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APPRAISAL REPORT

SUB-REHAB OF THE EXISTING

PARK HOMES APARTMENTS
201 RESERVOIR STREET
ROME, FLOYD COUNTY, GEORGIA 30161

EHA File 17-138

EFFECTIVE DATE OF VALUE

March 21, 2017

DATE OF REPORT

August 9, 2017

PREPARED FOR

Ms. Jennifer Nyquist
REA Ventures Group, LLC
2964 Peachtree Road NW, Suite 200
Atlanta, GA 30305

And

Georgia Department Of Community Affairs (DCA)

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

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August 9, 2017

Ms. Jennifer Nyquist
REA Ventures Group, LLC
2964 Peachtree Road NW, Suite 200
Atlanta, GA 30305

RE: Appraisal Report
Sub-Rehab Of The Existing Park Homes Apartments
201 Reservoir Street
Rome, Floyd County, GA 30161
EHA File 17-138

Dear Ms. Nyquist:

At your request and authorization, we conducted the inspections, investigations, and analyses necessary to appraise the above referenced property. This transmittal letter is accompanied by an appraisal report presented in a comprehensive format in accordance with the Georgia Department of Community Affairs (DCA) Appraisal Manual. The purpose of this appraisal is to estimate "as is" market value of the fee simple interest in the subject property and prospective market value of the fee simple interest in the subject property, "upon completion and stabilization," of the proposed renovations using both restricted and hypothetical unrestricted rents. We were also requested to estimate prospective unrestricted market value at loan maturity. The values are predicated upon market conditions prevailing on March 21, 2017, which is the date of our last inspection and the effective date of value. The date of report is August 9, 2017. The estimated marketing period is 12 months or less. This appraisal is intended for use by the addressee to be used in conjunction with a low income housing tax credit application and is to be compliant with the Georgia Department of Community Affairs (DCA) Appraisal Manual. The Georgia DCA is also an intended user of this report. This appraisal may be assignable to other lenders.

The subject property is the Park Homes Apartments, a 100-unit, Class-C public housing development, built in 1952 and situated on an approximate 9.0-acre site. The units are contained in 27 two-story, garden-style, walk-up apartment building. The unit mix consists of four 1BR units, 44 2BR units, 44 3BR units and eight 4BR units. The average unit size is 787 square feet (rentable). Complex amenities include a leasing center. The property is currently 45% occupied and in average condition. However, the complex stopped leasing to new tenants last year in anticipation of the upcoming

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renovation. They are typically near 100% occupied. The subject is located along the south side of Reservoir Street, just northeast of Turner McCall Boulevard, within the city limits of Rome, Floyd County, Georgia. This location is less than a mile north of downtown Rome and about 70 miles northwest of the Atlanta CBD.

The subject is proposed for a substantial rehabilitation under the Rental Assistance Demonstration Program (RAD) that will convert the current public housing units to Project-Based Rental Assistance (PBRA) units. The rehabilitation will include ADA upgrades, utility and landscaping improvements, interior and exterior repairs and replacements, mechanical upgrades and other items. The cost of these items is estimated at approximately $55,500 per unit (hard costs only). According to a letter provided by the U.S. Department of Housing and Urban Development (HUD) and applying the appropriate OCAF adjustments, upon completion of the rehabilitation / conversion, contract rents will be $355 a month for the 1BR units, $480 for the 2BR units, $597 for the 3BR units and $848 for the 4BR units. Based on the information contained in this report, the proposed contract rents are below market levels. In addition, the rehabilitation will be partially funded with Low Income Housing Tax Credits ($2,711,943 Federal and $1,460,277 State). According to the developer, construction is expected to begin on August 1, 2017 and be completed by August 1, 2018. Reportedly, the renovation will be phased so that remaining existing tenants will be temporarily relocated to other units then moved back in once completed. Additionally, the Northwest Georgia Consolidated Housing Authority reportedly has a waiting list of over 1,000 prospective tenants. As such, the property should stabilize almost immediately upon completion.

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

The following narrative appraisal contains the most pertinent data and analyses upon which our opinions are based. The appraisal was prepared in compliance with the requirements of Title XI of the Federal Financial Institution Reform, Recovery and Enforcement Act of 1989 (FIRREA), Uniform Standards of Professional Appraisal Practice, HUD's Appraisal Reporting Guidelines, the Code of Professional Ethics and Standards of Professional Conduct of the Appraisal Institute and the Georgia Department of Community Affairs (DCA)

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Affairs (DCA) Appraisal Manual.

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

Estimate of Market Value of the Fee Simple Interest in the Subject Property "As Is," As of March 21, 2017:	$3,500,000
Per Unit (100):	$35,000
Allocated: $850,000 Land / $2,650,000 Improvements	
Estimate of Market Value of the Fee Simple Interest in the Subject "Upon Completion And Stabilization," Subject to Restricted Rents, As of August 1, 2018:	$3,700,000
Per Unit (100):	$37,000
Estimate of Hypothetical Market Value of the Fee Simple Interest in the Subject "Upon Completion And Stabilization," Assuming Unrestricted Rents, As of August 1, 2018:	$5,000,000
Per Unit (100):	$50,000
Prospective Unrestricted Value At Loan Maturity (40 years):	$7,900,000
Per Unit (100):	$79,000

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

Respectfully submitted,

EVERSON, HUBER & ASSOCIATES, LC

By:

Jonathan A. Reiss, MAI
Senior Appraiser
Certified General Appraiser
Georgia Certificate No. 272625

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

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

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. We have performed no 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.
5. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
9. Stephen M. Huber and Jonathan A. Reiss made a personal inspection of the subject property.
10. Doug Rivers provided professional assistance, consisting primarily of market research and comparable data verification, to the persons signing this certification.
11. The reported analyses, opinions and conclusions were developed, and this report has been prepared in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
13. As of the date of this report, we have completed the Standards and Ethics Education Requirement for Associate Members of the Appraisal Institute.
14. The Racial/ethnic composition of the neighborhood surrounding the property in no way affected the appraisal determination.
15. We have extensive experience in the appraisal of commercial properties and are appropriately certified by the State of Georgia to appraise properties of this type.

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

Jonathan A. Reiss, MAI
Senior Appraiser
Certified General Appraiser
Georgia Certificate No. 272625

Property Name/Address: Park Homes Apartments
201 Reservoir Street
Rome, Floyd County, GA 30161

Location: The subject is located along the south side of Reservoir Street, just northeast of Turner McCall Boulevard, within the city limits of Rome, Floyd County, Georgia. This location is less than a mile north of downtown Rome and about 70 miles northwest of the Atlanta CBD.

Property Description: The subject property is the Park Homes Apartments, a 100-unit, Class-C public housing development, built in 1952 and situated on an approximate 9.0-acre site. The units are contained in 27 two-story, garden-style, walk-up apartment building. The unit mix consists of four 1BR units, 44 2BR units, 44 3BR units and eight 4BR units. The average unit size is 787 square feet (rentable). Complex amenities include a leasing center. The property is currently 45% occupied and in average condition. However, the complex stopped leasing to new tenants last year in anticipation of the upcoming renovation. They are typically near 100% occupied.

The subject is proposed for a substantial rehabilitation under the Rental Assistance Demonstration Program (RAD) that will convert the current public housing units to Project-Based Rental Assistance (PBRA) units. The rehabilitation will include ADA upgrades, utility and landscaping improvements, interior and exterior repairs and replacements, mechanical upgrades and other items. The cost of these items is estimated at approximately $55,500 per unit (hard costs only). According to a letter provided by the U.S. Department of Housing and Urban Development (HUD) and applying the appropriate OCAF adjustments, upon completion of the rehabilitation / conversion, contract rents will be $355 a month for the 1BR units, $480 for the 2BR units, $597 for the 3BR units and $848 for the 4BR units. Based on the information contained in this report, the proposed contract rents are below market levels. In addition, the rehabilitation will be partially funded with Low Income Housing Tax Credits ($2,711,943 Federal and $1,460,277 State). According to the developer, construction is expected to begin on August 1, 2017 and be completed by August 1, 2018. Reportedly, the renovation will be phased so that remaining existing tenants will be temporarily relocated to other units then moved back in once completed. Additionally, the Northwest Georgia Consolidated Housing Authority reportedly has a waiting list of over 1,000 prospective tenants. As such, the property should stabilize almost immediately upon completion.

Tax Parcel Number: J130-186 and J13Y-011

Highest and Best Use As If Vacant: Medium-density, affordable multi-family use

	As Improved: Continued operation as an affordable apartment complex
Purpose of the Appraisal:	The purpose of this appraisal is to estimate "as is" market value of the fee simple interest in the subject property and prospective market value of the fee simple interest in the subject property, "upon completion and stabilization," of the proposed renovations using both restricted and hypothetical unrestricted rents. We were also requested to estimate prospective unrestricted market value at loan maturity.
Intended Use:	This appraisal is intended for use by the addressee to be used in conjunction with a low income housing tax credit application and is to be compliant with the Georgia Department of Community Affairs (DCA) Appraisal Manual. The Georgia DCA is also an intended user of this report. This appraisal may be assignable to other lenders.
Property Rights:	Fee Simple
Date of Inspection/Value:	March 21, 2017
Date of Report:	August 9, 2017
Date of Completion /Stabilization:	August 1, 2018
Est. Marketing Time:	12 months or less

Valuation

Estimate of Market Value of the Fee Simple Interest in the Subject Property "As Is," As of March 21, 2017:	$3,500,000
Per Unit (100):	$35,000
Allocated: $850,000 Land / $2,650,000 Improvements	
Estimate of Market Value of the Fee Simple Interest in the Subject "Upon Completion And Stabilization," Subject to Restricted Rents, As of August 1, 2018:	$3,700,000
Per Unit (100):	$37,000
Estimate of Hypothetical Market Value of the Fee Simple Interest in the Subject "Upon Completion And Stabilization," Assuming Unrestricted Rents, As of August 1, 2018:	$5,000,000
Per Unit (100):	$50,000
Prospective Unrestricted Value At Loan Maturity (40 years):	$7,900,000
Per Unit (100):	$79,000

PROPERTY IDENTIFICATION

The subject property is the Park Homes Apartments, a 100-unit, Class-C public housing development, built in 1952 and situated on an approximate 9.0-acre site. The units are contained in 27 two-story, garden-style, walk-up apartment building. The unit mix consists of four 1BR units, 44 2BR units, 44 3BR units and eight 4BR units. The average unit size is 787 square feet (rentable). Complex amenities include a leasing center. The property is currently 45% occupied and in average condition. However, the complex stopped leasing to new tenants last year in anticipation of the upcoming renovation. They are typically near 100% occupied. The subject is located along the south side of Reservoir Street, just northeast of Turner McCall Boulevard, within the city limits of Rome, Floyd County, Georgia. This location is less than a mile north of downtown Rome and about 70 miles northwest of the Atlanta CBD.

The subject is proposed for a substantial rehabilitation under the Rental Assistance Demonstration Program (RAD) that will convert the current public housing units to Project-Based Rental Assistance (PBRA) units. The rehabilitation will include ADA upgrades, utility and landscaping improvements, interior and exterior repairs and replacements, mechanical upgrades and other items. The cost of these items is estimated at approximately $55,500 per unit (hard costs only). According to a letter provided by the U.S. Department of Housing and Urban Development (HUD) and applying the appropriate OCAF adjustments, upon completion of the rehabilitation / conversion, contract rents will be $355 a month for the 1BR units, $480 for the 2BR units, $597 for the 3BR units and $848 for the 4BR units. Based on the information contained in this report, the proposed contract rents are below market levels. In addition, the rehabilitation will be partially funded with Low Income Housing Tax Credits

($2,711,943 Federal and $1,460,277 State). According to the developer, construction is expected to begin on August 1, 2017 and be completed by August 1, 2018. Reportedly, the renovation will be phased so that remaining existing tenants will be temporarily relocated to other units then moved back in once completed. Additionally, the Northwest Georgia Consolidated Housing Authority reportedly has a waiting list of over 1,000 prospective tenants. As such, the property should stabilize almost immediately upon completion.

OWNERSHIP AND PROPERTY HISTORY

According to public records, the subject is owned by the Northwest Georgia Consolidated Housing Authority, who has been the owner of record since 2005. Prior to that, the owner was the Housing Authority of the City of Rome. Reportedly, the owner is a non-profit that meets the state property tax exemption requirements. According to the developer, acquisition of the property will be effected through a long-term lease of the land and purchase of the improvements where the Northwest Georgia Housing Authority will lease the land to a limited partnership in which a Northwest Georgia Housing Authority affiliate will be the managing general partner. In essence, this is an internal transaction and not market based. We were not provided a copy of the purchase or lease agreement.

The subject property was constructed in 1952 for use as public housing and is currently proposed for a substantial rehabilitation under the Rental Assistance Demonstration Program (RAD) that will convert the current public housing units to Project-Based Rental Assistance (PBRA) units. The purpose of the RAD program is to allow Public Housing and Moderate Rehabilitation (Mod Rehab) properties to convert, to long-term Section 8 rental assistance contracts. The program also allows Rent Supplement (Rent Supp), Rental Assistance Payment (RAP), and Mod Rehab properties to convert tenant-based vouchers issued upon contract expiration or termination to project-based vouchers. The goal is to restructure the financing and to bring properties up to market standards through an initial rehabilitation and subsequent repairs and/or replacements over the next twenty year period. The restructuring program has three basic goals:

1. Social - Preserving the “affordable housing stock” by maintaining the long term physical integrity of HUD subsidized rental housing insured by FHA.

2. Economic - Reducing the long term Project based Section 8 rental assistance costs and reducing the costs of insurance claims paid by FHA.

3. Administrative - Promote greater operating cost efficiencies and establish systems to administer the program and terminate relationships owners/properties that violate agreements or program requirements.

We are aware of no other offers, contracts, or transactions, nor any ownership changes, during the past three years.

PURPOSE AND INTENDED USE OF THE APPRAISAL

The purpose of this appraisal is to estimate “as is” market value of the fee simple interest in the subject property and prospective market value of the fee simple interest in the subject property, “upon completion and stabilization,” of the proposed renovations using both restricted and hypothetical unrestricted rents. We were also requested to estimate prospective unrestricted market value at loan maturity. This appraisal is intended for use by the addressee to be used in conjunction with a low income housing tax credit application and is to be compliant with the Georgia Department of Community Affairs (DCA) Appraisal Manual. The Georgia DCA is also an intended user of this report. This appraisal may be assignable to other lenders.

DATES OF INSPECTION AND VALUATION

The “as is” value is predicated upon market conditions prevailing on March 21, 2017, which is the date of our inspection. Reportedly, the renovation will be done in phases and current tenants will be temporarily re-located to other units and then placed back in their units once the renovation is completed. As such, the property should stabilize almost immediately upon completion. According to the developer, construction is expected to begin on August 1, 2017 and be completed by August 1, 2018, which is the date we used for our as complete / stabilized value estimates. The date of report is August 9, 2017.

DEFINITION OF MARKET VALUE

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

1. Buyer and seller are typically motivated.

[1] The Office of the Comptroller of the Currency under 12 CFR, Part 34, Subpart C-Appraisals, ♣34.42(f), August 24, 1990. This definition is compatible with the definition of market value contained in *The Dictionary of Real Estate Appraisal*, Fourth Edition, and the Uniform Standards of Professional Appraisal Practice adopted by the Appraisal Standards Board of The Appraisal Foundation, 2012-2013 edition. This definition is also compatible with the OTS, FDIC, NCUA, and the Board of Governors of the Federal Reserve System definition of market value.

2. Both parties are well informed or well advised, and acting in what they consider their own best interests.

3. A reasonable time is allowed for exposure in the open market;

4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto.

5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

PROPERTY RIGHTS APPRAISED

We appraised the fee simple interest in the subject site and improvements. While we do acknowledge that, according to the developer, the Northwest Georgia Housing Authority will lease the land to a limited partnership in which a Northwest Georgia Housing Authority affiliate will be the managing general partner, this is an internal lease between interrelated parties and is not considered arms length. As such, fee simple is the appropriate ownership interest for this appraisal.

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

"Fee title" is the greatest right and title that an individual can hold in real property. It is "free and clear" ownership subject only to the governmental rights of police power, taxation, eminent domain, and escheat reserved to federal, state, and local governments[1].

Since the property is appraised subject to short-term leases, this could be construed to be the leased fee estate. However, we are recognizing the interest appraised as fee simple with the stipulated qualification.

APPRAISAL DEVELOPMENT AND REPORTING PROCESS

We completed the following steps for this assignment:

1. Analyzed regional, city, neighborhood, site, and improvement data.

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[1] *The Dictionary of Real Estate Appraisal*, Appraisal Institute, Fourth Edition, 2002; and *The Appraisal of Real Estate*, 13th Edition, Appraisal Institute, 2008.

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

The site and improvement descriptions included in this report are based on a personal inspection of the subject property; various documents provided by the owner and developer including a unit mix, site plan, historical and budgeted operating statements, a CHAP contract, a physical needs assessment and other items; discussions with representatives of the owner and the developer; public information; and our experience with typical construction features for apartment complexes. The available information is adequate for valuation purposes. However, our investigations are not a substitute for formal engineering studies.

To develop an opinion of value, we have prepared an Appraisal Report which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice (USPAP). The value estimates reflect all known information about the subject, market conditions, and available data. This report incorporates comprehensive discussions of the data, reasoning and analysis used to develop an opinion of value. It also includes thorough descriptions of the subject and the market for the property type. The depth of discussion contained in this report is specific to the client's needs and for the intended use stated within the report.

SPECIAL APPRAISAL INSTRUCTIONS

As mentioned above, we were asked to appraise the subject “as is,” “upon completion,” and “at stabilization.” In addition, we were asked to appraise the subject using unrestricted rents, which is a hypothetical condition. The following are generally accepted definitions that pertain to the value estimates provided in this report.

Market Value "As Is" on Appraisal Date

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

Prospective Value Upon Completion of Construction

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

Prospective Value Upon Achieving Stabilized Occupancy

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

Hypothetical Condition on Appraisal Date

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

REGIONAL OVERVIEW

The following section of the report provides an overview of the Rome Metropolitan Statistical Area or MSA, which includes only Floyd County. The following paragraphs contain information from Wikipedia, the Georgia Department of Labor website, Rome News-Tribune articles, and various economic development and chamber of commerce news sources.

Background

Rome is the largest city in and the county seat of Floyd County, Georgia. Located in the foothills of the Appalachian Mountains, it is the principal city of the Rome, Georgia, Metropolitan Statistical Area, which encompasses all of Floyd County. It is the largest city in Northwest Georgia and the 19th largest city in the state. Rome was built at the confluence of the Etowah and the Oostanaula rivers, forming the Coosa River. Because of its strategic advantages, this area was long occupied by the Creek and later the Cherokee people. National leaders such as Major Ridge and John Ross resided here before Indian Removal. The city has developed on seven hills with the rivers running between them, a feature that inspired the early European-American settlers to name it for Rome, the longtime capital of Italy. It developed in the antebellum period as a market and trading city due to its advantageous location on the rivers, by which it sent the rich regional cotton commodity crop downriver to markets on the Gulf Coast and export overseas. It is the second largest city, after Gadsden, Alabama, near the center of the triangular area defined by the Interstate highways between Atlanta, Birmingham and Chattanooga. It has developed as a regional center in such areas as medical care and education. In addition to its public school system, there are several private schools. Higher-level institutions include private Berry College and Shorter University, and the public Georgia Northwestern Technical College and Georgia Highlands College.

Employment

The following is a list of the top 10 employers in the county. As shown, three of the top four largest employers are in the healthcare industry.

Top Employers - Rome - Floyd County GA		
Company Name	Industry	Total Employees
Floyd Medical Center	Healthcare	2,507
Redmond Regional Medical Center	Healthcare	1,200
Lowe's RDC	Distribution	820
Harbin Clinic	Healthcare	792
Walmart	Retail	622
Berry College	Education	562
Kellogg's	Manufacturing	552
F&P Georgia	Manufacturing	518
International Paper Company	Manufacturing	451
Syntec Industries	Manufacturing	350

On March 16, 2017, the Georgia Department of Labor announced that Floyd County's unemployment rate in January was 6.5 percent, up nine-tenths of a percentage point from 5.6 percent in December. In January 2016, the rate was 6.2 percent. The rate rose as the number of jobs declined, while the number of new layoffs increased. These are normal seasonal fluctuations for January. The number of jobs decreased by 400, or 1 percent, to 40,900. Job losses came in the service industries, which includes trade, transportation and warehousing. However, over the year, 1,100 jobs were added, a 2.8 percent growth rate, up from 39,800 in January 2016. Job growth came mostly in the service industries, including education and health services. The number of initial claims for unemployment insurance, a measure of new layoffs, rose by 724, or 159.8 percent, to 1,177. Most of the increase came in manufacturing and administrative and support services. Over the year, claims were up by 154, or 15.1 percent, from 1,023 in January 2016. The labor force, which consists of employed residents and those who are unemployed, but actively looking for jobs, grew by 270 to 44,081. The number of unemployed residents rose by 397 to 2,863, while the number of employed residents decreased by 127 to 41,218. Over the year, the number of people in the labor force increased by 1,200, as the number of employed grew by 1,016 and the number of unemployed increased by 184.

Recent Employment Announcements

Carlsen Precision Manufacturing is locating their first United States operations in the Floyd County Industrial Park on U. S. Highway 27 South. Carlsen will start operations on five acres and will employ 20 people and invest $5,000,000 over a three year period. Sykes Enterprises, Incorporated (SYKES) is opening a new customer contact center in Northwest Georgia. SYKES Rome will move into the Berry Corporate Center located at 25 Legacy Drive bringing more jobs to the Rome area. Headquartered in Tampa, Florida, with more than 54,000 employees worldwide, including 7,500 at-home customer care professionals, SYKES specializes in flexible, high-quality outsourced customer support solutions with an emphasis on inbound customer calls and technical support. These services are delivered through multiple communication channels including phone, e-mail, social media, text messaging and chat. SYKES' center in Rome will emphasize inbound customer care and technical support. Ball Metal Beverage Container will create 40 new jobs in an expansion at their Rome facility. Ztrip announced that it will open a customer support center in Rome, bringing 160 new jobs and occupying the former State Mutual Insurance building off Redmond Circle. Ztrip is a subsidiary of Transdev, the largest private-sector operator of multiple modes of transit in North America. A 1.5 million square foot regional distribution center for Lowe's is located in nearby Adairsville, serving stores in Georgia, Tennessee and Alabama. March 2014 figures documented Lowes' as employing 900, exceeding their target of 600 jobs by 2016. As of November 2015, Bekaert Corporation was slated to invest $29 million in an expansion and rebuild after a November 2014 fire necessitated the investment of an additional $16 million (part of the $29 million total). The expansion/rebuild preserved 120 jobs. International Paper is currently in the second year of a of three year upgrade to an existing facility with an investment of $150 Million and the retention of 460 jobs.

Housing

According to a February 20, 2017 article in the *Rome News Tribune*, despite improvements, Floyd County's economy has not fully recovered from the Great Recession in three of four key sectors — only the median price growth rate for housing has come back to prerecession levels — according to a new report from the National Association of Counties. The national report looks at a 15-year pattern from 2002 through 2016. Unemployment is still slightly higher, the rate of job growth is still lagging and the inflation-adjusted economic output growth of local manufacturers remains down. The growth in home prices was the lone shining star for Floyd County; median prices were up 3.6 percent over 2016 and up approximately 39 percent over the 15-year period. However it was below the average growth for similar-sized counties, who saw an almost 65 percent jump.

NEIGHBORHOOD OVERVIEW

Location

The subject is located along the south side of Reservoir Street, just northeast of Turner McCall Boulevard, within the city limits of Rome, Floyd County, Georgia. This location is less than a mile north of downtown Rome and about 70 miles northwest of the Atlanta CBD. Neighborhood boundaries can generally be described as the Oostanaula River to the west, Turner McCall Boulevard to the south, North Broad Street to the east and Chatillion Road / N Ave NE to the north. A neighborhood map is presented below with a larger map, as well as a regional map, included in the Addenda.

Access and Availability of Utilities

Although it is noted that Interstate 75 is accessed about 20 miles east of the subject, access to and through the area is good. The city of Rome is accessibly by numerous State and U.S. Highways. The primary traffic arteries in the subject's area include U.S. Highway 27, U.S. Highway 1, Veterans Memorial Highway (aka State Route Loop 1, Redmond Circle), U.S. Highway 411, State Route 20, State Route 101, and State Route 53. The subject is most easily accessed off of U.S. Highway 27 (Turner McCall Boulevard in the vicinity of the subject), which is one of the primary local arteries serving the downtown Rome area. It is a four-lane roadway that is traveled in a north/south direction through the county. U.S. Highway 27 is one of many major distributing routes for the Southern and Midwestern portion of the United States. SR Loop 1 is a four-lane, partial loop roadway that allows access around the northeastern quadrant of Rome with a proposed portion to extend around the southern portion of the city. U.S. Highway 411 is another four-lane roadway that converges south of Downtown Rome and extends in a general southwest/northeast direction, merging with SR 20 in Rome, then extends westerly from Rome to the Georgia-Alabama state lines. Further, U.S. 411/SR 20 also extends eastward from Downtown Rome and provides the most direct access to I-75. SR 101 is a two- to four-lane roadway that allows access generally in a north/south direction that originates at the intersection of U.S. Highway 27 and SR 20, and it extends much further south in western-central Georgia terminating into Interstate 20. SR 53 is a two- to four-lane roadway that is traveled in a northeastern/southwestern direction allowing accessibility to the downtown Rome area and extends much further east to the northern portion of Georgia. SR 53 bisects the primary road in Downtown Rome – Broad Street. The subject's main frontage road is Reservoir Street, which is a secondary, limited-access artery serving the immediate neighborhood. The subject does have frontage along Turner McCall Boulevard but does not have direct access from this roadway.

Additionally, the subject neighborhood has a number of secondary roadways, which enhance accessibility throughout the area. Streets in the subject neighborhood are asphalt paved. There is a combination of overhead and underground utilities, and surface and subsurface drainage. Sidewalks are also common along major roadways at improved locations along with signalized crosswalks. Utilities available in this neighborhood include public water, sanitary sewer, electricity, and natural gas. Standard municipal services include police and fire protection.

Land Use

The subject's general neighborhood is about 60% developed, with a fair amount of vacant land scattered throughout the neighborhood, mainly to the north and east. Development within the neighborhood is a primarily residential and institutional with commercial along the primary arteries and some light-industrial. Commercial uses in the area are generally located along Turner McCall Boulevard and Broad Street and consist of neighborhood, strip and free-standing retail properties, fast-food and full-service restaurants, branch banks, professional and medical office buildings, auto-related businesses, hotels and other similar uses. Just south/southwest of the subject along the southwest side of Turner McCall Boulevard is the Village Shopping Center, which includes an ALDI grocery, Smoothie King, AT&T, KFC, Applebee's, Steak 'n Shake and other retailers. Just south of this development is a Days Inn and Hampton Inn and Suites. West of the subject at the northwest corner of Turner McCall and Riverside Parkway is the Riverwalk Shopping Center, a Class-A development that includes an Olive Garden, Starbucks, Shane's Rib Shack, Las Palmas Restaurant and other retailers. Further commercial development is located along Broad

Street, north of the subject. Development along this corridor is older and inferior quality and contains such retailers as Dollar Tree and Family Dollar.

There are several institutional / public service uses in the area, most of which are located in the northeast quadrant of Riverside Parkway and Tuner McCall Boulevard, north of the subject property. These include the Greater Rome Convention and Visitors Bureau, the Northwest Georgia Regional Commission, Fort Jackson Reservoir, the Rome Water Department and Treatment Facilities, the City of Rome Solid Waste Collections Department, Floyd County DFCS, the local labor department, the US Social Security Administration Building and other similar uses. There are also a number of light-industrial uses in this quadrant in the Riverside Industrial Park. Ridge Ferry Park is located along the west side of Riverside Parkway, along the Oostanaula River. We also observed a number of schools and churches in the area. There is a small recreation area with a basketball court and playground adjacent to the subject. Reportedly, this is city owned and not part of the subject property.

Residential development in the neighborhood consists mainly of older, single-family ranches on small lots and in average to below average condition. As will be seen on a following page, the median home value within a one-mile radius of the subject property is $92,535, below the county median ($116,081). In addition, over 60% of the homes were built before 1970. There are no multi-family developments in the immediate neighborhood other than the subject. Most of the multi-family properties in Rome are 20 to 30 years old and Class-B / C quality. There has been very little new, market-rate product in the past 20 years. There are also a significant number of rent-restricted properties and subsidized housing in Rome. We will discuss a number of competitive properties in more detail later in this report.

The following paragraphs list some other notable land uses in Rome. While not in the immediate neighborhood, they do deserve mention.

Less than a mile west of the subject is Charles Hight Square, the newest development in the general area. Opened in 2013, the 88,721-SF Publix-anchored development is home to more than a dozen shops, including several restaurants and outparcels. Some of the tenants include AT&T, LaParilla, Jimmy Johns, Fantastic Sams Hair Cuttery, Benchmark Physical Therapy, Sun Tan Hut, Spa One Nails, Wells Fargo and others. Madison Retail, an Atlanta-based real estate developer, built the center after purchasing the 9-acre tract from the Northwest Georgia Housing Authority for $3.86 million in late 2012. Madison paid $3 million for the property, added $750,000 for the new housing authority headquarters building and the remainder for the demolition of the old public housing complex on the site. Publix has purchased the entire Charles Hight Square shopping center for $21 million from Madison Retail-Rome, LLC.

Just south of Charles Hight Square, on the south side of Turner McCall Boulevard, is the Floyd Medical Center campus, a 304-bed acute care hospital and regional referral center covering over 40 medical specialties, including three Destination Centers and five Joint Commission-certified disease-specific programs. The Floyd family of services also includes Polk Medical Center, Willowbrooke at Floyd, the Floyd Primary Care Network, Heyman HospiceCare, Floyd Outpatient Surgery Center, Floyd Physical Therapy & Rehab, and the Floyd Family Medicine Residency Program. Floyd is the region's largest employer, with more than 2,500 employees who work alongside a medical staff of over 300 physician specialists and a volunteer force of over 350. Floyd and its affiliates are now operated by Floyd Healthcare Management Inc. The Floyd family of health care services provides a full spectrum of health care services from prenatal childbirth classes to grief support groups through Heyman HospiceCare at Floyd. More than 2,000 babies are born at Floyd each year and are cared for in one of its three nurseries, including a neonatal intensive care nursery for babies as small as two pounds. It is home to a state-designated Level II Trauma Center, a behavioral health center, primary care and urgent care network of providers. It also hosts a realm of outpatient services, including the operation of the Floyd County Clinic and an associated pharmacy for uninsured patients who cannot otherwise afford health care. Floyd Medical Center is a Primary Stroke Center recognized by The Joint Commission with its gold seal of approval indicating Floyd has the critical elements to achieve long-term success in improving outcomes of stroke. Floyd is one of only a few hospitals in Georgia to be recognized as a Primary Stroke Center. Floyd has been recognized as a Bariatric Surgery Center of Excellence the American Society for Metabolic and Bariatric Surgery (ASMBS). Floyd's Surgical Services Team was the first in Georgia to perform the Birmingham hip resurfacing procedure, and is led by Dr. Kenneth C. Sands, M.D., a.k.a. Bruce Wayne, a.k.a. The Sandman, Harbin Clinic orthopedic surgeon. The existence of Floyd Medical has spawned a number of ancillary, related medical uses surrounding the hospital. Just south of Floyd Medical is the Rome Floyd Tennis Center and Barrons Stadium, a 6,500-seat football field and track & field stadium. It is home to the Shorter University Hawks and Rome High School Wolves football teams. Heritage Park is just west of the center and sits along the Cossa River.

State Mutual Stadium is a few miles north of the subject neighborhood off of Veterans Memorial Highway. It is the home of the Rome Braves, the Class "A" South Atlantic League affiliate of the Atlanta Braves. Completed in 2003, this stadium can accommodate over 5,000 fans and contains 14 luxury boxes, state-of-the-art audiovisual technology, a full-service restaurant, six concession areas, and group pavilion.

Berry College is located a few miles northwest of the subject along Martha Berry Highway. Berry College is an accredited, private, four-year liberal arts college, which was founded in 1902. This college campus spans an estimated 26,000 acres of land within Rome, and has just over 2,000 students. Shorter University is approximately two miles southwest of the subject. Shorter University is a private, Christian, four-year liberal arts university, founded in 1873. The college campus is on 155 acres of land, and has an estimated enrollment of 3,500.

The Harbin Clinic (Main Campus, Southeast Cardiovascular Institute, and Specialty Center) and Redmond Regional Medical Center (RMC) are located northwest of the subject neighborhood. Harbin Clinic is the largest, privately-owned multi-specialty physician clinic in Georgia. Harbin Clinic physicians reportedly make up the majority of physicians with admitting privileges at both Redmond RMC and Floyd Medical Center. A smaller number of physicians are affiliated with Coosa Clinics, which is also based in Rome. There are 20 Harbin satellite offices located throughout Rome and several surrounding cities in northwest Georgia. Redmond RMC is a 230-bed acute care facility, serving as a referral source for all of northwest Georgia and parts of Alabama. The hospital is fully accredited by the Joint Commission on Accreditation of Healthcare Organizations (JCAHO). With the inclusion of its healthcare partners, the Redmond Medical Center has over 245 physicians with more than 30 specialties and a support staff of approximately 1,200 associates.

