



**A MARKET VALUATION ANALYSIS OF
THE RESIDENCES AT WEST HAVEN**

Located At
**2760 HAMILTON DRIVE
Tifton, Tift County, Georgia 31793**

**Effective Date: April 29, 2015
Report Date: June 11, 2015**

Prepared For

**Mr. Wallace Davis
The Residences at West Haven, L.P.
c/o Volunteers of America Southeast
600 Azalea Road
Mobile, AL 36609-1528**

Prepared By

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June 11, 2014

Mr. Wallace Davis
The Residence of West Haven, LP
c/o Volunteers of America Southeast
600 Azalea Road
Mobile, AL 36609

Re: Market Valuation Analysis for 2760 Hamilton Drive, Tifton, Georgia 31793

Dear Mr. Davis:

We are pleased to present our findings with respect to the value of the above-referenced property, (“Subject”). As requested, we provided our opinion of the fee simple interest in the Subject site.

Our valuation report is for use by the client to include in the application for Low Income Housing Tax Credits (LIHTC). Neither this report nor any portion thereof may be used for any other purpose or distributed to third parties without the express written consent of Novogradac and Company LLP (“Novogradac”).

This valuation engagement was conducted in accordance with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, which standards incorporate the Uniform Standards of Professional Appraisal Practice (USPAP). This report is intended to comply with the reporting requirements set forth under Standard Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice for an appraisal report.

The authors of this report certify that we are not part of the development team, owner of the Subject site, general contractor, nor are we affiliated with any member of the development team engaged in the development of the Subject site or the development’s partners or intended partners.

The Residences at West Haven, L.P. is the client in this engagement. The Georgia Department of Community Affairs (DCA) is an authorized user and may rely on the representations made herein. We understand that they will use this document to assist in obtaining LIHTC, HOME funds, and/or other financing. Intended users are those transaction participants who are interested parties and have knowledge of the Section 42 LIHTC program. These could include local housing authorities, state allocating agencies, state lending authorities, LIHTC construction and permanent lenders, and LIHTC syndicators. As our client, The Residences at West Haven, L.P. owns this report and permission must be granted from them before another third party can use this document. We assume that by reading this report another third party has accepted the terms of the original engagement letter including scope of work and limitations of liability. We are prepared to modify this document to meet any specific needs of the potential users under a separate agreement.

We performed a market study of the multifamily project proposed for development on the Subject site in April 2015. We have performed no other services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

As a result of our investigation and analysis, it is our opinion that, subject to the limiting conditions and assumptions contained herein, our opinion of the as is market value of the fee simple interest in the Subject as-if vacant, free and clear of financing, and encumbered by LURA or other development restrictions, as of April 29, 2015 is:

TWO HUNDRED SIXTY THOUSAND DOLLARS
(\$260,000)

The concluded land value of \$260,000 is reasonably consistent with the reported contract price of \$240,000, although the contract is reportedly based on an internal negotiation.

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

Respectfully submitted,

Novogradac & Company LLP



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INTRODUCTION

INTRODUCTION

Property Identification

According to information provided by the Tift County Tax Assessor's Office, the property appraised consists of a 4.82 acre site located approximately 0.2 miles south of Hamilton Drive in Tifton, Tift County, Georgia. More specifically, the Subject is located immediately south of West Haven Senior Village, a newly constructed multifamily property. The property is further identified as tax parcel number 0046 029B and shown on the subsequent tax plat.



Ownership History

According to the Tift County Tax Assessor's Office the Subject is currently owned by Peach Way Holdings, LLC. The property last sold on December 1, 2008 for \$200,000. A review of the sales history for the parcel on the tax assessor's website indicates that the property has not transferred in the past three years. The Subject site is proposed for development with a 48-unit LIHTC development targeting families. The site is reportedly under contract at present for \$240,000 but the parties are related and the price did not result from an arm's length negotiation.

Intended Use and User of the Appraisal

The Residences at West Haven, L.P. is the client in this engagement. The Georgia Department of Community Affairs (DCA) is an authorized user and may rely on the representations made herein. We understand that they will use this document to assist in obtaining LIHTC, HOME funds, and/or other financing. Intended users are those transaction participants who are interested parties and have knowledge of the Section 42 LIHTC program. These could include local housing authorities, state allocating agencies, state lending authorities, LIHTC construction and permanent lenders, and LIHTC syndicators. As our client, The Residences at West Haven, L.P. owns this report and permission must be granted from them before another third party can use this document. We assume that by reading this report another third party has accepted the terms of the original engagement letter including scope of work and limitations of liability. We are prepared to modify this document to meet any specific needs of the potential users under a separate agreement.

Scope of Appraisal

As part of this appraisal, we have completed the following steps to gather, confirm, and analyze the data:

- Physically inspected the Subject and the surrounding neighborhood. This site was last inspected on April 29, 2015.
- Collected factual information about the Subject and the surrounding market and confirmed that information with various sources.
- Collected and confirmed market information needed to consider relevant approaches to value. Because the Subject is vacant land, only the sales comparison approach was considered applicable and developed for this report.
- Prepared an appraisal report setting forth the conclusion derived in this analysis as well as the information upon which the conclusions are based.

This report involves a complete appraisal of the Subject and conforms to the requirements of the *Uniform Standards of Professional Appraisal Practice* (USPAP) and the Appraisal Institute.

Definition of Market Value

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

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

¹ Uniform Standards of Professional Practice (USPAP).

Compliance and Competency Provision

The appraiser is aware of the compliance and competency provisions of USPAP, and within our understanding of those provisions, this report complies with all mandatory requirements, and the authors of this report possess the education, knowledge, technical skills, and practical experience to complete this assignment competently, in conformance with the stated regulations.

Unavailability of Information

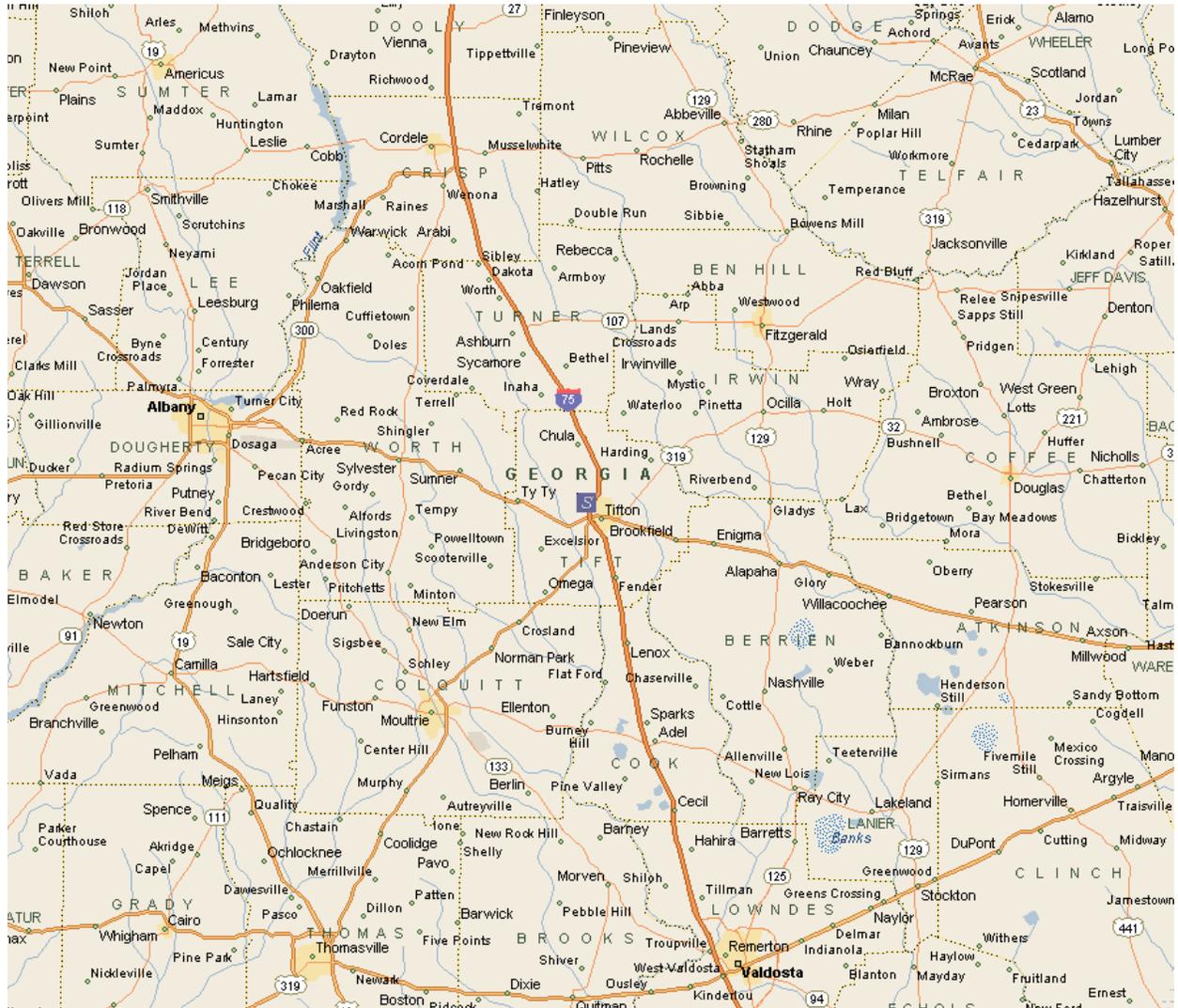
In general, all information necessary to develop an estimate of value of the Subject site was available to the appraisers.

REGIONAL AND LOCAL AREA SUMMARY

REGIONAL AND LOCAL AREA SUMMARY

The Subject is located in Tifton, Tift County, GA. As of the 2010 US Census, the Tift County population was 40,118 persons, and has a total area of 269 square miles.

Regional Map



The following sections will provide an analysis of the economic and demographic characteristics within the market area.

Employment by Industry

The following table exhibits unemployment by industry for the PMA.

2015 EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Health Care/Social Assistance	2,335	14.4%	20,080,547	14.0%
Retail Trade	2,248	13.9%	16,592,605	11.6%
Educational Services	1,919	11.8%	12,979,314	9.1%
Manufacturing	1,620	10.0%	15,162,651	10.6%
Accommodation/Food Services	1,301	8.0%	10,849,114	7.6%
Construction	1,028	6.3%	8,291,595	5.8%
Other Services (excl Publ Adm)	924	5.7%	7,850,739	5.5%
Agric/Forestry/Fishing/Hunting	885	5.5%	1,800,354	1.3%
Public Administration	850	5.2%	6,713,073	4.7%
Transportation/Warehousing	555	3.4%	5,898,791	4.1%
Wholesale Trade	513	3.2%	3,628,118	2.5%
Admin/Support/Waste Mgmt Svcs	497	3.1%	6,316,579	4.4%
Finance/Insurance	445	2.7%	6,884,133	4.8%
Prof/Scientific/Tech Services	414	2.6%	9,808,289	6.8%
Real Estate/Rental/Leasing	255	1.6%	2,627,562	1.8%
Information	165	1.0%	2,577,845	1.8%
Arts/Entertainment/Recreation	157	1.0%	3,151,821	2.2%
Utilities	119	0.7%	1,107,105	0.8%
Mining	0	0.0%	868,282	0.6%
Mgmt of Companies/Enterprises	0	0.0%	97,762	0.1%
Total Employment	16,230	100.0%	143,286,279	100.0%

Source: ESRI Demographics 2010, Novogradac & Company LLP, May 2015

The largest proportions of the workforce in the PMA are employed in the health care, retail trade, educational services, and manufacturing sectors, which account for half of the PMA employment. Sectors such as health care, retail trade, and educational services are slightly overrepresented compared to national employment rates. Sectors such as finance/insurance, and professional and scientific services are underrepresented compared to national employment rates. The relatively high representation of cyclical industries, compared to the nation, such as manufacturing, construction, and retail trade in the PMA likely provides some instability to the local economy.

