

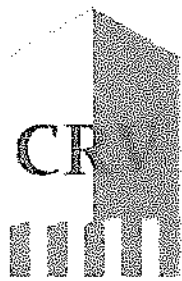


Board of Directors

Agenda Item #7

**Discussion regarding
the assessment of
Mid-City Gardens Apartments**

June 13, 2018



Certified Realty Valuations
Commercial Real Estate Valuation,
Consulting & Litigation Support

MID CITY GARDENS APARTMENTS
1690 North Boulevard
Baton Rouge, Louisiana 70802

PROPERTY TYPE:

Multi-Family Apartment Property

PERTINENT DATES:

Valuation Date: March 20, 2018
Report Date: April 2, 2018

REPORTING REQUIREMENT:

Report Type: Appraisal

PREPARED FOR:

Mr. Keith Cunningham
LOUISIANA HOUSING CORPORATION
2415 Quail Drive
Baton Rouge, Louisiana 70808

PREPARED BY:

CERTIFIED REALTY VALUATIONS, LLC
203 Hamlet Lane
Lafayette, Louisiana 70508

TRACKING NUMBERS:

CRV Job No.: 18-029



April 2, 2018

Mr. Keith Cunningham
LOUISIANA HOUSING CORPORATION
2415 Quail Drive
Baton Rouge, Louisiana 70808

RE: **MID CITY GARDENS APARTMENTS**
1690 North Boulevard
Baton Rouge, Louisiana 70802
CRV Job No.: 18-029

Dear Mr. Cunningham:

At Louisiana Housing Corporation's request and authorization, Certified Realty Valuations (CRV) has prepared an appraisal of the market value of the referenced property and presented our analysis in the following Appraisal Report. Specifically, based on the intended use and in consideration of the subject's physical and economic characteristics CRV has prepared an appropriate scope of work that will provide for a credible value result.

The significant elements of the scope of work included an: i) interior/exterior observation of the subject and its surroundings; ii) a collection, verification and analysis of improved sales and rental data; iii) an analysis of the subject's existing and/or pro forma economic operating characteristics; and iv) completion of the Sales Comparison and Income Approaches to value.

The subject of this report consists of an rent-restricted multi-family residential development, totaling 60 dwelling units contained within 8 buildings on a 2.095-acre site. The subject was appraised with its encumbered rents and with the *Hypothetical Condition* of the rents not restricted, but subject to current market conditions.

The subject is located at and along 1690 North Boulevard, in Baton Rouge, East Baton Rouge Parish, Louisiana. CRV has provided the pertinent data for the property below:

Physical Data		
Gross Land Area (Acres)	2.095 Acres	- All Useable
Gross Land Area (SF)	91,258 SF	- Irregular Shaped Infill Parcel
No. of Buildings	8	- Large Activity Center, Mostly Office Space
Gross Building Area	52,904 SF	- All Rentable SF
No. of Stories	2-3	- All "Flat" units, except 3 BR Townhouse Units
No. of Units	60 Units	- Two-Story Buildings
Average Unit Size	882 SF	- 1, 2 and 3 Bedroom Units
Year Built	2012	- Year Built
Property Condition	Good	- Very Minor Deferred Maintenance Observed

This is an **Appraisal Report**, which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice (2018-2019) for an **Appraisal Report**.

As such, the reporting format is similar to the reporting format formerly known as the Summary format as defined by the previous version of USPAP. The report presents only summary discussions of the data, reasoning, and analyses used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation that is not provided with the report concerning the data, reasoning, and analyses is retained in the appraiser's file.

The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated in the report. The appraiser is not responsible for unauthorized use of this report.

Data, information, and calculations leading to the value conclusion(s) are incorporated in the report following this letter. The report, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from, this letter.

Based on the analysis contained in the following report, after considering the Extraordinary Assumptions and Hypothetical Conditions listed in the Executive Summary section of this report (if any), the market value of the subject is concluded as follows:

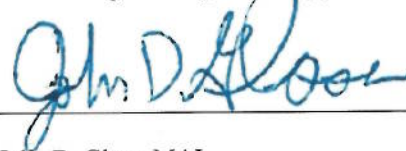
MARKET VALUE CONCLUSIONS			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Current "As Is" Market Value - "Encumbered"	Fee Simple	March 20, 2018	\$3,270,000
Current "As Is" Market Value - "Non-Encumbered"	Fee Simple	March 20, 2018	\$7,830,000

The following appraisal sets forth the most pertinent data gathered, the techniques employed, and the reasoning leading to the opinion of value. The analyses, opinions and conclusions were developed based on, and this report has been prepared in conformance with, our interpretation of the guidelines and recommendations set forth in the Uniform Standards of Professional Appraisal Practice (USPAP), the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), Title XI Regulations and Louisiana Housing Corporation's appraisal standards.

It has been a pleasure to assist you in this assignment. If you have any questions concerning the analysis, or if Certified Realty Valuations can be of further service, please contact us.

Respectfully submitted,

CERTIFIED REALTY VALUATIONS
Consulting & Litigation Support

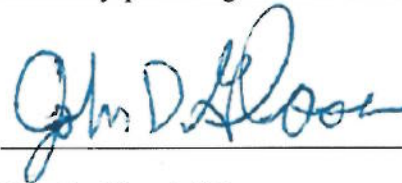


John D. Glass, MAI
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CERTIFICATION

I certify to the best of my (our) knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and my (our) personal, impartial and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in or bias with respect to the property that is the subject of this report and have no personal interest in or bias with respect to the parties involved with this assignment.
4. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
5. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
6. This appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
7. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the uniform standards of professional appraisal practice.
8. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
9. John D. Glass, MAI has made a personal observation of the property that is the subject of this report.
11. No one has provided real property appraisal assistance to the person(s) signing this certification in the form of property inspection.
12. I certify that, to the best of my (our) knowledge and belief, the reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute.
13. John D. Glass, MAI has extensive experience in the appraisal of similar property types.
14. John D. Glass, MAI is currently certified in the state where the subject is located.
15. Neither I, nor this firm has performed prior professional services regarding the subject property, as appraisers or in any other capacity, within the three-year period immediately preceding the date of acceptance of this assignment.



John D. Glass, MAI
Owner/Chief Appraiser



View of the subject Activity Center



Typical exterior view of the subject residence buildings



View of the subject activity center lobby area



View of the subject activity center lobby area



View of the subject activity center lobby area



View of subject unfinished office space



View of the subject laundry area



View of the subject activity center elevator



View of the subject activity office space



View of the subject activity center office space



View of the subject activity center office space



Typical interior view of subject living area



Typical interior view of subject living area



Typical interior view of subject living area



Typical interior view of subject living area



Typical interior view of subject living area



Typical interior view of subject living area



Typical exterior view of the subject



East Baton Rouge Parish Aerial Tax Map – Facing North

EXECUTIVE SUMMARY

Below CRV has summarized the pertinent physical and financial data with respect to the subject property and our appraisal:

EXECUTIVE SUMMARY		
Property Name	Mid City Gardens Apartments	
Location	1690 North Boulevard Baton Rouge, Louisiana 70802	
Tax Parcel Number	29483 29491 29580 29599 29602 29505 29629 29513 29610	
Appraisal Data		
Interest Appraised	Fee Simple	
Valuation Date - Current	March 20, 2018	- "As Is"
Report Date	April 2, 2018	
Physical Data		
Gross Land Area (Acres)	2.095 Acres	- All Useable
Gross Land Area (SF)	91,258 SF	- Irregular Shaped Infill Parcel
No. of Buildings	8	- Large Activity Center, Mostly Office Space
Gross Building Area	52,904 SF	- All Rentable SF
No. of Stories	2-3	- All "Flat" units, except 3 BR Townhouse Units
No. of Units	60 Units	- Two-Story Buildings
Average Unit Size	882 SF	- 1, 2 and 3 Bedroom Units
Year Built	2012	- Year Built
Property Condition	Good	- Very Minor Deferred Maintenance Observed
Financial Data		
	Encumbered	Non-Encumbered
Est. Exposure Time	12 Mos.	12 Mos.
Current Occupancy	93.3%	93.3%
Stabilized Occupancy	94%	94%
Average Market Rent Per Unit	\$707	\$1,280
Total PRI (Stabilized)	\$509,112	\$1,069,525
Capitalization Rate	8.00%	8.00%
Valuation Data - "As Is" "Encumbered"		
	Nominal	\$ Per Unit
Cost Approach	Not Applicable	NA
Sales Comparison Approach	\$3,220,000	\$53,667
Income Approach	\$3,310,000	\$55,167
Valuation Data - "As Is" "Non-Encumbered"		
	Nominal	\$ Per Unit
Cost Approach	Not Applicable	NA
Sales Comparison Approach	\$7,750,000	\$129,167
Income Approach	\$7,890,000	\$131,500
Reconciled Market Values		
	Nominal	\$ Per Unit
Market Value - "As Is" "Encumbered"	\$3,270,000	\$54,500
Market Value - "As Is" "Non-Encumbered"	\$7,830,000	\$130,500

Valuation Highlights

- The subject consists of a 60-unit multi-family residential development. The subject was 93.3% occupied as of the date of value, with 4 vacant units.
- The subject is encumbered by an agreement that stipulates for 15 years ending in 2027 the property be rented to residents with income not exceeding limits based upon total occupancy of each unit. As such, the monthly rents are restricted to a certain range, based upon U.S. HUD rental limits.

- The property was acquired and constructed with a variety of public resources and is owned and administered by Louisiana Housing Corporation.
- The subject's location is characterized as urban infill in nature. The subject property will likely cater to mostly couples and small families, with many generally employed at neighborhood retail, office and government entities. The subject neighborhood is mature and abuts the Baton Rouge central business district to the north.

EXTRAORDINARY ASSUMPTIONS

Extraordinary assumptions are defined by the Uniform Standards of Professional Appraisal Practice as "...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."

This appraisal employs the following extraordinary assumptions:

1. CRV was not provided with a copy of the deed restrictions, if any, for the subject site. CRV has assumed that there are no detrimental easements affecting the subject property. CRV reserves the right to amend the report should this assumption prove invalid. The Client is urged to order a survey prior to making any decisions with regard to this property.
2. CRV inspected the subject property
3. Based upon our review of the flood map provided by FEMA, CRV believes that the subject property is located **outside** an area prone to flooding (Zone "X"). Therefore, CRV assumes that flood insurance most likely **would not** be a requirement for the subject property. However, CRV is not an expert in this field and strongly recommends the Client obtain a certified flood zone determination before making any decisions with regard to this property.
4. While the appraiser did not observe the electrical and plumbing improvements, CRV assumes that these components will be average quality construction/operable condition. However, CRV strongly recommends that a professional engineering firm be engaged to provide an opinion as to the condition of these improvements prior to the Client making any decisions with regard to this property.
5. CRV was provided with a survey that revealed gross land area. As such, CRV relied on the public records and general measurements made in the field. CRV has assumed that the estimates utilized herein are accurate and reserves the right to any values reported herein should they be determined to be incorrect.
6. CRV was provided floor plans, and construction plans. CRV utilized the data on the plans to estimate net rentable area.
CRV assumes the data utilized herein is correct and reserves the right to amend any market values reported herein should they be determined otherwise.
7. CRV requested and very promptly received operating income and expenses, among other data, from the current owner. The owner provided operating income and expense documentation for fiscal years 2015, 2016 and 2017, as requested. CRV has assumed the current owner's representations of the current operating information to be true and correct. CRV reserves the right to any values reported herein data provided by the owner be determined to be incorrect.
8. Unless otherwise stated in this report, CRV assumes that there are no liens, or other title defects associated with the subject property. The property is appraised as if free and clear from any such encumbrances. According to the East Baton Rouge Parish Tax Collectors Office, the subject has no delinquent taxes.

HYPOTHETICAL CONDITIONS

Hypothetical conditions are defined by the Uniform Standards of Professional Appraisal Practice as "...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 the analysis.”

This appraisal employs the following hypothetical conditions:

1. **The subject was appraised as if the current rent and income restrictions in place, were not in place, which is a *Hypothetical Condition*.**

TABLE OF CONTENTS

INTRODUCTION 1

REGIONAL ANALYSIS 5

NEIGHBORHOOD ANALYSIS..... 9

MARKET ANALYSIS 11

FEMA FLOOD MAP..... 14

SITE ANALYSIS 15

FLOORPLANS..... 18

ACTIVITY CENTER FLOORPLANS..... 20

IMPROVEMENT ANALYSIS..... 22

ASSESSMENT & TAXES 25

HIGHEST & BEST USE..... 26

APPRAISAL METHODOLOGY 28

SALES COMPARISON APPROACH – NON-ENCUMBERED BY RESTRICTED RENTS 29

SALES COMPARISON APPROACH – ENCUMBERED BY RESTRICTED RENTS 32

INCOME APPROACH - “NON-ENCUMBERED” 36

INCOME APPROACH - “ENCUMBERED” 49

RENT ROLL..... 51

RECONCILIATION..... 61

ASSUMPTIONS & LIMITING CONDITIONS 62

ADDENDA

- ADDENDUM A: LETTER OF ENGAGEMENT
- ADDENDUM B: QUALIFICATIONS
- ADDENDUM C: IMPROVED SALES COMPARABLE PHOTOGRAPHS
- ADDENDUM D: RENT COMPARABLE PHOTOGRAPHS

INTRODUCTION

In the section that follows CRV has provided the following: identification of the property, property ownership & recent history, the purpose and intended use of this appraisal, the appraisal process, the property rights appraised, the definition of value, estimate of exposure & marketing time, and other miscellaneous terms & definitions.

IDENTIFICATION OF PROPERTY

The subject of this report consists of a 60-unit multi-family residential investment asset. The subject property is situated on a total of 2.095-gross acre site area located at and along 1690 North Boulevard in the City of Baton Rouge, East Baton Rouge Parish, Louisiana. The East Baton Rouge Parish tax parcel identification numbers are: 29483 29491 29580 29599 29602 29505 29629 29513 29610

The subject's legal description is taken from its construction plans, and has been reproduced below.

<p><i>DEING</i></p> <p><i>LOTS 4, 5, 7-11, I, H, G, N & O SQUARE 321 MAGNESIAVILLE</i></p> <hr/> <p><i>AND</i></p> <p><i>LOTS 35 & 38 SQUARE 219 GREENVILLE</i></p> <hr/> <p><i>LOCATED IN T-7-S, R-1-W SOUTHEASTERN LAND DISTRICT, EAST BATON ROUGE PARISH, LOUISIANA</i></p>
--

PROPERTY OWNERSHIP & RECENT HISTORY

Current Ownership History

- The subject is currently under the ownership of Louisiana Housing Corporation (LHC). The Louisiana Housing Corporation (LHC) acquired the property in 2010 through the foreclosure of a HOME project which LHC funded. The project was named Capital City South Apartments at that time. LHC obtained NSP funding through an agreement with the Office of Community Development to rebuild and rename the project to MidCity Gardens. No arm's-length transfers of ownership in the past five years are known to CRV.
- CRV is not aware of any listings for sale or any other pending contracts for sale concerning the subject property.

General Physical Data

CRV has presented pertinent subject property information in the table below:

Physical Data		
Gross Land Area (Acres)	2.095 Acres	- All Useable
Gross Land Area (SF)	91,258 SF	- Irregular Shaped Infill Parcel
No. of Buildings	8	- Large Activity Center, Mostly Office Space
Gross Building Area	52,904 SF	- All Rentable SF
No. of Stories	2-3	- All "Flat" units, except 3 BR Townhouse Units
No. of Units	60 Units	- Two-Story Buildings
Average Unit Size	882 SF	- 1, 2 and 3 Bedroom Units
Year Built	2012	- Year Built
Property Condition	Good	- Very Minor Deferred Maintenance

INTENDED USE OF THE APPRAISAL

This report is to be utilized for internal decision making regarding the subject. There are no other intended uses and/or users of this report.

INTENDED USER OF THE APPRAISAL

The intended user is the client, Louisiana Housing Corporation and/or its affiliates.

PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to estimate the current "As Is" market value of the Fee Simple Estate in the subject property.

TYPE AND DEFINITION OF VALUE

The definition of market value is taken from the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) and is as follows: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

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

All of the above conditions are assumed in the valuation analysis.

SCOPE OF WORK

In the process of preparing this appraisal:

1. CRV observed both the interior and exterior of the subject property. CRV observed an ample sampling of each unit type and the entire Activity Center asset. Both the interior and exterior observations were limited to those items readily observable during our visit to the property.

For instance, CRV did not attempt to detect any physical issues that would not be readily observable without removal or alteration of the improvements (i.e., removing drywall or wallpaper, pulling up carpeting or floor tile, removing ceiling tiles, etc.). Furthermore, CRV did not observe the attic, roof, plumbing, electrical, HVAC or other building systems.

As well, CRV did not attempt to detect any environmental hazards at the subject that were not readily observable during our on-site visitation, nor did we conduct any off-site research into potential environmental hazards, which

might affect the subject. Finally, no research into pending legal proceedings (such as planned condemnation for public-right-of-way, etc.) was undertaken by CRV.

2. Floor plans with dimensions were available in preparation of this report. These figures have been crosschecked to the extent possible with public records and have been relied upon in this appraisal.
3. CRV toured the subject’s surrounding environment and attempted to identify and consider those characteristics that may have a legal, economic or physical impact on the subject. However, unless otherwise noted in this appraisal, CRV did not conduct any research into non-observable neighborhood issues such as environmental contamination, pending public condemnation issues, etc.
4. CRV physically observed the micro and/or macro market environments with respect to physical and economic factors relevant to the valuation process; expanded this knowledge through interviews with regional and/or local market participants, available published data and other various resources;
5. CRV conducted regional and/or local research with respect to applicable tax data, zoning requirements, flood zone status, demographics, and comparable listing, sale and rental information;
6. CRV analyzed the data gathered using appropriate and accepted appraisal methodology to arrive at a probable value indication via each applicable approach to value;
7. CRV correlated and reconciled the results into a reasonable and defensible value conclusion, as defined herein; and
8. CRV estimated a reasonable exposure time and marketing time associated with the value estimate presented.

DATE OF VALUES & PROPERTY VISITATION

The date of the current “As Is” market value of the Fee Simple Estate is March 20, 2018. The subject property was last visited by John Glass, MAI on March 20, 2018.

PROPERTY RIGHTS APPRAISED

CRV has appraised the fee simple estate in the subject property.

EXPOSURE & MARKETING TIME

Current appraisal guidelines require an estimate of a reasonable time in which the subject property could be brought to market and sold. This reasonable period can be examined either historically or prospectively. In a historic analysis, this is referred to as exposure time. Exposure time always precedes the date of value with the underlying premise being the time a property would have been on the market prior to the date of value, such that it would sell at its appraised value as of the date of value. On a prospective basis, the term marketing time is most often used. The exposure or marketing time is a function of price, time, and use. It is not an isolated estimate of time alone. It is different for various types of real estate and under various market conditions. In consideration of these factors, CRV has analyzed the comparable sales, investor surveys and the opinions of market participants.

The following table presents the information derived from this source:

EXPOSURE & MARKETING TIME			
Source	Range in Months		Average
Improved Sales	7 Mo.	- 15 Mo.	12.0 Mo.
Market Participants	8 Mo.	- 15 Mo.	12.0 Mo.
CRV Conclusion			12 Months

Based on this analysis, CRV has concluded an exposure/marketing time of 12 months or less would be considered reasonable for the subject property. This exposure/marketing time reflects current economic conditions, current real estate investment market conditions, the terms and availability of financing for real estate acquisitions, and property and market-specific factors. It assumes that the subject property is (or has been) actively and professionally marketed. The marketing/exposure time would apply to all valuation premises included in this report.

TERMS & DEFINITIONS

The following definitions of pertinent terms are taken from the Dictionary of Real Estate Appraisal, Fifth Edition (2010), published by the Appraisal Institute.

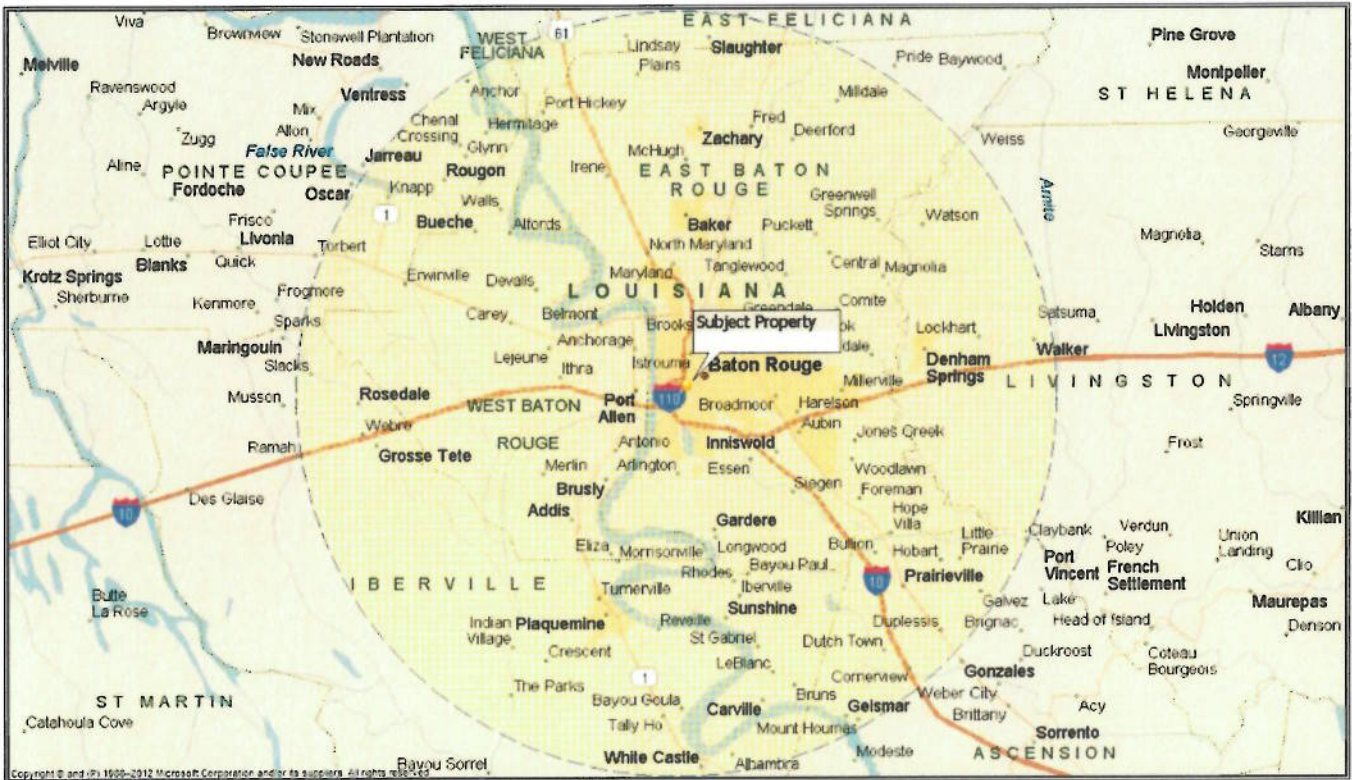
Fee Simple Estate: Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

Leased Fee Interest: A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord-tenant relationship (i.e., a lease).

Market Rent: The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the specified lease agreement including term, rental adjustment and revaluation, permitted uses, use restrictions, and expense obligations.

REGIONAL ANALYSIS

The map below depicts the subject’s physical location within the Baton Rouge-Pierre Part Combined Statistical Area (MSA). The subject location is illustrated with a 25-mile radius.



Location Description: The subject property is located at the southwest corner of North Boulevard and South 17th Street, City of Baton Rouge, East Baton Rouge Parish, Louisiana, within the Baton Rouge-Pierre Part CSA. The subject is located one-half mile southeast of the Baton Rouge central business district.

