

A MARKET VALUATION OF:

DUNCAN VILLAGE APARTMENTS

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Located at:
100 Duncan Street
Duncan, Spartanburg County, SC 29334

Effective Date: November 9, 2023
Report Date: November 27, 2023

Prepared for:
Chris Makowski
American Community Developers, Inc.
20250 Harper Avenue
Detroit, MI 48225

Prepared by:
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November 27, 2023

Chris Makowski
American Community Developers, Inc.
20250 Harper Avenue
Detroit, MI 48225

Re: Appraisal of Duncan Village
100 Duncan Street
Duncan, Spartanburg County, SC 29334

Dear Chris Makowski:

We are pleased to present our findings with respect to the value of the above-referenced property, Duncan Village Apartments ("Subject"). The Subject is an existing 50-unit Section 8/Low Income Housing Tax Credit (LIHTC) property proposed for acquisition/rehabilitation with additional LIHTC equity. As requested, we are providing a narrative appraisal report that includes the following value estimates, which are described and defined below. This letter serves as an introduction to the attached appraisal; the value opinions expressed in this introduction letter must be taken in context with the full appraisal report. We are concurrently preparing an application market study for the Subject property. We have performed no other services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the previous three-year period.

- Land value as if vacant.
- Market value "as is restricted" of the fee simple interest in the property.
- Hypothetical market value "as if unrestricted" of the fee simple interest in the property.

American Community Developers, Inc. is the client in this engagement. We understand that they will use this document for submittal to the South Carolina State Housing Finance and Development Authority ("SCSHFDA") for low income housing tax credit (LIHTC) and/or bond application. The South Carolina State Housing Finance Development Authority (SCSHFDA) is an authorized user and may rely on the representations made herein. Intended users including SCSHFDA, HUD, and those transaction participants who are interested parties and have knowledge of the Section 42 LIHTC program. These could include local housing authorities, state allocating agencies, state lending authorities, LIHTC construction and permanent lenders, and LIHTC syndicators. As our client, American Community Developers, Inc. owns this report and permission must be granted from them before another third party can use this document. We assume that by reading this report another third party has accepted the terms of the original engagement letter including scope of work and limitations of liability. We are prepared to modify this document to meet any specific needs of the potential users under a separate agreement.

In addition, this report, or a reference to this report, may not be included or quoted in any offering circular, information circular, offering memorandum, registration statement, private placement memorandum, prospectus or sales brochure (in either electronic or hard copy format) in connection with a securitization or transaction involving such debt (or portion thereof) and/or securities.

This valuation engagement was conducted in accordance with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, which standards incorporate the Uniform Standards of Professional Appraisal Practice (USPAP). In accordance with these standards, we have reported our findings herein in an appraisal report, as defined by USPAP.

For the purposes of this assignment, market value is defined as:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

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

This report complies with the current edition of the Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Standards Board of the Appraisal Foundation and FIRREA Title XI, 12 CFR Part 323(FDIC), and 12 CFR Part 34 (RTC), and the Code of Ethics & of Professional Practice of the Appraisal Institute. It also complies with Appraisal Institute, and SC Housing specifications.

As a result of our analysis, the value of the Subject's underlying land, "**As If Vacant**," of the fee simple interest, as of November 9, 2023, is:

FIVE HUNDRED FIFTY THOUSAND DOLLARS
(\$550,000)

As a result of our analysis of the Subject's restricted scenario, the fee simple market value "**As Is**," as of November 9, 2023, is:

THREE MILLION DOLLARS
(\$3,000,000)

As a result of our analysis of the Subject's hypothetical unrestricted scenario, the fee simple market value "**As Is**," as of November 9, 2023, is:

TWO MILLION THREE HUNDRED THOUSAND DOLLARS
(\$2,300,000)

For the purposes of our unrestricted analysis, we have employed a hypothetical condition assuming unrestricted, conventional operations.

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

It is an extraordinary assumption that no environmental issues exist that would impact the value of the Subject property.

The Subject currently pays full real estate taxes. However, according to the client, the Subject is expected to benefit from a full real estate tax exemption after the sale as the buyer will have a non-profit entity as an equity partner. It is an extraordinary assumption that the Subject will benefit from such a full property tax exemption in the restricted scenario.

The use of extraordinary assumptions and/or hypothetical conditions may impact the assignment results.

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

If appropriate, the scope of our work includes an analysis of current and historical operating information provided by management. This unaudited data was not reviewed or compiled in accordance with the American Institute of Certificate Public Accountants (AICPA), and we assume no responsibility for such unaudited statements.

We also used certain forecasted data in our valuation and applied generally accepted valuation procedures based upon economic and market factors to such data and assumptions. We did not examine the forecasted data or the assumptions underlying such data in accordance with the standards prescribed by the AICPA and, accordingly, do not express an opinion or any other form of assurance on the forecasted data and related assumptions. The financial analyses contained in this report are used in the sense contemplated by the USPAP. Furthermore, there will usually be differences between forecasted and actual results because events and circumstances frequently do not occur as expected, and these differences may be material.

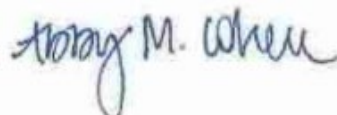
Our value conclusion was based on general economic conditions as they existed on the date of the analysis and did not include an estimate of the potential impact of any sudden or sharp rise or decline in general economic conditions from that date to the effective date of our report. Events or transactions that may have occurred subsequent to the effective date of our opinion were not considered. We are not responsible for updating or revising this report based on such subsequent events, although we would be pleased to discuss with you the need for revisions that may be occasioned as a result of changes that occur after the valuation date.

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

Respectfully submitted,
Novogradac



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I. EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

Property Appraised:	Duncan Village Apartments, the Subject, is an existing 50-unit Low Income Housing Tax Credit (LIHTC)/Section 8 apartment property. The Subject is located at 100 Duncan Street, Duncan, Spartanburg County, SC 29334 and offers 50 revenue-generating units, targeted toward the general population. Improvements consist of 11 two-story, townhouse-style residential buildings, in addition to a single-story management office/community room. The existing improvements were originally constructed in 1982 and were renovated in 2005 with LIHTC equity. Currently, all units at the property are subject to Section 8 restrictions; thus, tenants pay 30 percent of their income towards rent in these units.
Recent Operation:	The Subject is currently operating as a LIHTC/Section 8 property. According to the rent roll dated October 12, 2023, the Subject is currently 86.0 percent occupied. According to the client, some of the Subject's units were down due to deferred maintenance at the time of acquisition in July 2023. The client indicated that contractors have been difficult to find since the acquisition; however, maintenance on these units is expected to be completed by December 2023 and the Subject is expected to return to vacancy levels in line with the 2020 and 2021 historical data.
Tax Map ID:	The Subject is identified by the Spartanburg County Tax Assessor with the following parcel number: 5-20-06-006.03.
Land Area:	The Subject site is 9.63 acres or 419,483 square feet.
Legal Interest Appraised:	The property interest appraised is fee simple, subject to any and all encumbrances, if applicable, for each value estimate.
Current Rents and Unit Mix:	The following table summarizes current contract and tenant-paid rents at the Subject.

RENT ROLL ANALYSIS (10/12/2023)

Unit Type	Unit Size (SF)	Number of Units	Contract Rent*	Minimum Tenant Paid Rent	Maximum Tenant-Paid Rent	Average Tenant-Paid Rent	Vacant Units	Vacancy Rate
1BR / 1BA	613	18	\$711	\$163	\$711	\$461	2	11.1%
2BR / 1.5 BA	874	26	\$825	\$0	\$825	\$589	5	19.2%
3BR / 1.75BA	1,109	6	\$988	\$0	\$988	\$682	0	0.0%
Total		50					7	14.0%

*Based on rent schedule, effective 12/1/2022

Ownership History of the Subject:	According to the Spartanburg County Assessor's Office and a purchase and sale agreement provided by the client, the Subject property transferred ownership on July 20, 2023 from Duncan Village II, LLC (Seller) to Duncan Village 2022, LLC (Purchaser) for a purchase price of \$3,100,000. There have been no other known transfers of the Subject property within the past three years. Our estimated as is restricted value of \$3,000,000 is slightly below the purchase price and indicates a seller's advantage.
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Highest and Best Use "As If Vacant": The Subject's highest and best use "as if vacant" is to construct a 50-unit multifamily affordable development utilizing tax credit equity or favorable financing.

Highest and Best Use "As Improved": The Subject property currently operates as a LIHTC/Section 8 multifamily property, and it is in average condition. The property currently generates positive cash flow, and it is not deemed feasible to tear it down for an alternative use. Therefore, the highest and best use of the site, as improved, would be to continue to operate as an affordable multifamily housing development.

Effective Date: The Subject was inspected on November 9, 2023, which is the effective date for this report.

Capitalization Rate Reconciliation: After reviewing the appropriate methods for developing an overall rate, the following ranges of overall capitalization rates are indicated:

CAPITALIZATION RATE SELECTION SUMMARY

Method	Indicated Rate
Market Extraction	5.75%
The PWC Investor Survey	5.75%
Debt Coverage Ratio	7.92%
Band of Investment	8.85%

The various approaches indicate a range from 5.75 to 8.85 percent. We reconciled a 5.75 percent capitalization rate based primarily upon the market-extracted rate.

Operating Expense Reconciliation: Operating expenses were estimated based upon the historical expenses, comparable expenses, and the developer's budget. In the following tables, we compared historical operating expenses, budgeted operating expenses, comparables operating expenses, and concluded expenses per unit. We have also illustrated the expenses less taxes, utilities, and reserves. The concluded expenses for the restricted scenarios (less taxes, utilities, and reserves) are within the range of the comparables and slightly below the Subject's historical data. Overall, our conclusions appear reasonable and will be utilized in our valuation.

TOTAL EXPENSES PER UNIT		TOTAL EXPENSES PER UNIT LESS TUR	
Subject Expenses		Subject Expenses	
2022 (Audited)	\$10,991	2022 (Audited)	\$9,285
2021 (Audited)	\$7,623	2021 (Audited)	\$5,755
2020 (Audited)	\$7,515	2020 (Audited)	\$5,914
Comparable Properties		Comparable Properties	
Comp 1	\$7,551	Comp 1	\$5,667
Comp 2	\$6,137	Comp 2	\$3,480
Comp 3	\$7,033	Comp 3	\$5,456
Comp 4	\$5,152	Comp 4	\$2,860
Comp 5	\$5,357	Comp 5	\$3,335
Subject Conclusions		Subject Expenses	
Market Value - "As Is Restricted"	\$6,053	Market Value - "As Is Restricted"	\$5,007
Hypothetical Market Value "As Is Unrestricted"	\$7,057	Hypothetical Market Value "As Is Unrestricted"	\$4,871

Strengths and Weaknesses: Based upon our market research, demographic calculations and analysis, we believe the Subject property is well positioned and accepted in the market. Strengths of the Subject include the positive demographics in the local area and the fact that all units at the Subject benefit from subsidy. Weaknesses include the Subject's smaller unit sizes relative to comparable properties in the area and slightly inferior location relative to the rent comparables.

Third Party Reports: We were provided with a draft Phase I Environmental Site Assessment for the Subject property dated September 30, 2022. According to the report, no evidence of recognized environmental conditions (REC's) were identified in connection with the Subject property. During our site inspection, we walked the Subject's grounds, including the rear of the buildings and the parking lot and did not observe any obvious indicators of environmental contamination. Nonetheless, Novogradac is not an expert in this field and further analysis is beyond the scope of this report. The use of hypothetical conditions and extraordinary assumptions may impact assignment results.

Indications of Value:

LAND VALUE

Scenario	No. of Units/Acres	Value per Unit/ Value per Acre	Indicated Value (Rounded)
Value Per Unit	77	\$11,000	\$550,000
Value Per Acre	9.63	\$57,113	\$550,000

DIRECT CAPITALIZATION ANALYSIS

Scenario	Cap Rate	Net Operating Income	Indicated Value (Rounded)
Market Value - "As Is Restricted"	5.75%	\$170,314	\$3,000,000
Hypothetical Market Value "As Is Unrestricted"	5.75%	\$134,573	\$2,300,000

NOI/UNIT ANALYSIS

Scenario	Number of Units	Price per unit	Indicated Value (Rounded)
Market Value - "As Is Restricted"	50	\$59,000	\$3,000,000
Hypothetical Market Value "As Is Unrestricted"	50	\$46,000	\$2,300,000

Exposure Period: Nine to Twelve Months

For the purposes of our unrestricted analysis, we have employed a hypothetical condition assuming unrestricted, conventional operations.

It is an extraordinary assumption that there no environmental issues exist that would impact the value of the Subject property.

The Subject currently pays full real estate taxes. However, according to the client, the Subject is expected to benefit from a full real estate tax exemption after the sale as the buyer will have a non-profit entity as an equity partner. It is an extraordinary assumption that the Subject will benefit from such a full property tax exemption

in the restricted scenario in accordance with South Carolina General Assembly Bill 207 of the 2019-2020 Legislative Session.

The use of extraordinary assumptions and/or hypothetical conditions may impact the assignment results.

Please refer to the complete assumptions and limiting conditions in the Addenda.

II. FACTUAL DESCRIPTION

FACTUAL DESCRIPTION

Appraisal Assignment and Valuation Approach

As requested, the appraisers provided several value estimates, described and defined below:

- Land value as if vacant.
- Market value “as is restricted” of the fee simple interest in the property.
- Hypothetical market value “as is unrestricted” of the fee simple interest in the property.

In determining the value estimates, the appraisers employed the sales comparison and income capitalization approaches to value. The property is an existing subsidized apartment community. Given the Subject’s restricted nature, age, and investment type, the cost approach is not considered a reliable method of valuation.

The income capitalization approach involves an analysis of the investment characteristics of the property under valuation. The earnings’ potential of the property is carefully estimated and converted into an estimate of the property’s market value.

The sales comparison approach involves a comparison of the appraised property with similar properties that have sold recently. When properties are not directly comparable, sale prices may be broken down into units of comparison, which are then applied to the Subject for an indication of its likely selling price.

Property Identification

The Subject is an existing 50-unit LIHTC/Section 8 development located at 100 Duncan Street, in Duncan, Spartanburg County, SC 29334. The site is approximately 9.63 acres and is improved with 11 two-story, townhouse-style residential buildings, in addition to one office/community building. The Subject site is identified by the following Assessor’s Parcel Number (APN): 5-20-06-006.03.

Intended Use and Intended User

American Community Developers, Inc. is the client in this engagement. We understand that they will use this document for submittal to SCSHFDA for low income housing tax credit (LIHTC) and/or bond application. The South Carolina State Housing Finance Development Authority (SCSHFDA) is an authorized user and may rely on the representations made herein. Intended users include SCSHFDA, HUD, and those transaction participants who are interested parties and have knowledge of the Section 42 LIHTC program. These could include local housing authorities, state allocating agencies, state lending authorities, LIHTC construction and permanent lenders, and LIHTC syndicators. As our client, American Community Developers, Inc. owns this report and permission must be granted from them before another third party can use this document. We assume that by reading this report another third party has accepted the terms of the original engagement letter including scope of work and limitations of liability. We are prepared to modify this document to meet any specific needs of the potential users under a separate agreement.

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Property Interest Appraised

The property interest appraised is fee simple estate.

Date of Inspection and Effective Date of Appraisal

The Subject was last inspected by Novogradac on November 9, 2023, which will serve as the effective date for this report.

Scope of the Appraisal

For the purposes of this appraisal, Novogradac visually inspected the Subject and comparable data. Individuals from a variety of city agencies as well as the Subject's development team were consulted (in person or by phone). Various publications, both governmental (i.e. zoning ordinances) and private (i.e. Multiple List Services publications) were consulted and considered in the course of completing this appraisal.

The scope of this appraisal is limited to the gathering, verification, analysis and reporting of the available pertinent market data. All opinions are unbiased and objective with regard to value. The appraiser made a reasonable effort to collect, screen and process the best available information relevant to the valuation assignment and has not knowingly and/or intentionally withheld pertinent data from comparative analysis. Due to data source limitations and legal constraints (disclosure laws), however, the appraiser does not certify that all data was taken into consideration. We believe the scope of work is appropriate for the problem stated.

For the purposes of this appraisal, we have utilized the sales comparison and income approaches to complete this assignment based on the scope of work required.

Extraordinary Assumptions (EA) and Hypothetical Conditions (HC)

For the purposes of our unrestricted analysis, we have employed a hypothetical condition assuming unrestricted, conventional operations.

It is an extraordinary assumption that there no environmental issues exist that would impact the value of the Subject property.

The Subject currently pays full real estate taxes. However, according to the client, the Subject is expected to benefit from a full real estate tax exemption after the sale as the buyer will have a non-profit entity as an equity partner. It is an extraordinary assumption that the Subject will benefit from such a full property tax exemption in the restricted scenario in accordance with South Carolina General Assembly Bill 207 of the 2019-2020 Legislative Session.

The use of extraordinary assumptions and/or hypothetical conditions may impact the assignment results.

Please refer to the complete assumptions and limiting conditions in the Addenda.

Market Value Definition

For the purposes of this assignment market value is defined as:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised and acting in what they consider their best interest;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and,

5. The price represents normal considerations for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.²

Compliance and Competency Provision

The appraiser is aware of the compliance and competency provisions of USPAP, and within our understanding of those provisions, this report complies with all mandatory requirements, and the authors of this report possess the education, knowledge, technical skills, and practical experience to complete this assignment competently, in conformance with the stated regulations. Moreover, Advisory Opinion 14 acknowledges preparation of appraisals for affordable housing requires knowledge and experience that goes beyond typical residential appraisal competency including understanding the various programs, definitions, and pertinent tax considerations involved in the particular assignment applicable to the location and development. We believe our knowledge and experience in the affordable housing industry meets these supplemental standards.

Unavailability of Information

In general, all information necessary to develop an estimate of value of the Subject property was available to the appraisers.

Furniture, Fixtures, and Equipment

Removable fixtures such as kitchen appliances and hot water heaters are considered to be real estate fixtures that are essential to the use and operation of the complex. Supplemental income typically obtained in the operation of an apartment complex is included, and may include minor elements of personal and business property. As immaterial components, no attempt is made to segregate these items.

Ownership and History of Subject

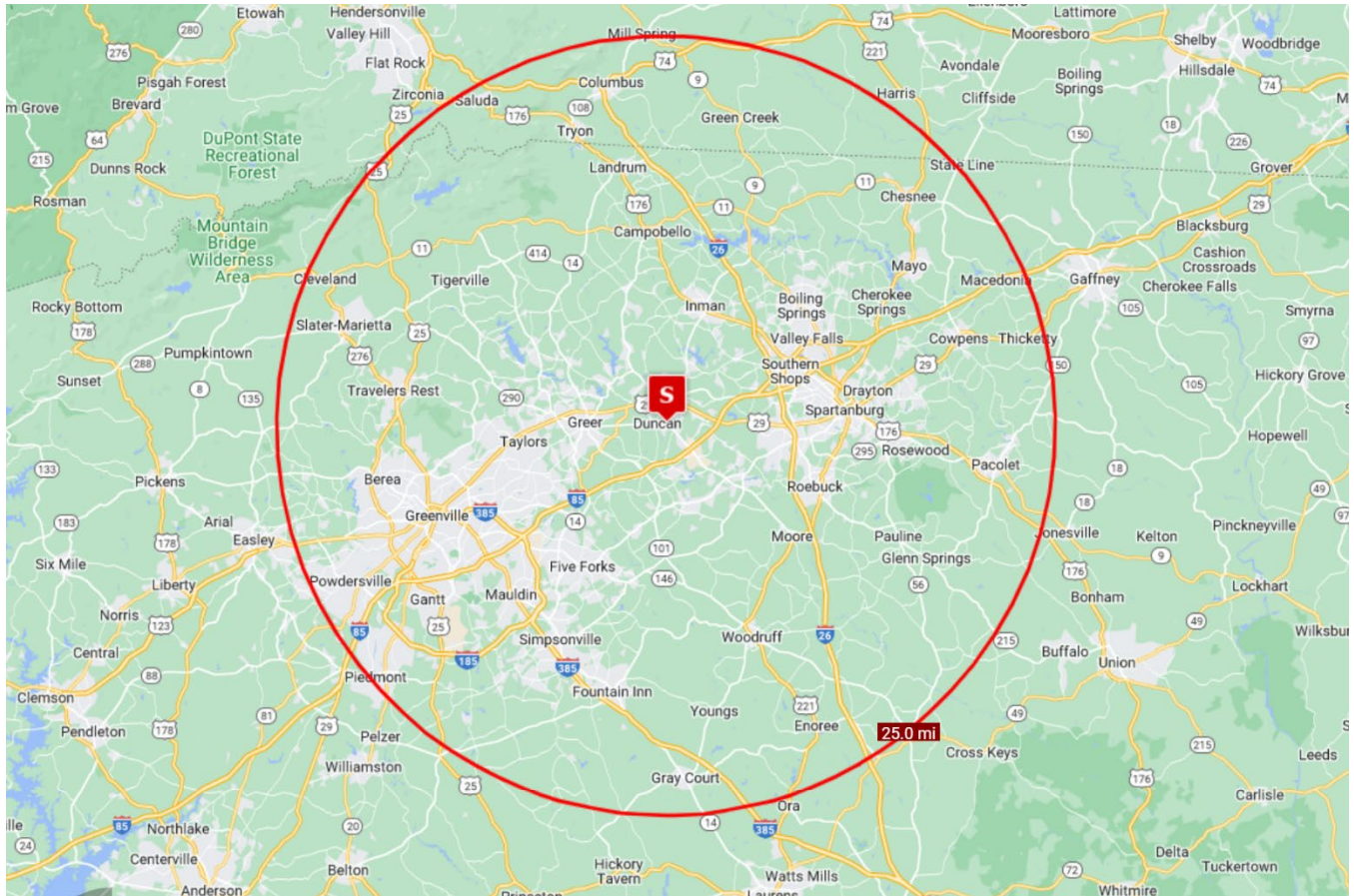
According to the Spartanburg County Assessor's Office and a purchase and sale agreement provided by the client, the Subject property transferred ownership on July 20, 2023 from Duncan Village II, LLC (Seller) to Duncan Village 2022, LLC (Purchaser) for a purchase price of \$3,100,000. There have been no other known transfers of the Subject property within the past three years. Our estimated as is restricted value of \$3,000,000 is slightly below the purchase price and indicates a seller's advantage.

2 - 12 C.F.R. Part 34.42(g); 55 Federal Register 34696, August 24, 1990.

III. REGIONAL AND LOCAL AREA ANALYSIS

REGIONAL AND LOCAL AREA ANALYSIS

Regional Map



Source: Google Earth, November 2023

The Subject is located in the central portion of Duncan, South Carolina. Duncan is located in the northwestern portion of South Carolina and is part of the Spartanburg, SC Metropolitan Statistical Area (MSA), which is conterminous with Spartanburg County. According to the 2020 US Census, Columbia had a population of 4,063 persons.

ECONOMIC ANALYSIS

Major Employers

The table below shows the largest employers in Spartanburg County. It should be noted that the number of employees was not available.

MAJOR EMPLOYERS – SPARTANBURG COUNTY, SC

Employer Name	Industry
Adidas America, Inc	Retail
AFL Telecommunications LLC	Telecommunications
BMW Manufacturing	Manufacturing
Charles Lea Center Company	Healthcare
County of Spartanburg	Public Administration
Cryovac Inc	Manufacturing
Dolgencorp Inc (Dollar General)	Retail
Ingles Market Inc	Retail
Michelin North America Inc	Manufacturing
Optum Service Inc	Healthcare
Plastic Omnium Auto Exteriors LLC	Manufacturing
Quicktrip Corporation	Retail
Sage Automotive Interiors, Inc	Manufacturing
Siemens Industries Inc	Manufacturing
Spartanburg County School District	Education
Spartanburg Regional Medical Center	Healthcare
Wal-Mart	Retail

Source: SC Department of Employment & Workforce - 2023 Q1, retrieved November 2023

The major employers in Columbia are concentrated in the manufacturing, retail, and healthcare sectors, with other major employers in the telecommunications, education, and public administration industries. Overall, the major employers represent diverse industry sectors, and account for a significant amount of the area's employment.

Employment Expansion/Contractions

We attempted to contact the City of Spartanburg Economic Development Department in order to gather information about economic expansions in the city; however, our calls have not been returned as of the date of this report. We conducted our own research into economic expansions in the area, including Spartanburg and Greenville County. According to a One Spartanburg, Inc. article from January 2023, three business expansions in Spartanburg County were among the top 10 largest capital investment projects in the state of South Carolina. These expansions included the following:

- In March 2022, BMW announced plans to construct a 219,000 square foot press shop in Spartanburg County. Construction is expected to begin in 2024 and will create over 200 new jobs.
- Further, in October 2022, BMW announced plans to invest \$1 billion for a new electric vehicle production plant in Spartanburg and \$700 million for a high-voltage battery assembly plant in Woodruff. Construction on the plants began in October 2023 and upon completion, is expected to create over 300 new jobs.
- In January 2022, Greenridge Generation, a cryptocurrency company, announced plans to open a new datacenter in Spartanburg County. The \$264 million investment is expected to create 40 new jobs. A construction timeline was not available at the time of this report.

Other notable expansions include, but are not limited to, the following:

- In March 2022, Ingram Micro, a technology and supply chain services provider, announced plans to build a new fulfillment center in Roebuck. The \$37 million expansion is expected to create 203 new jobs. A construction timeline was not available at the time of this report.
- In September 2022, Winar Connection, Inc., a cable manufacturing company, announced plans to invest \$5 million to expand operations in Spartanburg. The expansion was expected to create approximately 50 new jobs. As of the date of this report, the new facility appears to be operational.
- In October 2023, Keurig Dr. Pepper announced plans to expand its existing distribution facility in Spartanburg County. This \$100 million investment is expected to create over 250 jobs by 2027.
- GE Appliances announced plans in February 2023 to expand their SC operations in Greenville County, with an investment of \$50 million and the addition of 45 new jobs over the next five years. This will be South Carolina's second GE facility and will be located in the August Grove Business Park.
- Essential Cabinetry Group announced plans in December 2022 to expand its operations in Greenville County, in Simpsonville. According to the release, the company will invest \$4.75 million and create 156 new jobs in the area.
- EPC Power announced plans in November 2022 to establish operations in Mauldin, in Greenville County, just outside of the PMA. EPC Power will invest \$5 million and create 150 new jobs in the smart energy sector.
- Greif, an industrial packaging company, announced the expansion of their existing operations in Taylors in August 2022. Greif plans a \$13 million investment for the next five years. No estimate for new jobs created was available.
- AIRSYS, a global information, communication, and technology (ICT) cooling solution provider, plans to establish operations in Spartanburg County. The \$5 million project is estimated to create 116 new jobs. The facility was completed in February 2020. An update on the actual number of jobs created at AIRSYS was not available.
- In May 2021, Siemens, a global technology company specializing in industrial modernization, infrastructure, and mobility, announced the completion of their 52,000-square-foot facility expansion in Spartanburg County. The \$36 million investment created more than 180 new jobs.
- In May 2021, Magna Mirrors, announced construction of a new \$31 million, 170,000-square-foot manufacturing facility. The facility opened in 2022 and created approximately 300 new jobs.
- In February 2021, Polydeck, a leading provider of polyurethane and rubber screen media and specialty screening solutions, announced plans to expand its operations in Spartanburg County. As of the date of this report, the facility is open. The \$8.7 million investment created approximately 45 new jobs.
- In February 2021, TTI announced plans to move its distribution operations to Spartanburg County. The \$93 million investment is expected to create 134 new jobs.

WARN Notices

The following table illustrates the contractions to the economy in Spartanburg County provided by the South Carolina Department of Employment and Workforce between 2022 and 2023 year-to-date (YTD). Jobs affected represent job losses.

WARN LISTINGS - JANUARY 2022 - 2023 YTD

Company	Location	Industry	Employees Affected	Layoff Date
Phenix Engineered Textiles, Inc.	Landrum	Manufacturing	30	2/10/2023
Kohler Co. - Vitreous Operations	Spartanburg		133	12/12/2022
Total			163	

Source: SC Works, 2023

As the table depicts, there have been a limited number of layoffs/closures in Spartanburg County since 2022. Due to the size of the Spartanburg area labor market, these recent WARN filings are not anticipated to substantively affect total employment in the PMA or MSA as overall job growth has far exceeded these losses.

Employment and Unemployment Trends

The following table details employment and unemployment trends for the MSA from 2007 to September 2023.

EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

Year	MSA				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2007	138,568	-	6.3%	-	146,046,667	-	4.6%	-
2008	137,307	-0.9%	7.6%	1.3%	145,362,500	-0.5%	5.8%	1.2%
2009	129,844	-5.4%	12.7%	5.0%	139,877,500	-3.8%	9.3%	3.5%
2010	127,292	-2.0%	12.5%	-0.1%	139,063,917	-0.6%	9.6%	0.3%
2011	129,758	1.9%	11.2%	-1.3%	139,869,250	0.6%	9.0%	-0.7%
2012	132,896	2.4%	9.6%	-1.7%	142,469,083	1.9%	8.1%	-0.9%
2013	136,208	2.5%	7.8%	-1.8%	143,929,333	1.0%	7.4%	-0.7%
2014	138,946	2.0%	6.4%	-1.4%	146,305,333	1.7%	6.2%	-1.2%
2015	142,533	2.6%	5.8%	-0.5%	148,833,417	1.7%	5.3%	-0.9%
2016	146,146	2.5%	4.7%	-1.1%	151,435,833	1.7%	4.9%	-0.4%
2017	148,531	1.6%	4.0%	-0.7%	153,337,417	1.3%	4.3%	-0.5%
2018	152,664	2.8%	3.1%	-0.9%	155,761,000	1.6%	3.9%	-0.4%
2019	158,940	4.1%	2.6%	-0.6%	157,538,083	1.1%	3.7%	-0.2%
2020	156,508	-1.5%	6.5%	3.9%	147,794,750	-6.2%	8.1%	4.4%
2021	159,416	1.9%	4.1%	-2.4%	152,580,667	3.2%	5.4%	-2.7%
2022	159,854	0.3%	3.3%	-0.8%	158,291,083	3.7%	3.6%	-1.7%
2023 YTD Average*	164,497	2.9%	3.1%	-0.2%	160,873,333	1.6%	3.7%	0.0%
Sep-2022	159,472	-	3.0%	-	159,003,000	-	3.3%	-
Sep-2023	165,972	4.1%	2.5%	-0.5%	161,669,000	1.7%	3.6%	0.3%

Source: U.S. Bureau of Labor Statistics, November 2023

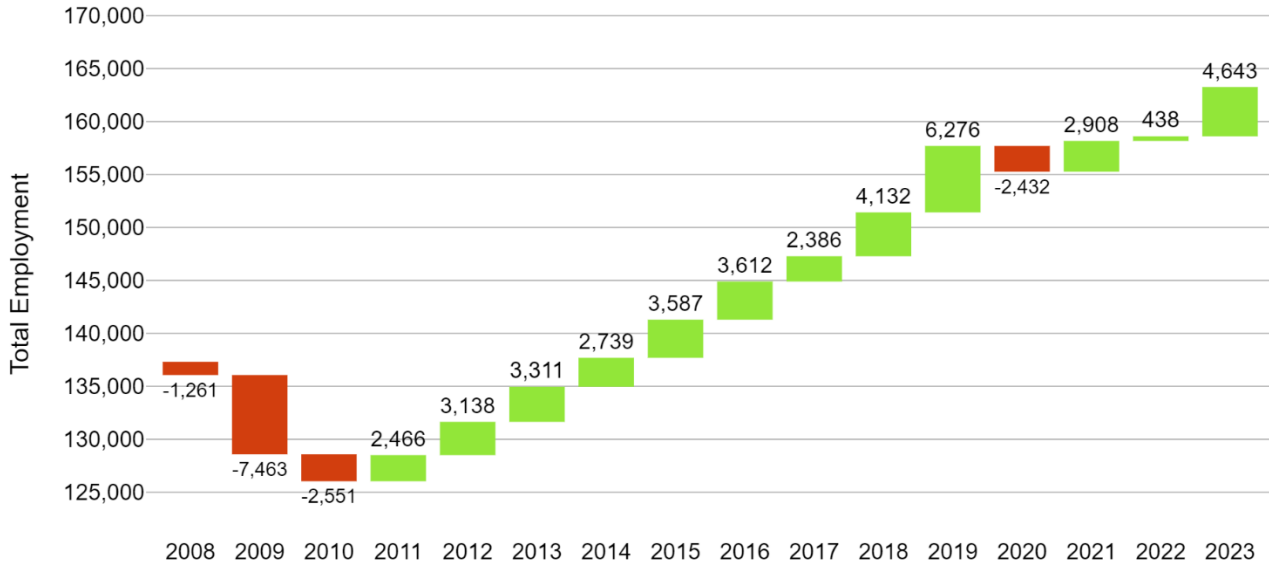
*2023 YTD Average is through September

The effects of the previous national recession (2007 - 2010) were exaggerated in the MSA, which experienced an 8.1 percent contraction in employment, compared to a 4.8 percent decline across the nation. Employment in the MSA recovered and surpassed pre-recessionary levels in 2014, the same year as the nation. Between 2012 and 2019, employment growth in the MSA exceeded the nation in every year. Employment in the MSA declined modestly by 1.5 percent in 2020 amid the pandemic, compared to 6.2 percent across the nation. The MSA subsequently recovered all pandemic-related job losses, and employment levels are currently at a post-recessionary record. As of September 2023, employment in the MSA is increasing at an annualized rate of 4.1 percent, compared to 1.7 percent growth across the nation.

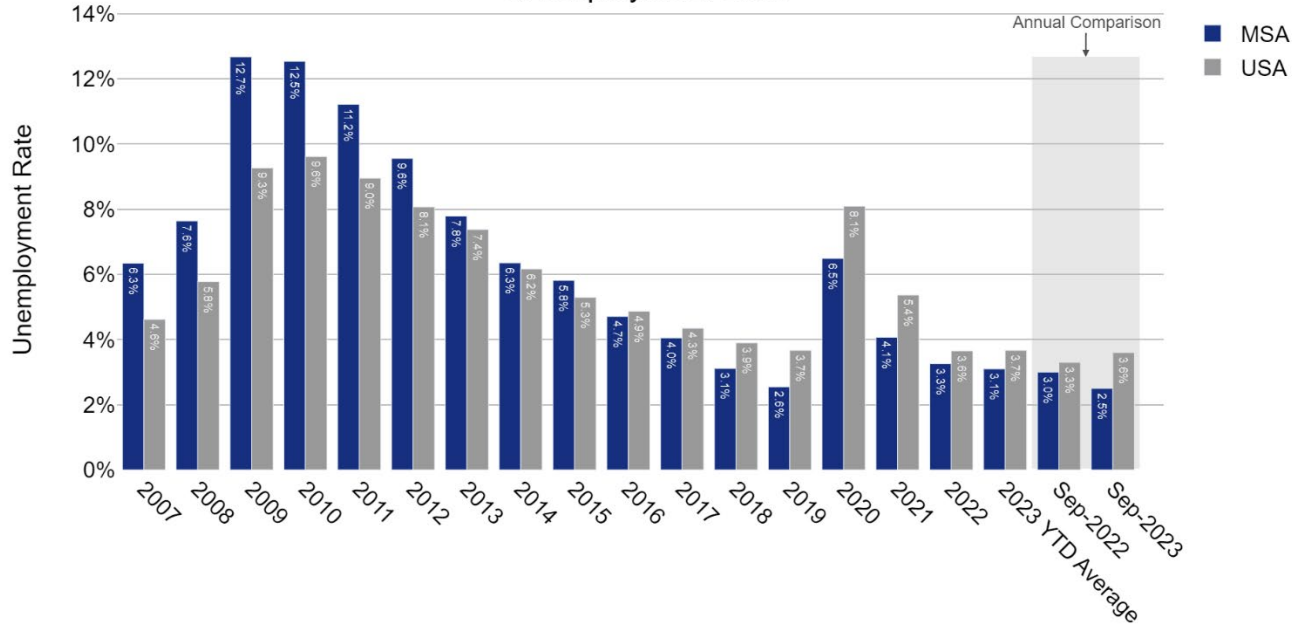
Measured by the unemployment rate, the MSA labor market demonstrated relative weakness during the housing recession (2007 - 2009). The local unemployment rate increased by 6.3 percentage points, compared to only 5.0 percentage points across the nation. During the period preceding the onset of COVID-19 (2012 - 2019), the MSA generally experienced a similar unemployment rate relative to the nation. The MSA unemployment rate increased modestly by 3.9 percentage points in 2020 amid the pandemic, reaching a high of 6.5 percent. For comparison, the national unemployment rate rose by 4.4 percentage points and reached a high of 8.1 percent over the same time period. According to the latest labor statistics, dated September 2023, the current MSA unemployment rate is 2.5 percent. This is well below the COVID highs of 2020, and below the current national unemployment rate of 3.6 percent.

The following charts provide further illustration of the changes in employment and unemployment rate trends in the MSA.

MSA Job Growth



Unemployment Rate



Employment by Industry

The following table illustrates employment by industry for the PMA and nation as of 2023.

2023 - EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Manufacturing	7,472	18.1%	16,269,811	10.0%
Healthcare/Social Assistance	5,040	12.2%	22,115,876	13.6%
Retail Trade	4,402	10.7%	16,983,329	10.4%
Educational Services	3,192	7.7%	14,946,247	9.2%
Prof/Scientific/Tech Services	3,161	7.7%	13,955,403	8.6%
Transportation/Warehousing	2,767	6.7%	9,030,239	5.5%
Accommodation/Food Services	2,626	6.4%	10,883,169	6.7%
Construction	2,464	6.0%	11,436,301	7.0%
Admin/Support/Waste Mgmt Svcs	2,228	5.4%	7,195,078	4.4%
Finance/Insurance	2,041	4.9%	8,135,144	5.0%
Other Services	1,982	4.8%	7,645,568	4.7%
Public Administration	1,070	2.6%	7,857,180	4.8%
Wholesale Trade	894	2.2%	3,029,965	1.9%
Real Estate/Rental/Leasing	593	1.4%	2,901,274	1.8%
Arts/Entertainment/Recreation	510	1.2%	3,578,110	2.2%
Information	345	0.8%	3,143,826	1.9%
Utilities	247	0.6%	1,335,595	0.8%
Agric/Forestry/Fishing/Hunting	219	0.5%	1,800,335	1.1%
Mining	37	0.1%	572,355	0.4%
Mgmt of Companies/Enterprises	22	0.1%	216,588	0.1%
Total Employment	41,312	100.0%	163,031,393	100.0%

Source: Esri Demographics 2023, Novogradac, November 2023

Employment in the PMA is concentrated in manufacturing, healthcare/social assistance, and retail trade, which collectively comprise 40.9 percent of local employment. The large share of PMA employment in the manufacturing and retail trade is notable as both industries are historically volatile, and prone to contraction during economic downturns. However, the PMA also has a significant share of employment in the healthcare/social assistance industry, which typically exhibits greater stability during economic recessions. Relative to the nation, the PMA features comparatively greater employment in the manufacturing, transportation/warehousing, and admin/support/waste mgmt svcs industries. Conversely, the PMA is underrepresented in the public administration, educational services, and healthcare/social assistance sectors.

Conclusion

Employment in the PMA is concentrated in manufacturing, healthcare/social assistance, and retail trade, which collectively comprise 40.9 percent of local employment. The large share of PMA employment in manufacturing and retail trade is notable as these industries are historically volatile, and prone to contraction during economic recessions. However, the PMA also has a significant share of employment in the healthcare/social assistance industry, which typically exhibits greater stability during recessionary periods. Relative to the nation, the PMA features comparatively greater employment in the manufacturing, transportation/warehousing, and admin/support/waste mgmt svcs industries. Conversely, the PMA is underrepresented in the public administration, educational services, and healthcare/social assistance sectors. Employment in the MSA declined modestly by 1.5 percent in 2020 amid the pandemic, compared to 6.2 percent across the nation. The MSA subsequently recovered all pandemic-related job losses, and employment levels are currently at a post-recessionary record. As of September 2023, employment in the MSA is increasing at an annualized rate of 4.1 percent, compared to 1.7 percent growth across the nation.

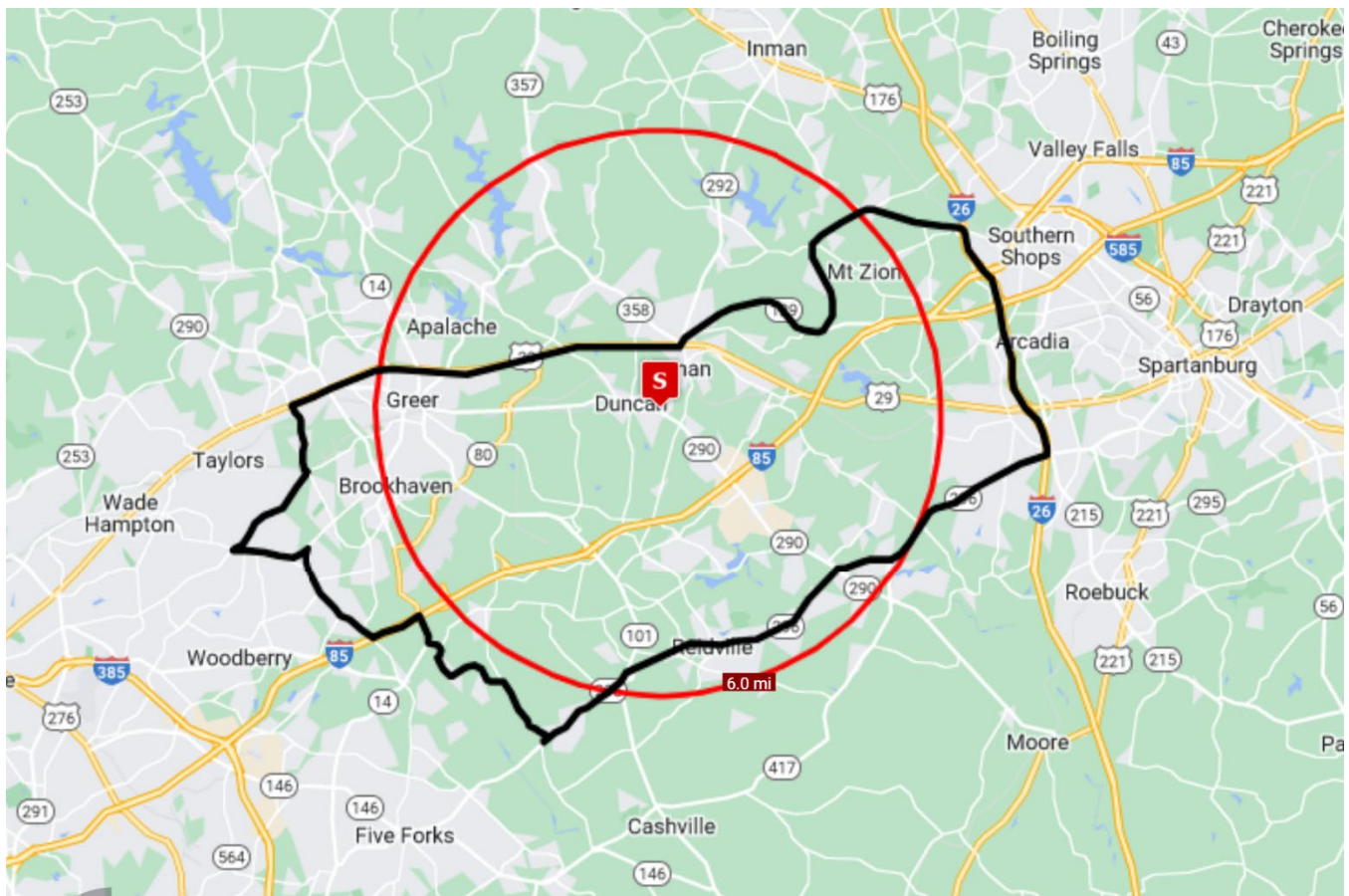
DEMOGRAPHIC ANALYSIS

The following sections will provide an analysis of the demographic characteristics within the market area. Data such as population, households and growth patterns will be studied, to determine if the SMA and the Primary Market Area (PMA) are areas of growth or contraction.

Primary Market Area (PMA)

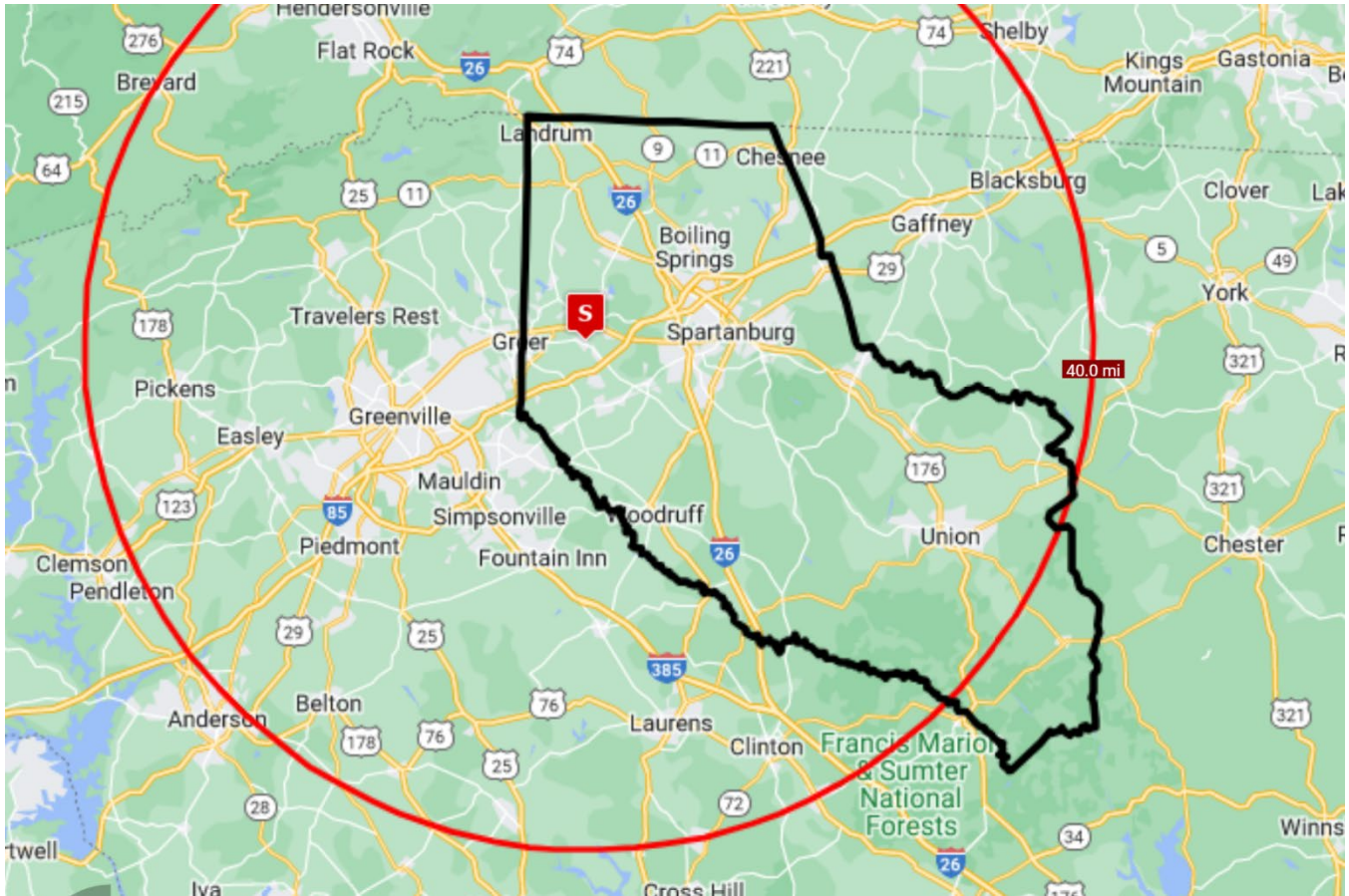
The Subject is located in Duncan, South Carolina, between Spartanburg and Greenville, South Carolina. The Primary Market Area (PMA) for the Subject covers approximately 98 square miles and consists of Duncan, Lyman, Mt Zion, Greer, Brookhaven, and Reidville. These communities are suburbs of Spartanburg and Greenville. The PMA boundaries are generally defined as Highway 129, Highway 29, and New Cut Road to the north, Prescott Road, Interstate 26 to the east, Highway 296 to the south, and Brockman McClimon Road, South Batesville Road, Old Spartanburg Road, and Brushy Creek Road to the west. . We believe that additional support will originate from areas outside of the established PMA. We estimate a leakage of 10 percent. To provide a broader economic context for the Subject, we also include a Secondary Market Area (SMA). The secondary market area (SMA) for the Subject is Spartanburg, SC Metropolitan Statistical Area (MSA), which is conterminous with Spartanburg County. We have utilized the Spartanburg, SC MSA as the Secondary Market Area (SMA) in our analysis.

PRIMARY MARKET AREA MAP



Source: Google Maps, November 2023

SECONDARY MARKET AREA MAP



Source: Google Maps, November 2023

Population and Households

The following tables illustrates population and household trends in the PMA, MSA and nation from 2010 through 2023, as well as projections through 2028.

POPULATION

Year	PMA		MSA		USA	
	Amount	Annual Change	Amount	Annual Change	Amount	Annual Change
2010	64,065	-	284,339	-	308,730,056	-
2023	86,079	2.6%	343,998	1.6%	337,460,311	0.7%
2028	92,634	1.5%	357,981	0.8%	342,629,524	0.3%

Source: Esri Demographics 2023, Novogradac, November 2023

HOUSEHOLDS

Year	PMA		MSA		USA	
	Amount	Annual Change	Amount	Annual Change	Amount	Annual Change
2010	24,667	-	109,334	-	116,709,667	-
2023	33,322	2.7%	132,532	1.6%	129,912,564	0.9%
2028	36,037	1.6%	138,613	0.9%	133,092,836	0.5%

Source: Esri Demographics 2023, Novogradac, November 2023

Historical population growth in the PMA exceeded the MSA between 2010 and 2023. Both geographic areas experienced population growth greater than the nation during the same time period. According to ESRI demographic projections, annualized PMA growth is expected to slow to 1.5 percent through 2028, which is substantially above the MSA and nation.

Historical household growth in the PMA exceeded the MSA between 2010 and 2023. Both geographic areas experienced household growth greater than the nation during the same time period. According to ESRI demographic projections, annualized PMA growth is expected to slow to 1.6 percent through 2028, which is substantially above the MSA and nation.

Household Income

The following table illustrates median household income levels in the PMA, MSA, and nation from 2010 through 2028. Note that this is based on data for all household sizes and is independent of the calculation of AMI.

MEDIAN HOUSEHOLD INCOME						
Year	PMA		MSA		USA	
	<i>Amount</i>	<i>Annual Change</i>	<i>Amount</i>	<i>Annual Change</i>	<i>Amount</i>	<i>Annual Change</i>
2010	\$54,586	-	\$48,008	-	\$55,535	-
2023	\$68,503	2.0%	\$60,050	1.9%	\$72,604	2.4%
2028	\$76,436	2.3%	\$66,246	2.1%	\$82,410	2.7%

Source: Esri Demographics 2023, Novogradac, November 2023

As of 2023, the median income in the PMA is slightly above the surrounding MSA. Median household income growth in the PMA exceeded the MSA between 2010 and 2023. Growth in both geographic areas trailed the nation during the same time period. Relative to the nation, household income in the PMA declined slightly from 98.3 percent of the national median income in 2010 to 94.4 in 2023. According to ESRI demographic projections, annualized PMA growth is expected to accelerate to 2.3 percent through 2028, which is slightly above projected growth in the surrounding MSA and slightly below the overall nation.

Conclusion

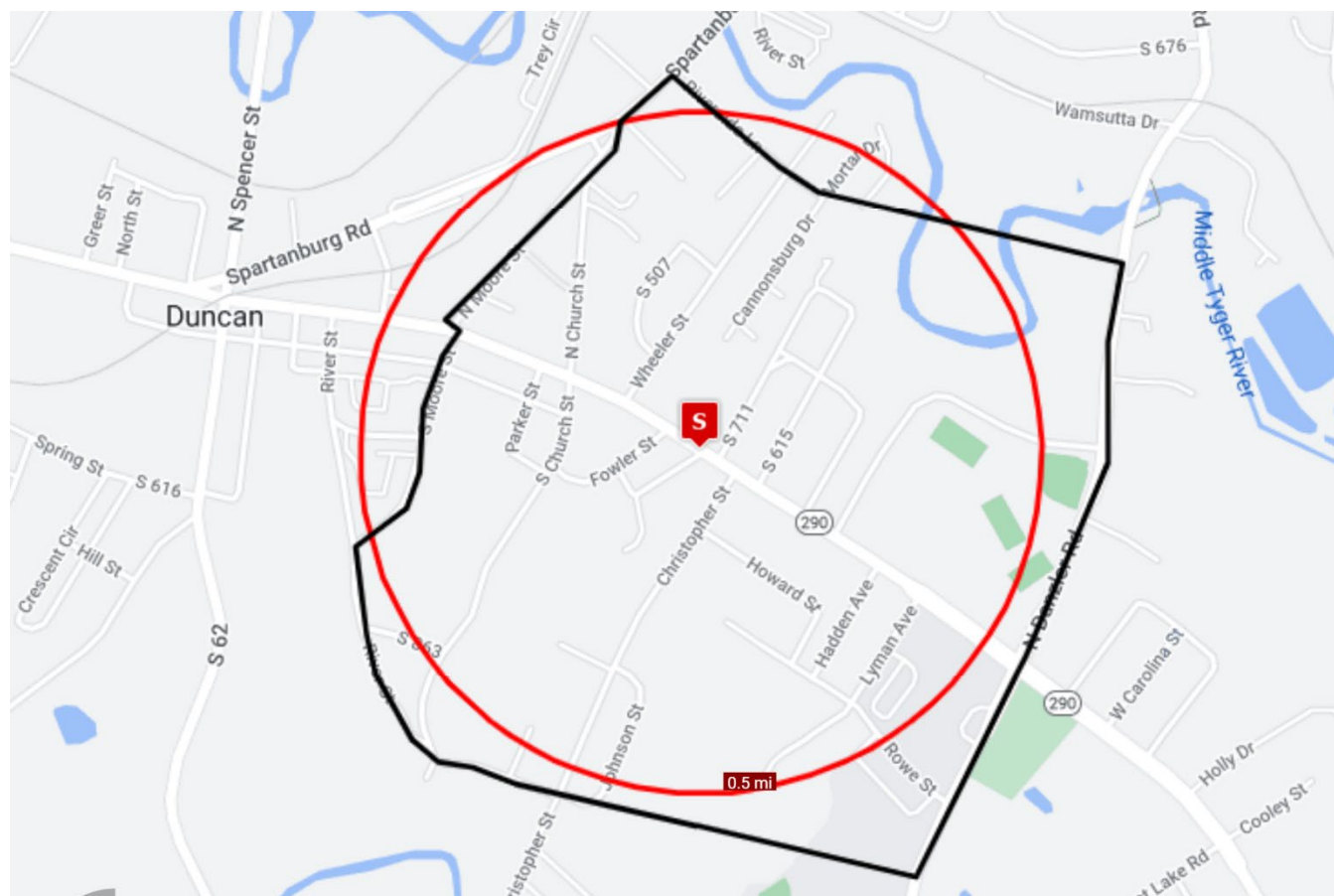
Population in the PMA increased at an annualized rate of 2.6 percent between 2010 and 2023, compared to growth of 1.6 percent in the MSA and 0.7 percent across the nation. The percentage of renter households in the PMA declined between 2010 and 2023 and is estimated to be 28 percent as of 2023. This is less than the estimated 33 percent renter households across the overall nation. The median income in the PMA as of 2023 is slightly above the MSA and overall nation. According to ESRI demographic projections, population, household, and median income levels are all expected to rise through 2028. Overall, the combination of rising population and median household income bodes well for future demand for multifamily housing.

NEIGHBORHOOD ANALYSIS

The location and surrounding neighborhood of an apartment community often impacts the property's status, class and potential tenant base. In addition to the access to local commercial and employment opportunities, the quality and type of uses in a community are factors that could positively or negatively impact a property's marketability. This section describes the property's neighborhood and evaluates any locational factors that could affect its achievable rents, occupancy and overall profitability.

Location and Boundaries

The Subject is located in a mixed-use residential neighborhood in central Duncan, which is bounded by Riverside Lane to the north, North Danzler Road and Groce Road to the east, Christopher Street to the south, and South Moore Street and River Street to the west. A map of the Subject's neighborhood is below.



Predominate Land Uses

The Subject is located in a residential neighborhood of Duncan. Land use to the north consists of single-family homes in average to good condition. Land use to the east consists of single-family homes in average condition, Hampton Ridge, a 54-unit market rate/USDA development in average condition that was excluded as a comparable in this report as we were unable to contact the property despite multiple attempts. Land use to the east also consists of James F. Byrnes High School and Duncan Elementary School, both of which exhibit good condition. Land use to the south consists of undeveloped, wooded land and manufactured homes in fair to average condition. Land use to the west consists of undeveloped, wooded land, a house of worship in good condition, and new construction single-family rentals in excellent condition. There are also various commercial uses west of the Subject along Highway 290/West Main Street, which generally exhibit average to good condition. Overall, the Subject site is a good location for an affordable multifamily development. Commercial uses in the neighborhood appeared to be over 90 percent occupied and in average to good condition. The Subject has a Walk Score of 32, or “Car-Dependent”, which is typical of area residential uses. Overall, land uses in the Subject’s neighborhood are in average to good condition.

Accessibility

The Subject is accessible from the southwest side of East Main Street/Highway 290, which is a moderately traveled two-lane road that generally traverses west/southeast and serves as one of the major thoroughfares in Duncan. East Main Street/Highway 290 provides access to the city of Greer, approximately five miles west of the Subject. East Main Street/Highway 290 connects with Interstate 85, approximately 2.1 miles southeast of the Subject. Interstate 85 travels northeast/southwest and provides access to Greenville, via Interstate 385 approximately 15 miles southwest of the Subject, and to Spartanburg, via Highway 29, approximately 12 miles east of the Subject. Interstate 85 provides access throughout the region and extends southwest from Montgomery, Alabama to Petersburg, Virginia, connecting with various state and interstate highways. Overall, access is considered good, and traffic flow near the Subject is considered light.

Neighborhood Housing Stock

Single-family homes in the Subject’s neighborhood generally exhibit generally average condition. According to Zillow, the median home value in the Subject’s zip code is \$287,983.

NEIGHBORHOOD ANALYSIS

	0.5 Mile Radius	PMA
	2023	2023
Owner-Occupied Housing Units	59.0%	67.1%
Renter-Occupied Housing Units	34.3%	26.2%
Vacant Housing Units	6.7%	6.7%
2023 Median Household Income	\$43,892	\$68,503
2023 - 2028 MHI Annual Growth	1.2%	2.3%
2023 Median Home Value	\$287,983	\$243,647

As indicated in the previous table, the percentage of renter households within a 0.5-mile radius of the Subject site is higher than that of the PMA as a whole. According to 2023 data provided by ESRI, approximately 34.3 percent of the occupied housing units within 0.5 miles of the Subject are renter-occupied, compared to 26.2 percent in the PMA. The median household income within a 0.5-mile radius of the Subject is higher than the PMA and is projected to increase by 1.2 percent annually through 2028.

Public Transportation

Spartanburg County is serviced by The Spartanburg Area Transit Agency (SPARTA). SPARTA provides fixed-route bus service within the city of Spartanburg. County residents outside of the city limits can utilize the

paratransit service, which provides door-to-door service for individuals. Fares range from \$3.00 to \$8.50 based on pickup and drop-off location.

Healthcare

Prisma Health Greer Memorial Hospital is located 6.3 miles east of the Subject. This 82-bed medical center offers a wide range of medical services including an emergency room, behavioral care, cancer care, heart and vascular care, ONGYN, stroke care and trauma.

Crime Statistics

The table below illustrates crime indices in the PMA and MSA in comparison to that of the nation. A crime index below 100 is below the national average and anything over 100 is above the nation's crime index average. A crime index of 75 in a PMA would be 25 percent below the national average while a crime index of 200 would be twice that of the national average. Crime indices were provided by 2023 ESRI Demographics data.

