

MARKET VALUATION OF:

**MERCY
CLEMSON
DEVELOPMENT
SITE**

A MARKET VALUATION OF:

MERCY CLEMSON

DEVELOPMENT SITE

579 Old Greenville Highway
Clemson, Pickens County, SC 29631

Effective Date: June 12, 2025
Report Date: June 26, 2025

Prepared for:
Ronit Hoffer
Senior Developer
Mercy Housing Southeast
260P Peachtree Street SE, Suite 1800
Atlanta, GA 30303

Prepared by:
Novogradac
4416 East-West Highway, Suite 200
Bethesda, MD 20814
240-235-1701





June 26, 2025

Ronit Hoffer
Senior Developer
Mercy Housing Southeast
260P Peachtree Street SE, Suite 1800
Atlanta, GA 30303

Re: Land Appraisal of Mercy Clemson Development Site
579 Old Greenville Highway
Clemson, Pickens County, SC 29631

Dear Ronit Hoffer:

Novogradac & Company LLP, doing business under the brand name Novogradac Consulting (Novogradac) are pleased to present our findings with respect to the value of the above-referenced property, Mercy Clemson Development Site ("Subject"). As requested, we provided our opinion of the land value of the fee simple estate.

We are preparing a concurrent market study for the Subject. We prepared a rent and demand analysis for the Subject with an effective date of January 2025. We have performed no other prior appraisal services regarding the property that is the subject of this report within the three-year period immediately preceding acceptance 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 own 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

Mercy Housing Southeast is the client in this engagement. The South Carolina State Housing Finance Development Authority (SCSHFDA/SC Housing) is an authorized user and may rely on the representations made herein. We understand that they will use this document for tax credit application. Intended users are 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, Mercy Housing Southeast

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

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.

You agree not to use the Report other than for the Stated Purpose, and you agree to indemnify us for any claims, damages or losses that we may incur as the result of your use of the Report for other than the Stated Purpose. Without limiting the general applicability of this paragraph, under no circumstances may the Report be used in advertisements, solicitations and/or any form of securities offering.

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 a narrative appraisal, as defined by USPAP.

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 base 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 Uniform Standards of Professional Appraisal Practice (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. We assume no responsibility for updating this report due to events and circumstances occurring after the date of inspection.

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.

As a result of our analysis, the indicated unencumbered fee simple interest of the Market Value "As Is", as of June 12, 2025, is:

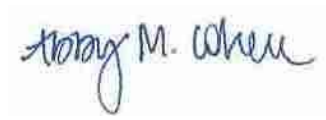
ONE MILLION SEVEN HUNDRED FIFTY THOUSAND DOLLARS
(\$1,750,000)

Under the terms of the purchase and sale agreement provided by the developer, the purchase price is eligible for adjustment to account for soil remediation costs. According to the developer this adjustment will total \$350,000. This figure was provided by the developer and if the site costs are higher that may impact our presented value. We apply this amount as a downward adjustment to our previously determined value. It

is an extraordinary assumption of this report that these costs are reflective of the adjustment at closing. The use of extraordinary assumptions may impact assignment results.

Please do not hesitate to contact us if there are any questions regarding the report or if Novogradac can be of further assistance. It has been our pleasure to assist you with this project.

Respectfully submitted,
Novogradac

A handwritten signature in blue ink that reads "Abby M. Cohen". The signature is written in a cursive, flowing style.

Abby Cohen
Partner
SC State Certified Appraiser #7487
Expiration Date: June 30, 2026
Abby.Cohen@novoco.com

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I. INTRODUCTION

INTRODUCTION

Property Identification

The Subject is a 11.67-acre site located at 579 Old Greenville Highway, identified as tax parcels 4054-11-65-6587, 4054-11-65-7410, 4054-11-65-8807, 4054-11-75-1713, 4054-11-75-2837, 4054-11-75-1928, 4054-11-66-9099 by the Pickens County Assessor's Office.

Ownership History

According to the Pickens County Assessor, the parcels comprising the Subject property are owned by JSCI Burke Property LLC. There have been no known transfers of the parcels comprising the Subject in the past three years. The developer has provided us with a purchase and sale agreement that outlines a proposed transfer of the Subject site from the current owner in an arm's length transfer to Mercy Housing South East Inc. for a total consideration of \$1,750,000, which includes an adjustment to account for soil remediation costs under the terms of the purchase and sale agreement. Our as is value is \$1,750,000, which is equal to the purchase agreement price adjusted for soil remediation, and appears reasonable given the data presented later in this report.

Extraordinary Assumptions (EA) and Hypothetical Conditions (HC)

Under the terms of the purchase and sale agreement provided by the developer, the purchase price is eligible for adjustment to account for soil remediation costs. According to the developer this adjustment will total \$350,000. This figure was provided by the developer and if the site costs are higher that may impact our presented value. We apply this amount as a downward adjustment to our previously determined value. It is an extraordinary assumption of this report that these costs are reflective of the adjustment at closing. The use of extraordinary assumptions may impact assignment results. No other extraordinary assumptions or hypothetical conditions were necessary in order to complete this assignment.

Intended Use and User of the Appraisal

Mercy Housing Southeast is the client in this engagement. The South Carolina State Housing Finance Development Authority (SCSHFDA/SC Housing) is an authorized user and may rely on the representations made herein. We understand that they will use this document for tax credit application. Intended users are 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, Mercy Housing Southeast 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.

Scope of Appraisal

As part of this appraisal, we have completed the following steps to gather, confirm, and analyze the data:

- Physically inspected the Subject and the surrounding neighborhood. This site was inspected on June 12, 2025.
- Collected factual information about the Subject and the surrounding market and confirmed that information with various sources.
- Collected and confirmed market information needed to consider all of the three traditional approaches to value yet only one, the sales comparison approach, was considered relevant and developed for this report.
- Prepared an appraisal report setting forth the conclusion derived in this analysis as well as the information upon which the conclusions are based.

This report conforms to the requirements of the Uniform Standards of Professional Appraisal Practice (USPAP) and the Appraisal Institute.

Definition of Market Value

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 own best interest;
5. A reasonable time is allowed for exposure in the open market;
6. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and,
6. 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

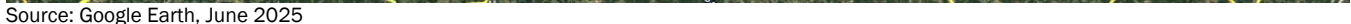
The appraiser is aware of the compliance and competency provisions of USPAP, and within our understanding of those provisions, this report complies with all mandatory requirements, and the authors of this report possess the education, knowledge, technical skills, and practical experience to complete this assignment competently, in conformance with the stated regulations.

Unavailability of Information

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

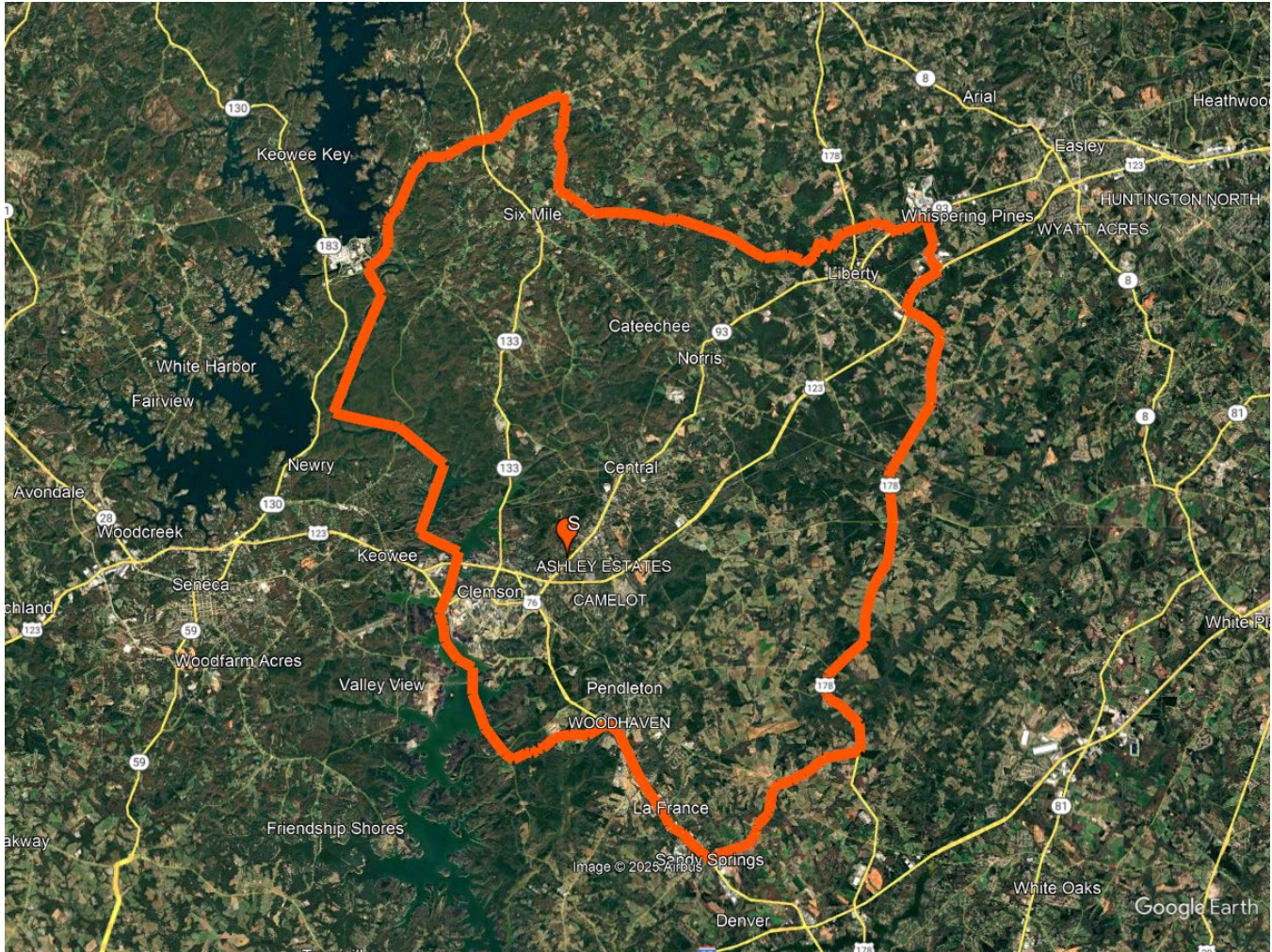
² 12 C.F.R. Part 34.42(g); 55 Federal Register 34696, August 24, 1990

II. AREA DESCRIPTION AND ANALYSIS



PRIMARY MARKET AREA

For the purpose of this study, it is necessary to define the market area, or the area from which potential tenants for the project are likely to be drawn. In some areas, residents are very much “neighborhood oriented” and are generally very reluctant to move from the area where they have grown up. In other areas, residents are much more mobile and will relocate to a completely new area, especially if there is an attraction such as affordable housing at below market rates.



Source: Google Earth, June 2025

The Subject is proposed for development with a 168-unit development consisting of three-story residential buildings targeting families. The PMA boundaries are generally defined as Walhalla Highway, Six-Mile Highway, Liberty Highway, North McAllister Road, and North Palmetto Street to the north; U.S. Route 123 and U.S. Route 178 to the east; Milwee Creek Road, U.S. Route 76, and Woodburn Road to the south; and Walhalla Highway, the Pickens County boarder, and Lake Hartwell to the west.

