



Request for Qualifications (RFQ) Response

**Development Partnership with the City of Portsmouth for Reuse and Redevelopment of the
Thomas J. McIntyre Federal Property pursuant to the Historic Surplus Property Program**

80 Daniel Street

Portsmouth, NH

Submitted by:

Wood Partners, LLC

91 Hartwell Avenue, 3rd Floor

Lexington, MA 02421

Jim Lambert

jim.lambert@woodpartners.com

781-541- 5822

I. Statement of Interest

Wood Partners is interested and excited to respond to this RFQ for the redevelopment and re-use of the 80 Daniel Street property. Our interest lies in redeveloping the site for a mix of uses including ground-floor retail and/or commercial space with rental housing above. We believe that this parcel is an excellent site for both uses, retail and rental housing, and would contribute to Portsmouth's need for additional rental stock while taking advantage of the prime waterfront and commercial location for retail uses. The project would provide a true live, work and play opportunity and thereby contribute to the economic vitality of the downtown core and address the growing need for multifamily housing within this market. The project would also provide a proportional number of affordable units. The city's masterplan suggests that affordable units be planned for the artist community, we would consider creating affordable units that are specifically intended for artists as part of the affordable units provided.

The City of Portsmouth is facing a substantial rental housing shortage. Much of the City's housing stock is aging and otherwise inadequate. New construction has not kept up with the pace of demand given the challenges of developing within the downtown area. There exists a demand for housing that is proximate to the downtown core, in particular, smaller units intended for occupancy by the City's growing number of smaller households. There is an abundance of jobs in Portsmouth, as the City's housing study shows, there are 2.24 jobs for every member of the resident workforce, indicating job growth which will likely be followed by population growth. The success of the mixed-use development at Portwalk Place corroborates these demand forces, with members of the workforce and renters by choice. Wood Partners will work with the City to determine the appropriate retail/commercial composition and unit mix for this development.

Our development will address the guidelines set forth in the RFP. We believe in our ability to work with local stakeholders to facilitate this unique opportunity. Our intention would be to develop primarily a multifamily housing community, with ground-floor commercial use, in response to Portsmouth's growing need for market rate rental housing- particularly within Portsmouth's central business district. The project would include ground floor retail, which would help to activate the streetscape and promote pedestrian access. We are open to evaluating the feasibility of including the U.S. Post Office as part of this commercial space; however, due to our construction schedule it would likely be necessary for the post office to relocate temporarily during the construction phase. As with other Wood Partners projects, we anticipate building a Class A product which would include features such as a fitness center, business center, and outdoor amenities. Additionally, we would incorporate an outdoor amenity space with public access. If selected to proceed following this RFQ process, we would provide a more specific project program within 90 to 120 days.

II. Comparable Development Experience

Wood Partners was formed in 1998 by Leonard Wood, Jerry Durkin, and Jim Simpson after the three worked together at Trammell Crow Residential. Since then Wood Partners has expanded to 19 offices and a partnership of 34 Directors. The company has developed over 55,000 units of multifamily housing across the country and has consistently ranked as a Top 5 National Multifamily Developer by Multifamily Executive Magazine for the past several years. The Boston office, located in Lexington, MA, was formed in 2008 and has successfully completed construction on ten development projects (1,861 units) in that time with another 280 units currently under construction and two developments currently scheduled to begin in 2017 (354 units combined). Our objective as developers is to create communities of lasting

value. Many of our projects are in downtown locations and all are sensitive to the context of their neighborhoods.

Multifamily and mixed-use (housing/retail) development is Wood Partners' primary focus. The firm works to build a market-leading apartment product, while also fostering strong relationships within the communities, and working with outstanding design consultants. Wood Partners' Boston office development portfolio includes:

- The Westerly at Forge Park, Franklin, MA (under construction, 2017 completion)- 280 units
- The Slate at Andover, Andover, MA (2016) – 224 units
- 37 Washington, Melrose, MA (2016) – 88 units
- 2 Washington, Melrose, MA (2015) – 94 units plus ground-floor retail
- Zinc, Cambridge, MA (2015) – 392 units plus ground-floor retail
- Everly, Wakefield, MA (2014) – 186 units
- Alta at The Estate, Watertown, MA (2014) – 155 units
- Alta Legacy Farms, Hopkinton, MA (2014) – 240 units
- Alta Stone Place, Melrose, MA (2013 & 2014) – 212 units
- Alta Brigham Square, Arlington, MA (2012) – 116 units plus retail
- Alta at Indian Woods, Stoughton, MA (2011) – 154 units

Alta Stone Place was a redevelopment and re-use of a historic mill building in Melrose, MA. Formerly a shoe manufacturing facility, among other historic uses, Wood Partners successfully redeveloped the existing mill and incorporated new construction buildings around the mill, integrating the different types of buildings seamlessly.

III. Comparable Management Experience

Wood Partners has assembled a team of experienced development and construction professionals. This team operates under the direction of Rick Dickason, Regional Director, Jim Lambert, Director of Development, and Mark Theriault, Director of Construction.

Rick Dickason, Regional Director

Rick Dickason is the Regional Director of Development in charge of the Northeast and has offices in Lexington Massachusetts. The Northeast region includes MA, CT, VT, ME, NH, RI and New York. He is responsible for the overall strategic business plan for the Northeast which includes land acquisition, design, financing and construction.