The Combined Statistical Area is comprised of ten parishes in southwest Louisiana including Ascension Parish, Assumption Parish, East Baton Rouge Parish, East Feliciana Parish, Iberville Parish Livingston Parish, Point Coupee, St. Helena Parish, West Baton Rouge Parish, and West Feliciana Parish. The most populous city in the subject’s CSA is Baton Rouge with an estimated 227,715 residents in 2016, per the U.S. Census Bureau. As of the 2010 census, the larger Baton Rouge-Pierre Part CSA had a population of 827,935. The CSA is the second most populous CSA in Louisiana behind New Orleans-Metairie-Bogalusa CSA.

CSA General Economic Overview

The Baton Rouge- Pierre Part CSA is dominated by East Baton Rouge Parish and its largest incorporated jurisdiction, the City of Baton Rouge. The parish seat is Baton Rouge, Louisiana’s state capital. The East Baton Rouge Parish economic base is dominated by the oil and gas service industry, the healthcare industry, higher education and government administration.

CSA General Economic Overview

The Baton Rouge- Pierre Part CSA is dominated by East Baton Rouge Parish and its largest incorporated jurisdiction, the City of Baton Rouge. The parish seat is Baton Rouge, Louisiana’s state capital. The East Baton Rouge Parish economic base is dominated by the oil and gas service industry, the healthcare industry, higher education and state/local government services. Of the 15 top employers in East Baton Rouge Parish, seven are oil and gas service businesses.

According to Dr. Loren Scott, Professor Emeritus of Economics, LSU Baton Rouge, "The 9-parish Baton Rouge MSA is heading into an industrial expansion like none other in its history. The Greater Baton Rouge Industrial Manager's Alliance (GBRIMA) has tabulated a remarkable \$23.7 billion in industrial projects that are either announced or underway. GBRIMA projects the demand for construction workers in the region will jump from 17,500 to 31,000 in the next year.

Baton Rouge's five very strong years of growth in a row is largely due to the record industrial expansions in the area. Again, unlike the case in New Orleans and Lake Charles, the great majority of the announcements are under construction, whereas in those other two MSAs many announcements are at the FEED stage and are only "potentials". As we pointed out back in the assumptions section, natural gas prices have fallen sharply in the U.S. but are significantly higher in Europe. Chemical firms are prodigious users of natural gas. The price advantage in the U.S. has been translated into a price advantage for our chemicals over those produced in Europe. Consequently, U.S. firms are cutting into Europe's share of the world chemical market.

The Baton Rouge MSA is ideally situated to capitalize on this boom. There are numerous pipelines already in place to deliver natural gas to the plants. There is an abundance of available water (the Mississippi River), and there is an excellent waterway for transporting the bulk production of this industry by barge (the Mississippi River).

These are the drivers behind the \$8 billion in industrial announcements in the region. These projects include the following:

- Dow Chemical is spending \$1.06 billion on two polyolefin plants and other capital upgrades. One project will be finished in 2015-III and another should be completed by the end of 2016. The projects will add 71 new jobs at an average annual wage of \$49,000.
- In Ascension Parish, the 1,600-person BASF plant is building four new facilities at a total cost of \$500 million. One is underway, construction on two is about to start, and a third will start in early 2016. About 100 new jobs will be created.
- \$2.1 billion is being spent by CF Industries in Donaldsonville to build the nation's largest nitrogen fertilizer plant. It should be completed in 2016 and employ 93 people.
- Shintech announced in April a \$1.4 billion expansion that will involve an ethane cracker and connections to PVC and VCM production lines in Iberville Parish. Completion is expected in 2018-II, and 100 new jobs at \$68,500 annually will result.
- Also at the Shintech site, SE Tylose is about 60% along in constructing a \$120 million chemical plant. The company held a job fair last summer to hire 30 workers for the new plant.
- Methanex Corporation announced it will spend \$1.1 billion to move two idle methanol plants from Chile to Ascension Parish. The first plant opened in 2014, and equipment for the second plant is on site with a planned opening date in 2016 -I. The 2-plant complex will employ 165 people at \$56,000 annually. The firm is also examining the possibility of moving a third plant from Chile to the Ascension site which would involve another \$600 million investment.
- Honeywell is spending \$80 million on expansions at two of its sites in Baton Rouge and one in Geismar. The firm will retain 200 jobs and add another 10 to its workforce.
- Genesis Energy is nearing completion of a \$150 million, 1.1-million-barrel storage terminal for oil, intermediates, and refined products at the Port of Baton Rouge. The facility should be operational at the end of 2015. No employment numbers were provided.
- Momentive Specialty Chemicals will spend \$30 million at its Geismar facility and add 5 new jobs.
- PSC Nitrogen announced in July that it will build a new urea plant in Geismar to be completed in mid-2018. No new jobs are projected with this expansion.

- At the USA Rail & Terminal Industrial Park in Port Allen, Thermaldyne will build a new \$19 million waste remediation plant and add 45 jobs at \$70,000 annually. Construction is to start 2015-III and open in 2016-II.
- Last year we indicated that NFR BioEnergy had announced it will move its headquarters from New York to White Castle and begin spending \$312 million to build 10 sugar-refining hubs that would take bagasse and produce hardened energy pellets for use as fuel in global power plants. An initial plant in White Castle was to be ready for the 2015 harvest season. The firm would hire 127 by the end of 2016 and expected to be at 450 by 2019. The \$312 million would be spent by the end of 2018. The firm is behind on this schedule but has begun initial hiring.
- Former officials with Shaw started up a new company---Epic Piping---and are building a \$45.3 million, 200,000 square foot pipe fabrication facility in Livingston Parish. The firm will hire 560 people at an average annual wage of \$56,500 and should open in 2016-III.
- Stepan Company is exploring the possibility of constructing a \$60 million to \$70 million plant in Geismar that would employ 33 people at an average annual wage of \$70,000. The firm would need to buy property from and use raw materials from Shell’s Chemical plant. The firm is conducting FEED work now and expects a final decision in 2015-III.
- Two new glass-oriented companies are coming to Baton Rouge. ClearEdge Wholesale Glass is relocating from New Orleans and will spend \$2.65 million to renovate a 41,000-square foot building and employ 120 workers at \$39,300 annually. Glaz-Tech is building a new \$4 million glass manufacturing plant that will employ 50 people at \$34,000 annually.
- Renewable Energy Group is very close to reopening the old Dynamic Fuels site in Geismar. The firm is aiming for a 2015-III opening and will hire 60 people.
- There is about a 90% probability that an unnamed company---assigned the moniker “Project ACE” ---will spend \$20 million to construct a facility that reprocesses materials from local plants. About 45 jobs at \$30 per hour would be associated with this development.
- A prospect at the very early stages of development comes from Huntsman Corporation in Geismar. The company is conducting preliminary FEED work on increasing its MDI production by 80%. The firm has not indicated how large the capital expansion would be money-wise, nor has it indicated the expected job creation.

Some key area economic statistics are in the table below.

BATON ROUGE MSA								
2011	2012	2013	Indicators	2014	2015	2016	2017 YTD	
12,579.0	10,799.0	13,026.0	Gross metro product (\$mill)	14,085.0	14,719.0	NA	NA	
1.4%	-14.2%	20.6%	% change	8.1%	4.5%	NA	NA	
518.4	527.9	527.3	Total employment (000)	537.3	552.4	564.5	569.4	
4.2%	1.8%	1.7%	% change	1.9%	2.8%	2.2%	0.0	
5.4	7.6	7.9	Unemployment rate	6.5	5.1	5.0	5.0	
50.3	47.8	50.0	Personal income (\$Bill)	51.8	54.6	55.5	NA	
196.3	198.0	200.8	Population (000)	1,196.0	1,214.0	1,227.0	1,240.0	
141.8	140.9	141.8	Existing-Housing Price Index	141.1	145.5	155.5	156.7	

MAJOR EMPLOYERS-CSA		
Rank	Company	# Employees
1	Turner Industries Group	9,700
2	LSU System	6,150
3	ExxonMobil Corporation	5,938
4	Performance Contractors	5,500
5	Our Lady the Lake Regional Medical Center	4,099
6	Baton Rouge General Medical Center	3,000
7	McDonald's of Baton Rouge	2,724
8	Cajun Industries	2,700
9	Dow Chemical Company	2,200
10	MMR Group	2,200
11	Blue Cross and Blue Shield of Louisiana	1,980
12	Excel Group	1,800
13	Woman's Hospital	1,800
14	Valuzzo Companies	1,700
15	ISC	1,600

Source: Baton Rouge Area Chamber

Employment

Employment figures for the surrounding area are summarized in the following table and are cast in light of the broader area.

REGIONAL EMPLOYMENT STATISTICS					
East Baton Rouge Parish					
	YE 2014	YE 2015	YE 2016	YE 2017	YTD 2018
Employment	213,892	223,507	226,553	230,450	223,768
# Change	5,080	9,615	3,046	3,897	-6,682
% Change	2.4%	4.5%	1.4%	1.7%	-2.9%
UE Rate	4.7%	5.7%	5.3%	3.3%	3.8%
Baton Rouge MSA					
	YE 2014	YE 2015	YE 2016	YE 2017	YTD 2018
Employment	368,867	379,221	399,929	412,054	402,391
# Change	0	10,354	20,708	12,125	(9,663)
% Change	0.0%	2.8%	5.5%	3.0%	-2.3%
UE Rate	6.1%	4.6%	4.1%	3.4%	3.9%
Louisiana					
	YE 2014	YE 2015	YE 2016	YE 2017	YTD 2018
Employment	1,949,137	1,990,671	2,006,145	2,018,455	2,042,396
# Change	36,996	41,534	15,474	(34,369)	23,941
% Change	1.9%	2.1%	0.8%	-1.7%	1.2%
UE Rate	6.8%	5.6%	5.0%	4.0%	4.0%

*Source: US BLS

CONCLUSION

While the Baton Rouge MSA experienced a decline economically along with the rest of the state during the Great Recession, it appears that the worst part of the economic downturn has past. Moderate job growth is forecast going forward.

NEIGHBORHOOD ANALYSIS

The map below depicts the subject's physical location within the neighborhood area, illustrated with 2-mile radius.



Location

The subject property is located at the southwest corner of North Boulevard and South 17th Street, City of Baton Rouge, East Baton Rouge Parish, Louisiana, within the Baton Rouge-Pierre Part CSA. The subject is located one-half mile south of the Baton Rouge central business district.

Access

Primary highway/interstate access to the subject neighborhood is via Interstate 10, which intersect approximately five miles east of the subject. Interstate 10 extends from Arizona east through Lafayette to Jacksonville, Florida, while Airline Highway extends south from Memphis, Tennessee through Mississippi and into New Orleans, roughly following Interstate 10. Interstate 10 intersects with Interstate 110 ½ mile southwest of the subject property. U.S. North Boulevard intersects with Interstate 110 six blocks west of the subject. Access to the subject is considered good-to-excellent.

Land Use

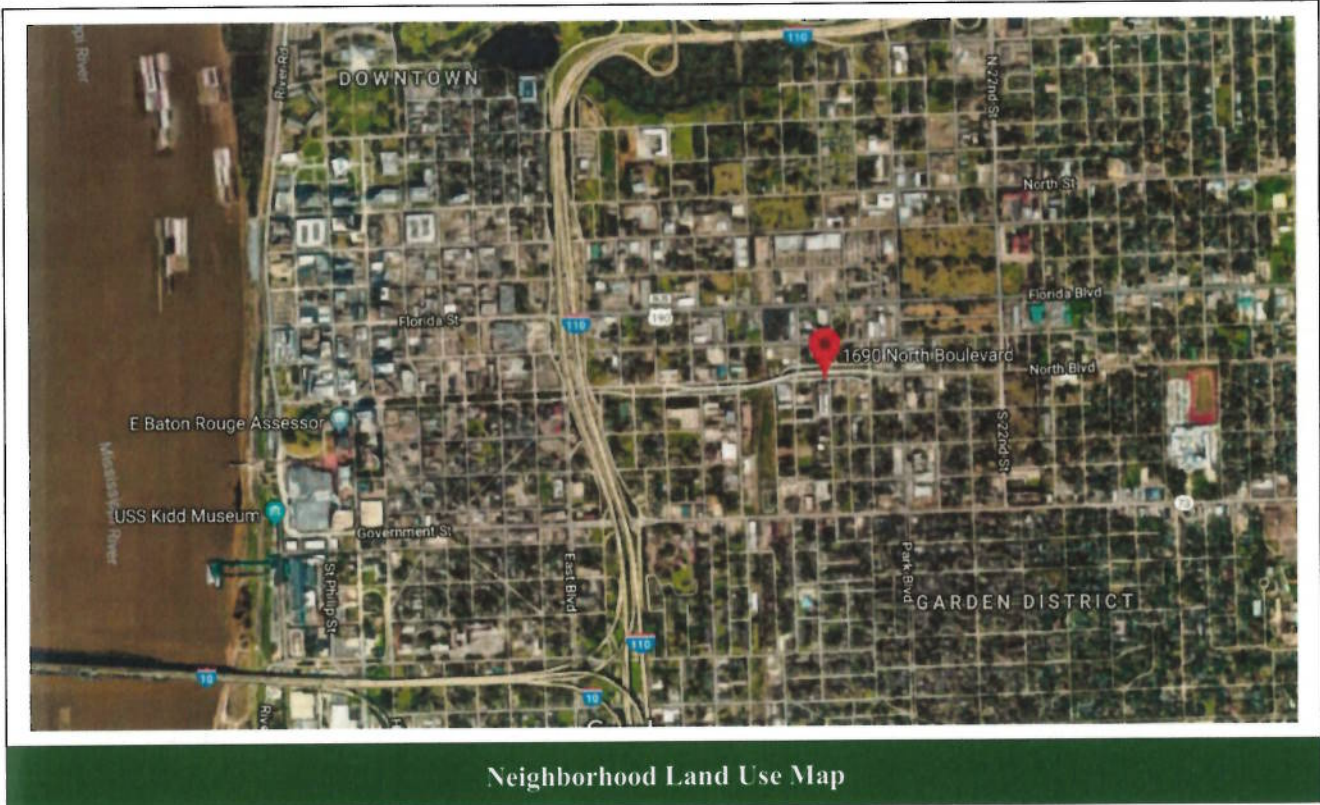
Land uses in the subject neighborhood are mostly urban in nature with commercial uses fronting arterial roadways and residential uses along the interior roadways. The State Capital of Louisiana is located one mile northwest of the subject, along with numerous Louisiana State departments.

The Raising Canes Arena, a 12,000-seat auditorium is located ½ mile west of the subject. Louisiana State University is located two miles south of the subject.

Demand Drivers

The major demand drivers within a 2-mile radius of the subject property are: 1) its proximity to the commercial districts of Baton Rouge; 2) its proximity to the Baton Rouge employment centers, and 3) the subject's location near a

well-traveled transportation network (Interstate 10 and Interstate 12). Going forward, based on the continued influence of these demand drivers, CRV believes that strong demand for the subject property will continue into the foreseeable future.



CONCLUSION

The subject property is well situated in an emerging residential and commercial neighborhood—and given its proximity to the demand drivers—the subject should benefit and be positioned favorably over the long term. Moreover, very strong office, commercial and retail occupancies dominate the subject neighborhood in the 1-3 mile radii around the subject. Consequently, the immediate area’s existing and proposed developments, and the subject in particular should experience above-average continued demand going forward.

MARKET ANALYSIS

A general market analysis is provided for context related to the apartment market. Also incorporated within this analysis is CRV’s own research.

Marcus & Millichap’s 2017 National Apartment Report stated:

New Supply Tests The Limits Of Demand In Some Metros

The coming year will bring 371,000 units to the market, outpacing last year’s total of 320,000 rentals. Highly amenitized Class A properties in urban locations will be the most challenged by new stock. Assets with the potential to outperform include the Class B and C tier, as well as those in secondary and tertiary markets that have not attracted meaningful interest from developers.

Low Vacancy Supports Continued Rent Growth

U.S. vacancy will end 2017 at 4.0 percent as rapidly increasing household formation generates robust net absorption that leads to a 3.8 percent increase in the average effective rent. The pace of rent growth marks a deceleration from last year’s pace.

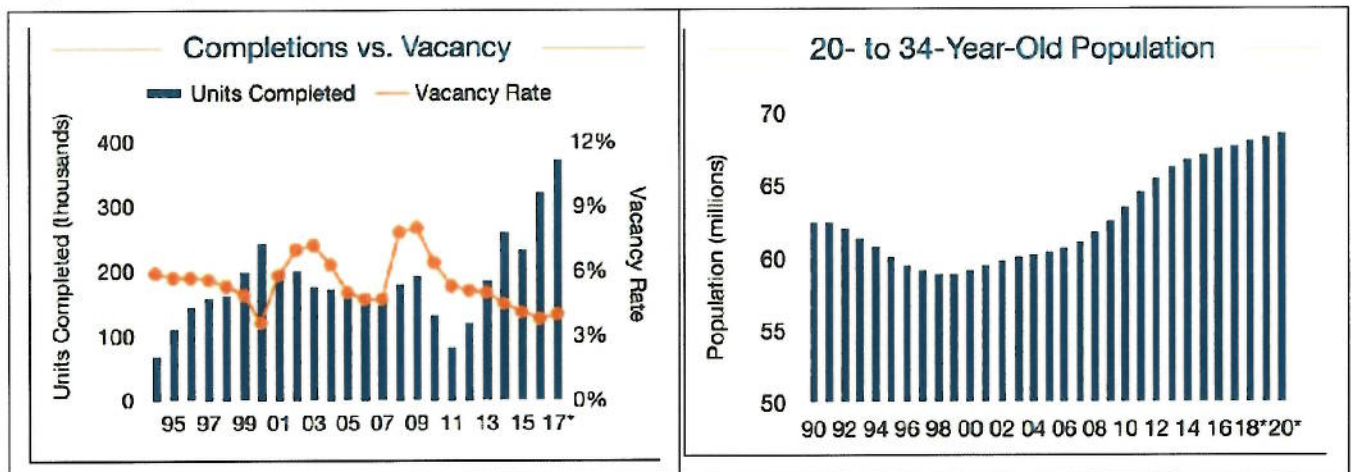
Demographics Create a Structural Lift

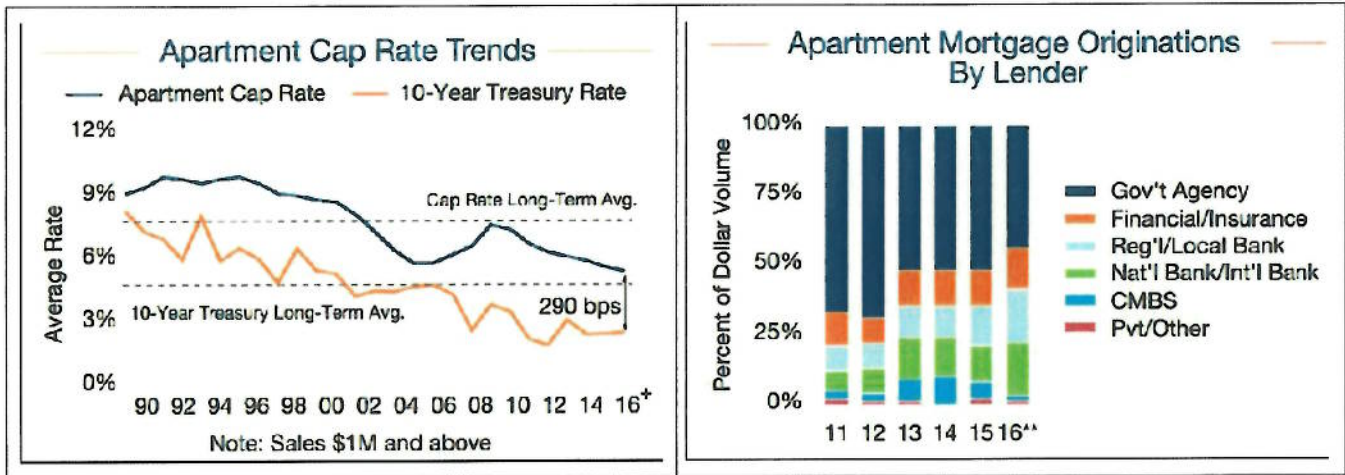
Pent-up millennial household formations remain a vast potential source of future apartment demand. If millennials created households at the same rate today as before the recession, an additional 1.7 million households would exist. This represents potential demand for nearly 1 million units in housing, which is more than the total net absorption recorded nationwide for the past four years

Borrowers Seeking Certainty as Fed, New Administration Weigh Actions

Lending capacity for multifamily acquisitions and refinancing remains healthy, but several trends that will affect capital markets this year are gaining traction. The rise in the yield on the 10-year U.S. Treasury following the election prompted many borrowers to pause to determine where long-term rates would stabilize.

Though cap rates could begin to rise in 2017 if the climb in the 10-year accelerates, the sound economy and global capital flows into U.S. government debt might also mitigate some of the increase and provide greater certainty. A contained rise in cap rates could also provide an opening for investors shut out by the significant yield compression of the past several years and provide new lending opportunities.





Baton Rouge Market

According to Costar, the Baton Rouge multifamily market continues to struggle due to the heavy flooding of 2016. It displaced thousands from residences and damaged numerous multifamily projects, some of which are still recovering. Renters sought temporary housing, and demand for apartments exploded, with over 800 units filled in 16Q3.

The ongoing repair of homes and communities has resulted in an exodus from apartment units, and vacancies rose throughout 2017 and into 18Q1. Fundamentals will remain challenged in the coming year as the pipeline continues to deliver new, high-end product. Consequently, rents have been dropping and show no signs of reversing course, given that demand continues to wane.

Nevertheless, with the revitalization of Downtown Baton Rouge—the city is attracting new businesses and renters alongside the 30,000-plus students at Louisiana State University—demand is likely to regain momentum.

According to Costar, the Downtown Baton Rouge multi-family market has a 11.6% vacancy rate in 2018 1Qa rise from 11.1% a year earlier. The average rental rate was \$923 per month and the average sale price per unit was \$98,700, an increase from a year earlier.

Given the subject’s location, amenity package, unit mix and overall condition, CRV has estimated the subject stabilized occupancy to be 94%.

OCCUPANCY CONCLUSIONS	
Competition Segment	Occupancy
Baton Rouge	91.0%
Rent Comparables	95.2%
Subject's Current Occupancy	93.3%
CRV Stabilized Occupancy	94%

Compiled by CRV

CRV has estimated that—at stabilization—average downtime between leases should be around one month. Estimating a 70% unit turnover probability, a frictional stabilized vacancy estimate can be formulated as follows:

VACANCY ANALYSIS				
No. of Months Vacant	% of Units Vacant/Yr	No. of Units	Total Months (12 mo x 24 Units)	Estimated Vacancy
1	70%	60	720	5.83%

Barriers to Entry

Developable tracts of land do not exist around the subject property. Therefore, new multi-family development is not likely over the next few years, which could positively impact the performance of the subject property.

Construction financing availability appears to be plentiful, but forecast interest rate hikes should limit development, especially near the subject's market rental rates. As such, the potential for new supply over the next several years is reflected in our concluded stabilized occupancy rate for the subject property. The potential for new supply is also reflected in our selection of appropriate capitalization rates, as applicable.

CONCLUSION

The subject property's overall age, quality, condition, and location should allow it to penetrate the competitive market at these stabilized levels, on average, over the course of the anticipated holding period.

