EHA

EVERSON,
HUBER &
ASSOCIATES, LC

Commercial Real Estate Services

APPRAISAL REPORT

OF THE PROPOSED RENOVATED

CENTENNIAL PLACE APARTMENTS PHASE III
248 MERRITTS AVENUE NW
ATLANTA, FULTON COUNTY, GEORGIA 30313

EHA File 15-149

DATE OF VALUE

April 23, 2015

PREPARED FOR

Mr. Trey Williams
Development Director
The Integral Group LLC
Centennial Place Partnership III, L.P.
191 Peachtree St., NE, Suite 4100
Atlanta, GA 30303

Appraisal Institute™
Professionals Providing Real Estate Solutions

The Principals and Associate Appraisers at EHA are Designated Members, Candidates for Designation, Practicing Affiliates, or Affiliates of the Appraisal Institute.

EHA

EVERSON, HUBER & ASSOCIATES, LC

Commercial Real Estate Services

3535 Roswell Road, Suite 55
Marietta, Georgia 30062
Phone: (770) 977-3000
Fax: (770) 977-3490

Web Site: www.ehalc.com

PRINCIPALS
Larry A. Everson, MAI, CCIM
Stephen M. Huber

ASSOCIATE APPRAISERS
Timothy P. Huber
Ingrid N. Ott
Jon A. Reiss
George H. Corry III
A. Mason Carter

RESEARCH
Douglas M. Rivers

ADMINISTRATIVE
Pauline J. Hines

June 9, 2015

Mr. Trey Williams
Development Director
The Integral Group LLC
Centennial Place Partnership III, L.P.
191 Peachtree St., NE, Suite 4100
Atlanta, GA 30303

RE: Appraisal Report of the
Proposed Renovated
Centennial Place Apartments – Phase III
248 Merritts Avenue NW
Atlanta, Fulton County, Georgia 30313

EHA File 15-149

Dear Mr. Williams:

At your request and authorization, we conducted the inspections, investigations, and analyses necessary to appraise the above referenced property. We have prepared an appraisal report presented in a comprehensive format in accordance with the Georgia Department of Community Affairs (DCA) Appraisal Manual. The purpose of this appraisal is to estimate the market value of the leasehold interest in the subject property "as is," market value of the fee simple and leasehold interests in the underlying site "as if vacant," and prospective market value of the leasehold interest in the subject property "upon completion and stabilization," of the proposed renovations using both restricted and hypothetical unrestricted rents. We were also requested to estimate prospective unrestricted market value at loan maturity and value of the tax credits. The values are predicated on market conditions prevailing on April 23, 2015, which is the date of our last inspection. This appraisal is intended for use by the addressee for internal decision making purposes and may be used and/or relied upon by the Department of Community Affairs.

Centennial Place Apartments Phase III is a 185-unit apartment development, built in 1998, situated on a 7.43-acre ground-leased site. It is located south of Merritts Avenue, west of McAfee Street, east of Luckie Street, and north of Mills Street. It is bisected by Pine and Hunnicutt Streets, within the city limits of Atlanta, Fulton County, Georgia, at the center of the Atlanta CBD. The property consists of 23 two- and three-story apartment buildings. The unit mix consists of 57 one-bedroom units, 110 two-bedroom units, 16

EHA

EVERSON, HUBER & ASSOCIATES, LC

Commercial Real Estate Services

three-bedroom units, and two four-bedroom units, ranging from 684 to 1,575 square feet (net leasable), with an average size of 899 square feet. The subject includes a mixture of market (74 units, or 40%), Low Income Housing Tax Credit (LIHTC) units at 60% of AMI (37 units, or 20%), and authority assisted units (74 units, or 40%). The project includes surface parking, a free-standing management building and common amenities that it shares with the four phases of the development that includes a leasing office and fitness center, multiple playgrounds, two swimming pools, and grill stations that will be added after renovation. It is our understanding that the property is planned for extensive renovation. The renovation will be financed with proceeds from the syndication of federal and state 9% low income housing tax credits.

The subject is more fully described, legally and physically, within the attached report. Additional data, information and calculations leading to the value conclusion are in the report following this letter. This document in its entirety, including all assumptions and limiting conditions, is an integral part of this letter.

The attached narrative appraisal report contains the most pertinent data and analyses upon which our opinions are based. The appraisal was prepared in accordance with the requirements of the Code of Professional Ethics and Standards of Professional Conduct of the Appraisal Institute. In addition, this appraisal was prepared in conformance with our interpretation of the guidelines and recommendations set forth in the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation, the Interagency Appraisal and Evaluation Guidelines, the Office of the Comptroller of the Currency, and the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA).

Our opinions of value were formed based on our experience in the field of real property valuation, as well as the research and analysis set forth in this appraisal. Our concluded opinions of leasehold market value, subject to the attached Assumptions and Limiting Conditions and Certification, are as follows:

EHA

EVERSON, HUBER & ASSOCIATES, LC

Commercial Real Estate Services

APPRAISAL VALUE ESTIMATES	
Estimate of the Market Value of the Leasehold Interest in the Subject “As Is”, as of April 23, 2015:	$8,050,000
Per Unit (185):	$43,514
Allocated Market Value of the Leasehold Interest in the Subject Improvements As of April 23, 2015:	$8,050,000
Allocated Market Value of the Leasehold Interest in the Subject Underlying Land As of March 10, 2014:	$0
Estimate of Market Value of the Leasehold Interest in the Subject “Upon Completion,” Subject to Restricted Rents, As of June 1, 2016:	$9,850,000
Per Unit (185):	$53,243
Estimate of Market Value of Leasehold Interest in the Subject “At Stabilization,” Subject to Restricted Rents, As of December 1, 2016:	$10,000,000
Per Unit (185):	$54,054
Estimate of Hypothetical Market Value of the Leasehold Interest in the Subject “Upon Completion,” Assuming Unrestricted/Market Rents, As of	$21,300,000
Per Unit (185):	$115,135
Estimate of Hypothetical Market Value of the Leasehold Interest in the Subject “At Stabilization,” Assuming Unrestricted/Market Rents, As of December 1, 2016:	$21,500,000
Per Unit (185):	$116,216
Prospective Unrestricted Value At Loan Maturity:	$23,500,000
Value of Tax Credits, As of December 1, 2016:	$12,778,000
Estimate of the Market Value of the Leasehold Interest in the Subject Site “As Is”, as of April 23, 2015:	$0
As part of this assignment we were asked to estimate the leasehold interest in the underlying subject site. The entire Centennial site is leased by various ownership entities of the Integral Group, LLC, from The Housing Authority of the City of Atlanta, the current owner. The term for the subject site is 55 years at basically no rent ($10/year), begun December 1996. It is our understanding that the mortgagor has entered into an option to purchase the ground lease from the current lessee and will maintain the $10 annual ground rent. The ground lease will be for a period of at least 50 years beyond the closing of the HUD financing. Essentially, the restrictions on the use of the subject site results in insufficient revenues to support a residual land value. Further, the improvements are only feasible to construct with the assistance of substantial incentives. Therefore, the land does not contribute value to the leasehold interest in the subject.	

EHA

EVERSON, HUBER & ASSOCIATES, LC

Commercial Real Estate Services

It was our pleasure assisting you in this matter. If you have any questions concerning the analysis, or if we can be of further service, please call.

Respectfully submitted,

EVERSON, HUBER & ASSOCIATES, LC

By:

Ingrid Ott
Certified General Appraiser
Georgia Certificate No. 265709

Timothy P. Huber
Certified General Appraiser
Georgia Certificate No. 6110

Stephen M. Huber
Principal
Certified General Appraiser
Georgia Certificate No. 1350

We certify that, to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. Everson, Huber, and Associates, LLC prepared a restricted use appraisal report for the subject property July 2012.
5. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
9. Stephen M. Huber and Ingrid Ott made a personal inspection of the subject property. Ingrid Ott prepared this report under the supervision of Timothy P. Huber and Stephen M. Huber.
10. No one provided significant real property appraisal assistance to the persons signing this certification.
11. The reported analyses, opinions and conclusions were developed, and this report has been prepared in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
13. As of the date of this report, we have completed the Standards and Ethics Education Requirement for Candidates of the Appraisal Institute.
14. The racial/ethnic composition of the neighborhood surrounding the property in no way affected the appraisal determination.
15. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Georgia Real Estate Appraiser Classification and Regulation Act, the Rules and Regulations of the Georgia Real Estate Appraisers Board.
16. We have extensive experience in the appraisal of commercial properties and are appropriately certified by the State of Georgia to appraise properties of this type.

Ingrid Ott
Certified General Real Property Appraiser
Georgia Certificate No. 265709

Timothy P. Huber
Certified General Real Property Appraiser
Georgia Certificate No. 6110

Stephen M. Huber, Principal
Certified General Real Property Appraiser
Georgia Certificate No. CG1350

Property Name/Address:	Centennial Place Apartments Phase III 248 Merritts Avenue NW Atlanta, Fulton County, GA 30313
Location:	South of Merritts Avenue, west of Lovejoy Street, east of McAfee, and north of Hunnicutt Street. It is bisected by Pine Street, within the city limits of Atlanta, Fulton County, Georgia, at the center of the Atlanta CBD.
Appraisal Identification:	EHA File 15-149
Tax Parcel Numbers:	14007900020104, 14007900020179 (improvements), 14007900060175, and 14007900060209
Property Description:	Centennial Place Apartments Phase III is a 185-unit apartment development, built in 1998, situated on a 7.43-acre ground-leased site. The property consists of 23 two- and three-story apartment buildings. The unit mix consists of 57 one-bedroom units, 110 two-bedroom units, 16 three-bedroom units, and two four-bedroom units, ranging from 684 to 1,575 square feet (net leasable), with an average size of 899 square feet. The subject includes a mixture of market (74 units, or 40%), Low Income Housing Tax Credit (LIHTC) units at 60% of AMI (37 units, or 20%), and authority assisted units (74 units, or 40%). The project includes surface parking, a free-standing management building and common amenities that it shares with the four phases of the development that includes a leasing office and fitness center, multiple playgrounds, two swimming pools, and grill stations that will be added after renovation. It is our understanding that the property is planned for extensive renovation. The renovation will be financed with proceeds from the syndication of federal and state 9% low income housing tax credits.
Highest and Best Use	As If Vacant: Future development with a multifamily use As Improved: Continued operation as an apartment complex
Purpose of the Appraisal:	To estimate the market value of the leasehold interest in the subject property "as is," market value of the fee simple and leasehold interests in the underlying site "as if vacant," and prospective market value of the leasehold interest in the subject property "upon completion and stabilization," of the proposed renovations using both restricted and hypothetical unrestricted rents. We were also requested to estimate prospective unrestricted market value at loan maturity and value of the tax credits.
Intended Use:	This appraisal is intended for use by the addressee for internal decision making purposes and may be used and/or relied upon by the Department of Community Affairs.

Property Rights: Leasehold

Date of Inspection/Value: April 23, 2015

Date of Report: June 9, 2015

Estimated Marketing Time: 12 months or less

Valuation:

APPRAISAL VALUE ESTIMATES	
Estimate of the Market Value of the Leasehold Interest in the Subject “As Is”, as of April 23, 2015:	$8,050,000
Per Unit (185):	$43,514
Allocated Market Value of the Leasehold Interest in the Subject Improvements As of April 23, 2015:	$8,050,000
Allocated Market Value of the Leasehold Interest in the Subject Underlying Land As of March 10, 2014:	$0
Estimate of Market Value of the Leasehold Interest in the Subject “Upon Completion,” Subject to Restricted Rents, As of June 1, 2016:	$9,850,000
Per Unit (185):	$53,243
Estimate of Market Value of Leasehold Interest in the Subject “At Stabilization,” Subject to Restricted Rents, As of December 1, 2016:	$10,000,000
Per Unit (185):	$54,054
Estimate of Hypothetical Market Value of the Leasehold Interest in the Subject “Upon Completion,” Assuming Unrestricted/Market Rents, As of	$21,300,000
Per Unit (185):	$115,135
Estimate of Hypothetical Market Value of the Leasehold Interest in the Subject “At Stabilization,” Assuming Unrestricted/Market Rents, As of December 1, 2016:	$21,500,000
Per Unit (185):	$116,216
Prospective Unrestricted Value At Loan Maturity:	$23,500,000
Value of Tax Credits, As of December 1, 2016:	$12,778,000
Estimate of the Market Value of the Leasehold Interest in the Subject Site “As Is”, as of April 23, 2015:	$0
As part of this assignment we were asked to estimate the leasehold interest in the underlying subject site. The entire Centennial site is leased by various ownership entities of the Integral Group, LLC, from The Housing Authority of the City of Atlanta, the current owner. The term for the subject site is 55 years at basically no rent ($10/year), begun December 1996. It is our understanding that the mortgagor has entered into an option to purchase the ground lease from the current lessee and will maintain the $10 annual ground rent. The ground lease will be for a period of at least 50 years beyond the closing of the HUD financing. Essentially, the restrictions on the use of the subject site results in insufficient revenues to support a residual land value. Further, the improvements are only feasible to construct with the assistance of substantial incentives. Therefore, the land does not contribute value to the leasehold interest in the subject.	

PROPERTY IDENTIFICATION

Centennial Place Apartments Phase III is a 185-unit apartment development, built in 1998, situated on a 7.43-acre ground-leased site. It is located south of Merritts Avenue, west of McAfee Street, east of Luckie Street, and north of Mills Street. It is bisected by Pine and Hunnicutt Streets, within the city limits of Atlanta, Fulton County, Georgia, at the center of the Atlanta CBD. The property consists of 23 two- and three-story apartment buildings. The unit mix consists of 57 one-bedroom units, 110 two-bedroom units, 16 three-bedroom units, and two four-bedroom units, ranging from 684 to 1,575 square feet (net leasable), with an average size of 899 square feet. The subject includes a mixture of market (74 units, or 40%), Low Income Housing Tax Credit (LIHTC) units at 60% of AMI (37 units, or 20%), and authority assisted units (74 units, or 40%). The project includes surface parking, a free-standing management building and common amenities that it shares with the four phases of the development that includes a leasing office and fitness center, multiple playgrounds, two swimming pools, and grill stations that will be added after renovation. It is our understanding that the property is planned for extensive renovation. The renovation will be financed with proceeds from the syndication of federal and state 9% low income housing tax credits. The subject has a street address of 248 Merritts Avenue NW and is legally identified as tax parcels 14007900020104, 14007900020179 (improvements), 14007900060175, and 14007900060209.

OWNERSHIP AND PROPERTY HISTORY

Centennial Place Phase III Apartments is a portion of a four phase development of properties built between 1996 and 2000. The project contains a total of 738 units and is located in the central core of downtown Atlanta. Centennial Place Apartments Phases I-IV has always and continues to share similar ownership with related parties of Legacy Partnership. In addition, owner related management companies manage the day-to-day operations of the property. The property is subject to a long term reciprocal easement agreement (through 2060) that allows for the sharing of all amenities and the leasing office across all phases. The expenses for the common amenities / leasing office are shared on a pro rata basis.

According to Fulton County deed records, the current owner of the subject improvements is Legacy Partnership III LP, and the underlying land is owned by the Atlanta Housing Authority, both of whom have owned the property for over three years. The land underlying the project is subject to a long term ground lease from the Housing Authority of the City of Atlanta, at nominal fee, to the owner of the improvements. The term for the subject site is 55 years at basically no rent ($10/year), begun December 1998. The subject improvements are being purchased by Centennial Place Partnership III, L.P. through an internal transaction by related parties from Legacy Partnership III, L.P. Details of the transaction were not provided. The ownership entities, both old and new, are indirectly held by the Principals of Integral and McCormack Baron Salazar. We are aware of no other offers, contracts, or transactions, nor any ownership changes during the past three years.

PURPOSE AND INTENDED USE OF THE APPRAISAL

The purpose of this appraisal is to estimate the market value of the leasehold interest in the subject property "as is," market value of the fee simple and leasehold interests in the underlying site "as if vacant," and prospective market value of the leasehold interest in the subject property "upon completion and stabilization," of the proposed renovations using both restricted and hypothetical unrestricted rents. We were also requested to estimate prospective unrestricted market value at loan maturity and value of the tax credits. This appraisal is intended for use by the addressee for internal decision making purposes and may be used and/or relied upon by the Department of Community Affairs.

DATES OF INSPECTION, VALUATION AND REPORT

The values reported are predicated upon market conditions prevailing on April 23, 2015, which is the date of our last inspection. The date of report is June 9, 2015.

DEFINITION OF MARKET VALUE

Market value is one of the central concepts of the appraisal practice. Market value is differentiated from other types of value in that it is created by the collective patterns of the market. Market value means the most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby[1]:

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

PROPERTY RIGHTS APPRAISED

We appraised the leasehold interest in the subject site and improvements. Real properties have multiple rights inherent with ownership. These include the right to use the real estate, to occupy, to sell, to lease, or to give away, among other rights. Often referred to as the "bundle of rights," an owner who enjoys all the rights in this bundle owns the fee simple title.

> Leasehold Interest: "The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease."[2]

The subject owner owns the improvements and has the right to collect rent thereon. As such, the owner is in a "sandwich" position, i.e. tenant (lessee) on the land and owner (lessor) on the improvements. The sandwich leasehold position is basically a situation in

---

[1] The Office of the Comptroller of the Currency under 12 CFR, Part 34, Subpart C-Appraisals, ♣34.42(f), August 24, 1990. This definition is compatible with the definition of market value contained in *The Dictionary of Real Estate Appraisal*, Fourth Edition, and the Uniform Standards of Professional Appraisal Practice adopted by the Appraisal Standards Board of The Appraisal Foundation, 2014-2015 edition. This definition is also compatible with the OTS, FDIC, NCUA, and the Board of Governors of the Federal Reserve System definition of market value.

[2] Source: *The Dictionary of Real Estate Appraisal,* Appraisal Institute, Fifth Edition, 2010.

which one is a lessee in one instance, and the lessor on another, on the same property. A sandwich lease is described as follows:

> "A lease in which an intermediate, or sandwich, leaseholder is the lessee of one party and the lessor of another. The owner of the sandwich lease is neither the fee owner nor the user of the property. He or she may be a leaseholder in a chain of leases, excluding the ultimate sublessee."[1]

While the subject's leases could be considered sandwich leasehold, the tenant's leases are considered short-term, so we are recognizing this at the leasehold estate.

APPRAISAL DEVELOPMENT AND REPORTING PROCESS

We completed the following steps for this assignment:

1. Analyzed regional, city, neighborhood, site, and improvement data.
2. Inspected the subject site and improvements, comparables and neighborhood.
3. Reviewed data regarding taxes, zoning, utilities, easements, and county services.
4. Considered comparable land sales and improved sales, as well as comparable rentals. Confirmed data with principals, managers, real estate agents representing principals, public records and / or various other data sources.
5. Analyzed the data to arrive at concluded estimates of value via each applicable approach.
6. Reconciled the results of each approach to value employed into a probable range of market value and finally an estimate of value for the subject, as defined herein.
7. Estimated reasonable exposure and marketing times associated with the value estimate.

The site and improvement descriptions included in this report are based on a personal inspection of the subject site and improvements; various documents provided by the owner/developer including a unit mix, rent roll, site plan, unit floor plans, historical and budgeted operating statements, discussions with representatives of the current owner; property tax information; and our experience with typical construction features for apartment complexes. The available information is adequate for valuation purposes. However, our investigations are not a substitute for formal engineering studies.

To develop an opinion of value, we have prepared an Appraisal Report that is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice (USPAP). The value estimate reflects all known information about the subject, market conditions, and available data. This report incorporates

---

[1] Source: *The Dictionary of Real Estate Appraisal,* Appraisal Institute, Fifth Edition, 2010.

comprehensive discussions of the data, reasoning and analysis used to develop an opinion of value. It also includes thorough descriptions of the subject and the market for the property type. The depth of discussion contained in this report is specific to the client's needs and for the intended use stated within the report.

SPECIAL APPRAISAL INSTRUCTIONS

The purpose of this appraisal is to estimate the market value “as is” and prospective market value “upon completion and stabilization” of the proposed renovations. In addition, because the site it ground leased, the fee simple analysis of the underlying site “as if vacant” is a hypothetical scenario. The following are generally accepted definitions that pertain to the value estimates provided in this report.

Market Value “As Is” on Appraisal Date

> An estimate of the market value of a property in the condition observed upon inspection and as it physically and legally exists without hypothetical conditions, assumptions, or qualifications as of the date the appraisal is prepared. Market value “as is” assumes a typical marketing period, which we have estimated at 12 months or less.

Prospective Value Upon Completion of Construction

> The value presented assumes all proposed construction, conversion, or rehabilitation is hypothetically completed, or under other specified hypothetical conditions, as of the future date when such construction completion is projected to occur. If anticipated market conditions indicate that stabilized occupancy is not likely as of the date of completion, this estimate shall reflect the market value of the property in its then "as is" leased state (future cash flows must reflect additional lease-up costs, including tenant improvements and leasing commissions, for all areas not pre-leased). For properties where individual units are to be sold over a period of time, this value should represent that point in time when all construction and development cost have been expensed for that phase, or those phases, under valuation.

Prospective Value Upon Achieving Stabilized Occupancy

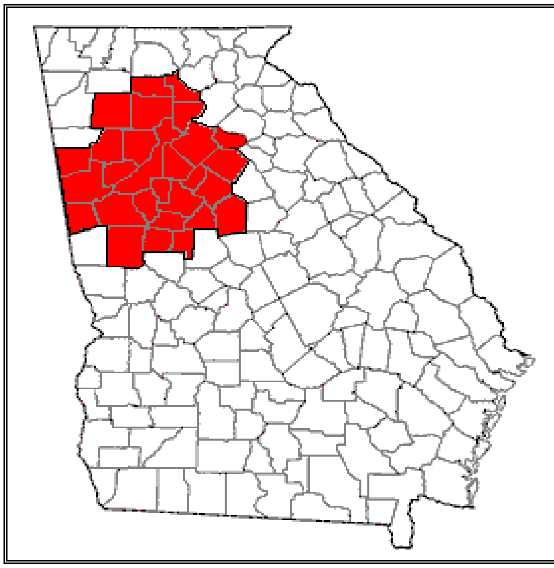
> The value presented assumes the property has attained the optimum level of long-term occupancy which an income producing real estate project is expected to achieve under competent management after exposure for leasing in the open market for a reasonable period of time at terms and conditions comparable to competitive offerings. The date of stabilization must be estimated and stated within the report.

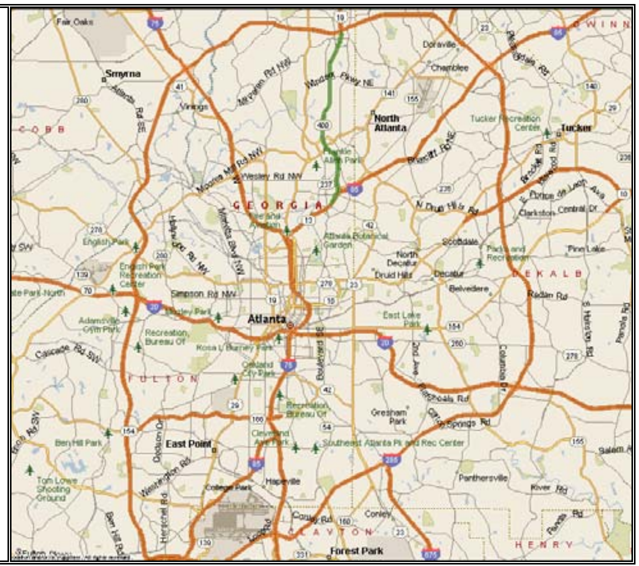
Hypothetical Condition on Appraisal Date

That which is contrary to what exists but is supposed for purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal or economic characteristics of the subject property or about conditions external to the property, such as market conditions or trends, or the integrity of data used in an analysis.

REGIONAL OVERVIEW

The following section of the report provides an overview of the 28-county Atlanta Metropolitan Statistical Area or MSA.





Location and Population

Located in the central, northwestern portion of Georgia, Atlanta is the state's capital and largest city. At almost 5.7 million, the current population of the Atlanta MSA has shown moderately strong growth in recent years. As can be seen in the following table, between 2000 and 2010, the MSA has been growing at a rate over twice as fast as the nation and 1/3 faster than the state of Georgia. From 2010 to 2013, the MSA population growth has more than doubled the national average and significantly exceeded that of the State of Georgia. Since 2010, the fastest growing counties are Forsyth, Fulton and Gwinnett. In terms of absolute growth, the two largest counties, Gwinnett and Fulton, lead the way.

Chief among the factors driving continued expansion of the MSA population are employment opportunities, transportation, climate, standard of living, and Atlanta's dominant position in the southeast for national and international business, industry, and trade. While it is true that most of the growth in the MSA has occurred in the north, available land in that sector is becoming scarce (as the MSA hits the north Georgia mountains and heads towards the Alabama border to the west) and the pattern may more strongly turn to the south and west, where affordable land is available and the strong interstate system facilitates commuting patterns.

The following table shows the Atlanta MSA population trend, county by county, from 1990 to 2013 (2014 county-level data not available from the Census Bureau as of this report date).

ATLANTA METROPOLITAN STATISTICAL AREA (MSA) POPULATION								
					2000 to 2010 Chge.		2010 to 2013 Chge.	
	1990	2000	2010	2013	Number	Percent	Number	Percent
Barrow	29,721	46,144	69,367	71,453	23,223	50%	2,086	3%
Bartow	55,911	76,019	100,157	101,273	24,138	32%	1,116	1%
Butts	15,326	19,522	23,655	23,361	4,133	21%	-294	-1%
Carroll	71,422	87,268	110,527	112,355	23,259	27%	1,828	2%
Cherokee	91,000	141,903	214,346	225,106	72,443	51%	10,760	5%
Clayton	184,100	236,517	259,424	264,220	22,907	10%	4,796	2%
Cobb	453,400	607,751	688,078	717,190	80,327	13%	29,112	4%
Coweta	53,853	89,215	127,317	133,180	38,102	43%	5,863	5%
Dawson	9,429	15,999	22,330	22,686	6,331	40%	356	2%
DeKalb	553,800	665,865	691,893	713,340	26,028	4%	21,447	3%
Douglas	71,700	92,174	132,403	136,379	40,229	44%	3,976	3%
Fayette	62,800	91,263	106,567	108,365	15,304	17%	1,798	2%
Forsyth	44,083	98,407	175,511	195,405	77,104	78%	19,894	11%
Fulton	670,800	816,006	920,581	984,293	104,575	13%	63,712	7%
Gwinnett	356,500	588,448	805,321	859,304	216,873	37%	53,983	7%
Hall	95,984	139,677	179,684	187,745	40,007	29%	8,061	4%
Haralson	21,966	25,690	28,780	28,495	3,090	12%	-285	-1%
Heard	8,628	11,012	11,834	11,558	822	7%	-276	-2%
Henry	59,200	119,341	203,922	211,128	84,581	71%	7,206	4%
Jasper	8,453	11,426	13,900	13,601	2,474	22%	-299	-2%
Lamar	13,038	15,912	18,317	17,959	2,405	15%	-358	-2%
Meriwether	22,441	22,534	21,992	21,232	-542	-2%	-760	-3%
Newton	41,808	62,001	99,958	102,446	37,957	61%	2,488	2%
Paulding	41,611	81,678	142,324	148,950	60,646	74%	6,626	5%
Pickens	14,432	22,983	29,431	29,584	6,448	28%	153	1%
Pike	10,224	13,688	17,869	17,796	4,181	31%	-73	0%
Rockdale	54,500	70,111	85,215	86,919	15,104	22%	1,704	2%
Spalding	54,457	58,417	64,073	63,829	5,656	10%	-244	0%
Walton	38,586	60,687	83,768	85,754	23,081	38%	1,986	2%
MSA Total	3,209,173	4,387,658	5,448,544	5,694,906	1,060,886	24%	246,362	5%
State: Georgia	6,478,216	8,186,453	9,687,653	9,992,167	3,513,951	18%	304,514	3%
U.S.	248,709,873	281,421,906	308,745,538	316,128,839	67,418,966	10%	7,383,301	2%
Source: U.S. Census Bureau								

Employment By Industry

A key factor in Atlanta's population growth is the strength of its regional economy. Atlanta has a vigorous, diverse economic base. Only broad based, overall declines in the national economy are likely to affect the region’s economy to any significant extent. A breakdown of employment by industry sector within the MSA (from The Georgia Department of Labor) is presented below.

MSA INDUSTRY MIX						
	Establishments			Employment		
	2010	2013(11)	% Change	2010	2013(11)	% Change
Construction	11,953	11,396	-4.7%	87,239	82,396	-5.6%
Manufacturing	4,625	4,613	-0.3%	140,948	145,390	3.2%
Finance/Info./Real Estate	18,233	18,611	2.1%	208,611	216,042	3.6%
Wholesale Trade	11,154	11,892	6.6%	127,792	129,422	1.3%
Retail Trade	15,908	16,111	1.3%	241,497	246,255	2.0%
Professional/Tech./Scientific	22,312	23,305	4.5%	154,312	166,473	7.9%
Health Care/Social Assistance	11,791	12,461	5.7%	213,204	237,233	11.3%
Accommodation/Food Services	10,116	10,468	3.5%	197,786	192,782	-2.5%
Transport/Warehousing	3,367	3,821	13.5%	105,839	128,651	21.6%
Adminstration/Support/Waste Mgt.	9,324	9,415	1.0%	161,422	166,190	3.0%
Government	3,112	4,481	44.0%	319,296	321,259	0.6%
All Other	23,143	14,364	-37.9%	176,333	135,406	-23.2%
Total	**145,038**	**140,938**	**-2.8%**	**2,134,279**	**2,167,499**	**1.6%**
Source: Georgia Department of Labor						

As can be seen on this chart, in terms of absolute job numbers, the Government sector dominates the Atlanta employment base, followed by Retail Trade, and Health Care. From 2010, employment within the Transport/Warehousing sector has shown the strongest percentage change. The Atlanta Airport complex is a significant factor within this segment. The Government has shown the greatest percentage change in number of establishments; however, its growth in terms of employment has been minimal.

Unemployment

The unemployment rates for the Atlanta MSA over the years have generally equaled or consistently bettered the state and national averages. However, unemployment has been climbing in the state of Georgia, as well as the Atlanta MSA. According to a recent article in the *Atlanta Journal-Constitution*, ex-Georgia's State Labor Commissioner, Michael Thurmond, indicated that the state of Georgia is facing an increasingly difficult economic environment. Economists believe the unemployment rate to be a lagging and somewhat inexact indicator. Critics argue that a slowing economy typically does not immediately shove jobless rates much higher. On the other hand, an improving economy is often accompanied by rising rates as more people seek work. The following table looks at the MSA trend since 2006 and compares it with the state and the nation.

UNEMPLOYMENT RATES - ANNUAL AVERAGES									
	2006	2007	2008	2009	2010	2011	2012	2013	Dec-14
Atlanta MSA	4.7%	4.2%	6.2%	9.6%	10.2%	9.6%	8.7%	7.9%	6.4%
Georgia	4.6%	4.4%	6.2%	9.6%	10.2%	9.8%	9.0%	8.2%	6.9%
U.S.	4.6%	4.6%	5.8%	9.3%	9.6%	8.9%	8.1%	7.4%	5.4%
Source: Bureau of Labor Statistics									

Largest Employers

As indicated in the following chart, Atlanta's top employer continues to be Delta Airlines, Emory University, Gwinnett County Public Schools, and AT & T. It is important to note that several of Atlanta's highest profile companies do not quite make the list of largest employers. For example, Coca Cola, Turner Broadcasting, Georgia Pacific, Bank of America, and the Georgia Institute of Technology (14th) were under the threshold.

MAJOR EMPLOYERS - ATLANTA REGION		
Rank	**Company**	**Atlanta Employees**
1	Delta Airlines	30,000
2	Emory University	23,841
3	Gwinnett County Public Schools	19,921
4	AT & T	18,076
5	Cobb County Public Schools	13,633
6	Fulton County Public Schools	10,989
7	WellStar Health System	10,581
8	Publix Super Markets	9,714
9	US Postal Service	9,385
10	Home Depot	9,000
Source: *Atlanta Business Chronicle, Book of Lists 2014 - 2015*		

Over the last decade major changes have taken place in the Atlanta employment arena. Lockheed, once a leader, has dropped to 18th and may continue to decline. Both GM and Ford decreased their presence in the area with major plant closures. Delta, which is still quite strong, emerged from bankruptcy and merged with Northwest Airlines, and although the Ford and GM plants closed, Kia opened a new $1 billion 2.2 million square-foot auto plant in 2009 just outside the metro area's southwestern boundary near LaGrange, GA. Another major employer began hiring in the Atlanta vicinity in 2013. Caterpillar is opening a large plant in Athens, Georgia (just outside eastern edge of the MSA). By end of 2015 the plant expects to have hired 1,400 new workers at the Athens plant with indications that another 2,800 new positions would evolve from satellite parts and service plants in the area.

Two other major job announcements in 2014-15 are worthy of note: Daimler AG announced it had selected metro Atlanta as the home of its new Mercedes-Benz USA headquarters. The new facility is expected to add 800 to 1,000 new jobs. Also, State Farm Insurance announced it could employ as many as 8,000 at its new Dunwoody facility (construction underway).

Income, Median Age, Home Value, and Education

According to a demographic report by STDBOnline, for 2015, the average household income estimate is $74,269 (2010 figure was $85,998), with a median of $53,215. The median home value for the MSA is $173,382 (versus 2010 figure of $145,533). As per the 2015 estimate, 79% of the population had completed high school, and 21% had at least a four-year college degree.

MARKET SECTOR SNAPSHOTS

Retail

According to the *CoStar Retail Report, First Quarter 2015,* the Atlanta retail market did not experience much change in market conditions compared to the last quarter of 2014. The vacancy rate went from 8.4% in the previous quarter to 8.3% in the current quarter. Net absorption was positive 212,045 square feet, and vacant sublease space decreased by (15,941) square feet. Quoted rental rates decreased from fourth quarter 2014 levels, ending at $12.63 per square foot per year. A total of six retail buildings with 32,839 square feet of retail space were delivered to the market in the quarter, with 531,807 square feet still under construction at the end of the quarter. Tallying retail building sales of 15,000 square feet or larger, cap rates were lower in 2014, averaging 8.20% compared to the same period in 2013 when they averaged 8.59%.

Multi-Family

According to the MFP Research A*tlanta Apartment Market Report – First Quarter 2015*, Atlanta continues to have inconsistent performance throughout the metro submarkets. On the up side, Atlanta has shown very strong employment growth in the last two years, which will hopefully begin to diminish the consistently high unemployment Atlanta has struggled with post-recession. While multifamily indicators of rent growth and occupancy levels continue to improve, Atlanta continues to fight excess single family housing inventories. The Atlanta multi-family market is starting to show solid improvement, though the performance still remains uneven in certain market segments. Residential demand has steadily improved, and long-term demand drivers are causing apartment absorption levels to remain solid. *MPF* expects Atlanta to continue to exhibit improving multi-family demand. However, individual submarket performances will continue to be uneven, with top tier markets inside the perimeter and high-end suburban submarkets along the Georgia 400 corridor doing particularly well.

Office

According to the *PwC Real Estate Investor Survey, Fourth Quarter 2014,* recovery in the broad-based local economy, improving office fundamentals, and a pro-business environment has buoyed investor optimism in the Atlanta office market. First, this quarter's average initial-year market rent change rate increased 21 basis points to 2.29%. While this figure is below the aggregate average of 3.00% for the 19 city specific office markets surveyed, it represents a 225-basis-point increase from three years ago. Second, this market's average overall cap rate continues a four-year downward trend and dipped six basis points this quarter to 7.74%. "The Atlanta office market is priced to perfection," quips an investor. While two-thirds of the surveyed investors foresee overall cap rates holding steady in the next six months, the balance expects further cap rate compression of as much as 50 basis points over that time period. These positive trends have resulted in a rush of office building sales activity. In fact, total office sales volume exceeded $1.0 billion in the third quarter, more than twice the level in the prior quarter, as per RealCapital Analytics. "There are more aggressive buyers in this market today than at any time in recent years, resulting in multiple bids on high quality assets," notes a participant.

According to the *CoStar Office Report, First Quarter 2015*, the Atlanta office market ended the quarter with a vacancy rate of 14.1%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 703,081 square feet. Vacant sublease space increased in the quarter, ending at 1,350,633 square feet. Rental rates ended the quarter at $19.45, a $0.02 decrease over the previous quarter. A total of two buildings delivered to the market in the quarter totaling 212,800 square feet, with 1,774,433 square feet still under construction at the end of the quarter.

Tallying office building sales of 15,000 square feet or larger, Atlanta office sales figures rose during fourth quarter 2014 in terms of dollar volume compared to the previous quarter. With this being said total office building sales activity in 2014 was down compared to 2013. Year-end 2014 saw 138 office sales transactions with a total volume of $2,305,830,432; the average price per square foot was $139.71. In the same 12 months of 2013, the market saw 152 transactions with a total volume of $3,395,383,814; the average price per square foot was $140.68. Cap rates have been higher in 2014, averaging 8.38% compared to the same period in 2013 when they averaged 7.94%.

Industrial

According to the CoStar Industrial Report, First Quarter 2015, the Atlanta Industrial market ended the first quarter with a vacancy rate of 8.4%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 2,497,803. Vacant sublease space increased in the quarter, ending at 1,568,224 square feet. Rental rates ended the first quarter at $4.09, an increase of $0.10 over the previous quarter. A total of eight buildings delivered to the market in the quarter totaling 1,030,172 square feet, with 15,628,356 square feet still under construction at the end of the quarter.

Tallying industrial building sales of 15,000 square feet or larger, Atlanta industrial sales figures rose during the fourth quarter 2014 in terms of dollar volume compared to the previous quarter. In the twelve months of 2014, the market saw 262 industrial sales transactions with a total volume of $1,491,954,646. The price per square foot averaged $39.70 for the year. In the twelve months of 2013, the market posted 260 transactions with a total volume of $821,467,836 and the price per square foot averaged $33.63. Cap rates have been lower in 2014, averaging 7.67%, compared to the 12 months of 2013 when they averaged 8.50%.

Housing

Metrostudy's Fourth Quarter 2014 survey of the Atlanta housing market shows that there were 16,437 Annual Single Family Housing Starts in Metro Atlanta, up 18% from 4Q13. The 4Q14 quarterly starts of 3,993 were up nearly 18% as well, from 4Q13. Single family annual closings reached 14,815 units at the end of 4Q14, up a strong 22.6% from 4Q13. Fourth quarter 2014 quarterly closings of 4,087 were up 19% from the 4Q13.

Total housing inventory – a figure that includes houses under construction, model homes and finished but vacant or unsold houses - is at or below equilibrium levels. Supply has now declined to 7.9 months. One year ago it was an 8.1 month supply. A very significant housing inventory metric is the "Finished Vacant" inventory (homes completed but unsold or still vacant), now at 2.9 months supply. Normal for the region is about 3.5 months.

According to Metrostudy, the Atlanta metro area's new home prices continued to climb higher this year, closing out 2014 at a median price of $271,700, up 4% from the prior year, marking the fifth consecutive year that new home prices have increased year over year.

"The Atlanta metro area is creating jobs at a healthy pace, up 2.6% year-over-year, and has averaged above 2.3% growth for the past two years. With 2.51 million people now employed, Atlanta has set a new record for total people employed. Despite good job growth, unemployment was relatively high due to migration into the region thus expanding the labor force faster than the economy could absorb. Solid job growth has spurred consumer confidence, which is helping to move the housing market toward a stronger recovery. 2015 should be another good year for housing in the Atlanta region," said Eugene James, Regional Director for Metrostudy.

Convention Trade

Tourism is a major business in Atlanta. The city hosts on average about 17,000,000 visitors a year. The industry typically generates between three and four billion in annual revenues. Convention and trade show business ranks as Atlanta's largest industry. Estimates vary, but overall annual attendance is approximately three million, with delegates spending an average of almost $200 per person, per day. To accommodate visitors there are approximately 92,000 hotel rooms in the 28-county metro area. As other cities continue to offer increasing competition for Atlanta's convention business, namely Orlando, Miami, Las Vegas and New Orleans, the city continually strives to improve its facilities. The largest facility, the Georgia World Congress Center (GWCC), completed its expansion from 950,000 to 1.4 million square feet of exhibit space, in 2002. The top trade shows and conventions booked during 2014/15 in Atlanta are shown next.

TOP TRADE SHOWS AND CONVENTIONS IN ATLANTA FOR 2014/2015

Show	Estimated or expected No. of Attendees	Location
AmericasMart Gift & Home Furnishings Market Jan.	91,000	AmericasMart Atlanta
SEC Football Championship	74,000	Georgia Dome
AmericasMart Gift & Home Furnishings Market July	73,000	AmericasMart Atlanta
2014 Chik-Fil-A Bowl	72,000	Georgia Dome
Chick-fil-a College Kick-Off Game I	72,000	Georgia Dome
Chick-fil-a College Kick-Off Game 2	72,000	Georgia Dome
The Big South National Qualifier	59,000	GWCC
Bronner Bro.s Hair Show	55,000	GWCC
Dragon Con	53,000	AmericasMart Atlanta
Cheersport	50,000	GWCC

Source: *Atlanta Business Chronicle, Book of Lists 2014-15*

Transportation

The Atlanta region's continued emphasis on upgrading the transportation system is a significant factor in the area's economic growth and development. The main focus on improvement has been primarily in three areas over the recent past: the Metropolitan Atlanta Rapid Transit Authority (MARTA) commuter railway project; Hartsfield-Jackson Atlanta International Airport; and the interstate highway system.

MARTA is a public agency that provides mass rail transportation in the two most populated counties of the Atlanta region. Its transit system consists of extensive bus service (over 150 routes) and a heavy-rail, rapid transit system in DeKalb and Fulton Counties. The rail system consists of north-south and east-west lines that intersect near the center of Atlanta's CBD. The system currently consists of 47 miles of rail and 38 stations, including one at Hartsfield Airport. Cobb, Gwinnett and Clayton counties also have bus transit systems that have routes to the CBD, as well as links to other MARTA routes.

The interstate highway system in and around Atlanta is well developed. Encircling the city is the six- to 10-lane, 64-mile, I-285. The highway system also includes three major freeways that intersect in the middle of town and radiate out in all directions. These are I-20 (east/west), I-75 (northwest/southeast), and I-85 (northeast/southwest). Additionally, the extension of Georgia Highway 400 from I-285 to I-85 near the downtown connector was completed in 1993. This is Atlanta's first toll road and provides multiple-lane, direct access to the central business district for residents of north Fulton and Forsyth Counties.

Hartsfield-Jackson Atlanta International Airport is the world's largest passenger terminal complex and the world's busiest airport (per *Wikipedia* and other sources). Since 1998, Hartsfield-Jackson has been the busiest airport in the world, thus making it the busiest airport in the history of aviation.

Other Features

Some additional features of Atlanta are 29 degree-granting colleges and universities and the Jimmy Carter Presidential Center. Atlanta is one of few cities with three major professional sports teams: football with the Atlanta Falcons (1998 NFC Champions); basketball with the Atlanta Hawks; and baseball with the Atlanta Braves (1992, 1996, and 2000 National League Champions and 1995 World Series Champions); The Atlanta Thrashers hockey team moved from Atlanta to Winnipeg, Manitoba in June 2011. Additionally, the Atlanta area hosts a major NASCAR race every year (over 100,000 in attendance). Major recreational attractions include Six Flags Over Georgia, Stone Mountain Park, Lakes Sidney Lanier and Allatoona, and multiple museums and theater venues. New attractions in the Atlanta area include the Georgia Aquarium and Atlantic Station.

Over the last decade, Atlanta has been a huge presence in the world of spectator sports. It all started with its selection as the site of the 1996 Summer Olympics. A key factor in that achievement, as well as the city's hosting of the 1994 and 2000 Super Bowls, 2002 and 2007 NCAA Men's Basketball Final Four, 2003 NCAA Women's Basketball Final Four, and major indoor track events, has been the Georgia Dome. This indoor stadium was completed for the Falcons' 1992 football season. A new, state-of-the-art is in the planning stages for the Falcons and should be completed in 2017. Coupled with recent improvements to the nearby Georgia World Congress Center, it has proven to be a big plus for the city. The spin-off from the events has further enhanced Atlanta's reputation as a true international city, not to mention the significant economic impact.

CONCLUSIONS / OUTLOOK

The following summary relies heavily on a December 2014 article in the *Atlanta Business Chronicle*. Atlanta's economy will grow faster than its long-run average next year for the first time since the Great Recession, according to Ben Ayers, dean of The University of Georgia's Terry College of Business. Lower energy prices, a renewal of in-migration and upturns in construction and manufacturing will be key factors driving a projected increase in

Georgia's Gross Domestic Product of 3.2%, per Mr. Ayers. That's higher than Georgia's long-run GDP growth rate of 2.9% and above the 2.8% growth forecast for the nation as a whole.

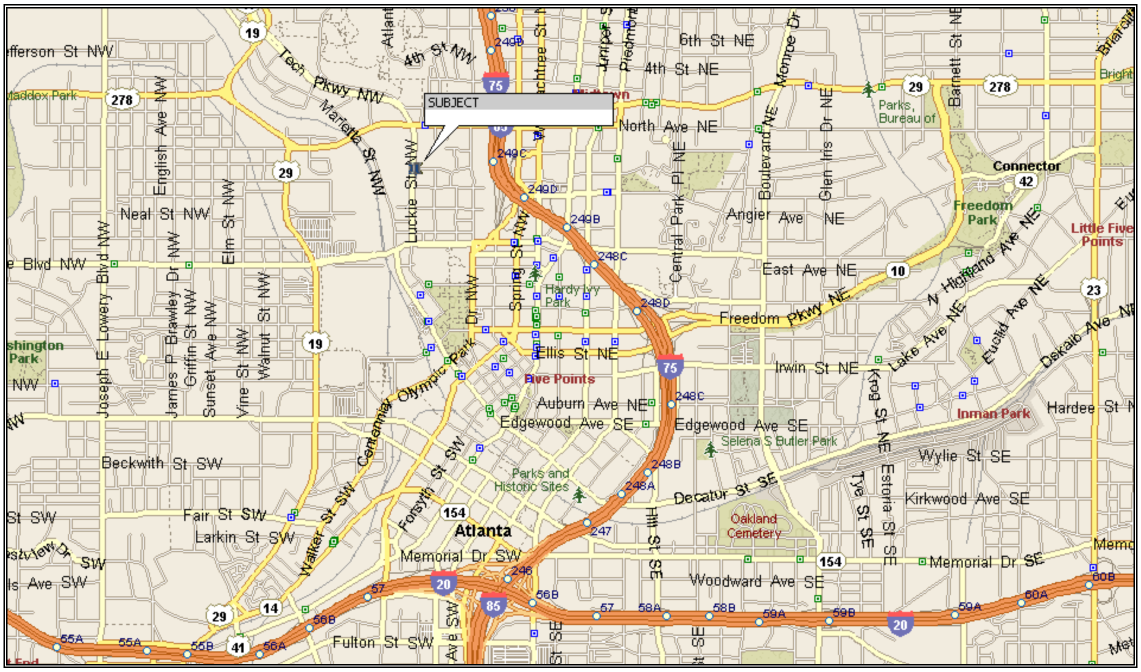
Jobs in Georgia are expected to rise by 2.3 percent during 2015, completely replacing all of the jobs lost during the recession by mid-year. Ayers said the biggest job gains will come from the construction industry, followed by professional and business services and mining and logging. The education and health-care sectors will see modest growth, while the only sector likely to lose jobs will be government, he said. On the down side, he warned that the ongoing struggle to attract investment capital, federal spending cuts and potential shifts in Federal Reserve policies could hold economic growth in Georgia lower than what it would have attained otherwise. Georgia's military-base communities are extremely dependent on federal expenditures.

Ayers praised Gov. Nathan Deal and the General Assembly for creating a large deal-closing fund and passing legislation phasing out the state's sales tax on energy used in manufacturing. He said both steps, taken two years ago, have helped foster economic development successes that have created jobs. He called for state policy leaders to work to develop a more highly skilled labor force. "Manufacturers no longer hire forklift drivers or assembly-line workers," he said. "They hire employees who understand computer-aided design and production systems."

NEIGHBORHOOD OVERVIEW

Location and Boundaries

The subject is located south of Merritts Avenue, west of McAfee Street, east of Luckie Street, and north of Mills Street. It is bisected by Pine and Hunnicutt Streets, within the city limits of Atlanta, Fulton County, Georgia, at the center of the Atlanta CBD. We are defining the neighborhood boundaries as Collier Road to the north, Moreland Avenue to the east, State Route 54 / McDonough Boulevard to the south and Lake Avenue to the west. A neighborhood map is presented below with a larger map, as well as a regional map, included in the Addenda.



Access and Availability of Utilities

Accessibility of the neighborhood is considered good. The buildings are convenient to the interstate and to arterial roads, with multiple interior streets and access to parking courtyards. Exposure is also good, with buildings arranged around the perimeter of the blocks and parking within the courtyard interiors of the blocks. Phase III units have frontage along Merritts Avenue, and Lovejoy, Pine, Center, Hunnicutt and McAfee Streets. Streets are asphalt paved and bidirectional, with curbside parking. Centennial Park Drive, east of the subject, provides the primary access to Interstates I-75 and I-85 via North Avenue, which is located ¼ mile to the north. Both Interstates provide north and south access through downtown Atlanta. South of the subject (approximately ½ mile), Simpson Street (a.k.a Jones Avenue south of the subject, Joseph E. Boone Boulevard west of Joseph E. Lowery Boulevard, Ivan Allen Boulevard and Ralph McGill Boulevard east of Interstates I-75/85) is a two-four lane roadway that runs in an east to west direction through downtown Atlanta.

Other primary roadways in the subject area are Tech Parkway / Luckie Street, the western most border of the subject development, which runs north/south parallel to Marietta Street. D.L. Hollowell Parkway is four lanes with a center turn lane or a median, and provides east to west traffic flows respectively. D.L. Hollowell Parkway extends west from I-75/85. Furthermore, D.L. Hollowell Parkway continues west outside of the I-285 (accessed six miles west of the subject) perimeter into the cities of Mableton and Douglasville, running parallel to I-20 (accessed 1.5 miles south of the subject) into Alabama. East of I-75/85 D.L. Hollowell Parkway merges into North Avenue where it continues east through Midtown Atlanta and the city of Decatur in neighboring DeKalb County. Approximately ½ mile northwest of the subject is Marietta Boulevard, which runs in a north to south direction from D.L. Hollowell Parkway to Atlanta Road, where it continues in a northwesterly direction through Vinings and Smyrna in neighboring Cobb County.

The subject neighborhood has a number of secondary roadways that enhance accessibility to and throughout the area. All of the streets serving the neighborhood are asphalt-paved, with surface and subsurface drainage. Sidewalks are common in improved areas with a combination of overhead and underground utilities. Utilities available to the neighborhood include public water, sanitary sewer, electricity, natural gas and telephone. Municipal services in the area include police and fire protection. The availability of schools, public services, places of worship, recreation and employment are very good in the area.

Land Use

The predominant land use in the subject's neighborhood is Georgia Institute of Technology (Georgia Tech). The Georgia Institute of Technology is one of the nation's top research universities, with programs focused on advanced science and technology. Georgia Tech's campus occupies 400 acres in the city of Atlanta. Current enrollment includes more than 21,500 undergraduate and graduate students and 900 full time faculty. Georgia Tech is accredited by the Southern Association of Colleges and Schools (SACS) and offers many nationally recognized, top-ranked programs. Georgia Tech is consistently ranked in *U.S. News & World Report*'s top ten public universities in the United States. The campus begins ¼ mile north of the subject on the north side of North Avenue. Georgia State University has facilities within a quarter-mile of the subject as well, with some student housing corner-adjacent Centennial Park Phase I on the east side of Centennial Park Drive.

The northwestern portion of the neighborhood encompasses one of metropolitan Atlanta's oldest industrial areas, the Chattahoochee Industrial District. The past decade has seen this area experience an explosion of new development, primarily along parts of Northside Drive, Ellsworth Industrial Drive and Marietta Street. The area's rail road infrastructure, built in the 1800's, allowed for the development of large warehouse and manufacturing facilities that are now being converted to planned "Live, Work, Play" developments.

South of the subject, within ½ mile, are numerous downtown tourist attractions including Centennial Olympic Park, Georgia Aquarium, Georgia World Congress Center, Georgia Dome and Phillips Arena. Coca Cola Enterprises headquarters are ¼ mile northwest on the south side of North Avenue.

Emory University Hospital (formerly known as Crawford Long) Midtown is less than ½ mile east of the subject on the east side of the interstate. Emory University Hospital Midtown is a 511-bed community-based, acute care teaching facility and full-service hospital located in Midtown Atlanta. A part of Emory Healthcare, the hospital offers a full range of services, which include general medicine, maternal and infant care, orthopedics and surgery. Emory University Hospital Midtown is staffed by 600 Emory medical faculty and 800 community physicians. More than 23,205 inpatients and 143,961 outpatients come to Emory University Hospital Midtown each year. Patients receive care from community-based physicians, physicians of The Emory Clinic and from a highly-trained staff of nurses and other clinical professionals. Medical services include 56 intensive care beds, a level III neonatal intensive care unit (NICU), and four hyperbaric oxygen units. This full-service hospital is known for services in cancer, cardiology, cardiac surgery, gastroenterology, and emergency medicine. Women's services include prenatal and postnatal education, bone density testing, mammography, and obstetrics, with a specialization in high-risk pregnancy.

There are also observed a number of churches, government services and schools in the area. Schools serving the subject include Centennial Elementary, and Washington and Henry Grady High Schools. The Zell Miller Community Center and YMCA are adjacent to the north of the subject. Because of the large scope of the subject development, there are numerous adjacent uses that include single family condos, university facilities associated with Georgia State and Georgia Tech, and government services buildings.

Demographics

To gain additional insight into the characteristics of the subject's neighborhood, we reviewed a demographic study prepared by ESRI through *STDBOnline*. The information in the following table primarily pertains to a three-mile radius around the subject property and the Atlanta metropolitan statistical area (MSA). The full reports are included in the Addenda.

The demographic information illustrates the subject neighborhood's moderate growth in population and households since 2000, and this trend is expected to continue over the next five years. Overall, income levels are higher than those for the MSA on a per capita basis, similar on average, and low when compared on a median basis. The per capita figures reflect smaller household size for this in-town location. Area residents are similarly educated when it comes to high school graduates. The proximity of Georgia Tech and Georgia State Universities inflates the college educated figures significantly above the MSA. Homes are weighted heavily towards renters and there is a large percentage of vacancies. Employment is weighted towards services, particularly professional, scientific and technical, again showing the influence of Georgia Tech.

DEMOGRAPHICS SUMMARY Area: 3- Mile Radius, 248 Merritts Avenue			
	2000	**2014**	**2019**
Population	142,441	159,182	169,983
Growth		12%	7%
Households	59,962	73,348	79,900
Growth		22%	9%
		3 Mile Ring	**Atlanta MSA**
Income			
Average HH		$71,824	$78,171
Median HH		$40,985	$55,802
Per Capita		$35,466	$28,914
Median Home Value		$287,161	$180,707
Housing Units			
Renter - Occupied		54%	33%
Owner - Occupied		27%	57%
Vacant		20%	10%
Average Household Size		1.80	3.25
Education Levels (Adults > 25)			
High School Graduate		90%	88%
4-Year College Degree		55%	35%
Largest Employment Categories			
Services		62%	49%
Retail Trade		9%	11%
Construction		3%	6%
Finance/Insurance/Real Estate		7%	8%
Manufacturing		5%	9%

Source: ESRI forecasts for 2014 based on 2010 US Census Data.

