



**NOVOGRADAC
& COMPANY** LLP®

CERTIFIED PUBLIC ACCOUNTANTS

MARKET VALUATION OF:

Jefferson Family Homes

A MARKET VALUATION OF:

JEFFERSON FAMILY HOMES

414 JEFFERSON STREET EXTENSION
NEWMAN, COWETA COUNTY
GEORGIA, 30263

Effective Date: October 1, 2017
Report Date: November 7, 2017

Prepared For:
Brandon J. Adams
R4 Capital LLC and R4 Capital Funding LLC
155 Federal Street, Suite 1004
Boston, MA 02110

Prepared By
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November 7, 2017

Brandon J. Adams
R4 Capital LLC and R4 Capital Funding LLC
155 Federal Street, Suite 1004
Boston, MA 02110

Re: Appraisal of Jefferson Family Homes
414 Jefferson Street Extension
Newnan, Coweta County, Georgia, 30263

Dear Mr. Adams:

We are pleased to present our findings with respect to the value of the above-referenced property, Jefferson Family Homes (“Subject”). The Subject is the proposed new construction of a 160-unit multifamily development. 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.

- Market value “As Is” of the fee simple interest of the site.
- Prospective leased fee market value “As If Completed” assuming restricted LIHTC rents.
- Hypothetical leased fee market value “As If Completed” assuming unrestricted rents.
- Prospective leased fee market value “As If Complete and Stabilized” assuming restricted LIHTC rents.
- Hypothetical leased fee market value “As If Complete and Stabilized” assuming unrestricted rents.
- Valuation of the federal Low Income Housing Tax Credits “As If Completed”.

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

R4 Capital LLC and R4 Capital Funding LLC are 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 LIHTC program. These could include local housing authorities, state allocating agencies, state lending authorities, construction and permanent lenders. As our client, R4 Capital LLC and R4 Capital Funding LLC 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.

This valuation engagement was conducted in accordance with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, which standards incorporate the Uniform Standards of Professional Appraisal Practice (USPAP). 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 and R4 Capital LLC and R4 Capital Funding LLC guidelines.

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 “as is vacant”, of the fee simple interest in the Subject, free and clear of financing, as of October 1, 2017 is:

**ONE MILLION TWO HUNDRED THOUSAND DOLLARS
(\$1,200,000)**

As a result of our analysis of the Subject’s restricted LIHTC scenario, the prospective leased fee value assuming “completion” in November, 2018, the prospective date of completion, with conditions prevailing as of October 1, 2017 is:

**TWELVE MILLION FOUR HUNDRED THOUSAND DOLLARS
(\$12,400,000)**

As a result of our analysis of the Subject’s restricted LIHTC scenario, the prospective leased fee value assuming “completion and stabilization” in July 2019, the prospective date of stabilization, with conditions prevailing as of October 1, 2017 is:

**THIRTEEN MILLION DOLLARS
(\$13,000,000)**

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

MR. BRANDON ADAMS
R4 CAPITAL LLC AND R4 CAPITAL FUNDING LLC
NOVEMBER 7, 2017
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As a result of our analysis of the Subject's unrestricted scenario, the hypothetical leased fee value assuming "completion" in November, 2018, the prospective date of completion, with conditions prevailing as of October 1, 2017 is:

**TWENTY-TWO MILLION NINE HUNDRED THOUSAND DOLLARS
(\$22,900,000)**

As a result of our analysis of the Subject's unrestricted scenario, the hypothetical leased fee value assuming "completion and stabilization" in July 2019, the prospective date of stabilization, with conditions prevailing as of October 1, 2017 is:

**TWENTY THREE MILLION SEVEN HUNDRED THOUSAND DOLLARS
(\$23,700,000)**

As a result of our analysis, the value of the Tax Credits "as complete" in November, 2018, the prospective date of completion, with conditions prevailing as of October 1, 2017 is:

**NINE MILLION EIGHT HUNDRED THOUSAND DOLLARS
(\$9,800,000)**

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

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.

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

Respectfully submitted,

MR. BRANDON ADAMS
R4 CAPITAL LLC AND R4 CAPITAL FUNDING LLC
NOVEMBER 7, 2017
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Brad E. Weinberg, MAI, CVA, CRE
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Certified General Real Estate Appraiser



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Expiration Date: March 31, 2018

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ADDENDA

I. EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

Property Appraised: Jefferson Family Homes, the Subject, is the proposed construction of a multifamily development that will be comprised of 160 affordable units. Once complete, the Subject will offer 24 one-, 72 two-, and 64 three-bedroom units comprised in five three-story garden-style serviced buildings. The Subject site is currently vacant land. All of the Subject’s units will target families earning 60 percent of AMI or less.

Tax Map ID: The Subject property is identified by the parcel number N57A 055A.

Land Area: According to the site plan provided by the developer, the Subject site is 20 acres, or 871,200 square feet.

Legal Interest Appraised: For the as is scenario, the property interest appraised is fee simple estate subject to any and all encumbrances. For the remaining values, the property interest appraised is leased fee estate, subject to any and all encumbrances.

Proposed Rents and Unit Mix: The following tables detail the proposed rents and unit mix at the Subject.

PROPOSED RENTS

Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2017 LIHTC Maximum Allowable Gross Rent	HUD Fair Market Rents	
@60%								
1BR / 1BA	850	24	\$686	\$98	\$784	\$784	\$858	
2BR / 2BA	1072	72	\$824	\$118	\$942	\$942	\$990	
3BR / 2BA	1185	64	\$925	\$145	\$1,070	\$1,087	\$1,299	
		160						

Notes (1) Source of Utility Allowance provided by the Developer.

As illustrated in the previous table, the Subject’s proposed rents are set at or slightly below the maximum allowable LIHTC rent level.

Ownership History of the Subject: The Subject property is currently owned by SW Development who entered into a purchase and sale agreement with Realty Management Inc. for the property on February 8, 2017 for the amount of \$900,000. As of the date of this report, the sale has not closed. This appears to be an arms-length transaction. The purchase price is below our concluded land value of \$1,200,000, indicating a buyer’s advantage. It should be noted that property was rezoned after the purchase and sale agreement was signed, therefore we believe a higher value is reasonable. The Subject site last transferred in January 2014 in a non-arm’s length transaction

for \$750,000. There have been no other known transfers of ownership of the Subject over the past three years.

**Highest and Best Use
“As Vacant”:**

Market rate development is feasible in the current market. Thus, the highest and best use “as is” is to build a 160- unit multifamily development with or without gap financing such as tax exempt bonds and tax credits.

Effective Date:

The Subject was inspected on October 1, 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	6.00%
The PwC Investor Survey	6.00%
Debt Coverage Ratio	5.84%
Band of Investment	6.46%

The various approaches indicate a range from 5.84 to 6.46 percent. We reconciled to a 6.0 percent capitalization rate based primarily upon the market-extracted rate.

Operating Expense Reconciliation:

Operating expenses were estimated based upon the historical expenses, comparable expenses, and the developer’s budget. In the following tables, we compared budgeted operating expenses, comparable operating expenses, and concluded expenses per unit. We have also illustrated the expenses less taxes, utilities, and reserves.

TOTAL EXPENSES PER UNIT

Subject Expenses	
Proforma	\$4,828
Comparable Properties	
Comp 1	\$4,269
Comp 2	\$5,475
Comp 3	\$5,005
Comp 4	\$5,858
Subject Conclusions	
As Proposed Restricted	\$5,016
As Proposed Unrestricted	\$5,752

TOTAL EXPENSES PER UNIT LESS TUR	
Subject Expenses	
Proforma	\$2,718
Comparable Properties	
Comp 1	\$3,417
Comp 2	\$3,518
Comp 3	\$3,568
Comp 4	\$4,446
Subject Conclusions	
As Proposed Restricted	\$3,173
As Proposed Unrestricted	\$3,127

Strengths and Weaknesses:

Based upon our market research, demographic calculations and analysis, we believe the Subject property is well positioned and accepted in the market. Strengths of the Subject include age/condition and a competitive property amenities package among the LIHTC comparables. Based on this analysis, we believe the Subject's proposed asking rents for its LIHTC rents are achievable and supported by the market. Further, the Subject's achievable LIHTC rents are below market rents, indicating a significant rent advantage.

Indications of Value:

LAND VALUE

Scenario	No. of Units	Price/Unit	Indicated Value (Rounded)
Land Value	160	\$7,500	\$1,200,000

DIRECT CAPITALIZATION ANALYSIS

Scenario	Cap Rate	Net Operating Income	NPV of LIHTC Tax Burden	Indicated Value (Rounded)
As Proposed Restricted	6.0%	\$794,360	(\$270,000)	\$13,000,000
As Proposed Unrestricted	6.0%	\$1,423,301	\$0	\$23,700,000

DIRECT CAPITALIZATION ANALYSIS - AS COMPLETE

Scenario	Stabilized Value	Lease Up Costs	NPV of LIHTC Tax Burden	Indicated Value (Rounded)
As Proposed Restricted	\$13,200,000	(\$570,320)	(\$270,000)	\$12,400,000
As Proposed Unrestricted	\$23,700,000	(\$850,000)	\$0	\$22,900,000

SALES COMPARISON APPROACH "AS COMPLETE AND STABILIZED"

Scenario	Number of Units	Price Per Unit	NPV of LIHTC Tax Burden	Indicated Value (Rounded)
As Proposed Restricted	160	\$77,000	(\$270,000)	\$12,100,000
As Proposed Unrestricted	160	\$140,000	\$0	\$22,400,000

TAX CREDIT VALUATION

Scenario	Tax Credits	Price per Credit	Indicated Value (Rounded)
Federal LIHTC	\$10,297,570	\$0.95	\$9,800,000

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 Is” of the fee simple interest of the site.
- Prospective leased fee market value “As If Completed” assuming restricted LIHTC rents.
- Hypothetical leased fee market value “As If Completed” assuming unrestricted rents.
- Prospective leased fee market value “As If Complete and Stabilized” assuming restricted LIHTC rents.
- Hypothetical leased fee market value “As If Complete and Stabilized” assuming unrestricted rents.
- Valuation of the federal Low Income Housing Tax Credits “As If Completed”.

In determining the value estimates, the appraisers employed the cost, sales comparison and income capitalization approaches to value. The Subject property is a proposed LIHTC multifamily development.

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 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 414 Jefferson Street Ext. in Newnan, Coweta County, Georgia 30263. The Subject is identified by the Coweta County Assessor's Office as parcel N57A 055A.

Intended Use and Intended User

R4 Capital LLC and R4 Capital Funding LLC are 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 LIHTC program. These could include local housing authorities, state allocating agencies, state lending authorities, construction and permanent lenders. As our client, R4 Capital LLC and R4 Capital Funding LLC 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 scenario, the property interest appraised is fee simple estate subject to any and all encumbrances. For the remaining values, the property interest appraised is leased fee estate, subject to any and all encumbrances.

Date of Inspection and Effective Date of Appraisal

The Subject was inspected by Novogradac on October 1, 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.

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 made an extraordinary assumption that assumes the Subject is complete and stabilized as proposed as of the date of value. This report assumes stable market conditions between the date of value and the prospective date of value. Further, we have made an extraordinary assumption that the developer of the site will take all necessary measures to remove/mitigate all potential hazardous material and issues from the site prior to construction and there are no environmental impairments. The developer has not provided floor and site plans for the Subject, but did provide plans for a property which is identical in design. We have made the extraordinary assumption that these plans accurately depict the development. 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. The use of extraordinary assumptions may affect the assignment results.

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

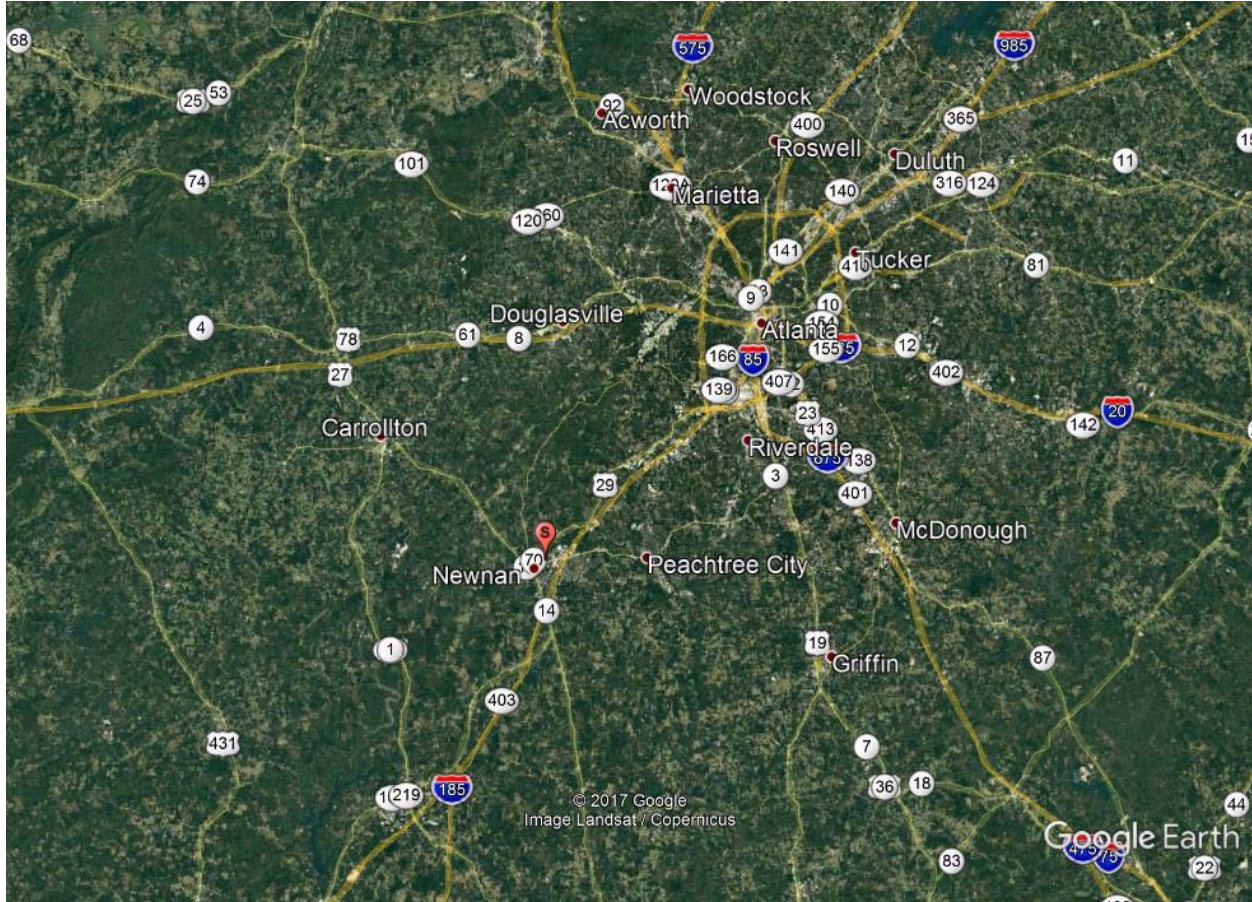
The Subject property is currently owned by SW Development who entered into a purchase and sale agreement with Realty Management Inc. for the property on February 8, 2017 for the amount of \$900,000. As of the date of this report, the sale has not closed. This appears to be an arms-length transaction. The purchase price is below our concluded land value of \$1,200,000, indicating a buyer's advantage. It should be noted that property was rezoned after the purchase and sale agreement was signed, therefore we believe a higher value is reasonable. The Subject site last transferred in January 2014 in a non-arm's length transaction for \$750,000. There have been no other known transfers of ownership of the Subject over the past three years.

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 Newnan, Georgia. According to the 2010 U.S Census, Newnan had a population of 33,039 and encompassed approximately 18.3 square miles. The Subject is located in the Atlanta-Sandy Springs- Roswell, GA Metropolitan Statistical Area (MSA).



ECONOMIC ANALYSIS

Major Employers

The following table details the major employers in Newnan, Georgia.

MAJOR EMPLOYERS COWETA COUNTY

Employer Name	Industry	# Of Employees
Yamaha Motor Manufacturing	Manufacturing	1,700
PetSmart	Distribution Center	560
BON L Manufacturing Co	Manufacturing	460
Cargill Corp	Food	417
Yokogawa Corp.	Analytical Instruments	360
EGO North America	Heating Elements	260
Kason Industries	Refrigeration Hardware	250
Georgia Power Co.	Coal Fired Power Facility	250
TenCate	Industrial Textiles	225
Bway Corporation	Manufacturing	220
Totals		4,702

Source: Coweta County Development Authority, September 2017

The largest employers in Coweta County are in the manufacturing and retail distribution industries. Yamaha Motor Manufacturing is the largest employer by a significant margin; it employs 1,140 more people than the second largest employer, PetSmart. The high concentration of manufacturing and retail employers indicates that the local economy may be more volatile during economic declines.

The chart below shows the largest employers in Atlanta metro area, which is approximately 39 miles away.

MAJOR EMPLOYERS - ATLANTA METRO AREA

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

Source: The Metro Atlanta Chamber of Commerce, July 2017

The Atlanta metro area is home to the world headquarters of corporations such as Coca-Cola, Home Depot, United Postal Service, Delta Air Lines, and Turner Broadcasting. The Atlanta metro area is also home to a number of post-secondary educational institutions including Clark Atlanta University, Georgia Institute of

Technology, Georgia State University, Emory University, and others. Major employers in the Atlanta metro area represent a wide variety of industries including transportation, education, healthcare, retail trade, communications, and government. While healthcare, education, and government are historically stable industries, retail trade is historically unstable, especially during times of recession.

Employment Expansion/Contractions

We attempted to contact the City of Newnan Business Development Department regarding business expansions and contractions in the area. The contact was unable to provide the requested information. Therefore, we researched information online. According to the Newnan Times-Herald, manufacturing has had a major impact on the city's employment growth. In March 2017, the Newnan Times-Herald reported that bank deposits in the area have increased, and Downtown Newnan has undergone significant business and residential growth. In addition, the Newnan Times reported that 70 to 80 percent of the job growth has come from existing businesses. The Newnan Times also reported that grading and clearing has begun for an industrial "megasite" off of U.S Highway 29 South across from the Newnan-Coweta County Airport. The development agreement states that the owners of the property are committed to doing the site work and grading for the construction of a one million square foot speculative industrial warehouse facility in 2017. Business Insider reported that Vapes Gone Wild, a Newnan based company, announced a partnership with The Blinc Group on September 28, 2017. In 2017, Vapes Gone Wild expanded its distribution from the south east to the entire east coast and the company plans to expand their distribution footprint nationwide by mid-2018, according to Business Insider. Atlanta Business Chronicle reported that Newk's Eatery is expanding in Georgia with five new locations through 2018; one of their existing locations is located in Newnan.

There were no warn notices for Coweta County; the warn notices for Atlanta/Fulton County are below.

WARN LISTINGS ATLANTA / FULTON COUNTY

Company	Industry	Employees Affected	Notice Date
Newell Brands	Consumer Goods	258	3/31/2017
Millwood Inc	Manufacturing	97	6/30/2017
Walmart	Retail	68	5/12/2017
ABM	Facility Management	1179	11/15/2017
West Rock	Packaging	66	1/20/2017
Windstream Communications	Communications	55	3/1/2017
American Transitional Hospitals	Healthcare	116	10/20/2017
DAL Global Services	Aviation	52	2/1/2017
Dollar Express	Retail	21	6/30/2017
ZEP Inc	Facility Management	88	6/1/2017
Burris Logistics	Logistics	167	3/20/2017
Bebe	Retail	19	5/27/2017
DSC Logistics	Logistics	109	8/22/2017
Whole Foods Market	Food	149	2/12/2017
Sodexo	Food	372	6/30/2017
West Rock	Packaging	71	8/31/2017
Bebe	Retail	13	3/31/2017
Coca-Cola	Retail	429	7/15/2017
Menzies Aviation	Aviation	298	10/10/2017
Dollar Express	Retail	12	6/30/2017
Total		3639	

Employment and Unemployment Trends

The table below illustrates the employment and unemployment rate for the MSA from 2005 to 2016 (year to date).

EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

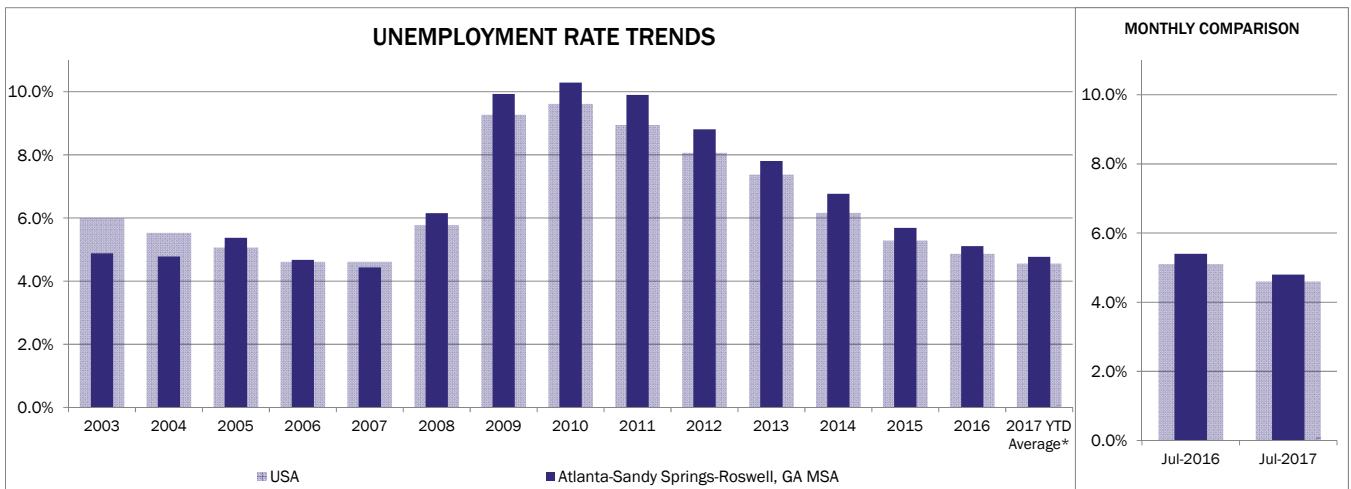
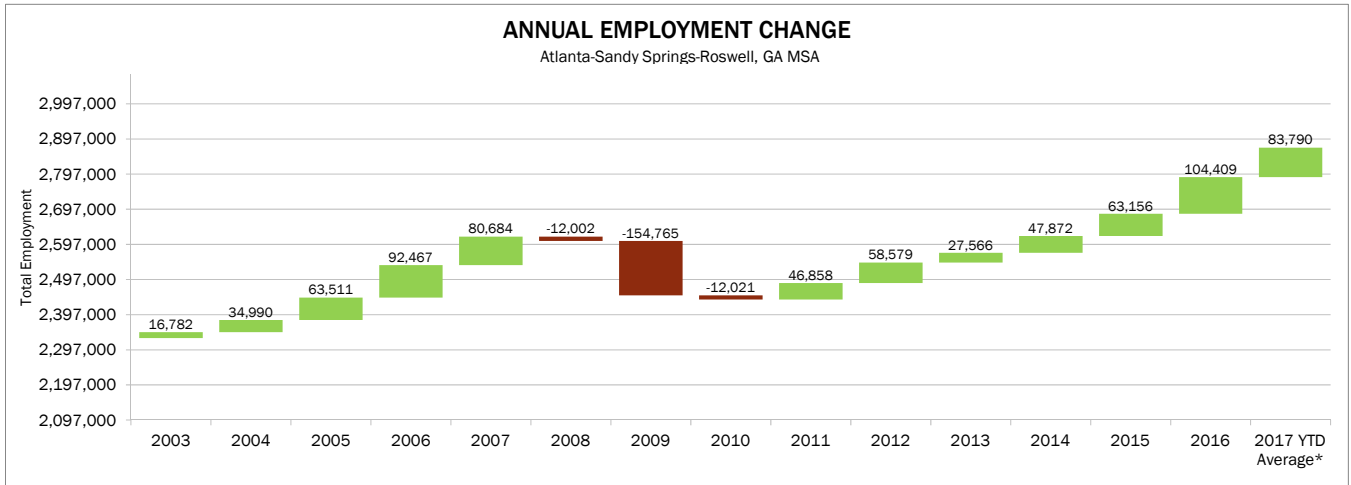
Year	Atlanta-Sandy Springs-Roswell, GA MSA				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2002	2,330,391	-	5.0%	-	136,485,000	-	5.8%	-
2003	2,347,173	0.7%	4.9%	-0.1%	137,736,000	0.9%	6.0%	0.2%
2004	2,382,163	1.5%	4.8%	-0.1%	139,252,000	1.1%	5.5%	-0.5%
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	2,545,474	2.4%	8.8%	-1.1%	142,469,000	1.9%	8.1%	-0.9%
2013	2,573,040	1.1%	7.8%	-1.0%	143,929,000	1.0%	7.4%	-0.7%
2014	2,620,911	1.9%	6.8%	-1.0%	146,305,000	1.7%	6.2%	-1.2%
2015	2,684,068	2.4%	5.7%	-1.1%	148,833,000	1.7%	5.3%	-0.9%
2016	2,788,476	3.9%	5.1%	-0.6%	151,436,000	1.7%	4.9%	-0.4%
2017 YTD Average*	2,872,266	3.0%	4.8%	-0.3%	152,853,429	0.9%	4.6%	-0.3%
Jul-2016	2,800,346	-	5.4%	-	152,437,000	-	5.1%	-
Jul-2017	2,904,285	3.7%	4.8%	-0.6%	154,470,000	1.3%	4.6%	-0.5%

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

*2017 data is through Jan

The MSA was significantly impacted by the national recession, which caused total employment to decline by 5.9 percent in 2009. However, total employment in the MSA has increased every year since 2011. From July 2016 to July 2017, total employment increased by 3.7 percent while the nation's total employment increased by 1.3 percent. In addition, the unemployment rate in the MSA has decreased every year since 2011. The unemployment rate as of July 2017 was 4.8 percent, which was 0.2 percent higher than the national unemployment rate. The MSA is currently in a period of employment expansion and has recovered from the most recent national recession.

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
Retail Trade	4,254	14.6%	17,169,304	11.3%
Manufacturing	4,017	13.8%	15,499,826	10.2%
Transportation/Warehousing	3,203	11.0%	6,128,217	4.0%
Healthcare/Social Assistance	2,772	9.5%	21,304,508	14.1%
Educational Services	2,587	8.9%	14,359,370	9.5%
Accommodation/Food Services	2,006	6.9%	11,574,403	7.6%
Prof/Scientific/Tech Services	1,789	6.1%	10,269,978	6.8%
Public Administration	1,343	4.6%	7,093,689	4.7%
Construction	1,333	4.6%	9,342,539	6.2%
Admin/Support/Waste Mgmt Svcs	1,227	4.2%	6,511,707	4.3%
Other Services (excl Publ Adm)	1,211	4.2%	7,463,834	4.9%
Finance/Insurance	1,039	3.6%	6,942,986	4.6%
Wholesale Trade	690	2.4%	4,066,471	2.7%
Real Estate/Rental/Leasing	468	1.6%	2,946,196	1.9%
Arts/Entertainment/Recreation	418	1.4%	3,416,474	2.3%
Information	410	1.4%	2,862,063	1.9%
Utilities	316	1.1%	1,344,219	0.9%
Agric/Forestry/Fishing/Hunting	59	0.2%	2,253,044	1.5%
Mining	14	0.0%	749,242	0.5%
Mgmt of Companies/Enterprises	7	0.0%	89,612	0.1%
Total Employment	29,163	100.0%	151,387,682	100.0%

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

The retail trade and manufacturing sectors are the largest contributors to the local economy, accounting for 28.4 percent of total employment in the PMA. The retail trade sector is historically more volatile during economic downturns, and may contribute to cyclical employment cycles in the local economy. Transportation/ Warehousing and Healthcare are the third and fourth largest industries at 11 percent, and 9.5 percent respectively. Compared to the rest of the nation, the PMA is overrepresented in the retail trades, manufacturing, and the transportation/warehousing sectors. Conversely, the PMA is significantly underrepresented in healthcare/social assistance sector.

Wages by Occupation

ATLANTA-SANDY SPRINGS-ROSWELL, GA MSA - 2ND QTR 2016 AREA WAGE ESTIMATES

Occupation	Number of Employees	Mean Hourly Wage	Mean Annual Wage
All Occupations	2,553,370	\$24.38	\$50,720
Management Occupations	166,550	\$59.15	\$123,040
Legal Occupations	22,310	\$52.74	\$109,690
Computer and Mathematical Occupations	114,580	\$42.55	\$88,510
Architecture and Engineering Occupations	41,020	\$38.62	\$80,320
Healthcare Practitioners and Technical Occupations	128,200	\$38.00	\$79,040
Business and Financial Operations Occupations	167,020	\$35.52	\$73,890
Life, Physical, and Social Science Occupations	12,760	\$32.12	\$66,810
Arts, Design, Entertainment, Sports, and Media Occupations	36,470	\$25.49	\$53,020
Education, Training, and Library Occupations	145,470	\$23.72	\$49,330
Community and Social Service Occupations	24,950	\$23.40	\$48,670
Installation, Maintenance, and Repair Occupations	98,050	\$22.44	\$46,670
Construction and Extraction Occupations	81,540	\$20.54	\$42,720
Sales and Related Occupations	286,430	\$20.18	\$41,960
Protective Service Occupations	56,580	\$18.60	\$38,690
Office and Administrative Support Occupations	401,220	\$18.07	\$37,590
Transportation and Material Moving Occupations	215,540	\$16.99	\$35,340
Production Occupations	140,310	\$16.23	\$33,750
Healthcare Support Occupations	54,340	\$14.47	\$30,090
Farming, Fishing, and Forestry Occupations	1,800	\$14.02	\$29,170
Building and Grounds Cleaning and Maintenance Occupations	63,900	\$12.63	\$26,260
Personal Care and Service Occupations	56,090	\$12.08	\$25,120
Food Preparation and Serving Related Occupations	238,240	\$10.02	\$20,840

Source: Department Of Labor, Occupational Employment Statistics, 5/2017, retrieved 10/2017

The table above shows the average hourly and annual wages by occupation classification. The classification with the lowest average hourly wage was food preparation and serving related occupations at \$10.44 per hour. The highest average hourly wage, of \$59.15, is for those in Management Occupations.

The qualifying incomes for the Subject's housing tenants will range from \$ 26,880 to \$45,180, which encompasses a significant amount of the employment based on wages in the area. Utilizing the upper end of the Subject's qualifying income at \$45,180 corresponds to an approximate hourly wage rate of \$21.72. This encompasses a significant portion of employment in the MSA. An element not reflected in the wage rate data is that many positions represent part-time employment, and starting rates are typically lower than mean wage rates. We expect that part-time employment and entry-level positions will be common amongst the Subject's tenant base.

Commuting Patterns

The chart below shows the travel time to work for the PMA according to U.S. Census data.

COMMUTING PATTERNS		
2000 Commuting Time to Work	Number of Commuters	Percentage
Travel Time < 5 min	517	2.9%
Travel Time 5-9 min	1,810	10.0%
Travel Time 10-14 min	2,853	15.8%
Travel Time 15-19 min	2,186	12.1%
Travel Time 20-24 min	2,029	11.2%
Travel Time 25-29 min	953	5.3%
Travel Time 30-34 min	2,689	14.9%
Travel Time 35-39 min	846	4.7%
Travel Time 40-44 min	834	4.6%
Travel Time 45-59 min	1,709	9.4%
Travel Time 60-89 min	1,258	6.9%
Travel Time 90+ min	418	2.3%
Average Travel Time	27.4 minutes	-

Source: US Census 2000, Novogradac & Company, LLP October 2017

As shown above, the average travel time for individuals in the PMA is 27.4 minutes. Approximately 50 percent of the persons in the PMA have a commute time of 24 minutes or less. The drive time from the Subject to the limits of the PMA is approximately 20 minutes. Therefore, it is likely that a moderate amount of tenants will work outside of the PMA.

Current Economic Impact of Mortgage Crisis

According to ww.realtytrac.com, the state of Georgia has an average foreclosure rate of one in every 2,122 housing units during August 2017. Georgia has a lower foreclosure rate than the current national foreclosure rate of one in every 1,758 housing units. Newnan, Georgia reported a rate of one in every 2123 housing units affected by a foreclosure during the same time period. This data indicates the Subject’s area has been less impacted by the recent mortgage crisis, or has recovered significantly if it was impacted.

Conclusion

The MSA has demonstrated positive employment growth over the past several years, and total employment has grown at a rate larger than that of the nation. However, the unemployment rate is slightly higher than that of the nation. The retail trade sector, which is historically a volatile industry, provides the largest percentage of employment in the PMA. Overall, the MSA and the state of Georgia were significantly affected by the national recession. Furthermore, total employment levels are above pre-recessionary levels and the area is currently expanding.

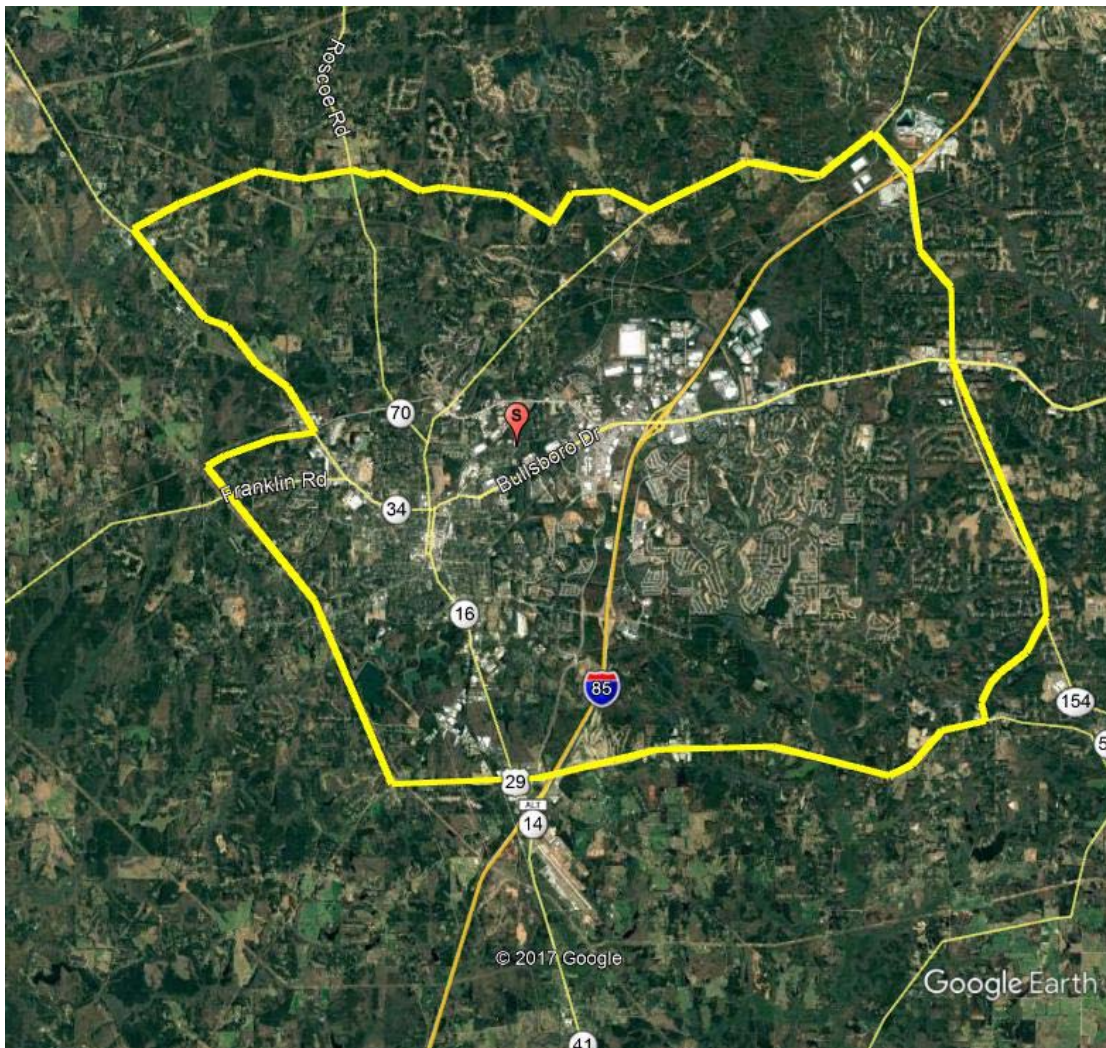
DEMOGRAPHIC ANALYSIS

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 MSA and the Primary Market Area (PMA) are areas of growth or contraction.

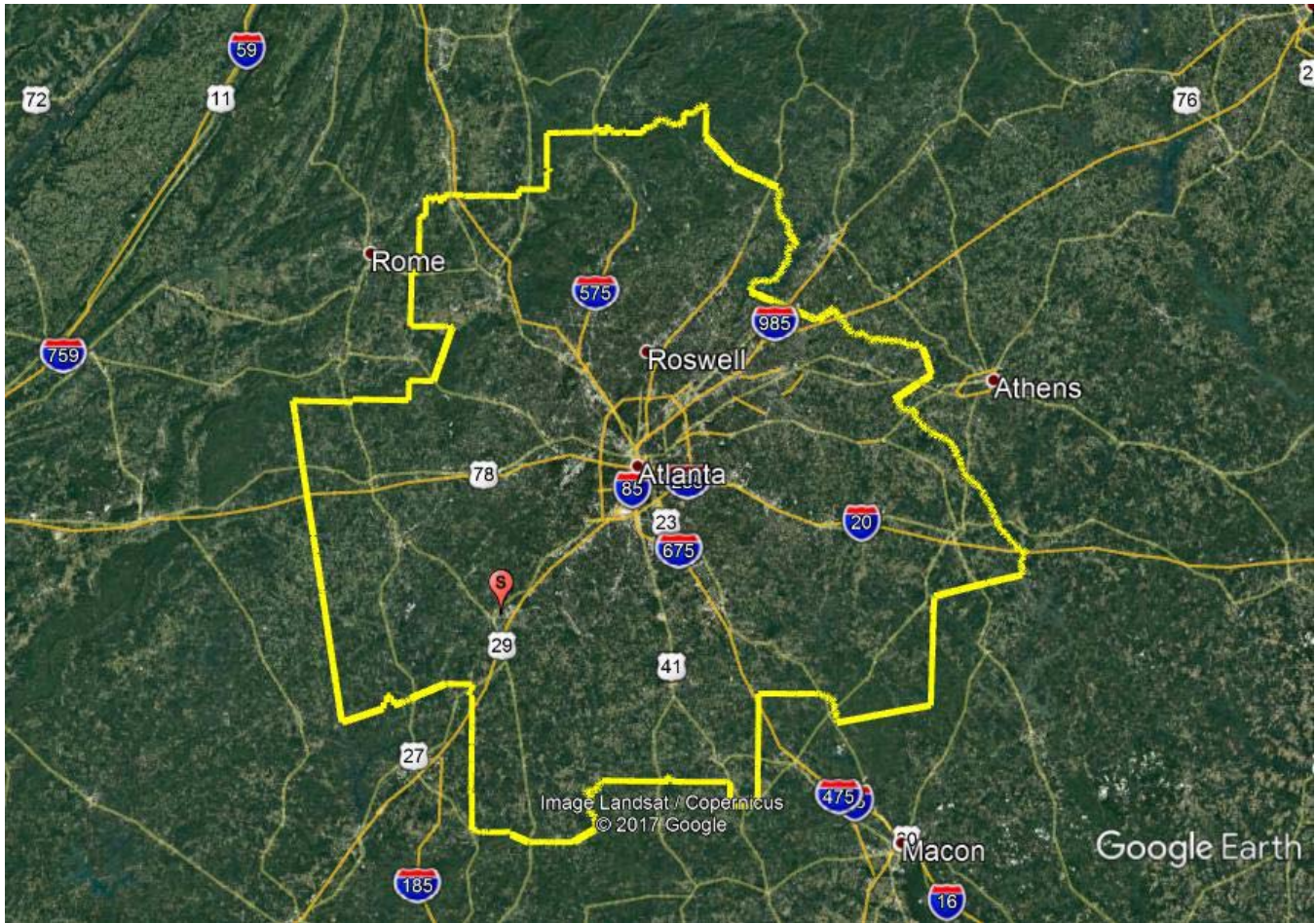
Primary Market Area (PMA)

The boundaries of the Subject's Primary Market Area (PMA) are defined by Macedonia Road, Buddy West Road, and State Route 14 to the north; Sharnsburg McCollum Road to the east; State Route 16 to the south and Newnan Bypass Road and Temple Avenue to the west. This area was defined based on interviews with local market participants and local property managers. Many of the local property managers indicated that most residents originated from the local area. The Atlanta-Sandy Springs-Roswell, GA MSA will serve as the Secondary Market Area (SMA). Maps outlining the PMA and SMA can be found following.

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	38,632	-	4,263,438	-	281,421,906	-
2010	58,658	5.2%	5,286,728	2.4%	308,745,538	1.0%
2016	63,481	1.3%	5,665,958	1.1%	323,580,626	0.8%
2021	67,855	1.4%	6,063,308	1.4%	337,326,118	0.8%

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

HOUSEHOLDS

Year	PMA		Atlanta-Sandy Springs-Roswell, GA MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	13,947	-	1,559,712	-	105,480,101	-
2010	21,738	5.6%	1,943,885	2.5%	116,716,292	1.1%
2016	23,524	1.3%	2,065,785	1.0%	121,786,233	0.7%
2021	25,152	1.4%	2,201,496	1.3%	126,694,268	0.8%

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

As illustrated above, population and household growth in the PMA and MSA is projected to be slightly higher than that of the nation through 2021.

Household Income

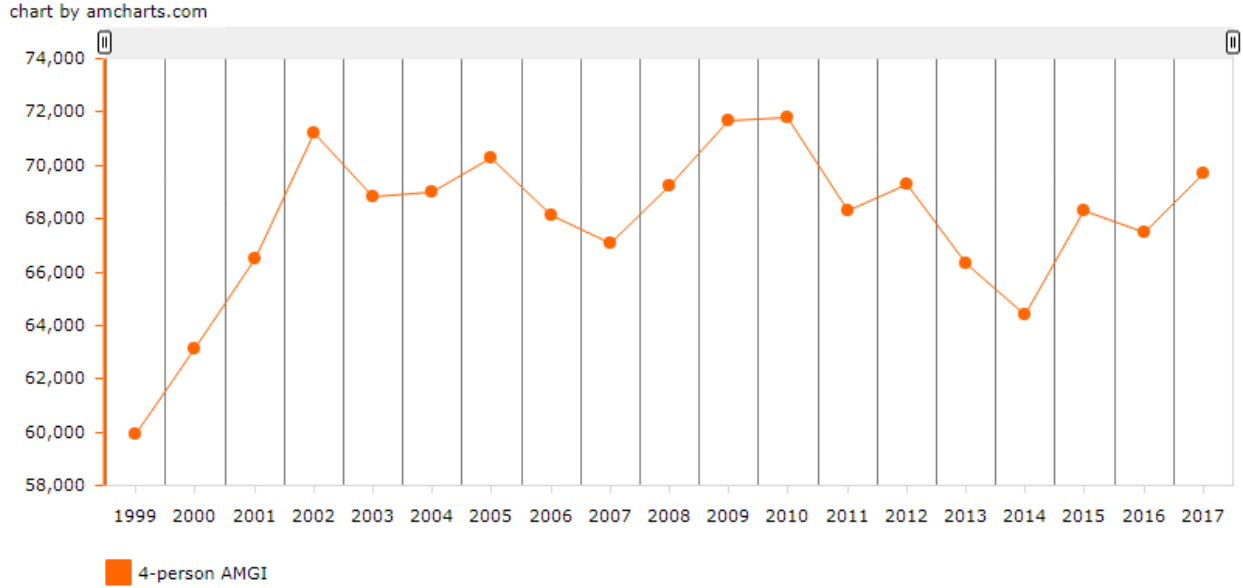
The table below illustrates Median Household Income in the PMA, MSA, and nation from 2000 through 2021.

MEDIAN HOUSEHOLD INCOME

Year	PMA		Atlanta-Sandy Springs-Roswell, GA MSA		USA	
	Amount	Annual Change	Amount	Annual Change	Amount	Annual Change
2000	\$49,205	-	\$51,619	-	\$42,164	-
2016	\$53,476	0.5%	\$57,792	0.7%	\$54,149	1.7%
2021	\$60,218	2.5%	\$65,901	2.8%	\$59,476	2.0%

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

As indicated in the table above, the median household income level for the general population in the PMA is below that of the MSA and similar to the median household income level for the USA. The median household income growth is anticipated to be slightly slower in the PMA relative to the MSA through 2021. However, the median household income of the PMA is projected to grow faster than that of the nation over the same time period. It should be noted that for Section 42 LIHTC rent determination purposes, the area median income is used. The following chart illustrates the AMI level for a four-person household in Coweta County.



Coweta County AMI 2013-2017

Year	2013	2014	2015	2016	2017
AMI	\$66,300	\$64,400	\$68,300	\$67,500	\$69,700
Percentage Change	-4.3%	-2.9%	6.1%	-1.2%	3.3%

Source: Novogradac & Company, LLP, 9/2017

Overall, the AMI has increased by an average .8 percent annually between 1999 and 2017. The recent overall rise in AMI levels indicates a healthy market where lower income households may be priced out by more affluent households. It also indicates that affordable housing properties should prosper in the future as incomes and, therefore, achievable rents rise. The AMI experienced its highest level in 2010. However, the AMI decreased significantly between 2010 and 2014. Despite a slight decrease in 2016, 2017 AMI levels are the highest since 2010. The Subject’s LIHTC rent growth will be dependent on market conditions as well as AMI growth. Rents will continue to grow if the current trend of an increasing AMI continues.

Conclusion

The Subject property is located in an area where the population and households are expected slightly increase through 2021. Additionally, the median household income in the PMA is expected to remain well below that of the MSA, but higher than that of the nation through 2021. The relatively low median household income in the PMA compared to the MSA, combined with the stable population and household levels, suggest ongoing demand for affordable housing in the PMA. Furthermore, the ongoing trend of increasing AMI levels suggests that rents will grow in the future.

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

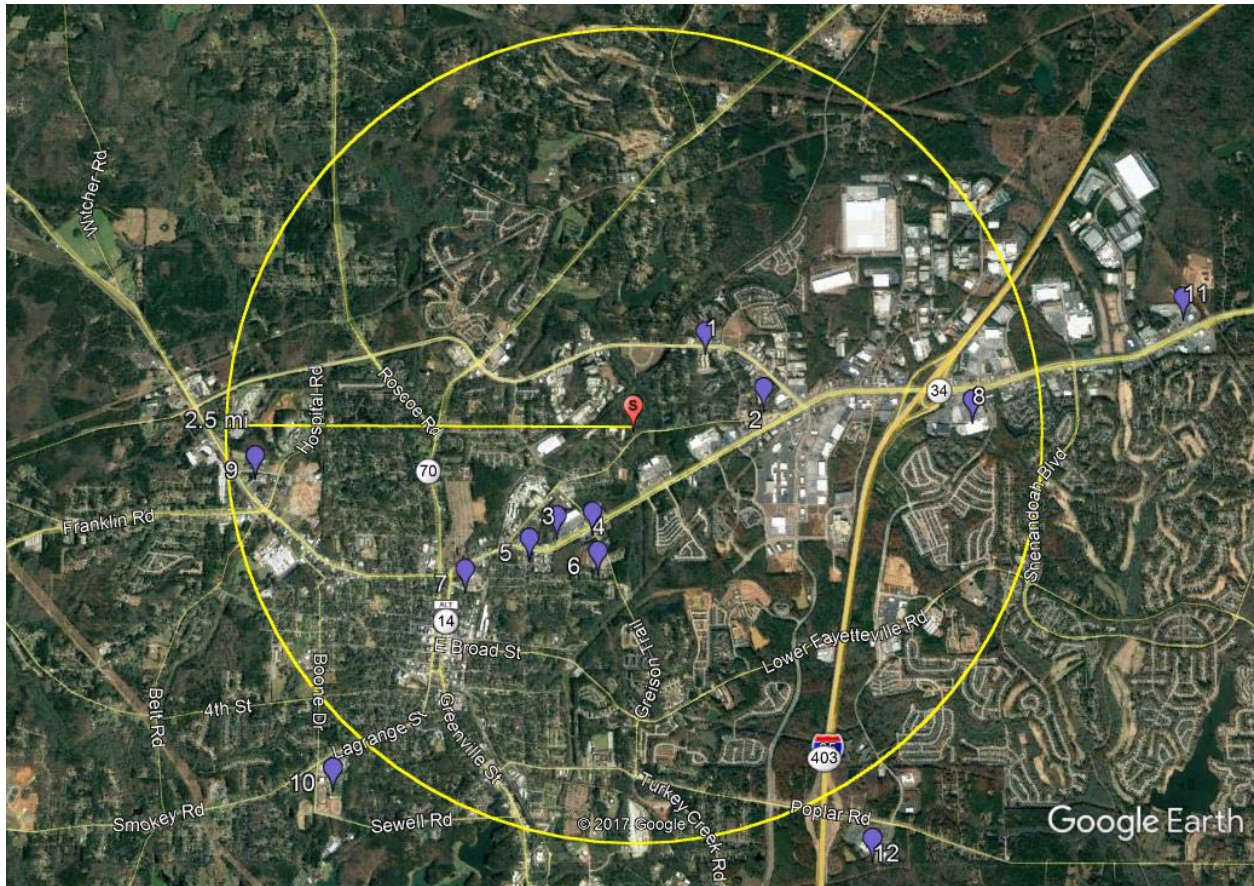
The Subject is located in Newnan, GA in an area that includes single-family and multifamily residences, commercial/retail uses, and houses of worship. The Subject is located on the north side of Jefferson Street Extension, a two lane, lightly trafficked roadway. It will have frontage along Jefferson Street Extension. Robert and Son's Aluminum is located directly to the west of the Subject. Further to the west are single family homes. To the east of the Subject are apartment buildings such as Preston Mill Apartments, which was excluded in our analysis because more comparable properties were used, and Jefferson Point Apartments, which was utilized as a comparable in this report. Further to the east is Ashley Park mall, a Walmart, Newnan Crossing Apartments, and Villas at Newnan Crossing, both properties have been used as comparables in this report. A grocery store, a Bank of America, and single family housing are located to the south of the Subject. Further south are Columbia Wood and the Preserve at Greisen Trail, which have been used as comparables for this report. Also to the south are the Vinings at Newnan Lakes, another apartment building. Retail and commercial uses are concentrated on Bullsboro Drive, which is located to the south of the Subject. Bullsboro Drive is a heavily trafficked four lane roadway that traverses east to west. It has several commercial and retail properties including grocery stores and restaurants that are within one mile of the subject. Overall, land uses in the Subject's neighborhood are considered compatible.