Employment by Industry

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

2024 EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Educational Services	6,552	26.3%	15,195,042	9.1%
Manufacturing	2,926	11.7%	16,689,019	10.0%
Retail Trade	2,598	10.4%	17,466,879	10.5%
Accommodation/Food Services	2,479	9.9%	11,278,763	6.8%
Healthcare/Social Assistance	2,470	9.9%	23,456,754	14.1%
Prof/Scientific/Tech Services	1,340	5.4%	13,808,768	8.3%
Construction	1,080	4.3%	11,451,658	6.9%
Admin/Support/Waste Mgmt Svcs	918	3.7%	7,081,387	4.3%
Transportation/Warehousing	775	3.1%	8,419,689	5.1%
Public Administration	673	2.7%	8,264,977	5.0%
Other Services	667	2.7%	7,659,177	4.6%
Arts/Entertainment/Recreation	637	2.6%	3,747,153	2.3%
Finance/Insurance	524	2.1%	8,016,602	4.8%
Utilities	366	1.5%	1,502,053	0.9%
Real Estate/Rental/Leasing	320	1.3%	2,954,339	1.8%
Wholesale Trade	317	1.3%	3,291,556	2.0%
Information	163	0.7%	3,255,493	2.0%
Mgmt of Companies/Enterprises	96	0.4%	237,343	0.1%
Agric/Forestry/Fishing/Hunting	55	0.2%	1,785,076	1.1%
Mining	0	0.0%	561,373	0.3%
Total Employment	24,956	100.0%	166,123,101	100.0%

Source: Esri Demographics 2024, Novogradac, June 2025

Employment in the PMA is concentrated in the educational services, manufacturing, and retail trade industries, which collectively comprise 48.4 percent of local employment. The large share of PMA employment in manufacturing and retail trade is notable as both industries are historically volatile, and prone to contraction during recessionary periods. Relative to the overall nation, the PMA features comparatively greater employment in the educational services, accommodation/food services, and manufacturing industries. Conversely, the PMA is underrepresented in the healthcare/social assistance, professional/scientific/technical services, and finance/insurance industries.

The following table illustrates the changes in employment by industry from 2000 to 2024 in the PMA.

2010-2024 CHANGE IN EMPLOYMENT - PMA

Industry	2010		2024		2010-2024	
	Number Employed	Percent Employed	Number Employed	Percent Employed	Growth	Annualized Percent
Educational Services	4,718	28.6%	6,552	26.3%	1,834	2.8%
Manufacturing	1,907	11.6%	2,926	11.7%	1,019	3.8%
Retail Trade	1,660	10.1%	2,598	10.4%	938	4.0%
Accommodation/Food Services	1,510	9.2%	2,479	9.9%	969	4.6%
Healthcare/Social Assistance	1,510	9.2%	2,470	9.9%	960	4.5%
Prof/Scientific/Tech Services	599	3.6%	1,340	5.4%	741	8.8%
Construction	941	5.7%	1,080	4.3%	139	1.1%
Admin/Support/Waste Mgmt Svcs	470	2.9%	918	3.7%	448	6.8%
Transportation/Warehousing	261	1.6%	775	3.1%	514	14.1%
Public Administration	571	3.5%	673	2.7%	102	1.3%
Other Services	498	3.0%	667	2.7%	169	2.4%
Arts/Entertainment/Recreation	326	2.0%	637	2.6%	311	6.8%
Finance/Insurance	334	2.0%	524	2.1%	190	4.1%
Utilities	170	1.0%	366	1.5%	196	8.2%
Real Estate/Rental/Leasing	294	1.8%	320	1.3%	26	0.6%
Wholesale Trade	191	1.2%	317	1.3%	126	4.7%
Information	350	2.1%	163	0.7%	-187	-3.8%
Mgmt of Companies/Enterprises	0	0.0%	96	0.4%	96	0.0%
Agric/Forestry/Fishing/Hunting	164	1.0%	55	0.2%	-109	-4.7%
Mining	9	0.1%	0	0.0%	-9	-7.1%
Total Employment	16,483	100.0%	24,956	100.0%	8,473	3.7%

Source: Esri Demographics 2024, Novogradac, June 2025

*Industry data current as of 2010. Other projections current as of 2024.

* Change in percentage is calculated as a rate of change by industry.

Total employment in the PMA increased at an annualized rate of 3.7 percent between 2010 and 2024. The industries which expanded most substantially during this period include educational services, manufacturing, and accommodation/food services. The transportation/warehousing industry also expanded notably on a percentage growth basis. Conversely, the information, agriculture/forestry/fishing/hunting, and mining sectors experienced the least growth.

Major Employers

The following table details major employers in Greenville–Spartanburg–Anderson, SC Combined Statistical Area (CSA), which comprises the Upstate region of South Carolina, defined as Greenville, Spartanburg, Anderson, Pickens, Oconee, Greenwood, Laurens, Cherokee, Union, and Abbeville Counties. It should be noted that the specific number of employees was not available, and the following list is arranged by total employment cohort.

MAJOR EMPLOYERS		
Greenville–Spartanburg–Anderson, SC Combined Statistical Area (CSA)		
Employer Name	Industry	# Of Employees
BMW Manufacturing Co.	Manufacturing	5,000+
Clemson University	Educational Services	5,000+
Greenville County Schools	Educational Services	5,000+
Michelin	Manufacturing	5,000+
Pelham Medical Center	Healthcare	5,000+
Prisma Health	Healthcare	5,000+
Spartanburg Regional Healthcare System	Healthcare	5,000+
State of South Carolina	Public Administration	5,000+
United States Government	Public Administration	5,000+
Walmart Stores, Inc.	Retail Trade	5,000+
AnMed Health Medical Center	Healthcare	2,501 to 5,000
Bon Secours St. Francis Health System	Healthcare	2,501 to 5,000
Cosma International (Magna Drive Automotive)	Manufacturing	2,501 to 5,000
GE Vernova	Manufacturing	2,501 to 5,000
Ingles Markets	Retail Trade	2,501 to 5,000
Milliken & Company	Manufacturing	2,501 to 5,000
Publix Super Markets, Inc.	Retail Trade	2,501 to 5,000
Self Regional Healthcare	Healthcare	2,501 to 5,000

Source: Upstate SC Alliance, retrieved June 2025

The major employers in the Upstate South Carolina region are concentrated in the manufacturing, educational services, and healthcare industries, among others. Clemson University, with over 5,000 employees is located in close proximity to the Subject site. The healthcare sector represents a historically stable industry, while the manufacturing sector is more volatile during economic downturns. Overall, we believe the diverse mix of industries in typically stable sectors bodes well for the local area economy.

Expansions/Contractions

We reviewed the Worker Adjustment and Retraining Notification Act (WARN) notices published by the South Carolina Economic Development Department for January 2024 to year-to-date 2025. During this period, there have been two WARN filings in Pickens County, detailed in the following table.

WARN LISTINGS			
Pickens County, SC			
Company	Industry	Employees Affected	Layoff Date
DiscoverFresh Foods	Food Products	53	8/1/2024
Able Care Transport, LLC	Transportation	3	6/29/2024
Total		56	

Source: SC Economic Development Department, retrieved June 2025

We contacted the Upstate SC Alliance, which oversees economic development in a 10-county region that includes Pickens County, in order to gather information about economic expansions in the city of Clemson and surrounding region. We were directed to the organizations website for announcements regarding recent employment expansions. In addition to a review of posted announcements on the Upstate SC Alliance website, we conducted additional research into economic expansions in the area. Notable identified expansions in Pickens County include, but are not limited to, the following:

- In June 2024, ElringKlinger Group announced plans to open a new electric battery cell manufacturing facility at 317 Grand National Lane in Easley, South Carolina. The new \$40.3 million facility, which is nearing completion, will create an estimated 115 new jobs upon full staffing.
- In June 2024, Carolina Handling announced plans to open a new logistics and distribution facility at 3800 Calhoun Memorial Highway in Easley, South Carolina. The new \$23.2 million facility, which is nearing completion, will create an estimated 100 new jobs upon opening.
- In May 2023, Sulzer Pumps Solutions, Inc, announced plans to open a new manufacturing facility in Easley, South Carolina. The new \$5.3 million facility, which is now operational, is projected to create 25 new jobs upon full staffing.
- In April 2023, FN America, LLC, announced plans to open a new firearms manufacturing and distribution facility in Liberty, South Carolina. The new \$33 million facility, which is now operational, is projected to create 176 new jobs upon full staffing.

Employment and Unemployment Trends

According to the BLS, the Subject is located in the Greenville-Anderson-Greer, SC MSA. As such, the following table details employment and unemployment trends for the Greenville-Anderson-Greer, SC MSA from 2009 to 2025 (through April).

EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

Year	Greenville-Anderson-Greer, SC MSA				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2009	360,600	-	10.3%	-	139,878,000	-	9.3%	-
2010	352,031	-2.4%	10.4%	0.1%	139,064,000	-0.6%	9.6%	0.3%
2011	358,498	1.8%	9.2%	-1.2%	139,869,000	0.6%	9.0%	-0.7%
2012	363,953	1.5%	8.0%	-1.2%	142,469,000	1.9%	8.1%	-0.9%
2013	373,469	2.6%	6.5%	-1.5%	143,929,000	1.0%	7.4%	-0.7%
2014	380,706	1.9%	5.6%	-0.9%	146,305,000	1.7%	6.2%	-1.2%
2015	391,103	2.7%	5.2%	-0.4%	148,833,000	1.7%	5.3%	-0.9%
2016	405,706	3.7%	4.3%	-0.9%	151,436,000	1.7%	4.9%	-0.4%
2017	409,896	1.0%	3.7%	-0.6%	153,337,000	1.3%	4.4%	-0.5%
2018	417,212	1.8%	3.0%	-0.7%	155,761,000	1.6%	3.9%	-0.4%
2019	426,223	2.2%	2.5%	-0.5%	157,538,000	1.1%	3.7%	-0.2%
2020	412,980	-3.1%	5.5%	3.0%	147,795,000	-6.2%	8.1%	4.4%
2021	429,057	3.9%	3.4%	-2.1%	152,581,000	3.2%	5.4%	-2.7%
2022	443,111	3.3%	2.9%	-0.6%	158,291,000	3.7%	3.7%	-1.7%
2023	456,336	3.0%	2.7%	-0.1%	161,037,000	1.7%	3.6%	0.0%
2024	461,964	1.2%	3.8%	1.1%	161,346,000	0.2%	4.0%	0.4%
2025 YTD Average*	464,445	0.5%	3.8%	0.0%	163,154,600	1.1%	4.2%	0.2%
Apr-2024	466,175	-	2.9%	-	161,590,000	-	3.5%	-
Apr-2025	467,608	0.3%	3.5%	0.6%	164,069,000	1.5%	3.9%	0.4%

Source: U.S. Bureau of Labor Statistics, June 2025

*2025 data is through April

Between 2012 and 2019, employment growth in the MSA generally exceeded the nation. Employment in the MSA declined by 3.1 percent in 2020 amid the pandemic, compared to 6.2 percent nationally. The MSA subsequently recovered all pandemic-related job losses, and employment levels are currently at a post-recessionary record. As of April 2025, employment in the MSA is increasing at an annualized rate of 0.3 percent, compared to 1.5 percent growth across the nation.

