



South Carolina State Housing Finance and Development Authority (SC Housing)
300-C Outlet Pointe Boulevard
Columbia, SC 29210

Exhibit K Explanation – Palms on Ashley River

To Whom it May Concern:

Please accept this statement as a detailed explanation in addition to Exhibit K, the previous participation certificate, addressing the following instances:

- Deferred maintenance, mold, building code violations or other evidence of poor maintenance at properties monitored by the Authority.
 - There is no material, ongoing, and unresolved maintenance, mold, or building code violations. Any previous maintenance, mold or building code violations have been promptly addressed upon our notice thereof.
 - As owners of over 170 properties, certain affiliates have received code notices and violations in the ordinary course of owning and operating a large real estate portfolio. Any such violations are promptly cured and have not resulted in a material adverse impact on a project or property
- Failure to pay Compliance Monitoring Fees.
 - To the best of our knowledge, there has been no such failure.
- Failure to submit rent rolls, annual owner certifications, or other required reporting
 - To the best of our knowledge, there has been no such failure.
- Failure to report to the Authority any common areas, buildings or dwelling units that have been out of service for a period exceeding 30 days due to damage or disrepair.
 - To the best of our knowledge, there has been no such failure.
- Failure to notify the Authority of a change in property ownership or management
 - To the best of our knowledge, there has been no such failure.