Proximity to Local Services

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

LOCATIONAL AMENITIES		
Map #	Service or Amenity	Distance from Subject
1	Jefferson Parkway Elementary School	0.9 Miles
2	Post Office	0.9 Miles
3	Kroger Supermarket	1.0 Mile
4	Bank of America	1.0 Mile
5	Gas Station	1.0 Mile
6	Coweta County Sheriff Department	1.2 Miles
7	Newnan Police Department	1.5 Miles
8	Walmart Super Center	2.3 Miles
9	Evans Middle School	3.0 Miles
10	Newnan High School	3.0 Miles
11	Bus Stop	3.7 Miles
12	Piedmont Newnan Hospital	4.5 Miles

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



Public Transportation

The nearest public transportation to the Subject is the Newnan Park-and-Ride bus, which is 3.7 miles away from the subject. The Newnan Park-and-Ride runs between Newnan and Union City. From Union City, the Union City Park-and-Ride bus can be taken to Downtown and Midtown Atlanta.

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*	76	139
Personal Crime*	53	130
Murder	97	155
Rape	43	88
Robbery	53	163
Assault	54	118
Property Crime*	79	140
Burglary	82	147
Larceny	80	134
Motor Vehicle Theft	61	178

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

As demonstrated in the table, the total crime and property crime indices in the PMA are significantly lower than the MSA and the national average. Additionally, the personal crime indices in the PMA are half the national average and are significantly lower than the MSA. The Subject is located in a low crime area. Therefore, excessive security features are not necessary, and demand for the Subject should not be affected by security features.

Conclusion

The Subject will be in an area that includes single-family and multifamily residences, commercial/retail uses, and houses of worship. Most major locational amenities are within 2.5 miles of the subject. Crime does not appear to be a major concern in the Primary Market Area. Further, the comparable properties do not appear to have extensive security features. The Subject will be a compatible use upon completion.

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.



Source: GoogleEarth, retrieved 9/2017

Size:	According to the site plan provided by the developer, the Subject site is 20 acres or 871,200 square feet.
Shape:	The Subject site is irregular in shape.
Frontage:	The Subject site has frontage along Jefferson Street Extension.
Topography	The site is generally level.
Utilities:	All utilities are available to the site.

Surrounding Visibility/Views:

The Subject is located in a mixed-use neighborhood in northeast Newnan. Views to the north consist of a wooded area and a warehouse. Views to the south consist of a wooded area across the Jefferson Street Extension. Views to the west consist of commercial/industrial properties (Robert & Sons Aluminum). Views to the east consist of single family homes. Overall, visibility and views are considered average.

Access and Traffic Flow:

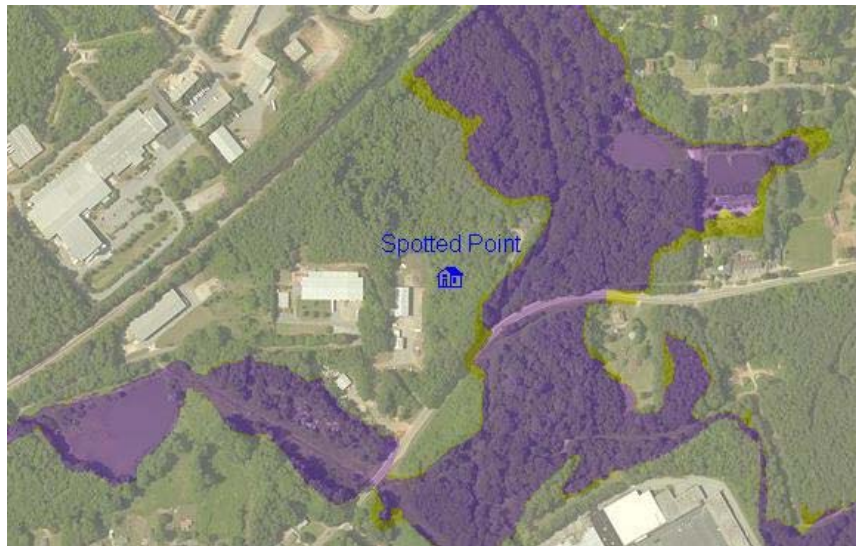
The Subject will be accessible via Jefferson Street. Jefferson Street is a two-way road that traverses east to west. Jefferson leads into Bullsboro Drive, a large, two-lane, heavily trafficked roadway that traverses east to west. The nearest highway is Interstate 85, which is less than 2 miles away from the subject. Overall, access and traffic flow are considered average.

Environmental, Soil and Subsoil Conditions and Drainage:

We have not been provided with a Phase I Environmental Report. During our site inspection, we walked the Subject's grounds, and did not observe any obvious indicators of environmental contamination or adverse property condition issues. We are not experts in this field and assume the site is adequate for development. Further, we have made an extraordinary assumption that the developer of the site will take all necessary measures to remove/mitigate all potential hazardous material and issues from the site prior to construction.

Flood Plain:

According to www.floodinsights.com, the Subject site is identified by community map number 130062 0144D, effective as of February 06, 2013. The Subject site is located in Zone X, and it is outside of the Special Flood Hazard Area. The subject site is located within 250 feet of multiple zones. Further analysis is beyond the scope of this report.



LURA:

We are not aware of any LURA's that currently encumber the Subject site. However according to the client, the Subject will be

encumbered by a LURA at closing.

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:

The Subject site is considered to be in an average 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: Jefferson Family Homes, the Subject, is the proposed construction of a multifamily development that will be comprised of 160 affordable units. Once complete, the Subject will offer 24 one-, 72 two-, and 64 three-bedroom units comprised in a five three-story garden-style buildings. The Subject site currently is currently vacant land. All of the Subject’s units will target families earning 60 percent of AMI or less.

Year Built or Date of Completion: The Subject is proposed new construction. Construction is scheduled to begin in November 2017 and is scheduled for completion in November 2018.

Property Layout and Curb Appeal: Based the site plans provided by the developer, the Subject will offer a functional property layout and excellent curb appeal.

Proposed Rents and Unit Mix: The following table details the Subject’s proposed unit mix and rents.

PROPOSED RENTS

Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2017 LIHTC Maximum Allowable Gross Rent	HUD Fair Market Rents
				@60%			
1BR / 1BA	850	24	\$686	\$98	\$784	\$784	\$858
2BR / 2BA	1072	72	\$824	\$118	\$942	\$942	\$990
3BR / 2BA	1185	64	\$925	\$145	\$1,070	\$1,087	\$1,299
		160					

Notes (1) Source of Utility Allowance provided by the Developer.

Parking: According to site plans provided by the developer, the Subject will offer approximately 350 off-street parking spaces at no additional charge. The amount of parking appears reasonable based on the Subject’s location and access to public transportation.

Unit Layout: Based on our review of floor plans provided, the floor plans appear adequate relative to their intended use and they will offer good functional utility. Floor plans are included in the Addenda.

Utility Structure: The Subject will offer electric cooking, electric heating, and electric heated hot water. The tenant will be responsible for all electric expenses. The landlord will be responsible for cold water, sewer, and trash expenses. The following table illustrates the utility allowances, based on the utility schedule from the Georgia Department of Community Affairs, effective January 2017.

HOUSING AUTHORITY UTILITY ALLOWANCE

UTILITY AND SOURCE	Paid By	1BR	2BR	3BR
Heating - Electric	Tenant	\$25	\$30	\$36
Cooking - Electric	Tenant	\$9	\$11	\$12
Other Electric	Tenant	\$40	\$44	\$48
Air Conditioning	Tenant	\$9	\$11	\$12
Water Heating - Electric	Tenant	\$15	\$22	\$34
Water	Landlord	\$20	\$23	\$28
Sewer	Landlord	\$21	\$25	\$31
Trash	Landlord	\$15	\$15	\$15
TOTAL - Paid By Landlord		\$56	\$63	\$74
TOTAL - Paid By Tenant		\$98	\$118	\$142
TOTAL - Paid By Tenant Provided by Developer		\$98	\$118	\$145
DIFFERENCE		100%	100%	102%

Source: Georgia Department of Community Affairs, effective January 1, 2017

Americans With Disabilities Act of 1990:

As new construction, we assume the property will not have any violations of the Americans with Disabilities Act of 1990.

Remaining Economic Life:

Based on a typical economic life of 60 years and the Subject's anticipated excellent condition, we believe the economic life for the Subject would equal or surpass 60 years upon completion.

Quality of Construction:

We assume the Subject will be completed in a manner consistent with the information provided, using average-quality materials in a professional manner. As new construction, the Subject will not suffer from deferred maintenance.

Functional Utility:

As new construction, we assume the Subject will not suffer from functional obsolescence. The developer has not provided floor and site plans for the Subject, but did provide plans for a property which is identical in design. We have made the extraordinary assumption that these plans accurately depict the development. We have reviewed these site and floor plans and determined them to be market-oriented and functional.

Conclusion:

The Subject will be a new construction of a 160-unit LIHTC multifamily development. The Subject will not suffer from functional obsolescence and will provide good utility for its intended use.

PROPERTY PROFILE REPORT

Jefferson Family Homes

Effective Rent Date	10/02/2017
Location	414 Jefferson St Ext Newnan, GA 30263 Coweta County Intersection: McBride Street
Distance	N/A
Units	160
Vacant Units	N/A
Vacancy Rate	N/A
Type	Garden (3 stories)
Year Built/Renovated	2019 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	N/A
Tenant Characteristics	N/A
Contact Name	N/A
Phone	N/A



Market Information

Program	@60%
Annual Turnover Rate	N/A
Units/Month Absorbed	N/A
HCV Tenants	N/A
Leasing Pace	N/A
Annual Chg. in Rent	N/A
Concession	N/A

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)	24	850	\$686	\$0	@60%	N/A	N/A	N/A	yes	None
2	2	Garden (3 stories)	72	1,072	\$824	\$0	@60%	N/A	N/A	N/A	no	None
3	2	Garden (3 stories)	64	1,185	\$925	\$0	@60%	N/A	N/A	N/A	no	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$686	\$0	\$686	\$0	\$686
2BR / 2BA	\$824	\$0	\$824	\$0	\$824
3BR / 2BA	\$925	\$0	\$925	\$0	\$925

Jefferson Family Homes, continued

Amenities

In-Unit		Security	Services
Blinds	Carpeting	None	None
Central A/C	Coat Closet		
Dishwasher	Oven		
Refrigerator	Walk-In Closet		
Washer/Dryer hookup			
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	Dog Park
Exercise Facility	Off-Street Parking		
On-Site Management	Picnic Area		
Swimming Pool			

Comments

None

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.

Real estate taxes for a property located in Coweta County are based upon a property’s assessed valuation for each tax year. Real estate taxes in this county represent *ad valorem* taxes, meaning a tax applied in proportion to value. Market values are assessed predominantly using the cost approach, and then using the other two approaches to modify the cost approach. Real estate taxes in Coweta County are based upon 40 percent of the market value, and then multiplied by a millage rate determined by the property’s tax district. The last county-wide reassessment was in 2014. The Subject property is located in the tax district Newnan 02, and has a millage rate of 30.09.

CURRENT ASSESSMENT

Land Value	Improvements Value	Total Market Value	Assessment Ratio	Total Assessed Value	Assessed Value Per Unit
\$269,981	\$62,034	\$332,015	40%	\$132,806	\$830

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
Foxworth Forest	LIHTC	1993/2017	72	\$2,507,447	\$34,826
Columbia Woods	LIHTC	2002	120	\$5,223,923	\$43,533
Pines By The Creek	LIHTC/Market	1990/2008	96	\$2,465,707	\$25,684
Trees at Newnan	Market	2016	500	\$21,133,401	\$42,267
The Preserve at Greison Trail	Market	2008	235	\$16,067,732	\$68,373
Jefferson Point Apartments	Market	1990/2015	120	\$6,186,456	\$51,554

Reasonable Assessment and Taxes

For the restricted LIHTC scenario, we have concluded to \$33,000 per unit for the Subject, which is within the range of the LIHTC comparables and based on the Subject’s proposed unit mix, set asides, and excellent condition, appears reasonable. The following tables illustrate the tax burden for the Subject under the restricted scenario.

TAX CALCULATION -AS PROPOSED RESTRICTED LIHTC

Property	Assessed Value Per Unit	Total Assessed Value	Millage Rate	Estimated Tax Burden	Estimated Tax Burden Per Unit
Subject	\$33,000	\$5,280,000	3.01%	\$158,875	\$993

For the unrestricted scenario, we have concluded to \$59,000 per unit for the Subject, which is within the range of the market rate comparables and based on the Subject’s anticipated excellent condition and unit mix, appears reasonable. The following table illustrates the estimated tax burden for the Subject under the proposed unrestricted scenario.

TAX CALCULATION - AS PROPOSED UNRESTRICTED

Property	Assessed Value Per Unit	Total Assessed Value	Millage Rate	Estimated Tax Burden	Estimated Tax Burden Per Unit
Subject	\$59,000	\$9,440,000	3.01%	\$284,050	\$1,775

It should be noted that the total assessed values utilized in estimating the Subject’s property taxes are at 40 percent of our market value estimates which is similar to the equalization rate in the county. Thus, there appears to be adequate support for our assessed value conclusions.

In addition, for the taxation of LIHTC properties in the state of Georgia, there has been recent legislation that considers the value created by the intangible LIHTC as part of the assessed value of real property for ad valorem taxation purposes, known as House Bill 196. It is important to make it clear that this issue of taxation of intangible LIHTC value as part of ad valorem real property value is currently being contested and is a dynamic issue. According to the bill, assessors can consider the value of intangible tax credits when adequate data is available for comparison. Given the possibility of the intangible LIHTC value being assessed as real property under proposed Georgia state law, we have considered this in our tax analysis. It is important to note that the county assessor was not able to opine on whether they would or would not include intangible LIHTC value as part of the Subject assessment, nor could the assessor provide the methodology that would be used for intangible LIHTC valuation. Based on generally accepted practice we have considered the intangible LIHTC value using a discounted cash flow analysis, whereby annual assessments are determined year to year over the 10-year LIHTC disbursement period by adding the net present value of the remaining LIHTC allocation (purchased price value) until all the LIHTC are disbursed. This sum is then multiplied by the assessment ratio to determine the taxable assessment and annual tax burden related to the intangible LIHTC value. We then determine the net present value of the LIHTC annual tax burden and deduct this figure from our indicated values via Direct Capitalization, as presented later in this report.

The Subject will receive \$1,029,860 in annual LIHTC. The table following illustrates the net present value of the added tax burden associated with the non-tangible LIHTC at the Subject, based on the concluded LIHTC equity pricing of \$0.95 per credit. We have utilized a market-oriented discount rate of 12 percent.

Year	NET PRESENT VALUE OF ADDED TAX FROM NON-TANGIBLE LIHTC INCOME									
	1	2	3	4	5	6	7	8	9	10
Federal Annual Allocation	\$1,029,860	\$1,029,860	\$1,029,860	\$1,029,860	\$1,029,860	\$1,029,860	\$1,029,860	\$1,029,860	\$1,029,860	\$1,029,860
LIHTC Pricing Per Credit*	\$0.95									
Federal LIHTC Annual Value	<u>\$978,367</u>	<u>\$978,367</u>	<u>\$978,367</u>	<u>\$978,367</u>	<u>\$978,367</u>	<u>\$978,367</u>	<u>\$978,367</u>	<u>\$978,367</u>	<u>\$978,367</u>	<u>\$978,367</u>
Total LIHTC Annual Value	\$978,367	\$978,367	\$978,367	\$978,367	\$978,367	\$978,367	\$978,367	\$978,367	\$978,367	\$978,367
Discount Rate	12.0%									
Annual Remaining Value	\$5,527,992	\$5,212,984	\$4,860,175	\$4,465,029	\$4,022,465	\$3,526,794	\$2,971,642	\$2,349,872	\$1,653,490	\$873,542
Assessment Ratio	40%									
LIHTC Assessment Amount	\$2,211,197	\$2,085,194	\$1,944,070	\$1,786,012	\$1,608,986	\$1,410,718	\$1,188,657	\$939,949	\$661,396	\$349,417
Millage Rate	\$30.09									
LIHTC Annual Tax Burden	\$66,535	\$62,743	\$58,497	\$53,741	\$48,414	\$42,448	\$35,767	\$28,283	\$19,901	\$10,514
NPV of Tax Burden	\$270,000									

*Novogradac concluded LIHTC equity pricing

As illustrated in the previous table, the net present value of the additional tax associated with the nontangible LIHTC income is \$270,000. This amount has been deducted from the restricted scenario value later in the report.

ZONING

Current Zoning

According to rezoning ordinance by the City of Newnan and provided by the developer, the Subject was rezoned July 18, 2017 to RML (Residential Multiple Family Dwelling-Lower Density District) and is approved for 160 units. The site was formerly zoned for industrial use. The RML district allows for eight units per acre. The RML zoning district requires 1.5 parking spaces per unit, which would equate to 240 parking spaces for the Subject's unit mix. The Subject will offer 350 parking spaces. Thus, the Subject appears to be a legal, conforming use as proposed. Additionally, the Subject's proposed density and parking ratio appears consistent with comparable properties in the neighborhood.

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 Costar trend report from the first quarter of 2017 for Coweta County to gather information on the local apartment rental market. According to the report, asking rents in the market are expected to increase by 2 percent over the next four years through the first quarter of 2021. The vacancy rate in the county is expected to decrease from 10.9 percent to 7.71 percent from the first quarter of 2017 to the first quarter of 2021. Overall, the general rental market appears to be experiencing modest rent growth coupled with slightly decreasing vacancy rates, and appears relatively stable.

Tenure

The following table is a summary of the general population tenure patterns of the housing stock in the PMA.

TENURE PATTERNS PMA

Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	9,150	65.6%	4,797	34.4%
2016	13,615	57.9%	9,909	42.1%
2021	14,416	57.3%	10,736	42.7%

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

Owner-occupied units comprise 57.9 percent of the total housing stock in the PMA, with renter-occupied units predicted to slightly increase through 2021. Additionally, it is anticipated that the renter-occupied units will increase by 827 units by 2021. In the SMA, approximately 37.9 percent of households are renter-occupied. Thus the PMA has a higher percentage of renter-occupied households compared to the nation overall.

Building Permits

The following table depicts building activity from 2001 through October 2017 for Coweta County.

BUILDING PERMITS: COWETA - 2001 to 2017*

Year	Single-family and Duplex	Three and Four-Family	Five or More Family	Total Units
2001	1,663	12	489	2,164
2002	1,659	0	0	1,659
2003	1,732	4	258	1,994
2004	1,792	0	192	1,984
2005	2,049	8	0	2,057
2006	1,835	12	0	1,847
2007	1,120	0	298	1,418
2008	503	0	0	503
2009	314	0	0	314
2010	416	0	0	416
2011	329	0	0	329
2012	403	0	0	314
2013	724	0	248	972
2014	745	0	0	745
2015	768	0	213	981
2016	866	12	94	314
2017*	591	0	0	591
Total	17,509	48	1,792	18,602
Average**	946	3	105	1,054

*Only Includes through October 2017

Source: US Census Bureau Building Permits, October 2017

Building permit information presented in the previous table indicates that since 2001, single-family and duplex construction has significantly out-paced multifamily construction in Coweta County. Over this period, single-family and duplex construction accounted for 94 percent of building permits issued in the county.

Rent/Buy Analysis

We performed a rent/buy analysis. Our inputs assume a three-bedroom single-family home listing on www.zillow.com in the Subject’s neighborhood with a purchase price of \$151,600 and an interest rate of 3.77 percent for a 30-year fixed mortgage with a five percent down payment. This was compared to the cost to rent the Subject’s three-bedroom unit. This analysis indicates that with a monthly differential of \$309, it is more affordable to rent than to purchase a home. This indicates that the Subject will face limited competition with home ownership at current interest rate levels. The rent buy analysis is illustrated in the following table.

Rent Buy Analysis			
Property Type:	3 Bedroom Single-Family Home		
Sale Price	\$151,600		
Down Payment at 5%	\$7,580		
Mortgage Amount	\$144,020		
Current Interest Rate	3.77%		
<i>Homeownership Costs</i>	<i>Monthly</i>	<i>% of Home Value</i>	<i>Annual</i>
Mortgage Payment	\$669		\$8,023
Property Taxes	\$253	2.00%	\$3,032
Private Mortgage Insurance (1)	\$63	0.50%	\$758
Maintenance	\$253	2.00%	\$3,032
Utility Costs*	\$74		\$888
Tax Savings	-\$77		-\$928
Monthly Cost Comparison			
Costs of Homeownership	\$1,234		\$14,806
Cost of Renting At Subject	- \$925		\$11,100
Differential	\$309		\$3,706
Cost of Occupancy			
<i>Homeownership</i>			
Closing Costs		3.00%	\$4,548
Down Payment at 5%		5.00%	<u>\$7,580</u>
Total			\$12,128
<i>Subject Rental</i>			
First Month's Rent			\$925
Security Deposit			<u>\$300</u>
Total			\$1,225

* Utility Costs Included in Rent at Subject

(1) Based upon 0.50 percent of mortgage amount.

As illustrated, the “cash due at occupancy” category adds to more than \$12,000 for the down payment and closing costs. The cash necessary for homeownership is still a barrier to many families. In general, first-time homebuyers have difficulty saving for a down payment. Further, renting at the Subject is more affordable than purchasing even a modest single-family home in Newnan, Georgia. For this reason, we believe that the Subject will face limited competition from homeownership.

New Supply

We spoke with Chris Cole at the City of Newnan Department of planning to gather information on planned, proposed, and under construction multifamily properties in the area. There is only one multifamily property that is currently under construction located at either 1400 or 1450 Newnan Crossing Boulevard. According to Chris, this property will have 300 market rate units.

LIHTC Competition / Recent and Proposed Construction

We accessed the Georgia Department of Community Affairs published recipient list for the years 2014, 2015, and 2016. We also consulted the 2017 application list. We identified two allocations in the Subject’s PMA. It should be noted that there were no applications for properties in Coweta County in 2017.

Foxworth Forest, a 90-unit acquisition/rehab development located 3.3 miles east of the Subject, was allocated in 2015. Renovations on this property were completed in July 2017. We have used this property as a comparable in our report. Based on similar tenancy, we expect this property to compete with the Subject.

Wisteria Place, now known as Wisteria Gardens, a 122-unit senior new construction development located 3.9 miles east of the Subject, was allocated in 2014. The property is nearing completion and is currently pre-leasing. We attempted to survey this development as a rent comparable, but were unable to contact management. Based on the senior tenancy, we do not expect this development to compete directly with the Subject.

Local Housing Authority Discussion

We spoke with Lasonta Reeves at The Housing Authority of the City of Newnan regarding Housing Choice Voucher usage in the Subject’s area. Ms. Reeves stated that the housing authority administers 140 total vouchers, of which 55 are considered “portability vouchers” that can be used in another housing authority’s jurisdiction. Ms. Reeves also reported that the Georgia Department of Community Affairs administers 294 vouchers within Coweta County. All of The Housing Authority of the City of Newnan and the Georgia Department of Community Affairs vouchers are currently in use. The Housing Authority of the City of Newnan’s waiting list is currently closed and comprised of approximately 22 households. Preference is given to seniors, disabled individuals, and county residents. Ms. Reeves provided the following payment standards for the city of Newnan, which are above the proposed rents.

PAYMENT STANDARDS

Unit Type	Standard
One-Bedroom	\$944
Two-Bedroom	\$1,089
Three-Bedroom	\$1,429

September 2017

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, 2,247 units in 10 rental properties were surveyed in depth. We also visited and surveyed other properties that were excluded from the market survey because they are not considered comparable, because they include services and meals in rents, or they would not participate in the survey. Property managers were interviewed for information on unit mix, size, absorption, unit features and project amenities; tenant profiles; and market trends in general.

Our competitive survey included six unrestricted market rate comparable properties, four LIHTC/mixed income comparable properties. All of the properties are located in the PMA, and six are located within two miles of the Subject. Additionally, several of the affordable comparables are relatively new construction or recently renovated, and will be generally similar to the Subject in terms of age/condition. Overall, we believe the properties chosen for analysis represent “best available comparables” relative to the Subject’s proposed development, and thus they provide sufficient data for our conclusions and findings. Below is a table of the excluded properties within the Subject’s PMA.

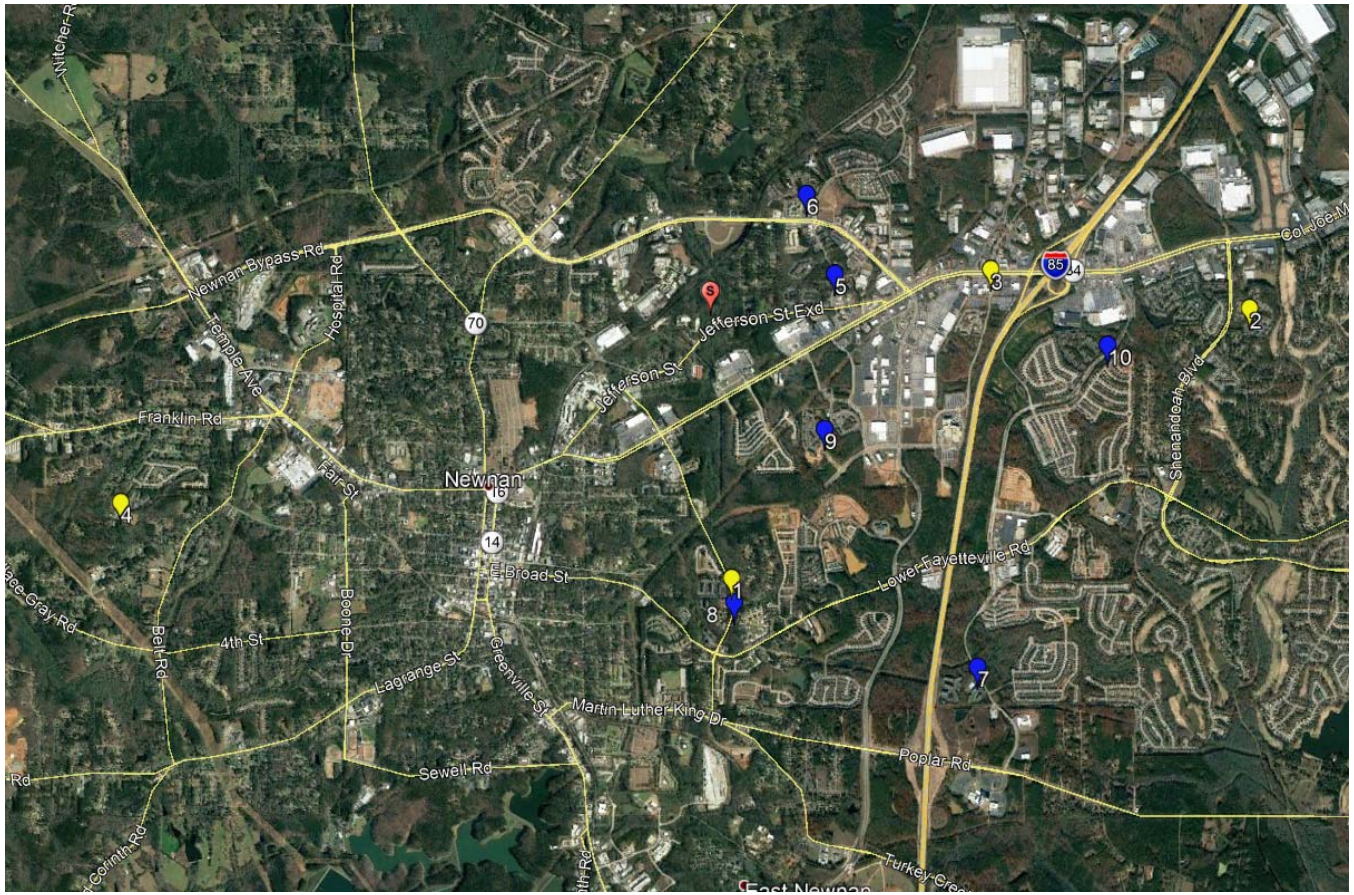
EXCLUDED LIST

Property Name	Rent Structure	Tenancy	Reason for Exclusion
Eastgate Apts	Section 8	Family	Subsidized
Overby Park Townhouses	Section 8	Family	Subsidized
Shenandoah Villas	Section 8	Family	Subsidized
The Highlands	Section 8	Family	Subsidized
Wisteria Gardens	LIHTC	Senior	Tenancy

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

COMPARABLE PROPERTIES

#	Comparable Property	City	AMI Levels	Distance to Subject
S	Jefferson Family Homes	Newnan	@60%	-
1	Columbia Woods	Newnan	@50%, @60%, Non-Rental	1.4 miles
2	Foxworth Forest Apartments	Newnan	@50%, @60%	2.8 miles
3	Newnan Crossing	Newnan	@60%, Market	1.5 miles
4	Pines By The Creek	Newnan	@30, @50%, @60%, Market	3.2 miles
5	Jefferson Point Apartments	Newnan	Market	0.7 miles
6	Lullwater At Calumet	Newnan	Market	0.8 miles
7	Stillwood Farms Apartments	Newnan	Market	2.3 miles
8	The Preserve At Greison Trail	Newnan	Market	1.5 miles
9	Trees Of Newnan Apartment Homes	Newnan	Market	0.9 miles
10	Villas At Newnan Crossing	Newnan	Market	2.1 miles



SUMMARY MATRIX

Comp #	Property Name	Distance to Subject	Type / Built / Renovated	Rent Structure	Unit Description	#	%	Size (SF)	Restriction	Rent (Adj)	Max Rent?	Waiting List?	Vacant Units	Vacancy Rate
Subject	Jefferson Family Homes 414 Jefferson St Ext Newnan, GA 30263 Coweta County	-	Garden (3 stories) 2019 / n/a Family	@60%	1BR / 1BA 2BR / 2BA 3BR / 2BA	24 72 64	15.0% 45.0% 40.0%	850 1,072 1,185	@60% @60% @60%	\$686 \$824 \$925	Yes No No		N/A N/A N/A	N/A N/A N/A
						160	100.0%						N/A	N/A
1	Columbia Woods 166 Greison Trail Newnan, GA 30263 Coweta County	1.4 miles	Townhouse (2 stories) 2001 / n/a Family	@50%, @60%, Non-Rental	2BR / 2.5BA 2BR / 2.5BA 2BR / 2.5BA 3BR / 2BA 3BR / 2BA 3BR / 2BA	2 93 1 1 22 1	1.7% 77.5% 0.8% 0.8% 18.3% 0.8%	1,244 1,244 1,244 1,492 1,492 1,492	@50% @60% Non-Rental @50% @60% Non-Rental	\$723 \$894 - \$824 \$1,016 -	Yes Yes N/A Yes Yes N/A	N/A N/A N/A N/A No N/A	N/A N/A N/A N/A 0 N/A	N/A N/A N/A N/A 0.0% N/A
						120	100.0%						4	3.3%
2	Foxworth Forest Apartments 17 Forest Circle Newnan, GA 30265 Coweta County	2.8 miles	Garden (2 stories) 1993 / 2017 Family	@50%, @60%	1BR / 1BA 1BR / 1BA 2BR / 2BA 2BR / 2BA 3BR / 2BA 3BR / 2BA	N/A 16 N/A 40 N/A 18	N/A 17.8% N/A 44.4% N/A 20.0%	744 744 1,004 1,004 1,140 1,140	@50% @60% @50% @60% @50% @60%	\$503 \$721 \$708 \$848 \$809 \$984	No No No No No No	N/A N/A N/A N/A N/A N/A	N/A N/A N/A N/A 0 0	N/A N/A N/A N/A 0.0% 0.0%
						90	82.2%						0	0.0%
3	Newnan Crossing 151 Parkway North Newnan, GA 30265 Coweta County	1.5 miles	Garden (3 stories) 2004 / n/a Family	@60%, Market	1BR / 1BA 1BR / 1BA 2BR / 2BA 2BR / 2BA 3BR / 2BA 3BR / 2BA 4BR / 3BA 4BR / 3BA	28 16 36 48 16 24 16 8	14.6% 8.3% 18.8% 25.0% 8.3% 12.5% 8.3% 4.2%	814 814 1,079 1,079 1,207 1,207 1,454 1,454	@60% Market @60% Market @60% Market @60% Market	\$771 \$866 \$918 \$976 \$1,052 \$1,209 \$1,162 -	No N/A No N/A No N/A No N/A	None None None None None None None None	0 0 4 0 0 0 0 0	0.0% 0.0% 11.1% 0.0% 0.0% 0.0% 0.0% 2.1%
						192	100.0%						4	2.1%
4	Pines By The Creek 60 Heery Road Newnan, GA 30263 Coweta County	3.2 miles	Garden (2 stories) 1990 / 2008 Family	@30, @50%, @60%, Market	2BR / 1BA 2BR / 1BA 2BR / 1BA 2BR / 1BA	10 42 24 20	10.4% 43.8% 25.0% 20.8%	854 854 854 854	@30% @50% @60% Market	\$410 \$715 \$920 \$920	No No No N/A	No No No No	0 0 1 0	0.0% 0.0% 4.2% 0.0%
						96	100.0%						1	1.0%
5	Jefferson Point Apartments 66 Jefferson Parkway Newnan, GA 30263 Coweta County	0.7 miles	Various (2 stories) 1990 / 2008 / 2015 Family	Market	1BR / 1BA 1BR / 1BA 2BR / 2BA 2BR / 2BA 3BR / 2BA 3BR / 2.5BA	24 24 24 32 8 8	20.0% 20.0% 20.0% 26.7% 6.7% 6.7%	644 896 1,119 1,173 1,400 1,344	Market Market Market Market Market Market	\$938 \$941 \$1,033 \$1,070 \$1,331 \$1,386	N/A N/A N/A N/A N/A N/A	No No No No No No	0 N/A N/A 0 0 0	0.0% N/A N/A 0.0% 0.0% 0.0%
						120	100.0%						11	9.2%
6	Lullwater At Calumet 500 Lullwater Circle Newnan, GA 30263 Coweta County	0.8 miles	Garden (2 stories) 1999 / 2011 Family	Market	1BR / 1BA 1BR / 1BA 1BR / 1BA 2BR / 2BA 2BR / 2BA 3BR / 2BA 3BR / 2BA	N/A N/A N/A N/A N/A N/A N/A	N/A N/A N/A N/A N/A N/A N/A	815 940 981 1,240 1,296 1,459 1,419	Market Market Market Market Market Market Market	\$1,006 \$1,056 \$1,031 \$1,186 \$1,186 - \$1,374	N/A N/A N/A N/A N/A N/A N/A	No No No No No No No	1 N/A N/A N/A N/A N/A N/A	N/A N/A N/A N/A N/A N/A 4.6%
						240	N/A						11	4.6%
7	Stillwood Farms Apartments 2050 Newnan Crossing Newnan, GA 30265 Coweta County	2.3 miles	Garden (4 stories) 2009 / n/a Family	Market	1BR / 1BA 1BR / 1BA 2BR / 2BA 2BR / 2BA 2BR / 2BA 2BR / 2BA 2BR / 2BA 3BR / 2BA	N/A N/A N/A N/A N/A N/A N/A N/A	N/A N/A N/A N/A N/A N/A N/A N/A	949 955 1,253 1,276 1,276 1,315 1,493 1,519	Market Market Market Market Market Market Market Market	\$943 \$992 \$1,189 \$1,161 \$1,182 \$1,202 \$1,299 \$1,405	N/A N/A N/A N/A N/A N/A N/A N/A	N/A N/A N/A N/A N/A N/A N/A N/A	N/A N/A N/A N/A N/A N/A N/A N/A	
						298	N/A						7	2.3%
8	The Preserve At Greison Trail 138 Greison Trail Newnan, GA 30263 Coweta County	1.5 miles	Garden (3 stories) 2008 / n/a Family	Market	1BR / 1BA 1BR / 1BA 1BR / 1.5BA 2BR / 2BA 2BR / 2BA 3BR / 2BA	N/A N/A N/A N/A N/A N/A	N/A N/A N/A N/A N/A N/A	734 772 1,000 1,104 1,190 1,460	Market Market Market Market Market Market	\$974 \$1,029 \$1,173 \$1,224 \$1,526 \$1,536	N/A N/A N/A N/A N/A N/A	No No No No No No	N/A N/A N/A N/A N/A N/A	N/A N/A N/A N/A N/A 5.5%
						235	N/A						13	5.5%
9	Trees Of Newnan Apartment Homes 300 Ashley Park Blvd Newnan, GA 30263 Coweta County	0.9 miles	Garden (4 stories) 2016 / n/a Family	Market	1BR / 1BA 2BR / 2BA 2BR / 2BA 3BR / 2BA 3BR / 2BA	179 269 N/A 52 52	35.8% 53.8% N/A 10.4% 10.4%	726 1,013 1,165 1,309 1,620	Market Market Market Market Market	\$979 \$1,105 \$1,205 \$1,437 \$1,817	N/A N/A N/A N/A N/A	No No No No No	N/A N/A N/A N/A N/A	N/A N/A N/A N/A 14.6%
						500	110.4%						73	14.6%
10	Villas At Newnan Crossing 1200 Newnan Crossing Boulevard Newnan, GA 30264 Coweta County	2.1 miles	Various (3 stories) 2003 / 2007 Family	Market	1BR / 1BA 1BR / 1BA 1BR / 1BA 2BR / 2BA 2BR / 2BA 2BR / 2BA 2BR / 2BA 2.5BR / 2BA 3BR / 2BA 3BR / 2BA	18 60 12 116 6 15 15 19 85 10	5.1% 16.9% 3.4% 32.6% 1.7% 4.2% 4.2% 5.3% 23.9% 2.8%	691 880 880 1,177 1,320 1,320 1,177 1,479 1,479 1,561	Market Market Market Market Market Market Market Market Market Market	\$1,025 \$995 \$1,265 \$1,142 \$1,192 \$1,492 - - - \$1,703	N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A	No No No N/A N/A N/A N/A N/A N/A N/A	N/A N/A N/A 0 N/A N/A N/A N/A N/A N/A	N/A N/A N/A 0.0% N/A N/A N/A N/A N/A N/A
						356	100.0%						16	4.5%

RENT AND SQUARE FOOTAGE RANKING – All rents adjusted for utilities and concessions extracted from the market.

		Units Surveyed:	2,247	Weighted Occupancy:	93.8%	
		Market Rate	1,749	Market Rate	92.5%	
		Tax Credit	498	Tax Credit	98.2%	
		One-Bedroom One Bath	Two-Bedroom Two Bath	Three-Bedroom Two Bath		
RENT	Property	Average	Property	Average	Property	Average
	Villas At Newnan Crossing (Market)	\$1,265	The Preserve At Greison Trail (Market)	\$1,526	Trees Of Newnan Apartment Homes (Market)	\$1,817
	The Preserve At Greison Trail (Market) (1.5BA)	\$1,173	Villas At Newnan Crossing (Market)	\$1,492	Villas At Newnan Crossing (Market)	\$1,703
	Lullwater At Calumet (Market)	\$1,056	Stillwood Farms Apartments (Market)	\$1,299	The Preserve At Greison Trail (Market)	\$1,536
	Lullwater At Calumet (Market)	\$1,031	The Preserve At Greison Trail (Market)	\$1,224	Trees Of Newnan Apartment Homes (Market)	\$1,437
	The Preserve At Greison Trail (Market)	\$1,029	Trees Of Newnan Apartment Homes (Market)	\$1,205	Stillwood Farms Apartments (Market)	\$1,405
	Villas At Newnan Crossing (Market)	\$1,025	Stillwood Farms Apartments (Market)	\$1,202	Jefferson Point Apartments (Market) (2.5BA)	\$1,386
	Lullwater At Calumet (Market)	\$1,006	Villas At Newnan Crossing (Market)	\$1,192	Lullwater At Calumet (Market)	\$1,374
	Villas At Newnan Crossing (Market)	\$995	Stillwood Farms Apartments (Market)	\$1,189	Jefferson Point Apartments (Market)	\$1,331
	Stillwood Farms Apartments (Market)	\$992	Lullwater At Calumet (Market)	\$1,186	Newnan Crossing (Market)	\$1,209
	Trees Of Newnan Apartment Homes (Market)	\$979	Lullwater At Calumet (Market)	\$1,186	Newnan Crossing (@60%)	\$1,052
	The Preserve At Greison Trail (Market)	\$974	Stillwood Farms Apartments (Market)	\$1,182	Columbia Woods (@60%)	\$1,016
	Stillwood Farms Apartments (Market)	\$943	Stillwood Farms Apartments (Market)	\$1,161	Foxworth Forest Apartments (@60%)	\$984
	Jefferson Point Apartments (Market)	\$941	Villas At Newnan Crossing (Market)	\$1,142	Jefferson Family Homes (@60%)	\$925
	Jefferson Point Apartments (Market)	\$938	Trees Of Newnan Apartment Homes (Market)	\$1,105	Columbia Woods (@50%)	\$824
	Newnan Crossing (Market)	\$866	Jefferson Point Apartments (Market)	\$1,070	Foxworth Forest Apartments (@50%)	\$809
	Newnan Crossing (@60%)	\$771	Jefferson Point Apartments (Market)	\$1,033	Lullwater At Calumet (Market)	-
	Foxworth Forest Apartments (@60%)	\$721	Newnan Crossing (Market)	\$976	Villas At Newnan Crossing (Market)	-
	Jefferson Family Homes (@60%)	\$686	Pines By The Creek (Market) (1BA)	\$920		
	Foxworth Forest Apartments (@50%)	\$503	Pines By The Creek (@60%) (1BA)	\$920		
			Newnan Crossing (@60%)	\$918		
			Columbia Woods (@60%) (2.5BA)	\$894		
			Foxworth Forest Apartments (@60%)	\$848		
			Jefferson Family Homes (@60%)	\$824		
			Columbia Woods (@50%) (2.5BA)	\$723		
			Pines By The Creek (@50%) (1BA)	\$715		
			Foxworth Forest Apartments (@50%)	\$708		
			Pines By The Creek (@30%) (1BA)	\$410		
			Villas At Newnan Crossing (Market)	-		
SQUARE FOOTAGE	Property	Average	Property	Average	Property	Average
	The Preserve At Greison Trail (Market) (1.5BA)	1,000	Stillwood Farms Apartments (Market)	1,493	Trees Of Newnan Apartment Homes (Market)	1,620
	Lullwater At Calumet (Market)	981	Villas At Newnan Crossing (Market)	1,320	Villas At Newnan Crossing (Market)	1,561
	Stillwood Farms Apartments (Market)	955	Villas At Newnan Crossing (Market)	1,320	Stillwood Farms Apartments (Market)	1,519
	Stillwood Farms Apartments (Market)	949	Stillwood Farms Apartments (Market)	1,315	Columbia Woods (@50%)	1,492
	Lullwater At Calumet (Market)	940	Lullwater At Calumet (Market)	1,296	Columbia Woods (@60%)	1,492
	Jefferson Point Apartments (Market)	896	Stillwood Farms Apartments (Market)	1,276	Villas At Newnan Crossing (Market)	1,479
	Villas At Newnan Crossing (Market)	880	Stillwood Farms Apartments (Market)	1,276	The Preserve At Greison Trail (Market)	1,460
	Villas At Newnan Crossing (Market)	880	Stillwood Farms Apartments (Market)	1,253	Lullwater At Calumet (Market)	1,459
	Jefferson Family Homes (@60%)	850	Columbia Woods (@50%) (2.5BA)	1,244	Lullwater At Calumet (Market)	1,419
	Lullwater At Calumet (Market)	815	Columbia Woods (@60%) (2.5BA)	1,244	Jefferson Point Apartments (Market)	1,400
	Newnan Crossing (@60%)	814	Lullwater At Calumet (Market)	1,240	Jefferson Point Apartments (Market) (2.5BA)	1,344
	Newnan Crossing (Market)	814	The Preserve At Greison Trail (Market)	1,190	Trees Of Newnan Apartment Homes (Market)	1,309
	The Preserve At Greison Trail (Market)	772	Villas At Newnan Crossing (Market)	1,177	Newnan Crossing (Market)	1,207
	Foxworth Forest Apartments (@50%)	744	Villas At Newnan Crossing (Market)	1,177	Newnan Crossing (@60%)	1,207
	Foxworth Forest Apartments (@60%)	744	Jefferson Point Apartments (Market)	1,173	Jefferson Family Homes (@60%)	1,185
	The Preserve At Greison Trail (Market)	734	Trees Of Newnan Apartment Homes (Market)	1,165	Foxworth Forest Apartments (@50%)	1,140
	Trees Of Newnan Apartment Homes (Market)	726	Jefferson Point Apartments (Market)	1,119	Foxworth Forest Apartments (@60%)	1,140
	Villas At Newnan Crossing (Market)	691	The Preserve At Greison Trail (Market)	1,104		
	Jefferson Point Apartments (Market)	644	Newnan Crossing (Market)	1,079		
			Newnan Crossing (@60%)	1,079		
			Jefferson Family Homes (@60%)	1,072		
			Trees Of Newnan Apartment Homes (Market)	1,013		
			Foxworth Forest Apartments (@50%)	1,004		
			Foxworth Forest Apartments (@60%)	1,004		
			Pines By The Creek (Market) (1BA)	854		
			Pines By The Creek (@60%) (1BA)	854		
			Pines By The Creek (@50%) (1BA)	854		
			Pines By The Creek (@30%) (1BA)	854		
RENT PER SQUARE FOOT	Property	Average	Property	Average	Property	Average
	Villas At Newnan Crossing (Market)	\$1.40	The Preserve At Greison Trail (Market)	\$1.23	Trees Of Newnan Apartment Homes (Market)	\$1.11
	Jefferson Point Apartments (Market)	\$1.39	Trees Of Newnan Apartment Homes (Market)	\$1.08	Trees Of Newnan Apartment Homes (Market)	\$1.08
	Villas At Newnan Crossing (Market)	\$1.37	Villas At Newnan Crossing (Market)	\$1.08	Villas At Newnan Crossing (Market)	\$1.04
	Trees Of Newnan Apartment Homes (Market)	\$1.35	The Preserve At Greison Trail (Market)	\$1.05	The Preserve At Greison Trail (Market)	\$1.00
	The Preserve At Greison Trail (Market)	\$1.26	Trees Of Newnan Apartment Homes (Market)	\$1.03	Jefferson Point Apartments (Market) (2.5BA)	\$0.99
	The Preserve At Greison Trail (Market)	\$1.25	Pines By The Creek (Market) (1BA)	\$1.02	Newnan Crossing (Market)	\$0.95
	Lullwater At Calumet (Market)	\$1.17	Pines By The Creek (@60%) (1BA)	\$1.02	Stillwood Farms Apartments (Market)	\$0.92
	The Preserve At Greison Trail (Market) (1.5BA)	\$1.12	Stillwood Farms Apartments (Market)	\$0.95	Lullwater At Calumet (Market)	\$0.92
	Villas At Newnan Crossing (Market)	\$1.07	Jefferson Point Apartments (Market)	\$0.94	Jefferson Point Apartments (Market)	\$0.91
	Lullwater At Calumet (Market)	\$1.06	Stillwood Farms Apartments (Market)	\$0.93	Newnan Crossing (@60%)	\$0.82
	Jefferson Point Apartments (Market)	\$1.06	Villas At Newnan Crossing (Market)	\$0.92	Foxworth Forest Apartments (@60%)	\$0.81
	Stillwood Farms Apartments (Market)	\$1.05	Stillwood Farms Apartments (Market)	\$0.92	Jefferson Family Homes (@60%)	\$0.78
	Newnan Crossing (Market)	\$1.01	Stillwood Farms Apartments (Market)	\$0.91	Foxworth Forest Apartments (@50%)	\$0.66
	Stillwood Farms Apartments (Market)	\$1.00	Lullwater At Calumet (Market)	\$0.91	Columbia Woods (@60%)	\$0.64
	Lullwater At Calumet (Market)	\$0.99	Stillwood Farms Apartments (Market)	\$0.87	Columbia Woods (@50%)	\$0.51
	Foxworth Forest Apartments (@60%)	\$0.91	Jefferson Point Apartments (Market)	\$0.87	Lullwater At Calumet (Market)	N/A
	Newnan Crossing (@60%)	\$0.90	Lullwater At Calumet (Market)	\$0.87	Villas At Newnan Crossing (Market)	N/A
	Jefferson Family Homes (@60%)	\$0.81	Newnan Crossing (Market)	\$0.86		
	Foxworth Forest Apartments (@50%)	\$0.62	Villas At Newnan Crossing (Market)	\$0.86		
			Newnan Crossing (@60%)	\$0.81		
			Foxworth Forest Apartments (@60%)	\$0.80		
			Pines By The Creek (@50%) (1BA)	\$0.78		
			Jefferson Family Homes (@60%)	\$0.77		
			Columbia Woods (@60%) (2.5BA)	\$0.68		
			Foxworth Forest Apartments (@50%)	\$0.66		
			Columbia Woods (@50%) (2.5BA)	\$0.54		
			Pines By The Creek (@30%) (1BA)	\$0.42		
			Villas At Newnan Crossing (Market)	N/A		

PROPERTY PROFILE REPORT

Columbia Woods

Effective Rent Date	9/14/2017
Location	166 Greison Trail Newnan, GA 30263 Coweta County
Distance	N/A
Units	120
Vacant Units	4
Vacancy Rate	3.3%
Type	Townhouse (2 stories)
Year Built/Renovated	2001 / N/A
Marketing Began	1/01/2002
Leasing Began	7/01/2002
Last Unit Leased	2/04/2002
Major Competitors	Preston Mills, Lakeside Apartments
Tenant Characteristics	Mixed tenancy from all over; approx 5% seniors
Contact Name	Tanya
Phone	770-253-4880



Market Information

Program	@50%, @60%, Non-Rental
Annual Turnover Rate	10%
Units/Month Absorbed	N/A
HCV Tenants	28%
Leasing Pace	2-4 weeks
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	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	2.5	Townhouse (2 stories)	2	1,244	\$675	\$0	@50%	N/A	N/A	N/A	yes	None
2	2.5	Townhouse (2 stories)	93	1,244	\$846	\$0	@60%	N/A	N/A	N/A	yes	None
2	2.5	Townhouse (2 stories)	1	1,244	N/A	\$0	Non-Rental	N/A	N/A	N/A	N/A	None
3	2	Townhouse (2 stories)	1	1,492	\$765	\$0	@50%	N/A	N/A	N/A	yes	None
3	2	Townhouse (2 stories)	22	1,492	\$957	\$0	@60%	No	0	0.0%	yes	None
3	2	Townhouse (2 stories)	1	1,492	N/A	\$0	Non-Rental	N/A	N/A	N/A	N/A	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2.5BA	\$675	\$0	\$675	\$48	\$723	2BR / 2.5BA	\$846	\$0	\$846	\$48	\$894
3BR / 2BA	\$765	\$0	\$765	\$59	\$824	3BR / 2BA	\$957	\$0	\$957	\$59	\$1,016
Non-Rental	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent						
2BR / 2.5BA	N/A	\$0	N/A	\$48	N/A						
3BR / 2BA	N/A	\$0	N/A	\$59	N/A						

Amenities

In-Unit		Security	Services
Blinds	Cable/Satellite/Internet	Patrol	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Ceiling Fan	Garbage Disposal		
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer hookup		
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	None
Exercise Facility	Central Laundry		
Off-Street Parking	On-Site Management		
Playground	Swimming Pool		

Comments

Manager indicated that the rents increased on turnover by \$127 as the restrictions changed on the property. The property was previously income restricted at 60 percent AMI and rent restricted at 54 percent AMI. The 54 percent restricted ended and rents are now restricted at 60 percent AMI for the 60 percent income restriction, allowing for a large increase in rent. The fitness center, community center, and clubhouse will be renovated in the future. The manager also believes that the market is very strong.