The MSA unemployment rate increased modestly by 3.0 percentage points in 2020 amid the pandemic-induced recession, reaching a high of 5.5 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 April 2025, the current MSA unemployment rate is 3.5 percent. This is below the highs of 2020, and below the current national unemployment rate of 3.9 percent. We believe that the performance of the MSA economy is a positive indication of future housing demand in the region.

Housing and Economy

There are numerous LIHTC (without subsidy) and subsidized properties in the PMA. Given the very low vacancy rates and presence of waiting lists among the LIHTC comparables, the availability of housing for low to very low-income renters is considered limited.

The most recent national recession impacted Clemson's single-family housing market. However, it appears to have recovered and stabilized. According to ATTOM's Q1 2025 US Foreclosure Market Report, national foreclosure filings were down two percent from a year ago. Nationwide in Q1 2025, there were a total of 93,953 properties in the foreclosure process, which represents one unit per every 1,515 housing units in the United States. According to a March 2025 SoFi report, South Carolina experienced a foreclosure rate of one in every 2,867 homes as of March 2025. Further, *Zillow* currently lists only five foreclosure listings in Pickens County as of June 2025. The Subject's neighborhood does not have a significant amount of abandoned or vacant structures that would impact the marketability of the Subject. Based on the low number of foreclosures, it does not appear that foreclosed properties are a significant issue at present.

Commuting Patterns

As shown in the following table, the weighted average commute time in the PMA is approximately 24 minutes. More than 63 percent of PMA commuters travel under 24 minutes, indicating many households work in the local area. The average commute time across the overall nation is approximately 28 minutes.

COMMUTING PATTERNS

ACS Commuting Time to Work	Number of Commuters	Percentage
Travel Time < 5 min	567	2.6%
Travel Time 5-9 min	3,132	14.4%
Travel Time 10-14 min	3,582	16.5%
Travel Time 15-19 min	3,700	17.0%
Travel Time 20-24 min	2,906	13.4%
Travel Time 25-29 min	1,468	6.7%
Travel Time 30-34 min	2,352	10.8%
Travel Time 35-39 min	534	2.5%
Travel Time 40-44 min	990	4.5%
Travel Time 45-59 min	1,756	8.1%
Travel Time 60-89 min	459	2.1%
Travel Time 90+ min	319	1.5%
Weighted Average	24 minutes	

Source: Esri 2024, Novogradac, June 2025

Conclusion

Employment in the PMA is concentrated in the educational services, manufacturing, and retail trade industries, which collectively comprise 48.4 percent of local employment. The large share of PMA employment in manufacturing and retail trade is notable as both industries are historically volatile, and prone to contraction during recessionary periods. As of April 2025, employment in the MSA is increasing at an annualized rate of 0.3 percent, compared to 1.5 percent growth across the nation. According to the latest labor statistics, dated April 2025, the current MSA unemployment rate is 3.5 percent. This is below the highs of 2020, and below the current national unemployment rate of 3.9 percent. We believe that the performance of the MSA economy is a positive indication of future housing demand in the region.

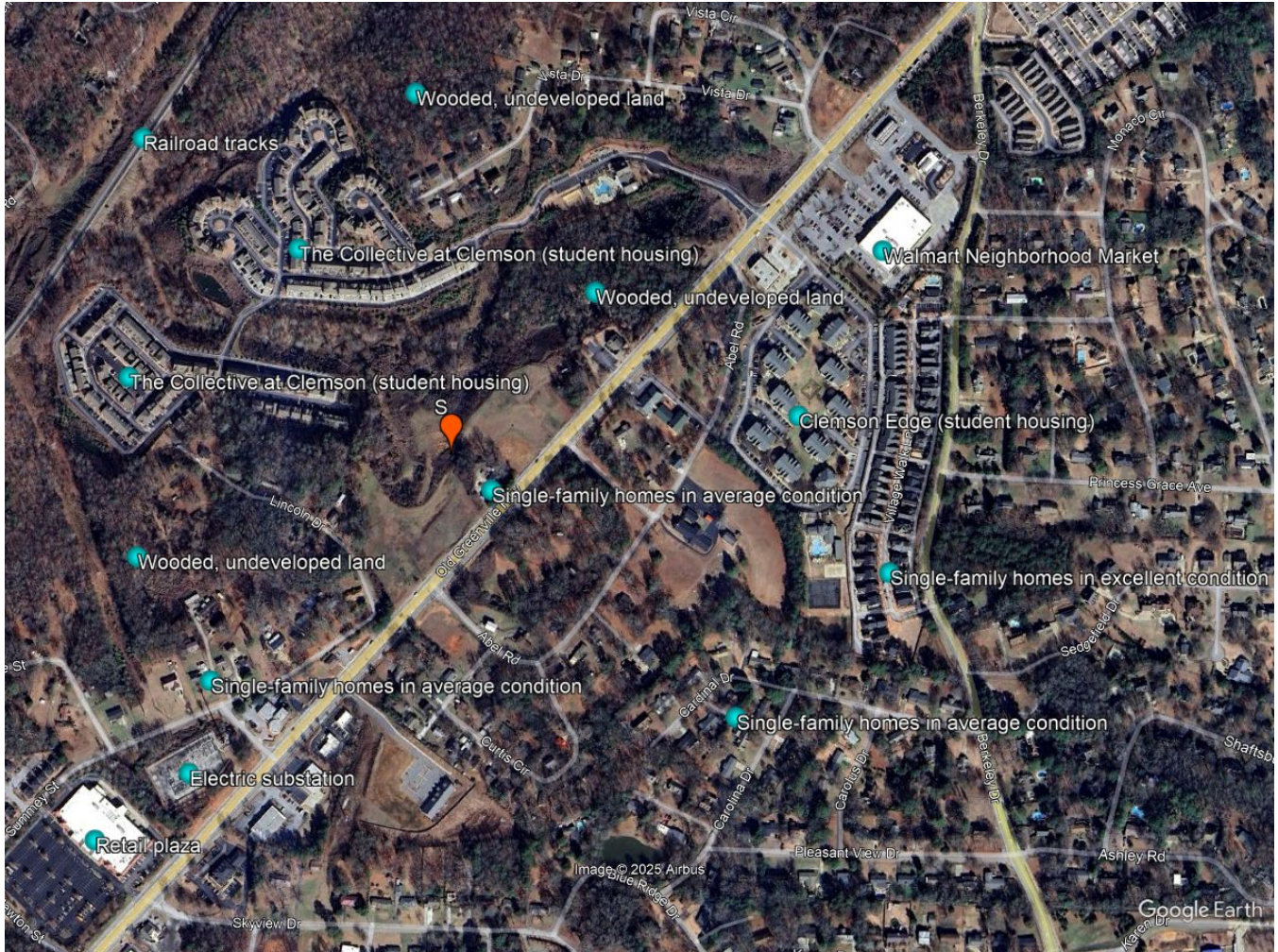
NEIGHBORHOOD DESCRIPTION AND ANALYSIS

Introduction

This section investigates the property's neighborhood and evaluates any pertinent location factors that could affect its rent, its occupancy, and overall profitability.

Location and Boundaries

The Subject is located within Clemson in Pickens County, South Carolina, and is currently partially wooded, undeveloped, vacant land. A map of the Subject's neighborhood follows.



Source: Google Earth, June 2025

Accessibility

The Subject site has access along Old Greenville Highway and Lincoln Drive. Old Greenville Highway is a moderately-trafficked road that provides access to U.S. Route 123 (US-123) 0.4 miles to the south the Subject site. Lincoln Drive is a lightly-trafficked two-lane neighborhood street. US-123 provides access to Greenville, South Carolina, approximately 32.5 miles east of the Subject site. US-123 also provides connections to various regional highways including Interstate 85 and Interstate 185. Overall, access is considered good while traffic flow is considered light to moderate.

Predominant Land Usage

The Subject site is located in a mixed-use neighborhood consisting of single-family homes, multifamily uses, commercial uses, and institutional uses such as houses of worship, and recreational facilities including Rotary Park. Land uses to the north consist of wooded, undeveloped land, along with The Collective at Clemson, a student housing rental property. To the northeast of the Subject site are retail uses including a Walmart Neighborhood Market and O'Reilly Auto Parts, among others. To the east of the Subject is Rotary Park, single-family homes in average condition, and Clemson Edge, a student housing rental property. Farther east are recently constructed single-family homes in excellent condition located along Village Walk Lane. To the south of the Subject site are single-family homes in average condition, along with commercial and retail uses with frontage along Old Greenville Highway. These retail uses include Planet Fitness, Advance Auto Parts, SouthState Bank, a Courtyard by Marriott hotel, and The UPS store, among others. Land uses to the west of the Subject site consist of single-family homes in average condition, wooded, undeveloped land, along with The Collective at Clemson, an aforementioned student housing rental property. Overall, the Subject site is considered a desirable site for rental housing.

Adequacy of Public Transportation

Clemson Area Transit (CatBus) provides public transportation within the city of Clemson and surrounding area. The nearest CatBus stop is located adjacent to the Subject site, which is served by the Red Route. As of June 2025 CatBus routes are offered free of charge, which is supported by nearby Clemson University while available to all area residents.

Adequacy/Availability of Utilities

All utilities are available to the neighborhood.

Conclusion

The Subject site is within a mixed-use neighborhood with good access and visibility. Overall, the Subject site is considered a desirable building site for rental housing. The site will have overall good access to area retail and community services in Clemson.

III. DEMOGRAPHIC TRENDS

Below is a summary of information on population, households, and income for the PMA and MSA.

Population Trends

The tables below illustrate (a) Total Population, (b) Population by Age Group, and (c) Population Growth Rate.

POPULATION

Year	PMA		Greenville-Anderson-Greer, SC		USA	
			MSA			
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2010	48,357	-	824,016	-	308,736,216	-
2024	57,691	1.4%	980,584	1.3%	338,436,229	0.7%
2029	59,248	0.5%	1,024,952	0.9%	344,868,049	0.4%

Source: Esri Demographics 2024, Novogradac, June 2025

POPULATION BY AGE IN 2024

Age Cohort	PMA		Greenville-Anderson-Greer, SC		USA	
			MSA			
	Number	Percentage	Number	Percentage	Number	Percentage
0-4	2,440	4.2%	54,776	5.6%	18,584,565	5.5%
5-9	2,389	4.1%	59,009	6.0%	19,791,939	5.8%
10-14	2,331	4.0%	60,002	6.1%	20,423,998	6.0%
15-19	8,534	14.8%	67,294	6.9%	21,774,384	6.4%
20-24	12,301	21.3%	68,841	7.0%	23,042,011	6.8%
25-29	4,106	7.1%	60,150	6.1%	22,101,332	6.5%
30-34	2,946	5.1%	64,941	6.6%	23,753,070	7.0%
35-39	2,472	4.3%	62,330	6.4%	22,701,131	6.7%
40-44	2,447	4.2%	60,898	6.2%	22,381,558	6.6%
45-49	2,267	3.9%	56,679	5.8%	20,062,709	5.9%
50-54	2,478	4.3%	61,184	6.2%	20,860,408	6.2%
55-59	2,378	4.1%	59,500	6.1%	20,263,436	6.0%
60-64	2,560	4.4%	62,057	6.3%	21,297,805	6.3%
65-69	2,250	3.9%	56,465	5.8%	19,399,830	5.7%
70-74	1,992	3.5%	47,213	4.8%	15,842,202	4.7%
75-79	1,665	2.9%	37,530	3.8%	12,056,452	3.6%
80-84	1,111	1.9%	22,425	2.3%	7,260,236	2.1%
85+	1,025	1.8%	19,290	2.0%	6,839,163	2.0%
Total	57,692	100.0%	980,584	100.0%	338,436,229	100.0%

Source: Esri Demographics 2024, Novogradac, June 2025

The PMA exhibited population growth from 2010 to 2024, and grew at a rate faster than the MSA and nation. According to ESRI demographic projections, annualized PMA growth is expected to slow to 0.5 percent through 2029, continuing to surpass the rate of growth in the nation, but trailing the MSA.