The following table illustrates the changes in employment by industry from 2000 to 2015, in the Subject’s PMA.

2000-2015 CHANGE IN EMPLOYMENT - PMA

Industry	2000		2015		2000-2015	
	Number Employed	Percent Employed	Number Employed	Percent Employed	Annualized Change in Employment	Annual Change in Percentage
Agric/Forestry/Fishing/Hunting	920	5.4%	885	5.5%	-2	-0.3%
Mining	0	0.0%	0	0.0%	0	0.0%
Construction	1,194	7.0%	1,028	6.3%	-11	-0.9%
Manufacturing	2,807	16.5%	1,620	10.0%	-79	-2.8%
Wholesale Trade	634	3.7%	513	3.2%	-8	-1.3%
Retail Trade	2,439	14.3%	2,248	13.9%	-13	-0.5%
Transportation/Warehousing	588	3.5%	555	3.4%	-2	-0.4%
Utilities	146	0.9%	119	0.7%	-2	-1.2%
Information	232	1.4%	165	1.0%	-4	-1.9%
Finance/Insurance	476	2.8%	445	2.7%	-2	-0.4%
Real Estate/Rental/Leasing	219	1.3%	255	1.6%	2	1.1%
Prof/Scientific/Tech Services	381	2.2%	414	2.6%	2	0.6%
Mgmt of Companies/Enterprises	0	0.0%	0	0.0%	0	0.0%
Admin/Support/Waste Mgmt Svcs	466	2.7%	497	3.1%	2	0.4%
Educational Services	1,539	9.0%	1,919	11.8%	25	1.6%
Health Care/Social Assistance	1,970	11.6%	2,335	14.4%	24	1.2%
Arts/Entertainment/Recreation	122	0.7%	157	1.0%	2	1.9%
Accommodation/Food Services	1,144	6.7%	1,301	8.0%	10	0.9%
Other Services (excl Publ Adm)	893	5.3%	924	5.7%	2	0.2%
Public Administration	838	4.9%	850	5.2%	1	0.1%
Total Employment	17,008	100.0%	16,230	100.0%	-52	-0.3%

Source: ESRI Demographics 2010, Novogradac & Company LLP, May 2015

* Change in percentage is calculated as a rate of change by industry.

*Industry data current as of 2010. Other projections current as of 2015.

As illustrated, nine of the industries in the table above experienced a decrease in employment from 2000 to 2015. The largest decreases are among the manufacturing and wholesale trade sectors. Conversely, the smallest decreases were in the agricultural/forestry/fishing/hunting, transportation/warehousing and finance/insurance sectors. The largest decrease based on percentages was in the manufacturing industry, as the sector saw a loss of 1,187 jobs over the 15 year period of analysis. The educational services sector experienced the largest annualized employment increase over the past 15 years, recording an increase of approximately 380 employees, or approximately 1.6 percent each year.

Major Employers

The table below shows the largest employers in the area.

MAJOR EMPLOYERS

Tift County, GA

#	Company	Industry	Number of Employees
1	Tift Regional Medical Center	Healthcare	1,700
2	Tift County Board of Education	Education	1,061
3	Lewis Taylor Farms	Agriculture	600
4	Target Distribution Center	Retail Trade	579
5	Heatcraft	Manufacturing	501
6	UGA Tifton Campus	Education	450
7	Walmart Pharmacy Distribution Center	Retail Trade	419
8	Abraham Baldwin Agricultural College	Education	350
9	Tift County	Government	349
10	Tifton Campus - Moultrie Technical College	Education	291

Source: Tifton-Tift County Chamber of Commerce, May 2014

As illustrated in the table above, the local economy is diverse with major employers in the healthcare, education, agriculture, retail trade, manufacturing, and government services sectors. Six of the ten largest employers are in relatively stable industries. Although Tift Regional Medical Center is by far the largest employer, the healthcare sector represents a similar proportion of total employment when compared to the nation as a whole.

Expansions/Contractions

We spoke with Chris Beckham, Communications Director for Tifton-Tift County Chamber of Commerce, who provided information regarding business expansion and contraction in the local area. According to Mr. Beckham, the following expansions are underway in the county:

- American Textile Company; a manufacturer of mattress/pillow protectors, bed pillows, and mattress pads; broke ground in January 2014 on its second manufacturing facility in Tifton. The company is expected to increase total employment by 200 positions over the next 18 months.
- Heatcraft Refrigeration Products, a manufacturer of commercial refrigeration products, hired 50 new employees in 2013 and is expected to hire another 50 employees by the end of 2014.

Mr. Beckham reported that there have not been any major layoffs over the past several years. The most recent large layoffs occurred in 2007 and 2008. According to the Georgia Department of Labor’s Worker Adjustment and Retraining Notification (WARN) filings, no business closures or layoffs were reported between 2012 and YTD 2015.

Employment and Unemployment Trends

The following table details employment and unemployment trends for the MSA and the nation from 2001 through March 2015.

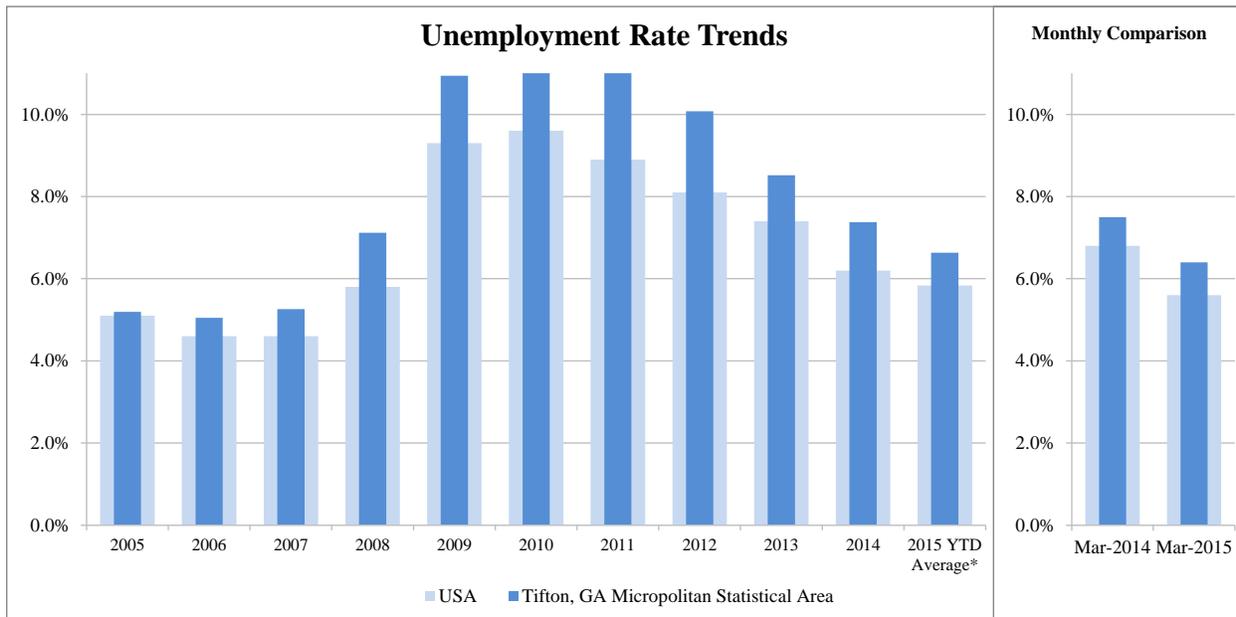
EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

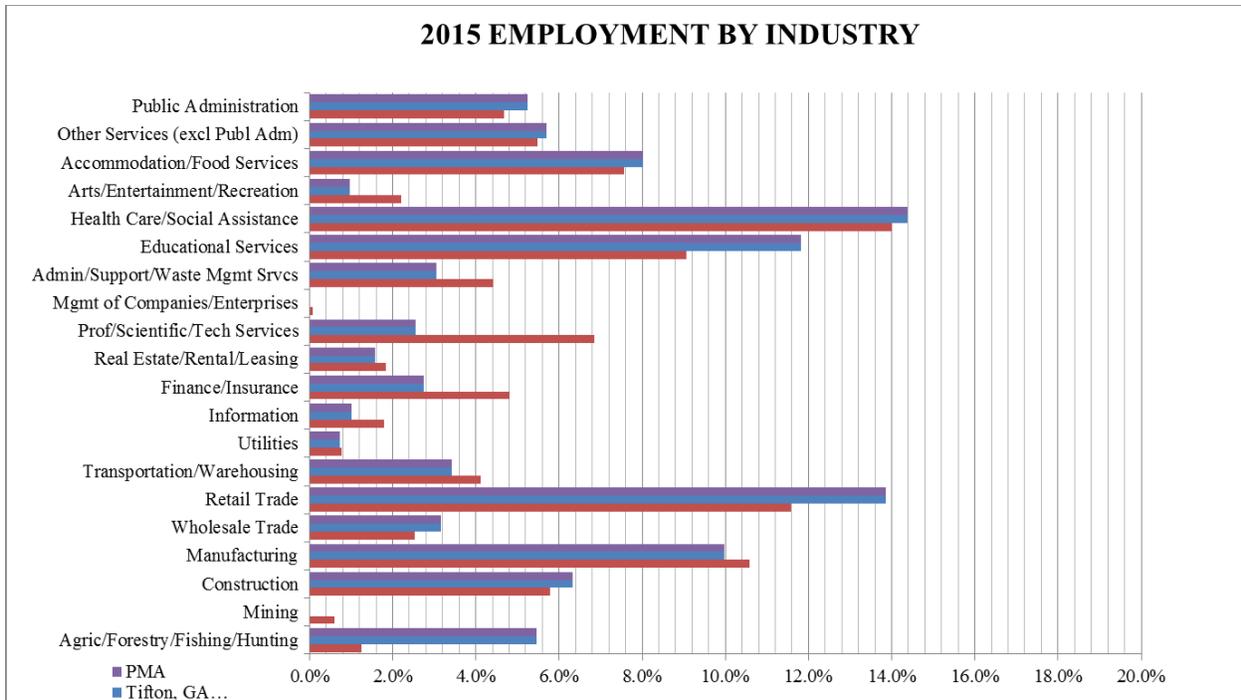
Year	Tifton, GA Micropolitan Statistical Area				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2001	17,798	-	4.6%	-	136,933,000	-	4.7%	-
2002	17,901	0.6%	4.5%	-0.1%	136,485,000	-0.3%	5.8%	1.1%
2003	18,223	1.8%	4.4%	-0.1%	137,736,000	0.9%	6.0%	0.2%
2004	18,174	-0.3%	4.5%	0.1%	139,252,000	1.1%	5.5%	-0.5%
2005	18,660	2.7%	5.2%	0.7%	141,730,000	1.8%	5.1%	-0.4%
2006	18,946	1.5%	5.1%	-0.1%	144,427,000	1.9%	4.6%	-0.5%
2007	18,121	-4.4%	5.3%	0.2%	146,047,000	1.1%	4.6%	0.0%
2008	17,720	-2.2%	7.1%	1.9%	145,362,000	-0.5%	5.8%	1.2%
2009	16,808	-5.1%	10.9%	3.8%	139,877,000	-3.8%	9.3%	3.5%
2010	16,537	-1.6%	12.0%	1.0%	139,064,000	-0.6%	9.6%	0.3%
2011	16,648	0.7%	12.1%	0.1%	139,869,000	0.6%	8.9%	-0.7%
2012	17,212	3.4%	10.1%	-2.0%	142,469,000	1.9%	8.1%	-0.8%
2013	17,112	-0.6%	8.5%	-1.6%	143,929,000	1.0%	7.4%	-0.7%
2014	16,783	-1.9%	7.4%	-1.1%	146,305,000	1.7%	6.2%	-1.2%
2015 YTD Average*	16,879	0.6%	6.6%	-0.7%	147,101,667	0.5%	5.8%	-0.4%
Mar-2014	16,937	-	7.5%	-	145,090,000	-	6.8%	-
Mar-2015	17,025	0.5%	6.4%	-1.1%	147,635,000	1.8%	5.6%	-1.2%