Trend Report

Vacancy Rates

3Q12	4Q12	3Q17	4Q17
1.7%	1.7%	3.3%	3.3%

Trend: @50%

2BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	3	50.0%	\$637	\$0	\$637	\$685
2012	4	50.0%	\$637	\$0	\$637	\$685
2017	3	N/A	\$675	\$0	\$675	\$723
2017	4	N/A	\$675	\$0	\$675	\$723

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	3	0.0%	\$722	\$0	\$722	\$781
2012	4	0.0%	\$722	\$0	\$722	\$781
2017	3	N/A	\$765	\$0	\$765	\$824
2017	4	N/A	\$765	\$0	\$765	\$824

Trend: @60%

2BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	3	1.1%	\$699	\$0	\$699	\$747
2012	4	1.1%	\$699	\$0	\$699	\$747
2017	3	N/A	\$846	\$0	\$846	\$894
2017	4	N/A	\$846	\$0	\$846	\$894

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	3	0.0%	\$799	\$0	\$799	\$858
2012	4	0.0%	\$799	\$0	\$799	\$858
2017	3	0.0%	\$957	\$0	\$957	\$1,016
2017	4	0.0%	\$957	\$0	\$957	\$1,016

Trend: Non-Rental

2BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	3	N/A	N/A	\$0	N/A	N/A
2012	4	N/A	N/A	\$0	N/A	N/A
2017	3	N/A	N/A	\$0	N/A	N/A
2017	4	N/A	N/A	\$0	N/A	N/A

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	3	N/A	N/A	\$0	N/A	N/A
2012	4	N/A	N/A	\$0	N/A	N/A
2017	3	N/A	N/A	\$0	N/A	N/A
2017	4	N/A	N/A	\$0	N/A	N/A

Trend: Comments

3Q12 N/A

4Q12 Management had no additional comments.

3Q17 Manager indicated that the rents increased on turnover by \$127 as the restrictions changed on the property. The property was previously income restricted at 60 percent AMI and rent restricted at 54 percent AMI. The 54 percent restricted ended and rents are now restricted at 60 percent AMI for the 60 percent income restriction, allowing for a large increase in rent. The fitness center, community center, and clubhouse will be renovated in the future. The manager also believes that the market is very strong.

4Q17 N/A

Photos



PROPERTY PROFILE REPORT

Foxworth Forest Apartments

Effective Rent Date	9/14/2017
Location	17 Forest Circle Newnan, GA 30265 Coweta County
Distance	N/A
Units	90
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (2 stories)
Year Built/Renovated	1993 / 2017
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Park Manor
Tenant Characteristics	Mixed Tenancy, 10% seniors
Contact Name	Cynthia Nelson
Phone	770-502-8582



Market Information

Program	@50%, @60%
Annual Turnover Rate	N/A
Units/Month Absorbed	All units in 5 months
HCV Tenants	28%
Leasing Pace	1 month
Annual Chg. in Rent	N/A
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
1	1	Garden (2 stories)	N/A	744	\$462	\$0	@50%	N/A	N/A	N/A	no	None
1	1	Garden (2 stories)	16	744	\$680	\$0	@60%	N/A	N/A	N/A	no	None
2	2	Garden (2 stories)	N/A	1,004	\$660	\$0	@50%	N/A	N/A	N/A	no	None
2	2	Garden (2 stories)	40	1,004	\$800	\$0	@60%	N/A	N/A	N/A	no	None
3	2	Garden (2 stories)	N/A	1,140	\$750	\$0	@50%	N/A	0	N/A	no	None
3	2	Garden (2 stories)	18	1,140	\$925	\$0	@60%	N/A	0	0.0%	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$462	\$0	\$462	\$41	\$503	1BR / 1BA	\$680	\$0	\$680	\$41	\$721
2BR / 2BA	\$660	\$0	\$660	\$48	\$708	2BR / 2BA	\$800	\$0	\$800	\$48	\$848
3BR / 2BA	\$750	\$0	\$750	\$59	\$809	3BR / 2BA	\$925	\$0	\$925	\$59	\$984

Foxworth Forest Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Ceiling Fan	Microwave		
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer hookup		
Property		Premium	Other
Exercise Facility	Central Laundry	None	None
Off-Street Parking	On-Site Management		
Picnic Area	Playground		
Swimming Pool			

Comments

Management stated that the market was very strong.

Foxworth Forest Apartments, continued

Trend Report

Vacancy Rates

3Q12	4Q12	3Q17	4Q17
0.0%	0.0%	0.0%	0.0%

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	3	N/A	\$462	\$0	\$462	\$503
2017	4	N/A	\$462	\$0	\$462	\$503

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	3	N/A	\$660	\$0	\$660	\$708
2017	4	N/A	\$660	\$0	\$660	\$708

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	3	N/A	\$750	\$0	\$750	\$809
2017	4	N/A	\$750	\$0	\$750	\$809

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	3	0.0%	\$595	\$8	\$587	\$628
2012	4	0.0%	\$595	\$8	\$587	\$628
2017	3	N/A	\$680	\$0	\$680	\$721
2017	4	N/A	\$680	\$0	\$680	\$721

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	3	0.0%	\$700	\$8	\$692	\$740
2012	4	0.0%	\$700	\$8	\$692	\$740
2017	3	N/A	\$800	\$0	\$800	\$848
2017	4	N/A	\$800	\$0	\$800	\$848

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	3	0.0%	\$795	\$8	\$787	\$846
2012	4	0.0%	\$795	\$8	\$787	\$846
2017	3	0.0%	\$925	\$0	\$925	\$984
2017	4	0.0%	\$925	\$0	\$925	\$984

Trend: Comments

3Q12	Management had no additional comments.
4Q12	N/A
3Q17	Management stated that the market was very strong.
4Q17	N/A

Photos



PROPERTY PROFILE REPORT

Newnan Crossing

Effective Rent Date	9/28/2017
Location	151 Parkway North Newnan, GA 30265 Coweta County
Distance	N/A
Units	192
Vacant Units	4
Vacancy Rate	2.1%
Type	Garden (3 stories)
Year Built/Renovated	2004 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	7/08/2005
Major Competitors	Columbia Woods, The Villas, Vinings on Newnan
Tenant Characteristics	Employed at Yamaha, Rite Aid, D&H, Kia; approx 5% seniors
Contact Name	Norma
Phone	678-423-3636



Market Information

Program	@60%, Market
Annual Turnover Rate	35%
Units/Month Absorbed	32-48
HCV Tenants	17%
Leasing Pace	One week to 30 Days
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	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
1	1	Garden (3 stories)	28	814	\$730	\$0	@60%	None	0	0.0%	no	None
1	1	Garden (3 stories)	16	814	\$825	\$0	Market	None	0	0.0%	N/A	None
2	2	Garden (3 stories)	36	1,079	\$870	\$0	@60%	None	4	11.1%	no	None
2	2	Garden (3 stories)	48	1,079	\$928	\$0	Market	None	0	0.0%	N/A	None
3	2	Garden (3 stories)	16	1,207	\$993	\$0	@60%	None	0	0.0%	no	None
3	2	Garden (3 stories)	24	1,207	\$1,150	\$0	Market	None	0	0.0%	N/A	None
4	3	Garden (3 stories)	16	1,454	\$1,091	\$0	@60%	None	0	0.0%	no	None
4	3	Garden (3 stories)	8	1,454	N/A	\$0	Market	None	0	0.0%	N/A	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$730	\$0	\$730	\$41	\$771	1BR / 1BA	\$825	\$0	\$825	\$41	\$866
2BR / 2BA	\$870	\$0	\$870	\$48	\$918	2BR / 2BA	\$928	\$0	\$928	\$48	\$976
3BR / 2BA	\$993	\$0	\$993	\$59	\$1,052	3BR / 2BA	\$1,150	\$0	\$1,150	\$59	\$1,209
4BR / 3BA	\$1,091	\$0	\$1,091	\$71	\$1,162	4BR / 3BA	N/A	\$0	N/A	\$71	N/A

Newnan Crossing, continued

Amenities

In-Unit		Security	Services
Blinds	Carpeting	Limited Access	None
Central A/C	Coat Closet		
Dishwasher	Ceiling Fan		
Garbage Disposal	Oven		
Refrigerator	Walk-In Closet		
Washer/Dryer hookup			
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	None
Exercise Facility	Central Laundry		
Off-Street Parking	On-Site Management		
Playground	Swimming Pool		
Volleyball Court	Wi-Fi		

Comments

Rents increased for the tax credit units by \$50. The market rate units are on a LRO system.

Newnan Crossing, continued

Trend Report

Vacancy Rates

3Q12	4Q12	3Q17	4Q17
6.2%	5.2%	2.1%	2.1%

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	3	0.0%	\$670	\$0	\$670	\$711
2012	4	0.0%	\$670	\$0	\$670	\$711
2017	3	0.0%	\$730	\$0	\$730	\$771
2017	4	0.0%	\$730	\$0	\$730	\$771

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
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2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	3	2.8%	\$792	\$0	\$792	\$840
2012	4	2.8%	\$792	\$0	\$792	\$840
2017	3	11.1%	\$870	\$0	\$870	\$918
2017	4	11.1%	\$870	\$0	\$870	\$918

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	3	12.5%	\$899	\$0	\$899	\$958
2012	4	12.5%	\$899	\$0	\$899	\$958
2017	3	0.0%	\$993	\$0	\$993	\$1,052
2017	4	0.0%	\$993	\$0	\$993	\$1,052

4BR / 3BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	3	25.0%	\$968	\$0	\$968	\$1,039
2012	4	25.0%	\$968	\$0	\$968	\$1,039
2017	3	0.0%	\$1,091	\$0	\$1,091	\$1,162
2017	4	0.0%	\$1,091	\$0	\$1,091	\$1,162

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	3	6.2%	\$720	\$0	\$720	\$761
2012	4	6.2%	\$720	\$0	\$720	\$761
2017	3	0.0%	\$825	\$0	\$825	\$866
2017	4	0.0%	\$825	\$0	\$825	\$866

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
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2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	3	6.2%	\$842	\$0	\$842	\$890
2012	4	2.1%	\$842	\$0	\$842	\$890
2017	3	0.0%	\$928	\$0	\$928	\$976
2017	4	0.0%	\$928	\$0	\$928	\$976

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	3	4.2%	\$949	\$0	\$949	\$1,008
2012	4	4.2%	\$949	\$0	\$949	\$1,008
2017	3	0.0%	\$1,150	\$0	\$1,150	\$1,209
2017	4	0.0%	\$1,150	\$0	\$1,150	\$1,209

4BR / 3BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	3	0.0%	\$1,099	\$0	\$1,099	\$1,170
2012	4	0.0%	\$1,099	\$0	\$1,099	\$1,170
2017	3	0.0%	N/A	\$0	N/A	N/A
2017	4	0.0%	N/A	\$0	N/A	N/A

Trend: Comments

3Q12	Management had no additional comments.
4Q12	N/A
3Q17	Rents increased for the tax credit units by \$50. The market rate units are on a LRO system.
4Q17	N/A

Photos



PROPERTY PROFILE REPORT

Pines By The Creek

Effective Rent Date 9/18/2017
Location 60 Heery Road
 Newnan, GA 30263
 Coweta County
Distance N/A
Units 96
Vacant Units 1
Vacancy Rate 1.0%
Type Garden (2 stories)
Year Built/Renovated 1990 / 2008
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors Eastgate Apartments
Tenant Characteristics Mixed tenancy
Contact Name N/A
Phone 770.253.7646



Market Information

Program @30, @50%, @60%, Market
Annual Turnover Rate N/A
Units/Month Absorbed N/A
HCV Tenants 6%
Leasing Pace 2-3 Weeks
Annual Chg. in Rent None
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	1	Garden (2 stories)	10	854	\$362	\$0	@30%	No	0	0.0%	no	None
2	1	Garden (2 stories)	42	854	\$667	\$0	@50%	No	0	0.0%	no	None
2	1	Garden (2 stories)	24	854	\$872	\$0	@60%	No	1	4.2%	no	None
2	1	Garden (2 stories)	20	854	\$872	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

@30%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 1BA	\$362	\$0	\$362	\$48	\$410	2BR / 1BA	\$667	\$0	\$667	\$48	\$715
@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 1BA	\$872	\$0	\$872	\$48	\$920	2BR / 1BA	\$872	\$0	\$872	\$48	\$920

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Patrol	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer hookup		
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	None
Exercise Facility	Central Laundry		
Off-Street Parking	On-Site Management		
Playground	Swimming Pool		

Comments

Management stated that they were recently approved for a rent increase. The 30% and 50% units were increased by \$100, the 60% restricted units were increased by \$173. The property manager stated the current market is very strong.

Pines By The Creek, continued

Trend Report

Vacancy Rates

3Q12	4Q12	3Q17	4Q17
10.4%	8.3%	1.0%	1.0%

Trend: @30%

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	3	0.0%	\$309	\$0	\$309	\$357
2012	4	0.0%	\$309	\$0	\$309	\$357
2017	3	0.0%	\$362	\$0	\$362	\$410
2017	4	0.0%	\$362	\$0	\$362	\$410

Trend: @50%

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	3	11.9%	\$555	\$0	\$555	\$603
2012	4	7.1%	\$555	\$0	\$555	\$603
2017	3	0.0%	\$667	\$0	\$667	\$715
2017	4	0.0%	\$667	\$0	\$667	\$715

Trend: @60%

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	3	0.0%	\$565	\$0	\$565	\$613
2012	4	0.0%	\$565	\$0	\$565	\$613
2017	3	4.2%	\$872	\$0	\$872	\$920
2017	4	4.2%	\$872	\$0	\$872	\$920

Trend: Market

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	3	25.0%	\$605	\$0	\$605	\$653
2012	4	25.0%	\$605	\$0	\$605	\$653
2017	3	0.0%	\$872	\$0	\$872	\$920
2017	4	0.0%	\$872	\$0	\$872	\$920

Trend: Comments

3Q12	No additional comments.
4Q12	N/A
3Q17	Management stated that they were recently approved for a rent increase. The 30% and 50% units were increase by \$100, the 60% restricted units were increased by \$173. The property manager stated the current market is very strong.
4Q17	Management stated that they were recently approved for a rent increase. The 30% and 50% units were increased by \$100, the 60% restricted units were increased by \$173. The property manager stated the current market is very strong.

Photos



PROPERTY PROFILE REPORT

Jefferson Point Apartments

Effective Rent Date	9/18/2017
Location	66 Jefferson Parkway Newnan, GA 30263 Coweta County
Distance	N/A
Units	120
Vacant Units	11
Vacancy Rate	9.2%
Type	Various (2 stories)
Year Built/Renovated	1990 / 2008 / 2015
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Preston Mills, The Columns at White Oak
Tenant Characteristics	Mixed tenancy.
Contact Name	Andrea
Phone	770-253-0727



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	N/A
Concession	Special on one and two bedrooms, see

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	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	24	644	\$897	\$0	Market	No	0	0.0%	N/A	None
1	1	Garden	24	896	\$947	\$47	Market	No	N/A	N/A	N/A	None
2	2	Garden	24	1,119	\$1,052	\$67	Market	No	N/A	N/A	N/A	None
2	2	Garden	32	1,173	\$1,022	\$0	Market	No	0	0.0%	N/A	None
3	2	Garden	8	1,400	\$1,272	\$0	Market	No	0	0.0%	N/A	None
3	2.5	Townhouse	8	1,344	\$1,327	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$897 - \$947	\$0 - \$47	\$897 - \$900	\$41	\$938 - \$941
2BR / 2BA	\$1,022 - \$1,052	\$0 - \$67	\$985 - \$1,022	\$48	\$1,033 - \$1,070
3BR / 2BA	\$1,272	\$0	\$1,272	\$59	\$1,331
3BR / 2.5BA	\$1,327	\$0	\$1,327	\$59	\$1,386

Jefferson Point Apartments, continued

Amenities

In-Unit

Balcony/Patio
Cable/Satellite/Internet
Central A/C
Dishwasher
Ceiling Fan
Garbage Disposal
Refrigerator
Walk-In Closet

Blinds
Carpeting
Coat Closet
Exterior Storage
Fireplace
Oven
Vaulted Ceilings
Washer/Dryer hookup

Security

None

Services

None

Property

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

Exercise Facility
Off-Street Parking
Picnic Area
Swimming Pool

Premium

View

Other

Car Care Center

Comments

Management was unable to quote the three bedroom units, the prices reflected for the three bedroom units are from November 2016. Management stated that the higher than normal vacancy is due to an increase in new supply in the area. In order to decrease the number of vacant units, management is leasing the 1,119 square foot two bedroom unit for \$985, and leasing the 896 square foot one bedroom units for \$900.

Jefferson Point Apartments, continued

Trend Report

Vacancy Rates

4Q12	4Q16	3Q17	4Q17
2.5%	13.3%	9.2%	9.2%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	4	2.1%	\$635 - \$671	\$0	\$635 - \$671	\$676 - \$712
2016	4	16.7%	\$862 - \$937	\$0	\$862 - \$937	\$903 - \$978
2017	3	N/A	\$897 - \$947	\$0 - \$47	\$897 - \$900	\$938 - \$941
2017	4	N/A	\$897 - \$947	\$0 - \$47	\$897 - \$900	\$938 - \$941

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	4	0.0%	\$754 - \$815	\$0	\$754 - \$815	\$802 - \$863
2016	4	14.3%	\$1,062	\$0	\$1,062	\$1,110
2017	3	N/A	\$1,022 - \$1,052	\$0 - \$67	\$985 - \$1,022	\$1,033 - \$1,070
2017	4	N/A	\$1,022 - \$1,052	\$0 - \$67	\$985 - \$1,022	\$1,033 - \$1,070

3BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	4	12.5%	\$870	\$0	\$870	\$929
2016	4	0.0%	\$1,327	\$0	\$1,327	\$1,386
2017	3	0.0%	\$1,327	\$0	\$1,327	\$1,386
2017	4	0.0%	\$1,327	\$0	\$1,327	\$1,386

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	4	12.5%	\$856	\$0	\$856	\$915
2016	4	0.0%	\$1,272	\$0	\$1,272	\$1,331
2017	3	0.0%	\$1,272	\$0	\$1,272	\$1,331
2017	4	0.0%	\$1,272	\$0	\$1,272	\$1,331

Trend: Comments

4Q12	No additional comments.
4Q16	Management reported that the property was recently renovated, and rents were increased by about \$85 per unit. Because of the recent rent increase, there is an elevated vacancy rate. Management indicated that there are usually four or less vacant units.
3Q17	Management was unable to quote the three bedroom units, the prices reflected for the three bedroom units are from November 2016. Management stated that the higher than normal vacancy is due to an increase in new supply in the area. In order to decrease the number of vacant units, management is leasing the 1,119 square foot two bedroom unit for \$985, and leasing the 896 square foot one bedroom units for \$900.
4Q17	N/A

Photos





PROPERTY PROFILE REPORT

Lullwater At Calumet

Effective Rent Date	9/18/2017
Location	500 Lullwater Circle Newnan, GA 30263 Coweta County
Distance	N/A
Units	240
Vacant Units	11
Vacancy Rate	4.6%
Type	Garden (2 stories)
Year Built/Renovated	1999 / 2011
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Preserve at Greison Trail, Stillwood Farms
Tenant Characteristics	Mixed tenancy
Contact Name	N/A
Phone	770.252.3190



Market Information

Program	Market
Annual Turnover Rate	10%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	N/A
Annual Chg. in Rent	N/A
Concession	0

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

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)	N/A	815	\$950	\$0	Market	No	1	N/A	N/A	None
1	1	Garden (2 stories)	N/A	940	\$1,000	\$0	Market	No	N/A	N/A	N/A	None
1	1	Garden (2 stories)	N/A	981	\$975	\$0	Market	No	N/A	N/A	N/A	AVG*
2	2	Garden (2 stories)	N/A	1,240	\$1,123	\$0	Market	No	N/A	N/A	N/A	AVG*
2	2	Garden (2 stories)	N/A	1,296	\$1,123	\$0	Market	No	N/A	N/A	N/A	AVG*
3	2	Garden (2 stories)	N/A	1,459	N/A	\$0	Market	No	N/A	N/A	N/A	None
3	2	Garden (2 stories)	N/A	1,419	\$1,300	\$0	Market	No	N/A	N/A	N/A	LOW*

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$950 - \$1,000	\$0	\$950 - \$1,000	\$56	\$1,006 - \$1,056
2BR / 2BA	\$1,123	\$0	\$1,123	\$63	\$1,186
3BR / 2BA	\$1,300	\$0	\$1,300	\$74	\$1,374

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Limited Access	None
Carpeting	Central A/C	Patrol	
Coat Closet	Dishwasher	Perimeter Fencing	
Ceiling Fan	Garbage Disposal	Video Surveillance	
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer hookup		
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	None
Exercise Facility	Garage		
Central Laundry	Off-Street Parking		
On-Site Management	Playground		
Swimming Pool	Tennis Court		
Volleyball Court			

Comments

No additional comments.

Trend Report

Vacancy Rates

2Q12	4Q12	3Q17	4Q17
1.7%	2.9%	4.6%	4.6%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	N/A	\$725 - \$775	\$0	\$725 - \$775	\$781 - \$831
2012	4	N/A	\$725 - \$775	\$0	\$725 - \$775	\$781 - \$831
2017	3	N/A	\$950 - \$1,000	\$0	\$950 - \$1,000	\$1,006 - \$1,056
2017	4	N/A	\$950 - \$1,000	\$0	\$950 - \$1,000	\$1,006 - \$1,056

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	N/A	\$830 - \$875	\$0	\$830 - \$875	\$893 - \$938
2012	4	N/A	\$860 - \$875	\$0	\$860 - \$875	\$923 - \$938
2017	3	N/A	\$1,123	\$0	\$1,123	\$1,186
2017	4	N/A	\$1,123	\$0	\$1,123	\$1,186

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	N/A	\$1,015 - \$1,055	\$0	\$1,015 - \$1,055	\$1,089 - \$1,129
2012	4	N/A	\$1,045 - \$1,065	\$0	\$1,045 - \$1,065	\$1,119 - \$1,139
2017	3	N/A	\$1,300	\$0	\$1,300	\$1,374
2017	4	N/A	\$1,300	\$0	\$1,300	\$1,374

Trend: Comments

2Q12	The property has recently undergone major renovations, and upgraded all apartment features. The property does not accept housing choice vouchers. Vacancies are low, and all currently pre-leased. Current concessions are waiving the administrative fee, \$50 application fee, and \$99 security deposit.
4Q12	No additional comments.
3Q17	N/A
4Q17	N/A

Photos





PROPERTY PROFILE REPORT

Stillwood Farms Apartments

Effective Rent Date	9/14/2017
Location	2050 Newnan Crossing Newnan, GA 30265 Coweta County
Distance	N/A
Units	298
Vacant Units	7
Vacancy Rate	2.3%
Type	Garden (4 stories)
Year Built/Renovated	2009 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Geison Trail
Tenant Characteristics	Mixed Tenancy
Contact Name	Jana
Phone	770-252-2466



Market Information

Program	Market
Annual Turnover Rate	90%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within one week
Annual Chg. in Rent	\$30 increase per year
Concession	\$50

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
1	1	Garden (4 stories)	N/A	949	\$952	\$50	Market	N/A	N/A	N/A	N/A	None
1	1	Garden (4 stories)	N/A	955	\$1,001	\$50	Market	N/A	N/A	N/A	N/A	None
2	2	Garden (4 stories)	N/A	1,253	\$1,191	\$50	Market	N/A	N/A	N/A	N/A	None
2	2	Garden (4 stories)	N/A	1,276	\$1,163	\$50	Market	N/A	N/A	N/A	N/A	None
2	2	Garden (4 stories)	N/A	1,276	\$1,184	\$50	Market	N/A	N/A	N/A	N/A	None
2	2	Garden (4 stories)	N/A	1,315	\$1,204	\$50	Market	N/A	N/A	N/A	N/A	None
2	2	Garden (4 stories)	N/A	1,493	\$1,301	\$50	Market	N/A	N/A	N/A	N/A	None
3	2	Garden (4 stories)	N/A	1,519	\$1,396	\$50	Market	N/A	N/A	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$952 - \$1,001	\$50	\$902 - \$951	\$41	\$943 - \$992
2BR / 2BA	\$1,163 - \$1,301	\$50	\$1,113 - \$1,251	\$48	\$1,161 - \$1,299
3BR / 2BA	\$1,396	\$50	\$1,346	\$59	\$1,405

Stillwood Farms Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	In-Unit Alarm	None
Carpeting	Central A/C	Limited Access	
Coat Closet	Dishwasher	Perimeter Fencing	
Exterior Storage	Ceiling Fan		
Fireplace	Garbage Disposal		
Oven	Refrigerator		
Vaulted Ceilings	Walk-In Closet		
Washer/Dryer	Washer/Dryer hookup		
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	Dog walking stations
Exercise Facility	Off-Street Parking		
On-Site Management	Swimming Pool		

Comments

Management stated that many tenants will rent for one year and buy a house or apartment afterwards. Most of the tenants are families in the middle of relocating, and are attracted to the properties larger floor plans. The property offers tenants \$100 off each month for the first 6 months.

Stillwood Farms Apartments, continued

Trend Report

Vacancy Rates

4Q12	4Q13	3Q17	4Q17
5.7%	2.3%	2.3%	2.3%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	4	N/A	\$808 - \$833	\$0	\$808 - \$833	\$849 - \$874
2013	4	N/A	\$864 - \$913	\$0	\$864 - \$913	\$905 - \$954
2017	3	N/A	\$952 - \$1,001	\$50	\$902 - \$951	\$943 - \$992
2017	4	N/A	\$952 - \$1,001	\$50	\$902 - \$951	\$943 - \$992

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	4	N/A	\$955 - \$1,175	\$0	\$955 - \$1,175	\$1,003 - \$1,223
2013	4	N/A	\$1,048 - \$1,220	\$0	\$1,048 - \$1,220	\$1,096 - \$1,268
2017	3	N/A	\$1,163 - \$1,301	\$50	\$1,113 - \$1,251	\$1,161 - \$1,299
2017	4	N/A	\$1,163 - \$1,301	\$50	\$1,113 - \$1,251	\$1,161 - \$1,299

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	4	N/A	\$1,255	\$0	\$1,255	\$1,314
2013	4	N/A	\$1,287	\$0	\$1,287	\$1,346
2017	3	N/A	\$1,396	\$50	\$1,346	\$1,405
2017	4	N/A	\$1,396	\$50	\$1,346	\$1,405

Trend: Comments

4Q12	Management had no additional comments.
4Q13	The rental ranges for the units are as follows: small one-bedroom: \$839-\$889; large one-bedroom: \$882-\$943; smallest two-bedroom: \$1050-\$1070; first two-bedroom at 1276 square feet: \$1035-1060; second two-bedroom at 1276 square feet: \$1039-1079; large two-bedroom: \$1220; three-bedroom: \$1270-\$1303.
3Q17	Management stated that many tenants will rent for one year and buy a house or apartment afterwards. Most of the tenants are families in the middle of relocating, and are attracted to the properties larger floor plans. The property offers tenants \$100 off each month for the first 6 months.
4Q17	N/A

Photos



PROPERTY PROFILE REPORT

The Preserve At Greison Trail

Effective Rent Date	9/22/2017
Location	138 Greison Trail Newnan, GA 30263 Coweta County
Distance	N/A
Units	235
Vacant Units	13
Vacancy Rate	5.5%
Type	Garden (3 stories)
Year Built/Renovated	2008 / N/A
Marketing Began	N/A
Leasing Began	8/15/2008
Last Unit Leased	N/A
Major Competitors	Trees of Newnan
Tenant Characteristics	Mixed tenancy
Contact Name	Memory
Phone	770-254-4747



Market Information

Program	Market
Annual Turnover Rate	3540%
Units/Month Absorbed	10
HCV Tenants	0%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Could not estimate
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

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)	N/A	734	\$918	\$0	Market	No	N/A	N/A	N/A	None
1	1	Garden (3 stories)	N/A	772	\$973	\$0	Market	No	N/A	N/A	N/A	None
1	1.5	Garden (3 stories)	N/A	1,000	\$1,117	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (3 stories)	N/A	1,104	\$1,161	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (3 stories)	N/A	1,190	\$1,463	\$0	Market	No	N/A	N/A	N/A	None
3	2	Garden (3 stories)	N/A	1,460	\$1,462	\$0	Market	No	N/A	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$918 - \$973	\$0	\$918 - \$973	\$56	\$974 - \$1,029
1BR / 1.5BA	\$1,117	\$0	\$1,117	\$56	\$1,173
2BR / 2BA	\$1,161 - \$1,463	\$0	\$1,161 - \$1,463	\$63	\$1,224 - \$1,526
3BR / 2BA	\$1,462	\$0	\$1,462	\$74	\$1,536

The Preserve At Greison Trail, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Limited Access	None
Carpeting	Central A/C	Perimeter Fencing	
Dishwasher	Exterior Storage		
Ceiling Fan	Fireplace		
Garbage Disposal	Microwave		
Oven	Refrigerator		
Vaulted Ceilings	Washer/Dryer		
Washer/Dryer hookup			
Property		Premium	Other
Business Center/Computer Lab	Car Wash	None	Trash and dry cleaning valet
Clubhouse/Meeting Room/Community	Concierge		
Exercise Facility	Garage		
Off-Street Parking	On-Site Management		
Swimming Pool			

Comments

The contact at the property stated that they use a rent software to determine rents, so rents could fluctuate daily. The contact was unable to give an estimate on average price change, but stated that there was currently more demand for one and two bedrooms, which has inflated the price for those unit types.

The Preserve At Greison Trail, continued

Trend Report

Vacancy Rates

3Q12	4Q13	3Q17	4Q17
3.0%	12.3%	5.5%	5.5%

Trend: Market

1BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	3	N/A	\$879	\$0	\$879	\$935
2013	4	N/A	\$971	\$0	\$971	\$1,027
2017	3	N/A	\$1,117	\$0	\$1,117	\$1,173
2017	4	N/A	\$1,117	\$0	\$1,117	\$1,173

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	3	N/A	\$739	\$0	\$739	\$795
2013	4	N/A	\$822 - \$842	\$0	\$822 - \$842	\$878 - \$898
2017	3	N/A	\$918 - \$973	\$0	\$918 - \$973	\$974 - \$1,029
2017	4	N/A	\$918 - \$973	\$0	\$918 - \$973	\$974 - \$1,029

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	3	N/A	\$939 - \$954	\$0	\$939 - \$954	\$1,002 - \$1,017
2013	4	N/A	\$1,060 - \$1,126	\$0	\$1,060 - \$1,126	\$1,123 - \$1,189
2017	3	N/A	\$1,161 - \$1,463	\$0	\$1,161 - \$1,463	\$1,224 - \$1,526
2017	4	N/A	\$1,161 - \$1,463	\$0	\$1,161 - \$1,463	\$1,224 - \$1,526

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	3	N/A	\$1,250	\$0	\$1,250	\$1,324
2013	4	N/A	\$1,284	\$0	\$1,284	\$1,358
2017	3	N/A	\$1,462	\$0	\$1,462	\$1,536
2017	4	N/A	\$1,462	\$0	\$1,462	\$1,536

Trend: Comments

3Q12	Contact stated that the one-bedroom units at 734 and 772 square feet rent for the same price.
4Q13	The rental ranges for the unit types are as follows: small one-bedroom: \$797-\$847; large one-bedroom: \$824-\$860; one bedroom one and a half bathroom: \$971; small two-bedroom: \$1050-\$1069; large two-bedroom: \$1118-\$1133; three-bedroom: \$1236-\$1331. The property uses Yieldstar pricing, so rental prices change daily.
3Q17	The contact at the property stated that they use a rent software to determine rents, so rents could fluctuate daily. The contact was unable to give an estimate on average price change, but stated that there was currently more demand for one and two bedrooms, which has inflated the price for those unit types.
4Q17	N/A

Photos



PROPERTY PROFILE REPORT

Trees Of Newnan Apartment Homes

Effective Rent Date	9/25/2017
Location	300 Ashley Park Blvd Newnan, GA 30263 Coweta County
Distance	N/A
Units	500
Vacant Units	73
Vacancy Rate	14.6%
Type	Garden (4 stories)
Year Built/Renovated	2016 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	N/A
Tenant Characteristics	Mixed
Contact Name	Kelsey
Phone	(770) 629-0772



Market Information

Program	Market
Annual Turnover Rate	N/A
Units/Month Absorbed	N/A
HCV Tenants	N/A
Leasing Pace	N/A
Annual Chg. in Rent	N/A
Concession	\$500 of off the first month

Utilities

A/C	not included
Cooking	not included
Water Heat	not included
Heat	not included
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
1	1	Garden (4 stories)	179	726	\$980	\$42	Market	No	N/A	N/A	N/A	None
2	2	Garden (4 stories)	269	1,013	\$1,099	\$42	Market	No	N/A	N/A	N/A	None
2	2	Garden (4 stories)	N/A	1,165	\$1,199	\$42	Market	No	N/A	N/A	N/A	None
3	2	Garden (4 stories)	52	1,309	\$1,420	\$42	Market	No	N/A	N/A	N/A	None
3	2	Garden (4 stories)	52	1,620	\$1,800	\$42	Market	No	N/A	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$980	\$42	\$938	\$41	\$979
2BR / 2BA	\$1,099 - \$1,199	\$42	\$1,057 - \$1,157	\$48	\$1,105 - \$1,205
3BR / 2BA	\$1,420 - \$1,800	\$42	\$1,378 - \$1,758	\$59	\$1,437 - \$1,817

Trees Of Newnan Apartment Homes, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Limited Access	None
Carpet/Hardwood	Carpeting		
Central A/C	Coat Closet		
Dishwasher	Exterior Storage		
Garbage Disposal	Microwave		
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer		
Washer/Dryer hookup			
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	None
Exercise Facility	Central Laundry		
Off-Street Parking	On-Site Management		
Picnic Area	Playground		
Swimming Pool			

Comments

Management stated that they have the high vacancy rate may be due to the properties higher priced units. The contact also stated that they have not yet leased most of the units that were built in 2016. Pest-control and trash are included in the rent.

Trees Of Newnan Apartment Homes, continued

Trend Report

Vacancy Rates

3Q17	4Q17
14.6%	14.6%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	3	N/A	\$980	\$42	\$938	\$979
2017	4	N/A	\$980	\$42	\$938	\$979

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	3	N/A	\$1,099 - \$1,199	\$42	\$1,057 - \$1,157	\$1,105 - \$1,205
2017	4	N/A	\$1,099 - \$1,199	\$42	\$1,057 - \$1,157	\$1,105 - \$1,205

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	3	N/A	\$1,420 - \$1,800	\$42	\$1,378 - \$1,758	\$1,437 - \$1,817
2017	4	N/A	\$1,420 - \$1,800	\$42	\$1,378 - \$1,758	\$1,437 - \$1,817

Trend: Comments

3Q17	Management stated that they have the high vacancy rate may be due to the properties higher priced units. The contact also stated that they have not yet leased most of the units that were built in 2016. Pest-control and trash are included in the rent.
4Q17	N/A

Photos



PROPERTY PROFILE REPORT

Villas At Newnan Crossing

Effective Rent Date	9/14/2017
Location	1200 Newnan Crossing Boulevard Newnan, GA 30264 Coweta County
Distance	N/A
Units	356
Vacant Units	16
Vacancy Rate	4.5%
Type	Various (3 stories)
Year Built/Renovated	2003 / 2007
Marketing Began	1/01/2004
Leasing Began	3/01/2004
Last Unit Leased	N/A
Major Competitors	The Preserves at Greison Trail, Stillwood Farms
Tenant Characteristics	Mixed tenancy; some commute into ATL for work.
Contact Name	Dakota
Phone	770-252-5997



Market Information

Program	Market
Annual Turnover Rate	30%
Units/Month Absorbed	30
HCV Tenants	0%
Leasing Pace	Within two weeks.
Annual Chg. in Rent	Could not estimate due to Yieldstar
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

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	18	691	\$969	\$0	Market	No	N/A	N/A	N/A	None
1	1	Garden	60	880	\$939	\$0	Market	No	N/A	N/A	N/A	None
1	1	Garden/Attchd Garage	12	880	\$1,209	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden	116	1,177	\$1,079	\$0	Market	N/A	0	0.0%	N/A	None
2	2	Garden	6	1,320	\$1,129	\$0	Market	N/A	N/A	N/A	N/A	None
2	2	Garden/Attchd Garage	15	1,320	\$1,429	\$0	Market	N/A	N/A	N/A	N/A	None
2	2	Garden/Attchd Garage	15	1,177	N/A	\$0	Market	N/A	N/A	N/A	N/A	None
2.5	2	Garden	19	1,479	N/A	\$0	Market	N/A	N/A	N/A	N/A	None
3	2	Garden	85	1,479	N/A	\$0	Market	N/A	N/A	N/A	N/A	None
3	2	Garden/Attchd Garage	10	1,561	\$1,629	\$0	Market	N/A	N/A	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$939 - \$1,209	\$0	\$939 - \$1,209	\$56	\$995 - \$1,265
2BR / 2BA	\$1,079 - \$1,429	\$0	\$1,079 - \$1,429	\$63	\$1,142 - \$1,492
2.5BR / 2BA	N/A	\$0	N/A	\$63	N/A
3BR / 2BA	\$1,629	\$0	\$1,629	\$74	\$1,703

Villas At Newnan Crossing, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	In-Unit Alarm	None
Carpeting	Central A/C	Limited Access	
Coat Closet	Dishwasher		
Ceiling Fan	Garbage Disposal		
Hand Rails	Oven		
Refrigerator	Walk-In Closet		
Washer/Dryer hookup			
Property		Premium	Other
Car Wash	Clubhouse/Meeting Room/Community	None	None
Concierge	Exercise Facility		
Garage	Central Laundry		
Off-Street Parking	On-Site Management		
Swimming Pool	Tennis Court		

Comments

Management stated that they use Yieldstar to determine the rents, and they were unable to provide rents that they did not have a quote for on Yieldstar. Management also stated that the 691 square foot 1/1 apartments were recently upgraded to have stainless steel appliances, granite style countertops, and wood plank flooring.

Trend Report

Vacancy Rates

4Q13	4Q16	3Q17	4Q17
5.1%	2.5%	4.5%	4.5%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	4	7.8%	\$749 - \$979	\$62 - \$82	\$687 - \$897	\$743 - \$953
2016	4	2.2%	\$999 - \$1,099	\$0	\$999 - \$1,099	\$1,055 - \$1,155
2017	3	N/A	\$939 - \$1,209	\$0	\$939 - \$1,209	\$995 - \$1,265
2017	4	N/A	\$939 - \$1,209	\$0	\$939 - \$1,209	\$995 - \$1,265

2.5BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	4	5.3%	\$1,070	\$89	\$981	\$1,044
2016	4	15.8%	\$1,119	\$0	\$1,119	\$1,182
2017	3	N/A	N/A	\$0	N/A	N/A
2017	4	N/A	N/A	\$0	N/A	N/A

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	4	6.8%	\$889 - \$1,089	\$74 - \$91	\$815 - \$998	\$878 - \$1,061
2016	4	1.3%	\$999 - \$1,359	\$0	\$999 - \$1,359	\$1,062 - \$1,422
2017	3	N/A	\$1,079 - \$1,429	\$0	\$1,079 - \$1,429	\$1,142 - \$1,492
2017	4	N/A	\$1,079 - \$1,429	\$0	\$1,079 - \$1,429	\$1,142 - \$1,492

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	4	0.0%	\$1,125 - \$1,299	\$93 - \$108	\$1,032 - \$1,187	\$1,106 - \$1,261
2016	4	2.1%	\$1,249 - \$1,399	\$0	\$1,249 - \$1,399	\$1,323 - \$1,473
2017	3	N/A	\$1,629	\$0	\$1,629	\$1,703
2017	4	N/A	\$1,629	\$0	\$1,629	\$1,703

Trend: Comments

4Q13	N/A
4Q16	Management stated that there was a flat \$54.50 monthly fee per unit that covers cable/internet and trash collection.
3Q17	Management stated that they use Yieldstar to determine the rents, and they were unable to provide rents that they did not have a quote for on Yieldstar. Management also stated that the 691 square foot 1/1 apartments were recently upgraded to have stainless steel appliances, granite style countertops, and wood plank flooring.
4Q17	N/A

Photos



PROPERTY CHARACTERISTICS

Following are relevant characteristics of the comparable properties surveyed:

Location

The Subject is located in a mixed residential neighborhood in north Newnan. All of the comparables are located within 3.2 miles of the Subject. Following are relevant characteristics of the comparable properties surveyed:

LOCATION COMPARISON SUMMARY

#	Property Name	City	Tenancy	Rent Structure	Distance to Subject	Household Income	Crime Index	Walk Score	Vacant Housing	% Renter HH
S	Jefferson Family Homes	Newnan	Family	LIHTC	-	\$39,646	60	10	9.0%	58.8%
1	Columbia Woods	Newnan	Family	LIHTC	1.4 miles	\$34,044	112	10	9.6%	70.4%
2	Foxworth Forest Apartments	Newnan	Family	LIHTC	2.8 miles	\$59,558	62	38	12.9%	48.4%
3	Newnan Crossing	Newnan	Family	LIHTC/ Market	1.5 miles	\$35,470	72	32	16.5%	70.6%
4	Pines By The Creek	Newnan	Family	LIHTC/ Market	3.2 miles	\$28,232	130	6	12.8%	41.7%
5	Jefferson Point Apartments	Newnan	Family	Market	0.7 miles	\$39,335	60	38	9.0%	60.1%
6	Lullwater At Calumet	Newnan	Family	Market	0.8 miles	\$42,076	60	21	4.9%	57.5%
7	Stillwood Farms Apartments	Newnan	Family	Market	2.3 miles	\$71,584	85	16	11.6%	34.8%
8	The Preserve At Greison Trail	Newnan	Family	Market	1.5 miles	\$34,257	112	16	9.3%	69.6%
9	Trees Of Newnan Apartment Homes	Newnan	Family	Market	0.9 miles	\$33,430	81	20	11.5%	76.2%
10	Villas At Newnan Crossing	Newnan	Family	Market	2.1 miles	\$63,380	72	52	11.9%	64.0%

The Subject's immediate neighborhood has a higher median household income compared to Pines by the Creek and significantly lower median household income compared to the neighborhoods of Foxworth Forest, Stillwood Farms and Villas at Newnan Crossing.

The Subject's location has been classified as "Car-Dependent" with a WalkScore of 10 from walkscore.com. Only one of the comparables, Villas at Newnan, has a walk score of "Somewhat Walkable." The remaining comparables all have similar walk scores that consider the location to be "Car Dependent."

We have additionally analyzed crime data for the immediate area surrounding each comparable. The majority of comparable developments reported similar crime indices to the Subject. Three of the comparables, Pines By The Creek, Columbia Woods and The Preserve At Greison Trail have significantly higher indices in comparison to the Subject.

Based on all of these factors, we find the Subject's location to be inferior to Foxworth Forest, Stillwood Farms and Villas at Newnan Crossing. slightly superior to Pines By The Creek, Columbia Woods and The Preserve At Greison Trail; and similar to the remaining comparables.

Age and Condition

The following table illustrates the Subject’s design and condition in comparison to the comparable properties.

	Subject	Columbia Woods	Foxworth Forest Apartments	Newnan Crossing	Pines By The Creek	Jefferson Point Apartments	Lullwater At Calumet	Stillwood Farms Apartments	The Preserve At Greison Trail	Trees Of Newnan Apartment Homes	Villas At Newnan Crossing
Rent Structure	LIHTC	LIHTC	LIHTC	LIHTC/ Market	LIHTC/ Market	Market	Market	Market	Market	Market	Market
Building											
Property Type	Garden	Townhouse	Garden	Garden	Garden	Garden/Townhouse	Garden	Garden	Garden	Garden	Garden
# of Stories	3-stories	2-stories	2-stories	3-stories	2-stories	2-stories	2-stories	4-stories	3-stories	4-stories	3-stories
Year Built	2019	2001	2017	2004	1990	1990	1999	2009	2008	2016	2003
Year Renovated	n/a	n/a	2017	n/a	2008	2008 / 2015	2011	n/a	n/a	n/a	2007

The Subject will be newly constructed and in excellent condition upon completion. One of the comparables, Foxworth Forest, was originally built in 1993. The original buildings were razed and new buildings built, this property was completed in July 2017. Foxworth Forest will be considered similar to the Subject in terms of condition. Pines by the Creek was renovated in 2008 and will be considered slightly inferior to the Subject. The remaining LIHTC comparables were built in 2001 and 2004 and will be considered slightly inferior to the Subject upon completion.

One of the market rate properties was built in 2016 and will be similar to the Subject in terms of condition upon completion. The remaining market rate comparables were built between 2003 and 2009 or renovated between 2011 and 2015. Overall these properties will be considered slightly inferior to the Subject in terms of condition.

The Subject offers a garden style design. Columbia Woods offers townhouse-style units which will be superior to the Subject. Jefferson Point offers both garden and townhouse style three-bedroom units, we will compare the Subject to the garden-style units. The remaining comparables offer garden-style units similar to the Subject.

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.

Bedroom Type	1BR	2BR	3BR
Subject	850	1,072	1,185
Average	832	1,151	1,396
Min	644	854	1,140
Max	1,000	1,493	1,620
Advantage/Disadvantage	2%	-7%	-18%

The Subject will offer one-bedroom units that are slightly larger than the average, while the two and three-bedroom units are smaller in size when compared to the average of the surveyed comparable properties. Newnan Crossing offers both LIHTC and market units that are similarly sized to the Subject. This property is currently 97.9 percent occupied. Therefore, we do not believe that the Subject’s small unit sizes will affect its ability to maintain a vacancy rate of five percent or less. We have taken into account the Subject’s proposed unit sizes in our determination of achievable rents.

In-Unit Amenities

The following table compares the Subject’s in-unit amenities with comparable properties.

JEFFERSON FAMILY HOMES-NEWMAN, GEORGIA- APPRAISAL

Subject	Columbia Woods	Foxworth Forest	Newnan Crossing	Pines By The Creek	Jefferson Point Apartments	Lullwater At Calumet	Stillwood Farms	The Preserve At Greison	Trees Of Newnan	Villas At Newnan
Rent Structure	LIHTC	LIHTC	LIHTC	LIHTC/ Market	LIHTC/ Market	Market	Market	Market	Market	Market
Unit Amenities										
Balcony/Patio	no	no	yes	no	yes	yes	yes	yes	yes	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Cable/Satellite	no	yes	no	no	no	yes	no	no	no	no
Carpeting	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Hardwood	no	no	no	no	no	no	no	no	yes	no
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Coat Closet	yes	yes	yes	yes	yes	yes	yes	no	yes	yes
Exterior Storage	no	no	no	no	no	yes	no	yes	yes	no
Fireplace	no	no	no	no	no	yes	no	yes	yes	no
Vaulted Ceilings	no	no	no	no	no	yes	no	yes	yes	no
Walk-In Closet	yes	yes	yes	yes	yes	yes	yes	yes	no	yes
Washer/Dryer	no	no	no	no	no	no	no	yes	yes	yes
W/D Hookup	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Kitchen										
Dishwasher	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Disposal	no	yes	no	yes	no	yes	yes	yes	yes	yes
Microwave	no	no	yes	no	no	no	no	no	yes	no
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes

The Subject will offer blinds, central air conditioning, dishwashers, washer/dryer hookups, coat closets, ovens, and refrigerators. Overall the LIHTC comparable offer similar in-unit amenities. Several of the market rate properties offer in-unit washers and dryers, fireplaces, vaulted ceilings and balconies/patios and will be considered superior to the Subject. The remaining market rate properties will be considered similar to the Subject.