Conclusion

In general, the neighborhood is an established and moderately growing urban area of downtown Atlanta. The area appears to be adequately served by supportive retail and service businesses. Access to and through the area is good, with easy access to several major interstates. We expect the overall demographic nature and development characteristics of the neighborhood to remain relatively consistent, with continued moderate growth over the foreseeable future, limited only by the availability of developable land or re-developable properties.

The site and improvement descriptions included in this report are based on a personal inspection of the subject property; various documents provided by the owner and purchaser/developer including a unit mix, rent roll, site plan, unit floor plans, historical and budgeted operating statements, discussions with representatives of the current owner; property tax information; and our experience with typical construction features for apartment complexes. The available information is adequate for valuation purposes. However, our investigations are not a substitute for formal engineering studies.

SITE DESCRIPTION

Address:	248 Merritts Avenue NW Atlanta, Fulton County, GA 30313
Location:	South of Merritts Avenue, west of McAfee Street, east of Luckie Street, and north of Mills Street. It is bisected by Pine and Hunnicutt Streets, within the city limits of Atlanta, Fulton County, Georgia, at the center of the Atlanta CBD.
Tax Parcel Numbers:	14007900020104, 14007900020179 (improvements), 14007900060175, and 14007900060209

Land Area:	7.4254 acres
Shape and Frontage:	Irregular shape with frontage along the south side of Merritts Avenue, east side of Luckie Street, west side of McAfee Street, and north side of Mills Avenue. It has internal frontage along Pine and Hunnicutt Streets.

Ingress and Egress:	Multiple curb cuts provide access to numerous surface parking areas.
Topography and Drainage:	The subject site is graded, buildings have piped downspouts and paved areas have collection basins. Drainage occurs in a number of directions. The parking/drive areas are sloped to promote subsurface drainage. We are unaware of any drainage issues and assume that none exist.
Soils:	We were not provided a geotechnical exploration report. We are not aware of any soil problems and assume the site can support the existing improvements both now and into the future. We have no expertise in this area. We recommend the consultation of a specialist for further questions of this nature.
Easements:	The provided site plans show easements for utilities and road ways. We assume the only other easements are those that provide for the installation and maintenance of utilities or other right of way easements. We are aware of no detrimental easements and assume that none exist. However, we are not qualified in this legal matter.
Covenants, Conditions, and Restrictions:	We are not aware of any deed restrictions, or restricting covenants, other than zoning and a Land Use Restriction Agreement (LURA) that ensures development with affordable housing. However, this is a legal matter, and we recommend professional counsel for questions of this nature.
Utilities/Services:	Utilities available to the subject include water/sewer, electricity, natural gas, and telephone. Services include police and fire protection.
Flood Zone:	According to the provided site plan, the subject property is identified on Federal Emergency Management Agency Flood Insurance Rate Map Number 13121C0244F, effective date September 18, 2013, and is located in an area of low to moderate flood risk. This low flood risk area was formerly referred to as “outside the 100 and 500 year floodplain.” The moderate flood risk area appears to be an area with no improvements.
Environmental Issues:	We were not provided a Phase II Environmental Assessment. We did not observe any evidence of environmental contamination on inspection. However, we are not experts in this area and suggest the consultation of an expert if a problem is suspected. This analysis assumes that there is no hazardous material on or in the property, including land and improvements, which would cause a significant loss in value. We reserve the right to adjust our conclusion of value if any environmental conditions are discovered.

Conclusion: The subject site is considered to have adequate overall physical utility for its current use. This conclusion is based on the site's size, shape, topography, accessibility and exposure, and availability of all utilities and services. Additionally, it is our opinion that the improvements reflect good utilization of the site's physical characteristics.

IMPROVEMENT DESCRIPTION

Construction Class: The class of construction is the basic subdivision in *Marshall Valuation Service* dividing all buildings into five basic groups by type of framing (supporting columns and beams), walls, floors, roof structure, and fireproofing. The subject buildings feature wood-frame construction with wood and brick-veneer siding exteriors. According to the *Marshall Valuation Service* cost manual, the buildings qualify as average, Class D[1] construction.

Competitive Rating: The subject is perceived in its market as a Class A/B property in terms of quality, features, amenities and age.

Unit Mix:

UNIT MIX Centennial Place Phase III			
Unit Type	No. Units	Heated SF	Total Heated
1BR/1BA	57	684	38,988
2BR/1BA	66	872	57,552
2BR/1.5BA	16	1,039	16,624
2BR/2BA	16	1,055	16,880
2BR/2BA	12	1,093	13,116
3BR/2BA	16	1,252	20,032
4BR/2.5BA	2	1,575	3,150
Totals/Average	185	899	166,342

Improvement Summary

Area (SF):	166,342-SF net leasable / 899-SF average
Year Built:	1998
Type:	Garden-style
Units:	185
Condition:	Average
Buildings/Stories:	23 two- and three-story apartment buildings and a free-standing management building that it shares with the four phases of the development
Access:	Walk-up with breezeways

[1] Class D buildings are characterized by combustible construction. The exterior walls may be made up of closely spaces wood or steel studs, as in the case of a typical frame house, with an exterior covering of wood siding, shingles, stucco, brick, or stone veneer, or other materials. Floors and roofs are supported on wood or steel joists or trusses or the floor may be a concrete slab on the ground. Upper floors or roofs may consist of wood or metal deck, prefabricated panels or sheathing. (Source: Marshall Valuation Service, January 2014, §1, p. 8)

Exterior Description	Foundation:	Poured, reinforced concrete slab, on grade
	Frame:	Wood
	Exterior Finish:	Brick and vinyl
	Roof:	Pitched, asphalt shingles
Interior Living Areas	Walls:	Painted drywall
	Windows:	Double-pane glass
	Ceiling:	Painted drywall
	Lighting:	Fixtures, fluorescent and incandescent
	Flooring:	Carpet, ceramic tile, laminate

Kitchen Areas — Wood cabinets with laminate countertops, refrigerator, stainless sink, range/oven, washer and dryer connections. After renovation, the kitchens will have black appliances and granite countertops, and units will include a full size washer and dryer. Many units already have washers and dryers.

Bath — Porcelain commode, wood vanity cabinet with laminate countertop, single sink, ceramic tile tub/shower combination

Other	HVAC:	Pad mounted A/C units
	Electrical/plumbing:	Typical, assumed adequate. Units and common areas are not sprinklered.
	Interior doors:	Hollow core with glass doors to patio
	Exterior doors:	Metal
	Other:	Most units have small patio or balcony

Parking/Sidewalks: — Adequate surface, uncovered parking spaces including handicapped spaces.

Landscaping/Other: — Attractive landscaping and mature trees

Property Amenities: — The project includes surface parking, common amenities with multiple playgrounds, swimming pool and a clubhouse facility. Renovated property will include grilling stations. The management building is physically located within Phase I of the development, with tenants of all four phases afforded access through a reciprocal use agreement through 2060. The agreement permits unrestricted access to all common areas and amenities for the purpose of ingress, egress, parking and the use and enjoyment of same common areas.

Utilities: — Tenants are currently responsible for electric and gas utilities. Water, sewer and trash are paid by the complex currently. After renovation, the gas appliances will be converted to electric and the tenants will be responsible for electric, water and sewer charges. Trash will be provided by the complex.

Renovations: The prospective purchaser is planning a substantial renovation budgeted at $11,150,000. Construction direct and indirect costs (including financing and tax credit fees) are $11,150,000 or $60,270 per unit. Unit improvements will include interior painting; new low-flow plumbing, fixtures, faucets and accessories; new kitchen and bathroom cabinetry and countertops; new Energy Star appliances; new hot water heaters; new HVAC systems; new light fixtures (pendant light in kitchen); and new flooring (carpet in bedrooms, vinyl in bathrooms, faux hardwood plank throughout). Exterior upgrades include replacing vinyl siding with cementitious siding, gutter, downspouts, window replacements. Complex upgrades include new retaining walls, asphalt, curb, gutter and landscaping.

Economic Age and Life: According to *Marshall Valuation Service* cost guide (Section 97, page 10, Multiple Residences, Class D), buildings of this type and quality have an expected life of 50 to 60 years. However, this may be extended by a consistent repair schedule. The subject phase was built 1998 and is proposed for extensive renovations budgeted at approximately $60,270 per unit in direct and indirect costs. Post renovation the property will be in "like new" condition. Thus, we estimate remaining economic life of 55 years for the subject property post renovation.

Our estimate considers the following factors:

1. The economic make-up of the community and the ongoing demand for the subject type,
2. The relationship between the property and the immediate environment,
3. Architectural design, style and utility from a functional point of view,
4. The trend and rate of change in the characteristics of the neighborhood that affect values,
5. Construction quality, and
6. Physical condition

The subject is good-quality construction with all garden-style floor plans. The unit mix and sizes are generally consistent with competitive properties in the area and fit the tenant base well. In addition, the subject's construction quality, condition and level of amenities are all generally consistent with competitive product. There has been limited new construction in the area in the past ten years. This should bode well for occupancy at the subject and as such, there should be minimal vacancy. The subject tenants appear to keep their units adequately maintained. Finally, the subject will be fully funded with annual deposits that will meet capital needs through an ongoing repair and replacement schedule, which should prolong the life of the subject. Considering all of these factors, our estimate of remaining economic life for the subject seems reasonable.

Deferred Maintenance/ Capital Issues:	Overall, the property is in average to good physical condition. There were no significant deferred maintenance issues observed on inspection.
Conclusion/Comments:	The subject's construction is consistent with newer garden-style apartment complexes in the metro area and is competitive with other similar-vintage complexes in Atlanta.

ZONING ANALYSIS

The property is subject to the zoning regulations of the City of Atlanta, Georgia. According to the Atlanta Department of Planning and Zoning, the subject parcel is zoned RG-3, General Residential. This zoning class permits multi-family development and is a subset of the Multifamily Residential District. The RG-3 district allows single-family, duplex and multifamily structures, including apartment structures. Other uses allowed, subject to specific limitations, are places of worship, primary and secondary schools, daycare, community based residential facilities, and convenience establishments. It appears that the subject is a conforming use. Our analysis assumes that the subject is not in violation of the zoning ordinance. We recommend a letter be obtained from the City of Atlanta Zoning Commission for any further questions.

TAX ANALYSIS

The property is subject to taxation by the City of Atlanta and Fulton County. Real estate in Georgia is assessed at 40% of the assessor's estimated market value. The current millage rate applicable to the subject is $45.341 per $1,000 of assessed value (combined city and county). Actual 2014 real property taxes for the subject are $60,348, but much of the property (underlying land and 40%of the units / PBRA units) is tax exempt. The three exempt parcels are owned by the housing authority. The 2014 tax information for the subject, showing actual taxes, exemptions, and the Fulton County Tax Assessor's appraisal of the land and improvements are presented in the following chart.

2014 ASSESSMENT AND TAX INFORMATION

Parcel ID No.	Land Value	Improvement Value	Total Value	Assessed Value	Tax Rate / $1,000	Tax Rate / $1,000	Actual Taxes	Annual Taxes Computed
14007900020104	$1,520,600	$0	$1,520,600	$608,240	$33.190	$12.151	Exempt	$27,578
14007900020179	$0	$5,545,700	$5,545,700	$1,330,970	$33.190	$12.151	$60,348	$60,348
14007900060175	$14,418,200	$0	$14,418,200	$5,767,280	$33.190	$12.151	Exempt	$261,494
14007900060209	$9,550,700	$0	$9,550,700	$3,820,280	$33.190	$12.151	Exempt	$173,215

Source: Fulton County Tax Assessor / Commisioner; Total billed includes interest charges

If taxes are calculated based on these appraised values, without exemption for the underlying land nor the PBRA units, the appraised value would be $31,035,200 or $167,758 per unit. We feel that an owner would have appealed the appraisal of the underlying land, which has not been reappraised by the county recently, presumably since it is exempt.

As mentioned, the prospective purchaser is planning a substantial renovation in the amount of approximately $60,270 per unit in building improvements. For the NOI analysis of operations at stabilization, we relied on the owner's methodology to estimate taxes. Because the tax assessor computes the value based on potential income, this estimate appears reasonable. It is substantially lower than the appraised value of urban market-rate complexes because the anticipated income is substantially lower then that of the market rate comparables.

If we use their methodology to project the taxes at stabilization, we begin with our projected NOI and apply a capitalization rate. As discussed later in this report, 6.5% appears to be an appropriate rate. That value indication then is computed at 40% for assessment. After the assessed value is calculated, an additional exemption of 39.5% is applied for the PBRA units. If the 2014 millage rate is applied to that figure, the resulting tax liability is about $108,483 or $586 per unit. We used a rounded tax amount of $109,000.

Tax Estimate At Completion	
NOI	$642,642
CapItalized at 6.5%	$9,886,795
Assessed at 40%	$3,954,718
Exempt at 39.5%	$2,392,604
0.045341 Millage	$108,483
Per Unit	$586

Tax Analysis Hypothetical Market Rents, As Is

We researched the tax appraisal of three downtown, market-rate complexes. Appraised values ranged from $136,140 to $158,160 per unit. Comparables Two and Three are substantially newer than the subject, and all of the complexes are in substantially better condition than the subject "as is."

2014 MARKET RATE APARTMENT TAX COMPARABLES				
Comparable	**SUBJECT**	**One**	**Two**	**Three**
Name:	Centennial Place III	The Prato	Alexander at the	Apex West Midtown
Address:	248 Merritts Avenue	400 Central Park	1750 Commerce Drive	1133 Huff Road
Tax ID No.:	14007900020179	140050LL0191 & 0233	17015200120253	17018800030716
No. of Units:	185	342	280	340
Year Built:	1996	1995	2007	2009
Avg. Unit Size	899	954	960	1,101
Value Per Unit:	$167,758	$136,140	$158,160	$144,709
Source: Fulton County Tax Assessor's records				

For the pro forma based on the hypothetical unrestricted rents, we estimate an appraised value of $135,000 per unit, or a total tax value (185 units) of $24,975,000. This equates to an assessed value (40%) of $9,990,000. At the current tax rate ($44.341/$1,000 of assessed value), the resulting taxes would be $452,957, which we rounded to $2,450 per unit.

APARTMENT INVESTMENT MARKET

The following paragraphs were taken from *Emerging Trends in Real Estate 2015*. Multifamily was real estate's trendsetter in the first years of recovery. If you go by just the numbers, the opinions of the *Emerging Trends* survey respondents seem sharply divided. For high-end multifamily, nearly half of the respondents (48 percent) felt it would be smart to divest in 2015, while 30 percent consider it worthwhile to hold for a longer period. Only 21 percent suggest this is a good time to buy. At the more moderate income level, that relationship was reversed. Only 28 percent recommend selling, while holding and acquisition are more attractive, with 37 percent and 35 percent recommending these strategies, respectively, in the year ahead.

The survey subtly distinguishes between the moderate-and upper-income tiers' investment and development prospects. For investment, more moderately priced apartments have the edge. Despite this, the upper-income units have an attractive price-to-cost spread. Survey respondents expect upward cap-rate adjustment, though most of the shift will not happen in 2015 but in the 2016 – 2018 period. The sense of urgency to sell just isn't at hand right now.

Developers' preferences for upper end apartments notwithstanding, the depth of demand for luxury rental units goes only so far. Wealthy households prefer to own their homes—and most already do. The bulk of pent-up and emerging demand comes from the battered middle-income and lower-middle-income sector, predominantly renters. As the forecasted gains in employment take hold, millennial sharers, "boomerang children," domestic migrants, and international immigrants represent the bulk of new residential renter demand. Developers may actually be able to "make up in volume what they can't achieve in price." The overarching context is that next year and beyond, the demand fundamentals for moderate apartments continue to look very good. Many interviewees expect the millennials to move into homeownership in some significant numbers, but that won't happen until 2020 or later. One economic forecaster sees terrific opportunities to buy value-add multifamily and suggests as a "best bet" purchasing "B" buildings in "A" markets. Should the acceleration in the job market begin to push incomes up for the middle class—a hope or a reasonable guess, but not a certainty—there could be a nice bump in rents for those Class B apartment buildings. Supply is still on the rise, but a disproportionate share of new construction is at the high end.

As a screening device, one investor looks for markets with science, technology, engineering, and math (STEM) strength— which usually means a big research university drawing young tech and engineering talent in need of apartments, with salaries that are attractive to the owners of rental complexes. The real strength in multifamily, though, is that it is not dependent upon just one demand segment. As local economies grow and the number of jobs rises, rental housing is required. This is not rocket science. Unless you are a contrarian, though, don't expect a rapid upward turnaround for suburban garden apartments. Once a classic vehicle for developers and investors riding the wave out of the center city, these are now out of favor with millennial renters and portfolio managers alike. Still, transaction data show that there's a steady parade of buyers for garden apartment product, which has about a 150-basis-point-higher cap rate than mid and high-rise multifamily. As potent as the urbanization trend is, there is still a huge base of suburban units out there—and they are a lot cheaper. Atlanta was ranked 11 out of 75 U.S. Markets to Watch in 2015 (Overall Real Estate Prospects).

According to the *PwC Real Estate Investor Survey - Fourth Quarter 2014*, amid rising prices in an aggressive investment arena, the current pace of total sales in the national apartment market is ahead of last year. Through the third quarter of 2014, total apartment sales reached \$73.1 billion, compared to \$71.1 billion in the prior year, as per RealCapital Analytics. At the same time, the average price per unit increased 21.5%. Despite the characterization by certain investors of a "too pricey" and "crowded" apartment market, this asset class placed second again this year for overall investment prospects in *Emerging Trends in Real Estate* 2015, published by PwC and ULI. In fact, it scored a 3.48 on a scale of 1 (abysmal) to 5 (excellent), compared to a score of 3.61 for the industrial/distribution market. Along with vigorous sales activity, this market's average overall cap rate decreases to its lowest point in the Survey since its debut in mid-1990. The average overall cap rate drops 15 basis points this quarter to 5.36%. "Cap rates have compressed for value-added and core deals," remarks a participant. In the next six months, surveyed investors foresee overall cap rates holding steady in this market as the supply and demand dynamics shift due to increases in new development.

The *PwC Survey* indicates that overall capitalization rates for apartments in the Southeast Region range from 3.75% to 7.25%, with an average of 5.50% (institutional-grade properties). The average rate is down five basis points from the previous quarter and is down 23 basis points from the same period one year ago. Investors indicated inflation assumptions for market rent generally ranging between 2.00% and 4.00%, with an average of 3.15%. Additionally, these investors quoted an expense inflation rate between 2.00% and 3.00%, with an average of 2.80%. Internal rate of return (IRR) requirements for the investors ranged from 6.00% to 10.00%, with an average of 7.60%, down from 7.70% in the prior quarter and 7.95% one year ago. The average marketing time ranged from one to six months, with an average of 3.0 months, which is unchanged from the prior quarter and down 4.4 months from the same period one year ago.

ATLANTA APARTMENT MARKET

The Atlanta Apartment Market Report published by *MPF Research,* dated First Quarter 2015, tracks the apartment market in metro Atlanta and divides the area into 35 submarkets. The following information is taken in large part from this publication.

Overview

Atlanta continues to fight consistently high unemployment and excess housing following the recession. However, more recent indicators show an improving trend as the metro area records higher occupancies and strong rental rate performance, as well being one of the nation's leaders in job growth. Improvements in the local economy are behind much of this upswing. Annual job gains over the past two years have averaged around 73,000 per year. Regarding housing supply, there is still some excess from the pre-recessionary boom and that remains to be worked off. At the end of 2014, Atlanta ranked 9th nationally for single-family mortgages under water. With this excess, apartment occupancy was unable to climb much above 93% for six years, finally breaking that ceiling last year. More recently it has hovered between 93% and 94%. Residential demand has improved, and this has driven generally good absorption numbers. The Atlanta multi-family market is starting to show solid improvement, though the performance still remains uneven in certain market segments.

In the 1st quarter 2015, market demand was insufficient to offset high levels of new supply. Occupancy slipped 0.2 points quarter-over-quarter to 93.3%. Rents performed a little better, rising by 0.7%. The year-over-year rent increase was 7.5% - reflecting a 20-year high.

MPF expects Atlanta to continue to exhibit improving multi-family demand. However, individual submarket performances will continue to be uneven, with top tier markets inside the perimeter and high-end suburban submarkets along the Georgia 400 corridor doing particularly well. They expect conditions in Atlanta to stabilize by mid-2015. Increased supply will tend to limit revenue growth below 4% and occupancy levels should hold in the 94% range. Potential concerns are oversupply inside the perimeter and competition from the single-family market.

Atlanta Economic Outlook

Atlanta is no longer the fast growth/economic powerhouse it once was, but it is still a key regional business hub with the world's busiest airport. Atlanta continues to be a regional business hub with steady population growth and improving job growth inside a diverse economy. It hosts 15 Fortune 500 companies and over 35% of its residents have a Bachelor's degree, which ranks well nationally. The employment base has shown steady 2% growth per annum, and grew 4.6% in the year ending February 2015. The indications are that the Atlanta economy will continue to grow and improve, but, like the apartment market, that growth will be uneven with pockets of over-performance and under-performance.

Rents And Occupancy

During 2014, Atlanta rental rates increased by 7.5%, putting the area in the top ten nationally for rent growth. This growth was broad in scope as 25 of 35 submarkets recorded growth over 5%. Top performers were generally inside the perimeter but a few suburban submarkets also registered strong growth. Annual rent growth was led by Alpharetta/Cumming, East Marietta, North Gwinnett County, Chamblee/Brookhaven, Norcross and Duluth – all posting year-over-year hikes of over 10%. MPF expects rents to grow by about 4% in 2015, stabilizing at about 3% in 2016.

Submarket occupancy performance is not as strong as the rent growth. Lower-tier submarkets are generally trailing the upper-tier, inside-the-perimeter submarkets. In general, the lower performers are to the south and the stronger performers inside the Perimeter and to the north. The submarkets that are underperforming with regard to occupancy are strong candidates to under perform in terms of rental growth – though in very general terms, rents have outperformed occupancy across the metro spectrum. The metro area absorbed 9,217 units over the past year, as opposed to 8,200 units average over the last five years. MPF expects broad scale occupancy to stay at the mid 93% point, but notes that a few submarkets may show significant improvement due to factors like the new Braves stadium coming on line in the south Cobb, Vinings area and the new State Farm facility in Dunwoody. Some of the previous top performers, Downtown/Midtown, Buckhead and West Atlanta saw occupancy declines with the addition of over 1,000 units each.

Development Trends

Atlanta to some extent is still recovering from the pre-recessionary overbuild, but continued improving demand for rental units, particularly new ones in strong submarkets, has encouraged developers to develop. At the end of first quarter 2015, construction was underway on 48 properties totaling 12,544 units. Of that total, about 8,300 should be completed over the next year. Most of the new construction is occurring inside the perimeter. Downtown/Midtown, Decatur and Buckhead submarkets were leading the way. The northern submarkets, despite strong rent and occupancy performance do not reflect as much construction activity. For instance, Dunwoody, Roswell, Vinings, east Gwinnett and North Gwinnett had less than 400 units under construction. This would suggest that there may be an opportunity for new development activity in these areas.

Single-Family Snapshot

Atlanta home prices plummeted during the recession. Recently, though, the metro is seeing a dramatic rise in values. The January 2015 median home price ($203,000) rose by over 13% year-over-year. From January 2014 to January 2015, the area recorded a sales volume of 44,605 homes. Still, lurking in the background of the single-family sector is the figure of 19% of homes with a negative equity position – per *RealtyTrac*.

Top Submarkets

The following chart illustrates the 2014 performance of the Atlanta apartment submarkets.

	First Quarter 2015 Atlanta Market Submarket	Total Units	Occupancy	Monthly Rent	PSF
1	Downtown/Midtown	15,642	92.0%	$1,337	$1.46
2	Northeast Atlanta	9,539	93.3%	$1,323	$1.38
3	West Atlanta	8,145	89.2%	$1,237	$1.24
4	Buckhead	11,183	94.0%	$1,329	$1.30
5	Sandy Springs	13,304	94.0%	$1,031	$0.97
6	Dunwoody	7,875	95.7%	$1,315	$1.23
7	Chamblee/Brookhaven	10,758	95.8%	$1,165	$1.15
8	Doraville	7,219	95.5%	$788	$0.80
9	Briarcliff	11,882	94.7%	$1,059	$1.05
10	Decatur	6,547	95.9%	$1,066	$1.07
11	Clarkston/Tucker	7,417	94.9%	$765	$0.72
12	Stone Mountain	8,600	90.9%	$667	$0.66
13	Southwest DeKalb County	9,006	85.9%	$696	$0.70
14	Southeast DeKalb County	8,730	92.0%	$772	$0.72
15	Henry County	9,107	92.5%	$829	$0.75
16	Clayton County	13,810	88.2%	$637	$0.62
17	South Atlanta	15,392	90.4%	$698	$0.70
18	Southwest Atlanta	5,923	91.6%	$845	$0.83
19	South Fulton County	11,915	88.8%	$674	$0.67
20	South Cobb County/Douglasville	10,829	93.1%	$770	$0.75
21	Smyrna	12,577	92.9%	$912	$0.89
22	Vinings	7,102	94.6%	$1,072	$1.06
23	East Marietta	16,556	94.9%	$890	$0.85
24	West Marietta	5,597	89.5%	$759	$0.75
25	Kennesaw/Woodstock	12,175	96.3%	$1,039	$0.94
26	Roswell	6,848	95.6%	$972	$0.88
27	Alpharetta/Cumming	11,891	96.1%	$1,132	$1.06
28	Norcross	17,062	95.5%	$787	$0.80
29	Duluth	12,676	95.5%	$914	$0.86
30	North Gwinnett County	7,477	94.5%	$1,084	$0.99
31	East Gwinnett County	14,255	95.3%	$901	$0.85
32	Far East Atlanta Suburbs	6,337	93.5%	$786	$0.73
33	Far South Atlanta Suburbs	6,279	94.8%	$871	$0.79
34	Far West Atlanta Suburbs	3,564	91.2%	$1,020	$0.87
35	Far North Atlanta Suburbs	4,100	96.0%	$826	$0.78
	Atlanta Total / Average	347,319	93.3%	$943	$0.92

2015 Outlook

Although performance is a little uneven across the area's 35 submarkets, *MPF* expects similar market performance in 2015 to that of 2014: good rent growth and occupancy between 93% and 94%. They do expect the Atlanta economy to show improved job growth with 93,000 new jobs estimated for 2015. Two key things to look for are whether developers start heading to the northern suburbs and if the single family rentals will impact lower priced eastern and southern submarkets.

THE SUBJECT'S DOWNTOWN/MIDTOWN SUBMARKET

Inventory

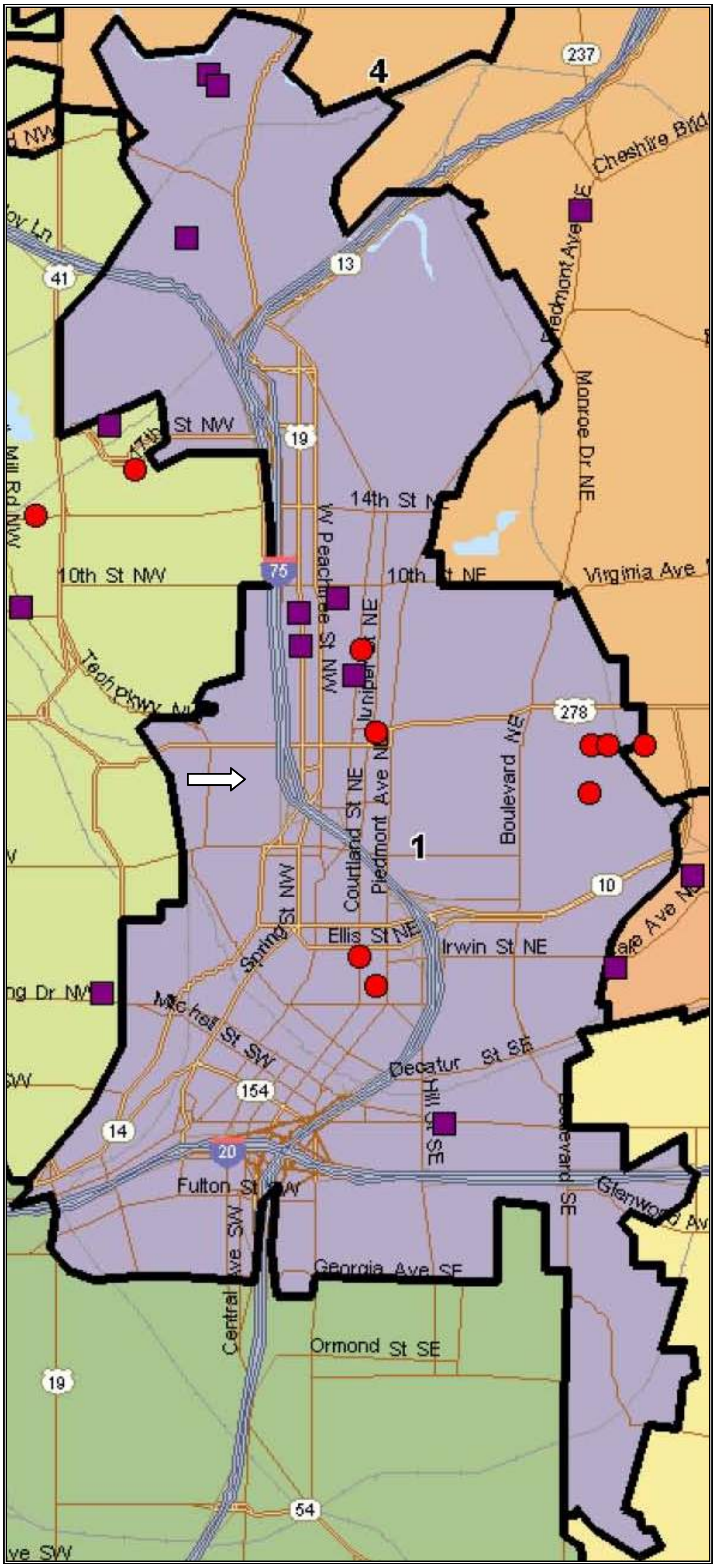
According to MPF Research, the subject is located in the Downtown/Midtown submarket. According to the *First Quarter 2015 Report*, the Downtown/Midtown submarket, inventory is 29,886 apartment units. For the submarket, the five-year average annual supply increase was 777 units, which fluctuated between a low of 30 to a high of 1,984. The supply increase for 2015 is projected at 1,613 units with a quarterly supply of 374 units.

Absorption figures were not available for the new developments. Given that the subject is and will be a partial PBRA property, its absorption period for those units will be abbreviated and more to do with the logistics of getting people qualified and moved in rather than traditional market forces. Given current market condition, absorption for a property similar to the proposed renovated subject would be projected at 15 units per month given.

The following chart details the projects recently completed and under construction in the subject's submarket. A map of the submarket follows this chart.

Construction Activity - Downtown Midtown Submarket

Property Name	Address	Property Type	Units	Stories	Construction Stage	Start	Finish
Leonard (The)	301 Memorial Dr SE	Conventional	94	4	Completed	01/14	01/15
Jane (The)	214 Colonial Homes Dr NW	Conventional	280	6	Completed	04/13	02/15
One12 Courtland II	112 Courtland St NE	Student	109	18	Completed	08/13	08/14
131 Ponce	131 Ponce de Leon Ave NE	Conventional	280	5	Completed	01/13	10/14
Daily World	145 Auburn Ave NE	Conventional	10	2	Completed	01/14	10/14
Flats at Ponce City Market	650 N Ave NE	Conventional	259	9	Completed	12/11	11/14
AMLI Ponce Park	641 N Ave NE	Conventional	305	5	Completed	08/12	12/14
BOHO4W	477 Wilmer St NE	Conventional	276	5	Completed	11/12	10/14
Atlantic House	1163 W Peachtree St NW	Conventional	400	32	U/C	01/15	01/17
Centergy Two	848 Spring St NW	Student	210	25	U/C	04/14	04/15
2140 Peachtree Road	2140 Peachtree Road	Conventional	249	10	U/C	11/14	05/16
60 11th Street	60 11th Street	Conventional	319	20	U/C	11/14	05/16
782 Peachtree Street	782 Peachtree St NE	Conventional	294	10	U/C	09/14	05/16
City Lights	430 Boulevard NE	Senior	80	4	U/C	01/15	06/16
YOO on the Park	207 13th St NE	Conventional	245	25	U/C	02/15	06/16
University House Midtown	929 Spring St NW	Student	268	19	U/C	10/13	08/15
33 Peachtree Place	32 Peachtree Pl NE	Conventional	369	21	U/C	09/14	10/16
Post Centennial Park	325 Centennial Olympic Park Dr	Conventional	407	33	U/C	10/14	10/16
Ardmore & 28th	306 Ardmore Cir NW	Conventional	165	4	U/C	06/14	12/15
Monroe (The)	177 N Colonial Homes Cir NW	Conventional	217	5	U/C	07/14	12/15
Total			4,836				


4
1
Cheshire Brid
Piedmont Ave NE
Monroe Dr NE
Virginia Ave
14th St N
10th St NE
10th St NW
St NW
Mill Rd NW
Tech Pkwy NW
W Peachtree St NW
Juniper St NE
Courtland St NE
Piedmont Ave NE
Boulevard NE
Spring St NW
Ellis St NE
Irwin St NE
Mitchell St SW
Decatur St SE
Hill St SE
Boulevard SE
Glenwood Ave
Fulton St SW
Central Ave SW
Georgia Ave SE
Ormond St SE
ng Dr NW
ve SW
237
13
41
19
75
278
10
154
14
20
54

Occupancy

Overall occupancy for the Downtown/Midtown submarket first quarter 2015 was 92%, down 3.7% from a year earlier. The five-year occupancy peak was 96.1%, with a low of 88.4% and an average of 93.6%. We surveyed a total of eight comparable apartment developments in the area, as shown in the following chart.

RENT COMPARABLES - OCCUPANCY				
Complex	Rent Levels	Year Built	# of Units	Occupancy
1. Ashley Auburn Pointe I	Market, LIHTC, PBRA, AHA	2010	154	98%
2. Columbia Mechanicsville	LIHTC, PBRA, AHA	2007	199	97%
3. Capitol Gateway I and II	Market, LIHTC	2006	421	94%
4. Villages at Castleberry Hill	Market, LIHTC	1998-2000	450	94%
5. Ashley Collegetown II	Market, LIHTC, PBRA, AHA	2009	177	96%
6. The Prato at Midtown	Market	1992	342	92%
7. Camden Vantage	Market	2009	592	95%
8. City Plaza	Market	1996	164	94%
Total/Average			2,499	95%

The comparables reported physical occupancies from 92% to 98% with a weighted average of 95%. The complexes that are all market-rate have similar occupancies to the income-restricted complexes. The subject property is currently 92% occupied and 94% pre-leased. The owner’s projection includes a 7% physical and economic vacancy loss, which is historically consistent with operations. Based on all of this information, for the subject after renovation “as restricted” we concluded a 94% physical and 93% economic occupancy after factoring collection loss.

Unit Vacancy Rates

Most complex managers do not have and/or divest vacancy rates by specific unit types. When queried, none of the "occupancy" comparable managers noted any abnormal vacancy trends as regard apartment sizes or unit mixes. We therefore project the subject will experience approximate 6% vacancies in all unit types.

Concessions

The subject is not offering any concessions other than fluctuating reduced rents that are calculated by the LRO system daily. According to the provided historical operating statements, concessions have been dropping over the past five years. It does not appear that concessions are a significant factor in this submarket. However, in our competitive rent analysis, we will compare effective rent at the subject to effective rent at the comparables.

MARKET RENT ANALYSIS

Competitive Rental Analysis

We found a total of five comparable mixed-income complexes in the area, all of which offer market-rate and LIHTC units, as well as authority assisted units. We also included three all-market-rate complexes in our comparables analysis for the hypothetical value. The comparables are all Class A/B complexes, built between 1996 and 2010 with unit counts from 154 to 592. All of the complexes have generally similar unit and complex amenities as the subject. At the subject, tenants are currently responsible for all utilities except water, sewer and trash. After renovation, the gas appliances will be converted to electric and the tenants will be responsible for water and sewer charges, with individual meters planned as part of the renovation. Five of the comparables include trash. Comparable Four charges a flat fee for water and sewer which we included in the effective rent for comparison purposes. Seven of the comparables include washers and dryers in the units (Studio units are typically excluded from W/D). It is important to note that the subject's location is superior to the mixed-income comparables; the subject is located in the heart of downtown Atlanta, north of all the income-restricted comparable properties. The subject's and the comparable rents are presented in charts following this discussion. Further details, as well as photographs and a location map, are presented in the Addenda.

APARTMENT RENT COMPARABLE SUMMARY ONE-BEDROOM UNITS							
Comparable No. and Name	Bath Qty.	Size (SF)	Street Rent Per Unit	Street Rent Per SF	LIHTC (60%) Per Unit	LIHTC (60%) Per SF	Utilities Included
Subject	1.0	684	$928	$1.36	$643	$0.94	WST
1. Ashley Auburn Pointe I	1.0	756	$1,090	$1.44	$695	$0.92	T
2. Columbia Mechanicsville	1.0	750	$865	$1.15	$716	$0.95	T
3. Capitol Gateway I and II	1.0	708	$1,045	$1.48	$675	$0.95	T
3. Capitol Gateway I and II	1.0	742	$1,035	$1.39	$675	$0.91	T
3. Capitol Gateway I and II	1.0	772	$1,015	$1.31	$675	$0.87	T
3. Capitol Gateway I and II	1.0	867	$1,105	$1.27	$675	$0.78	T
4. Villages at Castleberry Hill	1.0	710	$865	$1.22	$690	$0.97	T
4. Villages at Castleberry Hill	1.0	799	$865	$1.08	N/Ap	N/Ap	T
5. Ashley Collegetown II	1.0	730	$945	$1.29	$665	$0.91	T
5. Ashley Collegetown II	1.0	820	$1,050	$1.28	$665	$0.81	T
6. The Prato at Midtown	1.0	573	$1,075	$1.88	N/Ap	N/Ap	None
6. The Prato at Midtown	1.0	705	$1,005	$1.43	N/Ap	N/Ap	None
6. The Prato at Midtown	1.0	748	$1,120	$1.50	N/Ap	N/Ap	None
6. The Prato at Midtown	1.0	809	$1,300	$1.61	N/Ap	N/Ap	None
6. The Prato at Midtown	1.0	925	$1,285	$1.39	N/Ap	N/Ap	None
6. The Prato at Midtown	1.0	960	$1,330	$1.39	N/Ap	N/Ap	None
6. The Prato at Midtown	1.0	789	$1,115	$1.41	N/Ap	N/Ap	None
6. The Prato at Midtown	1.0	865	$1,290	$1.49	N/Ap	N/Ap	None
7. Camden Vantage	1.0	656	$1,109	$1.69	N/Ap	N/Ap	None + $30 T
7. Camden Vantage	1.0	756	$1,279	$1.69	N/Ap	N/Ap	None + $30 T
7. Camden Vantage	1.0	831	$1,329	$1.60	N/Ap	N/Ap	None + $30 T
7. Camden Vantage	1.0	843	$1,180	$1.40	N/Ap	N/Ap	None + $30 T
7. Camden Vantage	1.0	845	$1,190	$1.41	N/Ap	N/Ap	None + $30 T
7. Camden Vantage	1.0	884	$1,339	$1.51	N/Ap	N/Ap	None + $30 T
8. City Plaza	1.0	698	$925	$1.33	N/Ap	N/Ap	None
8. City Plaza	1.0	707	$925	$1.31	N/Ap	N/Ap	None
8. City Plaza	1.0	715	$925	$1.29	N/Ap	N/Ap	None
8. City Plaza	1.0	777	$975	$1.25	N/Ap	N/Ap	None
Average of comps		776	$1,092	$1.41	$681	$0.90	
Maximum		960	$1,339	$1.88	$716	$0.97	
Minimum		573	$865	$1.08	$665	$0.78	

One-Bedroom Units – Market

The subject has one 1BR/1BA floor plan of 684-SF plan with current advertised rent of $928 per unit ($1.36/SF). The comparable one-bedroom units range in size from 573 to 960 square feet and average 776 square feet. The subject's floor plan is within the range of the comparables. Effective rents at the comparables range from $865 to $1,339 ($1.08 to $1.88 per square foot) and average $1,092 ($1.41 per square foot). Actual rents for the subject for this floorplan, as of March 2015, averaged $882, with the majority of the rents since 2014 above $900. With all the 2014 leases above the overall average, it appears there is an upward trend in rents. We reconciled to a market rent of $950 per month ($1.39 per square foot), within the range of the comparables on a monthly basis and a per-square-foot basis.

To estimate a market rent at completion, we looked more closely at Comparable One, Ashley Auburn Pointe, which was the most recently built of the mixed income properties and is near the subject. We reconciled to a market rent of $1,050 ($1.53 per square foot) post-renovation, which is still within the range of the comparables on a monthly and per-square-foot basis.

One-Bedroom Units – 60% LIHTC

The subject 684-SF floor plan is also offered as 60% LIHTC unit at a rent of $643 per month, which is at the top of the maximum allowable rent per AMI level once utilities are accounted for. The comparable 1BR 60% LIHTC units have an effective rental range of $665 to $716 with an average of $681 per month. The subject's effective rent is within the range of the comparables on a per-square –foot basis, and lower the comparables on a per-unit basis. Maximum allowable rent with current utilities structure is $643. At completion, the Area Median Income will be readjusted to the current AMI and the maximum rent will decrease. Furthermore, the new utility structure will increase the utility allowance. The maximum rent at completion will be $611, which we used in our post-renovation analysis.

APARTMENT RENT COMPARABLE SUMMARY TWO-BEDROOM UNITS							
Comparable	**Bath**	**Size**	**Street Rent**		**LIHTC (60%)**		**Utilities**
No. and Name	**Qty.**	**(SF)**	**Per Unit**	**Per SF**	**Per Unit**	**Per SF**	**Included**
Subject	1.0	872	$1,275	$1.46	$769	$0.88	WST
Subject	1.5	1,039	$1,396	$1.34	$769	$0.74	WST
Subject	2.0	1,055	$1,494	$1.42	$769	$0.73	WST
Subject	1.5	1,093	$1,360	$1.24	$769	$0.70	WST
1. Ashley Auburn Pointe I	2.0	1,079	$1,280	$1.19	$795	$0.74	T
2. Columbia Mechanicsville	2.0	1,005	$999	$0.99	$812	$0.81	T
3. Capitol Gateway I and II	1.0	910	$1,120	$1.23	$775	$0.85	T
3. Capitol Gateway I and II	2.0	978	$1,170	$1.20	$775	$0.79	T
3. Capitol Gateway I and II	2.0	1,031	$1,260	$1.22	$775	$0.75	T
3. Capitol Gateway I and II	2.0	1,047	$1,260	$1.20	$775	$0.74	T
3. Capitol Gateway I and II	2.0	1,050	$1,275	$1.21	$775	$0.74	T
3. Capitol Gateway I and II	2.5	1,178	$1,300	$1.10	$775	$0.66	T
3. Capitol Gateway I and II	2.5	1,319	$1,500	$1.14	$775	$0.59	T
4. Villages at Castleberry Hill	1.0	890	$900	$1.01	$715	$0.80	T
4. Villages at Castleberry Hill	2.0	947	$940	$0.99	$750	$0.79	T
4. Villages at Castleberry Hill	2.0	1,064	$940	$0.88	$750	$0.70	T
4. Villages at Castleberry Hill	2.0	1,093	$940	$0.86	$750	$0.69	T
4. Villages at Castleberry Hill	2.5	1,188	$1,265	$1.06	$850	$0.72	T
5. Ashley Collegetown II	2.0	989	$1,015	$1.03	N/Ap	N/Ap	T
5. Ashley Collegetown II	2.0	1,073	$1,015	$0.95	$760	$0.71	T
5. Ashley Collegetown II	2.0	1,223	$1,250	$1.02	$760	N/Ap	T
5. Ashley Collegetown II	2.0	1,250	$1,390	$1.11	$760	$0.61	T
5. Ashley Collegetown II	2.5	1,285	$1,310	$1.02	$760	$0.59	T
6. The Prato at Midtown	1.0	952	$1,300	$1.37	N/Ap	N/Ap	None
6. The Prato at Midtown	2.0	1,073	$1,450	$1.35	N/Ap	N/Ap	None
6. The Prato at Midtown	2.0	1,141	$1,450	$1.27	N/Ap	N/Ap	None
6. The Prato at Midtown	2.0	1,157	$1,450	$1.25	N/Ap	N/Ap	None
6. The Prato at Midtown	2.0	1,171	$1,450	$1.24	N/Ap	N/Ap	None
6. The Prato at Midtown	2.0	1,259	$1,450	$1.15	N/Ap	N/Ap	None
6. The Prato at Midtown	2.0	1,219	$1,450	$1.19	N/Ap	N/Ap	None
6. The Prato at Midtown	2.0	1,301	$1,595	$1.23	N/Ap	N/Ap	None
6. The Prato at Midtown	2.5	1,496	$1,975	$1.32	N/Ap	N/Ap	None
7. Camden Vantage	2.0	1,046	$1,459	$1.39	N/Ap	N/Ap	None + $30 T
7. Camden Vantage	2.0	1,149	$1,559	$1.36	N/Ap	N/Ap	None + $30 T
7. Camden Vantage	2.0	1,152	$1,659	$1.44	N/Ap	N/Ap	None + $30 T
7. Camden Vantage	2.0	1,277	$1,729	$1.35	N/Ap	N/Ap	None + $30 T
8. City Plaza	2.0	967	$1,125	$1.16	N/Ap	N/Ap	None
8. City Plaza	2.0	1,087	$1,200	$1.10	N/Ap	N/Ap	None
8. City Plaza	2.0	1,087	$1,300	$1.20	N/Ap	N/Ap	None
8. City Plaza	2.0	1,268	$1,600	$1.26	N/Ap	N/Ap	None
Average of comps		1,122	$1,315	$1.17	$772	$0.72	
Maximum		1,496	$1,975	$1.44	$850	$0.85	
Minimum		890	$900	$0.86	$715	$0.59	

Two-Bedroom Units – Market

The subject has four 2BR floor plans, all of which have market-rate units, including an 872–SF plan for $1,275 per month ($1.46/SF), a 1,039-SF plan for $1,396 per month ($1.34/SF), a 1,055-SF plan for $1,494 per month ($1.42/SF), and a 1,093-SF Garage floorplan for $1,360 per month ($1.24/SF). The comparable two-bedroom units range in size from 890 to 1,496 square feet and average 1,122 square feet. The smallest floor plan is just below the range of the comparables, while the rest are within the range of the comparables and close to the average. Effective rents at the comparables range from $900 to $1,975 ($0.86 to $1.44 per square foot) and average $1,315 ($1.17 per square foot). The smallest floorplan is above the range of the comparables on a per-square-foot basis. The subject's effective rents for the rest of the units are within the range of the comparables on a monthly and on a per-SF basis.

Actual rents for the subject for these floorplans, as of March 2015, were $1,147 per month for the smallest unit (19 units), $1,307 for the 1,039 SF unit (five units), $1,285 for the 1,055 SF unit (seven units) and $1,185 for the largest unit (nine units). We considered these actual rents when we reconciled to $1,150 for the smallest floorplan, $1,275 for the 1,039 SF floorplan, $1,275 for the 1,055 SF floorpplan, and $1,275 for the 1,093 SF floorplan.

Post-renovation, we increased the rent estimates to $1,200 for the smallest units, $1,300 for the garden mid-sized units, and $1,400 for the townhome unit. These rents are still within the range of the comparables.

Two-Bedroom Units – 60% LIHTC

The subject two-bedroom floor plans are also offered as 60% LIHTC units. Maximum allowable rents (once utilities are accounted for) are $769 per month for the units, which equates to $0.70 to $0.88 per square foot. The comparable 2BR 60% LIHTC units have an effective rental range of $715 to $850 with an average of $772 per month. The subject's effective rents for the plans are within the range of the comparables on a per-unit/monthly basis, with the smallest floorplan above the range on a per square foot basis. At several of the comparables, rents were reported uniform for LIHTC units regardless of size, and encompass a wide range of unit sizes. Rents have generally been on the rise in downtown developments, and it appears that market conditions support the maximum allowable rents at $769. At completion, the Area Median Income will be readjusted to the current AMI and the maximum rent will decrease. Furthermore, the new utility structure will increase the utility allowance. The maximum rent at completion will be $695, which we used in our post-renovation analysis.

APARTMENT RENT COMPARABLE SUMMARY THREE-BEDROOM UNITS							
Comparable	**Bath**	**Size**	**Street Rent**		**LIHTC (60%)**		**Utilities**
No. and Name	**Qty.**	**(SF)**	**Per Unit**	**Per SF**	**Per Unit**	**Per SF**	**Included**
Subject	2.5	1,252	$1,680	$1.34	$887	$0.71	WST
1. Ashley Auburn Pointe I	2.0	1,264	$1,620	$1.28	$881	$0.70	T
2. Columbia Mechanicsville	2.0	1,200	$1,199	$1.00	$881	$0.73	T
3. Capitol Gateway I and II	2.0	1,258	$1,420	$1.13	$853	$0.68	T
3. Capitol Gateway I and II	2.0	1,314	$1,420	$1.08	$853	$0.65	T
4. Villages at Castleberry Hill	2.0	1,138	$1,140	$1.00	$850	$0.75	T
5. Ashley Collegetown II	2.0	1,594	$1,370	$0.86	$811	$0.51	T
6. The Prato at Midtown	2.0	1,381	$2,200	$1.59	N/Ap	N/Ap	None
Average of comps		1,307	$1,481	$1.13	$855	$0.67	
Maximum		1,594	$2,200	$1.59	$881	$0.75	
Minimum		1,138	$1,140	$0.86	$811	$0.51	

Three-Bedroom Units – Market

The subject has one market rate 3BR 2.5 bath floor plan that is 1,252-SF for $1,680 per month ($1.34/SF). The comparable three-bedroom units range in size from 1,138 to 1,594 square feet and average 1,307 square feet. The subject's floor plan is within the range of the comparables. Effective rents at the comparables range from $1,140 to $2,200 ($0.86 to $1.59 per square foot) and average $1,481 ($1.13 per square foot). The subject's effective rent is within the range of the comparables. Actual lease rents for the 1,252 SF units average of $1,763. We reconciled to a market rent of $1,680 per month ($1.34 per square foot), within the range of the comparables on a monthly basis and a per-square-foot basis.

To estimate a market rent at completion, we looked more closely at Comparable One, Ashley Auburn Pointe, which was the most recently built of the mixed income properties and is near the subject. We reconciled to a market rent of $1,750 ($1.40 per square foot) post-renovation, which is still within the range of the comparables on a monthly and per-square-foot basis.

Three-Bedroom Units – 60% LIHTC

The subject's 3BR floor plan is also offered as a 60% LIHTC unit and Authority Assisted unit. Maximum allowable rents (once utilities are accounted for) are $887 per month for the units, which equates to $0.71 per square foot. The comparable 3BR 60% LIHTC units have an effective rental range of $811 to $881 with an average of $855 per month. The subject's effective rents for the plans are within the range of the comparables on a per-unit/monthly basis. At several of the comparables, rents were reported uniform for LIHTC units regardless of size, and encompass a wide range of unit sizes. Rents have generally been on the rise in downtown developments, and it appears that market conditions support the maximum allowable rents at $887. At completion, the Area Median Income will be readjusted to the current AMI and the maximum rent will decrease. Furthermore, the new utility structure will increase the utility allowance. The maximum rent at completion will be $764, which we used in our post-renovation analysis.

APARTMENT RENT COMPARABLE SUMMARY FOUR-BEDROOM UNITS							
Comparable No. and Name	Bath Qty.	Size (SF)	Street Rent Per Unit	Street Rent Per SF	LIHTC (60%) Per Unit	LIHTC (60%) Per SF	Utilities Included
Subject	2.5	1,575	$1,950	$1.24	$985	$0.63	WST
3. Capitol Gateway I and II	2.0	1,447	N/Ap	N/Ap	$913	$0.63	T
Average of comps		1,447			$913	$0.63	

Four-Bedroom Units – Market

The subject has a 4BR 2.5 bath floor plan that is 1,575-SF for $1,950 per month ($1.24/SF) market rent, though none of the floor plans are available at market. The comparable four-bedroom unit also does not offer the apartment at market rent. It is similar in size to a larger three-bedroom floorplan available at one of the comparables, which rents for $1,370 per month or $0.86 per square foot. We reconciled to a market rent of $1,680 per month ($1.07 per square foot), within the range of the comparables on a monthly basis and a per-square-foot basis, when compared to the comparable three-bedroom units. At completion, we reconciled to $2,100 ($1.33 per square foot), which we used in our analysis.

Four-Bedroom Units – 60% LIHTC

The subject's 4BR floor plan is also offered as an Authority Assisted unit. Maximum allowable rents (once utilities are accounted for) are $985 per month for the units, which equates to $0.63 per square foot. The comparable 4BR 60% LIHTC unit has an effective rental rate of $913 ($0.63 PSF). The subject's effective rent for the plan is similar to the comparable on a per-unit/monthly basis. At completion, the Area Median Income will be readjusted to the current AMI and the maximum rent will decrease. Furthermore, the new utility structure will increase the utility allowance. The maximum rent at completion will be $695, which we used in our post-renovation analysis.

SUBJECT'S CHARACTERISTICS / MARKETABILITY

Centennial Place Apartments Phase III is a 185-unit apartment development, built in 1998, situated on a 7.43-acre ground-leased site. It is located south of Merritts Avenue, west of McAfee Street, east of Luckie Street, and north of Mills Street. It is bisected by Pine and Hunnicutt Streets, within the city limits of Atlanta, Fulton County, Georgia, at the center of the Atlanta CBD. The property consists of 23 two- and three-story apartment buildings. The unit mix consists of 57 one-bedroom units, 110 two-bedroom units, 16 three-bedroom units, and two four-bedroom units, ranging from 684 to 1,575 square feet (net leasable), with an average size of 899 square feet. The subject includes a mixture of market (74 units, or 40%), Low Income Housing Tax Credit (LIHTC) units at 60% of AMI (37 units, or 20%), and authority assisted units (74 units, or 40%). The project includes surface parking, a free-standing management building and common amenities that it shares with the four phases of the development that includes a leasing office and fitness center, multiple playgrounds, two swimming pools, and grill stations that will be added after renovation. It is our understanding that the property is planned for extensive renovation. The renovation will be financed with proceeds from the syndication of federal and state 9% low income housing tax credits. The subject has a street address of 248 Merritts Avenue NW and is legally identified as tax parcels 14007900020104, 14007900020179 (improvements), 14007900060175, and 14007900060209.

Basic construction is wood framing, with brick and vinyl-siding exterior and pitched, asphalt-shingled roofs. Exterior stairs are steel and concrete, with concrete sidewalks and breezeways. Interior features include: smooth painted drywall walls and ceilings, carpeted living areas and vinyl flooring in the kitchen and baths, tub/shower combinations, wood cabinetry in kitchen and bath, laminate countertops, refrigerators, ovens with stove tops and washer/dryers.

The unit sizes, features and amenities are typical for similar-vintage, garden-style apartments in the area and are similar compared to most of the product in the neighborhood. However, it is noted that the owner is planning a substantial renovation that will include interior upgrades to the fixtures, appliances and flooring. Once completed, the subject property will be similar or slightly superior to most competitive properties in the area.

The subject is currently 92% occupied. There are no specials being offered. Post renovation, there will still be 74 Atlanta Housing Authority Assisted units, and the gross rent limit will be calculated using the 54% AMI. Thirty-seven of the units will continue to be subject to the requirements of low income housing tax credits at 60% of the area median income (AMI). The remaining 74 units will be market-rate units.