Before joining Wood Partners, Mr. Dickason was with Security Capital Group /Archstone Communities (now Archstone-Smith) as Executive Vice President, where he had regional and corporate management duties for what became the second largest publicly held residential apartment company in the country. Mr. Dickason joined Wood Partners in 2008. He has been in the multifamily industry for more than 30 years and is responsible for the development of over 13,200 new residential units for a dollar volume of 1.57 Billion dollars. He was also responsible for the purchase and rehabilitation of over 9,500 residential units for a dollar volume of \$950 Million.

From 1981 through 1992, Mr. Dickason was a partner and Vice President of Lincoln Property Company, where he had responsibility for the acquisition of land, financing and development of more than 3,700 apartment units in California. Recent accomplishments include the development of a student housing portfolio for the higher education group of Trammell Crow Company. During the span of 30 years, Mr. Dickason has completed residential transactions in 14 states throughout the United States.

Jim Lambert, Director, Boston

Jim Lambert is the Director in charge of the Boston region for Wood Partners. He is responsible for overseeing all development activities in the market including deal sourcing, land acquisition, permitting and approvals, design, financing, and construction.

Mr. Lambert has been in the market since 2005 in various positions within the multifamily industry, and has been involved with the development of over 1,500 units during that timeframe. Prior to joining Wood Partners in 2015, he was Vice President at Mill Creek Residential Trust.

Mr. Lambert earned an MBA from Bentley University and a BSBA from Northeastern University. He is an active member of several organizations including ULI and REFA.

Mark Theriault, Director of Construction, East Coast

Mark Theriault is director in charge of construction for the Northeast Region, including Boston, New York, New Jersey and Connecticut, and is responsible for the design, estimating and construction of all projects in the region. He previously served as regional construction manager for Wood Partners and has been responsible for all construction projects within the Northeast.

Mr. Theriault is a veteran multi-family construction manager with more than 18 years of experience in managing all types of residential construction, including over 5,000 multi-family housing units. He began his career as an assistant project manager with Toll Brothers in 1995. In 1999 he joined JPI, where he worked his way up from assistant superintendent to director of construction for the Northeast.

Mr. Theriault earned a bachelor's degree in Business Administration with a concentration in Accounting from the University of Massachusetts in 1993. He has a Construction Supervisors license in the Commonwealth of Massachusetts.

Jim Lambert, Director, would have primary responsibility for planning, financing and implementing the project. He would have day-to-day oversight of the development staff during the during of the project's life. Since Wood Partners would also likely act as General Contractor for the project, Mark Theriault would have day-to-day oversight of the construction activities. Both Jim Lambert and Mark Theriault are based in the Lexington, MA office, off of Rt. 95.

IV. Relevant Public-Private Partnership Experience

In nearly all its projects, Wood Partners interfaces with public partners and other stakeholders to form relationships that result in project designs that seek the highest and best use for any given parcel within the context of each unique community. We have worked with architects and design teams such as CBT Architects and The Architectural Team, both of whom have experience in historic preservation and design. CBT is a design firm who works locally, nationally, and internationally in architecture, interior

design and urban design creating tomorrow's landmarks. The Architectural Team a top fully-integrated design firm who has designed several historically significant projects in the Boston area.

Recently, Wood Partners has undertaken projects that address complex development issues, including:

A. Historic Preservation and Rehabilitation

Both Alta Stone Place and 37 Washington were bought with existing, under-utilized industrial buildings on site - one of which we restored and converted to housing - in a neighborhood waiting to be revitalized.

Alta Brigham Square site is located on the site of the old Brigham's Ice Cream factory in Arlington. Nestled between the high school, the Minute Man Bike Path, and a half-block from Mass Avenue and downtown Arlington shops, the development has quickly revitalized that site.

B. Mixed Use Development

Several of our sites have also incorporated commercial components. 2 Washington in Melrose and 22 Water Street (Zinc Cambridge) in Cambridge are mixed-use sites with ground-floor retail included. Alta Brigham Square in Arlington involved the construction of a separate retail building on the property. We are currently working towards seeking a retail partner for our forthcoming project in downtown Framingham. Outside of Massachusetts, Wood Partners has constructed many mixed-use developments around the country.

C. Urban Planning and Design within Historic Districts

Zinc Cambridge is part of the larger North Point redevelopment of the old railyards that had been on that site. With some of the existing buildings remaining, including those immediately adjacent to our building, the buildings of North Point relate both to the existing neighborhood as well as the visions of the larger development in very much of a downtown context.

For this development, we intend to partner with an experienced design team, well-versed in historic preservation.

D. Collaboration with federal, state and local agencies

We have recently completed permitting on a forthcoming project in downtown Framingham, MA. The project is expected to break ground by the end of 2017, and will feature 196 apartment units situated in the heart of the downtown core. We worked diligently with the Town of Framingham, and various other state and local agencies, to create a project plan that would fit with the needs of the community and Wood Partners' development objectives. The unique aspect of that process was the successful negotiation of a tax abatement via the state's Urban Center Housing Tax Increment Financing program (UCH-TIF). The utilization of the UCH-TIF will be one of the first times it has been used in the state.

E. Public/Private development projects

While we have not yet completed a project that was a public-private joint venture, Wood Partners has had extensive experience dealing with cities and towns through the development regulatory process.

Most recently, Wood Partners was selected as the developer for a town-owned parcel in Wayland, MA following an RFP process. We are planning a multifamily project on the site, and expect to break ground in 2018.

In the Boston area, we have permitted deals in Arlington, Hopkinton, Watertown, Wakefield, Melrose and Framingham, among others. Each permitting process has involved considerable time and effort as conversations with both local government boards and agencies as well as with residents and neighbors have influenced and helped to shape the outcome. We are committed to collaborating with the communities in which we work and we believe that our work reflects successful collaboration. Prior to developing our 2 Washington site in Melrose, for example, we held a public outreach meeting with neighboring residents to get their feedback on construction methods, building form, and overall design. This was in addition to the regular public meetings held with the Planning Board for the Site Plan Review approvals and the various meetings with individual government departments.

