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MARKET STUDY OF

**“WOODLAND CROSSING”
3457 WALMSLEY BOULEVARD (AKA 3441-3465)
RICHMOND
RICHMOND COUNTY, VIRGINIA 23234**

PREPARED FOR

**MR. BOBBY BYRD
WOODLAND PRESERVATION LP
250 WEST 55TH STREET, 35TH FLOOR
NEW YORK, NY 10013**

DATE OF VALUATION

MAY 28, 2019

DATE OF REPORT

SEPTEMBER 22, 2019



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Real Estate Appraisers and Consultants

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September 22, 2019

Mr. Bobby Byrd
Woodland Preservation LP
250 West 55th Street, 35th Floor
New York, NY 10013

RE: "Woodland Crossing"
3457 Walmsley Boulevard (AKA 3441-3465)
Richmond City, Richmond County, Virginia 23234

Dear Mr. Byrd:

As per your request, *Tony Kamand Realty LLC* has completed a market study on the above referenced property as of May 28, 2019. The purpose of this study was to analyze the demographics of the area and overall supply/demand of the market in the primary trade area.

This report is intended to comply with the reporting requirements set forth under Standards Rule 2-2 of the Uniform Standards of Professional Appraisal Practice. The report also conforms to the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA). FIRREA requires that real estate appraisals/market studies used in conjunction with federally-related transactions be performed in accordance with USPAP. The report also conforms to the requirements and guidelines of Woodland Preservation LP.

The subject of this market study is a garden apartment complex located on the south side of Walmsley Boulevard in Richmond City. The project consists of 132 units with a mix of 48 two bedroom units and 84 three bedroom units. At the time of inspection the subject was 97% occupied with 4 vacant units. The superintendent estimated that the waiting list for apartments at the subject is currently approximately 2 years long. The project was built in 1975 and is currently in average condition. There was no deferred maintenance noted at the time of inspection.

The total site size is 13.600 acres, and there is adequate parking, ingress and egress. The site has 98.00 feet of street frontage on Walmsley Boulevard. 0.8 acre of the subject site is located in adjacent Chesterfield County. The topography of the site is rolling and at street grade.

This report will attempt to identify the demographics of the trade area, review the existing apartment stock available and determine the potential demand for such units.

Mr. Bobby Byrd
Woodland Preservation LP

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We certify that we have no present or contemplated future interest in the property and that our employment and compensation are in no way contingent upon the facts reported.

This transmittal letter must remain attached to our report, which contains our analysis plus related exhibits, in order for the value opinion set forth to be considered valid. It must be noted that only our client who has contracted us and paid for this report is permitted to use this report. This report and the data, analysis and ideas incorporated herein, as an instrument of professional services, is the property of Tony Kamand Realty LLC and is not to be used, in whole or in part for any other purpose without the written consent of Tony Kamand Realty LLC.

If there are any questions or further details that you need please do not hesitate to contact us.

Respectfully submitted,

TONY KAMAND REALTY LLC



Tony F. Kamand Jr., MAI
NJ Certified General Real Estate Appraiser, No. RG-668



Jacqueline Marmur
NJ Certified General Real Estate Appraiser, No. RG-2523
VA Temporary Permit No. 4005018912

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ADDENDA

- Interior Subject Photographs
- Comparable Rentals, photographs and location map
- Definitions
- Qualifications

EXTERIOR PHOTOGRAPHS OF SUBJECT PROPERTY



View of typical subject building facing southwest



View of typical subject building facing north

EXTERIOR PHOTOGRAPHS OF SUBJECT PROPERTY (CONT.)



Rear view of typical subject building facing north



View of management office

EXTERIOR PHOTOGRAPHS OF SUBJECT PROPERTY (CONT.)



View of playground



View of basketball court

EXTERIOR PHOTOGRAPHS OF SUBJECT PROPERTY (CONT.)

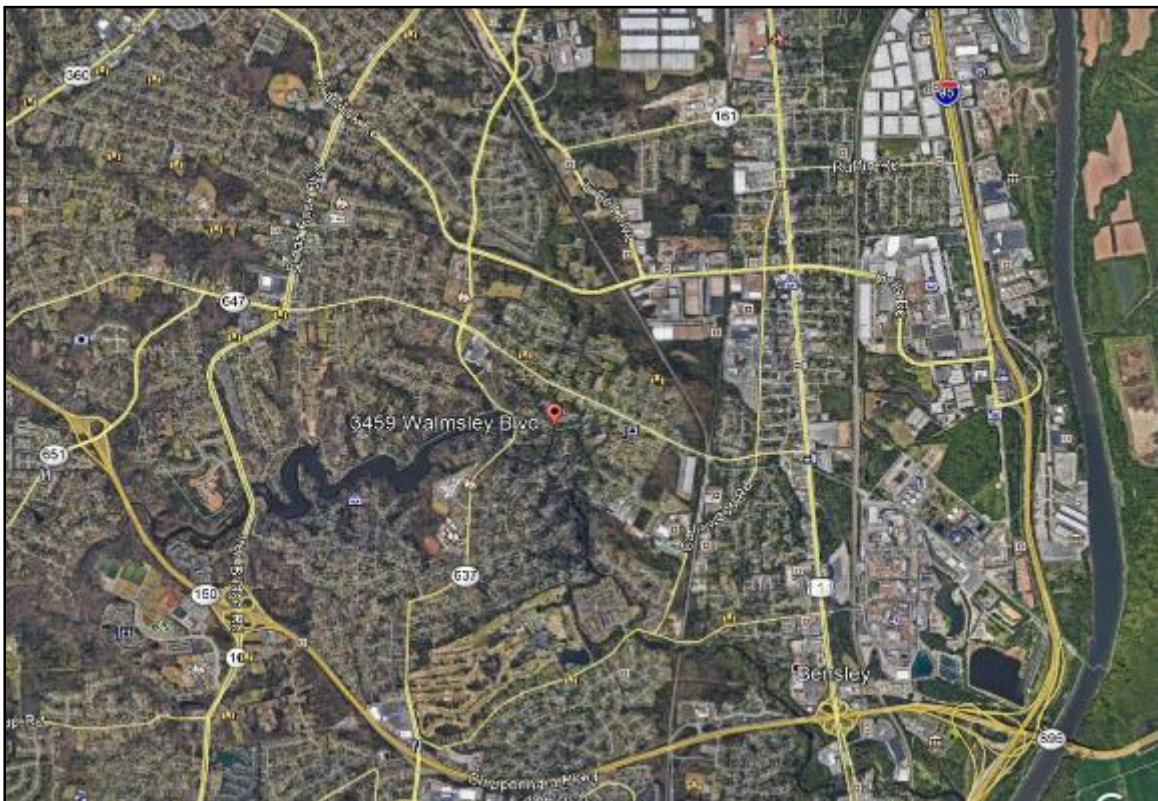
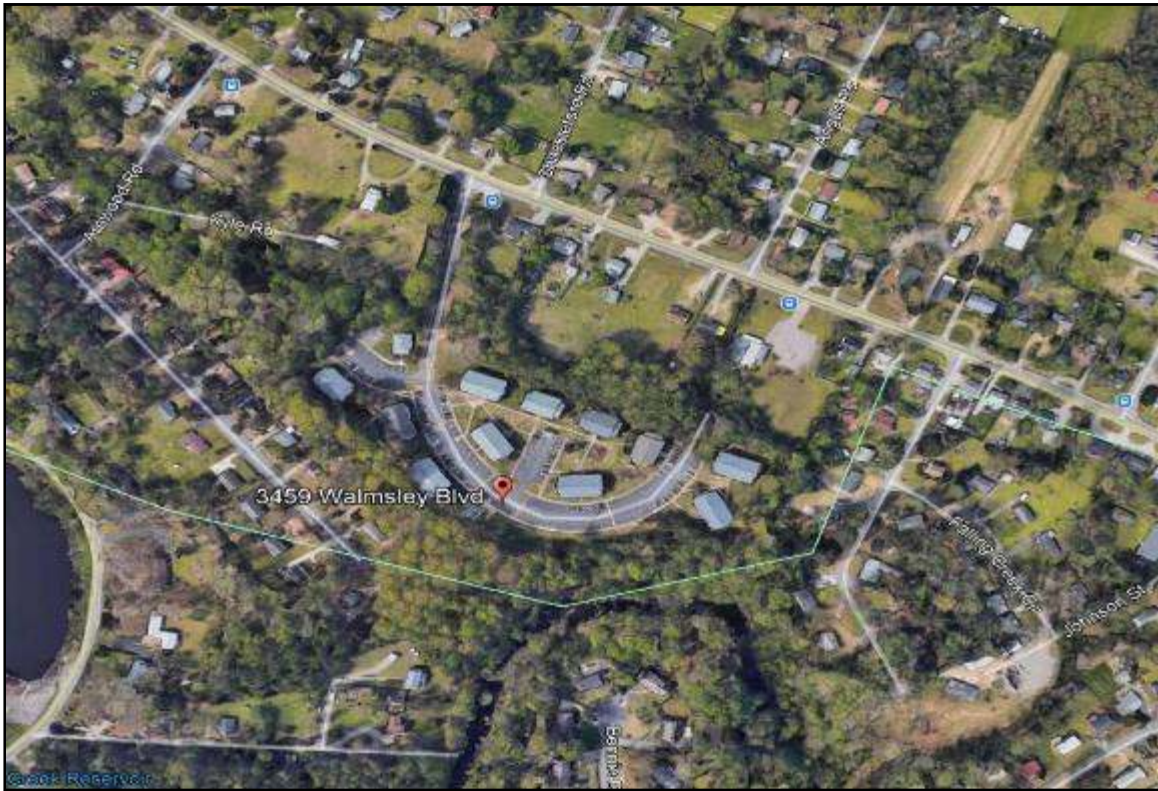


Walmsey Boulevard facing east



Walmsey Boulevard facing west

AERIAL PHOTOGRAPHS



IDENTIFICATION OF SUBJECT PROPERTY

The subject property consists of a subsidized multifamily apartment complex. A summary of the subject is as follows:

Summary of Subject Property	
Address:	3457 Walmsley Boulevard (AKA 3441-3465), Richmond, Richmond County Virginia 23234
Parcel ID - Block / Lot:	C0091026040 and C0091026040B in Richmond and 784693365900000 in Chesterfield County
Census Tract:	0709.00
Site Size:	13.600 acres
Zoning:	R-48, Multifamily Residential District
Building Size:	132,570 square feet
Condition:	Average

TAX MAP OF SUBJECT



LAYOUT OF SUBJECT PROPERTY

# of Units	Type	Rooms	Bedrooms	Baths	Est. Sq. Ft.
48	2 Bedrooms	4	2	1	855
84	3 Bedrooms	5	3	1	975
132	<i>Total</i>	612	348	132	122,940

IDENTIFICATION OF SUBJECT PROPERTY (CONT.)

The subject of this appraisal is an existing garden style apartment complex located at 3457 Walmsley Boulevard (AKA 3441-3465) in Richmond, Virginia. The project consists of 132 units, in 13 wood frame buildings (11 residential buildings, one office/community room building and one laundry/maintenance building). The unit mix consists of 48 two-bedroom (4-2-1) and 84 three-bedroom (5-3-1) units. The total building area is 132,570 square feet, with a net rentable area of 122,940 square feet. At the time of inspection, the subject property was 97% occupied with four vacant units. The subject property is under a project-based Section 8 contract. The project was built in 1975 and is currently in average condition. There was no deferred maintenance noted at the time of inspection.

PURPOSE OF THE REPORT

The purpose of the report is to determine the continued demand of the subject property as of May 28, 2019. This report and the data, analysis and ideas incorporated herein, as an instrument of professional services, is the property of *Tony Kamand Realty LLC* and is not to be used, in whole or in part for any other purpose without the written consent of *Tony Kamand Realty LLC*.

SCOPE OF THE REPORT

The scope of the report involved all the necessary research and analysis in order to prepare a *market study*. Tony F. Kamand Jr., MAI and Jackie Marmur made a physical inspection of the subject property (what was readily observable) on May 28, 2019. The effective date of this study is May 28, 2019.

Data for this report was compiled from the public records in Richmond City. We obtained information from the office of the Virginia Department of Community Affairs and the Chamber of Commerce. Information in our company files, web sites, local newspaper articles, U.S Census Data, demographic studies and regional economic news was also used. In addition, we have had conversations with other professionals knowledgeable within this market area.

In summary, the scope of this report included the collection, verification, and analysis of market data and property specific data. The data was then assembled and analyzed in order to reach our conclusions.

INTENDED CLIENT

The intended client of this report is Woodland Preservation LP. This report may not be relied upon for any other purpose or by any other user in whole or in part than those expressly set forth herein.

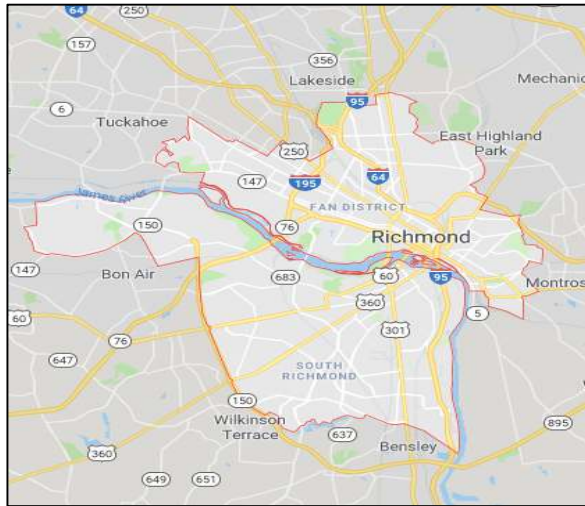
INTENDED USER

The intended user of this report is the Woodland Preservation LP and the Virginia Housing Development Authority. This report may not be relied upon for any other purpose or by any other user in whole or in part than those expressly set forth herein.

CITY DESCRIPTION - RICHMOND

The subject property is located in Richmond City, and it is an independent city located in the middle eastern portion of Virginia. The township physically covers a land area of 62 square miles and is bordered by East Highland Park to the north, Wilkinson Terrace to the south, Montrose to the east and James River to the west.

Richmond City provides a complete array of municipal services including public school system, library, garbage removal, police, and volunteer fire and rescue services. The local educational system provides public schools from kindergarten through 12th grade.

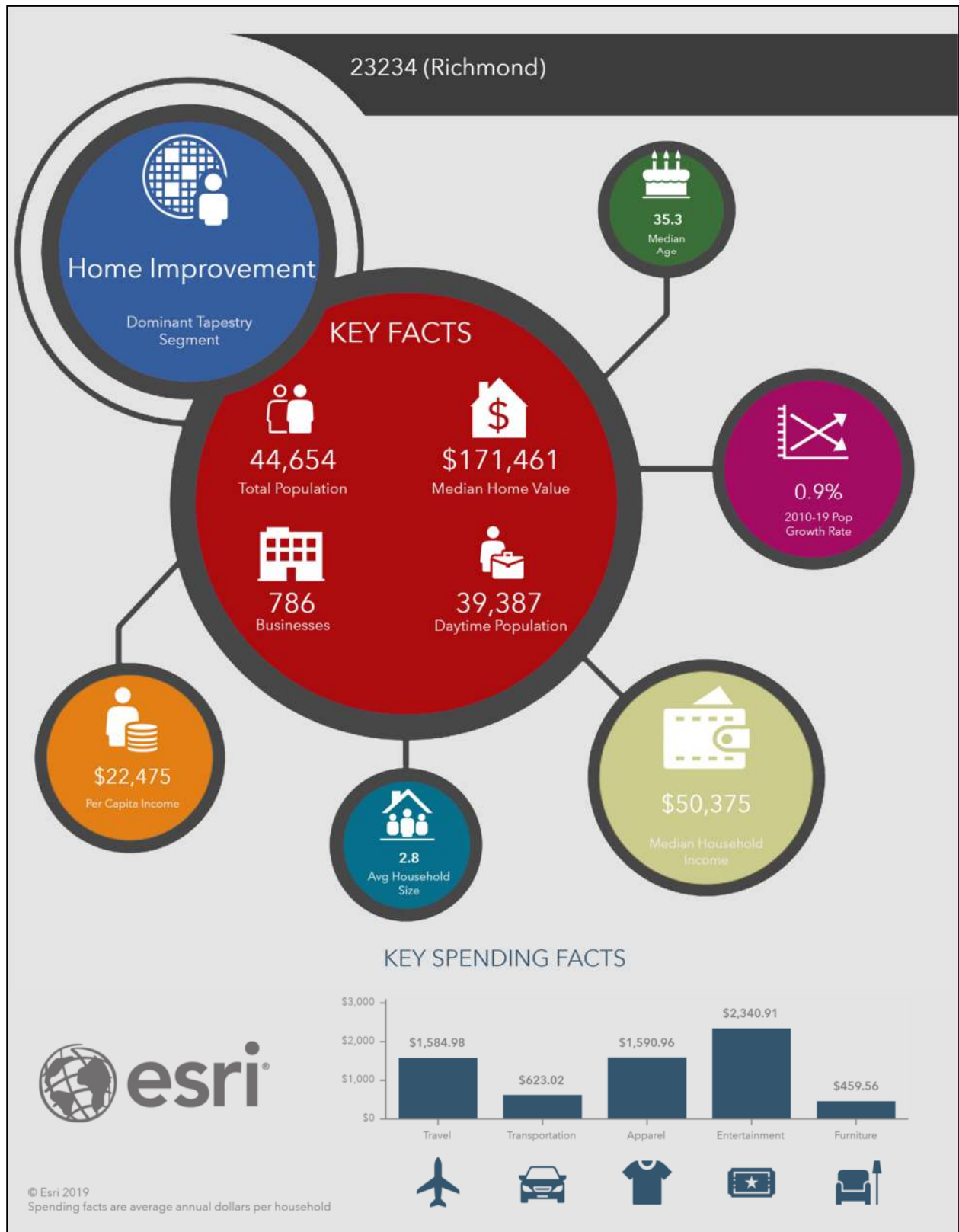


SUMMARY

A summary of the demographics for the city are as follows:

Demographic Summary	Census 2010	2019	2024	2019 - 2024 Change	2019 - 2024 Annual Rate
Total Population	41,025	44,654	46,526	1,872	0.82%
Population 50+	11,126	13,931	14,904	973	1.36%
Median Age	33.4	35.3	36.1	0.8	0.45%
Households	14,854	15,898	16,487	589	0.73%
% Householders 55+	35.3%	41.4%	42.9%	1.5	0.71%
Total Owner-Occupied Housing Units	8,319	8,887	9,448	561	1.23%
Total Renter-Occupied Housing Units	6,535	7,011	7,039	28	0.08%
Owner/Renter Ratio (per 100 renters)	127	127	134	7.0	1.08%
Median Home Value	-	\$171,461	\$181,498	\$10,037	1.14%
Average Home Value	-	\$226,263	\$275,402	\$49,139	4.01%
Median Household Income	-	\$50,375	\$56,517	\$6,142	2.33%
Median Household Income for Householder 55+	-	\$43,572	\$49,740	\$6,168	2.68%

SUMMARY (CONT.)



POPULATION

The current population of Richmond is as follows:

Population			
2000 Population			36,804
2010 Population			41,025
2019 Population			44,654
2024 Population			46,526
2000-2010 Annual Rate			1.09%
2010-2019 Annual Rate			0.92%
2019-2024 Annual Rate			0.82%
2019 Male Population			48.6%
2019 Female Population			51.4%
2019 Median Age			35.3
In the identified area, the current year population is 44,654. In 2010, the Census count in the area was 41,025. The rate of change since 2010 was 0.92% annually. The five-year projection for the population in the area is 46,526 representing a change of 0.82% annually from 2019 to 2024. Currently, the population is 48.6% male and 51.4% female.			
Median Age			
The median age in this area is 35.3, compared to U.S. median age of 38.5.			