Property Amenities

The following table compares the Subject's property amenities with comparable properties.

Subject	Columbia Woods	Foxworth Forest	Newnan Crossing	Pines By The Creek	Jefferson Point Apartments	Lullwater At Calumet	Stillwood Farms	The Preserve At Greison	Trees Of Newnan	Villas At Newnan
Rent Structure	LIHTC	LIHTC	LIHTC	LIHTC/ Market	LIHTC/ Market	Market	Market	Market	Market	Market
Community										
Business Center	yes	yes	no	yes	yes	no	yes	yes	yes	no
Community Room	yes	yes	no	yes	yes	no	yes	yes	yes	yes
Central Laundry	yes	yes	yes	yes	yes	yes	no	no	yes	yes
On-Site Mgmt	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Concierge	no	no	no	no	no	no	no	yes	no	yes
Recreation										
Exercise Facility	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Playground	no	yes	yes	yes	yes	yes	no	no	yes	no
Swimming Pool	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Picnic Area	yes	no	yes	no	no	yes	no	no	yes	no
Tennis Court	no	no	no	no	no	yes	no	no	no	yes
Volleyball Court	no	no	no	yes	no	yes	no	no	no	no
WiFi	no	no	no	yes	no	no	no	no	no	no

The Subject will offer a community room, business center, on-site management, exercise facility, picnic area and swimming pool in terms of community amenities. Overall, we expect the Subject's common area amenities to be similar to slightly superior to the comparables.

Security Features

The following table compares the Subject's security amenities with comparable properties.

Subject	Columbia Woods	Foxworth Forest	Newnan Crossing	Pines By The Creek	Jefferson Point Apartments	Lullwater At Calumet	Stillwood Farms	The Preserve At Greison	Trees Of Newnan	Villas At Newnan
Crime Risk Index	60	112	62	72	130	60	60	85	112	81
Security										
In-Unit Alarm	no	no	no	no	no	no	yes	no	no	yes
Limited Access	no	no	no	yes	no	no	yes	yes	yes	yes
Patrol	no	yes	no	no	yes	no	yes	no	no	no
Perimeter Fencing	no	no	no	no	no	no	yes	yes	yes	no
Video Surveillance	no	no	no	no	no	no	yes	no	no	no

The Subject will not offer any security features. Several of the comparables offer no or limited security features. Given the low crime rating in the Subject’s neighborhood we do not believe the Subject’s lack of security features will be a detriment.

Parking

The following table compares the Subject’s parking amenities with comparable properties.

PARKING AMENITIES											
	Subject	Columbia Woods	Foxworth Forest	Newnan Crossing	Pines By The Creek	Jefferson Point Apartments	Lullwater At Calumet	Stillwood Farms	The Preserve At Greison	Trees Of Newnan	Villas At Newnan
Rent Structure	LIHTC	LIHTC	LIHTC	LIHTC/ Market	LIHTC/ Market	Market	Market	Market	Market	Market	Market
Walk Score	10	10	38	32	6	38	21	16	16	20	52
Parking											
Garage	no	no	no	no	no	no	yes	yes	yes	no	yes
Garage Fee	n/a	n/a	n/a	n/a	n/a	n/a	\$85	\$120	\$100	n/a	n/a
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes

The Subject will offer 350 off-street surface parking spaces, or 2.2 spaces per unit. There is no fee for parking. We expect the number of parking spaces to be adequate. All of the comparable properties offer sufficient off-street parking. Three comparables offer garage parking for a fee.

MARKET CHARACTERISTICS

Following are relevant market characteristics for the comparable properties surveyed.

Absorption

Four of the comparable properties reported absorption data, this is illustrated in the following table:

ABSORPTION						
Property Name	Rent Structure	Tenancy	Year Built/Renovated	Number of Units	Units Absorbed / Month	
Foxworth Forest Apartments	LIHTC	Family	1993/2017	90	18	
The Preserve At Greison Trail	Market	Family	2008	235	10	
Villas At Newnan Crossing	Market	Family	2003/2007	356	30	
Newnan Crossing	LIHTC/ Market	Family	2004	192	40	

Absorption paces at the comparables range from 10 to 40 units with an average of 29 units per month. Trees Of Newnan Apartment Homes was completed in December 2016 and is still in its initial lease-up period based on the current vacancy rate the property has an absorption pace of more than 40 units per month. Based on the performance of the properties that reported absorption data as well as low to moderate vacancy rates reported by the comparable properties, we believe the Subject will be able to achieve a stabilized occupancy of 95 percent within eight months equating to an absorption rate of approximately 19 units per month.

Turnover

The following table illustrates reported turnover for the comparable properties.

TURNOVER			
Property Name	Rent Structure	Tenancy	Annual Turnover
Columbia Woods	LIHTC	Family	10%
Foxworth Forest Apartments	LIHTC	Family	N/A
Newnan Crossing	LIHTC/ Market	Family	35%
Pines By The Creek	LIHTC/ Market	Family	N/A
Jefferson Point Apartments	Market	Family	N/A
Lullwater At Calumet	Market	Family	10%
Stillwood Farms Apartments	Market	Family	90%
The Preserve At Greison Trail	Market	Family	35%
Trees Of Newnan Apartment Homes	Market	Family	N/A
Villas At Newnan Crossing	Market	Family	30%
Average Turnover			35%

As illustrated in the table above, turnover rates at the comparable properties ranged from 10 to 90 percent annually, with an average of 35 percent overall. The LIHTC and mixed income properties reported an average turnover rate of 23 percent. Thus, we anticipate the Subject will maintain a turnover rate of 35 percent or less, once stabilized as a LIHTC property and a slightly higher turnover rate of 45 percent to less as a market rate property.

Vacancy Levels

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

OVERALL VACANCY					
Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Columbia Woods	LIHTC	Family	120	4	3.3%
Foxworth Forest Apartments	LIHTC	Family	90	0	0.0%
Newnan Crossing	LIHTC/ Market	Family	192	4	2.1%
Pines By The Creek	LIHTC/ Market	Family	96	1	1.0%
Jefferson Point Apartments	Market	Family	120	11	9.2%
Lullwater At Calumet	Market	Family	240	11	4.6%
Stillwood Farms Apartments	Market	Family	298	7	2.3%
The Preserve At Greison Trail	Market	Family	235	13	5.5%
Trees Of Newnan Apartment Homes	Market	Family	500	73	14.6%
Villas At Newnan Crossing	Market	Family	356	16	4.5%
Total LIHTC			498	9	1.8%
Total Market Rate			1,749	131	7.5%
Overall Total			2,247	140	6.2%

The comparables reported vacancy rates ranging from zero to 14.6 percent, with an overall weighted average of 6.2 percent. The affordable and mixed income properties reported vacancy rates ranging from zero to 3.3 percent with a weighted average of 1.5 percent. The market rate properties reported vacancy rates between 2.3 and 14.6 percent, with an overall weighted vacancy rate of 7.5 percent. Trees Of Newnan Apartment Homes was completed in December 2016 and is still in its initial lease-up period based on the current vacancy rate the property had an absorption pace of more than 40 units per month. Jefferson Point also reported an elevated vacancy rate. The property manager at this property reported that high vacancy rate is due to new supply in the market, likely the 500 units at Trees Of Newnan Apartment Homes. Overall we anticipate the Subject will maintain a vacancy loss of five percent for the restricted scenario and seven percent for the unrestricted scenario.

Concessions

Three of the market rate comparables reported offering concessions, including Tress of Newnan which is in lease-up. We do not believe the Subject will need to offer concessions as a LIHTC property. But may need to offer concessions during lease up or in times of high vacancy as a market rate property.

Reasonability of Rents

The following table is a comparison of the Subject’s proposed rents and the rents at the comparable 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 all of the comparables are held harmless and are able to charge rents above the current maximum allowable level.

LIHTC RENT COMPARISON @60%

Property Name	1BR	2BR	3BR
Jefferson Family Homes	\$686	\$824	\$925
LIHTC Maximum Rent (Net)	\$686	\$824	\$942
LIHTC Maximum Rent (Net) - Held Harmless	\$710	\$852	\$975
Columbia Woods (@60%)	-	\$894	\$1,016
Foxworth Forest Apartments (@60%)	\$721	\$848	\$984
Newnan Crossing (@60%)	\$771	\$918	\$1,052
Pines By The Creek (@60%)	-	\$920	-
Average (excluding Subject)	\$746	\$895	\$1,017

As illustrated, the Subject’s LIHTC asking rents are set at or slightly below maximum allowable levels at 60 50 percent AMI. All of comparables reported rents at or above maximum allowable levels. Overall, the Subject will be superior in terms of age/condition, offer similar in unit and slightly superior property amenities compared to the LIHTC comparables. We believe the most similar LIHTC comparable is Newnan Crossing., this property is located 1.5 miles from the Subject in a similar location, offers similar in-unit amenities, and unit sizes, and slightly superior property amenities We believe the Subject would achieve rents similar to this property. Thus, we believe the Subject can achieve rents maximum allowable rents of **\$686, \$824, and \$942** for the one-, two-, and three-bedroom units at 60 percent AMI. These achievable LIHTC rents will be utilized in our restricted LIHTC valuation.

Achievable Market Rents

Based on the quality of the surveyed comparable properties and the anticipated quality of the Subject, we conclude that the Subject’s proposed LIHTC rental rates are below the achievable market rates for the Subject’s area. The table below illustrates the comparison of the market rents, which are derived below.

SUBJECT COMPARISON TO MARKET RENTS

Unit Type	Rent Level	Subject Achievable LIHTC Rent	Surveyed Min	Surveyed Max	Surveyed Average	Achievable Market Rent	Subject Rent Advantage
1BR / 1BA	@60%	\$686	\$866	\$1,265	\$1,014	\$1,100	38%
2BR / 2BA	@60%	\$824	\$920	\$1,526	\$1,183	\$1,250	34%
3BR / 2BA	@60%	\$942	\$1,209	\$1,817	\$1,466	\$1,400	33%

The Subject will be considered most similar to Lullwater At Calumet and Villas At Newnan Crossing. The following table illustrates the Subject's achievable market rents to the rents being achieved at Lullwater at Calumet.

SUBJECT COMPARISON TO LULLWATER AT CALUMET

Unit Type	Subject Achievable Market Rent	Square Footage	Subject RPSF	Lullwater At Calumet Rent	Square Feet	Lullwater At Calumet RPSF
1BR / 1BA	\$1,100	850	\$1.29	\$1,006	815	\$1.23
2BR / 2BA	\$1,250	1,072	\$1.17	\$1,186	1,240	\$0.96
3BR / 2BA	\$1,400	1,185	\$1.18	\$1,374	1,419	\$0.97

Lullwater at Calumet was built in 1999 and renovated in 2011, and is in a slightly inferior condition compared to the Subject. This property is located 0.8 miles from the Subject in a similar location. Compared to the Subject, this property offers similar one-bedroom and larger two and three-bedroom unit sizes, similar amenities and a similar design. Lullwater at Calumet reported vacancy of 4.6 percent. Overall, we believe that the Subject is slightly superior to Lullwater at Calumet.

The following table illustrates the Subject's achievable market rents as is to the rents being achieved at Villas at Newnan Crossing.

SUBJECT COMPARISON TO VILLAS AT NEWMAN CROSSING

Unit Type	Subject Achievable Market Rent	Square Footage	Subject RPSF	Villas At Newnan Crossing Rent	Square Feet	Villas At Newnan Crossing RPSF
1BR / 1BA	\$1,100	850	\$1.29	\$1,265	880	\$1.44
2BR / 2BA	\$1,250	1,072	\$1.17	\$1,320	1,492	\$0.88
3BR / 2BA	\$1,400	1,185	\$1.18	\$1,703	1,561	\$1.09

Villas at Newnan Crossing was built in 2003 and 2007 is in slightly inferior condition compared to the Subject. This property is located approximately 2.1 miles from the Subject in a superior location. Compared to the Subject, this property offers similar one-bedroom units, and larger two and three-bedroom unit sizes. Additionally, this property offers similar in-unit, but superior property amenities compared to the Subject and a similar design. Villas at Newnan Crossing is currently has 4.5 percent vacancy. Overall, we believe that the Subject is slightly inferior to Villas at Newnan Crossing and can achieve rents slightly below this property. Overall, our concluded achievable market rent levels are **\$1,100**, **\$1,250**, and **\$1,400** for the Subject's one, two, and three-bedroom units, respectively. These rents will be used in our unrestricted valuation.

DEMAND ANALYSIS

Introduction

When evaluating demand for a particular proposed development we rely primarily on two methods. These are a supply analysis and a demand analysis. The supply analysis focuses on satisfied demand and anecdotal reports from property managers and market participants regarding demand. We believe this evidence of demand is the most clear and reliable when measuring housing need in a market area. We explored that indication in the previous sections of this report.

This section focuses on analyzing demographic data to determine housing need. According to NCHMA model content standards there are two measurements used to evaluate demand based on the demographic data. The first measurement is termed the capture rate. NCHMA define Capture Rate as: “The percentage of age, size, and income qualified renter households in the primary market area that the property must capture to fill the units. The Capture Rate is calculated by dividing the total number of units at the property by the total number of age, size and income qualified renter households in the primary market area.”

The second measurement is the Penetration Rate, which has similarities to the capture rate. NCHMA defines Penetration Rate as “The percentage of age and income qualified renter households in the *primary market area* that all existing and proposed properties, to be completed within six months of the Subject, and which are competitively priced to the subject that must be captured to achieve the *stabilized level of occupancy*.”

Capture Rate Determination

The following analysis will take the reader through a multi-step process in determining an appropriate capture rate for the Subject. Our analysis takes the entire population and distributes it by the following characteristics:

- 1) PMA Demography
- 2) Income Qualified
- 3) Renter Households
- 4) Unit Size Appropriate

The following text will examine each step through the process.

Step One – PMA Demography

Primary Market Area Defined

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

The boundaries of the Subject’s Primary Market Area (PMA) are defined by Macedonia Road, Buddy West Road, and State Route 14 to the north; Sharpsburg McCollum Road to the east; State Route 16 to the south and Newnan Bypass Road and Temple Avenue to the west. This area was defined based on interviews with local market participants and local property managers. Many of the local property managers indicated that most residents originated from the local area. The Atlanta-Sandy Springs-Roswell, GA MSA will serve as the Secondary Market Area (SMA).

Demographic Information

The basic demographic information is based upon the definition of a primary market area (PMA) and an estimate of the characteristics of the people living within that geographic definition.

Demographic data originates from the Census and is compiled by a third party data provider. Novogradac & Company uses data provided by the ESRI Business Analyst. Business Analyst brings in data as produced by ESRI's team of demographers. Sources include the US Census, American Community Survey, and other reputable sources. Housing characteristics are derived from several data sources, including construction data from Hanley Wood Market Intelligence, building permits from counties, the USPS, HUD, BLS, and the Census bureau. Owner and renter occupied units come from the Current Population Survey (BLS) and the Housing Vacancy Survey (Census). Data has been ground-truthed by ESRI staff and proven effective.

ESRI's products have been used by almost all US federal agencies (including HUD and USDA), top state level agencies, over 24,000 state and local governments worldwide, as well as many industry leading technology users - AT&T, Citrix, SAP, Oracle, Microsoft. ESRI produces timely updates based on new releases of data.

Step one is to identify demographic data such as number of households, renter households, income distribution and AMI levels. The appropriate demographic is used based on the tenancy for the proposed development. When analyzing a property designated for families the demographics for the entire population within the PMA is used. The demographic information was detailed in the demographic section of this report.

Step Two - Income Qualified

Assumptions and Data necessary for this calculation are:

Appropriate Jurisdiction:	Coweta County, GA
AMI for four person household:	\$69,700
Tenancy (Family vs. Senior):	Family
Affordability percentage:	35 percent
Leakage	20 percent

To establish the number of income-eligible potential tenants for the Subject, the calculations are as follows:

First, we estimate the Subject's minimum and maximum income levels (income bands) for the proposed LIHTC project. HUD determines maximum income guidelines for tax credit properties, based on the AMI. This provides the upper end of the income band as illustrated below. However, the minimum income is not established by HUD and must be estimated. Often, lower-income families pay a higher percentage of gross income toward housing costs. The industry standard is 35 percent for LIHTC-only calculations for family oriented properties. For senior properties this number increases to 40 percent based upon the nature of senior household economics. The lower end of the income band is calculated by taking the proposed rent by bedroom type multiplying by 12 and dividing by the application percentage to determine an income level. For example, if a property has a one bedroom unit with proposed gross rents of \$500, the estimated low end of the income range would be \$17,143 based on the family 35 percent or \$15,000 based on the senior 40 percent.

FAMILY INCOME LIMITS

Unit Type	Minimum Allowable Income	Maximum Allowable Income
	@60%	
1BR	\$26,880	\$33,480
2BR	\$32,297	\$37,680
3BR	\$37,269	\$45,180

Second, we illustrate the household population segregated by income band in order to determine those who are income-qualified to reside in the Subject property. This income distribution was illustrated previously in the demographic analysis section of this report.

RENTER HOUSEHOLD INCOME

Income Cohort	2016		PMA 2021		Annual Change 2016 to 2021	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	1,375	13.9%	1,389	12.9%	3	0.2%
\$10,000-19,999	1,416	14.3%	1,429	13.3%	3	0.2%
\$20,000-29,999	1,349	13.6%	1,390	12.9%	8	0.6%
\$30,000-39,999	1,059	10.7%	1,115	10.4%	11	1.0%
\$40,000-49,999	1,090	11.0%	1,102	10.3%	2	0.2%
\$50,000-59,999	896	9.0%	984	9.2%	18	2.0%
\$60,000-74,999	609	6.1%	682	6.4%	15	2.4%
\$75,000-99,999	725	7.3%	848	7.9%	25	3.4%
\$100,000-124,999	569	5.7%	694	6.5%	25	4.4%
\$125,000-149,999	329	3.3%	435	4.1%	21	6.4%
\$150,000-199,999	334	3.4%	414	3.9%	16	4.8%
\$200,000+	157	1.6%	254	2.4%	19	12.3%
Total	9,909	100.0%	10,736	100.0%		

Source: HISTA Data / Ribbon Demographics 2017, Novogradac & Company LLP, October 2017

Step Three – Income Distribution

We combine the allowable income bands with the income distribution analysis in order to determine the number of potential income-qualified households. The Cohort Overlap is defined as the income amount within income bands defined above that falls within the ESRI provided Income Cohort. The % in Cohort is simply the cohort overlap divided by the income cohort range (generally \$10,000). The # in Cohort is determined by multiplying total renter households by the % in Cohort determination. In some cases the income-eligible band overlaps with more than one income cohort. In those cases, the cohort overlap for more than one income cohort will be calculated. The sum of these calculations provides an estimate of the total number of households that are income-eligible, both by AMI level and in total.

FAMILY INCOME DISTRIBUTION 2016

Income Cohort	Total Renter Households	@60%		
		cohort overlap	% in cohort	# in cohort
\$0-9,999	1,375			
\$10,000-19,999	1,416			
\$20,000-29,999	1,349	3,119	31.2%	421
\$30,000-39,999	1,059	9,999	100.0%	1,059
\$40,000-49,999	1,090	5,180	51.8%	564
\$50,000-59,999	896			
\$60,000-74,999	609			
\$75,000-99,999	725			
\$100,000-124,999	569			
\$125,000-149,999	329			
\$150,000-199,999	334			
\$200,000+	157			
Total	9,909		20.6%	2,045

Step Four – Income Eligible - Renter Households by Number of People in Household

At this point we know how many income eligible renter households there are within the PMA by AMI level. Using that household figure we have also calculated percentage of income eligible households to total households by AMI level (AMI percentage eligible). However, in order to provide a demand analysis by bedroom type the number of households must now be allocated to a bedroom mix. The first step in that process is to determine the number of income qualified renter households by the number of persons per household. This can be completed by applying the total number of rental households by person by the AMI percentage eligible. The total number of renter households by person is information provided by ESRI and illustrated in the demographic discussion.

Step Five – Unit Size Appropriate

Household size is assumed to be 1.5 persons per bedroom for LIHTC rent calculation purposes. Additionally, HUD assumes that one-person households are accommodated in one-bedroom units. For LIHTC income purposes, the actual size of the household is used.

The distribution of households by unit type is dependent on the following assumptions. This table has been developed by Novogradac as a result of market research.

HOUSEHOLD DISTRIBUTION

HOUSEHOLD DISTRIBUTION		
1 BR	80%	Of one-person households in 1BR units
	20%	Of two-person households in 1BR units
2 BR	20%	Of one-person households in 2BR units
	80%	Of two-person households in 2BR units
	60%	Of three-person households in 2BR units
3 BR	40%	Of three-person households in 3BR units
	70%	Of four-person households in 3BR units
	50%	Of five-person households in 3BR units

The projected renter household demand by bedroom size can then be determined by applying these weightings to the number of income qualified renter households determined in Step Four.

Step Six – Capture Rate by Bedroom Mix

The capture rate is simply determined by dividing the number of units by unit type for the subject by the total number of qualified renter households for that unit type. This calculation is then adjusted for leakage to arrive at a final determination of capture rate by bedroom type and AMI level.

CAPTURE RATE ANALYSIS BY UNIT TYPE

In order to determine demand for the proposed market mix, we also analyzed the demand capture rates expected at the Subject by bedroom type. This analysis illustrates demand for all AMI levels.

60 Percent of AMI Demand

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2016

	Renter Household Size Distribution	Total Number of Renter Households
1 person	36.6%	3,624
2 persons	24.3%	2,410
3 persons	15.1%	1,501
4 persons	11.6%	1,147
5+ persons	12.4%	1,228
Total	100.0%	9,909

Income-Qualified Renter Demand

	Total Number of Renter Households	% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	3,624	x 20.6%	748
2 persons	2,410	x 20.6%	497
3 persons	1,501	x 20.6%	310
4 persons	1,147	x 20.6%	237
5+ persons	1,228	x 20.6%	253
Total	9,909		2,045

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	698
2BR	733
3BR	416
Total	1,847

Capture Rate Analysis @60%

	Developer's Unit Mix	Capture Rate
1BR	24	3.44%
2BR	72	9.82%
3BR	64	15.38%
Total/Overall	160	8.66%

Adjusted for Leakage from Outside of the PMA 20%

1BR	24	2.75%
2BR	72	7.86%
3BR	64	12.30%
Total/Overall	160	6.93%

PENETRATION RATE ANALYSIS

The second calculation derives an estimated Penetration Rate. We calculate a Penetration Rate with a market focus. In this methodology, the Penetration Rate is calculated by totaling all existing and proposed (including the Subject) competitive affordable units within the PMA, and dividing by the total number of income eligible renter households. Penetration Rates are more difficult to calculate in urban areas with a significant volume of affordable housing, as it is difficult to obtain detailed information on all the true comparable properties that make up the supply and to obtain detail on the various AMI levels at the properties.

The table below illustrates the LIHTC properties in the Primary Market Area.

EXISTING AFFORDABLE PROPERTIES IN PMA				
Property Name	Rent Structure	Tenancy	Total Units	Competitive LIHTC Units
Columbia Woods	LIHTC	Family	120	115
Foxworth Forest Apartments	LIHTC	Family	90	90
Newnan Crossing	LIHTC/ Market	Family	192	96
Pines By The Creek	LIHTC/ Market	Family	96	24
Totals			658	325

As shown above, there are 325 competitive LIHTC units in the PMA. These units have been deducted from our analysis. Additionally, we are aware of one under construction LIHTC property in the PMA, Wisteria Gardens is a 122-unit senior new construction development located 3.9 miles east of the Subject. We have deducted the 122 units at this property from our demand analysis.

As shown in the income distribution previously, there are 2,045 income eligible renter households in the PMA for the Subject’s LIHTC units. The Subject’s LIHTC units will need to attract less than eight percent of these households to achieve full occupancy.

PENETRATION RATE	
Number of Proposed Competitive <i>LIHTC</i> Units in the PMA	122
	+
Number of Existing Competitive Family <i>LIHTC</i> Units in the PMA	325
	+
Number of Proposed <i>LIHTC</i> Units at the Subject	160
	=
Total	607
	/
Income Eligible Households - All AMI Levels	2,045
	=
Overall Penetration Rate - Market Focus (NCHMA)	29.7%

After deductions for existing and proposed LIHTC units in the PMA, the resulting penetration rate is 29.7 percent.

Conclusion

The demand analysis illustrates demand for the Subject based on capture rates of income-eligible renter households. When viewing total income-eligible renter households the calculation illustrates overall capture rate of 6.9 percent. This is considered excellent.

To provide another level of analysis, we performed a penetration rate analysis in which proposed and existing competition was accounted for. This resulted in a penetration rate of 29.7 percent. The penetration rate is low and indicative of demand for additional affordable housing supply such as the Subject.

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

According to the site plan provided by the developer, the Subject sit is 20 acres or 871,200 square feet. The site is generally level and irregular in shape. Further, 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

According to rezoning ordinance by the City of Newnan and provided by the developer, the Subject was rezoned July 18, 2017 to RML (Residential Multiple Family Dwelling-Lower Density District) and is approved for 160 units. The RML district allows for eight units per acre. The RML zoning district requires 1.5 parking spaces per unit, which would equate to 240 parking spaces for the Subject's unit mix. Thus, we have concluded that the site can support approximately 160 multifamily units.

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 would permit multifamily. Given the Subject's surrounding land uses, the site's physical attributes, and the recent development patterns in the area, multifamily construction is most likely.

In order to determine financial feasibility for a multifamily rental property scenario, we performed a simple development analysis, based upon the rental and cost data secured during our market investigation. We used a residual technique to determine the cost feasibility of multifamily development.

COST ANALYSIS

Unrestricted	
Stabilized Overall Capitalization Rate	6.00%
Typical Economic Life	60
Inferred Annual Building Recapture Rate	1.25%
Inferred Land to Total Value Ratio (M)	5.3%
Land Capitalization Rate	RI
Building Capitalization Rate (RI + Recapture Rate)	Rb
$Ro = (RI * M) + ((1-M) * Rb)$	
RI=	4.8%
Rb=	6.1%
<hr/>	
Land Value	\$1,200,000
Land Capitalization Rate	4.8%
Required Return to Land	\$57,600
Replacement Cost of Improvements	\$22,610,000
Building Capitalization Rate (Rb)	6.1%
Required Return On and Recapture of Improvement Costs	\$1,379,210
Total Required Net Operating Income	\$1,436,810
<hr/>	
Net Rentable Square Footage	173,424
Required NOI per SF of Improvements	\$8.28
Operating Expenses per SF	\$5.31
Required Effective Gross Revenue	\$13.59
Stabilized Vacancy Adjustment Factor	\$0.95
Cost Feasible Market Rent	\$14.54
Market Rent (based on achievable market rental rates)	\$14.25

Maximally Productive

Both our feasibility analysis and development patterns in the market indicate market rate development is feasible in the current market. Therefore, the maximally productive use of this site as is vacant would be to construct a multifamily residential complex with or without gap financing such as tax exempt bonds and tax credits.

CONCLUSION

Highest and Best Use “As Is”

Market rate development is feasible in the current market. Thus, the highest and best use “as is” is to build a 160- unit multifamily development with or without gap financing such as tax exempt bonds and tax credits.

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

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. Given the Subject is proposed new construction, we have developed the cost approach. However, the Subject will be an LIHTC income-producing property. As such, market participants indicated that prudent investors would give only limited weight to the estimate of replacement cost when determining market value for investment purposes.

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.

The principle may be stated as follows:

“No one is justified in paying more for a property than that amount by which he can obtain, by purchase of a site and construction of a building, without undue delay, a property of equal desirability and utility. In the case of a building that is new, the disadvantages of deficiencies of the existing building are compared with a new building that must be evaluated.”

The Cost Approach normally consists of four steps:

1. The estimate of the land's value As Is.
2. The estimate of the current cost of replacing the existing improvements.
3. The estimate and deduction of depreciation from all causes if applicable.
4. The addition to the value of the land and the depreciated value of the improvements.

Replacement cost is defined as the cost of creating a similar building or improvement on the basis of current price using modern materials. It should be noted that the budget exhibited is for development of a rent restricted LIHTC property. Many of the costs for obtaining the tax credits are included. The value of the tax credits is best illustrated through a discounted cash flow analysis which is beyond the scope of this assignment. The budgeted costs will be adjusted to reflect a market value not inclusive of the tax credit value. It will be primarily used as support for our highest and best use determination.

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. It should be noted that in addition to the leasehold values, we have been asked to provide the fee simple value of the underlying land.

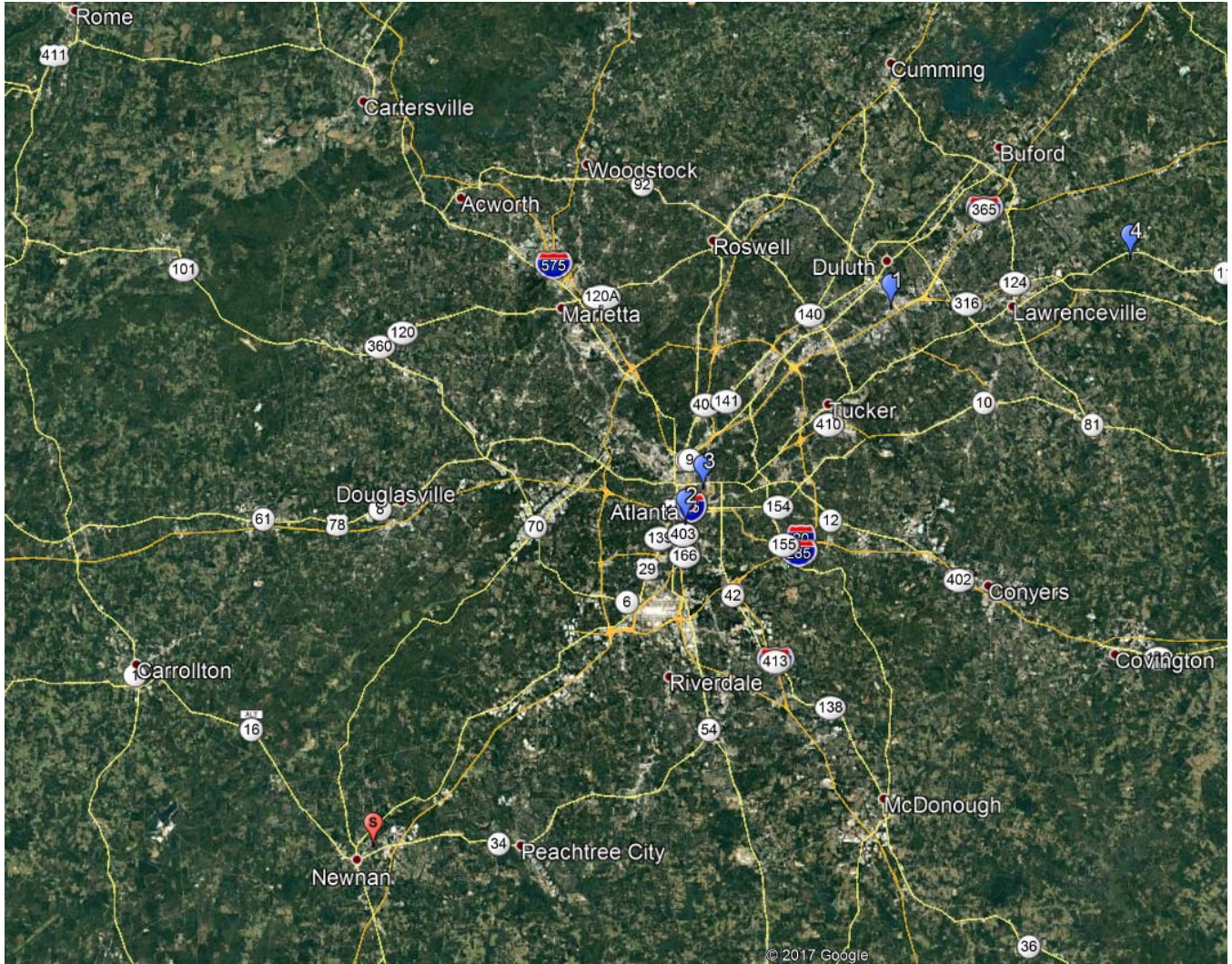
The sales comparison approach typically reflects the actions of buyers and sellers in the marketplace and serves as an excellent benchmark as to what a potential buyer would be willing to pay for the Subject property. We researched the subject's market area for recent sales of comparable vacant land. From our research, we selected transactions that represent the most recent competitive alternative sales in the marketplace. The previous highest and best use analysis concluded multifamily was the most likely type of development. Therefore, the sales utilized in our analysis are based upon land that will be developed with multifamily improvements. It should be noted that there have been a very limited number of recent multifamily sales within the Subject's immediate location; therefore, it was necessary to expand our search to the surrounding areas of the Atlanta metro area. The table below provides a summary of the sales used:

COMPARABLE LAND SALES

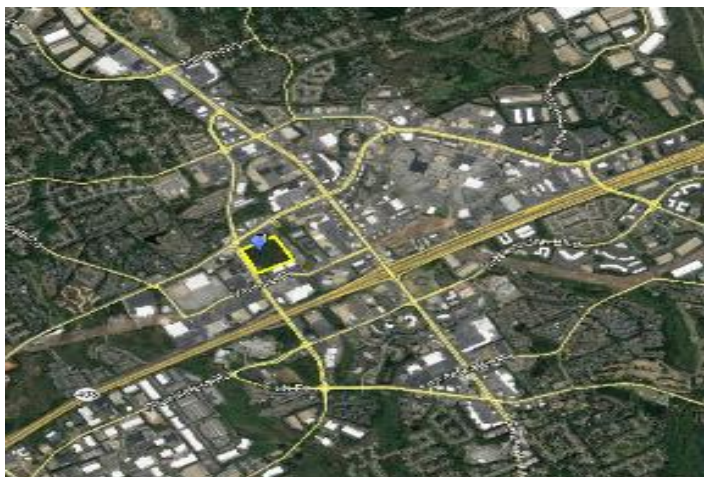
Property	Property Name	City State	Sale Date	Sale Price	Land Acres	Number of Units	Price Per Unit
1	Steve Reynold Boulevard	Duluth, GA	February-17	\$3,157,000	13.15	287	\$11,000
2	806 Murphy Avenue	Atlanta, GA	June-16	\$425,000	2.15	91	\$4,670
3	430 Boulevard NE	Atlanta, GA	December-14	\$550,000	0.75	80	\$6,875
4	155 Autry Road	Auburn, GA	May-14	\$435,000	14.75	34	\$12,794

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. Thus, we have utilized price per unit as the unit of comparison for the Subject. The table above indicates a range in price from approximately \$4,670 to \$12,794 per unit. A location map and individual land sale profiles are provided below.

Land Sales Map



Land Sale Steve Reynold Boulevard



Transaction

Address	Steve Reynold Boulevard	Sale Date	2017/02/21
City	Duluth	Adjusted Sale Price	\$ 3,157,000
State	GA	Sale Status	closed
County	Gwinnett	Sale Conditions	None
Seller	Knoll Construction	Rights Conveyed	Fee Simple
Buyer	Quintus Corporation	Days on Market	
		Confirmed With	CoStar, Public Record

Site

Land Acres	13.15	Topography	Level
Land Sq Ft	572,814.00	Zoning	RM-24 (Residential Medium Density)
Shape	Rectangular	Corner	No

Improvements and Ratios

Proposed Units	287	Adj \$/Proposed Unit	\$ 11,000.00
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Remarks

The site was purchased in 2017 to construct a 287-unit multifamily market rate property, no estimated delivery was available at the time of this report.

Land Sale 806 Murphy Avenue SW



Transaction

Address	806 Murphy Avenue SW	Sale Date	2016/06/01
City	Atlanta	Adjusted Sale Price	\$ 425,000
State	GA	Sale Status	closed
County	Fulton	Sale Conditions	None
Seller	RES GA Fourteen LLC	Rights Conveyed	Fee Simple
Buyer	Ricci LLC	Days on Market	
		Confirmed With	Public Records, Assessor`s Office

Site

Land Acres	2.15	Topography	Level
Land Sq Ft	93,654.00	Zoning	SP-21
Shape	L-Shaped	Corner	No

Improvements and Ratios

Proposed Units	91	Adj \$/Proposed Unit	\$ 4,670.33
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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 430 Boulevard NE



Transaction

Address	430 Boulevard NE	Sale Date	2014/12/01
City	Atlanta	Adjusted Sale Price	\$ 550,000
State	GA	Sale Status	
County	Fulton	Sale Conditions	None
Seller	Fourth Bedford Pine Apartments, LP	Rights Conveyed	Fee Simple
Buyer	City Lights Assoc. Limited Partnership	Days on Market	
		Confirmed With	Public Records, Assessor`s Office

Site

Land Acres	0.74	Topography	Level
Land Sq Ft	32,234.40	Zoning	Multifamily
Shape	Rectangular	Corner	Yes

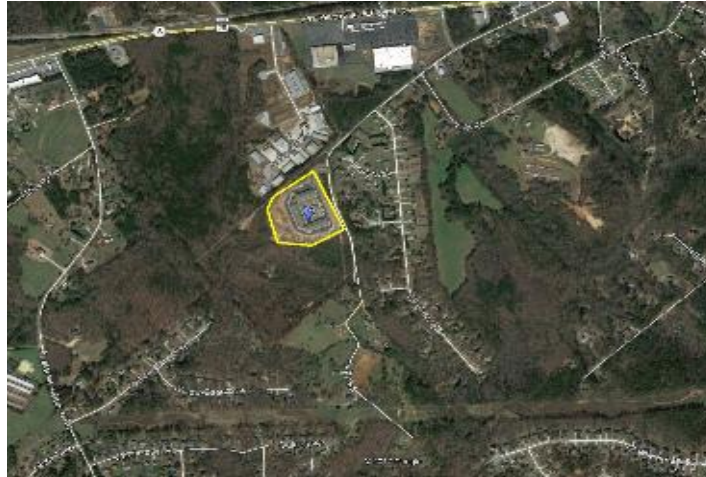
Improvements and Ratios

Proposed Units	80	Adj \$/Proposed Unit	\$ 6,875.00
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Remarks

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

Land Sale 155 Autry Road



Transaction

Address	155 Autry Road	Sale Date	2014/05/01
City	Auburn	Adjusted Sale Price	\$ 435,000
State	GA	Sale Status	closed
County	Barrow	Sale Conditions	None
Seller	Gwinnett Community Bank	Rights Conveyed	Fee Simple
Buyer	Autry Pines Senior Village LP	Days on Market	
		Confirmed With	Public Records, Appraiser`s File

Site

Land Acres	14.74	Topography	Level
Land Sq Ft	642,074.40	Zoning	Multifamily
Shape	Irregular	Corner	No

Improvements and Ratios

Proposed Units	34	Adj \$/Proposed Unit	\$ 12,794.12
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Remarks

The site was improved with a 34-unit senior LIHTC development known as Autry Pines Senior Village that was completed in 2015.

EXPLANATION OF ADJUSTMENTS

We have analyzed the sales on a per unit basis. In determining which adjustments are appropriate to make to the comparable sales, property rights conveyed, financing terms, conditions of sale, and market conditions are considered first. After these adjustments are made, other criteria, such as location, zoning, topography, shape, and size are taken into consideration.

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

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

Property Rights

We are valuing the fee simple interest in the Subject site. All sales were of fee simple interest like the Subject; therefore, no adjustments are necessary.

Financing

The sales were cash (or equivalent) transactions; therefore, no adjustments are necessary.

Conditions of Sale

No unusual conditions existed or are known; 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. The comparable sales took place between December 2013 and March 2014. According to the PwC Real Estate Investment Survey, capitalization rates have compressed from the fourth quarter 2013 through 2016. The table below illustrates multifamily capitalization rates from 2013 to present.

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	-	3Q10	7.12	-0.56
2Q03	7.92	-0.22	4Q10	6.51	-0.61
3Q03	7.61	-0.31	1Q11	6.29	-0.22
4Q03	7.45	-0.16	2Q11	6.10	-0.19
1Q04	7.25	-0.20	3Q11	5.98	-0.12
2Q04	7.13	-0.12	4Q11	5.80	-0.18
3Q04	7.05	-0.08	1Q12	5.83	0.03
4Q04	7.01	-0.04	2Q12	5.76	-0.07
1Q05	6.74	-0.27	3Q12	5.74	-0.02
2Q05	6.52	-0.22	4Q12	5.72	-0.02
3Q05	6.28	-0.24	1Q13	5.73	0.01
4Q05	6.13	-0.15	2Q13	5.70	-0.03
1Q06	6.07	-0.06	3Q13	5.61	-0.09
2Q06	6.01	-0.06	4Q13	5.80	0.19
3Q06	5.98	-0.03	1Q14	5.79	-0.01
4Q06	5.97	-0.01	2Q14	5.59	-0.20
1Q07	5.89	-0.08	3Q14	5.51	-0.08
2Q07	5.80	-0.09	4Q14	5.36	-0.15
3Q07	5.76	-0.04	1Q15	5.36	0.00
4Q07	5.75	-0.01	2Q15	5.30	-0.06
1Q08	5.79	0.04	3Q15	5.39	0.09
2Q08	5.75	-0.04	4Q15	5.35	-0.04
3Q08	5.86	0.11	1Q16	5.35	0.00
4Q08	6.13	0.27	2Q16	5.29	-0.06
1Q09	6.88	0.75	3Q16	5.25	-0.04
2Q09	7.49	0.61	4Q16	5.26	0.01
3Q09	7.84	0.35	1Q17	5.33	0.07
4Q09	8.03	0.19	2Q17	5.40	0.07
1Q10	7.85	-0.18	3Q17	5.35	-0.05
2Q10	7.68	-0.17			

Source: PwC Real Estate Investor Survey, Q3 2017

The comparable sales occurred between May 2014 and February 2017. As the table indicates, the downward trend through early 2007 is clear. The average capitalization rate decreased 239 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 third quarter of 2017 have exhibited a slightly decrease over capitalization rates from the third quarter of 2016. Based on the above data and interviews with area brokers, we have not applied any adjustments to the sales for 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 tables illustrate the median rents, home values and median household incomes for the Subject and the comparable sales by zip code area.

SALES LOCATION COMPARISON

No.	Property Name	City, State	Zip Code	Median Income	Median Rent	Median Home Value	Average Differential With Subject Site
Subject	Jefferson Family Homes	Newnan, GA	30263	\$48,060	\$883	\$164,100	-
Sale 1	Steve Reynold Boulevard	Duluth, GA	30096	\$50,167	\$1,034	\$171,200	-9%
Sale 2	806 Murphy Avenue	Atlanta, GA	30310	\$25,886	\$871	\$79,800	33%
Sale 3	430 Boulevard NE	Atlanta, GA	30308	\$57,888	\$1,065	\$230,600	-27%
Sale 4	155 Autry Road	Auburn, GA	30011	\$57,063	\$970	\$118,600	0%

Based on the comparison above it appears that the Subject is in a similar location compared to Sale 4, a slightly superior location to Sale 2 and a slightly inferior location to Sales 1 and 3. However, it should be noted that Sales 2 and 3 are located in close proximity to downtown Atlanta and have greater access to employment and amenities. Overall we have made a negative adjustment of 15 percent to Sales 1 and 3, and no adjustments to the remaining sales.

Zoning/Use

All of the comparables permit multifamily like the Subject. Sale 2 also allows for commercial use therefore, we have adjusted this sale downwards five percent. No other adjustments were warranted.

Topography

The land sales vary in topography, but are generally functional for multifamily development. Therefore, no adjustments are necessary.

Site Characteristics

Site characteristics such as access, frontage, visibility, and shape can affect the marketability of sites, making them more or less attractive to investors. The Subject site offers good access and visibility, with functional site characteristics, similar to three of the sales. Sale 2 is irregular in shape; we have adjusted this sale upward 10 percent for the difficulty in building on the site. There are no adjustments necessary for the remaining sales.

Size (Number of Units)

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. As indicated in the highest and best use analysis, the Subject site could likely support 160 multifamily units. Sales 2, 3 and 4 were all developed with a smaller number of units, therefore we have adjusted these sales downward five to 20 percent. Sale 1 will be developed with more units than the Subject therefore we have adjusted this sale upward five percent. All of the sales are generally similar to the Subject and no adjustments are warranted.

Land Value Estimate

The land sales grid is presented below:

LAND SALES DATA ADJUSTMENT GRID						
Property Name	Subject	1	2	3	4	
Address		Steve Reynold Boulevard	806 Murphy Avenue	430 Boulevard NE	155 Atry Road	
City		Steve Reynold Boulevard	806 Murphy Avenue	430 Boulevard NE	155 Atry Road	
		Duluth, GA	Atlanta, GA	Atlanta, GA	Auburn, GA	
Parcel Data						
Zoning	RML	RM24	SP-21 (MF/Commercial)	RG-4 (Multifamily)	Multifamily	
Topography	Level	Level	Level	Level	Level	
Shape	Irregular	Rectangular	Irregular	Rectangular	Irregular	
Size (SF)	871,200	572,814	93,654	32,234	642,074	
Size (Acres)	20	13.15	2.15	0.75	14.75	
Units	160	287	91	80	34	
Units Per Acre	8.00	21.83	42.33	106.67	2.31	
Sales Data						
Date		February-17	June-16	December-14	May-14	
Interest						
Price		\$3,157,000	\$425,000	\$550,000	\$435,000	
Price per Unit		\$11,000	\$4,670	\$6,875	\$12,794	
Adjustments						
Property Rights		\$0	\$0	\$0	\$0	
		\$3,157,000	\$425,000	\$550,000	\$435,000	
Financing Terms		\$0	\$0	\$0	\$0	
		\$3,157,000	\$425,000	\$550,000	\$435,000	
Conditions of Sale		\$0	\$0	\$0	\$0	
		\$3,157,000	\$425,000	\$550,000	\$435,000	
Market Conditions		1.00	1.00	1.00	1.00	
Adjusted Sales Price		\$3,157,000	\$425,000	\$550,000	\$435,000	
Adjusted Price Per Unit		\$11,000	\$4,670	\$6,875	\$12,794	
Adjustments						
Location		-15%	0%	-15%	0%	
Zoning/Use		0%	-5%	0%	0%	
Topography		0%	0%	0%	0%	
Site Characteristics		0%	10%	0%	0%	
Size		5%	-5%	-5%	-20%	
Overall Adjustment		-10%	0%	-20%	-20%	
Adjusted Price Per Unit		\$9,900	\$4,670	\$5,500	\$10,235	
Summary						
Low	\$4,670					
High	\$10,235					
Mean	\$7,576					
Median	\$7,700					
Conclusion	\$7,500	x	160			
Value of Property	\$1,200,000					

The sales indicate an adjusted price per unit range of \$4,670 to \$10,235 per unit, with a mean of \$7,576 and a median of \$7,700 per unit. Overall, we have placed equal weight on Sales 1 and 2 as they required the fewest net adjustments all sales concluded to a sale price per unit of \$7,500 per unit for the value of the land “as is.”

As a result of our analysis, the indicated unencumbered fee simple interest of the “Land Value”, via the sales comparison approach, as of October 1, 2017 is:

**ONE MILLION TWO HUNDRED THOUSAND DOLLARS
(\$1,200,000)**

Please refer to the complete Assumptions and Limiting Conditions in the Addenda of this report.

Development Costs

Since the Subject will be new construction, the development budget can be useful. However, to insure a market based valuation we estimated the hard costs based on the developer's budget, RS Means and Marshall & Swift. The soft costs are not as effectively compared to market estimates. The cost of typical tax credit syndications is unique and not easily compared to other transactions. Therefore, we relied upon other development budgets for these costs.

Direct Costs

We compared the direct costs associated with construction of a property with similar utility as the Subject. These costs include construction costs, landscaping costs, and site improvement costs. These are estimated by using RS Means and Marshall & Swift and correlated to the local market using a multiplier.

Indirect Cost

Indirect costs must be added to the direct costs to arrive at a total cost new estimate. Indirect costs include construction loan fees (including interest on the property during construction, appraisal fees, points, etc.), taxes on the land during the construction period, and developer's profit and overhead.

Developer's Profit and Overhead: Entrepreneurial profit is accounted for as an indirect cost. If the Cost Approach is to provide a reliable indication of value, the appraiser must add to the cost a figure that represents the entrepreneurial or developer's profit that is reflected in the market. It is a return to the investor based on his entrepreneurial skills and abilities.

An investor in real property, especially a developer, gives up a certain amount of liquidity in development, and his risk is based upon his past experience in the field, his forecasting ability with respect to the real estate/business cycle, his expertise in management, and timing. These items are somewhat speculative and tend to be within a fairly wide profit range, depending upon a combination of the preceding items.

Essentially, entrepreneurial profit is a market-derived figure that reflects the amount that the entrepreneur, or developer, expects to receive in addition to costs. Depending on market practice, this type of profit may be measured as a percentage of (1) direct costs, (2) direct and indirect costs, (3) direct and indirect costs plus land value, and (4) the value of the completed project.

Appraisers often derive an appropriate figure for profit expectation from market analysis. By analyzing recent sales of new properties in the same market, we calculated entrepreneurial profit as the difference between the sale price and the sum of direct costs, indirect costs and current market land value. An appraiser can also survey developers to determine entrepreneurial profit. However, the amount of entrepreneurial profit varies with factors such as economic conditions and property type, so a typical relationship between this profit and other costs is difficult to establish.

In conversations with developers of similar types of properties, an expected profit range would be 10 percent to 20 percent of the overall hard costs. Other soft costs typically include financing and legal fees. For LIHTC development these are often significant totaling 20 to 30 percent of total hard costs.

Estimated Costs

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.