The reported rents are presented in the following charts and include the appraiser recommended rents.

UNIT MIX AND APPRAISER RECOMMENDED RENTS - AS IS MARCH 2015 Centennial Place Phase III Apartments						
Unit Type	No. Units	Unit SF	Total Heated	Monthly Rent	Rent SF	Total Income
1BR/1BA PHA	7	684	4,788	$643	$0.94	$54,012
2BR/1BA PHA	38	872	33,136	$769	$0.88	$350,664
2BR/1.5BA PHA	8	1,039	8,312	$769	$0.74	$73,824
2BR/2BA PHA	9	1,055	9,495	$769	$0.73	$83,052
3BR/2.5BA PHA	10	1,252	12,520	$887	$0.71	$106,440
4BR/2.5BA PHA	2	1,575	3,150	$985	$0.63	$23,640
1BR/1BA LIHTC 60%	21	684	14,364	$643	$0.94	$162,036
2BR/1BA LIHTC 60%	9	872	7,848	$769	$0.88	$83,052
2BR/1.5BA LIHTC 60%	3	1,039	3,117	$769	$0.74	$27,684
2BR/2BA LIHTC 60%	3	1,093	3,279	$769	$0.70	$27,684
3BR/2.5BA 60%	1	1,252	1,252	$887	$0.71	$10,644
1BR/1BA Market	29	684	19,836	$950	$1.39	$330,600
2BR/1BA Market	19	872	16,568	$1,150	$1.32	$262,200
2BR/1.5BA Market	5	1,039	5,195	$1,275	$1.23	$76,500
2BR/2BA Market	7	1,055	7,385	$1,275	$1.21	$107,100
2BR/2BA Market	9	1,093	9,837	$1,275	$1.17	$137,700
3BR/2.5BA Market	5	1,252	6,260	$1,680	$1.34	$100,800
Totals/Average	185	899	166,342	$909	$1.01	$2,017,632

UNIT MIX AND APPRAISER RECOMMENDED RENTS - POST RENOVATION Centennial Place Phase II Apartments						
Unit Type	No. Units	Heated SF	Total Heated	Monthly Rent	Rent SF	Total Income
1BR/1BA PHA	7	684	4,788	$534	$0.78	$44,856
2BR/1BA PHA	38	872	33,136	$602	$0.69	$274,512
2BR/1.5BA PHA	8	1,039	8,312	$602	$0.58	$57,792
2BR/2BA PHA	9	1,055	9,495	$602	$0.57	$65,016
3BR/2.5BA PHA	10	1,252	12,520	$657	$0.52	$78,840
4BR/2.5BA PHA	2	1,575	3,150	$695	$0.44	$16,680
1BR/1BA LIHTC 60%	21	684	14,364	$611	$0.89	$153,972
2BR/1BA LIHTC 60%	9	872	7,848	$695	$0.80	$75,060
2BR/1.5BA LIHTC 60%	3	1,039	3,117	$695	$0.67	$25,020
2BR/2BA LIHTC 60%	3	1,093	3,279	$695	$0.64	$25,020
3BR/2.5BA 60%	1	1,252	1,252	$764	$0.61	$9,168
1BR/1BA Market	29	684	19,836	$1,050	$1.54	$365,400
2BR/1BA Market	19	872	16,568	$1,200	$1.38	$273,600
2BR/1.5BA Market	5	1,039	5,195	$1,400	$1.35	$84,000
2BR/2BA Market	7	1,055	7,385	$1,300	$1.23	$109,200
2BR/2BA Market	9	1,093	9,837	$1,300	$1.19	$140,400
3BR/2.5BA Market	5	1,252	6,260	$1,750	$1.40	$105,000
Totals/Average	185	899	166,342	$857	$0.95	$1,903,536

INCOME/RENT RESTRICTIONS

It is our understanding that the property is planned for interior renovation of all phases. The renovation will be financed with proceeds from the syndication of federal and state 9% low income housing tax credits. At completion of the proposed improvements, when the tax credits are in place, income levels for the 37 LIHTC units and 74 PBRA units must be at or below 60% and 54% of area median income (AMI), respectively. For Atlanta in 2015, per HUD, area median income is defined at $68,300. The restricted income levels are shown in the following chart. These income guidelines are used to qualify tenants for the income-restricted units. Believe

Note that the current rents include water, sewer and trash. Currently, the appropriate utility allowances for electric (per DCA) are as follows: 1BR total $104, 2BR total $127, 3BR total $149 and 4BR total $170. After renovation, when the tenant is responsible for electric, water and sewer utilities, the appropriate utility allowances for electric (per DCA) are as follows: 1BR total $157, 2BR total $226, 3BR total $300 and 4BR total $374. It should be noted that the maximum rent thresholds only apply to the LIHTC units and PBRA units. As can be seen, all of the subject's proposed 60% LIHTC and PBRA rents are at or below the maximum allowable rents. It is important to note that the property is currently eligible for "HERA Special" income and rent limit because it was placed into service prior to January 1, 2009, which is why the income limits and subsequent rents are higher. It is our understanding that because the property is refinancing, it will no longer be eligible for HERA.

Atlanta MSA Incomes @ 30%, 50% and 60% AMI (Atlanta 2015 AMI - $68,300)							
	1 Person	1.5 Person	2 Person	3 Person	4 Person	4.5 Person	5 Person
30% Inc.	$14,343	$15,368	$16,392	$18,441	$20,490	$21,310	$22,129
50% Inc.	$23,905	$25,613	$27,320	$30,735	$34,150	$35,516	$36,882
60% Inc.	$28,686	$30,735	$32,784	$36,882	$40,980	$42,619	$44,258

MAXIMUM ALLOWABLE RENT PER AMI LEVEL - AFTER RENOVATION													
54% Inc.	1BR	1.5	(	$27,648	x	30%	) / 12 =	$691	-	$157	=	$534
54% Inc.	2BR	3.0	(	$33,156	x	30%	) / 12 =	$829	-	$226	=	$603
54% Inc.	3BR	4.5	(	$38,313	x	30%	) / 12 =	$958	-	$300	=	$658
54% Inc.	4BR	6.0	(	$42,768	x	30%	) / 12 =	$1,069	-	$374	=	$695
MAXIMUM ALLOWABLE RENT PER AMI LEVEL - AFTER RENOVATION												
60% Inc.	1BR	1.5	(	$30,720	x	30%	) / 12 =	$768	-	$157	=	$611
60% Inc.	2BR	3.0	(	$36,840	x	30%	) / 12 =	$921	-	$226	=	$695
60% Inc.	3BR	4.5	(	$42,570	x	30%	) / 12 =	$1,064	-	$300	=	$764
60% Inc.	4BR	6.0	(	$47,520	x	30%	) / 12 =	$1,188	-	$374	=	$814

REASONABLE EXPOSURE AND MARKETING TIMES

Exposure time is always presumed to precede the effective date of appraisal. It is the estimated length of time the property would have been offered prior to a hypothetical market value sale on the effective date of appraisal. It assumes not only adequate, sufficient, and reasonable time but also adequate, sufficient, and reasonable marketing effort. To arrive at an estimate of exposure time for the subject, we considered direct and indirect market data gathered during the market analysis, the amount of time required for marketing the comparable sales included in this report, broker surveys, as well as information provided by national investor surveys that we regularly review. This information indicated typical exposure periods of less than twelve months for properties similar to the subject. Recent sales of similar quality apartment complexes were marketed for periods of less than twelve months. Therefore, we estimate a reasonable exposure time of 12 months or less.

A reasonable marketing time is the period a prospective investor would forecast to sell the subject immediately after the date of value, at the value estimated. The sources for this information include those used in estimating reasonable exposure time, but also an analysis of the anticipated changes in market conditions following the date of appraisal. Based on the premise that present market conditions are the best indicators of future performance, a prudent investor will forecast that, under the conditions described above, the subject property would require a marketing time of 12 months or less. This seems like a reasonable projection, given the current and projected market conditions.

In appraisal practice, the concept of highest and best use is the premise upon which value is based. The four criteria that the highest and best use must meet are: legal permissibility; physical possibility; financial feasibility; and maximum profitability.

Highest and best use is applied specifically to the use of a site as vacant. In cases where a site has existing improvements, the concluded highest and best use as if vacant may be different from the highest and best use as improved. The existing use will continue, however, until land value, at its highest and best use, exceeds that total value of the property under its existing use plus the cost of removing or altering the existing structure.

HIGHEST AND BEST USE AS IF VACANT

The subject property is zoned RG-3, Residential General Sector 3, by the city of Atlanta. This zoning district does permit apartment development. Given the subject's specific location and surrounding uses, a zoning change seems unlikely. The site has adequate size and shape, and sufficient access and exposure to allow for nearly all types of allowable uses, but given the surrounding development, it is best suited for some type of moderate- to high-density multi-family use. In our opinion, multi-family development will ultimately result in the maximum productive use of the site. Therefore, the highest and best use, as if vacant, is development with a multi-family project.

HIGHEST AND BEST USE AS IMPROVED

The subject improvements are reported to be in compliance with the city of Atlanta zoning ordinance. Further, the improvements are well suited for use as an apartment complex. It is possible the improvements could be converted to another use entirely, if the costs were justified. This seems highly unlikely. Our investigation indicates that there is sufficient demand in the area for apartments. Given that use of the improvements is basically limited to the existing or a similar use physically, and the fact that the improvements are financially feasible to operate, we conclude that the highest and best use of the property as improved is for continued use as an apartment complex.

Three basic approaches to value are typically considered. The cost, sales comparison, and income capitalization methodologies are described below.

- The **cost approach** is based on the premise that an informed purchaser will pay no more for the subject than the cost to produce an equivalent substitute. This approach is particularly applicable when the subject property is relatively new and represents the highest and best use of the land, or when relatively unique or specialized improvements are located on the site for which there exist few sales or lease comparables. The first step in the cost approach is to estimate land value (at its highest and best use). The second step is to estimate cost of all improvements. Improvement costs are then depreciated to reflect value loss from physical, functional and external causes. Land value and depreciated improvement costs are then added to indicate a total value.

- The **income approach** involves an analysis of the income-producing capacity of the property on a stabilized basis. The steps involved are: analyzing contract rent and comparing it to comparable rentals for reasonableness; estimating gross rent; making deductions for vacancy and collection losses as well as building expenses; and then capitalizing net income at a market-derived rate to yield an indication of value. The capitalization rate represents the relationship between net income and value.

  Related to the direct capitalization method is discounted cash flow (DCF). In this method of capitalizing future income to a present value, periodic cash flows (which consist of net income less capital costs, per period) and a reversion (if any) are estimated and discounted to present value. The discount rate is determined by analyzing current investor yield requirements for similar investments.

- In the **sales comparison** approach, sales of comparable properties, adjusted for differences, are used to indicate a value for the subject. Valuation is typically accomplished using physical units of comparison such as price per square foot, price per square foot excluding land, price per unit, etc., or economic units of comparison such as a net operating income (NOI) or gross rent multiplier (GRM). Adjustments are applied to the physical units of comparison. Economic units of comparison are not adjusted, but rather are analyzed as to relevant differences, with the final estimate derived based on the general comparisons. The reliability of this approach is dependent upon: (a) availability of comparable sales data; (b) verification of the data; (c) degree of comparability; and (d) absence of atypical conditions affecting the sale price.

The purpose of this appraisal is to estimate the market value of the leasehold interest in the subject property “as is,” market value of the fee simple and leasehold interests in the underlying site “as if vacant,” and prospective market value of the leasehold interest in the subject property “upon completion and stabilization,” of the proposed renovations using both restricted and hypothetical unrestricted rents.

The income approach is particularly applicable to this appraisal since the income producing capability is the underlying factor that would attract investors to the subject property. There is an adequate quality and quantity of income and expense data available to render a reliable and defensible value conclusion. Therefore, this approach was employed for this assignment. We performed the direct capitalization analyses in this approach. It is more direct with fewer subjective variables, and is more commonly relied upon by investors for the subject property type.

In regard to the sales comparison approach, sale prices of income producing properties are highly dependent on income characteristics. For this reason, a comparison of the net income of each property is more indicative of value for the property than comparison of physical units. We also performed a physical adjustment analysis. Given the quality of the comparable sales information that we did obtain, we believe that this approach provides a fairly reliable value estimate.

In conclusion, we used two of the three traditional methods of analysis in this appraisal of the leasehold value of the subject. For various reasons that are discussed above, it is our opinion that the typical investor would place most reliance on the income approach.

INCOME CAPITALIZATION APPROACH – AS IS

The income capitalization approach to value is based upon an analysis of the economic benefits to be received from ownership of the subject. These economic benefits typically consist of the net operating income projected to be generated by the improvements. There are several methods by which the present value of the income stream may be measured, including direct capitalization and a discounted cash flow analysis. In this section, we used the direct capitalization method. We initially estimated potential rental income, followed by projections of vacancy and collection loss and operating expenses. The resultant net operating income is then capitalized into a value indication based on application of an appropriate overall capitalization rate.

POTENTIAL GROSS RENTAL INCOME

The following chart shows current potential income using restricted rents at the subject.

UNIT MIX AND APPRAISER RECOMMENDED RENTS - AS IS MARCH 2015 Centennial Place Phase III Apartments						
Unit Type	No. Units	Unit SF	Total Heated	Monthly Rent	Rent SF	Total Income
1BR/1BA PHA	7	684	4,788	$643	$0.94	$54,012
2BR/1BA PHA	38	872	33,136	$769	$0.88	$350,664
2BR/1.5BA PHA	8	1,039	8,312	$769	$0.74	$73,824
2BR/2BA PHA	9	1,055	9,495	$769	$0.73	$83,052
3BR/2.5BA PHA	10	1,252	12,520	$887	$0.71	$106,440
4BR/2.5BA PHA	2	1,575	3,150	$985	$0.63	$23,640
1BR/1BA LIHTC 60%	21	684	14,364	$643	$0.94	$162,036
2BR/1BA LIHTC 60%	9	872	7,848	$769	$0.88	$83,052
2BR/1.5BA LIHTC 60%	3	1,039	3,117	$769	$0.74	$27,684
2BR/2BA LIHTC 60%	3	1,093	3,279	$769	$0.70	$27,684
3BR/2.5BA 60%	1	1,252	1,252	$887	$0.71	$10,644
1BR/1BA Market	29	684	19,836	$950	$1.39	$330,600
2BR/1BA Market	19	872	16,568	$1,150	$1.32	$262,200
2BR/1.5BA Market	5	1,039	5,195	$1,275	$1.23	$76,500
2BR/2BA Market	7	1,055	7,385	$1,275	$1.21	$107,100
2BR/2BA Market	9	1,093	9,837	$1,275	$1.17	$137,700
3BR/2.5BA Market	5	1,252	6,260	$1,680	$1.34	$100,800
Totals/Average	185	899	166,342	$909	$1.01	$2,017,632

Other Income

Phase III historical operating statements for years 2011 through 2014 indicate miscellaneous other income per unit of $262, $216, $206 and $171 per unit, respectively, which ranges from 2% to 4% of net rentable income (NRI). Our analysis includes 2% of PRI for other income, which is in line with the historicals.

Vacancy And Collection Loss

The comparables reported physical occupancies from 92% to 98% with a weighted average of about 95%. The subject property is currently 92% occupied. We also reviewed the historical operating statements at the subject over the past three years. According to the statements, the economic loss attributable to physical vacancy was about 11% in 2011, 11% in 2012, 6% in 2013 and 2014 was 14%. Vacancy was reported higher in 2014 because leasing dropped when management shifted from Yardi to an LRO system, but has since stabilized. Collection loss was minimal. Based on all of this information, we concluded a 92% physical and 90% economic occupancy after factoring collection loss.

Effective Gross Income

After accounting for apartment rental other income, and factoring in vacancy and collection loss of 10%, our projected annual effective gross income is $1,852,186 or $10,012 per unit.

Expense Analysis

Centennial Place Phase III Apartments is a portion of a four phase development of properties built between 1996 and 2000. The project contains a total of 738 units and is located in the central core of downtown Atlanta. Centennial Place Apartments Phases I-IV has always and continues to share similar ownership with related parties of Legacy Partnership. In addition, borrower related management companies manage the day-to-day operations of the property.

There are many points of ingress/egress to the apartment community. It is in an urban setting, and all of the phases are traversed by multiple streets. The property is subject to a long term reciprocal easement agreement (through 2060) that allows for the sharing of all amenities and the leasing office across all phases. The expenses for the common amenities / leasing office are shared on a pro rata basis. Historical operating expenses for Phase III are in line with comparable properties, and support the administrative and maintenance payroll expenses utilized in the pro forma.

The subject's historical operating data, and comparable data are summarized in the following charts.

HISTORICAL OPERATING STATEMENTS 2010 - 2014 CENTENNIAL PHASE III								
		166,342 SF		185 Units				
	Actual 2011	Per Unit	Actual 2012	Per Unit	Actual 2013	Per Unit	Actual 2014	Per Unit
Potential Rental Income	$1,414,256	$7,645	$1,329,172	$7,185	$1,375,858	$7,437	$1,507,457	$8,148
Subsidy	$354,068	$1,914	$351,022	$1,897	$419,305	$2,267	$372,127	$2,011
Misc. Other Income	48,548	262	39,890	216	38,164	206	31,674	171
Subtotal Other Income	402,616	2,176	390,912	2,113	457,469	2,473	403,801	2,183
Other as % of Rental Inc.	28.47%		29.41%		33.25%		26.79%	
Potential Gross Income	$1,816,872	$9,821	$1,720,084	$9,298	$1,833,327	$9,910	$1,911,258	$10,331
Vacancy & Collection Loss	-11%		-11%		-6%		-14%	
Vacancy	(194,971)	(1,054)	(187,432)	(1,013)	(106,396)	(575)	(265,336)	(1,434)
Bad Debt	(28,270)	(153)	(8,960)	(48)	(12,409)	(67)	(27,030)	(146)
Concessions	(66,213)	(358)	(10,384)	(56)	(15,003)	(81)	(13,386)	(72)
Subtotal V & C Loss	(289,454)	(1,565)	(206,776)	(1,118)	(133,808)	(723)	(305,752)	(1,653)
V & C as % of PGI	-15.93%		-12.02%		-7.30%		-16.00%	
Effective Gross Income	$1,527,418	$8,256	$1,513,308	$8,180	$1,699,519	$9,187	$1,605,506	$8,678
Real Estate Taxes	$65,250	$353	$59,136	$320	$58,724	$317	$64,700	$350
Insurance	48,605	263	32,816	177	47,203	255	51,096	276
Management Fee	95,600	517	95,604	517	93,803	507	91,520	495
Mgmt. as a % of EGI	6.3%		6.3%		5.5%		5.7%	
Utilities	117,098	633	106,795	577	258,431	1,397	239,371	1,294
Payroll	168,622	911	258,642	1,398	270,248	1,461	307,559	1,662
Cleaning & Redecorating		0		0		0		
Repairs & Maintenance	347,849	1,880	225,893	1,221	314,332	1,699	266,227	1,439
Landscaping and grounds	34,615	187	35,559	192	35,000	189	28,992	157
Security	60,233	326	81,858	442	74,516	403	76,201	412
Advertising & Promotion	25,176	136	16,105	87	10,568	57	16,181	87
Administrative & Misc.	125,044	676	136,938	740	115,619	625	86,431	467
Total Expenses	$1,088,092	$5,882	$1,049,346	$5,672	$1,278,444	$6,911	$1,228,278	$6,639
As a % of EGI	71.24%		69.34%		75.22%		76.50%	
Net Income	$439,326	$2,375	$463,962	$2,508	$421,075	$2,276	$377,228	$2,039
Capital Expenditures	$0	$0	$86,075	$465	$74,004	$400	$108,125	584
Net Cash Flow	$439,326	$2,375	$377,887	$2,043	$347,071	$1,876	$269,103	$1,455

Notes: Totals may not sum exactly, due to rounding.

Source: The operating statements were reconstructed from information provided by the owner.

LIHTC OPERATING EXPENSE COMPARABLES								
Property Name	Capitol Gateway II		Carver, Phase V		Auburn Pointe, Phase I		Collegetown, Phase II	
Location	Atlanta, GA		Atlanta, GA		Atlanta, GA		Atlanta, GA	
No. Units	152		164		154		177	
Avg. Unit Size	1,020		936		978		1,164	
Year Built	2007		2007		2010		2009	
	Actual	Trended	Actual	Trended	Actual	Trended	Actual	Trended
Effective Date/% Trendec	2014	0.0%	2014	0.0%	2014	0.00%	2014	0.00%
Real Estate Taxes	$518	$518	$342	$342	$452	$452	$498	$498
Insurance	179	179	190	190	224	224	197	197
Management Fee:	564	564	563	563	542	542	549	549
% of EGI			7.2%		5.9%		6.0%	
Utilities	881	881	413	413	933	933	933	933
Salaries & Labor	1,547	1,547	1,352	1,352	1,466	1,466	1,901	1,901
Repairs/Redecorating	415	415	577	577	462	462	533	533
Landscaping/Amenities	124	124	103	103	144	144	110	110
Security	389	389	396	396	281	281	423	423
Advertising & Promotion	156	156	65	65	200	200	148	148
Administrative/Misc.	625	625	484	484	1,083	1,083	961	961
Total Expenses	$5,398	$5,398	$4,485	$4,485	$5,787	$5,787	$6,253	$6,253

2014 IREM INCOME & EXPENSE DATA FOR ATLANTA METRO AREA

Income & Expense Category (A)	Annual Inc. & Exp. as % of GPI			Annual Income & Expenses Per Unit		
	Low	Median	High	Low	Median	High
Income						
Gross Possible Rents:	89.0%	90.8%	93.4%	$8,710	$10,367	$11,718
Other Income:	6.4%	9.1%	10.6%	$760	$1,023	$1,276
Gross Possible Income:	100.0%	100.0%	100.0%	$9,632	$11,252	$12,629
Vacancies/Rent Loss:	5.0%	7.9%	12.3%	$593	$868	$1,418
Total Collections:	84.3%	89.7%	93.5%	$8,033	$9,976	$11,482
Expenses (B)						
Real Estate Taxes	5.8%	7.2%	8.4%	$594	$812	$1,040
Insurance	1.5%	1.9%	2.7%	$199	$230	$282
Management Fee	2.2%	2.8%	4.4%	$262	$332	$453
Total Utilities **(1)**	5.0%	6.8%	9.3%	$649	$765	$966
Water/sewer (common & Apts)	3.7%	5.2%	7.2%	$491	$587	$758
Electric (common only)	1.2%	1.5%	1.8%	$158	$178	$208
Gas (common only)	0.1%	0.1%	0.3%	$0	$0	$0
Total Utilities **(2)**	3.7%	4.6%	6.6%	$519	$559	$743
Water/sewer (common only)	2.4%	3.0%	4.5%	$360	$381	$535
Electric (common only)	1.2%	1.5%	1.8%	$158	$178	$208
Gas (common only)	0.1%	0.1%	0.3%	$0	$0	$0
Salaries and Administrative (C)	13.5%	12.1%	17.5%	$1,324	$1,653	$1,961
Other Administrative	2.7%	3.1%	4.6%	$274	$387	$547
Other Payroll	10.8%	9.0%	12.9%	$1,050	$1,266	$1,413
Maintenance & Repairs	2.1%	3.7%	4.5%	$222	$367	$608
Painting & Redecorating (D)	0.8%	1.8%	2.5%	$91	$200	$255
Grounds Maint. & Amenities (D)	1.0%	1.6%	2.1%	$122	$163	$234
Grounds Maintenance	0.9%	1.4%	1.8%	$112	$143	$204
Recreational/Amenities	0.1%	0.2%	0.3%	$10	$20	$30
Security (D)	0.0%	0.1%	0.4%	$0	$7	$35
Other/Miscellaneous	0.7%	1.1%	4.6%	$113	$161	$883
Other Tax/Fee/Permit	0.0%	0.1%	0.2%	$0	$7	$14
Supplies	0.1%	0.2%	0.3%	$7	$14	$56
Building Services	0.3%	0.5%	1.2%	$43	$65	$163
Other Operating	0.4%	0.6%	3.4%	$63	$75	$650
Total Expenses:	30.7%	34.0%	41.4%	$3,468	$4,099	$4,542
Net Operating Income:	47.0%	53.1%	60.5%	$4,616	$6,125	$7,693

Notes: Survey for Metro Atlanta includes 16,306 apartment units with an average unit size of 1.019 square feet.
(A) *Median* is the middle of the range, *Low* means 25% of the sample is below this figure, *High* mean 25% of the sample is above figure.
(B) Line item expenses do not necessarily correspond to totals due to variances in expenses reported and sizes of reporting complexes.
(C) Includes administrative salaries and expenses, as well as maintenance salaries.
(D) Includes salaries associated with these categories.

Source: 2014 *Income/Expense Analyses:Conventional Apartments* by the Institute of Real Estate Management (IREM

Real Estate Taxes

As shown in the Historical Operating Statements chart above, actual taxes for 2014 were $64,700, which was used in our analysis.

Insurance

For 2011, 2012, 2013 and 2014, actual insurance expenses for the subject were $263, $177, $255 and $276, respectively. IREM indicates a range of $199 to $282 per unit, and a median of $230 per unit for the Atlanta area. The comparables indicate insurance expenses within a range of $179 to $224 per unit and average $198. After the March 2013 fire in the clubhouse/leasing office, the complex decided to carry more comprehensive insurance. Based upon the foregoing considerations, we forecast insurance expense at $275 per unit.

Management Fee

Management expense for an apartment complex is typically negotiated on a percent of collected revenues (effective gross income, or EGI). This percentage typically ranges from 3.0% to 5.0% for a traditional apartment complex, depending on the size of the complex and position in the market. The historical operating statements indicate a range for the past few years were 6.3%, 6.3% dropping to 5.5% in 2013 with 2014 at 5.7%. Current management clarified that their fee is 5.5%, and that the Atlanta Housing Authority receives a 1% management fee as well. IREM indicates a range from 2.2% to 4.4% with a median of 2.8%. However, LIHTC properties, such as the subject, tend to have higher management fees. We included a management fee of 6.5%.

Utilities

This expense covers all energy costs related to the leasing office, vacant units, and common areas, including exterior lighting. At some complexes, it also may include trash removal and water/sewer costs for apartments. In the subject's case, the complex pays for water, sewer and trash. The tenants pay for electric and gas. For 2011, 2012, 2013 and 2014, actual utilities expenses for the subject were $633, $577, $1,397 and $1,294, respectively. In 2011 and 2012, the allocation of utility expense across phases was not accurate, so the 2013 and 2014 figures are more reliable. In the subject's case, tenants are responsible for electric and gas utilities. Water, sewer and trash are paid by the complex currently. After renovation, the gas appliances will be converted to electric and the tenants will be responsible for water and sewer charges. Residential water and sewer charges account for $788 per unit of that total in 2014. IREM indicates a range of $519 to $743 per unit, and a median of $559 per unit. The comparables indicate utilities expenses within a range of $413 to $933 per unit and average $790. Based upon the foregoing considerations, we used utilities expense at $1,300 per unit.

Salaries and Labor

This expense covers all payroll and labor expenses, including direct and indirect expenses. The taxes and benefits portion of this expense also includes the employer's portion of social security taxes, group health insurance and workman's comp insurance. In addition, employees typically incur overtime pay at times. For 2011, 2012, 2013 and 2014, actual expenses for the subject were $911, $1,398, $1,461 and $1,662, respectively. IREM indicates a range of $1,324 to $1,961 per unit, and a median of $1,653 per unit. The LIHTC comparables indicate salaries and labor expenses within a range of $1,352 to $1,901 per unit and average $1,567. These figures are in-line with the comparables and considered reasonable, even considering that the salaries are based on a pro-rata share of the payroll that is allocated across the four phases of the property. Based upon the foregoing considerations, we relied on a salaries and labor expense at $1,650 per unit.

Painting And Redecorating (Turnkey) And Maintenance And Repairs - Combined

This expense category includes the cost of minor repairs to the apartment units, including painting and redecorating. Interior maintenance amounts to cleaning, electrical repairs, exterminating, contract labor for painting, and plumbing repairs. Exterior maintenance amounts to painting, and replacement or repairs to parking lots, roofs, windows, doors, etc. Maintenance and repairs expenses vary considerably from complex to complex and from year to year due to scheduling of repairs and accounting procedures. Apartment owners often list replacement items under "maintenance and repairs" for more advantageous after-tax considerations.

For 2011, 2012, 2013 and 2014, actual combined repairs and redecorating expenses for the subject were $1,880, $1,221, $1,699 and $1,439, respectively. The LIHTC comparables indicate combined repairs and redecorating expenses within a range of $415 to $577 per unit and average $497. IREM indicates a range of $313 to $863 per unit, and a median of $567 per unit. Maintenance expenses are high for the subject historically. Eventually, many components will be upgraded and/or replaced during the renovation, and these improvements should correlate to lower repair costs. For the as-is value, however, we estimated combined maintenance and repairs and redecorating expense at $1,425.

Security

For 2011, 2012, 2013 and 2014, actual security expenses for the subject were $326, $442, $403 and $412, respectively. IREM indicates a range of $0 to $35 per unit, and a median of $7 per unit. The LIHTC comparables indicate security expense within a range of $281 to $423 per unit and average $372. Based on the subject’s intown location, and placing emphasis on the history of the subject, we forecast security expense at $400 per unit.

Landscaping and Amenities

Landscaping, or grounds maintenance, includes normal grounds landscaping and maintenance, as well as maintenance of the amenities. The subject is a large site and has attractive landscaping, mature trees and shrubs, and outdoor pool amenity. For 2011, 2012, 2013 and 2014, actual expenses for the subject were $187, $192, $189 and $157 per unit. IREM indicates a range of $122 to $234 per unit, and a median of $163 per unit. The LIHTC comparables indicate landscaping and amenities expenses within a range of $103 to $144 per unit and average $120. Placing emphasis on the historical landscaping expense at the subject, we applied landscaping and amenities expense at $185 per unit.

Advertising And Promotion

This expense category accounts for placement of advertising, commissions, signage, brochures, and newsletters. Advertising and promotion costs are generally closely tied to occupancy. If occupancy is considered high and the market is stable, then the need for advertising is not as significant. However, if occupancy is considered to be low or occupancy tends to fluctuate, then advertising becomes much more critical.

IREM does not include this category. For 2011, 2012, 2013 and 2014, actual expenses for the subject were $136, $87, $57 and $87, respectively. IREM does not include this category. The LIHTC comparables indicate advertising expenses within a range of $65 to $200 per unit and average $142. The complex has decided to discontinue several print media advertisers because they do not find them effective, and focus on more internet advertising, which is less expensive. On site management did not purchase new bootlegs or flags, and the management company negotiated portfolio-wide discounts for advertising. As such, advertising expenses should continue to be moderate. Based upon the foregoing considerations, we forecast advertising expense at $100 per unit.

Administrative And Miscellaneous Expense

This expense includes such items as legal, accounting, office supplies, answering service, telephone, etc. For 2011, 2012, 2013 and 2014, actual expenses for the subject were $676, $740, $625 and $467, respectively. IREM indicates a range of $106 to $813 per unit, and a median of $140 per unit. The LIHTC comparables indicate administrative/misc. expenses within a range of $484 to $1,083 per unit and average $788. We forecast administrative and miscellaneous expense at $500 per unit.

Reserves for Replacement

Reserves for replacement is an annual allowance for the periodic replacement of roof covers, paving, carpeting, HVAC units, appliances, and other short-lived items. Investors of apartment properties sometimes establish separate accounts for reserves in the pro forma analysis. Typically, reserves range from $200 to $400 per unit, depending on age, condition, and size. IREM does not chart this category and it is not included for the comparables. For

2011, 2012, 2013 and 2014, capital expenditures for the subject were $0, $465, $400 and $584 per unit, respectively. We forecast reserves at $350 per unit.

Summary of Expenses – Restricted Rents AS IS

Total expenses as reported by IREM range from $3,468 to $4,542 per unit, with a median of $4,099, excluding reserves. The LIHTC comparables indicate total expenses within a range of $4,485 to $6,253 per unit and average $5,481. For 2011, 2012, 2013 and 2014, actual expenses for the subject were $5,882, $5,672, $6,911 and $6,639, respectively. The estimated expenses total $1,329,317 or $7,185 per unit including reserves, excluding reserves the estimated expenses are $6,835 per unit. Our projections are in line with the actual figures for the past two years. Our estimates (not including reserves) are above IREM and the range of the comparables, but in-line with historical expenses. Based on the historical expenses and factors that include in-town location and mixed-income administration, we still believe our estimates are reasonable.

CAPITALIZATION OF NET OPERATING INCOME

Capitalization is the process by which net operating income of investment property is converted to a value indication. Capitalization rates reflect the relationship between net operating income and the value of receiving that current and probable future income stream during a certain projection period or remaining economic life. Generally, the best method of estimating an appropriate overall rate is through an analysis of recent sales in the market. Overall rates (OAR's) are typically derived from sales of similar properties by dividing net operating income by sale price.

In selecting an appropriate capitalization rate for the subject, we considered those rates indicated by recent sales of properties that are similar to the subject with regard to risk, duration of income, quality and condition of improvements, and remaining economic life. Primary factors that influence overall rates include potential for income increases over both the near and long terms, as well as appreciation potential. Adjustments for dissimilar factors that influence the utility and/or marketability of a property, such as specific location within a market area; land/building ratio; functional efficiency, quality, and condition of improvements; and specific features of the building and land improvements, are inherently reflected by the market in the form of varying market rent levels. As rent levels form the basis for net income levels, the market has, in effect, already made the primary adjustments required for those factors, and any significant adjustments to overall rates based upon these dissimilarities would merely distort the market data.

The following table summarizes capitalization rates extracted from several recent apartment sales in the metro area. The subject was constructed in 1998. We chose a variety of property types built between 1966 and 2009.

IMPROVED SALES SUMMARY									
No.	Name Location	Sale Date	Number of Units	Year Built	Price Per Unit	Avg. Unit Size (SF)	Occupancy at Time Of Sale	NOI/Unit at Sale	OAR
1	Panther Riverside Parc, Atlanta	Jan-15	280	2009	$98,643	1,055	97%	$6,155	6.24%
2	Parkside East Atlanta, Atlanta	Dec-14	322	1966/2013	$80,825	993	95%	$4,688	5.80%
3	Parkside at Town Center, Kennesaw	Mar-14	234	2002	$117,000	1,177	96%	$6,229	5.32%
4	Apex West Midtown, Atlanta	Feb-14	340	2009	$145,221	1,026	98%	$9,802	6.75%
5	Alexander in the District, Atlanta	Jan-14	280	2007	$160,000	995	92%	$8,960	5.60%

The comparable sales used in this analysis present a range of overall rates between 5.32% and 6.75%, with a mean of 5.94%.

As mentioned in the Market Analysis section, the *Fourth Quarter 2014 PwC Survey* indicates that overall capitalization rates for apartments in the Southeast Region range from 3.75% to 7.25%, with an average of 5.50% (institutional-grade properties). The average rate is down five basis points from the previous quarter and is down 23 basis points from the same period one year ago. National non-institutional grade capitalization rates on average are 100 basis points higher (Southeast Region is not currently tracked).

Mortgage Equity Technique

We also utilized the mortgage-equity procedure, which is presented in the following chart. Under this procedure, the overall capitalization rate considers the returns on the mortgage and equity positions as well as the equity build-up that accrues as the loan principle is paid off. For properties like the subject, our research of the current financing market indicate a typical loan-to-value ratio of 75% to 80%, a fixed interest rate of about 3.50% to 5.65% (4.09%-4.34% for ten year term, 5.65%-6.50% for 30 year term) and a 30-year amortization with a balloon in 10 years. For this analysis, we used an 80% loan-to-value, an interest rate of 4.25%, 30-year amortization, a 10-year balloon, and property appreciation of 2.0% annually (reasonable considering the current market). Equity yield rates are more difficult to ascertain. However, based on discussions with investors and valuation experts, and consideration of alternative investment choices and comparing the risks involved with each, we find a typical range of 15% to 20%. Based on the specific characteristics of the subject, we concluded an equity yield rate of 17%. As shown on the following chart, the indicated overall capitalization rate based on the foregoing parameters equates to approximately 6.40%.

CAPITALIZATION RATE DERIVATION BY MORTGAGE/EQUITY TECHNIQUE	
ASSUMPTIONS	
Mortgage Amortization Term	30 Years
Holding Period	10 Years
Mortgage Interest Rate	4.25%
Loan-to-Value Ratio	80%
Annual Constant for Monthly Payments	0.059033
Required Equity Yield Rate	17%
Assumed Net Annual Appreciation	2.00%

CALCULATIONS									
Basic Rate Calculation:									
Mortgage:	80%	x	0.059033	=				0.047226	
Equity:	20%	x	0.170000	=				+ 0.034000	
Composite Basic Rate:									0.081226
Credit For Equity Build-up Due to Amortization Over Holding Period:									
Mortgage (Loan-to-Value Ratio):					80%				
Sinking Fund Factor @	17%	For			10	Years	=	0.044657	
Percentage of Loan Principal Repaid After					10	Years	=	20.5570%	
Credit:	80%	x	0.044657	x	0.205570		=		0.007344
Appreciation Factor Over the Holding Period:									
Appreciation Credit @	2%	Over			10	Years	=	21.8994%	
Sinking Fund Factor @	17%	For			10	Years	=	0.044657	
Credit:	21.8994%	x	0.044657				=		0.009780
INDICATED CAPITALIZATION RATE									
Basic Rate:									0.081226
Less Credit For Equity Build-up:								-	0.007344
Less Credit For Appreciation:								-	0.00978
INDICATED CAPITALIZATION RATE:									**0.064102**
ROUNDED:									**6.40%**

Direct Capitalization Conclusion

Based on the information presented from the actual sales, the investor survey and the mortgage equity technique, with particular consideration given to the subject's age, size, quality and location, as well as the fact that the subject is eligible for favorable financing, we are of the opinion that the typical investor would select an overall rate in the range of 6.00% to 6.50% for the subject property, and reconcile toward the middle. Our direct capitalization analysis is presented in the following chart. Our estimate of value of the subject "as is," with restricted rents, is $8,050,000 or $43,514 per unit.

APPRAISERS PRO FORMA ANALYSIS - AS IS CENTENNIAL PLACE APARTMENTS - PHASE III 185 Units - 166,342 SF				
		Total	Per Unit	Per SF
Potential Gross Rental Income		$2,017,632	$10,906	$12.13
Plus Other Income	2.0%	40,353	218	0.00
Potential Gross Income		$2,057,985	$11,124	$12.37
Vacancy and Collection Loss	10.0%	$205,798	$1,112	$1.24
Effective Gross Income		$1,852,186	$10,012	$11.13
Expenses				
Real Estate Taxes		$64,700	$350	$0.39
Insurance		50,875	275	0.31
Management Fee	6.5%	120,392	651	0.72
Utilities		240,500	1,300	1.45
Salaries & Labor		305,250	1,650	1.84
Maintenance & Repairs / Turnkey		263,625	1,425	1.58
Security		74,000	400	0.44
Landscaping		34,225	185	0.21
Advertising & Promotion		18,500	100	0.11
Administrative/Misc.		92,500	500	0.56
Total Expenses		$1,264,567	$6,835	$7.60
Reserves		64,750	350	0.39
Total Operating Expenses		$1,329,317	$7,185	$7.99
Net Income		$522,869	$2,826	$3.14
Overall Rates/Indicated	6.25%	$8,365,905	$45,221	$50.29
Values	6.50%	$8,044,140	$43,482	$48.36
	6.75%	$7,746,209	$41,871	$46.57
Stabilized Reconciled Value		$8,050,000	$43,514	$48.39

SALES COMPARISON APPROACH – AS IS

The sales comparison approach provides an estimate of market value based on an analysis of recent transactions involving similar properties in the subject's or comparable market areas. This method is based on the premise that an informed purchaser will pay no more for a property than the cost of acquiring an equally desirable substitute. When there are an adequate number of sales involving truly similar properties, with sufficient information for comparison, a range of value for the subject can be developed.

In the analysis of sales, considerations for such factors as changing market conditions over time, location, size, quality, age/condition, and amenities, as well as the terms of the transactions, are all significant variables relating to the relative marketability of the subject property. Any adjustments to the sale price of comparables to provide indications of market value for the subject must be market-derived; thus, the actions of typical buyers and sellers are reflected in the comparison process.

There are various units of comparison available in the evaluation of sales data. The sale price per unit (NOI) and effective gross income multiplier (EGIM) are most commonly used for apartments. Based on the information available, we used only the sale price per unit method in our analysis.

The following summary chart provides pertinent details regarding each transaction; additional information including photographs and a location map are included in the Addendum.

IMPROVED SALES SUMMARY									
No.	Name Location	Sale Date	Number of Units	Year Built	Price Per Unit	Avg. Unit Size (SF)	Occupancy at Time Of Sale	NOI/Unit at Sale	OAR
1	Panther Riverside Parc, Atlanta	Jan-15	280	2009	$98,643	1,055	97%	$6,155	6.24%
2	Parkside East Atlanta, Atlanta	Dec-14	322	1966/2013	$80,825	993	95%	$4,688	5.80%
3	Parkside at Town Center, Kennesaw	Mar-14	234	2002	$117,000	1,177	96%	$6,229	5.32%
4	Apex West Midtown, Atlanta	Feb-14	340	2009	$145,221	1,026	98%	$9,802	6.75%
5	Alexander in the District, Atlanta	Jan-14	280	2007	$160,000	995	92%	$8,960	5.60%

These properties were reportedly built between 1966 and 2009 with unit counts between 234 and 340. The transactions occurred between January 2014 and January 2015. Overall rates indicated by the transactions range between 5.32% and 6.75%, with an average of 5.94%. All of the comparables were in good condition with high NOIs per unit. Sales prices per unit range from $80,825 to $160,000. This range appears to fluctuate most with net operating income per unit, which ranges from $4,688 to $9,802.

SALE PRICE PER UNIT ANALYSIS

While some general observations can be made, isolating physical and locational adjustments in the comparison of income producing comparable sales can be very subjective. This subjectivity is particularly true when the comparables are drawn from different locations. Most investors believe that all these factors are already accounted for in the rental that an income property can achieve and, thus, place most reliance upon net income characteristics as the basis for adjustment. The assumption is that tenants shop and compare, and rent paid in the open market automatically reflects differences in the age and condition of improvements, location, construction, size, amenities, and various other factors.

To further illustrate, we analyzed the net operating income (NOI) generated by each comparable as compared to the subject's projected stabilized income estimated in the income capitalization approach. Basically, by developing a ratio between the subject's and the comparable's net operating income, an adjustment factor can be calculated for each of the individual sales. This factor can then be applied to the comparable's price per unit to render indications for the subject. This process illustrates an attempt to isolate the economic reasoning of buyers. In general, it is a fundamental assumption that the physical characteristics of a project (location, access, design/appeal, condition, etc.) are reflected in the net operating income being generated, and that the resulting price per unit paid for a property has a direct relationship to the net operating income being generated. The following charts depict the calculations involved in developing adjustment factors to be applied to the respective price per unit for the comparables employed.

NET OPERATING INCOME (NOI) ANALYSIS - RESTRICTED AS IS CENTENNIAL PLACE III									
Sale No.	Subject's NOI/Unit		Comp. NOI/Unit		Multiplier		Sale Price $/Unit		Adjusted $/Unit For Subject
1	$2,826	/	$6,155	=	0.46	X	$98,643	=	$45,376
2	$2,826	/	$4,688	=	0.60	X	$80,825	=	$48,495
3	$2,826	/	$6,229	=	0.45	X	$117,000	=	$52,650
4	$2,826	/	$9,802	=	0.29	X	$145,221	=	$42,114
5	$2,826	/	$8,960	=	0.32	X	$160,000	=	$51,200

As shown above, the adjusted values indicated for the subject with restricted rents in place range from $42,114 to $52,650 per unit, with an average of $47,967. Given that the subject is an income restricted property, the lower end of the range best represents the subject. For the as-is restricted scenario, we estimated a value of $44,000 per unit.

SALES COMPARISON APPROACH SUMMARY - MARKET		
# Units	$/Unit	Indicated Value
185	$44,000	$8,140,000
Rounded		$8,150,000

PHYSICAL ADJUSTMENT ANALYSIS

For additional support, we are including an adjustment grid for the comparable sales. Adjustments were made for conditions of sale and market conditions, along with common characteristics including location, size of complex, average unit size, quality/amenities and age/condition.

Conditions of Sale

The subject is a mixed income property that includes market rate, tax credit and PBRA units, which restricts income and upside potential. While the comparables are physically generally similar, all are market rate properties with higher achievable rents and net operating incomes in comparison to the subject. All of the comparables were adjusted downward for this factor.

Market Conditions

The sales are recent, and no adjustments are necessary.

Location

The subject is located in an excellent location in the heart of downtown Atlanta. Comparables One and Three are located in desirable suburbs, but outside I-285 and warrant upward adjustment. Comparable Two is located in southeast Atlanta inside I-285 and warrants upward adjustment in comparison to the subject.

Size/Number of Units

The subject has 185 units. Typically, smaller properties sell for higher per unit prices. Conversely, larger properties tend to sell for lower per unit prices. This represents something of a quantity discount. All of the comparables were adjusted upward slightly given their larger size in comparison to the subject.

Average Unit Size

The subject has an average unit size of 899 square feet. All of the comparables have larger average unit sizes and were adjusted downward by varying amounts.

Quality/Amenities

The subject and the comparables have extensive and good quality amenities. No adjustment is necessary.

Age/Condition

The subject was built in 1998 and has been adequately maintained, though some repairs have been deferred in anticipation of the renovations, and these contribute to a less-than-ideal current property condition. The comparables were built between 1966 and 2009. However, the property built in 1966 was renovated in 2013 and the next oldest property pwas built in 2002. We adjusted all of the comparables downward for newer improvements and/or superior condition in comparison to the subject.

SUMMARY AND COMMENTS

The following adjustment grid illustrates our thought processes in the comparison of the comparables to the subject. As shown, prior to adjustment, the comparables present a range of price per unit between $80,825 and $160,000, with a mean of $120,338.

COMPARABLE SALES ADJUSTMENT CHART - Restricted Rents As Is						
Sale No.	**Subject**	**1**	**2**	**3**	**4**	**5**
Informational Data						
Sale Date	N/Ap	Jan-15	Dec-14	Mar-14	Feb-14	Jan-14
Sale Price	N/Ap	$27,620,000	$26,025,650	$27,378,000	$49,375,000	$44,800,000
# Units	185	280	322	234	340	280
Year Built	1996	2009	1966/2013	2002	2009	2007
Location	Excellent	Good	Good	Good	Good	Good
Price per Unit	N/Ap	$98,643	$80,825	$117,000	$145,221	$160,000
Comparative Analysis						
Conditions of Sale		-60%	-60%	-60%	-60%	-60%
Market Conditions		0%	0%	0%	0%	0%
Adjusted Price/SF		$39,457	$32,330	$46,800	$58,088	$64,000
Physical Adjustments						
Location		10%	20%	10%	0%	0%
Size (# of units)		5%	5%	5%	5%	5%
Avg. Unit Size		-5%	-5%	-10%	-5%	-5%
Quality/Amenities		0%	0%	0%	0%	0%
Age/Condition		-20%	-10%	-10%	-20%	-10%
Net Adjustment		-10%	10%	-5%	-20%	-10%
Adjusted Price/SF		$35,511	$35,563	$44,460	$46,471	$57,600
Indicated Range:			$35,511	to	$57,600	
Mean:				$43,921		

As shown, after adjustments, the indicated range is a narrowed to between $35,511 and $57,600, with a mean of $43,921. Based on this information, we estimate value for the subject at a rounded $44,000 per unit. Our estimate of value for the subject property, based on a price per unit method is shown as follows.

SALES COMPARISON APPROACH VALUE – PRICE PER UNIT				
Indicated Value/Unit		**Subject Units**		**Total**
$44,000	X	185	=	$8,140,000
Rounded				$8,150,000

SALES COMPARISON APPROACH CONCLUSION

The following table summarizes the value indications provided by the methods of analysis presented in the sales comparison approach.

SUMMARY OF VALUE ESTIMATES BY SALES COMPARISON APPROACH RESTRICTED RENTS AS IS	
Method	**Indicated Value**
NOI Per Square Foot	$8,150,000
Physical Adjustments	$8,150,000
Reconciled:	**$8,150,000**

FINAL VALUE ESTIMATE – "AS IS"

We used the income and sales comparison approaches to estimate market value for the subject property. The indications from each are presented in the following chart.

FINAL VALUE ESTIMATES – AS IS	
Income Capitalization Approach	$8,050,000
Sales Comparison Approach	$8,150,000

As seen, both approaches provided similar value indications. However, for reasons mentioned above, most investors would place weighted emphasis on the income approach. Based on the research and analysis contained in this report, we estimate the market value of the subject property, as follows:

Estimate of Market Value of the Leasehold Interest in the Subject "As Is," as of April 23, 2015

EIGHT MILLION FIFTY THOUSAND DOLLARS

$8,050,000

INCOME CAPITALIZATION APPRAOCH – RESTRICTED AT STABILIZATION

The income capitalization approach to value is based upon an analysis of the economic benefits to be received from ownership of the subject. These economic benefits typically consist of the net operating income projected to be generated by the improvements. There are several methods by which the present value of the income stream may be measured, including direct capitalization and a discounted cash flow analysis. In this section, we used the direct capitalization method. We initially estimated potential rental income, followed by projections of vacancy and collection loss and operating expenses. The resultant net operating income is then capitalized into a value indication based on application of an appropriate overall capitalization rate.

POTENTIAL GROSS RENTAL INCOME

The following chart shows current potential income using projected restricted rents at completion of renovation at the subject.

UNIT MIX AND MARKET RENT SCHEDULE - POST RENOVATION Centennial Place Phase III Apartments						
Unit Type	**No. Units**	**Heated SF**	**Total Heated**	**Monthly Unit Rent**	**Rent SF**	**Total Income**
1BR/1BA PHA	7	684	4,788	$534	$0.78	$44,856
2BR/1BA PHA	38	872	33,136	$602	$0.69	$274,512
2BR/1.5BA PHA	8	1,039	8,312	$602	$0.58	$57,792
2BR/2BA PHA	9	1,055	9,495	$602	$0.57	$65,016
3BR/2.5BA PHA	10	1,252	12,520	$657	$0.52	$78,840
4BR/2.5BA PHA	2	1,575	3,150	$695	$0.44	$16,680
1BR/1BA LIHTC 60%	21	684	14,364	$611	$0.89	$153,972
2BR/1BA LIHTC 60%	9	872	7,848	$695	$0.80	$75,060
2BR/1.5BA LIHTC 60%	3	1,039	3,117	$695	$0.67	$25,020
2BR/2BA LIHTC 60%	3	1,093	3,279	$695	$0.64	$25,020
3BR/2.5BA 60%	1	1,252	1,252	$764	$0.61	$9,168
1BR/1BA Market	29	684	19,836	$1,050	$1.54	$365,400
2BR/1BA Market	19	872	16,568	$1,200	$1.38	$273,600
2BR/1.5BA Market	5	1,039	5,195	$1,400	$1.35	$84,000
2BR/2BA Market	7	1,055	7,385	$1,300	$1.23	$109,200
2BR/2BA Market	9	1,093	9,837	$1,300	$1.19	$140,400
3BR/2.5BA Market	5	1,252	6,260	$1,600	$1.28	$96,000
Totals/Average	185	899	166,342	$853	$0.95	$1,894,536

Other Income

Phase III historical operating statements for years 2011 through 2014 indicate miscellaneous other income per unit of $262, $216, $206 and $171 per unit, respectively, which ranges from 2% to 4% of net rentable income (NRI). Our analysis includes 2% of PRI for other income, which is in line with the historicals.

Vacancy And Collection Loss

The comparables reported physical occupancies from 92% to 98% with a weighted average of about 95%. The subject property is currently 92% occupied. We also reviewed the historical operating statements at the subject over the past three years. According to the statements, the economic loss attributable to physical vacancy was about 11% in 2011, 11% in 2012, 6% in 2013 and 2014 was 14%. Vacancy was reported higher in 2014 because leasing dropped when management shifted from Yardi to an LRO system, but has since stabilized. Collection loss was minimal. After renovation, the complex will be more competitive in the submarket and should enjoy an increase in occupancy to better reflect occupancy in the submarket. We concluded a 94% physical and 93% economic occupancy after factoring after factoring collection loss.

Effective Gross Income

After accounting for apartment rental other income, and factoring in vacancy and collection loss of 7%, our projected annual effective gross income is $1,797,157 or $9,714 per unit.

Expense Analysis

Centennial Place Phase III Apartments is a portion of a four phase development of properties built between 1996 and 2000. The project contains a total of 738 units and is located in the central core of downtown Atlanta. Centennial Place Apartments Phases I-IV has always and continues to share similar ownership with related parties of Legacy Partnership. In addition, borrower related management companies manage the day-to-day operations of the property.

There are many points of ingress/egress to the apartment community. It is in an urban setting, and all of the phases are traversed by multiple streets. The property is subject to a long term reciprocal easement agreement (through 2060) that allows for the sharing of all amenities and the leasing office across all phases. The expenses for the common amenities / leasing office are shared on a pro rata basis. Historical operating expenses for Phase III are in line with comparable properties, and support the administrative and maintenance payroll expenses utilized in the pro forma.

The subject's historical operating data, and comparable data are summarized in the following charts.

HISTORICAL OPERATING STATEMENTS 2011 - 2014 CENTENNIAL PHASE III								
		166,342 SF		185 Units				
	Actual 2011	Per Unit	Actual 2012	Per Unit	Actual 2013	Per Unit	Actual 2014	Per Unit
Potential Rental Income	$1,414,256	$7,645	$1,329,172	$7,185	$1,375,858	$7,437	$1,507,457	$8,148
Subsidy	$354,068	$1,914	$351,022	$1,897	$419,305	$2,267	$372,127	$2,011
Misc. Other Income	48,548	262	39,890	216	38,164	206	31,674	171
Subtotal Other Income	402,616	2,176	390,912	2,113	457,469	2,473	403,801	2,183
Other as % of Rental Inc.	28.47%		29.41%		33.25%		26.79%	
Potential Gross Income	$1,816,872	$9,821	$1,720,084	$9,298	$1,833,327	$9,910	$1,911,258	$10,331
Vacancy & Collection Loss	-11%		-11%		-6%		-14%	
Vacancy	(194,971)	(1,054)	(187,432)	(1,013)	(106,396)	(575)	(265,336)	(1,434)
Bad Debt	(28,270)	(153)	(8,960)	(48)	(12,409)	(67)	(27,030)	(146)
Concessions	(66,213)	(358)	(10,384)	(56)	(15,003)	(81)	(13,386)	(72)
Subtotal V & C Loss	(289,454)	(1,565)	(206,776)	(1,118)	(133,808)	(723)	(305,752)	(1,653)
V & C as % of PGI	-15.93%		-12.02%		-7.30%		-16.00%	
Effective Gross Income	$1,527,418	$8,256	$1,513,308	$8,180	$1,699,519	$9,187	$1,605,506	$8,678
Real Estate Taxes	$65,250	$353	$59,136	$320	$58,724	$317	$64,700	$350
Insurance	48,605	263	32,816	177	47,203	255	51,096	276
Management Fee	95,600	517	95,604	517	93,803	507	91,520	495
Mgmt. as a % of EGI	6.3%		6.3%		5.5%		5.7%	
Utilities	117,098	633	106,795	577	258,431	1,397	239,371	1,294
Payroll	168,622	911	258,642	1,398	270,248	1,461	307,559	1,662
Cleaning & Redecorating		0		0		0		
Repairs & Maintenance	347,849	1,880	225,893	1,221	314,332	1,699	266,227	1,439
Landscaping and grounds	34,615	187	35,559	192	35,000	189	28,992	157
Security	60,233	326	81,858	442	74,516	403	76,201	412
Advertising & Promotion	25,176	136	16,105	87	10,568	57	16,181	87
Administrative & Misc.	125,044	676	136,938	740	115,619	625	86,431	467
Total Expenses	$1,088,092	$5,882	$1,049,346	$5,672	$1,278,444	$6,911	$1,228,278	$6,639
As a % of EGI	71.24%		69.34%		75.22%		76.50%	
Net Income	$439,326	$2,375	$463,962	$2,508	$421,075	$2,276	$377,228	$2,039
Capital Expenditures	$0	$0	$86,075	$465	$74,004	$400	$108,125	584
Net Cash Flow	$439,326	$2,375	$377,887	$2,043	$347,071	$1,876	$269,103	$1,455

Notes: Totals may not sum exactly, due to rounding.