The population in the PMA as of 2024 is concentrated in the age groups of 20 to 24, 15 to 19, and 25 to 29. Outside of these age groups, the 30 to 34, 60 to 64, 50 to 54, and 35 to 39 age groups are the largest groups in the PMA.

HOUSEHOLD TRENDS

Total Number of Households, Average Household Size, and Group Quarters

HOUSEHOLDS

Year	PMA		Greenville-Anderson-Greer, SC MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2010	17,644	-	321,119	-	116,712,903	-
2024	21,132	1.4%	391,112	1.5%	130,714,038	0.8%
2029	22,096	0.9%	414,644	1.2%	134,926,628	0.6%

Source: Esri Demographics 2024, Novogradac, June 2025

AVERAGE HOUSEHOLD SIZE

Year	PMA		Greenville-Anderson-Greer, SC MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2010	2.39	-	2.49	-	2.57	-
2024	2.34	-0.1%	2.44	-0.1%	2.53	-0.1%
2029	2.31	-0.3%	2.41	-0.3%	2.50	-0.2%

Source: Esri Demographics 2024, Novogradac, June 2025

POPULATION IN GROUP QUARTERS

Year	PMA		Greenville-Anderson-Greer, SC MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2010	6,251	-	22,974	-	8,233,447	-
2024	8,151	2.1%	24,391	0.4%	8,153,458	-0.1%
2029	8,151	0.0%	24,391	0.0%	8,153,458	0.0%

Source: Esri Demographics 2024, Novogradac, June 2025

The PMA exhibited household growth from 2010 through 2024, and grew at a slower rate compared to the MSA and a faster rate relative to the nation. According to ESRI demographic projections, annualized PMA growth is expected to slow to 0.9 percent through 2029, continuing to trail the rate of growth in the MSA and above the overall nation.

The average household size in the PMA is generally below that of the MSA and the nation. According to ESRI demographic projections, household sizes in the PMA and all other areas of analysis are projected to decrease through 2029.

Households by Tenure

The table below depicts household growth by tenure from 2010 through 2029.

TENURE PATTERNS PMA				
Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2010	9,996	56.7%	7,648	43.3%
2024	11,988	56.7%	9,144	43.3%
2029	13,157	59.5%	8,939	40.5%

Source: Esri Demographics 2024, Novogradac, June 2025

The preceding table details household tenure patterns in the PMA since 2010. In the PMA, 43.3 percent of households are renter households, while 56.7 percent are owner households. This is more than the estimated 35.0 percent of renter households nationally. According to ESRI demographic projections, the number and percentage of renter households in the PMA is projected to decrease through 2029.

Household Income

The following table depicts household income in the PMA from 2024 to 2029.

HOUSEHOLD INCOME PMA						
Income Cohort	2024		2029		Annual Change 2024 to 2029	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	2,112	10.0%	1,855	8.4%	-51	-2.4%
\$10,000-19,999	3,094	14.6%	2,603	11.8%	-98	-3.2%
\$20,000-29,999	2,025	9.6%	2,117	9.6%	18	0.9%
\$30,000-39,999	1,816	8.6%	1,681	7.6%	-27	-1.5%
\$40,000-49,999	1,778	8.4%	1,484	6.7%	-59	-3.3%
\$50,000-59,999	1,927	9.1%	1,809	8.2%	-24	-1.2%
\$60,000-74,999	1,662	7.9%	2,183	9.9%	104	6.3%
\$75,000-99,999	1,972	9.3%	2,163	9.8%	38	1.9%
\$100,000-124,999	1,508	7.1%	1,656	7.5%	30	2.0%
\$125,000-149,999	1,069	5.1%	1,314	5.9%	49	4.6%
\$150,000-199,999	1,128	5.3%	1,489	6.7%	72	6.4%
\$200,000+	1,041	4.9%	1,742	7.9%	140	13.5%
Total	21,132	100.0%	22,096	100.0%		

Source: HISTA Data / Ribbon Demographics 2023, Novogradac, June 2025

As the table above depicts, approximately 51.2 percent of households in the PMA earned less than \$50,000 in 2024.

Renter Household Income Distribution

The following tables depict renter household incomes in the PMA in 2024 and 2029.

RENTER HOUSEHOLD INCOME						
Income Cohort	2024		PMA 2029		Annual Change 2024 to 2029	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	1,674	18.3%	1,440	16.1%	-47	-2.8%
\$10,000-19,999	2,172	23.8%	1,767	19.8%	-81	-3.7%
\$20,000-29,999	1,197	13.1%	1,253	14.0%	11	0.9%
\$30,000-39,999	840	9.2%	770	8.6%	-14	-1.7%
\$40,000-49,999	767	8.4%	615	6.9%	-30	-4.0%
\$50,000-59,999	861	9.4%	789	8.8%	-14	-1.7%
\$60,000-74,999	428	4.7%	648	7.2%	44	10.3%
\$75,000-99,999	317	3.5%	381	4.3%	13	4.0%
\$100,000-124,999	349	3.8%	396	4.4%	9	2.7%
\$125,000-149,999	124	1.4%	207	2.3%	17	13.4%
\$150,000-199,999	221	2.4%	309	3.5%	18	8.0%
\$200,000+	194	2.1%	364	4.1%	34	17.5%
Total	9,144	100.0%	8,939	100.0%		

Source: HISTA Data / Ribbon Demographics 2023, Novogradac, June 2025

Renter households with incomes less than \$50,000 represent 72.7 percent of the renter households in the PMA in 2024.

Conclusion

The PMA exhibited population growth from 2010 to 2024, and grew at a rate faster than the MSA and nation. According to ESRI demographic projections, annualized PMA growth is expected to slow to 0.5 percent through 2029, continuing to surpass the rate of growth in the nation, but trailing the MSA. In the PMA, 43.3 percent of households are renter households, while 56.7 percent are owner households. This is more than the estimated 35.0 percent of renter households nationally. According to ESRI demographic projections, the number and percentage of renter households in the PMA is projected to decrease through 2029. Overall, the combination of rising population and households bodes well for future demand for multifamily housing.

IV. PROPERTY DESCRIPTION

PROPERTY DESCRIPTION



Source: Google Earth, June 2025

General:	The Subject site is located at 579 Old Greenville Highway. The Subject site is partially wooded, undeveloped land.
Parcel Number:	The Subject is a 11.67-acre parcel identified as tax parcels 4054-11-65-6587, 4054-11-65-7410, 4054-11-65-8807, 4054-11-75-1713, 4054-11-75-2837, 4054-11-75-1928, 4054-11-66-9099 by the Pickens County Assessor's Office.
Subject Assessment:	According to the Pickens County Assessor's Office, the Subject parcels have a total assessed value of \$17,330.
Shape:	The site is irregular in shape.
Size:	According to the client and reflected in the provided purchase and sale agreement, the Subject site measures approximately 11.67 acres, or 508,345 square feet.

Frontage:	The site has frontage along the north side of Old Greenville Highway and the east side of Lincoln Drive.
Topography	The site is generally level to sloping and at road grade.
Utilities:	All utilities are available to the site.
Visibility/Views:	The Subject site has good visibility from Old Greenville Highway and Lincoln Drive. Views from the Subject site consist of wooded, undeveloped land and The Collective at Clemson, a student housing property, to the north, wooded, undeveloped land and a dental office to the east, single-family homes in average condition and partially wooded, undeveloped land to the south, and single-family homes in average condition to the west. Overall, visibility is considered good while views are considered average.
LURA:	The Subject site is not currently encumbered by a Land Use Regulatory Agreement (LURA).
Easements, Encumbrances, and Moratoria:	We are not aware of any easements, site encroachments, or other restrictions that would adversely affect the use of the site.
Drainage:	Appears adequate, however, no specific tests were performed.
Soil and Subsoil Conditions:	We were not provided with soil surveys. We assume the soils will support the proposed use at the site.
Zoning:	The Subject is located in the city of Clemson zoning jurisdiction. According to the Clemson Planning and Development Department, the Subject site is zoned RM-4 (Multi-family Residential District). The RM-4 district allows for varying intensities of residential development, including multifamily development. The maximum density for multifamily development in a RM-4 zoning district is 56 bedrooms per acre. Required parking for multifamily development is 1.0 parking spaces per bedroom.
Flood Plain:	According to the FEMA Flood Map Service Center, Community Panel Number 45077C0383D, dated April 16, 2008, the Subject 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.
Environmental:	The sponsor has provided a Phase I Environmental Site Assessment (ESA), dated March 19, 2025, prepared by Terracon Consultants, Inc. According to the report, there were no identified recognized environmental conditions (RECs), historical recognized environmental conditions (HRECs), or controlled recognized environmental conditions (CRECs) present at the Subject site. Novogradac does not offer expertise in this field and cannot opine on this issue. Further analysis by Novogradac is beyond the scope of the report. Our valuation assumes that no environmental

contamination exists on the site. Should the presence of such materials be discovered, the value estimate reported herein could be materially affected by remediation costs.

Detrimental Influences:

No detrimental influences were observed. However, there are two privately-owned single-family homes situated along Old Greenville Highway surrounded by the Subject site. While currently they are in average condition and do not represent a detrimental influence, their condition is not controlled by the Subject owner and therefore could become an issue should their condition severely deteriorate.

Conclusion:

The Subject site has an irregular shape and good frontage along Old Greenville Highway. Based on the Subject's physical characteristics and the surrounding land use pattern, the Subject appears well-suited for multifamily development.

V. HIGHEST AND BEST USE ANALYSIS

HIGHEST AND BEST USE ANALYSIS

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.

HIGHEST AND BEST USE

Physically Possible

According to a survey provided by the client, the Subject site will consist of an approximately 11.67-acre site located at 579 Old Greenville Highway in Clemson, Pickens County, South Carolina. The site is generally level to sloping and at road grade. The site is irregular in shape. The site is considered adequate for a variety of legally permissible uses.

Legally Permissible

The Subject is located in the city of Clemson zoning jurisdiction. According to the Clemson Planning and Development Department, the Subject site is zoned RM-4 (Multi-family Residential District). The RM-4 district allows for varying intensities of residential development, including multifamily development. The maximum density for multifamily development in a RM-4 zoning district is 56 bedrooms per acre. Required parking for multifamily development is 1.0 parking spaces per bedroom.