HOUSEHOLDS

A review of the number of households located in Richmond is as follows:

Households			
2019 Wealth Index			55
2000 Households			14,011
2010 Households			14,854
2019 Total Households			15,898
2024 Total Households			16,487
2000-2010 Annual Rate			0.59%
2010-2019 Annual Rate			0.74%
2019-2024 Annual Rate			0.73%
2019 Average Household Size			2.79
The household count in this area has changed from 14,854 in 2010 to 15,898 in the current year, a change of 0.74% annually. The five-year projection of households is 16,487, a change of 0.73% annually from the current year total. Average household size is currently 2.79, compared to 2.75 in the year 2010. The number of families in the current year is 10,916 in the specified area.			

2010 Households by Type			
Total			14,854
Households with 1 Person			24.0%
Households with 2+ People			76.0%
Family Households			68.9%
Husband-wife Families			37.5%
With Related Children			17.3%
Other Family (No Spouse Present)			31.4%
Other Family with Male Householder			7.1%
With Related Children			4.1%
Other Family with Female Householder			24.3%
With Related Children			17.1%
Nonfamily Households			7.1%
All Households with Children			39.5%
Multigenerational Households			6.7%
Unmarried Partner Households			8.7%
Male-female			8.1%
Same-sex			0.7%

INCOME

Income levels in Richmond are summarized as follows:

Median Household Income			
2019 Median Household Income			\$50,375
2024 Median Household Income			\$56,517
2019-2024 Annual Rate			2.33%
Average Household Income			
2019 Average Household Income			\$63,104
2024 Average Household Income			\$72,668
2019-2024 Annual Rate			2.86%
Per Capita Income			
2019 PerCapita Income			\$22,475
2024 PerCapita Income			\$25,758
2019-2024 Annual Rate			2.76%
Households by Income			
Current median household income is \$50,375 in the area, compared to \$60,548 for all U.S. households. Median household income is projected to be \$56,517 in five years, compared to \$69,180 for all U.S. households			
Current average household income is \$63,104 in this area, compared to \$87,398 for all U.S. households. Average household income is projected to be \$72,668 in five years, compared to \$99,638 for all U.S. households			
Current per capita income is \$22,475 in the area, compared to the U.S. per capita income of \$33,028. The per capita income is projected to be \$25,758 in five years, compared to \$36,530 for all U.S. households			

2019 Households by Income			
Household Income Base			15,898
<\$15,000			9.6%
\$15,000 - \$24,999			12.3%
\$25,000 - \$34,999			11.5%
\$35,000 - \$49,999			16.1%
\$50,000 - \$74,999			19.1%
\$75,000 - \$99,999			13.8%
\$100,000 - \$149,999			12.9%
\$150,000 - \$199,999			3.3%
\$200,000+			1.4%
Average Household Income			\$63,104
2024 Households by Income			
Household Income Base			16,487
<\$15,000			8.3%
\$15,000 - \$24,999			10.4%
\$25,000 - \$34,999			10.2%
\$35,000 - \$49,999			14.6%
\$50,000 - \$74,999			18.9%
\$75,000 - \$99,999			15.3%
\$100,000 - \$149,999			15.9%
\$150,000 - \$199,999			4.5%
\$200,000+			1.9%
Average Household Income			\$72,668

EMPLOYMENT

An analysis of the labor force in Richmond is summarized as follows:

2019 Civilian Population 16+ in Labor Force			
Civilian Employed			92.8%
Civilian Unemployed (Unemployment Rate)			7.2%
2019 Employed Population 16+ by Industry			
Total			21,382
Agriculture/Mining			0.1%
Construction			13.3%
Manufacturing			7.7%
Wholesale Trade			1.9%
Retail Trade			10.9%
Transportation/Utilities			7.8%
Information			1.6%
Finance/Insurance/Real Estate			7.2%
Services			43.0%
Public Administration			6.4%
2019 Employed Population 16+ by Occupation			
Total			21,382
White Collar			49.3%
Management/Business/Financial			9.2%
Professional			13.8%
Sales			9.1%
Administrative Support			17.2%
Services			21.2%
Blue Collar			29.5%
Farming/Forestry/Fishing			0.3%
Construction/Extraction			9.3%
Installation/Maintenance/Repair			3.8%
Production			7.2%
Transportation/Material Moving			9.0%

LAND USES AND HOUSING

A review of housing in the city is as follows:

Housing			
2019 Housing Affordability Index			146
2000 Total Housing Units			14,918
2000 Owner Occupied Housing Units			8,534
2000 Renter Occupied Housing Units			5,477
2000 Vacant Housing Units			907
2010 Total Housing Units			16,327
2010 Owner Occupied Housing Units			8,319
2010 Renter Occupied Housing Units			6,535
2010 Vacant Housing Units			1,473
2019 Total Housing Units			17,250
2019 Owner Occupied Housing Units			8,887
2019 Renter Occupied Housing Units			7,011
2019 Vacant Housing Units			1,352
2024 Total Housing Units			17,831
2024 Owner Occupied Housing Units			9,448
2024 Renter Occupied Housing Units			7,039
2024 Vacant Housing Units			1,344

Currently, 51.5% of the 17,250 housing units in the area are owner occupied; 40.6% , renter occupied; and 7.8% are vacant. Currently, in the U.S. , 56.4% of the housing units in the area are owner occupied; 32.4% are renter occupied; and 11.2% are vacant. In 2010, there were 16,327 housing units in the area - 51.0% owner occupied, 40.0% renter occupied, and 9.0% vacant. The annual rate of change in housing units since 2010 is 2.47%. Median home value in the area is \$171,461, compared to a median home value of \$234,154 for the U.S. In five years, median value is projected to change by 1.14% annually to \$181,498.

LAND USES AND HOUSING (CONT.)

Housing Units by Occupancy Status and Tenure	Census 2010		2019		2024	
	Number	Percent	Number	Percent	Number	Percent
Total Housing Units	16,327	100.0%	17,250	100.0%	17,831	100.0%
Occupied	14,854	91.0%	15,898	92.2%	16,487	92.5%
Owner	8,319	51.0%	8,887	51.5%	9,448	53.0%
Renter	6,535	40.0%	7,011	40.6%	7,039	39.5%
Vacant	1,473	9.0%	1,352	7.8%	1,344	7.5%

Owner Occupied Housing Units by Value	2019		2024	
	Number	Percent	Number	Percent
Total	8,887	100.0%	9,448	100.0%
<\$50,000	351	3.9%	321	3.4%
\$50,000-\$99,999	813	9.1%	758	8.0%
\$100,000-\$149,999	2,176	24.5%	2,072	21.9%
\$150,000-\$199,999	2,571	28.9%	2,497	26.4%
\$200,000-\$249,999	1,309	14.7%	1,449	15.3%
\$250,000-\$299,999	716	8.1%	880	9.3%
\$300,000-\$399,999	395	4.4%	463	4.9%
\$400,000-\$499,999	41	0.5%	81	0.9%
\$500,000-\$749,999	308	3.5%	510	5.4%
\$750,000-\$999,999	18	0.2%	45	0.5%
\$1,000,000-\$1,499,999	35	0.4%	70	0.7%
\$1,500,000-\$1,999,999	55	0.6%	101	1.1%
\$2,000,000+	99	1.1%	201	2.1%
Median Value	\$17,1461		\$18,1498	
Average Value	\$226,263		\$275,402	

TRANSPORTATION

The major roadway that intersects through the city is Route 95. Major roadways in the city are Midlothian Turnpike, which runs east and west direction, and I-301, which runs in a north and south direction.

The Richmond area is served by the Richmond International Airport located in nearby Sandston, seven miles southeast of Richmond and within an hour drive of historic Williamsburg, Virginia. Richmond is also a major hub for intercity bus company Greyhound Lines, with its terminal at 2910 N Boulevard. Multiple runs per day connect directly with Washington, D.C., New York, Raleigh, and elsewhere.



CONCLUSIONS

Richmond City has experienced good population growth over the past decade and it is expected that this will continue in the near future. There were no adverse conditions were noted that would have a negative effect on the value of the subject property. Property maintenance in the area is average and future marketability should remain satisfactory.

IMMEDIATE NEIGHBORHOOD

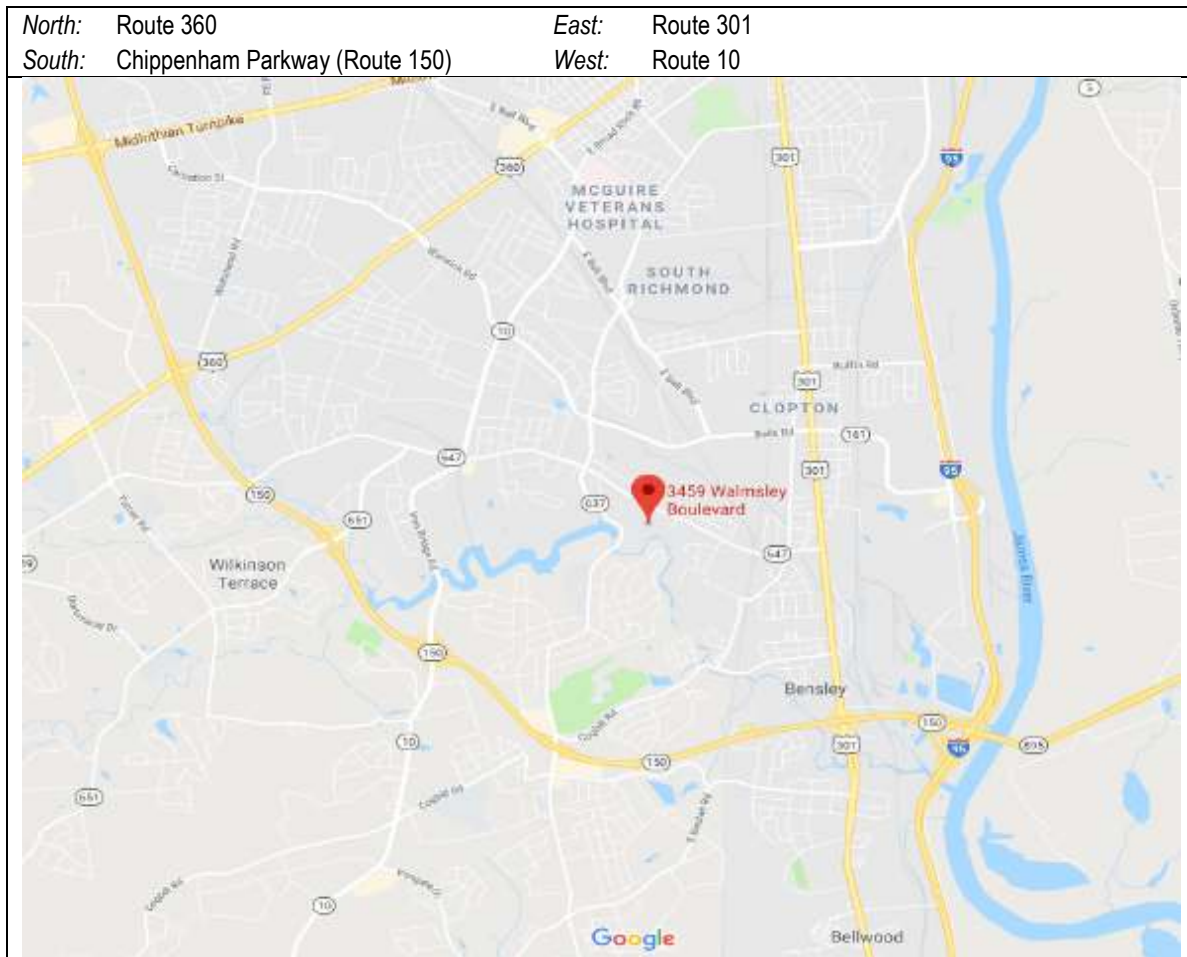
Within a community, there is a marked tendency toward the grouping of land uses. The areas devoted to these various uses are termed "physical neighborhoods". Neighborhood use in this context is further defined as follows:

"A portion of a larger community, or an entire community, in which there is a homogenous grouping of inhabitants, buildings or business enterprises. Inhabitants of a neighborhood usually have a more than casual community of interests and a similarity of economic level or cultural background. Neighborhood boundaries may consist of well defined, natural or man-made barriers or they may be, more or less, well defined by distinct change in land use or in the character of the inhabitants."

Neighborhoods typically evolve through four distinct stages, which are as follows:

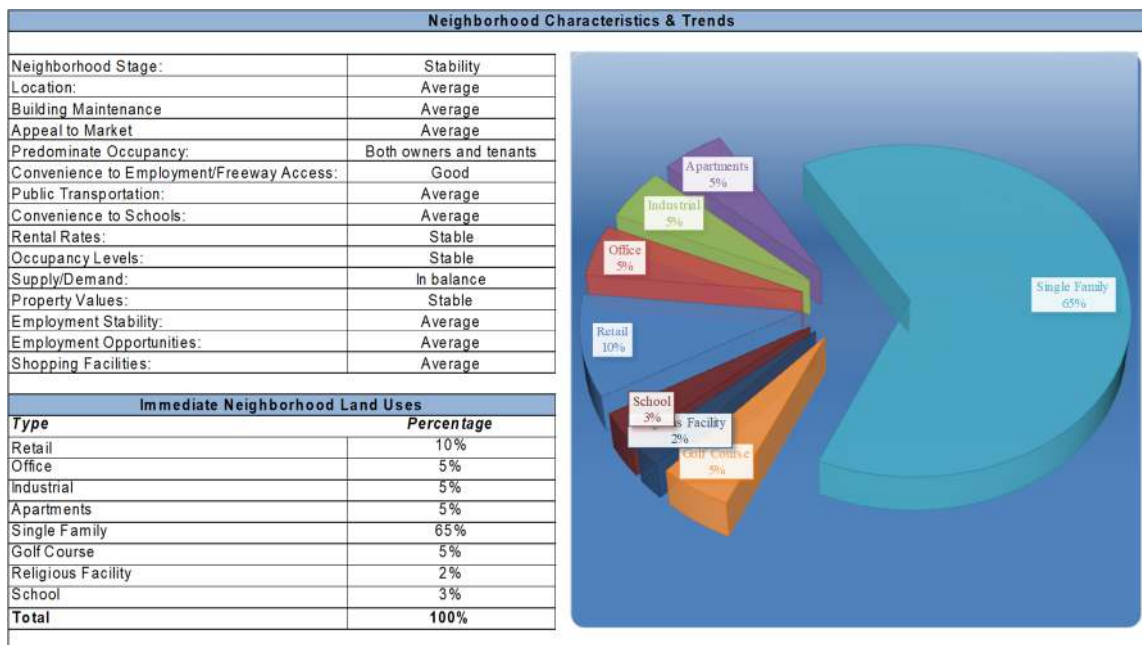
Growth	A period in which the area gains acceptance
Stability	A period of equilibrium
Decline	A period of slowing demand
Revitalization	A period of renewal, redevelopment, modernization and increasing demand

In review of the subject's area the boundaries of the subject's immediate neighborhood can be delineated as follows.



IMMEDIATE NEIGHBORHOOD (CONT.)

Based on our observation of the composition of the subject’s immediate neighborhood it is as follows:



The subject is located on Walmsley Boulevard (Route 647), which is a main mostly residential and commercial thoroughfare that runs mostly east west through the southern portion of Richmond. It is located less than 2.5 miles from the James River, which is east of the subject.

The subject street consists mostly of single-family homes with scattered retail properties. The predominate use in the neighborhood is single families. Properties near the subject appear to be approximately 20 to 50 years old and in average condition. Occupancy levels in the neighborhood appear adequate (90%+). Change in current land use is unlikely. Property compatibility is good with no adverse effects.

The neighborhood has good access to employment centers. Access to Routes 301, 150 and 360 are less than ten minutes from the subject property. The Greater Richmond Transit Company (GRTC) bus line runs along Walmsley Boulevard with a stop at the subject complex. In addition, Interstates 95 and 295 are located within 15 minutes of the subject. Both are major north south highways, with Interstate 95 spanning most of the east coast making connections to Richmond and several other large east coast cities. As noted previously, Woodland Crossing is located 5.2 miles south of the central business district of Richmond. Richmond is the Capital of Virginia and offers many government employment opportunities as well as private office and retail jobs.

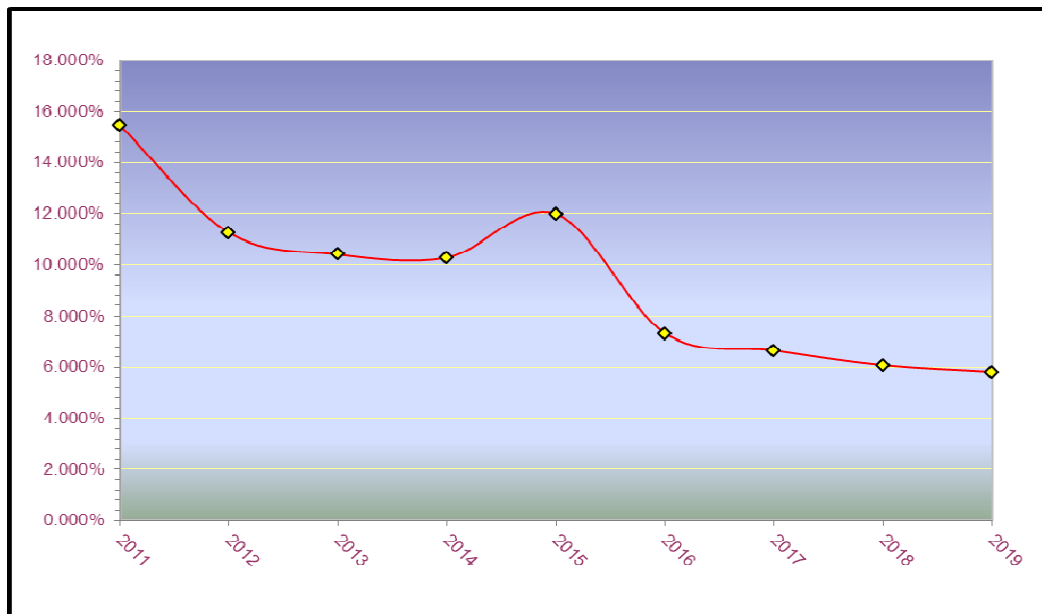
Richmond violent crimes for the most recently reported period ran 11.88 per 1,000 residents, which is statically over the national statistics for violent crime for metropolitan areas. The United States violent crime rate is 9.69 per 1,000 residents for large U.S. cities.

Property maintenance in the neighborhood is average. There were no adverse conditions noted in the immediate neighborhood that would have a negative effect on the value of the subject property. The future marketability of the neighborhood should remain satisfactory.

NATIONAL APARTMENT MARKET

Multifamily rental housing is an attractive opportunity for investors. Apartments account for approximately one-fourth of the nation's stock of income property. Direct investments in multi-family rental housing have historically provided competitive returns relative to the other major property types - office, retail, and industrial.

MULTI-FAMILY TOTAL ANNUAL RETURN



Source: NCREIF

The real estate market peaked in 2005-2006 and a decline was noted until 2009 when supply and demand started to get back into balance. The market saw a strong and noticeable increase in returns in 2010-2011 when once again the apartment market began to level off. As of late demand has heated up and returns have been stable and should continue to remain stable going forward into the near future.