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

	M&S	RS Means	Developer Estimate	Novoco Estimate
National Cost PSF	\$73.64	\$146.20	N/A	N/A
Location Adjustment - Atlanta, GA	0.94	0.89	N/A	N/A
Subject Cost PSF	\$69.22	\$130.12	\$91.43	\$90.00

The developer's budget is within the range of costs provided by the two estimators, therefore, we will utilize \$90.00, which is similar to the developer's estimate and within the range of the cost estimators.

The following table summarizes our estimates.

COST ESTIMATION		
Reconciled cost per SF	\$90.00	
Total Area	175,000	GBA per Developer
FFE	\$400,000	
Estimated Construction Costs	\$16,150,000	

Our overall cost estimates for the Subject are illustrated in the following table.

Cost Estimates		
Number of Units	160	Per Unit
Estimated Hard Cost	\$15,750,000	\$98,438
Estimated FF&E	\$400,000	2500
Total Construction Costs	\$16,150,000	\$100,938
Soft Costs	\$4,037,500	\$25,234
Developer Fee	\$2,422,500	\$15,141
Total Replacement Cost	\$22,610,000	\$141,313

We have assumed 25 percent of total hard costs for soft costs. The developer has estimated the profit (developer's fees) at approximately 15 percent of hard costs.

Accrued Depreciation

Accrued depreciation is a loss in value from the reproduction or replacement cost of improvements due to any cause as of the date of appraisal. It may also be defined as the difference between reproduction or replacement cost of an improvement and its market value as of the date of appraisal. The value difference may emanate from physical deterioration, functional obsolescence, external obsolescence, or any combination of these sources.

Physical Deterioration

Curable: This involves an estimate of deferred maintenance and is applicable to items subject to current repair.

Incurable: This reflects loss in value due to the physical defects of the structure. The Subject is proposed new construction. Therefore, there is no depreciation.

Functional Obsolescence

This reflects loss in value due to poor plan, outmoded style or design, architectural super-adequacy, or inadequacy. If incurable functional obsolescence exists, one must charge off additional cost of ownership in the replacement method, if any. Based on our review of the Subject's site and floor plans, the Subject will not suffer from functional obsolescence.

External Obsolescence

Cost feasible rent is above the current market rent levels. As such, the proposed restricted development is not feasible. The cost feasibility analysis suggests an external obsolescence of approximately 30 percent. The following table summarizes the value via the cost approach:

Jefferson Family Homes Summary of Cost Approach			
Total Replacement Cost - All Improvements			\$22,610,000
Depreciation			
	Deferred Maintenanc	\$0	
	Physical - Buildings	\$0	
	Functional Obsolesc	\$0	
	External Obsolescen	\$6,915,249.83	
Total Depreciation		\$6,915,250	
Depreciated Replacement Cost - Improvements			\$15,694,750
Land Value			\$1,200,000
Indicated Value - Cost Approach			\$16,894,750
Rounded			\$16,900,000

Conclusion

In order to arrive at a Replacement Cost value for the Subject, we added the estimated land value to the replacement cost of the improvements. Therefore, the value of the Subject “as if complete”, in November 2018, the prospective date of completion, with conditions prevailing as of October 1, 2017, via the Cost Approach, is:

**SIXTEEN MILLION NINE HUNDRED THOUSAND DOLLARS
(\$16,900,000)**

IX. INCOME CAPITALIZATION APPROACH

INCOME CAPITALIZATION APPROACH

Introduction

We were asked to provide several value estimates, including:

- Prospective leased fee market value “As If Completed” assuming restricted LIHTC rents.
- Hypothetical leased fee market value “As If Completed” assuming unrestricted rents.
- Prospective leased fee market value “As If Complete and Stabilized” assuming restricted LIHTC rents.
- Hypothetical leased fee market value “As If Complete and Stabilized” assuming unrestricted rents.

As discussed, we were asked to provide an estimate of the Subject’s value under the LIHTC program. Under the LIHTC program, the Subject is not eligible for tax credits until the units are put into service following construction. As a result, this value estimate is a hypothetical value based upon the benefits and restrictions of the LIHTC program.

Under the LIHTC program, an owner subjects his ownership to certain restrictions in exchange for various benefits. These restrictions and benefits generate intangible values in addition to the underlying tangible real estate value.

The market values “upon completion and stabilization” are hypothetical value estimates based upon the anticipated benefits and timing of LIHTC encumbrances and the development plan as proposed by the developer, as described in the Property Profiles, included in the Addenda. *Please see attached assumptions and limiting conditions for additional remarks concerning hypothetical value estimates.*

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.

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 both LIHTC encumbrances and market rents is based upon the rental analysis as derived in the Supply Section of this report and are calculated as follows.

POTENTIAL GROSS RENTAL INCOME - AS PROPOSED RESTRICTED

Unit Type	Restriction	Number of Units	Unit Size (SF)	Achievable Rent	Monthly Gross Rent	Annual Gross Rent
1BR	@60%	24	850	\$686	\$16,464	\$197,568
2BR	@60%	72	1,072	\$824	\$59,328	\$711,936
3BR	@60%	64	1,185	\$942	\$60,288	\$723,456
Total		160			\$136,080	\$1,632,960

POTENTIAL GROSS RENTAL INCOME - AS PROPOSED UNRESTRICTED

Unit Type	Number of Units	Unit Size (SF)	Achievable Rent	Monthly Gross Rent	Annual Gross Rent
1BR	24	850	\$1,100	\$26,400	\$316,800
2BR	72	1,072	\$1,250	\$90,000	\$1,080,000
3BR	64	1,185	\$1,400	\$89,600	\$1,075,200
Total	160			\$206,000	\$2,472,000

Other Income

Miscellaneous income includes fees for late rent fees, damages and cleaning fees, laundry and vending, and other miscellaneous fees. Data from comparable properties ranges from \$30 to \$585 per unit. The developer budgeted \$300 per unit, which appears high given the sources of income. We have concluded to total other income of \$300 per unit, which is within the comparable range and appears reasonable.

Vacancy and Collection Loss

As discussed in the Supply Analysis, we anticipate the Subject will maintain a vacancy and collection loss of five percent or less for the restricted scenarios and seven percent for the unrestricted scenario.

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	Comp 4
Year Built	2006	2006	2004	2003
Structure	Garden	Garden	Garden	Garden
Tenancy	Family	Family	Family	Family
Rent Restrictions	LIHTC	LIHTC	LIHTC	LIHTC/Section 8

The comparable data was compared to the Subject’s 2018 budget, which was considered in our analysis. Additionally, we have included the 2010 to 2015 averages for the southeast region and properties with 100 to 200 units from the Novogradac & Company LLP’s 2016 *Multifamily Rental Housing Operating Expense Report*.

	Novoco Estimates As Proposed LIHTC		Novoco Estimates As Popped Unrestricted		SUBJECT Developer's Budget	
Statement Type					Proforma	
12 Month Period Ending	12/2019		12/2019		12/2019	
City State	Newnan, GA		Newnan, GA		Newnan, GA	
Year Built	2018		2018		2018	
Number of Units	160		160		160	
INCOME CATEGORY	Total	Per Unit	Total	Per Unit	Total	Per Unit
Rental Income	\$1,632,960	\$10,206	\$2,472,000	\$15,450	\$1,640,064	\$10,250
Other Income	\$48,000	\$300	\$48,000	\$300	\$48,000	\$300
Vacancy Loss	(\$84,048)	(\$525)	(\$176,400)	(\$1,103)	(\$114,804)	-\$718
	-5%		-7%		-7%	
SUBTOTAL	\$1,596,912	\$9,981	\$2,343,600	\$14,648	\$1,573,260	\$9,833
EXPENSE CATEGORY						
ADMINISTRATION						
Professional Fees	\$16,000	\$100	\$8,000	\$50	\$0	\$0
Other Administrative	\$60,000	\$375	\$60,000	\$375	\$64,000	\$400
Advertising/Marketing	\$12,000	\$75	\$12,000	\$75	\$16,000	\$100
SUBTOTAL	\$88,000	\$550	\$80,000	\$500	\$80,000	\$500
SUPPORTIVE SERVICES	\$0	\$0	\$0	\$0	\$0	\$0
OPERATING, REPAIRS & MAINTENANCE						
Elevator	\$0	\$0	\$0	\$0	\$0	\$0
HVAC	\$8,000	\$50	\$8,000	\$50	\$0	\$0
Electrical & Plumbing	\$8,000	\$50	\$8,000	\$50	\$0	\$0
Structural & Roof	\$8,000	\$50	\$8,000	\$50	\$0	\$0
Pest Control	\$8,000	\$50	\$8,000	\$50	\$0	\$0
Other Repairs & Maintenance	\$40,000	\$250	\$40,000	\$250	\$0	\$0
Painting & Decorating	\$16,000	\$100	\$16,000	\$100	\$0	\$0
Trash Removal	\$16,000	\$100	\$16,000	\$100	\$0	\$0
Security	\$0	\$0	\$0	\$0	\$0	\$0
Pool and Grounds	\$32,000	\$200	\$32,000	\$200	\$0	\$0
Other Operating Expenses	\$0	\$0	\$0	\$0	\$0	\$0
SUBTOTAL	\$136,000	\$850	\$136,000	\$850	\$88,000	\$550
UTILITIES						
Heating & Fuel	\$0	\$0	\$0	\$0	\$0	\$0
Electricity	\$32,000	\$200	\$32,000	\$200	\$0	\$0
Gas	\$0	\$0	\$0	\$0	\$0	\$0
Water & Sewer	\$64,000	\$400	\$64,000	\$400	\$0	\$0
Other Utilities	\$0	\$0	\$0	\$0	\$0	\$0
SUBTOTAL	\$96,000	\$600	\$96,000	\$600	\$80,000	\$500
PAYROLL						
Repair & Maintenance Payroll	\$65,000	\$406	\$65,000	\$406	\$0	\$0
Management Payroll	\$75,000	\$469	\$75,000	\$469	\$0	\$0
Other Leasing Expenses/Staff Unit	\$0	\$0	\$0	\$0	\$0	\$0
Benefits/Taxes	\$31,800	\$199	\$31,800	\$199	\$0	\$0
SUBTOTAL	\$171,800	\$1,074	\$171,800	\$1,074	\$144,000	\$900
TAXES AND INSURANCE						
Real Estate Taxes	\$158,875	\$993	\$284,050	\$1,775	\$208,000	\$1,300
Other Taxes/Direct Assessments	\$0	\$0	\$0	\$0	\$1,600	\$10
Insurance	\$48,000	\$300	\$48,000	\$300	\$60,000	\$375
SUBTOTAL	\$206,875	\$1,293	\$332,050	\$2,075	\$269,600	\$1,685
MANAGEMENT FEE	\$63,876	\$399	\$64,449	\$403	\$62,930	\$393
	4.0%		2.75%		4.0%	
REPLACEMENT RESERVES	\$40,000	\$250	\$40,000	\$250	\$48,000	\$300
Total All Expenses	\$802,552	\$5,016	\$920,299	\$5,752	\$772,530	\$4,828
Total Expenses less TUR	\$507,676	\$3,173	\$500,249	\$3,127	\$434,930	\$2,718

	1		2		3		4	
Statement Type	Actual		Actual		Actual		Actual	
12 Month Period Ending	12/2015		12/2015		12/2015		12/2015	
City State	Atlanta, GA		East Point, GA		East Point, GA		Atlanta, GA	
Year Built	2006		2006		2004		2003	
Number of Units	320		276		160		181	
INCOME CATEGORY	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit
Rental Income	-	-	-	-	-	-	-	-
Other Income	\$9,592	\$30	\$50,097	\$182	\$93,640	\$585	\$50,318	\$278
Vacancy Loss	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
SUBTOTAL	-	-	-	-	-	-	-	-
EXPENSE CATEGORY								
ADMINISTRATION								
Professional Fees	\$43,491	\$136	\$30,713	\$111	\$28,259	\$177		\$0
Other Administrative	\$149,640	\$468	\$103,267	\$374	\$83,174	\$520	\$233,562	\$1,290
Advertising/Marketing	\$26,847	\$84	\$1,028	\$4	\$12,990	\$81		\$0
SUBTOTAL	\$219,978	\$687	\$135,008	\$489	\$124,423	\$778	\$233,562	\$1,290
SUPPORTIVE SERVICES	\$0	\$0	\$13,736	\$50	\$0	\$0	\$0	\$0
OPERATING, REPAIRS & MAINTENANCE								
Elevator	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HVAC	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Electrical & Plumbing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Structural & Roof	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Pest Control	\$5,166	\$16	\$0	\$0	\$2,312	\$14	\$0	\$0
Other Repairs & Maintenance	\$149,714	\$468	\$408,404	\$1,480	\$76,245	\$477	\$283,361	\$1,566
Painting & Decorating	\$97,077	\$303	\$0	\$0	\$34,375	\$215	\$34,392	\$190
Trash Removal	\$24,961	\$78	\$0	\$0	\$5,776	\$36	\$31,947	\$177
Security	\$28,750	\$90	\$0	\$0	\$0	\$0	\$21,094	\$117
Pool and Grounds	\$31,791	\$99	\$12	\$0	\$17,115	\$107	\$0	\$0
Other Operating Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SUBTOTAL	\$337,459	\$1,055	\$408,416	\$1,480	\$135,823	\$849	\$370,794	\$2,049
UTILITIES								
Heating & Fuel	\$0	\$0	\$18,884	\$68	\$0	\$0	\$0	\$0
Electricity	\$91,879	\$287	\$99,507	\$361	\$40,494	\$253	\$52,746	\$291
Gas	\$0	\$0	\$640	\$2	\$0	\$0	\$0	\$0
Water & Sewer	\$243,400	\$761	\$62,142	\$225	\$86,443	\$540	\$30,038	\$166
Other Utilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SUBTOTAL	\$80,000	\$250	\$181,173	\$656	\$126,937	\$793	\$82,784	\$457
PAYROLL								
Repair & Maintenance Payroll	\$67,471	\$211	\$110,012	\$399	\$78,165	\$489		\$0
Management Payroll	\$162,035	\$506	\$122,627	\$444	\$79,735	\$498	\$127,568	\$705
Other Leasing Expenses/Staff Unit	\$27,110	\$85	\$0	\$0	\$0	\$0	\$0	\$0
Benefits/Taxes	\$60,494	\$189	\$73,675	\$267	\$37,312	\$233	\$28,229	\$156
SUBTOTAL	\$317,110	\$991	\$306,314	\$1,110	\$195,212	\$1,220	\$155,797	\$861
TAXES AND INSURANCE								
Real Estate Taxes	\$112,564	\$352	\$276,386	\$1,001	\$62,980	\$394	\$127,484	\$704
Other Taxes/Direct Assessments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Insurance	\$83,486	\$261	\$34,317	\$124	\$39,557	\$247	\$44,660	\$247
SUBTOTAL	\$196,050	\$613	\$310,703	\$1,126	\$102,537	\$641	\$172,144	\$951
MANAGEMENT FEE	\$135,395	\$423	\$86,857	\$315	\$75,819	\$474	\$0	\$0
REPLACEMENT RESERVES	\$80,000	\$250	\$69,000	\$250	\$40,000	\$250	\$45,250	\$250
Total All Expenses	\$1,365,992	\$4,269	\$1,511,207	\$5,475	\$800,751	\$5,005	\$1,060,331	\$5,858
Total Expenses less TUR	\$1,093,428	\$3,417	\$970,912	\$3,518	\$570,834	\$3,568	\$804,813	\$4,446

General Administrative and Marketing

This category includes all professional fees for items such as legal, accounting, marketing, and office.

ADMINISTRATION									
Subject	Comparables							Benchmarked Data*	
Budget	Comp 1	Comp 2	Comp 3	Comp 4	Min	Max	Average	Region	Unit Size
\$500	\$687	\$489	\$778	\$1,290	\$489	\$1,290	\$811	\$484	\$550

We have concluded to an administration expense of \$550 per unit in the restricted scenarios and \$500 per unit in the unrestricted scenario which are both within the range of the comparable data and similar to the budget.

Operating, Repairs & Maintenance

Included in this expense are normal costs of operating a multifamily property including painting/decorating, trash removal, ground expenses, and security costs, as well as normal items of repair and maintenance of public areas, cleaning contracts, and pest control.

OPERATING, REPAIRS & MAINTENANCE									
Subject	Comparables							Benchmarked Data*	
Budget	Comp 1	Comp 2	Comp 3	Comp 4	Min	Max	Average	Region	Unit Size
\$550	\$1,055	\$1,480	\$849	\$2,049	\$849	\$2,049	\$1,358	\$776	\$916

We have concluded to a repairs and maintenance expense of \$850 per unit which is within the range of the comparables and reasonable given the new condition.

Utilities

The Subject will offer electric cooking, heat, and hot water. The tenant will be responsible for all electric expenses and the landlord will be responsible for cold water, sewer and trash expenses. The developer estimates a utility cost of \$500 per unit. Comparable operating results indicate a range of \$457 to \$1,048 per unit for total utility costs. We have calculated possible utility costs based upon the recent utility allowances provided by the local housing authority, adjusted to the Subject’s project specific allowances. However, it should be noted that trash expenses are not provided by the local housing authority. These estimates result in utility costs of approximately \$822 per unit, which is higher than the developer’s estimates.

HOUSING AUTHORITY UTILITY ALLOWANCE

UTILITY AND SOURCE	Paid By	1BR	2BR	3BR	
Heating - Electric	Tenant	\$25	\$30	\$36	
Cooking - Electric	Tenant	\$9	\$11	\$12	
Other Electric	Tenant	\$40	\$44	\$48	
Air Conditioning	Tenant	\$9	\$11	\$12	
Water Heating - Electric	Tenant	\$15	\$22	\$34	
Water	Landlord	\$20	\$23	\$28	
Sewer	Landlord	\$21	\$25	\$31	
TOTAL - Paid By Tenant		\$73	\$88	\$106	
TOTAL - Paid By Landlord		\$41	\$48	\$59	Total
Number of Units		24	72	64	160
Total Tenant Paid Expenses		\$21,024	\$76,032	\$81,408	\$178,464
Tenant Expense Per unit 5% Vacancy					\$56
Total Water and Sewer Expense		\$11,808	\$41,472	\$45,312	\$98,592
Water and Sewer Expense Per Unit					\$616
Common Area Utilities					\$150
Total Utility Expense Per Unit					\$822

The developer’s budget appears reasonable based on the data from the comparable expenses and the fact the Subject will be new construction. Thus, we have concluded to \$600 per unit, which is within the range of the comparable data.

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.

PAYROLL									
Subject	Comparables							Benchmarked Data*	
Budget	Comp 1	Comp 2	Comp 3	Comp 4	Min	Max	Average	Region	Unit Size
\$900	\$991	\$1,110	\$1,220	\$861	\$861	\$1,220	\$1,045	\$841	\$1,155

Overall, we typically find that properties the size of the Subject operate with a staff of one full-time manager, one-part-time assistant manager, and one full-time maintenance supervisor and one part-time maintenance technician. Benefits for the Subject’s employees are estimated at \$5,000 per full-time employee and payroll taxes equal to 12 percent of the sum of the salaries. Overall, we have concluded to a payroll expense of \$1,074 per unit, which is within the comparable range.

ESTIMATED PAYROLL	
Manager	\$50,000
Assistant Manager	\$25,000
Maintenance Supervisor	\$45,000
Maintenance Technician (PT)	\$20,000
Subtotal	\$140,000
Payroll taxes at 12%	\$16,800
Benefits	\$15,000
Total Payroll	\$171,800
Total Per Unit	\$1,074

Taxes

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

Insurance

INSURANCE									
Subject	Comparables							Benchmarked Data*	
Budget	Comp 1	Comp 2	Comp 3	Comp 4	Min	Max	Average	Region	Unit Size
\$375	\$261	\$124	\$247	\$247	\$124	\$261	\$220	\$301	\$249

Overall, we have concluded to insurance costs of \$300 per unit, which is above the comparables but similar to the average in the region.

Management Fees

MANAGEMENT FEE									
Subject	Comparables							Benchmarked Data*	
Budget	Comp 1	Comp 2	Comp 3	Comp 4	Min	Max	Average	Region	Unit Size
\$393	\$423	\$315	\$474	\$0	\$315	\$474	\$404	\$308	\$392

The comparables illustrate a range of 3.8 to 5.4 percent of EGI. Overall, we have concluded to management fee percentages of 4.0 and 3.75 percent of EGI, in the restricted and un restricted scenarios respectively.

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. We have used an expense of \$250 per unit based on the fact that the Subject will be new construction and in excellent condition upon completion.

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	
Proforma	\$4,828
Comparable Properties	
Comp 1	\$4,269
Comp 2	\$5,475
Comp 3	\$5,005
Comp 4	\$5,858
Subject Conclusions	
As Proposed Restricted	\$5,016
As Proposed Unrestricted	\$5,752

TOTAL EXPENSES PER UNIT LESS TUR

Subject Expenses	
Proforma	\$2,718
Comparable Properties	
Comp 1	\$3,417
Comp 2	\$3,518
Comp 3	\$3,568
Comp 4	\$4,446
Subject Conclusions	
As Proposed Restricted	\$3,173
As Proposed Unrestricted	\$3,127

The expenses for the scenarios are above the developer's budget after removing taxes and utilities, but are below the range of the expense comparables. We believe the concluded expense levels are reasonable due to the Subject's new construction.

DIRECT CAPITALIZATION

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	Brighton Farms Apartments	6/1/2016	\$10,306,000	134	1972	\$76,910	7.94	6.63%
2	Newnan Lofts	3/25/2016	\$14,500,000	145	1800s/2000	\$100,000	9.11	5.98%
3	Vineyard Place	2/1/2016	\$6,150,000	112	1989	\$54,911	6.56	7.04%
4	Creekside at White Oaks	11/1/2015	\$53,014,500	561	1990	\$94,500	8.86	6.00%
5	Balmoral Village	10/1/2015	\$42,250,000	312	1989	\$135,417	10.88	5.50%
Average				253		\$92,348	8.669	6.23%

The sales illustrate a range of overall rates from 5.98 to 7.04 percent with an overall average of 6.23 percent. The properties are all stabilized and represent typical market transactions for multifamily market rate properties in the Subject's market area. The sales are conventional market rate properties. It should be noted that we searched for LIHTC multifamily sales in the region; however, we were unable to identify any. Additionally, we believe the improved sales we have chosen for our analysis represent the typical multifamily market in the area. Therefore, we have utilized four conventional market rate multifamily properties in our sales approach.

The primary factors that influence the selection of an overall rate is the Subject's condition, size, location, and market conditions. The Subject will be considered similar to Sales 1 and 2, superior to Sale 3 and inferior to Sales 4 and 5 in terms of location, but superior to all of the sales in terms of physical characteristics. In terms of size, the Subject will be superior to Sales 1, and 2, slightly superior to sale 2 and inferior to Sales 4 and 5. It should be noted that Sale 5 was 11 percent vacant at the time of sale. 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 to all of the sales.

Considering the Subject's location and product type, a capitalization rate of 6.0 percent is estimated based on market extraction for the Subject.

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%-7.50%

Average: 5.35%

Non-Institutional Grade Investments

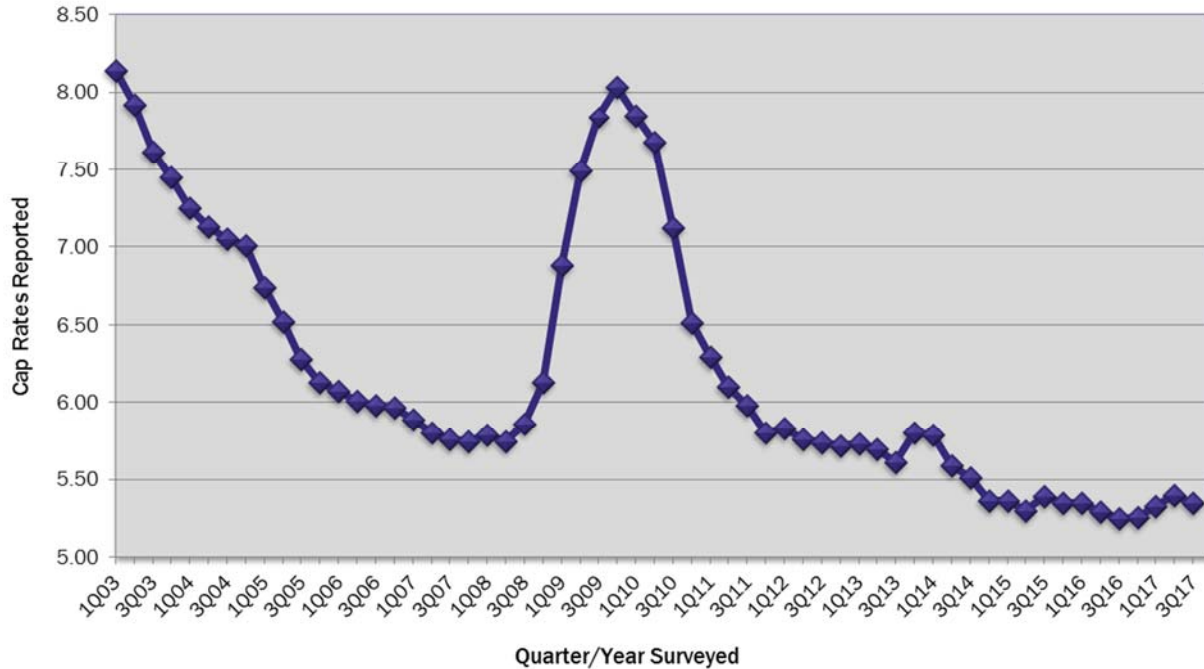
Range: 3.75% - 11.50%

Average: 6.66%

Source: PwC Real Estate Investor Survey, Q3 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 131 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	-	3Q10	7.12	-0.56
2Q03	7.92	-0.22	4Q10	6.51	-0.61
3Q03	7.61	-0.31	1Q11	6.29	-0.22
4Q03	7.45	-0.16	2Q11	6.10	-0.19
1Q04	7.25	-0.20	3Q11	5.98	-0.12
2Q04	7.13	-0.12	4Q11	5.80	-0.18
3Q04	7.05	-0.08	1Q12	5.83	0.03
4Q04	7.01	-0.04	2Q12	5.76	-0.07
1Q05	6.74	-0.27	3Q12	5.74	-0.02
2Q05	6.52	-0.22	4Q12	5.72	-0.02
3Q05	6.28	-0.24	1Q13	5.73	0.01
4Q05	6.13	-0.15	2Q13	5.70	-0.03
1Q06	6.07	-0.06	3Q13	5.61	-0.09
2Q06	6.01	-0.06	4Q13	5.80	0.19
3Q06	5.98	-0.03	1Q14	5.79	-0.01
4Q06	5.97	-0.01	2Q14	5.59	-0.20
1Q07	5.89	-0.08	3Q14	5.51	-0.08
2Q07	5.80	-0.09	4Q14	5.36	-0.15
3Q07	5.76	-0.04	1Q15	5.36	0.00
4Q07	5.75	-0.01	2Q15	5.30	-0.06
1Q08	5.79	0.04	3Q15	5.39	0.09
2Q08	5.75	-0.04	4Q15	5.35	-0.04
3Q08	5.86	0.11	1Q16	5.35	0.00
4Q08	6.13	0.27	2Q16	5.29	-0.06
1Q09	6.88	0.75	3Q16	5.25	-0.04
2Q09	7.49	0.61	4Q16	5.26	0.01
3Q09	7.84	0.35	1Q17	5.33	0.07
4Q09	8.03	0.19	2Q17	5.40	0.07
1Q10	7.85	-0.18	3Q17	5.35	-0.05
2Q10	7.68	-0.17			

Source: PwC Real Estate Investor Survey, Q3 2017

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 third quarter of 2017 have exhibited a slightly decrease over capitalization rates from the third quarter of 2016. Overall, we have estimated a capitalization rate of 6.0 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:

Net Operating Income/ Annual Debt Service = 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 Mortgage Constant (R_M) is based upon the calculated interest rate from the ten-year treasury. We have utilized 6.0 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 4.5 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 4.5 percent interest rate with a 30-year amortization period and a loan to value of 80 percent is reasonable. The following table illustrates the band of investment for the Subject property.

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 secondary apartment market with limited competition. As a result, an equity dividend estimate of 8.0 percent is considered reasonable in this analysis.

CAPITALIZATION RATE DERIVATION

Inputs and Assumptions		Interest Rate Calculations							
DCR	1.2	<i>Treasury Bond Basis*</i>							
Rm	0.0608	10 Year T Bond Rate			2.33%				
Interest (per annum)*	4.50%	Interest rate spread			217				
Amortization (years)	30	Interest Rate (per annum)			4.50%				
M	0.8								
Re	8.00%								
Debt Coverage Ratio									
	Ro	=	DCR	X	Rm	X	M		
	5.84%	=	1.2	X	0.0608	X	80%		
Band of Investment									
	Ro	=	(M	X	Rm)	+	((1-M)	X	Re)
	6.46%	=	80%	X	0.0608	+	20%	X	8.00%

* Source: Bloomberg.com (10/2017)

Conclusion of Overall Rate Selection

CAPITALIZATION RATE SELECTION SUMMARY

Method	Indicated Rate
Market Extraction	6.00%
The PwC Investor Survey	6.00%
Debt Coverage Ratio	5.84%
Band of Investment	6.46%

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

- Current market health
- Existing competition
- Subject’s construction type, tenancy and physical appeal
- The demand growth expected over the next three years
- Local market overall rates

The various approaches indicate a range from 5.84 to 6.46 percent. We reconciled to a 6.0 percent capitalization rate based primarily upon the market-extracted rate.

A summary of the direct capitalization analysis is provided below.

DIRECT CAPITALIZATION ANALYSIS					
Operating Revenues					
	As Proposed Restricted			As Proposed Unrestricted	
	Market Unit	Average Rent		Average Rent	
	Mix	(Monthly)	Total Revenue	(Monthly)	Total Revenue
Apartment Rentals					
Total Potential Rental Income	160	\$851	\$1,632,960	\$1,288	\$2,472,000
Other Income					
Miscellaneous		\$300	\$48,000	\$300	\$48,000
Residential Potential Revenues		\$10,506	\$1,680,960	\$15,750	\$2,520,000
Vacancy Loss		(\$525)	(\$84,048)	(\$1,103)	(\$176,400)
Vacancy Percentage			-5%		-7%
Effective Gross Income		\$9,981	\$1,596,912	\$14,648	\$2,343,600
Operating Expenses					
	As Proposed Restricted			As Proposed Unrestricted	
Administration		\$550	\$88,000	\$500	\$80,000
Operating, Repairs & Maintenance		\$850	\$136,000	\$850	\$136,000
Utilities		\$600	\$96,000	\$600	\$96,000
Payroll		\$1,074	\$171,800	\$1,074	\$171,800
Taxes		\$993	\$158,875	\$1,775	\$284,050
Insurance		\$300	\$48,000	\$300	\$48,000
Management Fee		\$399	\$63,876	\$403	\$64,449
Replacement Reserves		\$250	\$40,000	\$250	\$40,000
Total Operating Expenses		\$5,016	\$802,552	\$5,752	\$920,299
Expenses as a ratio of EGI			50.3%		39.3%
Valuation					
	As Proposed Restricted			As Proposed Unrestricted	
Net Operating Income		\$4,965	\$794,360	\$8,896	\$1,423,301
Capitalization Rate			6.00%		6.00%
Indicated Value "rounded"		\$82,500	\$13,200,000	\$148,125	\$23,700,000
NPV of LIHTC Tax Burden			(\$270,000)		\$0
Final Indicated As Stabilized Value (Rounded)			\$13,000,000		\$23,700,000

Hypothetical Value Assuming Completion

The Subject's hypothetical market value assuming LIHTC rents and "upon completion" is determined using direct capitalization and deducting anticipated costs to achieve stabilization, which are comprised of rent loss and additional marketing expenses during lease-up. Previously, we have estimated an absorption rate of 19 units per month over an eight month leasing period to reach stabilization. Rent loss during the absorption period is estimated at approximately 33 percent of annual net income; extraordinary expenses include additional marketing costs associated with market entry, estimated at \$10,000 during the absorption period. Thus, total lease-up costs equate to approximately \$570,000 (rounded) under the restricted scenario, and approximately \$850,000 (rounded) under the unrestricted scenario.

Our calculations are shown in the table below.

	As Complete Restricted		As Complete Unrestricted	
Number of months to lease to 50%		8		8
Income loss	33%	\$560,320	33%	\$840,000
Initial marketing costs		\$10,000		\$10,000
Total loss to lease		\$570,320		\$850,000
Value as complete		\$12,669,019		\$22,850,000
As Complete Value Rounded	\$79,375	\$12,700,000	\$143,125	\$22,900,000
NPV of LIHTC Tax Burden		(\$270,000)		\$0
Final Indicated As Complete Value (Rounded)		\$12,400,000		\$22,900,000

Conclusion

As a result of our analysis of the Subject’s restricted LIHTC scenario, the prospective leased fee value assuming “completion” in November, 2018, the prospective date of completion, with conditions prevailing as of October 1, 2017, via the income capitalization approach is:

**TWELVE MILLION FOUR HUNDRED THOUSAND DOLLARS
(\$12,400,000)**

As a result of our analysis of the Subject’s restricted LIHTC scenario, the prospective leased fee value assuming “completion and stabilization” in July 2019, the prospective date of stabilization, with conditions prevailing as of October 1, 2017, via the income capitalization approach is:

**THIRTEEN MILLION DOLLARS
(\$13,000,000)**

As a result of our analysis of the Subject’s unrestricted scenario, the hypothetical leased fee value assuming “completion” in November, 2018, the prospective date of completion, with conditions prevailing as of October 1, 2017, via the income capitalization approach is:

**TWENTY-TWO MILLION NINE HUNDRED THOUSAND DOLLARS
(\$22,900,000)**

As a result of our analysis of the Subject’s unrestricted scenario, the hypothetical leased fee value assuming “completion and stabilization” in July 2019, the prospective date of stabilization, with conditions prevailing as of October 1, 2017, via the income capitalization approach is:

**TWENTY-THREE MILLION SEVEN HUNDRED THOUSAND DOLLARS
(\$23,700,000)**

INTANGIBLE VALUE OF LOW INCOME HOUSING TAX CREDITS

Construction of the Subject has been financed in part by federal tax credit equity. According to the developer's Sources and Uses statement, the Subject will apply to receive Low Income Housing Tax Credits and we were asked to value the tax credits.

Low Income Housing Tax Credits

A fifteen-year federal tax credit incentive program will encumber the Subject. The median household income statistics establish the maximum allowable rent levels. The Subject's rent structure includes units that will be restricted to those earning 60 percent of the AMI or less.

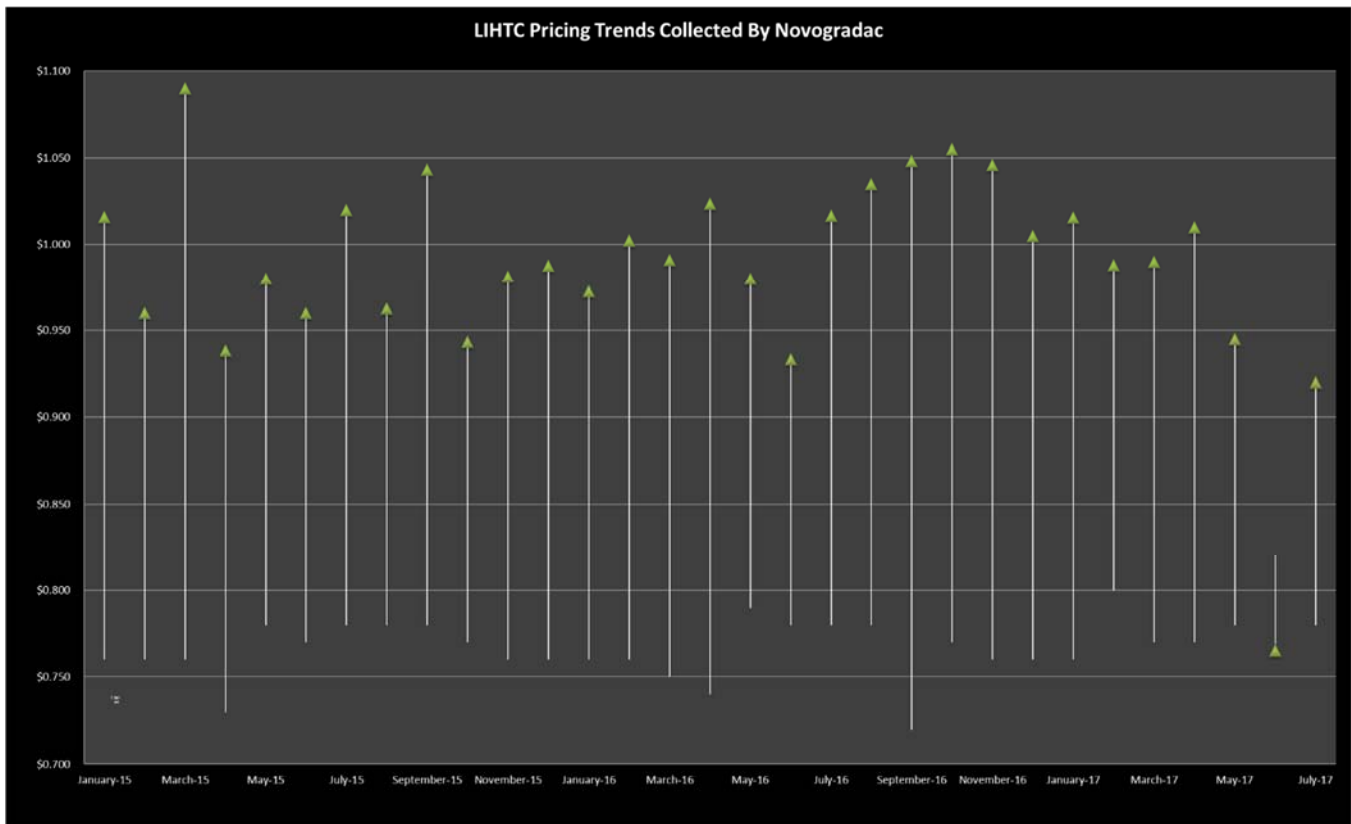
As an incentive to participate in the low-income housing program the developer is awarded "tax credits" which provide the incentive to construct and rehabilitate affordable housing in otherwise financially infeasible markets. The tax credit program was created by the Internal Revenue Code Section 42, and is a Federal tax program administered by the states. The developer anticipates receiving tax a tax credit allocation of \$1,029,860 annually. The annual allocation will be received for ten years at 99.99 percent, for a total of \$10,297,570.

Impact of National Election on the LIHTC

The Low Income Housing Tax Credit "LIHTC" Program reached a milestone birthday in 2016, turning 30, and had been a strong year for the credit with pricing typically \$1.00 or more per credit. The program is the most successful federal program for the production and preservation of affordable housing. However, the 2016 national election has caused uncertainty to creep back into the marketplace; the impact of this uncertainty will be discussed in more detail later in this section.

Recent Pricing Trends

Novogradac tracks LIHTC pricing on an ongoing monthly basis. We interview numerous developers, syndicators, and investors to obtain current data on LIHTC pricing and yields. The following graph illustrates the average price achieved on a monthly basis for the projects included in our survey from 2015 through July 2017. As shown in the graph, pricing generally exceeded \$1.00 per credit in 2016 and through early 2017, which is an increase of approximately \$0.10 from only two years prior.



Impact of the November 2016 Election

The results of the 2016 election have left the tax credit community unsettled due to implications to the LIHTC program resulting from tax reform, one of the agenda items for the new administration. Reform may include provisions where assets (excluding land) would be expensed, the interest expense deduction would be limited to interest income, and the marginal corporate tax rate could drop. These changes could make the LIHTC less attractive. Supporters of the LIHTC hope tax reform includes the protection and strengthening of the affordable housing credit as the Affordable Housing Credit Improvement Act of 2016 sought to double the allocation of the LIHTC. In December 2016, Republican members of the House Ways and means Committee committed to include LIHTC in the tax reform.

We have surveyed investors about LIHTC pricing and their feedback is below.

- Investors have indicated that they are running various scenarios to determine appropriate pricing for LIHTC. Investors indicated they primarily use corporate tax rates at 25 percent and with some using tax rates as low as 20 percent. Yields have increased to 5.25 percent for national funds, up 75 to 100 basis points from last year.
- There appears to be a divergence of the pricing between the 4 and 9 percent credit with a decrease of approximately 10 cents for 9 percent deals and 15 cents for bond deals because of the devaluation of losses. The change to pricing represents a rollback to 2014 when pricing hovered in the mid to high \$0.90s per credit.
- Several syndicators reported that they are still working to create funds as the equity market continues to be strong and CRA continues to be a motivating factor. Although some are more hesitant, choosing to exercise caution over the coming weeks or possibly through the first quarter of 2017.

- Letters of intent will have adjustors in the agreements to account for changes and the adjustors will go both ways to protect all parties. Multi-investor funds are more complex and harder to do at this point because of the adjustors.
- Investors with debt and equity arms are willing to restructure deals to support the lending arm.
- While CRA continues to be a driver, large markets like NYC and California could see greater pricing impact due to the prevalence of bond deals with greater losses.
- Several investors indicated that they are in the process of modifying their models to adjust for different corporate tax rates of 20 and 25 percent with most investors using a 25 percent corporate tax rate.
- The September 2017 Fund Watch report illustrates an average LIHTC price of \$0.91 with yields averaging 5.48 percent. In general, the funds with the lowest yields and highest pricing include properties located in the Northeast, areas where CRA competition appears to be greatest.

However, as of the date of this report, there is increasing skepticism that the Trump Administration will be able to carry out many of their promises.

Information provided by the developer indicates a price of \$0.95 for the equity. As the previous table illustrates, the tax credit raise rate since January 2015 has ranged from \$0.89 to \$1.15. The developer's pricing of \$0.95 is in line with these trends. We also consulted the July 2017 issues of the *Tax Credit Advisor*, for reported pricing from various multiinvestor LIHTC corporate funds. According to this report, typical net LIHTC pricing ranged from \$0.909 to \$.991, with an average net equity price of \$.91 per credit. Based on the Subject's location, condition, and overall market activity, we believe the Subject's pricing is reasonable and have concluded to \$0.95, similar to the Subject's reported pricing.

We will conclude to a price of \$0.95 per credit for the Subject's federal tax credits, supported by data from the most recent months. The Subject LIHTC equity calculation is illustrated in the following table.

TAX CREDIT VALUATION

Scenario	Tax Credits	Price per Credit	Indicated Value (Rounded)
Federal LIHTC	\$10,297,570	\$0.95	\$9,800,000

As a result, it is our opinion, based upon prevailing market conditions that the market value of the Low Income Housing Tax Credits allocated to the Subject over a ten-year period, on a cash equivalent basis and the date of completion, as of October 1, 2017 is:

**NINE MILLION EIGHT HUNDRED THOUSAND DOLLARS (rounded)
(\$9,800,000)**

X. SALES COMPARISON APPROACH

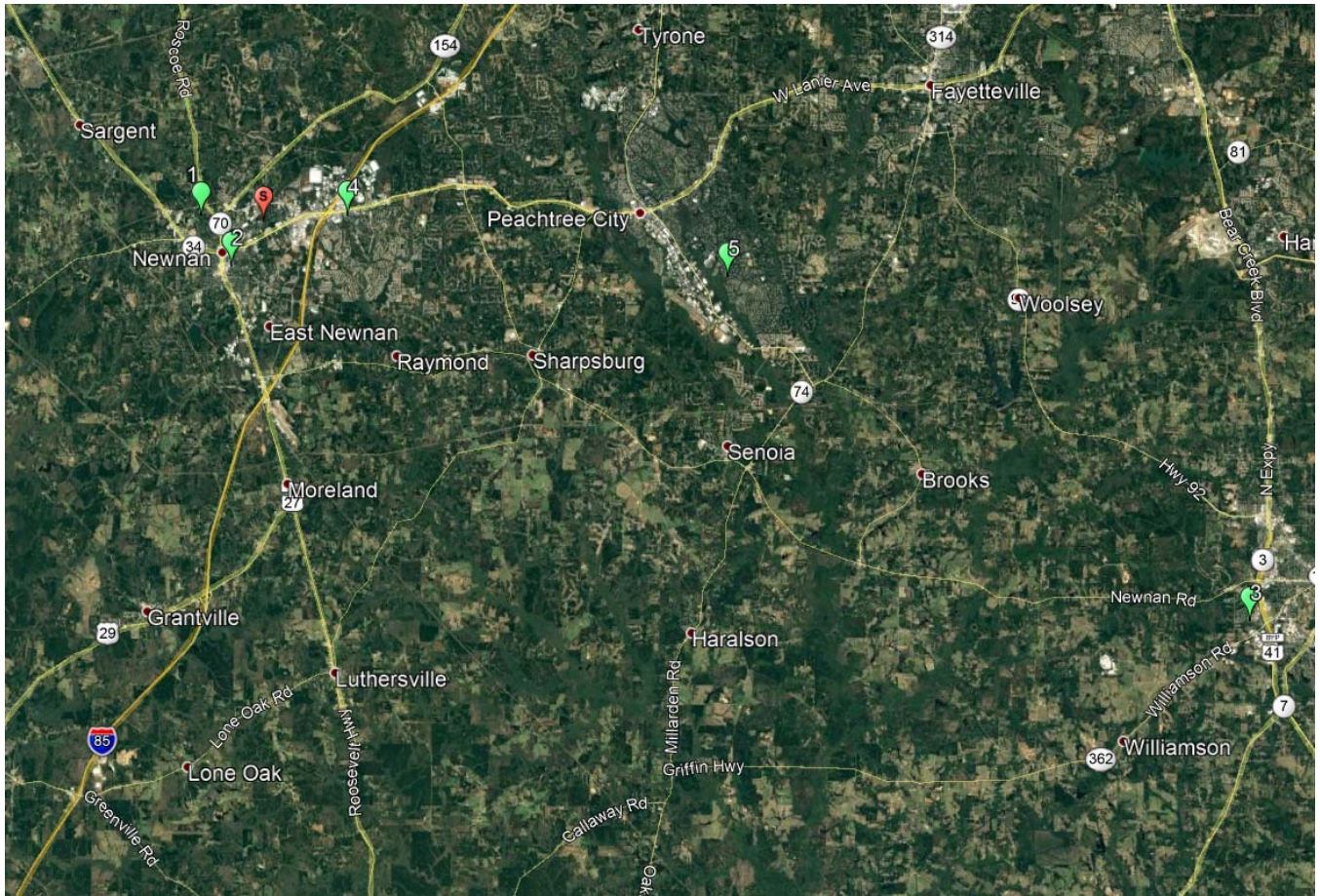
Sales Comparison Approach

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 LIHTC multifamily sales in the area, but were unable to locate and confirm 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 four 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: Brighton Farms Apartments



Transaction

Name	Brighton Farms Apartments	Sale Date	2016/06/01
Address	80 Christian Drive	Sale Price	\$ 10,306,000
City	Newnan	Price Per Unit	\$ 76,910.45
State	GA	Sale Status	Closed
County	Coweta	Sale Conditions	None
Buyer	BLE Brighton LLC	Financing	Conventional
Seller	Brighton Farms LLC	Confirmed With	Robbie O'Bryan

Site and Improvements

No. of Units	134	Land Acres	22.0
Year Built	1972	Land Sq Ft	958,320
Renovations	Minor		

Financial Data

EGI	\$ 1,297,678	NOI	\$ 683,288
Total Expenses	\$ 614,390	Expense Ratio (%)	47.35 %
Cap Rate	6.63 %	EGIM (\$)	7.94

Remarks

This market rate property offers one, two, and three-bedroom units and was 98 percent occupied at the time of sale. Prior to the sale, the property received minor renovations.

Improved Sale: Newnan Lofts



Transaction

Name	Newnan Lofts	Sale Date	2016/03/01
Address	110 Field Street	Sale Price	\$ 14,500,000
City	Newnan	Price Per Unit	\$ 100,000.00
State	GA	Sale Status	Closed
County	Coweta	Sale Conditions	None
Buyer	TriBridge Residential	Financing	Conventional
Seller	NGI Acquisitions	Confirmed With	

Site and Improvements

No. of Units	145	Land Acres	14.0
Year Built	1894	Land Sq Ft	609,840
Renovations	2000		

Financial Data

EGI	\$ 1,592,100	NOI	\$ 867,100
Total Expenses	\$ 725,000	Expense Ratio (%)	45.54 %
Cap Rate	5.98%	EGIM (\$)	9.11

Remarks

McPherson Mull at Cushman & Wakefield confirmed the sale date, sale price and occupancy rate at time of sale.

Improved Sale: Vineyard Place



Transaction

Name	Vineyard Place	Sale Date	2016/02/01
Address	657 Carver Road	Sale Price	\$ 6,150,000
City	Griffin	Price Per Unit	\$ 54,910.71
State	GA	Sale Status	Closed
County	Spalding	Sale Conditions	None
Buyer	Ashford Place Partners LLC	Financing	Conventional
Seller	Ashford Place, LLC	Confirmed With	Taylor Bird

Site and Improvements

No. of Units	112	Land Acres	9.0
Year Built	1989	Land Sq Ft	392,040
Renovations	2005		

Financial Data

EGI	\$ 936,960	NOI	\$ 432,960
Total Expenses	\$ 504,000	Expense Ratio (%)	53.79 %
Cap Rate	7.04 %	EGIM (\$)	6.56.

Remarks

This garden style property consists of 32 one-, 56 two-, and 24 three-bedroom units. The property was 99 percent occupied at the time of sale. The sale price and capitalization rate were confirmed by the broker, Taylor Bird with Multi Housing Advisors. Novogradac & Company LLP estimated expenses at \$4,500 per unit.