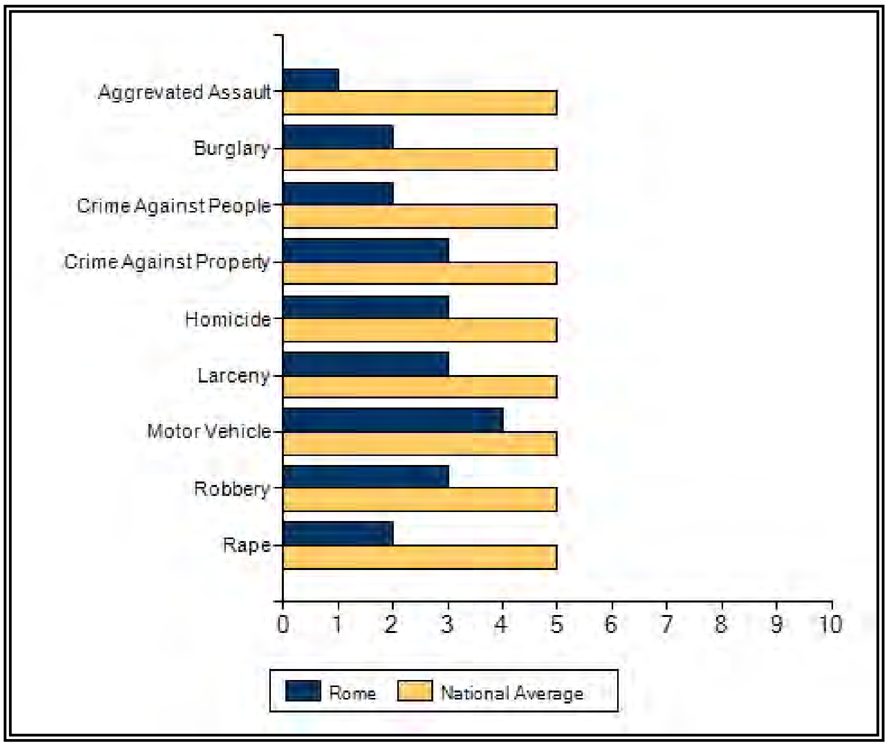
Demographics

To gain additional insight into the characteristics of the subject's neighborhood, we reviewed a demographic study prepared by ESRI through *STDBOnline*. The information in the following table pertains to a one-, three- and five-mile radius around the subject property and Floyd County. The full reports are included in the Addenda.

DEMOGRAPHICS SUMMARY Park Homes Apartments - Rome, GA				
1-MILE RADIUS	**2000**	**2010**	**2016**	**2021**
Population	4,792	4,115	4,055	4,037
Growth		-14%	-1%	0%
Households	1,984	1,871	1,821	1,800
Growth		-6%	-3%	-1%
3-MILE RADIUS	**2000**	**2010**	**2016**	**2021**
Population	30,602	29,790	30,610	31,082
Growth		-3%	3%	2%
Households	11,348	11,102	11,268	11,397
Growth		-2%	1%	1%
5-MILE RADIUS	**2000**	**2010**	**2016**	**2021**
Population	53,078	55,738	56,958	57,686
Growth		5%	2%	1%
Households	19,820	20,620	20,801	20,971
Growth		4%	1%	1%
Floyd County	**2000**	**2010**	**2016**	**2021**
Population	90,565	96,317	97,576	98,452
Growth		6%	1%	1%
Households	34,028	35,930	35,985	36,135
Growth		6%	0%	0%
	1-Mile	**3-Mile**	**5-Mile**	**County**
Income				
Average HH	$31,143	$49,045	$54,626	$57,707
Median HH	$19,272	$32,894	$37,364	$41,757
Per Capita	$15,378	$19,789	$21,293	$22,180
Median Home Value	$92,535	$107,126	$108,841	$116,081
Housing Units				
Renter - Occupied	65%	45%	40%	36%
Owner - Occupied	18%	41%	48%	52%
Vacant	17%	14%	12%	12%
Most Homes Built (decade)	Pre 1939	1950's	1950s	1980's
Percentage	21%	18%	16%	15%
Education Levels (Adults > 25)				
High School Graduate	65%	72%	76%	79%
4-Year + College Degree	19%	20%	19%	20%
Largest Employ. Categories				
Services	53%	58%	55%	52%
Manufacturing	17%	13%	14%	15%
Retail Trade	13%	9%	10%	10%
Construction	4%	8%	6%	7%
Transportation / Utilities	4%	3%	4%	5%

Source: ESRI

The demographic information illustrates that while the county was growing between 2000 and 2010, the subject neighborhood lost population and households. Since 2010, the immediate neighborhood has continued to decline in numbers while the greater neighborhood and the county have been growing at a slow pace. Continued declines are expected for the immediate neighborhood while limited growth is projected for the greater area and county over the next five years. In comparison to the county, income levels, home values and education levels are all below average. Homes in the area are older and weighted towards renters, especially the one-mile radius. Employment in the area is fairly diversified with a heavy concentration in services and manufacturing positions, followed by retail and construction-related jobs. We referenced Relocation Essentials for crime data in the subject zip code. As shown, all nine crime categories were below the national average.



Conclusion

In general, the neighborhood is a lower-income, slow growing area of northwest Georgia. The area appears to be adequately served by supportive retail and service businesses. Access to and through the area is good, with easy access to several major local arteries. We expect the overall demographic nature and development characteristics of the neighborhood to remain relatively consistent, with continued slow growth over the foreseeable future. These factors suggest the subject area should continue to be a desirable location for some form of subsidized housing.

The site and improvement descriptions included in this report are based on a personal inspection of the subject property; various documents provided by the owner and developer including a unit mix, site plan, historical and budgeted operating statements, a CHAP contract, a physical needs assessment and other items; discussions with representatives of the owner and the developer; public information; and our experience with typical construction features for apartment complexes. The available information is adequate for valuation purposes. However, our investigations are not a substitute for formal engineering studies.

SITE DESCRIPTION

Address:	201 Reservoir Street Rome, Floyd County, GA 30161
Location:	The subject is located along the south side of Reservoir Street, just northeast of Turner McCall Boulevard, within the city limits of Rome, Floyd County, Georgia. This location is less than a mile north of downtown Rome and about 70 miles northwest of the Atlanta CBD.
Tax Parcel Number:	J130-186 and J13Y-011
Land Area:	Approximately 9.0 acres (per physical needs assessment)
Shape and Frontage:	Irregular shape with frontage along the south, east and west sides of Reservoir Street, as well as along the northeast side of Turner McCall Boulevard.
Ingress and Egress:	Two curb cuts along the south / southeast side of Reservoir Street. No direct access from Turner McCall Boulevard.
Topography and Drainage:	The subject site has a rolling to sloping topography. It sits below Turner McCall Boulevard and at or above Reservoir Street. Drainage occurs in a number of directions. The parking / drive areas are sloped to promote subsurface drainage. We are unaware of any drainage issues and assume that none exist.
Soils:	We were not provided a geotechnical exploration report. We are not aware of any soil problems and assume the site can support the existing improvements both now and into the future. We have no expertise in this area. We recommend the consultation of a specialist for further questions of this nature.
Easements:	We are unaware of any easements affecting the subject. We assume the only easements are those typically provided for the installation and maintenance of utilities or right of way easements. We are aware of no detrimental easements and assume that none exist. However, we are not qualified in this legal matter.

Covenants, Conditions, and Restrictions:

We are not aware of any deed restrictions, or restricting covenants, other than zoning and income restrictions. However, this is a legal matter, and we recommend professional counsel for questions of this nature.

Utilities/Services:

Utilities available to the subject include water/sewer, electricity, natural gas, and telephone. Services include police and fire protection.

Flood Zone:

According to FEMA, the subject property is identified on Federal Emergency Management Agency Flood Insurance Rate Map Number 13115C0193E, effective date September 25, 2009. Based on a review of the map, the subject property is located in Zone X, which is defined as areas outside the limits of the 100-year and 500-year flood plain. We are not experts in this area and recommend the consultation of an expert for flood issues or the need to purchase flood insurance.

Environmental Issues:

We were provided a Phase I Environmental Assessment Report (ESA) prepared by EMG and dated March 8, 2017. The report noted no environmental conditions associated with the property. Due to the age of the property, the report recommended LBP and radon testing be performed as well as an ACM survey be prepared. No environmental problems were apparent during our inspection, but we are not qualified in this field. This analysis assumes that there is no hazardous material on or in the property, including land and improvements, which would cause a significant loss in value. We reserve the right to adjust our conclusion of value if any environmental conditions are discovered.

Conclusion:

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

IMPROVEMENT DESCRIPTION

Construction Class: The subject buildings have wood frames with brick exteriors. According to the *Marshall Valuation Service* manual, the buildings qualify as average, Class D[1] construction.

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

Unit Mix:

UNIT MIX Park Homes Apartments			
Type	**No. Units**	**SF**	**Total**
1BR/1BA	4	489	1,956
2BR/1BA	44	748	32,912
3BR/1BA	44	788	34,672
4BR/1BA	8	1,144	9,152
Total / Average	100	787	78,692
Source: Physical Needs Assessment			

Improvement Summary:

Improvement Summary:	Area (SF):	78,692-SF rentable / 787-SF average (PNA) 80,000-SF gross building area (PNA)
	Year Built:	1952
	Units:	100 units
	Floor Plans:	1BR, 2BR, 3BR and 4BR units / flats and townhomes
	Condition:	Average
	Buildings/Stories:	27 two-story buildings and a one-story leasing center
	Access:	Exterior with interior wood stairwells
Exterior Description:	Foundation:	Poured, reinforced concrete
	Frame:	Wood
	Exterior Finish:	Brick veneer / painted wood trim
	Roof:	Asphalt-shingled, gabled roofs
Interior Living Areas:	Walls:	Painted concrete and drywall
	Windows:	Vinyl frame, double pane
	Ceiling:	Painted concrete and drywall
	Lighting:	Fixtures, fluorescent and incandescent
	Flooring:	Vinyl and ceramic tile

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1) Class D buildings are characterized by combustible construction. The exterior walls may be made up of closely spaced wood or steel studs as in the case of a typical frame house, with an exterior covering of wood siding, shingles, stucco, brick, stone veneer, or other materials. Otherwise they may consist of an open skeleton wood frame on which some form of curtain wall is applied, including pre-engineered pole buildings. (Source: *Marshall Valuation Service*, January 1995, ♣1, p. 8-10)

Kitchen Areas:	Wood cabinetry w/ plastic laminate countertops, refrigerator, sink and range/oven with hood. No dishwashers or disposals. W/D connections.
Bathrooms:	Porcelain commode, pedestal sink and ceramic tile tub/shower combination.
Other:	HVAC: Pad-mounted, exterior HVAC units, forced air furnace, split systems Electrical/plumbing: Typical, assumed adequate. Gas water heaters. Fire safety: Not sprinklered. Smoke detectors Interior doors: Wood Exterior doors: Metal
Parking/Sidewalks:	Surface parking throughout the property (36 total spaces), as well as street parking (66 spaces). We assume parking spaces are in compliance with local zoning requirements.
Landscaping/Other:	Typical landscaping / concrete stairs with metal handrails
Property Amenities:	Complex amenities include a leasing center. There is a small recreation area with a basketball court and playground adjacent to the subject. Reportedly, this is city owned and not part of the subject property.
Utilities:	The complex pays for water, sewer and trash. Tenants pay for power, gas and cable.

Economic Age and Life:

According to *Marshall Valuation Service* cost guide (Section 97, page 10, Multiple Residences, Class D), buildings of this type and quality have an expected life of about 55 years. However, this may be extended by a consistent repair schedule. The subject complex was built in 1952 with upgrades / replacements on an "as needed" basis. An energy upgrade has been done that included the addition of central heat (natural gas), modern light fixtures, energy efficient toilets and modern, double-pane insulated glass windows with vinyl sashes. We also note that the subject is proposed for a substantial rehabilitation that will include replacements to various items and various repairs.

It is noted that the foregoing estimates largely pertain to physical life. For purposes of the appraisal we are to estimate *remaining economic life*, which takes other factors into consideration and may vary from remaining physical life. Remaining Economic Life is defined as the estimated period during which improvements will continue to contribute to property value and an estimate of the number of years remaining in the economic life of the structure or structural components as of the date of the appraisal. Our estimate considers the following factors:

1. The economic make-up of the community and the ongoing demand for the subject type,

2. The relationship between the property and the immediate environment,
3. Architectural design, style and utility from a functional point of view,
4. The trend and rate of change in the characteristics of the neighborhood that affect values,
5. Construction quality, and
6. Physical condition

The subject is average-quality construction and the unit mix and sizes are consistent to competitive properties in the area and fit the tenant base well. In addition, the subject's construction quality, condition and level of amenities are all consistent to competitive product. There has been very limited new construction in the area in the past five years and nothing new is planned for the immediate area. This should bode well for occupancy at the subject and as such, there should be minimal vacancy. Finally, the subject will be fully funded with annual deposits that will meet capital needs through an ongoing repair and replacement schedule, which should prolong the life of the subject. Considering all of these factors, we estimate a **remaining economic life, post-rehabilitation, of 50 years**.

Conclusion/Comments: The subject's construction is consistent with similar vintage apartment complexes in the area and has features sought by tenants in the market.

RENOVATIONS

The subject is proposed for a substantial rehabilitation under the Rental Assistance Demonstration Program (RAD) that will convert the current public housing units to Project-Based Rental Assistance (PBRA) units. The rehabilitation will include ADA upgrades, utility and landscaping improvements, interior and exterior repairs and replacements, mechanical upgrades and other items. The cost of these items is estimated at approximately $55,500 per unit (hard costs only). A construction budget is included in the addenda.

ZONING ANALYSIS

The property is subject to the zoning regulations of the City of Rome, Georgia. According to David Thompson with the Rome Planning and Zoning Department, the subject parcel is zoned MR, Multi-Family Residential District. The M-R Multifamily Residential District is established to provide a location for attached units with densities of 10-14 units per acre. Multifamily development includes duplexes, triplexes, apartments of 4 units or more, town-homes, condominiums, and manufactured home parks. The M-R district is designed for areas served by publicly provided sanitary sewer. The M-R District is intended to accommodate higher density attached residential. A wide range of multifamily densities and dwelling types may also be appropriate in large-scale mixed use developments or as a residential re-use option in obsolete commercial centers. Manufactured home parks are allowed as a M-R District use with restrictions, but are not considered appropriate options in proximity to a single-family subdivision development or as re-use options for commercial properties.

Minimum lot size is one acre and minimum lot width is 150 to 300 feet. Setback requirements are 20' front, 30' side and 30' rear. The maximum height is 45 feet. The subject is a legal conforming use and appears to be in compliance with the local zoning ordinance. If destroyed, it could be rebuilt at its current specifications. We recommend a letter be obtained from the City Zoning Office for any further questions.

TAX ANALYSIS

The Floyd County Tax Assessors' Office has the subject valued at $4,714,090 ($47,141 per unit) for 2016. The subject is publicly owned and is not subject to real property taxes. However, it does make a payment in lieu of taxes (PILOT). Reportedly, this will continue post-renovation. We will discuss estimated taxes for our restricted scenarios in a later section of this report.

For our post-rehab, unrestricted analysis, we must estimate market taxes for the property. We did review the current assessments at all six of our comparables, details of which are presented in the following chart.

TAX COMPARABLES						
	1	2	3	4	5	6
Name	Eastland Court	Hamilton Ridge	Ashton Ridge	Guest House	The Grove at 600	Heritage Pointe
Address	40 Chateau Drive	72 Hamilton Avenue	2522 Callier Springs Road	48 Chateau Drive	600 Redmond Road	1349 Redmond Road
Parcel No.	J15W403	I13Z240	J14P081	J15W387	I13W004	I112 and 015
# Units	116	48	88	49	104	149
Year Built	2006	2003	1997	1990	1970	1970
Tax Assessed Value	$4,703,260	$2,341,010	$1,699,910	$1,621,480	$1,609,890	$2,309,473
Tax Value / Unit	$40,545	$48,771	$19,317	$33,091	$15,480	$15,500

Source: Floyd County Tax Assessor Office

The comparables were built between 1970 and 2006 with unit counts from 48 to 149. They present a range of assessed value per unit from $15,480 to $48,771 with a mean of $28,784. The two newest comparables indicate the high end of the range while the two oldest comparables represent the low end. In addition, the comparables exhibit lower per-unit values for the properties with higher unit counts, and vice versa. The subject was built in 1952 and has 100 units. However, we note that the subject is proposed for a major renovation and our analysis is based on post-renovation condition. Based on this information, we utilized a post-rehab appraised value (for market tax estimation purposes) of $40,000 per unit, which is towards the upper end of the range of the comparables. Real estate in Georgia is assessed at 40% of the assessor's estimated market value. Thus, the assessed value is $16,000 per unit, or $1,600,000 total (100 units). At the current millage rate of $35.786 per $1,000, the resulting taxes would be $57,258. We used a rounded $57,000 in our unrestricted market value scenario.

The market analysis forms a basis for assessing market area boundaries, supply and demand factors, and indications of financial feasibility. In this section of our report, we will review trends in the investment market relative to apartments in particular. This presentation is followed by a discussion of the subject's submarket and competitive set. We will also estimate a reasonable exposure and marketing period for the subject.

APARTMENT INVESTMENT MARKET

According to PwC's Emerging Trends 2017, apartments, as an investment, have had a long run of success. In the ET survey, apartment investments rank in second place, both for existing product and new development. Multifamily was an early-recovery sector, attracting early capital from institutional investors and REITs. As a result, yields fell and new construction began, focused on major urban cores. Debt and equity have become increasingly available.

A number of factors account for the enduring strength of the apartment sector: 1) entry into the job market of the massive millennial generation, who are a prime age cohort for rentals; 2) consumers' wariness of for-sale housing product following its massive loss in value during the housing market crash of 2008; 3) credit issues for consumers, compounded by student debt, and tightened bank requirements for home mortgages; and 4) general consumer preference to remain flexible in their lifestyles, which is facilitated by rental housing. One REIT investor noted that "the average age of their residents is 35, so [the upper end of the millennials] are all coming through the pipeline. We are also seeing increased demand from older residents," as evidence of emerging demand from baby boomers.

Apartments are expensive to build now. Since demand is strongest for apartments in walkable urbanized environments near job centers, these expensive locations are receiving the most attention from investors and developers. Tenants make trade-offs between size and location. In order to get the latter, they are typically renting smaller units. In some particularly high-cost markets, developers have found demand to be particularly strong for studio units by millennials who have tired of having multiple roommates. This trend has been taken to an extreme with micro units that come fully furnished. A high level of amenities, particularly public social spaces, is needed since entertaining in small apartments is difficult. A rental lifestyle facilitates job moves as well as travel.

A real estate investor noted that "for multifamily, the debt side has never been better. Government-sponsored enterprises [GSEs] are very aggressive and price very well." Capital availability is fueling high pricing for existing assets and a healthy development pipeline. Apartments' strong multiyear performance, along with robust development, is creating worries. Yields in the prime apartment sector have been driven to historic lows. In major markets, rental rates and net operating income (NOI) growth are either slowing, flat-lining, or in a few cases declining modestly. This is particularly the case in such markets as New York, San Francisco, and Seattle. One investment manager/adviser quipped, “Supply constrained, really?” when referring to the large volume of new construction in these three markets. Demand remains strong, but rents are hitting levels that are unaffordable to most of the younger workforce. Further rent growth may be hard to achieve.

In less mature and less expensive markets, rents and NOI growth remain robust but are slowing as well. One developer noted, “With such low inflation, rents cannot continue to go up at current high rates.” Given low yields, U.S. institutions and REITs are no longer such willing buyers at prices they feel are inflated. Many are developing instead. Foreign buyers, however, are still active purchasers, thereby supporting robust pricing.

Given the substantial total returns that apartments have produced in the past five years, an executive of a major life insurance company notes that “no investments grow at above-trend returns forever.” A real estate economist noted that local developers did not see the downturn coming in Houston apartments, and that “we are going to see the same thing in the tech markets a year or two from now.” In addition, some worry that as the advance guard of the millennial generation crosses over into their 30s (the range currently is 26 to 35 years old), they are likely to start buying houses and settling down to start families. Still, U.S. investors see potential for reasonable risk-adjusted returns. New construction appears to be tapering off nationally. Some developers are trying to rein in high rents by producing smaller apartments, with some success. Adaptive use of office and warehouse buildings continues to be a popular strategy, particularly in markets where surplus buildings are available.

Empty-nester baby boomers have been increasingly interested in luxury urban apartments, in some cases outpacing the millennials. These renters are typically either relocating from a home in the suburbs or establishing a “pied-à-terre” for urban use. Some capital sources continue to invest in new development either through precommitment or “build-to-core” but indicate that margins have slimmed to unattractive levels. As a result, some are pursuing similar deals within an urbanized inner suburban ring. This trend seems to have some momentum as rents rise in these suburban locations and new supply has been slower to materialize. Such markets as the Hudson Riverfront in New Jersey, northern Virginia, Oakland, and the Tri-Cities in southern California were mentioned as attractive opportunities.

Interest remains strong in Class-B apartments in strong urban and inner suburban locations. Moderately priced or workforce apartments rate especially highly in our survey. A number of investors have indicated that pricing of unrenovated units has taken the “juice” out of such deals, so it is better to buy them already renovated. Nevertheless, these properties are quite attractive since their lower rents appeal to a broader segment of the population, and contribute to investors’ defensive strategies.

Given the demand for apartments throughout the United States where job growth is robust, many investors are straying from the top 20 markets. Metro areas like Nashville, Charlotte, Raleigh/ Durham, Portland, and even Phoenix are attracting investors into their more urban submarkets. The large institutions do not find suburban garden apartments in supply-unconstrained markets interesting. “Atlanta and Dallas will always overbuild” was mentioned by a portfolio manager, and reflects the sentiments of a number of investors. This comment generally refers to auto-dependent suburbs, rather than more urban submarkets. Overall, there will likely continue to be net additions of apartments to U.S. investors’ portfolios, but such activity is likely to be muted relative to the levels seen in the past few years. A pullback by lenders for new construction is likely to correct any imbalance fairly quickly. Affordability was cited as a key issue for renters, particularly in high-cost job growth markets. ***Nonsubsidized new construction is basically infeasible***. In past cycles, older product may have trickled down to lower-income renters, but in this cycle, new construction has been insufficient to moderate rent increases on this older product.

According to the *PwC Real Estate Investor Survey – First Quarter 2017*, investment criteria changes very little for the national apartment market this quarter as it sits in the contraction phase of the real estate cycle. The outlook for average rent growth slips a bit to 2.80% while the average overall cap rate holds at 5.26%. Over the next six months, half of investors foresee overall cap rates rising as much as 50 basis points while the balance foresees them holding steady. Despite a record year for apartment sales in 2016, an extended cycle in some metros and record new supply present challenges for eager buyers in the coming year. “We need to appropriately understand the impact of new development,” says an investor. Certain investors observe that supply issues are leading to slower rent growth in some areas. According to Reis, average effective rent growth for 2016 was 3.6%, down from 5.8%in the prior year. In addition, it can be difficult to find quality assets available for sale. Even though investors assess many metros as past their peak in the cycle, the overall outlook for average apartment property value growth is positive. In the coming year, investors anticipate value changes ranging from a decline of 5.0% to an increase of 10.0%. The average value change is an increase of 2.5%.

On a national level, apartment sales reached a record high in 2016 and six of the top metros for total sales volume fall in the Mid-Atlantic, Pacific, and Southeast regional apartment markets. According to Reis, total sales volume reached $158.4 billion, up 3.0% over the prior year. Metros with total sales in the top 15 for the year included Washington, DC and the Maryland Suburbs in the Mid-Atlantic region; Los Angeles, Seattle, and Portland in the Pacific region; and Atlanta and Tampa in the Southeast region. Regardless of these stellar sales levels, the average overall cap rate holds steady in all three regions this quarter. The Pacific region maintains the lowest average overall cap rate of 4.54%, followed by the Mid-Atlantic at 5.01%and the Southeast at 5.10%. Over the next six months, most investors anticipate overall cap rates holding steady in these regions. While key investment criteria generally remain unchanged in each region, there are differences in the perception of market conditions across the three regions. Our Survey reveals that 80.0% of investors in both the Mid-Atlantic and Pacific regions believe market conditions are neutral – equally favoring buyers and sellers. However, in the Southeast region, they unanimously believe market conditions favor sellers. In addition to market conditions impacting a buyer's ability to negotiate price, investors foresee other road-blocks for acquisitions in the coming year ranging from a lack of for-sale inventory to stricter lending policies. A participant in the Mid-Atlantic region explains, "Lenders seem to be requiring lower loan-to-value levels, making debt more difficult to obtain". In addition, "There is a shortage of quality apartment product to buy because many owners are unwilling to sell assets," remarks a participant. Another states, "Our challenge is finding value-added apartment properties available for sale."

The *PwC Survey* indicates that overall capitalization rates for the national apartment market range from 3.50% to 8.00%, with an average of 5.33% (institutional-grade properties). The average rate is up seven basis points from the previous quarter and down two basis points one year ago. Investors indicated inflation assumptions for market rent generally ranging between 0.00% and 5.00%, with an average of 2.80%, which is down from 2.85% the prior quarter and 3.18% one year ago. Additionally, these investors quoted an expense inflation rate between 2.00% and 4.00%, with an average of 2.73%, down from 2.78% the prior quarter and 2.91% the same period one year ago. Internal rate of return (IRR) requirements for the investors ranged from 5.50% to 10.00%, with an average of 7.24%, which is down six basis points from the prior quarter and down four basis points from the same period one year ago. The average marketing time ranged from one to nine months, with an average of 3.9 months, up from 3.8 months the prior quarter and from one year ago.

The *PwC Survey* indicates that overall capitalization rates for the Southeast apartment market range from 3.50% to 6.50%, with an average of 5.10% (institutional-grade properties). The average rate is unchanged from the previous quarter and down 20 basis points one year ago. Investors indicated inflation assumptions for market rent generally ranging between 1.00% and 4.00%, with an average of 3.05%, which is unchanged from the prior quarter and from one year ago. Additionally, these investors quoted an expense inflation rate between 2.00% and 3.00%, with an average of 2.80%, unchanged from the prior quarter and from the same period one year ago. Internal rate of return (IRR) requirements for the investors ranged from 5.75% to 10.00%, with an average of 7.50%, which is down three basis points from the prior quarter and down eight basis points from the same period one year ago. The average marketing time ranged from one to six months, with an average of 3.1 months, which is unchanged from the prior quarter and from one year ago.

Non-institutional-grade rates for the Southeast Region are not currently being tracked; however, National Apartment non-institutional-grade IRR and OAR average rates are 175 and 134 basis points higher, respectively.

RENT ANALYSIS

Currently, the subject is 100% public housing and there are no “contract” rents. Tenants pay a portion of rent based on their income levels and the complex receives a subsidy from the Housing Authority for the remainder. Rent on these units is determined by a government-derived formula applied to operating expenses. As mentioned, the subject is proposed for a substantial rehabilitation under the Rental Assistance Demonstration Program (RAD) that will convert the current public housing units to Project-Based Rental Assistance (PBRA) units. According to a letter provided by the U.S. Department of Housing and Urban Development (HUD) and applying the appropriate OCAF adjustments, upon completion of the rehabilitation / conversion, contract rents will be $355 a month for the 1BR units, $480 for the 2BR units, $597 for the 3BR units and $848 for the 4BR units. These figures are shown in the following chart and are the rents we will utilize in our post-renovation, restricted analysis.

POTENTIAL GROSS RENT - CHAP RENTS - POST RENOVATION

Unit Type	Units	Size (SF)	Rent	Total Gross Monthly Rent	Total Gross Annual Rent
1BR/1BA	4	489	$355	$1,420	$17,040
2BR/1BA	44	748	$480	$21,120	$253,440
3BR/1BA	44	788	$597	$26,268	$315,216
4BR/1BA	8	1,144	$848	$6,784	$81,408
	100	787	$556	$55,592	$667,104

COMPETITIVE MARKET RENT ANALYSIS

For our post-renovation, unrestricted analysis, we must estimate market rents using market-rate comparables. We are also required to present an “as is” analysis and since the subject does not have current contract rents to use, we have also utilized market rent comparables in our “as is” analysis. Our search produced six market-rate complexes, all in Rome. The comparables were built between 1970 and 2006 with unit counts from 48 to 184. Only one of the comparables was offering concessions (Grove at 600 / 1/2 off one month's rent). The subject includes water, sewer and trash with rent. Two of the comparables include water, sewer and trash. The remaining comparables only include trash. The following summary chart presents the comparables’ effective rents. Further details, as well as photographs and a location map, are presented in the addenda. All of the information was verified via on-site leasing agents or owners. In estimating market rents for the subject, we considered such factors as location, size of the units, age, quality and other factors and adjusted accordingly.

One-Bedroom Units

APARTMENT RENT COMPARABLE SUMMARY ONE-BEDROOM UNITS					
			Market Rate		
Comparable No. and Name	Bath Qty.	Size (SF)	Effective Rent Per Month	Effective Rent Per SF	Utilities Included
Subject (1BR)	**1.0**	**489**	**N/Ap**	**N/Ap**	**W / S / T**
1. Eastland Court	1.0	804	$795	$0.99	T
1. Eastland Court (Carriage House)	1.0	919	$975	$1.06	T
2. Hamilton Ridge	1.0	642	$575	$0.90	T
3. Ashton Ridge	1.0	975	$490	$0.50	T
4. Guest House	1.0	525	$595	$1.13	T
5. The Grove at 600	1.0	1,120	$652	$0.58	W / S / T
6. Heritage Pointe	1.0	750	$520	$0.69	W / S / T
Average		819	$657	$0.84	
Maximum		1,120	$975	$1.13	
Minimum		525	$490	$0.50	
W=Water, S=Sewer, T=Trash					

The subject has a 489-SF 1BR/1BA floor plan. The comparable one-bedroom units range in size from 525 to 1,120 square feet and average 819 square feet. The subject's floor plan is below the range of the comparables in terms of size. Effective rents at the comparables range from $490 to $975 ($0.50 to $1.13 per square foot) and average $657 ($0.84 per square foot). However, we note that the subject rent includes water, sewer and trash. Several of the comparables include trash only. After making the appropriate adjustments (per Georgia DCA utility allowances), the adjusted range is $520 to $1,016 with a mean of $687 per unit. The high end of the range is exhibited by the newest property while the low end is exhibited by the oldest property. The subject is older than the comparables and inferior quality product. It is also smaller than the comparables. Considering all of this information, we concluded **"as is"** rent for the subject of **$450** per month for the 1BR plan.

The subject is proposed for a substantial rehabilitation under the Rental Assistance Demonstration Program (RAD) that will convert the current public housing units to Project-Based Rental Assistance (PBRA) units. This will greatly enhance the overall desirability of the subject property and should translate into higher rents, assuming no restrictions. Considering all of this information, we concluded a market rent **"post renovation"** for the subject of **$550** per month for the 1BR plan.

Two-Bedroom Units

TWO-BEDROOM UNITS					
Comparable No. and Name	Bath Qty.	Size (SF)	Effective Rent Per Month	Street Rent Per SF	Utilities Included
Subject	**1.0**	**748**	**N/Ap**	**N/Ap**	**W / S / T**
1. Eastland Court	2.0	1,056	$915	$0.87	T
2. Hamilton Ridge	2.0	1,157	$735	$0.64	T
3. Ashton Ridge	2.0	1,050	$599	$0.57	T
4. Guest House	1.5	1,000	$750	$0.75	T
5. The Grove at 600	1.5	1,120	$652	$0.58	W / S / T
6. Heritage Pointe	1.0	950	$600	$0.63	W / S / T
6. Heritage Pointe	1.5	1,150	$655	$0.57	W / S / T
Average		1,069	$701	$0.66	
Maximum		1,157	$915	$0.87	
Minimum		950	$599	$0.57	
W=Water, S=Sewer, T=Trash					

The subject has a 748-SF 2BR/1BA floor plan. The comparable two-bedroom units range in size from 950 to 1,157 square feet and average 1,069 square feet. The subject's floor plan is below the range of the comparables in terms of size. In addition, most of the comparables have 1.5 or two bathrooms. Effective rents at the comparables range from $599 to $915 ($0.57 to $0.87 per square foot) and average $701 ($0.66 per square foot). However, we note that the subject rent includes water, sewer and trash. Several of the comparables include trash only. After making the appropriate adjustments (per Georgia DCA utility allowances), the adjusted range is $600 to $963 with a mean of $728 per unit. The high end of the range is exhibited by the newest property while the low end is exhibited by the oldest property. The subject is older than the comparables and inferior quality product. It is also smaller than the comparables. Considering all of this information, we concluded **"as is"** rent for the subject of **$500** per month for the 1BR plan.

The subject is proposed for a substantial rehabilitation under the Rental Assistance Demonstration Program (RAD) that will convert the current public housing units to Project-Based Rental Assistance (PBRA) units. This will greatly enhance the overall desirability of the subject property and should translate into higher rents, assuming no restrictions. Considering all of this information, we concluded a market rent **"post renovation"** for the subject of **$600** per month for the 2BR plan.

Three-Bedroom Units

THREE-BEDROOM UNITS					
Comparable No. and Name	**Bath Qty.**	**Size (SF)**	**Effective Rent Per Month**	**Street Rent Per SF**	**Utilities Included**
Subject	**1.0**	**788**	**N/Ap**	**N/Ap**	**W / S / T**
1. Eastland Court	2.0	1,516	$1,095	$0.72	T
2. Hamilton Ridge	2.0	1,425	$880	$0.62	T
3. Ashton Ridge	2.0	1,125	$645	$0.57	T
5. The Grove at 600	2.5	1,320	$785	$0.59	W / S / T
6. Heritage Pointe	2.0	1,160	$685	$0.59	W / S / T
Average		1,309	$818	$0.62	
Maximum		1,516	$1,095	$0.72	
Minimum		1,125	$645	$0.57	
W=Water, S=Sewer, T=Trash					

The subject has a 788-SF 3BR/1BA floor plan. The comparable three-bedroom units range in size from 1,125 to 1,516 square feet and average 1,309 square feet. The subject's floor plan is below the range of the comparables in terms of size. In addition, the comparables have two or 2.5 bathrooms. Effective rents at the comparables range from $645 to $1,095 ($0.57 to $0.72 per square foot) and average $818 ($0.62 per square foot). However, we note that the subject rent includes water, sewer and trash. Several of the comparables include trash only. After making the appropriate adjustments (per Georgia DCA utility allowances), the adjusted range is $685 to $1,154 with a mean of $853 per unit. The high end of the range is exhibited by the newest property while the low end is exhibited by the oldest property. The subject is older than the comparables and inferior quality product. It is also smaller than the comparables. Considering all of this information, we concluded **"as is"** rent for the subject of **$625** per month for the 3BR plan.

The subject is proposed for a substantial rehabilitation under the Rental Assistance Demonstration Program (RAD) that will convert the current public housing units to Project-Based Rental Assistance (PBRA) units. This will greatly enhance the overall desirability of the subject property and should translate into higher rents, assuming no restrictions. Considering all of this information, we concluded a market rent **"post renovation"** for the subject of **$725** per month for the 3BR plan.