Source: U.S. Bureau of Labor Statistics May 2015

*2015 data is through Nov

Historically, total employment as well as unemployment rates in the MSA have underperformed the nation as a whole. Total employment generally increased from 2001 to 2006, then experienced declining rates from 2006 to 2010. Over this same time period, unemployment rates increased from 5.1 percent to 12.0 percent. Since 2011, the local economy has stabilized somewhat with a declining unemployment rate, while employment totals have fluctuated moderately in the last four years, and declined in 2013 and 2014.





Housing and Economy

There are twelve family LIHTC properties within our PMA. However, seven of the twelve properties offer some sort of subsidized rents. The state of the economy has affected both the multifamily rental and the single-family home market in the PMA.

According to RealtyTrac, one in every 1,970 housing units in Tift County had received foreclosure filings in March 2015. This compares to one in every 1,085 housing units in the state of Georgia, and one in every 1,082 housing units in the nation at the same time. It appears that the mortgage and foreclosure crisis has affected Tift County, although its foreclosure rate is lower than the state, and nation. During our site inspection, there did not appear to be any vacant or abandoned homes in the Subject’s neighborhood.

Commuting Patterns

The following table details travel time to work for residents within the PMA as of 2000. The average travel time is 17.9 minutes. Approximately 74 percent of households have commute times of less than 20 minutes.

COMMUTING PATTERNS

2000 Commuting Time to Work	Number of Commuters	Percentage
Travel Time < 5 min	1,185	7.12%
Travel Time 5-9 min	3,063	18.40%
Travel Time 10-14 min	4,571	27.46%
Travel Time 15-19 min	3,416	20.52%
Travel Time 20-24 min	1,511	9.08%
Travel Time 25-29 min	428	2.57%
Travel Time 30-34 min	978	5.88%
Travel Time 35-39 min	95	0.57%
Travel Time 40-44 min	181	1.09%
Travel Time 45-59 min	477	2.87%
Travel Time 60-89 min	372	2.24%
Travel Time 90+ min	367	2.20%
Average Travel Time	17.9	-

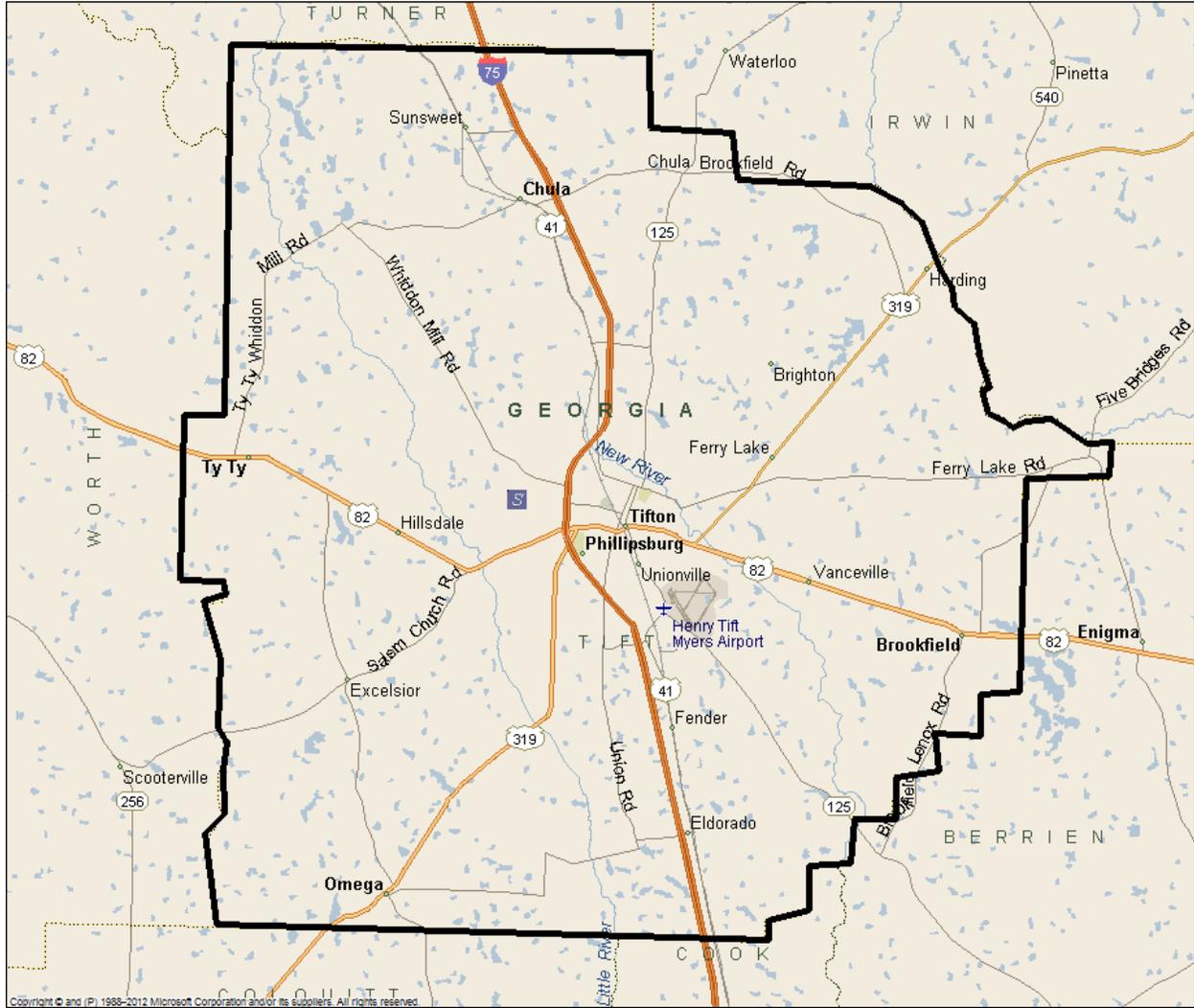
Source: US Census 2000, Novogradac & Company, LLP, May 2015

Conclusions

The largest industries in the PMA are health care/social assistance, retail trade, educational services, and manufacturing. Together, these four industries comprise half of the employment in the PMA. The MSA experienced a significant decrease in total employment between 2006 and 2011, when unemployment increased to more than 12 percent over this period. The recent decreases in 2013 and 2014 in employment suggests that the local economy has been slow to recover from the national recession. Total employment in the MSA remains well below pre-recession levels. The unemployment rate in the MSA has remained above the nation since 2005. As of December 2014, the unemployment rate in the MSA was two percentage points above that of the nation. However, the MSA experienced a moderate decrease in unemployment of 1.1 percentage points between March 2014 and March 2015, indicating slight improvement in economic conditions.

PRIMARY MARKET AREA

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



The Primary Market Area (PMA) generally includes all of Tift County. The PMA is generally within a 15 to 20-minute drive time of the Subject, which will offer one of the highest quality and most modern apartment options in the county. According to managers and owners of area rental properties, for new apartments at affordable rents, there will be mobility among renters seeking high quality housing in one of the most developed communities in the PMA. As the county seat and center for commerce in Tift County, the Subject is expected to receive support from throughout the county. Given the drive time distances from the Subject and the fact that Tifton is the economic center for the county, the PMA includes Tift County. The northern boundary of Tift County is

between 8 and 9 miles from the Subject site, the eastern boundary is 12 miles from the site, the southern boundary is approximately 9 miles from the site, and the western boundary is approximately 7 miles from the site.

Below is a summary of information on population, households and income for the PMA and SMA.

Population Trends

The following tables illustrate (a) Total Population, (b) Population by Age Group, and (c) Population Growth Rate.

TOTAL POPULATION						
Year	PMA		Tifton, GA Micropolitan Statistical Area		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2000	38,406	-	38,406	-	281,421,906	-
2010	40,118	0.4%	40,118	0.4%	308,745,538	1.0%
2015	40,511	0.2%	40,511	0.2%	314,467,933	0.4%
Projected Mkt Entry January 2017	40,530	0.0%	40,530	0.0%	318,733,873	0.9%
2019	40,562	0.0%	40,562	0.0%	325,843,774	0.7%

