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**MARKET VALUATION OF:
EDGEWOOD
COURT**

A MARKET VALUATION OF: **EDGEWOOD COURT**

1572 HARDEE STREET NE
ATLANTA, FULTON COUNTY,
GEORGIA, 30307

Inspection Date: July 11, 2017
Effective Date: July 11, 2017
Report Date: August 10, 2017

Prepared For:

Mr. Brandon Kearse
Rose Affordable Housing Preservation Fund IV, LP
551 Fifth Avenue, 23rd Floor
New York, New York 10176

Assignment Code: JON600V-036

Prepared By
Novogradac and Company LLP
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August 4, 2017

Mr. Brandon Kearse
Rose Affordable Housing Preservation Fund IV, LP, Inc.
551 Fifth Avenue, 23rd Floor
New York, New York, 10176

Re: Appraisal of Edgewood Court
1572 Hardee Street NE
Atlanta, Fulton County, Georgia

Dear Mr. Kearse:

We are pleased to present our findings with respect to the value of the above-referenced property, Edgewood Court ("Subject"). The Subject is an existing 204-unit Section 8 multifamily property that will be renovated using LIHTC equity. As part of the renovations, the client will also construct 18 new units that will operate as LIHTC only, post renovations. As requested and summarized in the attached engagement letter, we are providing a written appraisal report that includes the following value estimates, which are described and defined below. This letter serves as an introduction to the attached appraisal. Thus, the value opinions expressed in this introduction letter must be taken in context with the full appraisal report. It should be noted that we are previously completed an RCS and appraisal on the Subject with an effective date of February 2017. We have performed no other services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

- Market value "As If Vacant" of the fee simple interest in the property (land value).
- Leased fee market value "As Is" subject to restricted rents.
- Hypothetical leased fee market value "As Is" subject to unrestricted rents.
- Hypothetical leased fee market value "upon completion and stabilization" – prospective value assuming completion and stabilization of occupancy, subject to restricted LIHTC rents.
- Hypothetical leased fee market value "upon completion and stabilization" – prospective value assuming completion and stabilization of occupancy, subject to new Section 8 rents.
- Hypothetical leased fee market value "upon completion and stabilization" – prospective value assuming completion and stabilization of occupancy, subject to unrestricted rents.
- Insurable Value
- Prospective Market Value at loan maturity.
- Valuation of Tax Credits.

Please refer to the assumptions and limiting conditions regarding the restricted valuation and hypothetical value conclusions.

Our valuation report is for use by the client their successors and assigns for rendering a decision on financing. Neither this report nor any portion thereof may be used for any other purpose or distributed to third parties without the express written consent of Novogradac and Company LLP ("Novogradac").

This valuation engagement was conducted in accordance with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, which standards incorporate the

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Uniform Standards of Professional Appraisal Practice (USPAP). In accordance with these standards, we have reported our findings herein in an appraisal report, as defined by USPAP.

For the purposes of this assignment, market value is defined as:

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

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

This report complies with the current edition of the Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Standards Board of the Appraisal Foundation and FIRREA Title XI, 12 CFR Part 323(FDIC), and 12 CFR Part 34 (RTC), and the Code of Ethics & of Professional Practice of the Appraisal Institute. It also complies with Appraisal Institute.

“As If Vacant” Land Value

As a result of our investigation and analysis, it is our opinion that, subject to the limiting conditions and assumptions contained herein, the estimated market value of the fee simple interest in the Subject “as if vacant and unencumbered” (land value), free and clear of financing, as of July 11, 2017, is:

**THREE MILLION THREE HUNDRED THOUSAND DOLLARS
(\$3,300,000)**

“As Is” Restricted Value

The Subject’s leased fee market value assuming current Section 8 rents “As Is”, as of July 11, 2017 is:

**TWENTY THREE MILLION EIGHT HUNDRED THOUSAND DOLLARS
(\$23,800,000)**

“As Is” Unrestricted Value

The Subject’s hypothetical leased fee market value of the real estate assuming achievable market rents “As Is”, as of July 11, 2017 is:

**SEVENTEEN MILLION FIVE HUNDRED THOUSAND DOLLARS
(\$17,500,000)**

¹ 12 C.F.R. Part 34.42(g); 55 Federal Register 34696, August 24, 1990.

As Complete and Stabilized Restricted

The Subject's hypothetical leased fee market value of the real estate assuming Section 42 encumbrances and achievable LIHTC rents "As Proposed", as of July 11, 2017 is:

**ELEVEN MILLION SEVEN HUNDRED THOUSAND DOLLARS
(\$11,700,000)**

As Complete and Stabilized Restricted – Section 8

The Subject's hypothetical leased fee market value of the real estate assuming Section 8 rents "As Proposed", as of July 11, 2017 is:

**TWENTY FIVE MILLION NINE HUNDRED THOUSAND DOLLARS
(\$25,900,000)**

As Complete and Stabilized Unrestricted

The Subject's hypothetical leased fee market value of the real estate assuming achievable market rents "As Proposed", as of July 11, 2017 is:

**TWENTY FIVE MILLION FOUR HUNDRED THOUSAND DOLLARS
(\$25,400,000)**

Insurable Value

The Subject's insurable value rents "As Is", as of July 11, 2017 is:

**EIGHTEEN MILLION ONE HUNDRED THOUSAND DOLLARS
(\$18,100,000)**

Prospective Market Value as Restricted 30 years (Loan Maturity),

The prospective market value at 30 years (loan maturity) of the Subject's leased fee interest, subject to the rental restrictions in the year 2048, as of July 11, 2017, is:

**TWELVE MILLION NINE HUNDRED THOUSAND DOLLARS
(\$12,900,000)**

Prospective Market Value as Proposed Unrestricted at 30 years (Loan Maturity)

The hypothetical prospective market value at 30 years (loan maturity) of the Subject's leased fee interest, as an unrestricted property in the year 2048, as July 11, 2017, is:

**THIRTY THREE MILLION SIX HUNDRED THOUSAND DOLLARS
(\$33,600,000)**

Tax Credit Value

The market value of the tax credits allocated to the Subject over a ten-year period, on a cash equivalent basis and the date of completion, as of July 11, 2017, is:

Federal
FIFTEEN MILLION THREE HUNDRED THOUSAND DOLLARS
(\$15,300,000)

State
TEN MILLION DOLLARS
(\$10,000,000)

The HUD contract rents are slightly below achievable market rents for the Subject, and a rent increase based upon a new Rent Comparability Study (RCS) would suggest additional rent increases are possible, especially post renovations. It is an extraordinary assumption of this report that the current contract rents will be marked-up-to-market. As such, we are utilizing achievable "as is" and "as proposed" market rents in the determination of potential gross income for the property's Section 8 units. This is considered reasonable based on HUD regulations and the expectation of a typical purchaser. Please refer to the assumptions and limiting conditions regarding the restricted valuation and hypothetical conditions. It should also be noted that we have requested but not received the third party Physical Condition Assessment report.

If appropriate, the scope of our work includes an analysis of current and historical operating information provided by management. This unaudited data was not reviewed or compiled in accordance with the American Institute of Certificate Public Accountants (AICPA), and we assume no responsibility for such unaudited statements.

We also used certain forecasted data in our valuation and applied generally accepted valuation procedures based upon economic and market factors to such data and assumptions. We did not examine the forecasted data or the assumptions underlying such data in accordance with the standards prescribed by the AICPA and, accordingly, do not express an opinion or any other form of assurance on the forecasted data and related assumptions. The financial analyses contained in this report are used in the sense contemplated by the USPAP. Furthermore, there will usually be differences between forecasted and actual results because events and circumstances frequently do not occur as expected, and these differences may be material.

Our value conclusion was based on general economic conditions as they existed on the date of the analysis and did not include an estimate of the potential impact of any sudden or sharp rise or decline in general economic conditions from that date to the effective date of our report. Events or transactions that may have occurred subsequent to the effective date of our opinion were not considered. We are not responsible for updating or revising this report based on such subsequent events, although we would be pleased to discuss with you the need for revisions that may be occasioned as a result of changes that occur after the valuation date.

Rose Affordable Housing Preservation Fund IV, LP
August 10, 2017
Page 6

We appreciate this opportunity to be of service. Please contact us if you have any comments or questions.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Brian Neukam".

Brian Neukam
State Certified General Real Estate Appraiser
Georgia License #329471
Expiration Date: March 31, 2018

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ADDENDA

I. EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

Property Appraised: Edgewood Court, the Subject, is located at 1572 Hardee Street NE in Atlanta, DeKalb County, Georgia. The property is an existing Project-Based Section 8 development that consists of 41 two-story residential buildings originally constructed in 1950 and renovated in 1980. The Subject consists of 24 one-, 64 two-, 84 three-, and 32 four-bedroom units. The Subject currently operates as a Section 8 property covered by HAP contract number GA06A002001, which was recently renewed until March 2018. The most recent HAP contract rent increase was April 2017.

Recent Operation: The Subject property is currently operating as an affordable Section 8 property. According to the historical financials, the Subject has operated with a vacancy and collection loss between five and six percent over the past three years.

Tax Map ID: The Subject property is identified by parcel identification numbers: 15-210-02-002 and 15-210-03-219.

Land Area: The size of the Subject site is approximately 20.74 acres according to the Dekalb County Assessor’s Office.

Legal Interest Appraised: For the as is value, the property interest appraised is fee simple estate. For all remaining values, the property interest appraised is leased fee estate, subject to any and all encumbrances, if applicable, for each value estimate.

Current Rents and Unit Mix: The following table details the current rents for the Subject’s units according to the HUD approved rent schedule, April 1, 2017. Based on the scope of work, the as is restricted valuation is based on the current Section 8 operation. However, the Subject will have the approved as proposed Section 8 rents in place at closing.

CURRENT RENTS

| Unit Type | Unit Size (SF) | Number of Units | Contract Rent | Utility Allowance (1) | Gross Rent | HUD Fair Market Rents |
|------------------|----------------|-----------------|---------------|-----------------------|------------|-----------------------|
| <i>Section 8</i> | | | | | | |
| 1BR | 594 | 24 | \$722 | \$112 | \$834 | \$820 |
| 2BR | 690 | 64 | \$812 | \$136 | \$948 | \$949 |
| 3BR | 966 | 84 | \$894 | \$167 | \$1,061 | \$1,253 |
| 4BR | 1,219 | 32 | \$951 | \$182 | \$1,133 | \$1,532 |

Notes (1) Source of Utility Allowance provided by HUD Rent Schedule, Effective 4/2017

Proposed Rents: The following table details the Subject’s proposed LIHTC rents, post renovations. It should be noted that the Subject would be restricted to the 2016 maximum allowable rent levels, assuming no Section 8 subsidy. The Subject will maintain its Section 8 overlay post renovation and the proposed contract rents are illustrated below.

Additionally, the Subject will construct 18 new units that will operate as LIHTC only, post renovations, in addition to four units that will be demolished and rebuilt.

PROPOSED RENTS

| Unit Type | Unit Size (SF) | Asking Rent | Utility Allowance (1) | Gross Rent | 2016 LIHTC Maximum Allowable Gross Rent | Proposed Contract Rents* |
|----------------------------|----------------|-------------|-----------------------|------------|---|--------------------------|
| <i>60% AMI (Section 8)</i> | | | | | | |
| 1BR/1BA | 594 | \$677 | \$82 | \$759 | \$759 | \$1,075 |
| 2BR/1BA | 690 | \$803 | \$109 | \$912 | \$912 | \$1,200 |
| 3BR/1.5B/ | 966 | \$917 | \$136 | \$1,053 | \$1,053 | \$1,375 |
| 3BR/1.5B/ | 1,050 | \$917 | \$136 | \$1,053 | \$1,053 | \$1,375 |
| 4BR/2BA | 1,219 | \$1,011 | \$163 | \$1,174 | \$1,174 | \$1,525 |
| <i>60% AMI</i> | | | | | | |
| 1BR/1BA | 650 | \$677 | \$82 | \$759 | \$759 | - |
| 2BR/1BA | 850 | \$803 | \$109 | \$912 | \$912 | - |
| Total | | | | | | |

Notes (1) Source of Utility Allowance provided by the Subject's HAP Contract

*Note: Due to the type of HAP Contract renewal, contract rents will increase post-renovation

Scope of Renovation:

According to the client, the proposed renovations are budgeted at \$15,995,955 or approximately \$72,054 per unit in hard costs. One building, Building 17, will be demolished and replaced with new units as described below. The scope of renovations will include updated kitchens including new cabinets and countertops, plumbing fixtures, and energy star appliances. The interiors of all units will be painted, and new interior and exterior doors will be installed. New flooring and carpeting will be installed in all units. Bathroom renovations will include replacing existing toilets, sinks, towel bars, medicine cabinets, mirrors, and replacing all plumbing fixtures. Exterior renovations will include window replacement and repairs, new elevators, new roofs, upgraded landscaping and parking lot, updated common areas, new exterior signage, and exterior paint. Unit and common area amenities will be improved and upgraded, but no new amenities will be added as part of the renovation.

It should be noted that there will be three new buildings constructed as part of the renovations that will include 12 one-bedroom and six two-bedroom units offered at 60 percent of AMI or less. Additionally, four three-bedroom Section 8 units will also be included in the new buildings and four units will be demolished and rebuilt.

Ownership History of the Subject:

The Subject property is currently owned by Edgewood Court, LTD according to the DeKalb County Assessor's Office. According to a purchase and sale agreement dated February 6, 2017, Rose Affordable Housing Preservation Fund IV, LP intends to purchase

the Subject from Edgewood Court, LTD for \$24,000,000 in an arm's length transaction. There have been no known transfers of ownership of the Subject over the past three years. As indicated, our concluded as is restricted value is \$23,800,000 which is just below the proposed purchase price. It should be noted that according to the buyer, the purchase price is based on the increase in rents and efficiencies of operating the property, prior to and post renovations.

**Highest and Best Use
"As If Vacant":**

The Subject's highest and best use "as if vacant" is to hold for future development when market rents rise to the level of cost feasibility. Alternatively, a multifamily rental property would be feasible with gap financing such as tax exempt bonds and tax credits.

**Highest and Best Use
"As Improved":**

The Subject property currently operates as a Section 8 multifamily property, and it is in good condition. The property currently generates positive cash flow, and it is not deemed feasible to tear it down for an alternative use. Therefore, the highest and best use of the site, as improved, would be to continue to operate as an affordable multifamily housing development.

Effective Date:

The Subject was inspected on July 11, 2017, which will serve as the effective date for this report.

Capitalization Rate Reconciliation:

After reviewing the appropriate methods for developing an overall rate, the following ranges of overall capitalization rates are indicated:

CAPITALIZATION RATE SELECTION SUMMARY

| Method | Indicated Rate |
|-------------------------|----------------|
| Market Extraction | 6.25% |
| The PwC Investor Survey | 6.25% |
| REIS | 7.20% |
| Debt Coverage Ratio | 6.04% |
| Band of Investment | 6.83% |

We have concluded to a capitalization rate of 6.25 percent, which is within the range of the reported capitalization rates for the improved sales.

Operating Expense Reconciliation:

In the following tables, we compared historical operating expenses, budgeted operating expenses, comparables operating expenses, and concluded expenses per unit. We have also illustrated the expenses less taxes, utilities, and reserves.

TOTAL EXPENSES PER UNIT

| Subject Expenses | |
|-------------------------------|---------|
| Subject 2014 | \$8,039 |
| Subject 2015 | \$8,149 |
| Subject 2016 | \$7,011 |
| Budget | \$7,063 |
| Comparable Properties | |
| Comp 1 | \$5,668 |
| Comp 2 | \$4,809 |
| Comp 3 | \$4,299 |
| Subject Conclusions | |
| As Is Restricted | \$8,108 |
| As Is Unrestricted | \$7,724 |
| As Renovated Restricted | \$6,705 |
| As Renovated Restricted Sec 8 | \$7,549 |
| As Renovated Unrestricted | \$7,465 |

TOTAL EXPENSES PER UNIT LESS TUR

| Subject Expenses | |
|-------------------------------|---------|
| Subject 2014 | \$4,731 |
| Subject 2015 | \$5,134 |
| Subject 2016 | \$4,272 |
| Budget | \$4,048 |
| Comparable Properties | |
| Comp 1 | \$3,566 |
| Comp 2 | \$3,085 |
| Comp 3 | \$3,200 |
| Subject Conclusions | |
| As Is Restricted | \$4,474 |
| As Is Unrestricted | \$4,306 |
| As Renovated Restricted | \$3,938 |
| As Renovated Restricted Sec 8 | \$4,131 |
| As Renovated Unrestricted | \$4,047 |

Third Party Reports:

We requested, but were not provided with, a physical condition assessment report for the Subject. During our site inspection, we inspected a representative number of units as well as common areas, and did not observe any obvious or significant critical repairs. It should be noted that any significant or critical repairs could have a material impact on our value conclusions.

We requested, but were not provided with, a Phase I environmental report for the Subject. During our site inspection, we walked the Subject's grounds, including the rear of the buildings and the parking lot, and did not observe any obvious indicators of environmental contamination or adverse property condition issues. However, Novogradac & Company LLP does not offer expertise in this field and cannot opine as to the adequacy of the soil conditions, drainage, or existence of adverse environmental conditions. Further analysis is beyond the scope of this report.

Indications of Value:

LAND VALUE

| Scenario | No. of Units | Price/Unit | Indicated Value (Rounded) |
|------------|--------------|------------|---------------------------|
| Land Value | 408 | \$8,000 | \$3,300,000 |

DIRECT CAPITALIZATION ANALYSIS

| Scenario | Cap Rate | Net Operating Income | Indicated Value (Rounded) |
|-------------------------------|----------|----------------------|---------------------------|
| As Is Restricted | 6.25% | \$1,487,330 | \$23,800,000 |
| As Is Unrestricted | 6.25% | \$1,094,667 | \$17,500,000 |
| As Renovated Restricted | 6.25% | \$733,013 | \$11,700,000 |
| As Renovated Restricted Sec 8 | 6.25% | \$1,619,200 | \$25,900,000 |
| As Renovated Unrestricted | 6.25% | \$1,586,916 | \$25,400,000 |

SALES COMPARISON APPROACH

| Scenario | Number of Units | Price Per Unit | Indicated Value (Rounded) |
|-------------------------------|-----------------|----------------|---------------------------|
| As Is Restricted | 204 | \$115,000 | \$23,500,000 |
| As Is Unrestricted | 204 | \$85,000 | \$17,300,000 |
| As Renovated Restricted | 222 | \$50,000 | \$11,100,000 |
| As Renovated Restricted Sec 8 | 222 | \$120,000 | \$26,600,000 |
| As Renovated Unrestricted | 222 | \$115,000 | \$25,500,000 |

INSURABLE VALUE

| Scenario | Indicated Value (Rounded) |
|----------------------------|---------------------------|
| Insurable Value of Subject | \$18,100,000 |

VALUE AT LOAN MATURITY - RESTRICTED

| Scenario | Indicated Value (Rounded) |
|------------|---------------------------|
| Restricted | \$12,900,000 |

VALUE AT LOAN MATURITY - UNRESTRICTED

| Scenario | Indicated Value (Rounded) |
|--------------|---------------------------|
| Unrestricted | \$33,600,000 |

TAX CREDIT VALUATION

| Scenario | Tax Credits | Price per Credit | Indicated Value (Rounded) |
|---------------|--------------|------------------|---------------------------|
| Federal LIHTC | \$15,631,607 | \$0.98 | \$15,300,000 |
| State LIHTC | 15,631,607 | \$0.64 | \$10,000,000 |

Exposure Period: 9-12 Months.

II. FACTUAL DESCRIPTION

Factual Description

Appraisal Assignment and Valuation Approach

As requested, the appraisers provided several value estimates, described and defined below:

- Market value “As If Vacant” of the fee simple interest in the property (land value).
- Leased fee market value “As Is” subject to restricted rents.
- Hypothetical leased fee market value “As Is” subject to unrestricted rents.
- Hypothetical leased fee market value “upon completion and stabilization” – prospective value assuming completion and stabilization of occupancy, subject to restricted LIHTC rents.
- Hypothetical leased fee market value “upon completion and stabilization” – prospective value assuming completion and stabilization of occupancy, subject to new Section 8 rents.
- Hypothetical leased fee market value “upon completion and stabilization” – prospective value assuming completion and stabilization of occupancy, subject to unrestricted rents.
- Insurable Value
- Prospective Market Value at loan maturity.
- Valuation of Tax Credits.

In determining the value estimates, the appraisers employed the sales comparison and income capitalization approaches to value. The property is an existing Section 8 apartment community. The as is value was estimated via sales comparison approach of similar properties at similar life-cycle stage. Given the Subject’s restricted nature, age, and investment type, the cost approach is not considered a reliable method of valuation. It is generally not used by participants in the marketplace. In lieu of the cost approach, we have provided a land value and an insurable value.

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

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

Property Identification

The Subject property is located at 1572 Hardee Street NE in Atlanta, DeKalb County, Georgia 30307. The Subject property is identified by parcel identification numbers: 15-210-02-002 and 15-210-03-219.

Intended Use and Intended User

Rose Affordable Housing Preservation Fund IV, LP is the client in this engagement. We understand that they will use this document to assist in loan/investment underwriting. Intended users include those transaction participants who are interested parties and have knowledge of the Section 8 and LIHTC program. Georgia DCA is an intended user of this report. These could include local housing authorities, state allocating agencies, state lending authorities, construction and permanent lenders, and syndicators. As our client, Rose Affordable Housing Preservation Fund IV, LP owns this report and permission must be granted from them before another third party can use this document. We assume that by reading this report another third party has accepted the terms of the original engagement letter including scope of work and limitations of liability. We are prepared to modify this document to meet any specific needs of the potential uses under a separate agreement.

Property Interest Appraised

For the as is value, the property interest appraised is fee simple estate. For all remaining values, the property interest appraised is leased fee estate, subject to any and all encumbrances, if applicable, for each value estimate.

Date of Inspection and Effective Date of Appraisal

The Subject was inspected by Novogradac on July 11, 2017, which will serve as the effective date for this report.

Scope of the Appraisal

For the purposes of this appraisal, Novogradac visually inspected the Subject and comparable data. Individuals from a variety of city agencies as well as the Subject's development team were consulted (in person or by phone). Various publications, both governmental (i.e. zoning ordinances) and private (i.e. Multiple List Services publications) were consulted and considered in the course of completing this appraisal.

The scope of this appraisal is limited to the gathering, verification, analysis and reporting of the available pertinent market data. All opinions are unbiased and objective with regard to value. The appraiser made a reasonable effort to collect, screen and process the best available information relevant to the valuation assignment and has not knowingly and/or intentionally withheld pertinent data from comparative analysis. Due to data source limitations and legal constraints (disclosure laws), however, the appraiser does not certify that all data was taken into consideration. We believe the scope of work is appropriate for the problem stated.

For the purposes of this appraisal, we have utilized the sales comparison and income approach to complete this assignment based on the scope of work required. In lieu of a cost approach, we provided an insurable value only based on the scope of work.

Extraordinary Assumptions (EA) and Hypothetical Conditions (HC)

For the purposes of our unrestricted analysis, we have used a hypothetical condition for the Subject assuming unrestricted, conventional operations. We have also applied a hypothetical condition that assumes the Subject is renovated as proposed and as of the date of value. We have also requested a copy of a Physical Condition Assessment report and Phase I Environmental report. The status of these reports is still pending. Thus, it is an extraordinary assumption that there are no necessary critical repairs or environmental concerns that will significantly impact the value of the Subject. Additionally, it is an extraordinary assumption of this report that the current contract rents will be marked-up-to-market. As such, we are utilizing achievable "as is" and "as proposed" market rents in the determination of potential gross income for the property's Section 8 units. The use of these assumptions and conditions may have affected the assignment results. No other hypothetical conditions or extraordinary assumptions were necessary to complete the valuation for the Subject. We have included a more in depth summary of any limiting conditions in the addenda of this report.

Market Value Definition

For the purposes of this assignment market value is defined as:

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

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

Compliance and Competency Provision

The appraiser is aware of the compliance and competency provisions of USPAP, and within our understanding of those provisions, this report complies with all mandatory requirements, and the authors of this report possess the education, knowledge, technical skills, and practical experience to complete this assignment competently, in conformance with the stated regulations. Moreover, Advisory Opinion 14 acknowledges preparation of appraisals for affordable housing requires knowledge and experience that goes beyond typical residential appraisal competency including understanding the various programs, definitions, and pertinent tax considerations involved in the particular assignment applicable to the location and development. We believe our knowledge and experience in the affordable housing industry meets these supplemental standards.

Unavailability of Information

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

Furniture, Fixtures, and Equipment

Removable fixtures such as kitchen appliances and hot water heaters are considered to be real estate fixtures that are essential to the use and operation of the complex. Supplemental income typically obtained in the operation of an apartment complex is included, and may include minor elements of personal and business property. As immaterial components, no attempt is made to segregate these items.

Ownership and History of Subject

The Subject property is currently owned by Edgewood Court, LTD according to the DeKalb County Assessor's Office. According to a purchase and sale agreement dated February 6, 2017, Rose Affordable Housing Preservation Fund IV, LP intends to purchase the Subject from Edgewood Court, LTD for \$24,000,000 in an arm's length transaction. There have been no known transfers of ownership of the Subject over the past three years. As indicated, our concluded as is restricted value is \$23,800,000 which is just below the proposed purchase price. It should be noted that according to the buyer, the purchase price is based on the increase in rents and efficiencies of operating the property, prior to and post renovations.

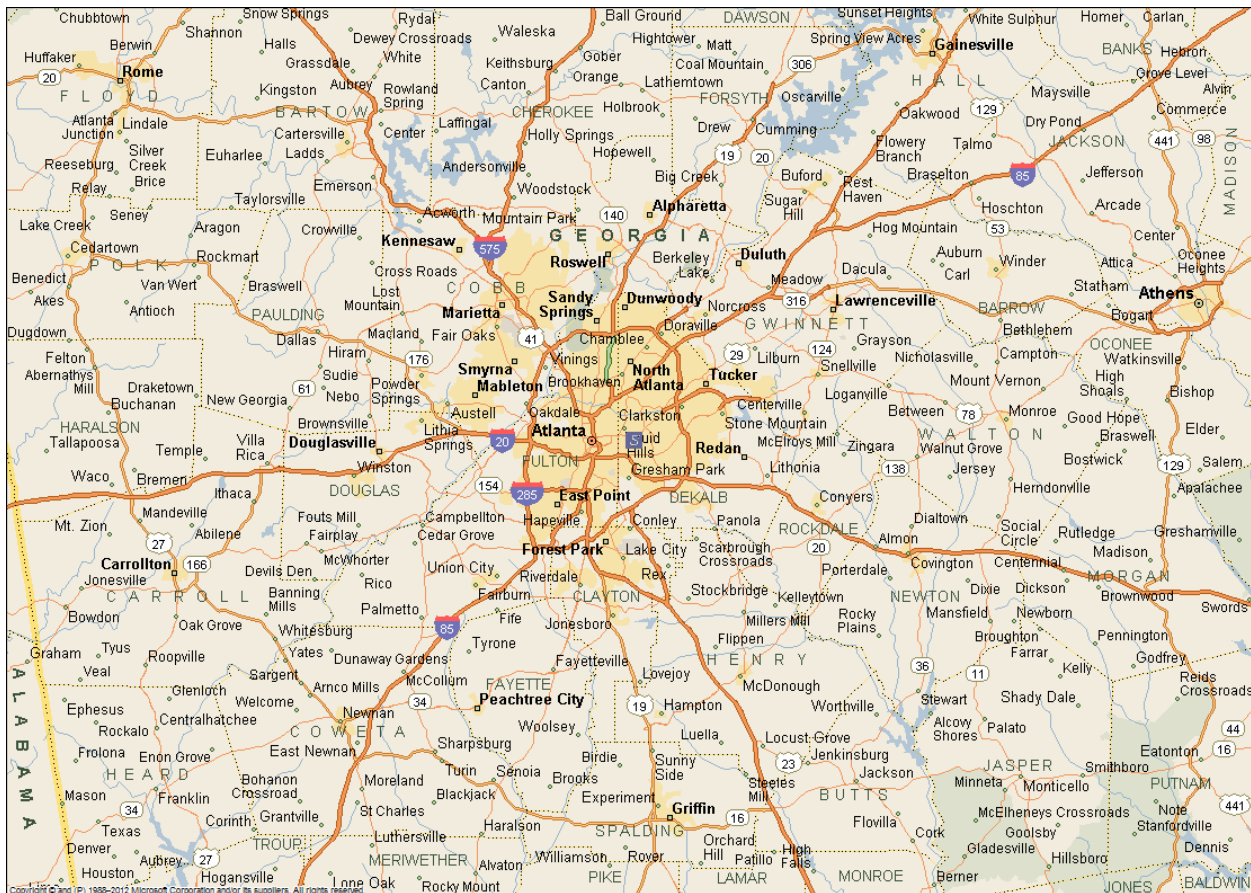
² - 12 C.F.R. Part 34.42(g); 55 Federal Register 34696, August 24, 1990.

III. REGIONAL AND LOCAL AREA ANALYSIS

REGIONAL MAP

The Subject is located in Atlanta, Fulton County, Georgia. DeKalb County is part of the Atlanta-Sandy Springs-Roswell, GA Metropolitan Statistical Area (MSA). The MSA includes Adams, Denver, Douglas, and Jefferson counties. Based on the Subject’s tenancy, we would expect most of the tenants to originate from the Atlanta area with some tenants originating from the MSA and other areas.

The population of DeKalb County was 691,893 in 2010, according to U.S. Census data. As of 2016, the MSA had 5,665,958 people. According to the Bureau of Labor Statistics, the MSA’s unemployment rate in December 2016 was 5.0 percent. Overall, the health of the MSA’s economy has improved and recent trends in employment growth and unemployment rates indicate that the MSA has recovered from the recent national recession and housing crisis.



ECONOMIC ANALYSIS

Major Employers

The diversification of the Atlanta metro area economic base is indicated by the following list of the MSA's largest employers.

| MAJOR EMPLOYERS | | |
|--|------------------------|----------------------------|
| Company | Industry | Number of Employees |
| Delta Air Lines Inc. | Transportation | 31,237 |
| Emory University | Educational/Healthcare | 29,937 |
| Wal-Mart Stores, Inc. | Retail Trade | 20,532 |
| The Home Depot, Inc. | Retail Trade | 20,000 |
| AT&T Inc. | Communications | 17,882 |
| The Kroger Company | Retail Trade | 14,753 |
| WellStar Health System | Healthcare | 13,500 |
| Publix Super Markets, Inc. | Retail Trade | 9,494 |
| United States Postal Service | Government | 9,385 |
| Northside Hospital | Healthcare | 9,016 |
| The Coca-Cola Company | Retail Trade | 8,761 |
| United Parcel Service, Inc. | Government | 8,727 |
| Piedmont Healthcare | Healthcare | 8,707 |
| Centers for Disease Control and Prevention | Healthcare | 8,539 |
| Children's Healthcare of Atlanta | Healthcare | 7,452 |

Source: The Metro Atlanta Chamber of Commerce, Novogradac and Company, 2/2017

As indicated in the table above, the major employers in the MSA are varied and represent a wide range of industries. The three largest employers are in the transportation, education/healthcare, and retail trade industries.

Employment Expansion/Contractions

The following table illustrates business closures and layoffs within Atlanta, GA from 2015 to 2017 YTD, according to the Georgia Department of Labor's Worker Adjustment and Retraining Notification (WARN) filings.

As illustrated in the previous table, Atlanta experienced multiple WARN filings from 2015 to 2017 YTD for a total of 4,053 jobs affected.

WARN Notices - Atlanta, GA

| Company | Jobs Lost | County | Date |
|--|-----------|---------|------------|
| 2017 | | | |
| DAL Global Services | 52 | Fulton | 2/1/2017 |
| West Rock | 66 | Fulton | 1/20/2017 |
| Burris Logistics | 167 | Fulton | 3/20/2017 |
| Newell Brands | 258 | Fulton | 3/31/2017 |
| Windstream Communications | 55 | Fulton | 3/1/2017 |
| 2016 | | | |
| Masterack, Division of Leggett & Platt | 121 | Fulton | 2/29/2016 |
| GA State University | 25 | DeKalb | 2/2/2016 |
| Delta Global Services, LLC. | 275 | Fulton | 3/15/2016 |
| INPAX Shipping Solutions | 37 | Fulton | 1/23/2016 |
| Metropolitan Atlanta Rapid Transit Authority (MARTA) | 371 | Fulton | 3/25/2016 |
| American Residential Properties | 2 | Fulton | 2/29/2016 |
| Advance Auto Parts | 8 | Fulton | 2/16/2016 |
| Georgia Department of Agriculture | 52 | N/A | 5/1/2016 |
| Maslow Media Group | 1 | Fulton | 4/30/2016 |
| Crawford and Company | 21 | DeKalb | 9/30/2016 |
| Core Logic | 36 | Fulton | 8/29/2016 |
| EchoStar Technologies LLC. | 137 | DeKalb | 10/1/2016 |
| Benchmark Brands, Inc. | 156 | Fulton | 8/11/2016 |
| Hawker Beechcraft | 42 | DeKalb | 11/30/2016 |
| Coca-Cola European Partners | 89 | Cobb | 12/15/2016 |
| Holiday Inn Atlanta Perimeter | 43 | DeKalb | 11/20/2016 |
| Corizon Health | 208 | Fulton | 12/31/2016 |
| 2015 | | | |
| Generation Mortgage Company | 64 | Fulton | 1/15/2015 |
| Sony | 100 | Fulton | 2/27/2015 |
| Quad Graphics | 110 | DeKalb | 2/1/2015 |
| Infosys McCamish Systems, LLC. | 61 | Fulton | 3/6/2015 |
| Generation Mortgage Company | 25 | Fulton | 3/31/2015 |
| Meda Pharmaceuticals | 21 | Cobb | 4/30/2015 |
| Affinity Specialty Apparel, Inc. | 60 | Fulton | 4/15/2015 |
| United Airlines | 87 | Clayton | 5/17/2015 |
| New Breed Leasing of New Jersey, Inc. | 89 | Fulton | 5/26/2015 |
| The Intown Academy | 60 | Fulton | 5/29/2015 |
| Generation Mortgage Company | 76 | Fulton | 7/31/2015 |
| Delta Global Services | N/Av | Clayton | 10/1/2015 |
| Aramark | 1078 | Fulton | 11/15/2015 |

Source: Georgia Department of Economic Development, February 2017

Employment and Unemployment Trends

The table below illustrates the employment and unemployment rate for the MSA from 2005 to December 2016.

EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

| Year | Atlanta-Sandy Springs-Roswell, GA MSA | | | | USA | | | |
|-------------------|---------------------------------------|----------|-------------------|--------|------------------|----------|-------------------|--------|
| | Total Employment | % Change | Unemployment Rate | Change | Total Employment | % Change | Unemployment Rate | Change |
| 2005 | 2,445,674 | 2.7% | 5.4% | 0.6% | 141,730,000 | 1.8% | 5.1% | -0.5% |
| 2006 | 2,538,141 | 3.8% | 4.7% | -0.7% | 144,427,000 | 1.9% | 4.6% | -0.5% |
| 2007 | 2,618,825 | 3.2% | 4.4% | -0.2% | 146,047,000 | 1.1% | 4.6% | 0.0% |
| 2008 | 2,606,822 | -0.5% | 6.2% | 1.7% | 145,363,000 | -0.5% | 5.8% | 1.2% |
| 2009 | 2,452,057 | -5.9% | 9.9% | 3.8% | 139,878,000 | -3.8% | 9.3% | 3.5% |
| 2010 | 2,440,037 | -0.5% | 10.3% | 0.4% | 139,064,000 | -0.6% | 9.6% | 0.3% |
| 2011 | 2,486,895 | 1.9% | 9.9% | -0.4% | 139,869,000 | 0.6% | 9.0% | -0.7% |
| 2012 | 2,546,478 | 2.4% | 8.8% | -1.1% | 142,469,000 | 1.9% | 8.1% | -0.9% |
| 2013 | 2,574,339 | 1.1% | 7.8% | -1.0% | 143,929,000 | 1.0% | 7.4% | -0.7% |
| 2014 | 2,619,867 | 1.8% | 6.7% | -1.1% | 146,305,000 | 1.7% | 6.2% | -1.2% |
| 2015 | 2,677,863 | 2.2% | 5.6% | -1.2% | 148,833,000 | 1.7% | 5.3% | -0.9% |
| 2016 YTD Average* | 2,770,683 | 3.5% | 5.0% | -0.6% | 151,435,833 | 1.7% | 4.9% | -0.4% |
| Dec-2015 | 2,716,023 | - | 4.8% | - | 149,703,000 | - | 4.8% | - |
| Dec-2016 | 2,834,631 | 4.4% | 5.0% | 0.2% | 151,798,000 | 1.4% | 4.5% | -0.3% |

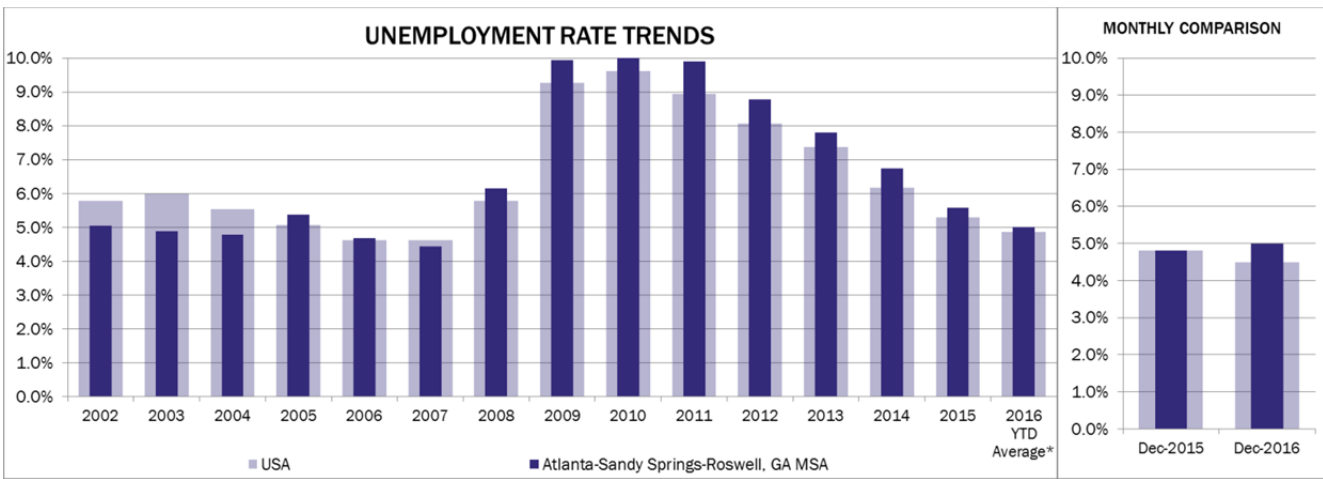
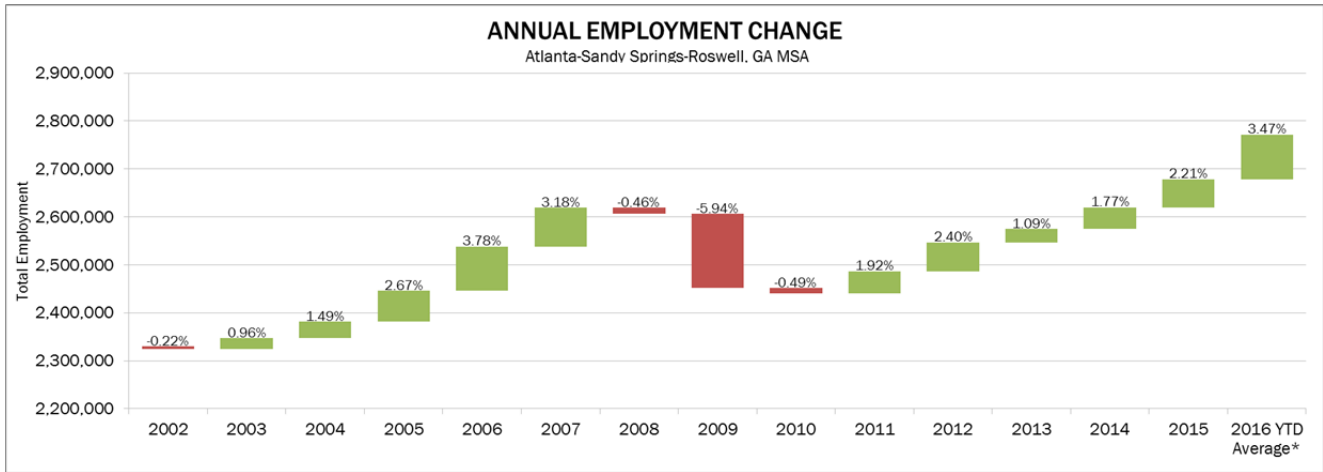
Source: U.S. Bureau of Labor Statistics February 2017

*2016 data is through Nov

Total employment levels increased annually between 2005 and 2007 in the MSA and the nation. However, between 2008 and 2010, employment levels declined significantly due to the recent national recession. From December 2015 to December 2016, the MSA's total employment increased by 4.4 percent, which was significantly faster than the national average of 1.4 percent over the same time period. Although the MSA was negatively affected by the recent national recession, the MSA has been experiencing continuous increases in employment levels since 2011. Further, employment levels have surpassed pre-recessionary levels and the local economy is in an expansion phase.

The national recession caused a significant increase in unemployment. The unemployment rate in the MSA increased by 1.7 percentage points between 2007 and 2008, and increased another 3.8 percentage points between 2008 and 2009. In 2010, the unemployment rate continued to increase, albeit at a slower rate than the prior two years. These increases in 2008, 2009, and 2010 were greater than the national increase in unemployment rate, indicating that the MSA was more significantly affected by the recent economic recession than the nation as a whole. Unemployment rates have continued to decrease in the MSA since 2011. However, between December 2015 and December 2016, the unemployment rate increased slightly but the overall unemployment rate is low compared to prior year data.. The MSA is experiencing the lowest unemployment rate since 2007. Overall, the MSA has recovered from the national recession and total employment has surpassed pre-recessionary levels and the area is currently in an expansion phase.

The tables below provide more illustration of the changes in employment and unemployment rate trends in the MSA.



Employment by Industry

The following table illustrates employment by industry for the PMA and the nation as of 2016.

2016 EMPLOYMENT BY INDUSTRY

| Industry | PMA | | USA | |
|--------------------------------|-----------------|------------------|--------------------|------------------|
| | Number Employed | Percent Employed | Number Employed | Percent Employed |
| Prof/Scientific/Tech Services | 15,792 | 19.4% | 10,269,978 | 6.8% |
| Educational Services | 11,159 | 13.7% | 14,359,370 | 9.5% |
| Healthcare/Social Assistance | 8,590 | 10.6% | 21,304,508 | 14.1% |
| Retail Trade | 6,694 | 8.2% | 17,169,304 | 11.3% |
| Accommodation/Food Services | 6,239 | 7.7% | 11,574,403 | 7.6% |
| Public Administration | 4,065 | 5.0% | 7,093,689 | 4.7% |
| Finance/Insurance | 3,534 | 4.4% | 6,942,986 | 4.6% |
| Manufacturing | 3,531 | 4.3% | 15,499,826 | 10.2% |
| Other Services (excl Publ Adm) | 3,529 | 4.3% | 7,463,834 | 4.9% |
| Information | 3,260 | 4.0% | 2,862,063 | 1.9% |
| Admin/Support/Waste Mgmt Svcs | 3,176 | 3.9% | 6,511,707 | 4.3% |
| Transportation/Warehousing | 2,848 | 3.5% | 6,128,217 | 4.0% |
| Arts/Entertainment/Recreation | 2,479 | 3.1% | 3,416,474 | 2.3% |
| Construction | 1,789 | 2.2% | 9,342,539 | 6.2% |
| Real Estate/Rental/Leasing | 1,772 | 2.2% | 2,946,196 | 1.9% |
| Wholesale Trade | 1,652 | 2.0% | 4,066,471 | 2.7% |
| Utilities | 921 | 1.1% | 1,344,219 | 0.9% |
| Agric/Forestry/Fishing/Hunting | 92 | 0.1% | 2,253,044 | 1.5% |
| Mgmt of Companies/Enterprises | 67 | 0.1% | 89,612 | 0.1% |
| Mining | 8 | 0.0% | 749,242 | 0.5% |
| Total Employment | 81,197 | 100.0% | 151,387,682 | 100.0% |

Source: Esri Demographics 2016, Novogradac & Company LLP, February 2017

As depicted in the previous table, employment in the PMA is greatest in the professional/scientific/tech services sector, the education sector, and the health care sector. Combines, these three sectors account for 44 percent of total employment in the PMA. The Subject’s PMA exhibits a higher percentage of employment within the professional/scientific/tech services sector, the education sector and the information sector, while the nation exhibits a higher percentage of employment in industries such as healthcare/social assistance, manufacturing, retail trade, and other services. Overall, the local economy appears to have significant concentrations of professional/scientific/tech jobs. Additionally, the large presence of health care and education jobs, both of which are historically stable, are a positive indication of the stability of the local economy.

Conclusion

The PMA includes various employment options for area residents. The largest employment types in the area are the professional/scientific/tech services sector, the education sector, and the health care sector. The MSA economy has performed well over the past decade with increased number of employed and a declining unemployment rate. The MSA’s economy appears to be in an expansion phase.

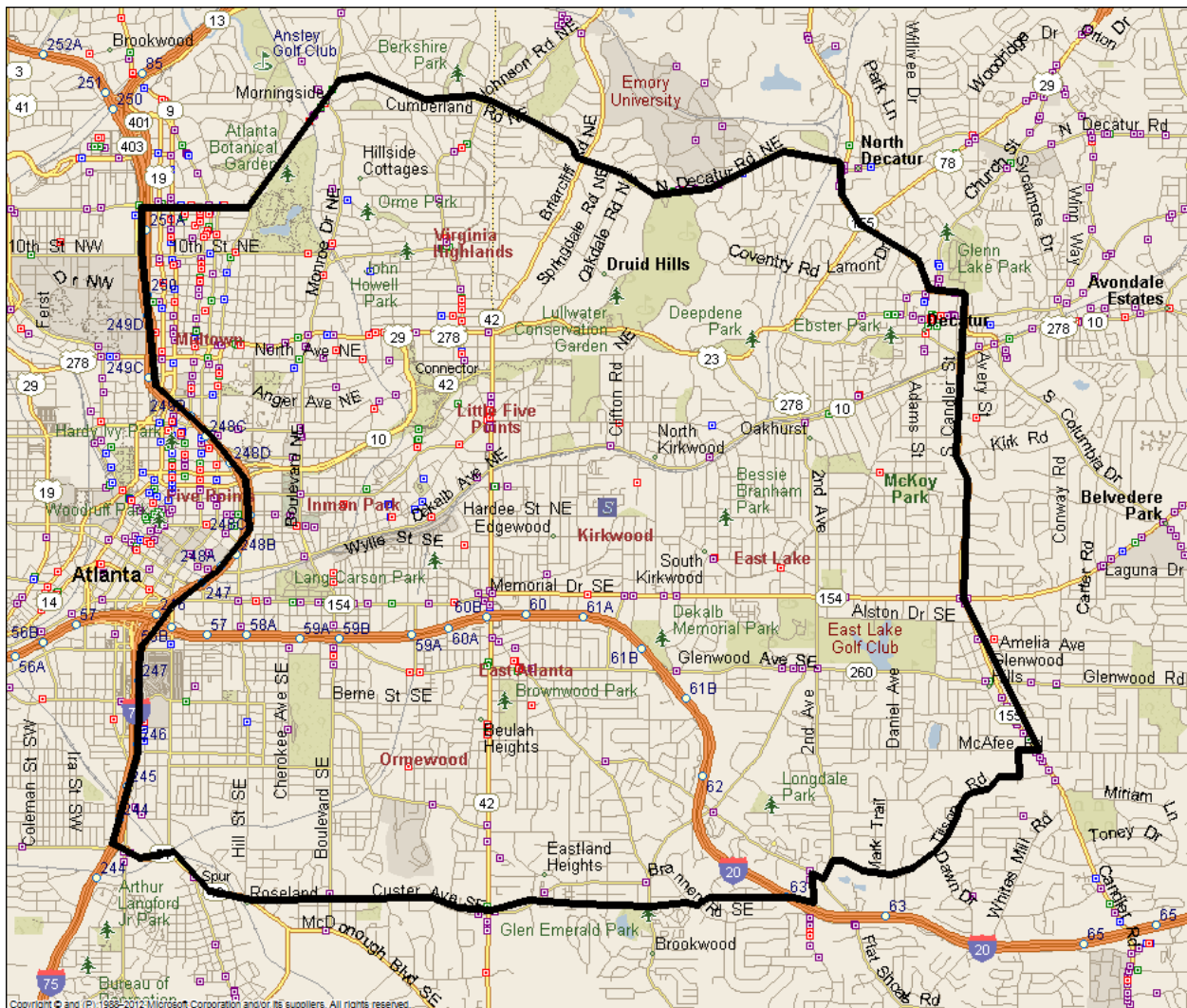
DEMOGRAPHIC ANALYSIS

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

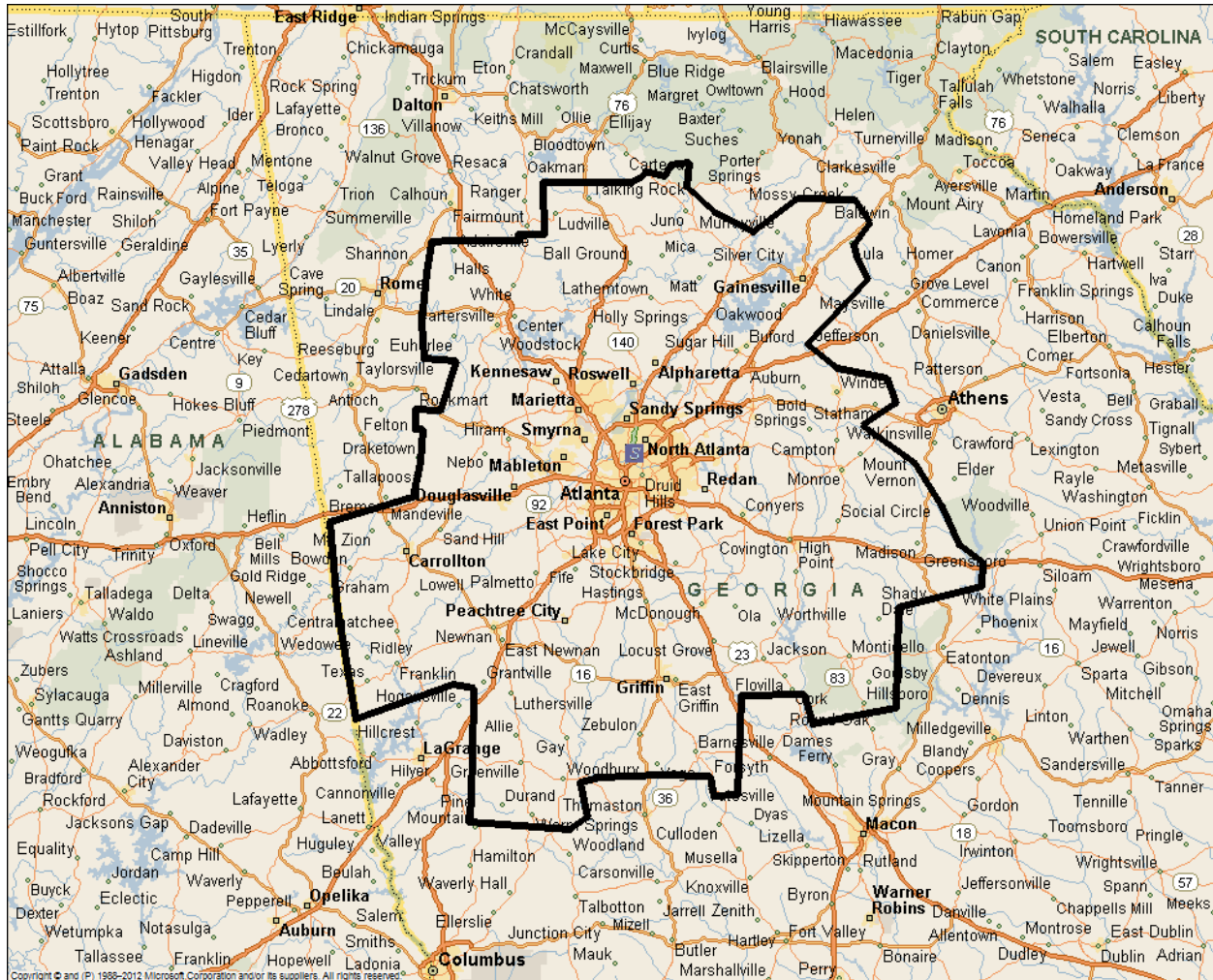
Primary Market Area (PMA)

The PMA is defined by the boundaries of 14th Street NE, Piedmont Avenue, Rock Springs Road NE, Decatur Road, and Claremont Avenue to the north, Candler Street and Windyhill Road to the East, Tillson Road, Stoney Creek Drive SE, Custer Avenue and University Avenue to the south, Interstate 75 to the west. Many property managers have indicated that majority of their tenants from the area are from the Atlanta area. The total square mileage of the PMA is 28 miles. Many of the local property managers indicated that most residents originated from the local area but stated that a small percentage of tenants also come from various points within the greater Atlanta metro area and surrounding communities. Therefore, we have estimated that 10 percent of the tenants come from outside the PMA boundaries. The Atlanta-Sandy Springs-Roswell, GA (MSA) will serve as the Secondary Market Area (SMA).

Primary Market Area Map



Secondary Market Area Map



Population and Households

The tables below illustrate the population and household trends in the PMA, MSA, and nation from 2000 through 2021.

POPULATION

| Year | PMA | | Atlanta-Sandy Springs-Roswell, GA MSA | | USA | |
|-------------------------------------|---------|---------------|---------------------------------------|---------------|-------------|---------------|
| | Number | Annual Change | Number | Annual Change | Number | Annual Change |
| 2000 | 125,533 | - | 4,263,438 | - | 281,421,906 | - |
| 2010 | 129,090 | 0.3% | 5,286,728 | 2.4% | 308,745,538 | 1.0% |
| 2017 | 140,522 | 0.5% | 5,665,958 | 0.4% | 323,580,626 | 0.3% |
| Projected Mkt Entry January 2019 | 144,299 | 1.4% | 5,814,964 | 1.4% | 328,735,186 | 0.8% |
| 2021 | 150,595 | 1.4% | 6,063,308 | 1.4% | 337,326,118 | 0.8% |

Source: Esri Demographics 2017, Novogradac & Company LLP, July 2017

HOUSEHOLDS

| Year | PMA | | MSA | | USA | |
|-----------------|--------|---------------|-----------|---------------|-------------|---------------|
| | Number | Annual Change | Number | Annual Change | Number | Annual Change |
| 2000 | 56,336 | - | 1,559,712 | - | 105,480,101 | - |
| 2010 | 64,569 | 1.5% | 1,943,885 | 2.5% | 116,716,292 | 1.1% |
| 2017 | 70,130 | 0.5% | 2,065,785 | 0.4% | 121,786,233 | 0.3% |
| Proj. Mkt Entry | 72,019 | 1.4% | 2,116,677 | 1.3% | 123,626,746 | 0.8% |
| 2021 | 75,168 | 1.4% | 2,201,496 | 1.3% | 126,694,268 | 0.8% |

Source: Esri Demographics 2017, Novogradac & Company LLP, July 2017

As illustrated above, the population and household growth in the PMA is anticipated to continue through 2021 at a similar annual rate relative to the MSA and a faster rate relative to the nation. The increasing number of households in the PMA is a positive indication of future demand for all types of housing.

Household Income

The table below illustrates Median Household Income in the PMA, MSA, and nation from 2000 through 2021.

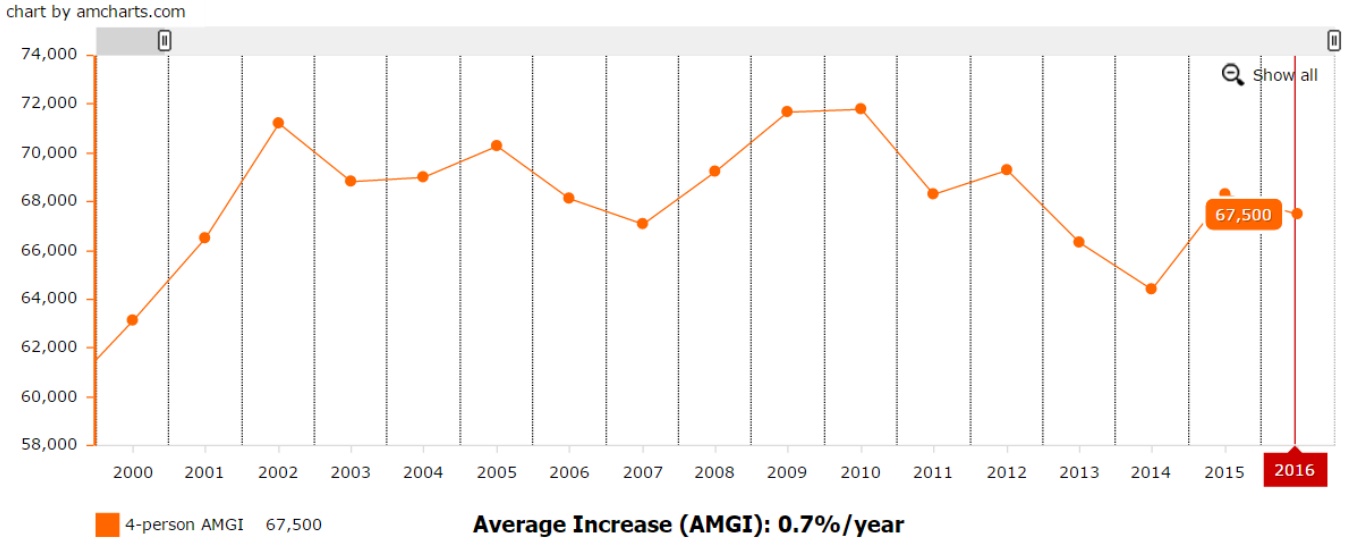
MEDIAN HOUSEHOLD INCOME

| Year | PMA | | Atlanta-Sandy Springs-Roswell, GA MSA | | USA | |
|---------------------|----------|---------------|--|---------------|----------|---------------|
| | Amount | Annual Change | Amount | Annual Change | Amount | Annual Change |
| 2000 | \$38,460 | - | \$51,619 | - | \$42,164 | - |
| 2017 | \$60,318 | 3.3% | \$57,792 | 0.7% | \$54,149 | 1.6% |
| Projected Mkt Entry | | | | | | |
| January 2019 | \$63,816 | 3.1% | \$60,833 | 2.8% | \$56,147 | 2.0% |
| 2021 | \$69,646 | 3.1% | \$65,901 | 2.8% | \$59,476 | 2.0% |

Source: Esri Demographics 2017, Novogradac & Company LLP, 42887

The median household income of the PMA is slightly above that of the MSA and nation. The growth rate of median household income in the PMA is anticipated to be faster than the MSA and the nation through 2021. This bodes well for affordable housing such as the Subject development as lower income families may be priced out of market rate properties, increasing demand for affordable housing.

The following chart illustrates the AMI level for a four-person household in DeKalb County:



Source: Novogradac & Company, LLP, 2/2017

Overall, the AMI has increased at an average annual rate of 0.7 percent between 2000 and 2016, but AMI levels have decreased overall since peaking in 2010. Nationally, 84 percent of counties experienced a decrease in the 2013 AMI level due to decreased income limits in approximately 50 percent of counties nationwide. The Subject’s area appears to have been affected by this change. The Subject’s current rents are based upon Section 8 contract rent levels. However, as previously noted, post renovations, if the Subject’s HAP contract were no longer in place, the Subject would be constrained by Section 42 provisions and its proposed asking LIHTC rents will be restricted to the 2016 maximum allowable levels. Properties placed in service prior to 2016 will be held harmless at higher maximum allowable rent levels.

Conclusion

The Subject property is located in an area where the population and households are expected to increase in the PMA and MSA through 2021. Additionally, the median household income in the PMA is expected to remain above that of the MSA and the nation through 2021. The relatively high median household income in the PMA compared to the MSA and nation, combined with the anticipated population and household growth, suggest ongoing demand for affordable housing in the PMA.

NEIGHBORHOOD ANALYSIS

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

Surrounding Land Uses

The Subject is located in the Edgewood neighborhood of Atlanta, approximately four miles east of downtown. The Subject neighborhood consists primarily of single-family homes in fair to good condition, condominium developments, parks and educational uses, religious uses, vacant land, and several offices. West of the Subject are single-family homes in fair to excellent condition and religious uses. Adjacent uses to the north consist of the Valerie Dial Thomas Facilities Center, a corporate office of a tech company (Big Nerd Ranch), and LaFrance Street Lofts, a condominium development in good condition. Carlyle Park, a townhome style for-purchase development in very good condition, is located to the northwest. South of the Subject is a public school, followed by a public park and recreation center. East of the Subject is wooded vacant land, followed by public sports fields and a restaurant. Further east is Retreat at Edgewood, a mixed income multifamily development in excellent condition. We included this property as a comparable. The retail in the immediate area appeared approximately 85 to 90 percent occupied. Overall, the Subject site is an good location for multifamily use. The following map and table outline various local amenities.

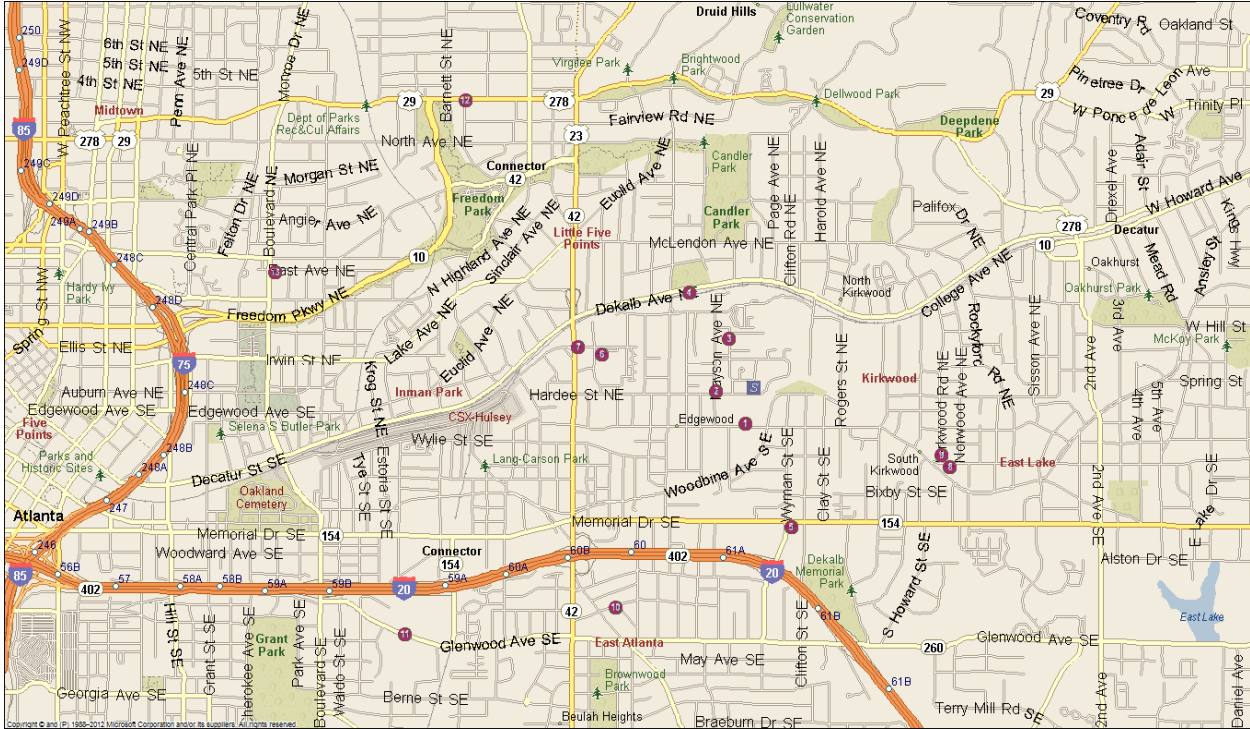
It should be noted that the Edgewood neighborhood is experiencing significant revitalization. One major project proximate to the Subject is the transit-oriented-development (TOD) planned at the Edgewood-Candler Park MARTA, roughly half a mile north of the Subject site. This development will include 224 residential units, 232,218 square feet of retail space, as well as additional office space.

Proximity to Local Services

The Subject is close to most important local services as shown in the table below.

| LOCATIONAL AMENITIES | | |
|----------------------|-----------------------------------|-----------------------|
| Number | Service or Amenity | Distance from Subject |
| 1 | Sammye E. Coan Middle School | 0.1 mile |
| 2 | Bus Stop | 0.1 mile |
| 3 | Newton Ragsdale Elementary School | 0.2 mile |
| 4 | MARTA Rail Station | 0.5 mile |
| 5 | Exxon Gas Station | 0.6 mile |
| 6 | Well Fargo | 0.7 mile |
| 7 | Kroger | 0.7 mile |
| 8 | Police Station | 0.9 mile |
| 9 | Library | 0.9 mile |
| 10 | Post Office | 1.1 miles |
| 11 | Maynard Jackson High School | 1.8 miles |
| 12 | Rite Aid | 1.8 miles |
| 13 | Atlanta Medical Center | 2.2 miles |

Most desirable locational amenities are located less than two miles of the Subject property. A map with the location of these services follows.



Public Transportation

Public bus transportation in the area is provided by the Metropolitan Atlanta Rapid Transit Authority (MARTA). One-way fares are \$2.50, while the one-way senior fare is \$0.95. Weekly and monthly passes are available. There is a bus stop located 0.1 mile from the Subject. Additionally, the closest MARTA rail station is located 0.5 mile north of the Subject.

Crime Statistics

The following table shows personal and property crimes for the PMA and MSA as an index, meaning an index of 100 is average. Any number above 100 is above average compared to the national crime index, while any number below 100 indicates lower than average crime.

| 2016 CRIME INDICES | | |
|------------------------|------------|---|
| | PMA | Atlanta-Sandy Springs- Roswell, GA MSA |
| Total Crime* | 320 | 139 |
| Personal Crime* | 367 | 130 |
| Murder | 414 | 155 |
| Rape | 177 | 88 |
| Robbery | 443 | 163 |
| Assault | 350 | 118 |
| Property Crime* | 314 | 140 |
| Burglary | 310 | 147 |
| Larceny | 295 | 134 |
| Motor Vehicle Theft | 481 | 178 |

Source: Esri Demographics 2016, Novogradac & Company LLP, February 2017

*Unweighted aggregations

As shown in the previous table, crime indices within the PMA are above those of the MSA and the nation. The Subject offers security patrol, and the majority of the comparables offer at least one security feature. Post renovation, the Subject will continue to offer patrol, and will remain similar to the comparables. It should be noted that the PMA constitutes an area that is going through significant revitalization.

Conclusion

The Subject’s neighborhood appears to be a good location for an existing Section 8 multifamily development. Most desirable locational amenities are located less than two miles of the Subject property including a grocery store, retail, public schools, public transportation and a public library. The Subject is in an established neighborhood of single-family homes in fair to good condition, condominium and townhome developments in good to excellent condition, parks and educational uses, religious uses, vacant land, and several offices. Further, the area is undergoing revitalization.

IV. ANALYSIS OF THE SUBJECT

DESCRIPTION OF THE SITE

The location of a multifamily property can have a substantial negative or positive impact upon the performance, safety and appeal of the project. The site description will discuss the physical features of the site, as well as layout, access issues, and traffic flow. An aerial map of the Subject is provided below.



- Size:** The Subject is located on two contiguous parcels that total 20.74 acres, or 903,434 square feet.
- Shape:** The Subject site is irregular in shape.
- Frontage:** The Subject primarily has frontage on Hardee Street NE and Foote Street NE, both of which are two-lane roadways with light traffic that generally traverse east to west.
- Topography** The site is generally level.
- Utilities:** All utilities are available to the site.
- Surrounding Visibility/Views:** The Subject is located in the Edgewood neighborhood of Atlanta, approximately four miles east of downtown. The Subject neighborhood consists primarily of single-family homes in fair to good condition, condominium developments, parks and

educational uses, religious uses, vacant land, and several offices. West of the Subject are single-family homes in fair to excellent condition and religious uses. Adjacent uses to the north consist of the Valerie Dial Thomas Facilities Center, a corporate office of a tech company (Big Nerd Ranch), and LaFrance Street Lofts, a condominium development in good condition. Carlyle Park, a townhome style for-purchase development in very good condition, is located to the northwest. South of the Subject is a public school, followed by a public park and recreation center. East of the Subject is wooded vacant land, followed by public sports fields and a restaurant. Further east is Retreat at Edgewood, a mixed income multifamily development in excellent condition. We included this property as a comparable. The retail in the immediate area appeared approximately 85 to 90 percent occupied. Overall, the Subject site is an good location for multifamily use. The following map and table outline various local amenities.

It should be noted that the Edgewood neighborhood is experiencing significant revitalization. One major project proximate to the Subject is the transit-oriented-development (TOD) planned at the Edgewood-Candler Park MARTA, roughly half a mile north of the Subject site. This development will include 224 residential units, 232,218 square feet of retail space, as well as additional office space.

Overall, visibility and views are considered good.

Access and Traffic Flow:

There are multiple access points to the Subject property. The Subject primarily has frontage on Hardee Street NE and Foote Street NE, both of which are two-lane roadways with light traffic that generally traverse east to west. Hardee Street NE provides access to Moreland Avenue NE roughly 0.6 mile to the west. Moreland Avenue NE is a major thoroughfare that provides access to Interstate 20 roughly 0.7 mile to the south. Overall, access and traffic flow are considered good.

Environmental, Soil and Subsoil Conditions and Drainage:

We requested, but were not provided with, a Phase I environmental report for the Subject. During our site inspection, we walked the Subject's grounds, including the rear of the buildings and the parking lot, and did not observe any obvious indicators of environmental contamination or adverse property condition issues. However, Novogradac & Company LLP does not offer expertise in this field and cannot opine as to the adequacy of the soil conditions, drainage, or existence of adverse environmental conditions. Further analysis is beyond the scope of this report.

Flood Plain:

According to www.floodinsights.com Community Panel number 1351570064J dated May 16, 2013, the Subject site is located in Zone X, which is defined as an area outside of the 100- and 500-year floodplains. Novogradac and Company LLP does not have expertise in this field and cannot opine on this matter.

- LURA:** We are unaware of any land use regulatory agreements in connection with the Subject site.
- Detrimental Influences:** At the time of the site inspection, there were no detrimental influences observed by the appraiser that would adversely impact the marketability of the Subject.
- Conclusion:** At the time of the site inspection, there were no detrimental influences observed that would adversely impact the marketability of the Subject. The Subject site is considered to be in a good location for multifamily use and is physically capable of supporting a variety of legally permissible uses.

DESCRIPTION OF THE IMPROVEMENTS

Details of the Subject's improvements are summarized on the following page. This information, which was provided by the property manager, is presumed to be accurate.

- Property Improvements:** Edgewood Court, the Subject, is located at 1572 Hardee Street NE in Atlanta, DeKalb County, Georgia. The property is an existing Project-Based Section 8 development that consists of 41 two-story residential buildings originally constructed in 1950 and renovated in 1980. The Subject consists of 24 one-, 64 two-, 84 three-, and 32 four-bedroom units. The Subject currently operates as a Section 8 property covered by HAP contract number GA06A002001, which expires March 17, 2017. The most recent HAP contract rent increase was July 2016.
- Year Built or Date of Construction:** The Subject was originally constructed in 1950 and was renovated in 1980. Additionally, the Subject will be substantially renovated again in 2018 with new LIHTC equity.
- Property Layout and Curb Appeal:** Based on an inspection of the Subject by the appraiser, the property offers a functional property layout and has average curb appeal. Post renovations, the Subject will have good curb appeal.
- Scope of Renovation:** According to the client, the proposed renovations are budgeted at \$15,995,955, or approximately \$72,054 per unit in hard costs. One building, Building 17, will be demolished and replaced with new units as described below. The scope of renovations will include updated kitchens including new cabinets and countertops, plumbing fixtures, and energy star appliances. The interiors of all units will be painted, and new interior and exterior doors will be installed. New flooring and carpeting will be installed in all units. Bathroom renovations will include replacing existing toilets, sinks, towel bars, medicine cabinets, mirrors, and replacing all plumbing fixtures. Exterior renovations will include window replacement and repairs, new elevators, new roofs, upgraded landscaping and parking lot, updated common areas, new exterior signage, and exterior paint. Unit and common area amenities will be improved

and upgraded, but no new amenities will be added as part of the renovation.

It should be noted that there will be three new buildings constructed as part of the renovations that will include 12 one-bedroom and six two-bedroom units offered at 60 percent of AMI or less. Additionally, four three-bedroom Section 8 units will also be included in the new buildings and four units will be demolished and rebuilt.

Current Rents and Unit Mix:

The following table details the current rents for the Subject’s units according to the HUD approved rent schedule, July 1, 2016. Based on the scope of work, the as is restricted valuation is based on the current Section 8 operation. However, the client has requested the as is restricted scenario assuming the current contract rents are marked-up-to- market.

CURRENT RENTS

| Unit Type | Unit Size (SF) | Number of Units | Contract Rent | Utility Allowance (1) | Gross Rent | HUD Fair Market Rents |
|------------------|----------------|-----------------|---------------|-----------------------|------------|-----------------------|
| <i>Section 8</i> | | | | | | |
| 1BR | 594 | 24 | \$722 | \$112 | \$834 | \$820 |
| 2BR | 690 | 64 | \$812 | \$136 | \$948 | \$949 |
| 3BR | 966 | 84 | \$894 | \$167 | \$1,061 | \$1,253 |
| 4BR | 1,219 | 32 | \$951 | \$182 | \$1,133 | \$1,532 |

Notes (1) Source of Utility Allowance provided by HUD Rent Schedule, Effective 4/2017

The following table illustrates the proposed unit mix, post renovations.

PROPOSED RENTS

| Unit Type | Unit Size (SF) | Asking Rent | Utility Allowance (1) | Gross Rent | 2016 LIHTC Maximum Allowable Gross Rent | Proposed Contract Rents* |
|----------------------------|----------------|-------------|-----------------------|------------|---|--------------------------|
| <i>60% AMI (Section 8)</i> | | | | | | |
| 1BR/1BA | 594 | \$677 | \$82 | \$759 | \$759 | \$1,075 |
| 2BR/1BA | 690 | \$803 | \$109 | \$912 | \$912 | \$1,200 |
| 3BR/1.5B/ | 966 | \$917 | \$136 | \$1,053 | \$1,053 | \$1,375 |
| 3BR/1.5B/ | 1,050 | \$917 | \$136 | \$1,053 | \$1,053 | \$1,375 |
| 4BR/2BA | 1,219 | \$1,011 | \$163 | \$1,174 | \$1,174 | \$1,525 |
| <i>60% AMI</i> | | | | | | |
| 1BR/1BA | 650 | \$677 | \$82 | \$759 | \$759 | - |
| 2BR/1BA | 850 | \$803 | \$109 | \$912 | \$912 | - |
| Total | | | | | | |

Notes (1) Source of Utility Allowance provided by the Subject's HAP Contract

*Note: Due to the type of HAP Contract renewal, contract rents will increase post-renovation

Parking: We were not provided with the exact number of parking spaces. However, based on our inspection, the amount of parking appears adequate based on the current unit mix.

Unit Layout: Based on our physical inspection of representative units, the floor plans appear adequate relative to their intended use and they offer good functional utility. The appraiser inspected the following units on July 11, 2017.

| UNITS INSPECTED | | | |
|-----------------|---------|----------|-----------|
| Unit # | Bedroom | Status | Condition |
| 23B | 1BR | Occupied | Average |
| 19F | 4BR | Vacant* | Average |
| 19C | 2BR | Vacant | Average |
| 7D | 3BR | Occupied | Average |
| 26F | 1BR | Vacant* | Average |

*Preleased

Utility Structure: The tenant is responsible for gas utilities including gas cooking, heating and water heating, as well as general electric expenses. The landlord is responsible for cold water, sewer and trash expenses. Post renovation, the utility structure will remain the same. Most of the comparable properties have differing utility structures when compared to the Subject and receive adjustments. These adjustments are based on the utility allowance schedule provided by the Atlanta Housing Authority dated July 1, 2016, the most recent available.

| UTILITY ALLOWANCE | | | | | |
|--|----------|--------------|--------------|--------------|--------------|
| UTILITY AND SOURCE | Paid By | 1BR | 2BR | 3BR | 4BR |
| Heating - Gas | Tenant | \$45 | \$47 | \$49 | \$51 |
| Cooking - Gas | Tenant | \$5 | \$6 | \$8 | \$9 |
| Other Electric | Tenant | \$39 | \$48 | \$57 | \$66 |
| Air Conditioning | Tenant | \$18 | \$30 | \$41 | \$52 |
| Water Heating - Gas | Tenant | \$9 | \$13 | \$16 | \$19 |
| Water | Landlord | \$22 | \$34 | \$47 | \$61 |
| Sewer | Landlord | \$53 | \$83 | \$117 | \$150 |
| Trash | Landlord | \$0 | \$0 | \$0 | \$0 |
| TOTAL - Paid By Subject | | \$75 | \$117 | \$164 | \$211 |
| TOTAL - Paid By Tenant | | \$116 | \$144 | \$171 | \$197 |
| TOTAL - Paid By Tenant Provided by HUD Rent | | \$111 | \$135 | \$166 | \$181 |
| DIFFERENCE | | 96% | 94% | 97% | 92% |

Source: Atlanta Housing Authority, Effective 7/1/2016

The Subject utilizes property specific utility allowances, as established by the HUD Rent Schedule, effective July 1, 2016. Thus, we adjusted the utility allowances to reflect 92 to 96 percent of the housing authority estimates. The following table illustrates

the utility allowances utilized to adjust the comparable rents in the grids.