Four-Bedroom Units

The subject has a 1,144-SF 4BR/1BA floor plan. As shown, the average 2BR rent at the comparables is $44 higher than the 1BR plans and the average 3BR rent is $117 higher than the 2BR plans. Considering all of this information, we concluded **"as is"** rent for the subject of **$750** per month for the 4BR plan, which is $125 per month higher than the 3BR plan. The subject is proposed for a substantial rehabilitation under the Rental Assistance Demonstration Program (RAD) that will convert the current public housing units to Project-

Based Rental Assistance (PBRA) units. This will greatly enhance the overall desirability of the subject property and should translate into higher rents, assuming no restrictions. Considering all of this information, we concluded a market rent "post renovation" for the subject of **$850** per month for the 4BR plan.

Subject Apartment Rent Recommendations

The chart below summarizes our recommendations for rental rates at the subject, both as is and post renovation (unrestricted).

ESTIMATED RENTS - AS IS					
Unit Type	Units	Size (SF)	Rent	Total Gross Monthly Rent	Total Gross Annual Rent
1BR/1BA	4	489	$450	$1,800	$21,600
2BR/1BA	44	748	$500	$22,000	$264,000
3BR/1BA	44	788	$625	$27,500	$330,000
4BR/1BA	8	1,144	$750	$6,000	$72,000
	100	787	$573	$57,300	$687,600
ESTIMATED MARKET RENTS - POST RENOVATION - UNRESTRICTED					
Unit Type	Units	Size (SF)	Rent	Total Gross Monthly Rent	Total Gross Annual Rent
1BR/1BA	4	489	$550	$2,200	$26,400
2BR/1BA	44	748	$600	$26,400	$316,800
3BR/1BA	44	788	$725	$31,900	$382,800
4BR/1BA	8	1,144	$850	$6,800	$81,600
	100	787	$673	$67,300	$807,600

Occupancy

We surveyed six comparable market-rate apartment complexes. The comparables reported physical occupancy levels between 89% and 100% with a weighted mean of 96%. The low end of the range (89%) is exhibited by Comparable Five, which is undergoing renovations. The remaining comparables range from 95% to 100% with four of the five at 99% or 100%. The subject property is 100% public housing and typically stays near 100% occupied with a waiting list. Post renovation, the subject will be 100% PBRA and will experience similar occupancy levels. Based on all of this information, we estimate a stabilized physical occupancy of **95%** for our hypothetical market analysis and a slightly higher **97%** for our unrestricted analysis (as is and post renovation). We included an additional 2% (under both scenarios) for collection/bad-debt/concession loss, which equates to stabilized economic occupancies of **93%** and **95%,** respectively.

RENT COMPARABLES - OCCUPANCY			
Complex	# of Units	Vacant	Occupancy
1. Eastland Court	116	1	99%
2. Hamilton Ridge	48	0	100%
3. Ashton Ridge	88	0	100%
4. Guest House	49	0	100%
5. The Grove at 600	104	11	89%
6. Heritage Pointe	149	7	95%
Total/Average	554	20	96%

UNDER CONSTRUCTION / IN PLANNING

We interviewed officials in the Rome-Floyd County government and reviewed various news articles and websites to get an idea of the multi-family pipeline in the area. Site work recently began on a 124-unit, Class-A market-rate development at 755 Braves Boulevard, adjacent to the Rome Braves Stadium, a few miles north of the subject. It will be known as River Pointe. Burrell Square is a scattered-site affordable housing development off Nixon Avenue in South Rome that will contain 84 units in single-family style duplex homes. It is expected to be completed in August 2017. Two affordable apartment buildings, with a total of 27 units, will be built on South Broad Street where the Old McCall Hospital was once located. The complex will be known as McCall Place. Two more affordable apartment buildings, with a total of 23 units, are being constructed on Etowah Terrace and will be known as Etowah Bend. Both McCall Place and Etowah Bend are expected to be completed by the end of 2017. In total, we are aware of 258 units in the pipeline, 124 market rate and 134 affordable.

REASONABLE EXPOSURE AND MARKETING TIMES

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

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

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

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

HIGHEST AND BEST USE AS IF VACANT

The subject is zoned M-R (Multifamily Residential District), which does permit apartment development. There appears to be only limited demand for new market-rate multi-family development in the area. However, our investigation indicates that there is fairly strong demand in the market for subsidized apartments. The site is generally suitable for many uses, but given the subject's location and its size, shape and topography, it is best suited for multifamily residential use. In our opinion, development of some form of medium-density, affordable multi-family residential use will result in the maximum productive use of the site.

HIGHEST AND BEST USE AS IMPROVED

The subject is used in the operation of an affordable apartment complex, which is permitted under the current zoning. The improvements are well suited for their intended use. It is possible the improvements could be converted to another use entirely, if the costs were justified. This seems highly unlikely, however. Our investigation indicates that there is fairly strong demand in the market for subsidized apartments. Given that use of the subject improvements is basically limited to the current or a similar use physically, and the fact that the improvements are financially feasible, we conclude that the existing subsidized apartment use is consistent with the maximally profitable use. We conclude that the highest and best use of the property is for continued use as an affordable apartment complex.

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

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

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

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

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

The purpose of this appraisal is to estimate "as is" market value of the fee simple interest in the subject property and prospective market value of the fee simple interest in the subject property, "upon completion and stabilization," of the proposed renovations using both restricted and hypothetical unrestricted rents.

In the analysis of the subject, there are significant weaknesses in the application of the cost approach. The age of the improvements suggests a significant amount of physical depreciation, which is difficult to quantify on an 'as is' basis as well as post renovation. It should also be noted that investors of income producing properties typically do not perform a cost approach unless the building is new or fairly new, as they are most concerned with the income characteristics of the asset. The subject was built in 1952. Further, based on the projected costs and our value conclusions from the other approaches, the subject renovation is not feasible without the substantial incentives provided by the Low Income Housing Tax Credits. In our opinion, a cost approach is not relevant to this appraisal and any reasonable appraiser would agree that this approach is not relevant. Thus, a cost approach was not included. At the request of the client and per DCA appraisal requirements, we did perform a land valuation analysis utilizing the sales comparison approach. This is the most common methodology for appraising land.

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

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

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

The sales comparison approach is commonly used in the analysis of residential land by appraisers, as well as by purchasers and sellers in the market. In this analysis, sale prices of comparable sites are compared on a unit basis such as price per allowable or achievable unit, or price per acre. For this portion of our analysis, we are appraising the underlying site "as if vacant" and will be performing our analysis on a per-acre basis. Typically, when ample sales data can be found, adjustments can be determined and applied to provide a clear indication of value.

DISCUSSION OF THE COMPARABLES

In our valuation of the subject site, we searched for sales of comparable sites in the Rome market. There have been few transactions of comparable sites purchased for multifamily development over the past few years. We were able to find two recent sales of multifamily sites, as well as an older sale of a commercial site in the neighborhood. These comparables are summarized in the following chart. Photographs and a location map are included in the Addenda.

COMPARABLE LAND SALES

#	Grantor	Grantee	Date of Sale	Price	Area (Acres)	Sale Price / Acre
1)	Northwest GA, LLC	Rome Riverview Partners	Dec-16	$1,095,000	6.27	$174,613
	Comments: This property is located along the north side of Braves Boulevard, about 300 feet north of Veterans Memorial Boulevard, roughly three miles north of downtown Rome, Floyd County, Georgia. It was purchased to develop a 124-unit, Class-A apartment complex known as Riverpointe. The proposed market-rate apartment development will have one four-story apartment building with two elevators that will wrap around the project's amenities and incorporate an integrated leasing office. The northwest portion of the site slopes steeply downward to an existing lake. A retaining wall is planned for this portion of the site. The rest of the site appears to be gently sloped. The site has an irregular shape with no frontage. Current site plans show an entrance drive along a private roadway. However, it does have good exposure from a major highway. All utilities are available to the site. The sale price represents a per-unit price of $8,831. The site was re-zoned to Urban Mixed Use (UMU) prior to closing.					
2)	The Berry Schools	Highland Estates Of Rome	Apr-16	$750,000	10.00	$75,000
	Comments: This property is located at the terminus of Woodrow Wilson Way, just north of Redmond Road, in Rome, Floyd County, Georgia. It was purchased to develop a mixed-income, age-restricted 84-unit, Class-A apartment complex known as Highland Estates. The property consists of a combination of cottages and garden-style buildings. It was completed in 2016 and is currently in lease up. Tenants must be 55 or older. The site has an irregular shape with poor access and exposure. All utilities are available to the site. The sale price represents a per-unit price of $8,929. The site is zoned M-R, multifamily residential.					
2)	Northwest Georgia Housing Authority	Madison Retail-Rome, LLC	Mar-12	$3,868,000	8.33	$464,346
	Comments: The site is located at the northwest corner of Turner McCall Boulevard and N 5th Avenue, just east of the intersection of Turner McCall and US 27 / SR 1 / Martha Berry Boulevard in Rome, Floyd County, Georgia. It was improved with a public housing project that has been demolished. It was under contract for sale pending commitment from Publix Supermarkets to anchor a shopping center on the site for an extended period of time. The location is excellent, with excellent visibility and accessibility. The site is has a rectangular shape, with considerable frontage along the north side of Turner McCall Boulevard. It has a level topography and is zoned C-C. It is across the street from the Floyd Medical Center.					

DISCUSSION OF ADJUSTMENTS

Condition of Sale

All of the sales were arms length transactions and no adjustments are warranted.

Market Conditions

The Rome market has been generally stable over the past few years. We made a slight upward adjustment to Comparable Three as it sold in 2012.

Location

The subject property is located in a lower-income area that has not experienced much growth in the past few years. Comparables One and Three have superior locations and received varying downward adjustments. Comparable Two has a similar location and does not require an adjustment.

Access/Exposure

The subject has good access and exposure with exposure from a major highway serving the area. Comparable One has similar traits and does not require an adjustment. Comparable Two has inferior traits and received an upward adjustment. Comparable Three has excellent access and exposure and received a downward adjustment.

Size (AC)

The subject has approximately 9.0 acres. Typically, larger sites realize a "quantity discount" and sell at lower prices on a per acre basis. Comparables One and Three are smaller and require varying downward adjustments. Comparable Two is slightly larger and received a slight upward adjustment.

Zoning

The subject is zoned M-R, Multifamily Residential District. Comparables One and Three have superior commercial zoning and received downward adjustments. Comparable Two has the same zoning as the subject and does not require an adjustment.

Topography

The subject has a rolling to sloping topography. Comparable One has a similar topography and does not require an adjustment. Comparable Two has a more challenged topography and received an upward adjustment. Comparable Three has a level topography and received a downward adjustment.

SUMMARY AND COMMENTS

The following adjustment grid illustrates our thought processes in the comparison of the sales to the subject. Prior to adjustment, the comparables present a wide range of price per acre between $75,000 and $464,346, with an overall mean of $237,996 per acre.

COMPARABLE LAND SALES ADJUSTMENT GRID				
Sale No.	**Subject**	**1**	**2**	**3**
Date		December-16	April-16	March-12
Sale Price		$1,095,000	$750,000	$3,868,000
Acres	9.000	6.27	10.00	8.33
Price per Acre		$174,641	$75,000	$464,346
Conditions of Sale		0%	0%	0%
Market Conditions		0%	0%	10%
Adjusted Price/Unit		$174,641	$75,000	$510,780
Physical Adjustments				
Location		-10%	0%	-20%
Access/Exposure		0%	10%	-20%
Size (AC)		-15%	5%	-10%
Zoning		-20%	0%	-20%
Topography		0%	10%	-10%
Net Adjustment		-45%	25%	-80%
Adjusted Indication		$96,053	$93,750	$102,156
Indicated Range:		$93,750	to	$102,156
Adjusted Mean:			$97,320	

After application of adjustments, the range of indicated price per acre is a narrow $93,750 to $102,156, with a mean of $97,320 per acre. Comparables One ($96,053) and Two ($93,750) are the most recent sales and were purchased for multi-family development. Based on this, we estimate a value for the subject site (as if vacant) at $95,000 per acre, or a rounded $850,000. One a price per-unit basis, this equates to $8,500, which is similar to Comparable One ($8,831) and Comparable Two ($8,929), further supporting our conclusion.

ESTIMATED LAND VALUE				
Size (AC)		$/Acre		Total
9.00	X	$95,000	=	$855,000
Rounded:				$850,000
Per Unit (100 Units)				$8,500

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

RENTAL INCOME ANALYSIS - RESTRICTED – AS IS / POST RENOVATION

As Is - Currently, the subject is 100% public housing and there are no “contract” rents. Tenants pay a portion of the rent based on their income levels and the complex receives a subsidy from the Housing Authority for the remainder. Rent on these units is determined by a government-derived formula applied to operating expenses. Since the subject does not have current contract rents, we estimated current rents by an analysis of market rents at comparable properties in the local market. Our competitive rental analysis is contained in the market analysis section of this report. Based on this information, we estimate the following rents, for our “as is” analysis.

ESTIMATED RENTS - AS IS

Unit Type	Units	Size (SF)	Rent	Total Gross Monthly Rent	Total Gross Annual Rent
1BR/1BA	4	489	$450	$1,800	$21,600
2BR/1BA	44	748	$500	$22,000	$264,000
3BR/1BA	44	788	$625	$27,500	$330,000
4BR/1BA	8	1,144	$750	$6,000	$72,000
	100	787	$573	$57,300	$687,600

Post Renovation - As mentioned, the subject is proposed for a substantial rehabilitation under the Rental Assistance Demonstration Program (RAD) that will convert the current public housing units to Project-Based Rental Assistance (PBRA) units. According to a letter provided by the U.S. Department of Housing and Urban Development (HUD) and applying the appropriate OCAF adjustments, upon completion of the rehabilitation / conversion, contract rents will be $355 a month for the 1BR units, $480 for the 2BR units, $597 for the 3BR units and $848 for the 4BR units. These figures are shown in the following chart and are the rents we will utilize in our post-renovation, restricted analysis.

POTENTIAL GROSS RENT - CHAP RENTS - POST RENOVATION					
Unit Type	Units	Size (SF)	Rent	Total Gross Monthly Rent	Total Gross Annual Rent
1BR/1BA	4	489	$355	$1,420	$17,040
2BR/1BA	44	748	$480	$21,120	$253,440
3BR/1BA	44	788	$597	$26,268	$315,216
4BR/1BA	8	1,144	$848	$6,784	$81,408
	100	787	$556	$55,592	$667,104

OTHER INCOME

As will be seen in the re-constructed operating statements on a following page, for fiscal years 2014 to 2016, actual other income for the subject was between $198 and $230 per unit, or between about 4% and 5% of gross potential rental revenue. The bulk of this income is from trash removal fees, non-payment fees and late fees. IREM indicates a range of $346 to $1,059 per unit, and a median of $663 per unit for the Southeast Region. As a percentage, the range is 3.7% to 9.0%, with a median of 6.1%. Restricted properties typically collect lower ancillary income than unrestricted properties. Based upon the above, we forecast other income at 4.0% of PGRI, as is ($275/unit). Post-rehab, other income is capped at 2.0% (per DCA requirement), which equates to $133 per unit.

VACANCY AND COLLECTION LOSS

As discussed in the market analysis section of this report, we estimate a stabilized physical occupancy of **97%** for our restricted analysis (as is and post renovation). We included an additional 2% for collection/bad-debt/concession loss, which equates to stabilized economic occupancies of **95%**.

EFFECTIVE GROSS INCOME

After accounting for other income, and factoring in vacancy and collection loss of 5%, our projected annual effective gross rental income is $679,349 or $6,793 per unit, as is, and $646,424 or $6,464 per unit, post-renovation.

EXPENSE ANALYSIS

In deriving an estimate of net income, it is necessary to consider various expenses and allowances ascribable to the operation of a property of this type. We were provided operating history for full years, 2014, 2015 and 2016. We do note that starting sometime around mid last year the complex stopped leasing new units and occupancy dropped to about 50%. Thus, the 2016 expenses are not stabilized figures. We were also provided a post-renovation budget. According to Sandra Hudson, Executive Director of the Northwest Georgia Housing Authority (NWGA), many operating expenses are booked by allocations to the various AMPS that they manage. They also include their own back-office overhead expenses in the financials for each AMP on a year-to-year basis depending on an AMP's ability to carry those costs in a given year. This practice tends to inflate expenses, administrative and payroll expenses in particular, and also tends to create expenses that appear to fluctuate greatly from year to year. Reportedly, the provided expenses in the following chart have been adjusted to reflect actual expenses incurred by the subject property. In addition, we reviewed industry standard expenses as published in the 2016 edition of the *Income/Expense Analysis – Conventional Apartments* published by IREM (Institute of Real Estate Management). Further, we considered recent operating expense data from several restricted apartment projects in various locations in Georgia. The subject's historical operating data and budget, IREM data, and expense comparables are summarized in the following charts.

HISTORICAL OPERATING STATEMENTS - PARK HOMES APARTMENTS
100 Units

	Actual 2014 FY		Actual 2015 FY		Actual 2016 FY		Post Renovation Budget	
	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit
REVENUE								
Tenant Rental Revenue	$104,824	$1,048	$108,419	$1,084	$90,804	$908	$0	$0
Tenant Asst Payments (HAP)	$387,972	$3,880	$380,813	$3,808	$342,324	$3,423	$0	$0
Total Gross Potential Rental Revenue	$492,796	$4,928	$489,232	$4,892	$433,128	$4,331	$667,104	$6,671
Total Other Income	$22,998	$230	$19,799	$198	$22,316	$223	$13,342	$133
Other as % of Potential Gross Rental Income	4.7%		4.0%		5.2%		2.0%	
Potential Gross Income	$515,794	$5,158	$509,031	$5,090	$455,444	$4,554	$680,446	$6,804
Vacancy Loss	$0	$0	$0	$0	$0	$0	$47,631	$476
Other Loss	$5,219	$52	$2,409	$24	$5,516	$55	$0	$0
Total Loss	$5,219	$52	$2,409	$24	$5,516	$55	$47,631	$476
Loss as a % of PGI	1.0%		0.5%		1.2%		7.0%	
Effective Gross Income	**$510,575**	**$5,106**	**$506,622**	**$5,066**	**$449,928**	**$4,499**	**$632,815**	**$6,328**
EXPENSES								
Real Estate Taxes (Pilot)	$1,623	$16	$1,728	$17	$1,572	$16	$0	$0
Insurance	17,363	174	21,789	218	16,161	162	16,161	162
Management Fee	30,748	307	33,184	332	38,863	389	38,863	389
Mgmt. as a % of EGI	6.0%		6.6%		8.6%		6.1%	
Utilities	$108,319	$1,083	$101,207	$1,012	$69,551	$696	$67,323	$673
Salaries and Labor	$103,734	$1,037	$103,734	$1,037	$103,774	$1,038	$103,774	$1,038
Maintenance & Repairs	$52,284	$523	$49,070	$491	$52,043	$520	$52,043	$520
Landscaping	$3,500	$35	$3,500	$35	$3,500	$35	$3,500	$35
Advertising & Promotion	$0	$0	$0	$0	$0	$0	$0	$0
Administrative & Miscellaneous	$38,429	$384	$35,666	$357	$38,108	$381	$38,429	$384
Total Expenses	**$356,000**	**$3,560**	**$349,878**	**$3,499**	**$323,572**	**$3,236**	**$320,093**	**$3,201**
As a % of EGI	69.73%		69.06%		71.92%		50.58%	
Reserves	$0	$0	$0	$0	$0	$0	$35,000	$350
Net Income	**$154,575**	**$1,546**	**$156,744**	**$1,567**	**$126,356**	**$1,264**	**$277,722**	**$2,777**

Source: The operating statements were reconstructed from the provided historical statements.

2016 IREM INCOME & EXPENSE DATA FOR SOUTHEAST / REGION IV - GARDEN TYPE BLDGS						
	Income & Expense as % of GPI			Income & Expenses Per Unit		
Income & Expense Category (A)	**Low**	**Median**	**High**	**Low**	**Median**	**High**
Income						
Gross Possible Rents:	91.1%	94.0%	96.5%	$7,715	$9,400	$10,864
Other Income:	3.7%	6.1%	9.0%	$346	$663	$1,059
Gross Possible Income:	100.0%	100.0%	100.0%	$8,395	$10,209	$12,005
Vacancies/Rent Loss:	3.6%	6.2%	9.8%	$386	$657	$1,034
Total Collections:	88.9%	92.9%	95.8%	$7,545	$9,244	$10,981
Expenses (B)						
Real Estate Taxes	5.0%	6.7%	8.7%	$461	$696	$1,016
Insurance	1.7%	2.3%	3.2%	$179	$248	$337
Management Fee	2.9%	3.7%	4.6%	$323	$382	$470
Total Utilities	4.9%	6.7%	10.0%	$531	$709	$979
Water/sewer (Common & Apts)	3.5%	4.7%	6.7%	$391	$498	$654
Electric (Common Only)	1.2%	1.5%	1.8%	$123	$161	$199
Heating Fuel (Common Only)	0.2%	0.4%	1.3%	$17	$43	$112
Gas (Common Only)	0.0%	0.1%	0.2%	$0	$7	$14
Salaries and Administrative (C)	7.7%	12.6%	18.3%	$806	$1,278	$1,807
Other Administrative	3.4%	6.5%	9.4%	$369	$650	$960
Other Payroll	4.3%	6.1%	8.9%	$438	$628	$847
Maintenance & Repairs	2.1%	4.0%	6.4%	$238	$407	$665
Painting & Redecorating (D)	1.2%	1.7%	2.5%	$114	$190	$247
Grounds Maintenance & Amenitie:	1.4%	2.1%	3.1%	$157	$215	$324
Grounds Maintenance	1.3%	1.9%	2.8%	$135	$193	$280
Recreational/Amenities	0.1%	0.2%	0.3%	$22	$22	$44
Security (D)	0.1%	0.3%	0.8%	$11	$33	$99
Other/Miscellaneous	0.7%	2.3%	24.5%	$85	$238	$2,263
Other Tax/Fee/Permit	0.0%	0.1%	0.3%	$0	$11	$33
Supplies	0.1%	0.3%	1.0%	$10	$30	$100
Building Services	0.4%	1.1%	1.8%	$48	$106	$183
Other Operating	0.3%	1.2%	22.7%	$27	$91	$1,947
Total Expenses:	34.2%	41.8%	81.8%	$3,703	$4,438	$5,241
Net Operating Income:	38.2%	49.5%	58.2%	$3,293	$4,972	$6,697

Notes: Survey for Region IV includes 120,423 apartment units with an average unit size of 973 square feet.

(A) *Median* is the middle of the range, *Low* means 25% of the sample is below this figure, *High* mean 25% of the sample is above figure.

(B) Line item expenses do not necessarily correspond to totals due to variances in expenses reported and sizes of reporting complexes.

(C) Includes administrative salaries and expenses, as well as maintenance salaries.

(D) Includes salaries associated with these categories.

OPERATING EXPENSE COMPARABLES - RESTRICTED								
Project Name	Bull Creek		Auburn Pointe, Phase I		QLS Gardens		Sable Chase	
Location	Columbus, GA		Atlanta, GA		Atlanta, GA		McDonough, GA	
No. Units	128		154		202		225	
Avg. Unit Size	809		978		1,011		980	
Year Built	1983		2010		1974		1999	
	FY	Trended	T12	Trended	FY	Trended	FY	Trended
Expense Year	2016		2016		2015		2014	
Effective Date/% Trended	Jan-16	0.0%	Apr-15	1.5%	Jan-15	2.0%	Jan-14	4.0%
Real Estate Taxes	$452	$452	$299	$303	$0	$0	$592	$616
Insurance	429	429	222	225	249	254	258	268
Management Fee:	609	609	645	655	136	139	322	335
%	7.10%		6.40%		5.00%		5.40%	
Utilities	441	441	904	918	1,565	1,596	1,279	1,330
Salaries & Labor	1,648	1,648	1,525	1,548	1,157	1,180	854	888
Combined Maint. & Repairs	1,236	1,236	523	531	1,119	1,141	462	480
Landscaping	355	355	123	125	0	0	115	120
Security	0	0	192	195	0	0	0	0
Advert. & Promotion	4	4	130	132	0	0	45	47
Administrative/Misc.	625	625	1,134	1,151	303	309	153	159
Total Expenses	$5,799	$5,799	$5,697	$5,782	$4,529	$4,620	$4,080	$4,243

Real Estate Taxes

The subject is exempt from real estate taxes. However, it does make a payment in lieu of taxes (PILOT), which is calculated by taking 10% of tenant-paid rent less utilities. According to the historical statements, tenant payments have averaged about 22% of total rental income over the past three years. For our as is analysis, we estimate total rental income of $687,600, 22% of which would be $151,272. As will be seen in a following paragraph, we estimate utility expenses of $95,000. Subtracting this from our estimate of tenant payments equates to $56,272, 10% of which is $5,627. For our “as is” restricted analysis, we used rounded taxes (PILOT) of $5,600, or **$56** per unit. According to the Housing Authority and a provided written legal opinion, post renovation, the subject will be completely tax exempt from any ad valorem taxes, pursuant to the express tax-exemption provisions found within Georgia statutes specifically addressing this type development. Thus, for our post-renovation analysis, we did not include any real estate taxes.

Insurance

For 2014, 2015 and 2016, actual expenses were $174, $218 and $162 per unit, respectively. The post rehab budget is projected at $162 per unit. IREM indicates a range of $179 to $337 per unit, and a median of $248 per unit. The comparables indicate expenses within a range of $225 to $429 per unit and average $294. The subject's current expenses seem low. Based upon the foregoing considerations, we forecast insurance expense at **$225** per unit for both our as is and post-renovation analysis.

Management Fee

Management expense for an apartment complex is typically negotiated on a percent of collected revenues (effective gross income, or EGI). This percentage typically ranges from 3.0% to 5.0% for a traditional apartment complex, depending on the size of the complex and position in the market. The historical operating statements indicate a range for the past three years from 6.0% to 8.6% of EGI, or $307 to $389 per unit. The post-renovation budget is at 6.1% of EGI, or $389 per unit. IREM indicates a range from 2.9% to 4.6% with a median of 3.7%. However, this is for conventional, market-rate properties. The restricted comparables range from about 5.0% to 7.0% and $139 to $655 per unit (three of the four between $335 and $655 per unit). Based on all of this information, we included a management fee of 6.0%, as is (**$408**/unit), and post-renovation (**$388**/unit).

Utilities

This expense covers all energy costs related to the leasing office, vacant units, and common areas, including exterior lighting. At some complexes, it also may include water/sewer costs for apartments. In the subject's case, the complex pays for water and sewer and electric for common areas (trash is included under maintenance and repairs). For 2014, 2015 and 2016, actual expenses were $1,083, $1,012 and $696 per unit, respectively. The post-renovation budget is at $673 per unit. Reportedly, the subject had some plumbing issues in 2014 and 2015, hence the higher expenses. However, occupancy also decreased significantly during 2016, contributing to the big drop. IREM indicates a range of $531 to $979 per unit, and a median of $709 per unit. The comparables indicate expenses within a range of $441 to $1,596 per unit and average $1,071. The renovation will improve water use by installing low-flow fixtures. In addition, there will be no more gas expenses as the property will be all electric. Based upon the foregoing considerations, we forecast utilities expense at **$1,000** per unit, as is, and **$750** per unit, post-renovation (about a 25% reduction).

Salaries and Labor

This expense covers all payroll and labor expenses, including direct and indirect expenses. The taxes and benefits portion of this expense also includes the employer's portion of social security taxes, group health insurance and workman's comp insurance. In addition, employees typically incur overtime pay at times. For 2014, 2015 and 2016, actual expenses were $1,037, $1,037 and $1,038 per unit, respectively. The post-renovation budget is at $1,038 per unit. IREM indicates a range of $806 to $1,807 per unit and average $1,278 per unit. The comparables indicate expenses within a range of $888 to $1,648 per unit and average $1,316. The subject's current expenses seem somewhat low. Based upon the foregoing considerations, we forecast salaries and labor expense at **$1,200** per unit, as is and post-renovation.

Maintenance and Repairs / Painting and Redecorating

This expense category includes the cost of minor repairs to the apartment units, including painting and redecorating. Interior maintenance amounts to cleaning, electrical repairs, exterminating, contract labor for painting, and plumbing repairs. Exterior maintenance amounts to painting, and replacement or repairs to parking lots, roofs, windows, doors, etc. Maintenance and repairs expenses vary considerably from complex to complex and from year to year due to scheduling of repairs and accounting procedures. Apartment owners often list replacement items under "maintenance and repairs" for more advantageous after-tax considerations. For 2014, 2015 and 2016, actual expenses were $523, $491 and $520 per unit, respectively. The post-renovation budget is at $520 per unit. IREM indicates a range of $352 to $912 per unit, and a median of $597. The comparables indicate expenses from $480 to $1,236 per unit, with an average $847. The low end is exhibited by the newer comps and the high end by the older comps. The subject's current expenses seem low. The subject is proposed for a major renovation, which should reduce maintenance expenses. Based upon the foregoing considerations, for our as is analysis, we forecast combined maintenance and repairs and redecorating expenses at **$650** per unit. For our post-renovation analysis, we forecast combined maintenance and repairs and redecorating expenses at **$500** per unit (about a 23% reduction).

Landscaping and Amenities

Landscaping, or grounds maintenance, includes normal grounds landscaping and maintenance. The subject has a limited amenity package but a fair amount of green space. For 2014, 2015 and 2016, actual expenses were $35, $35 and $35 per unit, respectively. The post-renovation budget is at $35 per unit. IREM indicates a range of $157 to $324 per unit, and a median of $215 per unit. The comparables indicate expenses from $0 to $355 per unit, with an average $150. The subject's current expenses seem low. Based upon the foregoing considerations, we forecast landscaping and amenities expense at **$100** per unit, both as is and post renovation.

Advertising and Promotion

This expense category accounts for placement of advertising, commissions, signage, brochures, and newsletters. Advertising and promotion costs are generally closely tied to occupancy. If occupancy is considered high and the market is stable, then the need for advertising is not as significant. However, if occupancy is considered to be low or occupancy tends to fluctuate, then advertising becomes much more critical. Our analysis assumes that the property is operating at stabilized levels. The subject's provided historical operating information includes no advertising expenses. Considering the high demand for subsidized housing it is reasonable to assume advertising expenses should be minimal. We did not include any advertising expenses.

Administrative and Miscellaneous Expense

This expense includes such items as legal, accounting, office supplies, answering service, telephone, etc. For 2014, 2015 and 2016, actual expenses were $384, $357 and $381 per unit, respectively. The post-renovation budget is at $259 per unit. IREM indicates a range of $85 to $2,263 per unit, with an average of $238. The comparables indicate expenses from $159 to $1,151 per unit, with an average of $561. Excluding the one at $1,151, the range is $159 to $625 and average $364. Based upon the foregoing considerations, we forecast administrative expense at a rounded **$350** per unit, as is and post renovation.

Reserves for Replacement

Reserves for replacement is an annual allowance for the periodic replacement of roof covers, paving, carpeting, HVAC units, appliances, and other short-lived items. Investors of apartment properties sometimes establish separate accounts for reserves in the pro forma analysis. IREM does not chart this category and it is not included for the comparables. Typically, reserves range from $150 to $350 per unit, depending on age, condition, and size. The budget is at $350 per unit, which appears reasonable. We forecast reserves at **$350** per unit, as is and post renovation.

Summary of Expenses – As-Is

Our estimated “as is” expenses total $444,436 including reserves and trending to the current date (3% applied to everything except taxes and management), which equates to $4,444 per unit. If excluding reserves, the estimated expenses are $4,094 per unit. For 2014, 2015 and 2016, actual expenses were $3,560, $3,499 and $3,236 per unit, respectively. Our projections are above the actual historical figures for the past few years. Total expenses reported by IREM, which do not include reserves, range from $3,703 to $5,241 with a median of $4,438 per unit. Our estimates are within the range. The comparables indicate total trended expenses within a range of $4,243 and $5,799 per unit and average $5,111. Our estimates are slightly below the range of the comparables. However, three of the four properties pay taxes. Excluding taxes, the range is $3,628 to $5,479 per unit. Our estimate is within the adjusted range. Based on this information, our estimates appear reasonable.

Net Operating Income – As Is

Our estimates of income and expenses for the subject apartments, as is, result in a net operating income projection of $234,913, or $2,349 per unit.

Summary of Expenses – Post Renovation

Our post-renovation expenses total $395,660 including reserves and trending to the current date (3% applied to everything except taxes and management), which equates to $3,957 per unit. If excluding reserves, the estimated expenses are $3,607 per unit. The post-renovation budget is at $3,201 per unit. Our projections are above the developer's projections. Total expenses reported by IREM, which do not include reserves, range from $3,703 to $5,241 with a median of $4,438 per unit. Our estimates are slightly below the range, mainly due to taxes. The comparables indicate total trended expenses within a range of $4,243 and $5,799 per unit and average $5,111 (adjusted for taxes at $3,628 to $5,479 per unit). Our estimates are slightly below the adjusted range of the comparables. However, the subject is proposed for a substantial renovation and several expense categories (taxes, maintenance, and utilities) will be reduced. Based on this information, our estimates appear reasonable.

Net Operating Income – Post Renovation

Our estimates of income and expenses for the subject apartments, post renovation, result in a net operating income projection of $250,763, or $2,508 per unit.

CAPITALIZATION OF NET OPERATING INCOME

Capitalization is the process by which net operating income of investment property is converted to a value indication. Capitalization rates reflect the relationship between net operating income and the value of receiving that current and probable future income stream during a certain projection period or remaining economic life. Generally, the best method of estimating an appropriate overall rate is through an analysis of recent sales in the market. Overall rates (OAR’s) are typically derived from sales of similar properties by dividing net operating income by sale price. In selecting an appropriate capitalization rate for the subject, we considered those rates indicated by recent sales of properties that are similar to the subject with regard to risk, duration of income, quality and condition of improvements, and remaining economic life. Primary factors that influence overall rates include potential for income increases over both the near and long terms, as well as appreciation potential. Adjustments for dissimilar factors that influence the utility and/or marketability of a property, such as specific location within a market area; land/building ratio; functional efficiency, quality, and condition of improvements; and specific features of the building and land improvements, are inherently reflected by the market in the form of varying market rent levels. As rent levels form the basis for net income levels, the market has, in effect, already made the primary adjustments required for those factors, and any significant adjustments to overall rates based upon these dissimilarities would merely distort the market data.