Improved Sale: Creekside At White Oaks



Transaction

Name	Creekside At White Oaks	Sale Date	2015/11/01
Address	10 Lakeside Way	Sale Price	\$ 53,014,500
City	Newnan	Price Per Unit	\$ 94,500
State	GA	Sale Status	Closed
County	Coweta	Sale Conditions	None
Buyer	The RADCO Companies	Financing	Conventional
Seller	ECI Group	Confirmed With	

Site and Improvements

No. of Units	561	Land Acres	47.0
Year Built	1990	Land Sq Ft	2,047,320
Renovations	2001		

Financial Data

EGI	\$ 5,985,870	NOI	\$ 3,180,870
Total Expenses	\$ 2,805,000.00	Expense Ratio (%)	46.86 %
Cap Rate	6.00 %	EGIM (\$)	8.85

Remarks

McPherson Mull at Cushman & Wakefield confirmed the occupancy rate, sale date, sale price, and cap rate of 6.0 percent.

Improved Sale: Balmoral Village Apartments



Transaction

Name	Balmoral Village Apartments	Sale Date	2015/10/01
Address	450 S Peachtree Parkway	Sale Price	\$ 42,250,000
City	Peachtree City	Price Per Unit	\$ 135,417
State	GA	Sale Status	Closed
County	Fayette	Sale Conditions	None
Buyer	VR Balmoral Holdings LP	Financing	Conventional
Seller	Fund IxBv Peachtree City LLC	Confirmed With	Rebecca Perkins

Site and Improvements

No. of Units	312	Land Acres	28.0
Year Built	1989	Land Sq Ft	1,219,680
Renovations	2012		

Financial Data

EGI	\$ 3,727,750	NOI	\$ 2,323,750
Total Expenses	\$ 1,404,000.00	Expense Ratio (%)	37.66 %
Cap Rate	5.50 %	EGIM (\$)	11.33

Remarks

The garden style property offers 83 one-, 150 two-, and 79 three-bedroom units. This property was approximately 89 percent occupied at the time of sale. Novogradac has estimated expenses at \$4,500 per unit. The broker, Rebecca Perkins with Cushman & Wakefield confirmed the NOI, sales price, and capitalization rate.

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	Brighton Farms Apartments	6/1/2016	\$10,306,000	134	1972	\$76,910.45	7.94	6.63%
2	Newnan Lofts	3/25/2016	\$14,500,000	145	2000	\$100,000	9.11	5.98%
3	Vineyard Place	2/1/2016	\$6,150,000	112	1989	\$54,910.71	6.56	7.04%
4	Creekside at White Oaks	11/1/2015	\$53,014,500	561	1990	\$94,500.00	8.86	6.00%
5	Balmoral Village	10/1/2015	\$42,250,000	312	1989	\$135,416.67	10.88	5.50%
Average				253		\$92,348	8.669	6.23%

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 of 8.0 for the restricted LIHTC, and 10.0 for the unrestricted scenario.

#	Property Name	Sale Price	EGIM			
			EGI	Expense Ratio	Total Expenses	EGIM
1	Brighton Farms Apartments	\$10,306,000	\$1,297,658	47.3%	\$614,370	7.94
2	Newnan Lofts	\$14,500,000	\$1,592,100	45.5%	\$725,000	9.11
3	Vineyard Place	\$6,150,000	\$937,500	53.8%	\$504,540	6.56
4	Creekside at White Oaks	\$53,014,500	\$5,985,870	46.9%	\$2,805,000	8.86
5	Balmoral Village	\$42,250,000	\$3,883,750	40.2%	\$1,560,000	10.88
	As Proposed Restricted	\$12,800,000	\$1,596,912	50%	\$802,552	8.0
	As Proposed Unrestricted	\$23,400,000	\$2,343,600	39%	\$920,299	10.0

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 \$54,911 to \$135,417 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

The comparable sales transferred between October 2015 and June 2016. As indicated in the following graph, national capitalization rates trended significantly lower from 2010 through mid-2014, and have since stabilized.

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	-	3Q10	7.12	-0.56
2Q03	7.92	-0.22	4Q10	6.51	-0.61
3Q03	7.61	-0.31	1Q11	6.29	-0.22
4Q03	7.45	-0.16	2Q11	6.10	-0.19
1Q04	7.25	-0.20	3Q11	5.98	-0.12
2Q04	7.13	-0.12	4Q11	5.80	-0.18
3Q04	7.05	-0.08	1Q12	5.83	0.03
4Q04	7.01	-0.04	2Q12	5.76	-0.07
1Q05	6.74	-0.27	3Q12	5.74	-0.02
2Q05	6.52	-0.22	4Q12	5.72	-0.02
3Q05	6.28	-0.24	1Q13	5.73	0.01
4Q05	6.13	-0.15	2Q13	5.70	-0.03
1Q06	6.07	-0.06	3Q13	5.61	-0.09
2Q06	6.01	-0.06	4Q13	5.80	0.19
3Q06	5.98	-0.03	1Q14	5.79	-0.01
4Q06	5.97	-0.01	2Q14	5.59	-0.20
1Q07	5.89	-0.08	3Q14	5.51	-0.08
2Q07	5.80	-0.09	4Q14	5.36	-0.15
3Q07	5.76	-0.04	1Q15	5.36	0.00
4Q07	5.75	-0.01	2Q15	5.30	-0.06
1Q08	5.79	0.04	3Q15	5.39	0.09
2Q08	5.75	-0.04	4Q15	5.35	-0.04
3Q08	5.86	0.11	1Q16	5.35	0.00
4Q08	6.13	0.27	2Q16	5.29	-0.06
1Q09	6.88	0.75	3Q16	5.25	-0.04
2Q09	7.49	0.61	4Q16	5.26	0.01
3Q09	7.84	0.35	1Q17	5.33	0.07
4Q09	8.03	0.19	2Q17	5.40	0.07
1Q10	7.85	-0.18	3Q17	5.35	-0.05
2Q10	7.68	-0.17			

Source: PwC Real Estate Investor Survey, Q3 2017

The comparable sales occurred between October 2015 and June 2016. As the table 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 third quarter of 2017 have exhibited a slight decrease over capitalization rates from the third quarter of 2016. Overall, we have estimated a capitalization rate of 6.0 percent, which is within the range of the Non-Institutional Grade capitalization rates.

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 rents, median household

incomes, conversations with local brokers, Walk Score Personal Crime Grades, and observations made during our market inspection.

SALES LOCATION COMPARISON

No.	Property Name	Zip Code	Median Income	Median Rent	Median Home Value	Differential With Subject Site
Subject	Jefferson Family Homes	30263	\$48,060	\$883	\$164,100	-
Sale 1	Brighton Farms Apartments	30263	\$48,060	\$883	\$164,100	0%
Sale 2	Newnan Lofts	30263	\$48,060	\$883	\$164,100	0%
Sale 3	Vineyard Place	30223	\$35,228	\$761	\$106,500	25%
Sale 4	Creekside at White Oaks	30265	\$75,541	\$1,069	\$187,800	-31%
Sale 5	Balmoral Village	30269	\$85,064	\$1,194	\$274,400	-60%

As illustrated in the table above, the Subject offers a similar location to Sales 1 and 2, a slightly superior location to Sale 3 and a slightly inferior to inferior location to Sales 4 and 5. We have adjusted Sale 3 upward 20 percent and Sales 4 and 5 downward 10 to 20 percent. Sales 1 and 2 did not require any adjustments.

Physical Characteristics

Physical characteristics include building size, quality of construction, architectural style, building materials, age, condition, functional utility, site size, attractiveness, and amenities. In terms of construction quality, the Subject is considered superior to all of the sales. We have adjusted all of the Sales upward 20 to 40 percent.

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. All of the sales target families, similar to the Subject. Additionally, all of the Sales offer one, two and three-bedroom units. Sale 3 also offers four-bedroom units; therefore, we have adjusted this Sale downward five percent.

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. Based on the comparables there does not appear to be a correlation between size and price, therefore no adjustments are necessary.

JEFFERSON FAMILY HOMES-NEWMAN, GEORGIA- APPRAISAL

IMPROVED SALES DATA ADJUSTMENT GRID						
Property Name	Subject	1	2	3	4	5
Address	Jefferson Family Homes	Brighton Farms Apartments	Newnan Lofts	Vineyard Place	Creekside at White Oaks	Balmoral Village
City	414 Jefferson St Ext Newnan, GA	80 Christian Drive Newnan, GA	110 Field Street Newnan, GA	657 Carver Road Griffin, GA	10 Lakeside Way Newnan, GA	450 S Peachtree Pky Peachtree City, GA
Property Data						
Construction Description	Garden	Garden	Conversion/Lowrise	Garden	Garden	Garden
Year Built	2019	1972	1894/2000	1989/2005	1990/2001	1989/2012
Units	160	134	145	112	561	312
Price/Unit		\$76,910	\$100,000	\$54,911	\$94,500	\$135,417
Sales Data						
Date		6/1/2016	3/1/2016	2/1/2016	11/1/2015	10/1/2015
Interest		Leased Fee	Leased Fee	Leased Fee	Leased Fee	Leased Fee
Price		\$10,306,000	\$14,500,000	\$6,150,000	\$53,014,500	\$42,250,000
Price Per Unit		\$76,910	\$100,000	\$54,911	\$94,500	\$135,417
Adjustments						
Financing		Conventional	Conventional	Conventional	Conventional	Conventional
		\$10,306,000	\$14,500,000	\$6,150,000	\$53,014,500	\$42,250,000
Conditions of Sale		\$10,306,000	\$14,500,000	\$6,150,000	\$53,014,500	\$42,250,000
Expenditures After Purchase		\$10,306,000	\$14,500,000	\$6,150,000	\$53,014,500	\$42,250,000
Market Conditions		1.00	1.00	1.00	1.00	1.00
Adjusted Sale Price		\$10,306,000	\$14,500,000	\$6,150,000	\$53,014,500	\$42,250,000
Adjusted Sale Price Per Unit		\$76,910	\$100,000	\$54,911	\$94,500	\$135,417
Adjustments						
Location		0%	0%	20%	-10%	-15%
Physical Characteristics		40%	25%	25%	25%	20%
Economic Characteristics		0%	0%	0%	-5%	0%
Use		0%	0%	0%	0%	0%
Size		0%	0%	0%	0%	0%
Non-realty Components		0%	0%	0%	0%	0%
Overall Adjustment		40%	25%	45%	10%	5%
Adjusted Price Per Unit		\$107,675	\$125,000	\$79,621	\$103,950	\$142,188

The market rate comparables indicate a range from an adjusted sale price of \$79,621 to \$142,188 per unit with a mean of \$111,687 per unit. Sale 5 received the least net adjustment. Overall, we believe a concluded value of \$140,000 per unit is reasonable in the unrestricted scenario. We applied adjustments to the restricted LIHTC scenario based on NOI comparisons for each scenario.

SALES COMPARISON APPROACH "AS COMPLETE AND STABILIZED"

Scenario	Number of Units	Price Per Unit	NPV of LIHTC Tax Burden	Indicated Value (Rounded)
As Proposed Restricted	160	\$77,000	(\$270,000)	\$12,100,000
As Proposed Unrestricted	160	\$140,000	\$0	\$22,400,000

Conclusion

As a result of our analysis of the Subject's restricted LIHTC scenario, the leased fee value assuming "completion and stabilization" in July 2019, the prospective date of stabilization, with conditions prevailing as of October 1, 2017, via the Sales Comparison Approach, is:

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

As a result of our analysis of the Subject's hypothetical unrestricted scenario, the hypothetical leased fee value assuming "completion and stabilization" in July 2019, the prospective date of stabilization, with conditions prevailing as of October 1, 2017, via the Sales Comparison Approach, is:

**TWENTY-TWO MILLION FOUR HUNDRED THOUSAND DOLLARS
(\$22,400,000)**

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" value. 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	160	\$7,500	\$1,200,000

DIRECT CAPITALIZATION ANALYSIS

Scenario	Cap Rate	Net Operating Income	NPV of LIHTC Tax Burden	Indicated Value (Rounded)
As Proposed Restricted	6.0%	\$794,360	(\$270,000)	\$13,000,000
As Proposed Unrestricted	6.0%	\$1,423,301	\$0	\$23,700,000

DIRECT CAPITALIZATION ANALYSIS - AS COMPLETE

Scenario	Stabilized Value	Lease Up Costs	NPV of LIHTC Tax Burden	Indicated Value (Rounded)
As Proposed Restricted	\$13,200,000	(\$570,320)	(\$270,000)	\$12,400,000
As Proposed Unrestricted	\$23,700,000	(\$850,000)	\$0	\$22,900,000

SALES COMPARISON APPROACH "AS COMPLETE AND STABILIZED"

Scenario	Number of Units	Price Per Unit	NPV of LIHTC Tax Burden	Indicated Value (Rounded)
As Proposed Restricted	160	\$77,000	(\$270,000)	\$12,100,000
As Proposed Unrestricted	160	\$140,000	\$0	\$22,400,000

TAX CREDIT VALUATION

Scenario	Tax Credits	Price per Credit	Indicated Value (Rounded)
Federal LIHTC	\$10,297,570	\$0.95	\$9,800,000

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 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 “as is vacant”, of the fee simple interest in the Subject, free and clear of financing, as of October 1, 2017 is:

**ONE MILLION TWO HUNDRED THOUSAND DOLLARS
(\$1,200,000)**

As a result of our analysis of the Subject’s restricted LIHTC scenario, the prospective leased fee value assuming “completion” in November, 2018, the prospective date of completion, with conditions prevailing as of October 1, 2017 is:

**TWELVE MILLION FOUR HUNDRED THOUSAND DOLLARS
(\$12,400,000)**

As a result of our analysis of the Subject’s restricted LIHTC scenario, the prospective leased fee value assuming “completion and stabilization” in July 2019, the prospective date of stabilization, with conditions prevailing as of October 1, 2017 is:

**THIRTEEN MILLION DOLLARS
(\$13,000,000)**

As a result of our analysis of the Subject’s unrestricted scenario, the hypothetical leased fee value assuming “completion” in November, 2018, the prospective date of completion, with conditions prevailing as of October 1, 2017 is:

**TWENTY-TWO MILLION NINE HUNDRED THOUSAND DOLLARS
(\$22,900,000)**

As a result of our analysis of the Subject’s unrestricted scenario, the hypothetical leased fee value assuming “completion and stabilization” in July 2019, the prospective date of stabilization, with conditions prevailing as of October 1, 2017 is:

**TWENTY THREE MILLION SEVEN HUNDRED THOUSAND DOLLARS
(\$23,700,000)**

As a result of our analysis, the value of the Tax Credits “as complete” in November, 2018, the prospective date of completion, with conditions prevailing as of October 1, 2017 is:

**NINE MILLION EIGHT HUNDRED THOUSAND DOLLARS
(\$9,800,000)**

Please refer to the assumptions and limiting conditions regarding the valuation conclusions 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 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. Tara Rial and Kelly Gorman 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 Brad Weinberg and 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, Brad Weinberg, Brian Neukam and Kelly Gorman have completed the requirements of the continuing education program of the Appraisal Institute.



Brad E. Weinberg, MAI, CVA, CRE
Partner
Certified General Real Estate Appraiser



Brian Neukam
Manager
State Certified General Real Estate Appraiser
Georgia license # CG329471
Expiration Date: March 31, 2018

ADDENDUM B
Qualifications of Consultants

CURRICULUM VITAE
BRAD E. WEINBERG, MAI, CVA, CCIM

I. Education

University of Maryland, Masters of Science in Accounting & Financial Management
University of Maryland, Bachelors of Arts in Community Planning

II. Licensing and Professional Affiliations

MAI Member, Appraisal Institute, No. 10790
Certified Valuation Analyst (CVA), National Association of Certified Valuers and Analysts (NACVA)
Member, The Counselors of Real Estate (CRE)
Certified Investment Member (CCIM), Commercial Investment Real Estate Institute
Member, Urban Land Institute
Member, National Council of Housing Market Analysts (NCHMA)

State of Alabama – Certified General Real Estate Appraiser, No. G00628
State of California – Certified General Real Estate Appraiser, No. 27638
Washington, D.C. – Certified General Real Estate Appraiser; No. GA10340
State of Florida – Certified General Real Estate Appraiser; No. RZ3249
State of Georgia – Certified General Real Property Appraiser; No. 221179
State of Maine – Certified General Real Estate Appraiser, No. CG3435
State of Maryland – Certified General Real Estate Appraiser; No. 6048
Commonwealth of Massachusetts – Certified General Real Estate Appraiser; No. 103769
State of Michigan – Certified General Real Estate Appraiser, No. 1201074327
State of Nebraska – Certified General Real Estate Appraiser, No. CG2015008R
State of New Jersey – Certified General Real Estate Appraiser; No. 42RG00224900
State of Ohio – Certified General Real Estate Appraiser; No. 2006007302
State of Pennsylvania – Certified General Real Estate Appraiser; No. GA004111
State of South Carolina – Certified General Real Estate Appraiser; No. 4566

III. Professional Experience

Partner, Novogradac & Company LLP
President, Capital Realty Advisors, Inc.
Vice President, The Community Partners Realty Advisory Services Group, LLC
President, Weinberg Group, Real Estate Valuation & Consulting
Manager, Ernst & Young LLP, Real Estate Valuation Services
Senior Appraiser, Joseph J. Blake and Associates
Senior Analyst, Chevy Chase F.S.B.

Fee Appraiser, Campanella & Company

IV. Professional Training

Appraisal Institute Coursework and Seminars Completed for MAI Designation and Continuing Education Requirements

Commercial Investment Real Estate Institute (CIREI) Coursework and Seminars Completed for CCIM Designation and Continuing Education Requirements

V. Speaking Engagements and Authorship

Numerous speaking engagements at Affordable Housing Conferences throughout the Country

Participated in several industry forums regarding the Military Housing Privatization Initiative

Authored "New Legislation Emphasizes Importance of Market Studies in Allocation Process," *Affordable Housing Finance*, March 2001

VI. Real Estate Assignments

A representative sample of Due Diligence, Consulting or Valuation Engagements includes:

- On a national basis, conduct market studies and appraisals for proposed Low-Income Housing Tax Credit properties. Analysis includes preliminary property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis and operating expense analysis to determine appropriate cost estimates.
- On a national basis, conduct market studies and appraisals of proposed new construction and existing properties under the HUD Multifamily Accelerated Processing program. This includes projects under the 221(d)3, 221(d)4, 223(f), and 232 programs.
- Completed numerous FannieMae and FreddieMac appraisals of affordable and market rate multifamily properties for DUS Lenders.
- Managed and completed numerous Section 8 Rent Comparability Studies in accordance with HUD's Section 9 Renewal Policy and Chapter 9 for various property owners and local housing authorities.

- Developed a Flat Rent Model for the Trenton Housing Authority. Along with teaming partner, Quadel Consulting Corporation, completed a public housing rent comparability study to determine whether the flat rent structure for public housing units is reasonable in comparison to similar, market-rate units. THA also requested a flat rent schedule and system for updating its flat rents. According to 24 CFR 960.253, public housing authorities (PHAs) are required to establish flat rents, in order to provide residents a choice between paying a “flat” rent, or an “income-based” rent. The flat rent is based on the “market rent”, defined as the rent charged for a comparable unit in the private, unassisted market at which a PHA could lease the public housing unit after preparation for occupancy. Based upon the data collected, the consultant will develop an appropriate flat rent schedule, complete with supporting documentation outlining the methodology for determining and applying the rents. We developed a system that THA can implement to update the flat rent schedule on an annual basis.
- As part of an Air Force Privatization Support Contractor team (PSC) to assist the Air Force in its privatization efforts. Participation has included developing and analyzing housing privatization concepts, preparing the Request for Proposal (RFP), soliciting industry interest and responses to housing privatization RFP, Evaluating RFP responses, and recommending the private sector entity to the Air Force whose proposal brings best value to the Air Force. Mr. Weinberg has participated on numerous initiatives and was the project manager for Shaw AFB and Lackland AFB Phase II.
- Conducted housing market analyses for the U.S. Army in preparation for the privatization of military housing. This is a teaming effort with Parsons Corporation. These analyses were done for the purpose of determining whether housing deficits or surpluses exist at specific installations. Assignment included local market analysis, consultation with installation housing personnel and local government agencies, rent surveys, housing data collection, and analysis, and the preparation of final reports.
- Developed a model for the Highland Company and the Department of the Navy to test feasibility of developing bachelor quarters using public-private partnerships. The model was developed to test various levels of government and private sector participation and contribution. The model was used in conjunction with the market analysis of two test sites to determine the versatility of the proposed development model. The analysis included an analysis of development costs associated with both MILCON and private sector standards as well as the potential market appeal of the MILSPECS to potential private sector occupants.

**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, Manager, December 2016-present

Novogradac & Company LLP, Senior Real Estate Analyst, September 2015- December 2016

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.

**STATEMENT OF PROFESSIONAL QUALIFICATIONS
KELLY MCNANY GORMAN**

I. Education

Virginia Tech, Blacksburg, VA
Bachelor of Arts in Urban Affairs and Planning

II. Professional Experience

Manager, Novogradac & Company LLP
Asset Manager, Housing Opportunities Commission of Montgomery County, MD
Senior Real Estate Analyst, Novogradac & Company LLP
Acquisitions Associate, Kaufman & Broad Multi-Housing Group, Inc. (KBMH)

III. Certifications, Professional Training and Continuing Education

Licensed Certified General Appraiser, CT License #RCG.0001437
Licensed Certified General Appraiser, MA License #103770
Licensed Certified General Appraiser, NJ License #42RG00245500
Licensed Certified General Appraiser, NY License #46000051239

Attended and presented at tax credit application training sessions and seminars, valuation of GP Interest sessions, numerous conferences and classes in real estate valuation, finance, asset management and affordable housing development using tax credits and tax exempt financing.

IV. Real Estate Assignments – Examples

A representative sample of Asset Management, Market Study, Due Diligence and Valuation Engagements includes the following:

- Managed and conducted valuations of General Partnership or Limited Partnership Interests for LIHTC properties.
- Managed and conducted market studies and appraisals of various LIHTC, affordable and market rate properties for numerous clients. The subjects include both new construction and rehabilitation properties in both rural and metro regions throughout the United States. Market analysis included; preliminary property screening, market analysis, comparable rent surveys, operating expense and demand analysis. Appraisals included various value scenarios including hypothetical land value as if vacant, insurable value, value of LIHTC, abatements and PILOTs, below market debt, ground leases, value of historic credits, etc. Work has been national in scope.
- Provided appraisals and market studies for a variety of properties types located throughout the United States. The reports provided included a variety of property types including vacant land, multifamily rental properties, retail buildings, etc.
- Managed a portfolio of ten multifamily properties with a total of over 2,000 units. Portfolio a range of property types including an historic property, garden style, luxury high rise, two senior independent living and one assisted living facility. Responsible for the management, oversight, financial analysis and financial reporting. Coordinated the preparation of property operating budgets, capital budgets and long range plans. Monitored compliance with

regulations, policies and procedures. Completed special property management projects consisting of research and reporting. Analyzed property management financial statements and multifamily rental markets surveys.

- Managed and assisted in the preparation of Rent Comparability Studies according to the HUD Section 8 Renewal Policy in the Chapter 9 guidelines. Engagements included site visits to the subject property, interviewing and inspecting potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.
- Performed a variety of asset management services for a lender including monitoring and reporting property performance on a monthly basis. Data points monitored include economic vacancy, levels of concessions, income and operating expense levels, NOI and status of capital projects. Data used to determine these effects on the project's ability to meet its income-dependent obligations. Recommendations included a workout for one of the 16 assets.
- Performed asset management services for lenders and syndicators on underperforming assets to identify significant issues facing the property and recommend solutions. Scope of work included analysis of property condition and deferred maintenance, security issues, signage, marketing strategy and staffing plan. Performed a physical inspection of the assets, to include interior and exterior of property and assess how the property compares to competition. Analyzed operating expense results.

NMTC Consulting Assignments

Performed investment due diligence for a variety of NMTC transactions.

- Performed loan consulting engagements in which GoVal provided opinions regarding whether third party lenders would reasonably lend to NMTC projects based upon deal structure and likelihood of repayment. These engagements involved the analysis of sources of collateral, sources of repayment and reviewing transaction documents, surveying lenders and examining the deal structure.
- Oversaw an analysis of NMTC activity analyzing sizing and recommending strategies for a NMTC investor. Engagement consisted of compilation of NMTC award data from CDFI by location, CDE type, year, award amount and conduct interviews with market participants to better understand investment objectives and competitor activity.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

Tara Rial

I. Education

Loyola University Maryland, Baltimore, MD
Bachelors of Business Administration

II. Professional Experience

Analyst, Novogradac & Company LLP, February 2012- Present
Senior Research Associate, CoStar Group, July 2006 – February 2012

III. Research Assignments

A representative sample of Due Diligence, Consulting, or Valuation Engagements includes:

- Prepared market studies for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties, on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis, and operating expenses analysis. Property types include proposed multifamily, senior independent living, large family, and acquisition with rehabilitation. Completed market studies in all states.
- Assisted in appraisals of proposed new construction, rehabilitation, and existing Low-Income Housing Tax Credit properties, USDA Rural Development, and market rate multifamily developments. Analysis includes property screenings, valuation analysis, rent comparability studies, expense comparability analysis, determination of market rents, and general market analysis.
- Assisted in appraisal work for retail and commercial properties in various parts of the country for various lenders. The client utilized the study for underwriting purposes.
- Conducted market studies for projects under the HUD Multifamily Accelerated Processing program.
- Assisted in the preparation of Rent Comparability Studies for expiring Section 8 contracts for subsidized properties located throughout the United States. Engagements included site visits to the subject property, interviewing and inspecting potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.
- Performed all aspects of data collection and data mining for web-based rent reasonableness systems for use by local housing authorities.

ADDENDUM C
Subject Photos

PHOTOGRAPHS OF SUBJECT AND NEIGHBORHOOD



Subject site (Jefferson Street Extension) facing north



Subject site (Jefferson Street Extension) facing north



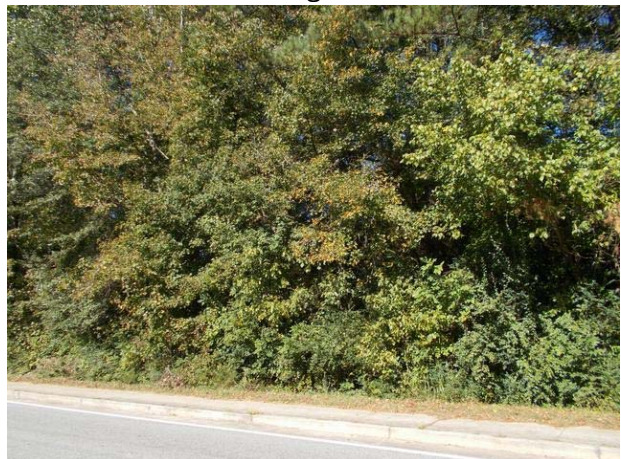
View from Subject site (Jefferson Street Extension) facing west



View from Subject site (Jefferson Street Extension) facing east



View from Subject site (Jefferson Street Extension) facing south



View from subject site (Jefferson Street Extension) facing south



Nearest Grocery Store in Subject's neighborhood
(Bullsboro Drive and Greison Trail)



Typical retail in Subject's neighborhood (Bullsboro
Drive and Greison Trail)



Typical retail in Subject's neighborhood (BullsBoro
Drive and Greison Trail)



Typical single family housing in Subject's
neighborhood



Typical single family housing in Subject's
neighborhood



House of worship in Subject's neighborhood



Nearest gas station in Subject's neighborhood.



Typical retail in Subject's neighborhood



Pharmacy in Subject's neighborhood.



Typical single family housing in Subject's neighborhood.



Warehouse located immediately to the west of the Subject (Jefferson Street Extension)



Typical single family housing in the Subject's neighborhood.

ADDENDUM D
Engagement Letter



Brandon J. Adams
Underwriter
R4 Capital LLC
155 Federal Street, Suite 1004
Boston, MA 02110

Via email: badams@r4cap.com

RE: Appraisal and Market Study for new construction deal in Newnan, GA

Dear Mr. Adams:

We are pleased to confirm our understanding of the services we are to provide for R4 Capital LLC and R4 Capital Funding LLC (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

The Client is seeking to engage Novogradac & Company LLP (hereinafter "Novogradac, us, or we") to provide an appraisal and market study for the above referenced property. Novogradac will provide a Freddie Mac compliant appraisal for the Subject (the "Report"). The report will not be submitted to Freddie Mac.

Objective and Purpose

The objective of this engagement will be to provide a market study for syndication purposes. The market study will focus on such items as: unit mix, rental levels, absorption pace, amenity package, unit configuration and competitive analysis. You have represented to us that you intend to use the report for syndication purposes (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 market study will meet the needs and requirements of R4 Capital LLC and R4 Capital Funding LLC, LLC who will be able to rely on the market study.

You have represented to us that you intend to use the appraisal for underwriting and syndication purposes (the "Stated Purpose"), and we have relied upon your representation in offering to provide the services described herein. The client has requested that the reports meet FHLMC appraisal and NCHMA market study standards. This is our objective in performing this engagement. While the report will not be used for a Freddie loan, the client has asked for the appraisal to meet the standard. You agree not to use the Reports 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. We will provide the following values:

- As-Is (Vacant Land)
- As-Complete (Restricted)
- As-Complete (Unrestricted)
- As-Stabilized (Restricted)
- As-Stabilized (Unrestricted)
- Value of LIHTCs

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 apartment market 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.
- Provide a micro-economic analysis. This will provide a description of the location of the development within the municipality. It will discuss social, economic, governmental and environmental characteristics.
- Property inspection and analysis of the Subject. Analysis of the assumptions regarding unit mix, layout, traffic flow, site amenities, etc.
- Analyze and detail the competitive market surrounding the Subject property. This will include many of the components described above. We will investigate existing and projected supply and demand characteristics for the Subject market.
- Analyze and detail comparable improved sales as well as comparable rental data as appropriate. Analysis will include unit mix, rental rates, occupancy, applicable subsidies, unit layout and functionality, and unit amenities.
- Consider and develop the three approaches to value, when appropriate, and analyze collected data and synthesize information into appropriate value estimates.

The reports will conform to the generally accepted appraisal standards as outline in the Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Standards Board (ASB) and the Appraisal Foundation, the Appraisal Institute, as well as Freddie Mac. The market study will meet NCHMA requirements and will adhere to the format Novogradac uses for R4.

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 issue an independent accountant's attestation opinion on the market study. 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 also responsible for evaluating the adequacy and results of the services and accepting responsibility for them.

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 market study 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.

Client shall not solicit for purposes of employment any of Novogradac's staff assigned to the engagement described in this Engagement Letter ("Engagement Staff") without Novogradac's prior written consent, at any time while this Engagement Letter 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 Engagement Letter (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.

Professional Fees

Based on an evaluation of the scope of work, the total fee for the initial report will be \$10,000, inclusive of travel expenses. If we are made aware of changes to development scheme after we have completed our reports, modifications will be billed based upon the firm's hourly rates. Additionally, any revisions or consulting time beyond five hours will be billed at our normal hourly rates. Additional billable work will not occur without your prior written approval.

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 - \$434
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 30 business days. The timing is contingent on you furnishing us with necessary Subject information. 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.

Invoicing and Payments

Our invoices for these fees will be rendered each month as work progresses and are payable on presentation and must be paid before our work product is delivered. 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, and to reimburse us for all out-of-pocket expenditures through the date of termination.

Limitation on Damages

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 Engagement Letter or for our negligence, said amount shall constitute liquidated damages for any claims you may assert arising from or related to this Engagement Letter. 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.).

Limitations Period on Actions

To the fullest extent permitted by law, no controversy, claim, suit or action, regardless of nature or form, relating to or arising out of this engagement, may be brought by or on behalf of Client and/or its Board of Managers, Board of Directors, Board committees, similar governing bodies, members, partners, principals, stockholders, principals, employees, agents, affiliates, and/or subsidiaries, against Novogradac & Company LLP, or its members, partners, principals, managers, employees, agents, affiliates, or subsidiaries, more than one (1) year after the cause of action accrues. The foregoing period of limitation shall not be subject to tolling of any kind. Nothing contained within this Engagement Letter shall operate to extend, lengthen, or toll any applicable statutory limitations period of less than one year or any accrual point for any cause of action provided by law.

Confidentiality and Working Paper Ownership

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.

Before providing us with any documents that contain credit card or individuals' social security numbers, please first mask or redact such numbers. 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.

Third Party and Internal Use of Data and Reports

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.

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 Engagement Letter, 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 Engagement Letter.

Governing Law, Venue and Jurisdiction

All matters related to, concerning, or arising out of the professional relationship between the parties, or arising out of this Engagement Letter or the services provided or to be provided hereunder, shall be governed by, and construed in accordance with, the laws of the State of New York, with respect to all procedural and substantive issues, without giving effect to New York's conflict of laws rules. Any claim or action related to, concerning, or arising out of the aforementioned matters shall be brought

and maintained exclusively with the United States District Court, Southern District of New York ("SDNY"), located in New York County, the State of New York. For any dispute or proceeding for which SDNY denies jurisdiction, such matters shall instead be brought before the Supreme Court of the State of New York, New York County, located in New York County, the State of New York. The parties expressly and irrevocably submit to the jurisdiction of the aforementioned courts for the purpose of any such claim or action and expressly and irrevocably waive, to the fullest extent permitted by law, any rights, defenses, and objections which it may have or hereafter may have to the laying of venue in the aforementioned courts, including but not limited to any claim that such forum is inconvenient.

Severability

Should any term or provision of this Engagement Letter, or part thereof, be declared or be determined by any court of competent jurisdiction to be illegal, invalid or unenforceable, the legality, validity and enforceability of the remaining parts, terms and provisions shall not be affected thereby and said illegal, unenforceable or invalid part, term or provision shall be deemed modified to the extent necessary to render it enforceable, preserving to the fullest extent permissible the intent of the parties set forth in this Engagement Letter.

Some of the services described in this letter agreement may be provided by partners of an affiliate controlled by Novogradac & Company LLP. 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 kelly.gorman@novoco.com. 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 we do agree in writing to extend the timeframe for execution of this Engagement Letter, please be aware that late initiation of the engagement will affect the timeframe for delivery of draft and final work products.

Very truly yours,
NOVOGRADAC & COMPANY LLP



By: Brad Weinberg, MAI, CVA, CRE

RESPONSE:

This letter correctly sets forth our understanding for services to be provided, and I am authorized to bind the R4 Capital LLC and R4 Capital Funding LLC :

Accepted by:
R4 Capital LLC and R4 Capital Funding LLC

By:  _____

Title:  _____

Date Signed:  _____

ADDENDUM E
Rent Roll
N/A

ADDENDUM F
Financials

**Newnan Tax Exempt Bond Family
Net Revenue Analysis**

CowetaCounty; Atlanta-Sandy Springs GA MSA

# of Br's	# of Baths	% of AMGI	# of Units	Square Footage	2017 Max. Rent	0% Additional Discount	Assumed Utility Allowance	Assumed Net Max Rent	Proposed Project Rents	Extended Projected Rents	Rent per Sq. Ft.	
1-Br	1-Ba	60%	24	850	784	-	98	686	686	\$ 16,464	\$ 0.81	15%
2-Br	2-Ba	60%	72	1,072	942	-	118	824	824	\$ 59,328	\$ 0.77	45%
3-Br	2-Ba	60%	64	1,185	1,087	-	145	942	925	\$ 59,200	\$ 0.78	40%
						-	-	-	-	\$ -	\$ -	0%
1-Br	1-Ba	Market Rate	-	850	784	-	-	784	575	\$ -	\$ 0.68	0%
2-Br	2-Ba	Market Rate	-	1,072	942	-	-	942	679	\$ -	\$ 0.63	0%
3-Br	3-Ba	Market Rate	-	1,185	1,087	-	-	1,087	985	\$ -	\$ 0.83	0%
			-	-	-	-	-	-	-	\$ -	\$ -	
			-	-	-	-	-	-	-	\$ -	\$ -	

Totals	160	173,424
		Avg Sq. Ft. 1,084

Monthly Rental Income	\$ 134,992
Gross Rent Potential	\$ 1,619,904
Vacancy	7.00%
0 Garages	\$50.00
0 Car Ports	\$20.00
0 Water Reimb	\$0.00
Other Income PUPM	\$25.00
Net Revenue	\$ 1,554,511

Utility Allowance -

	Studio	1-Br	2-Br	3-Br	4-Br
Heating (Electric)	0	25	30	36	0
Cooking (Electric)	0	9	11	12	0
Other Elec. (Includes Base)	0	40	44	48	0
A/C (Electric)	0	9	11	15	0
Water Heat (Electric)	0	15	22	34	0
Electric Base (Electric)	0	0	0	0	
Gas Base (Gas)	0	0	0	0	
Sewer and Water	0	0	0	0	
Total Allowance	0	98	118	145	0

APPLICABLE FRACTION

Number of Affordable Units	160	Unit Ratio
Number of Market Rate Units	0	1.0000
Total Size Affordable Units	173,424	Size Ratio
Total Size of Market Rate Units	0	1.0000

Applicable Fraction:	1.0000
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Newnan Tax Exempt Bond Family Underwriting

OPERATING EXPENSES

	PSF	Per Unit	% EGI	ANNUAL
Payroll	\$ 0.83	\$ 900	9.3%	144,000
Administration	\$ 0.37	\$ 400	4.1%	64,000
Management	\$ 0.36	\$ 389	4.00%	62,180
Repair & Maintenance	\$ 0.51	\$ 550	5.7%	88,000
Utilities	\$ 0.46	\$ 500	5.1%	80,000
Marketing & Rentention	\$ 0.09	\$ 100	1.0%	16,000
RE Taxes	\$ 1.20	\$ 1,300	13.4%	208,000
Insurance	\$ 0.32	\$ 350	3.6%	56,000
Compliance & Reporting	\$ 0.01	\$ 10	0.1%	1,600
Other: Security	\$ -	\$ -	0.0%	-
Other:	\$ -	\$ -	0.0%	-
	\$ -	\$ -	0.0%	-
SUBTOTAL	\$ 4.15	\$ 4,499	46.3%	719,780
REPLACEMENT RESERVES	\$ 0.23	\$ 250	2.6%	40,000
TOTAL EXPENSES	\$ 4.38	\$ 4,749	48.9%	759,780

DEBT SIZING

Debt Service	
Net Revenue	\$1,554,511
- Total Expenses	\$759,780
=NOI	\$794,730
Debt Service Supported	\$662,275

Max Loan Debt Service	
DEBT SERVICE COVERAGE	1.200
INTEREST RATE	4.775% Other
AMORTIZATION (MONTHS)	480
ANNUAL CONSTANT	5.609%
Max Loan on Debt Service	11,808,000

Max Loan-To-Costs	
Total HUD Eligible Costs	\$25,831,125
Loan-to-Cost	87%
Max Loan-to-Cost Size	\$22,473,079

Maximum Loan Amount	
	\$11,808,000
Deal is Debt Service Constrained	
SET LOAN AMOUNT	Adjusts w Inputs

LOAN ANALYSIS	
PER UNIT	\$ 73,800
P.S.F.	\$ 68

BREAKEVEN	\$ 1,422,056
PER UNIT/MO.	\$ 741
% GROSS INCOME	91.5%

CAP RATE CALC			
Value @ CAP	10.00%	15,545,107	
Value @ CAP	6.25%	12,715,685	11,444,116.19

Rate Stack	Other	HUD
Benchmark Rate	4.650%	4.000%
Servicing	0.000%	0.000%
Guarantee	0.000%	0.000%
Trustee	0.000%	0.000%
Issuer	0.125%	0.000%
Note Rate	4.775%	4.000%
	Constant	5.015%
	+ MIP	0.250%
	= Constant	5.265%

Other Bridge/Interim Rates	Rate	Amount
Construction Rate (Perm)	4.6500%	\$ 11,808,000
Construction Bridge Rate	3.5000%	\$ -
Bonds only (HUD)	0.6000%	\$ 20,000,000
Other: Predevelopment Loa	6.5000%	\$ -
Other:	0.0000%	\$ -

50% TEST	
Basis	24,602,486
Land	900,000
Total	25,502,486
% Cost/Bonds	78.42%
Target %	54%
Bonds Needed (50%)	13,771,342
Bonds Needed (Perm)	11,808,000
Bonds To Be Issued	20,000,000

BOND ISSUE BREAKDOWN	
Perm Loan	\$11,808,000
Additional Bond Issuance	\$8,192,000
Interim Issuance (HUD)	\$0

SOURCES & USES

Newnan Tax Exempt Bond Family

P:\Brandon\Fund X\Newnan\Developer Proforma\COPY of NewnanUnderwriting 081717-R4 (002).xlsx\Revenue

USES OF FUNDS	AMOUNT	PER UNIT	HUD ELIGIBLE	ELIGIBLE	INELIGIBLE	CLASSIFICATION
Land & Construction Costs						
Land	900,000	5,625	\$900,000		900,000	Other
Demolition	75,000	469	\$75,000		75,000	
Construction						
	Quick Look					
Buildings (New)	16,000,000	13,600,000	\$13,600,000	13,600,000	-	Building
On Site Work	100,000	2,400,000	\$2,400,000	2,400,000	-	Site Work
Off Site Work	18,240,000	-	\$0	-	-	
Contingency	5.00%	800,000	5,000	\$800,000	800,000	-
Contractor Overhead	2.00%	320,000	2,000	\$320,000	320,000	Building
Contractor Profit	6.00%	960,000	6,000		960,000	Building
Contractor General Requirements	6.00%	960,000	6,000	\$960,000	960,000	
Personal Property		-	-	\$0	-	Personal Prop
Professional Fees						
Architect & Engineer	760,000	760,000	4,750	\$760,000	760,000	Building
Surveyor/Civil Eng		125,000	781	\$125,000	125,000	Building
Other: MEP		75,000	469	\$75,000	75,000	Building
Other: Zoning Attorney		25,000	156	\$125,000	25,000	
Costs of Issuance (Bond Deals Only)	20,000,000					
Lender - FHA Application/Exam Fee	0.00%	-	-	\$0	-	Loan Costs
Lender - FHA Initial MIP	0.00%	-	-	\$0	-	Loan Costs
Lender - Origination/Financing Fee (R4)	1.25%	250,000	1,563	\$250,000	-	250,000
Lender - Placement Fee (MAP Lender)	0.00%	-	-	\$0	-	-
Construction Loan Fee	1.00%	200,000	1,250	\$200,000	160,000	40,000
Lender - Bridge Loan Fee	0.00%	-	-	\$0	-	-
Legal - Issuer Counsel		50,000	313	\$50,000	-	50,000
Legal - Bond Counsel		70,000	438	\$70,000	-	70,000
Legal - Trustee Counsel		5,000	31	\$5,000	-	5,000
Legal Construction Bank Counsel		30,000	188	\$30,000	-	30,000
Legal - HUD		-	-	\$0	-	-
Legal - R4 Counsel		60,000	375	\$60,000	35,000	25,000
Legal - Borrowers Counsel		80,000	500	\$80,000	80,000	-
Legal - Underwriter Counsel		-	-	\$0	-	-
Legal - Syndicator Counsel		60,000	375		-	60,000
Legal - Other		-	-	\$0	-	-
Fee - LOC Origination Fee	0.000%	-	-	\$0	-	-
Fee - Bond Commission	0.000%	20,000	125	\$20,000	-	20,000
Fee - Issuer Financing Fee	0.100%	20,000	125		-	20,000
Fee - Issuer App Fee & Expenses		7,500	47		-	7,500
Fee - Trustee Fee		-	-	\$0	-	-
Fee - Bondholder Construction Monitoring Fee	1.00%	200,000	1,250	\$200,000	-	200,000
Fee - FHA Inspection Fee	0.00%	-	-	\$0	-	-
Fee - Accounting	0.00%	10,000	63	\$10,000	-	10,000
Fee - Transcript	0.00%	10,000	63	\$10,000	-	10,000
Fee - Examination	0.00%	10,000	63	\$10,000	-	10,000
COI Cost Contingency		25,000	156	\$25,000	-	25,000
Other: TEFRA/Publishing/Printing		5,000	31	\$5,000	-	5,000
Other: Lender Due Diligence (Plan & Cost Review)		30,000	188	\$30,000	-	30,000
Other: Rating Agency - S&P		-	-	\$0	-	-
Other: BOND U/W Consultant		-	-	\$0	-	-
Other: Underwriter Expenses		-	-	\$0	-	-
Reports						
Feasibility Study		3,500	22	\$3,500	3,150	350
Environmental Study/Phase I/SHPO		25,000	156	\$25,000	25,000	-
Market Study		14,500	91	\$14,500	14,500	-
Geotechnical/Soils Report		10,000	63	\$10,000	3,500	6,500
Appraisal		6,500	41	\$6,500	6,500	-
Interim Construction Costs						
Permits & Fees		800,000	5,000	\$800,000	800,000	-
Title Insurance & Recording	0.20%	102,336	640	\$102,336	102,336	-
Payment & Performance Bond/LOC	0.00%	-	-	\$0	-	-
Real Estate Taxes during Const	3.25%	58,500	366	\$58,500	58,500	-
Inspection Fees	\$1,000	16,000	100	\$16,000	14,000	2,000
Hazard & Liability Insurance		50,000	313	\$50,000	30,000	20,000
Builders Risk Insurance		100,000	625	\$100,000	100,000	-
Financing - See Cost of Issuance Above						
Other: Add Bond Issue Repay		-	-		-	-
Other: Bridge Loan Repay		-	-		-	-

SOURCES & USES

CONSTRUCTION INTEREST	3%	1,550,000	9,688		\$915,120	620,000	930,000	Building
Credits & Bonds								
Tax Credit Application Fee		5,000	31				5,000	Expense
Tax Credit Reservation Fee	8%	82,381	515				82,381	Expense
Other Application Fees		5,000	31				5,000	
Agency Inspection Fee	0.00%	-	-		\$0		-	Expense
Other: DCA Credit Compliance Monit Fee	\$800	128,000	800		\$128,000		128,000	Expense
Other: R4 Application Fee		30,000	188		\$30,000		30,000	Expense
Other:					\$0			Expense
Other: 4% Credit Processing Fee (DCA)		47,781	299		\$47,781		47,781	Expense
Reserves								
OPERATING DEFICIT RESERVE (DCA)		691,027	4,319		\$236,160		691,027	Other
Other:					\$0			
Developer Fee								
DEVELOPER FEE	2,500,000	2,500,000	15,625			2,500,000		Building
CONSULTING					\$0			
Syndication Costs								
Organizational Costs		15,000	94				15,000	Organization
Tax Opinion		5,000	31				5,000	Organization
Legal:		-	-				-	
Other:		-	-				-	
Other Costs								
Soft Cost Contingency		50,000	313			25,000	25,000	Other
Rent Up Marketing		-	-		\$0		-	Expense
Other Costs: FF&E		60,000	375		\$0		60,000	Personal Prop
Other Costs: Rent up Reserve (DCA)		179,945	1,125		\$0		179,945	
Other Costs: Accessibility Compliance Consultant (Required)		15,000	94		\$0		15,000	
Other Costs: Team Qualification Determination & Front End Analysis Fees (2 Separate)		3,700			\$3,700			
Other Costs: Energy Consultant/HERS Rater		30,000	188		\$2,089,028		30,000	
TOTAL USES OF FUNDS		\$ 28,726,670	\$ 179,519		\$25,831,125	24,602,486	4,120,484	

SOURCES OF FUNDS				
EQUITY CONTRIBUTION	Unlocked	9,782,692	61,142	34.1%
DEFERRED DEVELOPER FEE	1,336,613	1,163,387	7,271	4.0%
ADDITIONAL BOND ISSUANCE				0.0%
Other: HOME/CDBG Funds/HOB				0.0%
Other: Georgian Natural Gas Rebate Incentive	\$0			0.0%
Other: GA State Tax Credit	\$0.580	5,972,591	37,329	20.8%
Other: AGL Natural Gas Rebates (Hard Cost Construction)				0.0%
Other:				0.0%
MORTGAGE LOAN	Loan Amount: Adjusts w Inputs	11,808,000	73,800	41.1%
TOTAL SOURCES		28,726,670	179,542	100.0%
		SURPLUS/(SHORTFALL) -		

Credit Calculation	
Eligible Basis Generated	24,602,486
Applicable Fraction	100.00%
QCT Adjustment	130.0%
CREDIT RATE	3.22%
MAX. CREDIT on Basis	\$ 1,029,860
CREDIT ALLOCATION	\$ 1,029,860
% TO ILP	99.99%
ANNUAL CREDIT	\$ 1,029,757
Total Credits	\$ 10,297,571
Credit Purchase Price	\$ 0.9500
Total Equity Contribution	\$9,782,692
LPA Equity Amount	\$9,782,692
Credit Per Unit	\$6,437
Max Credit/Unit	\$100,000
Credit Cap on Development	\$3,000,000
Cost of \$1 Spent on Basis	0.60233

FEE ANALYSIS			
Developer Fee Base	Georgia		24,366,670
Max Development Fee @	GA Max		2,500,000
DDF Paid off by YR 12?/DDF in YR 15	Yes		\$0
Total Paid Developer Fee			1,336,613
GC Profit & Overhead			1,280,000
GC General Conditions			960,000
Total Paid Fees			3,576,613