UTILITY ALLOWANCE - Adjusted

| UTILITY AND SOURCE | Paid By | 1BR | 2BR | 3BR | 4BR |
|---|----------|--------------|--------------|--------------|--------------|
| Heating - Gas | Tenant | \$43 | \$44 | \$48 | \$47 |
| Cooking - Gas | Tenant | \$5 | \$6 | \$8 | \$8 |
| Other Electric | Tenant | \$37 | \$45 | \$55 | \$61 |
| Air Conditioning | Tenant | \$17 | \$28 | \$40 | \$48 |
| Water Heating - Gas | Tenant | \$9 | \$12 | \$16 | \$17 |
| Water | Landlord | \$21 | \$32 | \$46 | \$56 |
| Sewer | Landlord | \$51 | \$78 | \$114 | \$138 |
| Trash | Landlord | \$0 | \$0 | \$0 | \$0 |
| TOTAL - Paid By Subject | | \$72 | \$110 | \$159 | \$194 |
| TOTAL - Paid By Tenant | | \$111 | \$135 | \$166 | \$181 |
| TOTAL - Paid By Tenant Provided by HUD Rent Schedule | | \$111 | \$135 | \$166 | \$181 |

Source: Atlanta Housing Authority, Effective 7/1/2016

Americans With Disabilities Act of 1990:

We did not observe any obvious violations of the Americans with Disabilities Act of 1990. Additionally, post renovation, we anticipate there will be no violations of the Americans with Disabilities Act of 1990 based on the scope of work provided by the borrower.

PCR:

We requested, but were not provided with, a physical condition assessment report for the Subject. During our site inspection, we inspected a representative number of units as well as common areas, and did not observe any obvious or significant critical repairs. It should be noted that any significant or critical repairs could have a material impact on our value conclusions.

Remaining Economic Life:

The Subject's actual age is 67 years based on the original construction of 1950. Additionally, the Subject was renovated in 1980. Further, 18 new units will be added as part of the scope of the renovations. Based on a typical economic life of 60 years and the Subject's current condition, we have estimated the effective age to be 35 years. Thus, the remaining economic life is approximately 25 years. Post renovation, the remaining economic life will be approximately 40 years.

Quality of Construction:

At the time of the inspection, the Subject was in average condition. The Subject appears to have been completed in a manner consistent with the information provided, using average-quality materials in a professional manner. Upon completion of the planned renovations, we anticipate the Subject will be in good condition based on the scope of work supplied by the client.

Functional Utility:

Based on our site inspection, the Subject does not appear to suffer from functional obsolescence.

Conclusion:

The Subject is an average quality Section 8 property. Based on our

site inspection, the Subject does not appear to suffer from functional obsolescence and it provides good utility for its intended use. Post renovations, the Subject will be in good condition.

ASSESSMENT VALUE AND TAXES

The following real estate tax estimate is based upon our interviews with local assessment officials, either in person or via telephone. We do not warrant its accuracy. It is our best understanding of the current system as reported by local authorities. Currently, the assessment of affordable housing properties is a matter of intense debate and in many jurisdictions pending legal action. The issue often surrounds how the intangible value or restricted rents are represented. We cannot issue a legal opinion as to how the taxing authority will assess the Subject. We advise the client to obtain legal counsel to provide advice as to the most likely outcome of a possible reassessment.

The Subject site is located within the DeKalb County real estate taxing jurisdiction. Real estate taxes for a property located in this jurisdiction are based upon a property’s taxable value, which is a product of its assessed value, which is derived from the overall market value. The real estate taxes to an individual property may be determined by multiplying the assessed value for the property by a composite rate. We spoke to Brian Clemons, a Dekalb County assessor, who informed us that multifamily properties in the county are primarily valued with the income approach and are assessed at 40 percent of full market value. Additionally, properties are reassessed every year. If the sale price is available, the county will consider setting the market value at or near the sale price. The following tables outline the Subject’s current and historical assessments. According to the Mr. Clemons, the millage rate for the Subject is \$43.365 per \$1,000 for the combined county and city taxes. The following illustrates the Subject’s current and historical assessment data.

CURRENT ASSESSMENT AND TAX BURDEN

| Parcel Number | Total Market Value | Assessment Ratio | Total Assessed Value | Assessed Value Per Unit |
|---------------|--------------------|------------------|----------------------|-------------------------|
| 15-210-02-002 | \$4,212,000 | 40% | \$1,684,800 | \$8,259 |
| 15-210-03-219 | \$1,296,000 | 40% | \$518,400 | \$2,541 |
| Total | \$5,508,000 | 40% | \$2,203,200 | \$10,800 |

Provided below is a summary of tax comparables in the area, several of which are also included as rent comparables in the Supply Analysis presented later.

COMPARABLE ASSESSMENTS

| Property | Type | Year Built | Number of Units | Assessed Value | Assessed Value Per Unit |
|---------------------------|-----------------|------------|-----------------|----------------|-------------------------|
| Highlands at East Atlanta | Section 8 | 1971 | 250 | \$3,200,000 | \$12,800 |
| Presley Woods | Section 8/LIHTC | 1996 | 40 | \$466,000 | \$11,650 |
| Columbia Mill Apartments | LIHTC | 2014 | 100 | \$1,092,096 | \$10,921 |
| Kirkwood Gardens | LIHTC | 1970s/2000 | 42 | \$526,440 | \$12,534 |
| Vineyards of Flat Shoals | LIHTC/Mkt | 1966/2005 | 228 | \$2,080,000 | \$9,123 |
| Oak Pointe Apartments | Market | 1963/2016 | 114 | \$1,596,000 | \$14,000 |
| The Element at Kirkwood | Market | 1970/2016 | 176 | \$3,012,760 | \$17,118 |

Reasonable Assessment and Taxes

The Subject’s current assessed value is slightly below the range of the Section 8 and market rate comparables. However, for the as is restricted scenario, we are assuming the rents are brought up to market, which would indicate a higher assessment would be appropriate. Thus, for the as is restricted scenario, we will utilize \$25,000 per unit for our estimated tax burden, which is slightly above the comparable range but appears reasonable based on the Subject’s unit mix and the fact that the as proposed rents will be in place at closing. For the “as is unrestricted” valuation, we will utilize \$20,000 per unit, which

is slightly above the range of the market rate comparables based on the superior unit mix. The following tables illustrate the estimate as is tax burdens for the Subject.

TAX CALCULATION - AS IS RESTRICTED SCENARIO

| Property | Assesed Value Per Unit | Total Assesed Value | Millage Rate | Estimated Tax Burded | Estimated Tax Burden Per Unit |
|----------|---------------------------|------------------------|--------------|-------------------------|----------------------------------|
| Subject | \$25,000 | \$5,100,000 | 4.3365% | \$221,162 | \$1,084 |

TAX CALCULATION - AS IS UNRESTRICTED SCENARIO

| Property | Assesed Value Per Unit | Total Assesed Value | Millage Rate | Estimated Tax Burded | Estimated Tax Burden Per Unit |
|----------|---------------------------|------------------------|--------------|-------------------------|----------------------------------|
| Subject | \$20,000 | \$4,080,000 | 4.3365% | \$176,929 | \$867 |

For the as renovated scenarios, we anticipate that the Subject would be assessed at a slightly higher value for the Section 8 and unrestricted scenarios based on higher rents. However, the Subject’s rents will be restricted to the 2016 maximum allowable levels in the restricted LIHTC scenario, which are lower than the achievable Section 8 and market rents. and will therefore be below the as renovated restricted Section 8 and unrestricted scenarios. Overall, given the subject's new unit mix with 18 additional units as well as the anticipated condition post renovations, we believe a conclusion slightly above the range of the comparables is reasonable for the restricted Section 8 and unrestricted scenarios, post renovations. The following tables illustrate the estimated tax burden for the Subject, post renovations.

TAX CALCULATION -AS RENOVATED RESTRICTED LIHTC

| Property | Assesed Value Per Unit | Total Assesed Value | Millage Rate | Estimated Tax Burded | Estimated Tax Burden Per Unit |
|----------|---------------------------|------------------------|--------------|-------------------------|----------------------------------|
| Subject | \$12,500 | \$2,775,000 | 4.3365% | \$120,338 | \$542 |

TAX CALCULATION - AS RENOVATED UNRESTRICTED

| Property | Assesed Value Per Unit | Total Assesed Value | Millage Rate | Estimated Tax Burded | Estimated Tax Burden Per Unit |
|----------|---------------------------|------------------------|--------------|-------------------------|----------------------------------|
| Subject | \$27,500 | \$6,105,000 | 4.3365% | \$264,743 | \$1,193 |

TAX CALCULATION -AS RENOVATED RESTRICTED Section 8

| Property | Assesed Value Per Unit | Total Assesed Value | Millage Rate | Estimated Tax Burded | Estimated Tax Burden Per Unit |
|----------|---------------------------|------------------------|--------------|-------------------------|----------------------------------|
| Subject | \$27,500 | \$6,105,000 | 4.3365% | \$264,743 | \$1,193 |

It should be noted that our estimated restricted and unrestricted market values for tax purposes are below our market values presented later in this report. However, this appears reasonable based on other sales in the area. Thornberry Apartments, The Woodbridge, and East Perimeter Apartments all sold in DeKalb County in 2015, and are currently assessed at amounts between 55 and 80 percent of the sales price. It should be noted that there is recent change to legislation to how tax credit properties are assessed. However, it is unclear how local assessor’s will move forward with the recent changes on the valuation of low income housing tax credit properties.

ZONING

Current Zoning

The Subject is located inside the Atlanta city limits; thus, it must comply with the City of Atlanta's zoning regulations. According to the City of Atlanta's Official Zoning Map, the Subject is zoned RG-3, which permits multifamily dwellings. This zoning district permits developments with a maximum floor to area ratio (FAR) of 0.696. The Subject is currently improved to a FAR of 0.204, well below the maximum allowable density. According to the zoning ordinance, the Subject is required to offer 1.0 parking spaces per unit. We were not provided with the exact number of parking spaces at the Subject. However, based on our inspection, the Subject appears to offer at least one parking space per unit. Thus, the Subject appears to be a legal, conforming use. Additionally, the parking ratio and density appears consistent with other multifamily properties in the area.

According to the City of Atlanta Zoning Ordinances, should a nonconforming multi-family residential, commercial, or industrial structure, or nonconforming portion of structure be destroyed by any means to an extent of more than 60 percent of its replacement cost at the time of destruction, it shall not be reconstructed except in conformity with the provisions of this chapter.

Potential Zoning Changes

We are not aware of any proposed zoning changes at this time.

V. COMPETITIVE RENTAL ANALYSIS

GENERAL MARKET INFORMATION

We consulted a REIS Submarket Trend Futures report for the Atlanta metro area to gather information on the local apartment rental market. According to the report, asking rents in the metro area increased 1.2 percent from the third quarter of 2016 to the fourth quarter of 2016. Comparatively, asking rents in the South Atlantic region increased 0.5 percent and the nation as a whole increased 0.3 percent during the same time period. Vacancy in the metro area increased 0.1 percentage point to 3.8 percent, from the third quarter of 2016 to the fourth quarter of 2016; vacancy in the South Atlantic region also increased 0.1 percentage point, and vacancy in the nation as a whole remained the same over the same time period. Market data in Atlanta metro area is positive, with low vacancy and increasing asking rents; this bodes well for the Subject.

New Supply

We have attempted to contact the City of Atlanta Planning Department multiple times in order to gather information on multifamily project either in the planning stages or currently under construction. At this time none of our phone calls have been returned. However, we were able to gather information from REIS on either proposed, planned, or under construction multifamily developments within the Decatur/Avondale Submarket, which encompasses the Subject

MULTIFAMILY DEVELOPMENTS

| Property Name | Street Address | Number of Units | Status | Est. Completion Year |
|--|-------------------------------------|-----------------|---------------|----------------------|
| Avondale Hills | 3360 Mountain Drive | 316 | Planned | 2018 |
| Avondale MARTA Station | 2615-2661 East College Avenue | 532 | Planned | N/Av |
| Avondale Mixed Use Building | Laredo Street @ Parry Street | 200 | Proposed | N/Av |
| Avondale MARTA Station Phase II | 2615 - 2661 East College Ave | 125 | Planned | N/Av |
| College Avenue Mixed Use | East College Ave & Hillyer St | 197 | Planned | N/Av |
| Decatur Crossing Phase I | Scott Blvd @ N Decatur Road | 250 | Under Constr. | 2017 |
| Decatur Crossing Phase II | Scott Blvd @ N Decatur Road | 150 | Under Constr. | 2017 |
| E.CO | 2461 E College Avenue | 288 | Planned | N/Av |
| E.CO (AFFORDABLE HOUSING)* | 2462 E College Avenue | 92 | Planned | N/Av |
| East College Apartments | East College Avenue @ Sams Crossing | 175 | Proposed | N/Av |
| Edgewood/Candler Park MARTA Mixed Use Phase I | Dekalb Avenue NE @ Mell Avenue NE | 224 | Under Constr. | 2018 |
| Edgewood/Candler Park MARTA Mixed Use Phase II | Dekalb Avenue NE @ Mell Avenue NE | 235 | Proposed | N/Av |
| Green Park | 2037 Weems Road | 310 | Under Constr. | 2017 |
| Kirkwood Station Apartments | 1910 Bixby Street SE | 250 | Proposed | N/Av |
| North Arcadia Apartments | N Arcadia Ave & E Ponce de Leon Ave | 250 | Proposed | N/Av |
| North Decatur Square (Apts) | 2642 N Decatur Rd | 300 | Planned | 2018 |
| Retreat Mills Creek* | 3220 Mills Creek Circle | 80 | Under Constr. | 2017 |
| Trinity Walk Phase I | 421 W Trinity Place | 52 | Under Constr. | 2017 |
| Trinity Place Mixed Use | 120 W Trinity Place | 330 | Planned | N/Av |

Source: REIS.com, Novogradac and Company, 2/2017

*Affordable

It should be noted that we assume all but two of these developments will be market rate properties, as they were not listed on the DCA allocation lists. Thus, they will not be directly competitive with the Subject. One of the affordable properties, Retreat at Mills Creek, will be a public housing development for seniors, while the other affordable property, E.CO Affordable housing, is located outside of the Subject's PMA and is designated for seniors.

LIHTC Competition / Recent and Proposed Construction

According to the Georgia Department of Community Affairs summary of LIHTC projects awarded tax credits between 2014 and 2016, there were several projects awarded LIHTC funding in the Subject's PMA, which are detailed in the table below:

RECENT LIHTC ALLOCATIONS IN PMA

| Property Name | Program | Tenancy | New Construction/Rehab | Award Year | No. of Units |
|--------------------------|------------------|---------|------------------------|------------|--------------|
| City Lights II | LIHTC | Family | New Construction | 2015 | 96 |
| Juniper & 10th High Rise | LIHTC/Public Hsg | Senior | Rehab | 2015 | 149 |
| Grant Street | LIHTC | Senior | New Construction | 2014 | 80 |

There is one recent LIHTC allocations that could potentially compete with the Subject: City Lights II, which consists of 96 units and was awarded LIHTC in 2015.

Local Housing Authority Discussion

We attempted to contact the Atlanta Housing Authority several times, but were unable to reach them and no calls were returned. However, we were able to obtain the Utility Allowances from the Housing Authority website, as well as the payment standards, which are shown in the following table.

PAYMENT STANDARDS

| Unit Type | Payment Standard |
|-----------|------------------|
| 1BR | \$1,650 |
| 2BR | \$2,200 |
| 3BR | \$2,700 |
| 4BR | \$3,100 |

The Subject’s current HAP contract rents are well below the current payment standards for each unit type.

SURVEY OF COMPARABLE PROJECTS

Comparable properties are examined on the basis of physical characteristics, e.g., building type, building age/quality, the level of common amenities, absorption rates, and similarity in rent structure. We attempted to compare the Subject to properties from the competing market, in order to provide a picture of the general economic health and available supply in the market.

Description of Property Types Surveyed/Determination of Number of Units

To evaluate the competitive position of the Subject, 2,233 units in 11 LIHTC and market rate rental properties were surveyed in depth. We have also visited and surveyed other properties that were excluded from the market survey, either because they are not considered comparable to the Subject, management would not provide complete information on the property, or they would not participate in the survey; however, the comparable data utilized is considered sufficient to evaluate the market. Property managers were interviewed for information on unit mix, sizes, and absorption rates, unit features and project amenities; tenant profiles; and market trends in general.

We researched rental housing in the east Atlanta market area and identified seven market-rate apartment properties that were most similar to the Subject in regards to property type, quality, age, structure, location and unit types offered. The Subject is a two-story garden-style property originally constructed in 1950 and subsequently renovated in 1980. Therefore, when selecting the comparables more weight was placed on the comparables being located in a similar location, of similar quality and age. Additionally, the Subject will be extensively renovated in 2018, and we therefore located several comparables that feature a similar vintage as the Subject and have been renovated over the past decade.

We have conducted detailed interviews on the seven multifamily properties in the Subject’s area. We have chosen the most comparable properties to use in the 92273-S8 adjustment grids. We believe that the comparable properties that we selected are the most comparable properties in the Subject’s market or closest rental market. However, there is a limited number of three- and four-bedroom comparables in the

area. Thus, we have utilized one two-bedroom comparable in the three-bedroom grid, two three-bedroom comparables and one two-bedroom comparable in the four-bedroom grid, and utilized a bedroom adjustment in both grids. We believe the properties surveyed offer a good comparison to the Subject.

All four of the LIHTC comparables are located within the Subject’s PMA, and three of the four comparables are located 0.6 mile from the Subject or less. Two of the LIHTC comparables offer three-bedroom units. However, none of the LIHTC comparables offer four-bedroom units. We attempted to contact the Villages at Carver, a LIHTC property located south of the Subject’s PMA that offers four-bedroom units. However, we were unsuccessful.

Overall, the comparables are located within 4.0 miles of the Subject, and five of the 11 comparables are located in within 1.0 miles of the Subject. The rental data gathered from the market is considered sufficient to support the conclusions. The following table lists excluded multifamily properties in Indio near the Subject, which include, but are not limited to:

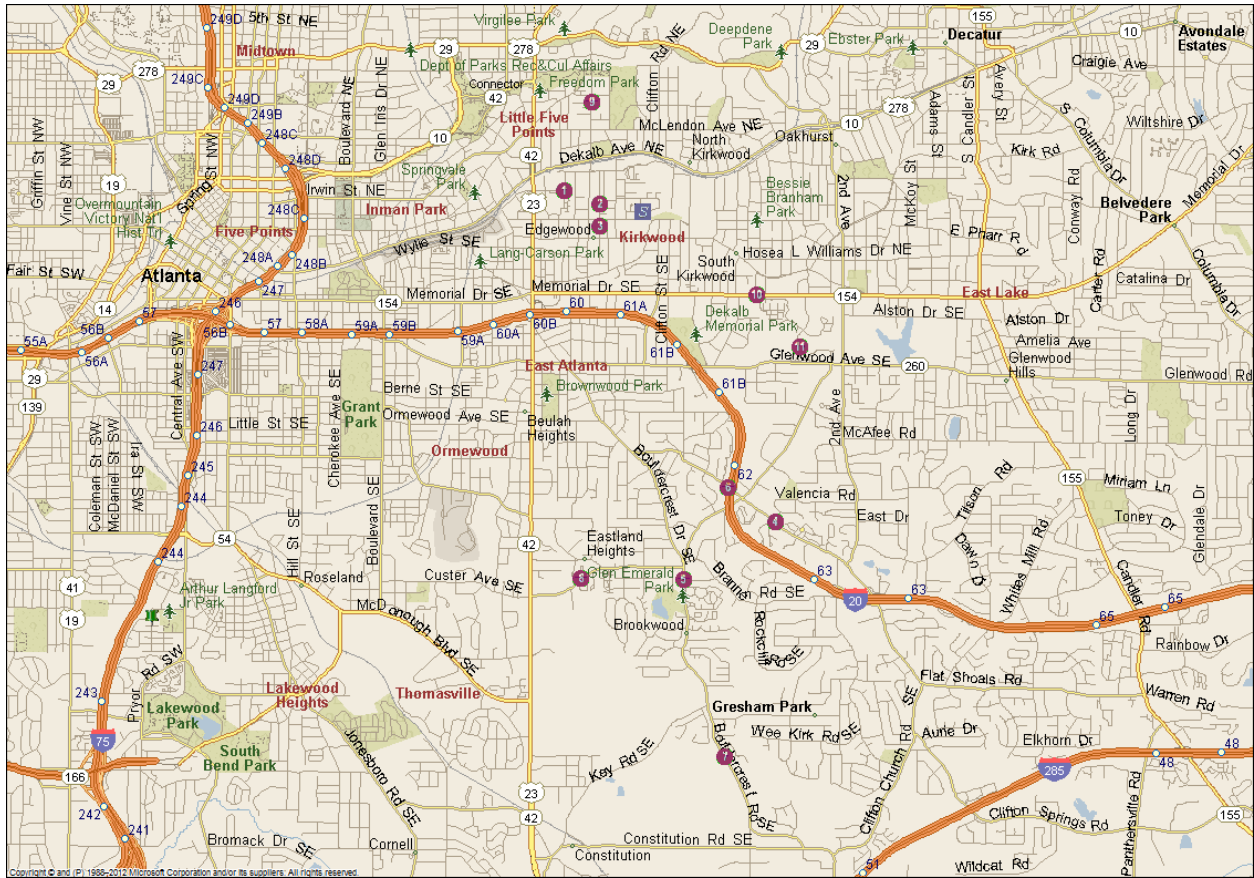
EXCLUDED PROPERTIES

| Property | Program | Tenancy | Reason for Exclusion |
|--|-----------------|---------|---|
| Paradise East Apartments | LIHTC | Family | Unable to Contact |
| Columbia Mill | LIHTC | Family | Unable to Contact |
| Kirkwood Gardens | LIHTC | Family | Incomparable Set Asides |
| The Villages At Carver | LIHTC | Family | Unable to Contact |
| Columbia Senior Residences at Edgewood | Section 8/LIHTC | Senior | Incomparable Tenancy |
| Highlands at East Atlanta | Section 8 | Family | Subsidized Rents |
| Presley Woods Apartments | Section 8 | Family | Subsidized Rents |
| Spring Pointe Apartments | Market | Family | Unable to Contact |
| Parkway Grand Apartments | Market | Family | Closer Comparable Utilized |
| North High Ridge Apartments | Market | Family | More Similar Comparable Used (1BR Only) |
| Station R | Market | Family | Superior Age/Condition (Luxury) |
| Station House Apartments | Market | Family | More Similar Comparable Used (2BR Only) |
| Gresham Arms Apartments | Market | Family | Inferior Condition |
| Villas at Grant Park | Market | Family | Inferior Condition |
| Arbors of East Atlanta | Market | Family | Inferior Condition |

The following table and map are of the comparable properties used in the supply analysis.

COMPARABLE PROPERTIES

| # | Property Name | Type | Distance |
|----|--------------------------------|--------------|-----------|
| 1 | Columbia CitiHomes | LIHTC/Market | 0.6 miles |
| 2 | Retreat at Edgewood | LIHTC | 0.3 miles |
| 3 | Retreat at Edgewood Ph. II | LIHTC/Market | 0.3 miles |
| 4 | Vineyards of Flat Shoals | LIHTC/Market | 2.4 miles |
| 5 | Ashford East Village | Market | 2.7 miles |
| 6 | Broadway at East Atlanta | Market | 2.0 miles |
| 7 | Eagles Run Apartments | Market | 4.0 miles |
| 8 | East Lake Gardens | Market | 2.7 miles |
| 9 | Oak Pointe Apartments | Market | 0.9 miles |
| 10 | The Element at Kirkwood | Market | 1.0 mile |
| 11 | Villages of East Lake I and II | Market/PBRA | 1.5 miles |



PROPERTY PROFILE REPORT

Columbia CitiHomes

| | |
|-------------------------------|--|
| Effective Rent Date | 7/05/2017 |
| Location | 165 Marion Place NE Atlanta, GA 30307 DeKalb County |
| Distance | 0.6 miles |
| Units | 84 |
| Vacant Units | 0 |
| Vacancy Rate | 0.0% |
| Type | Various (2 stories) |
| Year Built/Renovated | 2003 / N/A |
| Marketing Began | N/A |
| Leasing Began | N/A |
| Last Unit Leased | N/A |
| Major Competitors | Villages of East Lake, City View |
| Tenant Characteristics | Mixed tenancy including single parent households from the immediate area |
| Contact Name | Melanie |
| Phone | 404-223-1020 |



Market Information

| | |
|-----------------------------|--------------------------------|
| Program | @50%, @60%, Market, Non-Rental |
| Annual Turnover Rate | 20% |
| Units/Month Absorbed | N/A |
| HCV Tenants | 12% |
| Leasing Pace | Preleased to one week |
| Annual Chg. in Rent | See below |
| Concession | None |

Utilities

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

Unit Mix (face rent)

| Beds | Baths | Type | Units | Size (SF) | Rent | Concession (monthly) | Restriction | Waiting List | Vacant | Vacancy Rate | Max Rent? | Range |
|------|-------|-----------------------|-------|-----------|---------|----------------------|-------------|--------------|--------|--------------|-----------|-------|
| 2 | 2 | Garden (3 stories) | 13 | 1,126 | \$688 | \$0 | @50% | No | 0 | 0.0% | yes | None |
| 2 | 2 | Garden (3 stories) | 12 | 1,162 | \$755 | \$0 | @60% | No | 0 | 0.0% | yes | None |
| 2 | 2 | Garden (3 stories) | 7 | 1,162 | \$1,225 | \$0 | Market | No | 0 | 0.0% | N/A | None |
| 2 | 2.5 | Townhouse | 8 | 1,212 | \$755 | \$0 | @60% | No | 0 | 0.0% | yes | None |
| 2 | 2.5 | Townhouse (3 stories) | 18 | 1,212 | \$688 | \$0 | @50% | No | 0 | 0.0% | yes | None |
| 2 | 2.5 | Townhouse (3 stories) | 4 | 1,331 | \$688 | \$0 | @50% | No | 0 | 0.0% | yes | None |
| 2 | 2.5 | Townhouse (3 stories) | 8 | 1,331 | \$755 | \$0 | @60% | No | 0 | 0.0% | yes | None |
| 2 | 2.5 | Townhouse (3 stories) | 8 | 1,212 | \$1,284 | \$0 | Market | No | 0 | 0.0% | N/A | None |
| 2 | 2.5 | Townhouse (3 stories) | 4 | 1,331 | \$1,284 | \$0 | Market | No | 0 | 0.0% | N/A | None |
| 2 | 2.5 | Townhouse (3 stories) | 2 | 1,212 | \$0 | \$0 | Non-Rental | No | 0 | 0.0% | N/A | None |

Columbia Citihomes, continued

Unit Mix

| @50% | Face Rent | Conc. | Concd. Rent | Util. | Adj. Rent | @60% | Face Rent | Conc. | Concd. Rent | Util. | Adj. Rent |
|-------------|-----------|-------|-------------|-------|-----------|-------------|-----------|-------|-------------|-------|-----------|
| 2BR / 2BA | \$688 | \$0 | \$688 | \$110 | \$798 | 2BR / 2BA | \$755 | \$0 | \$755 | \$110 | \$865 |
| 2BR / 2.5BA | \$688 | \$0 | \$688 | \$110 | \$798 | 2BR / 2.5BA | \$755 | \$0 | \$755 | \$110 | \$865 |
| Market | Face Rent | Conc. | Concd. Rent | Util. | Adj. Rent | Non-Rental | Face Rent | Conc. | Concd. Rent | Util. | Adj. Rent |
| 2BR / 2BA | \$1,225 | \$0 | \$1,225 | \$110 | \$1,335 | 2BR / 2.5BA | N/A | \$0 | N/A | \$110 | \$110 |
| 2BR / 2.5BA | \$1,284 | \$0 | \$1,284 | \$110 | \$1,394 | | | | | | |

Amenities

In-Unit

| | |
|------------------|---------------------|
| Blinds | Carpeting |
| Central A/C | Coat Closet |
| Dishwasher | Ceiling Fan |
| Garbage Disposal | Microwave |
| Oven | Refrigerator |
| Walk-In Closet | Washer/Dryer hookup |

Security

| |
|-------------------|
| Limited Access |
| Perimeter Fencing |

Services

None

Property

| | |
|---------------------------------------|--------------------|
| Clubhouse/Meeting Room/Community Room | Exercise Facility |
| Central Laundry | Off-Street Parking |
| On-Site Management | Picnic Area |
| Playground | Tennis Court |

Premium

None

Other

Gazebo and badminton

Comments

The contact reported occupancy rates are typically at or near 100 percent and the property operates on a first come, first served basis. LIHTC rents have been kept at the maximum allowable level, while market rate rents have increased one to three percent since the third quarter of 2016.

Columbia CitiHomes, continued

Trend Report

Vacancy Rates

| 3Q12 | 1Q17 | 2Q17 | 3Q17 |
|------|------|------|------|
| 1.2% | 1.2% | 1.2% | 0.0% |

Trend: @50%

2BR / 2.5BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2012 | 3 | 0.0% | \$606 | \$0 | \$606 | \$716 |
| 2017 | 1 | 0.0% | \$684 | \$0 | \$684 | \$794 |
| 2017 | 2 | 0.0% | \$688 | \$0 | \$688 | \$798 |
| 2017 | 3 | 0.0% | \$688 | \$0 | \$688 | \$798 |

2BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2012 | 3 | 7.7% | \$606 | \$0 | \$606 | \$716 |
| 2017 | 1 | 0.0% | \$684 | \$0 | \$684 | \$794 |
| 2017 | 2 | 0.0% | \$688 | \$0 | \$688 | \$798 |
| 2017 | 3 | 0.0% | \$688 | \$0 | \$688 | \$798 |

Trend: Market

2BR / 2.5BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2012 | 3 | 0.0% | \$1,109 | \$0 | \$1,109 | \$1,219 |
| 2017 | 1 | 0.0% | \$1,284 | \$0 | \$1,284 | \$1,394 |
| 2017 | 2 | 0.0% | \$1,284 | \$0 | \$1,284 | \$1,394 |
| 2017 | 3 | 0.0% | \$1,284 | \$0 | \$1,284 | \$1,394 |

2BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|-------|-------------------|-------|-------------------|-------------------|
| 2012 | 3 | 0.0% | \$1,074 - \$1,149 | \$0 | \$1,074 - \$1,149 | \$1,184 - \$1,259 |
| 2017 | 1 | 14.3% | \$1,225 | \$0 | \$1,225 | \$1,335 |
| 2017 | 2 | 14.3% | \$1,225 | \$0 | \$1,225 | \$1,335 |
| 2017 | 3 | 0.0% | \$1,225 | \$0 | \$1,225 | \$1,335 |

Trend: Comments

3Q12 No additional comments.

1Q17 The contact reported occupancy rates are typically at or near 100 percent and the property operates on a first come, first served basis.

2Q17 N/A

3Q17 The contact reported occupancy rates are typically at or near 100 percent and the property operates on a first come, first served basis. LIHTC rents have been kept at the maximum allowable level, while market rate rents have increased one to three percent since the third quarter of 2016.

Trend: @60%

2BR / 2.5BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2012 | 3 | 0.0% | \$673 | \$0 | \$673 | \$783 |
| 2017 | 1 | 0.0% | \$732 | \$0 | \$732 | \$842 |
| 2017 | 2 | 0.0% | \$755 | \$0 | \$755 | \$865 |
| 2017 | 3 | 0.0% | \$755 | \$0 | \$755 | \$865 |

2BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2012 | 3 | 0.0% | \$673 | \$0 | \$673 | \$783 |
| 2017 | 1 | 0.0% | \$732 | \$0 | \$732 | \$842 |
| 2017 | 2 | 0.0% | \$755 | \$0 | \$755 | \$865 |
| 2017 | 3 | 0.0% | \$755 | \$0 | \$755 | \$865 |

Trend: Non-Rental

2BR / 2.5BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2012 | 3 | 0.0% | N/A | \$0 | N/A | N/A |
| 2017 | 1 | 0.0% | N/A | \$0 | N/A | \$110 |
| 2017 | 2 | 0.0% | N/A | \$0 | N/A | \$110 |
| 2017 | 3 | 0.0% | N/A | \$0 | N/A | \$110 |

Photos



PROPERTY PROFILE REPORT

Retreat At Edgewood

| | |
|-------------------------------|--|
| Effective Rent Date | 7/14/2017 |
| Location | 150 Hutchinson Street NE Atlanta, GA 30307 DeKalb County |
| Distance | 0.3 miles |
| Units | 100 |
| Vacant Units | 0 |
| Vacancy Rate | 0.0% |
| Type | Various (2 stories) |
| Year Built/Renovated | 2011 / N/A |
| Marketing Began | N/A |
| Leasing Began | 11/22/2011 |
| Last Unit Leased | 4/30/2012 |
| Major Competitors | None identified |
| Tenant Characteristics | Mixed tenancy from the immediate area |
| Contact Name | Julius |
| Phone | 404-577-9001 |



Market Information

| | |
|-----------------------------|-------------|
| Program | @60% |
| Annual Turnover Rate | 23% |
| Units/Month Absorbed | 20 |
| HCV Tenants | 0% |
| Leasing Pace | Pre-leased |
| Annual Chg. in Rent | Kept at max |
| Concession | None |

Utilities

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

Unit Mix (face rent)

| Beds | Baths | Type | Units | Size (SF) | Rent | Concession (monthly) | Restriction | Waiting List | Vacant | Vacancy Rate | Max Rent? | Range |
|------|-------|-----------------------|-------|-----------|-------|----------------------|-------------|--------------|--------|--------------|-----------|-------|
| 1 | 1 | Garden (2 stories) | 10 | 732 | \$674 | \$0 | @60% | No | 0 | 0.0% | yes | None |
| 1 | 1 | Garden (2 stories) | 10 | 789 | \$674 | \$0 | @60% | No | 0 | 0.0% | yes | None |
| 2 | 1.5 | Townhouse (2 stories) | 12 | 1,174 | \$791 | \$0 | @60% | No | 0 | 0.0% | yes | None |
| 2 | 2 | Townhouse (2 stories) | 12 | 1,253 | \$791 | \$0 | @60% | No | 0 | 0.0% | yes | None |
| 2 | 2.5 | Townhouse (2 stories) | 12 | 1,229 | \$791 | \$0 | @60% | No | 0 | 0.0% | yes | None |
| 2 | 2.5 | Townhouse (2 stories) | 12 | 1,333 | \$791 | \$0 | @60% | No | 0 | 0.0% | yes | None |
| 3 | 2 | Townhouse (2 stories) | 12 | 1,538 | \$895 | \$0 | @60% | No | 0 | 0.0% | yes | None |
| 3 | 2.5 | Townhouse (2 stories) | 7 | 1,362 | \$895 | \$0 | @60% | No | 0 | 0.0% | yes | None |
| 3 | 2.5 | Townhouse (2 stories) | 7 | 1,568 | \$895 | \$0 | @60% | No | 0 | 0.0% | yes | None |
| 3 | 2.5 | Townhouse (2 stories) | 6 | 1,697 | \$895 | \$0 | @60% | No | 0 | 0.0% | yes | None |

Retreat At Edgewood, continued

Unit Mix

| @60% | Face Rent | Conc. | Concd. Rent | Util. | Adj. Rent |
|-------------|-----------|-------|-------------|-------|-----------|
| 1BR / 1BA | \$674 | \$0 | \$674 | \$21 | \$695 |
| 2BR / 1.5BA | \$791 | \$0 | \$791 | \$32 | \$823 |
| 2BR / 2BA | \$791 | \$0 | \$791 | \$32 | \$823 |
| 2BR / 2.5BA | \$791 | \$0 | \$791 | \$32 | \$823 |
| 3BR / 2BA | \$895 | \$0 | \$895 | \$46 | \$941 |
| 3BR / 2.5BA | \$895 | \$0 | \$895 | \$46 | \$941 |

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Exterior Storage
Garbage Disposal
Refrigerator
Washer/Dryer

Blinds
Central A/C
Dishwasher
Ceiling Fan
Oven
Walk-In Closet

Security

In-Unit Alarm
Patrol
Video Surveillance

Services

None

Property

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

Clubhouse/Meeting Room/Community Room
Garage
On-Site Management
Playground

Premium

None

Other

Library

Comments

The contact reported strong demand for affordable housing in the local area. The property does not accept Housing Choice Vouchers. Although the property has a high occupancy rate it does not maintain a waiting list and operates on a first-come, first-serve basis. There are a select number of units that have PBRA restrictions. In-unit washer/dryer and garage parking is included with rent.

Retreat At Edgewood, continued

Trend Report

Vacancy Rates

| 2Q16 | 3Q16 | 1Q17 | 3Q17 |
|------|------|------|------|
| 0.0% | 1.0% | 0.0% | 0.0% |

Trend: @60%

1BR / 1BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2016 | 2 | 0.0% | \$590 | \$0 | \$590 | \$611 |
| 2016 | 3 | 5.0% | \$615 | \$0 | \$615 | \$636 |
| 2017 | 1 | 0.0% | \$667 | \$0 | \$667 | \$688 |
| 2017 | 3 | 0.0% | \$674 | \$0 | \$674 | \$695 |

2BR / 1.5BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2016 | 2 | 0.0% | \$669 | \$0 | \$669 | \$701 |
| 2016 | 3 | 0.0% | \$694 | \$0 | \$694 | \$726 |
| 2017 | 1 | 0.0% | \$764 | \$0 | \$764 | \$796 |
| 2017 | 3 | 0.0% | \$791 | \$0 | \$791 | \$823 |

2BR / 2.5BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2016 | 2 | 0.0% | \$669 | \$0 | \$669 | \$701 |
| 2016 | 3 | 0.0% | \$694 | \$0 | \$694 | \$726 |
| 2017 | 1 | 0.0% | \$764 | \$0 | \$764 | \$796 |
| 2017 | 3 | 0.0% | \$791 | \$0 | \$791 | \$823 |

2BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2016 | 2 | 0.0% | \$669 | \$0 | \$669 | \$701 |
| 2016 | 3 | 0.0% | \$694 | \$0 | \$694 | \$726 |
| 2017 | 1 | 0.0% | \$764 | \$0 | \$764 | \$796 |
| 2017 | 3 | 0.0% | \$791 | \$0 | \$791 | \$823 |

3BR / 2.5BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2016 | 2 | 0.0% | \$735 | \$0 | \$735 | \$781 |
| 2016 | 3 | 0.0% | \$760 | \$0 | \$760 | \$806 |
| 2017 | 1 | 0.0% | \$847 | \$0 | \$847 | \$893 |
| 2017 | 3 | 0.0% | \$895 | \$0 | \$895 | \$941 |

3BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2017 | 3 | 0.0% | \$895 | \$0 | \$895 | \$941 |

Retreat At Edgewood, continued

Trend: Comments

- 2Q16** N/A
- 3Q16** Management reported strong demand for affordable housing in the local area. The property currently has one vacant one-bedroom unit, which has a pending application. The rents at the property have increased three to four percent since the fourth quarter of 2015. Although the property has a high occupancy rate it does not maintain a waiting list. They operate on a first come first serve basis.
- 1Q17** The contact reported strong demand for affordable housing in the local area. Housing Choice Vouchers are not accepted. Although the property has a high occupancy rate it does not maintain a waiting list and operate on a first come first serve basis. There are a select number of units that have PBRA restrictions.
- 3Q17** The contact reported strong demand for affordable housing in the local area. The property does not accept Housing Choice Vouchers. Although the property has a high occupancy rate it does not maintain a waiting list and operates on a first-come, first-serve basis. There are a select number of units that have PBRA restrictions. In-unit washer/dryer and garage parking is included with rent.

Retreat At Edgewood, continued

Photos



PROPERTY PROFILE REPORT

Retreat At Edgewood Phase II

| | |
|-------------------------------|---|
| Effective Rent Date | 7/14/2017 |
| Location | 37 Hutchinson Street NE Atlanta, GA 30307 DeKalb County |
| Distance | 0.3 miles |
| Units | 40 |
| Vacant Units | 0 |
| Vacancy Rate | 0.0% |
| Type | Various (2 stories) |
| Year Built/Renovated | 2012 / N/A |
| Marketing Began | N/A |
| Leasing Began | 9/04/2012 |
| Last Unit Leased | N/A |
| Major Competitors | None identified |
| Tenant Characteristics | Mixed tenancy primarily from the immediate area |
| Contact Name | Julius |
| Phone | 404-577-9001 |



Market Information

| | |
|-----------------------------|--------------------|
| Program | @50%, @60%, Market |
| Annual Turnover Rate | 27% |
| Units/Month Absorbed | 12 |
| HCV Tenants | 0% |
| Leasing Pace | Within one month |
| Annual Chg. in Rent | See comments |
| Concession | None |

Utilities

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

Unit Mix (face rent)

| Beds | Baths | Type | Units | Size (SF) | Rent | Concession (monthly) | Restriction | Waiting List | Vacant | Vacancy Rate | Max Rent? | Range |
|------|-------|-----------------------|-------|-----------|---------|----------------------|-------------|--------------|--------|--------------|-----------|-------|
| 1 | 1 | Garden (2 stories) | 2 | 873 | \$543 | \$0 | @50% | No | 0 | 0.0% | yes | None |
| 1 | 1 | Garden (2 stories) | 27 | 873 | \$674 | \$0 | @60% | No | 0 | 0.0% | yes | None |
| 1 | 1 | Garden (2 stories) | 1 | 809 | \$830 | \$0 | Market | No | 0 | 0.0% | N/A | None |
| 3 | 2.5 | Townhouse (2 stories) | 2 | 1,595 | \$698 | \$0 | @50% | No | 0 | 0.0% | yes | None |
| 3 | 2.5 | Townhouse (2 stories) | 7 | 1,595 | \$895 | \$0 | @60% | No | 0 | 0.0% | yes | None |
| 3 | 2.5 | Townhouse (2 stories) | 1 | 1,469 | \$1,130 | \$0 | Market | No | 0 | 0.0% | N/A | None |

Unit Mix

| @50% | Face Rent | Conc. | Concd. Rent | Util. | Adj. Rent | @60% | Face Rent | Conc. | Concd. Rent | Util. | Adj. Rent |
|-------------|-----------|-------|-------------|-------|-----------|-------------|-----------|-------|-------------|-------|-----------|
| 1BR / 1BA | \$543 | \$0 | \$543 | \$21 | \$564 | 1BR / 1BA | \$674 | \$0 | \$674 | \$21 | \$695 |
| 3BR / 2.5BA | \$698 | \$0 | \$698 | \$46 | \$744 | 3BR / 2.5BA | \$895 | \$0 | \$895 | \$46 | \$941 |
| Market | Face Rent | Conc. | Concd. Rent | Util. | Adj. Rent | | | | | | |
| 1BR / 1BA | \$830 | \$0 | \$830 | \$21 | \$851 | | | | | | |
| 3BR / 2.5BA | \$1,130 | \$0 | \$1,130 | \$46 | \$1,176 | | | | | | |

Retreat At Edgewood Phase II, continued

Amenities

In-Unit

Balcony/Patio
Carpet/Hardwood
Coat Closet
Exterior Storage
Garbage Disposal
Refrigerator
Washer/Dryer

Blinds
Central A/C
Dishwasher
Ceiling Fan
Oven
Walk-In Closet

Security

In-Unit Alarm
Patrol
Video Surveillance

Services

None

Property

Business Center/Computer Lab
Exercise Facility
Off-Street Parking
Playground

Clubhouse/Meeting Room/Community Room
Garage
Picnic Area

Premium

None

Other

Library

Comments

The contact reported strong demand for affordable housing in the local area. The property does not accept Housing Choice Vouchers. Although the property has a high occupancy rate it does not maintain a waiting list and operates on a first-come, first-serve basis. There are a select number of units that have PBRA restrictions. In-unit washer/dryer and garage parking is included with rent. Market rate rents have remained stable since the third quarter of 2016 while the LIHTC rents have been kept at the maximum allowable level.

Retreat At Edgewood Phase II, continued

Trend Report

Vacancy Rates

| 2Q16 | 3Q16 | 1Q17 | 3Q17 |
|------|------|------|------|
| 2.5% | 0.0% | 0.0% | 0.0% |

Trend: @50%

1BR / 1BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2016 | 2 | 0.0% | \$495 | \$0 | \$495 | \$516 |
| 2016 | 3 | 0.0% | \$520 | \$0 | \$520 | \$541 |
| 2017 | 1 | 0.0% | \$529 | \$0 | \$529 | \$550 |
| 2017 | 3 | 0.0% | \$543 | \$0 | \$543 | \$564 |

Trend: @60%

1BR / 1BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2016 | 2 | 0.0% | \$623 | \$0 | \$623 | \$644 |
| 2016 | 3 | 0.0% | \$648 | \$0 | \$648 | \$669 |
| 2017 | 1 | 0.0% | \$667 | \$0 | \$667 | \$688 |
| 2017 | 3 | 0.0% | \$674 | \$0 | \$674 | \$695 |

3BR / 2.5BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2016 | 2 | 0.0% | \$608 | \$0 | \$608 | \$654 |
| 2016 | 3 | 0.0% | \$633 | \$0 | \$633 | \$679 |
| 2017 | 1 | 0.0% | \$681 | \$0 | \$681 | \$727 |
| 2017 | 3 | 0.0% | \$698 | \$0 | \$698 | \$744 |

3BR / 2.5BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|-------|-----------|-------|-------------|-----------|
| 2016 | 2 | 14.3% | \$781 | \$0 | \$781 | \$827 |
| 2016 | 3 | 0.0% | \$806 | \$0 | \$806 | \$852 |
| 2017 | 1 | 0.0% | \$854 | \$0 | \$854 | \$900 |
| 2017 | 3 | 0.0% | \$895 | \$0 | \$895 | \$941 |

Trend: Market

1BR / 1BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2016 | 2 | 0.0% | \$809 | \$0 | \$809 | \$830 |
| 2016 | 3 | 0.0% | \$830 | \$0 | \$830 | \$851 |
| 2017 | 1 | 0.0% | \$830 | \$0 | \$830 | \$851 |
| 2017 | 3 | 0.0% | \$830 | \$0 | \$830 | \$851 |

3BR / 2.5BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2016 | 2 | 0.0% | \$1,081 | \$0 | \$1,081 | \$1,127 |
| 2016 | 3 | 0.0% | \$1,131 | \$0 | \$1,131 | \$1,177 |
| 2017 | 1 | 0.0% | \$1,130 | \$0 | \$1,130 | \$1,176 |
| 2017 | 3 | 0.0% | \$1,130 | \$0 | \$1,130 | \$1,176 |

Trend: Comments

2Q16 N/A

3Q16 Management reported strong demand for affordable housing in the local area. Although the property is 100 percent occupied it does not maintain a waiting list. They operate on a first come first serve basis. It should be noted that the development's sponsor, Mayson Avenue Cooperative, is a non profit that was created to maintain affordable rental housing in the Edgewood neighborhood and rents are kept affordable.

1Q17 The contact reported strong demand for affordable housing in the local area. Housing Choice Vouchers are not accepted. Although the property is 100 percent occupied it does not maintain a waiting list and operate on a first come first serve basis. It should be noted that the development's sponsor, Mayson Avenue Cooperative, is a non profit that was created to maintain affordable rental housing in the Edgewood neighborhood and rents are kept below the maximum allowable to remain affordable for a wider range of households.

3Q17 The contact reported strong demand for affordable housing in the local area. The property does not accept Housing Choice Vouchers. Although the property has a high occupancy rate it does not maintain a waiting list and operates on a first-come, first-serve basis. There are a select number of units that have PBRA restrictions. In-unit washer/dryer and garage parking is included with rent. Market rate rents have remained stable since the third quarter of 2016 while the LIHTC rents have been kept at the maximum allowable level.

Retreat At Edgewood Phase II, continued

Photos



PROPERTY PROFILE REPORT

Vineyards Of Flat Shoals

| | |
|-------------------------------|--|
| Effective Rent Date | 7/05/2017 |
| Location | 2125 Flat Shoals Road SE Atlanta, GA 30316 DeKalb County |
| Distance | 2.4 miles |
| Units | 228 |
| Vacant Units | 2 |
| Vacancy Rate | 0.9% |
| Type | Garden (2 stories) |
| Year Built/Renovated | 1966 / 2005 |
| Marketing Began | N/A |
| Leasing Began | N/A |
| Last Unit Leased | N/A |
| Major Competitors | Candler Crossing |
| Tenant Characteristics | Most from Atlanta and Decatur and work in retail. |
| Contact Name | Kiana |
| Phone | 404-328-0820 |



Market Information

| | |
|-----------------------------|------------------------|
| Program | @60%, Market |
| Annual Turnover Rate | 20% |
| Units/Month Absorbed | N/A |
| HCV Tenants | 30% |
| Leasing Pace | Within three weeks |
| Annual Chg. in Rent | Inc. 15-22% since 3Q16 |
| Concession | None |

Utilities

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

Unit Mix (face rent)

| Beds | Baths | Type | Units | Size (SF) | Rent | Concession (monthly) | Restriction | Waiting List | Vacant | Vacancy Rate | Max Rent? | Range |
|------|-------|--------------------|-------|-----------|-------|----------------------|-------------|--------------|--------|--------------|-----------|-------|
| 1 | 1 | Garden (2 stories) | 31 | 630 | \$639 | \$0 | @60% | No | 0 | 0.0% | no | None |
| 1 | 1 | Garden (2 stories) | N/A | 736 | \$639 | \$0 | @60% | No | 0 | N/A | no | None |
| 1 | 1 | Garden (2 stories) | 3 | 736 | \$639 | \$0 | Market | No | 1 | 33.3% | N/A | None |
| 2 | 1 | Garden (2 stories) | N/A | 884 | \$799 | \$0 | @60% | No | 0 | N/A | no | None |
| 2 | 1 | Garden (2 stories) | 174 | 829 | \$799 | \$0 | @60% | No | 1 | 0.6% | no | None |
| 2 | 1 | Garden (2 stories) | 20 | 884 | \$799 | \$0 | Market | No | 0 | 0.0% | N/A | None |

Unit Mix

| @60% | Face Rent | Conc. | Concd. Rent | Util. | Adj. Rent | Market | Face Rent | Conc. | Concd. Rent | Util. | Adj. Rent |
|-----------|-----------|-------|-------------|-------|-----------|-----------|-----------|-------|-------------|-------|-----------|
| 1BR / 1BA | \$639 | \$0 | \$639 | \$0 | \$639 | 1BR / 1BA | \$639 | \$0 | \$639 | \$0 | \$639 |
| 2BR / 1BA | \$799 | \$0 | \$799 | \$0 | \$799 | 2BR / 1BA | \$799 | \$0 | \$799 | \$0 | \$799 |

Vineyards Of Flat Shoals, continued

Amenities

In-Unit

Blinds
Central A/C
Ceiling Fan
Oven
Washer/Dryer

Carpeting
Dishwasher
Garbage Disposal
Refrigerator

Security

Limited Access
Perimeter Fencing

Services

None

Property

Business Center/Computer Lab
Exercise Facility
Off-Street Parking
Picnic Area
Swimming Pool

Clubhouse/Meeting Room/Community Room
Central Laundry
On-Site Management
Playground

Premium

None

Other

None

Comments

The contact reported market rate units have the highest turnover and are typically the hardest to lease out so rents for those units are now the same as the income restricted units. No waiting list is maintained for any unit type. In-unit washer/dryer is included with rent.

Vineyards Of Flat Shoals, continued

Trend Report

Vacancy Rates

| 4Q15 | 3Q16 | 1Q17 | 3Q17 |
|------|------|------|------|
| 2.6% | 0.0% | 0.4% | 0.9% |

Trend: @60%

1BR / 1BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|---------------|-------|---------------|---------------|
| 2015 | 4 | N/A | \$555 - \$600 | \$0 | \$555 - \$600 | \$555 - \$600 |
| 2016 | 3 | N/A | \$555 - \$600 | \$0 | \$555 - \$600 | \$555 - \$600 |
| 2017 | 1 | N/A | \$619 | \$0 | \$619 | \$619 |
| 2017 | 3 | N/A | \$639 | \$0 | \$639 | \$639 |

2BR / 1BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|---------------|-------|---------------|---------------|
| 2015 | 4 | N/A | \$655 - \$695 | \$0 | \$655 - \$695 | \$655 - \$695 |
| 2016 | 3 | N/A | \$655 - \$695 | \$0 | \$655 - \$695 | \$655 - \$695 |
| 2017 | 1 | N/A | \$739 | \$0 | \$739 | \$739 |
| 2017 | 3 | N/A | \$799 | \$0 | \$799 | \$799 |

Trend: Market

1BR / 1BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|-------|-----------|-------|-------------|-----------|
| 2015 | 4 | N/A | \$615 | \$0 | \$615 | \$615 |
| 2016 | 3 | 0.0% | \$610 | \$0 | \$610 | \$610 |
| 2017 | 1 | 33.3% | \$619 | \$0 | \$619 | \$619 |
| 2017 | 3 | 33.3% | \$639 | \$0 | \$639 | \$639 |

2BR / 1BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2015 | 4 | N/A | \$715 | \$0 | \$715 | \$715 |
| 2016 | 3 | 0.0% | \$710 | \$0 | \$710 | \$710 |
| 2017 | 1 | 0.0% | \$739 | \$0 | \$739 | \$739 |
| 2017 | 3 | 0.0% | \$799 | \$0 | \$799 | \$799 |

Trend: Comments

- 4Q15** The six vacant units have pending applications.
- 3Q16** The property is currently 100 percent occupied with a 12 household waiting list. The contact was unable to provide insight as to why the market rate units decreased \$5 in rent since the fourth quarter of 2015.
- 1Q17** The contact reported market rate units have the highest turnover and are typically the hardest to lease out so rents for those units are now the same as the income restricted units. No waiting list was reported at this time.
- 3Q17** The contact reported market rate units have the highest turnover and are typically the hardest to lease out so rents for those units are now the same as the income restricted units. No waiting list is maintained for any unit type. In-unit washer/dryer is included with rent.

Photos



PROPERTY PROFILE REPORT

Ashford East Village

| | |
|-------------------------------|---|
| Effective Rent Date | 7/18/2017 |
| Location | 1438 Bouldercrest Road SE Atlanta, GA 30316 DeKalb County |
| Distance | 2.7 miles |
| Units | 371 |
| Vacant Units | 16 |
| Vacancy Rate | 4.3% |
| Type | Various (2 stories) |
| Year Built/Renovated | 1979 / Ongoing |
| Marketing Began | N/A |
| Leasing Began | N/A |
| Last Unit Leased | 1/25/2005 |
| Major Competitors | Broadway at East Atlanta |
| Tenant Characteristics | Mixed tenancy, mostly families |
| Contact Name | Kuana |
| Phone | 404-748-4466 |



Market Information

| | |
|-----------------------------|-----------------------|
| Program | Market |
| Annual Turnover Rate | 10% |
| Units/Month Absorbed | N/A |
| HCV Tenants | 0% |
| Leasing Pace | Within one month |
| Annual Chg. in Rent | Dec. 7-10% since 3Q16 |
| Concession | None |

Utilities

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

Unit Mix (face rent)

| Beds | Baths | Type | Units | Size (SF) | Rent | Concession (monthly) | Restriction | Waiting List | Vacant | Vacancy Rate | Max Rent? | Range |
|------|-------|-----------------------|-------|-----------|---------|----------------------|-------------|--------------|--------|--------------|-----------|-------|
| 1 | 1 | Garden (2 stories) | 60 | 815 | \$995 | \$0 | Market | No | 1 | 1.7% | N/A | None |
| 1 | 1 | Garden (2 stories) | 35 | 650 | \$965 | \$0 | Market | No | 1 | 2.9% | N/A | None |
| 2 | 1 | Garden (2 stories) | 30 | 780 | \$1,070 | \$0 | Market | No | 4 | 13.3% | N/A | None |
| 2 | 1 | Garden (2 stories) | 62 | 945 | \$1,050 | \$0 | Market | No | 4 | 6.5% | N/A | None |
| 2 | 1.5 | Townhouse (2 stories) | 92 | 1,155 | \$1,215 | \$0 | Market | No | 5 | 5.4% | N/A | None |
| 3 | 2 | Garden (2 stories) | 62 | 1,095 | \$1,356 | \$0 | Market | No | 1 | 1.6% | N/A | None |
| 3 | 2 | Garden (2 stories) | 30 | 980 | \$1,082 | \$0 | Market | No | 0 | 0.0% | N/A | None |

Unit Mix

| Market | Face Rent | Conc. | Concd. Rent | Util. | Adj. Rent |
|--------------------|-------------------|-------|-------------------|-------|-------------------|
| 1BR / 1BA | \$965 - \$995 | \$0 | \$965 - \$995 | \$0 | \$965 - \$995 |
| 2BR / 1BA | \$1,050 - \$1,070 | \$0 | \$1,050 - \$1,070 | \$0 | \$1,050 - \$1,070 |
| 2BR / 1.5BA | \$1,215 | \$0 | \$1,215 | \$0 | \$1,215 |
| 3BR / 2BA | \$1,082 - \$1,356 | \$0 | \$1,082 - \$1,356 | \$0 | \$1,082 - \$1,356 |

Ashford East Village, continued

Amenities

In-Unit

Balcony/Patio
Carpet/Hardwood
Coat Closet
Exterior Storage
Garbage Disposal
Oven
Walk-In Closet

Blinds
Central A/C
Dishwasher
Ceiling Fan
Microwave
Refrigerator
Washer/Dryer

Security

Limited Access
Perimeter Fencing

Services

None

Property

Business Center/Computer Lab
Courtyard
Off-Street Parking
Picnic Area
Sport Court
Wi-Fi

Clubhouse/Meeting Room/Community Room
Exercise Facility
On-Site Management
Playground
Swimming Pool

Premium

None

Other

None

Comments

The property does not accept Housing Choice Vouchers. In-unit washer/dryer is included with rent.
Unit prices may be \$10 to \$100 less than the above listed price depending on paint, upgraded fixtures, and other superficial amenities.

Ashford East Village, continued

Trend Report

Vacancy Rates

| 4Q15 | 3Q16 | 1Q17 | 2Q17 |
|------|------|------|------|
| 5.9% | 2.4% | 3.2% | 4.3% |

Trend: Market

1BR / 1BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-------------------|-------|-------------------|-------------------|
| 2015 | 4 | N/A | \$800 | \$0 | \$800 | \$800 |
| 2016 | 3 | 2.1% | \$1,000 - \$1,070 | \$0 | \$1,000 - \$1,070 | \$1,000 - \$1,070 |
| 2017 | 1 | 6.3% | \$925 - \$955 | \$0 | \$925 - \$955 | \$925 - \$955 |
| 2017 | 2 | 2.1% | \$965 - \$995 | \$0 | \$965 - \$995 | \$965 - \$995 |

2BR / 1.5BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2015 | 4 | N/A | \$925 | \$0 | \$925 | \$925 |
| 2016 | 3 | 2.2% | \$1,275 | \$0 | \$1,275 | \$1,275 |
| 2017 | 1 | 3.3% | \$1,190 | \$0 | \$1,190 | \$1,190 |
| 2017 | 2 | 5.4% | \$1,215 | \$0 | \$1,215 | \$1,215 |

2BR / 1BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-------------------|-------|-------------------|-------------------|
| 2015 | 4 | N/A | \$825 | \$0 | \$825 | \$825 |
| 2016 | 3 | 3.3% | \$1,075 - \$1,175 | \$0 | \$1,075 - \$1,175 | \$1,075 - \$1,175 |
| 2017 | 1 | 0.0% | \$1,047 - \$1,074 | \$0 | \$1,047 - \$1,074 | \$1,047 - \$1,074 |
| 2017 | 2 | 8.7% | \$1,050 - \$1,070 | \$0 | \$1,050 - \$1,070 | \$1,050 - \$1,070 |

3BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-------------------|-------|-------------------|-------------------|
| 2015 | 4 | N/A | \$1,090 | \$0 | \$1,090 | \$1,090 |
| 2016 | 3 | 2.2% | \$1,200 - \$1,325 | \$0 | \$1,200 - \$1,325 | \$1,200 - \$1,325 |
| 2017 | 1 | 3.3% | \$1,082 - \$1,395 | \$0 | \$1,082 - \$1,395 | \$1,082 - \$1,395 |
| 2017 | 2 | 1.1% | \$1,082 - \$1,356 | \$0 | \$1,082 - \$1,356 | \$1,082 - \$1,356 |

Trend: Comments

- 4Q15** The two-bedroom rents decreased two to three percent since October 2015. The three-bedroom rents increased one percent since October 2015. Management could not provide an explanation for the rent decreases. The property offers a dog park and bocce/shuffleboard courts.
- 3Q16** Renovated units include new hardwood floors in living areas, new cabinets and granite countertops in kitchens and bathrooms, black appliances, paint, and fixtures throughout. The rent profile reflects renovated rents. Non-renovated units rent for a discount of \$100 to \$175 per month. Each unit offers an in-unit washer/dryer. This property does not accept Housing Choice Vouchers.
- 1Q17** The property does not accept Housing Choice Vouchers.
- 2Q17** The property does not accept Housing Choice Vouchers. In-unit washer/dryer is included with rent. Unit prices may be \$10 to \$100 less than the above listed price depending on paint, upgraded fixtures, and other superficial amenities.

Photos



PROPERTY PROFILE REPORT

Broadway At East Atlanta

| | |
|-------------------------------|--|
| Effective Rent Date | 6/30/2017 |
| Location | 1930 Flat Shoals Road SE Atlanta, GA 30316 DeKalb County |
| Distance | 2 miles |
| Units | 176 |
| Vacant Units | 5 |
| Vacancy Rate | 2.8% |
| Type | Various (2 stories) |
| Year Built/Renovated | 1967 / 2015 |
| Marketing Began | N/A |
| Leasing Began | N/A |
| Last Unit Leased | N/A |
| Major Competitors | None identified |
| Tenant Characteristics | Mixed tenancy, few families |
| Contact Name | Onilee |
| Phone | 404-241-3242 |



Market Information

| | |
|-----------------------------|------------------------|
| Program | Market |
| Annual Turnover Rate | 25% |
| Units/Month Absorbed | N/A |
| HCV Tenants | 0% |
| Leasing Pace | Within two weeks |
| Annual Chg. in Rent | Inc. 24-26% since 3Q16 |
| Concession | None |

Utilities

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

Unit Mix (face rent)

| Beds | Baths | Type | Units | Size (SF) | Rent | Concession (monthly) | Restriction | Waiting List | Vacant | Vacancy Rate | Max Rent? | Range |
|------|-------|-----------------------|-------|-----------|---------|----------------------|-------------|--------------|--------|--------------|-----------|-------|
| 1 | 1 | Lowrise (2 stories) | N/A | 725 | \$940 | \$0 | Market | No | 5 | N/A | N/A | None |
| 2 | 1 | Lowrise (2 stories) | N/A | 900 | \$1,000 | \$0 | Market | No | 0 | N/A | N/A | None |
| 2 | 1 | Lowrise (2 stories) | N/A | 990 | \$1,035 | \$0 | Market | No | 0 | N/A | N/A | None |
| 2 | 1.5 | Townhouse (2 stories) | N/A | 1,365 | \$1,220 | \$0 | Market | No | 0 | N/A | N/A | None |
| 2 | 1.5 | Townhouse (2 stories) | N/A | 1,365 | \$1,245 | \$0 | Market | No | 0 | N/A | N/A | None |

Unit Mix

| Market | Face Rent | Conc. | Concd. Rent | Util. | Adj. Rent |
|-------------|-------------------|-------|-------------------|-------|-------------------|
| 1BR / 1BA | \$940 | \$0 | \$940 | \$72 | \$1,012 |
| 2BR / 1BA | \$1,000 - \$1,035 | \$0 | \$1,000 - \$1,035 | \$110 | \$1,110 - \$1,145 |
| 2BR / 1.5BA | \$1,220 - \$1,245 | \$0 | \$1,220 - \$1,245 | \$110 | \$1,330 - \$1,355 |

Broadway At East Atlanta, continued

Amenities

In-Unit

Blinds
Central A/C
Dishwasher
Garbage Disposal
Oven
Walk-In Closet

Carpet/Hardwood
Coat Closet
Ceiling Fan
Microwave
Refrigerator
Washer/Dryer hookup

Security

Limited Access
Patrol
Perimeter Fencing

Services

None

Property

Elevators
Off-Street Parking
Picnic Area
Swimming Pool

Central Laundry
On-Site Management
Playground
Wi-Fi

Premium

None

Other

None

Comments

The property does not accept Housing Choice Vouchers and does not maintain a waiting list. In-unit washer/dryer is included with rent.

Broadway At East Atlanta, continued

Trend Report

Vacancy Rates

| 4Q15 | 3Q16 | 1Q17 | 2Q17 |
|------|------|------|------|
| 0.0% | 2.5% | 4.5% | 2.8% |

Trend: Market

1BR / 1BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2015 | 4 | N/A | \$760 | \$0 | \$760 | \$832 |
| 2016 | 3 | N/A | \$760 | \$0 | \$760 | \$832 |
| 2017 | 1 | N/A | \$900 | \$0 | \$900 | \$972 |
| 2017 | 2 | N/A | \$940 | \$0 | \$940 | \$1,012 |

2BR / 1.5BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-------------------|-------|-------------------|-------------------|
| 2015 | 4 | N/A | \$980 - \$999 | \$0 | \$980 - \$999 | \$1,090 - \$1,109 |
| 2016 | 3 | N/A | \$980 - \$999 | \$0 | \$980 - \$999 | \$1,090 - \$1,109 |
| 2017 | 1 | N/A | \$1,125 - \$1,200 | \$0 | \$1,125 - \$1,200 | \$1,235 - \$1,310 |
| 2017 | 2 | N/A | \$1,220 - \$1,245 | \$0 | \$1,220 - \$1,245 | \$1,330 - \$1,355 |

2BR / 1BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-------------------|-------|-------------------|-------------------|
| 2015 | 4 | N/A | \$860 - \$870 | \$0 | \$860 - \$870 | \$970 - \$980 |
| 2016 | 3 | N/A | \$860 - \$870 | \$0 | \$860 - \$870 | \$970 - \$980 |
| 2017 | 1 | N/A | \$965 - \$1,000 | \$0 | \$965 - \$1,000 | \$1,075 - \$1,110 |
| 2017 | 2 | N/A | \$1,000 - \$1,035 | \$0 | \$1,000 - \$1,035 | \$1,110 - \$1,145 |

Trend: Comments

| | |
|------|---|
| 4Q15 | The contact stated that the property went through a foreclosure in 2014. In December 2014, the property changed ownership and started major renovations. Prior to renovations, the few existing tenants were evicted. The renovations have been ongoing since December 2014, and three buildings remain empty and renovated as they await certificates of occupancy. Renovations include new flooring, bathrooms, kitchens, fixtures, and appliances. The contact stated that they are currently 85 percent leased and 68 percent occupied. Due to the evictions and renovations, management was unable to provide turnover and lease up. There is a total of 176 units at the property, with 119 units currently online (all of which are occupied). We illustrated the 119 units online in the rent grid. The property no longer accepts Housing Choice Vouchers. |
| 3Q16 | The property was renovated in 2015 consisting of new flooring, bathrooms, kitchens, appliances, and fixtures throughout. The contact could not provide unit breakdown by bedroom type. This property does not accept Housing Choice Vouchers. |
| 1Q17 | The property does not accept Housing Choice Vouchers. |
| 2Q17 | The property does not accept Housing Choice Vouchers and does not maintain a waiting list. In-unit washer/dryer is included with rent. |

Broadway At East Atlanta, continued

Photos



PROPERTY PROFILE REPORT

Eagles Run Apartments

| | |
|-------------------------------|--|
| Effective Rent Date | 7/14/2017 |
| Location | 2000 Bouldercrest Road Atlanta, GA 30316 DeKalb County |
| Distance | 4 miles |
| Units | 258 |
| Vacant Units | 3 |
| Vacancy Rate | 1.2% |
| Type | Garden (3 stories) |
| Year Built/Renovated | 1972 / 1997 |
| Marketing Began | N/A |
| Leasing Began | N/A |
| Last Unit Leased | N/A |
| Major Competitors | Sun Valley, Paradise East, Park on Bouldercrest |
| Tenant Characteristics | Mixed tenancy |
| Contact Name | Victor |
| Phone | 404-212-8090 |



Market Information

| | |
|-----------------------------|------------------------|
| Program | Market |
| Annual Turnover Rate | 40% |
| Units/Month Absorbed | N/A |
| HCV Tenants | 64% |
| Leasing Pace | Within two weeks |
| Annual Chg. in Rent | Inc. 14-20% since 3Q16 |
| Concession | No |

Utilities

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

Unit Mix (face rent)

| Beds | Baths | Type | Units | Size (SF) | Rent | Concession (monthly) | Restriction | Waiting List | Vacant | Vacancy Rate | Max Rent? | Range |
|------|-------|--------------------|-------|-----------|---------|----------------------|-------------|--------------|--------|--------------|-----------|-------|
| 1 | 1 | Garden (3 stories) | 68 | 800 | \$720 | \$0 | Market | No | 0 | 0.0% | N/A | None |
| 2 | 2 | Garden (3 stories) | 67 | 1,200 | \$840 | \$0 | Market | No | 0 | 0.0% | N/A | None |
| 3 | 2 | Garden (3 stories) | 71 | 1,350 | \$1,025 | \$0 | Market | No | 2 | 2.8% | N/A | None |
| 4 | 2.5 | Garden (3 stories) | 52 | 1,500 | \$1,100 | \$0 | Market | No | 1 | 1.9% | N/A | None |

Unit Mix

| Market | Face Rent | Conc. | Concd. Rent | Util. | Adj. Rent |
|-------------|-----------|-------|-------------|-------|-----------|
| 1BR / 1BA | \$720 | \$0 | \$720 | \$0 | \$720 |
| 2BR / 2BA | \$840 | \$0 | \$840 | \$0 | \$840 |
| 3BR / 2BA | \$1,025 | \$0 | \$1,025 | \$0 | \$1,025 |
| 4BR / 2.5BA | \$1,100 | \$0 | \$1,100 | \$0 | \$1,100 |

Eagles Run Apartments, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Exterior Storage
Garbage Disposal
Refrigerator
Washer/Dryer hookup

Blinds
Central A/C
Dishwasher
Ceiling Fan
Oven
Walk-In Closet

Security

Limited Access
Patrol
Perimeter Fencing

Services

Afterschool Program

Property

Basketball Court
Clubhouse/Meeting Room/Community Room
Off-Street Parking
Picnic Area
Swimming Pool
Theatre

Business Center/Computer Lab
Central Laundry
On-Site Management
Playground
Tennis Court
Volleyball Court

Premium

None

Other

Library

Comments

The contact noted the vacancy is typical for the property and that typically over 50 percent of the tenants utilize Housing Choice Vouchers.

Eagles Run Apartments, continued

Trend Report

Vacancy Rates

| 4Q15 | 3Q16 | 1Q17 | 3Q17 |
|-------|-------|------|------|
| 37.2% | 12.1% | 7.8% | 1.2% |

Trend: Market

1BR / 1BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2015 | 4 | N/A | \$575 | \$0 | N/A | N/A |
| 2016 | 3 | 7.4% | \$600 | \$0 | \$600 | \$600 |
| 2017 | 1 | 0.0% | \$724 | \$0 | \$724 | \$724 |
| 2017 | 3 | 0.0% | \$720 | \$0 | \$720 | \$720 |

2BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|-------|-----------|-------|-------------|-----------|
| 2015 | 4 | N/A | \$725 | \$0 | \$725 | \$725 |
| 2016 | 3 | 12.7% | \$750 | \$0 | \$750 | \$750 |
| 2017 | 1 | 25.4% | \$840 | \$0 | \$840 | \$840 |
| 2017 | 3 | 0.0% | \$840 | \$0 | \$840 | \$840 |

3BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|-------|-----------|-------|-------------|-----------|
| 2015 | 4 | N/A | \$850 | \$0 | N/A | N/A |
| 2016 | 3 | 19.3% | \$860 | \$0 | \$860 | \$860 |
| 2017 | 1 | 2.8% | \$1,075 | \$0 | \$1,075 | \$1,075 |
| 2017 | 3 | 2.8% | \$1,025 | \$0 | \$1,025 | \$1,025 |

4BR / 2.5BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2015 | 4 | N/A | \$950 | \$0 | \$950 | \$950 |
| 2016 | 3 | 5.8% | \$960 | \$0 | \$960 | \$960 |
| 2017 | 1 | 1.9% | \$1,100 | \$0 | \$1,100 | \$1,100 |
| 2017 | 3 | 1.9% | \$1,100 | \$0 | \$1,100 | \$1,100 |

Trend: Comments

- 4Q15** The property was previous a tax credit property and recently had eviction sweep. Currently the property is in the process of converting to market rate units, and leasing up units. The property was purchase in the summer of 2015 and is now under new management.
- 3Q16** The contact reported that units have been leasing at a rate of approximately seven units a month.
- 1Q17** The contact reported a short waiting list for the one-bedroom units. Rents increased recently by \$75 across the board. The contact stated that this is a conventional market rate property. She also noted that despite being conventional, the property is trying to set up on site daycare services in which she said once that is operational, rents are expected to increase.
- 3Q17** The contact noted the vacancy is typical for the property and that typically over 50 percent of the tenants utilize Housing Choice Vouchers.

Eagles Run Apartments, continued

Photos



PROPERTY PROFILE REPORT

East Lake Gardens

Effective Rent Date 6/30/2017
Location 1403 Custer Avenue
 Atlanta, GA 30316
 Dekalb County
Distance 2.7 miles
Units 144
Vacant Units 3
Vacancy Rate 2.1%
Type Garden (2 stories)
Year Built/Renovated 1962 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased 1/26/2004
Major Competitors None identified
Tenant Characteristics Mixed tenancy
Contact Name Christine
Phone 404-622-2010



Market Information

Program Market
Annual Turnover Rate 17%
Units/Month Absorbed N/A
HCV Tenants N/A
Leasing Pace Within two weeks
Annual Chg. in Rent Inc.18-23% since 3Q16
Concession \$50 off month's rent

Utilities

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

Unit Mix (face rent)

| Beds | Baths | Type | Units | Size (SF) | Rent | Concession (monthly) | Restriction | Waiting List | Vacant | Vacancy Rate | Max Rent? | Range |
|------|-------|--------------------|-------|-----------|-------|----------------------|-------------|--------------|--------|--------------|-----------|-------|
| 1 | 1 | Garden (2 stories) | 25 | 767 | \$680 | \$4 | Market | Yes | 1 | 4.0% | N/A | None |
| 2 | 1 | Garden (2 stories) | 58 | 891 | \$780 | \$4 | Market | Yes | 2 | 3.4% | N/A | None |
| 2 | 1.5 | Garden (2 stories) | 58 | 921 | \$880 | \$4 | Market | Yes | 0 | 0.0% | N/A | None |
| 3 | 1 | Garden (2 stories) | 3 | 1,025 | \$880 | \$4 | Market | Yes | 0 | 0.0% | N/A | None |

Unit Mix

| Market | Face Rent | Conc. | Concd. Rent | Util. | Adj. Rent |
|-------------|-----------|-------|-------------|-------|-----------|
| 1BR / 1BA | \$680 | \$4 | \$676 | \$72 | \$748 |
| 2BR / 1BA | \$780 | \$4 | \$776 | \$110 | \$886 |
| 2BR / 1.5BA | \$880 | \$4 | \$876 | \$110 | \$986 |
| 3BR / 1BA | \$880 | \$4 | \$876 | \$160 | \$1,036 |

East Lake Gardens, continued

Amenities

In-Unit

Blinds
Central A/C
Dishwasher
Garbage Disposal
Refrigerator

Carpeting
Coat Closet
Ceiling Fan
Oven
Walk-In Closet

Security

Limited Access
Perimeter Fencing
Video Surveillance

Services

None

Property

Central Laundry
On-Site Management

Off-Street Parking

Premium

None

Other

None

Comments

The property does accept Housing Choice Vouchers; however, the contact was unable to note the number of vouchers utilized at the property. The contact also noted that the property maintains a short waiting list estimate to be five to 10 households in length. The property was formerly known as Manor V Apartments.

East Lake Gardens, continued

Trend Report

Vacancy Rates

| 3Q16 | 1Q17 | 2Q17 | 3Q17 |
|------|------|------|------|
| 1.4% | 0.0% | 2.1% | 2.1% |

Trend: Market

1BR / 1BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2016 | 3 | 0.0% | \$600 | \$0 | \$600 | \$672 |
| 2017 | 1 | 0.0% | \$600 | \$0 | \$600 | \$672 |
| 2017 | 2 | 4.0% | \$680 | \$4 | \$676 | \$748 |
| 2017 | 3 | 4.0% | \$680 | \$4 | \$676 | \$748 |

2BR / 1.5BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2017 | 2 | 0.0% | \$880 | \$4 | \$876 | \$986 |
| 2017 | 3 | 0.0% | \$880 | \$4 | \$876 | \$986 |

2BR / 1BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2016 | 3 | 1.7% | \$660 | \$0 | \$660 | \$770 |
| 2017 | 1 | 0.0% | \$680 | \$0 | \$680 | \$790 |
| 2017 | 2 | 3.4% | \$780 | \$4 | \$776 | \$886 |
| 2017 | 3 | 3.4% | \$780 | \$4 | \$776 | \$886 |

3BR / 1BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2016 | 3 | 0.0% | \$800 | \$0 | \$800 | \$960 |
| 2017 | 1 | 0.0% | \$780 | \$0 | \$780 | \$940 |
| 2017 | 2 | 0.0% | \$880 | \$4 | \$876 | \$1,036 |
| 2017 | 3 | 0.0% | \$880 | \$4 | \$876 | \$1,036 |

Trend: Comments

3Q16 The contact had no additional comments.

1Q17 No additional comments.

2Q17 The property does accept Housing Choice Vouchers; however, the contact was unable to note the number of vouchers utilized at the property. The contact also noted that the property maintains a short waiting list estimate to be five to 10 households in length. The property was formerly known as Manor V Apartments.

