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DCA EQUIVALENT COMPLETE SELF CONTAINED APPRAISAL REPORT

OF THE PROPOSED RENOVATED

CENTENNIAL PLACE APARTMENTS PHASE IV
130 HUNNICUTT STREET
ATLANTA, FULTON COUNTY, GEORGIA 30313

EHA File 16-166

DATE OF VALUE
May 18, 2016

DATE OF REPORT
June 6, 2016

PREPARED FOR

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

For Use By The
Georgia Department of Community Affairs

Appraisal Prepared By
Everson, Huber and Associates
Stephen M. Huber
Ingrid Noerenberg Ott
3535 Roswell Road
Marietta, Georgia 30062

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June 6, 2016

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

RE: Appraisal Report of the
Proposed Renovated
Centennial Place Apartments – Phase IV
130 Hunnicutt Street
Atlanta, Fulton County, Georgia 30313

EHA File 16-166

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. This report is the equivalent of the former "Complete Self Contained" format. 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 May 18, 2016, 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 IV is a 195-unit apartment development, built in 1998, situated on an 8.10-acre ground-leased site. It is located south of Hunnicutt Street, west of I-75, east of Luckie Street, and north of Mills Street. It is bisected by McAfee Street, Centennial Olympic Park Drive and Lovejoy Street, within the city limits of Atlanta, Fulton County, Georgia, at the center of the Atlanta CBD. The property consists of 22 two- and three-story apartment buildings. The unit mix consists of 78 one-bedroom units, 92

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two-bedroom units, 24 three-bedroom units, and one four-bedroom unit, ranging from 786 to 2,072 gross square feet (includes outdoor balcony/patio and storage), with an average size of 1,070 square feet. The subject includes a mixture of market (88 units, or 45%), Low Income Housing Tax Credit (LIHTC) units at 60% of AMI (24 units, or 12%), and authority assisted units (83 units, or 43%). 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.

Centennial Place Phase IV has provided temporary housing to tenants displaced by construction in Phases I and II for the past two years, and will continue to do so as Phase III begins substantial rehab. Management has also offered rent concessions to offset construction inconveniences, and curtailed marketing efforts since a variety of floorplans of vacant units were needed to accommodate displaced tenants. The net effect is that rents appear below market, and vacancy appears to be higher than expected at 9%-10% instead of a more typical 4%-6%. However, most units recorded as vacant are physically occupied with displaced residents from other phases. This dynamic is expected to continue for the next three years, until the renovation of all phases is complete.

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).

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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:

APPRAISAL VALUE ESTIMATES	
Estimate of the Market Value of the Leasehold Interest in the Subject "As Is", as of May 18, 2016:	$8,600,000
Per Unit (195):	$44,103
Allocated Market Value of the Leasehold Interest in the Subject Improvements As of May 18, 2016:	$8,600,000
Allocated Market Value of the Leasehold Interest in the Subject Underlying Land As of May 18, 2016:	$0
Estimate of Market Value of the Leasehold Interest in the Subject "Upon Completion," Subject to Restricted Rents, As of June 1, 2017:	$11,620,000
Per Unit (195):	$59,590
Estimate of Market Value of Leasehold Interest in the Subject "At Stabilization," Subject to Restricted Rents, As of December 1, 2017:	$11,800,000
Per Unit (195):	$60,513
Estimate of Hypothetical Market Value of the Leasehold Interest in the Subject "Upon Completion," Assuming Unrestricted/Market Rents, As of June 1, 2017:	$24,260,000
Per Unit (195):	$124,410
Estimate of Hypothetical Market Value of the Leasehold Interest in the Subject "At Stabilization," Assuming Unrestricted/Market Rents, As of December 1, 2017:	$24,500,000
Per Unit (195):	$125,641
Prospective Unrestricted Value At Loan Maturity:	$25,700,000
Value of Tax Credits, As of December 1, 2017:	N/Av
Estimate of the Market Value of the Leasehold Interest in the Subject Site "As Is", as of May 18, 2016:	$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 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.	

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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 IV 130 Hunnicutt Street Atlanta, Fulton County, GA 30313
Location:	South of Hunnicutt Street, west of I-75, east of Luckie Street, and north of Mills Street. It is bisected by McAfee Street, Centennial Olympic Park Drive and Lovejoy Street, within the city limits of Atlanta, Fulton County, Georgia, at the center of the Atlanta CBD.
Appraisal Identification:	EHA File 16-166
Tax Parcel Numbers:	14007900060225, 14007900060828 (improvements), 14007900060233, 14007900060217 and 14007900110590
Property Description:	Centennial Place Apartments Phase IV is a 195-unit apartment development, built in 1998, situated on an 8.10-acre ground-leased site. The property consists of 22 two- and three-story apartment buildings. The unit mix consists of 78 one-bedroom units, 92 two-bedroom units, 24 three-bedroom units, and one four-bedroom unit, ranging from 786 to 2,072 gross square feet (includes outdoor balcony/patio and storage), with an average size of 1,070 square feet. The subject includes a mixture of market (88 units, or 45%), Low Income Housing Tax Credit (LIHTC) units at 60% of AMI (24 units, or 12%), and authority assisted units (83 units, or 43%). 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:	May 18, 2016
Date of Report:	June 6, 2016
Estimated Marketing Time:	12 months or less
Appraiser Qualifications:	Appraisers' education, experience and qualifications are provided in the addenda.

Valuation:

APPRAISAL VALUE ESTIMATES	
Estimate of the Market Value of the Leasehold Interest in the Subject "As Is", as of May 18, 2016:	$8,600,000
Per Unit (195):	$44,103
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Value of Tax Credits, As of December 1, 2017:	N/Av
Estimate of the Market Value of the Leasehold Interest in the Subject Site "As Is", as of May 18, 2016:	$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 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.	

PROPERTY IDENTIFICATION

Centennial Place Apartments Phase IV is a 195-unit apartment development, built in 1998, situated on an 8.10-acre ground-leased site. It is located south of Hunnicutt Street, west of I-75, east of Luckie Street, and north of Mills Street. It is bisected by McAfee Street, Centennial Olympic Park Drive and Lovejoy Street, within the city limits of Atlanta, Fulton County, Georgia, at the center of the Atlanta CBD. The property consists of 22 two- and three-story apartment buildings. The unit mix consists of 78 one-bedroom units, 92 two-bedroom units, 24 three-bedroom units, and one four-bedroom unit, ranging from 786 to 2,072 gross square feet (includes outdoor balcony/patio and storage), with an average size of 1,070 square feet. The subject includes a mixture of market (88 units, or 45%), Low Income Housing Tax Credit (LIHTC) units at 60% of AMI (24 units, or 12%), and authority assisted units (83 units, or 43%). 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 fi nanced with proceeds from the syndication of federal and state 9% low income housing tax credits. The subject has a street address of 130 Hunnicutt Street and is legally identified as tax parcels 14007900060225, 14007900060828 (improvements), 14007900060233, 14007900060217 and 14007900110590.

OWNERSHIP AND PROPERTY HISTORY

Centennial Place Phase IV 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 at least 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 IV 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 IV, L.P. through an internal transaction by related parties from Legacy Partnership IV, 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 May 18, 2016, which is the date of our last inspection. The date of report is June 6, 2016.

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

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[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.

SCOPE OF THE APPRAISAL / 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

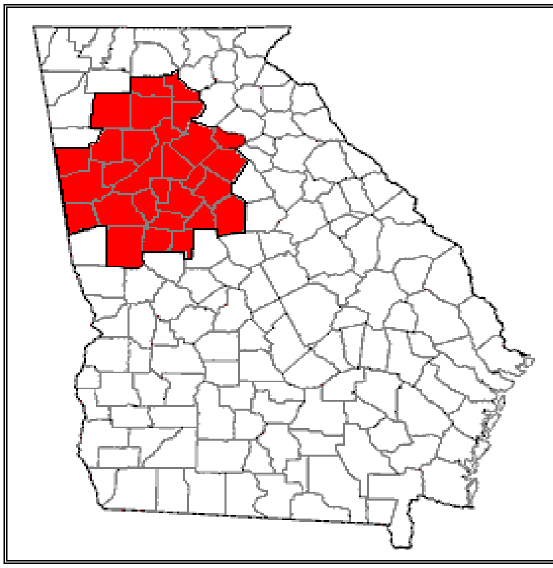
> The value presented assumes the property has attained the optimum level of long-term occupancy which an income producing real estate project is expected to achieve under competent management after exposure for leasing in the open market for a reasonable period of time at terms and conditions comparable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

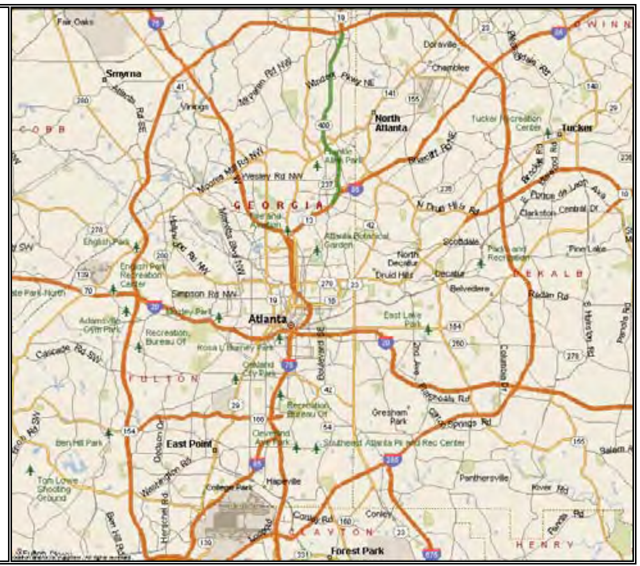
Hypothetical Condition on Appraisal Date

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 5.8 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 grew at a rate over twice as fast as the nation and 1/3 faster than the state of Georgia. From 2010 to 2014, the MSA population growth has doubled the national average and significantly exceeded that of the State of Georgia. Since 2010, the fastest growing counties are Forsyth, Fulton Cherokee and Gwinnett. In terms of absolute growth, the two largest counties, Fulton and Gwinnett, lead the way.

Chief among the factors driving continued expansion of the MSA population are employment opportunities, transportation, climat e, 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 2014.

ATLANTA METROPOLITAN STATISTICAL AREA (MSA) POPULATION								
					2000 to 2010 Chge.		2010 to 2014 Chge.	
	1990	2000	2010	2014	Number	Percent	Number	Percent
Barrow	29,721	46,144	69,367	73,240	23,223	50%	3,873	6%
Bartow	55,911	76,019	100,157	101,736	24,138	32%	1,579	2%
Butts	15,326	19,522	23,655	23,368	4,133	21%	-287	-1%
Carroll	71,422	87,268	110,527	114,083	23,259	27%	3,556	3%
Cherokee	91,000	141,903	214,346	230,985	72,443	51%	16,639	8%
Clayton	184,100	236,517	259,424	267,542	22,907	10%	8,118	3%
Cobb	453,400	607,751	688,078	730,981	80,327	13%	42,903	6%
Coweta	53,853	89,215	127,317	135,571	38,102	43%	8,254	6%
Dawson	9,429	15,999	22,330	22,957	6,331	40%	627	3%
DeKalb	553,800	665,865	691,893	722,161	26,028	4%	30,268	4%
Douglas	71,700	92,174	132,403	138,776	40,229	44%	6,373	5%
Fayette	62,800	91,263	106,567	109,664	15,304	17%	3,097	3%
Forsyth	44,083	98,407	175,511	204,302	77,104	78%	28,791	16%
Fulton	670,800	816,006	920,581	996,319	104,575	13%	75,738	8%
Gwinnett	356,500	588,448	805,321	877,922	216,873	37%	72,601	9%
Hall	95,984	139,677	179,684	190,761	40,007	29%	11,077	6%
Haralson	21,966	25,690	28,780	28,641	3,090	12%	-139	0%
Heard	8,628	11,012	11,834	11,603	822	7%	-231	-2%
Henry	59,200	119,341	203,922	213,869	84,581	71%	9,947	5%
Jasper	8,453	11,426	13,900	13,432	2,474	22%	-468	-3%
Lamar	13,038	15,912	18,317	18,207	2,405	15%	-110	-1%
Meriwether	22,441	22,534	21,992	21,198	-542	-2%	-794	-4%
Newton	41,808	62,001	99,958	103,675	37,957	61%	3,717	4%
Paulding	41,611	81,678	142,324	148,987	60,646	74%	6,663	5%
Pickens	14,432	22,983	29,431	29,997	6,448	28%	566	2%
Pike	10,224	13,688	17,869	17,784	4,181	31%	-85	0%
Rockdale	54,500	70,111	85,215	87,754	15,104	22%	2,539	3%
Spalding	54,457	58,417	64,073	63,988	5,656	10%	-85	0%
Walton	38,586	60,687	83,768	87,615	23,081	38%	3,847	5%
MSA Total	3,209,173	4,387,658	5,448,544	5,787,118	1,060,886	24%	338,574	6%
State: Georgia	6,478,216	8,186,453	9,687,653	10,097,343	3,619,127	18%	409,690	4%
U.S.	248,709,873	281,421,906	308,745,538	318,699,221	69,989,348	10%	9,953,683	3%
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 next. Similar data for the State of Georgia is shown for comparison purposes.

MSA INDUSTRY MIX VS. STATE				
	State of Georgia		Atlanta MSA	
	2015(04)	% of Total	# 2015(04)	% of Total
Construction	156,300	3.7%	104,700	4.1%
Manufacturing	372,100	8.7%	153,900	6.0%
Finance/Info	345,400	8.1%	252,900	9.9%
Wholesale Trade	214,600	5.0%	155,800	6.1%
Retail Trade	481,300	11.3%	276,900	10.8%
Professional/Business	635,800	14.9%	473,700	18.5%
Health Care/Education	541,100	12.7%	316,500	12.3%
Leisure/Hospitality	453,300	10.7%	270,700	10.5%
Transport/Warehousing/Utilities	197,800	4.6%	135,000	5.3%
Other Services	154,700	3.6%	94,900	3.7%
Government	693,400	16.3%	330,000	12.9%
All Other	8,800	0.2%	1,300	0.1%
Total Non-Farm	**4,254,600**	**100.0%**	**2,566,300**	**100.0%**

Source: Georgia Department of Labor

Noteworthy is the larger Professional/Business sector in the MSA (largest MSA sector) and the smaller Government sector. The Government sector is the second largest in the MSA, however. The Finance/Info sector in the MSA is also larger than the State.

Unemployment

The unemployment rates for the Atlanta MSA over the years have generally equaled or consistently bettered the state averages. The chart below indicates a five year decreasing trend – which is in line with national data.

UNEMPLOYMENT RATES - ANNUAL AVERAGES									
	2007	2008	2009	2010	2011	2012	2013	2014	Dec-15
Atlanta MSA	4.2%	6.2%	9.6%	10.2%	9.6%	8.7%	7.9%	6.8%	4.9%
Georgia	4.4%	6.2%	9.6%	10.2%	9.8%	9.0%	8.2%	7.2%	5.5%
U.S.	4.6%	5.8%	9.3%	9.6%	8.9%	8.1%	7.4%	6.2%	5.0%

Source: Bureau of Labor Statistics, Federal Reserve Bank of St. Louis

Largest Employers

As indicated in the following chart, Atlanta's top employer is Delta Airlines, followed by 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 (14^{th}) 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 opened 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). In 2015 Mercedes-Benz announced it was moving its corporate headquarters from New Jersey to Atlanta. The company plans to build a $100M facility and hire about 1,000 employees. Also in 2015, Keurig Green Mountain announced a new manufacturing facility in Douglasville that will create 550 new jobs.

Income, Median Age, Home Value, and Education

According to a demographic report by STDBOnline, for 2015, the average household income estimate is $79,222 (2010 figure was $85,998), with a median of $56,889. The median home value for the MSA is $195,231 (versus 2010 figure of $145,533). As per the 2015 estimate, 79% of the population had completed high school, and 23% had at least a four-year college degree.

MARKET SECTOR SNAPSHOTS

Retail

According to the *CoStar Retail Report, First Quarter 2016,* the Atlanta retail market did not experience in the first quarter of 2016 over the fourth quarter 2015. The vacancy rate went from 7.1% in the previous quarter to 7.0% in the current quarter. Net absorption was positive 536,351 square feet and vacant sublease space decreased by 19,556 square feet. Quoted rental rates were unchanged from fourth quarter 2015 levels, ending at $12.48 per square foot per year. A total of 21 retail buildings with 300,174 square feet of retail space were delivered to the market in the quarter with 1,734,074 square feet still under construction.

Multi-Family

According to the MPF Research A *tlanta Apartment Market Report – First Quarter 2016*, Atlanta continues to have inconsistent performance throughout the metro submarkets with revenue growth inside the perimeter and in the northern suburbs. Apartment occupancy and rent growth continue above historical norms. *MPF* expects Atlanta to continue the inconsistent market performance, but notes that conditions have started to stabilize. Apartment demand topped net supply in the first quarter – 8,565 units to 5,816 units. Occupancy declined 1.0 point quarter-over-quarter, but was up 0.7 point year-over-year. Rents climbed 1.1% quarter-over-quarter. Strongest submarkets are inside the perimeter and in the northern suburbs.

Office

According to the *PwC Real Estate Investor Survey, First Quarter 2016*, statistics for the Atlanta office market, the Atlanta office market can expect steady demand trends in 2016. The year-end 2015 overall vacancy rate of 16.2% is at the lowest level since 2008, per Cushman and Wakefield. Yearly absorption as of the last quarter 2015 was 3M square feet, a record high going back to 2007. Sales activity has also surged. 2015 total sales were at $5.1B. Cap rates had the ninth consecutive quarterly decline. Its average overall cap rate sits at 7.33% as of the end of the first quarter 2016.

According to the *CoStar Office Report, First Quarter 2016*, the Atlanta Office market ended the first quarter 2016 with a vacancy rate of 12.3%. The vacancy rate was up over the previous quarter, with net absorption totaling negative 6,211 square feet in the first quarter. Vacant sublease space increased in the quarter ending at 1,349,734 square feet. Rental rates ended the fourth quarter at $21.02, an increase over the previous quarter. A total of four buildings were delivered to the market in the quarter totaling 86,876 square feet with 3,137,140 square feet still under construction.

Tallying office building sales of 15,000 square feet or larger, Atlanta office sales figures rose during the fourth quarter 2015 in terms of dollar volume compared to the third quarter of 2015. Total office building sales activity in 2015 (through fourth quarter) was up compared to 2014. In the four quarters of 2015, the market saw 170 office sales transactions with a total volume of $3,502,100,606. The price per square foot averaged $160.10. In the same period of 2014, the market posted 140 transactions with a total volume of $2,318,520,717. The price per square foot aver-aged $137.51. Cap rates have been lower in 2015, averaging 7.77% compared to the same period in 2014 when they averaged 8.22%.

Industrial

According to the *CoStar Industrial Report, First Quarter 2016*, the Atlanta Industrial market ended the first quarter 2016 with a vacancy rate of 7.6%. The vacancy rate was up over the previous quarter, with net absorption totaling positive 3,866,913 square feet in the first quarter. Vacant sublease space increased in the quarter ending at 2,271,400 square feet. Rental rates ended the first quarter at $4.32, an increase over the previous quarter. A total of 15 buildings were delivered to the market in the quarter totaling 5,591,982 square feet with 12,721,229 square feet still under construction.

Tallying industrial building sales of 15,000 square feet or larger, Atlanta industrial sales figures rose during the fourth quarter 2015 in terms of dollar volume compared to the previous quarter. Total year-to-date industrial building sales activity in 2015 is down compared to the previous year. In the 12 months of 2015, the market saw 306 industrial sales transactions with a total volume of $1,202,071,883. The price per square foot has averaged $38.41 this year. In 2014, the market posted 260 transactions with a total volume of $1,490,498,646. The price per square foot averaged $39.74. Cap rates in 2015 were higher, averaging 7.76%, compared to the previous year when they averaged 7.67%.

Housing

According to a homebuyinginstitute.com, published October 2015, in their forecast for 2016 Atlanta was one of the big real estate stories of 2015. Home prices in the metro area reportedly rose by double digits over the last couple of years, outpacing most of the nation. Prices in this housing market rose fast enough to prompt some industry watchers to caution that the levels were unstable. While home-price appreciation has leveled off to some degree, continued gains are likely in 2016.

According to *Zillow,* from March 2015 to March 2016 home prices rose 11%. Their economic team's recent forecast for 2016 expects to see home prices rise 5.9%. Other housing analysts have made similar comments and predictions regarding the Atlanta housing market in 2016, which support additional gains. However, prices will probably fall short of the double-digit increases recorded over the last couple of years.

In April 2016, the Atlanta Business Chronicle reported that the metro Atlanta housing market saw a 6.1% jump in prices in February, according to the latest S&P/Case-Shiller Home Price Indices. "Home prices continue to rise twice as fast as inflation, but the pace is easing off in the most recent numbers," said David M. Blitzer, managing director and chairman of the index committee at S&P Dow Jones Indices. "The slower growth rate is evident in the monthly seasonally adjusted numbers: six cities experienced smaller monthly gains in February compared to January, when no city saw growth."

While financing is not an issue for home buyers, rising prices are a concern in many parts of the country, Blitzer added. "The visible supply of homes on the market is low at 4.8 months in the last report," he said. "Homeowners looking to sell their house and trade up to a larger house or a more desirable location are concerned with finding that new house. Additionally, the pace of new single-family home construction and sales has not completely recovered from the recession."

According to the most recent (January 2016) Summary of Commentary on Current Economic Conditions by Federal Reserve Districts, real estate and construction feedback was slightly less optimistic since the last report, although several attributed the softening conditions to seasonal factors. Most builders reported that home sales were flat to slightly up relative to one year earlier. Meanwhile, reports on home sales and traffic from brokers were mixed. On balance, participants described inventory levels as flat. Most contacts indicated that they were seeing modest home appreciation. Anticipated home sales and construction activity over the next three months is expected to be flat to slightly up. Reports on apartment construction suggested that activity remained robust.

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 2015/16 in Atlanta are shown next.

TOP TRADE SHOWS AND CONVENTIONS IN ATLANTA FOR 2015/2016		
Show	Estimated or expected No. of Attendees	Location
AmericasMart Gift & Home Furnishings Market Jan.	91,000	AmericasMart Atlanta
AmericasMart Gift & Home Furnishings Market Jan.	90,000	AmericasMart Atlanta
2015 Neighborhood Awards	84,000	GWCC
SEC Football Championship	74,000	Georgia Dome
Chick-fil-a Bowl	72,000	Georgia Dome
Chick-fil-a College Kick-Off Game	70,000	Georgia Dome
Dragon Con	60,000	AmericasMart Atlanta
Cheersport	60,000	GWCC
Alcoholics Anonymous 80th International Convention	57,000	GWCC
Primerica International Convention	50,000	GWCC

Source: *Atlanta Business Chronicle, Book of Lists 2015-16*

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. 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 (Source: Airports Council International). 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 retractable roof stadium is under construction for the Falcons football team and the Atlanta United soccer team. It should be completed in 2017. In addition, the Atlanta Braves are also under construction of a new state-of-the-art baseball stadium with an adjacent mixed-used development that will include office space, hotel rooms, various retail stores and restaurants, and an entertainment venue. This project is set to 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

In November 2015, *Georgia Trend* published an analysis of Atlanta's economic outlook. The following is developed from this analysis.

A revival of population growth and the housing recovery will strongly underpin Atlanta's ongoing economic recovery. A high concentration of college-educated workers, business partners, high-tech companies and research universities will continue to attract high-technology companies in life sciences, research and development, IT, professional and business services, and advanced manufacturing. Life sciences companies are attracted by the presence of the CDC and nonprofits such as the American Cancer Society national headquarters. New high-tech industries (e.g., healthcare IT, cyber security and mobile apps) are growing rapidly in Atlanta. The innovation district that's developing around Tech Square has achieved the critical mass needed to attract high-tech companies like NCR to Midtown Atlanta.

Compared to other large metro areas with strong links to global markets, the cost of living and doing business in the Atlanta MSA are low. Access to workers, especially skilled labor, is vital to business success. And, despite the limits that traffic places on workers, many companies are attracted to Atlanta for its large and diverse pool of employees for both occupations that require a college degree and those that do not.

On an annual average basis, the 28-county Atlanta MSA will add 69,600 jobs in 2016, a year-over-year increase of 2.7 percent. That percentage gain will exceed the gains expected for both the state – 2.3 percent – and the nation – 1.4 percent. Atlanta will account for 75 percent of the state's net job growth; however Atlanta's 2016 job increase will be smaller than the gains posted for 2014 – 88,200 – and 2015 – 77,500.

Expectations of below-average top-line growth, the tightening labor market, slightly higher productivity gains and the strong U.S. dollar will be factors behind the slowdown. More positively, a larger share of the new jobs will be full time rather than part time. Many of the headquarters and other large projects recently announced by the Georgia Department of Economic Development will be located in the metro area. Atlanta's outsized information industry will benefit from expanding film and television production as well as surging demand for more sophisticated wireless services and high-volume mobile data applications.

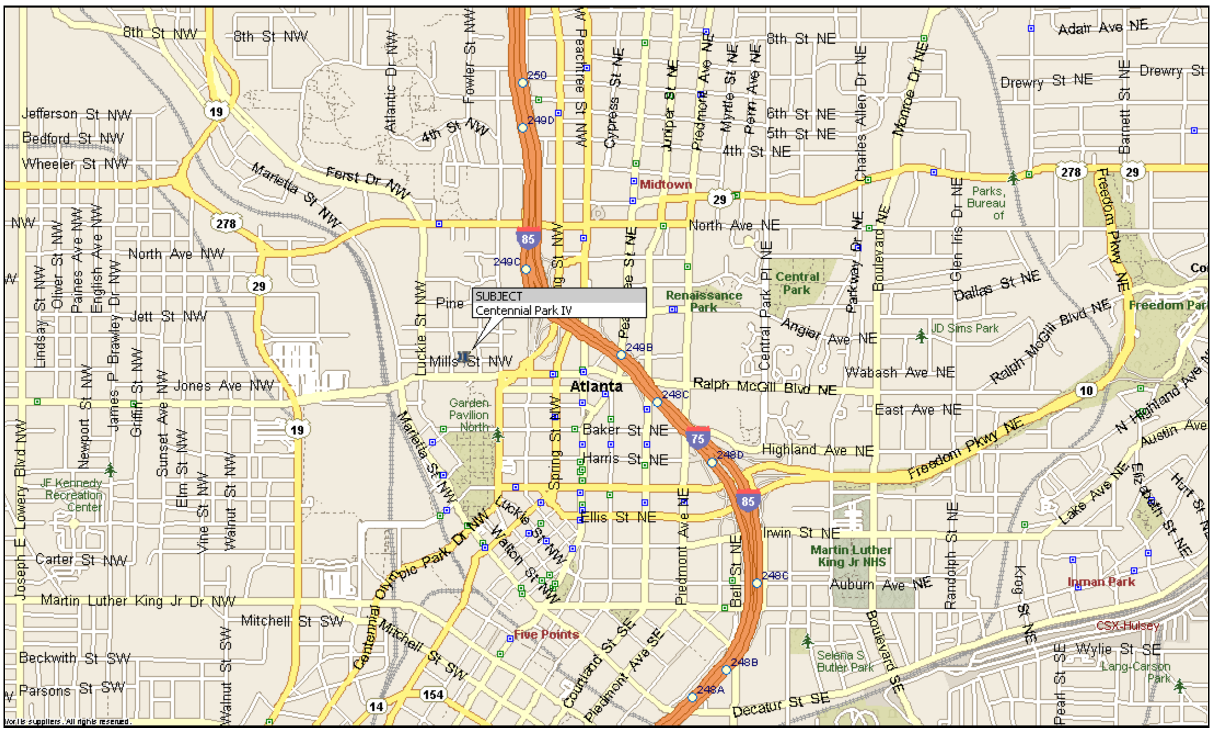
Major improvements at Hartsfield-Jackson Atlanta International Airport bode well for Atlanta's growth. The airport makes the Atlanta area an ideal location to operate corporate headquarters, with multi-state and multi-national companies flying executives and sales people everywhere almost every day. Airport improvements also will help Atlanta to become even more popular as a destination for tourists and people attending business meetings, conventions and trade shows, as well as sporting and cultural events. This, along with cyclical improvements in the national and regional economies, will boost Georgia's hospitality industry. Hotel occupancy rates will be at or near record levels. New attractions such as the Porsche Experience Center and the College Football Hall of Fame will boost Atlanta's appeal to travelers.

Atlanta will continue to develop as an inland port for distribution and warehousing products. The connectivity of Georgia's ports to the interstate system, rail and air cargo is excellent. Sites near Hartsfield-Jackson and its extensive air cargo facilities as well as those near cold storage facilities appeal to manufacturers of perishable biomedical products.

NEIGHBORHOOD OVERVIEW

Location and Boundaries

The subject is located south of Hunnicutt Street, west of I-75, east of Luckie Street, and north of Mills Street. It is bisected by McAfee Street, Centennial Olympic Park Drive and Lovejoy Street, 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 IV units have frontage along Mills and Hunnicutt Streets, Centennial Olympic Park Drive, Lovejoy and McAfee Streets. Streets are asphalt paved and bidirectional, with curbside parking. Centennial Park Drive, which bisects the east portion 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 B oulevard 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-rank ed 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 su rgery, 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 chur ches, government services and schools in the area. Schools serving the subject include Centennial Elementary, and Washington and Henry Grady High Schools. The Zell Miller Comm unity 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, Fuqua YMCA 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, 130 Hunnicutt Street

	2000	2015	2020
Population	146,679	165,188	175,434
Growth		13%	6%
Households	61,660	76,007	82,244
Growth		23%	8%

	3 Mile Ring	Atlanta MSA
Income		
Average HH	$71,898	$79,222
Median HH	$43,235	$56,889
Per Capita	$35,459	$29,318
Median Home Value	$315,627	$195,231
Housing Units		
Renter - Occupied	54%	34%
Owner - Occupied	27%	56%
Vacant	20%	10%
Average Household Size	1.79	2.68
Education Levels (Adults > 25)		
High School Graduate	91%	89%
4-Year College Degree	55%	36%
Largest Employment Categories		
Services	61%	48%
Retail Trade	9%	12%
Construction	3%	6%
Finance/Insurance/Real Estate	7%	7%
Manufacturing	4%	9%

Source: ESRI forecasts for 2015 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:	130 Hunnicutt Street Atlanta, Fulton County, GA 30313
Location:	South of Hunnicutt Street, west of I-75, east of Luckie Street, and north of Mills Street. It is bisected by McAfee Street, Centennial Olympic Park Drive and Lovejoy Street, within the city limits of Atlanta, Fulton County, Georgia, at the center of the Atlanta CBD.
Tax Parcel Numbers:	14007900060225, 14007900060828 (improvements), 14007900060233, 14007900060217 and 14007900110590

Land Area:	8.101 acres
Shape and Frontage:	Irregular shape with frontage along the south side of Hunnicutt Street, west side of I-75, east of Luckie Street (mid-block), and north of Mills Street. It has internal frontage along McAfee Street, Centennial Olympic Park Drive and Lovejoy Street.
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 I 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.
Fair Housing:	Appraisers are not an expert in such matters. The impact of such deficiencies are not quantified within this report as they may affect value. Any potential violations of the Fair Housing Act of 1988, Section 504 of the Rehabilitation Act of 1973, and the Americans with Disabilities Act of 1990 and/or 2016 Appraisal Manual DCA 9 of 14 are also not enumerated within this report, nor any accommodations (e.g., wheelchair ramps, handicap parking spaces, etc.) which have been performed to the property or may need to be performed.