In order to determine whether density similar to the maximum legally permissible build out of the Subject is market-oriented, we reviewed proposed and existing multifamily densities in the area. The following table

³ Source: Appraisal Institute, The Dictionary of Real Estate Appraisal, 7th ed. (Chicago: Appraisal Institute, 2022).

illustrates the hypothetical maximum legally permissible build out for the Subject site, assuming density of 56 bedrooms per acre. In order to reach an accompanying unit count, we applied this amount to the typical distribution of one, two, and three-bedroom units in the market at proximate multifamily properties, excluding student housing rental properties which generally offer larger unit types with a greater number of bedrooms.

MAXIMUM ALLOWABLE DENSITY

Legally Permissible Bedrooms				654
Unit Type	% of Units*	BR Allocation	Units	
1BR	41.2%	269	269	
2BR	24.1%	157	79	
3BR	34.7%	227	76	
Total		654	424	
Units Per Acre			36.3	

*Based on the typical unit distribution at proximate multifamily properties excluding student housing

The comparable land sales used in this report indicate a density range from 6.7 to 11.9 units per acre, with an average density of 9.0 units per acre. We also researched densities of built multifamily properties in Clemson, which exhibited densities ranging from 5.2 to 17.6 units per acre. The lower exhibited densities typically fall on secondary roadways, while the higher densities are located along primary roadways, similar to the Subject site. Based on these densities, the maximum legally permissible density does not appear to be supported by the market. Thus, we concluded that the site can support 175 multifamily units with required parking, which equates to a density of approximately 15.0 units per acre. This results in a total density of 29.0 bedrooms per acre, which is legally compliant with the current zoning. The following table details our conclude density for the Subject site.

CONCLUDED DENSITY

Concluded Bedrooms				339
Unit Type	% of Units*	BR Allocation	Units	
1BR	41.2%	72	72	
2BR	24.1%	84	42	
3BR	34.7%	182	61	
Total		339	175	
Concluded Units			175	
Concluded Units Per Acre			15.0	

*Based on the typical unit distribution at proximate multifamily properties excluding student housing

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 moderate density multifamily uses and moderate density office space. Based on the Subject's surrounding land uses, the site's physical attributes, the secondary nature of the Subject location, and the recent development patterns

in the area, affordable multifamily residential development is most likely. Anecdotal evidence indicates market rate development is not feasible in the current market.

Maximally Productive

Anecdotal evidence indicates market rate development is not feasible in the current market. Affordable housing development is not financially feasible without some type of gap funding or subsidy. No alternative use is considered feasible. As a result, the maximally productive use is to develop affordable housing with some form of gap subsidy.

Conclusion

The highest and best use of the site is to construct a 175-unit multifamily development with financial subsidies, consistent with the surrounding land use patterns.

VI. APPRAISAL METHODOLOGY

APPRAISAL METHODOLOGY

VALUATION ANALYSIS

The valuation process begins with an estimate of the highest and best use of the Subject site considered as though vacant, and as improved. Once determined the property is then valued according to its highest and best use. 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 (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.

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 only applicable approach is the sales comparison approach. All of the land sale comparables are intended for the future development of multifamily properties.

VII. 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.

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

From our research, we selected the best transactions available that represent the most recent competitive alternative sales or contracts in the marketplace. Per SC Housing guidelines, we endeavored to locate land sales within Pickens County. However, due to limited development activity in recent years we include land sales in adjacent Anderson, Greenville, Oconee Counties, South Carolina.

In analyzing the sales data, we have selected the price per unit (planned apartment units) as the unit of comparison. This is the unit of comparison most commonly quoted by brokers, sellers, and purchasers when discussing sales transactions and is considered the most relevant for the Subject.

Comparable Sales

The selected sales are summarized in the following table; the sale prices identified in the table have been adjusted for cash-equivalency, when appropriate. A map of the sales also follows.

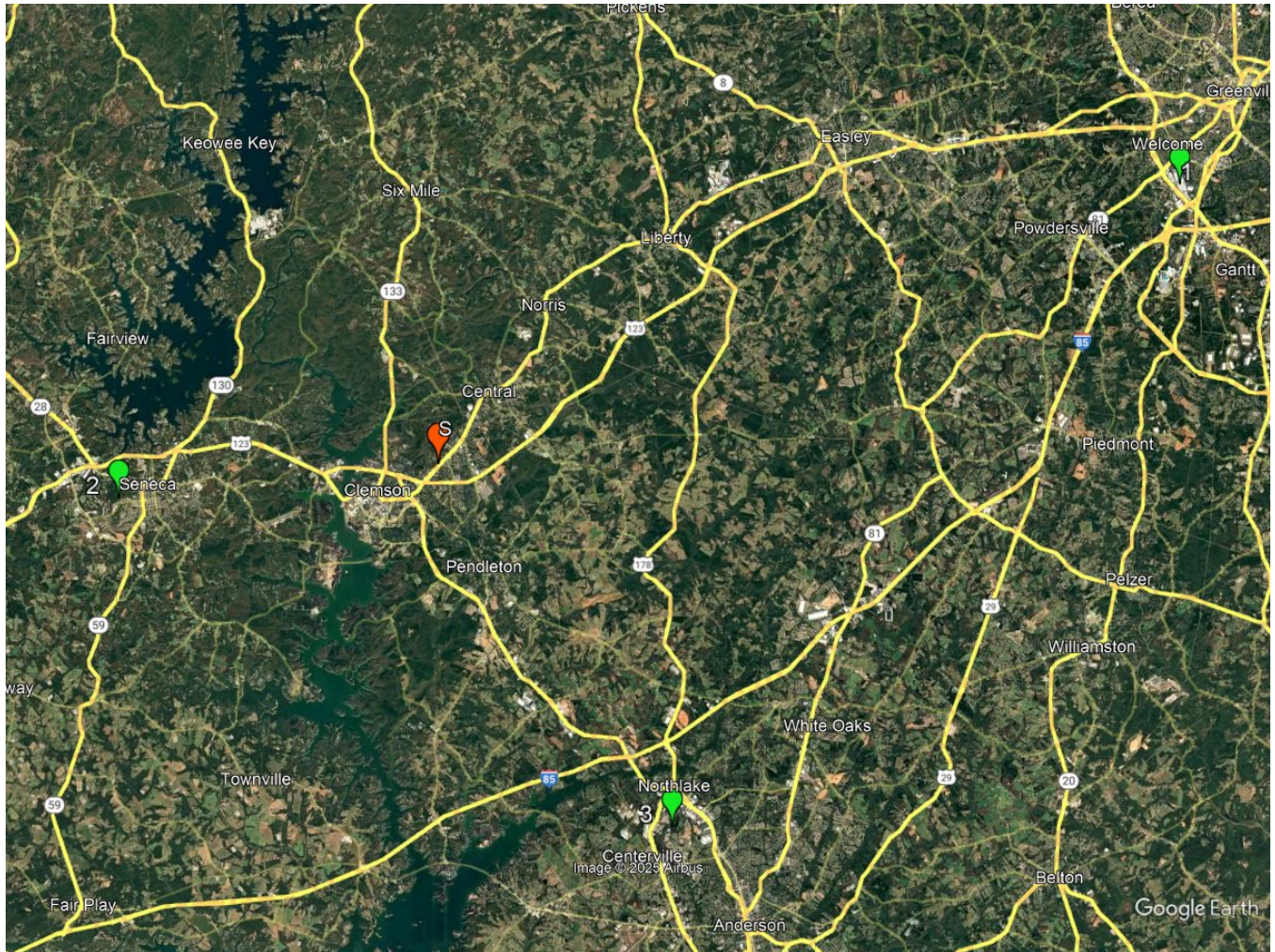
COMPARABLE LAND SALES

#	Property Name	Location	Sale Date	Sale Price	Land Acres	# Units	Price Per Unit (Unadjusted)	Price Per Acre (Unadjusted)
1	130 Prospect Street	Greenville, SC	Mar/2023	\$1,450,000	5.04	60	\$24,167	\$287,698
2	N. Side Of W. North 1st Street	Seneca, SC	Dec/2022	\$810,000	8.94	60	\$13,500	\$90,604
3	340 Aston Place	Anderson, SC	Aug/2022	\$525,000	10.66	90	\$5,833	\$49,250

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. A location map is presented on the following page.

It should be noted that the 2025 Qualified Allocation Plan indicates that land value for new construction projects should be valued based upon price per acreage. General industry convention is to utilize price per unit when valuing multifamily land. We valued based upon a price per unit in keeping with local and general industry convention. However, we also illustrated the concluded value per acre in the reconciliation of land value at the conclusion of this section of the appraisal.

Land Sales Map



Source: Google Earth, June 2025

Land Sale 130 Prospect Street



Transaction			
Address	130 Prospect Street	Sale Date	2023/03/27
City	Greenville	Sale Price	\$ 1,450,000
State	SC	Sale Status	closed
County	Greenville	Sale Conditions	Cash
Seller	Paul Gallucci	Rights Conveyed	Fee Simple
Buyer	Lincoln Avenue Capital	Confirmed With	Costar, Public records, On-site management

Site			
Land Acres	5.04	Topography	Level
Land Sq Ft	219,542	Zoning	RM-20/R7.5
Shape	Irregular	Corner	No

Improvements and Ratios			
Proposed Units	60	\$/Proposed Unit	\$ 24,167
		\$/SF	\$ 7

Remarks			
The site was purchased to develop a 60-unit LIHTC multifamily development known as Dunean Creek Apartments. The development was completed in 2024. At the time of the sale, the site was improved with a 1,637-square foot single-family home, which was demolished.			

Land Sale N. Side Of W. North 1st Street



Transaction

Address	N. Side Of W. North 1st Street	Sale Date	2022/12/29
City	Seneca	Sale Price	\$ 810,000
State	SC	Sale Status	closed
County	Oconee	Sale Conditions	Conventional
Seller	Ralph Alexander Inc.	Rights Conveyed	Fee Simple
Buyer	Lakeview Place LP	Confirmed With	CoStar, Public records

Site

Land Acres	8.94	Topography	Level
Land Sq Ft	389,426	Zoning	GC
Shape	Irregular	Corner	No

Improvements and Ratios

Proposed Units	60	\$/Proposed Unit	\$ 13,500
		\$/SF	\$ 2

Remarks

The site received an allocation in 2022 for a 40-unit LIHTC development to be known as Lakeview Place; however, at the time of the sale, the buyer anticipated developing 60 units which we base the per unit pricing on. A construction schedule was not available.

Land Sale 340 Aston Place



Transaction

Address	340 Aston Place	Sale Date	2022/08/25
City	Anderson	Sale Price	\$ 525,000
State	SC	Sale Status	closed
County	Anderson	Sale Conditions	Typical
Seller	Hembree Land Partners LLC	Rights Conveyed	Fee Simple
Buyer	Aston Pointe LP	Confirmed With	CoStar, Public records, On-site management

Site

Land Acres	10.66	Topography	Level
Land Sq Ft	464,350	Zoning	R-MA
Shape	Irregular	Corner	Yes

Improvements and Ratios

Proposed Units	90	\$/Proposed Unit	\$ 5,833
		\$/SF	\$ 1

Remarks

The vacant site was purchased to develop Aston Pointe, a 90-unit LIHTC development that offers units at 20, 40, and 60 percent of AMI. The property is now operational, having opened in 2024.

Explanation of Adjustments

Property Rights Conveyed

All sales used in this analysis represent the conveyance of the fee simple interest in the respective properties. Therefore, no adjustment is applied to any of the sales under this adjustment category.

