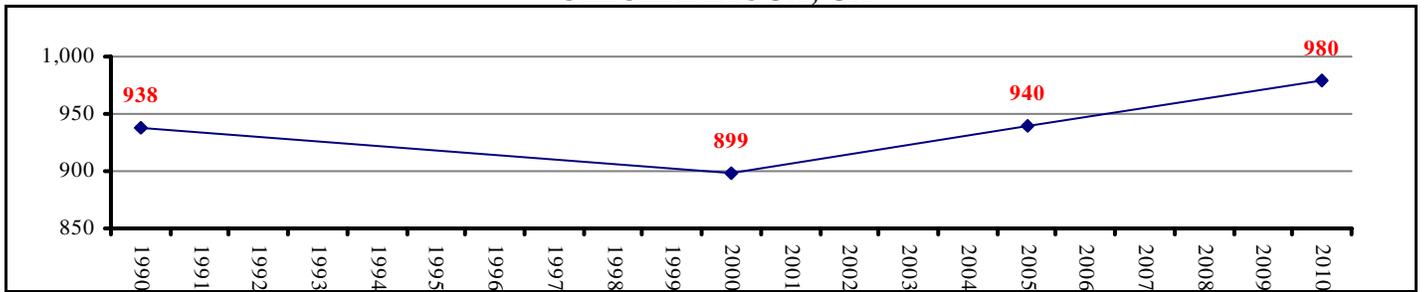
WALKER COUNTY, GA



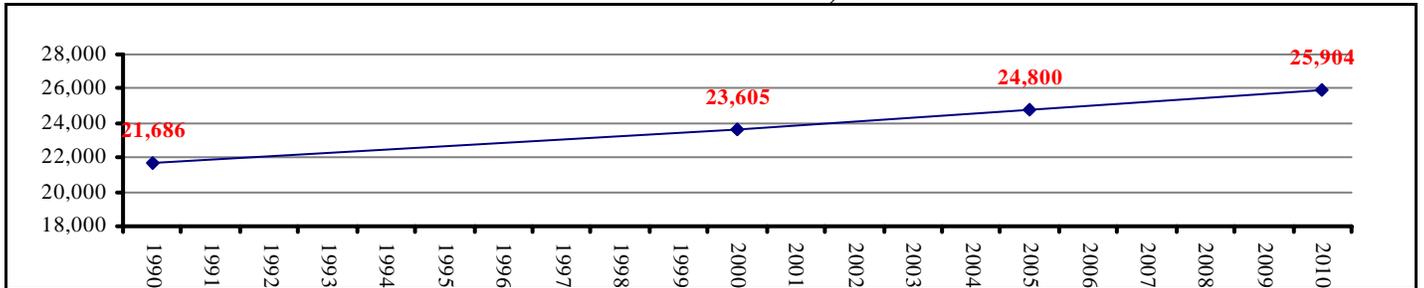
YEAR	CHICKAMAUGA, GA	WALKER COUNTY, GA
1990 CENSUS	2,399	58,311
2000 CENSUS	2,245	61,053
% CHANGE 1990 - 2000	-6.4%	4.7%
AVG. ANNUAL CHANGE	-15	274
2005 ESTIMATE	2,302	63,308
2010 PROJECTION	2,369	65,570
% CHANGE 2000 - 2010	5.5%	7.4%
AVG. ANNUAL CHANGE	14	502

HOUSEHOLDS - 1990, 2000(CENSUS), 2005(ESTIMATE), 2010(PROJECTION)