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 AT COMPLETION
Centennial Place Phase IV

Unit Name	Unit Type	No. Units	Heated SF	Gross SF	Total Gross
Columbus	1BR/1BA	78	684	786	61,308
Brunswick 1	2BR/1BA	12	871	977	11,724
Brunswick 2	2BR/1BA	24	871	977	23,448
Griffin	2BR/2BA	3	871	977	2,931
Savannah 1	2BR/2BA	9	867	981	8,829
Savannah 2	2BR/2BA	21	1,054	1,224	25,704
Augusta 1	2BR/1.5BA	13	1,038	1,241	16,133
Rome	2BR/2.5BA	2	1,038	1,241	2,482
Rome G	2BR/2.5BA G	8	1,553	1,788	14,304
Macon	3BR/2.5BA	15	1,249	1,423	21,345
Macon G	3BR/2.5BA G	9	1,866	2,072	18,648
Atlanta	4BR/2.5BA	1	1,574	1,766	1,766
	Totals/Average	195	935	1,070	208,622

Improvement Summary

Area (SF):	208,622-SF Gross / 1,070-SF average
Year Built:	1998
Type:	Garden-style
Units:	195

[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)

	Condition:	Average
	Buildings/Stories:	22 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
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 at least 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. 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. 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, primar y 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 $43.410 per $1,000 of assessed value (combined city and county). Actual 2015 real property taxes for the subject are $80,295, but much of the property (underlying land and 40%of the units / PBR A units) is tax exempt. The three exempt parcels are owned by the housing authority. The 2015 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.

2015 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
14007900060225	$16,340,700	$0	$16,340,700	$6,536,280	$32.610	$10.800	Exempt	$283,740
14007900060282	$0	$8,112,700	$8,112,700	$3,245,080	$32.610	$10.800	$80,295	$140,869
14007900060233	$1,250,300	$0	$1,250,300	$500,120	$32.610	$10.800	Exempt	$0
14007900060217	$6,981,000	$0	$6,981,000	$2,792,400	$32.610	$10.800	Exempt	$0
14007900110590	$1,596,600	$0	$1,596,600	$638,640	$32.610	$10.800	Exempt	$27,723

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 $50,447,300 or $258,704 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. For the NOI analysis of operations at stabilization, we relied on the owner's methodology to estimate taxes (in chart below) and the NOI estimated in the income approach. 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 2015 millage rate is applied to that figure, the resulting tax liability is about $119,073 or $611 per unit. We used the computed tax amount.

Tax Estimate At Completion	
NOI	$736,751
CapItalized at 6.5%	$11,334,635
Assessed at 40%	$4,533,854
Exempt at 39.5%	$2,742,982
0.043410 Millage	$119,073
Per Unit	$611

Tax Analysis Hypothetical Market Rents, As Is

We researched the tax appraisal of three downtown, market-rate complexes. Appraised values ranged from $144,778 to $167,470 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."

2015 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:	$167,470	$161,206	$158,160	$144,778
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 (195 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 $457,107, which we rounded to $2,345 per unit.

APARTMENT INVESTMENT MARKET

According to the *PwC Real Estate Investor Survey – First Quarter 2016*, Despite a record year for sale transactions in the national apartment market in 2015, Survey participants warn that "pricing is getting ahead of value" and "capital has become more selective and pricing for weaker properties will not hold up." Total sales volume for apartment assets reached $150.0 billion in 2015, surpassing the office, industrial, and retail sectors, as per Real Capital Analytics. Moreover, Survey results reveal that prices for apartment assets range from 90.0% to 130.0% of replacement cost and average 103.8% of replacement cost. Along with concerns of lofty pricing, some investors question whether rent growth in an environment of abundant new high-end supply will be able to "offset potential cap rate increases." This quarter, both the average overall cap rate and the average initial-year market rent change rate assumptions hold steady, revealing a cautious outlook for this market. Another sign of growing pressure on apartment rental rates is the quarterly increase in the percentage of investors offering incentives, such as free rent. The portion of investors increases from 60.0% to 70.0%; however, the average amount of free rent holds steady at approximately one month over a one-year lease term.

Investors in the Survey's three regional apartment markets have varied concerns, such as the growing supply of upscale apartments and the impact on rents in the Mid-Atlantic and Southeast regions, as well as the vast amount of equity chasing value-added opportunities in the Pacific region. "We are worried about some softness entering this area," states a participant focused on the Mid-Atlantic region. An investor in the Pacific region wonders "if there is a bit of a pricing bubble for value-added buys?" Currently, pricing in the Southeast region apartment market parallels the nation, where the average price is 103.8% of replacement cost. Pricing in the Mid-Atlantic region is the lowest of the three Survey apartment regions at 102.5% of replacement cost and is the highest in the Pacific region at 106.0%. Even though pricing is the highest in the Pacific region, investors foresee the greatest property value increases there in the coming year with an average expected appreciation of 4.6% – higher than the Mid-Atlantic region at 2.5% and the Southeast region at 2.1%.In spite of escalating prices in all three regions, buyers remain eager to purchase apartment assets as evidenced by record sales in 2015. According to Real Capital Analytics, two of the top-five metros for total sales included Los Angeles (ranked third) in the Pacific region and Atlanta (ranked fourth) in the Southeast. The Northern Virginia suburbs (Mid-Atlantic region) and Seattle (Pacific region) ranked fifth and sixth, respectively, in terms of sales volume. Even with robust sales activity, only one region reveals a quarterly decline in its average overall cap rate. In the Pacific region, this key assumption falls 27 basis points. In contrast, it increases 11 basis points in the Mid-Atlantic region and holds steady in the Southeast region. Over the next six months, investors foresee overall cap rates holding steady in each region.

The *PwC Survey* indicates that overall capitalization rates for the national apartment market range from 3.50% to 8.00%, with an average of 5.35% (institutional-grade properties). The average rate is unchanged from the previous quarter and is down one basis point from the same period one year ago. Investors indicated inflation assumptions for market rent generally ranging between 0.00% and 6.00%, with an average of 3.18%, which is unchanged from the prior quarter and up 35 basis points from the same period one year ago. Additionally, these investors quoted an expense inflation rate between 2.00% and 4.00%, with an average of 2.91%, up 10 basis points from the prior quarter and up 17 basis points from the same period one year ago. Internal rate of return (IRR) requirements for the investors ranged from 5.00% to 10.00%, with an average of 7.28%, which is up two basis points from the previous quarter, and down five basis points from the same period one year ago. The average marketing time ranged from one to nine months, with an average of 3.8 months, which is unchanged from the prior quarter and down from 4.1 months one year ago.

The *PwC Survey* indicates that overall capitalization rates for the southeast apartment market range from 3.75% to 7.00%, with an average of 5.30% (institutional-grade properties). The average rate is unchanged from the previous quarter and is down 15 basis points from the same period one year ago. Investors indicated inflation assumptions for market rent generally ranging between 1.00% and 400%, with an average of 3.05%, which is unchanged from the prior quarter and up 10 basis points from the same period one year ago. Additionally, these investors quoted an expense inflation rate between 2.00% and 3.00%, with an average of 2.80%, unchanged from the prior quarter and from the same period one year ago. Internal rate of return (IRR) requirements for the investors ranged from 6.00% to 10.00%, with an average of 7.58%, which is unchanged from the previous quarter, and down two basis points from the same period one year ago. The average marketing time ranged from one to six months, with an average of 3.1 months, which is unchanged from the prior quarter and up from 3.0 months one year ago.

Non institutional-grade rates for the Southeast Region are not currently being tracked; however, National Apartment non institutional-grade OAR rates range 25-400 points higher, with an average of 147 basis points or 6.77%.

ATLANTA APARTMENT MARKET

According to the MPF Research A *tlanta Apartment Market Report – First Quarter 2016*, Atlanta has many strengths, including a business-friendly environment, vast transportation and manufacturing infrastructure and an educated workforce. However, the metro remains split in terms of both the local economy and the local apartment market, which is seeing a late-cycle recovery. Rapid apartment revenue growth in recent quarters follows economic gains inside perimeter submarkets and in the northern suburbs. Economic gains have pushed job growth levels into strong territory. Job growth should continue over the short term, but long-term sustainability remains in question. Stronger job growth has led to improving demand for rental housing. It has absorbed some of the single-family inventory and resulted in higher occupancy and strong rent growth in the apartment market. As a result, apartment occupancy is at the highest level since 2006 and annual rent growth remains well above historical norms. Atlanta now ranks among the top major US metros for revenue growth in recent quarters. For both occupancy and rent growth, middle- and upper-tier apartments have the clear leaders, as lower-tier units continue to lag. Upper tier submarkets within the perimeter and in the northern suburbs are experiencing the best performance. New supply has increased, but is concentrated primarily within the perimeter. All told, the Atlanta apartment market is showing strong growth, though not universally, with clear winners and losers among market segments.

In the 1st quarter 2016, quarterly demand was a negative 3,783 units, the weakest level since 2008. Completions were 1,384 units, slightly ahead of the five-year average. On an annual basis, demand topped net supply, 8,565 units to 5,816 units. Occupancy declined 1.0 point quarter-over-quarter, but was up 0.7 year-over-year to 94.0%. Quarterly rents increased by 1.1%. The year-over-year rent incr ease was 7.1%. Submarkets in the northern suburbs continued to thrive. Atlanta's late-cycle recovery appears to have peaked, and conditions have started to stabilize. Increased supply should start limiting revenue growth potential in the key urban and northern submarkets over the next year, holding rent growth to between 3.5% and 4.5% and occupancy around 94% to 95%.

Rents And Occupancy

In the first quarter 2016, occupancy measured 94.0%, up 0.7 points year-over-year and 5.7 points from the post-recession low recorded fourth quarter 2009. Higher occupancy in top- and middle- market product overshadowed weakness in older, more affordable units. A similar trend is seen among submarkets, as central and northern submarkets maintain higher rates. Meanwhile, Clayton and DeKalb County submarkets outside the perimeter remain challenged with regard to demand. Over the next year, new completions will test the underlying strength in healthier submarkets located inside the perimeter. Annual rent growth levels remain well above historical norms and place Atlanta among the top major markets nationally.

Development Trends

While supply remains elevated, completions have remained manageable and concentrated is specific submarkets. Inventory expanded at an annual rate below 1.3% over the past three years, as completions ranged from 5,100 to 10,800 units. In first quarter 2016, a total of 7,238 units were added, with 1,422 taken offline, for an annual net expansion ratio of 1.3%. Expansion should accelerate in the nex t year, with nearly 10,300 units expected to complete. Those units would result in a 2.2% increase, of the existing base. Deliveries have been largely focused inside the perimeter (Midtown Atlanta and Buckhead). Many northern submarkets will remain untouched. Identified projects and permit volumes suggest that supply should revert to historically normal levels in 2017.

Apartment demand remains robust, as annual absorption has been between 8,300 and 13,100 units for the last ten quarters, above the five-year average of about 8,200 units. Demand registered 13,097 units third quarter 2015, the highest annual total since third quarter 2010. With existing middle-and upper- tier product essentially full, much of the recent demand appears to be going to the lease-up of new supply and some back-filling of older, lower-tier units. High supply submarkets continue to s ee healthy demand levels. Future demand levels depend on job growth and retaining growth that could go to the single-family market. Demand should remain strong in stronger performing sub markets, and struggle in weaker areas.

Single-Family Snapshot

Atlanta is still absorbing excess single-fam ily home inventory left over from the recession. A total of 106,990 homes sold in Atlanta in the year ending first quarter 2016, up 9.7% year over year. Single-family per mit volumes have been on a steady upward trend. Atlanta's affordable for-sale and rental single-family-home markets remain a competitor to the apartment market. As of 4th quarter 2015, the Atlanta home ownership rate topped 65.5%.

Top Submarkets

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

	Atlanta Market Submarket	First Quarter 2016 Total Units	Occupancy	Monthly Rent	PSF
1	Downtown	9,915	96.9%	$1,371	$1.42
2	Midtown	18,607	93.1%	$1,517	$1.67
3	Northeast Atlanta	14,734	95.3%	$1,402	$1.46
4	Southeast Atlanta	10,592	95.6%	$843	$0.85
5	South Atlanta	18,132	91.7%	$722	$0.73
6	West Atlanta	15,352	92.6%	$1,302	$1.31
7	Buckhead	18,029	92.6%	$1,460	$1.39
8	Sandy Springs	16,505	94.7%	$1,152	$1.07
9	Dunwoody	8,579	95.4%	$1,375	$1.29
10	Chamblee Brookhaven	13,948	94.8%	$1,270	$1.25
11	Doraville	7,445	94.1%	$861	$0.88
12	Briarcliff	14,314	95.6%	$1,169	$1.16
13	Decatur	8,956	95.3%	$1,136	$1.14
14	Clarkston/Tucker	8,582	94.8%	$822	$0.77
15	Stone Mountain	10,842	93.1%	$717	$0.70
16	South DeKalb	12,020	90.5%	$674	$0.68
17	Southeast DeKalb	7,054	90.4%	$840	$0.77
18	Henry County	10,445	935.0%	$906	$0.82
19	Clayton County	16,975	91.0%	$697	$0.68
20	South Fulton County	14,877	91.8%	$725	$0.72
21	Southwest Atlanta	10,078	92.9%	$878	$0.86
22	South Cobb County / Douglasville	12,997	94.6%	$835	$0.82
23	Smyrna	14,963	93.2%	$1,016	$1.00
24	Vinings	9,866	95.3%	$1,146	$1.13
25	Southeast Marietta	13,077	94.8%	$959	$0.91
26	West Marietta	7,999	91.3%	$840	$0.83
27	Kennesaw /Acworth	11,134	96.1%	$1,118	$1.02
28	Northeast Cobb / Woodstock	9,151	94.5%	$1,063	$1.00
29	Roswell	7,888	94.7%	$1,077	$0.98
30	Alpharetta / Cumming	15,592	94.8%	$1,201	$1.13
31	Norcross	18,342	94.7%	$863	$0.88
32	Duluth	12,416	94.7%	$983	$0.92
33	Johns Creek / Suwanee / Buford	6,654	95.4%	$1,175	$1.08
34	Northeast Gwinnett	11,886	93.9%	$1,018	$0.95
35	Southeast Gwinnett	8,664	94.5%	$927	$0.88
36	Far East Atlanta Suburbs	8,964	95.9%	$831	$0.78
37	Far South Atlanta Suburbs	9,845	94.8%	$950	$0.86
38	Far West Atlanta Suburbs	6,995	94.4%	$1,094	$0.94
39	Far North Atlanta Suburbs	6,731	95.9%	$884	$0.84
40	Gainesville	7,195	96.9%	$864	$0.79
	Atlanta Total / Average	466,340	94.0%	$1,018	$0.99

THE SUBJECT'S DOWNTOWN SUBMARKET

Inventory

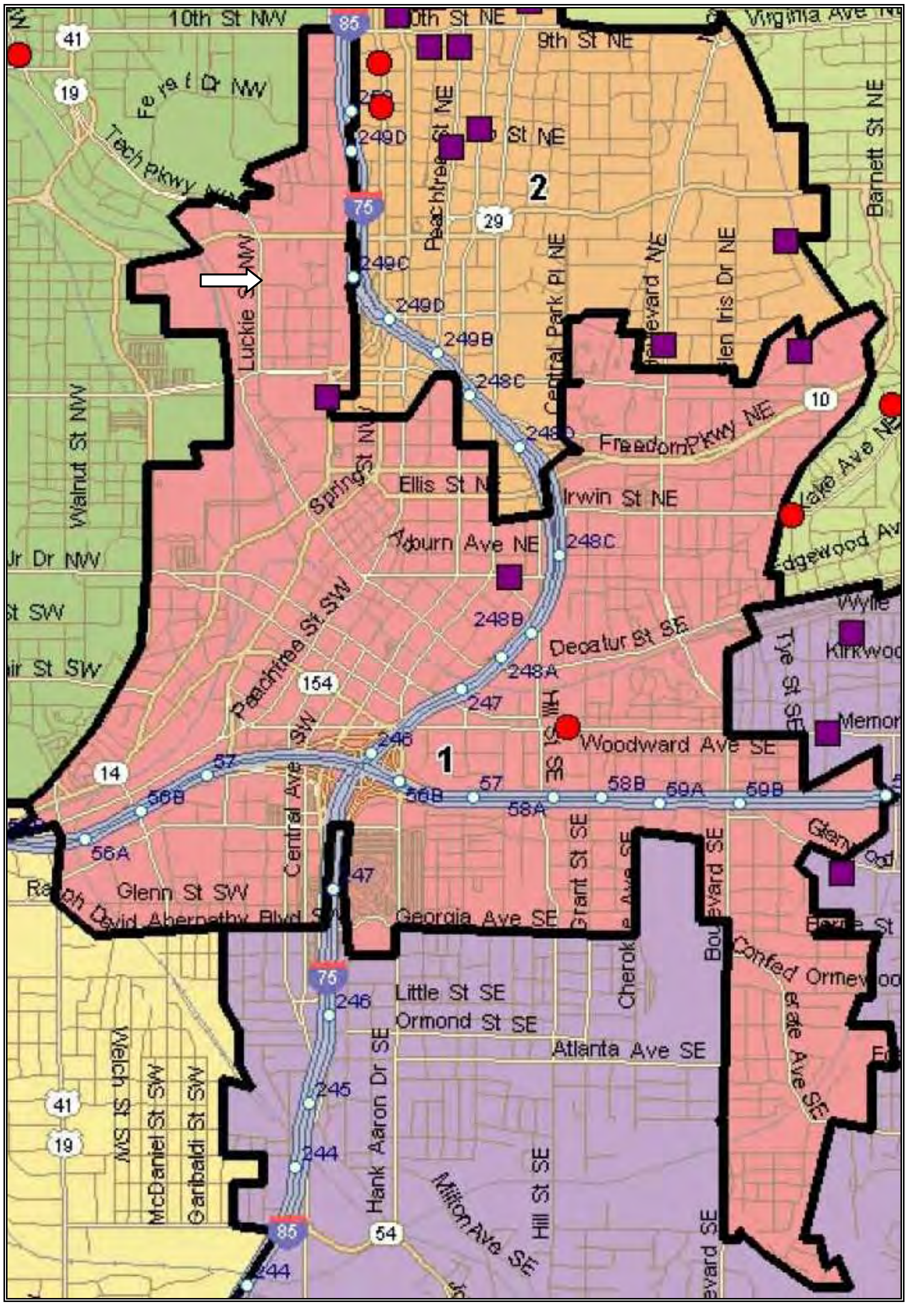
According to MPF Research, the subject is located in the Downtown submarket. According to the *Fourth Quarter 2015 Report*, the Downtown submarket inventory is 9,915 apartment units. For the submarket, the five-year average annual supply was 249 units, which fluctuated between a low of 0 to a high of 1,047. Annual supply is 94 units with a quarterly supply of 0 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. Based on our experience with this type property, we forecast absorption at a rate of 15 units per month. This rate is further supported by data acquired by RPRG in a February/March Field Survey, summarized below.

ABSORPTION DATA FOR COMPETITIVE PROPERTIES						
Complex	**Status**	**Lease Start**	**Lease End**	**Period (Mo)**	**Units**	**Rate/Month**
77 12th	Leased up	8/1/2012	2/28/2014	18	330	18
Elan Westside	Leasing	12/1/2013	3/24/2015	15.5	141	9
Camden 4th Ward	Leasing	11/1/2013	3/24/2015	16.5	254	15
AMLI Ponce Park	Leasing	3/31/2014	2/13/2015	11	192	18
Average:						15
Source: RPRG Field Surveys, February and March 2015						

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 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
Post Centennial Park	325 Centennial Olympic Park Dr	Conventional	407	33	U/C	10/14	10/16
The Edge	200 Edgewood Avenue NE	Student	144	7	U/C	06/15	07/16
Anthem on Ashley	720 Ralph McGill BLvd NE	Conventional	245	6	U/C	08/15	03/17
Total			890				



Occupancy

Overall occupancy for the Downtown submarket at year-end 2015 was 96.0%, up from 95.0% a year earlier. The five-year occupancy peak was 97.0%, with a low of 86.6% and an average of 94.9%. 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	97%
2. Columbia Mechanicsville	LIHTC, PBRA, AHA	2007	199	97%
3. Capitol Gateway I and II	Market, LIHTC	2006	421	96%
4. Villages at Castleberry Hill	Market, LIHTC	1998-2000	450	98%
5. Ashley Collegetown II	Market, LIHTC, PBRA, AHA	2009	177	98%
6. The Prato at Midtown	Market	1992	342	93%
7. Camden Vantage	Market	2009	592	95%
8. Century Skyline	Market	2009	225	95%
Total/Average			2,560	96%

The comparables reported physical occupancies from 93% to 98% with a weighted average of about 96%. The complexes that are all market-rate have similar physical occupancies to the income-restricted complexes.

Centennial Place Phase IV has provided temporary housing to tenants displaced by construction in Phases I and II for the past two years, and will continue to do so as Phase III begins substantial rehab. Management has also offered rent concessions to offset construction inconveniences, and curtailed marketing efforts since a variety of floorplans of vacant units were needed to accommodate displaced tenants. The net effect is that rents appear below market, and vacancy appears to be higher than expected at 9%-10% instead of a more typical 4%-6%. However, most units recorded as vacant are physically occupied with displaced residents from other phases. This dy namic is expected to continue for the next three years, until the renovation of all phases is complete. As a result, we used a physical vacancy of 10%, and an economic vacancy of 2%, for a combined total vacancy of 12%, in the as-is scenario.

Physical vacancy at the subject has ranged between 6% and 14% over the past three years, with higher vacancy attributed to keeping empty units and shifting tenants among phases during remodels. The subject property is currently 90% occupied, and has maintained 90% physical occupancy since December 2015. The owner's projection at completion includes a 7% physical and economic vacancy loss. For the restricted rent scenario at completion/stabilization, we concluded a 94% physical and 93% economic occupancy after factoring collection loss for the subject "at completion." It is our opinion that this estimate of stabilized vacancy (6% physical and 7% economic) at the lower end of the spectrum is reasonable for the subject "at completion," given its current and recent performance and the proposed renovations, which will allow it to compete favorably against the competition. We used a 10% combined physical and economic vacancy for the subject at completion / stabilization at hypothetical market rents.

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% physical vacancies for the restricted rent scenario at completion/stabilization 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 several years, though tenants were offered concessions during 2015 for inconveniences attributable to maintenance, specifically. 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 1992 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 that we included in the effective rent for comparison purposes. Like the subject, four 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 in the following discussion. Further details, as well as photographs and a location map, are presented in the Addenda.

APARTMENT RENT COMPARABLE SUMMARY ONE-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	786	$936	$1.19	$700	$0.89	WST
1. Ashley Auburn Pointe I	1.0	756	$1,195	$1.58	$696	$0.92	T
2. Columbia Mechanicsville	1.0	750	$865	$1.15	$645	$0.86	T
3. Capitol Gateway I and II	1.0	708	$1,015	$1.43	$717	$1.01	T
3. Capitol Gateway I and II	1.0	742	$1,015	$1.37	$717	$0.97	T
3. Capitol Gateway I and II	1.0	772	$1,015	$1.31	$717	$0.93	T
3. Capitol Gateway I and II	1.0	867	$1,150	$1.33	$717	$0.83	T
4. Villages at Castleberry Hill	1.0	710	$830	$1.17	$690	$0.97	T
4. Villages at Castleberry Hill	1.0	799	$830	$1.04	N/Ap	N/Ap	T
5. Ashley Collegetown II	1.0	802	$1,005	$1.25	$720	$0.90	T
5. Ashley Collegetown II	1.0	820	$1,005	$1.23	N/Ap	N/Ap	T
6. The Prato at Midtown	1.0	573	$1,100	$1.92	N/Ap	N/Ap	None
6. The Prato at Midtown	1.0	705	$1,285	$1.82	N/Ap	N/Ap	None
6. The Prato at Midtown	1.0	748	$1,200	$1.60	N/Ap	N/Ap	None
6. The Prato at Midtown	1.0	809	$1,275	$1.58	N/Ap	N/Ap	None
6. The Prato at Midtown	1.0	925	$1,330	$1.44	N/Ap	N/Ap	None
6. The Prato at Midtown	1.0	960	$1,455	$1.52	N/Ap	N/Ap	None
6. The Prato at Midtown	1.0	789	$1,225	$1.55	N/Ap	N/Ap	None
6. The Prato at Midtown	1.0	865	$1,260	$1.46	N/Ap	N/Ap	None
7. Camden Vantage	1.0	656	$1,079	$1.64	N/Ap	N/Ap	None + $30 T
7. Camden Vantage	1.0	756	$1,269	$1.68	N/Ap	N/Ap	None + $30 T
7. Camden Vantage	1.0	831	$1,249	$1.50	N/Ap	N/Ap	None + $30 T
7. Camden Vantage	1.0	843	$1,259	$1.49	N/Ap	N/Ap	None + $30 T
7. Camden Vantage	1.0	845	$1,259	$1.49	N/Ap	N/Ap	None + $30 T
7. Camden Vantage	1.0	884	$1,319	$1.49	N/Ap	N/Ap	None + $30 T
8. Century Skyline	1.0	845	$1,280	$1.51	N/Ap	N/Ap	None
Average of comps		790	$1,151	$1.46	$702	$0.92	
Maximum		960	$1,455	$1.92	$720	$1.01	
Minimum		573	$830	$1.04	$645	$0.83	

One-Bedroom Units – Market

The subject has one 1BR/1BA floor plan of 786-SF plan with current advertised rent of $936 per unit ($1.19/SF). The comparable one-bedroom units range in size from 573 to 960 square feet and average 790 square feet. The subject's floor plan is within the range of the comparables. Effective rents at the com parables range from $830 to $1,455 ($1.04 to $1.92 per square foot) and average $1,151 ($1.46 per square foot). Actual rents for the subject for this floorplan, as of April 2016, averaged $922. Nineteen leases were written since 2015 (none in 2016); eleven below the average rent ranging from $810 to $925, and eight above the average from $950 to $1,075. The 19 most recent leases do not indicate any upward trend in rents at this time, likely influenced by the ongoing construction at the property. Among the comparables, the lowest market rents are reported at two properties in locations inferior to the subject. The subject includes water, sewer and trash in the rent currently, which supports reconciling to a higher market rent level. Although recent leases do not appear to support significantly higher rent levels for this floorplan, the market rents at competitive properties do appear to support higher rents. We reconciled to a market rent of $995 per month ($1.19 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 $1,100 ($1.40 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 786-SF floor plan is also offered as 60% LIHTC unit at a rent of $700 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 per-unit basis. Maximum allowable rent with current utilities structure is $700. 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. The PBRA units are under contract at $567 per unit, which we used in our "as is" analysis.

Maximum allowable rents "at completion" will be lower than the current maximum allowable rents for two reasons. The rent currently includes water/sewer but at completion the tenant will be responsible for this utility, which subsequently increases the applicable utility allowance. Further, the subject property is currently eligible for "HERA Special" income limits which permits higher income limits and as a result higher allowable rents for properties that were placed into service prior to January 1, 2009. Because the property is being renovated with new tax credit financing, it will no longer be eligible for HERA. The maximum 60% LIHTC rent at completion will be $602, which we used in our post-renovation analysis. Reportedly, the PBRA units are currently based on 60% of AMI. However, post renovation the contract rents are to be calculated on 54% of AMI. The 54% LIHTC maximum rent at completion will be $526, which we used in our post-renovation analysis. The prior discussion of the current restricted rents "as-is" supports reconciling to the maximum allowable rents at completion.

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	977	$1,092	$1.12	$872	$0.89	WST
Subject	1.5	1,553	$1,442	$0.93	$872	$0.56	WST
Subject	2.0	1,224	$1,173	$0.96	$872	$0.71	WST
Subject	1.5	981	$1,197	$1.22	$872	$0.89	WST
1. Ashley Auburn Pointe I	2.0	1,079	$1,445	$1.34	$794	$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	$1,030	$1.13	$818	$0.90	T
3. Capitol Gateway I and II	2.0	978	$1,200	$1.23	$818	$0.84	T
3. Capitol Gateway I and II	2.0	1,031	$1,260	$1.22	$818	$0.79	T
3. Capitol Gateway I and II	2.0	1,047	$1,310	$1.25	$818	$0.78	T
3. Capitol Gateway I and II	2.0	1,050	$1,440	$1.37	$818	$0.78	T
3. Capitol Gateway I and II	2.5	1,178	$1,440	$1.22	$818	$0.69	T
3. Capitol Gateway I and II	2.5	1,319	$1,940	$1.47	$818	$0.62	T
4. Villages at Castleberry Hill	1.0	890	$860	$0.97	$715	$0.80	T
4. Villages at Castleberry Hill	2.0	947	$900	$0.95	$750	$0.79	T
4. Villages at Castleberry Hill	2.0	1,064	$900	$0.85	$750	$0.70	T
4. Villages at Castleberry Hill	2.0	1,093	$900	$0.82	$750	$0.69	T
4. Villages at Castleberry Hill	2.5	1,188	$1,205	$1.01	$890	$0.75	T
5. Ashley Collegetown II	2.0	1,176	$1,145	$0.97	$736	$0.63	T
5. Ashley Collegetown II	2.0	1,223	$1,145	$0.94	$736	N/Ap	T
5. Ashley Collegetown II	2.5	1,250	$1,310	$1.05	$736	$0.59	T
6. The Prato at Midtown	1.0	952	$1,410	$1.48	N/Ap	N/Ap	None
6. The Prato at Midtown	2.0	1,073	$1,510	$1.41	N/Ap	N/Ap	None
6. The Prato at Midtown	2.0	1,141	$1,555	$1.36	N/Ap	N/Ap	None
6. The Prato at Midtown	2.0	1,157	$1,750	$1.51	N/Ap	N/Ap	None
6. The Prato at Midtown	2.0	1,171	$1,610	$1.37	N/Ap	N/Ap	None
6. The Prato at Midtown	2.0	1,259	$1,645	$1.31	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	$2,125	$1.42	N/Ap	N/Ap	None
7. Camden Vantage	2.0	1,046	$1,489	$1.42	N/Ap	N/Ap	None + $30 T
7. Camden Vantage	2.0	1,149	$1,299	$1.13	N/Ap	N/Ap	None + $30 T
7. Camden Vantage	2.0	1,152	$1,359	$1.18	N/Ap	N/Ap	None + $30 T
7. Camden Vantage	2.0	1,277	$1,409	$1.10	N/Ap	N/Ap	None + $30 T
8. Century Skyline	2.0	1,131	$1,605	$1.42	N/Ap	N/Ap	T
8. Century Skyline	2.0	1,306	$1,675	$1.28	N/Ap	N/Ap	T
8. Century Skyline	2.0	1,529	$1,780	$1.16	N/Ap	N/Ap	T
8. Century Skyline	2.0	1,542	$1,775	$1.15	N/Ap	N/Ap	T
Average of comps		1,157	$1,396	$1.20	$788	$0.74	
Maximum		1,542	$2,125	$1.51	$890	$0.90	
Minimum		890	$860	$0.82	$715	$0.59	

Two-Bedroom Units – Market

The subject has four 2BR floor plans, all of which have market-rate units, including a 977–SF plan for $1,151 per month ($1.12/SF), a 981-SF plan for $1,178 per month ($1.22/SF), a 1,224-SF plan for $1,230 per month ($0.96 /SF), and a 1,788-SF (garage) floorplan for $1,674 per month ($0.81/SF). The comparable two-bedroom units range in size from 890 to 1,542 square feet and average 1,157 square feet. The floor plans are within the range of the comparables in size with the exception of the garage floorplan. Effective rents at the comparables range from $860 to $1,975 ($0.82 to $1.52 per square foot) and average $1,372 ($1.19 per square foot). The subject's effective rents for the units are within the range of the comparables on a monthly and on a per-SF basis. We reconciled to "as is" market rents of $1,190, $1,220, $1,240, and $1,235 for the subject 977 SF, 981 SF, 1,241 SF and 1,224 SF two-bedroom floor plans, respectively.