2023 CRIME INDICES

	PMA	MSA
Total Crime*	131	168
Personal Crime*	157	232
Murder	106	142
Rape	146	158
Robbery	87	136
Assault	193	288
Property Crime*	127	159
Burglary	134	165
Larceny	127	161
Motor Vehicle Theft	110	126

Source: Esri Demographics 2023, Novogradac, November 2023

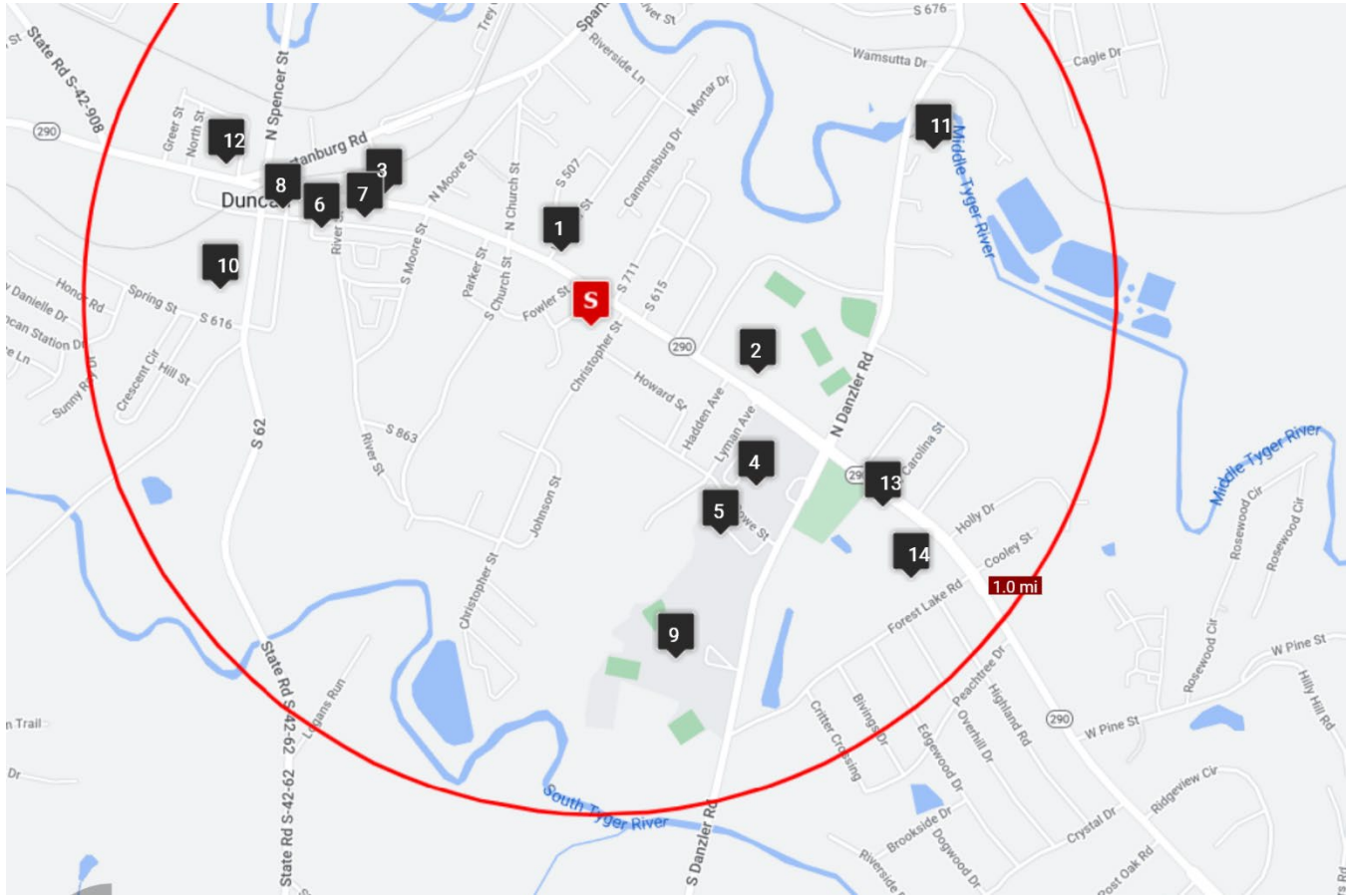
*Unweighted aggregations

Total crime indices in the PMA are modestly elevated relative to the national average; however, are below the surrounding MSA. Both geographic areas feature crime indices above the overall nation. In particular, the category of personal crime in the PMA is substantially elevated relative to the nation. The upcoming Supply Section of this report provides a more detailed analysis of crime indices on a 0.5 mile basis.

Proximity to Local Services

The following table illustrates the Subject's proximity to necessary services. Map numbers correspond with the *Locational Amenities Map*, presented on the following table.

Locational Amenities Map I

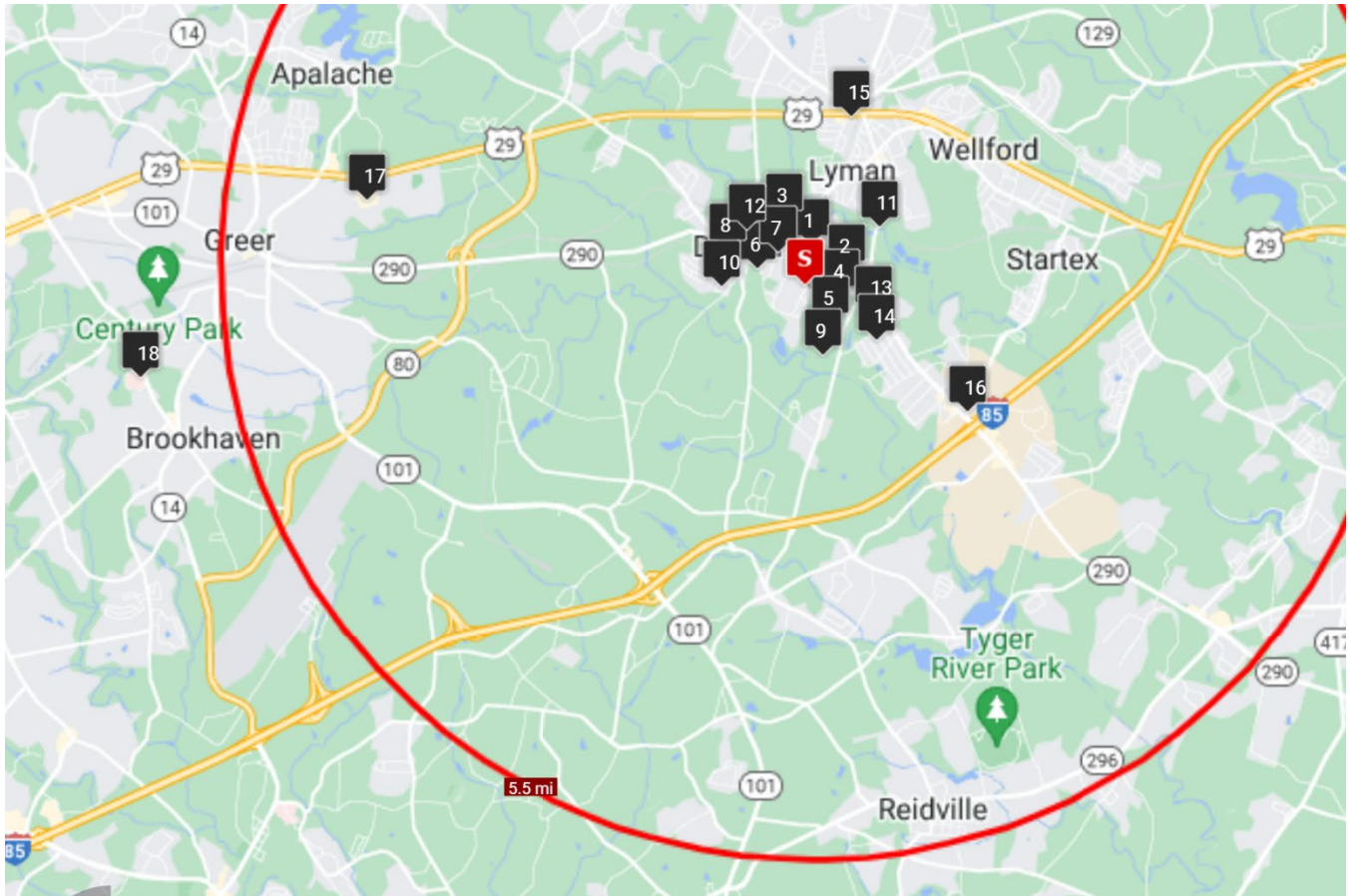


Source: Google Earth, November 2023

LOCATIONAL AMENITIES

#	Service or Amenity	Distance to Subject	Drive Time	#	Service or Amenity	Distance to Subject	Drive Time
1	United Community Bank	0.1 miles	0 min	10	Stoneledge Park	0.7 miles	3 min
2	James F. Byrnes High School	0.3 miles	2 min	11	Middle Tyger Library	0.7 miles	3 min
3	Exxon	0.4 miles	1 min	12	Family Dollar	0.7 miles	2 min
4	Duncan Elementary School	0.5 miles	2 min	13	Dollar General	0.7 miles	2 min
5	Byrnes Freshman Academy	0.5 miles	2 min	14	S&A Discount Grocery	0.8 miles	2 min
6	Duncan Fire Department	0.5 miles	2 min	15	CVS Pharmacy	1.4 miles	4 min
7	USPS	0.5 miles	1 min	16	Walmart	4.2 miles	11 min
8	Police Department of Duncan	0.6 miles	1 min	17	Prisma Health - Greer Memorial Hospital	6.3 miles	15 min
9	Beech Springs Intermediate School	0.7 miles	3 min	-	-	-	-

Locational Amenities Map II



Source: Google Earth, November 2023

LOCATIONAL AMENITIES

#	Service or Amenity	Distance to Subject	Drive Time	#	Service or Amenity	Distance to Subject	Drive Time
1	United Community Bank	0.1 miles	0 min	10	Stoneledge Park	0.7 miles	3 min
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6	Duncan Fire Department	0.5 miles	2 min	15	CVS Pharmacy	1.4 miles	4 min
7	USPS	0.5 miles	1 min	16	Walmart	4.2 miles	11 min
8	Police Department of Duncan	0.6 miles	1 min	17	Prisma Health - Greer Memorial Hospital	6.3 miles	15 min
9	Beech Springs Intermediate School	0.7 miles	3 min	-	-	-	-

Conclusion

The Subject's neighborhood appears to be an adequate location for an existing affordable multifamily development. Most desirable locational amenities are located within 4.2 miles from the Subject property. The Subject is located in a mixed-use neighborhood in central Duncan and is a compatible use within the existing neighborhood.

IV. ANALYSIS OF THE SUBJECT

ANALYSIS OF THE SUBJECT

DESCRIPTION OF THE SITE

The location of a multifamily property can have a substantial negative or positive impact upon the performance, safety and appeal of the project. The site description will discuss the physical features of the site, as well as layout, access issues, and traffic flow. An aerial map of the Subject is provided below.



Source: Google Earth, November 2023

Size:	The Subject site consists of 9.63 acres, or 419,429 square feet.
Shape:	The Subject site is irregular in shape.
Frontage:	The Subject has frontage along the southeast side of Duncan Street and the southwest side of East Main Street/Highway 290.
Topography	The site is exhibits gently rolling topography.
Utilities:	All utilities are available to the site.
Visibility/Views:	The Subject has limited visibility from the southwest side of Highway 290/West Main Street and the southeast side of Fowler, but good visibility from the southeast side of Duncan Street. Views to the north and east of the Subject consist of single-family homes in average

condition. Views to the south consists of undeveloped, wooded land. Views to the west consist of undeveloped, wooded land and a house of worship in good condition. Overall, visibility is considered poor to good, and views are considered average.

Access and Traffic Flow:

The Subject is accessible from the southwest side of East Main Street/Highway 290, which is a moderately traveled two-lane road that generally traverses west/southeast and serves as one of the major thoroughfares in Duncan. East Main Street/Highway 290 provides access to the city of Greer, approximately five miles west of the Subject. East Main Street/Highway 290 connects with Interstate 85, approximately 2.1 miles southeast of the Subject. Interstate 85 travels northeast/southwest and provides access to Greenville, via Interstate 385 approximately 15 miles southwest of the Subject, and to Spartanburg, via Highway 29, approximately 12 miles east of the Subject. Interstate 85 provides access throughout the region and extends southwest from Montgomery, Alabama to Petersburg, Virginia, connecting with various state and interstate highways. Overall, access is considered good, and traffic flow near the Subject is considered light.

Environmental, Soil and Subsoil Conditions and Drainage:

We were provided with a draft Phase I Environmental Site Assessment for the Subject property dated September 30, 2022. According to the report, no evidence of recognized environmental conditions (REC's) were identified in connection with the Subject property. During our site inspection, we walked the Subject's grounds, including the rear of the buildings and the parking lot and did not observe any obvious indicators of environmental contamination. Nonetheless, Novogradac is not an expert in this field and further analysis is beyond the scope of this report.

Flood Plain:

According to FEMA Flood Map Service Center Panel Number 45083C0217E, dated May 4, 2021, the Subject site is located in Zone X, which is defined as an area outside of the 100 and 500-year flood plains. Further analysis is beyond the scope of this report.

Detrimental Influences:

At the time of the site inspection, there were no detrimental influences observed that would adversely impact the marketability of the Subject.

Conclusion:

At the time of the site inspection, there were no detrimental influences observed that would adversely impact the marketability of the Subject. The Subject site is considered to be an adequate location for multifamily use and physically capable of supporting a variety of legally permissible uses.

DESCRIPTION OF THE IMPROVEMENTS

Details of the Subject's improvements are summarized on the page as follows. This information, which was provided by the property manager, and confirmed during our inspection to the extent possible, is presumed to be accurate.

Property Improvements:	The Subject is an existing 50-unit Section 8 multifamily property located at 100 Duncan Street, in Duncan, Spartanburg County, SC. The Subject consists of 18 one-bedroom units, 26 two-bedroom units, and six three-bedroom units contained in 11 two-story townhouse-style residential buildings, in addition to one single-story office/community building. All 50 residential units benefit from a HAP contract and subsidized rents, with tenants contributing 30 percent of their income towards rent.
Year Built or Date of Construction:	The Subject was originally constructed in 1982 and renovated in 2005 with LIHTC equity. The Subject is currently proposed for renovations with additional LIHTC equity.
Property Layout and Curb Appeal:	Based on an inspection of the Subject by the appraiser, the property offers a functional property layout and has average curb appeal.
Current Rents and Unit Mix:	The following table summarizes the current rents and unit mix at the Subject. The current rent schedule for the Subject is effective December 1, 2022.

CURRENT RENTS AND UNIT MIX

Unit Type	Unit Size (SF)	Number of Units	Contract Rents*	Gross Rent	Gross Rent
1BR / 1BA	613	18	\$711	\$55	\$766
2BR / 1.5 BA	874	26	\$825	\$93	\$918
3BR / 1.75BA	1,109	6	\$988	\$101	\$1,089
Total		50			

*Based on rent schedule, effective 12/1/2022

The following table illustrates the current contract and tenant-paid rents at the Subject, based on the rent roll provided, dated October 12, 2023.

RENT ROLL ANALYSIS (10/12/2023)

Unit Type	Unit Size (SF)	Number of Units	Contract Rent*	Minimum Tenant Paid Rent	Maximum Tenant-Paid Rent	Average Tenant-Paid Rent	Vacant Units	Vacancy Rate
1BR / 1BA	613	18	\$711	\$163	\$711	\$461	2	11.1%
2BR / 1.5 BA	874	26	\$825	\$0	\$825	\$589	5	19.2%
3BR / 1.75BA	1,109	6	\$988	\$0	\$988	\$682	0	0.0%
Total		50					7	14.0%

*Based on rent schedule, effective 12/1/2022

As illustrated, the Subject is currently 86.0 percent occupied. According to historical financial statements, the Subject's annual vacancy and collection loss was 2.3, 3.5, and 14.4 percent in 2020, 2021, and 2022, respectively. According to the client, some of the Subject's units were down due to deferred maintenance at the time of acquisition in July 2023. The client indicated that contractors have been difficult to find since the acquisition; however, maintenance on these units is expected to be completed by December 2023 and the Subject is expected to return to vacancy levels in line with the 2020 and 2021 historical data.

Unit Amenities: The Subject's unit amenities include blinds, balconies/patios, ceiling fans, central air conditioning, and vinyl plank flooring

Common Area Amenities: The Subject's common area amenities include a business center, central laundry, a clubhouse, on-site management, picnic areas, and a playground.

Parking: The Subject offers 95 off-street parking spaces, or 1.9 spaces per unit. The amount of parking appears adequate based on the current unit mix, as well as comparable properties.

Unit Layout: Based on our physical inspection of representative units, the floor plans appear adequate relative to their intended use, and they offer good functional utility. The appraiser inspected the following units on November 9, 2023.

UNITS INSPECTED			
Unit Type	Unit Number	Status	Condition
1BR/1BA	A4	Vacant	Average
2BR/1.5BA	F3	Vacant	Average
3BR/1.75BA	D4	Occupied	Average

Utility Structure: Tenants are responsible for electric expenses, including cooking, heating, water heating, air conditioning, and general electric expenses. The landlord is responsible for cold water, sewer, and trash expenses, in addition to common area utility expenses.

Americans With Disabilities Act of 1990: We assume the property does not have any violations of the Americans With Disabilities Act of 1990.

PCA: We were provided with a Capital Needs Assessment reported dated July 12, 2023. According to report, eight critical repairs were identified at the Subject property and are estimated to cost \$35,500. Five of the critical repairs related to UFAS/ADA compliance, totaling \$28,500. The remaining three critical repairs were related to further testing for the possibility of termites and mold, and the replacement of a leaking air handler, totaling \$7,000. According to the report, the identified accessibility noncompliance issues will be addressed within the 12 months after acquisition in conjunction with the non-critical repairs. As such, we have not subtracted the critical repairs

from the overall value. Further, during our site inspection, we inspected a representative number of units as well as common areas, and did not observe any obvious or significant critical repairs. It should be noted that, according to the client, several units were experiencing deferred maintenance at the time of acquisition in July 2023. However, remediation for these units is expected to be completed within the next week or two.

Remaining Economic Life:

The Subject's actual age is 41 years based on the original construction date of 1982, but was renovated in 2005 and has been reasonably maintained. Based on our physical inspection, and taking the Subject's renovation into account, the effective age of the Subject property "as is" is estimated to be approximately 30 years with a remaining economic life of approximately 30 years, as is.

Quality of Construction:

At the time of the inspection, the Subject was in average/typical condition overall. The Subject appears to have been completed in a manner consistent with the information provided, using average-quality materials in a professional manner.

Functional Utility:

Based on our site inspection, the Subject does not appear to suffer from functional obsolescence.

Conclusion:

The Subject is an average quality multifamily property for this location and given its age. Based on our site inspection, the Subject does not appear to suffer from functional obsolescence, and it provides adequate utility for its intended use.

DUNCAN VILLAGE APARTMENTS - DUNCAN, SOUTH CAROLINA - APPRAISAL

Duncan Village								
Location	100 Duncan Street Duncan, SC 29334 Spartanburg							
Units	50							
Type	Various (2-stories)							
Year Built / Renovated	1982 / 2005							
Tenant Characteristics	Family							
Utilities								
A/C	not included - central			Other	not included			
Cooking	not included - electric			Water	included			
Water Heat	not included - electric			Sewer	included			
Heat	not included - electric			Trash	included			
Unit Mix (Face Rent)								
	Beds	Bath	Type	Units	Size (SF)	Rent	Restriction	Max Rent?
	1	1	Townhouse (2-stories)	18	613	\$711	@60% (Section 8)	N/A
	2	1	Townhouse (2-stories)	26	874	\$825	@60% (Section 8)	N/A
	3	2	Townhouse (2-stories)	6	1,109	\$988	@60% (Section 8)	N/A
Amenities								
In-Unit	Balcony Blinds Carpeting Ceiling Fan Central/AC Coat Closet Oven Refrigerator Vinyl Plank Flooring			Property	Picnic Area Playground Surface Parking			
Security Services				Premium Other	Business Center Central Laundry Clubhouse On-Site Mgmt			
Comments								
Rents currently in the profile reflect the Rent Schedule effective December 1, 2022.								

ASSESSMENT VALUE AND TAXES

The following real estate tax estimate is based upon our interviews with local assessment officials, either in person or via telephone. We do not warrant its accuracy. It is our best understanding of the current system as reported by local authorities. Currently, the assessment of affordable housing properties is a matter of intense debate and in many jurisdictions pending legal action. The issue often surrounds how the intangible value or restricted rents are represented. We cannot issue a legal opinion as to how the taxing authority will assess the Subject. We advise the client to obtain legal counsel to provide advice as to the most likely outcome of a possible reassessment.

Real estate taxes for a property located in Spartanburg County are based upon a property's assessed valuation for each tax year. Real estate taxes in this county represent ad valorem taxes, meaning a tax applied in proportion to value. The real estate taxes to an individual property may be determined by multiplying the assessed value for the property by the millage rate. According to Mr. Joel, Commercial Appraiser with Spartanburg County Assessor, all three approaches are used to value multifamily properties in Spartanburg. Mr. Joel stated that the cost approach is typically used for newly constructed multifamily properties, the sales comparison approach is typically used for unrestricted market rate properties, and the income approach is typically used to value affordable properties. Further, under South Carolina law, counties must revalue real property every five years and the most recent revaluation occurred in 2023. Sales also trigger reassessment. The value of real property may not be increased more than 15 percent when revalued by the county, unless an assessable transfer of interest (ATI) occurs, which includes any sale or transfer of property to a third party. When an ATI occurs, the value of the property for tax purposes can be increased to its current market value (often actual sale price), without regard to the 15 percent cap. However, under a new law implemented in 2011, electing owners of commercial real property and non-owner-occupied residential property can have the value of their property reduced on the date of any ATI sale/transfer by up to 25 percent. If the 25 percent valuation discount results in a value lower than the property tax value at the time of the ATI, then the existing property tax value will continue to apply. If the market value of the property is lower than the property tax value at the time of the ATI, such as where the property is sold for a loss, then this lower market value will be used for property tax purposes. According to the Spartanburg County Assessor, the development site is identified by the following Assessor's Parcel Number (APN): 5-20-06-006.03 and the millage rate (city and county combined) is 405.9 per \$1,000 of assessed value.

According to Mr. Joel, commercial properties in Spartanburg County are taxed on six percent of their appraised value. Further, the Subject property is also subject to direct assessments landfill and City of Duncan Public Works fees.

CURRENT & HISTORICAL TAX BURDEN

Year	Market Value	Market Value Per Unit	Assessment Ratio	Assessed Value	Total Assessed Value Per Unit	Millage Rate	Estimated Tax Burden	Estimated Ad Valorem Taxes per Unit	Special/Direct Assessments per Unit	Estimated Tax Burden per Unit
2022	\$1,309,200	\$26,184	6.0%	\$78,552	\$1,571	42.62%	\$33,479	\$670	\$65.60	\$735
2023	\$1,505,300	\$30,106	6.0%	\$90,318	\$1,806	40.59%	\$36,660	\$733	\$75.60	\$809

Reasonable Assessment and Taxes

It should be noted that while it is not currently exempt, the Subject is expected to benefit from a tax abatement that abates all ad valorem taxes, per the owner. The property is eligible for the tax abatement under South Carolina Tax Code Article 3, Section 12-37- 220(B)(11)(e) as the abatement is based on the non-profit status of the owner and the use of the property for housing for low or very income residents. The abatement runs in

perpetuity provided the property continues to meet the qualifications of Section 12-37-220(B)(11)(e) and the abatement can transfer with ownership. It is likely that any new purchaser would include a non-profit partner and be eligible for the tax exemption. As such, there is no tax burden applied in the as is restricted scenario.

We have utilized an extraordinary assumption that the Subject will benefit from such a full property tax exemption in the restricted scenario. The use of this extraordinary assumption may impact assignment results.

As an unrestricted property, the Subject would be responsible for full real estate taxes, which historically have ranged from \$724 to \$735 per unit. To estimate the Subject's tax liability in the unrestricted scenario, we have performed a tax recapitalization analysis. For comparison, we have obtained assessments of like market rate properties in the Subject's area (in Spartanburg County), illustrated in the following table.

COMPARABLE REAL ESTATE ASSESSMENTS

Property	Type	Year Built	Number of Units	Market Value	Market Value Per Unit	Assessed Value	Assessed Value Per Unit
MAA Park Place	Market	1987	184	\$8,999,700	\$48,911	\$539,982	\$2,935
Country Cove Townhomes	Market	1992	22	\$1,063,900	\$48,359	\$63,834	\$2,902
Madison Haven	Market	1996	52	\$2,990,400	\$57,508	\$179,424	\$3,450
Maple Creek Townhomes	Market	1995	24	\$1,466,110	\$61,088	\$87,967	\$3,665
Market Average				\$3,630,028	\$53,967	\$217,802	\$3,238

The above figures illustrate an assessed (six percent of market value) value range of \$2,902 to \$3,665 per unit, with an average of \$3,238 per unit. The assessments illustrate an upward trend in value for properties newer in age. The following table illustrates our recapitulation analysis based on our estimated income, expenses, and capitalization rate later in this report.

TAX RECAPITULATION

Hypothetical Market Value "As Is Unrestricted"	
NOI Excluding Ad Valorem Taxes	\$191,572
Cap Rate	5.75%
Tax Rate*	40.59%
Loaded Cap Rate	8.19%
Indicated Market Value	\$2,340,407
Assessment Ratio	6.00%
Post-transfer Market Value	100.00%
Indicated Assessment (Overall)	\$140,424
Indicated Assessment (Per Unit)	\$2,808
Indicated Ad Valorem Tax (Overall)	\$56,998
Indicated Ad Valorem Tax (Per Unit)	\$1,140
Market Value With the Tax	\$2,340,407
Rounded Value	\$2,300,000

*Tax rate calculated based on assessor millage rate of 405.9, and is rounded to two decimals for display

ZONING

Current Zoning

According to the City of Duncan Zoning Department, the Subject site is zoned RM-8 (Low-Density Multifamily District). This zoning district allows for duplexes, townhouses, and multifamily uses at a maximum density of eight units per acre. The Subject offers 50 units on 9.63 acres, which equates to approximately 5.2 units per acre. Additionally, the RM-8 district requires 1.75 parking spaces per unit. Based on the unit mix, the Subject would be required to offer approximately 88 parking spaces. According to information provided by the client, the Subject offers 95 off-street parking spaces. Overall, the Subject appears to be a legal, conforming use.

Potential Zoning Changes

We are not aware of any proposed zoning changes at this time.

V. COMPETITIVE RENTAL ANALYSIS

COMPETITIVE RENTAL ANALYSIS

GENERAL MARKET INFORMATION

Pipeline Construction/LIHTC Competition

We attempted to contact the Spartanburg and Greenville Planning Department to obtain information regarding proposed or under construction developments in the PMA; however, as of the date of this report, our calls have not been returned. As such, we consulted a CoStar report and the South Carolina State Housing Finance & Development Agency allocation lists. The following table details these developments in the pipeline, including LIHTC-allocated properties, which are also further detailed in the section following.

RECENT AND PLANNED DEVELOPMENT

Property Name	Rent Structure	Tenancy	Total Units	Competitive Units	Competitive Units – Absent Subsidy	Construction Status	LIHTC Allocation Year	Distance to Subject
Westview Terrace	LIHTC	Family	48	0	33*	Proposed	2020	7.6 miles
Hope Road Apartments	LIHTC	Family	192	0	42*	Proposed	2021	5.0 miles
Pointe Grand Spartanburg	Market	Family	300	0	-	Under Construction	N/A	6.4 miles
Victor Park	Market	Family	360	0	-	Proposed	N/A	4.8 miles
Evolve at New Hope Farm	Market	Family	280	0	-	Under Construction	N/A	3.5 miles
Fairview Townhomes	Affordable	Family	34	0	-	Proposed	N/A	4.8 miles
Lofts at Converse Mill	Market	Family	173	0	-	Proposed	N/A	7.0 miles
Westview Terrace Apartments	Affordable	Family	48	0	-	Under Construction	N/A	7.6 miles
Totals			1,435	0	75*			

*Per SC Housing only units with a similar bedroom type and AMI level have been included as competitive

As shown in the table above, 1,435 units are currently proposed or under construction in the PMA. However, a majority (1,195 units) of these are market rate developments and will not directly compete with the Subject. It should also be noted that Fairview Townhomes is proposed to be affordable; however, this development was not on the SC Housing Allocation lists and as such, has not been included as competitive.

According to the South Carolina State Housing Finance and Development Authority (SC Housing) LIHTC allocation lists from 2020 to 2023, there have been two developments allocated tax credits in the PMA.

Westview Terrace received an allocation in 2020 for the new construction of a 48-unit LIHTC development to be located at 2062 Old Reidville Rd in Spartanburg. The property will offer two and three-bedroom units restricted to households earning 30, 50, and 60 percent of the AMI or below. The property appears to have been recently completed; however, we were unable to contact the property for further details. This property will offer 33 competitive units at the 60 percent AMI level, absent subsidy.

Hope Road Apartments received an allocation in 2021 for the new construction of a 192-unit LIHTC development to be located at 298 Hope Road in Spartanburg. The property will offer three and four-bedroom units restricted to households earning 60 percent of the AMI or below, and is expected to be completed in 2025. This property will offer 42 competitive units at the 60 percent AMI level, absent subsidy.

SURVEY OF COMPARABLE PROJECTS

Comparable properties are examined on the basis of physical characteristics, e.g., building type, building age/quality, the level of common amenities, absorption rates, and similarity in rent structure. We attempted to compare the Subject to properties from the competing market, in order to provide a picture of the general economic health and available supply in the market.

Description of Property Types Surveyed/Determination of Number of Units

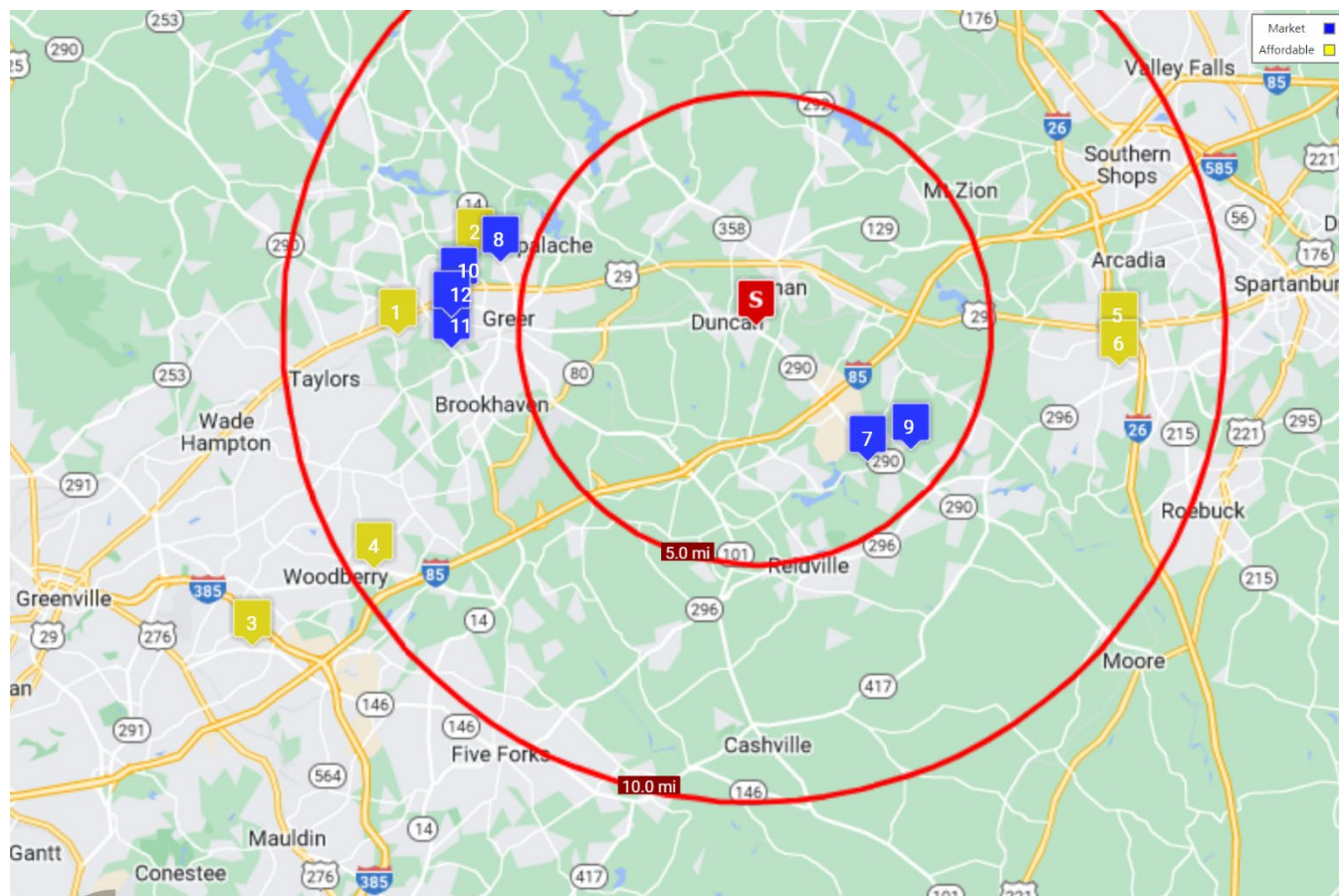
To evaluate the competitive position of the Subject, we surveyed a total of 1,500 units in 12 rental properties. The availability of the LIHTC data is considered average. The availability of non-subsidized LIHTC developments in Duncan is limited. As such, we expanded our search to the neighboring cities of Greer, Greenville, and Spartanburg. We included six affordable developments located between 6.2 and 12.7 miles from the Subject site, three of which are located outside the PMA (Chandler Ridge, Parkside At Verdae, and Pelham Village). The availability of the market rate data is considered good. We included six market rate properties located between 3.7 and 6.5 miles from the Subject site, one of which is located outside the PMA (Regency At Chandler Park). Overall, we believe the availability of data is adequate to support our conclusions.

EXCLUDED PROPERTIES

Property Name	Rent Structure	Tenancy	Reason for Exclusion
Culpepper Landing Apartments	LIHTC	Family	Unable to contact
Maple Creek	LIHTC	Family	Unable to contact
Piedmont Pointe	LIHTC	Family	Unable to contact
The Regency At Blackstock	LIHTC	Family	Unable to contact
Snow Street Apartments	LIHTC/Section 8	Senior	Subsidized rents/Dissimilar tenancy
Beverly Apartments	Section 8	Family	Subsidized rents
Oakland Place, Alp	Section 8	Family	Subsidized rents
Harrison Village	PBRA/Market	Family	Subsidized rents
Monarch Place Apartments	Affordable	Family	Unable to contact
HIDDEN VALLEY APARTMENTS	USDA	Family	Subsidized rents
SUMMER TREE APARTMENTS	USDA	Family	Subsidized rents
Berkshire Place	Market	Senior	Dissimilar tenancy
Crescent Park Commons	Market	Family	Unable to contact
Culpepper Landing	Market	Family	Unable to contact
Hampton Ridge Apartments	USDA/Market	Family	Subsidized rents/Unable to contact
Poplar Place Apartments	Market	Family	Unable to contact
Residences At Century Park	Market	Family	Unable to contact
Reynolds Square Apartments	Market	Family	Unable to contact
River Run	Market	Family	Unable to contact
Station 361	Market	Family	Unable to contact
Tuscan Heights	Market	Family	Unable to contact
Veridian Apartment Homes (fka Timbers)	Market	Family	Unable to contact
Poplar Place Apartments	Market	Family	Unable to contact

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

Comparable Rental Property Map



Source: Google Maps, November 2023

COMPARABLE PROPERTIES

#	Property Name	City	Rent Structure	Distance to Subject
S	Duncan Village	Duncan	@60% (Section 8)	-
1	Avalon Chase Apartments	Greer	LIHTC	7.7 miles
2	Chandler Ridge*	Greer	LIHTC	6.2 miles
3	Parkside At Verdae*	Greenville	LIHTC	12.7 miles
4	Pelham Village*	Greenville	LIHTC	9.6 miles
5	Willis Trace Townhomes	Spartanburg	LIHTC	7.7 miles
6	Willow Crossing	Spartanburg	LIHTC	7.8 miles
7	Berry Shoals Apartments Phase I & II	Duncan	Market	3.7 miles
8	Regency At Chandler Park*	Greer	Market	5.6 miles
9	River Falls	Duncan	Market	4.2 miles
10	The Bradford	Greer	Market	6.4 miles
11	The Preserve At West View	Greer	Market	6.5 miles
12	Westchase Apartments	Greer	Market	6.5 miles

*Located outside PMA

DUNCAN VILLAGE APARTMENTS - DUNCAN, SOUTH CAROLINA - APPRAISAL

AMENITY MATRIX

	Duncan Village	Avalon Chase Apartments	Chandler Ridge	Parkside At Verdae	Pelham Village	Willis Trace Townhomes	Willow Crossing	Berry Shoals Apartments Phase I & II	Regency At Chandler Park	River Falls	The Bradford	The Preserve At West View	Westchase Apartments
Program	LIHTC/Section 8	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC	Market	Market	Market	Market	Market	Market
Tenancy	Family	Family	Family	Family	Family	Family	Family	Family	Family	Family	Family	Family	Family
Building													
Property Type	Various	Garden	Garden	Garden	Garden	Townhouse	Garden	Garden	Garden	Garden	Garden	Garden	Garden
# Stories	2	3	2	2	3	2	2	3	3	3	2	3	3
Year Built	1982	2014	1998	2012	2012	2016	2012	2004	2005	2008	1972	2009	2001
Year Renovated	2005		2008					2015			2023	2023	
Courtyard	no	no	no	no	no	no	no	yes	no	no	no	no	no
Utility Structure													
Heat	no	no	no	no	no	no	no	no	no	no	no	no	no
Cooking	no	no	no	no	no	no	no	no	no	no	no	no	no
Other Electric	no	no	no	no	no	no	no	no	no	no	no	no	no
Air Conditioning	no	no	no	no	no	no	no	no	no	no	no	no	no
Water Heat	no	no	no	no	no	no	no	no	no	no	no	no	no
Water	yes	no	no	yes	yes	yes	yes	no	no	no	no	no	yes
Sewer	yes	no	no	yes	yes	yes	yes	no	no	no	no	no	yes
Unit													
Balcony	yes	no	yes	yes	yes	yes	yes	yes	no	yes	no	yes	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Carpeting	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Ceiling Fan	yes	no	yes	yes	no	yes	yes	yes	yes	yes	yes	yes	yes
Central/AC	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Coat Closet	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Exterior Storage	no	no	yes	no	no	no	no	yes	no	no	no	yes	yes
Fireplace	no	no	no	no	no	no	no	no	no	no	no	no	yes
Hardwood Floors	no	yes	no	no	no	no	no	no	no	no	no	no	no
Tile Flooring	no	no	no	no	no	no	no	no	no	no	no	yes	no
Vaulted Ceilings	no	no	no	no	no	no	no	no	no	no	no	no	yes
Vinyl Plank Flooring	yes	no	no	yes	yes	no	no	yes	yes	yes	yes	no	no
Walk-In-Closet	no	no	yes	yes	no	no	no	yes	yes	yes	no	yes	yes
Washer / Dryer	no	no	no	no	no	no	no	no	no	no	no	yes	no
W/D Hookups	no	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	no	yes
Kitchen													
Dishwasher	no	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Disposal	no	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Microwave	no	yes	no	yes	yes	no	no	yes	yes	yes	no	yes	no
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Community													
Business Center	yes	yes	no	yes	yes	yes	yes	yes	no	yes	no	yes	no
Central Laundry	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Clubhouse	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	no	yes	yes
Library	no	no	no	no	no	no	no	no	yes	no	no	no	no
On-Site Mgmt	yes	yes	yes	yes	yes	no	yes	yes	yes	yes	yes	yes	yes
Pet Park	no	no	no	no	no	no	no	no	no	no	yes	no	no
WiFi	no	no	no	no	no	no	no	no	no	no	no	yes	no
Recreation													
Basketball Court	no	no	no	no	no	no	no	no	no	no	no	yes	no
Exercise Facility	no	yes	yes	yes	yes	no	no	yes	yes	yes	no	yes	yes
Picnic Area	yes	no	yes	yes	yes	yes	yes	yes	no	no	yes	yes	yes
Playground	yes	yes	yes	yes	yes	yes	yes	yes	no	yes	yes	yes	yes
Sport Court	no	no	no	no	no	no	no	no	no	no	no	yes	no
Swimming Pool	no	no	yes	no	no	no	no	yes	yes	yes	yes	yes	yes
Theatre	no	no	no	no	no	no	no	no	yes	no	no	no	no
Services													
Car Wash	no	no	yes	no	no	no	no	no	yes	yes	no	yes	yes
Security													
In-Unit Alarm	no	no	no	no	no	no	no	no	yes	no	no	yes	no
Limited Access	no	no	no	no	no	yes	yes	no	no	no	no	no	no
Patrol	no	no	no	no	no	no	no	no	yes	no	no	yes	yes
Perimeter Fencing	no	yes	no	no	no	yes	yes	no	no	no	no	no	no
Video Surveillance	no	no	no	yes	no	yes	yes	no	no	no	no	no	yes
Parking													
Garage	no	no	yes	no	no	no	no	yes	no	yes	no	no	yes
Surface	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes

PROPERTY PROFILE REPORT

Avalon Chase Apartments

Effective Rent Date	10/30/2023
Location	1000 Avalon Chase Circle Greer, SC 29650 Greenville County
Distance	7.7 miles
Units	42
Vacant Units	2
Vacancy Rate	4.8%
Type	Garden (3 stories)
Year Built/Renovated	2014 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Local families
Contact Name	Calise
Phone	864-655-7617



Market Information

Program	@60%
Annual Turnover Rate	8%
Units/Month Absorbed	N/A
HCV Tenants	24%
Leasing Pace	Within one month
Annual Chg. in Rent	Increased to 2023 max
Concession	None
Waiting List	Yes; six months to one year in length

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden (3 stories)	6	1,100	\$1,012	\$0	@60%	Yes	1	16.7%	yes	None
3	2	Garden (3 stories)	24	1,250	\$1,139	\$0	@60%	Yes	1	4.2%	yes	None
4	2	Garden (3 stories)	12	1,400	\$1,234	\$0	@60%	Yes	0	0.0%	yes	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	\$1,012	\$0	\$1,012	\$89	\$1,101
3BR / 2BA	\$1,139	\$0	\$1,139	\$129	\$1,268
4BR / 2BA	\$1,234	\$0	\$1,234	\$171	\$1,405

Avalon Chase Apartments, continued

Amenities

In-Unit		Security	Services
Blinds	Carpet/Hardwood	Perimeter Fencing	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Garbage Disposal	Microwave		
Oven	Refrigerator		
Washer/Dryer hookup			
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	None
Exercise Facility	Central Laundry		
Off-Street Parking	On-Site Management		
Playground			

Comments

The contact stated that the property no longer offers units restricted at the 50 percent AMI level. The contact noted that the two vacant units are pre-leased.

Avalon Chase Apartments, continued

Trend Report

Vacancy Rates

3Q22	1Q23	2Q23	4Q23
0.0%	0.0%	4.8%	4.8%

Trend: @60%

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2022	3	N/A	\$835	\$0	\$835	\$924
2023	1	N/A	\$971	\$0	\$971	\$1,060
2023	2	N/A	\$868	\$0	\$868	\$957
2023	4	16.7%	\$1,012	\$0	\$1,012	\$1,101

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2022	3	N/A	\$920	\$0	\$920	\$1,049
2023	1	N/A	\$1,094	\$0	\$1,094	\$1,223
2023	2	N/A	\$974	\$0	\$974	\$1,103
2023	4	4.2%	\$1,139	\$0	\$1,139	\$1,268

4BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2022	3	N/A	\$1,000	\$0	\$1,000	\$1,171
2023	1	N/A	\$1,188	\$0	\$1,188	\$1,359
2023	2	N/A	\$1,054	\$0	\$1,054	\$1,225
2023	4	0.0%	\$1,234	\$0	\$1,234	\$1,405

Trend: Comments

3Q22	The contact reported that the property offers six two-bedroom units, 24 three-bedroom units, and 12 four-bedroom units. However, they were unable to provide the breakdown of units by AMI level. The contact noted that the rents are not at the 2022 maximum levels, however the property is working to increase them to the maximum allowable levels. They cited the larger than typical increase in maximum allowable rents between 2021 and 2022 and that management wanted to minimize turnover among current tenants.
1Q23	The contact reported that the property offers six two-bedroom units, 24 three-bedroom units, and 12 four-bedroom units. However, they were unable to provide the breakdown of units by AMI level. The contact confirmed that the rents are at the 2022 maximum allowable levels.
2Q23	The contact reported that the property offers six two-bedroom units, 24 three-bedroom units, and 12 four-bedroom units. However, the contact was unable to provide the breakdown of units by AMI level. The contact reported that the owner decided to keep the rents for the 50 and 60 percent AMI the same in order to maintain affordability; however, was unable to comment on whether the maximum allowable rents for the 60 percent AMI units were achievable. The contact also noted that rent increases at tenant's recertification every year.
4Q23	The contact stated that the property no longer offers units restricted at the 50 percent AMI level. The contact noted that the two vacant units are pre-leased.

Photos



PROPERTY PROFILE REPORT

Chandler Ridge

Effective Rent Date	10/23/2023
Location	310 Chandler Road Greer, SC 29651 Greenville County
Distance	6.2 miles
Units	152
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (2 stories)
Year Built/Renovated	1998 / 2008
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Regency, Westchase
Tenant Characteristics	Work at BMW and supporting companies, Verizon, Sprint
Contact Name	Betty
Phone	864-762-4062



Market Information

Program	@60%
Annual Turnover Rate	26%
Units/Month Absorbed	N/A
HCV Tenants	18%
Leasing Pace	Within one week
Annual Chg. in Rent	Inc. 8% - 9% annually since 2Q2019
Concession	None
Waiting List	Yes; eight households in length

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	28	873	\$824	\$0	@60%	Yes	0	0.0%	no	None
2	2	Garden (2 stories)	96	1,101	\$984	\$0	@60%	Yes	0	0.0%	no	None
3	2	Garden (2 stories)	28	1,340	\$1,120	\$0	@60%	Yes	0	0.0%	no	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$824	\$0	\$824	\$64	\$888
2BR / 2BA	\$984	\$0	\$984	\$89	\$1,073
3BR / 2BA	\$1,120	\$0	\$1,120	\$129	\$1,249

Chandler Ridge, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Exterior Storage	Ceiling Fan		
Garbage Disposal	Oven		
Refrigerator	Walk-In Closet		
Washer/Dryer hookup			
Property		Premium	Other
Car Wash	Clubhouse/Meeting Room/Community	None	None
Exercise Facility	Garage(\$85.00)		
Central Laundry	Off-Street Parking		
On-Site Management	Picnic Area		
Playground	Swimming Pool		

Comments

The contact reported that detached garages are available for an additional \$85 per month. The contact was unable to determine if rents are at the maximum allowable rate.

Chandler Ridge, continued

Trend Report

Vacancy Rates

4Q17	1Q18	2Q19	4Q23
1.3%	1.3%	0.0%	0.0%

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	4	0.0%	\$570	\$21	\$549	\$613
2018	1	0.0%	\$570	\$0	\$570	\$634
2019	2	0.0%	\$603	\$0	\$603	\$667
2023	4	0.0%	\$824	\$0	\$824	\$888

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	4	1.0%	\$675	\$0	\$675	\$764
2018	1	1.0%	\$675	\$0	\$675	\$764
2019	2	0.0%	\$728	\$0	\$728	\$817
2023	4	0.0%	\$984	\$0	\$984	\$1,073

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	4	N/A	\$775	\$0	\$775	\$904
2018	1	3.6%	\$775	\$0	\$775	\$904
2019	2	0.0%	\$838	\$0	\$838	\$967
2023	4	0.0%	\$1,120	\$0	\$1,120	\$1,249

Trend: Comments

4Q17	The contact reported a waiting list of 10 households. Five for the one bedroom, four for the two bedroom, and one for the three bedroom.
1Q18	The contact reported a waiting list of 10 households. Five households are waiting for one-bedroom units, four households are waiting for two-bedroom units, and one household is waiting for a three-bedroom unit.
2Q19	N/A
4Q23	The contact reported that detached garages are available for an additional \$85 per month. The contact was unable to determine if rents are at the maximum allowable rate.

Photos



PROPERTY PROFILE REPORT

Parkside At Verdae

Effective Rent Date	10/10/2023
Location	740 Woodruff Road Greenville, SC 29607 Greenville County
Distance	12.7 miles
Units	56
Vacant Units	1
Vacancy Rate	1.8%
Type	Garden (2 stories)
Year Built/Renovated	2012 / N/A
Marketing Began	9/27/2012
Leasing Began	12/07/2012
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Mixed tenancy
Contact Name	Alyssa
Phone	864-509-1005



Market Information

Program	@50%, @60%
Annual Turnover Rate	7%
Units/Month Absorbed	30
HCV Tenants	29%
Leasing Pace	Within one week
Annual Chg. in Rent	Increased to 2023 max
Concession	None
Waiting List	None

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	6	846	\$755	\$0	@50%	No	0	0.0%	yes	None
1	1	Garden (2 stories)	2	846	\$922	\$0	@60%	No	0	0.0%	yes	None
2	2	Garden (2 stories)	4	1,123	\$901	\$0	@50%	No	0	0.0%	yes	None
2	2	Garden (2 stories)	20	1,123	\$1,101	\$0	@60%	No	1	5.0%	yes	None
3	2	Garden (2 stories)	4	1,276	\$1,036	\$0	@50%	No	0	0.0%	yes	None
3	2	Garden (2 stories)	20	1,276	\$1,268	\$0	@60%	No	0	0.0%	yes	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$755	\$0	\$755	\$0	\$755	1BR / 1BA	\$922	\$0	\$922	\$0	\$922
2BR / 2BA	\$901	\$0	\$901	\$0	\$901	2BR / 2BA	\$1,101	\$0	\$1,101	\$0	\$1,101
3BR / 2BA	\$1,036	\$0	\$1,036	\$0	\$1,036	3BR / 2BA	\$1,268	\$0	\$1,268	\$0	\$1,268

Parkside At Verdae, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Video Surveillance	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Ceiling Fan	Garbage Disposal		
Microwave	Oven		
Refrigerator	Vinyl Plank Flooring		
Walk-In Closet	Washer/Dryer hookup		
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	None
Exercise Facility	Central Laundry		
Off-Street Parking	On-Site Management		
Picnic Area	Playground		

Comments

The contact provided no additional information.

Trend Report

Vacancy Rates

4Q21	1Q23	2Q23	4Q23
0.0%	0.0%	1.8%	1.8%

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	4	0.0%	\$631	\$0	\$631	\$631
2023	1	0.0%	\$726	\$0	\$726	\$726
2023	2	N/A	\$755	\$0	\$755	\$755
2023	4	0.0%	\$755	\$0	\$755	\$755

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	4	0.0%	\$752	\$0	\$752	\$752
2023	1	0.0%	\$864	\$0	\$864	\$864
2023	2	N/A	\$901	\$0	\$901	\$901
2023	4	0.0%	\$901	\$0	\$901	\$901

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	4	0.0%	\$815	\$0	\$815	\$815
2023	1	0.0%	\$995	\$0	\$995	\$995
2023	2	N/A	\$1,036	\$0	\$1,036	\$1,036
2023	4	0.0%	\$1,036	\$0	\$1,036	\$1,036

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	4	0.0%	\$771	\$0	\$771	\$771
2023	1	0.0%	\$886	\$0	\$886	\$886
2023	2	N/A	\$922	\$0	\$922	\$922
2023	4	0.0%	\$922	\$0	\$922	\$922

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	4	0.0%	\$921	\$0	\$921	\$921
2023	1	0.0%	\$1,056	\$0	\$1,056	\$1,056
2023	2	N/A	\$1,101	\$0	\$1,101	\$1,101
2023	4	5.0%	\$1,101	\$0	\$1,101	\$1,101

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	4	0.0%	\$1,058	\$0	\$1,058	\$1,058
2023	1	0.0%	\$1,216	\$0	\$1,216	\$1,216
2023	2	N/A	\$1,268	\$0	\$1,268	\$1,268
2023	4	0.0%	\$1,268	\$0	\$1,268	\$1,268

Trend: Comments

4Q21	The contact did not report any significant impact to the property as a result of the COVID-19 pandemic in terms of vacancy, turnover, or rent collection. The contact noted that rents will increase to the maximum allowable level on November 1, 2021.
1Q23	The contact stated that the rents have been increased to the maximum allowable levels.
2Q23	The contact provided no additional comments.
4Q23	The contact provided no additional information.

Photos



PROPERTY PROFILE REPORT

Pelham Village

Effective Rent Date	11/01/2023
Location	1001 Toscano Ct Greenville, SC 29615 Greenville County
Distance	9.6 miles
Units	60
Vacant Units	3
Vacancy Rate	5.0%
Type	Garden (3 stories)
Year Built/Renovated	2012 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Mixed tenancy with majority families; 25 percent seniors
Contact Name	Shelby
Phone	864-297-1155



Market Information

Program	@50%, @60%
Annual Turnover Rate	6%
Units/Month Absorbed	N/A
HCV Tenants	N/A
Leasing Pace	Pre-leased
Annual Chg. in Rent	Increased to 2023 max
Concession	None
Waiting List	Yes; 104 households in length

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	5	862	\$755	\$0	@50%	Yes	N/A	N/A	yes	None
1	1	Garden (3 stories)	7	862	\$922	\$0	@60%	Yes	N/A	N/A	yes	None
2	2	Garden (3 stories)	5	1,128	\$901	\$0	@50%	Yes	N/A	N/A	yes	None
2	2	Garden (3 stories)	19	1,128	\$1,101	\$0	@60%	Yes	N/A	N/A	yes	None
3	2	Garden (3 stories)	5	1,261	\$1,036	\$0	@50%	Yes	N/A	N/A	yes	None
3	2	Garden (3 stories)	19	1,261	\$1,268	\$0	@60%	Yes	N/A	N/A	yes	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$755	\$0	\$755	\$0	\$755	1BR / 1BA	\$922	\$0	\$922	\$0	\$922
2BR / 2BA	\$901	\$0	\$901	\$0	\$901	2BR / 2BA	\$1,101	\$0	\$1,101	\$0	\$1,101
3BR / 2BA	\$1,036	\$0	\$1,036	\$0	\$1,036	3BR / 2BA	\$1,268	\$0	\$1,268	\$0	\$1,268

Pelham Village, continued

Amenities

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

Comments

The contact could not provide a breakdown of vacant units by unit type but noted that two vacant units are pre-leased. The property accepts Housing Choice Vouchers; however, the contact was unable to provide the number of vouchers in use.

Pelham Village, continued

Trend Report

Vacancy Rates

1Q18	2Q21	4Q21	4Q23
0.0%	0.0%	0.0%	5.0%

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	1	0.0%	\$501	\$0	\$501	\$501
2021	2	0.0%	\$631	\$0	\$631	\$631
2021	4	0.0%	\$631	\$0	\$631	\$631
2023	4	N/A	\$755	\$0	\$755	\$755

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	1	0.0%	\$598	\$0	\$598	\$598
2021	2	0.0%	\$752	\$0	\$752	\$752
2021	4	0.0%	\$752	\$0	\$752	\$752
2023	4	N/A	\$901	\$0	\$901	\$901

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	1	0.0%	\$668	\$0	\$668	\$668
2021	2	0.0%	\$863	\$0	\$863	\$863
2021	4	0.0%	\$863	\$0	\$863	\$863
2023	4	N/A	\$1,036	\$0	\$1,036	\$1,036

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	1	0.0%	\$618	\$0	\$618	\$618
2021	2	0.0%	\$771	\$0	\$771	\$771
2021	4	0.0%	\$771	\$0	\$771	\$771
2023	4	N/A	\$922	\$0	\$922	\$922

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	1	0.0%	\$738	\$0	\$738	\$738
2021	2	0.0%	\$921	\$0	\$921	\$921
2021	4	0.0%	\$921	\$0	\$921	\$921
2023	4	N/A	\$1,101	\$0	\$1,101	\$1,101

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	1	0.0%	\$810	\$0	\$810	\$810
2021	2	0.0%	\$1,058	\$0	\$1,058	\$1,058
2021	4	0.0%	\$1,058	\$0	\$1,058	\$1,058
2023	4	N/A	\$1,268	\$0	\$1,268	\$1,268

Trend: Comments

1Q18	The contact said there is currently a wait list of 400 households. The waiting list for the one and three-bedroom units is reported to be two years in length and the waiting list for the two-bedroom units is reported to be three years in length. The contact also stated that Greenville County is in need of additional affordable housing.
2Q21	The property manager reported the rents are not at the maximum allowable levels. However, the contact stated higher rents are achievable and rents recently increased in January 2021. The contact reported an increase in the amount of traffic and inquiries on units recently. The property manager reported demand for affordable housing in the area was high.
4Q21	N/A
4Q23	The contact could not provide a breakdown of vacant units by unit type but noted that two vacant units are pre-leased. The property accepts Housing Choice Vouchers; however, the contact was unable to provide the number of vouchers in use.

Photos



PROPERTY PROFILE REPORT

Willis Trace Townhomes

Effective Rent Date	10/23/2023
Location	577 Willis Trace Road Spartanburg, SC 29301 Spartanburg County
Distance	7.7 miles
Units	28
Vacant Units	1
Vacancy Rate	3.6%
Type	Townhouse (2 stories)
Year Built/Renovated	2016 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Mixed tenancy from Spartanburg CO
Contact Name	Lee
Phone	864-699-9965



Market Information

Program	@50%, @60%
Annual Turnover Rate	7%
Units/Month Absorbed	28
HCV Tenants	20%
Leasing Pace	Within ten days
Annual Chg. in Rent	Inc. 9% - 16% since 3Q2022
Concession	None
Waiting List	Yes; undetermined but extensive length

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Townhouse (2 stories)	4	1,150	\$545	\$0	@50%	Yes	0	0.0%	no	None
2	2	Townhouse (2 stories)	4	1,150	\$675	\$0	@60%	Yes	0	0.0%	no	None
3	2	Townhouse (2 stories)	10	1,250	\$665	\$0	@50%	Yes	0	0.0%	no	None
3	2	Townhouse (2 stories)	10	1,250	\$740	\$0	@60%	Yes	1	10.0%	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	\$545	\$0	\$545	\$0	\$545	2BR / 2BA	\$675	\$0	\$675	\$0	\$675
3BR / 2BA	\$665	\$0	\$665	\$0	\$665	3BR / 2BA	\$740	\$0	\$740	\$0	\$740

Willis Trace Townhomes, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Limited Access	None
Carpeting	Central A/C	Perimeter Fencing	
Coat Closet	Dishwasher	Video Surveillance	
Ceiling Fan	Garbage Disposal		
Oven	Refrigerator		
Washer/Dryer hookup			
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	None
Central Laundry	Off-Street Parking		
Picnic Area	Playground		

Comments

The property is located adjacent to and shares the same management company as Willow Crossing, as well as a shared waiting list. Despite high demand and a long waiting list at this time, the rents are set below the maximum allowable levels, as many tenants earn minimum wage and would be rent overburdened if rents were set at at the maximum allowable levels.

Willis Trace Townhomes, continued

Trend Report

Vacancy Rates

4Q21	1Q22	3Q22	4Q23
0.0%	0.0%	0.0%	3.6%

Trend: @50%

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	4	0.0%	\$500	\$0	\$500	\$500
2022	1	0.0%	\$500	\$0	\$500	\$500
2022	3	0.0%	\$500	\$0	\$500	\$500
2023	4	0.0%	\$545	\$0	\$545	\$545

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	4	0.0%	\$580	\$0	\$580	\$580
2022	1	0.0%	\$580	\$0	\$580	\$580
2022	3	0.0%	\$580	\$0	\$580	\$580
2023	4	0.0%	\$665	\$0	\$665	\$665

Trend: @60%

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	4	0.0%	\$580	\$0	\$580	\$580
2022	1	0.0%	\$580	\$0	\$580	\$580
2022	3	0.0%	\$580	\$0	\$580	\$580
2023	4	0.0%	\$675	\$0	\$675	\$675

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	4	0.0%	\$665	\$0	\$665	\$665
2022	1	0.0%	\$665	\$0	\$665	\$665
2022	3	0.0%	\$665	\$0	\$665	\$665
2023	4	10.0%	\$740	\$0	\$740	\$740

Trend: Comments

4Q21	This property is located adjacent to and shares the same management company as Willow Crossing, as well as a shared waiting list. The contact stated that, despite high demand and a long waiting list at this time, the rents are set below the maximum allowable levels, as many tenants earn minimum wage and would be rent overburdened if rents were set at at the maximum allowable levels. The contact noted increased delinquencies for tenants either directly or indirectly affected by the COVID-19 pandemic, and said the property is still working with tenants to collect past due rents.
1Q22	This property is located adjacent to and shares the same management company as Willow Crossing, as well as a shared waiting list. The contact stated that, despite high demand and a long waiting list at this time, the rents are set below the maximum allowable levels, as many tenants earn minimum wage and would be rent overburdened if rents were set at at the maximum allowable levels.
3Q22	N/A
4Q23	The property is located adjacent to and shares the same management company as Willow Crossing, as well as a shared waiting list. Despite high demand and a long waiting list at this time, the rents are set below the maximum allowable levels, as many tenants earn minimum wage and would be rent overburdened if rents were set at at the maximum allowable levels.