V. Financial Capacity

Wood Partners has the capacity to secure both equity and debt financing for its development projects. The team has extensive experience in financing projects of this size. At the close of 2016, we had \$2.5 billion of product under construction at 34 communities in 18 markets across the United States. Our controlled and financed pipeline was \$1 billion + entering 2017. We believe that the size and quality of the pipeline is unique in the industry and speaks to the strength of our relationships with our capital partners.

Please see attached annual report for further information on the financial profile of Wood Partners.

VI. Project Understanding

With consideration of the City of Portsmouth's master plan vision, we intend to design a project that is "vibrant, authentic, diverse, connected, and resilient."

Presently, 80 Daniel Street is experiencing extensive regulatory changes. We understand that the McIntyre building is designated as a contributing structure as it relates to the proposed Portsmouth National Register Historic District. Once the building's status is finalized we expect that there will be stipulations as to how the property would be protected in the future. We expect that no substantial modifications could be made that would impact the building's historic or architectural integrity, and intend to work within the building's existing envelope. We anticipate working with the New Hampshire State Preservation Office, the National Park Service, and all other necessary entities to further define the project.

Further, we understand that all redevelopment proposals must be prepared with the *Secretary of Interior's Standards for Rehabilitation's* guidelines in mind. We intend to respect these standards. "Rehabilitation" presumes a repair or improvement to create a structure that is still in the spirit of the original historic structure. The shell of the building will be adequate for adaptive reuse to multifamily. We anticipate preserving the exterior elements of the building as is. We would need to have a greater

understanding of the current structural condition of the building to provide more specific suggestions for rehabilitation.

As it relates to the zoning designations associated with this parcel, the City of Portsmouth's zoning states that the objective of the CD4 and CD5 character districts is to "promote the development of walkable, mixed-use, human-scaled places by providing standards for building form and placement and related elements of development." We expect the project to perform within this zoning.

We recognize the city's parking concerns and would ensure that we provided adequate parking for residents within the project to not interrupt the public parking available in the downtown. The development will incorporate a multistory parking structure to service its residents. We will include bicycle storage to encourage bicycle use by both residents and commercial guests.

The development will enhance the pedestrian environment with a vibrant ground floor retail that will further activate the street corridor. We intend to include an outdoor community amenity of some sort, such as a seating area or park. The project will also provide amenities for bicycles and pedestrian connectivity.

In terms of project financing, we expect that would be structured in a ground lease scenario, as outlined in the RFQ. The parameters around this arrangement would need to be further discussed. We will require additional information as it relates to the environmental considerations for the site, and await additional material from the City.

We would be able to develop a more specific project scope for presentation to the City within 90-120 days of an invitation to proceed with a prospective development project. During this time, we would further explore the use of the site. Additionally, we would need to evaluate any potential environmental concerns or other project barriers. We are confident that our construction team will be able to complete a project of this scale in approximately a 24-month time frame from breaking ground.



WOOD

PARTNERS

2016

ANNUAL REPORT

100
WALLER



JOYA
Miami, FL

WOOD
PARTNERS

2016
ANNUAL
REPORT

ON THE COVER
Alchemy by Alta
San Francisco, CA

CONTENTS

2

LETTER FROM
THE CEO

4

FINANCIAL
SUMMARY

6

SALES

8

DEVELOPMENT AND
CONSTRUCTION

10

PROPERTY
MANAGEMENT

12

EXPERIENCED
LEADERSHIP

WOOD PARTNERS

\$2.5B

UNDER CONSTRUCTION

32%

IRR TO INVESTORS

19

REALIZED SALE TRANSACTIONS

\$1B

2017 CONTROLLED AND FINANCED PIPELINE

As we enter year eight of the current cycle, we look back proudly on another great year in 2016 while continuing to carefully move forward to exciting opportunities in 2017.



I ended my letter in 2016 referencing how humbled and impressed I had been when interacting with our associates across the country and across our business units. I will start my letter in 2017 by making the same point. In 2016, I spent much time on the road touring our offices, assets, and pipeline, which gave me an opportunity to interact with many of our associates across the country. I continue to be extremely impressed by our growing team of associates, which feeds my continued optimism regarding the future of Wood Partners and our ability to take advantage of the incredible multifamily-demand drivers that are forecasted over the next decade.

In 2016, Wood took full advantage of these demand drivers, as we had another very strong year financially. We continued our industry-leading productivity in 2016, starting and acquiring \$1 billion of multifamily investments across the country for the fourth consecutive year. We also transacted on the sale of 19 assets with a value of \$1.1 billion, generating impressive returns for our equity partners—a gross 32% IRR across our portfolio of new-cycle projects sold in 2016.

As we turn toward 2017, our business remains well positioned for future success. Our controlled and financed pipeline is \$1 billion+ entering 2017. We believe that the size and quality of our pipeline is unique in the industry and speaks to the strength of our relationships with our capital partners as well as the aforementioned quality of our team of partners and associates at Wood.

Our outstanding construction team enters 2017 managing 34 projects under construction, representing total project capitalization of \$2.5 billion. Additionally, as we do every year, Wood Partners won various awards across the country rewarding our commitment to high-quality development and construction. Of particular note in 2016, Block 17, our 281-unit high-rise development in Portland, OR, earned the prestigious Multifamily Executive's (MFE) High-Rise of the Year as well as MFE's Editor's Choice Award. The project encompasses a full city block in Portland's Pearl District and is in the process of being certified LEED Gold.