CHICKAMAUGA, GA



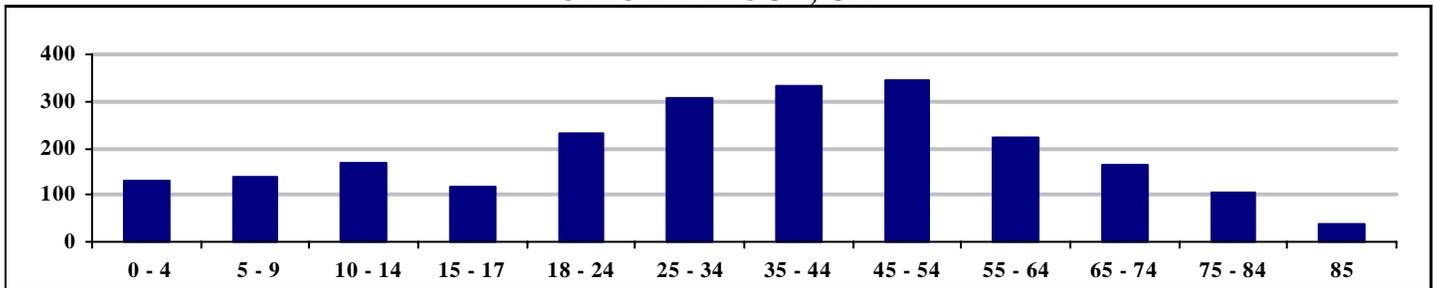
WALKER COUNTY, GA



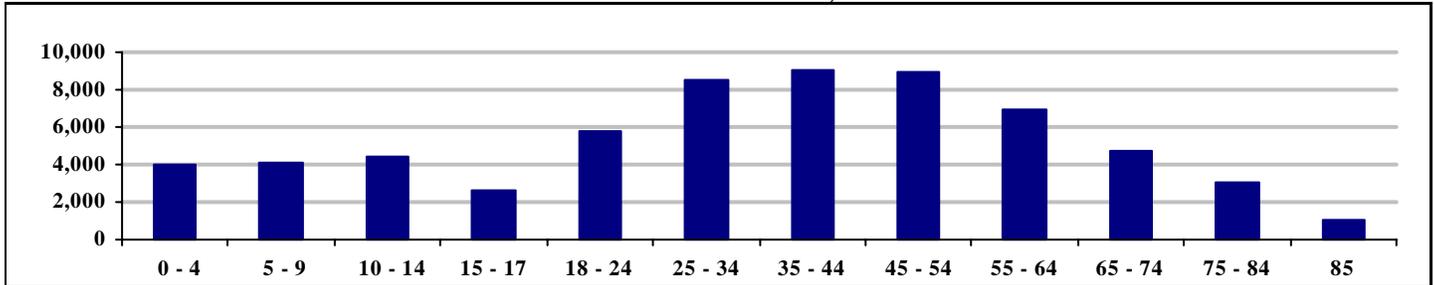
YEAR	CHICKAMAUGA, GA	WALKER COUNTY, GA
1990 CENSUS	938	21,686
2000 CENSUS	899	23,605
% CHANGE 1990 - 2000	-4.2%	8.8%
AVG. ANNUAL CHANGE	-4	192
2005 ESTIMATE	940	24,800
2010 PROJECTION	980	25,904
% CHANGE 2000 - 2010	9.0%	9.7%
AVG. ANNUAL CHANGE	9	255

POPULATION BY AGE GROUP - 2000 CENSUS

CHICKAMAUGA, GA



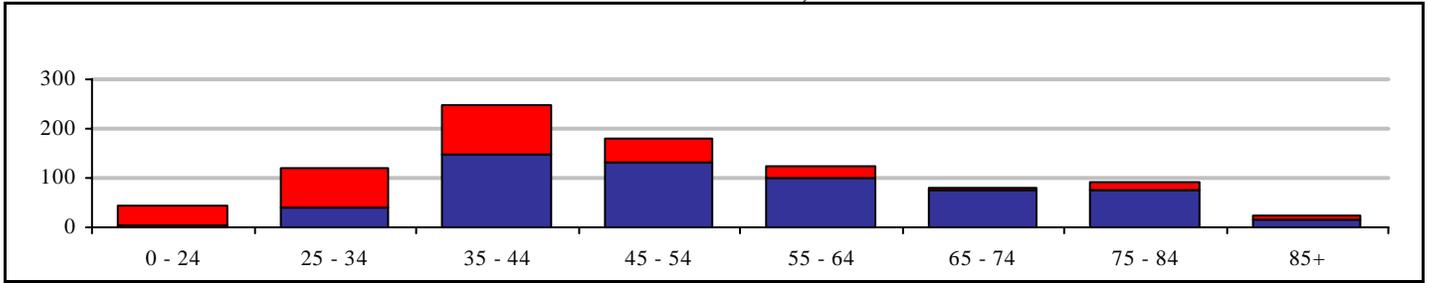
WALKER COUNTY, GA



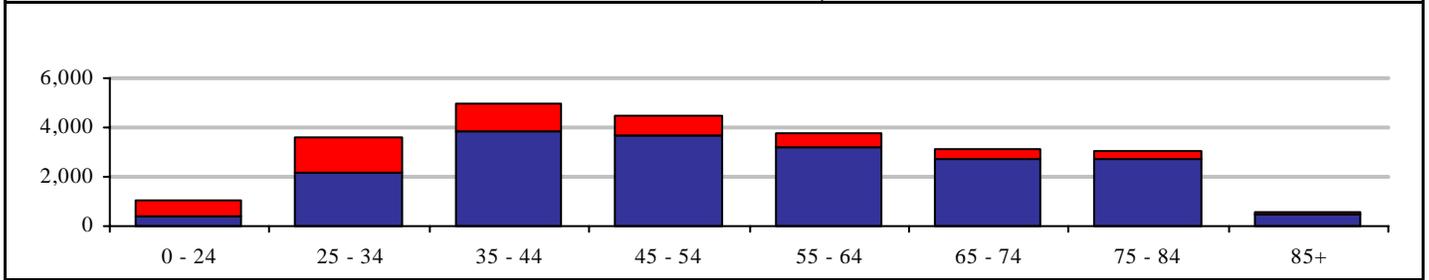
AGE GROUP	CHICKAMAUGA, GA		WALKER COUNTY, GA	
	NUM	%	NUM	%
0 - 4	131	5.7%	3,955	6.2%
5 - 9	138	6.0%	4,112	6.5%
10 - 14	169	7.3%	4,398	6.9%
15 - 17	116	5.0%	2,659	4.2%
18 - 24	230	10.0%	5,840	9.2%
25 - 34	307	13.3%	8,524	13.5%
35 - 44	334	14.5%	9,055	14.3%
45 - 54	346	15.0%	8,935	14.1%
55 - 64	223	9.7%	6,957	11.0%
65 - 74	164	7.1%	4,787	7.6%
75 - 84	105	4.6%	3,021	4.8%
85 +	39	1.7%	1,065	1.7%
TOTAL	2,302	100 %	63,308	100 %