Post-renovation, we increased the rent estimates to $1,250 for the 2/1 unit, $1,275 for the garden 2/2 mid-sized units, $1,300 for the 2/1.5 townhome, and $1,320 / $1,325 for the larger 2/2 and 2/2.5 units. The 2/2.5 townhome unit with a garage is reconciled to $1,550. They are summarized in the chart below. These rents are still within the range of the comparables. The "as complete" estimate of market rents considers the change in the utility structure and proposed renovations.

MARKET RENT SCHEDULE POST RENOVATION TWO BEDROOM FLOORPLANS Centennial Place Phase IV Apartments			
Unit Type	Gross SF	Monthly Rent	Rent GSF
2BR/1BA	977	$1,250	$1.28
2BR/1BA	977	$1,250	$1.28
2BR/2BA	977	$1,275	$1.31
2BR/2BA	981	$1,275	$1.30
2BR/2BA	1,224	$1,320	$1.08
2BR/1.5BA	1,241	$1,300	$1.05
2BR/2.5BA	1,241	$1,325	$1.07
2BR/2.5BA G	1,788	$1,550	$0.87

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 $872 per month for the units, which equates to $0.49 to $0.89 per square foot. The comparable 2BR 60% LIHTC units have an effective rental range of $715 to $890 with an average of $788 per month. The subject's effective rents for the plans are within the range of the comparables on a per-unit/monthly and per square foot basis, with the exception of the garage unit. 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 $872. The PBRA units are under contract at $668 per unit, which we used in our "as is" analysis.

Maximum allowable rents "at completion" will be lower than the current maximum allowable rents for two reasons. The rent currently includes water/sewer but at completion the tenant will be responsible for this utility, which subsequently increases the applicable utility allowance. Further, the subject property is currently eligible for "HERA Special" income limits which permits higher income limits and as a result higher allowable rents for properties that were placed into service prior to January 1, 2009. Because the property is being renovated with new tax credit financing, it will no longer be eligible for HERA. The 60% LIHTC maximum rent at completion will be $695, which we used in our post-renovation analysis. Reportedly the PBRA units are currently based on 60% of AMI. However, post renovation the contract rents are to be calculated on 54% of AMI. The 54% LIHTC maximum rent at completion will be $594, which we used in our post-renovation analysis. The prior discussion of the current restricted rents "as-is," supports reconciling to the maximum allowable rents at completion.

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	1,423	$1,675	$1.18	$887	$0.62	WST
Subject Garage	2.5	2,072	$1,850	$0.89	$887	$0.43	WST
1. Ashley Auburn Pointe I	2.0	1,264	N/Ap	N/Ap	$878	$0.69	T
2. Columbia Mechanicsville	2.0	1,200	$1,199	$1.00	$833	$0.69	T
3. Capitol Gateway I and II	2.0	1,258	$1,850	$1.47	$894	$0.71	T
3. Capitol Gateway I and II	2.0	1,314	$1,835	$1.40	$894	$0.68	T
4. Villages at Castleberry Hill	2.0	1,138	$1,095	$0.96	$850	$0.75	T
5. Ashley Collegetown II	2.0	1,675	$1,740	$1.04	$811	$0.48	T
6. The Prato at Midtown	2.0	1,381	$2,200	$1.59	N/Ap	N/Ap	None
Average of comps		1,319	$1,653	$1.24	$860	$0.67	
Maximum		1,675	$2,200	$1.59	$894	$0.75	
Minimum		1,138	$1,095	$0.96	$811	$0.48	

Three-Bedroom Units – Market

The subject has a market rate 3BR 2.5 bath floor plan that averages 1,423-SF for $1,675 per month ($1.18/SF). The 3/2.5 floorplan with a garage is 2,072 SF with a market rent of $1,850. The comparable three-bedroom units range in size from 1,138 to 1,675 square feet and average 1,319 square feet. Effective rent s at the comparables range from $1,095 to $2,200 ($0.96 to $1.59 per square foot) and average $1,653 ($1.24 per square foot). The subject's effective rents are within the range of the comparables. We reconciled to "as is" market rents of $1,450 and $1,850 for the subject three-bedroom floor plans.

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. The "as complete" estimate of market rents considers the change in the utility structure and proposed renovations. We reconciled to an "as complete" market rents of $1,600 and $1,900 for the subject three-bedroom floor plans. The corresponding narrative for the "as complete" rents is presented earlier in this section and the corresponding narrative for the "as is" rents is included in the Income Approach.

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 $885 per month for the units, which equates to $0.62 to $0.71 per square foot. The comparable 3BR 60% LIHTC units have an effective rental range of $811 to $894 with an average of $860 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 $885 "as is." The PBRA units are under contract at $761 per unit, which we used in our "as is" analysis.

Maximum allowable rents "at completion" will be lower than the current maximum allowable rents for two reasons. The rent currently includes water/sewer but at completion the tenant will be responsible for this utility, which subsequently increases the applicable utility allowance. Further, the subject property is currently eligible for "HERA Special" income limits which permits higher income limits and as a result higher allowable rents for properties that were placed into service prior to January 1, 2009. Because the property is being renovated with new tax credit financing, it will no longer be eligible for HERA. The 60% LIHTC maximum rent at completion will be $695, which we used in our post-renovation analysis. Reportedly the PBRA units are currently based on 60% of AMI. However, post renovation the contract rents are to be calculated on 54% of AMI. The 54% LIHTC maximum rent at completion will be $647, which we used in our post-renovation analysis. The prior discussion of the current restricted rents "as-is," supports reconciling to the maximum allowable rents at completion.

APARTMENT RENT COMPARABLE SUMMARY FOUR-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	1,766	N/Ap	N/Ap	$913	$0.52	WST
3. Capitol Gateway I and II	2.0	1,447	N/Ap	N/Ap	$953	$0.66	T
Average of comps		1,447			$953	$0.66	

Four-Bedroom Units – Market

The subject has a 4BR 2.5 bath floor plan that is 1,766-SF with $1,850 per month ($1.18/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 $1,740 per month or $1.04 per square foot. We reconciled to a market rent of $1,850 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 $1,950 ($1.10 per square foot), which we used in our analysis.

Four-Bedroom Units – 60% LIHTC

The subject's 4BR floor plan is offered as an Authority Assisted unit. Contract rent is $838 per month for the unit, which equates to $0.47 per square foot. The comparable 4BR 60% LIHTC unit has an effective rent of $953 per month. The subject's effective rent for the plan is below the comparable on a per-unit/m onthly basis. Rents have generally been on the rise in downtown developments, but we've relied on the contract rent in our "as is" analysis.

Maximum allowable rents "at completion" will be lower than the current maximum allowable rents for two reasons. The rent currently includes water/sewer but at completion the tenant will be responsible for this utility, which subsequently increases the applicable utility allowance. Further, the subject property is currently eligible for "HERA Special" income limits which permits higher income limits and as a result higher allowable rents for properties that were placed into service prior to January 1, 2009. Because the property is being renovated with new tax credit financing, it will no longer be eligible for HERA. The 60% LIHTC maximum rent at completion will be $800, which we used in our post-renovation analysis. Reportedly the PBRA units are currently based on 60% of AMI. However, post renovation the contract rents are to be calculated on 54% of AMI. The 54% LIHTC maximum rent at completion will be $683, which we used in our post-renovation analysis. The prior discussion of the current restricted rents "as-is," supports reconciling to the maximum allowable rents at completion.

SUBJECT'S CHARACTERISTICS / MARKETABILITY

Centennial Place Apartments Phase IV is a 195-unit apartment development, built in 1998, situated on an 8.10-acre ground-leased site. It consists of 22 two- and three-story apartment buildings. The unit mix consists of 78 one-bedroom units, 92 two-bedroom units, 24 three-bedroom units, and one four-bedroom unit, ranging from 786 to 2,072 square feet (gross, including exterior balconies and storage), with an average size of 1,070 gross square feet. The subject includes a current mixture of market (88 units, or 45%), Low Income Housing Tax Credit (LIHTC) units at 60% of AMI (24 units, or 12%), and authority assisted units (83 units, or 43%). 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 currently 90% occupied and in average condition. Reportedly, physical vacancy at the subject has ranged between 6% and 14% over the past three years, with higher vacancy attributed to keeping empty units and shifting tenants among phases during remodels. 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 will take approximately twelve months to complete. The subject is located south of Hunnicutt Street, west of I-75, east of Luckie Street, and north of Mills Street. It is bisected by McAfee Street, Centennial Olympic Park Drive and Lovejoy Street, within the city limits of Atlanta, Fulton County, Georgia, at the center of the Atlanta CBD.

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 at least 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.

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 90% occupied. Reportedly, physical vacancy at the subject has ranged between 6% and 14% over the past three years, with higher vacancy attributed to keeping empty units and shifting tenants among phases during remodels. There are no specials being offered. Post renovation, there will still be 83 Atlanta Housing Authority Assisted units, but the gross rent limit will be reduced from the current 60% AMI to 54% AMI. Twenty-four 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 88 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 MAY 2016 Centennial Place Phase IV Apartments							
Unit Type	No. Units	HUD SF	Gross SF	Total Gross SF	Contract Rent	Total Income	Rent SF
1BR/1BA PHA 30%	10	684	786	7,860	$567	$68,040	$0.72
2BR/1BA PHA 30%	19	871	977	18,563	$668	$152,304	$0.68
2BR/2BA PHA 30%	2	867	981	1,962	$668	$16,032	$0.68
2BR/1.5BA PHA 30%	2	1,038	1,241	2,482	$668	$16,032	$0.54
3BR/2.5BA PHA 30%	5	1,249	1,423	7,115	$761	$45,660	$0.53
1BR/1BA PHA 50%	7	684	786	5,502	$567	$47,628	$0.72
2BR/1BA PHA 50%	15	871	977	14,655	$668	$120,240	$0.68
2BR/2BA PHA 50%	1	867	981	981	$668	$8,016	$0.68
2BR/1.5BA PHA 50%	11	1,038	1,241	13,651	$668	$88,176	$0.54
3BR/2.5BA PHA 50%	8	1,249	1,423	11,384	$761	$73,056	$0.53
4BR/2.5BA PHA 50%	1	1,574	1,766	1,766	$838	$10,056	$0.47
	No. Units	HUD SF	Gross SF	Total Gross SF	Appraiser Market Rent	Total Income	Rent SF
1BR/1BA LIHTC 60%	18	684	786	14,148	$700	$151,200	$0.89
2BR/2BA LIHTC 60%	1	867	981	981	$872	$10,464	$0.89
2BR/1.5BA LIHTC 60%	2	1,038	1,241	2,482	$872	$20,928	$0.70
2BR/2BA LIHTC 60%	2	1,054	1,224	2,448	$872	$20,928	$0.71
3BR/2.5BA 60%	2	1,249	1,423	2,846	$885	$21,240	$0.62
2BR/1.5BA LIHTC 60% G	1	1,553	1,788	1,788	$872	$10,464	$0.49
1BR/1BA Market	43	684	786	33,798	$995	$513,420	$1.27
2BR/1BA Market	5	871	977	4,885	$1,190	$71,400	$1.22
2BR/2BA Market	6	867	981	5,886	$1,220	$87,840	$1.24
2BR/2BA Market	18	1,054	1,224	22,032	$1,235	$266,760	$1.01
2BR/1.5BA Market G	7	1,553	1,788	12,516	$1,450	$121,800	$0.81
3BR/2.5BA Market G	9	1,866	2,072	18,648	$1,850	$199,800	$0.89
Totals/Average	195		1,069	208,379	$915	$2,141,484	$0.86

UNIT MIX AND APPRAISER RECOMMENDED RENTS - POST RENOVATION Centennial Place Phase IV Apartments								
Unit Type	No. Units	HUD SF	Gross SF	Total Heated	Total Gross	Monthly Rent	Rent SF	Total Income
1BR/1BA PHA 50%	10	684	786	6,840	7,860	$526	$0.67	$63,120
2BR/1BA PHA 50%	8	871	977	6,968	7,816	$594	$0.61	$57,024
2BR/1BA PHA 50%	11	892	977	9,812	10,747	$594	$0.61	$78,408
2BR/2BA PHA 50%	2	867	981	1,734	1,962	$594	$0.61	$14,256
2BR/2BA PHA 50%	2	1,038	1,241	2,076	2,482	$594	$0.48	$14,256
3BR/2.5BA PHA 50%	5	1,249	1,423	6,245	7,115	$647	$0.45	$38,820
4BR/2.5BA PHA 50%	1	1,574	1,766	1,574	1,766	$683	$0.39	$8,196
1BR/1BA PHA 60%	7	684	786	4,788	5,502	$526	$0.67	$44,184
2BR/1BA PHA 60%	4	871	977	3,484	3,908	$594	$0.61	$28,512
2BR/1BA PHA 60%	13	871	977	11,323	12,701	$594	$0.61	$92,664
2BR/2BA PHA 60%	1	1,054	1,224	1,054	1,224	$594	$0.49	$7,128
2BR/2BA PHA 60%	9	1,038	1,241	9,342	11,169	$594	$0.48	$64,152
3BR/2.5BA PHA 60%	10	1,249	1,423	12,490	14,230	$647	$0.45	$77,640
1BR/1BA LIHTC 60%	18	684	786	12,312	14,148	$611	$0.78	$131,976
2BR/2BA LIHTC 60%	1	867	981	867	981	$695	$0.71	$8,340
2BR/2BA LIHTC 60%	2	1,054	1,224	2,108	2,448	$695	$0.57	$16,680
2BR/2BA LIHTC 60%	2	1,038	1,241	2,076	2,482	$695	$0.56	$16,680
2BR/2.5BA 60%	1	1,553	1,788	1,553	1,788	$695	$0.39	$8,340
1BR/1BA Market	43	684	786	29,412	33,798	$1,100	$1.40	$567,600
2BR/2BA Market	3	871	977	2,613	2,931	$1,275	$1.31	$45,900
2BR/2BA Market	6	867	981	5,202	5,886	$1,275	$1.30	$91,800
2BR/2BA Market	18	1,054	1,224	18,972	22,032	$1,320	$1.08	$285,120
2BR/2BA Market	2	1,038	1,241	2,076	2,482	$1,325	$1.07	$31,800
2BR/2BA Market G	7	1,553	1,788	10,871	12,516	$1,600	$0.89	$134,400
3BR/2.5BA Market G	9	1,866	2,072	16,794	18,648	$1,900	$0.92	$205,200
Totals/Average	195	936	1,070	182,586	208,622	$911	$0.85	$2,132,196

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 24 LIHTC units must be at or below 60% of the area median income (AMI). While the PBRA units are reportedly currently restricted to 60% of AMI, the rents are to be calculated on 54% of AMI. At completion, the 83 PBRA units will be subject to the restriction at 60% AMI. 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. The 2015 AMI calculated rents are used to calculate the 60% LIHTC units that are not under contract with the housing authority. These rents were to be calculated based on AMI for January 1st of the application year. 2016 AMI rents were published in March 2016.

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, and 3BR total $149. After renovation, when the tenant is responsible for all utilities, the appropriate utility allowances for electric (per DCA) are as follows: 1BR total $157, 2BR total $226, and 3BR total $300. 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. Because the property is being renovated with new tax credit financing, it will no longer be eligible for HERA.

The following charts, based on 2015 AMI, apply to rent restrictions for the 60% LIHTC units at completion.

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.	$14,340	$15,360	$16,380	$18,240	$20,460	$21,285	$22,110
50% Inc.	$23,900	$25,600	$27,300	$30,700	$34,100	$35,475	$36,850
60% Inc.	$28,680	$30,720	$32,760	$36,840	$40,920	$42,570	$44,220

MAXIMUM ALLOWABLE RENT PER AMI LEVEL - AFTER RENOVATION 2015 AMI												
60% Inc.	1BR	2.0	(	$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

For Atlanta in 2016, per HUD, area median income is defined at $67,500. The Atlanta Housing Authority used these restrictions to calculate the contract rents at completion. The restricted income levels are shown in the following chart. These income guidelines are also used to qualify tenants for the income-restricted units. The following charts apply to the PBRA/AHA contract rent units at completion.

Atlanta MSA Incomes @ 30%, 50% and 60% AMI (Atlanta 2016 AMI - $67,500)							
	1 Person	1.5 Person	2 Person	3 Person	4 Person	4.5 Person	5 Person
30% Inc.	$14,190	$15,195	$16,200	$18,240	$20,250	$21,060	$21,870
50% Inc.	$23,650	$25,325	$27,000	$30,400	$33,750	$35,100	$36,450
60% Inc.	$28,380	$30,390	$32,400	$36,480	$40,500	$42,120	$43,740

MAXIMUM ALLOWABLE RENT PER AMI LEVEL - AFTER RENOVATION - 2016 AMI											
50% Inc.	1BR	1.5	(	$25,325	x	30%	) / 12 =	$633	-	$157	=	$476
50% Inc.	2BR	3.0	(	$30,400	x	30%	) / 12 =	$760	-	$226	=	$534
50% Inc.	3BR	4.5	(	$35,100	x	30%	) / 12 =	$877	-	$300	=	$577
50% Inc.	4BR	6.0	(	$39,150	x	30%	) / 12 =	$978	-	$374	=	$604
MAXIMUM ALLOWABLE RENT PER AMI LEVEL - AFTER RENOVATION - 2016 AMI												
54% Inc.	1BR	1.5	(	$27,351	x	30%	) / 12 =	$683	-	$157	=	$526
54% Inc.	2BR	3.0	(	$32,832	x	30%	) / 12 =	$820	-	$226	=	$594
54% Inc.	3BR	4.5	(	$37,908	x	30%	) / 12 =	$947	-	$300	=	$647
54% Inc.	4BR	6.0	(	$42,282	x	30%	) / 12 =	$1,057	-	$374	=	$683
MAXIMUM ALLOWABLE RENT PER AMI LEVEL - AFTER RENOVATION - 2016 AMI												
60% Inc.	1BR	1.5	(	$30,390	x	30%	) / 12 =	$759	-	$157	=	$602
60% Inc.	2BR	3.0	(	$36,480	x	30%	) / 12 =	$912	-	$226	=	$686
60% Inc.	3BR	4.5	(	$41,620	x	30%	) / 12 =	$1,040	-	$300	=	$740
60% Inc.	4BR	6.0	(	$46,980	x	30%	) / 12 =	$1,174	-	$374	=	$800

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 su rveys, as well as information provided by national investor surveys that we regularly revi ew. 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, Residentia l 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. Giv en that use of the improvements is basically limited to the existing or a similar use physi cally, 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.

The cost approach was not included in this analysis. The age of the improvements suggests physical depreciation that is difficult to quantify. Further, the improvements are only feasible to construct with the assistance of substantial incentives. Changes in the market over time make it unlikely the subject would be construc ted exactly as it currently exists, a form of economic obsolescence. The underlying land is subject to a long-term ground lease from the Housing Authority at a nominal amount, with accompanying restrictions that the property provide low-income housing. Essentially, the restrictions on use of the land results in insufficient revenues to support a residual land value, which further undermines the reliability of the cost approach. The age of the improvements and restrictions on use make the cost approach an unreliable method of analysis for estimating market value.

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. Data used in this section is presented in the addenda as rent and improved sales comparables.

POTENTIAL GROSS RENTAL INCOME

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

UNIT MIX AND APPRAISER RECOMMENDED RENTS - AS IS MAY 2016 Centennial Place Phase IV Apartments							
Unit Type	No. Units	HUD SF	Gross SF	Total Gross SF	Contract Rent	Total Income	Rent SF
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2BR/2BA PHA 30%	2	867	981	1,962	$668	$16,032	$0.68
2BR/1.5BA PHA 30%	2	1,038	1,241	2,482	$668	$16,032	$0.54
3BR/2.5BA PHA 30%	5	1,249	1,423	7,115	$761	$45,660	$0.53
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2BR/1.5BA PHA 50%	11	1,038	1,241	13,651	$668	$88,176	$0.54
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4BR/2.5BA PHA 50%	1	1,574	1,766	1,766	$838	$10,056	$0.47
	No. Units	HUD SF	Gross SF	Total Gross SF	Appraiser Market Rent	Total Income	Rent SF
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2BR/1.5BA LIHTC 60%	2	1,038	1,241	2,482	$872	$20,928	$0.70
2BR/2BA LIHTC 60%	2	1,054	1,224	2,448	$872	$20,928	$0.71
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2BR/1.5BA LIHTC 60% G	1	1,553	1,788	1,788	$872	$10,464	$0.49
1BR/1BA Market	43	684	786	33,798	$995	$513,420	$1.27
2BR/1BA Market	5	871	977	4,885	$1,190	$71,400	$1.22
2BR/2BA Market	6	867	981	5,886	$1,220	$87,840	$1.24
2BR/2BA Market	18	1,054	1,224	22,032	$1,235	$266,760	$1.01
2BR/1.5BA Market G	7	1,553	1,788	12,516	$1,450	$121,800	$0.81
3BR/2.5BA Market G	9	1,866	2,072	18,648	$1,850	$199,800	$0.89
Totals/Average	195		1,069	208,379	$915	$2,141,484	$0.86

Other Income

Phase IV historical operating statements for years 2013 through 2015 indicate miscellaneous other income per unit of $144, $111 and $130 per unit, respectively, which ranges from 1.08% to 1.51% of net rentable income (NRI). Our analysis includes 1.5% of PRI for other income, which is in line with the historicals.

Vacancy And Collection Loss

The comparables reported physical occupancies from 93% to 98% with a weighted average of about 96%. Physical vacancy at the subject has ranged between 6% and 14% over the past three years, with higher vacancy attributed to keeping empty units and shifting tenants among phases during remodels. This dynam ic is expected to continue for the next three years, until the renovation of all phases is complete. The subject property is currently 90% occupied, and has maintained 90% physical occupancy since December 2015. Collection loss was minimal. Collection loss and loss to lease were an additional 0.58% in 2013, 1.48% in 2014, and 2.72% in 2015, higher in 2015 when management offered concessed rents during construction. Based on all of this information, we concluded a 90% physical and 88% economic occupancy after factoring collection loss.

Effective Gross Income

After accounting for apartment rental other income, and factoring in vacancy and collection loss of 12%, our projected annual effective gross income is $1,912,774 or $9,809 per unit.

Expense Analysis

Centennial Place Phase IV 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 at least 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 IV 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 2013 - 2015 CENTENNIAL PHASE IV						
		1,070 SF		195 Units		
	Actual 2013	Per Unit	Actual 2014	Per Unit	Actual 2015	Per Unit
Potential Rental Income	$1,521,596	$7,803	$1,636,910	$8,394	$2,055,332	$10,540
Subsidy	$344,175	$1,765	$371,548	$1,905	$0	$0
Misc. Schedule Income	$0		$0		$60,363	310
Misc. Other Income	28,142	144	21,697	111	25,399	130
Subtotal Other Income	28,142	144	21,697	111	85,762	440
Other as % of Rental Inc.	1.51%		1.08%		1.24%	
Potential Gross Income	$1,893,913	$9,712	$2,030,155	$10,411	$2,141,094	$10,980
Vacancy & Collection Loss	-6%		-14%		-9%	
Vacancy	(105,067)	(539)	(282,647)	(1,449)	(199,272)	(1,022)
Bad Debt	(8,090)	(41)	(13,339)	(68)	(18,975)	(97)
Concessions	(11,391)	(58)	(18,197)	(93)	(32,709)	(168)
Subtotal V & C Loss	(124,548)	(639)	(314,183)	(1,611)	(250,956)	(1,287)
V & C as % of PGI	-6.58%		-15.48%		-11.72%	
Effective Gross Income	$1,769,365	$9,074	$1,715,972	$8,800	$1,890,138	$9,693
Real Estate Taxes	$64,940	$333	$66,735	$342	$80,295	$412
Insurance	50,991	261	54,051	277	53,810	276
Management Fee	102,659	526	96,107	493	107,829	553
Mgmt. as a % of EGI	5.8%		5.6%		5.7%	
Utilities	279,437	1,433	247,461	1,269	262,308	1,345
Payroll	305,840	1,568	310,041	1,590	305,116	1,565
Cleaning & Redecorating		0		0		0
Repairs & Maintenance	160,302	822	146,474	751	199,096	1,021
Landscaping and grounds	65,974	338	97,346	499	46,224	237
Security	79,164	406	88,596	454	95,918	492
Advertising & Promotion	11,785	60	9,202	47	25,824	132
Administrative & Misc.	114,497	587	117,939	605	134,034	687
Total Expenses	$1,235,589	$6,336	$1,233,952	$6,328	$1,310,454	$6,720
As a % of EGI	69.83%		71.91%		69.33%	
Net Income	$533,776	$2,737	$482,020	$2,472	$579,684	$2,973

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

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

2015 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 Apartment Rents:	89.4%	91.8%	96.6%	$8,241	$9,616	$11,547
Other Income:	3.3%	7.7%	10.5%	$291	$942	$1,293
Gross Possible Income:	100.0%	100.0%	100.0%	$8,651	$10,493	$12,296
Vacancies/Rent Loss:	4.8%	7.3%	12.6%	$494	$833	$1,201
Total Collections:	86.5%	90.6%	94.4%	$7,839	$9,370	$11,466
Expenses (B)						
Real Estate Taxes	4.6%	7.1%	9.5%	$385	$724	$1,036
Insurance	1.6%	2.0%	2.6%	$187	$208	$260
Management Fee	2.9%	3.8%	5.1%	$331	$459	$534
Total Utilities **(1)**	5.4%	7.6%	10.1%	$754	$908	$1,024
Water/sewer (common & Apts)	4.0%	5.8%	7.5%	$453	$607	$723
Electric (common & Apts)	1.2%	1.7%	2.2%	$279	$279	$279
Gas (common & Apts)	0.2%	0.1%	0.4%	$22	$22	$22
Total Utilities **(2)**	4.0%	4.7%	7.6%	$417	$569	$804
Water/sewer (common only)	2.6%	2.9%	5.0%	$287	$389	$584
Electric (common only)	1.2%	1.7%	2.2%	$130	$180	$220
Gas (common only)	0.2%	0.1%	0.4%	$0	$0	$0
Salaries and Administrative (C)	7.5%	14.4%	19.3%	$999	$1,536	$2,011
Other Administrative	2.4%	5.0%	6.8%	$271	$482	$653
Other Payroll	5.1%	9.4%	12.5%	$728	$1,054	$1,358
Maintenance & Repairs	1.7%	2.9%	4.8%	$192	$310	$588
Painting & Redecorating (D)	0.9%	1.3%	2.2%	$98	$152	$293
Grounds Maint. & Amenities (D)	1.1%	1.5%	3.1%	$119	$165	$249
Grounds Maintenance	1.0%	1.3%	1.9%	$100	$137	$155
Recreational/Amenities	0.1%	0.2%	1.2%	$19	$28	$93
Security (D)	0.1%	0.9%	1.7%	$11	$74	$338
Other/Miscellaneous	0.6%	1.5%	3.6%	$76	$196	$398
Other Tax/Fee/Permit	0.1%	0.2%	0.3%	$11	$21	$32
Supplies	0.1%	0.6%	1.5%	$10	$61	$132
Building Services	0.4%	1.1%	1.9%	$44	$144	$222
Other Operating	0.2%	0.4%	1.7%	$31	$52	$177
Total Expenses:	29.9%	36.9%	46.3%	$3,191	$4,238	$5,471
Net Operating Income:	42.1%	53.4%	60.7%	$3,572	$5,183	$6,926

Notes: Survey for Metro Atlanta includes 18,330 apartment units with an average unit size of 1,034 square feet.
Per Unit expenses are computed by dividing the median per unit expense by the median PSF expense by the and applying the indicated average SF to the High and Low expense PSF figures prvided by IREM.
(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: 2015 *Income/Expense Analyses:Conventional Apartments* by the Institute of Real Estate Management (IREM)

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	TTM 4/201€	0.0%	TTM 4/2016	0.0%	TTM 4/2016	0.00%	TTM 4/201€	0.00%
Real Estate Taxes	$797	$797	$374	$374	$299	$299	$323	$323
Insurance	234	234	214	214	222	222	195	195
Management Fee:	809	809	661	661	645	645	628	628
% of EGI	6.5%		7.7%		6.4%		6.7%	
Utilities	1,039	1,039	880	880	904	904	894	894
Salaries & Labor	1,975	1,975	1,747	1,747	1,525	1,525	1,456	1,456
Repairs/Redecorating	724	724	1,001	1,001	523	523	1,214	1,214
Landscaping/Amenities	91	91	142	142	123	123	124	124
Security	472	472	454	454	192	192	400	400
Advertising & Promotion	115	115	84	84	130	130	143	143
Administrative/Misc.	730	730	638	638	1,134	1,134	1,274	1,274
Total Expenses	$6,986	$6,986	$6,195	$6,195	$5,697	$5,697	$6,651	$6,651

Real Estate Taxes

As shown in the Historical Operating Statements chart above, actual taxes for 2015 were $80,295, which was used in our analysis.

Insurance

For 2013, 2014 and 2015, 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 5.8% in 2013, 5.6% in 2014 and 5.7% in 2015. 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 2.9% to 5.1% with a median of 3.8%. 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 2013, 2014 and 2015, actual utilities expenses for the subject were $1,433, $1,269 and $1,345, respectively. 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. IREM indicates a range of $754 to $1,024 per unit, and a median of $908 per unit. The comparables indicate utilities expenses within a range of $880 to $1,039 per unit and average $929. Placing emphasis on the historical expense levels at the subject, we projected utilities expense at $1,325 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 2013, 2014 and 2015, actual expenses for the subject were $1,568, $1,590 and $1,565, respectively. IREM indicates a range of $999 to $2,011 per unit, and a median of $1,536 per unit. The LIHTC comparables indicate salaries and labor expenses within a range of $1,456 to $1,975 per unit and average $1,676. 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 $1,575 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 2013, 2014 and 2015, actual combined repairs and redecorating expenses for the subject were $822, $751 and $1,021, respectively. The LIHTC comparables indicate combined repairs and redecorating expenses within a range of $523 to $1,214 per unit and average $866. IREM indicates a range of $290 to $881 per unit, and a median of $462 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 $900.