Financing

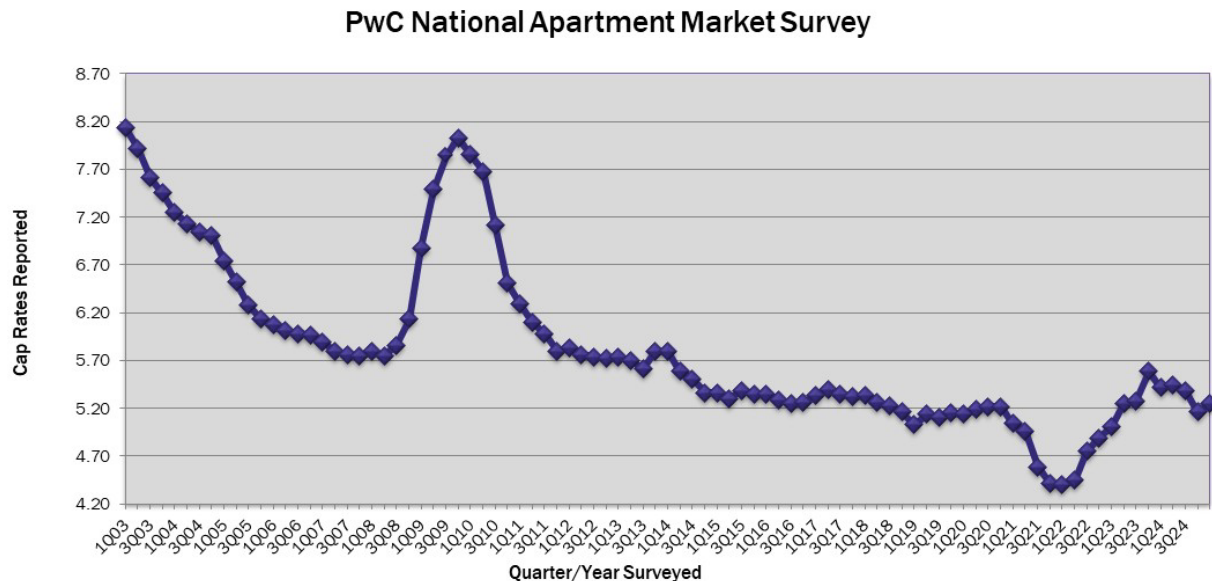
If applicable, the comparable sales must be adjusted for financing terms. The adjustment renders the sale price to cash equivalent terms. All of the sales are considered to be cash equivalent and no adjustment is necessary.

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. However, Sale 1 had additional demolition required, with costs to be borne by the buyer. These demolition costs were estimated at \$5.50 per square foot based upon cost manuals including RS Means and Marshall & Swift, which report demolition costs ranging from \$4.00 to \$10.00 per square foot, for a total demolition estimate of \$9,004. We applied as an upward adjustment to Sale 1. No additional adjustments are needed.

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 appreciated or depreciated. We analyzed sale/resale data of tracts, and considered the changes in market conditions of residential properties. The following table illustrates capitalization rate trends from the *PwC Real Estate Investor Survey*.



All of the sales took place from April 2020 to December 2024. Based on the indicated market conditions at the time of sale we applied no adjustment to Sales 1 and 2, and a five percent downward adjustment to Sale 3.

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. The following table illustrates the median household income, median monthly rent, and median home sales price in the zip code of each land sale. This data will be used to determine an appropriate adjustment for the Subject's location as compared to the comparables.

LAND SALES - LOCATION COMPARISON

#	Property Name	Zip Code	Median Income	Median Rent	Median Home Value	Income Differential	Rent Differential With Subject	Home Value Differential	Average Delta
S	Mercy Clemson Development Site	29631	\$40,660	\$904	\$211,300	-	-	-	-
1	130 Prospect Street	29611	\$32,073	\$717	\$86,400	-21%	-21%	-59%	-34%
2	N. Side Of W. North 1st Street	29678	\$38,818	\$718	\$131,700	-5%	-21%	-38%	-21%
3	340 Aston Place	29625	\$45,313	\$774	\$128,600	11%	-14%	-39%	-14%

As seen in the previous table, the location of the Subject is considered superior to all sales. However, we note that Sale 1 is located in Greenville, South Carolina, which offers superior access to employment centers and regional amenities which we believe warrants further adjustment. Based on consideration of the various locational attributes we apply a 25 percent downward adjustment to Sale 1 and a 15 percent upward adjustment to Sales 2 and 3.

Zoning/Use

The Subject is zoned RM-4, which allows for multifamily development. Sales 2 and 3 are approved for a lower density relative to the Subject and the remaining sale. Based on the lower development density we applied a 10 percent upward adjustment to Sale 2 and 3 and no adjustment to Sale 1.

Topography

The Subject site is generally level to gently to moderately sloping and at road grade, which is considered generally similar to all of the sales. Thus, no adjustments are warranted to the sales.

Site Characteristics

Site characteristics such as access, frontage, visibility, and shape can affect the marketability of sites, making them more or less attractive to investors. The Subject site offers good access and visibility, with functional site characteristics, similar to all sales. As such, no adjustments are applied.

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. 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. Sales 1 and 2 are approved for a lesser number of units relative to the Subject's highest and best use unit count determination and were adjusted downward 15 percent. Sale 3 was permitted for a lesser number of units as the Subject's highest and best use unit count determination, though larger than the remaining sales, and no adjustment is applied.

LAND SALES DATA ADJUSTMENT GRID				
	Subject	1	2	3
Property Name	Mercy Clemson Development Site	130 Prospect Street	N. Side Of W. North 1st Street	340 Aston Place
Address	579 Old Greenville Highway	130 Prospect Street	N. Side Of W. North 1st Street	340 Aston Place
City	Clemson	Greenville	Seneca	Anderson
Parcel Data				
Zoning	RM-4	RM-20/R7.5	GC	R-MA
Topography	Level to Sloping	Level	Level	Level
Shape	Irregular	Irregular	Irregular	Irregular
Size (SF)	508,345	219,542	389,426	464,350
Size (Acres)	11.67	5.04	8.94	10.66
Units	175	60	60	90
Units Per Acre	15.0	11.9	6.7	8.4
Sales Data				
Date		Mar/2023	Dec/2022	Aug/2022
Interest		Fee Simple	Fee Simple	Fee Simple
Price		\$1,450,000	\$810,000	\$525,000
Price per Unit		\$24,167	\$13,500	\$5,833
Adjustments				
Property Rights		Fee Simple	Fee Simple	Fee Simple
Adjustment		\$0	\$0	\$0
		\$1,450,000	\$810,000	\$525,000
Financing Terms		Cash	Conventional	Typical
Adjustment		\$0	\$0	\$0
		\$1,450,000	\$810,000	\$525,000
Conditions of Sale		Demolition	None	None
Adjustment		\$9,004	\$0	\$0
		\$1,459,004	\$810,000	\$525,000
Market Conditions		1.00	1.00	0.95
Adjusted Sales Price		\$1,459,004	\$810,000	\$498,750
Adjusted Price Per Unit		\$24,317	\$13,500	\$5,542
Adjustments				
Location		-25%	15%	15%
Zoning/Use		0%	10%	10%
Topography		0%	0%	0%
Site Characteristics		0%	0%	0%
Size		-15%	-15%	0%
Overall Adjustment		-40%	10%	25%
Adjusted Price Per Unit		\$14,590	\$14,850	\$6,927
Adjusted Price Per Acre		\$173,691	\$99,664	\$58,484

CONCLUSION OF AS IS LAND VALUE

The sales indicate an adjusted price per unit range of \$6,927 to \$14,850 per unit, with a mean of \$12,122 per unit and a median of \$12,687 per unit. We placed the most weight on Sale 1, which was the most recent transfer, along with Sale 2, which is most proximate to the Subject. As such, we believe an indication of \$12,000 per unit is reasonable. As discussed, we believe that the price per unit aligns most closely with local and general industry convention. On a per acre basis, our reconciled value equates to \$179,949 per acre, which is slightly above the range. Overall, we believe the sales provide a reasonable comparison for the Subject and are supportive of the concluded value.

Under the terms of the purchase and sale agreement provided by the developer, the purchase price is eligible for adjustment to account for soil remediation costs. According to the developer this adjustment will total \$350,000. This figure was provided by the developer and if the site costs are higher that may impact our presented value. We apply this amount as a downward adjustment to our previously determined value. It is an extraordinary assumption of this report that these costs are reflective of the adjustment at closing. The use of extraordinary assumptions may impact assignment results.

The following table details the as is value accounting for the atypical soil condition adjustment.

LAND VALUE			
Scenario	No. of Units	Price/Unit	Indicated Value (Rounded)
Land Value	175	\$12,000	\$2,100,000
Less Soil Remediation Adjustment			(\$350,000)
As Is Value			\$1,750,000

As a result of our analysis, the indicated unencumbered fee simple interest of the Market Value “As Is”, as of June 12, 2025, is:

ONE MILLION SEVEN HUNDRED FIFTY THOUSAND DOLLARS
(\$1,750,000)

Under the terms of the purchase and sale agreement provided by the developer, the purchase price is eligible for adjustment to account for soil remediation costs. According to the developer this adjustment will total \$350,000. This figure was provided by the developer and if the site costs are higher that may impact our presented value. We apply this amount as a downward adjustment to our previously determined value. It is an extraordinary assumption of this report that these costs are reflective of the adjustment at closing. The use of extraordinary assumptions may impact assignment results.

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.

Exposure Time: Nine – 12 months.

Marketing Period: Nine – 12 months.

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 appraiser 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.
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 appraiser 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 study or appraisal 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 non-static 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.

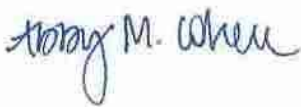
without the prior written consent and approval of the appraiser. Nor shall the appraiser, firm, or professional organizations of which the appraiser is a member be identified without written consent of the appraiser.

13. Disclosure of the contents of this report is governed by the Bylaws and Regulations of the professional appraisal organization with which the appraiser is affiliated: specifically, the Appraisal Institute.
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 value conclusions are contingent upon completion of the improvements in a workmanlike manner and in a reasonable period of time. A final inspection and value estimate upon the completion of said improvements should be required.
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 appraiser and contained in this report.
21. The party for whom this report is prepared has reported to the appraiser 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, as detailed in this report.
23. No in-depth inspection was made of existing plumbing (including well and septic), electrical, or heating systems. The appraiser 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 appraised property. The appraiser 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.

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, conclusions, and recommendations;
- 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 are preparing a concurrent market study for the Subject. We prepared a rent and demand analysis for the Subject with an effective date of January 2025. We have performed no other prior appraisal services regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment;
- 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;
- Abby Cohen 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. David Kermode provided significant professional assistance to the appraisers including conducting internet research, compiling and coalescing data, analyzing data trends, evaluating and analyzing comparable data, and drafting text and documents. No one other than those listed on this page provided any significant real property appraisal assistance;
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.