OWNER- AND RENTER-OCCUPIED HOUSING BY AGE OF HEAD OF HOUSEHOLD - 2000

CHICKAMAUGA, GA



WALKER COUNTY, GA



■ RENTER-OCCUPIED HOUSEHOLDS
■ OWNER-OCCUPIED HOUSEHOLDS

RENTER-OCCUPIED HOUSEHOLDS

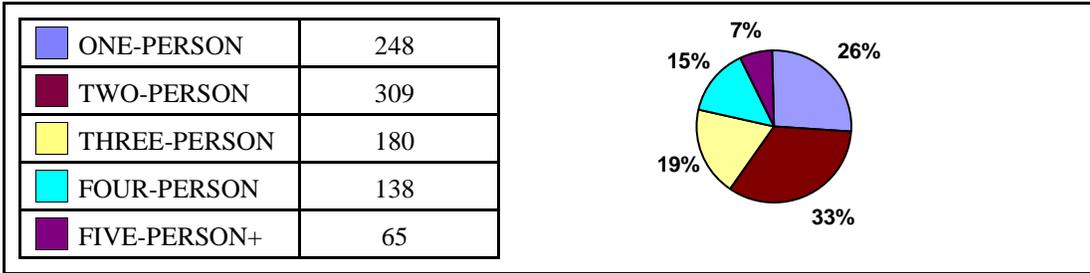
AGE GROUP	CHICKAMAUGA, GA		WALKER COUNTY, GA	
	NUM	%	NUM	%
< 25	37	11.5%	665	12.3%
25 - 34	83	25.8%	1,436	26.5%
35 - 44	97	30.1%	1,147	21.1%
45 - 54	50	15.5%	807	14.9%
55 - 64	25	7.8%	550	10.1%
65 - 74	4	1.2%	378	7.0%
75 - 84	18	5.6%	333	6.1%
85 +	8	2.5%	108	2.0%
TOTAL	322	100 %	5,424	100 %

OWNER-OCCUPIED HOUSEHOLDS

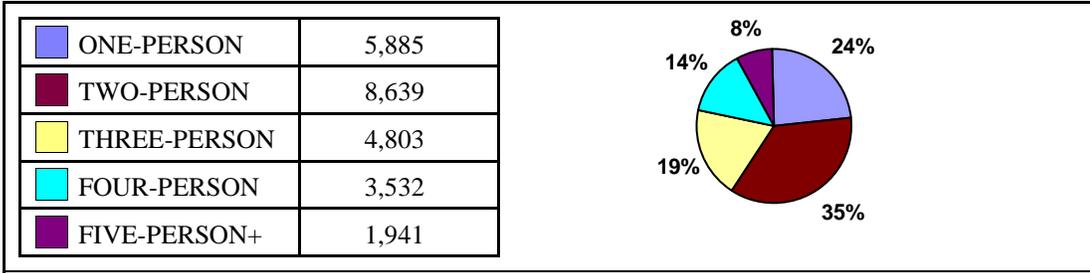
AGE GROUP	CHICKAMAUGA, GA		WALKER COUNTY, GA	
	NUM	%	NUM	%
< 25	6	1.0%	392	2.0%
25 - 34	39	6.6%	2,149	11.2%
35 - 44	150	25.3%	3,805	19.8%
45 - 54	132	22.2%	3,684	19.2%
55 - 64	100	16.8%	3,188	16.6%
65 - 74	75	12.6%	2,743	14.3%
75 - 84	75	12.6%	2,743	14.3%
85 +	17	2.9%	479	2.5%
TOTAL	594	100 %	19,183	100 %

HOUSEHOLD SIZE - 2000 CENSUS

CHICKAMAUGA, GA



WALKER COUNTY, GA



HOUSEHOLD COMPOSITION - 2000 CENSUS

HOUSEHOLD TYPE	CHICKAMAUGA, GA		WALKER COUNTY, GA	
	NUM	%	NUM	%
MARRIED COUPLE W/ CHILDREN	247	26.3%	6,001	24.1%
LONE MALE PARENT W/ CHILDREN	22	2.3%	520	2.1%
LONE FEMALE PARENT W/ CHILDREN	57	6.1%	1,524	6.1%
MARRIED COUPLE NO CHILDREN	276	29.4%	8,266	33.2%
LONE MALE PARENT NO CHILDREN	21	2.2%	515	2.1%
LONE FEMALE PARENT NO CHILDREN	44	4.7%	1,413	5.7%
NON-FAMILY MALE HEAD W/ CHILDREN	12	1.3%	515	2.1%
NON-FAMILY FEMALE HEAD W/ CHILDREN	13	1.4%	274	1.1%
LONE MALE HOUSEHOLDER	95	10.1%	2,210	8.9%
LONE FEMALE HOUSEHOLDER	153	16.3%	3,675	14.8%
TOTAL	940	100 %	24,913	100 %