Security

For 2013, 2014 and 2015, actual security expenses for the subject were $406, $454 and $492, respectively. IREM indicates a range of $11 to $338 per unit, and a median of $74 per unit. The LIHTC comparables indicate security expense within a range of $192 to $472 per unit and average $372. The majority of the security expense at the subject is salaries for dedicated staff officers. We do not expect that expense to decrease over time. Based on the subject's intown location, and placing emphasis on the history of the subject, we forecast security expense at $500 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 2013, 2014 and 2015, actual expenses for the subject were $338, $499 and $237 per unit. IREM indicates a range of $119 to $249 per unit, and a median of $165 per unit. The LIHTC comparables indicate landscaping and amenities expenses within a range of $91 to $142 per unit and average $120. Placing emphasis on the historical landscaping expense at the subject, we applied landscaping and amenities expense at $250 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 2013, 2014 and 2015, actual expenses for the subject were $60, $47 and $132, respectively. IREM does not include this category. The LIHTC comparables indicate advertising expenses within a range of $84 to $143 per unit and average $118. 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 $130 per unit.

Administrative and Miscellaneous Expense

This expense includes such items as legal, accounting, office supplies, answering service, telephone, etc. For 2013, 2014 and 2015, actual expenses for the subject were $587, $605 and $687, respectively. IREM indicates a range of $76 to $398 per unit, and a median of $196 per unit. The LIHTC comparables indicate administrative/misc. expenses within a range of $638 to $1,274 per unit and average $944. We forecast administrative and miscellaneous expense at $600 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 or the historicals. We forecast reserves at $350 per unit.

Summary of Expenses – Restricted Rents AS IS

Total expenses as reported by IREM range from $3,191 to $5,471 per unit, with a median of $4,238, excluding reserves. The LIHTC comparables indicate total expenses within a range of $5,697 to $6,986 per unit and average $6,382. For 2013, 2014 and 2015, actual expenses for the subject were $6,336, $6,328 and $6,720, respectively. The estimated expenses total $1,356,100 or $6,954 per unit including reserves; excluding reserves, the estimated expenses are $6,604 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 slightly above 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 1980 and 2007.

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	The Brooke, Atlanta	Jan-16	537	2002	$136,872	903	97%	$6,844	5.00%
2	Villas on Briarcliff, Atlanta	Dec-15	82	1980 / 2006	$167,683	1,560	98%	$9,223	5.50%
3	Exchange Atlantic Station, Atlanta	Nov-15	172	2007	$170,000	880	94%	$7,140	4.20%
4	Park On Clairmont, Atlanta	Aug-15	111	1984	$87,905	1,074	99%	$5,802	6.60%
5	The Point at Westside, Atlanta	May-15	263	2004	$107,224	1,044	95%	$5,683	5.30%

The comparable sales used in this analysis present a range of overall rates between 4.20% and 6.60%, with a mean of 5.32%. The subject, as a mixed-income property with lower income expectations represents an investment with higher perceived risk than the comparable sales shown above. This increased risk perception justifies use of a higher cap rate for the subject "as is."

As mentioned in the Market Analysis section, the *PwC Survey* indicates that overall capitalization rates for the southeast apartment market range from 3.75% to 7.00%, with an average of 5.30% (institutional-grade properties). The average rate is unchanged from the previous quarter and is down 15 basis points from the same period one year ago. Non institutional-grade rates for the Southeast Region are not currently being tracked; however, National Apartment non institutional-grade OAR rates range 25-400 points higher, with an average of 147 basis points or 6.77%.

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 t he 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 6.25% to 6.75% 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 $8,600,000 or $44,103 per unit.

APPRAISERS PRO FORMA ANALYSIS - AS IS CENTENNIAL PLACE APARTMENTS - PHASE IV 195 Units - 206,549 SF				
		Total	Per Unit	Per SF
Potential Gross Rental Income		$2,141,484	$10,982	$10.26
Plus Other Income	1.5%	32,122	165	0.00
Potential Gross Income		$2,173,606	$11,147	$10.42
Vacancy and Collection Loss	12.0%	$260,833	$1,338	$1.25
Effective Gross Income		$1,912,774	$9,809	$9.17
Expenses				
Real Estate Taxes		$80,295	$412	$0.38
Insurance		53,625	275	0.26
Management Fee	6.5%	124,330	638	0.60
Utilities		258,375	1,325	1.24
Salaries & Labor		307,125	1,575	1.47
Maintenance & Repairs / Turnkey		175,500	900	0.84
Security		97,500	500	0.47
Landscaping		48,750	250	0.23
Advertising & Promotion		25,350	130	0.12
Administrative/Misc.		117,000	600	0.56
Total Expenses		$1,287,850	$6,604	$6.17
Reserves		68,250	350	0.33
Total Operating Expenses		$1,356,100	$6,954	$6.50
Net Income		$556,673	$2,855	$2.67
Overall Rates/Indicated	6.25%	$8,906,772	$45,676	$42.69
Values	6.50%	$8,564,204	$43,919	$41.05
	6.75%	$8,247,011	$42,292	$39.53
Stabilized Reconciled Value		$8,600,000	$44,103	$41.22

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 relati ng 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
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3	Exchange Atlantic Station, Atlanta	Nov-15	172	2007	$170,000	880	94%	$7,140	4.20%
4	Park On Clairmont, Atlanta	Aug-15	111	1984	$87,905	1,074	99%	$5,802	6.60%
5	The Point at Westside, Atlanta	May-15	263	2004	$107,224	1,044	95%	$5,683	5.30%

These properties were reportedly built between 1980 and 2007 with unit counts between 82 and 537. The transactions occurred between May 2015 and January 2016. Overall rates indicated by the transactions range between 4.20% and 6.60%, with an average of 5.32%. All of the comparables were in good condition with high NOIs per unit. Sales prices per unit range from $87,905 to $170,000. This range appears to fluctuate most with net operating income per unit, which ranges from $5,683 to $9,223.

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	$2,855	/	$6,844	=	0.42	X	$136,872	=	$57,486
2	$2,855	/	$9,223	=	0.31	X	$167,683	=	$51,982
3	$2,855	/	$7,140	=	0.40	X	$170,000	=	$68,000
4	$2,855	/	$5,802	=	0.49	X	$87,905	=	$43,073
5	$2,855	/	$5,683	=	0.50	X	$107,224	=	$53,612

As shown above, the adjusted values indicated for the subject with restricted rents in place range from $43,073 to $68,000 per unit, with an average of $54,831. 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
195	$44,000	$8,580,000
Rounded		$8,600,000

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.

Location

The subject has an excellent location in the heart of downtown Atlanta. Comparables Three and Five have similar locations and were not adjusted. Comparables One, Two and Four are located farther from downtown Atlanta in attractive suburban locations along good transportation routes and were adjusted upward for inferior location.

Size/Number of Units

The subject has 195 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. Comparables Two and Four were adjusted downward. Comparables One and Five were adjusted upward. Comparable Three did not warrant adjustment.

Average Unit Size

The subject has an average unit size of 1,070 square feet. Comparables Four and Five have a similar average unit size and were not adjusted. Comparable Two has larger average unit size and was adjusted downward. Comparables One and Three have smaller average unit sizes and were adjusted downward.

Quality/Amenities

The subject is average quality and has average amenities, including swimming pools, a clubhouse, playgrounds and security. Com parables One, Two and Three have more extensive amenities and/or interior features like granite counter tops and stainless steel appliances. Comparable One is the most upscale of the comparables, with Comparable Two and Comparable Three less so, and adjusted accordingly. The subject has typical features and exteriors and compares well to newer complexes, with no particularly dated features. Comparables Four and Five were not adjusted for quality/amenities.

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 1980 (renovated 2006, and in good condition) and 2009. We adjusted Comparables One and Three downward for substantially newer improvements and/or superior condition, and adjusted Comparables Two and Five downward for generally newer and/or superior condition. Comparable Four was adjusted upward for older age and no substantial recent improvements.

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 $87,905 and $170,000, with a mean of $133,937.

COMPARABLE SALES ADJUSTMENT CHART - Restricted Rents As Is						
Sale No.	**Subject**	**1**	**2**	**3**	**4**	**5**
Informational Data						
Sale Date	N/Ap	Jan-16	Dec-15	Nov-15	Aug-15	May-15
Sale Price	N/Ap	$73,500,000	$13,750,000	$29,240,000	$9,757,500	$28,200,000
# Units	195	537	82	172	111	263
Year Built	1998	2002	1980 / 2006	2007	1984	2004
Location	Excellent	Good	Good	Good	Good	Good
Price per Unit	N/Ap	$136,872	$167,683	$170,000	$87,905	$107,224
Comparative Analysis						
Conditions of Sale		-60%	-70%	-60%	-50%	-50%
Market Conditions		0%	0%	0%	0%	0%
Adjusted Price/SF		$54,749	$50,305	$68,000	$43,953	$53,612
Physical Adjustments						
Location		10%	10%	0%	10%	0%
Size (# of units)		10%	-10%	0%	-10%	10%
Avg. Unit Size		10%	-10%	10%	0%	0%
Quality/Amenities		-20%	-5%	-10%	0%	0%
Age/Condition		-30%	-10%	-30%	10%	-20%
Net Adjustment		-20%	-25%	-30%	10%	-10%
Adjusted Price/SF		$43,799	$37,729	$47,600	$48,348	$48,251
Indicated Range:			$37,729	to	$48,348	
Mean:				$45,145		

As shown, after adjustments, the indicated range is a narrowed to between $37,729 and $48,348, with a mean of $45,145. Comparables Four and Five required the least net adjustment, but are the oldest sales. They had value indications of about $48,000 per unit. Comparable One required the next lowest net adjustment and is the most recent sale, indicating a value estimate of $43,799 per unit. We placed emphasis on the value indicated by Comparable One, and reconciled to just below the mean of the sales. 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	195	=	$8,580,000
Rounded				$8,600,000

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 RESTRICTED RENTS AS IS	
Method	**Indicated Value**
NOI Per Square Foot	$8,600,000
Physical Adjustments	$8,600,000
Reconciled:	**$8,600,000**

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	$8,600,000
Sales Comparison Approach	$8,600,000

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 May 18, 2016

EIGHT MILLION SIX HUNDRED THOUSAND DOLLARS

$8,600,000

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. Data used in this section is presented in the addenda as rent and improved sales comparables.

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 APPRAISER RECOMMENDED RENTS - POST RENOVATION Centennial Place Phase IV Apartments								
Unit Type	No. Units	HUD SF	Gross SF	Total Heated	Total Gross	Monthly Rent	Rent SF	Total Income
1BR/1BA PHA 50%	10	684	786	6,840	7,860	$526	$0.67	$63,120
2BR/1BA PHA 50%	8	871	977	6,968	7,816	$594	$0.61	$57,024
2BR/1BA PHA 50%	11	892	977	9,812	10,747	$594	$0.61	$78,408
2BR/2BA PHA 50%	2	867	981	1,734	1,962	$594	$0.61	$14,256
2BR/2BA PHA 50%	2	1,038	1,241	2,076	2,482	$594	$0.48	$14,256
3BR/2.5BA PHA 50%	5	1,249	1,423	6,245	7,115	$647	$0.45	$38,820
4BR/2.5BA PHA 50%	1	1,574	1,766	1,574	1,766	$683	$0.39	$8,196
1BR/1BA PHA 60%	7	684	786	4,788	5,502	$526	$0.67	$44,184
2BR/1BA PHA 60%	4	871	977	3,484	3,908	$594	$0.61	$28,512
2BR/1BA PHA 60%	13	871	977	11,323	12,701	$594	$0.61	$92,664
2BR/2BA PHA 60%	1	1,054	1,224	1,054	1,224	$594	$0.49	$7,128
2BR/2BA PHA 60%	9	1,038	1,241	9,342	11,169	$594	$0.48	$64,152
3BR/2.5BA PHA 60%	10	1,249	1,423	12,490	14,230	$647	$0.45	$77,640
1BR/1BA LIHTC 60%	18	684	786	12,312	14,148	$611	$0.78	$131,976
2BR/2BA LIHTC 60%	1	867	981	867	981	$695	$0.71	$8,340
2BR/2BA LIHTC 60%	2	1,054	1,224	2,108	2,448	$695	$0.57	$16,680
2BR/2BA LIHTC 60%	2	1,038	1,241	2,076	2,482	$695	$0.56	$16,680
2BR/2.5BA 60%	1	1,553	1,788	1,553	1,788	$695	$0.39	$8,340
1BR/1BA Market	43	684	786	29,412	33,798	$1,100	$1.40	$567,600
2BR/2BA Market	3	871	977	2,613	2,931	$1,275	$1.31	$45,900
2BR/2BA Market	6	867	981	5,202	5,886	$1,275	$1.30	$91,800
2BR/2BA Market	18	1,054	1,224	18,972	22,032	$1,320	$1.08	$285,120
2BR/2BA Market	2	1,038	1,241	2,076	2,482	$1,325	$1.07	$31,800
2BR/2BA Market G	7	1,553	1,788	10,871	12,516	$1,600	$0.89	$134,400
3BR/2.5BA Market G	9	1,866	2,072	16,794	18,648	$1,900	$0.92	$205,200
Totals/Average	195	936	1,070	182,586	208,622	$911	$0.85	$2,132,196

Other Income

Phase IV historical operating statements for years 2013 through 2015 indicate miscellaneous other income per unit of $144, $111 and $130 per unit, respectively, which ranges from 1.08% to 1.51% of net rentable income (NRI). Our analysis includes 1.5% of PRI for other income, which is in line with the historicals.

Vacancy And Collection Loss

The comparables reported physical occupancies from 93% to 98% with a weighted average of about 96%. The subject property is currently 90% 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 6% in 2013, 14% in

2014 and 2015 was 9%, with higher vacancy attributed to keeping empty units and shifting tenants among phases during remodels. This dynam ic is expected to continue for the next three years, until the renovation of all phases is complete. Collection loss was minimal. Collection loss and loss to lease were an additional 0.58% in 2013, 1.48% in 2014, and 2.72% in 2015, higher in 2015 when management offered concessed rents during construction.

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. Units will no longer be held for displaced tenants. Furthermore, rents can resume market levels without loss to lease concessions. We concluded a 94% physical and 93% economic occupancy 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 $2,012,686 or $10,321 per unit.

Expense Analysis

Centennial Place Phase IV 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 at least 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 IV 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 2013 - 2015 CENTENNIAL PHASE IV						
		1,070 SF		195 Units		
	Actual 2013	Per Unit	Actual 2014	Per Unit	Actual 2015	Per Unit
Potential Rental Income	$1,521,596	$7,803	$1,636,910	$8,394	$2,055,332	$10,540
Subsidy	$344,175	$1,765	$371,548	$1,905	$0	$0
Misc. Schedule Income	$0		$0		$60,363	310
Misc. Other Income	28,142	144	21,697	111	25,399	130
Subtotal Other Income	28,142	144	21,697	111	85,762	440
Other as % of Rental Inc.	1.51%		1.08%		1.24%	
Potential Gross Income	$1,893,913	$9,712	$2,030,155	$10,411	$2,141,094	$10,980
Vacancy & Collection Loss	-6%		-14%		-9%	
Vacancy	(105,067)	(539)	(282,647)	(1,449)	(199,272)	(1,022)
Bad Debt	(8,090)	(41)	(13,339)	(68)	(18,975)	(97)
Concessions	(11,391)	(58)	(18,197)	(93)	(32,709)	(168)
Subtotal V & C Loss	(124,548)	(639)	(314,183)	(1,611)	(250,956)	(1,287)
V & C as % of PGI	-6.58%		-15.48%		-11.72%	
Effective Gross Income	$1,769,365	$9,074	$1,715,972	$8,800	$1,890,138	$9,693
Real Estate Taxes	$64,940	$333	$66,735	$342	$80,295	$412
Insurance	50,991	261	54,051	277	53,810	276
Management Fee	102,659	526	96,107	493	107,829	553
Mgmt. as a % of EGI	5.8%		5.6%		5.7%	
Utilities	279,437	1,433	247,461	1,269	262,308	1,345
Payroll	305,840	1,568	310,041	1,590	305,116	1,565
Cleaning & Redecorating		0		0		0
Repairs & Maintenance	160,302	822	146,474	751	199,096	1,021
Landscaping and grounds	65,974	338	97,346	499	46,224	237
Security	79,164	406	88,596	454	95,918	492
Advertising & Promotion	11,785	60	9,202	47	25,824	132
Administrative & Misc.	114,497	587	117,939	605	134,034	687
Total Expenses	$1,235,589	$6,336	$1,233,952	$6,328	$1,310,454	$6,720
As a % of EGI	69.83%		71.91%		69.33%	
Net Income	$533,776	$2,737	$482,020	$2,472	$579,684	$2,973

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

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

2015 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 Apartment Rents:	89.4%	91.8%	96.6%	$8,241	$9,616	$11,547
Other Income:	3.3%	7.7%	10.5%	$291	$942	$1,293
Gross Possible Income:	100.0%	100.0%	100.0%	$8,651	$10,493	$12,296
Vacancies/Rent Loss:	4.8%	7.3%	12.6%	$494	$833	$1,201
Total Collections:	86.5%	90.6%	94.4%	$7,839	$9,370	$11,466
Expenses (B)						
Real Estate Taxes	4.6%	7.1%	9.5%	$385	$724	$1,036
Insurance	1.6%	2.0%	2.6%	$187	$208	$260
Management Fee	2.9%	3.8%	5.1%	$331	$459	$534
Total Utilities **(1)**	5.4%	7.6%	10.1%	$754	$908	$1,024
Water/sewer (common & Apts)	4.0%	5.8%	7.5%	$453	$607	$723
Electric (common & Apts)	1.2%	1.7%	2.2%	$279	$279	$279
Gas (common & Apts)	0.2%	0.1%	0.4%	$22	$22	$22
Total Utilities **(2)**	4.0%	4.7%	7.6%	$417	$569	$804
Water/sewer (common only)	2.6%	2.9%	5.0%	$287	$389	$584
Electric (common only)	1.2%	1.7%	2.2%	$130	$180	$220
Gas (common only)	0.2%	0.1%	0.4%	$0	$0	$0
Salaries and Administrative (C)	7.5%	14.4%	19.3%	$999	$1,536	$2,011
Other Administrative	2.4%	5.0%	6.8%	$271	$482	$653
Other Payroll	5.1%	9.4%	12.5%	$728	$1,054	$1,358
Maintenance & Repairs	1.7%	2.9%	4.8%	$192	$310	$588
Painting & Redecorating (D)	0.9%	1.3%	2.2%	$98	$152	$293
Grounds Maint. & Amenities (D)	1.1%	1.5%	3.1%	$119	$165	$249
Grounds Maintenance	1.0%	1.3%	1.9%	$100	$137	$155
Recreational/Amenities	0.1%	0.2%	1.2%	$19	$28	$93
Security (D)	0.1%	0.9%	1.7%	$11	$74	$338
Other/Miscellaneous	0.6%	1.5%	3.6%	$76	$196	$398
Other Tax/Fee/Permit	0.1%	0.2%	0.3%	$11	$21	$32
Supplies	0.1%	0.6%	1.5%	$10	$61	$132
Building Services	0.4%	1.1%	1.9%	$44	$144	$222
Other Operating	0.2%	0.4%	1.7%	$31	$52	$177
Total Expenses:	29.9%	36.9%	46.3%	$3,191	$4,238	$5,471
Net Operating Income:	42.1%	53.4%	60.7%	$3,572	$5,183	$6,926

Notes: Survey for Metro Atlanta includes 18,330 apartment units with an average unit size of 1,034 square feet.
Per Unit expenses are computed by dividing the median per unit expense by the median PSF expense by the and applying the indicated average SF to the High and Low expense PSF figures prvided by IREM.
(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: 2015 *Income/Expense Analyses:Conventional Apartments* by the Institute of Real Estate Management (IREM)

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	TTM 4/201€	0.0%	TTM 4/2016	0.0%	TTM 4/2016	0.00%	TTM 4/201€	0.00%
Real Estate Taxes	$797	$797	$374	$374	$299	$299	$323	$323
Insurance	234	234	214	214	222	222	195	195
Management Fee:	809	809	661	661	645	645	628	628
% of EGI	6.5%		7.7%		6.4%		6.7%	
Utilities	1,039	1,039	880	880	904	904	894	894
Salaries & Labor	1,975	1,975	1,747	1,747	1,525	1,525	1,456	1,456
Repairs/Redecorating	724	724	1,001	1,001	523	523	1,214	1,214
Landscaping/Amenities	91	91	142	142	123	123	124	124
Security	472	472	454	454	192	192	400	400
Advertising & Promotion	115	115	84	84	130	130	143	143
Administrative/Misc.	730	730	638	638	1,134	1,134	1,274	1,274
Total Expenses	$6,986	$6,986	$6,195	$6,195	$5,697	$5,697	$6,651	$6,651

Real Estate Taxes

As previously discussed in the Tax Analysis section, actual taxes for 2015 were $80,295. 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 2015 millage rate is applied to that figure, the resulting tax liability is about $119,391 or $612 per unit. We used the computed tax amount in the proforma.

Tax Estimate At Completion	
NOI	$738,721
CapItalized at 6.5%	$11,364,935
Assessed at 40%	$4,545,974
Exempt at 39.5%	$2,750,314
0.043410 Millage	$119,391
Per Unit	$612

Insurance

For 2013, 2014 and 2015, actual insurance expenses for the subject were $261, $277 and $276, respectively. IREM indicates a range of $187 to $260 per unit, and a median of $208 per unit for the Atlanta area. The comparables indicate insurance expenses within a range of $195 to $234 per unit and average $216. After a 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 5.8% in 2013, 5.6% in 2014 and 5.7% in 2015. 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 2.9% to 5.1% with a median of 3.8%. 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 2013, 2014 and 2015, actual utilities expenses for the subject were $1,433, $1,269 and $1,345, respectively. In the subject's case, tenants are responsible for electric and gas utilities. Water, sewer and trash are paid by the complex currently. After renov ation, 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 $933 per unit of the utilities total when actual expenses YTD 2016 are annualized. We did not have a break down of the utilities in the 2103, 2014 or 2015 historicals. IREM indicates a range of $417 to $804 per unit, and a median of $569 per unit, for complexes that do not include water and sewer in the utility structure. The comparables indicate utilities expenses within a range of $880 to $1,039 per unit and average $929. 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 2013, 2014 and 2015, actual expenses for the subject were $1,568, $1,590 and $1,565, respectively. IREM indicates a range of $999 to $2,011 per unit, and a median of $1,536 per unit. The LIHTC comparables indicate salaries and labor expenses within a range of $1,456 to $1,975 per unit and average $1,676. 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 $1,575 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 2013, 2014 and 2015, actual combined repairs and redecorating expenses for the subject were $822, $751 and $1,021, respectively. The LIHTC comparables indicate combined repairs and redecorating expenses within a range of $523 to $1,214 per unit and average $866. IREM indicates a range of $290 to $881 per unit, and a median of $462 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 2013, 2014 and 2015, actual security expenses for the subject were $406, $454 and $492, respectively. IREM indicates a range of $11 to $338 per unit, and a median of $74 per unit. The LIHTC comparables indicate security expense within a range of $192 to $472 per unit and average $380. The majority of the security expense at the subject is salaries for dedicated staff officers. We do not expect that expense to decrease over time. Based on the subject’s intown location, and placing emphasis on the history of the subject, we forecast security expense at $500 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 2013, 2014 and 2015, actual expenses for the subject were $338, $499 and $237 per unit. IREM indicates a range of $119 to $249 per unit, and a median of $165 per unit. The LIHTC comparables indicate landscaping and amenities expenses within a range of $91 to $142 per unit and average $118. Placing emphasis on the historical landscaping expense at the subject, we forecast landscaping and amenities expense at $250 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 2013, 2014 and 2015, actual expenses for the subject were $60, $47 and $132, respectively. IREM does not include this category. The LIHTC comparables indicate advertising expenses within a range of $84 to $143 per unit and average $118. Occupancy in the PBRA units remains high with a waiting list, so advertising targets mostly market rate potential tenants. Marketing efforts have been curtailed during construction, but will return to more normal levels when construction is completed. As such, advertising expenses should continue to be moderate. Based upon the foregoing considerations, we forecast advertising expense at $150 per unit.

Administrative And Miscellaneous Expense

This expense includes such items as legal, accounting, office supplies, answering service, telephone, etc. For 2013, 2014 and 2015, actual expenses for the subject were $587, $605 and $687, respectively. IREM indicates a range of $76 to $398 per unit, and a median of $196 per unit. The LIHTC comparables indicate administrative/misc. expenses within a range of $638 to $1,274 per unit and average $944. We relied on the historicals and forecast administrative and miscellaneous expense at $600 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 subject or the comparables. 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 $3,191 to $5,471 per unit, with a median of $4,238, excluding reserves. The LIHTC comparables indicate total expenses within a range of $5,697 to $6,986 per unit and average $6,382. For 2013, 2014 and 2015, actual expenses for the subject were $6,336, $6,328 and $6,720, respectively. The estimated expenses total $1,273,966 or $6,533 per unit including reserves, excluding reserves the estimated expenses are $6,233 per unit. Our projections are within the actual figures for the past few years when reserves are included. 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 1980 and 2007.

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	The Brooke, Atlanta	Jan-16	537	2002	$136,872	903	97%	$6,844	5.00%
2	Villas on Briarcliff, Atlanta	Dec-15	82	1980 / 2006	$167,683	1,560	98%	$9,223	5.50%
3	Exchange Atlantic Station, Atlanta	Nov-15	172	2007	$170,000	880	94%	$7,140	4.20%
4	Park On Clairmont, Atlanta	Aug-15	111	1984	$87,905	1,074	99%	$5,802	6.60%
5	The Point at Westside, Atlanta	May-15	263	2004	$107,224	1,044	95%	$5,683	5.30%

The comparable sales used in this analysis present a range of overall rates between 4.20% and 6.60%, with a mean of 5.32%. The subject, as a mixed-income property with lower income expectations represents an investment with higher perceived risk than the comparable sales shown above. This increased risk perception justifies use of a higher cap rate for the subject at completion.

As mentioned in the Market Analysis section, the *PwC Survey* indicates that overall capitalization rates for the southeast apartment market range from 3.75% to 7.00%, with an average of 5.30% (institutional-grade properties). The average rate is unchanged from the previous quarter and is down 15 basis points from the same period one year ago. Non institutional-grade rates for the Southeast Region are not currently being tracked; however, National Apartment non institutional-grade OAR rates range 25-400 points higher, with an average of 147 basis points or 6.77%.

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 t he 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 $11,800,000 or $60,513 per unit.

APPRAISERS NOI ANALYSIS - AFTER RENOVATION - RESTRICTED RENTS CENTENNIAL PLACE APARTMENTS - PHASE IV 195 Units - 206,549 SF				
		Total	Per Unit	Per SF
Potential Gross Rental Income		$2,132,196	$10,934	$10.22
Plus Other Income	1.5%	31,983	164	0.15
Potential Gross Income		$2,164,179	$11,098	$10.37
Vacancy and Collection Loss	7.0%	$151,493	$777	$0.73
Effective Gross Income		$2,012,686	$10,321	$9.65
Expenses				
Real Estate Taxes		$119,391	$612	$0.57
Insurance		53,625	275	0.26
Management Fee	6.5%	130,825	671	0.63
Utilities		156,000	800	0.75
Salaries & Labor		307,125	1,575	1.47
Maintenance & Repairs / Turnkey		156,000	800	0.75
Security		97,500	500	0.47
Landscaping		48,750	250	0.23
Advertising & Promotion		29,250	150	0.14
Administrative/Misc.		117,000	600	0.56
Total Expenses		$1,215,466	$6,233	$5.83
Reserves		58,500	300	0.28
Total Operating Expenses		$1,273,966	$6,533	$6.11
Net Income		$738,721	$3,788	$3.54
Overall Rates/Indicated	6.00%	$12,312,013	$63,139	$59.02
Values	6.25%	$11,819,533	$60,613	$56.66
	6.50%	$11,364,935	$58,282	$54.48
Stabilized Reconciled Value		$11,800,000	$60,513	$56.56

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 relati ng 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	The Brooke, Atlanta	Jan-16	537	2002	$136,872	903	97%	$6,844	5.00%
2	Villas on Briarcliff, Atlanta	Dec-15	82	1980 / 2006	$167,683	1,560	98%	$9,223	5.50%
3	Exchange Atlantic Station, Atlanta	Nov-15	172	2007	$170,000	880	94%	$7,140	4.20%
4	Park On Clairmont, Atlanta	Aug-15	111	1984	$87,905	1,074	99%	$5,802	6.60%
5	The Point at Westside, Atlanta	May-15	263	2004	$107,224	1,044	95%	$5,683	5.30%

These properties were reportedly built between 1980 and 2007 with unit counts between 82 and 537. The transactions occurred between May 2015 and January 2016. Overall rates indicated by the transactions range between 4.20% and 6.60%, with an average of 5.32%. All of the comparables were in good condition with high NOIs per unit. Sales prices per unit range from $87,905 to $170,000. This range appears to fluctuate most with net operating income per unit, which ranges from $5,683 to $9,223.

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 IV

Sale No.	Subject's NOI/Unit		Comp. NOI/Unit		Multiplier		Sale Price $/Unit		Adjusted $/Unit For Subject
1	$3,788	/	$6,844	=	0.55	X	$136,872	=	$75,280
2	$3,788	/	$9,223	=	0.41	X	$167,683	=	$68,750
3	$3,788	/	$7,140	=	0.53	X	$170,000	=	$90,100
4	$3,788	/	$5,802	=	0.65	X	$87,905	=	$57,138
5	$3,788	/	$5,683	=	0.67	X	$107,224	=	$71,840

As shown above, the adjusted values indicated for the subject with restricted rents at stabilization range from $57,138 to $90,100 per unit, with an average of $72,407. Given that the subject is an income restricted property, the lower end of the range best represents the subject. For the as stabilized at restricted rents scenario, we estimated a value of $60,000 per unit.

SALES COMPARISON APPROACH SUMMARY – RESTRICTED RENTS AT STABILIZATION

# Units	$/Unit	Indicated Value
195	$60,000	$11,700,000
Rounded		$11,700,000

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 has an excellent location in the heart of downtown Atlanta. Comparables Three and Five have similar locations and were not adjusted. Comparables One, Two and Four are located farther from downtown Atlanta in attractive suburban locations along good transportation routes and were adjusted upward for inferior location.

Size/Number of Units

The subject has 195 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. Comparables Two and Four were adjusted downward. Comparables One and Five were adjusted upward. Comparable Three did not warrant adjustment.

Average Unit Size

The subject has an average unit size of 1,070 square feet. Comparables Four and Five have a similar average unit size and were not adjusted. Comparable Two has larger average unit size and was adjusted downward. Comparables One and Three have smaller average unit sizes and were adjusted downward.

Quality/Amenities

The subject is average quality and has average amenities, including swimming pools, a clubhouse, playgrounds and security. Com parables One, Two and Three have more extensive amenities and/or interior features like granite counter tops and stainless steel appliances. Comparable One is the most upscale of the comparables, with Comparable Two and Comparable Three less so, and adjusted accordingly. The subject has typical features and exteriors and compares well to newer complexes, with no particularly dated features. Comparables Four and Five were not adjusted for quality/amenities.

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 1980 (renovated 2006, and in good condition) and 2009. We adjusted Comparables One, Three and Five downward for newer improvements and/or superior condition, and adjusted Comparable Two, a remodeled older complex, was not adjusted. Comparables Four was adjusted upward for older age and no substantial recent improvements.