National Flood Hazard Layer FIRMette



Legend

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

SPECIAL FLOOD HAZARD AREAS	Without Base Flood Elevation (BFE) Zone A, V, AG9
	Without Base Flood Elevation (BFE) Zone A, V, AG9
	With BFE or Depth
	Regulatory Floodway Zone AE, AO, AH, VE, AR

OTHER AREAS OF FLOOD HAZARD	0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile Zone X
	0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile Zone X
	Future Conditions 1% Annual Chance Flood Hazard Zone X
	Area with Reduced Flood Risk due to Levee. See Notes, Zone X
	Area with Flood Risk due to Levee Zone D

OTHER AREAS	Area of Minimal Flood Hazard Zone X
	Area of Minimal Flood Hazard Zone X
	Effective LOMRs
	Area of Undetermined Flood Hazard Zone D

GENERAL STRUCTURES	Channel, Culvert, or Storm Sewer
	Channel, Culvert, or Storm Sewer
	Levee, Dike, or Floodwall

Cross Sections with 1% Annual Chance Water Surface Elevation	20.2
	20.2
	17.5
	17
	Coastal Transect
	Base Flood Elevation Line (BFE)
	Limit of Study
	Jurisdiction Boundary
	Coastal Transect Baseline
	Profile Baseline
	Hydrographic Feature

MAP PANELS	Digital Data Available
	Digital Data Available
	No Digital Data Available
	Unmapped

This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The base map shown complies with FEMA's base map accuracy standards.

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 3/29/2018 at 1:33:30 PM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

This map image is void if the one or more of the following map elements do not appear: base map imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodernized areas cannot be used for regulatory purposes.

Sources: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User community

Below we have summarized the pertinent features of the subject site, with additional discussion and detail provided as needed in the section, which follows.

SITE SUMMARY			
Land Area			
Gross Site Area	2.095 acres	91,258 SF	
Wetlands	0.000 acres	0 SF	
Surplus Site Area	0.000 acres	0 SF	
Excess Site Area	0.000 acres	0 SF	
Infrastructure			
Primary Road Frontage	North Boulevard		
Frontage	171 Feet		
Traffic Lanes	4-lane: asphalt		
Traffic Signal	Yes		
Traffic Counts	Low		
Secondary Road	South 17th Street		
Traffic Counts	Low		
Utilities			
Water	East Baton Rouge Parish		
Sewer	East Baton Rouge Parish		
Natural Gas	Atmos Energy		
Electricity	Energy		
Telephone	Bell South		
Mass Transit	CATS Capital Area Transit System		
Jurisdictional			
Zoning District	C2 Commercial and A4, Residential		
Future Land Use	None		
Flood Map Panel	22033C0235E		
Flood Map Date	May 2, 2008		
Flood Zone	X		
Other			
	Noted	Not Noted	Unknown
Detrimental Easements		x	
Encroachments		x	
Deed Restrictions			x
Reciprocal Park Rights		x	
Common Ingress/Egress		x	

- The subject consists of a 60-unit multi-family residential development. The subject is served by all required utilities and has frontage and access to paved public rights-of-way.
- The subject has additional frontage along the east side of South 16th Street for Buildings C and D.
- During our inspection, we did not note any apparent detrimental easements and we, therefore, assume none exists. CRV reserves the right to amend the report should this assumption prove invalid. The client is urged to order a survey prior to making any decisions with regard to this property.
- Based upon our review of the flood map provided by FEMA, CRV believes that the subject property is located outside an area prone to flooding (the subject appears to be in Zone “X”). Therefore, CRV assumes that flood insurance not likely would be a requirement for the subject property. However, CRV is not an expert in this field and strongly recommends the Client obtain a certified flood zone determination before making any decisions with regard to this property.

- CRV was not provided with a copy of any other deed restrictions, if any, for the subject site. We have assumed that there are no detrimental restrictions or covenants affecting the subject property.
- CRV was not provided with a survey that revealed gross land area. Thus, CRV relied on the public records and general measurements made in the field. CRV has assumed that the estimates utilized herein are accurate and reserves the right to amend any values reported herein should they be determined to be incorrect.

Environmental Issues

CRV has not observed the existence of potentially hazardous material or underground storage tanks that may be present on or near the site. However, it is noted that CRV did not conduct an extensive search for said items, and is not qualified to detect such materials or underground storage tanks.

The existence of hazardous materials or underground storage tanks may have an effect on the value of the property. Therefore, for the purpose of this appraisal, CRV has specifically assumed that any hazardous materials and/or underground storage tanks that may be present on or near the property do not affect the property. CRV strongly recommends that the Client retain a qualified environmental engineering firm prior to making a business decision.

ZONING & FUTURE LAND USE

The subject is zoned C-2, Heavy Commercial where the Activity Center is located. The zoning for the residential portion of the subject is A-4, General Residential District.

The purpose of A4 Districts are to permit compact multi-family developments with a maximum density of forty-three and six tenths (43.6) units per acre. A4 Districts must be located within an urban setting and on four 4 lane major streets (Rezoning of properties to A4 will not be permitted after July 21, 1999).

The purpose of this district is to permit retail commercial uses serving the surrounding region. Rezoning of properties to C2 will not be permitted after July 21, 1999. Wireless transmitting and receiving facilities as described in Chapter 2 of the Unified Development Code, with a maximum height of two hundred fifty (250) feet are allowed. Any facility, which is required by the Federal Aviation Agency to be lighted, shall use an FAA approved dual lighting system.

CONCLUSION

The subject site has a typical configuration for the current use and appears well suited toward this type of improvement. Based upon the foregoing, CRV is not aware of any physical issues with the subject site that would prevent it from being developed with its highest and best use, as if vacant or as improved.

FLOORPLANS



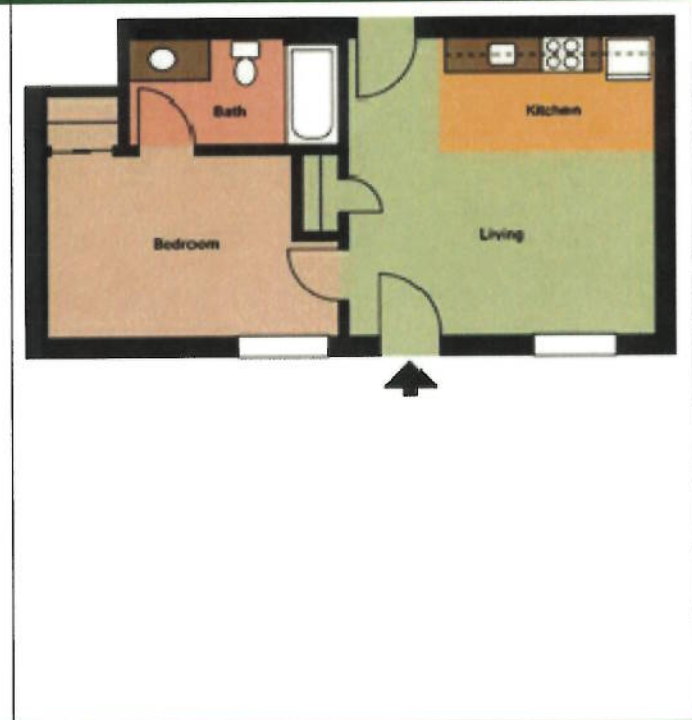
3 BR Unit



Large 1 BR Unit



Large 2 BR Unit



Small 1 BR Unit



IMPROVEMENT ANALYSIS

Below we have summarized the pertinent features of the subject improvements, with additional discussion and detail provided as needed in the section, which follows.

IMPROVEMENT SUMMARY				
Improvement Type	Multi-Family Apartment Property			
Improvement Size (Units)				60 Units
Year Built				2012
Improvement Physical Age				6 Years
Current Condition				Good
No. of Buildings				8
No. of Stories				2-3
Exterior Wall Construction				Steel Frame Class "A"
Exterior Wall Height				9 Feet (Est.)
Fire Sprinkler System				No
Heating & Cooling				HVAC Package Systems
Parking				Asphalt Paved
Laundry Capacity				Washer / Dryer Hookups in All Units
Parking Ratio (125 Spaces)				2.08 Per Unit
Density Units Per Gross Acre (DU/Gross AC)				28.6 DU/AC

Unit Type Composition	No. Units	Size (Net		NRA (SF)
		Rentable SF)	% Units	
1 BR / 1.0 BA (Small)	8	555 SF	13.33%	4,440 SF
1 BR / 1.0 BA (Small)	1	591 SF	1.67%	591 SF
1 BR / 1.0 BA (Large)	6	727 SF	10.00%	4,362 SF
2 BR / 1.0 BA (Small)	12	727 SF	20.00%	8,724 SF
2 BR / 1.0 BA (Large)	13	759 SF	21.67%	9,867 SF
3 BR / 2.0 BA	20	1,246 SF	33.33%	24,920 SF
TOTALS	60	882 SF	100.00%	52,904 SF

Improvement Description

The following table summarizes each of the improvements.

Units Description (Quality)	Poor	Average	Good	Not Inspected
Foundation - believed to be reinforced concrete slab with monolithic footings				X
Exterior Wall Covering/Facade - Appeared to be common brick over wood frame; single-hung aluminum windows, steel front doors			X	
Roof - Appeared to be pitched with standing seam panels				X
Interior Unit - Each unit will be finished with good quality carpeting, ceramic tile; double stainless steel sink, and wood cabinetry with granite countertops in kitchen, bathroom with tub-shower and pedestal sink.			X	

Units Description (Quality)	Poor	Average	Good	Not Inspected
Interior Walls - Appeared to be painted drywall or plaster			X	
Ceilings - Appeared to be painted drywall or plaster with "knock-down" finish			X	
Lighting - typical residential incandescent			X	
Electrical - believed to be standard residential system				X
Plumbing - believed to be standard residential piping				X

Site & Common Area Description	Poor	Average	Good	Not Inspected
Concrete sidewalks, modest sodded landscaping			X	
Concrete paving, Roof Top Garden			X	

- While the appraiser did not observe the electrical and plumbing improvements, CRV assumes that these components are in average/operable condition.
- CRV was not provided with a survey that revealed gross land area. As such, CRV relied on the public records and general measurements made in the field. CRV has assumed that the estimates utilized herein are accurate and reserves the right to amend any values reported herein should they be determined to be incorrect.
- CRV was provided with building floor plans, and construction plans. CRV assumes the data utilized herein is correct and reserves the right to amend any market values reported herein should they be determined otherwise. As well, CRV has assumed that the provided rent roll is true and correct.
- The subject should have good "curb appeal" and be well received by the marketplace.
- The subject is gated and accessed via multiple, electric retractable gates.

FURNITURE, FIXTURES & EQUIPMENT

The subject does not include any personal property, such as appliance packages.

FUNCTIONAL UTILITY

The existing improvements are assumed to offer a typical design with regard to layout, construction materials and overall design. As such, the improvements are considered adequately functional in terms of utility.

ENVIRONMENTAL ISSUES

CRV did not observe any potentially hazardous materials such as lead paint, asbestos, urea formaldehyde foam insulation, or other potentially hazardous construction materials on or in the improvements. The existence of said hazardous materials (if any) may have an effect on the value of the property.

QUALITY & STRUCTURAL CONDITION

The overall quality of the project is considered average and its current condition is estimated to be good. The subject units are of common brick veneer and wood frame construction.

DEFERRED MAINTENANCE

The subject exhibited minor deferred maintenance typical to properties it's size and age. The items were cosmetic in nature, such as minor small spots of rusting of steel framing on the lower levels of residential buildings. South Louisiana is subject to high rainfalls and elevated humidity levels. As such, minor rusting is common and should not affect market value opinions.

ECONOMIC AGE & LIFE

- CRV's estimate of the subject improvements effective age and remaining economic life is depicted in the following chart:

Component	Years
Actual Age	6 Years
Effective Age	5 Years
Effective Age/Actual Age	80%
MVS Expected Life	50 Years
Remaining Economic Life	45 Years
Accrued Physical Incurable	9.6%

CONCLUSION

The improvements are in good condition overall for their age and location. As well, the improvements are considered functional in regards to improvement design and layout. Consequently, there are no other known factors that could be considered to adversely affect the marketability of the improvements.

ASSESSMENT & TAXES

Below we have summarized the pertinent information with regard to the subject's historical (where available) and current assessment and real estate taxes. Additional discussion and detail will be provided as needed in the section, which follows.

ASSESSMENT & TAX SUMMARY				
Description	2017	2017	Proforma	Pro Forma
	Fair Market Value	Assessed Value	Fair Market Value	Assessed Value
Land	\$50,500	\$5,050	\$50,500	\$5,050
Improvements	\$0	\$0	\$7,779,500	\$777,950
Total Assessed Value	\$50,500	\$5,050	\$7,830,000	\$783,000
Prop. Tax Rate		11.9613%		11.9613%
Base Tax Expense		\$0.00		\$93,657
Add: Non Ad Valorem		\$0		\$0
Gross Tax Expense		\$0.00		\$93,657
"Fair Market Value"		1%		100%

The law in state of Louisiana is that the local assessor should reflect 100% of fee simple market value, assuming market leases in place (where applicable). The State of Louisiana assesses all residential properties at 100% of "fair market" value, for both land and improvements. The subject is identified by the East Baton Rouge Parish Tax Assessor's Office as account numbers are "29483 29491 29580 29599 29602 29505 29629 29513 and 29610". CRV has considered these factors in my estimate of a stabilized assessment for the subject going forward.

The subject is currently tax exempt. Should the subject transfer to a non-tax-exempt entity, the above analysis projects that tax burden.

CONCLUSION

Going forward, it is my opinion that most prudent investors are allowing for an increase in real estate assessment/taxes in instances where the current assessment is below the market value.

HIGHEST & BEST USE

In appraisal practice, the concept of highest and best use represents the premise upon which value is based on the four criteria the highest and best use must meet are:

- Legally permissible;
- Physically possible;
- Financially feasible; and
- Maximum profitability

Highest and Best Use: "As If Vacant"

Legally Permissible: As previously discussed, the subject is zoned by the East Baton Rouge Parish as C2 Commercial and A4, Residential. The allowable uses include residential up to 47.3 dwelling units per net acre. The allowable uses and standards are detailed in the zoning subsection of the Site Analysis section of this report.

Physically Possible: The subject consists of one generally rectangular shaped parcel totaling 2.095 acres per the East Baton Rouge Parish Tax Assessors Office, all of which is useable. The site appears it was engineered to maximize its residential density at 60 dwelling units.

Financially Feasible: The financially feasible land uses would include single-family, multi-family residential or commercial uses.

Maximally Productive:

Single-family residential or multi-family use appears to be the maximally productive use of the subject, as vacant.

CONCLUSION

As such, the highest and best use of the subject, "as vacant" would be for multi-family residential use.

Highest and Best Use: As Improved

Legally Permissible: As previously discussed, the subject is zoned by the Calcasieu Parish as C2 Commercial and A4, Residential. Additionally, the subject meets the land development requirements for 60 dwelling units. The allowable uses include a condominium, townhouse and zero lot line uses.

Physically Possible: The subject site was improved with a multi-family residential use, with eight buildings. The average unit size of 882 SF of living area. The 14,234 SF Activity Center is two stories and was built for use as office space for the apartment property and activities for residents.

The Activity Center appears to have organically changed use to mostly owner-occupied office space, with some space occupied by its property management staff.

Financially Feasible: A common test of financial feasibility is the debt coverage ratio the property will provide. Assuming a loan of (75.00% loan-to-value) at, say 4.50% over 20 Years, the annual debt service would be \$186,189, based upon the concluded "as-is" market value of \$3,270,000. Based on the estimated net operating income of \$264,807 at stabilized occupancy, the property would reflect a debt coverage ratio of about 1.42. This indicates the property can produce income sufficient to cover typical mortgage requirements. In today's economic climate, a minimum debt coverage ratio of at least 1.25-1.5 would be required. National publications indicated an average debt coverage ratio of 1.43.

A second test of financial feasibility is indicated by a property's indicated equity dividend.

Based on the estimated market value of the subject property (\$3,270,000), the subject will be producing an equity dividend rate of 9.62% before accounting for any potential appreciation or amortization of the loan. Potential appreciation or amortization of the loan should increase the dividend rate over time. This is calculated by dividing the

cash flow after debt service (net operating income less debt service) of \$78,619 by the estimated equity participation amount of \$817,500 (market value less mortgage).

Based on national investor surveys, this would be very acceptable to a variety of potential investors. Equity dividend rates are becoming much more important to investors, as the return from amortization is minimal and property appreciation is speculative over the next few years. Therefore, almost all of the return on investment must come from equity dividend. Most local investors are looking for equity dividend rates ranging from 6% to 15% on developed multi-family residential properties.

The financial feasibility for multi-family developments can be based on the amount of profitability that can be generated, less operating expenses required to generate revenue. Given that demand for apartment units still exists within the subject's trade area, it appears likely that its historical use as an apartment property should be profitable. Overall, it appears there are no alternative uses of the existing improvements that would produce a higher net income and/or value over time than the current and historical use as an apartment.

Maximally Productive:

The maximally productive use of the subject improvements is as its historical use, multi-family apartments and professional office space for the Activity Center. No other use of the subject would yield a higher market value.

CONCLUSION

The subject building improvements appeared in good condition. The property can legally and physically continue its current use. The subject does not appear to have any functional obsolescence. It is likely the subject improvements will remain financially feasible for the foreseeable future given the market dynamics of the subject neighborhood.

APPRAISAL METHODOLOGY

In appraisal practice, an approach to value is included or omitted based on its applicability to the property type being valued and the quality and quantity of information available.

COST APPROACH

The cost approach is based upon the proposition that the informed purchaser would pay no more for the subject than the cost to produce a substitute property with equivalent utility. This approach is particularly applicable when the property being appraised involves relatively new improvements that represent the highest and best use of the land, or when relatively unique or specialized improvements are located on the site and for which there exist few sales or leases of comparable properties.

SALES COMPARISON APPROACH

The sales comparison approach utilizes sales of comparable properties, adjusted for differences, to indicate a value for the subject. Valuation is typically accomplished using physical units of comparison such as price per square foot, price per unit, price per floor, etc., or economic units of comparison such as gross rent multiplier. Adjustments are applied to the physical units of comparison derived from the comparable sale. The unit of comparison chosen for the subject is then used to yield a total value. Economic units of comparison are not adjusted, but rather analyzed as to relevant differences, with the final estimate derived based on the general comparisons.

INCOME CAPITALIZATION APPROACH

The income capitalization approach reflects the subject's income-producing capabilities. This approach is based on the assumption that value is created by the expectation of benefits to be derived in the future. Specifically estimated is the amount an investor would be willing to pay to receive an income stream plus reversion value from a property over a period of time. The two common valuation techniques associated with the income capitalization approach are direct capitalization and the discounted cash flow (DCF) analysis. Both techniques were used to estimate "as complete" and "as stabilized" market values. The DCF method was used to estimate the "as is" market value.

METHODOLOGY APPLICABLE TO THE SUBJECT

In valuing the subject, the sales comparison and income approaches to value have been utilized to first estimate the market value "as is" in both the "encumbered and non-encumbered proforma, in terms of rent and income restrictions.

CRV has opined that—in this instance—investors are not typically relying on the cost approach when making their purchase decisions. CRV believes that the omission of the cost approach will not affect the credible result of the final market value reported herein.

SALES COMPARISON APPROACH – NON-ENCUMBERED BY RESTRICTED RENTS

The following location map and table of sales summarizes the comparable data used in the valuation of the subject property.



COMPARABLE IMPROVED SALE SUMMARY - PER SF						
	No. 1	No. 2	No. 3	No. 4	No. 5	Subject
Property Name	Live Oaks Apartments	Ansley Walk Apartments	Mansions at Ivy Lake Apartments	Bristol Place Apartments	Chateau Mirage Apartments	Mid City Gardens Apartments
Property Location	12901 Jefferson Highway	1200 Robley Road	14086 Airline Highway	5960 Siegen Lane	1630 Rue Due Belier	1690 North Boulevard
City	Baton Rouge	Lafayette	Gonzales	Baton Rouge	Lafayette	Baton Rouge
Parish/County	East Baton Rouge	Lafayette	Ascension	East Baton Rouge	Lafayette	East Baton Rouge
Parcel No.	1826034	602810	4611600	2460149	6104531	29483 29491 29580 29599 29602 29505 29629 29513 29610
Grantor	PRE of Live Oaks, LLC	Ansley Walk Apartments, LLC	Ivy Lake Property, LLC	AMG Bristol, LLC	Quad M, LLC	Louisiana Housing Corporation
Grantee	BR Live Oaks, LLC	AMG Ansley Walk, LLC	Ivy Lake, LLC	PA Bristol Holding, LLC	Quint M Partnership, LLC	--
Book/Page/Doc #	12405-228	45263	819254	3468/912	17424	--
Transaction Type	Sale	Sale	Sale	Sale	Sale	--
Transaction Date	Apr-12	Nov-12	Feb-13	Jul-14	May-14	--
Consideration	\$17,325,000	\$24,905,000	\$31,082,845	\$38,250,000	\$40,800,000	--
Year Built/Renovated	2000	2007	2007	2008	2011	2012
Construction	Common Brick/Frame	Common Brick/Frame	Wood Frame	Common Brick/Frame	Common Brick/Frame	Steel Frame Class "A"
Building Size (Rentable)	159,128 SF	232,735 SF	279,588 SF	281,736 SF	306,055 SF	52,904 SF
No. of Units	184 Units	242 Units	240 Units	312 Units	280 Units	60 Units
Average Unit Size	865 SF	962 SF	1,165 SF	903 SF	1,093 SF	882 SF
Average Monthly Rent	\$985	\$1,035	\$1,305	\$1,165	\$1,257	\$707
Average Mo. Rent PSF	\$1.14 PSF	\$1.08 PSF	\$1.12 PSF	\$1.29 PSF	\$1.15 PSF	\$0.80 PSF
Land Size	9.74 Acres	14.48 Acres	23.87 Acres	13.13 Acres	22.30 Acres	2.10 Acres
Density (DU/Acre)	18.9 DU/Acre	16.7 DU/Acre	10.1 DU/Acre	23.8 DU/Acre	12.6 DU/Acre	28.6 DU/Acre
Unit Mix						
1 BR %	52%	40%	25%	62%	40%	0%
2 BR %	39%	50%	62%	38%	40%	100%
3 BR %	9%	10%	13%	0%	20%	#REF!
Sale Price Per Unit	\$94,158	\$102,913	\$129,512	\$122,596	\$145,714	--
Sale Price Per Rentable SF	\$108.87	\$107.01	\$111.17	\$135.77	\$133.31	--
Occupancy Info	95%	94%	92%	98%	96%	--
Verification	Dean Bryson, Listing Broker 225.295.0800	Brett Clark, Buyers Rep. 504.267.9820	Deane Bryson, Listing Broker 225.295.0800	Matt Heining, Listing Broker	Greg Cordaro, Listing Broker, 225.922.4587	--
Operating Info	Actual	Actual	Actual	Actual	Actual	Subject
Occupancy	95%	94%	90%	98%	96%	--
EGR/Unit per Year	\$11,820	\$11,675	\$14,094	\$13,700	\$14,481	--
Op Exp./Unit per Year	\$4,866	\$5,440	\$6,342	\$5,205	\$4,634	--
OE Ratio	41.2%	46.6%	45.0% (Est.)	38.0% (Est.)	32.0%	--
NOI	\$6,954	\$6,235	\$7,752	\$8,495	\$9,847	--
Reported/Est. Cap Rate	7.39%	6.06%	5.99%	6.93%	6.76%	--
EGRM	7.97	8.81	9.19	8.95	10.06	--

- CRV provided operating info based on estimates from reported rents and occupancy rates at the time of sale achieved at the comparable property, and expense ratios evident in the marketplace. In most cases, the actual expense ratios were available and utilized. If actual operating pro forma information was available, it was included in the following table.
- The two common units of comparison for apartment properties are the sale price per dwelling unit and the sale price per rentable SF. the most consistent, unadjusted unit of measure is usually the most reliable indication of market value. In the case of the subject the average unadjusted sale price was per unit with a standard deviation of the comparable of \$14,614, or 21.45% of the unadjusted average.
- The average sale price per rentable SF was , with a standard deviation of \$4.44, or 6.41% of the unadjusted average. As such, the reliability of the units of comparison notably favored the sale price per rentable SF of building area. The sale price per dwelling unit is more customary. However, the reliability of the sale price per rentable SF of building area was far superior to the “per unit” metric. As such, the sale price per rentable SF was deemed most appropriate and was chosen, in this case.
- CRV conducted extensive research in the Baton Rouge CSA for apartment properties consisting of two-bedroom floor plans using data sources that included Costar, LACDB, LoopNet, Reis, various brokers and MLS. CRV utilized closed sales transactions that are situated along Interstate 10 in Louisiana with similar appeal, physical characteristics, etc. Additional transactional data from other markets were used due to the lack of transaction al activity in the subject’s submarket.
- Given the current economic conditions, CRV has applied appropriate adjustments to the sales utilized in this analysis. Sales Comparison Approach analyzed and concluded the "as-is" market value.