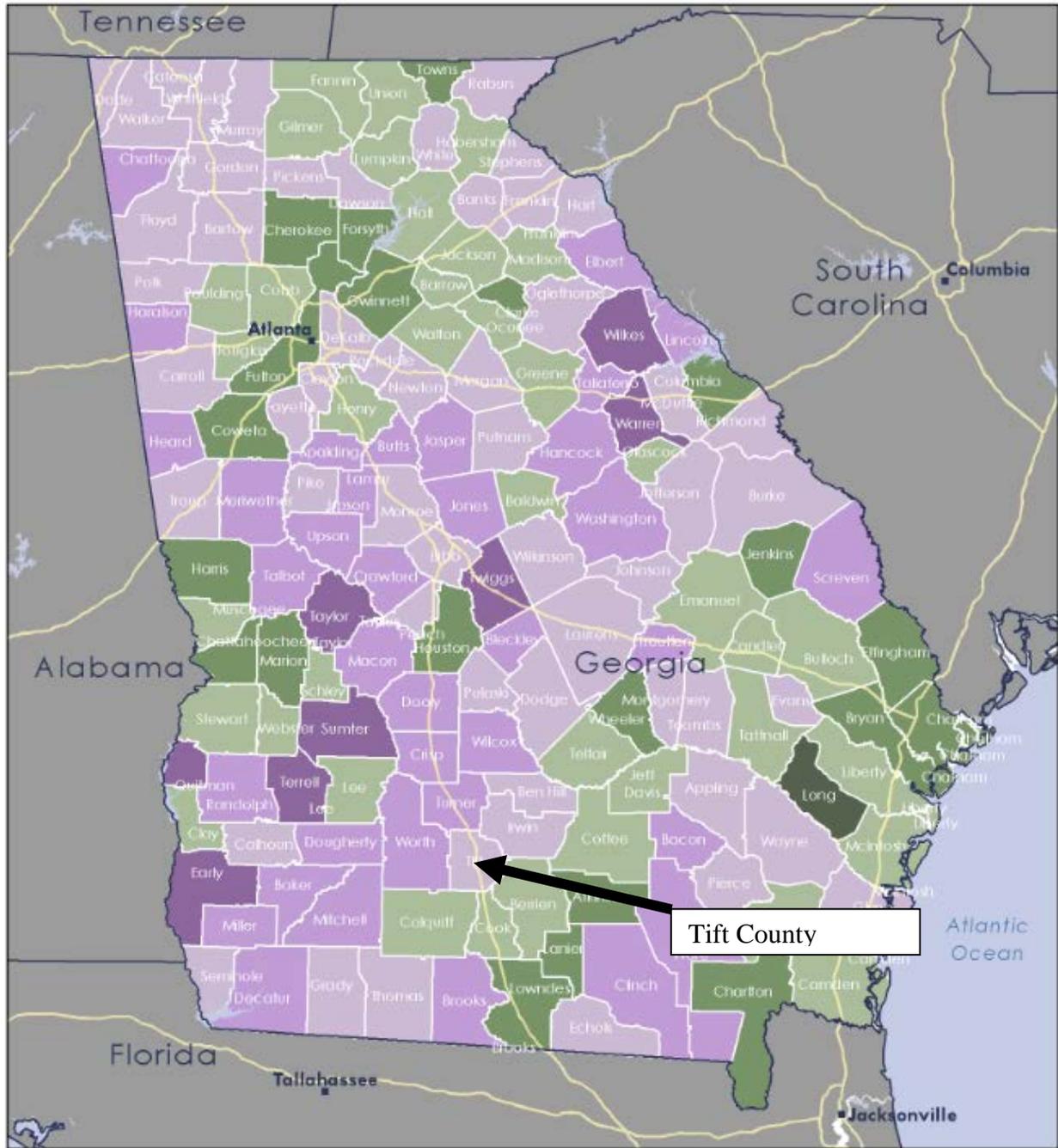
Source: ESRI Demographics 2015, Novogradac & Company LLP, May 2015

POPULATION BY AGE IN 2015						
Age Cohort	PMA		Tifton, GA Micropolitan Statistical Area		USA	
	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>
0-4	2,870	7.1%	2,870	7.1%	19,987,250	6.4%
5-9	2,827	7.0%	2,827	7.0%	20,264,567	6.4%
10-14	2,816	7.0%	2,816	7.0%	20,621,313	6.6%
15-19	3,186	7.9%	3,186	7.9%	21,171,596	6.7%
20-24	3,053	7.5%	3,053	7.5%	22,787,955	7.2%
25-29	2,740	6.8%	2,740	6.8%	21,439,374	6.8%
30-34	2,583	6.4%	2,583	6.4%	20,988,843	6.7%
35-39	2,479	6.1%	2,479	6.1%	19,373,719	6.2%
40-44	2,455	6.1%	2,455	6.1%	20,731,962	6.6%
45-49	2,406	5.9%	2,406	5.9%	21,208,891	6.7%
50-54	2,626	6.5%	2,626	6.5%	22,540,388	7.2%
55-59	2,577	6.4%	2,577	6.4%	21,076,535	6.7%
60-64	2,255	5.6%	2,255	5.6%	18,494,651	5.9%
65-69	1,884	4.7%	1,884	4.7%	14,213,405	4.5%
70-74	1,410	3.5%	1,410	3.5%	10,364,917	3.3%
75-79	992	2.4%	992	2.4%	7,569,578	2.4%
80-84	694	1.7%	694	1.7%	5,722,550	1.8%
85+	658	1.6%	658	1.6%	5,910,439	1.9%
Total	40,511	100.0%	40,511	100.0%	314,467,933	100.0%

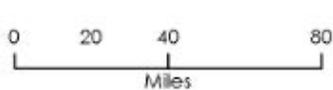
Source: ESRI Demographics 2015, Novogradac & Company LLP, May 2015

The total population in the PMA and MSA increased annually by 0.2 percent from 2010 to 2015, at a rate below the 0.4 percent annual growth rate over the previous decade. The total population in the PMA is projected to remain unchanged. The projected national population is expected to grow at rate of 0.7 percent per year over the same time period.

The following map illustrates population growth rates in the state of Georgia.



2010-2014 Population Growth Rate



2010-2014 Population Growth

Lucy Mullineaux January 2015



Household Trends

Total Number of Households and Average Household Size.

TOTAL NUMBER OF HOUSEHOLDS

Year	PMA		Tifton, GA Micropolitan Statistical Area		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	14,062	-	14,062	-	105,991,193	-
2010	14,836	0.6%	14,836	0.6%	116,716,292	1.0%
2015	15,120	0.4%	15,120	0.4%	118,979,182	0.4%
Projected Mkt Entry January 2017	15,143	0.1%	15,143	0.1%	120,661,324	0.9%
2019	15,180	0.1%	15,180	0.1%	123,464,895	0.8%

Source: ESRI Demographics 2015, Novogradac & Company LLP, May 2015

AVERAGE HOUSEHOLD SIZE

Year	PMA		Tifton, GA Micropolitan Statistical Area		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	2.62	-	2.62	-	2.58	-
2010	2.60	-0.1%	2.60	-0.1%	2.58	0.0%
2015	2.58	-0.1%	2.58	-0.1%	2.58	0.0%
Projected Mkt Entry January 2017	2.58	-0.1%	2.58	-0.1%	2.58	0.0%
2019	2.58	-0.1%	2.58	-0.1%	2.57	0.0%

Source: ESRI Demographics 2015, Novogradac & Company LLP, May 2015

Household growth in the PMA and MSA increased at an annual rate of 0.4 percent from 2010 to 2015, similar to the national household growth rate of 0.4 percent over the same time period. The household growth rate in the PMA is expected to grow at a slower rate than that of the nation through 2019. The average household size of 2.58 persons in 2015 is the same as that of the nation. Household size in the PMA and MSA is projected to remain unchanged through 2019, similar to that of the nation as a whole.

Households by Tenure

The tables below depicts general household growth by tenure from 2000 through 2019.

TENURE PATTERNS PMA

Year	Owner-Occupied		Renter-Occupied	
	Units	Percentage	Units	Percentage
2000	9,370	66.6%	4,692	33.4%
2010	9,083	61.2%	5,753	38.8%
2015	8,838	58.5%	6,282	41.5%
Projected Mkt Entry January 2017	8,846	58.4%	6,297	41.6%
2019	8,858	58.4%	6,322	41.6%

Source: ESRI Demographics 2015, Novogradac & Company LLP, May 2015

In 2015, approximately 58.5 percent of households in the PMA were owner-occupied, compared to 41.5 percent renter-occupied. Generally, this same distribution of owner to renter-occupied households in the PMA is expected to continue through the market entry date in 2017.

Household Income

The following table depicts both the general population income in 2010, 2015, in 2017 at market entry, and in 2019 for the PMA.

RENTER HOUSEHOLD INCOME DISTRIBUTION - PMA

Income Cohort	2010		2015		Projected Mkt Entry January 2017		2019	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	1,239	21.5%	1,509	24.0%	1,516	24.1%	1,529	24.2%
\$10,000-19,999	1,128	19.6%	1,264	20.1%	1,270	20.2%	1,280	20.2%
\$20,000-29,999	799	13.9%	778	12.4%	781	12.4%	785	12.4%
\$30,000-39,999	652	11.3%	738	11.7%	743	11.8%	751	11.9%
\$40,000-49,999	516	9.0%	551	8.8%	549	8.7%	545	8.6%
\$50,000-59,999	296	5.1%	342	5.4%	345	5.5%	349	5.5%
\$60,000-74,999	409	7.1%	424	6.7%	416	6.6%	404	6.4%
\$75,000-99,999	405	7.0%	424	6.7%	421	6.7%	416	6.6%
\$100,000-124,999	103	1.8%	87	1.4%	87	1.4%	88	1.4%
\$125,000-149,999	94	1.6%	65	1.0%	68	1.1%	73	1.1%
\$150,000-199,999	52	0.9%	59	0.9%	58	0.9%	58	0.9%
\$200,000+	60	1.0%	42	0.7%	43	0.7%	44	0.7%
Total	5,753	100.0%	6,282	100.0%	6,297	100.0%	6,322	100.0%

Source: Ribbon Demographics 2015, Novogradac & Company LLP, May 2015

According to the previous tables and current year estimates, more than 68 percent of the households in the PMA make less than \$40,000 per year, and 56.5 percent make less than \$30,000 per year. This data bodes well for affordable housing in the Subject’s area.