In 2016, we also added some key members to our already impressive senior team. In

particular, Steve Hallsey was hired to head up our property management business nationally. We are extremely excited to have Steve leading the Wood Residential Services (WRS) team. Our property management business is a key component of our ability to continue to exceed our investors' return expectations in an increasingly competitive multifamily industry. As we look towards 2017, the importance of our property management business will be on full display as we are slated to start the lease-up of 24 assets in the next twelve months.

We are excited about the prospects of what 2017 will bring for our company, but remain steadfast in our disciplined approach to managing risk as this cycle matures. Demand for multifamily remains strong as the economy continues its growth and long-term demographic trends remain a tailwind. We are, however, cognizant of growing pressure from new supply, especially in many urban core locations where project costs often necessitate underwriting top-of-market rents. As we move to later stages of this cycle, it is important that we adjust our investment and development strategies to generate the best risk-adjusted returns. Our local team of city development directors continues to do a tremendous job evolving their local strategies to fit the local demand and supply dynamics, and we continue to build a significant pipeline with strong risk-adjusted returns across the country.

As I stated at the beginning of this letter, we are very blessed to have what I consider to be the best team in the multifamily industry. We had another very strong year in 2016, and we are positioned well to continue our industry-leading performance in 2017. With each year that passes, our industry gets more competitive, and it is of critical importance that we continue to improve and adapt as an organization. I have full confidence that we will continue to do so in 2017.

Sincerely,

Joseph Keough
Chief Executive Officer

We were able to successfully build off the momentum of a landmark 2015 and continue to drive profitability in each facet of our business.

Alta Midtown - Atlanta, GA

GAAP Highlights	Net Income	Net Cash Flow Before Distribution
2014	\$89,710	\$59,338
2015	\$114,605	\$74,504
2016	\$91,990	\$87,986

IN THOUSANDS

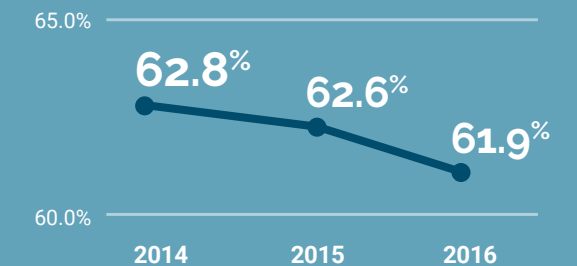
\$92M
IN GAAP NET INCOME

2016 marked another banner year in Wood Partners' 18-year history. We were able to successfully build off the momentum of a landmark 2015 and continue to drive profitability in each facet of our business. In 2016 we recognized \$92 million of GAAP net income.¹ These results were achieved largely through the disposition of 19 total multifamily assets. The gross proceeds of \$1.1 billion from these sales generated \$97 million of cash flow to Wood Partners. Additionally we earned total fee income of \$60 million and achieved an operating margin of 34%.

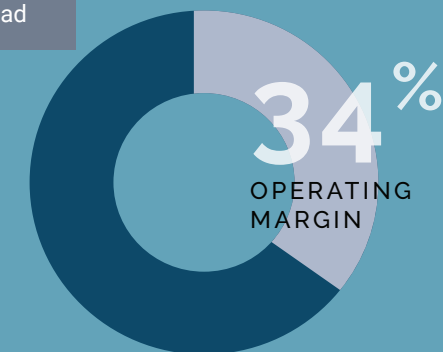
During 2016 we started approximately \$1 billion of new development across 13 properties in 12 different markets around the country. These development starts add 3,468 units to our portfolio and include a mix of suburban and urban communities. We are thrilled to have entered into a number of relationships with new capital partners in 2016, in addition to the repeat investments made by some of our long-established capital partners. We value each and every investment our capital partners make with us and remain focused on delivering first-class developments through a dedication to superior execution. We look forward to reinforcing our commitment to our existing partners and fostering new relationships in 2017.

Our balance sheet remains well positioned entering the new year as we look to capitalize on a development pipeline that includes \$1 billion of new transactions already financed as well as many other controlled sites that our team is in the process of financing. We continue to manage our project level leverage and our recourse debt levels in order to maximize optionality at the end of the development period in the event of a softening market. As of December 31, 2016, our average loan-to-cost for loans with repayment recourse was below 62%, and only a handful of loan maturities remain for 2017. Our Investment Committee remains laser-focused on efficiently deploying capital to target excellent risk-adjusted investments for our capital partners as evidenced by our outstanding pursuit investment equal to only 2% of the total project cost of our pipeline.

Recourse Debt *We continue to responsibly manage our debt-to-cost ratio.*



Fees vs. Overhead



OVERHEAD FEES IN EXCESS OF OVERHEAD

¹For GAAP purposes our fee income is eliminated from the income statement for consolidated projects, and our overhead associated with projects under construction is capitalized into asset basis.

Since 2010, Wood Partners has started, delivered, and sold 42 developments totaling 9,986 units and \$2 billion in total capitalization. In aggregate, these realized investments have generated an average return to the investors of a 37% IRR and 2.2x multiple on capital. Ten of these transactions, representing \$814 million in total proceeds, were completed in 2016. While we are later in this cycle, these 10 sales generated an average IRR of 32% and multiple of 2.3x. These above pro-forma returns are a testament to our disciplined approach to investment and the effectiveness of our vertically integrated business model.