Source: The operating statements were reconstructed from information provided by the owner.

LIHTC OPERATING EXPENSE COMPARABLES								
Property Name	Capitol Gateway II		Carver, Phase V		Auburn Pointe, Phase I		Collegetown, Phase II	
Location	Atlanta, GA		Atlanta, GA		Atlanta, GA		Atlanta, GA	
No. Units	152		164		154		177	
Avg. Unit Size	1,020		936		978		1,164	
Year Built	2007		2007		2010		2009	
	Actual	Trended	Actual	Trended	Actual	Trended	Actual	Trended
Effective Date/% Trendec	2014	0.0%	2014	0.0%	2014	0.00%	2014	0.00%
Real Estate Taxes	$518	$518	$342	$342	$452	$452	$498	$498
Insurance	179	179	190	190	224	224	197	197
Management Fee:	564	564	563	563	542	542	549	549
% of EGI			7.2%		5.9%		6.0%	
Utilities	881	881	413	413	933	933	933	933
Salaries & Labor	1,547	1,547	1,352	1,352	1,466	1,466	1,901	1,901
Repairs/Redecorating	415	415	577	577	462	462	533	533
Landscaping/Amenities	124	124	103	103	144	144	110	110
Security	389	389	396	396	281	281	423	423
Advertising & Promotion	156	156	65	65	200	200	148	148
Administrative/Misc.	625	625	484	484	1,083	1,083	961	961
Total Expenses	$5,398	$5,398	$4,485	$4,485	$5,787	$5,787	$6,253	$6,253

2014 IREM INCOME & EXPENSE DATA FOR ATLANTA METRO AREA						
	Annual Inc. & Exp. as % of GPI			Annual Income & Expenses Per Unit		
Income & Expense Category (A)	Low	Median	High	Low	Median	High
Income						
Gross Possible Rents:	89.0%	90.8%	93.4%	$8,710	$10,367	$11,718
Other Income:	6.4%	9.1%	10.6%	$760	$1,023	$1,276
Gross Possible Income:	100.0%	100.0%	100.0%	$9,632	$11,252	$12,629
Vacancies/Rent Loss:	5.0%	7.9%	12.3%	$593	$868	$1,418
Total Collections:	84.3%	89.7%	93.5%	$8,033	$9,976	$11,482
Expenses (B)						
Real Estate Taxes	5.8%	7.2%	8.4%	$594	$812	$1,040
Insurance	1.5%	1.9%	2.7%	$199	$230	$282
Management Fee	2.2%	2.8%	4.4%	$262	$332	$453
Total Utilities **(1)**	5.0%	6.8%	9.3%	$649	$765	$966
Water/sewer (common & Apts)	3.7%	5.2%	7.2%	$491	$587	$758
Electric (common only)	1.2%	1.5%	1.8%	$158	$178	$208
Gas (common only)	0.1%	0.1%	0.3%	$0	$0	$0
Total Utilities **(2)**	3.7%	4.6%	6.6%	$519	$559	$743
Water/sewer (common only)	2.4%	3.0%	4.5%	$360	$381	$535
Electric (common only)	1.2%	1.5%	1.8%	$158	$178	$208
Gas (common only)	0.1%	0.1%	0.3%	$0	$0	$0
Salaries and Administrative (C)	13.5%	12.1%	17.5%	$1,324	$1,653	$1,961
Other Administrative	2.7%	3.1%	4.6%	$274	$387	$547
Other Payroll	10.8%	9.0%	12.9%	$1,050	$1,266	$1,413
Maintenance & Repairs	2.1%	3.7%	4.5%	$222	$367	$608
Painting & Redecorating (D)	0.8%	1.8%	2.5%	$91	$200	$255
Grounds Maint. & Amenities (D)	1.0%	1.6%	2.1%	$122	$163	$234
Grounds Maintenance	0.9%	1.4%	1.8%	$112	$143	$204
Recreational/Amenities	0.1%	0.2%	0.3%	$10	$20	$30
Security (D)	0.0%	0.1%	0.4%	$0	$7	$35
Other/Miscellaneous	0.7%	1.1%	4.6%	$113	$161	$883
Other Tax/Fee/Permit	0.0%	0.1%	0.2%	$0	$7	$14
Supplies	0.1%	0.2%	0.3%	$7	$14	$56
Building Services	0.3%	0.5%	1.2%	$43	$65	$163
Other Operating	0.4%	0.6%	3.4%	$63	$75	$650
Total Expenses:	30.7%	34.0%	41.4%	$3,468	$4,099	$4,542
Net Operating Income:	47.0%	53.1%	60.5%	$4,616	$6,125	$7,693

Notes: Survey for Metro Atlanta includes 16,306 apartment units with an average unit size of 1.019 square feet.
(A) *Median* is the middle of the range, *Low* means 25% of the sample is below this figure, *High* mean 25% of the sample is above figure.
(B) Line item expenses do not necessarily correspond to totals due to variances in expenses reported and sizes of reporting complexes.
(C) Includes administrative salaries and expenses, as well as maintenance salaries.
(D) Includes salaries associated with these categories.

Source: 2014 *Income/Expense Analyses:Conventional Apartments* by the Institute of Real Estate Management (IREM

Real Estate Taxes

As previously discussed in the Tax Analysis section, actual taxes for 2014 were $64,700. The property, at completion, will continue to qualify for property tax exemptions.

Taxes will also continue to be based on income projections, which will be lower than current income with the new restrictions in place. The owner projected taxes somewhat lower than the current level, based on calculations that were based on the projected NOI.

If we use their methodology to project the taxes at completion, we begin with our projected NOI and apply a capitalization rate. As discussed later in this report, 6.5% appears to be an appropriate rate. That value indication then is computed at 40% for assessment. After the assessed value is calculated, an additional exemption of 39.5% is applied for the PBRA units. If the 2014 millage rate is applied to that figure, the resulting tax liability is about $108,483 or $586 per unit. We used a rounded tax amount of $109,000.

Tax Estimate At Completion	
NOI	$642,642
CapItalized at 6.5%	$9,886,795
Assessed at 40%	$3,954,718
Exempt at 39.5%	$2,392,604
0.045341 Millage	$108,483
Per Unit	$586

Insurance

For 2011, 2012, 2013 and 2014, actual insurance expenses for the subject were $263, $177, $255 and $276, respectively. IREM indicates a range of $199 to $282 per unit, and a median of $230 per unit for the Atlanta area. The comparables indicate insurance expenses within a range of $179 to $224 per unit and average $198. After the March 2013 fire in the clubhouse/leasing office, the complex decided to carry more comprehensive insurance. Based upon the foregoing considerations, we forecast insurance expense at $275 per unit.

Management Fee

Management expense for an apartment complex is typically negotiated on a percent of collected revenues (effective gross income, or EGI). This percentage typically ranges from 3.0% to 5.0% for a traditional apartment complex, depending on the size of the complex and position in the market. The historical operating statements indicate a range for the past few years were 6.3%, 6.3% dropping to 5.5% in 2013 with 2014 at 5.7%. Current management clarified that their fee is 5.5%, and that the Atlanta Housing Authority receives a 1% management fee as well. IREM indicates a range from 2.2% to 4.4% with a median of 2.8%. However, LIHTC properties, such as the subject, tend to have higher management fees. We included a management fee of 6.5%.

Utilities

This expense covers all energy costs related to the leasing office, vacant units, and common areas, including exterior lighting. At some complexes, it also may include trash removal and water/sewer costs for apartments. In the subject's case, the complex pays for water, sewer and trash. The tenants pay for electric and gas. For 2011, 2012, 2013 and 2014, actual utilities expenses for the subject were $633, $577, $1,397 and $1,294, respectively. In 2011 and 2012, the allocation of utility expense across phases was not accurate, so the 2013 and 2014 figures are more reliable. In the subject's case, tenants are responsible for electric and gas utilities. Water, sewer and trash are paid by the complex currently. After renovation, the gas appliances will be converted to electric and the tenants will be responsible for water and sewer charges. Residential water and sewer charges account for $788 per unit of that total in 2014. IREM indicates a range of $519 to $743 per unit, and a median of $559 per unit. The comparables indicate utilities expenses within a range of $413 to $933 per unit and average $790. We forecast utilities expense at $800 per unit post renovation.

Salaries and Labor

This expense covers all payroll and labor expenses, including direct and indirect expenses. The taxes and benefits portion of this expense also includes the employer's portion of social security taxes, group health insurance and workman's comp insurance. In addition, employees typically incur overtime pay at times. For 2011, 2012, 2013 and 2014, actual expenses for the subject were $911, $1,398, $1,461 and $1,662, respectively. IREM indicates a range of $1,324 to $1,961 per unit, and a median of $1,653 per unit. The LIHTC comparables indicate salaries and labor expenses within a range of $1,352 to $1,901 per unit and average $1,567. These figures are in-line with the comparables and considered reasonable, even considering that the salaries are based on a pro-rata share of the payroll that is allocated across the four phases of the property. Based upon the foregoing considerations, we forecast salaries and labor expense at $1,650 per unit as an income-restricted property.

Painting And Redecorating (Turnkey) And Maintenance And Repairs - Combined

This expense category includes the cost of minor repairs to the apartment units, including painting and redecorating. Interior maintenance amounts to cleaning, electrical repairs, exterminating, contract labor for painting, and plumbing repairs. Exterior maintenance amounts to painting, and replacement or repairs to parking lots, roofs, windows, doors, etc. Maintenance and repairs expenses vary considerably from complex to complex and from year to year due to scheduling of repairs and accounting procedures. Apartment owners often list replacement items under "maintenance and repairs" for more advantageous after-tax considerations.

For 2011, 2012, 2013 and 2014, actual combined repairs and redecorating expenses for the subject were $1,880, $1,221, $1,699 and $1,439, respectively. The LIHTC comparables indicate combined repairs and redecorating expenses within a range of $415 to $577 per unit and average $497. IREM indicates a range of $313 to $863 per unit, and a median of $567 per unit. Maintenance expenses are high for the subject historically, but many components will be upgraded and/or replaced during the renovation, and these improvements should correlate to lower repair costs. Based upon the foregoing considerations, we forecast combined maintenance and repairs and redecorating expense at $800.

Security

For 2011, 2012, 2013 and 2014, actual security expenses for the subject were $326, $442, $403 and $412, respectively. IREM indicates a range of $0 to $35 per unit, and a median of $7 per unit. The LIHTC comparables indicate security expense within a range of $281 to $423 per unit and average $372. Based on the subject's intown location, and placing emphasis on the history of the subject, we forecast security expense at $400 per unit.

Landscaping and Amenities

Landscaping, or grounds maintenance, includes normal grounds landscaping and maintenance, as well as maintenance of the amenities. The subject is a large site and has attractive landscaping, mature trees and shrubs, and outdoor pool amenity. For 2011, 2012, 2013 and 2014, actual expenses for the subject were $187, $192, $189 and $157 per unit. IREM indicates a range of $122 to $234 per unit, and a median of $163 per unit. The LIHTC comparables indicate landscaping and amenities expenses within a range of $103 to $144 per unit and average $142. Placing emphasis on the historical and projected landscaping expense at the subject, we forecast landscaping and amenities expense at $185 per unit.

Advertising And Promotion

This expense category accounts for placement of advertising, commissions, signage, brochures, and newsletters. Advertising and promotion costs are generally closely tied to occupancy. If occupancy is considered high and the market is stable, then the need for advertising is not as significant. However, if occupancy is considered to be low or occupancy tends to fluctuate, then advertising becomes much more critical.

IREM does not include this category. For 2011, 2012, 2013 and 2014, actual expenses for the subject were $136, $87, $57 and $87, respectively. IREM does not include this category. The LIHTC comparables indicate advertising expenses within a range of $65 to $200 per unit and average $142. The complex has decided to discontinue several print media advertisers because they do not find them effective, and focus on more internet advertising, which is less expensive. On site management did not purchase new bootlegs or flags, and the management company negotiated portfolio-wide discounts for advertising. As such, advertising expenses should continue to be moderate. Based upon the foregoing considerations, we forecast advertising expense at $100 per unit.

Administrative And Miscellaneous Expense

This expense includes such items as legal, accounting, office supplies, answering service, telephone, etc. For 2011, 2012, 2013 and 2014, actual expenses for the subject were $676, $740, $625 and $467, respectively. IREM indicates a range of $106 to $813 per unit, and a median of $140 per unit. The LIHTC comparables indicate administrative/misc. expenses within a range of $484 to $1,083 per unit and average $788. We forecast administrative and miscellaneous expense at $500 per unit.

Reserves for Replacement

Reserves for replacement is an annual allowance for the periodic replacement of roof covers, paving, carpeting, HVAC units, appliances, and other short-lived items. Investors of apartment properties sometimes establish separate accounts for reserves in the pro forma analysis. Typically, reserves range from $200 to $400 per unit, depending on age, condition, and size. IREM does not chart this category and it is not included for the comparables. For 2011, 2012, 2013 and 2014, capital expenditures for the subject were $0, $465, $400 and $584 per unit, respectively. Post renovation, the property should be in overall very good condition. We forecast reserves at $300 per unit. It should be noted that HUD uses a cost based formula to calculate this line item.

Summary of Expenses – Restricted Rents After Renovation

Total expenses as reported by IREM range from $3,468 to $4,542 per unit, with a median of $4,099, excluding reserves. The LIHTC comparables indicate total expenses within a range of $4,485 to $6,253 per unit and average $5,481. For 2011, 2012, 2013 and 2014, actual expenses for the subject were $5,882, $5,672, $6,911 and $6,639, respectively. The estimated expenses total $1,152,665 or $6,231 per unit including reserves, excluding reserves the estimated expenses are $5,931 per unit. Our projections are below the actual figures for the past few years. The subject is proposed for a substantial renovation and some expense categories, particularly utilities, maintenance and repairs should be reduced. Our estimates (not including reserves) are above IREM and within the range of the comparables. Based on the historical expenses and factors that include in-town location and mixed-income administration, we still believe our estimates are reasonable.

CAPITALIZATION OF NET OPERATING INCOME

Capitalization is the process by which net operating income of investment property is converted to a value indication. Capitalization rates reflect the relationship between net operating income and the value of receiving that current and probable future income stream during a certain projection period or remaining economic life. Generally, the best method of estimating an appropriate overall rate is through an analysis of recent sales in the market. Overall rates (OAR's) are typically derived from sales of similar properties by dividing net operating income by sale price.

In selecting an appropriate capitalization rate for the subject, we considered those rates indicated by recent sales of properties that are similar to the subject with regard to risk, duration of income, quality and condition of improvements, and remaining economic life. Primary factors that influence overall rates include potential for income increases over both the near and long terms, as well as appreciation potential. Adjustments for dissimilar factors that influence the utility and/or marketability of a property, such as specific location within a market area; land/building ratio; functional efficiency, quality, and condition of improvements; and specific features of the building and land improvements, are inherently reflected by the market in the form of varying market rent levels. As rent levels form the basis for net income levels, the market has, in effect, already made the primary adjustments required for those factors, and any significant adjustments to overall rates based upon these dissimilarities would merely distort the market data.

The following table summarizes capitalization rates extracted from several recent apartment sales in the metro area. The subject was constructed in 1998. We chose a variety of property types built between 1966 and 2009.

IMPROVED SALES SUMMARY									
No.	Name Location	Sale Date	Number of Units	Year Built	Price Per Unit	Avg. Unit Size (SF)	Occupancy at Time Of Sale	NOI/Unit at Sale	OAR
1	Panther Riverside Parc, Atlanta	Jan-15	280	2009	$98,643	1,055	97%	$6,155	6.24%
2	Parkside East Atlanta, Atlanta	Dec-14	322	1966/2013	$80,825	993	95%	$4,688	5.80%
3	Parkside at Town Center, Kennesaw	Mar-14	234	2002	$117,000	1,177	96%	$6,229	5.32%
4	Apex West Midtown, Atlanta	Feb-14	340	2009	$145,221	1,026	98%	$9,802	6.75%
5	Alexander in the District, Atlanta	Jan-14	280	2007	$160,000	995	92%	$8,960	5.60%

The comparable sales used in this analysis present a range of overall rates between 5.32% and 6.75%, with a mean of 5.94%.

As mentioned in the Market Analysis section, the *Fourth Quarter 2014 PwC Survey* indicates that overall capitalization rates for apartments in the Southeast Region range from 3.75% to 7.25%, with an average of 5.50% (institutional-grade properties). The average rate is down five basis points from the previous quarter and is down 23 basis points from the same period one year ago. National non-institutional grade capitalization rates on average are 100 basis points higher (Southeast Region is not currently tracked).

Mortgage Equity Technique

We also utilized the mortgage-equity procedure, which is presented in the following chart. Under this procedure, the overall capitalization rate considers the returns on the mortgage and equity positions as well as the equity build-up that accrues as the loan principle is paid off. For properties like the subject, our research of the current financing market indicate a typical loan-to-value ratio of 75% to 80%, a fixed interest rate of about 3.50% to 5.65% (4.09%-4.34% for ten year term, 5.65%-6.50% for 30 year term) and a 30-year amortization with a balloon in 10 years. For this analysis, we used an 80% loan-to-value, an interest rate of 4.25%, 30-year amortization, a 10-year balloon, and property appreciation of 2.0% annually (reasonable considering the current market). Equity yield rates are more difficult to ascertain. However, based on discussions with investors and valuation experts, and consideration of alternative investment choices and comparing the risks involved with each, we find a typical range of 15% to 20%. Based on the specific characteristics of the subject, we concluded an equity yield rate of 17%. As shown on the following chart, the indicated overall capitalization rate based on the foregoing parameters equates to approximately 6.40%.

CAPITALIZATION RATE DERIVATION BY MORTGAGE/EQUITY TECHNIQUE

ASSUMPTIONS	
Mortgage Amortization Term	30 Years
Holding Period	10 Years
Mortgage Interest Rate	4.25%
Loan-to-Value Ratio	80%
Annual Constant for Monthly Payments	0.059033
Required Equity Yield Rate	17%
Assumed Net Annual Appreciation	2.00%

CALCULATIONS

Basic Rate Calculation:									
Mortgage:	80%	x	0.059033	=				0.047226	
Equity:	20%	x	0.170000	=				+ 0.034000	
Composite Basic Rate:									0.081226
Credit For Equity Build-up Due to Amortization Over Holding Period:									
Mortgage (Loan-to-Value Ratio):					80%				
Sinking Fund Factor @	17%		For		10	Years	=	0.044657	
Percentage of Loan Principal Repaid After					10	Years	=	20.5570%	
Credit:	80%	x	0.044657	x	0.205570		=		0.007344
Appreciation Factor Over the Holding Period:									
Appreciation Credit @	2%		Over		10	Years	=	21.8994%	
Sinking Fund Factor @	17%		For		10	Years	=	0.044657	
Credit:	21.8994%	x	0.044657				=		0.009780

INDICATED CAPITALIZATION RATE

Basic Rate:	0.081226
Less Credit For Equity Build-up:	- 0.007344
Less Credit For Appreciation:	- 0.00978
INDICATED CAPITALIZATION RATE:	**0.064102**
ROUNDED:	**6.40%**

Direct Capitalization Conclusion

Based on the information presented from the actual sales, the investor survey and the mortgage equity technique, with particular consideration given to the subject's age, size, quality and location, as well as the fact that the subject is eligible for favorable financing, we are of the opinion that the typical investor would select an overall rate in the range of 6.00% to 6.50% for the subject property, and reconcile toward the middle. Our direct capitalization analysis is presented in the following chart. Our estimate of value of the subject “at stabilization,” with restricted rents, is $10,000,000 or $54,054 per unit.

APPRAISERS NOI ANALYSIS - AFTER RENOVATION - RESTRICTED RENTS CENTENNIAL PLACE APARTMENTS - PHASE III 185 Units - 166,342 SF				
		Total	Per Unit	Per SF
Potential Gross Rental Income		$1,894,536	$10,241	$11.39
Plus Other Income	2.0%	37,891	205	0.23
Potential Gross Income		$1,932,427	$10,446	$11.62
Vacancy and Collection Loss	7.0%	$135,270	$731	$0.81
Effective Gross Income		$1,797,157	$9,714	$10.80
Expenses				
Real Estate Taxes		$109,000	$589	$0.66
Insurance		50,875	275	0.31
Management Fee	6.5%	116,815	631	0.70
Utilities		148,000	800	0.89
Salaries & Labor		305,250	1,650	1.84
Maintenance & Repairs / Turnkey		148,000	800	0.89
Security		74,000	400	0.44
Landscaping		34,225	185	0.21
Advertising & Promotion		18,500	100	0.11
Administrative/Misc.		92,500	500	0.56
Total Expenses		$1,097,165	$5,931	$6.60
Reserves		55,500	300	0.33
Total Operating Expenses		$1,152,665	$6,231	$6.93
Net Income		$644,492	$3,484	$3.87
Overall Rates/Indicated	6.25%	$10,311,866	$55,740	$61.99
Values	6.50%	$9,915,256	$53,596	$59.61
	6.75%	$9,548,025	$51,611	$57.40
Stabilized Reconciled Value		$10,000,000	$54,054	$60.12

SALES COMPARISON APPRAOCH – RESTRICTED AT STABILIZATION

The sales comparison approach provides an estimate of market value based on an analysis of recent transactions involving similar properties in the subject's or comparable market areas. This method is based on the premise that an informed purchaser will pay no more for a property than the cost of acquiring an equally desirable substitute. When there are an adequate number of sales involving truly similar properties, with sufficient information for comparison, a range of value for the subject can be developed.

In the analysis of sales, considerations for such factors as changing market conditions over time, location, size, quality, age/condition, and amenities, as well as the terms of the transactions, are all significant variables relating to the relative marketability of the subject property. Any adjustments to the sale price of comparables to provide indications of market value for the subject must be market-derived; thus, the actions of typical buyers and sellers are reflected in the comparison process.

There are various units of comparison available in the evaluation of sales data. The sale price per unit (NOI) and effective gross income multiplier (EGIM) are most commonly used for apartments. Based on the information available, we used only the sale price per unit method in our analysis.

The following summary chart provides pertinent details regarding each transaction; additional information including photographs and a location map are included in the Addendum.

IMPROVED SALES SUMMARY									
No.	Name Location	Sale Date	Number of Units	Year Built	Price Per Unit	Avg. Unit Size (SF)	Occupancy at Time Of Sale	NOI/Unit at Sale	OAR
1	Panther Riverside Parc, Atlanta	Jan-15	280	2009	$98,643	1,055	97%	$6,155	6.24%
2	Parkside East Atlanta, Atlanta	Dec-14	322	1966/2013	$80,825	993	95%	$4,688	5.80%
3	Parkside at Town Center, Kennesaw	Mar-14	234	2002	$117,000	1,177	96%	$6,229	5.32%
4	Apex West Midtown, Atlanta	Feb-14	340	2009	$145,221	1,026	98%	$9,802	6.75%
5	Alexander in the District, Atlanta	Jan-14	280	2007	$160,000	995	92%	$8,960	5.60%

These properties were reportedly built between 1966 and 2009 with unit counts between 234 and 340. The transactions occurred between January 2014 and January 2015. Overall rates indicated by the transactions range between 5.32% and 6.75%, with an average of 5.94%. All of the comparables were in good condition with high NOIs per unit. Sales prices per unit range from $80,825 to $160,000. This range appears to fluctuate most with net operating income per unit, which ranges from $4,688 to $9,802.

SALE PRICE PER UNIT ANALYSIS

While some general observations can be made, isolating physical and locational adjustments in the comparison of income producing comparable sales can be very subjective. This subjectivity is particularly true when the comparables are drawn from different locations. Most investors believe that all these factors are already accounted for in the rental that an income property can achieve and, thus, place most reliance upon net income characteristics as the basis for adjustment. The assumption is that tenants shop and compare, and rent paid in the open market automatically reflects differences in the age and condition of improvements, location, construction, size, amenities, and various other factors.

To further illustrate, we analyzed the net operating income (NOI) generated by each comparable as compared to the subject's projected stabilized income estimated in the income capitalization approach. Basically, by developing a ratio between the subject's and the comparable's net operating income, an adjustment factor can be calculated for each of the individual sales. This factor can then be applied to the comparable's price per unit to render indications for the subject. This process illustrates an attempt to isolate the economic reasoning of buyers. In general, it is a fundamental assumption that the physical characteristics of a project (location, access, design/appeal, condition, etc.) are reflected in the net operating income being generated, and that the resulting price per unit paid for a property has a direct relationship to the net operating income being generated. The following charts depict the calculations involved in developing adjustment factors to be applied to the respective price per unit for the comparables employed.

NET OPERATING INCOME (NOI) ANALYSIS - RESTRICTED POST RENOV CENTENNIAL PLACE III									
Sale No.	Subject's NOI/Unit		Comp. NOI/Unit		Multiplier		Sale Price $/Unit		Adjusted $/Unit For Subject
1	$3,484	/	$6,155	=	0.57	X	$98,643	=	$56,227
2	$3,484	/	$4,688	=	0.74	X	$80,825	=	$59,811
3	$3,484	/	$6,229	=	0.56	X	$117,000	=	$65,520
4	$3,484	/	$9,802	=	0.36	X	$145,221	=	$52,280
5	$3,484	/	$8,960	=	0.39	X	$160,000	=	$62,400

As shown above, the adjusted values indicated for the subject with restricted rents at stabilization range from $52,280 to $65,520 per unit, with an average of $59,248. Given that the subject is an income restricted property, the lower end of the range best represents the subject. For the as-is restricted scenario, we estimated a value of $54,000 per unit.

SALES COMPARISON APPROACH SUMMARY – RESTRICTED RENTS AT STABILIZATION		
# Units	$/Unit	Indicated Value
185	$54,000	$9,990,000
Rounded		$10,000,000

PHYSICAL ADJUSTMENT ANALYSIS

For additional support, we are including an adjustment grid for the comparable sales. Adjustments were made for conditions of sale and market conditions, along with common characteristics including location, size of complex, average unit size, quality/amenities and age/condition.

Conditions of Sale

The subject is a mixed income property that includes market rate, tax credit and PBRA units, which restricts income and upside potential. While the comparables are physically generally similar, all are market rate properties with higher achievable rents and net operating incomes in comparison to the subject. All of the comparables were adjusted downward for this factor.

Market Conditions

The sales are recent, and no adjustments are necessary.

Location

The subject is located in an excellent location in the heart of downtown Atlanta. Comparables One and Three are located in desirable suburbs, but outside I-285 and warrant upward adjustment. Comparable Two is located in southeast Atlanta inside I-285 and warrants upward adjustment in comparison to the subject.

Size/Number of Units

The subject has 185 units. Typically, smaller properties sell for higher per unit prices. Conversely, larger properties tend to sell for lower per unit prices. This represents something of a quantity discount. All of the comparables were adjusted upward slightly given their larger size in comparison to the subject.

Average Unit Size

The subject has an average unit size of 899 square feet. All of the comparables have larger average unit sizes and were adjusted downward by varying amounts.

Quality/Amenities

The subject and the comparables have extensive and good quality amenities. No adjustment is necessary.

Age/Condition

The subject was built in 1998, but is proposed for significant renovation that should bring the property up to good to very good condition. The comparables were built between 1966 and 2009. However, the property built in 1966 was renovated in 2013 and the next oldest property pwas built in 2002. We adjusted all of the comparables, except Comparable Two, downward slightly for newer improvements and/or superior condition in comparison to the subject. Comparable Two was built in 1966, but extensively renovated in 2013 and no adjustment is warranted.

SUMMARY AND COMMENTS

The following adjustment grid illustrates our thought processes in the comparison of the comparables to the subject. As shown, prior to adjustment, the comparables present a range of price per unit between $80,825 and $160,000, with a mean of $120,338.

COMPARABLE SALES ADJUSTMENT CHART - Restricted Rents At Stabilization						
Sale No.	**Subject**	**1**	**2**	**3**	**4**	**5**
Informational Data						
Sale Date	N/Ap	Jan-15	Dec-14	Mar-14	Feb-14	Jan-14
Sale Price	N/Ap	$27,620,000	$26,025,650	$27,378,000	$49,375,000	$44,800,000
# Units	185	280	322	234	340	280
Year Built	1996	2009	1966/2013	2002	2009	2007
Location	Excellent	Good	Good	Good	Good	Good
Price per Unit	N/Ap	$98,643	$80,825	$117,000	$145,221	$160,000
Comparative Analysis						
Conditions of Sale		-55%	-55%	-55%	-55%	-55%
Market Conditions		0%	0%	0%	0%	0%
Adjusted Price/SF		$44,389	$36,371	$52,650	$65,349	$72,000
Physical Adjustments						
Location		10%	20%	10%	0%	0%
Size (# of units)		5%	5%	5%	5%	5%
Avg. Unit Size		-5%	-5%	-10%	-5%	-5%
Quality/Amenities		0%	0%	0%	0%	0%
Age/Condition		-10%	0%	-5%	-10%	-10%
Net Adjustment		0%	20%	0%	-10%	-10%
Adjusted Price/SF		$44,389	$43,646	$52,650	$58,814	$64,800
Indicated Range:			$43,646	to	$64,800	
Mean:				$52,860		

As shown, after adjustments, the indicated range is a narrowed to between $43,646 and $64,800, with a mean of $52,860. Based on this information, we estimate value for the subject at a rounded $53,000 per unit. Our estimate of value for the subject property, based on a price per unit method is shown as follows.

SALES COMPARISON APPROACH VALUE – PRICE PER UNIT				
Indicated Value/Unit		**Subject Units**		**Total**
$53,000	X	185	=	$9,805,000
Rounded				$9,800,000

SALES COMPARISON APPROACH CONCLUSION

The following table summarizes the value indications provided by the methods of analysis presented in the sales comparison approach.

SUMMARY OF VALUE ESTIMATES BY SALES COMPARISON APPROACH RESTRICTED RENTS AT STABILIZATION	
Method	**Indicated Value**
NOI Per Square Foot	$10,000,000
Physical Adjustments	$9,800,000
Reconciled:	**$9,900,000**

FINAL VALUE ESTIMATE – RESTRICTED AT STABILIZATION”

We used the income and sales comparison approaches to estimate market value for the subject property. The indications from each are presented in the following chart.

FINAL VALUE ESTIMATES – RESTRICTED	
Income Capitalization Approach	$10,000,000
Sales Comparison Approach	$9,900,000

As seen, both approaches provided similar value indications. However, for reasons mentioned above, most investors would place weighted emphasis on the income approach. Based on the research and analysis contained in this report, we estimate the market value of the subject property, as follows:

Estimate of Market Value of the Leasehold Interest in the Subject
“At Stabilization,” Subject To Restricted Rents, As of December 1, 2015

TEN MILLION DOLLARS
$10,000,000

INCOME CAPITALIZATION APROACH – UNRESTRICTED AT STABILIZATION

The income capitalization approach to value is based upon an analysis of the economic benefits to be received from ownership of the subject. These economic benefits typically consist of the net operating income projected to be generated by the improvements. There are several methods by which the present value of the income stream may be measured, including direct capitalization and a discounted cash flow analysis. In this section, we used the direct capitalization method. We initially estimated potential rental income, followed by projections of vacancy and collection loss and operating expenses. The resultant net operating income is then capitalized into a value indication based on application of an appropriate overall capitalization rate.

POTENTIAL GROSS RENTAL INCOME

The following chart shows potential income using hypothetical unrestricted rents, at stabilization, at the subject. Potential gross rental income at these rents is $2,760,600, or $14,922 per unit.

UNIT MIX AND MARKET RENT SCHEDULE - HYPOTHETICAL MARKET - POST RENOVATION
Centennial Place Phase II Apartments

Unit Type	No. Units	Heated SF	Total Heated	Monthly Rent	Rent SF	Total Income
1BR/1BA	57	684	38,988	$1,050	$1.54	$718,200
2BR/1BA	66	872	57,552	$1,200	$1.38	$950,400
2BR/1.5BA	16	1,039	16,624	$1,400	$1.35	$268,800
2BR/2BA	16	1,055	16,880	$1,300	$1.23	$249,600
2BR/2BA	12	1,093	13,116	$1,300	$1.19	$187,200
3BR/2BA	16	1,252	20,032	$1,750	$1.40	$336,000
4BR/2.5BA	2	1,575	3,150	$2,100	$1.33	$50,400
Totals/Average	185	899	166,342	$1,244	$1.38	$2,760,600

OTHER INCOME

Phase III historical operating statements for years 2011 through 2014 indicate miscellaneous other income per unit of $262, $216, $206 and $171 per unit, respectively, which ranges from 2% to 4% of net rentable income (NRI). IREM indicates a range of $330 to $1,219 per unit, and a median of $909 per unit for the Atlanta area. Our experience has shown that other income is typically on the low-end of the spectrum for income restricted properties like the subject. For the pro forma based on hypothetical unrestricted rents, we estimated other income at $500, below the median for Atlanta area properties, but higher than what was collected as a mixed-income property.

VACANCY AND COLLECTION LOSS

The comparables reported physical occupancies from 92% to 98% with a weighted average of about 95%. The subject property is currently 92% occupied. We also reviewed the historical operating statements at the subject over the past three years. According to the statements, the economic loss attributable to physical vacancy was about 11% in 2011, 11% in 2012, 6% in 2013 and 2014 was 14%. Vacancy was reported higher in 2014 because leasing dropped when management shifted from Yardi to an LRO system, but has since stabilized. Collection loss was minimal. Public housing units maintain high occupancy levels, and restricted rent units can also run higher occupancy than market rate units. For our hypothetical at market scenario, we used 7% physical vacancy and 3% for collection losses, for a total of 10% economic vacancy.

EFFECTIVE GROSS INCOME

After accounting for other income, and factoring in vacancy and collection loss our projected annual effective gross income at hypothetical unrestricted rents as is $2,709,540 or $14,646 per unit.

EXPENSE ANALYSIS

Centennial Place Phase III Apartments is a portion of a four phase development of properties built between 1996 and 2000. The project contains a total of 738 units and is located in the central core of downtown Atlanta. Centennial Place Apartments Phases I-IV has always and continues to share similar ownership with related parties of Legacy Partnership. In addition, borrower related management companies manage the day-to-day operations of the property.

There are many points of ingress/egress to the apartment community. It is in an urban setting, and all of the phases are traversed by multiple streets. The property is subject to a long term reciprocal easement agreement (through 2060) that allows for the sharing of all amenities and the leasing office across all phases. The expenses for the common amenities / leasing office are shared on a pro rata basis. Historical operating expenses for Phase III are in line with comparable properties, and support the administrative and maintenance payroll expenses utilized in the pro forma.

In deriving an estimate of net income, it is necessary to consider various expenses and allowances ascribable to the operation of a property of this type. We were provided actual operating history for 2011, 2012, 2013 and 2014. In addition, we reviewed industry standard expenses as published in the 2014 edition of the *Income/Expense Analysis – Conventional Apartments* published by IREM (Institute of Real Estate Management). Further, we considered recent operating expense data from four apartment projects in various locations in Atlanta. The subject's historical operating data and budget, IREM data, and expense comparables are summarized in the following charts.

HISTORICAL OPERATING STATEMENTS 2011 - 2014 CENTENNIAL PHASE III								
		166,342	SF	185	Units			
	Actual 2011	Per Unit	Actual 2012	Per Unit	Actual 2013	Per Unit	Actual 2014	Per Unit
Potential Rental Income	$1,414,256	$7,645	$1,329,172	$7,185	$1,375,858	$7,437	$1,507,457	$8,148
Subsidy	$354,068	$1,914	$351,022	$1,897	$419,305	$2,267	$372,127	$2,011
Misc. Other Income	48,548	262	39,890	216	38,164	206	31,674	171
Subtotal Other Income	402,616	2,176	390,912	2,113	457,469	2,473	403,801	2,183
Other as % of Rental Inc.	28.47%		29.41%		33.25%		26.79%	
Potential Gross Income	$1,816,872	$9,821	$1,720,084	$9,298	$1,833,327	$9,910	$1,911,258	$10,331
Vacancy & Collection Loss	-11%		-11%		-6%		-14%	
Vacancy	(194,971)	(1,054)	(187,432)	(1,013)	(106,396)	(575)	(265,336)	(1,434)
Bad Debt	(28,270)	(153)	(8,960)	(48)	(12,409)	(67)	(27,030)	(146)
Concessions	(66,213)	(358)	(10,384)	(56)	(15,003)	(81)	(13,386)	(72)
Subtotal V & C Loss	(289,454)	(1,565)	(206,776)	(1,118)	(133,808)	(723)	(305,752)	(1,653)
V & C as % of PGI	-15.93%		-12.02%		-7.30%		-16.00%	
Effective Gross Income	$1,527,418	$8,256	$1,513,308	$8,180	$1,699,519	$9,187	$1,605,506	$8,678
Real Estate Taxes	$65,250	$353	$59,136	$320	$58,724	$317	$64,700	$350
Insurance	48,605	263	32,816	177	47,203	255	51,096	276
Management Fee	95,600	517	95,604	517	93,803	507	91,520	495
Mgmt. as a % of EGI	6.3%		6.3%		5.5%		5.7%	
Utilities	117,098	633	106,795	577	258,431	1,397	239,371	1,294
Payroll	168,622	911	258,642	1,398	270,248	1,461	307,559	1,662
Cleaning & Redecorating		0		0		0		
Repairs & Maintenance	347,849	1,880	225,893	1,221	314,332	1,699	266,227	1,439
Landscaping and grounds	34,615	187	35,559	192	35,000	189	28,992	157
Security	60,233	326	81,858	442	74,516	403	76,201	412
Advertising & Promotion	25,176	136	16,105	87	10,568	57	16,181	87
Administrative & Misc.	125,044	676	136,938	740	115,619	625	86,431	467
Total Expenses	$1,088,092	$5,882	$1,049,346	$5,672	$1,278,444	$6,911	$1,228,278	$6,639
As a % of EGI	71.24%		69.34%		75.22%		76.50%	
Net Income	$439,326	$2,375	$463,962	$2,508	$421,075	$2,276	$377,228	$2,039
Capital Expenditures	$0	$0	$86,075	$465	$74,004	$400	$108,125	584
Net Cash Flow	$439,326	$2,375	$377,887	$2,043	$347,071	$1,876	$269,103	$1,455

Notes: Totals may not sum exactly, due to rounding.

Source: The operating statements were reconstructed from information provided by the owner.

MARKET RATE OPERATING EXPENSE COMPARABLES								
Property Name	Cumberland Crossing		Ansley @ Princeton		Lakeside Town Center		Evergreen Magnolia	
Location	Marietta, GA		Atlanta, GA		Marietta, GA		Dallas, GA	
No. Units	286		306		358		194	
Avg. Unit Size	1,101		1,001		1,091		1,157	
Year Built	1973		2009		2001		2002	
	Actual	Trended	Actual	Trended	Actual	Trended	Actual	Trended
Effective Date/% Trended	6/2014 TTM	0.0%	2013	0.0%	2013	0.00%	6/2014 TTM	0.0%
Real Estate Taxes	$367	$367	$1,278	$1,278	$1,097	$1,097	$818	$818
Insurance	261	261	232	232	309	309	217	$217
Management Fee:	239	239	234	234	344	344	370	$370
% of EGI	3.0%		1.9%		3.3%		3.5%	
Utilities	1,197	1,197	302	302	734	734	919	$919
Salaries & Labor	1,500	1,500	1,098	1,098	1,264	1,264	1,409	$1,409
Repairs/Redecorating	670	670	520	520	843	843	506	$506
Landscaping/Amenities	82	82	92	92	186	186	148	$148
Advertising & Promotion	219	219	229	229	159	159	171	$171
Administrative/Misc.	543	543	545	545	193	193	230	$230
Total Expenses	$5,078	$5,078	$4,530	$4,530	$5,129	$5,129	$4,788	$4,788

*Trailing 12 Months

2014 IREM INCOME & EXPENSE DATA FOR ATLANTA METRO AREA

Income & Expense Category (A)	Annual Inc. & Exp. as % of GPI			Annual Income & Expenses Per Unit		
	Low	Median	High	Low	Median	High
Income						
Gross Possible Rents:	89.0%	90.8%	93.4%	$8,710	$10,367	$11,718
Other Income:	6.4%	9.1%	10.6%	$760	$1,023	$1,276
Gross Possible Income:	100.0%	100.0%	100.0%	$9,632	$11,252	$12,629
Vacancies/Rent Loss:	5.0%	7.9%	12.3%	$593	$868	$1,418
Total Collections:	84.3%	89.7%	93.5%	$8,033	$9,976	$11,482
Expenses (B)						
Real Estate Taxes	5.8%	7.2%	8.4%	$594	$812	$1,040
Insurance	1.5%	1.9%	2.7%	$199	$230	$282
Management Fee	2.2%	2.8%	4.4%	$262	$332	$453
Total Utilities **(1)**	5.0%	6.8%	9.3%	$649	$765	$966
Water/sewer (common & Apts)	3.7%	5.2%	7.2%	$491	$587	$758
Electric (common only)	1.2%	1.5%	1.8%	$158	$178	$208
Gas (common only)	0.1%	0.1%	0.3%	$0	$0	$0
Total Utilities **(2)**	3.7%	4.6%	6.6%	$519	$559	$743
Water/sewer (common only)	2.4%	3.0%	4.5%	$360	$381	$535
Electric (common only)	1.2%	1.5%	1.8%	$158	$178	$208
Gas (common only)	0.1%	0.1%	0.3%	$0	$0	$0
Salaries and Administrative (C)	13.5%	12.1%	17.5%	$1,324	$1,653	$1,961
Other Administrative	2.7%	3.1%	4.6%	$274	$387	$547
Other Payroll	10.8%	9.0%	12.9%	$1,050	$1,266	$1,413
Maintenance & Repairs	2.1%	3.7%	4.5%	$222	$367	$608
Painting & Redecorating (D)	0.8%	1.8%	2.5%	$91	$200	$255
Grounds Maint. & Amenities (D)	1.0%	1.6%	2.1%	$122	$163	$234
Grounds Maintenance	0.9%	1.4%	1.8%	$112	$143	$204
Recreational/Amenities	0.1%	0.2%	0.3%	$10	$20	$30
Security (D)	0.0%	0.1%	0.4%	$0	$7	$35
Other/Miscellaneous	0.7%	1.1%	4.6%	$113	$161	$883
Other Tax/Fee/Permit	0.0%	0.1%	0.2%	$0	$7	$14
Supplies	0.1%	0.2%	0.3%	$7	$14	$56
Building Services	0.3%	0.5%	1.2%	$43	$65	$163
Other Operating	0.4%	0.6%	3.4%	$63	$75	$650
Total Expenses:	30.7%	34.0%	41.4%	$3,468	$4,099	$4,542
Net Operating Income:	47.0%	53.1%	60.5%	$4,616	$6,125	$7,693

Notes: Survey for Metro Atlanta includes 16,306 apartment units with an average unit size of 1.019 square feet.
(A) *Median* is the middle of the range, *Low* means 25% of the sample is below this figure, *High* mean 25% of the sample is above figure.
(B) Line item expenses do not necessarily correspond to totals due to variances in expenses reported and sizes of reporting complexes.
(C) Includes administrative salaries and expenses, as well as maintenance salaries.
(D) Includes salaries associated with these categories.

Source: 2014 *Income/Expense Analyses:Conventional Apartments* by the Institute of Real Estate Management (IREM

Real Estate Taxes

Real estate taxes were discussed in detail in the Tax Analysis portion of the Property Analysis. Based on the tax comparables, we used a rounded $2,450 per unit, to reflect an appraised value of $135,000 per unit. .

2014 MARKET RATE APARTMENT TAX COMPARABLES				
Comparable	SUBJECT	One	Two	Three
Name:	Centennial Place III	The Prato	Alexander at the	Apex West Midtown
Address:	248 Merritts Avenue	400 Central Park	1750 Commerce Drive	1133 Huff Road
Tax ID No.:	14007900020179	140050LL0191 & 0233	17015200120253	17018800030716
No. of Units:	185	342	280	340
Year Built:	1996	1995	2007	2009
Avg. Unit Size	899	954	960	1,101
Value Per Unit:	$167,758	$136,140	$158,160	$144,709
Source: Fulton County Tax Assessor's records				

Insurance

IREM indicates a range of $199 to $282 per unit, and a median of $230 per unit for the Atlanta area. The comparables indicate insurance expenses within a range of $217 to $261 per unit and average $255. For 2011, 2012, 2013 and 2014, actual insurance expenses for the subject were $263, $177, $255 and $276, respectively. After the March 2013 fire in the clubhouse/leasing office, the complex decided to carry more comprehensive insurance. Based upon the foregoing considerations, we forecast insurance expense at $275 per unit.

Management Fee

Management expense for an apartment complex is typically negotiated on a percent of collected revenues (effective gross income, or EGI). This percentage typically ranges from 3.0% to 5.0% for a traditional apartment complex, depending on the size of the complex and position in the market. IREM indicates a range from 2.2% to 4.4% with a median of 2.8%. However, LIHTC properties, such as the subject, tend to have higher management fees. The historical operating statements indicate a range for the past few years were 6.3%, 6.3% dropping to 5.5% in 2013 with 2014 at 5.7%. Current management clarified that their fee is 5.5%, and that the Atlanta Housing Authority receives a 1% management fee as well. We used the more typical 3.5% for the hypothetical at market pro forma.

Utilities

This expense covers all energy costs related to the leasing office, vacant units, and common areas, including exterior lighting. At some complexes, it also may include trash removal and water/sewer costs for apartments. IREM indicates a range of $519 to $743 per unit, and a median of $559 per unit. The comparables indicate utilities expenses within a range of $302 to $1,197 per unit and average $788. In the subject's case, the complex pays for water, sewer and trash. The tenants pay for electric and gas. For 2011, 2012, 2013 and 2014, actual utilities expenses for the subject were $633, $577, $1,397 and $1,294, respectively. In 2011 and 2012, the allocation of utility expense across phases was not accurate, so the 2013 and 2014 figures are more reliable. In the subject's case, tenants are responsible for electric and gas utilities. Water, sewer and trash are paid by the complex currently. After renovation, the gas appliances will be converted to electric and the tenants will be responsible for water and sewer charges. Residential water and sewer charges account for $788 per unit of that total in 2014. We forecast utilities expense at $800 per unit post renovation.

Salaries and Labor

This expense covers all payroll and labor expenses, including direct and indirect expenses. The taxes and benefits portion of this expense also includes the employer's portion of social security taxes, group health insurance and workman's comp insurance. In addition, employees typically incur overtime pay at times. IREM indicates a range of $1,324 to $1,961 per unit, and a median of $1,653 per unit. For 2011, 2012, 2013 and 2014, actual expenses for the subject were $911, $1,398, $1,461 and $1,662, respectively. These figures are in-line with the comparables and considered reasonable, even considering that the salaries are based on a pro-rata share of the payroll that is allocated across the four phases of the property.

Salaries are typically lower at market rate properties, as there are fewer administrative requirements. The market-rate expense comparables indicate salaries between $1,098 to $1,500 per unit and average $1,318. We used $1,350 per unit in our hypothetical market rent pro forma.

Maintenance and Repairs / Painting and Redecorating

This expense category includes the cost of minor repairs to the apartment units, including painting and redecorating. Interior maintenance amounts to cleaning, electrical repairs, exterminating, contract labor for painting, and plumbing repairs. Exterior maintenance amounts to painting, and replacement or repairs to parking lots, roofs, windows, doors, etc. Maintenance and repairs expenses vary considerably from complex to complex and from year to year due to scheduling of repairs and accounting procedures. Apartment owners often list replacement items under "maintenance and repairs" for more advantageous after-tax considerations. IREM indicates a range of $313 to $863 per unit, and a median of $567 per unit. For 2011, 2012, 2013 and 2014, actual combined repairs and redecorating expenses for the subject were $1,880, $1,221, $1,699 and $1,439, respectively. Maintenance expenses are high for the subject historically, but an investor would assume typical and efficient management of maintenance expenses at the property. The market-rate comparables ranged from $520 to $843 per unit with an average of $635. We reconciled to $650 per unit for the market rent pro forma.

Security

IREM indicates a range of $0 to $35 per unit, and a median of $7 per unit. For 2011, 2012, 2013 and 2014, actual security expenses for the subject were $326, $442, $403 and $412, respectively. Based on the subject's intown location, and placing emphasis on the history of the subject, we forecast security expense at $400 per unit.

Landscaping and Amenities

Landscaping, or grounds maintenance, includes normal grounds landscaping and maintenance, as well as maintenance of the amenities. IREM indicates a range of $122 to $234 per unit, and a median of $163 per unit. The subject is a large site and has attractive landscaping, mature trees and shrubs, and outdoor pool amenity. For 2011, 2012, 2013 and 2014, actual expenses for the subject were $187, $192, $189 and $157 per unit. Placing emphasis on the historical and projected landscaping expense at the subject, we forecast landscaping and amenities expense at $185 per unit.

Advertising and Promotion

This expense category accounts for placement of advertising, commissions, signage, brochures, and newsletters. Advertising and promotion costs are generally closely tied to occupancy. If occupancy is considered high and the market is stable, then the need for advertising is not as significant. However, if occupancy is considered to be low or occupancy tends to fluctuate, then advertising becomes much more critical. Our analysis assumes that the property is operating at stabilized levels. IREM does not include this category. For 2011, 2012, 2013 and 2014, actual expenses for the subject were $136, $87, $57 and $87, respectively.

The market rate comparables had advertising expense between $159 and $229 per unit with an average of $194 per unit. We used $200 per unit for the hypothetical market rent pro forma.

Administrative and Miscellaneous Expense

This expense includes such items as legal, accounting, office supplies, answering service, telephone, etc. IREM indicates a range of $113 to $883 per unit, and a median of

$160 per unit. For 2011, 2012, 2013 and 2014, actual expenses for the subject were $676, $740, $625 and $467, respectively.

The market rate expense comparables have administrative expenses more in line with IREM between $195 and $545 per unit. For the hypothetical market pro forma we estimated administrative expense at $250 per unit.

Reserves for Replacement

Reserves for replacement is an annual allowance for the periodic replacement of roof covers, paving, carpeting, HVAC units, appliances, and other short-lived items. Investors of apartment properties sometimes establish separate accounts for reserves in the pro forma analysis. IREM does not chart this category and it is not included for the comparables. Typically, reserves range from $200 to $400 per unit, depending on age, condition, and size.

For 2011, 2012, 2013 and 2014, capital expenditures for the subject were $0, $465, $400 and $584 per unit, respectively. We used $300 per unit for the hypothetical unrestricted scenario.

Summary of Expenses – Hypothetical Unrestricted At Stabilization

Our estimated trended expenses total $1,233,365 including reserves, which equates to $6,667 per unit. If excluding reserves, the estimated expenses are $6,367 per unit. For 2011, 2012, 2013 and 2014, actual expenses for the subject were $5,882, $5,672, $6,911 and $6,639, respectively. This scenario includes the increased expense of market rate taxes, and the significant savings of water and sewer expense after renovation. Our projections are otherwise similar to the range of the actual figures for the past few years, and each category is in-line with actual historical expenditures and/or the indication of the market rate comparables and IREM. Total expenses reported by IREM, which do not include reserves, ranged from $3,468 to $4,542 with a median of $4,099 per unit for Atlanta. The market rate comparables indicate total trended expenses within a range of $4,575 to $5,180 per unit and average $4,905. Our estimates (not including reserves) are above IREM and the range of the comparables, but are supported by actual historical expenses and hypothetical conditions. Based on this information, our estimates appear reasonable.

Net Operating Income – Hypothetical Unrestricted Rents At Stabilization

Our estimates of income and expenses for the subject apartments result in a net operating income projection of $1,107,355, or $5,986 per unit.

CAPITALIZATION OF NET OPERATING INCOME

Capitalization is the process by which net operating income of investment property is converted to a value indication. Capitalization rates reflect the relationship between net operating income and the value of receiving that current and probable future income stream during a certain projection period or remaining economic life. Generally, the best method of estimating an appropriate overall rate is through an analysis of recent sales in the market. Overall rates (OAR's) are typically derived from sales of similar properties by dividing net operating income by sale price.

In selecting an appropriate capitalization rate for the subject, we considered those rates indicated by recent sales of properties that are similar to the subject with regard to risk, duration of income, quality and condition of improvements, and remaining economic life. Primary factors that influence overall rates include potential for income increases over both the near and long terms, as well as appreciation potential. Adjustments for dissimilar factors that influence the utility and/or marketability of a property, such as specific location within a market area; land/building ratio; functional efficiency, quality, and condition of improvements; and specific features of the building and land improvements, are inherently reflected by the market in the form of varying market rent levels. As rent levels form the basis for net income levels, the market has, in effect, already made the primary adjustments required for those factors, and any significant adjustments to overall rates based upon these dissimilarities would merely distort the market data.

The following table summarizes capitalization rates extracted from several recent apartment sales in the metro area. The subject was constructed in 1998. We chose a variety of property types built between 1966 and 2009.

IMPROVED SALES SUMMARY									
No.	Name Location	Sale Date	Number of Units	Year Built	Price Per Unit	Avg. Unit Size (SF)	Occupancy at Time Of Sale	NOI/Unit at Sale	OAR
1	Panther Riverside Parc, Atlanta	Jan-15	280	2009	$98,643	1,055	97%	$6,155	6.24%
2	Parkside East Atlanta, Atlanta	Dec-14	322	1966/2013	$80,825	993	95%	$4,688	5.80%
3	Parkside at Town Center, Kennesaw	Mar-14	234	2002	$117,000	1,177	96%	$6,229	5.32%
4	Apex West Midtown, Atlanta	Feb-14	340	2009	$145,221	1,026	98%	$9,802	6.75%
5	Alexander in the District, Atlanta	Jan-14	280	2007	$160,000	995	92%	$8,960	5.60%

The comparable sales used in this analysis present a range of overall rates between 5.32% and 6.75%, with a mean of 5.94%.

As mentioned in the Market Analysis section, the *Fourth Quarter 2014 PwC Survey* indicates that overall capitalization rates for apartments in the Southeast Region range from 3.75% to 7.25%, with an average of 5.50% (institutional-grade properties). The average rate is down five basis points from the previous quarter and is down 23 basis points from the same period one year ago. National non-institutional grade capitalization rates on average are 100 basis points higher (Southeast Region is not currently tracked).

Mortgage Equity Technique

We also utilized the mortgage-equity procedure, which is presented in the following chart. Under this procedure, the overall capitalization rate considers the returns on the mortgage and equity positions as well as the equity build-up that accrues as the loan principle is paid off. For properties like the subject, our research of the current financing market indicate a typical loan-to-value ratio of 75% to 80%, a fixed interest rate of about 3.50% to 5.65% (4.09%-4.34% for ten year term, 5.65%-6.50% for 30 year term) and a 30-year amortization with a balloon in 10 years. For this analysis, we used an 80% loan-to-value, an interest rate of 4.25%, 30-year amortization, a 10-year balloon, and property appreciation of 2.0% annually (reasonable considering the current market). Equity yield rates are more difficult to ascertain. However, based on discussions with investors and valuation experts, and consideration of alternative investment choices and comparing the risks involved with each, we find a typical range of 15% to 20%. Based on the specific characteristics of the subject, we concluded an equity yield rate of 17%. As shown on the following chart, the indicated overall capitalization rate based on the foregoing parameters equates to approximately 6.40%.