3Q17 N/A

Photos



PROPERTY PROFILE REPORT

Oak Pointe Apartments

Effective Rent Date 7/05/2017
Location 469-497 Oakdale Road
 Atlanta, GA 30307
 Dekalb County
Distance 0.9 miles
Units 114
Vacant Units 3
Vacancy Rate 2.6%
Type Garden (2 stories)
Year Built/Renovated 1963 / 2016
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors None identified
Tenant Characteristics Mixed tenancy
Contact Name Travis
Phone 404-688-6257



Market Information

Program Market
Annual Turnover Rate N/A
Units/Month Absorbed N/A
HCV Tenants 0%
Leasing Pace Within two weeks
Annual Chg. in Rent Inc. 5-11% since 4Q16
Concession None

Utilities

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

Unit Mix (face rent)

| Beds | Baths | Type | Units | Size (SF) | Rent | Concession (monthly) | Restriction | Waiting List | Vacant | Vacancy Rate | Max Rent? | Range |
|------|-------|--------------------|-------|-----------|---------|----------------------|-------------|--------------|--------|--------------|-----------|-------|
| 2 | 1 | Garden (2 stories) | 38 | 750 | \$1,225 | \$0 | Market | No | 0 | 0.0% | N/A | None |
| 2 | 1 | Garden (2 stories) | 38 | 800 | \$1,295 | \$0 | Market | No | 0 | 0.0% | N/A | None |
| 2 | 1 | Garden (2 stories) | 38 | 850 | \$1,395 | \$0 | Market | No | 3 | 7.9% | N/A | None |

Unit Mix

| Market | Face Rent | Conc. | Concd. Rent | Util. | Adj. Rent |
|-----------|-------------------|-------|-------------------|-------|-------------------|
| 2BR / 1BA | \$1,225 - \$1,395 | \$0 | \$1,225 - \$1,395 | \$110 | \$1,335 - \$1,505 |

Amenities

| In-Unit | Security | Services |
|---|----------|----------|
| Blinds Central A/C Dishwasher Garbage Disposal Refrigerator | None | None |
| Carpet/Hardwood Coat Closet Ceiling Fan Oven | | |
| Property | Premium | Other |
| Central Laundry On-Site Management | None | None |
| Off-Street Parking | | |

Oak Pointe Apartments, continued

Comments

The property does not accept Housing Choice Vouchers. The contact was unable to report the property's annual turnover rate. All units have been renovated with new hardwood flooring, new stainless steel appliances, new cabinetry, and updated plumbing fixtures.

Oak Pointe Apartments, continued

Trend Report

Vacancy Rates

| 4Q16 | 1Q17 | 3Q17 |
|------|------|------|
| 9.6% | 7.0% | 2.6% |

Trend: Market

2BR / 1BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-------------------|-------|-------------------|-------------------|
| 2016 | 4 | N/A | \$1,100 - \$1,325 | \$0 | \$1,100 - \$1,325 | \$1,210 - \$1,435 |
| 2017 | 1 | 7.0% | \$1,125 - \$1,295 | \$0 | \$1,125 - \$1,295 | \$1,235 - \$1,405 |
| 2017 | 3 | 2.6% | \$1,225 - \$1,395 | \$0 | \$1,225 - \$1,395 | \$1,335 - \$1,505 |

Trend: Comments

- 4Q16** The contact reported the property is being renovated with new flooring, fixtures, paint, and appliances as needed. She did not know the cost of the renovation and the contact stated all units should be upgraded by early 2017.
- 1Q17** No additional comments.
- 3Q17** The property does not accept Housing Choice Vouchers. The contact was unable to report the property's annual turnover rate. All units have been renovated with new hardwood flooring, new stainless steel appliances, new cabinetry, and updated plumbing fixtures.

Oak Pointe Apartments, continued

Photos



PROPERTY PROFILE REPORT

The Element At Kirkwood

| | |
|-------------------------------|---|
| Effective Rent Date | 7/06/2017 |
| Location | 2035 Memorial Drive Atlanta, GA 30317 DeKalb County |
| Distance | 1 mile |
| Units | 176 |
| Vacant Units | 40 |
| Vacancy Rate | 22.7% |
| Type | Garden (2 stories) |
| Year Built/Renovated | 1980 / 1994/Ongoing |
| Marketing Began | N/A |
| Leasing Began | N/A |
| Last Unit Leased | 1/22/2005 |
| Major Competitors | Park on Candler, Candler Crossing |
| Tenant Characteristics | Mixed tenancy primarily from Atlanta |
| Contact Name | Kevin |
| Phone | 404-371-0003 |



Market Information

| | |
|-----------------------------|--|
| Program | Market |
| Annual Turnover Rate | N/A |
| Units/Month Absorbed | N/A |
| HCV Tenants | 0% |
| Leasing Pace | Within one month |
| Annual Chg. in Rent | Inc. 7-9% since the 4Q16 |
| Concession | \$999 for one-bedrooms \$1199 for two-bedrooms |

Utilities

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

Unit Mix (face rent)

| Beds | Baths | Type | Units | Size (SF) | Rent | Concession (monthly) | Restriction | Waiting List | Vacant | Vacancy Rate | Max Rent? | Range |
|------|-------|--------------------|-------|-----------|---------|----------------------|-------------|--------------|--------|--------------|-----------|-------|
| 1 | 1 | Garden (2 stories) | 92 | 700 | \$1,199 | \$200 | Market | No | N/A | N/A | N/A | None |
| 2 | 1 | Garden (2 stories) | 84 | 900 | \$1,329 | \$200 | Market | No | N/A | N/A | N/A | None |

Unit Mix

| Market | Face Rent | Conc. | Concd. Rent | Util. | Adj. Rent |
|-----------|-----------|-------|-------------|-------|-----------|
| 1BR / 1BA | \$1,199 | \$200 | \$999 | \$72 | \$1,071 |
| 2BR / 1BA | \$1,329 | \$200 | \$1,129 | \$110 | \$1,239 |

Amenities

| In-Unit | Security | Services |
|---------------------------------------|-------------------|----------|
| Blinds | Intercom (Phone) | None |
| Central A/C | Limited Access | |
| Dishwasher | Patrol | |
| Refrigerator | Perimeter Fencing | |
| Washer/Dryer | | |
| | | |
| | | |
| | | |
| | | |
| Property | Premium | Other |
| Clubhouse/Meeting Room/Community Room | None | Dog park |
| Central Laundry | | |
| On-Site Management | | |
| Playground | | |
| | | |
| | | |
| | | |
| | | |

The Element At Kirkwood, continued

Comments

The contact reported that high vacancy rate was due to ongoing renovations of half the units at the property. Units are renovated as they become available. Renovations include new granite counters, stainless steel appliances and new tile flooring. Units will also be furnished with washer and dryer all inclusive in the post-renovation rent price. The property does not accept Housing Choice Vouchers and does not maintain a waiting list. The contact was unable to report the property's annual turnover rate.

The Element At Kirkwood, continued

Trend Report

Vacancy Rates

| 2Q11 | 4Q16 | 1Q17 | 3Q17 |
|-------|-------|-------|-------|
| 15.3% | 13.1% | 27.3% | 22.7% |

Trend: Market

1BR / 1BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2016 | 4 | N/A | \$1,099 | \$100 | \$999 | \$1,071 |
| 2017 | 1 | N/A | \$1,099 | \$100 | \$999 | \$1,071 |
| 2017 | 3 | N/A | \$1,199 | \$200 | \$999 | \$1,071 |

2BR / 1BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2016 | 4 | N/A | \$1,299 | \$0 | \$1,299 | \$1,409 |
| 2017 | 1 | N/A | \$1,299 | \$100 | \$1,199 | \$1,309 |
| 2017 | 3 | N/A | \$1,329 | \$200 | \$1,129 | \$1,239 |

Trend: Comments

- 2Q11** Management noted that this property has been for sale for five years and it has affected the overall performance of the property.
- 4Q16** The contact reported the property was FKA as Courtyard at Glenview and used to operate as a LIHTC property. It has been under new ownership since December of 2014 and has been operating as a market rate property since. The contact stated the property is being completely renovated with new granite counters, stainless steel appliances, tiled backsplash, cabinets, flooring, lighting, fixtures, and washer and dryer appliances. The exteriors have been painted and new doors added. The contact reported the leasing pace has been taking longer due to the extensive upgrades for each unit as it becomes available. The contact could not estimate the total cost of renovations.
- 1Q17** The contact reported that high vacancy rate was due to ongoing renovations of half the units at the property. Units are renovated as they become available. Renovations include new granite counters, stainless steel appliances and new tile flooring. Units will also be furnished with washer and dryer all inclusive in the post-renovation rent price. The property does not accept Housing Choice Vouchers.
- 3Q17** The contact reported that high vacancy rate was due to ongoing renovations of half the units at the property. Units are renovated as they become available. Renovations include new granite counters, stainless steel appliances and new tile flooring. Units will also be furnished with washer and dryer all inclusive in the post-renovation rent price. The property does not accept Housing Choice Vouchers and does not maintain a waiting list. The contact was unable to report the property's annual turnover rate.

Photos



PROPERTY PROFILE REPORT

Villages Of East Lake I And II

Effective Rent Date 7/18/2017
Location 460 East Lake Blvd.
Atlanta, GA 30317
DeKalb County
Distance 1.5 miles
Units 542
Vacant Units 0
Vacancy Rate 0.0%
Type Various
Year Built/Renovated 1998/2000 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased 2/03/2005
Major Competitors None identified
Tenant Characteristics Mixed tenancy
Contact Name Raphael
Phone 404-373-9598



Market Information

Program Market/PBRA
Annual Turnover Rate 25%
Units/Month Absorbed N/A
HCV Tenants 0%
Leasing Pace Within one month
Annual Chg. in Rent Inc. 6-9% since 1Q17
Concession None

Utilities

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

Villages Of East Lake I And II, continued

Unit Mix (face rent)

| Beds | Baths | Type | Units | Size (SF) | Rent | Concession (monthly) | Restriction | Waiting List | Vacant | Vacancy Rate | Max Rent? | Range |
|------|-------|-----------------------|-------|-----------|---------|----------------------|-------------|--------------|--------|--------------|-----------|-------|
| 1 | 1 | Garden (3 stories) | 15 | 926 | \$1,034 | \$0 | Market | No | 0 | 0.0% | N/A | None |
| 1 | 1 | Garden (3 stories) | 8 | 1,026 | \$1,074 | \$0 | Market | No | 0 | 0.0% | N/A | None |
| 1 | 1 | Garden (3 stories) | 15 | 926 | N/A | \$0 | PBRA | Yes | 0 | 0.0% | N/A | None |
| 1 | 1 | Garden (3 stories) | 8 | 1,026 | N/A | \$0 | PBRA | Yes | 0 | 0.0% | N/A | None |
| 2 | 1.5 | Townhouse (2 stories) | 25 | 1,200 | \$1,195 | \$0 | Market | No | 0 | 0.0% | N/A | None |
| 2 | 1.5 | Townhouse (2 stories) | 26 | 1,200 | N/A | \$0 | PBRA | Yes | 0 | 0.0% | N/A | None |
| 2 | 2 | Garden (3 stories) | 15 | 1,165 | \$1,112 | \$0 | Market | No | 0 | 0.0% | N/A | None |
| 2 | 2 | Garden (3 stories) | 84 | 1,282 | \$1,144 | \$0 | Market | No | 0 | 0.0% | N/A | None |
| 2 | 2 | Garden (3 stories) | 5 | 1,322 | \$1,164 | \$0 | Market | No | 0 | 0.0% | N/A | None |
| 2 | 2 | Garden (3 stories) | 15 | 1,165 | N/A | \$0 | PBRA | Yes | 0 | 0.0% | N/A | None |
| 2 | 2 | Garden (3 stories) | 84 | 1,282 | N/A | \$0 | PBRA | Yes | 0 | 0.0% | N/A | None |
| 2 | 2 | Garden (3 stories) | 5 | 1,322 | N/A | \$0 | PBRA | Yes | 0 | 0.0% | N/A | None |
| 3 | 2 | Garden (3 stories) | 25 | 1,319 | \$1,254 | \$0 | Market | No | 0 | 0.0% | N/A | None |
| 3 | 2 | Garden (3 stories) | 20 | 1,400 | \$1,260 | \$0 | Market | No | 0 | 0.0% | N/A | None |
| 3 | 2 | Garden (3 stories) | 47 | 1,544 | \$1,270 | \$0 | Market | No | 0 | 0.0% | N/A | None |
| 3 | 2 | Garden (3 stories) | 3 | 1,585 | \$1,260 | \$0 | Market | No | 0 | 0.0% | N/A | None |
| 3 | 2 | Garden (3 stories) | 26 | 1,319 | N/A | \$0 | PBRA | Yes | 0 | 0.0% | N/A | None |
| 3 | 2 | Garden (3 stories) | 20 | 1,400 | N/A | \$0 | PBRA | Yes | 0 | 0.0% | N/A | None |
| 3 | 2 | Garden (3 stories) | 47 | 1,544 | N/A | \$0 | PBRA | Yes | 0 | 0.0% | N/A | None |
| 3 | 2 | Garden (3 stories) | 3 | 1,585 | N/A | \$0 | PBRA | Yes | 0 | 0.0% | N/A | None |
| 4 | 2 | Garden (3 stories) | 18 | 1,812 | \$1,496 | \$0 | Market | No | 0 | 0.0% | N/A | None |
| 4 | 2 | Garden (3 stories) | 18 | 1,812 | N/A | \$0 | PBRA | Yes | 0 | 0.0% | N/A | None |
| 4 | 2.5 | Townhouse (2 stories) | 5 | 1,650 | \$1,522 | \$0 | Market | No | 0 | 0.0% | N/A | None |
| 4 | 2.5 | Townhouse (2 stories) | 5 | 1,650 | N/A | \$0 | PBRA | Yes | 0 | 0.0% | N/A | None |

Unit Mix

| Market | Face Rent | Conc. | Concd. Rent | Util. | Adj. Rent | PBRA | Face Rent | Conc. | Concd. Rent | Util. | Adj. Rent |
|--------------------|-------------------|-------|-------------------|-------|-------------------|--------------------|-----------|-------|-------------|-------|-----------|
| 1BR / 1BA | \$1,034 - \$1,074 | \$0 | \$1,034 - \$1,074 | \$72 | \$1,106 - \$1,146 | 1BR / 1BA | N/A | \$0 | N/A | \$72 | N/A |
| 2BR / 1.5BA | \$1,195 | \$0 | \$1,195 | \$110 | \$1,305 | 2BR / 1.5BA | N/A | \$0 | N/A | \$110 | N/A |
| 2BR / 2BA | \$1,112 - \$1,164 | \$0 | \$1,112 - \$1,164 | \$110 | \$1,222 - \$1,274 | 2BR / 2BA | N/A | \$0 | N/A | \$110 | N/A |
| 3BR / 2BA | \$1,254 - \$1,270 | \$0 | \$1,254 - \$1,270 | \$160 | \$1,414 - \$1,430 | 3BR / 2BA | N/A | \$0 | N/A | \$160 | N/A |
| 4BR / 2BA | \$1,496 | \$0 | \$1,496 | \$194 | \$1,690 | 4BR / 2BA | N/A | \$0 | N/A | \$194 | N/A |
| 4BR / 2.5BA | \$1,522 | \$0 | \$1,522 | \$194 | \$1,716 | 4BR / 2.5BA | N/A | \$0 | N/A | \$194 | N/A |

Villages Of East Lake I And II, continued

Amenities

In-Unit

Balcony/Patio
Carpet/Hardwood
Coat Closet
Exterior Storage
Garbage Disposal
Refrigerator
Washer/Dryer hookup

Blinds
Central A/C
Dishwasher
Ceiling Fan
Oven
Walk-In Closet

Security

In-Unit Alarm
Limited Access
Patrol
Perimeter Fencing

Services

None

Property

Business Center/Computer Lab
Clubhouse/Meeting Room/Community Room
Off-Street Parking
Picnic Area
Sport Court
Tennis Court

Car Wash
Central Laundry
On-Site Management
Playground
Swimming Pool

Premium

None

Other

Public golf course

Comments

They property charges for water, sewer, and trash apart from the monthly rent. The property charges \$55 for one bedrooms, \$65 for two-bedrooms, \$75 for three-bedrooms, and \$85 for four-bedroom units per month. The waiting list was estimated to be approximately one year in length for the PBRA units.

Villages Of East Lake I And II, continued

Trend Report

Vacancy Rates

| 1Q13 | 3Q16 | 1Q17 | 3Q17 |
|------|------|------|------|
| 7.7% | 4.4% | 3.0% | 0.0% |

Trend: Market

1BR / 1BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-------------------|-------|-------------------|-------------------|
| 2013 | 1 | N/A | \$795 | \$50 | \$745 | \$817 |
| 2016 | 3 | N/A | \$895 - \$915 | \$0 | \$895 - \$915 | \$967 - \$987 |
| 2017 | 1 | 0.0% | \$969 - \$979 | \$0 | \$969 - \$979 | \$1,041 - \$1,051 |
| 2017 | 3 | 0.0% | \$1,034 - \$1,074 | \$0 | \$1,034 - \$1,074 | \$1,106 - \$1,146 |

2BR / 1.5BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|---------------|-------|---------------|-----------------|
| 2013 | 1 | N/A | \$899 - \$999 | \$50 | \$849 - \$949 | \$959 - \$1,059 |
| 2016 | 3 | N/A | \$1,049 | \$0 | \$1,049 | \$1,159 |
| 2017 | 1 | N/A | \$1,129 | \$0 | \$1,129 | \$1,239 |
| 2017 | 3 | 0.0% | \$1,195 | \$0 | \$1,195 | \$1,305 |

2BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-------------------|-------|-------------------|-------------------|
| 2013 | 1 | N/A | \$819 - \$999 | \$50 | \$769 - \$949 | \$879 - \$1,059 |
| 2016 | 3 | N/A | \$969 - \$1,015 | \$0 | \$969 - \$1,015 | \$1,079 - \$1,125 |
| 2017 | 1 | N/A | \$1,049 - \$1,099 | \$0 | \$1,049 - \$1,099 | \$1,159 - \$1,209 |
| 2017 | 3 | 0.0% | \$1,112 - \$1,164 | \$0 | \$1,112 - \$1,164 | \$1,222 - \$1,274 |

3BR / 2.5BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-------------------|-------|-------------------|-------------------|
| 2013 | 1 | N/A | \$969 - \$1,069 | \$50 | \$919 - \$1,019 | \$1,079 - \$1,179 |
| 2016 | 3 | N/A | \$1,085 - \$1,150 | \$0 | \$1,085 - \$1,150 | \$1,245 - \$1,310 |
| 2017 | 1 | N/A | \$1,179 - \$1,199 | \$0 | \$1,179 - \$1,199 | \$1,339 - \$1,359 |
| 2017 | 3 | 0.0% | \$1,254 - \$1,270 | \$0 | \$1,254 - \$1,270 | \$1,414 - \$1,430 |

3BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2013 | 1 | N/A | \$1,210 | \$50 | \$1,160 | \$1,354 |
| 2016 | 3 | N/A | \$1,299 | \$0 | \$1,299 | \$1,493 |
| 2017 | 1 | N/A | \$1,399 | \$0 | \$1,399 | \$1,593 |
| 2017 | 3 | 0.0% | \$1,522 | \$0 | \$1,522 | \$1,716 |

4BR / 2.5BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2013 | 1 | N/A | \$1,210 | \$50 | \$1,160 | \$1,354 |
| 2016 | 3 | N/A | \$1,349 | \$0 | \$1,349 | \$1,543 |
| 2017 | 1 | N/A | \$1,375 | \$0 | \$1,375 | \$1,569 |
| 2017 | 3 | 0.0% | \$1,496 | \$0 | \$1,496 | \$1,690 |

4BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2013 | 1 | N/A | \$1,210 | \$50 | \$1,160 | \$1,354 |
| 2016 | 3 | N/A | \$1,349 | \$0 | \$1,349 | \$1,543 |
| 2017 | 1 | N/A | \$1,375 | \$0 | \$1,375 | \$1,569 |
| 2017 | 3 | 0.0% | \$1,496 | \$0 | \$1,496 | \$1,690 |

Trend: PBRA

1BR / 1BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2013 | 1 | N/A | N/A | \$0 | N/A | N/A |
| 2016 | 3 | N/A | N/A | \$0 | N/A | N/A |
| 2017 | 1 | 0.0% | N/A | \$0 | N/A | N/A |
| 2017 | 3 | 0.0% | N/A | \$0 | N/A | N/A |

2BR / 1.5BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2013 | 1 | N/A | N/A | \$0 | N/A | N/A |
| 2016 | 3 | N/A | N/A | \$0 | N/A | N/A |
| 2017 | 1 | 0.0% | N/A | \$0 | N/A | N/A |
| 2017 | 3 | 0.0% | N/A | \$0 | N/A | N/A |

2BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2013 | 1 | N/A | N/A | \$0 | N/A | N/A |
| 2016 | 3 | N/A | N/A | \$0 | N/A | N/A |
| 2017 | 1 | 0.0% | N/A | \$0 | N/A | N/A |
| 2017 | 3 | 0.0% | N/A | \$0 | N/A | N/A |

3BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2013 | 1 | N/A | N/A | \$0 | N/A | N/A |
| 2016 | 3 | N/A | N/A | \$0 | N/A | N/A |
| 2017 | 1 | 0.0% | N/A | \$0 | N/A | N/A |
| 2017 | 3 | 0.0% | N/A | \$0 | N/A | N/A |

4BR / 2.5BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2013 | 1 | N/A | N/A | \$0 | N/A | N/A |
| 2016 | 3 | N/A | N/A | \$0 | N/A | N/A |
| 2017 | 1 | 0.0% | N/A | \$0 | N/A | N/A |
| 2017 | 3 | 0.0% | N/A | \$0 | N/A | N/A |

4BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2013 | 1 | N/A | N/A | \$0 | N/A | N/A |
| 2016 | 3 | N/A | N/A | \$0 | N/A | N/A |
| 2017 | 1 | 0.0% | N/A | \$0 | N/A | N/A |
| 2017 | 3 | 0.0% | N/A | \$0 | N/A | N/A |

Villages Of East Lake I And II, continued

Trend: Comments

| | |
|------|--|
| 1Q13 | N/A |
| 3Q16 | Village of East Lake I was built in 1998 and Village of East Lake II was built in 2000. Village of East Lake I has gas powered cooking, heat and water. Village of East Lake II had electric powered heat, cooking and hot water. Village of East Lake II's utility structure was used to calculate utility adjustments since it has more units. |
| 1Q17 | They property charges for water, sewer, and trash apart from the monthly rent. The property charges \$55 for one bedrooms, \$65 for two-bedrooms, \$75 for three-bedrooms, and \$85 for four-bedroom units per month. The waiting list was reported to be up to one year for the PBRA units. |
| 3Q17 | They property charges for water, sewer, and trash apart from the monthly rent. The property charges \$55 for one bedrooms, \$65 for two-bedrooms, \$75 for three-bedrooms, and \$85 for four-bedroom units per month. The waiting list was estimated to be approximately one year in length for the PBRA units. |

Photos



| Subject | | Comp #1 | | Comp #2 | | Comp #3 | | Comp #4 | | Comp #6 | |
|---|--------------------------------|---------------------------|---------------|--|---------------|------------------------|---------------|--------------------|---------------|-------------------------|---------------|
| Edgewood Court Apartments | | Ashford East Village | | Broadway At East Atlanta | | Eagles Run Apartments | | East Lake Gardens | | The Element At Kirkwood | |
| 1572 Hardee Street NE | | 1438 Bouldercrest Road SE | | 1930 Flat Shoals Road SE | | 2000 Bouldercrest Road | | 1403 Custer Avenue | | 2035 Memorial Drive | |
| Atlanta, Dekalb | | Atlanta, Dekalb | | Atlanta, Dekalb | | Atlanta, Dekalb | | Atlanta, Dekalb | | Atlanta, Dekalb | |
| Subject | | Subject | | Subject | | Subject | | Subject | | Subject | |
| A. Rents Charged | | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 1 | \$ Last Rent / Restricted? | \$995 | N | \$940 | N | \$720 | N | \$680 | N | \$1,199 | N |
| 2 | Date Last Leased (mo/yr) | Jul-17 | | Jun-17 | | Jul-17 | | Jun-17 | | Jul-17 | |
| 3 | Rent Concessions | N | | N | | N | | N | | Y | (\$200) |
| 4 | Occupancy for Unit Type | 98% | | 97% | | 100% | | 96% | | 77% | |
| 5 | Effective Rent & Rent / sq. ft | \$995 | \$1.22 | \$940 | \$1.30 | \$720 | \$0.90 | \$680 | \$0.89 | \$999 | \$1.43 |
| In Parts B thru E, adjust only for differences the subject's market values. | | | | | | | | | | | |
| B. Design, Location, Condition | | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 6 | Structure / Stories | G/2 | | WU/2 | | G/3 | | G/2 | | G/2 | |
| 7 | Yr. Built / Yr. Renovated | 1950/1980 | | 1979/2015 | | 1976/2015 | | 1979/1995 | | 1962 | |
| 8 | Condition / Street Appeal | Average | (\$150) | Good | (\$150) | Fair | \$150 | Fair | \$150 | Good | (\$150) |
| 9 | Neighborhood | Average | \$200 | Fair | \$200 | Fair | \$200 | Fair | \$200 | Average | |
| 10 | Same Market? Miles to Subj. | Yes/2.7 | | Yes/2.0 | | Yes/4 | | Yes/2.7 | | Yes/1.0 | |
| C. Unit Equipment / Amenities | | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 11 | # Bedrooms | 1 | | 1 | | 1 | | 1 | | 1 | |
| 12 | # Bathrooms | 1 | | 1 | | 1 | | 1 | | 1 | |
| 13 | Unit Interior Sq. Ft. | 594 | (\$65) | 815 | (\$40) | 800 | (\$40) | 767 | (\$35) | 700 | (\$35) |
| 14 | Balcony / Patio | Y | | Y | | Y | | N | \$10 | N | \$10 |
| 15 | AC: Central / Wall | C | | C | | C | | C | | C | |
| 16 | Range / Refrigerator | R/F | | R/F | | R/F | | R/F | | R/F | |
| 17 | Microwave / Dishwasher | N | (\$10) | M/D | (\$10) | D | (\$10) | N | | D | (\$10) |
| 18 | Washer / Dryer | L/HU | (\$35) | WD/HU | (\$35) | L/HU | | L | \$10 | WD/L | (\$35) |
| 19 | Floor Coverings | C/V | | V | | C/W | | C | | V | |
| 20 | Window Coverings | B | | B | | B | | B | | B | |
| 21 | Cable / Satellite / Internet | N | | N | | N | | N | | N | |
| 22 | Special Features | N | | Ceiling Fan | (\$5) | Ceiling Fan | (\$5) | N | | N | |
| 23 | | | | | | | | | | | |
| D. Site Equipment / Amenities | | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 24 | Parking (\$ Fee) | L/\$0 | | L/\$0 | | L/\$0 | | L/\$0 | | L/\$0 | |
| 25 | Extra Storage | N | | N | | Y | (\$10) | N | | N | |
| 26 | Security | Y | | Y | | Y | | Y | | Y | |
| 27 | Clubhouse / Meeting Rooms | C | | C | \$10 | C | | N | \$10 | C | |
| 28 | Pool / Recreation Areas | R | P/E/R (\$15) | P/R | (\$10) | P/R | (\$10) | N | \$5 | P/E/R | (\$15) |
| 29 | Business Ctr / Nhd Network | N | (\$5) | N | | N | (\$5) | N | | N | |
| 30 | Service Coordination | N | | N | | N | | N | | N | |
| 31 | Non-shelter Services | N | | N | | N | | N | | N | |
| 32 | Neighborhood Networks | Y | \$20 | N | \$20 | N | \$20 | N | \$20 | N | \$20 |
| E. Utilities | | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 33 | Heat (in rent? / type) | N/G | | N/E | | N/E | | N/G | | N/G | |
| 34 | Cooling (in rent? / type) | N/E | | N/E | | N/E | | N/E | | N/E | |
| 35 | Cooking (in rent? / type) | N/G | | N/E | | N/E | | N/G | | N/G | |
| 36 | Hot water (in rent? / type) | N/G | | N/E | | N/G | | N/G | | N/G | |
| 37 | Other Electric | N | | N | | N | | N | | N | |
| 38 | Cold Water / Sewer | Y/Y | | Y/Y | \$72 | Y/Y | | N/N | \$72 | N/N | \$72 |
| 39 | Trash / Recycling | Y | | Y | | Y | | N | | N | |
| F. Adjustments Recap | | Pos | Neg | Pos | Neg | Pos | Neg | Pos | Neg | Pos | Neg |
| 40 | # Adjustments B to D | 2 | (7) | 3 | (6) | 3 | (5) | 7 | (1) | 2 | (5) |
| 41 | Sum Adjustments B to D | \$220 | (\$285) | \$230 | (\$250) | \$370 | (\$75) | \$405 | (\$35) | \$30 | (\$245) |
| 42 | Sum Utility Adjustments | | | \$72 | | | | \$72 | | \$72 | |
| 43 | Net / Gross Adjustments B to E | Net | Gross | Net | Gross | Net | Gross | Net | Gross | Net | Gross |
| | | (\$65) | \$505 | \$52 | \$552 | \$295 | \$445 | \$442 | \$512 | (\$143) | \$347 |
| G. Adjusted & Market Rents | | Adj. Rent | | Adj. Rent | | Adj. Rent | | Adj. Rent | | Adj. Rent | |
| 44 | Adjusted Rent (5 + 43) | \$930 | | \$992 | | \$1,015 | | \$1,122 | | \$856 | |
| 45 | Adj Rent / Last rent | | 93% | | 106% | | 141% | | 165% | | 71% |
| 46 | Estimated Market Rent | \$925 | | \$1.56 Estimated Market Rent / Sq. Ft. | | | | | | | |

Appraiser's Signature 

7/11/2017 Date **Attached are explanations of:**

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

Grid was prepared: Manually Using HUD's Excel form

form HUD-92273-S8 (04/2002)

| Subject | | Comp #1 | | Comp #2 | | Comp #3 | | Comp #5 | | Comp #6 | |
|--|--------------------------------|--|-----------------------|---|----------------------|--|-----------------------|--|------------------------|---|-------------------------|
| Edgewood Court Apartments 1572 Hardee Street NE Atlanta, Dekalb | | Ashford East Village 1438 Bouldercrest Road SE Atlanta, Dekalb | | Broadway At East Atlanta 1930 Flat Shoals Road SE Atlanta, Dekalb | | Eagles Run Apartments 2000 Bouldercrest Road Atlanta, Dekalb | | Oak Pointe Apartments 469-497 Oakdale Road Atlanta, Dekalb | | The Element At Kirkwood 2035 Memorial Drive Atlanta, Dekalb | |
| Data | | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| A. Rents Charged | | | | | | | | | | | |
| 1 | \$ Last Rent / Restricted? | \$1,070 | N | \$1,000 | N | \$840 | N | \$1,225 | N | \$1,329 | N |
| 2 | Date Last Leased (mo/yr) | Jul-17 | | Jun-17 | | Jul-17 | | Jul-17 | | Jul-17 | |
| 3 | Rent Concessions | N | | N | | N | | N | | N | (\$200) |
| 4 | Occupancy for Unit Type | 86% | | 97% | | 100% | | 100% | | 77% | |
| 5 | Effective Rent & Rent / sq. ft | \$1,070 | \$1.37 | \$1,000 | \$1.11 | \$840 | \$0.70 | \$1,225 | \$1.63 | \$1,129 | \$1.25 |
| <i>In Parts B thru E, adjust only for differences the subject's market values.</i> | | | | | | | | | | | |
| B. Design, Location, Condition | | | | | | | | | | | |
| 6 | Structure / Stories | G/2 | | G/2 | | G/3 | | G/2 | | G/2 | |
| 7 | Yr. Built / Yr. Renovated | 1950/1980 | | 1979/2015 | | 1976/2015 | | 1979/1995 | | 1963/2016 | 1970/1994/2016 |
| 8 | Condition / Street Appeal | Average | Good (\$150) | Good (\$150) | Fair (\$150) | Fair (\$150) | Good (\$150) | Good (\$150) | Good (\$150) | Good (\$150) | Good (\$150) |
| 9 | Neighborhood | Average | Fair \$200 | Fair \$200 | Fair \$200 | Fair \$200 | Good (\$25) | Good (\$25) | Average | Average | |
| 10 | Same Market? Miles to Subj. | | Yes/2.7 | Yes/2.0 | | Yes/4.0 | | Yes/0.9 | | Yes/1.0 | |
| C. Unit Equipment / Amenities | | | | | | | | | | | |
| 11 | # Bedrooms | 2 | | 2 | | 2 | | 2 | | 2 | |
| 12 | # Bathrooms | 1.5 | \$25 | 1 | \$25 | 2 | (\$25) | 1 | \$25 | 1 | \$25 |
| 13 | Unit Interior Sq. Ft. | 690 | 780 (\$30) | 900 | (\$60) | 1200 | (\$90) | 750 | (\$20) | 900 | (\$66) |
| 14 | Balcony / Patio | Y | | Y | | Y | | N | \$10 | N | \$10 |
| 15 | AC: Central / Wall | C | | C | | C | | C | | C | |
| 16 | Range / Refrigerator | R/F | | R/F | | R/F | | R/F | | R/F | |
| 17 | Microwave / Dishwasher | N | M/D (\$10) | M/D (\$10) | | D | (\$10) | D | (\$10) | D | (\$10) |
| 18 | Washer / Dryer | L/HU | WD/HU (\$35) | WD/HU (\$35) | | L/HU | | L | \$10 | WD/L | (\$35) |
| 19 | Floor Coverings | C/V | | V | | C/T | | C/W | | V | |
| 20 | Window Coverings | B | | B | | B | | B | | B | |
| 21 | Cable / Satellite / Internet | N | | N | | N | | N | | N | |
| 22 | Special Features | N | Ceiling Fan (\$5) | Ceiling Fan (\$5) | | N | | N | | N | |
| 23 | | | | | | | | | | | |
| D. Site Equipment / Amenities | | | | | | | | | | | |
| 24 | Parking (\$ Fee) | L/\$0 | L/\$0 | L/\$0 | | L/\$0 | | L/\$0 | | L/\$0 | |
| 25 | Extra Storage | N | | N | | Y | (\$10) | N | | N | |
| 26 | Security | Y | | Y | | Y | | Y | | Y | |
| 27 | Clubhouse / Meeting Rooms | C | | N | \$10 | C | | N | \$10 | C | |
| 28 | Pool / Recreation Areas | R | P/E/R (\$15) | P/R (\$10) | | P/R (\$10) | | N | \$5 | P/E/R (\$15) | |
| 29 | Business Ctr / Nbrd Network | N | BC (\$5) | N | | BC (\$5) | | N | | N | |
| 30 | Service Coordination | N | | N | | N | | N | | N | |
| 31 | Non-shelter Services | N | | N | | N | | N | | N | |
| 32 | Neighborhood Networks | Y | N \$20 | N \$20 | | N \$20 | | N \$20 | | N \$20 | |
| E. Utilities | | | | | | | | | | | |
| 33 | Heat (in rent? / type) | N/G | N/E | N/G | | N/E | | N/E | | N/G | |
| 34 | Cooling (in rent? / type) | N/E | N/E | N/E | | N/E | | N/E | | N/E | |
| 35 | Cooking (in rent? / type) | N/G | N/E | N/E | | N/E | | N/E | | N/G | |
| 36 | Hot water (in rent? / type) | N/G | N/E | N/G | | N/E | | N/G | | N/G | |
| 37 | Other Electric | N | | N | | N | | N | | N | |
| 38 | Cold Water / Sewer | Y/Y | Y/Y | N/N | \$110 | Y/Y | | N/N | \$110 | N/N | \$110 |
| 39 | Trash / Recycling | Y | | Y | | Y | | N | | N | |
| F. Adjustments Recap | | | | | | | | | | | |
| 40 | # Adjustments B to D | | 3 (7) | | 4 (6) | | 3 (6) | | 6 (4) | | 3 (5) |
| 41 | Sum Adjustments B to D | | \$245 (\$250) | | \$255 (\$270) | | \$370 (\$150) | | \$80 (\$205) | | \$55 (\$276) |
| 42 | Sum Utility Adjustments | | | | \$110 | | | | \$110 | | \$110 |
| 43 | Net / Gross Adjustments B to E | | Net (\$5) Gross \$495 | | Net \$95 Gross \$635 | | Net \$220 Gross \$520 | | Net (\$15) Gross \$395 | | Net (\$111) Gross \$441 |
| G. Adjusted & Market Rents | | | | | | | | | | | |
| 44 | Adjusted Rent (5 + 43) | | \$1,065 | | \$1,095 | | \$1,060 | | \$1,210 | | \$1,018 |
| 45 | Adj Rent / Last rent | | | | 100% | | 110% | | 126% | | 99% |
| 46 | Estimated Market Rent | \$1,050 | | \$1.52 Estimated Market Rent / Sq. Ft. | | | | | | | |

Appraiser's Signature

7/11/2017

Date

Attached are
explanations of:

a. why & how each adjustment was made

b. how market rent was derived from adjusted

c. how this analysis was used for a similar

Grid was prepared: Manually Using HUD's Excel form

form HUD-92273-S8 (04/2002)

| Subject | | Comp #1 | | Comp #3 | | Comp #4 | | Comp #6 | | Comp #7 | |
|--|--------------------------------|--|-------------------|--|-------------|--|-------------|---|-------------|--|-------------|
| Edgewood Court Apartments 1572 Hardee Street NE Atlanta, Dekalb | | Ashford East Village 1438 Bouldercrest Road SE Atlanta, Dekalb | | Eagles Run Apartments 2000 Bouldercrest Road Atlanta, Dekalb | | East Lake Gardens 1403 Custer Avenue Atlanta, Dekalb | | The Element At Kirkwood 2035 Memorial Drive Atlanta, Dekalb | | Villages Of East Lake I And II 460 East Lake Blvd. Atlanta, Dekalb | |
| Data on Subject | | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| A. Rents Charged | | | | | | | | | | | |
| 1 | \$ Last Rent / Restricted? | \$1,082 | N | \$1,025 | N | \$880 | N | \$1,329 | N | \$1,254 | N |
| 2 | Date Last Leased (mo/yr) | Jul-17 | | Jul-17 | | Jun-17 | | Jul-17 | | Jul-17 | |
| 3 | Rent Concessions | N | | N | | Y | (\$4) | Y | (\$200) | N | |
| 4 | Occupancy for Unit Type | 100% | | 97% | | 100% | | 77% | | 100% | |
| 5 | Effective Rent & Rent / sq. ft | \$1,082 | \$1.10 | \$1,025 | \$0.76 | \$876 | \$0.85 | \$1,129 | \$1.25 | \$1,254 | \$0.95 |
| <i>In Parts B thru E, adjust only for differences the subject's market values.</i> | | | | | | | | | | | |
| B. Design, Location, Condition | | | | | | | | | | | |
| 6 | Structure / Stories | G/2 | | G/2 | | G/2 | | G/2 | | G/3 | |
| 7 | Yr. Built / Yr. Renovated | 1950/1980 | | 1979/2015 | | 1979/1995 | | 1962 | | 1970/1994/2016 | |
| 8 | Condition / Street Appeal | Average | Good (\$150) | Fair | \$150 | Fair | \$150 | Good | (\$150) | Good | (\$150) |
| 9 | Neighborhood | Average | Fair \$200 | Fair | \$200 | Fair | \$200 | Average | | Average | |
| 10 | Same Market? Miles to Subj. | | Yes/2.7 | | Yes/4 | | Yes/2.7 | | Yes/1.0 | | Yes/1.5 |
| C. Unit Equipment / Amenities | | | | | | | | | | | |
| 11 | # Bedrooms | 3 | | 3 | | 3 | | 2 | \$100 | 3 | |
| 12 | # Bathrooms | 2 | | 2 | | 1 | \$50 | 1 | \$50 | 2 | |
| 13 | Unit Interior Sq. Ft. | 966 | (\$5) | 1350 | (\$75) | 1025 | (\$10) | 900 | \$20 | 1319 | (\$80) |
| 14 | Balcony / Patio | Y | | Y | | N | \$10 | N | \$10 | Y | |
| 15 | AC: Central / Wall | C | | C | | C | | C | | C | |
| 16 | Range / Refrigerator | R/F | | R/F | | R/F | | R/F | | R/F | |
| 17 | Microwave / Dishwasher | N | (\$10) | D | (\$10) | N | | D | (\$10) | D | (\$10) |
| 18 | Washer / Dryer | L/HU | (\$35) | L/HU | | L | \$10 | WD/L | (\$35) | L/HU | (\$10) |
| 19 | Floor Coverings | C/V | | V | | C | | V | | C/W | |
| 20 | Window Coverings | B | | B | | B | | B | | B | |
| 21 | Cable / Satellite / Internet | N | | N | | N | | N | | N | |
| 22 | Special Features | N | Ceiling Fan (\$5) | N | | N | | N | | N | |
| D. Site Equipment / Amenities | | | | | | | | | | | |
| 24 | Parking (\$ Fee) | L/\$0 | | L/\$0 | | L/\$0 | | L/\$0 | | L/\$0 | |
| 25 | Extra Storage | N | | Y | (\$10) | N | | N | | Y | (\$10) |
| 26 | Security | Y | | Y | | Y | | Y | | Y | |
| 27 | Clubhouse / Meeting Rooms | C | | C | | N | \$10 | C | | C | |
| 28 | Pool / Recreation Areas | R | P/E/R (\$15) | P/R | (\$10) | N | \$5 | P/E/R | (\$15) | P/R | (\$10) |
| 29 | Business Ctr / Nbd Network | N | BC (\$5) | BC | (\$5) | N | | N | | BC | (\$5) |
| 30 | Service Coordination | N | | N | | N | | N | | N | |
| 31 | Non-shelter Services | N | | N | | N | | N | | N | |
| 32 | Neighborhood Networks | Y | \$20 | N | \$20 | N | \$20 | N | \$20 | N | \$20 |
| E. Utilities | | | | | | | | | | | |
| 33 | Heat (in rent? / type) | N/G | N/E | N/E | | N/G | | N/E | | N/E | |
| 34 | Cooling (in rent? / type) | N/E | N/E | N/E | | N/E | | N/E | | N/E | |
| 35 | Cooking (in rent? / type) | N/G | N/E | N/E | | N/G | | N/E | | N/E | |
| 36 | Hot water (in rent? / type) | N/G | N/E | N/E | | N/G | | N/G | | N/E | |
| 37 | Other Electric | N | | N | | N | | N | | N | |
| 38 | Cold Water / Sewer | Y/Y | Y/Y | Y/Y | | N/N | \$160 | N/N | \$160 | N/N | \$160 |
| 39 | Trash / Recycling | Y | | Y | | N | | N | | Y | |
| F. Adjustments Recap | | | | | | | | | | | |
| 40 | # Adjustments B to D | 2 | (7) | 3 | (5) | 8 | (1) | 5 | (4) | 1 | (6) |
| 41 | Sum Adjustments B to D | \$220 | (\$225) | \$370 | (\$110) | \$455 | (\$10) | \$200 | (\$210) | \$20 | (\$265) |
| 42 | Sum Utility Adjustments | | | \$160 | | \$160 | | \$160 | | \$160 | |
| 43 | Net / Gross Adjustments B to E | Net (\$5) | Gross \$445 | Net \$260 | Gross \$480 | Net \$605 | Gross \$625 | Net \$150 | Gross \$570 | Net (\$85) | Gross \$445 |
| G. Adjusted & Market Rents | | | | | | | | | | | |
| 44 | Adjusted Rent (5 + 43) | \$1,077 | | \$1,285 | | \$1,481 | | \$1,279 | | \$1,169 | |
| 45 | Adj Rent / Last rent | | 100% | | 125% | | 168% | | 96% | | 93% |
| 46 | Estimated Market Rent | \$1,225 | | \$1.27 Estimated Market Rent / Sq. Ft. | | | | | | | |

Appraiser's Signature 

Date 7/11/2017
Attached are explanations of:

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

Grid was prepared: [] Manually [X] Using HUD's Excel form

form HUD-92273-S8 (04/2002)

| Subject | | Comp #1 | | Comp #3 | | Comp #4 | | Comp #6 | | Comp #7 | |
|--|--------------------------------|--|-------------------|--|---------|---|---------|---|---------|--|---------|
| Edgewood Court Apartments 1572 Hardee Street NE Atlanta, Dekalb | | Ashford East Village 1438 Bouldercrest Road SE Atlanta, Dekalb | | Eagles Run Apartments 2000 Bouldercrest Road Atlanta, Dekalb | | Manor V Apartments 1403 Custer Avenue Atlanta, Dekalb | | The Element At Kirkwood 2035 Memorial Drive Atlanta, Dekalb | | Villages Of East Lake I And II 460 East Lake Blvd. Atlanta, Dekalb | |
| Data on Subject | | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| A. Rents Charged | | | | | | | | | | | |
| 1 | \$ Last Rent / Restricted? | \$1,356 | N | \$1,100 | N | \$880 | N | \$1,329 | N | \$1,496 | N |
| 2 | Date Last Leased (mo/yr) | Jul-17 | | Jul-17 | | Jun-17 | | Jul-17 | | Jul-17 | |
| 3 | Rent Concessions | N | | N | | N | | (\$200) | | N | |
| 4 | Occupancy for Unit Type | 100% | | 98% | | 100% | | 77% | | 100% | |
| 5 | Effective Rent & Rent / sq. ft | \$1,356 | \$1.24 | \$1,100 | \$0.73 | \$880 | \$0.86 | \$1,199 | \$1.33 | \$1,496 | \$0.83 |
| <i>In Parts B thru E, adjust only for differences the subject's market values.</i> | | | | | | | | | | | |
| B. Design, Location, Condition | | | | | | | | | | | |
| 6 | Structure / Stories | G/2 | | G/3 | | G/2 | | G/2 | | G/3 | |
| 7 | Yr. Built / Yr. Renovated | 1950/1980 | | 1979/1995 | | 1962 | | 1970/1994/2016 | | 1998/2000 | |
| 8 | Condition / Street Appeal | Average | Good (\$150) | Fair | \$150 | Fair | \$150 | Good | (\$150) | Good | (\$150) |
| 9 | Neighborhood | Average | Fair \$200 | Fair | \$200 | Fair | \$200 | Average | | Average | |
| 10 | Same Market? Miles to Subj. | | Yes/2.7 | | Yes/4 | | Yes/2.7 | | Yes/1.0 | | Yes/1.5 |
| C. Unit Equipment / Amenities | | | | | | | | | | | |
| 11 | # Bedrooms | 4 | 3 \$100 | 4 | | 3 | \$100 | 2 | \$200 | 4 | |
| 12 | # Bathrooms | 2 | | 2.5 | (\$25) | 1 | \$50 | 1 | \$50 | 2 | |
| 13 | Unit Interior Sq. Ft. | 1219 | 1095 \$35 | 1500 | (\$50) | 1025 | \$35 | 900 | \$105 | 1812 | (\$100) |
| 14 | Balcony / Patio | Y | | Y | | N | \$10 | N | \$10 | Y | |
| 15 | AC: Central / Wall | C | | C | | C | | C | | C | |
| 16 | Range / Refrigerator | R/F | | R/F | | R/F | | R/F | | R/F | |
| 17 | Microwave / Dishwasher | N | M/D (\$10) | D | (\$10) | N | | D | (\$10) | D | (\$10) |
| 18 | Washer / Dryer | L/HU | WD/HU (\$35) | L/HU | | L | \$10 | WD/L | (\$35) | L/HU | |
| 19 | Floor Coverings | C/V | | V | | C | | V | | C/W | |
| 20 | Window Coverings | B | | B | | B | | B | | B | |
| 21 | Cable / Satellite / Internet | N | | N | | N | | N | | N | |
| 22 | Special Features | N | Ceiling Fan (\$5) | N | | N | | N | | N | |
| 23 | | | | | | | | | | | |
| D. Site Equipment / Amenities | | | | | | | | | | | |
| 24 | Parking (\$ Fee) | L/\$0 | | L/\$0 | | L/\$0 | | L/\$0 | | L/\$0 | |
| 25 | Extra Storage | N | | N | (\$10) | N | | N | | Y | (\$10) |
| 26 | Security | Y | | Y | | Y | | Y | | Y | |
| 27 | Clubhouse / Meeting Rooms | C | | C | | N | \$10 | C | | C | |
| 28 | Pool / Recreation Areas | R | P/E/R (\$15) | P/R | (\$10) | N | \$5 | P/E/R | (\$15) | P/R | (\$10) |
| 29 | Business Ctr / Nbhd Network | N | BC (\$5) | BC | (\$5) | N | | N | | BC | (\$5) |
| 30 | Service Coordination | N | | N | | N | | N | | N | |
| 31 | Non-shelter Services | N | | N | | N | | N | | N | |
| 32 | Neighborhood Networks | Y | N \$20 | N | \$20 | N | \$20 | N | \$20 | N | \$20 |
| E. Utilities | | | | | | | | | | | |
| 33 | Heat (in rent? / type) | N/G | N/E | N/E | | N/G | | N/E | | N/E | |
| 34 | Cooling (in rent? / type) | N/E | N/E | N/E | | N/E | | N/E | | N/E | |
| 35 | Cooking (in rent? / type) | N/G | N/E | N/E | | N/G | | N/E | | N/E | |
| 36 | Hot water (in rent? / type) | N/G | N/E | N/E | | N/G | | N/E | | N/E | |
| 37 | Other Electric | N | | N | | N | | N | | N | |
| 38 | Cold Water / Sewer | Y/Y | Y/Y | Y/Y | | N/N | \$194 | N/N | \$194 | N/N | \$194 |
| 39 | Trash / Recycling | Y | | Y | | N | | N | | Y | |
| F. Adjustments Recap | | | | | | | | | | | |
| 40 | # Adjustments B to D | 4 | (6) | 3 | (6) | 10 | | 5 | (4) | 1 | (6) |
| 41 | Sum Adjustments B to D | \$355 | (\$220) | \$370 | (\$110) | \$590 | | \$385 | (\$210) | \$20 | (\$285) |
| 42 | Sum Utility Adjustments | | | | | \$194 | | \$194 | | \$194 | |
| 43 | Net / Gross Adjustments B to E | \$135 | \$575 | \$260 | \$480 | \$784 | \$784 | \$369 | \$789 | (\$71) | \$499 |
| G. Adjusted & Market Rents | | | | | | | | | | | |
| 44 | Adjusted Rent (\$ + 43) | \$1,491 | | \$1,360 | | \$1,664 | | \$1,568 | | \$1,425 | |
| 45 | Adj Rent / Last rent | | 110% | | 124% | | 189% | | 118% | | 95% |
| 46 | Estimated Market Rent | \$1,375 | | \$1.13 Estimated Market Rent / Sq. Ft. | | | | | | | |

Appraiser's Signature 

7/11/2017
Date

Attached are explanations of:

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

Grid was prepared: [] Manually [X] Using HUD's Excel form

form HUD-92273-S8 (04/2002)

| Subject | | Comp #1 | | Comp #2 | | Comp #3 | | Comp #4 | | Comp #6 | |
|---|--------------------------------|---------------------------|---------|--|---------|------------------------|--------|--------------------|--------|-------------------------|---------|
| Edgewood Court Apartments | | Ashford East Village | | Broadway At East Atlanta | | Eagles Run Apartments | | East Lake Gardens | | The Element At Kirkwood | |
| 1572 Hardee Street NE | | 1438 Bouldercrest Road SE | | 1930 Flat Shoals Road SE | | 2000 Bouldercrest Road | | 1403 Custer Avenue | | 2035 Memorial Drive | |
| Atlanta, Dekalb | | Atlanta, Dekalb | | Atlanta, Dekalb | | Atlanta, Dekalb | | Atlanta, Dekalb | | Atlanta, Dekalb | |
| Subject | | Subject | | Subject | | Subject | | Subject | | Subject | |
| A. Rents Charged | | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 1 | \$ Last Rent / Restricted? | \$995 | N | \$940 | N | \$720 | N | \$680 | N | \$1,199 | N |
| 2 | Date Last Leased (mo/yr) | Jul-17 | | Jun-17 | | Jul-17 | | Jun-17 | | Jul-17 | |
| 3 | Rent Concessions | N | | N | | N | | N | | Y | (\$200) |
| 4 | Occupancy for Unit Type | 98% | | 97% | | 100% | | 96% | | 77% | |
| 5 | Effective Rent & Rent / sq. ft | \$995 | \$1.22 | \$940 | \$1.30 | \$720 | \$0.90 | \$680 | \$0.89 | \$999 | \$1.43 |
| In Parts B thru E, adjust only for differences the subject's market values. | | | | | | | | | | | |
| B. Design, Location, Condition | | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 6 | Structure / Stories | G/2 | | WU/2 | | G/3 | | G/2 | | G/2 | |
| 7 | Yr. Built / Yr. Renovated | 1950/1980 | | 1979/2015 | | 1976/2015 | | 1979/1995 | | 1962 | |
| 8 | Condition / Street Appeal | Good | | Good | | Fair | \$300 | Fair | \$300 | Good | |
| 9 | Neighborhood | Average | \$200 | Fair | \$200 | Fair | \$200 | Fair | \$200 | Average | |
| 10 | Same Market? Miles to Subj. | Yes/2.7 | | Yes/2.0 | | Yes/4 | | Yes/2.7 | | Yes/1.0 | |
| C. Unit Equipment / Amenities | | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 11 | # Bedrooms | 1 | | 1 | | 1 | | 1 | | 1 | |
| 12 | # Bathrooms | 1 | | 1 | | 1 | | 1 | | 1 | |
| 13 | Unit Interior Sq. Ft. | 594 | (\$65) | 815 | (\$40) | 725 | (\$40) | 800 | (\$40) | 767 | (\$35) |
| 14 | Balcony / Patio | Y | | Y | | Y | | N | \$10 | N | \$10 |
| 15 | AC: Central / Wall | C | | C | | C | | C | | C | |
| 16 | Range / Refrigerator | R/F | | R/F | | R/F | | R/F | | R/F | |
| 17 | Microwave / Dishwasher | N | (\$10) | M/D | (\$10) | M/D | (\$10) | D | (\$10) | D | (\$10) |
| 18 | Washer / Dryer | L/HU | (\$35) | WD/HU | (\$35) | WD/HU | (\$35) | L/HU | \$10 | WD/L | (\$35) |
| 19 | Floor Coverings | C/V | | V | | C/T | | C | | V | |
| 20 | Window Coverings | B | | B | | B | | B | | B | |
| 21 | Cable / Satellite / Internet | N | | N | | N | | N | | N | |
| 22 | Special Features | N | | Ceiling Fan | (\$5) | Ceiling Fan | (\$5) | N | | N | |
| D. Site Equipment / Amenities | | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 24 | Parking (\$ Fee) | L/\$0 | | L/\$0 | | L/\$0 | | L/\$0 | | L/\$0 | |
| 25 | Extra Storage | N | | N | | Y | (\$10) | N | | N | |
| 26 | Security | Y | | Y | | Y | | Y | | Y | |
| 27 | Clubhouse / Meeting Rooms | C | | C | \$10 | C | | N | \$10 | C | |
| 28 | Pool / Recreation Areas | R | (\$15) | P/E/R | (\$10) | P/R | (\$10) | N | \$5 | P/E/R | (\$15) |
| 29 | Business Ctr / Nhbhd Network | N | (\$5) | BC | | N | | BC | (\$5) | N | |
| 30 | Service Coordination | N | | N | | N | | N | | N | |
| 31 | Non-shelter Services | N | | N | | N | | N | | N | |
| 32 | Neighborhood Networks | Y | \$20 | N | \$20 | N | \$20 | N | \$20 | N | \$20 |
| E. Utilities | | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 33 | Heat (in rent? / type) | N/G | | N/E | | N/E | | N/G | | N/G | |
| 34 | Cooling (in rent? / type) | N/E | | N/E | | N/E | | N/E | | N/E | |
| 35 | Cooking (in rent? / type) | N/G | | N/E | | N/E | | N/G | | N/G | |
| 36 | Hot water (in rent? / type) | N/G | | N/E | | N/G | | N/E | | N/G | |
| 37 | Other Electric | N | | N | | N | | N | | N | |
| 38 | Cold Water / Sewer | Y/Y | | Y/Y | \$72 | Y/Y | | N/N | \$72 | N/N | \$72 |
| 39 | Trash / Recycling | Y | | Y | | Y | | N | | N | |
| F. Adjustments Recap | | Pos | Neg | Pos | Neg | Pos | Neg | Pos | Neg | Pos | Neg |
| 40 | # Adjustments B to D | 2 | (6) | 3 | (5) | 3 | (5) | 7 | (1) | 2 | (4) |
| 41 | Sum Adjustments B to D | \$220 | (\$135) | \$230 | (\$100) | \$520 | (\$75) | \$555 | (\$35) | \$30 | (\$95) |
| 42 | Sum Utility Adjustments | | | \$72 | | | | \$72 | | \$72 | |
| 43 | Net / Gross Adjustments B to E | Net | Gross | Net | Gross | Net | Gross | Net | Gross | Net | Gross |
| | | \$85 | \$355 | \$202 | \$402 | \$445 | \$595 | \$592 | \$662 | \$7 | \$197 |
| G. Adjusted & Market Rents | | Adj. Rent | | Adj. Rent | | Adj. Rent | | Adj. Rent | | Adj. Rent | |
| 44 | Adjusted Rent (5 + 43) | \$1,080 | | \$1,142 | | \$1,165 | | \$1,272 | | \$1,006 | |
| 45 | Adj Rent / Last rent | | 109% | | 121% | | 162% | | 187% | | 84% |
| 46 | Estimated Market Rent | \$1,075 | | \$1.81 Estimated Market Rent / Sq. Ft. | | | | | | | |

Appraiser's Signature 

7/11/2017
Date

Attached are explanations of:

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

Grid was prepared: Manually Using HUD's Excel form

form HUD-92273-S8 (04/2002)

| Subject | | Comp #1 | | Comp #2 | | Comp #3 | | Comp #5 | | Comp #6 | |
|--|--------------------------------|--|--------------|---|-------------|--|-------------|--|-------------|---|-------------|
| Edgewood Court Apartments 1572 Hardee Street NE Atlanta, Dekalb | | Ashford East Village 1438 Bouldercrest Road SE Atlanta, Dekalb | | Broadway At East Atlanta 1930 Flat Shoals Road SE Atlanta, Dekalb | | Eagles Run Apartments 2000 Bouldercrest Road Atlanta, Dekalb | | Oak Pointe Apartments 469-497 Oakdale Road Atlanta, Dekalb | | The Element At Kirkwood 2035 Memorial Drive Atlanta, Dekalb | |
| Subject | | Subject | | Subject | | Subject | | Subject | | Subject | |
| A. Rents Charged | | Data | | Data | | Data | | Data | | Data | |
| 1 | \$ Last Rent / Restricted? | \$1,070 | N | \$1,000 | N | \$840 | N | \$1,225 | N | \$1,329 | N |
| 2 | Date Last Leased (mo/yr) | Jul-17 | | Jun-17 | | Jul-17 | | Jul-17 | | Jul-17 | |
| 3 | Rent Concessions | N | | N | | N | | N | | Y | (\$200) |
| 4 | Occupancy for Unit Type | 86% | | 97% | | 100% | | 100% | | 77% | |
| 5 | Effective Rent & Rent / sq. ft | \$1,070 | \$1.37 | \$1,000 | \$1.11 | \$840 | \$0.70 | \$1,225 | \$1.63 | \$1,129 | \$1.25 |
| <i>In Parts B thru E, adjust only for differences the subject's market values.</i> | | | | | | | | | | | |
| B. Design, Location, Condition | | Data | | Data | | Data | | Data | | Data | |
| 6 | Structure / Stories | G/2 | | G/2 | | G/3 | | G/2 | | G/2 | |
| 7 | Yr. Built / Yr. Renovated | 1950/1980 | | 1979/2015 | | 1979/1995 | | 1963/2016 | | 1970/1994/2016 | |
| 8 | Condition / Street Appeal | Good | | Good | | Fair | \$300 | Good | | Good | |
| 9 | Neighborhood | Average | \$200 | Fair | \$200 | Fair | \$200 | Good | (\$25) | Average | |
| 10 | Same Market? Miles to Subj. | Yes/2.7 | | Yes/2.0 | | Yes/4.0 | | Yes/0.9 | | Yes/1.0 | |
| C. Unit Equipment / Amenities | | Data | | Data | | Data | | Data | | Data | |
| 11 | # Bedrooms | 2 | | 2 | | 2 | | 2 | | 2 | |
| 12 | # Bathrooms | 1.5 | \$25 | 1 | \$25 | 2 | (\$25) | 1 | \$25 | 1 | \$25 |
| 13 | Unit Interior Sq. Ft. | 690 | (\$30) | 900 | (\$60) | 1200 | (\$90) | 750 | (\$20) | 900 | (\$66) |
| 14 | Balcony / Patio | Y | | Y | | Y | | N | \$10 | N | \$10 |
| 15 | AC: Central / Wall | C | | C | | C | | C | | C | |
| 16 | Range / Refrigerator | R/F | | R/F | | R/F | | R/F | | R/F | |
| 17 | Microwave / Dishwasher | N | M/D (\$10) | M/D | (\$10) | D | (\$10) | D | (\$10) | D | (\$10) |
| 18 | Washer / Dryer | L/HU | WD/HU (\$35) | WD/HU | (\$35) | L/HU | | L | \$10 | WD/L | (\$35) |
| 19 | Floor Coverings | C/V | | V | | C/T | | C/W | | V | |
| 20 | Window Coverings | B | | B | | B | | B | | B | |
| 21 | Cable / Satellite / Internet | N | | N | | N | | N | | N | |
| 22 | Special Features | N | | Ceiling Fan | (\$5) | Ceiling Fan | (\$5) | N | | N | |
| 23 | | | | | | | | | | | |
| D. Site Equipment / Amenities | | Data | | Data | | Data | | Data | | Data | |
| 24 | Parking (\$ Fee) | L/\$0 | | L/\$0 | | L/\$0 | | L/\$0 | | L/\$0 | |
| 25 | Extra Storage | N | | N | | Y | (\$10) | N | | N | |
| 26 | Security | Y | | Y | | Y | | Y | | Y | |
| 27 | Clubhouse / Meeting Rooms | C | | C | \$10 | C | | N | \$10 | C | |
| 28 | Pool / Recreation Areas | R | P/E/R (\$15) | P/R | (\$10) | P/R | (\$10) | N | \$5 | P/E/R | (\$15) |
| 29 | Business Ctr / Nbrhd Network | N | BC (\$5) | N | | BC | (\$5) | N | | N | |
| 30 | Service Coordination | N | | N | | N | | N | | N | |
| 31 | Non-shelter Services | N | | N | | N | | N | | N | |
| 32 | Neighborhood Networks | Y | \$20 | N | \$20 | N | \$20 | N | \$20 | N | \$20 |
| E. Utilities | | Data | | Data | | Data | | Data | | Data | |
| 33 | Heat (in rent? / type) | N/G | | N/E | | N/E | | N/E | | N/G | |
| 34 | Cooling (in rent? / type) | N/E | | N/E | | N/E | | N/E | | N/E | |
| 35 | Cooking (in rent? / type) | N/G | | N/E | | N/E | | N/E | | N/G | |
| 36 | Hot water (in rent? / type) | N/G | | N/E | | N/E | | N/G | | N/G | |
| 37 | Other Electric | N | | N | | N | | N | | N | |
| 38 | Cold Water / Sewer | Y/Y | | Y/Y | \$110 | Y/Y | | N/N | \$110 | N/N | \$110 |
| 39 | Trash / Recycling | Y | | Y | | Y | | N | | N | |
| F. Adjustments Recap | | Pos | | Neg | | Pos | | Neg | | Pos | |
| 40 | # Adjustments B to D | 3 | (6) | 4 | (5) | 3 | (6) | 6 | (3) | 3 | (4) |
| 41 | Sum Adjustments B to D | \$245 | (\$100) | \$255 | (\$120) | \$520 | (\$150) | \$80 | (\$55) | \$55 | (\$126) |
| 42 | Sum Utility Adjustments | | | \$110 | | | | \$110 | | \$110 | |
| 43 | Net / Gross Adjustments B to E | Net \$145 | Gross \$345 | Net \$245 | Gross \$485 | Net \$370 | Gross \$670 | Net \$135 | Gross \$245 | Net \$39 | Gross \$291 |
| G. Adjusted & Market Rents | | Adj. Rent | | Adj. Rent | | Adj. Rent | | Adj. Rent | | Adj. Rent | |
| 44 | Adjusted Rent (5 + 43) | \$1,215 | | \$1,245 | | \$1,210 | | \$1,360 | | \$1,168 | |
| 45 | Adj Rent / Last rent | | 114% | | 125% | | 144% | | 111% | | 88% |
| 46 | Estimated Market Rent | \$1,200 | | \$1.74 Estimated Market Rent / Sq. Ft. | | | | | | | |

Appraiser's Signature 

7/11/2017
Date **Attached are explanations of:**

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

Grid was prepared: Manually Using HUD's Excel form

form HUD-92273-S8 (04/2002)

| Subject | | Comp #1 | | Comp #3 | | Comp #4 | | Comp #6 | | Comp #7 | |
|---|--------------------------------|---------------------------|--------|--|---------|--------------------|--------|-------------------------|---------|--------------------------------|---------|
| Edgewood Court Apartments | | Ashford East Village | | Eagles Run Apartments | | East Lake Gardens | | The Element At Kirkwood | | Villages Of East Lake I And II | |
| 1572 Hardee Street NE | | 1438 Bouldercrest Road SE | | 2000 Bouldercrest Road | | 1403 Custer Avenue | | 2035 Memorial Drive | | 460 East Lake Blvd. | |
| Atlanta, Dekalb | | Atlanta, Dekalb | | Atlanta, Dekalb | | Atlanta, Dekalb | | Atlanta, Dekalb | | Atlanta, Dekalb | |
| A. Rents Charged | | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 1 | \$ Last Rent / Restricted? | \$1,082 | | \$1,025 | N | \$880 | | \$1,329 | | \$1,254 | N |
| 2 | Date Last Leased (mo/yr) | Jul-17 | | Jul-17 | | Jun-17 | | Jul-17 | | Jul-17 | |
| 3 | Rent Concessions | N | | N | | Y | (\$4) | Y | (\$200) | N | |
| 4 | Occupancy for Unit Type | 100% | | 97% | | 100% | | 77% | | 100% | |
| 5 | Effective Rent & Rent / sq. ft | \$1,082 | \$1.10 | \$1,025 | \$0.76 | \$876 | \$0.85 | \$1,129 | \$1.25 | \$1,254 | \$0.95 |
| In Parts B thru E, adjust only for differences the subject's market values. | | | | | | | | | | | |
| B. Design, Location, Condition | | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 6 | Structure / Stories | G/2 | | G/3 | | G/2 | | G/2 | | G/3 | |
| 7 | Yr. Built / Yr. Renovated | 1950/1980 | | 1979/2015 | | 1979/1995 | | 1962 | | 1970/1994/2016 | |
| 8 | Condition / Street Appeal | Good | | Good | | Fair | \$300 | Fair | \$300 | Good | |
| 9 | Neighborhood | Average | | Fair | \$200 | Fair | \$200 | Fair | \$200 | Average | |
| 10 | Same Market? Miles to Subj. | Yes/2.7 | | Yes/4 | | Yes/2.7 | | Yes/1.0 | | Yes/1.5 | |
| C. Unit Equipment / Amenities | | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 11 | # Bedrooms | 3 | | 3 | | 3 | | 2 | \$100 | 3 | |
| 12 | # Bathrooms | 2 | | 2 | | 1 | \$50 | 2 | \$50 | 2 | |
| 13 | Unit Interior Sq. Ft. | 966 | (\$5) | 980 | (\$5) | 1350 | (\$75) | 1025 | (\$10) | 900 | \$20 |
| 14 | Balcony / Patio | Y | | Y | | Y | | N | \$10 | Y | |
| 15 | AC; Central / Wall | C | | C | | C | | C | | C | |
| 16 | Range / Refrigerator | R/F | | R/F | | R/F | | R/F | | R/F | |
| 17 | Microwave / Dishwasher | N | | M/D | (\$10) | D | (\$10) | N | | D | (\$10) |
| 18 | Washer / Dryer | L/HU | (\$35) | W/D/HU | (\$35) | L/HU | | L | \$10 | W/D/L | (\$35) |
| 19 | Floor Coverings | C/V | | V | | C/T | | V | | C/W | |
| 20 | Window Coverings | B | | B | | B | | B | | B | |
| 21 | Cable / Satellite / Internet | N | | N | | N | | N | | N | |
| 22 | Special Features | N | | Ceiling Fan | (\$5) | N | | N | | N | |
| 23 | | | | | | | | | | | |
| D. Site Equipment / Amenities | | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 24 | Parking (\$ Fee) | L/\$0 | | L/\$0 | | L/\$0 | | L/\$0 | | L/\$0 | |
| 25 | Extra Storage | N | | N | | Y | (\$10) | N | | Y | (\$10) |
| 26 | Security | Y | | Y | | Y | | Y | | Y | |
| 27 | Clubhouse / Meeting Rooms | C | | C | | C | \$10 | C | | C | |
| 28 | Pool / Recreation Areas | R | | P/E/R | (\$15) | P/R | (\$10) | N | \$5 | P/E/R | (\$15) |
| 29 | Business Ctr / Nbd Network | N | | BC | (\$5) | BC | (\$5) | N | | N | |
| 30 | Service Coordination | N | | N | | N | | N | | N | |
| 31 | Non-shelter Services | N | | N | | N | | N | | N | |
| 32 | Neighborhood Networks | Y | | N | \$20 | N | \$20 | N | \$20 | N | \$20 |
| E. Utilities | | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 33 | Heat (in rent? / type) | N/G | | N/E | | N/G | | N/E | | N/E | |
| 34 | Cooling (in rent? / type) | N/E | | N/E | | N/E | | N/E | | N/E | |
| 35 | Cooking (in rent? / type) | N/G | | N/E | | N/G | | N/E | | N/E | |
| 36 | Hot water (in rent? / type) | N/G | | N/E | | N/G | | N/G | | N/E | |
| 37 | Other Electric | N | | N | | N | | N | | N | |
| 38 | Cold Water / Sewer | Y/Y | | Y/Y | | Y/Y | | N/N | \$160 | N/N | \$160 |
| 39 | Trash / Recycling | Y | | Y | | Y | | N | | Y | |
| F. Adjustments Recap | | Pos | Neg | Pos | Neg | Pos | Neg | Pos | Neg | Pos | Neg |
| 40 | # Adjustments B to D | 2 | (6) | 3 | (5) | 8 | (1) | 5 | (3) | 1 | (5) |
| 41 | Sum Adjustments B to D | \$220 | (\$75) | \$520 | (\$110) | \$605 | (\$10) | \$200 | (\$60) | \$20 | (\$115) |
| 42 | Sum Utility Adjustments | | | | | \$160 | | \$160 | | \$160 | |
| 43 | Net / Gross Adjustments B to E | \$145 | \$295 | \$410 | \$630 | \$755 | \$775 | \$300 | \$420 | \$65 | \$295 |
| G. Adjusted & Market Rents | | Adj. Rent | | Adj. Rent | | Adj. Rent | | Adj. Rent | | Adj. Rent | |
| 44 | Adjusted Rent (5 + 43) | \$1,227 | | \$1,435 | | \$1,631 | | \$1,429 | | \$1,319 | |
| 45 | Adj Rent / Last rent | | 113% | | 140% | | 185% | | 108% | | 105% |
| 46 | Estimated Market Rent | \$1,375 | | \$1.42 Estimated Market Rent / Sq. Ft. | | | | | | | |

Appraiser's Signature

7/11/2017
Date

Attached are
explanations of:

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

Grid was prepared: [] Manually [X] Using HUD's Excel form

form HUD-92273-S8 (04/2002)

| Subject | | Comp #1 | | Comp #3 | | Comp #4 | | Comp #6 | | Comp #7 | |
|---|--------------------------------|---------------------------|--------|--|---------|--------------------|--------|-------------------------|---------|--------------------------------|---------|
| Edgewood Court Apartments | | Ashford East Village | | Eagles Run Apartments | | Manor V Apartments | | The Element At Kirkwood | | Villages Of East Lake I And II | |
| 1572 Hardee Street NE | | 1438 Bouldercrest Road SE | | 2000 Bouldercrest Road | | 1403 Custer Avenue | | 2035 Memorial Drive | | 460 East Lake Blvd. | |
| Atlanta, Dekalb | | Atlanta, Dekalb | | Atlanta, Dekalb | | Atlanta, Dekalb | | Atlanta, Dekalb | | Atlanta, Dekalb | |
| Subject | | Subject | | Subject | | Subject | | Subject | | Subject | |
| A. Rents Charged | | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 1 | \$ Last Rent / Restricted? | \$1,356 | N | \$1,100 | N | \$880 | N | \$1,329 | N | \$1,496 | N |
| 2 | Date Last Leased (molyr) | Jul-17 | | Jul-17 | | Jun-17 | | Jul-17 | | Jul-17 | |
| 3 | Rent Concessions | N | | N | | N | | Y | (\$200) | N | |
| 4 | Occupancy for Unit Type | 100% | | 98% | | 100% | | 77% | | 100% | |
| 5 | Effective Rent & Rent / sq. ft | \$1,356 | \$1.24 | \$1,100 | \$0.73 | \$880 | \$0.86 | \$1,199 | \$1.33 | \$1,496 | \$0.83 |
| In Parts B thru E, adjust only for differences the subject's market values. | | | | | | | | | | | |
| B. Design, Location, Condition | | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 6 | Structure / Stories | G/2 | | G/3 | | G/2 | | G/2 | | G/3 | |
| 7 | Yr. Built / Yr. Renovated | 1950/1980 | | 1979/2015 | | 1962 | | 1970/1994/2016 | | 1998/2000 | |
| 8 | Condition / Street Appeal | Good | | Good | \$300 | Fair | \$300 | Good | | Good | |
| 9 | Neighborhood | Average | \$200 | Fair | \$200 | Fair | \$200 | Average | | Average | |
| 10 | Same Market? Miles to Subj. | Yes/2.7 | | Yes/4 | | Yes/2.7 | | Yes/1.0 | | Yes/1.5 | |
| C. Unit Equipment / Amenities | | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 11 | # Bedrooms | 4 | \$100 | 3 | | 3 | \$100 | 2 | \$200 | 4 | |
| 12 | # Bathrooms | 2 | | 2 | (\$25) | 1 | \$50 | 1 | \$50 | 2 | |
| 13 | Unit Interior Sq. Ft. | 1219 | \$35 | 1095 | (\$50) | 1500 | (\$50) | 900 | \$105 | 1812 | (\$100) |
| 14 | Balcony / Patio | Y | | Y | | Y | | N | \$10 | Y | |
| 15 | AC: Central / Wall | C | | C | | C | | C | | C | |
| 16 | Range / Refrigerator | R/F | | R/F | | R/F | | R/F | | R/F | |
| 17 | Microwave / Dishwasher | N | (\$10) | M/D | (\$10) | D | (\$10) | N | (\$10) | D | (\$10) |
| 18 | Washer / Dryer | L/HU | (\$35) | WD/HU | (\$35) | L/HU | \$10 | WD/L | (\$35) | L/HU | |
| 19 | Floor Coverings | C/V | | V | | C/T | | C | | C/W | |
| 20 | Window Coverings | B | | B | | B | | B | | B | |
| 21 | Cable / Satellite / Internet | N | | N | | N | | N | | N | |
| 22 | Special Features | N | | Ceiling Fan | (\$5) | N | | N | | N | |
| D. Site Equipment / Amenities | | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 24 | Parking (\$ Fee) | L/\$0 | | L/\$0 | | L/\$0 | | L/\$0 | | L/\$0 | |
| 25 | Extra Storage | N | | N | (\$10) | Y | | N | | Y | (\$10) |
| 26 | Security | Y | | Y | | Y | | Y | | Y | |
| 27 | Clubhouse / Meeting Rooms | C | | C | | N | \$10 | C | | C | |
| 28 | Pool / Recreation Areas | R | (\$15) | P/E/R | (\$10) | N | \$5 | P/E/R | (\$15) | P/R | (\$10) |
| 29 | Business Ctr / Nbhd Network | N | (\$5) | BC | (\$5) | N | | N | | BC | (\$5) |
| 30 | Service Coordination | N | | N | | N | | N | | N | |
| 31 | Non-shelter Services | N | | N | | N | | N | | N | |
| 32 | Neighborhood Networks | Y | \$20 | N | \$20 | N | \$20 | N | \$20 | N | \$20 |
| E. Utilities | | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 33 | Heat (in rent? / type) | N/G | | N/E | | N/G | | N/E | | N/E | |
| 34 | Cooling (in rent? / type) | N/E | | N/E | | N/E | | N/E | | N/E | |
| 35 | Cooking (in rent? / type) | N/G | | N/E | | N/G | | N/E | | N/E | |
| 36 | Hot water (in rent? / type) | N/G | | N/E | | N/G | | N/G | | N/E | |
| 37 | Other Electric | N | | N | | N | | N | | N | |
| 38 | Cold Water / Sewer | Y/Y | | Y/Y | | Y/Y | \$194 | N/N | \$194 | N/N | \$194 |
| 39 | Trash / Recycling | Y | | Y | | Y | | N | | Y | |
| F. Adjustments Recap | | Pos | Neg | Pos | Neg | Pos | Neg | Pos | Neg | Pos | Neg |
| 40 | # Adjustments B to D | 4 | (5) | 3 | (6) | 10 | | 5 | (3) | 1 | (5) |
| 41 | Sum Adjustments B to D | \$355 | (\$70) | \$520 | (\$110) | \$740 | | \$385 | (\$60) | \$20 | (\$135) |
| 42 | Sum Utility Adjustments | | | | | \$194 | | \$194 | | \$194 | |
| 43 | Net / Gross Adjustments B to E | Net | Gross | Net | Gross | Net | Gross | Net | Gross | Net | Gross |
| | | \$285 | \$425 | \$410 | \$630 | \$934 | \$934 | \$519 | \$639 | \$79 | \$349 |
| G. Adjusted & Market Rents | | Adj. Rent | | Adj. Rent | | Adj. Rent | | Adj. Rent | | Adj. Rent | |
| 44 | Adjusted Rent (5 + 43) | \$1,641 | | \$1,510 | | \$1,814 | | \$1,718 | | \$1,575 | |
| 45 | Adj Rent / Last rent | | 121% | | 137% | | 206% | | 129% | | 105% |
| 46 | Estimated Market Rent | \$1,525 | | \$1.25 Estimated Market Rent / Sq. Ft. | | | | | | | |

Appraiser's Signature 

7/11/2017
Date **Attached are explanations of:**

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

Grid was prepared: Manually Using HUD's Excel form

form HUD-92273-S8

PROPERTY CHARACTERISTICS

Following are relevant characteristics of the comparable properties surveyed:

Location

The Subject is located within 4.0 miles of the comparables. The table below details the median rents exhibited in the Subject and comparable neighborhoods.

| LOCATION | | | |
|--------------------------------|-----------------|--------------------|-----------------|
| Comparable Property | Zip Code | Median Rent | Location |
| SUBJECT | 30307 | \$1,085 | Average |
| Columbia CitiHomes | 30307 | \$1,085 | Average |
| Retreat At Edgewood | 30307 | \$1,085 | Average |
| Retreat At Edgewood Phase II | 30307 | \$1,085 | Average |
| Vineyards Of Flat Shoals | 30316 | \$989 | Fair |
| Ashford East Village | 30316 | \$989 | Fair |
| Broadway At East Atlanta | 30316 | \$989 | Fair |
| Eagles Run Apartments | 30316 | \$989 | Fair |
| Manor V Apartments | 30316 | \$989 | Fair |
| Oak Pointe Apartments | 30307 | \$1,085 | Good |
| The Element At Kirkwood | 30317 | \$887 | Average |
| Villages Of East Lake I And II | 30317 | \$887 | Average |

Source: 2010 US Census

Vineyards of Flat Shoals is located in a slightly inferior location relative to the Subject, while the remaining LIHTC comparables are located in similar locations and are within 0.6 mile from the Subject.