PROJECT SCHEDULE		
Mo's	Benchmark	Date
Allocation		1-Dec-17

15 YEAR PRO FORMA

Newnan Tax Exempt Bond Family

15 YEAR PRO FORMA

OF UNITS 160

OCCUPANCY	%	93%	93%	93%	93%	93%	93%	93%	93%	93%	93%	93%	93%	93%	93%	93%	
		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	
RENTAL INCOME	2.00% ANNUAL INCREASE	1,619,904	1,652,302	1,685,348	1,719,055	1,753,436	1,788,505	1,824,275	1,860,761	1,897,976	1,935,935	1,974,654	2,014,147	2,054,430	2,095,519	2,137,429	
VACANCY		(113,393)	(115,661)	(117,974)	(120,334)	(122,741)	(125,195)	(127,699)	(130,253)	(132,858)	(135,515)	(138,226)	(140,990)	(143,810)	(146,686)	(149,620)	
OTHER INCOME	2.00% ANNUAL INCREASE	48,000	48,960	49,939	50,938	51,957	52,996	54,056	55,137	56,240	57,364	58,512	59,682	60,876	62,093	63,335	
EGI		1,554,511	1,585,601	1,617,313	1,649,659	1,682,652	1,716,305	1,750,632	1,785,644	1,821,357	1,857,784	1,894,940	1,932,839	1,971,495	2,010,925	2,051,144	
Payroll	3.00% ANNUAL INCREASE	144,000	148,320	152,770	157,353	162,073	166,935	171,944	177,102	182,415	187,887	193,524	199,330	205,310	211,469	217,813	
Administration	3.00% ANNUAL INCREASE	64,000	65,920	67,898	69,935	72,033	74,194	76,419	78,712	81,073	83,505	86,011	88,591	91,249	93,986	96,806	
Management	4.0% FIXED %	62,180	63,424	64,693	65,986	67,306	68,652	70,025	71,426	72,854	74,311	75,798	77,314	78,860	80,437	82,046	
Repair & Maintenance	3.00% ANNUAL INCREASE	88,000	90,640	93,359	96,160	99,045	102,016	105,077	108,229	111,476	114,820	118,265	121,813	125,467	129,231	133,108	
Utilities	3.00% ANNUAL INCREASE	80,000	82,400	84,872	87,418	90,041	92,742	95,524	98,390	101,342	104,382	107,513	110,739	114,061	117,483	121,007	
Marketing & Rentention	3.00% ANNUAL INCREASE	16,000	16,480	16,974	17,484	18,008	18,548	19,105	19,678	20,268	20,876	21,503	22,148	22,812	23,497	24,201	
RE Taxes	3.00% ANNUAL INCREASE	208,000	214,240	220,667	227,287	234,106	241,129	248,363	255,814	263,488	271,393	279,535	287,921	296,558	305,455	314,619	
Insurance	3.00% ANNUAL INCREASE	56,000	57,680	59,410	61,193	63,028	64,919	66,867	68,873	70,939	73,067	75,259	77,517	79,843	82,238	84,705	
Compliance & Reporting	3.00% ANNUAL INCREASE	1,600	1,648	1,697	1,748	1,801	1,855	1,910	1,968	2,027	2,088	2,150	2,215	2,281	2,350	2,420	
Other: Security	3.00% ANNUAL INCREASE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other:	3.00% ANNUAL INCREASE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
TOTAL EXPENSES		719,780	740,752	762,340	784,564	807,441	830,991	855,234	880,191	905,882	932,330	959,557	987,586	1,016,440	1,046,145	1,076,725	
EXPENSES PER UNIT	\$4,499	46.3%	46.7%	47.1%	47.6%	48.0%	48.4%	48.9%	49.3%	49.7%	50.2%	50.6%	51.1%	51.6%	52.0%	52.5%	
RES. FOR REPL	3%	\$250	40,000	41,200	42,436	43,709	45,020	46,371	47,762	49,195	50,671	52,191	53,757	55,369	57,030	58,741	60,504
TOTAL EXPENSES		759,780	781,952	804,776	828,273	852,461	877,362	902,996	929,386	956,553	984,521	1,013,314	1,042,955	1,073,471	1,104,886	1,137,228	
NOI	\$4,749	794,730	803,649	812,537	821,386	830,191	838,944	847,635	856,258	864,804	873,263	881,626	889,884	898,025	906,039	913,916	
DEBT SERVICE		662,274	662,274	662,274	662,274	662,274	662,274	662,274	662,274	662,274	662,274	662,274	662,274	662,274	662,274	662,274	
CASH FLOW		132,456	141,375	150,262	159,112	167,917	176,669	185,361	193,984	202,530	210,989	219,352	227,609	235,751	243,765	251,641	
Cashflow per Year		132,456	141,375	150,262	159,112	167,917	176,669	185,361	193,984	202,530	210,989	219,352	227,609	235,751	243,765	251,641	
Cumulative Cashflow		132,456	273,831	424,093	583,205	751,123	927,792	1,113,153	1,307,137	1,509,667	1,720,656	1,940,008	2,167,617	2,403,368	2,647,133	2,898,774	
CASH FLOW/UNIT		828	884	939	994	1,049	1,104	1,159	1,212	1,266	1,319	1,371	1,423	1,473	1,524	1,573	
DSC RATIO		1.20	1.21	1.23	1.24	1.25	1.27	1.28	1.29	1.31	1.32	1.33	1.34	1.36	1.37	1.38	

YEAR 1 - Proforma

2018	Occupied/ Month	Total Occupied	Credits/ Month
Jan	0	0	\$0
Feb	0	0	\$0
Mar	0	0	\$0
Apr	0	0	\$0
May	0	0	\$0
Jun	0	0	\$0
Jul	0	0	\$0
Aug	0	0	\$0
Sep	0	0	\$0
Oct	0	0	\$0
Nov	0	0	\$0
Dec	0	0	\$0
Total Credits			\$0
Credits to LP			\$0

YEAR 1 - Actual

2018	Occupied/ Month	Total Occupied	Credits/ Month
Jan	0	0	\$0
Feb	0	0	\$0
Mar	0	0	\$0
Apr	0	0	\$0
May	0	0	\$0
Jun	0	0	\$0
Jul	0	0	\$0
Aug	0	0	\$0
Sep	0	0	\$0
Oct	0	0	\$0
Nov	0	0	\$0
Dec	0	0	\$0
Total Credits			\$0
Credits to LP			\$0

YEAR 2 - Proforma

2019	Occupied/ Month	Total Occupied	Credits/ Month
Jan	0	0	\$0
Feb	16	16	\$8,582
Mar	16	32	\$17,164
Apr	16	48	\$25,747
May	16	64	\$34,329
Jun	16	80	\$42,911
Jul	16	96	\$51,493
Aug	16	112	\$60,075
Sep	16	128	\$68,657
Oct	16	144	\$77,240
Nov	16	160	\$85,822
Dec	0	160	\$85,822
Total Credits			\$557,841
Credits to LP			\$557,785

YEAR 2 - Actual

2019	Occupied/ Month	Total Occupied	Credits/ Month
Jan	0	0	\$0
Feb	0	0	\$0
Mar	0	0	\$0
Apr	0	0	\$0
May	0	0	\$0
Jun	0	0	\$0
Jul	0	0	\$0
Aug	0	0	\$0
Sep	0	0	\$0
Oct	0	0	\$0
Nov	0	0	\$0
Dec	0	0	\$0
Total Credits			\$0
Credits to LP			\$0

Total Credits	\$1,029,860
Number of TC Units	160
Credits/Unit/Month	\$536
LP % Ownership	99.99%

Credit Delivery

Year 1	\$0
Year 2-10	\$1,029,860
Year 11	\$1,029,860

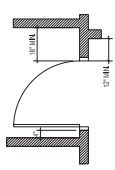
Total	#####
To ILP	#####

Credit Adjustor

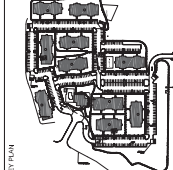
Number of Credits Promised	\$557,785
Number of Credits Delivered	\$0
Over/Under	\$557,785
Credit Adjustor	0.69
Cost	\$384,872

ADDENDUM G
Survey/Floor Plans

NOTE:
 UNLESS OTHERWISE DIMENSIONED ON PLANS, INSTALL COMPENSATION FOR THE BELOW FACE OF DIMS TO FACE OF DIMS:



NOTE:
 1. FRAMING OF PLANS SHALL BE FROM FACE OF STUD FRAMING TO FACE OF STUD.
 2. FRAMING WINDOW & EXTERIOR FOR WINDOW LOOKS TO EXTERIOR. WINDOW LOOKS TO EXTERIOR DIMENSION PLANS.
 3. ON ROOF PLANS, ALL DOWNSPOUT SIZES ARE TO BE 2" X 4"



1	REVISION #1	08/16/16
2	REVISION #2	08/24/16
3	REVISION #3	10/04/16



OWNER
Peach Orchard, LP
 100 Peach Orchard Rd.
 Peachtree City, GA 30090

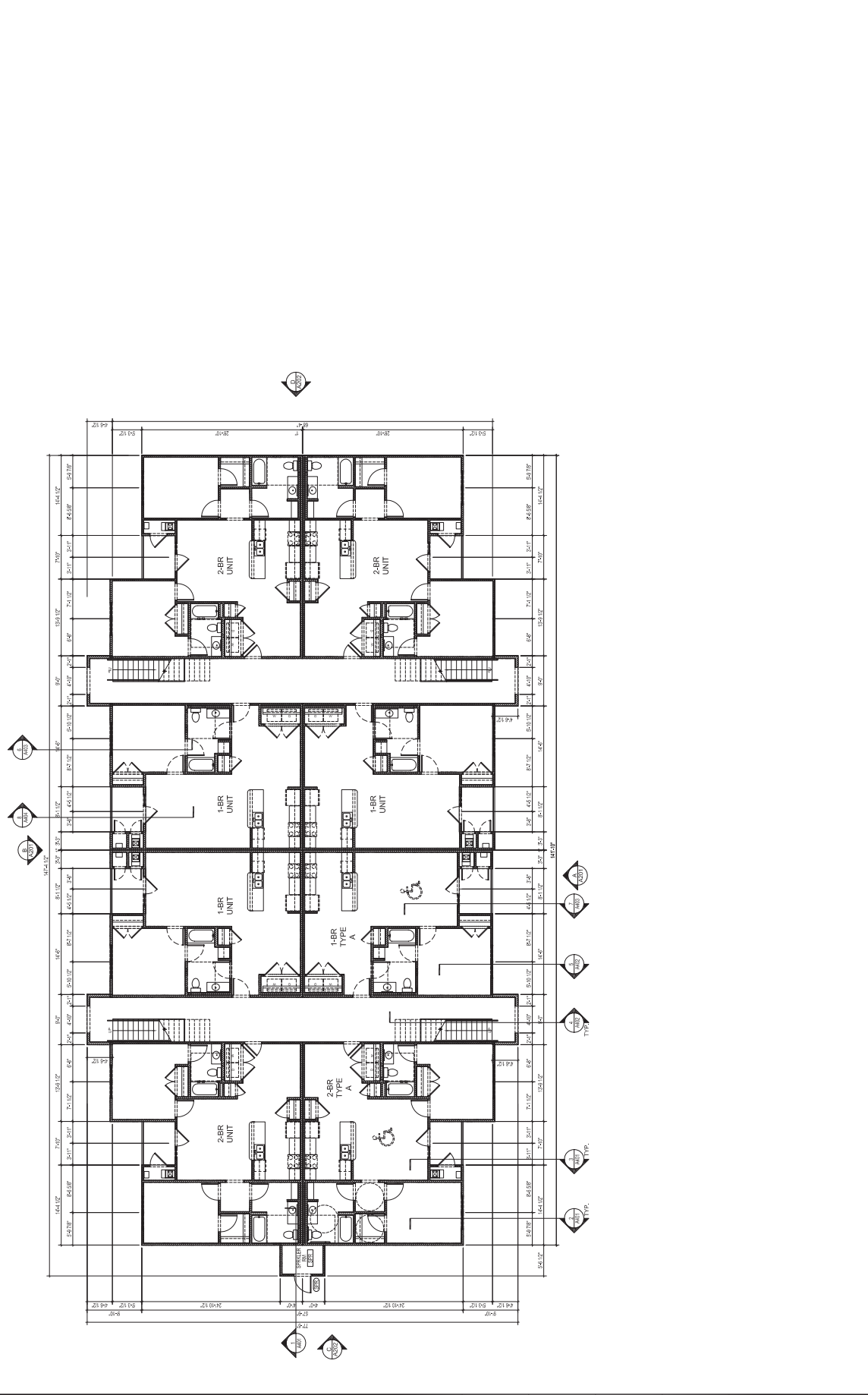
ARCHITECT OF RECORD
STUDIO A LLC
 100 Peach Orchard Rd., Suite 200
 Peachtree City, GA 30090



PROJECT TITLE
Peach Orchard Family Apartments
 100 Peach Orchard Rd.
 Peachtree City, GA 30090

PERMIT SET
 CHECKED BY
 DRAWN BY
 DATE: 6/30/2016

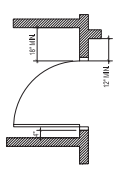
PROJECT NO.
BLDG TYPE 1 - 1ST FLOOR PLAN
 SHEET NO.
A101
 16L00048



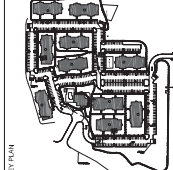
PEACH ORCHARD - BLDG TYPE 1 - UNIT TYPE SUMMARY		PEACH ORCHARD - BLDG TYPE 2 - UNIT TYPE SUMMARY		PEACH ORCHARD - BLDG TYPE 3 - UNIT TYPE SUMMARY		PEACH ORCHARD - BLDG TYPE 4 - UNIT TYPE SUMMARY		PEACH ORCHARD - BLDG TYPE 5 - UNIT TYPE SUMMARY		PEACH ORCHARD - BLDG TYPE 6 - UNIT TYPE SUMMARY		PEACH ORCHARD - BLDG TYPE 7 - UNIT TYPE SUMMARY		PEACH ORCHARD - BLDG TYPE 8 - UNIT TYPE SUMMARY		PEACH ORCHARD - BLDG TYPE 9 - UNIT TYPE SUMMARY		PEACH ORCHARD - BLDG TYPE 10 - UNIT TYPE SUMMARY	
Unit Type	# of Units	1st Floor Area (sq ft)	2nd Floor Area (sq ft)	3rd Floor Area (sq ft)	4th Floor Area (sq ft)	5th Floor Area (sq ft)	6th Floor Area (sq ft)	7th Floor Area (sq ft)	8th Floor Area (sq ft)	9th Floor Area (sq ft)	10th Floor Area (sq ft)	11th Floor Area (sq ft)	12th Floor Area (sq ft)	13th Floor Area (sq ft)	14th Floor Area (sq ft)	15th Floor Area (sq ft)	16th Floor Area (sq ft)	17th Floor Area (sq ft)	18th Floor Area (sq ft)
1-BR	11	3	4	4,650 SF	1 Bath														
1-BR TYPE A	11	3	0	2,500 SF	1 Bath, 1 Bath, TYPE A														
2-BR	11	3	4	4,100 SF	2 Bath, 2 Bath														
2-BR TYPE A	11	3	4	4,100 SF	1 Bath, 2 Bath, TYPE A														
3-BR	11	3	4	4,100 SF	1 Bath, 2 Bath, TYPE A														
4-BR	11	3	4	4,100 SF	1 Bath, 2 Bath, TYPE A														
Total	24	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6

BLDG TYPE 1 - 1ST FLOOR PLAN
 SCALE: 3/8" = 1'-0"

NOTE:
 UNLESS OTHERWISE DIMENSIONED ON PLANS, INSTALL COMPENSER FOR THE BELOW FACE OF CURB TO FACE OF CURB:



NOTE:
 1. FRAMING OF PLANS SHALL BE FROM FACE OF STUD FRAMING TO FACE OF STUD.
 2. FRAMING WINDOW & EXTERIOR WINDOW FLOOR FINISH CONDITIONS AS TO CONDITIONS DIMENSION PLANS.
 3. ON ROOF PLANS, ALL DOWNSPOUT SIZE ARE TO BE 2" X 4"



1	REVISION #1	08/16/16
2	REVISION #2	09/24/16
3	REVISION #3	10/04/16



OWNER
Peach Orchard, LP
 100 Peach Orchard Rd.
 Peachtree City, GA 30092

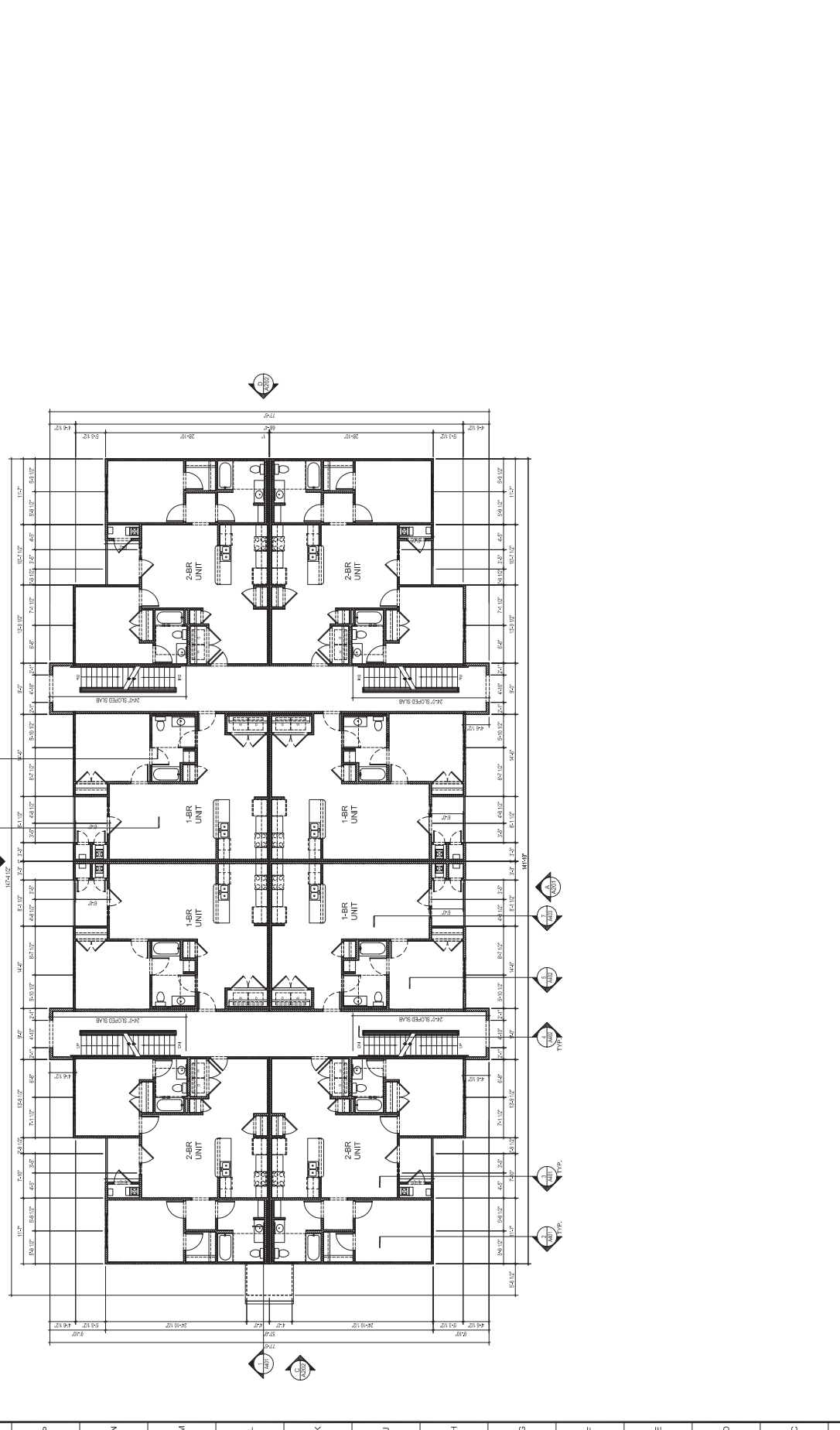
ARCHITECT OF RECORD
STUDIO A LLC
 100 Peach Orchard Rd., Suite 200
 Peachtree City, GA 30092



PROJECT TITLE
Peach Orchard Family Apartments
 100 Peach Orchard Rd.
 Peachtree City, GA 30092

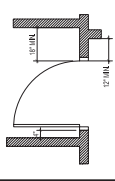
PERMIT SET
 CHECKED BY
 DRAWN BY
 DATE: 6/30/2016
 PROJECT NO.: 16LD0048
 SHEET NO.: 16LD0048

BLDG TYPE 1 - 2ND FLOOR PLAN
 SCALE: 3/8" = 1'-0"

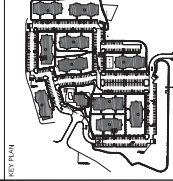


PEACH ORCHARD - BLDG TYPE 1 - UNIT TYPE SUMMARY		PEACH ORCHARD - BLDG TYPE 2 - UNIT TYPE SUMMARY		PEACH ORCHARD - BLDG TYPE 3 - UNIT TYPE SUMMARY		PEACH ORCHARD - BLDG TYPE 4 - UNIT TYPE SUMMARY	
Unit Type	# of Units	1st Floor Area (sq ft)	2nd Floor Area (sq ft)	1st Floor Area (sq ft)	2nd Floor Area (sq ft)	1st Floor Area (sq ft)	2nd Floor Area (sq ft)
1 BR TYPE A	11	1,008 SF	1,008 SF	1 BR TYPE A	11	1,008 SF	1,008 SF
2 BR TYPE A	11	1,257 SF	1,257 SF	2 BR TYPE A	11	1,257 SF	1,257 SF
3 BR TYPE A	1	1,257 SF	1,257 SF	3 BR TYPE A	1	1,257 SF	1,257 SF
Total	23	3,572 SF	3,572 SF	Total	23	3,572 SF	3,572 SF

NOTE:
 UNLESS OTHERWISE DIMENSIONED ON PLANS, INSTALL COSSPER FOR THE UNITS BELOW FACE OF CURB TO FACE OF CURB.



NOTE:
 1. FRAMING PLANS SHALL BE FROM FACE OF STUD FRAMING TO FACE OF STUD.
 2. FRAMING WINDOW & EXTERIOR WINDOW FLOOR FINISH LOCATIONS SHALL BE TO CONDITIONS DIMENSION PLANS.
 3. ON ROOF PLANS, ALL DOWNSPOUT SIZES ARE TO BE 2" X 4"



1	REVISION #1	08/16/16
2	REVISION #2	09/24/16
3	REVISION #3	10/04/16



OWNER
 Peach Orchard, LP
 100 Peach Orchard Rd.
 Peachtree City, GA 30092

ARCHITECT OF RECORD
STUDIO A LLC
 100 Peach Orchard Rd., Suite 200
 Peachtree City, GA 30092
 (770) 420-1111

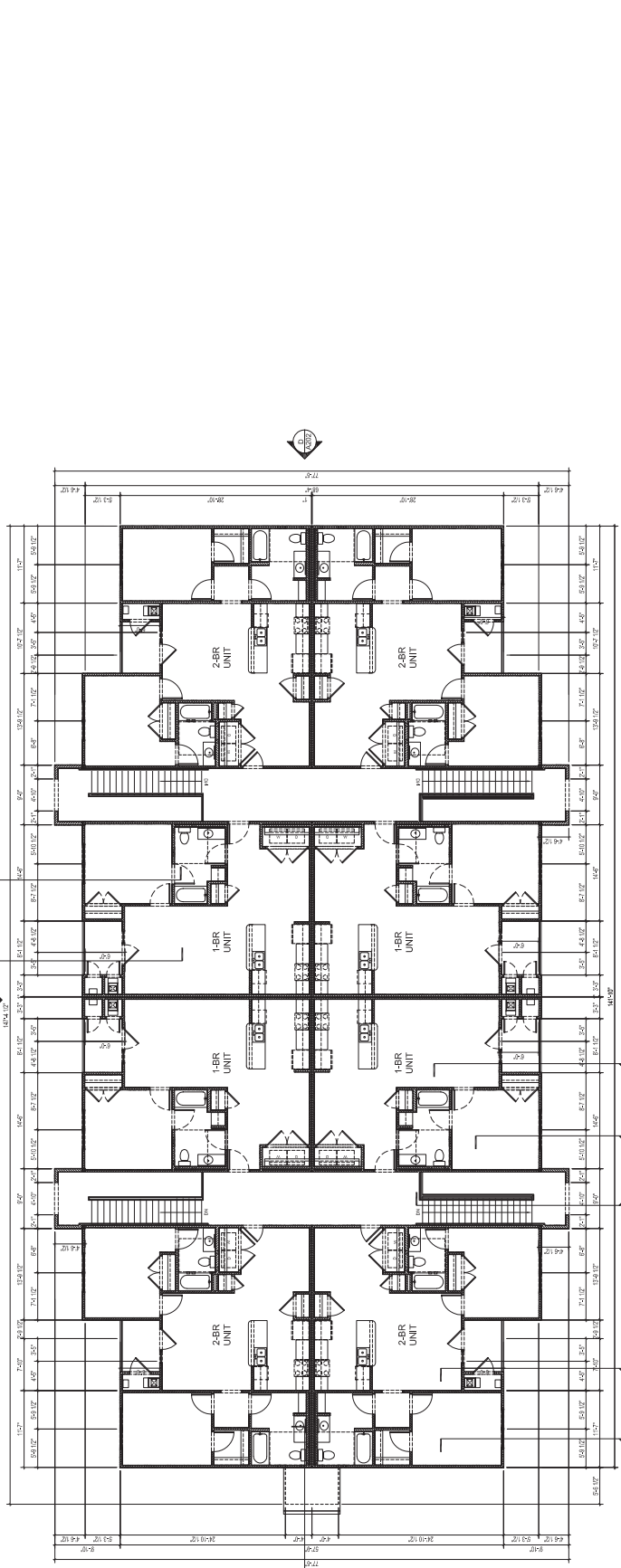


PROJECT TITLE
Peach Orchard Family Apartments
 100 Peach Orchard Rd.
 Peachtree City, GA 30092

PERMIT SET
 CHECKED BY
 DRAWN BY
 DATE: 6/30/2016

PROJECT NO.
BLDG TYPE 1 - 3RD FLOOR PLAN
 16LD0048

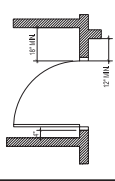
A103



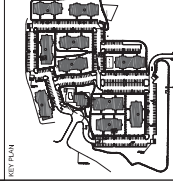
PEACH ORCHARD - BLDG TYPE 1 - UNIT TYPE SUMMARY		PEACH ORCHARD - BLDG TYPE 2 - UNIT TYPE SUMMARY		PEACH ORCHARD - BLDG TYPE 3 - UNIT TYPE SUMMARY	
Unit Type	# of Units	1st Floor Area (sq ft)	2nd Floor Area (sq ft)	1st Floor Area (sq ft)	2nd Floor Area (sq ft)
1 BR TYPE A	11	4,100 SF	2,867 SF	4,100 SF	2,867 SF
1 BR TYPE B	11	4,100 SF	2,867 SF	4,100 SF	2,867 SF
2 BR TYPE A	11	4,100 SF	2,867 SF	4,100 SF	2,867 SF
2 BR TYPE B	11	4,100 SF	2,867 SF	4,100 SF	2,867 SF
3 BR TYPE A	11	4,100 SF	2,867 SF	4,100 SF	2,867 SF
3 BR TYPE B	11	4,100 SF	2,867 SF	4,100 SF	2,867 SF
Total	66	246,600 SF	172,623 SF	246,600 SF	172,623 SF

BLDG TYPE 1 - 3RD FLOOR PLAN
 SCALE: 3/8" = 1'-0"

NOTE:
 UNLESS OTHERWISE DIMENSIONED ON PLANS, INSTALL COMPENSATE THE DISTANCE BELOW FACE OF CURB TO FACE OF CURB.



NOTE:
 1. FINISHING PLANS ARE FROM FACE OF STUD FRAMING TO FACE OF STUD.
 2. FRAMING WINDOW & EXTERIOR WINDOW IS TO BE LOCATED TO EXTERIOR DIMENSIONS PER FINISHING PLANS.
 3. ON ROOF PLANS, ALL DOWNSPOUT SIZES ARE TO BE 2" X 4"



1	REVISION #1	08/16/16
2	REVISION #2	09/24/16
3	REVISION #3	10/04/16



OWNER
Peach Orchard, LP
 100 Peach Orchard Rd.
 Peachtree City, GA 30090

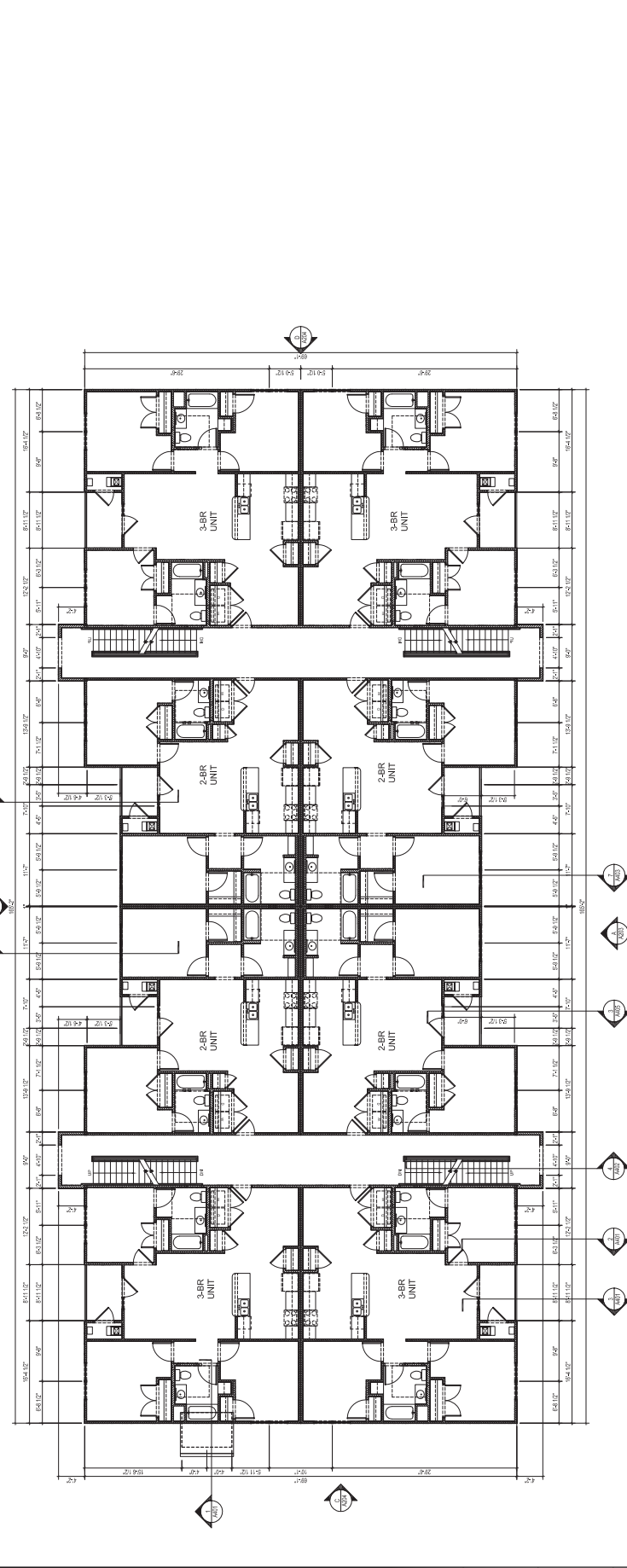
ARCHITECT OF RECORD
STUDIO A LLC
 100 Peach Orchard Rd., Suite 210
 Peachtree City, GA 30090



PROJECT TITLE
Peach Orchard Family Apartments
 3028 Peach Orchard Rd.
 Atlanta, GA 30308

PERMIT SET
 CHECKED BY
 DRAWN BY
 DATE: 6/30/2016
 BLDG TYPE 2 - 2ND FLOOR PLAN

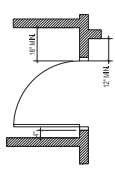
PROJECT NO.
 16LD0048
A106



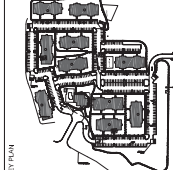
PEACH ORCHARD - BLDG TYPE 1 - UNIT TYPE SUMMARY		PEACH ORCHARD - BLDG TYPE 2 - UNIT TYPE SUMMARY		PEACH ORCHARD - BLDG TYPE 3 - UNIT TYPE SUMMARY	
Unit Type	# of Units	1st Floor (sq ft)	2nd Floor (sq ft)	1st Floor (sq ft)	2nd Floor (sq ft)
1 BR TYPE A	11	0	0	0	0
1 BR TYPE B	11	0	0	0	0
2 BR TYPE A	11	0	0	0	0
2 BR TYPE B	11	0	0	0	0
3 BR TYPE A	11	0	0	0	0
3 BR TYPE B	11	0	0	0	0
Total	24	0	0	0	0

BLDG TYPE 2 - 2ND FLOOR PLAN
 SCALE: 3/8" = 1'-0"

NOTE:
 UNLESS OTHERWISE DIMENSIONED ON PLANS, INSTALL COMPRESSOR THE UNITS BELOW FACE OF CURB TO FACE OF CURB.



NOTE:
 1. FINISHING PLANS ARE FROM FACE OF STUD FRAMING TO FACE OF STUD.
 2. FRAMING WINDOW & EXTERIOR WINDOW ONLY. FOR EXACT WINDOW & EXTERIOR WINDOW DIMENSIONS, REFER TO WINDOW & EXTERIOR WINDOW DIMENSION PLANS.
 3. ON ROOF PLANS, ALL DOWNSPOUT SIZES ARE TO BE 2" X 4"



1	REVISION #1	08/16/16
2	REVISION #2	09/24/16
3	REVISION #3	10/04/16



OWNER
Peach Orchard, LP
 1000 Peach Orchard Rd.
 Peachtree City, GA 30090

ARCHITECT OF RECORD
STUDIO A LLC
 100 Peach Orchard Rd., Suite 210
 Peachtree City, GA 30090

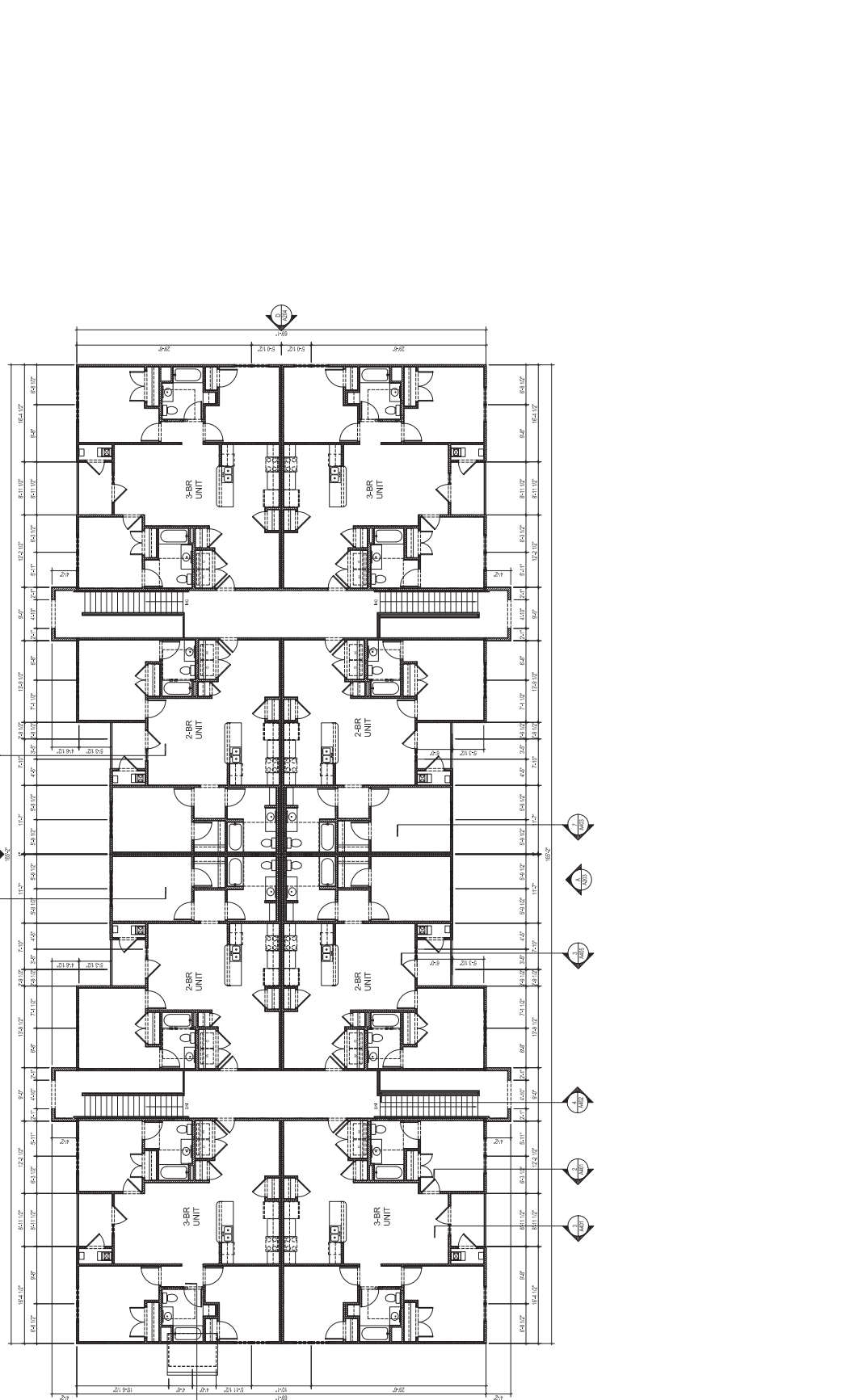


PROJECT TITLE
Peach Orchard Family Apartments
 3024 Peach Orchard Rd.
 Atlanta, GA 30306

PERMIT SET
 CHECKED BY
 DRAWN BY
 DATE: 6/30/2016

PROJECT NO.
BLDG TYPE 2 - 3RD FLOOR PLAN
 16LD0048

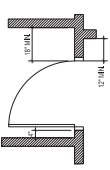
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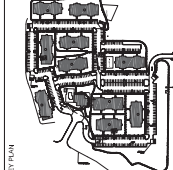
PEACH ORCHARD - BLDG TYPE 1 - UNIT TYPE SUMMARY		PEACH ORCHARD - BLDG TYPE 2 - UNIT TYPE SUMMARY		PEACH ORCHARD - BLDG TYPE 3 - UNIT TYPE SUMMARY	
Unit Type	# of Units	1st Floor (sq ft)	2nd Floor (sq ft)	3rd Floor (sq ft)	Total (sq ft)
1 BR TYPE A	11	3	4	4	11
1 BR TYPE B	11	3	4	4	11
2 BR TYPE A	11	3	4	4	11
2 BR TYPE B	11	3	4	4	11
3 BR TYPE A	11	3	4	4	11
3 BR TYPE B	11	3	4	4	11
Total	24	6	6	6	18

BLDG TYPE 2 - 3RD FLOOR PLAN
 SCALE: 3/8" = 1'-0"

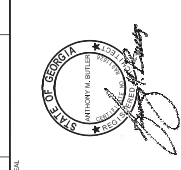
NOTE:
 UNLESS OTHERWISE DIMENSIONED ON PLANS, INSTALL COSSPER FOR THE PERMANENT DIMENSIONED BELOW FACE OF CURB TO FACE OF CURB.



NOTE:
 1. FRAMING PLANS ARE FROM FACE OF STUD FRAMING TO FACE OF STUD.
 2. FRAMING WINDOW & EXTERIOR DOOR FINISH REFERENCE ONLY. FOR EXACT WINDOW & DOOR SIZES, CONDITIONS AND DIMENSIONS, SEE CONDITIONS DIMENSION PLANS.
 3. ON ROOF PLANS, ALL DOWNSPOUT SIZES ARE TO BE 2" X 4"



1	REVISION #1	08/16/16
2	REVISION #2	09/24/16
3	REVISION #3	10/04/16



OWNER
 Peach Orchard, LP
 1000 Peach Orchard Rd.
 Peachtree City, GA 30092

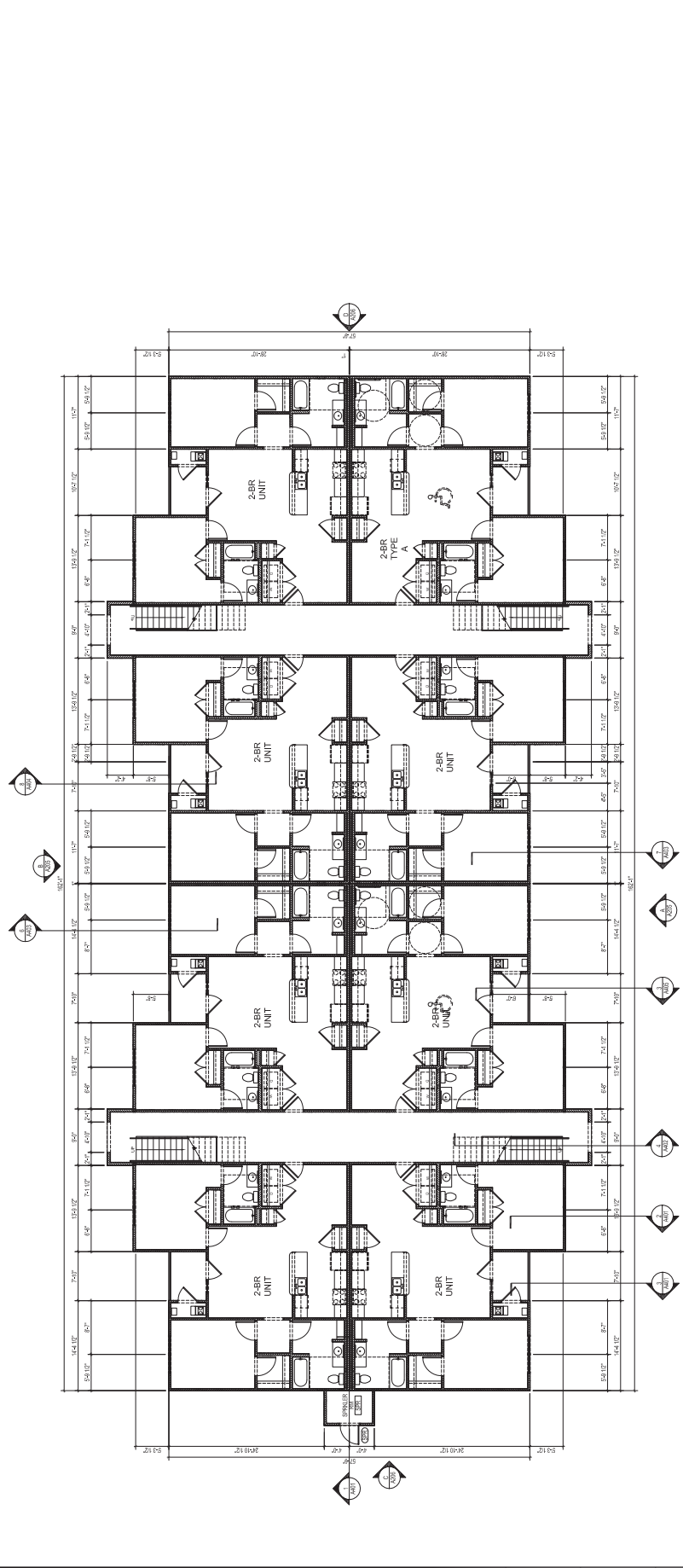
ARCHITECT OF RECORD
STUDIO A LLC
 100 Peach Orchard Rd., Suite 200
 Peachtree City, GA 30092
 (770) 420-8888



PROJECT TITLE
Peach Orchard Family Apartments
 1000 Peach Orchard Rd.
 Peachtree City, GA 30092

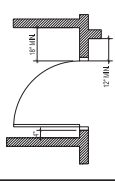
PERMIT SET
 CHECKED BY
 DRAWN BY
 DATE: 6/30/2016
 PROJECT NO.: 16LD0048
 SHEET NO.: 16LD0048

BLDG TYPE 3 - 1ST FLOOR PLAN
 SCALE: 3/8" = 1'-0"

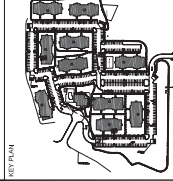


PEACH ORCHARD - BLDG TYPE 1 - UNIT TYPE SUMMARY		PEACH ORCHARD - BLDG TYPE 2 - UNIT TYPE SUMMARY		PEACH ORCHARD - BLDG TYPE 3 - UNIT TYPE SUMMARY	
Unit Type	# of Units	1st Floor Area (sq ft)	2nd Floor Area (sq ft)	1st Floor Area (sq ft)	2nd Floor Area (sq ft)
1 BR TYPE A	11	0	0	0	0
2 BR TYPE A	11	0	0	0	0
2 BR TYPE B	11	0	0	0	0
2 BR TYPE C	11	0	0	0	0
2 BR TYPE D	11	0	0	0	0
2 BR TYPE E	11	0	0	0	0
2 BR TYPE F	11	0	0	0	0
2 BR TYPE G	11	0	0	0	0
2 BR TYPE H	11	0	0	0	0
2 BR TYPE I	11	0	0	0	0
2 BR TYPE J	11	0	0	0	0
2 BR TYPE K	11	0	0	0	0
2 BR TYPE L	11	0	0	0	0
2 BR TYPE M	11	0	0	0	0
2 BR TYPE N	11	0	0	0	0
2 BR TYPE O	11	0	0	0	0
2 BR TYPE P	11	0	0	0	0
2 BR TYPE Q	11	0	0	0	0
2 BR TYPE R	11	0	0	0	0
2 BR TYPE S	11	0	0	0	0
2 BR TYPE T	11	0	0	0	0
2 BR TYPE U	11	0	0	0	0
2 BR TYPE V	11	0	0	0	0
2 BR TYPE W	11	0	0	0	0
2 BR TYPE X	11	0	0	0	0
2 BR TYPE Y	11	0	0	0	0
2 BR TYPE Z	11	0	0	0	0
2 BR TYPE AA	11	0	0	0	0
2 BR TYPE AB	11	0	0	0	0
2 BR TYPE AC	11	0	0	0	0
2 BR TYPE AD	11	0	0	0	0
2 BR TYPE AE	11	0	0	0	0
2 BR TYPE AF	11	0	0	0	0
2 BR TYPE AG	11	0	0	0	0
2 BR TYPE AH	11	0	0	0	0
2 BR TYPE AI	11	0	0	0	0
2 BR TYPE AJ	11	0	0	0	0
2 BR TYPE AK	11	0	0	0	0
2 BR TYPE AL	11	0	0	0	0
2 BR TYPE AM	11	0	0	0	0
2 BR TYPE AN	11	0	0	0	0
2 BR TYPE AO	11	0	0	0	0
2 BR TYPE AP	11	0	0	0	0
2 BR TYPE AQ	11	0	0	0	0
2 BR TYPE AR	11	0	0	0	0
2 BR TYPE AS	11	0	0	0	0
2 BR TYPE AT	11	0	0	0	0
2 BR TYPE AU	11	0	0	0	0
2 BR TYPE AV	11	0	0	0	0
2 BR TYPE AW	11	0	0	0	0
2 BR TYPE AX	11	0	0	0	0
2 BR TYPE AY	11	0	0	0	0
2 BR TYPE AZ	11	0	0	0	0
2 BR TYPE BA	11	0	0	0	0
2 BR TYPE BB	11	0	0	0	0
2 BR TYPE BC	11	0	0	0	0
2 BR TYPE BD	11	0	0	0	0
2 BR TYPE BE	11	0	0	0	0
2 BR TYPE BF	11	0	0	0	0
2 BR TYPE BG	11	0	0	0	0
2 BR TYPE BH	11	0	0	0	0
2 BR TYPE BI	11	0	0	0	0
2 BR TYPE BJ	11	0	0	0	0
2 BR TYPE BK	11	0	0	0	0
2 BR TYPE BL	11	0	0	0	0
2 BR TYPE BM	11	0	0	0	0
2 BR TYPE BN	11	0	0	0	0
2 BR TYPE BO	11	0	0	0	0
2 BR TYPE BP	11	0	0	0	0
2 BR TYPE BQ	11	0	0	0	0
2 BR TYPE BR	11	0	0	0	0
2 BR TYPE BS	11	0	0	0	0
2 BR TYPE BT	11	0	0	0	0
2 BR TYPE BU	11	0	0	0	0
2 BR TYPE BV	11	0	0	0	0
2 BR TYPE BW	11	0	0	0	0
2 BR TYPE BX	11	0	0	0	0
2 BR TYPE BY	11	0	0	0	0
2 BR TYPE BZ	11	0	0	0	0
2 BR TYPE CA	11	0	0	0	0
2 BR TYPE CB	11	0	0	0	0
2 BR TYPE CC	11	0	0	0	0
2 BR TYPE CD	11	0	0	0	0
2 BR TYPE CE	11	0	0	0	0
2 BR TYPE CF	11	0	0	0	0
2 BR TYPE CG	11	0	0	0	0
2 BR TYPE CH	11	0	0	0	0
2 BR TYPE CI	11	0	0	0	0
2 BR TYPE CJ	11	0	0	0	0
2 BR TYPE CK	11	0	0	0	0
2 BR TYPE CL	11	0	0	0	0
2 BR TYPE CM	11	0	0	0	0
2 BR TYPE CN	11	0	0	0	0
2 BR TYPE CO	11	0	0	0	0
2 BR TYPE CP	11	0	0	0	0
2 BR TYPE CQ	11	0	0	0	0
2 BR TYPE CR	11	0	0	0	0
2 BR TYPE CS	11	0	0	0	0
2 BR TYPE CT	11	0	0	0	0
2 BR TYPE CU	11	0	0	0	0
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2 BR TYPE CW	11	0	0	0	0
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2 BR TYPE CY	11	0	0	0	0
2 BR TYPE CZ	11	0	0	0	0
2 BR TYPE DA	11	0	0	0	0
2 BR TYPE DB	11	0	0	0	0
2 BR TYPE DC	11	0	0	0	0
2 BR TYPE DD	11	0	0	0	0
2 BR TYPE DE	11	0	0	0	0
2 BR TYPE DF	11	0	0	0	0
2 BR TYPE DG	11	0	0	0	0
2 BR TYPE DH	11	0	0	0	0
2 BR TYPE DI	11	0	0	0	0
2 BR TYPE DJ	11	0	0	0	0
2 BR TYPE DK	11	0	0	0	0
2 BR TYPE DL	11	0	0	0	0
2 BR TYPE DM	11	0	0	0	0
2 BR TYPE DN	11	0	0	0	0
2 BR TYPE DO	11	0	0	0	0
2 BR TYPE DP	11	0	0	0	0
2 BR TYPE DQ	11	0	0	0	0
2 BR TYPE DR	11	0	0	0	0
2 BR TYPE DS	11	0	0	0	0
2 BR TYPE DT	11	0	0	0	0
2 BR TYPE DU	11	0	0	0	0
2 BR TYPE DV	11	0	0	0	0
2 BR TYPE DW	11	0	0	0	0
2 BR TYPE DX	11	0	0	0	0
2 BR TYPE DY	11	0	0	0	0
2 BR TYPE DZ	11	0	0	0	0
2 BR TYPE EA	11	0	0	0	0
2 BR TYPE EB	11	0	0	0	0
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2 BR TYPE EI	11	0	0	0	0
2 BR TYPE EJ	11	0	0	0	0
2 BR TYPE EK	11	0	0	0	0
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2 BR TYPE FA	11	0	0	0	0
2 BR TYPE FB	11	0	0	0	0
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2 BR TYPE FE	11	0	0	0	0
2 BR TYPE FF	11	0	0	0	0
2 BR TYPE FG	11	0	0	0	0
2 BR TYPE FH	11	0	0	0	0
2 BR TYPE FI	11	0	0	0	0
2 BR TYPE FJ	11	0	0	0	0
2 BR TYPE FK	11	0	0	0	0
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2 BR TYPE FM	11	0	0	0	0
2 BR TYPE FN	11	0	0	0	0
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2 BR TYPE FQ	11	0	0	0	0
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2 BR TYPE FV	11	0	0	0	0
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2 BR TYPE GB	11	0	0	0	0
2 BR TYPE GC	11	0	0	0	0
2 BR TYPE GD	11	0	0	0	0
2 BR TYPE GE	11	0	0	0	0
2 BR TYPE GF	11	0	0	0	0
2 BR TYPE GG	11	0	0	0	0
2 BR TYPE GH	11	0	0	0	0
2 BR TYPE GI	11	0	0	0	0
2 BR TYPE GJ	11	0	0	0	0
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2 BR TYPE GO	11	0	0	0	0
2 BR TYPE GP	11	0	0	0	0
2 BR TYPE GQ	11	0	0	0	0
2 BR TYPE GR	11	0	0	0	0
2 BR TYPE GS	11	0	0	0	0
2 BR TYPE GT	11	0	0	0	0
2 BR TYPE GU	11	0	0	0	0
2 BR TYPE GV	11	0	0	0	0
2 BR TYPE GW	11	0	0	0	0
2 BR TYPE GX	11	0	0	0	0
2 BR TYPE GY	11	0	0	0	0
2 BR TYPE GZ	11	0			

NOTE:
 UNLESS OTHERWISE DIMENSIONED ON PLANS, INSTALL COMPRESSOR THE PERMISSIBLE BELOW FACE OF CURB TO FACE OF CURB.