Abby Cohen
Partner
SC State Certified Appraiser #7487
Expiration Date: June 30, 2026
Abby.Cohen@novoco.com

ADDENDUM B
Subject Photographs



Subject site



Subject site



Subject site



Subject site



Subject site



Subject site



Subject site



Subject site



Subject site



Subject site



View east along Old Greenville Highway



View west along Old Greenville Highway



View north on Lincoln Drive



View south on Lincoln Drive



Single-family home along Old Greenville Highway adjacent to Subject site



Single-family home along Old Greenville Highway adjacent to Subject site



Walmart Neighborhood Market north of Subject site



O'Reilly Auto Parts north of Subject site



Clemson Edge (student housing) east of Subject site



The Collective at Clemson (student housing) north of Subject site



Dental office north of Subject site



Advance Auto Parts south of Subject site



Hotel southwest of Subject site



Retail plaza south of Subject site



Bank south of Subject site



Planet Fitness southwest of Subject site



Retail plaza south of Subject site



House of worship south of Subject site



Typical single-family home in the Subject's neighborhood



Typical single-family homes in the Subject's neighborhood

ADDENDUM C

Qualifications of Appraisers

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, AK License #213395
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)

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 2024-2025, March 2024
GSE Appraisal Requirements and Guidelines, March 2024
Fair Housing Bias and Discrimination, March 2024
Market Disturbances – Appraisals in Atypical Markets and Cycles, March 2024
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.

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ABBY M COHEN

ABBY M COHEN

4416 EAST WEST HWY STE 200

BETHESDA MD 20814-4572

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

ABBY M COHEN

Is hereby entitled to practice as a:

Certified General Appraiser

License Number: **7487**

Expiration Date: 06/30/2026

POCKET CARD


Board Executive

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

ABBY M COHEN

Is hereby entitled to practice as a:

Certified General Appraiser

License Number: **7487**

Expiration Date: 06/30/2026

OFFICE COPY


Board Executive

ADDENDUM D
Purchase Agreement

AGREEMENT TO PURCHASE UNIMPROVED REAL ESTATE

This Agreement to Purchase Unimproved Real Estate (“**Agreement**”) is made effective as of the final date upon which a party to the negotiation places the final required signature and/or initials (the “**Effective Date**”), by and between **MERCY HOUSING SOUTH EAST, INC.**, a North Carolina nonprofit corporation, with a mailing address of 260 Peachtree Street, Suite 1800, Atlanta, Georgia 30303 (“**Purchaser**”) and **JSCI BURKE PROPERTY LLC**, a South Carolina limited liability corporation or its assigns, with a mailing address of 1639 EARLS BRIDGE RD EASLEY, South Carolina 29640 (“**Seller**”) is made as of the last date indicated by the signatures of Purchaser and Seller below (“**Agreement Date**”).

ARTICLE 1. PROPERTY

On the terms set forth herein, Purchaser agrees to purchase from Seller, and Seller agrees to sell to Purchaser, that approximate 11.67 acres of land located at 579 Old Greenville Highway, Clemson, SC 29631. (Tax Map IDs: 4054-11-65-6587, 4054-11-65-7410, 4054-11-65-8807, 4054-11-75-1713, 4054-11-75-2837, 4054-11-75-1929, 4054-11-66-9099) which parcels are depicted on the drawing attached hereto as **Exhibit A** and made a part hereof by this reference, together with all improvements thereon and appurtenances thereto (the “**Property**”). Purchaser may obtain an ALTA/ACSM Survey of the Property, from which the description of the Property to be contained in the deed shall be taken. Purchaser intends to develop and operate multi-family housing and ancillary facilities (including without limitation recreational areas and parking lots) on the Property (the “**Project**”), which it intends to finance in part with an award from the South Carolina State Housing Finance and Development Authority (the “**Authority**”) of Low-Income Housing Tax Credits (“**Tax Credits**”) pursuant to the Authority’s 2024 Qualified Allocation Plan (“**QAP**”).

ARTICLE 2. PURCHASE PRICE AND EARNEST MONEY

- 2.1 Purchase Price. Purchaser shall pay Seller the sum of TWO MILLION ONE HUNDRED THOUSAND AND 00/100 DOLLARS (\$2,100,000.00) (the “**Purchase Price**”) The Purchase Price is contingent on, but necessarily limited to the following: Satisfactory appraisal of Property, findings of suitable soils conditions that support the development of multifamily residential structures, and the successful rezoning classification of the Property to RM 3.5 or RM 4 zoning to allow for multi-family development according to the terms and conditions set forth herein. In the event that the soil conditions are determined to be unsuitable for building then the Purchase Price may be reduced to account for the cost to remediate the site as outlined in **Exhibit B** attached hereto and made a part hereof.
- 2.2 Earnest Money. All earnest money deposits shall be held in an escrow account of Toates Law Firm (the “**Escrow Agent**”) and disbursed in accordance with the terms and conditions of this Agreement. The Initial Earnest Money, Second Earnest Money, Final Earnest Money, and any Extension Earnest Money made pursuant to Article 4 (collectively “**Earnest Money**”) shall be fully applicable to the Purchase Price.
 - 2.2.1 Initial Earnest Money. Within five (5) business days after the Agreement Date, Purchaser shall deposit with Escrow Agent an earnest money deposit in the amount of

SEVEN THOUSAND FIVE HUNDRED AND 00/100 DOLLARS (\$7,500.00) (the “**Initial Earnest Money**”). The Initial Earnest Money shall remain fully refundable to Purchaser until ten (10) ~~business~~ days after the Authority publishes the pre-application scores, which is expected to occur on or about February 28, 2025 (“**Pre-App Scores Date**”).

2.2.2 Second Earnest Money. Within ten (10) ~~business~~ days after the due date for the application for Tax Credits, as set by the Authority, which is expected to occur on May 23, 2025 (the “**LIHTC Application Date**”), Purchaser shall deposit with Escrow Agent an earnest money deposit in the amount of TEN THOUSAND FIVE HUNDRED AND 00/100 DOLLARS (\$10,000.00) (the “**Second Earnest Money**”). The Second Earnest Money shall be “non-refundable” to Purchaser.

2.2.3 Final Earnest Money. Within ten (10) ~~business~~ days after the date on which Purchaser receives an award of Tax Credits from the Authority (“**LIHTC Award Date**”), which is expected to occur in or around September 2025, Purchaser shall deposit with Escrow Agent an earnest money deposit in the amount FORTY-TWO THOUSAND FIVE HUNDRED AND 00/100 DOLLARS (\$42,500) (the “**Final Earnest Money**”). The Final Earnest Money shall be non-refundable to Purchaser.

ARTICLE 3. CONDITIONS PRECEDENT

3.1 Due Diligence. Seller shall allow Purchaser one due diligence period that shall begin five (5) business days after the Agreement Date and extend through ten (10) days after the South Carolina State Housing Finance & Development Authority (“**SC Housing**”) publishes the scores for the Low Income Housing Tax Credit (LIHTC) preliminary applications, which is expected to occur on or about **February 28, 2025 (“Pre-App Scores Date”)** in which to complete due diligence requirements as set out in the purchase agreement and otherwise determine in its sole discretion the suitability of the Property for its purposes.

If at any time prior to the expiration of the Due Diligence Period Purchaser determines, in its sole discretion, the Property is unsuitable or undesirable for any reason or no reason at all, Purchaser shall be entitled to negotiate the purchase price with the Seller or terminate this Agreement and neither party shall have any further rights or obligations thereunder. Upon such termination any earnest monies that have not yet become non-refundable pursuant to Sections 2.2.1 or 2.2.2 shall be returned to Purchaser. Purchaser shall have this Due Diligence Period to conduct the following analysis of the Property to its satisfaction in its sole discretion:

3.1.1 Purchaser’s receipt, review and approval of: (a) utility will-serve letters confirming that all necessary utilities are available in sufficient capacity to service the Project; (b) an engineering report indicating that the soil condition, quality, density and bearing capacity are suitable for the Project; and (c) a zoning letter or report confirming the zoning for the Property will allow Purchaser to develop and operate the Project, and that either (i) no conditional use permit, variance or any other land use permit or approval is necessary for the Project or (ii) any conditional use permit, variance or other land use permits or approvals necessary for the Project have been obtained;

- 3.1.2** Purchaser's determination, that any associated impact fees, utility hook-up or tap-in fees, or any other associated development and/or construction related fees imposed by any applicable governmental authority are acceptable to Purchaser.
- 3.1.3** Purchaser's receipt, review and approval of: (a) a standard ALTA commitment for title insurance from a title insurer approved by Purchaser; (b) an environmental report; (c) an ALTA boundary survey; and (d) a flood plain certification and a wetland delineation report indicating that the presence of perennial and/or intermittent streams (and their associated buffers), wetlands and/or floodplains will not impede the development or operation of the Project;
- 3.1.4** Purchaser's receipt of all necessary and customary permits from any and all applicable governmental authorities in order for Purchaser to develop and operate the Project, including those for all necessary utilities, access, building construction, site construction and off-site improvements (such as road widening easements and permits from applicable departments of transportation); and
- 3.1.5** Purchaser's receipt of all necessary approvals related to any and all construction and permanent financing, equity investment and secondary financing for the development and operation of the Project.

In the event any condition precedent in this Article 3.1 is not satisfied by the date specified in this Article 3.1, Purchaser shall have the right to terminate the Agreement upon notice to Seller and receive a refund of any refundable Earnest Money, and neither party shall have any further rights or obligations under the Agreement whatsoever.

- 3.2** Award of Tax Credits. If Purchaser's project does not receive an award of Tax Credits, Purchaser may terminate this Agreement by providing written notice to Seller within 10 days after the Award Date, which is expected to occur on or about **September 2025** (the "**Award Date**") and neither party shall have any further rights or obligations hereunder. Upon such termination, the Initial Earnest Money and Second Earnest Money shall be released to Seller and thereafter neither party shall have any further rights or obligations hereunder. If Purchaser does receive an award of Tax Credits, the Final Earnest Money will be deposited as described in Section 2.2.3.
- 3.3** HOME Funds. Notwithstanding any provision of this Agreement, if U.S. Department of Housing and Urban Development (HUD) funds are used, including, but not limited to HOME funds, the parties agree and acknowledge that this Agreement does not constitute a commitment of funds or site approval, and that such commitment of funds or approval may occur only upon satisfactory completion of an environmental review and receipt of a release of funds notice from the U.S. Department of HUD under 24 CFR Part 58. The parties further agree that the provision of any federal funds to the project is conditioned on the determination to proceed with, modify or cancel the project based on the results of a subsequent environmental review. If no HUD funds are utilized in regard to this property, this provision shall be considered null and void.

ARTICLE 4. CLOSING

Unless extended in accordance herewith, Closing shall occur on or before the date that is six (6) months after the Award Date (the “**Closing Date**”), subsequent to the satisfaction or waiver in writing of all of the conditions precedent set forth in Article 3, above, at the office of Purchaser’s attorney or such other venue mutually agreed upon by Purchaser and Seller; provided, however, that Purchaser shall have the right to schedule a closing any time. On or before two weeks prior to the Closing Date, Purchaser may extend the Closing Date for sixty (60) days per extension by giving Seller written notice of such extension prior to the Closing Date and depositing \$5,000 per extension, non-refundable additional earnest money (“**Extension Earnest Money**”) with Escrow Agent, which such deposit, ~~plus interest,~~ shall be credited to the Purchase Price at closing.