Renter Households by Number of Persons in the Household

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

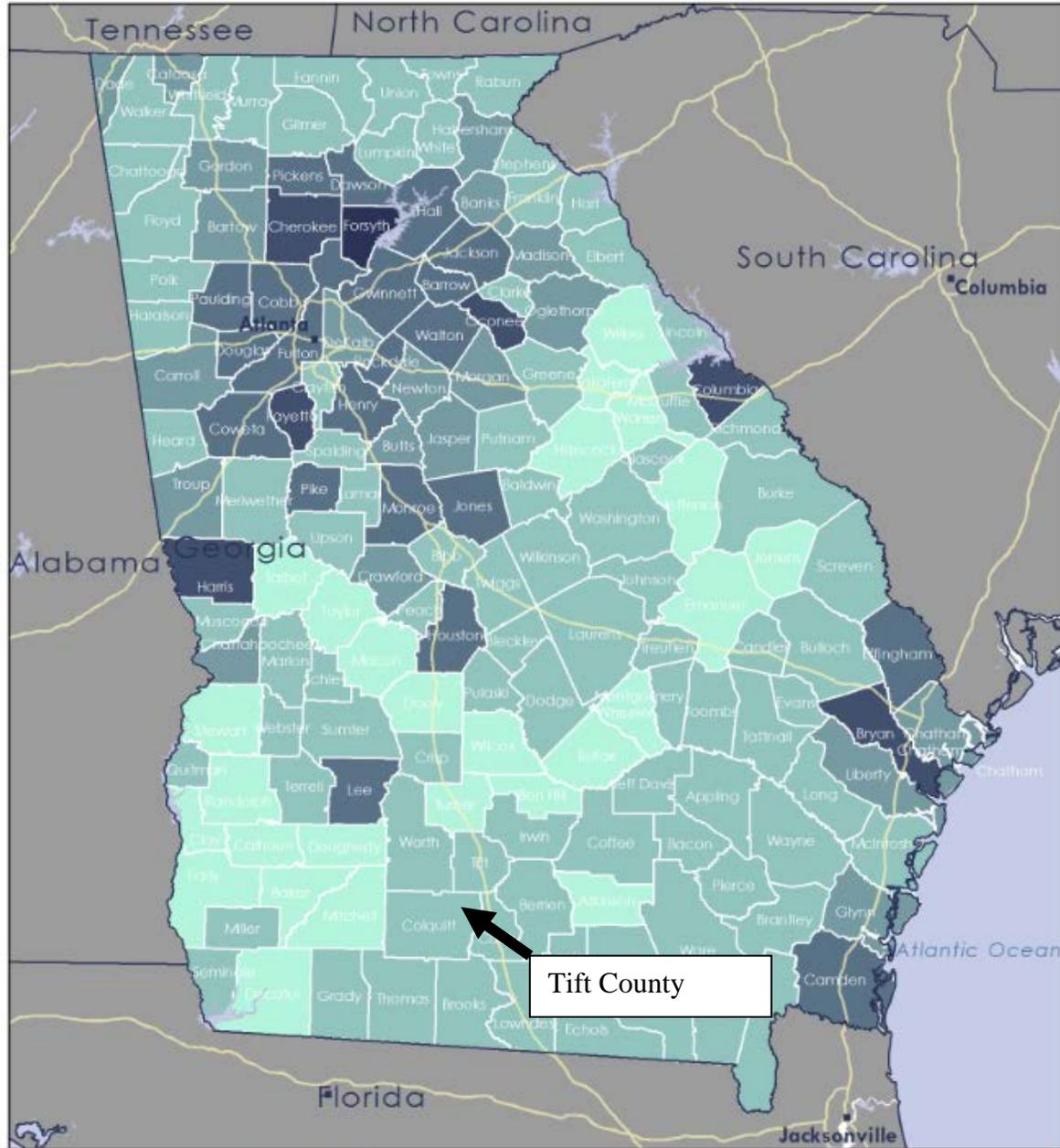
RENTER HOUSEHOLDS BY NUMBER OF PERSONS - PMA

	2000		2010		2015		Projected Mkt Entry January		2019	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
With 1 Person	1,399	29.8%	1,909	33.2%	2,105	33.5%	2,119	33.7%	2,143	33.9%
With 2 Persons	1,311	27.9%	1,344	23.4%	1,467	23.3%	1,468	23.3%	1,471	23.3%
With 3 Persons	835	17.8%	986	17.1%	1,084	17.2%	1,087	17.3%	1,093	17.3%
With 4 Persons	631	13.4%	795	13.8%	855	13.6%	854	13.6%	851	13.5%
With 5+ Persons	517	11.0%	719	12.5%	771	12.3%	768	12.2%	764	12.1%
Total Renter Households	4,692	100.0%	5,753	100.0%	6,282	100.0%	6,297	100.0%	6,322	100.0%

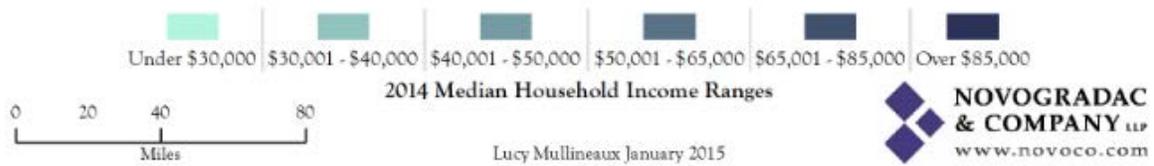
Source: Ribbon Demographics 2015, Novogradac & Company LLP, May 2015

Almost three-quarters of the renter households in the PMA have three or fewer total persons, and the percentage is anticipated remain stable through both the market entry date and through 2019.

The following map illustrates median income by county in the state of Georgia.



2014 Median Household Income



Conclusion

The Subject is located in Tifton, Tift County, Georgia. The population in the PMA is anticipated to remain relatively unchanged through 2019. More than two-thirds of the households in the PMA have annual earnings below \$40,000. The Subject will target households earning between \$15,703 and \$34,020. Persons within these income cohorts are expected to create demand for the proposed improvements at the Subject.

Public Transportation

It should be noted that the Tift Lift Transit System is an on call transportation option in Tift County without a regular route. The service is available to all local residents for a nominal fee based on distance traveled.

Transportation

Highway: The major thoroughfare in Tifton is Interstate 75. Interstate 75 (I-75) is a major north-south interstate highway that runs through Florida, Georgia, Tennessee, Kentucky, Ohio, and Michigan. Interstate 75 is approximately 1.0 mile to the east of the Subject site. South of the Subject is U.S Route 82 which is an east west thoroughfare. Throughout much of southern Georgia, U.S. 82 is paired with State Route 520 and designated as "Corridor Z" and "South Georgia Parkway." West of Dawson, U.S. 82 is paired with State Route 50, the historic State Route number for U.S. 82 in Georgia. From Albany, U.S. 82 is a four lane highway that moves through Albany & Tifton where it intersects with I-75. After this the highway moves east through southern plains and Waycross, near the Okefenokee Swamp. 82 then proceeds to Brunswick, GA, where it terminates.

Air: Henry Tift Myers Airport- TMA, is the closest public airport located two miles (3 km) southeast of Tifton, serving the general aviation community, with no scheduled commercial airline service. There are several other regional and county airports near Tifton, as well.

The closest international airport is Jacksonville International Airport located approximately 203 miles to the southeast.

Conclusion

Overall, the Subject's market area appears to be a good location for the proposed development.

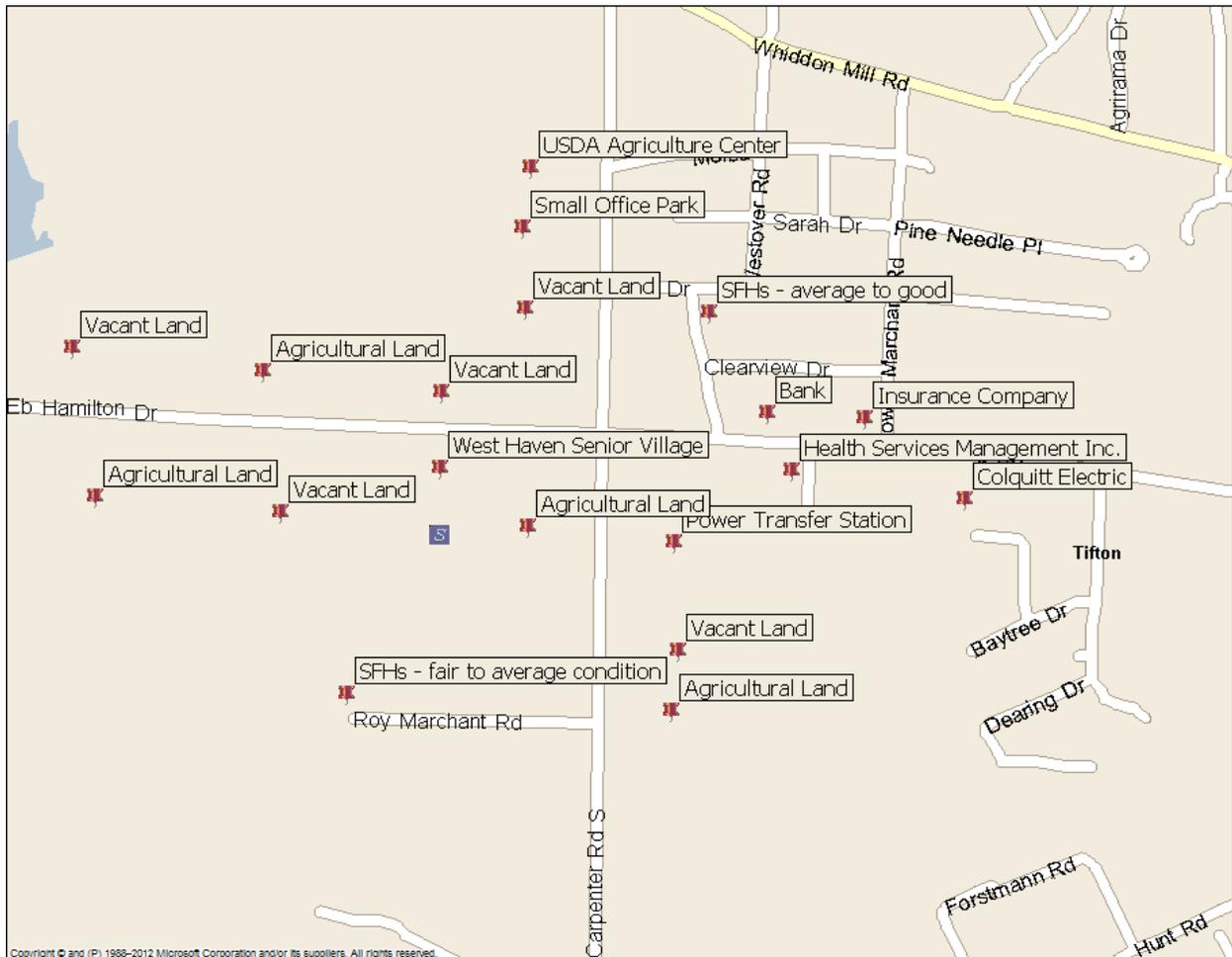
NEIGHBORHOOD DESCRIPTION AND ANALYSIS

Introduction

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

Location and Boundaries

The Subject is located within Tifton in Tift County, Georgia, and is currently wooded land. A map of the Subject's neighborhood follows.



Accessibility/Visibility

The Subject will be accessed via West Haven Senior Village, a sister property located adjacent to the north. This adjacent property has frontage on the southern side of Hamilton Road just west of its intersection with Carpenter Road South. Carpenter Road South provides access to US Highway 82 (approximately 1.2 miles south) and Hamilton Road provides access to Interstate 75 (approximately 1.4 miles east). Both Hamilton Road and Carpenter Road are two-lane moderately trafficked thoroughfares. Overall, access is average and traffic flow is moderate. The property directly north of the Subject has good visibility from Hamilton Road and Carpenter Road South. With the presence of the existing West Haven Senior Village, the Subject will have partial visibility from Carpenter Road South and minimal visibility from Hamilton Road. Given the Subject's location behind the adjacent development, access and visibility are considered below average and we have considered this in our analysis.

Predominant Land Usage

The Subject site is currently wooded land. The Subject will be located immediately south of West Haven Senior Village I, which is in excellent condition. The Subject's neighborhood is predominantly undeveloped and agricultural in nature. Vacant or agricultural land borders the Subject site to the south, east, and west. Further south of the Subject are single-family homes in fair to average condition. There are commercial uses located north and east of the Subject. Residential and commercial uses in the immediate neighborhood appeared to be well-occupied.

Adequacy of Public Transportation

It should be noted that the Tift Lift Transit System is an on call transportation option in Tift County without a regular route. The service is available to all local residents for a nominal fee based on distance traveled.

Adequacy/Availability of Utilities

All utilities are available to the site.

Conclusion

The Subject site is located in a partially undeveloped area of Tifton. Despite the lack of much development in the immediate neighborhood, there are two areas of significant retail concentrations located within 2.0 miles of the Subject site. Further, West Haven Senior Village, located immediately north of the Subject, is fully occupied with a waiting list. Overall, the location is a good area for an affordable family housing development and we expect the Subject will have a positive impact on the local neighborhood. The Subject should benefit from the fact that another modern LIHTC property exists directly north of this location. Given the Subject's location behind the adjacent development, access and visibility are considered below average and we have considered this in our analysis.