For the market rate comparables, there appears to be a significant difference between the properties located north and south of Interstate 20, which runs through East Atlanta roughly 0.8 mile south of the Subject. The table below illustrates the rents for properties north and south of the Interstate, adjusting for everything except location.

| Comparable Property | Median Rent | | | Location |
|--------------------------------|----------------------|--------------|--------------|-----------------|
| | <i>North of I-20</i> | | | |
| | 1BR | 2BR | 3BR | |
| Oak Pointe | - | \$1,110 | - | |
| The Element at Kirkwood | \$856 | \$1,084 | \$1,349 | |
| Villages Of East Lake I And II | - | - | \$1,094 | |
| | <i>South of I-20</i> | | | |
| | 1BR | 2BR | 3BR | |
| Ashford East Village | \$717 | \$842 | \$877 | |
| Broadway At East Atlanta | \$752 | \$925 | - | |
| Eagles Run Apartments | \$819 | \$860 | \$1,135 | |
| Manor V Apartments | \$842 | - | \$1,185 | |
| Average Difference | \$74 | \$221 | \$156 | |

The data above represents a small sample size, and therefore we supplemented this analysis with conversations with local property managers. The property managers we interview indicated that properties

north of Interstate 20 offer a more desirable location. Additionally, there are several detrimental uses south of Interstate 20, including a landfill and a state penitentiary. The neighborhoods north of Interstate 20 are experiencing significant revitalization, and previously discussed, offer superior access to employment opportunities and are more proximate to downtown Atlanta. Thus, we have applied a positive \$200 adjustment to the comparables located south of Interstate 20.

Oak Pointe Apartments is located in the same zip code as the Subject. However, this property is located within walking distance to the amenities in the Five Points neighborhood, and appears to be a superior location based on our inspection. Thus, we applied a negative \$25 adjustment to this comparable. The Element at Kirkwood and Villages of East Lake I and II are located in a zip code with lower median rents, but are located less than 1.5 miles from the Subject, north of Interstate 20 in an area with similar access to amenities.

Age and Condition

The Subject is currently in average condition. Post renovations, the Subject will be in good condition. Vineyards Of Flat Shoals was originally constructed in 1966 and was renovated with LIHTC in 2005. This property is considered to be in average condition, slightly inferior to the Subject post renovation. Columbia CitiHomes was constructed in 2002 and is in good condition, similar to the Subject post renovation. The remaining LIHTC comparables were constructed 2011 and 2012 are slightly superior to the Subject in terms of condition, post renovation.

Ashford East Village, Broadway at East Atlanta, Oak Pointe Apartments and The Element at Kirkwood were all constructed in the 1970s and have been extensively renovated within the past two years. Based on our inspection, these comparables appear to be in good condition. Eagles Run Apartments was built in 1979 and reported renovations in 1995. This comparable appears to be in fair condition based on our inspection. To determine an appropriate adjustment for properties based on condition, we compared the adjusted rents of the properties in good condition to the properties in fair condition. These rents had received all necessary adjustments except condition/street appeal, as shown in the following tables for the one- and two-bedroom units.

| CONDITION ADJUSTMENTS | | |
|---|-----------|---------------|
| Property | Condition | Adjusted Rent |
| One-Bedroom Units | | |
| Ashford East Village | Good | \$1,067 |
| Broadway at East Atlanta | Good | \$1,102 |
| The Element at Kirkwood | Good | \$1,006 |
| Eagles Run Apartments | Fair | \$869 |
| Manor V Apartments | Fair | \$892 |
| <i>Avg Difference Between Good and Fair</i> | | \$178 |

| CONDITION ADJUSTMENTS | | |
|---|-----------|---------------|
| Property | Condition | Adjusted Rent |
| Two-Bedroom Units | | |
| Ashford East Village | Good | \$1,192 |
| Broadway at East Atlanta | Good | \$1,275 |
| The Element at Kirkwood | Good | \$1,234 |
| Oak Pointe Apartments | Good | \$1,260 |
| Eagles Run Apartments | Fair | \$910 |
| <i>Avg Difference Between Good and Fair</i> | | \$330 |

Therefore, we relied on the range of differences of the comparable units in making our adjustments. This is a small sample size and likely does not illustrate the true market premium for developments in fair and good condition. Thus, we supplemented this analysis with conversations with local property managers. We applied a positive \$150 adjustment to the comparable in fair condition and a negative \$150 adjustment to the comparables in good condition.

The table below illustrates the effect of renovations on market-rate properties located in the Atlanta area.

| RENOVATED UNIT PRICE INCREASES | | | |
|--------------------------------|--------------|----------------|---|
| Property Name | City | Rent Increase | Notes |
| Avondale Station | Decatur | \$150 to \$175 | Renovations include updated kitchens, bathrooms and hardware |
| Ashford East Village | Atlanta | \$100 to \$175 | Renovations include new hardwood floors, new cabinets and granite countertops in kitchens and bathrooms, black appliances, paint, and fixtures. |
| Lakeside Reserve | College Park | \$120 to \$150 | Renovations include new appliances, flooring, paint, and fixtures. |
| Preserve At Cascade | Atlanta | \$250 | Renovations include new cabinetry, hardwood flooring, and stainless steel appliances. |
| Vesta Gardens Apartments | Atlanta | \$75 to \$80 | Renovations include new tile flooring, back splash, cabinets, counter tops, windows, and doors. |

As seen in the table above, rents increased \$75 to \$250, post renovations. According to property managers we have interviewed, the amount of increase is dependent on the scope of work with the most significant increases occurring when amenities are added, and improvements are made to the unit interiors and common areas that the residents use on a daily basis. According to the client, the proposed renovations are budgeted at \$8,796,480, or approximately \$43,120 per unit in hard costs. Therefore, we have estimated the value of the renovations at \$150, and an additional positive \$150 was applied to the comparables in fair condition in the as-proposed grid, and no adjustments were applied to the comparables in good condition.

Unit Size

The following table summarizes unit sizes in the market area, and provides a comparison of the Subject’s unit size and the surveyed average unit sizes in the market.

| UNIT SIZE COMPARISON | | | | | |
|----------------------|---------|--------------|--------------|------------------|------------------------|
| Unit Type | Subject | Surveyed Min | Surveyed Max | Surveyed Average | Advantage/Disadvantage |
| 1 BR | 594 | 630 | 1,026 | 808 | -26% |
| 2 BR | 690 | 670 | 1,538 | 1,111 | -38% |
| 3 BR | 966 | 980 | 1,697 | 1,345 | -28% |
| 4 BR | 1,219 | 1,500 | 1,812 | 1,630 | -25% |

As illustrated, all of the unit types at the Subject are below the surveyed average, and below the range of the comparables with the exception of the two-bedroom unit. The Subject has historically performed well. Additionally, the appraiser inspected each unit type and they appear functional for the intended use. Additionally, Vineyards of Flat Shoals, a LIHTC and market rate property, offers the smallest unit sizes among the comparables and is currently 99.6 percent occupied. Thus, the Subject’s unit sizes appear to be well accepted in the market as an affordable property. However, we have considered the Subject’s unit sizes in determining our achievable rents.

Amenities

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

The Subject's common area amenities include a clubhouse, two community rooms, a central laundry facility, surface parking, a playground, and an afterschool program. Unit amenities include refrigerators, stoves/ovens, central air conditioning, garbage disposal, blinds, carpeting, vinyl flooring in the kitchens and bathrooms, and a patio/balcony. Additionally, the Subject offers off-street surface parking. The Subject's parking ratio is similar to comparable multifamily properties and appears sufficient.

Security Features

Crime indices within the PMA are above those of the MSA and the nation. The Subject offers security patrol, and the majority of the comparables offer at least one security feature. Post renovation, the Subject will continue to offer patrol, and will remain similar to the comparables.

Utility Structure

The landlord is responsible for water, sewer, and trash expenses, while the tenant is responsible for all other utilities. Most of the comparable properties have differing utility structures when compared to the Subject and receive adjustments. These adjustments are based on the utility allowance schedule provided by the Atlanta Housing Authority dated July 1, 2016, the most recent available.

Parking

The Subject offers free surface parking, similar to all of the comparables. Thus, no adjustments were necessary.

MARKET CHARACTERISTICS

Following are relevant market characteristics for the comparable properties surveyed.

Absorption

Two of the recently constructed comparables was able to provide absorption data, as indicated below.

ABSORPTION

| Property Name | Type | Tenancy | Year Built | Number of Units | Units Absorbed / Month |
|------------------------------|-------|---------|------------|-----------------|------------------------|
| Retreat At Edgewood | LIHTC | Family | 2011 | 100 | 20 |
| Retreat At Edgewood Phase II | LIHTC | Family | 2012 | 40 | 12 |

As illustrated above, the comparables reported absorption rates between 12 to 20 units per month. The Subject is larger than all of these properties so an absorption rate towards the low end of the range would be reasonable. Thus, if the Subject was hypothetically 100 percent vacant and had to re-lease units, we would estimate an absorption rate of approximately 15 units per month, which results in an absorption period of approximately 13 months. It should be noted that this absorption analysis is hypothetical because the Subject is currently operating at a stabilized occupancy. However, we have assumed the Subject’s 18 new LIHTC units would be absorbed in less than two months once completed.

Turnover

The following table illustrates reported turnover for the comparable properties.

TURNOVER

| Property name | Rent Structure | Turnover |
|--------------------------------|----------------|------------|
| Columbia Citihomes | LIHTC | 20% |
| Retreat At Edgewood | LIHTC | 23% |
| Retreat At Edgewood Phase II | LIHTC | 27% |
| Vineyards Of Flat Shoals | LIHTC | 20% |
| Ashford East Village | Market | 10% |
| Broadway At East Atlanta | Market | 25% |
| Eagles Run Apartments | Market | 40% |
| Manor V Apartments | Market | 17% |
| Villages Of East Lake I And II | Market/PBRA | 25% |
| Average Turnover | | 23% |

As illustrated in the table above, turnover rates at the comparable properties ranged from 10 to 40 percent annually, with an average of 23 percent overall. Overall, we anticipate the Subject will maintain a turnover rate of 25 percent or less, which is reasonable based on the comparables.

Vacancy Levels

The following table summarizes overall weighted vacancy trends at the surveyed properties.

OVERALL VACANCY

| Property name | Rent Structure | Total Units | Vacant Units | Vacancy Rate |
|--------------------------------|----------------|-------------|--------------|--------------|
| Columbia Citihomes | LIHTC | 84 | 0 | 0.0% |
| Retreat At Edgewood | LIHTC | 100 | 0 | 0.0% |
| Retreat At Edgewood Phase II | LIHTC | 40 | 0 | 0.0% |
| Vineyards Of Flat Shoals | LIHTC | 228 | 2 | 0.9% |
| Ashford East Village | Market | 371 | 16 | 4.3% |
| Broadway At East Atlanta | Market | 176 | 5 | 2.8% |
| Eagles Run Apartments | Market | 258 | 3 | 1.2% |
| East Lake Gardens | Market | 144 | 3 | 2.1% |
| Oak Pointe Apartments | Market | 114 | 3 | 2.6% |
| The Element At Kirkwood | Market | 176 | 40 | 22.7% |
| Villages Of East Lake I And II | Market/PBRA | <u>542</u> | <u>0</u> | <u>0.0%</u> |
| Total | | 2233 | 72 | 3.2% |

The comparables reported vacancy rates ranging from zero to 22.7 percent, with an overall weighted average of 3.2 percent. The Element at Kirkwood is 22.7 percent vacant. However, management at this property reported that high vacancy rate was due to ongoing renovations at the property, with units undergoing renovations as they become available. If we remove this comparable from our analysis, the weighted vacancy rate is 1.6 percent. The remaining market comparables indicate a weighted vacancy rate of 1.9 percent. The LIHTC comparables feature a weighted vacancy rate of 0.4 percent. According to the historical financial statements, the Subject has operated with a vacancy and collection loss of approximately five to six percent over the past three years. Thus, based on the Subject’s historical performance as well as the low vacancy rates in the market, we anticipate the Subject will maintain a vacancy loss of three percent or less for the restricted scenario and five percent or less under the unrestricted scenario.

Concessions

Only two of the market rate comparables are currently offering rent concessions. The Element at Kirkwood is offering a \$100 monthly concession for its one- and two-bedroom units. East Lake Gardens is also offering a small concession for each unit type. The limited amount of concessions in the market indicates that the Subject likely does not need to offer concessions to remain competitive at the current rent levels.

Reasonability of Rents

The following table compares the Subject’s current rents to comparable developments. Rents have been adjusted for differences in utility structure and concessions. The following table illustrates the current rents and unit mix for the Subject property.

The following table is a comparison of the Subject’s current rents and the rents at the five comparable market rate or mixed income properties. For the purposes of this analysis, “Base Rents” are the actual rents quoted to the tenant, and are most frequently those rents that potential renters consider when making a housing decision. “Net rents” are rents adjusted for the cost of utilities (adjusted to the Subject’s convention) and are used to compensate for the differing utility structures of the Subject and the comparable properties. Net rents represent the actual costs of residing at a property, and help to provide an “apples-to-apples” comparison of rents. Additionally, it is important to note that we compared to concessed rent levels at the comparable properties, when applicable. It should be noted that the comparables are restricted at higher maximum allowable levels based on placed in service dates.

PROPOSED RENTS

| Unit Type | Unit Size (SF) | Asking Rent | Utility Allowance (1) | Gross Rent | 2016 LIHTC Maximum Allowable Gross Rent | Proposed Contract Rents* |
|----------------------------|----------------|-------------|-----------------------|------------|---|--------------------------|
| <i>60% AMI (Section 8)</i> | | | | | | |
| 1BR/1BA | 594 | \$677 | \$82 | \$759 | \$759 | \$1,075 |
| 2BR/1BA | 690 | \$803 | \$109 | \$912 | \$912 | \$1,200 |
| 3BR/1.5BA | 966 | \$917 | \$136 | \$1,053 | \$1,053 | \$1,375 |
| 3BR/1.5BA | 1,050 | \$917 | \$136 | \$1,053 | \$1,053 | \$1,375 |
| 4BR/2BA | 1,219 | \$1,011 | \$163 | \$1,174 | \$1,174 | \$1,525 |
| <i>60% AMI</i> | | | | | | |
| 1BR/1BA | 650 | \$677 | \$82 | \$759 | \$759 | - |
| 2BR/1BA | 850 | \$803 | \$109 | \$912 | \$912 | - |
| Total | | | | | | |

Notes (1) Source of Utility Allowance provided by the Subject's HAP Contract

*Note: Due to the type of HAP Contract renewal, contract rents will increase post-renovation

LIHTC Rent Analysis- As Proposed

LIHTC RENT COMPARISON - @60%

| Property Name | 1BR | 2BR | 3BR | 4BR |
|-------------------------------------|--------------|--------------|--------------|----------------|
| Edgewood Court Apartments (Subject) | \$677 | \$803 | \$917 | \$1,011 |
| 2016 LIHTC Maximum (Net) | \$677 | \$803 | \$917 | \$1,011 |
| Columbia Citihomes | - | \$865 | - | - |
| Retreat At Edgewood | \$695 | \$823 | \$941 | - |
| Retreat At Edgewood Phase II | \$695 | - | \$941 | - |
| Vineyards Of Flat Shoals | \$639 | \$799 | - | - |
| Average (excluding Subject) | \$673 | \$832 | \$841 | - |

The Subject's proposed rental rates at 60 percent AMI are set at or slightly below the 2016 maximum allowable levels. It should be noted that none of the LIHTC comparables offers four-bedroom units. Retreat at Edgewood Phases I and II appear to be achieving rents above the maximum allowable levels. However, this is likely due to differences in utility allowances. These comparables were constructed in 2011 and 2012 and are slightly superior to the Subject in terms of condition, unit sizes, and amenities, and similar to the Subject in terms of location. Columbia Citihomes is also considered superior in terms of unit sizes and amenities, and is considered similar in terms of location and condition. Thus, we believe the Subject's achievable LIHTC rents would be similar to slightly below these three comparables. Vineyards of Flat Shoals is considered slightly inferior in terms of location and condition, slightly superior in terms of amenities, and similar in terms of unit sizes. Thus, we believe the Subject could achieve rents slightly above this comparable.

Overall, if we hypothetically assume the Subject's lost its subsidy post renovation, it would need to lower its rents from the Section 8 HAP contract rents to be in line with the rents the comparable LIHTC properties are achieving. It should be noted that the 2016 maximum allowable rents are lower than the 2016 HERA Special Limits and the 2012 maximum allowable rents. Additionally, the LIHTC comparables reported a combined vacancy rate of less than one percent. Based on this data, we believe the 2016 maximum allowable rents

appear achievable in the current market. These achievable LIHTC rents will be utilized in our as proposed restricted valuation.

Achievable Market Rents- As Is

Provided below is an analysis of the Subject’s current contract rents in comparison with the comparable unrestricted units. It should be noted that these adjusted rents are based on the rent grids presented previously in this report.

Subject Comparison to Market Rents - As Is

| Unit Type | Subject's Current Contract Rent | Surveyed Min | Surveyed Max | Surveyed Average | Achievable Market Rents | Subject Rent Advantage |
|-----------|---------------------------------|--------------|--------------|------------------|-------------------------|------------------------|
| 1 BR | \$722 | \$856 | \$1,122 | \$983 | \$925 | 23% |
| 2 BR | \$812 | \$1,018 | \$1,210 | \$1,090 | \$1,050 | 24% |
| 3 BR | \$894 | \$1,077 | \$1,481 | \$1,258 | \$1,225 | 28% |
| 4 BR | \$951 | \$1,360 | \$1,664 | \$1,502 | \$1,375 | 32% |

The Subject’s current contract rents are below the range of the comparable properties. Overall, our concluded achievable “as is” market rent levels are **\$925, \$1,050, \$1,225, and \$1,375** for the one-, two-, three-, and four-bedroom units, respectively. Additionally, the current contract rents are below the achievable market rents for all unit types. However, according to the client, HUD has approved the as proposed rents (discussed below) to be in place at time of closing. Thus, for the as is restricted scenario, we have utilized the approved HAP contract rents, post renovation.

Achievable Market Rents- As Proposed

The following table shows both market rent comparisons and achievable market rents, as proposed.

Subject Comparison to Market Rents - As Proposed

| Unit Type | Subject's Achievable LIHTC Rent | Surveyed Min | Surveyed Max | Surveyed Average | Achievable Market Rents | Subject Rent Advantage |
|-----------|---------------------------------|--------------|--------------|------------------|-------------------------|------------------------|
| 1 BR | \$677 | \$1,006 | \$1,272 | \$1,133 | \$1,075 | 40% |
| 1BR* | \$677 | \$1,006 | \$1,272 | \$1,133 | \$1,100 | 41% |
| 2 BR | \$803 | \$1,168 | \$1,360 | \$1,240 | \$1,200 | 35% |
| 2BR* | \$803 | \$1,168 | \$1,360 | \$1,240 | \$1,225 | 37% |
| 3 BR | \$917 | \$1,227 | \$1,631 | \$1,408 | \$1,375 | 35% |
| 4 BR | \$1,011 | \$1,510 | \$1,814 | \$1,652 | \$1,525 | 35% |

*New Construction Units

We have conducted some additional research on properties in the state to determine the appropriate rent increase in an as renovated scenario versus an as is scenario. Five properties have recently completed a renovation. Below is a table showing the effect of renovations on market-rate properties located in the Atlanta area.

| RENOVATED UNIT PRICE INCREASES | | | |
|--------------------------------|--------------|----------------|---|
| Property Name | City | Rent Increase | Notes |
| Avondale Station | Decatur | \$150 to \$175 | Renovations include updated kitchens, bathrooms and hardware |
| Ashford East Village | Atlanta | \$100 to \$175 | Renovations include new hardwood floors, new cabinets and granite countertops in kitchens and bathrooms, black appliances, paint, and fixtures. |
| Lakeside Reserve | College Park | \$120 to \$150 | Renovations include new appliances, flooring, paint, and fixtures. |
| Preserve At Cascade | Atlanta | \$250 | Renovations include new cabinetry, hardwood flooring, and stainless steel appliances. |
| Vesta Gardens Apartments | Atlanta | \$75 to \$80 | Renovations include new tile flooring, back splash, cabinets, counter tops, windows, and doors. |

As seen in the table above, rents increased \$75 to \$250, post renovations. According to property managers we have interviewed, the amount of increase is dependent on the scope of work with the most significant increases occurring when amenities are added, and improvements are made to the unit interiors and common areas that the residents use on a daily basis. According to the client, the proposed renovations are budgeted at \$18,206,251, or approximately \$82,012 per unit in hard costs. Therefore, we have estimated the value of the renovations at \$150, and an additional positive \$150 was applied to the comparables in fair condition in the as-proposed grid, and no adjustments were applied to the comparables in good condition. As indicated, we have concluded to achievable market rents of **\$1,075, \$1,200, \$1,375, and \$1,525** for the Subject's one-, two-, three-, and four-bedroom units, respectively. Additionally, we concluded to **\$1,100 and \$1,225** for the newly constructed one- and two-bedroom units, post renovation. These rents will be used in our as proposed unrestricted valuation.

Additionally, the proposed contract rents are above our concluded market rents, post renovations. Therefore, we have utilized the achievable market rents in the as proposed unrestricted scenario.

VI. HIGHEST AND BEST USE

HIGHEST AND BEST USE

Highest and Best Use is defined as: "The reasonably probable and legal use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity."³

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

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

The Highest and Best Use determination is a function of neighborhood land use trends, property size, shape, zoning, and other physical factors, as well as the market environment in which the property must compete. Four tests are typically used to determine the highest and best use of a particular property. Thus, the following areas are addressed.

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

³ Source: Appraisal Institute, The Dictionary of Real Estate Appraisal, 6th ed. (Chicago: Appraisal Institute, 2015).

HIGHEST AND BEST USE AS IF VACANT

Physically Possible

The size of the Subject site is comprised of two parcels that total approximately 20.74 acres. The site is irregular in shape and has level topography. It has good accessibility and visibility, and is not located within a flood plain. The site is considered adequate for a variety of legally permissible uses.

Legally Permissible

The Subject is located inside the Atlanta city limits; thus, it must comply with the City of Atlanta's zoning regulations. According to the City of Atlanta's Official Zoning Map, the Subject is zoned RG-3, which permits multifamily dwellings. This zoning district permits developments with a maximum floor to area ratio (FAR) of 0.696. The Subject is currently improved to a FAR of 0.204, roughly 30 percent of the maximum allowable density. However, the Subject is in a relatively low density neighborhood adjacent to single-family homes. The comparable land sales range in density from 29 to 108 units per acre. Two of the comparables will be located within a short walking distance to MARTA stations, and support higher densities, while the third comparable is adjacent to apartment complexes. We believe that the Subject site could support 408 units, which remains below the comparable range in terms of units per acre, but appears reasonable based on surrounding land uses and development patterns in the area.

Financially Feasible

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

The Subject's feasible uses are restricted to those that are allowed by zoning classifications, and are physically possible. As noted in the zoning section, the site can be used for multifamily uses. Given the Subject's surrounding land uses, the site's physical attributes, development patterns in the area, and demand, multifamily residential is considered the most likely use.

Maximally Productive

Based upon our analysis, the maximally productive use of this site as if vacant would be to construct a 204-unit affordable multifamily development.

CONCLUSION

Highest and Best Use "As If Vacant"

The Subject's highest and best use "as if vacant" is to hold for future development when market rents rise to the level of cost feasibility. Alternatively, a multifamily rental property would be feasible with gap financing such as tax exempt bonds and tax credits.

Highest and Best Use "As Improved"

The Subject property currently operates as a Section 8 multifamily property, and it is in good condition. The property currently generates positive cash flow, and it is not deemed feasible to tear it down for an alternative use. Therefore, the highest and best use of the site, as improved, would be to continue to operate as an affordable multifamily housing development.

VII. APPRAISAL METHODOLOGY

APPRAISAL METHODOLOGY

Contemporary appraisers usually gather and process data according to the discipline of the three approaches to value.

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

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

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

Applicability to the Subject Property

The cost approach consists of a summation of land value (as though vacant) and the cost to reproduce or replace the improvements, less appropriate deductions for depreciation. Reproduction cost is the cost to construct a replica of the Subject improvements. Replacement cost is the cost to construct improvements having equal utility. Given the restricted nature of the Subject property and lack of financial feasibility, this valuation technique was not undertaken since we do not believe the approach would yield a reliable indication of value for the Subject property. However, we have provided an insurable value and a land value in lieu of completing a full cost approach.

In the sales comparison approach, we estimate the value of a property by comparing it with similar, recently sold properties in surrounding or competing areas. Inherent in this approach is the principle of substitution, which holds that when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property, assuming that no costly delay is encountered in making the substitution. There is adequate information to use the sales comparison approach and a sales price per unit analysis in valuing the Subject property.

The income capitalization approach requires estimation of the anticipated economic benefits of ownership, gross and net incomes, and capitalization of these estimates into an indication of value using investor yield or return requirements. Yield requirements reflect the expectations of investors in terms of property performance, risk and alternative investment possibilities. The Subject will be an income producing property and this is considered to be the best method of valuation.

VIII. COST APPROACH

COST APPROACH

The employment of the Cost Approach in the valuation process is based on the principle of substitution. Investors in the marketplace do not typically rely upon the cost approach. As a result, the cost approach is considered to have only limited use in the valuation of the Subject property. The cost approach is considered to be a useful tool and provides the reader with a measure of the economic status within the marketplace.

In the cost approach to value, the value of the land is estimated. Next, the cost of the improvements as if new is estimated. Accrued depreciation is deducted from the estimated cost new to estimate the value of the Subject property in its current condition. The resultant figure indicates the value of the whole property based on cost. Generally, land value is obtained through comparable land sales. Replacement or reproduction costs, as appropriate, are taken from cost manuals, unless actual current cost figures are available. The cost approach was not developed based on the age of the Subject property and the fact most investors do not use this method. However, we have included a land valuation and insurable value at the client’s request.

LAND VALUATION

To arrive at an estimated land value for the Subject site, the appraisers have analyzed actual sales of comparable properties in the competitive area.

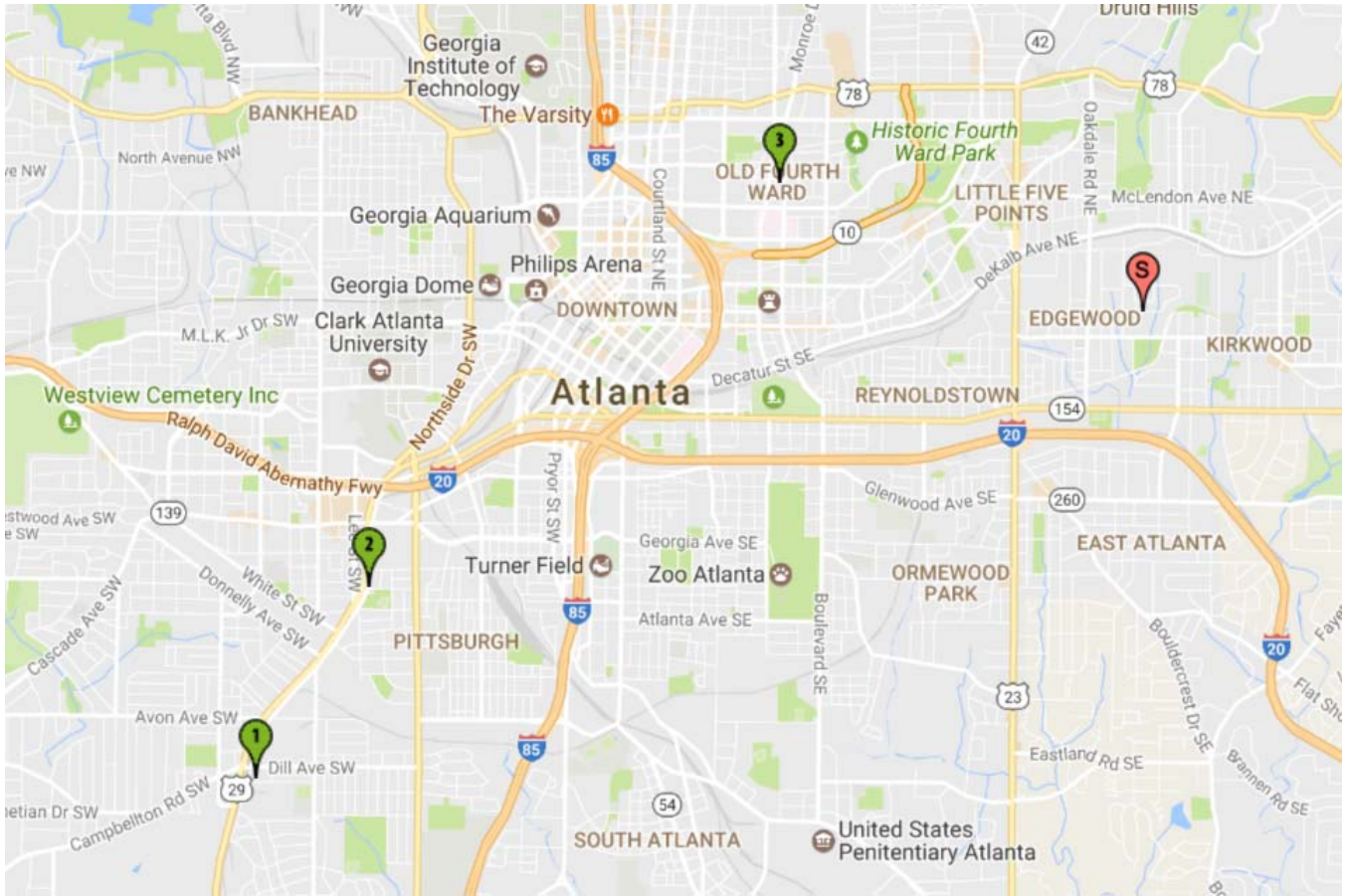
No two parcels of land are alike; therefore, these sales have been adjusted for various factors including location, size, shape, topography, utility, and marketability. The adjustments made are the result of a careful analysis of market data, as well as interviews with various informed buyers, sellers, real estate brokers, builders and lending institutions. The following pages outline our findings.

The sales comparison approach typically reflects the actions of buyers and sellers in the marketplace and serves as an excellent benchmark as to what a potential buyer would be willing to pay for the subject property. We have made an extensive search for multifamily comparable land sales that have sold recently, and we utilized two sales that occurred in 2016, as well as one sale from late 2014.

COMPARABLE LAND SALES

| Property | Property Name | City State | Sale Date | Sale Price | Land Acres | Number of Units | Price Per Unit |
|----------|--------------------------------|-------------|--------------|-------------|------------|-----------------|----------------|
| 1 | Capitol View Senior Residences | Atlanta, GA | September-16 | \$1,300,000 | 3.09 | 91 | \$14,286 |
| 2 | Adair Court | Atlanta, GA | June-16 | \$425,000 | 2.15 | 91 | \$4,670 |
| 3 | City Lights I | Atlanta, GA | December-14 | \$550,000 | 0.74 | 80 | \$6,875 |

Throughout our conversations with market participants and buyers and sellers of the comparable sales, the respondents indicated that the purchase price is typically based upon a price per unit. This is typical of the local multifamily market and will be used as a basis for analysis. A location map is presented on the following page.



Land Sale No. 1

| Transaction | | | |
|-------------------------|-------------------------------------|-----------------------------|-----------------------------------|
| Address | 1374 Murphy Avenue SW | Sale Date | 09-28-2016 |
| City | Atlanta | Adjusted Sale Price | \$1,300,000 |
| State | Georgia | Sale Status | Closed |
| Seller | Cliftwood Properties LLC | Sale Conditions | Unknown |
| Buyer | Capitol View Senior Residences I LP | Rights Conveyed | Fee Simple |
| | | Days on Market | N/A |
| | | Confirmed With | Public Records, Assessor's Office |
| Site | | | |
| Land Acres | 3.09 | Topography | Level |
| Land Sq Ft | 134,600 | Zoning | Multifamily |
| Shape | Rectangular | Encumbrances | N/A |
| Improvements and Ratios | | | |
| Proposed Units | 91 | Adj \$/Proposed Unit | \$14,286 |

Remarks

This parcel was purchased to constructed a 91-unit LIHTC development. The property will be restricted to seniors ages 55 and older earning 60 percent of AMI or less.

Land Sale No. 2

| Transaction | | | |
|-------------------------|----------------------|-----------------------------|-----------------------------------|
| Address | 806 Murphy Avenue SW | Sale Date | 6-2016 |
| City | Atlanta | Adjusted Sale Price | \$425,000 |
| State | Georgia | Sale Status | Closed |
| Seller | RES GA Fourteen LLC | Sale Conditions | Unknown |
| Buyer | Ricci LLC | Rights Conveyed | Fee Simple |
| | | Days on Market | N/A |
| | | Confirmed With | Public Records, Assessor's Office |
| Site | | | |
| Land Acres | 2.15 | Topography | Level |
| Land Sq Ft | 93,654 | Zoning | Multifamily |
| Shape | Rectangular | Encumbrances | N/A |
| Improvements and Ratios | | | |
| Proposed Units | 91 | Adj \$/Proposed Unit | \$4,670 |
| Remarks | | | |

This site was purchased to develop Adair Court, which will be a 91-unit senior affordable housing development. This development was awarded LIHTC in 2016.

Land Sale No. 3

| Transaction | | | |
|-------------------------|---|-----------------------------|-----------------------------------|
| Address | 430 Boulevard NE | Sale Date | 12-2014 |
| City | Atlanta | Adjusted Sale Price | \$550,000 |
| State | Georgia | Sale Status | Closed |
| Seller | Fourth Bedford Pine Apartments, LP | Sale Conditions | Unknown |
| Buyer | City Lights Assoc. Limited Partnership | Rights Conveyed | Fee Simple |
| | | Days on Market | N/A |
| | | Confirmed With | Public Records, Assessor's Office |
| Site | | | |
| Land Acres | 0.74 | Topography | Level |
| Land Sq Ft | 32,234 | Zoning | Multifamily |
| Shape | L-Shaped | Encumbrances | N/A |
| Improvements and Ratios | | | |
| Proposed Units | 80 | Adj \$/Proposed Unit | \$6,875 |
| Remarks | | | |

This site was purchased to construct City Lights Phase I, an 80-unit LIHTC development. Construction was recently completed.

The adjustment grid follows at the end of this section. As illustrated, adjustments have been made based on price differences created by the following factors:

- Property Rights
- Financing
- Conditions of Sale
- Market Conditions
- Location
- Zoning
- Topography
- Shape
- Density

Property Rights

We are valuing the fee simple interest in the land. No adjustments are warranted.

Financing

The sales were cash transactions; therefore, no adjustment is necessary.

Conditions of Sale

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

Market Conditions

Real estate values change over time. The rate of this change fluctuates due to investors’ perceptions and responses to prevailing market conditions. This adjustment category reflects market differences occurring between the effective date of the appraisal and the sale date of comparables, when values have appreciated or depreciated. We have analyzed sale/resale data of tracts, and considered the changes in market conditions of commercial and residential properties. The comparable land sales sold in September 2016, June 2016, and December 2014. Thus, we have applied a positive ten percent adjustment to the sale that occurred in December 2014 for slightly inferior market conditions.

Location

Location encompasses a number of issues, including location within different market areas with different supply/demand pressures, the character/condition of surrounding development, access, and visibility. It is important to assess which factors truly impact value for different types of real estate. We have addressed this issue (as well as the remaining elements of comparison) on a comparable-by-comparable basis. The following table illustrates the median rents for the Subject and the comparable sales by zip code.

| LOCATION COMPARISON | | | |
|---------------------|--------------|----------------|--------------|
| No. | Zip Code | Median Rent | Differential |
| Subject | 30307 | \$1,085 | - |
| Sale 1 | 30310 | \$1,065 | 2% |
| Sale 2 | 30310 | \$1,065 | 2% |
| Sale 3 | 30308 | \$974 | 10% |

As illustrated above, the Subject’s zip code has a similar median rent compared to Sales 1 and 2, and a higher median rent than Sale 3. Sales 1 and 2 are located in areas with slightly inferior immediate

amenities, but both will be adjacent to MARTA stations. Sale 1 will be directly adjacent to the station, while Sale 2 will be roughly 0.2 mile from the station. Thus, we have considered Sale 1 to slightly superior, and have applied a negative 10 percent adjustment, and have considered Sale 2 similar to the Subject overall. Sale 3 features similar access to public transportation and is considered slightly inferior based primarily on median rents, and received a positive five percent adjustment.

Zoning/Use

The Subject and all of the comparables are zoned for multifamily development. Thus, no adjustments are necessary based on intended use. However, Sales 2 and 3 feature significantly higher densities, which results in higher construction costs. Thus, we have applied five to ten percent adjustments to these sales.

Topography

The land sales vary in topography, but are generally level and appear to be functional, similar to the Subject. Thus, no adjustments were warranted.

Site Characteristics

Sales 1 and 3 are rectangular sites that feature frontage along arterial streets. Therefore, no adjustments are necessary. Sale 2 is an “L” shaped lot with a significant portion located behind a row of vacant or underutilized existing buildings. Only a small portion of the site features frontage along a major corridor. Thus, we have considered this site inferior and applied a positive 25 percent adjustment to this sale.

Size

With respect to size, the general convention is that larger properties tend to sell for less on a per unit basis than smaller properties. Conversely, smaller properties typically sell for more per unit than larger properties. The pool of potential purchasers decreases as property size (and purchase price) increases, effectively reducing competition. The pricing relationship is not linear and certain property sizes, while different, may not receive differing prices based on the grouping within levels. The previous highest and best use analysis indicated that the Subject site could support approximately 408 multifamily units based on current zoning and surrounding land use patterns. The sales are all smaller than the Subject, both in terms of the number of units and acres. Thus, we applied a negative 15 percent adjustment to each sale.

Land Value Estimate

The land sales grid is presented following:

EDGEWOOD COURT – ATLANTA, GEORGIA – APPRAISAL

| LAND SALES DATA ADJUSTMENT GRID | | | | |
|--|-----------------------|--------------------------------|----------------------|------------------|
| | Subject | 1 | 2 | 3 |
| Property Name | Edgewood Court | Capitol View Senior Residences | Adair Court | City Lights I |
| Address | 1572 Hardee Street NE | 1374 Murphy Avenue SW | 806 Murphy Avenue SW | 430 Boulevard NE |
| City | Atlanta, Georgia | Atlanta, Georgia | Atlanta, Georgia | Atlanta, Georgia |
| Parcel Data | | | | |
| Zoning | Multifamily | Multifamily | Multifamily | Multifamily |
| Topography | Level | Level | Level | Level |
| Shape | Irregular | Rectangular | L-Shaped | Rectangular |
| Size (SF) | 921,294 | 134,600 | 93,654 | 32,234 |
| Size (Acres) | 20.74 | 3.09 | 2.15 | 0.74 |
| Units | 408 | 94 | 91 | 80 |
| Units Per Acre | 19.67 | 29.45 | 42.33 | 108.11 |
| Sales Data | | | | |
| Date | | 09/2016 | 06/2016 | 12/2014 |
| Price | | \$1,300,000 | \$425,000 | \$550,000 |
| Price per Unit | | \$13,830 | \$4,670 | \$6,875 |
| Adjustments | | | | |
| Property Rights | | \$0 | \$0 | \$0 |
| | | \$1,300,000 | \$425,000 | \$550,000 |
| Financing Terms | | \$0 | \$0 | \$0 |
| | | \$1,300,000 | \$425,000 | \$550,000 |
| Conditions of Sale | | \$0 | \$0 | \$0 |
| | | \$1,300,000 | \$425,000 | \$550,000 |
| Market Conditions | | 1.00 | 1.00 | 1.05 |
| Adjusted Sales Price | | \$1,300,000 | \$425,000 | \$577,500 |
| Adjusted Price Per Unit | | \$13,830 | \$4,670 | \$7,219 |
| Adjustments | | | | |
| Location | | -10% | 0% | 10% |
| Zoning/Use | | 0% | 5% | 10% |
| Topography | | 0% | 0% | 0% |
| Site Characteristics | | 0% | 25% | 0% |
| Size | | -15% | -15% | -15% |
| Overall Adjustment | | -25% | 15% | 5% |
| Adjusted Price Per Unit | | \$10,372 | \$5,371 | \$7,580 |
| Summary | | | | |
| Low | \$5,371 | | | |
| High | \$10,372 | | | |
| Mean | \$7,774 | | | |
| Median | \$7,580 | | | |
| Conclusion | \$8,000 | x | | 408 |
| Value of Property | \$3,300,000 | | | |

The comparables indicate a range of adjusted prices from \$5,371 to \$10,372 per unit. The mean and the median are \$7,774 and \$7,580 per unit, respectively. We placed equal weight on the sales and concluded to a value similar to the average. Overall, we concluded to a value of \$\$8,000 per unit.

LAND VALUE – AS IF VACANT

Therefore, as a result of our investigation and analysis, it is our opinion that, subject to the limiting conditions and assumptions contained herein, our opinion of the fee simple market value of the Subject as if vacant and encumbered, free and clear of financing, as of July 11, 2017 is:

**THREE MILLION THREE HUNDRED THOUSAND DOLLARS
(\$3,300,000)**

Please refer to the complete Assumptions & Limiting Conditions in the Addenda.

INSURABLE VALUE – As Is

Those items that do not require replication in case of damage are deduced including land, landscaping, recreational amenities, and paving. As requested by the client, the following is an estimate of the insurable value of the Subject property.

There are several data providers that estimate the cost to construct and replace multifamily properties. Two that are most commonly relied upon are Marshall & Swift and RS Means.

Marshall & Swift produces *Marshall Valuation Service*, which is marketed as an appraisal guide. It is primarily used by residential and commercial appraisers to develop replacement costs, depreciated values, and insurable values. Comparative cost indices are published quarterly. The data is based on the publishers’ valuation experience, appraisal review, and analysis of the costs of new buildings.

RS Means published *Square Foot Costs* is intended for use by those involved with construction cost estimating, including contractors, owners, architects, engineers, and facilities managers. The data can also be used to develop preliminary project cost estimates and to measure the impact of modifying design and materials on construction costs.

A 2005 report produced by the NAHB Research Center called *Construction Cost Indices*, examined construction costs for HUD Section 202 and 811 supportive housing programs. The goal of the report was to analyze actual project costs using major construction cost industry indices and to determine the accuracy of industry indices. The report concluded that RS Means has the highest correlation with actual construction costs; however, actual average costs were generally below the RS Means estimate, by approximately 10 percent. Actual costs ranged from 75 percent of the RS Means estimate to 145 percent of the estimate.

The following table illustrates the current RS Means and Marshall & Swift cost per square foot estimates for a variety of multifamily building types.

| | M&S | | RS MEANS | |
|---------------------|----------|--------------------------|----------|--|
| | Cost PSF | Assumption | Cost PSF | Assumption |
| Garden (1-3 story) | \$73.64 | Class C, average quality | \$146.20 | Stucco on concrete, wood joist |
| Midrise (4-7 story) | \$80.95 | Class C, average quality | \$165.20 | Decorative concrete block, steel frame |
| Highrise (8+) | \$112.09 | Class C, average quality | \$186.00 | Face brick, concrete block backup, steel frame |
| Townhouse | \$79.00 | Class D, average quality | \$121.74 | Stucco on wood frame, two-story |
| SF | \$89.37 | Class D, average quality | \$128.15 | Stucco on wood frame, one-story |

As illustrated, the RS Means and Marshall & Swift costs per square foot vary considerably for multifamily construction. For single-family and townhouse construction, the cost estimates are generally in line. Further, the two cost estimators use different location-based factors to adjust the national cost estimates to local estimates. We will use both estimates to determine the Subject’s value using the cost approach. Additionally, since the Subject offers a majority of garden-style units, we have utilized this cost factor in our insurable value analysis.

The following table illustrates the cost per square foot for the Subject’s market area based on estimates from Marshall & Swift and RS Means:

| | M&S | RS Means | Novoco Estimate |
|-----------------------------------|---------|----------|-----------------|
| National Cost PSF | \$73.64 | \$146.20 | N/A |
| Location Adjustment - Atlanta, GA | \$0.95 | \$0.87 | N/A |
| Subject Cost PSF | \$69.96 | \$127.19 | \$95.00 |

Based on the data presented above, we have concluded to an adjusted cost of \$95.00 per square foot for the Subject, which is with the range of costs provided by the two estimators. We will use it in determining the Subject’s insurable value via the cost approach.

As illustrated on the following page, the total insurable value of the Subject property “As Is”, via the cost approach as of July 11, 2017, is:

**EIGHTEEN MILLION ONE HUNDRED THOUSAND DOLLARS
(\$18,100,000)**

| INSURABLE VALUE CALCULATION | | | |
|---|------------------------|---------------------|---------------------|
| Property Name | Edgewood Court | | |
| Street Address | 1572 Hardee Street NE | | |
| City, County, State, Zip | Atlanta, Georgia 30307 | | |
| Main Structure with location adjustment ⁽¹⁾ | | \$95.00 PSF | |
| TOTAL BASE COST PER SF (with location adjustment) ⁽²⁾ | | \$95.00 | |
| Building Area Square Footage ⁽³⁾ | | 187,496 SF | |
| TOTAL HARD COSTS | | \$17,812,158 | |
| SOFT COST MULTIPLIER AT 10% ⁽⁴⁾ | | \$1,781,216 | |
| TOTAL REPLACEMENT COST NEW | | \$19,593,374 | |
| EXCLUSIONS | Per SF | Percent | |
| Excavations ⁽⁵⁾ | \$0.00 | 2.20% | \$431,054 |
| Foundations ⁽⁵⁾ | \$0.00 | 3.20% | \$626,988 |
| Architect's Fees ⁽⁶⁾ | \$0.00 | 6.00% | \$1,175,602 |
| Underground Piping ⁽⁵⁾ | \$0.00 | 1.00% | \$195,934 |
| TOTAL EXCLUSIONS | | 12.40% | \$2,429,578 |
| INCLUSIONS | Number | | |
| Appliance Packages | 204 | \$2,500 | \$510,000 |
| Patios/Balconies | 204 | \$2,055 | \$419,220 |
| TOTAL INCLUSIONS | | | \$929,220 |
| CONCLUDED INSURABLE VALUE | | | |
| Total Replacement Cost New | | | \$19,593,374 |
| Less Total Exclusions | | | (\$2,429,578) |
| Plus Total Inclusions | | | \$929,220 |
| CONCLUDED INSURABLE VALUE | | | \$18,100,000 |

Source: Marshall & Swift

- (1) Based upon Marshall & Swift.
- (2) Provided By Developer
- (3) Based upon net rentable square footage.
- (4) We use 10 percent, which is less than typical soft costs for new construction as permanent financing fees and other costs will not be necessary.
- (5) Based upon Marshall & Swift Section 99, page 2
- (6) Based on RS Means.

IX. INCOME CAPITALIZATION APPROACH

INCOME CAPITALIZATION APPROACH

Introduction

We were asked to provide several value estimates, including:

- Leased fee market value “As Is” subject to achievable rents.
- Hypothetical leased fee market value “As Is” subject to unrestricted rents.
- Hypothetical leased fee market value “upon completion and stabilization” – prospective value assuming completion and stabilization of occupancy, subject to restricted LIHTC rents.
- Hypothetical leased fee market value “upon completion and stabilization” – prospective value assuming completion and stabilization of occupancy, subject to new Section 8 rents.
- Hypothetical leased fee market value “upon completion and stabilization” – prospective value assuming completion and stabilization of occupancy, subject to unrestricted rents.

As discussed, we were asked to provide an estimate of the Subject’s value under the current Section 42 encumbrances as well as hypothetical market rate operation.

The Income Capitalization Approach to value is based upon the premise that the value of an income producing property is largely determined by the ability of the property to produce future economic benefits. The value of such a property to the prudent investor lies in anticipated annual cash flows and an eventual sale of the property. An estimate of the property’s market value is derived via the capitalization of these future income streams.

The Subject’s “as is” and “as proposed” values were performed via the income capitalization approach.

INCOME ANALYSIS

Potential Gross Income

In our search for properties comparable to the Subject, we concentrated on obtaining information on those projects considered similar to the Subject improvements on the basis of location, size, age, condition, design, quality of construction and overall appeal. In our market analysis we provided the results of our research regarding properties considered generally comparable or similar to the Subject.

The potential gross income of the Subject is the total annual income capable of being generated by all sources, including rental revenue and other income sources. The Subject’s potential rental income assuming the current restricted rents and market rents is based upon the achievable rents as derived in the Supply Section of this report and are calculated as follows.

| POTENTIAL GROSS RENTAL INCOME - AS IS RESTRICTED* | | | | |
|--|------------------------|----------------------|---------------------------|--------------------------|
| Unit Type | Number of Units | Contract Rent | Monthly Gross Rent | Annual Gross Rent |
| 1BR | 24 | \$1,075 | \$25,800 | \$309,600 |
| 2BR | 64 | \$1,200 | \$76,800 | \$921,600 |
| 3BR | 84 | \$1,375 | \$115,500 | \$1,386,000 |
| 4BR | 32 | \$1,525 | \$48,800 | \$585,600 |
| Total | 204 | | \$266,900 | \$3,202,800 |

*Post-Rehab rents in place at time of closing

POTENTIAL GROSS RENTAL INCOME - AS IS UNRESTRICTED

| Unit Type | Number of Units | Achievable Rent | Monthly Gross Rent | Annual Gross Rent |
|--------------|-----------------|-----------------|--------------------|--------------------|
| 1BR | 24 | \$925 | \$22,200 | \$266,400 |
| 2BR | 64 | \$1,050 | \$67,200 | \$806,400 |
| 3BR | 84 | \$1,225 | \$102,900 | \$1,234,800 |
| 4BR | 32 | \$1,375 | \$44,000 | \$528,000 |
| Total | 204 | | \$236,300 | \$2,835,600 |

POTENTIAL GROSS RENTAL INCOME - AS RENOVATED LIHTC RESTRICTED

| Unit Type | Number of Units | Achievable Rent | Monthly Gross Rent | Annual Gross Rent |
|--------------|-----------------|-----------------|--------------------|--------------------|
| 1BR | 24 | \$677 | \$16,248 | \$194,976 |
| 1BR* | 12 | \$647 | \$7,764 | \$93,168 |
| 2BR | 64 | \$803 | \$51,392 | \$616,704 |
| 2BR* | 6 | \$803 | \$4,818 | \$57,816 |
| 3BR | 84 | \$917 | \$77,028 | \$924,336 |
| 4BR | 32 | \$1,011 | \$32,352 | \$388,224 |
| Total | 222 | | \$189,602 | \$2,275,224 |

*New Construction Units

POTENTIAL GROSS RENTAL INCOME - AS RENOVATED RESTRICTED - SEC 8

| Unit Type | Number of Units | Achievable Rent | Monthly Gross Rent | Annual Gross Rent |
|--------------|-----------------|-----------------|--------------------|--------------------|
| 1BR | 24 | \$1,075 | \$25,800 | \$309,600 |
| 1BR@60%* | 12 | \$677 | \$8,124 | \$97,488 |
| 2BR | 64 | \$1,200 | \$76,800 | \$921,600 |
| 2BR@60%* | 6 | \$803 | \$4,818 | \$57,816 |
| 3BR | 84 | \$1,375 | \$115,500 | \$1,386,000 |
| 4BR | 32 | \$1,525 | \$48,800 | \$585,600 |
| Total | 222 | | \$279,842 | \$3,358,104 |

*New Construction Units

POTENTIAL GROSS RENTAL INCOME - AS RENOVATED UNRESTRICTED

| Unit Type | Number of Units | Achievable Rent | Monthly Gross Rent | Annual Gross Rent |
|--------------|-----------------|-----------------|--------------------|--------------------|
| 1BR | 24 | \$1,075 | \$25,800 | \$309,600 |
| 1BR* | 12 | \$1,100 | \$13,200 | \$158,400 |
| 2BR | 64 | \$1,200 | \$76,800 | \$921,600 |
| 2BR* | 6 | \$1,225 | \$7,350 | \$88,200 |
| 3BR | 84 | \$1,375 | \$115,500 | \$1,386,000 |
| 4BR | 32 | \$1,525 | \$48,800 | \$585,600 |
| Total | 222 | | \$287,450 | \$3,449,400 |

*New Construction Units

Other Income

Miscellaneous income includes fees for late rent fees, damages and cleaning fees, and other miscellaneous fees. Data from comparable properties ranges from \$250 to \$439 per unit. The Subject's other income historically ranged from \$124 to \$202, with a budgeted other income of \$112, which

appears low relative to the historical other income. We have placed the most significant weight on the Subject’s historical financial data, and concluded to total other income of \$175 per unit, which is within the historical range.

Vacancy and Collection Loss

According to the historical financial statements, the Subject has operated with an economic vacancy and collection loss of approximately five to six percent over the past three years. The budget predicts a vacancy and collection loss of three percent. Only one of the comparables reported vacancy at collection loss, which was 8.0 percent. Based on the Subject’s current and historical performance, as well as the low vacancy rates in the market at the rent comparables, we anticipate the Subject will maintain a vacancy loss of three percent or less for the restricted scenarios and five percent or less for the unrestricted scenarios over a typical investment period. Additionally, we have assumed collection loss to be negligible in the restricted Section 8 scenarios, one percent in the as proposed LIHTC restricted scenario, and two percent in unrestricted scenarios, for a total vacancy and collection loss ranging from three to seven percent. While the concluded vacancy loss is lower than the historical data for the Subject, the property has been underperforming the market and with new ownership and management in place, a market oriented vacancy and collection loss appears reasonable.

EXPLANATION OF EXPENSES

Typical deductions from the calculated Effective Gross Income fall into three categories on real property: fixed, variable, and non-operating expenses. Historical operating expenses of comparable properties were relied upon in estimating the Subject’s operating expenses. The comparable data can be found on the following pages.

It is important to note that the projections of income and expenses are based on the basic assumption that the apartment complex will be managed and staffed by competent personnel and that the property will be professionally advertised and aggressively promoted.

Comparable operating expense data was collected from a combination of affordable and market rate properties in the area. The following table provides additional information on each of the comparable expense properties.

| COMPARABLE EXPENSES | | | |
|----------------------------|---------------|---------------|---------------|
| | Comp 1 | Comp 2 | Comp 3 |
| Year Built | 1983 | 1995 | 1970/2005 |
| Structure | Midrise | Garden | Garden |
| Tenancy | Family | Family | Family |
| Rent Restrictions | Section 8 | LIHTC | LIHTC |

The comparable data was compared to the 2016, 2015, and 2014 historical data for the Subject based on information supplied by the client. Additionally, we have included the borrower’s proforma for the Subject, post renovations.

| Property ID Statement Type 12 Month Period Ending City State Year Built Number of Units | Subject Estimates As Is Restricted | | Subject Estimates As Is Unrestricted | | Subject Estimates As Renovated Restricted | | Subject Estimates As Renovated Restricted Sec 8 | | Subject Estimates As Renovated Unrestricted | | SUBJECT | | SUBJECT | | SUBJECT | | SUBJECT | | |
|--|---------------------------------------|-----------------|---|-----------------|--|-----------------|--|-----------------|--|-----------------|--|----------------|--|----------------|---|----------------|---|-----------------|--|
| | Proforma | | Proforma | | Proforma | | Proforma | | Proforma | | Audit 2014 Atlanta, Georgia 1950 204 | | Audit 2015 Atlanta, Georgia 1950 204 | | Actual 2016 Atlanta, Georgia 1950 204 | | Budget 2018 Atlanta, Georgia 1950 204 | | |
| | Total | Per Unit | Total | Per Unit | Total | Per Unit | Total | Per Unit | Total | Per Unit | Total | Per Unit | Total | Per Unit | Total | Per Unit | Total | Per Unit | |
| INCOME CATEGORY | | | | | | | | | | | | | | | | | | | |
| Rental Income | \$3,202,800 | \$15,700 | \$2,835,600 | \$13,900 | \$2,275,224 | \$10,249 | \$3,358,104 | \$15,127 | \$3,449,400 | \$15,538 | \$1,975,435 | \$9,684 | \$2,010,610 | \$9,856 | \$2,029,450 | \$9,948 | \$2,883,168 | \$14,133 | |
| Other Income | \$35,700 | \$175 | \$35,700 | \$175 | \$38,850 | \$175 | \$38,850 | \$175 | \$38,850 | \$175 | \$22,943 | \$112 | \$40,935 | \$201 | \$25,271 | \$124 | \$41,179 | \$202 | |
| Vacancy Loss | (\$97,155) | (\$476) | (\$200,991) | (\$985) | (\$92,563) | (\$417) | (\$101,909) | (\$459) | (\$244,178) | (\$1,100) | (\$98,444) | (\$483) | (\$121,077) | (\$594) | (\$111,977) | (\$549) | (\$86,495) | (\$424) | |
| | 3% | | 7% | | 4% | | 3% | | 7% | | -5% | | -6% | | -5% | | -3% | | |
| SUBTOTAL | \$3,141,345 | \$15,399 | \$2,670,309 | \$13,090 | \$2,221,511 | \$10,007 | \$3,295,045 | \$14,843 | \$3,244,073 | \$14,613 | \$1,899,934 | \$9,313 | \$1,930,468 | \$9,463 | \$1,942,744 | \$9,523 | \$2,837,852 | \$13,911 | |
| EXPENSE CATEGORY | | | | | | | | | | | | | | | | | | | |
| ADMINISTRATION | | | | | | | | | | | | | | | | | | | |
| Professional Fees | \$25,500 | \$125 | \$5,100 | \$25 | \$27,750 | \$125 | \$27,750 | \$125 | \$5,550 | \$25 | \$12,434 | \$61 | \$19,542 | \$96 | \$10,425 | \$51 | \$19,542 | \$96 | |
| Other Administrative | \$40,800 | \$200 | \$40,800 | \$200 | \$44,400 | \$200 | \$44,400 | \$200 | \$44,400 | \$200 | \$63,043 | \$309 | \$98,231 | \$482 | \$70,380 | \$345 | \$59,279 | \$291 | |
| Advertising/Marketing | \$10,200 | \$50 | \$15,300 | \$75 | \$11,100 | \$50 | \$11,100 | \$50 | \$16,650 | \$75 | \$564 | \$3 | \$803 | \$4 | \$0 | \$0 | \$3,501 | \$17 | |
| SUBTOTAL | \$76,500 | \$375 | \$61,200 | \$300 | \$83,250 | \$375 | \$83,250 | \$375 | \$66,600 | \$300 | \$76,041 | \$373 | \$118,576 | \$581 | \$80,805 | \$396 | \$82,322 | \$404 | |
| REPAIR AND MAINTENANCE | | | | | | | | | | | | | | | | | | | |
| Elevator | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| HVAC | \$15,300 | \$75 | \$15,300 | \$75 | \$16,650 | \$75 | \$16,650 | \$75 | \$16,650 | \$75 | \$0 | \$0 | \$0 | \$0 | \$2,720 | \$13 | \$20,400 | \$100 | |
| Electrical & Plumbing | \$15,300 | \$75 | \$15,300 | \$75 | \$16,650 | \$75 | \$16,650 | \$75 | \$16,650 | \$75 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| Structural & Roof | \$10,200 | \$50 | \$10,200 | \$50 | \$5,550 | \$25 | \$5,550 | \$25 | \$5,550 | \$25 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| Pest Control | \$10,200 | \$50 | \$10,200 | \$50 | \$11,100 | \$50 | \$11,100 | \$50 | \$11,100 | \$50 | \$0 | \$0 | \$0 | \$0 | \$15,024 | \$74 | \$0 | \$0 | |
| Other Repairs & Maintenance | \$96,900 | \$475 | \$96,900 | \$475 | \$83,250 | \$375 | \$83,250 | \$375 | \$83,250 | \$375 | \$159,658 | \$783 | \$218,883 | \$1,073 | \$35,334 | \$173 | \$130,000 | \$637 | |
| SUBTOTAL | \$147,900 | \$725 | \$147,900 | \$725 | \$133,200 | \$600 | \$133,200 | \$600 | \$133,200 | \$600 | \$159,658 | \$783 | \$218,883 | \$1,073 | \$53,078 | \$260 | \$150,400 | \$737 | |
| OPERATING | | | | | | | | | | | | | | | | | | | |
| Painting & Decorating | \$10,200 | \$50 | \$10,200 | \$50 | \$5,550 | \$25 | \$5,550 | \$25 | \$5,550 | \$25 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| Trash Removal | \$30,600 | \$150 | \$30,600 | \$150 | \$33,300 | \$150 | \$33,300 | \$150 | \$33,300 | \$150 | \$34,789 | \$171 | \$27,054 | \$133 | \$31,962 | \$157 | \$27,054 | \$133 | |
| Security | \$112,200 | \$550 | \$112,200 | \$550 | \$122,100 | \$550 | \$122,100 | \$550 | \$122,100 | \$550 | \$146,779 | \$720 | \$112,205 | \$550 | \$77,495 | \$380 | \$112,205 | \$550 | |
| Pool and Grounds | \$10,200 | \$50 | \$10,200 | \$50 | \$5,550 | \$25 | \$5,550 | \$25 | \$5,550 | \$25 | \$0 | \$0 | \$0 | \$0 | \$28,122 | \$138 | \$0 | \$0 | |
| Other Operating Expenses | \$10,200 | \$50 | \$10,200 | \$50 | \$5,550 | \$25 | \$5,550 | \$25 | \$5,550 | \$25 | \$0 | \$0 | \$0 | \$0 | \$41,589 | \$204 | \$0 | \$0 | |
| SUBTOTAL | \$173,400 | \$850 | \$173,400 | \$850 | \$172,050 | \$775 | \$172,050 | \$775 | \$172,050 | \$775 | \$181,568 | \$890 | \$139,259 | \$683 | \$179,168 | \$878 | \$139,259 | \$683 | |
| UTILITIES | | | | | | | | | | | | | | | | | | | |
| Heating & Fuel | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| Electricity | \$40,800 | \$200 | \$40,800 | \$200 | \$38,850 | \$175 | \$38,850 | \$175 | \$38,850 | \$175 | \$40,800 | \$200 | \$53,235 | \$261 | \$48,504 | \$238 | \$55,113 | \$270 | |
| Gas | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$2,854 | \$14 | \$1,458 | \$7 | \$1,384 | \$7 | \$1,458 | \$7 | |
| Water & Sewer | \$408,000 | \$2,000 | \$408,000 | \$2,000 | \$388,500 | \$1,750 | \$388,500 | \$1,750 | \$388,500 | \$1,750 | \$478,025 | \$2,343 | \$410,891 | \$2,014 | \$368,699 | \$1,807 | \$410,891 | \$2,014 | |
| Other Utilities | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$1,150 | \$6 | \$0 | \$0 | |
| SUBTOTAL | \$448,800 | \$2,200 | \$448,800 | \$2,200 | \$427,350 | \$1,925 | \$427,350 | \$1,925 | \$427,350 | \$1,925 | \$521,679 | \$2,557 | \$465,584 | \$2,282 | \$419,737 | \$2,058 | \$467,462 | \$2,291 | |
| PAYROLL | | | | | | | | | | | | | | | | | | | |
| Repair & Maintenance Payroll | \$150,000 | \$735 | \$150,000 | \$735 | \$150,000 | \$735 | \$150,000 | \$735 | \$150,000 | \$735 | \$138,264 | \$678 | \$179,252 | \$879 | \$185,239 | \$908 | \$100,000 | \$490 | |
| Management Payroll | \$100,000 | \$490 | \$100,000 | \$490 | \$100,000 | \$490 | \$100,000 | \$490 | \$100,000 | \$490 | \$57,495 | \$282 | \$66,745 | \$278 | \$66,200 | \$275 | \$66,745 | \$278 | |
| Management/Leasing/Professional Fees | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$42,226 | \$207 | \$29,039 | \$142 | \$22,006 | \$108 | \$25,000 | \$123 | |
| Other Leasing Expenses/Staff Unit | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$10,750 | \$53 | \$10,930 | \$54 | \$0 | \$0 | \$0 | \$0 | |
| Benefits/Taxes | \$52,500 | \$257 | \$52,500 | \$257 | \$52,500 | \$257 | \$52,500 | \$257 | \$52,500 | \$257 | \$82,055 | \$402 | \$82,796 | \$406 | \$75,869 | \$372 | \$158,549 | \$777 | |
| SUBTOTAL | \$302,500 | \$1,483 | \$302,500 | \$1,483 | \$302,500 | \$1,363 | \$302,500 | \$1,363 | \$302,500 | \$1,363 | \$330,790 | \$1,622 | \$358,762 | \$1,759 | \$339,314 | \$1,663 | \$340,294 | \$1,668 | |
| TAXES AND INSURANCE | | | | | | | | | | | | | | | | | | | |
| Real Estate Taxes | \$221,162 | \$1,084 | \$176,929 | \$867 | \$120,338 | \$542 | \$264,743 | \$1,193 | \$264,743 | \$1,193 | \$97,711 | \$479 | \$93,701 | \$459 | \$87,866 | \$431 | \$96,512 | \$473 | |
| Other Taxes/Direct Assessments | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$4,492 | \$22 | \$4,805 | \$24 | \$0 | \$0 | \$0 | \$0 | |
| Insurance | \$86,700 | \$425 | \$86,700 | \$425 | \$94,350 | \$425 | \$94,350 | \$425 | \$94,350 | \$425 | \$92,623 | \$454 | \$84,685 | \$415 | \$90,745 | \$445 | \$0 | \$0 | |
| SUBTOTAL | \$307,862 | \$1,509 | \$263,629 | \$1,292 | \$214,688 | \$967 | \$359,093 | \$1,618 | \$359,093 | \$1,618 | \$194,826 | \$955 | \$183,191 | \$898 | \$178,611 | \$876 | \$96,512 | \$473 | |
| MANAGEMENT FEE | \$125,654 | \$616 | \$106,812 | \$524 | \$88,860 | \$400 | \$131,802 | \$594 | \$129,763 | \$585 | \$124,469 | \$610 | \$127,241 | \$624 | \$128,442 | \$630 | \$113,514 | \$566 | |
| | 4.0% | | 4.0% | | 4.0% | | 4.0% | | 4.0% | | 6.6% | | 6.6% | | 6.6% | | 4.0% | | |
| REPLACEMENT RESERVES | \$71,400 | \$350 | \$71,400 | \$350 | \$66,600 | \$300 | \$66,600 | \$300 | \$66,600 | \$300 | \$51,000 | \$250 | \$51,000 | \$250 | \$51,000 | \$250 | \$51,000 | \$250 | |
| Total All Expenses | \$1,654,015 | \$8,108 | \$1,575,642 | \$7,724 | \$1,488,498 | \$6,705 | \$1,675,845 | \$7,549 | \$1,657,156 | \$7,465 | \$1,640,031 | \$8,039 | \$1,662,496 | \$8,149 | \$1,430,155 | \$7,011 | \$1,440,763 | \$7,063 | |
| Total Expenses less TUR | \$912,654 | \$4,474 | \$878,512 | \$4,306 | \$874,210 | \$3,938 | \$917,152 | \$4,131 | \$898,463 | \$4,047 | \$965,149 | \$4,731 | \$1,047,406 | \$5,134 | \$871,552 | \$4,272 | \$825,789 | \$4,048 | |

| Property ID Statement Type 12 Month Period Ending City State Year Built Number of Units | Subject Estimates As Is Restricted | | Subject Estimates As Is Unrestricted | | Subject Estimates As Renovated Restricted | | Subject Estimates As Renovated Restricted Sec 8 | | Subject Estimates As Renovated Unrestricted | | 1 | | 2 | | 3 | |
|--|---------------------------------------|-----------------|---|-----------------|--|-----------------|--|-----------------|--|-----------------|-----------------------------------|-----------------|--------------------------------|----------------|-----------------------------------|----------------|
| | Proforma | | Proforma | | Proforma | | Proforma | | Proforma | | Annualized 2016 Atlanta, GA | | Actual 2014 Lithonia, GA | | Actual 2013 East Pointe, GA | |
| | Atlanta, Georgia 1950/1980 | | Atlanta, Georgia 1950/1980 | | Atlanta, Georgia 1950/1980/2018 | | Atlanta, Georgia 1950/1980/2018 | | Atlanta, Georgia 1950/1980/2018 | | Atlanta, GA 1983 | | Lithonia, GA 1995 | | East Pointe, GA 1970/2005 | |
| | 204 | | 204 | | 222 | | 222 | | 222 | | 170 | | 120 | | 160 | |
| INCOME CATEGORY | Total | Per Unit | Total | Per Unit | Total | Per Unit | Total | Per Unit | Total | Per Unit | Total | Per Unit | Total | Per Unit | Total | Per Unit |
| Rental Income | \$3,202,800 | \$15,700 | \$2,835,600 | \$13,900 | \$2,275,224 | \$10,249 | \$3,358,104 | \$15,127 | \$3,449,400 | \$15,538 | \$1,951,914 | \$11,482 | - | - | - | - |
| Other Income | \$35,700 | \$175 | \$35,700 | \$175 | \$38,850 | \$175 | \$38,850 | \$175 | \$38,850 | \$175 | \$42,416 | \$250 | \$48,826 | \$407 | \$70,316 | \$439 |
| Vacancy Loss | (\$97,155) | (\$476) | (\$200,991) | (\$985) | (\$92,563) | (\$417) | (\$101,909) | (\$459) | (\$244,178) | (\$1,100) | (\$169,253) | (\$996) | \$0 | \$0 | \$0 | \$0 |
| | 3% | | 7% | | 4% | | 3% | | 7% | | -8% | | - | | - | |
| SUBTOTAL | \$3,141,345 | \$15,399 | \$2,670,309 | \$13,090 | \$2,221,511 | \$10,007 | \$3,295,045 | \$14,843 | \$3,244,073 | \$14,613 | \$1,825,077 | \$10,736 | \$48,826 | \$407 | \$70,316 | \$439 |
| EXPENSE CATEGORY | | | | | | | | | | | | | | | | |
| ADMINISTRATION | | | | | | | | | | | | | | | | |
| Professional Fees | \$25,500 | \$125 | \$5,100 | \$25 | \$27,750 | \$125 | \$27,750 | \$125 | \$5,550 | \$25 | \$16,323 | \$96 | \$16,100 | \$134 | \$26,112 | \$163 |
| Other Administrative | \$40,800 | \$200 | \$40,800 | \$200 | \$44,400 | \$200 | \$44,400 | \$200 | \$44,400 | \$200 | \$31,282 | \$184 | \$18,535 | \$154 | \$28,301 | \$177 |
| Advertising/Marketing | \$10,200 | \$50 | \$15,300 | \$75 | \$11,100 | \$50 | \$11,100 | \$50 | \$16,650 | \$75 | \$4,211 | \$25 | \$10,010 | \$83 | \$3,574 | \$22 |
| SUBTOTAL | \$76,500 | \$375 | \$61,200 | \$300 | \$83,250 | \$375 | \$83,250 | \$375 | \$66,600 | \$300 | \$51,816 | \$305 | \$44,645 | \$372 | \$57,987 | \$362 |
| REPAIR AND MAINTENANCE | | | | | | | | | | | | | | | | |
| Elevator | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$23,142 | \$136 | \$0 | \$0 | \$0 | \$0 |
| HVAC | \$15,300 | \$75 | \$15,300 | \$75 | \$16,650 | \$75 | \$16,650 | \$75 | \$16,650 | \$75 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Electrical & Plumbing | \$15,300 | \$75 | \$15,300 | \$75 | \$16,650 | \$75 | \$16,650 | \$75 | \$16,650 | \$75 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Structural & Roof | \$10,200 | \$50 | \$10,200 | \$50 | \$5,550 | \$25 | \$5,550 | \$25 | \$5,550 | \$25 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Pest Control | \$10,200 | \$50 | \$10,200 | \$50 | \$11,100 | \$50 | \$11,100 | \$50 | \$11,100 | \$50 | \$23,916 | \$141 | \$0 | \$0 | \$2,312 | \$14 |
| Other Repairs & Maintenance | \$96,900 | \$475 | \$96,900 | \$475 | \$83,250 | \$375 | \$83,250 | \$375 | \$83,250 | \$375 | \$76,132 | \$448 | \$26,959 | \$225 | \$76,650 | \$479 |
| SUBTOTAL | \$147,900 | \$725 | \$147,900 | \$725 | \$133,200 | \$600 | \$133,200 | \$600 | \$133,200 | \$600 | \$123,190 | \$725 | \$26,959 | \$225 | \$78,962 | \$494 |
| OPERATING | | | | | | | | | | | | | | | | |
| Painting & Decorating | \$10,200 | \$50 | \$10,200 | \$50 | \$5,550 | \$25 | \$5,550 | \$25 | \$5,550 | \$25 | \$27,150 | \$160 | \$22,784 | \$190 | \$14,023 | \$88 |
| Trash Removal | \$30,600 | \$150 | \$30,600 | \$150 | \$33,300 | \$150 | \$33,300 | \$150 | \$33,300 | \$150 | \$9,469 | \$56 | \$14,416 | \$120 | \$10,441 | \$65 |
| Security | \$112,200 | \$550 | \$112,200 | \$550 | \$122,100 | \$550 | \$122,100 | \$550 | \$122,100 | \$550 | \$13,425 | \$79 | \$0 | \$0 | \$421 | \$3 |
| Pool and Grounds | \$10,200 | \$50 | \$10,200 | \$50 | \$5,550 | \$25 | \$5,550 | \$25 | \$5,550 | \$25 | \$14,393 | \$85 | \$16,131 | \$134 | \$9,489 | \$59 |
| Other Operating Expenses | \$10,200 | \$50 | \$10,200 | \$50 | \$5,550 | \$25 | \$5,550 | \$25 | \$5,550 | \$25 | \$1,925 | \$11 | \$0 | \$0 | \$2,313 | \$14 |
| SUBTOTAL | \$173,400 | \$850 | \$173,400 | \$850 | \$172,050 | \$775 | \$172,050 | \$775 | \$172,050 | \$775 | \$66,362 | \$390 | \$53,331 | \$444 | \$36,687 | \$229 |
| UTILITIES | | | | | | | | | | | | | | | | |
| Heating & Fuel | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Electricity | \$40,800 | \$200 | \$40,800 | \$200 | \$38,850 | \$175 | \$38,850 | \$175 | \$38,850 | \$175 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Gas | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$9,013 | \$53 | \$0 | \$0 | \$0 | \$0 |
| Water & Sewer | \$408,000 | \$2,000 | \$408,000 | \$2,000 | \$388,500 | \$1,750 | \$388,500 | \$1,750 | \$388,500 | \$1,750 | \$108,869 | \$640 | \$95,413 | \$795 | \$89,672 | \$560 |
| Other Utilities | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| SUBTOTAL | \$448,800 | \$2,200 | \$448,800 | \$2,200 | \$427,350 | \$1,925 | \$427,350 | \$1,925 | \$427,350 | \$1,925 | \$117,882 | \$693 | \$95,413 | \$795 | \$89,672 | \$560 |
| PAYROLL | | | | | | | | | | | | | | | | |
| Repair & Maintenance Payroll | \$150,000 | \$735 | \$150,000 | \$735 | \$150,000 | \$735 | \$150,000 | \$735 | \$150,000 | \$735 | \$117,278 | \$690 | \$36,413 | \$303 | \$103,828 | \$649 |
| Management Payroll | \$100,000 | \$490 | \$100,000 | \$490 | \$100,000 | \$490 | \$100,000 | \$490 | \$100,000 | \$490 | \$48,948 | \$288 | \$36,754 | \$306 | \$93,152 | \$582 |
| Management/Leasing/Professional Fees | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$33,536 | \$197 | \$48,520 | \$404 | \$0 | \$0 |
| Other Leasing Expenses/Staff Unit | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$12,000 | \$71 | \$0 | \$0 | \$0 | \$0 |
| Benefits/Taxes | \$52,500 | \$257 | \$52,500 | \$257 | \$52,500 | \$257 | \$52,500 | \$257 | \$52,500 | \$257 | \$29,870 | \$176 | \$29,556 | \$246 | \$46,913 | \$293 |
| SUBTOTAL | \$302,500 | \$1,483 | \$302,500 | \$1,483 | \$302,500 | \$1,363 | \$302,500 | \$1,363 | \$302,500 | \$1,363 | \$241,632 | \$1,421 | \$151,243 | \$1,260 | \$243,893 | \$1,524 |
| TAXES AND INSURANCE | | | | | | | | | | | | | | | | |
| Real Estate Taxes | \$221,162 | \$1,084 | \$176,929 | \$867 | \$120,338 | \$542 | \$264,743 | \$1,193 | \$264,743 | \$1,193 | \$188,516 | \$1,109 | \$75,451 | \$629 | \$38,223 | \$239 |
| Other Taxes/Direct Assessments | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Insurance | \$86,700 | \$425 | \$86,700 | \$425 | \$94,350 | \$425 | \$94,350 | \$425 | \$94,350 | \$425 | \$36,591 | \$215 | \$37,802 | \$315 | \$37,083 | \$232 |
| SUBTOTAL | \$307,862 | \$1,509 | \$263,629 | \$1,292 | \$214,688 | \$967 | \$359,093 | \$1,618 | \$359,093 | \$1,618 | \$225,107 | \$1,324 | \$113,253 | \$944 | \$75,306 | \$471 |
| MANAGEMENT FEE | \$125,654 | \$616 | \$106,812 | \$524 | \$88,860 | \$400 | \$131,802 | \$594 | \$129,763 | \$585 | \$86,644 | \$510 | \$56,181 | \$468 | \$57,313 | \$358 |
| | 4.0% | | 4.0% | | 4.0% | | 4.0% | | 4.0% | | 4.7% | | N/A | | N/A | |
| REPLACEMENT RESERVES | \$71,400 | \$350 | \$71,400 | \$350 | \$66,600 | \$300 | \$66,600 | \$300 | \$66,600 | \$300 | \$51,000 | \$300 | \$36,000 | \$300 | \$48,000 | \$300 |
| Total All Expenses | \$1,654,015 | \$8,108 | \$1,675,642 | \$7,724 | \$1,488,498 | \$6,705 | \$1,675,845 | \$7,549 | \$1,657,156 | \$7,465 | \$963,633 | \$5,668 | \$577,025 | \$4,809 | \$687,820 | \$4,299 |
| Total Expenses less TUR | \$912,654 | \$4,474 | \$878,512 | \$4,306 | \$874,210 | \$3,938 | \$917,152 | \$4,131 | \$898,463 | \$4,047 | \$606,235 | \$3,566 | \$370,161 | \$3,085 | \$511,925 | \$3,200 |

General Administrative and Marketing

This category includes all professional fees for items such as legal, accounting, marketing, and office. The multifamily comparables indicate an overall administrative and marketing expense ranging from \$305 to \$372 per unit. Historically, the Subject's expense for general administrative and marketing ranges from \$373 to \$581 per unit. The budgeted expense is \$404 per unit. Overall, we have concluded to a total administration and marketing expense of \$375 per unit for the as is restricted scenarios and \$300 per unit for the unrestricted scenarios.