10
NEW DEVELOPMENT TRANSACTIONS

9
MARKETS

2,933
UNITS

\$814
SALE VOLUME (IN MILLIONS)

32%
AVERAGE GROSS LEVERED IRR

2.3X
MULTIPLE ON CAPITAL

45%
GROSS MARGIN

ALTA BELMONT
Atlanta, GA

66%
GROSS LEVERED IRR
2.7X
MULTIPLE ON CAPITAL

ALTA BELMONT is a 274-unit luxury apartment community located in suburban Atlanta, GA. Its location boasts easy access to all the major employment centers in Atlanta, along with close proximity to the new Atlanta Braves stadium currently under construction two miles down the road. Additionally the community is situated steps from the area's commercial district, which is undergoing a massive revitalization, recently adding a 48,000 square foot neighborhood retail center, community center, and an elementary school. Alta Belmont Hills offers its residents the convenience of urban living in a suburban setting. Wood Residential Services oversaw a successful lease-up and averaged 23 leases per month, leading to a disposition just six months after achieving final completion. The development team's vision combined with efficient construction, leasing, and disposition execution generated a 66% gross levered IRR and 2.7x multiple on capital to the investors.

ALTA TEMPE
Tempe, AZ

45%
GROSS LEVERED IRR
2.6X
MULTIPLE ON CAPITAL

ALTA TEMPE is a 296-unit community in Tempe, AZ. This community was one of the first undertakings in our successful re-entry into the greater Phoenix market. The performance of Alta Tempe underpins the continued strength of the real estate market in Arizona and the need for housing in easily accessible transit-oriented locations. This community is a unique and beautiful asset that is popular with residents due to its ideal location in the booming Phoenix market. Alta Tempe includes the luxury finishes our residents seek out in apartment units in addition to a top-flight suite of amenities that include an 8,000 square foot clubhouse with a vertical garden and observation deck, a resort-style pool with private cabanas, and a 24-hour fitness club-quality gym. Leasing was extremely strong at this community and at the time of disposition it was 96% leased. The overall success of this community generated a gross levered IRR of 45% and 2.6x multiple on capital to the investors.

BLOCK 17 is a 281-unit high-rise community in the Pearl District of Portland, OR. This community marks our first entry into the Portland market and was a home run with residents and multifamily industry leaders. Block 17 was honored with the prestigious MFE High Rise of the Year award along with the MFE Editor's Choice award. The community encompasses an entire city block and combines quintessential local design and modern luxury. The overall design focuses on a smooth transition between indoor and outdoor space and incorporates sustainable and local building materials. These design and construction techniques create the perfect community for the environmentally conscious residents of Block 17 who prioritize taking advantage of the area's local surroundings. The thoughtful design of this community blends seamlessly into the natural and urban fabric that surrounds it. Block 17 is a testament to the experience of our development, construction, and property management teams who are able to effectively take on the challenge of entering a new market and deliver a product that speaks to the essence of a city.

43%
GROSS LEVERED IRR¹
2.4X
MULTIPLE ON CAPITAL

BLOCK 17
Portland, OR

ALTA FARMERS MARKET is a 313-unit community in Dallas, TX. The property is situated directly across the street from the recently redeveloped Dallas Farmers Market. The Farmers Market is a 26,000 square foot food hall and artisanal vendor market that harkens back to other popular culinary destinations in other major American cities. The community is also within close proximity to the Deep Ellum entertainment district. These two feature attractions give our residents superior access to the best restaurants and entertainment that Dallas has to offer, as well as easy access to the downtown Dallas office market. The location, along with the first-class amenities and unit finishes, create the perfect live-work-play community that our development team envisioned. Alta Farmers Market features a rooftop deck with a fireplace and views of the Dallas Farmers Market and the downtown Dallas skyline. Our development and construction teams were able to deliver this asset on time and under budget.

34%
GROSS LEVERED IRR
2.0X
MULTIPLE ON CAPITAL

ALTA FARMERS MARKET
DALLAS, TX

¹Hypothetical returns based on actual buyout by our partner.

At the close of 2016 we had \$2.5 billion of product under construction at 34 communities in 18 markets representing 9,675 units.