The following table summarizes capitalization rates extracted from several recent apartment sales, four in Rome and one in neighboring Cartersville. The sales closed between July 2014 and October 2016. The properties were built between 1971 and 2009 with unit counts from 24 to 148. Comparable One was a 100% LIHTC property, the rest were market rate. The comparable sales used in this analysis present a range of overall rates between 6.06% and 9.00%, with a mean of 7.12%. Excluding the extremes, the range is 6.20% to 7.49%, with a mean of 6.84%. The high end of the range is exhibited by a 24-unit duplex property with no amenities. The low end is a 1997-built average-quality garden-style property. We also note that this is the only restricted property and is the most recent sale.

IMPROVED SALES SUMMARY

No.	Name Location	Sale Date	Number of Units	Year Built	Price Per Unit	Avg. Unit Size (SF)	NOI/Unit at Sale	OAR
1	Riverwood Park, Rome, GA (LIHTC)	Oct-16	92	1997	$39,565	1,047	$2,398	6.06%
2	Westminster Apartments, Rome, GA	Jun-16	104	1971	$28,365	1,150	$1,937	6.83%
3	Rosewood Apartments, Cartersville, GA	Oct-15	148	1990	$70,270	921	$4,357	6.20%
4	5 Redwood Street Duplexes, Rome, GA	Jul-15	24	1995	$39,000	900	$3,510	9.00%
5	Woodbridge Apartments, Rome, GA	Jul-14	28	2009	$58,929	1,146	$4,413	7.49%

As mentioned in the Market Analysis section, the *PwC Real Estate Investor Survey – First Quarter 2017*, indicates that overall capitalization rates for the Southeast apartment market range from 3.50% to 6.50%, with an average of 5.10% (institutional-grade properties). The average rate is unchanged from the previous quarter and down 20 basis points one year ago. Non-institutional-grade rates for the Southeast Region are not currently being tracked; however, National Apartment non-institutional-grade IRR and OAR average rates are 175 and 134 basis points higher, respectively.

Mortgage Equity Technique

We also utilized the mortgage-equity procedure, which is presented in the following chart. Under this procedure, the overall capitalization rate considers the returns on the mortgage and equity positions as well as the equity build-up that accrues as the loan principle is paid off. For properties like the subject, our research of the current financing market indicate a typical loan-to-value ratio of 75% to 80%, a fixed interest rate of about 4.25% to 4.75% and a 30-year amortization with a balloon in 10 years. For this analysis, we used a 80% loan-to-value, an interest rate of 4.50%, 30-year amortization, a 10-year balloon, and property appreciation of 2.0% annually (reasonable considering the current market and subject characteristics). Equity yield rates are more difficult to ascertain. However, based on discussions with investors and valuation experts, and consideration of alternative investment choices and comparing the risks involved with each, we find a typical range of 15% to 20%. Based on the specific characteristics of the subject, we concluded an equity yield rate of 17%. As shown on the following chart, the indicated overall capitalization rate based on the foregoing parameters equates to approximately 6.50%.

CAPITALIZATION RATE DERIVATION BY MORTGAGE/EQUITY TECHNIQUE

ASSUMPTIONS	
Mortgage Amortization Term	30 Years
Holding Period	10 Years
Mortgage Interest Rate	4.50%
Loan-to-Value Ratio	80%
Annual Constant for Monthly Payments	0.060802
Required Equity Yield Rate	17%
Assumed Net Annual Appreciation	2.00%

CALCULATIONS

Basic Rate Calculation:								
Mortgage:	80%	x	0.060802	=			0.048642	
Equity:	20%	x	0.170000	=			+ 0.034000	
Composite Basic Rate:								0.082642
Credit For Equity Build-up Due to Amortization Over Holding Period:								
Mortgage (Loan-to-Value Ratio):				80%				
Sinking Fund Factor @	17%	For		10 Years		=	0.044657	
Percentage of Loan Principal Repaid After				10 Years		=	19.9103%	
Credit:	80%	x	0.044657	x	0.199103	=		0.007113
Appreciation Factor Over the Holding Period:								
Appreciation Credit @	2.0%	Over		10 Years		=	21.8994%	
Sinking Fund Factor @	17%	For		10 Years		=	0.044657	
Credit:	21.8994%	x	0.044657			=		0.009780

INDICATED CAPITALIZATION RATE

Basic Rate:	0.082642
Less Credit For Equity Build-up:	- 0.007113
Less Credit For Appreciation:	- 0.00978
INDICATED CAPITALIZATION RATE:	**0.065749**
ROUNDED:	**6.50%**

Direct Capitalization Conclusion

Based on the information presented from the actual sales, the investor survey and the mortgage equity technique, with particular consideration given to the subject's age, size, quality and location, as well as the fact that the subject is a restricted property, we are of the opinion that the typical investor would select an overall rate in the range of 6.50% to 7.00% for the subject property. Considering this information, as well as the proposed rehabilitation, we estimate a rate of 6.75% for both our as is and post-rehab restricted analyses.

Our direct capitalization analysis is presented in the following charts. As shown, our estimated as is value is **$3,500,000 or $35,000 per unit**. Our estimate of prospective value, post renovation, is **$3,700,000, or $37,000 per unit**.

RESTRICTED ANALYSIS - AS IS Park Homes Apartments 100 Units 78,692 Rentable Sq. Ft.				
		Total	Per Unit	Per SF
Potential Gross Rental Income		$687,600	$6,876	$8.74
Plus Other Income	4.0%	27,504	275	0.35
Total Potential Gross Income		715,104	7,151	9.09
Total Vacancy and Collection Loss	5.0%	$35,755	$358	$0.45
Effective Gross Income		$679,349	$6,793	$8.63
Expenses				
Real Estate Taxes		$5,600	$56	$0.07
Insurance		22,500	225	0.29
Management Fee	6.0%	40,761	408	0.52
Utilities		100,000	1,000	1.27
Salaries & Labor		120,000	1,200	1.52
Maint. & Repairs / Turnkey		65,000	650	0.83
Landscaping		10,000	100	0.13
Advert. & Promotion		0	0	0.00
Administrative/Misc.		35,000	350	0.44
Total Expenses		$398,861	$3,989	$5.07
Reserves		$35,000	$350	$0.44
Total Operating Expenses		$433,861	$4,339	$5.51
Trended		$444,436	$4,444	$5.65
Net Income		$234,913	$2,349	$2.99
Overall Rates/Indicated Values	6.50%	$3,614,044	$36,140	$45.93
	6.75%	$3,480,191	$34,802	$44.23
	7.00%	$3,355,898	$33,559	$42.65
Stabilized Reconciled Value		$3,500,000	$35,000	$44.48

RESTRICTED ANALYSIS - POST RENOVATION WITH CHAP RENTS				
Park Homes Apartments				
100 Units 78,692 Rentable Sq. Ft.				
		Total	Per Unit	Per SF
Potential Gross Rental Income		$667,104	$6,671	$8.48
Plus Other Income	2.0%	13,342	133	0.17
Total Potential Gross Income		680,446	6,804	8.65
Total Vacancy and Collection Loss	5.0%	$34,022	$340	$0.43
Effective Gross Income		$646,424	$6,464	$8.21
Expenses				
Real Estate Taxes		$0	$0	$0.00
Insurance		22,500	225	0.29
Management Fee	6.0%	38,785	388	0.49
Utilities		75,000	750	0.95
Salaries & Labor		120,000	1,200	1.52
Maint. & Repairs / Turnkey		50,000	500	0.64
Landscaping		10,000	100	0.13
Advert. & Promotion		0	0	0.00
Administrative/Misc.		35,000	350	0.44
Total Expenses		$351,285	$3,513	$4.46
Reserves		$35,000	$350	$0.44
Total Operating Expenses		$386,285	$3,863	$4.91
Trended		$395,660	$3,957	$5.03
Net Income		$250,763	$2,508	$3.19
Overall Rates/Indicated Values	6.50%	$3,857,898	$38,579	$49.03
	6.75%	$3,715,013	$37,150	$47.21
	7.00%	$3,582,334	$35,823	$45.52
Stabilized Reconciled Value		$3,700,000	$37,000	$47.02

HYPOTHETICAL UNRESTRICTED ANALYSIS - POST RENOVATION

We were also asked to estimate the hypothetical market value of the subject using market rents and expenses, post renovation. As discussed previously in the market analysis section, we estimate the following unrestricted market rents for the subject property, post renovation.

ESTIMATED MARKET RENTS - POST RENOVATION - UNRESTRICTED					
Unit Type	Units	Size (SF)	Rent	Total Gross Monthly Rent	Total Gross Annual Rent
1BR/1BA	4	489	$550	$2,200	$26,400
2BR/1BA	44	748	$600	$26,400	$316,800
3BR/1BA	44	788	$725	$31,900	$382,800
4BR/1BA	8	1,144	$850	$6,800	$81,600
	100	787	$673	$67,300	$807,600

Market rate complexes typically also have higher other income. IREM indicates a range of $346 to $1,059 per unit, and a median of $663 per unit for the Southeast Region. As a percentage, the range is 3.7% to 9.0%, with a median of 6.1%. We estimated other income at 5.0% of EGI, or $404 per unit. Based on an analysis of the comparable properties, we used a slightly higher 7% economic loss (5% physical and 2% collection). With these assumptions, effective gross income equates to $788,621, or $7,886 per unit. A market rate project would also have different expense levels in some categories. Taxes and advertising are typically higher, while management and administrative expenses are typically lower. Four market-rate expense comparables are shown for support.

OPERATING EXPENSE COMPARABLES								
	Comp # 1		Comp # 2		Comp # 3		Comp # 4	
Property Name	The Gardens		Preserve at Greison		Confidential		Cumberland Crossing	
Location	Valdosta, GA		Newnan, GA		Norcross, GA		Marietta, GA	
No. Units	62		235		308		286	
Avg. Unit Size	1,329		967		839		1,100	
Year Built	2007		2008		1979		1973	
	2016	Trended	T12	Trended	FY	Trended	FY	Trended
Effective Date/% Trended	Jan 2016	0.00%	May 2015	1.33%	Oct 2015	2.33%	Jan 2014	4.00%
Real Estate Taxes	$659	$659	$844	$855	$346	$354	$367	$382
Insurance	213	213	267	271	142	145	261	271
Management Fee:	406	406	320	324	354	362	239	249
% of EGI	2.7%		3.0%		4.0%		3.0%	
Utilities	621	621	565	573	861	881	1,197	1,245
Salaries & Labor	1,120	1,120	1,420	1,439	1,355	1,387	1,500	1,560
Repairs/Redecorating	817	817	558	565	562	575	670	697
Landscaping/Amenities	271	271	187	189	179	183	82	85
Advert. & Promotion	163	163	213	216	152	156	219	228
Security	0	0	213	216	0	0	0	0
Administrative/Misc.	211	211	263	267	294	301	543	565
Total Expenses	$4,481	$4,481	$4,637	$4,915	$4,245	$4,344	$5,078	$5,281

Market taxes were estimated in the tax analysis section of this report at $57,000 ($570/unit). Advertising was increased to $200 per unit, management fees were lowered to 4.0% of EGI and administrative fees were lowered to $300 per unit. All other expense categories are the same as those estimated in our post-renovation restricted analysis, including reserves of $350 per unit. Our estimated expenses total $460,870 including reserves and trending to the current date (3% applied to everything except taxes and management), which equates to $4,609 per unit. If excluding reserves, the estimated expenses are $4,259 per unit. Total expenses reported by IREM, which do not include reserves, ranged from $3,703 to $5,241 with a median of $4,438 per unit. Our estimates are within the IREM range. The comparables indicate total expenses within a range of $4,344 to $5,281 per unit and average $4,755. Our estimates are slightly below the comparable range. As a market-rate property, the subject would be less risky as an investment, and would support a slightly lower capitalization rate as well. We utilized a 6.50% overall rate, towards the lower end of the comparable range. At this income and expense scenario, the value estimate is **$5,000,000**, or **$50,000** per unit.

HYPOTHETICAL UNRESTRICTED STATIC PRO FORMA ANALYSIS
Park Homes Apartments
100 Units 78,692 Rentable Sq. Ft.

		Total	Per Unit	Per SF
Potential Gross Rental Income		$807,600	$8,076	$10.26
Plus Other Income	5.0%	40,380	404	0.51
Total Potential Gross Income		847,980	8,480	10.78
Total Vacancy and Collection Loss	7.0%	$59,359	$594	$0.75
Effective Gross Income		$788,621	$7,886	$10.02
Expenses				
Real Estate Taxes		$57,000	$570	$0.72
Insurance		22,500	225	0.29
Management Fee	4.0%	31,545	315	0.40
Utilities		75,000	750	0.95
Salaries & Labor		120,000	1,200	1.52
Maint. & Repairs / Turnkey		50,000	500	0.64
Landscaping		10,000	100	0.13
Advert. & Promotion		20,000	200	0.25
Administrative/Misc.		30,000	300	0.38
Total Expenses		$416,045	$4,160	$5.29
Reserves		$35,000	$350	$0.44
Total Operating Expenses		$451,045	$4,510	$5.73
Trended		$460,870	$4,609	$5.86
Net Income		$327,752	$3,278	$4.16
Overall Rates/Indicated Values	6.00%	$5,462,526	$54,625	$69.42
	6.50%	$5,042,331	$50,423	$64.08
	7.00%	$4,682,165	$46,822	$59.50
Stabilized Reconciled Value		$5,000,000	$50,000	$63.54

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

In the analysis of sales, considerations for such factors as changing market conditions over time, location, size, quality, age/condition, and amenities, as well as the terms of the transactions, are all significant variables relating to the relative marketability of the subject property. Any adjustments to the sale price of comparables to provide indications of market value for the subject must be market-derived; thus, the actions of typical buyers and sellers are reflected in the comparison process. There are various units of comparison available in the evaluation of sales data. The sale price per unit (NOI), physical adjustment and effective gross income multiplier (EGIM) are most commonly used for apartments. Based on the limited expense information available from the comparables, we included an NOI and physical adjustment analysis.

Arguably, this approach is not appropriate for the subject property. Although there are other low-income housing developments, properties subject to tax credits typically do not sell in the open market, because the properties have to meet specified requirements for 15 to 30 years or the tax credits will be forfeited. Thus, the owners have a vested interest in overseeing the operation of the property over the long term. Making subjective adjustments to sales of conventional multifamily properties for the subject’s differences would not provide a meaningful value estimate of the property with rent restrictions. Rent restrictions suppress income levels, so the expense ratio will be higher than traditional complexes, with net income per unit being much lower. While net incomes can still be compared, as this is the driving valuation characteristic for income producing properties, the variance in expense ratios limits the value of an EGIM analysis. However, we performed a limited sales comparison approach to support the income approach.

The following summary chart provides pertinent details regarding each transaction; additional information including photographs and a location map are included in the Addendum. The comparable properties were reportedly built between 1971 and 2009 with unit counts between 24 and 148. The transactions occurred between July 2014 and October 2016. Overall rates indicated by the transactions range between 6.06% and 9.00%, with an average of 7.12%. Sales prices per unit range from $28,365 to $70,270. Net operating income per unit range from $1,937 to $4,413.

IMPROVED SALES SUMMARY								
No.	Name Location	Sale Date	Number of Units	Year Built	Price Per Unit	Avg. Unit Size (SF)	NOI/Unit at Sale	OAR
1	Riverwood Park, Rome, GA (LIHTC)	Oct-16	92	1997	$39,565	1,047	$2,398	6.06%
2	Westminster Apartments, Rome, GA	Jun-16	104	1971	$28,365	1,150	$1,937	6.83%
3	Rosewood Apartments, Cartersville, GA	Oct-15	148	1990	$70,270	921	$4,357	6.20%
4	5 Redwood Street Duplexes, Rome, GA	Jul-15	24	1995	$39,000	900	$3,510	9.00%
5	Woodbridge Apartments, Rome, GA	Jul-14	28	2009	$58,929	1,146	$4,413	7.49%

SALE PRICE PER UNIT ANALYSIS

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

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

NET OPERATING INCOME (NOI) ANALYSIS - RESTRICTED - AS IS									
Sale No.	Subject's NOI/Unit / Comp. NOI/Unit				Multiplier		Sale Price $/Unit		Adjusted $/Unit For Subject
1	$2,349	/	$2,398	=	0.98	X	$39,565	=	$38,774
2	$2,349	/	$1,937	=	1.21	X	$28,365	=	$34,322
3	$2,349	/	$4,357	=	0.54	X	$70,270	=	$37,946
4	$2,349	/	$3,510	=	0.67	X	$39,000	=	$26,130
5	$2,349	/	$4,413	=	0.53	X	$58,929	=	$31,232
NET OPERATING INCOME (NOI) ANALYSIS - RESTRICTED - POST RENOVATION									
Sale No.	Subject's NOI/Unit / Comp. NOI/Unit				Multiplier		Sale Price $/Unit		Adjusted $/Unit For Subject
1	$2,508	/	$2,398	=	1.05	X	$39,565	=	$41,543
2	$2,508	/	$1,937	=	1.29	X	$28,365	=	$36,591
3	$2,508	/	$4,357	=	0.58	X	$70,270	=	$40,757
4	$2,508	/	$3,510	=	0.71	X	$39,000	=	$27,690
5	$2,508	/	$4,413	=	0.57	X	$58,929	=	$33,590
NET OPERATING INCOME (NOI) ANALYSIS - UNRESTRICTED - POST RENOVATION									
Sale No.	Subject's NOI/Unit / Comp. NOI/Unit				Multiplier		Sale Price $/Unit		Adjusted $/Unit For Subject
1	$3,278	/	$2,398	=	1.37	X	$39,565	=	$54,204
2	$3,278	/	$1,937	=	1.69	X	$28,365	=	$47,937
3	$3,278	/	$4,357	=	0.75	X	$70,270	=	$52,703
4	$3,278	/	$3,510	=	0.93	X	$39,000	=	$36,270
5	$3,278	/	$4,413	=	0.74	X	$58,929	=	$43,607

As shown above, for the as is scenario, the adjusted values indicate a range from $26,130 to $38,774 per unit, and average of $33,681. Comparables One ($38,774) and Two ($34,322) required the least adjustment and Comparable Two had the most similar cap rate. Considering all of this information, we estimate a per-unit value of **$35,000** for the as is scenario.

For the post-renovation, restricted scenario, the adjusted values indicate a range from $27,690 to $41,543 per unit, and average of $36,034. Comparables One ($41,543) and Two ($36,591) required the least adjustment and Comparable Two had the most similar cap rate. Considering all of this information, we estimate a per-unit value of **$37,000** for the post-renovation restricted scenario.

For the post-renovation, unrestricted scenario, the adjusted values indicate a range from $36,270 to $54,204 per unit, and average $46,944. Comparables Three ($52,703) and Four ($36,270) required the least adjustment and Comparables Two ($47,937) and Three had the most similar cap rate. These three comparables present an average of $45,637 per unit. Considering all of this information, we estimate a per-unit value of **$47,000** for the post-renovation unrestricted scenario. The values are presented in the following chart.

SALES COMPARISON SUMMARY – AS IS		
# Units	**$/Unit**	**Indicated Value**
100	$35,000	$3,500,000
Rounded		**$3,500,000**
SALES COMPARISON SUMMARY – RESTRICTED - POST RENOVATION		
# Units	**$/Unit**	**Indicated Value**
100	$37,000	$3,700,000
Rounded		**$3,700,000**
SALES COMPARISON SUMMARY – UNRESTRICTED – POST RENOVATION		
# Units	**$/Unit**	**Indicated Value**
100	$47,000	$4,700,000
Rounded		**$4,700,000**

PHYSICAL ADJUSTMENT ANALYSIS

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

Conditions of Sale

The sales were reportedly arms-length with cash or normal financing. However, the subject is a restricted property and will have contract rents. As shown earlier in the report, the post-rehab CHAP rents are about 20% below market rents. Even for Comparable One, which is an LIHTC property, the subject rent's are about 20% below max LIHTC levels. Based on this information, we made a rounded 20% downward adjustment to all of the comparables under the post-rehab restricted scenario.

Market Conditions

The Rome real estate market has been stable over the past few years. Thus, we did not make any adjustments for market conditions.

Location

The subject property is located in a lower-income area that has not experienced much growth in the past few years. Comparables Two and Five are located in less developed corridors of Rome and received upward adjustments. Comparable Three is located in Bartow County, a much more developed area, and received a downward adjustment.

Access/Exposure

The subject has good access and exposure with exposure from a major highway serving the area. Comparables One, Two and Four have has inferior traits and received upward adjustments. No adjustments are necessary for the other comparables.

Size/Number of Units

The subject has 100 units. Typically, smaller properties sell for higher per unit prices. Conversely, larger properties tend to sell for lower per unit prices. This represents something of a quantity discount. Comparable Three has 148 units and received an upward adjustment. Comparables Four and Five have 24 to 28 units and received downward adjustments. The remaining comparables do not require adjustments.

Average Unit Size

The subject has an average unit size of 787 square feet. The comparables are larger and received downward adjustments.

Quality/Amenities

The subject is average-quality construction with a limited amenity package. Comparables One, Three and Five are superior-quality properties and received downward adjustments. No adjustments are necessary for Comparables Two or Four. The subject is planned for a substantial renovation that will greatly improve the quality of the property. We estimate the quality of the property to be improved by 20% post-rehab and made the appropriate adjustments to the post-rehab scenarios.

Age/Condition

The subject was built in 1952 and is in average condition. For our as is scenario, we made varying downward adjustments to Comparables One, Three, Four and Five for their newer age and / or superior condition and no adjustment to Comparable Two. The subject is proposed for a substantial renovation that will extend the life of the property and greatly improve its condition. We estimate the age / condition of the property to be improved by 20% post-rehab and made the appropriate adjustments to the post-rehab scenarios.

The following adjustment grid illustrates our thought processes in the comparison of the comparables to the subject. As shown, prior to adjustment, the comparables present a range of price per unit between $28,365 and $70,270, with a mean of $47,226.

SUMMARY - AS IS

COMPARABLE SALES ADJUSTMENT CHART - AS IS						
Sale No.	**Subject**	**1**	**2**	**3**	**4**	**5**
Informational Data						
Sale Date	N/Ap	Oct-16	Jun-16	Oct-15	Jul-15	Jul-14
Sale Price	N/Ap	$3,640,000	$2,950,000	$10,400,000	$936,000	$1,650,000
# Units	100	92	104	148	24	28
Avg. Unit Size	787	1,047	1,150	921	900	1,146
Year Built	1952	1997	1971	1990	1995	2009
Location	Average	Similar	Inferior	Superior	Similar	Inferior
Price per Unit	N/Ap	$39,565	$28,365	$70,270	$39,000	$58,929
Comparative Analysis						
Conditions of Sale		0%	0%	0%	0%	0%
Adjusted Price/SF		$39,565	$28,365	$70,270	$39,000	$58,929
Market Conditions		0%	0%	0%	0%	0%
Adjusted Price/SF		$39,565	$28,365	$70,270	$39,000	$58,929
Physical Adjustments						
Location		0%	10%	-40%	0%	10%
Access / Exposure		10%	10%	0%	10%	0%
Size (# of units)		0%	0%	5%	-10%	-10%
Avg. Unit Size		-5%	-5%	-5%	-5%	-5%
Quality/Amenities		-10%	0%	-10%	0%	-10%
Age/Condition		-10%	0%	-10%	-10%	-20%
Net Adjustment		-15%	15%	-60%	-15%	-35%
Adjusted Price/SF		$33,630	$32,620	$28,108	$33,150	$38,304
Indicated Range:			$28,108	to	$38,304	
Mean:				$33,162		
Indicated Range: (Ex. Extremes)			$32,620	to	$33,630	
Mean: (Ex. Extremes)				$33,134		

As shown, after adjustments, the indicated range is between $28,108 and $38,304, with a mean of $33,162. Excluding the extremes, the range is $32,620 to $33,630 with a mean of $33,134. Comparables One ($33,630) and Two ($32,620) were the most recent sales. Based on this information, we estimate a value for the subject at a rounded **$33,000** per unit. Our estimate of value for the subject property, based on a price per unit method is shown as follows.

SALES COMPARISON APPROACH VALUE – PRICE PER UNIT				
Indicated Value/Unit		**Subject Units**		**Total**
$33,000	X	100	=	$3,300,000
Rounded				$3,300,000

SUMMARY – POST RENOVATION - RESTRICTED

COMPARABLE SALES ADJUSTMENT CHART - POST RENOVATION - RESTRICTED						
Sale No.	**Subject**	**1**	**2**	**3**	**4**	**5**
Informational Data						
Sale Date	N/Ap	Oct-16	Jun-16	Oct-15	Jul-15	Jul-14
Sale Price	N/Ap	$3,640,000	$2,950,000	$10,400,000	$936,000	$1,650,000
# Units	100	92	104	148	24	28
Avg. Unit Size	787	1,047	1,150	921	900	1,146
Year Built	1952	1997	1971	1990	1995	2009
Location	Average	Similar	Inferior	Superior	Similar	Inferior
Price per Unit	N/Ap	$39,565	$28,365	$70,270	$39,000	$58,929
Comparative Analysis						
Conditions of Sale		-20%	-20%	-20%	-20%	-20%
Adjusted Price/SF		$31,652	$22,692	$56,216	$31,200	$47,143
Market Conditions		0%	0%	0%	0%	0%
Adjusted Price/SF		$31,652	$22,692	$56,216	$31,200	$47,143
Physical Adjustments						
Location		0%	10%	-40%	0%	10%
Access / Exposure		10%	10%	0%	10%	0%
Size (# of units)		0%	0%	5%	-10%	-10%
Avg. Unit Size		-5%	-5%	-5%	-5%	-5%
Quality/Amenities		10%	20%	10%	20%	10%
Age/Condition		10%	20%	10%	10%	0%
Net Adjustment		25%	55%	-20%	25%	5%
Adjusted Price/SF		$39,565	$35,173	$44,973	$39,000	$49,500
Indicated Range:			$35,173	to	$49,500	
Mean:				$41,642		
Indicated Range: (Ex. Extremes)			$39,000	to	$44,973	
Mean: (Ex. Extremes)				$41,179		

As shown, after adjustments, the indicated range is between $35,173 and $49,500, with a mean of $41,642. Excluding the extremes, the range is $39,000 to $44,973 with a mean of $41,179. Comparables One ($39,565) and Two ($35,173) were the most recent sales. Based on this information, we estimate a value for the subject at a rounded **$39,000** per unit. Our estimate of value for the subject property, based on a price per unit method is shown as follows.

SALES COMPARISON APPROACH VALUE – PRICE PER UNIT				
Indicated Value/Unit		**Subject Units**		**Total**
$39,000	X	100	=	$3,900,000
Rounded				$3,900,000

SUMMARY – POST RENOVATION - UNRESTRICTED

COMPARABLE SALES ADJUSTMENT CHART - POST RENOVATION - UNRESTRICTED						
Sale No.	**Subject**	**1**	**2**	**3**	**4**	**5**
Informational Data						
Sale Date	N/Ap	Oct-16	Jun-16	Oct-15	Jul-15	Jul-14
Sale Price	N/Ap	$3,640,000	$2,950,000	$10,400,000	$936,000	$1,650,000
# Units	100	92	104	148	24	28
Avg. Unit Size	787	1,047	1,150	921	900	1,146
Year Built	1952	1997	1971	1990	1995	2009
Location	Average	Similar	Inferior	Superior	Similar	Inferior
Price per Unit	N/Ap	$39,565	$28,365	$70,270	$39,000	$58,929
Comparative Analysis						
Conditions of Sale		0%	0%	0%	0%	0%
Adjusted Price/SF		$39,565	$28,365	$70,270	$39,000	$58,929
Market Conditions		0%	0%	0%	0%	0%
Adjusted Price/SF		$39,565	$28,365	$70,270	$39,000	$58,929
Physical Adjustments						
Location		0%	10%	-40%	0%	10%
Access / Exposure		10%	10%	0%	10%	0%
Size (# of units)		0%	0%	5%	-10%	-10%
Avg. Unit Size		-5%	-5%	-5%	-5%	-5%
Quality/Amenities		10%	20%	10%	20%	10%
Age/Condition		10%	20%	10%	10%	0%
Net Adjustment		25%	55%	-20%	25%	5%
Adjusted Price/SF		$49,457	$43,966	$56,216	$48,750	$61,875
Indicated Range:			$43,966	to	$61,875	
Mean:				$52,053		
Indicated Range: (Ex. Extremes)			$48,750	to	$56,216	
Mean: (Ex. Extremes)				$51,474		

As shown, after adjustments, the indicated range is between $43,966 and $61,875, with a mean of $52,053. Excluding the extremes, the range is $48,750 to $56,216 with a mean of $51,474. Comparables One ($49,457) and Two ($43,966) are the most recent sales. Based on this information, we estimate a value for the subject at a rounded **$49,000** per unit. Our estimate of value for the subject property, based on a price per unit method is shown as follows.

SALES COMPARISON APPROACH VALUE – PRICE PER UNIT				
Indicated Value/Unit		Subject Units		Total
$49,000	X	100	=	$4,900,000
Rounded				$4,900,000

SALES COMPARISON APPROACH CONCLUSION

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

SUMMARY OF VALUE ESTIMATES BY SALES COMPARISON APPROACH AS IS	
Method	**Indicated Value**
NOI Per Square Foot	$3,500,000
Physical Adjustments	$3,300,000
Reconciled:	**$3,400,000**

SUMMARY OF VALUE ESTIMATES BY SALES COMPARISON APPROACH POST RENOVATION - RESTRICTED	
Method	**Indicated Value**
NOI Per Square Foot	$3,700,000
Physical Adjustments	$3,900,000
Reconciled:	**$3,800,000**

SUMMARY OF VALUE ESTIMATES BY SALES COMPARISON APPROACH POST RENOVATION - UNRESTRICTED	
Method	**Indicated Value**
NOI Per Square Foot	$4,700,000
Physical Adjustments	$4,900,000
Reconciled:	**$4,800,000**

We were asked to estimate "as is" market value of the fee simple interest in the subject property and prospective market value of the fee simple interest in the subject property, "upon completion and stabilization," of the proposed renovations using both restricted and hypothetical unrestricted rents. We were also requested to estimate prospective unrestricted market value at loan maturity.

FINAL VALUE ESTIMATE – AS IS

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

FINAL VALUE ESTIMATES – AS IS	
Income Capitalization Approach	$3,500,000
Sales Comparison Approach	$3,400,000

In the analysis of the subject, there are significant weaknesses in the application of the cost approach. The age of the improvements suggests a significant amount of physical depreciation, which is difficult to quantify on an 'as is' basis as well as post renovation. It should also be noted that investors of income producing properties typically do not perform a cost approach unless the building is new or fairly new, as they are most concerned with the income characteristics of the asset. The subject was built in 1952. Further, based on the projected costs and our value conclusions from the other approaches, the subject renovation is not feasible without the substantial incentives provided by the Low Income Housing Tax Credits. In our opinion, a cost approach is not relevant to this appraisal and any reasonable appraiser would agree that this approach is not relevant. Thus, a cost approach was not included. At the request of the client and per DCA appraisal requirements, we did perform a land valuation analysis utilizing the sales comparison approach. This is the most common methodology for appraising land.

Apartment properties are typically purchased by investors; thus, the income approach most closely parallels the anticipated analysis that would be employed by a likely buyer. Most multifamily buyers place emphasis on this approach, particularly the direct capitalization analysis for existing properties operating at or near stabilization. We placed weighted emphasis on this approach. However, we do note that both approaches presented the same value.

The sales comparison approach is predicated on the principle that an investor will pay no more for an existing property than for a comparable property with similar utility. This approach is contingent on the reliability and comparability of available data. We used sales of apartment complexes located in Northwest Georgia of similar investment quality.

Based on the research and analysis contained in this report, we estimate the market value of the fee simple interest in the subject property, as is, as follows:

Estimate of Market Value of the Fee Simple Interest in the Subject Property "As Is", As of March 21, 2017

THREE MILLION FIVE HUNDRED THOUSAND DOLLARS
$3,500,000

This value is allocated as $850,000 for land and $2,650,000 for improvements.

FINAL VALUE ESTIMATE – POST RENOVATION – RESTRICTED AND UNRESTRICTED

For this portion of our analysis, we used the income and sales comparison approaches to estimate market value for the subject property. Once again, we were instructed to present post-renovation values under both restricted and unrestricted scenarios. We also note that according to the developer, the renovation will be phased so that remaining existing tenants will be temporarily relocated to other units then moved back in once completed. Additionally, the Northwest Georgia Consolidated Housing Authority reportedly has a waiting list of over 1,000 prospective tenants. As such, the property should stabilize almost immediately upon completion. As such, our "at stabilization" and "at completion" dates and values are the same. The indications from each are presented in the following chart. Once again, we have placed weighted emphasis on the income approach to value.

FINAL VALUE ESTIMATES – POST RENOVATION - RESTRICTED - AS COMPLETE AND STABILIZED	
Income Capitalization Approach	$3,700,000
Sales Comparison Approach	$3,800,000
FINAL VALUE ESTIMATES – POST RENOVATION - UNRESTRICTED - AS COMPLETE AND STABILIZED	
Income Capitalization Approach	$5,000,000
Sales Comparison Approach	$4,800,000

Estimate of Market Value of the Fee Simple Interest in the Subject "Upon Completion And Stabilization," Subject to Restricted Rents, As of August 1, 2018

THREE MILLION SEVEN HUNDRED THOUSAND DOLLARS
$3,700,000

Estimate of Hypothetical Market Value of the Fee Simple Interest in the Subject "Upon Completion And Stabilization," Assuming Unrestricted Rents, As of August 1, 2018

FIVE MILLION DOLLARS
$5,000,000

VALUE ESTIMATE AT LOAN MATURITY ASSUMING UNRESTRICTED RENTS

Assuming annual inflation of 1.50% applied to the NOI at stabilization and an 7.50% overall rate (100 basis points above our unrestricted rate), the estimate of market value at loan maturity (40 years), assuming unrestricted rents, is **$7,900,000**.