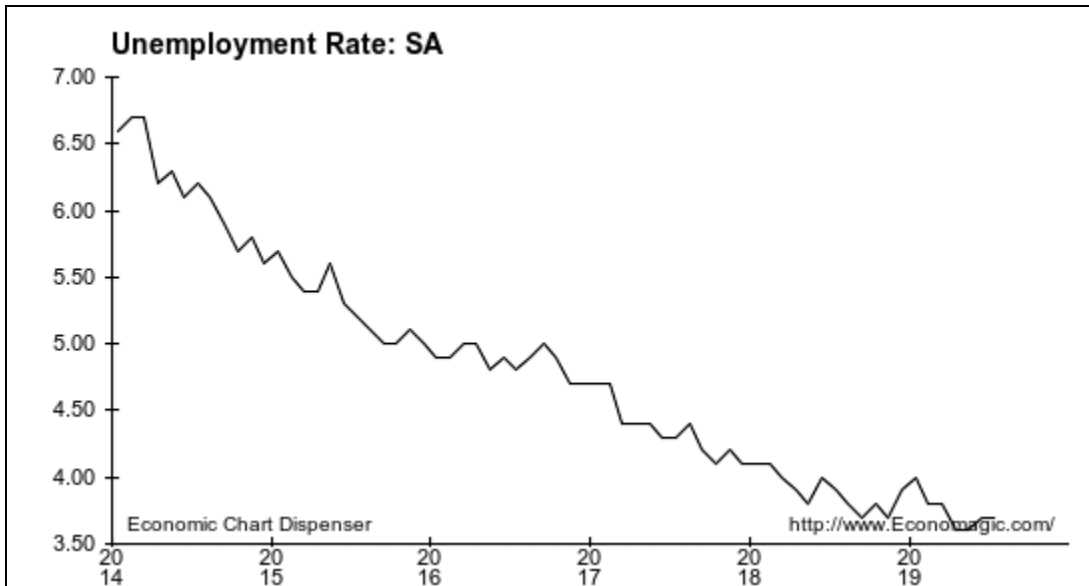
What has helped the market is that population of the United States over the last decade grew by 32.7 million people. Not all of these people will need housing but a more relevant measure of potential demand for apartments is household growth. The U.S. currently has roughly 118 million households. Annual household growth over the decade is forecasted to average 0.75% to 1.0%. This alone should generate new demand for 1.1 million housing units per year. While, some of this demand will go to single family homes, condominiums and other types of housing the foundation for new or future demand looks good. In addition, the Millennium” generation now shows a preference towards rental housing due to job demand and mobility.

The unemployment rate hit an all-time low in the fall of 2006 and was fairly stable until 2008, when it has started to increase upward dramatically due to a worldwide recession. It peaked at a high in the fall of 2009 and has been declining ever since.

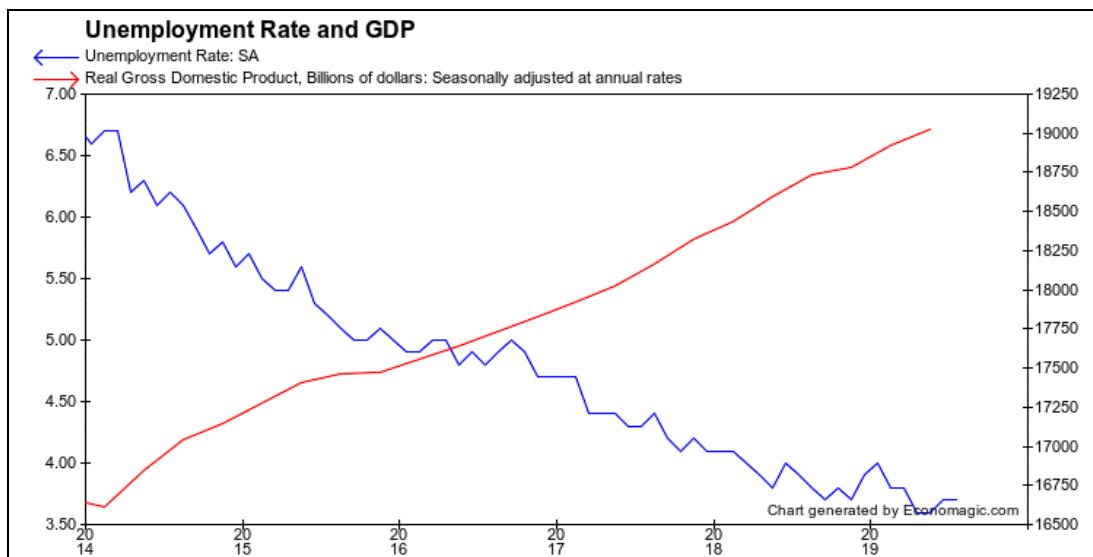
NATIONAL APARTMENT MARKET (CONT.)

A review of total employment (seasonally adjusted) over the past few years is as follows:

UNITED STATES UNEMPLOYMENT RATE (SEASONALLY ADJUSTED)



The unemployment rate has dropped dramatically over the past few years. In addition, over the past few years the Gross Domestic Product (GDP) has increased which indicates that companies are operating efficiently and are producing and expanding. However, we expect that overall the Gross Domestic Product (GDP) may flatten in the near future and the unemployment rate should also stabilize around 4%. A review of the U.S. unemployment rate and GDP is as follows:



NATIONAL APARTMENT MARKET (CONT.)

A review of the percentage of apartment households in the country is as follows:

APARTMENT HOUSEHOLDS AS A SHARE OF ALL HOUSEHOLDS (%)

Region		Metropolitan Area	
Northeast	18.9	Central city	27.4
Midwest	11.9	Suburbs	12.4
South	12.3	Non-metro	6.0
West	18.6		

Source: U.S. Census

Much of the new construction is concentrated in higher end apartment complexes and senior housing. Luxury units continue to be developed for lifestyle renters (married, childless professionals and affluent singles). While adult retirement and assisted living communities are expanding to serve the aging population.

In a recent National Housing Survey by Fannie Mae, 41% of renters say they rent "as a matter of choice" and not out of necessity. There are an increasing number of household's who now prefer apartment living, even though they could afford to buy a home. As life gets more hectic, commutes get longer, and as the age and composition of our population changes, many households are deciding that apartment living is a preferred lifestyle.

Research reveals that despite the nation's historically high homeownership rate, the number of apartment renters has grown in the highest-income groups. For the past few years, households making \$50,000 or more have been the fastest growing segment of the apartment market. These households are part of a growing number who now choose to rent an apartment for lifestyle and not economic reasons. For many of these households, apartments offer hassle-free living in superior locations near jobs, entertainment and shopping. They also make it easier for households to move from one job to another without incurring the cost of selling a house.

The makeup of the American population is changing, and some of these changes are helping apartment demand. Two of the fastest growing age groups over the next 10 years (people in their mid-20's and empty nesters in their 50's) are two of the groups most likely to select apartment living. After more than two decades of declining in number, the population in the traditional renting years (age 20-29) is expected to increase.

The second demographic factor at work is the shakeup in what constitutes the "typical household." Traditionally, that was a married couple with children. However, these households have been declining in number since 1970, and now account for just one quarter of all households. In their place are a growing number of non-traditional households who are more likely to choose apartment living - childless couples, people who live alone and non-family/non-related households. The Census Bureau is projecting a boom in the population groups most likely to choose an apartment; young adults, one-person households and married couples without children.

NATIONAL APARTMENT MARKET (CONT.)

Today's apartments are larger with numerous amenities. A single call to the on-site concierge can arrange babysitting, housekeeping, pet care, grocery shopping or a night on the town. The luxury/upscale or lifestyle apartment market is the fastest growing segment.

APARTMENT HOUSEHOLD INCOMES FASTEST GROWTH RECORDED IN UPSCALE MARKET

Income	Number (000's)	% Change from 2015
<\$20,000	5,763	-1.90%
\$20,000-\$49,999	6,449	-1.04%
\$50,000+	6,647	5.69%

Source: NMHC tabulations of data from the U.S. Census Bureau's Current Population

This segment (luxury) of the market is expected to continue especially in the urban areas of the country. Tenant characteristics for different apartment segments are as follows:

RESIDENT CHARACTERISTICS IN THE THREE MARKETS FOR MULTIFAMILY RENTAL HOUSING

	Affordable Market		Middle Market	Lifestyle Market	All Apartments Households
	Total	Federally Assisted			
Share of all apartment households (%)	49	19	37	14	100
<i>Age of householder</i>					
Median	41	44	33	38	37
Mean	47	49	38	42	43
%<30	26	21	39	20	30
%65+	23	31	8	10	16
<i>Household Size</i>					
Mean	2.1	2.3	2.2	1.4	2.0
% 1 person	50	43	31	65	46
% 4+ person	17	19	14	0	5
% with 1 or more children	35	50	31	0	29
<i>Household income (\$)</i>					
Mean	11,795	10,944	42,752	62,382	29,603
Median	10,444	7,608	32,100	48,928	21,000

Source: U.S. Census

As the previous table shows, the affordable market is almost 50% of the renting households in this country. This segment of the market remains strong. The luxury market makes up about 14% of the market. The median household income in the affordable market is \$10,444, while in the lifestyle or luxury market it is \$48,928.

NATIONAL APARTMENT MARKET (CONT.)

New interest in smart growth is making it easier to get new apartment construction approved. Suburban jurisdictions hoping to address voter concerns about traffic and pollution realize that apartments use existing infrastructure more efficiently than detached housing and that apartments can help create the pedestrian-friendly neighborhoods that voters claim to want.

Urban areas realize that the lifestyle renter market is a key market to target in trying to recruit middle and upper income households to return downtown, and they are doing their part to facilitate new construction of high quality apartments. As the chart below shows most people in urban areas are renters.

RENTERS VS. OWNERS IN LARGE CITIES

Cities	Population	Total Occupied Housing Units	Total Occupied Apartments	Apartments as a Percent Of All Housing
New York, NY	8,426,473	3,422,225	1,556,161	45%
Los Angeles, CA	3,900,794	1,436,543	562,060	39%
Chicago, IL	2,717,534	1,192,544	306,150	26%
Houston, TX	2,217,706	927,107	318,888	34%
Philadelphia, PA	1,555,702	670,229	89,829	13%
Phoenix, AZ	1,514,208	598,236	114,237	19%
San Antonio, TX	1,413,881	535,145	116,723	22%
San Diego, CA	1,359,791	522,410	141,922	27%
Dallas, TX	1,260,688	533,556	191,200	36%
San Jose, CA	1,000,860	325,256	68,004	21%

Source: NMHC tabulations of 2016 American Community Survey, 1-Year Estimates. Updated 11/2017.

In lower-tier to mid-tier apartment properties, renovation offers an opportunistic investment. Lack of affordable, or at least reasonable, rental communities to meet the changing demand from demographic and ethnic shifts plagues many areas. As immigrant populations become more affluent and welfare-to-work programs encourage employment, a new segment of the population is looking for clean, safe, affordable housing with moderate amenities.

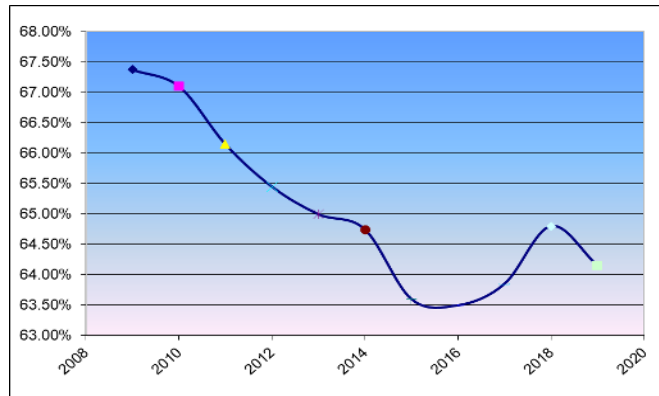
In many urban areas new apartment development is not always possible, but major rehabilitation of the existing, aging apartment stock does. Developers of these properties are finding that once the project is complete, the complex fills rapidly, vacancy rates remain low and the ability to substantially increase rents is present.

Employment growth is critical to the increase for apartment demand. The unemployment rate has been decreasing as of late. The increasing employment level may cause some workers to look into purchasing a single family home. However, many workers have been somewhat scared off due to the slew of foreclosures over the past few years that were the result of a volatile market and aggressive lending practices. In addition, many workers now feel they need the mobility that they get by rental housing because of changing job demands.

Rising home ownership (due to low interest rates) had drained away apartment demand. From 1994 home ownership in the United States began to increase sharply peaking at 69% in 2005. However, this trend is reversing rapidly and is expected to decrease in the near future.

NATIONAL APARTMENT MARKET (CONT.)

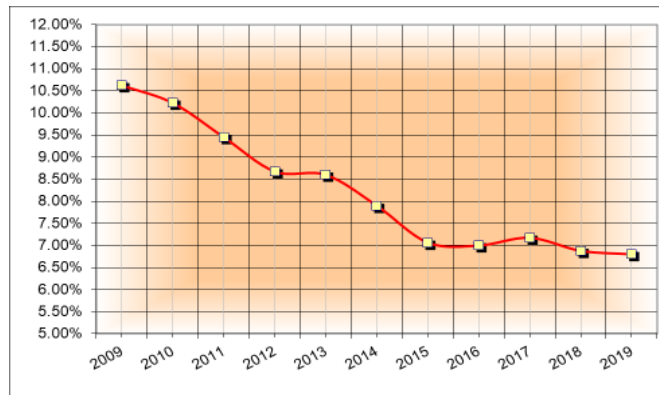
About two-thirds of all households are homeowners and a 1% increase in homeownership rates would cause a 3% decline in rental demand, all other things being equal. Homeownership had been decreasing from 2008 to 2015 and then showed a small bump upward until 2019. A review of historical homeownership rates in the United States (from U.S. Census) is shown to the right.



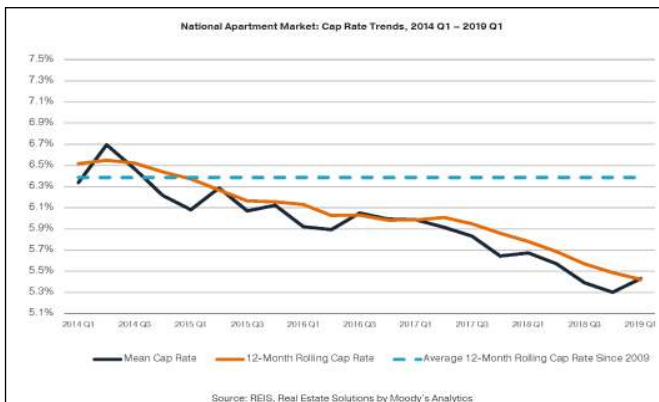
Demand for home ownership had decreased significantly since the peak in the market in 2006. However, this trend reverses itself with an uptick in homeownership over the past few years. However, due to lifestyle changes it is expected that going forward homeownership rates may decline.

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Demand for rentals apartments has increased. Overall apartment vacancy rates for the nation had been decreasing over the past few years and it appears that vacancy rates should stabilize somewhat over the next few years. According to U.S. Census Bureau the average vacancy rate in the country over the past several years is decreasing and is shown in the graph to the right.



As vacancy rates have decreased and demand for apartments have increased, apartment capitalization rates have continued to decrease over the past several years. The chart to the right illustrates the mean cap rate trends over the past five years.



The apartment market of course is dependent on many factors; namely job growth and demand in the marketplace. The supply of apartments may continue to increase in the near term as there is building going on nationwide, but real future job growth may still have to play catch up to this supply.

The long-term outlook for the apartment market is good as household growth is forecasted to be strong, but additional job growth is also needed. The affordable housing market and the “lifestyle renter” (baby boomers) are aging will also continue to drive the market. The “lifestyle renter” enjoys the hassle-free lifestyle that apartments can offer. Both of these segments of the market may be a main driver of future demand. Overall, the foundation of the apartment market is strong and should continue into the near future.

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MARKET ANALYSIS – VIRGINIA HOUSING MARKET

VIRGINIA HOUSING MARKET

Virginia’s economy continues to struggle somewhat, along with the national economy. Inflation is in check, but rising costs have hurt consumers and businesses. Nationally, total employment did increase slightly (1.4%) over the past year. All sectors of the economy have been positively affected.

The economy of Virginia is diverse, with many sources of income. These include military installations, defense contractors, and components of the government sector. Although these sectors have been affected over the past several years, it appears that it was affected to a slightly lesser extent. Many businesses in all sectors of our state economy are cautious and not in an expansion mode at this time. The unemployment rate for the state has hovered in the 3 to 4% range over the past year.

Globalization, deregulation, and accelerating technological change have been the predominant force in the world economy. Virginia has seen employment losses in farming, mining, information technology and military sectors. However, transportation and warehousing, finance and insurance, real estate, administrative, education, healthcare, arts and entertainment, accommodation and other services have grown in recent years. The breakdown of growth by sector is presented as follows:

VIRGINIA’S SHIFT IN EMPLOYMENT

Table 1: Virginia Employment Growth, 2010-2016

Major Industry	Employment				Actual Growth		Standardized		
	2010		2016		Percent	Net	Growth ²		Employment ³
	Level	Share ¹	Level	Share ¹			Percent	Net	
Farm Employment	53,861	1.1	51,631	1.0	-4.14	-2,230	0.30	163	54,024
Forestry, Fishing, and Related Activities	12,127	0.3	13,646	0.3	12.53	1,519	7.12	863	12,990
Mining	14,898	0.3	12,712	0.2	-14.67	-2,186	11.71	1,745	16,643
Utilities	11,512	0.2	11,822	0.2	2.69	310	3.97	457	11,969
Construction	272,255	5.7	275,540	5.4	1.21	3,285	14.81	40,329	312,584
Manufacturing	240,145	5.1	246,519	4.8	2.65	6,374	8.27	19,858	260,003
Wholesale Trade	120,401	2.5	131,265	2.6	9.02	10,864	15.14	18,224	138,625
Retail Trade	470,526	9.9	504,711	9.8	7.27	34,185	10.22	48,105	518,631
Transportation and Warehousing	131,524	2.8	173,407	3.4	31.84	41,883	30.97	40,729	172,253
Information	90,247	1.9	82,570	1.6	-8.51	-7,677	4.20	3,789	94,036
Finance and Insurance	191,916	4.0	213,286	4.2	11.14	21,370	7.27	13,956	205,872
Real Estate and Rental and Leasing	205,640	4.3	230,075	4.5	11.88	24,435	16.71	34,371	240,011
Professional, Scientific, and Technical Services	508,425	10.7	551,430	10.7	8.46	43,005	16.64	84,612	593,037
Management of Companies and Enterprises	76,410	1.6	77,186	1.5	1.02	776	23.76	18,158	94,568
Administrative and Waste Services	266,542	5.6	298,282	5.8	11.91	31,740	14.19	37,810	304,352
Educational Services	96,045	2.0	108,598	2.1	13.07	12,553	15.32	14,717	110,762
Health Care and Social Assistance	431,981	9.1	493,870	9.6	14.33	61,889	14.95	64,592	496,573
Arts, Entertainment, and Recreation	92,293	1.9	104,828	2.0	13.58	12,535	14.12	13,031	105,324
Accommodation and Food Services	313,884	6.6	367,780	7.2	17.17	53,896	20.27	63,621	377,505
Other Services (except Public Administration)	272,571	5.7	313,291	6.1	14.94	40,720	16.44	44,809	317,380
Federal Civilian	191,161	4.0	198,064	3.9	3.61	6,903	-6.03	-11,526	179,635
Military	152,360	3.2	138,123	2.7	-9.34	-14,237	-8.24	-12,552	139,808
State Government	156,204	3.3	163,350	3.2	4.57	7,146	0.15	236	156,440
Local Government	374,582	7.9	374,453	7.3	-0.03	-129	-0.17	-631	373,951
Total Employment	4,747,510	100.0	5,136,439	100.0	8.19	388,929	11.36	539,467	5,286,977

1 Share: The percentage share of total employment by industry.
 2 Standardized Growth: at the same rate as its counterpart at the national level had each industry grown.
 3 Standardized Employment, 2016: The 2016 level of employment in each industry had it grown at the same rate as its counterparts at the national level since 2010.

Note: Percent growth figures may not add due to rounding by a factor of ± 0.01%

Source: Calculations by the Virginia Regional Economic Analysis Project (VA-REAP) with data provided by the U.S. Department of Commerce, Bureau of Economic Analysis

VIRGINIA HOUSING MARKET (CONT.)