COMPARABLE IMPROVED SALE ADJUSTMENT GRID - PER UNIT ANALYSIS						
	No. 1	No. 2	No. 3	No. 4	No. 5	Subject
Sale Price \$ Per Rentable SF	\$108.87	\$107.01	\$111.17	\$135.77	\$133.31	--
Property Rights	0.0%	0.0%	0.0%	0.0%	0.0%	--
Financing Terms	0.0%	0.0%	0.0%	0.0%	0.0%	--
Conditions of Sale	0.0%	0.0%	0.0%	0.0%	0.0%	--
Market Conditions	0.0%	0.0%	0.0%	0.0%	0.0%	--
Adj. Price \$ Per Unit	\$108.87	\$107.01	\$111.17	\$135.77	\$133.31	--
Location	10.0%	5.0%	-5.0%	-10.0%	-10.0%	--
Age/Condition	5.0%	0.0%	0.0%	0.0%	0.0%	--
Construction	5.0%	10.0%	10.0%	5.0%	5.0%	--
Project Amenities	-5.0%	-5.0%	-5.0%	-5.0%	-5.0%	--
Unit Amenities	5.0%	5.0%	5.0%	5.0%	5.0%	--
Unit Size/Mix	0.0%	5.0%	10.0%	0.0%	10.0%	--
Density (DU/Acre)	-5.0%	-5.0%	-5.0%	0.0%	-5.0%	--
Additional Office Space	15.0%	15.0%	15.0%	15.0%	15.0%	--
No of Units	0.0%	0.0%	0.0%	0.0%	0.0%	--
Total Other Adjustments	30.0%	30.0%	25.0%	10.0%	15.0%	--
Adj. Price \$ Per Rentable SF	\$141.54	\$139.11	\$138.97	\$149.34	\$153.31	--
	\$ Per SF	Occupancy	\$ Mo. PSF	CAP%	EGRM	
Low Indication	\$138.97	90.0%	\$1.08	5.99%	7.97	
Average Indication	\$144.45	94.6%	\$1.16	6.62%	9.00	
High Indication	\$153.31	98.0%	\$1.29	7.39%	10.06	

CRV noted key characteristics of each comparable.

- All the comparables were market-oriented transactions.
- All the sales occurred between April 2014 and March 2017. Market conditions have remained relatively stable since the first sale though the "as-is" date of value. As such, no market conditions adjustments were needed.

Summary of Adjustments

Location: the subject was located just east of downtown Baton Rouge, LA. No. 1 and NO. 2 were adjusted upward for inferior locational characteristics. No. 3, No. 4 and No. 5 were adjusted downward for superior locations.

Age and Condition: the subject was in good condition and built in 2012. No. 1 was adjusted upward for inferior age and condition.

Construction Quality: Each of the comparable sale prices were adjusted upward for inferior construction quality.

Project Amenities: Each of the comparable sale prices were adjusted downward for superior project amenities.

Unit Amenities. Each subject unit had fire sprinklers and covered parking, requiring upward adjustments of each comparable sale price.

Density Per Acre: No. 1, No. 2, No. 3 were adjusted downward for higher residential densities.

Additional Office Space: The subject had the Activity Center, with the highest and best use of office space. Adjustments were needed for each sale price.

In the final analysis—as will be shown the conclusion that is to follow—CRV believes that Comp. No. 4 and No. 5 utilized in this analysis were most similar in terms of physical qualities and unit mix. CRV has estimated the “as is” market value indication for the subject to be **between \$140.00 and \$150.00 per rentable SF of building area.**

EGRM ANALYSIS

In addition to the price per unit analysis summarized herein, CRV has also considered the Effective Gross Revenue Multiplier (EGRM) analysis in the valuation of the subject by the sales comparison approach. The EGRM’s for each of the comparables were summarized earlier in this section. It is generally accepted that, as a property’s operating expense ratio rises, its EGRM tends to decline.

This observation is generally supported by the preceding comparable sales data. Considering the subject’s pro forma operating expense ratio (57.12% OER) is just above the middle aspect (OER) of the range reported by the comparables, it is reasonable to conclude an EGRM that is just below the middle aspect of the comparable range would apply to the subject property. Consequently, CRV has estimated an EGRM of for the purposes of this analysis.

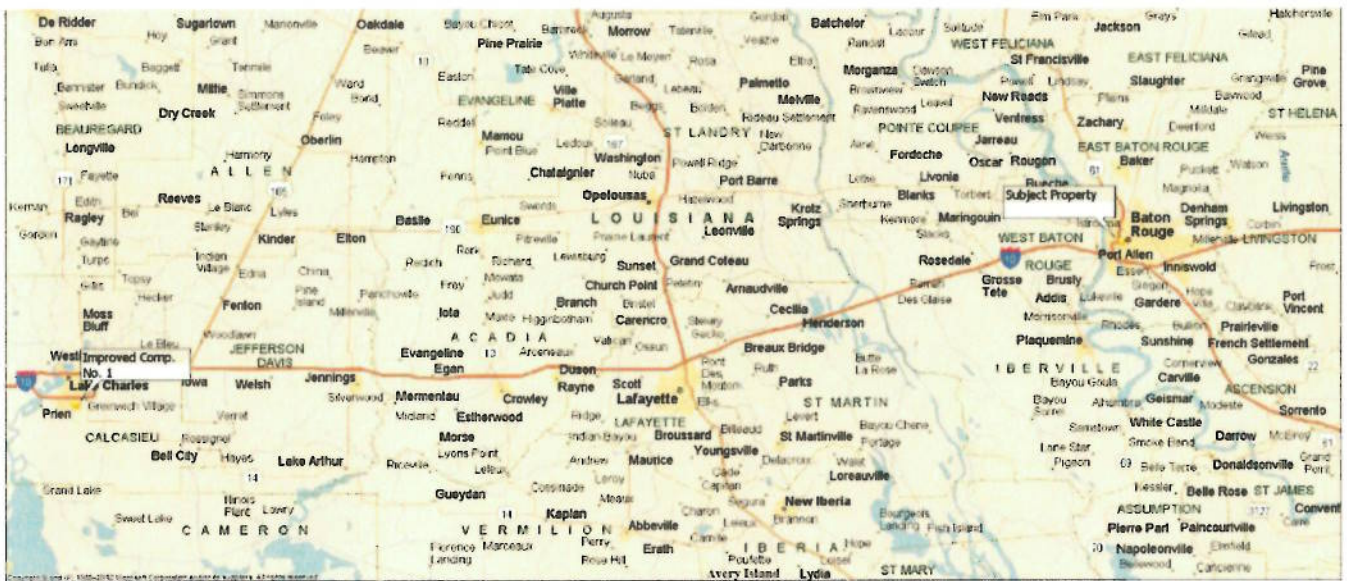
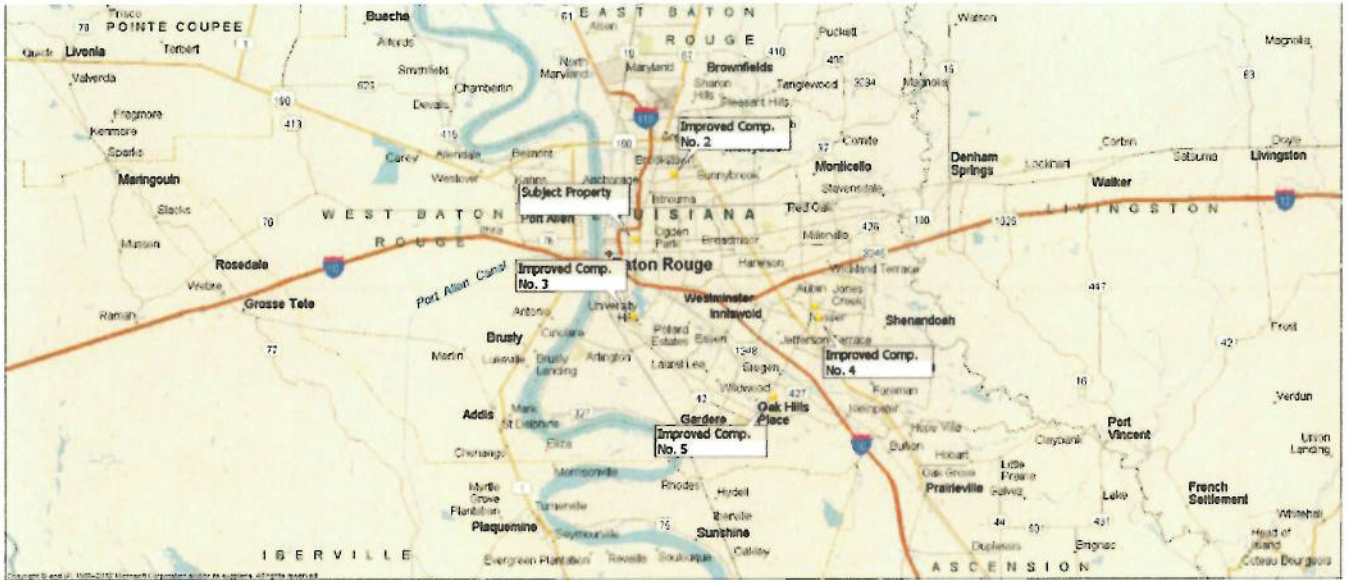
CONCLUSION

I have weighted the three indications off value equally. The result is the “as is” market value indication. The analysis produced an indication of the fee simple "as-is" market value via the Sales Comparison Approach of \$7,750,000.

SALES COMPARISON APPROACH CONCLUSION					
Subject Size No. Rentable SF	x	\$ Per SF	=	Value	
52,904 SF	x	\$140.00	=	\$7,406,560	
52,904 SF	x	\$150.00	=	\$7,935,600	
EGR	x	EGRM	=	EGR Value	
\$1,022,274	x	8.00	=	\$8,178,188	
"As Stabilized" Market Value (Rd)				\$7,840,000	
<i>Less: Remaining Office Build-Out</i>				<i>\$95,000</i>	
"As Is" Market Value Indication (Rd)				\$7,750,000	

SALES COMPARISON APPROACH – ENCUMBERED BY RESTRICTED RENTS

The following location map and table of sales summarizes the comparable data used in the valuation of the subject property.



- CRV provided operating info based on estimates from reported rents and occupancy rates at the time of sale achieved at the comparable property, and expense ratios evident in the marketplace. In most cases, the actual expense ratios were available and utilized. If actual operating pro forma information was available, it was included in the following table.
- The two common units of comparison for apartment properties are the sale price per dwelling unit and the sale price per rentable SF. the most consistent, unadjusted unit of measure is usually the most reliable indication of market value. In the case of the subject the average unadjusted sale price was per unit with a standard deviation of the comparable of \$14,614, or 21.45% of the unadjusted average.

- The average sale price per rentable SF was , with a standard deviation of \$4.44, or 6.41% of the unadjusted average. As such, the reliability of the units of comparison slightly favored the sale price per rentable SF of building area. The sale price per dwelling unit is more customary. However, the reliability of the sale price per rentable SF of building area was far superior to the “per unit” metric. As such, the sale price per rentable SF was deemed most appropriate and was chosen, in this case.
- CRV conducted extensive research in the Baton Rouge CSA for apartment properties consisting of two-bedroom floor plans using data sources that included Costar, LACDB, LoopNet, Reis, various brokers and MLS. CRV utilized closed sales transactions that are situated along Interstate 10 in Louisiana with similar appeal, physical characteristics, etc. Additional transactional data from other markets were used due to the lack of transaction al activity in the subject’s submarket.
- Given the current economic conditions, CRV has applied appropriate adjustments to the sales utilized in this analysis. Sales Comparison Approach analyzed and concluded the "as-is" market value.

COMPARABLE IMPROVED SALE SUMMARY - PER UNIT						
	No. 1	No. 2	No. 3	No. 4	No. 5	Subject
Property Name	Terrace Apartments	South at Parkview Apartments	8 Unit Apartment	Hidden Pointe Apartments	Siegen Oaks Apartments	Mid City Gardens Apartments
Property Location	155 East Parkway Drive	4944 South Sherwood Forest Road	4232 Swire Avenue	11850 Wentling Avenue	10125 Siegen Lane	1690 North Boulevard
City	Lake Charles, LA	Baton Rouge, LA	Baton Rouge, LA	Baton Rouge, LA	Baton Rouge, LA	Baton Rouge
Parish/County	Calcasieu	East Baton Rouge	East Baton Rouge	East Baton Rouge	East Baton Rouge	East Baton Rouge
Parcel No.	01342818	01833561	00553913	03108139	00265942	29483 29491 29580 29599 29602 29505 29629 29513 29610
Grantor	Maplefork Properties, LLC	Castlebrook Apartments Louisiana, LLC	Rouge, LLC	Hidden Pointe Apartments, LLC	SO Apartments, LLC	Louisiana Housing Corporation
Grantee	CPJ Investors, LLC	Patrician Parkview, LLC	CD/Park7 Baton Rouge Owner, LLC	Hidden Pointe Investors, LLC	Patrician Siegen Oaks Partnership, LLC	--
Book/Page/Doc #	4000-132	12569-163	12656-23	12740-188	12803-99	--
Transaction Type	Sale	Sale	Sale	Sale	Sale	--
Transaction Date	Nov-14	Apr-14	May-15	Jun-16	Mar-17	--
Consideration	\$1,285,000	\$15,850,000	\$650,000	\$8,800,000	\$3,700,000	--
Year Built/Renovated	1986	1973	1984	1979	1984	2012
Construction	Common Brick/Frame	Wood Frame	Common Brick/Frame	Common Brick/Frame	Common Brick/Frame	Steel Frame Class "A"
Building Size (Rentable)	16,525 SF	222,930 SF	7,664 SF	116,400 SF	47,300 SF	52,904 SF
No. of Units	29 Units	264 Units	8 Units	124 Units	44 Units	60 Units
Average Unit Size	570 SF	844 SF	958 SF	939 SF	1,075 SF	882 SF
Average Monthly Rent	\$600	\$751	\$700	\$864	\$1,000	\$707
Average Mo. Rent PSF	\$1.05 PSF	\$0.89 PSF	\$0.73 PSF	\$0.92 PSF	\$0.93 PSF	\$0.80 PSF
Land Size	1.06 Acres	10.00 Acres	0.23 Acres	6.25 Acres	2.75 Acres	2.10 Acres
Density (DU/Acre)	27.4 DU/Acre	26.4 DU/Acre	34.8 DU/Acre	19.8 DU/Acre	16.0 DU/Acre	28.6 DU/Acre
Unit Mix						
1 BR %	100%	52%	0%	38%	0%	0%
2 BR %	0%	42%	100%	42%	100%	100%
3 BR %	0%	6%	0%	20%	0%	#REF!
Sale Price Per Unit	\$44,310	\$60,038	\$81,250	\$70,968	\$84,091	--
Sale Price Per Rentable SF	\$77.76	\$71.10	\$84.81	\$75.60	\$78.22	--
Occupancy Info	100%	96.0%	90% (est)	96.0%	94.0%	--
Verification	Dru Ellender, Listing Broker; 337.625.3150	Larry Schedler, Listing Broker; 504.836.5227	Andrew Batson, Listing Broker; 225.766.1269	David Treppendahl, Listing Broker (225) 295- 772-5929	John Person, Buyer 662-	--
Operating Info	Actual	Actual	Actual	Actual	Actual	Subject
Occupancy	100%	96%	90%	96%	94%	--
EGR/Unit per Year	\$7,200	\$8,657	\$7,560	\$9,949	\$11,280	--
Op Exp./Unit per Year	\$3,500	\$3,600	\$2,646	\$3,350	\$4,061	--
OE Ratio	48.6%	41.6%	35.0% (Est.)	33.7% (Est.)	36.0%	--
NOI	\$3,700	\$5,057	\$4,914	\$6,599	\$7,219	--
Reported/Est. Cap Rate	8.4%	8.4%	6.0%	9.3%	8.6%	--
EGRM	6.15	6.94	10.75	7.13	7.45	--

CRV noted key characteristics of each comparable.

- All the comparables were market-oriented transactions.

- All the sales occurred between April 2014 and March 2017. Market conditions have remained relatively stable since the first sale though the "as-is" date of value. As such, no market conditions adjustments were needed.

Summary of Adjustments

COMPARABLE IMPROVED SALE ADJUSTMENT GRID - PER UNIT ANALYSIS						
	No. 1	No. 2	No. 3	No. 4	No. 5	Subject
Sale Price \$ Per SF	\$77.76	\$71.10	\$84.81	\$75.60	\$78.22	--
Property Rights	-20.0%	-20.0%	-20.0%	-20.0%	-20.0%	--
Financing Terms	0.0%	0.0%	0.0%	0.0%	0.0%	--
Conditions of Sale	0.0%	0.0%	0.0%	0.0%	0.0%	--
Market Conditions	0.0%	0.0%	0.0%	0.0%	0.0%	--
Adj. Price \$ Per SF	\$62.21	\$56.88	\$67.85	\$60.48	\$62.58	--
Location	-15.0%	-15.0%	-30.0%	-25.0%	-25.0%	--
Age/Condition	10.0%	15.0%	10.0%	10.0%	15.0%	--
Construction	0.0%	0.0%	0.0%	0.0%	0.0%	--
Project Amenities	0.0%	-15.0%	0.0%	-15.0%	0.0%	--
Unit Amenities	0.0%	0.0%	0.0%	0.0%	0.0%	--
Unit Size/Mix	-20.0%	0.0%	10.0%	10.0%	10.0%	--
Density (DU/Acre)	0.0%	0.0%	0.0%	-5.0%	5.0%	--
Additional Office Space	20.0%	20.0%	20.0%	20.0%	20.0%	--
No of Units	0.0%	0.0%	0.0%	0.0%	0.0%	--
Total Other Adjustments	-5.0%	5.0%	10.0%	-5.0%	25.0%	--
Adj. Price \$ Per SF	\$59.10	\$59.72	\$74.63	\$57.46	\$78.22	--
	\$ Per SF	Occupancy	\$ Mo. PSF	CAP%	EGRM	
Low Indication	\$57.46	90.0%	\$0.73	6.05%	6.15	
Average Indication	\$65.83	95.2%	\$0.90	8.14%	7.69	
High Indication	\$78.22	100.0%	\$1.05	9.30%	10.75	

Comparable No. 1 was the November 2014 sale of a 29-unit, apartment property located at 155 East Parkway Drive, Lake Charles, LA for the sale price of \$1,285,000, or \$77.76 per rentable SF of building area. All the units were 570 SF one-bedroom, one bath units built in 1986. The sale price was adjusted downward for its superior location, upward for inferior age and condition, and downward for its smaller unit size. The sale price was also adjusted upward for its lack of additional office space. After adjustments, the comparable's sale price per dwelling unit was **\$59.10 per rentable SF of building area**.

Comparable No. 2 was the April 2014 sale of the 264-unit apartment unit property located at 4944 South Sherwood Forest Road, Baton Rouge, LA. The property had a mix of one, two and three-bedroom units and sold for \$15,850,000, or \$71.10 per SF of building area. The property was built in 1973 and was in fair condition at the time of sale. The sale price was adjusted downward for superior location, upward for inferior age and condition and downward for superior project amenities. The sale price was adjusted upward for a lack of additional office space. After adjustments, the comparable's sale price per dwelling unit was **\$59.72 per rentable SF of building area**.

Comparable No. 3 was the March 2016 sale of the eight-unit apartment unit property located at 4232 Swire Avenue, Baton Rouge, LA. The property had all two-bedroom units and sold for \$655,000, or \$81,250 per dwelling unit, or \$84.81 per rentable SF of building area. The property was built in 1984, renovated in 2012 and was in good condition at the time of sale. The sale price was adjusted downward for its superior location and downward for its superior age and condition. Sale price was adjusted downward for superior location and upward for inferior age and condition. The sale price was adjusted upward for larger average unit size and the lack of additional office space. After adjustments, the comparable's sale price per rentable SF of building area was **\$74.63**.

Comparable No. 4 was the August 2016 sale of the 124-unit apartment unit property located at 11850 Wentling Avenue, Baton Rouge, LA. The property had a mix of one, two and three-bedroom units and sold for \$8,800,000, or \$70,968 per dwelling unit, or \$75.60 per rentable SF of building area. The property was built in 1979 and was in average condition at the time of sale. The sale price was adjusted downward for superior location and upward for inferior age and condition. The sale price was adjusted downward for superior project amenities and upward for larger average unit size. The sale price was adjusted downward for lower residential density and upward for lack of additional office space. After adjustments, the comparable's sale price per rentable SF of building area was **\$57.46**.

Comparable No. 5 was the March 2017 sale of the 44-unit apartment unit property located at 10125 Siegen Lane, in Baton Rouge, LA. The property had all two-bedroom unit in 11, four-plex buildings and sold for \$3,750,000, or \$84,091 per dwelling unit, or \$78.22 per rentable SF of building area. The property was built in 1984 and was in average condition at the time of sale. The sale price was adjusted downward for superior location and upward for inferior age and condition. The sale price was adjusted upward for larger average unit size. The sale price was adjusted upward for higher residential density and upward for lack of additional office space. After adjustments, the comparable's sale price per SF of rentable building area was **\$78.22**.

In the final analysis—as will be shown the conclusion that is to follow—CRV believes that Comp. No. 4 and No. 5 utilized in this analysis were most similar in terms of physical qualities and unit mix. CRV has estimated the “as is” market value indication for the subject to be **between \$60.00 and \$65.00 per rentable SF of building area**.