Repairs & Maintenance

Included in this expense are normal items of repair and maintenance of public areas, cleaning contracts, and pest control. Historically, the Subject's expenses have ranged from \$260 to \$1,073 per unit and the budgeted expense is \$737 per unit. It should be noted that the 2016 expenses are lower, likely due to the upcoming renovations. The comparables indicate a range of \$225 to \$725 per unit. Overall, we have concluded to a total repairs and maintenance expense of \$725 per unit for the as is scenarios, which is within the range of the historical expenses and comparable range. Based on the proposed scope of renovation, we have used \$600 per unit for the "as proposed" scenarios based on the anticipated improved condition of the Subject property post renovation.

Operating

Included in this expense are normal costs of operating a multifamily property included, painting/decorating, trash removal, ground expenses, and security costs. Historically, the Subject's expenses have ranged from \$683 to \$890 per unit and the budgeted expense is \$683 per unit. The comparables indicate a range of \$229 to \$444 per unit. It should be noted that the Subject's higher historical operating expense is due to its security expenses. We have placed the most weight on the historical data. Overall, we have concluded to a total operating expense of \$850 per unit for the as is scenarios, which is within the range of the historical expenses. Based on the proposed scope of renovation, we have used \$775 per unit for the "as proposed" scenarios based on the anticipated improved condition of the Subject property post renovation.

Utilities

The landlord is responsible for cold water, sewer and trash expenses. Historically, the Subject's utility expenses have ranged from \$2,058 to \$2,557 per unit. The budget indicates an expense of \$2,291 per unit. Comparable operating results indicate a range of \$560 to \$795 per unit. Due to the fact that properties often vary in terms of utility responsibilities, comparisons are difficult. Therefore, we have placed the greatest weight on the historical expenses. Based on the current utility structure and the Subject's historical data, we anticipate the Subject would experience a utility expense of approximately \$2,200 per unit "as is", which is within the range of the historic expenses. We have concluded to a slightly lower utility expense of \$1,925 per unit for the "as proposed" scenarios due to the energy efficiency improvement plans as part of the renovation.

Payroll and Leasing Expenses

Payroll expenses are directly connected to the administration of the complex, including office, maintenance and management salaries. In addition, employee benefits and employment related taxes are included in the category. The Subject has historically had a payroll expense ranging from \$1,622 to \$1,759 per unit, and the budgeted expense is \$1,668 per unit. The multifamily comparables indicate a range of \$1,260 to \$1,524 per unit. We typically find that properties the size of the Subject operate with a staff of one full-time manager, one part-time assistant manager, one full-time maintenance supervisor, and two full-time maintenance technicians. Benefits are estimated at \$5,000 per full-time employee and \$2,500 per part-time employee, and payroll taxes equal to 12 percent of the sum of the salaries. Overall, we have concluded to a payroll expense of \$1,483 per unit, as is, which is within the comparable range

but slightly below the historical range. Overall, we have concluded to a payroll expense of \$1,363 per unit, as proposed.

| ESTIMATED PAYROLL- As Is | | ESTIMATED PAYROLL- As Proposed | |
|----------------------------|------------------|--------------------------------|------------------|
| Manager | \$65,000 | Manager | \$65,000 |
| Assistant Manager (PT) | \$35,000 | Assistant Manager (PT) | \$35,000 |
| Maintenance Supervisor | \$60,000 | Maintenance Supervisor | \$60,000 |
| Maintenane Technician (X2) | <u>\$90,000</u> | Maintenane Technician (X2) | <u>\$90,000</u> |
| Subtotal | \$250,000 | Subtotal | \$250,000 |
| Payroll taxes at 12% | \$30,000 | Payroll taxes at 12% | \$30,000 |
| Benefits | \$22,500 | Benefits | \$22,500 |
| Total Payroll | \$302,500 | Total Payroll | \$302,500 |
| Total Per Unit | \$1,483 | Total Per Unit | \$1,363 |

Taxes

Please refer to the real estate tax section of this report for further discussion and analysis.

Insurance

Comparable data illustrates a range from \$215 to \$315 per unit. The historical expenses have ranged from \$415 to \$454 per unit. Thus, we have concluded to insurance costs of \$425 per unit, which is within the historical range.

Management Fees

The Subject’s historical management fees have ranged from \$610 to \$630 per unit, which equates to approximately 6.6 percent of residential EGI. The budget is estimated at 4.0 percent of EGI. The only comparable that reported EGI also reported a management fee of 4.7 percent. Thus, we have utilized 4.0 percent for the restricted and unrestricted scenarios, which matches the management agreement provided by the client.

Replacement Reserves

The reserve for replacement allowance is often considered a hidden expense of ownership not normally seen on an expense statement. Reserves must be set aside for future replacement of items such as the roof, HVAC systems, parking area, appliances and other capital items. It is difficult to ascertain market information for replacement reserves, as it is not a common practice in the marketplace for properties of the Subject’s size and investment status. Underwriting requirements for replacement reserve for existing properties typically ranges from \$250 to \$350 per unit per year. New properties typically charge \$200 to \$250 for reserves. Given the scope of the renovation and the Subject’s unit mix, \$300 per unit for the Subject is reasonable for the as proposed scenarios, as well. Additionally, we have utilized an expense of \$350 per unit based on the unit mix, tenancy, and condition of the Subject for the unrestricted scenarios.

Summary

Operating expenses were estimated based upon the comparable expenses. In the following table, we compared the total operating expenses per unit proposed by the Subject with the total expenses reported by comparable properties utilized in our operating expense analysis.

| TOTAL EXPENSES PER UNIT | |
|--------------------------------|---------|
| Subject Expenses | |
| Subject 2014 | \$8,039 |
| Subject 2015 | \$8,149 |
| Subject 2016 | \$7,011 |
| Budget | \$7,063 |
| Comparable Properties | |
| Comp 1 | \$5,668 |
| Comp 2 | \$4,809 |
| Comp 3 | \$4,299 |
| Subject Conclusions | |
| As Is Restricted | \$8,108 |
| As Is Unrestricted | \$7,724 |
| As Renovated Restricted | \$6,705 |
| As Renovated Restricted Sec 8 | \$7,549 |
| As Renovated Unrestricted | \$7,465 |

| TOTAL EXPENSES PER UNIT LESS TUR | |
|---|---------|
| Subject Expenses | |
| Subject 2014 | \$4,731 |
| Subject 2015 | \$5,134 |
| Subject 2016 | \$4,272 |
| Budget | \$4,048 |
| Comparable Properties | |
| Comp 1 | \$3,566 |
| Comp 2 | \$3,085 |
| Comp 3 | \$3,200 |
| Subject Conclusions | |
| As Is Restricted | \$4,474 |
| As Is Unrestricted | \$4,306 |
| As Renovated Restricted | \$3,938 |
| As Renovated Restricted Sec 8 | \$4,131 |
| As Renovated Unrestricted | \$4,047 |

The concluded expenses for the restricted scenarios (less taxes, utilities, and reserves) are within the range of the historical expenses but above the range of the comparables. Overall, our conclusions appear reasonable and will be utilized in our valuation.

DIRECT CAPITALIZATION

We have provided an estimate of the Subject's as is value for the restricted and unrestricted scenarios. Please see the assumptions and limiting conditions regarding hypothetical conditions.

To quantify the income potential of the Subject, a direct capitalization of a stabilized cash flow is employed. In this analytical method, we estimate the present values of future cash flow expectations by applying the appropriate overall capitalization rate to the forecast net operating income.

Overall Capitalization Rate

In order to estimate the appropriate capitalization rate, we relied upon several methods, discussed below.

Market Extraction

The table below summarizes the recent improved sales of the most comparable properties that were used in our market extraction analysis:

| IMPROVED SALES COMPARISON | | | | | | | | |
|---------------------------|--------------------------------------|-----------|--------------|-----------------|------------|------------------|---------------|--------------|
| No. | Property Name | Sale Date | Sale Price | Number of Units | Year Built | Price / Unit | EGIM | Cap Rate |
| 1 | The Retreat at Stonecrest Apartments | 4/11/2017 | \$2,300,000 | 276 | 2003 | \$83,333 | 7.98 | 5.75% |
| 2 | Belle Vista | 3/17/2017 | \$31,110,000 | 312 | 2001 | \$99,712 | 9.21 | 5.84% |
| 3 | Seminole Apartments | 8/31/2016 | \$2,300,000 | 16 | 1920 | \$143,750 | 10.02 | 6.50% |
| 4 | The Broadway at East Atlanta | 6/13/2016 | \$14,080,000 | 176 | 1967 | \$80,000 | 7.66 | 6.81% |
| 5 | Inman Way | 7/1/2015 | \$2,985,000 | 28 | 1962 | \$106,607 | 8.30 | 6.80% |
| Average | | | | 162 | | \$102,680 | 8.6332 | 6.34% |

The sales illustrate a range of overall rates from 5.75 to 6.81 percent, with an average of 6.34 percent. The properties all represent typical market transactions for multifamily market rate properties in the area. It should be noted that we searched for Section 8 and LIHTC multifamily sales in the region; however, we were unable to identify any. Additionally, any potential sale of the Subject property would be constrained by the limitations and penalties of the LIHTC program, specifically the recapture/penalty provision upon transfer. Because of this, there are a very limited number of properties that have sold nationwide, and none locally, that have the restrictions associated with Section 42 provisions. We believe the improved sales we have chosen for our analysis represent the typical multifamily market in the Subject’s area. Therefore, we have utilized five conventional market rate multifamily developments in our sales approach.

The primary factors that influences the selection of an overall rate is the Subject’s condition, size, location, and market conditions. In terms of condition, the Subject is considered slightly inferior to superior to all of the comparable sales. The Subject property offers a similar to inferior location relative to the sales. In terms of size, the Subject is similar to larger to all of the sales. Given the most recent trends and forecasts of national capitalization rates as well as conversations with local brokers and anecdotal evidence, the Subject is considered to offer similar to slightly superior market condition relative to the sales.

It should be noted that we were not able to identify any LIHTC or Section 8 properties that have transferred recently. Additionally, we were unable to obtain specific information on any differences in capitalization rates between LIHTC and market rate properties, we believe that the lack of upside for a tax credit property is offset by the safety and security of the rent advantage in the market. Overall, we have concluded to a capitalization rate of 6.25 percent based on market extraction for the Subject, which appears reasonable based on the comparable data.

The PwC Real Estate Investor Survey

The *PwC Real Estate Investor Survey* tracks capitalization rates utilized by national investors in commercial and multifamily real estate. The following summarizes the information for the national multifamily housing market:

PwC REAL ESTATE INVESTOR SURVEY

National Apartment Market

Overall Capitalization Rate - Institutional Grade Investments

Range: 3.50% - 8.00%

Average: 5.33%

Non-Institutional Grade Investments

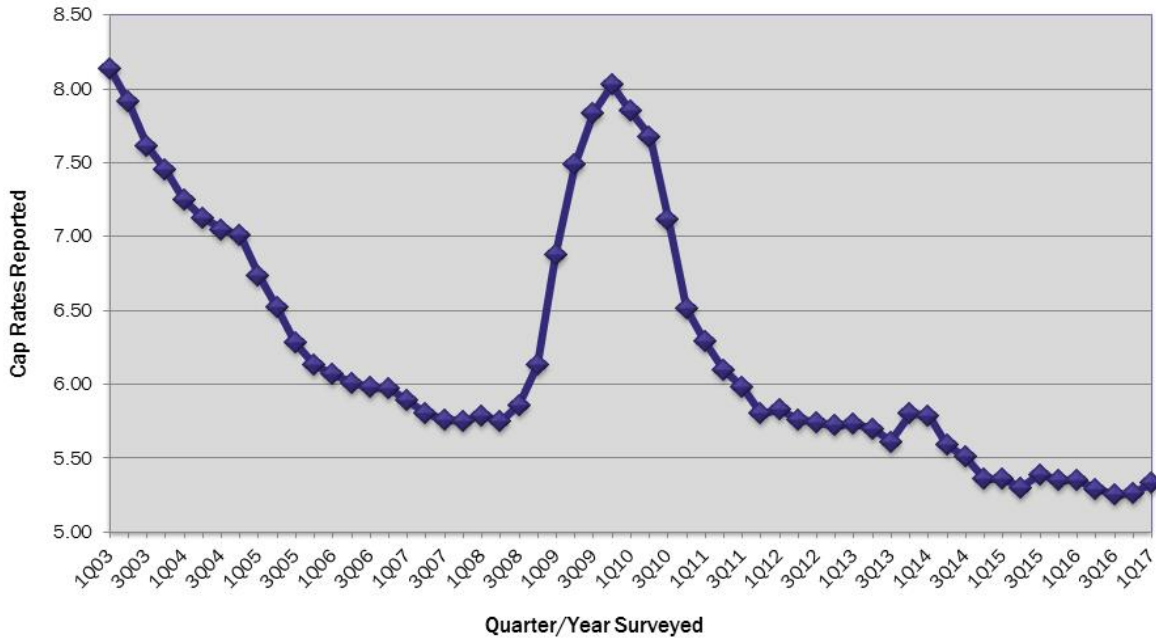
Range: 3.75% - 12.00%

Average: 7.08%

Source: PwC Real Estate Investor Survey, Q1 2017

The *PwC Real Estate Investor Survey* defines “Institutional – Grade” real estate as real property investments that are sought out by institutional buyers and have the capacity to meet generally prevalent institutional investment criteria⁴. Typical “Institutional – Grade” apartment properties are newly constructed, well amenitized, market-rate properties in urban or suburban locations. Rarely could subsidized properties, either new construction or acquisition/rehabilitation, be considered institutional grade real estate. Therefore, for our purpose, the Non-Institutional Grade capitalization rate is most relevant; this is currently 171 basis points higher than the Institutional Grade rate on average. However, local market conditions have significant weight when viewing capitalization rates.

PwC National Apartment Market Survey



⁴ PwC Real Estate Investor Survey

**PwC Real Estate Investor Survey - National Apartment Market
Overall Capitalization Rate - Institutional Grade Investments**

| Quarter | Cap Rate | Change (bps) | Quarter | Cap Rate | Change (bps) |
|---------|----------|--------------|---------|----------|--------------|
| 1Q03 | 8.14 | - | 2Q10 | 7.68 | -0.17 |
| 2Q03 | 7.92 | -0.22 | 3Q10 | 7.12 | -0.56 |
| 3Q03 | 7.61 | -0.31 | 4Q10 | 6.51 | -0.61 |
| 4Q03 | 7.45 | -0.16 | 1Q11 | 6.29 | -0.22 |
| 1Q04 | 7.25 | -0.20 | 2Q11 | 6.10 | -0.19 |
| 2Q04 | 7.13 | -0.12 | 3Q11 | 5.98 | -0.12 |
| 3Q04 | 7.05 | -0.08 | 4Q11 | 5.80 | -0.18 |
| 4Q04 | 7.01 | -0.04 | 1Q12 | 5.83 | 0.03 |
| 1Q05 | 6.74 | -0.27 | 2Q12 | 5.76 | -0.07 |
| 2Q05 | 6.52 | -0.22 | 3Q12 | 5.74 | -0.02 |
| 3Q05 | 6.28 | -0.24 | 4Q12 | 5.72 | -0.02 |
| 4Q05 | 6.13 | -0.15 | 1Q13 | 5.73 | 0.01 |
| 1Q06 | 6.07 | -0.06 | 2Q13 | 5.70 | -0.03 |
| 2Q06 | 6.01 | -0.06 | 3Q13 | 5.61 | -0.09 |
| 3Q06 | 5.98 | -0.03 | 4Q13 | 5.80 | 0.19 |
| 4Q06 | 5.97 | -0.01 | 1Q14 | 5.79 | -0.01 |
| 1Q07 | 5.89 | -0.08 | 2Q14 | 5.59 | -0.20 |
| 2Q07 | 5.80 | -0.09 | 3Q14 | 5.51 | -0.08 |
| 3Q07 | 5.76 | -0.04 | 4Q14 | 5.36 | -0.15 |
| 4Q07 | 5.75 | -0.01 | 1Q15 | 5.36 | 0.00 |
| 1Q08 | 5.79 | 0.04 | 2Q15 | 5.30 | -0.06 |
| 2Q08 | 5.75 | -0.04 | 3Q15 | 5.39 | 0.09 |
| 3Q08 | 5.86 | 0.11 | 4Q15 | 5.35 | -0.04 |
| 4Q08 | 6.13 | 0.27 | 1Q16 | 5.35 | 0.00 |
| 1Q09 | 6.88 | 0.75 | 2Q16 | 5.29 | -0.06 |
| 2Q09 | 7.49 | 0.61 | 3Q16 | 5.25 | -0.04 |
| 3Q09 | 7.84 | 0.35 | 4Q16 | 5.26 | 0.01 |
| 4Q09 | 8.03 | 0.19 | 1Q17 | 5.33 | 0.07 |
| 1Q10 | 7.85 | -0.18 | | | |

Source: PwC Real Estate Investor Survey, Q1 2017

| PwC Real Estate Investor Survey - National Apartment Market | | | | | |
|---|----------|--------------|---------|----------|--------------|
| Overall Capitalization Rate - Institutional Grade Investments | | | | | |
| Quarter | Cap Rate | Change (bps) | Quarter | Cap Rate | Change (bps) |
| 1Q03 | 8.14 | - | 1Q10 | 7.85 | -0.18 |
| 2Q03 | 7.92 | -0.22 | 2Q10 | 7.68 | -0.17 |
| 3Q03 | 7.61 | -0.31 | 3Q10 | 7.12 | -0.56 |
| 4Q03 | 7.45 | -0.16 | 4Q10 | 6.51 | -0.61 |
| 1Q04 | 7.25 | -0.20 | 1Q11 | 6.29 | -0.22 |
| 2Q04 | 7.13 | -0.12 | 2Q11 | 6.10 | -0.19 |
| 3Q04 | 7.05 | -0.08 | 3Q11 | 5.98 | -0.12 |
| 4Q04 | 7.01 | -0.04 | 4Q11 | 5.80 | -0.18 |
| 1Q05 | 6.74 | -0.27 | 1Q12 | 5.83 | 0.03 |
| 2Q05 | 6.52 | -0.22 | 2Q12 | 5.76 | -0.07 |
| 3Q05 | 6.28 | -0.24 | 3Q12 | 5.74 | -0.02 |
| 4Q05 | 6.13 | -0.15 | 4Q12 | 5.72 | -0.02 |
| 1Q06 | 6.07 | -0.06 | 1Q13 | 5.73 | 0.01 |
| 2Q06 | 6.01 | -0.06 | 2Q13 | 5.70 | -0.03 |
| 3Q06 | 5.98 | -0.03 | 3Q13 | 5.61 | -0.09 |
| 4Q06 | 5.97 | -0.01 | 4Q13 | 5.80 | 0.19 |
| 1Q07 | 5.89 | -0.08 | 1Q14 | 5.79 | -0.01 |
| 2Q07 | 5.80 | -0.09 | 2Q14 | 5.59 | -0.20 |
| 3Q07 | 5.76 | -0.04 | 3Q14 | 5.51 | -0.08 |
| 4Q07 | 5.75 | -0.01 | 4Q14 | 5.36 | -0.15 |
| 1Q08 | 5.79 | 0.04 | 1Q15 | 5.36 | 0.00 |
| 2Q08 | 5.75 | -0.04 | 2Q15 | 5.30 | -0.06 |
| 3Q08 | 5.86 | 0.11 | 3Q15 | 5.39 | 0.09 |
| 4Q08 | 6.13 | 0.27 | 4Q15 | 5.35 | -0.04 |
| 1Q09 | 6.88 | 0.75 | 1Q16 | 5.35 | 0.00 |
| 2Q09 | 7.49 | 0.61 | 2Q16 | 5.29 | -0.06 |
| 3Q09 | 7.84 | 0.35 | 3Q16 | 5.25 | -0.04 |
| 4Q09 | 8.03 | 0.19 | 4Q16 | 5.26 | 0.01 |

Source: PwC Real Estate Investor Survey, Q4 2016

As the graph indicates, the downward trend through early 2007 is clear. The average capitalization rate decreased 225 basis points over a four-year period from 2003 to 2007. However, capitalization rates stabilized in 2007 and began a steep increase in late 2008. They appear to have peaked in the fourth quarter of 2009 and have generally decreased through the first quarter of 2015. Capitalization rates as of the first quarter of 2017 have exhibited a slight decrease over capitalization rates from the first quarter of 2016. We have estimated a capitalization rate of 6.25 percent, which is within the range of the Non-Institutional Grade capitalization rates.

Debt Coverage Ratio

The debt coverage ratio (DCR) is frequently used as a measure of risk by lenders wishing to measure the margin of safety and by purchasers analyzing leveraged property. It can be applied to test the reasonableness of a project in relation to lender loan specifications. Lenders typically use the debt coverage ratio as a quick test to determine project feasibility. The debt coverage ratio has two basic components: the properties net operating income and its annual debt service (represented by the mortgage constant).

The ratio used is:

$$\text{Net Operating Income} / \text{Annual Debt Service} = \text{Debt Coverage Ratio}$$

One procedure by which the debt coverage ratio can be used to estimate the overall capitalization rate is by multiplying the debt coverage ratio by the mortgage constant and the lender required loan-to-value ratio. The indicated formula is:

$$R_0 = D.C.R \times R_M \times M$$

Where:

R_0 = Overall Capitalization Rate
 $D.C.R$ = Debt Coverage Ratio
 R_M = Mortgage Constant
 M = Loan-to-Value Ratio

Band of Investment

This method involves deriving the property's equity dividend rate from the improved comparable sales and applying it, at current mortgage rate and terms, to estimate the value of the income stream.

The formula is:

$$R_0 = M \times R_M + (1-M) \times R_E$$

Where:

R_0 = Overall Capitalization Rate
 M = Loan-to-Value Ratio
 R_M = Mortgage Constant
 R_E = Equity Dividend

The equity dividend rate (R_E) also known as the cash on cash return rate, is the rate of return that an equity investor expects on an annual basis. It is a component of the overall return requirement. The equity dividend rate is impacted by the returns on other similar investments as well as the risk profile of the investment market and finally the expectation for future value growth. The equity dividend rate is lower in cases where the market is strong and there is a perception of lower risk related to the return of the investment. Further, the dividend rate is lower in markets that have greater expectation for capital appreciation. In some cases we have seen dividend rates that are zero or even negative, suggesting that buyers are willing to forego an annual return because of a larger expectation of capital appreciation. Of course the converse is also true. Generally we see equity dividend rates ranging from two to 10 percent. In this case, the Subject is located within a primary apartment market with strong growth. As a result, an equity dividend estimate of 8.0 percent is considered reasonable in this analysis.

The Mortgage Constant (R_M) is based upon the calculated interest rate from the ten year treasury. We have utilized 8.0 percent as our estimate of equity return. The following table summarizes calculations for the two previously discussed methods of capitalization rate derivation. We will utilize a market oriented interest rate of 5.0 percent. Based on our work files, the typical amortization period is 25 to 30 years and the loan to value ratio is 70 to 80 percent with interest rates between 4.50 and 6.00 percent. Therefore, we believe a 5.0 percent interest rate with a 30 year amortization period and a loan to value of 75 percent is reasonable. The following table illustrates the band of investment for the Subject property.

CAPITALIZATION RATE DERIVATION

| Inputs and Assumptions | | Interest Rate Calculations | | | | | | | |
|----------------------------|--------------|------------------------------|------|-------|--------|---|--------|---|-------|
| DCR | 1.25 | <i>Treasury Bond Basis*</i> | | | | | | | |
| Rm | 0.0644 | 10 Year T Bond Rate (2/2017) | | 1.63% | | | | | |
| Interest (per annum)* | 5.00% | Interest rate spread | | 337 | | | | | |
| Amortization (years) | 30 | Interest Rate (per annum) | | 5.00% | | | | | |
| M | 0.75 | | | | | | | | |
| Re | 8.00% | | | | | | | | |
| Debt Coverage Ratio | | | | | | | | | |
| | Ro | = | DCR | X | Rm | X | M | | |
| | 6.04% | = | 1.25 | X | 0.0644 | X | 75% | | |
| Band of Investment | | | | | | | | | |
| | Ro | = | (M | X | Rm) | + | ((1-M) | X | Re) |
| | 6.83% | = | 75% | X | 0.0644 | + | 25% | X | 8.00% |

* Source: Bloomberg.com (2/2017)

Conclusion of Overall Rate Selection

CAPITALIZATION RATE SELECTION SUMMARY

| Method | Indicated Rate |
|-------------------------|----------------|
| Market Extraction | 6.25% |
| The PwC Investor Survey | 6.25% |
| REIS | 7.20% |
| Debt Coverage Ratio | 6.04% |
| Band of Investment | 6.83% |

The four approaches indicate a range from 6.04 to 7.20 percent. Therefore, we reconciled to a 6.25 percent capitalization rate primarily upon the market-extracted rates. A summary of the direct capitalization analysis is provided below.

| DIRECT CAPITALIZATION ANALYSIS | | | | | |
|---------------------------------------|-------------------------|---------------------|----------------------|---------------------------|----------------------|
| <i>Operating Revenues</i> | | | | | |
| | As Is Restricted | | | As Is Unrestricted | |
| <u>Apartment Rentals</u> | <u>Market Unit</u> | <u>Average Rent</u> | <u>Total Revenue</u> | <u>Average Rent</u> | <u>Total Revenue</u> |
| | <u>Mix</u> | <u>(Monthly)</u> | | <u>(Monthly)</u> | |
| Total Potential Rental Income | 204 | \$1,308 | \$3,202,800 | \$1,158 | \$2,835,600 |
| <u>Other Income</u> | | | | | |
| Miscellaneous | | \$175 | \$35,700 | \$175 | \$35,700 |
| Total Potential Revenues | | \$15,875 | \$3,238,500 | \$14,075 | \$2,871,300 |
| <u>Vacancy Loss</u> | | (\$476) | (\$97,155) | (\$985) | (\$200,991) |
| Vacancy Percentage | | | -3% | | -7% |
| <u>Effective Gross Income</u> | | \$15,399 | \$3,141,345 | \$13,090 | \$2,670,309 |
| <i>Operating Expenses</i> | | | | | |
| | As Is Restricted | | | As Is Unrestricted | |
| Administration | | \$375 | \$76,500 | \$300 | \$61,200 |
| Repair and Maintenance | | \$725 | \$147,900 | \$725 | \$147,900 |
| Operating | | \$850 | \$173,400 | \$850 | \$173,400 |
| Utilities | | \$2,200 | \$448,800 | \$2,200 | \$448,800 |
| Payroll | | \$1,483 | \$302,500 | \$1,483 | \$302,500 |
| Taxes | | \$1,084 | \$221,162 | \$867 | \$176,929 |
| Insurance | | \$425 | \$86,700 | \$425 | \$86,700 |
| Management Fee | | \$616 | \$125,654 | \$524 | \$106,812 |
| Replacement Reserves | | \$350 | \$71,400 | \$350 | \$71,400 |
| Total Operating Expenses | | \$8,108 | \$1,654,015 | \$7,724 | \$1,575,642 |
| Expenses as a ratio of EGI | | | 52.7% | | 59.0% |
| <i>Valuation</i> | | | | | |
| | As Is Restricted | | | As Is Unrestricted | |
| Net Operating Income | | \$7,291 | \$1,487,330 | \$5,366 | \$1,094,667 |
| Capitalization Rate | | | 6.25% | | 6.25% |
| Indicated Value "rounded" | | \$116,667 | \$23,800,000 | \$85,784 | \$17,500,000 |

| DIRECT CAPITALIZATION ANALYSIS | | | | | | | |
|---------------------------------------|-------------------------|---------------------------|---------------------|-------------------------------|---------------------|---------------------------|---------------------|
| Operating Revenues | | | | | | | |
| | As Renovated Restricted | | | As Renovated Restricted Sec 8 | | As Renovated Unrestricted | |
| | Market Unit Mix | Average Rent (Monthly) | Total Revenue | Average Rent (Monthly) | Total Revenue | Average Rent (Monthly) | Total Revenue |
| Apartment Rentals | 222 | \$854 | \$2,275,224 | \$1,261 | \$3,358,104 | \$1,295 | \$3,449,400 |
| <u>Other Income</u> | | | | | | | |
| Miscellaneous | | \$175 | \$38,850 | \$175 | \$38,850 | \$175 | \$38,850 |
| Residential Potential Revenues | | \$10,424 | \$2,314,074 | \$15,302 | \$3,396,954 | \$15,713 | \$3,488,250 |
| <u>Vacancy Loss</u> | | (\$417) | (\$92,563) | (\$459) | (\$101,909) | (\$1,100) | (\$244,178) |
| Vacancy Percentage | | | -4% | | -3% | | -7% |
| Effective Gross Income | | \$10,007 | \$2,221,511 | \$14,843 | \$3,295,045 | \$14,613 | \$3,244,073 |
| Operating Expenses | | | | | | | |
| | As Renovated Restricted | | | As Renovated Restricted Sec 8 | | As Renovated Unrestricted | |
| Administration | | \$375 | \$83,250 | \$375 | \$83,250 | \$300 | \$66,600 |
| Repair and Maintenance | | \$600 | \$133,200 | \$600 | \$133,200 | \$600 | \$133,200 |
| Operating | | \$775 | \$172,050 | \$775 | \$172,050 | \$775 | \$172,050 |
| Utilities | | \$1,925 | \$427,350 | \$1,925 | \$427,350 | \$1,925 | \$427,350 |
| Payroll | | \$1,363 | \$302,500 | \$1,363 | \$302,500 | \$1,363 | \$302,500 |
| Taxes | | \$542 | \$120,338 | \$1,193 | \$264,743 | \$1,193 | \$264,743 |
| Insurance | | \$425 | \$94,350 | \$425 | \$94,350 | \$425 | \$94,350 |
| Management Fee | | \$400 | \$88,860 | \$594 | \$131,802 | \$585 | \$129,763 |
| Replacement Reserves | | \$300 | \$66,600 | \$300 | \$66,600 | \$300 | \$66,600 |
| Total Operating Expenses | | \$6,705 | \$1,488,498 | \$7,549 | \$1,675,845 | \$7,465 | \$1,657,156 |
| Expenses as a ratio of EGI | | | 67.0% | | 50.9% | | 51% |
| Valuation | | | | | | | |
| | As Renovated Restricted | | | As Renovated Restricted Sec 8 | | As Renovated Unrestricted | |
| Net Operating Income | | \$3,302 | \$733,013 | \$7,294 | \$1,619,200 | \$7,148 | \$1,586,916 |
| Capitalization Rate | | | 6.25% | | 6.25% | | 6.25% |
| Indicated Value "rounded" | | \$52,703 | \$11,700,000 | \$116,667 | \$25,900,000 | \$114,414 | \$25,400,000 |

Cost of Stabilization

For the as proposed restricted value, we have assumed that the Subject would need to lease the 18 new units. As previously noted, we have assumed an absorption rate of 15 units per month, which equates to an absorption period of less than two months in the restricted scenarios, which is negligible loss to lease costs under this scenario. Therefore, we have assumed that the Subject would be stabilized upon completion of construction and renovations.

Conclusion

The following table summarizes the findings of the previously conducted direct capitalization analysis.

| DIRECT CAPITALIZATION ANALYSIS | | | |
|--------------------------------|----------|----------------------|---------------------------|
| Scenario | Cap Rate | Net Operating Income | Indicated Value (Rounded) |
| As Is Restricted | 6.25% | \$1,487,330 | \$23,800,000 |
| As Is Unrestricted | 6.25% | \$1,094,667 | \$17,500,000 |
| As Renovated Restricted | 6.25% | \$733,013 | \$11,700,000 |
| As Renovated Restricted Sec 8 | 6.25% | \$1,619,200 | \$25,900,000 |
| As Renovated Unrestricted | 6.25% | \$1,586,916 | \$25,400,000 |

The Subject's leased fee market value assuming current Section 8 rents "As Is", as of July 11, 2017 is:

TWENTY THREE MILLION EIGHT HUNDRED THOUSAND DOLLARS
(\$23,800,000)

The Subject's hypothetical leased fee market value of the real estate assuming achievable market rents "As Is", as of July 11, 2017 is:

SEVENTEEN MILLION FIVE HUNDRED THOUSAND DOLLARS
(\$17,500,000)

The Subject's hypothetical leased fee market value of the real estate assuming Section 42 encumbrances and achievable LIHTC rents "As Proposed", as of July 11, 2017 is:

ELEVEN MILLION SEVEN HUNDRED THOUSAND DOLLARS
(\$11,700,000)

The Subject's hypothetical leased fee market value of the real estate assuming Section 8 rents "As Proposed", as of July 11, 2017 is:

TWENTY FIVE MILLION NINE HUNDRED THOUSAND DOLLARS
(\$25,900,000)

The Subject's hypothetical leased fee market value of the real estate assuming achievable market rents "As Proposed", as of July 11, 2017 is:

TWENTY FIVE MILLION FOUR HUNDRED THOUSAND DOLLARS
(\$25,400,000)

Please refer to the assumptions and limiting conditions regarding the restricted valuation and hypothetical conditions.

PROSPECTIVE MARKET VALUE AT LOAN MATURITY

To quantify the income potential of the Subject, a future cash flow is employed. In this analytical method, we estimate the present values of future cash flow expectations by applying the appropriate terminal capitalization and discount rates. As examined earlier, we believe there is ample demand in the income ranges targeted by the management of the Subject to support a stable cash flow. Therefore, the restrictions do not affect the risk of the Subject investment. We based our valuation on market-derived reversion and discount rates. It should be noted that we have only utilized the future cash flow analysis to identify the prospective market value at loan maturity.

Income and Expense Growth Projections

The AMI in Fulton County increased approximately 0.7 percent annually between 2000 and 2016. However, since 2010, the AMI in the county has decreased from \$71,800 to \$67,500. Several of the market rate and LIHTC comparables experienced rent growth over the past year. Overall, we have increased the income line items by 2.5 percent per annum and expenses by 3.0 percent per annum over the holding period.

Terminal Capitalization Rate

In order to estimate the appropriate capitalization rate, we used the *PwC Real Estate Investor Survey*. The following summarizes this survey:

| PwC REAL ESTATE INVESTOR SURVEY | |
|--|----------------|
| National Apartment Market | |
| Overall Capitalization Rate - Institutional Grade Investments | |
| Range: | 3.50% - 8.00% |
| Average: | 5.33% |
| Non-Institutional Grade Investments | |
| Range: | 3.75% - 12.00% |
| Average: | 7.08% |

Source: PwC Real Estate Investor Survey, Q1 2017

Additionally, we have considered the market extracted capitalization rates in the Atlanta market. As discussed in detail later in this report, we have estimated a going in capitalization rate of 6.5 percent for the Subject.

The following issues impact the determination of a residual capitalization rate for the Subject:

- Anticipated annual capture of the Subject.
- The anticipated demand growth in the market associated with both local residential and corporate growth.
- The Subject’s construction and market position.
- Local market overall rates.

In view of the preceding data, observed rate trends, and careful consideration of the Subject’s physical appeal and economic characteristics, a terminal rate of 8.0 percent has been used, which is within the range and is considered reasonable for a non-institutional grade property such as the Subject following renovation and construction.

Valuation Analysis

Based upon the indicated operating statements and the discount rate discussion above, we developed a cash flow for the Subject. The following pages illustrate the cash flow and present value analysis.

As Proposed Restricted LIHTC Scenario (Years 1 through 15)

| Restricted Cash Flow Value Derivation of "as complete" | | | | | | | | | | | | | | | | |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|--|
| Fiscal Year | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 | Year 11 | Year 12 | Year 13 | Year 14 | Year 15 | |
| | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | |
| Income | | | | | | | | | | | | | | | | |
| Low Income Units | \$2,275,224 | \$2,332,105 | \$2,390,407 | \$2,450,167 | \$2,511,422 | \$2,574,207 | \$2,638,562 | \$2,704,526 | \$2,772,140 | \$2,841,443 | \$2,912,479 | \$2,985,291 | \$3,059,923 | \$3,136,421 | \$3,214,832 | |
| Nonresidential | \$38,850 | \$39,821 | \$40,817 | \$41,837 | \$42,883 | \$43,955 | \$45,054 | \$46,180 | \$47,335 | \$48,518 | \$49,731 | \$50,975 | \$52,249 | \$53,555 | \$54,894 | |
| Gross Project Income | \$2,314,074 | \$2,371,926 | \$2,431,224 | \$2,492,005 | \$2,554,305 | \$2,618,162 | \$2,683,616 | \$2,750,707 | \$2,819,474 | \$2,889,961 | \$2,962,210 | \$3,036,266 | \$3,112,172 | \$3,189,977 | \$3,269,726 | |
| Vacancy Allowance | -\$92,563 | -\$94,877 | -\$97,249 | -\$99,680 | -\$102,172 | -\$104,726 | -\$107,345 | -\$110,028 | -\$112,779 | -\$115,598 | -\$118,488 | -\$121,451 | -\$124,487 | -\$127,599 | -\$130,789 | |
| Effective Gross Income | \$2,221,511 | \$2,277,049 | \$2,333,975 | \$2,392,324 | \$2,452,133 | \$2,513,436 | \$2,576,272 | \$2,640,679 | \$2,706,695 | \$2,774,363 | \$2,843,722 | \$2,914,815 | \$2,987,685 | \$3,062,378 | \$3,138,937 | |
| Expenses | | | | | | | | | | | | | | | | |
| Administrative and Marketing | \$83,250 | \$85,748 | \$88,320 | \$90,970 | \$93,699 | \$96,510 | \$99,405 | \$102,387 | \$105,459 | \$108,622 | \$111,881 | \$115,237 | \$118,695 | \$122,255 | \$125,923 | |
| Maintenance and Operating | \$305,250 | \$314,408 | \$323,840 | \$333,555 | \$343,562 | \$353,868 | \$364,484 | \$375,419 | \$386,682 | \$398,282 | \$410,230 | \$422,537 | \$435,214 | \$448,270 | \$461,718 | |
| Payroll | \$302,500 | \$311,575 | \$320,922 | \$330,550 | \$340,466 | \$350,680 | \$361,201 | \$372,037 | \$383,198 | \$394,694 | \$406,535 | \$418,731 | \$431,293 | \$444,231 | \$457,558 | |
| Utilities | \$427,350 | \$440,171 | \$453,376 | \$466,977 | \$480,986 | \$495,416 | \$510,278 | \$525,587 | \$541,354 | \$557,595 | \$574,323 | \$591,552 | \$609,299 | \$627,578 | \$646,405 | |
| Insurance | \$94,350 | \$97,181 | \$100,096 | \$103,099 | \$106,192 | \$109,378 | \$112,659 | \$116,039 | \$119,520 | \$123,105 | \$126,799 | \$130,602 | \$134,521 | \$138,556 | \$142,713 | |
| Real Estate Taxes | \$120,338 | \$123,948 | \$127,667 | \$131,497 | \$135,441 | \$139,505 | \$143,690 | \$148,001 | \$152,441 | \$157,014 | \$161,724 | \$166,576 | \$171,573 | \$176,720 | \$182,022 | |
| Replacement Reserve | \$66,600 | \$68,598 | \$70,656 | \$72,776 | \$74,959 | \$77,208 | \$79,524 | \$81,910 | \$84,367 | \$86,898 | \$89,505 | \$92,190 | \$94,956 | \$97,804 | \$100,738 | |
| Management Fee | \$88,860 | \$91,082 | \$93,359 | \$95,693 | \$98,085 | \$100,537 | \$103,051 | \$105,627 | \$108,268 | \$110,975 | \$113,749 | \$116,593 | \$119,507 | \$122,495 | \$125,557 | |
| Total Expenses | \$1,488,498 | \$1,532,709 | \$1,578,235 | \$1,625,115 | \$1,673,390 | \$1,723,101 | \$1,774,292 | \$1,827,005 | \$1,881,287 | \$1,937,185 | \$1,994,745 | \$2,054,019 | \$2,115,057 | \$2,177,911 | \$2,242,636 | |
| Net Operating Income | \$733,013 | \$744,340 | \$755,740 | \$767,209 | \$778,742 | \$790,334 | \$801,980 | \$813,673 | \$825,408 | \$837,178 | \$848,977 | \$860,796 | \$872,629 | \$884,467 | \$896,301 | |
| Reversion Calculation | | | | | | | | | | | | | | | | |
| Terminal Capitalization Rate | 8.00% | | | | | | | | | | | | | | | |
| Sales Costs | 3.0% | | | | | | | | | | | | | | | |
| Net Sales Proceeds | | | | | | | | | | | | | | | | |

As Proposed Restricted LIHTC Scenario (Years 16 through 30)

| Restricted Cash Flow Value Derivation of "as complete" | | | | | | | | | | | | | | |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Year 16 | Year 17 | Year 18 | Year 19 | Year 20 | Year 21 | Year 22 | Year 23 | Year 24 | Year 25 | Year 26 | Year 27 | Year 28 | Year 29 | Year 30 |
| 2034 | 2035 | 2036 | 2037 | 2038 | 2039 | 2040 | 2041 | 2042 | 2043 | 2044 | 2045 | 2046 | 2047 | 2048 |
| \$3,295,203 | \$3,377,583 | \$3,462,022 | \$3,548,573 | \$3,637,287 | \$3,728,219 | \$3,821,425 | \$3,916,961 | \$4,014,885 | \$4,115,257 | \$4,218,138 | \$4,323,592 | \$4,431,681 | \$4,542,473 | \$4,656,035 |
| \$56,266 | \$57,673 | \$59,115 | \$60,593 | \$62,108 | \$63,660 | \$65,252 | \$66,883 | \$68,555 | \$70,269 | \$72,026 | \$73,826 | \$75,672 | \$77,564 | \$79,503 |
| \$3,351,469 | \$3,435,256 | \$3,521,137 | \$3,609,166 | \$3,699,395 | \$3,791,880 | \$3,886,677 | \$3,983,844 | \$4,083,440 | \$4,185,526 | \$4,290,164 | \$4,397,418 | \$4,507,353 | \$4,620,037 | \$4,735,538 |
| -\$134,059 | -\$137,410 | -\$140,845 | -\$144,367 | -\$147,976 | -\$151,675 | -\$155,467 | -\$159,354 | -\$163,338 | -\$167,421 | -\$171,607 | -\$175,897 | -\$180,294 | -\$184,801 | -\$189,422 |
| \$3,217,410 | \$3,297,846 | \$3,380,292 | \$3,464,799 | \$3,551,419 | \$3,640,205 | \$3,731,210 | \$3,824,490 | \$3,920,102 | \$4,018,105 | \$4,118,557 | \$4,221,521 | \$4,327,059 | \$4,435,236 | \$4,546,117 |
| \$129,701 | \$133,592 | \$137,600 | \$141,728 | \$145,979 | \$150,359 | \$154,870 | \$159,516 | \$164,301 | \$169,230 | \$174,307 | \$179,536 | \$184,922 | \$190,470 | \$196,184 |
| \$475,570 | \$489,837 | \$504,532 | \$519,668 | \$535,258 | \$551,315 | \$567,855 | \$584,891 | \$602,437 | \$620,510 | \$639,126 | \$658,299 | \$678,048 | \$698,390 | \$719,342 |
| \$471,285 | \$485,424 | \$499,986 | \$514,986 | \$530,436 | \$546,349 | \$562,739 | \$579,621 | \$597,010 | \$614,920 | \$633,368 | \$652,369 | \$671,940 | \$692,098 | \$712,861 |
| \$665,797 | \$685,771 | \$706,344 | \$727,535 | \$749,361 | \$771,842 | \$794,997 | \$818,847 | \$843,412 | \$868,715 | \$894,776 | \$921,619 | \$949,268 | \$977,746 | \$1,007,078 |
| \$146,994 | \$151,404 | \$155,946 | \$160,625 | \$165,443 | \$170,407 | \$175,519 | \$180,784 | \$186,208 | \$191,794 | \$197,548 | \$203,474 | \$209,579 | \$215,866 | \$222,342 |
| \$187,483 | \$193,107 | \$198,900 | \$204,867 | \$211,013 | \$217,344 | \$223,864 | \$230,580 | \$237,497 | \$244,622 | \$251,961 | \$259,520 | \$267,305 | \$275,325 | \$283,584 |
| \$103,761 | \$106,873 | \$110,080 | \$113,382 | \$116,784 | \$120,287 | \$123,896 | \$127,612 | \$131,441 | \$135,384 | \$139,446 | \$143,629 | \$147,938 | \$152,376 | \$156,947 |
| \$128,696 | \$131,914 | \$135,212 | \$138,592 | \$142,057 | \$145,608 | \$149,248 | \$152,980 | \$156,804 | \$160,724 | \$164,742 | \$168,861 | \$173,082 | \$177,409 | \$181,845 |
| \$2,309,287 | \$2,377,922 | \$2,448,600 | \$2,521,382 | \$2,596,330 | \$2,673,510 | \$2,752,987 | \$2,834,831 | \$2,919,111 | \$3,005,900 | \$3,095,273 | \$3,187,308 | \$3,282,083 | \$3,379,680 | \$3,480,183 |
| \$908,124 | \$919,924 | \$931,692 | \$943,417 | \$955,089 | \$966,694 | \$978,222 | \$989,659 | \$1,000,991 | \$1,012,205 | \$1,023,284 | \$1,034,213 | \$1,044,976 | \$1,055,556 | \$1,065,933 |

8.00%
3.0%
\$12,900,000

As Proposed Unrestricted Scenario (Years 1 through 15)

| Unrestricted Cash Flow Value Derivation of "as complete" | | | | | | | | | | | | | | | | |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--|
| Fiscal Year | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 | Year 11 | Year 12 | Year 13 | Year 14 | Year 15 | |
| | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | |
| Income | | | | | | | | | | | | | | | | |
| Rental Units | \$3,449,400 | \$3,535,635 | \$3,624,026 | \$3,714,627 | \$3,807,492 | \$3,902,679 | \$4,000,246 | \$4,100,253 | \$4,202,759 | \$4,307,828 | \$4,415,524 | \$4,525,912 | \$4,639,060 | \$4,755,036 | \$4,873,912 | |
| Nonresidential | \$38,850 | \$39,821 | \$40,817 | \$41,837 | \$42,883 | \$43,955 | \$45,054 | \$46,180 | \$47,335 | \$48,518 | \$49,731 | \$50,975 | \$52,249 | \$53,555 | \$54,894 | |
| Gross Project Income | \$3,488,250 | \$3,575,456 | \$3,664,843 | \$3,756,464 | \$3,850,375 | \$3,946,635 | \$4,045,301 | \$4,146,433 | \$4,250,094 | \$4,356,346 | \$4,465,255 | \$4,576,886 | \$4,691,308 | \$4,808,591 | \$4,928,806 | |
| Vacancy Allowance | -\$244,178 | -\$250,282 | -\$256,539 | -\$262,952 | -\$269,526 | -\$276,264 | -\$283,171 | -\$290,250 | -\$297,507 | -\$304,944 | -\$312,568 | -\$320,382 | -\$328,392 | -\$336,601 | -\$345,016 | |
| Effective Gross Income | \$3,244,072 | \$3,325,174 | \$3,408,304 | \$3,493,511 | \$3,580,849 | \$3,670,370 | \$3,762,130 | \$3,856,183 | \$3,952,587 | \$4,051,402 | \$4,152,687 | \$4,256,504 | \$4,362,917 | \$4,471,990 | \$4,583,790 | |
| Expenses | | | | | | | | | | | | | | | | |
| Administrative and Marketing | \$66,600 | \$68,598 | \$70,656 | \$72,776 | \$74,959 | \$77,208 | \$79,524 | \$81,910 | \$84,367 | \$86,898 | \$89,505 | \$92,190 | \$94,956 | \$97,804 | \$100,738 | |
| Maintenance and Operating | \$305,250 | \$314,408 | \$323,840 | \$333,555 | \$343,562 | \$353,868 | \$364,484 | \$375,419 | \$386,682 | \$398,282 | \$410,230 | \$422,537 | \$435,214 | \$448,270 | \$461,718 | |
| Payroll | \$302,500 | \$311,575 | \$320,922 | \$330,550 | \$340,466 | \$350,680 | \$361,201 | \$372,037 | \$383,198 | \$394,694 | \$406,535 | \$418,731 | \$431,293 | \$444,231 | \$457,558 | |
| Utilities | \$427,350 | \$440,171 | \$453,376 | \$466,977 | \$480,986 | \$495,416 | \$510,278 | \$525,587 | \$541,354 | \$557,595 | \$574,323 | \$591,552 | \$609,299 | \$627,578 | \$646,405 | |
| Insurance | \$94,350 | \$97,181 | \$100,096 | \$103,099 | \$106,192 | \$109,378 | \$112,659 | \$116,039 | \$119,520 | \$123,105 | \$126,799 | \$130,602 | \$134,521 | \$138,556 | \$142,713 | |
| Real Estate Taxes | \$264,743 | \$272,685 | \$280,866 | \$289,292 | \$297,971 | \$306,910 | \$316,117 | \$325,600 | \$335,369 | \$345,430 | \$355,792 | \$366,466 | \$377,460 | \$388,784 | \$400,448 | |
| Replacement Reserve | \$66,600 | \$68,598 | \$70,656 | \$72,776 | \$74,959 | \$77,208 | \$79,524 | \$81,910 | \$84,367 | \$86,898 | \$89,505 | \$92,190 | \$94,956 | \$97,804 | \$100,738 | |
| Management Fee | \$129,763 | \$133,007 | \$136,332 | \$139,740 | \$143,234 | \$146,815 | \$150,485 | \$154,247 | \$158,103 | \$162,056 | \$166,107 | \$170,260 | \$174,517 | \$178,880 | \$183,352 | |
| Total Expenses | \$1,657,156 | \$1,706,222 | \$1,756,743 | \$1,808,764 | \$1,862,328 | \$1,917,482 | \$1,974,272 | \$2,032,748 | \$2,092,959 | \$2,154,958 | \$2,218,796 | \$2,284,529 | \$2,352,214 | \$2,421,908 | \$2,493,671 | |
| Net Operating Income | \$1,586,916 | \$1,618,953 | \$1,651,560 | \$1,684,747 | \$1,718,521 | \$1,752,888 | \$1,787,857 | \$1,823,435 | \$1,859,628 | \$1,896,445 | \$1,933,891 | \$1,971,975 | \$2,010,703 | \$2,050,082 | \$2,090,119 | |

Reversion Calculation

| | |
|------------------------------|-------|
| Terminal Capitalization Rate | 8.00% |
| Sales Costs | 3.0% |
| Net Sales Proceeds | |

As Proposed Unrestricted Scenario (Years 16 through 30)

| Unrestricted Cash Flow Value Derivation of "as complete" | | | | | | | | | | | | | | |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Year 16 | Year 17 | Year 18 | Year 19 | Year 20 | Year 21 | Year 22 | Year 23 | Year 24 | Year 25 | Year 26 | Year 27 | Year 28 | Year 29 | Year 30 |
| 2034 | 2035 | 2036 | 2037 | 2038 | 2039 | 2040 | 2041 | 2042 | 2043 | 2044 | 2045 | 2046 | 2047 | 2048 |
| \$4,995,760 | \$5,120,654 | \$5,248,670 | \$5,379,887 | \$5,514,384 | \$5,652,244 | \$5,793,550 | \$5,938,388 | \$6,086,848 | \$6,239,019 | \$6,394,995 | \$6,554,870 | \$6,718,741 | \$6,886,710 | \$7,058,878 |
| \$56,266 | \$57,673 | \$59,115 | \$60,593 | \$62,108 | \$63,660 | \$65,252 | \$66,883 | \$68,555 | \$70,269 | \$72,026 | \$73,826 | \$75,672 | \$77,564 | \$79,503 |
| \$5,052,026 | \$5,178,327 | \$5,307,785 | \$5,440,480 | \$5,576,492 | \$5,715,904 | \$5,858,801 | \$6,005,271 | \$6,155,403 | \$6,309,288 | \$6,467,021 | \$6,628,696 | \$6,794,413 | \$6,964,274 | \$7,138,381 |
| -\$353,642 | -\$362,483 | -\$371,545 | -\$380,834 | -\$390,354 | -\$400,113 | -\$410,116 | -\$420,369 | -\$430,878 | -\$441,650 | -\$452,691 | -\$464,009 | -\$475,609 | -\$487,499 | -\$499,687 |
| \$4,698,384 | \$4,815,844 | \$4,936,240 | \$5,059,646 | \$5,186,137 | \$5,315,791 | \$5,448,685 | \$5,584,902 | \$5,724,525 | \$5,867,638 | \$6,014,329 | \$6,164,687 | \$6,318,804 | \$6,476,775 | \$6,638,694 |
| \$103,761 | \$106,873 | \$110,080 | \$113,382 | \$116,784 | \$120,287 | \$123,896 | \$127,612 | \$131,441 | \$135,384 | \$139,446 | \$143,629 | \$147,938 | \$152,376 | \$156,947 |
| \$475,570 | \$489,837 | \$504,532 | \$519,668 | \$535,258 | \$551,315 | \$567,855 | \$584,891 | \$602,437 | \$620,510 | \$639,126 | \$658,299 | \$678,048 | \$698,390 | \$719,342 |
| \$471,285 | \$485,424 | \$499,986 | \$514,986 | \$530,436 | \$546,349 | \$562,739 | \$579,621 | \$597,010 | \$614,920 | \$633,368 | \$652,369 | \$671,940 | \$692,098 | \$712,861 |
| \$665,797 | \$685,771 | \$706,344 | \$727,535 | \$749,361 | \$771,842 | \$794,997 | \$818,847 | \$843,412 | \$868,715 | \$894,776 | \$921,619 | \$949,268 | \$977,746 | \$1,007,078 |
| \$146,994 | \$151,404 | \$155,946 | \$160,625 | \$165,443 | \$170,407 | \$175,519 | \$180,784 | \$186,208 | \$191,794 | \$197,548 | \$203,474 | \$209,579 | \$215,866 | \$222,342 |
| \$412,461 | \$424,835 | \$437,580 | \$450,707 | \$464,228 | \$478,155 | \$492,500 | \$507,275 | \$522,493 | \$538,168 | \$554,313 | \$570,942 | \$588,071 | \$605,713 | \$623,884 |
| \$103,761 | \$106,873 | \$110,080 | \$113,382 | \$116,784 | \$120,287 | \$123,896 | \$127,612 | \$131,441 | \$135,384 | \$139,446 | \$143,629 | \$147,938 | \$152,376 | \$156,947 |
| \$187,935 | \$192,634 | \$197,450 | \$202,386 | \$207,445 | \$212,632 | \$217,947 | \$223,396 | \$228,981 | \$234,706 | \$240,573 | \$246,587 | \$252,752 | \$259,071 | \$265,548 |
| \$2,567,564 | \$2,643,651 | \$2,721,998 | \$2,802,670 | \$2,885,738 | \$2,971,273 | \$3,059,348 | \$3,150,039 | \$3,243,423 | \$3,339,581 | \$3,438,595 | \$3,540,550 | \$3,645,533 | \$3,753,636 | \$3,864,949 |
| \$2,130,820 | \$2,172,193 | \$2,214,242 | \$2,256,976 | \$2,300,399 | \$2,344,517 | \$2,389,337 | \$2,434,863 | \$2,481,102 | \$2,528,057 | \$2,575,734 | \$2,624,137 | \$2,673,271 | \$2,723,139 | \$2,773,745 |

8.00%

3.0%

\$33,600,000

Conclusion

Prospective Market Value as Restricted 30 years

The prospective market value at 30 years of the Subject's leased fee interest, subject to the rental restrictions in the year 2048, as of July 11, 2017, is:

**TWELVE MILLION NINE HUNDRED THOUSAND DOLLARS
(\$12,900,000)**

Prospective Market Value as Unrestricted at 30 years

The hypothetical prospective market value at 30 years of the Subject's leased fee interest, as an unrestricted property in the year 2048, as of July 11, 2017, is:

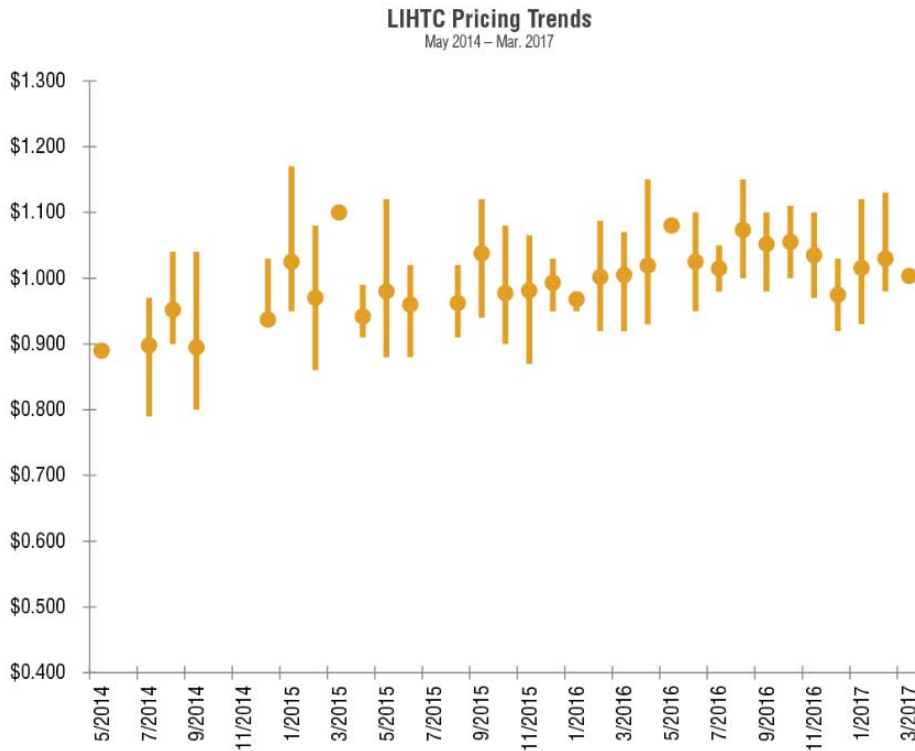
**THIRTY THREE MILLION SIX HUNDRED THOUSAND DOLLARS
(\$33,600,000)**

VALUATION - TAX CREDIT EQUITY

We were asked to value the federal tax credits. A 10-year federal tax credit incentive program will encumber the Subject. The Subject is a proposed multifamily LIHTC and market rate property. We were asked to value the tax credits.

As an incentive to participate in the low-income housing program the developer is awarded “tax credits” which provide the incentive to construct and rehabilitate affordable housing in otherwise financially infeasible markets. The tax credit program was created by the Internal Revenue Code Section 42, and is a Federal tax program administered by the states. The developer anticipates receiving tax a federal tax credit allocation of \$1,563,317 annually. A state tax credit allocation of the same amount, \$1,563,317, is also anticipated. The annual allocation will be received for ten years at 99.99 percent, for a total of \$31,263,213.

Valuation of LIHTC is typically done by a sales comparison approach. The industry typically values and analyzes the LIHTC transaction on a dollar per credit basis. Based on information provided by the developer, it appears that the federal tax credits will be purchased at a price of \$0.98 per tax credit, and state tax credits at \$0.64 per tax credit which appears reasonable. Novogradac & Company LLP conducts monthly surveys in which we contact developers, syndicators and consultants involved in LIHTC transactions to obtain information on recent LIHTC pricing. The following graph illustrates LIHTC pricing trends. The graph illustrates the average price achieved on a monthly basis for the projects included in our survey.



Source: Novogradac & Company LLP

As the previous table illustrates, tax credit raise rates in recent months have ranged from \$0.98 to \$1.10 per credit. Pricing has been trending upwards the past year. As part of the yield analysis and pricing determination investors consider, among other factors, construction risk, lease-up risk and timing of the

credits. The developer estimates receiving \$0.98 per low income housing tax credit, which at the low end of the range of recent pricing patterns.

The following table illustrates Georgia state tax credit pricing in 2013 to 2016.

| GEORGIA STATE TAX CREDIT PRICING | | | |
|----------------------------------|------------------|-------------|----------------------------|
| Closing Date | Price Per Credit | Location | Type |
| 2016 | \$0.55 | Albany | New Construction |
| 2015 | \$0.52 | Atlanta | Acquisition/Rehabilitation |
| 2015 | \$0.35 | Fort Valley | Acquisition/Rehabilitation |
| 2014 | \$0.32 | Union City | New Construction |
| 2013 | \$0.30 | Griffin | New Construction |

According to recent data, the Georgia state credit pricing ranged from \$0.30 to \$0.55 in 2013 through 2016. However, we also contacted a Georgia state LIHTC investor. Our conversations indicated a range of \$0.55 to \$0.60 per credit in 2017. The developer’s budget is \$0.64 per credit. Therefore, based on our conversations, we believe that the developer’s budget is slightly high and have concluded to \$0.60 per credit.

| Federal | | State | |
|------------------------------|---------------------|------------------------------|---------------------|
| Annual Credits per developer | \$1,563,317 | Annual Credits per developer | \$1,563,317 |
| percent to investor | 99.99% | percent to investor | 99.99% |
| 10 year period | 10 | 10 year period | 10 |
| Total Credits | \$15,631,607 | Total Credits | \$15,631,607 |
| Pricing per Credit | <u>\$0.98</u> | Pricing per Credit | <u>\$0.64</u> |
| Total Equity | \$15,318,975 | Total Equity | \$10,004,228 |

We believe a price of approximately \$0.98 per credit for federal tax credits and \$0.60 for state tax credits is reasonable. This rate results in a total tax credit value of approximately \$25,300,000 (rounded). This value is effective as of July 11, 2017.

Election Impact on Pricing

Based on recent conversations with investors and market participants, it is likely that LIHTC pricing will decrease over the near term based on the potential of tax reform, which would cause a decrease in current pricing levels. Further, it is reasonable to assume that investors will hedge against possible future tax reform and reduce pricing levels currently based on the 10 year credit. Per our conversations with market participants, pricing is anticipated to move downward between \$0.08 and \$0.14 per credit for 9% LIHTC deals, while the decrease would be at the higher end of the range for 4% projects. However, it should be noted that if tax reform does not happen, then there should be no change on LIHTC pricing. Additionally, demand should remain strong and the current pause with investors is tied to the determination of the interim tax level to utilize and the impact it will have on pricing. Based on conversations with the borrower, the tax credit pricing referenced in the proforma has already been updated to reflect final pricing. Since it reflects current market conditions, we have utilized the tax credit pricing in our analysis.

Tax Credit Value

The market value of the tax credits allocated to the Subject over a ten-year period, on a cash equivalent basis and the date of completion, as of July 11, 2017, is:

Federal
FIFTEEN MILLION THREE HUNDRED THOUSAND DOLLARS
(\$15,300,000)

State
TEN MILLION DOLLARS
(\$10,000,000)

Please refer to the assumptions and limiting conditions regarding the restricted valuation and hypothetical conditions.

X. SALES COMPARISON APPROACH

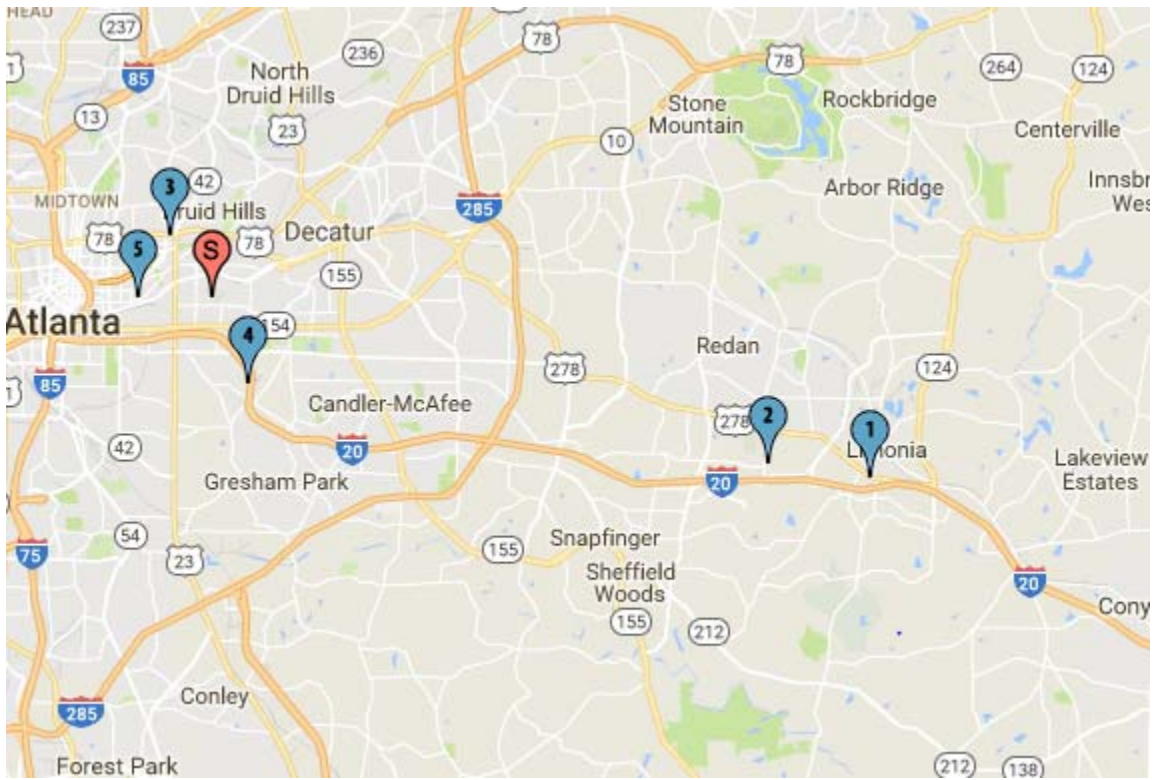
Sales Comparison Approach

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

As previously discussed, we searched for Section 8 and LIHTC multifamily sales in the area and were not able to locate any. It should be noted that any potential sale of the Subject property would be constrained by the limitations and penalties of the LIHTC program, specifically the recapture/penalty provision upon transfer. Because of this, there are a limited number of properties that have sold nationwide, and only one locally, that have the restrictions associated with Section 42 provisions. We believe the improved sales we have chosen for our analysis represent the typical multifamily market in the Subject's area. Therefore, we have utilized five conventional market rate developments in our sales approach.

The following pages supply the analyzed sale data and will conclude with a value estimate considered reasonable.

Improved Sales Map



Improved Sale No 1



| Transaction | | | |
|-----------------------|--------------------------------------|----------------------------|--------------|
| Property ID | 561261 | Date of Sale | 04-11-2017 |
| Name | The Retreat at Stonecrest Apartments | Adjusted Sale Price | \$23,000,000 |
| Address | 40 Amanda Drive | Price Per Unit | \$83,333 |
| City | Lithonia | Sale Status | Closed |
| State | Georgia | Sale Conditions | Unknown |
| Seller | NNN Retreat at Stonecrest LLC | Financing | |
| Buyer | HPI Retreat LLC | Confirmed With | CoStar |
| Site and Improvements | | | |
| Land Acres | 15.10 | No. of Units | 276 |
| Land Sq Ft | 657,756 | Year Built | 2003 |
| Financial Data | | | |
| EGI | \$2,882,500 | NOI | \$1,322,500 |
| Total Expenses | \$1,560,000 | Expense Ratio | 54.12% |
| OAR | 5.75% | EGIM | 7.979 |
| Remarks | | | |

This property offers 114 one-, 144 two-, 18 three-bedroom units. The property was 87 percent occupied at the time of sale. CoStar confirmed the sales price, sales date, and capitalization rate. Novogradac estimated expenses at \$5,000 per unit.

Improved Sale No 2



| Transaction | | | |
|-----------------------|----------------------------|----------------------------|--------------|
| Property ID | 561260 | Date of Sale | 03-17-2017 |
| Name | Belle Vista | Adjusted Sale Price | \$31,110,000 |
| Address | 100 Camellia Lane | Price Per Unit | \$99,712 |
| City | Lithonia | Sale Status | Closed |
| State | Georgia | Sale Conditions | Unknown |
| Seller | ROC II GA Ashley Vista LLC | Financing | |
| Buyer | Belle Vista LP | Confirmed With | CoStar |
| Site and Improvements | | | |
| Land Acres | 26.56 | No. of Units | 312 |
| Land Sq Ft | 1,156,954 | Year Built | 2001 |
| Financial Data | | | |
| EGI | \$3,376,824 | NOI | \$1,816,824 |
| Total Expenses | \$1,560,000 | Expense Ratio | 46.20% |
| OAR | 5.84% | EGIM | 9.213 |
| Remarks | | | |

This property offers 108 one-, 144 two-, and 60 three-bedroom units. The property was reportedly 91 percent occupied at the time of sale. We tried to contact parties related to the transaction but were not successful. CoStar confirmed the sale price, sale date, and capitalization rate. Novogradac estimated expenses at \$5,000 per unit.

Improved Sale No 3



1115 Ponce

| Transaction | | | |
|-----------------------|---------------------------|---------------------|------------------------|
| Property ID | 101142 | Date of Sale | 08-31-2016 |
| Name | Seminole Apartments | Adjusted Sale Price | \$2,300,000 |
| Address | 1115 Ponce de Leon Avenue | Price Per Unit | \$143,750 |
| City | Atlanta | Sale Status | Closed |
| State | Georgia | Sale Conditions | Unknown |
| Seller | Ognol Holding Corp. | Financing | |
| Buyer | The Griffin Fund | Confirmed With | CoStar, Public Records |
| Site and Improvements | | | |
| Land Acres | 0.50 | No. of Units | 16 |
| Land Sq Ft | 21,780 | Year Built | 1920 |
| Financial Data | | | |
| EGI | \$229,500 | NOI | \$149,500 |
| Total Expenses | \$80,000 | Expense Ratio | 34.86% |
| OAR | 6.50% | EGIM | 10.022 |
| Remarks | | | |

This property is a market rate development that contains 16 one-bedroom units. The sales price and capitalization rate were provided by CoStar. There were no brokers associated with this transaction. We attempted to contact the parties involved in the transaction, but were unsuccessful. Novogradac and Company estimated expenses at \$5,000 per unit.

Improved Sale No 4



Broadway at E atl

| Transaction | | | |
|-----------------------|------------------------------|----------------------------|------------------------|
| Property ID | 101143 | Date of Sale | 06-13-2016 |
| Name | The Broadway at East Atlanta | Adjusted Sale Price | \$14,080,000 |
| Address | 1930 Flat Shoals Road, SE | Price Per Unit | \$80,000 |
| City | Atlanta | Sale Status | Closed |
| State | Georgia | Sale Conditions | Unknown |
| Seller | Varden Capital Properties | Financing | |
| Buyer | Elite Street Capital, LLC | Confirmed With | CoStar, Public Records |
| Site and Improvements | | | |
| Land Acres | 17.15 | No. of Units | 176 |
| Land Sq Ft | 747,054 | Year Built | 1967 |
| Financial Data | | | |
| EGI | \$1,838,848 | NOI | \$958,848 |
| Total Expenses | \$880,000 | Expense Ratio | 47.86% |
| OAR | 6.81% | EGIM | 7.657 |
| Remarks | | | |

This property is a market rate multifamily property that contains 176 one- and two-bedroom units. The property was renovated in 2015, consisting of new flooring, bathrooms, kitchens, appliances, and fixtures. The sales price and capitalization rate were confirmed by CoStar. There were no brokers involved in the sale. We attempted to contact the parties involved in the transaction, but were unsuccessful. Novogradac estimated expenses at \$5,000 per unit.

Improved Sale No 5



inman way

| Transaction | | | |
|-----------------------|------------------------------|----------------------------|-------------|
| Property ID | 101145 | Date of Sale | 07-01-2015 |
| Name | Inman Way | Adjusted Sale Price | \$2,985,000 |
| Address | 70 Spruce Street | Price Per Unit | \$106,607 |
| City | Atlanta | Sale Status | Closed |
| State | Georgia | Sale Conditions | Unknown |
| Seller | Pantheon Piedmont, LLC | Financing | |
| Buyer | Schottenstein Realty Company | Confirmed With | Broker |
| Site and Improvements | | | |
| Land Acres | 0.69 | No. of Units | 28 |
| Land Sq Ft | 30,056 | Year Built | 1962 |
| Financial Data | | | |
| EGI | \$359,780 | NOI | \$202,980 |
| Total Expenses | \$156,800 | Expense Ratio | 43.58% |
| OAR | 6.80% | EGIM | 8.297 |
| Remarks | | | |

The property consists of 28 two-bedroom units. The property occupancy rate was unknown at the time of sale. The sale price, capitalization rate, and expenses were verified with buyer broker, Andy Lundsberg with Bull Realty Inc.

Valuation Analysis

The sales selected for this analysis are summarized in the following table.

IMPROVED SALES COMPARISON

| No. | Property Name | Sale Date | Sale Price | Number of Units | Year Built | Price / Unit | EGIM | Cap Rate |
|----------------|--------------------------------------|-----------|--------------|-----------------|------------|------------------|---------------|--------------|
| 1 | The Retreat at Stonecrest Apartments | 4/11/2017 | \$2,300,000 | 276 | 2003 | \$83,333 | 7.98 | 5.75% |
| 2 | Belle Vista | 3/17/2017 | \$31,110,000 | 312 | 2001 | \$99,712 | 9.21 | 5.84% |
| 3 | Seminole Apartments | 8/31/2016 | \$2,300,000 | 16 | 1920 | \$143,750 | 10.02 | 6.50% |
| 4 | The Broadway at East Atlanta | 6/13/2016 | \$14,080,000 | 176 | 1967 | \$80,000 | 7.66 | 6.81% |
| 5 | Inman Way | 7/1/2015 | \$2,985,000 | 28 | 1962 | \$106,607 | 8.30 | 6.80% |
| Average | | | | 162 | | \$102,680 | 8.6332 | 6.34% |

EGIM Analysis

We first estimate the Subject's value using the EGIM analysis. The EGIM compares the ratios of sales price to the annual gross income for the property, less a deduction for vacancy and collection loss. A reconciled multiplier for the Subject is then used to convert the Subject's anticipated effective gross income into an estimate of value.

As summarized below, we have concluded to an EGIM ranging from 5.0 to 8.0 for all scenarios.

EGIM

| # | Property Name | Sale Price | EGI | Expense Ratio | Total Expenses | EGIM |
|---|--------------------------------------|--------------|-------------|---------------|----------------|-------|
| 1 | The Retreat at Stonecrest Apartments | \$23,000,000 | \$2,882,500 | 54.1% | \$1,560,000 | 7.98 |
| 2 | Belle Vista | \$31,110,000 | \$3,376,824 | 46.2% | \$1,560,000 | 9.21 |
| 3 | Seminole Apartments | \$2,300,000 | \$229,500 | 34.9% | \$80,000 | 10.02 |
| 4 | The Broadway at East Atlanta | \$14,080,000 | \$1,838,848 | 47.9% | \$880,000 | 7.66 |
| 5 | Inman Way | \$2,985,000 | \$359,780 | 43.6% | \$156,800 | 8.30 |
| | As Is Restricted | \$23,600,000 | \$3,141,345 | 52.7% | \$1,654,015 | 7.5 |
| | As Is Unrestricted | \$17,400,000 | \$2,670,309 | 59.0% | \$1,575,642 | 6.5 |
| | As Renovated Restricted | \$11,100,000 | \$2,221,511 | 67.0% | \$1,488,498 | 5.0 |
| | As Renovated Restricted Sec 8 | \$26,400,000 | \$3,295,045 | 50.9% | \$1,675,845 | 8.0 |
| | As Renovated Unrestricted | \$26,000,000 | \$3,244,073 | 51.1% | \$1,657,156 | 8.0 |

Sales Price Per Unit Analysis

Throughout our conversations with market participants and buyers and sellers of the comparable sales, the respondents indicated that the purchase price for multifamily developments is typically based upon a price per unit. This convention is typical of the multifamily industry and will be used in our analysis. The unadjusted price ranges from approximately \$80,000 to \$143,750 per unit for the improved sales.

The adjustment grid follows at the end of this section. As illustrated, adjustments have been made based on price differences created by the following factors:

- Property Rights
- Financing
- Conditions of Sale
- Expenditures Immediately After Purchase
- Market Conditions
- Location
- Physical Characteristics
- Economic Characteristics
- Use
- Non-realty Components

Property Rights

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

Financing

The sales were cash transactions; therefore, no adjustment is necessary.

Conditions of Sale

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

Expenditure after Sale

None of the comparables required expenditures after the sale; therefore, no adjustment is necessary.

Market Conditions

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

The comparable sales transferred between August 2016 and March 2015. Given the most recent trends and forecasts of national capitalization rates as well as conversations with local brokers, the Subject is considered to offer generally similar market conditions relative to the sales that occurred in 2016. However, we believe the sales that occurred in 2015 warrant a positive adjustment for market conditions, and we applied a positive five percent adjustment to these sales. No other adjustments are necessary.

Location

Location encompasses a number of issues, including location within different market areas with different supply/demand pressures, the character/condition of surrounding development, access, and visibility. It is important to assess which factors truly impact value for different types of real estate. We have addressed this issue (as well as the remaining elements of comparison) on a comparable-by-comparable basis. To

evaluate locational differences, we have relied upon differences in median incomes, median rents and conversations with local brokers and observations made during the field investigation. Provided below is a summary of the quantitative data utilized in our analysis.