POPULATION BY HOUSEHOLD COMPOSITION - 2000 CENSUS

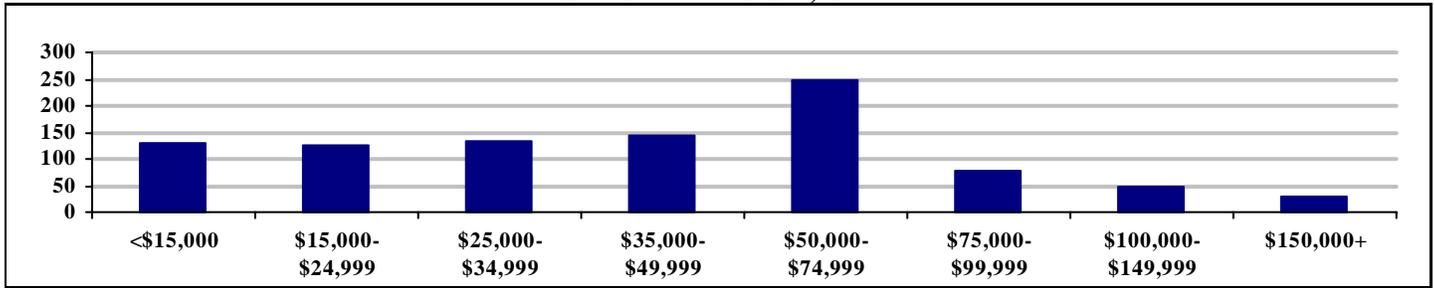
POPULATION	CHICKAMAUGA, GA		WALKER COUNTY, GA	
	NUM	%	NUM	%
IN FAMILY HOUSEHOLDS	2,076	91.7%	53,156	87.1%
IN NON-FAMILY HOUSEHOLDS	188	8.3%	6,886	11.3%
IN GROUP QUARTERS	0	0.0%	1,011	1.7%
TOTAL	2,264	100 %	61,053	100 %

POPULATION BY SINGLE RACE - 2000 CENSUS

RACE	CHICKAMAUGA, GA		WALKER COUNTY, GA	
	NUM	%	NUM	%
WHITE ALONE	2,203	98.5%	57,336	94.8%
BLACK OR AFRICAN AMERICAN	13	0.6%	2,300	3.8%
AMERICAN INDIAN/ALASKA NATIVE	6	0.3%	172	0.3%
ASIAN ALONE	5	0.2%	165	0.3%
HAWAIIAN/PACIFIC ISLANDER	0	0.0%	13	0.0%
SOME OTHER RACE ALONE	1	0.0%	48	0.1%
TWO OR MORE RACES	8	0.4%	454	0.8%
TOTAL	2,236	100 %	60,488	100 %