On the positive side, median home prices have increased over the past few years as the market seems to have stabilized from the previous decline. Residential construction in the state has increased over the past few years. A review of building permits for apartments (5 or more units) in the state has been as follows:

VIRGINIA PERMITS (5 OR MORE UNITS)

Year	# of Total Units	Percentage of Change
2005	10,423	-
2006	7,644	-26.66%
2007	6,694	-12.43%
2008	7,154	6.87%
2009	4,770	-33.32%
2010	4,544	-4.74%
2011	7,491	64.85%
2012	9,259	23.60%
2013	10,779	16.42%
2014	9,522	-11.66%
2015	8,349	-12.32%
2016	9,012	7.94%
2017	10,729	19.05%
2018	9,916	-7.58%

Source: Census.gov

New residential permits of five-or-more units have averaged 12,592 per year since 2005. Apartment construction in the state peaked in 2005 and declined sharply in 2006 and again in 2009. In 2011, there was a significant increase which has since leveled off in recent years.

More than half of the state's housing stock can be classified as old since it was built before 1982. About 22% of the housing units were built before 1960 and 8% before 1940.

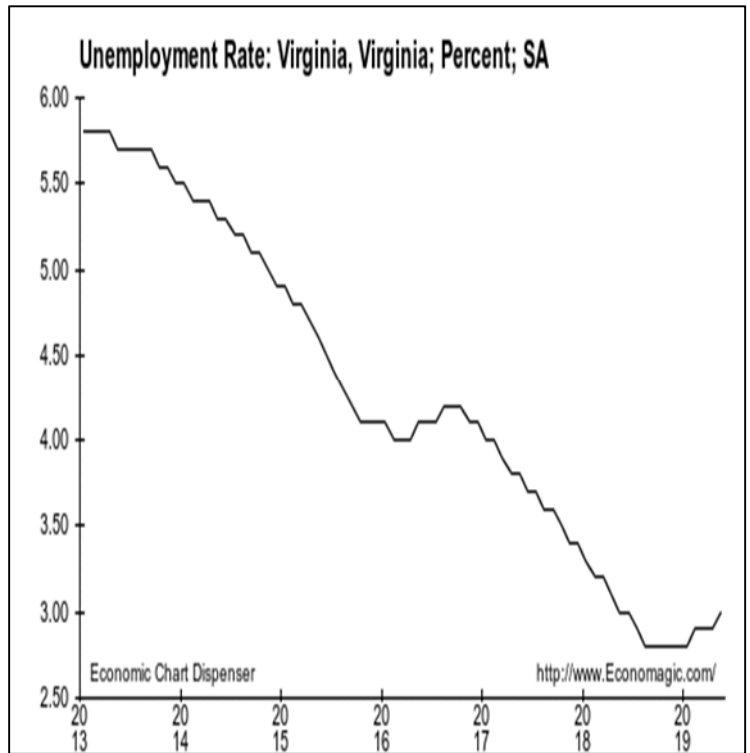
Although Virginia's economy was on a somewhat roller coaster ride, slipping in and out of a recession it appears that we are heading out of a deep recession. The real estate and housing market throughout the state was good, but peaked and decline over the past few years. However, the market appears to have started to improve and leading the way is multi-family.

VIRGINIA HOUSING MARKET (CONT.)

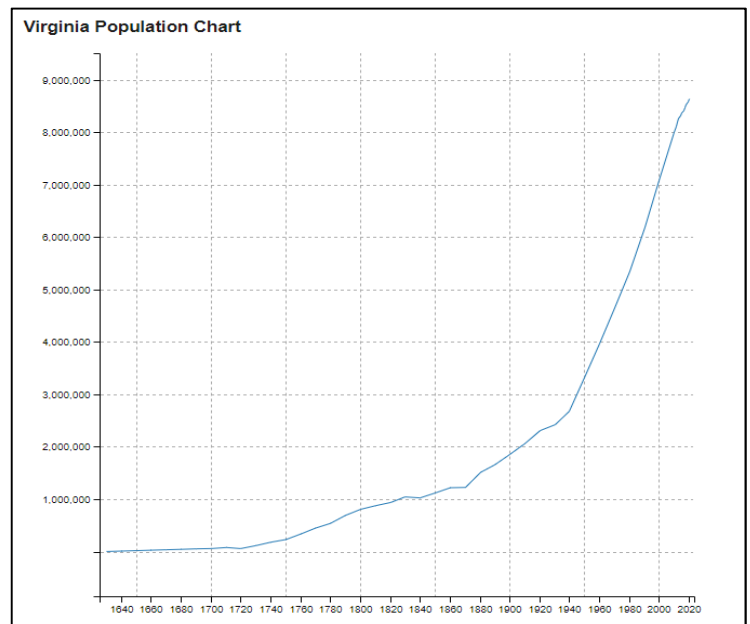
A review of unemployment rates in the state is shown to the right (data up to May 2019). Unemployment rates in the state had been high since 2008, but over the past several years have declined sharply.

Looking into the future, economists have stated that Virginia as well as the national economy has improved. We were entrenched in a worldwide recession in 2007-2010. Although we are recovered from this recession, there remains fears that another recession may be on the horizon at some point in the future.

Despite low single-family home affordability throughout the region, new home sales had affected rental demand in the state. Virginia is not known as a particularly affordable single-family housing market, but as new home sales slowed in the current market the demand for rentals has increased.



The state population has grown over the past decade. It is also expected that there will be household growth within the state over the next five years (data from U.S. Census). With the growth in the number of households (projected to be about to 3.4 million in 2022) over the next few years we should see an increase in demand for housing.



The economy in this region has been strong and apartments remain in demand. The long term outlook for the Virginia market is good as household growth is forecasted to continue to increase. The affordable housing market will drive a portion of the Virginia market while the remainder of the market will benefit from good fundamentals that are already in place.

MARKET ANALYSIS - SUBJECTS TRADE AREA

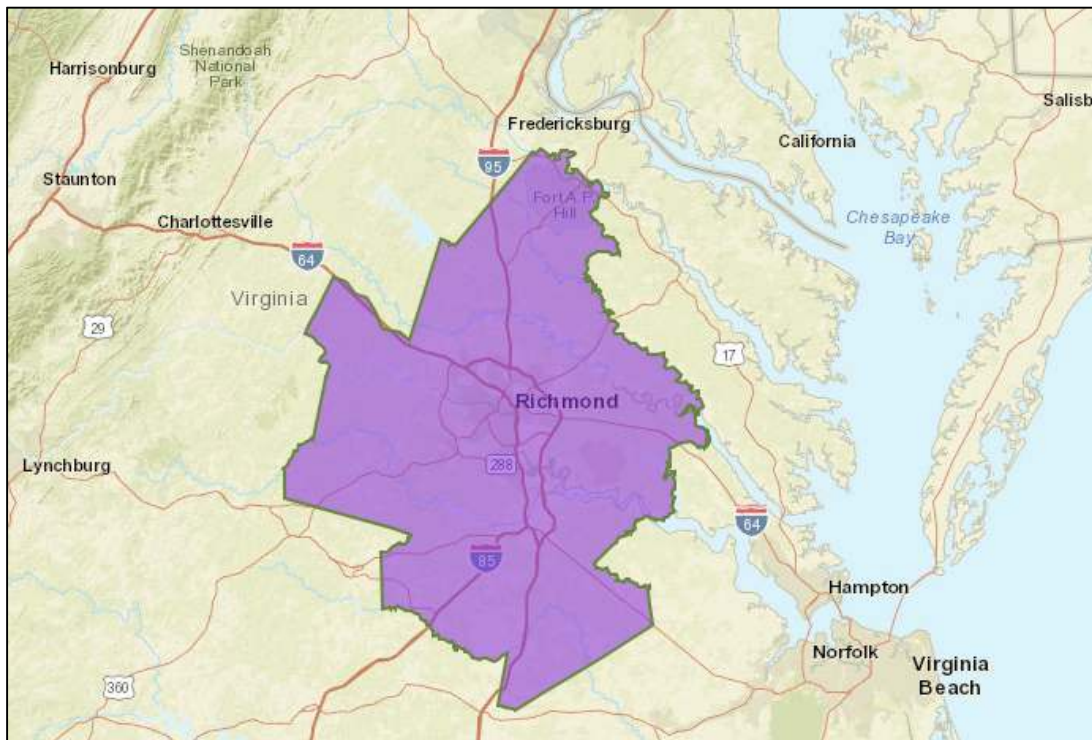
A trade area or market area is defined as the geographic area within lives the majority of the residents/tenants that will provide a main source of revenue for the apartments. Trade areas are typically divided into primary, secondary and tertiary (fringe) zones. A trade area can be influenced by many interrelated factors. These factors include location, socio-economic composition and demographic characteristics (tenure, income, rent levels, etc.), transportation, employment and the location of comparable and/or potential competitors. Infrastructure also shapes the trade area, as natural boundaries may limit travel to a particular area. In addition, market perceptions can influence the actual delineation of the trade area as social stigmas often exist in which residents from one side of a market area may not move to a nearby neighborhood, regardless of housing opportunities.

In analyzing the subject site and the surrounding market area we have estimated that the subject property will draw its residents from the Richmond Metropolitan Statistical Area (MSA). This includes the towns of Hopewell, Chester, Sutherland, Ford, Petersburg, Manquin, East Highland Park, New Kent and Moseley. The basic boundaries of the subject trade area are defined as follows:

To the North:	King George County
To the South:	Brunswick County
To the East:	James City County
To the West:	Prince Edward, Cumberland and Fluvanna Counties

The primary trade area is illustrated as follows:

TRADE AREA MAP WOODLAND CROSSING APARTMENTS



We have summarized the demographics of the primary trade area on the following pages.

POPULATION

A review of the trade area population is as follows:

POPULATION - PRIMARY TRADE AREA

	2010 CENSUS	2019 POPULATION	2024 POPULATION
Primary Market	1,208,101	1,320,715	1,386,149
Percent of Change	-	9.32%	4.95%

The primary trade area population has increased over the past decade and is still expected to increase in the near future. We have also reviewed the age of the population in the primary trade area. This was as follows:

PRIMARY TRADE AREA – AGE BREAKDOWN OF POPULATION

Population by Age	2019	
	Number	Percent
0 - 4	73,340	5.6%
5 - 9	78,127	5.9%
10 - 14	82,729	6.3%
15 - 19	84,265	6.4%
20 - 24	87,745	6.6%
25 - 34	181,740	13.8%
35 - 44	167,854	12.7%
45 - 54	172,771	13.1%
55 - 64	180,277	13.6%
65 - 74	128,590	9.7%
75 - 84	58,448	4.4%
85+	24,829	1.9%

The median age in the primary trade area 39.2 years. In the primary trade area, the senior population consists of 211,867 persons or 16% of the population. This is a moderate portion of the population.

HOUSEHOLDS

A household consists of all people who occupy a housing unit. A household includes the related family members and all unrelated people, if any who share the housing unit. A review of the number of households in the trade area is as follows:

HOUSEHOLDS - PRIMARY TRADE AREA

	2010 CENSUS	2019 HOUSEHOLDS	2024 HOUSEHOLDS
Primary Market	468,524	511,225	535,772
Percent of Change	-	9.11%	4.80%

The current average household size in the trade area is 2.52 persons. The number of households in the trade area is increasing at a slower rate than the population. This would tend to indicate that the trade area household size is increasing. The number of households in the trade area increased by 9.11% since the 2010 Census. It is expected that the number of households will increase by 4.80% over the next 5 years.

HOUSEHOLDS (CONT.)

A review of household size in the trade area is as follows:

HOUSEHOLD SIZE - PRIMARY TRADE AREA

2010 Households by Size	
Total	468,524
1 Person Household	26.7%
2 Person Household	33.4%
3 Person Household	17.4%
4 Person Household	13.7%
5 Person Household	5.7%
6 Person Household	2.1%
7 + Person Household	1.1%

INCOME

A review of income levels within the primary trade area is as follows:

INCOME LEVELS - PRIMARY TRADE AREA

	INCOME
Per Capita	\$35,891
Average Household Income	\$92,190
Median Household Income	\$67,972

A household consist of all people who occupy a housing unit. A household includes the related family members and all unrelated people, if any who share the housing unit. The term "family" refers to a group of two or more people related by birth, marriage, or adoption who reside together.

A breakdown of household income within the trade area revealed the following:

PRIMARY TRADE AREA - HOUSEHOLD INCOME LEVELS

Households by Income	2019	
	Number	Percent
<\$15,000	44,134	8.6%
\$15,000 - \$24,999	39,348	7.7%
\$25,000 - \$34,999	40,262	7.9%
\$35,000 - \$49,999	61,465	12.0%
\$50,000 - \$74,999	89,568	17.5%
\$75,000 - \$99,999	72,487	14.2%
\$100,000 - \$149,999	88,434	17.3%
\$150,000 - \$199,999	37,315	7.3%
\$200,000+	38,202	7.5%

Income is a key characteristic in analyzing housing markets. As the previous chart shows about 9% of the households in the primary trade area have income levels below \$15,000.

SUMMARY OF TYPICAL HOUSEHOLD IN TRADE AREA

Average Household Size	2.52 person
Median Household Income	\$67,972
Median Age	39.2 years
Percent of HH that are Renters	32.9%

HOUSING UNITS

According to the *ESRI Demographic Service*, the primary trade area contains a total number of housing units as follows:

PRIMARY TRADE AREA – TOTAL HOUSING UNITS

Total Housing Units	550,128
---------------------	---------

The total housing units in the primary trade area should remain relatively stable as the area is fully developed. Any new units will be via redevelopment of either existing housing stock or the conversion of other types of buildings (i.e. industrial, commercial, etc.).

TENURE

A review of housing units by tenure is as follows:

TENURE OF HOUSING UNITS IN TRADE AREA

CATEGORY	NUMBER	PERCENTAGE
Owner Occupied	336,187	61.1%
Renter Occupied	175,038	31.8%
Vacant	38,903	7.1%

The majority of housing in the trade area is owner occupied.

SCHOOLING/EDUCATION

Virginia conducts Standards of Learning (SOL) testing in reading, writing, mathematics, science and history/social science. A review of the Pass Rate for Richmond County over the past several years is presented as follows:

Div Name	Subject	Subgroup	2016-2017 Pass Rate	2017-2018 Pass Rate	2018-2019 Pass Rate
Richmond County	English: Reading	All Students	80	80	77
Richmond County	English: Writing	All Students	64	61	67
Richmond County	History and Social Sciences	All Students	86	82	87
Richmond County	Mathematics	All Students	86	78	85
Richmond County	Science	All Students	81	79	82

SCHOOLING/EDUCATION (CONT.)

The above table illustrates that students in Richmond County had SOL test results that have been fairly consistent over the past several years. Student scores in science increased over the past few years, while writing scores decreased between 2016 and 2018 and increased in 2019, as did history and social sciences.

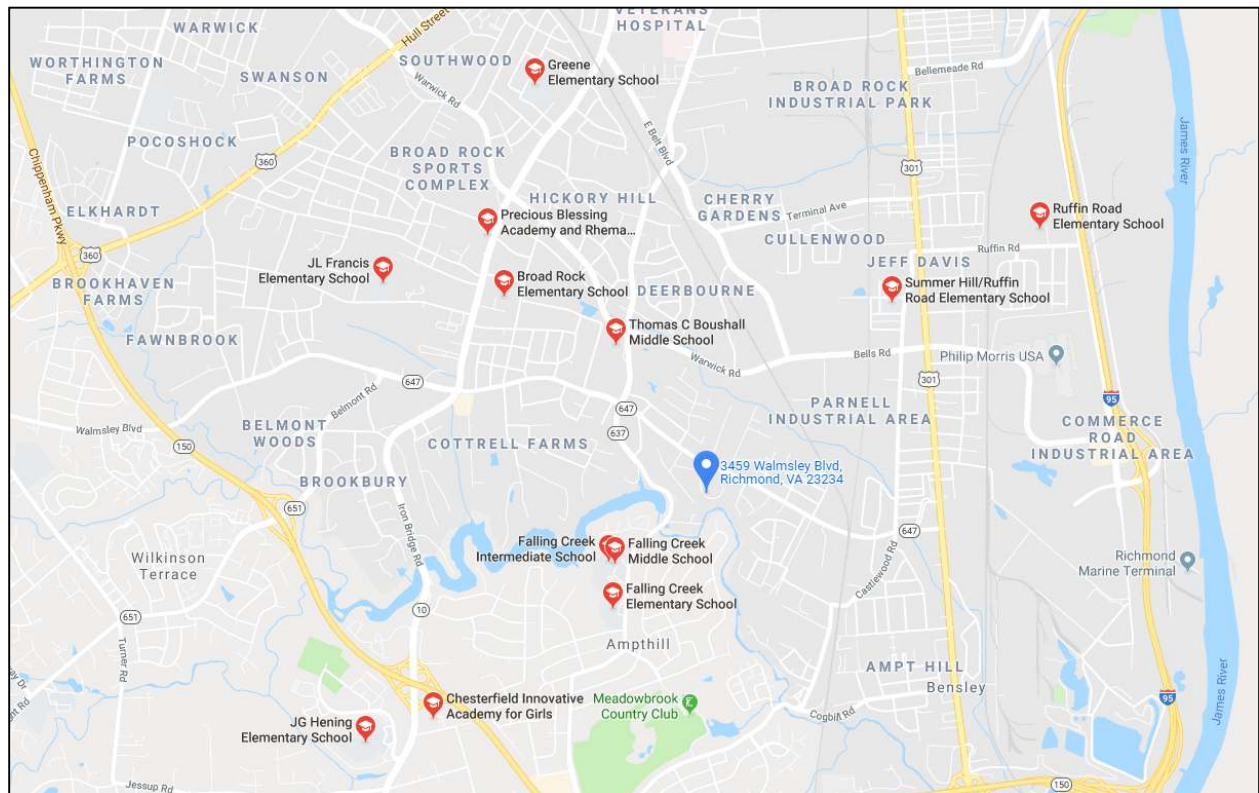
A review of the graduation rate in Richmond County is presented below.

Division Number	Division	Subgroup	Cohort	Advanced Studies Diploma	Standard Diploma	Modified Standard Diploma	Special Diploma	General Achievement Diploma	Virginia On-Time Graduation ..	GED	Certificate of Completion	Cohort Completion Rate	Total Completers	Still Enrolled	Dropouts	Dropout Rate	Long Term Absence
079	Richmond County	All Students	81	35	36	0	<	0	95.1	<	0	96.3	78	<	<	2.5	0

The graduation rate for 2018 was 95.1%, with a dropout rate of 2.5%.

Schools play a large part in parents' choice on where to live. Generally, districts with better performing schools tend to be more attractive to potential renters. The County has had steady SOL scores and low dropout rates.