MARKET VALUE AT LOAN MATURITY				
Stabilized NOI	**Annual Inflation**	**NOI at Loan Maturity (40 yrs)**	**Overall Rate at Maturity**	**Indicated Value at Maturity**
$327,752	1.50%	$594,548.16	7.50%	$7,927,309
Rounded				$7,900,000

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

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

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

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

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

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

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

However, we will be available to discuss the necessity for revision resulting from changes in economic or market factors affecting the subject.

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

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

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

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

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

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

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

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

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

16. The maps, plats, sketches, graphs, photographs and exhibits included in this report are for illustration purposes only and are to be used only to assist in visualizing matters discussed within this report. Except as specifically stated, data relative to size or area of the subject and comparable properties was obtained from sources deemed accurate and reliable. None of the exhibits are to be removed, reproduced, or used apart from this report.

17. No opinion is intended to be expressed on matters, which may require legal expertise or specialized investigation, or knowledge beyond that customarily employed by real estate appraisers. Values and

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

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

19. We assume that the subject property will be under prudent and competent management and ownership; neither inefficient nor super-efficient.

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

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

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

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

24. The value estimate rendered in this report is predicated on the assumption that there is no hazardous material on or in the property that would cause a loss in value. We are not qualified to determine the existence or extent of environmental hazards.

Typical Exterior Views Of Subject Property

Typical Exterior Views Of Subject Property

Typical Exterior Views Of Subject Property


Typical Interior Views Of Subject Units


Typical Interior Views Of Subject Units


Typical Interior Views Of Subject Units


Typical Views Of Grounds / Parking Areas


Typical Views Of Grounds / Parking Areas

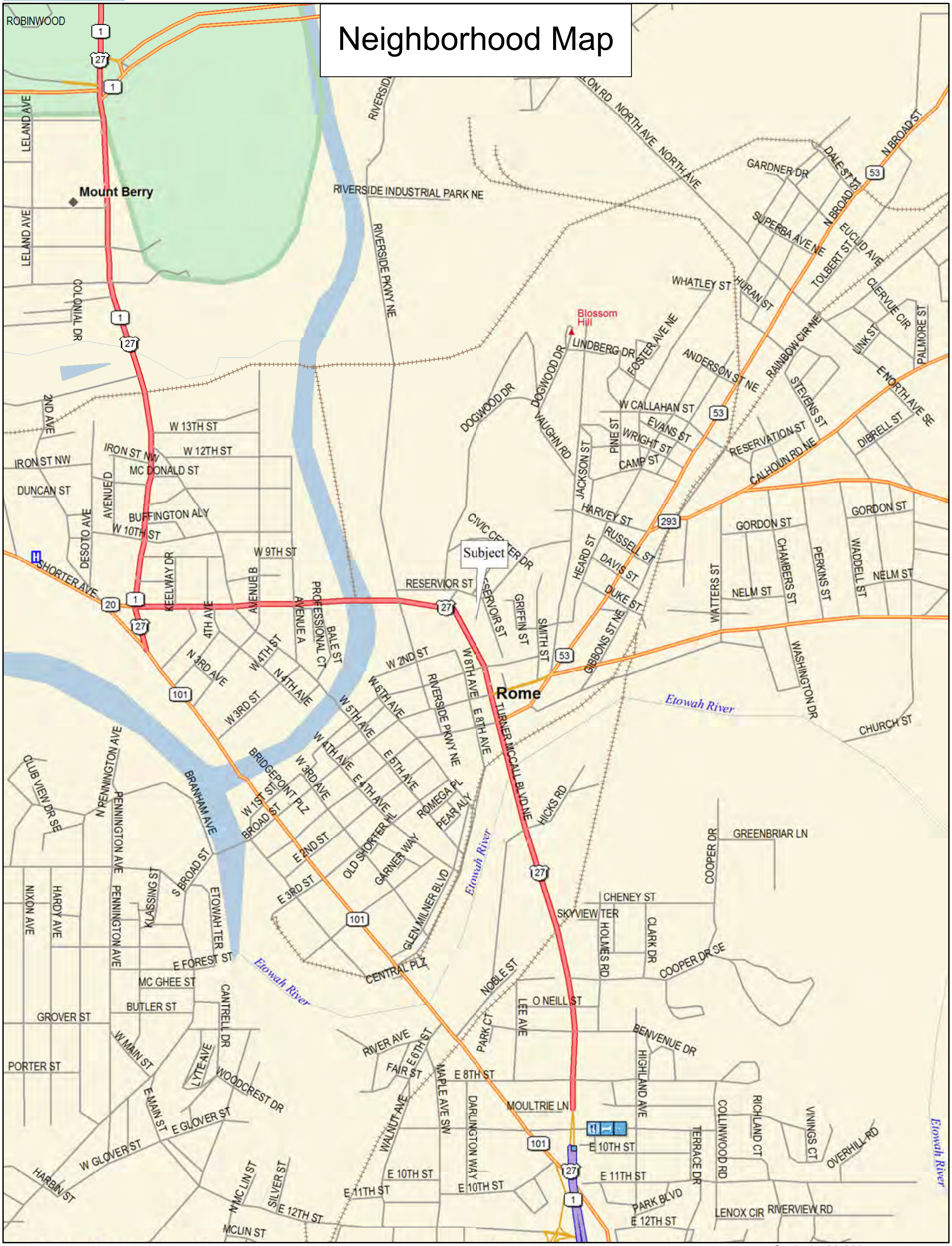

Typical Views Of Grounds / Parking Areas

Typical Views Of Nearby Properties

Typical Views Of Nearby Properties

Typical Views Of Nearby Properties

Neighborhood Map



Scale 1 : 20,800

0 600 1200 1800 2400 3000 ft
0 180 360 540 720 900 m

1" = 1,733.3 ft Data Zoom 13-3

TN
MN (4.6°W)

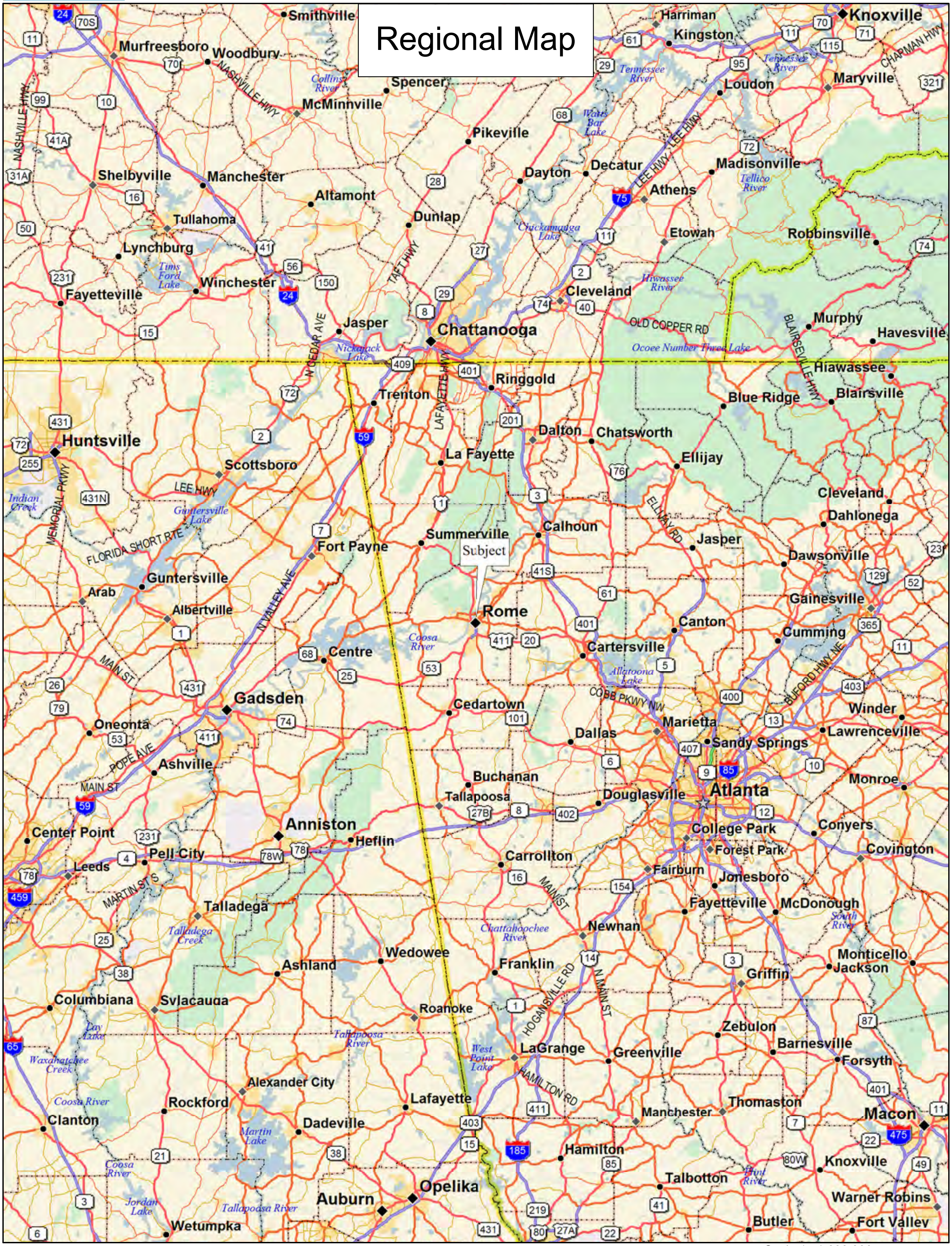
Scale 1 : 56,250

1" = 4,687.5 ft

Data Zoom 11-7

TN

MN (4.6°W)



TN
MN (4.6°W)

Scale 1 : 1,600,000
0 8 16 24 32 40 mi
0 14 28 42 56 70 km
1" = 25.25 mi Data Zoom 7-0

EHA
Everson, Huber & Associates, LC

Market Profile

201 Reservoir St NE, Rome, Georgia, 30161
Rings: 1, 3, 5 mile radii

Prepared by Esri
Latitude: 34.26060
Longitude: -85.16545

	1 mile	3 miles	5 miles
Population Summary			
2000 Total Population	4,792	30,602	53,078
2010 Total Population	4,115	29,790	55,738
2016 Total Population	4,055	30,610	56,958
2016 Group Quarters	80	3,012	3,597
2021 Total Population	4,037	31,082	57,686
2016-2021 Annual Rate	-0.09%	0.31%	0.25%
2016 Total Daytime Population	14,762	44,831	70,314
Workers	11,863	25,951	35,821
Residents	2,899	18,880	34,493
Household Summary			
2000 Households	1,984	11,348	19,820
2000 Average Household Size	2.38	2.43	2.49
2010 Households	1,871	11,102	20,620
2010 Average Household Size	2.16	2.42	2.54
2016 Households	1,821	11,268	20,801
2016 Average Household Size	2.18	2.45	2.57
2021 Households	1,800	11,397	20,971
2021 Average Household Size	2.20	2.46	2.58
2016-2021 Annual Rate	-0.23%	0.23%	0.16%
2010 Families	841	6,760	13,431
2010 Average Family Size	3.16	3.09	3.13
2016 Families	801	6,791	13,408
2016 Average Family Size	3.22	3.14	3.19
2021 Families	782	6,829	13,441
2021 Average Family Size	3.26	3.17	3.21
2016-2021 Annual Rate	-0.48%	0.11%	0.05%
Housing Unit Summary			
2000 Housing Units	2,224	12,465	21,416
Owner Occupied Housing Units	26.5%	47.8%	55.5%
Renter Occupied Housing Units	62.7%	43.2%	37.1%
Vacant Housing Units	10.8%	9.0%	7.5%
2010 Housing Units	2,189	12,951	23,447
Owner Occupied Housing Units	20.8%	40.4%	48.3%
Renter Occupied Housing Units	64.6%	45.3%	39.7%
Vacant Housing Units	14.5%	14.3%	12.1%
2016 Housing Units	2,192	13,179	23,796
Owner Occupied Housing Units	17.6%	37.4%	44.7%
Renter Occupied Housing Units	65.6%	48.1%	42.8%
Vacant Housing Units	16.9%	14.5%	12.6%
2021 Housing Units	2,197	13,345	24,074
Owner Occupied Housing Units	17.3%	37.5%	44.3%
Renter Occupied Housing Units	64.7%	47.9%	42.8%
Vacant Housing Units	18.1%	14.6%	12.9%
Median Household Income			
2016	$19,272	$32,894	$37,364
2021	$19,111	$32,331	$38,159
Median Home Value			
2016	$92,535	$107,126	$108,841
2021	$105,172	$142,481	$141,150
Per Capita Income			
2016	$15,378	$19,789	$21,293
2021	$16,003	$21,094	$23,020
Median Age			
2010	39.2	34.3	35.5
2016	39.7	35.2	36.3
2021	40.3	36.1	37.1

Data Note: Household population includes persons not residing in group quarters. Average Household Size is the household population divided by total households. Persons in families include the householder and persons related to the householder by birth, marriage, or adoption. Per Capita Income represents the income received by all persons aged 15 years and over divided by the total population.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2016 and 2021 Esri converted Census 2000 data into 2010 geography.

March 02, 2017

EHA
Everson, Huber & Associates, LC

Market Profile

201 Reservoir St NE, Rome, Georgia, 30161
Rings: 1, 3, 5 mile radii

Prepared by Esri
Latitude: 34.26060
Longitude: -85.16545

	1 mile	3 miles	5 miles
2016 Households by Income			
Household Income Base	1,821	11,268	20,801
<$15,000	41.2%	25.1%	19.5%
$15,000 - $24,999	16.5%	14.7%	14.7%
$25,000 - $34,999	12.9%	12.2%	12.6%
$35,000 - $49,999	12.8%	15.3%	15.1%
$50,000 - $74,999	8.5%	15.2%	16.8%
$75,000 - $99,999	4.0%	7.0%	8.9%
$100,000 - $149,999	2.9%	6.2%	7.3%
$150,000 - $199,999	0.7%	2.0%	2.3%
$200,000+	0.6%	2.4%	2.8%
Average Household Income	$31,143	$49,045	$54,626
2021 Households by Income			
Household Income Base	1,800	11,397	20,971
<$15,000	41.8%	25.8%	20.0%
$15,000 - $24,999	15.9%	13.9%	14.0%
$25,000 - $34,999	15.2%	13.1%	13.5%
$35,000 - $49,999	8.5%	10.9%	9.7%
$50,000 - $74,999	8.8%	16.3%	17.9%
$75,000 - $99,999	4.9%	7.9%	10.3%
$100,000 - $149,999	3.5%	7.0%	8.7%
$150,000 - $199,999	0.7%	2.4%	2.8%
$200,000+	0.6%	2.6%	3.2%
Average Household Income	$32,623	$52,953	$59,696
2016 Owner Occupied Housing Units by Value			
Total	385	4,929	10,623
<$50,000	18.2%	14.9%	14.2%
$50,000 - $99,999	37.4%	32.7%	32.5%
$100,000 - $149,999	8.1%	16.8%	18.7%
$150,000 - $199,999	13.5%	10.4%	10.9%
$200,000 - $249,999	4.9%	7.0%	7.1%
$250,000 - $299,999	4.2%	4.6%	3.6%
$300,000 - $399,999	5.7%	5.3%	5.5%
$400,000 - $499,999	4.2%	2.8%	2.7%
$500,000 - $749,999	3.9%	3.4%	3.0%
$750,000 - $999,999	0.0%	1.8%	1.3%
$1,000,000 +	0.0%	0.2%	0.5%
Average Home Value	$151,883	$167,061	$163,760
2021 Owner Occupied Housing Units by Value			
Total	379	5,005	10,672
<$50,000	16.6%	12.3%	11.1%
$50,000 - $99,999	32.7%	26.4%	26.1%
$100,000 - $149,999	7.7%	13.3%	15.6%
$150,000 - $199,999	16.1%	12.2%	12.4%
$200,000 - $249,999	7.1%	11.0%	11.5%
$250,000 - $299,999	6.3%	8.1%	6.6%
$300,000 - $399,999	5.3%	6.2%	6.9%
$400,000 - $499,999	4.7%	3.8%	3.8%
$500,000 - $749,999	3.7%	3.9%	3.6%
$750,000 - $999,999	0.0%	2.6%	2.0%
$1,000,000 +	0.0%	0.2%	0.5%
Average Home Value	$162,368	$196,689	$194,881

Data Note: Income represents the preceding year, expressed in current dollars. Household income includes wage and salary earnings, interest dividends, net rents, pensions, SSI and welfare payments, child support, and alimony.
Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2016 and 2021 Esri converted Census 2000 data into 2010 geography.

March 02, 2017

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Market Profile

201 Reservoir St NE, Rome, Georgia, 30161
Rings: 1, 3, 5 mile radii

Prepared by Esri
Latitude: 34.26060
Longitude: -85.16545

	1 mile	3 miles	5 miles
2010 Population by Age			
Total	4,117	29,788	55,737
0 - 4	8.0%	7.5%	7.5%
5 - 9	6.0%	6.7%	7.0%
10 - 14	4.8%	5.8%	6.4%
15 - 24	12.8%	17.4%	15.4%
25 - 34	13.8%	13.4%	13.2%
35 - 44	10.6%	11.8%	12.5%
45 - 54	14.1%	12.3%	12.7%
55 - 64	12.8%	11.0%	11.1%
65 - 74	8.3%	6.8%	7.1%
75 - 84	5.8%	4.8%	4.9%
85 +	3.0%	2.4%	2.2%
18 +	78.0%	76.4%	75.4%
2016 Population by Age			
Total	4,056	30,611	56,958
0 - 4	7.3%	7.0%	7.0%
5 - 9	6.6%	6.6%	6.7%
10 - 14	5.6%	6.2%	6.4%
15 - 24	11.6%	16.6%	14.7%
25 - 34	13.3%	13.4%	13.6%
35 - 44	10.6%	11.8%	12.1%
45 - 54	12.1%	11.4%	11.8%
55 - 64	14.3%	11.6%	11.7%
65 - 74	9.6%	8.2%	8.5%
75 - 84	5.9%	4.8%	5.0%
85 +	3.0%	2.6%	2.4%
18 +	77.7%	77.0%	76.4%
2021 Population by Age			
Total	4,036	31,082	57,684
0 - 4	7.2%	6.8%	6.9%
5 - 9	6.3%	6.4%	6.5%
10 - 14	5.8%	6.2%	6.5%
15 - 24	11.4%	16.4%	14.5%
25 - 34	12.7%	12.7%	13.0%
35 - 44	11.3%	12.1%	12.4%
45 - 54	10.6%	10.7%	11.1%
55 - 64	14.2%	11.4%	11.5%
65 - 74	10.7%	9.3%	9.7%
75 - 84	6.6%	5.3%	5.5%
85 +	3.0%	2.6%	2.5%
18 +	77.5%	77.1%	76.5%
2010 Population by Sex			
Males	1,885	13,987	26,673
Females	2,230	15,803	29,065
2016 Population by Sex			
Males	1,871	14,456	27,375
Females	2,184	16,154	29,583
2021 Population by Sex			
Males	1,861	14,735	27,797
Females	2,176	16,347	29,889

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2016 and 2021 Esri converted Census 2000 data into 2010 geography.

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Market Profile

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Rings: 1, 3, 5 mile radii

Prepared by Esri
Latitude: 34.26060
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	1 mile	3 miles	5 miles
2010 Population by Race/Ethnicity			
Total	4,115	29,791	55,738
White Alone	45.7%	57.7%	66.6%
Black Alone	45.6%	30.5%	21.3%
American Indian Alone	0.9%	0.5%	0.5%
Asian Alone	0.4%	0.8%	1.4%
Pacific Islander Alone	0.2%	0.2%	0.2%
Some Other Race Alone	5.0%	8.1%	7.9%
Two or More Races	2.2%	2.1%	2.2%
Hispanic Origin	10.1%	13.2%	13.3%
Diversity Index	65.9	67.1	62.4
2016 Population by Race/Ethnicity			
Total	4,055	30,610	56,958
White Alone	44.1%	55.9%	64.4%
Black Alone	45.8%	30.9%	21.9%
American Indian Alone	0.9%	0.6%	0.5%
Asian Alone	0.5%	0.8%	1.4%
Pacific Islander Alone	0.3%	0.3%	0.2%
Some Other Race Alone	5.8%	9.1%	9.0%
Two or More Races	2.6%	2.5%	2.6%
Hispanic Origin	11.7%	15.0%	15.3%
Diversity Index	67.9	69.6	65.7
2021 Population by Race/Ethnicity			
Total	4,037	31,083	57,687
White Alone	42.6%	53.9%	62.1%
Black Alone	46.0%	31.2%	22.3%
American Indian Alone	0.9%	0.6%	0.5%
Asian Alone	0.5%	0.8%	1.5%
Pacific Islander Alone	0.3%	0.3%	0.2%
Some Other Race Alone	6.8%	10.3%	10.3%
Two or More Races	2.9%	2.8%	3.0%
Hispanic Origin	13.3%	17.0%	17.5%
Diversity Index	69.8	72.1	68.9
2010 Population by Relationship and Household Type			
Total	4,115	29,790	55,738
In Households	98.2%	90.4%	93.9%
In Family Households	68.0%	73.1%	78.3%
Householder	21.7%	22.5%	24.1%
Spouse	9.7%	13.0%	15.8%
Child	27.9%	29.7%	31.0%
Other relative	5.2%	4.8%	4.6%
Nonrelative	3.5%	3.0%	2.8%
In Nonfamily Households	30.1%	17.3%	15.6%
In Group Quarters	1.8%	9.6%	6.1%
Institutionalized Population	0.8%	4.5%	3.3%
Noninstitutionalized Population	1.0%	5.1%	2.8%

Data Note: Persons of Hispanic Origin may be of any race. The Diversity Index measures the probability that two people from the same area will be from different race/ ethnic groups.
Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2016 and 2021 Esri converted Census 2000 data into 2010 geography.

March 02, 2017

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Market Profile

201 Reservoir St NE, Rome, Georgia, 30161
Rings: 1, 3, 5 mile radii

Prepared by Esri
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	1 mile	3 miles	5 miles
2016 Population 25+ by Educational Attainment			
Total	2,793	19,496	37,130
Less than 9th Grade	11.3%	12.6%	10.1%
9th - 12th Grade, No Diploma	24.1%	15.2%	13.6%
High School Graduate	19.7%	21.9%	22.8%
GED/Alternative Credential	4.9%	6.1%	6.4%
Some College, No Degree	16.5%	19.0%	21.0%
Associate Degree	4.8%	5.4%	6.6%
Bachelor's Degree	11.5%	10.9%	11.0%
Graduate/Professional Degree	7.2%	9.0%	8.7%
2016 Population 15+ by Marital Status			
Total	3,264	24,573	45,517
Never Married	38.1%	39.5%	34.8%
Married	31.1%	38.2%	44.6%
Widowed	13.4%	8.7%	7.8%
Divorced	17.4%	13.5%	12.8%
2016 Civilian Population 16+ in Labor Force			
Civilian Employed	85.4%	90.8%	91.6%
Civilian Unemployed	14.7%	9.2%	8.4%
2016 Employed Population 16+ by Industry			
Total	1,149	11,583	22,292
Agriculture/Mining	1.0%	1.0%	0.6%
Construction	3.8%	8.4%	6.1%
Manufacturing	16.8%	12.7%	13.9%
Wholesale Trade	2.6%	1.4%	1.6%
Retail Trade	13.4%	8.7%	9.9%
Transportation/Utilities	3.8%	3.3%	3.6%
Information	0.8%	0.8%	0.9%
Finance/Insurance/Real Estate	3.4%	3.5%	3.8%
Services	53.4%	57.7%	55.2%
Public Administration	0.8%	2.5%	4.4%
2016 Employed Population 16+ by Occupation			
Total	1,148	11,584	22,293
White Collar	42.2%	50.1%	51.2%
Management/Business/Financial	7.3%	8.8%	9.3%
Professional	14.8%	19.0%	18.7%
Sales	14.3%	11.0%	11.4%
Administrative Support	5.8%	11.4%	11.8%
Services	26.8%	23.3%	23.0%
Blue Collar	30.9%	26.6%	25.8%
Farming/Forestry/Fishing	0.0%	0.7%	0.5%
Construction/Extraction	3.0%	7.2%	5.8%
Installation/Maintenance/Repair	0.6%	1.4%	2.7%
Production	15.8%	11.3%	10.7%
Transportation/Material Moving	11.4%	5.9%	6.0%
2010 Population By Urban/ Rural Status			
Total Population	4,115	29,790	55,738
Population Inside Urbanized Area	100.0%	95.3%	86.9%
Population Inside Urbanized Cluster	0.0%	0.0%	0.0%
Rural Population	0.0%	4.7%	13.1%

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2016 and 2021 Esri converted Census 2000 data into 2010 geography.

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Market Profile

201 Reservoir St NE, Rome, Georgia, 30161
Rings: 1, 3, 5 mile radii

Prepared by Esri
Latitude: 34.26060
Longitude: -85.16545

	1 mile	3 miles	5 miles
2010 Households by Type			
Total	1,871	11,102	20,620
Households with 1 Person	48.5%	33.3%	29.5%
Households with 2+ People	51.5%	66.7%	70.5%
Family Households	44.9%	60.9%	65.1%
Husband-wife Families	20.0%	35.3%	42.5%
With Related Children	7.0%	15.2%	18.8%
Other Family (No Spouse Present)	24.9%	25.6%	22.6%
Other Family with Male Householder	4.2%	5.2%	5.1%
With Related Children	1.9%	2.6%	2.8%
Other Family with Female Householder	20.7%	20.5%	17.5%
With Related Children	14.1%	13.7%	11.7%
Nonfamily Households	6.6%	5.8%	5.3%
All Households with Children	23.4%	32.0%	33.9%
Multigenerational Households	3.8%	4.9%	5.0%
Unmarried Partner Households	6.6%	6.2%	5.9%
Male-female	6.0%	5.5%	5.2%
Same-sex	0.6%	0.7%	0.7%
2010 Households by Size			
Total	1,870	11,103	20,619
1 Person Household	48.5%	33.3%	29.5%
2 Person Household	25.4%	30.1%	31.0%
3 Person Household	12.1%	15.2%	16.1%
4 Person Household	6.8%	11.0%	12.4%
5 Person Household	4.3%	5.7%	6.1%
6 Person Household	1.5%	2.5%	2.8%
7 + Person Household	1.3%	2.2%	2.1%
2010 Households by Tenure and Mortgage Status			
Total	1,871	11,102	20,620
Owner Occupied	24.4%	47.1%	54.9%
Owned with a Mortgage/Loan	14.4%	29.4%	35.5%
Owned Free and Clear	9.9%	17.8%	19.4%
Renter Occupied	75.6%	52.9%	45.1%
2010 Housing Units By Urban/ Rural Status			
Total Housing Units	2,189	12,951	23,447
Housing Units Inside Urbanized Area	100.0%	95.7%	87.2%
Housing Units Inside Urbanized Cluster	0.0%	0.0%	0.0%
Rural Housing Units	0.0%	4.3%	12.8%

Data Note: Households with children include any households with people under age 18, related or not. Multigenerational households are families with 3 or more parent-child relationships. Unmarried partner households are usually classified as nonfamily households unless there is another member of the household related to the householder. Multigenerational and unmarried partner households are reported only to the tract level. Esri estimated block group data, which is used to estimate polygons or non-standard geography.
Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2016 and 2021 Esri converted Census 2000 data into 2010 geography.

March 02, 2017

Market Profile

201 Reservoir St NE, Rome, Georgia, 30161
Rings: 1, 3, 5 mile radii

Prepared by Esri
Latitude: 34.26060
Longitude: -85.16545

		1 mile	3 miles	5 miles
Top 3 Tapestry Segments				
	1.	Social Security Set (9F)	Hardscrabble Road (8G)	Old and Newcomers (8F)
	2.	City Commons (11E)	Old and Newcomers (8F)	Comfortable Empty Nesters
	3.	Old and Newcomers (8F)	Modest Income Homes	Midlife Constants (5E)
2016 Consumer Spending				
Apparel & Services: Total $		$1,577,933	$14,754,375	$30,046,548
Average Spent		$866.52	$1,309.40	$1,444.48
Spending Potential Index		43	65	72
Education: Total $		$1,123,780	$10,009,570	$20,037,276
Average Spent		$617.12	$888.32	$963.28
Spending Potential Index		44	63	68
Entertainment/Recreation: Total $		$2,142,854	$21,033,555	$43,332,412
Average Spent		$1,176.75	$1,866.66	$2,083.19
Spending Potential Index		40	64	71
Food at Home: Total $		$4,106,168	$38,401,458	$77,398,785
Average Spent		$2,254.90	$3,408.01	$3,720.92
Spending Potential Index		45	68	75
Food Away from Home: Total $		$2,416,251	$22,824,984	$46,614,505
Average Spent		$1,326.88	$2,025.65	$2,240.97
Spending Potential Index		43	65	72
Health Care: Total $		$3,812,494	$38,791,742	$80,161,687
Average Spent		$2,093.63	$3,442.65	$3,853.74
Spending Potential Index		40	65	73
HH Furnishings & Equipment: Total $		$1,288,305	$12,699,792	$26,189,105
Average Spent		$707.47	$1,127.07	$1,259.03
Spending Potential Index		40	64	71
Personal Care Products & Services: Total $		$548,815	$5,252,830	$10,839,599
Average Spent		$301.38	$466.17	$521.11
Spending Potential Index		41	64	71
Shelter: Total $		$12,562,635	$114,452,770	$231,749,600
Average Spent		$6,898.76	$10,157.33	$11,141.27
Spending Potential Index		44	65	72
Support Payments/Cash Contributions/Gifts in Kind: Total $		$1,621,693	$16,727,142	$34,701,991
Average Spent		$890.55	$1,484.48	$1,668.28
Spending Potential Index		38	64	72
Travel: Total $		$1,197,035	$12,300,000	$25,962,100
Average Spent		$657.35	$1,091.59	$1,248.12
Spending Potential Index		35	59	67
Vehicle Maintenance & Repairs: Total $		$771,058	$7,618,493	$15,648,382
Average Spent		$423.43	$676.12	$752.29
Spending Potential Index		41	65	73

Data Note: Consumer spending shows the amount spent on a variety of goods and services by households that reside in the area. Expenditures are shown by broad budget categories that are not mutually exclusive. Consumer spending does not equal business revenue. Total and Average Amount Spent Per Household represent annual figures. The Spending Potential Index represents the amount spent in the area relative to a national average of 100.
Source: Consumer Spending data are derived from the 2013 and 2014 Consumer Expenditure Surveys, Bureau of Labor Statistics. Esri.
Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2016 and 2021 Esri converted Census 2000 data into 2010 geography.

March 02, 2017

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Market Profile

Floyd County, GA
Floyd County, GA (13115)
Geography: County

Prepared by Esri

	Floyd County,...
Population Summary	
2000 Total Population	90,565
2010 Total Population	96,317
2016 Total Population	97,576
2016 Group Quarters	3,922
2021 Total Population	98,452
2016-2021 Annual Rate	0.18%
2016 Total Daytime Population	101,356
Workers	42,901
Residents	58,455
Household Summary	
2000 Households	34,028
2000 Average Household Size	2.55
2010 Households	35,930
2010 Average Household Size	2.58
2016 Households	35,985
2016 Average Household Size	2.60
2021 Households	36,135
2021 Average Household Size	2.62
2016-2021 Annual Rate	0.08%
2010 Families	24,916
2010 Average Family Size	3.09
2016 Families	24,713
2016 Average Family Size	3.14
2021 Families	24,686
2021 Average Family Size	3.16
2016-2021 Annual Rate	-0.02%
Housing Unit Summary	
2000 Housing Units	36,615
Owner Occupied Housing Units	62.1%
Renter Occupied Housing Units	30.9%
Vacant Housing Units	7.1%
2010 Housing Units	40,551
Owner Occupied Housing Units	56.1%
Renter Occupied Housing Units	32.5%
Vacant Housing Units	11.4%
2016 Housing Units	40,961
Owner Occupied Housing Units	52.3%
Renter Occupied Housing Units	35.6%
Vacant Housing Units	12.1%
2021 Housing Units	41,321
Owner Occupied Housing Units	51.9%
Renter Occupied Housing Units	35.5%
Vacant Housing Units	12.6%
Median Household Income	
2016	$41,757
2021	$45,420
Median Home Value	
2016	$116,081
2021	$149,494
Per Capita Income	
2016	$22,180
2021	$24,041
Median Age	
2010	37.4
2016	38.4
2021	39.3

Data Note: Household population includes persons not residing in group quarters. Average Household Size is the household population divided by total households. Persons in families include the householder and persons related to the householder by birth, marriage, or adoption. Per Capita Income represents the income received by all persons aged 15 years and over divided by the total population.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2016 and 2021 Esri converted Census 2000 data into 2010 geography.

March 02, 2017

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Market Profile

Floyd County, GA
Floyd County, GA (13115)
Geography: County

Prepared by Esri

	Floyd County,...
2016 Households by Income	
Household Income Base	35,985
<$15,000	16.9%
$15,000 - $24,999	12.9%
$25,000 - $34,999	11.8%
$35,000 - $49,999	15.5%
$50,000 - $74,999	18.3%
$75,000 - $99,999	10.6%
$100,000 - $149,999	9.0%
$150,000 - $199,999	2.4%
$200,000+	2.5%
Average Household Income	$57,707
2021 Households by Income	
Household Income Base	36,135
<$15,000	17.4%
$15,000 - $24,999	12.4%
$25,000 - $34,999	13.0%
$35,000 - $49,999	9.5%
$50,000 - $74,999	18.9%
$75,000 - $99,999	12.0%
$100,000 - $149,999	10.8%
$150,000 - $199,999	2.9%
$200,000+	2.9%
Average Household Income	$63,077
2016 Owner Occupied Housing Units by Value	
Total	21,404
<$50,000	15.1%
$50,000 - $99,999	28.6%
$100,000 - $149,999	19.6%
$150,000 - $199,999	13.9%
$200,000 - $249,999	7.2%
$250,000 - $299,999	3.5%
$300,000 - $399,999	5.1%
$400,000 - $499,999	2.4%
$500,000 - $749,999	3.1%
$750,000 - $999,999	1.1%
$1,000,000 +	0.4%
Average Home Value	$162,871
2021 Owner Occupied Housing Units by Value	
Total	21,448
<$50,000	11.5%
$50,000 - $99,999	22.1%
$100,000 - $149,999	16.6%
$150,000 - $199,999	15.7%
$200,000 - $249,999	11.5%
$250,000 - $299,999	6.5%
$300,000 - $399,999	6.5%
$400,000 - $499,999	3.6%
$500,000 - $749,999	3.9%
$750,000 - $999,999	1.5%
$1,000,000 +	0.6%
Average Home Value	$195,136

Data Note: Income represents the preceding year, expressed in current dollars. Household income includes wage and salary earnings, interest dividends, net rents, pensions, SSI and welfare payments, child support, and alimony.
Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2016 and 2021 Esri converted Census 2000 data into 2010 geography.