SALES LOCATION COMPARISON

| No. | Property Name | Zip Code | Median Rent | Differential With Subject Site |
|----------------|------------------------------|--------------|----------------|--------------------------------|
| Subject | Edgewood Court | 30307 | \$1,085 | - |
| Sale 1 | The Retreat at Stonecrest | 30058 | \$1,052 | 3% |
| Sale 2 | Belle Vista | 30058 | \$1,052 | 3% |
| Sale 3 | Seminole Apartments | 30306 | \$1,095 | -1% |
| Sale 4 | The Broadway at East Atlanta | 30316 | \$989 | 9% |
| Sale 5 | Inman Way | 30307 | \$1,085 | 0% |

As illustrated in the table above, the Subject offers a similar to slightly superior location relative to all of the sales in terms of median rents. Sale 3 is located closer to the Five Points neighborhood, and features superior access to amenities. Thus, this sale received a negative ten percent adjustment. Sale 5 is located in a similar neighborhood as the Subject, and no adjustment was applied. Sale 4 is located in an area with slightly lower rents. Additionally, as previously discussed, the neighborhood south of Interstate 20 from the Subject is considered inferior due to a lack of amenities, distance from downtown Atlanta, and detrimental uses including a landfill and federal penitentiary. Thus, we applied a positive 20 percent adjustment to Sale 4. Sales 1 and 2 are located in generally similar areas as the Subject and no adjustments were necessary.

Physical Characteristics

Physical characteristics include building size, quality of construction, architectural style, building materials, age, condition, functional utility, site size, attractiveness, and amenities. Post renovations, the Subject is considered similar to Sale 4, which was renovated in 2015 and is in good condition. Sale 3 was originally built in 1920 and has been well maintained and renovated over the years, based on our inspection. We consider this sale to be slightly inferior in terms of condition and have applied a positive 10 percent adjustment to this sale. Sale 5 was built in 1962 has not reported any renovations. Thus, this sale is considered inferior and a positive 20 percent adjustment was applied. Sales 1 and 2 were constructed in 2001 and 2003, and are considered to be in slightly superior condition, post renovations. Thus, we applied a negative five percent adjustment to these sales.

Economic Characteristics

Economic characteristics include all the attributes of a property that directly affect its income such as operating expenses, quality of management, tenant mix, rent concessions, lease terms, etc. In addition, unit mix is particularly important when evaluating economic characteristics of a property because it directly impacts income potential. The Subject offers a mix of one-, two-, three-, and four-bedroom units. According a REIS report for the Subject’s market, each unit type offers an approximately five 13 percent rent premium relative to the next smallest unit type. Data for four-bedroom units is not available. However, based on the evidence below, we believe it is reasonable to assume that units larger than three-bedrooms would continue to command a rent premium. Overall, we have applied a positive 10 percent adjustment to the sales that only offer one-, two-, or three-bedroom units and a positive 15 percent to Sale 3 as it offers only one-bedroom units.

EDGEWOOD COURT – ATLANTA, GEORGIA – APPRAISAL

| Current Metro Average Rents and Sizes | | | | Asking Rent Growth | | | | | |
|---------------------------------------|---------|---------|---------------|--------------------|----------|----------|------------|----------|----------|
| | 4Q 2016 | | | Quarterly | | | Annualized | | |
| | Rent | Avg. SF | Avg. Rent PSF | 4Q16 | 3Q16 | YTD | 1 Year | 3 Year | 5 Year |
| Studio/Efficiency | \$945 | 569 | \$ 1.66 | 1.0% | 1.2% | 4.8% | 4.8% | 7.7% | 6.8% |
| One Bedroom | \$983 | 791 | \$ 1.24 | 0.8% | 1.2% | 6.8% | 6.8% | 6.8% | 5.3% |
| Two Bedroom | \$1,128 | 1132 | \$ 1.00 | 1.4% | 1.7% | 7.5% | 7.5% | 6.4% | 4.8% |
| Three Bedroom | \$1,289 | 1405 | \$ 0.92 | 1.3% | 1.5% | 6.6% | 6.6% | 5.7% | 4.4% |
| Average over period ending: | | | | 12/31/16 | 09/30/16 | 12/31/16 | 12/31/16 | 12/31/16 | 12/31/16 |

Use

All of the properties are proposed for continued multifamily use; thus, no adjustments were warranted.

Size

With respect to size, the general convention is that larger properties tend to sell for less on a per unit basis than smaller properties. Conversely, smaller properties typically sell for more per unit than larger properties. The pool of potential purchasers decreases as property size (and purchase price) increases, effectively reducing competition. In terms of size, the Subject is similar to Sales 1, 2, and 4 but significantly larger than the remaining sales. Thus, we applied negative 30 percent adjustments to Sales 3 and 5.

| IMPROVED SALES DATA ADJUSTMENT GRID | | | | | | |
|-------------------------------------|-----------------------|---------------------------|-------------------|---------------------------|------------------------------|------------------|
| | Subject | 1 | 2 | 3 | 4 | 5 |
| Property Name | Edgewood Court | The Retreat at Stonecrest | Belle Vista | Seminole Apartments | The Broadway at East Atlanta | Inman Way |
| Address | 1572 Hardee Street NE | 40 Amanda Drive | 100 Camellia Lane | 1115 Ponce de Leon Avenue | 1930 Flat Shoals Road, SE | 70 Spruce Street |
| City | Atlanta, Georgia | Lithonia, Georgia | Lithonia, Georgia | Atlanta, Georgia | Atlanta, Georgia | Atlanta, Georgia |
| Property Data | | | | | | |
| Year Built | 1950 | 2003 | 2001 | 1920 | 1967 | 1962 |
| Units | 204 | 276 | 312 | 16 | 176 | 28 |
| Price/Unit | - | \$83,333 | \$99,712 | \$143,750 | \$80,000 | \$106,607 |
| Sales Data | | | | | | |
| Date | | 4/11/2017 | 3/17/2017 | 8/31/2016 | 6/13/2016 | 7/1/2015 |
| Interest | | leased fee | leased fee | leased fee | leased fee | leased fee |
| Price | | \$23,000,000 | \$31,110,000 | \$2,300,000 | \$14,080,000 | \$2,985,000 |
| Price Per Unit | | \$83,333 | \$99,712 | \$143,750 | \$80,000 | \$106,607 |
| Adjustments | | | | | | |
| Financing | | \$23,000,000 | \$31,110,000 | \$2,300,000 | \$14,080,000 | \$2,985,000 |
| Conditions of Sale | | \$23,000,000 | \$31,110,000 | \$2,300,000 | \$14,080,000 | \$2,985,000 |
| Expenditures After Purchase | | \$23,000,000 | \$31,110,000 | \$2,300,000 | \$14,080,000 | \$2,985,000 |
| Market Conditions | | 1.00 | 1.00 | 1.00 | 1.00 | 1.05 |
| Adjusted Sale Price | | \$23,000,000 | \$31,110,000 | \$2,300,000 | \$14,080,000 | \$3,134,250 |
| Adjusted Sale Price Per Unit | | \$83,333 | \$99,712 | \$143,750 | \$80,000 | \$111,938 |
| Adjustments | | | | | | |
| Location | | 0% | 0% | -10% | 20% | 0% |
| Physical Characteristics | | -5% | -5% | 10% | 0% | 20% |
| Economic Characteristics | | 10% | 10% | 15% | 10% | 10% |
| Use | | 0% | 0% | 0% | 0% | 0% |
| Size | | 0% | 0% | -30% | 0% | -30% |
| Overall Adjustment | | 5% | 5% | -15% | 30% | 0% |
| Adjusted Price Per Unit | | \$87,500 | \$104,697 | \$122,188 | \$104,000 | \$111,938 |

The market rate comparables indicate a range from an adjusted sale price of \$87,500 to \$122,188 with a mean of \$106,064 per unit. Thus, we have concluded to a sales price for the as renovated unrestricted scenario of \$115,000 per unit, which is similar to the adjusted average. Based on a comparison of the NOI for the unrestricted versus restricted scenarios, various negative adjustments are warranted for the as proposed LIHTC scenario and as is restricted scenarios, while positive adjustments are necessary in the as proposed Section 8 scenarios. The following table illustrates our concluded sales price per unit for the various scenarios.

SALES COMPARISON APPROACH

| Scenario | Number of Units | Price Per Unit | Indicated Value (Rounded) |
|-------------------------------|-----------------|----------------|---------------------------|
| As Is Restricted | 204 | \$115,000 | \$23,500,000 |
| As Is Unrestricted | 204 | \$85,000 | \$17,300,000 |
| As Renovated Restricted | 222 | \$50,000 | \$11,100,000 |
| As Renovated Restricted Sec 8 | 222 | \$120,000 | \$26,600,000 |
| As Renovated Unrestricted | 222 | \$115,000 | \$25,500,000 |

Conclusion

The Subject’s leased fee value of the real estate assuming Section 8 rents “As Is”, via the Sales Comparison Approach, as of July 11, 2017 is:

**TWENTY THREE MILLION EIGHT HUNDRED THOUSAND DOLLARS
(\$23,800,000)**

The Subject’s hypothetical leased fee value of the real estate assuming achievable market rents “As Is”, via the Sales Comparison Approach, as of July 11, 2017 is:

**SEVENTEEN MILLION THREE HUNDRED THOUSAND DOLLARS
(\$17,300,000)**

The Subject’s hypothetical leased fee value of the real estate assuming Section 42 LIHTC encumbrances “As Proposed”, via the Sales Comparison Approach, as of July 11, 2017 is:

**ELEVEN MILLION ONE HUNDRED THOUSAND DOLLARS
(\$11,200,000)**

The Subject’s hypothetical leased fee value of the real estate assuming Section 8 rents “As Proposed”, via the Sales Comparison Approach, as of July 11, 2017 is:

**TWENTY SIX MILLION SIX HUNDRED THOUSAND DOLLARS
(\$26,600,000)**

The Subject’s hypothetical leased fee value of the real estate assuming achievable market rents “As Proposed”, via the Sales Comparison Approach, as of July 11, 2017 is:

**TWENTY FIVE MILLION FIVE HUNDRED THOUSAND DOLLARS
(\$25,500,000)**

Please refer to the assumptions and limiting conditions regarding the restricted valuation and hypothetical conditions.

XI. RECONCILIATION

RECONCILIATION

We were asked to provide an estimate of the Subject’s “as is” and “as proposed” values with both Section 8 and LIHTC restrictions. We considered the traditional approaches in the estimation of the Subject’s value. The resulting value estimates are presented following:

LAND VALUE

| Scenario | No. of Units | Price/Unit | Indicated Value (Rounded) |
|------------|--------------|------------|---------------------------|
| Land Value | 408 | \$8,000 | \$3,300,000 |

DIRECT CAPITALIZATION ANALYSIS

| Scenario | Cap Rate | Net Operating Income | Indicated Value (Rounded) |
|-------------------------------|----------|----------------------|---------------------------|
| As Is Restricted | 6.25% | \$1,487,330 | \$23,800,000 |
| As Is Unrestricted | 6.25% | \$1,094,667 | \$17,500,000 |
| As Renovated Restricted | 6.25% | \$733,013 | \$11,700,000 |
| As Renovated Restricted Sec 8 | 6.25% | \$1,619,200 | \$25,900,000 |
| As Renovated Unrestricted | 6.25% | \$1,586,916 | \$25,400,000 |

SALES COMPARISON APPROACH

| Scenario | Number of Units | Price Per Unit | Indicated Value (Rounded) |
|-------------------------------|-----------------|----------------|---------------------------|
| As Is Restricted | 204 | \$115,000 | \$23,500,000 |
| As Is Unrestricted | 204 | \$85,000 | \$17,300,000 |
| As Renovated Restricted | 222 | \$50,000 | \$11,100,000 |
| As Renovated Restricted Sec 8 | 222 | \$120,000 | \$26,600,000 |
| As Renovated Unrestricted | 222 | \$115,000 | \$25,500,000 |

INSURABLE VALUE

| Scenario | Indicated Value (Rounded) |
|----------------------------|---------------------------|
| Insurable Value of Subject | \$18,100,000 |

VALUE AT LOAN MATURITY - RESTRICTED

| Scenario | Indicated Value (Rounded) |
|------------|---------------------------|
| Restricted | \$12,900,000 |

VALUE AT LOAN MATURITY - UNRESTRICTED

| Scenario | Indicated Value (Rounded) |
|--------------|---------------------------|
| Unrestricted | \$33,600,000 |

TAX CREDIT VALUATION

| Scenario | Tax Credits | Price per Credit | Indicated Value (Rounded) |
|---------------|--------------|------------------|---------------------------|
| Federal LIHTC | \$15,631,607 | \$0.98 | \$15,300,000 |
| State LIHTC | 15,631,607 | \$0.64 | \$10,000,000 |

The value indicated by the income capitalization approach is a reflection of a prudent investor’s analysis of an income producing property. In this approach, income is analyzed in terms of quantity, quality, and durability. Due to the fact that the Subject is income producing in nature, this approach is the most

applicable method of valuing the Subject property. Furthermore, when valuing the intangible items it is the only method of valuation considered.

The sales comparison approach reflects an estimate of value as indicated by the sales market. In this approach, we searched the local market for transfers of similar type properties. These transfers were analyzed for comparative units of value based upon the most appropriate indices (i.e. \$/Unit, OAR, etc.). Our search revealed several sales over the past two years. While there was substantial information available on each sale, the sales varied in terms of location, quality of income stream, condition, etc. As a result, the appraisers used both an EGIM and a sales price/unit analysis. These analyses provide a good indication of the Subject's market value.

In the final analysis, we considered the influence of the two approaches in relation to one another and in relation to the Subject. In the case of the Subject several components of value can only be valued using either the income or sales comparison approach.

“As If Vacant” Land Value

As a result of our investigation and analysis, it is our opinion that, subject to the limiting conditions and assumptions contained herein, the estimated market value of the fee simple interest in the Subject “as if vacant and unencumbered” (land value), free and clear of financing, as of July 11, 2017, is:

**THREE MILLION THREE HUNDRED THOUSAND DOLLARS
(\$3,300,000)**

“As Is” Restricted Value

The Subject's leased fee market value assuming current Section 8 rents “As Is”, as of July 11, 2017 is:

**TWENTY THREE MILLION EIGHT HUNDRED THOUSAND DOLLARS
(\$23,800,000)**

“As Is” Unrestricted Value

The Subject's hypothetical leased fee market value of the real estate assuming achievable market rents “As Is”, as of July 11, 2017 is:

**SEVENTEEN MILLION FIVE HUNDRED THOUSAND DOLLARS
(\$17,500,000)**

As Complete and Stabilized Restricted

The Subject's hypothetical leased fee market value of the real estate assuming Section 42 encumbrances and achievable LIHTC rents “As Proposed”, as of July 11, 2017 is:

**ELEVEN MILLION SEVEN HUNDRED THOUSAND DOLLARS
(\$11,700,000)**

As Complete and Stabilized Restricted – Section 8

The Subject's hypothetical leased fee market value of the real estate assuming Section 8 rents “As Proposed”, as of July 11, 2017 is:

**TWENTY FIVE MILLION NINE HUNDRED THOUSAND DOLLARS
(\$25,900,000)**

As Complete and Stabilized Unrestricted

The Subject's hypothetical leased fee market value of the real estate assuming achievable market rents "As Proposed", as of July 11, 2017 is:

**TWENTY FIVE MILLION FOUR HUNDRED THOUSAND DOLLARS
(\$25,400,000)**

Insurable Value

The Subject's insurable value rents "As Is", as of July 11, 2017 is:

**EIGHTEEN MILLION ONE HUNDRED THOUSAND DOLLARS
(\$18,100,000)**

Prospective Market Value as Restricted 30 years (Loan Maturity),

The prospective market value at 30 years (loan maturity) of the Subject's leased fee interest, subject to the rental restrictions in the year 2048, as of July 11, 2017, is:

**TWELVE MILLION NINE HUNDRED THOUSAND DOLLARS
(\$12,900,000)**

Prospective Market Value as Proposed Unrestricted at 30 years (Loan Maturity)

The hypothetical prospective market value at 30 years (loan maturity) of the Subject's leased fee interest, as an unrestricted property in the year 2048, as July 11, 2017, is:

**THIRTY THREE MILLION SIX HUNDRED THOUSAND DOLLARS
(\$33,600,000)**

Tax Credit Value

The market value of the tax credits allocated to the Subject over a ten-year period, on a cash equivalent basis and the date of completion, as of July 11, 2017, is:

Federal
**FIFTEEN MILLION THREE HUNDRED THOUSAND DOLLARS
(\$15,300,000)**

State
**TEN MILLION DOLLARS
(\$10,000,000)**

Please refer to the assumptions and limiting conditions regarding the restricted valuation and hypothetical conditions.

Reasonable Exposure Time:

Statement 6, Appraisal Standards to USPAP notes that reasonable exposure time is one of a series of conditions in most market value definitions. Exposure time is always presumed to proceed the effective date of the appraisal.

It is defined as the "estimated length of time the property interests appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the

appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market.” Based on our read of the market, historical information provided by the *PwC Investor Survey* and recent sales of apartment product, an exposure time of nine-to-twelve months appears adequate.

ADDENDUM A
Assumptions and Limiting Conditions, Certification

Assumptions and Limiting Conditions

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

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

systems. The appraiser does not warrant the condition or adequacy of such systems.

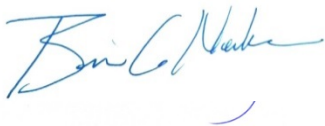
24. No in-depth inspection of existing insulation was made. It is specifically assumed no Urea Formaldehyde Foam Insulation (UFFI), or any other product banned or discouraged by the Consumer Product Safety Commission has been introduced into the appraised property. The appraiser reserves the right to review and/or modify this appraisal if said insulation exists on the Subject property.

Acceptance of and/or use of this report constitute acceptance of all assumptions and the above conditions. Estimates presented in this report are not valid for syndication purposes.

Certification

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

- The statements of fact contained in this report are true and correct;
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, conclusions, and recommendations;
- We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest with respect to the parties involved;
- We have previously performed an RCS and appraisal on the property that is the Subject of this report dated February 2017. We have performed no other services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment;
- We have no bias with respect to any property that is the subject of this report or to the parties involved with this assignment;
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results;
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal;
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice;
- Brian Neukam has made a personal inspection of the property that is the subject of this report and comparable market data incorporated in this report and is competent to perform such analyses. In addition to the inspection, Lindsey Sutton provided significant professional assistance to the appraiser including conducting internet research, compiling and coalescing data, analyzing data trends, evaluating and analyzing comparable data, and drafting text and documents. Brian Neukam oversaw all data collection and reporting in this appraisal and reviewed the report. No one other than those listed on this page provided any significant real property appraisal assistance.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives. As of the date of this report, Brian Neukam has not completed the continuing education program for Designated Members of the Appraisal Institute.



Brian Neukam
State Certified General Real Estate Appraiser
Georgia License #329471
Expiration Date: March 31, 2018

ADDENDUM B
Qualifications of Consultants

**STATEMENT OF PROFESSIONAL QUALIFICATIONS
BRIAN NEUKAM**

EDUCATION

Georgia Institute of Technology, Bachelor of Industrial Engineering, 1995

State of Georgia Certified General Real Property Appraiser No. 329471

PROFESSIONAL TRAINING

National USPAP and USPAP Updates

General Appraiser Market Analysis and Highest & Best Use

General Appraiser Sales Comparison Approach

General Appraiser Site Valuation and Cost Approach

General Appraiser Income Capitalization Approach I and II

General Appraiser Report Writing and Case Studies

EXPERIENCE

Novogradac & Company LLP, Real Estate Analyst, September 2015- Present

J Lawson & Associates, Associate Appraiser, October 2013- September 2015

Carr, Lawson, Cantrell, & Associates, Associate Appraiser, July 2007-October 2013

REAL ESTATE ASSIGNMENTS

A representative sample of due diligence, consulting or valuation assignments includes:

- Prepare market studies and appraisals throughout the U.S. for proposed and existing family and senior Low-Income Housing Tax Credit (LIHTC), market rate, HOME financed, USDA Rural Development, and HUD subsidized properties. Appraisal assignments involve determining the as is, as if complete, and as if complete and stabilized values.
- Conduct physical inspections of subject properties and comparables to determine condition and evaluate independent physical condition assessments.
- Performed valuations of a variety of commercial properties throughout the Southeast which included hotels, gas stations and convenience stores, churches, funeral homes, full service and fast-food restaurants, stand-alone retail, strip shopping centers, distribution warehouse and manufacturing facilities, cold storage facilities, residential and commercial zoned land, and residential subdivision lots. Intended uses included first mortgage, refinance, foreclosure/repossession (REO), and divorce.
- Employed discounted cash flow analysis (utilizing Argus or Excel) to value income-producing properties and prepare or analyze cash flow forecasts.
- Reviewed and analyzed real estate leases, including identifying critical lease data such as commencement/expiration dates, various lease option types, rent and other income, repair and maintenance obligations, Common Area Maintenance (CAM), taxes, insurance, and other important lease clauses.

ADDENDUM C
Subject Photos

Edgewood Court Apartments – Atlanta, Georgia

Source: Brain Neukam, Appraiser

Date: February 20, 2017



SIGNAGE



SUBJECT EXTERIOR



SUBJECT EXTERIOR



SUBJECT EXTERIOR



SUBJECT EXTERIOR



SUBJECT EXTERIOR

Edgewood Court Apartments – Atlanta, Georgia

Source: Brain Neukam, Appraiser

Date: February 20, 2017



PARKING



ENTRANCE



PLAYGROUND



PLAYGROUND



PICNIC AREA



CENTRAL LAUNDRY

Edgewood Court Apartments – Atlanta, Georgia

Source: Brain Neukam, Appraiser

Date: February 20, 2017



CLUBHOUSE KITCHEN



LOUNGE AREA



DINING/RECREATION AREA



DINING/RECREATION AREA



MAIL BOX



CENTRAL LAUNDRY

Edgewood Court Apartments – Atlanta, Georgia

Source: Brain Neukam, Appraiser

Date: February 20, 2017



VIEW EAST FROM SUBJECT



VIEW WEST FROM SUBJECT



TYPICAL BEDROOM



TYPICAL BEDROOM



TYPICAL LIVING ROOM



TYPICAL LIVING ROOM

Edgewood Court Apartments – Atlanta, Georgia

Source: Brain Neukam, Appraiser

Date: February 20, 2017



TYPICAL DINING ROOM



TYPICAL DINING ROOM



TYPICAL KITCHEN



TYPICAL KITCHEN



TYPICAL KITCHEN



TYPICAL KITCHEN

Edgewood Court Apartments – Atlanta, Georgia

Source: Brain Neukam, Appraiser

Date: February 20, 2017



TYPICAL BATHROOM



TYPICAL BATHROOM



TYPICAL BATHROOM



TYPICAL BATHROOM



CLOSETS



UNIT UTILITY ROOM

Edgewood Court Apartments – Atlanta, Georgia

Source: Brain Neukam, Appraiser

Date: February 20, 2017



UNIT HALLWAY



UNIT PATIO AND AIR CONDITIONING UNIT



PRIVATE MEDICAL PRACTICE



COMMERCIAL/RETAIL USES



COMMERCIAL/RETAIL USES



COMMERCIAL/RETAIL USES

Edgewood Court Apartments – Atlanta, Georgia

Source: Brain Neukam, Appraiser

Date: February 20, 2017



AUTO PARTS STORE



PREPARATORY ACADEMY



YMCA RECREATION CENTER



NEIGHBORHOOD PARK



COMMERCIAL/RETAIL USES



COMMERCIAL/RETAIL USES

Edgewood Court Apartments – Atlanta, Georgia

Source: Brain Neukam, Appraiser

Date: February 20, 2017



TYPICAL SINGLE-FAMILY IN NEIGHBORHOOD



TYPICAL SINGLE-FAMILY IN NEIGHBORHOOD



TYPICAL SINGLE-FAMILY IN NEIGHBORHOOD



TYPICAL SINGLE-FAMILY IN NEIGHBORHOOD



TYPICAL SINGLE-FAMILY IN NEIGHBORHOOD



TYPICAL SINGLE-FAMILY IN NEIGHBORHOOD

ADDENDUM D
Engagement Letter



**NOVOGRADAC
& COMPANY LLP®**

CERTIFIED PUBLIC ACCOUNTANTS

February 8, 2017

David McCarthy
Rose Affordable Housing Preservation Fund IV, LP
551 Fifth Avenue, 23rd Floor
New York, NY 10176

Via email: dmccarthy@rosecompanies.com

RE: Appraisal for Edgewood Court in Atlanta, GA

Dear Mr. McCarthy:

We are pleased to confirm our understanding of the services we are to provide for Rose Affordable Housing Preservation Fund IV, LP (hereinafter, "Client, you or your"). If you agree with the terms set out herein, please indicate your acceptance by signing and dating in the countersignature area below and returning the signed engagement letter to us. Please be advised that we are unable to begin work on the proposed engagement unless and until this letter agreement has been mutually executed by persons authorized to bind Novogradac & Company LLP and you.

Background

Rose Affordable Housing Preservation Fund IV, LP is seeking to engage Novogradac & Company LLP (hereinafter "Novogradac, us, or we") to provide an appraisal for Edgewood Court.

Objective and Purpose

You have represented to us that you intend to use the Report as part of the possible LIHTC/Bond funding (the "Stated Purpose"), and we have relied upon your representation in offering to provide the services described herein. You agree not to use the Report other than for the Stated Purpose, and you agree to indemnify us for any claims, damages or losses that we may incur as the result of your use of the Report for other than the Stated Purpose. The objective of this engagement will be to provide an appraisal with the following values: Land Value, As Is Restricted, As Is Unrestricted, As Proposed Restricted, As Proposed Unrestricted, and insurable value. *The appraisal will be completed in accordance with generally accepted practices and will comply with USPAP and general appraisal guidelines.*

Scope of Work

The scope of work will generally incorporate the following:

- Provide a regional analysis, which discusses relationships to other major urban centers in the state or region and outlines general economic and demographic characteristics pertinent to the market study of the above referenced property. This will include a description of the factors that drive the regional economy, along with both a short-term (one to three years) and a long-term regional economic prognosis.

NOVOGRADAC & COMPANY LLP

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Austin, Texas 78759

- Market analysis – Demand analysis. This section will focus on the economic and demographic profile of the source markets. We will examine the trends and growth prospects of the target market. Determine primary and secondary (when appropriate) market areas (PMA & SMA, respectively).
- In the demographic section, we will examine the population and household trends to determine where people are moving and areas of future population concentrations. We will additionally examine why households are moving to or from the area and if the trends are likely to continue.
- Market analysis – Supply analysis. We will profile all similar properties located within the subject's competitive supply. This profile will highlight aspects such as amenities and facilities, pricing, and leasing pace. We will research and report pipeline and multifamily construction activity in the PMA & SMA.
- The supply section will determine the available housing stock in the market and measure the success of the options currently in the market. We will determine what options in the market have been the most successful and accepted in the market
- Consider and develop the three approaches to value, when appropriate and analyze collected data and synthesize information into appropriate value estimates.

This engagement will be conducted in accordance with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, which standards incorporate the Uniform Standards of Professional Appraisal Practice (USPAP). In accordance with these standards, we will report our findings in a summary report, as defined by USPAP.

The engagement described herein does not constitute any form of attestation engagement, such as an audit, compilation or review. Novogradac will therefore not issue any independent accountants' reports, findings, or other work product including a compilation, review, or audit report, on any financial statements or other materials in connection with this engagement. Because the engagement described herein does not constitute an audit or examination, we will not express an independent accountant's attestation opinion on the appraisal. In addition, we have no obligation to perform any procedures beyond those listed in the attached schedule.

You are responsible for establishing and maintaining effective internal controls. You are also responsible for making all management decisions and performing all management functions, for designating an individual with suitable skill, knowledge, or experience to oversee any nonattest services we provide; and for evaluating the adequacy and results of those services and accepting responsibility for them. You are responsible for management decisions and functions, and/or designating a competent employee to oversee these services. You are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for the results.

Additionally, our fieldwork and conclusions are based upon interviews and representations of municipalities and government offices. We do not warrant the accuracy of the information that these organizations provide. We assume it to be correct and accurate. If, for some reason, we believe there is a likelihood of an inaccuracy we will highlight our belief in the final

document. It should be noted that some of the information provided may be used in our organization's database.

Our engagement does not include general consulting and advisory services other than as may be mutually agreed upon in writing by you and us ("Approved Consulting Services"). Our engagement ends on delivery of an approved appraisal report ("Delivery") unless we have agreed to provide post-Delivery Approved Consulting Services. This letter agreement does not obligate us to provide litigation or other dispute-related assistive services, now or in the future.

Professional Fees

Based on an evaluation of the scope of work, the total fee for the initial report will be \$6,500 plus travel related expenses. If we are made aware of significant project changes after we have completed our report, modifications will be billed based upon the firm's hourly rates. Additional billable work will not occur without your prior written approval. The typical supplemental charge for a revised proforma is \$500.

Any consulting services outside of the scope of this engagement will be billed in addition to the fees for this engagement. Our fees for these services will be based on our hourly rates in effect at the time the services are provided for the personnel providing the services.

| | |
|------------------------|---------------|
| Partner: | \$332 |
| Principal: | \$245 |
| Manager: | \$160 - \$205 |
| Senior Analyst: | \$140 - \$150 |
| Analyst: | \$110 - \$135 |
| Junior Analyst: | \$79 - \$99 |

Timing and Retainer

Upon signature of this engagement letter, we are prepared to start work immediately and the report will be delivered within 20 days of receiving the signed engagement letter.

Should the engagement be cancelled prior to completion and/or delivery of the report, the fee will be billed at the greater of 60 percent of the fee, or hourly billing incurred plus travel expenses.

To expedite payment and avoid any delays in the release of work product, we recommend that you utilize the Automated Clearing House (ACH) to remit retainer and payment. Our ACH details are as follows:

ABS/Routing Number (US Bank): 121122676
Checking Account Number: 153492594053

The following delivery options are also available:

U.S. Mail Address:

Physical & Delivery Address:

Accounts Receivable
Novogradac & Company LLP
P.O. Box 7833
San Francisco, CA 94120-7833

Accounts Receivable
Novogradac & Company LLP
1160 Battery Street
East Building, 4th Floor
San Francisco, CA 94111-1216

*Identify remittance as: Rose Affordable Housing Preservation Fund IV, LP – Edgewood Appraisal

Invoicing and Payments

Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. After 30 days, a late charge will be imposed on unpaid fees at a rate of 10% per annum, assessed monthly based on 0.83% of the account's balance of past due invoices. Work may be suspended if your account is not paid and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment or because our professional standards require disengagement, our engagement will be deemed to have been completed upon notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended, including time spent consulting with legal and professional counsel regarding the potential need to withdraw from the engagement, and to reimburse us for all out-of-pocket expenditures through the date of termination.

You must maintain your own copy of documents provided to, or received from, us during the course of this engagement. The preceding sentence shall apply even if we have established a "client portal" within which you have the ability to upload, download or reference certain documents related to the services we have provided to you. Please note that documents on our client portal are generally purged automatically within a year of being posted to the portal, although certain archival copies of final deliverables may be retained for longer periods of time at our sole discretion.

Unless otherwise prohibited by law or regulation, the maximum amount of damages you may receive as a result of any determination that some or all of the services we performed under this and/or other mutual engagement letters between us and you, were deficient, or for breach of contract, nonfeasance or negligence, shall be the fees paid to us for the disputed services. Similarly, the maximum amount of damages you can receive related to services you assert or believe we were required to perform, but which we did not perform, shall be the fees paid to us for said non-performed services. You and we agree that because of the difficulty of determining and/or quantifying damages for breach of this agreement or for our negligence, said amount shall constitute liquidated damages for any claims you may assert arising from or related to this agreement. In no event shall we be liable for the consequential, special, incidental, or punitive loss, damage or expense caused to you or to any third party (including without limitation, lost profits, opportunity costs, etc.).

If you choose to send any type of confidential information to us electronically, we strongly recommend that you use the secure transmission and/or client portal features of our ShareFile

system, or you may use your own encrypted email service if you prefer. Our ShareFile service can be found at <https://novoco.sharefile.com/>. The signature block of our emails contains a link that will allow you to easily send documents to one of our personnel. If you choose to electronically send us confidential information by any unsecure means, including without limitation unencrypted email, you agree to bear all risks and damages that may result if the communication is intercepted.

Aggregated and otherwise anonymous financial data are used by accounting professionals for a variety of benchmarking, valuation and other research-related purposes. For example, benchmark data for similar entities are used in performing analytical review procedures to help identify potential anomalies in clients' financial statements. We will not disclose owner and/or investor identities. By signing this letter agreement, you consent to the non-identifiable use of your financial data. If you do not wish to have your data used in this manner, please contact us rather than sign this letter agreement.

Any facsimile, Internet or other e-mail communication is tentative and preliminary and any work product is not final until received in signed form. As such, you agree not to act upon any information received in a facsimile, Internet or other e-mail communication until, and unless, you receive such information in signed form.

Client shall not solicit for purposes of employment any of Novogradac's staff assigned to the engagement described in this letter agreement ("Engagement Staff") without Novogradac's prior written consent, at any time while this Agreement is in effect and for a period of twelve (12) months following the earlier of completion of the services by such employee or termination of this Agreement (the "Non-Solicitation Period").

In order to hire an Engagement Staff during the Non-Solicitation Period, the Client must pay Novogradac a fee equal to one multiplied by the Engagement Staff's annualized final rate of pay while employed by Novogradac (the "Recruitment Fee"). Novogradac's greatest resource is its employees and Recruitment Fee is intended to compensate Novogradac for the loss of any employees should Client permanently hire any Engagement Staff.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us so that we may begin work on this engagement, via email at lindsey.sutton@novoco.com or via fax at 512-340-0421. If we do not receive this executed engagement letter in our office within 30 days of the date of this letter, our offer to perform these professional services is automatically withdrawn. If you have any questions regarding this proposal, please call me at (512) 340-0420.

Very truly yours,
NOVOGRADAC & COMPANY LLP



By: Partner

RESPONSE:

This letter correctly sets forth our understanding. By signing below, I represent that I am authorized to bind the Client:

Accepted by:

Rose Affordable Housing Preservation Fund IV, LP

By: 

Title: 

Date Signed: 

ADDENDUM E
Rent Roll

ADDENDUM F
Financials

**EDGEWOOD COURT APARTMENTS
(A SEGMENT OF EDGEWOOD COURT APARTMENTS, LTD.
A GEORGIA LIMITED PARTNERSHIP)**

**STATEMENTS OF PROFIT AND (LOSS)
YEARS ENDED DECEMBER 31, 2015 AND 2014**

| | | 2015 | 2014 |
|---|---|---------------------|---------------------|
| Rental revenue | Rent revenue - gross potential | \$ 402,369 | \$ 301,185 |
| | Tenant assistance payments | 1,606,315 | 1,674,250 |
| | Rent revenue - stores and commercial | | |
| | Garage and parking spaces | | |
| | Flexible subsidy revenue | | |
| | Miscellaneous rent revenue | | |
| | Excess rent | | |
| | Rent revenue/insurance | | |
| | Special claims revenue | 1,926 | |
| | Retained excess income | | |
| | Lease revenue (nursing home or section 232-B&C or AL) | | |
| Total rental revenue potential at 100% occupancy | \$ 2,010,610 | \$ 1,975,435 | |
| Vacancies | Apartments | (121,077) | (98,444) |
| | Stores and commercial | () | () |
| | Rental concessions | () | () |
| | Garage and parking spaces | () | () |
| | Miscellaneous | () | () |
| Total vacancies | (121,077) | (98,444) | |
| | Net rental revenue rent revenue less vacancies | \$ 1,889,533 | \$ 1,876,991 |
| | Nursing homes and other elderly care revenues | \$ | \$ |
| Financial revenue | Financial revenue - project operations | 20 | 21 |
| | Revenue from investments - residual receipts | | |
| | Revenue from investments - reserve for replacements | 224 | 488 |
| | Revenue from investments - miscellaneous | | |
| Total financial revenue | \$ 244 | \$ 509 | |
| Other revenue | Laundry and vending | | 236 |
| | Resident charges | 20,935 | 19,261 |
| | Interest reduction payments revenue | | |
| | Miscellaneous revenue | 20,000 | 3,446 |
| Total other revenue | 40,935 | 22,943 | |
| Total revenue | \$ 1,930,712 | \$ 1,900,443 | |
| Admin. expenses | Conventions and meetings | | |
| | Management consultants | 4,631 | 4,204 |
| | Advertising and marketing | 803 | 564 |
| | Other renting expenses | 4,279 | 2,679 |
| | Office salaries | 29,039 | 42,226 |
| | Office expenses | 38,262 | 27,593 |
| | Office or model apartment rent | | |
| | Management fee | 127,241 | 124,469 |
| | Manager or superintendent salaries | 56,745 | 57,495 |
| | Administrative rent free unit | 10,930 | 10,750 |
| | Legal expenses (project) | 13,107 | 6,474 |
| | Audit expenses | 6,435 | 5,960 |
| | Bookkeeping fees/accounting services | 12,240 | 12,240 |
| Bad debts | 12,610 | 14,406 | |
| Miscellaneous administrative expenses | 26,209 | 1,921 | |
| Total administrative expenses | \$ 342,531 | \$ 310,981 | |
| Utilities expenses | Fuel oil/coal | | |
| | Electricity | 53,235 | 40,800 |
| | Water | 120,351 | 153,390 |
| | Gas | 1,458 | 2,854 |
| | Sewer | 290,540 | 324,635 |
| Total utilities expense | \$ 465,584 | \$ 521,679 | |

See notes to financial statements

**EDGEWOOD COURT APARTMENTS
(A SEGMENT OF EDGEWOOD COURT APARTMENTS, LTD.
A GEORGIA LIMITED PARTNERSHIP)**

**STATEMENTS OF PROFIT AND (LOSS) (CONTINUED)
YEARS ENDED DECEMBER 31, 2015 AND 2014**

| | | 2015 | 2014 |
|--|--|---------------------|---------------------|
| Operating and maint. expenses | Payroll | 179,252 | 138,264 |
| | Supplies | 51,840 | 42,790 |
| | Contract | 141,089 | 116,868 |
| | Operating and maintenance rent free unit | | |
| | Garbage and trash removal | 27,054 | 34,789 |
| | Security payroll/contract | 112,205 | 146,779 |
| | Security rent free unit | | |
| | Heating/cooling repairs and maintenance | | |
| | Snow removal | | |
| | Vehicle and maint. equipment operation and repairs | 184 | 1,266 |
| | Lease expense | | |
| | Miscellaneous operating and maintenance expenses | 25,770 | 10,076 |
| | Total operating and maintenance expenses | \$ 537,394 | \$ 490,832 |
| | Taxes and insurance | Real estate taxes | 93,701 |
| Payroll taxes (project's share) | | 20,840 | 19,600 |
| Property and liability insurance (hazard) | | 84,685 | 92,623 |
| Fidelity bond insurance | | | |
| Workmen's compensation | | 13,156 | 12,401 |
| Health insurance and other employee benefits | | 48,800 | 50,054 |
| Miscellaneous taxes, licenses, permits and insurance | | 4,805 | 4,492 |
| Total taxes and insurance | | \$ 265,987 | \$ 276,881 |
| Financial expenses | Interest on first mortgage (or bonds) payable | 134,901 | 137,951 |
| | Interest on other mortgages | | |
| | Interest on notes payable (long-term) | | |
| | Interest on notes payable (short-term) | | 113 |
| | Interest on capital recovery payment | | |
| | Mortgage insurance premium/service charge | 21,300 | 22,584 |
| | Miscellaneous financial expenses | 3,408 | 13,701 |
| Total financial expenses | \$ 159,609 | \$ 174,349 | |
| | Nursing homes and other elderly care expenses | \$ | \$ |
| | Total cost of operations before depreciation | \$ 1,771,105 | \$ 1,774,722 |
| | Profit (loss) before depreciation | \$ 159,607 | \$ 125,721 |
| | Depreciation expense | 257,712 | 231,726 |
| | Amortization expense | 4,289 | 4,289 |
| | Operating profit or (loss) | \$ (102,394) | \$ (110,294) |
| Entity income and expenses | Entity revenue | | |
| | Officer's salaries | | |
| | Incentive performance fee | | |
| | Legal expenses | | |
| | Federal, state, and other income taxes | | |
| | Interest on notes payable | | |
| | Interest on mortgage payable | | |
| | Other expenses | | |
| | Total entity net (income) expense | \$ - | \$ - |
| Profit or loss | Profit or loss (net income or loss) | \$ (102,394) | \$ (110,294) |

PROJECT UNDERWRITING - Edgewood Court Apartments

| <u>Revenue</u> | Audit <u>2015</u> | Budget <u>2016</u> | Tax Credit <u>Proforma</u> | <u>Per Unit</u> | PF Variance <u>Historical</u> | <u>Comments</u> | |
|-------------------------------------|----------------------|-----------------------|-------------------------------|-----------------|----------------------------------|-----------------|-----------|
| Rental Income | | | | | | | |
| Gross Rent | 402,396 | 1,048,181 | 0 | 0 | 2,883,168 | 14,133 | 1,834,987 |
| Section 8 | 1,606,315 | 981,269 | 0 | 0 | - | - | (981,269) |
| Stores and Commercial | | 0 | 0 | 0 | - | - | - |
| Garage and Parking | | 0 | 0 | 0 | - | - | - |
| Flexible Subsidy Revenue | | 0 | 0 | 0 | - | - | - |
| Miscellaneous Inc | | 0 | 0 | 0 | - | - | - |
| Total Rent Revenue | 2,008,711 | 2,029,450 | 2,883,168 | 14,133 | 853,718 | | |
| Rent Loss | | | | | | | |
| Apartments Loss | 121,077 | 82,398 | 0 | 0 | 86,495 | 424 | 4,097 |
| Commercial Loss | | 0 | 0 | 0 | - | - | - |
| Rental Concessions | | 0 | 0 | 0 | - | - | - |
| Garage and Parking Loss | | 0 | 0 | 0 | - | - | - |
| Bad Debts | 12,610 | 25,884 | 0 | 0 | - | - | (25,884) |
| Miscellaneous Rent Loss | | 3,695 | 0 | 0 | - | - | (3,695) |
| Total Rent Loss | 133,687 | 111,977 | 86,495 | 424 | (25,482) | | |
| Other Revenue | | | | | | | |
| Laundry and Vending | | | | | - | - | - |
| Tenant Charges | 20,935 | | | | 20,935 | 103 | 20,935 |
| Social Service Revenue | | | | | - | - | - |
| Miscellaneous Revenue | 20,244 | 25,271 | | | 20,244 | 99 | (5,027) |
| Total Other Revenue | 41,179 | 25,271 | 41,179 | 202 | 15,908 | | |
| Total Revenue | 1,916,203 | 1,942,743 | 2,837,852 | 13,911 | 895,109 | | |
| Expenses | | | | | | | |
| Admin Expenses | | | | | | | |
| Advertising and Marketing | 5,434 | 1,567 | | | 3,501 | 17 | 1,933 |
| Other Renting Expenses | 4,279 | | | | 4,279 | 21 | 4,279 |
| Office Salaries | 29,039 | 22,006 | | | 25,000 | 123 | 2,994 |
| Office Expenses | 38,262 | 55,920 | | | 45,000 | 221 | (10,920) |
| Management Fee | 127,241 | 128,442 | | | 113,514 | 556 | (14,927) |
| Bookkeeping Fee | 12,240 | 12,240 | | | - | - | (12,240) |
| Manager or Superintendent | 56,745 | 56,200 | | | 56,745 | 278 | 545 |
| Administrative Rent Free Unit | 10,930 | | | | - | - | - |
| Legal Expense | 13,107 | 9,664 | | | 13,107 | 64 | 3,443 |
| Audit Expense | 6,435 | 2,400 | | | 6,435 | 32 | 4,035 |
| Social Service Expense | | | | | - | - | - |
| Miscellaneous Admin Expense | 26,209 | 33,694 | | | 10,000 | 49 | (23,694) |
| Total Admin Expenses | 329,921 | 322,133 | 277,581 | 1,361 | (44,552) | | |
| Utilities | | | | | | | |
| Utility Mgmt | | | | | - | - | - |
| Fuel Oil/Coal | | | | | - | - | - |
| Electricity | 53,235 | 55,113 | | | 55,113 | 270 | - |
| Water | 120,351 | 107,626 | | | 120,351 | 590 | 12,725 |
| Gas | 1,458 | 1,384 | | | 1,458 | 7 | 74 |
| Sewer | 290,540 | 261,074 | | | 290,540 | 1,424 | 29,466 |
| Total Utilities Expenses | 465,584 | 425,197 | 467,462 | 2,291 | 42,265 | | |
| Operating and Maintenance | | | | | | | |
| Payroll | 179,252 | 185,239 | | | 100,000 | 490 | (85,239) |
| Supplies | 51,840 | 36,447 | | | 25,000 | 123 | (11,447) |
| Contracts | 141,089 | 152,985 | | | 100,000 | 490 | (52,985) |
| Cap Ex - Operations | | | | | - | - | - |
| Garbage and Trash Removal | 27,054 | | | | 27,054 | 133 | 27,054 |
| Security Payroll/Contract | 112,205 | 77,495 | | | 112,205 | 550 | 34,710 |
| Heating/Cooling Repairs/Maint. | | | | | 20,400 | 100 | 20,400 |
| Snow Removal | | | | | - | - | - |
| Vehicle and Maint. Equip | 184 | | | | - | - | - |
| Miscellaneous O & M | 25,770 | | | | 5,000 | 25 | 5,000 |
| Total O&M Expenses | 537,394 | 452,166 | 389,659 | 1,910 | 25,400 | | |
| Taxes and Insurance | | | | | | | |
| Real Estate Taxes | 93,701 | 85,838 | | | 96,512 | 473 | 10,674 |
| Payroll Taxes | 20,840 | 20,168 | | | 18,000 | 88 | (2,168) |
| Property and Liability Insurance | 84,685 | 90,745 | | | 81,600 | 400 | (9,145) |
| Fidelity Bond Insurance | | | | | - | - | - |
| Workmen's Compensation | 13,156 | 13,796 | | | 9,000 | 44 | (4,796) |
| Health Insurance and Benefits | 48,800 | 41,905 | | | 45,000 | 221 | 3,095 |
| Misc. Taxes, Lic., Permits | 4,805 | 6,398 | | | 4,949 | 24 | (1,449) |
| Total Taxes & Insurance | 265,987 | 258,851 | 255,061 | 1,250 | (3,790) | | |
| Total Cost of Operations | 1,598,886 | 1,458,347 | 1,389,763 | 6,813 | (68,583) | | |
| Replacement Reserve Deposits | 102,099 | 102,099 | 51,000 | 250 | (51,099) | | |
| Cap Ex - From Reserves | - | - | - | - | - | | |
| Net Operating Income | 215,218 | 382,298 | 1,397,089 | 6,848 | 1,014,791 | | |
| Per unit Calculations | | | | | | | |
| Op Exp Less Utilities & RE Tax | 5,096 | 4,644 | 4,048 | | | (596) | |
| Revenue: | 9,393 | 9,523 | 13,911 | | | 4,388 | |
| Expenses: | 7,838 | 7,149 | 6,813 | | | (336) | |
| NOI: | 1,055 | 1,874 | 6,848 | | | 4,974 | |

ADDENDUM G
Survey/Floor Plans

ADDENDUM H
Purchase and Sale Agreement, LURA, Etc.
(As Applicable)

PURCHASE AND SALE AGREEMENT

BY AND BETWEEN

EDGEWOOD COURT LIMITED PARTNERSHIP, AS SELLER

AND

ROSE AFFORDABLE HOUSING PRESERVATION FUND IV, L.P., AS BUYER

EDGEWOOD COURT APARTMENTS, ATLANTA, GEORGIA

Dated as of February 6, 2017

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EXHIBITS

- A Legal Description of the Project
- B Form of Deed
- C Form of Bill of Sale
- D Form of Assignment of Leases and Contracts
- E Form of Assignment of Intangibles
- F Form of Certificate of Non-Foreign Status

SCHEDULES

- 5.2 Buyer's Due Diligence List
- 9.1(c) Required Approvals
- 9.4 Rent Roll
- 9.5 Service Contracts
- 9.7 Litigation
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- 11.2(b) Permitted Non-Ordinary Court Actions

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (this “Agreement”) is made and entered into as of February 6, 2017 (the “Effective Date”), by and between **EDGEWOOD COURT LIMITED PARTNERSHIP**, a/k/a Edgewood Court, Ltd., a Georgia limited partnership (the “Seller”), and **ROSE AFFORDABLE HOUSING PRESERVATION FUND IV, L.P.**, a Delaware limited partnership (the “Buyer”). Capitalized terms used but not otherwise defined in this Agreement shall have the meanings ascribed thereto in Article I of this Agreement.

RECITALS

A. The Seller is the owner of the following described real and personal property (collectively, the “Project”):

1. Certain land in Atlanta, Georgia more particularly described in Exhibit A, together with all right, title and interest of the Seller in and to (a) all rights, privileges, easements and rights-of-way appurtenant to such land, (b) all rights of ingress and egress to and from such land, (c) any and all roads, streets and ways, opened or proposed, affecting or bounding such land, and (d) any and all gores, strips or pieces of property abutting, bounding or adjacent to such land (collectively, the “Land”);

2. Any and all buildings, structures, fixtures, carports, garages, landscaping and other improvements now or hereafter located on the Land, whether or not affixed to the Land, including a 204-unit multi-family rental community commonly known as Edgewood Court Apartments, having an address of 1572 Hardee Street NE, Atlanta, Georgia 30307 (collectively, the “Improvements” and, together with the Land, the “Real Property”);

3. All machinery, equipment, appliances, furniture, fixtures, furnishings, supplies and other tangible personal property of every nature and description and all replacements thereof located on, or used by the Seller in connection with the ownership and operation of, the Real Property, but expressly excluding any fixtures or other personal property belonging to the Tenants (collectively, the “Tangible Personal Property”); and

4. All intangible property now or hereafter used by the Seller in connection with, or otherwise related to, the ownership, use or operation of the Real Property or the Tangible Personal Property, including any Intellectual Property Rights, plans and specifications, surveys, catalogs, booklets, operating manuals and logs, tenant correspondence and files, records, tenant lists, tenant prospect lists and other mailing lists, leasing brochures and materials, advertising materials and other similar items, title inspections, Permits, Warranties, the Seller’s interest in, and rights under, the Contracts and the Leases, the Seller’s interest in the Security Deposits, and other interests and rights of the Seller relating to the ownership, use or operation of the Real Property or the Tangible Personal Property (collectively, the “Intangible Property” and, together with the Tangible Personal Property, the “Personal Property”).

B. The Seller desires to sell, and the Buyer desires to buy, the Project on and subject to the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the mutual covenants, agreements and understandings contained herein and intending to be legally bound, the Parties hereby agree as follows:

ARTICLE I.

DEFINITIONS; PRINCIPLES OF INTERPRETATION

1.1 Definitions. For the purposes of this Agreement, the following terms have the meanings set forth below:

“2013 Financial Statements” has the meaning set forth in Section 9.2

“2014 Financial Statements” has the meaning set forth in Section 9.2.

“2015 Financial Statements” has the meaning set forth in Section 9.2.

“2016 Financial Statements” has the meaning set forth in Section 9.2.

“Additional Buyer’s Objection Notice” has the meaning set forth in Section 4.3(b).

“Additional Deposit” has the meaning set forth in Section 3.3(b).

“Additional Objection Date” has the meaning set forth in Section 4.3(b).

“Affiliate” of any particular Person means any other Person owning a majority of the voting capital stock or other Equity Interests of the specified Person and who is controlling, controlled by or under common control with such Person. For purposes of this definition, “control” (including the terms “controlling,” “controlled by” and “under common control with”) means the possession, direct or indirect, of the power to direct or cause the direction of the day-to-day management, activities and policies of the specified Person, whether through the ownership of voting securities, by contract or otherwise, and any other Person’s “control” of the specified Person will be presumed if such other Person owns, directly or indirectly, 10% or more of the voting capital stock or other Equity Interests of the specified Person, provided, however, that a holder of Equity Interests in such Person may have consent rights with respect to customary major decisions, and the existence of such consent rights shall not be deemed to mean that “control” does not rest with the equity holder that has the power to direct or cause the direction of the day-to-day management, activities and policies of the specified Person, subject to such customary consent rights.

“Agency/Lender Approvals” means any and all approvals, consents or agreements that are required from HUD, any state or local housing agency or authority, any Governmental Entity or any lender in order (a) for the Project to be conveyed by the Seller to the Buyer, (b) for the Seller to repay existing Indebtedness secured by the Project or (c) to effectuate any other term or condition of this Agreement.

“Agreement” has the meaning set forth in the Preamble.

“Approval Condition” has the meaning set forth in Section 8.1(a).

“Approval Party” means any Person from whom a Required Approval must be obtained.

“Assignment of HAP Contract” has the meaning set forth in Section 6.2(f).

“Assignment of Intangibles” has the meaning set forth in Section 4.1(b).

“Assignment of Leases and Contracts” has the meaning set forth in Section 4.1(b).

“Assignment of Regulatory Agreement” has the meaning set forth in Section 6.2(e).

“Bill of Sale” has the meaning set forth in Section 4.1(b).

“Broker” has the meaning set forth in Section 15.5.

“Business Day” means any day other than a Saturday, Sunday or other day on which national banks in Atlanta, Georgia are authorized to close under the Laws of the United States or the State of Georgia.

“Buyer” has the meaning set forth in the Preamble.

“Buyer Confidential Information” means all reports, analyses, models, compilations, studies, and other proprietary information obtained by the Seller concerning the Buyer or the Buyer’s Affiliates, or their respective businesses or investments, in whatever form, that the Buyer has furnished or otherwise made available or accessible to the Seller and any and all reports, analyses, models, compilations, studies, and other proprietary information prepared by or on behalf of any of the Seller containing or based in whole or in part on any such reports, analyses, models, compilations, studies, and other proprietary information that the Buyer has furnished or otherwise made available or accessible to the Seller. The term “Buyer Confidential Information” does not include any information that: (i) is or becomes generally available to the public other than as a result of any disclosure by the Seller that is prohibited under this Agreement; or (ii) is or becomes available to the Seller on a non-confidential basis from a source other than the Buyer, which source, to the Seller’s knowledge, is not prohibited from disclosing such information to the Seller by a legal, contractual or fiduciary obligation to the Buyer.

“Buyer Parties” means the Buyer and its officers, directors, employees, agents, partners, members, representatives, successors and assigns.

“Buyer’s Closing Documents” has the meaning set forth in Section 6.5.

“Buyer’s Initial Objection Notice” has the meaning set forth in Section 4.3(a).

“Buyer’s Representatives” has the meaning set forth in Section 5.5.

“Casualty” has the meaning set forth in Section 13.1.

“Casualty/Condemnation Proceeds” has the meaning set forth in Section 13.3.

“Charter Documents” means, with respect to any Person not a natural person, the constituent documents of such Person, including, if such Person is a corporation, the certificate or articles of formation or incorporation and the by-laws of such Person, if such Person is a limited liability company, the certificate or articles of formation or organization and the operating agreement or limited liability company agreement of such Person or, if such Person is a limited partnership, the certificate of partnership or formation and the partnership agreement of such Person.

“Closing” means the consummation of the Transaction.

“Closing Conditions” means all of the conditions to the obligations of the Buyer or the Seller, as the case may be, to close the Transaction, including the conditions described in Article VIII.

“Closing Date” has the meaning set forth in Section 6.1.

“Closing Documents” means, collectively, the Seller’s Closing Documents and the Buyer’s Closing Documents, or any of them.

“Closing Statement” has the meaning set forth in Section 6.2.

“Code” has the meaning set forth in Section 9.14.

“Condemnation Action” has the meaning set forth in Section 13.1.

“Contracts” means (i) all Service Contracts, and (ii) all contracts and agreements affecting or relating to the Real Property with or for the benefit of any Governmental Entity, including any Subsidy Contracts, in each case, together with any and all renewals, modifications, amendments and supplements thereof and thereto.

“Deed” has the meaning set forth in Section 4.1(a).

“Delinquent Rents” has the meaning set forth in Section 7.2.

“Deposit” has the meaning set forth in Section 3.3(b).

“Due Diligence Activities” has the meaning set forth in Section 5.1.

“Due Diligence Materials” has the meaning set forth in Section 5.2.

“Due Diligence Expiration Date” has the meaning set forth in Section 5.3.

“Due Diligence Period” means the period commencing on the Effective Date and ending at 5:00 p.m. Eastern time on the Due Diligence Expiration Date.

“Effective Date” has the meaning set forth in the Preamble.

“Environmental Condition” means the release or presence of any Hazardous Material that requires notification, investigation, removal, abatement, monitoring, treatment, capping, remediation, or any other action under any applicable Environmental Law.

“Environmental Law” means all Laws, including judicial and administrative orders and determinations and agreements by the Seller or of which the Seller has knowledge with any Governmental Entity, in each case concerning Hazardous Materials, pollution or protection of the environment by or from Hazardous Materials, or protection of the public or workers from Hazardous Materials, including all those relating to the presence, use, production, generation, handling, transport, treatment, storage, disposal, distribution, labeling, testing, processing, discharge, release, threatened release, control or cleanup of, or exposure to, Hazardous Materials. Environmental Law shall include, but not be limited to, the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. § 9601 et seq. (CERCLA), the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq., the Hazardous Materials Transportation Act, 49 U.S.C. § 1801 et seq., the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq., the Safe Drinking Water Act, 42 U.S.C. § 300f et seq., the Clean Air Act, 42 U.S.C. § 7401 et seq., the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq., the Emergency Planning and Community Right-To-Know Act, 42 U.S.C. § 11001 et seq., the Occupational Safety and Health Act, 29 U.S.C. § 651 et seq., all state and local laws concerning public health or the environment, and all regulations, orders, decisions, and decrees now or hereafter promulgated concerning any of the above.

“Equity Interest” means, with respect to any Person, any share of capital stock, partnership interest, limited liability company interest, or other ownership or profit interest in such Person, any warrant, option or other right for the purchase or other acquisition from such Person of any such share or interest, any security convertible into or exchangeable for any such share or interest, or any other ownership or profit interest in such Person, whether voting or nonvoting.

“Escrow Agent” means Mission Title Agency, LLC.

“Extension Deposit” has the meaning set forth in Section 6.1(b).

“First Extended Outside Closing Date” means the date that is five (5) months after the Effective Date.

“GAAP” means United States generally accepted accounting principles, as in effect from time to time.

“Governmental Entity” means any: (i) nation, state, county, city, town, village, district, or other jurisdiction of any nature; (ii) federal, state, local, municipal, foreign, or other government; (iii) governmental or quasi-governmental authority of any nature (including any governmental agency, branch, department, official, or entity and any court or other tribunal); (iv) multi-national organization or body; or (v) other body exercising, or entitled to exercise, any administrative, executive, judicial, legislative, police, regulatory, or taxing authority or power of any nature.

“Guaranty” means any agreement, undertaking or arrangement by which any Person guarantees, endorses or otherwise becomes or is contingently liable for any Liability of any other Person (other than by endorsements of instruments in the ordinary course of collection), or guaranties of the payment of dividends or other distributions upon the equity interests of any other Person.

“HAP Contract” has the meaning set forth in Section 8.1(b)(ii).

“Hazardous Material” shall mean any of the following and any substance or material that contains any of the following: (a) any substance that is then defined or listed in, or otherwise classified pursuant to, any Law as a “hazardous substance,” “extremely hazardous substance,” “hazardous material,” “hazardous waste,” “solid waste,” “special waste,” “infectious waste,” “medical waste,” “toxic substance,” “toxic pollutant,” or any other formulation classifying substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, toxicity, or reproductive toxicity; and (b) asbestos, pesticides and pesticide-containing substances, petroleum and petroleum-related products or byproducts, oil, polychlorinated biphenyls, urea formaldehyde, radon, methane, mold, radioactive materials (including any source, special nuclear, or by-product material), chlorofluorocarbons, perchlorates, fluorinated compounds, discarded munitions, explosives, ordnance, lead and lead-containing products, and any other substance whose release or presence could be detrimental to property, health, safety or the environment.

“HUD” means the United States Department of Housing and Urban Development.

“Indebtedness” means, with respect to any Person, without duplication: (i) all obligations of such Person for borrowed money or in respect of loans or advances, (ii) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments or debt securities (including any seller notes relating to prior acquisitions), (iii) all obligations of such Person in respect of letters of credit, whether or not drawn, and bankers’ acceptances issued for the account of such Person, (iv) all obligations of such Person secured by a Lien, and (v) all Guaranties by such Person of the obligations of any other Person.

“Initial Deposit” has the meaning set forth in Section 3.3(a).

“Initial Outside Closing Date” means April 28, 2017.

“Intangible Property” has the meaning set forth in paragraph 4 of Recital A.

“Intellectual Property Rights” means any and all intellectual property rights of every kind and description owned by the Seller and used solely in connection with or relating solely to the Project, including: (i) all electronic data regarding the Leases and the Project in the form maintained by the Seller; (ii) the Internet domain name and location at <https://www.edgewoodcouraptts.com> and any social networking website accounts and passwords or other internet presence relating solely to the Project; (iii) all trademarks, service marks, trade dress, business and trade names and logotypes, including “Edgewood Court Apartments” and the right to use such name and logotype or any similar or other trade names and logotypes under which the Improvements have been or are hereafter managed, operated and/or advertised by the Seller, logos, and registrations and applications for registration thereof together with all of the

goodwill associated therewith; (iv) all telephone numbers used solely in connection with the Improvements; (v) all good will, if any, related to the Improvements; (vi) all copyrights (registered or unregistered) and copyrightable works, and registrations and applications for registration thereof; and (vi) all computer software (including source code, executable code, data, databases and documentation, whether owned by the Seller or third-party licensors), including any property management software used by the Seller to the extent the Seller's interest therein is assignable.

“knowledge” means, when referring to the “Seller’s knowledge” or any similar phrase or qualification based on the knowledge of the Seller, the actual knowledge of H. Jerome Russell, and the knowledge that any such Person would have obtained after making appropriate inquiry and diligence with respect to the particular matter in question.

“Latest Balance Sheet” has the meaning set forth in Section 9.2.

“Law” and “Laws” means, with respect to any Person, any U.S. federal, state or local, and any foreign national, state or local, law, statute, common law, ordinance, code, treaty, rule, regulation, order, ordinance, Permit, license, writ, injunction, directive, determination, judgment or decree or other requirement of any Governmental Entity, in each case, applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

“Leases” means all leases, licenses and other occupancy agreements affecting the Real Property or any portion thereof in effect on the Effective Date, as described on the Rent Roll, and any new leases of the Real Property or any portion thereof entered into between the Effective Date and the Closing in accordance with the terms of this Agreement, together with any and all guarantees, renewals, modifications and amendments thereof and thereto.

“Lien” means any mortgage, pledge, hypothecation, lien (statutory or otherwise), preference, priority, security interest, security agreement, easement, covenant, restriction or other encumbrance of any kind or nature whatsoever (including any conditional sale or other title retention agreement and any lease having substantially the same effect as any of the foregoing and any assignment or deposit arrangement in the nature of a security device).

“Losses” means any loss, liability, demand, claim, action, cause of action, cost, damage, royalty, deficiency, penalty, tax, fine or expense, whether or not arising out of third-party claims (including interest, penalties, reasonable attorneys’ fees and expenses and all reasonable amounts paid in investigation or defense, and all amounts paid in settlement, of any of the foregoing) including, without limitation, lost profits, consequential damages, and losses based on diminution of value, and similar damages, but excluding punitive damages unless owing to a third party.

“Major Casualty/Condemnation” means any Casualty or Condemnation Action if (i) the portion of the Project that is the subject of such Casualty or Condemnation Action has a value in excess of Two Hundred Thousand and 00/100 Dollars (\$200,000.00), as determined, in the case of a Casualty, by the insurance adjuster designated by the Seller’s insurance company, or, in the case of a Condemnation Action, by an MAI certified appraiser selected by the Seller or

(ii) any other Casualty or Condemnation Action that materially and adversely affects the uses of the Real Property existing as of the Effective Date or causes the Real Property to be unable to comply with Law for any reason, including due to the loss of any portion of the Land, any portion of the parking serving the Real Property or any other portion of the Improvements existing on the Effective Date.

“Monetary Liens” has the meaning set forth in Section 4.5.

“Mortgage Loan” has the meaning set forth in Section 9.10.

“New Objection” has the meaning set forth in Section 4.3(b).

“New Objection Response Date” has the meaning set forth in Section 4.3(b).

“Non-Ordinary Course Actions” has the meaning set forth in Section 11.2.

“Objection” has the meaning set forth in Section 4.3(a).

“OFAC List” means the list of specially designated nationals and blocked persons subject to financial sanctions that is maintained by the U.S. Treasury Department, Office of Foreign Development Assets Control, pursuant to applicable law, including, without limitation, trade embargo, economic sanctions or other prohibitions imposed by the executive order of the President of the United States.

“Ordinary Course of Business” means the operation of the Project as conducted by the Seller and the Property Manager prior to the Effective Date.

“Parties” means the Seller and the Buyer.

“Permits” means all permits, approvals, licenses, bonds, approvals, certificates, registrations, accreditations, filings and other authorizations of all Governmental Entities relating to the Real Property.

“Permitted Assignee” has the meaning set forth in Section 15.3.

“Permitted Encumbrance” has the meaning set forth in Section 4.1(a).

“Permitted Non-Ordinary Course Actions” has the meaning set forth in Section 11.2(b).

“Person” means any individual, sole proprietorship, partnership, joint venture, trust, unincorporated association, corporation, limited liability company, entity or governmental entity (whether foreign, federal, state, county, city or otherwise and including any instrumentality, division, agency or department thereof).

“Personal Property” has the meaning set forth in paragraph 4 of Recital A.

“Proceedings” has the meaning set forth in Section 9.7(a).

“Project” has the meaning set forth in Recital A.

“Project Reserves” has the meaning set forth in Section 6.6.

“Property Manager” means H.J. Russell & Company, a Georgia corporation.

“Proration Time” has the meaning set forth in Section 7.1.

“Purchase Price” has the meaning set forth in Section 3.1.

“Real Property” has the meaning set forth in paragraph 2 of Recital A.

“Regulatory Agreement” has the meaning set forth in Section 9.11.

“Regulatory Authority” has the meaning set forth in Section 9.11.

“Remove” means, (a) with respect to any Monetary Lien, that the Seller shall pay and cause the release and discharge or the bonding over in full of such Monetary Lien, and (b) with respect to any other Seller Removal Matter, that the Seller shall correct, satisfy, release or discharge the same to the Buyer’s reasonable satisfaction or shall cause the Title Company to provide insurance over such Seller Removal Matter that is satisfactory to the Buyer in the Buyer’s sole discretion, in either case at or prior to the Closing.

“Rent Roll” has the meaning set forth in Section 9.4.

“Rents” means all rents payable under the Leases and any and all other revenues derived from the Project

“Required Approvals” has the meaning set forth in Section 9.1(c).

“Sale Notices” has the meaning set forth in Section 6.2.

“Second Extended Outside Closing Date” has the meaning set forth in Section 6.1(b).

“Security Deposits” has the meaning set forth in Section 7.3.

“Seller” has the meaning set forth in the Preamble.

“Seller Confidential Information” means all reports, analyses, models, compilations, studies, and other proprietary information concerning the Project, the Seller, or the Seller’s business or investments, in whatever form, that the Seller has furnished or otherwise made available or accessible to the Buyer and any and all reports, analyses, models, compilations, studies, and other proprietary information prepared by or on behalf of the Buyer containing or based in whole or in part on any such reports, analyses, models, compilations, studies, and other proprietary information that the Seller has furnished or otherwise made available or accessible to the Buyer. The term “Seller Confidential Information” does not include any information that: (i) is or becomes generally available to the public other than as a result of any disclosure by the Buyer or that is prohibited under this Agreement; or (ii) is or

becomes available to the Buyer on a non-confidential basis from a source other than the Seller, which source, to the Buyer's knowledge, is not prohibited from disclosing such information to the Buyer by a legal, contractual or fiduciary obligation to the Seller.

“Seller Parties” means the Seller and its officers, directors, employees, agents, partners, members, representatives, successors and assigns.

“Seller Released Parties” has the meaning set forth in Section 5.6.

“Seller Removal Matters” means, collectively, all Objections and New Objections that the Seller has elected to Remove pursuant to Section 4.3(a) or Section 4.3(b), as applicable, and all Monetary Liens.

“Seller Transaction Costs” means: (u) any and all fees, legal fees and expenses or other costs and expenses incurred by Seller in connection with obtaining any of the Required Approvals; (v) one-half of any escrow fees; (w) transfer taxes, deed stamps and the like owed in connection with the Transaction; (x) any and all legal fees and expenses and other costs incurred in connection with any corporate or other entity filings related to the Seller or any of Seller's Affiliates, obtaining certified copies of the Seller's or any of the other Seller Affiliate's respective Charter Documents, obtaining good standing or similar certificates with respect to the Seller or any Seller Affiliate as may be necessary or desirable to effectuate the Transaction or carry out the purposes of this Agreement; (y) all fees and expenses of Seller's attorneys and accountants; and (z) any brokerage fees due to a broker representing the Seller.

“Seller's Closing Documents” has the meaning set forth in Section 6.2.

“Seller's Initial Objection Response” has the meaning set forth in Section 4.3(a).

“Service Contracts” means all maintenance, service, advertising and other similar contracts and agreements with respect to the use, leasing, service, management, operation, utility, maintenance or repair of the Real Property or the Personal Property.

“Subsidy Contract” means any contract or agreement pursuant to which the Project receives rental subsidies, interest rate subsidies or other public financial assistance from any Governmental Entity, including any Housing Assistance Payment Contract entered into under Section 8 of the United States Housing Act of 1937, any Project-Based Voucher Program Housing Assistance Payments Contract entered into under HUD's Rental Assistance Demonstration program, any agreement for the abatement or reduction of taxes, any grants, loans, mortgage financing, or mortgage insurance.

“Survey” has the meaning set forth in Section 4.2.

“Tenants” means the tenants, licensees or other occupants occupying or having the right to occupy any part of the Real Property pursuant to and as a party to the Leases.

“Title Commitment” has the meaning set forth in Section 4.2.

“Title Company” has the meaning set forth in Section 4.2.

“Title Policy” has the meaning set forth in Section 4.1(a).

“Transaction” means the transaction contemplated by this Agreement.

“Update” has the meaning set forth in Section 4.3(b).

“Updated Rent Roll” has the meaning set forth in Section 7.1.

“Warranties” has the meaning set forth in Section 6.4.

1.2 Principles of Interpretation. The headings and captions used in this Agreement, in any Schedule or Exhibit hereto, in the table of contents or in any index hereto are for convenience of reference only and do not constitute a part of this Agreement and will not be deemed to limit, characterize or in any way affect any provision of this Agreement or any Schedule or Exhibit hereto, and all provisions of this Agreement and the Schedules and Exhibits hereto will be enforced and construed as if no caption or heading had been used herein or therein. Any capitalized terms used in any Schedule or Exhibit attached hereto and not otherwise defined therein will have the meanings set forth in this Agreement. Unless otherwise specified, all meanings attributed to defined terms herein are equally applicable to the singular and plural forms of the terms so defined. Unless the context indicates otherwise, all uses of the word “including” in this Agreement mean “including, without limitation”, and the words “neither,” “nor,” “any,” “either” and “or” are not exclusive. The words “herein”, “hereof”, “hereinafter” and words of similar import refer to this Agreement as a whole and not to any particular Articles or Sections of this Agreement. Except as otherwise expressly indicated, all references in this Agreement to Articles and Sections refer to Articles and Sections of this Agreement, and all references to Exhibits or Schedules refer to Exhibits or Schedules attached hereto, and all such Exhibits and Schedules are incorporated herein by reference. The Parties intend that each representation, warranty and covenant contained herein will have independent significance. If any Party has breached any representation, warranty or covenant contained herein in any respect, the fact that there exists another representation, warranty or covenant relating to the same subject matter (regardless of the relative levels of specificity) which such Party has not breached will not detract from or mitigate the fact that such Party is in breach of the first representation, warranty or covenant. The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event any ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the Parties, and no presumption or burden of proof will arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement.

ARTICLE II.

PURCHASE AND SALE

Subject to the terms and conditions set forth in this Agreement and in the Closing Documents, the Seller agrees to sell, and the Buyer agrees to purchase, all of the Seller’s right, title and interest in and to the Project.

ARTICLE III.

PURCHASE PRICE AND PAYMENT; DEPOSIT

3.1 Purchase Price. The purchase price for the Project (the “Purchase Price”) will be Twenty-Four Million and 00/100 Dollars (\$24,000,000.00). The Purchase Price additionally will be subject to the adjustments and prorations set forth below.

3.2 Payment at Closing. On the Closing Date, the Buyer shall deposit the Purchase Price, as prorated and adjusted as set forth herein, into escrow with the Escrow Agent, and, upon the Closing, the Escrow Agent shall transfer such funds to such account(s) as the Parties shall designate in writing. All money payable under this Agreement shall be delivered by cash or wire transfer of immediately available federal funds.

3.3 Deposit. (a) Within three (3) Business Days of the execution of this Agreement, the Buyer shall deposit with the Escrow Agent, in cash or wire of immediately available federal funds, Three Hundred Seventy Five Thousand and 00/100 Dollars (\$375,000.00) (“Initial Deposit”), which Deposit, as increased by the Additional Deposit, shall, except as expressly set forth in this Agreement, be non-refundable after the expiration of the Due Diligence Period. The Initial Deposit shall be held and disbursed by the Escrow Agent in accordance with the terms and provisions of this Agreement and any separate agreement required by the Escrow Agent.

(b) Provided that the Buyer has not elected to terminate this Agreement in accordance with Section 5.3, within three (3) Business Days after the expiration of the Due Diligence Period, the Buyer shall deposit with Escrow Agent on or before the end of the Due Diligence Period, in cash or wire of immediately available federal funds, an additional Three Hundred Seventy Five Thousand and 00/100 Dollars (\$375,000.00) (“Additional Deposit”), which Additional Deposit shall be held and disbursed by the Escrow Agent in accordance with the terms and provisions of this Agreement and any separate escrow agreement with the Escrow Agent.

(c) The Initial Deposit, the Additional Deposit (when and if made) and the Extension Deposit (when and if made), together with any interest that accrues thereon, are hereinafter collectively referred to as the “Deposit.”

ARTICLE IV.

TITLE AND SURVEY

4.1 Conveyance of Title at Closing.

(a) Real Property. At Closing, the Seller shall convey to the Buyer, by a good and sufficient deed (the “Deed”) in substantially the form of Exhibit B, running to the Buyer or, subject to the provisions of Section 15.3, to such nominee or assignee as the Buyer designates by notice to the Seller as required by Section 15.3, such fee simple marketable title to the Project as will enable the Title Company to issue to the Buyer a 2006 ALTA Owner’s Policy of Title Insurance with respect to the Project in the form approved by the Buyer and the Title Company

during the Due Diligence Period including all endorsements approved by the Buyer and the Title Company during the Due Diligence Period and subject only to the Permitted Encumbrances (the “Title Policy”). The Deed shall convey good and clear record title to the Real Property, free from all Liens from or on the Real Property except the Permitted Encumbrances. The following matters shall be “Permitted Encumbrances”: (i) the rights of Tenants, as tenants only, under the Leases; (ii) Liens for ad valorem real estate taxes and assessments not yet due and payable as of the Closing, subject to adjustment as provided in this Agreement; (iii) local, state and federal laws, ordinances or governmental regulations, including but not limited to, building and zoning laws, ordinances and regulations, now or hereafter in effect relating to the Real Property; and (iv) all other matters that become Permitted Encumbrances in accordance with the provisions of Section 4.3(a) or Section 4.3(b).

(b) Personal Property. The Seller shall convey the Tangible Personal Property, free of all Liens, by a bill of sale (the “Bill of Sale”) in substantially the form of Exhibit C, all of the Seller’s right, title and interest in, to and under the Leases and the Contracts that the Buyer elects to assume pursuant to Section 11.4 pursuant to an assignment and assumption agreement in substantially the form of Exhibit D (the “Assignment of Leases and Contracts”), and all of the Seller’s right, title and interest in, to and under the other Intangible Property pursuant to an assignment and assumption agreement in substantially the form of Exhibit E (the “Assignment of Intangibles”).

4.2 Title Commitment and Survey. During the Due Diligence Period, the Buyer will obtain each of the following, at its sole cost and expense: (i) a current ALTA/ACSM Survey of the Real Property (the “Survey”); and (ii) a title insurance commitment for the Real Property (the “Title Commitment”) from Mission Title Agency, LLC (the “Title Company”).

4.3 Title and Survey Objection and Response Procedures.

(a) Initial Objection Notice and Response. On or before 5:00 p.m. Eastern time on the Due Diligence Expiration Date, the Buyer may deliver written notice (the “Buyer’s Initial Objection Notice”) to the Seller describing in reasonable detail any title or survey matters to which the Buyer objects (each, an “Objection”). Any matter that is disclosed by the Title Commitment or the Survey to which the Buyer does not object on or before the Due Diligence Expiration Date in accordance with this Section 4.3(a), other than any Monetary Liens, thereafter shall be a “Permitted Encumbrance”. The Seller shall have five (5) Business Days following its receipt of the Buyer’s Initial Objection Notice to deliver written notice (the “Seller’s Initial Objection Response”) to the Buyer as to whether the Seller elects to Remove any of the Objections described in the Buyer’s Initial Objection Notice. If the Seller fails to timely deliver the Seller’s Initial Objection Response to the Buyer in accordance with this Section 4.3(a), the Seller shall be deemed to have elected not to Remove any of the Objections described in the Buyer’s Initial Objection Notice, or if the Seller’s Initial Objection Response fails to address any Objection described in the Buyer’s Initial Objection Notice, the Seller shall be deemed to have elected not to Remove such Objection. If the Seller elects or is deemed to have elected not to Remove any Objection described in the Buyer’s Initial Objection Notice, the Buyer shall elect within five (5) Business Days following the date that the Buyer receives the Seller’s Initial Objection Response either (i) to waive any Objections that the Seller has not agreed to Remove in the Seller’s Initial Objection Response, without reduction of the Purchase Price, in which case,

each such Objection thereafter shall be a Permitted Encumbrance; or (ii) to terminate this Agreement by written notice to the Seller, in which case the Deposit shall be returned to the Buyer, and thereafter neither the Seller nor the Buyer shall have any further rights or obligations under this Agreement except those that expressly survive the termination of this Agreement.