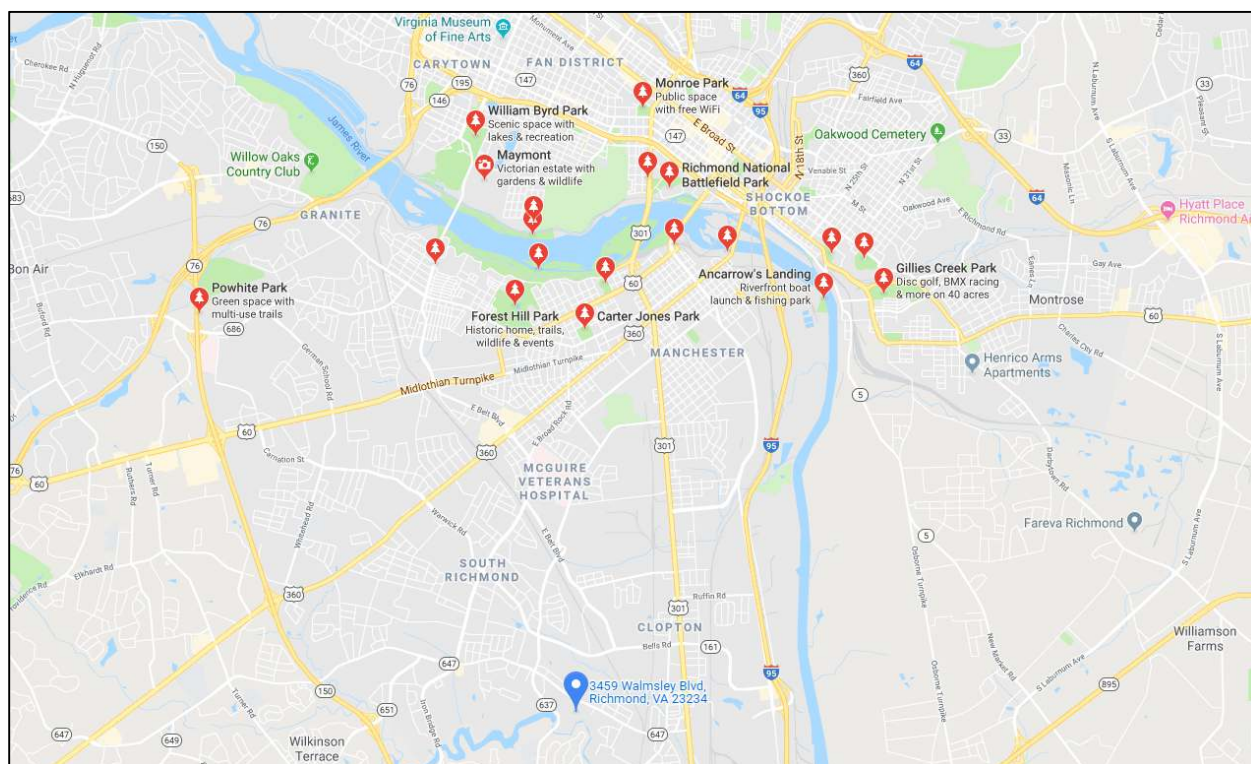
The subject property is located approximately 1.5 miles north of Falling Creek Intermediate School and Falling Creek Elementary School, both located on Hopkins Road. Meadowbrook High School is located approximately 4.5 miles south of the subject property on Cogbill Road. A map of the subject property and surrounding schools is presented on the following page.



RECREATION

The subject property is located on Walmsley Boulevard, approximately 6.5 miles south of downtown Richmond. The main downtown includes such landmarks as the Virginia State Capitol house, the Library of Virginia, various state offices and the Governor’s mansion. Additionally, downtown Richmond is home to Virginia Commonwealth University Medical Center and the Greater Richmond Convention Center.

There are many small parks and recreation areas scattered throughout the subject neighborhood. Bensley Park is located 3.8 miles south of the subject property. Forest Hill Park is located 5 miles north of the subject property and contains trails, the historic Stone House, tennis courts, children’s playground and picnic shelters. A map of the subject property and surrounding parks is presented below.



PUBLIC TRANSPORTATION

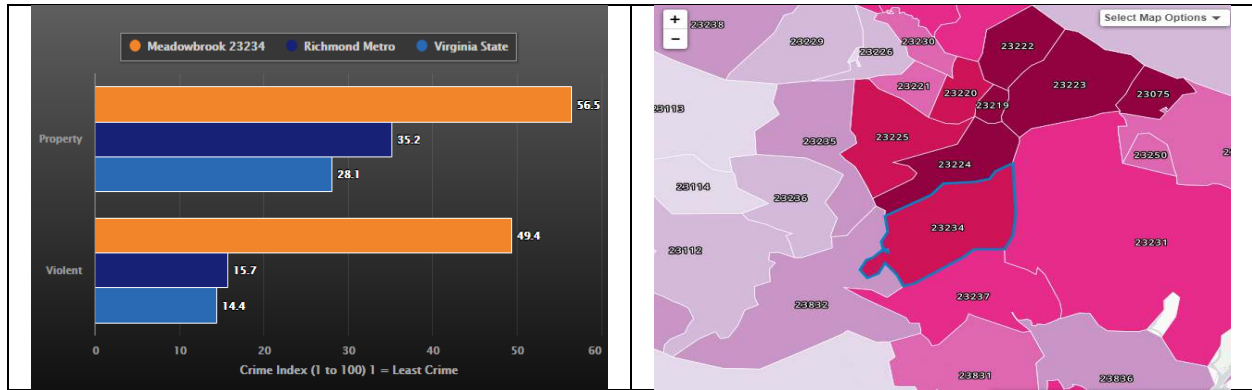
The subject’s location on Walmsley Boulevard is residential in nature. The Greater Richmond Transit Company bus line makes a stop in front of the subject complex and provides residents access to Downtown Richmond. This line also provides access to shopping and office facilities along Jefferson Davis Highway. The subject property is also located approximately 12 miles southwest of the Richmond International Airport.

SHOPPING/MEDICAL FACILITIES

The subject property is centrally located to a large amount of shopping and office uses. The subject is located approximately one mile west of Jefferson Davis Highway, which is a main local roadway containing neighborhood retail uses. These include Food Lion, fast food restaurants, offices and mom and pop retail stores. Chippenham Hospital is located approximately 7 miles north of the subject property on Chippenham Parkway.

CRIME

A review of crime rates by year for the subject's ZIP code is as follows:



Source: Bestplaces.net

Both property crime and violent crime are higher in the subject neighborhood than the Richmond metro area and the State. Based upon the crime map, it appears that the crime rate is higher to the north of the subject area.

EMPLOYMENT

A review of the top 10 employers in the Richmond area is as follows:

Rank 2018	Private Employers
1	Capital One Financial Corp.
2	VCU Health System
3	HCA Inc.
4	Bon Secours Richmond
5	Dominion Virginia Power
6	SunTrust Banks Inc.
7	Altria Group Inc.
8	Amazon.com
9	Wells Fargo
10	Anthem Blue Cross and Blue Shield

Source: hanovervirginia.com

EMPLOYMENT (CONT.)

A review of the unemployment rate for the Richmond MSA over the past five years is as follows:



Unemployment in the subject’s area was at a high in 2015 and has fallen over the past four years. Currently, the unemployment rate is in the 3% range.

AFFORDABLE HOUSING

The subject is a HUD project based Section 8 complex. Management reports there is a waiting list of two years for the units.

We spoke with other property managers and there is good demand for affordable housing in the area. There appears that there will be a continued need for affordable housing for this immediate market area. Affordable housing is a problem in the state and county. The tables below illustrate the market rent of a typical apartment, the income needed and the hourly wage to afford in the state, county and subjects primary trade area.

TYPICAL FAIR MARKET RENTS FOR VA AND THE RICHMOND MSA

Location	Studio	One Bedroom	Two Bedroom	Three Bedroom
Virginia	\$977	\$1,025	\$1,203	\$1,609
Richmond MSA	\$889	\$932	\$1,067	\$1,421

*Typical FMR from National Low Income Housing Coalition (NLIHC)

We have analyzed the local market area to determine market rent for each unit type in the subject property. Our analysis is presented as follows:

SUMMARY OF MARKET BASED RENTALS - TWO BEDROOM UNITS

Rent Comparability Grid		Unit Type → Two Bedroom "As Is"		Subject's FHA #: _____									
Subject		Data		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Woodland Crossing 3459 Wainsley Boulevard Richmond, VA				Meadowbrook Apartments 5300 Whetstone Road N. Chesterfield, Chesterfield		Belmont Hills 4300 Lamplighter Ct N. Chesterfield, Chesterfield		Rollingwood Apartments 6300 Pewter Avenue N. Chesterfield, Chesterfield		The Residences at Brookside 6540 Greenbank Road Richmond, VA		Rock Creek 2830 Broad Rock Blvd. Richmond, VA	
Rents Charged		Data		Data		Data		Data		Data		Data	
1	\$ Last Rent / Restricted?		\$955		\$1,209		\$924		\$823		\$873		\$873
2	Date Last Leased (mo/yr)		May-19		May-19		May-19		May-19		May-19		May-19
3	Rent Concessions		N		N		N		N		N		N
4	Occupancy for Unit Type		97%		99%		100%		98%		95%		95%
5	Effective Rent & Rent/ sq. ft		\$955	1.18	\$1,209	1.27	\$924	1.06	\$823	0.96	\$873	1.02	\$873
<i>In Parts B thru E, adjust only for differences the subject's market values.</i>													
B. Design, Location, Condition		Data		Data		Data		Data		Data		Data	
6	Structure / Stories	G/3	G/2	G/TH/2	G/3	G/2	G/2	G/3	G/2	G/2	G/3	G/3	G/3
7	Yr. Built/Yr. Renovated	1975	1971	1974/2015	1978/2006	1975	1975	1978/2006	1975	1975	1970	1970	1970
8	Condition /Street Appeal	A	A	G	A	F	A	A	F	\$37	A	A	A
9	Neighborhood	A	A	\$10	A	\$9	A	\$9	A		A	A	A
10	Same Market? Miles to Subj		Y/0.86	Y/2.45	Y/2.67	Y/3.18	Y/1.48	Y/2.67	Y/3.18		Y/1.48	Y/1.48	Y/1.48
C. Unit Equipment/ Amenities		Data		Data		Data		Data		Data		Data	
11	# Bedrooms	2	2	2	2	2	2	2	2		2	2	2
12	# Baths	1	1	2	1	1	1	1	1		1	1	1
13	Unit Interior Sq. Ft.	855	812	954	872	855	855	872	855		855	855	855
14	Balcony/ Patio	N	N	N	B	N	N	B	N		B	N	B
15	AC: Central/ Wall	C	C	C	C	C	C	C	C		C	C	C
16	Range/ refrigerator	RF	RF	RF	RF	RF	RF	RF	RF		RF	RF	RF
17	Microwave/ Dishwasher	N	D	MD	D	D	D	D	D	(\$10)	D	D	D
18	Washer/Dryer	L	L	WD	L/HU	N	L	L/HU	N	\$10	L	L	L
19	Floor Coverings	C/L	CHW	C	C	C	C	C	C/V		CHW	CHW	CHW
20	Window Coverings	B	B	B	B	B	B	B	B		B	B	B
21	Cable/ Satellite/Internet	CI	CI	CI	CI	CI	CI	CI	CI		CI	CI	CI
22	Special Features	N	N	N	N	N	N	N	N		N	N	N
23													
D. Site Equipment/ Amenities		Data		Data		Data		Data		Data		Data	
24	Parking (\$ Fee)	L/\$0	L/\$0	L/\$0	L/\$0	L/\$0	L/\$0	L/\$0	L/\$0		L/\$0	L/\$0	L/\$0
25	Extra Storage	N	N	N	N	N	N	N	N		N	N	N
26	Security	Y	N	\$15	Y	Y	Y	Y	Y		N	N	\$15
27	Clubhouse/ Meeting Rooms	C	N	\$5	N	\$5	N	\$5	C		N	N	\$5
28	Pool/ Recreation Areas	R/R	P/R	(\$10)	P/E/R/R	(\$20)	P/E/R/R	(\$20)	P/R/R	(\$15)	P	P	P
29	Business Center	CL	N	\$10	B	N	N	\$10	B		N	N	\$10
30	Service Coordination	N	N	N	N	N	N	N	N		N	N	N
31	Non-shelter Services	N	N	N	N	N	N	N	N		N	N	N
32	Neighborhood Networks	N	N	N	N	N	N	N	N		N	N	N
E. Utilities		Data		Data		Data		Data		Data		Data	
33	Heat (in rent?/ type)	N/E	Y/G	(\$17)	N/E	N/E	N/E	N/E	N/E		N/E	N/E	N/E
34	Cooling (in rent?/ type)	N	N	N	N	N	N	N	N		N	N	N
35	Cooking (in rent?/ type)	N/E	Y/G	(\$3)	N/E	N/E	N/E	N/E	N/E		N/E	N/E	N/E
36	Hot Water (in rent?/ type)	N/E	Y/G	(\$7)	N/E	N/E	N/E	N/E	N/E		N/E	N/E	N/E
37	Other Electric	N	N	N	N	N	N	N	N		N	N	N
38	Cold Water/ Sewer	Y/Y	Y/Y	N/Y	N/Y	\$30	N/Y	\$30	N/Y	\$30	N/Y	N/Y	\$30
39	Trash /Recycling	Y	Y	N	N	\$12	N	\$12	N	\$12	N	N	\$12
F. Adjustments Recap		Pos		Neg		Pos		Neg		Pos		Neg	
40	# Adjustments B to D		4	2	1	7	3	5	2	2	3	2	2
41	Sum Adjustments B to D		\$40	(\$20)	\$5	(\$210)	\$24	(\$54)	\$47	(\$25)	\$30	\$30	(\$15)
42	Sum Utility Adjustments			(\$27)	\$42	\$42	\$42	\$42	\$42		\$30	\$30	\$30
			Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Net/ Gross Adjustments B to E			(\$7)	\$87	(\$163)	\$257	\$72	\$120	\$64	\$114	\$45	\$75	\$75
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)		\$948		\$1,046		\$936		\$887		\$918		\$918
45	Adj Rent/Last rent			99%		87%		101%		108%			105%
46	Estimated Market Rent	\$925	\$1.08	← Estimated Market Rent/ Sq. Ft									
Appraiser's Signature		Date		Attached are explanations of:				a. why & how each adjustment was made b. how market rent was derived from adjusted rents c. how this analysis was used for a similar unit type					
Tony Kamand		5/10/2019											
J. M... ..				Grid was prepared: <input type="checkbox"/> Manually <input checked="" type="checkbox"/> Using HUD's Excel form				form HUD-92273-S8 (04/2002)					

SUMMARY OF MARKET BASED RENTALS – THREE BEDROOM

Rent Comparability Grid											
Subject		Unit Type →		Three Bedroom "As Is"				Subject's FHA #:			
Woodland Crossing		Meadowbrook Apartments		Belmont Hills		Rollingwood Apartments		The Residences at Brookside		Rock Creek	
3459 Wainsley Boulevard		5300 Whetstone Road		4300 Lamplighter Ct		6300 Pewter Avenue		6540 Greenbank Road		2830 Broad Rock Blvd.	
Richmond, VA		N. Chesterfield, Chesterfield		N. Chesterfield, Chesterfield		N. Chesterfield, Chesterfield		Richmond, VA		Richmond, VA	
Reuts Charged		Data		Data		Data		Data		Data	
1 \$ Last Rent / Restricted?		\$1,385		\$1,484		\$1,059		\$1,085		\$873	
2 Date Last Leased (mo/yr)		May-19		May-19		May-19		May-19		May-19	
3 Rent Concessions		N		N		N		N		N	
4 Occupancy for Unit Type		97%		95%		100%		98%		95%	
5 Effective Rent & Rent/ sq. ft		\$1,385	0.90	\$1,484	1.35	\$1,059	1.03	\$1,085	1.00	\$873	1.02
In Parts B thru E, adjust only for differences the subject's market values											
B. Design, Location, Condition		Data		Data		Data		Data		Data	
6 Structure / Stories		G/3	G/TH/2	G/TH/2		G/3		G/TH/2		G/3	
7 Yr. Built/Yr. Renovated		1975	1971	1974/2015	(\$15)	1978/2006	(\$11)	1975		1970	
8 Condition /Street Appeal		A	A	G	(\$59)	A		F	\$43	A	
9 Neighborhood		A	A	A		A	\$11	A		A	
10 Same Market? Miles to Subj			Y/0.86	Y/2.45		Y/2.67		Y/3.18		Y/1.48	
C. Unit Equipment/ Amenities		Data		Data		Data		Data		Data	
11 # Bedrooms		3	3	3		3		3		2	\$125
12 # Baths		1	1.5 (\$50)	2	(\$75)	1.5	(\$50)	1.5	(\$50)	1	
13 Unit Interior Sq. Ft.		975	1536 (\$140)	1101	(\$32)	1032	(\$14)	1084	(\$27)	855	\$30
14 Balcony/ Patio		N	N	N		B	(\$5)	N		B	(\$5)
15 A.C: Central/ Wall		C	C	C		C		C		C	
16 Range/ refrigerator		RF	RF	RF		RF		RF		RF	
17 Microwave/ Dishwasher		N	D (\$10)	MD	(\$15)	D	(\$10)	D	(\$10)	D	(\$10)
18 Washer/Dryer		L	L	WD	(\$15)	L/HU	(\$10)	HU	(\$5)	L	
19 Floor Coverings		C/L	C/HW	C		C		C/V		C/HW	
20 Window Coverings		B	B	B		B		B		B	
21 Cable/ Satellite/Internet		CI	CI	CI		CI		CI		CI	
22 Special Features		N	N	N		N		N		N	
D. Site Equipment/ Amenities		Data		Data		Data		Data		Data	
24 Parking (\$ Fee)		L/50	L/50	L/50		L/50		L/50		L/50	
25 Extra Storage		N	N	N		N		Y	(\$10)	N	
26 Security		Y	N \$15	Y		Y		Y		N	\$15
27 Clubhouse/ Meeting Rooms		C	N \$5	N	\$5	N	\$5	C		N	\$5
28 Pool/ Recreation Areas		R/R	P/R (\$10)	P/E/R/R	(\$20)	P/E/R/R		P/R/R	(\$15)	P	
29 Business Center		CL	N \$10	B		N	\$10	B		N	\$10
30 Service Coordination		N	N	N		N		N		N	
31 Non-shelter Services		N	N	N		N		N		N	
32 Neighborhood Networks		N	N	N		N		N		N	
E. Utilities		Data		Data		Data		Data		Data	
33 Heat (in rent?/ type)		N/E	Y/G (\$21)	N/E		N/E		N/E		N/E	
34 Cooling (in rent?/ type)		N	N	N		N		N		N	
35 Cooking (in rent?/ type)		N/E	Y/G (\$3)	N/E		N/E		N/E		N/E	
36 Hot Water (in rent?/ type)		N/E	Y/G (\$9)	N/E		N/E		N/E		N/E	
37 Other Electric		N	N	N		N		N		N	
38 Cold Water/ Sewer		Y/Y	Y/Y	N/Y	\$36	N/Y	\$36	N/Y	\$36	N/Y	\$36
39 Trash /Recycling		Y	Y	N	\$12	N	\$12	N	\$12	N	
F. Adjustments Recap		Pos		Neg		Pos		Neg		Pos	
40 # Adjustments B to D		4	4	1	7	3	7	1	6	5	2
41 Sum Adjustments B to D		\$44	(\$210)	\$5	(\$231)	\$26	(\$120)	\$43	(\$117)	\$185	(\$15)
42 Sum Utility Adjustments			(\$33)	\$48		\$48		\$48		\$36	
43 Net/ Gross Adjustments B to E			Net (\$199)	Gross \$287	Net (\$178)	Gross \$284	Net (\$46)	Gross \$194	Net (\$26)	Gross \$208	Net \$206
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44 Adjusted Rent (5+ 43)		\$1,186		\$1,307		\$1,013		\$1,059		\$1,079	
45 Adj Rent/Last rent			86%		88%		96%		98%		124%
46 Estimated Market Rent		\$1,100	\$1.13	Estimated Market Rent/ Sq. Ft							

Attached are explanations of:

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

Grid was prepared: Manual Using HUD's Excel form

Appraiser's Signature: *J. Kamand* Date: 5/10/2019

form HUD-92273-88 (04/2002)

An adjustment of \$0.25 per square foot was applied for differences in square footage. Additional adjustments were applied for market area, condition, bathrooms, kitchen amenities, laundry, project amenities, and utilities. The subject property offers security, a clubhouse, recreation areas and a computer lab.

AFFORDABLE HOUSING (CONT.)