HOUSEHOLDS BY INCOME RANGE - 2000 CENSUS

CHICKAMAUGA, GA

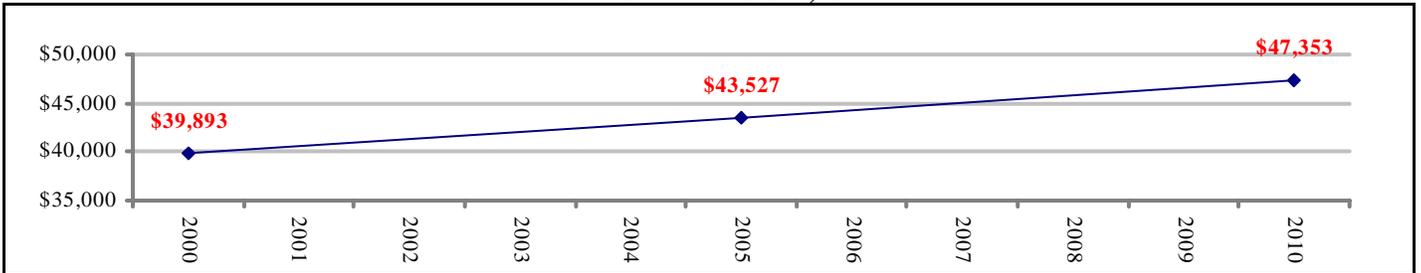


WALKER COUNTY, GA

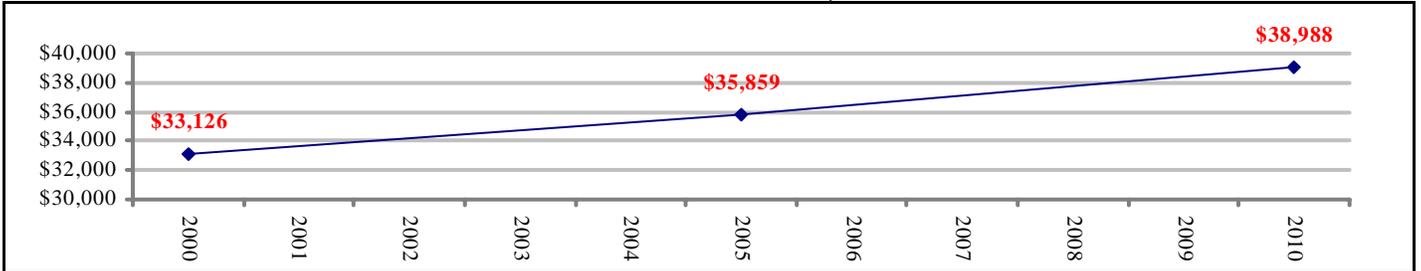


ANNUAL HOUSEHOLD INCOME	CHICKAMAUGA, GA		WALKER COUNTY, GA	
	NUM	%	NUM	%
< \$15,000	128	13.6%	4,614	18.6%
\$15,000 - \$24,999	125	13.3%	3,755	15.1%
\$25,000 - \$34,999	134	14.3%	3,770	15.2%
\$35,000 - \$49,999	146	15.5%	4,558	18.4%
\$50,000 - \$74,999	248	26.4%	4,899	19.8%
\$75,000 - \$99,999	79	8.4%	1,746	7.0%
\$100,000 - \$150,000	49	5.2%	988	4.0%
\$150,000 +	31	3.3%	470	1.9%
TOTAL	940	100 %	24,800	100 %

MEDIAN HOUSEHOLD INCOME - 1990, 2000(CENSUS), 2005(ESTIMATE), 2010(PROJECTION)
CHICKAMAUGA, GA



WALKER COUNTY, GA



	CHICKAMAUGA, GA	WALKER COUNTY, GA
2000 CENSUS	\$39,893	\$33,126
2005 ESTIMATE	\$43,527	\$35,859
% CHANGE 2000 - 2005	9.1%	8.3%
2010 PROJECTION	\$47,353	\$38,988
% CHANGE 2000 - 2010	8.8%	8.7%

AGE OF HEAD OF HOUSEHOLD BY ANNUAL HOUSEHOLD INCOME - 2000 CENSUS

CHICKAMAUGA, GA

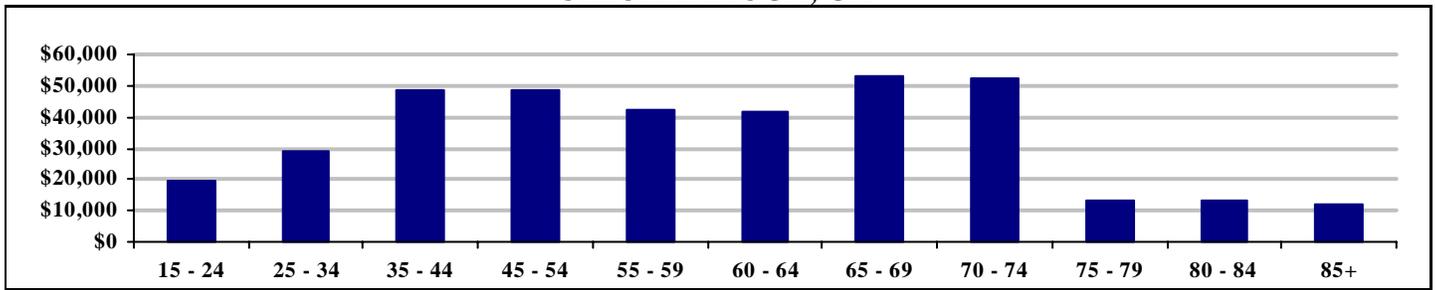
HOUSEHOLD INCOME	AGE OF HOUSEHOLDER						
	UNDER 25	25 - 34	35 - 44	45 - 54	55 - 64	66 - 74	75 +
< \$9,999	5	14	5	9	8	7	31
\$10,000 - \$14,999	0	0	8	0	5	0	30
\$15,000 - \$24,999	20	26	8	20	10	11	9
\$25,000 - \$34,999	0	20	41	32	9	7	11
\$35,000 - \$49,999	15	29	47	27	29	11	6
\$50,000 - \$74,999	0	12	90	44	19	23	10
\$75,000 - \$99,999	0	6	19	11	3	16	0
\$100,000 - \$149,999	0	0	7	18	3	3	0
\$150,000 +	0	0	4	7	11	0	0
TOTAL	40	107	229	168	97	78	97