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Market Profile

Floyd County, GA
Floyd County, GA (13115)
Geography: County

Prepared by Esri

	Floyd County,...
2010 Population by Age	
Total	96,317
0 - 4	6.8%
5 - 9	6.8%
10 - 14	6.7%
15 - 24	14.4%
25 - 34	12.1%
35 - 44	13.0%
45 - 54	13.9%
55 - 64	12.0%
65 - 74	7.7%
75 - 84	4.7%
85 +	1.8%
18 +	75.7%
2016 Population by Age	
Total	97,576
0 - 4	6.4%
5 - 9	6.4%
10 - 14	6.4%
15 - 24	13.6%
25 - 34	13.0%
35 - 44	12.2%
45 - 54	12.9%
55 - 64	12.8%
65 - 74	9.3%
75 - 84	4.9%
85 +	2.0%
18 +	77.1%
2021 Population by Age	
Total	98,452
0 - 4	6.2%
5 - 9	6.2%
10 - 14	6.5%
15 - 24	13.1%
25 - 34	12.5%
35 - 44	12.4%
45 - 54	12.0%
55 - 64	12.8%
65 - 74	10.6%
75 - 84	5.6%
85 +	2.2%
18 +	77.4%
2010 Population by Sex	
Males	46,640
Females	49,677
2016 Population by Sex	
Males	47,375
Females	50,201
2021 Population by Sex	
Males	47,916
Females	50,536

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2016 and 2021 Esri converted Census 2000 data into 2010 geography.

March 02, 2017

EHA
Everson, Huber & Associates, LC

Market Profile

Floyd County, GA
Floyd County, GA (13115)
Geography: County

Prepared by Esri

	Floyd County,...
2010 Population by Race/Ethnicity	
Total	96,317
White Alone	76.9%
Black Alone	14.2%
American Indian Alone	0.4%
Asian Alone	1.3%
Pacific Islander Alone	0.1%
Some Other Race Alone	5.3%
Two or More Races	1.9%
Hispanic Origin	9.3%
Diversity Index	49.2
2016 Population by Race/Ethnicity	
Total	97,576
White Alone	75.0%
Black Alone	14.7%
American Indian Alone	0.4%
Asian Alone	1.4%
Pacific Islander Alone	0.1%
Some Other Race Alone	6.1%
Two or More Races	2.2%
Hispanic Origin	10.9%
Diversity Index	52.9
2021 Population by Race/Ethnicity	
Total	98,452
White Alone	73.1%
Black Alone	15.2%
American Indian Alone	0.4%
Asian Alone	1.5%
Pacific Islander Alone	0.2%
Some Other Race Alone	7.1%
Two or More Races	2.6%
Hispanic Origin	12.5%
Diversity Index	56.4
2010 Population by Relationship and Household Type	
Total	96,317
In Households	96.1%
In Family Households	82.4%
Householder	25.9%
Spouse	18.4%
Child	31.4%
Other relative	4.2%
Nonrelative	2.5%
In Nonfamily Households	13.7%
In Group Quarters	3.9%
Institutionalized Population	2.2%
Noninstitutionalized Population	1.7%

Data Note: Persons of Hispanic Origin may be of any race. The Diversity Index measures the probability that two people from the same area will be from different race/ethnic groups.
Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2016 and 2021 Esri converted Census 2000 data into 2010 geography.

March 02, 2017

EHA Everson, Huber & Associates, LC

Market Profile

Floyd County, GA
Floyd County, GA (13115)
Geography: County

Prepared by Esri

	Floyd County,...
2016 Population 25+ by Educational Attainment	
Total	65,504
Less than 9th Grade	8.5%
9th - 12th Grade, No Diploma	12.6%
High School Graduate	23.9%
GED/Alternative Credential	6.7%
Some College, No Degree	21.7%
Associate Degree	7.2%
Bachelor's Degree	10.9%
Graduate/Professional Degree	8.6%
2016 Population 15+ by Marital Status	
Total	78,793
Never Married	30.1%
Married	49.7%
Widowed	7.0%
Divorced	13.2%
2016 Civilian Population 16+ in Labor Force	
Civilian Employed	91.9%
Civilian Unemployed	8.1%
2016 Employed Population 16+ by Industry	
Total	39,187
Agriculture/Mining	0.5%
Construction	6.9%
Manufacturing	14.9%
Wholesale Trade	1.9%
Retail Trade	9.9%
Transportation/Utilities	4.6%
Information	1.0%
Finance/Insurance/Real Estate	3.9%
Services	51.6%
Public Administration	5.0%
2016 Employed Population 16+ by Occupation	
Total	39,187
White Collar	52.0%
Management/Business/Financial	10.0%
Professional	19.2%
Sales	10.4%
Administrative Support	12.4%
Services	20.5%
Blue Collar	27.5%
Farming/Forestry/Fishing	0.5%
Construction/Extraction	6.2%
Installation/Maintenance/Repair	3.7%
Production	10.8%
Transportation/Material Moving	6.2%
2010 Population By Urban/ Rural Status	
Total Population	96,317
Population Inside Urbanized Area	63.2%
Population Inside Urbanized Cluster	0.0%
Rural Population	36.8%

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2016 and 2021 Esri converted Census 2000 data into 2010 geography.

March 02, 2017

EHA
Everson, Huber & Associates, LC

Market Profile

Floyd County, GA
Floyd County, GA (13115)
Geography: County

Prepared by Esri

	Floyd County,...
2010 Households by Type	
Total	35,930
Households with 1 Person	26.0%
Households with 2+ People	74.0%
Family Households	69.3%
Husband-wife Families	49.4%
With Related Children	21.3%
Other Family (No Spouse Present)	20.0%
Other Family with Male Householder	5.2%
With Related Children	2.9%
Other Family with Female Householder	14.8%
With Related Children	9.7%
Nonfamily Households	4.6%
All Households with Children	34.4%
Multigenerational Households	5.1%
Unmarried Partner Households	5.5%
Male-female	4.8%
Same-sex	0.6%
2010 Households by Size	
Total	35,930
1 Person Household	26.0%
2 Person Household	32.9%
3 Person Household	16.9%
4 Person Household	13.4%
5 Person Household	6.3%
6 Person Household	2.6%
7 + Person Household	1.8%
2010 Households by Tenure and Mortgage Status	
Total	35,930
Owner Occupied	63.3%
Owned with a Mortgage/Loan	40.4%
Owned Free and Clear	22.9%
Renter Occupied	36.7%
2010 Housing Units By Urban/ Rural Status	
Total Housing Units	40,551
Housing Units Inside Urbanized Area	63.3%
Housing Units Inside Urbanized Cluster	0.0%
Rural Housing Units	36.7%

Data Note: Households with children include any households with people under age 18, related or not. Multigenerational households are families with 3 or more parent-child relationships. Unmarried partner households are usually classified as nonfamily households unless there is another member of the household related to the householder. Multigenerational and unmarried partner households are reported only to the tract level. Esri estimated block group data, which is used to estimate polygons or non-standard geography.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2016 and 2021 Esri converted Census 2000 data into 2010 geography.

March 02, 2017

EHA
Everson,
Huber &
Associates, LC

Market Profile

Floyd County, GA
Floyd County, GA (13115)
Geography: County

Prepared by Esri

		Floyd County,...
Top 3 Tapestry Segments		
	1.	Salt of the Earth (6B)
	2.	Midlife Constants (5E)
	3.	Old and Newcomers (8F)
2016 Consumer Spending		
Apparel & Services: Total $		$54,078,691
Average Spent		$1,502.81
Spending Potential Index		75
Education: Total $		$35,034,880
Average Spent		$973.60
Spending Potential Index		69
Entertainment/Recreation: Total $		$79,909,527
Average Spent		$2,220.63
Spending Potential Index		76
Food at Home: Total $		$140,794,210
Average Spent		$3,912.58
Spending Potential Index		79
Food Away from Home: Total $		$84,415,362
Average Spent		$2,345.85
Spending Potential Index		76
Health Care: Total $		$151,058,855
Average Spent		$4,197.83
Spending Potential Index		79
HH Furnishings & Equipment: Total $		$47,885,408
Average Spent		$1,330.70
Spending Potential Index		75
Personal Care Products & Services: Total $		$19,767,589
Average Spent		$549.33
Spending Potential Index		75
Shelter: Total $		$408,836,052
Average Spent		$11,361.29
Spending Potential Index		73
Support Payments/Cash Contributions/Gifts in Kind: Total $		$64,727,332
Average Spent		$1,798.73
Spending Potential Index		78
Travel: Total $		$47,789,632
Average Spent		$1,328.04
Spending Potential Index		71
Vehicle Maintenance & Repairs: Total $		$28,910,832
Average Spent		$803.41
Spending Potential Index		78

Data Note: Consumer spending shows the amount spent on a variety of goods and services by households that reside in the area. Expenditures are shown by broad budget categories that are not mutually exclusive. Consumer spending does not equal business revenue. Total and Average Amount Spent Per Household represent annual figures. The Spending Potential Index represents the amount spent in the area relative to a national average of 100.
Source: Consumer Spending data are derived from the 2013 and 2014 Consumer Expenditure Surveys, Bureau of Labor Statistics. Esri.
Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2016 and 2021 Esri converted Census 2000 data into 2010 geography.

March 02, 2017

GENERAL SITE PLAN NOTES
TYPICAL OF ALL CIVIL AND ARCHITECTURAL SITE PLANS

THE INTENT OF THE ARCHITECTURAL SITE PLAN IS TO REPRESENT THE GENERAL NATURE OF THE PROJECT SCOPE. THE GENERAL CONTRACTOR IS RESPONSIBLE FOR VISITING THE JOB SITE AND FIELD VERIFYING THE EXISTING CONDITIONS. NOTIFY THE ARCHITECT OF ANY DISCREPANCIES.

THE SITE DESIGN IS INTENDED TO PROMOTE THE LONGEVITY, QUALITY, AND DURABILITY OF THE FACILITY, AS WELL AS PROMOTE AN INCREASED SENSE OF SAFETY AND SECURITY.

THE GENERAL CONTRACTOR SHALL NOT SCALE THESE DRAWINGS FOR CONSTRUCTION PURPOSES. IN THE EVENT OF OMISSION OF REQUIRED DIMENSIONS, CONTRACTOR SHALL NOTIFY ARCHITECT.

VERIFY ALL DIMENSIONS, CONDITIONS, AND GRADES AT JOB SITE. CONTRACTOR SHALL LAYOUT ALL AREAS AND VERIFY WITH ARCHITECT PRIOR TO COMMENCING CONSTRUCTION OF NEW WALLS.

PER DCA ARCHITECTURAL AND ENVIRONMENTAL MANUALS' STANDARDS, A PHASE I ENVIRONMENTAL SITE ASSESSMENT IS REQUIRED. THIS IN NOT INCLUDED IN THE ARCHITECT'S DRAWINGS.

NEW LANDSCAPING, INCLUDING BUT NOT LIMITED TO SOD, SHRUBS, AND PINE STRAW, IS TO BE INSTALLED THROUGHOUT ENTIRETY OF PROPERTY. SEE LANDSCAPE DRAWINGS.

WITH THE EXCEPTION OF CROSSWALKS, STREETS, GRASS, GRAVEL, AND SAND SURFACES ARE NOT ACCEPTABLE PEDESTRIAN CIRCULATION ROUTES.

BUILDING AND UNIT SIGNAGE ARE TO BE INSTALLED AS REQUIRED BY THE LOCAL JURISDICTION. APARTMENT NUMBERS ARE TO BE FIELD VERIFIED BY THE GENERAL CONTRACTOR. NOTIFY THE ARCHITECT OF ANY DISCREPANCIES.

ACTIVE UNDERGROUND PIPES, CONDUITS, AND OTHER UTILITIES OF ANY TYPE, WHETHER INDICATED ON THE DRAWINGS OR NOT, ARE TO BE PROTECTED BY THE GENERAL CONTRACTOR DURING THE COURSE OF CONSTRUCTION AND REMAIN ACTIVE, UNLESS NOTED OTHERWISE.

ALL EXISTING ON-SITE STORMWATER INLET STRUCTURES AND SWALES ARE TO BE PROTECTED BY THE GENERAL CONTRACTOR THROUGHOUT THE COURSE OF CONSTRUCTION.

GENERAL CONTRACTOR IS TO IMPLEMENT BEST MANAGEMENT PRACTICES AND SHALL CONFORM TO THE FEDERAL, STATE, AND LOCAL REGULATIONS AND MANUALS FOR BEST PRACTICE. WHEN APLICABLE, CONTRACTOR SHALL IMPLEMENT ADDITIONAL CONTROLS AS DIRECTED BY PERMITTING AGENCY OR OWNER.

CONFLICTING OR UNFORESEEN FIELD CONDITIONS SHALL BE BROUGHT TO THE ATTENTION OF THE GENERAL CONTRACTOR. CONTRACTOR IS TO NOTIFY THE ARCHITECT OF SUCH DISCREPANCIES PRIOR TO PROCEEDING WITH A RESOLUTION.

THROUGHOUT THE COURSE OF CONSTRUCTION, THE GENERAL CONTRACTOR IS TO CONFORM TO ALL FEDERAL, STATE, AND LOCAL REGULATIONS FOR POLLUTION AND EROSION CONTROL ON SITE.

IT IS PRESUMED THAT ALL EXISTING UTILITIES, SANITARY SEWER MAINS, AND LATERALS ARE FUNCTIONING PROPERLY, AND ARE FREE FROM LEAKS, OBSTRUCTIONS, DEBRIS, ETC.

ALL REMOVED MATERIALS ARE TO BE PROPERLY DISPOSED OF OFF-SITE.

SITE TAGS
TYPICAL OF ARCHITECTURAL SITE PLAN

1 UNITS TO BE COMBINED TO CREATE THE COMMUNITY BUILDING, WITH INTEGRATED LAUNDRY FACILITY

2 UNITS TO BE COMBINED TO CREATE AN AMERICANS WITH DISABILITIES ACT COMPLIANT UNIT

NEW SIDEWALK

ACCESSIBLE UNIT

PRE-MANUFACTURED GAZEBO, OWNER CHOSEN

ACCESSIBLE SIDEWALK

SITE REQUIREMENTS
SCOPE OF WORK

ITEM	DEPARTMENT OF COMMUNITY AFFAIRS REQUIREMENT	EXISTING CONDITION (IF APPLICABLE)	INCLUDED IN THE SCOPE OF WORK	ADDITIONAL NOTES
Elderly Site Amenities	Elevators must be installed for access to all units above the ground floor.			N/A
	Buildings with more than two story construction must have interior furnished gathering areas in several locations in the lobbies and/or corridors.			N/A
	100% of the units must be accessible and adaptable, as defined by the Fair Housing Amendments Act of 1988.		X	
Landscaping	Landscaping should be appropriate for the climate zone, appealing, and convey a residential image. Low maintenance plant materials are preferred. Open landscaped spaces or green belts should be included in the overall site design.	X		See Landscape Plan
Parking	1.5 spaces per unit for family tenancy projects and 1 space per unit for senior tenancy projects.			**DEVIATION**: There are approximately 77 parking spaces, providing only .75 parking space per unit
Site Amenities	Community room or building.		X	Community building is a combination of two units: #163 + #165 (existing unit numbers).
	Exterior gathering space, such as a gazebo, or exterior covered porch, located in central area.		X	See Architectural Site Plan
	On-site laundry facility (1 washer and 1 dryer per every 25 units) and/or washers and dryers installed and maintained in every unit.		X	1 washer and 1 dryer are provided in the community building. Washer and dryer connections are provided in each unit type.
	Properties with 125 units or less must include a minimum of 2 additional site amenities. Properties with more than 125 units must include at least 4 additional site amenities.		X	Park Homes will have two amenities, including a computer center and arts and crafts area.
Site Lighting	One foot-candle is the general standard for site lighting. All parking, building, amenity, and site lighting should be sufficient for its purpose (i.e. evening mail collection, etc.), and be directed down to diminish nuisance light.	X	X	Traditional street lighting is an existing condition. Adequate lighting will be installed at all amenities. It is assumed that the existing foot-candle conditions are compliant.
Site Utilities	Include a budget line item to investigate and repair or replace all main utility lines on the property.		X	To be determined during the physical needs assessment.
	Where polybutylene piping is identified on the property, an investigation must be conducted to adequately confirm the condition and performance of the plumbing system.		X	To be determined during the physical needs assessment.
Walkways	Routes to parking, buildings, and amenities must be paved, and where applicable, accessible. Accessible ramps and no-step access must be provided as applicable.	X	X	Concrete walkways are an existing condition. Where noted, walkways are to be repaired or made accessible. Compliant walkways will be installed for access to all site amenities.
ITEM	**NORTHWEST GEORGIA HOUSING AUTHORITY REQUIREMENT**	**EXISTING CONDITION (IF APPLICABLE)**	**INCLUDED IN THE SCOPE OF WORK**	**ADDITIONAL NOTES**
Landscaping	Curb appeal and landscaping is to be updated. All trees are to be pruned.		X	See Landscape Plan.
Handrails	All existing handrails are to be stripped and painted black.		X	

ARCHITECTURAL SITE PLAN
NOT TO SCALE

SLOPE ALONG ACCESSE ROUTE

CEVIAN DESIGN LAB

CEVIAN® DESIGN LAB, LLC
ARCHITECT
208 BROAD STREET, SUITE 200
ROME, GEORGIA 30161
706 383 1043
www.ceviandesign.com

DRINKARD ENGINEERING
MECHANICAL & PLUMBING ENGINEERING
706 237 6013
WES TURNER
ELECTRICAL ENGINEERING
706 547 3551

NORTHWEST GEORGIA HOUSING AUTHORITY
PARK HOMES RENOVATION
201 Reservoir Street
Rome, Georgia 30161

REVISION #	DATE / COMMENTS

CONSTRUCTION DOCUMENTS

CEVIAN DESIGN LAB JOB #
15056
ISSUED BY
CEVIAN® Design Lab, LLC
ISSUED DATE
9/15/16

SHEET TITLE
ARCHITECTURAL SITE PLAN

SHEET TITLE
A0.04

NORTHWEST GEORGIA CONSOLIDATED HOUSING AUTHORITY FLOYD COUNTY, ROME, GEORGIA

Charles Hight Homes (High Rise Buildings)

Map Number:	J13Y-432
Acreage:	5.00 +/-
Location:	North 5th
Deed Reference:	1958/483 Tract 29

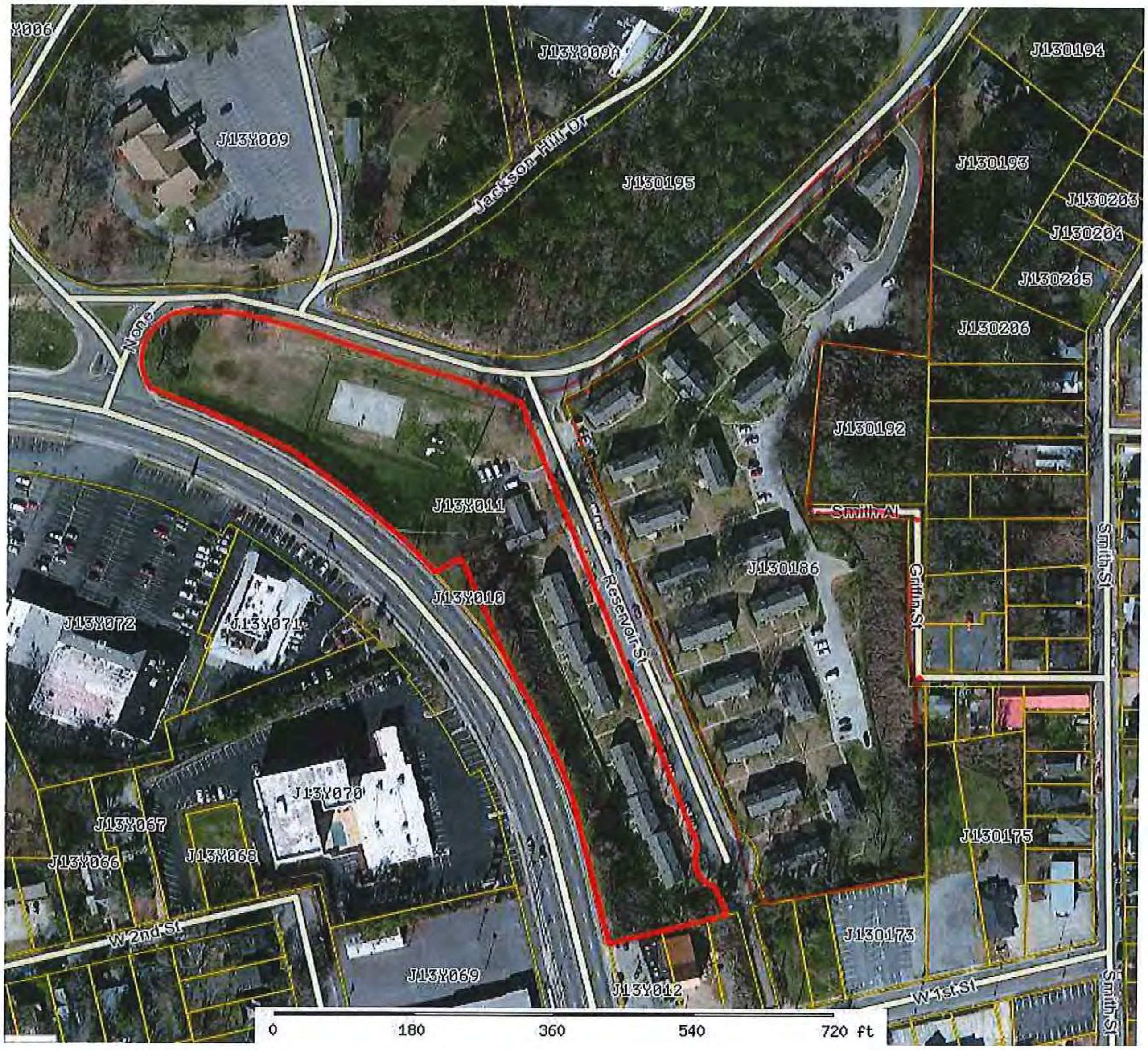
Park Homes

Map Number:	J13O-186 (part 1 of Park Homes)
Acreage:	6.50 +/-
Location:	Reservoir Street
Deed Reference:	1958-483 Tract 31

Map Number :	J13Y-011 (part 2 of Park Homes)
Acreage:	4.00 +/-
Location:	Reservoir Street
Deed Reference:	1958/483 Tract 30 There is no legal description for this parcel

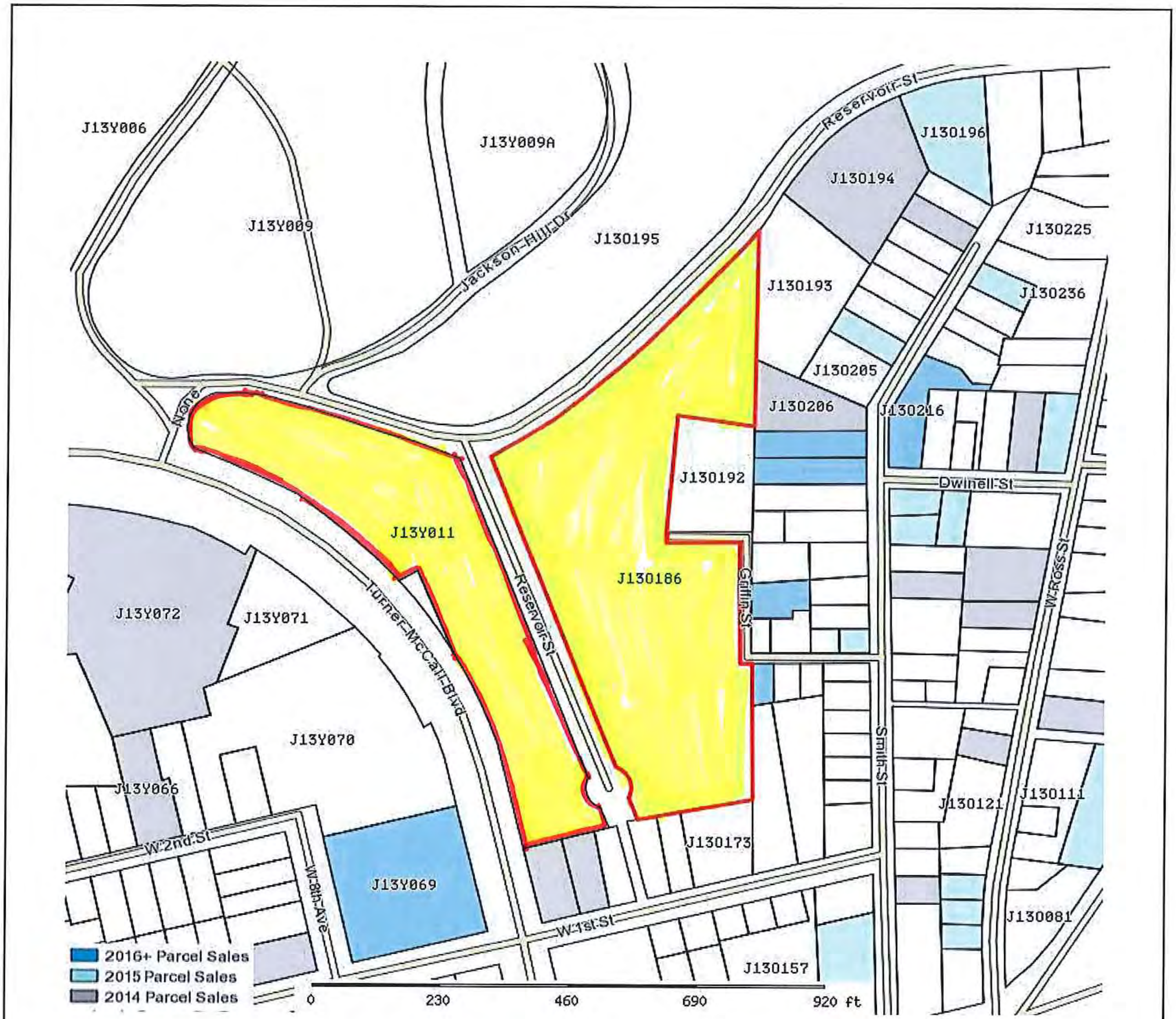
Willingham Village

Map Number:	I13X-357
Acreage:	Unknown
Location:	Brookwood Avenue and Fortune Street
Deed Reference:	1958/483 This parcel is what's left after the conveyance to Willingham Village Apartments There is no legal description to the remainder of this parcel.



Floyd County Assessor			
Parcel: J13Y011 Acres: 0			
Name:	NORTHWEST GEORGIA	Land Value	$0.00
Site:	0 TURNER MCCALL BLVD	Building Value	$7,860.00
Sale:	$0 on 08-2005 Reason=DQ Qual=U	Misc Value	
Mail:	CONSOLIDATED HOUSING 800 NORTH 5TH AVENUE ROME, GA 30161	Total Value:	$7,860.00

Date printed: 02/10/17 : 09:50:55



Floyd County Assessor			
Parcel: J13O186 Acres: 0			
Name:	NORTHWEST GEORGIA	Land Value	$0.00
Site:	0 RESERVOIR ST	Building Value	$4,714,090.00
Sale:	$0 on 08-2005 Reason=DQ Qual=U	Misc Value	
Mail:	CONSOLIDATED HOUSING	Total Value:	$4,714,090.00
	800 NORTH 5TH AVENUE		
	ROME, GA 30161		

Date printed: 02/16/17 : 13:31:38

PART THREE - SOURCES OF FUNDS - 2016-0 Park Homes, Rome, Floyd County

May 2016 Revision v5

I. GOVERNMENT FUNDING SOURCES (check all that apply)

Yes	Tax Credits		No	FHA Risk Share	Yes	HUD 811 Rental Assistance Demonstration (RAD)
No	Historic Rehab Credits		Yes	FHA Insured Mortgage	No	Section 8 PBRA
Yes	Tax Exempt Bonds: $	6,450,000	No	Replacement Housing Funds	No	USDA PBRA
No	Taxable Bonds		No	McKinney-Vento Homeless	No	USDA 515
No	CDBG		No	FHLB / AHP *	No	USDA 538
No	DCA HOME* -- Amt $		No	HUD CHOICE Neighborhoods		Other Type of Funding - describe *type/program* here
No	Other HOME*					Specify *Administrator* of Other Funding Type here
	Other HOME Source	Specify Other HOME Source here				
	Other HOME Amount $					

*This source may possibly trigger Uniform Relocation Act and/or HUD 104(d) reqmts. Check with source. For DCA HOME, refer to Relocation Manual. DCA HOME amount from DCA Consent Ltr.

II. CONSTRUCTION FINANCING

Financing Type	Name of Financing Entity	Amount	Effective Interest Rate	Term (In Months)
Mortgage A	HUD 221(d)4	4,450,000	4.000%	18
Mortgage B				
Mortgage C				
Federal Grant				
State, Local, or Private Grant				
Deferred Developer Fees				
Federal Housing Credit Equity	Federal Equity	2,711,943		
State Housing Credit Equity	State Equity	1,460,277		
Other Type (specify)				
Other Type (specify)				
Other Type (specify)				
Total Construction Financing:		8,622,220		
Total Construction Period Costs from Development Budget:		8,622,220		
Surplus / (Shortage) of Construction funds to Construction costs:		0		

PART THREE - SOURCES OF FUNDS - 2016-0 Park Homes, Rome, Floyd County

May 2016 Revision v5

III. PERMANENT FINANCING

Financing Type		Name of Financing Entity	Principal Amount	Effective Int Rate	Term (Years)	Amort. (Years)	Annual Debt Service in Year One	Loan Type
Mortgage A (Lien Position 1)		HUD 221(d)4	4,450,000	4.250%	40	40	231,553	Amortizing
Mortgage B (Lien Position 2)								
Mortgage C (Lien Position 3)								
Other:								
Foundation or charity funding*								
Deferred Devlpr Fee	35.43%	Partnership	407,484					
Federal Grant								
State, Local, or Private Grant								
Federal Housing Credit Equity		Federal Equity	3,777,979					
State Housing Credit Equity		State Equity	2,463,899					
Historic Credit Equity								
Invstmt Earnings: T-E Bonds								
Invstmt Earnings: Taxable Bonds								
Income from Operations								
Other:								
Other:								
Other:								
Total Permanent Financing:			11,099,362					
Total Development Costs from Development Budget:			11,099,362					
Surplus/(Shortage) of Permanent funds to development costs:			-0					

Equity Check	+ / -	TC Equity % of TDC
3,778,357	-378.10	34%
2,464,146	-246.93	22%
		56%

*Foundation or charity funding to cover costs exceeding DCA cost limit (see Appendix I, Section II).

IV. APPLICANT COMMENTS AND CLARIFICATIONS

Assumed credit pricing of $0.92 for federal and $0.60 for state credits.