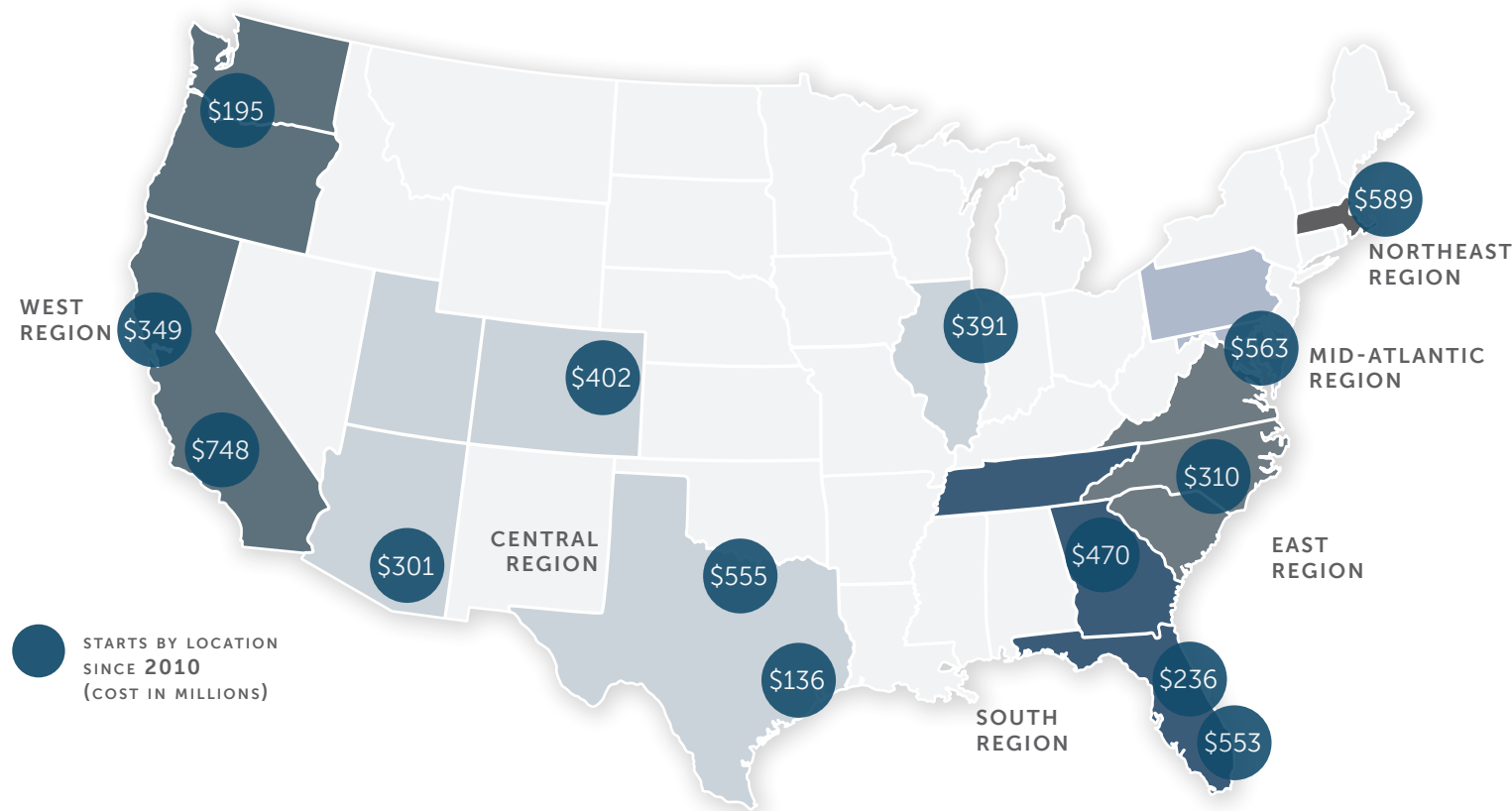
CONSTRUCTION

Our construction team is currently managing the highest construction volume in our history. Since 2010, our construction team has completed 60 projects representing \$3 billion in total capitalization. At the close of 2016 we had \$2.5 billion of product under construction at 34 communities in 18 markets representing 9,675 units. Our national network of experienced construction personnel not only delivers phenomenal assets across our portfolio, but also provides us with confidence that we will be able to execute on a variety of construction types in markets across the country. Wood Partners invests significantly in its construction group in order to mitigate construction cost risk and has implemented a number of procedures to better estimate construction costs throughout the development process and foster open lines of communication and collaboration between the construction and development teams.

DEVELOPMENT

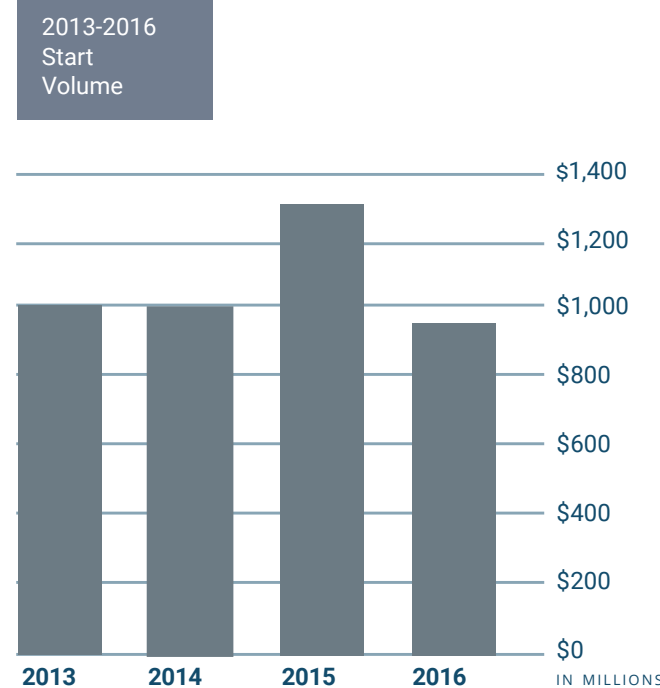
On the heels of the most productive year in company history in 2015, 2016 provided a successful follow-up with the development team continuing to source attractive new opportunities. During the year we started approximately \$1 billion of new developments representing 3,468 units in 12 MSAs across the country, including both growth and barrier markets. We continue to focus on investments covering a geographically diverse territory and a variety of product types that cater to specific market opportunities. Looking forward to 2017, our new development pipeline is as strong as ever.

We believe that significant upside remains in segments of the market to deliver excellent risk-adjusted returns for our investors. Our current pipeline contains a high number of bite-sized investments outside of traditional urban cores where we see a high demand for new class-A product. Additionally we continue to make investments in our property management business, as we believe that an operationally-focused approach will lead to maximized returns upon asset disposition.