CAPITALIZATION RATE DERIVATION BY MORTGAGE/EQUITY TECHNIQUE								
ASSUMPTIONS								
Mortgage Amortization Term				30 Years				
Holding Period				10 Years				
Mortgage Interest Rate				4.25%				
Loan-to-Value Ratio				80%				
Annual Constant for Monthly Payments				0.059033				
Required Equity Yield Rate				17%				
Assumed Net Annual Appreciation				2.00%				
CALCULATIONS								
Basic Rate Calculation:								
Mortgage:	80%	x	0.059033	=			0.047226	
Equity:	20%	x	0.170000	=			+ 0.034000	
Composite Basic Rate:								0.081226
Credit For Equity Build-up Due to Amortization Over Holding Period:								
Mortgage (Loan-to-Value Ratio):				80%				
Sinking Fund Factor @	17%	For		10 Years		=	0.044657	
Percentage of Loan Principal Repaid After				10 Years		=	20.5570%	
Credit:	80%	x	0.044657	x	0.205570	=		0.007344
Appreciation Factor Over the Holding Period:								
Appreciation Credit @	2%	Over		10 Years		=	21.8994%	
Sinking Fund Factor @	17%	For		10 Years		=	0.044657	
Credit:	21.8994%	x	0.044657			=		0.009780
INDICATED CAPITALIZATION RATE								
Basic Rate:								0.081226
Less Credit For Equity Build-up:							-	0.007344
Less Credit For Appreciation:							-	0.00978
INDICATED CAPITALIZATION RATE:								**0.064102**
ROUNDED:								**6.40%**

Direct Capitalization Conclusion

Based on the information presented from the actual sales, the investor survey and the mortgage equity technique, with particular consideration given to the subject's age, size, quality and location, as well as the fact that the subject is eligible for favorable financing, we are of the opinion that the typical investor would select an overall rate in the range of 6.00% to 6.50% for the subject property, and reconcile toward the middle. Our direct capitalization analysis is presented in the following chart. Our estimate of value of the subject "at stabilization," with hypothetical unrestricted rents, is $21,500,000 or $116,216 per unit.

HYPOTHETICAL PRO FORMA ANALYSIS - AS COMPLETE AND STABILIZED CENTENNIAL PLACE PHASE III 185 Units - 166,342 SF				
		Total	Per Unit	Per SF
Potential Gross Rental Income		$2,760,600	$14,922	$16.60
Plus Other Income	3.4%	250,000	500	1.50
Potential Gross Income		$3,010,600	$16,274	$18.10
Vacancy and Collection Loss	10.0%	$301,060	$1,627	$1.81
Effective Gross Income		$2,709,540	$14,646	$16.29
Expenses				
Real Estate Taxes		$453,250	$2,450	$2.72
Insurance		$50,875	275	0.31
Management Fee	3.5%	94,834	513	0.57
Utilities		148,000	800	0.89
Salaries & Labor		249,750	1,350	1.50
Maintenance & Repairs / Turnkey		120,250	650	0.72
Security		74,000	400	0.44
Landscaping		34,225	185	0.21
Advertising & Promotion		37,000	200	0.22
Administrative/Misc.		46,250	250	0.28
Total Expenses		$1,308,434	$7,073	$7.87
Reserves		55,500	300	0.33
Total Operating Expenses		$1,363,934	$7,373	$8.20
Net Income		$1,345,606	$7,274	$8.09
Overall Rates/Indicated	6.00%	$22,426,768	$121,226	$134.82
Values	6.25%	$21,529,698	$116,377	$129.43
	6.50%	$20,701,632	$111,901	$124.45
Stabilized Reconciled Value		$21,500,000	$116,216	$129.25

SALES COMPARISON APPROACH – RESTRICTED AT STABILIZATION

The sales comparison approach provides an estimate of market value based on an analysis of recent transactions involving similar properties in the subject's or comparable market areas. This method is based on the premise that an informed purchaser will pay no more for a property than the cost of acquiring an equally desirable substitute. When there are an adequate number of sales involving truly similar properties, with sufficient information for comparison, a range of value for the subject can be developed.

In the analysis of sales, considerations for such factors as changing market conditions over time, location, size, quality, age/condition, and amenities, as well as the terms of the transactions, are all significant variables relating to the relative marketability of the subject property. Any adjustments to the sale price of comparables to provide indications of market value for the subject must be market-derived; thus, the actions of typical buyers and sellers are reflected in the comparison process.

There are various units of comparison available in the evaluation of sales data. The sale price per unit (NOI) and effective gross income multiplier (EGIM) are most commonly used for apartments. Based on the information available, we used only the sale price per unit method in our analysis.

The following summary chart provides pertinent details regarding each transaction; additional information including photographs and a location map are included in the Addendum.

IMPROVED SALES SUMMARY									
No.	Name Location	Sale Date	Number of Units	Year Built	Price Per Unit	Avg. Unit Size (SF)	Occupancy at Time Of Sale	NOI/Unit at Sale	OAR
1	Panther Riverside Parc, Atlanta	Jan-15	280	2009	$98,643	1,055	97%	$6,155	6.24%
2	Parkside East Atlanta, Atlanta	Dec-14	322	1966/2013	$80,825	993	95%	$4,688	5.80%
3	Parkside at Town Center, Kennesaw	Mar-14	234	2002	$117,000	1,177	96%	$6,229	5.32%
4	Apex West Midtown, Atlanta	Feb-14	340	2009	$145,221	1,026	98%	$9,802	6.75%
5	Alexander in the District, Atlanta	Jan-14	280	2007	$160,000	995	92%	$8,960	5.60%

These properties were reportedly built between 1966 and 2009 with unit counts between 234 and 340. The transactions occurred between January 2014 and January 2015. Overall rates indicated by the transactions range between 5.32% and 6.75%, with an average of 5.94%. All of the comparables were in good condition with high NOIs per unit. Sales prices per unit range from $80,825 to $160,000. This range appears to fluctuate most with net operating income per unit, which ranges from $4,688 to $9,802.

SALE PRICE PER UNIT ANALYSIS

While some general observations can be made, isolating physical and locational adjustments in the comparison of income producing comparable sales can be very subjective. This subjectivity is particularly true when the comparables are drawn from different locations. Most investors believe that all these factors are already accounted for in the rental that an income property can achieve and, thus, place most reliance upon net income characteristics as the basis for adjustment. The assumption is that tenants shop and compare, and rent paid in the open market automatically reflects differences in the age and condition of improvements, location, construction, size, amenities, and various other factors.

To further illustrate, we analyzed the net operating income (NOI) generated by each comparable as compared to the subject's projected stabilized income estimated in the income capitalization approach. Basically, by developing a ratio between the subject's and the comparable's net operating income, an adjustment factor can be calculated for each of the individual sales. This factor can then be applied to the comparable's price per unit to render indications for the subject. This process illustrates an attempt to isolate the economic reasoning of buyers. In general, it is a fundamental assumption that the physical characteristics of a project (location, access, design/appeal, condition, etc.) are reflected in the net operating income being generated, and that the resulting price per unit paid for a property has a direct relationship to the net operating income being generated. The following charts depict the calculations involved in developing adjustment factors to be applied to the respective price per unit for the comparables employed.

NET OPERATING INCOME (NOI) ANALYSIS (HYPOTHETICAL MARKET RENTS) POST RENOVATION - CENTENNIAL PLACE III									
Sale No.	Subject's NOI/Unit		Comp. NOI/Unit		Multiplier		Sale Price $/Unit		Adjusted $/Unit For Subject
1	$7,274	/	$6,155	=	1.18	X	$98,643	=	$116,399
2	$7,274	/	$4,688	=	1.55	X	$80,825	=	$125,279
3	$7,274	/	$6,229	=	1.17	X	$117,000	=	$136,890
4	$7,274	/	$9,802	=	0.74	X	$145,221	=	$107,464
5	$7,274	/	$8,960	=	0.81	X	$160,000	=	$129,600

As shown above, the adjusted values indicated for the subject with hypothetical unrestricted rents range from $107,464 to $136,890 per unit, with an average of $123,126. Comparable One is the most recent sale and it indicated $116,399 per unit. For the hypothetical market rent at stabilization scenario, we estimated a value of $118,000 per unit.

SALES COMPARISON APPROACH SUMMARY - MARKET		
# Units	**$/Unit**	**Indicated Value**
185	$118,000	$21,830,000
Rounded		$21,800,000

PHYSICAL ADJUSTMENT ANALYSIS

For additional support, we are including an adjustment grid for the comparable sales. Adjustments were made for conditions of sale and market conditions, along with common characteristics including location, size of complex, average unit size, quality/amenities and age/condition.

Conditions of Sale

In this scenario we are considering the subject to be a market rate property, which is a hypothetical condition. All of the comparable sales are market rate properties. Therefore, no adjustment is necessary.

Market Conditions

The sales are recent, and no adjustments are necessary.

Location

The subject is located in an excellent location in the heart of downtown Atlanta. Comparables One and Three are located in desirable suburbs, but outside I-285 and warrant upward adjustment. Comparable Two is located in southeast Atlanta inside I-285 and warrants upward adjustment in comparison to the subject.

Size/Number of Units

The subject has 185 units. Typically, smaller properties sell for higher per unit prices. Conversely, larger properties tend to sell for lower per unit prices. This represents something of a quantity discount. All of the comparables were adjusted upward slightly given their larger size in comparison to the subject.

Average Unit Size

The subject has an average unit size of 899 square feet. All of the comparables have larger average unit sizes and were adjusted downward by varying amounts.

Quality/Amenities

The subject and the comparables have extensive and good quality amenities. No adjustment is necessary.

Age/Condition

The subject was built in 1998, but is proposed for significant renovation that should bring the property up to good to very good condition. The comparables were built between 1966 and 2009. However, the property built in 1966 was renovated in 2013 and the next oldest property pwas built in 2002. We adjusted all of the comparables, except Comparable Two, downward slightly for newer improvements and/or superior condition in comparison to the subject. Comparable Two was built in 1966, but extensively renovated in 2013 and no adjustment is warranted.

SUMMARY AND COMMENTS

The following adjustment grid illustrates our thought processes in the comparison of the comparables to the subject. As shown, prior to adjustment, the comparables present a range of price per unit between $80,825 and $160,000, with a mean of $120,338.

COMPARABLE SALES ADJUSTMENT CHART - HYPOTHETICAL MARKET RENTS AT STABILIZATION						
Sale No.	**Subject**	**1**	**2**	**3**	**4**	**5**
Informational Data						
Sale Date	N/Ap	Jan-15	Dec-14	Mar-14	Feb-14	Jan-14
Sale Price	N/Ap	$27,620,000	$26,025,650	$27,378,000	$49,375,000	$44,800,000
# Units	185	280	322	234	340	280
Year Built	1996	2009	1966/2013	2002	2009	2007
Location	Excellent	Good	Good	Good	Good	Good
Price per Unit	N/Ap	$98,643	$80,825	$117,000	$145,221	$160,000
Comparative Analysis						
Conditions of Sale		0%	0%	0%	0%	0%
Market Conditions		0%	0%	0%	0%	0%
Adjusted Price/SF		$98,643	$80,825	$117,000	$145,221	$160,000
Physical Adjustments						
Location		10%	20%	10%	0%	0%
Size (# of units)		5%	5%	5%	5%	5%
Avg. Unit Size		-5%	-5%	-10%	-5%	-5%
Quality/Amenities		0%	0%	0%	0%	0%
Age/Condition		-10%	0%	-5%	-10%	-10%
Net Adjustment		0%	20%	0%	-10%	-10%
Adjusted Price/SF		$98,643	$96,990	$117,000	$130,699	$144,000
Indicated Range:			$96,990	to	$144,000	
Mean:				$117,466		
Indicated Range: (Ex. Extremes)			$98,643	to	$96,990	

As shown, after adjustments, the indicated range is a narrowed to between $96,643 and $144,000, with a mean of $117,466. Based on this information, we estimate value for the subject at a rounded $117,000 per unit. Our estimate of value for the subject property, based on a price per unit method is shown as follows.

SALES COMPARISON APPROACH VALUE – PRICE PER UNIT				
Indicated Value/Unit		**Subject Units**		**Total**
$117,000	X	185	=	$21,645,000
Rounded				$21,600,000

SALES COMPARISON APPROACH CONCLUSION

The following table summarizes the value indications provided by the methods of analysis presented in the sales comparison approach.

SUMMARY OF VALUE ESTIMATES BY SALES COMPARISON APPROACH HYPTHETICAL UNRESTRICTED RENTS AT STABILIZATION	
Method	**Indicated Value**
NOI Per Square Foot	$21,800,000
Physical Adjustments	$21,600,000
Reconciled:	**$21,700,000**

FINAL VALUE ESTIMATE – UNRESTRICTED AT STABILIZATION

The sales comparison approach provides an estimate of market value based on an analysis of recent transactions involving similar properties in the subject's or comparable market areas. This method is based on the premise that an informed purchaser will pay no more for a property than the cost of acquiring an equally desirable substitute. When there are an adequate number of sales involving truly similar properties, with sufficient information for comparison, a range of value for the subject can be developed.

In the analysis of sales, considerations for such factors as changing market conditions over time, location, size, quality, age/condition, and amenities, as well as the terms of the transactions, are all significant variables relating to the relative marketability of the subject property. Any adjustments to the sale price of comparables to provide indications of market value for the subject must be market-derived; thus, the actions of typical buyers and sellers are reflected in the comparison process.

There are various units of comparison available in the evaluation of sales data. The sale price per unit (NOI) and effective gross income multiplier (EGIM) are most commonly used for apartments. Based on the information available, we used only the sale price per unit method in our analysis.

The following summary chart provides pertinent details regarding each transaction; additional information including photographs and a location map are included in the Addendum.

IMPROVED SALES SUMMARY									
No.	Name Location	Sale Date	Number of Units	Year Built	Price Per Unit	Avg. Unit Size (SF)	Occupancy at Time Of Sale	NOI/Unit at Sale	OAR
1	Panther Riverside Parc, Atlanta	Jan-15	280	2009	$98,643	1,055	97%	$6,155	6.24%
2	Parkside East Atlanta, Atlanta	Dec-14	322	1966/2013	$80,825	993	95%	$4,688	5.80%
3	Parkside at Town Center, Kennesaw	Mar-14	234	2002	$117,000	1,177	96%	$6,229	5.32%
4	Apex West Midtown, Atlanta	Feb-14	340	2009	$145,221	1,026	98%	$9,802	6.75%
5	Alexander in the District, Atlanta	Jan-14	280	2007	$160,000	995	92%	$8,960	5.60%

These properties were reportedly built between 1966 and 2009 with unit counts between 234 and 340. The transactions occurred between January 2014 and January 2015. Overall rates indicated by the transactions range between 5.32% and 6.75%, with an average of 5.94%. All of the comparables were in good condition with high NOIs per unit. Sales prices per unit range from $80,825 to $160,000. This range appears to fluctuate most with net operating income per unit, which ranges from $4,688 to $9,802.

SALE PRICE PER UNIT ANALYSIS

While some general observations can be made, isolating physical and locational adjustments in the comparison of income producing comparable sales can be very subjective. This subjectivity is particularly true when the comparables are drawn from different locations. Most investors believe that all these factors are already accounted for in the rental that an income property can achieve and, thus, place most reliance upon net income characteristics as the basis for adjustment. The assumption is that tenants shop and compare, and rent paid in the open market automatically reflects differences in the age and condition of improvements, location, construction, size, amenities, and various other factors.

To further illustrate, we analyzed the net operating income (NOI) generated by each comparable as compared to the subject’s projected stabilized income estimated in the income capitalization approach. Basically, by developing a ratio between the subject’s and the comparable’s net operating income, an adjustment factor can be calculated for each of the individual sales. This factor can then be applied to the comparable’s price per unit to render indications for the subject. This process illustrates an attempt to isolate the economic reasoning of buyers. In general, it is a fundamental assumption that the physical characteristics of a project (location, access, design/appeal, condition, etc.) are reflected in the net operating income being generated, and that the resulting price per unit paid for a property has a direct relationship to the net operating income being generated. The following charts depict the calculations involved in developing adjustment factors to be applied to the respective price per unit for the comparables employed.

NET OPERATING INCOME (NOI) ANALYSIS (HYPOTHETICAL MARKET RENTS) POST RENOVATION - CENTENNIAL PLACE III									
Sale No.	Subject's NOI/Unit		Comp. NOI/Unit		Multiplier		Sale Price $/Unit		Adjusted $/Unit For Subject
1	$7,274	/	$6,155	=	1.18	X	$98,643	=	$116,399
2	$7,274	/	$4,688	=	1.55	X	$80,825	=	$125,279
3	$7,274	/	$6,229	=	1.17	X	$117,000	=	$136,890
4	$7,274	/	$9,802	=	0.74	X	$145,221	=	$107,464
5	$7,274	/	$8,960	=	0.81	X	$160,000	=	$129,600

As shown above, the adjusted values indicated for the subject with hypothetical unrestricted rents range from $107,464 to $136,890 per unit, with an average of $123,126. Comparable One is the most recent sale and it indicated $116,399 per unit. For the hypothetical market rent at stabilization scenario, we estimated a value of $118,000 per unit.

SALES COMPARISON APPROACH SUMMARY - MARKET		
# Units	**$/Unit**	**Indicated Value**
185	$118,000	$21,830,000
Rounded		$21,800,000

PHYSICAL ADJUSTMENT ANALYSIS

For additional support, we are including an adjustment grid for the comparable sales. Adjustments were made for conditions of sale and market conditions, along with common characteristics including location, size of complex, average unit size, quality/amenities and age/condition.

Conditions of Sale

In this scenario we are considering the subject to be a market rate property, which is a hypothetical condition. All of the comparable sales are market rate properties. Therefore, no adjustment is necessary.

Market Conditions

The sales are recent, and no adjustments are necessary.

Location

The subject is located in an excellent location in the heart of downtown Atlanta. Comparables One and Three are located in desirable suburbs, but outside I-285 and warrant upward adjustment. Comparable Two is located in southeast Atlanta inside I-285 and warrants upward adjustment in comparison to the subject.

Size/Number of Units

The subject has 185 units. Typically, smaller properties sell for higher per unit prices. Conversely, larger properties tend to sell for lower per unit prices. This represents something of a quantity discount. All of the comparables were adjusted upward slightly given their larger size in comparison to the subject.

Average Unit Size

The subject has an average unit size of 899 square feet. All of the comparables have larger average unit sizes and were adjusted downward by varying amounts.

Quality/Amenities

The subject and the comparables have extensive and good quality amenities. No adjustment is necessary.

Age/Condition

The subject was built in 1998, but is proposed for significant renovation that should bring the property up to good to very good condition. The comparables were built between 1966 and 2009. However, the property built in 1966 was renovated in 2013 and the next oldest property pwas built in 2002. We adjusted all of the comparables, except Comparable Two, downward slightly for newer improvements and/or superior condition in comparison to the subject. Comparable Two was built in 1966, but extensively renovated in 2013 and no adjustment is warranted.

SUMMARY AND COMMENTS

The following adjustment grid illustrates our thought processes in the comparison of the comparables to the subject. As shown, prior to adjustment, the comparables present a range of price per unit between $80,825 and $160,000, with a mean of $120,338.

COMPARABLE SALES ADJUSTMENT CHART - HYPOTHETICAL MARKET RENTS AT STABILIZATION						
Sale No.	**Subject**	**1**	**2**	**3**	**4**	**5**
Informational Data						
Sale Date	N/Ap	Jan-15	Dec-14	Mar-14	Feb-14	Jan-14
Sale Price	N/Ap	$27,620,000	$26,025,650	$27,378,000	$49,375,000	$44,800,000
# Units	185	280	322	234	340	280
Year Built	1996	2009	1966/2013	2002	2009	2007
Location	Excellent	Good	Good	Good	Good	Good
Price per Unit	N/Ap	$98,643	$80,825	$117,000	$145,221	$160,000
Comparative Analysis						
Conditions of Sale		0%	0%	0%	0%	0%
Market Conditions		0%	0%	0%	0%	0%
Adjusted Price/SF		$98,643	$80,825	$117,000	$145,221	$160,000
Physical Adjustments						
Location		10%	20%	10%	0%	0%
Size (# of units)		5%	5%	5%	5%	5%
Avg. Unit Size		-5%	-5%	-10%	-5%	-5%
Quality/Amenities		0%	0%	0%	0%	0%
Age/Condition		-10%	0%	-5%	-10%	-10%
Net Adjustment		0%	20%	0%	-10%	-10%
Adjusted Price/SF		$98,643	$96,990	$117,000	$130,699	$144,000
Indicated Range:			$96,990	to	$144,000	
Mean:				$117,466		
Indicated Range: (Ex. Extremes)			$98,643	to	$96,990	

As shown, after adjustments, the indicated range is a narrowed to between $96,643 and $144,000, with a mean of $117,466. Based on this information, we estimate value for the subject at a rounded $117,000 per unit. Our estimate of value for the subject property, based on a price per unit method is shown as follows.

SALES COMPARISON APPROACH VALUE – PRICE PER UNIT				
Indicated Value/Unit		**Subject Units**		**Total**
$117,000	X	185	=	$21,645,000
Rounded				$21,600,000

SALES COMPARISON APPROACH CONCLUSION

The following table summarizes the value indications provided by the methods of analysis presented in the sales comparison approach.

SUMMARY OF VALUE ESTIMATES BY SALES COMPARISON APPROACH UNRESTRICTED RENTS AT STABILIZATION	
Method	**Indicated Value**
NOI Per Square Foot	$21,800,000
Physical Adjustments	$21,600,000
Reconciled:	**$21,700,000**

FINAL VALUE ESTIMATE – UNRESTRICTED AT STABILIZATION

We used the income and sales comparison approaches to estimate market value for the subject property. The indications from each are presented in the following chart.

FINAL VALUE ESTIMATES – MARKET – AS STABILIZED	
Income Capitalization Approach	$21,500,000
Sales Comparison Approach	$21,700,000

As seen, both approaches provided similar value indications. However, for reasons mentioned above, most investors would place weighted emphasis on the income approach. Based on the research and analysis contained in this report, we estimate the market value of the subject property, as follows:

Estimate of Market Value of the Leasehold Interest in the Subject
"At Stabilization," Assuming Unrestricted/Market Rents, As of December 1, 2015

TWENTY ONE MILLION FIVE HUNDRED THOUSAND
$21,500,000

We were asked to estimate the market value of the leasehold interest in the subject "as is," assuming hypothetical market rents as of a current date. In addition, we prepared a net operating income (NOI) analysis that considers the proposed income restrictions and assuming the proposed construction/renovation is complete and operating at a stabilized level as of a current date. We also prepared an estimate of market value of the leasehold interest in the subject's underlying site "as if vacant."

VALUE ESTIMATE OF THE UNDERLYING SUBJECT SITE

As part of this assignment we were asked to estimate the leasehold interest in the underlying subject site. The entire Centennial site is leased by various ownership entities of the Integral Group, LLC, from The Housing Authority of the City of Atlanta, the current owner. The term for the subject site is 55 years at basically no rent ($10/year), begun December 1998. It is our understanding that the mortgagor has entered into an option to purchase the ground lease from the current lessee and will maintain the $10 annual ground rent. The ground lease will be for a period of at least 50 years beyond the closing of the HUD financing. Essentially, the restrictions on the use of the subject site results in insufficient revenues to support a residual land value. Further, the improvements are only feasible to construct with the assistance of substantial incentives. Therefore, the land does not contribute value to the leasehold interest in the subject.

FINAL VALUE ESTIMATE – "AS IS"

We were asked to estimate the market value of the leasehold interest in the subject "as is." We used the income and sales comparison approaches to estimate market value for the subject property. The indications from each are presented in the following chart.

FINAL VALUE ESTIMATES	
Income Capitalization Approach	$8,250,000
Sales Comparison Approach	$8,200,000

As seen, both approaches provided similar value indications. The sales comparison approach is predicated on the principle that an investor will pay no more for an existing property than for a comparable property with similar utility. Apartment properties are typically purchased by investors; thus, the income approach most closely parallels the anticipated analysis that would be employed by a likely buyer. Most multifamily buyers place emphasis on this approach, particularly the direct capitalization analysis for existing properties operating at or near stabilization. Based on the research and analysis contained in this report, we estimate the market value of the subject property, as follows:

Estimate of Market Value of the Leasehold Interest in the Subject
"As Is," as of April 23, 2015

EIGHT MILLION FIFTY THOUSAND DOLLARS

$8,050,000

FINAL VALUE ESTIMATE – "AT STABILIZATION"

We used the income and sales comparison approaches to estimate market value for the subject property. The indications from each are presented in the following chart.

FINAL VALUE ESTIMATES – RESTRICTED AS STABILIZED	
Income Capitalization Approach	$10,000,000
Sales Comparison Approach	$9,900,000
FINAL VALUE ESTIMATES – MARKET – AS STABILIZED	
Income Capitalization Approach	$21,500,000
Sales Comparison Approach	$21,700,000

Estimate of Market Value of the Leasehold Interest in the Subject
"At Stabilization," Subject To Restricted Rents, As of December 1, 2015

TEN MILLION DOLLARS
$10,000,000

Estimate of Market Value of the Leasehold Interest in the Subject
"At Stabilization," Assuming Unrestricted/Market Rents, As of December 1, 2015

TWENTY ONE MILLION FIVE HUNDRED THOUSAND
$21,500,000

FINAL VALUE ESTIMATE – RESTRICTED RENTS"UPON COMPLETION"

In order to estimate the prospective value "upon completion of renovation," we must deduct those additional costs yet to be incurred in order to achieve stabilization. In the case of the subject, this requires consideration of rent loss, and entrepreneurial profit. These costs are then deducted from our reconciled "at stabilization" value estimate of $10,250,000 assuming restricted rents.

Rent loss is calculated for the period between the “as is” value and date of stabilization. The subject will need to lease roughly 172 (Restricted) units to reach their respective stabilized operating levels of 93%. Tenants will shift into existing vacant units as units are renovated, so a minimal loss of tenants is anticipated. As discussed in our Market Analysis, competition among apartments in the subject’s market is strong. We estimated that the subject should be able to reach a stabilized operating level within six months from the date of completion, December 1, 2016. Our analysis assumes that the units will be taken down evenly over the stabilization period. Our estimated “at stabilization” effective gross rental income is $1,797,157 or $149,763 per month (Restricted). We estimate that at completion the property will be 70% occupied, which allows for units that just completed construction and normal vacancy in the units that were online. Applying 70% to the potential gross income indicates $1,352,699, or $112,725 per month. The indicated difference between income at stabilization and at completion is $37,038 (= $149,763 - $112,725). Since this loss will be reduced, over time, to zero by the time the property is stabilized, we estimate that the typical buyer of the property would calculate the total loss by taking one-half of these figures or $18,519 (= $37,038/2) and then multiplying by the lease-up period of six months. This methodology produces total rent loss of $111,114.

In addition, investors in destabilized properties expect to make a profit on any additional investment required. According to brokers and buyers/sellers, as well as developers, profit requirements tend to range from 15% to 25% of total cost to achieve stabilization for most property types. The lower end of the range typically applies to single-tenant, build-to-suit type properties with limited risk, while the upper end pertains to multi-tenant, larger properties with extensive marketing and lease-up costs and thus, greater risk. Based on conversations with representatives involved in the sale of similar apartment properties, and considering the subject’s condition and the current market conditions, we estimate an appropriate profit for the subject property at 20%. Thus, we applied a 20% profit to the total rent loss estimates, which equates to $22,223 (= $111,114 x 20%) assuming restricted rents. When added, the total cost is $133,337 (= $111,114 + $22,223). Deducting this amount from our stabilized value results in the following “upon completion” value estimates using this methodology:

Estimate of Market Value of the Leasehold Interest in the Subject
“Upon Completion,” Subject To Restricted Rents, As of June 1, 2015

NINE MILLION EIGHT HUNDRED FIFTY THOUSAND DOLLARS
$9,850,000

FINAL VALUE ESTIMATES – UNRESTRICTED MARKET RENTS “UPON COMPLETION”

In order to estimate the prospective value “upon completion of renovation,” we must deduct those additional costs yet to be incurred in order to achieve stabilization. In the case of the subject, this requires consideration of rent loss, and entrepreneurial profit. These costs are then deducted from our reconciled "at stabilization" value estimate of $21,500,000 assuming unrestricted or market rents.

Rent loss is calculated for the period between the "as is" value and date of stabilization. The subject will need to lease roughly 167 (Market) units to reach their respective stabilized operating levels of 90%. Tenants will shift into existing vacant units as units are renovated, so a minimal loss of tenants is anticipated. As discussed in our Market Analysis, competition among apartments in the subject's market is strong. We estimated that the subject should be able to reach a stabilized operating level within six months from the date of completion, June 1, 2016. Our analysis assumes that the units will be taken down evenly over the stabilization period. Our estimated "at stabilization" effective gross rental income is $2,709,540 or $225,795 per month (Market). We estimate that at completion the property will be 70% occupied, which allows for units that just completed construction and normal vacancy in the units that were online. Applying 70% to the potential gross income indicates $2,107,420, or $175,618 per month. The indicated difference between income at stabilization and at completion is $50,177 (= $225,795 - $175,618). Since this loss will be reduced, over time, to zero by the time the property is stabilized, we estimate that the typical buyer of the property would calculate the total loss by taking one-half of these figures or $25,089 ($50,177/2) and then multiplying by the lease-up period of six months. This methodology produces total rent loss of $150,534.

In addition, investors in destabilized properties expect to make a profit on any additional investment required. According to brokers and buyers/sellers, as well as developers, profit requirements tend to range from 15% to 25% of total cost to achieve stabilization for most property types. The lower end of the range typically applies to single-tenant, build-to-suit type properties with limited risk, while the upper end pertains to multi-tenant, larger properties with extensive marketing and lease-up costs and thus, greater risk. Based on conversations with representatives involved in the sale of similar apartment properties, and considering the subject's condition and the current market conditions, we estimate an appropriate profit for the subject property at 20%. Thus, we applied a 20% profit to the total rent loss estimates, which equates to $30,107 ($150,534 x 20%) assuming unrestricted or market rents. When added, the total costs are $180,641 ($150,534 + 30,107 = $643,698. Deducting these amounts from our stabilized values result in the following "upon completion" value estimates using this methodology:

Estimate of Hypothetical Market Value of the Leasehold Interest in the Subject "Upon Completion," Assuming Unrestricted/Market Rents, As of June 1, 2015

TWENTY ONE MILLION THREE HUNDRED THOUSAND DOLLARS
$21,300,000

VALUE ESTIMATE AT LOAN MATURITY ASSUMING UNRESTRICTED RENTS

Assuming annual inflation of 1.50% applied to the NOI at stabilization, the estimate of market value at loan maturity, assuming unrestricted rents, is **$23,500,000**.

MARKET VALUE AT LOAN MATURITY				
Stabilized NOI	**Annual Inflation**	**NOI at Loan Maturity (20 yrs)**	**Overall Rate at Maturity**	**Indicated Value at Maturity**
$1,345,606	2.00%	$1,999,499.88	8.50%	$23,523,528
Rounded				$23,500,000

LOW INCOME HOUSING TAX CREDITS

The subject property will be renovated subject to the Georgia Housing Development Agency Low Income Housing Program, and accordingly is eligible to receive tax credits under Section 42 of the Internal Revenue Code. The subject's prospective developer/owner intends to syndicate the tax credits, with the proceeds to comprise the tax credit equity source of funds for development.

The LIHTC program provides incentives to developers to provide affordable housing to low-income residents. According to the program, low income qualifies as having income at or below 60% of the median family income for a particular area. This was discussed in the Market Analysis section of this report. Because the subject is offering a potion of its units to qualified residents, it is allowed to receive Low Income Housing Tax Credits (LIH) to offset future federal and state income taxes. Should the property be sold or foreclosed upon and resold during the compliance period, the remaining amount of tax credits is transferable.

We were provided information that indicates the developer is anticipating proceeds from the syndication of the tax credits in the amount of $12,778,272. This figure is reportedly based on $0.96 per federal tax credit and $0.46 per state tax credit, which equates to a combined amount of $1.42 per credit. We were not provided any supporting documentation and the identity of the investors were not disclosed..

The market for tax credits has changed significantly over the past few years, and only recent activity could accurately reflect the current market for tax credits. Research indicates the pool of purchasers and demand for tax credits had diminished when the recession began, and pricing had fallen considerably as a result. Rates selling for $0.70 - $0.75 per dollar of tax credit were common. More recently demand has steadily increased and so has pricing. Several recent agreements we have seen range from $0.85 to $0.99 per dollar for federal and $0.32 to $0.44 per dollar for state (about $1.17 to $1.43 per dollar combined). In addition, the numbers have been steadily increasing.

Based on this data and factoring upward pricing trends, the reported amounts for the subject are considered reasonable overall, although the Federal amount is aggressive. Therefore, utilizing the foregoing figures, the Tax Credits are projected to generate, upon sale, approximately $12,778,272 in combined proceeds, which we rounded to **$12,778,000**.

The value estimates provided above are subject to the assumptions and limiting conditions stated throughout this report.

1. Unless otherwise noted in the body of the report, we assumed that title to the property or properties appraised is clear and marketable and that there are no recorded or unrecorded matters or exceptions that would adversely affect marketability or value. We are not aware of any title defects nor were we advised of any unless such is specifically noted in the report. We did not examine a title report and make no representations relative to the condition thereof. Documents dealing with liens, encumbrances, easements, deed restrictions, clouds and other conditions that may affect the quality of title were not reviewed. Insurance against financial loss resulting in claims that may arise out of defects in the subject property's title should be sought from a qualified title company that issues or insures title to real property.

2. We assume that improvements are constructed or will be constructed according to approved architectural plans and specifications and in conformance with recommendations contained in or based upon any soils report(s).

3. Unless otherwise noted in the body of this report, we assumed: that any existing improvements on the property or properties being appraised are structurally sound, seismically safe and code conforming; that all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are, or will be upon completion, in good working order with no major deferred maintenance or repair required; that the roof and exterior are in good condition and free from intrusion by the elements; that the property or properties have been engineered in such a manner that it or they will withstand any known elements such as windstorm, hurricane, tornado, flooding, earthquake, or similar natural occurrences; and, that the improvements, as currently constituted, conform to all applicable local, state, and federal building codes and ordinances. We are not engineers and are not competent to judge matters of an engineering nature. We did not retain independent structural, mechanical, electrical, or civil engineers in connection with this appraisal and, therefore, make no representations relative to the condition of improvements. Unless otherwise noted in the body of the report no problems were brought to our attention by ownership or management. We were not furnished any engineering studies by the owners or by the party requesting this appraisal. If questions in these areas are critical to the decision process of the reader, the advice of competent engineering consultants should be obtained and relied upon. It is specifically assumed that any knowledgeable and prudent purchaser would, as a precondition to closing a sale, obtain a satisfactory engineering report relative to the structural integrity of the property and the integrity of building systems. Structural problems and/or building system problems may not be visually detectable. If engineering consultants retained should report negative factors of a material nature, or if such are later discovered, relative to the condition of improvements, such information could have a substantial negative impact on the conclusions reported in this appraisal. Accordingly, if negative findings are reported by engineering consultants, we reserve the right to amend the appraisal conclusions reported herein.

4. All furnishings, equipment and business operations, except as specifically stated and typically considered as part of real property, have been disregarded with only real property being considered in the appraisal. Any existing or proposed improvements, on- or off-site, as well as any alterations or repairs considered, are assumed to be completed in a workmanlike manner according to standard practices based upon information submitted. This report may be subject to amendment upon re-inspection of the subject property subsequent to repairs, modifications, alterations and completed new construction. Any estimate of Market Value is as of the date indicated; based upon the information, conditions and projected levels of operation.

5. We assume that all factual data furnished by the client, property owner, owner's representative, or persons designated by the client or owner to supply said data are accurate and correct unless otherwise noted in the appraisal report. We have no reason to believe that any of the data furnished contain any material error. Information and data referred to in this paragraph include, without being limited to, numerical street addresses, lot and block numbers, Assessor's Parcel Numbers, land dimensions, square footage area of the land, dimensions of the improvements, gross building areas, net rentable areas, usable areas, unit count, room count, rent schedules, income data, historical operating expenses, budgets, and related data. Any material error in any of the above data could have a substantial impact on the conclusions reported. Thus, we reserve the right to amend our conclusions if errors are revealed. Accordingly, the client-addressee should carefully review all assumptions, data, relevant calculations, and conclusions within 30 days after the date of delivery of this report and should immediately notify us of any questions or errors.

6. The date of value to which any of the conclusions and opinions expressed in this report apply, is set forth in the Letter of Transmittal. Further, that the dollar amount of any value opinion herein rendered is based upon the purchasing power of the American Dollar on that date. This appraisal is based on market conditions existing as of the date of this appraisal. Under the terms of the engagement, we will have no obligation to revise this report to reflect events or conditions which occur subsequent to the date of the appraisal. However, we will be available to discuss the necessity for revision resulting from changes in economic or market factors affecting the subject.

7. We assume no private deed restrictions, limiting the use of the subject property in any way.

8. Unless otherwise noted in the body of the report, we assume that there are no mineral deposits or subsurface rights of value involved in this appraisal, whether they be gas, liquid, or solid. Nor are the rights associated with extraction or exploration of such elements considered unless otherwise stated in this appraisal report. Unless otherwise stated we also assumed that there are no air or development rights of value that may be transferred.

9. We are not aware of any contemplated public initiatives, governmental development controls, or rent controls that would significantly affect the value of the subject.

10. The estimate of Market Value, which may be defined within the body of this report, is subject to change with market fluctuations over time. Market value is highly related to exposure, time promotion effort, terms, motivation, and conclusions surrounding the offering. The value estimate(s) consider the productivity and relative attractiveness of the property, both physically and economically, on the open market.

11. Unless specifically set forth in the body of the report, nothing contained herein shall be construed to represent any direct or indirect recommendation to buy, sell, or hold the properties at the value stated. Such decisions involve substantial investment strategy questions and must be specifically addressed in consultation form.

12. Unless otherwise noted in the body of this report, we assume that no changes in the present zoning ordinances or regulations governing use, density, or shape are being considered. The property is appraised assuming that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, nor national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report is based, unless otherwise stated.

13. This study may not be duplicated in whole or in part without our written consent, nor may this report or copies hereof be transmitted to third parties without said consent. Exempt from this restriction is duplication for the internal use of the client-addressee and/or transmission to attorneys, accountants, or advisors of the client-addressee. Also exempt from this restriction is transmission of the report to any court, governmental authority, or regulatory agency having jurisdiction over the party/parties for whom this appraisal was prepared, provided that this report and/or its contents shall not be published, in whole or in part, in any public document without our written consent. Finally, this report shall not be advertised to the public or otherwise used to induce a third party to purchase the property or to make a “sale” or “offer for sale” of any “security”, as such terms are defined and used in the Securities Act of 1933, as amended. Any third party, not covered by the exemptions herein, who may possess this report, is advised that they should rely on their own independently secured advice for any decision in connection with this property. We shall have no accountability or responsibility to any such third party.

14. Any value estimate provided in the report applies to the entire property, and any pro ration or division of the title into fractional interests will invalidate the value estimate, unless such pro ration or division of interests has been set forth in the report.

15. Any distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. Component values for land and/or buildings are not intended to be used in conjunction with any other property or appraisal and are invalid if so used.

16. The maps, plats, sketches, graphs, photographs and exhibits included in this report are for illustration purposes only and are to be used only to assist in visualizing matters discussed within this report.

Except as specifically stated, data relative to size or area of the subject and comparable properties was obtained from sources deemed accurate and reliable. None of the exhibits are to be removed, reproduced, or used apart from this report.

17. No opinion is intended to be expressed on matters which may require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate appraisers. Values and opinions expressed presume that environmental and other governmental restrictions/conditions by applicable agencies have been met, including but not limited to seismic hazards, flight patterns, decibel levels/noise envelopes, fire hazards, hillside ordinances, density, allowable uses, building codes, permits, licenses, etc. No survey, engineering study or architectural analysis was provided to us unless otherwise stated within the body of this report. If we were not supplied with a termite inspection, survey or occupancy permit, no responsibility or representation is assumed or made for any costs associated with obtaining same or for any deficiencies discovered before or after they are obtained. No representation or warranty is made concerning obtaining these items. We assume no responsibility for any costs or consequences arising due to the need, or the lack of need, for flood hazard insurance. An agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.

18. Acceptance and/or use of this report constitutes full acceptance of the Assumptions and Limiting Conditions and special assumptions set forth in this report. It is the responsibility of the Client, or client's designees, to read in full, comprehend and thus become aware of the aforementioned assumptions and limiting conditions. We assume no responsibility for any situation arising out of the Client's failure to become familiar with and understand the same. The Client is advised to retain experts in areas that fall outside the scope of the real estate appraisal/consulting profession if so desired.

19. We assume that the subject property will be under prudent and competent management and ownership; neither inefficient or super-efficient.

20. We assume that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined and considered in the appraisal report.

21. No survey of the boundaries of the property was undertaken. All areas and dimensions furnished are presumed correct. It is further assumed that no encroachments to the realty exist.

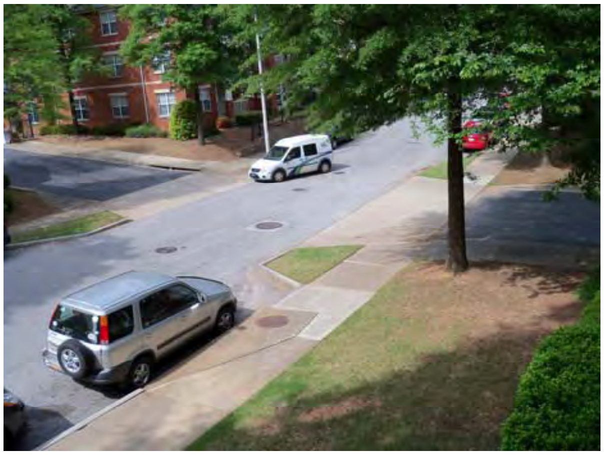
22. All value opinions expressed herein are as of the date of value. In some cases, facts or opinions are expressed in the present tense. All opinions are expressed as of the date of value, unless specifically noted.

23. The *Americans with Disabilities Act* (ADA) became effective January 26, 1992. Notwithstanding any discussion of possible readily achievable barrier removal construction items in this report, we did not perform a specific compliance survey and analysis of this property to determine whether it is in conformance with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the ADA. If so, this fact could have a negative effect on the value estimated herein. Since we have no specific information relating to this issue, nor are we qualified to make such an assessment, the effect of any possible non-compliance was not considered in estimating the value of the subject property.

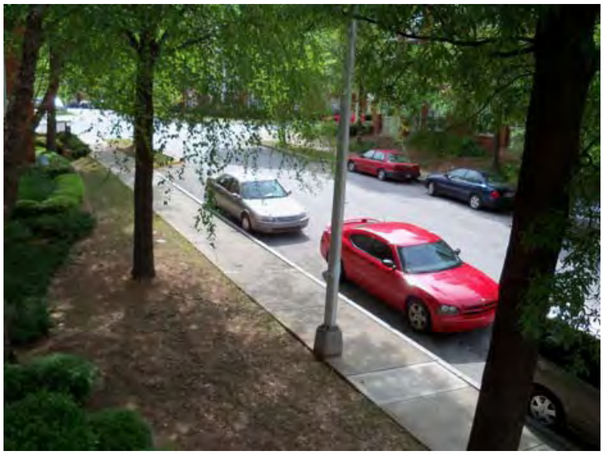
24. The value estimate rendered in this report is predicated on the assumption that there is no hazardous material on or in the property that would cause a loss in value. We were not provided with an Environmental Assessment Report. Further, we are not qualified to determine the existence or extent of environmental hazards. If there are any concerns pertaining to environmental hazards for this property, we recommend that an assessment be performed by a qualified engineer.