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 $87,905 and $170,000, with a mean of $133,937.

COMPARABLE SALES ADJUSTMENT CHART - Restricted Rents At Stabilization

Sale No.	Subject	1	2	3	4	5
Informational Data						
Sale Date	N/Ap	Jan-16	Dec-15	Nov-15	Aug-15	May-15
Sale Price	N/Ap	$73,500,000	$13,750,000	$29,240,000	$9,757,500	$28,200,000
# Units	185	537	82	172	111	263
Year Built	1996	2002	1980 / 2006	2007	1984	2004
Location	Excellent	Good	Good	Good	Good	Good
Price per Unit	N/Ap	$136,872	$167,683	$170,000	$87,905	$107,224
Comparative Analysis						
Conditions of Sale		-50%	-60%	-50%	-40%	-40%
Market Conditions		0%	0%	0%	0%	0%
Adjusted Price/SF		$68,436	$67,073	$85,000	$52,743	$64,335
Physical Adjustments						
Location		10%	10%	0%	10%	0%
Size (# of units)		10%	-10%	0%	-10%	10%
Avg. Unit Size		10%	-10%	10%	0%	0%
Quality/Amenities		-20%	-5%	-10%	0%	0%
Age/Condition		-25%	0%	-25%	15%	-15%
Net Adjustment		-15%	-15%	-25%	15%	-5%
Adjusted Price/SF		$58,170	$57,012	$63,750	$60,655	$61,118
Indicated Range:			$57,012	to	$63,750	
Mean:				$60,141		

As shown, after adjustments, the indicated range is a narrowed to between $57,012 and $63,750, with a mean of $60,141. Based on this information, we estimate value for the subject at a rounded $60,000 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**
$60,000	X	195	=	$11,700,000
Rounded				$11,700,000

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	$11,700,000
Physical Adjustments	$11,700,000
Reconciled:	**$11,700,000**

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	$11,800,000
Sales Comparison Approach	$11,700,000

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," Subject To Restricted Rents, As of December 1, 2017

ELEVEN MILLION EIGHT HUNDRED THOUSAND DOLLARS
$11,800,000

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 $2,985,840, or $15,312 per unit.

UNIT MIX AND MARKET RENT SCHEDULE - HYPOTHETICAL MARKET - POST RENOVATION Centennial Place Phase IV Apartments								
Unit Type	No. Units	Heated SF	Total Heated	Gross SF	Total Gross	Monthly Rent	Rent GSF	Total Income
1BR/1BA	78	684	53,352	786	61,308	$1,100	$1.40	$1,029,600
2BR/1BA	12	871	10,452	977	11,724	$1,250	$1.28	$180,000
2BR/1BA	24	871	20,904	977	23,448	$1,250	$1.28	$360,000
2BR/2BA	3	871	2,613	977	2,931	$1,275	$1.31	$45,900
2BR/2BA	9	867	7,803	981	8,829	$1,275	$1.30	$137,700
2BR/2BA	21	1,054	22,134	1,224	25,704	$1,320	$1.08	$332,640
2BR/1.5BA	13	1,038	13,494	1,241	16,133	$1,300	$1.05	$202,800
2BR/2.5BA	2	1,038	2,076	1,241	2,482	$1,325	$1.07	$31,800
2BR/2.5BA G	8	1,553	12,424	1,788	14,304	$1,550	$0.87	$148,800
3BR/2.5BA	15	1,252	18,780	1,423	21,345	$1,600	$1.12	$288,000
3BR/2.5BA G	9	1,866	16,794	2,072	18,648	$1,900	$0.92	$205,200
4BR/2.5BA	1	1,574	1,574	1,766	1,766	$1,950	$1.10	$23,400
Totals/Average	195	935	182,400	1,070	208,622	$1,276	$1.19	$2,985,840

OTHER INCOME

Phase IV historical operating statements for years 2013 through 2015 indicate miscellaneous other income per unit of $144, $111 and $130 per unit, respectively, which ranges from 1.08% to 1.51% of net rentable income (NRI). IREM indicates a range of $291 to

$1,293 per unit, and a median of $942 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 93% to 98% with a weighted average of about 96%. The subject property is currently 90% 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 6% in 2013, 14% in 2014 and 2015 was 9%, with higher vacancy attributed to keeping empty units and shifting tenants among phases during remodels. This dynam ic is expected to continue for the next three years, until the renovation of all phases is complete. Collection loss was minimal. Collection loss and loss to lease were an additional 0.58% in 2013, 1.48% in 2014, and 2.72% in 2015, higher in 2015 when management offered concessed rents during construction.

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. Units will no longer be held for displaced tenants. Furthermore, rents can resume market levels without loss to lease concessions.

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 $2,912,256 or $14,935 per unit.

EXPENSE ANALYSIS

Centennial Place Phase IV 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 at least 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 IV 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 2013, 2014 and 2015. In addition, we reviewed industry standard expenses as published in the 2015 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 2013 - 2015 CENTENNIAL PHASE IV						
		1,070 SF		195 Units		
	Actual 2013	Per Unit	Actual 2014	Per Unit	Actual 2015	Per Unit
Potential Rental Income	$1,521,596	$7,803	$1,636,910	$8,394	$2,055,332	$10,540
Subsidy	$344,175	$1,765	$371,548	$1,905	$0	$0
Misc. Schedule Income	$0		$0		$60,363	310
Misc. Other Income	28,142	144	21,697	111	25,399	130
Subtotal Other Income	28,142	144	21,697	111	85,762	440
Other as % of Rental Inc.	1.51%		1.08%		1.24%	
Potential Gross Income	$1,893,913	$9,712	$2,030,155	$10,411	$2,141,094	$10,980
Vacancy & Collection Loss	-6%		-14%		-9%	
Vacancy	(105,067)	(539)	(282,647)	(1,449)	(199,272)	(1,022)
Bad Debt	(8,090)	(41)	(13,339)	(68)	(18,975)	(97)
Concessions	(11,391)	(58)	(18,197)	(93)	(32,709)	(168)
Subtotal V & C Loss	(124,548)	(639)	(314,183)	(1,611)	(250,956)	(1,287)
V & C as % of PGI	-6.58%		-15.48%		-11.72%	
Effective Gross Income	$1,769,365	$9,074	$1,715,972	$8,800	$1,890,138	$9,693
Real Estate Taxes	$64,940	$333	$66,735	$342	$80,295	$412
Insurance	50,991	261	54,051	277	53,810	276
Management Fee	102,659	526	96,107	493	107,829	553
Mgmt. as a % of EGI	5.8%		5.6%		5.7%	
Utilities	279,437	1,433	247,461	1,269	262,308	1,345
Payroll	305,840	1,568	310,041	1,590	305,116	1,565
Cleaning & Redecorating		0		0		0
Repairs & Maintenance	160,302	822	146,474	751	199,096	1,021
Landscaping and grounds	65,974	338	97,346	499	46,224	237
Security	79,164	406	88,596	454	95,918	492
Advertising & Promotion	11,785	60	9,202	47	25,824	132
Administrative & Misc.	114,497	587	117,939	605	134,034	687
Total Expenses	$1,235,589	$6,336	$1,233,952	$6,328	$1,310,454	$6,720
As a % of EGI	69.83%		71.91%		69.33%	
Net Income	$533,776	$2,737	$482,020	$2,472	$579,684	$2,973

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

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

2015 IREM INCOME & EXPENSE DATA FOR ATLANTA METRO AREA

Income & Expense Category (A)	Annual Inc. & Exp. as % of GPI Low	Median	High	Annual Income & Expenses Per Unit Low	Median	High
Income						
Gross Possible Apartment Rents:	89.4%	91.8%	96.6%	$8,241	$9,616	$11,547
Other Income:	3.3%	7.7%	10.5%	$291	$942	$1,293
Gross Possible Income:	100.0%	100.0%	100.0%	$8,651	$10,493	$12,296
Vacancies/Rent Loss:	4.8%	7.3%	12.6%	$494	$833	$1,201
Total Collections:	86.5%	90.6%	94.4%	$7,839	$9,370	$11,466
Expenses (B)						
Real Estate Taxes	4.6%	7.1%	9.5%	$385	$724	$1,036
Insurance	1.6%	2.0%	2.6%	$187	$208	$260
Management Fee	2.9%	3.8%	5.1%	$331	$459	$534
Total Utilities **(1)**	5.4%	7.6%	10.1%	$754	$908	$1,024
Water/sewer (common & Apts)	4.0%	5.8%	7.5%	$453	$607	$723
Electric (common & Apts)	1.2%	1.7%	2.2%	$279	$279	$279
Gas (common & Apts)	0.2%	0.1%	0.4%	$22	$22	$22
Total Utilities **(2)**	4.0%	4.7%	7.6%	$417	$569	$804
Water/sewer (common only)	2.6%	2.9%	5.0%	$287	$389	$584
Electric (common only)	1.2%	1.7%	2.2%	$130	$180	$220
Gas (common only)	0.2%	0.1%	0.4%	$0	$0	$0
Salaries and Administrative (C)	7.5%	14.4%	19.3%	$999	$1,536	$2,011
Other Administrative	2.4%	5.0%	6.8%	$271	$482	$653
Other Payroll	5.1%	9.4%	12.5%	$728	$1,054	$1,358
Maintenance & Repairs	1.7%	2.9%	4.8%	$192	$310	$588
Painting & Redecorating (D)	0.9%	1.3%	2.2%	$98	$152	$293
Grounds Maint. & Amenities (D)	1.1%	1.5%	3.1%	$119	$165	$249
Grounds Maintenance	1.0%	1.3%	1.9%	$100	$137	$155
Recreational/Amenities	0.1%	0.2%	1.2%	$19	$28	$93
Security (D)	0.1%	0.9%	1.7%	$11	$74	$338
Other/Miscellaneous	0.6%	1.5%	3.6%	$76	$196	$398
Other Tax/Fee/Permit	0.1%	0.2%	0.3%	$11	$21	$32
Supplies	0.1%	0.6%	1.5%	$10	$61	$132
Building Services	0.4%	1.1%	1.9%	$44	$144	$222
Other Operating	0.2%	0.4%	1.7%	$31	$52	$177
Total Expenses:	29.9%	36.9%	46.3%	$3,191	$4,238	$5,471
Net Operating Income:	42.1%	53.4%	60.7%	$3,572	$5,183	$6,926

Notes: Survey for Metro Atlanta includes 18,330 apartment units with an average unit size of 1,034 square feet.
Per Unit expenses are computed by dividing the median per unit expense by the median PSF expense by the and applying the indicated average SF to the High and Low expense PSF figures prvided by IREM.
(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: 2015 *Income/Expense Analyses:Conventional Apartments* by the Institute of Real Estate Management (IREM)

OPERATING EXPENSE COMPARABLES								
Project Name	Encore Clairmont		Prelude Encore		Confidential		Confidential	
Location	Atlanta, GA		Atlanta, GA		Atlanta, GA		Atlanta, GA	
No. Units	359		353		315		254	
Avg. Unit Size	914		959		937		997	
Year Built	2015		2011		2013		2014	
	Actual	Trended	Actual	Trended	Actual	Trended	Actual	Trended
Effective Date/% Trended	2015	0.0%	2015	0.0%	2015	0.0%	2015	0.0%
Real Estate Taxes*	$991	$991	$1,001	$1,001	$2,899	$2,899	$304	$304
Insurance	194	194	232	232	229	229	247	247
Management Fee:	369	369	466	466	512	512	540	540
Management Fee %	4.00%		3.25%		3.00%		3.00%	
Utilities (W/S/E/G/Trash)**	518	518	221	221	467	467	442	442
Salaries & Labor	1,713	1,713	1,404	1,404	1,217	1,217	1,574	1,574
Painting & Decorating	117	117	261	261	223	223	138	138
Maintenance & Repairs	231	231	429	429	295	295	222	222
Total Maintenace	348		690		518		360	
Landscaping	88	88	99	99	186	186	150	150
Advertising & Promotion	331	331	172	172	229	229	254	254
Administrative/Misc.	172	172	309	309	739	739	684	684
Total Expenses	$4,724	$4,724	$4,594	$4,594	$6,996	$6,996	$4,555	$4,555

*Encore Clairmont was not completed until 2015. Tax liability is estimated based on adjacent 2009 property, Prelude at Clairmor
*Comp #4 is located in a tax allocation district and pays reduced taxes.
**All Utilities are net of reimbursements.

Real Estate Taxes

Real estate taxes were discussed in detail in the Tax Analysis portion of the Property Analysis. Based on the projected NOI at hypothetical market rents, we used $2,345 per unit, to reflect an appraised value of $135,000 per unit.

2015 MARKET RATE APARTMENT TAX COMPARABLES				
Comparable	**SUBJECT**	**One**	**Two**	**Three**
Name:	Centennial Place IV	The Prato	Alexander at the	Apex West Midtown
Address:	130 Hunnicutt Street	400 Central Park	1750 Commerce	1133 Huff Road
Tax ID No.:	14007900060282	140050LL0191 & 0233	17015200120253	17018800030716
No. of Units:	195	342	280	340
Year Built:	1998	1995	2007	2009
Avg. Unit Size	1,070	954	960	1,101
Value Per Unit:	$135,000	$161,206	$158,160	$144,778

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 $194 to $247 per unit and average $226. For 2013, 2014 and 2015, actual insurance expenses for the subject were $261, $277, and $276 per unit, 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 2.9% to 5.1% with a median of 3.8%. 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 5.8% in 2013, 5.6% in 2014 and 5.7% in 2015. For the hypothetical at market scenario, we used the more typical 3.5% for the 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 $417 to $804 per unit, and a median of $569 per unit for complexes that do not include water and sewer. The comparables indicate utilities expenses within a range of $221 to $518 per unit and average $412. In the subject's case, the complex currently pays for water, sewer and trash. The tenants pay for electric and gas. For 2013, 2014 and 2015, actual utilities expenses for the subject were $1,433, $1,269 and $1,345, respectively. 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 $933 per unit of that total in 2015. We forecast utilities expense at $600 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 $999 to $2,011 per unit, and a median of $1,536 per unit. The comparables have salaries expense of $1,217 to $1,713 per unit and average $1,477. For 2013, 2014 and 2015, actual expenses for the subject were $1,568, $1,590 and $1,565, 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 $1,217 to $1,713 per unit and average $1,477. We used $1,450 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 $290 to $881 per unit, and a median of $462 per unit. For 2013, 2014 and 2015, actual combined repairs and redecorating expenses for the subject were $822, $751 and $1,021, 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 $348 to $690 per unit with an average of $479. We reconciled to $650 per unit for the market rent pro forma.

Security

IREM indicates a range of $11 to $338 per unit, and a median of $74 per unit. For 2013, 2014 and 2015, actual security expenses for the subject were $406, $454 and $492, respectively. Based on the subject’s intown location, and placing emphasis on the history of the subject, we forecast security expense at $500 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 $119 to $249 per unit, and a median of $165 per unit. The comparables ranged from $88 to $186 per unit and averaged $131. The subject is a large site and has attractive landscaping, mature trees and shrubs, and outdoor pool amenity. For 2013, 2014 and 2015, actual expenses for the subject were $338, $499 and $237 per unit. Placing emphasis on the historical and projected landscaping expense at the subject, we forecast landscaping and amenities expense at $250 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 2013, 2014 and 2015, actual expenses for the subject were $60, $47 and $132, respectively.

The market rate comparables had advertising expense between $172 and $331 per unit with an average of $247 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 $76 to $398 per unit, and a median of $196 per unit. For 2013, 2014 and 2015, actual expenses for the subject were $587, $605 and $687, respectively.

The market rate expense comparables have adm inistrative expenses more in line with IREM between $172 and $739 per unit, with an average of $476. For the hypothetical market pro forma we estimated administrative expense at $300 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 subject or the comparables. Typically, reserves r ange from $200 to $400 per unit, depending on age, condition, and size. We used $300 per unit for the hypothetical unrestricted scenario at stabilization.

Summary of Expenses – Hypothetical Unrestricted At Stabilization

Our estimated expenses total $1,441,579 including reserves, which equates to $7,393 per unit. If excluding reserves, the estimated expenses are $7,093 per unit. For 2013, 2014 and 2015, actual expenses for the subject were $6,336, $6,328 and $6,720, respectively. This market scenario includes the increased expense of market rate taxes, and the 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 $3,191 to $5,471 with a median of $4,238 per unit for Atlanta. The market rate comparables indicate total expenses within a range of $4,555 to $6,996 per unit and average $5,217. 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 $1,470,677, or $7,542 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 1980 and 2007.

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	The Brooke, Atlanta	Jan-16	537	2002	$136,872	903	97%	$6,844	5.00%
2	Villas on Briarcliff, Atlanta	Dec-15	82	1980 / 2006	$167,683	1,560	98%	$9,223	5.50%
3	Exchange Atlantic Station, Atlanta	Nov-15	172	2007	$170,000	880	94%	$7,140	4.20%
4	Park On Clairmont, Atlanta	Aug-15	111	1984	$87,905	1,074	99%	$5,802	6.60%
5	The Point at Westside, Atlanta	May-15	263	2004	$107,224	1,044	95%	$5,683	5.30%

The comparable sales used in this analysis present a range of overall rates between 4.20% and 6.60%, with a mean of 5.32%. The subject, as a hypothetical market-rate property, represents an investment with perceived risk similar to the older-constructed comparable sales shown above, which are on the higher end of the cap rate range.

As mentioned in the Market Analysis section, the *PwC Survey* indicates that overall capitalization rates for the southeast apartment market range from 3.75% to 7.00%, with an average of 5.30% (institutional-grade properties). The average rate is unchanged from the previous quarter and is down 15 basis points from the same period one year ago. Non institutional-grade rates for the Southeast Region are not currently being tracked; however, National Apartment non institutional-grade OAR rates range 25-400 points higher, with an average of 147 basis points or 6.77%.

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 t he 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 16%. As shown on the following chart, the indicated overall capitalization rate based on the foregoing parameters equates to approximately 6.10%.

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	16%
Assumed Net Annual Appreciation	2.00%

CALCULATIONS										
Basic Rate Calculation:										
Mortgage:	80%	x	0.059033	=					0.047226	
Equity:	20%	x	0.160000	=				+	0.032000	
Composite Basic Rate:										0.079226
Credit For Equity Build-up Due to Amortization Over Holding Period:										
Mortgage (Loan-to-Value Ratio):					80%					
Sinking Fund Factor @	16%	For			10	Years	=		0.046901	
Percentage of Loan Principal Repaid After					10	Years	=		20.5570%	
Credit:	80%	x	0.046901	x	0.205570		=			0.007713
Appreciation Factor Over the Holding Period:										
Appreciation Credit @	2%	Over			10	Years	=		21.8994%	
Sinking Fund Factor @	16%	For			10	Years	=		0.046901	
Credit:	21.8994%	x	0.046901				=			0.010271

INDICATED CAPITALIZATION RATE		
Basic Rate:		0.079226
Less Credit For Equity Build-up:	-	0.007713
Less Credit For Appreciation:	-	0.010271
INDICATED CAPITALIZATION RATE:		**0.061242**
ROUNDED:		**6.10%**

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 5.75% to 6.25% 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 $24,500,000 or $125,641 per unit.

HYPOTHETICAL PRO FORMA ANALYSIS - AS COMPLETE AND STABILIZED CENTENNIAL PLACE PHASE IV 195 Units - 208,379 SF				
		Total	Per Unit	Per SF
Potential Gross Rental Income		$2,985,840	$15,312	$14.33
Plus Other Income	3.3%	250,000	500	1.20
Potential Gross Income		$3,235,840	$16,594	$15.53
Vacancy and Collection Loss	10.0%	$323,584	$1,659	$1.55
Effective Gross Income		$2,912,256	$14,935	$13.98
Expenses				
Real Estate Taxes		$457,275	$2,345	$2.19
Insurance		$53,625	275	0.26
Management Fee	3.5%	101,929	523	0.49
Utilities		117,000	600	0.56
Salaries & Labor		282,750	1,450	1.36
Maintenance & Repairs / Turnkey		126,750	650	0.61
Security		97,500	500	0.47
Landscaping		48,750	250	0.23
Advertising & Promotion		39,000	200	0.19
Administrative/Misc.		58,500	300	0.28
Total Expenses		$1,383,079	$7,093	$6.64
Reserves		58,500	300	0.28
Total Operating Expenses		$1,441,579	$7,393	$6.92
Net Income		$1,470,677	$7,542	$7.06
Overall Rates/Indicated	5.75%	$25,576,992	$131,164	$122.74
Values	6.00%	$24,511,284	$125,699	$117.63
	6.25%	$23,530,833	$120,671	$112.92
Stabilized Reconciled Value		$24,500,000	$125,641	$117.57

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 relati ng 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	The Brooke, Atlanta	Jan-16	537	2002	$136,872	903	97%	$6,844	5.00%
2	Villas on Briarcliff, Atlanta	Dec-15	82	1980 / 2006	$167,683	1,560	98%	$9,223	5.50%
3	Exchange Atlantic Station, Atlanta	Nov-15	172	2007	$170,000	880	94%	$7,140	4.20%
4	Park On Clairmont, Atlanta	Aug-15	111	1984	$87,905	1,074	99%	$5,802	6.60%
5	The Point at Westside, Atlanta	May-15	263	2004	$107,224	1,044	95%	$5,683	5.30%

These properties were reportedly built between 1980 and 2007 with unit counts between 82 and 537. The comparable sales used in this analysis present a range of overall rates between 4.20% and 6.60%, with a mean of 5.32%. All of the comparables were in good condition with high NOIs per unit. Sales prices per unit range from $87,905 to $170,000. This range appears to fluctuate most with net operating income per unit, which ranges from $5,683 to $9,223.

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 IV

Sale No.	Subject's NOI/Unit		Comp. NOI/Unit		Multiplier		Sale Price $/Unit		Adjusted $/Unit For Subject
1	$7,542	/	$6,844	=	1.10	X	$136,872	=	$150,559
2	$7,542	/	$9,223	=	0.82	X	$167,683	=	$137,500
3	$7,542	/	$7,140	=	1.06	X	$170,000	=	$180,200
4	$7,542	/	$5,802	=	1.30	X	$87,905	=	$114,277
5	$7,542	/	$5,683	=	1.33	X	$107,224	=	$142,608

As shown above, the adjusted values indicated for the subject with hypothetical unrestricted rents range from $114,277 to $180,200 per unit, with an average of $145,029. Comparable One is the most recent sale and it indicated $150,559 per unit. Comparable Four is the most physically similar complex and indicated a price per unit of $114,277. We reconciled to a value indication per unit between these two comparables. For the hypothetical market rent at stabilization scenario, we estimated a value of $125,000 per unit.

SALES COMPARISON APPROACH SUMMARY - MARKET

# Units	$/Unit	Indicated Value
195	$125,000	$24,375,000
Rounded		$24,400,000

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. We adjusted Comparable Two downward for significantly higher income expectations, and Comparables Four and Five upward for significantly lower income expectations.

Market Conditions

The sales are recent, and no adjustments are necessary.

Location

The subject has an excellent location in the heart of downtown Atlanta. Comparables Three and Five have similar locations and were not adjusted. Comparables One, Two and Four are located farther from downtown Atlanta in attractive suburban locations along good transportation routes and were adjusted upward for inferior location.

Size/Number of Units

The subject has 195 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. Comparables Two and Four were adjusted downward. Comparables One and Five were adjusted upward. Comparable Three did not warrant adjustment.

Average Unit Size

The subject has an average unit size of 1,070 square feet. Comparables Four and Five have a similar average unit size and were not adjusted. Comparable Two has larger average unit size and was adjusted downward. Comparables One and Three have smaller average unit sizes and were adjusted downward.

Quality/Amenities

The subject is average quality and has average amenities, including swimming pools, a clubhouse, playgrounds and security. Com parables One, Two and Three have more extensive amenities and/or interior features like granite counter tops and stainless steel appliances. Comparable One is the most upscale of the comparables, with Comparable Two and Comparable Three less so, and adjusted accordingly. The subject has typical features and exteriors and compares well to newer complexes, with no particularly dated features. Comparables Four and Five were not adjusted for quality/amenities.

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 1980 (renovated 2006, and in good condition) and 2009. We adjusted Comparables One, Three and Five downward for newer improvements and/or superior condition, and adjusted Comparable Two, a remodeled older complex, was not adjusted. Comparables Four was adjusted upward for older age and no substantial recent improvements.

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 $87,905 and $170,000, with a mean of $133,937.

COMPARABLE SALES ADJUSTMENT CHART - HYPOTHETICAL MARKET RENTS AT STABILIZATION

Sale No.	Subject	1	2	3	4	5
Informational Data						
Sale Date	N/Ap	Jan-16	Dec-15	Nov-15	Aug-15	May-15
Sale Price	N/Ap	$73,500,000	$13,750,000	$29,240,000	$9,757,500	$28,200,000
# Units	185	537	82	172	111	263
Year Built	1996	2002	1980 / 2006	2007	1984	2004
Location	Excellent	Good	Good	Good	Good	Good
Price per Unit	N/Ap	$136,872	$167,683	$170,000	$87,905	$107,224
Comparative Analysis						
Conditions of Sale		0%	-10%	0%	25%	25%
Market Conditions		0%	0%	0%	0%	0%
Adjusted Price/SF		$136,872	$150,915	$170,000	$109,882	$134,030
Physical Adjustments						
Location		10%	10%	0%	10%	0%
Size (# of units)		10%	-10%	0%	-10%	10%
Avg. Unit Size		10%	-10%	10%	0%	0%
Quality/Amenities		-20%	-5%	-10%	0%	0%
Age/Condition		-25%	0%	-25%	15%	-15%
Net Adjustment		-15%	-15%	-25%	15%	-5%
Adjusted Price/SF		$116,341	$128,277	$127,500	$126,364	$127,329
Indicated Range:			$116,341	to	$128,277	
Mean:				$125,162		

As shown, after adjustments, the indicated range is a narrowed to between $116,341 and $128,277, with a mean of $125,162. Based on this information, we estimate value for the subject at a rounded $125,000 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**
$125,000	X	195	=	$24,375,000
Rounded				$24,400,000

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	$24,400,000
Physical Adjustments	$24,400,000
Reconciled:	**$24,400,000**

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 – HYPTHETICAL UNRESTRICTED RENTS AT STABILIZATION	
Income Capitalization Approach	$24,500,000
Sales Comparison Approach	$24,400,000

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, 2017

TWENTY FOUR MILLION FIVE HUNDRED THOUSAND
$24,500,000

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." This value estimate relies on current contract rents in place, restricted income rents in place as supported by the market, and market rents for potential gross income. 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	$8,600,000
Sales Comparison Approach	$8,600,000

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 simila r 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 May 18, 2016

EIGHT MILLION SIX HUNDRED THOUSAND DOLLARS
$8,600,000

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	$11,800,000
Sales Comparison Approach	$11,800,000
FINAL VALUE ESTIMATES – MARKET – AS STABILIZED	
Income Capitalization Approach	$24,500,000
Sales Comparison Approach	$24,500,000

Estimate of Market Value of the Leasehold Interest in the Subject
"At Stabilization," Subject To Restricted Rents, As of December 1, 2017

ELEVEN MILLION EIGHT HUNDRED THOUSAND DOLLARS
$11,800,000

Estimate of Market Value of the Leasehold Interest in the Subject
"At Stabilization," Assuming Unrestricted/Market Rents, As of December 1, 2017

TWENTY FOUR MILLION FIVE HUNDRED THOUSAND
$24,500,000

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 $11,800,000 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 181 (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, 2017. Our analysis assumes that the units will be taken down evenly over the stabilization period. Our estimated "at stabilization" effective gross rental income is $2,012,686 or $167,724 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 effective gross income indicates $1,408,880, or $117,407 per month. The indicated difference between income at stabilization and at completion is $50,317 (= $167,724 - $117,407). 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 $25,159 (= $50,317/2) and then multiplying by the lease-up period of six months. This methodology produces total rent loss of $150,951.

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 $30,190 (= $150,951 x 20%) assuming restricted rents. When added, the total cost is $181,142 (= $150,951 + $30,190). 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, 2017

ELEVEN MILLION SIX HUNDRED TWENTY THOUSAND DOLLARS
$11,620,000

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 $24,500,000 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 176 (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, 2017. Our analysis assumes that the units will be taken down evenly over the stabilization period. Our estimated "at stabilization" effective gross rental income is $2,912,256 or $242,688 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 effective gross income indicates $2,038,579, or $169,882 per month. The indicated difference between income at stabilization and at completion is $72,806 (= $242,688 - $169,882). 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 $36,403 ($72,806/2) and then multiplying by the lease-up period of six months. This methodology produces total rent loss of $218,419.

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 $21,842 ($218,419 x 20%) assuming unrestricted or market rents. When added, the total costs are $240,261 ($218,419 + 21,842 = $240,261). 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, 2017

TWENTY FOUR MILLION TWO HUNDRED SIXTY THOUSAND DOLLARS
$24,260,000

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 **$25,700,000**.

MARKET VALUE AT LOAN MATURITY				
Stabilized NOI	Annual Inflation	NOI at Loan Maturity (20 yrs)	Overall Rate at Maturity	Indicated Value at Maturity
$1,470,677	2.00%	$2,185,348.72	8.50%	$25,709,985
Rounded				$25,700,000

LOW INCOME HOUSING TAX CREDITS

Tax credit calculations were not available.