PROPERTY DESCRIPTION

PROPERTY DESCRIPTION



General:

The Subject will be located immediately south of West Haven Senior Village, a sister property located on the adjacent parcel. To the north of this community is Hamilton Drive and vacant land. The Subject's neighborhood is predominantly undeveloped and agricultural in nature. Vacant or agricultural land borders the Subject site to the south, east, and west. Farther south of the Subject are single-family homes in fair to average condition. There are commercial uses located north and east of the Subject site. Residential and commercial uses in the immediate neighborhood appeared to be well occupied.

Shape:

Rectangular.

Zoning:

M-R, Multiple Residential.

Size:	Approximately 4.82 acres.
Frontage:	The subject site does not have direct frontage along any street. The Subject will be accessed via West Haven Senior Village I to the north of the Subject. The Subject will have Phase I has frontage on the southern side of Hamilton Road just west of its intersection with Carpenter Road South. While this is not a detriment to the current owner, it would impeded marketability to another user and we have considered this in our analysis.
Topography:	The site is gently sloping from east to west.
Utilities:	All utilities are available to the site.
Easements, Encumbrances, and Moratoria:	We are not aware of any easements, site encroachments, or other restrictions that would adversely affect the use of the site.
Drainage:	Appears adequate, however, no specific tests were performed.
Soil and Subsoil Conditions:	We were not provided with soil surveys. We assume the soils will support the proposed use at the site.
Flood Plain:	According to information provided by floodinsights.com, the Subject site is within community panel number 13277C 0108E dated September 29, 2010. The Subject site located in Zone X, which is outside the 100 and 500-year floodplains.
Environmental:	We were not provided with an environmental assessment report. We did not observe any obvious environmental hazards during our site inspection. However, we are not experts within this field
Detrimental Influences:	We are not aware of any potential detrimental influences.
Conclusion:	The Subject site appears physically capable of supporting a variety of legally permissible uses. Given the Subject's location behind the adjacent development, access and visibility are considered below average and we have considered this in our analysis.

ZONING

The Subject property is zoned M-R, Multiple Residential, by the City of Tifton. According to the ordinance, “the purpose of this district is to provide orderly development of higher density residential areas for one(1), two(2), and multifamily dwellings, with minimum lot sizes of 6,000 square feet, said areas being protected from the encroachment of those uses which are incompatible to a desirable residential environment.”

Permitted uses include single-family residential, two-family residential, multifamily residential, family personal care homes, group personal care homes, congregate care homes, nursing homes and boarding or rooming house.

Under the zoning, multi-family uses are required to conform to the following standards:

- a) Minimum Lot Area: Six thousand (6,000) square feet.
- b) Minimum Lot Width: Sixty (60) feet.
- c) Minimum Road Frontage: Sixty (60) feet.
- d) Minimum Front Yard: Twenty five (25) feet.
- e) Minimum Side Yard: Twenty (20) feet for each side.
- f) Minimum Rear Yard: Thirty (30) feet.
- g) Maximum Building Height: 0
- h) Minimum Gross Floor Area Per Dwelling Unit: 800 square feet.

REAL ESTATE TAXES

The Subject site is located within the Tift County real estate taxing jurisdiction. Real estate taxes for property located in this jurisdiction are based on a property’s assessed valuation. The following table summarizes the current taxes for the parcel comprising the Subject.

CURRENT TAXES AND ASSESSMENT

Parcel Number	Owner of Record	Tax Appraised Value	Assessed Value	Millage Rate	Annual Taxes
0046 029B	Peach Way Holdings, LLC	\$144,600	\$57,840	\$0.0306	\$1,768

The tax appraised value of the parcel is \$144,600, which is well below our estimated market value.

HIGHEST AND BEST USE ANALYSIS

HIGHEST AND BEST USE ANALYSIS

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

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

The Dictionary of Real Estate Appraisal, (Fifth Edition, 2010), published by the Appraisal Institute, defines highest and best use as:

"The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability. That reasonable and probable use that will support the highest present value of vacant land or improved property as defined as of the date of the appraisal."

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

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

Four tests are typically used to determine the highest and best use of a particular property. Thus, the following areas are addressed.

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

HIGHEST AND BEST USE

Physically Possible

The subject property contains 4.82 acres, has a rectangular shape, is gently sloping from east to west, and is not located in a flood hazard area. Based on these characteristics, the site is capable of supporting numerous uses. However, the location of the subject along a secondary road, the fact that it has no direct frontage on a major roadway, and the nature of the surrounding land use pattern point to a residential use.

Legally Permissible

The Subject is zoned M-R, Multiple Residential, by the City of Tifton. This zoning permits uses that include single-family residential, two-family residential, multifamily residential, family personal care homes, group personal care homes, congregated care homes, nursing homes and boarding or rooming house.

Financially Feasible

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

The Subject's feasible uses are restricted to those that are allowed by zoning and are physically possible. Of those uses, single-family development does not appear feasible based on the size of the site and its location behind an existing apartment complex. Given the somewhat rural location of the property, a boarding house is likely not feasible either. Accordingly, multifamily development appears to be the most desirable option, as evidenced by the reported success of the multifamily project on the adjacent site as well as the proposed development at the Subject. However, there has been no market rate multifamily development in the area in recent years, indicating that new market rate rental product is likely not feasible; however, the proposed multifamily development with gap subsidies (LIHTC) indicates that such development is feasible and is the preferred development model.

Maximally Productive

Based on the preceding analysis, the maximally productive use is to develop multifamily housing with gap subsidies, or hold until rents are cost feasible.

Conclusion

The highest and best use of the site is to construct a multifamily development with financial subsidies.

APPRAISAL METHODOLOGY

APPRAISAL METHODOLOGY

VALUATION ANALYSIS

The valuation process begins with an estimate of the highest and best use of the Subject site considered as though vacant, and as improved. Once determined the property is then valued according to its highest and best use. Contemporary appraisers usually gather and process data according to the discipline of the three approaches to value.

The cost approach consists of a summation of land value (as though vacant) and the cost to reproduce or replace the improvements, less appropriate deductions for depreciation. Reproduction cost is the cost to construct a replica of the Subject improvements. Replacement cost is the cost to construct improvements having equal utility.

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

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

Applicability to the Subject Site

The only applicable approach is the sales comparison approach. All of the land sale comparables are intended for the future development of multifamily properties.

SALES COMPARISON APPROACH

SALES COMPARISON APPROACH

The sales comparison approach to value is a process of comparing market data; that is, the price paid for similar properties, prices asked by owners, and offers made by prospective purchasers willing to buy or lease. Market data is good evidence of value because it represents the actions of users and investors. The sales comparison approach is based on the principle of substitution, which states that a prudent investor would not pay more to buy or rent a property than it will cost him to buy or rent a comparable substitute. The sales comparison approach recognizes that the typical buyer will compare asking prices and work through the most advantageous deal available. In the sales comparison approach, the appraisers are observers of the buyer’s actions. The buyer is comparing those properties that constitute the market for a given type and class.

To arrive at an estimated land value for the Subject site, the appraisers have analyzed actual sales of comparable properties in the competitive area. The sales comparison approach typically reflects the actions of buyers and sellers in the marketplace and serves as an excellent benchmark as to what a potential buyer would be willing to pay for the Subject site. We researched the Subject's market area for recent sales of comparable vacant land sales. Per various sources, there have been no multifamily land sale transactions in the Subject’s immediate area. Accordingly, we expanded our research area as necessary to find comparable sales.

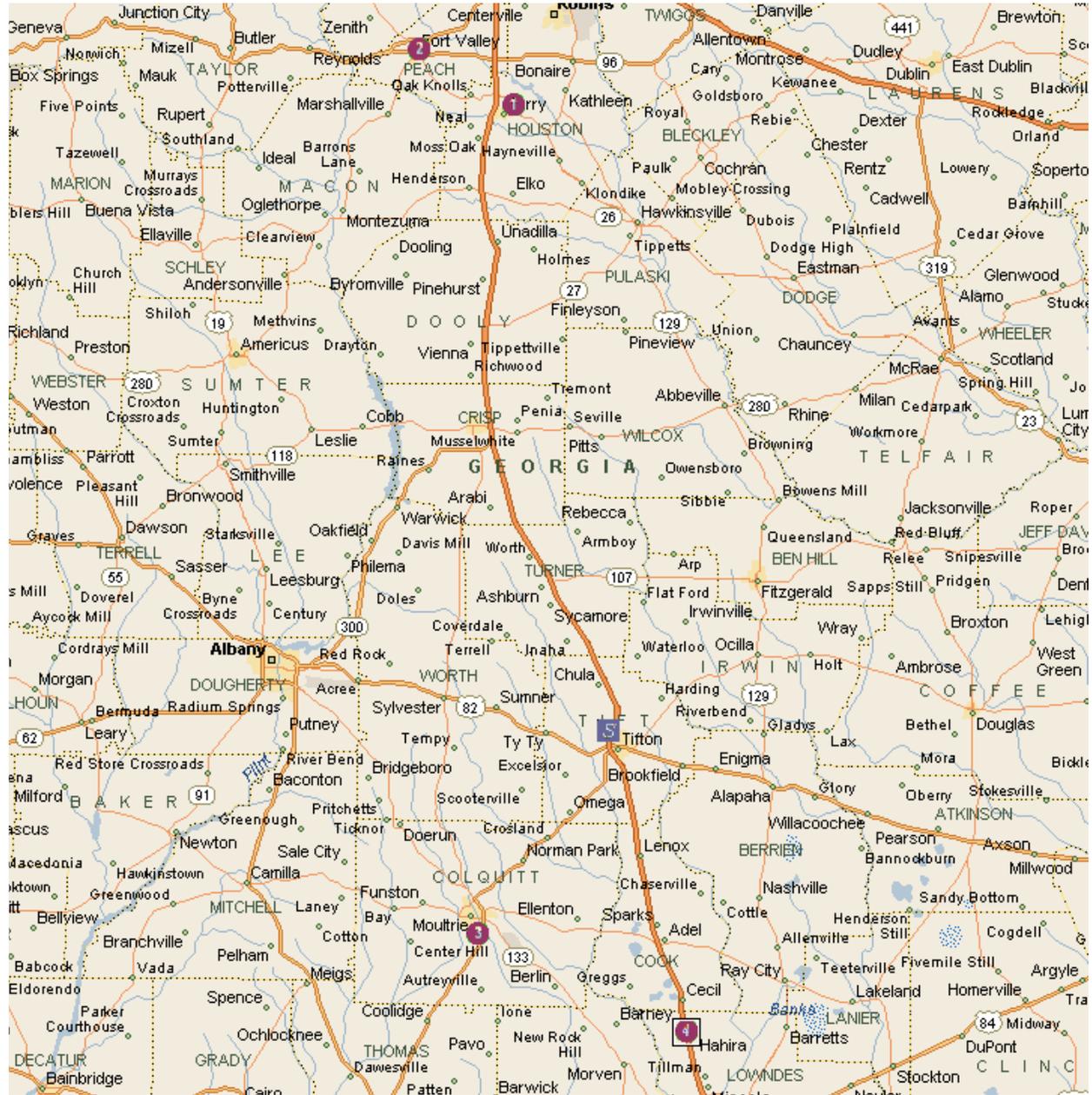
In analyzing the sales data, we have selected the price per planned apartment unit as the basis of comparison. This is the unit of comparison most commonly quoted by brokers, sellers, and purchasers when discussing multifamily land sales and is considered the most relevant for the Subject.