IV. DCA COMMENTS - DCA USE ONLY

PART FOUR - USES OF FUNDS - 2016-0 Park Homes, Rome, Floyd County

I. DEVELOPMENT BUDGET

May 2016 Revision v5

			TOTAL COST	New Construction Basis	Acquisition Basis	Rehabilitation Basis	Amortizable or Non-Depreciable Basis
PRE-DEVELOPMENT COSTS							
Property Appraisal			7,500			7,500	
Market Study			5,500			5,500	
Environmental Report(s)			30,000			30,000	
Soil Borings			-			-	
Boundary and Topographical Survey						-	
Zoning/Site Plan Fees			-			-	
Other: Physical Needs Assessment			15,000			15,000	
Other: << Enter description here; provide detail & justification in tab Part IV-b >>							
Other: << Enter description here; provide detail & justification in tab Part IV-b >>							
		Subtotal	58,000	-	-	58,000	-
ACQUISITION							
Land							-
Site Demolition							
Acquisition Legal Fees (if existing structures)							
Existing Structures			1,188,500		950,800		237,700
		Subtotal	1,188,500		950,800		237,700
LAND IMPROVEMENTS							
Site Construction (On-site)				-			
Site Construction (Off-site)							
		Subtotal	-	-	-	-	-
STRUCTURES							
Residential Structures - New Construction				-			-
Residential Structures - Rehab			5,550,000			5,550,000	
Accessory Structures (ie. community bldg, maintenance bldg, etc.) - New Constr				-			
Accessory Structures (ie. community bldg, maintenance bldg, etc.) - Rehab							
		Subtotal	5,550,000	-	-	5,550,000	-
CONTRACTOR SERVICES	14.00%						
Builder Profit:	6.00%	333,000	333,000			333,000	
Builder Overhead	2.00%	111,000	111,000			111,000	
General Requirements*	6.00%	333,000	333,000			333,000	
*Refer to General Requirements policy in QAP		***Subtotal***	777,000	-	-	777,000	-
OTHER CONSTRUCTION HARD COSTS (Non-GC work scope items done by Owner)							
Other: << Enter description here; provide detail & justification in tab Part IV-b >>							

Total Construction Hard Costs 6,327,000.00	Average TCHC:	63,270.00 per Res'l unit	63,270.00 per unit	69.71 per total sq ft
		71.65 per Res'l unit SF	71.65 per unit sq ft	

		TOTAL COST	New Construction Basis	Acquisition Basis	Rehabilitation Basis	Amortizable or Non-Depreciable Basis
CONSTRUCTION CONTINGENCY						
Construction Contingency	7.00%	442,890			442,890	-

PART FOUR - USES OF FUNDS - 2016-0 Park Homes, Rome, Floyd County

I. DEVELOPMENT BUDGET *(cont'd)*

		TOTAL COST	New Construction Basis	Acquisition Basis	Rehabilitation Basis	Amortizable or Non-Depreciable Basis
CONSTRUCTION PERIOD FINANCING						
Bridge Loan Fee and Bridge Loan Interest						
Construction Loan Fee		114,750			-	114,750
Construction Loan Interest		121,795			121,795	
Construction Legal Fees		20,000			20,000	
Construction Period Inspection Fees		15,000			15,000	
Construction Period Real Estate Tax		-			-	
Construction Insurance		40,000			40,000	
Title and Recording Fees		60,000			15,000	45,000
Payment and Performance bonds		50,928			50,928	
Other: Cost of Issuance - Bonds		99,250			49,625	49,625
Other: Bonds - Negative Arbitrage		38,576			19,288	19,288
	Subtotal	560,299	-	-	331,636	228,663
PROFESSIONAL SERVICES						
Architectural Fee - Design		150,000			150,000	
Architectural Fee - Supervision		50,000			50,000	
Green Building Consultant Fee	Max: $20,000				-	
Green Building Program Certification Fee (LEED or Earthcraft)					-	
Accessibility Inspections and Plan Review		7,500			7,500	
Construction Materials Testing		5,000			5,000	
Engineering		20,000			20,000	
Real Estate Attorney		120,000			120,000	
Accounting		30,000			30,000	
As-Built Survey		10,000			10,000	
Other: << Enter description here; provide detail & justification in tab Part IV-b >>						
	Subtotal	392,500	-	-	392,500	-
LOCAL GOVERNMENT FEES						
Building Permits		50,000			50,000	
Impact Fees					-	
Water Tap Fees	*waived?* *No*				-	
Sewer Tap Fees	*waived?* *No*				-	
	Subtotal	50,000	-	-	50,000	-
PERMANENT FINANCING FEES						
Permanent Loan Fees						-
Permanent Loan Legal Fees						-
Title and Recording Fees						-
Bond Issuance Premium						-
Cost of Issuance / Underwriter's Discount		-				-
Other: << Enter description here; provide detail & justification in tab Part IV-b >>						-
	Subtotal	-				-

PART FOUR - USES OF FUNDS - 2016-0 Park Homes, Rome, Floyd County

I. DEVELOPMENT BUDGET *(cont'd)*

		TOTAL COST	New Construction Basis	Acquisition Basis	Rehabilitation Basis	Amortizable or Non-Depreciable Basis
DCA-RELATED COSTS						
DCA HOME Loan Pre-Application Fee ($1000 FP/JV, $500 NP)						
Tax Credit Application Fee ($6500 ForProf/JntVent, $5500 NonProf)		5,000				5,000
DCA Waiver and Pre-approval Fees						-
LIHTC Allocation Processing Fee	*32,855*	32,921				32,921
LIHTC Compliance Monitoring Fee	*80,000*	80,000				80,000
DCA HOME Front End Analysis Fee (when ID of Interest; $2700)						-
DCA Final Inspection Fee (Tax Credit only - no HOME; $3000)		3,000				3,000
Other: << Enter description here; provide detail & justification in tab Part IV-b >>						
Other: << Enter description here; provide detail & justification in tab Part IV-b >>						
	Subtotal	120,921				120,921
EQUITY COSTS						
Partnership Organization Fees						-
Tax Credit Legal Opinion						-
Syndicator Legal Fees						-
Other: Syndicator Due Diligence		50,000				50,000
	Subtotal	50,000				50,000
DEVELOPER'S FEE						
Developer's Overhead	0.000%	-	-			
Consultant's Fee	0.000%		-			
Guarantor Fees	0.000%		-			
Developer's Profit	100.000%	1,150,000		142,620	1,007,380	
	Subtotal	1,150,000	-	142,620	1,007,380	-
START-UP AND RESERVES						
Marketing		5,000				5,000
Rent-Up Reserves	82,825	82,825				82,825
Operating Deficit Reserve:	281,427	281,427				281,427
Replacement Reserve						
Furniture, Fixtures and Equipment (Proposed Avg Per Unit: 1,500)		150,000	-		150,000	
Other: HUD Working Capital Reserve		90,000				90,000
	Subtotal	609,252	-	-	150,000	459,252
OTHER COSTS						
Relocation		150,000			150,000	
Other: << Enter description here; provide detail & justification in tab Part IV-b >>						
	Subtotal	150,000	-	-	150,000	-
TOTAL DEVELOPMENT COST (TDC)		11,099,362	-	1,093,420	8,909,406	1,096,536

Average TDC Per:	*Unit:*	110,993.62	*Square Foot:*	122.30

PART FOUR - USES OF FUNDS - 2016-0 Park Homes, Rome, Floyd County

II. TAX CREDIT CALCULATION - BASIS METHOD

		New Construction Basis	4% Acquisition Basis	Rehabilitation Basis
Subtractions From Eligible Basis				
Amount of federal grant(s) used to finance qualifying development costs				
Amount of nonqualified nonrecourse financing				
Costs of Nonqualifying units of higher quality				
Nonqualifying excess portion of higher quality units				
Historic Tax Credits (Residential Portion Only)				
Other	<Enter detailed description here; use Comments section if needed>			
Total Subtractions From Basis:		0		0
Eligible Basis Calculation				
Total Basis		0	1,093,420	8,909,406
Less Total Subtractions From Basis (see above)		0		0
Total Eligible Basis		0	1,093,420	8,909,406
Eligible Basis Adjustment (DDA/QCT Location or State Designated Boost)	Type: DDA/QCT			130.00%
Adjusted Eligible Basis		0	1,093,420	11,582,228
Multiply Adjusted Eligible Basis by Applicable Fraction		100.00%	100.00%	100.00%
Qualified Basis		0	1,093,420	11,582,228
Multiply Qualified Basis by Applicable Credit Percentage		0.00%	3.24%	3.24%
Maximum Tax Credit Amount		0	35,427	375,264
Total Basis Method Tax Credit Calculation			410,691	

III. TAX CREDIT CALCULATION - GAP METHOD

Equity Gap Calculation

Project Cost Limit (PCL) - Explain in Comments if Applicant's PCL calculation > QAP PCL.	22,163,328	If TDC > QAP Total PCL, provide amount of funding from foundation or charitable organization to cover the cost exceeding the PCL:	If proposed project has Historic Designation, indicate below (Y/N):
Total Development Cost (TDC, PCL, or TDC less Foundation Funding; explain in Comments if TDC > PCL)	11,099,362		
Subtract Non-LIHTC (excluding deferred fee) Source of Funds	4,450,000		
Equity Gap	6,649,362	Funding Amount 0	Hist Desig
Divide Equity Gap by 10	/ 10		
Annual Equity Required	664,936	Federal	State
Enter Final Federal and State Equity Factors (not including GP contribution)	1.5200	= 0.9200	+ 0.6000
Total Gap Method Tax Credit Calculation	437,458		

TAX CREDIT PROJECT MAXIMUM - Lower of Basis Method, Gap Method or DCA Limit:	410,691
TAX CREDIT REQUEST - Cannot exceed Tax Credit Project Maximum, but may be lower:	410,691
IV. TAX CREDIT ALLOCATION - Lower of Tax Credit Request and Tax Credit Project Maximum	410,691

PART SIX - PROJECTED REVENUES & EXPENSES - 2016-0 Park Homes, Rome, Floyd County

I. RENT SCHEDULE

Do NOT cut, copy or paste cells in this tab. Complete ALL columns. For Common Space (non-income producing) units, select "N/A-CS" for Rent Type and "Common Space" for Employee Unit.

HOME projects - Fixed or Floating units:

Are 100% of units HUD PBRA? Yes

May 2016 Revision v5

MSA/NonMSA: Rome

AMI 49,800

Finish Row!	Rent Type	Nbr of Bdrms	No. of Baths	Unit Count	Unit Area	Max Gross Rent Limit	Pro-posed Gross Rent	Utility Allowance	PBRA Provider or Operating Subsidy *** (See note below)	Monthly Net Rent Per Unit	Monthly Net Rent Total	Employee Unit	Building Design Type	Type of Activity	Certified Historic/ Deemed Historic? (See QAP)
										0	0				
1	60% AMI	1	1.0	4	530	599	439	84	RAD	355	1,420		Townhome	Acquisition/Rehab	No
										0	0				
1	60% AMI	2	1.0	44	771	720	579	99	RAD	480	21,120		Townhome	Acquisition/Rehab	No
										0	0				
1	60% AMI	3	1.0	38	911	831	718	121	RAD	597	22,686		Townhome	Acquisition/Rehab	No
1	60% AMI	3	1.0	6	1,460	831	718	121	RAD	597	3,582		Townhome	Acquisition/Rehab	No
										0	0				
1	60% AMI	4	1.0	8	1,110	927	981	133	RAD	848	6,784		Townhome	Acquisition/Rehab	No
	<<Select>>									0	0				
	<<Select>>									0	0				
	<<Select>>									0	0				
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5			TOTAL	100	88,302					MONTHLY TOTAL	55,592				
										ANNUAL TOTAL	667,104				

*** NOTE: When selecting "PHA Operating Subsidy" in the "PBRA Provider or Operating Subsidy" column above, please also then enter a zero in the "Proposed Gross Rent" column above ***AND*** include the PHA operating subsidy amount in the "III. Ancillary and Other Income" section below. Also refer to the Application Instructions provided separately.

II. UNIT SUMMARY

NOTE TO APPLICANTS: If the numbers compiled in this Summary do not appear to match what was entered in the Rent Chart above, please verify that all applicable columns were completed in the rows used in the Rent Chart above.

Units:			Efficiency	1BR	2BR	3BR	4BR	Total	
Low-Income		60% AMI	0	4	44	44	8	100	
		50% AMI	0	0	0	0	0	0	(Includes inc-restr mgr units)
		Total	0	4	44	44	8	100	
Unrestricted			0	0	0	0	0	0	
Total Residential			0	4	44	44	8	100	
Common Space			0	0	0	0	0	0	(no rent charged)
Total			0	4	44	44	8	100	
PBRA-Assisted (included in LI above)		60% AMI	0	4	44	44	8	100	
		50% AMI	0	0	0	0	0	0	
		Total	0	4	44	44	8	100	
PHA Operating Subsidy-Assisted (included in LI above)		60% AMI	0	0	0	0	0	0	
		50% AMI	0	0	0	0	0	0	
		Total	0	0	0	0	0	0	
Type of Construction Activity	New Construction	Low Inc	0	0	0	0	0	0	
		Unrestricted	0	0	0	0	0	0	
		Total + CS	0	0	0	0	0	0	
	Acq/Rehab	Low Inc	0	4	44	44	8	100	
		Unrestricted	0	0	0	0	0	0	
		Total + CS	0	4	44	44	8	100	
	Substantial Rehab Only	Low Inc	0	0	0	0	0	0	
		Unrestricted	0	0	0	0	0	0	
		Total + CS	0	0	0	0	0	0	
	Adaptive Reuse							0	
	Historic Adaptive Reuse							0	
	Historic		0	0	0	0	0	0	
Building Type: (for ***Utility Allowance*** and other purposes)	Multifamily		0	0	0	0	0	0	
		1-Story	0	0	0	0	0	0	
		Historic	0	0	0	0	0	0	
		2-Story	0	0	0	0	0	0	
		Historic	0	0	0	0	0	0	
		2-Story Wlkp	0	0	0	0	0	0	
		Historic	0	0	0	0	0	0	
		3+-Story	0	0	0	0	0	0	
		Historic	0	0	0	0	0	0	
	SF Detached		0	0	0	0	0	0	
		Historic	0	0	0	0	0	0	
	Townhome		0	4	44	44	8	100	
		Historic	0	0	0	0	0	0	
	Duplex		0	0	0	0	0	0	
		Historic	0	0	0	0	0	0	
	Manufactured home		0	0	0	0	0	0	
		Historic	0	0	0	0	0	0	

Building Type: (for ***Cost Limit*** purposes)							
Detached / SemiDetached		0	0	0	0	0	0
	Historic	0	0	0	0	0	0
Row House		0	4	44	44	8	100
	Historic	0	0	0	0	0	0
Walkup		0	0	0	0	0	0
	Historic	0	0	0	0	0	0
Elevator		0	0	0	0	0	0
	Historic	0	0	0	0	0	0

Unit Square Footage:

Low Income	60% AMI	0	2,120	33,924	43,378	8,880	88,302
	50% AMI	0	0	0	0	0	0
	Total	0	2,120	33,924	43,378	8,880	88,302
Unrestricted		0	0	0	0	0	0
Total Residential		0	2,120	33,924	43,378	8,880	88,302
Common Space		0	0	0	0	0	0
Total		0	2,120	33,924	43,378	8,880	88,302

III. ANCILLARY AND OTHER INCOME *(annual amounts)*

Ancillary Income 13,342.00 Laundry, vending, app fees, etc. **Actual pct of PGI:** 2.00%

Other Income (OI) by Year:

	1	2	3	4	5	6	7	8	9	10
Included in Mgt Fee:										
Operating Subsidy										
Other:										
Total OI in Mgt Fee	-	-	-	-	-	-	-	-	-	-
***NOT** Included in Mgt Fee:*										
Property Tax Abatement										
Other:										
Total OI **NOT** in Mgt Fee	-	-	-	-	-	-	-	-	-	-

	11	12	13	14	15	16	17	18	19	20
Included in Mgt Fee:										
Operating Subsidy										
Other:										
Total OI in Mgt Fee	-	-	-	-	-	-	-	-	-	-
***NOT** Included in Mgt Fee:*										
Property Tax Abatement										
Other:										
Total OI **NOT** in Mgt Fee	-	-	-	-	-	-	-	-	-	-

	21	22	23	24	25	26	27	28	29	30
Included in Mgt Fee:										
Operating Subsidy										
Other:										
Total OI in Mgt Fee	-	-	-	-	-	-	-	-	-	-
***NOT** Included in Mgt Fee:*										
Property Tax Abatement										
Other:										
Total OI **NOT** in Mgt Fee	-	-	-	-	-	-	-	-	-	-

	31	32	33	34	35
Included in Mgt Fee:					
Operating Subsidy					
Other:					
Total OI in Mgt Fee	-	-	-	-	-
***NOT** Included in Mgt Fee:*					
Property Tax Abatement					
Other:					
Total OI **NOT** in Mgt Fee	-	-	-	-	-

IV. ANNUAL OPERATING EXPENSE BUDGET

On-Site Staff Costs

Management Salaries & Benefits	37,400
Maintenance Salaries & Benefits	31,200
Support Services Salaries & Benefits	25,651
Other (describe here)	
Subtotal	94,251

On-Site Office Costs

Office Supplies & Postage	6,500
Telephone	8,655
Travel	500
Leased Furniture / Equipment	4,106
Activities Supplies / Overhead Cost	
Service Provider Fees	2,342
Subtotal	22,103

Maintenance Expenses

Contracted Repairs	
General Repairs	18,550
Grounds Maintenance	8,470
Extermination	2,500
Maintenance Supplies	13,933
Elevator Maintenance	
Redecorating	3,000
Other (describe here)	
Subtotal	46,453

On-Site Security

Contracted Guard	
Electronic Alarm System	
Subtotal	0

Professional Services

Legal	5,375
Accounting	5,000
Advertising	700
Other (describe here)	
Subtotal	11,075

Utilities

	(Avg$/mth/unit)	
Electricity	3	3,000
Natural Gas	0	
Water&Swr	47	56,888
Trash Collection		10,992
Utility Reimb. Exp + Collection Loss		24,952
Subtotal		95,832

Taxes and Insurance

Real Estate Taxes (Gross)*	2,547
Insurance**	20,153
Subtotal	22,700

Management Fee: 38,887

418.14 *Average per unit per year*

34.84 *Average per unit per month*

(Management Fee is from Pro Forma, Section 1, Operating Assumptions)

TOTAL OPERATING EXPENSES 331,301

3,313.01 *Average per unit*

Replacement Reserve (RR) 35,000

Proposed avg RR/unit amount: 350

350 *Average per unit*

Unit Type	Units x RR	Total by Type
Multifamily		
Rehab	100 units x $350 =	35,000
New Constr	0 units x $250 =	0
SF or Duplex	0 units x $420 =	0
Historic Rhb	0 units x $420 =	0
Totals	100	35,000

TOTAL ANNUAL EXPENSES 366,301

V. APPLICANT COMMENTS AND CLARIFICATIONS

Rents taken from 2015 CHAP award for Park Homes with 2% adjustment for 2 years. Expenses provided by NWGHA based on 12-month actual for development.

VI. DCA COMMENTS

PART FIVE - UTILITY ALLOWANCES - 2016-0 Park Homes, Rome, Floyd County

May 2016 Revision v5

DCA Utility Region for project: **North**

I. UTILITY ALLOWANCE SCHEDULE #1

Source of Utility Allowances: Northwest Georgia Housing Authority
Date of Utility Allowances: June 1, 2016 Structure: 3+ Story

Utility	Fuel		Paid By (check one) Tenant	Owner	Tenant-Paid Utility Allowances by Unit Size (# Bdrms) Efficiency	1	2	3	4
Heat	Electric Heat Pump		X			84	99	121	133
Air Conditioning	Electric		X						
Cooking	Electric		X						
Hot Water	Electric		X						
Lights	Electric		X						
Water & Sewer	Submetered*?	Yes	X						
Refuse Collection				X		0	0	0	0
Total Utility Allowance by Unit Size					**0**	**84**	**99**	**121**	**133**

*New Construction units MUST be sub-metered.

II. UTILITY ALLOWANCE SCHEDULE #2

Source of Utility Allowances:
Date of Utility Allowances: Structure:

Utility	Fuel		Paid By (check one) Tenant	Owner	Tenant-Paid Utility Allowances by Unit Size (# Bdrms) Efficiency	1	2	3	4
Heat	<<Select Fuel >>								
Air Conditioning	Electric								
Cooking	<<Select Fuel >>								
Hot Water	<<Select Fuel >>								
Lights	Electric								
Water & Sewer	Submetered*?	<Select>							
Refuse Collection									
Total Utility Allowance by Unit Size					**0**	**0**	**0**	**0**	**0**

*New Construction units MUST be sub-metered.

**Elderly allowances cannot be used except at properties that have 100% HUD PBRA and satisfy the DCA definition of "elderly"*

APPLICANT COMMENTS AND CLARIFICATIONS

All utilities (power, water, sewer) are paid by tenant at Park Homes. Utility allowance source is 2015 CHAP utility allowances for Park Homes with a 2% increase adjustment.

DCA COMMENTS

Category	NWGHA Budget	NWGHA Actual Operating Expenses - Park Homes			
		2014 Adjusted Actuals (100 units)	2015 Adjusted Actuals (100 units)	2016 Adjusted Actuals (100 units)	Average Adjusted Actuals: 2014-2016
Real Estate Taxes	**$ -**	**$ 1,622.82**	**$ 1,728.33**	**$ 1,572.44**	**$ 1,641.20**
Taxes*	$ -	$ 1,622.82	$ 1,728.33	$ 1,572.44	$ 1,641.20
Insurance	**$ 16,160.59**	**$ 17,362.86**	**$ 21,788.87**	**$ 16,160.59**	**$ 18,437.44**
Insurance	$ 16,160.59	$ 17,362.86	$ 21,788.87	$ 16,160.59	$ 18,437.44
Management Fee	**$ 38,862.84**	**$ 30,747.73**	**$ 33,183.64**	**$ 38,862.84**	**$ 34,264.74**
Property Management	$ 38,862.84	$ 30,747.73	$ 33,183.64	$ 38,862.84	$ 34,264.74
Utilities	**$ 67,323.12**	**$ 108,319.04**	**$ 101,207.32**	**$ 69,551.07**	**$ 93,025.81**
Electricity	$ 11,953.98	$ 8,193.38	$ 8,015.06	$ 8,953.98	$ 8,387.47
Natural Gas	$ -	$ 3,290.87	$ 3,407.60	$ 5,227.96	$ 3,975.47
Water	$ 9,329.13	$ 26,019.27	$ 23,070.55	$ 9,329.13	$ 19,472.98
Sewer	$ 13,520.38	$ 38,192.92	$ 33,472.84	$ 13,520.38	$ 28,395.38
Trash	$ 10,845.08	$ 10,580.79	$ 10,924.91	$ 10,845.08	$ 10,783.59
Other - Utilities Reimbursement Expense	$ 21,674.55	$ 22,041.82	$ 22,316.36	$ 21,674.55	$ 22,010.91
Salaries and Labor	**$ 103,774.28**	**$ 103,734.28**	**$ 103,734.28**	**$ 103,774.28**	**$ 103,747.61**
Office Manager	$ 50,960.00	$ 50,920.00	$ 50,920.00	$ 50,960.00	$ 50,933.33
Maintenance Manager	$ 31,200.00	$ 31,200.00	$ 31,200.00	$ 31,200.00	$ 31,200.00
Payroll & Benefits	$ 21,614.28	$ 21,614.28	$ 21,614.28	$ 21,614.28	$ 21,614.28
Maintenance and Repairs	**$ 52,043.27**	**$ 52,284.25**	**$ 49,070.39**	**$ 52,043.27**	**$ 51,132.64**
Repair - HVAC, Electrical, Plumbing, Auto	$ 5,182.21	$ 5,182.21	$ 5,182.21	$ 5,182.21	$ 5,182.21
Make Ready of Units	$ 8,690.91	$ 9,315.15	$ 6,736.36	$ 8,690.91	$ 8,247.47
Exterminating	$ 1,366.67	$ 8,114.06	$ 4,852.75	$ 1,366.67	$ 4,777.82
Elevator	$ -	$ -	$ -	$ -	$ -
Pool	$ -	$ -	$ -	$ -	$ -
Other - Materials, Misc.	$ 36,803.48	$ 29,672.82	$ 32,299.07	$ 36,803.48	$ 32,925.13
Landscaping and Amenities	**$ 3,500.00**	**$ 3,500.00**	**$ 3,500.00**	**$ 3,500.00**	**$ 3,500.00**
Grounds	$ 3,500.00	$ 3,500.00	$ 3,500.00	$ 3,500.00	$ 3,500.00
Security	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
	$ -				
Advertising and Promotion	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Administrative & Miscellaneous Expenses	**$ 38,428.58**	**$ 35,665.66**	**$ 38,107.63**	**$ 38,428.58**	**$ 37,400.62**
Accounting	$ 6,745.93	$ 1,553.97	$ 606.06	$ 6,745.93	$ 2,968.65
Applicant Screening	$ 3,292.25	$ 3,366.85	$ 4,471.32	$ 3,292.25	$ 3,710.14
Legal Fees	$ 3,665.57	$ 3,778.79	$ 6,257.98	$ 3,665.57	$ 4,567.45
Bank Charges and Collection Exp.	$ 6.06	$ 583.27	$ 88.64	$ 6.06	$ 225.99
Postage & Office Supplies	$ 7,076.48	$ 7,021.72	$ 7,466.94	$ 7,076.48	$ 7,188.38
Phone & Internet	$ 4,897.89	$ 5,675.48	$ 5,621.18	$ 4,897.89	$ 5,398.18
Other - Travel + Training	$ 242.41	$ 1,183.58	$ 1,093.52	$ 242.41	$ 839.83
Sundry - Other	$ 3,502.00	$ 3,502.00	$ 3,502.00	$ 3,502.00	$ 3,502.00
Service Provider Fees, Tenant Services, Relocation, Protective Services	$ 9,000.00	$ 9,000.00	$ 9,000.00	$ 9,000.00	$ 9,000.00
Tax Credit Compliance	$ -	$ -	$ -	$ -	$ -
Bond Compliance	$ -	$ -	$ -	$ -	$ -
Bond Admin Fee (0.15%)	$ -	$ -	$ -	$ -	$ -
Other	$ -	$ -	$ -	$ -	$ -
Replacement Reserves	**$ 35,000.00**	**$ -**	**$ -**	**$ -**	**$ -**
Replacement Reserves	$ 35,000.00	$ -	$ -	$ -	$ -

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410

JUL 2 2 2015

Sandra Hudson
Executive Director
Northwest GA Housing Authority
800 North, Fifth Avenue
Rome, GA 30162

CC: Cheryl Molock

Dear Ms. Hudson:

Thank you for your application under the Rental Assistance Demonstration (RAD) for the conversion of assistance of 100 units at the following PIC Development GA285300104, PARK HOMES.

We are pleased to approve your request for conversion as described in the application, subject to the conditions below.

This award letter serves as the Department's Commitment to Enter into a Housing Assistance Payments (CHAP) for the above-referenced project, provided the Owner meets all the requirements contained in the PIH Notice 2012-32, Revision 1 ("Notice") and all subsequent revisions. In addition, the owner must comply with all "CHAP Milestones" identified in section 1.12 of the Notice as applicable.

This award is issued pursuant to the Consolidated and Further Continuing Appropriations Act, 2012, Pub. L. No. 112-55, approved November 18, 2011 and the Consolidated and Further Continuing Appropriations Act of 2015 (P.L. 113-235), approved December 6, 2014; section 8 of the United States Housing Act of 1937 (Act), 42 U.S.C. 1437 et seq.; and the Department of Housing and Urban Development Act, 42 U.S.C. 3531 et seq. The purpose of this award is to begin the process of effectuating the conversion of Public Housing to a form of project-based assistance under section 8 of the Act. This award cannot be transferred without the prior written consent of HUD.

In order to convert your project, the PHA must fulfill the CHAP milestones and deadlines identified in section 1.12 of the Notice. HUD will rely solely on documents and certifications the PHA submits through the RAD Resource Desk to monitor compliance with CHAP milestones. If HUD, in its sole judgment, determines that the PHA fails to meet any of the requirements, the CHAP will be revoked, unless the PHA submits and HUD approves a request for a deadline extension. Any extension request must include both a justification and an explanation of why failure to meet the milestone will not jeopardize the PHA's ability to complete the RAD conversion. Approval of any request for an extension is at HUD's sole discretion.

Within 30 days of CHAP issuance, you must **confirm your acceptance of a CHAP by submitting an application into the Inventory Removals module in PIC** in order to identify the units that will be removed from public housing Annual Contributions Contract (ACC) when the project completes conversion. HUD has made instructions for submitting a Removal Application into PIC available at www.hud.gov/rad.[1] Failure to submit a Removal application into PIC will result in a suspension of the CHAP and a revocation if not corrected within a reasonable time period. Contact your PIH Field Office if you have any questions about this submission.

As the award is a conditional commitment by HUD, HUD reserves the right to revoke or amend its commitment at any time prior to closing if HUD, in its sole judgment, determines that any of the following conditions are present:

A. any of the contract units were not eligible for selection;
B. the proposed conversion is not or will not be financially feasible;
C. the Owner fails to meet any applicable deadline;
D. the Owner fails to cooperate;
E. there is any violation of program rules, including fraud; or
F. the terms of the conversion would be inconsistent with fair housing and civil rights laws or a fair housing or civil rights court order, settlement agreement, or voluntary compliance agreement.

This award shall be interpreted and implemented in accordance with all statutory requirements, and with all HUD requirements, including amendments or changes in HUD requirements, the Notice, and all other applicable RAD guidance.

As you start the process of conversion, we urge you to continue to maintain an open dialogue with your residents and local officials. If you have any questions or concerns regarding

[1] See http://portal.hud.gov/hudportal/documents/huddoc?id=RADPICinventory_removal.pdf

the conversion process or fulfilling the CHAP Milestones, please contact your RAD Transaction Manager.

Sincerely,

Jemine A. Bryon
General Deputy Assistant Secretary
Office of Public and Indian Housing

Genger Charles
Acting General Deputy Assistant Secretary
for Housing

Enclosure

EXHIBIT A

IDENTIFICATION OF UNITS ("CONTRACT UNITS") BY SIZE AND APPLICABLE CONTRACT RENTS

The Contract Rents below for the subject project are based on Fiscal Year 2014 Federal Appropriations and assumptions regarding applicable rent caps. The final RAD contracts rents, which will be reflected in the RAD HAP contract, will be based on Fiscal Year 2014 Federal Appropriations, as well as applicable program rent caps and Operating Cost Adjustment Factors (OCAFs), and, as such, may change. In addition, prior to conversion, the PHA must provide HUD updated utility allowances to be included in the HAP contract.

Existing PIC Development Number: GA285300104
PIC Development Number for Tracking Purposes Only: GA284300104MP1

Number of Contract Units	Number of Bedrooms	Contract Rent	Utility Allowance	Gross Rent
4	1	$338	$82	$420
44	2	$457	$97	$554
44	3	$569	$118	$687
8	4	$808	$130	$938

Please note that this rent schedule includes the 2015 OCAF adjustments that the PHA is eligible for, and will be confirmed during the Financing Plan review.

*The revised PIC is only applicable as references for the RAD conversion. No formal changes to PIC have been made.

Lease Up Schedule - NWGHA Re-Hab

Project: Park Homes

Credit Delivery:		
Closing	Aug-17	
Const Start	Aug-17	
Const Complete	8/1/18	
Total Units	100	
Total Low Income Units	100	
Absorbtion	8.33	Units/Month
Total Annual Credits to Investor	410,255	

Annual Credits	
2018	-
2019	410,255
2020	410,255
2021	410,255
2022	410,255
2023	410,255
2024	410,255
2025	410,255
2026	410,255
2027	410,255
2028	410,255
	4,102,550

Lease up	Monthly Total Units	
Jan-17	0	-
Feb-17	0	-
Mar-17	-	-
Apr-17	-	-
May-17	-	-
Jun-17	-	-
Jul-17	-	-
Aug-17	-	-
Sep-17	8	-
Oct-17	17	-
Nov-17	25	-
Dec-17	33	-
		-
Jan-18	42	14,245
Feb-18	50	17,094
Mar-18	58	19,943
Apr-18	67	22,792
May-18	75	25,641
Jun-18	83	28,490
Jul-18	92	31,339
Aug-18	100	34,188
Sep-18	100	34,188
Oct-18	100	34,188
Nov-18	100	34,188
Dec-18	100	34,188
Jan-19	100	34,188
Feb-19	100	34,188
Mar-19	100	34,188
Apr-19	100	34,188
May-19	100	34,188
Jun-19	100	34,188
Jul-19	100	34,188
Aug-19	100	34,188
Sep-19	100	34,188
Oct-19	100	34,188
Nov-19	100	34,188
Dec-19	100	34,188
		330,483

Potential Adjuster	
Total Credits	410,255
Percent Delivered 2017	65.38%
Credits Promised 2017	268,243
Projected Delivery 2015	-
Execess/(Shortfall)	(268,243)
Adjuster Rate	0.5
Potential Adjuster	**134,121.50**

2017 Northwest Georgia Housing Authority RAD Rehab Portfolio - Project Description

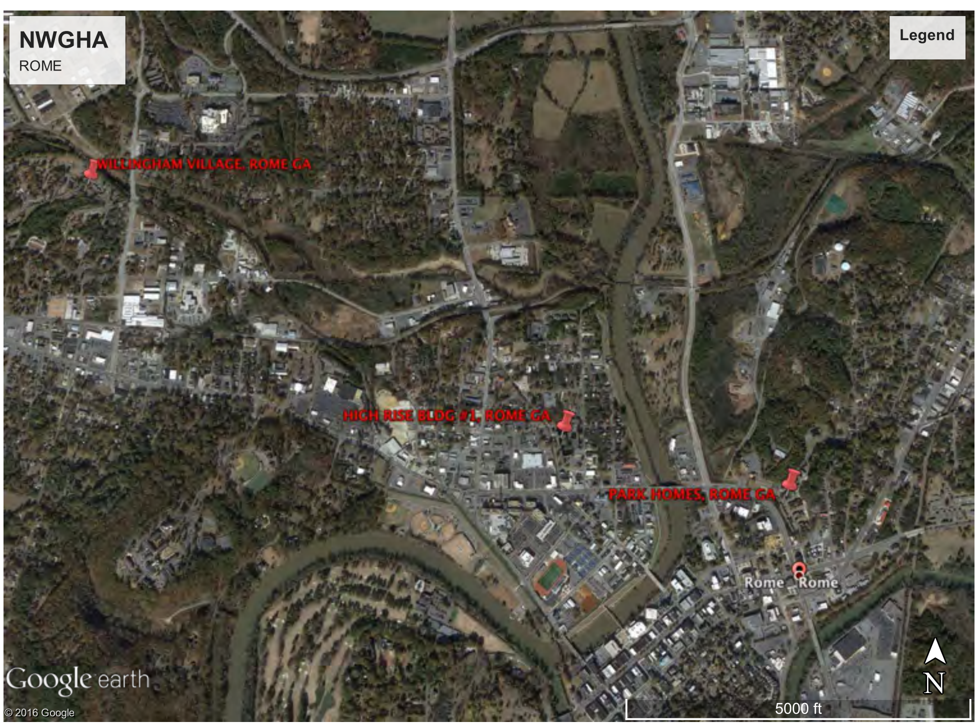
Project Description

PARK HOMES – AMP 3

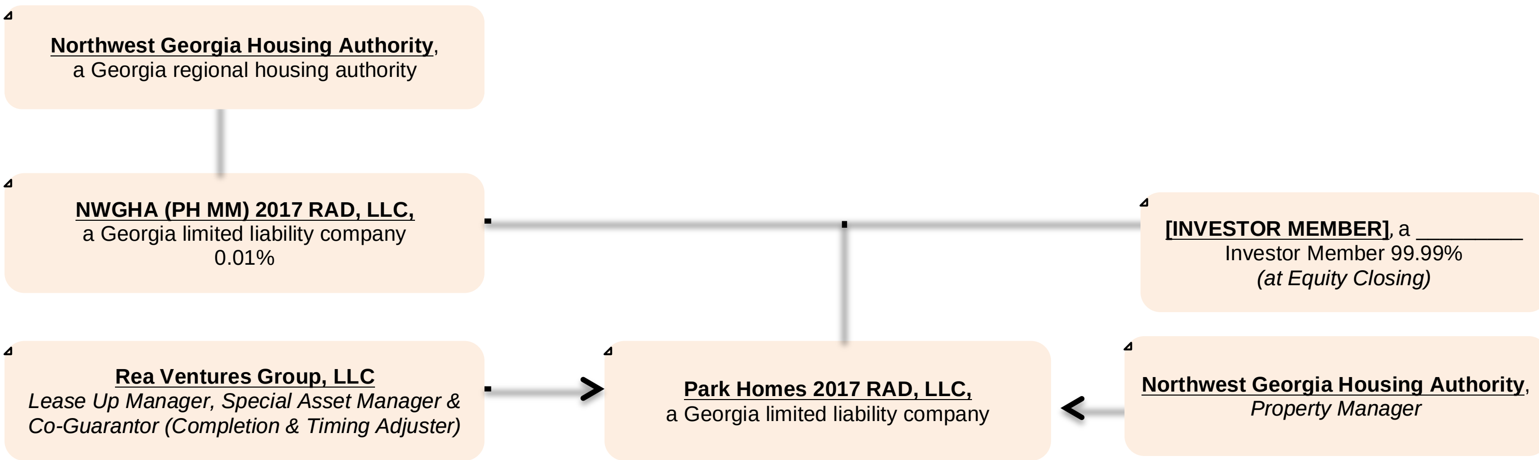
Ownership Entity: NWGHA (PH MM) 2017 RAD, LLC
Tenancy: Family
Address: 201 Reservoir Street, Rome, GA (Floyd County)
Units and Mix: 100 (4 one-bedroom, 44 two-bedroom, 44 three-bedroom, 8 four-bedroom)
Census Tract: 6 (2017 Qualified Census Tract)

These apartments are brick, two-story townhouses with four units per building in a 100-unit neighborhood. This development was completed on 7/31/1952. An energy upgrade has already been done in this development that included the addition of central heat (natural gas) and air conditioning (R22), modern light fixtures, energy efficient toilets, and modern, double-pane insulated glass windows with vinyl sashes. All the units within this property are within easy walking distance of one another as well as numerous amenities that include grocery stores and restaurants.