WALKER COUNTY, GA

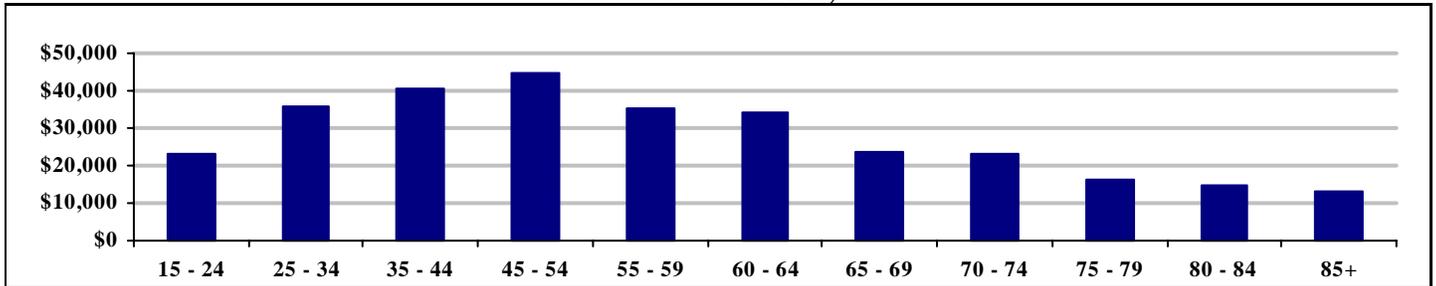
HOUSEHOLD INCOME	AGE OF HOUSEHOLDER						
	UNDER 25	25 - 34	35 - 44	45 - 54	55 - 64	66 - 74	75 +
< \$9,999	177	276	297	405	468	545	684
\$10,000 - \$14,999	152	165	236	152	354	336	600
\$15,000 - \$24,999	283	727	656	541	445	737	518
\$25,000 - \$34,999	234	663	803	607	569	487	356
\$35,000 - \$49,999	176	922	1,303	990	740	451	180
\$50,000 - \$74,999	59	758	1,060	1,174	678	283	134
\$75,000 - \$99,999	34	141	363	427	225	98	14
\$100,000 - \$149,999	0	68	144	175	124	45	2
\$150,000 +	0	32	82	119	58	39	47
TOTAL	1,115	3,752	4,944	4,590	3,661	3,021	2,535

MEDIAN HOUSEHOLD INCOME BY AGE OF HEAD OF HOUSEHOLD - 2000 CENSUS

CHICKAMAUGA, GA



WALKER COUNTY, GA



AGE OF HEAD OF HOUSEHOLD	CHICKAMAUGA, GA	WALKER COUNTY, GA
15 - 24	\$19,412	\$23,275
25 - 34	\$29,219	\$35,953
35 - 44	\$48,846	\$40,634
45 - 54	\$48,462	\$44,725
55 - 59	\$42,500	\$35,448
60 - 64	\$41,667	\$34,405
65 - 69	\$53,333	\$23,736
70 - 74	\$52,500	\$23,338
75 - 79	\$13,036	\$16,353
80 - 84	\$13,333	\$14,858
85 +	\$12,143	\$13,371
MEDIAN HOUSEHOLD INCOME	\$39,893	\$33,126

EMPLOYMENT BY SIC CATEGORY (LARGEST 10 SIC CODES) - 2000 CENSUS

INDUSTRY	CHICKAMAUGA, GA		WALKER COUNTY, GA	
	NUM	%	NUM	%
AGRICULTURE / NATURAL RESOURCES	0	0.0%	40	2.2%
NATURAL RESOURCE EXTRACTION	0	0.0%	1	0.1%
CONSTRUCTION	19	1.7%	126	7.0%
MANUFACTURING	219	19.9%	99	5.5%
TRANSPORTATION, UTILITIES	73	6.6%	66	3.7%
WHOLESALE TRADE	30	2.7%	74	4.1%
RETAIL TRADE	171	15.5%	407	22.6%
FINANCE, INSURANCE, REAL ESTATE	42	3.8%	112	6.2%
SERVICES	448	40.6%	694	38.6%
GOVERNMENT	99	9.0%	143	8.0%
NON-CLASSIFIABLE	2	0.2%	35	1.9%
TOTAL	1,103	100 %	1,797	100 %

RENTER-OCCUPIED HOUSEHOLDS BY YEAR STRUCTURE BUILT - 2000 CENSUS

YEAR BUILT	CHICKAMAUGA, GA		WALKER COUNTY, GA	
	NUM	%	NUM	%
1999 TO MARCH 2000	7	2.2%	58	1.1%
1995 TO 1998	32	9.9%	195	3.6%
1990 TO 1994	27	8.4%	367	6.8%
1980 TO 1989	36	11.2%	1,064	19.6%
1970 TO 1979	36	11.2%	1,080	19.9%
1960 TO 1969	47	14.6%	892	16.4%
1940 TO 1959	62	19.3%	1,249	23.0%
1939 AND EARLIER	75	23.3%	519	9.6%
TOTAL	322	100 %	5,424	100 %

OWNER-OCCUPIED HOUSEHOLDS BY YEAR STRUCTURE BUILT - 2000 CENSUS

YEAR BUILT	CHICKAMAUGA, GA		WALKER COUNTY, GA	
	NUM	%	NUM	%
1999 TO MARCH 2000	4	0.7%	414	2.3%
1995 TO 1998	40	6.9%	1,516	8.3%
1990 TO 1994	44	7.5%	1,482	8.2%
1980 TO 1989	49	8.4%	2,667	14.7%
1970 TO 1979	93	16.0%	3,146	17.3%
1960 TO 1969	83	14.2%	2,997	16.5%
1940 TO 1959	124	21.3%	4,301	23.7%
1939 AND EARLIER	146	25.0%	1,658	9.1%
TOTAL	583	100 %	18,181	100 %