Photos



PROPERTY PROFILE REPORT

Willow Crossing

Effective Rent Date	10/23/2023
Location	300 Willow Crossing Ln Spartanburg, SC 29301 Spartanburg County
Distance	7.8 miles
Units	48
Vacant Units	4
Vacancy Rate	8.3%
Type	Garden (2 stories)
Year Built/Renovated	2012 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Country Garden Estates
Tenant Characteristics	Mixed tenancy
Contact Name	Lee
Phone	864-699-9965



Market Information

Program	@50%, @60%
Annual Turnover Rate	7%
Units/Month Absorbed	N/A
HCV Tenants	19%
Leasing Pace	Within ten days
Annual Chg. in Rent	Inc. 9% - 16% since 3Q2022
Concession	None
Waiting List	Yes; undetermined but extensive length

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden (2 stories)	8	1,116	\$545	\$0	@50%	Yes	1	12.5%	no	None
2	2	Garden (2 stories)	8	1,116	\$675	\$0	@60%	Yes	1	12.5%	no	None
3	2	Garden (2 stories)	16	1,281	\$665	\$0	@50%	Yes	1	6.2%	no	None
3	2	Garden (2 stories)	16	1,281	\$740	\$0	@60%	Yes	1	6.2%	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	\$545	\$0	\$545	\$0	\$545	2BR / 2BA	\$675	\$0	\$675	\$0	\$675
3BR / 2BA	\$665	\$0	\$665	\$0	\$665	3BR / 2BA	\$740	\$0	\$740	\$0	\$740

Willow Crossing, continued

Amenities

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

Comments

The property is located adjacent to and shares the same management company as Willis Trace, as well as a shared waiting list. Despite high demand and a long waiting list at this time, the rents are set below the maximum allowable levels, as many tenants earn minimum wage would be rent overburdened if rents were set at the maximum allowable levels.

Willow Crossing, continued

Trend Report

Vacancy Rates

4Q21	1Q22	3Q22	4Q23
0.0%	0.0%	0.0%	8.3%

Trend: @50%

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	4	0.0%	\$500	\$0	\$500	\$500
2022	1	0.0%	\$500	\$0	\$500	\$500
2022	3	0.0%	\$500	\$0	\$500	\$500
2023	4	12.5%	\$545	\$0	\$545	\$545

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	4	0.0%	\$580	\$0	\$580	\$580
2022	1	0.0%	\$580	\$0	\$580	\$580
2022	3	0.0%	\$580	\$0	\$580	\$580
2023	4	6.2%	\$665	\$0	\$665	\$665

Trend: @60%

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	4	0.0%	\$580	\$0	\$580	\$580
2022	1	0.0%	\$580	\$0	\$580	\$580
2022	3	0.0%	\$580	\$0	\$580	\$580
2023	4	12.5%	\$675	\$0	\$675	\$675

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	4	0.0%	\$665	\$0	\$665	\$665
2022	1	0.0%	\$665	\$0	\$665	\$665
2022	3	0.0%	\$665	\$0	\$665	\$665
2023	4	6.2%	\$740	\$0	\$740	\$740

Trend: Comments

4Q21	This property is located adjacent to and shares the same management company as Willis Trace, as well as a shared waiting list. The contact stated that, despite high demand and a long waiting list at this time, the rents are set below the maximum allowable levels, as many tenants earn minimum wage would be rent overburdened if rents were set at max. The contact noted an increase in delinquencies in tenants directly or indirectly affected by the COVID-19 pandemic, adding the property is working with tenants to help pay late rents.
1Q22	This property is located adjacent to and shares the same management company as Willis Trace, as well as a shared waiting list. The contact stated that, despite high demand and a long waiting list at this time, the rents are set below the maximum allowable levels, as many tenants earn minimum wage would be rent overburdened if rents were set at max.
3Q22	This property is located adjacent to and shares the same management company as Willis Trace, as well as a shared waiting list. The contact stated that, despite high demand and a long waiting list at this time, the rents are set below the maximum allowable levels, as many tenants earn minimum wage would be rent overburdened if rents were set at the maximum allowable levels.
4Q23	The property is located adjacent to and shares the same management company as Willis Trace, as well as a shared waiting list. Despite high demand and a long waiting list at this time, the rents are set below the maximum allowable levels, as many tenants earn minimum wage would be rent overburdened if rents were set at the maximum allowable levels.

Photos



PROPERTY PROFILE REPORT

Berry Shoals Apartments Phase I & II

Effective Rent Date	10/20/2023
Location	200 Tralee Drive Duncan, SC 29334 Spartanburg County
Distance	3.7 miles
Units	248
Vacant Units	12
Vacancy Rate	4.8%
Type	Garden (3 stories)
Year Built/Renovated	2004 / 2015
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Ashford Park (new)
Tenant Characteristics	Corporate employees and families
Contact Name	Tabitha
Phone	864-486-9808



Market Information

Program	Market
Annual Turnover Rate	35%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Inc. 3% - 5% annually since 3Q2017
Concession	\$100 off first month's rent
Waiting List	None

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	not included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	N/A	764	\$1,255	\$8	Market	No	3	N/A	N/A	HIGH*
1	1	Garden (3 stories)	N/A	764	\$1,145	\$8	Market	No	2	N/A	N/A	LOW*
2	2	Garden (3 stories)	N/A	1,040	\$1,445	\$8	Market	No	2	N/A	N/A	HIGH*
2	2	Garden (3 stories)	N/A	1,040	\$1,325	\$8	Market	No	3	N/A	N/A	LOW*
3	2	Garden (3 stories)	N/A	1,262	\$1,655	\$8	Market	No	1	N/A	N/A	HIGH*
3	2	Garden (3 stories)	N/A	1,262	\$1,545	\$8	Market	No	1	N/A	N/A	LOW*

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,145 - \$1,255	\$8	\$1,137 - \$1,247	\$81	\$1,218 - \$1,328
2BR / 2BA	\$1,325 - \$1,445	\$8	\$1,317 - \$1,437	\$106	\$1,423 - \$1,543
3BR / 2BA	\$1,545 - \$1,655	\$8	\$1,537 - \$1,647	\$146	\$1,683 - \$1,793

Berry Shoals Apartments Phase I & II, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Exterior Storage	Ceiling Fan		
Garbage Disposal	Microwave		
Oven	Refrigerator		
Vinyl Plank Flooring	Walk-In Closet		
Washer/Dryer hookup			
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	None
Courtyard	Exercise Facility		
Garage(\$150.00)	Central Laundry		
Off-Street Parking	On-Site Management		
Picnic Area	Playground		
Swimming Pool			

Comments

The property typically operates with an occupancy of 96%-98%. The "high" rents listed in the profile indicate renovated units, while the "low" rents indicate units that have not been renovated. Renovated units are improved with black appliances and granite countertops. Non-renovated includes existing white appliances and laminate flooring. A building comprised of two- and three-bedroom units burned down in 2014. It was rebuilt and began leasing in Fall 2015. Garages are available for an additional fee of \$150 per month.

Berry Shoals Apartments Phase I & II, continued

Trend Report

Vacancy Rates

3Q17	4Q23
7.7%	4.8%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	3	N/A	\$829 - \$1,053	\$0	\$829 - \$1,053	\$910 - \$1,134
2023	4	N/A	\$1,145 - \$1,255	\$8	\$1,137 - \$1,247	\$1,218 - \$1,328

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	3	N/A	\$910 - \$1,183	\$0	\$910 - \$1,183	\$1,016 - \$1,289
2023	4	N/A	\$1,325 - \$1,445	\$8	\$1,317 - \$1,437	\$1,423 - \$1,543

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	3	N/A	\$1,226 - \$1,500	\$0	\$1,226 - \$1,500	\$1,372 - \$1,646
2023	4	N/A	\$1,545 - \$1,655	\$8	\$1,537 - \$1,647	\$1,683 - \$1,793

Trend: Comments

3Q17	Contact reported market is tightening and typical occupancy is between 96%-98%, and reported two rent ranges for two- and three-bedroom units; for non-renovated and renovated units. Renovated units are improved with black appliances and granite countertops. Non-renovated includes existing white appliances and laminate flooring. A building comprised of two-and three bedroom units burned down in 2014. It was rebuilt and began leasing in Fall 2015. The contact reported, as of this date, vacancies are higher in renovated units as many tenants moved out in November and December. Garages are available for an additional \$120 per month
4Q23	The property typical operates with an occupancy of 96%-98%. The "high" rents listed in the profile indicate renovated units, while the "low" rents indicate units that have not been renovated. Renovated units are improved with black appliances and granite countertops. Non-renovated includes existing white appliances and laminate flooring. A building comprised of two-and three bedroom units burned down in 2014. It was rebuilt and began leasing in Fall 2015. Garages are available for an additional fee of \$150 per month.

Photos



PROPERTY PROFILE REPORT

Regency At Chandler Park

Effective Rent Date	10/20/2023
Location	101 Chandler Road Greer, SC 29650 Greenville County
Distance	5.6 miles
Units	138
Vacant Units	3
Vacancy Rate	2.2%
Type	Garden (3 stories)
Year Built/Renovated	2005 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	West Chase and Bridle Ridge Apartments
Tenant Characteristics	None identified
Contact Name	Ellen
Phone	864-877-0202



Market Information

Program	Market
Annual Turnover Rate	50%
Units/Month Absorbed	19
HCV Tenants	0%
Leasing Pace	Within one week
Annual Chg. in Rent	Inc. 7% - 8% annually since 2Q2019
Concession	None
Waiting List	None

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	10	655	\$1,015	\$0	Market	No	N/A	N/A	N/A	HIGH*
1	1	Garden (3 stories)	10	821	\$1,055	\$0	Market	No	N/A	N/A	N/A	HIGH*
1	1	Garden (3 stories)	10	655	\$900	\$0	Market	No	N/A	N/A	N/A	LOW*
1	1	Garden (3 stories)	10	821	\$975	\$0	Market	No	N/A	N/A	N/A	LOW*
2	2	Garden (3 stories)	20	904	\$1,215	\$0	Market	No	N/A	N/A	N/A	HIGH*
2	2	Garden (3 stories)	20	1,029	\$1,240	\$0	Market	No	N/A	N/A	N/A	HIGH*
2	2	Garden (3 stories)	21	904	\$1,085	\$0	Market	No	N/A	N/A	N/A	LOW*
2	2	Garden (3 stories)	21	1,029	\$1,135	\$0	Market	No	N/A	N/A	N/A	LOW*
3	2	Garden (3 stories)	8	1,451	\$1,405	\$0	Market	No	N/A	N/A	N/A	HIGH*
3	2	Garden (3 stories)	8	1,451	\$1,275	\$0	Market	No	N/A	N/A	N/A	LOW*

Regency At Chandler Park, continued

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$900 - \$1,055	\$0	\$900 - \$1,055	\$64	\$964 - \$1,119
2BR / 2BA	\$1,085 - \$1,240	\$0	\$1,085 - \$1,240	\$89	\$1,174 - \$1,329
3BR / 2BA	\$1,275 - \$1,405	\$0	\$1,275 - \$1,405	\$129	\$1,404 - \$1,534

Amenities

In-Unit		Security	Services
Blinds	Carpeting	In-Unit Alarm	None
Central A/C	Coat Closet	Patrol	
Dishwasher	Ceiling Fan		
Garbage Disposal	Microwave		
Oven	Refrigerator		
Vinyl Plank Flooring	Walk-In Closet		
Washer/Dryer hookup			
Property		Premium	Other
Car Wash	Clubhouse/Meeting Room/Community	None	None
Exercise Facility	Central Laundry		
Library	Off-Street Parking		
On-Site Management	Swimming Pool		
Theatre			

Comments

The contact noted that price range is due to floor level and renovations. Scope of renovations include new ceiling fans, faucets garbage disposals, cabinets, light fixtures and vinyl plank flooring throughout the unit. The property does not accept Housing Choice Vouchers.

Regency At Chandler Park, continued

Trend Report

Vacancy Rates

4Q17	1Q18	2Q19	4Q23
0.7%	0.7%	1.4%	2.2%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	4	N/A	\$525 - \$715	\$30 - \$50	\$495 - \$665	\$559 - \$729
2018	1	0.0%	\$525 - \$715	\$0	\$525 - \$715	\$589 - \$779
2019	2	N/A	\$705 - \$770	\$0	\$705 - \$770	\$769 - \$834
2023	4	N/A	\$900 - \$1,055	\$0	\$900 - \$1,055	\$964 - \$1,119

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	4	N/A	\$770 - \$835	\$35 - \$55	\$735 - \$780	\$824 - \$869
2018	1	0.0%	\$770 - \$835	\$0	\$770 - \$835	\$859 - \$924
2019	2	N/A	\$820 - \$890	\$0	\$820 - \$890	\$909 - \$979
2023	4	N/A	\$1,085 - \$1,240	\$0	\$1,085 - \$1,240	\$1,174 - \$1,329

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	4	6.2%	\$905	\$15	\$890	\$1,019
2018	1	6.2%	\$905	\$0	\$905	\$1,034
2019	2	N/A	\$970	\$0	\$970	\$1,099
2023	4	N/A	\$1,275 - \$1,405	\$0	\$1,275 - \$1,405	\$1,404 - \$1,534

Trend: Comments

4Q17	Contact stated that there is only one vacancy in the three bedroom
1Q18	The contact stated that some units have patios and some units have sunrooms.
2Q19	The property does not accept Housing Choice Vouchers. Pest control is also included in the rent.
4Q23	The contact noted that price range is due to floor level and renovations. Scope of renovations include new ceiling fans, faucets garbage disposals, cabinets, light fixtures and vinyl plank flooring throughout the unit. The property does not accept Housing Choice Vouchers.

Photos



PROPERTY PROFILE REPORT

River Falls

Effective Rent Date	11/08/2023
Location	105 Churchill Falls Dr Duncan, SC 29334 Spartanburg County
Distance	4.2 miles
Units	232
Vacant Units	13
Vacancy Rate	5.6%
Type	Garden (3 stories)
Year Built/Renovated	2008 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Ashford Park (new)
Tenant Characteristics	High percentage of corporate employees, families
Contact Name	Izzy
Phone	864-486-1119



Market Information

Program	Market
Annual Turnover Rate	35%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Inc. 1% - 5% annually since 3Q2017
Concession	\$100 off first month's rent
Waiting List	None

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	not included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	N/A	828	\$1,230	\$8	Market	No	5	N/A	N/A	AVG*
1	1	Garden (3 stories)	N/A	828	\$1,245	\$8	Market	No	0	N/A	N/A	HIGH
1	1	Garden (3 stories)	N/A	828	\$1,215	\$8	Market	No	0	N/A	N/A	LOW
1.5	1	Garden (3 stories)	N/A	904	\$1,275	\$8	Market	No	0	N/A	N/A	AVG*
1.5	1	Garden (3 stories)	N/A	904	\$1,305	\$8	Market	No	0	N/A	N/A	HIGH
1.5	1	Garden (3 stories)	N/A	904	\$1,245	\$8	Market	No	0	N/A	N/A	LOW
2	2	Garden (3 stories)	N/A	1,133	\$1,410	\$8	Market	No	5	N/A	N/A	AVG*
2	2	Garden (3 stories)	N/A	1,133	\$1,485	\$8	Market	No	0	N/A	N/A	HIGH
2	2	Garden (3 stories)	N/A	1,133	\$1,335	\$8	Market	No	0	N/A	N/A	LOW
3	2	Garden (3 stories)	N/A	1,314	\$1,723	\$8	Market	No	3	N/A	N/A	AVG*
3	2	Garden (3 stories)	N/A	1,314	\$1,785	\$8	Market	No	0	N/A	N/A	HIGH
3	2	Garden (3 stories)	N/A	1,314	\$1,660	\$8	Market	No	0	N/A	N/A	LOW

River Falls, continued

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,215 - \$1,245	\$8	\$1,207 - \$1,237	\$81	\$1,288 - \$1,318
1.5BR / 1BA	\$1,245 - \$1,305	\$8	\$1,237 - \$1,297	\$81	\$1,318 - \$1,378
2BR / 2BA	\$1,335 - \$1,485	\$8	\$1,327 - \$1,477	\$106	\$1,433 - \$1,583
3BR / 2BA	\$1,660 - \$1,785	\$8	\$1,652 - \$1,777	\$146	\$1,798 - \$1,923

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Ceiling Fan	Garbage Disposal		
Microwave	Oven		
Refrigerator	Vinyl Plank Flooring		
Walk-In Closet	Washer/Dryer hookup		
Property		Premium	Other
Business Center/Computer Lab	Car Wash	None	None
Clubhouse/Meeting Room/Community	Exercise Facility		
Garage(\$150.00)	Central Laundry		
Off-Street Parking	On-Site Management		
Playground	Swimming Pool		

Comments

The contact noted that the rents range due to floor level; first floor are the most expensive, and the second floor are the least expensive. The contact reported that garage parking is available for an additional fee of \$150 per month. The property does not accept Housing Choice Vouchers.

River Falls, continued

Trend Report

Vacancy Rates

3Q17	4Q23
1.7%	5.6%

Trend: Market

1.5BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	3	N/A	\$942 - \$1,161	\$0	\$942 - \$1,161	\$1,023 - \$1,242
2023	4	N/A	\$1,245 - \$1,305	\$8	\$1,237 - \$1,297	\$1,318 - \$1,378

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	3	N/A	\$857 - \$1,108	\$0	\$857 - \$1,108	\$938 - \$1,189
2023	4	N/A	\$1,215 - \$1,245	\$8	\$1,207 - \$1,237	\$1,288 - \$1,318

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	3	N/A	\$1,159 - \$1,471	\$0	\$1,159 - \$1,471	\$1,265 - \$1,577
2023	4	N/A	\$1,335 - \$1,485	\$8	\$1,327 - \$1,477	\$1,433 - \$1,583

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	3	N/A	\$1,261 - \$1,356	\$0	\$1,261 - \$1,356	\$1,407 - \$1,502
2023	4	N/A	\$1,660 - \$1,785	\$8	\$1,652 - \$1,777	\$1,798 - \$1,923

Trend: Comments

3Q17	The contact reported typical occupancy above 95%, the local housing market is busiest Apr-Oct, and is generally tightening. Contact was unable to provide total units per bedroom type. The property does not accept Housing Choice Vouchers.
4Q23	The contact noted that the rents range due to floor level; first floor are the most expensive, and the second floor are the least expensive. The contact reported that garage parking is available for an additional fee of \$150 per month. The property does not accept Housing Choice Vouchers.

Photos



PROPERTY PROFILE REPORT

The Bradford

Effective Rent Date	10/25/2023
Location	1102 West Poinsett Street Greer, SC 29650 Greenville County
Distance	6.4 miles
Units	88
Vacant Units	4
Vacancy Rate	4.5%
Type	Garden (2 stories)
Year Built/Renovated	1972 / 2023
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Taylor Crossing, Highland Ridge, Hampton Forest
Tenant Characteristics	Mostly families from the Greer, Greenville area, 10 percent seniors
Contact Name	Margaret
Phone	864-877-2176



Market Information

Program	Market
Annual Turnover Rate	34%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within a month.
Annual Chg. in Rent	Inc. 8% - 15% annually since 2Q2019
Concession	None
Waiting List	None

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	16	780	N/A	\$0	Market	No	0	0.0%	N/A	None
2	1	Garden (2 stories)	60	900	\$1,225	\$0	Market	No	3	5.0%	N/A	None
3	1.5	Garden (2 stories)	12	1,080	\$1,399	\$0	Market	No	1	8.3%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	N/A	\$0	N/A	\$64	N/A
2BR / 1BA	\$1,225	\$0	\$1,225	\$89	\$1,314
3BR / 1.5BA	\$1,399	\$0	\$1,399	\$129	\$1,528

The Bradford, continued

Amenities

In-Unit		Security	Services
Blinds	Carpeting	None	None
Central A/C	Coat Closet		
Dishwasher	Ceiling Fan		
Garbage Disposal	Oven		
Refrigerator	Vinyl Plank Flooring		
Washer/Dryer hookup			
Property		Premium	Other
Central Laundry	Off-Street Parking	None	None
On-Site Management	Pet Park		
Picnic Area	Playground		
Swimming Pool			

Comments

The property does not accept Housing Choice Vouchers.

The Bradford, continued

Trend Report

Vacancy Rates

4Q07	2Q10	2Q19	4Q23
2.3%	2.3%	2.3%	4.5%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	4	12.5%	\$460	\$0	\$460	\$524
2010	2	6.2%	\$450	\$0	\$450	\$514
2019	2	0.0%	\$675	\$0	\$675	\$739
2023	4	0.0%	N/A	\$0	N/A	N/A

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	4	N/A	\$475 - \$525	\$0	\$475 - \$525	\$564 - \$614
2010	2	N/A	\$480 - \$525	\$0	\$480 - \$525	\$569 - \$614
2019	2	3.3%	\$775	\$0	\$775	\$864
2023	4	5.0%	\$1,225	\$0	\$1,225	\$1,314

3BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	4	0.0%	\$585	\$0	\$585	\$714
2010	2	0.0%	\$600	\$0	\$600	\$729
2019	2	0.0%	\$875	\$0	\$875	\$1,004
2023	4	8.3%	\$1,399	\$0	\$1,399	\$1,528

Trend: Comments

4Q07 N/A

2Q10 Vacancy at the time of interview reflected the standard for the property. HCV tenants were not accepted at the time. Rental range for two-bedroom units is based on the presence of upgrades.

2Q19 The property does not accept Housing Choice Vouchers. The contact stated that demand for rental housing in the area is high.

4Q23 The property does not accept Housing Choice Vouchers.

Photos



PROPERTY PROFILE REPORT

The Preserve At West View

Effective Rent Date	10/25/2023
Location	201 Kramer Court Greer, SC 29650 Greenville County
Distance	6.5 miles
Units	216
Vacant Units	11
Vacancy Rate	5.1%
Type	Garden (3 stories)
Year Built/Renovated	2009 / 2023
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Westchase Apartments
Tenant Characteristics	Mixed tenancy; students
Contact Name	Sonia
Phone	864-527-7384



Market Information

Program	Market
Annual Turnover Rate	50%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within three weeks
Annual Chg. in Rent	Inc. 8% - 14% annually since 3Q2020
Concession	None
Waiting List	None

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	not included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	N/A	723	\$1,020	\$0	Market	No	N/A	N/A	N/A	None
1	1	Garden (3 stories)	N/A	827	N/A	\$0	Market	No	N/A	N/A	N/A	None
1.5	1	Garden (3 stories)	N/A	830	\$1,055	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (3 stories)	N/A	1,034	\$1,270	\$0	Market	No	N/A	N/A	N/A	None
2.5	2	Garden (3 stories)	N/A	1,122	\$1,355	\$0	Market	No	N/A	N/A	N/A	None
3	2	Garden (3 stories)	N/A	1,321	\$1,515	\$0	Market	No	N/A	N/A	N/A	None
3.5	2	Garden (3 stories)	N/A	1,323	\$1,525	\$0	Market	No	N/A	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,020	\$0	\$1,020	\$81	\$1,101
1.5BR / 1BA	\$1,055	\$0	\$1,055	\$81	\$1,136
2BR / 2BA	\$1,270	\$0	\$1,270	\$106	\$1,376
2.5BR / 2BA	\$1,355	\$0	\$1,355	\$106	\$1,461
3BR / 2BA	\$1,515	\$0	\$1,515	\$146	\$1,661
3.5BR / 2BA	\$1,525	\$0	\$1,525	\$146	\$1,671

The Preserve At West View, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	In-Unit Alarm	None
Carpeting	Central A/C	Patrol	
Coat Closet	Dishwasher		
Exterior Storage	Ceiling Fan		
Garbage Disposal	Microwave		
Oven	Refrigerator		
Tile Flooring	Walk-In Closet		
Washer/Dryer			
Property		Premium	Other
Basketball Court	Business Center/Computer Lab	None	Dog Park, Package Service
Car Wash	Clubhouse/Meeting Room/Community		
Exercise Facility	Central Laundry		
Off-Street Parking	On-Site Management		
Picnic Area	Playground		
Sport Court	Swimming Pool		
Wi-Fi			

Comments

The property is renovating units as they turn over. The rents provided are for renovated units. The scope of renovations include new paint, granite countertops, appliances, light fixtures, and new flooring throughout the unit. In-unit alarms are provided, but tenants must pay to activate service. A breakdown of vacancies by unit type was unavailable. The property does not accept Housing Choice Vouchers.

The Preserve At West View, continued

Trend Report

Vacancy Rates

1Q18	2Q19	3Q20	4Q23
6.5%	0.5%	7.4%	5.1%

Trend: Market

1.5BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2023	4	N/A	\$1,055	\$0	\$1,055	\$1,136

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	1	N/A	\$810 - \$890	\$33	\$777 - \$857	\$858 - \$938
2019	2	N/A	\$835 - \$915	\$0	\$835 - \$915	\$916 - \$996
2020	3	N/A	\$830 - \$915	\$40	\$790 - \$875	\$871 - \$956
2023	4	N/A	\$1,020	\$0	\$1,020	\$1,101

2.5BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2023	4	N/A	\$1,355	\$0	\$1,355	\$1,461

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	1	N/A	\$950 - \$1,015	\$33	\$917 - \$982	\$1,023 - \$1,088
2019	2	N/A	\$975 - \$1,030	\$0	\$975 - \$1,030	\$1,081 - \$1,136
2020	3	N/A	\$975 - \$1,030	\$40	\$935 - \$990	\$1,041 - \$1,096
2023	4	N/A	\$1,270	\$0	\$1,270	\$1,376

3.5BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2023	4	N/A	\$1,525	\$0	\$1,525	\$1,671

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	1	N/A	\$1,115 - \$1,125	\$33	\$1,082 - \$1,092	\$1,228 - \$1,238
2019	2	N/A	\$1,110 - \$1,120	\$0	\$1,110 - \$1,120	\$1,256 - \$1,266
2020	3	N/A	\$1,110 - \$1,120	\$40	\$1,070 - \$1,080	\$1,216 - \$1,226
2023	4	N/A	\$1,515	\$0	\$1,515	\$1,661

Trend: Comments

1Q18	Washers and dryers are available for an additional \$25 per month. In-unit alarms are provided, but tenants must pay to activate service. The contact was unable to comment on the vacancy breakdown by unit type. The contact said that the elevated vacancy rate is due to the time of the year as winter leasing is slow. However, the contact expects most vacancies to be filled come spring.
2Q19	The property does not accept Housing Choice Vouchers. In-unit alarms are provided, but tenants must pay to activate service. The contact stated that demand for rental housing in the area is high.
3Q20	The property does not accept Housing Choice Vouchers. In-unit alarms are provided, but tenants must pay to activate service. A breakdown of vacancies by unit type was unavailable. The contact stated the property was only slightly affected by the pandemic and that demand for rental housing in the area is high.
4Q23	The property is renovating units as they turn over. The rents provided are for renovated units. The scope of renovations include new paint, granite countertops, appliances, light fixtures, and new flooring throughout the unit. In-unit alarms are provided, but tenants must pay to activate service. A breakdown of vacancies by unit type was unavailable. The property does not accept Housing Choice Vouchers.

Photos



PROPERTY PROFILE REPORT

Westchase Apartments

Effective Rent Date	10/23/2023
Location	439 S Buncombe Road Greer, SC 29650 Greenville County
Distance	6.5 miles
Units	192
Vacant Units	5
Vacancy Rate	2.6%
Type	Garden (3 stories)
Year Built/Renovated	2001 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Regency at Chandler Park and Preserve at West View
Tenant Characteristics	None identified
Contact Name	Kaitlyn
Phone	864-968-9187



Market Information

Program	Market
Annual Turnover Rate	58%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within one month
Annual Chg. in Rent	Inc. 6% - 8% annually since 2Q2019
Concession	None
Waiting List	None

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	48	808	\$1,065	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (3 stories)	48	1,050	\$1,195	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (3 stories)	48	1,147	\$1,225	\$0	Market	No	N/A	N/A	N/A	None
3	2	Garden (3 stories)	48	1,220	\$1,390	\$0	Market	No	N/A	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,065	\$0	\$1,065	\$0	\$1,065
2BR / 2BA	\$1,195 - \$1,225	\$0	\$1,195 - \$1,225	\$0	\$1,195 - \$1,225
3BR / 2BA	\$1,390	\$0	\$1,390	\$0	\$1,390

Westchase Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Patrol	None
Carpeting	Central A/C	Video Surveillance	
Coat Closet	Dishwasher		
Exterior Storage(\$35.00)	Ceiling Fan		
Fireplace	Garbage Disposal		
Oven	Refrigerator		
Vaulted Ceilings	Walk-In Closet		
Washer/Dryer hookup			
Property		Premium	Other
Car Wash	Clubhouse/Meeting Room/Community	None	Dog Park, Package Service
Exercise Facility	Garage(\$135.00)		
Central Laundry	Off-Street Parking		
On-Site Management	Picnic Area		
Playground	Swimming Pool		

Comments

Detached garages are available for an additional fee of \$135 per month. Storage is available for a fee of \$35 per month. All units have washer/dryer connections and tenants have the option to rent washers for a monthly fee of \$50. The contact could not provide a breakdown of vacant units by unit type. The property does not accept Housing Choice Vouchers.

Westchase Apartments, continued

Trend Report

Vacancy Rates

4Q17	1Q18	2Q19	4Q23
9.4%	0.5%	0.0%	2.6%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	4	N/A	\$809	\$0	\$809	\$809
2018	1	0.0%	\$809	\$0	\$809	\$809
2019	2	0.0%	\$860	\$0	\$860	\$860
2023	4	N/A	\$1,065	\$0	\$1,065	\$1,065

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	4	N/A	\$909 - \$939	\$0	N/A	N/A
2018	1	0.0%	\$909 - \$939	\$0	\$909 - \$939	\$909 - \$939
2019	2	0.0%	\$959 - \$979	\$0	\$959 - \$979	\$959 - \$979
2023	4	N/A	\$1,195 - \$1,225	\$0	\$1,195 - \$1,225	\$1,195 - \$1,225

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	4	N/A	\$1,009	\$0	N/A	N/A
2018	1	2.1%	\$1,009	\$0	\$1,009	\$1,009
2019	2	0.0%	\$1,060	\$0	\$1,060	\$1,060
2023	4	N/A	\$1,390	\$0	\$1,390	\$1,390

Trend: Comments

4Q17	Contact said that there is an annual turnover rate of 58 percent, however for the 12 months preceding December 2017, they have kept their occupancy rate at 98 percent. Contact also stated that the Greer sub-market is very stable, and in fact believes there is a housing shortage.
1Q18	The contact indicated the property typically maintains a vacancy rate of two percent or less. The contact also stated that the Greer submarket is very stable and believes there is a housing shortage.
2Q19	The property does not accept Housing Choice Vouchers. Garages, exterior storage, and washers and dryers are available to tenants for \$100, \$25, and \$40, respectively. The contact also stated that the Greer submarket is very stable and believes there is a housing shortage.
4Q23	Detached garages are available for an additional fee of \$135 per month. Storage is available for a fee of \$35 per month. All units have washer/dryer connections and tenants have the option to rent washers for a monthly fee of \$50. The contact could not provide a breakdown of vacant units by unit type. The property does not accept Housing Choice Vouchers.

Photos



PROPERTY CHARACTERISTICS

Following are relevant characteristics of the comparable properties surveyed:

Location

The following table illustrates the Subject and comparable property demographic data based on a 0.5-mile radius.

LOCATIONAL COMPARISON SUMMARY

#	Property Name	Program	Distance Subject	Household Income	Median Home Value	Median Rent	Crime Index	Walk Score	Vacant Housing	% Renter HH
S	Duncan Village	LIHTC/Section 8		\$43,843	\$287,983	\$1,012	101	32	6.8%	34.4%
1	Avalon Chase Apartments	LIHTC	7.7 miles	\$60,379	\$334,111	\$1,158	134	30	6.0%	39.0%
2	Chandler Ridge*	LIHTC	6.2 miles	\$61,994	\$299,590	\$829	174	18	2.7%	35.7%
3	Parkside At Verdae*	LIHTC	12.7 miles	\$83,318	\$329,814	\$1,047	288	45	14.2%	63.1%
4	Pelham Village*	LIHTC	9.6 miles	\$60,762	\$365,279	\$996	128	6	14.8%	51.3%
5	Willis Trace Townhomes	LIHTC	7.7 miles	\$42,302	\$211,850	\$898	185	39	5.2%	42.5%
6	Willow Crossing	LIHTC	7.8 miles	\$40,628	\$211,850	\$898	185	39	5.6%	45.0%
7	Berry Shoals Apartments Phase I & II	Market	3.7 miles	\$90,738	\$287,983	\$1,012	116	7	2.6%	25.9%
8	Regency At Chandler Park*	Market	5.6 miles	\$56,137	\$334,111	\$1,158	167	34	1.9%	39.3%
9	River Falls	Market	4.2 miles	\$99,709	\$287,983	\$1,012	116	11	21.2%	21.0%
10	The Bradford	Market	6.4 miles	\$38,940	\$334,111	\$1,158	183	60	10.1%	52.3%
11	The Preserve At West View	Market	6.5 miles	\$69,712	\$334,111	\$1,158	179	27	9.0%	38.3%
12	Westchase Apartments	Market	6.5 miles	\$64,192	\$334,111	\$1,158	179	25	9.3%	39.1%

*Located outside PMA

The LIHTC comparables are located between 6.2 and 12.7 miles of the Subject in the communities of Greer, Greenville, and Spartanburg. The LIHTC properties located in Greer, Avalon Chase and Chandler Ridge, offer generally similar access to locational amenities and employment opportunities, while the remaining LIHTC comparables, located in Greenville and Spartanburg offer slightly superior access to amenities/employment as they are located in higher population areas. However, it should be noted that the Subject is located within close proximity to both Greenville and Spartanburg. All of the market rate comparables are located in Greer and Duncan and offer similar access to amenities, relative to the Subject.

In terms of the demographic data, Avalon Chase and Parkside at Verdae is located in a neighborhood that offers a higher median household income, slightly higher median home value, higher median rents, slightly higher crime rates, and a similar WalkScore and is considered to be slightly superior to the Subject in terms of location. Willis Trace Townhomes and Willow Crossing are located adjacent to one another in a neighborhood that offers a lower median household income, slightly lower median home value, lower median rents, higher crime rates, and a similar WalkScore and are considered to be slightly inferior to the Subject in terms of location. The neighborhoods surrounding the remaining LIHTC comparables are generally considered to be similar to the Subject's neighborhood. All of the market rate comparables are located in neighborhoods that feature similar to higher median household incomes, similar to slightly higher median home values, and similar to higher median rents, and are considered to be slightly superior to superior to the Subject in terms of location.

Age, Condition, and Design

The Subject was originally constructed in 1982 and renovated in 2005 with LIHTC equity, and currently exhibits average condition. The comparables were built between 1972 and 2016, with four reporting subsequent renovations between 2008 and 2023. Based upon our inspection and online photographs, Chalder Ridge exhibits average condition, similar to the Subject, while Regency at Chandler Park, and Westchase Apartments exhibit average to good condition, slightly superior to the Subject. The remaining comparables exhibit good condition, superior to the Subject.

The Subject's units offer a two-story, townhouse-style design, generally similar to the majority of comparables, which all offer two and three-story garden or townhouse-style designs.

DUNCAN VILLAGE APARTMENTS - DUNCAN, SOUTH CAROLINA - APPRAISAL

Amenities

AMENITY MATRIX

	Duncan Village	Avalon Chase Apartments	Chandler Ridge	Parkside At Verdae	Pelham Village	Willis Trace Townhomes	Willow Crossing	Berry Shoals Apartments Phase I & II	Regency At Chandler Park	River Falls	The Bradford	The Preserve At West View	Westchase Apartments
Program	LIHTC/Section 8	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC	Market	Market	Market	Market	Market	Market
Tenancy	Family	Family	Family	Family	Family	Family	Family	Family	Family	Family	Family	Family	Family
Building													
Property Type	Various	Garden	Garden	Garden	Garden	Townhouse	Garden	Garden	Garden	Garden	Garden	Garden	Garden
# Stories	2	3	2	2	3	2	2	3	3	3	2	3	3
Year Built	1982	2014	1998	2012	2012	2016	2012	2004	2005	2008	1972	2009	2001
Year Renovated	2005		2008					2015			2023	2023	
Courtyard	no	no	no	no	no	no	no	yes	no	no	no	no	no
Utility Structure													
Heat	no	no	no	no	no	no	no	no	no	no	no	no	no
Cooking	no	no	no	no	no	no	no	no	no	no	no	no	no
Other Electric	no	no	no	no	no	no	no	no	no	no	no	no	no
Air Conditioning	no	no	no	no	no	no	no	no	no	no	no	no	no
Water Heat	no	no	no	no	no	no	no	no	no	no	no	no	no
Water	yes	no	no	yes	yes	yes	yes	no	no	no	no	no	yes
Sewer	yes	no	no	yes	yes	yes	yes	no	no	no	no	no	yes
Unit													
Balcony	yes	no	yes	yes	yes	yes	yes	yes	no	yes	no	yes	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Carpeting	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Ceiling Fan	yes	no	yes	yes	no	yes	yes	yes	yes	yes	yes	yes	yes
Central/AC	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Coat Closet	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Exterior Storage	no	no	yes	no	no	no	no	yes	no	no	no	yes	yes
Fireplace	no	no	no	no	no	no	no	no	no	no	no	no	yes
Hardwood Floors	no	yes	no	no	no	no	no	no	no	no	no	no	no
Tile Flooring	no	no	no	no	no	no	no	no	no	no	no	yes	no
Vaulted Ceilings	no	no	no	no	no	no	no	no	no	no	no	no	yes
Vinyl Plank Flooring	yes	no	no	yes	yes	no	no	yes	yes	yes	yes	no	no
Walk-In-Closet	no	no	yes	yes	no	no	no	yes	yes	yes	no	yes	yes
Washer / Dryer	no	no	no	no	no	no	no	no	no	no	no	yes	no
W/D Hookups	no	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	no	yes
Kitchen													
Dishwasher	no	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Disposal	no	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Microwave	no	yes	no	yes	yes	no	no	yes	yes	yes	no	yes	no
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Community													
Business Center	yes	yes	no	yes	yes	yes	yes	yes	no	yes	no	yes	no
Central Laundry	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Clubhouse	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	no	yes	yes
Library	no	no	no	no	no	no	no	no	yes	no	no	no	no
On-Site Mgmt	yes	yes	yes	yes	yes	no	yes	yes	yes	yes	yes	yes	yes
Pet Park	no	no	no	no	no	no	no	no	no	no	yes	no	no
WiFi	no	no	no	no	no	no	no	no	no	no	no	yes	no
Recreation													
Basketball Court	no	no	no	no	no	no	no	no	no	no	no	yes	no
Exercise Facility	no	yes	yes	yes	yes	no	no	yes	yes	yes	no	yes	yes
Picnic Area	yes	no	yes	yes	yes	yes	yes	yes	no	no	yes	yes	yes
Playground	yes	yes	yes	yes	yes	yes	yes	yes	no	yes	yes	yes	yes
Sport Court	no	no	no	no	no	no	no	no	no	no	no	yes	no
Swimming Pool	no	no	yes	no	no	no	no	yes	yes	yes	yes	yes	yes
Theatre	no	no	no	no	no	no	no	no	yes	no	no	no	no
Services													
Car Wash	no	no	yes	no	no	no	no	no	yes	yes	no	yes	yes
Security													
In-Unit Alarm	no	no	no	no	no	no	no	no	yes	no	no	yes	no
Limited Access	no	no	no	no	no	yes	yes	no	no	no	no	no	no
Patrol	no	no	no	no	no	no	no	no	yes	no	no	yes	yes
Perimeter Fencing	no	yes	no	no	no	yes	yes	no	no	no	no	no	no
Video Surveillance	no	no	no	yes	no	yes	yes	no	no	no	no	no	yes
Parking													
Garage	no	no	yes	no	no	no	no	yes	no	yes	no	no	yes
Surface	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes

The Subject's unit amenities consist of blinds, balconies/patios, ceiling fans, coat closets, central air conditioning, carpeting, and vinyl plank flooring. Appliances include a refrigerator and a range/oven. The surveyed comparables offer slightly superior unit amenities relative to the Subject, as many offer exterior storage, walk-in closets, dishwashers, and washer/dryer hookups or appliances, though some comparables do not offer ceiling fans or balconies/patios.

The Subject's community amenities consist of a business center, central laundry, a clubhouse, on-site management, picnic areas, and a playground. The majority of the comparables offer property amenities considered slightly superior relative to the Subject, as many offer features such as a fitness centers, car wash stations, swimming pools, or sports courts, none of which are offered by the Subject.

The Subject offers 95 off-street parking spaces, with parking included in the monthly rent, similar to all of the comparables. Further, four of the comparables also offer garage parking for an additional monthly fee ranging from \$75 to \$150. Overall, the Subjects' parking is considered similar to the comparables.

According to ESRI Demographic data, crime indices in the Subject's location are similar to the national average. The subject does not offer any security amenities, similar to five of the comparables. Overall, given the low crime rates and lack of security features in the market, the Subject appears to be market-oriented.

Unit Size

The following table summarizes unit sizes in the market area and provides a comparison of the Subject's unit size and the surveyed average unit sizes in the market.

UNIT SIZE COMPARISON			
Bedroom Type	1BR	2BR	3BR
Subject	613	874	1,109
Average	815	1,076	1,288
Min	655	900	1,080
Max	904	1,150	1,451
Advantage/Disadvantage	-24.8%	-18.8%	-13.9%

The Subject's unit sizes are smaller than the averages among the comparables, with the one-bedroom unit sizes falling below the comparable range. The Subject's one-bedroom units are 24.8 percent smaller than the surveyed average, the Subject's two-bedroom units are 18.8 percent smaller than the surveyed average, and the Subject's three-bedroom units are 13.9 percent smaller than the surveyed average. We have considered the Subject's unit sizes in determining our achievable market rents.

MARKET CHARACTERISTICS

Following are relevant market characteristics for the comparable properties surveyed.

Turnover

The following table illustrates reported turnover for the comparable properties.

TURNOVER			
Property Name	Program	Tenancy	Annual Turnover
Avalon Chase Apartments	LIHTC	Family	8%
Chandler Ridge*	LIHTC	Family	26%
Parkside At Verdae*	LIHTC	Family	7%
Pelham Village*	LIHTC	Family	6%
Willis Trace Townhomes	LIHTC	Family	7%
Willow Crossing	LIHTC	Family	7%
Berry Shoals Apartments Phase I & II	Market	Family	35%
Regency At Chandler Park*	Market	Family	50%
River Falls	Market	Family	35%
The Bradford	Market	Family	34%
The Preserve At West View	Market	Family	50%
Westchase Apartments	Market	Family	58%
Average Turnover			27%

*Located outside PMA

The comparable properties reported turnover ranging between six and 58 percent, with an overall average of 27 percent. The LIHTC comparables operate with an average turnover rate of ten percent, which is well below the 44 percent average reported by the market rate properties. Based on the performance of the LIHTC comparables, we expect the Subject will operate with a turnover rate of approximately 10 percent.

Vacancy Levels

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

OVERALL VACANCY						
Property Name	Program	Tenancy	Total Units	Vacant Units	Vacancy %	
Avalon Chase Apartments	LIHTC	Family	42	2	4.8%	
Chandler Ridge*	LIHTC	Family	152	0	0.0%	
Parkside At Verdae*	LIHTC	Family	56	1	1.8%	
Pelham Village*	LIHTC	Family	60	3	5.0%	
Willis Trace Townhomes	LIHTC	Family	28	1	3.6%	
Willow Crossing	LIHTC	Family	48	4	8.3%	
Berry Shoals Apartments Phase I & II	Market	Family	248	12	4.8%	
Regency At Chandler Park*	Market	Family	138	3	2.2%	
River Falls	Market	Family	232	13	5.6%	
The Bradford	Market	Family	88	4	4.5%	
The Preserve At West View	Market	Family	216	11	5.1%	
Westchase Apartments	Market	Family	192	5	2.6%	
LIHTC Total			386	11	2.8%	
Market Total			1,114	48	4.3%	
Overall Total			1,500	59	3.9%	

*Located outside PMA

The comparable properties reported vacancy rates ranging from zero to 8.6 percent, with an overall weighted average of 4.6 percent. Managers at one of the six LIHTC properties reported being fully occupied. The average vacancy rate reported by the affordable comparables was 2.8 percent, below the 4.6 percent weighted average reported by the market rate properties. It should be noted that the vacancy rates at some of the LIHTC properties (Avalon Chase, Pelham Village, Willow Crossing) appear to be slightly elevated; however, this can generally be attributed to the properties' small development sizes as they only reported two, three, and four vacant units, respectively. Further, Avalon Chase reported that both of its vacant units are pre-leased, and Pelham Village reported two of its three vacant units are pre-leased, while Willow Crossing reported that the property is filling vacant units through its extensive waitlist. All of the market rate properties reported vacancy rates of 6.0 percent or less.

The Subject was 86.0 percent occupied according to the rent roll dated October 12, 2023. According to historical financial statements, the Subject's annual vacancy and collection loss was 2.3, 3.5, and 14.4 percent in 2020, 2021, and 2022, respectively. According to the client, some of the Subject's units were down due to deferred maintenance at the time of acquisition in July 2023. The client indicated that contractors were difficult to find since the acquisition ; however, work on these units is expected to be completed by December 2023 and the Subject is expected to return to vacancy levels in line with the 2020 and 2021 historical data. Taking this data into consideration, as well as the Subject's historical data, we anticipate a vacancy and collection loss of three percent in the restricted scenario as stabilized. We have utilized a vacancy rate of five percent in the unrestricted scenario, inclusive of collection loss, given the performance of the market rate comparables and typical market experience.

Concessions

Two of the market rate comparables reported offering a one-time concession of \$100 off the first month of rent. With limited concessions present in the market, we do not believe that the Subject would need to offer concessions to be competitive both as restricted and hypothetically unrestricted.

Projected Absorption Period

We analyzed absorption information from five new properties located within the surrounding area, detailed in the following table.

ABSORPTION							
Property Name	Program	Tenancy	City	Year	Total Units	Absorption (units/month)	Distance to Subject
Parkside At Butler I	LIHTC	Family	Mauldin	2023	72	12	12.2 miles
The Aster	Market	Family	Mauldin	2021	330	34	14.1 miles
Pleasantburg Senior	LIHTC	Senior	Greenville	2020	38	38	14.8 miles
Waterleaf At Keys Crossing	Market	Family	Greenville	2020	241	29	12.1 miles
Legacy Haywood	Market	Family	Greenville	2020	244	28	13.2 miles
Average Affordable					55	25	
Average Market					272	30	
Overall Average					185	28	

If the Subject was completely vacant, we would expect the property should experience a brief lease-up period due to the sustained demand for good quality affordable housing in the PMA. The affordable properties detailed above reported absorption rates ranging from 12 to 38 units per month, with an average of 25 units per month; however, these properties are located in Greenville and Mauldin, which are slightly superior to Duncan. Overall, we have concluded to an absorption rate of approximately 15 units per month. Assuming the Subject was completely vacant, we believe that the Subject would experience an absorption period of approximately three to four months to reach a stabilized occupancy rate. This is considered largely hypothetical as the Subject's current tenants are expected to remain income-eligible to remain at the property post-renovation. According to the rent roll dated October 12, 2023, the Subject is currently 14.0 percent vacant.

Overall, we believe the Subject would reach a stabilized occupancy rate in less than one month assuming its current operations. It should also be noted that the Subject maintains waiting list of approximately two years in length for each bedroom type.

Reasonability of Rents

The following table illustrates the current contract and tenant-paid rents at the Subject, based on the rent roll provided, dated October 12, 2023.

RENT ROLL ANALYSIS (10/12/2023)

Unit Type	Unit Size (SF)	Number of Units	Contract Rent*	Minimum Tenant Paid Rent	Maximum Tenant-Paid Rent	Average Tenant-Paid Rent	Vacant Units	Vacancy Rate
1BR / 1BA	613	18	\$711	\$163	\$711	\$461	2	11.1%
2BR / 1.5 BA	874	26	\$825	\$0	\$825	\$589	5	19.2%
3BR / 1.75BA	1,109	6	\$988	\$0	\$988	\$682	0	0.0%
Total		50					7	14.0%

*Based on rent schedule, effective 12/1/2022

Achievable Market Rents As Is

The achievable market rents were determined by comparing the aesthetic quality, amenities, unit sizes, etc. to that of the market rate projects in the area. Novogradac Consulting concluded that the Subject will be competitive with the market rate competition; as such, achievable rents are within the market rental range. The following illustrates the RCS grids utilized to determine the Subject's achievable market rents, as is.

Subject FHA#: -

Subject		Comparable #7		Comparable #8		Comparable #9		Comparable #11		Comparable #12		
Duncan Village		Data	Berry Shoals Apartments Phase I & II		Regency At Chandler Park		River Falls		The Preserve At West View		Westchase Apartments	
100 Duncan Street		on	200 Tralee Drive		101 Chandler Road		105 Churchill Falls Dr		201 Kramer Court		439 S Buncombe Road	
Duncan, Spartanburg County, SC		Subject	Duncan, Spartanburg County, SC		Greer, Greenville County, SC		Duncan, Spartanburg County, SC		Greer, Greenville County, SC		Greer, Greenville County, SC	
A.	Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?		\$1,145	N	\$900	N	\$1,215	N	\$1,020	N	\$1,065	N
2	Date Last Leased (mo/yr)		Oct-23		Oct-23		Nov-23		Oct-23		Oct-23	
3	Rent Concessions		Y	(\$8)	N		Y	(\$8)	N		N	
4	Occupancy for Unit Type		95%		98%		94%		95%		97%	
5	Effective Rent & Rent/ sq. ft		\$1,137	\$1.49	\$900	\$1.37	\$1,207	\$1.46	\$1,020	\$1.41	\$1,065	\$1.32
B.	Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	T / 2	G / 3		G / 3		G / 3		G / 3		G / 3	
7	Yr. Built / Yr. Renovated	1982 / 2005	2004 / 2015		2005		2008		2009 / 2023		2001	
8	Condition / Street Appeal	A	G	(\$240)	A/G	(\$80)	G	(\$240)	G	(\$240)	A/G	(\$80)
9	Neighborhood	A	G	(\$75)	E	(\$100)	G	(\$75)	E	(\$100)	E	(\$100)
10	Same Market? Miles to Subj.		Y/3.7		Y/5.6		Y/4.2		Y/6.5		Y/6.5	
C.	Unit Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	1.0	1.0		1.0		1.0		1.0		1.0	
12	# Bathrooms	1.0	1.0		1.0		1.0		1.0		1.0	
13	Unit Interior Sq. Ft.	613	764	(\$68)	655	(\$17)	828	(\$95)	723	(\$47)	808	(\$77)
14	Balcony / Patio	Y	Y		N	\$10	Y		Y		Y	
15	AC: Central / Wall	C	C		C		C		C		C	
16	Range / Refrigerator	R / F	R / F		R / F		R / F		R / F		R / F	
17	Microwave / Dishwasher	N	M / D	(\$10)	M / D	(\$10)	M / D	(\$10)	M / D	(\$10)	D	(\$10)
18	Washer / Dryer	L	L / HU	(\$10)	L / HU	(\$10)	L / HU	(\$10)	L / WD	(\$35)	L / HU	(\$10)
19	Floor Coverings	C / V	C / V		C / V		C / V		C / TF		C	
20	Window Coverings	B	B		B		B		B		B	
21	Cable / Satellite / Internet	N	N		N		N		N		N	
22	Special Features	CF	CF / GD / WIC	(\$10)	CF / GD / Lib / WIC	(\$15)	CF / GD / WIC	(\$10)	CF / GD / WIC / WiFi	(\$15)	CF / GD / F / VC / WIC	(\$20)
D.	Site Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	L	L / G(\$120)		L		L / G(\$150)		L		L / G(\$135)	
25	Extra Storage	N	Y	(\$10)	N		N		Y	(\$10)	Y (\$35)	(\$10)
26	Security	N	N		Y	(\$5)	N		Y	(\$5)	Y	(\$5)
27	Clubhouse / Meeting Rooms	MR	MR		MR		MR		MR		MR	
28	Pool / Recreation Areas	RR	P / E / RRR	(\$20)	P / E / R	(\$10)	P / E / R	(\$10)	P / E / RRRR	(\$25)	P / E / RR	(\$15)
29	Business Ctr / Nbhd Network	BC	BC		N	\$10	BC		BC		N	\$10
30	Service Coordination	N	N		N		N		N		N	
31	Non-shelter Services	N	N		N		N		N		N	
32	Neighborhood Networks	N	N		N		N		N		N	
E.	Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent? / type)	N / E	N / E		N / E		N / E		N / E		N / E	
34	Cooling (in rent? / type)	N / C	N / C		N / C		N / C		N / C		N / C	
35	Cooking (in rent? / type)	N / E	N / E		N / E		N / E		N / E		N / E	
36	Hot water (in rent? / type)	N / E	N / E		N / E		N / E		N / E		N / E	
37	Other Electric	N	N		N		N		N		N	
38	Cold Water / Sewer	Y / Y	N / N	\$64	N / N	\$64	N / N	\$64	N / N	\$64	Y / Y	
39	Trash / Recycling	Y	N	\$17	Y		N	\$17	N	\$17	Y	
F.	Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D		0	(8)	2	(8)	0	(7)	0	(9)	1	(9)
41	Sum Adjustments B to D			(\$443)	\$20	(\$247)		(\$450)		(\$487)	\$10	(\$327)
42	Sum Utility Adjustments		\$81		\$64		\$81		\$81			
			Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net / Gross Adjustments B to E		(\$362)	\$524	(\$163)	\$331	(\$369)	\$531	(\$406)	\$568	(\$317)	\$337
G.	Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5 + 43)		\$775		\$737		\$838		\$614		\$748	
45	Adj Rent / Last rent			68%		82%		69%		60%		70%
46	Estimated Market Rent	\$740	\$1.21 Estimated Market Rent / Sq. Ft									

OMB Approval # 2502-0507 (exp. 04-30-2021)

Subject		Comparable #7		Comparable #8		Comparable #10		Comparable #11		Comparable #12		
Duncan Village		Data	Berry Shoals Apartments Phase I & II		Regency At Chandler Park		The Bradford		The Preserve At West View		Westchase Apartments	
100 Duncan Street		on	200 Tralee Drive		101 Chandler Road		1102 West Poinsett Street		201 Kramer Court		439 S Buncombe Road	
Duncan, Spartanburg County, SC		Subject	Duncan, Spartanburg County, SC		Greer, Greenville County, SC		Greer, Greenville County, SC		Greer, Greenville County, SC		Greer, Greenville County, SC	
A.	Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?		\$1,325	N	\$1,085	N	\$1,225	N	\$1,270	N	\$1,195	N
2	Date Last Leased (mo/yr)		Oct-23		Oct-23		Oct-23		Oct-23		Oct-23	
3	Rent Concessions		Y	(\$8)	N		N		N		N	
4	Occupancy for Unit Type		95%		98%		95%		95%		97%	
5	Effective Rent & Rent/ sq. ft		\$1,317	\$1.27	\$1,085	\$1.20	\$1,225	\$1.36	\$1,270	\$1.23	\$1,195	\$1.14
B.	Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	T / 2	G / 3		G / 3		G / 2		G / 3		G / 3	
7	Yr. Built / Yr. Renovated	1982 / 2005	2004 / 2015		2005		1972 / 2023		2009 / 2023		2001	
8	Condition / Street Appeal	A	G	(\$300)	A/G	(\$100)	G	(\$300)	G	(\$300)	A/G	(\$100)
9	Neighborhood	A	G	(\$75)	E	(\$100)	E	(\$100)	E	(\$100)	E	(\$100)
10	Same Market? Miles to Subj.		Y/3.7		Y/5.6		Y/6.4		Y/6.5		Y/6.5	
C.	Unit Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	2.0	2.0		2.0		2.0		2.0		2.0	
12	# Bathrooms	1.5	2.0	(\$40)	2.0	(\$40)	1.0	\$40	2.0	(\$40)	2.0	(\$40)
13	Unit Interior Sq. Ft.	874	1,040	(\$63)	904	(\$11)	900	(\$11)	1,034	(\$59)	1,050	(\$60)
14	Balcony / Patio	Y	Y		N	\$10	N	\$10	Y		Y	
15	AC: Central / Wall	C	C		C		C		C		C	
16	Range / Refrigerator	R / F	R / F		R / F		R / F		R / F		R / F	
17	Microwave / Dishwasher	N	M / D	(\$10)	M / D	(\$10)	D	(\$10)	M / D	(\$10)	D	(\$10)
18	Washer / Dryer	L	L / HU	(\$10)	L / HU	(\$10)	L / HU	(\$10)	L / WD	(\$35)	L / HU	(\$10)
19	Floor Coverings	C / V	C / V		C / V		C / V		C / TF		C	
20	Window Coverings	B	B		B		B		B		B	
21	Cable / Satellite / Internet	N	N		N		N		N		N	
22	Special Features	CF	CF / GD / WIC	(\$10)	CF / GD / Lib / WIC	(\$15)	CF / GD / Pet	(\$10)	CF / GD / F / WIC / WiFi	(\$15)	CF / GD / F / VC / WIC	(\$20)
D.	Site Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	L	L / G(\$120)		L		L		L		L / G(\$135)	
25	Extra Storage	N	Y	(\$10)	N		N		Y	(\$10)	Y (\$35)	(\$10)
26	Security	N	N		Y	(\$5)	N		Y	(\$5)	Y	(\$5)
27	Clubhouse / Meeting Rooms	MR	MR		MR		N	\$10	MR		MR	
28	Pool / Recreation Areas	RR	P / E / RRR	(\$20)	P / E / R	(\$10)	P / RR	(\$10)	P / E / RRRR	(\$25)	P / E / RR	(\$15)
29	Business Ctr / Nbhd Network	BC	BC		N	\$10	N	\$10	BC		N	\$10
30	Service Coordination	N	N		N		N		N		N	
31	Non-shelter Services	N	N		N		N		N		N	
32	Neighborhood Networks	N	N		N		N		N		N	
E.	Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent? / type)	N / E	N / E		N / E		N / E		N / E		N / E	
34	Cooling (in rent? / type)	N / C	N / C		N / C		N / C		N / C		N / C	
35	Cooking (in rent? / type)	N / E	N / E		N / E		N / E		N / E		N / E	
36	Hot water (in rent? / type)	N / E	N / E		N / E		N / E		N / E		N / E	
37	Other Electric	N	N		N		N		N		N	
38	Cold Water / Sewer	Y / Y	N / N	\$89	N / N	\$89	N / N	\$89	N / N	\$89	Y / Y	
39	Trash / Recycling	Y	N	\$17	Y		Y		N	\$17	Y	

Rent Comparability Grid

Unit Type: 3BR/1.75BA - Townhouse - 1,109 sf - As Is

OMB Approval # 2502-0507 (exp. 04-30-2021)

Subject FHA#: -

Subject		Comparable #7		Comparable #8		Comparable #10		Comparable #11		Comparable #12		
Duncan Village		Data	Berry Shoals Apartments Phase I & II		Regency At Chandler Park		The Bradford		The Preserve At West View		Westchase Apartments	
100 Duncan Street		on	200 Tralee Drive		101 Chandler Road		1102 West Poinsett Street		201 Kramer Court		439 S Buncombe Road	
Duncan, Spartanburg County, SC		Subject	Duncan, Spartanburg County, SC		Greer, Greenville County, SC		Greer, Greenville County, SC		Greer, Greenville County, SC		Greer, Greenville County, SC	
A.	Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?		\$1,545	N	\$1,275	N	\$1,399	N	\$1,515	N	\$1,390	N
2	Date Last Leased (mo/yr)		Oct-23		Oct-23		Oct-23		Oct-23		Oct-23	
3	Rent Concessions		Y	(\$8)	N		N		N		N	
4	Occupancy for Unit Type		95%		98%		92%		95%		97%	
5	Effective Rent & Rent/ sq. ft		\$1,537	\$1.22	\$1,275	\$0.88	\$1,399	\$1.30	\$1,515	\$1.15	\$1,390	\$1.14
B.	Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	T / 2	G / 3		G / 3		G / 2		G / 3		G / 3	
7	Yr. Built / Yr. Renovated	1982 / 2005	2004 / 2015		2005		1972 / 2023		2009 / 2023		2001	
8	Condition / Street Appeal	A	G	(\$390)	A/G	(\$130)	G	(\$390)	G	(\$390)	A/G	(\$130)
9	Neighborhood	A	G	(\$75)	E	(\$100)	E	(\$100)	E	(\$100)	E	(\$100)
10	Same Market? Miles to Subj.		Y/3.7		Y/5.6		Y/6.4		Y/6.5		Y/6.5	
C.	Unit Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	3.0	3.0		3.0		3.0		3.0		3.0	
12	# Bathrooms	2.0	2.0		2.0		1.5	\$40	2.0		2.0	
13	Unit Interior Sq. Ft.	1,109	1,262	(\$56)	1,451	(\$90)	1,080	\$11	1,321	(\$73)	1,220	(\$38)
14	Balcony / Patio	Y	Y		N	\$10	N	\$10	Y		Y	
15	AC: Central / Wall	C	C		C		C		C		C	
16	Range / Refrigerator	R / F	R / F		R / F		R / F		R / F		R / F	
17	Microwave / Dishwasher	N	M / D	(\$10)	M / D	(\$10)	D	(\$10)	M / D	(\$10)	D	(\$10)
18	Washer / Dryer	L	L / HU	(\$10)	L / HU	(\$10)	L / HU	(\$10)	L / WD	(\$35)	L / HU	(\$10)
19	Floor Coverings	C / V	C / V		C / V		C / V		C / TF		C	
20	Window Coverings	B	B		B		B		B		B	
21	Cable / Satellite / Internet	N	N		N		N		N		N	
22	Special Features	CF	CF / GD / WIC	(\$10)	CF / GD / Lib / WIC	(\$15)	CF / GD / Pet	(\$10)	CF / GD / WIC / WiFi	(\$15)	CF / GD / F / VC / WIC	(\$20)
D.	Site Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	L	L / G(\$120)		L		L		L		L / G(\$135)	
25	Extra Storage	N	Y	(\$10)	N		N		Y	(\$10)	Y (\$35)	(\$10)
26	Security	N	N		Y	(\$5)	N		Y	(\$5)	Y	(\$5)
27	Clubhouse / Meeting Rooms	MR	MR		MR		N	\$10	MR		MR	
28	Pool / Recreation Areas	RR	P / E / RRR	(\$20)	P / E / R	(\$10)	P / RR	(\$10)	P / E / RRRR	(\$25)	P / E / RR	(\$15)
29	Business Ctr / Nbhd Network	BC	BC		N	\$10	N	\$10	BC		N	\$10
30	Service Coordination	N	N		N		N		N		N	
31	Non-shelter Services	N	N		N		N		N		N	
32	Neighborhood Networks	N	N		N		N		N		N	
E.	Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent? / type)	N / E	N / E		N / E		N / E		N / E		N / E	
34	Cooling (in rent? / type)	N / C	N / C		N / C		N / C		N / C		N / C	
35	Cooking (in rent? / type)	N / E	N / E		N / E		N / E		N / E		N / E	
36	Hot water (in rent? / type)	N / E	N / E		N / E		N / E		N / E		N / E	
37	Other Electric	N	N		N		N		N		N	
38	Cold Water / Sewer	Y / Y	N / N	\$129	N / N	\$129	N / N	\$129	N / N	\$129	Y / Y	
39	Trash / Recycling	Y	N	\$17	Y		Y		N	\$17	Y	
F.	Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D		0	(8)	2	(8)	5	(6)	0	(9)	1	(9)
41	Sum Adjustments B to D			(\$581)	\$20	(\$370)	\$81	(\$530)		(\$663)	\$10	(\$338)
42	Sum Utility Adjustments		\$146		\$129		\$129		\$146			
			Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net / Gross Adjustments B to E		(\$435)	\$727	(\$221)	\$519	(\$320)	\$740	(\$517)	\$809	(\$328)	\$348
G.	Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5 + 43)		\$1,102		\$1,054		\$1,079		\$998		\$1,062	
45	Adj Rent / Last rent			72%		83%		77%		66%		76%
46	Estimated Market Rent	\$1,060	\$0.96 Estimated Market Rent / Sq. Ft									

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The Subject's current contract rents fall within the range of the comparable properties after adjustment. The following is our explanation of our determination for market rents.