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 Centennial Olympic Park Drive

Looking North Along Centennial Olympic Park Drive

Looking East On Hunnicutt Street

Looking West On Hunnicutt Street

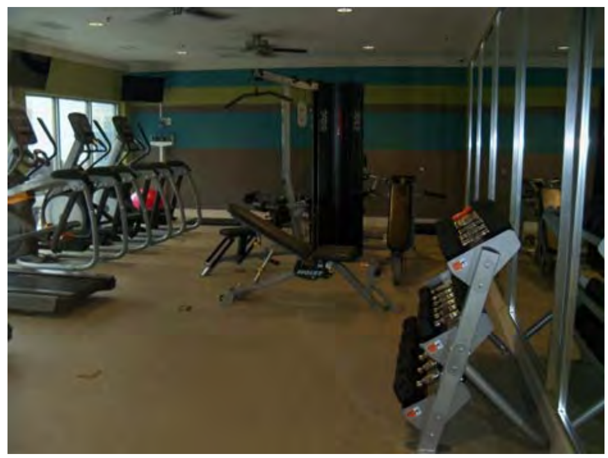
Looking East On Mills Street

Looking Southeast From Hunnicutt Street

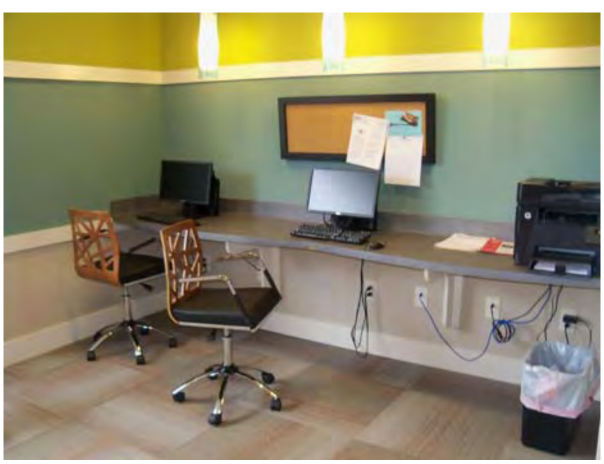
Looking North On McAfee Street

Looking South Along Lovejoy Street

Pool



Fitness Center



Business Center

Clubhouse / Leasing Interior

Phase IV Exterior

Phase IV Exterior

Gated Entry To Parking And Mail Kiosk

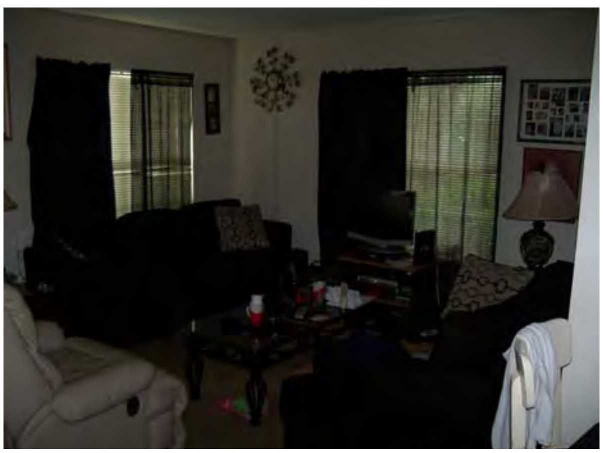
Phase IV Exterior

View Of Downtown Looking Southeast

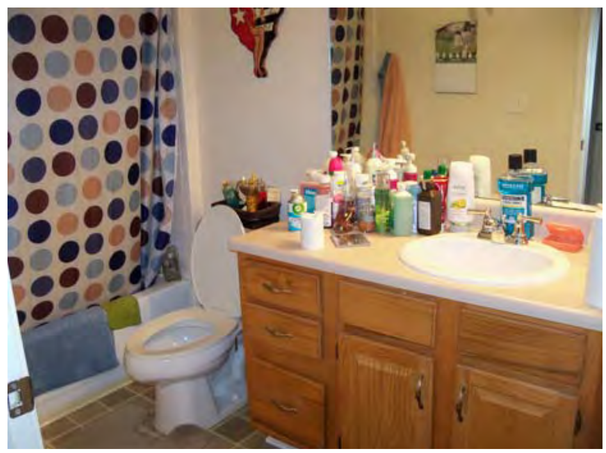
Entrance Door

Garage Exteriors

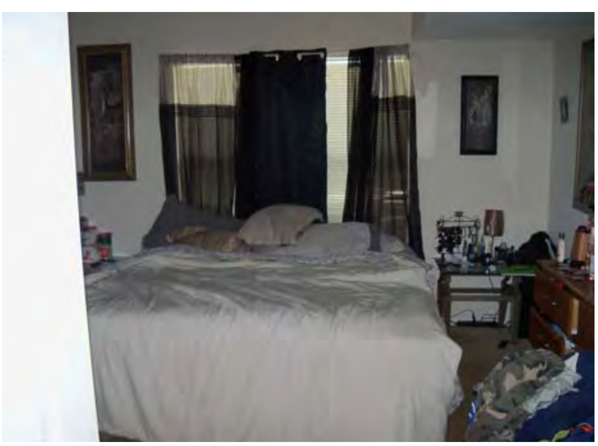
Kitchen, 1BR1BA Ph IV



Living Room, 1BR1BA Ph IV

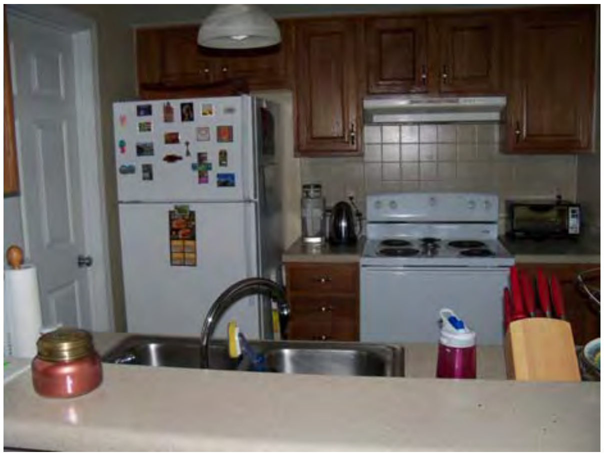


Bathroom, 1BR1BA Ph IV



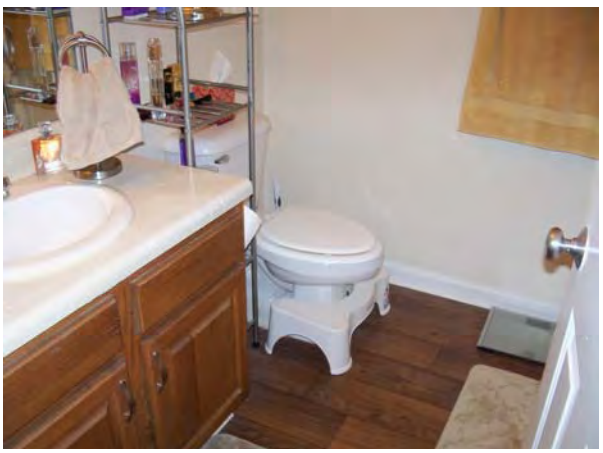
Bedroom, 1BR1BA Ph IV

Laundry Room 1BR1BA Ph IV

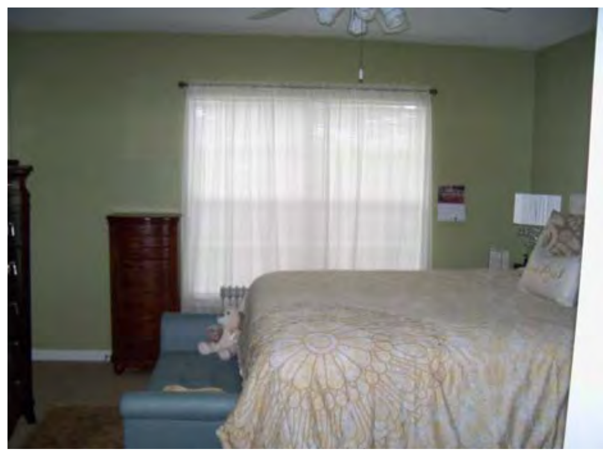


Kitchen, 2BR2BA Ph IV

Dining, 2BR2BA Ph IV

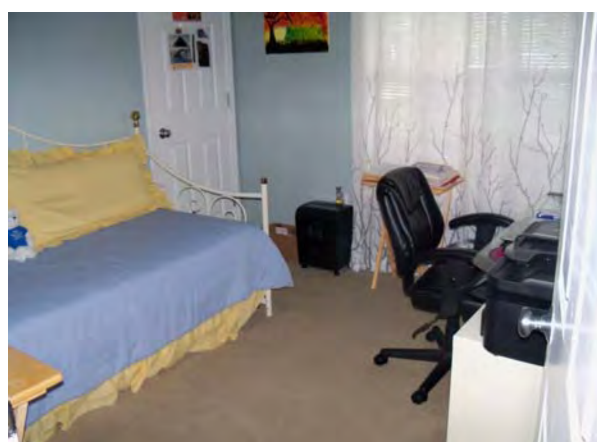


Bathroom 2BR2BA Ph IV

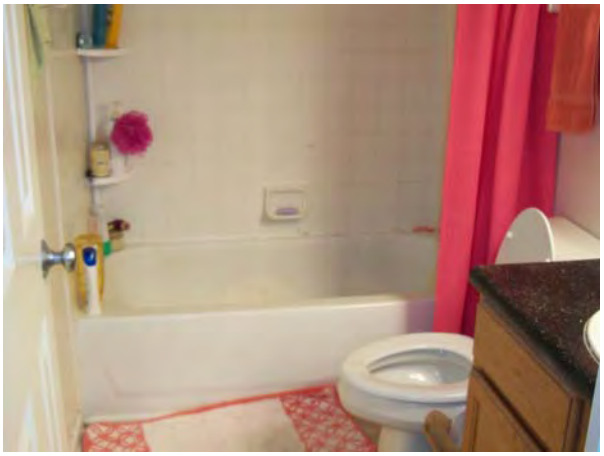


Bedroom, 2BR2BA Ph IV

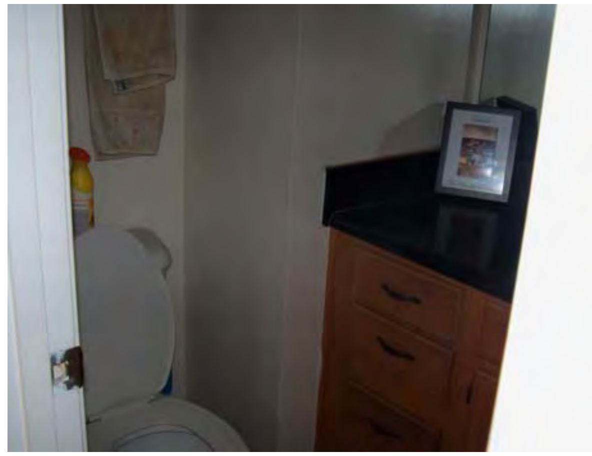
Family Room, 2BR2BA Ph IV



Bedroom, 2BR2BA Ph IV



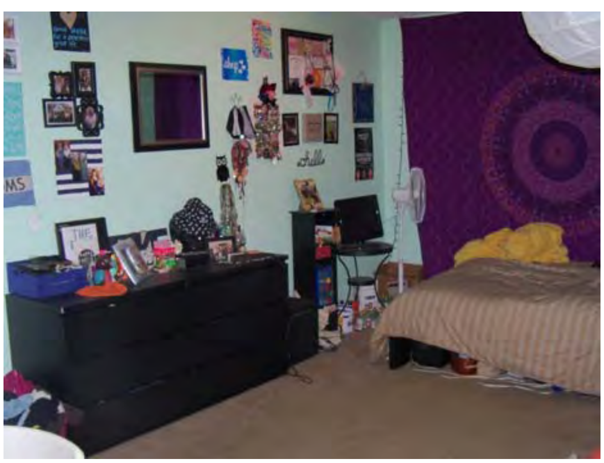
Bathroom 3BR2.5BA Ph IV



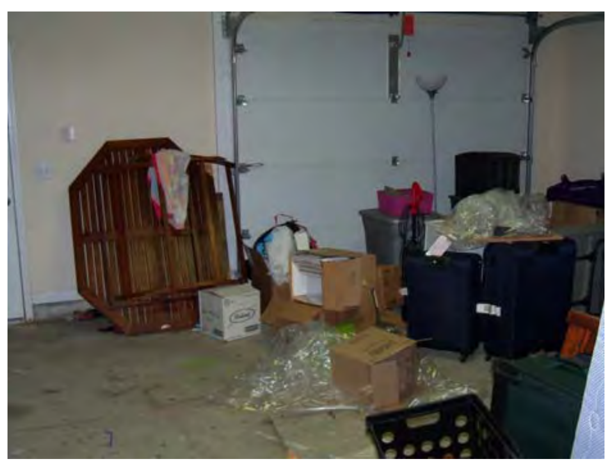
Half Bath 3BR2.5BA Ph IV

Kitchen 3BR2.5BA Ph IV

Living Room 3BR2.5BA Ph IV



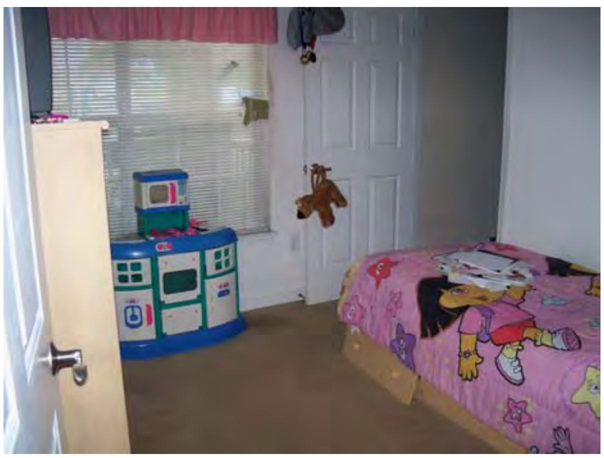
Bedroom 3BR2.5BA Ph IV



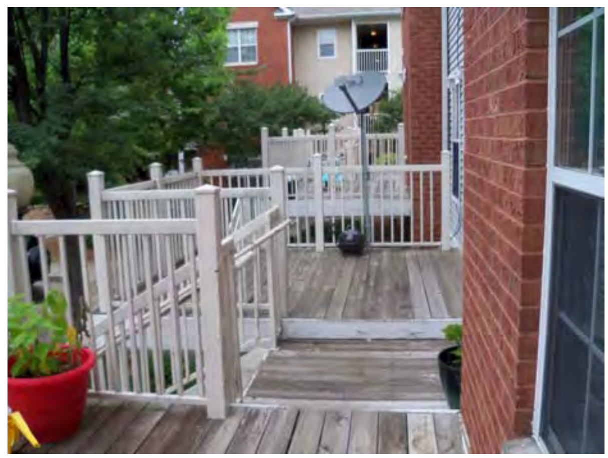
Garage 3BR2.5BA Ph IV

Nook 3BR2.5BA Ph IV

Laundry 3BR2.5BA Ph IV

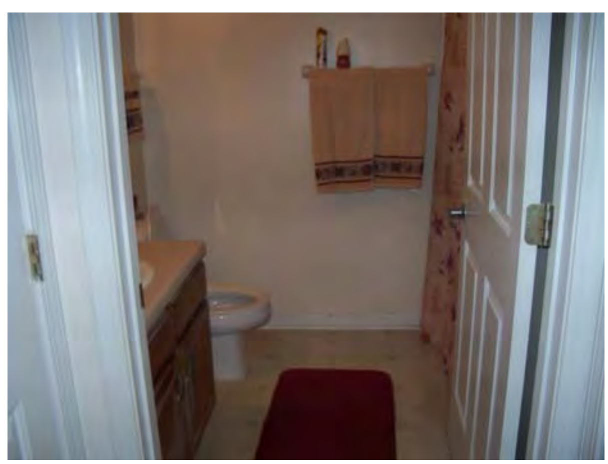


Bedroom 2BR1BA Ph IV



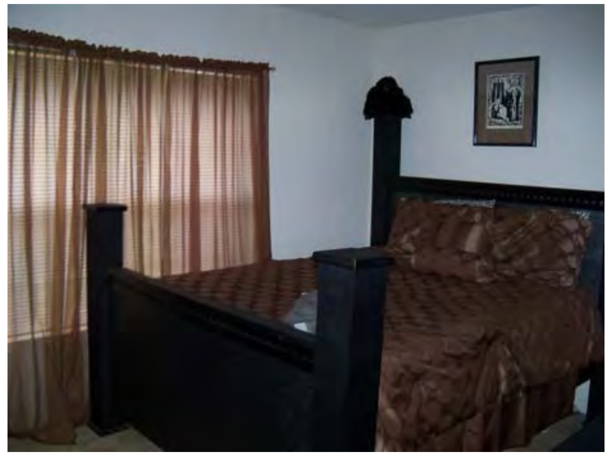
Balconies

Kitchen 2BR1BA Ph IV



Bathroom 2BR1BA Ph IV

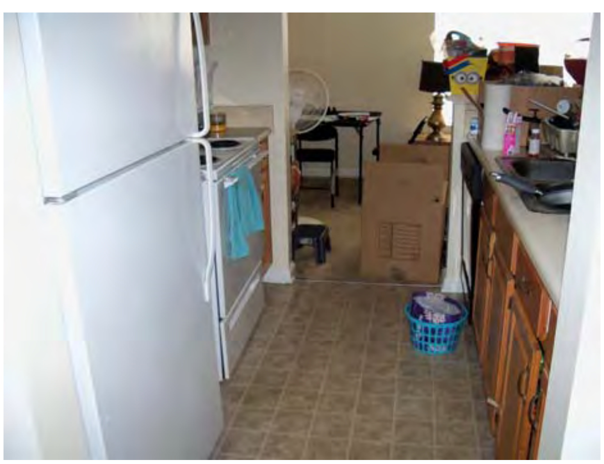
Closet 2BR1BA Ph IV



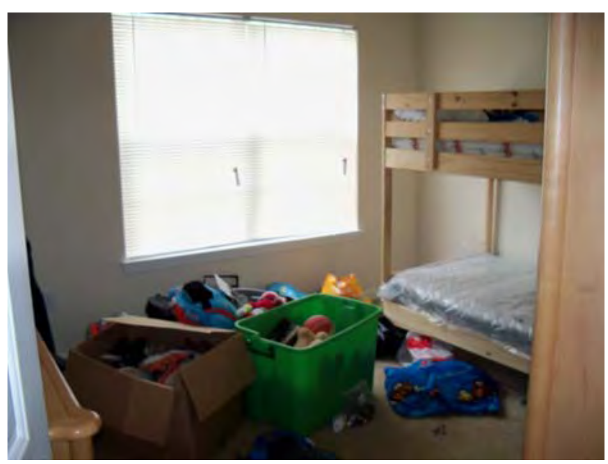
Bedroom 2BR1BA Ph IV

Hollywood Style Bathroom 2BR1.5BA Ph IV

Living Room 2BR1.5BA Ph IV

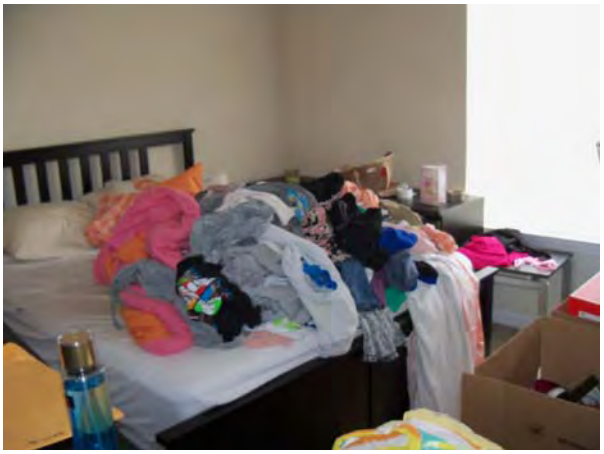


Kitchen 2BR1.5BA Ph IV

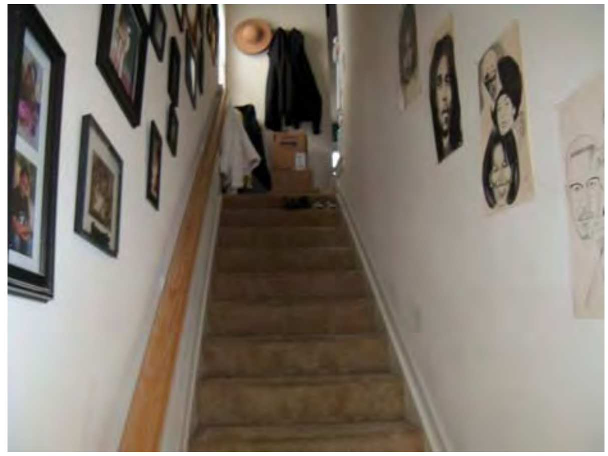


Bedroom 2BR1.5BA Ph IV

r



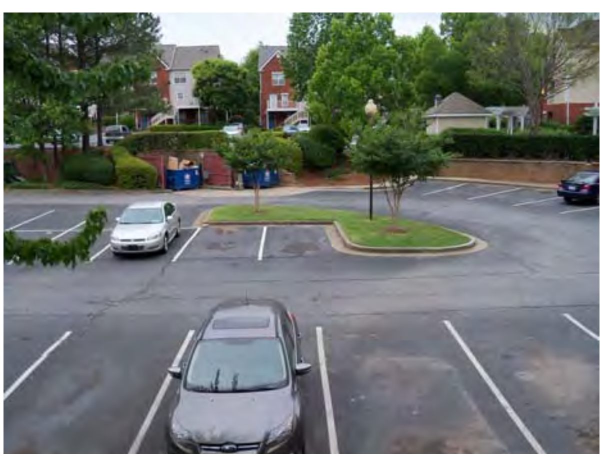
Bedroom 2BR1.5BA Ph IV



Stairs 2BR1.5BA Ph IV

Kitchen 2BR1.5BA Ph IV

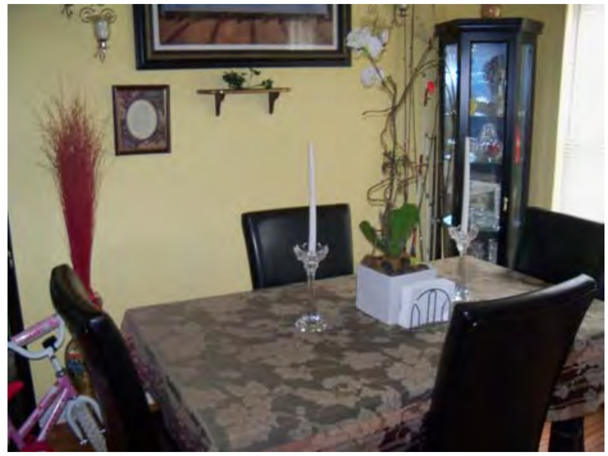
Kitchen 2BR1.5BA Ph IV



Exterior And Parking

Patios

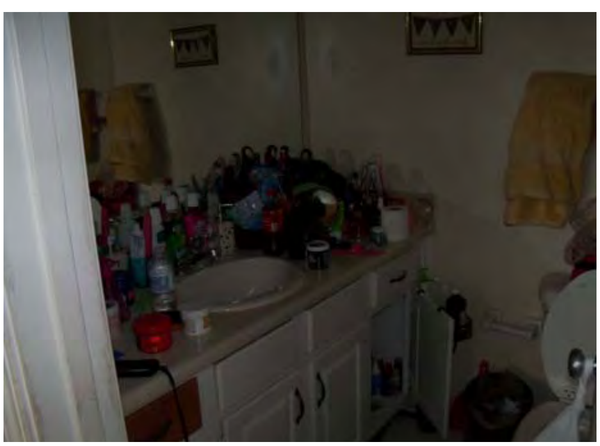
Open Dining /Living 3BR2.5BA Ph IV



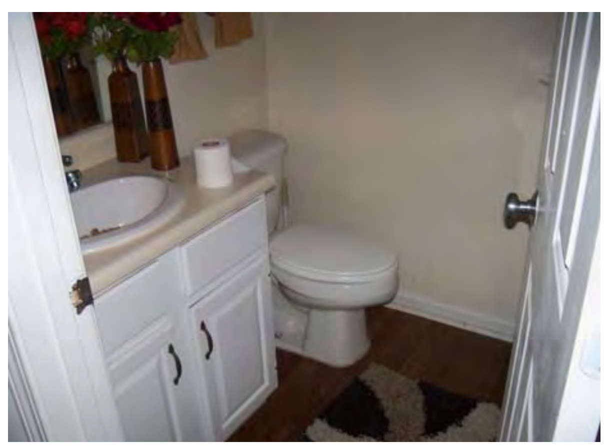
Dining 3BR2.5BA Ph IV

Living 3BR2.5BA Ph IV

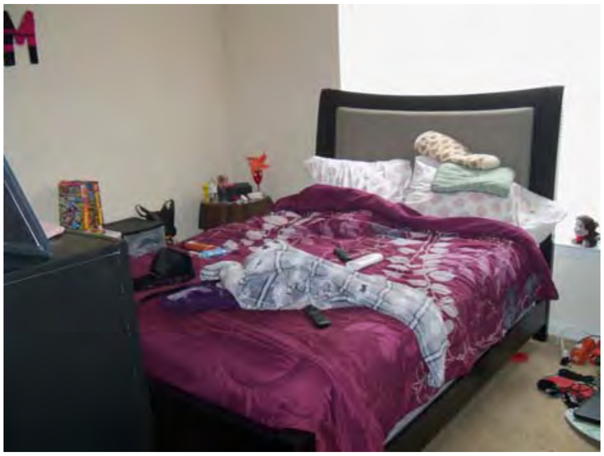
Stair Landing To Bedrooms 4BR2.5BA Ph IV