UNITS IN STRUCTURE - 2000 CENSUS

UNITS	CHICKAMAUGA, GA		WALKER COUNTY, GA	
	NUM	%	NUM	%
1-UNIT, DETACHED	736	77.4%	19,075	75.2%
1-UNIT, ATTACHED	0	0.0%	0	0.0%
2 TO 4 UNITS	67	7.0%	1,321	5.2%
5 TO 19 UNITS	20	2.1%	655	2.6%
20 UNITS OR MORE	0	0.0%	165	0.7%
MOBILE HOME	125	13.1%	4,113	16.2%
BOAT, RV, VAN, ETC	3	0.3%	24	0.1%
TOTAL	951	100 %	25,353	100 %

GROSS RENT PAID - 2000 CENSUS

GROSS RENT	CHICKAMAUGA, GA		WALKER COUNTY, GA	
	NUM	%	NUM	%
LESS THAN \$300	25	7.8%	677	13.0%
\$300 - \$499	131	40.7%	2,237	43.0%
\$500 - \$749	111	34.5%	1,274	24.5%
\$750 - \$999	14	4.3%	245	4.7%
\$1,000 - \$1,499	0	0.0%	23	0.4%
\$1,500 - \$1,999	0	0.0%	2	0.0%
\$2,000 OR MORE	0	0.0%	0	0.0%
NO CASH RENT	41	12.7%	744	14.3%
TOTAL	322	100 %	5,202	100 %
MEDIAN GROSS RENT	\$484		\$441	

YEAR MOVED INTO RENTER-OCCUPIED HOUSEHOLDS - 2000 CENSUS

YEAR	CHICKAMAUGA, GA		WALKER COUNTY, GA	
	NUM	%	NUM	%
1999 TO MARCH 2000	116	36.0%	2,321	42.8%
1995 TO 1998	137	42.5%	1,793	33.1%
1990 TO 1994	23	7.1%	667	12.3%
1980 TO 1989	26	8.1%	289	5.3%
1970 TO 1979	4	1.2%	130	2.4%
1969 OR EARLIER	16	5.0%	224	4.1%
TOTAL	322	100 %	5,424	100 %

YEAR MOVED INTO OWNER-OCCUPIED HOUSEHOLDS - 2000 CENSUS

YEAR	CHICKAMAUGA, GA		WALKER COUNTY, GA	
	NUM	%	NUM	%
1999 TO MARCH 2000	37	6.3%	1,514	8.3%
1995 TO 1998	148	25.4%	3,792	20.9%
1990 TO 1994	103	17.7%	3,277	18.0%
1980 TO 1989	119	20.4%	3,559	19.6%
1970 TO 1979	81	13.9%	2,383	13.1%
1969 OR EARLIER	95	16.3%	3,656	20.1%
TOTAL	583	100 %	18,181	100 %

HOUSING UNITS BUILDING PERMITS

CHICKAMAUGA, GA			
YEAR	UNITS IN SINGLE-FAMILY STRUCTURES	UNITS IN ALL MULTI-FAMILY STRUCTURES	TOTAL
2001	15	8	23
2002	10	0	10
2003	19	6	25
2004	13	0	13
2005	13	0	13
TOTAL	70	14	84

WALKER COUNTY, GA			
YEAR	UNITS IN SINGLE-FAMILY STRUCTURES	UNITS IN ALL MULTI-FAMILY STRUCTURES	TOTAL
2001	308	76	384
2002	331	94	425
2003	415	24	439
2004	512	10	522
2005	490	0	490
TOTAL	2,056	204	2,260

Market Analyst Certification Checklist

I understand that by initializing (or checking) the following items, I am stating those items are included and/or addressed in the report. If an item is not checked a full explanation is included in the report.

The report was written according to GDCA's market study requirements, that the information included is accurate and that the report can be relied upon by GDCA as a true assessment of the low-income housing rental market.

I also certify that a member of Vogt Williams & Bowen, LLC or I have inspected the property as well as all rent comparables.

Signed: 

Date: July 14, 2006

A. Executive Summary

1	Market demand for subject property given the economic conditions of the area	Page	A-1
2	Projected Stabilized Occupancy Level and Timeframe	Page	A-1
3	Appropriateness of unit mix, rent and unit sizes	Page	A-2
4	Appropriateness of interior and exterior amenities including appliances	Page	A-2
5	Location and distance of subject property in relationship to local amenities	Page	A-2
6	Discussion of capture rates in relationship to subject	Page	A-3
7	Conclusion regarding the strength of the market for subject	Page	A-3

B. Project Description

1	Project address, legal description and location	Page	B-1
2	Number of units by unit type	Page	B-1
3	Unit size, # of bedrooms and structure type (i.e. townhouse, garden apartment, etc)	Page	B-1
4	Rents and Utility Allowance*	Page	B-1
5	Existing or proposed project based rental assistance	Page	B-2
6	Proposed development amenities (i.e. washer/dryer hookups, dishwasher etc.)	Page	B-2
7	For rehab proposals, current occupancy levels, rents, and tenant incomes (if available), as well as detailed information as to renovation of property	Page	N/A
8	Projected placed in service date	Page	B-2
9	Construction type: New Construction/Rehab/Adaptive Reuse, etc.	Page	B-2
10	Occupancy Type: Family, Elderly, Housing for Older Persons, Special Needs, etc.	Page	B-2
11	Special Population Target (if applicable)	Page	N/A