Looking South Along Mills Street

Looking North Along Mills Street



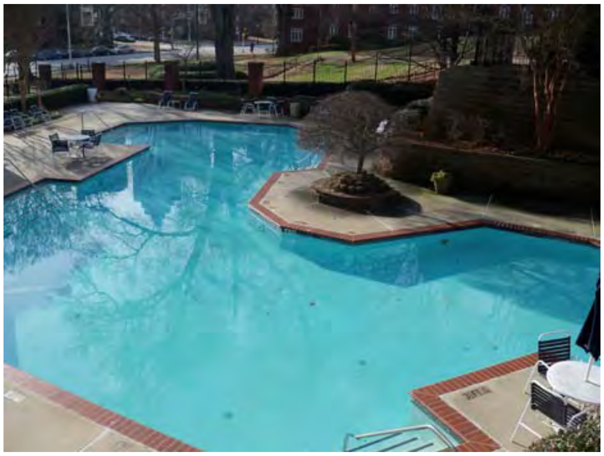
Looking North On Hunnicutt Street



Looking South On Hunnicutt Street

Looking South On Pine Street

Looking North On Pine Street

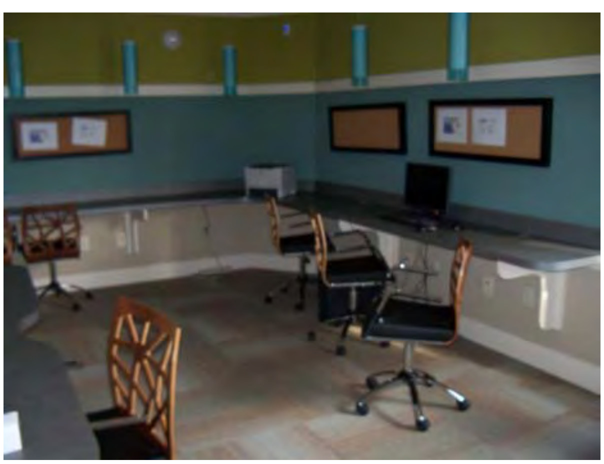


Pool

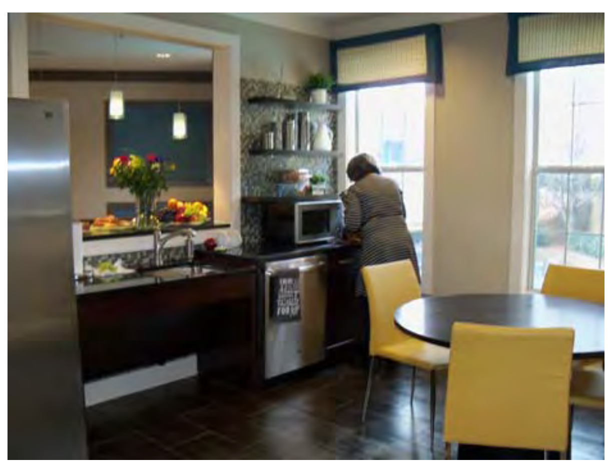
Parking

Clubhouse / Leasing Interior

Fitness Center



Business Center



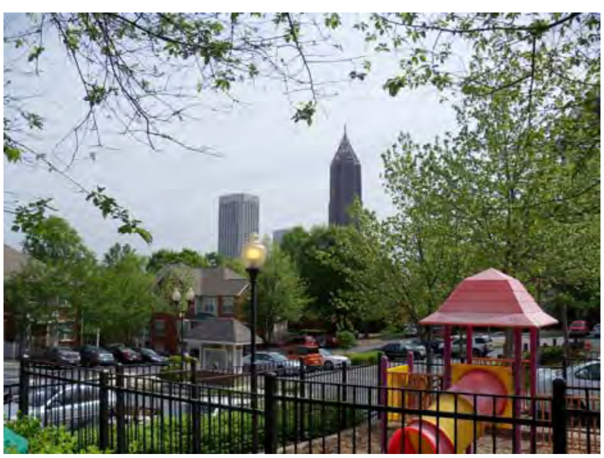
Clubhouse Interior

View Into Courtyard / Retaining Wall

Phase III Exterior

Mail Kiosk

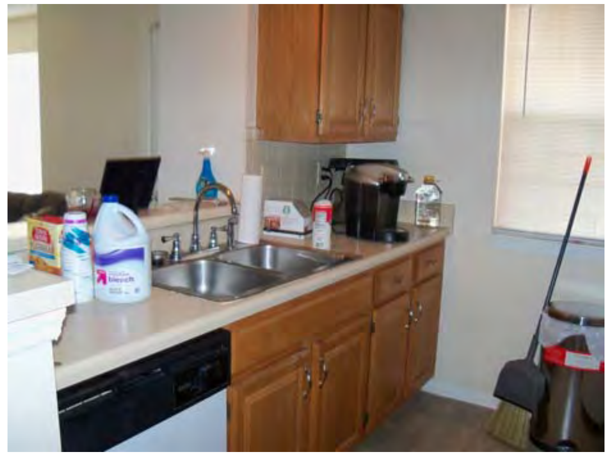
Phase III Exterior



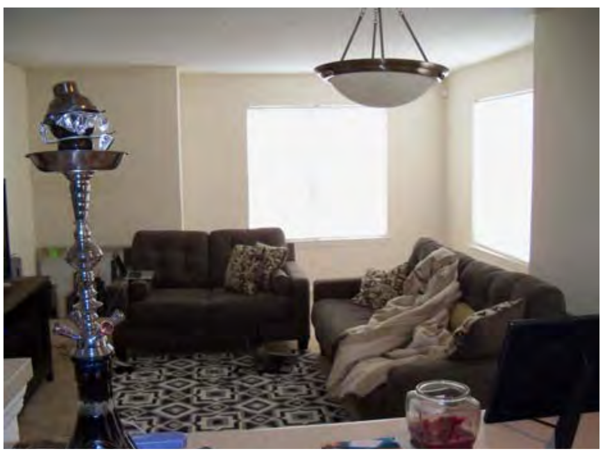
View Of Downtown Looking Southeast

Entrance Door

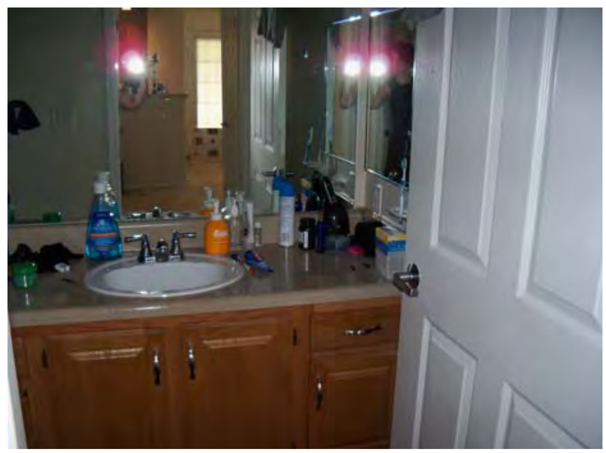
Air Conditioners



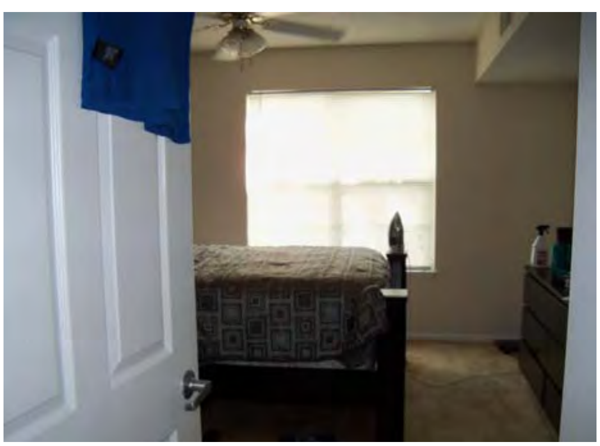
Kitchen, 1BR1BA Ph III



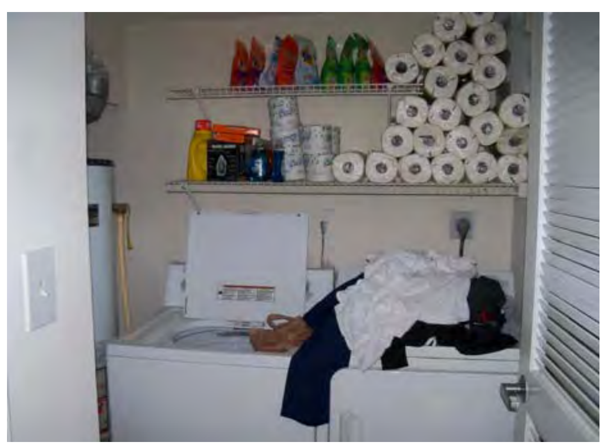
Living Room, 1BR1BA Ph III



Bathroom, 1BR1BA Ph III



Bedroom, 1BR1BA Ph III



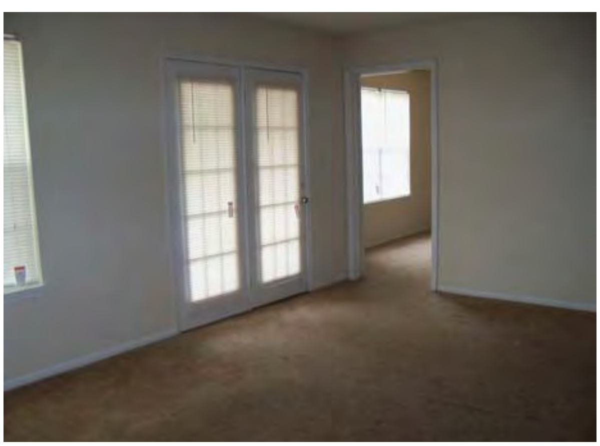
Laundry Room 1BR1BA Ph III

Kitchen, 1BR1BA Ph III

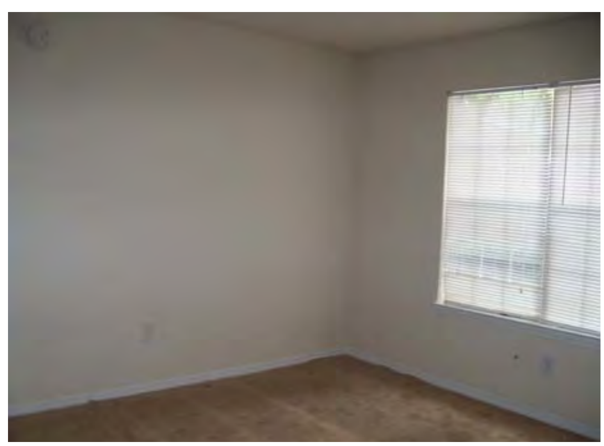
Tot Lot

Washer/Dryer/Utility Closet 2BR2BA Ph III

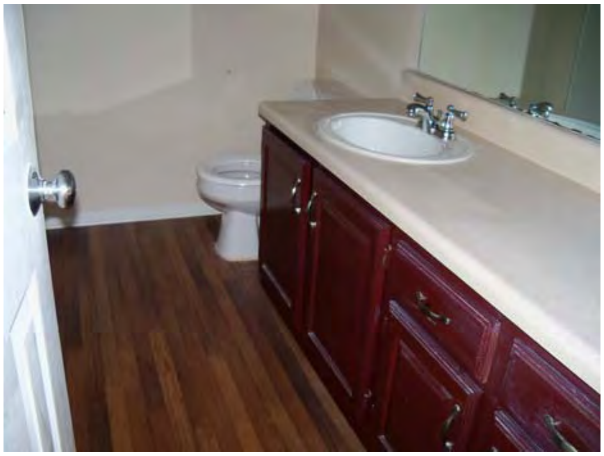
Kitchen, 2BR2BA Ph III



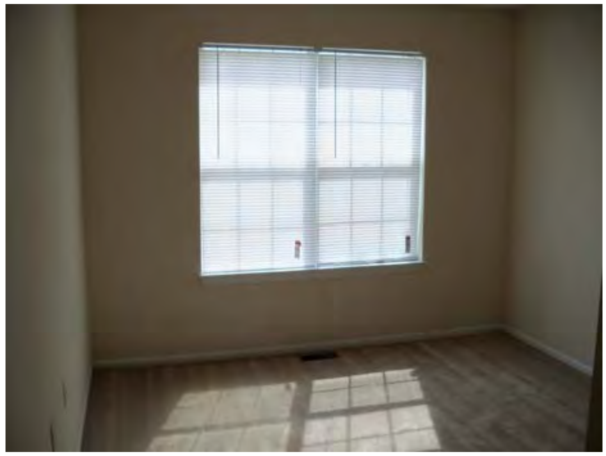
Family Room, 2BR2BA Ph III



Bedroom, 2BR2BA Ph III



Bathroom 3BR2.5BA Ph III

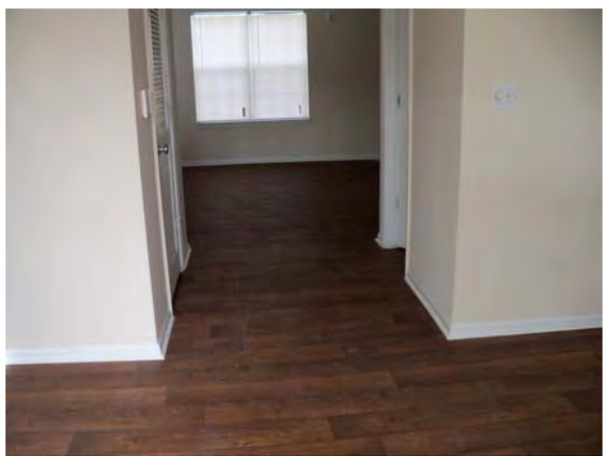


Bedrooms 3BR2.5BA Ph III

Kitchen 3BR2.5BA Ph III

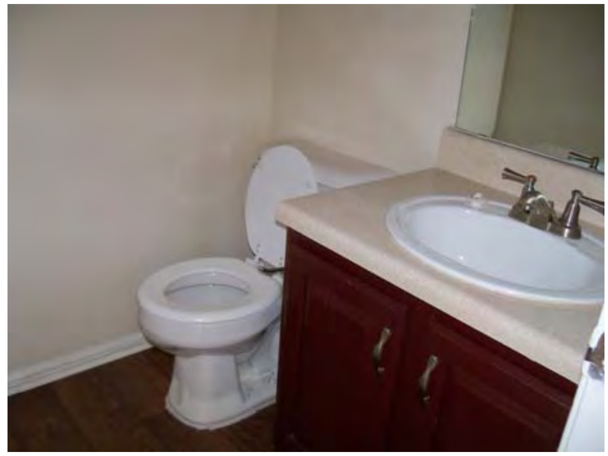
Kitchen 3BR2.5BA Ph III

Laundry Closet 3BR2.5BA Ph III

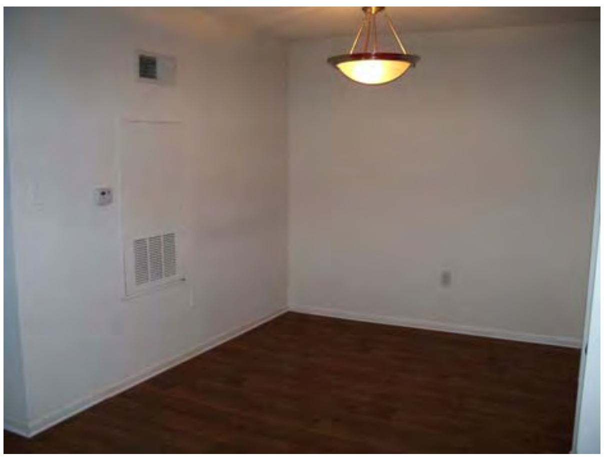


Floor Detail 3BR2.5BA Ph III

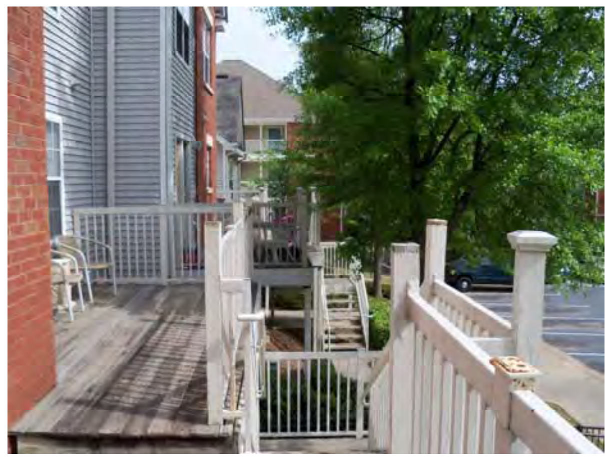
Nook 3BR2.5BA Ph III



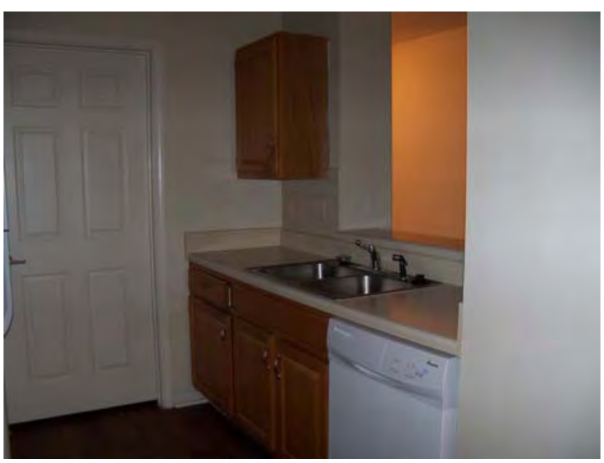
Bathroom 3BR2.5BA Ph III



Dining Room 2BR1BA Ph III



Balconies

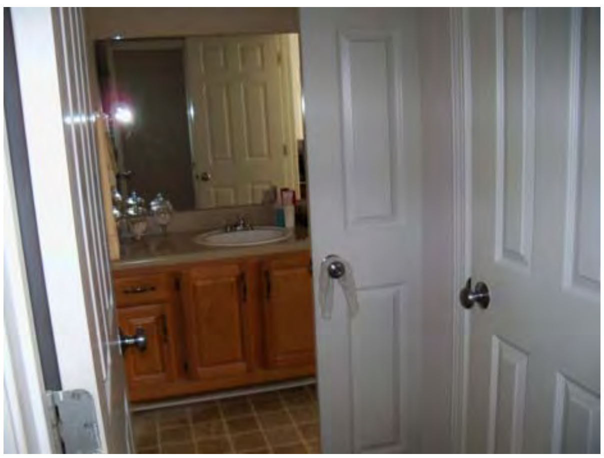


Kitchen 2BR1BA Ph III

Kitchen 2BR1BA Ph III

Bathroom 2BR1BA Ph III

Bedroom 2BR1BA Ph III

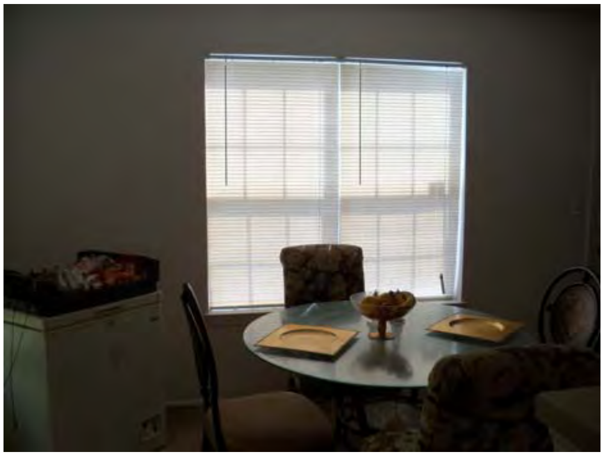


Hollywood Style Bathroom 2BR1.5BA Ph III

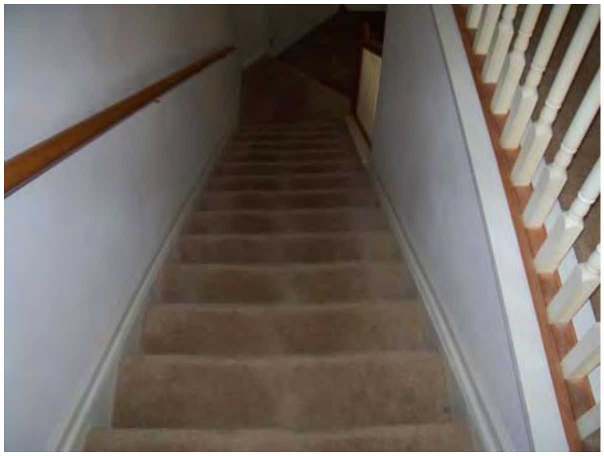
Living Room 2BR1.5BA Ph III

Kitchen 2BR1.5BA Ph III

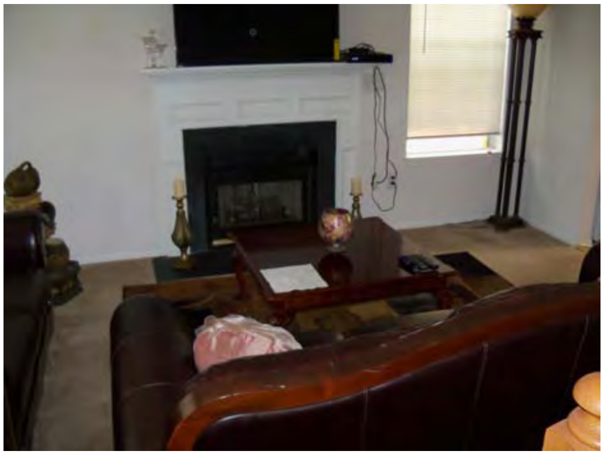
Deck



Dining Room 2BR1.5BA Ph III



Stairs 2BR1.5BA Ph III



Living Room 2BR1.5BA Ph III

Playground

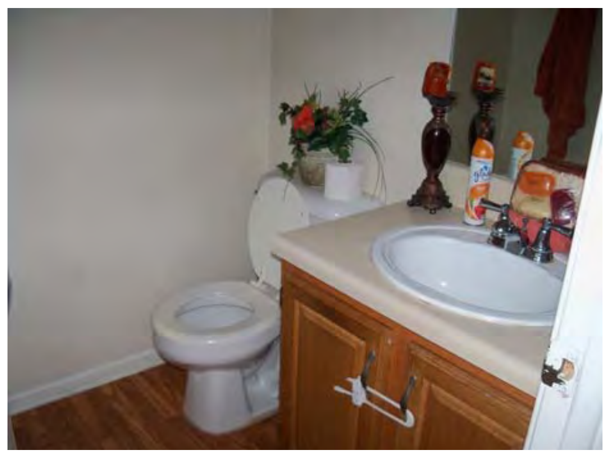
Atlanta Skyline

Stairwell To Apartments

Kitchen 2BR2BA Ph III

Bathroom 2BR2BA Ph III

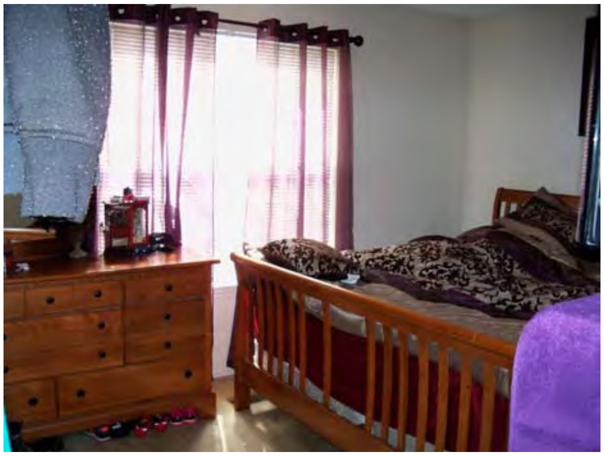
Bathroom 2BR2BA Ph III



Bathroom 4BR2BA Ph III

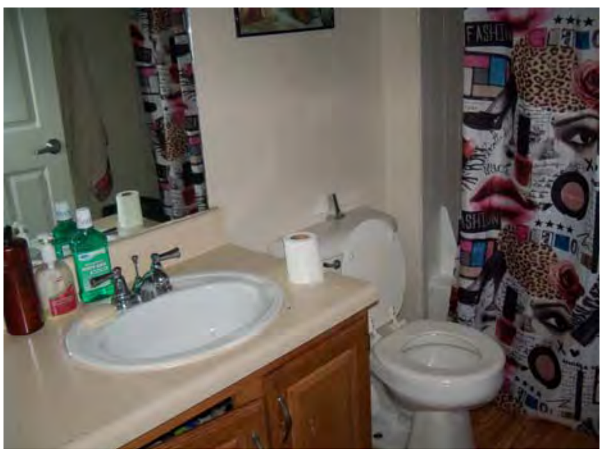
Living Room 4BR2BA Ph III

Dining Room 4BR2BA Ph III

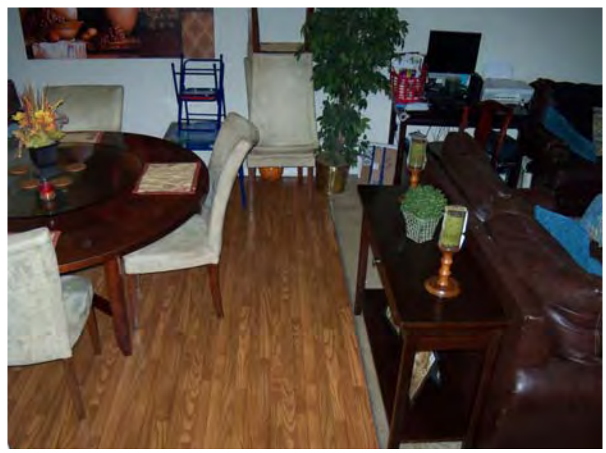


Bedroom 4BR2BA Ph III

Bedroom 4BR2BA Ph III



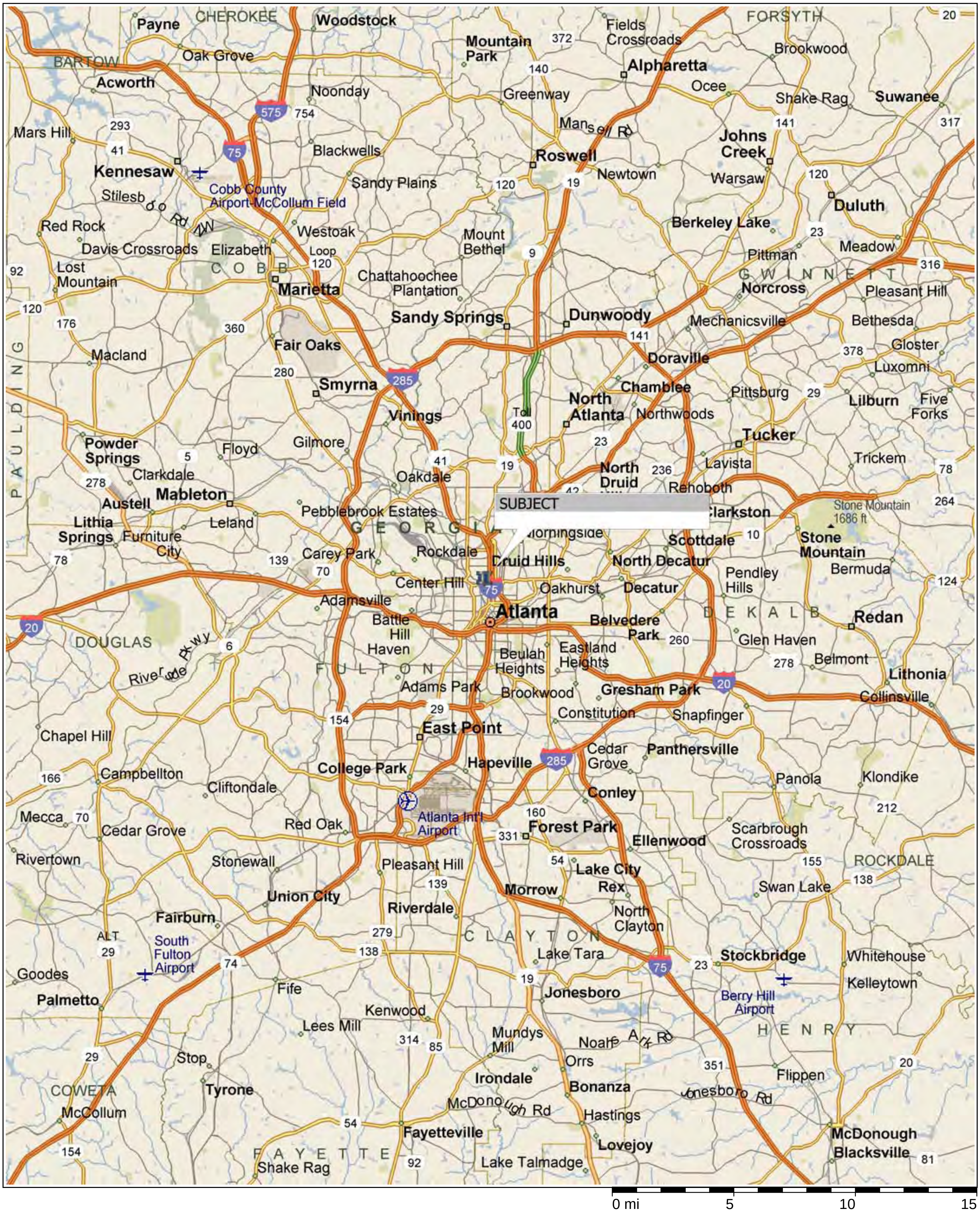
Bathroom 4BR2BA Ph III



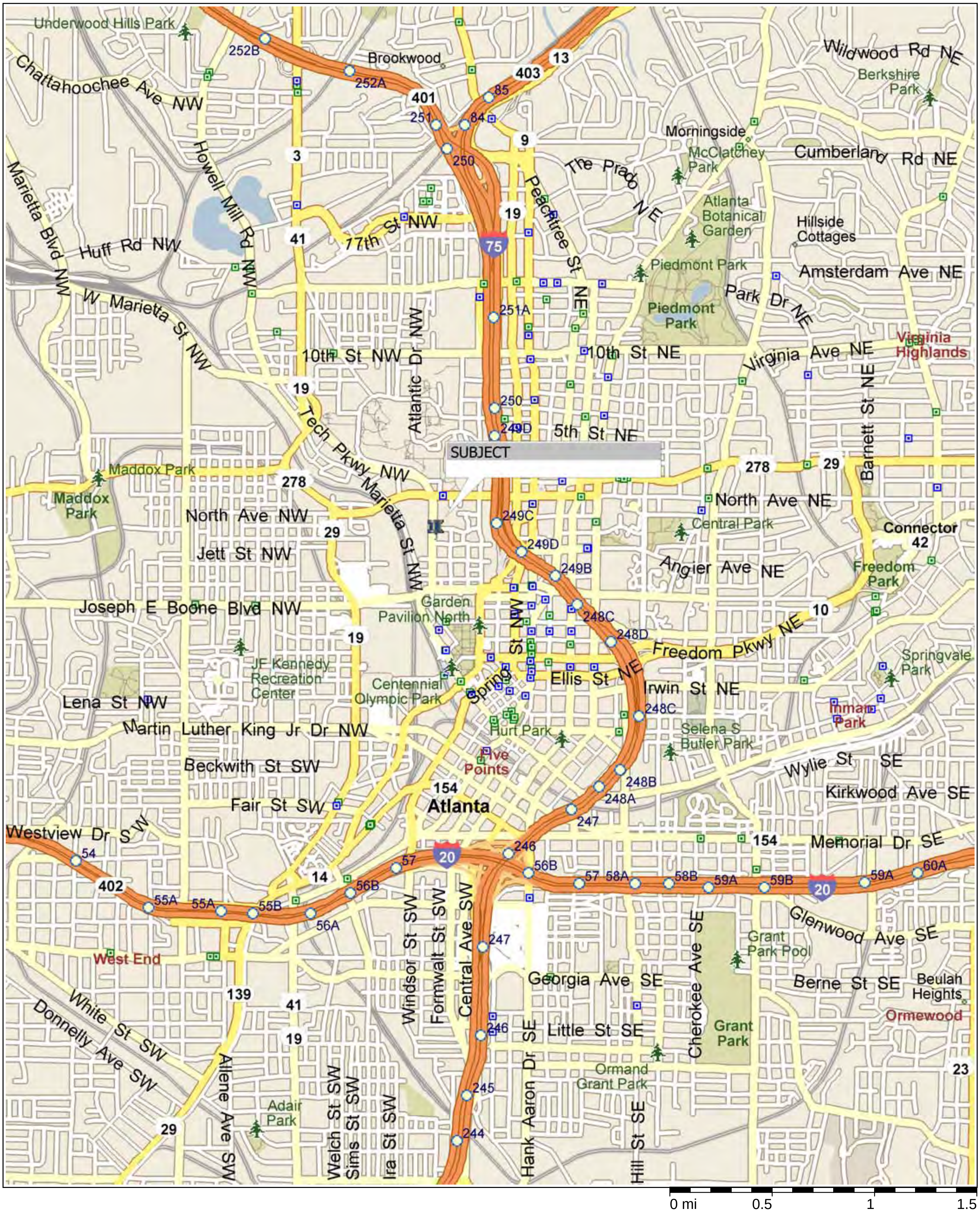
Living Room 4BR2BA Ph III

Kitchen 4BR2BA Ph III

Region


Payne
CHEROKEE
Woodstock
Mountain Park
Fields Crossroads
FORSYTH
Brookwood
BARTOW
Oak Grove
Alpharetta
Acworth
Noonday
Greenway
Ocee
Shake Rag
Suwanee
Mars Hill
Blackwells
Roswell
Johns Creek
Kennesaw
Newtown
Warsaw
Cobb County Airport-McCollum Field
Sandy Plains
Duluth
Red Rock
Westoak
Mount Bethel
Berkeley Lake
Davis Crossroads
Elizabeth
Meadow
Lost Mountain
COBB
Marietta
Chattahoochee Plantation
Pittman
GWINNETT
Norcross
Pleasant Hill
Sandy Springs
Dunwoody
Mechanicsville
Bethesda
Fair Oaks
Gloster
Macland
Doraville
Luxomni
Smyrna
Chamblee
PAULDING
North Atlanta
Pittsburg
Lilburn
Five Forks
Vinings
Northwoods
Tucker
Powder Springs
Floyd
Gilmore
Clarkdale
Oakdale
Lavista
Trickem
North Druid
Rehoboth
Austell
Mableton
SUBJECT
Clarkston
Stone Mountain 1686 ft
Lithia Springs
Furniture City
Leland
Pebblebrook Estates
GEORGIA
Morningside
Scottdale
Stone Mountain
Carey Park
Rockdale
Druid Hills
North Decatur
Pendley Hills
Bermuda
Center Hill
Oakhurst
Decatur
Adamsville
Atlanta
Belvedere Park
DEKALB
Redan
Battle Hill Haven
DOUGLAS
Beulah Heights
Eastland Heights
Glen Haven
Belmont
River Pkwy
FULTON
Lithonia
Adams Park
Brookwood
Gresham Park
Collinsville
Constitution
Snapfinger
Chapel Hill
East Point
Cedar Grove
Panthersville
College Park
Hapeville
Campbellton
Cliftondale
Conley
Panola
Klondike
Mecca
Atlanta Int'l Airport
Forest Park
Scarbrough Crossroads
Cedar Grove
Red Oak
Ellenwood
Rivertown
Stonewall
Pleasant Hill
Lake City
ROCKDALE
Rex
Swan Lake
Union City
Morrow
Riverdale
North Clayton
Fairburn
South Fulton Airport
CLAYTON
Lake Tara
Stockbridge
Whitehouse
Goodes
Fife
Jonesboro
Berry Hill Airport
Kelleytown
Palmetto
Kenwood
HENRY
Lees Mill
Mundys Mill
Noahs Ark Rd
Stop
Orrs
Flippen
COWETA
Irondale
Tyrone
Bonanza
Jonesboro Rd
McCollum
McDonough Rd
Hastings
Fayetteville
McDonough
Lovejoy
Blacksville
FAYETTE
Shake Rag
Lake Talmadge
0 mi
5
10
15

Neighborhood



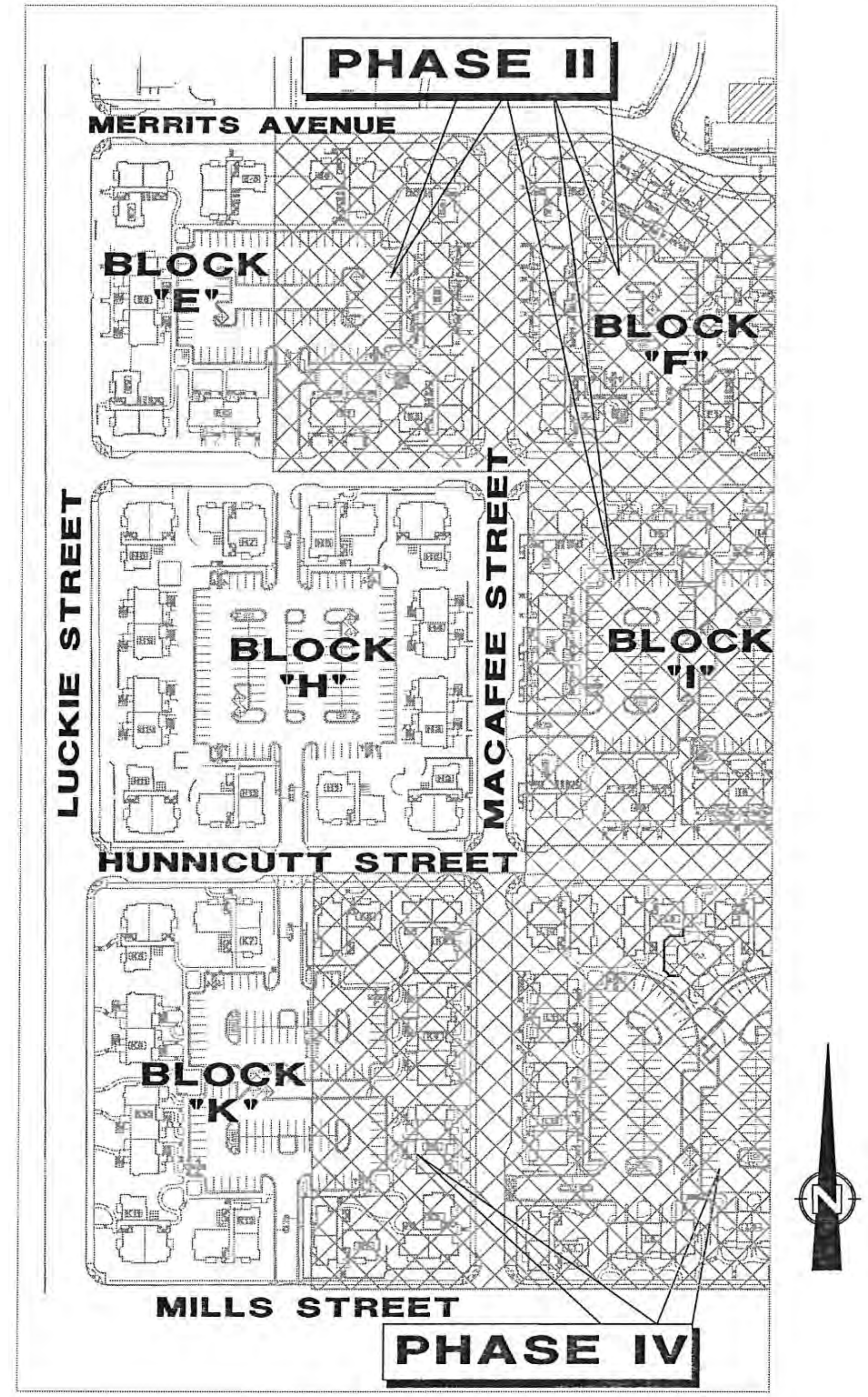
LAND-USE INTENSITY CALCULATIONS

PHASE III

BLOCK E	
GROSS LAND AREA	177,674.38 S.F.
RESIDENTIAL FLOOR AREA	73,896 S.F.
F.A.R.	.429
T.O.S.R. REQUIRED	127,925.55 S.F.
T.O.S.R. ACTUAL	184,603.08 S.F.
U.O.S.R. REQUIRED	76,399.98 S.F.
U.O.S.R. ACTUAL	120,811.10 S.F
PARKING REQUIRED	98 SPACES
PARKING ACTUAL	93 SPACES
PARKING DIFFERENCE	−5 SPACES
PARKING PER UNIT	1.13 SPACES PER D.U.

BLOCK H	
GROSS LAND AREA	204,836.83 S.F.
RESIDENTIAL FLOOR AREA	83,372 S.F.
F.A.R.	.429
T.O.S.R. REQUIRED	88,079.836 S.F.
T.O.S.R. ACTUAL	147,482.51 S.F.
U.O.S.R. REQUIRED	88,079.936
U.O.S.R. ACTUAL	97,677.97 S.F.
PARKING REQUIRED	115 SPACES
PARKING ACTUAL	116 SPACES
PARKING DIFFERENCE	+1 SPACES
PARKING PER UNIT	1.21 SPACES PER D.U.

BLOCK K	
GROSS LAND AREA	224,514.51 S.F.
RESIDENTIAL FLOOR AREA	84,578 S.F.
F.A.R.	.400
T.O.S.R. REQUIRED	161,651.16 S.F.
T.O.S.R. ACTUAL	192,476.27 S.F.
U.O.S.R. REQUIRED	98,786.38 S.F.
U.O.S.R. ACTUAL	110,344.61 S.F.
PARKING REQUIRED	118 SPACES
PARKING ACTUAL	123 SPACES
PARKING DIFFERENCE	+5 SPACES
PARKING PER UNIT	1.25 SPACES PER D.U.



LOCATION MAP
SCALE: 1" = 200'

CENTENNIAL PLACE
PHASE III
CONCEPTUAL
SITE DEVELOPMENT PLAN

KEY SHEET

CENTENNIAL PLACE
AMENITIES

REQUIRED/STANDARD AMENITIES

1. COMMUNITY ROOM
2. COVERED PORCH ON POOL DECK
3. WASHER/DRYER IN EACH UNIT

REQUIRED ADDITIONAL AMENITIES

4. FITNESS CENTER
5. WELLNESS CENTER
6. ARTS AND CRAFTS ROOM
7. COMPUTER CENTER - 10 COMPUTERS

ADDITIONAL AMENITIES PROVIDED

A. CLUBROOM
B. POOL
C. YOGA ROOM
D. LOUNGE

VARIANCES

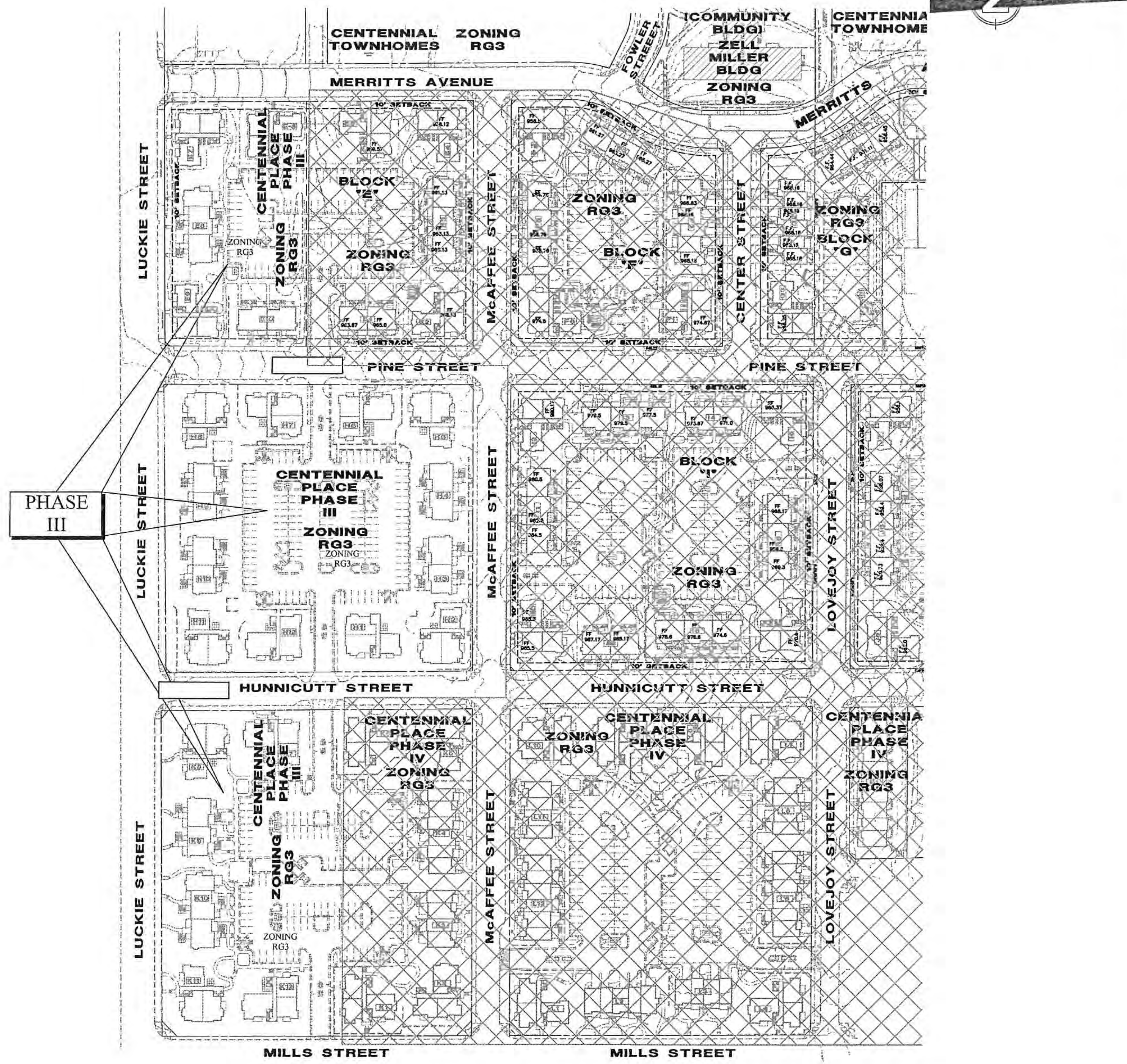
1. PARKING REDUCTION	V-97-137
2. FRONT YARD SETBACK REDUCTION TO 10'	V-96-146

PER DCA WAIVER DATED MAY 2, 2014 PHASE III WILL SHARE THE AMENITIES IN THE MANAGEMENT OFFICE WITH PHASE I.

ZONING: RG3

SINCE THIS PROJECT IS A REHABILITATION OF AN EXISTING MULTIFAMILY PROPERTY, THERE IS NO INTENT TO DISTURB ANY OF THE EXISTING TREES OR VEGETATION. THE VOLUME OF EXISTING VEGETATION IS TOO GREAT TO INDICATE GRAPHICALLY ON THIS CONCEPTUAL PLAN.

Lancaster Associates, inc.
Engineering & Development Consultants
Planners . Engineers . Landscape Architects
275 VILLAGE PARKWAY
MARIETTA, GA 30067
(770) 955-2421



CENTENNIAL PLACE

AMENITIES

REQUIRED/STANDARD AMENITIES

1 COMMUNITY ROOM
2 COVERED PORCH ON POOL DECK
3 WASHER/DRYER IN EACH UNIT

REQUIRED ADDITIONAL AMENITIES

4 FITNESS CENTER
5 WELLNESS CENTER
6 ARTS AND CRAFTS ROOM
7 COMPUTER CENTER - 10 COMPUTERS

ADDITIONAL AMENITIES PROVIDED

A CLUBROOM
B POOL
C YOGA ROOM
D LOUNGE

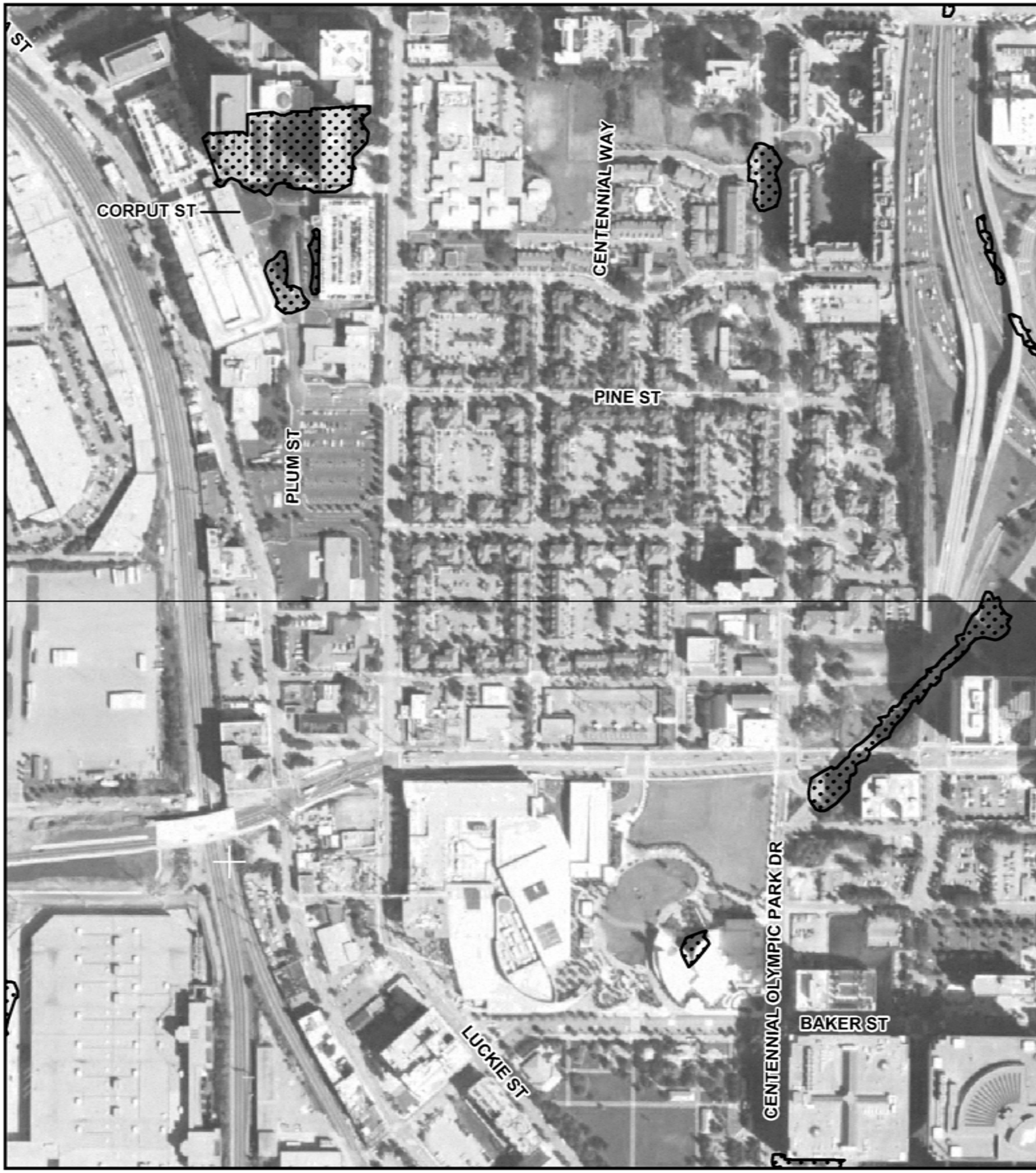
SINCE THIS PROJECT IS A REHABILITATION OF AN EXISTING MULTIFAMILY PROPERTY, THERE IS NO INTENT TO DISTURB ANY OF THE EXISTING TREES OR VEGETATION. THE VOLUME OF EXISTING VEGETATION IS TOO GREAT TO INDICATE GRAPHICALLY ON THIS CONCEPTUAL PLAN.

CENTENNIAL PLACE PHASE III CONCEPTUAL SITE DEVELOPMENT PLAN

SCALE: 1" = 150'

Lancaster Associates, inc.
Engineering & Development Consultants
Planners . Engineers . Landscape Architects
275 VILLAGE PARKWAY
MARIETTA, GA 30067
(770) 955-2421

2



MAP SCALE 1" = 500'

250 0 500 1000 FEET

METERS

NFIP

NATIONAL FLOOD INSURANCE PROGRAM

PANEL 0244F

FIRM

FLOOD INSURANCE RATE MAP

FULTON COUNTY, GEORGIA

AND INCORPORATED AREAS

PANEL 244 OF 490

(SEE MAP INDEX FOR FIRM PANEL LAYOUT)

CONTAINS:

COMMUNITY	NUMBER	PANEL	SUFFIX
ATLANTA, CITY OF	135157	0244	F

Notice to User: The **Map Number** shown below should be used when placing map orders; the **Community Number** shown above should be used on insurance applications for the subject community.

U.S. DEPARTMENT OF HOMELAND SECURITY

MAP NUMBER
13121C0244F

MAP REVISED
SEPTEMBER 18, 2013

Federal Emergency Management Agency

This is an official copy of a portion of the above referenced flood map. It was extracted using F-MIT On-Line. This map does not reflect changes or amendments which may have been made subsequent to the date on the title block. For the latest product information about National Flood Insurance Program flood maps check the FEMA Flood Map Store at www.msc.fema.gov

Fulton County Assessor

Parcel: 14 007900060175 Acres: 3.54

Name:	ATLANTA HOUSING AUTHORITY	Land Value:	14418200
Site:	LUCKIE ST	Building Value:	0
Sale:		Misc Value:	
Mail:	230 JOHN WESLEY DOBBS AVE NE ATLANTA, GA 30303-2421	Total Value:	14418200

Date printed: 04/17/15 : 11:42:33

ADDENDUM E – RENT ROLL / OPERATING STATEMENT / PRO FORMA

Integral

0119-000 - Legacy Partnership III, L.P.
Legacy Partnership III, L.P.
Statement of Operations
Mar-2015

	Current Period			Prior Year	Year To Date			Var
	Actual	Budget	Variance	YTD Actual	Actual	Budget	Variance	+/- Bdg
Revenues								
Gross Rent - Market	89,340	92,690	(3,350)	229,077	270,005	278,070	(8,065)	
Prior Period Rent Adjustment - Market	144	-	144	-	144	-	144	
Non-Revenue Model Unit	474	-	474	-	474	-	474	
Loss to Lease - Market	(5,916)	(9,623)	3,707	(9,363)	(16,847)	(30,368)	13,521	
Gross Potential - Market	84,042	83,067	975	219,714	253,776	247,702	6,074	
Vacancy - Market	(17,415)	(11,419)	(5,995)	(13,733)	(52,022)	(34,258)	(17,763)	
Concessions - Market	(500)	-	(500)	(3,359)	(7,212)	-	(7,212)	
Bad Debt - Market	-	(594)	594	(5,317)	100	(1,783)	1,883	
Net Rent - Market	**66,127**	**71,054**	**(4,926)**	**197,305**	**194,642**	**211,661**	**(17,019)**	**(8.0%)**
Economic Occupancy - Market	**78.7%**	**85.5%**	**-6.9%**	**89.8%**	**76.7%**	**85.4%**	**-8.8%**	

Variance Explanation: The variance is less than 10%. YTD - Gross Rent - Market - Management began using a revenue management software last year to fully capitalize on rates in the sub-market. Rents change daily to reflect the constant movement of the market. Vacancy - Market - With rental rates now determined by the LRO system, they are significantly higher; outreach marketing is being conducted by the onsite staff 3 to 4 times a week to increase occupancy as well as other marketing initiatives. Concessions - Market - Rent was concessed for five new move in to entice them to lease. In addition, six residents were mistakenly charged rent at the end of the month when they had moved out. Also, a resident was given a concession for referring an applicant to the community.

	Actual	Budget	Variance	YTD Actual	Actual	Budget	Variance	+/- Bdg
Gross Rent - Tax Credit	29,327	29,327	-	76,635	87,981	87,981	-	
Prior Period Rent Adjustment - Tax Credit	-	-	-	-	47	-	47	
Loss to Lease - Tax Credit Total	(2,978)	(2,053)	(925)	(302)	(9,432)	(6,159)	(3,273)	
Gross Potential - Tax Credit	26,349	27,274	(925)	76,333	78,596	81,822	(3,226)	
Vacancy - Tax Credit Total	(167)	(1,909)	1,742	(10,153)	(1,811)	(5,728)	3,917	
Concessions - Tax Credit Total	(50)	-	(50)	-	(986)	-	(986)	
Bad Debt - Tax Credit Total	-	(551)	551	25	-	(1,654)	1,654	
Net Rent - Tax Credit	**26,132**	**24,814**	**1,318**	**66,206**	**75,799**	**74,441**	**1,358**	**1.8%**
Economic Occupancy - Tax Credit	**99.2%**	**91.0%**	**8.2%**	**86.7%**	**96.4%**	**91.0%**	**5.5%**	

Variance Explanation: The variance is less than 10%. YTD - Vacancy - Tax Credit Total - The Tax Credit apartments in this phase have been highly occupied for the last 90 days, resulting in very low vacancy. Bad Debt - Tax Credit Total - Management hasn't moved out any Tax Credit residents within the last 60 days that owed the community money.

	Actual	Budget	Variance	YTD Actual	Actual	Budget	Variance	+/- Bdg
Gross Rent - Auth	65,330	48,737	16,593	162,945	195,990	146,211	49,779	
Prior Period Rent Adjustment - Auth	-	-	-	(197)	(146)	-	(146)	
Loss to Lease - Auth	(17,336)	-	(17,336)	(99,664)	(51,072)	-	(51,072)	
Gross Potential - Auth	47,994	48,737	(743)	63,084	144,772	146,211	(1,439)	
Vacancy - Auth	(77)	(1,882)	1,805	(14,505)	(1,821)	(5,646)	3,825	
Concessions - Auth	-	-	-	(429)	(1,119)	-	(1,119)	
Bad Debt - Auth	-	(250)	250	(2,114)	-	(750)	750	
Net Rent - Auth	**47,917**	**46,605**	**1,312**	**46,037**	**141,832**	**139,815**	**2,017**	**1.4%**
Economic Occupancy - Auth	**99.8%**	**95.6%**	**4.2%**	**73.0%**	**98.0%**	**95.6%**	**2.3%**	

Variance Explanation: The variance is less than 10%. YTD - Gross Rent - Auth - Management is now participating in a PBRA program; contract rents for each floor plan have been derived and agreed upon by both Management and AHA. Vacancy - Auth - Management has maintained a more stable and higher occupancy YTD than what was originally forecasted. Bad Debt - Auth - Over the past 3 months, there haven't been any Authority Assisted resident to moved out of the Phase owing money.

	Actual	Budget	Variance	YTD Actual	Actual	Budget	Variance	+/- Bdg
Net Rent - All Programs	**140,176**	**142,472**	**(2,296)**	**309,548**	**412,273**	**425,917**	**(13,644)**	**(3.2%)**
Economic Occupancy - All Programs	**88.5%**	**89.6%**	**-1.1%**	**86.2%**	**86.4%**	**89.5%**	**-3.1%**	
Subsidy	-	-	-	**74,088**	-	-	-	-

Variance Explanation

Integral

0119-000 - Legacy Partnership III, L.P.
Legacy Partnership III, L.P.
Statement of Operations
Mar-2015

	Current Period			Prior Year	Year To Date			Var
	Actual	Budget	Variance	YTD Actual	Actual	Budget	Variance	+/- Bdg
5291.00 - Application Fees	50	292	(242)	350	307	875	(568)	
5410.00 - Interest Income	-	6	(6)	14	0	19	(19)	
5410.01 - Investment Income	161	179	(19)	606	526	538	(11)	
5915.00 - Late Charge Income	1,050	889	161	3,250	1,840	2,668	(828)	
5920.00 - Legal Charge Income	600	488	113	1,374	1,440	1,463	(23)	
5925.00 - NSF Charge Income	195	29	166	-	195	88	107	
5930.00 - Damages and Cleaning Fees	-	237	(237)	451	(50)	710	(760)	
5940.00 - Forfeited Tenant Security Deposits	-	-	-	(295)	-	-	-	
5945.00 - Termination Fees	989	96	893	-	989	287	702	
5960.00 - Other Comprehensive Income	485	485	-	1,455	1,455	1,455	-	
Other Revenues	**3,530**	**2,700**	**829**	**7,206**	**6,703**	**8,101**	**(1,398)**	**(17.3%)**

Variance Explanation: YTD - Application Fees - There have been 6 Application Fees charged as opposed to 18 that were budgeted. Late Charge Income - There have been 37 Late Charges made as opposed to 53 that were budgeted. Damages and Cleaning Fees - Management has not generated any money thus far this year to this revenue line as opposed to $710 that was budgeted.

	Actual	Budget	Variance	Prior Year YTD Actual	YTD Actual	YTD Budget	YTD Variance	Var +/- Bdg
Total Operating Revenue	**$ 143,706**	**$ 145,173**	**$ (1,467)**	**$ 390,842**	**$ 418,976**	**$ 434,018**	**$ (15,042)**	**(3.5%)**

Operating Expenses

	Actual	Budget	Variance	Prior Year YTD Actual	YTD Actual	YTD Budget	YTD Variance	Var +/- Bdg
6210.00 - Advertising - Internet	825	522	303	647	2,543	1,566	977	
6211.00 - Advertising - Newspaper	-	-	-	-	230	-	230	
6212.00 - Advertising - Apt. Guide	(699)	239	(938)	125	1,298	717	581	
6213.00 - Advertising - Signage	383	200	182	156	583	601	(18)	
6220.00 - Marketing	-	1,300	(1,300)	30	-	1,400	(1,400)	
6230.00 - Referral Fee Expense	1,873	225	1,648	-	4,910	675	4,235	
6250.00 - Other Renting Expenses	334	360	(26)	778	3,662	1,080	2,582	
Total Advertising	**2,716**	**2,846**	**(130)**	**1,736**	**13,226**	**6,039**	**7,187**	**119.0%**

Variance Explanation: YTD - Advertising - Internet - Management recently had some of the amenities of the community photographed so that they could be added to some of their online ads. Also, Management paid a few old 2014 invoices in the first quarter of this year. Advertising - Apt. Guide - Management decided to advertise in a Georgia Tech publication to increase their presence with the students that attend the university. Referral Fee Expense - Management is paying a bonus to locators for all viable applicants that move in by the end of month. Other Renting Expenses - This unfavorable line expense includes the cost associated with retaining CLASS' services at the community.

	Actual	Budget	Variance	Prior Year YTD Actual	YTD Actual	YTD Budget	YTD Variance	Var +/- Bdg
6320.00 - Management Fee	8,194	7,826	368	23,564	24,707	23,478	1,228	
6340.00 - Legal Expense - Project	-	-	-	362	-	-	-	
6340.01 - Legal Fees - Tenant Evictions	154	350	(196)	1,070	502	1,050	(548)	
6346.00 - Bank Charges	220	150	70	441	675	450	225	
6311.00 - Office Supplies	215	152	63	387	569	455	114	
6313.00 - Postage & Courier	92	51	40	177	120	154	(34)	
6314.00 - Printing	43	100	(57)	127	230	300	(70)	
6352.00 - Computer Software	708	1,000	(292)	4,238	3,197	3,000	197	
6352.01 - IT Allocation	435	300	135	-	1,305	900	405	
6380.00 - Travel, Lodging & Meals	82	68	13	-	117	205	(88)	
6385.00 - Membership Dues	206	-	206	124	294	1,500	(1,206)	
6386.00 - Employee Training	311	258	53	593	814	774	40	
6390.00 - Miscellaneous Administrative Expense	14	42	(28)	273	14	125	(112)	
6240.00 - Resident Activities	825	629	196	1,805	1,706	1,888	(182)	
6312.00 - Office or Model Apartment Rent	490	229	261	646	964	686	278	
6531.00 - Monitored Alarm Contract	(32)	75	(107)	77	556	225	331	
6345.00 - Credit and Application Checks	200	208	(8)	601	994	624	370	
6355.00 - Consulting	500	-	500	1,953	1,000	-	1,000	
6360.00 - Telephone and Answering Service	1,013	1,667	(654)	6,751	1,796	5,000	(3,204)	
6350.00 - Audit & Tax	958	958	-	4,199	2,025	2,875	(850)	
6315.00 - Office Furniture & Equipment	282	452	(171)	1,414	479	1,357	(878)	
Total Admin Expenses	**14,911**	**14,515**	**396**	**48,801**	**42,061**	**45,046**	**(2,985)**	**(6.6%)**

	Current Period			Prior Year	Year To Date			Var
	Actual	Budget	Variance	YTD Actual	Actual	Budget	Variance	+/- Bdg
6310.40 - Base Salaries - Support Staff	700	1,085	(385)	2,626	2,456	3,254	(797)	
6310.43 - ER Tax & Benefits - Support Staff	52	83	(31)	371	298	249	49	
6310.45 - Travel Expense - Accounting	6	-	6	0	19	-	19	
6310.46 - Benefits & Other - Accounting	112	242	(130)	241	194	727	(533)	
Support Staff Payroll	**870**	**1,410**	**(540)**	**3,238**	**2,967**	**4,230**	**(1,263)**	
6310.50 - Base Salaries - Resident Service	913	951	(38)	2,506	2,522	2,852	(329)	
6310.51 - Commissions & Bonus – Resident Ser	-	-	-	301	112	-	112	
6310.53 - ER Tax & Benefits – Resident Service	100	73	27	394	364	218	146	
6310.56 - Benefits & Other - Resident Services	97	212	(115)	73	(214)	637	(851)	
Resident Services Payroll	**1,109**	**1,236**	**(126)**	**3,275**	**2,785**	**3,707**	**(922)**	
6310.60 - Compliance Payroll	637	853	(216)	2,384	1,994	2,558	(564)	
6310.61 - Compliance Bonuses & Commissions	-	-	-	9	75	-	75	
6310.63 - ER Tax - Compliance	45	65	(20)	341	259	196	63	
6310.65 - Travel Expense - Compliance	5	-	5	17	14	-	14	
6310.66 - Benefits & Other - Compliance	92	191	(98)	278	227	572	(345)	
Compliance Payroll	**779**	**1,109**	**(330)**	**3,029**	**2,569**	**3,326**	**(757)**	
6540.00 - Base Salaries - Maintenance	7,057	7,544	(487)	21,111	21,267	22,631	(1,363)	
6540.01 - Commissions & Bonus - Maintenance	89	98	(9)	3,703	1,747	293	1,454	
6540.03 - ER Tax & Benefits - Maintenance	565	577	(12)	3,702	3,034	1,731	1,303	
6540.05 - Travel Expense - Maintenance	6	-	6	18	19	-	19	
6540.06 - Benefits & Other - Maintenance	812	1,686	(874)	1,330	1,526	5,058	(3,531)	
Maintenance Payroll	**8,528**	**9,904**	**(1,376)**	**29,864**	**27,594**	**29,713**	**(2,119)**	
6310.00 - Base Salaries - Office	6,475	6,360	115	18,991	19,586	19,079	508	
6310.01 - Commissions & Bonus - Office	1,388	978	410	5,014	4,646	2,933	1,713	
6310.03 - ER Tax & Benefits - Office	620	487	133	3,338	3,038	1,460	1,579	
6310.06 - Benefits & Other - Office	744	1,421	(678)	2,596	2,094	4,264	(2,170)	
Office Payroll	**9,226**	**9,245**	**(19)**	**29,938**	**29,365**	**27,735**	**1,630**	
6330.00 - Temporary Office Labor	159	-	159	3,799	3,240	-	3,240	
6725.00 - Workers Compensation	567	-	567	-	2,138	-	2,138	
Total Salaries & Related Expense	**21,239**	**22,904**	**(1,664)**	**73,142**	**70,657**	**68,711**	**1,946**	**2.8%**

Variance Explanation: The variance is less than 10%. YTD - Commissions & Bonus - Maintenance - The maintenance team was paid a bonus for achieving their financial goals in the last quarter of 2014. ER Tax & Benefits - Maintenance - Management failed to budget enough money to cover the taxes for the regular wages and bonuses that the Maintenance team earned. Commissions & Bonus - Office - The Office team was paid a bonus for achieving their financial goals in the last quarter of 2014. ER Tax & Benefits - Office - Management failed to budget enough money to cover the taxes for the regular wages and bonuses that the Office team earned. Temporary Office Labor - Management needed the services of temporary office help with special projects they have undertaken, i.e. auditing resident files and the asset inventory. Workers Compensation - A couple of employees hurt themselves while on the clock and sought treatment for their injuries.