CONCLUSION

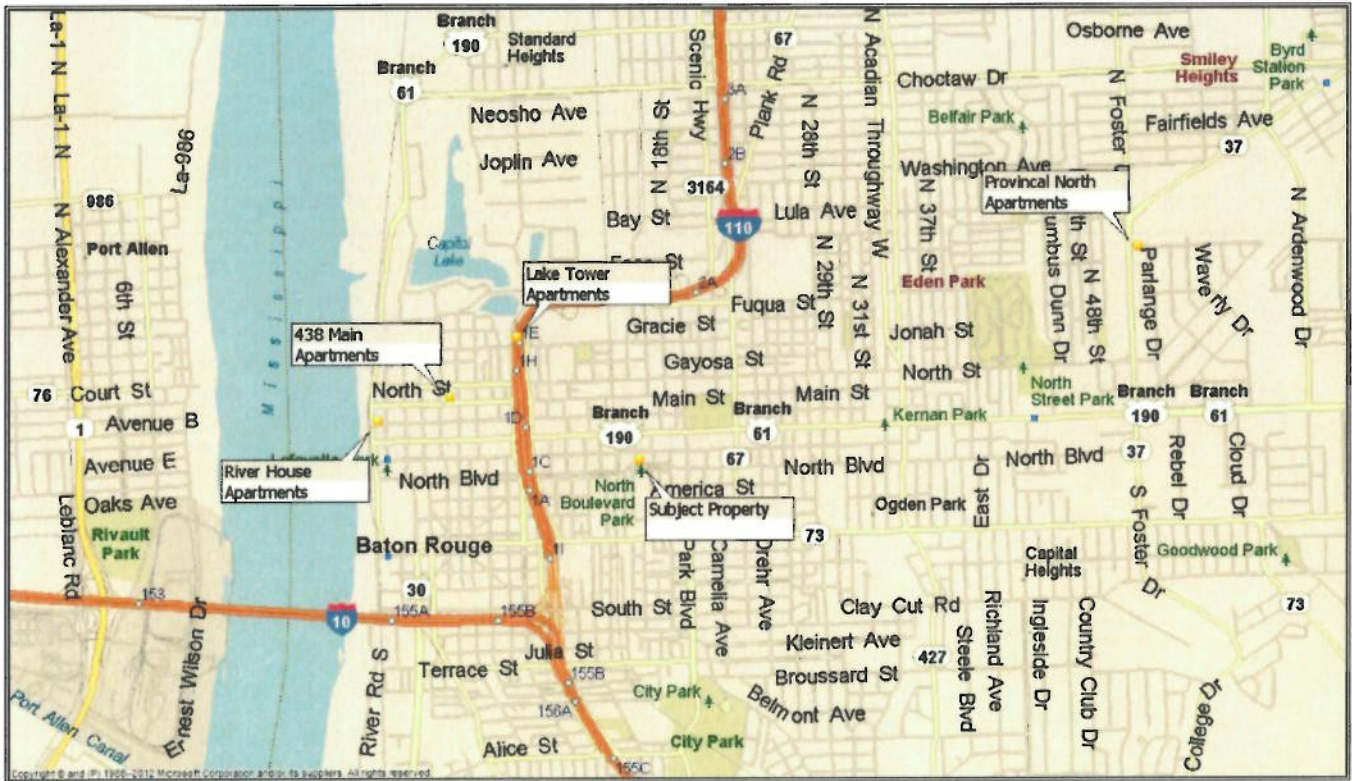
I have weighted the three indications off value equally. The result is the “as is” market value indication. The analysis produced an indication of the fee simple "as-is" market value via the Sales Comparison Approach of \$3,220,000.

SALES COMPARISON APPROACH CONCLUSION					
Subject Size Rentable SF	x	\$ Per SF	=	Value	
52,904 SF	x	\$60.00	=	\$3,174,240	
52,904 SF	x	\$65.00	=	\$3,438,760	
"As Stabilized" Market Value (Rd)				\$3,310,000	
<i>Less: Remaining Office Build-Out</i>				<i>\$95,000</i>	
"As Is" Market Value Indication (Rd)				\$3,220,000	

INCOME APPROACH - "NON-ENCUMBERED"

Market Rent Analysis

The following location map and tables of rents summarize the comparable data used in the valuation of the subject property.



The rentals utilized represent the best data available for comparison with the subject property. They were selected from our research of comparable rentals within the immediate area of the subject. These comps were chosen based upon age, location, amenities, roadway frontage, quality and condition.

One Bedroom Units

SUMMARY OF RENTAL COMPARABLES - ONE BEDROOM ONE BATHROOM UNITS UNENCUMBERED					
Comparable	No. 1	No. 2	No. 3	No. 4	Subject
Property Name	Provincial North Apartments	River House Apartments	Lake Towers Apartments	438 Main Street Apartments	Mid City Gardens Apartments
Property Address	1201 North Foster	101 River House Place	999 N Ninth St	438 Main Street	1690 North Boulevard
City	Baton Rouge, LA	Baton Rouge, LA	Baton Rouge, LA	Baton Rouge, LA	Baton Rouge
Year Built/Renovated	1963	2017	1972	2013	2012
Construction Quality	Average	Good	Average	Average	Good
Construction Type	Common Brick/Frame	Common Brick/Frame	Common Brick/Frame	Common Brick & Frame	Steel Frame Class "A"
Project Amenities	Courtyard	Laundry, pool, Fitness Center	Laundry, pool, Fitness Center, Elevators	None	Roof Top Garden
No. Units	214 Units	224 Units	139 Units	22 Units	60 Units
No. of Stories	2	2	2	3	2-3
Unit Size	750 SF	555 SF	630 SF	588 SF	727 SF
Unit Features	Disposal/DW, Laundry Hook-Ups	Disposal/DW, Laundry Hook-Ups	WD Hook-ups, Ceiling Fans	Disposal/DW, Washer/Dryer, Garden Tubs, Balcony/Patio	Disposal/DW, Laundry Hook-Ups
Rent Inclusions*	T,P,W,S	T, W	T,P,W,S	T,P	T, P, W, S, G, E
Unit Types	1 BR/1.0BA	1 BR/1.0BA	1 BR/1.0BA	1 BR/1.0BA	1 BR/1.0BA
Quoted Base Rent	\$879	\$1,109	\$745	\$920	--
Avg. Rent Per SF	\$1.17	\$2.00	\$1.18	\$1.56	--
Parking	Covered/Uncovered	Covered	Uncovered	Uncovered	Covered
Current Occupancy	95.5%	97.8%	97.8%	100.0%	93.3%
Verification Name	Brenda, On-Site Mgr.	On-Site Mgr.	On Site Mgr.	Lesley, Mgr.	--
Phone	225.372.8940	225.228.4602	844.772.6089	844.253.9542	--

*W=Water, S=Sewer, P=Pest Control, T=Trash Removal, E=Electric, C=Cable, G=Gas

COMPARABLE RENTAL ADJUSTMENT GRID - ONE BEDROOM UNITS					
Comparable	No. 1	No. 2	No. 3	No. 4	Subject
Rent Price	\$879	\$1,109	\$745	\$920	--
Unit Size	0%	0%	15%	0%	--
Unit Type/Layout	0%	0%	0%	0%	--
Expense Structure	-5%	0%	0%	0%	--
Curb Appeal	10%	0%	10%	10%	--
Project Amenities	-5%	0%	-5%	-5%	--
Unit Amenities	0%	0%	0%	0%	--
Age/Condition	20%	0%	20%	5%	--
Appliance Package	0%	0%	0%	0%	--
Location	0%	0%	0%	0%	--
Total Adjustments	20%	0%	40%	10%	--
Adj. Rent PSF	\$1,055	\$1,109	\$1,043	\$1,012	--

Indication	Adj. Rent \$ per Unit
Low	\$1,012
Average	\$1,055
High	\$1,109

Two Bedroom Units

SUMMARY OF RENTAL COMPARABLES - TWO BEDROOM UNITS UNENCUMBERED					
Comparable	No. 1	No. 2	No. 3	No. 4	Subject
Property Name	Provincial North Apartments	River House Apartments	Lake Towers Apartments	438 Main Street Apartments	Mid City Gardens
Property Address	1201 North Foster Street	101 River House Place	999 N Ninth St	438 Main Street	1690 North Boulevard
City	Baton Rouge, LA	Baton Rouge, LA	Baton Rouge, LA	Baton Rouge, LA	Baton Rouge
Year Built/Renovated	1963	2017	1972	2013	2012
Construction Quality	Average	Good	Average	Average	Good
Construction Type	Common Brick/Frame	Common Brick/Frame	Common Brick/Frame	Common Brick & Frame	Steel Frame Class "A"
Project Amenities	Courtyard	Laundry, pool, Fitness Center	Laundry, pool, Fitness Center, Elevators	None	Roof Top Garden
No. Units	214 Units	224 Units	139 Units	22 Units	60 Units
No. of Stories	2	2	2	3	2-3
Unit Size	1,200 SF	951 SF	840 SF	836 SF	759 SF
Unit Features	Disposal/DW, Laundry Hook-Ups	Disposal/DW, Laundry Hook-Ups	WD Hook-ups, Ceiling Fans	Disposal/DW, Washer/Dryer, Garden Tubs, Balcony/Patio	Disposal/DW, Laundry Hook-Ups
Rent Inclusions*	T,P,W,S	T,P,W,S	T,P,W,S	T,P	T, P, W, S, G, E
Unit Types	2 BR / 2.0 BA	2 BR / 2.0 BA	2 BR / 1.0 BA	2 BR / 2.0 BA	2 BR / 1.0 BA
Quoted Base Rent	\$1,450	\$1,559	\$1,145	\$1,345	--
Avg. Rent Per SF	\$1.21	\$1.64	\$1.36	\$1.61	--
Parking	Covered/Uncovered	Covered	Uncovered	Uncovered	Covered
Current Occupancy	95.5%	97.8%	97.8%	100.0%	93.3%
Verification Name	Brenda, On-Site Mgr.	On-Site Mgr.	On Site Mgr.	Lesley, Mgr.	--
Phone	225.372.8940	225.228.4602	844.772.6089	844.253.9542	--

*W=Water, S=Sewer, P=Pest Control, T=Trash Removal, E=Electric, C=Cable, G=Gas

COMPARABLE RENTAL ADJUSTMENT GRID - TWO BEDROOM ONE BATHROOM UNITS					
Comparable	No. 1	No. 2	No. 3	No. 4	Subject
Rent Price	\$1,450	\$1,559	\$1,145	\$1,345	--
Unit Size	-35%	-20%	-15%	-15%	--
Unit Type/Layout	-5%	-5%	0%	-5%	--
Expense Structure	0%	0%	0%	5%	--
Curb Appeal	0%	0%	0%	0%	--
Project Amenities	0%	-5%	0%	0%	--
Unit Amenities	0%	0%	-5%	-5%	--
Age Condition	20%	0%	20%	0%	--
Appliance Package	0%	0%	0%	0%	--
Location	0%	0%	0%	0%	--
Total Adjustments	-20%	-30%	0%	-20%	--
Adj. Rent PSF	\$1,160	\$1,091	\$1,145	\$1,076	--

Indication	Adj. Rent \$ per Unit
Low	\$1,076
Average	\$1,118
High	\$1,160

Three Bedroom Units

SUMMARY OF RENTAL COMPARABLES - THREE BEDROOM UNIT UNENCUMBERED				
Comparable	No. 1	No. 2	No. 3	Subject
Property Name	Provincial North Apartments	Northgate Apartments	Lake Towers Apartments	Mid City Gardens Apartments
Property Address	1201 North Foster Street	3135 Highland Road	999 N Ninth St	1690 North Boulevard
City	Baton Rouge, LA	Baton Rouge, LA	Baton Rouge, LA	Baton Rouge
Year Built/Renovated	1963	2012	1972	2012
Building Quality	Average	Good	Average	Good
Construction Type	Common Brick/Frame	Common Brick/Frame	Common Brick/Frame	Steel Frame Class "A"
Project Amenities	Courtyard	Laundry, pool, Fitness Center	Laundry, pool, Fitness Center, Elevators	Roof Top Garden
No. Units	214 Units	224 Units	139 Units	60 Units
No. of Stories	2	2	2	2-3
Unit Size	1,850 SF	1,268 SF	1,050 SF	1,246 SF
Unit Features	Disposal/DW, Laundry Hook-	Disposal/DW, Laundry Hook-	WD Hook-ups, Ceiling Fans	Disposal/DW, Laundry Hook-
Rent Inclusions*	T,P,W,S	T,P,W,S	T,P,W,S	T
Unit Types	3 BR / 3.0 BA	3 BR / 3.0 BA	3 BR / 2.0 BA	3 BR / 2.0 BA
Quoted Base Rent	\$1,765	\$1,905	\$1,650	--
Avg. Rent Per SF	\$0.95	\$1.50	\$1.57	--
Concessions	Covered/Uncovered	Uncovered	Uncovered	None
Occupancy	95.5%	97.8%	97.8%	
Verification Name	Brenda, On-Site Mgr.	On-Site Mgr.	On Site Mgr.	
Phone	225.372.8940	225.442.3996	844.772.6089	

*W=Water, S=Sewer, P=Pest Control, T=Trash Removal, E=Electric, C=Cable, G=Gas

COMPARABLE RENTAL ADJUSTMENT GRID - THREE BEDROOM UNITS				
Comparable	No. 1	No. 2	No. 3	Subject
Rent Price PSF	\$1,765	\$1,905	\$1,650	--
Average Unit Size	-30%	0%	10%	--
Unit Type/Layout	0%	0%	0%	--
Expense Structure	0%	0%	0%	--
Curb Appeal	0%	0%	0%	--
Project Amenities	0%	-10%	-10%	--
Unit Amenities	0%	0%	0%	--
Age/Condition	20%	0%	20%	--
Appliance Package	0%	0%	0%	--
Visibility/Frontage	0%	0%	0%	--
Total Adjustments	-10%	-10%	20%	--
Adj. Rent PSF	\$1,589	\$1,715	\$1,980	--

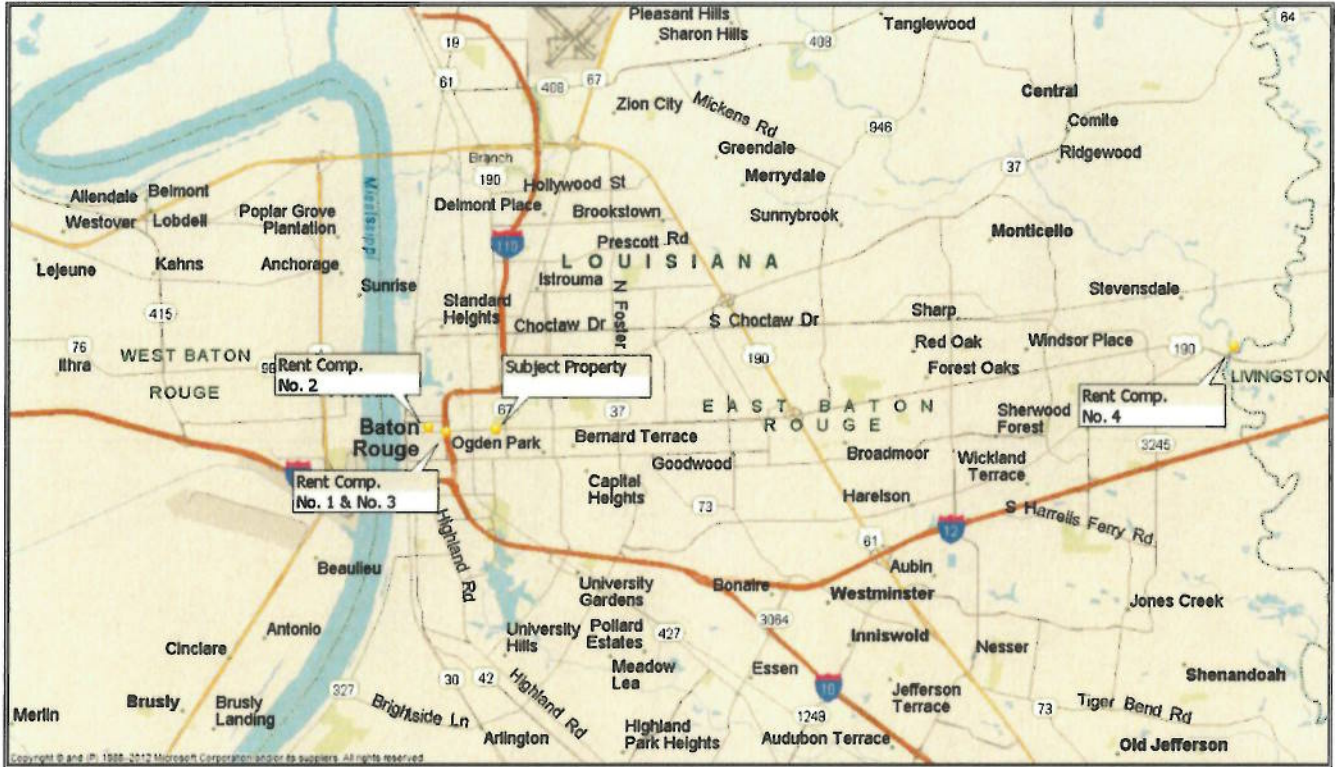
Adj. Rent \$ per Unit	
Low Indication	\$1,589
Average Indication	\$1,761
High Indication	\$1,980

Based on discussions with property representatives, CRV adjusted the rents to reflect the market equivalent rent basis as the subject property as depicted below:

BASE MARKET RENT CONCLUSIONS - AS UNENCUMBERED BY RENT RESTRICTIONS										
No. Units	Unit Type	Avg. Unit Size	Monthly Rent			Annual Rent			Annual Total	
			Total SF	\$/Unit	\$/SF	PGR	\$/Unit	\$/SF		
8	1 BR / 1.0 BA (Small)	555 SF	4,440 SF	\$1,000.00	\$1.80	\$8,000	\$12,000	\$21.62	\$96,000	
1	1 BR / 1.0 BA (Large)	591 SF	591 SF	\$1,000.00	\$1.69	\$1,000	\$12,000	\$20.30	\$12,000	
6	1 BR / 1.0 BA	727 SF	4,362 SF	\$1,050.00	\$1.44	\$6,300	\$12,600	\$17.33	\$75,600	
12	2 BR / 1.0 BA (Small)	727 SF	8,724 SF	\$1,100.00	\$1.51	\$13,200	\$13,200	\$18.16	\$158,400	
13	2 BR / 1.0 BA (Large)	759 SF	9,867 SF	\$1,100.00	\$1.45	\$14,300	\$13,200	\$17.39	\$171,600	
20	3 BR / 2.0 BA	1,246 SF	24,920 SF	\$1,700.00	\$1.36	\$34,000	\$20,400	\$16.37	\$408,000	
60	--	882 SF	52,904 SF	\$1,280.00	\$1.45	\$76,800	\$15,360	\$17.42	\$921,600	

Compiled by CRV

The office space market rent analysis is below.



SUMMARY OF RENTAL COMPARABLES

Comparable	No. 1	No. 2	No. 3	No. 4	Subject
Property Type	Multi-Tenant Office	Multi-Tenant Office	Multi-Tenant Office	Multi-Tenant Office	Professional Office
Property Address	801 North Boulevard	151 3rd Street	801 North Boulevard	451 Florida Street	1690 North Boulevard
City	Baton Rouge, LA	Baton Rouge, LA	Baton Rouge, LA	Baton Rouge, LA	Baton Rouge
Year Built/Renovated	1984	1980	1984	1983	2012
Building Quality	Average	Average	Average	Good	Average
Building Area (NRA)	25,000 SF	10,640 SF	25,000 SF	362,880 SF	11,834 SF
Expense Basis	Mod Gross (Taxes)	Mod. Gross	Mod Gross (Taxes)	Full Service	Full Service
Leased/Listing/Date	Leased/Nov. 2017	Leased April 2017	Leased Nov. 2016	Leased Nov. 2015	Not Applicable
Available Unit Rentable Size	7,892 SF	5,320 SF	7,892 SF	5,011 SF	11,834 SF
Occupancy Rate	100.0%	100.0%	100.0%	92.0%	0.0%
Parking Ratio	2.20 Per 1,000 SF	0.38 Per 1,000 SF	2.20 Per 1,000 SF	1.50 Per 1,000 SF	1.01 Per 1,000 SF
Asking Rent per SF	\$14.00	\$18.50	\$14.00	\$16.50	NA
Concessions	None	None	None	None	None
Lease Term	3 Years	3 Years	5 Years	5 Years	NA
Verification Name	Branon Pesnel, Leasing Agent	Michele Casi, Listing Agent	Branon Pesnel, Leasing Agent	Jordan Johnson, Listing Agent	--
Phone	713.231.1587	225.766.0000	713.231.1587	504.525.1410	--

COMPARABLE RENTAL ADJUSTMENT GRID

Comparable	No. 1	No. 2	No. 3	No. 4	Subject
Rent Price	\$14.00	\$18.50	\$14.00	\$16.50	--
Location	0%	-25%	0%	0%	--
Size	-10%	-15%	-10%	-15%	--
Expense Basis	10%	10%	10%	0%	--
Construction Quality	0%	0%	0%	-10%	--
Parking Ratio	-10%	0%	-10%	-5%	--
Total Adjustments	-10%	-30%	-10%	-30%	--
Adj. Rent	\$12.60	\$12.95	\$12.60	\$11.55	--

	Adj. Rent \$ per SF	Occupancy
Low Indication	\$11.55	50.0%
Average Indication	\$12.43	89.78%
High Indication	\$12.95	100.00%

Market rent for the extra office space was reconciled at \$12.50 per rentable square foot of building area.

RENTAL COMPARABLE SUMMARY

All of the rentals utilized have contributed significantly to this analysis and are considered comparable to the subject property due to location, age/condition, similarities, and/or community features/amenities. CRV has primarily relied upon these comparables for indications of market rent for the subject property going forward. Additionally, it is important to note the following:

- Other adjustments were made for average unit size and curb appeal, which included common area and land to building consideration.
- The subject property has similar project amenities compared to the comparable properties. Market-rate multi-family properties with limited project amenities were chosen for comparison. Generally, few adjustments were needed.

POTENTIAL RENTAL REVENUE

CRV has utilized the market rent apartments and office space, which are generally within the middle aspect of the range of adjusted comparable data.

GROSS RENTAL REVENUE		
	Nominal	\$ Unit
CRV Stabilized Estimate	\$921,600	\$15,360

OTHER REVENUE

Other Revenue is supplemental to that derived from leasing of the improvements. For example, none of the subject units has washer-dryer hook-ups and the subject has a laundry room with four coin-operated washers and two coin-operated dryers. No historical data for other income was available, which is typical of the subject's property type. For the same reason, comparable data was not readily available.

The subject has limited other revenue streams, so additional income should be minimally estimated at stabilized occupancy to be approximately \$300 per unit or \$18,000 annually.

OTHER REVENUE		
	Nominal	\$ Unit
CRV Stabilized Estimate	\$18,000	\$300

COLLECTION LOSS

Collection (credit) loss occurs when tenants default on rent or other obligations to the property owner. No historical or budgeted data was available from the borrower regarding the subject's past or present collection (credit) loss. Credit loss has been estimated at 0.00% of gross revenue based upon discussions with market participants active in this asset class.

RENT CONCESSIONS

Discussions with market participants and CRV's own research indicate a trend of decreasing rental increases has not yet led to incentives in the subject's market, with no concessions at all offered in any of the properties in the area. CRV has estimated that no concessions will be necessary for the subject property to achieve the projected operating results. Normally, CRV would estimate long-term or "cyclical" concessions for a property, however, given the historically strong occupancy levels of the subject and competitive supply — and excepting another economic downturn—CRV has not included an estimate for concessions long-term.

OCCUPANCY

CRV's conclusion of stabilized vacancy for the subject is illustrated in the following table. This estimate considers both the physical and economic factors of the market.

OCCUPANCY CONCLUSIONS	
Competition Segment	Occupancy
Baton Rouge	91.0%
Rent Comparables	95.2%
Subject's Current Occupancy	93.3%
CRV Stabilized Occupancy	94%

Compiled by CRV

CRV’s stabilized occupancy projection considered the following factor:

- CRV has estimated that—at stabilization—average downtime between leases should be around 1 months (considering summer vacancies). Estimating a 70% turnover probability, a frictional stabilized vacancy estimate can be formulated as follows:

VACANCY ANALYSIS				
No. of Months Vacant	% of Units Vacant/Yr	No. of Units	Total Months (12 mo x 24 Units)	Estimated Vacancy
1	70%	60	720	5.83%

Based upon the foregoing, stabilized vacancy has been estimated at 6.00% of Gross Rental Revenue.