(b) Additional Objection Notice and Response. If any update to the Survey or the Commitment or any title search conducted after the expiration of the Due Diligence Period (each, an “Update”) discloses any matter or requirement that was not disclosed in the Survey or the Commitment and that was not caused by any act or omission of the Buyer, then, on or before the date that is five (5) Business Days after the Buyer receives the applicable Update (an “Additional Objection Date”), the Buyer may deliver written notice (an “Additional Buyer’s Objection Notice”) to the Seller describing in reasonable detail any such title or survey matters to which the Buyer objects (each, a “New Objection”). Any matter that is disclosed by an Update to which the Buyer does not object on or before the Additional Objection Date in accordance with this Section 4.3(b) other than any Monetary Liens thereafter shall be a “Permitted Encumbrance”. In the event that the Buyer delivers any Additional Buyer’s Objection Notice, the Seller shall have the same options to elect to Remove the New Objections described in such Additional Buyer’s Objection Notice, and the Buyer shall have the same options to waive any New Objections or terminate this Agreement, as are set forth in Section 4.3(a), provided that (i) the deadline for the Seller’s election or deemed election to Remove or not to Remove any New Objection shall be three (3) Business Days after delivery of the Additional Buyer’s Objection Notice (the “New Objection Response Date”), and the deadline for the Buyer’s response to the Seller’s election or deemed election not to cure any New Objection shall be three (3) Business Days after the New Objection Response Date, and (ii) the Buyer shall have the right to elect to extend the Closing Date as may be necessary to accommodate the above objection and response procedures by delivering written notice thereof to the Seller. Nothing in this Section 4.3(b), however, shall authorize or permit the Seller to take any action that is otherwise expressly prohibited by this Agreement, and the Seller covenants and agrees not to grant or consent to the granting of any Liens or record or consent to the recording of any new matters against the Real Property during the pendency of this Agreement. If the basis of a New Objection is the Seller’s breach of the foregoing covenant and agreement, such breach shall be a default by the Seller of a material obligation under this Agreement for which the Buyer shall have the remedies set forth in Section 14.2.

4.4 Seller Removal Matters. The Seller shall Remove, or cause to be Removed, all Seller Removal Matters prior to or concurrently with the Closing, and the Seller shall give the Buyer a reasonable opportunity prior to the Closing to verify that all Seller Removal Matters have been Removed or will be Removed to the Buyer’s satisfaction prior to or concurrently with the Closing. If the Seller fails to Remove any Seller Removal Matters prior to or concurrently with the Closing, such failure shall constitute a default by the Seller of a material obligation under this Agreement for which the Buyer shall have the remedies set forth in Section 14.2.

4.5 Monetary Liens. Notwithstanding any provision to the contrary contained in this Agreement, the Seller shall be obligated to Remove, prior to or concurrently with the Closing, all (a) mortgages or deeds of trust encumbering the Project and/or the Seller’s interest in the Project, including, without limitation, the Mortgage Loan, (b) all mechanics’ liens or notices

thereof encumbering the Seller's interest in the Project, (c) Liens for delinquent real estate taxes and assessments on the Project, and (d) any other Lien that can be satisfied by payment of a liquidated amount arising by and through the Seller (the foregoing (a), (b), (c) and (d) are collectively referred to herein as "Monetary Liens"), and the Buyer shall not be obligated to identify any Monetary Lien as a Title Objection or a New Title Objection in the Buyer's Initial Objection Notice or any Additional Buyer's Objection Notice, as the case may be, for the same to constitute a Seller Removal Matter. The Seller shall be entitled to use such portion of the Purchase Price as is necessary to pay off in full all Monetary Liens. The Buyer hereby acknowledges that any instruments evidencing the release or discharge of any Monetary Liens may be recorded at or after the Closing in accordance with standard conveyancing practice acceptable to the Title Company. If the Seller fails to Remove any Monetary Liens prior to or concurrently with the Closing in accordance with this Section 4.5, the Buyer may direct the Escrow Agent to hold back a portion of the Purchase Price at the Closing in an amount sufficient to Remove such Monetary Liens, as reasonably determined by the Escrow Agent and the Buyer, and use such amount to Remove such Monetary Liens.

ARTICLE V.

DUE DILIGENCE; ACCESS; AS-IS SALE

5.1 The Buyer's Due Diligence Investigations. The Seller acknowledges that the Buyer intends to conduct an investigation of the Project, which investigation may include (a) examining all structural and mechanical aspects thereof, (b) reviewing any and all documentation with respect to the Project, including statements of income and expenses, all Leases and tenant files, all records relating to the Project's compliance with the requirements of Law, HUD, any lender or of any Governmental Entity applicable to the Project, and all records of repairs and capital improvements, and (c) examining title to the Project, testing to determine the presence or absence of Hazardous Materials, asbestos, lead paint, radon, lead in drinking water, mold, oil, urea-formaldehyde and other similar materials and substances, obtaining a current as-built survey of the Project, determining the compliance of the Project with all applicable Laws, and investigating such other matters as the Buyer may deem necessary or appropriate (collectively, the "Due Diligence Activities").

5.2 Seller's Delivery of the Due Diligence Materials. In order to facilitate the Buyer's investigations, within ten (10) days after the Effective Date, the Seller shall deliver to the Buyer, or provide the Buyer with reasonable access to, copies of those items set forth on Schedule 5.2 (collectively, the "Due Diligence Materials") to the extent such items are in the Seller's or the Property Manager's possession or control, together with a written certification that the Seller has done so. Without limiting the obligations of the Seller under the immediately preceding sentence, the Seller shall make available to the Buyer, at reasonable times and places, its files, books and records relating to the Project.

5.3 Due Diligence Termination Right. Notwithstanding anything to the contrary contained in this Agreement, the Buyer shall have the right to terminate this Agreement for any reason or no reason by giving written notice of such election (the "Due Diligence Termination Notice") to the Seller on any day prior to and including the date that is thirty (30) days after the later of (a) the date on which the Seller has delivered or made accessible to the

Buyer the Due Diligence Materials, delivered the related certification in accordance with Section 5.2 and granted the Buyer and the Buyer's Representatives the right to inspect the Real Property in accordance with Section 5.5 and (b) the Effective Date (the "Due Diligence Expiration Date"), in which event, the Deposit shall be returned to the Buyer, and thereafter neither the Seller nor the Buyer shall have any further rights or obligations under this Agreement except those that expressly survive the termination of this Agreement. If the Buyer does not timely deliver the Due Diligence Termination Notice in accordance with this Section 5.3, the Buyer's option to terminate this Agreement under this Section 5.3 shall be null and void, and this Agreement shall continue in full force and effect except as set forth in Section 8.1(b)(ii) below.

5.4 [Intentionally Omitted].

5.5 Access. The Seller hereby grants to the Buyer and its contractors, employees, agents and representatives (collectively, the "Buyer's Representatives") a license to enter upon the Real Property for the purpose of performing the Due Diligence Activities, subject to and in accordance with the following terms and conditions:

(a) The Buyer shall not perform any invasive testing of the Real Property without the Seller's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed, provided such testing is commercially reasonable under the circumstances.

(b) All rights granted to the Buyer and the Buyer's Representatives by the Seller hereunder are subject to all encumbrances affecting the Real Property and all rights and privileges of third parties to the Real Property existing prior to the Effective Date. The Buyer shall take appropriate measures to ensure that it and the Buyer's Representatives are aware of and in compliance with such encumbrances, rights and privileges, including contacting utility companies to verify the location of utility lines and searching public records.

(c) All Due Diligence Activities shall be at no cost to the Seller and performed in such a manner as to ensure as little interference as possible with the use and enjoyment of the Real Property by the Seller and the Tenants. To effectuate this intent, the Buyer shall cause all activities to be conducted as expeditiously as possible, and, among other things that may be necessary, shall keep the Real Property free of equipment and materials at all times except when the presence of equipment or materials is due to the active conduct of the Due Diligence Activities at the Real Property, and provide appropriate safety measures. The Buyer hereby further agrees that in no event shall it, or any of the Buyer's Representatives, have the right to contact, interview or question any of the Tenants other than any Tenants of any commercial spaces at the Real Property, if any.

(d) The Buyer shall indemnify, defend and hold harmless the Seller Parties from and against any and all damages, claims, actions, penalties, liabilities, losses or expenditures, including reasonable attorneys' or other fees (collectively, "Damages") arising out of or in any way connected with the actions or omissions of the Buyer and the Buyer's Representatives in the conduct of its Due Diligence Activities on the Real Property; provided, however, that the Buyer shall not be liable under this provision for the mere discovery of any pre-existing condition at the Real Property (including, but not limited, to the discovery or

identification of Hazardous Materials) or to the extent such Damages are caused by any of the Seller Parties.

(e) The Buyer shall deliver true and complete copies of all third party reports, findings, test results and other work product in connection with the Due Diligence Activities, in each case when the same are completed and in final form, without any prior modification by the Buyer; provided, however, that all such items are delivered without any representation or warranty by, or recourse to, the Buyer, and the Buyer shall not be required to deliver any internal reports or other work product prepared by its employees and/or any work product prepared by the Buyer's legal counsel. The Buyer shall also deliver to the Seller copies of all correspondence with any Governmental Entity pertaining to the Due Diligence Activities promptly upon receipt or simultaneously with dispatch thereof, as applicable.

(f) The Buyer shall provide the Seller and its designees with an opportunity to observe all activities by the Buyer and the Buyer's Representatives at the Real Property. The Buyer shall notify the Seller in advance of the date that the Buyer plans to access the Real Property and/or perform any work at the Real Property, and the Buyer shall use reasonable efforts to give such notice at least twenty-four (24) hours in advance, but in no event shall the Buyer provide less than twelve (12) hours advance notice, of the date that the Buyer plans to perform such work (which notice, notwithstanding any provision to the contrary contained this Agreement, may be by telephone or email to Fayette Bussell at (404) 373-5378 (telephone) or fhunt@hjrussell.com (email) and without the formality of notice otherwise required under Section 15.2 below). Notwithstanding anything contained herein to the contrary, all access and Due Diligence Activities shall be conducted Monday through Friday during normal business hours (9 a.m. to 5 p.m.) unless otherwise agreed to in writing by the Seller.

(g) The Buyer shall bear sole responsibility for compliance with all federal, state and/or local laws, rules, regulations and ordinances in conducting the Due Diligence Activities and the cost thereof.

(h) If this Agreement is terminated prior to the Closing, subject to the Buyer's rights and remedies set forth in this Agreement if such termination is due to the default of the Seller, the Buyer shall quietly and peaceably quit and surrender its presence on the Real Property to the Seller. The Buyer shall be solely responsible for the cost and expense of removing any equipment brought onto the Real Property by the Buyer and shall, at its own cost and expense, restore the Real Property and any other areas that are affected by its access to the Real Property and/or the Due Diligence Activities to substantially the same condition existing immediately prior to the conduct of the Due Diligence Activities. If the Buyer does not timely remove all equipment and property brought onto the Real Property by the Buyer, the Seller may remove or cause to be removed any or all of said equipment and property and dispose of the same as it sees fit, and the Buyer shall pay to the Seller, on demand, the cost thereof.

(i) Buyer or all contractors and consultants retained by or on behalf of the Buyer (including subcontractors) to conduct any of the Due Diligence Activities at the Real Property shall maintain the following insurance in full force and effect during the entire term of this Agreement:

(i) Workers' Compensation: Statutory coverage including employer's liability with limits of not less than \$500,000.00 per accident, \$500,000.00 each employee for occupational disease, \$500,000.00 policy limit for occupational disease.

(ii) Automobile Liability: \$1,000,000.00 combined single limit per accident on bodily injury and property damage covering all owned, leased or hired vehicles used in performing the Due Diligence Activities.

(iii) Comprehensive General Liability: \$1,000,000.00 combined single limit per occurrence on bodily injury, personal injury and property damage, \$2,000,000.00 aggregate. The policy shall include contractual liability and broad form property damage coverage. The Seller shall be named as an additional insured, and the policy shall provide the Seller with 10 days' notice of cancellation, non-renewal or material change.

(iv) Professional Liability: In amounts that are customary and reasonable for the type of work to be performed, if applicable.

The Seller shall be furnished with certificates evidencing that all insurance specified herein is in force prior to commencement of the applicable Due Diligence Activities.

(j) The indemnification, repair and restoration obligations of the Buyer under this Section 5.5 shall survive the Closing or any termination of this Agreement notwithstanding any other provisions herein to the contrary.

5.6 As Is, Where Is. Except for the representations and warranties contained herein or in any of the Seller's Closing Documents, the Project is being acquired by the Buyer in an "AS IS", "WHERE IS" condition, "WITH ALL DEFECTS" and "WITH ALL FAULTS". The Buyer acknowledges that it will be acquiring the Project on the basis of its own investigations. Except as expressly set forth in this Agreement or in any of the Seller's Closing Documents, no representations or warranties, whether express, implied or statutory, have been made or are made, and no responsibility has been or is assumed, by the Seller or by any officer, person, firm, agent or representative acting or purporting to act on behalf of the Seller as to condition or repair of the Project or the value, expense of operation, or income potential thereof, the reliability of any information furnished to the Buyer or as to any other fact or condition which has or might affect the Project or the condition, repair, value, expense of operation or income potential of the Project or any portion thereof. The Buyer hereby waives, releases and forever discharges the Seller, any Affiliate of the Seller and any manager, member, partner, shareholder, officer, director, employee, agent or person acting on behalf of the Seller or any affiliate of the Seller (collectively, the "Seller Released Parties") of and from any and all claims, actions, causes of action, demands, rights, damages, liabilities and costs whatsoever, direct or indirect, known or unknown, which the Buyer now has or which may arise in the future, against the Seller Released Parties related in any way to the Project, including, without limitation, all liabilities or obligations relating to environmental matters and Hazardous Materials located at, on, in, or under the Project or migrating from the Project, regardless of whether such Hazardous Materials are located on, under or in the Project prior to or after the date hereof, and except for claims resulting from (y) the breach of any of the Seller's representations and warranties or indemnification obligations set forth in this Agreement or in any of the Seller's Closing Documents, in each case

subject to the limitations set forth in Article XII hereof, or (z) fraud by any of the Seller Released Parties. The Parties agree that all understandings and agreements heretofore made between them or their respective agents or representatives are merged in this Agreement which fully and completely expresses their agreement, and that this Agreement has been entered into after full investigation, or with the Parties satisfied with the opportunity afforded for investigation, neither party relying upon any statement or representation by the other unless such statement or representation is expressly set forth in this Agreement. The Buyer acknowledges that the Seller has given the Buyer the opportunity to inspect fully the Project and investigate all matters relevant thereto, and, to rely solely upon the results of the Buyer's own inspections or other information obtained or otherwise available to the Buyer, provided that the foregoing shall not diminish the Buyer's rights with respect to any representations or warranties expressly made by the Seller in this Agreement. The provisions of shall this Section 5.6 shall survive the Closing.

ARTICLE VI.

CLOSING

6.1 Closing Date. (a) The closing of the transactions contemplated hereunder (the "Closing") will be conducted through an escrow with the Escrow Agent at its office located at 44 Wall Street, New York, NY 10005, at 11:00 a.m. local time, on the date (as such date may be extended from time to time in accordance with this Agreement, the "Closing Date") that is the later of (i) March 31, 2017 and (ii) thirty (30) business days after all of the Required Approvals have been received and the other Closing Conditions have been satisfied or waived by the party entitled to make such waiver, but in any event no later than the Initial Outside Closing Date, as the same may be extended pursuant to the terms of this Agreement. The Closing shall be deemed effective as of 12:01 a.m. (EST) on the Closing Date.

(b) Outside Closing Date. Notwithstanding the foregoing, if the Required Approvals have not been obtained or the other Closing Conditions have not been satisfied by the Initial Outside Closing Date for any reason other than a default by the Buyer, then the Initial Outside Closing Date shall be extended automatically to the First Extended Outside Closing Date. If the Buyer has not obtained all of the Required Approvals prior to the First Extended Outside Closing Date, then the Buyer shall have the right to extend the Closing Date to the date that is thirty (30) days (or the first business day thereafter) from the First Extended Outside Closing Date (the "Second Extended Outside Closing Date"). The Buyer shall make such election to extend the Closing Date to the Second Extended Outside Closing Date to the Seller in writing and simultaneously deposit an additional Fifty Thousand and 00/100 Dollars (\$50,000.00) (the "Extension Deposit") with Escrow Agent in cash or wire of immediately available federal funds, which Extension Deposit shall be held and disbursed by the Escrow Agent in accordance with the terms and provisions of this Agreement and any separate escrow agreement with the Escrow Agent. Notwithstanding anything to the contrary herein, the Closing Date shall not be extended or enlarged beyond the Second Extended Outside Closing Date.

6.2 The Seller's Closing Documents. At the Closing, the Seller shall deliver or cause to be delivered the following documents (collectively, the "Seller's Closing Documents"):

- required;
- (a) An original Deed, duly executed by the Seller and acknowledged as required;
 - (b) An original Bill of Sale, duly executed by the Seller;
 - (c) An original counterpart of the Assignment of Leases and Contracts, duly executed by the Seller;
 - (d) An original counterpart of the Assignment of Intangibles, duly executed by the Seller;
 - (e) An original counterpart of the assignment and assumption agreement with respect to the Regulatory Agreement in the form required or otherwise approved by the Regulatory Authority, the form of which shall be subject to the reasonable approval of the Seller and the Buyer (the “Assignment of Regulatory Agreement”), duly executed by the Seller, provided, however, any assignment fees shall be paid by the Buyer;
 - (f) An original counterpart of the assignment and assumption agreement with respect to the HAP Contract in the form required or otherwise approved by the Governmental Entity that is a party thereto, the form of which shall be subject to the reasonable approval of the Seller and the Buyer (the “Assignment of HAP Contract”), duly executed by the Seller, provided, however, any assignment fees shall be paid by the Buyer;
 - (g) An original certification of non-foreign status in the form of Exhibit F attached hereto and incorporated herein by reference, duly executed by the Seller;
 - (h) Evidence of notice of termination of all Service Contracts that the Buyer has elected not to assume in accordance with the provisions of Section 11.4 hereof;
 - (i) Written notices (the “Sale Notices”) in a form to be provided by the Buyer that is reasonably acceptable to the Seller, signed by the Seller, addressed to (i) the Tenants under the Leases; and (ii) each party to any Service Contracts and the other Contracts to be assumed by the Buyer, if any, indicating that the Project has been sold to the Buyer and that all rights of the Seller thereunder have been assigned to the Buyer;
 - (j) Originals or, if originals are not in the Seller’s possession or control, copies, of all of the Required Approvals;
 - (k) Originals of all estoppel certificates to be obtained by the Seller pursuant to Section 8.2(e);
 - (l) Evidence satisfactory to the Title Company that all necessary approvals and/or consents by the Seller and any constituent person of the Seller otherwise required under the Seller’s Charter Documents, have been delivered and such other evidence satisfactory to the Title Company of the Seller’s good standing and authority and the authority of the signatory on behalf of the Seller to convey the Real Property pursuant to this Agreement;

(m) Original Affidavits and indemnities reasonably sufficient for the Title Company to delete any exceptions for parties in possession (other than Tenants under the Leases, as tenants only) and mechanics' or materialmen's liens from the Title Policy and to provide so-called gap coverage, duly executed by the Seller;

(n) An original certificate restating as of the Closing Date all of the Seller's representations and warranties contained herein or, to the extent that such representations and warranties are not true and correct as of the Closing Date, a certificate setting forth all exclusions and exceptions to such representations and warranties then known to the Seller, which certificate shall be subject to the qualifications and limitations set forth in Article IX and Article XII, prepared by the Buyer and duly executed by the Seller;

(o) An original closing statement setting forth the Purchase Price and the closing adjustments and prorations in form and substance satisfactory to the Buyer and the Seller (the "Closing Statement"), duly executed by the Seller;

(p) Such transfer tax, gains or other similar forms required by law, duly executed by the Seller and acknowledged as required;

(q) An original Certificate with respect to information required for IRS Form 1099-S, duly executed by the Seller;

(r) Evidence of payment of the Broker, if applicable;

(s) Such other instruments as may be necessary to effectuate the transfer of any item of Personal Property; and

(t) All other documents reasonably required to effectuate this Agreement and the transactions contemplated hereby.

6.3 Other Seller Closing Deliveries. At Closing, to the extent that any of the following items are in the Seller's or the Property Manager's possession, the Seller shall deliver to the Buyer, outside of the escrow with Escrow Agent, the keys, combinations and security codes for any doors, locks or gates at the Real Property in the Seller's or the Property Manager's possession and such files, reports, original Leases, Permits, Contracts, Warranties, plans and specifications, operating manuals, data, resident ledgers, letters to residents and other information, materials instruments and documentation relating to the Project or evidencing the Intangible Personal Property, provided that the Seller may make such delivery by leaving the foregoing items at the Project's onsite management office on the Closing Date.

6.4 Warranties. At Closing, the Seller shall assign to the Buyer any and all unexpired guarantees and warranties issued with respect to the Improvements, including, but not limited to, any roof warranties, to the extent assignable (collectively "Warranties"). With respect to any Warranties, if the warrantor's consent is required to effectuate an assignment, such consent shall not be a condition to Closing, but the Seller shall cooperate with the Buyer's efforts to obtain such consent, provided that the Seller shall not be required to incur any out-of-pocket expenses in connection with its cooperation under this Section 6.4. The provisions of this Section 6.4 shall survive Closing for sixty (60) days.

6.5 The Buyer's Closing Documents. Provided all conditions precedent to the Buyer's obligations hereunder have been satisfied, and subject to all other terms and conditions of this Agreement, at Closing, the Buyer shall deliver or cause to be delivered the Purchase Price, as adjusted in accordance with the terms hereof, and the following documents (collectively, the "Buyer's Closing Documents"):

- (a) An original counterpart of the Assignment of Leases and Contracts, duly executed by the Buyer;
- (b) An original counterpart of the Assignment of Intangibles, duly executed by the Buyer;
- (c) The Sale Notices, duly executed by the Buyer;
- (d) An original counterpart of the Assignment of Regulatory Agreement, duly executed by the Buyer;
- (e) An original counterpart of the Assignment of HAP Contract, duly executed by the Buyer;
- (f) Evidence satisfactory to the Title Company that all necessary approvals and/or consents by the Buyer and any constituent person of the Buyer otherwise required under the Buyer's organizational documents have been delivered and such other evidence satisfactory to the Title Company of the Buyer's good standing and authority and the authority of the signatory on behalf of the Buyer to execute and deliver the Buyer's Closing Documents;
- (g) An original counterpart of the Closing Statement, duly executed by the Buyer;
- (h) Such transfer tax, gains or other similar forms required by law, duly executed by the Buyer and acknowledged as required;
- (i) Such other instruments as may be necessary in connection with the transfer of any item of Personal Property;
- (j) An original certificate restating as of the Closing Date all of the Buyer's representations and warranties contained herein or, to the extent that such representations and warranties are no longer true and correct, a certificate setting forth all exclusions and exceptions to such representations and warranties then known to the Buyer, which certificate shall be subject to the same qualifications and limitations set forth in Article X and Article XII hereof, duly executed by the Buyer; and
- (k) All other documents reasonably required to effectuate this Agreement and the transactions contemplated hereby.

6.6 Project Reserves and Escrows. At the Closing, the Seller shall retain the full amount of any Project Reserves on deposit with any lender (collectively, the "Project Reserves").

ARTICLE VII.

ADJUSTMENTS AND PRORATIONS

7.1 Calculation of Adjustments and Prorations. All items to be prorated under this Agreement shall be prorated as of 11:59 p.m. on the day preceding the Closing Date (the "Proration Time"). For the purpose of calculating all proration items, the Buyer shall be deemed to be in title to the Project as of the Closing Date and therefore entitled to the income, and responsible for the expenses, allocable to the Closing Date. All proration items pertaining to the month in which the Closing Date occurs shall be prorated based upon the actual number of days in such month. At least ten (10) days prior to the Closing Date, the Seller shall deliver to the Buyer a draft of the prorations and adjustments provided for in this Agreement, together with an updated rent roll in the same format and including the same categories of information and attached reports as the Rent Roll (collectively, the "Updated Rent Roll") and all other back up information reasonably necessary for the Buyer to review such draft. The prorations shall be paid by the Buyer to the Seller (if the prorations result in a net credit to the Seller) or by the Seller to the Buyer (if the prorations result in a net credit to the Buyer) by increasing or reducing the cash to be paid by the Buyer to the Seller at the Closing.

7.2 Income. All Rents that have been actually received by the Seller shall be prorated between the Seller and the Buyer as of the Proration Time. Rents that are delinquent as of the Closing Date, as set forth on the Updated Rent Roll (the "Delinquent Rents"), shall not be prorated on the Closing Date. After the Closing, the Buyer shall include any Delinquent Rents for existing Tenants in its normal billing for a period of one hundred twenty (120) days after the Closing Date, but the Buyer shall not be required to institute any legal proceedings or declare a default under any Lease in connection therewith. To the extent the Buyer receives any payments from any Tenant owing Delinquent Rents as of the Proration Time, such payments shall be applied (i) first, to the Buyer's reasonable costs of collection, (ii) second, to rents due for the month in which such payment is received by the Buyer, (iii) third, to any rents or other amounts owed by such Tenant that are attributable to any period after the Closing and are past due on the date of receipt, and (iv) the balance, if any, to the Seller, but only to the extent of amounts actually owed to the Seller by such Tenant, with such amounts being promptly delivered to the Seller. After the Closing, (a) the Buyer shall have an exclusive right to collect the Delinquent Rents and any other amounts due to the Seller under the Leases, and (b) the Seller shall have no right to pursue claims against any Tenant in occupancy on or after the Closing Date or any other Person for sums due with respect to any period prior to the Closing Date unless such Person is no longer occupying any part of the Real Property pursuant to any Lease. If the Seller receives any Rents, including any subsidy payments under the HAP Contract or otherwise, on or after the Closing Date, the Seller agrees to hold such amounts in trust for the Buyer, endorse the same to the order of the Buyer, and deliver the same to the Buyer within two (2) Business Days after receipt thereof. This Section 7.2 shall survive Closing.

7.3 Cash Security Deposits. At Closing, the Seller shall retain and the Buyer shall receive a credit against the Purchase Price for (i) any unapplied refundable deposits or fees collected from Tenants in possession at the time of the Closing, together with any accrued interest thereon and/or if such deposits are required by Law or the Leases to accrue interest, such interest as is required by Law or the Leases, and (ii) any unapplied non-refundable cleaning

deposits or fees (including, without limitation, pet fees), collected from Tenants in possession at the time of the Closing, together with any accrued interest thereon and/or, if such deposits are required by Law or the Leases to accrue interest, such interest as is required by Law or the Leases (collectively, the “Security Deposits”).

7.4 Proration of Taxes and Other Property Expenses.

(a) Proration of *Ad Valorem* Taxes. All general real estate and *ad valorem* taxes and other state, county or municipal taxes payable in respect of the Project will be prorated between the Seller and the Buyer as of the Proration Time. If final, current bills for such taxes are not available as of the Proration Time, then (i) for the purpose of the proration at Closing of such taxes, the amount of such taxes will be deemed to be equal to the amount payable in respect of such taxes in the most recent year for which final tax bills are available and (ii) post-closing adjustments of such taxes between the Buyer and the Seller shall be made within thirty (30) days after the date that the actual final amount of such taxes for such pre-Closing period is determined. The provisions of this Section 7.4(a) shall survive the Closing for a period of twelve (12) months.

(b) Other Property Operating Expenses. Operating expenses for the Project shall be prorated between the Seller and the Buyer as of the Proration Time. To the extent that the amount of actual consumption of any utility services is not determined prior to the Proration Time, a proration shall be made at Closing based on the last available reading. All prorations of operating expenses shall be final at Closing. Expenses for utility services that are separately metered to and paid directly by Tenants and that the Seller has no obligation to pay, if any, will not be prorated. The Seller shall not assign to the Buyer any deposits that the Seller has with any of utility services or companies servicing the Project. The Buyer shall arrange with such services and companies to have accounts opened in the Buyer’s name beginning at 12:01 a.m. on the Closing Date.

7.5 Closing Costs. The Buyer shall be responsible for paying its third-party costs and expenses, closing costs and transaction costs incurred in connection with the Transaction other than the Seller Transaction Costs, including: (a) any and all due diligence costs and expenses for environmental site assessments, physical condition reports, zoning reports and similar third-party reports with respect to the subject Project; (b) title company fees, charges and title premiums, and survey charges; (c) one half of any and all escrow charges; and (d) any and all fees and expenses of the Buyer’s attorneys and accountants.

7.6 [Intentionally Omitted].

7.7 Adjustment for Vacant Units. Between the Effective Date and the Closing, the Seller will cause vacant apartment units at the Project to be “made ready” for re-letting and occupancy in accordance with the Seller’s current standards and timetable for turning units over. It is not the intention of the Seller to have all of the vacant units “made ready” as of the Closing Date, but only those units that would have been “made ready” in the Ordinary Course of Business. With respect to any apartment units that (a) are not “made ready” on the Closing Date, and (b) have been vacant for more than thirty (30) days, the Buyer shall be entitled to a credit against the Purchase Price of \$1,000 per unit. No later than five (5) Business Days before the

Closing Date, the Seller shall provide the Buyer with a list of apartment units at the Project that will and will not be “made ready” on or before the Closing, and the Buyer will have a reasonable opportunity to inspect the Project prior to the Closing to verify the same, subject to the terms of this Agreement.

ARTICLE VIII.

CLOSING CONDITIONS

8.1 Required Approvals.

(a) Closing Condition. Without limiting any of the other conditions to the Buyer’s or the Seller’s obligations to close the Transaction that are set forth in this Agreement, the obligations of the Buyer and of the Seller under this Agreement are subject to receipt of all of the Required Approvals (the “Approval Condition”).

(b) Responsibility for the Required Approvals.

(i) Intentionally omitted.

(ii) The Parties acknowledge and agree that the Buyer will be responsible for obtaining all Required Approvals from HUD (the “HUD Approvals”) that are necessary for the assignment and assumption of the Housing Assistance Payments Basic Renewal Contract, dated as of April 13, 2016, by and among National Housing Compliance, HUD and Seller (the “HAP Contract”), including any HUD approval of the Buyer’s lender. The Buyer shall submit the required applications to obtain the HUD Approvals on or before the Due Diligence Expiration Date and thereafter the Buyer shall use commercially reasonable efforts and act diligently in seeking such approvals. Notwithstanding Section 3.3, Section 5.3 and Section (b) above, if the Buyer has not obtained, in a form satisfactory to the Buyer, in the Buyer’s sole discretion, the consent of HUD to the sale of the Project by the Second Extended Outside Closing Date, then the Buyer may terminate this Agreement, in which event, the Deposit shall be returned to the Buyer, and thereafter neither the Seller nor the Buyer shall have any further rights or obligations under this Agreement except those that expressly survive the termination of this Agreement.

(iii) The Seller shall be responsible for obtaining a one (1) year renewal of the HAP Contract which is currently set to expire on March 31, 2017.

(c) Cooperation. The Parties agree to cooperate fully with each other to obtain the Required Approvals in accordance with the terms of this Agreement. The Seller and the Buyer will consult with each other as to the production of information in response to requests received from any Approval Party, and agree to produce such information on a timely basis and to provide such legal, accounting and other professional opinions as may be necessary in order to obtain the Required Approvals. In addition, the Buyer may elect to obtain financing for the acquisition of the Project, in which event, the Seller will cooperate with the Buyer in connection with such financing, including the production of information in response to reasonable requests received from the Buyer’s lender on a timely basis. Without limiting any of the Buyer’s or the Seller’s other obligations under this Section 8.1:

(i) the Buyer covenants and agrees to provide on a timely basis any information about its financial condition, its experience owning and operating properties similar to the Project or other information about the Buyer that any Approval Party may reasonably request;

(ii) the Seller covenants and agrees to timely submit an application in the form approved by the Buyer during the Due Diligence Period for a one (1) year renewal of the HAP Contract as set forth above; provided, however, the Buyer may, at its option and on notice to and prior approval from the Seller, which approval shall not be unreasonably withheld, conditioned or delayed, elect to submit such application together with the Buyer's submission for the HUD Approvals set forth in Section 8.1(b)(ii);

(iii) the Seller covenants and agrees to provide on a timely basis any information about the Project or the Seller that (y) HUD may reasonably request and any necessary permissions or consents required in connection with the Buyer's pursuit of the HUD Approvals or (z) the Buyer's lender may reasonably request; and

(iv) the Seller (y) shall keep the Buyer reasonably informed of the status of the Seller's efforts to obtain the Required Approvals that are the responsibility of the Seller to obtain hereunder and of the content of any meetings, material communications or conversations related to any of the Required Approvals, and (z) shall provide the Buyer with copies of all material written correspondence related to any of the Required Approvals that is received or delivered by the Seller, whether received or delivered electronically or in hard copy form, promptly after the Seller's receipt or delivery thereof.

8.2 Other Buyer's Closing Conditions. Without limiting any of the other conditions to the Buyer's obligations to close the Transaction that are set forth in this Agreement, the obligations of the Buyer under this Agreement are subject to the satisfaction at the time of Closing of each of the following conditions, any one of which may be waived in whole or in part by the Buyer at or prior to Closing:

(a) All of the representations and warranties by the Seller set forth in this Agreement shall be true and correct in all material respects when made and shall be true and correct in all material respects as of the Closing. With respect to any representation made to the Seller's knowledge, the condition to Closing shall be not only that such representation still be true to the Seller's knowledge, but that the specific fact or condition that was the subject of the representation also be true;

(b) Subject to the provisions of Article XIII hereof, the Project shall be in substantially the same condition as at the expiration of the Due Diligence Period, reasonable use and wear and any damage caused by the Buyer or any of the Buyer's Representatives excepted;

(c) The Seller shall have performed, observed, and complied with all covenants and agreements required by this Agreement to be performed by the Seller at or prior to Closing, including, without limitation, the provisions of Section 4.4 with respect to Seller Removal Matters;

(d) The Seller shall have executed and delivered to the Escrow Agent all of the Seller's Closing Documents and shall have taken all other actions required of the Seller pursuant to this Agreement that are necessary to effectuate the Closing;

(e) The Buyer shall have received estoppel certificates reasonably acceptable to it under the Regulatory Agreements if such certificates are available and after the Seller's reasonable efforts to obtain them and any other loan or regulatory agreement reasonably requested by the Buyer during the Due Diligence Period; and

(f) The Title Company shall be prepared to issue the Title Policy, in the form approved by the Buyer and the Title Company during the Due Diligence Period, including all endorsements approved by the Buyer and the Title Company during the Due Diligence Period, subject only to the Permitted Encumbrances, upon Closing and payment of the premium therefor.

8.3 Other Seller's Closing Conditions. Without limiting any of the other conditions to the Seller's obligations to close the Transaction that are set forth in this Agreement, the obligations of the Seller under this Agreement are subject to the satisfaction at the time of Closing of each of the following conditions, any one of which may be waived in whole or in part by the Seller at or prior to Closing:

(a) The Buyer shall have performed, observed, and complied with all covenants and agreements required by this Agreement to be performed by the Buyer at or prior to Closing; and

(b) The Buyer shall have executed and delivered to the Escrow Agent all of the Buyer's Closing Documents and shall have taken all other actions required of the Buyer pursuant to this Agreement that are necessary to effectuate the Closing.

ARTICLE IX.

REPRESENTATIONS AND WARRANTIES OF THE SELLER

The Seller hereby represents and warrants to the Buyer that:

9.1 Organization; Authority; Required Approvals; Noncontravention.

(a) The Seller is a limited partnership duly organized, validly existing and in good standing under the Laws of Georgia. The Seller is qualified or registered to do business and in good standing in the state where the Project is located.

(b) The Seller possesses all requisite power and authority necessary to own, operate and lease the Project and otherwise carry on its business as it is now being conducted. Subject to obtaining the Required Approvals, the Seller has all requisite power and authority necessary to execute and deliver this Agreement and the Seller's Closing Documents, to perform all of its obligations hereunder and thereunder, and to consummate the Transaction. This Agreement has been, and each of the Seller's Closing Documents on the Closing Date will be, duly executed and delivered by the Seller and constitute or, in the case of each of the Seller's Closing Documents will constitute on the Closing Date, the legal, valid and binding obligations

of the Seller, enforceable against the Seller in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and other similar laws relating to or affecting creditor's rights generally from time to time in effect and to general principles of equity. The individuals executing this Agreement and the Seller's Closing Documents on behalf of the Seller are authorized to act, or, in the case of the Seller's Closing Documents will be authorized on the Closing Date to act, for and on behalf of and to bind the Seller in connection with this Agreement and the Seller's Closing Documents.

(c) To the best of the Seller's knowledge, the authorizations, consents and approvals listed on Schedule 9.1(c) (collectively, the "Required Approvals") constitute all of the authorizations, consents and approvals from any Person necessary to consummate the Transaction, including all such Agency/Lender Approvals, and, other than in connection with the Required Approvals, the Seller need not give any notice to, make any filing with, or obtain any authorization, consent, or approval of any Governmental Entity, any lender, or any other Person in order to consummate the Transaction.

(d) The execution and delivery by the Seller of this Agreement and of the Seller's Closing Documents, and the performance of the obligations of the Seller hereunder or thereunder do not, or, in the case of the Seller's Closing Documents will not, conflict with or result in a breach of the terms, conditions or provisions of, constitute a default under (whether with or without the passage of time, the giving of notice or both), or result in a violation of, the Seller's Charter Documents, any Law applicable to the Seller or any agreement by which the Seller is bound.

9.2 Financial Statements; Books and Records. The Seller has delivered to the Buyer true, complete and correct copies of: (a) the audited balance sheets of the Seller as of December 31, 2015 and the related statements of income and cash flows (or the equivalent) for the fiscal year then ended (collectively, the "2015 Financial Statements"); (b) the audited balance sheets of the Seller as of December 31, 2014 and the related statements of income and cash flows (or the equivalent) for the fiscal year then ended (collectively, the "2014 Financial Statements"); (c) the audited balance sheets of the Seller as of December 31, 2013 and the related statements of income and cash flows (or the equivalent) for the fiscal year then ended (collectively, the "2013 Financial Statements"); and (d) the unaudited balance sheet of the Seller as of October 31, 2016 (the "Latest Balance Sheet") and the related statements of income and cash flows (or the equivalent) for the 10-month period then ended. The Seller shall deliver to the Buyer as soon as available but in no event later than the Closing Date, true, complete and correct copies of the audited balance sheets of the Seller as of December 31, 2016 and the related statements of income and cash flows (or the equivalent) for the fiscal year then ended (collectively, the "2016 Financial Statements"). The 2016 Financial Statements, the 2015 Financial Statements, the 2014 Financial Statements, the 2013 Financial Statements and the Latest Balance Sheet (including in all cases the notes thereto, if any), fairly present (or will fairly present) the financial condition of the Seller as of the dates thereof and the operating results of the Seller for the periods covered thereby and have been prepared (or will be prepared) in accordance with GAAP, subject, in the case of the Latest Balance Sheet, to the absence of footnote disclosures (none of which footnote disclosures would, alone or in the aggregate, be materially adverse to the business, operations, assets, liabilities, financial condition, operating results, value, cash flow or net worth of the Seller).

9.3 [Intentionally Omitted].

9.4 Leases and Rent Roll. The rent roll attached hereto as Schedule 9.4 (together with such reports as may be attached thereto, the “Rent Roll”) is the rent roll used by the Seller in the operation of the Project, is true and correct in all material respects as of the date thereof, and identifies all Leases pursuant to which any Person has any interest in or right to lease or use any portion of the Project. The Rent Roll accurately shows, for each Lease, the name of the Tenant thereunder, the apartment number of the apartment demised thereunder, the commencement and expiration dates thereof, the amounts of all monthly rentals, free rent, rent concessions or abatements, and prepaid rentals, if any, deposits and/or fees paid or payable to the Seller thereunder, any other sums paid or to be paid by the Tenant thereunder or in connection with such Lease, and any delinquencies thereunder (including an aging of accounts receivable) in effect as of the date of the Rent Roll. The Seller has made or will make available to the Buyer within the timeframe set forth in Section 5.2, true and complete copies of each of the Leases (including all amendments, modifications and supplements thereto and thereof) and all material correspondence, consents and other instruments affecting any Lease, which Leases represent the complete agreement between the Seller and the applicable Tenants. To the Seller’s knowledge, the Leases are in full force and effect pursuant to the terms thereof, and there is currently no uncured breach or default by the Seller under any Lease. The Seller has not received any written notice from any Tenant under any of the Leases claiming that the Seller is in default of its obligations thereunder. All of the Security Deposits have been collected and are being held in compliance with Laws and the Leases. Except as set forth in the Rent Roll, to the Seller’s knowledge, as of the Effective Date, no Tenant is in default under its Lease.

9.5 Service Contracts. Schedule 9.5 accurately lists all of the Service Contracts (written or oral and whether or not of record) (including all amendments, modifications and supplements thereto and thereof). To the Seller’s knowledge, the Seller has made or will make available to the Buyer within the timeframe set forth in Section 5.2, true and complete copies of the Service Contracts (including all amendments, modifications and supplements thereto and thereof), which Service Contracts, to the Seller’s knowledge, represent the complete agreement between the Seller and the other parties thereto as to the services to be performed or materials to be provided thereunder and the compensation to be paid for such services or materials, as applicable. To the Seller’s knowledge, the Service Contracts are in full force and effect pursuant to the terms thereof and there is currently no uncured breach or default by the Seller or by any other party to the Service Contracts. The Seller has not received any written notice from any party to any of the Service Contracts claiming that the Seller is in default of its obligations thereunder.

9.6 Personal Property. The Personal Property is owned by the Seller free and clear of all Liens.

9.7 Litigation and Other Proceedings. Except as disclosed on Schedule 9.7:

(a) there are no actions, suits, proceedings (including any arbitration proceedings, condemnation, expropriation or other proceeding in eminent domain, or environmental, zoning or other land use regulation proceedings), orders, investigations or claims (all of the foregoing, collectively, “Proceedings”) that are pending against the Project of which

the Seller has received notice, or that have been initiated by the Seller, or, to the Seller's knowledge, that are pending against the Seller;

(b) to the Seller's knowledge, there are no Proceedings threatened or planned to be instituted by or against or relating to the Seller or the Project; and

(c) there are no judgments, orders or decrees of any court or other Governmental Entity to which the Project or, to the Seller's knowledge, the Seller is subject.

9.8 Compliance with Laws.

(a) To the Seller's knowledge, the Seller and the Project are in compliance with Laws. The Seller has not received any written notice from any Governmental Entity asserting that the Project is in violation of any Laws.

(b) To the Seller's knowledge, the Seller possesses all Permits required for the ownership, use or operation of the Project and all such Permits have been duly and validly issued by the appropriate Governmental Entity and are in full force and effect. The Seller has not received any written notice of proceedings relating to the revocation or modification of any such Permits or alleging the failure to hold or comply with any such Permits.

9.9 Environmental Matters. The Seller has made or will make available to the Buyer within the timeframe set forth in Section 5.2, true and complete copies of all reports prepared for the Seller or that are in the Seller's possession or control related to Hazardous Materials, a list of which is attached hereto as Schedule 9.9.

9.10 Mortgage Loans. There are no mortgage loans existing with respect to the Project other than that certain Multifamily Deed to Secure Debt, Assignment of Leases and Rents and Security Agreement dated as of January 1, 2013 from Seller to Prudential Huntoon Paige Associates, LLC in the amount of Four Million Nine Hundred Eighty Thousand One Hundred and 00/100 Dollars (\$4,980,100.00) and that certain Regulatory Agreement by and between Seller and the Regulatory Authority (collectively, the "Mortgage Loan").

9.11 Regulatory Agreement. The Seller has heretofore delivered to the Buyer a true and complete copy of that certain HUD Regulatory Agreement for Multifamily Projects (the "Regulatory Agreement"), dated on or about January 1, 2013, by and between the Seller and the Secretary of Housing and Urban Development (the "Regulatory Authority"), which Regulatory Agreement represents the complete agreement between the Seller and the Regulatory Authority as to the matters addressed therein and has not been amended or modified (except as above described) and is in full force and effect pursuant to the terms thereof. To the Seller's knowledge, there is currently no breach or default by the Seller under the Regulatory Agreement. The Seller has not received any notice from the Regulatory Authority, any other Governmental Entity, or any other Person claiming that the Seller is in default of its obligations under the Regulatory Agreement. To the Seller's knowledge, the rents under the Leases for the Affordable Units have been calculated in accordance with, and are in compliance in all material respects with, the terms and conditions of the Regulatory Agreement, and the Seller has complied with the limited dividend requirements set forth in the Regulatory Agreement.

9.12 [Intentionally Omitted].

9.13 Anti-Terrorism and Related Laws. The Seller and, to the Seller's knowledge, each Person owning an interest in the Seller: (i) is not currently identified on the OFAC List, and (ii) is not a Person with whom a citizen of the United States is prohibited to engage in transactions by any trade embargo, economic sanction, or other prohibition of United States law, regulation, or Executive Order of the President of the United States. The Seller has implemented procedures, and consistently applied those procedures, to ensure the foregoing representations and warranties in this Section 9.13 are true and correct.

9.14 ERISA. The Seller is not (i) an "employee benefit plan" (within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended, (ii) a "plan" (within the meaning of Section 4975(e)(1) of the Internal Revenue Code of 1986 (the "Code")) or (iii) an entity whose underlying assets include "plan assets" by reason of a plan's investment in such entity.

9.15 No Employees. As of Closing, there are no on-site employees employed by the Seller in connection with the management, operation or maintenance of the Project. The Buyer shall have no obligation, liability or responsibility with respect to charges, salaries, vacation pay, fringe benefits or like items subsequent to Closing, nor with respect to any management or employment agreements entered into by the Seller with respect to the Project.

9.16 "Closed Loop" Representations. Since December 31, 2015, the Seller has: (i) collected and disbursed revenues from the Project in the Ordinary Course of Business; (ii) maintained reserves at levels consistent with past practice; and (iii) incurred and paid all expenses in compliance with any lender requirements and the Contracts.

9.17 Disclosure. Each of the Exhibits and Schedules to this Agreement and any documents, books, records or reports furnished by the Seller to the Buyer (i) in connection with this Agreement; or (ii) during any due diligence conducted by the Buyer relating to the transactions contemplated by this Agreement, in each case, to the Seller's knowledge and to the extent related to the Transaction, is accurate in all material respects as of the date it is dated or as of the date so furnished (unless such information was updated or corrected prior to the Effective Date).

ARTICLE X.

REPRESENTATIONS AND WARRANTIES OF THE BUYER

As an inducement to the Seller to enter into this Agreement and consummate the transactions contemplated hereby, the Buyer hereby represents and warrants to the Seller that:

10.1 Organization and Power. The Buyer is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware. The Buyer has all requisite limited liability company power and authority necessary to enter into this Agreement and to perform its obligations hereunder.

10.2 Authorization; Noncontravention.

(a) This Agreement has been, and each of the Buyer's Closing Documents on the Closing Date will be, duly executed and delivered by the Buyer and constitutes or, in the case of each of the Buyer's Closing Documents, will constitute on the Closing Date, a legal, valid and binding obligation of the Buyer, enforceable against the Buyer in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and other similar laws relating to or affecting creditor's rights generally from time to time in effect and to general principles of equity. The individuals executing this Agreement and the Buyer's Closing Documents on behalf of the Buyer are authorized to act, or, in the case of the Buyer's Closing Documents will be authorized on the Closing Date to act, for and on behalf of and to bind the Buyer in connection with this Agreement and the Buyer's Closing Documents.

(b) The execution and delivery by the Buyer of this Agreement of the Buyer's Closing Documents, and the performance of the obligations of the Buyer hereunder or thereunder do not, or, in the case of the Buyer's Closing Documents will not, conflict with or result in a breach of the terms, conditions or provisions of, constitute a default under (whether with or without the passage of time, the giving of notice or both), or result in a violation of the Buyer's Charter Documents, any Law applicable to the Buyer or any agreement by which the Buyer is bound.

ARTICLE XI.

COVENANTS

11.1 Conduct of Business; Maintenance of Insurance; Notices. The Seller hereby agrees that, from the Effective Date until the Closing or the earlier termination of this Agreement, the Seller shall or shall cause the Property Manager to:

- (a) manage and operate the Project in the Ordinary Course of Business;
- (b) maintain in full force and effect, without modification, all insurance policies maintained as of the Effective Date with respect to the Project, or procure insurance that is comparable in amount, credit quality and scope of coverage thereto; and
- (c) promptly notify the Buyer in writing of the Seller's receipt of written notice of (i) any casualty or condemnation affecting the Project or threatened condemnation affecting the Project of which the Seller receives written notice, (ii) any violation of Laws applicable to the Project of which the Seller receives written notice, (iii) any litigation affecting the Project or the Seller, or (iv) any actual or reasonably anticipated fact, circumstance, event or action, the existence, occurrence or taking of which has resulted in, or could reasonably be expected to result in, any representation or warranty made under this Agreement not being true and correct as of the Effective Date and as of such time of required notification.

11.2 Other Project Covenants.

(a) Without limiting the terms of Section 11.1, the Seller hereby agrees that, from the Effective Date until the Closing or the earlier termination of this Agreement, the Seller shall not do or cause or permit any of the following to be done (collectively, the “Non-Ordinary Course Actions”), except as is expressly permitted under the terms of this Agreement, without the Buyer’s prior written consent:

(i) (y) enter into any new Subsidy Contract, excluding the renewal of the HAP Contract, or (z) enter into any other new Service Contract or renew, extend, modify or terminate any other Service Contract unless in the Ordinary Course of Business and such other new Service Contract or such Service Contract so renewed, extended or modified grants to the Seller and its successors and assigns a right to terminate on sale or upon not more than thirty (30) days’ prior notice without the payment of any penalty or termination fee;

(ii) incur, assume, refinance, or guarantee any Indebtedness (whether material, immaterial, contingent or otherwise);

(iii) mortgage, pledge or subject the Project to a Lien or cause or knowingly permit to be recorded any document affecting the title to the Project;

(iv) fail to maintain the Project in substantially the same condition as existed on the Effective Date, ordinary wear and tear excepted, or demolish or remove any of the existing improvements or erect new improvements on the Real Property or any portion thereof;

(v) intentionally omitted;

(vi) take any action that would result in, or be reasonably likely to result in, (A) any of the Closing Conditions not being satisfied or (B) any of the representations and warranties contained herein being untrue as if such representation or warranty were made at the time of such action; or

(vii) agree, resolve or commit in writing or otherwise to do any of the foregoing.

(b) Notwithstanding the terms of Section 11.1 or Section 11.2, the Seller will be permitted to take the Non-Ordinary Course Actions described in Schedule 11.2(b) (the “Permitted Non-Ordinary Course Actions”) without the Buyer’s prior written consent, subject to the terms and conditions set forth on Schedule 11.2(b).

11.3 Exclusivity. The Seller hereby agrees that, as long as this Agreement remains in effect, the Seller will not directly or indirectly (a) solicit, initiate, or encourage the submission of any offer from any Person relating to the acquisition of the Project or any direct or indirect equity interests in the Seller (including any acquisition structured as a merger, consolidation, or equity exchange), or market any of the foregoing for sale, in each case as part of a portfolio transaction related or otherwise, or (b) participate in any discussions or negotiations regarding, furnish any information with respect to, assist or participate in, or facilitate in any other manner any effort or attempt by any Person to do or seek any of the foregoing. The Seller will notify the Buyer immediately if any Person makes any proposal or offer with respect to any of the foregoing.

11.4 Termination of Property Management Agreements and Service Contracts Designated by the Buyer. On or before the Closing, the Seller shall terminate any management agreements currently in effect with respect to the Project at the sole cost and expense of the Seller. In addition, if the Buyer so requests in writing prior to the expiration of the Due Diligence Period to have any other Service Contracts terminated, the Seller shall use commercially reasonable efforts to terminate such Service Contracts effective as of the Closing Date; provided, however, in no event shall the Seller be required to pay any sums or incur any other liability to the counterparties to said Service Contracts in connection with the termination of such Service Contracts. If the Seller is unable to terminate the aforementioned Service Contracts effective as of the Closing Date, the Seller shall nonetheless send out a termination notice under the aforementioned Service Contracts, and the Seller shall assign and the Buyer shall assume the same at Closing for the remaining term of said Service Contracts in accordance with the terms of this Agreement and the Assignment of Intangibles.

ARTICLE XII.

ADDITIONAL AGREEMENTS; COVENANTS AFTER CLOSING

12.1 Survival of Representations and Warranties and Indemnification Obligations. The representations and warranties in this Agreement, the representations and warranties in any Closing Document, and the indemnification obligations arising from any breach thereof set forth in Section 12.2 and any indemnification obligations arising under any of the Closing Documents will survive the Closing as follows:

(a) the representations and warranties in Section 9.1 (Organization; Authority; Required Approvals; Noncontravention) and any indemnification obligations arising from the breach thereof will not terminate and shall survive indefinitely; and

(b) all of the other representations and warranties in this Agreement or in any Closing Document, and the indemnification obligations arising from any breach thereof and any indemnification obligations arising under any of the Closing Documents will terminate on the date that is twelve (12) months following the Closing Date and, with respect to any written claim related thereto made within such period, until the final, unappealable adjudication or settlement thereof provided litigation has commenced within said twelve (12) month period.

12.2 Indemnification.

(a) Indemnification by the Seller. The Seller agrees to and will defend and indemnify the Buyer Parties and save and hold each of them harmless against, and pay on behalf of or reimburse the Buyer Parties for, any Losses that any Buyer Party may suffer, sustain or become subject to, as a result of, in connection with, relating or incidental to or arising from any breach of any representation, warranty or covenant made by the Seller in this Agreement or any Closing Document, provided, however, that prior to the Closing, except as specifically provided herein, the Buyer's sole remedy for any breach by the Seller shall be to terminate this Agreement and receive the Deposit pursuant to, and as set forth in, Section 14.2.

(b) Indemnification by the Buyer. The Buyer agrees to and will defend and indemnify the Seller Parties and save and hold each of them harmless against, and pay on behalf of or reimburse the Seller Parties for, any Losses that such any Seller Party may suffer, sustain or become subject to, as the result of, in connection with, relating or incidental to or arising from the breach by the Buyer of any representation, warranty, covenant or agreement made by the Buyer in this Agreement or any Closing Document, provided, however, that prior to the Closing, the Seller's sole remedy for any breach by the Buyer shall be to terminate this Agreement and receive the Deposit pursuant to, and as set forth in, Section 14.1.

(c) Survival. The indemnification obligations set forth in this Section 12.2 will survive the Closing as set forth in Section 12.1.

12.3 Expenses. Each Party shall pay all of its respective costs, expenses and fees incurred by it in connection with the negotiation and preparation of this Agreement and the consummation of the transactions provided for herein except as otherwise expressly provided herein.

12.4 Further Assurances. In the event that at any time after the Closing any further action is necessary or desirable to carry out the purposes of this Agreement, each of the Parties will take such further action (including the execution and delivery of such further instruments and documents) as any other Party may reasonably request. The Seller acknowledges and agrees that, from and after the Closing, the Buyer will be entitled to possession of, and the Seller will deliver to the Buyer, all documents, books, records, agreements and financial data of any sort relating to the Project. The provisions of this Section 12.4 shall survive the Closing.

12.5 Confidentiality; Press Release and Announcements.

(a) The Seller shall hold, and shall cause its Affiliates to hold, the Buyer Confidential Information in confidence and shall not at any time disclose or permit the disclosure of the Buyer Confidential Information to any Person other than as permitted under this Section 12.5 without the Buyer's prior written consent. Notwithstanding the foregoing: (i) the Seller may disclose the Buyer Confidential Information to its agents, consultants, representatives, legal counsel, accountants, and potential lenders, investors and their respective attorneys and consultants, and similar third parties that need to review the Buyer Confidential Information in connection with the Transaction, provided in all cases that each such Person is advised of the confidential nature of such information and directed to keep all of the Buyer Confidential Information confidential and to use the Buyer Confidential Information only for a purpose expressly permitted under this Section 12.5; (ii) the Seller may disclose such portions of the Buyer Confidential Information as may be necessary in connection with obtaining the Required Approvals; and (iii) the Seller may disclose the Buyer Confidential Information to the extent that such disclosure is required by Law.

(b) The Buyer shall hold, and shall cause its Affiliates to hold, the Seller Confidential Information in confidence and shall not at any time disclose or permit the disclosure of the Seller Confidential Information to any Person other than as permitted under this Section 12.5 without the Seller's prior written consent. Notwithstanding the foregoing: (i) the Buyer may disclose the Seller Confidential Information to its agents, consultants, representatives, legal

counsel, accountants, and potential lenders, investors and their respective attorneys and consultants, and similar third parties that need to review the Seller Confidential Information in connection with the Transaction, provided in all cases that each such Person is advised of the confidential nature of such information and directed to keep all of the Seller Confidential Information confidential and to use the Seller Confidential Information only for a purpose expressly permitted under this Section 12.5; (ii) the Buyer may disclose such portions of the Seller Confidential Information as may be necessary in connection with obtaining the Required Approvals; and (iii) the Buyer may disclose the Seller Confidential Information to the extent that such disclosure is required by Law.

(c) The Seller and the Buyer shall keep the terms and conditions of this Agreement confidential and shall not at any time disclose or permit disclosure of the existence or the terms and conditions of this Agreement without the prior written consent of the other Parties. Notwithstanding the foregoing: (a) the Parties may disclose the existence and the terms and conditions of this Agreement to their respective agents, consultants, representatives, legal counsel, accountants, and potential lenders, investors and their respective attorneys and consultants, and similar third parties that need to review this Agreement in connection with the Buyer's proposed purchase of the Project, provided in all cases that each such Person is advised of the confidential nature of such information and directed to keep such information confidential and to use such information only for a purpose expressly permitted under this Section 12.5; and (b) the parties may disclose existence and the terms and conditions of this Agreement to the extent that such disclosure is required by Law.

(d) Notwithstanding the foregoing, the Seller and the Buyer may work together in good faith to agree on the timing and content of announcements of the Buyer's acquisition of the Project internally and externally to the press and others. Any information disclosed in such announcements shall thereafter be considered publicly available and not subject to the confidentiality provisions of this Agreement.

(e) The provisions of this Section 12.5 shall survive the Closing for one (1) year thereafter except for the provisions of Section 12.5(a) and Section 12.5(b), which shall survive indefinitely.

ARTICLE XIII.

CASUALTY AND CONDEMNATION

13.1 Risk of Loss. The risk of loss, damage or destruction to the Project by fire, flood or other casualty (a "Casualty") or the taking of all or any portion of the Project by condemnation or eminent domain proceeding or by an agreement in lieu thereof (an "Condemnation Action") will remain with the Seller at all times prior to the Closing.

13.2 Right to Terminate. If, after the Effective Date and before the Closing, (a) all or any portion of the Project is damaged or destroyed by a Casualty, or (b) all or any portion of the Project is taken by a Condemnation Action or is the subject of a pending Condemnation Action, the Seller shall notify the Buyer in writing of such fact promptly after obtaining knowledge thereof. If the Project is the subject of a Major Casualty/Condemnation that occurs

after the Effective Date, the Buyer shall have the right to terminate this Agreement by giving written notice to the Seller no later than ten (10) Business Days after the Buyer receives the Seller's written notice thereof and evidence of the value of the portion of the Project that is the subject of such Casualty or Condemnation Action, and the Closing Date shall be extended, if necessary, to provide sufficient time for the Buyer to make such election. The failure by the Buyer to terminate this Agreement within such ten (10) Business Day period shall constitute a waiver of the Buyer's rights to terminate this Agreement pursuant to this Section 13.2 on account of the Casualty or Condemnation Action that was the subject of the Seller's written notice. If this Agreement is terminated pursuant to this Section 13.2, neither the Seller nor the Buyer shall have any further rights or obligations under this Agreement except those that expressly survive the termination of this Agreement.

13.3 Allocation of Proceeds and Awards. If a Casualty or Condemnation Action occurs after the Effective Date and before the Closing and this Agreement is not terminated as permitted by the terms of Section 13.2, then (a) this Agreement shall remain in full force and effect, and (b) the Seller shall assign to the Buyer any proceeds of the Seller's insurance arising from such Casualty or awards or proceeds arising from such Condemnation Action, as applicable (the "Casualty/Condemnation Proceeds") (including the proceeds of any rental loss, business interruption or similar insurance allocable to the period from and after the Closing) and credit to the Buyer the amount of any deductible under the Seller's insurance in the case of a Casualty, provided, however that (i) the Seller shall be entitled to reimbursement from the Casualty/Condemnation Proceeds for the Seller's reasonable costs and expenses of collecting or negotiating the settlement of such Casualty/Condemnation Proceeds, including reasonable attorneys' fees and expenses, and (ii) the Seller shall be entitled to receive the proceeds of any rental loss, business interruption or similar insurance, or other compensation or loss of use of the Project, that are allocable to the period prior to the Closing Date.

ARTICLE XIV.

DEFAULT

14.1 Buyer's Default. If, on or before the Closing Date: (a) the Closing Conditions that are conditions precedent to the Buyer's obligation to consummate the Closing under the terms of this Agreement have been satisfied, the Seller is not in default with respect to any of its obligations hereunder, and the Buyer fails to deliver the Purchase Price in accordance with Section 3.2; or (b) the Buyer is in default of any of its other material obligations hereunder or any of the Buyer's representations or warranties was, when made, false or misleading in any material respect, and any such circumstance described in this clause (b) continues for thirty (30) days after the Seller's delivery of written notice thereof to the Buyer, which written notice shall detail such default or breach, then the Seller shall have the right to elect, as its sole and exclusive remedy at law and in equity, (i) to terminate this Agreement by written notice to the Buyer and the Escrow Agent, promptly after which the Escrow Agent shall deliver the Deposit to the Seller as liquidated damages as the Seller's sole remedy at law or in equity, and thereafter neither the Seller nor the Buyer shall have any further rights or obligations under this Agreement except those that expressly survive the termination of this Agreement, or (ii) to waive the Buyer's default hereunder and proceed to close the Transaction. The Seller and the Buyer agree that it would be impractical or extremely difficult to determine the actual damages to the Seller in the

event that the Closing does not occur by reason of any of the events described in this Section 14.1 and that a reasonable estimate of such damages is an amount equal to the Deposit.

14.2 Seller's Default. If, on or before the Closing Date, the Seller is in default of any of its material obligations hereunder or any of the Seller's representations or warranties was, when made, false or misleading in any material respect, and such circumstance described in this sentence continues for thirty (30) days after the Buyer's delivery of written notice thereof to the Seller, which written notice shall detail such default or breach, then the Buyer shall have the right to elect, as its sole and exclusive remedy: (a) to terminate this Agreement by written notice to the Seller and the Escrow Agent, in which event, the Escrow Agent shall promptly return the Deposit to the Buyer, (i) the Seller shall pay to the Buyer the amount of the Buyer's actual third-party costs, including its third-party counsel fees and due diligence costs, incurred in connection with the Transaction up to a maximum aggregate amount of Two Hundred Fifty Thousand and 00/100 Dollars (\$250,000.00) and (ii) thereafter neither the Seller nor the Buyer shall have any further rights or obligations under this Agreement except those that expressly survive the termination of this Agreement; (b) to waive the Seller's default hereunder and proceed to close the Transaction, or (c) to seek specific performance of this Agreement by the Seller.

ARTICLE XV.

MISCELLANEOUS

15.1 Amendment and Waiver. This Agreement may be amended, and any provision of this Agreement may be waived; provided that any such amendment or waiver will be binding upon a party only if such amendment or waiver is set forth in a writing executed by such party. No course of dealing between or among any Persons having any interest in this Agreement will be deemed effective to modify, amend or discharge any part of this Agreement or any rights or obligations of any Person under or by reason of this Agreement. No waiver of any of the provisions of this Agreement will be deemed or will constitute a waiver of any other provisions, whether or not similar, nor will any waiver constitute a continuing waiver.

15.2 Notices. All notices, demands and other communications to be given or delivered under or by reason of the provisions of this Agreement will be in writing and will be deemed to have been given: (i) when personally delivered; (ii) when accepted by the recipient's email address server if delivered by e-mail with an affirmative addressee-read or -receipt acknowledgement received by the sender, in PDF format and followed with written notice pursuant to the succeeding clause (iii); (iii) one (1) Business Day following the day when deposited with a reputable and established overnight express courier (charges prepaid), or (iv) upon the recipient's receipt or refusal of delivery following mailing by certified or registered mail, postage prepaid and return receipt requested. Unless another address is specified in writing, notices, demands and communications to the parties will be sent to the addresses indicated below:

Notices to the Seller:

Edgewood Court Limited Partnership
171 17th Street, Suite 1600
Atlanta, Georgia 30363
Attention: H. Jerome Russell, Jr.

with a copy to:

Taylor English Duma LLP
1600 Parkwood Circle, Suite 400
Atlanta, Georgia 30339
Attention: Gregory G. Schultz, Esq.
Email: gschultz@taylorenghish.com

with a copy to:

HJ Russell & Co.
171 17th Street, Suite 1600
Atlanta, Georgia 30363
Attention: Yasmine S. Murray, Esq.
Email: ymurray@hjrussell.com

Notices to the Buyer:

c/o Jonathan Rose Companies
551 Fifth Avenue, 23rd Floor
New York, New York 10177
Attention: Nathan D. Taft
Email: nathan@rosecompanies.com

with a copy to:

Goulston & Storrs PC
400 Atlantic Avenue
Boston, Massachusetts 02110
Attention: Deborah S. Horwitz, Esq.
Email: dhorwitz@goulstonstorrs.com

Notices to the Escrow Agent:

Mission Title Agency, LLC
44 Wall Street
New York, NY 10005
Attention: Thomas Hug
Email: thomas.hug@titlevest.com

15.3 Successors and Assigns. This Agreement and all of the covenants and agreements contained herein and rights, interests or obligations hereunder, by or on behalf of any of the parties hereto, will bind and inure to the benefit of the respective heirs, successors and assigns of the parties hereto whether so expressed or not, provided, however, that neither this Agreement nor any of the covenants and agreements herein or rights, interests or obligations hereunder may be assigned or delegated, directly or indirectly, by the Seller without the prior written consent of the Buyer or by the Buyer without the prior written consent of the Seller. Notwithstanding the foregoing, the Seller agrees that the Buyer shall have the right, without having to obtain the consent of the Seller, to assign this Agreement, provided that such assignment is to an Affiliate of the Buyer (a "Permitted Assignee"), the Buyer provides the Seller with not less than three (3) Business Days' notice prior to such assignment, and the applicable Permitted Assignee assumes all of the Buyer's obligations under this Agreement pursuant to an assignment and assumption agreement. From and after any such assignment, the Buyer shall be released from all of its obligations hereunder. In addition, the Buyer may, without having to obtain the consent of the Seller but with not less than three (3) Business Days' prior written notice to the Seller, and not less than five (5) days before Closing, direct the Seller at the Closing to make the Deed and the other Seller's Closing Documents in favor of, and deliver the Deed and the other Seller's Closing Documents to, a designated nominee that is an Affiliate of the Buyer.

15.4 Severability. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

15.5 Brokerage Fees and Commissions. The Seller and the Buyer each represents and warrants for the benefit of the other Party that it has not dealt with any broker or finder or other party in connection with this Agreement or the transactions contemplated herein and no Person is entitled to a fee, commission or other compensation in connection with the same, except for Andrew Daitch of Marcus & Millichap (the "Broker"). The Seller and the Buyer each hereby agree to indemnify, protect, defend and hold harmless the other party (and its members, managers, affiliates, advisors, and employees) from and against any and all losses, claims, damages, and costs (including, without limitation, court costs and reasonable attorney's fees) in connection with any claim for such a fee, commission or other compensation, to the extent such claim is based on the statement, agreement or action of the indemnifying party creating the obligation. The provisions of this Section 15.5 shall survive the Closing or the earlier termination of this Agreement.

15.6 No Third Party Beneficiaries. Nothing herein expressed or implied is intended or will be construed to confer upon or give to any Person other than the parties hereto and their respective permitted successors and assigns, any rights or remedies under or by reason of this Agreement, such third parties specifically including employees and creditors of each party hereto.

15.7 Complete Agreement. This Agreement contains the entire agreement and understanding among the Parties with respect to the subject matter hereof and supersede all prior

agreements and understandings whether written or oral, relating to such subject matter in any way, including that certain November 4, 2016 letter agreement between Affordable Housing Advisors and Rose Affordable Housing Preservation Fund LLC.

15.8 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be an original and all of which counterparts taken together shall constitute one and the same agreement. Signatures to this Agreement transmitted by facsimile, telecopy or email in “.pdf” or other electronic file format shall be valid and effective to bind the party so signing. At the request of any Party, each other Party will re-execute original forms of this Agreement and deliver them to the other Parties.

15.9 Governing Law and Venue; Waiver of Jury Trial. All questions concerning the construction, validity, enforcement and interpretation of this Agreement will be governed by the internal law of the State of Georgia without giving effect to any choice of law or conflict of law provision or rule that would cause the application of the laws of any jurisdictions other than the State of Georgia. Each of the parties hereto hereby irrevocably consents that any legal action or proceeding against such party under, arising out of, or in any manner relating to this Agreement or any other agreement, document or instrument arising out of or executed in connection with this Agreement shall be brought solely in any state or federal court of competent jurisdiction located in the State of Georgia or the State of New York. Each party hereby expressly and irrevocably waives any claim or defense in any action or proceeding brought in said jurisdictions based on any alleged lack of personal jurisdiction, improper venue, forum non conveniens, or any similar basis. THE PARTIES HERETO HEREBY WAIVE THEIR RIGHT TO TRIAL BY JURY OF ANY AND ALL DISPUTES ARISING UNDER THIS AGREEMENT OR WITH RESPECT TO THE TRANSACTIONS CONTEMPLATED HEREBY.

15.10 Duties and Responsibilities of Escrow Agent. The provisions of the any separate escrow agreement entered into by the Parties and Escrow Agent are incorporated by reference as if set forth fully herein.

15.11 Time of the Essence. Time is of the essence with respect to the Closing Date.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first written above.

SELLER:

**EDGEWOOD COURT LIMITED
PARTNERSHIP**, a Georgia limited partnership

By: 

5E2E978D73E8408
Name: H. Jerome Russell, Jr.

Title: President

[Signatures continue on the following page.]

[Signature Page to Purchase and Sale Agreement]

BUYER:

**ROSE AFFORDABLE HOUSING
PRESERVATION FUND IV, L.P.,**
a Delaware limited partnership

By:



Name: Nathan D. Taft

Title: Duly Authorized

EXHIBIT A

LEGAL DESCRIPTION OF THE PROJECT

Exhibit "A" LEGAL DESCRIPTION

ALL THAT TRACT OR PARCEL OF LAND lying and being in Land Lot 210 of the 15th District of DeKalb County, Georgia, and being more particularly described as follows:

TO FIND THE POINT OF BEGINNING, commence at the intersection of Land Lots 206, 207, 210 and 211 of the 15th District of DeKalb County, Georgia and from said point run thence west along the south Land Lot line of Land Lot 210 a distance of 1320.60 feet to a rebar found and the POINT OF BEGINNING; AND FROM THE POINT OF BEGINNING THUS ESTABLISHED, thence North 86 degrees 24 minutes 07 seconds West a distance of 265 feet to a point; thence North 10 degrees 58 minutes 52 seconds East a distance of 20.25 feet to a rebar set on the northerly side of Hardee Street; thence North 86 degrees 43 minutes 01 seconds West along the northerly side of Hardee Street a distance of 451.96 feet to a rebar found at the southeast corner of property now or formerly owned by Guy M. Tarrance, Jr.; thence North 05 degrees 53 minutes 59 seconds East along the east line of the aforesaid Tarrance property and the east line of property now or formerly owned by The Housing Authority of the City of Atlanta a distance of 284.03 feet to a rebar found on the southerly side of Marona Street; thence South 86 degrees 41 minutes 09 seconds East along the southerly side of Marona Street and continuing along an extension of the southerly side of said street and the southerly line of property now or formerly owned by The Housing Authority of the City of Atlanta a distance of 484.43 feet to a rebar set; thence South 86 degrees 41 minutes 09 seconds East along the southerly line of property now or formerly owned by The Housing Authority of the City of Atlanta a distance of 28.14 feet to the center line of a branch; thence in a general northerly direction along the center line of said branch and following the meanderings thereof along the east property lines of property now or formerly owned by The Housing Authority of the City of Atlanta, The City of Atlanta and The Georgia State School Building Authority a total distance of 852.50 feet to a point on the southerly line of property now or formerly owned by The City of Atlanta, the chord line distance of the last run line running as follows: North 07 degrees 20 minutes 37 seconds West a distance of 36.48 feet to a point; thence North 00 degrees 56 minutes 43 seconds East a distance of 59.19 feet to a point; thence North 00 degrees 52 minutes 12 seconds East a distance of 128.46 feet to a point; thence North 05 degrees 23 minutes 44 seconds East a distance of 151.90 feet to a point; thence North 03 degrees 37 minutes 52 seconds west a distance of 98.89 feet to a point; thence North 02 degrees 22 minutes 02 seconds East a distance of 53.39 feet to a rebar found; thence North 08 degrees 05 minutes 03 seconds East a distance of 27.46 feet to a point; thence North 04 degrees 52 minutes 01 seconds east a distance of 99.28 feet to a point; thence North 10 degrees 24 minutes 58 seconds East a distance of 69.09 feet to a point; thence North 18 degrees 03 minutes 20 seconds East a distance of 45.74 feet to a point; thence North 00 degrees 14 minutes 10 seconds West a distance of 61.38 feet to a point; thence North 10 degrees 05 minutes 52 seconds West a distance of 21.24 feet to the aforesaid southerly line of property now or formerly owned by The City of Atlanta; thence South 86 degrees 34 minutes 19 seconds East along the southerly line of the aforesaid City of Atlanta property and property now or formerly owned by Gould Investors Trust a distance of 780.14 feet to a rebar set on the westerly line of the aforesaid Gould Investors Trust property; thence South 03 degrees 28 minutes 40 seconds West along the westerly line of said Gould Investors Trust property and the westerly line of property now or formerly owned by Pacific & Southern Co., Inc., property a distance of 794.99 feet to a rebar found on a northwesterly line of the aforesaid Pacific & Southern Co., Inc., property ; thence South 67 degrees 09 minutes 51 seconds West along the northwesterly line of the aforesaid Pacific & Southern Co., Inc., property a distance of 345.21 feet to a rebar found; thence South 86 degrees 21 minutes 40 seconds West along the northwesterly line of the aforesaid Pacific & Southern Co., Inc., property a distance of 159.88 feet to a rebar found on the northeasterly line of property now or formerly owned by C.H. Ramsey; thence South 54 degrees 21 minutes 53 seconds West along the northwesterly line of the aforesaid Ramsey property a distance of 135 feet to a rebar set; thence South 03 degrees 13 minutes 47 seconds West along the westerly line of the aforesaid Ramsey property a distance of 100 feet to a rebar found at the POINT OF BEGINNING; being improved property known as Nos. 1554 – 94, 612 Hardee Street according to the present system of numbering improvements in the City of Atlanta, Georgia, and being more fully shown on a Boundary and Topographic Survey for Edgewood Court, Ltd., made by Travis Pruitt & Associates, P.C., Registered Land Surveyors, dated May 23, 1980, last revised September 18, 1980.

EXHIBIT B
FORM OF DEED

After recording please return to:

LIMITED WARRANTY DEED

STATE OF GEORGIA

COUNTY OF DEKALB

THIS INDENTURE is made as of the [] day of [], [], between **EDGEWOOD COURT LIMITED PARTNERSHIP**, a Georgia limited partnership (“*Grantor*”), and **ROSE AFFORDABLE HOUSING PRESERVATION FUND IV**, a Delaware limited partnership (“*Grantee*”) (the words “Grantor” and “Grantee” include all genders, plural and singular, and their respective heirs, successors and assigns where the context requires or permits).

W I T N E S E T H: That

Grantor, for and in consideration of the sum of Ten and No/100 Dollars (\$10.00) and other good and valuable consideration, in hand paid at and before the sealing and delivery of these presents, the receipt and sufficiency whereof are hereby acknowledged, has granted, sold, aliened, conveyed and confirmed, and by these presents does hereby grant, bargain, sell, alien, convey and confirm unto the said Grantee, all those tracts of land in DeKalb County, Georgia, described on **Exhibit A** attached hereto and made a part hereof (the “*Property*”).

TO HAVE AND TO HOLD the said Property, with all and singular the rights, members and appurtenances thereof, to the same being, belonging or in anywise appertaining, to the only proper use, benefit and behoof of the said Grantee forever in FEE SIMPLE, subject, however, to those matters set forth on **Exhibit B** attached hereto and made a part hereof.

AND THE SAID Grantor will warrant and forever defend the right and title to the Property unto the said Grantee against the claims of all persons owning, holding or claiming by, through or under the said Grantor, but not otherwise, and subject, however, to those matters set forth on **Exhibit B** attached hereto and made a part hereof.

(Signature page follows)

IN WITNESS WHEREOF, Grantor has caused this Limited Warranty Deed to be signed, sealed and delivered as of the day and year first above written.

**EDGEWOOD COURT LIMITED
PARTNERSHIP**, a Georgia limited partnership

By: _____
Name:
Title:

Signed, sealed and delivered in the presence of:

[CORPORATE SEAL]

Unofficial Witness

Notary Public
My Commission Expires: _____

(NOTARY SEAL)

EXHIBIT A TO DEED

(Legal Description)

EXHIBIT B TO DEED

(Permitted Exceptions)

EXHIBIT C

FORM OF BILL OF SALE

BILL OF SALE

THIS BILL OF SALE (this "**Bill of Sale**") is made as of [_____], by **EDGEWOOD COURT LIMITED PARTNERSHIP**, a Georgia limited partnership (the "**Seller**"), in favor of **ROSE AFFORDABLE HOUSING PRESERVATION FUND IV**, a Delaware limited partnership (the "**Buyer**"), with reference to the facts set forth below.

RECITALS

A. Concurrently with the execution and delivery of this Bill of Sale, the Buyer has acquired from the Seller title to that certain land more particularly described on **Exhibit A** attached hereto and incorporated herein by reference and all improvements situated thereon (collectively, the "**Real Property**") pursuant to that certain Purchase and Sale Agreement dated as of [_____] by and between the Assignor and the Assignee (the "**Agreement**"). Capitalized terms used but not defined in this Bill of Sale shall have the meanings ascribed to such terms in the Agreement.

B. In connection with the conveyance of the Real Property from the Seller to the Buyer, the Seller agrees to sell, assign, convey, transfer and deliver to the Buyer all machinery, equipment, appliances, furniture, fixtures, furnishings, supplies and other tangible personal property of every nature and description and all replacements thereof located on, or used by the Seller in connection with the ownership and operation of, the Real Property, but expressly excluding any fixtures or other personal property belonging to the Tenants (collectively, the "**Personal Property**").

NOW, THEREFORE, in consideration of the recitals set forth above and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Seller and the Buyer agree as set forth below.