CONCLUSIONS

The tenants pay for electric (heat, hot water, cooking, air conditioning and lights, etc.). Cold water, sewer and trash is included in the rent. Our concluded market rents "as-is" for the subject are as follows:

CONCLUDED MARKET RENTS

<i>Unit Type</i>	<i># Units</i>	<i>Size</i>	<i>Est. Market Rent</i>	<i>\$/Sq. Ft.</i>	<i>Prepared Grid</i>
2 BR	48	855	\$925	\$1.08	Y
3 BR	84	975	\$1,100	\$1.13	Y
Total	132				

We have reviewed the income needed to afford market based apartments in the trade area as follows:

PRIMARY TRADE AREA – MARKET BASED APARTMENTS

	<i>Type</i>	<i>Market Rent*</i>	<i>Income Needed to Afford</i>	<i>Hourly Wage Needed to Afford</i>
Primary Trade Area	2 BR	\$925	\$37,000	\$17.79
	3 BR	\$1,100	\$44,000	\$21.15

**Based on conclusion of Market Rent*

PRIMARY TRADE AREA HOUSEHOLDS UNABLE TO AFFORD AN APARTMENT

<i>Unit Type</i>	<i>Estimated Percentage Unable to Afford</i>	<i>Number of Households Unable to Afford</i>
2 Bedroom	25.18%	128,744
3 Bedroom	30.07%	153,744

The previous tables reflect market rents in the primary trade area. There is a sizable amount of households who cannot afford to rent a market based apartment in this area. In our primary trade area, about 25% of the households are unable to afford the market rent on a two bedroom apartment and about 30% cannot afford the market rent on a three bedroom apartment. This is a sizable amount and there definitely is a need for affordable housing units in the primary trade area.

Per the Virginia Housing Development Authority, median family income for the Richmond MSA is \$83,200. The LIHTC income limits are as follows:

AFFORDABLE HOUSING (CONT.)

STATE: VIRGINIA		-----I N C O M E L I M I T S-----								
		PROGRAM	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
Richmond, VA MSA										
FY 2018 MFI:	83200	VERY LOW INCOME	29150	33300	37450	41600	44950	48300	51600	54950
		60% INCOME LIMIT	34980	39960	44940	49920	53940	57960	61920	65940

Source: VHDA

The subject property has 2 and 3 bedroom units. The target of potential tenants will be families with income levels between about \$37,450 and \$53,940. This represents about 14% of the trade area or about 70,000 households.

We have reviewed low-moderate income projects within the area that could be competitive with the subject property as follows:

RICHMOND, VA MSA LOW-MODERATE INCOME PROJECTS

Property Name	VHDA#	Street Address	City	Zip	Jurisdiction	Tax Credit	Total	Units	Unit	Target Type	Cycle Name	Building Type
Angelwood at Caroline	9529	Lots 16-31, Heritage Pines Circle	Bowling Green	22427	Caroline County	26	26	General	2012	9%	Competitive	New Construction
Apartments at Kingsridge	9769	Kingsridge Road	Richmond	23223	Henrico County	72	72	General	2016	9%	Competitive	New Construction
Arbor Lake	911	6850 Arbor Lake Drive	Chester	23831	Chesterfield County	126	126	General	1995	9%	Competitive	New Construction
Ashland Woods	9755	101 E Omni Terrace	Ashland	23005	Hanover County	75	75	General	2000	4%	Tax Exempt	New Construction
Ashland Woods	9755	101 E Omni Terrace	Ashland	23005	Hanover County	75	75	General	1998	4%	Tax Exempt	New Construction
Ashland Woods	9755	101 E Omni Terrace	Ashland	23005	Hanover County	148	150	General	2016	4%	Tax Exempt	Rehabilitation
Audubon Village I	6385	4901 Wood Thrush Circle	Richmond	232312787	Henrico County	160	160	General	1999	4%	Tax Exempt	New Construction
Audubon Village I	6385	4901 Wood Thrush Circle	Richmond	232312787	Henrico County	160	160	General	2016	4%	Tax Exempt	Rehabilitation
Audubon Village II	7864	5021 Meadowlark Court	Richmond	232312787	Henrico County	54	54	General	2017	4%	Tax Exempt	Acquisition/Rehab
Audubon Village II	7864	5021 Meadowlark Court	Richmond	232312787	Henrico County	54	54	General	2001	4%	Tax Exempt	New Construction
Beaverdam Creek	4352	7264 Cold Harbor Road	Mechanicsville	231113111	Hanover County	120	120	General	1994	9%	Competitive	New Construction
Broadwater I	7870	15149 Broadwater Way	Chester	23831	Chesterfield County	150	150	General	2001	4%	Tax Exempt	New Construction
Broadwater II	8836	3624 Broadwater Way	Chester	23831	Chesterfield County	35	73	General	2003	4%	Tax Exempt	New Construction
Brook Creek Crossings	9525	700 Colton Creek Road	Midlothian	23113	Chesterfield County	70	70	General	2012	9%	Competitive	New Construction
Caroline Manor I	8834	150 Courthouse Lane	Bowling Green	22427-2140	Caroline County	24	24	General	2001	9%	Competitive	Acquisition/Rehab
Caroline Manor II	8988	150 Courthouse Lane	Bowling Green	22427	Caroline County	17	17	General	2004	9%	Competitive	Acquisition/Rehab
Chickahominy Bluff	4553	7800 Sporting Lane	Mechanicsville	231113111	Hanover County	120	120	General	1996	4%	Tax Exempt	New Construction
Chickahominy Bluff	4553	7800 Sporting Lane	Mechanicsville	231113111	Hanover County	120	120	General	2015	4%	Tax Exempt	Acquisition/Rehab
College Green II	9223	30 Bluebird Lane	Warsaw	22572	Richmond County	16	16	General	2006	9%	Competitive	Acquisition/Rehab
Colonial Ridge Apartments	9868	15101 Lorimer Rd.	Colonial Heights	23834	Chesterfield County	292	292	General	2017	4%	Tax Exempt	
COUNTRY PLACE	4078	111 Starbuck Court	Richmond	23223-3223	Henrico County	102	102	General	2002	9%	Competitive	Rehabilitation
Coventry Gardens	1289	211 Newbridge Circle	Richmond	23223	Henrico County	176	176	General	2009	9%	Competitive	Acquisition/Rehab
Creekpointe	8532	14600 Creekpointe Circle	Midlothian	23114-0000	Chesterfield County	214	214	General	2001	4%	Tax Exempt	New Construction
Creekside Manor	4558	1601 Lakeside Avenue	Richmond	23228	Henrico County	95	97	General	2014	9%	Competitive	Acquisition/Rehab
Creekside Manor	4558	1601 Lakeside Avenue	Richmond	23228	Henrico County	95	97	General	1996	4%	Tax Exempt	Acquisition/Rehab
Delmont Plaza	4080	3800 Delmont Street	Richmond	23223	Henrico County	41	41	General	2006	9%	Competitive	Acquisition/Rehab
Delmont Village	9073	3716 Delmont Street	Richmond	23222	Henrico County	94	94	General	2004	9%	Competitive	Construction/Rehab
Fieldcrest	9126	3731 Delmont Street	Richmond	23222	Henrico County	29	29	General	2004	9%	Competitive	New Construction
Genio Glen	5925	4041 Hailey Crescent Drive	Midlothian	23112-0000	Chesterfield County	102	102	General	1997	9%	Competitive	New Construction
Giles	986	8710 Virginia Street	Amelia	23002	Amelia County	16	16	General	1997	9%	Competitive	Acquisition/Rehab
Glenns at Millers Lane	5874	4700 Millers Lane	Richmond	232310000	Henrico County	144	144	General	1999	4%	Tax Exempt	New Construction
Glenwood Farms	988	3753 Bolling Road	Richmond	23223	Henrico County	294	294	General	2003	4%	Tax Exempt	Acquisition/Rehab
Grand Oaks	8923	5301 Grand Oaks Forest Circle	Chester	23831	Chesterfield County	184	184	General	2004	4%	Tax Exempt	New Construction
Greens at Virginia Center	4586	9724 Virginia Centerway Place	Glen Allen	23059	Henrico County	180	180	General	1997	4%	Tax Exempt	New Construction
Greens at Virginia Center	4586	9724 Virginia Centerway Place	Glen Allen	23059	Henrico County	180	180	General	2014	4%	Tax Exempt	Acquisition/Rehab
Hanover	998	205 N. Cottage Green Dr.	Ashland	23005	Hanover County	40	40	General	1996	9%	Competitive	Acquisition/Rehab
Henrico Arms	1001	1664 Henrico Arms Place	Richmond	23231	Henrico County	231	231	General	2003	4%	Tax Exempt	Acquisition/Rehab
Hope Village	1006	1605 Hope Road, Apt E	Glen Allen	23060	Henrico County	100	100	General	2001	4%	Tax Exempt	Acquisition/Rehab
Iron Bridge Road	9673	6700 Iron Creek Circle	Chester	23831	Chesterfield County	80	80	General	2014	9%	Competitive	New Construction
Laurel Woods	9207	211 Cottage Green Drive	Ashland	23005	Hanover County	40	40	General	2006	9%	Competitive	Acquisition/Rehab
Lawnside Farms	4494	4919 Millers Lane	Richmond	23231-0000	Henrico County	50	50	General	1994	9%	Competitive	New Construction
Mallard Cove I	9350	4123 Mallard Landing Circle	Midlothian	23114	Chesterfield County	144	144	General	1990	9%	Competitive	New Construction
Mallard Cove II	1039	4123 Mallard Landing Circle	Midlothian	23112	Chesterfield County	87	108	General	1994	9%	Competitive	New Construction
Mallard Greens	1268	2852 Fairfield Avenue	Richmond	23223	Henrico County	192	192	General	2009	4%	Tax Exempt	Acquisition/Rehab
Newbridge Village	8913	313 Newbridge Road	Richmond	23223	Henrico County	152	152	General	2003	9%	Competitive	Acquisition/Rehab
OAKLAND VILLAGE	4043	1400 Old Bronze Road	Richmond	23231	Henrico County	100	100	General	2005	9%	Competitive	Acquisition/Rehab
Oakmeade	9552	300 Airport Place	Richmond	23075	Henrico County	100	100	General	2012	4%	Tax Exempt	Acquisition/Rehab
Overlook at Brook Run I	7461	1900 Cliffbrook Lane	Richmond	23227-0000	Henrico County	156	156	General	2000	4%	Tax Exempt	New Construction
Overlook at Brook Run II	7711	2001 Montbrook Lane	Richmond	23227-0000	Henrico County	126	126	General	2001	4%	Tax Exempt	New Construction
Pines at Cold Harbor	1209	7202 Garden Park Lane	Mechanicsville	23111	Hanover County	140	156	General	2005	4%	Tax Exempt	Acquisition/Rehab
PLACE ONE	4045	4222 Almora Ave	Richmond	23228	Henrico County	114	114	General	2005	4%	Tax Exempt	Acquisition/Rehab
Quarter Mill	8978	3000 Quarter Creek Lane	Richmond	23294	Henrico County	266	266	General	2005	4%	Tax Exempt	Acquisition/Rehab
Richfield Place	1093	6001 Grammarly Circle	Richmond	23227	Henrico County	266	266	General	2000	4%	Tax Exempt	Acquisition/Rehab
Sandston Woods	8837	1950 Betner Court	Sandston	23150	Henrico County	64	64	General	2001	9%	Competitive	Acquisition/Rehab
South Pointe Landing	6536	6110 Cricklewood Drive	Richmond	23234-0000	Chesterfield County	192	192	General	1998	9%	Competitive	Acquisition/Rehab
Summerdale	8904	5951 Tiger Lily Lane	Richmond	23223	Henrico County	124	124	General	2003	4%	Tax Exempt	New Construction
Townhomes of Oakleys	6128	4633 Needham Court	Richmond	232310000	Henrico County	160	160	General	1999	4%	Tax Exempt	Acquisition/Rehab
Village at the Arbors	1227	5613 Crenshaw Road	Richmond	23227	Henrico County	291	292	General	2005	4%	Tax Exempt	Acquisition/Rehab
Williamsburg Village	1149	1634A Thalia Crescent	Richmond	23231	Henrico County	140	140	General	2001	4%	Tax Exempt	Acquisition/Rehab
Woodman West	2071	1812 Blackburn Road	Richmond	23060	Henrico County	197	197	General	2008	4%	Tax Exempt	Acquisition/Rehab

Source: VHDA

AFFORDABLE HOUSING (CONT.)

There is a total of about 6,422 low-moderate income rental units in the immediate area that would be competitive with the subject property. Per an article appearing on Richmond BizSense.com dated April 24, 2019, The Lawson Cos. Purchased a 3 acre site at 1090 German School Road where they plan to construct a 96 unit low-income housing development. The development will be known as Alexander at 1090 and will contain 64 two bedroom units and 32 three bedroom units. The project will also have a clubhouse with fitness center and laundry facilities, as well as a playground, dog park and bike storage. Project:HOMES is a non-profit group in the Richmond area that has begun developing scattered site duplexes for affordable rentals. They also have affordable home ownership and senior housing initiatives.

A story appearing on CBS 6 Richmond on August 2, 2018 cites a 2015 report by the Partnership for Housing Affordability. This report states that "roughly 35 percent of households in the Richmond Area are cost-burdened, which means they pay more than 30 percent of their income for housing." The report estimates that the area needs 15,000 additional affordable units.

Given the foregoing demographic information, there is a need for additional affordable housing in the area. A high percentage of the population in this area are renters and most of the current housing stock is older. Per property management, there is a 2 year wait list for the subject's units. As new projects come on line, management will have to be diligent and aggressive in marketing the subject property in order to compete with this new construction.

SUMMARY OF LIHTC PROJECTS

Apartments at Kingsridge, Kingsridge Road, Richmond – 72 unit project. Units are a mix of 2 bedroom/2 bath and 3 bedroom/2 bath. Rents start at \$690 for a two bedroom and \$795 for a three bedroom. All apartments will have washer and dryer connections. Phase 2 of this project is slated for completion in 2020.

Ashland Woods, 1100 W Omni Terrace, Ashland – Property has 150 townhouse style 2 and 3 bedroom units. Rents for the two bedroom are \$975 per month and the three bedrooms are \$1,091 per month. Property has a pool, playground and tennis court. There are laundry facilities and kitchens have dishwashers.

Audubon Village, 4901 Wood Thrush Circle, Richmond – 160 unit project consisting of 2 and 3 bedroom units. Project has pool, fitness center, playground, business center, clubhouse and laundry rooms. Units have patios/balconies, dishwashers and washer/dryer hookups.

Beaverdam Creek, 7264 Cold Harbor Road, Mechanicsville – This project is an affordable housing community with 120 units. Property has 2 and 3 bedroom units. Each unit has two full baths. Parking is available. Two bedroom rents are reported to be \$1,060 per month and three bedroom rents are reported to be \$1,217 per month. Property has a pool, fitness center, playground and clubhouse. Units have dishwashers.

Broadwater I, 15419 Broadwater Way, Chester, VA – 150 unit LIHTC project with three and four bedroom units. The three bedroom, 2.5 bath unit rents from \$1,162 per month and rent for the 4 bedroom, 2.5 bath unit is from \$1,223 per month.

AFFORDABLE HOUSING COMPETITION (CONT.)

SUMMARY OF LIHTC PROJECTS (CONT.)

Brook Creek Crossings, 700 Colton Creek Road, Midlothian – 70 unit LIHTC project. The project has 1, 2, 3 and 4 bedroom units. Built in 2014, the project has a business center, clubhouse, pool, fitness center and playground. One bedroom units are reportedly \$543 and three bedroom two bath units are reportedly \$913.

Chickahominy Bluff, 7800 Sporting Lane, Mechanicsville –120 unit LIHTC project. The project has 2 and 3 bedroom units. Built in 1996 they have a clubhouse, pool, fitness center, laundry facilities, playground, dishwasher, central heat & air. The 2 bedroom, 2 bath units are 1,000 square feet and had a rent of \$1,060 per month. The 3 bedroom, 2 bath units are 1,320 square feet and had a rent of \$1,222 per month.

Colonial Ridge Apartments, 15101 Lorimer Road, Colonial Heights –This property is comprised of 192 units. The remaining 100 units are from the neighboring complex called The Glen at Colonia Heights. The property was recently renovated and planned renovations include a pool, fitness center, playground, community Wi-Fi and community room. There are 2 and 3 bedroom units in this complex and each unit has washers and dryers.

Coventry Gardens, 211 Newbridge Circle, Richmond – 102 unit LIHTC apartment complex. 2 bedroom, 1 bath units are 850 square feet and 3 bedroom, 1 bath units are 950 square feet. Property was built in 1970, renovated in 2010 and has hardwood floors and laundry facilities.

Creekpointe, 14600 Creekpointe Circle, Midlothian - 214 unit LIHTC project. The project has 2 and 3 bedroom units. Built in 2003 they have on-site parking. Rents are \$1,021 for the 2 bedroom, 2 bath unit and \$1,180 for the 3 bedroom, 2 bath unit.

Glenns at Millers Lane, 4700 Millers Lane Richmond – 144 unit LIHTC project. The project has 2 and 3 bedroom units. Built in 2000 they have a pool, playground and laundry room. Rent for the 2 bedroom 2 bath unit is reportedly \$992 per month. Rent for the 3 bedroom 2 bath unit is reportedly \$1,113 per month.

Glenwood Farms, 3753 Bolling Road, Richmond – 294 unit LIHTC project. The project has 1, 2 and 3 bedroom units. Built in 1948 they have a playground, day care and laundry room.

Newbridge Village, 313 Newbridge Road, Richmond – 152 unit project. This project has a project-based Section 8 contract and is part of the LIHTC program with restricted rents. The project has 1, 2 and 3 bedroom units. Built in 1982 they have on-site parking and a pool. One bedroom units are 700 square feet, 2 bedroom 1 bath units are 800 square feet and 3 bedroom 1 bath units are 950 square feet.

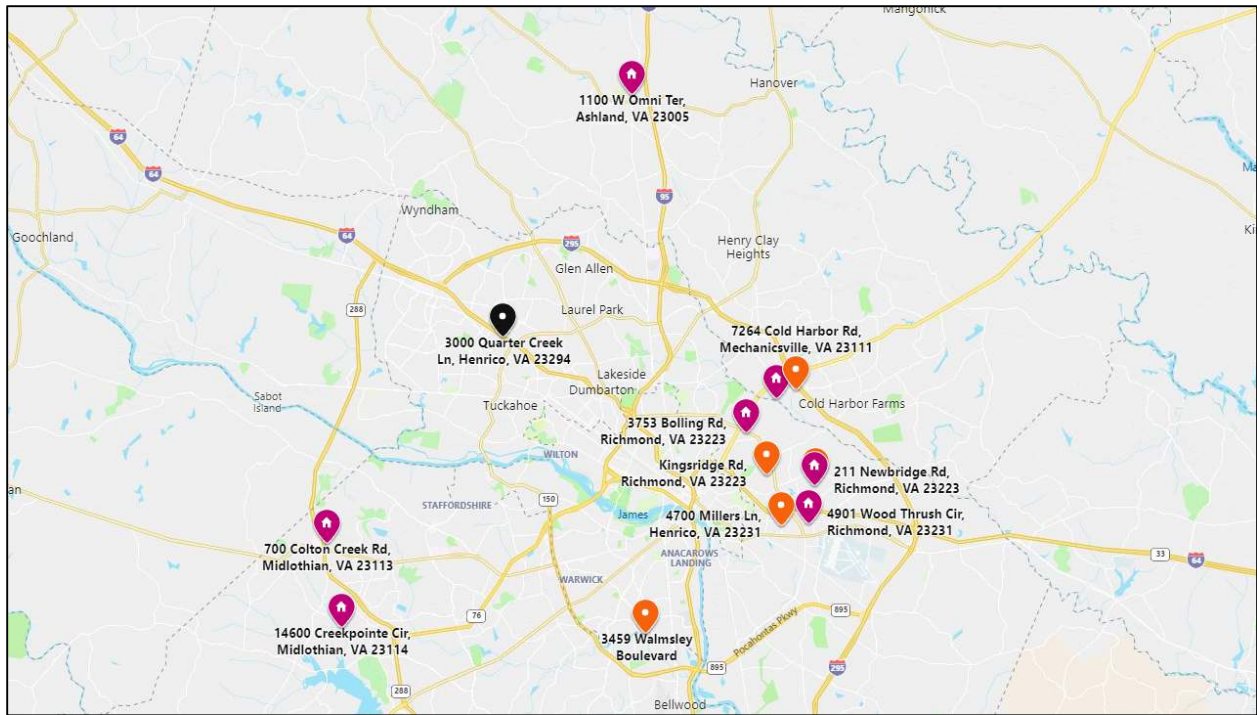
Quarter Mill, 3000 Quarter Creek Lane, Richmond – 266 unit LIHTC project. The project has 1 and 2 bedroom units. Built in 1991 they have on-site parking, dishwashers, washers and dryers in the units, storage units, pool, playground and tennis court. One bedroom units are 664 square feet and rent starts at \$830 per month. Two bedroom units are 957 square feet and the rent starts at \$945 per month.