VACANCY, COLLECTION LOSS & CONCESSIONS

CONCESSIONS, COLLECTIONS & VACANCY LOSS		
	Nominal	\$ Unit
CRV Stabilized Estimate	\$65,252	\$1,088

- CRV’s overall estimate of vacancy and collection losses is consistent with market participant’s expectations—that are between 5% and 10% of potential gross revenue.

EFFECTIVE GROSS REVENUE

The subject’s effective gross income is detailed as follows:

EFFECTIVE GROSS REVENUE		
	Nominal	\$ Unit
CRV Stabilized Estimate	\$1,022,274	\$17,038

OPERATING EXPENSE ANALYSIS

The following subsections represent the analysis for the CRV’s estimate of each category of the subject’s stabilized expenses.

Operating History

- CRV received no subject historical operating data, as requested of the owner-borrower, who also functions as the property manager, handling leasing and repairs.
- CRV utilized the subject’s actual operating expenses, when able. When the subject’s annualized expenses are outside the range of comparables by a significant margin, comparable data was utilized, on a stabilized basis.
- The itemized expense comparables are presented below, along with the provided historical expenses for the subject property.

Expense Comparables

Below CRV has summarized several expense comparables taken from the regional area of similar size and character.

Comparable Operating History	EXPENSE COMPARABLE INDICATIONS PER UNIT											
	2015 Total	Per Unit	2016 Total	Per Unit	2017 Per		Comp #1	Comp #2	Comp #3	Comp #4	Comp #5	Averages
Effective Gross Income	\$469,505	\$7,825	\$472,844	\$7,881	\$449,114	\$7,485	\$5,789	\$6,600	\$7,439	\$8,109	\$7,850	\$7,157
Personnel Services	\$95,677	\$1,595	\$160,848	\$2,681	\$179,304	\$2,988	\$0	\$0	\$965	\$1,100	\$975	\$608
Administrative	\$29,791	\$497	\$34,433	\$574	\$31,638	\$527	\$30	\$0	\$170	\$195	\$220	\$123
Maintenance	\$148,218	\$2,470	\$175,269	\$2,921	\$124,127	\$2,069	\$255	\$0	\$517	\$371	\$333	\$295
Management Fee	\$31,307	\$522	\$27,362	\$456	\$24,885	\$415	\$348	\$0	\$517	\$439	\$476	\$356
Utilities	\$55,271	\$921	\$94,922	\$1,582	\$121,764	\$2,029	\$972	\$443	\$122	\$834	\$433	\$561
Real Estate Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$326	\$297	\$757	\$686	\$969	\$607
Insurance	\$34,142	\$569	\$35,198	\$587	\$36,287	\$605	\$334	\$667	\$592	\$492	\$650	\$547
Replacement Reserve	\$0	\$0	\$0	\$0	\$0	\$0	\$185	\$0	\$400	\$300	\$309	\$239
Operating Expenses	\$394,406	\$16,434	\$528,032	\$8,801	\$518,005	\$8,633	\$2,452	\$1,407	\$4,040	\$4,417	\$4,365	\$3,336
Net Operating Income	\$75,099	\$3,129	-\$55,188	-\$2,300	-\$68,891	-\$1,148	\$3,336	\$5,193	\$3,399	\$3,692	\$3,485	\$3,821

The regional comparables exhibited overall expenses ranging from \$1,407-to-\$4,532 per apartment unit. Additionally, we have utilized the most recent results of the 2016 National Apartment Association (NAA) income and expense survey. The NAA survey exhibited average expenses per unit ranging from \$4,378-to-\$7,112 dependent upon apartment property type.

All Market-Rent Properties: Operating Income & Expense Data (Part I)									
INDIVIDUAL METERED AND RECOVERY SYSTEM PROPERTIES*									
	TOTAL			GARDEN			MID- & HIGH-RISE		
Number of Properties	2,970			2,575			395		
Number of Units	819,100			699,488			119,612		
Avg. No. of Units/Property	276			272			303		
Avg. No. of Square Feet/Unit	934			938			910		
Turnover rate in %	52%			53%			52%		
	\$ Per Unit	\$ Per Sq. Ft.	% of GPR	\$ Per Unit	\$ Per Sq. Ft.	% of GPR	\$ Per Unit	\$ Per Sq. Ft.	% of GPR
Revenues									
Gross Potential Rent	13,517	14.47	100.0%	12,561	13.39	100.0%	19,113	21.00	100.0%
Rent Revenue Collected	12,566	13.45	93.0%	11,690	12.46	93.1%	17,688	19.43	92.5%
Losses to Vacancy	726	0.78	5.4%	669	0.71	5.3%	1,058	1.16	5.5%
Collection Losses	82	0.09	0.6%	82	0.09	0.7%	81	0.09	0.4%
Losses to Concessions	143	0.15	1.1%	118	0.13	0.9%	286	0.31	1.5%
Other Revenue	787	0.84	5.8%	714	0.76	5.7%	1,211	1.33	6.3%
Total Revenue	13,353	14.30	98.8%	12,405	13.22	98.8%	18,899	20.76	98.9%
Operating Expenses									
Salaries and Personnel	1,284	1.37	9.5%	1,240	1.32	9.9%	1,540	1.69	8.1%
Insurance	259	0.28	1.9%	251	0.27	2.0%	302	0.33	1.6%
Taxes	1,575	1.69	11.6%	1,408	1.50	11.2%	2,550	2.80	13.3%
Utilities	330	0.35	2.4%	301	0.32	2.4%	502	0.55	2.6%
Management Fees	364	0.39	2.7%	344	0.37	2.7%	483	0.53	2.5%
Administrative	265	0.28	2.0%	248	0.26	2.0%	369	0.41	1.9%
Marketing	174	0.19	1.3%	157	0.17	1.2%	277	0.30	1.4%
Contract Services	355	0.38	2.6%	324	0.34	2.6%	541	0.59	2.8%
Repair and Maintenance	487	0.52	3.6%	476	0.51	3.8%	548	0.60	2.9%
Total Operating Expenses	5,094	5.45	37.7%	4,748	5.06	37.8%	7,112	7.81	37.2%
Net Operating Income	8,259	8.84	61.1%	7,656	8.16	61.0%	11,787	12.95	61.7%
Capital Expenditures	1,181	1.26	8.7%	1,127	1.20	9.0%	1,490	1.64	7.8%
* Individual Meter and Recovery System (submeter, RUBS, flat fee) for primary utility.									
Source : National Apartment Association 2016 Survey of Operating Income & Expenses in Rental Apartment Communities © 2016 by National Apartment Association. This table may only be used, copied, and/or distributed in accordance with the License Agreement and may not be posted on the Internet.									
32 UNITS AUGUST 2016					Visit www.naahq.org/about/bookstore to order the I&E Survey				

ADMINISTRATIVE EXPENSES

The subject's administrative expense was not reported. Comparable data for this expense item averaged \$123 per unit. For purposes of this analysis, we have concluded an administrative expense of \$538 per unit, within the range indicated by the comparable properties, though at the high end. The stabilized estimate is as follows.

ADMINISTRATIVE EXPENSE		
Expense Comparables	Nominal \$	\$ Unit
Comp #1		\$30
Comp #2		\$0
Comp #3		\$170
Comp #4		\$195
Comp #5		\$220
CRV Stabilized Estimate	\$32,271	\$538

MAINTENANCE

The subject's expenses should be toward the upper end of the comparable's range, which is reasonable given the subject's unit sizes and the age of the improvements. Repairs and maintenance expenses at the subject are related to the repair, maintenance and upkeep of the units, buildings, grounds and common area. The subject's maintenance was based upon comparable operating history, trended forward. The subject's expense is detailed as follows:

MAINTENANCE		
Expense Comparables	Nominal \$	Per Unit
Comp #1		\$255
Comp #2		\$0
Comp #3		\$517
Comp #4		\$371
Comp #5		\$333
CRV Stabilized Estimate	\$31,020	\$450

MANAGEMENT FEE

Management expenses are typically negotiated as a percentage of collected revenues (effective gross revenue) or a nominal flat fee. This expense includes supplies, advertising, management/payroll, etc. However, property managers and brokers alike—for the most part—indicate that management fees in this market are not typically included when assets smaller than the subject are traded.

Assets of the subject size—and up—generally trade based upon a management fee being utilized. CRV has included a management fee of 4.00%, which is considered typical of the subject's property type without fulltime property management and maintenance staff. Typically, a manager would handle maintenance task delegation and possibly some tasks themselves.

MANAGEMENT FEE		
Expense Comparables	Nominal \$	\$ Unit
Comp #1		\$348
Comp #2		\$0
Comp #3		\$517
Comp #4		\$439
Comp #5		\$476
CRV Stabilized Estimate	\$40,891	\$682

UTILITIES

This expense category includes common area and unit electrical costs, water and sewer costs, trash pickup, pest control, gas, etc. According to the management, the units are individually metered for electricity. Water, sewer, pest control and trash collection is included in the rent, typical in the subject's market. The subject utility expense was

estimated to be \$124,199, or \$2,070 per unit. This is reasonable and trended forward, as reported in the following table.

UTILITY EXPENSE		
Expense Comparables	Nominal \$	\$ Unit
Comp #1		\$972
Comp #2		\$443
Comp #3		\$122
Comp #4		\$834
Comp #5		\$433
CRV Stabilized Estimate	\$50,760	\$846

REAL ESTATE TAXES

The real estate taxes for the subject were previously discussed in detail earlier in this report and no reliance was placed on the expense comparables. The subject's expense is detailed as follows:

ASSESSMENT & TAX SUMMARY				
Description	2017	2017	Proforma	Pro Forma
	Fair Market Value	Assessed Value	Fair Market Value	Assessed Value
Land	\$50,500	\$5,050	\$50,500	\$5,050
Improvements	\$0	\$0	\$7,779,500	\$777,950
Total Assessed Value	\$50,500	\$5,050	\$7,830,000	\$783,000
Prop. Tax Rate		11.9613%		11.9613%
Base Tax Expense		\$0.00		\$93,657
Add: Non Ad Valorem		\$0		\$0
Gross Tax Expense		\$0.00		\$93,657
"Fair Market Value"		1%		100%

PROPERTY INSURANCE

Property insurance expenses typically include fire and extended coverage and owner's liability coverage. The subject utilizes construction materials that include vinyl and wood frame construction. The subject's quality of construction is generally perceived as being of "average" wind resistance. However, the subject's units were built in 1978 and are in average condition. It has been reported to CRV by reputable insurance brokers in the area that a typical expense for a property of this size, type, and location should average around \$0.50 to \$1.00 PSF.

Insurance premiums have come down from previous highs in 2008—which is reflected in the insurance expense comparables. Subject insurance expense data was inconsistently reported. The subject owner estimated and reported an insurance expense currently of , or , per building, which was supported by comparable data. Therefore, CRV has estimated the stabilized insurance expense based on historical data, with a slight increase going forward.

INSURANCE		
Expense Comparables	Nominal	\$ Unit
Comp #1		\$334
Comp #2		\$667
Comp #3		\$592
Comp #4		\$650
Comp #5		\$547
CRV Stabilized Estimate	\$37,013	\$617

RESERVES FOR REPLACEMENT

Reserves for replacement have been estimated based on discussions with knowledgeable market participants who indicate that about \$250 per unit is adequate and typical modeling by investors.

REPLACEMENT RESERVE		
Expense Comparables	Nominal	\$ Unit
Comp #1		\$185
Comp #2		\$0
Comp #3		\$400
Comp #4		\$300
Comp #5		\$309
CRV Stabilized Estimate	\$15,000	\$250

OPERATING EXPENSE CONCLUSION

The subject's expense is detailed as follows:

OPERATING EXPENSES		
	Nominal	\$ Unit
CRV Stabilized Estimate	\$390,886	\$6,515

NET OPERATING INCOME CONCLUSION

The subject's net operating income is detailed as follows:

NET OPERATING INCOME		
	Nominal	\$ Unit
CRV Stabilized Estimate	\$631,387	\$10,523

CRV believes that this estimated net operating income looking forward is reasonable and as such is utilized in the forthcoming direct capitalization analysis.

DIRECT CAPITALIZATION

Direct capitalization is a method used to convert a single year's estimated stabilized net operating income into a value indication. The following subsections represent different techniques for deriving an overall capitalization rate for direct capitalization.

Comparable Sales

The OAR's confirmed or estimated for the comparable sales analyzed in the Sales Comparison Approach are as follows, 7.39%, 6.06%, 5.99%, 6.93% and 6.76%. With interest rates expected to increase by 100 basis points this year, these rates are given less weight.

Band of Investment

BAND OF INVESTMENT				
BOI Component	Rate/Ratio	Return		
Mortgage Interest Rate	4.50%	10-Year Tres. + 300 BP		
Mortgage Term (Amort)	20 Years			
Holding Period	8 Years			
Mortgage Ratio (LTV)	75.00%			
Mortgage Constant	0.07592			
Equity Dividend Rate (EDR)	16.00%			
EDR Sinking Fund Factor	7.0224%			
Mortgage Requirement	75.00%	x 7.59%	=	5.69%
Equity Requirement	25.00%	x 16.00%	=	4.00%
Less: Amortized Principal	75.00%	x 2.10%	=	-1.57%
Basic Rate				8.12%
Less: Appreciation	3.00%	x -7.02%	=	-0.21%
Overall Rate (w/ Fixed Income Stream)				7.91%
Divide by: [1 + NOI Growth % x J]	2.25%	x 36.95%	/	1.008
Implied Overall Rate				7.84%

- CRV spoke with Whitney Bank, which indicated that the loan to value ratio for Class B & C multi-family assets was 70% to 80%, depending on the operating history and borrower.
- The basis of for CRV’s estimate of the Equity Dividend Rate (EDR) is based on comments made by market participants and CRV’s own experience.

SURVEYS

The following organizations reported average OAR’s ranging from 5.80% to 6.90%.

NATIONAL INVESTOR SURVEY : GOING IN CAP RATES			
Survey Source	Low	High	Average
Realty Rates.com 1Q 2017			
Apartments (All Types)	4.31%	13.31%	8.78%
Garden/Suburban Townhouses	4.31%	12.08%	8.07%
RERC Real Estate Report 1Q 2017			
1st Tier South	4.30%	8.50%	5.90%
2nd Tier South	4.80%	9.00%	6.90%
Estimated Cap Rate	6.00%-8.00%		

CAPITALIZATION RATE CONCLUSION

The following table summarizes the OAR conclusions.

CAPITALIZATION RATE	
Source	Rates
National Investor Survey Cap Rates	6.00%-8.00%
Comparable Sales	7.00%-8.00%
Band of Investment Cap Rate	7.84%
CRV Stabilized Estimate	8.00%

Considering the data presented, the subject's location, improvement age and asset class, the concluded overall capitalization rate appears to be well supported in the local market.

DIRECT CAPITALIZATION SUMMARY

A summary of the direct capitalization of the subject at stabilized occupancy is illustrated in the following table.

DIRECT CAPITALIZATION SUMMARY - AS ENCUMBERED		
Description	\$ Per Unit	\$ Nominal
Gross Apartment Rental Revenue	\$8,485	\$509,112
Gross Office Rental Revenue	\$2,465	\$147,925
Other Revenue	\$0	\$0
Less: Collection Loss	0.00%	\$0
Less: Vacancy Loss	6.00%	\$657
Effective Gross Revenue (EGR)	\$10,294	\$617,615
Personnel Services	\$975	\$58,500
Administrative	\$538	\$32,271
Maintenance	\$450	\$31,020
Management Fee	\$412	\$24,705
Utilities	\$2,070	\$124,199
Real Estate Taxes	\$0	\$0
Insurance	\$617	\$37,013
Replacement Reserve	\$250	\$15,000
Total Operating Expenses	<u>57.12%</u>	<u>\$5,813</u>
Net Operating Income	<u>42.88%</u>	<u>\$264,807</u>
Cap Rate	÷	8.00%
"As Is" Market Value (Rd)	\$55,167	\$3,310,000

INCOME APPROACH - "ENCUMBERED"**SUBJECT RENT ROLL ANALYSIS**

Detailed interviews have taken place with the property manager, as well as with market participants in order to garner accurate details that will support the following conclusions.

As of the date of value, the subject was 93.7% occupied.

- leased and occupied with a long history of high occupancy.
- Current rents range from \$545 to \$810, with the average rent at \$697 monthly. These rental rates are restricted, set by U.S. Housing and Urban Development. As such, they are considered "market" rents for the Home program administered by the Client.

POTENTIAL RENTAL REVENUE

CRV has utilized the market rent, which are generally within the middle aspect of the range of adjusted comparable data.

GROSS RENTAL REVENUE		
	Nominal	\$ Unit
CRV Stabilized Estimate	\$509,112	\$8,485

OTHER REVENUE

Other Revenue is supplemental to that derived from leasing of the improvements. For example, none of the subject units has washer-dryer hook-ups and the subject has a laundry room with four coin-operated washers and two coin-operated dryers. No historical data for other income was available, which is typical of the subject's property type. For the same reason, comparable data was not readily available.

The subject has limited other revenue streams, so additional income should be minimally estimated at stabilized occupancy to be approximately \$0 per unit or \$0 annually.

OTHER REVENUE		
	Nominal	\$ Unit
CRV Stabilized Estimate	\$0	\$0

COLLECTION LOSS

Collection (credit) loss occurs when tenants default on rent or other obligations to the property owner. No historical or budgeted data was available from the borrower regarding the subject's past or present collection (credit) loss. Credit loss has been estimated at 0.00% of gross revenue based upon discussions with market participants active in this asset class.

RENT CONCESSIONS

Discussions with market participants and CRV's own research indicate a trend of decreasing rental increases has not yet led to incentives in the subject's market, with no concessions at all offered in any of the properties in the area. CRV has estimated that no concessions will be necessary for the subject property to achieve the projected operating results. Normally, CRV would estimate long-term or "cyclical" concessions for a property, however, given the historically strong occupancy levels of the subject and competitive supply — and excepting another economic downturn—CRV has not included an estimate for concessions long-term.

OCCUPANCY

CRV's conclusion of stabilized vacancy for the subject is illustrated in the following table. This estimate considers both the physical and economic factors of the market.

The subject rent roll is on the following pages

Rent Roll with Lease Charges

Mid City Gardens (br1690)

As Of = 03/15/2018

Month Year = 02/2017

Unit	Unit Type	Unit Resident Sq Ft	Name	Market Charge Rent Code	Amount	Resident Deposit	Other Move In Deposit	Lease Expiration	Move Out	Balance	
A1-1	mc-1s-50	555.00; 10068955	Kalecha Wells	545.00; marren Total	545.00; 545.00	200.00	0.00	10/22/2017	09/30/2018	0.00	
A1-2	mc-1s-80	591.00; 10060875	Willie Wilson	545.00; marren egeren Total	246.00; 297.00; 645.00	99.00	0.00	08/30/2018	07/31/2018	0.00	
A1-3	mc-1s-50	555.00; 10062959	James Boykins	545.00; egeren marren Total	333.00; 212.00; 645.00	350.00	0.00	11/17/2016	10/31/2018	-826.00	
A1-4	mc-1s-50	555.00; 10055705	Lewald Williams	545.00; marrah egeren Total	160.00; 370.00; 530.00	287.50	0.00	11/01/2013	01/31/2018	0.00	
A1-5	mc-1s-50	555.00; 10055706	Deborah Lundy	545.00; marren Total	540.00; 540.00	350.00	0.00	05/01/2013	04/30/2018	0.00	
A2-0	mc-3-50	1,246.00; 10070486	Geranahs Young	802.00; marren egeren Total	127.00; 675.00; 802.00	200.00	0.00	12/09/2017	11/30/2018	0.00	
A2-1	mc-3-60	1,246.00; 10055708	Pamela Woods	810.00; marren egeren Total	382.00; 433.00; 795.00	350.00	0.00	04/01/2013	03/31/2018	04/01/2018	0.00
A2-2	mc-3-50	1,246.00; 10055709	Jazmyrn Jenkins	810.00; marren Total	730.00; 730.00	350.00	0.00	12/13/2013	11/30/2018	05/01/2018	0.00
A2-3	mc-3-60	1,246.00; 10068663	Kemioka Nicholas	810.00; egeren Total	810.00; 810.00	350.00	0.00	09/29/2017	05/31/2018	0.00	
A2-4	mc-3-50	1,246.00; 10088710	Erica Payton	802.00; egeren Total	810.00; 810.00	350.00	0.00	08/20/2017	07/31/2018	0.00	
A2-5	mc-3-60	1,246.00; 10058000	Amanda Stevenson	810.00; marren Total	810.00; 810.00	350.00	0.00	04/01/2016	03/31/2016	0.00	

Rent Roll with Lease Charges

Mid City Gardens (hr1890)

As Of = 03/15/2018

Month Year = 02/2017

Unit	Unit Type	Unit Rent Sq Ft	Resident Name	Market Charge Rent Code	Amount	Resident Deposit	Other Deposit	Move In	Lease Expiration	Move Out	Balance
A2-6	mc-3-80	1,246.00	10070822 Chauncy Hayes	810.00 mamen agenen Total	102.00 700.00 802.00	200.00	0.00	12/07/2017	11/30/2018		0.00
A2-7	mc-3-80	1,246.00	10055714 Chara Woddrington	810.00 mamen Total	810.00 810.00	350.00	0.00	02/07/2014	01/31/2018		0.00
A2-8	mc-3-80	1,246.00	10069602 Ashanti Oler	810.00 mamen Total	810.00 810.00	200.00	0.00	10/31/2017	09/30/2018		0.00
A2-9	mc-3-80	1,246.00	10071658 Barbaris Cammack	810.00 mamen Total	810.00 810.00	200.00	0.00	02/23/2018	01/31/2019		0.00
B1-1	mc-1s-60	555.00	10066900 Anylate Collier	545.00 mamen Total	545.00 545.00	350.00	0.00	09/05/2017	04/30/2018		0.00
B1-2	mc-1s-50	555.00	10061810 Michelle Haynh	545.00 mamen Total	545.00 545.00	99.00	0.00	10/07/2016	09/30/2018		0.00
B1-3	mc-1s-50	555.00	10056404 Jonathan Black	545.00 mamen agenen Total	0.00 545.00 645.00	350.00	0.00	02/10/2016	02/28/2018		0.00
B1-4	mc-1s-50	555.00	10055720 Johnny Bennett	545.00 mamen Total	545.00 545.00	350.00	0.00	06/18/2014	09/31/2018		0.00
B1-5	mc-1s-50	555.00	10069289 Niquan Carter	545.00 mamen Total	545.00 545.00	200.00	0.00	09/23/2017	09/31/2018		0.00
B2-0	mc-3-60	1,246.00	10071179 ROBIN PHOENIX	810.00 mamen Total	810.00 810.00	200.00	0.00	01/05/2018	11/30/2018		0.00
B2-1	mc-3-50	1,246.00	10068781 Ogorndim Nwabudike	810.00 mamen Total	802.00 802.00	200.00	0.00	09/01/2017	08/31/2018		0.00
B2-2	mc-3-60	1,246.00	10069004 Nakesha Dorsey	810.00 mamen Total	810.00 810.00	200.00	0.00	11/01/2017	10/31/2018		0.00
B2-3	mc-3-80	1,246.00	10071149 Justin Jemison	810.00 mamen Total	810.00 810.00	200.00	0.00	01/08/2018	12/31/2018		0.00

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Rent Roll with Lease Charges

Mt City Gardens (br1690)