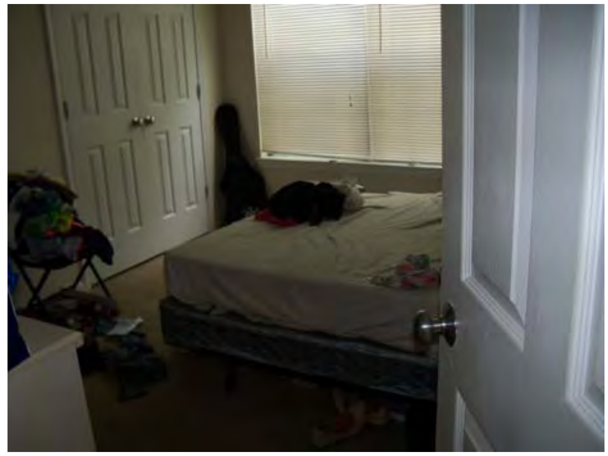
Bathroom 4BR2.5BA Ph IV



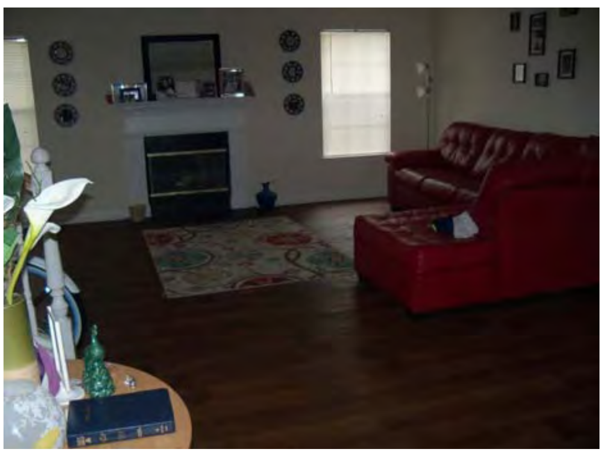
Half Bathroom 4BR2.5BA Ph IV



Bedroom 4BR2.5BA Ph IV



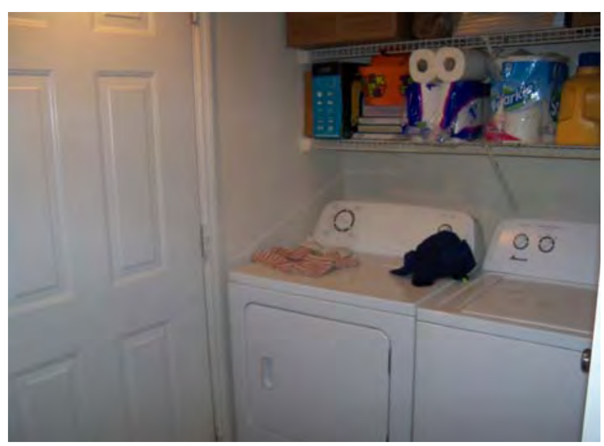
Bedroom 4BR2.5BA Ph IV



Living Room 4BR2.5BA Ph IV

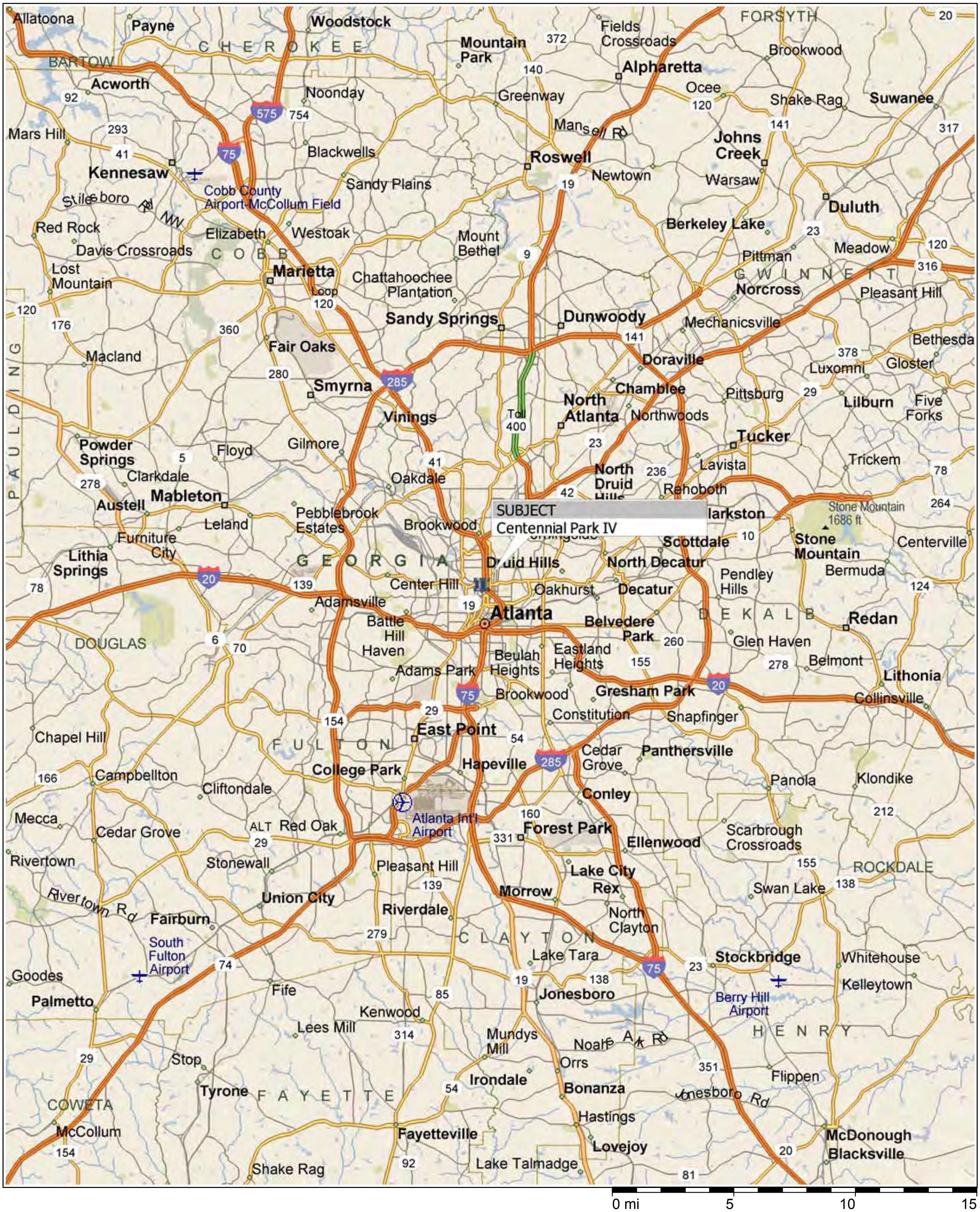
Kitchen 4BR2.5BA Ph IV

Kitchen 4BR2.5BA Ph IV

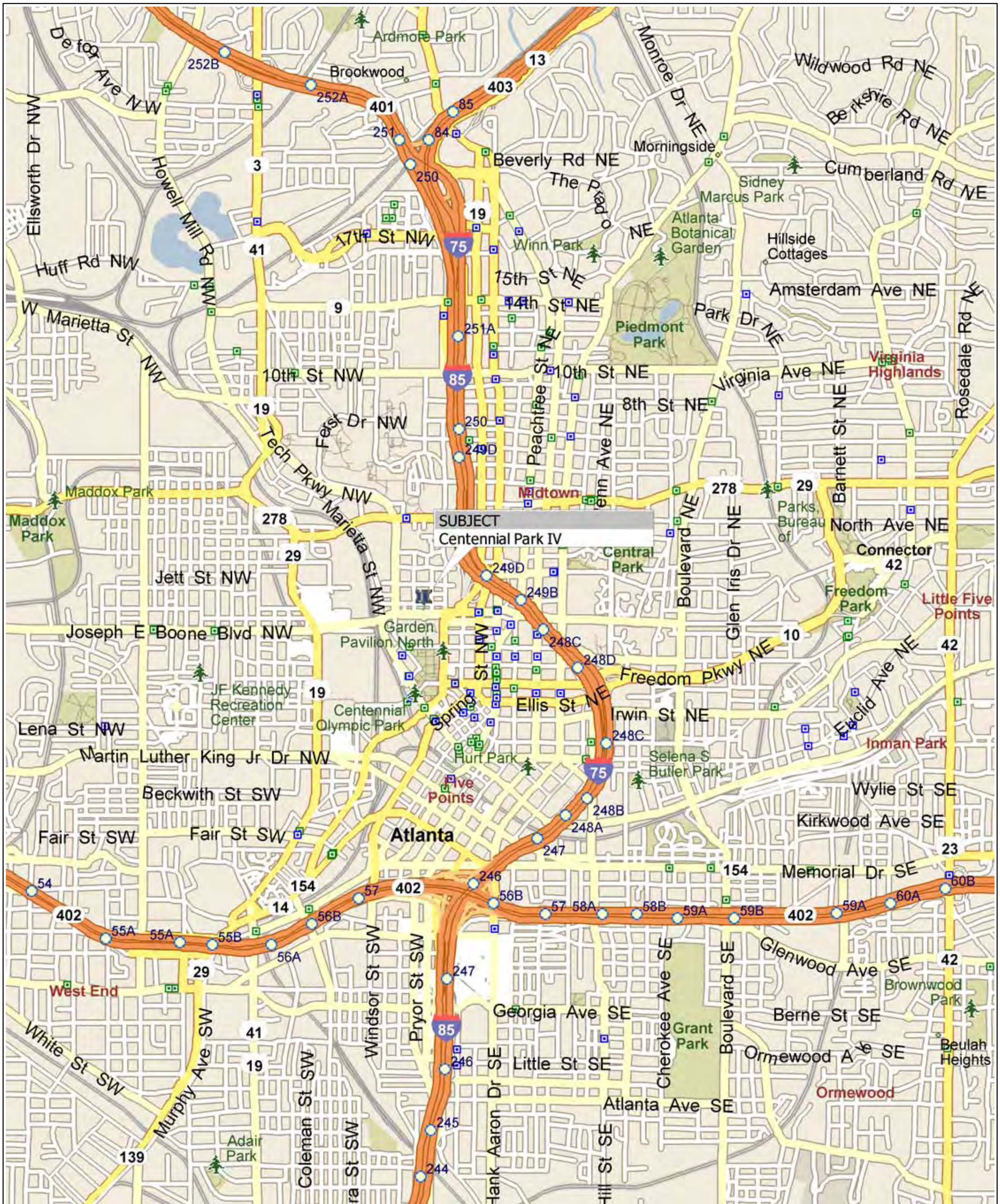


Laundry 4BR2.5BA Ph IV

Region


SUBJECT
Centennial Park IV
Allatoona
Payne
Woodstock
Mountain Park
Fields Crossroads
FORSYTH
Brookwood
C H E R O K E E
BARTOW
Acworth
Alpharetta
Ocee
Noonday
Greenway
Shake Rag
Suwanee
Mars Hill
Blackwells
Mansell Rd
Johns Creek
Kennesaw
Cobb County Airport-McCollum Field
Sandy Plains
Roswell
Newtown
Warsaw
Stilesboro Rd NW
Duluth
Red Rock
Elizabeth
Westoak
Mount Bethel
Berkeley Lake
Davis Crossroads
C O B B
Meadow
Lost Mountain
Marietta
Loop
Chattahoochee Plantation
Pittman
G W I N N E T T
Norcross
Pleasant Hill
Sandy Springs
Dunwoody
Mechanicsville
Fair Oaks
Macland
Doraville
Bethesda
Luxomni
Gloster
Smyrna
Chamblee
Pittsburg
Lilburn
Five Forks
Vinings
North Atlanta
Northwoods
Toll
P A U L D I N G
Powder Springs
Floyd
Gilmore
Tucker
Clarkdale
Oakdale
North Druid Hills
Lavista
Trickem
Mableton
Austell
Rehoboth
Stone Mountain 1686 ft
Pebblebrook Estates
Leland
Brookwood
Clarkston
Furniture City
Scottdale
Stone Mountain
Centerville
Lithia Springs
G E O R G I A
Druid Hills
North Decatur
Pendley Hills
Bermuda
Center Hill
Oakhurst
Decatur
Adamsville
Atlanta
D E K A L B
Redan
Battle Hill Haven
Belvedere Park
DOUGLAS
Beulah Heights
Eastland Heights
Glen Haven
Adams Park
Belmont
Lithonia
Brookwood
Gresham Park
Collinsville
Constitution
Snapfinger
East Point
Chapel Hill
F U L T O N
Cedar Grove
Panthersville
Campbellton
College Park
Hapeville
Panola
Klondike
Cliftondale
Conley
Mecca
Atlanta Int'l Airport
Red Oak
Forest Park
Cedar Grove
Ellenwood
Scarbrough Crossroads
Rivertown
Stonewall
Pleasant Hill
Lake City
ROCKDALE
Rex
Swan Lake
Rivertown Rd
Union City
Morrow
Riverdale
Fairburn
North Clayton
C L A Y T O N
South Fulton Airport
Lake Tara
Stockbridge
Whitehouse
Goodes
Kelleytown
Fife
Jonesboro
Berry Hill Airport
Palmetto
Kenwood
H E N R Y
Lees Mill
Mundys Mill
Noah's Ark Rd
Orrs
Stop
Flippen
Irondale
Tyrone
F A Y E T T E
Bonanza
Jonesboro Rd
COWETA
Hastings
McCollum
Fayetteville
Lovejoy
McDonough
Blacksville
Shake Rag
Lake Talmadge
0 mi
5
10
15

Neighborhood



0 mi 0.5 1 1.5

CPIV			
Parcel: 14 007900060225 Acres: 4.012			
Name:	ATLANTA HOUSING AUTHORITY	Land Value:	16340700
Site:	HUNNICUTT ST	Building Value:	0
Sale:		Misc Value:	
Mail:	230 JOHN WESLEY DOBBS AVE NE ATLANTA, GA 30303-2421	Total Value:	16340700

Date printed: 05/24/16 : 12:57:18

POSTAL ADDRESSES

	STREET ADDRESS	FLOOR	UNIT TYPE	SEQUENCE
BUILDING K1	231 MILLS STREET	1	A2.2.1	1 E TO W
	233 MILLS STREET	1	A1.1.1	2
	235 MILLS STREET	1	A1.1.2 A.U.	3
	237 MILLS STREET	2	A2.2.1	4
	239 MILLS STREET	2	A1.1.1	5
	241 MILLS STREET	2	A1.1.2	6
	243 MILLS STREET	3	A2.2.1	7
	245 MILLS STREET	3	A1.1.1	8
	247 MILLS STREET	3	A1.1.2	9
BUILDING K2	400 MCAFEE STREET	1	A1.1.1	1 S TO N
	402 MCAFEE STREET	1	A1.1.2 A.U.	2
	404 MCAFEE STREET	1	A2.2.1	3
	406 MCAFEE STREET	2	A1.1.1	4
	408 MCAFEE STREET	2	A1.1.2	5
	410 MCAFEE STREET	2	A2.2.1	6
	412 MCAFEE STREET	3	A1.1.1	7
	414 MCAFEE STREET	3	A1.1.2	8
	416 MCAFEE STREET	3	A2.2.1	9
BUILDING K3	418 MCAFEE STREET	1	A2.2.2	1 S TO N
	420 MCAFEE STREET	1	A2.2.2	2
	422 MCAFEE STREET	2	T3.2.5	3
	424 MCAFEE STREET	2	T2.1.5	4
	426 MCAFEE STREET	2	T3.2.5	5
	428 MCAFEE STREET	2	T2.1.5	6
BUILDING K4	430 MCAFEE STREET	1	A2.2.2	1 S TO N
	432 MCAFEE STREET	1	A2.2.2	2
	434 MCAFEE STREET	1	A2.2.2	3
	436 MCAFEE STREET	2	T3.2.5	4
	438 MCAFEE STREET	2	T2.1.5	5
	440 MCAFEE STREET	2	T3.2.5	6
	442 MCAFEE STREET	2	T2.1.5	7
	444 MCAFEE STREET	2	T3.2.5	8
	446 MCAFEE STREET	2	T2.1.5	9
BUILDING K5	448 MCAFEE STREET	1	A2.1	1 S TO N
	450 MCAFEE STREET	1	A1.1.1	2
	452 MCAFEE STREET	1	A1.1.2 A.U.	3
	454 MCAFEE STREET	2	A2.1	4
	456 MCAFEE STREET	2	A1.1.1	5
	458 MCAFEE STREET	2	A1.1.2	6
	460 MCAFEE STREET	3	A2.1	7
	462 MCAFEE STREET	3	A1.1.1	8
	464 MCAFEE STREET	3	A1.1.2	9
BUILDING K6	256 HUNNICUTT STREET	1	A2.1	1 E TO W
	258 HUNNICUTT STREET	1	A1.1.1	2
	260 HUNNICUTT STREET	1	A1.1.2	3
	262 HUNNICUTT STREET	2	A2.1	4
	264 HUNNICUTT STREET	2	A1.1.1	5
	266 HUNNICUTT STREET	2	A1.1.2 A.U.	6
	268 HUNNICUTT STREET	3	A2.1	7
	270 HUNNICUTT STREET	3	A1.1.1	8
	272 HUNNICUTT STREET	3	A1.1.2	9
BUILDING L1	213 MILLS STREET	1	A2.1	1 E TO W
	215 MILLS STREET	1	A1.1.1	2
	217 MILLS STREET	1	A1.1.2	3
	219 MILLS STREET	2	A2.1	4
	221 MILLS STREET	2	A1.1.1	5
	223 MILLS STREET	2	A1.1.2	6
	225 MILLS STREET	3	A2.1	7
	227 MILLS STREET	3	A1.1.1	8
	229 MILLS STREET	3	A1.1.2	9

POSTAL ADDRESSES

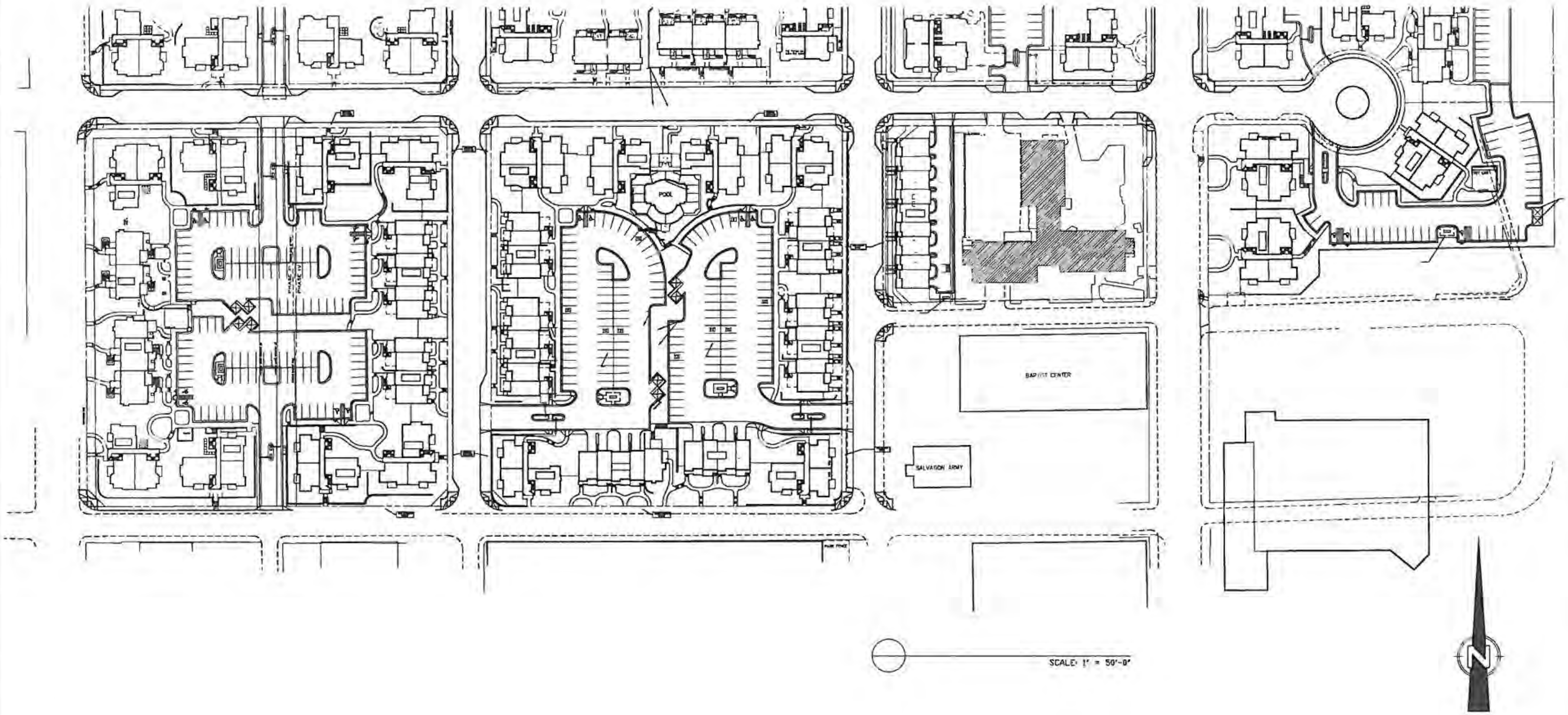
	STREET ADDRESS	FLOOR	UNIT TYPE	SEQUENCE
BUILDING L2	203 MILLS STREET	1	T4.2.5	1 E TO W
	205 MILLS STREET	1	T2.1.5G	2
	207 MILLS STREET	1	T3.2.5G	3
	209 MILLS STREET	1	T2.1.5G	4
	211 MILLS STREET	1	T3.2.5G	5
BLDG L3	195 MILLS STREET	1	T3.2.5G	1 E TO W
	197 MILLS STREET	1	T2.1.5G	2
	199 MILLS STREET	1	T3.2.5G	3
	201 MILLS STREET	1	T2.1.5G	4
BUILDING L4	177 MILLS STREET	1	A1.1.1	1 E TO W
	179 MILLS STREET	1	A1.1.2	2
	181 MILLS STREET	1	A2.2.1	3
	183 MILLS STREET	2	A1.1.1	4
	185 MILLS STREET	2	A1.1.2	5
	187 MILLS STREET	2	A2.2.1	6
	189 MILLS STREET	3	A1.1.1	7
	191 MILLS STREET	3	A1.1.2	8
	193 MILLS STREET	3	A2.2.1	9
BUILDING L5	406 LOVEJOY STREET	1	A2.2.2	1 S TO N
	408 LOVEJOY STREET	1	A2.2.2	2
	410 LOVEJOY STREET	1	A2.2.2	3
	412 LOVEJOY STREET	2	T3.2.5	4
	414 LOVEJOY STREET	2	T2.1.5	5
	416 LOVEJOY STREET	2	T3.2.5	6
	418 LOVEJOY STREET	2	T2.1.5	7
	420 LOVEJOY STREET	2	T3.2.5	8
	422 LOVEJOY STREET	2	T2.1.5	9
BUILDING L6	424 LOVEJOY STREET	1	A2.2.2	1 S TO N
	426 LOVEJOY STREET	1	A2.2.2	2
	428 LOVEJOY STREET	2	T2.1.5	3
	430 LOVEJOY STREET	2	T3.2.5	4
	432 LOVEJOY STREET	2	T2.1.5	5 RFI 67
	434 LOVEJOY STREET	2	T3.2.5	6
BUILDING L7	172 HUNNICUTT STREET	1	A2.1.1	1 E TO W
	174 HUNNICUTT STREET	1	A2.1.2 A.U.	2
	176 HUNNICUTT STREET	1	A1.1.1 H/V	3
	178 HUNNICUTT STREET	1	A1.1.2 A.U.	4
	180 HUNNICUTT STREET	2	A2.1.1	5
	182 HUNNICUTT STREET	2	A2.1.2	6
	184 HUNNICUTT STREET	2	A1.1.1	7
	186 HUNNICUTT STREET	2	A1.1.2	8
	188 HUNNICUTT STREET	3	A2.1.1	9
	190 HUNNICUTT STREET	3	A2.1.2	10
	192 HUNNICUTT STREET	3	A1.1.1	11
	194 HUNNICUTT STREET	3	A1.1.2	12
BUILDING L8	196 HUNNICUTT STREET	1	A1.1.1	1 E TO W
	198 HUNNICUTT STREET	1	A1.1.2	2
	200 HUNNICUTT STREET	1	A2.1	3
	202 HUNNICUTT STREET	2	A1.1.1	4
	204 HUNNICUTT STREET	2	A1.1.2	5
	206 HUNNICUTT STREET	2	A2.1	6
	208 HUNNICUTT STREET	3	A1.1.1	7
	210 HUNNICUTT STREET	3	A1.1.2	8
	212 HUNNICUTT STREET	3	A2.1	9
BUILDING L9	214 HUNNICUTT STREET	1	A2.1	1 E TO W
	216 HUNNICUTT STREET	1	A1.1.1	2
	218 HUNNICUTT STREET	1	A1.1.2	3
	220 HUNNICUTT STREET	2	A2.1	4
	222 HUNNICUTT STREET	2	A1.1.1	5
	224 HUNNICUTT STREET	2	A1.1.2	6
	226 HUNNICUTT STREET	3	A2.1	7
	228 HUNNICUTT STREET	3	A1.1.1	8
	230 HUNNICUTT STREET	3	A1.1.2	9

POSTAL ADDRESSES

	STREET ADDRESS	FLOOR	UNIT TYPE	SEQUENCE
BUILDING L10	232 HUNNICUTT STREET	1	A1.1.1 H/V	1 E TO W
	234 HUNNICUTT STREET	1	A1.1.2 A.U.	2
	236 HUNNICUTT STREET	1	A2.1.1	3
	238 HUNNICUTT STREET	1	A2.1.2 A.U.	4
	240 HUNNICUTT STREET	2	A2.1.1	5
	242 HUNNICUTT STREET	2	A1.1.2	6
	244 HUNNICUTT STREET	2	A2.1.1	7
	246 HUNNICUTT STREET	2	A2.1.2	8
	248 HUNNICUTT STREET	3	A1.1.1	9
	250 HUNNICUTT STREET	3	A1.1.2	10
	252 HUNNICUTT STREET	3	A2.1.1	11
	254 HUNNICUTT STREET	3	A2.1.2	12
BUILDING L11	419 MCAFEE STREET	1	A2.2.2	1 S TO N
	421 MCAFEE STREET	1	A2.2.2	2
	423 MCAFEE STREET	2	T3.2.5	3
	425 MCAFEE STREET	2	T2.1.5	4
	427 MCAFEE STREET	2	T3.2.5	5
	429 MCAFEE STREET	2	T2.1.5	6
BUILDING L12	401 MCAFEE STREET	1	A2.2.2	1 S TO N
	403 MCAFEE STREET	1	A2.2.2	2
	405 MCAFEE STREET	1	A2.2.2	3
	407 MCAFEE STREET	2	T3.2.5	4
	409 MCAFEE STREET	2	T2.1.5	5
	411 MCAFEE STREET	2	T3.2.5	6
	413 MCAFEE STREET	2	T2.1.5	7
	415 MCAFEE STREET	2	T2.1.5	8
	417 MCAFEE STREET	2	T3.2.5	9
BUILDING M1	423 LOVEJOY STREET	1	T3.2.5G	1 S TO N
	425 LOVEJOY STREET	1	T2.1.5G	2
	427 LOVEJOY STREET	1	T3.2.5G	3
	429 LOVEJOY STREET	1	T2.1.5G	4
	431 LOVEJOY STREET	1	T3.2.5G	5
	433 LOVEJOY STREET	1	T2.1.5G	6
	435 LOVEJOY STREET	1	T3.2.5G	7
	437 LOVEJOY STREET	1	T2.1.5G	8
	439 LOVEJOY STREET	1	T3.2.5G	9
BUILDING P1	433 TECHWOOD DRIVE	1	A1.1.1	1 S TO N
	435 TECHWOOD DRIVE	1	A1.1.2	2
	437 TECHWOOD DRIVE	1	A2.1.1H/V	3
	439 TECHWOOD DRIVE	1	A2.1.2AU	4
	441 TECHWOOD DRIVE	2	A1.1.1	5
	443 TECHWOOD DRIVE	2	A1.1.2	6
	445 TECHWOOD DRIVE	2	A2.1.1	7
	447 TECHWOOD DRIVE	2	A2.1.2	8
	449 TECHWOOD DRIVE	3	A1.1.1	9
	451 TECHWOOD DRIVE	3	A1.1.2	10
	453 TECHWOOD DRIVE	3	A2.1.1	11
	455 TECHWOOD DRIVE	3	A2.1.2	12
BUILDING P2	409 TECHWOOD DRIVE	1	A1.1.1	1 S TO N
	411 TECHWOOD DRIVE	1	A1.1.2	2
	413 TECHWOOD DRIVE	1	A2.1.1H/V	3
	415 TECHWOOD DRIVE	1	A2.1.2AU	4
	417 TECHWOOD DRIVE	2	A1.1.1	5
	419 TECHWOOD DRIVE	2	A1.1.2	6
	421 TECHWOOD DRIVE	2	A2.1.1	7
	423 TECHWOOD DRIVE	2	A2.1.2	8
	425 TECHWOOD DRIVE	3	A1.1.1	9
	427 TECHWOOD DRIVE	3	A1.1.2	10
	429 TECHWOOD DRIVE	3	A2.1.1	11
	431 TECHWOOD DRIVE	3	A2.1.2	12

POSTAL ADDRESSES

	STREET ADDRESS	FLOOR	UNIT TYPE	SEQUENCE
BUILDING P3	100 HUNNICUTT STREET	1	A1.1.1	1 NW TO SE
	102 HUNNICUTT STREET	1	A1.1.2	2
	104 HUNNICUTT STREET	1	A2.2a	3
	106 HUNNICUTT STREET	1	A2.2b	4
	108 HUNNICUTT STREET	2	A1.1.1	5
	110 HUNNICUTT STREET	2	A1.1.2	6
	112 HUNNICUTT STREET	2	A2.2a	7
	114 HUNNICUTT STREET	2	A2.2b	8
	116 HUNNICUTT STREET	3	A1.1.1	9
	118 HUNNICUTT STREET	3	A1.1.2	10
	120 HUNNICUTT STREET	3	A2.2a	11
	122 HUNNICUTT STREET	3	A2.2b	12



CENTENNIAL PLACE–IV

URBAN REVITALIZATION DEMONSTRATION PROGRAM

THE INTEGRAL PARTNERSHIP OF ATLANTA

ATLANTA, GEORGIA

JOB PROGRESS:
ITEM DATE

REVISIONS:
DATE NO.

project no.:
drawn by: checked by:
sheet title:

A1.0

sheet no.

EXHIBIT A

PBRA UNIT TERMS AND CONDITIONS

DEVELOPMENT INFORMATION:

Name of Development: Centennial Place Phase IV

Address: 526 Centennial Olympic Park Drive

City: Atlanta Zip Code: 30313 Census Tract: 001900

PBRA AWARD: New Construction Rehabilitation ☑Existing

DEMONSTRATION OR SPECIAL NEEDS PROGRAM: ☐ YES ☑NO IF YES, CONTINUE:

Homeless Demonstration Program Mental Health Demonstration Program

☐ Other Demonstration Program: ____

Supportive Services Requirement YES NO If YES, Attach Service Provider Agreement

UNIT TYPES AND APPROVED RENTS: PBRA Units shall be provided as follows:

Unit Type Number of Bedrooms (BR); Baths (BA)	Number of Units	Size (Average Net Sq. Ft.)	Rent
1BR			567
2BR/1BA			668
2BR/1.5BA			668
2BR/2BA			668
3BR/2.5BA			761
4BR/2.5BA			838
TOTAL UNITS	**83**		

THE AGREEMENT EFFECTIVE DATE: As of December 31, 2014

THE INITIAL TERM SHALL END ON: ____, 2029

THE INITIAL TERM OF THIS PBRA AGREEMENT IS: 15 YEARS, SUBJECT TO AUTOMATIC EXTENSION PURSUANT TO THE TERMS AND CONDITIONS OF THIS AGREEMENT.

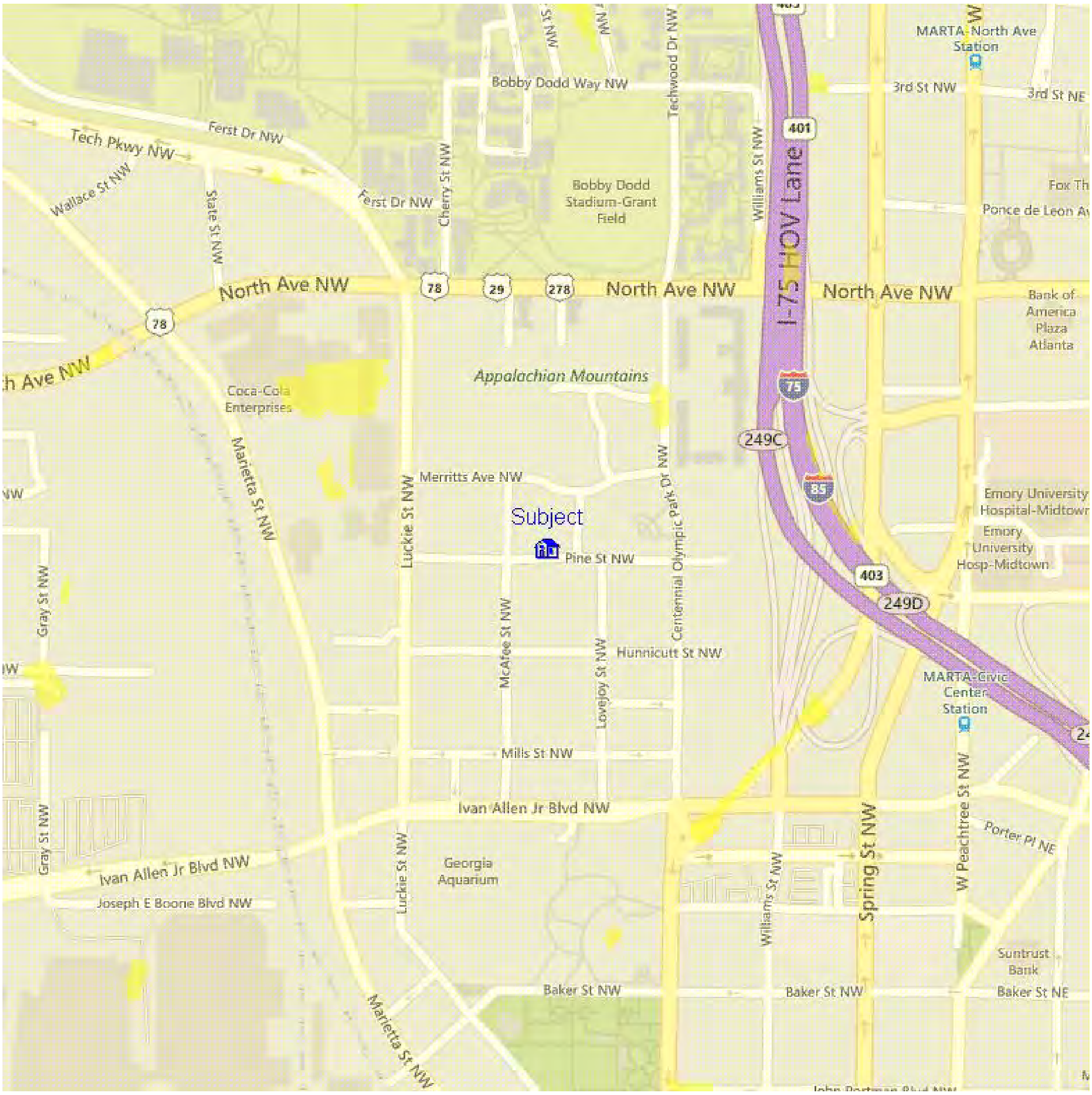
[**Exhibit A** IS CONTINUED ON FOLLOWING PAGE]

STDB

You are currently logged in as: **(CUSTID_26624)** on **15-Feb-2016**

215 Pine Street Northwest, Atlanta, GA

215 PINE ST NW, ATLANTA, GA



MAP DATA

Map Number : **13121C0244F**

Panel Date : **September 18,2013**

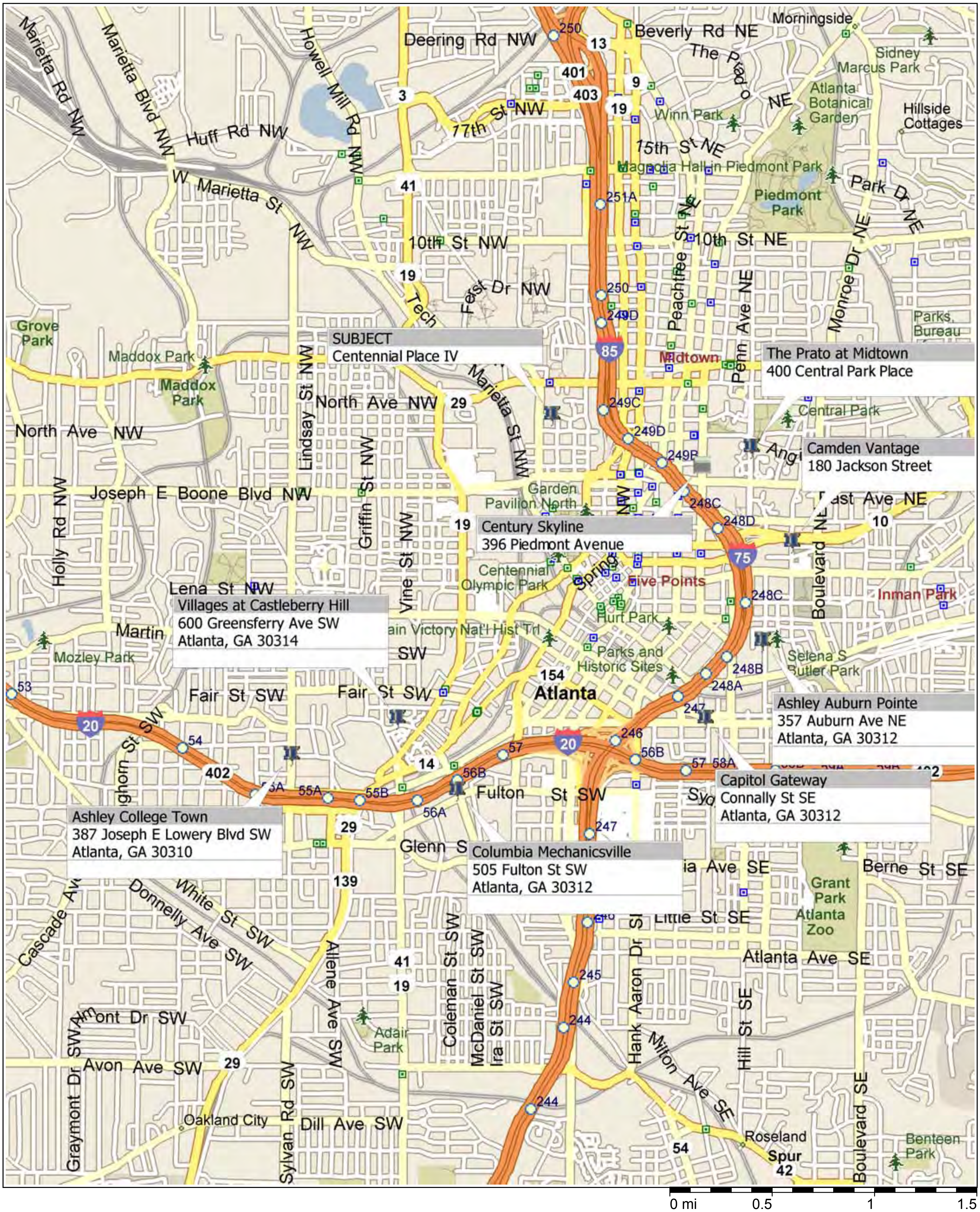
FIPS Code : **13121**

Census Tract : **0021.00**

Geo Result : **S5 (Most Accurate) - single close match, point located at the street address position**

Flood
X or C Zone
X500 or B Zone
A Zone
V Zone
D Zone
Area Not Mapped

Rent Comparables



Multi-Family Lease No. 1

Property Identification

Record ID	1576
Property Type	Mixed Income
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	Tiffany - Leasing Agent ; 404-523-1012, May 06, 2016; Confirmed by Doug Rivers

Unit Mix

Unit Type	No. of Units	Size SF	Rent/Mo.	Mo. Rent/SF
1/1 MKT	33	756	$1,195	$1.58
1/1 LIHTC	23	756	$696	$0.92
2/2 MKT	28	1,079	$1,445	$1.34
2/2 LIHTC	56	1,079	$794	$0.74
3/2 LIHTC	14	1,264	$881	$0.70
3/2 MKT		1,264		

Multi-Family Lease No. 1 (Cont.)