1. **Conveyance**. The Seller hereby conveys and transfers to the Buyer and its successors and assigns, all of the Seller's right, title and interest in and to the Personal Property without recourse to the Seller and without representation or warranty, except as specifically set forth in this Bill of Sale.

2. **Seller's Warranties**. The Seller represents and warrants that the Personal Property is owned by the Seller free and clear of all Liens. The Seller agrees to warrant and defend the sale of the Personal Property to the Buyer against any and all persons or entities who claim title to the Personal Property through the Seller. The Seller's representations and warranties and covenants set forth in this **Section 2** are subject to the limitations on survival and liability that are set forth in Section 12.1 and Section 12.2 of the Agreement.

3. **"As Is"/"Where Is"**. The Personal Property is conveyed by the Seller to the Buyer on an "AS IS" AND "WHERE IS" condition. EXCEPT AS SET FORTH IN SECTION 2, THE SELLER MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE, QUALITY, OR MERCHANT ABILITY, WITH RESPECT TO THE PERSONAL PROPERTY.

4. **Successors and Assigns.** This Bill of Sale shall be binding upon and inure to the benefit of the Seller and the Buyer and their respective successors and permitted assigns.

5. **Governing Law and Venue.** All questions concerning the construction, validity, enforcement and interpretation of this Bill of Sale will be governed by the internal law of the State of Georgia without giving effect to any choice of law or conflict of law provision or rule that would cause the application of the laws of any jurisdictions other than the State of Georgia. Each of the parties hereto hereby irrevocably consents that any legal action or proceeding against such party under, arising out of, or in any manner relating to this Bill of Sale shall be brought solely in any state or federal court of competent jurisdiction located in the State of Georgia or the State of New York.

[Remainder of page intentionally left blank; signature page follows.]

Seller:

**EDGEWOOD COURT LIMITED
PARTNERSHIP, a Georgia limited partnership**

By: _____
Name:
Title:

EXHIBIT A TO BILL OF SALE
LEGAL DESCRIPTION OF THE PROJECT

EXHIBIT D

FORM OF ASSIGNMENT OF LEASES AND CONTRACTS

ASSIGNMENT AND ASSUMPTION OF LEASES AND CONTRACTS

THIS ASSIGNMENT AND ASSUMPTION OF LEASES AND CONTRACTS (this “**Assignment**”) is made as of [_____], by and between **EDGEWOOD COURT LIMITED PARTNERSHIP**, a Georgia limited partnership (the “**Assignor**”), and **ROSE AFFORDABLE HOUSING PRESERVATION FUND, IV**, a Delaware limited partnership (the “**Assignee**”), with reference to the facts set forth below.

RECITALS

A. Concurrently with the execution and delivery of this Assignment, the Assignee has acquired from the Assignor title to that certain land more particularly described on **Exhibit A** attached hereto and incorporated herein by reference and all improvements situated thereon (collectively, the “**Real Property**”) pursuant to that certain Purchase and Sale Agreement dated as of [_____] by and between the Assignor and the Assignee (the “**Agreement**”). Capitalized terms used but not defined in this Assignment shall have the meanings ascribed to such terms in the Agreement.

B. In connection with the conveyance of the Project from the Assignor to the Assignee, the Assignor agrees to assign, and the Assignee desires to assume, all of the Assignor’s right, title and interest in and to the Leases and certain of the Contracts, as more particularly set forth in this Assignment.

NOW, THEREFORE, in consideration of the recitals set forth above and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Assignor and the Assignee agree as set forth below.

1. **Assignment.** The Assignor hereby conveys and assigns to the Assignee all of the Assignor’s right, title and interest in and to (a) the Leases, as further described on **Exhibit B** attached hereto and incorporated herein by reference, (b) the Security Deposits, and (c) the Contracts that the Assignee has elected to assume pursuant to the Agreement, as more particularly set forth on **Exhibit C** attached hereto and incorporated herein by reference (collectively, the “**Assigned Assets**”), without recourse to the Assignor and without representation or warranty, except as specifically set forth in the Agreement.

2. **Assumption.** The Assignee hereby assumes any obligations of the Assignor under the Assigned Assets arising from and after the date of this Assignment.

3. **Indemnification.** The Assignor covenants and agrees to defend and indemnify the Assignee against, and save and hold the Assignee harmless from, any Losses incurred by the Assignee arising out of any breach or alleged breach of any of the Assignor’s obligations under or with respect to the Assigned Assets or out of any other facts connected with the Assigned Assets, occurring or alleged to have occurred before the date of this Assignment. The Assignee covenants and agrees to defend and indemnify the Assignor against, and save and hold the Assignor harmless from, any Losses incurred by the Assignor arising out of any breach or alleged breach of any of the Assignee’s obligations under or with respect to the Assigned Assets

or out of any other facts connected with the Assigned Assets, occurring or alleged to have occurred from and after date of this Assignment.

4. **Successors and Assigns.** This Assignment shall be binding upon and inure to the benefit of the Assignee and the Assignor and their respective successors and permitted assigns.

5. **Counterparts.** This Assignment may be executed in one or more counterparts, each of which shall be an original and all of which counterparts taken together shall constitute one and the same agreement. Signatures to this Assignment transmitted by facsimile, telecopy or email in “.pdf” or other electronic file format shall be valid and effective to bind the party so signing.

6. **Governing Law and Venue.** All questions concerning the construction, validity, enforcement and interpretation of this Assignment will be governed by the internal law of the State of Georgia without giving effect to any choice of law or conflict of law provision or rule that would cause the application of the laws of any jurisdictions other than the State of Georgia. Each of the parties hereto hereby irrevocably consents that any legal action or proceeding against such party under, arising out of, or in any manner relating to this Assignment shall be brought solely in any state or federal court of competent jurisdiction located in the State of Georgia or the State of New York.

7. **Limitations.** The indemnification obligations of the Assignor and the Assignee under this Assignment shall be limited as provided in Section 12.1 and Section 12.2 of the Agreement.

Assignor:

**EDGEWOOD COURT LIMITED
PARTNERSHIP, a Georgia limited partnership**

By: _____
Name:
Title:

Assignee:

**ROSE AFFORDABLE HOUSING
PRESERVATION FUND, IV, a Delaware limited
partnership**

By: _____
Name:
Title:

EXHIBIT A
TO
ASSIGNMENT AND ASSUMPTION OF LEASES AND CONTRACTS

LEGAL DESCRIPTION OF THE PROJECT

EXHIBIT B
TO
ASSIGNMENT AND ASSUMPTION OF LEASES AND CONTRACTS

LEASES

EXHIBIT C
TO
ASSIGNMENT AND ASSUMPTION OF LEASES AND CONTRACTS

CONTRACTS

EXHIBIT E

FORM OF ASSIGNMENT OF INTANGIBLES

ASSIGNMENT AND ASSUMPTION OF INTANGIBLE PROPERTY

THIS ASSIGNMENT AND ASSUMPTION OF INTANGIBLE PROPERTY (this “**Assignment**”) is made as of [_____], by and between **EDGEWOOD COURT LIMITED PARTNERSHIP**, a Georgia limited partnership (the “**Assignor**”), and **ROSE AFFORDABLE HOUSING PRESERVATION IV, L.P.**, a Delaware limited partnership (the “**Assignee**”), with reference to the facts set forth below.

RECITALS

A. Concurrently with the execution and delivery of this Assignment, the Assignee has acquired from the Assignor title to that certain land more particularly described on **Exhibit A** attached hereto incorporated herein by reference and all improvements situated thereon (collectively, the “**Real Property**”) pursuant to that certain Purchase and Sale Agreement dated as of [_____] by and between the Assignor and the Assignee (the “**Agreement**”). Capitalized terms used but not defined in this Assignment shall have the meanings ascribed to such terms in the Agreement.

B. In connection with the conveyance of the Project from the Assignor to the Assignee, the Assignor desires to assign, and the Assignee desires to assume, all of the Assignor’s right, title and interest in and to certain Intangible Property, as more particularly set forth in this Assignment.

NOW, THEREFORE, in consideration of the recitals set forth above and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Assignor and the Assignee agree as set forth below.

1. **Assignment.** The Assignor hereby conveys and assigns to the Assignee all of the Assignor’s right, title and interest in and to all intangible property now or hereafter used by the Assignor specifically related to, the ownership, use or operation of the Real Property or the Tangible Personal Property, including any Intellectual Property Rights, plans and specifications, surveys, catalogs, booklets, operating manuals and logs, tenant correspondence and files, records, tenant lists, tenant prospect lists and other mailing lists, leasing brochures and materials, advertising materials and other similar items, title inspections, Permits, Warranties, and other interests and rights of the Assignor relating to the ownership, use or operation of the Real Property or the Tangible Personal Property, including those items of intangible property set forth on **Exhibit B** attached hereto and incorporated by reference herein, other than the Assignor’s interest in, and rights under, the Contracts and the Leases and the Assignor’s interest in the Security Deposits, which Assignor is assigning, and Assignee is assuming, pursuant to that certain Assignment of Leases and Contracts of even date herewith (collectively, the “**Assigned Assets**”), without recourse to the Assignor and without representation or warranty, except as specifically set forth in the Agreement.

2. **Assumption.** The Assignee hereby assumes any obligations of the Assignor under the Assigned Assets arising from and after the date of this Assignment.

3. **Successors and Assigns.** This Assignment shall be binding upon and inure to the benefit of the Assignee and the Assignor and their respective successors and permitted assigns.

4. **Counterparts.** This Assignment may be executed in one or more counterparts, each of which shall be an original and all of which counterparts taken together shall constitute one and the same agreement. Signatures to this Assignment transmitted by facsimile, telecopy or email in “.pdf” or other electronic file format shall be valid and effective to bind the party so signing.

5. **Governing Law and Venue.** All questions concerning the construction, validity, enforcement and interpretation of this Assignment will be governed by the internal law of the State of Georgia without giving effect to any choice of law or conflict of law provision or rule that would cause the application of the laws of any jurisdictions other than the State of Georgia. Each of the parties hereto hereby irrevocably consents that any legal action or proceeding against such party under, arising out of, or in any manner relating to this Assignment shall be brought solely in any state or federal court of competent jurisdiction located in the State of Georgia or the State of New York.

Assignor:

**EDGEWOOD COURT LIMITED
PARTNERSHIP**, a Georgia limited partnership

By: _____
Name:
Title:

Assignee:

**ROSE AFFORDABLE HOUSING
PRESERVATION FUND IV, L.P.**, a Delaware
limited partnership

By: _____
Name:
Title:

EXHIBIT A
TO
ASSIGNMENT AND ASSUMPTION OF INTANGIBLE PROPERTY

LEGAL DESCRIPTION OF THE PROJECT

EXHIBIT B
TO
ASSIGNMENT AND ASSUMPTION OF INTANGIBLE PROPERTY

SCHEDULE 5.2

BUYER'S DUE DILIGENCE LIST

**ITEMS ARE LIMITED TO THOSE THAT ARE IN THE SELLER'S OR THE
PROPERTY MANAGER'S POSSESSION OR CONTROL**

| No. | Item | Received | Comments |
|-----------------|---|----------|----------------------------|
| 01.00.00 | UNDERWRITING - PRIORITY | | |
| 01.01.00 | Last 3 years of audits | | |
| 01.02.00 | Trailing 12 Income and Expense Statements - Upon Request | | |
| 01.03.00 | A Schedule of Rent Concessions in Place and Surviving Closing (Non Sec 8) | | Or confirm there are none. |
| 01.04.00 | Current Tax Assessment Statements, Copies of Most Recent Tax Bills | | |
| 01.05.00 | Copy of Owners Title Policy and/or title commitment | | |
| 01.06.00 | Most recent (or original) survey | | |
| 01.07.00 | Copies of All non-residential Leases and Amendments | | Or confirm there are none. |
| 01.08.00 | Current year Property Budget and Budget for 2017 | | |
| 01.09.00 | Three years of Utility Bills | | |
| 02.00.00 | PRE-CLOSING ITEMS | | |
| 02.01.00 | Schedule of All Tenant Deposits and Prepaid Rents | | |
| 02.02.00 | Current Rent Roll, monthly until closing | | |
| 02.03.00 | A List of Aged Delinquencies | | |
| 03.00.00 | HUD / REGULATORY | | |
| 03.01.00 | HUD / REGULATORY - HAP | | |
| 03.01.01 | Original HAP contract with Part II | | |
| 03.01.02 | All interim renewals | | |
| 03.01.03 | Current rent schedule | | |
| 03.01.04 | Most recent MOR | | |
| 03.01.05 | Most recent REAC | | |
| 03.01.06 | Copy of last request for HAP rent increase | | |
| 04.00.00 | LEGAL | | |
| 04.01.00 | GENERAL LEGAL AND CONTRACTS | | |
| 04.01.01 | Certificates of Occupancy (or equivalent) | | |
| 04.01.02 | Any permits, licenses or other governmental approvals pertaining to the Property | | |

| No. | Item | Received | Comments |
|---|--|----------|----------------------------|
| 04.01.03 | Third-party warranties and guarantees affecting the Property, or made by or in favor of the project owner entity | | |
| 04.01.04 | Any documents relating to zoning approvals and compliances | | |
| 04.01.05 | List of all third party and governmental consents required to consummate the Acquisition | | |
| 04.01.06 | Any ground lease, commercial lease, air space lease, license for use or occupancy of property, easement, or other permission relating to the Project between Seller and any other party. | | Or confirm there are none. |
| 04.02.00 LEGAL - VIOLATIONS/LITIGATION | | | |
| 04.02.01 | Any and all Zoning, Building, Fire Code and other Violation Notices | | Or confirm there are none. |
| 04.02.02 | Consent decrees, judgments, injunctions, other decrees or orders, arbitration orders, settlement agreements and other agreements concerning the property or to which the project owner entity is a party or is bound, requiring or prohibiting any future activities | | Or confirm there are none. |
| 04.02.03 | List and description of pending investigations and governmental proceedings related to the property | | Or confirm there are none. |
| 04.02.04 | List and description of litigation, claims and proceedings threatened or pending concerning the property and names of counsel involved | | Or confirm there are none. |
| 04.02.05 | List and description of areas where disputes concerning the property may be contemplated or possible, even if litigation is not actually threatened | | Or confirm there are none. |
| 04.02.06 | Copies of any and all notices with respect to the property or leases, including any notices regarding potential litigation | | Or confirm there are none. |
| 05.00.00 FINANCING | | | |
| 05.01.00 | Promissory notes, loan agreements, mortgages, security agreements and all other agreements relating to any financing or indebtedness for borrowed money encumbering the property | | |
| 06.00.00 PHYSICAL DUE DILIGENCE | | | |
| 06.01.00 | 5 Year Capital Budget, if available | | |
| 06.01.01 | Capital Expenditures Schedule | | |
| 06.01.02 | Engineering Reports | | |

| No. | Item | Received | Comments |
|--|---|----------|----------|
| 06.01.03 | Any and all soils, geotechnical, and drainage reports in Seller's possession or control | | |
| 06.01.04 | Any and all environmental/hazardous materials reports and studies in Seller's possession or control | | |
| 06.01.05 | Any and all capital needs assessments or similar reports in the Seller's possession or control | | |
| 06.01.06 | Any prior or current MAI appraisals in Seller's possession or control | | |
| 06.01.07 | Any seismic studies or PML reports in Seller's possession or control | | |
| 07.00.00 OPERATIONS / PROPERTY MANAGEMENT | | | |
| 07.00.01 | Service contracts and other contracts affecting the Property, including supply, maintenance, service, property management or contracts for repairs or capital improvements, including correspondence related thereto. | | |
| 07.00.02 | All policies of property, liability and environmental insurance with loss runs, last 5 years | | |
| 07.00.03 | Personal Property Inventory | | |
| 07.00.04 | Keys Log | | |
| 07.00.05 | Staff and employee salary and benefit schedule | | |
| 07.00.06 | Current Management Agreement | | |

SCHEDULE 9.1(c)

REQUIRED APPROVALS

1. The approval by HUD of transfer and assignment of the HAP Contract applicable to the Project to Buyer.
2. The approval by HUD of Buyer's lender and/or security interest of Buyer's lender in and to the HAP Contract.

SCHEDULE 9.4

RENT ROLL

Attached.

Rent Roll with Lease Charges

Edgewood Court (ec)

As Of = 01/31/2017

Month Year = 01/2017

| Unit | Unit Type | Unit Sq Ft | Resident | Name | Market Rent | Charge Code | Amount | Resident Deposit | Other Deposit | Move In | Lease Expiration | Move Out | Balance |
|--|-----------|------------|----------|---------------------|-------------|-------------|--------------|------------------|---------------|------------|------------------|----------|----------|
| Current/Notice/Vacant Residents | | | | | | | | | | | | | |
| 01A | ec-c | 966.00 | ec01a | GEORGIA COLEY | 1,045.00 | | 0.00 | 161.00 | 0.00 | 01/01/2005 | 12/31/2017 | | -45.00 |
| | | | | | | | Total | 0.00 | | | | | |
| 01B | ec-c | 966.00 | t0005997 | Quintara Saddler | 1,045.00 | | 0.00 | 284.00 | 0.00 | 08/17/2009 | 07/31/2017 | | 2,313.50 |
| | | | | | | | Total | 0.00 | | | | | |
| 01C | ec-c | 966.00 | t0014477 | Carmelita McClendon | 1,045.00 | | 0.00 | 205.00 | 0.00 | 11/07/2014 | 10/31/2017 | | 971.00 |
| | | | | | | | Total | 0.00 | | | | | |
| 01D | ec-c | 966.00 | t0013489 | Latrice Lewis | 1,045.00 | | 0.00 | 327.00 | 0.00 | 03/24/2014 | 02/28/2017 | | -1.00 |
| | | | | | | | Total | 0.00 | | | | | |
| 02A | ec-c | 966.00 | t0005533 | Fredia Hogens | 1,045.00 | | 0.00 | 105.00 | 0.00 | 04/15/2009 | 03/31/2017 | | 0.00 |
| | | | | | | | Total | 0.00 | | | | | |
| 02B | ec-c | 966.00 | t0016739 | Shamek Alexander | 1,045.00 | | 0.00 | 107.00 | 0.00 | 06/03/2016 | 06/30/2017 | | 0.00 |
| | | | | | | | Total | 0.00 | | | | | |
| 02C | ec-c | 966.00 | t0010504 | Sarah Chambliss | 1,045.00 | | 0.00 | 185.00 | 0.00 | 05/31/2012 | 04/30/2017 | | -131.70 |
| | | | | | | | Total | 0.00 | | | | | |
| 02D | ec-c | 966.00 | t0012192 | Deborah Caldwell | 1,045.00 | | 0.00 | 639.00 | 0.00 | 08/09/2013 | 07/31/2017 | | 0.00 |
| | | | | | | | Total | 0.00 | | | | | |
| 03A | ec-c | 966.00 | t0014796 | Roneisha Brown | 1,045.00 | | 0.00 | 309.00 | 0.00 | 03/31/2015 | 02/28/2018 | | 10.00 |
| | | | | | | | Total | 0.00 | | | | | |
| 03B | ec-c | 966.00 | t0006868 | Matiya Smith | 1,045.00 | | 0.00 | 232.00 | 0.00 | 02/02/2010 | 01/31/2018 | | 10.00 |
| | | | | | | | Total | 0.00 | | | | | |
| 03C | ec-c | 966.00 | ec03c | NISELE BROWNINGS | 1,045.00 | | 0.00 | 0.00 | 0.00 | 02/01/2005 | 01/31/2018 | | 0.00 |
| | | | | | | | Total | 0.00 | | | | | |
| 03D | ec-c | 966.00 | ec03d | BARBARA DAVIS | 1,045.00 | | 0.00 | 390.00 | 0.00 | 07/01/2005 | 06/30/2017 | | -29.00 |
| | | | | | | | Total | 0.00 | | | | | |
| 04A | ec-c | 966.00 | t0014507 | Saudia Crosland | 1,045.00 | | 0.00 | 215.00 | 0.00 | 12/04/2014 | 12/31/2016 | | 30.00 |
| | | | | | | | Total | 0.00 | | | | | |

Rent Roll with Lease Charges

Edgewood Court (ec)

As Of = 01/31/2017

Month Year = 01/2017

| Unit | Unit Type | Unit Sq Ft | Resident | Name | Market Rent | Charge Code | Amount | Resident Deposit | Other Deposit | Move In | Lease Expiration | Move Out | Balance |
|------|-----------|------------|----------|--------------------|-------------|-------------|--------------|------------------|---------------|------------|------------------|------------|----------|
| 04B | ec-c | 966.00 | t0007231 | Laura West | 1,045.00 | | 0.00 | 183.00 | 0.00 | 05/10/2010 | 04/30/2017 | | 25.00 |
| | | | | | | | Total | | 0.00 | | | | |
| 04C | ec-c | 966.00 | t0016098 | Shanika Barber | 1,045.00 | | 0.00 | 94.00 | 0.00 | 12/08/2015 | 11/30/2017 | | -4.00 |
| | | | | | | | Total | | 0.00 | | | | |
| 04D | ec-c | 966.00 | t0015779 | Azaelia Green | 1,045.00 | | 0.00 | 236.00 | 0.00 | 10/02/2015 | 09/30/2017 | | 0.00 |
| | | | | | | | Total | | 0.00 | | | | |
| 05A | ec-c | 966.00 | t0013486 | Taneisha Johnson | 1,045.00 | | 0.00 | 38.00 | 0.00 | 03/24/2014 | 02/28/2017 | 03/01/2017 | 0.00 |
| | | | | | | | Total | | 0.00 | | | | |
| 05B | ec-c | 966.00 | t0016323 | Courtney Torrence | 1,045.00 | | 0.00 | 66.00 | 0.00 | 02/05/2016 | 01/31/2018 | | 628.50 |
| | | | | | | | Total | | 0.00 | | | | |
| 05C | ec-c | 966.00 | ec05c | SATERIA BARNES | 1,045.00 | | 0.00 | 142.00 | 0.00 | 10/01/2008 | 09/30/2017 | | 1,106.00 |
| | | | | | | | Total | | 0.00 | | | | |
| 05D | ec-c | 966.00 | t0002829 | Shandra Miller | 1,045.00 | | 0.00 | 164.00 | 0.00 | 08/08/2007 | 07/31/2017 | | 0.00 |
| | | | | | | | Total | | 0.00 | | | | |
| 06A | ec-c | 966.00 | ec04d | Smara Cammick | 1,045.00 | | 0.00 | 35.00 | 0.00 | 03/04/2015 | 10/31/2017 | | -14.00 |
| | | | | | | | Total | | 0.00 | | | | |
| 06B | ec-c | 966.00 | t0014690 | Gracie Mitchell | 1,045.00 | | 0.00 | 129.00 | 0.00 | 01/30/2015 | 12/31/2016 | | 1.00 |
| | | | | | | | Total | | 0.00 | | | | |
| 06C | ec-c | 966.00 | t0016399 | Charmeka Handspike | 1,045.00 | | 0.00 | 25.00 | 0.00 | 03/18/2016 | 03/31/2018 | | 30.00 |
| | | | | | | | Total | | 0.00 | | | | |
| 06D | ec-c | 966.00 | ec06d | Phyllis Hall | 1,045.00 | | 0.00 | 498.00 | 0.00 | 12/01/2004 | 11/30/2017 | | -25.00 |
| | | | | | | | Total | | 0.00 | | | | |
| 07A | ec-c | 966.00 | t0013538 | Andrea Miller | 1,045.00 | | 0.00 | 248.00 | 0.00 | 04/03/2014 | 03/31/2017 | | 0.00 |
| | | | | | | | Total | | 0.00 | | | | |
| 07B | ec-c | 966.00 | t0016655 | Shantia Blackwell | 1,045.00 | | 0.00 | 59.00 | 0.00 | 04/28/2016 | 04/30/2017 | | 3,105.00 |
| | | | | | | | Total | | 0.00 | | | | |

Rent Roll with Lease Charges

Edgewood Court (ec)

As Of = 01/31/2017

Month Year = 01/2017

| Unit | Unit Type | Unit Sq Ft | Resident | Name | Market Rent | Charge Code | Amount | Resident Deposit | Other Deposit | Move In | Lease Expiration | Move Out | Balance |
|------|-----------|------------|----------|-------------------|-------------|--------------|-------------|------------------|---------------|------------|------------------|------------|-----------|
| 07C | ec-c | 966.00 | t0009842 | Kahnillia Wright | 1,045.00 | | 0.00 | 0.00 | 0.00 | 12/16/2011 | 11/30/2016 | 12/30/2016 | -1,758.00 |
| | | | | | | Total | 0.00 | | | | | | |
| 07D | ec-c | 966.00 | t0009843 | Melissa Pettway | 1,045.00 | | 0.00 | 417.00 | 0.00 | 12/16/2011 | 11/30/2017 | | 0.00 |
| | | | | | | Total | 0.00 | | | | | | |
| 08A | ec-c | 966.00 | t0002342 | TIFFANY KELLAM | 1,045.00 | | 0.00 | 192.00 | 0.00 | 05/10/2007 | 04/30/2017 | | 0.00 |
| | | | | | | Total | 0.00 | | | | | | |
| 08B | ec-c | 966.00 | t0003971 | TIFFANY CHEESE | 1,045.00 | | 0.00 | 179.00 | 0.00 | 05/21/2008 | 04/30/2017 | | 600.00 |
| | | | | | | Total | 0.00 | | | | | | |
| 08C | ec-c | 966.00 | ec08c | Charles Vines | 1,045.00 | | 0.00 | 126.00 | 0.00 | 09/01/2005 | 08/31/2017 | | -14.00 |
| | | | | | | Total | 0.00 | | | | | | |
| 08D | ec-c | 966.00 | ec08d | MELODY DANIELY | 1,045.00 | | 0.00 | 348.00 | 0.00 | 12/01/2004 | 11/30/2017 | | -156.64 |
| | | | | | | Total | 0.00 | | | | | | |
| 09A | ec-c | 966.00 | t0012406 | Sheila Watkins | 1,045.00 | | 0.00 | 267.00 | 0.00 | 10/01/2013 | 09/30/2017 | | -267.50 |
| | | | | | | Total | 0.00 | | | | | | |
| 09B | ec-c | 966.00 | t0014755 | Adessa Barkley | 1,045.00 | | 0.00 | 36.00 | 0.00 | 02/18/2015 | 01/31/2018 | | 0.00 |
| | | | | | | Total | 0.00 | | | | | | |
| 09C | ec-c | 966.00 | ec09c | Michael Mathis | 1,045.00 | | 0.00 | 212.00 | 0.00 | 05/01/2005 | 04/30/2017 | | 0.00 |
| | | | | | | Total | 0.00 | | | | | | |
| 09D | ec-c | 966.00 | t0013894 | Reeva Lemons | 1,045.00 | | 0.00 | 39.00 | 0.00 | 05/30/2014 | 04/30/2017 | | 0.00 |
| | | | | | | Total | 0.00 | | | | | | |
| 10A | ec-c | 966.00 | t0011813 | Ashleigh Morrison | 1,045.00 | | 0.00 | 165.00 | 0.00 | 05/20/2013 | 04/30/2017 | | 0.00 |
| | | | | | | Total | 0.00 | | | | | | |
| 10B | ec-c | 966.00 | t0005784 | Sherell Harkness | 1,045.00 | | 0.00 | 176.00 | 0.00 | 03/02/2015 | 06/30/2017 | | 0.00 |
| | | | | | | Total | 0.00 | | | | | | |
| 10C | ec-c | 966.00 | t0016404 | Shakita Jackson | 1,045.00 | | 0.00 | 50.00 | 0.00 | 03/18/2016 | 02/28/2018 | | -70.00 |
| | | | | | | Total | 0.00 | | | | | | |

Rent Roll with Lease Charges

Edgewood Court (ec)

As Of = 01/31/2017

Month Year = 01/2017

| Unit | Unit Type | Unit Sq Ft | Resident | Name | Market Rent | Charge Code | Amount | Resident Deposit | Other Deposit | Move In | Lease Expiration | Move Out | Balance |
|--------------|-----------|------------|----------|-------------------|-------------|-------------|-------------|------------------|---------------|------------|------------------|----------|---------|
| 10D | ec-c | 966.00 | t0014721 | Natashia Oneal | 1,045.00 | | 0.00 | 179.00 | 0.00 | 01/30/2015 | 12/31/2017 | | -157.00 |
| Total | | | | | | | 0.00 | | | | | | |
| 11A | ec-c | 966.00 | t0017491 | Britini Willis | 1,045.00 | | 0.00 | 419.00 | 0.00 | 01/26/2017 | 01/31/2018 | | -83.00 |
| Total | | | | | | | 0.00 | | | | | | |
| 11B | ec-c | 966.00 | t0003644 | Vivian Bailey | 1,045.00 | | 0.00 | 453.00 | 0.00 | 03/04/2008 | 02/28/2017 | | 0.00 |
| Total | | | | | | | 0.00 | | | | | | |
| 11C | ec-c | 966.00 | t0010086 | Talesha Weaver | 1,045.00 | | 0.00 | 50.00 | 0.00 | 02/14/2012 | 01/31/2018 | | 0.00 |
| Total | | | | | | | 0.00 | | | | | | |
| 11D | ec-c | 966.00 | t0016242 | Pearl Adams | 1,045.00 | | 0.00 | 77.00 | 0.00 | 01/06/2016 | 12/31/2017 | | 0.00 |
| Total | | | | | | | 0.00 | | | | | | |
| 12A | ec-c | 966.00 | t0007176 | Devier Ross | 1,045.00 | | 0.00 | 156.00 | 0.00 | 05/05/2014 | 03/31/2017 | | -65.00 |
| Total | | | | | | | 0.00 | | | | | | |
| 12B | ec-c | 966.00 | ec12b | FRANKIE SINGLETON | 1,045.00 | | 0.00 | 413.00 | 0.00 | 03/01/2005 | 02/28/2018 | | -4.00 |
| Total | | | | | | | 0.00 | | | | | | |
| 12C | ec-c | 966.00 | t0017366 | Norine Mullins | 1,045.00 | | 0.00 | 133.00 | 0.00 | 10/21/2016 | 09/30/2017 | | 0.00 |
| Total | | | | | | | 0.00 | | | | | | |
| 12D | ec-c | 966.00 | t0015448 | Anita Bigby | 1,045.00 | | 0.00 | 125.00 | 0.00 | 07/06/2015 | 06/30/2017 | | 0.00 |
| Total | | | | | | | 0.00 | | | | | | |
| 14A | ec-b | 690.00 | t0008564 | Melinda Coleman | 933.00 | | 0.00 | 248.00 | 0.00 | 01/31/2011 | 12/31/2017 | | -241.00 |
| Total | | | | | | | 0.00 | | | | | | |
| 14B | ec-b | 690.00 | t0010599 | Ichelle Jones | 933.00 | | 0.00 | 187.00 | 0.00 | 06/28/2012 | 05/31/2017 | | -16.00 |
| Total | | | | | | | 0.00 | | | | | | |
| 14C | ec-b | 690.00 | t0016651 | Diamond Fickling | 933.00 | | 0.00 | 56.00 | 0.00 | 05/06/2016 | 05/31/2017 | | 0.00 |
| Total | | | | | | | 0.00 | | | | | | |
| 14D | ec-b | 690.00 | t0012361 | Loutissue Gresham | 933.00 | | 0.00 | 148.00 | 0.00 | 09/26/2013 | 08/31/2017 | | 5.00 |
| Total | | | | | | | 0.00 | | | | | | |

Rent Roll with Lease Charges

Edgewood Court (ec)

As Of = 01/31/2017

Month Year = 01/2017

| Unit | Unit Type | Unit Sq Ft | Resident | Name | Market Rent | Charge Code | Amount | Resident Deposit | Other Deposit | Move In | Lease Expiration | Move Out | Balance |
|--------------|-----------|------------|----------|--------------------|-------------|-------------|-------------|------------------|---------------|------------|------------------|----------|----------|
| 14E | ec-d | 1,219.00 | ec14e | Katheryn Thornton | 1,116.00 | | 0.00 | 394.00 | 0.00 | 05/01/2005 | 04/30/2017 | | 30.00 |
| Total | | | | | | | 0.00 | | | | | | |
| 14F | ec-d | 1,219.00 | t0017041 | Valencia Gray | 1,116.00 | | 0.00 | 72.00 | 0.00 | 07/19/2016 | 07/31/2017 | | 0.00 |
| Total | | | | | | | 0.00 | | | | | | |
| 15A | ec-c | 966.00 | t0011499 | Debra Towler | 1,045.00 | | 0.00 | 177.00 | 0.00 | 03/04/2013 | 02/28/2018 | | -171.00 |
| Total | | | | | | | 0.00 | | | | | | |
| 15B | ec-c | 966.00 | t0014462 | Shanell Dodson | 1,045.00 | | 0.00 | 96.00 | 0.00 | 11/26/2014 | 10/31/2017 | | 2,040.00 |
| Total | | | | | | | 0.00 | | | | | | |
| 15C | ec-c | 966.00 | t0002581 | Jamecia Strozier | 1,045.00 | | 0.00 | 237.00 | 0.00 | 06/21/2007 | 05/31/2017 | | -5.00 |
| Total | | | | | | | 0.00 | | | | | | |
| 15D | ec-c | 966.00 | t0009083 | Widline Mompremier | 1,045.00 | | 0.00 | 202.00 | 0.00 | 06/06/2011 | 05/31/2017 | | -36.00 |
| Total | | | | | | | 0.00 | | | | | | |
| 17A | ec-c | 966.00 | t0010440 | Shenise Graham | 1,045.00 | | 0.00 | 204.00 | 0.00 | 05/10/2012 | 04/30/2017 | | 38.00 |
| Total | | | | | | | 0.00 | | | | | | |
| 17B | ec-c | 966.00 | t0011044 | Brandi Dunn | 1,045.00 | | 0.00 | 208.00 | 0.00 | 10/19/2012 | 09/30/2017 | | -17.00 |
| Total | | | | | | | 0.00 | | | | | | |
| 17C | ec-c | 966.00 | t0011969 | Shaunon Daniels | 1,045.00 | | 0.00 | 207.00 | 0.00 | 07/02/2013 | 06/30/2017 | | -321.00 |
| Total | | | | | | | 0.00 | | | | | | |
| 17D | ec-c | 966.00 | t0017250 | Jaleelah Sims | 1,045.00 | | 0.00 | 196.00 | 0.00 | 09/16/2016 | 09/30/2017 | | -23.00 |
| Total | | | | | | | 0.00 | | | | | | |
| 18A | ec-c | 966.00 | t0016215 | Feira McCrary | 1,045.00 | | 0.00 | 167.00 | 0.00 | 01/06/2016 | 12/31/2017 | | 50.00 |
| Total | | | | | | | 0.00 | | | | | | |
| 18B | ec-c | 966.00 | t0006943 | Richanda Carter | 1,045.00 | | 0.00 | 51.00 | 0.00 | 02/16/2010 | 01/31/2018 | | 0.00 |
| Total | | | | | | | 0.00 | | | | | | |
| 18C | ec-c | 966.00 | t0010152 | Maweena Amedetohou | 1,045.00 | | 0.00 | 54.00 | 0.00 | 03/02/2012 | 02/28/2018 | | 0.00 |
| Total | | | | | | | 0.00 | | | | | | |

Rent Roll with Lease Charges

Edgewood Court (ec)

As Of = 01/31/2017

Month Year = 01/2017

| Unit | Unit Type | Unit Sq Ft | Resident | Name | Market Rent | Charge Code | Amount | Resident Deposit | Other Deposit | Move In | Lease Expiration | Move Out | Balance |
|------|-----------|------------|----------|------------------|-------------|-------------|--------------|------------------|---------------|------------|------------------|------------|----------|
| 18D | ec-c | 966.00 | t0010332 | Kelly King | 1,045.00 | | 0.00 | 25.00 | 0.00 | 04/18/2012 | 03/31/2017 | | 0.00 |
| | | | | | | | Total | 0.00 | | | | | |
| 19A | ec-b | 690.00 | t0014014 | Jasmine Heard | 933.00 | | 0.00 | 177.00 | 0.00 | 07/02/2014 | 06/30/2017 | | -238.00 |
| | | | | | | | Total | 0.00 | | | | | |
| 19B | ec-b | 690.00 | t0014726 | Jamil Nolan | 933.00 | | 0.00 | 469.00 | 0.00 | 03/03/2015 | 02/28/2017 | | -0.70 |
| | | | | | | | Total | 0.00 | | | | | |
| 19C | ec-b | 690.00 | t0016749 | Nicole Jackson | 933.00 | | 0.00 | 50.00 | 0.00 | 08/16/2016 | 08/31/2017 | 01/09/2017 | 735.00 |
| | | | | | | | Total | 0.00 | | | | | |
| 19D | ec-b | 690.00 | t0015610 | Kanisha Hammond | 933.00 | | 0.00 | 145.00 | 0.00 | 11/09/2015 | 10/31/2017 | | -92.00 |
| | | | | | | | Total | 0.00 | | | | | |
| 19E | ec-d | 1,219.00 | t0014506 | Kassie Gaines | 1,116.00 | | 0.00 | 25.00 | 0.00 | 11/24/2014 | 10/31/2017 | | 6.00 |
| | | | | | | | Total | 0.00 | | | | | |
| 19F | ec-d | 1,219.00 | VACANT | VACANT | 1,116.00 | | 0.00 | 0.00 | 0.00 | | | | 0.00 |
| | | | | | | | Total | 0.00 | | | | | |
| 20A | ec-c | 966.00 | t0000606 | BRIDGET BALLARD | 1,045.00 | | 0.00 | 82.00 | 0.00 | 03/27/2006 | 02/28/2018 | | -18.00 |
| | | | | | | | Total | 0.00 | | | | | |
| 20B | ec-c | 966.00 | t0016293 | Lois Blount | 1,045.00 | | 0.00 | 332.00 | 0.00 | 03/09/2016 | 03/31/2017 | | 934.50 |
| | | | | | | | Total | 0.00 | | | | | |
| 20C | ec-c | 966.00 | t0016292 | Cassandra Watson | 1,045.00 | | 0.00 | 338.00 | 0.00 | 03/16/2016 | 02/28/2018 | | -56.00 |
| | | | | | | | Total | 0.00 | | | | | |
| 20D | ec-c | 966.00 | t0014401 | Kelli Smith | 1,045.00 | | 0.00 | 163.00 | 0.00 | 10/15/2014 | 09/30/2017 | | 2,759.00 |
| | | | | | | | Total | 0.00 | | | | | |
| 21A | ec-c | 966.00 | ec40a | DIWAUNA CROWDER | 1,045.00 | | 0.00 | 59.00 | 0.00 | 05/01/2005 | 04/30/2017 | | -18.00 |
| | | | | | | | Total | 0.00 | | | | | |
| 21B | ec-c | 966.00 | t0011568 | Dalonica Jackson | 1,045.00 | | 0.00 | 49.00 | 0.00 | 03/22/2013 | 02/28/2018 | | 0.00 |
| | | | | | | | Total | 0.00 | | | | | |

Rent Roll with Lease Charges

Edgewood Court (ec)

As Of = 01/31/2017

Month Year = 01/2017

| Unit | Unit Type | Unit Sq Ft | Resident | Name | Market Rent | Charge Code | Amount | Resident Deposit | Other Deposit | Move In | Lease Expiration | Move Out | Balance |
|--------------|-----------|------------|----------|-------------------|-------------|-------------|-------------|------------------|---------------|------------|------------------|----------|----------|
| 21C | ec-c | 966.00 | t0000509 | SHAMILYA MCCLAIN | 1,045.00 | | 0.00 | 84.00 | 0.00 | 02/10/2006 | 01/31/2018 | | 0.00 |
| Total | | | | | | | 0.00 | | | | | | |
| 21D | ec-c | 966.00 | t0016865 | Tina Johnson | 1,045.00 | | 0.00 | 36.00 | 0.00 | 06/09/2016 | 06/30/2017 | | -0.46 |
| Total | | | | | | | 0.00 | | | | | | |
| 22A | ec-d | 1,219.00 | t0016593 | Denise Walker | 1,116.00 | | 0.00 | 198.00 | 0.00 | 04/16/2016 | 05/01/2017 | | 1,380.00 |
| Total | | | | | | | 0.00 | | | | | | |
| 22B | ec-d | 1,219.00 | t0010509 | Cornelia Anthony | 1,116.00 | | 0.00 | 617.00 | 0.00 | 06/01/2012 | 06/30/2017 | | 5.00 |
| Total | | | | | | | 0.00 | | | | | | |
| 22C | ec-b | 690.00 | t0009055 | Rhonda Smith | 933.00 | | 0.00 | 98.00 | 0.00 | 05/27/2011 | 04/30/2017 | | 0.00 |
| Total | | | | | | | 0.00 | | | | | | |
| 22D | ec-b | 690.00 | ec22d | Thelma Swanson | 933.00 | | 0.00 | 236.00 | 0.00 | 12/01/2004 | 11/30/2017 | | 0.00 |
| Total | | | | | | | 0.00 | | | | | | |
| 22E | ec-b | 690.00 | t0017313 | Priscilla Fegins | 933.00 | | 0.00 | 153.00 | 0.00 | 10/20/2016 | 09/30/2017 | | 3.00 |
| Total | | | | | | | 0.00 | | | | | | |
| 22F | ec-b | 690.00 | VACANT | VACANT | 933.00 | | 0.00 | 0.00 | 0.00 | | | | 0.00 |
| Total | | | | | | | 0.00 | | | | | | |
| 23A | ec-a | 594.00 | t0017099 | Wilsheika Edwards | 821.00 | | 0.00 | 198.00 | 0.00 | 08/03/2016 | 08/31/2017 | | 0.00 |
| Total | | | | | | | 0.00 | | | | | | |
| 23B | ec-a | 594.00 | t0013556 | Timothy Colzie | 821.00 | | 0.00 | 75.00 | 0.00 | 04/08/2014 | 03/31/2017 | | 4.00 |
| Total | | | | | | | 0.00 | | | | | | |
| 23C | ec-a | 594.00 | t0005564 | Brenda Thornton | 821.00 | | 0.00 | 93.00 | 0.00 | 04/27/2015 | 03/31/2017 | | 4.00 |
| Total | | | | | | | 0.00 | | | | | | |
| 23D | ec-a | 594.00 | t0008742 | Ruby Snow | 821.00 | | 0.00 | 248.00 | 0.00 | 03/07/2011 | 02/28/2018 | | -1.00 |
| Total | | | | | | | 0.00 | | | | | | |
| 23E | ec-a | 594.00 | t0003466 | Maggie Lee | 821.00 | | 0.00 | 348.00 | 0.00 | 01/18/2008 | 12/31/2017 | | -3.00 |
| Total | | | | | | | 0.00 | | | | | | |

Rent Roll with Lease Charges

Edgewood Court (ec)

As Of = 01/31/2017

Month Year = 01/2017

| Unit | Unit Type | Unit Sq Ft | Resident | Name | Market Rent | Charge Code | Amount | Resident Deposit | Other Deposit | Move In | Lease Expiration | Move Out | Balance |
|------|-----------|------------|----------|--------------------|-------------|-------------|--------------|------------------|---------------|------------|------------------|----------|---------|
| 23F | ec-a | 594.00 | t0012166 | Patricia Franklin | 821.00 | | 0.00 | 90.00 | 0.00 | 08/06/2013 | 07/31/2017 | | 5.00 |
| | | | | | | | Total | 0.00 | | | | | |
| 24A | ec-a | 594.00 | t0003344 | Rhonda Mitchell | 821.00 | | 0.00 | 117.00 | 0.00 | 12/13/2007 | 11/30/2017 | | -12.00 |
| | | | | | | | Total | 0.00 | | | | | |
| 24B | ec-a | 594.00 | t0016321 | Kiara McCommons | 821.00 | | 0.00 | 244.00 | 0.00 | 02/19/2016 | 02/28/2018 | | 0.00 |
| | | | | | | | Total | 0.00 | | | | | |
| 24C | ec-a | 594.00 | t0014452 | Ashley McClendon | 821.00 | | 0.00 | 182.00 | 0.00 | 11/05/2014 | 10/31/2017 | | -12.00 |
| | | | | | | | Total | 0.00 | | | | | |
| 24D | ec-a | 594.00 | t0011966 | Debbie Ellington | 821.00 | | 0.00 | 132.00 | 0.00 | 07/01/2013 | 06/30/2017 | | 10.00 |
| | | | | | | | Total | 0.00 | | | | | |
| 24E | ec-a | 594.00 | t0014082 | Mitchell Murphy | 821.00 | | 0.00 | 302.00 | 0.00 | 08/11/2014 | 07/31/2017 | | -12.00 |
| | | | | | | | Total | 0.00 | | | | | |
| 24F | ec-a | 594.00 | ec24f | Willie Hardeman | 821.00 | | 0.00 | 239.00 | 0.00 | 10/01/2005 | 09/30/2017 | | -273.00 |
| | | | | | | | Total | 0.00 | | | | | |
| 25A | ec-a | 594.00 | t0016289 | Tramaine Ashford | 821.00 | | 0.00 | 90.00 | 0.00 | 02/05/2016 | 01/31/2018 | | 4.00 |
| | | | | | | | Total | 0.00 | | | | | |
| 25B | ec-a | 594.00 | t0011401 | Kevin Turner | 821.00 | | 0.00 | 132.00 | 0.00 | 02/01/2013 | 01/31/2018 | | -1.00 |
| | | | | | | | Total | 0.00 | | | | | |
| 25C | ec-a | 594.00 | ec25c | BRENDA BOWEN | 821.00 | | 0.00 | 211.00 | 0.00 | 09/01/2005 | 08/31/2017 | | 5.00 |
| | | | | | | | Total | 0.00 | | | | | |
| 25D | ec-a | 594.00 | ec25d | PERRY ROCKMORE JR. | 821.00 | | 0.00 | 298.00 | 0.00 | 11/01/2005 | 10/31/2017 | | 560.50 |
| | | | | | | | Total | 0.00 | | | | | |
| 25E | ec-a | 594.00 | t0017125 | Rosalyn Demons | 821.00 | | 0.00 | 105.00 | 0.00 | 09/16/2016 | 09/30/2017 | | 15.00 |
| | | | | | | | Total | 0.00 | | | | | |
| 25F | ec-a | 594.00 | ec25f | JoAnn Smith | 821.00 | | 0.00 | 218.00 | 0.00 | 11/01/2005 | 10/31/2017 | | -74.00 |
| | | | | | | | Total | 0.00 | | | | | |

Rent Roll with Lease Charges

Edgewood Court (ec)

As Of = 01/31/2017

Month Year = 01/2017

| Unit | Unit Type | Unit Sq Ft | Resident | Name | Market Rent | Charge Code | Amount | Resident Deposit | Other Deposit | Move In | Lease Expiration | Move Out | Balance |
|--------------|-----------|------------|----------|-------------------|-------------|-------------|-------------|------------------|---------------|------------|------------------|----------|----------|
| 26A | ec-a | 594.00 | t0016589 | Randy Walker | 821.00 | | 0.00 | 210.00 | 0.00 | 04/15/2016 | 04/30/2017 | | 0.00 |
| Total | | | | | | | 0.00 | | | | | | |
| 26B | ec-a | 594.00 | ec26b | Darrell Andrews | 821.00 | | 0.00 | 223.00 | 0.00 | 05/03/2005 | 04/30/2017 | | 4.00 |
| Total | | | | | | | 0.00 | | | | | | |
| 26C | ec-a | 594.00 | t0014455 | Latasha Walton | 821.00 | | 0.00 | 290.00 | 0.00 | 11/05/2014 | 10/31/2017 | | 0.00 |
| Total | | | | | | | 0.00 | | | | | | |
| 26D | ec-a | 594.00 | ec26d | NATHANIEL GATES | 821.00 | | 0.00 | 86.00 | 0.00 | 04/01/2005 | 03/31/2017 | | 0.00 |
| Total | | | | | | | 0.00 | | | | | | |
| 26E | ec-a | 594.00 | t0005199 | James Barnette | 821.00 | | 0.00 | 575.00 | 0.00 | 01/23/2009 | 12/31/2017 | | 4.00 |
| Total | | | | | | | 0.00 | | | | | | |
| 26F | ec-a | 594.00 | VACANT | VACANT | 821.00 | | 0.00 | 0.00 | 0.00 | | | | 0.00 |
| Total | | | | | | | 0.00 | | | | | | |
| 27A | ec-c | 966.00 | t0017075 | Terrica Wingfield | 1,045.00 | | 0.00 | 25.00 | 0.00 | 09/16/2016 | 09/30/2017 | | 25.00 |
| Total | | | | | | | 0.00 | | | | | | |
| 27B | ec-c | 966.00 | t0012744 | Shaneal Tompkins | 1,045.00 | | 0.00 | 242.00 | 0.00 | 12/13/2013 | 11/30/2017 | | 0.00 |
| Total | | | | | | | 0.00 | | | | | | |
| 27C | ec-c | 966.00 | t0016318 | Shaneika Wimby | 1,045.00 | | 0.00 | 51.00 | 0.00 | 02/19/2016 | 02/28/2018 | | 5,091.00 |
| Total | | | | | | | 0.00 | | | | | | |
| 27D | ec-c | 966.00 | t0016229 | Crystal Grier | 1,045.00 | | 0.00 | 245.00 | 0.00 | 01/06/2016 | 12/31/2017 | | 0.00 |
| Total | | | | | | | 0.00 | | | | | | |
| 28A | ec-b | 690.00 | t0002691 | Jasmine Campbell | 933.00 | | 0.00 | 140.00 | 0.00 | 07/17/2007 | 06/30/2017 | | 27.00 |
| Total | | | | | | | 0.00 | | | | | | |
| 28B | ec-b | 690.00 | ec28b | Herbert Grooms | 933.00 | | 0.00 | 722.00 | 0.00 | 07/01/2005 | 06/30/2017 | | -29.00 |
| Total | | | | | | | 0.00 | | | | | | |
| 28C | ec-b | 690.00 | t0016113 | Antoria Ponder | 933.00 | | 0.00 | 364.00 | 0.00 | 12/16/2015 | 11/30/2017 | | -12.00 |
| Total | | | | | | | 0.00 | | | | | | |

Rent Roll with Lease Charges

Edgewood Court (ec)

As Of = 01/31/2017

Month Year = 01/2017

| Unit | Unit Type | Unit Sq Ft | Resident | Name | Market Rent | Charge Code | Amount | Resident Deposit | Other Deposit | Move In | Lease Expiration | Move Out | Balance |
|------|-----------|------------|----------|-------------------|-------------|-------------|--------------|------------------|---------------|------------|------------------|----------|----------|
| 28D | ec-b | 690.00 | t0001798 | TYQUESHA BURLEY | 933.00 | | 0.00 | 220.00 | 0.00 | 02/20/2007 | 01/31/2018 | | -0.18 |
| | | | | | | | Total | | 0.00 | | | | |
| 28E | ec-d | 1,219.00 | t0017143 | Latisha Moss | 1,116.00 | | 0.00 | 369.00 | 0.00 | 09/22/2016 | 09/30/2017 | | -3.00 |
| | | | | | | | Total | | 0.00 | | | | |
| 28F | ec-d | 1,219.00 | t0014077 | Aquana Jones | 1,116.00 | | 0.00 | 99.00 | 0.00 | 08/11/2014 | 07/31/2016 | | 5.00 |
| | | | | | | | Total | | 0.00 | | | | |
| 29A | ec-b | 690.00 | t0012178 | Keisha Dodson | 933.00 | | 0.00 | 118.00 | 0.00 | 08/07/2013 | 07/31/2017 | | -12.00 |
| | | | | | | | Total | | 0.00 | | | | |
| 29B | ec-b | 690.00 | t0012961 | Tashena Heard | 933.00 | | 0.00 | 48.00 | 0.00 | 02/21/2014 | 01/31/2018 | | 0.00 |
| | | | | | | | Total | | 0.00 | | | | |
| 29C | ec-b | 690.00 | t0015780 | Diamante Williams | 933.00 | | 0.00 | 25.00 | 0.00 | 11/09/2015 | 10/31/2017 | | -9.00 |
| | | | | | | | Total | | 0.00 | | | | |
| 29D | ec-b | 690.00 | t0010155 | Laquetta Burley | 933.00 | | 0.00 | 237.00 | 0.00 | 03/02/2012 | 02/28/2017 | | -2.50 |
| | | | | | | | Total | | 0.00 | | | | |
| 29E | ec-d | 1,219.00 | t0014525 | Ebony Jackson | 1,116.00 | | 0.00 | 25.00 | 0.00 | 12/12/2014 | 11/30/2017 | | -17.00 |
| | | | | | | | Total | | 0.00 | | | | |
| 29F | ec-d | 1,219.00 | t0016631 | Tabitha Babb | 1,116.00 | | 0.00 | 407.00 | 0.00 | 04/26/2016 | 04/30/2017 | | -401.00 |
| | | | | | | | Total | | 0.00 | | | | |
| 30A | ec-b | 690.00 | ec30a | LUCINDY CRUMBLEY | 933.00 | | 0.00 | 210.00 | 0.00 | 04/01/2005 | 03/31/2017 | | 5.00 |
| | | | | | | | Total | | 0.00 | | | | |
| 30B | ec-b | 690.00 | t0016561 | Elicia Rhodes | 933.00 | | 0.00 | 59.00 | 0.00 | 04/01/2016 | 04/30/2017 | | 0.00 |
| | | | | | | | Total | | 0.00 | | | | |
| 30C | ec-b | 690.00 | ec19f | CASSIE JOHNSON | 933.00 | | 0.00 | 219.00 | 0.00 | 11/17/2016 | 11/30/2017 | | 1,059.50 |
| | | | | | | | Total | | 0.00 | | | | |
| 30D | ec-b | 690.00 | t0014531 | Sheveka Dodson | 933.00 | | 0.00 | 129.00 | 0.00 | 12/11/2014 | 11/30/2017 | | -5.00 |
| | | | | | | | Total | | 0.00 | | | | |

Rent Roll with Lease Charges

Edgewood Court (ec)

As Of = 01/31/2017

Month Year = 01/2017

| Unit | Unit Type | Unit Sq Ft | Resident | Name | Market Rent | Charge Code | Amount | Resident Deposit | Other Deposit | Move In | Lease Expiration | Move Out | Balance | |
|--------------|-----------|------------|----------|---------------------|-------------|-------------|-------------|------------------|---------------|------------|------------------|----------|---------|--|
| 30E | ec-d | 1,219.00 | ec30e | Katrina Benton | 1,116.00 | | 0.00 | 694.00 | 0.00 | 03/01/2005 | 02/28/2018 | | -291.00 | |
| Total | | | | | | | 0.00 | | | | | | | |
| 30F | ec-d | 1,219.00 | t0017381 | Quinshellia Pittman | 1,116.00 | | 0.00 | 50.00 | 0.00 | 11/01/2016 | 10/31/2017 | | 0.00 | |
| Total | | | | | | | 0.00 | | | | | | | |
| 31A | ec-c | 966.00 | t0011503 | Anita Gerbier | 1,045.00 | | 0.00 | 120.00 | 0.00 | 03/05/2013 | 02/28/2018 | | 0.00 | |
| Total | | | | | | | 0.00 | | | | | | | |
| 31B | ec-c | 966.00 | t0011185 | Latarsha Alexander | 1,045.00 | | 0.00 | 251.00 | 0.00 | 11/20/2012 | 10/31/2017 | | 383.00 | |
| Total | | | | | | | 0.00 | | | | | | | |
| 31C | ec-c | 966.00 | t0017314 | Andrea Matthews | 1,045.00 | | 0.00 | 335.00 | 0.00 | 11/15/2016 | 10/31/2017 | | 0.00 | |
| Total | | | | | | | 0.00 | | | | | | | |
| 31D | ec-c | 966.00 | t0003176 | Nesha Thomas | 1,045.00 | | 0.00 | 101.00 | 0.00 | 10/29/2007 | 09/30/2017 | | -7.00 | |
| Total | | | | | | | 0.00 | | | | | | | |
| 34A | ec-d | 1,219.00 | t0014948 | Anisa Akowa | 1,116.00 | | 0.00 | 146.00 | 0.00 | 03/27/2015 | 02/28/2018 | | 6.00 | |
| Total | | | | | | | 0.00 | | | | | | | |
| 34B | ec-d | 1,219.00 | t0017065 | Quanisha Washington | 1,116.00 | | 0.00 | 381.00 | 0.00 | 08/08/2016 | 08/31/2017 | | -46.00 | |
| Total | | | | | | | 0.00 | | | | | | | |
| 34C | ec-b | 690.00 | t0004713 | Sharika Wimby | 933.00 | | 0.00 | 137.00 | 0.00 | 09/24/2008 | 08/31/2017 | | 0.00 | |
| Total | | | | | | | 0.00 | | | | | | | |
| 34D | ec-b | 690.00 | t0010158 | Camillya Edwards | 933.00 | | 0.00 | 177.00 | 0.00 | 03/02/2012 | 02/28/2017 | | 0.00 | |
| Total | | | | | | | 0.00 | | | | | | | |
| 34E | ec-b | 690.00 | t0009848 | Valexcias Wright | 933.00 | | 0.00 | 59.00 | 0.00 | 12/18/2011 | 11/30/2017 | | 33.00 | |
| Total | | | | | | | 0.00 | | | | | | | |
| 34F | ec-b | 690.00 | ec34f | Dorothy Harris | 933.00 | | 0.00 | 418.00 | 0.00 | 08/01/2005 | 07/31/2017 | | -4.00 | |
| Total | | | | | | | 0.00 | | | | | | | |
| 37A | ec-b | 690.00 | t0016653 | Crystal Fegins | 933.00 | | 0.00 | 25.00 | 0.00 | 06/27/2016 | 06/30/2017 | | 25.00 | |
| Total | | | | | | | 0.00 | | | | | | | |

Rent Roll with Lease Charges

Edgewood Court (ec)

As Of = 01/31/2017

Month Year = 01/2017

| Unit | Unit Type | Unit Sq Ft | Resident | Name | Market Rent | Charge Code | Amount | Resident Deposit | Other Deposit | Move In | Lease Expiration | Move Out | Balance |
|------|-----------|------------|----------|-----------------|-------------|--------------|-------------|------------------|---------------|------------|------------------|----------|---------|
| 37B | ec-b | 690.00 | ec37b | LUCILLE BUTLER | 933.00 | | 0.00 | 246.00 | 50.00 | 02/01/2005 | 01/31/2018 | | -4.00 |
| | | | | | | Total | 0.00 | | | | | | |
| 37C | ec-b | 690.00 | ec37c | JUDY RILEY | 933.00 | | 0.00 | 192.00 | 0.00 | 11/01/2004 | 10/31/2017 | | 0.00 |
| | | | | | | Total | 0.00 | | | | | | |
| 37D | ec-b | 690.00 | t0014947 | Kendria Dent | 933.00 | | 0.00 | 288.00 | 0.00 | 03/31/2015 | 02/28/2018 | | 0.00 |
| | | | | | | Total | 0.00 | | | | | | |
| 37E | ec-d | 1,219.00 | t0009369 | Rhonda Huggins | 1,116.00 | | 0.00 | 144.00 | 0.00 | 10/27/2014 | 06/30/2017 | | -5.00 |
| | | | | | | Total | 0.00 | | | | | | |
| 37F | ec-d | 1,219.00 | t0017373 | Shauna Wimby | 1,116.00 | | 0.00 | 256.00 | 0.00 | 11/01/2016 | 10/31/2017 | | -5.00 |
| | | | | | | Total | 0.00 | | | | | | |
| 38A | ec-c | 966.00 | ec38a | INEZ HARDEMAN | 1,045.00 | | 0.00 | 598.00 | 0.00 | 06/01/2005 | 05/31/2017 | | -14.00 |
| | | | | | | Total | 0.00 | | | | | | |
| 38B | ec-c | 966.00 | ec46d | Jolita Bellamy | 1,045.00 | | 0.00 | 59.00 | 0.00 | 11/29/2016 | 11/30/2017 | | 0.00 |
| | | | | | | Total | 0.00 | | | | | | |
| 38C | ec-c | 966.00 | t0014078 | Latwain Butler | 1,045.00 | | 0.00 | 66.00 | 0.00 | 08/21/2014 | 07/31/2017 | | 4.00 |
| | | | | | | Total | 0.00 | | | | | | |
| 38D | ec-c | 966.00 | t0013018 | Natasha Pringle | 1,045.00 | | 0.00 | 173.00 | 0.00 | 03/07/2014 | 04/30/2017 | | -3.00 |
| | | | | | | Total | 0.00 | | | | | | |
| 39A | ec-c | 966.00 | t0003794 | LISA BANKS | 1,045.00 | | 0.00 | 232.00 | 0.00 | 04/16/2008 | 03/31/2017 | | 409.00 |
| | | | | | | Total | 0.00 | | | | | | |
| 39B | ec-c | 966.00 | t0015607 | Sierra Coley | 1,045.00 | | 0.00 | 380.00 | 0.00 | 09/18/2015 | 09/30/2017 | | 0.00 |
| | | | | | | Total | 0.00 | | | | | | |
| 39C | ec-c | 966.00 | t0012963 | Lewis Paschall | 1,045.00 | | 0.00 | 452.00 | 0.00 | 02/21/2014 | 01/31/2018 | | -91.00 |
| | | | | | | Total | 0.00 | | | | | | |
| 39D | ec-c | 966.00 | t0012466 | Brenda Walker | 1,045.00 | | 0.00 | 353.00 | 0.00 | 10/10/2013 | 09/30/2017 | | 0.00 |
| | | | | | | Total | 0.00 | | | | | | |

Rent Roll with Lease Charges

Edgewood Court (ec)

As Of = 01/31/2017

Month Year = 01/2017

| Unit | Unit Type | Unit Sq Ft | Resident | Name | Market Rent | Charge Code | Amount | Resident Deposit | Other Deposit | Move In | Lease Expiration | Move Out | Balance |
|------|-----------|------------|----------|------------------------|-------------|-----------------|-------------------|------------------|---------------|------------|------------------|----------|----------|
| 40A | ec-b | 690.00 | t0015608 | Synethia Singleton | 933.00 | | 0.00 | 102.00 | 0.00 | 10/26/2015 | 10/31/2017 | | 0.00 |
| | | | | | | | Total | 0.00 | | | | | |
| 40B | ec-b | 690.00 | ec26a | MARY WILLIAMS | 933.00 | | 0.00 | 205.00 | 0.00 | 01/01/2006 | 12/31/2017 | | -13.38 |
| | | | | | | | Total | 0.00 | | | | | |
| 40C | ec-b | 690.00 | t0006202 | Geraldine Carson | 933.00 | | 0.00 | 447.00 | 0.00 | 10/02/2009 | 09/30/2017 | | 0.00 |
| | | | | | | | Total | 0.00 | | | | | |
| 40D | ec-b | 690.00 | ec40d | KAY COLES | 933.00 | | 0.00 | 107.00 | 50.00 | 05/01/2005 | 08/31/2017 | | 0.00 |
| | | | | | | | Total | 0.00 | | | | | |
| 40E | ec-d | 1,219.00 | t0016342 | Manager Rent Free Unit | 1,116.00 | mgrunit rent | -935.00 935.00 | 0.00 | 0.00 | 11/01/2015 | | | 1,828.00 |
| | | | | | | | Total | 0.00 | | | | | |
| 40F | ec-d | 1,219.00 | ec40f | MICHELLE TUCKER | 1,116.00 | | 0.00 | 269.00 | 0.00 | 05/01/2005 | 04/30/2017 | | -10.00 |
| | | | | | | | Total | 0.00 | | | | | |
| 41A | ec-b | 690.00 | t0017602 | Shantae Davis | 933.00 | | 0.00 | 496.00 | 0.00 | 12/23/2016 | 11/30/2017 | | 561.00 |
| | | | | | | | Total | 0.00 | | | | | |
| 41B | ec-b | 690.00 | t0016554 | Shanteria Moss | 933.00 | | 0.00 | 120.00 | 0.00 | 03/31/2016 | 03/31/2017 | | -615.00 |
| | | | | | | | Total | 0.00 | | | | | |
| 41C | ec-b | 690.00 | t0011812 | STACY LUCAS | 933.00 | | 0.00 | 235.00 | 0.00 | 05/20/2013 | 04/30/2017 | | 0.00 |
| | | | | | | | Total | 0.00 | | | | | |
| 41D | ec-b | 690.00 | t0014759 | Darica Earl | 933.00 | | 0.00 | 189.00 | 0.00 | 02/16/2015 | 01/31/2017 | | 873.50 |
| | | | | | | | Total | 0.00 | | | | | |
| 41E | ec-d | 1,219.00 | ec41e | JOVETTA FREEMAN | 1,116.00 | | 0.00 | 678.00 | 0.00 | 04/01/2005 | 03/31/2016 | | -315.00 |
| | | | | | | | Total | 0.00 | | | | | |
| 41F | ec-d | 1,219.00 | t0009849 | Luvana Paschall | 1,116.00 | | 0.00 | 180.00 | 0.00 | 12/16/2011 | 11/30/2017 | | 6.00 |
| | | | | | | | Total | 0.00 | | | | | |
| 42A | ec-b | 690.00 | t0015376 | Jaalah Greer | 933.00 | | 0.00 | 271.00 | 0.00 | 06/12/2015 | 06/30/2017 | | 195.50 |

Rent Roll with Lease Charges

Edgewood Court (ec)

As Of = 01/31/2017

Month Year = 01/2017

| Unit | Unit Type | Unit Sq Ft | Resident | Name | Market Rent | Charge Code | Amount | Resident Deposit | Other Deposit | Move In | Lease Expiration | Move Out | Balance |
|--------------|-----------|------------|----------|--------------------|-------------|-------------|-------------|------------------|---------------|------------|------------------|----------|---------|
| Total | | | | | | | 0.00 | | | | | | |
| 42B | ec-b | 690.00 | t0016762 | Courtney Calhoun | 933.00 | | 0.00 | 99.00 | 0.00 | 08/15/2016 | 08/31/2017 | | 99.00 |
| Total | | | | | | | 0.00 | | | | | | |
| 42C | ec-b | 690.00 | t0017301 | Joycelyn Smith | 933.00 | | 0.00 | 60.00 | 0.00 | 10/19/2016 | 10/31/2017 | | 0.00 |
| Total | | | | | | | 0.00 | | | | | | |
| 42D | ec-b | 690.00 | t0005200 | Shuntoria Heard | 933.00 | | 0.00 | 539.00 | 0.00 | 01/23/2009 | 12/31/2017 | | 0.00 |
| Total | | | | | | | 0.00 | | | | | | |
| 42E | ec-d | 1,219.00 | t0016750 | Leola Fenderson | 1,116.00 | | 0.00 | 25.00 | 0.00 | 05/12/2016 | 05/30/2017 | | 6.00 |
| Total | | | | | | | 0.00 | | | | | | |
| 42F | ec-d | 1,219.00 | ec42f | Larry Smith | 1,116.00 | | 0.00 | 0.00 | 0.00 | 09/01/2005 | 08/31/2017 | | -302.00 |
| Total | | | | | | | 0.00 | | | | | | |
| 43A | ec-b | 690.00 | t0017312 | Aquadondria Mcleod | 933.00 | | 0.00 | 366.00 | 0.00 | 09/20/2016 | 09/30/2017 | | 0.00 |
| Total | | | | | | | 0.00 | | | | | | |
| 43B | ec-b | 690.00 | ec47f | Bettye Ligon | 933.00 | | 0.00 | 134.00 | 0.00 | 11/21/2016 | 11/30/2017 | | 80.00 |
| Total | | | | | | | 0.00 | | | | | | |
| 43C | ec-b | 690.00 | VACANT | VACANT | 933.00 | | 0.00 | 0.00 | 0.00 | | | | 0.00 |
| Total | | | | | | | 0.00 | | | | | | |
| 43D | ec-b | 690.00 | t0012398 | Tonya Huguley | 933.00 | | 0.00 | 234.00 | 0.00 | 10/02/2013 | 09/30/2017 | | 58.00 |
| Total | | | | | | | 0.00 | | | | | | |
| 43E | ec-d | 1,219.00 | t0016250 | Darishia Lumpkin | 1,116.00 | | 0.00 | 154.00 | 0.00 | 01/12/2016 | 01/31/2018 | | 6.00 |
| Total | | | | | | | 0.00 | | | | | | |
| 43F | ec-d | 1,219.00 | ec43f | Angela Moss | 1,116.00 | | 0.00 | 498.00 | 0.00 | 12/01/2005 | 11/30/2017 | | -35.00 |
| Total | | | | | | | 0.00 | | | | | | |
| 44A | ec-b | 690.00 | t0006045 | Josie Huff | 933.00 | | 0.00 | 151.00 | 0.00 | 08/24/2009 | 07/31/2017 | | 0.00 |
| Total | | | | | | | 0.00 | | | | | | |
| 44B | ec-b | 690.00 | t0007973 | Jasmine Ayers | 933.00 | | 0.00 | 314.00 | 0.00 | 10/12/2010 | 09/30/2015 | | 4.00 |

Rent Roll with Lease Charges

Edgewood Court (ec)

As Of = 01/31/2017

Month Year = 01/2017

| Unit | Unit Type | Unit Sq Ft | Resident | Name | Market Rent | Charge Code | Amount | Resident Deposit | Other Deposit | Move In | Lease Expiration | Move Out | Balance |
|--------------|-----------|------------|----------|--------------------|-------------|-------------|-------------|------------------|---------------|------------|------------------|----------|---------|
| Total | | | | | | | 0.00 | | | | | | |
| 44C | ec-b | 690.00 | t0008843 | Keyetta Hutchins | 933.00 | | 0.00 | 189.00 | 0.00 | 03/29/2011 | 02/28/2018 | | -2.00 |
| Total | | | | | | | 0.00 | | | | | | |
| 44D | ec-b | 690.00 | ec44d | ARTICA ROSS | 933.00 | | 0.00 | 339.00 | 0.00 | 09/01/2005 | 08/31/2017 | | 0.00 |
| Total | | | | | | | 0.00 | | | | | | |
| 44E | ec-d | 1,219.00 | t0007797 | Chantress Graham | 1,116.00 | | 0.00 | 174.00 | 0.00 | 01/20/2017 | 01/31/2018 | | 30.00 |
| Total | | | | | | | 0.00 | | | | | | |
| 44F | ec-d | 1,219.00 | t0011958 | Joannette Dixon | 1,116.00 | | 0.00 | 215.00 | 0.00 | 06/28/2013 | 05/31/2017 | | 65.00 |
| Total | | | | | | | 0.00 | | | | | | |
| 45A | ec-b | 690.00 | t0016557 | Taffanie Cleveland | 933.00 | | 0.00 | 48.00 | 0.00 | 04/15/2016 | 04/30/2017 | | 494.86 |
| Total | | | | | | | 0.00 | | | | | | |
| 45B | ec-b | 690.00 | t0015971 | Teyonna Perkins | 933.00 | | 0.00 | 184.00 | 0.00 | 12/08/2015 | 11/30/2017 | | 0.00 |
| Total | | | | | | | 0.00 | | | | | | |
| 45C | ec-b | 690.00 | t0014227 | Cora Williams | 933.00 | | 0.00 | 277.00 | 0.00 | 09/09/2014 | 08/31/2017 | | 5.00 |
| Total | | | | | | | 0.00 | | | | | | |
| 45D | ec-b | 690.00 | t0014204 | Michelle Foreman | 933.00 | | 0.00 | 138.00 | 0.00 | 08/29/2014 | 07/31/2017 | | -1.00 |
| Total | | | | | | | 0.00 | | | | | | |
| 45E | ec-d | 1,219.00 | t0007498 | Shanteka Hoke | 1,116.00 | | 0.00 | 208.00 | 0.00 | 07/30/2010 | 06/30/2017 | | 188.00 |
| Total | | | | | | | 0.00 | | | | | | |
| 45F | ec-d | 1,219.00 | ec20c | SHUNQUETA SULLIVAN | 1,116.00 | | 0.00 | 202.00 | 0.00 | 02/21/2014 | 11/30/2017 | | -0.20 |
| Total | | | | | | | 0.00 | | | | | | |
| 46A | ec-b | 690.00 | ec46a | SARAH CLARK | 933.00 | | 0.00 | 192.00 | 0.00 | 08/01/2005 | 07/31/2017 | | -16.00 |
| Total | | | | | | | 0.00 | | | | | | |
| 46B | ec-b | 690.00 | t0010154 | Bonita Swanson | 933.00 | | 0.00 | 174.00 | 0.00 | 03/02/2012 | 02/28/2018 | | -16.00 |
| Total | | | | | | | 0.00 | | | | | | |
| 46C | ec-b | 690.00 | ec46c | DARNELLE SHEPARD | 933.00 | | 0.00 | 754.00 | 0.00 | 04/01/2005 | 03/31/2017 | | 3.00 |

Rent Roll with Lease Charges

Edgewood Court (ec)

As Of = 01/31/2017

Month Year = 01/2017

| Unit | Unit Type | Unit Sq Ft | Resident | Name | Market Rent | Charge Code | Amount | Resident Deposit | Other Deposit | Move In | Lease Expiration | Move Out | Balance |
|--------------|-----------|------------|---------------------------|--------------------|-------------------|-------------|-------------|------------------|---------------|------------|------------------|----------|------------------|
| Total | | | | | | | 0.00 | | | | | | |
| 46D | ec-b | 690.00 | t0017625 | Shanquique Sampson | 933.00 | | 0.00 | 226.00 | 0.00 | 01/26/2017 | 01/31/2018 | | 64.00 |
| Total | | | | | | | 0.00 | | | | | | |
| 46E | ec-d | 1,219.00 | t0002431 | Gwenneika Lawson | 1,116.00 | | 0.00 | 473.00 | 0.00 | 05/24/2007 | 04/30/2017 | | 1.00 |
| Total | | | | | | | 0.00 | | | | | | |
| 46F | ec-d | 1,219.00 | ec46f | Wanda Brown | 1,116.00 | | 0.00 | 236.00 | 0.00 | 11/01/2004 | 10/31/2016 | | 3,973.00 |
| Total | | | | | | | 0.00 | | | | | | |
| 47A | ec-b | 690.00 | ec47a | Patrinella Turner | 933.00 | | 0.00 | 86.00 | 0.00 | 01/26/2005 | 12/31/2017 | | 37.00 |
| Total | | | | | | | 0.00 | | | | | | |
| 47B | ec-b | 690.00 | t0014411 | Michelle Jiles | 933.00 | | 0.00 | 63.00 | 0.00 | 11/04/2014 | 10/31/2017 | | 0.00 |
| Total | | | | | | | 0.00 | | | | | | |
| 47C | ec-b | 690.00 | ec47c | Annie Coombs | 933.00 | | 0.00 | 300.40 | 0.00 | 06/01/2005 | 05/31/2017 | | -12.00 |
| Total | | | | | | | 0.00 | | | | | | |
| 47D | ec-b | 690.00 | t0003927 | Lawanda Goode | 933.00 | | 0.00 | 78.00 | 0.00 | 05/13/2008 | 04/30/2017 | | 31.00 |
| Total | | | | | | | 0.00 | | | | | | |
| 47E | ec-d | 1,219.00 | ec47e | John Ross, Jr. | 1,116.00 | | 0.00 | 362.00 | 0.00 | 09/01/2005 | 08/31/2017 | | -1.00 |
| Total | | | | | | | 0.00 | | | | | | |
| 47F | ec-d | 1,219.00 | t0017531 | Anjanette Little | 1,116.00 | | 0.00 | 50.00 | 0.00 | 01/20/2017 | 01/31/2018 | | 422.00 |
| Total | | | | | | | 0.00 | | | | | | |
| Total | | | Edgewood Court(ec) | | 202,908.00 | | 0.00 | 41,362.40 | 100.00 | | | | 26,769.10 |

| Summary Groups | Square Footage | Market Rent | Actual Rent | Security Deposit | Other Deposits | # Of Units | % Unit Occupancy | % Sqft Occupied | Balance |
|---------------------------------|----------------|-------------|-------------|------------------|----------------|------------|------------------|-----------------|-----------|
| Current/Notice/Vacant Residents | 178,568.00 | 202,908.00 | 0.00 | 41,362.40 | 100.00 | 204.00 | 98.03 | 98.21 | 26,769.10 |
| Future Residents/Applicants | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | | | 0.00 |
| Occupied Units | 175,375.00 | 199,105.00 | | | | 200 | 98.03 | 98.21 | |
| Total Non Rev Units | 0.00 | 0.00 | | | | 0 | 0.00 | 0.00 | |
| Total Vacant Units | 3,193.00 | 3,803.00 | | | | 4 | 1.96 | 1.78 | |

Rent Roll with Lease Charges

Edgewood Court (ec)

As Of = 01/31/2017

Month Year = 01/2017

| Unit | Unit Type | Unit Resident Sq Ft | Name | Market Charge Rent Code | Amount | Resident Deposit | Other Move In Deposit | Lease Expiration | Move Out | Balance | | | |
|----------------|-----------|---------------------|------|-------------------------|------------|------------------|-----------------------|------------------|----------|---------|--------|--------|-----------|
| Totals: | | | | | 178,568.00 | 202,908.00 | 0.00 | 41,362.40 | 100.00 | 204 | 100.00 | 100.00 | 26,769.10 |

**Summary of Charges by Charge Code
(Current/Notice Residents Only)**

| Charge Code | Amount |
|--------------|-------------|
| mgrunit | -935.00 |
| rent | 935.00 |
| Total | 0.00 |

SCHEDULE 9.5

SERVICE CONTRACTS

| <u>VENDOR</u> | <u>SERVICES RENDERED</u> |
|---|--|
| Comcast Business | Business Class Service Order Agreement (voice and internet) |
| Comcast Cable Communications Management, LLC | Installation, Operation, and Maintenance |
| City of Atlanta False Alarm Reduction Program | Registration of Alarm Systems |
| Georgia Power | Lighting Services NESC Lease Agreement September 15, 21014 |
| Georgia Power | Lighting Services NESC Lease Agreement July 28, 2015 |
| Georgia Power | Lighting Services NESC Lease Agreement February 22, 2016 |
| Solon Automated Services | Lease Agreement (laundry equipment services) |
| The Spiller's Group, Inc. | Security Management Consulting Services Agreement |
| Edgewood Court, Ltd. | General Maintenance and Repair Agreement (lawn care) |
| Allgood Pest Solutions | Termite Agreement |
| Special Security Strategies, LLC | Service Agreement (security for property) |

SCHEDULE 9.7

LITIGATION

None.

SCHEDULE 9.9

ENVIRONMENTAL REPORTS

1. Lead Paint Operations & Maintenance Plan
2. Asbestos Operations & Maintenance Plan

SCHEDULE 11.2(B)

PERMITTED NON-ORDINARY COURSE ACTIONS

None.