COMPARABLE PROPERTY RENT SUMMARY

Unit Type	Current Contract Rents	Adjusted Minimum	Adjusted Maximum	Adjusted Average	Market Rents - As Is
1BR/1BA	\$711	\$614	\$838	\$742	\$740
2BR/1.5BA	\$825	\$777	\$933	\$865	\$870
3BR/1.75BA	\$988	\$998	\$1,102	\$1,059	\$1,060

One-Bedroom – As Is

The following table summarizes the adjusted rents for the Subject's one-bedroom unit analysis.

1BR/1BA - TOWNHOUSE - 613 SF									
#7		#8		#9		#11		#12	
Berry Shoals Apartments Phase I & II		Regency At Chandler Park		River Falls		The Preserve At West View		Westchase Apartments	
Duncan, SC		Greer, SC		Duncan, SC		Greer, SC		Greer, SC	
Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
\$775		\$737		\$838		\$614		\$748	
	68%		82%		69%		60%		70%

The adjusted rents among the five comparables ranged from \$614 to \$838, with an average of \$742 and median of \$748. We placed the most reliance on Regency At Chandler Park in the one-bedroom grid, as this property received the least gross, net, and percentage adjustment and offers the most similar unit size. Overall, we determined the Subject's one-bedroom achievable market rent(as-is) to be \$740. Our conclusion is within the range of the comparables and similar to the average and median adjusted rent.

Two-Bedroom – As Is

The following table summarizes the adjusted rents for the Subject's two-bedroom unit analysis.

2BR/1.5BA - TOWNHOUSE - 874 SF									
#7		#8		#10		#11		#12	
Berry Shoals Apartments Phase I & II		Regency At Chandler Park		The Bradford		The Preserve At West View		Westchase Apartments	
Duncan, SC		Greer, SC		Greer, SC		Greer, SC		Greer, SC	
Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
\$885		\$893		\$933		\$777		\$835	
	67%		82%		76%		61%		70%

The adjusted rents among the five comparables ranged from \$777 to \$933, with an average of \$865 and median of \$885. We placed the most reliance on Regency At Chandler Park and Westchase Apartments in the two-bedroom grid, as these properties received the least net, percentage, and gross adjustment. Overall, we determined the Subject's two-bedroom achievable market rent (as-is) to be \$870. Our conclusion is within the range of the comparables and similar to the average and median adjusted rent.

Three-Bedroom – As Is

The following table summarizes the adjusted rents for the Subject's three-bedroom unit analysis.

3BR/1.75BA - TOWNHOUSE - 1,109 SF									
#7		#8		#10		#11		#12	
Berry Shoals Apartments Phase I & II		Regency At Chandler Park		The Bradford		The Preserve At West View		Westchase Apartments	
Duncan, SC		Greer, SC		Greer, SC		Greer, SC		Greer, SC	
Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
\$1,102		\$1,054		\$1,079		\$998		\$1,062	
	72%		83%		77%		66%		76%

The adjusted rents among the five comparables ranged from \$998 to \$1,102, with an average of \$1,059 and median of \$1,062. We placed the most reliance on Westchase Apartments and Regency At Chandler Park in the three-bedroom grid, as these properties received the least gross, net, and percentage adjustment. Overall, we determined the Subject's three-bedroom achievable market rent (as-is) to be \$1,060. Our conclusion is within the range of the comparables and similar to the average and median adjusted rent.

COMPARABLE PROPERTY RENT SUMMARY - AS IS AFTER ADJUSTMENT

Unit Type	Size (SF)	Current Section 8 Contract Rents	Subject's Achievable Market Rent - As Is
1BR/1BA	613	\$711	\$740
2BR/1.5BA	874	\$825	\$870
3BR/1.75BA	1,109	\$988	\$1,060

We have utilized the current contract rents in the restricted scenario as the property is not eligible for mark-up-to-market at this time. The achievable market rents are used in the hypothetical unrestricted scenario.

VI. HIGHEST AND BEST USE

HIGHEST AND BEST USE

Highest and Best Use is defined as: "The reasonably probable and legal use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity."³

Investors continually attempt to maximize profits on invested capital. The observations of investor activities in the area are an indication of that use which can be expected to produce the highest value. The principle of conformity holds, in part, that conformity in use is usually a highly desirable adjunct of real property, since it generally helps create and/or maintains maximum value.

It is to be recognized that in cases where a site has existing improvements on it, the highest and best use may be determined to be different from the existing use. The existing use will continue, however, unless and until land value in its highest and best use exceeds the total value of the property in its existing use. Implied in this definition is that the determination of highest and best use takes into account the contribution of a specific use to the community and community development goals as well as the benefits of that use to individual property owners. The principle of Highest and Best Use may be applied to the site if vacant and to the site as it is improved.

The Highest and Best Use determination is a function of neighborhood land use trends, property size, shape, zoning, and other physical factors, as well as the market environment in which the property must compete. Four tests are typically used to determine the highest and best use of a particular property. Thus, the following areas are addressed.

1. **Physically Possible:** The uses to which it is physically possible to put on the site in question.
2. **Legally Permissible:** The uses that are permitted by zoning and deed restrictions on the site in question.
3. **Feasible Use:** The possible and permissible uses that will produce any net return to the owner of the site.
4. **Maximally Productive:** Among the feasible uses, the use that will produce the highest net return or the highest present worth.

³ Source: Appraisal Institute, The Dictionary of Real Estate Appraisal, 6th ed. (Chicago: Appraisal Institute, 2015).

HIGHEST AND BEST USE AS IF VACANT

Physically Possible

The Subject site is 9.63 acres, or 419,483 square feet, in size. It is comprised of an irregularly-shaped parcel that exhibits gentle rolling topography. The site has limited to good accessibility and visibility, and is not located in a flood plain. The site is considered adequate for a variety of legally permissible uses.

Legally Permissible

According to the City of Duncan Zoning Department, the Subject site is zoned RM-8 (Low-Density Multifamily District). This zoning district allows for duplexes, townhouses, and multifamily uses at a maximum density of eight units per acre. Additionally, the RM-8 district requires, 1.75 parking spaces per unit. The Subject is currently encumbered with a LURA, dated April 7, 2006, that restricts the site to 50 affordable multifamily units. The LURA indicates a total compliance period of 30 years from the effective date of the agreement, consisting of a 15-year compliance period plus a 15-year Extended Use period. Thus, the Subject site is encumbered with the LURA through 2036. Given the physical characteristics, the zoning of the Subject site, and the LURA in place, affordable multifamily use is most likely.

The comparable land sales have densities of 7.9 to 11.7 units per acre, with an average of 8.4 units per acre. Furthermore, we have gathered densities from multifamily developments located near the Subject site, as illustrated in the following table.

NEARBY MULTIFAMILY DENSITIES

Name	Type	Year Built	Total Units	Acres	Density
Hampton Ridge	USDA/Market	1982	54	8.2	6.6
Willis Trace	LIHTC	2016	28	3.7	7.6
Westview Terrace	LIHTC	2023	48	6.1	7.9
River Falls	Market	2008	232	19.8	11.7
Average			91	9.4	8.4

The average density among these recent comparable properties is 8.4 units per acre. Based upon the densities of these properties and the land sales, as well as the zoning of the Subject, and the LURA in place, we believe the Subject site could support a 50-unit multifamily development, if vacant.

Financially Feasible

The cost of the land limits those uses that are financially feasible for the site. Any uses of the Subject site that provide a financial return to the land in excess of the cost of the land are those uses that are financially feasible. The Subject's feasible uses are restricted to those that are allowed by zoning classifications, and are physically possible. As noted in the zoning section, the Subject site could support multifamily development. Based on the Subject's surrounding land uses, the site's physical attributes, the recent development patterns in the area, and the LURA in place, affordable multifamily residential development is most likely, utilizing tax credit equity, favorable financing, and/or other gap subsidies, or as market rate.

Maximally Productive

Based upon our analysis, the maximally productive use of the sites as if vacant would be to construct a 50-unit affordable multifamily development using tax credit equity, favorable financing, and other gap subsidies.

CONCLUSION

Highest and Best Use “As If Vacant”

The Subject’s highest and best use “as if vacant” is to construct a 50-unit affordable multifamily development utilizing tax credit equity or favorable financing.

HIGHEST AND BEST USE “AS IMPROVED”

The Subject property currently operates as a LIHTC/Section 8 multifamily property, and it is in average condition. The property currently generates positive cash flow, and it is not deemed feasible to tear it down for an alternative use. Therefore, the highest and best use of the site, as improved, would be to continue to operate as an affordable multifamily housing development.

VII. APPRAISAL METHODOLOGY

APPRAISAL METHODOLOGY

Contemporary appraisers usually gather and process data according to the discipline of the three approaches to value.

The cost approach consists of a summation of land value and the cost to reproduce or replace the improvements, less appropriate deductions for depreciation. Reproduction cost is the cost to construct a replica of the Subject improvements. Replacement cost is the cost to construct improvements having equal utility.

The sales comparison approach involves a comparison of the appraised property with similar properties that have sold recently. When properties are not directly comparable, sale prices may be broken down into units of comparison, which are then applied to the Subject for an indication of its likely selling price.

The income capitalization approach involves an analysis of the investment characteristics of the property under valuation. The earnings' potential of the property is carefully estimated and converted into an estimate of the property's market value.

Applicability to the Subject Property

The cost approach consists of a summation of land value (as though vacant) and the cost to reproduce or replace the improvements, less appropriate deductions for depreciation. Reproduction cost is the cost to construct a replica of the Subject improvements. Replacement cost is the cost to construct improvements having equal utility. Given the restricted nature of the Subject property and lack of financial feasibility, this valuation technique was not undertaken since we do not believe the approach would yield a reliable indication of value for the Subject property. However, we have provided a land value for the Subject as if vacant.

In the sales comparison approach, we estimate the value of a property by comparing it with similar, recently sold properties in surrounding or competing areas. Inherent in this approach is the principle of substitution, which holds that when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property, assuming that no costly delay is encountered in making the substitution. There is adequate information to use both an EGIM and sales price per unit analyses in valuing the Subject property.

The income capitalization approach requires estimation of the anticipated economic benefits of ownership, gross and net incomes, and capitalization of these estimates into an indication of value using investor yield or return requirements. Yield requirements reflect the expectations of investors in terms of property performance, risk and alternative investment possibilities. The Subject will be an income producing property and this is considered to be the best method of valuation.

VIII. LAND VALUATION

LAND VALUATION

To arrive at an estimated land value for the Subject site, the appraisers have analyzed actual sales of comparable properties in the competitive area.

No two parcels of land are alike; therefore, these sales have been adjusted for various factors including location, size, shape, topography, utility, and marketability. The adjustments made are the result of a careful analysis of market data, as well as interviews with various informed buyers, sellers, real estate brokers, builders and lending institutions. The following pages outline our findings.

The sales comparison approach typically reflects the actions of buyers and sellers in the marketplace and serves as an excellent benchmark as to what a potential buyer would be willing to pay for the Subject property. We researched the subject's market area for recent sales of comparable vacant land. From our research, we selected transactions that represent the most recent competitive alternative sales in the marketplace.

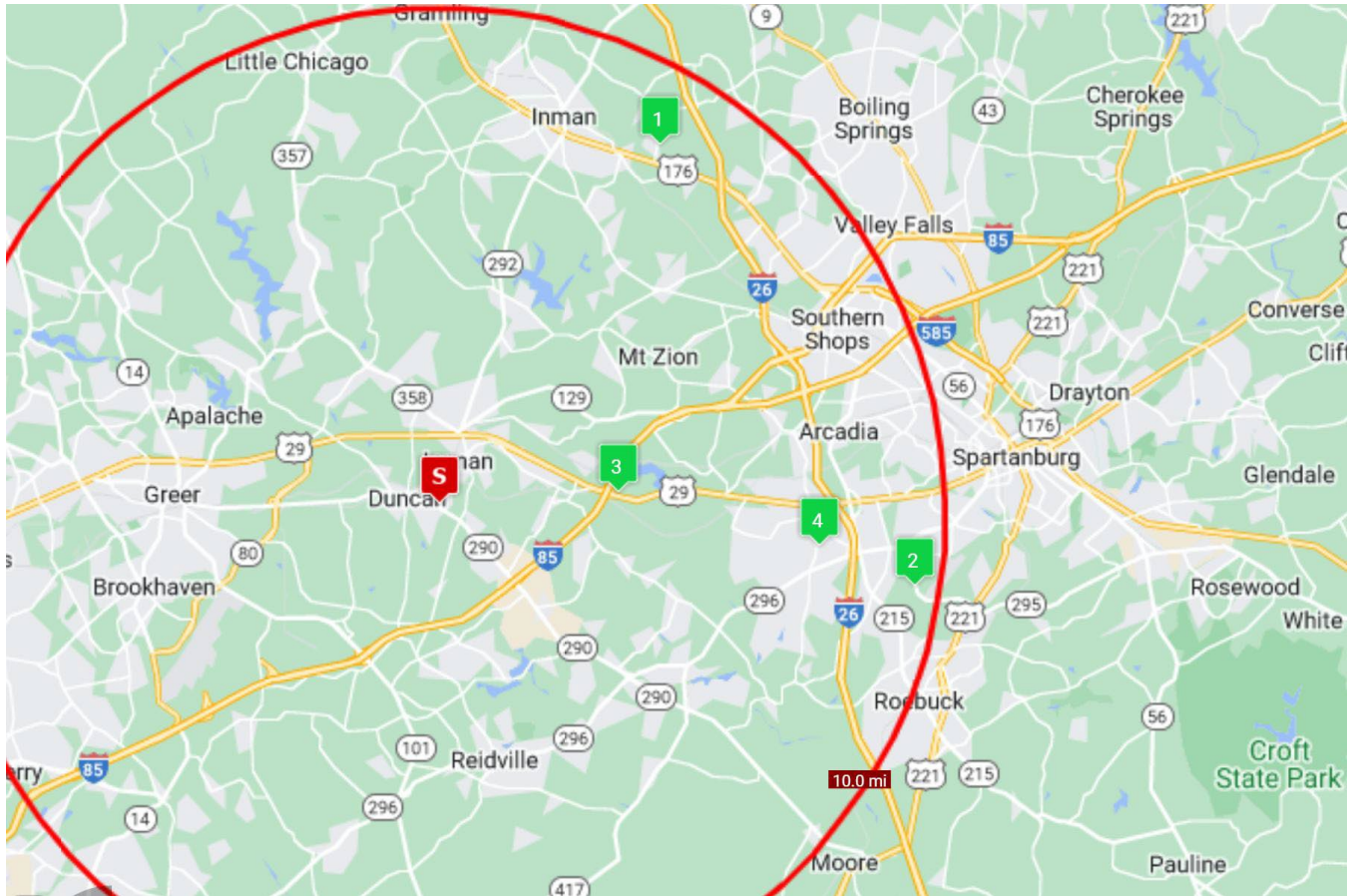
The previous highest and best use analysis concluded multifamily was the most likely type of development. The comparable land sales represent proposed multifamily developments ranging from 48 to 281 units. The following table details the land sale comparables used in our analysis.

COMPARABLE LAND SALES

#	Address	Location	Sale Date	Sale Price	Land Acres	# Units	Price Per Unit
1	NEC Of Jersey Rd & Bishop Rd	Inman, SC	2023-09-20	\$4,475,450	31.1	281	\$15,927
2	250 Southport Rd	Spartanburg, SC	2022-12-20	\$1,800,000	12.3	244	\$7,377
3	10080 Warren H Abernathy Hwy	Wellford, SC	2022-02-03	\$3,600,000	24.0	280	\$12,857
4	175 Westview Falls Terrace	Spartanburg, SC	2021-08-26	\$550,000	6.1	48	\$11,458

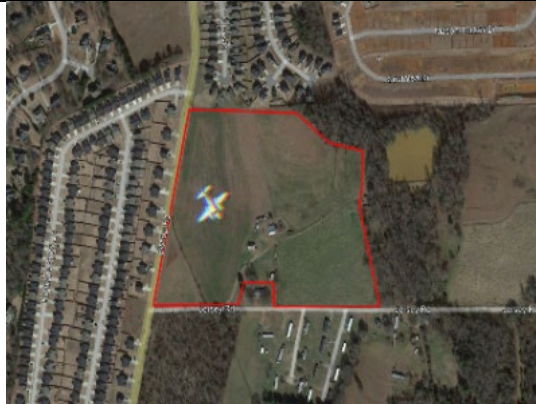
Throughout our conversations with market participants and buyers and sellers of the comparable sales, the respondents indicated that the purchase price is typically based upon a price per unit. This is typical of the local multifamily market and will be used as a basis for analysis; however, per SCSHFDA's QAP, we have also analyzed sales on the basis of price per acre. A location map is presented on the following page.

Comparable Land Sales Map



Google Maps, November 2023

Hartley View



Transaction

Address	NEC Of Jersey Rd & Bishop Rd	Sale Date	Sep/2023
City	Inman	Sale Price	\$4,475,450
State	SC	Sale Status	Closed
Zip	29349	Sale Conditions	None
County	Spartanburg	Rights Conveyed	Fee Simple
Buyer	TruAmerica Multifamily, Inc.	Verification	CoStar, Public Record
Seller	Ramsey Roe		

Site

Land Acres	31.1	Topography	Level
Land Sq Ft	1,354,716	Zoning	Multifamily
Shape	Irregular	Corner	True

Improvements and Ratios

Proposed Units	281	Price \$/Proposed Unit	\$15,927
		Price \$/SF	\$3.30
		Price \$/Acre	\$143,905

Remarks

This parcel of land was developed with a dilapidated 966 square foot single-family home at the time of sale. Novoco has estimated demolition costs at \$5 per square foot. The property was purchased to build a 281-unit market rate development. Construction is anticipated to begin in September 2024 and be completed in June 2025.

Southport Apartment Homes



Transaction			
Address	250 Southport Rd	Sale Date	Dec/2022
City	Spartanburg	Sale Price	\$1,800,000
State	SC	Sale Status	Closed
Zip	29306	Sale Conditions	None
County	Spartanburg	Rights Conveyed	Fee Simple
Buyer	Rozali Inc	Verification	CoStar, Public record
Seller	NAI Earle Furman LLC		
Site			
Land Acres	12.3	Topography	Level
Land Sq Ft	535,788	Zoning	Multifamily
Shape	Irregular	Corner	False
Improvements and Ratios			
Proposed Units	244	Price \$/Proposed Unit	\$7,377
		Price \$/SF	\$3.36
		Price \$/Acre	\$146,341
Remarks			
This parcel of land was vacant at the time of sale. The property was purchased to build a 244-unit market rate development. Construction began in July 2023 and is anticipated to be completed in July 2024.			

Evolve At New Hope



Transaction

Address	10080 Warren H Abernathy Hwy	Sale Date	Feb/2022
City	Wellford	Sale Price	\$3,600,000
State	SC	Sale Status	Closed
Zip	29385	Sale Conditions	None
County	Spartanburg	Rights Conveyed	Fee Simple
Buyer	Evolve Companies	Verification	CoStar, Public record
Seller	BVI Development Corp & Champion Inv		

Site

Land Acres	24.0	Topography	Level
Land Sq Ft	1,045,440	Zoning	Multifamily
Shape	Irregular	Corner	False

Improvements and Ratios

Proposed Units	280	Price \$/Proposed Unit	\$12,857
		Price \$/SF	\$3.44
		Price \$/Acre	\$150,000

Remarks

This parcel of land was improved with a 2,842 square foot single-family house at the time of sale. Novoco has estimated demolition costs at \$5 per square foot. The property was purchased to build a 280-unit market rate development. Construction began in July 2022; however, a completion date was not available.

Westview Terrace



Transaction

Address	175 Westview Falls Terrace	Sale Date	Aug/2021
City	Spartanburg	Sale Price	\$550,000
State	SC	Sale Status	Closed
Zip	29301	Sale Conditions	None
County	Spartanburg	Rights Conveyed	Fee Simple
Buyer	Westview Terrace, LLC	Verification	Buyer, South Carolina State Housing Finance and Development Authority, Public Record
Seller	Dale A Smith & Patricia G Smith		

Site

Land Acres	6.1	Topography	Level
Land Sq Ft	265,716	Zoning	Multifamily
Shape	Irregular	Corner	True

Improvements and Ratios

Proposed Units	48	Price \$/Proposed Unit	\$11,458
		Price \$/SF	\$2.07
		Price \$/Acre	\$90,164

Remarks

The site was improved with two single-family homes at the time of sale, with a combined square footage of approximately 3,631 square feet. Novoco has estimated demolition costs at \$5 per square foot. Westview Terrace was allocated LIHTC in 2020 for the construction of a 48-unit LIHTC development. Construction was recently completed; however, further details were not available.

Explanation of Adjustments

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

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

- Property Rights
- Financing
- Conditions of Sale
- Expenditures Immediately After Purchase
- Market Conditions
- Location
- Zoning/Density
- Shape
- Site Characteristics
- Size/Number of Units

Property Rights

All sales were of fee simple interest; therefore no adjustments are necessary.

Financing

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

Conditions of Sale

This adjustment is used if there are any unusual circumstances surrounding the transactions such as foreclosures, bulk sales, related parties, assemblages, etc. All of the comparable sales are considered to be market-oriented, arms-length transactions. Accordingly, no adjustment is necessary.

Post-Sale Expenditures

Sales 1, 3, and 4 were all improved with single-family homes (varying in size) at the time of sale. According to the Marshall & Swift Handbook, demolition costs for Class C structures generally range from \$4.45 to \$6.75 per square foot. We have estimated total demolition costs at \$5.00 per square foot. As such, an upward adjustment of \$4,980, \$14,120, and \$24,000 were applied to Sales 1, 3, and 4, respectively. The remaining sale did not require expenditures after the sale, and therefore no further adjustments are necessary.

Market Conditions

Real estate values vary over time due to changes in market conditions. The rate of this change fluctuates due to investor's perceptions and responses to prevailing market conditions. This adjustment category reflects market differences occurring between the effective date of the appraisal and the sale date of the comparables, when values have appreciated or depreciated.

The comparable sales occurred between August 2021 and September 2023. Capitalization rates have increased approximately 8.0 percent since the fourth quarter of 2022 (Sale 2), 20.0 percent since the second quarter of 2022 (Sale 3), and 15.0 percent since the third quarter of 2021 (Sale 4). Capitalization rates since the third quarter of 2023 have remained relatively the same. Based on the trend data and our conversations with area market participants, we have applied a downward adjustment of five percent, 20 percent, and 15 percent to Sales 2, 3, and 4, respectively.

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PwC Real Estate Investor Survey - National Apartment Market Overall Capitalization Rate					
Quarter	Cap Rate	Change (pp)	Quarter	Cap Rate	Change (pp)
4Q18	5.16	-	2Q21	4.96	-0.08
1Q19	5.03	-0.13	3Q21	4.59	-0.37
2Q19	5.14	0.11	4Q21	4.42	-0.17
3Q19	5.1	-0.04	1Q22	4.4	-0.02
4Q19	5.15	0.05	2Q22	4.45	0.05
1Q20	5.14	-0.01	3Q22	4.75	0.30
2Q20	5.19	0.05	4Q22	4.89	0.14
3Q20	5.22	0.03	1Q23	5.01	0.12
4Q20	5.22	0.00	2Q23	5.25	0.24
1Q21	5.04	-0.18	3Q23	5.28	0.03

Source: PwC Real Estate Investor Survey, 3Q 2023

Location

Location encompasses a number of issues, including location within different market areas with different supply/demand pressures, the character/condition of surrounding development, access, and visibility. It is important to assess which factors truly impact value for different types of real estate. We have addressed this issue (as well as the remaining elements of comparison) on a comparable-by-comparable basis. The following table illustrates the median household income, median rent, and median home value of the Subject's neighborhood (measured as the zip code) relative to that of the locations of the sales.

LAND SALES - LOCATION COMPARISON												
#	Property Name	City	Zip Code	Walk Score	Median Income	Median Rent	Median Home Value	Walk Score Differential	Income Differential	Rent Differential	Home Value Differential	Average Delta
Subject	Duncan Village	Duncan	29334	32	\$43,843	\$1,537	\$263,003	-	-	-	-	-
1	Hartley View	Inman	29349	6	\$72,288	\$1,193	\$239,114	433.3%	-39.3%	28.8%	10.0%	108.2%
2	Southport Apartment Homes	Spartanburg	29306	29	\$37,212	\$1,100	\$162,193	10.3%	17.8%	39.7%	62.2%	32.5%
3	Evolve At New Hope	Wellford	29385	19	\$54,300	\$1,193	\$196,006	68.4%	-19.3%	28.8%	34.2%	28.0%
4	Westview Terrace	Spartanburg	29301	48	\$53,294	\$1,343	\$193,542	-33.3%	-17.7%	14.4%	35.9%	-0.2%

The Subject is located in Duncan, a somewhat rural/suburban community located approximately 15.3 miles northeast of downtown Greenville and approximately 11.8 miles west of downtown Spartanburg. Land use surrounding the Subject site generally consists of undeveloped, wooded land, residential uses in fair to average condition, educational uses in good condition, and commercial uses in average to good condition. The sale comparables are located in Inman, Spartanburg, and Wellford and all offer generally similar access to locational amenities and employment opportunities, relative to the Subject. Sale 1 is located adjacent to newer construction homes, slightly superior to the Subject's immediate location. Sale 3 is located adjacent to various industrial uses, slightly inferior to the Subject's location.

In terms of demographic data, Sale 1 is located in a neighborhood that exhibits a higher median household income, lower median rent, and similar median home value. Sales 2, 3, and 4 are located in neighborhoods that feature slightly lower to similar median household incomes, lower median rents, and lower to slightly lower median home values. Overall, we have applied a downward adjustment of 15 percent to Sale 1, and an upward adjustment of 20, 15, and 10 percent to Sales 2, 3, and 4, respectively.

Zoning

All of the comparable sites allow for multifamily development. However, the Subject site is encumbered with a LURA, which requires affordable operation. None of the land sales were encumbered with a LURA at the time of sale. Therefore, we applied negative adjustments of 10 percent to all of the sales.

Topography

The land sales appear to exhibit generally level topography; the Subject site exhibits slight rolling topography, but is functional. Thus, no adjustments were warranted.

Shape

The Subject and all of the sales have functional shapes and site characteristics for multifamily development. As such, no adjustments were warranted.

Size (Number of Units)

With respect to size, the general convention is that larger properties tend to sell for less on a per unit basis than smaller properties. Conversely, smaller properties typically sell for more per unit than larger properties. The pool of potential purchasers decreases as property size (and purchase price) increases, effectively reducing competition. The pricing relationship is not linear and certain property sizes, while different, may not receive differing prices based on the grouping within levels. Typically, smaller sites exhibit higher price per unit. As previously indicated in the Highest and Best Use section of this report, the Subject could support 50 total units. Sale 1, 2, and 3 are larger at 281, 244, and 280 units, respectively, while Sale 4 is of a similar size. We applied upward adjustments of 10 percent to Sales 1, 2, and 3.

Land Value Estimate

The land sales grid is presented following:

LAND SALES DATA ADJUSTMENT GRID						
		Subject	1	2	3	4
Property Name		Duncan Village	Hartley View	Southport Apartment Homes	Evolve At New Hope	Westview Terrace
Address		100 Duncan Street	NEC Of Jersey Rd & Bishop Rd	250 Southport Rd	10080 Warren H Abernathy Hwy	175 Westview Falls Terrace
City		Duncan	Inman	Spartanburg	Wellford	Spartanburg
Parcel Data						
Zoning		RM-8	Multifamily	Multifamily	Multifamily	Multifamily
Topography		Gently Rolling	Level	Level	Level	Level
Shape		Irregular	Irregular	Irregular	Irregular	Irregular
Size (SF)		419,483	1,354,716	535,788	1,045,440	265,716
Size (Acres)		9.63	31.10	12.30	24.00	6.10
Units		50	281	244	280	48
Units Per Acre		5.19	9.04	19.84	11.67	7.87
Sales Data						
Date			2023-09-20	2022-12-20	2022-02-03	2021-08-26
Interest			Fee Simple	Fee Simple	Fee Simple	Fee Simple
Price			\$4,475,450	\$1,800,000	\$3,600,000	\$550,000
Price (Per Unit)			\$15,927	\$7,377	\$12,857	\$11,458
Adjustments						
Property Rights			Fee Simple	Fee Simple	Fee Simple	Fee Simple
Adjustment			\$0	\$0	\$0	\$0
			\$4,475,450	\$1,800,000	\$3,600,000	\$550,000
Financing Terms			None	None	None	None
Adjustment			\$0	\$0	\$0	\$0
			\$4,475,450	\$1,800,000	\$3,600,000	\$550,000
Conditions of Sale			None	None	None	None
Adjustment			\$0	\$0	\$0	\$0
			\$4,475,450	\$1,800,000	\$3,600,000	\$550,000
Expenditures After Purchase			996 SF Single-family home	None	2,842 SF Single-family home	4,800 single-family home
Adjustment			\$4,980	\$0	\$14,210	\$24,000
			\$4,480,430	\$1,800,000	\$3,614,210	\$574,000
Market Conditions			1.0	0.95	0.8	0.85
Adjusted Sales Price			\$4,480,430	\$1,710,000	\$2,891,368	\$487,900
Adjusted Price (Per Unit)			\$15,945	\$7,008	\$10,326	\$10,165
Adjustments						
Location			-15.0%	20.0%	15.0%	10.0%
Zoning/Use			-10.0%	-10.0%	-10.0%	-10.0%
Topography			0.0%	0.0%	0.0%	0.0%
Shape			0.0%	0.0%	0.0%	0.0%
Size			10.0%	10.0%	10.0%	0.0%
Overall Adjustment			-15.0%	20.0%	15.0%	0.0%
Adjusted Price (Per Unit)			\$13,553	\$8,410	\$11,875	\$10,165

ADJUSTED SALES (PER UNIT)

Minimum	\$8,410
Maximum	\$13,553
Mean	\$11,001
Median	\$11,020

The sales indicate an adjusted price per unit per unit range of \$8,410 to \$13,553, with a mean of \$11,001 and a median of \$11,020 per unit. Overall, we have concluded to \$11,000 per unit for the value of the land

'As Vacant.' This correlates with an indication of land value as follows: 50 units at \$11,000 per unit, equates to \$550,000.

Per SC Housing QAP Guidelines, we have also concluded to a sale price per acre basis for the Subject. The comparables range from an unadjusted price of \$90,164 to \$150,000 per acre, for an average of \$132,603 per acre. Our concluded value of \$550,000 divided by the 9.63 acres equates to a value of \$57,113 per acre, which is below the range of the sales but considered reasonable when considering the LURA that restricts the site to only 50 units.

LAND VALUE

Scenario	No. of Units/Acres	Value per Unit/ Value per Acre	Indicated Value (Rounded)
Value Per Unit	50	\$11,000	\$550,000
Value Per Acre	9.63	\$57,113	\$550,000

Conclusion of As If Vacant Value

As a result of our investigation and analysis, it our opinion that, subject to the limiting conditions and assumptions contained herein, the estimated value of the underlying land, as if vacant, of the fee simple interest, as of November 9, 2023, is:

**FIVE HUNDRED FIFTY THOUSAND DOLLARS
(\$550,000)**

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

IX. INCOME CAPITALIZATION APPROACH

INCOME CAPITALIZATION APPROACH

Introduction

We were asked to provide several value estimates, including:

- Market value “as is restricted” of the fee simple interest in the property.
- Hypothetical market value “as if unrestricted” of the fee simple interest in the property.

As discussed, we were asked to provide an estimate of the Subject’s value under as restricted as well as hypothetical market rate operation.

The Income Capitalization Approach to value is based upon the premise that the value of an income-producing property is largely determined by the ability of the property to produce future economic benefits. The value of such a property to the prudent investor lies in anticipated annual cash flows and an eventual sale of the property. An estimate of the property’s market value is derived via the capitalization of these future income streams.

The Subject’s “as is” values were determined via the income capitalization approach.

INCOME ANALYSIS

Potential Gross Income

In our search for properties comparable to the Subject, we concentrated on obtaining information on those projects considered similar to the Subject improvements on the basis of location, size, age, condition, design, quality of construction and overall appeal. In our market analysis we provided the results of our research regarding properties considered generally comparable or similar to the Subject.

The potential gross income of the Subject is the total annual income capable of being generated by all sources, including rental revenue and other income sources. The Subject’s potential rental income for the restricted scenario is based upon the Subject’s current contract rents, effective December 1, 2022, while the potential rental income in the hypothetical unrestricted scenario is based upon achievable market rents as derived in the *Supply Section* of this report. The following tables illustrate the potential gross income as restricted and as unrestricted.

POTENTIAL GROSS INCOME ("AS IS RESTRICTED")

Unit Type	Program	# Units	Square Feet	Contract Rent	Monthly Gross Rent	Annual Gross Rent
1BR/1BA	@60% (Section 8)	18	613	\$711	\$12,798	\$153,576
2BR/1.5BA	@60% (Section 8)	26	874	\$825	\$21,450	\$257,400
3BR/1.75BA	@60% (Section 8)	6	1,109	\$988	\$5,928	\$71,136
Total		50			\$40,176	\$482,112

POTENTIAL GROSS INCOME (AS IF UNRESTRICTED")

Unit Type	Program	# Units	Square Feet	Achievable Rent	Monthly Gross Rent	Annual Gross Rent
1BR/1BA	Market	18	613	\$740	\$13,320	\$159,840
2BR/1.5BA	Market	26	874	\$870	\$22,620	\$271,440
3BR/1.75BA	Market	6	1,109	\$1,060	\$6,360	\$76,320
Total		50			\$42,300	\$507,600

Other Income

Miscellaneous income includes fees for late rent fees, damages and cleaning fees and other miscellaneous fees. According to historicals provided by the client, the Subject's "other income" consists of tenant charges, which could include late fees and damages. The comparables indicate other income ranging from \$2 to \$2,161 per unit, with an average of \$1,049. Note that we were not provided with a budgeted figure. We concluded to other income of \$110 per unit. Our conclusion is within the comparable expense range, as well as the Subject historicals.

Vacancy and Collection Loss

As discussed in the Supply Analysis, we anticipate the Subject will maintain a vacancy and collection loss of three percent under the subsidized scenario and five percent assuming unrestricted operations.

EXPLANATION OF EXPENSES

Typical deductions from the calculated Effective Gross Income fall into three categories on real property: fixed, variable, and non-operating expenses. Historical operating expenses of comparable properties were relied upon in estimating the Subject's operating expenses. The comparable data can be found on the following pages.

It is important to note that the projections of income and expenses are based on the basic assumption that the apartment complex will be managed and staffed by competent personnel and that the property will be professionally advertised and aggressively promoted.

Comparable operating expense data was collected from a combination of affordable properties in the area. The following table provides additional information on each of the comparable expense properties.

COMPARABLE EXPENSES						
	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
City	Duncan	Anderson	Greenville	Belton	Travelers Rest	Greenville
Year Built / Renovated	1982 / 2005	1971 / 2018	1986	1980	2007	1985
Structure	Various	Garden	Various	Garden	Garden	Garden
Tenancy	Family	Family	Family	Family	Family	Family
Rent Restrictions	LIHTC/Section 8	Section 8	Market	Section 8	LIHTC	Market

The comparable data was compared to the 2020, 2021, and 2022 historical data for the Subject based on information supplied by the client. It should be noted that we were not provided with a budget.

DUNCAN VILLAGE APARTMENTS - DUNCAN, SOUTH CAROLINA - APPRAISAL

Scenario	NOVOCO Market Value - "As Is Restricted"		NOVOCO Hypothetical Market Value "As Is Unrestricted"		SUBJECT Audited		SUBJECT Audited		SUBJECT Audited	
Property Program Tenancy Statement Type Year City, State Year Built / Renovated Number of Units	Duncan Village - As Proposed LIHTC/Section 8 Family Pro Forma - Duncan, SC 1982 / 2026 50		Duncan Village - As Proposed LIHTC/Section 8 Family Pro Forma - Duncan, SC 1982 / 2026 50		Duncan Village - As Proposed Section 8 Family Audited 2022 Duncan, SC 1982 / 2005 50		Duncan Village - As Proposed Section 8 Family Audited 2021 Duncan, SC 1982 / 2005 50		Duncan Village - As Proposed Section 8 Family Audited 2020 Duncan, SC 1982 / 2005 50	
INCOME CATEGORY	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit
Rental Income	\$482,112	\$9,642	\$507,600	\$10,152	\$470,472	\$9,409	\$461,455	\$9,229	\$453,752	\$9,075
Other Income	\$5,500	\$110	\$5,500	\$110	\$5,281	\$106	\$4,737	\$95	\$5,689	\$114
Vacancy Loss	(\$14,628)	(\$293)	(\$25,655)	(\$513)	(\$68,423)	(\$1,368)	(\$16,349)	(\$327)	(\$10,391)	(\$208)
		3.00%		5.00%		14.38%		3.51%		2.26%
SUBTOTAL	\$472,984	\$9,460	\$487,445	\$9,749	\$407,330	\$8,147	\$449,843	\$8,997	\$449,050	\$8,981
EXPENSE CATEGORY										
ADMINISTRATION										
Professional Fees	\$15,000	\$300	\$12,750	\$255	\$16,599	\$332	\$16,004	\$320	\$15,947	\$319
Other Administrative	\$15,750	\$315	\$15,000	\$300	\$16,873	\$337	\$16,943	\$339	\$16,508	\$330
Advertising/Marketing	\$500	\$10	\$1,000	\$20	\$505	\$10	\$263	\$5	\$591	\$12
SUBTOTAL	\$31,250	\$625	\$28,750	\$575	\$33,977	\$680	\$33,210	\$664	\$33,046	\$661
OPERATING/MAINTENANCE										
Elevator	-	-	-	-	-	-	-	-	-	-
Pest Control	-	-	-	-	-	-	-	-	-	-
Repairs and Supplies	\$15,000	\$300	\$15,000	\$300	\$31,658	\$633	\$16,788	\$336	\$37,677	\$754
Painting & Decorating	-	-	-	-	-	-	-	-	-	-
Trash Removal	\$7,500	\$150	\$7,500	\$150	\$8,361	\$167	\$9,635	\$193	\$7,557	\$151
Security	\$1,500	\$30	\$1,500	\$30	\$2,676	\$54	\$152	\$3	\$299	\$6
Pool and Grounds	-	-	-	-	-	-	-	-	-	-
Contract	\$67,500	\$1,350	\$67,500	\$1,350	\$224,351	\$4,487	\$66,784	\$1,336	\$56,216	\$1,124
SUBTOTAL	\$91,500	\$1,830	\$91,500	\$1,830	\$267,046	\$5,341	\$93,359	\$1,867	\$101,749	\$2,035
UTILITIES										
Heating & Fuel	-	-	-	-	-	-	-	-	-	-
Electricity	\$7,500	\$150	\$7,500	\$150	\$7,872	\$157	\$5,716	\$114	\$5,175	\$104
Gas	\$1,000	\$20	\$1,000	\$20	\$383	\$8	\$1,848	\$37	\$1,460	\$29
Water & Sewer	\$25,000	\$500	\$25,000	\$500	\$25,304	\$506	\$34,128	\$683	\$22,173	\$443
Other Utilities	-	-	-	-	-	-	-	-	-	-
SUBTOTAL	\$33,500	\$670	\$33,500	\$670	\$33,559	\$671	\$41,692	\$834	\$28,808	\$576
PAYROLL										
Repair & Maintenance	\$30,000	\$600	\$30,000	\$600	\$45,293	\$906	\$34,420	\$688	\$37,921	\$758
Payroll	\$30,000	\$600	\$30,000	\$600	\$35,511	\$710	\$41,615	\$832	\$40,737	\$815
Management Payroll	-	-	-	-	-	-	-	-	-	-
Service Coordinator	-	-	-	-	-	-	-	-	-	-
Staff Unit	-	-	-	-	-	-	-	-	-	-
Benefits/Taxes	\$12,200	\$244	\$12,200	\$244	\$17,859	\$357	\$23,977	\$480	\$26,995	\$540
SUBTOTAL	\$72,200	\$1,444	\$72,200	\$1,444	\$98,663	\$1,973	\$100,012	\$2,000	\$105,653	\$2,113
TAXES/INSURANCE										
Real Estate Taxes	-	-	\$56,998	\$1,140	\$36,758	\$735	\$36,738	\$735	\$36,223	\$724
Direct Assessments/Other	\$3,800	\$76	\$3,800	\$76	-	-	-	-	-	-
Insurance	\$36,500	\$730	\$36,500	\$730	\$36,355	\$727	\$32,963	\$659	\$27,073	\$541
SUBTOTAL	\$40,300	\$806	\$97,298	\$1,946	\$73,113	\$1,462	\$69,701	\$1,394	\$63,296	\$1,266
MANAGEMENT FEE	\$18,919	\$378	\$14,623	\$292	\$28,200	\$564	\$28,200	\$564	\$28,200	\$564
		4.00%		3.00%		6.92%		6.27%		6.28%
REPLACEMENT RESERVES	\$15,000	\$300	\$15,000	\$300	\$15,000	\$300	\$15,000	\$300	\$15,000	\$300
Total All Expenses	\$302,669	\$6,053	\$352,872	\$7,057	\$549,558	\$10,991	\$381,174	\$7,623	\$375,752	\$7,515
Total Expenses less TUR	\$250,369	\$5,007	\$243,573	\$4,871	\$464,241	\$9,285	\$287,744	\$5,755	\$295,721	\$5,914

DUNCAN VILLAGE APARTMENTS - DUNCAN, SOUTH CAROLINA - APPRAISAL

Scenario	NOVOCO Market Value - "As Is Restricted"		NOVOCO Hypothetical Market Value "As Is Unrestricted"		COMPARABLE Audited		COMPARABLE Audited		COMPARABLE Audited		COMPARABLE Audited		COMPARABLE Actuals	
Property	Duncan Village - As Proposed		Duncan Village - As Proposed		Confidential		Confidential		Confidential		Confidential		Confidential	
Program	LIHTC/Section 8		LIHTC/Section 8		Section 8		Market		Section 8		LIHTC		Market	
Tenancy	Family		Family		Family		Family		Family		Family		Family	
Statement Type	Pro Forma		Pro Forma		Audited		Audited		Audited		Audited		Actuals	
Year	-		-		2022		2022		2022		2022		2022	
City, State	Duncan, SC		Duncan, SC		Anderson, SC		Greenville, SC		Belton, SC		Travelers Rest, SC		Greenville, SC	
Year Built / Renovated	1982 / 2026		1982 / 2026		1971 / 2018		1986 / 216		1980 / 64		2007 / 36		1985 / 320	
Number of Units	50		50		160		216		64		36		320	
INCOME CATEGORY	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit
Rental Income	\$482,112	\$9,642	\$507,600	\$10,152	\$1,800,298	\$11,252	\$2,569,509	\$11,896	\$750,077	\$11,720	\$342,543	\$9,515	\$3,854,674	\$12,046
Other Income	\$5,500	\$110	\$5,500	\$110	\$147,616	\$923	\$252,722	\$1,170	\$138,310	\$2,161	\$58	\$2	\$316,911	\$990
Vacancy Loss	(\$14,628)	(\$293)	(\$25,655)	(\$513)	(\$32,155)	(\$201)	(\$113,853)	(\$527)	(\$12,973)	(\$203)	(\$15,184)	(\$422)	(\$222,864)	(\$696)
		3.00%		5.00%		1.65%		4.03%		1.46%		4.43%		5.34%
SUBTOTAL	\$472,984	\$9,460	\$487,445	\$9,749	\$1,915,759	\$11,973	\$2,708,378	\$12,539	\$875,414	\$13,678	\$327,417	\$9,095	\$3,948,721	\$12,340
EXPENSE CATEGORY														
ADMINISTRATION														
Professional Fees	\$15,000	\$300	\$12,750	\$255	\$26,174	\$164	-	-	\$17,517	\$274	\$38	\$1	-	-
Other Administrative	\$15,750	\$315	\$15,000	\$300	\$87,981	\$550	-	-	\$29,652	\$463	\$4,136	\$115	-	-
Advertising/Marketing	\$500	\$10	\$1,000	\$20	\$3,401	\$21	-	-	\$386	\$6	\$3,496	\$97	-	-
SUBTOTAL	\$31,250	\$625	\$28,750	\$575	\$117,556	\$735	\$85,996	\$398	\$47,555	\$743	\$7,670	\$213	\$117,348	\$367
OPERATING/MAINTENANCE														
Elevator	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pest Control	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repairs and Supplies	\$15,000	\$300	\$15,000	\$300	\$43,527	\$272	-	-	\$8,772	\$137	-	-	-	-
Painting & Decorating	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trash Removal	\$7,500	\$150	\$7,500	\$150	\$22,994	\$144	-	-	\$5,816	\$91	-	-	-	-
Security	\$1,500	\$30	\$1,500	\$30	\$26,832	\$168	-	-	\$1,324	\$21	-	-	-	-
Pool and Grounds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contract	\$67,500	\$1,350	\$67,500	\$1,350	\$201,214	\$1,258	-	-	\$100,605	\$1,572	-	-	-	-
SUBTOTAL	\$91,500	\$1,830	\$91,500	\$1,830	\$294,567	\$1,841	\$117,097	\$542	\$116,517	\$1,821	\$8,385	\$233	\$417,081	\$1,303
UTILITIES														
Heating & Fuel	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Electricity	\$7,500	\$150	\$7,500	\$150	\$13,890	\$87	-	-	\$4,754	\$74	-	-	-	-
Gas	\$1,000	\$20	\$1,000	\$20	-	-	-	-	\$1,094	\$17	-	-	-	-
Water & Sewer	\$25,000	\$500	\$25,000	\$500	\$142,019	\$888	-	-	\$38,345	\$599	-	-	-	-
Other Utilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SUBTOTAL	\$33,500	\$670	\$33,500	\$670	\$155,909	\$974	\$168,333	\$779	\$44,193	\$691	\$54,536	\$1,515	\$285,136	\$891
PAYROLL														
Repair & Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payroll	\$30,000	\$600	\$30,000	\$600	\$162,422	\$1,015	-	-	\$41,790	\$653	-	-	-	-
Management Payroll	\$30,000	\$600	\$30,000	\$600	\$110,147	\$688	-	-	\$48,969	\$765	-	-	-	-
Service Coordinator	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Staff Unit	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Benefits/Taxes	\$12,200	\$244	\$12,200	\$244	\$60,551	\$378	-	-	\$24,303	\$380	-	-	-	-
SUBTOTAL	\$72,200	\$1,444	\$72,200	\$1,444	\$333,120	\$2,082	\$391,536	\$1,813	\$115,062	\$1,798	\$48,722	\$1,353	\$278,422	\$870
TAXES/INSURANCE														
Real Estate Taxes	-	-	\$56,998	\$1,140	\$97,597	\$610	\$340,606	\$1,577	\$37,531	\$586	\$17,174	\$477	\$265,853	\$831
Direct Assessments/Other	\$3,800	\$76	\$3,800	\$76	-	-	-	-	-	-	-	-	-	-
Insurance	\$36,500	\$730	\$36,500	\$730	\$71,087	\$444	\$75,897	\$351	\$30,707	\$480	\$12,133	\$337	\$116,071	\$363
SUBTOTAL	\$40,300	\$806	\$97,298	\$1,946	\$168,684	\$1,054	\$416,503	\$1,928	\$68,238	\$1,066	\$29,307	\$814	\$381,924	\$1,194
MANAGEMENT FEE	\$18,919	\$378	\$14,623	\$292	\$90,325	\$565	\$81,251	\$376	\$39,328	\$615	\$26,037	\$723	\$138,205	\$432
		4.00%		3.00%		4.71%		3.00%		4.49%		7.95%		3.50%
REPLACEMENT RESERVES	\$15,000	\$300	\$15,000	\$300	\$48,000	\$300	\$64,800	\$300	\$19,200	\$300	\$10,800	\$300	\$96,000	\$300
Total All Expenses	\$302,669	\$6,053	\$352,872	\$7,057	\$1,208,161	\$7,551	\$1,325,516	\$6,137	\$450,093	\$7,033	\$185,457	\$5,152	\$1,714,116	\$5,357
Total Expenses less TUR	\$250,369	\$5,007	\$243,573	\$4,871	\$906,655	\$5,667	\$751,777	\$3,480	\$349,169	\$5,456	\$102,947	\$2,860	\$1,067,127	\$3,335

General Administrative and Marketing

The following table details the historical general administrative and marketing expenses at the Subject, in addition to the comparable figures and benchmarks. This category includes all professional fees for items such as legal, accounting, marketing, and office.

Administration													
Subject				Comp 1	Comp 2	Comp 3	Comp 4	Comp 5					
Type	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Actuals	Range (Comparables)			Range (Benchmarks)	
Year	2022	2021	2020	2022	2022	2022	2022	2022	Min	Max	Average	Region	Unit Count
Expense	\$680	\$664	\$661	\$735	\$398	\$743	\$213	\$367	\$213	\$743	\$491	\$517	\$810

The comparables indicate administrative and marketing expenses ranging from \$213 to \$743 per unit, with an average of \$491. Note that we were not provided with a budgeted figure. We concluded to an administration expense of \$625 per unit in the restricted scenario and \$575 under the unrestricted scenario. Our conclusions are within the comparable expense range, and below the Subject historicals. Both conclusions are within the benchmark range. According to a Novogradac & Company LLP comprehensive analysis of national 2019 operating expense data (Multifamily Rental Housing Operating Expense Report, 2020), it costs on average approximately 10 percent more per unit for administrative costs for low income housing tax credit property nationally than it does for a market-rate property.

Operating, Repairs and Maintenance

The following table details the historical operating, repairs, and maintenance expenses at the Subject, in addition to the comparable figures and benchmarks. Included in this expense are normal costs of operating a multifamily property including unit turnover, painting/decorating, trash removal, ground expenses, and security costs, as well as normal items of repair and maintenance, cleaning contracts, and pest control.

Operating, Repairs & Maintenance													
Subject				Comp 1	Comp 2	Comp 3	Comp 4	Comp 5					
Type	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Actuals	Range (Comparables)			Range (Benchmarks)	
Year	2022	2021	2020	2022	2022	2022	2022	2022	Min	Max	Average	Region	Unit Count
Expense	\$5,341	\$1,867	\$2,035	\$1,841	\$542	\$1,821	\$233	\$1,303	\$233	\$1,841	\$1,148	\$941	\$1,294

The comparables indicate operating, repairs and maintenance expense ranging from \$233 to \$1,841 per unit, with an average of \$1,148. Note that we were not provided with a budgeted figure. It should also be noted that the Subject sustained roof damage in 2022, which explains the abnormally high operating, repairs, and maintenance expense in the same year. We concluded to an operating, repairs and maintenance expense of \$1,830 per unit. Our conclusion is within the comparable expense range and below the Subject historicals.

Utilities

The Subject offers central air conditioning and electric cooking, heating, and water heating. Tenants are responsible for the cooking, hot water, heating, and electric expenses. The landlord is responsible for the cold water, sewer, and trash costs.

Utility													
Subject				Comp 1	Comp 2	Comp 3	Comp 4	Comp 5					
Type	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Actuals	Range (Comparables)			Range (Benchmarks)	
Year	2022	2021	2020	2022	2022	2022	2022	2022	Min	Max	Average	Region	Unit Count
Expense	\$671	\$834	\$576	\$974	\$779	\$691	\$1,515	\$891	\$691	\$1,515	\$970	\$602	\$917

Due to the fact that properties often vary in terms of utility responsibilities, comparisons are difficult. Therefore, we placed greater weight on the historical expenses. The comparables indicate total utility expenses ranging from \$691 to \$1,515 per unit, with an average of \$970. Note that we were not provided with a budgeted figure. We concluded to a utility expenses of \$670 per unit. Our conclusion is below the comparable expense range and within the Subject historicals.

Payroll and Leasing Expenses

The following table details the historical payroll and leasing expenses at the Subject, in addition to the comparable figures and benchmarks. Payroll expenses are directly connected to the administration of the complex, including office, maintenance and management salaries. In addition, employee benefits and employment related taxes are included in the category.

Payroll													
Subject				Comp 1	Comp 2	Comp 3	Comp 4	Comp 5					
Type	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Actuals	Range (Comparables)			Range (Benchmarks)	
Year	2022	2021	2020	2022	2022	2022	2022	2022	Min	Max	Average	Region	Unit Count
Expense	\$1,973	\$2,000	\$2,113	\$2,082	\$1,813	\$1,798	\$1,353	\$870	\$870	\$2,082	\$1,583	\$1,284	\$1,485

Overall, we typically find that properties the size of the Subject operate with a staff of one part time manager and one part time maintenance supervisor. Benefits for the Subject's employees are estimated at \$2,500 per part-time employee. Payroll taxes are calculated as 12 percent of the salary cost. The comparables indicate total payroll expenses ranging from \$870 to \$2,082 per unit, with an average of \$1,583. Note that we were not provided with a budgeted figure. We concluded to a payroll expense of \$1,444 per unit. Our conclusion is within the comparable expense range and below the Subject historicals.

PAYROLL

Type	Quantity	Annual Salary	Full Cost
Manager (PT)	1	\$30,000	\$30,000
Maintenance Supervisor (PT)	1	\$30,000	\$30,000
Subtotal			\$60,000
Payroll taxes at 12.0%			\$7,200
Benefits			\$5,000
Total Payroll			\$72,200
Total Per Unit			\$1,444

Taxes

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

Insurance

Insurance													
Subject				Comp 1	Comp 2	Comp 3	Comp 4	Comp 5					
Type	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Actuals	Range (Comparables)			Range (Benchmarks)	
Year	2022	2021	2020	2022	2022	2022	2022	2022	Min	Max	Average	Region	Unit Count
Expense	\$727	\$659	\$541	\$444	\$351	\$480	\$337	\$363	\$337	\$480	\$395	\$440	\$310

The comparables indicate an insurance cost ranging from \$337 to \$480 per unit, with an average of \$395. Note that we were not provided with a budgeted figure. Given the rising cost of insurance, we concluded to an insurance cost of \$730 per unit. Our conclusion is above the comparable expense range, and just above the range of the Subject historicals.

Management Fees

Management													
Subject				Comp 1	Comp 2	Comp 3	Comp 4	Comp 5					
Type	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Actuals	Range (Comparables)			Range (Benchmarks)	
Year	2022	2021	2020	2022	2022	2022	2022	2022	Min	Max	Average	Region	Unit Count
Expense	\$564	\$564	\$564	\$565	\$376	\$615	\$723	\$432	\$376	\$723	\$542	\$510	\$653

Historically, the Subject's management fee has been \$564 per unit for the past three years, which equates to approximately 6.27 to 6.92 percent of EGI. The comparables illustrate a range of 3.00 to 7.95 percent of EGI. We concluded to a management fee expense of 5.5 percent under the restricted scenario. On a per unit basis, the estimate is similar to the historical range, and within the range of the comparables. We have concluded to a management fee of 4.0 percent in the unrestricted scenario as unrestricted properties typically have lower management fees than restricted properties; on a per unit basis, this expense is just below the comparable range.

Replacement Reserves

The reserve for replacement allowance is often considered a hidden expense of ownership not normally seen on an expense statement. Reserves must be set aside for future replacement of items such as the roof, HVAC systems, parking area, appliances and other capital items. It is difficult to ascertain market information for replacement reserves, as it is not a common practice in the marketplace for properties of the Subject's size and investment status. Underwriting requirements for replacement reserve for existing properties typically ranges from \$250 to \$350 per unit per year. New properties typically charge \$200 to \$250 for reserves. We used an expense of \$300 per unit based on the unit mix, tenancy, and condition of the Subject property.

Summary

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

TOTAL EXPENSES PER UNIT		TOTAL EXPENSES PER UNIT LESS TUR	
Subject Expenses		Subject Expenses	
2022 (Audited)	\$10,991	2022 (Audited)	\$9,285
2021 (Audited)	\$7,623	2021 (Audited)	\$5,755
2020 (Audited)	\$7,515	2020 (Audited)	\$5,914
Comparable Properties		Comparable Properties	
Comp 1	\$7,551	Comp 1	\$5,667
Comp 2	\$6,137	Comp 2	\$3,480
Comp 3	\$7,033	Comp 3	\$5,456
Comp 4	\$5,152	Comp 4	\$2,860
Comp 5	\$5,357	Comp 5	\$3,335
Subject Conclusions		Subject Expenses	
Market Value - "As Is Restricted"	\$6,053	Market Value - "As Is Restricted"	\$5,007
Hypothetical Market Value "As Is Unrestricted"	\$7,057	Hypothetical Market Value "As Is Unrestricted"	\$4,871

The concluded expenses for the restricted scenarios (less taxes, utilities, and reserves) are within the range of the comparables and slightly below the Subject's historical data. Overall, our conclusions appear reasonable and will be utilized in our valuation.

DIRECT CAPITALIZATION

We have provided an estimate of the Subject's as is value for the restricted and unrestricted scenarios. To quantify the income potential of the Subject, a direct capitalization of a stabilized cash flow is employed. In this analytical method, we estimate the present values of future cash flow expectations by applying the appropriate overall capitalization rate to the forecast net operating income. In order to estimate the appropriate capitalization rate, we relied upon several methods, discussed below.

Market Extraction

The following table summarizes the recent improved sales of the most comparable properties that were used in our market extraction analysis:

IMPROVED SALES

#	Property Name	City/State	Sale Date	Sales Price	# Units	Year Built / Renovated	Price / Unit	EGIM	Cap Rate
1	The Springs	Boiling Springs, SC	Jan/2023	\$44,500,000	256	2020	\$173,828	11.54	5.50%
2	Sage At Chelsey	Inman, SC	Dec/2022	\$22,000,000	98	2022	\$224,490	12.12	5.80%
3	Treetops Apartments	Spartanburg, SC	Aug/2022	\$12,455,000	152	1981	\$81,941	7.30	6.81%
4	Upstate Coliving	Spartanburg, SC	Aug/2022	\$11,220,000	72	2005	\$155,833	11.46	5.20%
	Average				145		\$159,023	10.60	5.83%

We have selected comparable sales from the Subject's area. The sales illustrate a range of overall rates from 5.20 to 6.81 percent, with an average of 5.83 percent. All of the sales represent typical market transactions for multifamily market rate properties in the area. It should be noted that we searched for LIHTC multifamily sales in the area and were unable to locate any. It should be noted that we searched for affordable, both LIHTC and Section 8, multifamily sales in the area and were unable to locate any. Therefore, we utilized four additional conventional market rate developments in our sales approach. We believe the improved sales we chose for our analysis represent the typical multifamily market in the Subject's area.