Comparable Sales

The sales are summarized in the following table and shown on the subsequent map.

COMPARABLELAND SALES							
#	Location	City, State, Zip	Sale Date	Price	Acres	Units	Price / Unit
1	SWC of Gray Rd & Houston Lake Rd	Perry, GA 31069	Pending	\$550,000	23.8	100	\$5,500
2	NWC of Walden St & Anderson Ave	Fort Valley, GA 31030	May-14	\$295,000	9.16	60	\$4,917
3	2001 Tallokas Point Rd	Moultrie, GA 31768	May-13	\$325,000	1.24	47	\$6,915
4	1022 W. Stanfill Street	Hahira, GA 31632	Aug-12	\$347,765	6.32	56	\$6,210
Average							\$5,885

LAND SALES MAP



Land Sale 1



Location: SWC of Gray Rd & Houston Lake Rd
Perry, GA 31069

Buyer: Perry Place Partner
Seller: BLDHP Inc.
Sale Date: Pending
Sale Price: \$550,000
Financing: Cash

Number of Units: 100
Site: Acre(s) 23.80
 Square Footage 1,036,728
Zoning Multifamily
Corner No
Topography Level
Shape Irregular

Sale Price: Per Unit \$5,500
 Per Acre \$23,109
 Per SF \$0.53

Comments:

The sale of the site is currently pending. If executed, the site is to be developed with a 100-unit LIHTC/market rate development known as Oliver Place. The development will consist of 24 one-bedroom, 44 two-bedroom, and 32 three-bedroom units offered at the 50, 60, and 80 percent AMI levels. The development will also offer market rate units.

Verification: CoStar, Georgia DCA, Public Records

Land Sale 2



Location: NWC of Walden St & Anderson Ave
Fort Valley, GA 31030

Buyer: Reserve at Hampton LP
Seller: Belflower, Stephen H.
Sale Date: May-14
Sale Price: \$295,000
Financing: Cash

Number of Units: 60
Site: Acre(s) 9.16
 Square Footage 399,010
Zoning Multifamily
Corner Yes
Topography Level
Shape Irregular

Sale Price: Per Unit \$4,917
 Per Acre \$32,205
 Per SF \$0.74

Comments:

The site is currently vacant, but will be improved with The Reserve at Hampton, a 60-unit LIHTC development with a completion date of December 2016. The development will consist of a combination of one, two, and three-bedroom units offered at the 50 and 60 percent AMI levels.

Verification: CoStar, Georgia DCA, Public Records

Land Sale 3



Location: 2001 Tallokas Point Rd
Moultrie, GA 31768

Buyer: Tallokas Pointe Apartments, LP
Seller: Wayne W. Lasseter
Sale Date: May-13
Sale Price: \$325,000
Financing: Cash

Number of Units: 48
Site: Acre(s) 1.24
 Square Footage 54,014
Zoning C4
Corner No
Topography Level
Shape Irregular

Sale Price: Per Unit \$6,771
 Per Acre \$262,097
 Per SF \$6.02

Comments:

The site has been improved with a 48-unit LIHTC development, Tallokas Pointe, that offers two and three-bedroom units. The property was completed in 2014.

Verification: Georgia DCA, Property Manager, Public Records, Appraiser's File

Land Sale 4



Location: 1022 W. Stanfill Street
Hahira, GA 31632

Buyer: Gateway Pines II Hahira, LP
Seller: Clay Hadscock
Sale Date: August-12
Sale Price: \$347,765
Financing: Cash

Number of Units: 56

Site: Acre(s) 6.32
Square Footage 275,299

Zoning Multifamily
Corner No
Topography Level
Shape Irregular

Sale Price: Per Unit \$6,210
Per Acre \$55,026
Per SF \$1.26

Comments:

The site was improved with a 56-unit LIHTC development named Gateway Pines II. The apartment complex consists of one and two-bedroom apartments.

Verification: Georgia DCA, Public Records, Appraiser's File

Adjustments

The following table illustrates adjustments applied to the sale comparables.

Comparable Land Data Adjustment Grid					
	SUBJECT	1	2	3	4
Location		SWC of Gray Rd & Houston Lake Rd	NWC of Walden St & Anderson Ave	2001 Tallokas Point Rd	1022 W. Stanfill Street
City, State	Tifton, GA 31793	Perry, GA 31069	Fort Valley, GA 31030	Moultrie, GA 31768	Hahira, GA 31632
Parcel Data					
Zoning	Multifamily	Multifamily	Multifamily	Multifamily	Multifamily
Topography	Gently Sloping	Level	Level	Level	Level
Shape	Rectangular	Irregular	Irregular	Irregular	Irregular
Corner	No	No	Yes	No	No
Size (SF)	209,959	1,036,728	399,010	54,014	275,299
Size (Acres)	4.82	23.80	9.16	1.24	6.32
Units	48	100	60	48	56
Units Per Acre	10.0	4.2	6.6	38.7	8.9
Sales Data					
Date		Pending	May-14	May-13	Aug-12
Interest		Fee Simple	Fee Simple	Fee Simple	Fee Simple
Price		\$550,000	\$295,000	\$325,000	\$347,765
Price per Unit		\$5,500	\$6,146	\$6,770.83	\$6,210
Adjustments					
Property Rights		0	0	0	0
		\$550,000	\$295,000	\$325,000	\$347,765
Financing		0	0	0	0
		\$550,000	\$295,000	\$325,000	\$347,765
Conditions of Sale		1.00	1.00	1.00	1.00
		\$550,000	\$295,000	\$325,000	\$347,765
Market Conditions		1.000	1.050	1.050	1.050
Adjusted Sale Price		\$550,000	\$309,750	\$341,250	\$365,153
Adjusted Price Per Unit		\$5,500	\$5,163	\$7,109	\$6,521
Adjustments					
Location		0.0%	5.0%	5.0%	-10.0%
Zoning/Density		0.0%	0.0%	-10.0%	0.0%
Access/Visibility		-10.0%	-10.0%	-5.0%	-5.0%
Shape		0.0%	0.0%	0.0%	0.0%
Size		15.0%	0.0%	0.0%	0.0%
Overall Adjustment		5.0%	-5.0%	-10.0%	-15.0%
Adjusted Price Per Unit		\$5,775	\$4,904	\$6,398	\$5,543
Low	\$4,904				
High	\$6,398				
Mean	\$5,655				
Median	\$5,659				
Conclusion	\$5,500	x	48	=	\$264,000
Rounded					\$260,000

As illustrated, adjustments have been made based on price differences created by the following factors:

- **Property Rights**
- **Financing**
- **Conditions of Sale**
- **Market Conditions**
- **Location**
- **Zoning**
- **Topography**
- **Shape**
- **Size / Number of Units**

Property Rights

All sales were of fee simple interest; therefore, no adjustments are necessary.

Financing

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

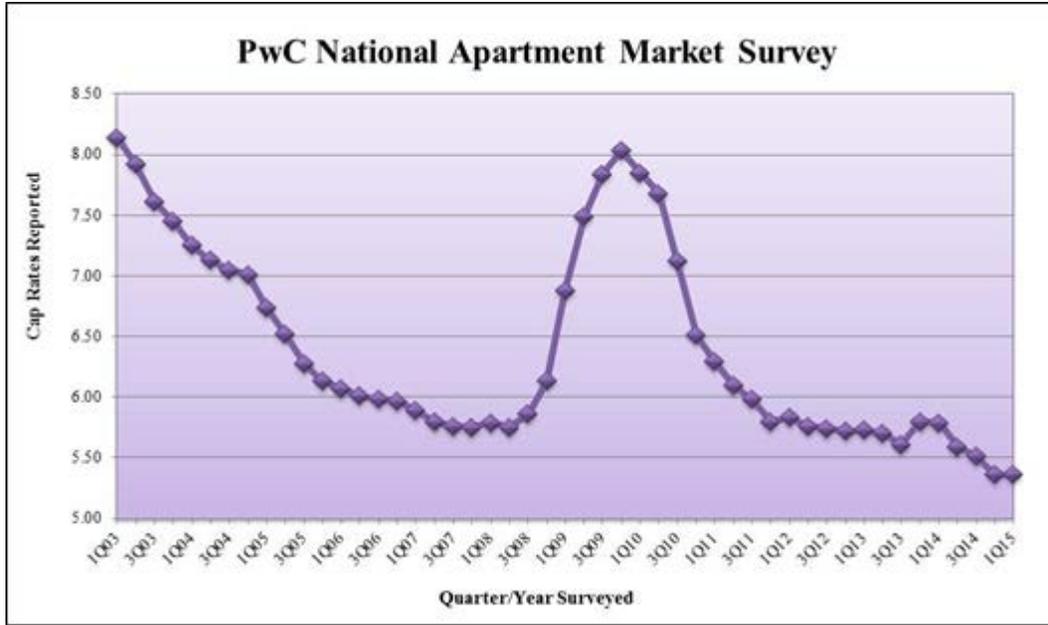
Conditions of Sale

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

Market Conditions

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

The comparable sales occurred between August 2012 and May 2014, while one sale is still pending. Overall, capitalization rate trends in the region appear to have generally followed the national capitalization rate trends over the past several years, and are a good indication of changes in market conditions and resulting land value over time. We have adjusted sales 2, 3 and 4 by five percent for market conditions given the change in capitalization rates between each sale and the first quarter of 2015.



Location

Location encompasses a number of issues, including location within different market areas with different supply/demand pressures, the character/condition of surrounding development, access, and visibility. It is important to assess which factors truly impact value for different types of real estate. We have addressed this issue (as well as the remaining elements of comparison) on a comparable-by-comparable basis. Provided below is a summary of median gross rent and median household income for the Subject’s zip code and the comparables.

MEDIAN GROSS RENT

#REF!	Zip Code	Median Rent	Differential With Subject Site
Subject	31793	\$655	-
Comp 1	31069	\$636	3%
Comp 2	31030	\$615	6%
Comp 3	31768	\$585	11%
Comp 4	31632	\$764	-17%

Source: US Census, Novogradac & Company LLP, 6/2015

MEDIAN HOUSEHOLD INCOME

Property	Zip Code	Median Income	Differential With Subject Site
Subject	31793	\$47,607	-
Comp 1	31069	\$51,739	-8.7%
Comp 2	31030	\$33,116	30.4%
Comp 3	31768	\$30,511	
Comp 4	31632	\$51,578	-8.3%

Source: Zillow.com, 6/2015

Sales 2 and 3 are inferior to the Subject in terms of median rent. Therefore, these comparables were adjusted upward 5 percent. Sale 4 was superior to the Subject in terms of median rent and therefore received a downward 10 percent adjustment.

Zoning / Density

All of the land sales’ zoning permits multifamily development; therefore no adjustments are necessary. However, Sale 3 can be developed to a significantly higher density than the Subject and was adjusted downward 10 percent.