AFFORDABLE HOUSING COMPETITION (CONT.)

SUMMARY OF LIHTC PROJECTS (CONT.)

Williamsburg Village, 1634A Thalia Crescent – 140 unit LIHTC project. The project has 1, 2 and 3 bedroom units. Built in 1972 they have on-site parking, laundry facilities, multi-use room, business center and playground. One bedroom units are 792 square feet, two bedroom units are 860 square feet and three bedroom units are 1,100 square feet.

A map of the subject and competing properties is presented as follows:



The market saturation level of the project was analyzed as follows:

	Saturation Rates				
	Households		Without Subject 6,422 Apt. Units	With Subject 6,554 Apt. Units	Subject Only 132 Apt. Units
2010 Households					
Total	468,524	-	1.37%	1.40%	0.03%
Income Qualified	117,131	25%	5.48%	5.60%	0.11%
2019 Households					
Total	511,225	-	1.26%	1.28%	0.03%
Income Qualified	127,806	25%	5.02%	5.13%	0.10%
2024 Households					
Total	535,772	-	1.20%	1.22%	0.02%
Income Qualified	133,943	25%	4.79%	4.89%	0.10%

The saturation rate reflects 5.13% which is considered reasonable.

AFFORDABLE HOUSING (CONT.)

We have also further analyzed the trade areas based on the VHDA guidelines. There are 511,225 total households in the immediate trade area and this is expected to grow by 24,547 households over the next five years. The number of renter households in the trade area is 168,193. The total estimated qualifying households in the 40% AMI is 29,111, 50% of AMI is 39,970, 60% of AMI is 42,670, market rate is 75,750 and the subject project is 50,580.

We have utilized demographic data from ESRI. Based on this data, the number of households is expected to increase and the City is expected to gain households with incomes over \$100,000. In the trade area, about 25 to 30% of the households are unable to afford the market rent (depending on unit type). Households who pay more than 30% percent of their gross income are rent overburdened. In Virginia, a household making less than \$3,000 a month (\$36,000 per year) would be considered overburdened. About 25% of the households in the trade area are overburdened. Although, we do not have data we have estimated that about 1% of the demand will come from households that currently live in substandard housing.

There are currently 211,867 elderly persons (over 65 years) in the trade area. This represents 16% of the population. Since the project will be newly renovated and some seniors will likely sell their home as they retire in order to have a carefree and no maintenance lifestyle we have also estimated a 5% demand from elderly households.

The subject project consists of 132 units. The client advised that the renovation is to be a tenant in place rehabilitation and there will be no off-site relocation or tenant displacement. Therefore, we have concluded that all 132 tenants will remain after the renovation. The absorption period of 1 month is for the 4 units that are currently vacant. The client stated that the renovation period for the entire complex is one year, which reflects 11 units per month. They also estimate that 4 to 6 units will be renovated at a time and that the renovations will take approximately 2 weeks per unit. Therefore, we have concluded that the four vacant units could be renovated and absorbed within one month. The current supply of units in this market is 6,422. Our analysis of the net demand was limited to the following:

Income Restrictions					
	Up to 40%	Up to 50%	Up to 60%	Market Rate	Project Total
New Rental Households	0	0	0	24,547	0
Existing Rental Households - Overburdened	7,860	10,792	11,521	20,453	13,657
Existing Households - Substandard Housing	291	400	427	758	506
Elderly Households - Likely to Convert to Rental Housing	1,456	1,999	2,134	3,788	2,529
Existing Qualifying Tenants - To Remain After Renovation	132	132	132	132	132
Total Demand	9,739	13,322	14,213	49,677	16,823
Supply (includes directly comparable vacant units completed or in pipeline in PMA)	6,422	6,422	6,422	6,422	6,422
Net Demand	3,317	6,900	7,791	43,255	10,401
Proposed Units	0	0	0	0	0
Capture Rate	3.98%	1.91%	1.69%	0.31%	1.27%
Absorption Period - Months	-	-	-	-	1

CONCLUSIONS

A review of the subject's strengths and weaknesses is as follows:

Strengths

- Subject property is centrally located in close proximity to downtown Richmond, shopping, medical centers, schools and recreational facilities
- Subject property has good access to public transportation; there is a bus stop in front of the subject complex
- Units are of adequate size and design to attract potential renters
- Subject property offers security, a community room and computer lab to tenants. These are amenities not widely seen in this market area.
- There is good demand for subsidized housing in this market, with an estimated 25% of households overburdened. Wait list is estimated by management to be approximately 2 years long.

Weaknesses

- There is currently a push to build more affordable housing in the area. The subject property will have to maintain aggressive management and adequate maintenance to compete with newly constructed properties.

Overall, the subject property's location near downtown Richmond makes it attractive to potential renters. The subject property is located just south of the main City center and has good access to public transportation into the city. There is good demand for housing in the immediate area, and based on demographic information, there should be continued demand for affordable housing in the subject's market area for the foreseeable future. With competent management and aggressive marketing, we feel the subject should continue to perform well in the market.

CERTIFICATION

Tony F. Kamand Jr., MAI and Jacqueline Marmur certify to the best of their 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 our personal, impartial, 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 we have no personal interest with respect to the parties involved.
4. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. We will maintain confidentiality and privacy of customer/client information obtained during the course of this assignment.
6. Our engagement in this assignment was 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 use of this appraisal.
7. Our compensation for the preparation of this report is not in any way contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, or a minimum valuation, the attainment of a stipulated result, the approval of a loan, or the occurrence of a subsequent event.
8. Our analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute and the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation.
9. We have made a personal inspection of the property that is the subject of this report.
10. No one provided significant professional assistance to the undersigned in the preparation of the analyses, conclusions and opinions concerning real estate that are set forth in this appraisal report.
11. We comply with the Competency Provision in USPAP as adopted in FIRREA and have sufficient education and experience to perform the appraisal of the subject property.
12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
13. It should be noted that we performed a rent comparability study on the property on May 28, 2019 and an appraisal on the property on October 8, 2018.
14. The undersigned will be responsive to any inquiries during any review process that are part of this assignment. In addition, if contacted by the client's loan production staff (if applicable) we will immediately direct the inquiry to the client's appraiser or their designee of said inquiry.
15. As of the date of this report, Tony F. Kamand Jr. has completed the requirements under the continuing education program of the Appraisal Institute, and is currently a state certified general real estate appraiser in the state in which the subject of this report is located.



Tony F. Kamand Jr., MAI
NJ Certified General Real Estate Appraiser, No. RG-668



Jacqueline Marmur
NJ Certified General Real Estate Appraiser, No. RG-2523
VA Temporary Permit No. 4005018912

UNDERLYING ASSUMPTIONS AND LIMITING CONDITIONS

This specific appraisal report is subject to the following underlying assumptions and limiting conditions:

1. No responsibility is assumed for the legal description provided or for matters pertaining to legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
2. There are no existing judgments or pending or threatened litigation, which could affect the value of the property.
3. The property is appraised free and clear of any liens and encumbrances unless otherwise stated.
4. Responsible ownership and competent property management are assumed.
5. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.
6. All engineering studies are assumed to be correct. Any illustrative material in this report is included only to help the reader visualize the property.
7. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for obtaining the engineering studies that may be required to discover them.
8. It is assumed that the property is in full compliance with all federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the appraisal report.
9. It is assumed that the property conforms to all applicable zoning and use regulations and restrictions unless nonconformity has been identified, described and considered in the appraisal report.
10. It is assumed that all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
11. It is assumed that the use of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
12. Unless otherwise stated in this report, the existence of hazardous materials, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, and other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for such conditions or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.
13. Any allocation of the total value estimated in this report between the land and the improvements applies only under the stated program of utilization. The separate values allocated to the land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
14. An appraisal is inherently subjective and represents only an estimate of a property's fair market value.
15. No environmental impact studies were conducted in conjunction with this appraisal, and our value opinions are subject to revision based upon any such studies. If any environmental impact statement is required by law, the appraisal assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
16. Any income and expense estimates contained in this appraisal are used only for the purpose of estimating current fair market value and do not constitute predictions of future operating results.
17. Possession of this report, or a copy thereof, does not carry with it the right of publication.

UNDERLYING ASSUMPTIONS AND LIMITING CONDITIONS

18. The appraiser, by reason of this appraisal, is not required to give further consultation or testimony or to be in attendance in court with reference to the property in question unless arrangements have been previously made.
19. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the appraiser.
20. Any value estimates provided in the report apply to the entire property, and any proration or division of the total into fractional interests will invalidate the value estimate, unless such proration or division of interests has been set forth in the report.
21. Any proposed improvements are assumed to have been completed unless otherwise stipulated; any construction is assumed to conform to the building plans referenced in the report.
22. The forecasts, projections, or estimates contained herein are based on current market conditions, anticipated short-term supply and demand factors, and a continued stable economy. These forecasts are, therefore, subject to changes with future conditions.
23. We reserve the right to require, as a condition to our rendering an opinion as to value, the engagement of professional experts in certain disciplines. The engagement of any such expert and the compensation of such expert shall be solely the responsibility of the client.
24. The value found herein is subject to these and to any other assumptions or conditions set forth in the body of this report but which may have been omitted from these Underlying Assumptions and Limiting Conditions.
25. This appraisal is made with the understanding that the subject can obtain a negative declaration from the Department of Environmental Protection pursuant to the regulations and requirements of the Environmental Cleanup Responsibility Act of 1983 (ECRA), as amended. This act requires as a pre-condition of any cessation of operation or the transfer of real property, which used or stored regulated hazardous substances, the testing, cleanup and disposal of any such material. The appraisers are not qualified to determine the existence of any such hazardous material and therefore, have expressed a value of the subject property as if free and clear of any such substances.
26. In conjunction with the preceding paragraph, the appraisers have not been apprised of, nor are they qualified to ascertain, the existence of Radon, a radioactive gas that occurs naturally in the soil of certain identified areas. This gas, in concentrated form has been shown to be detrimental and its existence would create a negative impact on value. As in the above instance, the value estimate assumes the subject is free and clear of Radon gas.
27. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity 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 act. If so, this fact could have a negative effect upon the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible noncompliance with the requirements of the ADA in estimating the value of the subject.

The Appraisal Institute conducts a continuing education program for its designated members. Tony F. Kamand Jr., MAI is currently certified under this program.

ADDENDA

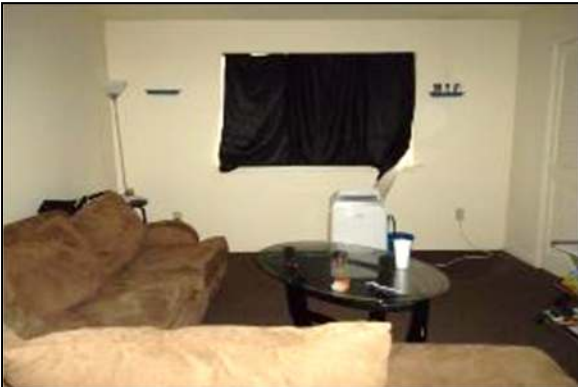
INTERIOR AND ADDITIONAL PHOTOGRAPHS OF SUBJECT PROPERTY



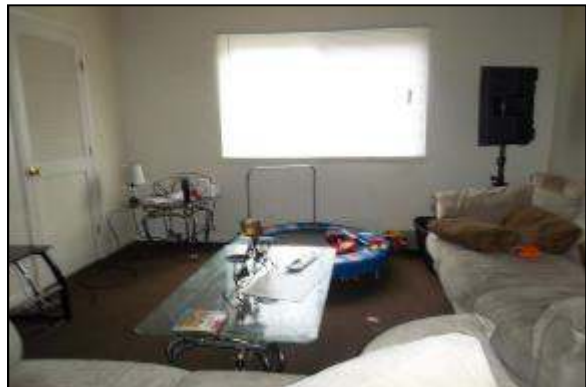
View of community room



View of management office



View of typical living room



View of typical living room



View of typical living room



View of typical kitchen



View of typical kitchen



View of typical kitchen

INTERIOR AND ADDITIONAL PHOTOGRAPHS OF SUBJECT PROPERTY (CONT.)



View of typical kitchen



View of typical kitchen



View of typical kitchen



View of typical kitchen



View of typical bedroom



View of typical bedroom



View of typical bedroom



View of typical bedroom

INTERIOR AND ADDITIONAL PHOTOGRAPHS OF SUBJECT PROPERTY (CONT.)



View of typical bathroom



View of typical bathroom



View of typical bathroom



View of laundry room

COMPARABLE MARKET RENTALS

Multi-Family Lease No. 1



Property Identification					
Record ID	33196				
Property Name	Meadowbrook Apartments				
Location	5300 Whetstone Road, North Chesterfield, Virginia 23234				
County / Borough	Chesterfield				
Assessor's Parcel #	7856893272000000				
Owner	Carnes W S Inc.				
Verification					
Lease Date Verification	05-28-2019	Confirmed By	Jackie Marmur		
Verification Name	Gracie - Leasing Rep	Occupancy	97.0%		
Phone Number	877-661-7403				
Physical Data					
Property Type	Garden, Low-Rise	LIHTC Project	No	Subsidized	No
Total Units in Project	477	Stories	2	Elevators	No
Land Size (Acres)	10.850	Year Built	1971	Condition	Average
Land Size (SF)	472,626	Renovated / Year	No		
Parking	Lined spaces				
Project / Unit Amenities, Kitchen Equipment & Tenant Expenses					
<i>Project Amenities</i>					
Storage	No	Fitness	No	Concierge	No
Intercom	None	Basketball Court	No	On-Site Management	Yes
Security Patrol	No	Playground / Picnic Area	Yes / No	Service Coordination	No
Security Cameras	No	Courtyard	No	Non-Shelter Services	No
Clubhouse	No	Recreation Area	Yes	Neighborhood Network	No
Community Room	No	No. Outdoor Pools	1		
Business Center	No	No. Indoor Pools	0		
Computer Center	No	Tennis Cts. -Ind./Outdoor	No/No		
<i>Unit Amenities</i>					
Balcony/Patio	No	Laundry room	Yes	Pull Cords	No
CAC	central	W/D in Unit	No	Grab Bars	No
		W/D Hook Ups in Unit	No	Handrails	No
Floor Coverings	Carpet and hardwood				
<i>Kitchen Equipment</i>					
Stove	Yes	Dishwasher	Yes	Disposal	No
Refrigerator	Yes	Microwave	No		
<i>Tenant Expenses</i>					
		<u>Type</u>			
Tenant Pays Heat	No	Gas	Tenant Pays Cold Water	No	
Tenant Pays Cooking	No	Gas	Tenant Pays Sewer	No	
Tenant Pays Hot Water	No	Gas	Tenant Pays Trash	No	
Tenant Pays Electric	Yes		Tenant Pays Cable	Yes	
Remarks, Unit Mix & Rentals					

Unit Description	Unit Type	Units	Unit Mix		Avg Rent/Mo	Total Rent	Rent/SF	% of Total
			Avg Unit SF	Total SF				
4-2-1	2 Bd 1.0 Ba		812	0	\$955		\$1.18	
5-3-1.5 TH	3 Bd 1.5 Ba		1,536	0	\$1,385		\$.90	

Multi-Family Lease No. 2



Property Identification					
Record ID	33201				
Property Name	Belmont Hills				
Location	4300 Lamplighter Court, North Chesterfield, Virginia 23234				
County / Borough	Chesterfield				
Assessor's Parcel #	771691546100000				
Owner	Belmont Parkway Associates				
Verification					
Lease Date Verification	05-24-2019	Confirmed By	Jackie Marmur		
Verification Name	Becky - Leasing Rep	Occupancy	95.0%		
Phone Number	844-881-5259				
Physical Data					
Property Type	Garden, Low-Rise	LIHTC Project	No	Subsidized	No
Total Units in Project	651	Stories	2	Elevators	No
Land Size (Acres)	12.960	Year Built	1974	Condition	Good
Land Size (SF)	564,538	Renovated / Year	2015		
Parking	On site surface parking				
Project / Unit Amenities, Kitchen Equipment & Tenant Expenses					
<i>Project Amenities</i>					
Storage	No	Fitness	Yes	Concierge	No
Intercom	No	Basketball Court	No	On-Site Management	Yes
Security Patrol	Yes	Playground / Picnic Area	Yes / Yes	Service Coordination	No
Security Cameras	Yes	Courtyard	No	Non-Shelter Services	No
Clubhouse	No	Recreation Area	Yes	Neighborhood Network	No
Community Room	No	No. Outdoor Pools	1		
Business Center	Yes	No. Indoor Pools	0		
Computer Center	No	Tennis Cts. -Ind./Outdoor	No/No		
<i>Unit Amenities</i>					
Balcony/Patio	No	Laundry room	No	Pull Cords	No
CAC	central	W/D in Unit	Yes	Grab Bars	No
Floor Coverings	Carpet	W/D Hook Ups in Unit	No	Handrails	No
<i>Kitchen Equipment</i>					
Stove	Yes	Dishwasher	Yes	Disposal	No
Refrigerator	Yes	Microwave	Yes		
<i>Tenant Expenses</i>					
		<i>Type</i>			
Tenant Pays Heat	Yes	Electric	Tenant Pays Cold Water	Yes	
Tenant Pays Cooking	Yes	Electric	Tenant Pays Sewer	No	
Tenant Pays Hot Water	Yes	Electric	Tenant Pays Trash	Yes	
Tenant Pays Electric	Yes		Tenant Pays Cable	Yes	
Remarks, Unit Mix & Rentals					

Unit Description	Unit Type	Units	Unit Mix		Avg Rent/Mo	Total Rent	Rent/SF	% of Total
			Avg Unit SF	Total SF				
4-2-2 Dogwood TH	2 Bd 2.0 Ba		954		\$1,209		\$1.27	
5-3-2 Woodmont TH	3 Bd 2.5 Ba		1,101		\$1,484		\$1.35	