2016 DEVELOPMENT STARTS

1000 Park Avenue Atlanta, GA	267 Units
Alta Camelback Phoenix, AZ	237 Units
Alta Delray Station West Palm Beach, FL	284 Units
Alta Harbor Park Fort Lauderdale, FL	310 Units
Alta Jonquil Atlanta, GA	266 Units
Alta Pacific San Diego, CA	110 Units
Alta Pinehurst Denver, CO	350 Units
Alta Waverly Oakland, CA	196 Units
James River Lofts at Stony Point Richmond, VA	280 Units
Midtown 8 Miami, FL	387 Units
Patrick Henry Place Hampton Roads, VA	209 Units
Alta Prosperity Village Charlotte, NC	292 Units
The Westerly at Forge Park Boston, MA	280 Units
TOTAL	3,468 Units

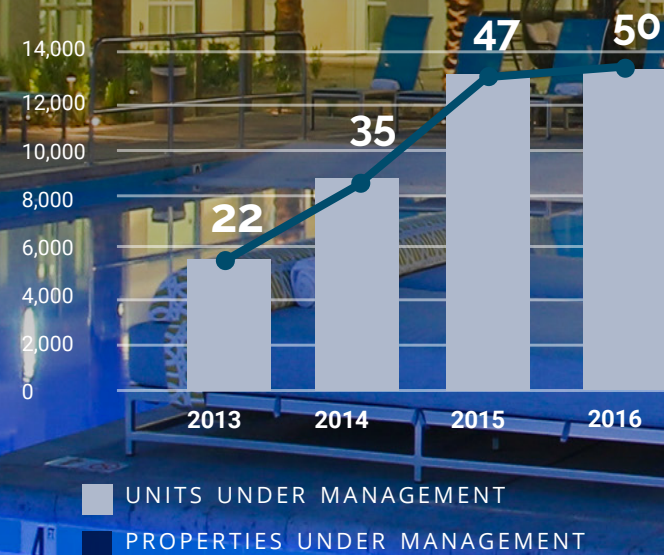


Our in-house property management company continues to expand its portfolio and currently has 13,000 units under management across 50 communities.

Alta Paradise Ridge – Phoenix, AZ

ALTA PARADISE RIDGE is a 278-unit community located in Phoenix, AZ. The community is ideally located between Scottsdale and Phoenix and was designed to maximize the beauty of its local surroundings, offering impressive scenic desert and mountain views. The development and leasing teams are intentional about creating engagement with the surrounding neighborhood. For instance, the property recently hosted a fundraiser for the local Humane Society chapter to raise awareness for rescued animals and educate residents on the pet adoption process. WRS has exceeded expectations during lease-up of this community. First units were delivered in March 2016, and by year-end, the property reached 80% leased, averaging 22 leases per month, with rents slightly above the competitive set benchmark.

Property Management



WOOD RESIDENTIAL SERVICES

Wood Residential Services (WRS), our in-house property management company, continues to expand its portfolio and currently has 13,000 units under management across 50 communities. 2016 marked the most successful year in WRS history since its inception in 2010. During the year, WRS oversaw the successful lease-up of 16 assets. In 2017, WRS will commence the lease-up of 24 assets.

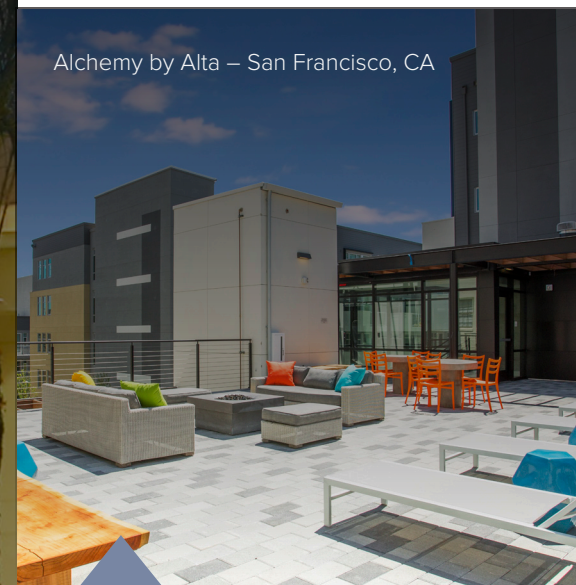
As we have expanded our property management business, our capital partners increasingly realize the value of our owner-operator model, which fully aligns the interest of Wood Partners and our investors with ownership's focus of maximizing asset value. In December 2016, we added key personnel to our senior leadership team. Steve Hallsey, a 33-year real estate industry veteran, joined us as Executive Vice President of Wood Residential Services with responsibility for operations nationally. We are excited to add Steve's extensive market knowledge and management experience to the property management team as

we continue to heavily invest in this business.

WRS exemplifies the philosophy that superior results are achieved through a commitment to highly effective people, a proactive and responsive management system, and stellar customer service. The company trains its associates to act as owner-operators in order to maximize performance and build value for our investors, while focusing on creating a sense of community for our residents and searching continually for opportunities to give back to the markets in which we operate.

We work to understand the demographic and culture of our communities to incorporate amenities and community events that will resonate with residents. Feedback from our residents is vital. We use a number of survey tools and social media sites to listen to our residents. These tools enable us to receive valuable feedback in our communities and ultimately generate better returns for our investors.