As Of = 03/15/2018

Month Year = 02/2017

Unit	Unit Type	Unit Rent Sq Ft	Rent Code	Name	Market Charge Rent Code	Amount	Rent Deposit	Other Move In Deposit	Lease Expiration	Move Out	Balance	
					Total	810.00						
B2-4	mc-3-80	1,246.00	0069041	ALYSSA TATE	810.00; marren	810.00	200.00	0.00	11/01/2017	10/31/2018	0.00	
					Total	810.00						
B2-5	mc-3-80	1,246.00	0055729	Leslie Granger	810.00; ageren marren	666.00 144.00	350.00	0.00	02/01/2013	04/30/2018	21.00	
					Total	780.00						
B2-6	mc-3-80	1,246.00	0069050	Kashia Ruffin	810.00; marren ageren	300.00 510.00	200.00	0.00	10/09/2017	09/30/2018	0.00	
					Total	810.00						
B2-7	mc-3-80	1,246.00	0057706	Kenneth Moya	810.00; marren	810.00	350.00	0.00	03/11/2018	02/28/2018	03/25/2018	0.00
					Total	810.00						
B2-8	mc-3-80	1,246.00	0069064	Cardelia Hunt	810.00; marren	810.00	200.00	0.00	10/02/2017	09/03/2018	0.00	
					Total	810.00						
B2-9	mc-3-80	1,246.00	0071040	Cherrisse Chavis	810.00; ageren	810.00	200.00	0.00	01/08/2018	12/31/2018	0.00	
					Total	810.00						
C1-1	mc-11-60	727.00	0068450	Sarah Jackson	591.00; marren ageren	143.00 448.00	350.00	0.00	08/23/2017	07/31/2018	0.00	
					Total	591.00						
C1-2	mc-11-60	727.00	0055735	Ivan Willis	591.00; marren	575.00	350.00	0.00	01/04/2013	12/31/2017	-50.00	
					Total	575.00						
C2-1	mc-26-80	727.00	0066719	Vera Ogunsanya	700.00; marren	711.00	350.00	0.00	05/01/2017	04/30/2018	0.00	
					Total	711.00						
C2-2	mc-26-80	759.00	0068910	Quionta Covington	711.00; marren	711.00	200.00	0.00	09/22/2017	08/31/2018	0.00	
					Total	711.00						
C2-3	mc-26-80	759.00	0055738	Ashley Smith	711.00; marren	710.00	350.00	0.00	07/15/2014	05/31/2018	0.00	
					Total	710.00						
C2-4	mc-26-80	727.00	0069091	TORI LOWE	700.00; marren	700.00	400.00	0.00	10/02/2017	09/30/2018	0.00	

Rent Roll with Lease Charges

Mid City Gardens (Dr1660)

As Of = 03/15/2018

Month Year = 02/2017

Unit	Unit Type	Unit Seq Fl	Resident Name	Market Charge Rent Code	Amount	Resident Deposit	Other Move In Deposit	Lease Expiration	Move Out	Balance
				Total	700.00					
C3-1	mc-2s-80	727.00:0008083	Cheryl Pierson	700.00:marren	711.00	350.00	0.00	08/07/2017	07/31/2018	0.00
				Total	711.00					
C3-2	mc-2t-80	758.00:10059741	Tameka Roby	711.00:marren	710.00	350.00	0.00	05/13/2014	03/31/2018	-40.00
				Total	710.00					
C3-3	mc-2t-60	759.00:10069959	Bro/Anna Ross	711.00:marren	711.00	200.00	0.00	10/06/2017	09/30/2018	0.00
				Total	711.00					
C3-4	mc-2t-60	759.00:10070608	Karen Boffe	711.00:marren	711.00	200.00	0.00	12/21/2017	11/30/2018	0.00
				Total	711.00					
D1-1	mc-1t-80	727.00:10069596	Ebony Wilson	581.00:marren	581.00	200.00	0.00	10/19/2017	09/30/2018	0.00
				Total	581.00					
D1-2	mc-1t-60	727.00:10055745	Ezekiel Osunde	591.00:marren	591.00	350.00	0.00	08/19/2013	07/31/2018	2.00
				Total	591.00					
D2-1	mc-2s-50	727.00:10055746	Delores Dotson	855.00:marren	830.00	350.00	0.00	02/28/2014	01/31/2018	0.00
				Total	830.00					
D2-2	mc-2t-80	759.00:10066928	Terry Wright	711.00:marren	711.00	350.00	0.00	06/09/2017	05/31/2018	0.00
				Total	711.00					
D2-3	mc-2t-60	759.00:10059764	Daniel Campbell	711.00:agenen	700.00	350.00	0.00	06/03/2016	05/31/2018	700.00
				Total	700.00					
D2-4	mc-2s-50	727.00:10053869	Kerriana Gremmilion	855.00:marren	655.00	350.00	0.00	12/30/2019	11/30/2017	0.00
				Total	655.00					
D3-1	mc-2s-60	727.00:10060974	Danille Shorter	700.00:marren	711.00	89.00	0.00	07/29/2016	06/30/2018	0.00
				Total	711.00					
D3-2	mc-2t-80	759.00:10060783	Jeffery Bennett	711.00:marren	711.00	198.00	0.00	09/09/2016	08/31/2018	361.00
				Total	711.00					
D3-3	mc-2t-80	759.00	VACANT	711.00	0.00	0.00	0.00			0.00

Rent Roll with Lease Charges

Mid City Gardens (br1690)

As Of = 03/15/2018

Month Year = 02/2017

Unit	Unit Type	Unit Sq Ft	Resident Name	Market Charge Rent Code	Amount	Resident Deposit	Other Deposit	Move In	Lease Expiration	Move Out	Balance
				Total	0.00						
D3-4	mc-2s-80	727.00	VACANT	VACANT	700.00	0.00	0.00	0.00			0.00
				Total	0.00	0.00	0.00				0.00
E1-1	mc-1l-80	727.00	10055755	Cassandra Brazier	591.00 marren	350.00	0.00	0.00	01/01/2013	12/31/2017	0.00
				Total	591.00	350.00	0.00				0.00
E1-2	mc-1l-80	727.00	10069987	Renwick Jordan	591.00 marren	200.00	0.00	0.00	11/03/2017	10/31/2018	0.00
				Total	591.00	200.00	0.00				0.00
E2-1	mc-2s-50	727.00	10071978	James Pierre	655.00 marren	0.00	0.00	0.00	03/07/2018	02/28/2019	0.00
				Total	655.00	0.00	0.00				0.00
E2-2	mc-2s-80	759.00	10082436	Devin Jackson	711.00 marren	300.00	0.00	0.00	09/28/2016	08/31/2018	0.00
				Total	711.00	300.00	0.00				0.00
E2-3	mc-2l-60	750.00	VACANT	VACANT	711.00	0.00	0.00	0.00			0.00
				Total	0.00	0.00	0.00				0.00
E2-4	mc-2s-50	727.00	10055760	Valerie Braxton	655.00 marren	350.00	0.00	0.00	12/19/2012	05/30/2018	0.00
				Total	655.00	350.00	0.00				0.00
E3-1	mc-2s-50	727.00	10060986	Brandon Lockett	655.00 marren	98.00	0.00	0.00	08/05/2016	07/31/2018	0.00
				Total	655.00	98.00	0.00				0.00
E3-2	mc-2l-50	759.00	VACANT	VACANT	655.00	0.00	0.00	0.00			0.00
				Total	0.00	0.00	0.00				0.00
E3-3	mc-2l-60	750.00	10055763	Jessica Williamson	711.00 marren	350.00	0.00	0.00	09/27/2013	12/31/2017	0.00
				Total	711.00	350.00	0.00				0.00
E3-4	mc-2s-50	727.00	10055764	Tracy Jackson	655.00 marren	250.00	0.00	0.00	03/08/2015	02/28/2018	0.00
				Total	655.00	250.00	0.00				0.00
		Total	Mid City Gardens (br1690)		41,797.00	38,768.00	15,181.50	0.00			168.00

Summary Groups	Square	Market	Lease	Security	Other	# Of	% Unit	% Sqft	Balance
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Rent Roll with Lease Charges

Mid City Gardens (br1660)

As Of = 03/15/2018

Month/Year = 02/2017

Unit	Unit Type	Unit Resident Sq Ft	Name	Market Charge Rent Code	Amount	Resident Deposit	Other Move In Deposits	Lease Expiration	Move Out	Balance	
				Forfeiture	Rent	Charge	Deposit	Units	Occupancy	Occupied	
Current/Notice/Vacant Residents				52,732.00	41,797.00	38,769.00	15,181.50	0.00: 60.00	93.33	94.30	168.00
Future Residents/Applicants				0.00	0.00	0.00	0.00	0.00	0.00		0.00
Occupied Units				18,728.00	39,020.00			56	93.33	94.30	
Total Non Rev Units				0.00	0.00			0	0.00	0.00	
Total Vacant Units				3,004.00	2,777.00			4	6.66	5.69	
Totals:				52,732.00	41,797.00	38,769.00	15,181.50	60	100.00	100.00	168.00

Summary of Charges by Charge Code

(Current/Notice Residents Only)

Charge Code	Amount
manren	30,662.00
sgaren	8,107.00
Total	38,769.00

OCCUPANCY CONCLUSIONS	
Competition Segment	Occupancy
Baton Rouge	91.0%
Rent Comparables	95.2%
Subject's Current Occupancy	93.3%
CRV Stabilized Occupancy	94%

Compiled by CRV

CRV's stabilized occupancy projection considered the following factor:

- CRV has estimated that—at stabilization—average downtime between leases should be around 1 months (considering summer vacancies). Estimating a 70% turnover probability, a frictional stabilized vacancy estimate can be formulated as follows:

VACANCY ANALYSIS				
No. of Months Vacant	% of Units Vacant/Yr	No. of Units	Total Months (12 mo x 24 Units)	Estimated Vacancy
1	70%	60	720	5.83%

Based upon the foregoing, stabilized vacancy has been estimated at 6.00% of Gross Rental Revenue.

VACANCY, COLLECTION LOSS & CONCESSIONS

CONCESSIONS, COLLECTIONS & VACANCY LOSS		
	Nominal	\$ Unit
CRV Stabilized Estimate	\$39,422	\$657

- CRV's overall estimate of vacancy and collection losses is consistent with market participant's expectations—that are between 5% and 10% of potential gross revenue.

EFFECTIVE GROSS REVENUE

The subject's effective gross income is detailed as follows:

EFFECTIVE GROSS REVENUE		
	Nominal	\$ Unit
CRV Stabilized Estimate	\$617,615	\$10,294

OPERATING EXPENSE ANALYSIS

The following subsections represent the analysis for the CRV's estimate of each category of the subject's stabilized expenses.

Operating History

- CRV received no subject historical operating data, as requested of the owner-borrower, who also functions as the property manager, handling leasing and repairs.
- CRV utilized the subject's actual operating expenses, when able. When the subject's annualized expenses are outside the range of comparables by a significant margin, comparable data was utilized, on a stabilized basis.
- The itemized expense comparables are presented below, along with the provided historical expenses for the subject property.

Expense Comparables

Below CRV has summarized several expense comparables taken from the regional area of similar size and character.

Comparable Operating History	EXPENSE COMPARABLE INDICATIONS PER UNIT													
	2015 Total	Per Unit	2016 Total	Per Unit	2017 Total		Per Unit		Comp #1	Comp #2	Comp #3	Comp #4	Comp #5	Averages
Effective Gross Income	\$469,505	\$7,825	\$472,844	\$7,881	\$449,114	\$7,485	\$5,789	\$6,600	\$7,439	\$8,109	\$7,850	\$7,157		
Personnel Services	\$95,677	\$1,595	\$160,848	\$2,681	\$179,304	\$2,988	\$0	\$0	\$965	\$1,100	\$975	\$608		
Administrative	\$29,791	\$497	\$34,433	\$574	\$31,638	\$527	\$30	\$0	\$170	\$195	\$220	\$123		
Maintenance	\$148,218	\$2,470	\$175,269	\$2,921	\$124,127	\$2,069	\$255	\$0	\$517	\$371	\$333	\$295		
Management Fee	\$31,307	\$522	\$27,362	\$456	\$24,885	\$415	\$348	\$0	\$517	\$439	\$476	\$356		
Utilities	\$55,271	\$921	\$94,922	\$1,582	\$121,764	\$2,029	\$972	\$443	\$122	\$834	\$433	\$561		
Real Estate Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$326	\$297	\$757	\$686	\$969	\$607		
Insurance	\$34,142	\$569	\$35,198	\$587	\$36,287	\$605	\$334	\$667	\$592	\$492	\$650	\$547		
Replacement Reserve	\$0	\$0	\$0	\$0	\$0	\$0	\$185	\$0	\$400	\$300	\$309	\$239		
Operating Expenses	\$394,406	\$16,434	\$528,032	\$8,801	\$518,005	\$8,633	\$2,452	\$1,407	\$4,040	\$4,417	\$4,365	\$3,336		
Net Operating Income	\$75,099	\$3,129	-\$55,188	-\$2,300	-\$68,891	-\$1,148	\$3,336	\$5,193	\$3,399	\$3,692	\$3,485	\$3,821		

The regional comparables exhibited overall expenses ranging from \$1,407-to-\$4,532 per apartment unit. Additionally, we have utilized the most recent results of the 2016 National Apartment Association (NAA) income and expense survey. The NAA survey exhibited average expenses per unit ranging from \$4,378-to-\$7,112 dependent upon apartment property type.

All Market-Rent Properties: Operating Income & Expense Data (Part I)									
INDIVIDUAL METERED AND RECOVERY SYSTEM PROPERTIES*									
	TOTAL			GARDEN			MID- & HIGH-RISE		
Number of Properties	2,970			2,575			395		
Number of Units	819,100			699,488			119,612		
Avg. No. of Units/Property	276			272			303		
Avg. No. of Square Feet/Unit	954			938			910		
Turnover rate in %	52%			53%			52%		
	\$ Per Unit	\$ Per Sq. Ft.	% of GPR	\$ Per Unit	\$ Per Sq. Ft.	% of GPR	\$ Per Unit	\$ Per Sq. Ft.	% of GPR
Revenues									
Gross Potential Rent	13,517	14.47	100.0%	12,561	13.39	100.0%	19,113	21.00	100.0%
Rent Revenue Collected	12,566	13.45	93.0%	11,690	12.46	93.1%	17,688	19.43	92.5%
Losses to Vacancy	726	0.78	5.4%	669	0.71	5.3%	1,058	1.16	5.5%
Collection Losses	82	0.09	0.6%	82	0.09	0.7%	81	0.09	0.4%
Losses to Concessions	143	0.15	1.1%	118	0.13	0.9%	266	0.31	1.5%
Other Revenue	787	0.84	5.8%	714	0.76	5.7%	1,211	1.33	6.3%
Total Revenue	13,353	14.30	98.8%	12,405	13.22	98.8%	18,899	20.76	98.9%
Operating Expenses									
Salaries and Personnel	1,284	1.37	9.5%	1,240	1.32	9.9%	1,540	1.69	8.1%
Insurance	259	0.28	1.9%	251	0.27	2.0%	302	0.33	1.6%
Taxes	1,575	1.69	11.6%	1,408	1.50	11.2%	2,550	2.80	13.3%
Utilities	350	0.35	2.4%	301	0.32	2.4%	502	0.55	2.6%
Management Fees	364	0.39	2.7%	344	0.37	2.7%	483	0.53	2.5%
Administrative	265	0.28	2.0%	248	0.26	2.0%	369	0.41	1.9%
Marketing	174	0.19	1.3%	157	0.17	1.2%	277	0.30	1.4%
Contract Services	355	0.38	2.6%	324	0.34	2.6%	541	0.59	2.8%
Repair and Maintenance	487	0.52	3.6%	476	0.51	3.8%	548	0.60	2.9%
Total Operating Expenses	5,094	5.45	37.7%	4,748	5.06	37.8%	7,112	7.81	37.2%
Net Operating Income	8,259	8.84	61.1%	7,656	8.16	61.0%	11,787	12.95	61.7%
Capital Expenditures	1,181	1.26	8.7%	1,127	1.20	9.0%	1,490	1.64	7.8%

* Individual Meter and Recovery System (submeter, RUBS, flat fee) for primary utility.
 Source: National Apartment Association 2016 Survey of Operating Income & Expenses in Rental Apartment Communities © 2016 by National Apartment Association. This table may only be used, copied, and/or distributed in accordance with the License Agreement and may not be posted on the Internet.

32 UNITS AUGUST 2016 Visit www.naahq.org/about/bookstore to order the IBE Survey

ADMINISTRATIVE EXPENSES

The subject’s administrative expense was not reported. Comparable data for this expense item averaged \$123 per unit. For purposes of this analysis, we have concluded an administrative expense of \$538 per unit, within the range indicated by the comparable properties, though at the high end. The stabilized estimate is as follows.

ADMINISTRATIVE EXPENSE		
Expense Comparables	Nominal \$	\$ Unit
Comp #1		\$30
Comp #2		\$0
Comp #3		\$170
Comp #4		\$195
Comp #5		\$220
CRV Stabilized Estimate	\$32,271	\$538

MAINTENANCE

The subject's expenses should be toward the upper end of the comparable's range, which is reasonable given the subject's unit sizes and the age of the improvements. Repairs and maintenance expenses at the subject are related to the repair, maintenance and upkeep of the units, buildings, grounds and common area. The subject's maintenance was based upon comparable operating history, trended forward. The subject's expense is detailed as follows:

MAINTENANCE		
Expense Comparables	Nominal \$	Per Unit
Comp #1		\$255
Comp #2		\$0
Comp #3		\$517
Comp #4		\$371
Comp #5		\$333
CRV Stabilized Estimate	\$31,020	\$450

MANAGEMENT FEE

Management expenses are typically negotiated as a percentage of collected revenues (effective gross revenue) or a nominal flat fee. This expense includes supplies, advertising, management/payroll, etc. However, property managers and brokers alike—for the most part—indicate that management fees in this market are not typically included when assets smaller than the subject are traded.

Assets of the subject size—and up—generally trade based upon a management fee being utilized. CRV has included a management fee of 4.00%, which is considered typical of the subject's property type without fulltime property management and maintenance staff. Typically, a manager would handle maintenance task delegation and possibly some tasks themselves.

MANAGEMENT FEE		
Expense Comparables	Nominal \$	\$ Unit
Comp #1		\$348
Comp #2		\$0
Comp #3		\$517
Comp #4		\$439
Comp #5		\$476
CRV Stabilized Estimate	\$24,705	\$412

UTILITIES

This expense category includes common area and unit electrical costs, water and sewer costs, trash pickup, pest control, gas, etc. Electricity, water, sewer, pest control and trash collection is included in the rent, typical in the subject's market. The subject utility expense was estimated to be \$124,199, or \$2,070 per unit. This is reasonable, given the fact the all utility expenses are included and trended forward, as reported in the following table.

UTILITY EXPENSE		
Expense Comparables	Nominal \$	\$ Unit
Comp #1		\$972
Comp #2		\$443
Comp #3		\$122
Comp #4		\$834
Comp #5		\$433
CRV Stabilized Estimate	\$124,199	\$2,070

REAL ESTATE TAXES

The real estate taxes for the subject not applicable, as the subject is tax exempt:

PROPERTY INSURANCE

Property insurance expenses typically include fire and extended coverage and owner's liability coverage. The subject utilizes construction materials that include vinyl and wood frame construction. The subject's quality of construction is generally perceived as being of "average" wind resistance. However, the subject's units were built in 1978 and are in average condition. It has been reported to CRV by reputable insurance brokers in the area that a typical expense for a property of this size, type, and location should average around \$0.50 to \$1.00 PSF.

Insurance premiums have come down from previous highs in 2008—which is reflected in the insurance expense comparables. Subject insurance expense data was inconsistently reported. The subject owner estimated and reported an insurance expense currently of , or , per building, which was supported by comparable data. Therefore, CRV has estimated the stabilized insurance expense based on historical data, with a slight increase going forward.

INSURANCE		
Expense Comparables	Nominal	\$ Unit
Comp #1		\$334
Comp #2		\$667
Comp #3		\$592
Comp #4		\$650
Comp #5		\$547
CRV Stabilized Estimate	\$37,013	\$617

RESERVES FOR REPLACEMENT

Reserves for replacement have been estimated based on discussions with knowledgeable market participants who indicate that about \$250 per unit is adequate and typical modeling by investors.

REPLACEMENT RESERVE		
Expense Comparables	Nominal	\$ Unit
Comp #1		\$185
Comp #2		\$0
Comp #3		\$400
Comp #4		\$300
Comp #5		\$309
CRV Stabilized Estimate	\$15,000	\$250

OPERATING EXPENSE CONCLUSION

The subject's expense is detailed as follows:

OPERATING EXPENSES		
	Nominal	\$ Unit
CRV Stabilized Estimate	\$352,807	\$5,880

NET OPERATING INCOME CONCLUSION

The subject's net operating income is detailed as follows:

NET OPERATING INCOME		
	Nominal	S Unit
CRV Stabilized Estimate	\$264,807	\$4,413

CRV believes that this estimated net operating income looking forward is reasonable and as such is utilized in the forthcoming direct capitalization analysis.

DIRECT CAPITALIZATION

Direct capitalization is a method used to convert a single year's estimated stabilized net operating income into a value indication. The following subsections represent different techniques for deriving an overall capitalization rate for direct capitalization.

Band of Investment

BAND OF INVESTMENT			
BOI Component	Rate/Ratio	Return	
Mortgage Interest Rate	4.50%	10-Year Tres. + 300 BP	
Mortgage Term (Amort)	20 Years		
Holding Period	8 Years		
Mortgage Ratio (LTV)	75.00%		
Mortgage Constant	0.07592		
Equity Dividend Rate (EDR)	16.00%		
EDR Sinking Fund Factor	7.0224%		
Mortgage Requirement	75.00%	x 7.59%	= 5.69%
Equity Requirement	25.00%	x 16.00%	= 4.00%
Less: Amortized Principal	75.00%	x 2.10%	= -1.57%
Basic Rate			8.12%
Less: Appreciation	3.00%	x -7.02%	= -0.21%
Overall Rate (w/ Fixed Income Stream)			7.91%
Divide by: [1 + NOI Growth % x J]	2.25%	x 36.95%	/ 1.008
Implied Overall Rate			7.84%

- CRV spoke with Whitney Bank, which indicated that the loan to value ratio for Class B & C multi-family assets was 70% to 80%, depending on the operating history and borrower.
- The basis of for CRV's estimate of the Equity Dividend Rate (EDR) is based on comments made by market participants and CRV's own experience.

SURVEYS

The following organizations reported average OAR's ranging from 5.80% to 8.55%.

NATIONAL INVESTOR SURVEY : GOING IN CAP RATES			
Survey Source	Low	High	Average
Realty Rates.com 2Q 2017			
Apartments (All Types)	4.34%	13.08%	8.55%
Garden/Suburban Townhouses	4.34%	11.80%	7.80%
RERC Real Estate Report 2Q 2017			
1st Tier South	4.50%	7.50%	5.80%
2nd Tier South	5.30%	8.50%	6.60%
Estimated Cap Rate			6.00%-8.00%

CAPITALIZATION RATE CONCLUSION

The following table summarizes the OAR conclusions.

CAPITALIZATION RATE	
Source	Rates
National Investor Survey Cap Rates	6.00%-8.00%
Comparable Sales	7.00%-8.00%
Band of Investment Cap Rate	7.84%
CRV Stabilized Estimate	8.00%

Considering the data presented, the subject's location, improvement age and asset class, the concluded overall capitalization rate appears to be well supported in the local market.

DIRECT CAPITALIZATION SUMMARY

A summary of the direct capitalization of the subject at stabilized occupancy is illustrated in the following table.