Occupancy	97%
Total Units	154
Unit Size Range	756 - 1264
Avg. Unit Size	978
Avg. Rent/Unit	$992
Avg. Rent/SF	$1.01
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
Project Amenities	Outdoor Pool, Clubhouse, Exercise/Fitness, Playground
Parking	Surface
Year Built	2010
Condition	Very Good

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.

Multi-Family Lease No. 2

Property Identification

Record ID	1396
Property Type	Mixed Income
Property Name	Columbia Mechanicsville
Address	500 McDaniel Street, Atlanta, Fulton County, Georgia 30312
Location	Central Atlanta
Management Co.	Columbia Residential
Verification	Leasing Agent - Bill; 404-577-2833, May 06, 2016; Confirmed by Doug Rivers

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	5	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	15	1,005	$812	$0.81

Multi-Family Lease No. 2 (Cont.)

3BR 2BA MKT	14	1,200	$1,199	$1.00
3BR 2BA 50% TC	3	1,200	$689	$0.57
3BR 2BA 60% TC	9	1,200	$881	$0.73
1BR/1BA PBRA	13	750	$712	$0.95
2BR/2BA PBRA	55	1,005	$792	$0.79
3BR/2BA PBRA	29	1,200	$881	$0.73

Occupancy	97%
Rent Premiums	No
Total Units	183
Unit Size Range	750 - 1200
Avg. Unit Size	1,029
Avg. Rent/Unit	$861
Avg. Rent/SF	$0.84
Net SF	188,265

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	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 Thompson; 404-586-0411, May 18, 2016; Confirmed by Ingrid Ott

Unit Mix

Unit Type	No. of Units	Size SF	Rent/Mo.	Mo. Rent/SF
1BR/1BA MKT	15	742	$1,015	$1.37
1BR/1BA MKT	22	772	$1,015	$1.31
1BR/1BA MKT	17	708	$1,015	$1.43
1BR/1BA MKT	23	867	$1,150	$1.33
1BR/1BA TC	24	742	$717	$0.97
1BR/1BA TC	32	772	$717	$0.93

Multi-Family Lease No. 3 (Cont.)

1BR/1BA TC	25	708	$717	$1.01
1BR/1BA TC	25	867	$717	$0.83
2BR/1BA MKT	24	910	$1,030	$1.13
2BR/2BA MKT	1	978	$1,200	$1.23
2BR/2BA MKT	6	1,031	$1,260	$1.22
2BR/2BA MKT	30	1,047	$1,310	$1.25
2BR/2BA MKT	11	1,050	$1,440	$1.37
2BR/2.5BA M	6	1,178	$1,440	$1.22
3BR/2.5BA M	3	1,319	$2,020	$1.53
2BR/1BA TC	35	910	$818	$0.90
2BR/2BA TC	7	978	$818	$0.84
2BR/2BA TC	11	1,031	$818	$0.79
2BR/2BA TC	41	1,047	$818	$0.78
2BR/2BA TC	16	1,050	$818	$0.78
2BR/2BA TC	2	1,064	$818	$0.77
2BR/2.5BA TC	8	1,178	$818	$0.69
2BR/2.5BA TC	3	1,319	$818	$0.62
3BR/2BA MKT	3	1,258	$1,850	$1.47
3BR/2BA MKT	5	1,314	$1,835	$1.40
3BR/2BA TC	9	1,258	$894	$0.71
3BR/2BA TC	14	1,314	$894	$0.68
4BR/2BA TC	3	1,447	$953	$0.66

Occupancy	96%
Total Units	421 269 (Ph. I), 152 (Ph. II)
Unit Size Range	708 - 1447
Avg. Unit Size	937
Avg. Rent/Unit	$949
Avg. Rent/SF	$1.01
Net SF	394,643

Physical Data

Construction Type	Brick/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/Dryers Ph II, Connections only Ph I
Project Amenities	Outdoor Pool, Clubhouse, Sports Court, Exercise/Fitness
Parking	Surface
Year Built	2006
Condition	Good

Remarks

This property is a portion of the 34-acre Capitol Homes HOPE VI Revitalization Area, a mixed-income, mixed-use development. 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 that 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. Tenants pay all utilities except trash.

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 Taylor; 404-523-1330, April 30, 2016; 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	$1,205	$1.01
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	98%
Total Units	450
Unit Size Range	710 - 1188
Avg. Unit Size	975
Avg. Rent/Unit	$847
Avg. Rent/SF	$0.87
Net SF	438,892

<u>Physical Data</u>

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	Good

<u>Remarks</u>

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	Patricia Harvey, Lauren Taylor; 404-755-8177, May 18, 2016; Confirmed by Ingrid Ott

Unit Mix

Unit Type	No. of Units	Size SF	Rent/Mo.	Mo. Rent/SF
1/1 MKT	18	802	$1,005	$1.25
1/1 TC	4	802	$718	$0.90
1/1 PBRA	31	802	$718	$0.90

Multi-Family Lease No. 5 (Cont.)

1/1 MKT	7	820	$1,055	$1.29
2/2 MKT	35	1,176	$1,145	$0.97
2/2 PBRA/TC	13	1,176	$736	$0.63
2/2 TC/AA	28	1,176	$736	$0.63
2/2 MKT	1	1,223	$1,145	$0.94
2/2 TC/AA	10	1,223	$736	$0.60
2/2 TC	10	1,223	$736	$0.60
2/2.5 MKT	5	1,250	$1,310	$1.05
3/2.5TH MKT	3	1,675	$1,740	$1.04
3/2.5TH TC/PBRA	3	1,675	$920	$0.55
3/2.5 TC	9	1,675	$811	$0.48

Occupancy	98%
Rent Premiums	No
Total Units	177
Unit Size Range	802 - 1675
Avg. Unit Size	1,100
Avg. Rent/Unit	$896
Avg. Rent/SF	$0.81
Net SF	194,680

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 176-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 802 to 1,349 square feet. The displayed unit mix is what the leasing office has in marketing brochures and advertises to prospective tenants. Unit sizes on the rent roll are significantly different, but these floorplans are not recognized by leasing office personnel for the purpose of rent surveys. 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 includes PBRA, public housing, tax credit, and market rate units. Currently, there are no specials being offered. Phase II has microwaves and washers/dryers.

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	Steve Malik, Debra; 4048001485, May 18, 2016; Confirmed by Ingrid Ott

Unit Mix

Unit Type	No. of Units	Size SF	Rent/Mo.	Mo. Rent/SF
Studio (Av)	40	540	$1,100	$2.04
1 BR/1 BA (Av)	31	550	$1,100	$2.00
1 BR/1 BA	15	705	$1,285	$1.82
1BR/1 BA	15	748	$1,200	$1.60
1BR/1 BA	15	809	$1,275	$1.58

Multi-Family Lease No. 6 (Cont.)

1BR/1 BA	15	925	$1,330	$1.44
1BR/1BA	15	960	$1,330	$1.39
1 BR/1BA	15	789	$1,225	$1.55
1BR/1BA	15	865	$1,260	$1.46
2BR/1 BA	18	952	$1,410	$1.48
2BR/2BA	18	1,073	$1,510	$1.41
2BR/2BA	18	1,141	$1,555	$1.36
2BR/2BA	18	1,157	$1,750	$1.51
2BR/2BA	18	1,171	$1,610	$1.37
2BR/2BA	18	1,259	$1,645	$1.31
2BR/2BA	18	1,219	$1,450	$1.19
2BR/2BA	18	1,301	$1,595	$1.23
2BR/2BA TH	16	1,496	$2,125	$1.42
3BR/2BA	6	1,381	$2,200	$1.59

Occupancy	93%
Total Units	342
Unit Size Range	540 - 1496
Avg. Unit Size	950
Avg. Rent/Unit	$1,384
Avg. Rent/SF	$1.46
Net SF	324,801

<u>Physical Data</u>

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

<u>Remarks</u>

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. Complex uses LRO system.

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	Leasing Agent-Kennie; 855 833 9427, May 18, 2016; Interviewed on site, Confirmed by Ingrid Ott

Unit Mix

Unit Type	No. of Units	Size SF	Rent/Mo.	Mo. Rent/SF
Studio	107	656	$1,079	$1.64
1BR/1BA	116	756	$1,269	$1.68
1BR/1BA	71	831	$1,249	$1.50
1BR/1BA	47	843	$1,259	$1.49

Multi-Family Lease No. 7 (Cont.)

1BR/1BA	20	845	$1,259	$1.49
1BR/1BA	20	884	$1,319	$1.49
2BR/2BA	49	1,046	$1,449	$1.39
2BR/2BA	65	1,149	$1,299	$1.13
2BR/2BA	60	1,152	$1,359	$1.18
2BR/2BA	37	1,277	$1,539	$1.21

Occupancy	95%
Total Units	592
Unit Size Range	656 - 1277
Avg. Unit Size	901
Avg. Rent/Unit	$1,296
Avg. Rent/SF	$1.44
Net SF	533,398

Physical Data

Construction Type	Wood Frame/Brick & Stucco Veneer
Electrical	Assumed Adequate
HVAC	Assumed Adequate
Stories	6
Utilities with Rent	$30 mandatory Valet Trash
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	1557
Property Type	Midrise
Property Name	Century Skyline
Address	396 Piedmont Avenue NE, Fulton County, Georgia 30308
Location	Central Atlanta
Tax ID	14-005000090902
Management Co.	First Properties
Verification	Leasing Agent Corey Baines; 4045210500, May 18, 2016; Erica Carswell, Confirmed by Ingrid Ott

<u>Unit Mix</u>

Unit Type	No. of Units	Size SF	Rent/Mo.	Mo. Rent/SF
1/1	129	845	$1,320	$1.56
2/2	72	1,131	$1,605	$1.42
2/2	6	1,306	$1,675	$1.28
2/2	12	1,529	$1,780	$1.16
2/2	6	1,542	$1,775	$1.15

Multi-Family Lease No. 8 (Cont.)

Occupancy	95%
Rent Premiums	Floor/Views
Total Units	225
Unit Size Range	845 - 1542
Avg. Unit Size	1,004
Avg. Rent/Unit	$1,390
Avg. Rent/SF	$1.38
Net SF	225,873

<u>Physical Data</u>

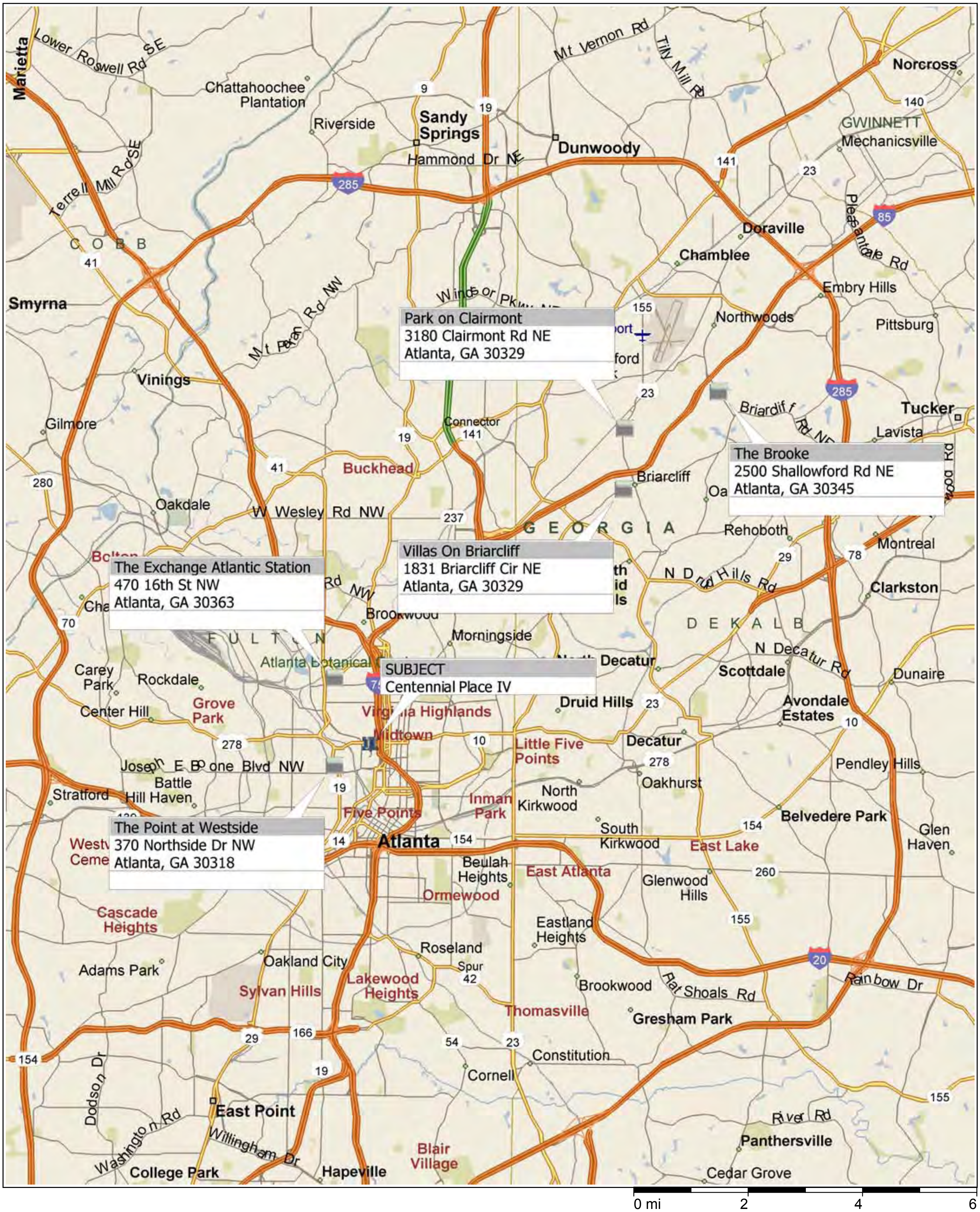
Construction Type	Masonry
Stories	6
Utilities with Rent	Valet Trash
Unit Amenities	Patios/Balconies, Ceiling Fans, Security System, Washer/Dryer Connections, Microwaves
Project Amenities	Outdoor Pool, Clubhouse, Exercise/Fitness, Parking Garage $35 reserved
Parking	Surface
Year Built	2009
Condition	Excellent

<u>Remarks</u>

This is a Class-A loft-style apartment development located along Piedmont Avenue, just north of Downtown Atlanta, Fulton County, Georgia. The development was built in 2009 and features 225 one- and two-bedroom floorplans. The listed rents above are LRO rents. The complex charges for floor/view premiums ranging from $100 to $150 per month. Tenants are responsible for all utilities. Complex amenities include a rooftop swimming pool with cabanas, fitness center, resident lounge and business center. This complex does not have any ground-level retail or restaurant space. No significant specials are being offered.

ADDENDUM F – IMPROVED SALE COMPARABLES / LOCATION MAP

Improved Sales



Multi-Family Sale No. 1

<u>Property Identification</u>	
Record ID	1172
Property Type	Garden / Class B
Property Name	The Brooke
Address	2500 Shallowford Road, Atlanta, DeKalb County, Georgia 30345
Tax ID	18-233-06-049, 18-233-06-136, 18-246-03-002
<u>Sale Data</u>	
Grantor	Amli At North Briarcliff Llc
Grantee	Briarcliff 537 LLC
Sale Date	January 19, 2016
Deed Book/Page	25363-0042
Property Rights	Fee Simple
Conditions of Sale	Arms Length
Financing	$21,300,000.00 (29.0%)
Verification	Walker & Dunlop
Sale Price	$73,500,000
Cash Equivalent	$73,500,000
<u>Land Data</u>	
Land Size	20.560 Acres or 895,594 SF
Zoning	RM-HD, Residential Multifamily (RM)
Topography	Gently Rolling

Multi-Family Sale No. 1 (Cont.)

Utilities	All Typical
Shape	Irregular
Avg. Unit Size	903
Net SF	506,112

General Physical Data

No. of Buildings	8
Stories	3 & 4
Unit Amenities	Patios/Balconies, Icemakers, Washer/Dryer Connections, Microwaves, Microwave
Project Amenities	3 Outdoor Pools, Clubhouse, Sports Court, Exercise/Fitness, Business Center, car wash
Year Built	2002
Condition	Good

Income Analysis

Net Operating Income	$3,675,000

Indicators

Sale Price/Net Rentable SF	$145.22
Sale Price/Unit	$136,872
Occupancy at Sale	97%
Overall or Cap Rate	5%
NOI/SF	$7.26 Net Rentable
NOI/Unit	$6,844

Remarks

On January 19, 2016, The Brooke (f/k/a AMLI at North Briarcliff), a 537 unit multi-family property located at 2500 Shallowford Rd NE, Atlanta, GA, sold for a confirmed price of $73.5MM, or $136,872 per unit. The property traded between Amli Residential Properties, LP and a JV partnership including Lyon Communities, Irinda Capital Management, LLC and PCCP, LLC. Occupancy was 97%. The new ownership is planning on significant capital improvements which will include the addition of high-end appliances, granite countertops, adding in-unit washer/dryers, new wood plank flooring and new fixtures. Planned common area improvements include lighting upgrades, a complete redesign of the clubhouse, and doubling the size of the primary fitness center. The buyers see good upside potential through these improvements which will bring rents up to current market rates. Positioned on 20.7 acres, the property was built in two phases in 2002 and 2006 and is comprised of seven three- and four-story garden style walk-up buildings and one five-story elevator building. The property has a mixture of studios (58), 1BR (244), 2BR (232) and 3BR (3) units. Community amenities include a Business Center, Clubhouse, Cabana, Car Wash Area, two Fitness Centers Picnic Area, three Swimmimg Pools, and gated.

Multi-Family Sale No. 2

<u>Property Identification</u>	
Record ID	1173
Property Type	Garden / Class B
Property Name	Villas On Briarcliff
Address	1831 Briarcliff Circle, Atlanta, DeKalb County, Georgia 30329
Tax ID	18-158-11-146
<u>Sale Data</u>	
Grantor	Villas at Brriarcliff LLC
Grantee	Briarcliff Bliss LLC
Sale Date	December 17, 2015
Deed Book/Page	25341-0116
Property Rights	Fee Simple
Conditions of Sale	Arms Length
Financing	$3,130,000.00 (22.8%)
Verification	Investors Realty Group
Sale Price	$13,750,000
Cash Equivalent	$13,750,000

Multi-Family Sale No. 2 (Cont.)

Land Data

Land Size	12.680 Acres or 552,341 SF
Zoning	RM-100, Residential Multifamily (RM)
Topography	Gently Rolling
Utilities	All Typical
Shape	Irregular

Unit Mix

Unit Type	No. of Units	Size SF	Rent/Mo.	Mo. Rent/SF
2BR1.5BA	6	1,407	$1,475	$1.05
2BR2BA	4	1,387	$1,450	$1.05
2BR2BA	24	1,370	$1,400	$1.02
3BR2BA	48	1,690	$1,575	$0.93

Total Units	82
Avg. Unit Size	1,561
Avg. Rent/Unit	$1,510
Avg. Rent/SF	$0.97
Net SF	127,990

General Physical Data

No. of Buildings	15
Stories	2
Unit Amenities	Patios/Balconies, Icemakers, Washer/Dryer Connections, Microwaves, Microwave
Project Amenities	Outdoor Pool, Clubhouse, Sports Court, Exercise/Fitness, Car Wash
Year Built	1980
Condition	Good

Income Analysis

Net Operating Income	$756,250

Indicators

Sale Price/Net Rentable SF	$107.43
Sale Price/Unit	$167,683
Occupancy at Sale	98%
Overall or Cap Rate	5.5%
NOI/SF	$5.91 Net Rentable
NOI/Unit	$9,223

Remarks

On December 17, 2015, the 82 unit apartment complex at 1831 Briarcliff Circle NE, Atlanta, GA, known as the Villas on Briarcliff Apartments, was sold for $13,750,000, or about $168,000 per unit. The complex was about 98% occupied at the time of the sale. The cap rate was stated to be 5.5%, which equates to a NOI of $756,250. The complex is comprised of 34 two- and 48 three-bedroom units in 15 buildings.

Multi-Family Sale No. 3

<u>Property Identification</u>	
Record ID	1174
Property Type	Mid-rise Elevator
Property Name	The Exchange Atlantic Station
Address	470 16th Street NW, Atlanta, Fulton County, Georgia 30318
Tax ID	17-0148-LL-399
<u>Sale Data</u>	
Grantor	TBR GC Atlantic Square Owner LLC
Grantee	CPI / Pollack Atlantic Square LLC
Sale Date	November 10, 2015
Deed Book/Page	55557-0283
Property Rights	Fee Simple
Conditions of Sale	Arms Length
Financing	$13,588,000.00 (46.5%)
Verification	Cushman Wakefield
Sale Price	$29,240,000
Cash Equivalent	$29,240,000
<u>Land Data</u>	
Land Size	2.320 Acres or 101,059 SF
Zoning	C1, Commercial
Topography	Basically Flat
Utilities	All Typical
Shape	Irregular
Avg. Unit Size	880
Net SF	151,455

Multi-Family Sale No. 3 (Cont.)

<u>General Physical Data</u>	
No. of Buildings	1
Stories	5
Unit Amenities	Patios/Balconies, Ceiling Fans, Icemakers, Washer/Dryer Connections, Microwaves
Project Amenities	Clubhouse, Exercise/Fitness, Business Center, car wash
Year Built	2007
Condition	Good
<u>Income Analysis</u>	
Net Operating Income	$1,228,080
<u>Indicators</u>	
Sale Price/Net Rentable SF	$193.06
Sale Price/Unit	$170,000
Occupancy at Sale	94%
Overall or Cap Rate	4.2%
NOI/SF	$8.11 Net Rentable
NOI/Unit	$7,140

<u>Remarks</u>

This transaction represents the sale of a 172 unit apartment complex known as Atlantic Square. Pollack Shores Real Estate Group purchased the property from TriBridge Residential for $29.24M. The property is approximately 94% occupied. The property was on the market for 6 weeks and under contract an additional 3-4 weeks.

There was a debt assumption. A Cap Rate of 4.2% was reported. NOI of $1,228,080 was calculated based on that Cap Rate. This information was confirmed with the buyer.

Multi-Family Sale No. 4

<u>Property Identification</u>	
Record ID	1166
Property Type	Garden / Class B
Property Name	The Park on Clairmont
Address	3180 Clairmont Road, Atlanta, DeKalb County, Georgia 30329
Tax ID	1820302007
<u>Sale Data</u>	
Grantor	POC Apartments, LLC
Grantee	FCPCMBR, LLC
Sale Date	August 31, 2015
Deed Book/Page	25141/762
Property Rights	Fee Simple
Conditions of Sale	Arms Length
Financing	$8,318,125 (85%)
Verification	Investors Realty Group
Sale Price	$9,757,500
<u>Land Data</u>	
Land Size	5.940 Acres or 258,746 SF
Topography	Gently Rolling
Utilities	All Typical
Shape	Irregular

Multi-Family Sale No. 4 (Cont.)

Unit Mix

Unit Type	**No. of Units**	**Size SF**	**Rent/Mo.**	**Mo. Rent/SF**
1/1.0	46	850	$802	$0.94
2/2.0	14	1,230	$1,039	$0.84
2/2.0	30	1,174	$1,182	$1.01
3/2.0	21	1,320	$1,273	$0.96

Total Units	111
Avg. Unit Size	1,074
Avg. Rent/Unit	$1,024
Avg. Rent/SF	$0.95
Net SF	119,260

General Physical Data

No. of Buildings	7
Stories	2
Unit Amenities	Patios/Balconies, Fire places, Icemakers, Washer/Dryer Connections, Microwaves, Balcony Storage
Project Amenities	Outdoor Pool, Outdoor Tennis, Clubhouse, Exercise/Fitness
Year Built	1984
Condition	Good

Income Analysis

Net Operating Income	$643,995

Indicators

Sale Price/Net Rentable SF	$81.82
Sale Price/Unit	$87,905
Occupancy at Sale	99%
Overall or Cap Rate	6.6%
NOI/SF	$5.40 Net Rentable
NOI/Unit	$5,802

Remarks

This market rate property is located along the west side of Clairmont Road, between Clairmont Terrace and Wilmont Drive. Capitalization rate is based on income and expenses in place at time of sale

Multi-Family Sale No. 5

Property Identification

Record ID	1175
Property Type	Midrise
Property Name	The Point at Westside
Address	370 Northside Drive, Atlanta, Fulton County, Georgia 30318
Tax ID	14-0082-0005-051

Sale Data

Grantor	Gateway at Northside Village
Grantee	Waypoint Envoy Owner LLC
Sale Date	May 06, 2015
Deed Book/Page	54907-0382
Property Rights	Fee Simple
Conditions of Sale	Arms Length
Financing	$9,425,000.00 (33.4%)
Verification	Walker & Dunlop
Sale Price	$28,200,000
Cash Equivalent	$28,200,000

Multi-Family Sale No. 5 (Cont.)

Land Data

Land Size	20.560 Acres or 895,594 SF
Zoning	RM-HD, Residential Multifamily (RM)
Topography	Gently Rolling
Utilities	All Typical
Shape	Irregular

Unit Mix

Unit Type	No. of Units	Size SF	Rent/Mo.	Mo. Rent/SF
ALL	263	1,044	$1,360	$1.30

Total Units	263
Avg. Unit Size	1,044
Avg. Rent/Unit	$1,360
Avg. Rent/SF	$1.30
Net SF	274,572

General Physical Data

No. of Buildings	1
Stories	5
Unit Amenities	Icemakers, Washer/Dryer Connections
Project Amenities	Clubhouse, Laundry, Exercise/Fitness, Business Center, car wash
Year Built	2004
Condition	Good

Income Analysis

Net Operating Income	$1,494,600

Indicators

Sale Price/Net Rentable SF	$102.71
Sale Price/Unit	$107,224
Occupancy at Sale	95%
Overall or Cap Rate	5.3%
NOI/SF	$5.44 Net Rentable
NOI/Unit	$5,683

Remarks

On May 6, 2015, the 263 unit multifamily building at 370 Northside Dr, Atlanta, GA, known as the Envoy on Northside, was sold for $28,200,000, or about $107,250 per unit. The building was about 95% occupied at the time of the sale. The cap rate was stated to be 5.3% on the trailing-three months, which equates to a NOI of $1,494,600.

The asset was on the market for about three months and then it took another 6 months for the transaction to close. This was a tax-credit deal and this was a primary reason for the delay as technical issues popped up during the escrow period. The seller was motivated to divest the asset because it was the end of their investment cycle on the property. The buyer was attracted to the asset because it was an opportunity to buy a mid-rise urban building below replacement cost.

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

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PRINCIPALS
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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

March 10 2016

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

RE: Appraisal Report of the existing
Centennial Place Apartments - Phase IV (190 Units)
526 Centennial Olympic Dr.
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 IV 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 2016 Qualified Allocation Plan (QAP). The report is to be used in conjunction with a low income housing tax credit application.

Our fee is $5,500, with half ($2,750) due in advance as a retainer 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 me via email (shuber@ehalc.com). 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

Trey Williams	Development Director
Signature	Title
Trey Williams	4/25/16
Name (type or print)	Date

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@ehdlc.com

EXPERIENCE

Twenty 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 Mississippi - Certificate Number GA-825 N.R.
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 three years include:

- 2006 National USPAP
- Modular Home Appraising
- Pricing Property To Sell
- Tax Free Exchanges
- GIS Applications For RE Appraisers
- Valuation of Detrimental Conditions

PROFESSIONAL

Associate Member of the Appraisal Institute
Candidate for MAI Designation

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.

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Chairperson

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Vice Chairperson

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JEANMARIE HOLMES
KEITH STONE

62117553

STEPHEN MICHAEL HUBER

 # 1350

Status ACTIVE

ORIGINALLY LICENSED
07/11/1991

END OF RENEWAL
12/31/2016

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

62117553

STEPHEN MICHAEL HUBER

 # 1350

Status ACTIVE

ORIGINALLY LICENSED
07/11/1991

END OF RENEWAL
12/31/2016

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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

62117553

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
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JEFF A. LAWSON
Vice Chairperson

RONALD M. HECKMAN
JEANMARIE HOLMES
KEITH STONE

30551151

TIMOTHY PATRICK HUBER

**6110**
Status **ACTIVE**

ORIGINALLY LICENSED
06/06/1997

END OF RENEWAL
06/30/2016

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

30551151

TIMOTHY PATRICK HUBER

**6110**
Status **ACTIVE**

ORIGINALLY LICENSED
06/06/1997

END OF RENEWAL
06/30/2016

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.

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Real Estate Commission
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Real Estate Commissioner

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QUALIFICATIONS OF
INGRID NOERENBERG 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 NOERENBERG 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

JEFF A. LAWSON
Vice Chairperson

RONALD M. HECKMAN
JEANMARIE HOLMES
KEITH STONE

8203217

OTT, INGRID
3535 ROSWELL ROAD
55
MARIETTA, GA 30062

INGRID NOERENBERG OTT

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

END OF RENEWAL
07/31/2016

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