The primary factors that influence the selection of an overall rate is the Subject's condition, size, location, and market conditions. The Subject is considered similar to inferior to the sales in terms of condition. Further, the Subject is generally similar to all of the sales in terms of location. The Subject is slightly smaller than the five sales in terms of size, as the sales range from 72 to 256 units in size. In order to understand local market conditions, we analyzed CoStar market data regarding multifamily sales since the third quarter of 2022. It should be noted that we attempted to include data for the West Spartanburg submarket; however, sales data is extremely limited. As of the second quarter of 2023 to date, the average multifamily sale price per unit is \$223,748 in the Spartanburg market. This is 111.7 percent higher than the average multifamily sale price per unit in the third quarter of 2022. As such, the current market conditions appear to significantly improved since the second half of 2022.

Overall, we have concluded to a capitalization rate of 5.75 percent for both the restricted and unrestricted scenarios based on market extraction, similar to the average of the sales, which appears reasonable given the Subject's inferior condition to the most recent sales, but similar location and similar to superior market conditions relative to the sales.

The PwC Real Estate Investor Survey

The *PwC Real Estate Investor Survey* tracks capitalization rates utilized by national investors in commercial and multifamily real estate. The following summarizes the information for the national multifamily housing market:

PwC REAL ESTATE INVESTOR SURVEY

National Apartment Market

Overall Capitalization Rate	
Range:	3.75% - 8.00%
Average:	5.28%
Institutional Grade Investments	
Range:	5.00% - 6.00%
Average:	6.00%
Non-Institutional Grade Investments	
Range:	6.00% - 8.00%
Average:	7.00%

Source: PwC Real Estate Investor Survey, 3Q 2023

The PwC Real Estate Investor Survey defines “Institutional – Grade” real estate as real property investments that are sought out by institutional buyers and have the capacity to meet generally prevalent institutional investment criteria . Typical “Institutional – Grade” apartment properties are newly constructed, well amenitized, market-rate properties in urban or suburban locations. Rarely could subsidized properties, either new construction or acquisition/rehabilitation, be considered institutional grade real estate. Therefore, for our purpose, the Non-Institutional Grade capitalization rate is most relevant; this is currently 100 basis points higher than the Institutional Grade rate on average. However, local market conditions have significant weight when viewing capitalization rates.

PwC Investor Survey



PwC Real Estate Investor Survey - National Apartment Market Overall Capitalization Rate					
Quarter	Cap Rate	Change (pp)	Quarter	Cap Rate	Change (pp)
4Q18	5.16	-	2Q21	4.96	-0.08
1Q19	5.03	-0.13	3Q21	4.59	-0.37
2Q19	5.14	0.11	4Q21	4.42	-0.17
3Q19	5.1	-0.04	1Q22	4.4	-0.02
4Q19	5.15	0.05	2Q22	4.45	0.05
1Q20	5.14	-0.01	3Q22	4.75	0.30
2Q20	5.19	0.05	4Q22	4.89	0.14
3Q20	5.22	0.03	1Q23	5.01	0.12
4Q20	5.22	0.00	2Q23	5.25	0.24
1Q21	5.04	-0.18	3Q23	5.28	0.03

Source: PwC Real Estate Investor Survey, 3Q 2023

As the graph and table indicate, the overall national average capitalization rate decreased nearly 100 basis points from the second quarter of 2017 to the first quarter of 2022 (5.40 percent to 4.40 percent). Over this period, the rate generally decreased quarter-over-quarter, with a few exceptions. However, the recent increases in interest rates appear to be directly impacting capitalization rates as the overall average national capitalization rate increased 0.88 percentage points since the first quarter of 2022. The increase from the second to the third quarter of 2022 was the largest quarter-over-quarter increase since the third quarter of 2009. We have considered the current market conditions and we have estimated a capitalization rate of 5.8 percent.

Debt Coverage Ratio

The debt coverage ratio (DCR) is frequently used as a measure of risk by lenders wishing to measure the margin of safety and by purchasers analyzing leveraged property. It can be applied to test the reasonableness of a project in relation to lender loan specifications. Lenders typically use the debt coverage ratio as a quick test to determine project feasibility. The debt coverage ratio has two basic components: the properties net operating income and its annual debt service (represented by the mortgage constant). The ratio used is:

Net Operating Income / Annual Debt Service = Debt Coverage Ratio

One procedure by which the debt coverage ratio can be used to estimate the overall capitalization rate is by multiplying the debt coverage ratio by the mortgage constant and the lender required loan-to-value ratio. The indicated formula is:

$$RO = D.C.R \times RM \times M$$

Where:

RO = Overall Capitalization Rate

D.C.R = Debt Coverage Ratio

RM = Mortgage Constant

M = Loan-to-Value Ratio

Band of Investment

This method involves deriving the property's equity dividend rate from the improved comparable sales and applying it, at current mortgage rate and terms, to estimate the value of the income stream.

The formula is:

$$RO = M \times RM + (1-M) \times RE$$

Where:

RO = Overall Capitalization Rate

M = Loan-to-Value Ratio

RM = Mortgage Constant

RE = Equity Dividend

The equity dividend rate (RE) also known as the cash on cash return rate, is the rate of return that an equity investor expects on an annual basis. It is a component of the overall return requirement. The equity dividend rate is impacted by the returns on other similar investments as well as the risk profile of the investment market and finally the expectation for future value growth. The equity dividend rate is lower in cases where the market is strong and there is a perception of lower risk related to the return of the investment. Further, the dividend rate is lower in markets that have greater expectation for capital appreciation. In some cases we have seen dividend rates that are zero or even negative, suggesting that buyers are willing to forego an annual return because of a larger expectation of capital appreciation. Of course the converse is also True. Generally, we see equity dividend rates ranging from two to 10 percent. We believe an equity dividend estimate of 6.0 percent is considered reasonable in this analysis.

The Mortgage Constant (RM) is based upon the calculated interest rate from the ten year treasury. We have utilized 9.0 percent as our estimate of equity return. The following table summarizes calculations for the two previously discussed methods of capitalization rate derivation. We will utilize a market oriented interest rate of 8.0 percent. Based on our work files, the typical amortization period is 25 to 30 years and the loan to value ratio is 70 to 80 percent with interest rates between 7.6 and 8.3 percent. Therefore, we believe an 8.0 percent interest rate with a 30 year amortization period and a loan to value of 75.0 percent is reasonable. The following table illustrates the band of investment for the Subject property.

CAPITALIZATION RATE DERIVATION

Inputs and Assumptions		Interest Rate Calculations	
DCR	1.2	<i>Treasury Bond Basis</i>	
Rm	0.0881	10 Year T-Bond Rate (Nov/2023)	4.58%
Interest (per annum)*	8.00%	Interest rate spread	342
Amortization (years)	30.0	Interest Rate (per annum)	8.00%
M	0.75		
Re	9.00%		

Debt Coverage Ratio

Ro	=	DCR	X	Rm	X	M
7.92%	=	1.2	X	0.0881	X	75.0%

Band of Investment

Ro	=	(M	X	Rm)	+	((1 - M)	X	Re)
8.85%	=	75.0%	X	0.0881	+	25.0%	X	9.00%

Source: Bloomberg.com, November 2023

Conclusion of Overall Rate Selection

CAPITALIZATION RATE SELECTION SUMMARY

Method	Indicated Rate
Market Extraction	5.75%
The PWC Investor Survey	5.75%
Debt Coverage Ratio	7.92%
Band of Investment	8.85%

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

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

The various approaches indicate a range from 5.75 to 8.85 percent. We reconciled a 5.75 percent capitalization rate based primarily upon the market-extracted rate.

A summary of the direct capitalization analysis is shown on the following page:

DIRECT CAPITALIZATION ANALYSIS

Operating Revenues

		Market Value - "As Is Restricted"		Hypothetical Market Value "As Is Unrestricted"	
		Average Rent (Monthly)	Total Revenue	Average Rent (Monthly)	Total Revenue
Apartment Rentals	Market Unit Mix				
Potential Rental Income	50	\$804	\$482,112	\$846	\$507,600
Voucher Overhang Income		\$0	\$0	\$0	\$0
Other Income					
Miscellaneous		\$110	\$5,500	\$110	\$5,500
Total Potential Revenue		\$9,752	\$487,612	\$10,262	\$513,100
Vacancy Loss		(\$293)	(\$14,628)	(\$513)	(\$25,655)
Vacancy Percentage			3.0%		5.0%
Effective Gross Income		\$9,460	\$472,984	\$9,749	\$487,445

Operating Expenses

	Market Value - "As Is Restricted"		Hypothetical Market Value "As Is Unrestricted"	
Administration	\$625	\$31,250	\$575	\$28,750
Operating/Maintenance	\$1,830	\$91,500	\$1,830	\$91,500
Utilities	\$670	\$33,500	\$670	\$33,500
Payroll	\$1,444	\$72,200	\$1,444	\$72,200
Real Estate Taxes	\$0	\$0	\$1,140	\$56,998
Direct Assessments/Other	\$76	\$3,800	\$76	\$3,800
Insurance	\$730	\$36,500	\$730	\$36,500
Management Fee	\$378	\$18,919	\$292	\$14,623
Replacement Reserves	\$300	\$15,000	\$300	\$15,000
Total Operating Expenses	\$6,053	\$302,669	\$7,057	\$352,872
Expenses as ratio of EGI		64.0%		72.4%

Valuation

	Market Value - "As Is Restricted"		Hypothetical Market Value "As Is Unrestricted"	
Net Operating Income	\$3,406	\$170,314	\$2,691	\$134,573
Capitalization Rate		5.75%		5.75%
Indicated Value Rounded	\$60,000	\$3,000,000	\$46,000	\$2,300,000

The Subject is currently 86 percent occupied due to down units, which are nearly remediated. As such, we have deducted anticipated costs to achieve stabilization for the restricted scenario, which are comprised of rent loss during lease-up and additional marketing expenses. As reported, we estimate it will take less than one month for the Subject to be stabilized. Rent loss over the absorption period is estimated at less than one percent; extraordinary expenses including additional marketing costs associated with the Subject's market entry are estimated at \$5,000 over the absorption period. Total lease-up costs are estimated at \$6,043.

VALUE AS IS WITH LOSS TO LEASE DEDUCTIONS

	Market Value - "As Is Restricted"
# months to lease 97%	0.4
Income loss	(\$21)
Initial marketing costs	(\$5,000)
Total loss to lease	(\$6,043)
Value as complete	\$2,968,769
As Complete Value Rounded	\$3,000,000

Conclusion

The following table summarizes the findings of the previously conducted direct capitalization analysis.

DIRECT CAPITALIZATION ANALYSIS - AS COMPLETE AND STABILIZED

Scenario	Cap Rate	Net Operating Income	Indicated Value (Rounded)
Market Value - "As Is Restricted"	5.75%	\$170,314	\$3,000,000
Hypothetical Market Value "As Is Unrestricted"	5.75%	\$134,573	\$2,300,000

As a result of our analysis of the Subject's restricted scenario, the fee simple market value "**As Is,**" as of November 9, 2023, is:

**THREE MILLION DOLLARS
(\$3,000,000)**

As a result of our analysis of the Subject's hypothetical unrestricted scenario, the fee simple market value "**As Is,**" as of November 9, 2023, is:

**TWO MILLION THREE HUNDRED THOUSAND DOLLARS
(\$2,300,000)**

For the purposes of our unrestricted analysis, we have employed a hypothetical condition assuming unrestricted, conventional operations.

It is an extraordinary assumption that no environmental issues exist that would impact the value of the Subject property.

The Subject currently pays full real estate taxes. However, according to the client, the Subject is expected to benefit from a full real estate tax exemption after the sale as the buyer will have a non-profit entity as an equity partner. It is an extraordinary assumption that the Subject will benefit from such a full property tax exemption in the restricted scenario.

The use of extraordinary assumptions and/or hypothetical conditions may have an impact on assignment results.

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

X. SALES COMPARISON APPROACH

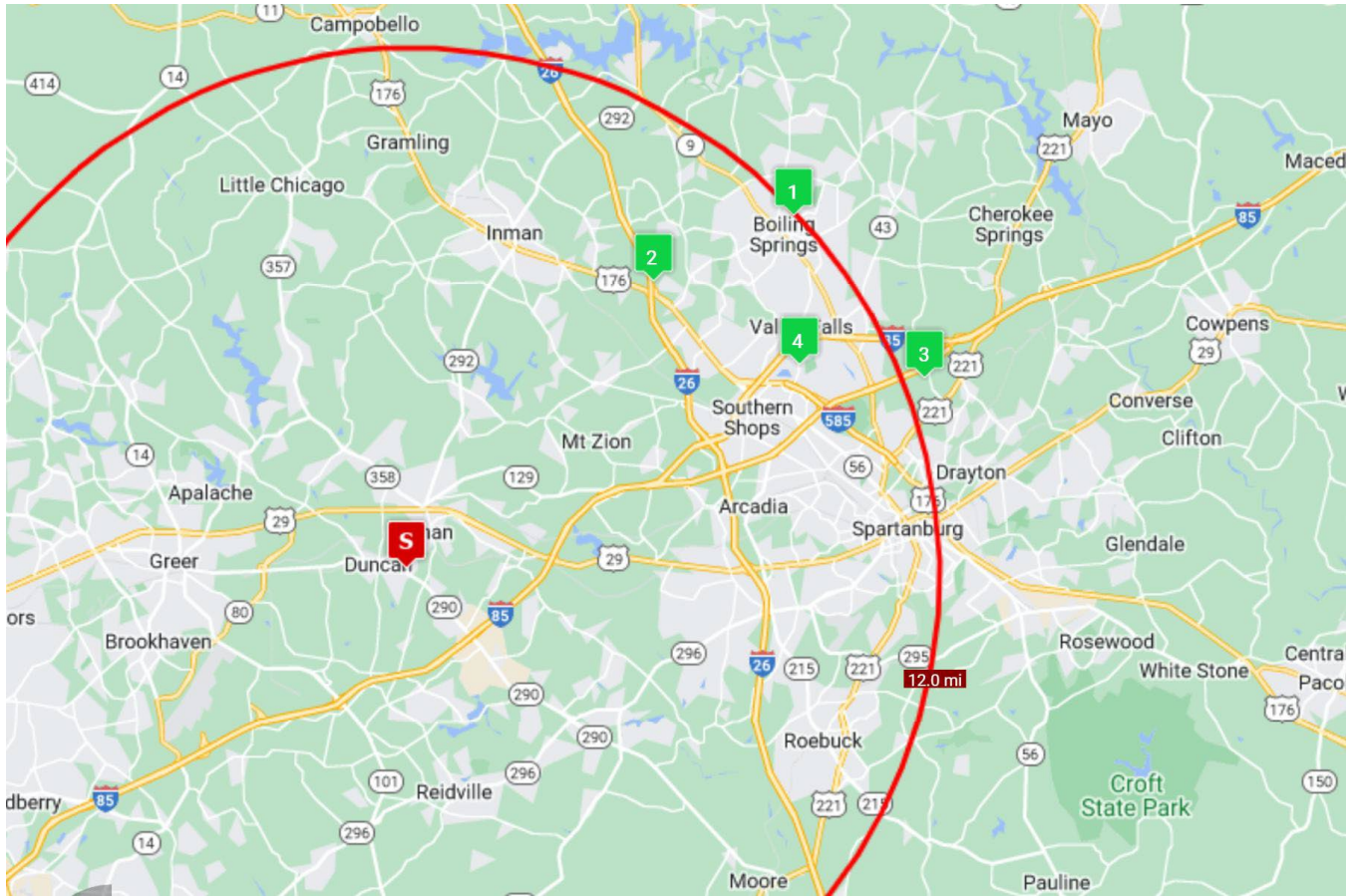
SALES COMPARISON APPROACH

The sales comparison approach to value is a process of comparing market data; that is, the price paid for similar properties, prices asked by owners, and offers made by hypothetical purchasers willing to buy or lease. It should be noted, the sales utilized represent the best sales available. Market data is good evidence of value because it represents the actions of users and investors. The sales comparison approach is based on the principle of substitution, which states that a prudent investor would not pay more to buy or rent a property than it will cost them to buy or rent a comparable substitute. The sales comparison approach recognizes that the typical buyer will compare asking prices and work through the most advantageous deal available. In the sales comparison approach, the appraisers are observers of the buyer's actions. The buyer is comparing those properties that constitute the market for a given type and class.

We searched for LIHTC multifamily sales in the area and were unable locate any. It should be noted that any potential sale of the Subject property would be constrained by the limitations and penalties of the LIHTC program, specifically the recapture/penalty provision upon transfer. Because of this, there are a limited number of properties that have sold nationwide that have the restrictions associated with Section 42 provisions. We believe the improved sales we have chosen for our analysis represents the typical multifamily market in the Subject's area. Therefore, we have utilized four conventional market rate developments in our sales approach.

The following pages supply the analyzed sale data and will conclude with a value estimate considered reasonable.

Improved Sales Map



Source: Google Maps, November 2023

IMPROVED SALES

#	Property Name	City/State	Sale Date	Sales Price	# Units	Year Built / Renovated	Price / Unit	EGIM	Cap Rate
1	The Springs	Boiling Springs, SC	Jan/2023	\$44,500,000	256	2020	\$173,828	11.54	5.50%
2	Sage At Chelsey	Inman, SC	Dec/2022	\$22,000,000	98	2022	\$224,490	12.12	5.80%
3	Treetops Apartments	Spartanburg, SC	Aug/2022	\$12,455,000	152	1981	\$81,941	7.30	6.81%
4	Upstate Coliving	Spartanburg, SC	Aug/2022	\$11,220,000	72	2005	\$155,833	11.46	5.20%
Average					145		\$159,023	10.60	5.83%

Improved Sale: The Springs



Transaction

Name	The Springs	Sale Date	Jan/2023
Address	305 Concert Way	Sale Price	\$44,500,000
City	Boiling Springs	Price Per Unit	\$173,828
State	SC	Sale Status	Closed
Zip	29316	Sale Conditions	Typical
County	Spartanburg	Financing	Conventional
Buyer	Hamilton Point Investments	Verification	CoStar, Public record
Seller	Eminent Capital		

Site and Improvements

No. of Units	256	Land Acres	21.6
Year Built	2020	Land Sq Ft	940,896
Year Renovated		Structure	Garden

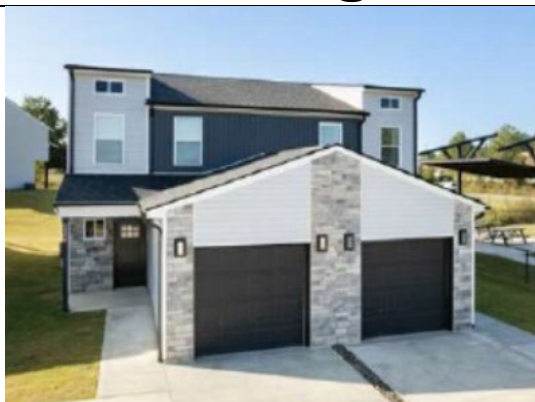
Financial Data

EGI	\$3,855,500	NOI	\$2,447,500
Total Expenses	\$1,408,000	Expense Ratio	36.5%
Expenses / Unit	\$5,500	EGIM (\$)	11.54
Cap Rate	5.50%		

Remarks

This market rate development offers 116 one, 96 two, and 44 three-bedroom units. Novoco estimated expenses at \$5,500 per unit.

Improved Sale: Sage At Chelsey



Transaction

Name	Sage At Chelsey	Sale Date	Dec/2022
Address	1202 Chelsey Ln	Sale Price	\$22,000,000
City	Inman	Price Per Unit	\$224,490
State	SC	Sale Status	Closed
Zip	29349	Sale Conditions	Typical
County	Spartanburg	Financing	Conventional
Buyer	Exponential Equity Group, LLC	Verification	CoStar, Broker, Public record
Seller	I & A Properties LLC		

Site and Improvements

No. of Units	98	Land Acres	16.2
Year Built	2022	Land Sq Ft	705,672
Year Renovated		Structure	Townhouse

Financial Data

EGI	\$1,815,000	NOI	\$1,276,000
Total Expenses	\$539,000	Expense Ratio	29.7%
Expenses / Unit	\$5,500	EGIM (\$)	12.12
Cap Rate	5.80%		

Remarks

This market rate development offers 98 three-bedroom townhouse units. The occupancy rate at the time of sale was not available. Novoco has estimated expenses at \$5,500 per unit.

Improved Sale: Treetops Apartments



Transaction

Name	Treetops Apartments	Sale Date	Aug/2022
Address	345 Bryant Rd	Sale Price	\$12,455,000
City	Spartanburg	Price Per Unit	\$81,941
State	SC	Sale Status	Closed
Zip	29303	Sale Conditions	Typical
County	Spartanburg	Financing	Conventional
Buyer	Tree Top Spartanburg, LLC	Verification	CoStar, Public record
Seller	Cross Creek Spartanburg LLC		

Site and Improvements

No. of Units	152	Land Acres	10.2
Year Built	1981	Land Sq Ft	444,312
Year Renovated		Structure	Various

Financial Data

EGI	\$1,706,186	NOI	\$848,186
Total Expenses	\$858,000	Expense Ratio	50.3%
Expenses / Unit	\$5,645	EGIM (\$)	7.3
Cap Rate	6.81%		

Remarks

This market rate property offers one and two-bedroom units; however, a breakdown was not available. The buyer bought the property with the intention to renovate the property. Renovations were completed after the sale.

Improved Sale: Upstate Coliving



Transaction			
Name	Upstate Coliving	Sale Date	Aug/2022
Address	1200 College Pointe Ln	Sale Price	\$11,220,000
City	Spartanburg	Price Per Unit	\$155,833
State	SC	Sale Status	Closed
Zip	29303	Sale Conditions	Typical
County	Spartanburg	Financing	Conventional
Buyer	VanRock Real Estate	Verification	
Seller	Upstate Property Rentals		
Site and Improvements			
No. of Units	72	Land Acres	6.58
Year Built	2005	Land Sq Ft	286,625
Year Renovated		Structure	Garden
Financial Data			
EGI	\$979,440	NOI	\$583,440
Total Expenses	\$396,000	Expense Ratio	40.4%
Expenses / Unit	\$5,500	EGIM (\$)	11.46
Cap Rate	5.20%		
Remarks			
This market rate developments offers 24 three-bedroom units and 48 four-bedroom units. Novoco estimated expenses at \$5,500 per unit.			

VALUATION ANALYSIS

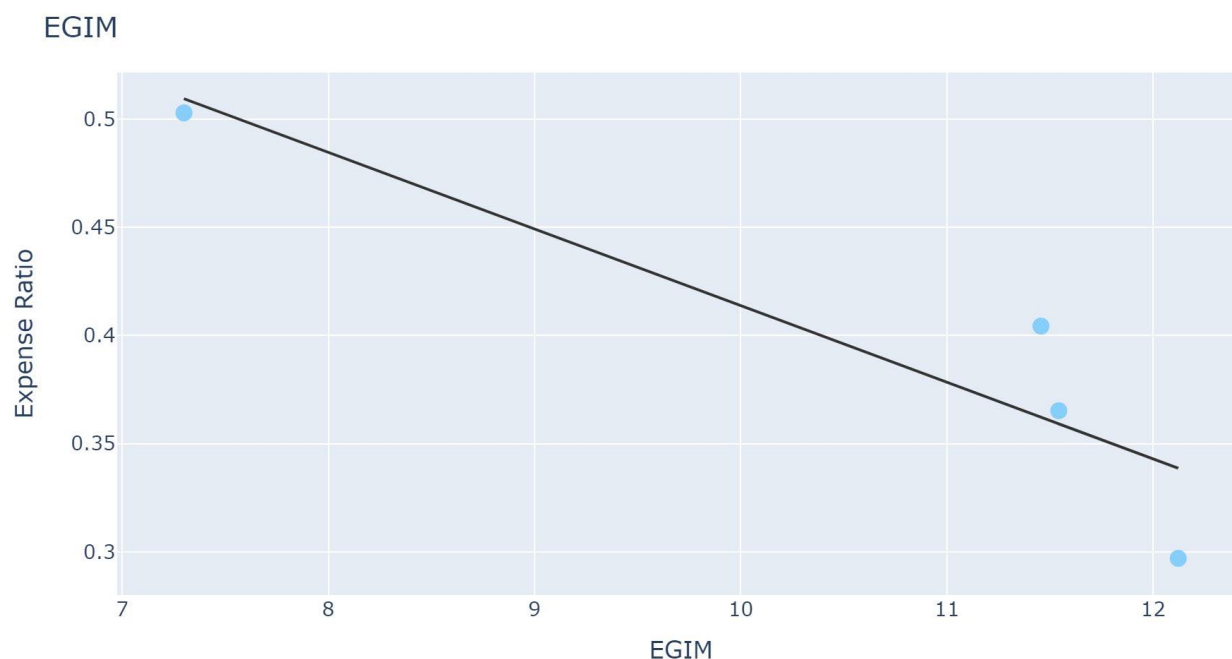
The sales selected for this analysis are summarized in the following table.

IMPROVED SALES

#	Property Name	City/State	Sale Date	Sales Price	# Units	Year Built / Renovated	Price / Unit	EGIM	Cap Rate
1	The Springs	Boiling Springs, SC	Jan/2023	\$44,500,000	256	2020	\$173,828	11.54	5.50%
2	Sage At Chelsey	Inman, SC	Dec/2022	\$22,000,000	98	2022	\$224,490	12.12	5.80%
3	Treetops Apartments	Spartanburg, SC	Aug/2022	\$12,455,000	152	1981	\$81,941	7.30	6.81%
4	Upstate Coliving	Spartanburg, SC	Aug/2022	\$11,220,000	72	2005	\$155,833	11.46	5.20%
Average					145		\$159,023	10.60	5.83%

EGIM ANALYSIS

We first estimate the Subject's value using the EGIM analysis. The EGIM compares the ratios of sales price to the annual gross income for the property, less a deduction for vacancy and collection loss. A reconciled multiplier for the Subject is then used to convert the Subject's anticipated effective gross income into an estimate of value. The following chart highlights the correlation between the EGIM and the expense ratios reported by the comparable sales utilized in our analysis.



Typically, the higher the operating expense ratio the lower the EGIM. The previous table follows this trend. The Subject's expense ratio is 64.0 percent in the restricted scenario and 72.4 percent in the unrestricted scenario, which are both above the comparable range. As such, we have concluded to an EGIM below the comparable range for both scenarios. As summarized below, we have concluded to an EGIM of 6.3 percent for the restricted scenario and 4.7 percent for the unrestricted scenario.

IMPROVED SALES

#	Property Name	Sales Price	EGI	Expense Ratio	Total Expenses	EGIM
1	The Springs	\$44,500,000	\$3,855,500	36.5%	\$1,408,000	11.54
2	Sage At Chelsey	\$22,000,000	\$1,815,000	29.7%	\$539,000	12.12
3	Treetops Apartments	\$12,455,000	\$1,706,186	50.3%	\$858,000	7.30
4	Upstate Coliving	\$11,220,000	\$979,440	40.4%	\$396,000	11.46
	Market Value - "As Is Restricted"		\$472,984	64.0%	\$302,669	6.30
	Hypothetical Market Value "As Is Unrestricted"		\$487,445	72.4%	\$352,872	4.70

EGIM ANALYSIS - AS COMPLETE AND STABILIZED

Scenario	EGIM	Effective Gross Income	Indicated Value (Rounded)
Market Value - "As Is Restricted"	6.3	\$472,984	\$3,000,000
Hypothetical Market Value "As Is Unrestricted"	4.7	\$487,445	\$2,300,000

NOI/UNIT ANALYSIS

The available sales data also permits the use of the NOI/Unit analysis. The NOI/Unit analysis examines the income potential of a property relative to the price paid per unit. The sales indicate that, in general, investors are willing to pay more for properties with greater income potential. Based on this premise, we are able to gauge the Subject's standing in our market survey group, thereby estimating a value on a price per unit applicable to the Subject. This analysis allows us to provide a quantitative adjustment process and avoids qualitative, speculative adjustments.

To estimate an appropriate price/unit for the Subject, we examined the change in NOI/Unit and how it affects the price/unit. By determining the percent variance of the comparable properties NOI/Unit to the Subject, we determine an adjusted price/unit for the Subject.

The table(s) below summarize the calculated adjustment factors and the indicated adjusted prices.

NOI/UNIT ANALYSIS – MARKET VALUE - "AS IS RESTRICTED"

No.	Subject's Stabilized NOI/Unit	/	Sale's NOI/Unit	=	Adjustment Factor	X	Unadjusted Price Per Unit	=	Adjusted Price/Unit
1	\$3,391	/	\$9,561	=	0.356	X	\$173,828	=	\$61,932
2	\$3,391	/	\$13,020	=	0.262	X	\$224,490	=	\$58,729
3	\$3,391	/	\$5,580	=	0.61	X	\$81,941	=	\$50,019
4	\$3,391	/	\$8,103	=	0.42	X	\$155,833	=	\$65,505
	Average		\$9,066		0.412		\$159,023		\$59,046

NOI/UNIT ANALYSIS – HYPOTHETICAL MARKET VALUE "AS IS UNRESTRICTED"

No.	Subject's Stabilized NOI/Unit	/	Sale's NOI/Unit	=	Adjustment Factor	X	Unadjusted Price Per Unit	=	Adjusted Price/Unit
1	\$2,632	/	\$9,561	=	0.282	X	\$173,828	=	\$48,936
2	\$2,632	/	\$13,020	=	0.207	X	\$224,490	=	\$46,405
3	\$2,632	/	\$5,580	=	0.482	X	\$81,941	=	\$39,522
4	\$2,632	/	\$8,103	=	0.332	X	\$155,833	=	\$51,759
	Average		\$9,066		0.326		\$159,023		\$46,655

NOI/UNIT ANALYSIS

Scenario	Number of Units	Price per unit	Indicated Value (Rounded)
Market Value - "As Is Restricted"	50	\$59,000	\$3,000,000
Hypothetical Market Value "As Is Unrestricted"	50	\$46,000	\$2,300,000

Conclusion

As a result of our analysis of the Subject's restricted scenario, the fee simple value "As Is," as of November 9, 2023, via the Sales Comparison Approach, is:

THREE MILLION DOLLARS
(\$3,000,000)

As a result of our analysis of the Subject's hypothetical unrestricted scenario, fee simple value "As Is," as of November 9, 2023, via the Sales Comparison Approach, is:

TWO MILLION THREE HUNDRED THOUSAND DOLLARS
(\$2,300,000)

For the purposes of our unrestricted analysis, we have employed a hypothetical condition assuming unrestricted, conventional operations.

It is an extraordinary assumption that no environmental issues exist that would impact the value of the Subject property.

The Subject currently pays full real estate taxes. However, according to the client, the Subject is expected to benefit from a full real estate tax exemption after the sale as the buyer will have a non-profit entity as an equity partner. It is an extraordinary assumption that the Subject will benefit from such a full property tax exemption in the restricted scenario.

The use of extraordinary assumptions and/or hypothetical conditions may impact the assignment results.

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

XI. RECONCILIATION

RECONCILIATION

We considered the traditional approaches in the estimation of the Subject's value. The resulting value estimates are presented following:

LAND VALUE

Scenario	No. of Units	Value per Unit/ Value per Acre	Indicated Value (Rounded)
Value Per Unit	50	\$11,000	\$550,000
Value Per Acre	9.63	\$57,113	\$550,000

DIRECT CAPITALIZATION ANALYSIS

Scenario	Cap Rate	Net Operating Income	Indicated Value (Rounded)
Market Value - "As Is Restricted"	5.75%	\$170,314	\$3,000,000
Hypothetical Market Value "As Is Unrestricted"	5.75%	\$134,573	\$2,300,000

NOI/UNIT ANALYSIS

Scenario	Number of Units	Price per unit	Indicated Value (Rounded)
Market Value - "As Is Restricted"	50	\$59,000	\$3,000,000
Hypothetical Market Value "As Is Unrestricted"	50	\$46,000	\$2,300,000

The value indicated by the income capitalization approach is a reflection of a prudent investor's analysis of an income producing property. In this approach, income is analyzed in terms of quantity, quality, and durability. Due to the fact that the Subject is income producing in nature, this approach is the most applicable method of valuing the Subject property.

The sales comparison approach reflects an estimate of value as indicated by the sales market. In this approach, we searched the local market for transfers of similar type properties. These transfers were analyzed for comparative units of value based upon the most appropriate indices (i.e. \$/Unit, OAR, etc.). Our search revealed several sales over the past two years. While there was substantial information available on each sale, the sales varied in terms of location, quality of income stream, condition, etc. As a result, the appraisers used both an EGIM and a sales price/unit analysis. These analyses provide a good indication of the Subject's market value, but are somewhat inconsistent.

In the final analysis, we considered the influence of the two developed approaches in relation to one another and in relation to the Subject. Both are considered reasonable indications of value, but substantially more weight was placed on the income approach, given that the Subject is a federally subsidized, income generating multifamily development.

As a result of our analysis, the value of the Subject's underlying land, **"As If Vacant,"** of the fee simple interest, as of November 9, 2023, is:

FIVE HUNDRED FIFTY THOUSAND DOLLARS
(\$550,000)

As a result of our analysis of the Subject's restricted scenario, the fee simple market value **"As Is,"** as of November 9, 2023, is:

THREE MILLION DOLLARS
(\$3,000,000)

As a result of our analysis of the Subject's hypothetical unrestricted scenario, the fee simple market value "As Is," as of November 9, 2023, is:

TWO MILLION THREE HUNDRED THOUSAND DOLLARS
(\$2,300,000)

For the purposes of our unrestricted analysis, we have employed a hypothetical condition assuming unrestricted, conventional operations.

It is an extraordinary assumption that there exist no environmental issues that would impact the value of the Subject property.

The Subject currently pays full real estate taxes. However, according to the client, the Subject is expected to benefit from a full real estate tax exemption after the sale as the buyer will have a non-profit entity as an equity partner. It is an extraordinary assumption that the Subject will benefit from such a full property tax exemption in the restricted scenario.

The use of extraordinary assumptions and/or hypothetical conditions may have an impact on assignment results.

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

Reasonable Exposure Time:

Advisory Opinion 35 (AO-35), Appraisal Standards to USPAP notes that reasonable exposure time is one of a series of conditions in most market value definitions. Exposure time is always presumed to precede the effective date of the appraisal.

It is defined as "an opinion, based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal." Based on our read of the market, historical information provided by the PwC Investor Survey and recent sales of similar product, an exposure time of nine to 12 months appears reasonable.

Marketing Time Projection

Marketing Time is defined as the period from the date of initial listing to the settlement date. The projected marketing time for the Subject property "As Is" will vary greatly, depending upon the aggressiveness of the marketing agent, the method of marketing, the market that is targeted, interest rates and the availability of credit at the time the property is marketed, the supply and demand of similar properties for sale or having been recently purchased, and the perceived risks at the time it is marketed.

Discussions with area Realtors indicate that a marketing period of nine to twelve months is reasonable for properties such as the Subject. This is supported by data obtained from several of the comparable sales and consistent with information obtained from the PwC Survey. This estimate assumes a strong advertising and marketing program during the marketing period.

ADDENDUM A

Assumptions and Limiting Conditions, Certification

ASSUMPTIONS AND LIMITING CONDITIONS

1. In the event that the client provided a legal description, building plans, title policy and/or survey, etc., the consultant has relied extensively upon such data in the formulation of all analyses.
2. The legal description as supplied by the client is assumed to be correct and the author assumes no responsibility for legal matters, and renders no opinion of property title, which is assumed to be good and merchantable.
3. All encumbrances, including mortgages, liens, leases, and servitudes, were disregarded in this valuation unless specified in the report. It was recognized, however, that the typical purchaser would likely take advantage of the best available financing, and the effects of such financing on property value were considered.
4. All information contained in the report, which others furnished, was assumed to be True, correct, and reliable. A reasonable effort was made to verify such information, but the author assumes no responsibility for its accuracy.
5. The report was made assuming responsible ownership and capable management of the property. The analyses and projections are based on the basic assumption that the development will be managed and staffed by competent personnel and that the property will be professionally advertised and aggressively promoted.
6. The sketches, photographs, and other exhibits in this report are solely for the purpose of assisting the reader in visualizing the property. The author made no property survey, and assumes no liability in connection with such matters. It was also assumed there is no property encroachment or trespass unless noted in the report.
7. The author of this report assumes no responsibility for hidden or unapparent conditions of the property, subsoil or structures, or the correction of any defects now existing or that may develop in the future. Equipment components were assumed in good working condition unless otherwise stated in this report.
8. It is assumed that there are no hidden or unapparent conditions for the property, subsoil, or structures, which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering, which may be required to discover such factors.
9. The investigation made it reasonable to assume, for report purposes, that no insulation or other product banned by the Consumer Product Safety Commission has been introduced into the Subject premises. Visual inspection by the consultant did not indicate the presence of any hazardous waste. It is suggested the client obtain a professional environmental hazard survey to further define the condition of the Subject soil if they deem necessary.
10. Any distribution of total property value between land and improvements applies only under the existing or specified program of property utilization. Separate valuations for land and buildings must not be used in conjunction with any other appraisal or study and are invalid if so used.
11. A valuation estimate for a property is made as of a certain day. Due to the principles of change and anticipation the value estimate is only valid as of the date of valuation. The real estate market is nonstatic and change and market anticipation is analyzed as of a specific date in time and is only valid as of the specified date.
12. Possession of the report, or a copy thereof, does not carry with it the right of publication, nor may it be reproduced in whole or in part, in any manner, by any person, without the prior written consent of the

author particularly as to value conclusions, the identity of the author or the firm with which he or she is connected. Neither all nor any part of the report, or copy thereof shall be disseminated to the general public by the use of advertising, public relations, news, sales, or other media for public communication without the prior written consent and approval of the consultant. Nor shall the consultant, firm, or professional organizations of which the consultant is a member be identified without written consent of the consultant.

13. Disclosure of the contents of this report is governed by the Bylaws and Regulations of the professional organization with which the consultant is affiliated.
14. The author of this report is not required to give testimony or attendance in legal or other proceedings relative to this report or to the Subject property Unless satisfactory additional arrangements are made prior to the need for such services.
15. The opinions contained in this report are those of the author and no responsibility is accepted by the author for the results of actions taken by others based on information contained herein.
16. Opinions of value contained herein are estimates. There is no guarantee, written or implied, that the Subject property will sell or lease for the indicated amounts.
17. All applicable zoning and use regulations and restrictions are assumed to have been complied with, unless nonconformity has been stated, defined, and considered in the appraisal report.
18. It is assumed that all required licenses, permits, covenants or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
19. On all appraisals, subject to satisfactory completion, repairs, or alterations, the appraisal report and conclusions are contingent upon completion of the improvements in a workmanlike manner and in a reasonable period of time.
20. All general codes, ordinances, regulations or statutes affecting the property have been and will be enforced and the property is not Subject to flood plain or utility restrictions or moratoriums, except as reported to the consultant and contained in this report.
21. The party for whom this report is prepared has reported to the consultant there are no original existing condition or development plans that would Subject this property to the regulations of the Securities and Exchange Commission or similar agencies on the state or local level.
22. Unless stated otherwise, no percolation tests have been performed on this property. In making the appraisal, it has been assumed the property is capable of passing such tests so as to be developable to its highest and best use.
23. No in-depth inspection was made of existing plumbing (including well and septic), electrical, or heating systems. The consultant does not warrant the condition or adequacy of such systems.
24. No in-depth inspection of existing insulation was made. It is specifically assumed no Urea Formaldehyde Foam Insulation (UFFI), or any other product banned or discouraged by the Consumer Product Safety Commission has been introduced into the property. The consultant reserves the right to review and/or modify this appraisal if said insulation exists on the Subject property.
25. Acceptance of and/or use of this report constitute acceptance of all assumptions and the above conditions. Estimates presented in this report are not valid for syndication purposes.

For the purposes of our unrestricted analysis, we have employed a hypothetical condition assuming unrestricted, conventional operations.

It is an extraordinary assumption that there exist no environmental issues that would impact the value of the Subject property.

The Subject currently pays full real estate taxes. However, according to the client, the Subject is expected to benefit from a full real estate tax exemption after the sale as the buyer will have a non-profit entity as an equity partner. It is an extraordinary assumption that the Subject will benefit from such a full property tax exemption in the restricted scenario.

The use of extraordinary assumptions and/or hypothetical conditions may have an impact on assignment results.

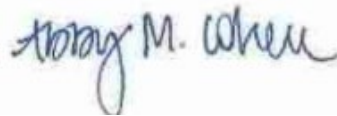
Certification

The undersigned hereby certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct;
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions;
- We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest with respect to the parties involved;
- We have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment; however, we are concurrently preparing an application market study for the Subject property;
- We have no bias with respect to any property that is the subject of this report or to the parties involved with this assignment;
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results;
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal;
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice;
- Hayden Bruner has made a personal inspection of the property that is the subject of this report and comparable market data incorporated in this report and is competent to perform such analyses. Rebecca Arthur and Abby Cohen did not inspect the Subject, but are familiar with the market area.
- Lawson Short, Hayden Bruner, and Taylor Williams provided significant professional assistance to the appraisers including conducting internet research, compiling and coalescing data, analyzing data trends, evaluating and analyzing comparable data, inspecting the site, and drafting text and documents. No one other than those listed on this page provided any significant real property appraisal assistance;
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute;
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, Rebecca S. Arthur, MAI has completed the continuing education program for Designated Members of the Appraisal Institute.



Rebecca S. Arthur, MAI
Certified General Real Estate Appraiser
SC License No.: 8417



Abby Cohen
Certified General Real Estate Appraiser
SC License No.: 7487

ADDENDUM B

Qualifications of Consultants

**STATEMENT OF PROFESSIONAL QUALIFICATIONS
REBECCA S. ARTHUR, MAI**

I. Education

University of Nebraska, Lincoln, Nebraska
Bachelor of Science in Business Administration – Finance

Appraisal Institute
Designated Member (MAI)

II. Licensing and Professional Affiliation

Member of Kansas Housing Association
Board of Directors; 2017 – Present
Vice President - Board of Directors; 2017 - 2021
Designated Member of the Appraisal Institute (MAI)
Kansas City Chapter of the Appraisal Institute Board of Directors: 2013 – 2014
National Council of Housing Market Analysts (NCHMA) – Member in Good Standing
Member of Texas Association of Affordable Housing Providers
Member of Women's Affordable Housing Network (WAHN)

State of Arkansas Certified General Real Estate Appraiser No. CG2682
State of Arizona Certified General Real Estate Appraiser No. 31992
State of California Certified General Real Estate Appraiser No. AG041010
State of Delaware Certified General Real Estate Appraiser No. X1-0010790
State of Georgia Certified General Real Estate Appraiser No. CG416465
State of Hawaii Certified General Real Estate Appraiser No. CGA-1047
State of Iowa Certified General Real Estate Appraiser No. CG03200
State of Indiana Certified General Real Estate Appraiser No. CG41300037
State of Kansas Certified General Real Estate Appraiser No. G-2153
State of Louisiana Certified General Real Estate Appraiser No. 4018
State of Minnesota Certified General Real Estate Appraiser No. 40219655
State of Missouri Certified General Real Estate Appraiser No. 2004035401
State of New York Certified General Real Estate Appraiser No. 46000053039
State of North Carolina Certified General Real Estate Appraiser No. A8713
State of Oklahoma Certified General Real Estate Appraiser No. 13563CGA
State of South Carolina Certified General Real Estate Appraiser No. 8417
State of Tennessee Certified General Real Estate Appraiser No. 6399
State of Texas Certified General Real Estate Appraiser No. TX-1338818-G
State of Virginia Certified General Real Estate Appraiser No. 4001018566
State of Washington Certified General Real Estate Appraiser No. 23001712

III. Professional Experience

Partner, Novogradac & Company LLP
Principal, Novogradac & Company LLP
Manager, Novogradac & Company LLP
Real Estate Analyst, Novogradac & Company LLP
Corporate Financial Analyst, Deloitte LLP

IV. Professional Training

RAD and HUD related seminars
Various Continuing Education Classes as required by appraisal licensing, ongoing
NCHMA Seminars
Uniform Standards of Professional Appraisal Practice
Forecasting Revenue
Discounted Cash Flow Model
Business Practices and Ethics
Biases in Appraising
HUD MAP Training – Ongoing
The Appraiser as an Expert Witness: Preparation & Testimony
How to Analyze and Value Income Properties
Appraising Apartments – The Basics
HUD MAP Third Party Tune-Up Workshop
HUD MAP Third Party Valuation Training
HUD LEAN Third Party Training
National Uniform Standards of Professional Appraisal Practice
MAI Comprehensive Four Part Exam
Report Writing & Valuation Analysis
Advanced Applications
Highest and Best Use and Market Analysis
HUD MAP – Valuation Advance MAP Training
Advanced Sales Comparison and Cost Approaches
Advanced Income Capitalization
Basic Income Capitalization
Appraisal Procedures
Appraisal Principals

IV. Real Estate Assignments

A representative sample of Valuation or Consulting Engagements includes:

- In general, have managed and conducted numerous market analyses and appraisals for various types of commercial real estate since 2001, with an emphasis on multifamily housing and land.
- Have managed and conducted numerous market and feasibility studies for multifamily housing. Properties types include Section 42 Low Income Housing Tax Credit (LIHTC) Properties, Public Housing for RAD conversion, Section 18 disposition, Section 8, USDA and/or conventional. Local housing authorities, developers, syndicators, HUD and lenders have used these studies to assist in the financial underwriting and design of multifamily properties. Analysis typically includes; unit mix determination, demand projections, rental rate analysis, competitive property surveying, and overall market analysis. The Subjects include both new construction and rehabilitation properties in both rural and metro regions throughout the United States and its territories.
- Have managed and conducted numerous appraisals of multifamily housing. Appraisal assignments typically involved determining the as is, as if complete and the as if complete and stabilized values. Additionally, encumbered LIHTC and unencumbered values were typically derived. The three traditional approaches to value are developed with special methodologies included to value tax credit equity, below market financing and PILOT agreements.
- Completed numerous appraisals of public housing properties for RAD conversion, Section 18 disposition, and/or LIHTC application of housing authority owned properties.

- Performed market studies and appraisals of proposed new construction and existing properties under the HUD Multifamily Accelerated Processing (MAP) program. These reports meet the requirements outlined in HUD Handbook 4465.1 and Chapter 7 of the HUD MAP Guide for 221(d)(4) and 223(f) programs, as well as the LIHTC PILOT Program.
- Performed numerous market study/appraisals assignments for USDA RD properties in several states in conjunction with acquisition rehabilitation redevelopments. Documents are used by states, FannieMae, USDA, and the developer in the underwriting process. Market studies are compliant to State, FannieMae, and USDA requirements. Appraisals are compliant to FannieMae and USDA HB-1-3560 Chapter 7 and Attachments.
- Completed numerous FannieMae and FreddieMac appraisals of affordable and market rate multi-family properties for DUS Lenders.
- Managed and completed numerous Section 8 Rent Comparability Studies in accordance with HUD's Section 8 Renewal Policy and Chapter 9 for various property owners and local housing authorities.
- Managed and conducted various City and County-wide Housing Needs Assessments in order to determine the characteristics of existing housing, as well as determine the need for additional housing within designated areas.
- Performed numerous valuations of the General and/or Limited Partnership Interest in a real estate transaction, as well as LIHTC Year 15 valuation analysis.
- Performs valuations of solar panels, wind turbines and other renewable energy installations in connection with financing and structuring analyses performed by various clients.

V. Speaking Engagements

A representative sample of industry speaking engagements follows:

- Novogradac & Company LLP: RAD Conferences, LIHTC, Developer and Bond Conferences
- Institute for Professional Education and Development (IPED): LIHTC and Year 15 Seminars
- Institute for Responsible Housing Preservation (IRHP): Annual Meetings
- Western FHA Mortgage Lenders Conference: Annual Meetings
- Midwest FHA Mortgage Lenders Conference: Annual Meetings
- Southwest FHA Mortgage Association Lenders Conference: Annual Meetings
- National Council of Housing Market Analysts (NCHMA): Seminars and Workshops
- National Council of State Housing Agencies: Housing Credit Connect Conferences
- National Leased Housing Association: Annual Meeting
- Nebraska's County Assessors: Annual Meeting
- AHF Live! Affordable Housing Finance Magazine Annual Conference
- Missouri Workforce Housing (MOWHA) Annual Conference
- Ohio Housing Council Symposium
- Kansas Housing Conference
- California Council for Affordable Housing (CCAH) Meetings

VI. Industry Engagements

- Novogradac & Company LLP – Chairperson of Annual RAD Conference
- Novogradac & Company LLP – Chairperson of Annual Affordable Housing LIHTC and Bond Developer and Investor Conference

BCD 1442038

State of South Carolina
Department of Labor, Licensing and Regulation
Real Estate Appraisers Board

REBECCA S ARTHUR

Is hereby entitled in practice as a:

Certified General Appraiser

License Number: **8417**

Expiration Date: 06/30/2024

POCKET CARD

Jana L. Smith
Administrator

BCD 1442038

State of South Carolina
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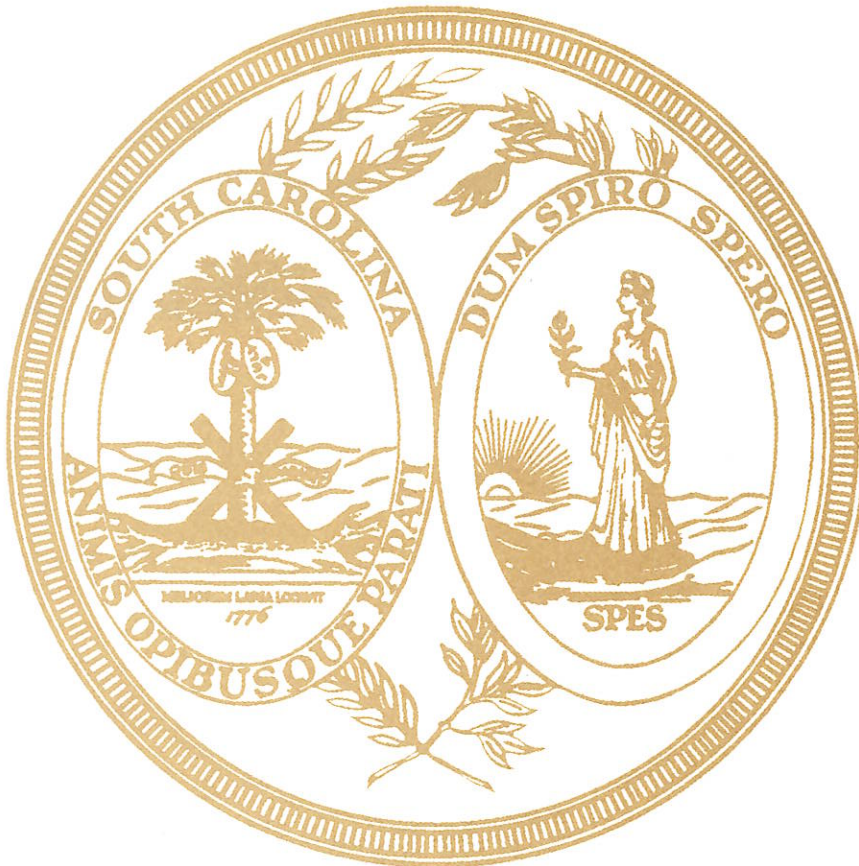
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Administrator

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STATEMENT OF PROFESSIONAL QUALIFICATIONS

ABBY M. COHEN

I. Education

The Pennsylvania State University, University Park, PA, Bachelor of Arts

II. Licensing and Professional Affiliation

Certified General Appraiser, FL License #RZ4143
Certified General Appraiser, GA License #427009
Certified General Appraiser, MD License #40032823
Certified General Appraiser, NC License #A8127
Certified General Appraiser, NJ License #42RG00255000
Certified General Appraiser, SC License #7487
Certified General Appraiser, TX License #1381138-G

Designated Member of the National Council of Housing Market Analysts (NCHMA)
Member of Commercial Real Estate Women (CREW) Network

III. Professional Experience

Novogradac & Company LLP, Partner
Novogradac & Company LLP, Principal
Novogradac & Company LLP, Manager
Novogradac & Company LLP, Senior Real Estate Analyst

IV. Professional Training

7-Hour National USPAP Update for 2022-2023, April 2022
Appraisal of Industrial and Flex Buildings, April 2022
Green Building Concepts for Appraisers, April 2022
Basic and Advanced Hotel Appraising, October 2019
Appraisal of Land Subject to Ground Leases, December 2017
Business Practices and Ethics, January 2017
General Appraiser Report Writing and Case Studies, February 2015
General Appraiser Sales Comparison Approach, February 2015
General Appraiser Site Valuation and Cost Approach, February 2015
Expert Witness for Commercial Appraisers, January 2015
Commercial Appraisal Review, January 2015
Real Estate Finance Statistics and Valuation Modeling, December 2014
General Appraiser Income Approach Part II, December 2014
General Appraiser Income Approach Part I, November 2014
General Appraiser Market Analysis and Highest & Best Use, November 2014
Basic Appraisal Procedures, March 2013
Basic Appraisal Principles, January 2013

V. Publications

Co-authored "Determining Whether a Developer Fee is Reasonable and Market-Oriented for Purposes of the Revenue Procedure 2014-12 Historic Tax Credit Safe Harbor," Novogradac Journal of Tax Credits, March 2021
Co-authored "Reasonableness of Historic Tax Credit Related-Party Fees a Complicated, Changing Question in Context of Rev. Proc. 2014-12," Novogradac Journal of Tax Credits, March 2021
Co-authored "Post Rev. Proc. 2014-12 Trend Emerges: Developer Fee Reasonableness Opinions," Novogradac Journal of Tax Credits, March 2016

VI. Real Estate Assignments

A representative sample of Asset Management, Due Diligence, and Valuation Engagements includes:

- Performed a variety of asset management services for a lender including monitoring and reporting property performance on a monthly basis. Data points monitored include economic vacancy, levels of concessions, income and expense levels, NOI and status of capital projects. Data used to determine these effects on the project's ability to meet its income-dependent obligations.
- Performed asset management services for lenders and syndicators on underperforming assets to identify significant issues facing the property and recommend solutions. Scope of work included analysis of deferred maintenance and property condition, security issues, signage, marketing strategy, condition of units upon turnover and staffing plan. Performed a physical inspection of the assets, to include interior and exterior of property and assessed how the property compares to competition. Analyzed operating expense results.
- Prepared market studies for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties, on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis, and operating expenses analysis. Property types include proposed multifamily, senior independent living, large family, and acquisition with rehabilitation. Completed market studies in all states.
- Assisted in appraisals of proposed new construction, rehabilitation, and existing Low-Income Housing Tax Credit properties, USDA Rural Development, and market rate multifamily developments. Analysis includes property screenings, valuation analysis, rent comparability studies, expense comparability analysis, determination of market rents, and general market analysis.
- Assisted in appraisal work for retail and commercial properties in various parts of the country for various lenders. The client utilized the study for underwriting purposes.
- Conducted market studies and appraisals for projects under the HUD Multifamily Accelerated Processing program.
- Prepared Rent Comparability Studies for expiring Section 8 contracts for subsidized properties located throughout the United States. Engagements included site visits to the subject property, interviewing and inspecting potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.
- Performed all aspects of data collection and data mining for web-based rent reasonableness systems for use by local housing authorities.
- Completed numerous reasonableness opinions related to Revenue Procedure 2014-12. Transactions analyzed include projects involving the use of Historic Tax Credits, New Markets Tax Credits and Investment Tax Credits. Fees and arrangements tested for reasonableness include developer fees, construction management fees, property management fees, asset management fees, various leasing-related payments and overall prime lease terms.

BCD 1447769

State of South Carolina
Department of Labor, Licensing and Regulation
Real Estate Appraisers Board
ABBY M COHEN
Is hereby entitled in practice as a:
Certified General Appraiser
License Number: **7487**
Expiration Date: 06/30/2024

Laura L. Smith
Administrator

POCKET CARD

BCD 1447769

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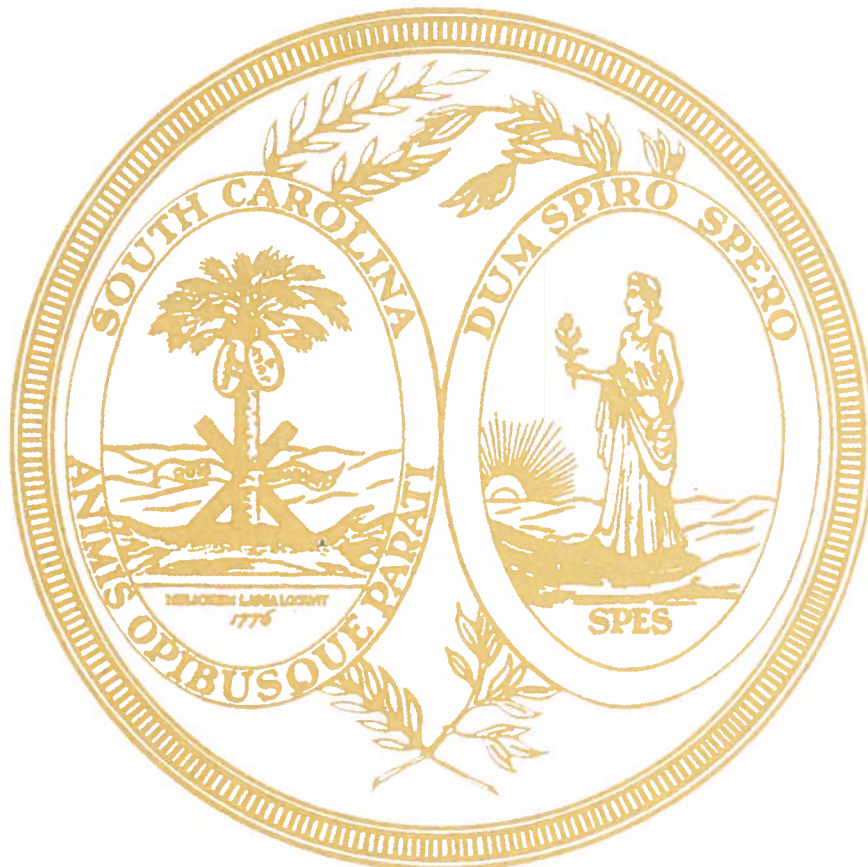
Laura L. Smith
Administrator

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- Pull card off backing



STATEMENT OF PROFESSIONAL QUALIFICATIONS

LAWSON SHORT

I. EDUCATION

St. Edward's University, Austin, Texas

Bachelor of Arts, English Writing and Rhetoric, 2010

II. PROFESSIONAL EXPERIENCE

Manager – Novogradac & Company LLP, *March 2018 to Present*

Real Estate Analyst – Novogradac & Company LLP, *March 2012 to March 2018*

Researcher – Novogradac & Company LLP, *March 2011 to March 2012*

III. PROFESSIONAL TRAINING

Basic Appraisal Principles *June 2013 to January 2014*

Basic Appraisal Procedures *June 2013 to January*

2014 National USPAP Course *June 2013 to January*

2014 Texas Appraiser Trainee License *February 2014*

IV. REAL ESTATE ASSIGNMENTS

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

- Prepared market studies for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties, on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis, and operating expenses analysis. Property types include proposed multifamily, senior independent living, assisted living, large family, and acquisition with rehabilitation.
- Assisted in the preparation of Rent Comparability Studies for expiring Section 8 contracts and USDA contracts for subsidized properties located throughout the United States. Engagements included interviewing potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.
- Assisted in various types of appraisals of proposed new construction, rehabilitation, and existing properties. Analysis includes property screenings, valuation analysis, capitalization rate analysis, rent comparability studies, expense comparability analysis, determination of market rents, and general market analysis. Appraisals assisted on have

included Freddie Mac, Fannie Mae, HUD Multifamily Accelerated Processing (MAP), among others.

- Conducted over 150 site inspections for market studies and appraisals throughout the United States for various reports including proposed new construction and rehabilitation projects.
- Researched and analyzed local and national economy and economic indicators for specific projects throughout the United States. Research included employment industries analysis, employment historical trends and future outlook, and demographic analysis.
- Examined local and national housing market statistical trends and potential outlook in order to determine sufficient demand for specific projects through the United States.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

Taylor Williams

I. EDUCATION

Texas A&M University
Bachelor of Science – Urban & Regional Planning
University of Texas at San Antonio
Master of Business Administration

II. LICENSING AND PROFESSIONAL AFFILIATION

III. PROFESSIONAL EXPERIENCE

Analyst, Novogradac & Company LLP, *July 2022 to Present*

Junior Analyst, Novogradac & Company LLP, *July 2021 to July 2022*

IV. REAL ESTATE ASSIGNMENTS

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

- Assisted in appraisals of proposed new construction, rehabilitation, and existing Low Income Housing Tax Credit properties. Analysis included property screenings, valuation analysis, capitalization rate analysis, expense comparability analysis, determination of market rents, and general market analysis
- Prepared market studies for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis, and operating expenses analysis. Property types include proposed multifamily, senior independent living, assisted living, large family, and acquisition with rehabilitation.
- Assisted in the preparation of Rent Comparability Studies for expiring Section 8 contracts and USDA contracts for subsidized properties located throughout the United States. Engagements included site visits to the subject property, interviewing and inspecting potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.
- Researched and analyzed local and national economy and economic indicators for specific projects throughout the United States. Research included employment industries analysis, employment historical trends and future outlook, and demographic analysis.
- Examined local and national housing market statistical trends and potential outlook in order to determine sufficient demand for specific projects throughout the United States.