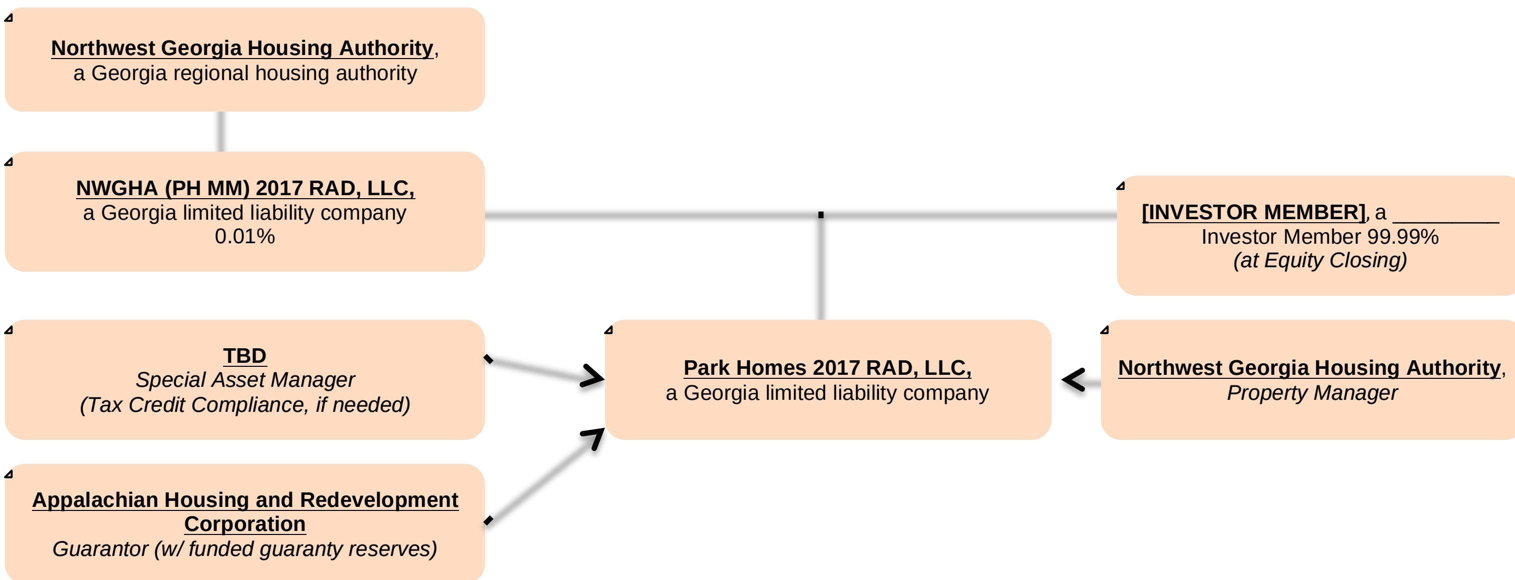
Existing debt consists of a $723,500 CFFP loan and a $465,000 EPC loan. The development holds a HUD CHAP award for RAD rent vouchers on all 100 units (consisting of 4 one-bedroom units, 44 two-bedroom units, 44 three-bedroom units, and 8 four-bedroom units). This rehabilitation project would retire all of the CFFP and EPC debt, refurbish all 100 units, and maintain the RAD support on all 100 units. Land would be leased to the ownership entity for a de minimis amount but the improvements would be purchased.



Organizational Structure: Pre-Stabilization



Organizational Structure: Post-Stabilization



Land Sale Comparable One

Land Sale Comparable Two

Land Sale Comparable Three

Comparable Land Sales

TN
MN (4.6°W)

Scale 1 : 24,000
1" = 2,000.0 ft
Data Zoom 13-1

Multi-Family Lease No. 1

Property Identification

Record ID	1456
Property Type	Garden
Property Name	Eastland Court
Address	40 Chateau Drive, Rome, Floyd County, Georgia 30161
On-Site Manager	Yes
Management Co.	Charles Williams
Verification	Agent - Kimberly; 706-622-4021, March 20, 2017; Confirmed by Doug Rivers

Unit Mix

Unit Type	No. of Units	Size SF	Rent/Mo.	Mo. Rent/SF
1BR/1BA	21	804	$795	$0.99
1BR/1BACarriage	4	919	$975	$1.06
2BR/2BA	70	1,056	$915	$0.87
3BR/2BA	21	1,516	$1,095	$0.72

Occupancy	99%
Total Units	116
Unit Size Range	804 - 1516

Multi-Family Lease No. 1 (Cont.)

Avg. Unit Size	1,089
Avg. Rent/Unit	$928
Avg. Rent/SF	$0.85
Net SF	126,316

<u>Physical Data</u>

Construction Type	HardiePlank
Electrical	Assumed Adequate
HVAC	Assumed Adequate
Stories	3-4
Utilities with Rent	Trash Collection
Unit Amenities	Patios/Balconies, Ceiling Fans, Icemakers, Washer/Dryer Connections, Crown Molding / Walk-In Closets , 9' Ceilings
Project Amenities	Outdoor Pool, Clubhouse, Exercise/Fitness, Gated Access / Storage Units
Parking	Surface
Year Built	2006
Condition	Good

<u>Remarks</u>

This is a Class-A market-rate apartment complex located along the western side of Chateau Drive, just south of SR-411, in south Rome, Floyd County, GA. According to the leasing agent, phase one consisted of 54 units, which were completed in December 2006. Phase two added an additional 62 units, which were completed in early 2008. Interior finishes are very good, typical of luxury apartments. Access and exposure would be considered average. Garages are $100, storage $50.

Multi-Family Lease No. 2

Property Identification

Record ID	1462
Property Type	Garden
Property Name	Hamilton Ridge
Address	72 Hamilton Avenue, Rome, Floyd County, Georgia 30165
Management Co.	Harvey Given Co.
Verification	Harvey Given Co. - Colin Doss; 706-291-9191, March 20, 2017; Confirmed by Doug Rivers

Unit Mix

Unit Type	No. of Units	Size SF	Rent/Mo.	Mo. Rent/SF
1BR/1BA	12	642	$575	$0.90
2BR/2BA	30	1,157	$735	$0.64
3BR/2BA	6	1,425	$880	$0.62

Occupancy	100%
Total Units	48
Unit Size Range	642 - 1425
Avg. Unit Size	1,062

Multi-Family Lease No. 2 (Cont.)

Avg. Rent/Unit	$713
Avg. Rent/SF	$0.67
Net SF	50,964

Physical Data

Construction Type	Masonry / HardiePlank
Electrical	Assumed Adequate
HVAC	Assumed Adequate
Stories	3
Utilities with Rent	Trash Collection
Unit Amenities	Patios/Balconies, Ceiling Fans, Washer/Dryer Connections
Project Amenities	Gated, Storage Units, Garages
Parking	Surface / Garages
Year Built	2003
Condition	Good

Remarks

This is a Class A-, market-rate apartment complex located along the eastern side of Hamilton Avenue, just north of Shorter Avenue, in Rome, Floyd County, GA. This property is a gated community with a limited amenity package. Access and exposure would be considered average. No concessions are currently being offered and the property reportedly maintains 100% occupancy with a waiting list. The property has garages that rent for $55 per month (10 X 20) and storage units for $45 (9 X 10). Rents shown are for 12-month lease. Rents for a six-month lease are higher. The management office is in downtown Rome at 4 East 6th Street.

Multi-Family Lease No. 3

Property Identification

Record ID	243
Property Type	Garden/LIHTC
Property Name	Ashton Ridge
Address	2522 Callier Springs Road, Rome, Floyd County, Georgia 30161
On-Site Manager	Yes
Verification	Sherry - Manager; 706-802-0017, March 20, 2017; Confirmed by Doug Rivers

Unit Mix

Unit Type	No. of Units	Size SF	Rent/Mo.	Mo. Rent/SF
1 BR/1 BA	14	975	$490	$0.50
2 BR/2 BA	37	1,050	$599	$0.57
3 BR/2 BA	37	1,125	$645	$0.57

Occupancy 100%

Multi-Family Lease No. 3 (Cont.)

Total Units	88
Unit Size Range	975 - 1125
Avg. Unit Size	1,070
Avg. Rent/Unit	$601
Avg. Rent/SF	$0.56
Net SF	94,125

<u>Physical Data</u>

Construction Type	Vinyl
Electrical	Assumed Adequate
HVAC	Assumed Adequate
Stories	2 & 3
Utilities with Rent	Trash Collection
Unit Amenities	Patios/Balconies, Washer/Dryer Connections
Project Amenities	Clubhouse, Laundry, Community Room, Picnic Area, Playground
Parking	Surface
Year Built	1997
Condition	Average

<u>Remarks</u>

This was a 100% LIHTC property but recently converted to all market rate. It is located in southern Rome, Floyd County, GA. It is an average-quality, Class-B property with limited amenities.

Multi-Family Lease No. 4

<u>Property Identification</u>

Record ID 241
Property Type Garden & Townhomes
Property Name Guest House Apartments
Address 48 Chateau Drive, Rome, Floyd County, Georgia 30161

Management Co. Charles Williams Real Estate
Verification Charles Williams RE - Agent; 706-234-4872, March 20, 2017; Confirmed by Doug Rivers

<u>Unit Mix</u>

Unit Type	No. of Units	Size SF	Rent/Mo.	Mo. Rent/SF
1 BR/1 BA	41	525	$595	$1.13
2 BR/1.5 BA	8	1,000	$750	$0.75

Occupancy 100%
Total Units 49 (75 total, 26 furnished & 49 unfurnished)
Unit Size Range 525 - 1000
Avg. Unit Size 603

Multi-Family Lease No. 4 (Cont.)

Avg. Rent/Unit	$620
Avg. Rent/SF	$1.03
Net SF	29,525

<u>Physical Data</u>

Construction Type	Brick / Stucco
Electrical	Assumed Adequate
HVAC	Assumed Adequate
Stories	2
Utilities with Rent	Trash Collection
Unit Amenities	Ceiling Fans, Washer/Dryer Connections, Washers / Dryers
Parking	Surface
Year Built	1990
Condition	Average

<u>Remarks</u>

This Class-B, market-rate apartment complex is located in the southern portion of Rome, Floyd County, GA. There are a total of 75 units offered, but 26 are furnished. Only the unfurnished units are indicated in the chart above. There are no on-site amenities. 12 month lease typical. Security deposit is $250 and application fee is $25. Pets are permitted, but there is a $250 fee. Tenants pay all utilities except trash. Water/Sewer is billed at a flat rate of $21 for one-bedroom units and $27 for two bedroom units.

Multi-Family Lease No. 5

Property Identification

Record ID	1458
Property Type	Townhomes
Property Name	The Grove at Six Hundred (FKA Westminster)
Address	600 Redmond Road, Rome, Floyd County, Georgia 30165
On-Site Manager	Yes
Verification	Leasing Agent; 844-424-4910, March 22, 2017; Confirmed by Doug Rivers

Unit Mix

Unit Type	No. of Units	Size SF	Rent/Mo.	Mo. Rent/SF
2BR/1.5BA	88	1,120	$685	$0.61
3BR/2.5BA	16	1,320	$785	$0.59

Occupancy	89%
Total Units	104
Unit Size Range	1120 - 1320
Avg. Unit Size	1,151

Multi-Family Lease No. 5 (Cont.)

Avg. Rent/Unit	$700
Avg. Rent/SF	$0.61
Net SF	119,680

<u>Physical Data</u>

Construction Type	Brick / Stucco
Electrical	Assumed Adequate
HVAC	Assumed Adequate
Stories	2
Utilities with Rent	Water, Sewer, Trash Collection
Unit Amenities	Washer/Dryer Connections
Project Amenities	Playground
Parking	Surface
Year Built	1970
Condition	Average

<u>Remarks</u>

This is a Class-C, market-rate apartment complex located just west of Division Street along Redmond Road, in Rome, Floyd County, GA. Access and exposure would be considered average. A special of half off the first month's rent (12 month lease) on the 2BR units is being offered. This equates to a monthly reduction of about $33 per month for 12 months. Complex recently sold and has been undergoing minor cosmetic changes.

Multi-Family Lease No. 6

Property Identification

Record ID	1459
Property Type	Garden & Townhomes
Property Name	Heritage Pointe
Address	1349 Redmond Road, Rome, Floyd County, Georgia 30165
On-Site Manager	Yes
Verification	Property Manager; 706-235-0409, March 20, 2017; Laura Branam, Confirmed by Doug Rivers

Unit Mix

Unit Type	No. of Units	Size SF	Rent/Mo.	Mo. Rent/SF
1BR/1BA	48	750	$520	$0.69
2BR/1BA	40	950	$600	$0.63
2BR/1.5BA	33	1,150	$655	$0.57
3BR/2BA	28	1,160	$685	$0.59

Occupancy	95% Physical / 100% Leased
Total Units	149

Multi-Family Lease No. 6 (Cont.)

Unit Size Range	750 - 1160
Avg. Unit Size	969
Avg. Rent/Unit	$602
Avg. Rent/SF	$0.62
Net SF	144,430

Physical Data

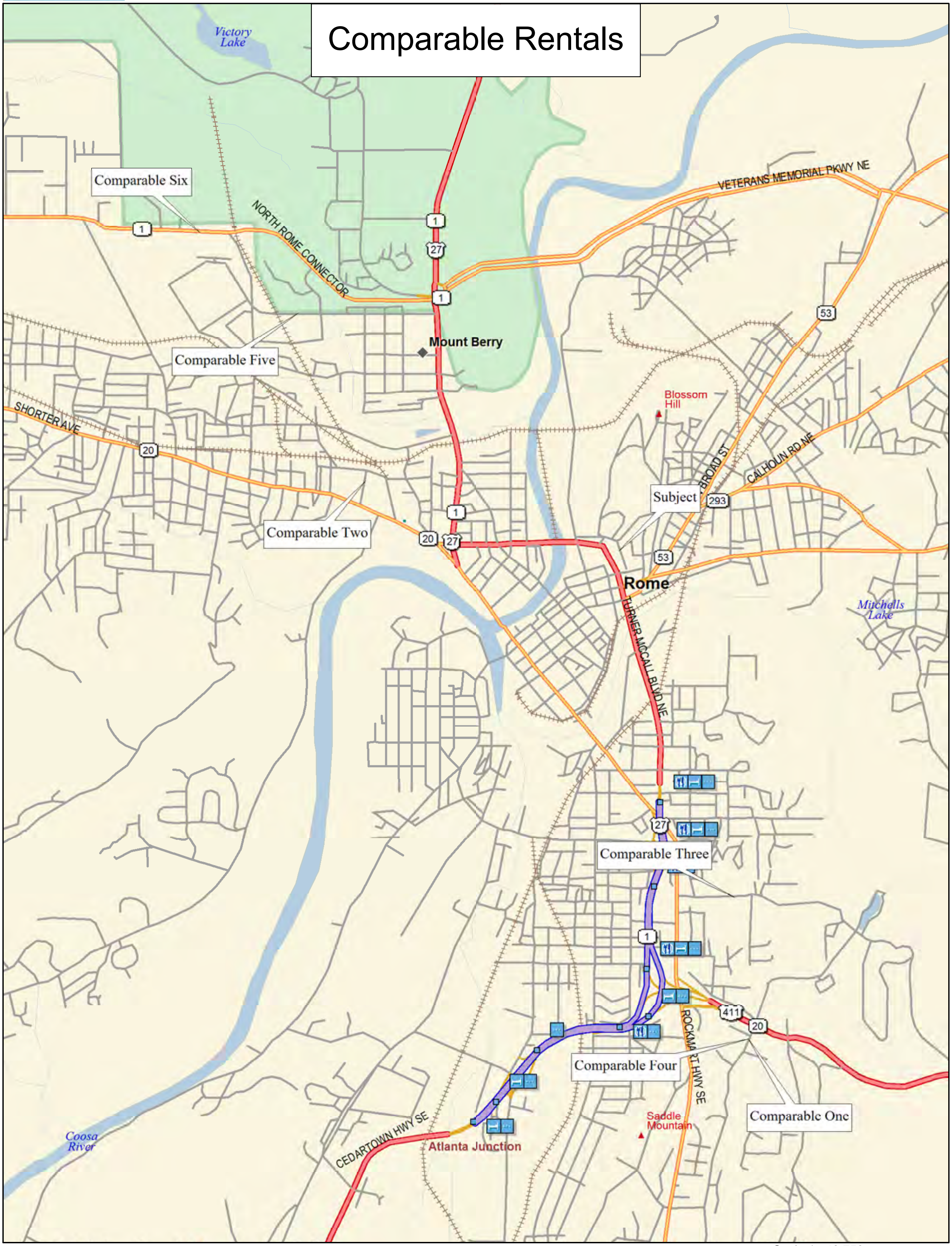
Construction Type	Brick
Electrical	Assumed Adequate
HVAC	Pad Mount
Stories	2
Utilities with Rent	Water, Sewer, Trash Collection
Unit Amenities	Patios/Balconies, Ceiling Fans, Washer/Dryer Connections
Project Amenities	Laundry, Playground
Parking	Surface
Year Built	1970
Condition	Average

Remarks

This Class-C, market-rate apartment complex is located on the southern side of Redmond Circle in the western portion of Rome. Access and exposure would be considered average. The property is convenient to public transportation. No specials are being offered. Complex has closed one building (8 units) to begin renovation. This is not reflected in the occupancy computation.

Street Atlas USA® 2006

Comparable Rentals



TN
MN (4.6°W)

Scale 1 : 43,750

1" = 3,645.8 ft Data Zoom 12-2

Multi-Family Sale No. 1

Property Identification	
Record ID	1284
Property Type	Garden (Affordable)
Property Name	Riverwood Park
Address	525 West 13th Street NE, Rome, Floyd County, Georgia 30165
Sale Data	
Grantor	Varden Capital Partners
Grantee	Augsburg Investments
Sale Date	October 31, 2016
Property Rights	Fee Simple
Marketing Time	Not Listed
Conditions of Sale	Arms Length
Financing	Conventional
Verification	Robert Stickel - CW; 404-442-5609, March 23, 2017; Confirmed by Jon Reiss
Sale Price	$3,640,000
Land Data	
Land Size	10.240 Acres or 446,054 SF

Multi-Family Sale No. 1 (Cont.)

Unit Mix

Unit Type	No. of Units	Size SF	Rent/Mo.	Mo. Rent/SF
2/2	29	912		
2/2	28	1,040		
3/2	15	1,102		
3/2	20	1,207		

Total Units	92
Avg. Unit Size	1,047
Net SF	96,238

General Physical Data

Construction Type	Brick/Vinyl
Electrical	Assumed Adequate
HVAC	Assumed Adequate
Parking	Surface
Stories	3
Year Built	1997
Condition	Good

Income Analysis

Net Operating Income	$220,616

Indicators

Sale Price/Leasable SF	$37.82
Sale Price/Unit	$39,565
Occupancy at Sale	97%
Overall or Cap Rate	6.06%
NOI/SF	$2.29 Leasable
NOI/Unit	$2,398

Remarks

This is the sale of a Class-B, LIHTC apartment complex located in north central Rome, Floyd County, Georgia. The improvements were built in 1997 and were in good condition at the time of sale. The property contains 100% tax credit units with rent restrictions. However, the contract does expire in 2019. According to the listing agent, the property was never placed on the market and was marketed internally. The cap rate was reported at 6.06% based on T-12 income and expenses.

Multi-Family Sale No. 2

Property Identification

Record ID	1285
Property Type	Garden
Property Name	Westminster Apartments
Address	600 Redmond Road, Rome, Floyd County, Georgia 30165

Sale Data

Grantor	37 WM Apartments, LLC
Grantee	PMDM LLC / Sanders T LLC
Sale Date	June 01, 2016
Deed Book/Page	2466-1260
Property Rights	Fee Simple
Marketing Time	3 Weeks
Conditions of Sale	Arms Length
Financing	Conventional
Verification	Bill Shippen - ARA; 404-495-7304, March 23, 2017; Confirmed by Jon Reiss
Sale Price	$2,950,000

Land Data

Land Size	7.900 Acres or 344,124 SF

Unit Mix

Unit Type	No. of Units	Size SF	Rent/Mo.	Mo. Rent/SF
2/1.5	88	1,120		
3/2.5	16	1,320		

Total Units	104
Avg. Unit Size	1,150

Multi-Family Sale No. 2 (Cont.)

Net SF	119,680

General Physical Data

Construction Type	Brick/Stucco
Electrical	Assumed Adequate
HVAC	Assumed Adequate
Parking	Surface
Stories	2
Year Built	1971
Condition	Average

Income Analysis

Net Operating Income	$201,448

Indicators

Sale Price/Leasable SF	$24.65
Sale Price/Unit	$28,365
Occupancy at Sale	90%
Overall or Cap Rate	6.83%
NOI/SF	$1.68 Leasable
NOI/Unit	$1,937

Remarks

This is the sale of a Class-C, market rate apartment located in northwest Rome, Floyd County, GA. The improvements were constructed in 1971 and were in average condition at the time of sale. Reportedly, the purchaser is performing some cosmetic improvements estimated at $2,500 per door. Reportedly, the property was on the market for about three weeks prior to going under contract and then took an additional 60 days to close. The cap rate was reported at 6.83% based on T-3 income and T-12 expenses. It is now known as the Grove at 600 Apartments.

Multi-Family Sale No. 3

<u>Property Identification</u>

Record ID	1165
Property Type	Garden / Class C
Property Name	Rosewood Apartments
Address	531 Grassdale Road, Cartersville, Bartow County, Georgia 30121
Tax ID	00700163006

<u>Sale Data</u>

Grantor	East Inwood Rosewood, LLC
Grantee	Big Rosewood GA, LLC
Sale Date	October 13, 2015
Deed Book/Page	2791/878
Property Rights	Fee Simple
Conditions of Sale	Arms Length
Financing	$5,512,500 (Dept Assumption)
Verification	Brown Realty Advisors
Sale Price	$10,400,000

<u>Land Data</u>

Land Size	9.630 Acres or 419,483 SF
Topography	Gently Rolling
Utilities	All Typical
Shape	Irregular

Multi-Family Sale No. 3 (Cont.)

Unit Mix

Unit Type	No. of Units	Size SF	Rent/Mo.	Mo. Rent/SF
1/1.0	37	575	$727	$1.26
1/1.0	37	800	$758	$0.95
2/2.0	37	1,140	$763	$0.67
3/2.0	37	1,170	$929	$0.79

Total Units	148
Avg. Unit Size	921
Avg. Rent/Unit	$794
Avg. Rent/SF	$0.86
Net SF	136,345

General Physical Data

No. of Buildings	8
Stories	2
Unit Amenities	Patios/Balconies, Icemakers, Washer/Dryer Connections, Balcony Storage
Project Amenities	Outdoor Pool, Outdoor Tennis, Clubhouse, Laundry, Exercise/Fitness, Car Wash Facility, Playground
Year Built	1990
Condition	Good

Income Analysis

Net Operating Income	$644,800

Indicators

Sale Price/Net Rentable SF	$76.28
Sale Price/Unit	$70,270
Occupancy at Sale	95
Overall or Cap Rate	6.2%
NOI/SF	$4.73 Net Rentable
NOI/Unit	$4,357

Remarks

This market rate property is located along the east side of Grassdale Road, between Evergreen Trail and Village Drive. Reportedly, 100% of the units had been renovated at time of sale. Capitalization rate is based on income and expenses in place at time of sale.

Multi-Family Sale No. 4

<u>Property Identification</u>	
Record ID	1137
Property Type	Duplexes
Property Name	5 Redwood Street Duplexes
Address	5 Redwood Street, Rome, Floyd County, Georgia 30161
<u>Sale Data</u>	
Grantor	Annette H Vann
Grantee	KP Realty Company LLC
Sale Date	July 30, 2015
Property Rights	Fee Simple
Marketing Time	2 Years
Conditions of Sale	Arms Length
Financing	Conventional
Verification	Jason Free - Listing Broker; 770-324-5364, November 17, 2015; Other sources: Costar, Confirmed by Jon Reiss
Sale Price	$936,000

Multi-Family Sale No. 4 (Cont.)

Land Data

Land Size	5.500 Acres or 239,580 SF

Unit Mix

Unit Type	No. of Units	Size SF	Rent/Mo.	Mo. Rent/SF
2BR/1BA	24	900	$472	$0.52

Total Units	24
Avg. Unit Size	900
Avg. Rent/Unit	$472
Avg. Rent/SF	$0.52
Net SF	21,600

General Physical Data

No. of Buildings	12
Construction Type	Brick
Electrical	Assumed Adequate
HVAC	Assumed Adequate
Parking	Carports
Stories	One
Year Built	1995
Condition	Good

Income Analysis

Net Operating Income	$84,240

Indicators

Sale Price/Leasable SF	$43.33
Sale Price/Unit	$39,000
Occupancy at Sale	100%
Overall or Cap Rate	9%
NOI/SF	$3.90 Leasable
NOI/Unit	$3,510

Remarks

This is the sale of a 24-unit, duplex-style apartment complex located in northeastern Rome, Floyd County, GA. The improvements were built in 1995 and considered in good condition. The property had originally been listed for $1,250,000 for close to two years, which was the amount of the 1st and 2nd mortgage on the property. The lender forgave the 2nd loan. When it was reduced to $980,000, they had multiple offers within 10 days. Reportedly, rents were $50 below market and the property had been 100% occupied for three years. The majority of tenants had been there for five years and their rents had not been raised.

Multi-Family Sale No. 5

<u>Property Identification</u>	
Record ID	1049
Property Type	Garden
Property Name	Woodbridge
Address	4469 Martha Berry Highway, Rome, Floyd County, Georgia 30165
Tax ID	J10Y313
<u>Sale Data</u>	
Grantor	Dabrad Company, Inc
Grantee	Woodbridge Apartments, LLC
Sale Date	July 02, 2014
Deed Book/Page	2398/486
Property Rights	Leased Fee
Marketing Time	20 months
Conditions of Sale	Arms Length
Verification	KW Commercial; 770-324-5364, Jason Free
Sale Price	$1,650,000

Multi-Family Sale No. 5 (Cont.)

Land Data

Land Size	2.110 Acres or 91,912 SF

Unit Mix

Unit Type	No. of Units	Size SF	Rent/Mo.	Mo. Rent/SF
2/2	24	1,100	$650	$0.59
3/2.5 TH	4	1,420	$875	$0.62

Total Units	28
Avg. Unit Size	1,146
Avg. Rent/Unit	$682
Avg. Rent/SF	$0.60
Net SF	32,080

General Physical Data

No. of Buildings	4
Construction Type	Wood Frame / HardiePlank Siding
Electrical	Assumed Adequate
HVAC	Assumed Adequate
Parking	Surface
Stories	2
Utilities with Rent	Water, Sewer, Trash Collection
Unit Amenities	Washer/Dryer Connections, Granite Countertops
Project Amenities	Outdoor Pool
Year Built	2009
Condition	Very Good

Income Analysis

Effective Gross Income	$205,774
Expenses	$82,205
Net Operating Income	$123,569

Indicators

Sale Price/Net Rentable SF	$51.43
Sale Price/Unit	$58,929
Occupancy at Sale	95%
EGIM	8.02
Expenses/SF	$2.56 Net Rentable
Expenses/Unit	$2,936
Expenses as % of EGI	39.95%
Overall or Cap Rate	7.49%
NOI/SF	$3.85 Net Rentable
NOI/Unit	$4,413

Remarks

This market rate apartment complex is located along the west side of Martha Berry Highway, between Dixie Park Road and Walendra Drive, across from the Richard B. Russell Regional Airport. The property was in very good condition at time of sale. Interior finishes are of good quality. The original asking price was $2,000,000 and it was on the market for 20 months. The capitalization rate is based on FY 2013 income and expenses in place at time of sale, not including reserves.

Comparable Improved Sales

Scale 1 : 275,000

1" = 4.34 mi Data Zoom 9-5

TN

MN (4.6°W)

EHA

EVERSON,
HUBER &
ASSOCIATES, LC

Commercial Real Estate Services

3535 Roswell Road, Suite 55
Marietta, Georgia 30062
Phone: (770) 977-3000
Web Site: www.ehalc.com

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

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

RESEARCH
Douglas M. Rivers

ADMINISTRATIVE
Pauline J. Hines

February 27, 2017

Rea Ventures Group, LLC
Attn: Jennifer Nyquist
jennifernyquist@reaventures.com

RE: GA DCA Appraisal
Existing Park Homes Apartments (100 Units)
201 Reservoir St.
Rome, GA 30161

Dear Ms. Nyquist:

At your request, we are pleased to submit this letter of engagement to provide a DCA Compliant Appraisal Report of the above listed property in Rome, Georgia. The appraisal is intended for use in conjunction with a tax credit application to the Georgia Department of Community Affairs.

The fee is $6,500 for the above mentioned appraisal. A retainer of $3,250 is due upon engagement of the appraisal. We will initially provide an electronic draft in the next four to five weeks to be followed by requested hard copies of the appraisal. Timely delivery of the appraisal is dependant on receipt of the signed engagement letter, retainer of $3,250, and information needed to complete the assignment. A separate information request list will be provided.

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

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

The reports will be prepared in conformity with, and will be subject to, the requirements of the Code of Professional Ethics and Standards of Professional Conduct of the Appraisal Institute. The reports will also

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conform to the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation.

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

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

Respectfully submitted,

EVERSON, HUBER & ASSOCIATES, LC

Stephen M. Huber

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

AGREED AND ACCEPTED

Signature	Manager Title
Eric Buffenbarger Name (type or print)	3/1/2017 Date

JONATHAN A. REISS, MAI
EVERSON, HUBER & ASSOCIATES, LC
3535 Roswell Road, Suite 55
Marietta, Georgia 30062
(770) 977-3000, Ext. 315
E-mail: jreiss@ehalc.com

EXPERIENCE

Senior Commercial Appraiser with Everson, Huber & Associates, LC since April 2004. Appraisal assignments have been performed on various types of commercial properties located throughout the United States with a focus on multi-family development including conventional, affordable, senior, student and mixed-use properties. Extensive experience with the HUD loan application process (221D4 new construction and 223F re-finance), as well as Fannie Mae and Freddie Mac. Other assignments have included vacant land; residential and commercial subdivisions; mixed-use developments; hotels; resort properties; townhome and condominium developments; office (professional, medical, office parks); industrial (office/warehouse, manufacturing, flex, distribution); retail (free-standing, shopping centers, net-lease properties) and special-use (movie theatres, truck terminals, marinas, cemeteries). Appraisal assignments have been prepared for banks and other lending institutions, life insurance companies, brokerage firms, law firms and private investors and developers.

LICENSES / CERTIFICATION

Member Of The Appraisal Institute (MAI):	
State Certified Real Property Appraiser:	State of Georgia - Certificate Number 272625
Georgia Real Estate Salesperson License:	State of Georgia - License Number 297293
Expert Witness:	Superior Court of Gwinnett and Cobb County Georgia

EDUCATION

Emory University, Atlanta, GA; BBA, Major in Marketing and Entrepreneurship, 1997
Oxford University, Oxford, England, Concentration in Economics, 1995
Georgia Institute of Real Estate, Atlanta, GA, Real Estate Salesperson Pre-license Course, 2005

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

- Appraisal Principles and Procedures, 2004
- National USPAP Course, 2004/2007 / Update Course, 2006/2008/2010/2012/2014/2016
- Basic Income Capitalization, 2004
- Apartment Appraisal: Concepts and Applications, 2005
- Advanced Income Capitalization, 2005
- General Applications, 2006
- Advanced Sales Comparison and Cost Approach, 2008
- Advanced Applications, 2009
- Business Practices and Ethics, 2010
- Analyzing Distressed Real Estate, 2010
- Data Verification Methods, 2010
- General Appraisal Report Writing and Case Studies, 2011
- Advanced Market Analysis and Highest and Best Use, 2012
- Analyzing Operating Expenses, 2013
- Forecasting Revenue, 2013
- MAI Designation Comprehensive Exam, Passed 2014
- Land And Site Valuation, 2015
- Appraisal Of Assisted Living Facilities, 2015
- Appraisal Of Assisted Living Facilities, 2015
- The Cost Approach, 2016
- General Demonstration Report - Capstone Program, 2016

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END OF RENEWAL
10/31/2017

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

WILLIAM L. ROGERS, JR.
Real Estate Commissioner

52530723

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

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

EXPERIENCE

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

CERTIFICATION

Certified General Real Property Appraiser: State of Georgia - Certificate Number CG001350
Certified General Real Property Appraiser: State of Alabama - Certificate Number G00625
Certified General Real Property Appraiser: State of Tennessee - Certificate Number 3855

EDUCATION

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

Appraisal Institute courses and seminars completed are as follows:

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

Continuing education courses completed during last five years include:

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

PROFESSIONAL

Candidate for Designation of the Appraisal Institute

STATE OF GEORGIA

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