** For the Atlanta MSA, for 60% income, rents are based on 54% rents*

**Gross Rents are to be used for calculation of income bands*

C. Site Evaluation

1	Date of Inspection of Subject Property by Market Analyst	Page	C-1
2	Physical features of Subject Property and Adjacent Uses	Page	C-1
3	Subject Photographs (front, rear, and side elevations as well as street scenes)	Page	C-5
4	Map identifying location of subject as well as closest shopping centers, schools, medical facilities and other amenities relative to subject	Page	C-10
5	Developments in vicinity to subject and proximity in miles (Identify developments Surrounding subject on all sides) - zoning of subject and surrounding uses	Page	C-2, 11
6	Map identifying existing low-income housing within the Primary Market Area and proximity in miles to subject	Page	C-12
7	Road or infrastructure improvements planned or under construction in the PMA	Page	C-13
8	Comment on access, ingress/egress and visibility of subject	Page	C-2
9	Any visible environmental or other concerns	Page	C-13
10	Overall conclusions of site and their marketability	Page	C-13

D. Market Area

1	Map identifying Subject's Location within PMA	Page	D-2
2	Map identifying Subject's Location within SMA, if applicable	Page	N/A

E. Community Demographic Data

Data on Population and Households at Five Years Prior to Market Entry, and Projected Five Years Post-Market Entry, (2004, 2005 and 2010) *	Page	E-1
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** If using sources other than U.S. Census (i.e., Claritas or other reputable source of data), please include in Addenda*

1. Population Trends

a.	Total Population	Page	E-1
b.	Population by Age Group	Page	E-1
c.	Number of elderly and non-elderly (for elderly projects)	Page	E-1
d.	If a special needs is proposed, additional information for this segment	Page	N/A

2. Household Trends

a.	Total number of households and average household size	Page	E-2
b.	Households by tenure (# of owner and renter households)	Page	E-2
	Elderly by tenure, if applicable	Page	E-4, 5
c.	Households by Income (Elderly, if applicable, should be allocated separately)	Page	E-4, 5
d.	Renter households by # of persons in the household	Page	E-3

3. Employment Trend

a.	Employment by industry— #s & % (i.e. manufacturing: 150,000 (20%))	Page	E-6
b.	Major employers, product or service, total employees, anticipated expansions, contractions in work forces, as well as newly planned employers and impact on employment in the PMA	Page	E-8
c.	Unemployment trends for the PMA and, where possible, the county total workforce for unemployment trends for the last two to four years.	Page	E-9
d.	Map of the site and location of major employment concentrations.	Page	E-10
e.	Overall conclusions	Page	E-9

F. Project Specific Demand Analysis

1	Income Restrictions - uses applicable incomes and rents in the development's tax application.	Page	F-1
2	Affordability - Delineation of Income Bands *	Page	F-2
3	Comparison of market rates of competing properties with proposed subject market rent	Page	F-6
4	Comparison of market rates of competing properties with proposed LIHTC rents	Page	F-6
5	Demand Analysis Using Projected Service Date (within 2 years)	Page	F-5
a.	New Households Using Growth Rates from Reputable Source	Page	F-5
b.	Demand from Existing Households (Combination of rent overburdened and substandard)	Page	F-5
c.	Elderly Households Converting to Rentership (applicable only to elderly)	Page	F-5
d.	Elderly Households Relocating to the Market (applicable only to elderly)	Page	N/A
e.	Deduction of Total of "Comparable Units"	Page	F-5
f.	Capture Rates for Each Bedroom Type	Page	F-6
g.	Anticipated Absorption period for the property	Page	F-6

** Assume 35% of gross income towards total housing expenses for family*

** Assume 40% of gross income towards total housing expenses for elderly*

** Assume 35% of gross income for derivation of income band for family*

** Assume 40% of gross income for derivation of income band for elderly*

G. Supply Analysis

1.	Comparative chart of subject amenities and competing properties	Page	G-5
2.	Supply & analysis of competing developments under construction & pending	Page	G-13
3.	Comparison of competing developments (occupancy, unit mix and rents)	Page	G-3
4.	Rent Comparable Map (showing subject and comparables)	Page	C-12
5.	Assisted Projects in PMA*	Page	G-12
6.	Multi-Family Building Permits issued in PMA in last two years	Page	Addendum C-17

* PHA properties are not considered comparable with LIHTC units

H. Interviews

1. Names, Title, and Telephone # of Individuals Interviewed Page H-1

I. Conclusions and Recommendations

1. Conclusion as to Impact of Subject on PMA Page I-1

2. Recommendation as to Subject's Viability in PMA Page I-1

J. Signed Statement

1. Signed Statement from Analyst Page J-1

K. Qualifications

Page K-1

Comparison of Competing Properties

Separate Letter addressing addition of more than one competing property. Not Applicable