ADDENDUM C
Subject Photos



Subject exterior



Subject exterior



Subject exterior



Subject exterior



Subject parking



Subject mailbox area



Playground



Subject signage



Community building/leasing office



Leasing office



Community room



Community room



Community room



Community room



Laundry facility



Laundry facility



Typical one-bedroom living room



Typical one-bedroom kitchen



Typical one-bedroom bedroom



Typical one-bedroom bathroom



Typical one-bedroom bathroom



Typical one-bedroom closet



Typical two-bedroom living room



Typical two-bedroom living room



Typical two-bedroom interior stairs



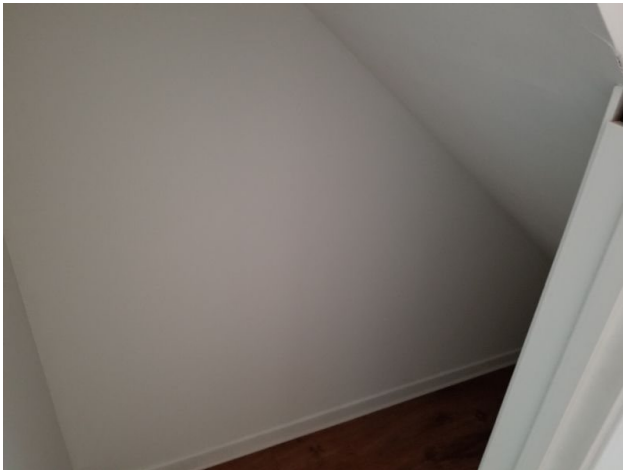
Typical two-bedroom bedroom



Typical two-bedroom bedroom



Typical two-bedroom kitchen



Typical closet under stairs



Typical two-bedroom bathroom



Typical two-bedroom bathroom



Typical three-bedroom living room



Typical three-bedroom kitchen



Typical three-bedroom hallway



Typical three-bedroom interior stairs



Typical three-bedroom bedroom



Typical three-bedroom bedroom



Typical three-bedroom bathroom



Typical three-bedroom bathroom



Typical three-bedroom bathroom



View of Duncan Street facing southwest



View of Duncan Street facing northeast



View of East Main Street/Highway 290 facing southeast



View of East Main Street/Highway 290 facing northwest



Single-family home north of Subject



Single-family home north of Subject



Mobile home park south of Subject



Mobile home park south of Subject



Vacant land west of Subject



Newer construction home west of Subject

ADDENDUM D
Rent Roll

FloorPlan Summary

FloorPlan	#Units	Market SQFT	Average SQFT	Average Market Rent + Addl.	Market Amt + Addl/SQFT	Leased SQFT	Average Leased	Leased Amt /SQFT	Units Occupied	Occupancy%	Units Available
1A	15	9,195	613	\$711.00	\$1.16	7,969	\$711.00	\$1.16	13	86.7%	2
1B	3	1,839	613	\$711.00	\$1.16	1,839	\$711.00	\$1.16	3	100.0%	0
2A	26	22,724	874	\$825.00	\$0.94	18,354	\$824.95	\$0.94	21	80.8%	5
3A	6	6,654	1,109	\$988.00	\$0.89	6,654	\$988.00	\$0.89	6	100.0%	0
Summary	50	40,412	808	\$803.52	\$0.99	34,816	\$805.30	\$0.99	43	86.0%	7

Occupancy and Rents Summary

Unit Status	# Units	% of Total Units	Market Rent + Addl.	Potential Rent
Occupied No NTV Units	43	86.0%	\$34,629.00	\$34,628.00
Occupied NTV Units	0	0.0%	\$0.00	\$0.00
Occupied NTV Leased Units	0	0.0%	\$0.00	\$0.00
Vacant Leased Units	0	0.0%	\$0.00	\$0.00
Vacant Not Leased Units	7	14.0%	\$5,547.00	\$5,547.00
Down Units	0	0.0%	\$0.00	\$0.00
Model Units	0	0.0%	\$0.00	\$0.00
Other Unavailable	0	0.0%	\$0.00	\$0.00
Summary	50	100.0%	\$40,176.00	\$40,175.00

Unit #	Floor Plan	Unit Designation	SQFT	Unit/Lease Status	Name	Move In	Notice	Move Out	Days Vacant	Make Ready	Make Ready Days to Complete	Lease Start	Lease End	Market Rent + Addl.	Lease Rent	Subsidy Rent	Amenities	Total Billing
A-A1	1A	N/A	613	Occupied	Lowe, Keith	02/03/2022						02/03/2022	02/02/2023	\$711.00	\$711.00	\$510.00	\$0.00	\$711.00
A-A2	1A	N/A	613	Occupied	Fayard, Lisa	05/02/2014						05/02/2014	05/01/2015	\$711.00	\$711.00	\$504.00	\$0.00	\$711.00
A-A3	1A	N/A	613	Occupied	Hill, Kathy	02/22/2022						02/22/2022	02/22/2023	\$711.00	\$711.00	\$471.00	\$0.00	\$711.00
A-A4	1A	N/A	613	Vacant				07/03/2023	101					\$711.00	\$0.00	\$0.00	\$0.00	\$0.00
B-B1	1B	N/A	613	Occupied	Williams, Carolyn	11/01/2018						11/01/2018	10/31/2019	\$711.00	\$711.00	\$516.00	\$0.00	\$711.00
B-B2	1A	N/A	613	Vacant				09/13/2023	29					\$711.00	\$0.00	\$0.00	\$0.00	\$0.00
B-B3	1A	N/A	613	Occupied	Hicks, Kimberly	08/16/2013						08/16/2013	07/31/2014	\$711.00	\$711.00	\$315.00	\$0.00	\$711.00
B-B4	1B	N/A	613	Occupied	Lowe, Samantha	05/09/2022						05/09/2022	05/08/2023	\$711.00	\$711.00	\$711.00	\$0.00	\$711.00
C-C1	1A	N/A	613	Occupied	Harris, Sharon	05/03/2019						05/03/2019	05/02/2020	\$711.00	\$711.00	\$504.00	\$0.00	\$711.00
C-C2	1A	N/A	613	Occupied	Procopio, Jerome	08/01/2019						08/01/2019	07/31/2020	\$711.00	\$711.00	\$419.00	\$0.00	\$711.00
C-C3	1A	N/A	613	Occupied	Cartee, Debra	06/03/2011						06/01/2013	05/31/2014	\$711.00	\$711.00	\$478.00	\$0.00	\$711.00
C-C4	1A	N/A	613	Occupied	Davis, Appedela	05/29/2018						05/29/2018	05/28/2019	\$711.00	\$711.00	\$163.00	\$0.00	\$711.00
D-D1	3A	N/A	1109	Occupied	Pittman, Brittany	11/20/2020						11/20/2020	11/19/2021	\$988.00	\$988.00	\$988.00	\$0.00	\$988.00
D-D2	2A	N/A	874	Occupied	Mace, Larry	04/26/2010						04/01/2013	03/31/2014	\$825.00	\$825.00	\$601.00	\$0.00	\$825.00
D-D3	2A	N/A	874	Occupied	Baker, Tamika	11/04/2022						11/04/2022	10/31/2023	\$825.00	\$825.00	\$669.00	\$0.00	\$825.00
D-D4	3A	N/A	1109	Occupied	McCord, Brandi	05/09/2022						05/09/2022	05/08/2023	\$988.00	\$988.00	\$813.00	\$0.00	\$988.00
E-E1	1A	N/A	613	Occupied	Chapman, Brenda	02/09/1996						02/01/2013	01/31/2014	\$711.00	\$711.00	\$439.00	\$0.00	\$711.00
E-E2	2A	N/A	874	Occupied	Harrison, Kelly	11/16/2018						11/16/2018	11/15/2019	\$825.00	\$825.00	\$825.00	\$0.00	\$825.00
E-E3	2A	N/A	874	Occupied	Drummond, Donald	12/22/2017						12/22/2017	12/21/2018	\$825.00	\$825.00	\$825.00	\$0.00	\$825.00
E-E4	2A	N/A	874	Occupied	Young, Brittany	08/03/2020						08/03/2020	08/02/2021	\$825.00	\$825.00	\$654.00	\$0.00	\$825.00
E-E5	2A	N/A	874	Occupied	Westmoreland, Paula	05/19/2022						05/19/2022	05/18/2023	\$825.00	\$825.00	\$825.00	\$0.00	\$825.00
E-E6	1A	N/A	613	Occupied	Pittman, Julia	12/16/2016						12/16/2016	12/15/2017	\$711.00	\$711.00	\$352.00	\$0.00	\$711.00
F-F1	2A	N/A	874	Occupied	Mathis, Sammy	02/25/2022						02/25/2022	02/24/2023	\$825.00	\$825.00	\$624.00	\$0.00	\$825.00
F-F2	2A	N/A	874	Occupied	Pearson, Barbara	08/03/1995						08/01/2013	07/31/2014	\$825.00	\$824.00	\$0.00	\$0.00	\$824.00
F-F3	2A	N/A	874	Vacant				03/31/2022	560					\$825.00	\$0.00	\$0.00	\$0.00	\$0.00
F-F4	2A	N/A	874	Occupied	Drummond, Tammie	11/14/1997						11/01/2013	10/31/2014	\$825.00	\$825.00	\$295.00	\$0.00	\$825.00
G-G1	3A	N/A	1109	Occupied	Nava, Aimee	07/24/2014						07/24/2014	07/23/2015	\$988.00	\$988.00	\$0.00	\$0.00	\$988.00
G-G2	2A	N/A	874	Occupied	Whitmire, Rena	11/01/2017						11/01/2017	10/31/2018	\$825.00	\$825.00	\$600.00	\$0.00	\$825.00
G-G3	2A	N/A	874	Occupied	Drummond, Tiffany	03/28/2017						03/28/2017	03/27/2018	\$825.00	\$825.00	\$825.00	\$0.00	\$825.00
G-G4	3A	N/A	1109	Occupied	Logan, Tina	12/01/2016						12/01/2016	11/30/2017	\$988.00	\$988.00	\$774.00	\$0.00	\$988.00
H-H1	2A	N/A	874	Occupied	Flores, Toni	03/07/2022						03/07/2022	03/06/2023	\$825.00	\$825.00	\$813.00	\$0.00	\$825.00
H-H2	2A	N/A	874	Vacant				10/13/2022	364					\$825.00	\$0.00	\$0.00	\$0.00	\$0.00
H-H3	2A	N/A	874	Vacant				08/07/2023	66					\$825.00	\$0.00	\$0.00	\$0.00	\$0.00
H-H4	2A	N/A	874	Occupied	Posey, Naceka	09/18/2019						09/18/2019	09/17/2020	\$825.00	\$825.00	\$825.00	\$0.00	\$825.00
I-I1	1A	N/A	613	Occupied	Cleland, Helen	10/01/2021						10/01/2021	09/30/2022	\$711.00	\$711.00	\$542.00	\$0.00	\$711.00
I-I2	2A	N/A	874	Occupied	Eubanks, Michaela	04/01/2022						04/01/2022	03/21/2023	\$825.00	\$825.00	\$825.00	\$0.00	\$825.00
I-I3	2A	N/A	874	Vacant				06/27/2022	472					\$825.00	\$0.00	\$0.00	\$0.00	\$0.00
I-I4	2A	N/A	874	Occupied	Tanner, Ladetra	06/21/2018						06/21/2018	06/20/2019	\$825.00	\$825.00	\$461.00	\$0.00	\$825.00
I-I5	2A	N/A	874	Occupied	McIntyre, Ivory	08/23/2018						08/23/2018	08/22/2019	\$825.00	\$825.00	\$254.00	\$0.00	\$825.00
I-I6	1B	N/A	613	Occupied	Hunt, Mary	10/18/2021						10/18/2021	10/17/2022	\$711.00	\$711.00	\$478.00	\$0.00	\$711.00
J-J1	3A	N/A	1109	Occupied	Foster, Ronna	12/17/2019						12/17/2019	11/30/2021	\$988.00	\$988.00	\$967.00	\$0.00	\$988.00
J-J2	2A	N/A	874	Vacant				05/08/2022	522					\$825.00	\$0.00	\$0.00	\$0.00	\$0.00
J-J3	2A	N/A	874	Occupied	Fullenwinder, Cierra	09/15/2017						09/15/2017	09/14/2018	\$825.00	\$825.00	\$687.00	\$0.00	\$825.00
J-J4	3A	N/A	1109	Occupied	Smith, China	06/19/2017						06/19/2017	06/18/2018	\$988.00	\$988.00	\$552.00	\$0.00	\$988.00
K-K1	1A	N/A	613	Occupied	Langham, Kristen	04/10/2015						04/10/2015	04/09/2016	\$711.00	\$711.00	\$170.00	\$0.00	\$711.00
K-K2	2A	N/A	874	Occupied	Franklin, LaToya	09/13/2016						09/13/2016	09/12/2017	\$825.00	\$825.00	\$0.00	\$0.00	\$825.00
K-K3	2A	N/A	874	Occupied	Hilton, Susan	09/03/2020						09/03/2020	09/02/2021	\$825.00	\$825.00	\$624.00	\$0.00	\$825.00
K-K4	2A	N/A	874	Occupied	Brewer, Diamond	10/07/2022						10/07/2022	09/30/2023	\$825.00	\$825.00	\$825.00	\$0.00	\$825.00
K-K5	2A	N/A	874	Occupied	Lewis, Chrisandra	01/15/2019						01/15/2019	01/14/2020	\$825.00	\$825.00	\$312.00	\$0.00	\$825.00
K-K6	1A	N/A	613	Occupied	Davis, Edward	04/24/2020						04/24/2020	04/23/2021	\$711.00	\$711.00	\$519.00	\$0.00	\$711.00
														\$40,176.00	\$34,628.00	\$23,564.00	\$0.00	\$34,628.00

ADDENDUM E

Financials

Duncan Village II, LLC

**(Duncan Village)
Duncan, South Carolina**

Financial Statements
and Supplemental Information

December 31, 2020

Duncan Village II, LLC

(Duncan Village)

CONTENTS

December 31, 2020

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Independent Auditors' Report

To the Members
Duncan Village II, LLC
(Duncan Village)

Report on the Financial Statements

We have audited the accompanying financial statements of Duncan Village II, LLC, (Duncan Village), (the "Company"), which comprise the balance sheet as of December 31, 2020, and the related statements of operations, changes in members' capital, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Duncan Village as of December 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information shown on pages 16 to 21 is presented for purposes of additional analysis and is not a required part of the financial statements.

The accompanying supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Maddox & Associates, APC

Baton Rouge, Louisiana
February 11, 2021

Duncan Village II, LLC

(Duncan Village)

Balance Sheet
December 31, 2020

ASSETS

CURRENT ASSETS

Cash-Operations	\$	19,323
Tenant Accounts Receivable		1,542
Accounts Receivable-HUD		10,400
Prepaid Expenses		8,586
Total Current Assets		<u>39,851</u>

DEPOSITS HELD IN TRUST-FUNDED

Tenant Security Deposits Held in Trust	8,481
--	-------

RESTRICTED DEPOSITS AND FUNDED RESERVES

Escrow Deposits	28,371
Other Reserve	293,942
Total Restricted Deposits	<u>322,313</u>

FIXED ASSETS

Land	254,677
Buildings	3,608,764
Furnishings	47,788
Office Furniture and Equipment	3,400
Miscellaneous Fixed Assets	37,186
Total Fixed Assets	<u>3,951,815</u>
Less Accumulated Depreciation	<u>1,400,163</u>
Net Fixed Assets	<u>2,551,652</u>

OTHER ASSETS

Tax Credit Fees (net of \$14,510 amortization)	<u>1,036</u>
Total Other Assets	<u>1,036</u>

TOTAL ASSETS

\$	<u><u>2,923,333</u></u>
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Duncan Village II, LLC

(Duncan Village)

Balance Sheet
December 31, 2020

LIABILITIES AND MEMBERS' CAPITAL

CURRENT LIABILITIES

Accounts Payable-Operations	\$ 52,032
Accrued Management Fee Payable	2,350
Accrued Interest Payable-First Mortgage	5,123
Mortgage Payable-First Mortgage (short-term)	24,909
Prepaid Revenue	<u>1,527</u>
Total Current Liabilities	85,941

DEPOSITS HELD IN TRUST-FUNDED

Tenant Security Deposits Held in Trust (contra)	7,968
---	-------

LONG-TERM LIABILITIES

Notes Payable-Surplus Cash	1,010,000
Mortgage Payable-First Mortgage (less debt issuance cost of \$22,472)	794,713
Accrued Interest Notes Payable (Surplus Cash) long term	<u>311,412</u>
Total Long-Term Liabilities	<u>2,116,125</u>

Total Liabilities	2,210,034
-------------------	-----------

MEMBERS' CAPITAL

<u>713,299</u>

TOTAL LIABILITIES AND MEMBERS' CAPITAL

<u><u>\$ 2,923,333</u></u>

Duncan Village II, LLC

(Duncan Village)

Statement of Operations
For the Year Ended December 31, 2020

REVENUES:

Rent	\$ 443,361
Financial	447
Other	<u>5,242</u>

Total Revenue 449,050

EXPENSES:

Administrative	107,712
Utilities	28,808
Operating and Maintenance	139,670
Taxes and Insurance	90,291
Financial	104,072
Depreciation and Amortization	<u>106,727</u>

Total Expenses 577,280

NET LOSS \$ (128,230)

Duncan Village II, LLC

(Duncan Village)

Statement of Changes in Members' Capital
For the Year Ended December 31, 2020

	Managing Member	Investor Member	Total Capital
Members' Capital, December 31, 2019	\$ (18)	\$ 841,547	\$ 841,529
Net Loss	(13)	(128,217)	(128,230)
Members' Capital, December 31, 2020	<u>\$ (31)</u>	<u>\$ 713,330</u>	<u>\$ 713,299</u>

See accompanying notes to the financial statements.

Duncan Village II, LLC

(Duncan Village)

Statement of Cash Flows
For the Year Ended December 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES:

Rental Receipts	\$ 442,348
Interest Receipts	447
Other Receipts	5,242
Total Receipts	<u>448,037</u>
Administrative	(20,887)
Management Fees	(28,000)
Utilities	(41,698)
Salaries and Wages	(72,734)
Operating and Maintenance	(98,644)
Real Estate Taxes	(72,289)
Property Insurance	(30,050)
Miscellaneous Taxes and Insurance	(26,189)
Tenant Security Deposits	(517)
Interest on Mortgage	(62,399)
Total Disbursements	<u>(453,407)</u>
Net Cash Used in Operating Activities	(5,370)

CASH FLOWS FROM INVESTING ACTIVITIES:

0

CASH FLOWS FROM FINANCING ACTIVITIES:

Mortgage Principal Payments	<u>(23,161)</u>
Net Cash Used in Financing Activities	<u>(23,161)</u>

Net Decrease in Cash, Cash Equivalents, and Restricted Cash (28,531)

CASH, CASH EQUIVALENTS, AND RESTRICTED CASH:

Beginning of Period	<u>378,648</u>
End of period	<u>\$ 350,117</u>

(continued)

See accompanying notes to the financial statements.

Duncan Village II, LLC

(Duncan Village)

Statement of Cash Flows (continued)
For the Year Ended December 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES:

Net Loss	\$ (128,230)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities	
Depreciation Expense	105,690
Amortization Expense	1,037
Amortization of Debt Issuance Costs	1,303
Decrease (Increase) in:	
Tenant Accounts Receivable	(55)
Accounts Receivable-Other	(10,400)
Prepaid Expenses	(3,863)
Increase (Decrease) in:	
Accounts Payable	24,051
Accrued Liabilities	(35,866)
Accrued Interest Payable	40,370
Tenants Security Deposits Held in Trust	(517)
Prepaid Revenue	<u>1,110</u>
Net Cash Used in Operating Activities	<u>\$ (5,370)</u>

Duncan Village II, LLC

(Duncan Village)

Notes to the Financial Statements

December 31, 2020

1. Organization and Summary of Significant Accounting Policies

The Company is organized as a limited liability company under the laws of the State of South Carolina for the purpose of owning and operating an apartment complex. The Company consists of 50 units located in Duncan, South Carolina.

The Company is subject to Section 8 Housing Assistance Payments agreements with the U.S. Department of Housing and Urban Development (HUD), and a significant portion of the Company's rental income is received from HUD. The Company is also subject to a Use Agreement which requires the low-income character of the property be maintained through December 2055.

The Company is owned .01% by VOA Duncan Village, Inc., the managing member, and 99.99% by Community Housing Alliance III, L.P., the investor member. Allocations of cash distributions, capital transactions, and net income and losses are made in accordance with the Operating Agreement.

Cash distributions are limited by agreements between the Company and HUD to the extent of surplus cash as defined by HUD.

The Company has qualified for and been allocated low-income housing credits pursuant to Internal Revenue Code Section 42 (Section 42) which regulates the use of the project as to occupant eligibility and unit gross rent, among other requirements. The company must meet the provisions of these regulations during each of 15 consecutive years in order to remain qualified to receive the credits. In addition, the Company has executed an Agreement of Restrictive Covenants with the South Carolina State Housing Finance and Development Authority, which requires the utilization of the project pursuant to Section 42 for a minimum of thirty years beginning the first year of the credit period, as defined, even if disposition of the project by the Company occurs.

The following significant accounting policies have been followed in the preparation of the financial statements:

Basis of Accounting: The financial statements are prepared on the accrual basis of accounting which is in accordance with generally accepted accounting principles.

Subsequent Events: The financial statements and related disclosures include evaluation of events up through and including February 11, 2021, which is the date the financial statements were issued.

Revenue Recognition: Rental income is recognized as rentals become due. Rental payments received in advance are deferred until earned. All leases between the Company and the tenants are operating leases. Rental income is recorded net of vacancies. Under the Section 8 Housing Assistance Payments Agreement, the Company may not increase rents charged to tenants without HUD approval.

Cash, Cash Equivalents, and Restricted Cash: For the purposes of the Statement of Cash Flows, the Company considers all highly liquid investments purchased with maturities of three months or less to be cash equivalents.

Concentration of Credit Risk: The Company maintains its cash in financial institutions insured by the Federal Deposit Insurance Corporation (FDIC). Deposit accounts, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts.

Duncan Village II, LLC

(Duncan Village)

Notes to the Financial Statements (continued)

December 31, 2020

Allowance for Uncollectible Receivables: Tenant receivables are charged to bad debt expense when they are determined to be uncollectible based upon a periodic review of the accounts by management. Accounting principles generally accepted in the United States of America require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

Depreciation: The Company's land, building, improvements, and personal property are recorded at cost. Improvements are capitalized, while expenditures for maintenance and repairs are charged to expense as incurred. Depreciation is provided by the straight-line method over the estimated useful life of the asset.

Buildings	40 years
Land Improvements	15 years
Furniture, Fixtures, and Equipment	5-10 years

Impairment of Long-Lived Assets: The Company reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Recoverability is measured by a comparison of the carrying amount to the future net undiscounted cash flow expected to be generated and any estimated proceeds from the eventual disposition. If the long-lived asset is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount exceeds the fair value as determined from an appraisal, discounted cash flows analysis, or other valuation technique. There is no impairment loss recognized for the period ending December 31, 2020.

Debt Issuance Costs: Debt issuance costs of \$39,082 are amortized over the term of the mortgage loan using the straight-line method. Accounting principles generally accepted in the United States of America require that the effective yield method be used to amortize debt issuance costs; however, the effect of using the straight-line method is not materially different from the results that would have been obtained under the effective yield method. Estimated amortization expense for the permanent loans for the next five years is expected to be \$1,303. Debt issuance costs are presented as a direct deduction to the related note payable. Those debt issuance costs were previously reported as other assets. Debt issuance costs amortization is reported as a component of interest expense.

Tax Credit Fees: Tax credit fees are amortized by the straight-line method over the tax credit compliance period. Estimated amortization expense for the final year is expected to be \$1,036.

Other Liabilities: Accrued expenses for compensated absences, vacations, and sick pay are not shown due to the fact that amount of the liability cannot be reasonably estimated. It is the Company's policy to expense these items when they are incurred.

Interest Expense: The Company has expensed all interest and none has been capitalized.

Duncan Village II, LLC

(Duncan Village)

Notes to the Financial Statements (continued)

December 31, 2020

Income Taxes: Under the provisions of the Internal Revenue Code, the Company is not a taxable entity and, accordingly the net loss of the Company is included in the income tax returns of the members. The Company files tax returns in the U.S. federal jurisdiction and the state of South Carolina. Federal and state tax authorities generally have the right to examine and audit the previous three years of tax returns filed. There are no interest and penalties related to income taxes recognized in the statement of operations. The Company has not taken any tax positions that would significantly increase or decrease any unrecognized tax benefit within twelve months of the reporting date.

Estimates: The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Economic Concentrations: The Company's primary asset is its 50-unit apartment project. The Company's operations are concentrated in the multifamily housing real estate market. In addition, the Company operates in a regulated environment. The operations of the Company are subject to the administrative directives, rules and regulations of federal, state, and local regulatory agencies, including, but not limited to, HUD. Such administrative directives, rules, and regulations are subject to change by an act of Congress, or an administrative change mandated by HUD. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

2. Mortgage Payable

The mortgage note is payable over 30 years in monthly installments, including principal and interest of \$7,130 at 7.30%. All interest is charged to expense. This note is secured by a mortgage on the real estate and improvements thereon. The maturity date is May 1, 2038.

Maturities of the mortgage note payments for the next five years and thereafter are:

Fiscal year ending December 31, 2021	\$	24,909
2022		26,789
2023		28,812
2024		30,987
2025		33,326
Remaining Balance		697,271
	\$	<u>842,094</u>

Duncan Village II, LLC

(Duncan Village)

Notes to the Financial Statements (continued)

December 31, 2020

3. Related Party-Identity of Interest

Related Party: VOA National Housing Corporation
Relationship: Affiliate of the Managing Partner
Transactions: Management, Payroll, Accounting, and Reimbursable Expenses
Amount paid for services: \$133,590
Amount payable at December 31, 2020: \$10,916

Related Party: VOA National Services
Relationship: Affiliate of the Managing Partner
Transactions: Reimbursable Expenses
Amount paid for services: \$1,723
Amount payable at December 31, 2020: \$1,872

On June 6, 2006, Duncan Village, LLC, an affiliate of the managing member, entered into a loan agreement with the Company in the amount of \$1,010,000. The note is secured by a second mortgage on the rental property. Interest on the note accrues at a rate of 4.0% per annum on the unpaid principal balance. Annual payments of principal and interest are due on June 5 of each year, provided that net cash flow, as defined, is available after payments of any Investor Member obligations, Investor Service Fee, and the Property Development Fee, as defined in the First Amended and Restated Operating Agreement. The note matures on June 5, 2036. During 2020, the interest incurred on the note was \$40,511 and there was no interest paid on the note. As of December 31, 2020, accrued interest on the note was \$311,412. At December 31, 2020, the outstanding principal balance on the note was \$1,010,000.

4. Management Fee

The Company has contracted with VOA National Housing Corporation to provide management services. The charges for these services are based upon a management agreement. The charges are 6.69% of collected rental income not to exceed \$43 per unit, per month. For the period ended December 31, 2020, management fees charged amounted to \$25,800. The Company is also charged Better Buildings Challenge management add-on fees. The charges are \$4 per unit, per month. For the period ended December 31, 2020, Better Buildings Challenge management fees charged amounted to \$2,400. The balance owed VOA National Housing Corporation at December 31, 2020 is \$2,350.

5. Reserves

Under the Operating Agreement, the Company is required to establish and maintain a replacement reserve in the initial amount of \$30,000. The replacement reserve is to be used for the purpose of funding future capital repairs and improvements. The required monthly deposit to the replacement reserve is \$375 per unit per year beginning in 2007 and shall increase by 3% annually thereafter. The Company may not utilize the replacement reserve for any capital expenditure which causes total withdrawals from the replacement reserve during any calendar year to exceed \$5,000 unless the Company has obtained the consent of the Investor Member. As of December 31, 2020, the balance of the replacement reserve is \$177,566. The replacement reserve is included in other reserves on the balance sheet.

Duncan Village II, LLC

(Duncan Village)

Notes to the Financial Statements (continued)
December 31, 2020

5. Reserves (continued)

Under the Operating Agreement, the Company is required to establish and maintain an operating reserve in the initial amount of \$25,000 from the first capital contribution installment made by the investor member. An additional deposit of \$84,400 is to be funded from the fourth capital contribution installment of the investor member. The operating reserve may be used to fund operating deficits under the operating deficit guaranty after the Stabilization Date, as defined in the Amended and Restated Operating Agreement. The reserve requires approval by an affiliate of the investor member before withdrawals can be made. As of December 31, 2020, the balance of the operating reserve is \$116,376. The operating reserve is included in other reserves on the balance sheet.

6. Cash, Cash Equivalents, and Restricted Cash

In accordance with Accounting Standards Update (ASU) 2016-18, "Restricted Cash", the following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the balance sheet to the amounts presented in the statement of cash flows:

	Beginning of Period	End of Period
Cash-Operations	\$ 12,778	\$ 19,323
Tenant Security Deposits Held in Trust	8,769	8,481
Escrow Deposits	52,781	28,371
Other Reserve	304,320	293,942
	<u>\$ 378,648</u>	<u>\$ 350,117</u>

7. Entity Expenses

The Company is required to pay a cumulative annual investor services fee of \$2,500, which amount shall be increased by 3% per year, to an affiliate of the investor member for its services in monitoring the operations of the Company. If cash flows are not sufficient to pay the fee, then any unpaid fees shall accumulate and shall be payable out of the next available cash flow or capital proceeds. There was no investor service fee paid for the year ended December 31, 2020. The accumulated and unpaid balance at December 31, 2020 is \$14,057.

The Company is required to pay a cumulative annual company administration fee of \$15,000, which amount shall be increased by 3% per year, to the managing member for its services with the administration of Company affairs. If cash flows are not sufficient to pay the fee, then any unpaid fees shall accumulate and shall be payable out of the next available cash flow or capital proceeds. There was no company administration fee paid for the year ended December 31, 2020. The accumulated and unpaid balance at December 31, 2020 is \$264,841.

8. Capital Contributions

The managing member is obligated to make capital contributions of \$207. The investor member is obligated to make capital contributions totaling \$2,061,000 in various installments which are based on the occurrence of specific events described in the Operating Agreement. During a prior year the project received a by-the-book downward adjuster of \$35,931 that was calculated per the Operating Agreement and is based on 8609's and the 2007 tax return. The new maximum investor member contribution is \$2,025,069. There were no capital contributions made during the year. As of December 31, 2020, the investor member has made capital contributions of \$2,025,069 and the managing member has made capital contributions of \$100.

Duncan Village II, LLC

(Duncan Village)

Notes to the Financial Statements (continued)

December 31, 2020

9. Allowable Distribution to Members

Under the Operating Agreement, net cash flow shall be distributed in the following order of priority: 1) the investor member, an amount equal to the credit deficiency, 2) the investor member, an amount sufficient to pay federal income taxes on taxable income allocated to the investor member for such fiscal year by the Company, 3) payment of the Investor Service Fee, 4) payment of the Deferred Developer Fee, 5) fund the Operating Reserve after capital contributions of the investor member have been paid up to the Operating Reserve amount, 6) the managing member, an amount to repay any Operating Deficit Reserve Contribution, Credit Adjuster Advance, Additional Advance, and Development Advances, 7) payment of the Company Administration Fee.

The remaining amounts shall be distributed within seventy-five (75) days after the close of the fiscal year to .01% to the managing member and 99.99% to the investor member.

Cash Flow, as defined in the Amended and Restated Operating Agreement, is calculated as the following for the year ended December 31, 2020:

Gross Revenue Collected	
Total Cash Receipts	<u>\$ 448,037</u>
 Total Gross Revenue Collected	 448,037
 Project Expenses	
Total Expenses	577,280
Plus: Mortgage Principal Payments	23,161
Required Replacement Reserve Deposits	27,535
Less: Depreciation and Amortization	(106,727)
Long-term Note Interest	(40,511)
Amortization of Debt Issuance Costs	<u>(1,303)</u>
 Total Project Expenses	 <u>479,435</u>
 Cash Flow per Operating Agreement	 <u><u>\$ (31,398)</u></u>

Note: The Company, with the investor members' approval, will utilize the HUD surplus cash calculation to determine the amount of surplus cash to be distributed in accordance with Note 9 above.

10. Guarantees

The managing member and an affiliate of the managing member are obligated to fully pay any Credit Adjuster Advances, as defined in the Amended and Restated Operating Agreement.

11. Low-Income Housing Tax Credits

The Company's low-income housing tax credits are contingent on its ability to maintain compliance with applicable sections of Section 42 of the Internal Revenue Code. Failure to maintain compliance with occupant eligibility, and/or unit gross rents, or to correct noncompliance within a specified time period could result in recapture of previously taken tax credits plus interest. In addition, such potential noncompliance may require an adjustment to the contributed capital by the investor member.

Duncan Village II, LLC

(Duncan Village)

Notes to the Financial Statements (continued)

December 31, 2020

12. Accounts Receivable from HUD

"Accounts receivable-HUD" includes \$10,400 from TRACS vouchers for rent increases in 2019 and 2020.

13. Subsequent Event

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the U.S. have declared a state of emergency. It is anticipated that these impacts will continue for some time. There has been no immediate impact to the Project's operations. Future potential impacts may include disruptions or restrictions on our employees' ability to work or the tenants' ability to pay the required monthly rent. Operating functions that may be changed include intake, recertifications and maintenance. Changes to the operating environment may increase operating costs. Additional impacts may include the ability of tenants to continue making rental payments as a result of job loss or other pandemic related issues. The future effects of these issues are unknown.

SUPPLEMENTAL INFORMATION

Duncan Village II, LLC

(Duncan Village)

Supplementary Information Required by HUD
December 31, 2020

Financial Statement Data:

Assets		
<u>Account</u>	<u>Description</u>	<u>Value</u>
1120	Cash-Operations	19,323
1130	Tenant Accounts Receivable	1,542
1135	Accounts Receivable-HUD	10,400
1200	Prepaid Expenses	8,586
1100T	Total Current Assets	39,851
1191	Tenant Security Deposits Held in Trust	8,481
1310	Escrow Deposits	28,371
1330	Other Reserve	293,942
1300T	Total Deposits	322,313
1410	Land	254,677
1420	Buildings	3,608,764
1460	Furnishings	47,788
1465	Office Furniture and Equipment	3,400
1490	Miscellaneous Fixed Assets	37,186
1400T	Total Fixed Assets	3,951,815
1495	Less Accumulated Depreciation	1,400,163
1400N	Net Fixed Assets	2,551,652
1590-020	Tax Credit Fees	1,036
1590	Miscellaneous Other Assets	1,036
1500T	Total Other Assets	1,036
1000T	Total Assets	2,923,333
Liabilities		
<u>Account</u>	<u>Description</u>	<u>Value</u>
2110	Accounts Payable-Operations	52,032
2123	Accrued Management Fee Payable	2,350
2131	Accrued Interest Payable-First Mortgage	5,123
2170	Mortgage Payable-First Mortgage (short-term)	24,909
2210	Prepaid Revenue	1,527
2122T	Total Current Liabilities	85,941
2191	Tenant Security Deposits Held in Trust (contra)	7,968
2311	Notes Payable-Surplus Cash	1,010,000
2320	Mortgage Payable-First Mortgage	817,185
2332	Accrued Interest Notes Payable (Surplus Cash) long term	311,412
2340	Debt Issuance Costs	(22,472)
2300T	Total Long-Term Liabilities	2,116,125
2000T	Total Liabilities	2,210,034
Equity Data		
<u>Account</u>	<u>Description</u>	<u>Value</u>
3130	Total Equity	713,299
2033T	Total Liabilities and Equity	2,923,333

Duncan Village II, LLC

(Duncan Village)

HUD Project No. SC160076062

Supplementary Data Required by HUD (continued)
December 31, 2020

Rent Revenue		
<u>Account</u>	<u>Description</u>	<u>Value</u>
5120	Rent Revenue-Gross Potential	92,154
5121	Tenant Assistance Payments	361,598
5100T	Total Rent Revenue	453,752

Vacancies		
<u>Account</u>	<u>Description</u>	<u>Value</u>
5220	Apartments	10,391
5200T	Total Vacancies	10,391
5152N	Net Rental Revenue	443,361

Financial Revenue		
<u>Account</u>	<u>Description</u>	<u>Value</u>
5490-020	Other Reserve	447
5490	Revenue from Investments-Miscellaneous	447
5400T	Total Financial Revenue	447

Other Revenue		
<u>Account</u>	<u>Description</u>	<u>Value</u>
5920	Tenant Charges	5,242
5900T	Total Other Revenue	5,242
5000T	Total Revenue	449,050

Administrative Expenses		
<u>Account</u>	<u>Description</u>	<u>Value</u>
6203	Conventions and Meetings	16
6204	Management Consultants	180
6210	Advertising and Marketing	591
6250	Other Renting Expenses	917
6311	Office Expense	13,433
6320	Management Fee	28,200
6330	Manager or Superintendent Salaries	40,737
6340	Legal Expense-Project	165
6350	Audit Expense	11,102
6351	Bookkeeping Fees/Accounting Services	4,680
6370	Bad Debts	5,729
6390	Miscellaneous Administrative Expenses	1,962
6263T	Total Administrative Expenses	107,712

Utilities Expense		
<u>Account</u>	<u>Description</u>	<u>Value</u>
6450	Electricity	5,175
6451	Water	6,277
6452	Gas	1,460
6453	Sewer	15,896
6400T	Total Utilities Expense	28,808

Operating & Maintenance Expenses		
<u>Account</u>	<u>Description</u>	<u>Value</u>
6510	Payroll	37,921
6515	Supplies	13,957
6520	Contracts	56,216

Duncan Village II, LLC

(Duncan Village)

HUD Project No. SC160076062

Supplementary Data Required by HUD (continued)
December 31, 2020

6525	Garbage and Trash Removal	7,557
6530	Security Payroll/Contract	299
6546	Heating/Cooling Repairs and Maintenance	19,017
6570	Vehicle and Maintenance Equipment Operations and Repairs	2,128
6590	Miscellaneous Operating and Maintenance Expense	2,575
6500T	Total Operating and Maintenance Expenses	139,670

Taxes & Insurance

<u>Account</u>	<u>Description</u>	<u>Value</u>
6710	Real Estate Taxes	36,223
6711	Payroll Taxes	5,724
6720	Property and Liability Insurance	26,187
6722	Workmen's Compensation	1,414
6723	Health Insurance and Other Employee Benefits	19,857
6790	Miscellaneous Taxes, Licenses, Permits, and Insurance	886
6700T	Total Taxes and Insurance	90,291

Financial Expenses

<u>Account</u>	<u>Description</u>	<u>Value</u>
6820	Interest on Mortgage (or Bonds) Payable	63,561
6830	Interest on Notes Payable (long term)	40,511
6800T	Total Financial Expenses	104,072

Operating Results

<u>Account</u>	<u>Description</u>	<u>Value</u>
6000T	Total Cost of Operations Before Depreciation and Amortization	470,553
5060T	Profit (Loss) Before Depreciation and Amortization	(21,503)
6600	Depreciation Expenses	105,690
6610	Amortization Expenses	1,037
5060N	Operating Profit or (Loss)	(128,230)

Profit or Loss

<u>Account</u>	<u>Description</u>	<u>Value</u>
3250	Profit or Loss (Net Income or Loss)	(128,230)

Part II

<u>Account</u>	<u>Description</u>	<u>Value</u>
S1000-010	Total first mortgage (or bond) principal payments required during the audit period (usually 12 months). This applies to all direct loans and HUD-held and HUD-insured first mortgages.	23,161
S1000-020	The total of all monthly reserve for replacement deposits (usually 12 months) required during the audit period even if deposits have been temporarily waived or suspended.	0
S1000-030	Replacement Reserves or Residual Receipts and Releases which are included as expense items on this Profit and Loss statement.	0
S1000-040	Project Improvement Reserve releases under the Flexible Subsidy program that are included as expense items on this Profit and Loss statement.	0

Equity Data-Entities Other Than Corporations

<u>Account</u>	<u>Description</u>	<u>Value</u>
S1100-010	Beginning of Year Balance	841,529
3250	Net Income or Loss	(128,230)

Duncan Village II, LLC

(Duncan Village)

HUD Project No. SC160076062

Supplementary Data Required by HUD (continued)
December 31, 2020

3130	End of Year-3130	713,299
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Cash Flow from Operating Activities

<u>Account</u>	<u>Description</u>	<u>Value</u>
S1200-010	Rental Receipts	442,348
S1200-020	Interest Receipts	447
S1200-030	Other Receipts	5,242
S1200-040	Total Receipts	448,037
S1200-050	Administrative	(20,887)
S1200-070	Management Fees	(28,000)
S1200-090	Utilities	(41,698)
S1200-100	Salaries and Wages	(72,734)
S1200-110	Operating and Maintenance	(98,644)
S1200-120	Real Estate Taxes	(72,289)
S1200-140	Property Insurance	(30,050)
S1200-150	Miscellaneous Taxes and Insurance	(26,189)
S1200-160	Tenant Security Deposits	(229)
S1200-180	Interest on Mortgage	(62,399)
S1200-230	Total Disbursements	(453,119)
S1200-240	Net Cash Provided by (Used in) Operating Activities	(5,082)

Cash Flow from Investing Activities

<u>Account</u>	<u>Description</u>	<u>Value</u>
S1200-245	Net Deposits to the Mortgage Escrow Account	24,410
S1200-255	Net Deposits to the Other Reserve Account	10,378
S1200-350	Net Cash Provided by (Used in) Investing Activities	34,788

Cash Flow from Financing Activities

<u>Account</u>	<u>Description</u>	<u>Value</u>
S1200-360	Principal Payments-First Mortgage (or Bonds)	(23,161)
S1200-460	Net Cash Provided by (Used in) Financing Activities	(23,161)
S1200-470	Net Increase (Decrease) in Cash and Cash Equivalents	6,545

Cash and Cash Equivalents

<u>Account</u>	<u>Description</u>	<u>Value</u>
S1200-480	Beginning of Period	12,778
S1200T	End of Period	19,323

Reconciliation of Net Profit (Loss) to Net Cash Provided by (Used in)

Operating Activities

<u>Account</u>	<u>Description</u>	<u>Value</u>
3250	Net Income or Loss	(128,230)

Adjustments to Reconcile Net Profit (Loss) to Net Cash Provided by

(Used in) Operating Activities

<u>Account</u>	<u>Description</u>	<u>Value</u>
6600	Depreciation Expense	105,690
6610	Amortization Expense	1,037
S1200-486	Amortization of Debt Issuance Costs	1,303
S1200-490	Decrease (Increase) in Tenant Accounts Receivable	(55)
S1200-500	Decrease (Increase) in Accounts Receivable-Other	(10,400)

Duncan Village II, LLC

(Duncan Village)

HUD Project No. SC160076062

Supplementary Data Required by HUD (continued)
December 31, 2020

S1200-520	Decrease (Increase) in Prepaid Expenses	(3,863)
S1200-530	Decrease (Increase) in Cash Restricted for Tenant Security Deposits	288
S1200-540	Increase (Decrease) in Accounts Payable	24,051
S1200-560	Increase (Decrease) in Accrued Liabilities	(35,866)
S1200-570	Increase (Decrease) in Accrued Interest Payable	40,370
S1200-580	Increase (Decrease) in Tenants Security Deposits Held in Trust	(517)
S1200-590	Increase (Decrease) in Prepaid Revenue	1,110

Net Cash Provided by (Used in) Operating Activities		
Account	Description	Value
S1200-610	Net Cash Provided by (Used in) Operating Activities	(5,082)

Computation of Surplus Cash, Distributions, and Residual Receipts-Annual

Cash	\$	27,804
Tenant Subsidy Due for Period Covered by Financial Statement		10,400
Total Cash		38,204
Accrued Mortgage Interest Payable		5,123
Accounts Payable-30 Days		52,032
Accrued Expenses [not escrowed]		2,350
Prepaid Revenue		1,527
Tenant Security Deposits Liability		7,968
Total Current Obligations		69,000
Surplus Cash (Deficiency)	\$	(30,796)

Schedule of Fixed Assets Accounts-Detail

	Beginning Balance	Additions	Deductions	Ending Balance
Land	\$ 254,677	\$ 0	\$ 0	\$ 254,677
Buildings	3,608,764	0	0	3,608,764
Furnishings	47,788	0	0	47,788
Office Furniture and Equipment	3,400	0	0	3,400
Miscellaneous Fixed Assets	37,186	0	0	37,186
Total	<u>\$ 3,951,815</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>3,951,815</u>
Accumulated Depreciation	<u>\$ 1,294,473</u>	<u>\$ 105,690</u>	<u>\$ 0</u>	<u>1,400,163</u>
Net Book Value				<u>\$ 2,551,652</u>

Duncan Village II, LLC

(Duncan Village)

HUD Project No. SC160076062

Supplementary Data Required by HUD (continued)
December 31, 2020

Certifying Official:

Joseph A. Budzynski, Assistant Treasurer/Assistant Secretary

TIN: 20-4892646

Phone: (703) 341-5000

Certifying Management Agent:

VOA National Housing Corporation

Peter J. Desjardins, Senior Vice President of Real Estate Operations

TIN: 52-0886223

Duncan Village II, LLC

**(Duncan Village)
Duncan, South Carolina**

Financial Statements
and Supplemental Information

December 31, 2021

Duncan Village II, LLC

(Duncan Village)

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December 31, 2021

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Independent Auditors' Report

To the Members
Duncan Village II, LLC
(Duncan Village)

Opinion

We have audited the accompanying financial statements of Duncan Village II, LLC (Duncan Village) (the "Company"), which comprise the balance sheet as of December 31, 2021, and the related statements of operations, changes in members' capital, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Duncan Village as of December 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Duncan Village and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Duncan Village's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Duncan Village's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Duncan Village's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information shown on pages 16 to 20 is presented for the purposes of additional analysis, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Maddox & Associates, APC

Baton Rouge, Louisiana
January 26, 2022

Duncan Village II, LLC

(Duncan Village)

Balance Sheet
December 31, 2021

ASSETS

CURRENT ASSETS

Cash-Operations	\$	4,109
Tenant Accounts Receivable		8,104
Prepaid Expenses		9,224
Total Current Assets		<u>21,437</u>

DEPOSITS HELD IN TRUST-FUNDED

Tenant Security Deposits Held in Trust	8,674
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RESTRICTED DEPOSITS AND FUNDED RESERVES

Escrow Deposits	30,167
Other Reserve	322,489
Total Restricted Deposits	<u>352,656</u>

FIXED ASSETS

Land	254,677
Buildings	3,608,764
Furnishings	47,788
Office Furniture and Equipment	3,400
Miscellaneous Fixed Assets	37,186
Total Fixed Assets	<u>3,951,815</u>
Less Accumulated Depreciation	<u>1,504,216</u>
Net Fixed Assets	<u>2,447,599</u>

TOTAL ASSETS

\$ 2,830,366

Duncan Village II, LLC

(Duncan Village)

Balance Sheet
December 31, 2021

LIABILITIES AND MEMBERS' CAPITAL

CURRENT LIABILITIES

Accounts Payable-Operations	\$ 54,136
Accrued Management Fee Payable	18,800
Accrued Interest Payable-First Mortgage	4,971
Mortgage Payable-First Mortgage (short-term)	26,789
Prepaid Revenue	2,928
Total Current Liabilities	<u>107,624</u>

DEPOSITS HELD IN TRUST-FUNDED

Tenant Security Deposits Held in Trust (contra)	7,427
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LONG-TERM LIABILITIES

Notes Payable-Surplus Cash	1,010,000
Mortgage Payable-First Mortgage (less debt issuance cost of \$21,169)	769,228
Accrued Interest Notes Payable (Surplus Cash) long term	351,812
Total Long-Term Liabilities	<u>2,131,040</u>

Total Liabilities	2,246,091
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MEMBERS' CAPITAL

584,275

TOTAL LIABILITIES AND MEMBERS' CAPITAL

\$ 2,830,366

Duncan Village II, LLC

(Duncan Village)

Statement of Operations
For the Year Ended December 31, 2021

REVENUES:

Rent	\$ 445,106
Financial	186
Other	<u>4,551</u>
Total Revenue	449,843

EXPENSES:

Administrative	108,427
Utilities	41,692
Operating and Maintenance	127,779
Taxes and Insurance	93,678
Financial	102,202
Depreciation and Amortization	<u>105,089</u>
Total Expenses	<u>578,867</u>

NET LOSS

\$ (129,024)

Duncan Village II, LLC

(Duncan Village)

Statement of Changes in Members' Capital
For the Year Ended December 31, 2021

	Managing Member	Investor Member	Total Capital
Members' Capital, December 31, 2020	\$ (31)	\$ 713,330	\$ 713,299
Net Loss	<u>(13)</u>	<u>(129,011)</u>	<u>(129,024)</u>
Members' Capital, December 31, 2021	<u>\$ (44)</u>	<u>\$ 584,319</u>	<u>\$ 584,275</u>

See accompanying notes to the financial statements.

Duncan Village II, LLC

(Duncan Village)

Statement of Cash Flows
For the Year Ended December 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES:

Rental Receipts	\$ 444,943
Interest Receipts	186
Other Receipts	4,551
Total Receipts	<u>449,680</u>
Administrative	(30,558)
Management Fees	(11,750)
Utilities	(41,895)
Salaries and Wages	(68,384)
Operating and Maintenance	(99,663)
Real Estate Taxes	(36,738)
Property Insurance	(32,602)
Miscellaneous Taxes and Insurance	(26,668)
Tenant Security Deposits	(541)
Interest on Mortgage	(60,651)
Total Disbursements	<u>(409,450)</u>
Net Cash Provided by Operating Activities	<u>40,230</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

0

CASH FLOWS FROM FINANCING ACTIVITIES:

Mortgage Principal Payments	<u>(24,908)</u>
Net Cash Used in Financing Activities	<u>(24,908)</u>

Net Increase in Cash, Cash Equivalents, and Restricted Cash 15,322

CASH, CASH EQUIVALENTS, AND RESTRICTED CASH:

Beginning of Period	<u>350,117</u>
End of period	<u>\$ 365,439</u>

(continued)

See accompanying notes to the financial statements.

Duncan Village II, LLC

(Duncan Village)

Statement of Cash Flows (continued)
For the Year Ended December 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES:

Net Loss	\$ (129,024)
Adjustments to Reconcile Net Loss to	
Net Cash Provided by Operating Activities	
Depreciation Expense	104,053
Amortization Expense	1,036
Amortization of Debt Issuance Costs	1,303
Decrease (Increase) in:	
Tenant Accounts Receivable	(6,562)
Accounts Receivable-Other	10,400
Prepaid Expenses	(638)
Increase (Decrease) in:	
Accounts Payable	2,104
Accrued Liabilities	16,450
Accrued Interest Payable	40,248
Tenants Security Deposits Held in Trust	(541)
Prepaid Revenue	1,401
	<hr/>
Net Cash Provided by Operating Activities	<u>\$ 40,230</u>

Duncan Village II, LLC

(Duncan Village)

Notes to the Financial Statements

December 31, 2021

1. Organization and Summary of Significant Accounting Policies

The Company is organized as a limited liability company under the laws of the State of South Carolina for the purpose of owning and operating an apartment complex. The Company consists of 50 units located in Duncan, South Carolina.

The Company is subject to Section 8 Housing Assistance Payments agreements with the U.S. Department of Housing and Urban Development (HUD), and a significant portion of the Company's rental income is received from HUD. The Company is also subject to a Use Agreement which requires the low-income character of the property be maintained through December 2055.

The Company is owned .01% by VOA Duncan Village, Inc., the managing member, and 99.99% by Community Housing Alliance III, L.P., the investor member. Allocations of cash distributions, capital transactions, and net income and losses are made in accordance with the Operating Agreement.

Cash distributions are limited by agreements between the Company and HUD to the extent of surplus cash as defined by HUD.

The Company has qualified for and been allocated low-income housing credits pursuant to Internal Revenue Code Section 42 (Section 42) which regulates the use of the project as to occupant eligibility and unit gross rent, among other requirements. The company must meet the provisions of these regulations during each of 15 consecutive years in order to remain qualified to receive the credits. In addition, the Company has executed an Agreement of Restrictive Covenants with the South Carolina State Housing Finance and Development Authority, which requires the utilization of the project pursuant to Section 42 for a minimum of thirty years beginning the first year of the credit period, as defined, even if disposition of the project by the Company occurs.

The following significant accounting policies have been followed in the preparation of the financial statements:

Basis of Accounting: The financial statements are prepared on the accrual basis of accounting which is in accordance with generally accepted accounting principles.

Subsequent Events: The financial statements and related disclosures include evaluation of events up through and including January 26, 2022, which is the date the financial statements were issued.

Revenue Recognition: Rental income is recognized as rentals become due. Rental payments received in advance are deferred until earned. All leases between the Company and the tenants are operating leases. Rental income is recorded net of vacancies. Under the Section 8 Housing Assistance Payments Agreement, the Company may not increase rents charged to tenants without HUD approval.

Cash, Cash Equivalents, and Restricted Cash: For the purposes of the Statement of Cash Flows, the Company considers all highly liquid investments purchased with maturities of three months or less to be cash equivalents.

Concentration of Credit Risk: The Company maintains its cash in financial institutions insured by the Federal Deposit Insurance Corporation (FDIC). Deposit accounts, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts.

Duncan Village II, LLC

(Duncan Village)

Notes to the Financial Statements (continued)
December 31, 2021

Allowance for Uncollectible Receivables: Tenant receivables are charged to bad debt expense when they are determined to be uncollectible based upon a periodic review of the accounts by management. Accounting principles generally accepted in the United States of America require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

Depreciation: The Company's land, building, improvements, and personal property are recorded at cost. Improvements are capitalized, while expenditures for maintenance and repairs are charged to expense as incurred. Depreciation is provided by the straight-line method over the estimated useful life of the asset.

Buildings	40 years
Land Improvements	15 years
Furniture, Fixtures, and Equipment	5-10 years

Impairment of Long-Lived Assets: The Company reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Recoverability is measured by a comparison of the carrying amount to the future net undiscounted cash flow expected to be generated and any estimated proceeds from the eventual disposition. If the long-lived asset is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount exceeds the fair value as determined from an appraisal, discounted cash flows analysis, or other valuation technique. There is no impairment loss recognized for the period ending December 31, 2021.

Debt Issuance Costs: Debt issuance costs of \$39,082 are amortized over the term of the mortgage loan using the straight-line method. Accounting principles generally accepted in the United States of America require that the effective yield method be used to amortize debt issuance costs; however, the effect of using the straight-line method is not materially different from the results that would have been obtained under the effective yield method. Estimated amortization expense for the permanent loans for the next five years is expected to be \$1,303. Debt issuance costs are presented as a direct deduction to the related note payable. Those debt issuance costs were previously reported as other assets. Debt issuance costs amortization is reported as a component of interest expense.

Tax Credit Fees: Tax credit fees are amortized by the straight-line method over the tax credit compliance period. As of December 31, 2021, tax credit fees have been fully amortized.

Other Liabilities: Accrued expenses for compensated absences, vacations, and sick pay are not shown due to the fact that amount of the liability cannot be reasonably estimated. It is the Company's policy to expense these items when they are incurred.

Interest Expense: The Company has expensed all interest and none has been capitalized.

Duncan Village II, LLC

(Duncan Village)

Notes to the Financial Statements (continued)
December 31, 2021

Income Taxes: Under the provisions of the Internal Revenue Code, the Company is not a taxable entity and, accordingly the net loss of the Company is included in the income tax returns of the members. The Company files tax returns in the U.S. federal jurisdiction and the state of South Carolina. Federal and state tax authorities generally have the right to examine and audit the previous three years of tax returns filed. There are no interest and penalties related to income taxes recognized in the statement of operations. The Company has not taken any tax positions that would significantly increase or decrease any unrecognized tax benefit within twelve months of the reporting date.

Estimates: The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Economic Concentrations: The Company's primary asset is its 50-unit apartment project. The Company's operations are concentrated in the multifamily housing real estate market. In addition, the Company operates in a regulated environment. The operations of the Company are subject to the administrative directives, rules and regulations of federal, state, and local regulatory agencies, including, but not limited to, HUD. Such administrative directives, rules, and regulations are subject to change by an act of Congress, or an administrative change mandated by HUD. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

2. Mortgage Payable

The mortgage note is payable over 30 years in monthly installments, including principal and interest of \$7,130 at 7.30%. All interest is charged to expense. This note is secured by a mortgage on the real estate and improvements thereon. The maturity date is May 1, 2038.

Maturities of the mortgage note payments for the next five years and thereafter are:

Fiscal year ending December 31, 2022	\$	26,789
2023		28,812
2024		30,987
2025		33,326
2026		35,842
Remaining Balance		661,430
	\$	<u>817,186</u>

Duncan Village II, LLC

(Duncan Village)

Notes to the Financial Statements (continued)
December 31, 2021

3. Related Party-Identity of Interest

Related Party: VOA National Housing Corporation
Relationship: Affiliate of the Managing Partner
Transactions: Management, Payroll, Accounting, and Reimbursable Expenses
Amount paid for services: \$110,485
Amount payable at December 31, 2021: \$36,043

Related Party: VOA National Services
Relationship: Affiliate of the Managing Partner
Transactions: Reimbursable Expenses
Amount paid for services: \$1,799
Amount payable at December 31, 2021: \$2,502

On June 6, 2006, Duncan Village, LLC, an affiliate of the managing member, entered into a loan agreement with the Company in the amount of \$1,010,000. The note is secured by a second mortgage on the rental property. Interest on the note accrues at a rate of 4.0% per annum on the unpaid principal balance. Annual payments of principal and interest are due on June 5 of each year, provided that net cash flow, as defined, is available after payments of any Investor Member obligations, Investor Service Fee, and the Property Development Fee, as defined in the First Amended and Restated Operating Agreement. The note matures on June 5, 2036. During 2021, the interest incurred on the note was \$40,400 and there was no interest paid on the note. As of December 31, 2021, accrued interest on the note was \$351,812. At December 31, 2021, the outstanding principal balance on the note was \$1,010,000.

4. Management Fee

The Company has contracted with VOA National Housing Corporation to provide management services. The charges for these services are based upon a management agreement. The charges are 6.69% of collected rental income not to exceed \$43 per unit, per month. For the period ended December 31, 2021, management fees charged amounted to \$25,800. The Company is also charged Better Buildings Challenge management add-on fees. The charges are \$4 per unit, per month. For the period ended December 31, 2021, Better Buildings Challenge management fees charged amounted to \$2,400. The balance owed VOA National Housing Corporation at December 31, 2021 is \$18,800.

5. Cash, Cash Equivalents, and Restricted Cash

In accordance with Accounting Standards Update (ASU) 2016-18, "Restricted Cash", the following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the balance sheet to the amounts presented in the statement of cash flows:

	Beginning of Period	End of Period
Cash-Operations	\$ 19,323	\$ 4,109
Tenant Security Deposits Held in Trust	8,481	8,674
Escrow Deposits	28,371	30,167
Other Reserve	293,942	322,489
	<u>\$ 350,117</u>	<u>\$ 365,439</u>

Duncan Village II, LLC

(Duncan Village)

Notes to the Financial Statements (continued)
December 31, 2021

6. Reserves

Under the Operating Agreement, the Company is required to establish and maintain a replacement reserve in the initial amount of \$30,000. The replacement reserve is to be used for the purpose of funding future capital repairs and improvements. The required monthly deposit to the replacement reserve is \$375 per unit per year beginning in 2007 and shall increase by 3% annually thereafter. The Company may not utilize the replacement reserve for any capital expenditure which causes total withdrawals from the replacement reserve during any calendar year to exceed \$5,000 unless the Company has obtained the consent of the Investor Member. As of December 31, 2021, the balance of the replacement reserve is \$202,203. The replacement reserve is included in other reserves on the balance sheet.

Under the Operating Agreement, the Company is required to establish and maintain an operating reserve in the initial amount of \$25,000 from the first capital contribution installment made by the investor member. An additional deposit of \$84,400 is to be funded from the fourth capital contribution installment of the investor member. The operating reserve may be used to fund operating deficits under the operating deficit guaranty after the Stabilization Date, as defined in the Amended and Restated Operating Agreement. The reserve requires approval by an affiliate of the investor member before withdrawals can be made. As of December 31, 2021, the balance of the operating reserve is \$120,286. The operating reserve is included in other reserves on the balance sheet.