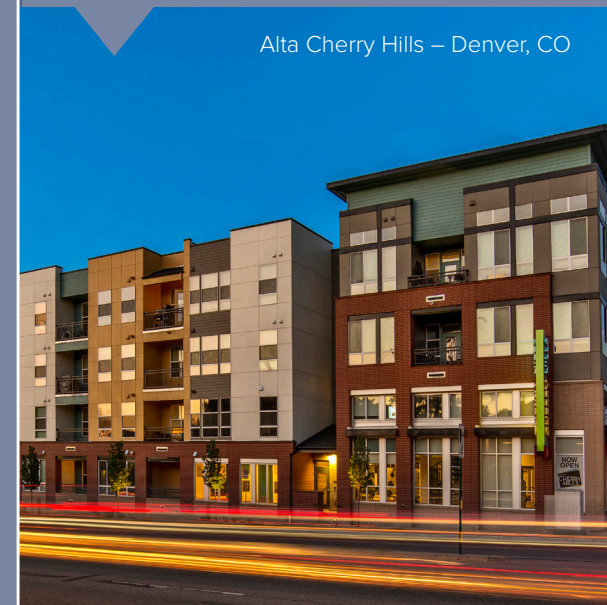
Alchemy by Alta – San Francisco, CA



ALCHEMY BY ALTA is a 330-unit community located in the heart of San Francisco, CA. This community is located in San Francisco's Hayes Valley, adjacent to the city's center of gravity cultural destination, the Haight-Ashbury district. The community was designed to incorporate the rich history and culture of the area and includes a number of unique spaces such as a private music room and a community garden. The Ground Floor Project also calls Alchemy home. This flexible space aims to engage and unite neighborhood stakeholders and residents by hosting carefully curated cultural events that highlight the local arts, music, culinary, fashion, and dance scenes amongst a variety of other showcase events. The WRS team offers several unique resident services, including personal training, housekeeping, food delivery, and pet walking. Final units were delivered in June 2016 and the property reached 88% leased before year-end, averaging 24 leases per month with rents on new leases exceeding the competitive set benchmark by nearly 6%.

ALTA CHERRY HILLS is a 306-unit, semi-urban community located in Englewood, CO, minutes south of downtown Denver, on the hip and trendy South Broadway corridor. The first-class amenities, including a ski and bike repair shop, dog park, rooftop patio, and electric car-charging stations, appeal to eco-friendly, outdoor enthusiasts and medical professionals. Prior to first move-ins in July 2015, Alta Cherry Hills pre-leased 86 apartment homes through hard hat tours and extensive marketing. In 2016, the WRS team achieved rents that exceeded benchmark by 7%. Final units were delivered in June 2016, and the property reached stabilization in September, averaging 22 leases per month. The professional and customer service oriented WRS team has successfully renewed 64% of expiring leases to date, focusing on community events, activities, and services that tie the residents to the community and surrounding neighborhood.

Alta Cherry Hills – Denver, CO



The Slate at Andover – Boston, MA



THE SLATE AT ANDOVER is a 224-unit community located in a sought-after suburb of Boston, MA. Families, empty-nesters, and working professionals seeking the quality of life associated with an Andover address are opting to rent at The Slate. Thoughtful attention to detail in design, construction, and operations are credited for cultivating an environment that maintains the quaint New England backdrop while providing, modern-day amenities. Lease-up performance has been exceptionally strong. Final units were delivered in July 2016, and by year-end the property was over 90% leased. The lease-up has been completed without the use of concessions, while lease expirations have been carefully managed to position the property for additional rent growth in 2017.

EXPERIENCED LEADERSHIP

17/24
OFFICES / MARKETS

Wood Partners continues to retain and attract top multifamily talent across all disciplines around the country as a recognized industry leader. Our Chief Executive Officer, Joe Keough, is responsible for the overall direction and operations of the company. Joe is supported by an impressive team of multifamily executives. These members include Patrick Trask (President), Sean Reynolds (Chief Operating Officer and General Counsel), Steve Hallsey (Executive Vice President, Wood Residential Services), Matt Trammell (Chief Financial Officer), and our six regional development directors: Charles Barrus (South Region), Rick Dickason (Northeast Region), Brian Hansen (West Region), Todd McCulloch (Central Region), Carter Siegel (East Region), and Scott Zimmerly (Mid-Atlantic Region).

Senior leadership is supplemented by a national network of local development and construction directors that operate in 17 offices and serve 24 markets. We pride ourselves on being a flat organization with local directors and their teams acting as owner-operators focused on maximizing investment performance through an intimate understanding of local market nuances and trends. The development directors in each local market are charged with overseeing our long-standing cradle-to-grave philosophy.

We believe that attention to detail and best-in-class execution at all developments from site selection, underwriting, due diligence, development, construction, property and asset management to disposition creates sustainable, long-term value.



THE WOOD PARTNERS SENIOR LEADERSHIP TEAM

Pictured left to right:
Top Row: Brian Hansen, Scott Zimmerly, Todd McCulloch, Rick Dickason, Carter Siegel, Charles Barrus
Bottom Row: Matt Trammell, Patrick Trask, Joe Keough, Sean Reynolds, Steve Hallsey



DEVELOPMENT DIRECTORS

Bart Barrett, Houston & Austin, TX
Bennett Sands, Atlanta, GA & Nashville, TN
Brian Pianca, Northern California
Bryan Borland, North Florida
Clay Iman, Chicago, IL
David Thompson, Florida
Jeff Quinlivan, South Florida

Jim Lambert, Boston, MA
Ryan Miller, Dallas, TX
Tim McEntee, Rocky Mountains & Midwest
Todd Taylor, Phoenix, AZ
Tom Burkert, Charlotte, NC

CONSTRUCTION DIRECTORS

Alex Panzeri, South Region
Bob Mueller, West Region
Gil Dominy, Central Region
Mark Theriault, East, Mid-Atlantic & Northeast Regions
Matt Berry, Texas & Arizona
Will Chappell, South Region

BOARD OF DIRECTORS

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Ryan Dearborn, Chairman
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Joe Keough
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CORPORATE OFFICE | ATLANTA

3715 Northside Parkway NW
Building 400, Suite 600
Atlanta, GA 30327
404.965.9965
www.woodpartners.com