Resident Services Payroll	Actual	Budget	Variance	Prior Year YTD Actual	YTD Actual	YTD Budget	YTD Variance	Var +/- Bdg
6541.00 - R & M - General	14	-	14	8	14	-	14	
6541.06 - R & M - Locks, Keys, etc.	257	108	149	55	674	324	350	
6541.08 - R & M - Painting Occupied	600	667	(67)	4,061	3,615	2,000	1,615	
6541.09 - R & M - Painting Turnover	400	4,167	(3,767)	9,200	13,640	12,500	1,140	
6541.12 - R & M - Exterior Repairs	508	667	(159)	3,640	2,050	2,000	50	
6541.13 - R & M - HVAC	-	-	-	(2,128)	318	-	318	
6541.16 - R & M - Carpet And Vinyl Replaceme	189	-	189	-	189	-	189	
6551.00 - Electrical Repairs	-	148	(148)	327	998	445	554	
6552.00 - Plumbing Supplies & Contracts	535	1,333	(798)	4,273	5,861	4,000	1,861	
6550.00 - Appliance Repair & Supplies	174	248	(74)	731	874	745	128	
6553.00 - Carpet And Floor Repairs	805	700	105	2,295	3,355	2,100	1,255	
6548.10 - Misc Repairs	-	-	-	-	118	-	118	
6543.00 - Glass Door and Screen Repairs	629	833	(204)	528	2,644	2,500	144	
6520.00 - Exterminating	765	654	111	1,363	2,269	1,962	307	
6537.00 - Grounds Contract	1,917	1,708	209	5,751	5,751	5,125	626	
6542.00 - Controlled Access & Fencing	-	917	(917)	8,094	-	2,750	(2,750)	
6546.00 - Heating/Cooling Repairs and Maintena	53	1,058	(1,005)	1,251	682	3,175	(2,493)	
6547.00 - Swim Pool Maintenance and Supplies	(168)	309	(477)	116	333	927	(594)	
6505.00 - Uniforms	419	336	83	601	942	1,008	(66)	
6535.00 - Landscaping Supplies	-	-	-	1,950	794	-	794	

Integral

0119-000 - Legacy Partnership III, L.P.
Legacy Partnership III, L.P.
Statement of Operations
Mar-2015

	Current Period			Prior Year	Year To Date			Var
	Actual	Budget	Variance	YTD Actual	Actual	Budget	Variance	+/- Bdg
6541.03 - Window Treatments	143	75	68	346	634	225	409	
6541.04 - Electrical Supplies	(20)	305	(325)	1,017	2,183	914	1,269	
6541.05 - Hardware Supplies	209	160	49	748	483	479	4	
6541.10 - Sheetrock & Plaster	791	1,300	(509)	8,458	3,343	3,900	(557)	
6544.00 - Repairs & Inspections	-	578	(578)	-	-	1,734	(1,734)	
6530.00 - Security Payroll/Contract	5,501	4,820	681	14,332	15,843	14,460	1,383	
6528.00 - Security Courtesy Officer	1,066	1,066	0	3,197	3,197	3,197	0	
6541.01 - Occupied Carpet Cleaning	250	348	(98)	240	1,650	1,044	606	
6541.02 - Turnover Carpet Cleaning	140	183	(43)	605	(35)	550	(585)	

	Current Period			Prior Year	Year To Date			Var
	Actual	Budget	Variance	YTD Actual	Actual	Budget	Variance	+/- Bdg
6541.11 - Turnover Housekeeping	100	646	(546)	1,510	2,049	1,939	109	
6510.00 - Janitorial Expenses	93	179	(86)	530	205	537	(332)	
6549.00 - Snow Removal	68	-	68	100	68	-	68	
6568.00 - Automobile	-	73	(73)	-	29	220	(191)	
6575.00 - Flood Damage	595	-	595	938	6,290	-	6,290	
Total Operating & Maintenance	**16,034**	**23,587**	**(7,553)**	**74,136**	**81,062**	**70,760**	**10,302**	**14.6%**

Variance Explanation: YTD - R & M - Painting Occupied - This line expense represents roughly 14 occupied paints performed for various reasons, i.e.; apartment leaks. R & M Painting Turnover - This unfavorable expense represents roughly 45 vacant paints performed; approximately, eight of the vacants expensed were late being processed. Plumbing Supplies & Contracts - Management expensed some old 2014 supply invoices in the first quarter. Carpet And Floor Repairs - This line expense represents roughly 10 old 2014 invoices that were expensed in this year, approximately $1,250. Electrical Supplies - This line expense represents roughly 7 old 2014 invoices that were expensed in this year, approximately $1,000. Security Payroll/Contract - Management added addition hours to their contract to make sure the community was thoroughly covered and to minimize the potential of any crime in the Phase. Flood Damage - Roughly 23 residents suffered a flood in their apartments YTD.

6451.00 - Electricity - Vacant Units	268	1,342	(1,075)	2,344	2,521	4,027	(1,507)	
6453.00 - Gas - Vacant Units	1,421	1,375	46	5,294	4,959	4,125	834	
6450.00 - Electricity - Common Area	1,028	1,117	(89)	3,207	3,011	3,350	(339)	
6452.00 - Gas - Common Area	301	98	203	435	(727)	294	(1,021)	
6420.00 - Utility - Resident Payment	-	-	-	6	97	-	97	
6410.00 - Water Conservation and Billing	368	-	368	-	368	-	368	
6525.00 - Garbage and Trash Removal	1,945	1,489	456	571	4,278	4,468	(190)	
6450.01 - Non-Consumption Electric	78	93	(15)	279	267	279	(12)	
6452.01 - Non-Consumption Gas	78	107	(29)	378	267	321	(54)	
6455.00 - Water	8,351	3,833	4,518	8,384	12,487	11,500	987	
6455.01 - Water - Non Consumption	2,385	517	1,869	2,449	4,509	1,550	2,959	
6456.01 - Sewer - Non Consumption	835	1,167	(332)	466	2,296	3,500	(1,204)	
6456.00 - Sewer	13,342	9,750	3,592	25,060	23,513	29,250	(5,737)	
Total Utilities	**30,401**	**20,888**	**9,513**	**48,872**	**57,846**	**62,665**	**(4,819)**	**(7.7%)**

Variance Explanation: The variance is less than 10%. YTD - Electricity-Vacant Units - Occupancy levels during the first quarter exceeded budget parameters and consequently Management maintained a smaller inventory of vacants. Gas-Common Area - The winter months were not as cold to require Management to use their heat consistently at the leasing center. Sewer - Non Consumption - This expense represents the costs that Management incurs to have Conservice to process their utility bills each month. Based on the costs that Management incurred last year during the same time period, Management over budgeted this line expense. Sewer - Management will check with their third party contractor to make sure all costs are being absorbed and that the allocation for the Phase has been properly applied. This line expense will be trued up next month.

6708.00 - Solid Waste Tax	95	95	-	285	285	285	0	
6710.00 - Real Estate Taxes	5,998	5,998	-	15,240	17,995	17,995	0	
6719.00 - Taxes, Licenses, and Permits	302	250	52	701	1,408	751	657	
Total Taxes	**6,396**	**6,343**	**52**	**16,226**	**19,688**	**19,030**	**657**	**3.5%**

Variance Explanation: The variance is less than 10%.

6720.00 - Property & Liability Insurance (Hazar	-	-	-	190	-	-	-	
6720.10 - Insurance - Property	3,326	3,326	-	9,164	9,978	9,978	-	
6720.20 - Insurance - Liability	710	710	-	2,716	2,131	2,131	0	
6729.00 - Insurance - Other	288	263	25	672	814	789	25	
Total Insurance	**4,324**	**4,299**	**25**	**12,744**	**12,922**	**12,897**	**25**	**0.2%**

Variance Explanation: The variance is less than 10%.

Total Operating Expense	**$ 96,021**	**$ 95,383**	**$ 638**	**$ 275,656**	**$ 297,462**	**$ 285,148**	**$ 12,314**	**4.3%**
NET OPERATING INCOME	**$ 47,685**	**$ 49,790**	**$ (2,105)**	**$ 115,186**	**$ 121,514**	**$ 148,870**	**$ (27,356)**	**(18.4%)**

	Current Period			Prior Year	Year To Date			Var
	Actual	Budget	Variance	YTD Actual	Actual	Budget	Variance	+/- Bdg
6771.00 - Major Building Maintenance	-	-	-	31,244	-	3,320	(3,320)	
6775.00 - Uninsured Loss	-	-	-	26,192	-	-	-	
6770.10 - Appliance replacement	(1,404)	2,586	(3,989)	6,155	8,310	7,757	553	
6770.15 - Floor covering replacement	3,665	3,032	633	7,200	25,833	9,097	16,736	
6770.30 - Gates and fence replacement	13,922	28,125	(14,203)	-	13,922	28,125	(14,203)	
6770.40 - Bldg ext replacement	13,922	-	13,922	-	13,922	-	13,922	
6770.45 - Bld int replace	3,990	-	3,990	-	4,575	4,000	575	
6770.55 - Common area replace	3,234	-	3,234	2,309	3,352	3,234	118	
6770.65 - Major landscape exp	-	-	-	325	-	-	-	
6770.70 - HVAC replace	-	750	(750)	-	-	1,500	(1,500)	
6775.99 - Reclass Extraordinary Items	(40,036)	-	(40,036)	-	(69,032)	-	(69,032)	
6775.95 - Reclass Expense Items	(342)	-	(342)	-	(883)	-	(883)	
Total Extraordinary Expenses	**(3,048)**	**34,493**	**(37,541)**	**73,424**	**0**	**57,032**	**(57,032)**	**(100.0%)**

Variance Explanation: YTD - Major Building Maintenance - This line expense represents money set aside to retrofit the breezeway doors of the garden buildings in the Phase. Management postponed the project until a thorough plan is devised. Gates and fence replacement - This line expense represents money set aside to retrofit the parking lot gate entrances with an actual gate rather than a barrier arm. Management is considering their options and hopes to start the project in the next 30 days. Reclass Extraordinary Items - Items purchased by Management that were reclassed above the line.

	Actual	Budget	Variance	Prior Year YTD Actual	YTD Actual	YTD Budget	YTD Variance	Var +/- Bdg
6820.00 - Mortgage Interest - 1st	13,234	13,234	-	40,560	39,769	39,769	-	
6821.00 - Mortgage Interest - 2nd	39,012	39,012	(0)	110,569	117,036	117,037	(1)	
6831.00 - Mortgage Insurance Expense	1,435	1,464	(29)	4,477	4,305	4,393	(88)	
6824.00 - Accrued Interest (.05%) UFAS	45	163	(118)	135	135	489	(354)	
6817.00 - Asset Management Fee - ILP	418	418	-	1,250	1,253	1,253	0	
Financial & Professional	**54,144**	**54,291**	**(148)**	**156,990**	**162,498**	**162,941**	**(443)**	**(0.3%)**
6990.00 - Depreciation Expense	30,154	27,863	2,291	100,159	93,014	83,589	9,425	
6995.00 - Amortization Expense	628	628	0	1,885	1,885	1,884	1	
Total Depreciation	**30,783**	**28,491**	**2,292**	**102,044**	**94,899**	**85,473**	**9,426**	**11.0%**
Total Other Expenses	-	-	-	-	-	-	-	-
NET INCOME/(LOSS)	**$ (34,193)**	**$ (67,485)**	**$ 33,292**	**$ (217,273)**	**$ (135,883)**	**$ (156,576)**	**$ 20,693**	**(13.2%)**

Box Score / Occupancy - By Program Type

Centennial Place III (0119aff)

Beginning Date: 2/26/2015 Ending Date: 3/25/2015

Page: 1
Date: 03/27/2015
Time: 1:12 pm

Availability

Type	Average SqFt	Average Rent	Units	Occupied No Notice	Vacant Rented	Vacant Unrented	Notice Rented	Notice Unrented	Available	Models	Down	Admin	% Occ	% Occ w/NonRev	% Leased	% Trend
Authority Assisted	965	883	74	74	0	0	0	0	0	0	0	0	100.00	100.00	100.00	100.00
Market	879	1,207	74	57	2	11	0	4	15	0	0	0	82.43	82.43	85.14	79.73
Tax Credit Only	807	793	37	32	0	1	1	3	4	0	0	0	97.30	97.30	97.30	89.19
Total			185	163	2	12	1	7	19	0	0	0	92.43	92.43	93.51	89.73

Resident Activity

Type	Units	Move In	Move Out	Notice/Skip Early Term	Rented	Month to Month	Renewal	Cancel Move In
	1	0	0	0	0	0	0	0
Authority Assisted	74	1	0	0	0	0	6	0
Market	74	1	1	3	2	0	3	0
Tax Credit Only	37	0	1	3	0	0	1	0
Total	185	2	2	6	2	0	10	0

Traffic

Type	First Contact Call	Walk-In	Email	Other	Show	Applied	Approved	Cancel Application	Denied	Approved/ Showings
	3	2	0	0	0	0	0	0	0	
Authority Assisted	0	0	0	0	0	0	1	0	0	
Market	0	0	0	0	6	1	1	0	1	
Tax Credit Only	0	0	0	0	1	0	0	0	0	
Total	3	2	0	0	7	1	2	0	1	28.6%

Rent Roll with Lease Charges

Centennial Place III (0119aff)

As of: 03/25/2015

Unit	Unit type	Unit Sq Ft	Resident	Name	Market Rent	Charge Code	Amount	Resident Deposit	Other Deposit	Move In	Lease Exp	Move-Out	Balance
Current/Notice Residents													
218ME	1191at60	684	t0018843	Antomius Wise	728.00	rent	674.00	150.00	0.00	6/28/2011	5/31/2015		-6.00
						Total	674.00						
220ME	1192ha60	872	t0015375	Delores Meadows-Burkes	872.00	subsidy	488.00	200.00	0.00	3/28/2009	2/29/2016		-71.00
						rent	182.00						
						Total	670.00						
222ME	1192ha50	872	t0036605	Shantella Baker	872.00	rent	242.00	300.00	0.00	6/30/2014	5/31/2015		-1.00
						subsidy	422.00						
						Total	664.00						
224ME	1191at50	684	t0023297	Salfu Sapateh	728.00	rent	589.00	150.00	0.00	7/31/2012	6/30/2015		-77.00
						Total	589.00						
226ME	1192aa50	872	t0015387	Latasha Freeman	872.00	subsidy	311.00	200.00	0.00	3/29/2007	2/29/2016		-50.00
						rent	376.00						
						Total	687.00						
228ME	1192aa50	872	t0016216	Betty Dawson	872.00	subsidy	503.00	124.00	0.00	3/19/2001	2/29/2016		-59.00
						rent	166.00						
						Total	669.00						
230ME	1191at60	684	t0029014	Chasity Williams	728.00	rent	694.00	300.00	0.00	3/8/2013	2/29/2016		-0.74
						Total	694.00						
232ME	1192aa50	872	t0018004	Deandria Scott	872.00	rent	520.00	200.00	0.00	6/9/2011	5/31/2015		0.00
						subsidy	144.00						
						Total	664.00						
234ME	1192aa60	872	t0036566	Cassandra Dallas	872.00	rent	580.00	300.00	0.00	6/28/2014	5/31/2015		0.00
						subsidy	84.00						
						Total	664.00						
248ME	1191at50	684	t0022585	Miguel Abad	728.00	rent	589.00	150.00	0.00	6/28/2012	5/31/2015	5/31/2015	-44.00
						Total	589.00						
249MI	1191am00	684	t0040332	Jonny Bester	975.00	rent	850.00	150.00	0.00	3/20/2015	2/29/2016		0.00
						Total	850.00						
250ME	1192am00	872	VACANT	VACANT	1,275.00		0.00	0.00	0.00				0.00
						Total	0.00						
251MI	1191hm00	684	t0032925	Wayne Cook	1,050.00	rent	575.00	300.00	0.00	11/15/2013	10/31/2015		-4.53
						Total	575.00						

Rent Roll with Lease Charges

Centennial Place III (0119aff)

As of: 03/25/2015

Unit	Unit type	Unit Sq Ft	Resident	Name	Market Rent	Charge Code	Amount	Resident Deposit	Other Deposit	Move In	Lease Exp	Move-Out	Balance
Current/Notice Residents													
252ME	1192ft50	872	t0036604	Alison Meadow	872.00	rent	705.00	150.00	0.00	7/31/2014	6/30/2015		-705.00
						Total	705.00						
253MI	1192cm00	1,093	t0037239	Greta Carlson	1,445.00	rent	1,400.00	150.00	0.00	8/15/2014	7/31/2015		-87.53
						Total	1,400.00						
254ME	1191am00	684	t0038822	Oguzhan Togay	870.00	rent	990.00	300.00	0.00	12/15/2014	1/31/2016		0.00
						Total	990.00						
255MI	1191am00	684	t0039401	Harolana Fambro	825.00	rent	810.00	150.00	0.00	2/6/2015	1/31/2016		-67.51
						Total	810.00						
256ME	1192bt60	872	t0037115	Octavia Sakho	872.00	rent	872.00	300.00	0.00	9/5/2014	8/31/2015		-0.27
						Total	872.00						
256PI	1192ft60	1,093	t0035226	Marcus Green	872.00	rent	815.00	300.00	0.00	5/1/2014	3/31/2015	3/31/2015	-2.00
						Total	815.00						
257HU	1191at50	684	t0022728	Kiara Clewis	728.00	rent	589.00	300.00	0.00	7/27/2012	6/30/2015		0.00
						Total	589.00						
257MI	1191am00	684	t0039048	Shantia Harris	885.00	rent	850.00	150.00	0.00	1/1/2015	12/31/2015		0.00
						Total	850.00						
258ME	1192aa50	872	t0015426	Beverly Patrick	872.00	rent	254.00	200.00	0.00	5/7/2010	4/30/2015		-6.00
						subsidy	410.00						
						Total	664.00						
258PI	1191at60	684	t0039100	Victoria Lee	728.00	rent	728.00	150.00	0.00	1/30/2015	12/31/2015		0.00
						Total	728.00						
259HU	1192ha50	872	t0015497	Yvonne Winfrey	872.00	rent	171.00	200.00	0.00	1/31/2011	12/31/2015		-59.00
						subsidy	493.00						
						Total	664.00						
259MI	1192cm00	1,093	t0017905	Gagik Amirkanyan	1,350.00	rent	930.00	300.00	0.00	5/6/2011	12/31/2014		-304.00
						Total	930.00						
260ME	1191am00	684	t0039238	Marnin Tarver	940.00	rent	850.00	300.00	0.00	1/21/2015	12/31/2015		186.03
						Total	850.00						
260PI	1191at60	684	t0038827	Nellie Moreland	728.00	rent	728.00	150.00	0.00	1/9/2015	12/31/2015		-50.87
						Total	728.00						

Rent Roll with Lease Charges

Centennial Place III (0119aff)

As of: 03/25/2015

Unit	Unit type	Unit Sq Ft	Resident	Name	Market Rent	Charge Code	Amount	Resident Deposit	Other Deposit	Move In	Lease Exp	Move-Out	Balance
Current/Notice Residents													
261HU	1192ha60	872	t0028083	Kiarah Harris	872.00	rent	96.00	300.00	0.00	12/18/2012	11/30/2015		97.87
						subsidy	666.00						
						Total	762.00						
261MI	1191am00	684	t0031579	Willieteen Pinckney	940.00	rent	885.00	150.00	0.00	7/16/2013	6/30/2015		0.00
						Total	885.00						
262ME	1192aa50	872	t0015432	Chisa Flimison	872.00	rent	213.00	231.00	0.00	7/8/1999	6/30/2015		-50.00
						subsidy	451.00						
						Total	664.00						
262PI	1192gt50	1,093	t0018868	Charles Washington	872.00	rent	728.00	300.00	0.00	7/15/2011	6/30/2015		0.00
						Total	728.00						
263HU	1191aa60	684	t0015498	Linda Alexander	728.00	rent	379.00	250.00	0.00	7/16/1999	6/30/2015		-154.00
						subsidy	177.00						
						Total	556.00						
263MI	1191am00	684	VACANT	VACANT	940.00		0.00	0.00	0.00				0.00
						Total	0.00						
264ME	1192ft50	872	t0030256	Kiara Vann	872.00	rent	705.00	150.00	0.00	7/19/2013	6/30/2015		0.00
						Total	705.00						
264PI	1191aa50	684	t0015655	Victoria McKay	728.00	rent	215.00	150.00	0.00	8/21/2009	7/31/2015		-132.00
						subsidy	358.00						
						Total	573.00						
265HU	1192ft50	872	VACANT	VACANT	872.00		0.00	0.00	0.00				0.00
						Total	0.00						
265MI	1192cm00	1,093	t0028464	Thomas Grant Harris	1,350.00	rent	1,281.00	300.00	0.00	12/13/2012	1/31/2016		-1,360.03
						Total	1,281.00						
266PI	1191aa60	684	t0016221	Florene Sands	728.00	rent	447.00	357.00	0.00	8/13/1999	7/31/2015		0.00
						subsidy	109.00						
						Total	556.00						
267HU	1192aa60	872	t0036420	Michael Turner	872.00	rent	350.00	150.00	0.00	6/30/2014	5/31/2015		0.00
						subsidy	314.00						
						Total	664.00						
268PI	1192ft60	1,093	t0015659	Muriel Walton	872.00	rent	872.00	300.00	0.00	2/26/2008	1/31/2016		0.00
						Total	872.00						

Rent Roll with Lease Charges

Centennial Place III (0119aff)

As of: 03/25/2015

Unit	Unit type	Unit Sq Ft	Resident	Name	Market Rent	Charge Code	Amount	Resident Deposit	Other Deposit	Move In	Lease Exp	Move-Out	Balance
Current/Notice Residents													
269HU	1191at60	684	t0039106	Dale Hughes	728.00	rent	728.00	300.00	0.00	1/30/2015	12/31/2015		0.00
						Total	728.00						
270PI	1191at50	684	t0037229	Natalie Jones	728.00	rent	589.00	150.00	0.00	9/4/2014	7/31/2015		-5.90
						Total	589.00						
271HU	1192aa60	872	t0037745	Tierra Jenkins	872.00	rent	559.00	150.00	0.00	9/25/2014	8/31/2015		-50.00
						subsidy	105.00						
						Total	664.00						
272PI	1191aa60	684	t0036973	Cortney Cody	728.00	rent	393.00	150.00	0.00	9/5/2014	8/31/2015		-108.40
						subsidy	163.00						
						Total	556.00						
273HU	1192ft50	872	t0031642	Soreina Baruso	872.00	rent	705.00	150.00	0.00	8/2/2013	7/31/2015		0.00
						Total	705.00						
274HU	1191am00	684	t0038984	Christopher Sioufi	1,000.00	rent	850.00	300.00	0.00	12/30/2014	11/30/2015		0.00
						Total	850.00						
274PI	1192aa50	872	t0015660	Doris Holloman	872.00	rent	277.00	200.00	0.00	7/22/2004	6/30/2015		-123.00
						subsidy	387.00						
						Total	664.00						
275HU	1191am00	684	t0034147	Otto Cooper	1,050.00	rent	989.00	300.00	0.00	1/16/2014	10/31/2015		0.00
						Total	989.00						
276HU	1191am00	684	t0029922	Matthew Barrett	1,050.00	rent	865.00	150.00	0.00	5/31/2013	4/30/2016		0.00
						Total	865.00						
276PI	1192aa50	872	t0028547	Nakia Alexander	872.00	rent	262.00	300.00	0.00	2/19/2013	1/31/2016		253.43
						subsidy	666.00						
						Total	928.00						
277HU	1191am00	684	t0039060	Thomas Tarvin	1,050.00	rent	950.00	150.00	0.00	12/30/2014	3/31/2015	4/3/2015	0.00
						Total	950.00						
278HU	1192cm00	1,093	VACANT	VACANT	1,350.00		0.00	0.00	0.00				0.00
						Total	0.00						
278PI	1191at60	684	t0022411	Adrian Harris	728.00	rent	659.00	150.00	0.00	6/1/2012	6/30/2015		-100.00
						Total	659.00						

Rent Roll with Lease Charges

Centennial Place III (0119aff)

As of: 03/25/2015

Unit	Unit type	Unit Sq Ft	Resident	Name	Market Rent	Charge Code	Amount	Resident Deposit	Other Deposit	Move In	Lease Exp	Move-Out	Balance
Current/Notice Residents													
279HU	1192cm00	1,093	t0029698	Weeriya Meesook	1,350.00	rent	1,144.00	150.00	0.00	4/25/2013	4/30/2015		60.00
						Total	1,144.00						
280HU	1191am00	684	t0021617	Gary Carter	930.00	rent	850.00	150.00	0.00	3/30/2012	4/30/2016		0.00
						Total	850.00						
280PI	1192aa50	872	t0035381	Taylor McNeil	872.00	rent	356.00	150.00	0.00	4/7/2014	3/31/2016		-331.60
						subsidy	327.00						
						Total	683.00						
281HU	1191am00	684	t0037296	Mark Victor	870.00	rent	1,050.00	300.00	0.00	8/22/2014	7/31/2015		-42.15
						Total	1,050.00						
281PI	1192ca50	1,055	t0016113	Bessie Jones	872.00	rent	202.00	200.00	0.00	9/1/2005	8/31/2015		-477.00
						subsidy	462.00						
						Total	664.00						
282HU	1191am00	684	t0031574	Mehfouz Jalal	870.00	rent	1,017.00	150.00	0.00	8/13/2013	5/31/2015		0.00
						Total	1,017.00						
282PI	1192aa60	872	t0020543	Pamela Champion	872.00	rent	105.00	200.00	0.00	1/4/2012	12/31/2015		-2.00
						subsidy	559.00						
						Total	664.00						
283HU	1191am00	684	VACANT	VACANT	870.00		0.00	0.00	0.00				0.00
						Total	0.00						
283PI	1192bm00	1,039	t0031808	Hai Tran	1,350.00	rent	1,303.00	150.00	0.00	8/5/2013	7/31/2015		-116.80
						Total	1,303.00						
284HU	1192cm00	1,093	t0030020	Haleigh Dickey	1,350.00	rent	1,174.00	150.00	0.00	6/24/2013	6/30/2015		-50.00
						Total	1,174.00						
284PI	1191at50	684	t0038476	Marcus Yarbrough	728.00	rent	589.00	150.00	0.00	11/20/2014	10/31/2015		0.00
						Total	589.00						
285HU	1192cm00	1,093	t0028573	Pablo Ruiz	1,350.00	rent	975.00	150.00	0.00	1/1/2013	12/31/2014		-292.00
						Total	975.00						
285PI	1193aa60	1,252	t0016156	Diane Ellis	1,004.00	rent	246.00	250.00	0.00	5/15/2007	4/30/2015		-108.00
						subsidy	520.00						
						Total	766.00						

Rent Roll with Lease Charges

Centennial Place III (0119aff)

As of: 03/25/2015

Unit	Unit type	Unit Sq Ft	Resident	Name	Market Rent	Charge Code	Amount	Resident Deposit	Other Deposit	Move In	Lease Exp	Move-Out	Balance
Current/Notice Residents													
286HU	1191am00	684	t0034151	Hussain Hashim	940.00	rent	989.00	300.00	0.00	1/2/2014	4/30/2015	3/31/2015	0.00
						Total	989.00						
286PI	1192aa50	872	t0017632	A'Sheerah Williams	872.00	subsidy	498.00	200.00	0.00	3/31/2011	2/29/2016		0.00
						rent	166.00						
						Total	664.00						
287HU	1191am00	684	t0039484	Denise Tapia	825.00	rent	820.00	150.00	0.00	2/18/2015	1/31/2016		-75.53
						Total	820.00						
287PI	1192dm00	1,055	t0031426	Christopher Comeaux	1,500.00	rent	1,174.00	150.00	0.00	7/30/2013	6/30/2015		-50.00
						Total	1,174.00						
288HU	1191am00	684	t0033891	Mazen Al Rahili	940.00	rent	972.00	300.00	0.00	12/30/2013	8/31/2015		0.00
						Total	972.00						
288PI	1192aa50	872	t0028548	Valerie Banks	872.00	rent	265.00	150.00	0.00	12/21/2012	11/30/2015		-50.00
						subsidy	399.00						
						Total	664.00						
289HU	1191am00	684	t0037652	Monika Powell	890.00	rent	850.00	150.00	0.00	12/29/2014	1/31/2016		-25.00
						Total	850.00						
289PI	1192ct60	1,039	t0027856	Terry Griffin	872.00	rent	848.00	150.00	0.00	10/29/2012	9/30/2015		556.00
						Total	848.00						
290HU	1192cm00	1,093	t0036703	Gabrielle Bales	1,350.00	rent	1,400.00	150.00	0.00	8/8/2014	6/30/2015		0.00
						Total	1,400.00						
290PI	1191at60	684	t0034145	Jarel Small	728.00	rent	692.00	150.00	0.00	1/14/2014	12/31/2015		-100.00
						Total	692.00						
291HU	1192cm00	1,093	t0031428	Marilyn Buamah	1,350.00	rent	1,174.00	150.00	0.00	7/30/2013	6/30/2015		-50.00
						Total	1,174.00						
291PI	1193aa60	1,252	t0015484	Aisha Wyatt	1,004.00	rent	151.00	550.00	0.00	7/8/1999	6/30/2015		1.00
						subsidy	615.00						
						Total	766.00						
292PI	1191at60	684	t0027217	Charles Washington	728.00	rent	693.00	150.00	0.00	9/13/2012	8/31/2015		-83.00
						Total	693.00						
293PI	1192bt60	872	t0035408	Malani Gaines	872.00	rent	835.00	300.00	0.00	5/17/2014	4/30/2015		0.00
						Total	835.00						

Rent Roll with Lease Charges

Centennial Place III (0119aff)

As of: 03/25/2015

Unit	Unit type	Unit Sq Ft	Resident	Name	Market Rent	Charge Code	Amount	Resident Deposit	Other Deposit	Move In	Lease Exp	Move-Out	Balance
Current/Notice Residents													
294PI	1192aa50	872	t0016059	Sharron Fickling	872.00	rent	68.00	200.00	0.00	1/7/2011	12/31/2015		4.00
						subsidy	600.00						
						Total	668.00						
295PI	1192aa50	872	t0035469	Toni Roebuck	872.00	rent	407.00	150.00	0.00	5/28/2014	5/31/2015		0.00
						subsidy	257.00						
						Total	664.00						
296PI	1192ha50	872	t0015712	Gracia Asoh	872.00	rent	334.00	200.00	0.00	1/25/2011	12/31/2015		-242.00
						subsidy	137.00						
						Total	471.00						
297PI	1191at60	684	t0023548	Stephanie Ellis	728.00	rent	610.00	150.00	0.00	8/31/2012	7/31/2015		-360.00
						Total	610.00						
298PI	1191at50	684	t0034696	Fredrick Hadnot	728.00	rent	589.00	300.00	0.00	2/28/2014	1/31/2016		-22.00
						Total	589.00						
299PI	1192aa50	872	t0037462	Gabriel Duffy	872.00	rent	481.00	150.00	0.00	9/15/2014	8/31/2015		-73.00
						subsidy	183.00						
						Total	664.00						
300PI	1192aa50	872	t0015713	Krista Webb	872.00	rent	322.00	0.00	0.00	9/10/1999	8/31/2015		-159.00
						subsidy	342.00						
						Total	664.00						
301PI	1192bt60	872	t0027490	Christopher Harrison	872.00	rent	832.00	150.00	0.00	9/27/2012	8/31/2015		0.00
						Total	832.00						
302PI	1192aa50	872	t0015714	Netasha Martin	872.00	rent	214.00	100.00	0.00	12/1/1999	11/30/2016		-576.00
						subsidy	410.00						
						Total	624.00						
303PI	1191aa60	684	t0015472	Raflisha Hall	728.00	rent	416.00	150.00	0.00	1/19/2007	12/31/2015		181.00
						subsidy	321.00						
						Total	737.00						
304PI	1191at50	684	t0038356	Evans Liburd	728.00	rent	589.00	300.00	0.00	12/1/2014	11/30/2015		0.00
						Total	589.00						
305PI	1192bt60	872	t0015473	Latasha Watkins	872.00	rent	872.00	400.00	0.00	10/1/1999	9/30/2015		0.00
						Total	872.00						

Rent Roll with Lease Charges

Centennial Place III (0119aff)

As of: 03/25/2015

Unit	Unit type	Unit Sq Ft	Resident	Name	Market Rent	Charge Code	Amount	Resident Deposit	Other Deposit	Move In	Lease Exp	Move-Out	Balance
Current/Notice Residents													
306PI	1192aa50	872	t0023346	Tyneshia Flennory	872.00	rent	89.00	300.00	0.00	7/27/2012	6/30/2015		-184.00
						subsidy	455.00						
						Total	544.00						
307PI	1192ft50	872	t0038391	Janice Payne	872.00	rent	705.00	300.00	0.00	12/5/2014	11/30/2015		-45.97
						Total	705.00						
308PI	1192aa50	872	t0030502	Wyteasia Brewster	872.00	rent	168.00	300.00	0.00	7/19/2013	6/30/2015		-186.00
						subsidy	496.00						
						Total	664.00						
309PI	1191aa50	684	t0035441	SHERRY THOMPSON	728.00	rent	446.00	150.00	0.00	6/1/2014	5/31/2015		0.00
						subsidy	110.00						
						Total	556.00						
401LU	1192am00	872	VACANT	VACANT	1,275.00		0.00	0.00	0.00				0.00
						Total	0.00						
403LU	1192am00	872	VACANT	VACANT	1,275.00		0.00	0.00	0.00				0.00
						Total	0.00						
405LU	1191am00	684	t0039052	Julian Burnett	935.00	rent	850.00	150.00	0.00	12/29/2014	1/31/2016		0.00
						Total	850.00						
407LU	1192am00	872	VACANT	VACANT	1,275.00		0.00	0.00	0.00				0.00
						Total	0.00						
409LU	1192am00	872	t0039377	Hemant Patel	1,275.00	rent	1,025.00	150.00	0.00	2/3/2015	1/31/2016		-175.84
						Total	1,025.00						
411LU	1191am00	684	t0017624	Nana Karikari - Apau	870.00	rent	937.00	150.00	0.00	3/23/2011	1/31/2016		0.00
						Total	937.00						
413LU	1192am00	872	t0032956	Nahid Gezgin	1,275.00	rent	1,201.00	150.00	0.00	10/8/2013	9/30/2015		-35.07
						Total	1,201.00						
415LU	1192am00	872	t0037488	Harlan McCarthy	1,275.00	rent	1,115.00	300.00	0.00	9/11/2014	8/31/2015		0.00
						Total	1,115.00						
417LU	1191am00	684	t0039105	John Carter	895.00	rent	850.00	150.00	0.00	1/9/2015	12/31/2015		0.00
						Total	850.00						

Rent Roll with Lease Charges

Centennial Place III (0119aff)

As of: 03/25/2015

Unit	Unit type	Unit Sq Ft	Resident	Name	Market Rent	Charge Code	Amount	Resident Deposit	Other Deposit	Move In	Lease Exp	Move-Out	Balance
Current/Notice Residents													
419LU	1192ca50	1,055	t0016035	Donna Flounory	872.00	subsidy	405.00	200.00	0.00	3/9/2010	2/29/2016		0.00
						rent	236.00						
						Total	641.00						
421LU	1193aa50	1,252	t0030441	Lubnaa Mazhar	1,004.00	rent	126.00	150.00	0.00	6/25/2013	5/31/2015		-67.60
						subsidy	640.00						
						Total	766.00						
423LU	1192ba50	1,039	t0038953	Bianca Williams	872.00	rent	334.00	300.00	0.00	12/29/2014	11/30/2015		-29.00
						subsidy	480.00						
						Total	814.00						
425LU	1192ca50	1,055	t0015933	Annie Williams	872.00	rent	70.00	200.00	0.00	5/7/2010	4/30/2015		97.00
						subsidy	594.00						
						Total	664.00						
427LU	1193at50	1,252	t0015935	Cynthia Butts	1,004.00	rent	812.00	300.00	0.00	2/19/2008	1/31/2016		0.00
						Total	812.00						
429LU	1192ba50	1,039	t0015936	Denise Laney	872.00	rent	405.00	244.00	0.00	12/1/1999	11/30/2015		-2.00
						Total	405.00						
431LU	1194aa50	1,575	t0015938	Karnetta Sims	1,117.00	rent	0.00	250.00	0.00	1/26/2011	12/31/2015		-606.60
						subsidy	177.00						
						Total	177.00						
433LU	1192dm00	1,055	VACANT	VACANT	1,455.00		0.00	0.00	0.00				0.00
						Total	0.00						
435LU	1192bm00	1,039	t0037367	Mansour Albarak	1,450.00	rent	1,340.00	300.00	0.00	8/26/2014	7/31/2015		-5.67
						Total	1,340.00						
437LU	1193am00	1,252	t0029439	Garrett Malmquist	1,680.00	rent	1,595.00	150.00	0.00	4/1/2013	5/31/2015	5/31/2015	0.00
						Total	1,595.00						
439LU	1192dm00	1,055	t0035805	Zachary Williams	1,470.00	rent	1,365.00	150.00	0.00	5/2/2014	4/30/2015		-2.00
						Total	1,365.00						
441LU	1192bm00	1,039	t0037573	Praise Jackson	1,480.00	rent	1,295.00	150.00	0.00	9/22/2014	8/31/2015		-5.82
						Total	1,295.00						
443LU	1193am00	1,252	t0031533	Miriam Baker	1,680.00	rent	1,625.00	150.00	0.00	7/25/2013	6/30/2015		0.00
						Total	1,625.00						

Rent Roll with Lease Charges

Centennial Place III (0119aff)

As of: 03/25/2015

Unit	Unit type	Unit Sq Ft	Resident	Name	Market Rent	Charge Code	Amount	Resident Deposit	Other Deposit	Move In	Lease Exp	Move-Out	Balance
Current/Notice Residents													
445LU	1191am00	684	t0039069	Morgan Hankerson	1,005.00	rent	850.00	300.00	0.00	12/30/2014	11/30/2015		0.00
						Total	850.00						
447LU	1192am00	872	VACANT	VACANT	1,275.00		0.00	0.00	0.00				0.00
						Total	0.00						
449LU	1192am00	872	t0030748	Jeffrey Beauvais	1,275.00	rent	1,140.00	150.00	0.00	8/16/2013	5/31/2015		-239.63
						Total	1,140.00						
451LU	1191am00	684	t0040228	Krystal Venetar	870.00	rent	895.00	150.00	0.00	2/13/2015	1/31/2016		-91.21
						Total	895.00						
453LU	1192am00	872	VACANT	VACANT	1,275.00		0.00	0.00	0.00				0.00
						Total	0.00						
455LU	1192am00	872	t0035577	Abdalla Abou Jaoude	1,275.00	rent	1,385.00	300.00	0.00	5/2/2014	4/30/2015		-74.97
						Total	1,385.00						
457LU	1191am00	684	t0039031	Kenneth Jones	940.00	rent	850.00	150.00	0.00	12/26/2014	12/31/2015		-50.00
						Total	850.00						
459LU	1192am00	872	t0020841	Brendan Guest	1,275.00	rent	1,000.00	150.00	0.00	12/29/2011	6/30/2015		0.00
						Total	1,000.00						
461LU	1192am00	872	VACANT	VACANT	1,275.00		0.00	0.00	0.00				0.00
						Total	0.00						
463LU	1192aa50	872	t0035467	Demetria Poole	872.00	rent	283.00	150.00	0.00	6/16/2014	5/31/2015		-19.50
						subsidy	381.00						
						Total	664.00						
465LU	1192aa50	872	t0015748	Quincy Lawrence	872.00	rent	68.00	200.00	0.00	1/20/2011	12/31/2015		53.00
						subsidy	600.00						
						Total	668.00						
467LU	1191at50	684	t0022479	Matthias Halliburton	728.00	rent	589.00	150.00	0.00	6/28/2012	5/31/2015		-9.00
						Total	589.00						
469LU	1192aa50	872	t0015751	Faith Duckworth	872.00	rent	262.00	200.00	0.00	12/1/2009	11/30/2015		-18.00
						subsidy	402.00						
						Total	664.00						

Rent Roll with Lease Charges

Centennial Place III (0119aff)

As of: 03/25/2015

Unit	Unit type	Unit Sq Ft	Resident	Name	Market Rent	Charge Code	Amount	Resident Deposit	Other Deposit	Move In	Lease Exp	Move-Out	Balance
Current/Notice Residents													
471LU	1192aa50	872	t0016138	Wykita Pierce	872.00	rent	230.00	200.00	0.00	6/12/2006	5/31/2015		0.00
						subsidy	434.00						
						Total	664.00						
473LU	1191at60	684	t0032187	Epiphany Burgess	728.00	rent	708.00	150.00	0.00	10/18/2013	9/30/2015	3/31/2015	-465.00
						Total	708.00						
475LU	1192aa50	872	t0037889	Ebony Tucker	872.00	rent	354.00	300.00	0.00	11/7/2014	10/31/2015		-0.80
						subsidy	310.00						
						Total	664.00						
477LU	1192aa50	872	t0015765	Otika Lewis	872.00	rent	400.00	200.00	0.00	12/18/2006	11/30/2015		-613.00
						subsidy	264.00						
						Total	664.00						
479LU	1191aa50	684	t0015766	Catherine Stone	728.00	rent	93.00	100.00	0.00	12/6/1999	11/30/2015		0.00
						subsidy	463.00						
						Total	556.00						
481LU	1192ca50	1,055	t0017416	Constance Benefield	872.00	subsidy	323.00	200.00	0.00	4/29/2011	3/31/2016		0.00
						rent	195.00						
						Total	518.00						
483LU	1193aa50	1,252	t0015733	Tomeika Wallace	1,004.00	rent	24.00	250.00	0.00	12/30/2008	11/30/2015		-33.00
						subsidy	790.00						
						Total	814.00						
485LU	1192ba60	1,039	t0028791	Kiesha Lunceford	872.00	rent	426.00	150.00	0.00	4/1/2013	3/31/2016		0.00
						subsidy	238.00						
						Total	664.00						
487LU	1192ca60	1,055	t0020531	Kimberly Guyton	872.00	rent	288.00	200.00	0.00	2/4/2012	1/31/2016		0.00
						subsidy	344.00						
						Total	632.00						
489LU	1193aa50	1,252	t0015738	Gloria Weaver	1,004.00	rent	167.00	383.00	0.00	12/16/1999	11/30/2015		-5.00
						subsidy	599.00						
						Total	766.00						
491LU	1192ba60	1,039	t0020146	Shawndra Perry	872.00	rent	452.00	200.00	0.00	10/28/2011	9/30/2015		-64.00
						subsidy	212.00						
						Total	664.00						

Rent Roll with Lease Charges

Centennial Place III (0119aff)

As of: 03/25/2015

Unit	Unit type	Unit Sq Ft	Resident	Name	Market Rent	Charge Code	Amount	Resident Deposit	Other Deposit	Move In	Lease Exp	Move-Out	Balance
Current/Notice Residents													
493LU	1192ca50	1,055	t0015723	Eloise Gibson	872.00	rent	580.00	346.00	0.00	9/24/1999	8/31/2015		0.00
						subsidy	83.00						
						Total	663.00						
495LU	1193aa50	1,252	t0035235	Charlencia Reeves	1,004.00	rent	348.00	300.00	0.00	4/15/2014	3/31/2016		-50.00
						subsidy	418.00						
						Total	766.00						
497LU	1192ba50	1,039	t0015725	Linda Gray	872.00	rent	705.00	271.00	0.00	12/1/1999	11/30/2015		0.00
						subsidy	271.00						
						Total	976.00						
499LU	1192ca50	1,055	t0015726	Carolyn Thornton	872.00	rent	99.00	0.00	0.00	10/12/1999	9/30/2015		0.00
						subsidy	565.00						
						Total	664.00						
501LU	1193aa50	1,252	t0015727	Regina Weaver	1,004.00	rent	875.00	329.00	0.00	12/16/1999	11/30/2015		-58.00
						Total	875.00						
503LU	1192ba50	1,039	t0016153	Pamela Grant	872.00	rent	170.00	200.00	0.00	2/13/2007	1/31/2016		0.00
						subsidy	494.00						
						Total	664.00						
505LU	1192dm00	1,055	t0016029	Parthasarathi Chakraborti	1,530.00	rent	1,104.00	150.00	0.00	12/31/2009	6/30/2015		-61.00
						Total	1,104.00						
507LU	1193am00	1,252	VACANT	VACANT	1,680.00		0.00	0.00	0.00				0.00
						Total	0.00						
509LU	1192ct60	1,039	t0030238	Sherita Johnson	872.00	rent	767.00	150.00	0.00	6/28/2013	5/31/2015		0.00
						Total	767.00						
511LU	1192dm00	1,055	t0034107	Nishita Borkar	1,500.00	rent	1,265.00	150.00	0.00	1/4/2014	9/30/2015		0.00
						Total	1,265.00						
513LU	1193aa60	1,252	t0035018	Jamika Woods	1,004.00	rent	618.00	0.00	0.00	6/28/2014	5/31/2015		-50.00
						subsidy	148.00						
						Total	766.00						
515LU	1192ct60	1,039	t0036760	Derale Wiley	872.00	rent	872.00	150.00	0.00	8/2/2014	7/31/2015		0.00
						Total	872.00						
517LU	1194aa50	1,575	t0015459	Mamie Glanton	1,117.00	rent	130.00	300.00	0.00	7/1/2004	6/30/2015		0.00
						Total	130.00						

Rent Roll with Lease Charges

Centennial Place III (0119aff)

As of: 03/25/2015

Unit	Unit type	Unit Sq Ft	Resident	Name	Market Rent	Charge Code	Amount	Resident Deposit	Other Deposit	Move In	Lease Exp	Move-Out	Balance
Current/Notice Residents													
540MC	1192am00	872	t0021869	Yanal Issac	1,275.00	rent	1,222.00	150.00	0.00	4/30/2012	5/31/2015		-414.00
						Total	1,222.00						
542MC	1192am00	872	t0037219	John Dugan	1,275.00	rent	1,500.00	150.00	0.00	8/15/2014	7/31/2015		0.00
						Total	1,500.00						
544MC	1191am00	684	t0039050	Antwone Lindsay	1,000.00	rent	850.00	300.00	0.00	1/2/2015	12/31/2015		-11.64
						Total	850.00						
546MC	1192am00	872	t0039067	Holly Habimana	1,275.00	rent	1,025.00	150.00	0.00	12/30/2014	11/30/2015		0.00
						Total	1,025.00						
548MC	1192am00	872	t0039135	Reuben Curry	1,275.00	rent	1,025.00	150.00	0.00	1/16/2015	12/31/2015		0.00
						Total	1,025.00						
550MC	1191am00	684	t0018999	Alexis DaSilva	870.00	rent	850.00	300.00	0.00	7/2/2011	6/30/2015		-50.00
						Total	850.00						
552MC	1192am00	872	t0017796	Yunfeng Chen	1,275.00	rent	925.00	150.00	0.00	4/29/2011	3/31/2015	3/31/2015	-72.34
						Total	925.00						
554MC	1192am00	872	t0031774	John Aspinall	1,275.00	rent	1,195.00	150.00	0.00	8/9/2013	7/31/2015		-50.00
						Total	1,195.00						
556MC	1191am00	684	t0016127	Angela Little	940.00	rent	810.00	0.00	0.00	4/14/2006	3/31/2015		0.00
						Total	810.00						
558MC	1192ca50	1,055	t0021572	Conika Beckwith	872.00	rent	120.00	200.00	0.00	3/14/2012	2/29/2016		-105.00
						Total	120.00						
560MC	1192ba50	1,039	t0015571	Brenda Scott	872.00	rent	299.00	100.00	0.00	8/20/1999	7/31/2015		0.00
						subsidy	365.00						
						Total	664.00						
562MC	1193aa50	1,252	t0016149	Shataqua Thurmond	1,004.00	rent	0.00	250.00	0.00	10/10/2006	9/30/2015		-768.00
						subsidy	790.00						
						Total	790.00						
564MC	1192ca50	1,055	t0016122	Kenneth Suffern	872.00	rent	235.00	200.00	0.00	11/21/2005	10/31/2015		-0.50
						subsidy	429.00						
						Total	664.00						

Rent Roll with Lease Charges

Centennial Place III (0119aff)

As of: 03/25/2015

Unit	Unit type	Unit Sq Ft	Resident	Name	Market Rent	Charge Code	Amount	Resident Deposit	Other Deposit	Move In	Lease Exp	Move-Out	Balance
Current/Notice Residents													
566MC	1192ba50	1,039	t0036573	Kelsey Crawford	872.00	rent	354.00	150.00	0.00	6/30/2014	5/31/2015		0.00
						subsidy	310.00						
						Total	664.00						
568MC	1193aa50	1,252	t0015573	Sylvester Mensah	1,004.00	rent	374.00	300.00	0.00	4/26/2006	3/31/2016		-26.00
						subsidy	392.00						
						Total	766.00						
570MC	1192dm00	1,055	t0036792	Samuel Meyer	1,500.00	rent	1,400.00	150.00	0.00	8/14/2014	7/31/2015		0.00
						Total	1,400.00						
572MC	1192bm00	1,039	t0029037	Sharon Woods	1,350.00	rent	1,280.00	300.00	0.00	3/28/2013	8/31/2015		-50.00
						Total	1,280.00						
574MC	1193am00	1,252	VACANT	VACANT	1,680.00		0.00	0.00	0.00				0.00
						Total	0.00						
576MC	1192dm00	1,055	t0037139	Wesley Reinke	1,500.00	rent	1,400.00	150.00	0.00	8/15/2014	9/30/2015		-35.53
						Total	1,400.00						
578MC	1192bm00	1,039	t0028532	Conor Dunn	1,350.00	rent	1,319.00	150.00	0.00	12/27/2012	8/31/2015		-10.00
						Total	1,319.00						
580MC	1193am00	1,252	t0035022	David Levinson	1,680.00	rent	2,069.00	150.00	0.00	5/22/2014	4/30/2015		-140.78
						Total	2,069.00						
582MC	1191at50	684	t0031503	Ametude Belizaire	728.00	rent	589.00	300.00	0.00	9/20/2013	8/31/2015		0.00
						Total	589.00						
584MC	1192aa50	872	t0015624	ZaQuala Smith	872.00	rent	209.00	200.00	0.00	1/24/2011	12/31/2015		-78.00
						subsidy	428.00						
						Total	637.00						
586MC	1192ha50	872	t0016072	Darius Crump,Sr	872.00	rent	49.00	200.00	0.00	1/19/2011	12/31/2015		1.00
						subsidy	618.00						
						Total	667.00						
588MC	1191at60	684	t0038424	Donna Schaff	683.00	rent	728.00	150.00	0.00	11/19/2014	10/31/2015		-0.04
						Total	728.00						
590MC	1192aa60	872	t0037657	Ericka Pittman	872.00	rent	369.00	150.00	0.00	9/22/2014	8/31/2015		-5.00
						subsidy	295.00						
						Total	664.00						

Rent Roll with Lease Charges

Centennial Place III (0119aff)

As of: 03/25/2015

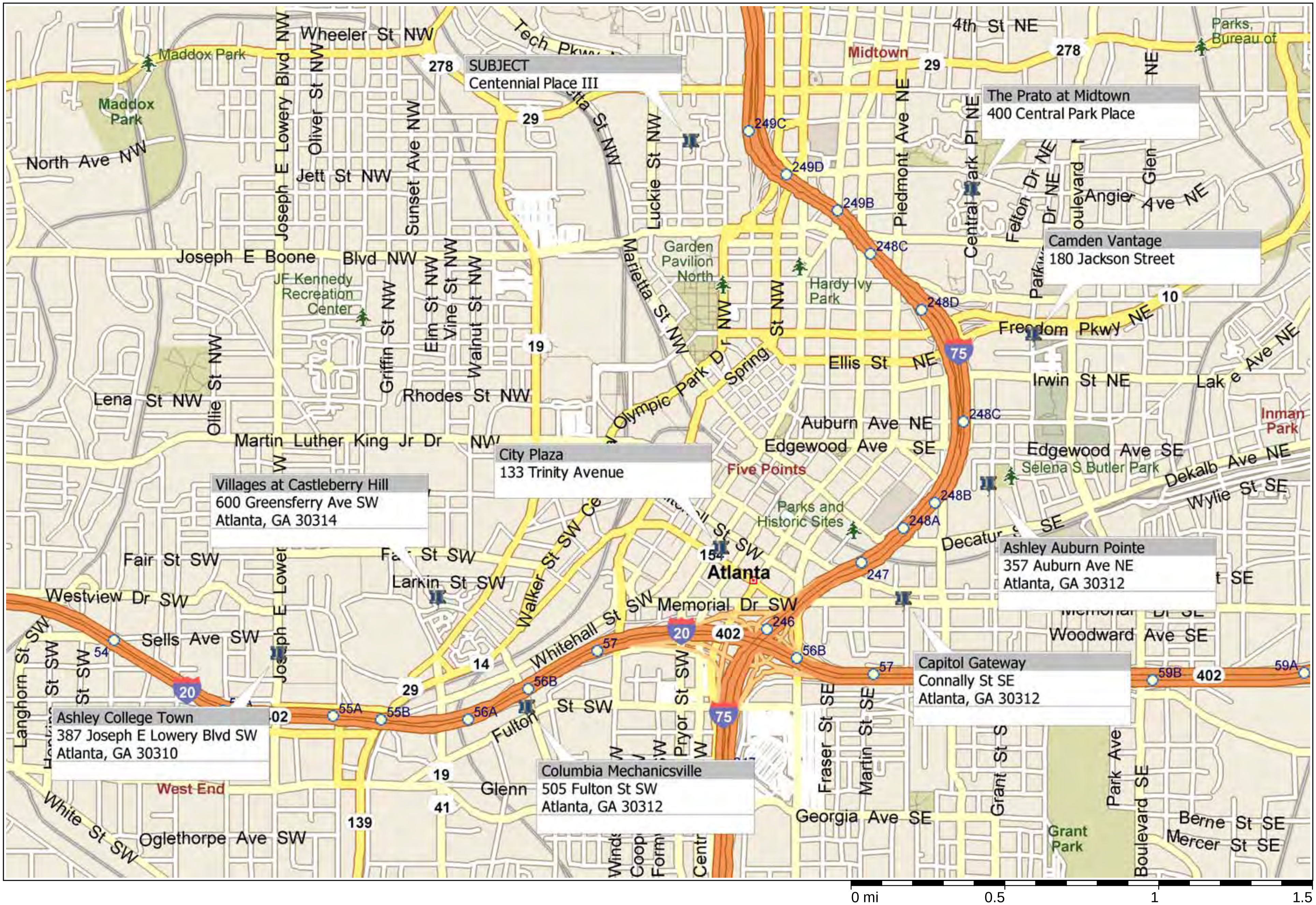
Unit	Unit type	Unit Sq Ft	Resident	Name	Market Rent	Charge Code	Amount	Resident Deposit	Other Deposit	Move In	Lease Exp	Move-Out	Balance
Current/Notice Residents													
592MC	1192aa50	872	t0039043	Quintisha Anderson	872.00	rent	397.00	150.00	0.00	3/7/2015	2/29/2016		0.00
						Total	397.00						
594MC	1191at50	684	t0015640	Ivonne Manning	728.00	rent	589.00	300.00	0.00	11/16/2007	10/31/2015		-24.00
						Total	589.00						
596MC	1192aa50	872	t0037785	Shirleyse Walker	872.00	rent	283.00	150.00	0.00	9/25/2014	8/31/2015		0.00
						subsidy	381.00						
						Total	664.00						
598MC	1192aa50	872	t0015642	Andria Gray	872.00	rent	380.00	200.00	0.00	7/22/2004	6/30/2015		-788.00
						subsidy	284.00						
						Total	664.00						

	Square Footage	Market Rent	Lease Charges	Security Deposit	Other Deposit	# of Units	Occupancy	Balance
Current/Notice Res.			139,995.00	34,735.00	0.00			(11,350.04)
Future Residents/Applicants			0.00	0.00	0.00			0.00
Occupied Units	153,346	166,225.00				171	92.43	
Vacant Units	12,996	17,772.00				14	7.57	
Totals:	166,342.00	183,997.00	139,995.00	34,735.00	0.00	185.00	100.00	(11,350.04)

Summary of Charges by Charge Code (Current/Notice residents only)

rent	**113,126.00**
subsidy	**26,869.00**
Total	**139,995.00**

RENTAL COMPARABLES



Multi-Family Lease No. 1

Property Identification

Record ID	1576
Property Type	Market, Tax Credit
Property Name	Ashley Auburn Pointe I
Address	357 Auburn Pointe Drive, Atlanta, Fulton County, Georgia 30312
Location	Central Atlanta
Owner	Integral
Management Co.	Integral
Verification	Trisha - Leasing Agent ; 404-523-1012, April 20, 2015; Confirmed by Ingrid Ott

Unit Mix

Unit Type	No. of Units	Size SF	Rent/Mo.	Mo. Rent/SF
1/1 MKT	33	756	$1,090	$1.44
1/1 LIHTC	23	756	$695	$0.92
2/2 MKT	28	1,079	$1,280	$1.19
2/2 LIHTC	56	1,079	$795	$0.74
3/2 LIHTC	7	1,264	$881	$0.70
3/2 MKT	7	1,264	$1,620	$1.28

Multi-Family Lease No. 1 (Cont.)