7. Entity Expenses

The Company is required to pay a cumulative annual investor services fee of \$2,500, which amount shall be increased by 3% per year, to an affiliate of the investor member for its services in monitoring the operations of the Company. If cash flows are not sufficient to pay the fee, then any unpaid fees shall accumulate and shall be payable out of the next available cash flow or capital proceeds. There was no investor service fee paid for the year ended December 31, 2021. The accumulated and unpaid balance at December 31, 2020 is \$17,838.

The Company is required to pay a cumulative annual company administration fee of \$15,000, which amount shall be increased by 3% per year, to the managing member for its services with the administration of Company affairs. If cash flows are not sufficient to pay the fee, then any unpaid fees shall accumulate and shall be payable out of the next available cash flow or capital proceeds. There was no company administration fee paid for the year ended December 31, 2021. The accumulated and unpaid balance at December 31, 2021 is \$287,530.

8. Capital Contributions

The managing member is obligated to make capital contributions of \$207. The investor member is obligated to make capital contributions totaling \$2,061,000 in various installments which are based on the occurrence of specific events described in the Operating Agreement. During a prior year the project received a by-the-book downward adjuster of \$35,931 that was calculated per the Operating Agreement and is based on 8609's and the 2007 tax return. The new maximum investor member contribution is \$2,025,069. There were no capital contributions made during the year. As of December 31, 2021, the investor member has made capital contributions of \$2,025,069 and the managing member has made capital contributions of \$100.

Duncan Village II, LLC

(Duncan Village)

Notes to the Financial Statements (continued)
December 31, 2021

9. Allowable Distribution to Members

Under the Operating Agreement, net cash flow shall be distributed in the following order of priority: 1) the investor member, an amount equal to the credit deficiency, 2) the investor member, an amount sufficient to pay federal income taxes on taxable income allocated to the investor member for such fiscal year by the Company, 3) payment of the Investor Service Fee, 4) payment of the Deferred Developer Fee, 5) fund the Operating Reserve after capital contributions of the investor member have been paid up to the Operating Reserve amount, 6) the managing member, an amount to repay any Operating Deficit Reserve Contribution, Credit Adjuster Advance, Additional Advance, and Development Advances, 7) payment of the Company Administration Fee.

The remaining amounts shall be distributed within seventy-five (75) days after the close of the fiscal year to .01% to the managing member and 99.99% to the investor member.

Cash Flow, as defined in the Amended and Restated Operating Agreement, is calculated as the following for the year ended December 31, 2021:

Gross Revenue Collected	
Total Cash Receipts	<u>\$ 449,680</u>
 Total Gross Revenue Collected	 449,680
 Project Expenses	
Total Expenses	578,867
Plus Mortgage Principal Payments	24,908
Required Replacement Reserve Deposits	28,361
Less: Depreciation and Amortization	(105,089)
Long-term Note Interest	(40,400)
Amortization of Debt Issuance Costs	<u>(1,303)</u>
 Total Project Expenses	 <u>485,344</u>
 Cash Flow per Operating Agreement	 <u><u>\$ (35,664)</u></u>

Note: The Company, with the investor members' approval, will utilize the HUD surplus cash calculation to determine the amount of surplus cash to be distributed in accordance with Note 9 above.

10. Guarantees

The managing member and an affiliate of the managing member are obligated to fully pay any Credit Adjuster Advances, as defined in the Amended and Restated Operating Agreement.

11. Low-Income Housing Tax Credits

The Company's low-income housing tax credits are contingent on its ability to maintain compliance with applicable sections of Section 42 of the Internal Revenue Code. Failure to maintain compliance with occupant eligibility, and/or unit gross rents, or to correct noncompliance within a specified time period could result in recapture of previously taken tax credits plus interest. In addition, such potential noncompliance may require an adjustment to the contributed capital by the investor member.

Duncan Village II, LLC

(Duncan Village)

Notes to the Financial Statements (continued)
December 31, 2021

12. Risks and Uncertainties

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the U.S. have declared a state of emergency. It is anticipated that these impacts will continue for some time. There has been no immediate impact to the Project's operations. Future potential impacts may include disruptions or restrictions on our employees' ability to work or the tenants' ability to pay the required monthly rent. Operating functions that may be changed include intake, recertifications and maintenance. Changes to the operating environment may increase operating costs. The future effects of these issues are unknown. The Project received \$751 in COVID-19 Supplemental Payments (CSP) during the current year.

SUPPLEMENTAL INFORMATION

Duncan Village II, LLC

(Duncan Village)

HUD Project No. SC160076062

Supplementary Information Required by HUD
December 31, 2021

Financial Statement Data:

Assets		
<u>Account</u>	<u>Description</u>	<u>Value</u>
1120	Cash-Operations	4,109
1130	Tenant Accounts Receivable	8,104
1200	Prepaid Expenses	9,224
1100T	Total Current Assets	21,437
1191	Tenant Security Deposits Held in Trust	8,674
1310	Escrow Deposits	30,167
1330	Other Reserve	322,489
1300T	Total Deposits	352,656
1410	Land	254,677
1420	Buildings	3,608,764
1460	Furnishings	47,788
1465	Office Furniture and Equipment	3,400
1490	Miscellaneous Fixed Assets	37,186
1400T	Total Fixed Assets	3,951,815
1495	Less Accumulated Depreciation	1,504,216
1400N	Net Fixed Assets	2,447,599
1000T	Total Assets	2,830,366
Liabilities		
<u>Account</u>	<u>Description</u>	<u>Value</u>
2110	Accounts Payable-Operations	54,136
2123	Accrued Management Fee Payable	18,800
2131	Accrued Interest Payable-First Mortgage	4,971
2170	Mortgage Payable-First Mortgage (short-term)	26,789
2210	Prepaid Revenue	2,928
2122T	Total Current Liabilities	107,624
2191	Tenant Security Deposits Held in Trust (contra)	7,427
2311	Notes Payable-Surplus Cash	1,010,000
2320	Mortgage Payable-First Mortgage	790,397
2332	Accrued Interest Notes Payable (Surplus Cash) long term	351,812
2340	Debt Issuance Costs	(21,169)
2300T	Total Long-Term Liabilities	2,131,040
2000T	Total Liabilities	2,246,091
Equity Data		
<u>Account</u>	<u>Description</u>	<u>Value</u>
3130	Total Equity	584,275
2033T	Total Liabilities and Equity	2,830,366
Rent Revenue		
<u>Account</u>	<u>Description</u>	<u>Value</u>
5120	Rent Revenue-Gross Potential	100,380

Duncan Village II, LLC

(Duncan Village)

HUD Project No. SC160076062

Supplementary Data Required by HUD (continued)
December 31, 2021

5121	Tenant Assistance Payments	360,324
5193	Special Claims Revenue	751
5100T	Total Rent Revenue	461,455

Vacancies		
<u>Account</u>	<u>Description</u>	<u>Value</u>
5220	Apartments	16,349
5200T	Total Vacancies	16,349
5152N	Net Rental Revenue	445,106

Financial Revenue		
<u>Account</u>	<u>Description</u>	<u>Value</u>
5490-020	Other Reserve	186
5490	Revenue from Investments-Miscellaneous	186
5400T	Total Financial Revenue	186

Other Revenue		
<u>Account</u>	<u>Description</u>	<u>Value</u>
5920	Tenant Charges	4,551
5900T	Total Other Revenue	4,551
5000T	Total Revenue	449,843

Administrative Expenses		
<u>Account</u>	<u>Description</u>	<u>Value</u>
6204	Management Consultants	1,975
6210	Advertising and Marketing	263
6250	Other Renting Expenses	819
6311	Office Expense	10,761
6320	Management Fee	28,200
6330	Manager or Superintendent Salaries	41,615
6340	Legal Expense-Project	55
6350	Audit Expense	11,269
6351	Bookkeeping Fees/Accounting Services	4,680
6370	Bad Debts	5,402
6390	Miscellaneous Administrative Expenses	3,388
6263T	Total Administrative Expenses	108,427

Utilities Expense		
<u>Account</u>	<u>Description</u>	<u>Value</u>
6450	Electricity	5,716
6451	Water	17,813
6452	Gas	1,848
6453	Sewer	16,315
6400T	Total Utilities Expense	41,692

Operating & Maintenance Expenses		
<u>Account</u>	<u>Description</u>	<u>Value</u>
6510	Payroll	34,420
6515	Supplies	11,847
6520	Contracts	66,784
6525	Garbage and Trash Removal	9,635
6530	Security Payroll/Contract	152
6546	Heating/Cooling Repairs and Maintenance	4,461
6570	Vehicle and Maintenance Equipment Operations and Repairs	365

Duncan Village II, LLC

(Duncan Village)

HUD Project No. SC160076062

Supplementary Data Required by HUD (continued)
December 31, 2021

6590	Miscellaneous Operating and Maintenance Expense	115
6500T	Total Operating and Maintenance Expenses	127,779

Taxes & Insurance		
<u>Account</u>	<u>Description</u>	<u>Value</u>
6710	Real Estate Taxes	36,738
6711	Payroll Taxes	5,509
6720	Property and Liability Insurance	31,964
6722	Workmen's Compensation	1,057
6723	Health Insurance and Other Employee Benefits	17,411
6790	Miscellaneous Taxes, Licenses, Permits, and Insurance	999
6700T	Total Taxes and Insurance	93,678

Financial Expenses		
<u>Account</u>	<u>Description</u>	<u>Value</u>
6820	Interest on Mortgage (or Bonds) Payable	61,802
6830	Interest on Notes Payable (long term)	40,400
6800T	Total Financial Expenses	102,202

Operating Results		
<u>Account</u>	<u>Description</u>	<u>Value</u>
6000T	Total Cost of Operations Before Depreciation and Amortization	473,778
5060T	Profit (Loss) Before Depreciation and Amortization	(23,935)
6600	Depreciation Expenses	104,053
6610	Amortization Expenses	1,036
5060N	Operating Profit or (Loss)	(129,024)

Profit or Loss		
<u>Account</u>	<u>Description</u>	<u>Value</u>
3250	Profit or Loss (Net Income or Loss)	(129,024)

Part II		
<u>Account</u>	<u>Description</u>	<u>Value</u>
S1000-010	Total first mortgage (or bond) principal payments required during the audit period (usually 12 months). This applies to all direct loans and HUD-held and HUD-insured first mortgages.	24,908
S1000-020	The total of all monthly reserve for replacement deposits (usually 12 months) required during the audit period even if deposits have been temporarily waived or suspended.	0
S1000-030	Replacement Reserves or Residual Receipts and Releases which are included as expense items on this Profit and Loss statement.	0
S1000-040	Project Improvement Reserve releases under the Flexible Subsidy program that are included as expense items on this Profit and Loss statement.	0

Equity Data-Entities Other Than Corporations		
<u>Account</u>	<u>Description</u>	<u>Value</u>
S1100-010	Beginning of Year Balance	713,299
3250	Net Income or Loss	(129,024)
3130	End of Year-3130	584,275

Cash Flow from Operating Activities		
<u>Account</u>	<u>Description</u>	<u>Value</u>
S1200-010	Rental Receipts	444,943

Duncan Village II, LLC

(Duncan Village)

HUD Project No. SC160076062

Supplementary Data Required by HUD (continued)
December 31, 2021

S1200-020	Interest Receipts	186
S1200-030	Other Receipts	4,551
S1200-040	Total Receipts	449,680
S1200-050	Administrative	(30,558)
S1200-070	Management Fees	(11,750)
S1200-090	Utilities	(41,895)
S1200-100	Salaries and Wages	(68,384)
S1200-110	Operating and Maintenance	(99,663)
S1200-120	Real Estate Taxes	(36,738)
S1200-140	Property Insurance	(32,602)
S1200-150	Miscellaneous Taxes and Insurance	(26,668)
S1200-160	Tenant Security Deposits	(734)
S1200-180	Interest on Mortgage	(60,651)
S1200-230	Total Disbursements	(409,643)
S1200-240	Net Cash Provided by (Used in) Operating Activities	40,037
Cash Flow from Investing Activities		
<u>Account</u>	<u>Description</u>	<u>Value</u>
S1200-245	Net Deposits to the Mortgage Escrow Account	(1,796)
S1200-255	Net Deposits to the Other Reserve Account	(28,547)
S1200-350	Net Cash Provided by (Used in) Investing Activities	(30,343)
Cash Flow from Financing Activities		
<u>Account</u>	<u>Description</u>	<u>Value</u>
S1200-360	Principal Payments-First Mortgage (or Bonds)	(24,908)
S1200-460	Net Cash Provided by (Used in) Financing Activities	(24,908)
S1200-470	Net Increase (Decrease) in Cash and Cash Equivalents	(15,214)
Cash and Cash Equivalents		
<u>Account</u>	<u>Description</u>	<u>Value</u>
S1200-480	Beginning of Period	19,323
S1200T	End of Period	4,109
Reconciliation of Net Profit (Loss) to Net Cash Provided by (Used in)		
Operating Activities		
<u>Account</u>	<u>Description</u>	<u>Value</u>
3250	Net Income or Loss	(129,024)
Adjustments to Reconcile Net Profit (Loss) to Net Cash Provided by		
(Used in) Operating Activities		
<u>Account</u>	<u>Description</u>	<u>Value</u>
6600	Depreciation Expense	104,053
6610	Amortization Expense	1,036
S1200-486	Amortization of Debt Issuance Costs	1,303
S1200-490	Decrease (Increase) in Tenant Accounts Receivable	(6,562)
S1200-500	Decrease (Increase) in Accounts Receivable-Other	10,400
S1200-520	Decrease (Increase) in Prepaid Expenses	(638)
S1200-530	Decrease (Increase) in Cash Restricted for Tenant Security Deposits	(193)
S1200-540	Increase (Decrease) in Accounts Payable	2,104
S1200-560	Increase (Decrease) in Accrued Liabilities	16,450
S1200-570	Increase (Decrease) in Accrued Interest Payable	40,248
S1200-580	Increase (Decrease) in Tenants Security Deposits Held in Trust	(541)

Duncan Village II, LLC

(Duncan Village)

HUD Project No. SC160076062

Supplementary Data Required by HUD (continued)
December 31, 2021

S1200-590 Increase (Decrease) in Prepaid Revenue 1,401

Net Cash Provided by (Used in) Operating Activities

<u>Account</u>	<u>Description</u>	<u>Value</u>
S1200-610	Net Cash Provided by (Used in) Operating Activities	40,037

Computation of Surplus Cash, Distributions, and Residual Receipts-Annual

Cash	\$ 12,783
Total Cash	12,783
Accrued Mortgage Interest Payable	4,971
Accounts Payable-30 Days	54,136
Accrued Expenses [not escrowed]	18,800
Prepaid Revenue	2,928
Tenant Security Deposits Liability	7,427
Total Current Obligations	88,262
Surplus Cash (Deficiency)	\$ (75,479)

Schedule of Fixed Assets Accounts-Detail

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Land	\$ 254,677	\$ 0	\$ 0	\$ 254,677
Buildings	3,608,764	0	0	3,608,764
Furnishings	47,788	0	0	47,788
Office Furniture and Equipment	3,400	0	0	3,400
Miscellaneous Fixed Assets	37,186	0	0	37,186
Total	\$ 3,951,815	\$ 0	\$ 0	3,951,815
Accumulated Depreciation	\$ 1,400,163	\$ 104,053	\$ 0	1,504,216
Net Book Value				\$ 2,447,599

Duncan Village II, LLC

(Duncan Village)

Certification of Members

I hereby certify that I have examined the accompanying financial statements and supplemental data of Duncan Village II, LLC, (Duncan Village), as of December 31, 2021, and, to the best of my knowledge and belief, the same are accurate and complete.

Signature: _____

Wayne Moyer, Assistant Treasurer/Assistant Secretary
Duncan Village II, LLC
January 26, 2022

Employer Identification Number: 20-4892646

Duncan Village II, LLC

(Duncan Village)

Management Agent's Certification

I hereby certify that I have examined the accompanying financial statements and supplemental data of Duncan Village II, LLC, (Duncan Village), as of December 31, 2021, and, to the best of my knowledge and belief, the same are accurate and complete.

Signature: _____

Peter J. Desjardins, Assistant Secretary/Assistant Treasurer
VOA National Housing Corporation
Employer ID #: 52-0886223
January 26, 2022

Duncan Village II, LLC

**(Duncan Village)
Duncan, South Carolina**

Financial Statements
and Supplemental Information

December 31, 2022

Duncan Village II, LLC

(Duncan Village)

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December 31, 2022

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Independent Auditors' Report

To the Members
Duncan Village II, LLC
(Duncan Village)

Opinion

We have audited the accompanying financial statements of Duncan Village II, LLC (Duncan Village) (the "Company"), which comprise the balance sheet as of December 31, 2022, and the related statements of operations, changes in members' capital, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Duncan Village as of December 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Duncan Village and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Duncan Village's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Duncan Village's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Duncan Village's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information shown on pages 17 to 21 is presented for the purposes of additional analysis, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Maddox & Associates, APC

Baton Rouge, Louisiana
January 31, 2023

Duncan Village II, LLC

(Duncan Village)

Balance Sheet
December 31, 2022

ASSETS

CURRENT ASSETS

Cash-Operations	\$	4,637
Tenant Accounts Receivable		13,995
Prepaid Expenses		9,990
Total Current Assets		<u>28,622</u>

DEPOSITS HELD IN TRUST-FUNDED

Tenant Security Deposits Held in Trust	9,320
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RESTRICTED DEPOSITS AND FUNDED RESERVES

Escrow Deposits	170,319
Other Reserve	323,225
Total Restricted Deposits	<u>493,544</u>

ASSETS HELD FOR SALE

2,345,688

TOTAL ASSETS

\$ 2,877,174

Duncan Village II, LLC

(Duncan Village)

Balance Sheet
December 31, 2022

LIABILITIES AND MEMBERS' CAPITAL

CURRENT LIABILITIES

Accounts Payable-Operations	\$	249,891
Accrued Wages Payable		3,279
Accrued Payroll Taxes Payable		589
Accrued Management Fee Payable		47,000
Accrued Interest Payable-First Mortgage		4,808
Accrued Interest Payable-Other Loans and Notes (Surplus Cash)		392,212
Accrued Property Taxes		36,758
Mortgage Payable-First Mortgage (less debt issuance cost of \$19,867)		770,529
Other Loans and Notes Payable, Surplus Cash (short-term)		1,010,000
Earnest Funds Due to Purchaser		100,000
Prepaid Revenue		5,697
Total Current Liabilities		<u>2,620,763</u>

DEPOSITS HELD IN TRUST-FUNDED

Tenant Security Deposits Held in Trust (contra)		<u>7,932</u>
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Total Liabilities		2,628,695
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MEMBERS' CAPITAL

<u>248,479</u>

TOTAL LIABILITIES AND MEMBERS' CAPITAL

<u><u>\$ 2,877,174</u></u>

Duncan Village II, LLC

(Duncan Village)

Statement of Operations
For the Year Ended December 31, 2022

REVENUES:

Rent	\$ 402,049
Financial	722
Other	<u>4,559</u>
Total Revenue	407,330

EXPENSES:

Administrative	100,786
Utilities	33,485
Operating and Maintenance	312,413
Taxes and Insurance	90,972
Financial	103,559
Depreciation	<u>101,911</u>
Total Expenses	<u>743,126</u>

NET LOSS

\$ (335,796)

Duncan Village II, LLC

(Duncan Village)

Statement of Changes in Members' Capital
For the Year Ended December 31, 2022

	Managing <u>Member</u>	Exiting Investor <u>Member</u>	Entering Investor <u>Member</u>	Total <u>Capital</u>
Members' Capital, December 31, 2021	\$ (44)	\$ 584,319	\$ 0	\$ 584,275
Net Loss	(34)	(306,326)	(29,436)	(335,796)
Transfer of Interest	<u>0</u>	<u>(277,993)</u>	<u>277,993</u>	<u>0</u>
Members' Capital, December 31, 2022	<u>\$ (78)</u>	<u>\$ 0</u>	<u>\$ 248,557</u>	<u>\$ 248,479</u>

See accompanying notes to the financial statements.

Duncan Village II, LLC

(Duncan Village)

Statement of Cash Flows
For the Year Ended December 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES:

Rental Receipts	\$ 395,829
Interest Receipts	722
Other Receipts	4,559
Total Receipts	<u>401,110</u>
Administrative	(22,842)
Utilities	(33,900)
Salaries and Wages	(49,025)
Operating and Maintenance	(111,109)
Property Insurance	(35,665)
Miscellaneous Taxes and Insurance	(18,202)
Tenant Security Deposits	505
Interest on Mortgage	(58,770)
Miscellaneous Financial Expenses	(3,250)
Total Disbursements	<u>(332,258)</u>
Net Cash Provided by Operating Activities	68,852

CASH FLOWS FROM INVESTING ACTIVITIES:

Earnest Funds Received from Purchaser	<u>100,000</u>
Net Cash Provided by Investing Activities	100,000

CASH FLOWS FROM FINANCING ACTIVITIES:

Mortgage Principal Payments	<u>(26,790)</u>
Net Cash Used in Financing Activities	<u>(26,790)</u>

Change in Cash, Cash Equivalents, and Restricted Cash 142,062

CASH, CASH EQUIVALENTS, AND RESTRICTED CASH:

Beginning of Period	<u>365,439</u>
End of period	<u><u>\$ 507,501</u></u>

(continued)

Duncan Village II, LLC

(Duncan Village)

Statement of Cash Flows (continued)
For the Year Ended December 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES:

Net Loss	\$	(335,796)
Adjustments to Reconcile Net Loss to		
Net Cash Provided by Operating Activities		
Depreciation Expense		101,911
Amortization of Debt Issuance Costs		1,302
Decrease (Increase) in:		
Tenant Accounts Receivable		(5,891)
Prepaid Expenses		(766)
Increase (Decrease) in:		
Accounts Payable		195,755
Accrued Liabilities		68,826
Accrued Interest Payable		40,237
Tenants Security Deposits Held in Trust		505
Prepaid Revenue		<u>2,769</u>
Net Cash Provided by Operating Activities	\$	<u>68,852</u>

Duncan Village II, LLC

(Duncan Village)

Notes to the Financial Statements

December 31, 2022

1. Organization and Summary of Significant Accounting Policies

The Company is organized as a limited liability company under the laws of the State of South Carolina for the purpose of owning and operating an apartment complex. The Company consists of 50 units located in Duncan, South Carolina.

The Company also is subject to Section 8 Housing Assistance Payments agreements with the U.S. Department of Housing and Urban Development (HUD), and a significant portion of the Company's rental income is received from HUD. Under the agreement, the Company may not increase rents charged to tenants without HUD approval. The Company is also subject to a Use Agreement which requires the low-income character of the property be maintained through December 2055.

Effective November 30, 2022, Community Housing Alliance III, L.P., the investor member, assigned its entire investor member interest to VOANS Preservation and Development Holding Corporation, an affiliate of the managing member.

The resulting ownership of the Company is as follows:

<u>Managing Member:</u>	
VOA Duncan Village, Inc.	0.01%
<u>Investor Member:</u>	
VOANS Preservation & Development Holding Corporation	99.99%

Allocations of cash distributions, capital transactions, and net income and losses are made in accordance with the Operating Agreement. Cash distributions are limited by agreements between the Company and HUD to the extent of surplus cash as defined by HUD.

The Company has qualified for and been allocated low-income housing credits pursuant to Internal Revenue Code Section 42 (Section 42) which regulates the use of the project as to occupant eligibility and unit gross rent, among other requirements. The Company must meet the provisions of these regulations during each of 15 consecutive years in order to remain qualified to receive the credits.

In addition, the Company has executed an Agreement of Restrictive Covenants with the South Carolina State Housing Finance and Development Authority, which requires the utilization of the project pursuant to Section 42 for a minimum of thirty years beginning the first year of the credit period, as defined, even if disposition of the project by the Company occurs.

On December 20, 2022, Duncan Village II, LLC entered into a Purchase and Sale Agreement (the "Agreement") to sell Duncan Village for \$3,100,000. The sale includes only the fixed assets. The closing date is estimated to be 150 days after execution of the Agreement and has yet to be determined but is expected to be within the next year. The estimated gain on the sale is \$754,312.

As part of the Agreement, the Purchaser is required to deposit \$100,000 within three days of execution of the Agreement into escrow with Fidelity National Title Insurance Company. In the event that the Purchaser terminates this agreement, \$33,300 of the escrowed deposit is non-refundable. The remaining \$66,700 of escrow deposit and all accrued interest shall remain fully refundable to the Purchaser. The deposit and all accrued interest shall be payable to Seller and credited to the purchase price at closing. The deposit is included on the Balance Sheet with escrow deposits and the current liability due to purchaser is shown as a short-term liability.

Duncan Village II, LLC

(Duncan Village)

Notes to the Financial Statements (continued)

December 31, 2022

Based on the sale, fixed assets are classified as "Assets Held for Sale" on the Balance Sheet.

The following significant accounting policies have been followed in the preparation of the financial statements:

Basis of Accounting: The financial statements are prepared on the accrual basis of accounting which is in accordance with generally accepted accounting principles.

Subsequent Events: The financial statements and related disclosures include evaluation of events up through and including January 31, 2023, which is the date the financial statements were issued.

Revenue Recognition: The Company's primary revenue stream is rent charges for residential units under leases with durations of less than one year. The Company records revenue for such leases at gross potential rent as prescribed by HUD. The rental value of vacancies and other concessions are stated separately to present net rental income on the accrual basis. Subsidy revenue for low-income eligible tenants is provided under a Section 8 Housing Assistance Payments Contract. This contract requires tenants to contribute a portion of the contract rent based on formulas prescribed by HUD. The difference from the calculated subsidy and the contract rent is paid by the HUD. The current contract expires on November 30, 2025.

Subsidy income is considered part of the lease and is not considered a contribution under ASC 958. This standard indicates that government payments to specifically identified participants are to be considered exchange transactions and potentially subject to ASC 606. The Company believes that such both rental and subsidy income streams are exempted from compliance with ASC 606 due to their inclusion under current and future lease standards. Revenue streams subject to ASC 606 include: tenant reimbursement of consumption-based costs paid by the Company on behalf of the tenant, such as utilities and other monthly fees. Additional revenue includes laundry, vending, pet, and parking fees as well as damages. Such fees are ancillary to the lease process and are recognized as revenue at the point in time such fees are incurred.

Cash, Cash Equivalents, and Restricted Cash: For the purposes of the Statement of Cash Flows, the Company considers all highly liquid investments purchased with maturities of three months or less to be cash equivalents.

Concentration of Credit Risk: The Company maintains its cash in financial institutions insured by the Federal Deposit Insurance Corporation (FDIC). Deposit accounts, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts.

Allowance for Uncollectible Receivables: Tenant receivables are charged to bad debt expense when they are determined to be uncollectible based upon a periodic review of the accounts by management. Accounting principles generally accepted in the United States of America require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

Duncan Village II, LLC

(Duncan Village)

Notes to the Financial Statements (continued)

December 31, 2022

Depreciation: The Company's land, building, improvements, and personal property are recorded at cost. Improvements are capitalized, while expenditures for maintenance and repairs are charged to expense as incurred. Depreciation is provided by the straight-line method over the estimated useful life of the asset.

Buildings	40 years
Land Improvements	15 years
Furniture, Fixtures, and Equipment	5-10 years

Impairment of Long-Lived Assets: The Company reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Recoverability is measured by a comparison of the carrying amount to the future net undiscounted cash flow expected to be generated and any estimated proceeds from the eventual disposition. If the long-lived asset is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount exceeds the fair value as determined from an appraisal, discounted cash flows analysis, or other valuation technique. There is no impairment loss recognized for the period ending December 31, 2022.

Debt Issuance Costs: Debt issuance costs of \$39,082 are amortized over the term of the mortgage loan using the straight-line method. Accounting principles generally accepted in the United States of America require that the effective yield method be used to amortize debt issuance costs; however, the effect of using the straight-line method is not materially different from the results that would have been obtained under the effective yield method. Estimated amortization expense for the permanent loans for the next five years is expected to be \$1,302. Debt issuance costs are presented as a direct deduction to the related note payable. Debt issuance costs amortization is reported as a component of interest expense.

Tax Credit Fees: Tax credit fees are amortized by the straight-line method over the tax credit compliance period. As of December 31, 2022, tax credit fees have been fully amortized.

Other Liabilities: Accrued expenses for compensated absences, vacations, and sick pay are not shown due to the fact that amount of the liability cannot be reasonably estimated. It is the Company's policy to expense these items when they are incurred.

Interest Expense: The Company has expensed all interest and none has been capitalized.

Income Taxes: Under the provisions of the Internal Revenue Code, the Company is not a taxable entity and, accordingly the net loss of the Company is included in the income tax returns of the members. The Company files tax returns in the U.S. federal jurisdiction and the state of South Carolina. Federal and state tax authorities generally have the right to examine and audit the previous three years of tax returns filed. There are no interest and penalties related to income taxes recognized in the statement of operations. The Company has not taken any tax positions that would significantly increase or decrease any unrecognized tax benefit within twelve months of the reporting date.

Duncan Village II, LLC

(Duncan Village)

Notes to the Financial Statements (continued)
December 31, 2022

The Company has not elected out of the centralized partnership audit regime under the Bipartisan Budget Act of 2015 (BBA). Under the BBA, the IRS generally assesses and collects any understatement of tax (called an imputed underpayment) at the partnership level. The Company may request to modify the imputed underpayment and may elect to pushout the adjustments underlying the imputed underpayment instead of paying. The Company does not owe any imputed underpayments.

Estimates: The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Economic Concentrations: The Company's primary asset is its 50-unit apartment project. The Company's operations are concentrated in the multifamily housing real estate market. In addition, the Company operates in a regulated environment. The operations of the Company are subject to the administrative directives, rules and regulations of federal, state, and local regulatory agencies, including, but not limited to, HUD. Such administrative directives, rules, and regulations are subject to change by an act of Congress, or an administrative change mandated by HUD. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

2. Mortgage Payable

The mortgage note is payable over 30 years in monthly installments, including principal and interest of \$7,130 at 7.30%. All interest is charged to expense. This note is secured by a mortgage on the real estate and improvements thereon. The maturity date is May 1, 2038.

As part of the sales agreement described in Note 1, the mortgage principal will be paid in full. The aggregate principal balance is shown as current liabilities on the Balance Sheet.

3. Related Party-Identity of Interest

Related Party: VOA National Housing Corporation
Relationship: Affiliate of the Managing Partner
Transactions: Management, Payroll, Accounting, and Reimbursable Expenses
Amount paid for services: \$66,359
Amount payable at December 31, 2022: \$97,704

Related Party: VOA National Services
Relationship: Affiliate of the Managing Partner
Transactions: Reimbursable Expenses
Amount paid for services: \$518
Amount payable at December 31, 2022: \$3,368

Duncan Village II, LLC

(Duncan Village)

Notes to the Financial Statements (continued)
December 31, 2022

3. Related Party-Identity of Interest (continued)

On June 6, 2006, Duncan Village, LLC, an affiliate of the managing member, entered into a loan agreement with the Company in the amount of \$1,010,000. The note is secured by a second mortgage on the rental property. Interest on the note accrues at a rate of 4.0% per annum on the unpaid principal balance. Annual payments of principal and interest are due on June 5 of each year, provided that net cash flow, as defined, is available after payments of any Investor Member obligations, Investor Service Fee, and the Property Development Fee, as defined in the First Amended and Restated Operating Agreement. The note matures on June 5, 2036.

During 2022, the interest incurred on the note was \$40,400 and there was no interest paid on the note. As of December 31, 2022, accrued interest on the note was \$392,212. At December 31, 2022, the outstanding principal balance on the note was \$1,010,000.

4. Management Fee

The Company has contracted with VOA National Housing Corporation to provide management services. The charges for these services are based upon a management agreement. The charges are 6.69% of collected rental income not to exceed \$43 per unit, per month. For the period ended December 31, 2022, management fees charged amounted to \$25,800. The balance owed VOA National Housing Corporation at December 31, 2022 is \$47,000. The Company is also charged Better Buildings Challenge management add-on fees. The charges are \$4 per unit, per month. For the period ended December 31, 2022, Better Buildings Challenge management fees charged amounted to \$2,400.

5. Restricted Funds

Under the Operating Agreement, the Company is required to establish and maintain a replacement reserve in the initial amount of \$30,000. The replacement reserve is to be used for the purpose of funding future capital repairs and improvements. The required monthly deposit to the replacement reserve is \$375 per unit per year beginning in 2007 and shall increase by 3% annually thereafter. The Company may not utilize the replacement reserve for any capital expenditure which causes total withdrawals from the replacement reserve during any calendar year to exceed \$5,000 unless the Company has obtained the consent of the Investor Member. As of December 31, 2022, the balance of the replacement reserve is \$202,460. The replacement reserve is included in other reserves on the balance sheet.

Under the Operating Agreement, the Company is required to establish and maintain an operating reserve in the initial amount of \$25,000 from the first capital contribution installment made by the investor member. An additional deposit of \$84,400 is to be funded from the fourth capital contribution installment of the investor member. The operating reserve may be used to fund operating deficits under the operating deficit guaranty after the Stabilization Date, as defined in the Amended and Restated Operating Agreement. The reserve requires approval by an affiliate of the investor member before withdrawals can be made. As of December 31, 2022, the balance of the operating reserve is \$120,765. The operating reserve is included in other reserves on the balance sheet.

Duncan Village II, LLC

(Duncan Village)

Notes to the Financial Statements (continued)
December 31, 2022

6. Cash, Cash Equivalents, and Restricted Cash

In accordance with Accounting Standards Update (ASU) 2016-18, "Restricted Cash", the following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the balance sheet to the amounts presented in the statement of cash flows:

	Beginning of Period	End of Period
Cash-Operations	\$ 4,109	\$ 4,637
Tenant Security Deposits Held in Trust	8,674	9,320
Escrow Deposits	30,167	170,319
Other Reserve	322,489	323,225
	<u>\$ 365,439</u>	<u>\$ 507,501</u>

7. Entity Expenses

The Company is required to pay a cumulative annual investor services fee of \$2,500, which amount shall be increased by 3% per year, to an affiliate of the investor member for its services in monitoring the operations of the Company. If cash flows are not sufficient to pay the fee, then any unpaid fees shall accumulate and shall be payable out of the next available cash flow or capital proceeds. There was no investor service fee paid for the year ended December 31, 2022. The accumulated and unpaid balance at December 31, 2022 is \$21,733.

The Company is required to pay a cumulative annual company administration fee of \$15,000, which amount shall be increased by 3% per year, to the managing member for its services with the administration of Company affairs. If cash flows are not sufficient to pay the fee, then any unpaid fees shall accumulate and shall be payable out of the next available cash flow or capital proceeds. There was no company administration fee paid for the year ended December 31, 2022. The accumulated and unpaid balance at December 31, 2022 is \$310,901.

8. Capital Contributions

The managing member is obligated to make capital contributions of \$207. The investor member is obligated to make capital contributions totaling \$2,061,000 in various installments which are based on the occurrence of specific events described in the Operating Agreement. During a prior year the project received a by-the-book downward adjuster of \$35,931 that was calculated per the Operating Agreement and is based on 8609's and the 2007 tax return. The new maximum investor member contribution is \$2,025,069. There were no capital contributions made during the year. As of December 31, 2022, the investor member has made capital contributions of \$2,025,069 and the managing member has made capital contributions of \$100.

Duncan Village II, LLC

(Duncan Village)

Notes to the Financial Statements (continued)
December 31, 2022

9. Allowable Distribution to Members

Under the Operating Agreement, net cash flow shall be distributed in the following order of priority: 1) the investor member, an amount equal to the credit deficiency, 2) the investor member, an amount sufficient to pay federal income taxes on taxable income allocated to the investor member for such fiscal year by the Company, 3) payment of the Investor Service Fee, 4) payment of the Deferred Developer Fee, 5) fund the Operating Reserve after capital contributions of the investor member have been paid up to the Operating Reserve amount, 6) the managing member, an amount to repay any Operating Deficit Reserve Contribution, Credit Adjuster Advance, Additional Advance, and Development Advances, 7) payment of the Company Administration Fee.

The remaining amounts shall be distributed within seventy-five (75) days after the close of the fiscal year to .01% to the managing member and 99.99% to the investor member.

Cash Flow, as defined in the Amended and Restated Operating Agreement, is calculated as the following for the year ended December 31, 2022:

Gross Revenue Collected	
Total Cash Receipts	<u>\$ 401,110</u>
 Total Gross Revenue Collected	 401,110
 Project Expenses	
Total Expenses	743,126
Plus: Mortgage Principal Payments	26,790
Required Replacement Reserve Deposits	29,212
Less: Depreciation and Amortization	(101,911)
Long-term Note Interest	(40,400)
Amortization of Debt Issuance Costs	<u>(1,302)</u>
 Total Project Expenses	 <u>655,515</u>
 Cash Flow per Operating Agreement	 <u><u>\$ (254,405)</u></u>

Note: The Company, with the investor members' approval, will utilize the HUD surplus cash calculation to determine the amount of surplus cash to be distributed in accordance with Note 9 above.

10. Guarantees

The managing member and an affiliate of the managing member are obligated to fully pay any Credit Adjuster Advances, as defined in the Amended and Restated Operating Agreement.

11. Low-Income Housing Tax Credits

The Company's low-income housing tax credits are contingent on its ability to maintain compliance with applicable sections of Section 42 of the Internal Revenue Code. Failure to maintain compliance with occupant eligibility, and/or unit gross rents, or to correct noncompliance within a specified time period could result in recapture of previously taken tax credits plus interest. In addition, such potential noncompliance may require an adjustment to the contributed capital by the investor member.

Duncan Village II, LLC

(Duncan Village)

Notes to the Financial Statements (continued)
December 31, 2022

12. Risks and Uncertainties

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the U.S. have declared a state of emergency. It is anticipated that these impacts will continue for some time. There has been no immediate impact to the Project's operations. Future potential impacts may include disruptions or restrictions on our employees' ability to work or the tenants' ability to pay the required monthly rent. Operating functions that may be changed include intake, recertifications and maintenance. Changes to the operating environment may increase operating costs. The future effects of these issues are unknown.

13. Insurance Claim

During the prior year, the property incurred roof damage due to a storm. In the current year, the Company filed an insurance claim to cover the cost of the roof repairs. Insurance proceeds received were \$105,074, net of \$100,000 deductible. Proceeds are netted with operating expenses on the Statement of Activities. All repairs on the roof and surrounding damaged areas are complete at December 31, 2022.

SUPPLEMENTAL INFORMATION

Duncan Village II, LLC

(Duncan Village)

Supplementary Information Required by HUD
December 31, 2022

Financial Statement Data:

Assets		
<u>Account</u>	<u>Description</u>	<u>Value</u>
1120	Cash-Operations	4,637
1130	Tenant Accounts Receivable	13,995
1200	Prepaid Expenses	9,990
1100T	Total Current Assets	28,622
1191	Tenant Security Deposits Held in Trust	9,320
1310	Escrow Deposits	170,319
1330	Other Reserve	323,225
1300T	Total Deposits	493,544
1410	Land	254,677
1420	Buildings	3,608,764
1460	Furnishings	47,788
1465	Office Furniture and Equipment	3,400
1490	Miscellaneous Fixed Assets	37,186
1400T	Total Fixed Assets	3,951,815
1495	Less Accumulated Depreciation	1,606,127
1400N	Net Fixed Assets	2,345,688
1000T	Total Assets	2,877,174
Liabilities		
<u>Account</u>	<u>Description</u>	<u>Value</u>
2110	Accounts Payable-Operations	249,891
2120	Accrued Wages Payable	3,279
2121	Accrued Payroll Taxes Payable	589
2123	Accrued Management Fee Payable	47,000
2131	Accrued Interest Payable-First Mortgage	4,808
2133	Accrued Interest Payable-Other Loans and Notes (Surplus Cash)	392,212
2150	Accrued Property Taxes	36,758
2170	Mortgage Payable-First Mortgage (short-term)	790,396
2173	Other Loans and Notes Payable, Surplus Cash (short-term)	1,010,000
2190-020	Earnest Funds Due to Purchaser	100,000
2190	Miscellaneous Current Liabilities	100,000
2210	Prepaid Revenue	5,697
2122T	Total Current Liabilities	2,640,630
2191	Tenant Security Deposits Held in Trust (contra)	7,932
2340	Debt Issuance Costs	(19,867)
2300T	Total Long-Term Liabilities	(19,867)
2000T	Total Liabilities	2,628,695
Equity Data		
<u>Account</u>	<u>Description</u>	<u>Value</u>
3130	Total Equity	248,479
2033T	Total Liabilities and Equity	2,877,174
Rent Revenue		

Duncan Village II, LLC

(Duncan Village)

Supplementary Data Required by HUD (continued)
December 31, 2022

<u>Account</u>	<u>Description</u>	<u>Value</u>
5120	Rent Revenue-Gross Potential	146,006
5121	Tenant Assistance Payments	324,466
5100T	Total Rent Revenue	470,472

Vacancies		
<u>Account</u>	<u>Description</u>	<u>Value</u>
5220	Apartments	68,423
5200T	Total Vacancies	68,423
5152N	Net Rental Revenue	402,049

Financial Revenue		
<u>Account</u>	<u>Description</u>	<u>Value</u>
5490-020	Revenue from Investments-Other Reserves	722
5490	Revenue from Investments-Miscellaneous	722
5400T	Total Financial Revenue	722

Other Revenue		
<u>Account</u>	<u>Description</u>	<u>Value</u>
5920	Tenant Charges	4,559
5900T	Total Other Revenue	4,559
5000T	Total Revenue	407,330

Administrative Expenses		
<u>Account</u>	<u>Description</u>	<u>Value</u>
6203	Conventions and Meetings	318
6204	Management Consultants	2,768
6210	Advertising and Marketing	505
6311	Office Expense	10,232
6320	Management Fee	28,200
6330	Manager or Superintendent Salaries	35,511
6350	Audit Expense	11,919
6351	Bookkeeping Fees/Accounting Services	4,680
6370	Bad Debts	3,098
6390	Miscellaneous Administrative Expenses	3,555
6263T	Total Administrative Expenses	100,786

Utilities Expense		
<u>Account</u>	<u>Description</u>	<u>Value</u>
6450	Electricity	7,872
6451	Water	10,761
6452	Gas	309
6453	Sewer	14,543
6400T	Total Utilities Expense	33,485

Operating & Maintenance Expenses		
<u>Account</u>	<u>Description</u>	<u>Value</u>
6510	Payroll	45,293
6515	Supplies	11,994
6520	Contracts	224,351
6525	Garbage and Trash Removal	8,361
6530	Security Payroll/Contract	2,676
6546	Heating/Cooling Repairs and Maintenance	19,054
6548	Snow Removal	150
6570	Vehicle and Maintenance Equipment Operations and Repairs	460

Duncan Village II, LLC

(Duncan Village)

Supplementary Data Required by HUD (continued)
December 31, 2022

6590	Miscellaneous Operating and Maintenance Expense	74
6500T	Total Operating and Maintenance Expenses	312,413

Taxes & Insurance

<u>Account</u>	<u>Description</u>	<u>Value</u>
6710	Real Estate Taxes	36,758
6711	Payroll Taxes	6,101
6720	Property and Liability Insurance	34,899
6722	Workmen's Compensation	888
6723	Health Insurance and Other Employee Benefits	10,870
6790	Miscellaneous Taxes, Licenses, Permits, and Insurance	1,456
6700T	Total Taxes and Insurance	90,972

Financial Expenses

<u>Account</u>	<u>Description</u>	<u>Value</u>
6820	Interest on Mortgage (or Bonds) Payable	59,909
6830	Interest on Notes Payable (long term)	40,400
6890	Miscellaneous financial expense	3,250
6800T	Total Financial Expenses	103,559

Operating Results

<u>Account</u>	<u>Description</u>	<u>Value</u>
6000T	Total Cost of Operations Before Depreciation and Amortization	641,215
5060T	Profit (Loss) Before Depreciation and Amortization	(233,885)
6600	Depreciation Expenses	101,911
5060N	Operating Profit or (Loss)	(335,796)

Profit or Loss

<u>Account</u>	<u>Description</u>	<u>Value</u>
3250	Profit or Loss (Net Income or Loss)	(335,796)

Part II

<u>Account</u>	<u>Description</u>	<u>Value</u>
S1000-010	Total first mortgage (or bond) principal payments required during the audit period (usually 12 months). This applies to all direct loans and HUD-held and HUD-insured first mortgages.	26,790
S1000-020	The total of all monthly reserve for replacement deposits (usually 12 months) required during the audit period even if deposits have been temporarily waived or suspended.	0
S1000-030	Replacement Reserves or Residual Receipts and Releases which are included as expense items on this Profit and Loss statement.	0
S1000-040	Project Improvement Reserve releases under the Flexible Subsidy program that are included as expense items on this Profit and Loss statement.	0

Equity Data-Entities Other Than Corporations

<u>Account</u>	<u>Description</u>	<u>Value</u>
S1100-010	Beginning of Year Balance	584,275
3250	Net Income or Loss	(335,796)
3130	End of Year-3130	248,479

Cash Flow from Operating Activities

<u>Account</u>	<u>Description</u>	<u>Value</u>
S1200-010	Rental Receipts	395,829
S1200-020	Interest Receipts	722

Duncan Village II, LLC

(Duncan Village)

Supplementary Data Required by HUD (continued)
December 31, 2022

S1200-030	Other Receipts	4,559
S1200-040	Total Receipts	401,110
S1200-050	Administrative	(22,842)
S1200-090	Utilities	(33,900)
S1200-100	Salaries and Wages	(49,025)
S1200-110	Operating and Maintenance	(111,109)
S1200-140	Property Insurance	(35,665)
S1200-150	Miscellaneous Taxes and Insurance	(18,202)
S1200-160	Tenant Security Deposits	(141)
S1200-180	Interest on Mortgage	(58,770)
S1200-220	Miscellaneous Financial Expenses	(3,250)
S1200-230	Total Disbursements	(332,904)
S1200-240	Net Cash Provided by (Used in) Operating Activities	68,206

Cash Flow from Investing Activities

<u>Account</u>	<u>Description</u>	<u>Value</u>
S1200-245	Net Deposits to the Mortgage Escrow Account	(140,152)
S1200-255	Net Deposits to the Other Reserve Account	(736)
S1200-342	Earnest Funds Received From Purchaser	100,000
S1200-340	Other Investing Activities	100,000
S1200-350	Net Cash Provided by (Used in) Investing Activities	(40,888)

Cash Flow from Financing Activities

<u>Account</u>	<u>Description</u>	<u>Value</u>
S1200-360	Principal Payments-First Mortgage (or Bonds)	(26,790)
S1200-460	Net Cash Provided by (Used in) Financing Activities	(26,790)
S1200-470	Net Increase (Decrease) in Cash and Cash Equivalents	528

Cash and Cash Equivalents

<u>Account</u>	<u>Description</u>	<u>Value</u>
S1200-480	Beginning of Period	4,109
S1200T	End of Period	4,637

Reconciliation of Net Profit (Loss) to Net Cash Provided by (Used in)

Operating Activities

<u>Account</u>	<u>Description</u>	<u>Value</u>
3250	Net Income or Loss	(335,796)

Adjustments to Reconcile Net Profit (Loss) to Net Cash Provided by

(Used in) Operating Activities

<u>Account</u>	<u>Description</u>	<u>Value</u>
6600	Depreciation Expense	101,911
S1200-486	Amortization of Debt Issuance Costs	1,302
S1200-490	Decrease (Increase) in Tenant Accounts Receivable	(5,891)
S1200-520	Decrease (Increase) in Prepaid Expenses	(766)
S1200-530	Decrease (Increase) in Cash Restricted for Tenant Security Deposits	(646)
S1200-540	Increase (Decrease) in Accounts Payable	195,755
S1200-560	Increase (Decrease) in Accrued Liabilities	68,826
S1200-570	Increase (Decrease) in Accrued Interest Payable	40,237
S1200-580	Increase (Decrease) in Tenants Security Deposits Held in Trust	505
S1200-590	Increase (Decrease) in Prepaid Revenue	2,769

Net Cash Provided by (Used in) Operating Activities

Duncan Village II, LLC

(Duncan Village)

Supplementary Data Required by HUD (continued)
December 31, 2022

<u>Account</u>	<u>Description</u>	<u>Value</u>
S1200-610	Net Cash Provided by (Used in) Operating Activities	68,206

Computation of Surplus Cash, Distributions, and Residual Receipts-Annual

Cash	\$ 13,957
Total Cash	13,957
Accrued Mortgage Interest Payable	4,808
Accounts Payable-30 Days	249,891
Accrued Expenses [not escrowed]	50,868
Prepaid Revenue	5,697
Tenant Security Deposits Liability	7,932
Total Current Obligations	319,196
Surplus Cash (Deficiency)	\$ (305,239)

Schedule of Fixed Assets Accounts-Detail

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Land	\$ 254,677	\$ 0	\$ 0	\$ 254,677
Buildings	3,608,764	0	0	3,608,764
Furnishings	47,788	0	0	47,788
Office Furniture and Equipment	3,400	0	0	3,400
Miscellaneous Fixed Assets	37,186	0	0	37,186
Total	<u>\$ 3,951,815</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>3,951,815</u>
Accumulated Depreciation	<u>\$ 1,504,216</u>	<u>\$ 101,911</u>	<u>\$ 0</u>	<u>1,606,127</u>
Net Book Value				<u>\$ 2,345,688</u>

Duncan Village II, LLC

(Duncan Village)

Certification of Members

I hereby certify that I have examined the accompanying financial statements and supplemental data of Duncan Village II, LLC, (Duncan Village), as of December 31, 2022, and, to the best of my knowledge and belief, the same are accurate and complete.

Signature: _____

Peter J. Desjardins, Assistant Treasurer/Assistant Secretary
Duncan Village II, LLC
January 31, 2023

Duncan Village II, LLC

(Duncan Village)

Management Agent's Certification

I hereby certify that I have examined the accompanying financial statements and supplemental data of Duncan Village II, LLC, (Duncan Village), as of December 31, 2022, and, to the best of my knowledge and belief, the same are accurate and complete.

Signature: _____

Peter J. Desjardins, Assistant Secretary/Assistant Treasurer
VOA National Housing Corporation
Employer ID #: 52-0886223
January 31, 2023

ADDENDUM F

Floor Plans

APPENDIX B
BUILDING CODE SUMMARY
FOR ALL COMMERCIAL PROJECTS
(EXCEPT 1 AND 2 FAMILY DWELLINGS AND TOWNHOUSES)

Name of Project: DUNCAN VILLAGE APARTMENTS
Address: EAST MAIN STREET, DUNCAN, SC
Proposed Use: FAMILY APARTMENTS
Owner or Authorized Agent: YGA - DUNCAN VILLAGE, LLC Phone # (803) 719-6465
Owned by: ☐ City/County ☒ Private
Code Enforcement Jurisdiction: ☒ City DUNCAN ☐ County

LEAD DESIGN PROFESSIONAL: MOORE RILEY ARCHITECTS, PA
DESIGNER FIRM: MOORE RILEY ARCHITECTS, PA NAME: THOMAS E. MOORE LICENSE #: 6382 TELEPHONE #: (819) 782-6471
Architectural: MOORE RILEY ARCHITECTS, PA Electrical: _____
Civil: _____ Fire Alarm: _____
Plumbing: _____ Mechanical: _____
Sprinkler: MOORE RILEY ARCHITECTS, PA Structural: THOMAS E. MOORE (819) 782-6471
Other: _____

YEAR EDITION OF CODE: 2003 INTERNATIONAL BUILDING CODE
☐ New Construction ☒ Renovation (Existing Bldg) ☐ Upfit ☐ Alteration

BUILDING DATA
Construction Type: ☐ I-A ☐ I-B ☐ II-A ☐ II-B ☐ III-A ☐ III-B
☐ IV ☐ V-A ☒ V-B
Mixed Construction: ☒ No ☐ Yes Types: _____
Sprinklers: ☒ No ☐ Yes ☐ NFPA 13 ☐ NFPA 13R ☐ NFPA 13D
Standpipes: ☒ No ☐ Yes Glass ☐ I ☐ II ☐ III ☐ Wet ☐ Dry
Fire District: ☒ No ☐ Yes
Building Height: 25 Feet 2 Number of Stories ☐ Unlimited per _____
Mezzanine: ☒ No ☐ Yes
High Rise: ☒ No ☐ Yes
Gross Building Area:
FLOOR EXISTING (SQ FT) NEW (SQ FT) SUB-TOTAL
1st Floor 27,083 SQ. FT. 27,083 SQ. FT.
2nd Floor 14,544 SQ. FT. 14,544 SQ. FT.

TOTAL = 41,627 SQ. FT.

Primary Occupancy: ☐ Assembly ☐ A-1 ☐ A-2 ☐ A-3 ☐ A-4 ☐ A-5
☐ Business ☐ Educational ☐ Factory-Industrial ☐ F-1 ☐ F-2
☐ High Hazard ☐ H-1 ☐ H-2 ☐ H-3 ☐ H-4 ☐ H-5
☐ Institutional ☐ I-1 ☐ I-2 ☐ I-3 ☐ I-4
I-3 Use Condition ☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5
☐ Mercantile ☐ Residential ☐ R-1 ☒ R-2 ☐ R-3 ☐ R-4
☐ Storage ☐ S-1 ☐ S-2 ☐ High Piled
☐ Utility and Miscellaneous ☐ Parking Garage ☐ Open ☐ Enclosed ☐ Repair

Secondary Occupancy: _____
Special Occupancy: ☐ 508.2 ☐ 508.3 ☐ 508.4 ☐ 508.5 ☐ 508.6 ☐ 508.7 ☐ 508.8
Mixed Occupancy: ☒ No ☐ Yes Separation: _____ Hr. Exception: _____

- ☐ Non-Separated Mixed Occupancy (303.1 Exception)
The required type of construction for the building shall be determined by applying the height and area limitations for each of the applicable occupancies to the entire building. The most restrictive type of construction, so determined, shall apply to the entire building.
☐ Separated Mixed Occupancy (303.1/ 303.2) - See below for area calculations
For each story, the area of the occupancy shall be such that the sum of the ratios of the actual floor area of each use divided by the allowable floor area for each use shall not exceed 1.

Actual Area of Occupancy A + Actual Area of Occupancy B ≤ 1
Allowable Area of Occupancy A Allowable Area of Occupancy B

STORY NO.	DESCRIPTION AND USE	(A) BLDG AREA PER STORY (ACTUAL)	(B) TABLE 503.2 AREA	(C) AREA FOR OPEN SPACE INCREASE ¹	(D) AREA FOR SPRINKLER INCREASE ²	(E) ALLOWABLE AREA OR UNLIMITED ³	(F) MAXIMUM BUILDING AREA ⁴
1 (A+B)	"R" 4-FLEX	2,618 S.F.	7,000 S.F.	0	0	7,000 S.F.	7,000 S.F.
1 (F)	"R" 4-FLEX	1,218 S.F.	7,000 S.F.	0	0	7,000 S.F.	7,000 S.F.
1 (E)	"R" 4-FLEX	2,067 S.F.	7,000 S.F.	0	0	7,000 S.F.	7,000 S.F.
1 (D)	"R" 6-FLEX	2,445 S.F.	7,000 S.F.	0	0	7,000 S.F.	7,000 S.F.
1 (C)	"B" OFFICE	1,811 S.F.	9,000 S.F.	0	0	9,000 S.F.	9,000 S.F.

- ¹ Open space area increases from Section 506.2 and computed thus:
a. Perimeter which fronts a public way or open space having 30 feet minimum width = _____ (F/P)
b. Total Building Perimeter = _____ (P)
c. Ratio (F/P) = _____
d. H = Minimum width of public way = _____ (F/P)
e. Percent of frontage increase = 100 (F/P - 0.25) x W/SO = _____ (%)
² The sprinkler increase per Section 506.3 is as follows:
a. Multi-story building: 1 = 200 percent
b. Single story building: 1 = 300 percent
³ Unlimited area applicable under conditions of Sections Group B, F, H, S, A-4, (507.1, 507.2, 507.3, 507.5), Group A motion picture (507.6), Halls (402.6) and H-2 aircraft plant hangars (507.6).
⁴ Maximum Building Area = total number of stories in the building x E but not greater than 3 x E.
⁵ The maximum area of parking garages must comply with 406.5.5. The maximum area of air traffic control towers must comply with 412.2.

ALLOWABLE HEIGHT

Type of Construction	ALLOWABLE (TABLE 503)		INCREASE FOR SPRINKLERS SHOWN ON PLANS		CODE REFERENCE
	Type	V-A	Type	V-A	
Building Height in Feet	Feet <u>40</u>	Feet = H+20' = _____	25		
Building Height in Stories	Stories <u>2</u>	Stories +1 = _____	2		

FIRE PROTECTION REQUIREMENTS

BUILDING ELEMENT	FIRE SEPARATION DISTANCE (FEET)	RATED (W/ REDUCTION)	DETAIL # AND SHEET #	DESIGN # FOR RATED ASSEMBLY	DESIGN # FOR RATED PENETRATION	DESIGN # FOR RATED JOINTS
Structural frame, including columns, girders, trusses	N/A	N/A		N/A	N/A	N/A
Bearing walls						
Exterior	X30'	N/A				
North						
East						
West						
South						
Interior		N/A		N/A	N/A	N/A
Nonbearing walls and partitions						
Exterior		N/A		N/A	N/A	N/A
North						
East						
West						
South						
Interior	N/A	N/A		N/A	N/A	N/A

continued

note :

THIS IS AN EXISTING PROJECT
BUILT IN 1982 UNDER LOCAL CODES

BUILDING ELEMENT	FIRE SEPARATION DISTANCE (FEET)	RATED (W/ REDUCTION)	DETAIL # AND SHEET #	DESIGN # FOR RATED ASSEMBLY	DESIGN # FOR RATED PENETRATION	DESIGN # FOR RATED JOINTS
Floor construction including supporting beams and joists						
Roof construction including supporting beams and joists						
Shafts - Exit						
Shafts - Other						
Corridor Separation						
Occupancy Separation						
Party/Fire Wall Separation						
Attic Separation						
Tenant Separation						

* Indicate section number permitting reduction

LIFE SAFETY SYSTEM REQUIREMENTS

Emergency Lighting: ☐ No ☐ Yes
Exit Signs: ☐ No ☐ Yes
Fire Alarm: ☐ No ☐ Yes
Smoke Detection Systems: ☐ No ☐ Yes
Panic Hardware: ☐ No ☐ Yes

EXIT REQUIREMENTS

NUMBER AND ARRANGEMENT OF EXITS

FLOOR, ROOM OR SPACE DESIGNATION	MINIMUM ¹ NUMBER OF EXITS		TRAVEL DISTANCE		ARRANGEMENT MEANS OF EGRESS ² (SECTION 1004.1)	
	REQUIRED	SHOWN ON PLANS	ALLOWABLE TRAVEL DISTANCE (TABLE 1004.2.4)	ACTUAL TRAVEL DISTANCE SHOWN ON PLANS	REQUIRED DISTANCE BETWEEN EXIT DOORS	ACTUAL DISTANCE SHOWN ON PLANS
	Per Table 1005.2.2					

- ¹ Corridor dead ends (Section 1004.3.2.3)
² Single exits (Table 1005.2.2)
³ Common Path of Travel (Section 1004.2.5)

EXIT WIDTH

USE GROUP OR SPACE DESCRIPTION	(a)	(b)	(c)		EXIT WIDTH (IN.) ²³⁴⁵⁶			
	AREA sq. ft.	AREA PER OCCUPANT (TABLE 1003.2.2.2)	EGRESS WIDTH PER OCCUPANT (TABLE 1003.2.3)		REQUIRED WIDTH (SECT. 1003.2.3) (a/b) x c	ACTUAL WIDTH SHOWN ON PLANS		
			STAIR	LEVEL	STAIR	LEVEL	STAIR	LEVEL

- ¹ See Table 1003.2.2.2 to determine whether net or gross area is applicable.
² See definition "Area, gross" and "Area, net" (Section 1002)
³ The sprinkler increase per Section 506.3 is as follows:
c. Multi-story building: 1 = 200 percent
d. Single story building: 1 = 300 percent
⁴ Minimum stairway width (Section 1003.3.3), min. corridor width (Section 1004.3.2.2), min. door width (Section 1003.3.1)
⁵ Minimum width of exit passageway (Section 1003.3.3)
⁶ The loss of one means of egress shall not reduce the available capacity to less than 50 percent of the total required (Section 1003.2.5)
⁷ Assembly occupancies (Section 1006)

DESIGN LOADS: STRUCTURAL DESIGN

Importance Factors: Wind (1,2) _____
Snow (1,2) _____
Seismic (1,2) _____
Live Loads: Roof _____ psf
Mezzanine _____ psf
Floor _____ psf
Snow Loads: _____ psf
Wind Load: Basic Wind Speed _____ mph (ASCE-7-10)
Exposure Category _____
Wind Base Shears (for MHFRS) Vx= _____ Vy= _____

SEISMIC DESIGN CATEGORY A

Compliance with Section 1616.4 only? ☐ Yes ☐ No

SEISMIC DESIGN CATEGORY B, C & D

Provide the following Seismic Design Parameters:

Seismic Use Group _____
Spectral Response Acceleration S_s = _____ %g S₁ = _____ %g

Site Classification _____
Basic structural system (check one)

☐ Bearing Wall ☐ Dual w/Special Moment Frame
☐ Building Frame ☐ Dual w/Intermediate R/C or Special Steel
☐ Moment Frame ☐ Inverted Pendulum

Seismic base shear V_x = _____ V_y = _____

Analysis Procedure _____ Simplified _____ Equivalent Lateral Force _____ Modal

Architectural, Mechanical, Components anchored? Yes _____

LATERAL DESIGN CONTROL: Earthquake _____ Wind _____

SOIL BEARING CAPACITIES:

Field Test (provide copy of test report) _____ psf
Presumptive Bearing capacity _____ psf
Pile size, type and capacity _____

PLUMBING FIXTURE REQUIREMENTS

OCCUPANCY	WATER CLOSETS		URINALS	LAVATORIES		SHOWERS/ TUBS	DRINKING FOUNTAINS	
	MALE	FEMALE		MALE	FEMALE		REGULAR	ACCESSIBLE
EACH APT.								
COMM. BLDG.								