DIRECT CAPITALIZATION SUMMARY - AS ENCUMBERED			
Description		\$ Per Unit	\$ Nominal
Gross Apartment Rental Revenue		\$8,485	\$509,112
Gross Office Rental Revenue		\$2,465	\$147,925
Other Revenue		\$0	\$0
Less: Collection Loss	0.00%	\$0	\$0
Less: Vacancy Loss	6.00%	\$657	\$39,422
Effective Gross Revenue (EGR)		\$10,294	\$617,615
Personnel Services		\$975	\$58,500
Administrative		\$538	\$32,271
Maintenance		\$450	\$31,020
Management Fee		\$412	\$24,705
Utilities		\$2,070	\$124,199
Real Estate Taxes		\$0	\$0
Insurance		\$617	\$37,013
Replacement Reserve		\$250	\$15,000
Total Operating Expenses	<u>57.12%</u>	<u>\$5,813</u>	<u>\$352,807</u>
Net Operating Income	42.88%	\$4,413	\$264,807
Cap Rate		÷	8.00%
"As Is" Market Value (Rd)		\$55,167	\$3,310,000

RECONCILIATION

The value indications from the approaches to value are summarized as follows:

SUMMARY OF VALUE CONCLUSIONS		
Fee Simple Premise	"As Is" Unencumbered	"As Is" Encumbered
Date of Value	March 20, 2018	March 20, 2018
Sales Comparison Approach	\$7,750,000	\$3,220,000
Income Approach	\$7,890,000	\$3,310,000
Reconciled	\$7,830,000	\$3,270,000

In the sales comparison approach, the subject property is compared to similar properties that have been sold recently or for which listing prices or offers are known. As such, the improved sales used in this analysis are considered generally comparable to the subject, but had their strengths and weaknesses. Nevertheless, market participants are currently analyzing purchase prices on investment properties as they relate to available substitutes in the market. The sales comparison approach is therefore considered to provide a reliable value indication, but slightly less weight for the subject "as is".

The income capitalization approach is applicable to the subject property since it is an income producing property leased in the open market. Market participants are currently analyzing properties based on their income generating capability. Occupancy, rents and expenses were believed to have been reliably estimated from the market data. According to market participants, investors are modeling deals based on forecasts with improving optimism. Therefore, the income capitalization approach is considered a reasonable and substantiated value indicator and has been given more emphasis (60%) in the final value estimate.

MARKET VALUE CONCLUSIONS			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Current "As Is" Market Value - "Encumbered"	Fee Simple	March 20, 2018	\$3,270,000
Current "As Is" Market Value - "Non-Encumbered"	Fee Simple	March 20, 2018	\$7,830,000

ASSUMPTIONS & LIMITING CONDITIONS

1. Unless otherwise specifically noted in the body of the report, it is assumed that title to the property or properties appraised is clear and marketable and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. CRV is not aware of any title defects nor has it been advised of any unless such is specifically noted in the report. CRV, however, has not examined title and makes no representations relative to the condition thereof. Documents dealing with liens, encumbrances, easements, deed restrictions, clouds and other conditions that may affect the quality of title have not been reviewed. Insurance against financial loss resulting in claims that may arise out of defects in the subject property's title should be sought from a qualified title company that issues or insures title to real property.
2. Unless otherwise specifically noted in the body of this report, it is assumed: that the existing improvements on the property or properties being appraised are structurally sound, seismically safe and code conforming; that all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; that the roof and exterior are in good condition and free from intrusion by the elements; that the property or properties have been engineered in such a manner that the improvements, as currently constituted, conform to all applicable local, state, and federal building codes and ordinances. CRV professionals are not engineers and are not competent to judge matters of an engineering nature. CRV has not retained independent structural, mechanical, electrical, or civil engineers in connection with this appraisal and, therefore, makes no representations relative to the condition of improvements. Unless otherwise specifically noted in the body of the report: no problems were brought to the attention of CRV by ownership or management; CRV inspected less than 100% of the entire interior and exterior portions of the improvements; and CRV was not furnished any engineering studies by the owners or by the party requesting this appraisal. If questions in these areas are critical to the decision process of the reader, the advice of competent engineering consultants should be obtained and relied upon. It is specifically assumed that any knowledgeable and prudent purchaser would, as a precondition to closing a sale, obtain a satisfactory engineering report relative to the structural integrity of the property and the integrity of building systems. Structural problems and/or building system problems may not be visually detectable. If engineering consultants retained should report negative factors of a material nature, or if such are later discovered, relative to the condition of improvements, such information could have a substantial negative impact on the conclusions reported in this appraisal. Accordingly, if negative findings are reported by engineering consultants, CRV reserves the right to amend the appraisal conclusions reported herein.
3. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property was not observed by the appraisers. CRV has no knowledge of the existence of such materials on or in the property. CRV, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater or 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 any 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.

CRV has inspected, as thoroughly as possible by observation, the land; however, it was impossible to personally inspect conditions beneath the soil. Therefore, no representation is made as to these matters unless specifically considered in the appraisal.
4. All furnishings, equipment and business operations, except as specifically stated and typically considered as part of real property, have been disregarded with only real property being considered in the report unless otherwise stated. Any existing or proposed improvements, on or off-site, as well as any alterations or repairs considered, are assumed to be completed in a competent manner according to standard practices based upon the information submitted to CRV. This report may be subject to amendment upon re-inspection of the subject property subsequent to repairs, modifications, alterations and completed new construction. Any estimate of Market Value is as of the date indicated; based upon the information, conditions and projected levels of operation.
5. It is assumed that all factual data furnished by the client, property owner, owner's representative, or persons designated by the client or owner to supply said data are accurate and correct unless otherwise specifically noted in the appraisal report. Unless otherwise specifically noted in the appraisal report, CRV has no reason to believe that any of the data furnished contain any material error. Information and data referred to in this paragraph include, without being limited to, numerical street addresses, lot and block numbers, Assessor's Parcel Numbers, land dimensions, square footage area of the land, dimensions of the improvements, gross building areas, net rentable areas, usable areas, unit count, room count, rent schedules, income data, historical operating expenses, budgets, and related data. Any material error in any of the above data could have a substantial impact on the conclusions reported. Thus, CRV reserves the right to amend conclusions reported if made aware of any such error. Accordingly, the client-addressee should carefully review all assumptions, data, relevant calculations, and conclusions within 30 days after the date of delivery of this report and should immediately notify CRV of any questions or errors.
6. The date of value to which any of the conclusions and opinions expressed in this report apply, is set forth in the Letter of Transmittal. Further, that the dollar amount of any value opinion herein rendered is based upon the purchasing power of the American Dollar on that date. This appraisal is based on market conditions existing as of the date of this appraisal. Under the terms of the engagement, we will have no obligation to revise this report to reflect events or conditions that occur subsequent to the date of the appraisal. However, CRV will be available to discuss the necessity for revision resulting from changes in economic or market factors affecting the subject.

7. CRV assumes no private deed restrictions, limiting the use of the subject property in any way.
8. Unless otherwise noted in the body of the report, it is assumed that there are no mineral deposits or subsurface rights of value involved in this appraisal, whether they are gas, liquid, or solid. Nor are the rights associated with extraction or exploration of such elements considered unless otherwise stated in this appraisal report. Unless otherwise stated it is also assumed that there are no air or development rights of value that may be transferred.
9. CRV is not aware of any contemplated public initiatives, governmental development controls, or rent controls that would significantly affect the value of the subject.
10. The estimate of Market Value, which may be defined within the body of this report, is subject to change with market fluctuations over time. Market value is highly related to exposure, time promotion effort, terms, motivation, and conclusions surrounding the offering. The value estimate(s) consider the productivity and relative attractiveness of the property, both physically and economically, on the open market.
11. Any cash flows included in the analysis are forecasts of estimated future operating characteristics are predicated on the information and assumptions contained within the report. Any projections of income, expenses and economic conditions utilized in this report are not predictions of the future. Rather, they are estimates of current market expectations of future income and expenses. The achievement of the financial projections will be affected by fluctuating economic conditions and is dependent upon other future occurrences that cannot be assured. Actual results may vary from the projections considered herein. CRV does not warrant these forecasts will occur. Projections may be affected by circumstances beyond the current realm of knowledge or control of CRV.
12. Unless specifically set forth in the body of the report, nothing contained herein shall be construed to represent any direct or indirect recommendation of CRV to buy, sell, or hold the properties at the value stated. Such decisions involve substantial investment strategy questions and must be specifically addressed in consultation form.
13. Also, unless otherwise noted in the body of this report, it is assumed that no changes in the present zoning ordinances or regulations governing use, density, or shape are being considered. The property is appraised assuming that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, nor national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report is based, unless otherwise stated.
14. This study may not be duplicated in whole or in part without the specific written consent of CRV nor may this report or copies hereof be transmitted to third parties without said consent, which consent CRV reserves the right to deny. Exempt from this restriction is duplication for the internal use of the client-addressee and/or transmission to attorneys, accountants, or advisors of the client-addressee. Also exempt from this restriction is transmission of the report to any court, governmental authority, or regulatory agency having jurisdiction over the party/parties for whom this appraisal was prepared, provided that this report and/or its contents shall not be published, in whole or in part, in any public document without the express written consent of CRV which consent CRV reserves the right to deny. Finally, this report shall not be advertised to the public or otherwise used to induce a third party to purchase the property or to make a "sale" or "offer for sale" of any "security", as such terms are defined and used in the Securities Act of 1933, as amended. Any third party, not covered by the exemptions herein, which may possess this report, is advised that they should rely on their own independently secured advice for any decision in connection with this property. CRV shall have no accountability or responsibility to any such third party.
15. Any value estimate provided in the report applies to the entire property, and any pro ration or division of the title into fractional interests will invalidate the value estimate, unless such pro ration or division of interests has been set forth in the report.
16. The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. Component values for land and/or buildings are not intended to be used in conjunction with any other property or appraisal and are invalid if so used.
17. The maps, plats, sketches, graphs, photographs and exhibits included in this report are for illustration purposes only and are to be utilized only to assist in visualizing matters discussed within this report. Except as specifically stated, data relative to size or area of the subject and comparable properties has been obtained from sources deemed accurate and reliable. None of the exhibits is to be removed, reproduced, or used apart from this report.
18. No opinion is intended to be expressed on matters, which may require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate appraisers. Values and opinions expressed presume environmental and other governmental restrictions/conditions by applicable agencies have been met, including but not limited to seismic hazards, flight patterns, decibel levels/noise envelopes, fire hazards, hillside ordinances, density, allowable uses, building codes, permits, licenses, etc. No survey, engineering study or architectural analysis has been made known to CRV unless otherwise stated within the body of this report. If the Consultant has not been supplied with a termite inspection, survey or occupancy permit, no responsibility or representation is assumed or made for any costs associated with obtaining same or for any deficiencies discovered before or after they are obtained. No representation or warranty is made concerning obtaining these items. CRV assumes no responsibility for any costs or consequences arising due to the need, or the lack of need, for flood hazard insurance. An agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.

19. Acceptance and/or use of this report constitutes full acceptance of the Contingent and Limiting Conditions and special assumptions set forth in this report. It is the responsibility of the Client, or client's designees, to read in full, comprehend and thus become aware of the aforementioned contingencies and limiting conditions. Neither the Appraiser nor CRV assumes responsibility for any situation arising out of the Client's failure to become familiar with and understand the same. The Client is advised to retain experts in areas that fall outside the scope of the real estate appraisal/consulting profession if so desired.
20. CRV assumes that the subject property analyzed herein will be under prudent and competent management and ownership; neither inefficient nor super-efficient.
21. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined and considered in the appraisal report.
22. No survey of the boundaries of the property was undertaken. All areas and dimensions furnished are presumed to be correct. It is further assumed that no encroachments to the realty exist.
23. The Americans with Disabilities Act (ADA) became effective January 26, 1992. Notwithstanding any discussion of possible readily achievable barrier removal construction items in this report, CRV has not made a specific compliance survey and analysis of this property to determine whether it is in conformance with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the ADA. If so, this fact could have a negative effect on the value estimated herein. Since CRV has no specific information relating to this issue, nor is CRV qualified to make such an assessment, the effect of any possible non-compliance with the requirements of the ADA was not considered in estimating the value of the subject property.
24. Client shall not indemnify Appraiser or hold Appraiser harmless unless and only to the extent that the Client misrepresents, distorts, or provides incomplete or inaccurate appraisal results to others, which acts of the Client proximately result in damage to Appraiser. The Client shall indemnify and hold Appraiser harmless from any claims, expenses, judgments or other items or costs arising as a result of the Client's failure or the failure of any of the Client's agents to provide a complete copy of the appraisal report to any third party. In the event of any litigation between the parties, the prevailing party to such litigation shall be entitled to recover from the other reasonable attorney fees and costs.
25. The report is for the sole use of the client; however, client may provide only complete, final copies of the appraisal report in its entirety (but not component parts) to third parties who shall review such reports in connection with loan underwriting or securitization efforts. Appraiser is not required to explain or testify as to appraisal results other than to respond to the client for routine and customary questions. Please note that our consent to allow an appraisal report prepared by CRV or portions of such report, to become part of or be referenced in any public offering, the granting of such consent will be at our sole discretion and, if given, will be on condition that we will be provided with an Indemnification Agreement and/or Non-Reliance letter, in a form and content satisfactory to us, by a party satisfactory to us. We do consent to your submission of the reports to rating agencies, loan participants or your auditors in its entirety (but not component parts) without the need to provide us with an Indemnification Agreement and/or Non-Reliance letter.
26. Provision of an Insurable Value by the appraiser does not change the intended use or user of the appraisal. The appraiser assumes no liability for the Insurable Value estimate provided and does not guarantee that any estimate or opinion will result in the subject property being fully insured for any possible loss that may be sustained. The appraiser recommends that an insurance professional be consulted. The Insurable Value estimate may not be a reliable indication of the replacement or reproduction cost for any date other than the effective date of this appraisal due to changing costs of labor and materials and due to the changing building codes and governmental regulations and requirements.

ADDENDA

ADDENDUM A
LETTER OF ENGAGEMENT



REAL ESTATE APPRAISERS • CONSULTANTS • MARKET ANALYSTS

March 8, 2018

Mr. James McDonnell
Louisiana Housing Corporation
2415 Quail Drive
Baton Rouge, LA 70808

Dear Mr. McDonnell,

As requested, we can prepare an **Appraisal Report**, opining the fee simple interest of the subject real estate described below.

The purpose of the appraisal is to develop an opinion of market value of a multi-family residential property at 1690 North Blvd, Baton Rouge, LA. The intended user of the report and Client for this assignment will be Louisiana Housing Corporation. The intended use will be to **establish market value, either encumbered by any restricted rental rates and, or resident income restrictions, or without those restrictions, or in both scenarios.**

The fee for the appraisal will not exceed \$2,750.00, with a report delivery no more than 20 days following formal engagement and approval of this agreement. Payment is required within ten (10) days of final approval of the report.

The analyses, opinions and conclusions will be developed based on, and the report prepared in conformance with my interpretation of the guidelines and recommendations set forth in the Uniform Standards of Professional Appraisal Practice (USPAP), the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

The report will be delivered via email in electronic pdf format and hard copy format, if needed, (3 copies) to the mailing address of your choice. Thank you for the opportunity to be of service.

A handwritten signature in blue ink, appearing to be 'John D. Glass', is written over a horizontal line.

Authorizing signature

Sincerely,
A handwritten signature in blue ink, appearing to be 'John D. Glass', is written over a horizontal line.
John D. Glass, MAI
State Certified General Real Estate Appraiser
Louisiana G 3702
Texas 1380303
Telephone (337) 326-5044
FAX (866) 728-9740
Email: jglass@certrealty.com
www.certrealty.com

ADDENDUM B
QUALIFICATIONS

QUALIFICATIONS OF APPRAISER

NAME: John D. Glass, MAI
Owner/Principal

BUSINESS: Certified Realty Valuations, LLC.
203 Hamlet Lane
Lafayette, LA 70508
(337) 326-5044 Office
(866) 728-9740 Fax
(337) 780-5042 Cell
jglass@certrealty.com; Email
www.certrealty.com

EDUCATION: (BBA) Stetson University, Deland, Florida

DESIGNATION AND EXPERIENCE:

Designated Member; Appraisal Institute, (MAI)
Certified Realty Valuations, LLC
Lafayette, LA
June 2012 – Present
Owner/Chief Appraiser

Senior Commercial Real Estate Appraiser
Beaumont, Matthes & Church, Inc.
Orlando, Florida Area
September 2009 – June 2012

Commercial Real Estate Appraiser
Clayton Roper & Marshall, Orlando, Florida area
September 1998 – December 2009

PRIMARY MARKET AREA

Louisiana markets of Lafayette, Lake Charles, New Iberia, Baton Rouge New Orleans, Monroe, Alexandria; Parishes (Counties) Covered:

Acadia Parish	East Baton Rouge Parish	Madison Parish	St. Landry Parish
Allen Parish	East Carroll Parish	Morehouse Parish	St. Martin Parish
Ascension Parish	East Feliciana Parish	Natchitoches Parish	St. Mary Parish
Assumption Parish	Evangeline Parish	Orleans Parish	St. Tammany Parish
Avoyelles Parish	Franklin Parish	Ouachita Parish	Tangipahoa Parish
Beauregard Parish	Grant Parish	Plaquemines Parish	Tensas Parish
Bienville Parish	Iberia Parish	Pointe Coupee Parish	Terrebonne Parish
Bossier Parish	Iberville Parish	Rapides Parish	Union Parish
Caddo Parish	Jackson Parish	Red River Parish	Vermilion Parish
Calcasieu Parish	Jefferson Davis Parish	Richland Parish	Vernon Parish
Caldwell Parish	Jefferson Parish	Sabine Parish	Washington Parish
Cameron Parish	Lafayette Parish	St. Bernard Parish	Webster Parish
Catahoula Parish	Lafourche Parish	St. Charles Parish	West Baton Rouge Parish
Claiborne Parish	LaSalle Parish	St. Helena Parish	West Carroll Parish
Concordia Parish	Lincoln Parish	St. James Parish	West Feliciana Parish
DeSoto Parish	Livingston Parish	St. John Parish	Winn Parish

Secondary Market Area: State of Louisiana, East Texas (Beaumont MSA)

BUSINESS SERVICES

Absorption Studies • Acquisition, Disposition • Appraisal • Appraisal Review • Asset Management • Buyer Brokerage • Conservation Valuation and Consulting • Consulting • Demand Analysis • Demographic Analysis • Feasibility Studies • Financial Workouts • Foreclosure / REO • Highest and Best Use Studies • International Valuation and Consulting • Litigation / Litigation Support • Market Analysis • Mediation, Arbitration, Dispute Resolution • Mortgage Lending Consulting • Pension Fund Valuation and Consulting • Portfolio Valuation and Analysis • Real Estate Tax Valuation and Consulting • Retrospective Valuation • Risk Analysis • Sensitivity Analysis • Statistical Modeling

PROPERTY TYPES

- Timber land valuations using timber cruise data from third party foresters
- Owner-user, multiple tenant, retail, office, industrial, multifamily residential apartments, condominiums (fractured and non-fractured) proposed construction,
- Multiple phased residential and mixed use developments through DRI, CDD levels; All market classes from non-institutional through institutional grade assets,
- Special purpose assets such as roller skating rinks, auto dealerships, vacant land parcels of all types, uses and sizes.
- Ownership Forms: Access Rights • Fee Simple Interest • Ground Lease • Leased Fee Interest • Leasehold Interest • Life Estate • Partial Interest • Estate Planning

PARTIAL CLIENT LIST

Bank of Sunset & Trust Co.	SunTrust
Burr & Furman, LLP	Heritage Temple Terrace Condo Association
Central Florida Educators Credit Union	Mid South Bank
RBC USA	Florida Premier Community Bank
CenterState Bank	Orange County
First National Bank of Central Florida	Southwest Florida Water Management District
M&I Marshall & Isley Bank	St. Johns River Water Management District
Harbor Federal Savings	CB Richard Ellis
PNC Bank	City of Apopka
Branch Banking & Trust (BB&T)	City of Casselberry
Florida Hospital	State of Florida Department of Environmental Protection
Hancock / Whitney Bank	Federal Trust Bank
National City Bank	First National Bank of Louisiana
People's Bank & Trust	Rayne State Bank
First National Bank of Louisiana	Peoples Bank & Trust, New Roads, LA
Iberia Bank	Civil War Trust
St. Martin Bank	U.S. Army Corp of Engineers, Fort Worth District
First Federal Bank of Louisiana	Lakeside Bank

PROFESSIONAL EDUCATION

State of Florida Appraisal Board Course I (AB-1), 75 hours – January 1998
Appraisal Institute – Course 120 Appraisal Procedures, 40 hours – August 1998
Appraisal Institute – Course 310 Basic Income Capitalization, 39 hours – October 1999
Appraisal Institute – Course 310 Advanced Income Capitalization, 40 hours – December 1999
Appraisal Institute – Course 520 Market Analysis and Highest and Best Use, 30 hours – April 2001
Appraisal Institute – Course 540 Report Writing, 40 hours – March 2006
Appraisal Institute – Course 400 National USPAP Update, 7 hours – October 2006
Appraisal Institute – Course 410 National USPAP Course, 15 hours – October 2006
Appraisal Institute – Course 420 Business Practices & Ethics, 7 hours – November 2006
Appraisal Institute – Subdivision Valuation Seminar, 7 hours – February 2006
Appraisal Institute – Course 550 Advanced Applications, 40 hours – November 2007
Appraisal Institute – Course 530 Sales Comparison & Cost Approach, 40 hours – August 2008
Appraisal Institute – General Demonstration Appraisal Report Writing Seminar, 7 hours – June 2009
Appraisal Institute – Seminar Appraising Distressed Commercial RE November 2008, August 2009
Appraisal Institute – Property Tax Assessment Seminar – April 2010

Appraisal Institute – Fundamentals of Separating Real Property & Personal Property – March 2012
State of Louisiana - USPAP Update 7 Hours - April 2012
McKissock Florida Appraisal Laws and Regulations November 2012
McKissock Mortgage Fraud – Protect Yourself
Appraisal University: Retail Center Analysis for Appraising – December 2013
Appraisal University: Practical Application of the Cost Approach – December 2013
Appraisal University: Appraising Historic Properties – December 2013
Appraisal University: Site Analysis and Valuation – November 2013
Appraisal University: Florida Appraisal Laws and Regulations – May 2015
Appraisal University: USPAP Update 2014-2015 7 Hours – May 2015
McKissock: USPAP Update 2016-2017 7 Hours – December 2015
McKissock: Understanding Residential Construction – December 2015
McKissock: Advanced Hotel Appraising – Full Service Hotels – December 2015
McKissock: Avoiding Mortgage Fraud for Appraisers – December 2015



Texas Appraiser Licensing and Certification Board

P.O. Box 12188 Austin, Texas 78711-2188

Certified General Real Estate Appraiser

Number: **TX 1380303 G**

Issued: **04/08/2016**

Expires: **03/31/2018**

Appraiser: **JOHN DAVID GLASS**

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Texas Occupations Code, Chapter 1103, is authorized to use this title, Certified General Real Estate Appraiser.


Douglas E. Oldmixon
Commissioner

ADDENDUM C
IMPROVED SALES COMPARABLE PHOTOS



Encumbered Improved Sales Comparable No. 1



Encumbered Improved Sales Comparable No. 2



Encumbered Improved Sales Comparable No. 3



Encumbered Improved Sales Comparable No. 4



Encumbered Improved Sales Comparable No. 5

Not Used



Unencumbered Improved Sales Comparable No. 1



Unencumbered Improved Sales Comparable No. 2



Unencumbered Improved Sales Comparable No. 3



Unencumbered Improved Sales Comparable No. 4



Unencumbered Improved Sales Comparable No. 5



Not Used

ADDENDUM D
RENT COMPARABLES



Rent Comparable No. 1



Rent Comparable No. 2



Rent Comparable No. 3



Rent Comparable No. 4

NOT USED

NOT USED