Seller shall deliver at closing: (a) limited warranty deed conveying the Property to Purchaser (or its designee) subject to those exceptions approved by Purchaser; (b) all easements necessary for the development and operation of the Project; (c) lien affidavit acceptable to the title insurer; and (d) such other customary documents, instruments, certifications and confirmations as may be reasonably required to fully effect and consummate the transactions contemplated hereby. In addition, in the event required by Purchaser in order to obtain survey coverage in regard to the title policy for the Property, Seller shall deliver a quit claim deed for the legal description of the Property contained on the ALTA survey described in Article 3, above. Purchaser shall deliver at closing: (a) the remaining balance of the Purchase Price as provided by this Agreement; and (b) such other documents, instruments, certifications and confirmations as may be reasonably required to fully effect and consummate the transaction contemplated hereby. At all times until closing, Seller shall maintain the legal title to the Property free and clear of any and all defects, liens, and encumbrances of every kind and nature (other than deeds of trust that will be released at closing). Purchaser and Seller shall prorate all taxes, income, expenses and costs (if any) related to the Property as of the date of closing. Seller shall pay for the preparation of the deed to the Property, and the South Carolina Real Estate Transfer Tax applicable to the transfer of the Property (if any). Purchaser shall be responsible for the title insurance premium, and the cost of recording the general warranty deed and any other instruments to be recorded under the terms of this Agreement with respect to the Property. Except as may otherwise be stated herein, each party shall bear its own expense or expenses, including its own attorney fees. Purchaser shall be responsible for any rollback taxes, if any are assessed.

ARTICLE 5. DEFAULTS AND REMEDIES

In the event the sale of the Property is not closed pursuant to this Agreement due to a default hereunder by Seller or failure of performance hereunder by Seller, then Purchaser shall give Seller written notice specifying Seller’s default or failure of performance, and Seller shall have ten (10) business days to cure the default or failure of performance. In the event that Seller fails to cure Seller’s default or failure of performance within the ten (10) day period, then the Earnest Money shall be immediately refunded and returned to Purchaser, and, in addition, Purchaser may enforce and exercise its rights and remedies available at law or in equity, including without limitation an action for specific performance of this Agreement. In the event the sale of the Property is not closed pursuant to this Agreement due to a default hereunder by Purchaser or failure of performance by Purchaser, then Seller shall give Purchaser written notice specifying Purchaser’s default or failure of

performance, and Purchaser shall have ten (10) business days to cure the default or failure of performance. In the event that Purchaser fails to cure Purchaser's default or failure of performance within the ten (10) day period, then the Earnest Money shall be immediately forfeited by Purchaser, and retained by Seller as and for liquidated damages, ~~and as Seller's sole and exclusive remedy; and thence the parties shall have no further rights, duties or obligations hereunder.~~ In addition, Seller reserves the right to enforce and exercise any and all remedies available at law or in equity.

ARTICLE 6. REPRESENTATIONS AND WARRANTIES.

6.1. Representations and Warranties by Seller. Seller represents and warrants to Buyer as of the Effective Date and the Closing Date as follows:

- 6.1.1 Proceedings. There is no action, litigation, investigation, condemnation or proceeding of any kind pending or, to Seller's knowledge, threatened against Seller or any portion of the Property.
- 6.1.2 No Conflict or Lien. Neither the execution or delivery of this Agreement nor the consummation of the transaction as contemplated herein will conflict with or result in a breach of any contract, license or undertaking to which Seller is a party or by which any of its property is bound, or constitute a default thereunder or, except as contemplated herein, result in the creation of any lien or encumbrance upon the Property.
- 6.1.3 No Condemnation. Seller has not received any notice of any pending or threatened condemnation or similar proceeding or pending public improvements to or adjoining the Property which to Seller's knowledge will in any manner affect the Property.
- 6.1.4 Status. Seller is a limited liability company, duly incorporated, validly existing and in good standing under the laws of the State of South Carolina, is duly qualified to transact business in the State of South Carolina and has the requisite power and authority to carry on its business as now conducted.
- 6.1.5 Due Authorization. This Agreement has been duly authorized, executed, and delivered by Seller, is the legal, valid and binding obligation of Seller and does not violate any provision of Seller's organizational documents or any agreement or judicial order to which Seller is a party or to which Seller or the Property, or any portion thereof, are subject. The consents of no other Seller Parties are required as a condition to the Closing.
- 6.1.6 FIRPTA. Seller is not a "foreign person", as such term is defined in Internal Revenue Code Section 1445.
- 6.1.7 Wells. To Seller's actual knowledge, there are currently no wells located on the Property.
- 6.1.8 Unpaid Labor and Materials. Seller is not indebted for labor or material (or will not be, as of the Closing Date) that might give rise to the filing of notice of mechanic's lien against the Property.

- 6.1.9 Unrecorded Agreements. To Seller's knowledge, there are no unrecorded agreements, undertakings or restrictions which affect the Property, including without limitation, any leases or possessory rights of others regarding the Property.
- 6.1.10 Environmental Laws. Except as disclosed in any environmental reports included within the Seller's Documents, Seller has not generated, treated, stored, transferred from, released or disposed of, or otherwise placed, deposited hazardous substances in violation of any applicable federal, state or local environmental laws ("Hazardous Substances") in or located on the Property, and Seller has not undertaken any activity on the Property that would cause or contribute to the Property becoming a treatment, storage or disposal facility within the meaning of, or otherwise bring the Property within the ambit of, any applicable laws relating to the protection of the environment. To Seller's actual knowledge, except as disclosed in any environmental reports included within the Seller's Documents, no Hazardous Substances have been released in or on the Property in violation of any Regulations relating to the protection of the environment. Except as disclosed in any environmental reports included within the Seller's Documents, the Property is not now, and never has been, listed on any list of sites contaminated with Hazardous Substances, nor used as landfill, dump, disposal or storage site for Hazardous Substances.
- 6.1.11 Use of Property. To Seller's knowledge, no methamphetamine production has occurred on the Property.
- 6.2. Representations and Warranties by Buyer. Buyer represents and warrants to Seller as of the Effective Date and the Closing Date:
- 6.2.1 Status. Buyer is duly organized, validly existing and in good standing under the laws of the State of North Carolina.
- 6.2.2 Due Authorization. This Agreement has been duly authorized, executed, and delivered by Buyer, is the legal, valid and binding obligation of Buyer and does not violate any provision of Buyer's organizational documents or any agreement or judicial order to which Buyer is a party or to which Seller or the Property, or any portion thereof, are subject.

ARTICLE 7. MISCELLANEOUS

- 7.1 Documents. Within five (5) days of the Effective Date, Seller shall deliver to Purchaser true, correct and complete copies of any title policies, commitments, surveys, plans and specifications, environmental reports or any other documents related to the Property, or any part thereof, which are in Seller's possession, or which are readily available to Seller. Seller shall also provide Purchaser with any documentation or disclosure relating to any (i) pending litigation, (ii) violations of any law, regulation, order or requirements issued by any governmental agency or authority against, and (iii) insurance loss runs (or other evidence of insurance claims) for the last five years, relating to the Property, and.
- 7.2 Access. Seller will allow Purchaser and its agents continuing access at reasonable times to the

Property, for the purpose of conducting inspections. Following any such investigations or inspections contemplated by this Agreement, Purchaser shall, at Purchaser's expense, promptly restore the Property to its condition prior to such inspection or investigation, and Purchaser shall defend, indemnify and hold harmless each Seller from all costs or expense of every type and description (including reasonable attorney's fees) arising out of any personal injury or property damage caused by any agent, servant, employee or contractor of Purchaser during any such investigation or inspection.

- 7.3 Notices. Any notice, request, demand, instruction or other document to be given or served hereunder or under any document or instrument executed pursuant hereto shall be in writing and shall be delivered personally or sent by United States registered or certified mail, return receipt requested, postage prepaid, or by overnight express courier, postage prepaid and addressed to the parties at their respective addresses set forth above, and the same shall be effective upon receipt if delivered personally or three (3) business days after deposit in the mails if mailed. A party may change its address for receipt of notices by service of a notice of such change in accordance herewith.
- 7.4 Assignment. Purchaser may assign all of Purchaser's right, title and interest in and to this Contract to an affiliate of Purchaser after written notice to Seller, but without obtaining Seller's prior written consent provided, however, Purchaser shall not be released from, and shall remain liable for, the Purchaser obligations, including payment obligations hereunder. This Contract shall inure to the benefit of and be binding upon the heirs, personal representatives, successors and assigns of the parties.
- 7.5 Attorney's Fees. In the event either party hereto brings against any other party an action at law or other proceeding permitted under the terms of this Agreement in order to enforce or interpret any of the terms, covenants or conditions hereof or any instrument executed pursuant to this Agreement or by reason of any breach or default hereunder or thereunder, the party prevailing in any such action or proceeding shall be paid all costs, including reasonable attorneys' fees. Any such action or proceeding, by either party, shall be commenced in Oconee County, South Carolina.
- 7.6 Binding Agreement. This Agreement shall be binding on and shall inure to the benefit of the parties named herein and to their respective personal representatives, successors and permitted assigns. This Agreement shall be construed and interpreted according to the laws of the State of South Carolina. This Agreement constitutes the entire undertaking between the parties hereto, and supersedes any and all prior agreements, arrangements and understanding between the parties. This Agreement may be amended only by a written agreement executed by all of the parties hereto.
- ~~7.7 Memorandum of Agreement. Seller hereby authorizes Purchaser to memorialize this Agreement or any portion thereof in the register of deeds where the Property is located and agrees to promptly execute any documentation reasonably required by Purchaser to effectuate the same.~~
- 7.8 Brokerage. Reedy Property Group is acting as the agent for Seller in this transaction. There are no other Brokers involved and Purchaser is a customer. All brokerage fees and/or commission

associated with the purchase and sale of this Property shall be paid by the Seller.

- 7.9 Section 1031 Exchange. Seller and/or Purchaser may consummate this transaction as a part of a so-called like kind exchange (an "Exchange") pursuant to §1031 of the Internal Revenue Code of 1986, as amended (the "Code"), and each agrees to reasonably cooperate with the other to so consummate this transaction provided that: (i) the Closing shall not be delayed or affected by an Exchange nor shall the consummation or accomplishment of the Exchange be a condition precedent or condition subsequent to the obligations under this Agreement of the party conducting an Exchange; (ii) the party conducting an Exchange shall effect the Exchange through a qualified intermediary and the other party shall not be required to take an assignment of the purchase agreement for the exchange property or be required to acquire or hold title to any real property for purpose of consummating such Exchange; (iii) the party conducting an Exchange shall pay any additional costs that would not otherwise have been incurred by the parties had such party not consummated this transaction through the Exchange. Neither party shall by this agreement of acquiescence to an Exchange (1) have its rights under this Agreement affected in any manner, or (2) be responsible for compliance with or be deemed to have warranted to the party conducting an Exchange that such Exchange in fact complies with §1031 of the Code.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Agreement Date.

Seller:

JSCI Burke Property LLC

Signed by:
By: Sam Cox
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Name: Sam Cox

Title: owner

Date: 1/7/2025

Purchaser:

MERCY HOUSING SOUTH EAST, Inc.
a North Carolina nonprofit corporation

By: James Alexander

Name: James Alexander

Title: President

Date: 1/9/25

EXHIBIT A



Exhibit B
Unsuitable Soils

Cost of Site Work (per acre)	Reduction in Total Purchase Price
0-\$500K	None
\$500K-\$750K	\$350,000
\$750K-\$1,000,000	\$500,000
\$1,000,000+	\$650,000