Shape

Site characteristics such as access, frontage, visibility, and shape can affect the marketability of sites, making them more or less attractive to investors. The Subject has generally similar shape, access, and visibility as the comparable sales. No adjustment is warranted.

Access/Visibility

The Subject is located behind an adjacent development and has below average access and visibility. Sales 1 and 2 have ample frontage, allowing for good access and visibility. Sales 3 and 4 have limited frontage and are more similar to the Subject in terms of access and visibility, but still slightly superior. Accordingly, a downward adjustment of ten percent is applied to Sales 1 and 2 and a downward adjustment of five percent is applied to Sales 3 and 4.

Size / Number of Units

With respect to size, the pool of potential purchasers decreases as property size (and purchase price) increases. The pricing relationship is not linear and certain property sizes, while different, may not receive differing prices based on the grouping within levels. In this instance, Sale 1 has a greater number of units than the Subject and was adjusted upward 15 percent.

CONCLUSION OF LAND VALUE

The adjusted sales reflect values ranging from \$4,904 to \$6,398 per unit, with a mean of \$5,655 and a median of \$5,659 per unit. Based on this data, we have concluded to \$5,500 per unit, or \$260,000. As a result of our investigation and analysis, it is our opinion that, subject to the limiting conditions and assumptions contained herein, the estimated market value of the fee simple interest in the Subject as if vacant, free and clear of financing, as of April 29, 2015 is:

**TWO HUNDRED SIXTY THOUSAND DOLLARS
(\$260,000)**

The concluded land value of \$260,000 is reasonably consistent with the reported contract price of \$240,000, although the contract is reportedly based on an internal negotiation.

Exposure Time: Nine – 12 Months

Marketing Period: Nine – 12 Months

ADDENDUM A

Assumptions & Limiting Conditions and Certification

ASSUMPTIONS AND LIMITING CONDITIONS

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

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

21. The party for whom this report is prepared has reported to the appraiser there are no original existing condition or development plans that would Subject this property to the regulations of the Securities and Exchange Commission or similar agencies on the state or local level.
22. Unless stated otherwise, no percolation tests have been performed on this property. In making the appraisal, it has been assumed the property is capable of passing such tests so as to be developable to its highest and best use, as detailed in this report.
23. No in-depth inspection was made of existing plumbing (including well and septic), electrical, or heating systems. The appraiser does not warrant the condition or adequacy of such systems.
24. No in-depth inspection of existing insulation was made. It is specifically assumed no Urea Formaldehyde Foam Insulation (UFFI), or any other product banned or discouraged by the Consumer Product Safety Commission has been introduced into the appraised property. The appraiser reserves the right to review and/or modify this appraisal if said insulation exists on the Subject site.
25. Acceptance of and/or use of this report constitute acceptance of all assumptions and the above conditions. Estimates presented in this report are not valid for syndication purposes.

CERTIFICATION

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

- The statements of fact contained in this report are true and correct;
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, conclusions, and recommendations;
- We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest with respect to the parties involved;
- We are recently performed a market study of the multifamily project proposed for development on the Subject site. We have performed no other services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment;
- We have no bias with respect to any property that is the subject of this report or to the parties involved with this assignment;
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results;
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal;
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice;
- Sterling Battle has made a personal inspection of the property that is the subject of this report and comparable market data. Kristen Kolaski performed the analysis and prepared the report. H. Blair Kincer, MAI, CRE and Edward Mitchell oversaw all data collection and reporting in this appraisal. No one other than those listed on this page provided any significant real property appraisal assistance.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, Blair Kincer, MAI, CRE has completed the requirements of the continuing education program for Designated Members of the Appraisal Institute.

- As of the date of this report, Edward Mitchell and Kristen Kolaski have completed the Standards and Ethics Education Requirements for Candidates/Practicing Affiliates of the Appraisal Institute.



H. Blair Kincer, MAI, CRE
LEED Green Associate
Partner
Blair.Kincer@novoco.com



Edward R. Mitchell
Manager
Georgia Certified Property Appraiser #4649
Expiration Date: 4/30/2016
Ed.Mitchell@novoco.com



Kristen A. Kolaski
Analyst
Georgia Real Property Appraiser #343012
Expiration Date: 1/31/2016
Kristen.Kolaski@novoco.com

ADDENDUM B
Subject Photographs



Subject site



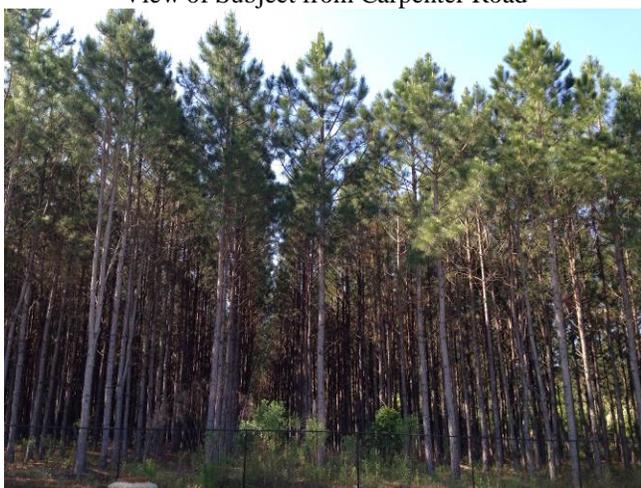
View of Subject site from West Haven Senior Village



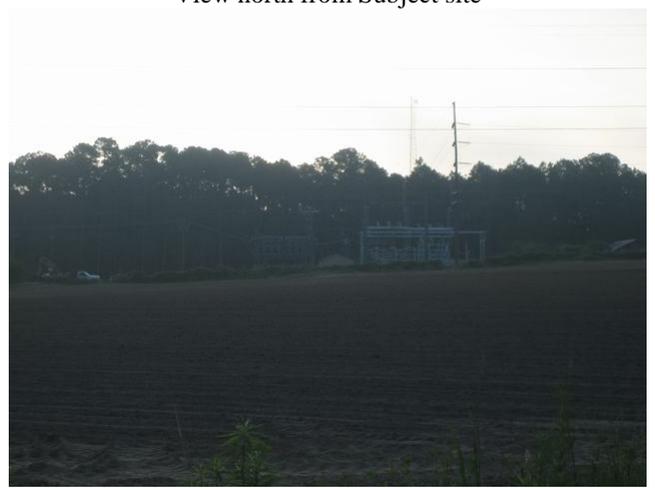
View of Subject from Carpenter Road



View north from Subject site



View south from Subject site



View east from Subject site



View west from Subject site



West Haven Senior Village North of Subject site



View east on E B Hamilton Drive



View west on E B Hamilton Drive



Signage along E B Hamilton Drive



Single-family home on Roy Marchant Road



Single-family home on Carpenter Road



Single-family home northeast of Subject site



USDA Agricultural center



Small office park north of Subject site

ADDENDUM C
Qualifications of Consultants

STATEMENT OF PROFESSIONAL QUALIFICATIONS

KRISTEN A. KOLASKI

I. Education

Bachelor of Science in Business Administration – Real Estate
Georgia State University, Atlanta, Georgia

II. Work History

Real Estate Analyst; Novogradac & Company LLP; Atlanta, Georgia
Senior Appraiser; Landauer Valuation & Advisory; Atlanta, Georgia
Associate Appraiser; MVC Valuation & Consulting; Oxford, Georgia
Research Associate; NPV Advisors; Atlanta, Georgia

III. Relevant Experience

- Over 5 years' experience in real estate appraisal, investment, development, and construction. Past appraisal assignments include all types of vacant and improved commercial property and special use properties throughout the southeast.
- Have conducted appraisals of affordable housing (primarily LIHTC developments). Appraisal assignments typically involved determining the as is, as if complete and the as if complete and stabilized values. Additionally, encumbered (LIHTC) and unencumbered values were typically derived.

IV. Licensure

- Georgia State Licensed General Real Property Appraiser #343012
- Appraisal Institute – Practicing Affiliate

STATEMENT OF PROFESSIONAL QUALIFICATIONS

EDWARD R. MITCHELL

I. Education

Master of Science – Financial Planning
University of Alabama, Tuscaloosa, Alabama

Graduate Certificate (Half Master's) Conflict Management, Negotiation, and Mediation
University of Alabama, Tuscaloosa, Alabama

Bachelor of Science – Human Environmental Science
University of Alabama, Tuscaloosa, Alabama

Associate of Arts – Real Estate Management
San Antonio College, San Antonio, Texas

II. Work History

Manager - Valuation; Novogradac & Company LLP; Atlanta, Georgia
Senior Real Estate Analyst; Novogradac & Company LLP; Atlanta, Georgia
Senior Appraiser; Valbridge Property Advisors; Atlanta, Georgia
Managing Partner; Consolidated Equity, Inc.; Atlanta, Georgia and Jacksonville, Florida
Senior Appraiser; Schultz, Carr, Bissette & Associates; Atlanta, Georgia
Disposition Manager; Resolution Trust Corporation (RTC); San Antonio & Dallas, Texas

III. Relevant Experience

- Managed and prepared market studies and appraisals throughout the U.S. for family and senior Low-Income Housing Tax Credit (LIHTC), market rate, HOME financed, USDA Rural Development, and HUD subsidized properties.
- Managed and prepared HUD rent comparability studies (RCS).
- Performed HUD MAP Quality Control market study and appraisal reviews.
- Over 20 years' experience in real estate appraisal, investment, development, and construction. Past appraisal assignments include all types of vacant and improved commercial property and special use properties such as rail corridors, Right-of-Way projects, and recycling plants.

IV. Licensure

- Georgia State Certified General Real Property Appraiser #4649
- Alabama State Certified General Real Property Appraiser #G01192
- Licensed Real Estate Salesperson (Georgia)
- Appraisal Institute – Candidate for Designation

STATEMENT OF PROFESSIONAL QUALIFICATIONS

H. BLAIR KINCER, MAI, CRE

I. Education

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

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

II. Licensing and Professional Affiliation

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

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

III. Professional Experience

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

IV. Professional Training

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

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

V. Real Estate Assignments – Examples

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

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

H. Blair Kincer

Qualifications

Page 3

- Performed numerous market study/appraisals assignments for USDA RD properties in several states in conjunction with acquisition rehabilitation redevelopments. Documents are used by states, FannieMae, USDA and the developer in the underwriting process. Market studies are compliant to State, FannieMae and USDA requirements. Appraisals are compliant to FannieMae and USDA HB-1-3560 Chapter 7 and Attachments.
- Completed numerous FannieMae appraisals of affordable and market rate multi-family properties for Fannie DUS Lenders. Currently have ongoing assignment relationships with several DUS Lenders.
- In accordance with HUD's Section 8 Renewal Policy and Chapter 9, Mr. Kincer has completed numerous Rent Comparability Studies for various property owners and local housing authorities. The properties were typically undergoing recertification under HUD's Mark to Market Program.
- Completed Fair Market Value analyses for solar panel installations, wind turbine installations, and other renewable energy assets in connection with financing and structuring analyses performed by various clients. The reports are used by clients to evaluate with their advisors certain tax consequences applicable to ownership. Additionally, the reports can be used in connection with the application for the federal grant identified as Section 1603 American Recovery & Reinvestment Act of 2009.