ACCESSIBLE PARKING

LOT OR PARKING AREA	TOTAL # OF PARKING SPACES		# OF ACCESSIBLE SPACES PROVIDED		TOTAL ACCESSIBLE PROVIDED
	REQUIRED	PROVIDED	REGULAR WITH 5' ACCESS AISLE	VAN SPACES W/ 8' ACCESS AISLE	
ENTIRE LOT	33	63	6	2	8

renovations to duncan village apartments duncan, south carolina

buildings constructed in 1982

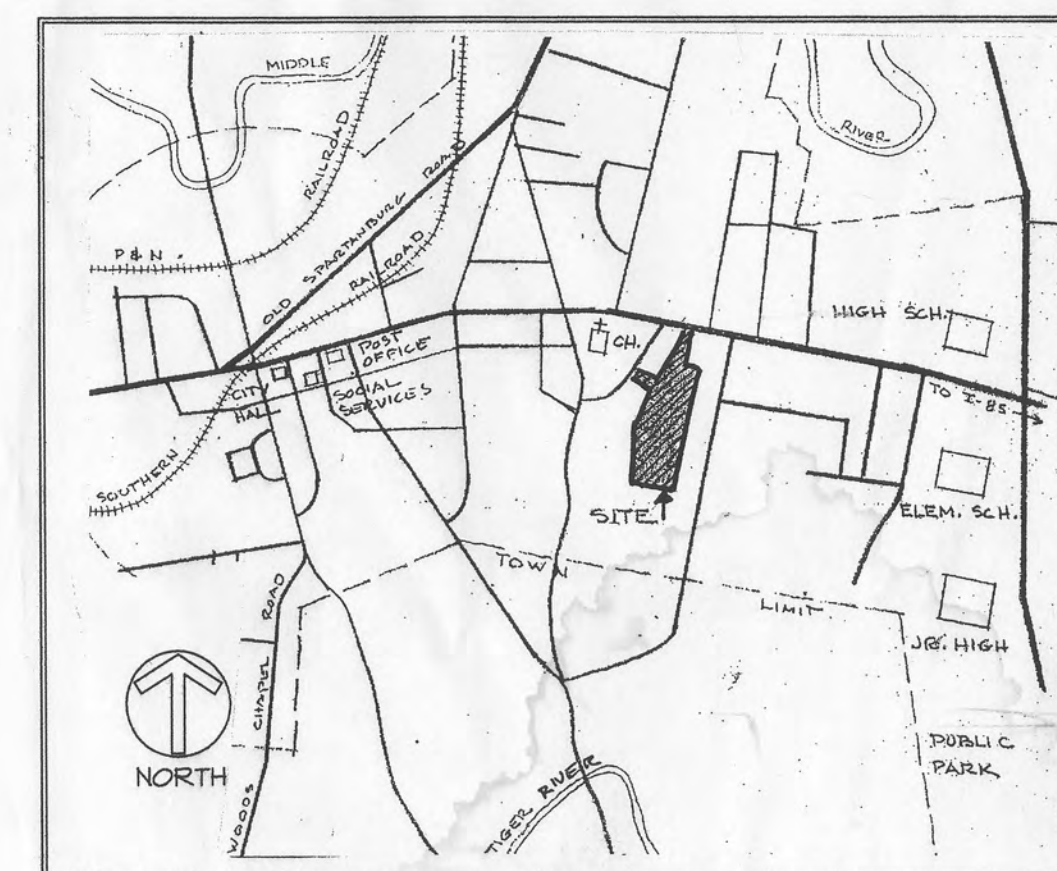
SHEET • INFORMATION

COVER	PROJECT DATA
1	SITE PLAN
2	SITE DETAILS
3	PORCH ADDITION / MAILBOX KIOSK
4	EXISTING 1 & 2 BR UNIT PLANS
5	EXISTING 3BR UNIT PLAN & ELEV.
6	COMMUNITY BUILD. ADD'N PLANS
7	COMMUNITY BUILD. ADD'N DETAILS

PROJECT STATISTICS (EXISTING BUILDING)

ACREAGE:	9.5 +/- ACRES
UNITS:	50 UNITS TOTAL (IN 11 BUILDINGS + OFFICE)
UNITS/ ACRE:	5.3 +/- UN/AC
PARKING SPACES:	86 TOTAL SPACES (INCL HC)
HC PARKING:	4 EXISTING - 5 PROPOSED
1 BR. UNITS:	18 @ 711 SQ. FT. CENTER LINE/ CENTER LINE
1 BR HC UNITS:	2 @ 711 SQ. FT. CENTER LINE/ CENTER LINE
2 BR. UNITS:	26 @ 978 SQ. FT. CENTER LINE/ CENTER LINE
3 BR. UNITS:	6 @ 1,127 SQ. FT. CENTER LINE/ CENTER LINE
OFF./COMM.:	1 @ 1,264 SQ. FT. CENTER LINE/ CENTER LINE

VICINITY MAP

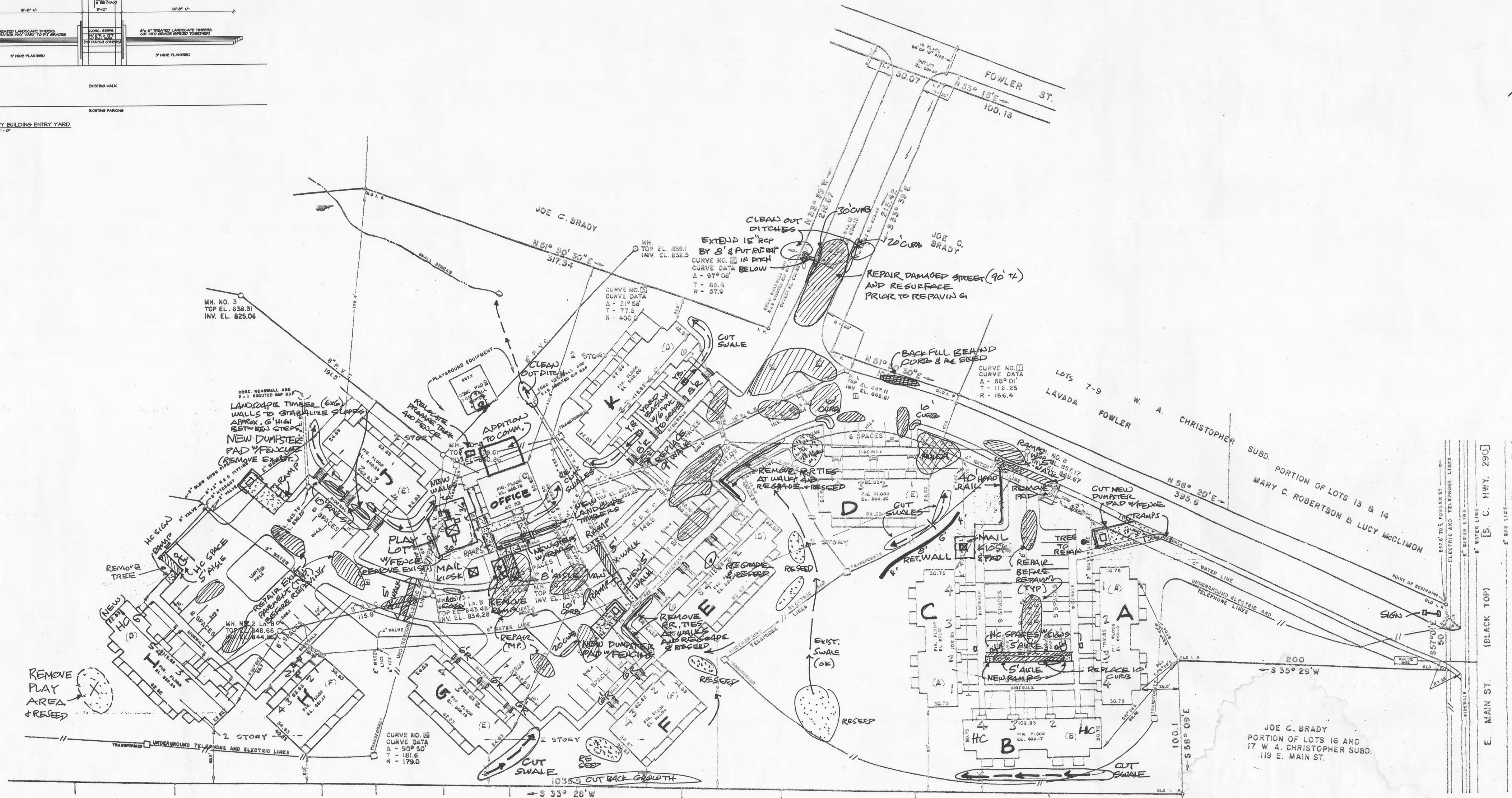
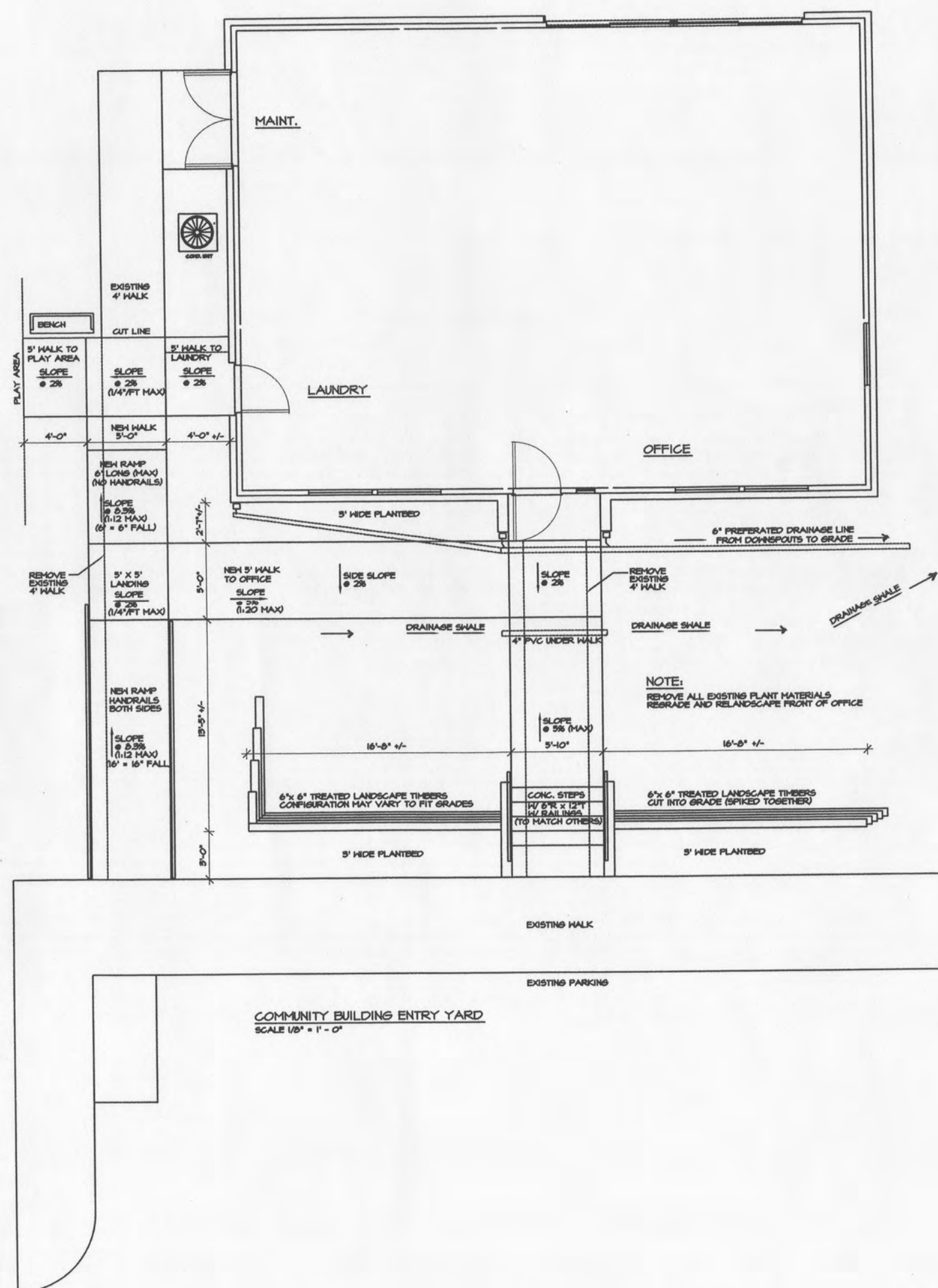


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architects, p.a.
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duncan, sc
duncan village apartments

comm. no.
2444
date
12-30-05
revision
1-31-06

cover

set no.
4



SITE PLAN 1"=40'



moore riley architects, p.a.
4208 S. FOWLER ROAD, SUITE 201, RENO, NV 89509 916-782-6471 (voice) 916-782-6473 (fax) mra@mooreriley.com (e-mail)
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comm. no.
2444
date
12-30-05
revision
1-7-06

sheet no.

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

REAL ESTATE PURCHASE AGREEMENT
Duncan Village, Duncan, SC

This REAL ESTATE PURCHASE AGREEMENT (“Agreement”) is made by and between Duncan Village II, LLC, a South Carolina limited liability company (“**Seller**”), and Duncan Village 2022 L.L.C., a Michigan limited liability company (“**Purchaser**”).

1. Purchase and Sale. Seller hereby agrees to sell and convey to Purchaser, and Purchaser hereby agrees to purchase from Seller, upon the terms and conditions set forth herein, all of Seller’s right, title and interest in and to a parcel of real estate and improvements and fixtures thereon commonly known as Duncan Village, located at 100 Duncan Street in the City of Duncan, Spartanburg County, South Carolina, and as more fully described in the attached **Exhibit A** and all personal property, and assignable contracts approved by Purchaser (collectively “the **Property**”).

2. Closing Date. Purchaser will close on the purchase of the Property under the terms of this Agreement (the “**Closing**”) upon the later of (i) five (5) days after the first day allowed by the HUD Approval, as defined herein, or (ii) on or before the day which is one hundred twenty (120) days after the Effective Date (the “**Closing Date**”); however, in no event shall the Closing Date extend beyond the day which is one hundred fifty (150) days after the Effective Date (the “**Closing Date Extension**”) unless otherwise extended pursuant to this Agreement.

3. Purchase Price

(a) Purchase Price; Earnest Money Deposit. The Purchase Price for the Property is Three Million One Hundred Thousand and 00/100 Dollars (\$3,100,000.00) cash. The Purchaser shall put an earnest money deposit of One Hundred Thousand and 00/100 Dollars (\$100,000.00) into escrow with Fidelity National Title Insurance Company (the “**Title Company**”) within three (3) business days after the execution hereof (the “**Deposit**”). The Title Company shall hold such funds in an interest-bearing account for the benefit of Purchaser with such Deposit and accrued interest to be held until released to Seller or Purchaser, as applicable, under the terms of this Agreement. If Purchaser shall fail to deliver the Deposit within the time period required herein, Seller may at any time thereafter prior to delivery of the Deposit, terminate this Agreement, in which case this Agreement shall be null and void ab initio and thereafter neither party shall have any further rights, liabilities or obligations to the other hereunder, except as otherwise expressly set forth in this Agreement. Upon execution of this Agreement and delivery of the Deposit, then Thirty-Three Thousand Three Hundred and 00/100 Dollars (\$33,300.00) of the escrowed Deposit shall be deemed non-refundable to Purchaser, subject to the terms of this Agreement. The other Sixty-Six Thousand Seven Hundred and 00/100 Dollars (\$66,700.00) that comprises the escrowed Deposit shall remain fully refundable to Purchaser except as set forth herein. Prior to Closing, Purchaser may provide notice to Seller and Title Company of Purchaser’s termination of this Agreement upon which notice the non-refundable \$33,300.00 of the escrowed Deposit shall be disbursed to Seller and the remaining \$66,700.00 of the escrowed Deposit and all accrued interest shall be released to Purchaser, and this Agreement shall thereafter have no further force or effect, except for such terms and obligations that survive termination under the terms of

this Agreement. Notwithstanding the foregoing provisions to the contrary, the entire Deposit and all accrued interest shall be disbursed to Seller following Purchaser's default under this Agreement. Notwithstanding the foregoing provisions to the contrary, the entire Deposit and all accrued interest shall be fully refundable to Purchaser upon the event of the following: (a) Seller's default under this Agreement; or (b) title and/or encumbrances to the Property are found to be unsatisfactory to Purchaser; or (c) environmental conditions of the Property are found to be unsatisfactory to Purchaser. The Deposit and all accrued interest shall be payable to Seller and credited to the Purchase Price at Closing.

(b) Reserves. Unless otherwise required by HUD, the Seller shall retain all reserves.

4. Documentation from Seller and Due Diligence by Purchaser.

(a) Documentation Required from Seller. Within five (5) days after the Effective Date of this Agreement, Seller shall provide Purchaser with the following documents that are in its possession or control (collectively the "**Documentation**"):

(i) Financial Information. Financial documents and information related to the operation of the Property including, but not limited to the following: most recent three (3) years of audited financial statements, monthly and year-to-date financial statements, a report of historical insurance losses for the five (5) years prior to the Effective Date, most current rent roll certified by the property manager, and most current real estate tax assessments.

(ii) Physical Condition. If available, all documents and reports regarding the physical condition of the Property, including by way of illustration but not limited to the following: surveys, site plans, building plans, grading plans, geological and soil studies, environmental studies, contracts and reports by persons performing any physical work, sampling or testing on the Property. Seller will complete any environmental questionnaire that may reasonably be required to the best of its knowledge without independent investigation.

(iii) Instruments affecting the Property. All current tenant leases, agreements, contracts, warranties, and reports regarding the Property and Seller's ownership of the Property including, but not limited to, the current Housing Assistance Payments Contract (the "**HAP Contract**") with the U.S. Department of Housing and Urban Development ("**HUD**") and any correspondence related to the administration and/or renewal of the HAP Contract on the Property which may have occurred in the six (6) months prior to the Effective Date, and information regarding tax abatement(s) affecting the property, if any.

(b) Title. Within ten (10) days after the Effective Date, Seller shall cause a title insurance commitment for an owner's policy of title insurance by the Title Company to be delivered to Purchaser in the amount of the Purchase Price by the Title Company along with

complete and legible copies of recorded encumbrances identified on the title insurance commitment (the “**Commitment**”). If Purchaser provides written notice to Seller prior to expiration of the Contingency Period that title to the Property is not in the condition required by Purchaser due to any title defect (each a “**Title Defect**” and collectively the “**Title Defects**”), then Seller shall have ten (10) days from the date of Seller’s receipt of Purchaser’s notice to cure such defects to Purchaser’s satisfaction, and if Seller is unable or unwilling to cure such Title Defects within such ten (10) day period, Purchaser shall have the option to either (a) waive the Title Defects and proceed with the transaction, in which event any such Title Defects shall be deemed Permitted Encumbrances (as hereinafter defined), without any reduction in the Purchase Price; or (b) terminate this Agreement by written notice thereof to Seller, in which event no party hereto shall have any further liability or obligation hereunder except that the entire Deposit and accrued interest shall be immediately returned to Purchaser. Notwithstanding the foregoing, any liens or encumbrances of an ascertainable amount shall be discharged by Seller on or before the Closing Date and if Seller fails to do so, and Purchaser elects to proceed with the Closing, Purchaser may deduct the ascertainable amount of any such monetary liens or encumbrances from that portion of the Purchase Price due at the Closing. Any matters shown on the Commitment which are not objected to by Purchaser prior to expiration of the Contingency Period or which are waived or are deemed waived by Purchaser shall be deemed “**Permitted Encumbrances**” for the purposes of this Agreement.

(c) Contingency Period. Purchaser and its agents shall have sixty (60) days from and after the delivery by Seller to Purchaser of the Documentation and Commitment (the “**Contingency Period**”) in which to enter the Property to undertake, at Purchaser’s sole cost and expense, site, engineering, appraisal, surveys, soil tests, environmental and such other inspection analyses and studies of the Property as Purchaser may desire (including soil borings and core sampling). Purchaser shall undertake to order a Phase I environmental study of the Property upon execution of this Agreement. If during the Contingency Period the Purchaser determines that, in its sole discretion, the Property or its condition does not meet its expectations (including but not limited to conditions of title and/or environmental contamination concerns), then upon written notice from Purchaser to Seller prior to expiration of the Contingency Period, Seller shall have ten (10) days from the date of Seller’s receipt of Purchaser’s notice to cure such identified defects to Purchaser’s satisfaction, and if Seller is unable or unwilling to cure such defects within such ten (10) day period, Purchaser shall have the option to either (a) waive the defects and proceed with the transaction, without any reduction in the Purchase Price; or (b) terminate this Agreement by written notice thereof to Seller. During the Contingency Period and until Closing, Purchaser shall have the exclusive license and right to inspect the Property. During such time, Seller shall not discuss the sale of the Property with any other potential purchaser.

(d) HUD Approval. Purchaser shall undertake to obtain at its expense a transfer and assignment of the HAP Contract to Purchaser (the “**HUD Approval**”) as soon as possible following execution of this Agreement.

5. Conditions Precedent. The following are conditions precedent to Purchaser’s obligation to perform its obligation to purchase the Property hereunder, and the failure of any one in Purchaser’s sole discretion shall release Purchaser from any obligation hereunder, and Purchaser

shall so notify Seller, but failure to notify shall not constitute a waiver of Purchaser's rights under this section:

(a) The title, environmental and all other attributes of the Property shall be acceptable to Purchaser as necessary and sufficient to undertake all future use and development of the Property contemplated by Purchaser. If no objections are raised by the end of the Contingency Period, this condition precedent is deemed to be satisfied and the parties shall proceed to Closing.

(b) The HUD Approval shall be obtained on or before the Closing Date, or if applicable, the Closing Date Extension.

(c) There shall have been no material change in the condition of the Property between the close of the Contingency Period (or notice of satisfaction has been given by Purchaser to Seller) and the date of Closing, or the Purchaser waives this condition.

(d) Seller will not have submitted a request to HUD for a renewal of the current HAP Contract without the consent of Purchaser.

(e) Seller has received internal board approval to consummate the transaction contemplated herein.

6. Real Estate Brokerage. The Seller shall pay all fees to the broker of this transaction, Lippincott Real Estate Advisors. Each party shall indemnify and hold the other harmless from and against any amount that the other party may be required to pay on account of the engagement of a broker by the indemnifying party.

7. Seller's Representations. Seller represents and warrants to Purchaser the following facts, to the best of Seller's knowledge without independent investigation (collectively "**Seller's Representations**"). If Seller becomes aware of any fact that would be inconsistent with the foregoing Seller's Representations on or before the Closing Date, Seller shall immediately inform Purchaser or Purchaser's attorney.

(a) Title. Seller holds marketable and insurable fee simple title to the Property.

(b) Proceedings. There are no actions or proceedings pending against Seller in any court or before any administrative body or in arbitration concerning the Property.

(c) Judgments. There are no judgments or liens outstanding against Seller or against the Property, and there will be no judgments or liens outstanding at the time of closing, and all contractors or subcontractors who have done work on or materialmen who have supplied material for the Property have been paid.

(d) Leases. There are no leases outstanding with respect to the Property other than those with tenants presently in possession and disclosed in the Documentation, and such updates to the Documentation to be provided by Seller prior to Closing.

(e) Subsequent Encumbrances. Seller will not sell, convey, mortgage or otherwise encumber the Property or any portion of the Property prior to the date this Agreement is consummated or terminated as provided herein.

(f) No Other Purchase Agreements. As of the Effective Date, Seller has not entered into any other purchase agreements for the conveyance of the Property which are still in effect, nor will it enter into any other purchase agreements for the conveyance of the Property while this Agreement remains in effect.

(g) Pending Actions. There are no material causes of action or governmental complaints or charges pending or to Seller's knowledge, threatened against Seller arising out of or relating to the Property.

(h) Compliance with Law. To the best of Seller's knowledge, the Property is in compliance with building, zoning and other ordinances of the governing municipality and South Carolina statutes.

(i) Authority to Perform. The undersigned representative of Seller is duly authorized under the Seller's governing documents for Seller to bind Seller to the terms and conditions of this Agreement and to the performance obligations of Seller under this Agreement. Seller is duly organized and validly existing in good standing under the laws of the State of South Carolina, the only state in which Seller does business. Therefore, this Agreement is a valid and binding obligation of Seller enforceable against Seller in accordance with its terms. No further consent of any partner, officer, director, creditor, investor, judicial or administrative body, or governmental body or agency, or other party to such execution, delivery and performance by Seller is required except as otherwise set forth herein. Neither the execution of this Agreement nor the consummation of the transactions contemplated hereby will (i) result in a breach of, default under, or acceleration of, any agreement to which Seller is a party or by which Seller or the Property are bound; or (ii) violate any restriction, court order, agreement or other legal obligation to which Seller and/or the Property is subject.

(j) Environmental Matters. Other than as may be provided within the Documentation, Seller has not been informed of any environmental contamination existing on any part of the Property. To the best of Seller's knowledge, Seller has not caused any environmental contamination to the Property during its period of ownership and control. Seller shall not cause any environmental contamination at the Property from the Effective Date until Closing. This representation and warranty shall survive the Closing.

8. Disclaimer of Warranties.

(a) Purchaser warrants and acknowledges it is purchasing the property in an “AS IS” condition “WITH ALL FAULTS” and without any warranties or representations as to its physical conditions, either expressed or implied, of any kind or nature whatsoever from or on behalf of Seller, or arising by operation of law, including without limitation any warranty of condition, merchantability, habitability or fitness for a particular use, or with respect to the value or profitability of the Property.

(b) Other than the Seller’s Representations, Purchaser acknowledges that it shall not be entitled to rely solely on Seller or its agents as to (i) the quality, nature, adequacy or physical condition of the Property, (ii) the quality, nature, adequacy or physical condition of soils or the existence of ground water at the Property; (iii) the quality, nature, adequacy or physical condition of any utilities serving the Property; (iv) the zoning or other legal status of the Property; or (v) the quality of any labor or material relating to the Property.

(c) Other than the Seller’s Representations, Purchaser acknowledges that Seller does not make any representation or warranty with regard to compliance with any environmental protection, pollution or land use laws, rules, regulations, orders or requirements, including without limitation those pertaining to the handling, generating, treating, storing or disposing of any hazardous waste or substance.

(d) Seller has no obligation to repair or correct any such facts, circumstances, conditions or defects or compensate Purchaser for same.

9. Non-Foreign Ownership. The parties acknowledge that Section 1445 of the Internal Revenue Code provides that a purchaser of a United States real property interest must withhold tax if the seller is a foreign person or entity. Seller certifies and agrees to sign at Closing a sworn affidavit (“**FIRPTA Affidavit**”) in a form acceptable to Purchaser stating that Seller is not a foreign individual, foreign corporation, foreign partnership, foreign trust or foreign estate as those terms are defined in the Internal Revenue Code and income tax regulations.

10. Notices. Any notice, demand or request which may be permitted, required or desired to be given in connection herewith shall be given in writing and directed to Seller and Purchaser as follows:

Seller:	Duncan Village II, LLC
	Attn: Peter Desjardins
	Address: 1660 Duke Street
	Alexandria, VA 22314
	Phone: 703-341-5075
	e-mail: pdesjardins@voa.org

Copy to: Duncan Village II, LLC
Attn: Office of Legal Affairs
Address: 1660 Duke Street
Alexandria, VA 22314

Purchaser: Duncan Village 2022 L.L.C.
Attn: Gerald A. Krueger,
Address: 20250 Harper Avenue
Detroit, Michigan 48225
Phone: (313) 881-8150
e-mail: jerry@acdmail.com

Notices shall be deemed properly delivered and received: (i) the same day when personally delivered; or (ii) one day after deposit with Federal Express or other commercial overnight courier; or (iii) the same day when sent by confirmed e-mail with a copy sent by Federal Express or other commercial overnight courier.

11. Closing. The purchase and sale of the Property shall be made upon the following terms and conditions, provided the Contingency Period has expired, the HUD Approval has been received, and all conditions precedent have been met:

(a) Place of Closing. The Closing shall take place at the offices of the Title Company or such other place as may be agreed by Seller and Purchaser. It shall constitute a closing in escrow with each of Seller and Purchaser providing all documents and payments to the Title Company as required hereby and the Title Company disbursing such documents and payments only at such time as all conditions precedent to Closing have been satisfied.

(b) Prorations. Rents and expenses shall be prorated for the month of Closing. Real estate taxes and other Closing adjustments shall be made in accordance with local custom. The amount of such prorations shall be initially performed at Closing but shall be subject to adjustment in cash after the Closing as and when complete and accurate information becomes available, if such information is not available at the Closing. Seller and Purchaser agree to cooperate to make such adjustments within sixty (60) days after the Closing, or as soon thereafter as may be practicable.

(c) Closing Costs. Unless otherwise identified to be an obligation of either party under the terms of this Agreement, Seller shall pay the following (i) the owner's policy premium calculated based on the Purchase Price; (ii) all real estate transfer taxes and/or document stamps, to be owing in connection with this transaction and delivery of the Deed and calculated based on the Purchase Price; (iii) the recording fees for documents needed to clear title encumbrances that Seller elects to clear under the terms of this Agreement; and (iv) any title insurance endorsement fee for such endorsements required to cure a Title Defect. Purchaser shall

pay the cost of recording the Deed and the cost of any title insurance endorsements requested by Purchaser and not otherwise required to clear any Title Defect. Purchaser shall pay the costs of recording and survey. Seller and Purchaser shall split 50/50 the closing costs charged by the Title Company in connection with the Closing. Each party shall bear the costs of its legal counsel and consultants.

(d) Possession. Possession of the Property shall be delivered by Seller to Purchaser on the Closing Date subject to the rights of existing tenants identified on the then current Rent Roll executed by Seller.

(e) Seller's Closing Obligations. On the Closing Date, Seller shall execute, deliver and/or assign the following to Purchaser:

(i) A warranty deed conveying to Purchaser marketable and insurable fee simple title to the Property (the "**Deed**") in form and substance reasonably required by Purchaser, and subject only to the Permitted Encumbrances.

(ii) Such documents as may reasonably be required to permit issuance of the title insurance policy consistent with the mark-up of the Commitment for title insurance as required under Section 4(b) above.

(iii) A closing statement evidencing the purchase and sale of the Property, including a credit against the Purchase Price in the amount equal to the security deposits held by Seller arising from the leases (the "**Closing Statement**").

(iv) A FIRPTA Affidavit.

(v) A bill of sale conveying any and all personal property owned by Seller and either located on the Property or used in the operation of the Property.

(vi) The HAP Contract currently in effect at the Property.

(vii) All current leases relating to the apartment development on the Property and an assignment to Purchaser.

(viii) All warranties, guarantees or indemnities to which Seller is entitled concerning the Property and an assignment to Purchaser.

(ix) A current rent roll that includes a statement of all tenant security deposits and an assignment to Purchaser of such security deposits.

(x) All maintenance and service contracts related to the Property and an assignment to Purchaser.

(xi) Any other instruments reasonably required to document the Closing of the purchase and sale of the Property as contemplated by this Agreement.

(f) Purchaser's Closing Obligations. On the Closing Date, Purchaser shall:

(i) Pay the cash portion of the purchase price to Purchaser in the amount of the Purchase Price less the Deposit (and any accrued interest).

(ii) Execute and deliver a Closing Statement.

(iii) Accept delivery of the Deed to the Property and accept delivery of and assume obligations under the other documents referred to above, it being the intention of the parties that if the purchase and sale contemplated hereby is consummated Seller shall thereafter be free of any liability or obligation with respect to the Property, except such liabilities, if any, that survive the Closing under this Agreement.

(iv) Execute any other instruments reasonably required to document the Closing of the purchase and sale of the Property as contemplated by this Agreement.

12. Default and Remedies.

(a) Default by Seller. It shall be a default by Seller under this Agreement if Seller shall have failed (prior to a default by Purchaser hereunder) to perform any of the covenants and agreements contained herein to be performed by Seller within the time for performance as specified herein (including Seller's obligation to close) prior to the Closing Date, and provided that Seller has not cured such default within ten (10) days following Purchaser's written notice of the default. Upon such default by Seller, the Purchaser may either (i) terminate Purchaser's obligations under this Agreement by written notice to Seller with a copy to Title Company, in which event the Deposit (and all accrued interest) shall be returned to Purchaser; or (ii) Purchaser may file an action for specific performance of this Agreement. Purchaser shall have no other remedy for any default by Seller, including any right to damages.

(b) Default by Purchaser. It shall be a default by Purchaser under this Agreement if Purchaser shall have failed (prior to a default by Seller hereunder) to perform any of the covenants and agreements contained herein to be performed by Purchaser within the time for performance as specified herein (including Purchaser's obligation to close) prior to the Closing Date, and provided that Purchaser has not cured such default within ten (10) days following Seller's written notice of the default. Upon such default by Purchaser the Seller's sole and exclusive remedy shall be to cause the Title Company to deliver the Deposit held in escrow to Seller as liquidated damages, it being understood that Seller's actual damages in the event of such default are difficult to ascertain and that such proceeds represent the parties' best current estimate of such damages. Seller shall have no other remedy for any default by Purchaser.

13. Benefit and Burden. The provisions of this Agreement shall be binding upon and inure to the benefit of Seller and Purchaser and their respective successors and assigns.

14. Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to the transactions contemplated herein, and it supersedes all prior oral or written agreements, commitments or understandings with respect to the matters provided herein.

15. Counterparts; facsimiles. This Agreement may be executed in any number of counterparts, each of which is an original but all of which together shall constitute one and the same instrument. Facsimile and electronically scanned signatures shall be deemed as valid original signatures.

16. Time. Time is of the essence of this Agreement.

17. Law. This Agreement shall be governed by and construed under the laws of the State of South Carolina other than laws directing execution and delivery of the Deed, which shall be governed and construed under the laws of the State of South Carolina.

18. Amendment. This Agreement may be amended only by a writing signed by the parties hereto.

19. Confidentiality. The parties agree that neither of them shall reveal to anyone, other than as mutually agreed to in writing or as otherwise provided herein, any of the term of this Agreement, nor of its existence or any potential transaction as contemplated hereby, nor of any negotiations, due diligence or other actions pursuant to this Agreement, except as are required to obtain financing or approvals necessary to fulfilling its terms, and except that Seller hereby authorizes and grants Purchaser permission to contact HUD prior to Closing to request financial and other information about the Property and to discuss such information with HUD. In so doing, the Purchaser may discuss the purchase and sale transaction contemplated in the Agreement and disclose its terms as necessary for Purchaser to obtain HUD Approval and to evaluate the Property and the contemplated purchase.

20. Assignment Rights. Prior to Closing, upon prior notice to Seller, the Purchaser has the right to assign its right, title, and interest in and to this Agreement to an entity in which Purchaser or its affiliates, members or principals possess an ownership interest.

[Signature page follows]


The parties have executed this Real Estate Purchase Agreement on the date below their respective signatures, to be made effective as of the later of said dates (the “**Effective Date**”)

SELLER:

Duncan Village II, LLC,
a South Carolina limited liability company

By: VOA Duncan Village, Inc., a South Carolina
non-profit corporation

Its: Managing Member

By: 

Peter Desjardins

Its: Assistant Secretary/Assistant Treasurer

Dated: December 19, 2022

PURCHASER:

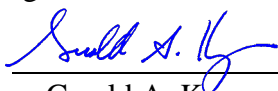
DUNCAN VILLAGE 2022 L.L.C., a Michigan
limited liability company

By: MCFAH South Carolina L.L.C., a Delaware
limited liability company

Its: Managing Member

By: American Community Developers,
Inc., Michigan corporation

Its: Manager

By: 

Gerald A. Krueger

Its: President

Dated: December 20, 2022

EXHIBIT A

Description of Real Property

All that certain piece, parcel or tract of land, with all improvements thereon, situate, lying and being in the City of Duncan, County of Spartanburg, State of South Carolina, and being more particularly shown and delineated as 9.63 Acres, on an ALTA/As-Built Survey prepared for Duncan Village, LLC by B.E. Huskey, R.L.S., No. 4785, dated December 9, 1982, revised March 27, 2006 and recorded in the Office of the Register of Deeds for Spartanburg County in Plat Book 159 at Page 661, and shown thereon as having the following boundaries and measurements, to-wit: Commencing at a point formed by the intersection of S.C. Hwy. 290 and Fowler Street, proceeding thence S57°01'30"E along the western boundary of said S.C. Hwy. 290 for a distance of 257.8 feet to an iron pin shown on said survey as Point of Beginning; thence continuing in a southeasterly direction along the right-of-way of S.C. Hwy. 290 S57°01'30"E for a distance of 50.00 feet to an iron pin; thence turning and running S35°28'50"W along property designated on said survey as Joe C. Brady for a distance of 200.00 feet to an iron pin; thence turning and running S58°09'05"E along property designated on said survey as Joe C. Brady for a distance of 100.10 feet to an old iron pin; thence turning and running S33°29'28"W along property designated on said survey as Lots 48 through 67 of the W.A. Christopher Subdivision for a distance of 1039.54 feet to an old iron pin; thence turning and running N57°56'10"W along property designated on said survey as a portion of property of Ruby Diorio and Ronnie L. Strange, portion of Lot 27 J.W.P. Greer, Estate for a distance of 401.81 feet to an old iron pin; thence turning and running N27°58'05"E along property designated on said survey as Lots 27 and 28, Lots 25 and 26 and Lots 22, 23 and 24 J.W.P. Greer, Estate for a distance of 439.53 feet to an old iron pin; thence turning and running N51°50'30"E along property designated on said survey as Joe C. Brady for a distance of 317.34 feet to an iron pin; thence turning and running N33°38'50"W along property designated on said survey as Joe C. Brady for a distance of 216.67 feet to an iron pin; thence turning and running N53°15'00"E along Fowler Street right-of-way as shown on said survey for a distance of 50.07 feet to an iron pin; thence turning and running S33°38'50"E along property designated on said survey as Joe C. Brady for a distance of 215.42 feet to an iron pin; thence turning and running N51°50'30"E along property designated on said survey as Joe C. Brady for a distance of 100.31 feet to an old iron pin; thence turning and running N56°20'15"E along property designated on said survey as Lots 7 through 9 W.A. Christopher Subdivision and a portion of Lots 13 and 14 W.A. Christopher Subdivision for a distance of 395.64 feet to the iron pin at the point of beginning.

This being the same property conveyed to Duncan Village II, LLC, a South Carolina limited liability company by Duncan Village, LLC, a South Carolina limited liability company by deed dated June 6, 2006 and recorded in the Office of the Register of Deeds for Spartanburg County on June 7, 2006 in Book 85-Y, page 329.

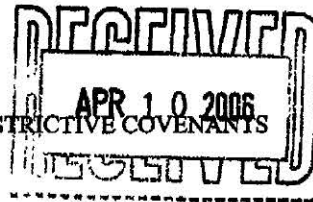
TMS No. 5-20-06-006.03

DEED 85 -- Y PG 321

STATE OF SOUTH CAROLINA)

AGREEMENT AS TO RESTRICTIVE COVENANTS

COUNTY OF Spartanburg)



This Agreement As To Restrictive Covenants, dated as of April 7, 2006, by and between Duncan Village, LLC, its heirs, successors, and assigns, forever, (the "Owner") and the South Carolina State Housing Finance and Development Authority, together with its successors (the "Authority").

WITNESSETH:

WHEREAS, the OWNER IS THE OWNER of certain real property located in Duncan, South Carolina, more particularly described in Exhibit A attached hereto, and, by reference incorporated herein (the "Property"); and

WHEREAS, the Authority has been designated by the Governor of the State of South Carolina as the housing credit agency for the State of South Carolina for the allocation of Low-Income Housing Tax Credit Dollars (the "Credit"); and

WHEREAS, the Owner has applied to the Authority for an allocation of Credit for a rental housing development which has been constructed or which will be constructed on the Property (the "Development") in an amount not to exceed \$221,612.65 Dollars; and

WHEREAS, the Owner has represented to the Authority, in the Owner's Low-Income Housing Tax Credit Application (the "Application"), that the Owner will lease at least Forty percent (40%) of the units in the Development to individuals or families whose income is Sixty percent (60%) of the median gross income (including adjustments for family size) for the area in which the property is located, as required by section 42 of the Internal Revenue Code of 1986, as amended, together with applicable final, or temporary or regulations and revenue rulings issued or amended with respect thereto ("Low-Income Tenants"); and

WHEREAS, the Authority has determined that an allocation of Credit to the Development in an amount not to exceed \$221,612.65 is appropriate under the provisions of section 42 of the Internal Revenue Code of 1986, as amended, together with applicable final or temporary regulations and revenue rulings issued or amended with respect thereto (the "Code"); and

WHEREAS, the Owner has represented to the Authority in the Owner's Application that it will impose additional rent restrictions or will covenant to maintain the rent and income restrictions required by section 42 of the Code for an additional period of time; and

WHEREAS, the Code has required as a condition precedent to an allocation of the Credit that the Owner and the Authority execute, deliver, and record in the office of the Clerk of Court or Register of Deeds, as appropriate, this Agreement As To Restrictive Covenants, (the "Covenants") in order to create certain covenants appurtenant to and running with the Property for the purpose of enforcing the requirements of section 42 of the Code and for the further purpose of monitoring the Owner's compliance with such provisions; and

WHEREAS, the Owner, in order to induce the Authority to make an allocation of the Credit to the Development, and in order to satisfy the requirements of section 42 of the Code, and in order to implement the Covenants made by the Owner in the application, that were relied upon by the Authority, intends, declares and covenants that the Restrictive Covenants set forth herein governing the use, occupancy and transfer of the Development shall be covenants appurtenant to and running with the Property for the term dated herein and are to be binding upon all subsequent owners of the Property for such term, and are not merely personal covenants of the Owner.

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Recording Fee: \$14.00 Documentary Stamps: \$0.00
Office of Register of Deeds, Spartanburg, S.C.
Stephen Ford, Register



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NOW, THEREFORE, for and in consideration of the promises and covenants hereinafter set forth, and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Owner and the Authority hereby agree and covenant as follows:

1. All words and phrases defined in section 42 of the Code shall have the same meaning in these Covenants.
2. The Owner hereby declares that the Property and every part thereof is and shall be owned (legally and beneficially), leased, or otherwise conveyed, transferred, developed, rehabilitated, improved, built upon, occupied, or otherwise used, subject to these Covenants.
3. The Owner acknowledges that these Covenants are for the benefit of the Development and are in the nature of a covenant appurtenant to and running with the Property and every part thereof, and are not merely personal covenants of the Owner, and that these Covenants are to be binding upon the Owner and all property owners, tenants, licensees, occupants and their successors in interest with respect to the Property throughout the term specified herein. For the longer of the period the Credit is claimed or the term of these Covenants, each and every contract, deed, or other instrument hereafter executed conveying the Development or any portion thereof shall expressly provide that such conveyance is subject to these Covenants; provided, however, the covenants contained herein shall survive and be effective regardless of whether or not such contract, deed, or other instrument hereafter executed conveying the Development or any portion thereof provides that such conveyance is subject to these Covenants;

The Owner agrees to obtain the consent to these Covenants of any holder of a prior lien upon the Property. The Owner agrees that the obtaining of such consent shall be a condition precedent to the issuance of Internal Revenue Service Form 8609, which form evidences final allocation of the Credit.

4. The Owner hereby represents and warrants to the Authority:

The Owner is qualified to transact business under the laws of the State of South Carolina, has the power and authority to own its properties and transact its business as now being conducted, and has the full legal right, power, and authority to execute and deliver these Covenants;

The execution and performance of these Covenants by the Owner (a) will not violate or, as applicable, have not violated any provision of law, rule or regulation or any order of any court or other agency or governmental body, (b) will not violate or, as applicable, have not violated any provision of any indenture, agreement, mortgage, mortgage note or other instrument to which the Owner is a party or by which the Development is bound and (c) will not result in the creation or imposition of any prohibited encumbrance of any nature;

The Owner will, at the time of execution and delivery of these Covenants, have good and marketable title to the premises constituting the Development free and clear of any lien or encumbrance (subject to encumbrances created pursuant to this Covenant, any loan documents relating to the Development or other permitted encumbrances);

There is no action, suit or proceeding at law or in equity or by or before any governmental instrumentality or other agency now pending, or, to the knowledge of the Owner, threatened against or affecting it, or any of its properties or rights, which, if adversely determined, would materially impair its right to carry on business substantially as now conducted (and as now contemplated by these Covenants) or would materially adversely affect its financial condition;

The Development constitutes or will constitute a qualified Low-Income Building or qualified Low-Income Development, as applicable, as defined in section 42 of the Code and applicable regulations;

Each unit in the Development contains complete facilities for living, sleeping, eating, cooking and sanitation (unless the Development qualifies as a single-room occupancy development or transitional housing for the homeless) which are to be used on other than a transient basis;

During the term of these Covenants, all units subject to the Credit shall be leased and rented to members of the general public who qualify as Low-Income Tenants (or otherwise qualify for occupancy of the low-income units) under the applicable election specified in section 42(g) of the Code. As provided by Section 42(h)(6)(B)(iv) of the code, owner shall be prohibited from refusing to lease any units to a holder of a voucher or certificate of eligibility under Section 8 of the United States Housing Act of 1937 because of the status of the prospective tenant as such a holder;

The Owner agrees to comply fully with the requirements of all federal and state statutes relating to Fair Housing as they may from time to time be amended;

During the term of these Covenants, the Owner covenants, agrees and warrants that each Low-Income Unit will remain suitable for occupancy and will be used other than on a transient basis;

Subject to the requirements of section 42 of the Code and these Covenants, the Owner may sell, transfer or exchange the entire Development at any time, but the Owner shall notify in writing and obtain the agreement of any buyer or successor or other person acquiring the Development or any interest therein that such acquisition is subject to the requirements of these Covenants and to the requirements of section 42 of the Code and applicable regulations. This provision shall not act to waive any other restriction on sale, transfer or exchange of the development or any low-income portion of the Development. The Authority may void any sale, transfer or exchange of the Development if the buyer or successor or other person fails to assume in writing the requirements of these Covenants and the requirements of section 42 of the Code;

The Owner agrees to notify the Authority in writing of any sale, transfer or exchange of the entire Development or any low-income portion of the Development;

The Owner shall not demolish any part of the Development or substantially subtract from any real or personal property of the Development or permit the use of any residential rental unit for any purpose other than rental housing during the term of these Covenants unless required by law;

The Owner represents, warrants and agrees that if the Development, or any part thereof, shall be damaged or destroyed or shall be condemned or acquired for public use, the Owner will use its best efforts to repair and restore the Development to substantially the same condition as existed prior to the event causing such damage or destruction, or to relieve the condemnation, and thereafter to operate the Development in accordance with the terms of these Covenants;

The Owner warrants that it has not and will not execute any other agreement with provisions contradictory to, or in opposition to, the provisions hereof, and that in any event, the requirement of these Covenants are paramount and controlling as to the rights and obligations set forth herein and supersede any other requirements in conflict herewith.

5. The Owner represents, warrants and covenants that throughout the term of these Covenants, the applicable fraction for the Development as defined in Section 42(c)(1)(B) of the Code for each taxable year of the Extended Use Period will be no less than one hundred percent (100%).

The Owner represents, warrants and covenants that throughout the term of these Covenants, and in order to satisfy the requirements of section 42 of the Code, at least Forty percent (40%) or more of

the residential units in the Development are both rent-restricted and occupied by Low-Income Tenants;

Except as may be otherwise provided under Section 42 of the Code or by the Internal Revenue Service, the determination of whether a tenant meets the low-income requirement shall be made by the Owner at least annually on the basis of the current income of such Low-Income Tenant.

6. In its Application, the owner elected the following special needs targeting for the development:

Older Persons (55 years and older)	0 Units
Special Needs (Handicapped/Disabled)	0 Units
Family units (with at least 25% having 3 or more bedrooms)	50 Units
At least 25% of Low Income Units at or below 50% AMI Income and Rent Levels	Yes
Low Income Units at or below 50% AMI Rent Levels	13 Units
Conversion to tenant ownership after 15 year compliance period	No
Extension of compliance period for additional 20 years or more	Yes
Serving individuals on public housing waiting lists	Yes

For and during the term of this Agreement, occupancy of the development shall be restricted to reflect the special needs targeting elected by the owner. This restriction is in addition to any other restrictions contained in this Agreement as to Restrictive Covenants. If for purposes of 42(g)(1) of the Code, a project has made the 40/60 election, but has voluntarily elected to further restrict the targeting of certain units within the development, the Owner may, if after five years (a) the development has had at least a two year history of vacancies averaging at least 20% which can be evidenced to the Authority through project audits, and/or (b) the Applicant can demonstrate to the Authority that other conditions exist which threaten the economic viability of the development, petition the Authority for permission to terminate such additional restriction and revert to the irrevocable 40/60 election. The Authority may grant or refuse any waiver requested in its sole discretion.

7. The order to make enforceable those extended use or deeper targeting covenants that the Owner represented to the Authority in its Application, and in reliance upon which covenants the Authority has made its determination as to the propriety of an allocation of Credit to the Development, the Owner represents, warrants, and covenants that throughout the term of these Covenants and for an additional term of five (5) years the Development shall be occupied by tenants whose income are recited herein; provided, however, the Owner did not represent within the Application that the development would convert to tenant ownership after the initial 15 year compliance period. For and during such additional term these Covenants shall remain in full force and effect. Forty percent (40%) of the units within the Development shall be occupied by tenants whose income does not exceed Sixty percent (60%) of median gross income (including adjustment for family size) for the area in which the Development is located.
8. These Covenants shall commence on the first day in the Compliance Period (as defined by section 42 of the Code) on which any building in the Development is placed in service and shall end on the date which is 15 years after the close of the Compliance Period. Notwithstanding the foregoing provision, the Owner shall comply with the provisions of section 42 of the Code relating to extended use for an additional 15 years provided, however, that the extended use period for any building in the development shall terminate on the date any such building is acquired by foreclosure (or by any instrument in lieu of foreclosure), or on the last day of the one year period beginning on the date (after the 14th year of the compliance period) the Owner submits a written request that the Authority find a person to acquire the Owner's interest in any such building who will agree to continue to operate such building as a qualified Low-Income building, and the Authority has been unable to locate such a purchaser. Provided, further, that the development convert to tenant ownership after the

DEED 85 -- Y PG 325

initial 15 year compliance period if represented as such within its Application. Provided, further, that the rent restrictions contained in section 42 of the Code shall continue for a period of three years following the termination of the extended use period pursuant to the preceding sentence. During such three year period (and during the term of this Agreement), no Low-Income tenant residing in such building shall be evicted other than for good cause and the gross rent charged for any Low-Income unit shall not be increased above the maximum allowed under the Code for such Low-Income unit.

9. The Owner covenants that it will not knowingly take or permit any action that would result in a violation of the requirements of section 42 of the Code and applicable provisions of these Covenants. Moreover, Owner covenants to take any lawful action (including amendment of these Covenants as may be necessary, in the opinion of the Authority) to comply fully with the Code and with all applicable rules, rulings, policies, procedures, regulations or other official statements promulgated by the United States Treasury Department or the Internal Revenue Service, from time to time pertaining to Owner's obligations under section 42 of the Code and affecting the Development;

The Owner and the Authority each acknowledges that the primary purpose for requiring compliance by the Owner with the restrictions provided in these Covenants is to assure compliance of the Development and the Owner with the Code and with the Covenants made by the Owner that were relied upon by the Authority in determining the propriety of awarding Credits to the development. BY REASON THEREOF, THE OWNER IN CONSIDERATION FOR RECEIVING LOW-INCOME HOUSING CREDITS FOR THIS DEVELOPMENT HEREBY AGREES AND CONSENTS THAT THE AUTHORITY AND ANY INDIVIDUAL WHO MEETS THE INCOME LIMITATION APPLICABLE UNDER SECTION 42 (WHETHER PROSPECTIVE, PRESENT OR FORMER OCCUPANT) SHALL BE ENTITLED, FOR ANY BREACH OF THE PROVISIONS HEREOF, AND IN ADDITION TO ALL OTHER REMEDIES PROVIDED BY LAW OR IN EQUITY, TO ENFORCE SPECIFIC PERFORMANCE BY THE OWNER OF ITS OBLIGATIONS UNDER THIS AGREEMENT IN A COURT OF COMPETENT JURISDICTION. The Owner hereby further specifically acknowledges that the beneficiaries of the Owner's obligations hereunder cannot be adequately compensated by monetary damages in the event of any default hereunder;

The Owner hereby agrees that the representations and covenants contained herein may be relied upon by the Authority and all persons interested in Development compliance under section 42 of the Code.

10. The Owner covenants that it will maintain records for the Development and file reports with the Authority with respect to occupancy and rent requirements and will permit the Authority to inspect such records at all reasonable times. Such records shall be maintained in the format prescribed by the Authority and shall contain information as to the occupants of units designated for Low-Income Tenants;

The Authority shall be permitted to inspect such records and the units designated to be occupied by Federal Low-Income Tenants at all reasonable times. Such inspection shall be for the purpose of verifying the accuracy of such records and the reports made to the Authority;

The Owner shall report requested information to the Authority periodically about the Development and its occupants necessary to enable the Authority to monitor compliance with these Covenants. The Owner agrees that the Authority may contact any tenant in the Development for the purpose of verifying the accuracy of such records.

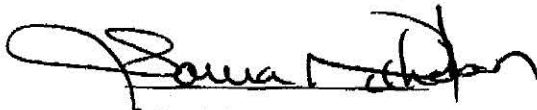
11. The Owner shall provide the Authority an annual financial operating statement as to the Development containing a balance sheet and a statement of income and expenses.

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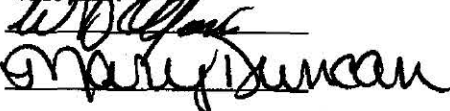
12. In the event the Authority detects noncompliance with the rent and occupancy requirements contained in section 42 of the Code, the Authority shall notify the Internal Revenue Service, and shall be entitled to take such other action as it shall deem necessary or advisable to enforce the provisions of the Code or these Covenants.
13. In the event the Owner enters into any agreement for the management of the Development, such agreement shall contain provisions authorizing the termination thereof at the direction of the Authority upon failure of such Manager to comply with the provisions of these Covenants.
14. For and during the term of these Covenants, the Owner agrees to pay to the Authority an annual administrative fee to compensate the Authority for its monitoring of the Owner's compliance with section 42 of the Code and the covenants contained in the Owner's application.
15. In the event the Owner fails to promptly cure any violation hereof after notice by or on behalf of the Authority or (any Low-Income Tenant), such violation may be enjoined, abated, restrained, or otherwise remedied by appropriate legal or equitable proceedings. In the event of proceedings are brought to enforce or restrain violation of any of these Covenants, or to determine the rights of any person hereunder, the prevailing party in such proceeding may recover reasonable attorney's fees to be fixed by the court in addition to court costs and any other relief awarded by the court in such proceedings.
16. The invalidity of any clause or provision of these Covenants shall not affect the validity of the remaining portions thereof.
17. These Covenants are subordinate to the loan and loan documents, if any, on the Development, except insofar and to the extent that section 42 of the Code requires otherwise.
18. This instrument shall be construed in accordance with and governed by the laws of the State of South Carolina.
19. The obligations of the Owner set forth herein and in the Application shall survive the allocation of the Credit and shall not be deemed to terminate or merge with the awarding of the allocation of the Credit.

IN WITNESS WHEREOF, the parties have set their hands and seals as of the 7th
day of April, 2006.

WITNESS:


Paula Chapman
Chapman

WITNESS:


Mary Duncan

SOUTH CAROLINA STATE HOUSING FINANCE
AND DEVELOPMENT AUTHORITY

BY: 
Valarie M. Williams

ITS: Director of Housing Development

BUNGAN VILLAGE, LLC
By: VOA Bungan Village, Inc., Managing Member

BY: 
Payson Scholtes-Elkum

ITS: Vice President

DEED 85--Y P 6327

STATE OF SOUTH CAROLINA)
)
)
COUNTY OF LEXINGTON)

PROBATE

PERSONALLY APPEARED before me Laura Nelson, who being duly sworn, deposes and says that he saw the South Carolina State Housing Finance and Development Authority by Valarie M. Williams, its Director of Housing Development, sign, and as its act and deed deliver the foregoing Agreement As To Restrictive Covenants for the uses and purposes mentioned therein, and who together with Charles McElroy Jr witnessed the execution thereof.

Laura Nelson
WITNESS

sworn to before me this 7th
day of April, 2006.

Sandra Lee Jenkins (L.S.)
Notary Public for South Carolina
My Commission Expires 7/24/11

STATE OF SOUTH CAROLINA

PROBATE

COUNTY OF RICHLAND

PERSONALLY APPEARED before me W.D. Morris, who being duly sworn, deposes and says that he saw Pepper Shales-Elkins, Vice President of V&A Duncan Village, Inc., by Managing Member of, its Duncan Village, LLC sign, and as its act and deed deliver the foregoing Agreement As To Restrictive Covenants for the uses and purposes mentioned therein, and who together with Mary Duncan witnessed the execution thereof.

W.D. Morris
WITNESS

sworn to before me this 7th
day of April, 2006

G. Mary Duncan (L.S.)
Notary Public for SOUTH CAROLINA
My Commission Expires 3/29/2012

MARY DUNCAN
My Commission Expires 3/29/2012

EXHIBIT "A"

All that certain piece, parcel or tract of land, with all improvements thereon, situate, lying and being in the City of Duncan, County of Spartanburg, State of South Carolina, and being more particularly shown and delineated as 9.63 Acres, on an ALTA/As-Built Survey prepared for Duncan Village, LLC by B. E. Huskey, R.L.S., No. 4785, dated December 9, 1982, revised March 27, 2006 and recorded in the Office of the Register of Deeds for Spartanburg County in Plat Book 159 at Page 661, and shown thereon as having the following boundaries and measurements, to-wit: Commencing at a point formed by the intersection of S.C. Hwy. 290 and Fowler Street, proceeding thence S57°01'30"E along the western boundary of said S.C. Hwy. 290 for a distance of 257.8 feet to an iron pin shown on said survey as Point of Beginning; thence continuing in a southeasterly direction along the right-of-way of S.C. Hwy. 290 S57°01'30"E for a distance of 50.00 feet to an iron pin; thence turning and running S35°28'50"W along property designated on said survey as Joe C. Brady for a distance of 200.00 feet to an iron pin; thence turning and running S58°09'05"E along property designated on said survey as Joe C. Brady for a distance of 100.10 feet to an old iron pin; thence turning and running S33°29'28"W along property designated on said survey as Lots 48 through 67 of the W. A. Christopher Subdivision for a distance of 1039.54 feet to an old iron pin; thence turning and running N57°56'10"W along property designated on said survey as a portion of property of Ruby Diorio and Ronnie L. Strange, portion of Lot 27 J.W.P. Greer, Estate for a distance of 401.81 feet to an old iron pin; thence turning and running N27°58'05"E along property designated on said survey as Lots 27 and 28, Lots 25 and 26 and Lots 22, 23 and 24 J.W.P. Greer, Estate for a distance of 439.53 feet to an old iron pin; thence turning and running N51°50'30"E along property designated on said survey as Joe C. Brady for a distance of 317.34 feet to an iron pin; thence turning and running N33°38'50"W along property designated on said survey as Joe C. Brady for a distance of 216.67 feet to an iron pin; thence turning and running N53°15'00"E along Fowler Street right-of-way as shown on said survey for a distance of 50.07 feet to an iron pin; thence turning and running S33°38'50"E along property designated on said survey as Joe C. Brady for a distance of 215.42 feet to an iron pin; thence turning and running N51°50'30"E along property designated on said survey as Joe C. Brady for a distance of 100.31 feet to an old iron pin; thence turning and running N56°20'15"E along property designated on said survey as Lots 7 through 9 W.A. Christopher Subdivision and a portion of Lots 13 and 14 W. A. Christopher Subdivision for a distance of 395.64 feet to the iron pin at the point of beginning.

This being the same property conveyed to Duncan Village, LLC, a South Carolina limited liability company by Duncan Village Associates, L.P., a South Carolina limited partnership by deed dated February 24, 2006 and recorded in the Office of the Register of Deeds for Spartanburg County on February 28, 2006 in Book 85-E, page 272.