Occupancy	98%, 100% preleased
Total Units	154
Unit Size Range	756 - 1264
Avg. Unit Size	978
Avg. Rent/Unit	$973
Avg. Rent/SF	$0.99
Net SF	150,668

Physical Data

Construction Type	Brick/Stucco
Electrical	Assumed Adequate
HVAC	Assumed Adequate
Stories	3/4
Utilities with Rent	Trash Collection
Unit Amenities	Patios/Balconies, Ceiling Fans, Security System, Icemakers, Microwaves, Washer/Dryers Included
Project Amenities	Outdoor Pool, Clubhouse, Exercise/Fitness, Playground
Parking	Surface
Year Built	2010
Condition	Excellent

Remarks

This is a 154-unit, Class-A, mixed-income apartment development within the Auburn Pointe re-development. It includes 40% market-rate, 20% LIHTC (60% AMI), 5% PBRA and 35% authority assisted units. Ashley Auburn Pointe I reached substantial completion on November 22, 2010. All market rate and non-Authority Assisted units leased within 3 months. The occupancy of the subsidized units took a little longer because of the re-occupancy process of residents from the former Grady Homes development. Tenants pay all utilities except trash and there are currently no concessions being offered. Market rents are LRO and fluctuate daily. With current high occupancy and no available one- and two-bedroom units, LRO rents were reported at $1,280 and $1,545, respectively, but do not represent actual rents. Trisha stated that one bedroom units are typically never above $1,200; two bedroom units are never above $1,400; and three bedroom units are never above $1,800 per month.

Multi-Family Lease No. 2

Property Identification

Record ID	1396
Property Type	Garden LIHTC
Property Name	Columbia Mechanicsville
Address	500 McDaniel Street, Atlanta, Fulton County, Georgia 30312
Management Co.	Columbia Residential
Verification	Nakia; 404-577-2833, April 20, 2015; Confirmed by Ingrid Ott

Unit Mix

Unit Type	No. of Units	Size SF	Rent/Mo.	Mo. Rent/SF
1BR 1BA MKT	5	750	$865	$1.15
1BR 1BA 50% TC	2	750	$577	$0.77
1BR 1BA 60% TC	3	750	$716	$0.95
2BR 2BA MKT	28	1,005	$999	$0.99
2BR 2BA 50% TC	5	1,005	$645	$0.64
2BR 2BA 60% TC	10	1,005	$812	$0.81
3BR 2BA MKT	14	1,200	$1,199	$1.00
3BR 2BA 50% TC	3	1,200	$689	$0.57

Multi-Family Lease No. 2 (Cont.)

3BR 2BA 60% TC	6	1,200	$881	$0.73
1BR/1BA PBRA	13	750	$577	$0.77
2BR/2BA PBRA	55	1,005	$716	$0.71
3BR/2BA PBRA	29	1,200	$881	$0.73

Occupancy	97%
Rent Premiums	No
Total Units	173
Unit Size Range	750 - 1200
Avg. Unit Size	1,030
Avg. Rent/Unit	$830
Avg. Rent/SF	$0.81
Net SF	178,140

Physical Data

Construction Type	Brick/Stucco
Electrical	Assumed Adequate
HVAC	Assumed Adequate
Stories	3
Utilities with Rent	Trash Collection
Unit Amenities	Patios/Balconies, Security System, Washer/Dryer Connections
Project Amenities	Clubhouse, Laundry, Exercise/Fitness
Parking	Surface
Year Built	2007
Condition	Very Good

Remarks

This property is located at the corner of McDaniel and Fulton Street, just south of I-20, and just southwest of Downtown Atlanta. This mixed-income property is Phase I of the multi-phase Mechanicsville development and offers market, 50% and 60% AMI LIHTC units and PBRA units. Tenants pay all utilities except trash and no specials are being offered.

Multi-Family Lease No. 3

Property Identification

Record ID	903
Property Type	Garden & Townhomes LIHTC
Property Name	Capitol Gateway I & II
Address	89 Woodward Avenue, Atlanta, Fulton County, Georgia 30312
Location	Memorial Drive and Connally Street
On-Site Manager	Integral
Verification	Moni ; 404-586-0411, April 20, 2015; Confirmed by Ingrid Ott

Unit Mix

Unit Type	No. of Units	Size SF	Rent/Mo.	Mo. Rent/SF
1BR/1BA MKT	15	742	$960	$1.29
1BR/1BA MKT	22	772	$950	$1.23
1BR/1BA MKT	17	708	$955	$1.35
1BR/1BA MKT	23	867	$1,025	$1.18
1BR/1BA TC	24	742	$675	$0.91
1BR/1BA TC	32	772	$675	$0.87
1BR/1BA TC	25	708	$675	$0.95

Multi-Family Lease No. 3 (Cont.)

1BR/1BA TC	25	867	$675	$0.78
2BR/1BA MKT	24	910	$1,270	$1.40
2BR/2BA MKT	1	978	$1,170	$1.20
2BR/2BA MKT	6	1,031	$1,320	$1.28
2BR/2BA MKT	30	1,047	$1,320	$1.26
2BR/2BA MKT	11	1,050	$1,320	$1.26
2BR/2.5BA M	6	1,178	$1,420	$1.21
3BR/2.5BA M	3	1,319	$1,760	$1.33
2BR/1BA TC	35	910	$775	$0.85
2BR/2BA TC	7	978	$775	$0.79
2BR/2BA TC	11	1,031	$775	$0.75
2BR/2BA TC	41	1,047	$775	$0.74
2BR/2BA TC	16	1,050	$775	$0.74
2BR/2BA TC	2	1,064	$775	$0.73
2BR/2.5BA TC	8	1,178	$775	$0.66
2BR/2.5BA TC	3	1,319	$775	$0.59
3BR/2BA MKT	3	1,258	$1,420	$1.13
3BR/2BA MKT	5	1,314	$1,420	$1.08
3BR/2BA TC	9	1,258	$853	$0.68
3BR/2BA TC	14	1,314	$853	$0.65
4BR/2BA TC	3	1,447	$913	$0.63

Occupancy 94%
Total Units 421 269 (Ph. I), 152 (Ph. II)
Unit Size Range 708 - 1447
Avg. Unit Size 937
Avg. Rent/Unit $910
Avg. Rent/SF $0.97

Net SF 394,643

Physical Data
Construction Type Brick and Hardi-Plank
Electrical Adequate
HVAC Adequate
Stories Three
Utilities with Rent Trash Collection
Unit Amenities Patios/Balconies, Ceiling Fans, Vaulted Ceilings, Icemakers, Washer/Dryer Connections, Washer/dryer in units
Project Amenities Outdoor Pool, Clubhouse, Sports Court, Exercise/Fitness
Parking Surface
Year Built 2006
Condition Excellent

Remarks

This property represents the 34-acre Capitol Homes HOPE VI Revitalization Area, a mixed-income, mixed-use development. Construction of Phase II of this complex was completed in December 2007. The site is located in an urban area less than a mile southeast of the Atlanta CBD and just north of Interstate 20. The property is subject to requirements under the Low Income Housing Tax Credit (LIHTC) program and includes rent restrictions. Note market rents shown are complex 'market' rents. The complex uses these rents as a basis for a daily computation (using an LRO type system) involving market surveys to set rental amounts. Complex is offering a temporary special of $200 off the first month's rent with a 12 month lease (equates to $17/month deduction).

Multi-Family Lease No. 4

Property Identification

Record ID	823
Property Type	Garden & Townhomes LIHTC
Property Name	The Villages at Castleberry Hill
Address	600 Greensferry Avenue, Atlanta, Fulton County, Georgia 30314
Location	Downtown Atlanta
Management Co.	H J Russell
Verification	Leasing Agent Satara Tyler; 404-523-1330, April 23, 2015; Confirmed by Ingrid Ott

Unit Mix

Unit Type	No. of Units	Size SF	Rent/Mo.	Mo. Rent/SF
1BR/1BA MKT	32	710	$830	$1.17
1BR/1BA MKT	32	799	$830	$1.04
1BR/1BA LIHTC	34	710	$690	$0.97
2BR/1BA MKT	32	890	$860	$0.97
2BR/1BA LIHTC	32	890	$715	$0.80
2BR 2BA MKT	32	947	$900	$0.95

Multi-Family Lease No. 4 (Cont.)

2BR 2BA LIHTC	32	947	$750	$0.79
2BR 2BA MKT	32	1,064	$900	$0.85
2BR 2BA LIHTC	32	1,064	$750	$0.70
2BR 2BA MKT	32	1,093	$900	$0.82
2BR 2BA LIHTC	32	1,093	$750	$0.69
2B/2.5BA MKT	16	1,188	$1,265	$1.06
3BR 2BA MKT	32	1,138	$1,095	$0.96
3BR 2BA TC	32	1,138	$850	$0.75
2B/2.5BA TC TH	16	1,188	$890	$0.75

Occupancy	94% Occupied / 95% Leased
Total Units	450
Unit Size Range	710 - 1188
Avg. Unit Size	975
Avg. Rent/Unit	$849
Avg. Rent/SF	$0.87
Net SF	438,892

Physical Data

Construction Type	Brick/Vinyl
Electrical	Assumed Adequate
HVAC	Assumed Adequate
Stories	2/3
Utilities with Rent	Trash Collection, Water/Sewer Billed at flat rate $35/$40/$45
Unit Amenities	Patios/Balconies, Vaulted Ceilings, Security System, Washer/Dryers
Project Amenities	2 Outdoor Pools, Clubhouse, Exercise/Fitness, Gated Entry, Daycare, Playgrounds
Parking	Surface
Year Built	1998-2000
Condition	Average to Good

Remarks

This is the redevelopment of the John Hope public housing project. This project comprises the block at the southwest corner of Northside Drive and Greensferry Avenue, just southwest of downtown Atlanta. It consists of 450 total units. The property is subject to the requirements of the Low Income Housing Tax Credit Program with rent restrictions imposed on 60% of the units. The 284-unit Phase II achieved stabilized occupancy in September 2000 at a rate of approximately 30 units per month. Additional amenities for Phase II included two activity/community centers, pool, ball field, tennis courts and playgrounds. The 2BR/2.5BA units are townhomes and include a fireplace and garage. Individual unit totals are appraiser estimates based on conversations with agent. No specials are being offered at present.

Multi-Family Lease No. 5

Property Identification	
Record ID	1670
Property Type	Garden & Townhomes LIHTC
Property Name	Ashley Collegetown, Phase II
Address	387 Jospeh E. Lowery Boulevard, Atlanta, Fulton County, Georgia 30310
Location	Central Atlanta
Owner	Integral
On-Site Manager	Yes
Management Co.	Integral
Verification	Integral Property Manager Patricia Harvey; 404-755-8177, April 23, 2015; Confirmed by Ingrid Ott

Unit Mix

Unit Type	No. of Units	Size SF	Rent/Mo.	Mo. Rent/SF
1/1 MKT	18	730	$925	$1.27
1/1 TC/PBRA	3	730	$709	$0.97
1/1 TC/AA	7	730	$645	$0.88

Multi-Family Lease No. 5 (Cont.)

1/1 TC	4	756	$645	$0.85
1/1 MKT	7	820	$1,050	$1.28
1/1 TC/AA	21	820	$645	$0.79
2/2 MKT	1	989	$1,015	$1.03
2/2 MKT	30	1,073	$1,015	$0.95
2/2 PBRA/TC	1	1,073	$842	$0.78
2/2 TC/AA	28	1,073	$736	$0.69
2/2 MKT	8	1,223	$1,250	$1.02
2/2 TC/AA	10	1,223	$736	$0.60
2/2 MKT	1	1,250	$1,390	$1.11
2/2 TC/AA	1	1,250	$736	$0.59
2/2.5 MKT	1	1,300	$1,310	$1.01
2/2.5 TC/AA	10	1,300	$736	$0.57
2/2 PBRA/TC	1	1,314	$842	$0.64
2/2 TC/AA	9	1,314	$736	$0.56
3/2.5TH MKT	3	1,594	$1,370	$0.86
3/2.5TH TC/PBRA	3	1,594	$1,100	$0.69
3/2.5 TC/AA	9	1,594	$811	$0.51
2/2 Model	1	989		

Occupancy	96% Physcial/98% Leased
Rent Premiums	No
Total Units	177
Unit Size Range	730 - 1594
Avg. Unit Size	1,060
Avg. Rent/Unit	$848
Avg. Rent/SF	$0.80
Net SF	187,573

Physical Data

Construction Type	Brick/HardiePlank
Electrical	Assumed Adequate
HVAC	Assumed Adequate
Stories	3/4
Utilities with Rent	Trash Collection
Unit Amenities	Patios/Balconies, Security System, Microwaves, Washer/Dryers
Project Amenities	Outdoor Pool, Clubhouse, Exercise/Fitness, Playgrounds
Parking	Surface
Year Built	2009
Condition	Good

Remarks

Ashley Collegetown, Phase II Apartments is a 177-unit, Class-B, mixed-income apartment development, built in 2009. The unit mix consists of one-, two- and three bedroom floor plans ranging in size from 730 to 1,594 square feet with an average unit size of 1,059 square feet. Complex amenities (for the overall Collegetown development) include a two-story leasing/management office with business center and fitness center, a swimming pool and several playgrounds and outdoor common areas. The property is currently 99% occupied and 100% pre-leased. The subject is in average to good condition. The subject is a mixed-income property that includes PBRA, public housing, tax credit, and market rate units. Currently, there are no specials being offered. Phase II has microwaves.

Multi-Family Lease No. 6

Property Identification

Record ID	284
Property Type	Garden & Townhomes
Property Name	The Prato @ Midtown (FKA Post Renaissance)
Address	400 Central Park Place NE, Atlanta, Fulton County, Georgia 30308
Location	Downtown Atlanta
Tax ID	14 0050 LL0183
Management Co.	Fairfield Residential
Verification	Property Manager Steve Malek; 877 781 6412, April 23, 2015; Confirmed by Ingrid Ott

Unit Mix

Unit Type	No. of Units	Size SF	Rent/Mo.	Mo. Rent/SF
Studio (Av)	40	563	$1,055	$1.87
1 BR/1 BA (Av)	31	573	$1,075	$1.88
1 BR/1 BA	15	705	$1,055	$1.50
1BR/1 BA	15	748	$1,120	$1.50
1BR/1 BA	15	809	$1,300	$1.61

Multi-Family Lease No. 6 (Cont.)

1BR/1 BA	15	925	$1,285	$1.39
1BR/1BA	15	960	$1,330	$1.39
1 BR/1BA	15	789	$1,295	$1.64
1BR/1BA	15	865	$1,290	$1.49
2BR/1 BA	18	952	$1,300	$1.37
2BR/2BA	18	1,073	$1,450	$1.35
2BR/2BA	18	1,141	$1,450	$1.27
2BR/2BA	18	1,157	$1,450	$1.25
2BR/2BA	18	1,171	$1,450	$1.24
2BR/2BA	18	1,259	$1,450	$1.15
2BR/2BA	18	1,219	$1,450	$1.19
2BR/2BA	18	1,301	$1,595	$1.23
2BR/2BA TH	16	1,496	$1,975	$1.32
3BR/2BA	6	1,381	$2,200	$1.59

Occupancy	92% Occ., 99% Leased
Total Units	342
Unit Size Range	563 - 1496
Avg. Unit Size	954
Avg. Rent/Unit	$1,343
Avg. Rent/SF	$1.41
Net SF	326,434

Physical Data

No. of Buildings	7
Construction Type	Wood frame w/wood siding
Electrical	Assumed Adequate
HVAC	Assumed Adequate
Stories	3 to 4
Utilities with Rent	All utilities third-party billed
Unit Amenities	Patios/Balconies, Fire places, Ceiling Fans, Screen Porches, Vaulted Ceilings, Security System, Washer/Dryer Connections, Microwaves, 9'-10' ceilings Micro in renovated units only
Project Amenities	2 Outdoor Pools, Outdoor Tennis, Clubhouse, Laundry, Exercise/Fitness, Covered Parking, Gated, Car Wash
Year Built	1992
Condition	Good

Remarks

The property has new management and units are being substantially renovated as they turn over. Rents vary considerably between renovated and non-renovated units. The property is also installing washers and dryers in units on a rolling basis. The rents shown above reflect rents for renovated units with washer and dryer appliances. Other amenities that are not shown above include billiards, picnic area, vegetable garden and bark park. Rent premiums are also charged for fireplaces, sunrooms, decks, specific locations and views within the complex. Typical lease terms are six and 12 months. Covered parking is provided free. Storage rates run from $20 to $75 depending on size.

The agent was able to identify total numbers of studio (40), 1BR (136), 2BR (160) and 3BR (6) units but not a full breakout by specific square footage type. They also said the property has about 25 different floor plans. The individual numbers by SF figures shown are manager/appraiser estimates.

Multi-Family Lease No. 7

Property Identification

Record ID	1324
Property Type	Garden
Property Name	Camden Vantage (former Alexan 360)
Address	180 Jackson Street, NE, Atlanta, Fulton County, Georgia 30312
Location	East downtown (Old Fourth Ward)
Tax ID	14 004600071024
On-Site Manager	Yes
Management Co.	Camden
Verification	Minju Curry; 404-221-0360, April 23, 2015; Confirmed by Ingrid Ott

Unit Mix

Unit Type	No. of Units	Size SF	Rent/Mo.	Mo. Rent/SF
Studio	107	656	$1,109	$1.69
1BR/1BA	116	756	$1,279	$1.69
1BR/1BA	71	831	$1,329	$1.60
1BR/1BA	47	843	$1,180	$1.40
1BR/1BA	20	845	$1,190	$1.41

Multi-Family Lease No. 7 (Cont.)

1BR/1BA	20	884	$1,339	$1.51
2BR/2BA	49	1,046	$1,459	$1.39
2BR/2BA	65	1,149	$1,559	$1.36
2BR/2BA	60	1,152	$1,659	$1.44
2BR/2BA	37	1,277	$1,729	$1.35

Occupancy	95% Physical/90% Leased
Total Units	592
Unit Size Range	656 - 1277
Avg. Unit Size	901
Avg. Rent/Unit	$1,358
Avg. Rent/SF	$1.51
Net SF	533,398

Physical Data

Construction Type	Wood Frame/Brick & Stucco Veneer
Electrical	Assumed Adequate
HVAC	Assumed Adequate
Stories	6
Unit Amenities	Patios/Balconies, Ceiling Fans, Microwaves, Washer/Dryers provided
Project Amenities	2 Outdoor Pools, Clubhouse, Exercise/Fitness, Bus Cntr, Gated, Parking Deck, Storage
Year Built	2009
Condition	Good

Remarks

This is a Class-A apartment development located along Jackson Street, just north of Downtown Atlanta, Fulton County, Georgia. The development was built in 2009 and features 592 studio, one- and two-bedroom floorplans. It stabilized in August 2011. The leasing agent reported no concessions (complex uses Yieldstar daily averaging system). Tenants are responsible for all utilities, with water/sewer billed by usage and all tenants paying a mandatory $30 per month valet trash charge in addition to rent. Complex amenities include a swimming pool, fitness center, resident lounge at a one-time $50 charge and covered parking for a $100 one-time charge. Storage is available for $45 to $65 per month. This complex does not have any ground-level retail or restaurant space. FKA Alexan 360, it sold September 13, 2013 to Camden Vantage LLC for $82,500,000 or $139,358 per unit.

Multi-Family Lease No. 8

<u>Property Identification</u>

Record ID	232
Property Type	Mid-rise
Property Name	City Plaza
Address	133 Trinity Avenue, Atlanta, Fulton County, Georgia
Location	West of Trinity, North of Mitchell
Management Co.	JMG Realty
Verification	Kim Swanigan; 404 681 4750, April 24, 2015; Confirmed by Ingrid Ott

<u>Unit Mix</u>

Unit Type	No. of Units	Size SF	Rent/Mo.	Mo. Rent/SF
1 BR/1 BA	1	698	$925	$1.33
1BR/1BA	51	707	$925	$1.31
1BR/1BA	8	715	$925	$1.29
1BR/1BA	15	777	$975	$1.25
2BR/2BA	79	967	$1,125	$1.16
2BR/2BA	4	1,087	$1,200	$1.10
2BR/2BA	4	1,087	$1,300	$1.20
2BR/2BA PH	2	1,268	$1,600	$1.26

	Multi-Family Lease No. 8 (Cont.)
Occupancy	94% occ / 95% preleased
Total Units	164
Unit Size Range	698 - 1268
Avg. Unit Size	864
Avg. Rent/Unit	$1,050
Avg. Rent/SF	$1.21
Net SF	141,755

Physical Data

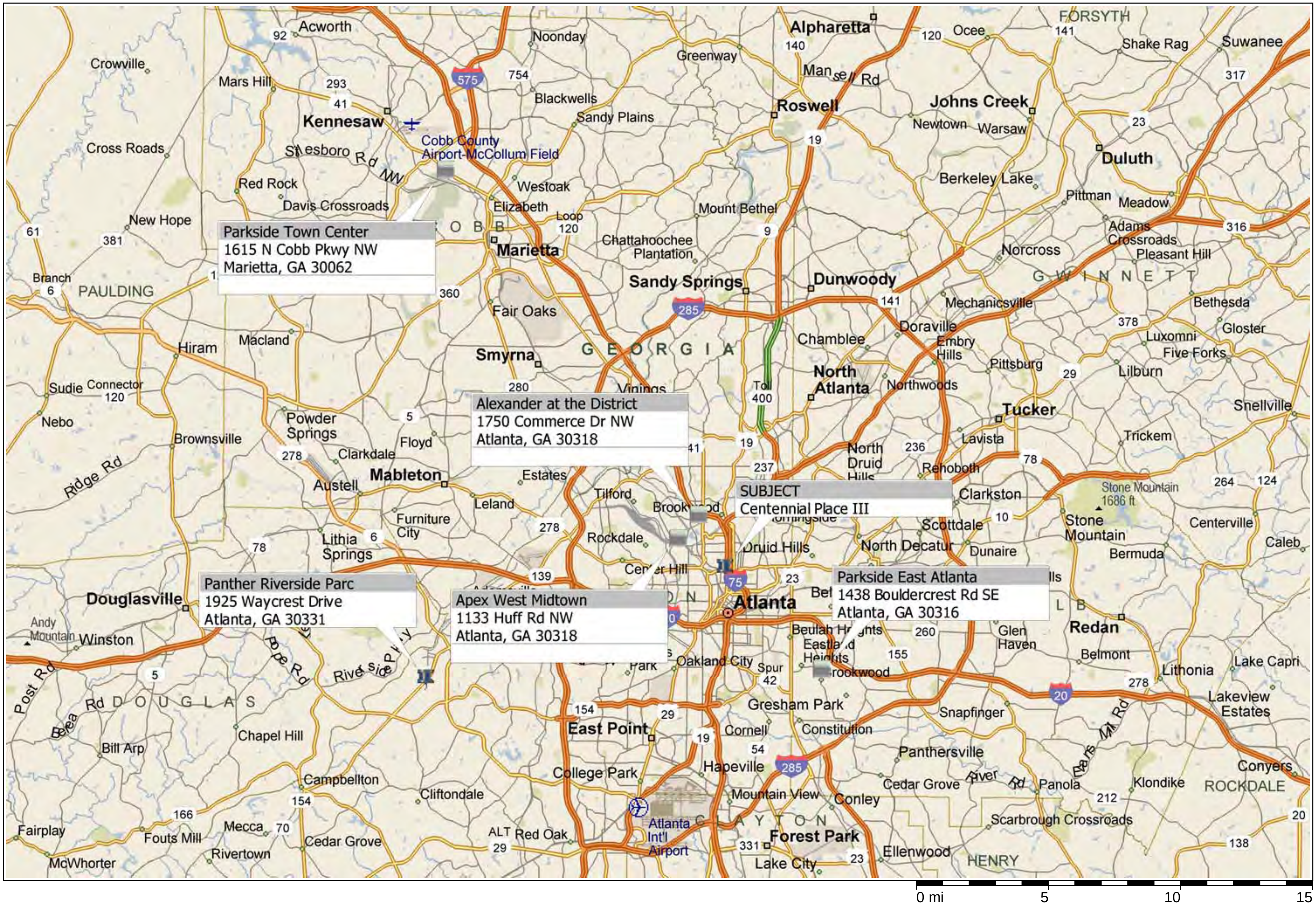
Construction Type	Masonry on concrete slab
Electrical	Assumed adequate
HVAC	Assumed adequate
Stories	6
Utilities with Rent	Trash Collection, W/S/T billed $25 per adult occupant
Unit Amenities	Patios/Balconies, Security System, Microwaves, Washer/dryer, refrigerator
Project Amenities	Clubhouse, Exercise/Fitness, Gated
Parking	No on-site parking
Year Built	1996
Condition	Good

Remarks

This complex is situated in downtown Atlanta, near the Atlanta government center, and major sports attractions. There is no on-site parking. There is a public parking garage next door and tenants receive reduced monthly rates. They are currently offering no specials.

ADDENDUM G – IMPROVED SALE COMPARABLES / LOCATION MAP

Improved Sales



Multi-Family Sale No. 1

<u>Property Identification</u>

Record ID	1089
Property Type	Garden
Property Name	Panther Riverside Parc
Address	1925 Waycrest Drive, Atlanta, Fulton County, Georgia 30331

<u>Sale Data</u>

Grantor	Riverside Apartments, LLC
Grantee	Panther Atlanta / Astoria Riverside, LLC
Sale Date	January 16, 2015
Deed Book/Page	54548-0516
Property Rights	Fee Simple
Marketing Time	6 Months
Conditions of Sale	Arms Length
Financing	Conventional
Verification	Tyler Averitt - MHA; 404-442-5600, May 11, 2015; Confirmed by Jon Reiss

Sale Price $27,620,000

<u>Land Data</u>

Land Size 10.360 Acres or 451,282 SF

<u>Unit Mix</u>

Unit Type	No. of Units	Size SF	Rent/Mo.	Mo. Rent/SF
1/1	28	795		
1/1	70	908		
2/2	44	1,051		
2/2	103	1,129		
3/2	35	1,350		

Total Units 280

Avg. Unit Size 1,055

Multi-Family Sale No. 1 (Cont.)

Net SF	295,601

General Physical Data

Construction Type	Brick/HardiePlank
Electrical	Assumed Adequate
HVAC	Assumed Adequate
Parking	Surface/Garages
Stories	3/4
Unit Amenities	Patios/Balconies, Ceiling Fans, Security System, Icemakers, Washer/Dryer Connections, Microwaves
Project Amenities	Outdoor Pool, Clubhouse, Exercise/Fitness
Year Built	2009
Condition	Very Good

Income Analysis

Net Operating Income	$1,723,490

Indicators

Sale Price/Leasable SF	$93.44
Sale Price/Unit	$98,643
Occupancy at Sale	97%
Overall or Cap Rate	6.24%
NOI/SF	$5.83 Leasable
NOI/Unit	$6,155

Remarks

This is the sale of a 280-unit, Class-A, market-rate apartment development located in southwest Atlanta, Fulton County, GA. The property was 97% occupied at the time of sale and sold at a 6.24% overall rate based on income and expenses in place at the time of sale (T-12). The property was on the market for approximately six months prior to going under contract. This was an arm's length transaction.

Multi-Family Sale No. 2

<u>Property Identification</u>	
Record ID	1076
Property Type	Garden & Townhomes
Property Name	Parkside at East Atlanta (Ashford East Village)
Address	1438 Bouldercrest Road, Atlanta, DeKalb County, Georgia 30316
Tax ID	Multiple
<u>Sale Data</u>	
Grantor	Parkside at East Atlanta, LLC
Grantee	Ashford East Village, LLC
Sale Date	December 02, 2014
Deed Book/Page	24686-0458
Property Rights	Fee Simple
Marketing Time	137 Days
Conditions of Sale	Arms Length
Financing	Conventional
Sale History	Sold For $10,700,000 In 2002
Verification	Tyler Averitt - MHA; 404-442-5600, February 24, 2015; Other sources: CoStar, Confirmed by Jon Reiss

Multi-Family Sale No. 2 (Cont.)

Sale Price	$26,025,650
<u>Land Data</u>	
Land Size	34.810 Acres or 1,516,324 SF
Avg. Unit Size	993
Net SF	332,070
<u>General Physical Data</u>	
Construction Type	Brick
Electrical	Assumed Adequate
HVAC	Assumed Adequate
Parking	Surface
Stories	2
Unit Amenities	Patios/Balconies, Ceiling Fans
Project Amenities	Outdoor Pool, Clubhouse, Sports Court, Exercise/Fitness, Gated
Year Built	1966
Condition	Very Good
<u>Income Analysis</u>	
Net Operating Income	$1,509,490
<u>Indicators</u>	
Sale Price/Leasable SF	$78.37
Sale Price/Unit	$80,825
Occupancy at Sale	95%
Overall or Cap Rate	5.8%
NOI/SF	$4.55 Leasable
NOI/Unit	$4,688

<u>Remarks</u>

This Class-B market rate property is located along Bouldercrest Road in southeast Atlanta, DeKalb County, Georgia. Originally built in 1966, this complex was re-built from the studs in 2013. It has an extensive amenity package including a saltwater swimming pool, sports courts, fitness center and lake. The property is comprised of 82 individually deeded parcels which could be sold off separately. The complex was on the market for 137 days prior to going under contract and sold at a 5.80% overall cap rate based on income and expenses in place at the time of sale. The new owners changed the name from Parkside at East Atlanta to Ashford East Village.

Multi-Family Sale No. 3

<u>Property Identification</u>	
Record ID	983
Property Type	Garden/Carriage/Loft
Property Name	Parkside at Town Center
Address	1615 Cobb Parkway NW, Marietta, Cobb County, Georgia 30062
<u>Sale Data</u>	
Grantor	Sterling Parkside Apartments NF, LLC
Grantee	Parkside (CA) Apartments, LLC
Sale Date	March 12, 2014
Property Rights	Fee Simple
Marketing Time	30 Days
Conditions of Sale	Arms Length
Sale History	Sold For $22,550,000 in March 2005
Verification	Kevin Geiger - CBRE; 404-923-1422, January 27, 2014; Other sources: Offering Memorandum, Confirmed by Jon Reiss
Sale Price	$27,200,000
<u>Land Data</u>	
Land Size	19.300 Acres or 840,708 SF

Multi-Family Sale No. 3 (Cont.)

Avg. Unit Size	1,177
Net SF	275,434

General Physical Data

No. of Buildings	10
Construction Type	HardiePlank/Brick
Electrical	Assumed Adequate
HVAC	Assumed Adequate
Parking	Surface And Detached Garages
Stories	3/4
Utilities with Rent	Trash Collection
Unit Amenities	Patios/Balconies, Fire places, Ceiling Fans, Security System, Icemakers, Washer/Dryer Connections, Microwaves
Project Amenities	Outdoor Pool, Outdoor Tennis, Clubhouse, Laundry, Exercise/Fitness
Year Built	2002
Condition	Very Good

Income Analysis

Effective Gross Income	$2,702,870
Expenses	$1,245,350
Net Operating Income	$1,457,520

Indicators

Sale Price/Leasable SF	$98.75
Sale Price/Unit	$116,239
Occupancy at Sale	96%
EGIM	10.06
Expenses/SF	$4.52 Leasable
Expenses/Unit	$5,322
Expenses as % of EGI	46.08%
Overall or Cap Rate	5.36%
NOI/SF	$5.29 Leasable
NOI/Unit	$6,229

Remarks

This is the sale of the 234-unit, Class-A Parkside at Town Center, which is located in the northwest metropolitan Atlanta community of Marietta. The complex was built in 2002 and is in very good condition. Financial indicators are based on trailing-12 income and expenses not including reserves. The property was on the market for less than 30 days with no list price prior to going under contract.

Multi-Family Sale No. 4

<u>Property Identification</u>	
Record ID	1012
Property Type	Mid-rise
Property Name	Apex West Midtown
Address	1133 Huff Road, Atlanta, Georgia 30318
Location	West Downtown Atlanta
Tax ID	17 -0188-0003-071
<u>Sale Data</u>	
Grantor	Tama XII, LLC
Grantee	VR Apex Holdings LP
Sale Date	February 28, 2014
Deed Book/Page	53597/437
Property Rights	Fee Simple
Financing	Debt Assumption
Verification	Kevin Geiger; 404-923-1422, July 05, 2014
Sale Price	$49,375,000
Cash Equivalent	$49,375,000
<u>Land Data</u>	
Land Size	6.260 Acres or 272,686 SF
Zoning	I-2
Shape	Basically rectangular

Unit Mix

Unit Type	No. of Units	Size SF	Rent/Mo.	Mo. Rent/SF
Studio	68	626	$850	$1.36
1/1	34	864	$900	$1.04
1/1	34	953	$973	$1.02
2/1	97	1,090	$1,127	$1.03

Multi-Family Sale No. 4 (Cont.)

2/2	48	1,256	$1,228	$0.98
2/2	49	1,314	$1,313	$1.00
3/2	10	1,424	$1,700	$1.19

Total Units	340
Avg. Unit Size	1,026
Avg. Rent/Unit	$1,091
Avg. Rent/SF	$1.06
Net SF	348,990

General Physical Data

Construction Type	Wood Frame with masonry
Parking	Covered and Surface
Stories	4
Utilities with Rent	Utilities Individually Metered, Valet trash
Unit Amenities	Patios/Balconies, Ceiling Fans, Security System, Microwaves, Washers and Dryers
Project Amenities	Clubhouse, Exercise/Fitness, Business Center
Year Built	2009
Condition	Good

Income Analysis

Net Operating Income	$3,332,810

Indicators

Sale Price/Gross SF	$141.48
Sale Price/Unit	$145,221
Occupancy at Sale	98
Overall or Cap Rate	6.75%
NOI/SF	$9.55 Gross
NOI/Unit	$9,802

Remarks

This apartment complex includes 24,000 SF of ground-level retail space, fully leased at the time of sale. The residential units were 98% leased at sale. The sale price was reportedly influenced by transaction/financing terms. The assumed loan was at an interest rate above current market and influenced the sale price.

Multi-Family Sale No. 5

Property Identification

Record ID	646
Property Type	Midrise
Property Name	Alexander at the District
Address	1750 Commerce Street NW, Atlanta, Fulton County, Georgia 30318
Tax ID	17 -0152-0012-025

Sale Data

Grantor	The Alexander at the District LLC
Grantee	ACIF I Alexander, LLC
Sale Date	January 31, 2014
Deed Book/Page	53570/431
Property Rights	Fee Simple
Marketing Time	0 months
Conditions of Sale	Arms Length
Financing	Cash to Seller
Sale Price	$44,800,000
Cash Equivalent	$44,800,000

Land Data

Land Size	5.490 Acres or 239,144 SF
Zoning	C-1
Shape	Irregular

Unit Mix

Unit Type	No. of Units	Size SF	Rent/Mo.	Mo. Rent/SF
1/1	30	705	$1,120	$1.59
1/1	68	805	$1,160	$1.44
1/1	47	910	$1,220	$1.34
2/2	44	1,105	$1,425	$1.29
2/2	4	1,120	$1,435	$1.28
2/2	11	1,342	$1,650	$1.23

Multi-Family Sale No. 5 (Cont.)

Unit Type	No. of Units	Size SF	Rent/Mo.	Mo. Rent/SF
2/2	40	1,195	$1,475	$1.23
2/2	8	1,205	$1,535	$1.27
2/2	28	1,240	$1,510	$1.22

Total Units	280
Avg. Unit Size	995
Avg. Rent/Unit	$1,321
Avg. Rent/SF	$1.33
Net SF	278,682

General Physical Data

Construction Type	Wood Frame with masonry
Electrical	Adequate
HVAC	Individual
Parking	Covered and Surface
Stories	4
Ceiling Height	9 foot
Utilities with Rent	Utilities Individually Metered
Unit Amenities	Patios/Balconies, Ceiling Fans, Microwaves, Washer/Dryers
Project Amenities	Outdoor Pool, Exercise/Fitness, Business Center, Alarms, Concierge, Game Room
Year Built	2007
Condition	Very Good

Income Analysis

Potential Gross Income	$4,439,640
Vacancy	$306,335
Effective Gross Income	$4,133,310
Expenses	$1,624,510
Net Operating Income	$2,508,800

Indicators

Sale Price/Gross SF	$160.76
Sale Price/Unit	$160,000
Occupancy at Sale	92.1
PGIM	10.09
EGIM	10.84
Expenses/SF	$5.83 Gross
Expenses/Unit	$5,802
Expenses as % of PGI	36.59%
Expenses as % of EGI	39.30%
Overall or Cap Rate	5.6%
NOI/SF	$9.00 Gross
NOI/Unit	$8,960

Remarks

This Class-A, midrise apartment complex sold without being marketed. The buyer approached the seller and the transaction was completed without broker involvement. The parties have worked together in the past, but the transaction was considered arms-length at market price.

The property is located just south of I-75, west of the Northside Drive interchange in a desirable area north of downtown.

EHA

EVERSON, HUBER & ASSOCIATES, LC

Commercial Real Estate Services

3535 Roswell Road, Suite 55
Marietta, Georgia 30062
Phone: (770) 977-3000
Fax: (770) 977-3490

Web Site: www.ehalc.com

PRINCIPALS
Larry A. Everson, MAI, CCIM
Stephen M. Huber

ASSOCIATES
Timothy P. Huber
Douglas M. Rivers
Ingrid N. Ott
Jon A. Reiss
George H. Corry III
A. Mason Carter

ADMINISTRATIVE
Pauline J. Hines

February 25, 2015

Mr. Trey Williams
Development Director
The Integral Group LLC
191 Peachtree St., NE, Suite 4100
Atlanta, GA 30303

Centennial Place Partnership III, L.P.

RE: Appraisal Report of the existing
Centennial Place Apartments - Phase III (185 Units)
526 Centennial Olympic Dr. 248 Merritts Ave
Atlanta, Fulton County, GA 30071

Dear Mr. Williams:

At your request, we are pleased to submit this letter of engagement to provide an appraisal report for the above listed property in Atlanta, GA. The subject phase III is proposed for extensive renovation. The appraisal will be presented in a comprehensive narrative format that meets the requirements of the Georgia Department of Community Affairs (DCA) as stipulated in the 2015 Qualified Allocation Plan (QAP). The report is to be used in conjunction with a low income housing tax credit application.

Our fee is $5,000, with half ($2,500) due in advance and the balance within 30 days of completion of the Appraisal Report. We will initially provide an electronic draft report in four weeks or less, to be followed by up to four (4) hard copies of the appraisal upon request. Timely delivery of the appraisal is dependant on receipt of the signed engagement letter, retainer, and information required to complete the assignment. An information request list will be provided upon engagement.

Our compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event, such as the approval of a loan. If, for whatever reason, financing should not occur, our fee will still be due and payable upon completion of the assignment.

Additional work requested by the client beyond the appraisal will be billed at our prevailing hourly rate. This includes, but is not limited to, preparation for court testimony, depositions, or other proceedings relevant to our value opinion, and actual time devoted to the proceeding.

EHA

EVERSON, HUBER & ASSOCIATES, LC

Commercial Real Estate Services

The report will be prepared in conformity with, and will be subject to, the requirements of the Code of Professional Ethics and Standards of Professional Conduct of the Appraisal Institute. The reports will also conform to the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation.

Please authorize us to proceed by signing below and returning the document back to us via email (shuber@ehalc.com) or fax (770-977-3490). Information required to complete the assignment may be forwarded to the above address. If you have any questions or wish to discuss this proposal please call Steve Huber at 770-977-3000, extension 302.

We appreciate the opportunity to be of service to you on this assignment.

Respectfully submitted,

EVERSON, HUBER & ASSOCIATES, LC

Stephen M. Huber

Stephen M. Huber, Principal
Certified General Real Property Appraiser
Georgia Certificate No. CG001350

AGREED AND ACCEPTED

Signature: Trey Williams — Title: Development Director

Name (type or print): Trey Williams — Date: 2/27/15

QUALIFICATIONS OF
STEPHEN M. HUBER
EVERSON, HUBER & ASSOCIATES, LC

3535 Roswell Road, Suite 55, Marietta, Georgia 30062
(770) 977-3000, Ext. 302
Fax: (770) 977-3490
E-mail: shuber@ehalc.com

EXPERIENCE

Twenty-five years appraisal experience as an independent fee appraiser with regional and national firms based in Atlanta, Georgia. Partner of Everson, Huber & Associates, LC since establishment in January 1995. Prior employers were CB Commercial Real Estate Group, Inc. - Appraisal Services (1991-1995), and McColgan & Company, Inc. (1986-1991). Appraisals have been performed on virtually all types of commercial real estate located throughout the eastern portion of the nation. Property types appraised include apartments, condominiums, subdivisions, hotels, industrial, office, and retail. Numerous major and secondary markets have been visited, including such cities as Atlanta, Augusta, Birmingham, Charlotte, Charleston, Chattanooga, Cincinnati, Columbus, Columbia, Huntsville, Knoxville, Louisville, Macon, Memphis, Miami, Mobile, Montgomery, Nashville, Orlando, Raleigh, Richmond, Savannah, Tampa, Tallahassee, and Washington D.C. Appraisal assignments have been prepared for financial institutions, government entities, insurance companies, portfolio advisors, private investors, and owners.

CERTIFICATION

Certified General Real Property Appraiser: State of Georgia - Certificate Number CG001350
Certified General Real Property Appraiser: State of Alabama - Certificate Number C00625
Certified General Real Property Appraiser: State of Tennessee - Certificate Number 3855

EDUCATION

Bachelor of Science in Business Administration, Major in Finance,
Bowling Green State University, Bowling Green, Ohio

Appraisal Institute courses and seminars completed are as follows:

Course 1A-1	Basic Appraisal Principles
Course 1A-2	Basic Valuation Procedures
Course 1B-A	Capitalization Theory & Techniques, Part A
Course 1B-B	Capitalization Theory & Techniques, Part B
Course 2-1	Case Studies in Real Estate Valuation
Course 2-2	Report Writing and Valuation Analysis
Course 410	Standards of Professional Practice, Part A (USPAP)
Course 420	Standards of Professional Practice, Part B
Seminar	Rates, Ratios, and Reasonableness
Seminar	Demonstration Appraisal Report Writing - Nonresidential
Seminar	Computerized Income Approach to Hotel/Motel Market Studies and Valuations
Seminar	Affordable Housing Valuation

Continuing education courses completed during last five years include:

- 2010-2011 National USPAP
- Appraising And Analyzing Retail Shopping Centers For Mortgage Underwriting
- Subdivision Valuation
- Expert Witness Testimony
- Business Practices And Ethics – Appraisal Institute
- Appraiser Liability
- Private Appraisal Assignments
- Modular Home Appraising
- Tax Free Exchanges
- Valuation of Detrimental Conditions

PROFESSIONAL

Candidate for Designation of the Appraisal Institute

STATE OF GEORGIA

REAL ESTATE APPRAISERS BOARD

STEPHEN MICHAEL HUBER

1350

IS AUTHORIZED TO TRANSACT BUSINESS IN GEORGIA AS A

CERTIFIED GENERAL REAL PROPERTY APPRAISER

THE PRIVILEGE AND RESPONSIBILITIES OF THIS APPRAISER CLASSIFICATION SHALL CONTINUE IN EFFECT AS LONG AS THE APPRAISER PAYS REQUIRED APPRAISER FEES AND COMPLIES WITH ALL OTHER REQUIREMENTS OF THE OFFICIAL CODE OF GEORGIA ANNOTATED, CHAPTER 43-39-A. THE APPRAISER IS SOLELY RESPONSIBLE FOR THE PAYMENT OF ALL FEES ON A TIMELY BASIS.

D. SCOTT MURPHY
Chairperson

MARILYN R. WATTS
Vice Chairperson

RONALD M. HECKMAN
JEFF A. LAWSON
KEITH STONE

62117552

STEPHEN MICHAEL HUBER

#	**1350**
Status	**ACTIVE**

ORIGINALLY LICENSED
07/11/1991

END OF RENEWAL
12/31/2015

CERTIFIED GENERAL REAL PROPERTY APPRAISER

THIS LICENSE EXPIRES IF YOU FAIL TO PAY RENEWAL FEES OR IF YOU FAIL TO COMPLETE ANY REQUIRED EDUCATION IN A TIMELY MANNER.

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

WILLIAM L. ROGERS, JR.
Real Estate Commissioner

62117552

STEPHEN MICHAEL HUBER

#	**1350**
Status	**ACTIVE**

ORIGINALLY LICENSED
07/11/1991

END OF RENEWAL
12/31/2015

CERTIFIED GENERAL REAL PROPERTY APPRAISER

THIS LICENSE EXPIRES IF YOU FAIL TO PAY RENEWAL FEES OR IF YOU FAIL TO COMPLETE ANY REQUIRED EDUCATION IN A TIMELY MANNER.

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

WILLIAM L. ROGERS, JR.
Real Estate Commissioner

62117552

QUALIFICATIONS OF
TIMOTHY P. HUBER
EVERSON, HUBER & ASSOCIATES, LC
3535 Roswell Road, Suite 55
Marietta, Georgia 30062
(770) 977-3000, Ext. 305
Fax: (770) 977-3490
E-mail: thuber@ehalc.com

EXPERIENCE

Associate appraiser with Everson, Huber & Associates LC, since 1996. Prior employers include Ackerman & Company as Director of Research (1994-1996), and McColgan & Company as Research Associate (1993-1994). Appraisals have been performed on virtually all types of commercial real estate. Locations of properties appraised include 18 states, but most are concentrated in the Southeast. Major metropolitan areas include such cities as Atlanta, Augusta, Savannah, Columbus, Macon, GA; Nashville, Memphis, Knoxville, Chattanooga, Kingsport-Bristol, TN; Miami, Tampa, Orlando, Jacksonville, Pensacola, FL; Birmingham, Huntsville, Mobile, Montgomery, Tuscaloosa, AL; Columbia, Charleston, Greenville, Spartanburg, Myrtle Beach, SC; Charlotte, Raleigh, Greensboro, Durham, Winston-Salem, NC; New Orleans, Baton Rouge, Shreveport, LA; Dallas-Fort Worth, Houston, TX; Lexington, KY; Richmond, VA; St. Louis, MO; Cleveland, OH; Indianapolis, IN; and Detroit, MI. Clients have included large and small financial institutions, and government agencies.

EDUCATION

Bachelor of Science, dual Majors in Finance and Economics, Kennesaw State University, Kennesaw, Georgia.

The Appraiser Registration/Licensure Program, Georgia Institute of Real Estate. (This course fulfills the requirements of Chapter 539-2 under Rules and Regulations of the Georgia Real Estate Appraisers Board.)

Appraisal Institute courses as follows:

Course 410	Standards of Professional Practice, Part A (USPAP)
Course 420	Standards of Professional Practice, Part B
Course 400	National USPAP Update Course
Course 310	Basic Income Capitalization
Course 320	General Applications
Course 510	Advanced Income Capitalization
Course 520	Highest & Best Use and Market Analysis
Course 540	Report Writing and Valuation Analysis
Course 550	Advanced Applications

CERTIFICATION/ LICENSE

Certified General Real Property Appraiser: State of Georgia - License Number 6110
Certified General Real Property Appraiser: State of Florida - License Number RZ3001
Licensed Real Estate Salesperson: State of Georgia - License Number 174377

PROFESSIONAL

Candidate for Designation of the Appraisal Institute

STATE OF GEORGIA
REAL ESTATE APPRAISERS BOARD

TIMOTHY PATRICK HUBER

6110

IS AUTHORIZED TO TRANSACT BUSINESS IN GEORGIA AS A

CERTIFIED GENERAL REAL PROPERTY APPRAISER

THE PRIVILEGE AND RESPONSIBILITIES OF THIS APPRAISER CLASSIFICATION SHALL CONTINUE IN EFFECT AS LONG AS THE APPRAISER PAYS REQUIRED APPRAISER FEES AND COMPLIES WITH ALL OTHER REQUIREMENTS OF THE OFFICIAL CODE OF GEORGIA ANNOTATED, CHAPTER 43-39-A. THE APPRAISER IS SOLELY RESPONSIBLE FOR THE PAYMENT OF ALL FEES ON A TIMELY BASIS.

D. SCOTT MURPHY
Chairperson

SANDRA MCALISTER WINTER
Vice Chairperson

JEFF A. LAWSON
KEITH STONE
MARILYN R. WATTS

30551150

TIMOTHY PATRICK HUBER

**6110**
Status **ACTIVE**

ORIGINALLY LICENSED
06/06/1997

END OF RENEWAL
06/30/2015

CERTIFIED GENERAL REAL PROPERTY APPRAISER

THIS LICENSE EXPIRES IF YOU FAIL TO PAY RENEWAL FEES OR IF YOU FAIL TO COMPLETE ANY REQUIRED EDUCATION IN A TIMELY MANNER.

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

WILLIAM L. ROGERS, JR.
Real Estate Commissioner

30551150

TIMOTHY PATRICK HUBER

**6110**
Status **ACTIVE**

ORIGINALLY LICENSED
06/06/1997

END OF RENEWAL
06/30/2015

CERTIFIED GENERAL REAL PROPERTY APPRAISER

THIS LICENSE EXPIRES IF YOU FAIL TO PAY RENEWAL FEES OR IF YOU FAIL TO COMPLETE ANY REQUIRED EDUCATION IN A TIMELY MANNER.

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

WILLIAM L. ROGERS, JR.
Real Estate Commissioner

30551150

QUALIFICATIONS OF
INGRID OTT
EVERSON, HUBER & ASSOCIATES, LC
3535 Roswell Road, Suite 55
Marietta, Georgia 30062
(770) 977-3000, Ext. 314
E-mail: iott@ehalc.com

EXPERIENCE

Associate appraiser with Everson, Huber & Associates, LC, since September 2003. Appraisal assignments have been performed on many types of commercial real estate located throughout metro Atlanta and the southeastern United States. These property types include vacant land, apartments, HUD, age-restricted, PBRA and LIHTC apartments; medical buildings and cancer treatment centers, light manufacturing buildings, single- and multi-tenant office buildings, single- and multi-tenant warehouse/distribution buildings, hangars and airport-based businesses, entertainment complexes, hotel/motels, shopping centers, residential subdivisions, mixed-use developments, youth therapeutic camps, residential treatment centers, schools, churches, restaurants, shopping centers and freestanding retail buildings. Appraisal assignments have been prepared for financial institutions and owners.

EDUCATION

Masters of Arts, Economic Geography, University of Georgia, Athens, Georgia

Bachelor of Business Administration, Major in Marketing and Distribution, University of Georgia, Athens, Georgia

Professional courses/tests by America's Real Estate Academy (This course fulfills the requirements of Chapter 539-2 under Rules and Regulations of the Georgia Real Estate Appraisers Board.):

- Appraisal Principles
- Appraisal Applications
- USPAP

Appraisal Institute and professional courses/tests and seminars as follows:

Course 310	Basic Income Capitalization
Course 320	General Applications
Course 330	Apartment Appraisal: Concepts and Applications
Course 510	Advanced Income Capitalization
Course 520	Highest & Best Use & Market Analysis
Course 540	Report writing and Valuation Analysis

CERTIFICATION

State Certified General Real Property Appraiser: State of Georgia - Certificate Number 265709

PROFESSIONAL

Candidate for Designation of the Appraisal Institute

STATE OF GEORGIA

REAL ESTATE APPRAISERS BOARD

INGRID N OTT

265709

IS AUTHORIZED TO TRANSACT BUSINESS IN GEORGIA AS A

CERTIFIED GENERAL REAL PROPERTY APPRAISER

THE PRIVILEGE AND RESPONSIBILITIES OF THIS APPRAISER CLASSIFICATION SHALL CONTINUE IN EFFECT AS LONG AS THE APPRAISER PAYS REQUIRED APPRAISER FEES AND COMPLIES WITH ALL OTHER REQUIREMENTS OF THE OFFICIAL CODE OF GEORGIA ANNOTATED, CHAPTER 43-39-A. THE APPRAISER IS SOLELY RESPONSIBLE FOR THE PAYMENT OF ALL FEES ON A TIMELY BASIS.

D. SCOTT MURPHY
Chairperson

SANDRA MCALISTER WINTER
Vice Chairperson

RONALD M. HECKMAN
JEFF A. LAWSON
KEITH STONE
MARILYN R. WATTS

37225720

INGRID N OTT

#	**265709**
Status	**ACTIVE**

ORIGINALLY LICENSED
09/05/2003

END OF RENEWAL
07/31/2015

CERTIFIED GENERAL REAL PROPERTY APPRAISER

THIS LICENSE EXPIRES IF YOU FAIL TO PAY RENEWAL FEES OR IF YOU FAIL TO COMPLETE ANY REQUIRED EDUCATION IN A TIMELY MANNER.

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

WILLIAM L. ROGERS, JR.
Real Estate Commissioner

37225720

INGRID N OTT

#	**265709**
Status	**ACTIVE**

ORIGINALLY LICENSED
09/05/2003

END OF RENEWAL
07/31/2015

CERTIFIED GENERAL REAL PROPERTY APPRAISER

THIS LICENSE EXPIRES IF YOU FAIL TO PAY RENEWAL FEES OR IF YOU FAIL TO COMPLETE ANY REQUIRED EDUCATION IN A TIMELY MANNER.

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

WILLIAM L. ROGERS, JR.
Real Estate Commissioner

37225720