NOTE:
 1. ALL DIMENSIONS OF PLANS ARE FROM FACE OF STUD FRAMING TO FACE OF STUD.
 2. FRAMING WINDOW & EXTERIOR FINISHES ARE TO BE REFERENCED TO EXTERIOR WINDOW FINISH. ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE NOTED.
 3. ON ROOF PLANS, ALL DOWNSPOUT SIZES ARE TO BE 2\"/>



1	REVISION #1	08/16/16
2	REVISION #2	09/24/16
3	REVISION #3	10/04/16



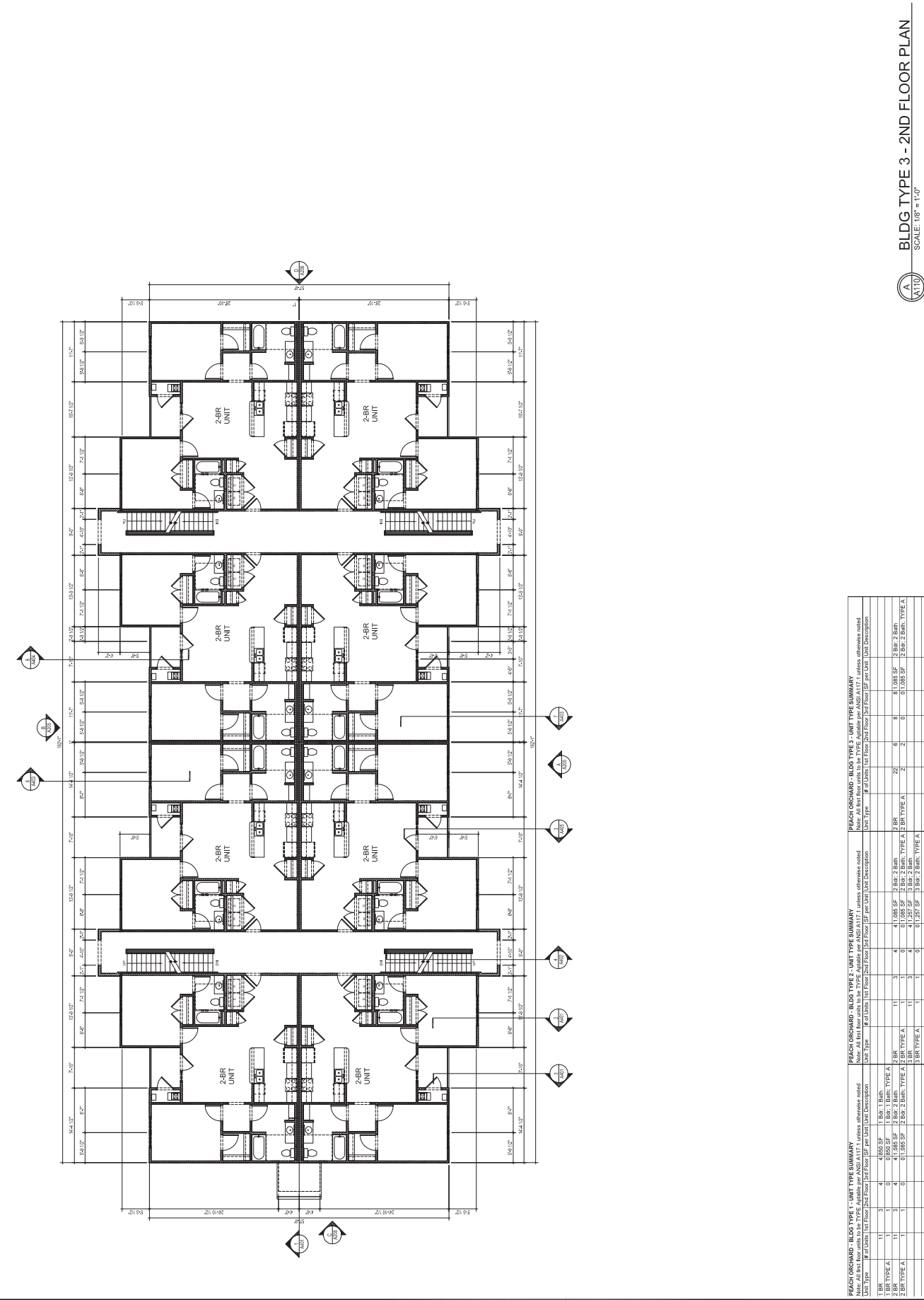
OWNER
 Peach Orchard, LP
 1000 Peach Orchard Rd.
 Peachtree City, GA 30090

ARCHITECT OF RECORD
STUDIO A LLC
 1000 Peach Orchard Rd., Suite 200
 Peachtree City, GA 30090
 (770) 420-1111



PROJECT TITLE
Peach Orchard Family Apartments
 3020 Peach Orchard Rd.
 Atlanta, GA 30306

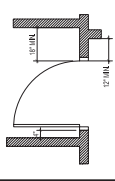
PERMIT SET
 CHECKED BY
 DRAWN BY
 DATE: 6/20/2016
 PROJECT NO.: 16LD0048
 SHEET NO.: A110
 BLDG TYPE 3 - 2ND FLOOR PLAN



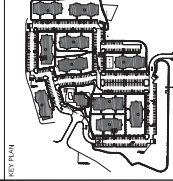
PEACH ORCHARD - BLDG TYPE 1 - UNIT TYPE SUMMARY		PEACH ORCHARD - BLDG TYPE 2 - UNIT TYPE SUMMARY		PEACH ORCHARD - BLDG TYPE 3 - UNIT TYPE SUMMARY	
Unit Type	# of Units	1st Floor (sq ft)	2nd Floor (sq ft)	1st Floor (sq ft)	2nd Floor (sq ft)
1 BR TYPE A	11	0	0	0	0
1 BR TYPE B	11	0	0	0	0
2 BR TYPE A	11	3	4	4	4
2 BR TYPE B	11	3	4	4	4
3 BR TYPE A	1	0	0	0	0
3 BR TYPE B	1	0	0	0	0
Total	24	6	8	8	8

BLDG TYPE 3 - 2ND FLOOR PLAN
 SCALE: 3/8" = 1'-0"

NOTE:
 UNLESS OTHERWISE DIMENSIONED ON PLANS, INSTALL COMPRESSOR FOR THE BELOW FACE OF CURB TO FACE OF CURB.



NOTE:
 1. ALL FRAMING OF PLANS SHALL BE FROM FACE OF STUD TO FRAMING TO FACE OF STUD.
 2. FRAMING WINDOW & EXTERIOR WINDOW ASSEMBLY SHALL BE FOR EXACT REFERENCE ONLY. FOR EXACT WINDOW ASSEMBLY CONDITIONS SEE WINDOW SCHEDULES & WINDOW DIMENSION PLANS.
 3. ON ROOF PLANS, ALL DOWNSPOUT SIZE ARE TO BE 2" X 4"



1	REVISION #1	09/16/16
2	REVISION #2	09/24/16
3	REVISION #3	10/04/16



OWNER
Peach Orchard, LP
 100 Peach Orchard Rd.
 Peachtree City, GA 30090

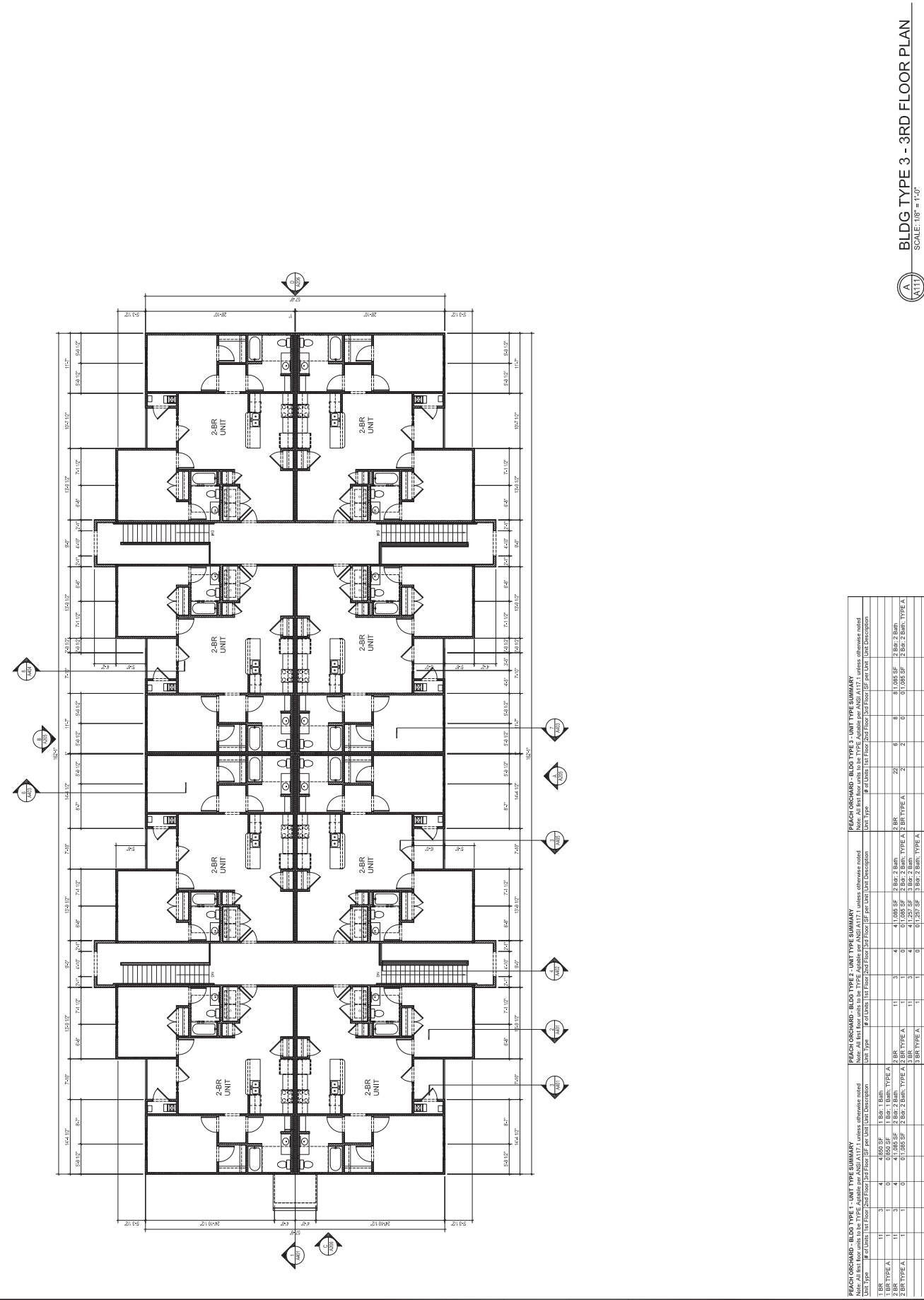
ARCHITECT OF RECORD
STUDIO A LLC
 100 Peach Orchard Rd., Suite 200
 Peachtree City, GA 30090
 (770) 420-1111



PROJECT TITLE
Peach Orchard Family Apartments
 300 Peach Orchard Rd.
 Atlanta, GA 30308

PERMIT SET
 CHECKED BY
 DRAWN BY
 DATE: 6/30/2016

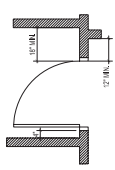
PROJECT NO.
BLDG TYPE 3 - 3RD FLOOR PLAN
 SHEET NO.
A111
 16LD0048



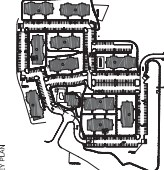
PEACH ORCHARD - BLDG TYPE 1 - UNIT TYPE SUMMARY				PEACH ORCHARD - BLDG TYPE 2 - UNIT TYPE SUMMARY				PEACH ORCHARD - BLDG TYPE 3 - UNIT TYPE SUMMARY								
Unit Type	# of Units	1st Floor (sq ft)	2nd Floor (sq ft)	3rd Floor (sq ft)	4th Floor (sq ft)	5th Floor (sq ft)	6th Floor (sq ft)	7th Floor (sq ft)	8th Floor (sq ft)	9th Floor (sq ft)	10th Floor (sq ft)	11th Floor (sq ft)	12th Floor (sq ft)	13th Floor (sq ft)	14th Floor (sq ft)	15th Floor (sq ft)
1 BR TYPE A	11	3	4	4,650 SF	1 Bath											
1 BR TYPE B	11	3	4	4,650 SF	1 Bath											
2 BR TYPE A	11	3	4	4,100 SF	2 Bath											
2 BR TYPE B	11	3	4	4,100 SF	2 Bath											
3 BR TYPE A	1	1	0	4,125 SF	3 Bath											
3 BR TYPE B	1	1	0	4,125 SF	3 Bath											
Total	24	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6

BLDG TYPE 3 - 3RD FLOOR PLAN
 SCALE: 3/8" = 1'-0"

NOTE:
 UNLESS OTHERWISE SPECIFIED, ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE INDICATED.
 UNLESS OTHERWISE DIMENSIONED ON PLANS, INSTALL COVERS FOR THE FOLLOWING: ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE INDICATED.
 UNLESS OTHERWISE DIMENSIONED ON PLANS, INSTALL COVERS FOR THE FOLLOWING: ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE INDICATED.



NOTE:
 1. FRAMING SHALL BE 2x6 OR 2x8 UNLESS OTHERWISE SPECIFIED.
 2. FRAMING WINDOW & EXTERIOR WALLS SHALL BE 2x6 OR 2x8 UNLESS OTHERWISE SPECIFIED.
 3. ON ROOF PLANS, ALL DOWNSPOUT SIZES ARE TO BE 2\"/>



1	REVISION #1	08/16/16
2	REVISION #2	09/24/16
3	REVISION #3	10/04/16



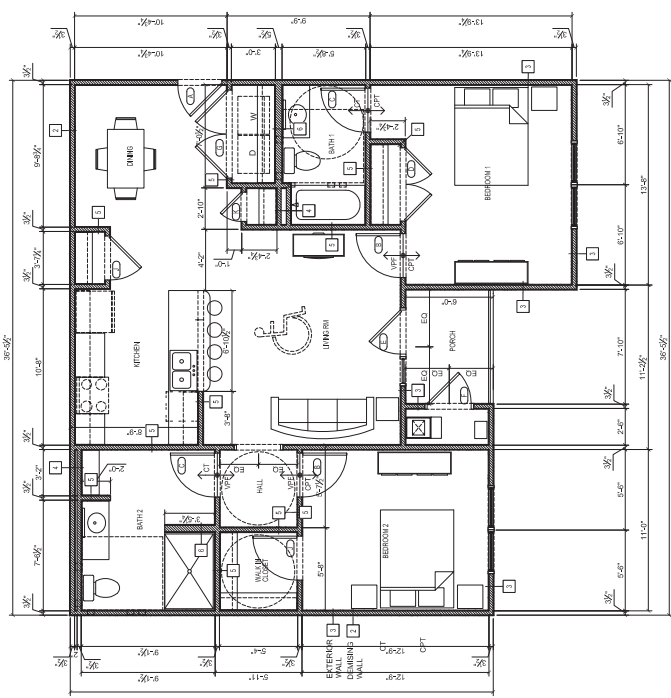
OWNER
Peach Orchard, LP
 100 Peach Orchard Rd.
 Atlanta, GA 30306

ARCHITECT OF RECORD
STUDIO A LLC
 100 Peach Orchard Rd., Suite 200
 Atlanta, GA 30306

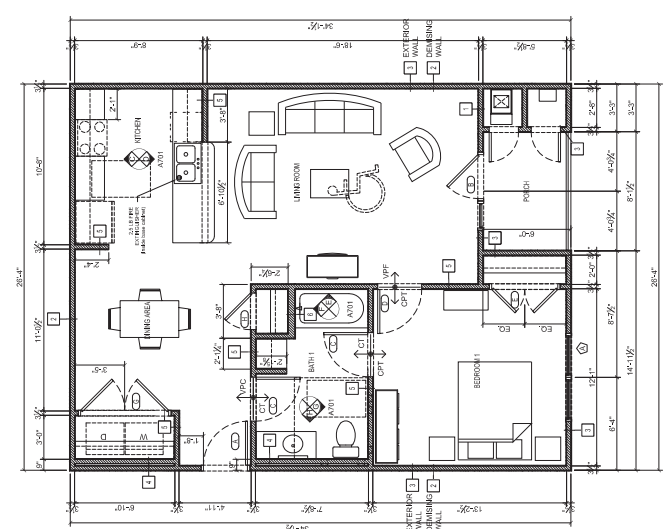


PROJECT TITLE
Peach Orchard Family Apartments
 100 Peach Orchard Rd.
 Atlanta, GA 30306

PERMIT SET
 CHECKED BY
 DRAWN BY
 DATE: 6/30/2016
 SHEET: ENLARGED UNIT PLANS
 PROJECT NO.: 16LD00048
 DIRECTOR: A132

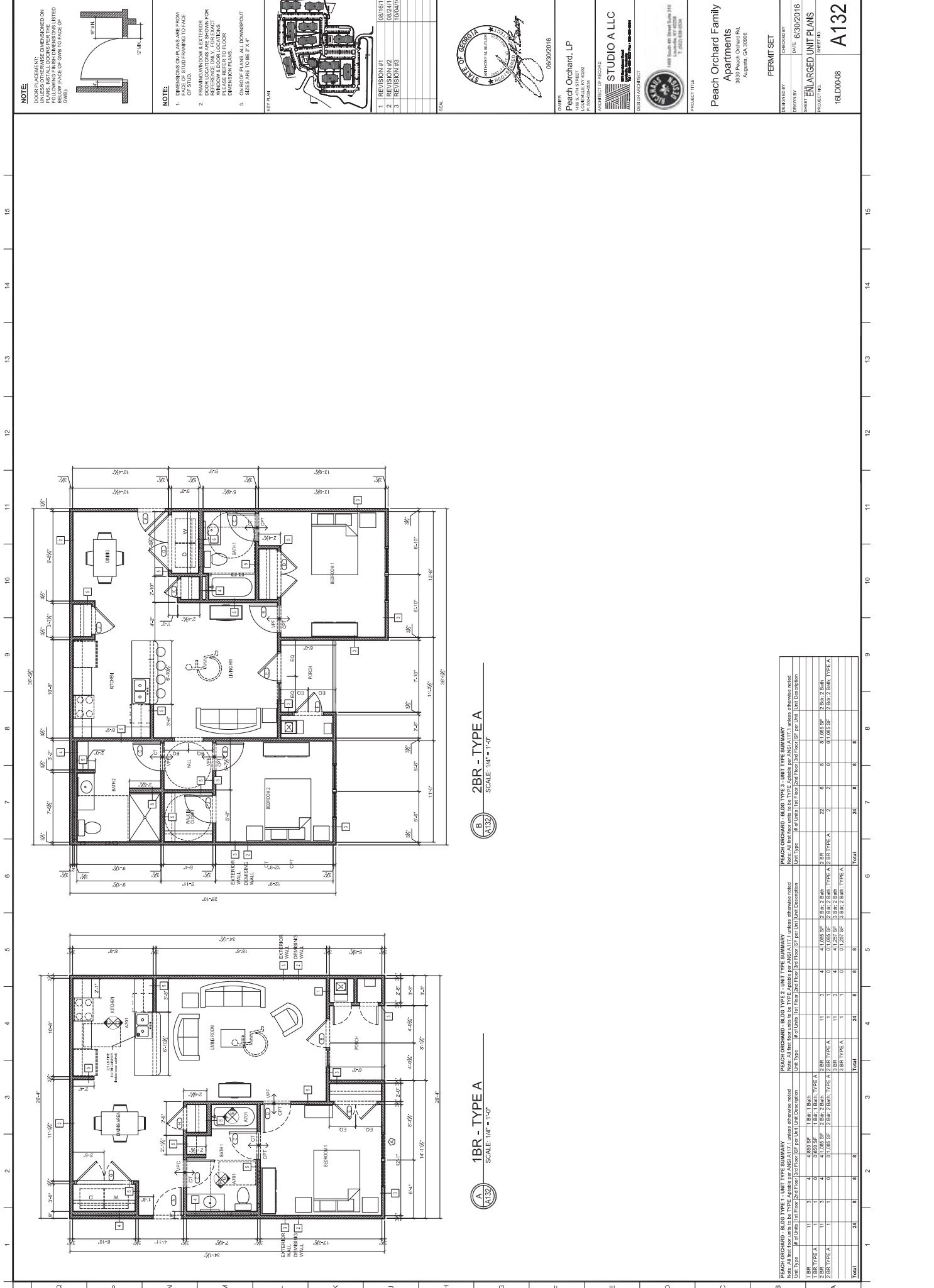


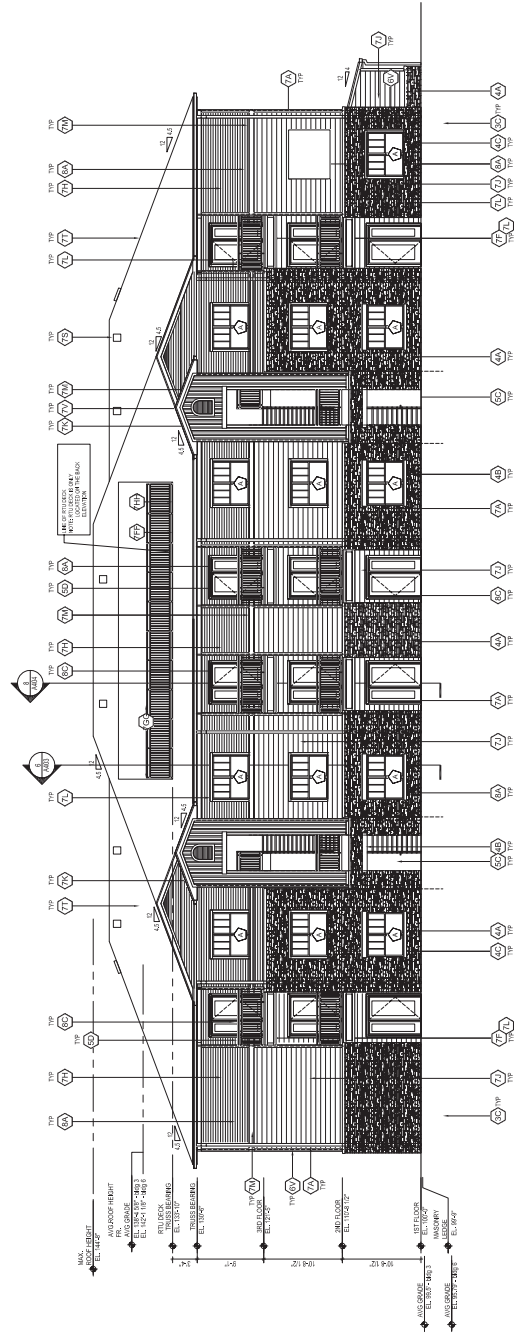
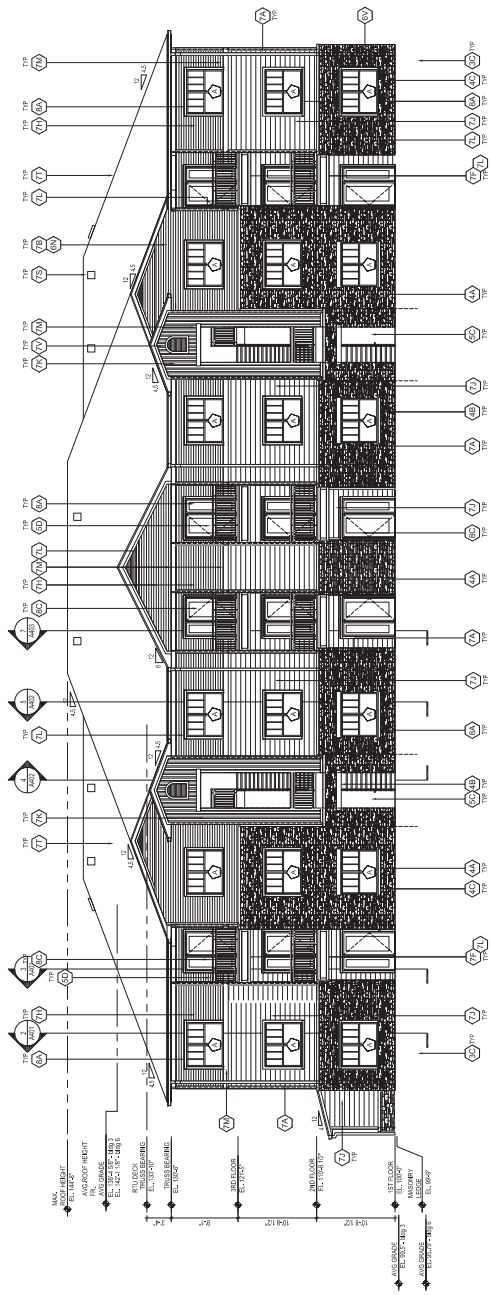
2BR - TYPE A
 SCALE: 1/4" = 1'-0"



1BR - TYPE A
 SCALE: 1/4" = 1'-0"

PEACH ORCHARD - BLDG TYPE 1 - UNIT TYPE SUMMARY		PEACH ORCHARD - BLDG TYPE 2 - UNIT TYPE SUMMARY		PEACH ORCHARD - BLDG TYPE 3 - UNIT TYPE SUMMARY	
Unit Type	# of Units	1st Floor (Sq Ft)	2nd Floor (Sq Ft)	1st Floor (Sq Ft)	2nd Floor (Sq Ft)
1 BR - TYPE A	11	1,100 SF	1,100 SF	1 BR - TYPE A	11
2 BR - TYPE A	11	1,800 SF	1,800 SF	2 BR - TYPE A	11
3 BR - TYPE A	11	2,500 SF	2,500 SF	3 BR - TYPE A	11
Total	33	5,400 SF	5,400 SF	Total	33





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

REAL ESTATE SALES CONTRACT

State of Georgia

County of Coweta

City of Newnan

DATE February 6, 2017

This Agreement is made and entered into by and between SWE Development, PO BOX 142348, Fayetteville, GA 30214 ("Owner") and **Realty Management Group, LLC**, a Kentucky Limited Liability Company ("Purchaser").

In consideration of the premises and other good and valuable consideration, Seller and Purchaser agree as follows:

1. CONVEYANCE:

Seller agrees to sell and convey and Purchaser agrees to purchase the real estate consisting of +20.50 Acres at 414 Jefferson St, Newnan, GA and improvements located in Coweta County/City of Newnan and as shown as part of county tax map/parcel N57A 055A and more particularly described and highlighted on Exhibit A.

2. PAYMENT OF PURCHASE PRICE:

A. The "Purchase Price" of Property shall be **nine hundred thousand (\$900,000.00)** the purchase price shall be paid in cash at closing.

3. Within three (3) days of the execution of this contract by Seller, the Purchaser shall deposit **ten thousand dollars (\$10,000.00) EARNEST MONEY** with Rosenzweig, Jonas, Horn, (the "Escrow Agent"), by wire transfer (\$5000.00 of which is non-refundable after conclusion of initial inspection period). The Earnest Money, (refundable and non-refundable) is to be applied toward the Purchase Price due at closing. Failure to so deposit the earnest money or any additional earnest money shall be deemed a Purchaser default under this Agreement. The initial earnest money and the additional earnest money shall thereafter be deemed to be the Earnest Money referenced throughout this Agreement.

4. INSPECTION PERIOD

Purchaser shall have the right to inspect the Property for a period of **Ninety (90) days**, to commence upon full execution of this sales contract to determine the feasibility of the Purchaser's intended use of the Property (Inspection Period).

4a. not used

4b. Seller shall allow Purchaser reasonable access to the Property for the purpose of performing any and all reasonable environmental testing of the Property that Purchaser deems necessary, at its sole costs, said testing to include, without limitation, soil and ground water testing. In this regard, Seller hereby grants to Purchaser, and its agents, independent contractors and/or employees, unrestricted access to the Property for purposes of testing same. In the event that Purchaser's environmental testing of the Property reveals any contaminated soil, hazardous or toxic materials or substances on, above, or below the Property, underground storage tanks, or any other condition, which in the sole and absolute discretion of Purchaser, constitutes an environmental hazard associated with the Property (hereinafter, "Environmental Conditions"). Purchaser shall immediately notify Seller and shall have the right to immediately terminate this agreement or its obligation to purchase the Property if it has already elected to exercise its agreement to purchase the Property. Seller have no knowledge of any environmental issues and have not had any environmental assessments or studies whatsoever. Seller shall have no responsibility for mitigation or curing any environmental issues or paying for any environmental problems.

Purchaser shall indemnify, defend and hold Seller harmless from and against any and all claims, liability, cost, expense or damage arising out of any entry, inspection, tests, studies, and/or other activities conducted by or at the request of Purchaser and/or Purchaser's agents or employees with respect to the Property or under this Agreement (whether resulting from activities conducted before or after the Effective Date). Purchaser shall, in a timely manner, pay in full the cost of all inspections, investigations and inquiries of any kind, so that no person or entity shall have the right to file any lien against the Property. In the event any lien is filed, Purchaser shall immediately satisfy or bond that lien off the Property. Purchaser's obligations under this Section shall survive Closing and/or the termination of this Agreement, notwithstanding any term or provisions of this Agreement to the contrary. In the event Purchaser in his sole discretion determines that the Property is unsuitable for any reason whatsoever, Purchaser shall give written notice to Escrow Agent of the Purchaser's election to terminate the Contract. Within Five (5) business days after the Purchaser terminates this Contract, all Earnest Money shall be refunded to Purchaser and, thereafter, neither the Seller, the Purchaser nor Broker shall have any further liability or responsibility to the other. If this Contract is not terminated by the Purchaser within the Inspection Period, the Purchaser shall be deemed to have accepted the property and, subject to the Purchaser's Closing Conditions in paragraph 10 of this Agreement, the transaction shall be closed on or before the date stated in paragraph 4 of this Contract.

5. CLOSING:

- A. Purchaser and Seller shall consummate the purchase and sale of the property contemplated by this Contract (the "Closing") no later than **two hundred and seventy** days (270 days) after expiration of initial Inspection Period. The Closing shall be held at a reasonable location selected by Purchaser. one (1) additional closing extension period of (45) days may be purchased for a non-refundable fee of \$25,000.00 to be applied toward purchase price at closing.
- B. (not used)
- C. (not used)
- D. Closing Documents. At Closing, Seller agrees to deliver to Purchaser the Following items:
 - 1. Limited Warranty deed conveying good, insurable and indefeasible fee simple title to the Property, as required by this Agreement.
 - 2. An Owner's Affidavit executed and sworn to by Seller, stating that no work has been performed by Sellers or any Seller Agent on the Property during the ninety-five (95) days prior to Closing or if such work has been performed, that it has been paid in full, together with such other statements and instruments as may be required by the title insurance company to issue Purchaser's title insurance policy without exception to any liens, unfiled easements or other standard exceptions set forth in the standard title insurance policy form.
 - 3. A certification by the seller complying with requirements of Sections 145 and 7701 of the Internal Revenue Code of 1986, as amended, that the Seller is not a foreign person within the meaning of such sections.
 - 4. A written statement as of the Closing Date reaffirming that all of the warranties and representations of Seller made in this Contract are true and correct.
 - 5. All other documents necessary or appropriate to complete the transaction contemplated by this Agreement.
- E. At Closing, Purchaser shall pay to Seller the Purchase Price as adjusted pursuant to the terms hereof, all closing costs incurred by the Purchaser, and executed and deliver all documents necessary to complete the transaction contemplated by this Agreement.

6. TITLE:

Prior to the expiration of the Inspection Period, Purchaser shall examine title to the Property and obtain a commitment for title insurance on a standard ALTA form proposing to insure the interest of Purchaser as owner in the amount of the Purchase Price. The cost of the title examination and commitment shall be borne by Purchaser. Purchaser shall give Seller written notice of any liens, encumbrances, encroachments or title matters shown on said title commitment or the Survey (hereinafter collectively referred to as "Title Defects") which adversely affect the marketability of the title to the Property, within twenty (20) days after the effective date of the title commitment. Thereafter, Seller shall have a period of thirty (30) days within which to cure or correct all Title Defects at Seller's sole cost and expense. As to any existing monetary liens or deed to secure debt which can be satisfied by the payment of money, Seller agrees to satisfy the same at Closing. If Seller fails to cure or correct any other valid Title Defects within such period, then within ten (10) days after the expiration of such 30-day period, Purchaser may either (i) terminate this Agreement and receive a refund of the Earnest Money less \$100.00, after which no party shall have any further right, duty, obligation, or liability hereunder to any other party hereto or (ii) waive such Title Defects and elect to close the sale and purchase of the Property irrespective of such Title Defects. Purchaser shall be responsible for the cost of the policy of title insurance to be issued pursuant to the title insurance commitment.

7. SURVEY:

- A. Purchaser or his agent shall have the privilege of going on Property any time prior to closing to make surveys and soil tests of Property and the parties performing such survey or test shall have the right to cut brush and limbs necessary to survey the line of Property and to make soil borings. Purchaser agrees to indemnify and hold Seller harmless against any property damage or personal injury or claim of lien against Property resulting from the activities permitted by this paragraph on Property.
- B. Any such survey shall be performed by a Licensed Surveyor selected by the Purchaser, at Purchaser's sole expense, with the survey so made indicating the total number of acres in Property to the nearest one hundredth of an acre. Any recent surveys commissioned by Seller shall be made available to the Purchaser at no cost.

8. TAX APPORTIONMENT:

Ad valorem taxes on Property for the calendar year of closing shall be prorated and accounted for between Seller and Purchaser at closing based on the latest millage rate and assessment available. Seller shall be responsible for paying any past due property taxes, penalties, interest, levies, or other fines attached to the property at Closing.

9. BROKERAGE COMMISSION:

Seller shall be responsible for paying a brokerage commission of (0%) Percent of purchase price to N/A represents the Seller in this transaction per the Listing Agreement. Purchaser and Seller hereby indemnify and hold harmless and defend each other from and against any and all causes, claims, damages, losses, liabilities, fees, commissions, settlement, judgements, damages, expenses and fees (including reasonable attorneys' fees and court costs) in connection with any claim for commissions, fees and other charges relating in any way to this transaction or the consummation thereof, which may be made by any person, firm or entity except to the Broker as the result of the indemnifying party's acts.

PURCHASER'S CLOSING CONTINGENCIES:

Purchaser's obligations under the Agreement are expressly subject to and conditioned upon satisfaction of the following conditions on or before Closing ("Purchaser's Closing Conditions")

- A. Seller's performance of its covenants under this Agreement
- B. The continued truth and accuracy in all material respects of Seller's representations and warranties.
- C. Purchaser shall have the ability to obtain an ALTA Form B Owners Title Insurance Policy containing only the permitted Title Exceptions, issued by a title insurance company of the Purchasers choosing at standard national rates.
- D. There shall be no material casualty or condemnation proceeding which affects the Property.
- E. No material and adverse changes shall have occurred to the Property, its environmental condition and the development rights with respect to the Property. During the Inspection Period, Purchaser shall have the ability to obtain a Phase I ESA Report for a qualified professional stating that the Property has no Recognized Environmental Concerns, as commonly defined.
- F. The performance of the Seller's obligations under the Contract shall have been duly and effectively authorized by all necessary action of the Seller, and no other consent or approval except as specified herein shall be required in order for the seller to consummate the transactions provided herein.
- G. Seller has good and marketable title to the property and to the improvements thereon at the time of Closing, free and clear of all liens, encumbrances and restrictions, except for encumbrances and easements, existing on the Property and approved in writing by the Purchaser during the Inspection Period.
- H. Timing of purchase is contingent upon purchaser obtaining all necessary permits and approvals per the City of Newnan. Purchaser agrees to pursue all necessary permits and approvals from the City of Newnan as quickly as possible.
- I. If the Purchaser is not awarded or able to secure bond, tax credit or other any necessary financing for the property and the proposed improvements, the Purchaser will notify the Seller and the agreement period will end.

SELLER'S WARRANTIES AND REPRESENTATIONS:

Seller warrants and represents to Purchaser that:

- A. Seller has received no written notice of any default or breach by Seller under any covenants, conditions, restrictions, rights-of-way or easements affecting the Property or any portion thereof, and no such default or breach now exists, nor has any event occurred which, with the giving of notice, the passage to time, or both, would constitute such a breach or default;
- B. Neither the whole nor any portion of the Property, including access thereto or any easement benefiting the Property, is subject to temporary requisition of use by any governmental authority, nor has any portion of the property been condemned, or taken in any proceeding similar to a condemnation proceeding, nor is there now pending any condemnation, expropriation, requisition or similar proceeding against the Property or any portion thereof. Seller has received no notice and does not have knowledge that any such proceeding is contemplated;
- C. There is no litigation to the knowledge of Seller, threatened against or relating to the Property and the Seller does not have reasonable grounds to know of the basis for any such action.
- D. No person, firm, or corporation has a possessory right in the Property or, portion thereof, under and pursuant to any lease, tenancy or other arrangement with Seller.

- E. To Seller's actual knowledge, the Property does not violate federal, state or local laws, ordinances or regulations relating to the environmental conditions on, under or about the Property, including, without limitation, soil and ground water conditions. To Seller's actual knowledge, the Property has not been, used for the generation, storage or disposal of, on, under or about the Property of any Hazardous Materials (hereinafter defined), except as may be allowed by applicable governmental laws, rules and regulations governing the use of Hazardous Materials at the Property. To Seller's actual knowledge, there has not been in the past a release or threatened release of Hazardous Materials from the Property into the environment. The Property is not now a land fill nor to Seller's actual knowledge has it ever been a land fill or has any portion thereof been used as a laundry or dry cleaning plant. Seller has not received, nor does the Seller have actual knowledge that any prior owner has received, notice from any federal, state, county, municipal authority as to the existence of Hazardous Materials or other environmental problems at, or relating to, the Property. For purposes hereof, "Hazardous Materials" shall include those materials regulated by the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, U.S.C. §9016, et seq., Superfund Amendment and Reauthorization Act of 1986 (SARA), 42 U.S.C. § 9601 et seq., The Resource Conservation and Recovery Act, U.S.C. § 6901, et seq.; Occupational Safety and Health Act of 1970; the Toxic Substance Control Act; The Solid Waste Disposal Act; the Clean Air Act; and the Clean Water Act; and the regulations adopted in publications promulgated pursuant to the above laws and in any applicable state, county and city laws or ordinances and regulations.
- F. No assessments have been made against the Property which are unpaid, at or prior to the Closing, except those ad valorem taxes, if any, for the current year which are not yet due and payable, whether or not they have become liens; and Seller is not aware of any assessments against the Property for public improvements not yet in place.
- G. To Seller's actual knowledge there are no archeological areas, burial grounds or cemeteries, or areas of historical significance, such as battlefields, located at or on the Property and there are no endangered species living on or in or nesting at the Property.

10. CONFIDENTIALITY

Each party hereby covenants to the other that it shall keep in strictest confidence all of the terms and conditions of this Agreement; provided that, Purchaser shall be entitled to disclose such information as it deems appropriate to its prospective lenders, tenants and consulting professionals.

11. MISCELLANEOUS:

- A. This Agreement constitutes the entire agreement between the parties hereto and all prior negotiations undertakings and agreements heretofore and between these parties are merged herein. No representation, promise or inducement not included herein shall be binding upon any party hereto. The terms "Seller" and "Purchaser", shall be construed in the plural and the appropriate gender shall be read into all pronouns used herein to reference and of said parties whenever the sense of this Agreement so requires.
- B. This Agreement may not be changed orally, but only by an agreement in writing signed by Purchaser and Seller.
- C. The provisions of this Agreement shall inure to the benefit of and shall be binding upon the parties hereto and their respective heirs, successors and assigns and the legal representative of their estates, as the case may apply.
- D. Seller shall pay the Georgia transfer tax applicable to the deed conveying the Property to the Purchaser.
- E. Seller and Purchaser agree that such papers as may be legally necessary to carry out the terms of this agreement shall be executed and delivered by such parties at closing.

- F. Seller shall be responsible for all expenses, if any, incidental to Property through the date prior to Closing.
- G. All agreements herein which must, by implication or necessity, survive the closing, shall be deemed to so survive as the sense of this Agreement requires.
- H. Purchaser shall have the right to assign this Agreement to any person or persons, partnerships or corporations, or any other entity including a corporation to be formed and the sale contemplated by this Agreement shall be consummated in the name of such assignee and the assignment may be made by the Purchaser at any time prior to Closing subject only to the Sellers consent.
- I. Each party shall be solely responsible for its respective attorney's fees.
- J. All title exam charges and title premiums, if any, shall be paid by the Purchaser.
- K. Seller and Purchaser may each elect to buy or sell the Property as part of a like kind exchange ("Exchange Property") pursuant to Section 1031 of the Internal Revenue Code of 1986, as amended, and each hereby agrees to cooperate with the other in effecting such changes.
- L. This contract to be construed in accordance with the laws of the State of Georgia.
- M. If the date for performance to any action under this Contract shall fall on a Saturday, Sunday, or legal holiday, such action shall and may be performed on the next succeeding date which is not a Saturday, Sunday or legal holiday. Time is of the essence.

REMEDIES OF THE SELLER:

- 12. If the purchase and sale of the Property is not consummated due to default of the Purchaser, the Seller shall, upon written notice to Broker and Purchaser specifying the default of Purchaser hereunder, be entitled to obtain and retain the Earnest Money as full liquidated damages. Under no circumstances shall Seller be authorized to seek any additional damages or seek specific performance of this contract, but shall be limited to the Earnest Money. Should Seller default, then Purchaser's sole remedy shall be limited to an action for specific performance and Purchaser shall not be entitled to receive any compensation of expenses incurred or any other consequential damages as a result of the entering into this contract.

13. RISK OF LOSS AND CONDEMNATION:

If prior to the Closing Date, all or any portion of the Projects shall be condemned or taken by power of eminent domain or the Projects be completely destroyed or damaged, Purchaser may elect to (i) terminate this Agreement by giving written notice to Seller, or (ii) consummate the purchase and of the Property pursuant to clause (ii), Seller shall, on the Closing Date, pay or cause to be paid to Purchaser all insurance proceeds theretofore actually received by Seller and all condemnation awards and other payments in connection with exercise of the power of eminent domain theretofore actually received by Seller, and, in addition, Seller shall transfer and assign or cause to be transferred or assigned to Purchaser all rights of Seller with respect to payments by or from and with respect to recovery again any party whosoever or damages or compensation on account of such destruction, take or threat of taking.

14. POSSESSION OF THE PROPERTY:

Possession of the Property shall be delivered to the Purchaser at Closing. Seller warrants there are no persons/entities with any possessory rights to the Property.

15. DUE DILIGENCE:

Within five business days from full execution of this contract, Seller shall deliver the following items (Due Diligence Items) to Purchaser for Purchaser's review, subject to availability of such items. Purchaser

acknowledges that these items are sensitive material and shall promptly return items to Seller if the sale is not consummated for any reason.

- All existing easements, site plans, surveys, construction plans, soil compaction tests, environmental reports (Phase I or II), or other engineering reports in Seller's possession, if any exist.
- In return, purchaser agrees to deliver all 3rd party reporting including but not limited to Phase I Environmental, full market study, geo tech reports etc. as they become available.

DATE OF THIS AGREEMENT:

The "Effective Date" of this Agreement shall be the date on which the last party to execute this Agreement signs as evidenced by the date affixed by that party.

Notice

Any notices, requests, or other communications required or permitted to be given hereunder shall be in writing and shall be delivered by hand, courier, or overnight delivery addressed to each party at its address as first set forth below. Any such notice, request, or other communication shall be considered given or delivered on the day delivered if by hand or courier, or on the next business day following placement with an overnight delivery service, or upon the date of receipt of a facsimile which is received any business day on or before 6 P.M. EST or on the next business day after receipt if received by facsimile after 6 P.M. EST on any business day; provided, however, the time period in which a response to any notice, demand or request must be given shall commence on the next business day after such posting. Rejection or other refusal to accept or inability to deliver because of changed address of which no notice was given shall be deemed to be receipt of the notice, request, or other communication. By giving at least five (5) days' prior written notice thereof to the other parties hereto; a party hereto may from time to time and at any time change her, his, or its mailing address hereunder.

Purchaser:

Chris Dischinger
Realty Management Group, LLC
1469 S 4th Street, Louisville, KY 40208

Seller:

Broker:

THIS AGREEMENT has been executed first by the PURCHASER and shall be deemed a continuing offer by said party to purchase or sell, as the case may be, until _____ If executed and unaltered acceptance hereof is not returned to the address noted herein of said offer by said time, such offer shall be deemed withdrawn.

Signed, sealed and delivered in the presence of:

[Signature]
Purchaser's Signature Date/Time

Chris Dischinger, Realty Management Group, LLC
Print or Type Name

Purchaser's Signature Date/Time

Print or Type Name

Virtual Properties Realty Inc
Steve Entekin 8 Feb. 2017
Listing Broker Date/Time

By: Steve Entekin
Broker or Broker's Affiliated Licensee

Steve Entekin, 131899
Print or Type Name

Virtual Properties Realty.com H-31589
Brokerage Firm License Number

Listing Broker Date/Time

By: _____
Broker or Broker's Affiliated Licensee

Print or Type Name

Brokerage Firm License Number

Steve Entekin 8 Feb. 2017 10:30 PM
Seller's Signature Date/Time

SWE Development Inc, president
Print or Type Name

Seller's Signature Date/Time

Print or Type Name

Selling Broker Date/Time

By: _____
Broker or Broker's Affiliated Licensee

Print or Type Name

Brokerage Firm License Number

Selling Broker Date/Time

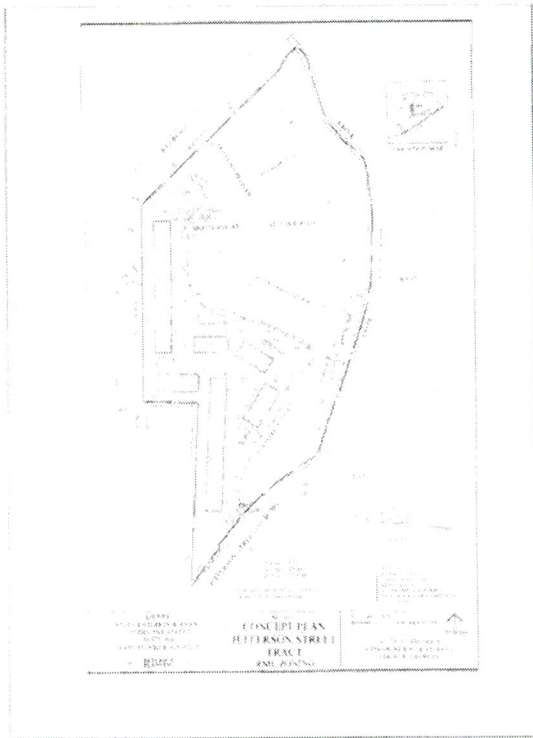
By: _____
Broker or Broker's Affiliated Licensee

Print or Type Name

Brokerage Firm License Number

EXHIBIT 'A'

LoopNet Jefferson Creek, Multifamily (land), 414 Jefferson St, Newnan, GA



Concept Plat

Created 2/10/2007