Multi-Family Lease No. 3



Property Identification					
Record ID	33202				
Property Name	Rollingwood Apartments				
Location	6300 Pewter Avenue, North Chesterfield, Virginia 23224				
County / Borough	Richmond City				
Assessor's Parcel #	770694004100000				
Owner	Rfi Rollingwood, LLC.				
Verification					
Lease Date Verification	05-28-2019	Confirmed By	Jackie Marmur		
Verification Name	Leasing rep	Occupancy	100.0%		
Phone Number	804-419-4785				
Physical Data					
Property Type	Garden, Low-Rise	LIHTC Project	No	Subsidized	No
Total Units in Project	278	Stories	3	Elevators	No
Land Size (Acres)	21.225	Year Built	1978	Condition	Average
Land Size (SF)	924,561	Renovated / Year	2006		
Parking	On site surface parking				
Project / Unit Amenities, Kitchen Equipment & Tenant Expenses					
<i>Project Amenities</i>					
Storage	No	Fitness	Yes	Concierge	No
Intercom	No	Basketball Court	No	On-Site Management	Yes
Security Patrol	Yes	Playground / Picnic Area	Yes / Yes	Service Coordination	No
Security Cameras	No	Courtyard	No	Non-Shelter Services	No
Clubhouse	No	Recreation Area	Yes	Neighborhood Network	No
Community Room	No	No. Outdoor Pools	1		
Business Center	No	No. Indoor Pools	0		
Computer Center	No	Tennis Cts. -Ind./Outdoor	No/No		
Other Project Amenities	Sports court				
<i>Unit Amenities</i>					
Balcony/Patio	Yes	Laundry room	Yes	Pull Cords	No
CAC	central	W/D in Unit	No	Grab Bars	No
		W/D Hook Ups in Unit	Yes	Handrails	No
Floor Coverings	Carpet				
Other Unit Amenities	Washer and dryer HUs				
<i>Kitchen Equipment</i>					
Stove	Yes	Dishwasher	Yes	Disposal	No
Refrigerator	Yes	Microwave	No		
<i>Tenant Expenses</i>					
		<i>Type</i>			
Tenant Pays Heat	Yes	Electric	Tenant Pays Cold Water	Yes	
Tenant Pays Cooking	Yes	Electric	Tenant Pays Sewer	No	
Tenant Pays Hot Water	Yes	Electric	Tenant Pays Trash	Yes	
Tenant Pays Electric	Yes		Tenant Pays Cable	Yes	
Remarks, Unit Mix & Rentals					

Unit Description	Unit Type	Units	Unit Mix		Avg Rent/Mo	Total Rent	Rent/SF	% of Total
			Avg Unit SF	Total SF				
4-2-1	2 Bd 1.0 Ba		872	0	\$924		\$1.06	
5-3-1.5	3 Bd 1.5 Ba		1,032	0	\$1,059		\$1.03	

Multi-Family Lease No. 4



Property Identification					
Record ID	33204				
Property Name	The Residences at Brookside				
Location	6400 Greenbank Road, Richmond, Virginia 23225				
County / Borough	Richmond City				
Assessor's Parcel #	C0070553075				
Owner	Awe Brookside Owner LLC c/o West End Capital Group, LLC				
Verification					
Lease Date Verification	05-24-2019	Confirmed By	Jackie Marmur		
Verification Name	Eunice - Leasing Agent	Occupancy	98.0%		
Phone Number	844-261-3556				
Physical Data					
Property Type	Garden, Low-Rise	LIHTC Project	No	Subsidized	No
Total Units in Project	427	Stories	2	Elevators	No
Land Size (Acres)	15.209	Year Built	1975	Condition	Fair
Land Size (SF)	662,504	Renovated / Year	No		
Parking	On site surface parking				
Project / Unit Amenities, Kitchen Equipment & Tenant Expenses					
<i>Project Amenities</i>					
Storage	Yes	Fitness	No	Concierge	No
Intercom	No	Basketball Court	No	On-Site Management	Yes
Security Patrol	Yes	Playground / Picnic Area	No / No	Service Coordination	No
Security Cameras	No	Courtyard	No	Non-Shelter Services	No
Clubhouse	Yes	Recreation Area	Yes	Neighborhood Network	No
Community Room	No	No. Outdoor Pools	1		
Business Center	Yes	No. Indoor Pools	0		
Computer Center	No	Tennis Cts. -Ind./Outdoor	No/No		
<i>Unit Amenities</i>					
Balcony/Patio	No	Laundry room	No	Pull Cords	No
CAC	central	W/D in Unit	No	Grab Bars	No
		W/D Hook Ups in Unit	Yes	Handrails	No
Floor Coverings	Carpet and vinyl tile				
Other Unit Amenities	Exterior storage and washer dryer hookups only in three-bedroom town homes				
<i>Kitchen Equipment</i>					
Stove	Yes	Dishwasher	Yes	Disposal	No
Refrigerator	Yes	Microwave	No		
<i>Tenant Expenses</i>					
Tenant Pays Heat	Yes	<i>Type</i>	Electric	Tenant Pays Cold Water	Yes
Tenant Pays Cooking	Yes		Electric	Tenant Pays Sewer	No
Tenant Pays Hot Water	Yes		Electric	Tenant Pays Trash	Yes
Tenant Pays Electric	Yes			Tenant Pays Cable	Yes
Remarks, Unit Mix & Rentals					

Unit Description	Unit Type	Units	Unit Mix		Avg Rent/Mo	Total Rent	Rent/SF	% of Total
			Avg Unit SF	Total SF				
4-2-1	2 Bd 1.0 Ba		855	0	\$823		\$96	
5-3-1.5 TH	3 Bd 1.5 Ba		1,084	0	\$1,085		\$1.00	

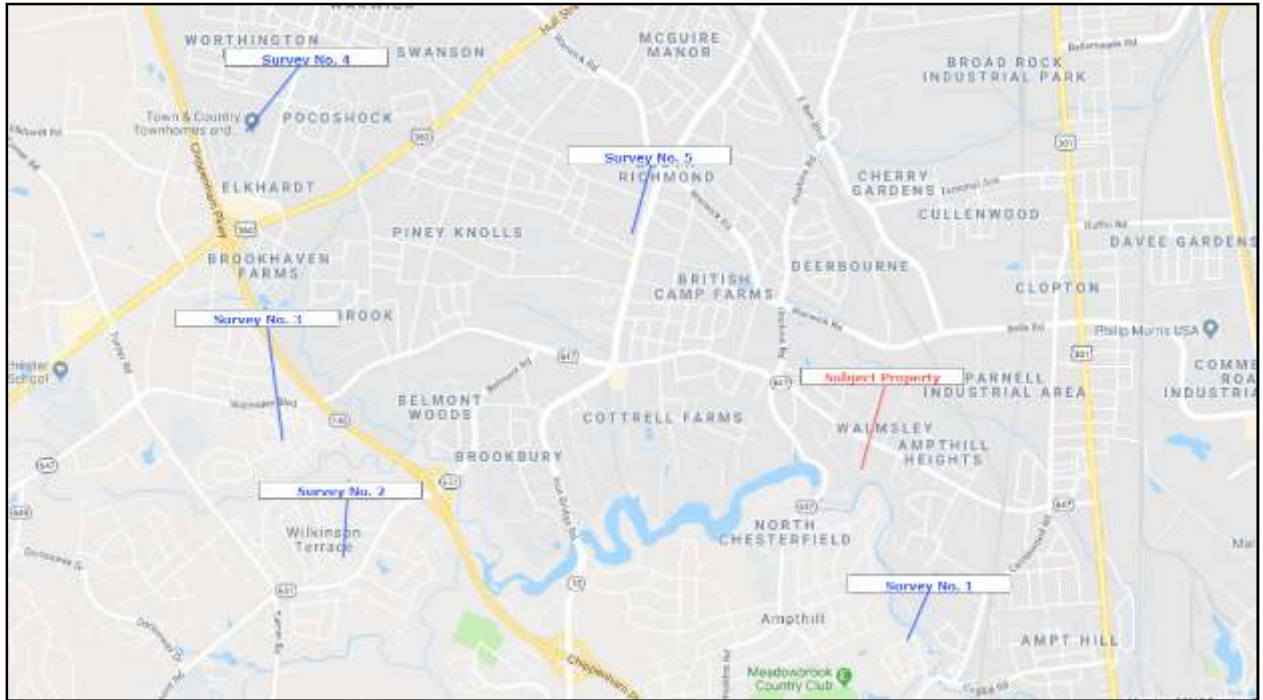
Multi-Family Lease No. 5



Property Identification						
Record ID	33205					
Property Name	Rock Creek					
Location	2822 Broad Rock Boulevard, Richmond, Virginia 23224					
County / Borough	Richmond City					
Assessor's Parcel #	C0080424010					
Owner	Rock Creek, LC					
Verification						
Lease Date Verification	05-24-2019	Confirmed By	Jackie Marmur			
Verification Name	Anna - Leasing Rep	Occupancy	95.0%			
Phone Number	844-232-9714					
Physical Data						
Property Type	Garden, Low-Rise	LIHTC Project	No	Subsidized	No	
Total Units in Project	120	Stories	3	Elevators	No	
Land Size (Acres)	3.940	Year Built	1970	Condition	Average	
Land Size (SF)	171,626	Renovated / Year	No			
Parking	On site surface parking					
Project / Unit Amenities, Kitchen Equipment & Tenant Expenses						
<i>Project Amenities</i>						
Storage	No	Fitness	No	Concierge	No	
Intercom	No	Basketball Court	No	On-Site Management	Yes	
Security Patrol	No	Playground / Picnic Area	No / No	Service Coordination	No	
Security Cameras	No	Courtyard	No	Non-Shelter Services	No	
Clubhouse	No	Recreation Area	No	Neighborhood Network	No	
Community Room	No	No. Outdoor Pools	1			
Business Center	No	No. Indoor Pools	0			
Computer Center	No	Tennis Cts. -Ind./Outdoor	No/No			
<i>Unit Amenities</i>						
Balcony/Patio	Yes	Laundry room	Yes	Pull Cords	No	
CAC	central	W/D in Unit	No	Grab Bars	No	
Floor Coverings	Carpet and hardwood		W/D Hook Ups in Unit	No	Handrails	No
<i>Kitchen Equipment</i>						
Stove	Yes	Dishwasher	Yes	Disposal	No	
Refrigerator	Yes	Microwave	No			
<i>Tenant Expenses</i>						
Tenant Pays Heat	Yes	<i>Type</i>		Tenant Pays Cold Water	Yes	
Tenant Pays Cooking	Yes	Electric		Tenant Pays Sewer	No	
Tenant Pays Hot Water	Yes	Electric		Tenant Pays Trash	No	
Tenant Pays Electric	Yes			Tenant Pays Cable	Yes	
Remarks, Unit Mix & Rentals						

Unit Description	Unit Type	Units	Unit Mix		Avg Rent/Mo	Total Rent	Rent/SF	% of Total
			Avg Unit SF	Total SF				
4-2-1	2 Bd 1.0 Ba		855	0	\$873		\$1.02	

COMPARABLE RENTALS LOCATION MAP



DEFINITIONS OF SOME COMMON APPRAISAL TERMINOLOGY

Source: *The Dictionary of Real Estate Appraisal*

Absorption period - The actual or expected period of time required from when a property is initially offered for purchase or use by its eventual users until all portions have been disposed of by sale or until stabilized occupancy has been achieved.

Accrued depreciation - The difference between an improvement's reproduction or replacement cost and its market value as of the date of appraisal.

Ad valorem tax - a real estate tax based on property value.

Assessed value - the value according to the tax rolls in ad valorem taxation.

Band of investment - A technique in which cash flow rates attributable to components of a capital investment are weighted and combined to derive a weighted average rate attributable to the total investment.

Base rent - the minimum rent stipulated in a lease.

Basis point - one one-hundredth of one percentage point.

BOMA standard - the standard method of floor measurement for office buildings as defined by the Building and Officers Managers Association.

Bundle of rights theory - the concept that compares property ownership to a bundle of sticks with each stick representing a distinct and separate right of the property owner, e.g., the right to use real estate, to sell it, to lease it, to give it away, or to choose to exercise all or none of these rights.

Capitalization Rate - any rate used to convert income into value.

Cash equivalent - a price expressed in terms of cash, as distinguished from a price expressed totally or partly in terms of the face amounts of notes or other securities that cannot be sold at their face amounts.

Cash flow analysis - a study of the anticipated movement of cash in or out of real estate.

Cash on cash - the ratio of the annual equity income to the equity investment. Also called the equity capitalization rate of equity dividend rate.

Common Area - The total area within a property that is not designated for sale or rental, but is available for common use by all owners, tenants or their invitees, e.g., parking and its appurtenances, malls, sidewalks, landscaped areas, public toilets and service facilities.

Common Area Maintenance (CAM) - expenses of operating and maintaining common areas.

Concession - an inducement to a tenant to lease space, usually in the form of free rent, additional tenant improvement allowance, moving costs, etc.

Consumer Price Index (CPI) - a measurement of the cost of living determined by the U.S. Bureau of Labor Statistics.

Contract rent - the actual rental income specified in a lease.

Debt coverage ratio - the ratio of net operating income to annual debt service ($DCR = NOI/IM$).

Deferred maintenance - curable, physical deterioration that should be corrected immediately, although work has not commenced.

Development right - the right to build on or beneath a property, subject to local zoning, building codes, etc.

Direct capitalization - the method used to convert an estimate of a single year's income expectancy or an average of several years' income expectancies into an indication of value in one direct step, either by dividing the income estimate by an appropriate rate or by multiplying the income estimate by an appropriate factor.

Discounted cash flow analysis - a set of procedures in which the quantity, variability, timing, and duration of periodic income, as well as the quantity and timing of reversions, are specified and discounted to a present value or a specified yield.

Discount rate - a rate of return commensurate with the perceived risk used to convert future payments or receipts into present value.

Easement - an interest in real property that conveys use, but not ownership, of a portion of an owner's property.

Easement appurtenant - an easement that is attached to, benefits, and passes with the conveyance of the dominant estate.

Economic age-life method - the method of estimating accrued depreciation in which the ratio of a building's effective age to its total life is applied to the current cost of the improvements to obtain a lump sum deduction.

DEFINITIONS OF SOME COMMON APPRAISAL TERMINOLOGY

Economic life - the period over which improvements to real property contribute to property value.

Effective age - the age indicated by the condition and utility of a structure.

Effective gross income (EGI) - the anticipated income from all operations of real property adjusted for vacancy and collection loss.

Effective tax rate - the ratio between a property's annual property tax and its market value; the tax rate times the assessed value divided by the market value; the official tax rate times the assessment ratio.

Equity capitalization (dividend) rate - an income rate that reflects the relationship between a single's year pre-tax cash flow expectancy and the equity investment.

Equity yield rate - an annualized rate of return on equity capital, as distinguished from the rate of return on debt capital or interest.

External obsolescence - an element of accrued depreciation; a defect, usually incurable, caused by negative influences outside a site.

Exposure time - the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. Exposure time is always presumed to occur prior to the effective date of the appraisal.

Extraordinary Assumptions - an assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis.

Fee simple estate - absolute ownership unencumbered by any other interest or estate subject to only the four powers of government.

Functional obsolescence - a defect caused by a defect in the structure, materials, or design.

Hypothetical conditions - that which is contrary to what exists but is supposed for the 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 about the integrity of data used in an analysis.

Internal rate of return - a measurement of investment performance; the rate of return on capital that is generated within an investment over a period of ownership.

Land-to-building ratio - the proportion of land area to gross building area.

Leased fee estate - an ownership interest held by a landlord with the right of use an occupancy conveyed by lease to others.

Marketing time - the time it takes an interest in real property to sell on the market sub-sequent to the date of an appraisal.

Market rent - the rental income that a property would most probably command in the open market.

Net operating income - the actual or anticipated net income remaining after deducting all operating expenses from effective gross income, but before deducting mortgage debt service and book depreciation.

Potential gross income - the total income attributable to real property at full occupancy before deduction for vacancy and operating expenses.

Present value - the value of a future payment or series of future payment discounted to the current date or to time period zero.

Rentable Area - This is the usable area of an office area, with its associated share of both floor common area and building common area added on. Rentable area is determined by multiplying the Usable area by the combined R/U ratio.

R/U Ratio - The combined conversion factor, obtained by multiplying the Floor R/U by the Building R/U ratios, which when applied to any Usable area, gives the Rentable area of that office or store area.

Terminal capitalization rate - the rate used to convert income into an indication of the anticipated value of the subject real property at the end of the holding period.

Vacancy and collection loss - an allowance for reduction in potential income attributable to vacancies, tenant turnover, and nonpayment of rent.

TEMPORARY PRACTICE PERMIT

COMMONWEALTH of VIRGINIA
Department of Professional and Occupational Regulation
9960 Mayland Drive, Suite 400, Richmond, VA 23233
Telephone: (804) 367-8500

EXPIRES ON
12-31-2019

NUMBER
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JACQUELINE JANE MARMUR
222 EASTHAM ROAD
PT PLEASANT, NJ 08742



Stephany D. ...
Secretary of the Board

Status can be verified at <http://www.dpor.virginia.gov>

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PROFESSIONAL QUALIFICATIONS OF TONY F. KAMAND JR., MAI

REAL ESTATE VALUATION AND CONSULTING (1986 TO PRESENT)

Real estate valuation of all types of improved and unimproved real property. Properties have been located throughout the United States with extensive experience on multifamily properties. The main geographic area of expertise has been in New Jersey, New York, Delaware, Maryland and Pennsylvania on the following property types:

Apartments	LIHTC Projects	HUD Projects
Rent Comparability Studies	Healthcare Properties	Retail Centers
Industrial	Office	Special Purpose Properties

PROFESSIONAL LICENSES AND CERTIFICATIONS

State of New Jersey - Certified General Real Estate Appraiser - RG-00668
State of New York - Certified General Real Estate Appraiser - 46000026069
State of Pennsylvania - Certified General Real Estate Appraiser - GA001862
State of Delaware - Certified General Real Estate Appraiser - 143010
State of Maryland - Certified General Real Estate Appraiser - 27830

PROFESSIONAL AFFILIATIONS

MAI Member of the Appraisal Institute
Past President (2005, 2011 and 2012) - Appraisal Institute, Central New Jersey Chapter
Past Treasurer (1995 to 2004) - Appraisal Institute, Central New Jersey Chapter

QUALIFIED AS EXPERT WITNESS

Federal Bankruptcy Court, New Jersey Tax Court, New York Tax Court, Pennsylvania Tax Court, Various County Tax Boards and Zoning Boards

EDUCATION

Bloomfield College - B.S. in Business Administration

The Appraisal Institute

Real Estate Appraisal Principles	Residential Valuation
Basic Valuation	Standards of Ethics & Professional Practice
Capitalization Theory/Techniques Part A	Capitalization Theory/Techniques Part B
Case Studies in Real Estate Valuation	Report Writing in Real Estate Valuation

Additional Courses/Seminars

Governor's Conference - Multi-Family Housing, HUD Third Party Technical Training for MAP, The Economy and Rates, Urban Land Institute - Improving Shopping Center Performance, Real Estate Commercial Markets, Appraisal Institute - Appraising Retail Properties, Argus Real Estate Analysis Software, Numerous other seminars and courses

REPRESENTATIVE CLIENTS

Banks, Attorneys, Developers, Government Agencies, Fortune 500 Companies, Insurance Companies and Institutional Investors.

PROFESSIONAL QUALIFICATIONS OF

JACQUELINE MARMUR

REAL ESTATE VALUATION AND CONSULTING (2005 TO PRESENT)

Real estate valuation of all types of improved and unimproved real property. Properties have been located throughout the United States with experience in the following property types:

LIHTC and Affordable Apartments
Free-standing retail
Healthcare properties

Industrial properties
Condominiums
Retail Strip Center

Vacant land
Rent Comparability Studies
Special purpose properties

PROFESSIONAL LICENSES AND CERTIFICATIONS

State of New Jersey - Certified Residential Real Estate Appraiser – RA432

State of New Jersey - Certified General Real Estate Appraiser - RG-2523

PROFESSIONAL AFFILIATIONS

Appraisal Institute, Central New Jersey Chapter

QUALIFIED AS EXPERT WITNESS

Various County Tax Boards in New Jersey

EDUCATION

Bachelor of Science-Business Administration Concentration: Marketing

Rowan University, Glassboro, NJ

May 2002

Master of Business Administration

Rowan University, Glassboro, NJ

May 2004

The Appraisal Institute

Fundamentals Of Real Estate Appraisal

15 Hour National USPAP

Preparing A Single Family Residential Report

REPRESENTATIVE CLIENTS

Banks, Attorneys, Developers, Government Agencies, Fortune 500 Companies, Insurance Companies and Institutional Investors.